Headline	PESTECH to See Improved Quarters in FY19
Media Title	The Star Online (www.thestar.com.my)
Date	4 February 2019

The Star ONLINE

PESTECH TO SEE IMPROVED QUARTERS IN FY19

KUALA LUMPUR: Pestech International Bhd 's two new contracts from Tenaga Nasional Bhd worth RM281mil has brought its order book to about RM2.3bil, which will keep it busy for two to three years, says Kenanga research.

To recap, Pestech announced last Thursday that its unit had secured two separate contracts from TNB for the setting up of a power sustation in Kedah worth RM168.4mil and the laying of an underground cable for RM112.5mil.

The research house maintained its outperform rating on the counter with an unchanged target price of RM1.45.

"Even at current price of RM1.22, the stock is still trading at an undemanding PER of 9.5x," it said in a research note today.

Kenanga said Pestech should see improved quarters for FY19 as the local projects are progressing towards an advanced stage while the Cambodian projects are at full stream in the dry season in 2HFY19.

The group had registered a slow start to FY19 with core profit of RM6.2mil only making up 7% of its FY19 full-year estimate.

"With the targeted revenue of RM1b in FY19 and 9-11% net margin, we believe our FY19 net profit estimate of RM90.8m is not excessive and achievable," said Kenanga.

Source: https://www.thestar.com.my/business/business-news/2019/02/04/pestech-to-see-improved-quarters-in-fy19/