High order book to fuel Kerjaya Prospek showing

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PETALING JAYA: Analysts are upbeat about Kerjaya Prospek Group Bhd's prospects for the remainder of its financial year 2026 (FY26), following the construction firm's strong first-half (1H26) earnings and surging order book.

BIMB Research raised the target price (TP) to RM3.24 from RM2.91, while RHB Research maintained a TP of RM3.41 with a 15% upside, projecting a 5% dividend yield for FY27.

Kerjaya Prospek's 1H26 performance proved broadly in line with expectations, analysts said.

Despite a temporary revenue dip as older projects completed, execution efficiency drove core net profit up 17% to 21% year-on-year (y-o-y).

Profitability in its core construction arm surged, with profit after tax (PAT) margins staying strong at 16.8% in the second quarter of 2026 (2Q26) compared to 9.4% in 2Q25, noted RHB Research.

"Meanwhile, its property segment's 2Q26 PAT declined by 56% y-o-y at RM4.8mil, with the net profit margin at 10.2% compared to 15.8% a year ago," the research house said.

RHB Research underscored Kerjaya Prospek's year-to-date FY26 job wins totalling RM2.4bil compared to the research house's job replenishment target of RM2.8bil, with a tender book size above RM2bil comprising data centres, hospitals, semiconductor facilities and infrastructure jobs.

Driven by this momentum, BIMB Research raised its FY26 replenishment assumption to RM3bil up from RM2.8bil.

"The active tender pipeline of more than RM2bil provides adequate cover," the research house said.

Meanwhile, Phillip Capital Research reaffirmed a "buy" call on Kerjaya Prospek, lifting the TP to RM3.55 from RM3.16 following strong order book expansion and strategic growth in mechanical and electrical engineering.

"Kerjaya Prospek's 2Q26 core net profit came in lower at RM55mil, down 12% quarter-on-quarter and down 5% y-o-y, after stripping out RM12mil expected credit loss reversal, bringing six months of 2026 core earnings to RM117mil, up 15% y-o-y," the research house said.