

## Kerjaya Prospek Group Bhd

Buy. Target price: RM2.60



Source: Bloomberg

**KERJAYA** Prospek has accepted a RM11.4m construction contract from Tanjung Pinang Development Sdn Bhd, an indirect subsidiary of E&O, for the completion of basic infrastructure works including a Gurney pedestrian ramp, access to Gurney and all associated works at Andaman Island. The contract is slated to commence on Mar25 and is targeted to be completed within 15 months.

With this latest award, the group's outstanding order book stands at RM4.1bn, translating to 2.4x 2024 construction revenue cover ratio and providing revenue visibility until 2027. Assuming a group blended 10% PAT margin, we estimate this project to contribute RM1.1m PATAM over 2025-26E. This contract brings year-to-date wins to RM318m, accounting for 20% of our RM1.6bn full-year 2025E order book replenishment assumption. Going forward, we expect contract flows to remain robust, underpinned by contracts from both E&O and KPPROP. Near-term prospects include KPPROP's upcoming projects at Shah Alam (RM250m estimated GDV), Damansara Damai (RM430m estimated GDV) and E&O's Maris (RM690m estimated GDV).

We make no changes to our earnings as this contract falls under our replenishment assumption. We remain optimistic about Kerjaya's earnings prospects, which are underpinned by its robust contract flows from E&O and KPPROP. Key downside risks include lower-than-expected order book replenishment and project margin deterioration.

**BUY** with RM2.60 TP. – *Phillip Capital Research, March 14*