

KELINGTON SET FOR MORE CONTRACT WINS THIS YEAR, ANALYSTS RAISE OUTLOOK

By theedgemalaysia.com

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KUALA LUMPUR (Sept 15): Kelington Group Bhd (KL:[KGB](#)) opened higher on Tuesday after the industrial services firm won its biggest contract ever while analysts raised target prices.

The latest win in India is unlikely to be the last major win this year, according to AmlInvestment Bank, the most bullish research house on Kelington. There could be sizeable tender outcomes before the year ends, RHB Research said, noting that the company still has bids worth well over RM8 billion.

“We believe order book growth has further room to run,” said AmlInvestment, which kept its top-of-the-range target price of RM12.30.

Shares of Kelington, which mainly provides industrial gases, rose as much as 22 sen or 2.6%. The stock ended Tuesday at RM8.48, down 14 sen or 1.6%, amid broader market decline ahead of a trading holiday. Kelington has gained nearly 70% so far this year, bringing its market capitalisation to RM7.5 billion.

All six research houses covering the stock have ‘buy’ calls on Kelington, according to Bloomberg. Analysts expect the stock to climb another 33% in the next 12 months based on the average target price of RM11.31.

On Monday, Kelington announced a contract worth a provisional RM1.83 billion a turnkey total facility tool hookup services for a semiconductor wafer fabrication facility in Gujarat, India. Works are expected to begin this month and be completed by February 2029.

The win lifted the total contracts secured to-date to RM3.6 billion, more than the combined orders in the past three years, RHB Research noted.

For Berjaya Research, the last to join the ‘buy’ call on Kelington, the repeat award from an existing client reinforces the company’s “execution capabilities and track record, while further strengthening the group’s foothold in India’s rapidly expanding semiconductor ecosystem”.

The contract is expected to generate a gross margin of about 15%, translating into an estimated income of RM274.5 million over 2026-2029, according to the house’s estimates.

All in all, Kelington is backed by a robust tender book pipeline as well as sustained long-term demand for the group’s advanced engineering solutions amid the ongoing semiconductor investment upcycle, Berjaya Research added.

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[Kelington secures RM1.83 bil job, its biggest ever](#)

Edited By Jason Ng

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