

Kerjaya Prospek Group Bhd

Outperform. Target price: RM3.10



Source: PublicInvest Research

KERJAYA Prospek Group's (KPGGB) has secured a contract work worth RM502.3 million from its interested related-party, Eastern & Oriental (E&O), for the final phase reclamation and dredging works related to the Seri Tanjung Pinang Phase 2 (STP2) Phase 2B and 2C development. This job marks the group's second contract win in 2026 and represents 35.2% of our FY26 job replenishment target of RM2 billion, in-line with our expectations. Based on our estimates, this project is expected to contribute approximately 5.6% per annum on average to the group's earnings over the contracted period of 36 months.

Works are scheduled to commence on March 12, with completion expected within 36 months. STP2, which has been branded as Andaman Island, is located across the waters to the east of the first phase and will cover an area of 760 acres of reclaimed island. It comprises two parts: the 253-acre STP Phase 2A, and the remaining 507-acre Phase 2B and 2C with an estimated GDV of over RM60 billion.

KPGGB's outstanding order book grew 12.9% to RM4.4 billion, securing earnings visibility for the next three years. We estimate this project will contribute an average of RM5.6 million annually from FY26-29, assuming low-teen profit margins. As this contract was already factored into our FY26 order book replenishment assumption, we keep our earnings forecast unchanged. The group continues to strengthen its portfolio by leveraging its core construction expertise while expanding into higher-growth segments such as data centres and industrial developments.

Outperform with RM3.10 TP. – **PublicInvest Research, Feb 24**