



29 JUN, 2026

## YTL Power stamping its mark on DC sector

The Star, Malaysia



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## Group's medium-term earnings trajectory to get a lift

### ENERGY

**PETALING JAYA:** YTL Power International Bhd is expected to strengthen its position as a leading regional data centre (DC) player as it accelerates capacity expansion in Johor and explores new growth opportunities across Malaysia and overseas.

The utility and infrastructure group's expanding DC footprint, coupled with growing demand from global hyperscale customers, is expected to underpin its medium-term earnings trajectory.

Following a site visit to the YTL Green Data Centre Park in Kulai, MBSB Research said it is "encouraged by the ongoing progress at the campus, which was bustling with construction activities".

The research house maintained its "buy" call on YTL Power with an unchanged target price of RM5.65, noting that the valuation remains compelling.

The target price implies an estimated price-earnings ratio (PER) of 22.5 times for financial year ending June 30, 2027 (FY27).

At its current share price, YTL Power is trading at 16.3 times FY27 PER, which still provides a very attractive entry point, according to MBSB Research.

The research house said it continued to favour YTL Power's strategic push into DCs, describing the segment as "a new growth area for the group".

It noted that the Kulai campus has expanded rapidly.

There are currently four operational DCs, one undergoing testing and two under construction, compared with only one

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operational facility in December 2024.

As at the third quarter of FY26, delivered capacity stood at 150MW, up from 110MW in the preceding quarter.

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The customer base comprises four to five clients, most of whom are major global hyperscalers.

YTL Power is now planning to double its original 600MW Kulai target to 1.2GW, necessitating the construction of an additional consumer landing station and the securing of more power supply from Tenaga Nasional Bhd.

The company is also working with customers and technology partners, including Nvidia Corp, to prepare for future artificial intelligence workloads and increasingly power-dense graphics processing unit technology.

Beyond Kulai, MBSB Research highlight-

ed an ambitious 2.4GW DC pipeline.

The nearest expansion outside Johor is expected to be in Cyberjaya, where YTL Power owns an 11.03-acre site capable of housing a 70MW facility, while future developments could include about 1,000MW in the Klang Valley.

Overseas opportunities are also being evaluated in Thailand, Indonesia, Japan and the United Kingdom.

Management remains optimistic about the colocation market, supported by robust demand and faster deployment timelines.

Construction periods have been shortened to about 12 months from 18 to 24 months previously.

In April, management guided a build rate of 100MW every 15 months.

Separately, around 215MW of off-grid solar capacity is expected to be commissioned by the end of 2026 as part of a longer-term 600MW solar plan at the site.

The project is being developed by the group's 70%-owned SIPP Power Sdn Bhd.