

Kerjaya Prospek Bhd

Buy. Target price: RM3.16



Source: Bloomberg, Phillip Capital Research

KERJAYA has secured a RM488m contract from Persada Mentari Sdn Bhd (PMSB), an indirect subsidiary of E&O, for the construction of the 2nd marina-edge residence at Andaman Island, Penang. The project will be undertaken in 2 phases, comprising two 46-storey serviced apartment towers with a total of 1,080 residential units, along with parking facilities, commercial space, and recreational amenities. Construction is slated to commence in Jul26, with completion expected within 42 months.

This award marks Kerjaya's 8th contract win of the year, bringing its YTD new wins to RM2.1bn, surpassing our 2026 replenishment assumption of RM2bn. Assuming a blended 10% net margin, we estimate this project to contribute RM50m PATAMI over 2026-30E. This lifts Kerjaya's unbilled order book to RM5bn, translating to 2x 2025 revenue cover and providing revenue visibility until 2029. Looking ahead, we expect contract flows momentum to remain healthy, supported by KPPROP's RM720m GDV development in Batu Kawan (estimated construction value of RM300m) as well as another RM300-400m of potential contract opportunities from Aspen's Mezon@Park Enclave project in Batu Kawan.

We trim our 2026E earnings by 2% and raise 2027-28E by 3-5% after increasing our 2026E replenishment assumption to RM2.5bn (from RM2bn) to reflect stronger new contract win momentum, partly offset by a more conservative margin assumption.

Maintain BUY with higher TP of RM3.16. – **Phillip Capital Research, June 24**