SCGBHD (0225)

Data Center Boom To Benefit The Cable Industry



Tradingview

Technical Outlook

Price formed a bullish hammer at EMA120 and followed by a bull flag breakout, indicating that uptrend is still intact. Price is expected to retest its immediate resistance zone at RM1.35-1.39, while being supported at RM1.12-1.16, with a cut-loss level set at RM1.05.

Trading Catalysts

- **Upgrade in national grid fuels stronger demand.** According to TENAGA, Malaysia's AI data center boom is projected to increase electricity demand by 35% by 2030. As a key supplier of power and telecommunication cables, SCGBHD is poised to benefit from the infrastructure upgrades and developments by TENAGA.

- **Stable earnings visibility for the next 2 years**. As of the latest QR, the group has secured orders, totalling RM699.3m, expected to be fulfilled by FY26. These contracts include supplying underground cables and conductors to power utility companies, rectifier and battery systems to a major telecommunications company, and purchase orders from EPCC contractors.

- **Undervalued compared to its peers.** According to Bloomberg, the group is trading at a forward P/E of 17.8x, representing a 41.8% discount compared to the peers' average of 30.6x.

Peer Comparison

Company	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend	M+ Scoring Quality	M+ Scoring Momentum	M+ Scoring Combined
SCGBHD	**1.280**	**1171.9**	**17.6**	**17.8**	**17.5**	**2.8**	**Positive bias**	**Up**	**A**	**A**	**A**
PIE	5.000	1920.2	30.2	28.9	10.7	6.0	Negative bias	Down	C	B	B
SCOMNET	1.230	1057.8	34.3	32.4	7.5	21.0	Negative bias	Down	D	C	C
MTEC	1.030	1050.6	37.7	-	24.0	8.2	Negative bias	Down	A	E	D
Avg ex-SCGBHD		**1342.9**	**34.1**	**30.6**	**14.1**	**11.8**					

Source: Bloomberg, M+ Research

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Southern Cable Group Berhad

Company profile

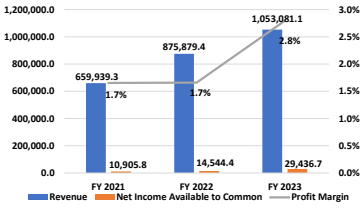
Southern Cable Group Berhad is principally involved in the manufacturing of cables and wires, plastic compounds, wooden cable drums, and also related products and services, including aluminum rods, trading of cables and wires, wooden cable drums, and copper strips and supply and installation of rectifiers.

Technical Data

Price	1.28
R1	1.35
R2	1.39
S1	1.16
S2	1.12

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

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(a) nil.