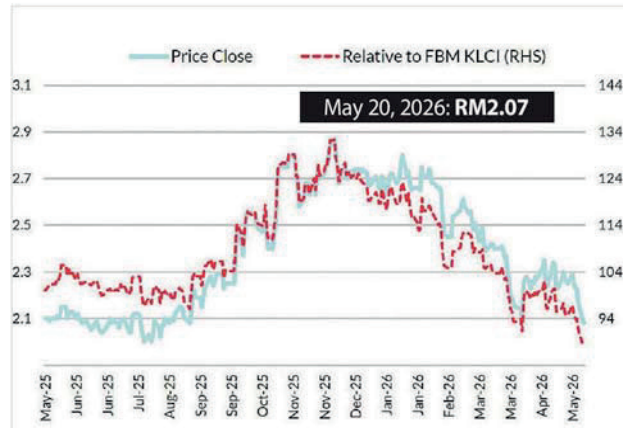


Kerjaya Prospek Group Bhd

Buy. Target price: RM3.11



Source: Bloomberg

THIS is KPG's fourth job win for FY26 and the second one secured in Negeri Sembilan. The maiden job clinched in Negeri Sembilan was the RM98.8 million contract from Sena Letrik (M) for the main building, mechanical & electrical and external works for a proposed private hospital at Bandar Seremban Utama, Seremban 2. YTD-FY26 new job wins now amount to RM976.5 million or 49% of our FY26 job win replenishment target of RM2 billion while the balance orderbook stands at RM4.3 billion. We expect PAT margin for the latest project to be in the range of 8-10%.

Andaman Island in Penang is targeting to see RM1 billion GDV worth of launches per year by Eastern & Oriental, which likely covers a waterfront project. This should potentially translate into RM400-500 million of contract value for KPG.

Despite planning no launches on its 89 acres of landbank in FY26, we view the completion of The Vue and Papyrus in FY26 to enable some writeback of provisions, which could happen in FY26 and FY27 and support the property arm before some launches commence later in FY27 for the land in Jalan Puchong (7.4 acres with an estimated RM800 million GDV) and Tanjung Bungah (4.5 acres with a RM830 million GDV).

Any wins from the industrial space to be a rerating catalyst. The last time KPG secured a major project with Samsung C&T (SCT) was back in Oct 2022 and Sept 2023 for the Texas Instruments' plant in Malacca worth RM450 million (30% effective share) and RM203 million (for concrete structure works).

BUY with RM3.11 TP. – **RHB Research, May 20**