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MN Holdings enhances its financial capacity

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Prospects include data centres and TNB projects

ENERGY

PETALING JAYA: MN Holdings Bhd's three-year revenue and net profit are expected to hit a compounded annual growth rate (CAGR) of 23% and 15% respectively over financial years 2025 (FY25) to FY28.

This would be supported by its RM1.1bil order book and robust replenishment prospects from data centres (DCs), Tenaga Nasional Bhd (TNB) and solar segments, said Phillip Capital Research.

MN Holding's enlarged war chest from its recent private placement exercise, raising RM101mil gross proceeds, further strengthened its financial capacity to capitalise on new project opportunities, it added.

It said MN Holdings' outstanding order book of RM1.1bil is expected to sustain first half FY26 earnings momentum.

This will be supported by the completion of two substation expansion projects for customer A (RM92mil), substation engineering, procurement, construction and commissioning projects for customer E (RM180mil), and progress ramp up across multiple TNB projects.

The research house raised its 12-month target price to RM2.20 from RM1.82 a share after factoring in stronger earnings forecasts and ascribing a higher price earnings ratio multiple of 20 times (from 18 times)

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Phillip Capital Research

on fully diluted 2026 earnings per share.

Phillip Capital is maintaining its “buy” rating for the stock.

The research house raised its FY26-FY28 earnings by 6% to 10% after factoring in accelerated progress on TNB projects and improved margins from higher DC project revenue mix.

MN Holdings' earnings grew at a three-year CAGR of 83% over FY22-FY25 driven by its rising exposure to DC-related projects, which supported order book growth and margin expansions.

“DC power infrastructure projects typically carry a higher gross profit margin of 20% to 25%, above the 15% to 18% margins for TNB projects, given the quicker project turnaround seen in DC jobs,” said the research house.

It is backed by a RM777mil tender book comprising DC (44%), solar (24%), and TNB (14%) jobs.

Phillip Capital Research's order book

replenishment assumptions remained unchanged at RM700mil, RM800mil and RM800mil for FY26-FY28, supported by strong visibility from the expansion plans of existing clients.

With new tender submissions in the pipeline for DC and TNB projects, Phillip Capital expects the tender book to increase back to historical RM1bil to RM1.2bil levels by end-FY26, which would position the group for continued growth momentum.

“It is in a strong position to capture structural growth opportunities in the power infrastructure segment and strategic exposure to the fast-growing DC and solar sectors,” said the research house.

The rising wave of DC and solar investment is set to drive a sector-wide re-rating, with industry players benefiting from stronger earnings traction, deeper order book visibility and a structurally expanding addressable market, it added.