

# Favourable outlook for Kerjaya Prospek

Construction firm's growing order book to boost profit

## CORPORATE

**PETALING JAYA:** Kerjaya Prospek Group Bhd's earnings outlook is set to strengthen over the coming years, as the construction group capitalises on stronger-than-expected contract replenishment, a growing order book and a healthy tender pipeline that could further enhance revenue visibility.

The latest contract award, valued at RM488.4mil, reinforces expectations that the company will continue delivering resilient growth despite broader macroeconomic uncertainties.

Several research houses have responded by revising assumptions and reaffirming positive views on the stock.

TA Research said the award lifted Kerjaya Prospek's financial prospects materially, noting that with this latest win, the group's total new job wins for 2026 now amount to RM2.1bil, exceeding the brokerage's new job win assumption of RM2bil for this year.

It added that the contract increased Kerjaya Prospek's unbilled order book to RM5bil, equivalent to 2.6 times its 2025 construction revenue, providing strong earnings visibility.

Assuming a 10% net margin, TA Research estimated the new project could contribute RM48.8mil in net profit over its construction period.

It consequently raised its 2026-2028 earnings forecasts by 3.3%, 2.5% and 5.4%, respectively, after increasing its 2026 job-win assumption to RM2.5bil and refining order book execution assumptions.

TA Research reiterated its "buy" call and lifted its target price to RM3.45 from RM3.27.

"Our positive stance is supported by strong new job replenishment visibility from its solid RM1.5bil to RM2bil worth of external tender books, which comprise several high-rise projects and industrial property projects," it said.

Kenanga Research also upgraded its 2026 job-win assumption to RM2.3bil from RM2bil and increased its 2026 net profit forecast for Kerjaya Prospek by 2%, while

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An analyst

acknowledging that earnings upgrades were modest because most recently secured jobs would only commence construction in the second half of 2026.

"The pipeline remains supported by a healthy building tender book of RM2bil to RM3bil," it noted.

The brokerage pointed to additional opportunities from infrastructure packages at Andaman Island, the Penang Light Rail Transit tender and the group's property development ventures.

Kenanga Research maintained its "outperform" rating with an unchanged target price of RM2.85.

Apex Securities said Kerjaya Prospek should maintain resilient performance amid prevailing macro headwinds, supported by its sizeable outstanding order book and recurring flow of related-party developments.

The brokerage raised its 2026 replenishment assumptions to RM2.5bil and increased 2027 and 2028 assumptions to RM2.1bil each. This resulted in earnings upgrades of 7.3% for 2026 and 8% for 2027.

Apex Securities maintained its "buy" recommendation and raised its target price to RM3.34 from RM3.10.

Phillip Capital Research maintained its "buy" rating and raised its target price to RM3.16 from RM3.05.

It said valuation remained attractive at nine times 2027 earnings, supported by

resilient earnings prospects, strong contract flows and a dividend yield of about 5%.

Meanwhile, BIMB Research kept its earnings forecasts unchanged, citing the gradual recognition of contributions from newly secured contracts over the next three to four years. Nevertheless, it highlighted a tender book exceeding RM2bil and said sustained momentum could provide upside to replenishment assumptions.

BIMB Research maintained its "buy" recommendation with an unchanged target price of RM2.73.

For context, Kerjaya Prospek recently secured a RM488.4mil building works contract from Persada Mentari Sdn Bhd, an indirect subsidiary of Eastern & Oriental Bhd, for a residential development at Andaman Island in Penang.

Comprising two 46-storey serviced apartment towers with 1,080 residential units, basement parking, facilities and commercial space, construction is scheduled to begin on July 1, 2026 and is expected to be completed within 42 months.

One analyst told *StarBiz* the latest contract win not only strengthens earnings visibility, but also reinforces confidence in Kerjaya Prospek's ability to sustain healthy order book replenishment.

"The group appears well-positioned to capture further growth opportunities over the medium term," he added.