Team Coverage
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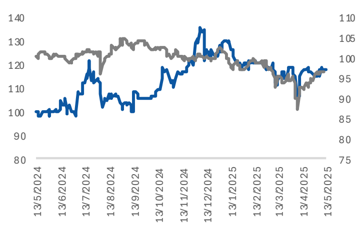
Recommendation:	**BUY**
Current Price:	RM 2.05
Previous Target Price:	-
Target Price:	RM 2.50
Capital Upside/Downside:	22.0%
Dividend Yield (%):	5.9%
Total Upside/Downside	**27.8%**

Stock information	
Board	MAIN
Sector	Construction
Bursa / Bloomberg Code	7161 / KPGMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,258.6
Market Cap (RM' m)	2,580.1
52-Week Price Range (RM)	2.406-1.719
Beta (x)	0.7
Free float (%)	28.8
3M Average Volume (m)	1.0
3M Average Value (RM' m)	2.0

Top 3 Shareholders	**(%)**
Egovision Sdn Bhd	49.9
Amazing Parade Sdn Bhd	17.9
Employees Provident Fund Board	5.0

Share Price Performance



	1M	**3M**	**12M**
Absolute (%)	2.0	-4.7	13.4
Relative (%)	-4.1	-1.8	17.6

Earnings summary

FYE Dec	**FY24**	**FY25F**	**FY26F**
Revenue (RM'm)	1835.5	2260.0	2400.0
PATAMI (RM'm)	160.3	198.0	209.5
CNP (RM'm)	160.2	198.0	209.5
EPS - core (sen)	12.7	15.7	16.6
P/E (x)	16.1	13.1	12.3

Kerjaya Prospek Group Bhd

Building Growth, Cementing Value

- **Kerjaya Prospek Group Bhd (KERJAYA) is the fourth-largest construction player in Malaysia by market capitalisation and is recognised for its track record of delivering high-quality projects for leading developers such as Eastern & Oriental Bhd (E&O), UEM Sunrise Bhd, and SP Setia Bhd.**
- **We project FY25F/FY26F/FY27F core earnings to register at 198.0m/RM209.5m/RM235.7m, representing a CAGR of 14%.**
- **Future core earnings growth will be driven by (i) the expansion of regional infrastructure projects, (ii) the recognition of an unbilled orderbook totalling RM4.6bn, and (iii) a robust project pipeline.**
- **We initiate coverage on KERJAYA with a BUY recommendation and TP of RM2.50 by ascribing a P/E multiple of 15.0x to its FY26F EPS of 16.6 sen, along with three-star ESG rating.**

Long-term earnings visibility. KERJAYA's outstanding orderbook of RM4.6bn will keep the Group busy for the next three years. With an orderbook-to-cover ratio of 2.3x against FY24 construction revenue, earnings visibility remains clear until FY27. Furthermore, KERJAYA is equipped with a tenderbook consisting of building jobs worth RM2-3bn. In relative to our orderbook replenishment assumption of RM1.8bn, KERJAYA is optimistic about securing at least RM1.6bn in new contracts in FY25, which will sustain future earnings growth.

Robust project pipeline. KERJAYA is well-positioned to capitalise on a robust pipeline of projects through its joint ventures and related entities, which will strengthen its construction orderbook. Its sister company, Kerjaya Prospek Property Bhd (KPPROP), is set to launch two high-rise residential projects in the Klang Valley by CY25: one in Shah Alam with a GDV of RM290m and another in Damansara Damai with a GDV of RM500m. Additionally, related party E&O plans RM2bn worth of launches for its Andaman Island development in Penang by CY25, with RM1.1bn of GDV yet to be rolled out. On the industrial front, KERJAYA aims to secure RM2-3bn in tenders for data centres (DCs), factories, and warehouses through its joint venture with Samsung C&T, with outcomes expected by 4QCY25. These projects will enhance earnings visibility and drive growth in the years ahead.

Solid construction margins. KERJAYA stands out with a core net margin of 9%, well above the 5%-6% average for Malaysia's construction industry. This strong performance is driven by its strategic focus on high-rise and niche property projects, which enables the Group to command better pricing power and higher profitability. Additionally, KERJAYA's investment in in-house capabilities, such as its self-climbing platform and aluminium formwork system, has boosted construction speed and reduced material costs. These operational efficiencies have helped the Group maintain resilient margins in a competitive construction landscape.

Major Infrastructure Projects Drive Construction Growth. The construction sector in Penang, Kuala Lumpur, and Johor are gaining momentum, driven by significant infrastructure projects. At Penang, the Mutiara LRT Line will enhance urban connectivity within the island, while Kuala Lumpur's MRT 3 revival is expected to boost sector growth. In Johor, the Autonomous Rail Rapid Transit (ART) system and the RTS Link within the Johor-Singapore Special Economic Zone (JS-SEZ) will improve public transport and cross-border connectivity. These developments collectively reinforce to a positive outlook for the construction industry across these regions.

Valuation and Recommendation. We initiate coverage on KERJAYA with a **BUY** recommendation with a target price of **RM2.50**, based on an assigned 15.0x P/E multiple to its FY26F EPS of 16.6 sen, alongside a three-star ESG rating. The valuation represents a 13%–27% discount to key construction peers, GAMUDA (17.2x P/E) and SUNCON (20.5x P/E), reflecting market concerns over the oversupply of high-rise office buildings in the property sector.

