

RM2.67 TARGET PRICE

RHB Research keeps 'buy' stance on Kerjaya Prospek

KUALA LUMPUR: Kerjaya Prospek Group Bhd is expected to post a stronger earnings growth in financial year 2025, driven by a steady flow of new projects.

RHB Investment Bank Bhd (RHB Research) analyst Adam Mohamed Rahim said the developer's earnings may expand 17 per cent on yearly basis, particularly from Eastern & Oriental's (E&O) Andaman Island developments in Penang.

He said the prospects of upcoming launches on the island appear bright, with E&O recently launching the Maris serviced apartments last month with a gross development value (GDV) of RM700 million.

This brings the total number of launches at Andaman Island to five, with a cumulative GDV of around RM2.9 billion.

"There could be more launches there, which may bring total GDV launched to more than RM1 billion this year," Adam said, adding that there are still more dredging and reclamation works up for grabs for Phases 2B and 2C of Andaman Island, which could exceed RM300 million.

Between 2026 and 2030, E&O aims to

develop properties with a combined GDV of RM3.8 billion, which could lead to construction values of RM1.5 billion.

"Other expected earnings drivers include developments in Elmina West, covering more than 27ha of land, by E&O related to the upcoming launch of over 110 shophouses in financial year 2026.

"This is on top of the RM256 million job awarded to Kerjaya Prospek for 360 units of three-storey terrace houses earlier this year at the same location," said Adam, who expects the company to post a strong net profit in the upcoming fourth quarter of RM35 million to RM50 million, translating to an annual growth of between 6.0 per cent and 52 per cent.

He said the growth in this period is projected to be underpinned by higher progress billings of jobs on hand and stronger contributions from the company's property development arm spread across two projects with a total GDV about RM800 million.

The firm kept its "buy" call on Kerjaya Prospek with a target price of RM2.67.