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PETALING JAYA: MN Holdings Bhd (MNH), a solution provider for infrastructure utilities construction industries, is liked by analysts for its strong exposure to high-growth sectors such as solar and data centres (DCs).

According to Hong Leong Investment Bank (HLIB) Research, MNH is well-positioned to become a proxy to the country's rising power demand and benefit from Tenaga Nasional Bhd's (TNB) capital expenditure upcycle.

"After a stellar fourth quarter ended June 30, 2025 (4Q25) performance, management expects the next two quarters to deliver results that match or even surpass previous levels, driven by stronger billings from DC contracts," it told clients.

"Looking ahead, we see ample project pipelines across the DC, solar and TNB, with the upcoming wave of power infrastructure projects expected to provide an additional boost," it added.

HLIB Research pointed out that the group's management was targeting three to four wins under the Large Scale Solar programme or LSS5, each valued at RM30mil to RM40mil.

The recently completed private placement strengthened the group's ability to finance the wins, with 30% to 40% of proceeds earmarked for future working capital, it added.

Overall, it maintained its "buy" rating on MNH with a higher target price of RM1.93, based on 20 times 2026 fully diluted earnings per share.

The stock was RM1.81 at press time.

In the report, HLIB Research said having already tendered for four LSS5-related jobs, the group anticipated an additional six to be called for tender soon.

"Management believes the pricing for this round will be more favourable, supported by lower solar panel costs secured under LSS5 and the absence of the cost acceleration pressures experienced during LSS4.

"Looking ahead, the recently awarded LSS5+ projects indicated an additional pipeline of power infrastructure works which are expected to be awarded once asset owners complete financial close and appoint contractors likely within six to seven months."

HLIB Research is not changing its forecasts for the company's earnings, for now.