

Kerjaya Prospek set to gain from new acquisition

PETALING JAYA: Kerjaya Prospek Group Bhd's recent acquisition of a further 2.73% stake in ES Sunlogy Bhd for RM5.36mil is deemed as a fair deal, says Apex Securities Research.

Based on ES Sunlogy's profit after tax of RM9.3mil for the annualised nine months of financial year 2026 (FY26), the research house said the recent acquisition of a 31% stake implies a price-to-earnings valuation of about 22.3 times.

While Kerjaya Prospek paid roughly 1.49 times ES Sunlogy's reported net asset value per share for the latest tranche, Apex Research noted the shares were acquired at a 36.15% discount to ES Sunlogy's prevailing market price.

"With Kerjaya's stake now at 31%, we would also flag its increasing proximity to the more-than-33% threshold for a mandatory general offer, a dynamic worth monitoring should further stake-building continue at a similar pace," the research house said.

Strategically, Apex Research said the enlarged stake supports integrated mechanical and electrical (M&E) engineering and solar-related project delivery, which could potentially deepen collaboration opportunities across Kerjaya Prospek's own construction pipeline, including its growing exposure to data centre-related infrastructure work.

The investment also benefits from ES Sunlogy's recurring renewable energy income alongside its project-based M&E engineering revenue, which supports medium-term earnings visibility.

Meanwhile, the balance sheet, cash and cash equivalents will fall by a further RM5.36mil, offset by a corresponding increase in investment in ES Sunlogy.

Apex Research also said total assets and shareholders' equity are unchanged at the point of acquisition, as this is purely an asset swap funded internally with no new debt raised. On the cash flow statement, the RM5.36mil consideration will be reflected as an investing cash outflow, with no impact on operating cash flow.