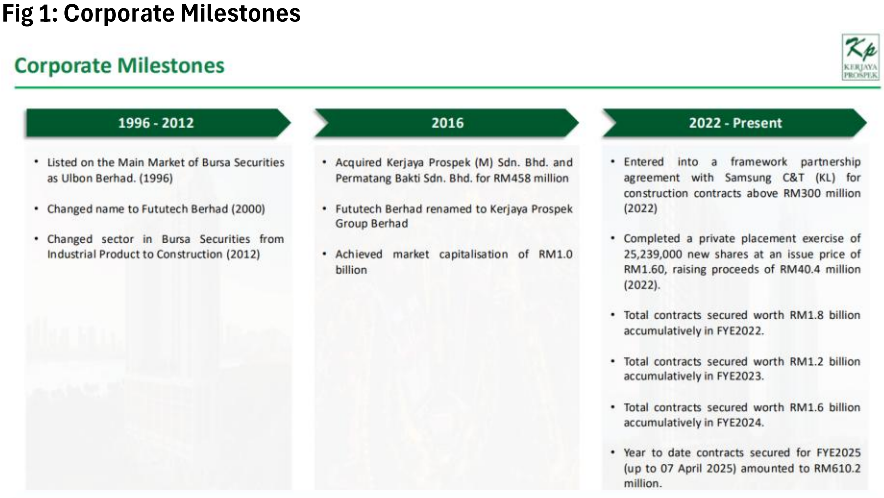
Business Overview

Business Model. KERJAYA initially operated in the industrial products sector, specialising in the manufacturing of lighting products and kitchen cabinetry. In 1996, the Group made its debut on the Main Market of Bursa Malaysia Securities under the name Ulbon Bhd. The company rebranded to Fututech Bhd in 2000, marking the beginning of a broader strategic focus.

Originally listed under the industrial products sector, Fututech Bhd transitioned to the construction sector in 2012. This strategic shift was further supported by the acquisition of Kerjaya Prospek (M) Sdn Bhd and Permatang Bakti Sdn Bhd. The company then rebranded as Kerjaya Prospek Group Bhd, marking the start of its new direction towards construction and property development.

The Group's transformation was highly successful. By 2018, KERJAYA ranked as the fourth-largest construction company by market capitalisation in Malaysia. Today, KERJAYA is primarily involved in the construction of high-rise residential and high-end commercial buildings, as well as property development and the continued manufacturing of lighting and kitchen solutions.

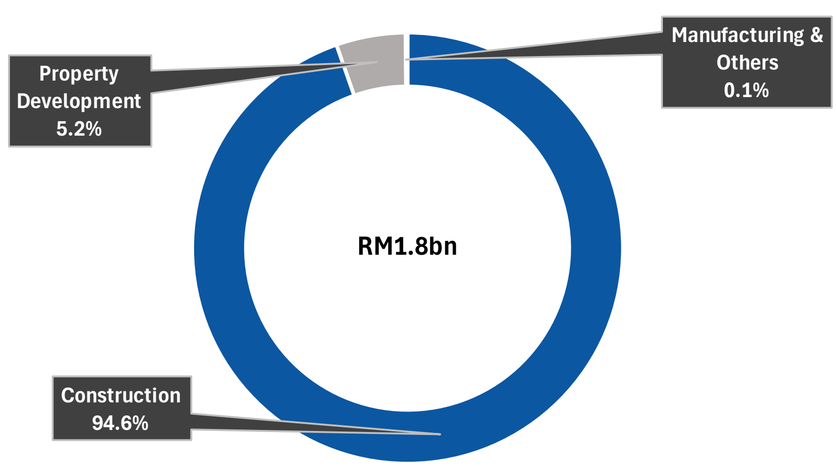
Fig 1: Corporate Milestones



Source: Company

Business Activities

Fig 2: Segmented Revenue (FY24)



Source: Company, Apex Securities

Construction Segment (94.6% of FY24 revenue). KERJAYA specialises in main building construction, infrastructure works, project management, and interior fit-out for upscale high-rise residential and commercial developments. The Group has a strong track record of delivering high-quality projects ahead of schedule, establishing themselves as a trusted partner for both existing and new clients, including E&O, UEM Sunrise Bhd, and SP Setia Bhd. Recognised as a leading contractor in the premium high-rise segment, KERJAYA expanded its services to include piling and reclamation projects, enhancing its value proposition for clients and strengthening its competitive edge.

The construction segment serves as KERJAYA's main revenue driver, boasting RM870.3m in new contract wins year-to-date in FY25. As of 9 May 2025, there are 30 ongoing projects, bringing its outstanding orderbook value to RM4.6bn. Importantly, RM3.6bn, representing 78% of the total orderbook value, arises from related party transactions. Combined with KERJAYA's guidance for additional job wins in FY25 of at least RM1.6bn annually, we expect clear earnings visibility into 2027.

