

## Kerjaya Prospek's latest win opens doors in Penang

**PETALING JAYA:** Kerjaya Prospek Group Bhd's latest contract win in Penang is likely to open doors to other opportunities in the future.

Kerjaya Prospek's year-to-date contract wins total RM1.2bil with the latest being a RM56.4mil construction contract in Penang from the Penang Chief Minister's Department. This takes its order book to RM3.8bil and provides near-term earnings visibility. The project was slated to commence on Nov 12 with a targeted completion timeline of 18 months.

TA Research noted that assuming a net margin of 8% on the contract, it would contribute some RM4.5mil to Kerjaya Prospek's earnings over the contract period.

"We believe this project will strengthen the tie between Kerjaya Prospek and the Penang state government, positioning the group as the preferred contractor for public projects in the state.

"With a solid operational presence and proven execution track record in Penang, Kerjaya Prospek is poised to capitalise on the state's ongoing infrastructure expansion and urban regeneration initiatives, particularly in the Gurney and Bayan Lepas areas," the research house said in a report on the construction company.

TA Research said, given Penang's continued commitment to tourism, urban renewal and industrial development, backed by the RM11bil state budget for this year, it

expects Kerjaya to benefit from a steady pipeline of public sector tenders and related private projects.

TA Research retained its "buy" call on Kerjaya Prospek with a target price of RM3.20 a share based on a target price-earnings multiple of 17 times next year's earnings per share (EPS).

Apex Research, meanwhile, said, assuming a pre-tax margin of 11%, the Penang construction contract is expected to contribute about RM6.2mil for Kerjaya Prospek from this year to 2027.

It also maintained its "hold" recommendation with an unchanged target price of RM2.34 a share, based on a 15 times EPS of 15.5 sen for next year.