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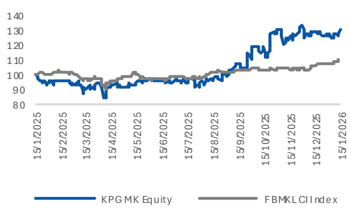
Recommendation		HOLD
Current Price:		RM 2.61
Previous Target Price:		RM 2.67
Target Price:	↑	RM 2.71
Capital Upside/Downside:		3.8%
Dividend Yield (%):		4.6%
Total Upside/Downsid		**8.4%**

Stock information	
Board	MAIN
Sector	Construction
Bursa / Bloomberg Code	7161 / KPGMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,257.3
Market Cap (RM' m)	3,281.7
52-Week Price Range (RM)	1.8-2.92
Beta (x)	0.7
Free float (%)	29.3
3M Average Volume (m)	1.2
3M Average Value (RM' m)	3.1

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 (%)	-1.9	-6.8	24.3
Relative (%)	-0.2	-13.4	13.3

Earnings summary			
FYE Dec	**FY25**	**FY26F**	**FY27F**
Revenue (RM'm)	2249.3	2400.0	2690.5
PATAMI (RM'm)	225.3	227.3	259.6
CNP (RM'm)	225.3	227.3	259.6
EPS - core (sen)	17.9	18.1	20.6
P/E (x)	14.6	14.5	12.7

Kerjaya Prospek Group Bhd

Within Expectations, Stronger Margins

- **KERJAYA registered 4QFY25 CNP of RM66.7m (+53.7% YoY, +16.2% QoQ), bringing its FY25's sum to RM224.7m. This is slightly above ours (106%) and in line with consensus (105%) expectations.**
- **We expect KERJAYA to deliver a resilient performance despite macro headwinds, supported by a sizeable RM4.4bn outstanding order book, implying a book-to-bill ratio of 1.8x.**
- **Lifted FY26F/FY27F earnings forecast slightly by +1.6%/+3.2% to reflect the Group's ability to deliver strong, consistent margins.**
- **Maintain HOLD recommendation on KERJAYA with a higher TP of RM2.71 (from RM2.67), based on unchanged PE of 15.0x FY26F EPS of 18.1 sen, along with a three-star ESG rating.**

Broadly In Line. KERJAYA registered 4QFY25 core net profit (CNP) of RM66.7m (+53.7% YoY, +16.2% QoQ), bringing its FY25's sum to RM224.7m. This is slightly above ours (106%) and in line with consensus (105%) expectations. The positive deviation was a result of better-than-expected net margins which improved 268bps YoY but registered a slight decline of 21bps QoQ.

YoY/YTD. CNP recorded strong earnings momentum, with growth of +53.7% YoY and +40.3% YTD, driven by improved construction progress and net margin expansion of 268bps YoY / 126bps YTD. This was underpinned by disciplined project execution and a growing order book which rose from RM4.0bn at end-FY24 to RM4.4bn currently.

QoQ. In line with the +18.6% increase in revenue, CNP rose +16.2%. Growth was driven primarily by stronger contributions from the property development segment, where revenue and CNP increased +31.4% and +22.4%, respectively. This was underpinned by healthy progress at The Vue @ Monterez and Papyrus @ North Kiara, which have achieved take-up rates of 99% and 91%. Unbilled sales remain robust at RM82m for The Vue @ Monterez and RM120m for Papyrus @ North Kiara, supporting total unbilled sales of RM202m and underpinning earnings momentum into FY26.

Dividends. The Group declared a fourth interim dividend of 3.5 sen per share (ex-date: 12 March), lifting YTD DPS to 12.5 sen (FY24:15 sen). Excluding the 4.0 sen special dividend declared in 3QFY24, FY25 dividends would reflect a 1.5 sen YoY increase.

Outlook. We expect KERJAYA to deliver a resilient performance despite macro headwinds, supported by a sizeable RM4.4bn outstanding order book, implying a book-to-bill ratio of 1.8x. Looking ahead, orderbook replenishment remains well supported by a visible pipeline from related parties, KPPB and E&O. Assuming combined annual GDV launches of RM3.0bn and a 50% construction-to-GDV conversion, KERJAYA is well-positioned to secure c.RM1.5bn of related-party contracts, providing a solid floor for order book growth. Beyond this, the Group has targeted a more proactive strategy to secure a total RM2.0bn worth of new jobs in FY26, with an emphasis on third-party contracts to rebalance its mix toward 35% external and 65% internal jobs. This is complemented by a broader pursuit of infrastructure-related works, including industrial projects, data centres and commercial developments. Taken together, the RM4.4bn current order book and an estimated RM2.0bn tender book provides strong earnings visibility going forward.

