

Kelington Group Bhd

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Growth prospects on track

- Involved in four major businesses, namely; ultra-high purity (UHP) delivery systems, process engineering, general contracting and industrial gasses for various industries.
- Second liquid carbon dioxide (LCO2) plant is expected to commence by October 2023 may drive the industrial gas segment growth.
- As at end-1Q23, outstanding orderbook stood at RM1.83bn will provide earnings visibility over the next 12-18 months.
- Technically, price has formed a flag-formation breakout above RM1.50, targeting the next resistances at RM1.57-1.63, with long term target at RM1.70.

KGB daily: Flag-formation breakout



M+ Wiz

Trading Catalyst

- Kelington Group Bhd (KGB) is involved in four major businesses, namely; ultra-high purity (UHP) delivery systems, process engineering, general contracting and industrial gasses for various industries such as photovoltaics & solar, pharmaceuticals & biotechnology, industrial gasses and oleochemicals. Some notable clients include Infineon, Panasonic, Taiwan Semiconductor Manufacturing Company (TSMC), Seagate, Western Digital and Biocon.
- Moving forward, KGB will be leveraging on the on-going plant expansions of semiconductor players across the Asia region. Meanwhile, the liquid carbon dioxide (LCO2) plant is operating at full capacity and the second plant is expected to commence by October 2023 may drive the industrial gas segment growth.
- As at end-1Q23, outstanding orderbook stood at RM1.83bn will provide earnings visibility over the next 12-18 months. We note that KGB maintained a healthy balance sheet with a net cash position of RM13.5m, translating to net cash per share of 2.1 sen (c.1.4% of share price).

KELINGTON GROUP BHD

Last Price (RM)	1.53
5 Day Change (%)	8.5
1 Day Range Percentile (%)	1.0
30 Day Range Percentile (%)	1.2
52Week Range Percentile (%)	76.7
Volatility 30D	31.3
EMA9, EMA20, EMA60 Trend	Consolidation
Price vs. EMA20 (%)	6.6
DMI DI+	24.7
DMI DI-	13.3
ADX	23.8
Price Skew	UP
RSI 14D	67.4
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	111.1

Bloomberg

Financial snapshot

FYE Dec	FY22	FY23f	FY24f
Revenue (RM m)	1278.81	1180.01	1215.3
Net profit (RM m)	58.8	61.1	64.0
Shares (m)	645.2	645.2	645.2
EPS (sen)	9.1	9.5	9.9
DPS (sen)	1.0	3.0	3.0
P/E (x)	16.8	16.1	15.4
DY (%)	0.7	2.0	2.0

Bloomberg

Technical Outlook

- Technically, price has delivered a swift rebound after briefly falling below the SMA200 in mid-May 2023. Following the recent recovery, price has experienced a short-term consolidation breakout above RM1.42. Coming closer, price has formed a flag-formation breakout above RM1.50, targeting the next resistances at RM1.57-1.63, with long term target at RM1.70. Support is pegged at around RM1.43, while cut loss is set at RM1.42.

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(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.
EMA9, EMA20, EMA60 Trend	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.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. 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. 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.
RSI OB/OS	
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage