

Stronger job wins for Kerjaya Prospek in 2026

Earnings visibility underpinned by sizeable order book

CONSTRUCTION

PETALING JAYA: Analysts like Kerjaya Prospek Group Bhd for its “innovative” and hence high-margin formwork construction method.

The company also has a lean and hands-on management team with a strong execution track record, while its earnings visibility is underpinned by a sizeable outstanding order book and recurring orders from related companies, according to Kenanga Research.

“With expectations of stronger job wins in 2026, we upgrade the stock to ‘outperform’ from ‘market perform’. The stock also offers attractive dividend yields of over 4%,” it said.

Kenanga Research noted that Kerjaya Prospek had secured a RM255mil high-rise building contract from Majestic Gen Sdn Bhd in Johor Baru, lifting its financial year ending Dec 31, 2025 or FY25 year-to-date job wins to RM1.79bil, beating its guidance of RM1.6bil and expanding its order book to RM4.3bil.

“Management has set a new FY26 job replenishment target of RM2bil, supported by active tenders of RM2bil to RM3bil. We keep FY25 forecasts unchanged but lift FY26 earnings by 5%, raising our target price to RM3.05,” said the research house.

Public Investment Bank Research, in its report, said the group’s order book momentum continued, with the outstanding balance growing 5.5% to RM4.3bil, providing

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earnings visibility for the next three years.

Concurrently, the group is actively replenishing its land bank to support future property development, it added.

It pointed out that the latest project marked the group’s second job win in Johor Baru, deepening its footprint in a region poised for robust growth driven by the establishment of the Johor-Singapore Special Economic Zone and the Johor Baru-Singapore Rapid Transit System.

With the new job, the group’s year-to-date new order book replenishment has increased by 14.3% while its outstanding order book has risen by 5.5% to RM4.3bil.

The research house said it was keeping its earnings forecast unchanged, as this project formed part of its FY25 order book replenishment assumption of RM2bil.

“We reiterate our ‘outperform’ call with an unchanged target price of RM3.10.”

Meanwhile, TA Research said Kerjaya Prospek’s tender pipeline remains robust, comprising more than RM1bil from Eastern & Oriental Bhd and Kerjaya Prospek Property, alongside an external

tender book exceeding RM3bil.

It highlighted that the external pipeline includes RM1.5bil to RM2bil in residential projects, two ongoing data centre tenders, and several industrial property opportunities under its joint venture with Samsung C&T valued at RM2bil to RM3bil.

“We expect these healthy pipelines to sustain Kerjaya Prospek’s order book replenishment visibility into FY26–FY27.

“Earnings visibility is further supported by the group’s upcoming internal property development projects launches with a combined gross development value of more than RM1.6bil.”

The research house has reiterated its “buy” recommendation on the stock with a target price of RM3.39, premised on 17 times its 2026 earnings per share.

“We continue to favour Kerjaya Prospek for the following reasons: solid earnings visibility, consistent and robust replenishment of its order book and the potential growth in industrial property construction leveraging the partnership with Samsung,” it added.