

Analysts upbeat on Kerjaya after maiden hospital win



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KUCHING: Industry analysts are keeping their upbeat view on Kerjaya Prospek Group Bhd (Kerjaya) after the group secured its first healthcare-related construction job, a proposed private hospital in Seremban 2, Negeri Sembilan.

Kerjaya was awarded a RM98.8 million lump sum contract from Sena Letrik (M) Sdn Bhd for main building, mechanical & electrical and external works for the Sena Specialist Hospital Seremban 2 in Negeri Sembilan. The contract has commenced and is expected to be completed within the next 18 months.

Overall, analysts are upbeat on the win as it not only adds to the group's already impressive orderbook but also represents the group's first venture into the healthcare construction space beyond its traditional residential expertise.

The latest job win has lifted the group's current outstanding orderbook to RM4.5 billion giving the group earnings visibility for the next three years.

That said, most analysts left their earnings forecasts unchanged as they said the win was already within their existing job replenishment assumption.

According to the research arm of Kenanga Investment Bank Bhd (Kenanga Research), this is Kerjaya's third job win in its financial year 2026 (FY26), lifting its contract wins to RM802.3 million or 40 per cent of Kenanga Research's FY26 job replenishment assumption of RM2 billion.

In terms of margins, RHB Investment Bank Bhd (RHB Research) projects that the latest win will deliver a profit-

after-tax (PAT) margin of 8 per cent to 10 per cent.

Similarly, Kenanga Research estimates that the project will command a slightly lower margin than the roughly 10 per cent PAT margin that Kerjaya usually achieves in its residential jobs.

However, they cautioned that rising input cost pressures amid geopolitical conflict could weigh on profitability.

Meanwhile, Public Investment Bank Bhd (Public Invest Research) assumes low-teen profit margins and estimates that the new hospital job could contribute roughly 1.8 per cent per annum on average to the group's earnings over the 18-month contract period, or about RM4.9 million annually from FY26 to FY27.

Beyond the latest hospital job, analysts said Kerjaya's broader pipeline remains supportive, backed by a RM2 billion to RM3 billion tenderbook for building jobs that include local factory and data centre projects together with its joint-venture partner, Samsung C&T Engineering & Construction Group Bhd.

RHB Research noted that Kerjaya's partner, Eastern & Oriental Bhd (E&O), is targeting launches worth about RM1 billion a year in Andaman Island, Penang. This could potentially translate into RM400 million to RM500 million of contract value for Kerjaya.

Additionally, RHB Research also did not rule out the possibility of the group making a foray into industrial property development.

Meanwhile, Kenanga Research said additional opportunities include RM2 billion worth of infrastructure works at Andaman Island, while the group's 55 per cent owned Rivanis redevelopment project in Butterworth should continue to support construction and property earnings over the medium term.