KERJAYA PROSPEK

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RM3.19 TARGET PRICE

'BUY' CALL KEPT ON KERJAYA PROSPEK

RHB Research backs builder following investment in renewable energy firm

KUALA LUMPUR

KERJAYA Prospek Group Bhd's acquisition of a 9.09 per cent stake in ES Sunlogy Bhd will strengthen its presence in engineering and renewable (RE), and may lead to future collaboration, RHB Research said.

The research house said the investment lets Kerjaya Prospek tap ES Sunlogy's growth as demand for sustainable energy rises.

Before the investment, Kerjaya Prospek had engaged ES Sunlogy to install electrical and extra-low-voltage systems at a high-rise project in Batu Kawan, Penang.

"This could lead to further collaboration as Kerjaya Prospek expands into specialised engineering and RE," RHB Research said.

Kerjaya Prospek subscribed for 70 million new ordinary shares in ES Sunlogy at 26.8 sen each via a private placement exercise, giving it a 9.09 per cent stake.

RHB Research said the investment was unsurprising given Kerjaya Prospek's strong balance sheet, with net cash of RM352 million as at the end of March 2026.

It added that the acquistion price values ES Sunlogy at a trailing 12-month price-to-earnings ratio of 8.9 times, which it sees as reasonable for a RM203 million company.

"Other mechanical and electrical players are trading at forward P/E multiples of above 10 times."

RHB Research said the deal is unlikely to affect earnings as the 9.09 per cent stake is too small to give significant influence under Malaysian Financial Reporting Standards 128.

The firm maintained its "buy" call and with a target price of RM3.19.

"A key catalyst would be involvement in a large infrastructure project such as the Penang Light Rail Transit."

Kerjaya Prospek's acquisition of a 9.09 per cent stake in ES Sunlogy will strengthen its presence in the engineering and renewable energy sector. NSTP FILE PIC