Fig 3: Outstanding Orderbook (As of 9 May 2025)

Contract	Oustanding Orderbook (RM'm)
Klang Valley	
Damansara Heights Project, 54 units, 3-storey villa	7.0
Bangsar Hill Park	7.8
269 Unit Apartment @ Off Jalan Hang Tuah / Jalan Pudu, KL	40.5
Astrum Ampang	497.0
Execution and completion of a proposed residential development project @ Mukim Setapak	78.3
Phase 2 of Taman Equine residential project	68.8
57-storey residential building @ Mukim Batu, KL	248.9
Site clearance, earthworks, piling, and related structural works for proposed development @ Damansara Damai, Selangor	16.6
Residensi Zig @ Kiara Bay	263.7
Construction of 360 units 3-storey terrace houses @ Elmina West, Shah Alam	256.4
Penang	
VIIO Executive Apartments @ Batu Kawan (Phase 2)	431.9
Versa @ Batu Kawan	158.2
Piling and pile cap works for proposed development @ Batu Kawan	14.4
Main building works for two blocks of apartments, Phase 2A @ Seri Tanjung Pinang 2 , Andaman Island	13.3
Development of 69 units of 3-storey semi–d and terrace houses @ Seksyen 2, Andaman Island	31.4
Main building works of a proposed high-rise residential development @ Andaman Island	145.3
Gurney Marine Bridge Phase 2 @ Seri Tanjung Pinang 2, Andaman Island	38.1
STP 2 Rock Bund (Phase 2B & 2C) @ Seri Tanjung Pinang 2, Andaman Island	84.7
STP 2 Coastal Protection Structure @ Seri Tanjung Pinang 2, Andaman Island	258.7
Piling and earthworks for 49-storey service apartment @ Andaman Island	1.7
Execution and completion of a reclamation and dredging works for STP2 (Phase 2B & 2C)	482.5
Main building works for a 50-storey service apartment @ Andaman Island, Penang	234.0
Reclamation and dredging works @ Seri Tanjung Pinang 2, Andaman Island	482.5
Infrastructure works of Gurney pedestrian ramp, access to Gurney, and associated works @ Seri Tanjung Pinang 2, Andaman Island	11.4
Piling and earthworks for for a proposed service apartment @ Bandar Tanjung Pinang, Andaman Island	51.0
Main building works for 50-story service apartment for Maris project @ Bandar Tanjung Pinang, Andaman Island	291.4
Construction of Phase 3 and 4 of the Fera terrace homes & Senna semi-D homes residential development, @ Bandar Tanjung Pinang, Andaman Island	98.1
Melaka	
Texas Electronics Malaysia Sdn Bhd factory construction works at Taman Perindustrian Batu Berendam, Free Trade Zone in Melaka	72.7
Johor	
Residential Development Project @ Kampung Bendahara, Johor	12.9
Gen-Rise, 47-storey transit-oriented serviced apartment @ near Bukit Chagar RTS station and the customs, immigration, and quarantine complex	162.0
Total	**4560.9**

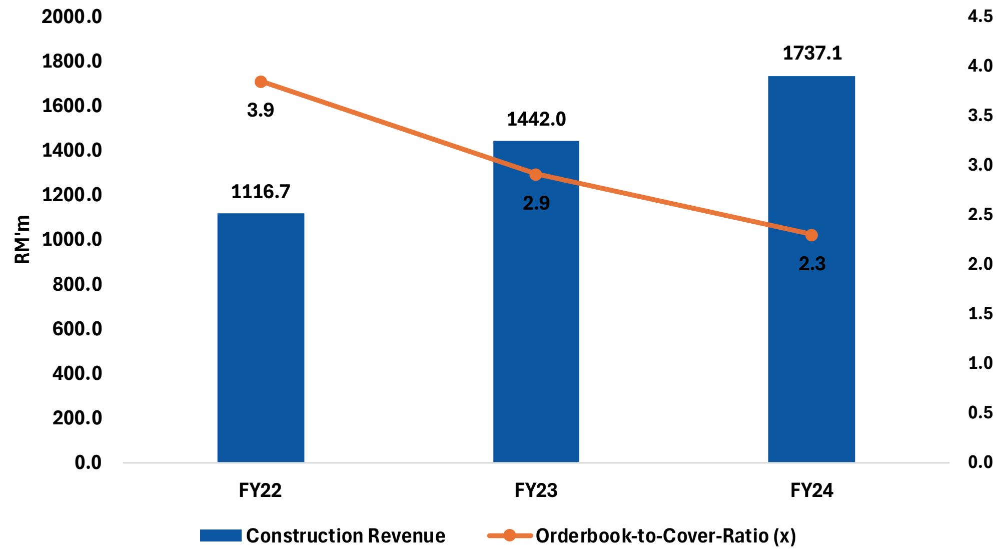
Source: Company, Apex Securities

Fig 4: Construction Contracts Awarded YTD (FY25)

Contract	Contract Value (RM'm)
Construction of 360 units 3-storey terrace houses @ Elmina West, Shah Alam	256.4
Piling and earthworks for for a proposed service apartment @ Bandar Tanjung Pinang, Andaman Island	51.0
Infrastructure works of Gurney pedestrian ramp, access to Gurney, and associated works @ Seri Tanjung Pinang 2, Andaman Island	11.4
Main building works for 50-story service apartment for Maris project @ Bandar Tanjung Pinang, Andaman Island	291.4
Construction of Phase 3 and 4 of the Fera terrace homes & Senna semi-D homes residential development, @ Bandar Tanjung Pinang, Andaman Island	98.1
Gen-Rise, 47-storey transit-oriented serviced apartment @ near Bukit Chagar RTS station and the customs, immigration, and quarantine complex	162.0
Total	**870.3**

Source: Company, Apex Securities

Fig 5: Orderbook vs Revenue Recognition Progress (FY22–FY24)

