

Latest contract win strengthens Kerjaya Prospek's order book momentum: Berjaya Research

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PETALING JAYA: Berjaya Research Sdn Bhd views Kerjaya Prospek Group Bhd's RM142.1 million contract win through a Jati Tinggi Group Bhd-led consortium positively, as the Tenaga Nasional Bhd-related project could create opportunities for Kerjaya to secure more power infrastructure jobs in the future while also expanding its geographical presence.

"We assume Kerjaya will primarily undertake the core and shell construction works under the consortium arrangement.

"Assuming the project commences in Q1 of FY27 and fetches a profit after tax (PAT) margin of 10%, the project potentially contributes to an estimated PAT of RM14.2 million over FY27-FY28," the research firm said in a note.

The group's estimated outstanding construction order book of RM5.7 billion as at the end of October 2026 is expected to provide revenue visibility over multiple years, Berjaya Research said.

To recap, a consortium led by Jati Tinggi has secured a RM568.2 million contract from TNB for the establishment of the Paka GIS transmission main intake substation in Terengganu.

Under the consortium arrangement, Kerjaya Prospek subsidiary Kerjaya Prospek (M) Sdn Bhd will undertake 25% of the contract value, equivalent to RM142.1 million.

The project is scheduled for completion within two years from its commencement date.

Berjaya Research maintains its earnings forecast, as the latest win brings Kerjaya Prospek's year-to-date (YTD) newly secured order book to RM3.4 billion, which represents 97.4% of the firm's FY26 order book replenishment assumption of RM3.5 billion.

The research firm upgraded to Kerjaya Prospek to Buy from Hold following its recent share price pullback, with an unchanged target price of RM3.85, based on sum-of-the-parts valuation.

"We continue to like Kerjaya Prospek for its expansion into higher value-added mechanical and engineering (M&E) and mechanical, electrical, and plumbing (MEP) works in the data centre space.

"Other plus points for Kerjaya include a sizable RM5.7 billion outstanding order book providing multi-year earnings visibility, and strategic investments in property development, which offer diversification and addition into long-term growth avenues.

"Key risks are rising input costs, slower-than-expected project recognition, and inability to meet in-house orderbook replenishment assumptions," Berjaya Research said.