

Kerjaya Prospek bags RM88m Elmina job

Recent earnings and job wins draw mixed reactions from research houses

by TMR

KERJAYA Prospek Group Bhd has secured a RM87.7 million contract from Eastern & Oriental Express Sdn Bhd for the construction of 133 shop offices as well as electrical and compact substations in Elmina, Shah Alam, Selangor.

The project is slated to begin on Nov 17, 2025, will run for 30 months.

The latest award lifts the group's year-to-date job (YTD) wins to RM958 million across seven contracts, bringing its outstanding orderbook to RM3.6 billion, about twice its financial year ending

December 31, 2024 (FY24) revenue.

Apex Securities Bhd described the development as positive for the group's project pipeline, estimating that the contract could contribute roughly RM9.6 million to earnings over its construction period, based on an 11% profit before tax (PBT) margin assumption.

However, Apex Securities trimmed its FY25 orderbook replenishment assumption to RM1.2 billion from RM1.8 billion previously, noting that only two months remain in the financial year.

Its FY26 assumption remains unchanged at RM1.8 billion.

Earnings forecasts for FY25, FY26 and FY27 were lowered by 2.7%, 6.5% and 8% respectively.

The house subsequently downgraded Kerjaya Prospek to 'Hold' (from 'Buy') and cut its target price (TP) to RM2.34 (from RM2.50),

based on a 15 times FY26 earnings multiple and a three-star environmental, social, and governance (ESG) rating.

Key risks cited include rising material costs, labour shortages and an oversupply in the high-rise office segment.

RHB Investment Bank Bhd (RHB Research), meanwhile, maintained an upbeat stance after the group reported a 52.4% year-on-year (YoY) jump in core earnings to RM177.9 million for the first nine months (9M25) of FY25 — representing 89% and 88% of its and consensus full-year estimates respectively.

The house said the stronger-than-expected showing was driven by both construction progress billings and improved property sales.

In the third quarter ended Sept 30, 2025 (3Q25), Kerjaya Prospek's construction segment delivered a

net profit of RM66.4 million (up 52% YoY), sustaining a stronger net profit margin of 13.9% versus 8.9% a year earlier.

The property division's net profit also tripled to RM7.8 million, supported by sales at The Vue @ Monterez which has a gross development value (GDV) of RM300 million and Papyrus @ North Kiara (GDV: RM500 million).

RHB Research added that the group recently secured a RM350 million contract in Batu Kawan, Penang, involving two serviced apartment blocks totalling 1,406 units.

This marks Kerjaya Prospek's 11th job win of the year and its fifth in November alone.

YTD job wins have already met RHB Research's FY25 replenishment target of RM1.6 billion, lifting the group's outstanding orderbook to RM4.1 billion (2.4x cover).

The research house views potential industrial-sector wins including data centres, factories and warehouses — as a key re-rating catalyst, particularly via Kerjaya Prospek's joint venture with Samsung C&T Corp.

It noted that the group is currently eyeing RM2 billion to RM3 billion worth of tenders in this segment.

Following the strong results, RHB Research raised its FY25–FY27 earnings projections by 14.7%, 14.3% and 13.4% respectively and lifted its sum-of-parts TP to RM3.35 (from RM3.15), which incorporates a 2% ESG premium.

The 'Buy' call remains, with the research house saying the stock's FY26 price-to-earnings (P/E) ratio of about 17 times still appears reasonable given the construction upcycle and property demand in Penang, the Klang Valley and Johor.