Earnings Revision. We lift our FY26F/FY27F earnings forecast slightly by +1.6%/+3.2% to reflect the Group's ability to deliver strong, consistent margins.

Valuation & Recommendation. We maintain our **HOLD** recommendation on KERJAYA with a higher TP of **RM2.71** (from RM2.67), based on unchanged PE of 15.0x FY26F EPS of 18.1 sen, along with a three-star ESG rating.

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

KDN PP13226/06/2024 (035469)

Results Comparison

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)
Revenue	671.7	598.1	*12.3*	566.3	*18.6*	2,249.3	1,835.5	*22.5*
EBITDA	88.2	62.6	*40.9*	71.3	*23.7*	312.0	225.8	*38.2*
Pre-tax profit	89.2	61.1	*46.1*	71.8	*24.2*	306.5	216.3	*41.7*
Net profit	66.7	43.4	*53.7*	57.4	*16.2*	224.7	160.1	*40.3*
Core net profit	66.7	43.4	*53.7*	57.4	*16.2*	224.7	160.1	*40.3*
Core EPS (sen)	5.3	3.4	*53.7*	4.6	*16.2*	17.8	12.7	*40.3*
EBITDA margin (%)	13.1	10.5		12.6		13.9	12.3	
PBT margin (%)	13.3	10.2		12.7		13.6	11.8	
Core net profit margin (%)	9.94	7.3		10.14		10.0	8.7	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)
Revenue								
Construction	555.7	545.8	*1.8*	477.6	*16.4*	1,925.5	1,737.1	*10.8*
Property development	115.2	51.5	*123.9*	87.7	*31.4*	320.8	95.6	*235.6*
Manufacturing & others	0.7	0.8	*(11.4)*	0.9	*(22.7)*	3.0	2.7	*9.3*
Total	**671.7**	**598.1**	***12.3***	**566.3**	***18.6***	**2,249.3**	**1,835.5**	***22.5***
Profit after tax (PAT)								
Construction	66.9	46.3	*44.4*	66.4	*0.8*	229.0	167.0	*37.1*
Property development	9.6	7.6	*27.0*	7.8	*22.4*	35.9	14.4	*148.7*
Manufacturing & others	(9.8)	(10.5)	*(6.2)*	(16.8)	*(41.3)*	(40.2)	(21.2)	*89.9*
Total	**66.7**	**43.4**	***53.6***	**57.5**	***16.0***	**224.7**	**160.3**	***40.2***
PAT margin (%)								
Construction	12.0%	8.5%		13.9%		11.9%	9.6%	
Property development	8.3%	14.7%		8.9%		11.2%	15.1%	
Manufacturing & others	-1366.8%	-1290.3%		-1800.0%		-1347.6%	-775.5%	
Aggregate Total	**9.9%**	**7.3%**		**10.2%**		**10.0%**	**8.7%**	

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	**1472.8**	**1835.5**	**2249.3**	**2400.0**	**2690.5**
Gross Profit	**197.7**	**246.2**	**353.1**	**345.9**	**393.2**
EBITDA	**189.2**	**225.4**	**335.4**	**321.9**	**366.3**
Depreciation & Amortisation	-16.3	-16.8	-17.1	-21.5	-22.5
EBIT	**173.0**	**208.6**	**318.2**	**300.4**	**343.8**
Net Finance Income/ (Cost)	5.1	7.6	11.7	6.1	6.4
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	**178.0**	**216.2**	**306.5**	**306.6**	**350.1**
Tax	-46.3	-55.9	-81.3	-79.2	-90.5
Profit After Tax	**131.7**	**160.3**	**225.3**	**227.3**	**259.6**
Minority Interest	0.2	0.0	0.0	0.0	0.0
Net Profit	**131.5**	**160.2**	**225.3**	**227.3**	**259.6**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**131.5**	**160.2**	**225.3**	**227.3**	**259.6**