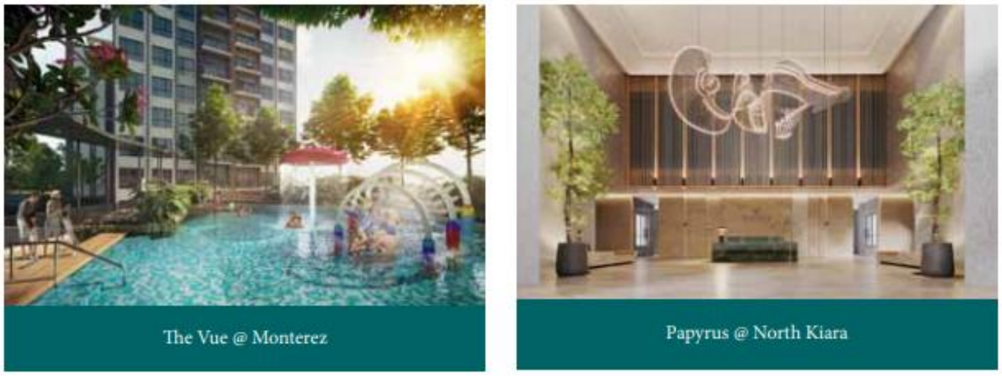


Source: Company, Apex Securities

Property Segment (5.2% of FY24 revenue). KERJAYA ventured into the property development sector to diversify its revenue stream. The maiden property development project was launched in Gohtong Jaya, as Vista Residence at Genting Highlands with a GDV of RM300m and was completed in 2019. Currently, the two on-going projects are The Vue at Monterez with a GDV of RM300m and Papyrus at North Kiara with a GDV of RM500m. Take-up rate for The Vue at Monterez stood at c.87% and for Papyrus at North Kiara, take-up rate was 60% as of 28 Feb 2025.

Although KERJAYA's focus was always in the construction segment, its property development segment achieved a revenue of RM95.6m in FY24 which translates to a significant surge of 337% yoy. The significant increase in revenue in FY24 was primarily attributed to the sale of properties from both its on-going development projects. Furthermore, the property segment is expected to grow, primarily driven by a seven-year redevelopment project in Penang under its 55%-owned stake in Rivanis Venture Sdn Bhd. The 36-ac project, comprising of affordable housing, residential units, serviced apartments, retail shops, and offices is expected to sustain both construction and property earnings in the next seven years.

Fig 6: Ongoing Property Development Projects



Source: Company

Manufacturing Segment (0.1% of FY24 revenue). KERJAYA's manufacturing segment complements its construction and property development segments by offering integrated kitchen and lighting solutions. Through its FORTE brand, it provides premium residential kitchen cabinetry, focusing on design, practicality, and quality for KERJAYA's projects. Additionally, the BRITE-LITE brand manufactures high-quality indoor and outdoor lighting products, leveraging over 25 years of experience. This one-stop solution approach supports KERJAYA's commitment to delivering comprehensive fit-out solutions.

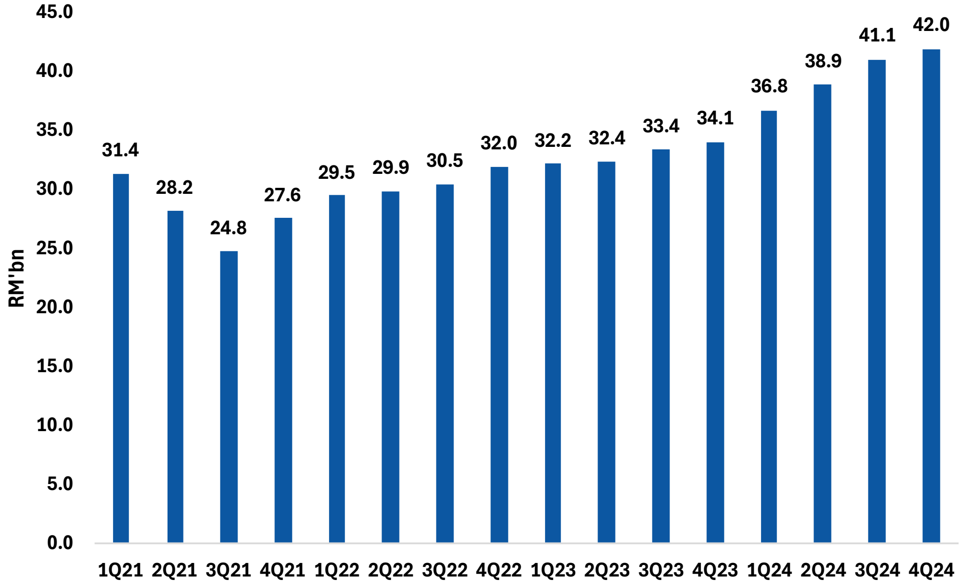
Fig 7: FORTE (kitchen cabinetry) and BRITE-LITE (lighting) products

Source: Company

Industry Overview

Malaysia's Construction Boom. In 2024, Malaysia's construction sector saw significant growth, with a total value of RM158.8bn, a 20.2% yoy increase. Growth was driven by the private sector, contributing RM27bn or 64.2% of the total, with strong performances in residential buildings, which grew by 24.5% yoy. Residential construction alone accounted for RM9.9bn in 4Q2024, showing a 38.9% yoy increase. The sector's growth was largely led by private sector investments in residential projects, and we foresee this trend to extend in coming years.

