

Malaysia's Kumpulan Perangsang Selangor To Buy Manufacturing Services Firm For MYR250 Mln

Jason Ng | 14 February 2018

KUALA LUMPUR (Feb 14) -- Malaysian infrastructure and utility firm **Kumpulan Perangsang Selangor** said Wednesday it plans to buy CPI (Penang), an electronic manufacturing services firm, for 250 million ringgit (\$63.85 million) in cash.

The deal values CPI at an enterprise value to earnings before interest, tax, depreciation and amortization ratio of 6.5 times, Kumpulan Perangsang said in an exchange filing. The proposed acquisition will be paid with internal funds and bank borrowings, it said.

"What we liked about CPI is its focus on high precision, high value products," said Chief Executive Ahmad Fariz Hassan. "Its business strategy has consistently yielded higher margins, and is more resilient to swings in economic cycles by catering to a diversified clientele."

The plastic injection moulding segment makes up a lion's share of CPI's revenue but "we foresee the box-build segment realizing its tremendous potential to contribute a bigger portion to CPI's top line," he added.

<https://asia.nikkei.com/Markets/Nikkei-Markets/Malaysia-s-Kumpulan-Perangsang-Selangor-To-Buy-Manufacturing-Services-Firm-For-MYR250-Mln>