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## PublicInvest starts CBH Engineering coverage

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### 'OUTPERFORM' CALL

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**KUALA LUMPUR:** Public Investment Bank Bhd (PublicInvest) has initiated coverage on CBH Engineering Holding Bhd with an "outperform" call and a target price of 41 sen.

The research house expects CBH's net profit to grow at a compound annual growth rate of 7.5 per cent over three years, reaching RM51.9 million by financial year 2027.

It said the growth prospects were backed by an unbilled orderbook of RM450 million, with data centre projects accounting for more than 80 per cent of the total.

"The order book provides one to two years of earnings visibility. At the same time, CBH is broadening its focus on Tenaga Nasional Bhd (TNB) through active participation in tenders, specifically for 33 kilovolt and 132 kilovolt projects.

"While TNB contracts generally carry lower margins, they offer a strategic avenue to diversify revenue beyond data centre projects and to build a more sustainable, recurring earnings base over the longer term."

PublicInvest said it favoured CBH for its solid growth prospects, underpinned by rising investments in end-user industries such as data centres, alongside developments in the residential, commercial and industrial property segments.

The growth is fuelled by the

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adoption of digital technologies, with further support from resilient domestic demand and a recovery in external demand.

The research house said data centre projects made up a significant portion of CBH's pipeline, representing more than 60 per cent of its current order book and over 90 per cent of its tender book.

"Consequently, the group's share price performance suffered in the first half of 2025 due to United States restrictions on artificial intelligence chip exports and concerns over the sector's long-term growth.

"The share price rebounded in August following major contract wins in data centre projects," it said, adding that despite the recovery, CBH's heavy reliance on this segment left it exposed to the sector's inherent boom-and-bust cycles.