Fig 8: Value of Construction Work Completed in Malaysia (FY24)



Source: DOSM, Apex Securities

Property Market Outlook. Malaysia's property market in 2024 is experiencing a nuanced recovery, with distinct trends across various sectors. Residential property launches are rebounding, particularly in urban centres like Kuala Lumpur and Penang, driven by ongoing urbanisation and internal migration. The urbanisation rate in Malaysia has reached c.76.6% as of 2020, with projections indicating an increase to 88% by 2050. In 2024, the total property transaction value reached RM232.3bn, an 18% increase from the previous year, with residential properties accounting for 46%, or RM106.4bn, of the total market value. This growth reflects stronger demand in the residential market, especially in high-rise and luxury condominiums, aligned with ongoing urban development.

On the other hand, the office property segment continues to face headwinds, largely due to evolving work patterns such as hybrid and remote arrangements, which have reduced the need for traditional office space and dampened overall demand. Total office space stock in the Klang Valley expanded to 121.7m sqf by 4Q2024, up slightly from 121m sqf at the end of 2Q2024. However, demand has failed to keep pace with the increasing supply, resulting in an elevated vacancy rate of 28.3% as of the end of 2024, compared to 28.4% in the third and second quarters. Overall, while challenges persist in certain segments, the Malaysian property market is adapting to new demands and opportunities.

Riding the DC Wave. Malaysia's growing prominence as a regional DC hub is driven by its strategic location in the heart of ASEAN, robust fibre connectivity, affordable land prices compared to Singapore, and favourable government policies. Since 2021, the country has attracted c.RM90bn in DC investments from global hyperscalers such as Amazon, Microsoft, and Google, with Johor emerging as a key beneficiary due to its land availability and proximity to Singapore. Johor's total IT capacity stands at nearly 1,600MW, of which only 20% is operational, indicating a strong pipeline of construction activity ahead. With global CAPEX on AI infrastructure expected to reach $320bn in 2024, and over half of hyperscaler investments directed to Malaysia, the demand for construction remains high. Despite near-term challenges, including shifts in US AI chip policies and tariff uncertainties, Malaysia's abundant resources, strategic diplomatic stance, and ongoing commitment to advancing its tech sector will ensure its continued competitiveness as both a DC hub and a key player in the global AI race. This sets the stage for construction players to benefit from sustained job flows in the medium to long term.

Fig 9: Estimated and committed global DC CAPEX by hyperscalers

Hyperscalers	Data Centre CAPEX ($'bn)		
	2023	2024	2025
AWS	25	75	104
Microsoft	37	56	80
Google Cloud	38	48	75
Meta Platforms	28	38	65
Oracle	6	7	8
Others	126	232	259
Total	**260**	**455**	**590**

Source: Various, Apex Securities

Major Infrastructure Projects Drive Construction Growth. The construction sectors in Penang, Kuala Lumpur, and Johor are gaining significant momentum, driven by a series of large-scale infrastructure projects that are reshaping regional connectivity and strengthening the industry's growth prospects. In Penang, the ongoing construction of the 29.5km Mutiara LRT Line, which commenced in Jan 2025, marks the development of the first of three segments. This first segment focuses on connecting PSR-A to Komtar Station in George Town, enhancing urban connectivity within the island. It features 21 strategically located stations linking key destinations such as Penang International Airport, Bayan Lepas Free Industrial Zone, and SPICE Arena. The contract, valued at RM8.3bn, was awarded to the SRS Consortium (led by GAMUDA). The second segment (Macallum to Penang Sentral) is slated for tender in 3Q2025. The third segment, which involves the design, procurement, construction, testing, commissioning, and maintenance of railway systems, closed for tenders on 14 Apr 2025.

Meanwhile, Kuala Lumpur's MRT 3 revival is expected to boost industry sentiment and contribute to the sector's continued expansion. In Johor, several pivotal projects, including the ART system, are set to improve public transport, while the RTS Link within JS-SEZ will enhance cross-border connectivity. For the RTS Link (Malaysia Section), several contractors have been awarded major contracts, including EKOVEST with a contract valued at RM2bn, IJM with RM1.1bn, SUNCON with RM0.6bn, and ROHAS with RM0.2bn.

Together, these initiatives are creating a more optimistic outlook for the construction sector in all three regions, presenting ample opportunities for growth and development across the country.

Fig 10: Key Regional Infrastructure Projects Contracts Awarded (As of 9 May 2025)

Project	Scope	Contractor	Contract Value (RM'bn)
Mutiara LRT Line	First Segment: 23.7km elevated viaduct from Komtar to PSR-A	SRS Consortium (led by Gamuda Bhd)	8.3
RTS Link	Main EPC Contract: Bukit Chagar Station, 2.7 km tracks	Ekovest Construction Sdn Bhd	2.0
RTS Link	Package 1B: Advance Works for Station & Package 5: Terrestrial Viaducts	Sunway Construction Sdn Bhd	0.6
RTS Link	Package 2A and 2B: ICQC Construction	IJM Construction Sdn Bhd	1.1
RTS Link	Package 7 - Construction and Completion of Viaduct Aesthetic Features	Ekovest Construction Sdn Bhd	N/A
RTS Link	Package 8 - Construction and Completion of Bukit Chagar Station's Façade	Rohas Tecnic Bhd	0.2
RTS Link	Completion of Malaysia Agencies Fit-Out Works at Woodlands North Custom, Immigration and Quarantine	Tech-Store Malaysia Sdn Bhd	N/A
RTS Link	Completion of Mechanical & Electrical Works at Viaduct	CHEC Construction (M) Sdn Bhd	N/A
Total			**12.2**

Source: Various, Apex Securities

Investment Highlights

Long-term earnings visibility. KERJAYA's outstanding orderbook of RM4.6bn will keep the Group busy for the next three years. With an orderbook-to-cover ratio of 2.3x against FY24 construction revenue, earnings visibility remains clear until FY27. Furthermore, KERJAYA has a tenderbook consisting of building jobs worth RM2-3bn. In relative to our orderbook replenishment assumption of RM1.8bn, KERJAYA is optimistic about securing at least RM1.6bn in new contracts in FY25, which will sustain future earnings growth.

