

Tuesday, 23 Sep, 2025

## HE Group Berhad (HEGROUP)

### Playing Catch Up in the DC Theme



TradingView

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#### HE Group Berhad

##### Company profile

HE Group Berhad, via Hexatech Engineering, provides electrical engineering services covering power distribution, equipment retrofitting, and upgrades, alongside building, mechanical, instrumentation, civil, and structural works for industrial and commercial clients.

##### Technical Data

Price	0.42
R1	0.47
R2	0.48
S1	0.41
S2	0.40

M+ Research, Bloomberg

### Technical Outlook

**Uptrend remains intact.** HEGROUP is poised to breakout of its sideways formation, targeting the resistance zone around RM0.47–0.48 as volume has picked up around the resistance-turned-support band of RM0.40–0.41. As the RSI is hovering above 50, we believe it is ripe and could see buying interest building up. However, a drop below RM0.40 would invalidate our technical buy setup.

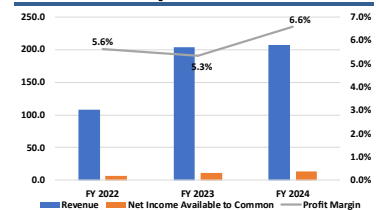
### Trading Catalysts

**Bargain on the Table.** According to consensus estimates, HEGROUP is projected to deliver FY25F revenue of ~RM155.7m. With a conservative net margin of 7.5%, this translates into a forward FY25F EPS of ~2.7 sen; pegging to its peers' average forward P/E of ~18x, we derive a LT-target of RM0.48, implying a potential upside of 14.3%.

**Playing Catch Up in the DC Space.** On a recent note, HEGROUP marked a key milestone with its entry into the DC industry, which typically offers higher-margin opportunities and faster project turnover. With its first DC contract secured, the Group's outstanding order book expand to RM106.7m, with guidance to secure an additional ~RM50m by FYE25.

**Plenty of projects in the pipeline.** With TENAGA's RP4 CapEx rollout as an indicative benchmark, we expect Malaysia's DC industry to continue grow rapidly over the next 2–3 years; which in turn, should spur demand for HEGROUP's offerings.

##### Financial Snapshot



M+ Research, Bloomberg

### Peer Comparison

Company	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend	Quality	M+ Scoring	Momentum	Combined
HEGROUP	0.420	184.8	13.2	16.2	23.1	6.6	Positive bias	Up	B	C	B	
KKB	1.270	366.7	14.8	18.1	6.3	4.1	Negative bias	Down	D	C	C	
KAB	0.360	786.6	31.0	18.0	9.1	8.8	Positive bias	Up	C	B	B	
SEB	0.560	44.6	40.3	-	2.9	0.8	Positive bias	Up	B	C	B	
<b>Avg ex-HEGROUP</b>		<b>399.3</b>	<b>28.7</b>	<b>18.1</b>	<b>6.1</b>	<b>4.6</b>						

Source: Bloomberg, M+ Research



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(a) nil.



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