

Research Team

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Recommendation	HOLD
Current Price:	RM 2.70
Previous Target Price:	RM 2.50
Target Price:	↓ RM 2.34
Capital Upside/Downside:	-13.3%
Dividend Yield (%):	4.4%
Total Upside/Downside	-8.9%

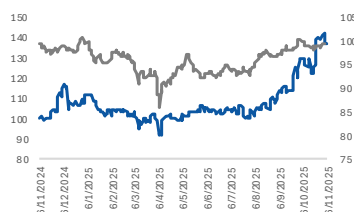
Stock information

Board	MAIN
Sector	Construction
Bursa / Bloomberg Code	7161/ KPGMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	1,257.3
Market Cap (RM' m)	3,394.8
52-Week Price Range (RM)	1.8-2.88
Beta (x)	0.8
Free float (%)	29.3
3M Average Volume (m)	2.1
3M Average Value (RM' m)	5.1

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 (%)	5.9	30.4	31.5
Relative (%)	7.0	24.0	32.6

Earnings summary

FYE Dec	FY24	FY25F	FY26F
Revenue (RM' m)	1835.5	2200.0	2250.0
PATAMI (RM' m)	160.2	192.6	195.9
CNP (RM' m)	160.2	192.6	195.9
EPS - core (sen)	12.7	15.3	15.5
P/E(x)	16.4	13.6	13.4

Kerjaya Prospek Group Bhd

Contract Awards Recommence with RM87.7m Win

- KERJAYA has secured a RM87.7m contract from E&O Express Sdn Bhd for the construction of 133 units of shop lots, 2 electrical substations and 1 compact substation in Elmina, Shah Alam. The contract shall commence on 17 November 2025 and to be completed within 30 months from the commencement date.
- Following this award, the Group has secured a total of 7 contracts year-to-date, worth RM958.0m in total, lifting the total outstanding order book to RM3.6b (2.0x FY4 revenue).
- With only 2 months left until the end of FY, we lower our FY25 order book replenishment assumption to RM1.2bn while maintaining our FY26 assumption at RM1.8bn. As such, we have revised our earnings forecasts for FY25F/FY26F/FY27F by -2.7%/-6.5%/-8.0%.
- We downgrade KERJAYA to HOLD (from BUY) with a lower TP of RM2.34 (from RM2.50), based on a 15.0x FY26F EPS of 15.5 sen, along with a three-star ESG rating.

Secured RM87.7m Construction Contract. KERJAYA, through its wholly-owned subsidiary, Kerjaya Prospek (M) Sdn Bhd (KPM), has accepted a letter of award from Eastern & Oriental Express Sdn Bhd (a subsidiary of Eastern & Oriental Bhd) for the execution and completion of 133 shop offices, 2 electrical substations and 1 compact substation in Elmina, Shah Alam for a fixed lump sum contract price of RM87.7m. The project shall commence on 17 November 2025 and to be completed within 30 months from the commencement date.

Outlook. We view this development **positively** as it broadens the Group's project pipeline and underscores potential contract wins ahead. Assuming a PBT margin of 11%, the contract is expected to contribute c.RM9.6m (3.6% of FY25F PBT) over a 30-month period, supporting earnings through FY28F. With this latest award, the Group has secured 7 contracts year-to-date with a cumulative value of RM958m, lifting its outstanding order book to RM3.6bn, equivalent to 2.0x FY24 revenue.

Earnings Revision. Following the new contract award, KERJAYA's FY25 order book replenishment remains below our earlier RM1.8bn assumption. With only 2 months left until the end of FY, we lower our FY25 order book replenishment assumption to RM1.2bn while maintaining our FY26 assumption at RM1.8bn. As such, we have revised our earnings forecasts for FY25F/FY26F/FY27F by -2.7%/-6.5%/-8.0%, respectively.

Valuation & Recommendation. We downgrade KERJAYA to **HOLD** (from BUY) with a lower TP of **RM2.34** (from RM2.50), based on assigned 15.0x P/E multiple to its FY26F EPS of 15.5 sen, along with a three-star ESG rating.

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

Company Update

Thursday, 06 Nov, 2025

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	1472.8	1835.5	2200.0	2250.0	2480.5
Gross Profit	197.7	246.2	295.1	301.8	332.7
EBITDA	189.2	225.4	273.1	279.3	307.9
Depreciation & Amortisation	-16.3	-16.8	-20.8	-21.1	-21.8
EBIT	173.0	208.6	252.3	258.2	286.1
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	259.7	264.3	292.5
Tax	-46.3	-55.9	-67.1	-68.3	-75.6
Profit After Tax	131.7	160.3	192.6	196.0	216.9
Minority Interest	0.2	0.0	0.0	0.0	0.0
Net Profit	131.5	160.2	192.6	195.9	216.8
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	131.5	160.2	192.6	195.9	216.8

Key Ratios

FYE Dec	FY23	FY24	FY25F	FY26F	FY27F
EPS (sen)	10.4	12.7	15.3	15.5	17.2
P/E(x)	19.9	16.4	13.6	13.4	12.1
P/B (x)	2.3	2.3	2.2	2.1	2.0
EV/EBITDA (x)	13.5	11.0	8.9	8.4	7.6
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%	11.5%
PBT margin (%)	12.1%	11.8%	11.8%	11.7%	11.8%
PAT margin (%)	8.9%	8.7%	8.8%	8.7%	8.7%
NP margin (%)	8.9%	8.7%	8.8%	8.7%	8.7%
CNP margin (%)	8.9%	8.7%	8.8%	8.7%	8.7%
ROE (%)	11.4%	14.1%	16.4%	16.0%	16.8%
ROA (%)	8.0%	7.2%	8.1%	7.7%	8.0%
Gearing (%)	2.7%	2.5%	2.1%	1.9%	1.6%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations

FY26F
Core EPS (RM)
0.155
P/E multiple (x)
15.0
Fair Value (RM)
2.34
ESG premium/discount
0.0%
Implied Fair Value (RM)
2.34

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash	104.1	173.3	220.8	309.9	305.8
Receivables	851.1	1125.3	1175.4	1202.0	1325.2
Inventories	216.0	249.6	239.4	263.5	289.9
Other current assets	135.9	345.5	414.1	423.5	466.9
Total Current Assets	1307.1	1893.6	2049.7	2199.0	2387.7
Fixed Assets	92.4	92.4	93.6	95.0	98.0
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	332.3	333.7	336.7
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	1176.9	1221.5	1287.0
Minority interest	0.7	0.7	0.8	0.8	0.9
Total Equity	1153.7	1136.4	1177.6	1222.3	1287.8

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Pre-tax profit	178.0	216.2	259.7	264.3	292.5
Depreciation & amortisation	16.3	16.8	20.8	21.1	21.8
Changes in working capital	-158.0	88.1	10.2	48.4	-64.4
Others	-10.0	2.9	-67.1	-68.3	-75.6
Operating cash flow	26.3	323.9	223.7	265.5	174.3
Net capex	11.9	-13.5	-22.0	-22.5	-24.8
Others	74.9	-47.3	0.0	0.0	0.0
Investing cash flow	86.7	-60.8	-22.0	-22.5	-24.8
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	47.5	89.1	-4.1
Forex	1.1	-1.0	0.0	0.0	0.0
Others	29.6	21.1	0.0	0.0	0.0
Beginning cash	29.7	104.1	173.3	220.8	309.9
Ending cash	104.1	173.3	220.8	309.9	305.8

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 **Thursday, 06 Nov, 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.