

Rakuten retains 'buy' call on Kerjaya Prospek



Kerjaya Prospek Group Bhd launched The Vue@Monterez in the third quarter of its financial year 2023 and achieved a 60 per cent take-up by December last year.

KUALA LUMPUR: Rakuten Trade is bullish on Kerjaya Prospek Group Bhd due to the latter's promising outlook that is fuelled by a substantial tender book primarily focused on projects boasting favourable margins.

The company recently clinched contracts totalling RM377.8 million, which bolstered its order book to RM4.2 billion and ensured earnings visibility for the next two to three years.

"We expect the company to target job wins of about RM1.5 billion for the fiscal year 2024. The current tender book ranges from RM2 billion to RM3 billion, with

the majority focusing on residential projects. It is also targeting two to three industrial projects valued at over RM1 billion," said the research firm in a note.

Kerjaya Prospek launched The Vue@Monterez with a gross development value (GDV) of RM250 million in the third quarter of its financial year 2023 and achieved a 60 per cent take-up by December last year.

Preparations are underway for the expected launch of Papyrus@North Kiara, which has a GDV of RM500 million, in the first half of this year.

Rakuten Trade said Kerjaya

Prospek was managing 25 ongoing projects.

"Operationally, labour shortage is no longer a pressing concern underpinned by its strong workforce totalling 7,000 individuals, with 3,000 being subcontractors," it said.

The research firm has revised its financial years 2024 and 2025 earnings forecasts by 4.0 and 3.0 per cent, respectively.

It also maintains a "buy" recommendation on the stock with a RM2.10 target price.