


More job replenishment opportunities for Kerjaya Prospek

KUALA LUMPUR: [Kerjaya Prospek Group Bhd](#)  could be eyeing more job replenishment opportunities from the Bukit Bintang City Centre (BBCC) project, including a possible tender for the development's 80-storey Signature Tower, said RHB Research.

Underlining the case for the construction group, the research firm said it has already established ties to the project via nearly RM600mil worth of jobs over four packages from the development.

This puts it in good stead to secure packages yet to be awarded under the project, which include an office tower, serviced residences tower and the BBCC Signature Tower, it said.

RHB raised the possibility of Kerjaya Prospek's partnership with Samsung C&T securing the award for the BBCC Signature Tower, as it leverages Samsung C&T's track record in skyscraper projects - including the Burj Khalifa and PNB Merdeka 118 - as well as Kerjaya Prospek's existing involvement in the BBCC.

Meanwhile, RHB said a medium-term catalyst for Kerjaya Prospek would be its potential involvement in the RM1.5bil Penang International Airport expansion.

"We understand that KPG's partner Samsung C&T, via a consortium with a Taiwan company, had secured a US\$1.6bil contract for expansion works at the Taiwan Taoyuan Airport in March 2021," it added.

"Therefore, we continue to view the stock's valuation of 13x FY25F P/E to be unjustified as the counter was trading at 15x during the 2017 construction upcycle."

In its results preview, RHB said it expects the group's 1Q24 core profit to come in between RM34mil and RM36mil, translating to 21-28% year-on-year and 3-9% quarter-on-quarter growth.

Growth during the quarter is expected to be backed by better progress of ongoing projects The Meg and Astrum Ampang.

"We forecast a three-year (FY23-26F) earnings compound annual growth rate of 12% backed by its steady job replenishment trends coupled with better property development contribution.

"FY24F dividend yield is also attractive at about 4.4% (higher than most peers)," it said.

RHB maintained a "buy" call on Kerjaya Prospek and target price of RM2.15.