

# 'Buy' call kept on Kerjaya Prospek

By [Asila Jalil](#) - May 10, 2024 @ 8:34am

KUALA LUMPUR: Kerjaya Prospek Group Bhd is expected to post a profit of between RM34 million and RM36 million for its first quarter ending March 31, 2024 (Q1 2024), translating to between 21 per cent and 28 per cent year-on-year (YoY) growth.

RHB Research stated in a note that growth during the quarter will be backed by the better progress of ongoing projects such as The Meg and Astrum Ampang.

The firm forecasts a three-year earnings compound annual growth rate of 12 per cent for the financial year 2023 (FY23) until FY26, backed by its steady job replenishment trends coupled with better property development contributions.

"Aside from the Seri Tanjung Pinang phase 2 (STP2) development in Penang, which has facilitated Kerjaya Prospek's constant job replenishment, we highlight the Bukit Bintang City Centre (BBCC) project, which could bring about further opportunities for Kerjaya Prospek."

"Works for BBCC Signature Tower have yet to be tendered out, and we do not discount the possibility of Kerjaya Prospek (together with Samsung C&T Corp.) eyeing the project when tenders are advertised. We estimate the package for the 80-storey BBCC Signature Tower to be well in excess of RM500 million," it said in a note.

The firm maintained a "buy" call on the stock with a target price of RM2.15.

"We understand that KPG's partner Samsung C&T, via a consortium with a Taiwan company, secured a US\$1.6 billion contract for expansion works at the Taiwan Taoyuan Airport in March 2021.

"Therefore, we continue to view the stock's valuation of 13 times the FY25F price-to-earnings ratio as unjustified, as the counter was trading at 15 times during the 2017 construction upcycle."

RM2.15 TARGET PRICE

# 'BUY' CALL KEPT ON KERJAYA PROSPEK

Earnings to be backed steady job replenishment trends, says RHB Research

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**K**ERJAYA Prospek Group Bhd is expected to have posted a profit of between RM34 million and RM36 million for its first quarter ended March 31, translating to between 21 and 28 per cent year-on-year growth.

RHB Investment Bank Bhd (RHB Research) said in a note yesterday growth during the quarter would have been backed by the better progress of ongoing projects.

The research firm has forecast a

three-year earnings compound annual growth rate of 12 per cent for financial years 2023 to 2026, backed by its steady job replenishment trends coupled with better property development contributions.

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"Therefore, we continue to view the stock's valuation of 13 times financial year 2025 price-earnings ratio as unjustified, as the counter was trading at 15 times during the 2017 construction upcycle," it added.