

## Two thumbs up for Kerjaya Prospek's first contract win in FY25



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**KUCHING:** Analysts are upbeat as Kerjaya Prospek Bhd (Kerjaya Prospek) has secured its first contract win in financial year 2025 (FY25) – a building contract worth RM256.4 million from sister company Eastern & Oriental Bhd (E&O).

This is for building works for a proposed development in Elmina West, Shah Alam in Selangor.

This makes up 14 per cent of Kenanga Investment Bank Bhd's (Kenanga Research) FY25 job replenishment assumption of RM1.8 billion for Kerjaya Prospek.

The project, which covers over three phases, includes the construction of 360 units of 3-storey terrace houses, alongside a clubhouse, landscaping

works and other related infrastructure.

The contract works will start in January 2025 with a construction period of 26 months.

"We are positive on this first job win for FY25 of RM256.4 million, against our FY25 job replenishment assumption of RM1.8 billion (and management's target of RM1.5 billion).

"Its current total outstanding order book stands at RM4.2 billion which will keep them busy for the next three years."

Meanwhile, its current tender book of RM4 billion comprises RM2 billion building jobs and RM2 billion industrial job including data centre and logistic warehouse jobs.

Based on estimations from researchers with Public Investment Bank Bhd (PublicInvest Research), this job is expected to contribute five to six per cent per annum on average to the

group's earnings during the 26 months contract period, assuming low-teen margins.

Job scope of new job at Elmina West. The project involves the construction of 360 units of 3-storey terrace houses, alongside a clubhouse, TNB substation, landscaping and other related infrastructure.

"The group's current outstanding orderbook increased by 6.5 per cent to RM4.2 billion after accounting for this job win, providing earnings visibility for the next two to three years.

"Our estimates indicate that this project will contribute about RM11.8m per annum on average from FY25-FY27E, assuming a low-teen profit margins.

"No changes made to our earnings estimates as this makes up part of our FY25 orderbook replenishment assumption of RM2 billion."