Robust project pipeline. KERJAYA is set to benefit from a robust pipeline of opportunities through joint ventures and related parties, strengthening its construction orderbook. Its subsidiary, KPPROP, will be launching two high-rise residential projects in Klang Valley by CY25: one in Shah Alam with a GDV of RM290m and another in Damansara Damai with a GDV of RM500m. Additionally, E&O plans to launch RM2bn worth of properties for its Andaman Island development in Penang by CY25, with RM1.1bn of GDV yet to be launched. On the industrial front, KERJAYA is targeting RM2-3bn worth of tenders for DCs, factories, and warehouses through a joint venture with Samsung C&T, with the outcomes of these tenders expected by 4QFY25. These initiatives are poised to contribute to KERJAYA's growth and strengthen its market position in the coming years.

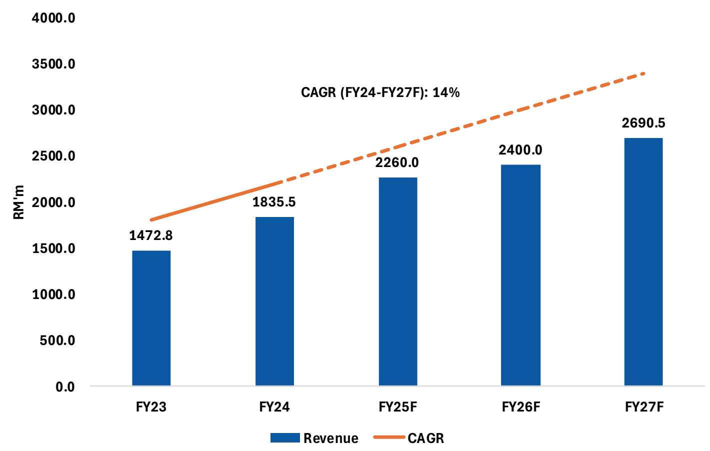
Solid construction margins. KERJAYA stands out with a core net margin of 9%, well above the 5%-6% average for Malaysia's construction industry. By focusing on high-rise and niche property projects, KERJAYA is able to command better pricing and higher profitability. The Group also invests in in-house resources to boost operational efficiency and reduce reliance on third-party suppliers. Notably, its self-climbing platform, which safely covers 3.5 floors at once, and its aluminium formwork system, which allows for the simultaneous casting of structural elements like walls, columns, slabs, beams, staircases, and lift cores, have significantly streamlined construction. This efficient approach has resulted in substantial material cost savings, helping the Group maintain strong profit margins.

Financial Highlights

Maintaining Momentum. KERJAYA posted strong financial results in FY24 with record-high revenue of RM1.8bn, driven by the resumption of construction activities and workforce expansion fuelled by foreign labour inflows. Looking ahead, revenue and core net profit are expected to grow at a CAGR of 14% from FY24 to FY27F, positioning the Group for continued growth. Meanwhile, the Group's net cash position strengthened from RM73.5m in FY23 to RM145.3m in FY24, and is expected to strengthen to RM157.2m/RM196.3m/RM168.5m in FY25F/FY26F/FY27F respectively—providing the financial flexibility to support expansion plans, secure favourable supplier terms, and cushion downside risks.

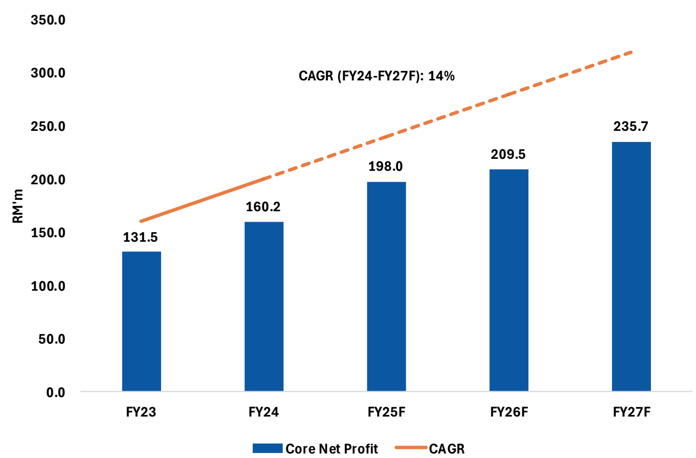
Earnings Outlook. Going forward, we project KERJAYA's core net profit to register at RM198.0m/RM209.5m/RM235.7m in FY25F/FY26F/FY27F, respectively. Projected growth is expected to be underpinned by (i) an increase in regional infrastructure projects (ii) progressive recognition of outstanding orderbook of RM4.6bn, and (iii) in-house orderbook replenishment assumption of RM1.8bn per annum—exceeding the management's guidance of RM1.6bn. The outlook further reinforced by a sizeable tenderbook worth RM2-3bn.

