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Kerjaya Prospek's 1HFY26 core profit rises 23pc to RM124 million

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KUCHING: Kerjaya Prospek Group Bhd's (Kerjaya Prospek) core net profit rose 23 per cent year-on-year (y-o-y) to RM124 million in the first half of financial year 2026 (1HFY26), supported by higher construction margins following the completion of two building projects.

Researchers with Kenanga Investment Bank Bhd (Kenanga Research) said the 1HFY26 results were in line with its and consensus full-year estimates, with core profit accounting for 49 per cent of both estimates.

The research house said the stronger earnings came despite a 16 per cent decline in revenue to RM849.9 million, mainly due to slower progress billings and the absence of revenue from the completed Texas Instruments project, which had a net margin below the group's 10 per cent target.

For the second quarter (2QFY26), core profit increased 16 per cent quarter-on-quarter (q-o-q) to RM66.6 million from RM57.3 million, despite revenue falling 10 per cent.

"Construction net margin improved to 17.0 per cent from 14.8 per cent, lifting segment net profit by 8 per cent to RM60.4 million despite a 6 per cent top-line contraction," the research house said.

The property development segment recorded profit after tax of RM4.8 million in 2QFY26, compared with RM7.3 million in 1QFY26, as The Vue was handed over in May 2026 while Papyrus was nearing completion.

For 1HFY26, construction and manufacturing segment net profit rose 20 per cent YoY to RM116.4 million, while property development net profit fell 34 per cent to RM12.1 million.

The research house said Kerjaya Prospek's year-to-date job wins had reached RM2.37 billion, with management expecting FY26 job replenishment to reach RM3 billion, compared with the previous RM2 billion target.

The group's outstanding order book stood at RM5 billion, of which 58 per cent or RM2.9 billion comprised related-party transactions. Third-party awards are expected to increase and eventually form the majority of the order book, the research house said.

Kerjaya Prospek is also tendering for local industrial, commercial and factory packages.

For its property development segment, the group plans to launch projects in Jalan Puchong, Kuala Lumpur, with a gross development value of RM800 million, and Tanjung Bungah, Penang, with a GDV of RM830 million next year.