



16 MAR, 2026

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The Star, Malaysia



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PETALING JAYA: Analysts have raised their earnings forecasts for MN Holdings Bhd after its recent RM216mil contract win for a data centre (DC) substation project.

The company's wholly-owned subsidiary, Mutu Nusantara Sdn Bhd, accepted a letter of appointment from an unnamed existing client for the design, construction, installation, testing, and commissioning of a substation.

The project also includes high-voltage cable connections between CS (consumer substation) sites for DCs located in southern Peninsular Malaysia.

The project work commenced on Feb 1, 2026, and is scheduled for completion by September this year.

"This contract represents MN Holdings' largest substation project to date and marks Phase 2 of its previous largest contract win in 2025," said Hong Leong Investment Bank (HLIB) Research.

"Notably, the Phase 1 project was energised ahead of schedule (December 2025), taking only eight months to completion.

"We believe the MN Holdings' strong

execution track record has paved the way for this Phase 2 award."

As a result, HLIB Research lifted its earnings estimates for the financial year ending Jun 30, 2026 (FY26), FY27, and FY28 by 2.3%, 9.5%, and 10.5%, respectively.

It said the upward revision reflected its higher FY26 project win assumption, raised to RM600mil from RM450mil previously.

"With this latest win, MN Holdings' order book has replenished to RM1.05bil, bringing total contract wins for FY26 to about RM500mil," it said.

"The strong order book represents a 1.9 times cover of FY25 revenue and should keep the group busy over the next two years."

HLIB Research expressed optimism about the group's near-term project win potential, spurred by the recent contract.

"Management indicated that around RM600mil worth of DC contracts are currently at the finalisation stage," it said.

"With RM216mil already secured, we expect a further RM400mil of contracts to be awarded over the near term."

Should this materialise in FY26, MN Holdings' total contract wins could reach about RM900mil, it estimated.

Given the group's strong execution track record and RM2.9bil tender book, the research house expects a high likelihood of securing additional contracts, particularly those related to Tenaga Nasional Bhd (TNB), DCs, and solar projects moving forward.

HLIB Research maintained its "buy" call on the stock with a higher target price (TP) of RM2.55, up from RM2.41 previously.

"We favour the group for its strong exposure to high-growth sectors such as solar and DCs," it said.

"MN Holdings is well-positioned as a proxy for Malaysia's rising power demand and stands to benefit from TNB's capital expenditure upcycle."

Maybank Investment Bank Research (Maybank IB) also adjusted its FY26 to FY28 earnings estimates for MN Holdings' higher by 7% to 44%.

This came after the research house raised its job replenishment assumption for the group to RM990mil to RM1.2bil over

FY26 to FY28 in light of stronger-than-expected replenishment momentum.

"Year-to-date, new job wins now stand at around RM476.2mil, representing 95% of our initial RM500mil replenishment assumption, which we deem to have exceeded our expectations as replenishment prospects are well supported by its RM2.9bil tender book, primarily driven by TNB (49%) and DC (25%) tenders."

It projected a three-year FY25 to FY28 core net profit compound annual growth rate of 27.2%, underpinned by rising contribution from substation and underground utilities projects.

"MN Holdings remains our top pick in the small mid-cap space," it said.

Maybank IB maintained its "buy" rating on the stock and raised its TP from RM2.39 to RM2.47.

Meanwhile, Phillip Capital Research kept its earnings forecast for MN Holdings, as the contract win was within its replenishment target.

It also retained its "buy" call on the stock with an unchanged 12-month TP of RM2.37.