

Kerjaya Prospek Industrial Venture, Potential Re-rating Catalyst

April 6, 2026



Kerjaya Prospek Bhd received a BUY recommendation with a revised target price of RM3.11, implying 45% upside, according to RHB Investment Bank Bhd (RHB Research).

Analyst highlighted that the group's FY26F yield is around 6% and reaffirmed confidence in KPG despite moderating target pricing from RM3.52.

The construction and property firm has secured a RM98.8 million contract from Sena Letrik (M) for the main building, mechanical and electrical works, and external works on a proposed private hospital in Bandar Seremban Utama, Seremban 2, Negeri Sembilan.

Work on the project has commenced immediately and is expected to be completed within 18 months, marking KPG's maiden venture into healthcare construction beyond its residential development expertise.

This latest award brings KPG's new job wins for FY26 to RM802 million, representing 40% of its full-year replenishment target of RM2 billion, while the remaining orderbook stands at around RM4.3 billion. Profit after tax margins for the hospital project are projected to range between 8% and 10%.

RHB Research also noted potential prospects from Penang's Andaman Island launches by Eastern & Oriental, which could translate into RM400-500 million in contract value for KPG.

The group is expected to see some writeback of provisions in FY26 and FY27 with the completion of The Vue and Papyrus projects. Future launches on 7.4 acres in Jalan Puchong and 4.5 acres in Tanjung Bungah, with estimated gross development values of RM800 million and RM830 million, respectively, could further support the segment.

KPG may also consider industrial property development, which analysts view as a potential re-rating catalyst.

As of 10.58 am, the stock price slips by nearly one per cent, noting the price of RM2.13.