

Kerjaya's latest wins add to robust order book

PETALING JAYA: Kerjaya Prospek Group Bhd's new contracts are expected to generate a net profit of RM3.4mil to RM3.5mil throughout their construction period.

That is on assumption of a three-year historical net margin of 10%, said TA Research.

Phillip Research is looking at RM3.4mil profit after tax and minority interest across 2025-2026, assuming a group blended 10% profit-after-tax margin.

Both research houses kept their earnings estimates for the construction group unchanged.

TA Research said this is so since the total year-to-date (YTD) new job wins account for only 87.9% of its 2024 new job replenishment assumption of RM1.8bil.

Earlier this week Kerjaya announced that it had secured its ninth and tenth construction jobs for 2024, bringing its total YTD new job wins to RM1.5bil.

The two new contracts lift Kerjaya's total outstanding order book to an estimated RM4.6bil, translating to 3.1 times 2023 revenue.

Phillip Research expects the group's near-term replenishment prospects to be supported by robust contract flows, and ongoing industrial-related tender opportunities for data centres and semiconductor projects.

The key downside risks for Kerjaya include lower-than-expected order book replenishment and project margin deterioration.

The two new contracts valued at RM16mil and RM18.5mil are from Pixel Valley Sdn Bhd and Greencove Sdn Bhd, respectively

Both TA Research and Phillip Research reiterated their "buy" calls on the stock with an unchanged target price of RM2.79 a share and RM2.65 a share, respectively.