Fig 11: Revenue (FY23-FY27F)



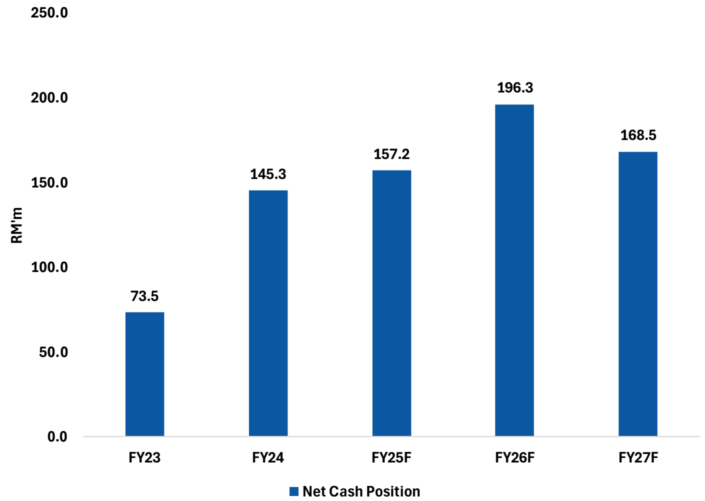
Source: Company, Apex Securities

Fig 12: Core Net Profit (FY23-FY27F)



Source: Company, Apex Securities

Fig 13: Net Cash Position (FY23-FY27F)



Source: Company, Apex Securities

Valuation & Recommendation

Initiation Coverage. We initiate coverage on KERJAYA with a **BUY** recommendation and a target price of **RM2.50**, based on an assigned 15.0x P/E multiple to its FY26F EPS of 16.6 sen, alongside a three-star ESG rating. The valuation represents a 13%–27% discount to key construction peers, GAMUDA (17.2x P/E) and SUNCON (20.5x P/E), reflecting market concerns over the oversupply of high-rise office buildings in the property sector.

Investment Thesis. We favour KERJAYA for its (i) strong track record of delivering high-quality projects ahead of schedule to reputable clients, (ii) advanced and high-margin formwork construction technique, and (iii) prospects of growing its sizable orderbook backed by more than RM2-3bn worth of tenders.

Peers Comparison

Fig 14: Selected peers engage in construction, listed on Bursa Malaysia

Company	FYE	Price (RM)	P/E (x)		P/B (x)		Dividend Yield	Target Price	Potental	ESG
		as at 9May25	2025F	2026F	2025F	2026F	(%)	(RM)	Upside	Rating
Kerjaya Prospek Group Bhd	Dec	2.05	13.1	12.3	2.2	2.1	5.4	2.50	22.0%	★★★
Gamuda Bhd	Jul	4.50	21.7	17.2	2.0	1.9	2.2	5.39	19.8%	N/A
Sunway Construction Group Bhd	Dec	4.74	22.2	20.5	6.0	5.3	0.5	4.89	3.2%	N/A

**Forecast data denotes Bloomberg consensus estimates*
Source: Bloomberg, Apex Securities

Investment Risk

Rising Material Prices. Recent geopolitical events, supply chain disruptions, and inflationary pressures can significantly influence the prices of construction materials. Rising construction material prices reduces profitability margins.

High-Rise Office Oversupply. The oversupply of high-rise office buildings in the property sector poses a risk to construction demand, potentially leading to project delays and pricing pressure.

Failure to secure new contracts. Should the construction segment is not able to replenish and meet our internal expected targeted orderbook replenishment, revenue growth forecast will be revised downward.

Risk of Liquidated Ascertained Damages (LAD). Delays and cost overruns in construction projects may result in LAD. Such penalties erode profit margins, strain cash flow, and damage the Group’s reputation, impacting its ability to secure future contracts.

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	**1472.8**	**1835.5**	**2260.0**	**2400.0**	**2690.5**
Gross Profit	**197.7**	**246.2**	**303.1**	**321.9**	**360.9**
EBITDA	**189.2**	**225.4**	**280.5**	**297.9**	**334.0**
Depreciation & Amortisation	-16.3	-16.8	-20.9	-21.5	-22.5
EBIT	**173.0**	**208.6**	**259.6**	**276.4**	**311.5**
Net Finance Income/ (Cost)	5.1	7.6	7.5	6.1	6.4
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	**178.0**	**216.2**	**267.1**	**282.6**	**317.9**
Tax	-46.3	-55.9	-69.0	-73.0	-82.2
Profit After Tax	**131.7**	**160.3**	**198.0**	**209.5**	**235.7**
Minority Interest	0.2	0.0	0.0	0.0	0.0
Net Profit	**131.5**	**160.2**	**198.0**	**209.5**	**235.7**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**131.5**	**160.2**	**198.0**	**209.5**	**235.7**

