



Kerjaya Prospek boosts order book to RM4.1b with recent Penang construction job win

March 14, 2025

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KUALA LUMPUR (March 14): Construction firm Kerjaya Prospek Group Bhd (KL:KERJAYA) has bolstered its outstanding order book to RM4.1 billion with the latest award of a RM11.64 million construction contract in [Penang](#).

In a note on Friday, Phillip Capital said that this contract would result in a 2.4 times coverage ratio of 2024 construction revenue, ensuring strong revenue visibility for Kerjaya Prospek through 2027.

The research house said that Kerjaya Prospek's latest job win has brought total contract value secured in FY2025 to RM318 million, representing 21.2% of its full-year order book replenishment assumption of RM1.5 billion.

Assuming a blended 10% profit after tax (PAT) margin, the research house estimated that the project would contribute RM1.1 million in profit after tax and minority interests (Patami) over the 2025-2026 period.

Phillip Capital maintained its "buy" rating on Kerjaya Prospek, with an unchanged target price of RM2.60, saying that it remains confident in the company's earnings prospects, supported by a strong contract flow from major clients such as E&O (KL:E&O) and Kerjaya Prospek Property (KL:KPPROP).

The research house also noted that upcoming projects in [Shah Alam](#), [Damansara Damai](#) and E&O's Maris are expected to further contribute to the company's revenue growth.

According to Bloomberg, six analysts currently feature a "buy" recommendation and two have a "hold" rating, indicating a generally bullish outlook.

In a separate note, BIMB Securities forecasted a dividend payout of 12.0 sen for the fiscal year 2025 (FY2025F), supported by Kerjaya Prospek's strong net cash position.

This would equate to a dividend yield of 5.8%, based on the company's most recent closing price of RM2.03.

However, the company declared a higher dividend payout of 15.0 sen for the full year, as reported in a bourse filing for the fourth quarter ending December 31, 2024 (4QFY2024).

Despite the company's stable earnings and appealing dividend yield, Kerjaya Prospek's stock continues to trade at a forward price-to-earnings (P/E) ratio of approximately 11x.

This represents a 17% discount compared to its peers, which trades at a forward P/E ratio of around 13.2x.

BIMB Securities was optimistic about the company's prospects, citing its consistent contract flow, attractive valuation and favourable dividend yield.

The research firm maintained its "buy" call on the stock, with an unchanged target price of RM2.59, derived from a sum-of-parts (SOP) valuation.

No revision was made to its earnings forecasts, as the latest contract win aligns with BIMB Securities' FY2025 order book replenishment expectations.

As of 9:00am on Friday, Kerjaya Prospek's shares remained unchanged at RM2.00, valuing the group at RM2.53 billion.