

Team Coverage

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Recommendation	BUY
Current Price:	RM 2.08
Previous Target Price:	RM 2.50
Target Price:	↔ RM 2.50
Capital Upside/ Downside:	20.2%
Dividend Yield (%) :	5.8%
Total Upside/ Downside	26.0%

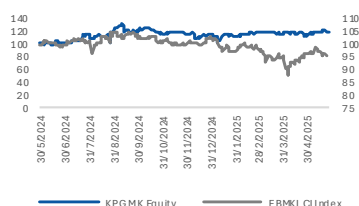
Stock information

Board	MAIN
Sector	Construction
Bursa/ Bloomberg Code	7161/ KPGMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	1,257.3
Market Cap (RM' m)	2,615.3
52-Week Price Range (RM)	2.406-1.768
Beta (x)	0.7
Freefloat (%)	29.3
3M Average Volume (m)	0.7
3M Average Value (RM' m)	1.6

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 (%)	4.0	-1.0	12.1
Relative (%)	-0.5	-5.2	14.6

Earnings summary

FYE Dec	FY24	FY25F	FY26F
Revenue (RM' m)	1,835.5	2,260.0	2,400.0
PATAMI (RM' m)	160.2	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)	16.3	13.2	12.5

Kerjaya Prospek Group Bhd

Within Expectations

- KERJAYA's 2QFY25 record-high CNP came in within expectations at RM54.4m (+18.2% QoQ; +46.8% YoY), bringing 6MFY25 CNP to RM100.5m (+42.3% YoY), accounting for 50.8% and 51.8% of ours and consensus forecasts respectively.
- The QoQ improvement is mainly attributable to its two property development projects known as The Vue @ Monterez and Papyrus @ North Kiara.
- The Group declared a second interim dividend of 3.0 sen in 2QFY25.
- Maintain BUY recommendation with an unchanged TP of RM2.50, based on 15.0x P/E multiple applied to its FY26F EPS of 16.6 sen, along with a three-star ESG rating.

Results within expectations. KERJAYA's 2QFY25 record-high CNP came in within expectations at RM54.4m (+18.2% QoQ; +46.8% YoY), bringing 6MFY25 CNP to RM100.5m (+42.3% YoY), accounting for 50.8% and 51.8% of ours and consensus forecasts respectively. The QoQ improvement is mainly attributable to its two property development projects known as The Vue @ Monterez and Papyrus @ North Kiara.

Dividends. The Group declared a second interim dividend of 3.0 sen for 2QFY25 (2QFY24: 2.5 sen), bringing YTD DPS to 6.0 sen (1HFY24: 5.0 sen).

YoY. CNP for 2QFY25 expanded 46.8% YoY to RM54.4m, underpinned by accelerated progress in Construction activities and Property Development. Revenue climbed 36.4% YoY to RM539.5m, supported by broad-based strength across all segments. The Construction division posted a 25.4% increase to RM470m, while the Property Development segment delivered a standout performance, surging 246.6% to RM68.8. Despite the topline momentum, CNP margins experienced slight compression, with the Construction and Property Development segments contracting by 2.5%-pts and 2.7%-pts, respectively, mainly attributable to higher tax expenses.

QoQ. CNP soared 18.2% on an 11.3% uplift in revenue, supported by higher contribution from its Property Development segment (PAT +43.8% QoQ) while its Construction segment moderated (PAT -13.7% QoQ). Property Development was supported by greater revenue recognition from two property development projects known as The Vue @ Monterez and Papyrus @ North Kiara. Consequently, overall CNP margin improved 0.3%-pts from 9.8% in 1QFY25 to 10.1% in 2QFY25.

Outlook. With proactive measures in place to mitigate headwinds such as Ringgit volatility, skilled labour shortages and escalating material costs, we anticipate the Group to deliver resilient performance, underpinned by its sizable construction order book of RM3.9b. Looking ahead, the Construction segment is expected to remain the primary growth driver, reinforcing topline expansion as the Group deepens its focus on core operations.