Key Ratios

FYE Dec	FY23	FY24	FY25F	FY26F	FY27F
EPS (sen)	10.4	12.7	15.7	16.6	18.7
P/E (x)	19.7	16.1	13.1	12.3	11.0
P/B (x)	2.2	2.3	2.2	2.1	2.0
EV/EBITDA (x)	13.3	10.8	8.7	8.0	7.2
DPS (sen)	8.0	15.0	12.0	12.0	12.0
Dividend Yield (%)	3.9%	7.3%	5.9%	5.9%	5.9%
EBITDA margin (%)	12.8%	12.3%	12.4%	12.4%	12.4%
EBIT margin (%)	11.7%	11.4%	11.5%	11.5%	11.6%
PBT margin (%)	12.1%	11.8%	11.8%	11.8%	11.8%
PAT margin (%)	8.9%	8.7%	8.8%	8.7%	8.8%
NP margin (%)	8.9%	8.7%	8.8%	8.7%	8.8%
CNP margin (%)	8.9%	8.7%	8.8%	8.7%	8.8%
ROE (%)	11.4%	14.1%	16.7%	16.9%	17.8%
ROA (%)	8.0%	7.2%	8.3%	8.2%	8.5%
Gearing (%)	2.7%	2.5%	2.1%	1.8%	1.5%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations	FY26F
Core EPS (RM)	0.166
P/E multiple (x)	15.0
Fair Value (RM)	**2.50**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**2.50**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash	104.1	173.3	182.4	218.9	188.8
Receivables	851.1	1125.3	1207.4	1282.2	1437.4
Inventories	216.0	249.6	239.4	263.5	289.9
Other current assets	135.9	345.5	425.4	451.7	506.4
Total Current Assets	**1307.1**	**1893.6**	**2054.6**	**2216.3**	**2422.5**
Fixed Assets	92.4	92.4	94.1	96.6	101.0
Intangibles	227.9	227.9	227.9	227.9	227.9
Other non-current assets	7.3	10.8	10.8	10.8	10.8
Total Non-Current Assets	**327.6**	**331.2**	**332.8**	**335.3**	**339.8**
Short-term debt	29.8	24.1	21.7	19.6	17.6
Payables	366.4	429.8	485.7	524.8	577.3
Other current liabilities	32.9	627.3	690.1	759.6	835.6
Total Current Liabilities	**429.1**	**1081.3**	**1197.6**	**1303.9**	**1430.5**
Long-term debt	0.8	3.8	3.4	3.1	2.8
Other non-current liabilities	51.2	3.4	3.4	3.4	3.4
Total Non-Current Liabilities	**52.0**	**7.2**	**6.8**	**6.5**	**6.1**
Shareholder's equity	1153.0	1135.6	1182.3	1240.4	1324.8
Minority interest	0.7	0.7	0.8	0.8	0.9
Total Equity	**1153.7**	**1136.4**	**1183.1**	**1241.3**	**1325.6**

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Pre-tax profit	**178.0**	**216.2**	**267.1**	**282.6**	**317.9**
Depreciation & amortisation	16.3	16.8	20.9	21.5	22.5
Changes in working capital	-158.0	88.1	-33.1	-16.6	-107.8
Others	-10.0	2.9	-69.0	-73.0	-82.2
Operating cash flow	**26.3**	**323.9**	**185.9**	**214.4**	**150.4**
Net capex	11.9	-13.5	-22.6	-24.0	-26.9
Others	74.9	-47.3	0.0	0.0	0.0
Investing cash flow	**86.7**	**-60.8**	**-22.6**	**-24.0**	**-26.9**
Dividends paid	-88.3	-201.8	-151.3	-151.3	-151.3
Others	18.9	-12.2	-2.8	-2.5	-2.3
Financing cash flow	**-69.4**	**-214.0**	**-154.1**	**-153.8**	**-153.6**
Net cash flow	**43.7**	**49.1**	**9.1**	**36.5**	**-30.1**
Forex	1.1	-1.0	0.0	0.0	0.0
Others	29.6	50.8	0.0	0.0	0.0
Beginning cash	29.7	74.4	173.3	182.4	218.9
Ending cash	**104.1**	**173.3**	**182.4**	**218.9**	**188.8**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Adopted LED lighting, implemented energy-saving practices in offices, and invested in renewable energy such as photovoltaic systems to reduce reliance on fossil fuels.
Waste & Effluent	★★★	100% recycling rate for iron and steel waste in FY24.
Energy	★★★	Total energy consumption stood at 25,351 MWh in FY24, an 8% decrease from 27,449 MWh in FY23.
Water	★★★	Recorded a water intensity of 0.18 m3/RM1,000 Construction revenue in FY24, below set target of 0.20.
Compliance	★★★	In compliance with local environmental regulations.

Social

Diversity	★★	Male-dominated workforce for manual labor, 54% male and 46% female composition for office-based employees.
Human Rights	★★★	Enforce and adopts a workplace free from harassment, discrimination, enslavement, child, or forced labour. 0 human rights violations recorded in FY24.
Occupational Safety and Health	★★	All subsidiaries of construction segment certified with ISO 45001 Occupational Health and Safety Management System (OHSMS). 1 major accident, 1 non-fatal serious injury, and 0 fatalities recorded in FY24.
Labour Practices	★★★	Complies with Employee's Minimum Standards of Housing, Accommodations and Amenities Act.

Governance

CSR Strategy	★★★	Complies with principles and practices set out in the Malaysian Code on Corporate Governance (MCCG).
Management	★★★	3/8 female board composition, 4/8 Independent Directors.
Stakeholders	★★★	Major announcements and financial reports were announced in timely manner.

Overall ESG Scoring: ★★★

Recommendation Framework:
BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.
*Capital gain

Sector Recommendations:
OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.
NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.
UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:
★★★★★ : Appraised with 3% premium to fundamental fair value
★★★★ : Appraised with 1% premium to fundamental fair value
★★★ : Appraised with 0% premium/discount to fundamental fair value
★★ : Appraised with -1% discount to fundamental fair value
★ : Appraised with -5% discount to fundamental fair value

As of **Tuesday, 13 May, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) nil.