



24 JUL, 2025

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Borneo Post (KK), Malaysia



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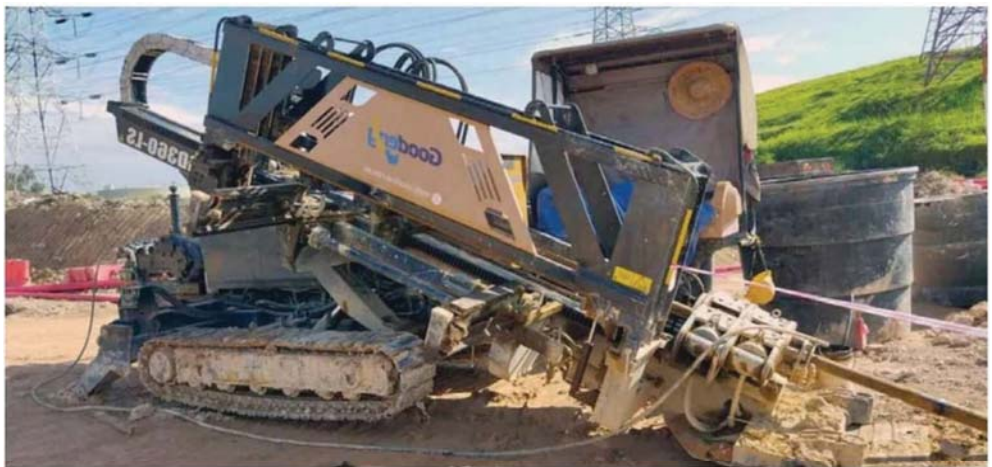
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KUCHING: MN Holdings Bhd (MN Holdings) is expected to see some short-term quarter on quarter (q-o-q) moderation in its fourth quarter (4Q) earnings, but analysts from Maybank Investment Bank Bhd (Maybank Research) believe that its long-term structural growth theme still remains intact.

In a recent company report, the research arm guided that the short-term dip in earnings will be due to the wrapping up of a major project. However, this is only temporary as the utility infrastructure contractor's earnings are likely to pick up as recognition from newer projects ramps up in the following quarters.

"MN Holdings has secured one new job in its financial year 2026 (FY26) so far, making up 6 per cent of our RM500 million new job win assumption for FY26," they said.

As for the group's long-term structural growth, Maybank Research guides that its multi-year growth runway will be reinforced by the ongoing data centre (DC) buildout, grid infrastructure upgrades and potential



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opportunities in large scale solar (LSS) and battery energy storage systems (BESS).

"MN Holdings's management expects the DC cycle to extend through 2030, as its key clients are proceeding with expansion as planned, underpinning its RM1.8 billion tender book and RM1.2 billion order book.

"At the same time, Tenaga Nasional Bhd's (TNB) increased energy supply agreement (ESA) signings, rising to 6.4GW as at the first quarter of 2025 (1Q25) from

5.9GW at end of financial year 2024 (FY24), serve as a barometer for future grid infrastructure jobs, which MN Holdings is well-positioned to secure, especially in Johor where multiple 275kV and 500kV projects are in the pipeline," the analyst detailed.

With bright prospects and strong earnings visibility, Maybank Research reiterates their 'buy' call on MN Holdings with an upgraded target price (TP) of RM1.88 which is pegged to the a 19-times price earnings ratio

(PER).

"Previously, we pegged our target PER at 17-times or -0.5 standard deviation below the 3-year mean. However, given the sustained job momentum, we believe a valuation to its mean is now warranted," they opined.

On a separate note, the recent news of the Malaysian Anti-Corruption Commission (MACC) probing into a major RM180 million DC project in Johor has had some negative impact on MN Holdings' share price.