

Wednesday, 27 Mar, 2024

Kelington Group Berhad

Strong orderbook with healthy replenishment

- KGB delivered a higher net profit at RM107.2m (+85.3% YoY) in FY23.
- Commencement of KGB's 2nd LCO2 plant in 1QCY24.
- As at 4QFY23, order book stood at RM1.3bn outstanding, coupled with a healthy replenishment rate from all its divisions.
- Technically, KGB last closed at RM2.73. Monitor for a breakout, targeting RM2.90-2.95, with a LT target at RM3.00. Support is located around RM2.62-2.65, while cut loss is at RM2.60.

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Company profile

KGB designs, fabricates and installs ultra-high purity gas and chemicals delivery systems.

KELINGTON GROUP BHD

Last Price (RM)	2.73
5 Day Change (%)	4.2
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	63.9
52Week Range Percentile (%)	95.3
Volatility 30D	32.5
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	5.8
DMI DI+	31.3
DMI DI-	10.6
ADX	41.2
RSI 14D	58.5
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	88.9

Bloomberg

Financial snapshot

	FYE Dec	FY22	FY23	FY24f
Revenue (RM m)	1278.8	1613.9	1740.0	
Net profit (RM m)	55.8	102.7	119.8	
Shares (m)	643.0	643.9	664.6	
EPS (sen)	8.7	15.9	18.0	
DPS (sen)	1.0	4.0	4.75	
P/E (x)	31.5	17.1	15.2	
DY (%)	0.4	1.5	1.7	

Bloomberg

FY24f represents the forecasted figures for FY24.

KGB daily: Sideways consolidation breakout



Bloomberg

Trading Catalyst

- **KGB delivered a higher net profit YoY.** In FY23, KGB has achieved a net profit of RM102.7m from RM55.4m (+85.3% YoY) on the back of stronger YoY revenue due to higher contributions from the UHP, Process Engineering and Industrial Gases divisions.
- **Commencement of KGB's 2nd LCO2 plant in 1QCY24** will more than double the production capacity to fulfil the growing export demand for LCO2 from Oceania countries.
- **As at 4QFY23, its order book stood at RM1.3bn outstanding, coupled with a healthy replenishment rate** from all business segments to provide earnings visibility for FY24.

Technical Outlook

- Share price has been consolidating around RM2.69 and last closed at RM2.73. As the technical readings are positive, we expect follow-through buying interest to be seen in the near term, targeting RM2.90-2.95, with a LT target at RM3.00. Support is set around RM2.62-2.65, with a cut loss set around RM2.60.



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As of **Wednesday, 27 Mar, 2024**, the analyst(s), Chiang Fong Kai, whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.

Glossary

Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage. If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
EMA9, EMA20, EMA60 Trend	Position of the price away from the EMA20 level
Price vs. EMA20 (%)	Positive directional movement.
DMI DI+	Negative directional movement.
DMI DI-	ADX is a moving average of the directional movement index.
ADX	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up.
Price Skew	If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.
RSI OB/OS	If RSI 14 days is greater or equal to 70, it will be stated Overbought.
	If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive.
	If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative.
	If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage



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