



25 APR, 2025

MN Holdings revenue visibility intact

The Star, Malaysia



MN Holdings revenue visibility intact

PETALING JAYA: MN Holdings Bhd's (MNH) latest contract win raises the group's outstanding order book to a record high of RM1.2bil, providing strong revenue visibility until financial year 2027 (FY27).

Inclusive of this win, MNH secured RM1.1bil in new contracts year-to-date and this is equivalent to 4.7 times FY24 revenue cover ratio.

Assuming a 7% profit after margin, Phillip Capital Research projects that this contract will contribute about RM2.1mil in profit after tax and minority interest over FY26-FY27.

Looking ahead, the tender pipeline remains strong at RM1.4bil across various sectors, including Tenaga Nasional Bhd/Sarawak Energy (40%), data centres (DC) (39%), solar (11%), water and sewerage (2%) and others (8%).

The research house expects stronger momentum for solar-related tenders in 2026, driven by the upcoming roll-out of LSS5 (large scale solar), LSS5+, and LSS6, which are set to release over 6 gigawatts of quota across 2025-27.

Phillip Capital Research maintains its "buy" call with a target price (TP) of RM1.68 a share.

Hong Leong Investment Bank (HLIB) Research also maintains its "buy" call with a TP of RM1.74 a share, based on 20 times FY26 fully diluted earnings per share of 8.7 sen.

HLIB Research favours the group for its strong exposure to high-growth sectors such as solar and DC. Additionally, MNH is well-positioned as a proxy for Malaysia's rising power demand and stands to benefit from Tenaga's capital expenditure upcycle.

MNH's wholly-owned subsidiary, MN Power Transmission Sdn Bhd secured a letter of award worth RM29.7mil for the establishment of new interconnection facilities at the existing transmission main intake at Aman Jaya (Kedah). It added that this robust order book represents a 4.6 times cover of FY24 revenue.