

# George Kent earnings within expectations, RHB maintains Buy

- **ANALYST REPORTS**

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<http://www.thestar.com.my/~media/online/2017/08/09/02/25/analystreport.ashx/?w=620&h=413&crop=1&hash=6F767B2388DF7E9C877152BCC546F08B1E85DF2>



KUALA LUMPUR: RHB Research has maintained its forecasts for George Kent Malaysia as its earnings are in line. It reiterates its Buy call with an unchanged SOP-derived target price of RM3.78.

"George Kent Malaysia's (GKent) 1HFY18 (Jan) revenue increased by 10.2% y-o-y to RM317m as both its engineering and metering segments posted higher revenue at 7.2% and 21.3% to RM242.8m and RM74.2m respectively.

"The higher revenue from the engineering segment was largely driven by the light

rapid transit (LRT) extension works and Mass Rapid Transit 2 (MRT2). Net profit for the same period grew by 23.5% to RM43.9m.

"Part of the increase in its bottomline was driven by a higher margin from both segments with the engineering segment posting a gross margin of 19.9% in 1HFY18 vs 17.9% during the same period last year," it said.

While revenue increased 44.9% q-o-q to RM188mil, gross margin contracted to 19.4% from 26.2% in Q1. Net profit increased by 37% to RM25.4m.

"Interim DPS of MYR0.025 was declared. For the full year, we expect total DPS of MYR0.09 to be declared, implying a payout ratio of 45% – in line with the previous three years' payout range."

image: <https://bcp.crowdctrl.net/5/c=5593/b=44289793>

Read more at <http://www.thestar.com.my/business/business-news/2017/09/29/george-kent-earnings-within-expectations-rhb-maintains-buy/#H1vk76lvIPwWR2Kx.99>