Key Ratios

FYE Dec	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	10.4	12.7	17.9	18.1	20.6
P/E (x)	25.0	20.5	14.6	14.5	12.7
P/B (x)	2.8	2.9	2.7	2.6	2.4
EV/EBITDA (x)	17.0	13.4	8.7	9.5	8.4
DPS (sen)	8.0	15.0	12.5	12.0	12.0
Dividend Yield (%)	3.1%	5.7%	4.8%	4.6%	4.6%
EBITDA margin (%)	12.8%	12.3%	14.9%	13.4%	13.6%
EBIT margin (%)	11.7%	11.4%	14.1%	12.5%	12.8%
PBT margin (%)	12.1%	11.8%	13.6%	12.8%	13.0%
PAT margin (%)	8.9%	8.7%	10.0%	9.5%	9.7%
NP margin (%)	8.9%	8.7%	10.0%	9.5%	9.6%
CNP margin (%)	8.9%	8.7%	10.0%	9.5%	9.6%
ROE (%)	11.4%	14.1%	18.7%	17.9%	18.8%
ROA (%)	8.0%	7.2%	10.9%	8.8%	9.2%
Gearing (%)	2.7%	2.5%	1.8%	1.8%	1.5%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Expected order book replenishment			1800.0	1800.0	1800.0

Valuations	FY26F
Core EPS (RM)	0.181
P/E multiple (x)	15.0
Fair Value (RM)	**2.71**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**2.71**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash	104.1	294.7	377.0	250.6	244.7
Receivables	851.1	1125.3	1075.5	1282.2	1437.4
Inventories	216.0	249.6	277.5	263.5	289.9
Other current assets	135.9	224.1	10.6	451.7	506.4
Total Current Assets	**1307.1**	**1893.6**	**1740.6**	**2248.0**	**2478.4**
Fixed Assets	92.4	92.4	95.2	96.6	101.0
Intangibles	227.9	227.9	227.9	227.9	227.9
Other non-current assets	7.3	10.8	8.3	10.8	10.8
Total Non-Current Assets	**327.6**	**331.2**	**331.4**	**335.3**	**339.8**
Short-term debt	29.8	24.1	21.6	19.6	17.6
Payables	366.4	429.8	290.4	524.8	577.3
Other current liabilities	32.9	627.3	555.3	759.6	835.6
Total Current Liabilities	**429.1**	**1081.3**	**867.2**	**1303.9**	**1430.5**
Long-term debt	0.8	3.8	0.5	3.1	2.8
Other non-current liabilities	51.2	3.4	2.2	3.4	3.4
Total Non-Current Liabilities	**52.0**	**7.2**	**2.7**	**6.5**	**6.1**
Shareholder's equity	1153.0	1135.6	1201.1	1272.1	1380.6
Minority interest	0.7	0.7	0.9	0.8	0.9
Total Equity	**1153.7**	**1136.4**	**1202.1**	**1272.9**	**1381.5**

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	**178.0**	**216.2**	**306.5**	**306.6**	**350.1**
Depreciation & amortisation	16.3	16.8	17.1	21.5	22.5
Changes in working capital	-158.0	88.1	-2.9	-16.6	-107.8
Others	-10.0	2.9	-57.0	-79.2	-90.5
Operating cash flow	**26.3**	**323.9**	**263.8**	**232.2**	**174.4**
Net capex	11.9	-13.5	-10.9	-24.0	-26.9
Others	74.9	-47.3	-24.4	0.0	0.0
Investing cash flow	**86.7**	**-60.8**	**-35.3**	**-24.0**	**-26.9**
Dividends paid	-88.3	-201.8	-151.0	-151.1	-151.1
Others	18.9	-12.2	-15.2	-2.5	-2.3
Financing cash flow	**-69.4**	**-214.0**	**-166.3**	**-153.6**	**-153.4**
Net cash flow	**43.7**	**49.1**	**62.2**	**54.6**	**-5.9**
Forex	1.1	-1.0	-0.7	0.0	0.0
Others	29.6	21.1	20.8	0.0	0.0
Beginning cash	29.7	104.1	294.7	196.0	250.6
Ending cash	**104.1**	**294.7**	**377.0**	**250.6**	**244.7**

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

As of **Friday, 27 Feb, 2026**, 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.