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PETALING JAYA: Keeming Group Bhd is in a sweet spot to gain from data centre (DC) and renewable energy or RE sectors infrastructure build-out works in Malaysia, backed by its robust financial profile that supports rapid scaling.

Kenanga Research stated Keeming is at present riding a significant upcycle in mechanical and electrical services, driven by the capital expenditure from the DC and solar sectors.

It noted Keeming's current order book stood at RM172mil, with an estimated 70% to be recognised in financial year 2027 (FY27). "Based on the current tender book of RM1.7bil and applying a historical win rate of 15% to 20%, this implies potential

replenishment of RM250mil to RM340mil, lifting total order book to RM500mil (three times FY26 revenue).

"We see low execution risk backed by net cash of RM47mil and 15 project managers, which we estimate enables the group to tender for up to RM900mil in job opportunities," the research house noted in an initiation report on Keeming.

The RM1.7bil tender book includes RM500mil in DC tenders submitted in June.

Kenanga Research added that unlike main contractors, Keeming focuses on post core and shell works, such as cable works and testing and commissioning. This niche protects the company from smaller competitors who lack necessary International

Organization for Standardization or ISO credentials and hyperscaler approvals.

It believes Keeming can enjoy strategic growth via its partnership with Solarvest Holdings Bhd which will enable it to capture solar interconnection facility works estimated to be worth RM833mil. Solarvest currently holds a 24% stake in Keeming.

Keeming is also aiming to become a Tenaga Nasional Bhd tier-one contractor, which, if fruitful, could potentially provide multi-year execution and recurring earnings visibility. Kenanga Research forecasts a two-year core earnings compounded annual growth rate of 19% through FY28.

It has an "outperform" call on Keeming with a target price of RM1.80 a share.