Earnings Revision. No change to our earnings forecast.

Valuation & Recommendation. We maintain our **BUY** recommendation on KERJAYA, with an unchanged TP of **RM2.50**, based on assigned 15.0x P/E multiple to its FY26F EPS of 16.6 sen, along with a three-star ESG rating.

Risks. Rising material costs, labour shortages, and high-rise office oversupply in the property sector.

Results Note

Tuesday, 26 Aug, 2025

Results Comparison

FYE Dec (RM m)	2QFY25	2QFY24	yoy (%)	1QFY25	qoq (%)	6MFY25	6MFY24	yoy (%)
Revenue	539.5	395.4	36.4	472.0	14.3	1,011.4	732.6	38.1
EBITDA	81.2	53.0	53.1	71.3	13.8	152.5	101.4	50.3
Pre-tax profit	81.7	50.1	63.0	63.8	28.2	145.5	96.0	51.6
Net profit	54.4	37.1	46.8	46.1	18.2	100.5	70.6	42.3
Core net profit	54.4	37.1	46.8	46.1	18.2	100.5	70.6	42.3
Core EPS (sen)	4.3	2.9	46.8	3.7	18.2	8.0	5.6	42.3
EBITDA margin (%)	15.1	13.4		15.1		15.1	13.8	
PBT margin (%)	15.1	12.7		13.5		14.4	13.1	
Core net profit margin (%)	10.1	9.4		9.8		9.9	9.6	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	2QFY25	2QFY24	yoy (%)	1QFY25	qoq (%)	6MFY25	6MFY24	yoy (%)
Revenue								
Construction	470.0	374.9	25.4	422.2	11.3	892.2	704.1	26.7
Property development	68.8	19.8	246.6	49.1	40.1	117.9	27.2	333.4
Others	0.7	0.7	1.5	0.7	4.0	1.3	1.3	4.2
Total	539.5	395.4	36.4	472.0	14.3	1,011.4	732.6	38.1
Profit after tax (PAT)								
Construction	44.3	44.5	(0.5)	51.3	(13.7)	95.6	77.2	23.9
Property development	10.9	3.7	195.9	7.6	43.8	18.4	4.5	311.8
Others	(0.8)	(11.0)	(93.1)	(12.8)	(94.1)	(13.6)	(10.9)	25.1
Total	54.4	37.1	46.8	46.1	18.2	100.5	70.6	42.3
PAT margin (%)								
Construction	9.4%	11.9%		12.2%		10.7%	11.0%	
Property development	15.8%	18.5%		15.4%		15.6%	16.5%	
Others	-111.3%	-1637.8%		-1966.2%		-1020.6%	-850.2%	
Aggregate Total	10.1%	9.4%		9.8%		9.9%	9.6%	

Source: Company, Apex Securities

Results Note

Tuesday, 26 Aug, 2025

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	1,472.8	1,835.5	2,260.0	2,400.0	2,690.5
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)	10.5	12.7	15.7	16.6	18.7
P/E (x)	19.9	16.3	13.2	12.5	11.1
P/B (x)	2.3	2.3	2.2	2.1	2.0
EV/EBITDA (x)	13.4	11.0	8.8	8.1	7.3
DPS (sen)	8.0	15.0	12.0	12.0	12.0
Dividend Yield (%)	3.8%	7.2%	5.8%	5.8%	5.8%
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	1,125.3	1,207.4	1,282.2	1,437.4
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	1,307.1	1,893.6	2,054.6	2,216.3	2,422.5
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	1,081.3	1,197.6	1,303.9	1,430.5
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	1,153.0	1,135.6	1,182.3	1,240.4	1,324.8
Minority interest	0.7	0.7	0.8	0.8	0.9
Total Equity	1,153.7	1,136.4	1,183.1	1,241.3	1,325.6

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	0.0	50.8	0.0	0.0	0.0
Beginning cash	29.7	74.4	173.3	182.4	218.9
Ending cash	74.4	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 + dividend yield

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

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As of **Tuesday, 26 Aug, 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.