

27 February 2026

Kerjaya Prospek Group

FY25: A Record Year

By Teh Kian Yeong | tehky@kenanga.com.my

KERJAYA delivered a record FY25 earnings as core profit surged 40% YoY to RM224.5m, beating our forecasts by 8% due to stronger-than-expected property development earnings. Maintaining a 10% net margin, the highest within our construction coverage universe, it remains a standout performer with an outstanding order book of RM4.4b and robust tender prospects. The operational strength supports an atypically high dividend yield of >4% for a construction firm, leading us to maintain our OUTPERFORM rating with an unchanged Target Price of RM3.05.

FY25 results above. KERJAYA's FY25 core profit of RM224.5m exceeded our forecast by 8%, but matched market consensus (+5%). The outperformance was primarily driven by a surge in property development earnings, which grew by 151%, surpassing our initial projections. The group declared a fourth interim NDPS of 3.5 sen (ex-date: 12 Mar; payment: 26 Mar), bringing the total FY25 NDPS to 12.5 sen. This exceeds both the regular FY24 NDPS (11.0 sen) and our FY25 projection (12.0 sen). Note that including the 4.0 sen special dividend paid in 3QFY24, the total payout for the previous year was 15.0 sen.

Strong sequential results for 4QFY25. Driven by higher construction revenue (+16% QoQ) on increased work progress, 4QFY25 core profit leapt 16% to RM66.7m, a record quarterly earnings, from RM57.4m in the preceding quarter. On the other hand, property earnings also rose 22% to RM9.6m on the back of 31% hike in revenue to RM115.2m. Take-up rates continued to improve, with The Vue inching to 99% (from 98%) and Papyrus to 84% (from 78%), the unbilled sales for these two projects are RM200m.

A record year. FY25 marked a record year with core profit jumping 40% YoY to RM224.5m on the back of 23% hike in revenue to RM2.25b in FY24. This is largely driven by robust construction earnings (+39%) as work progress increased and stronger property earnings (+151%) with two property development projects namely The Vue and Papyrus.

Outlook. In FY25, KERJAYA has secured a total of RM1.79b new jobs, surpassing its RM1.6b target. It has set a FY26 job replenishment target of RM2b, supported by a RM2b-RM3b tender book for building jobs. It has secured a total of RM703.6m new jobs YTD with current outstanding order book of RM4.4b. Meanwhile, together with JV partner Samsung, KERJAYA is also tendering for local factory and data centre projects. Additional opportunities include RM2b worth of infrastructure works at Andaman Island. In property development, its 55%-owned Rivanis (a seven-year redevelopment project in Butterworth) will sustain construction and property earnings over the medium term.

Forecasts. We upgrade our FY26 earnings forecasts by 5% as we increased our property development earnings assumptions. We also introduce our new FY27 estimates as earnings, expected to grow at 8% YoY. Our annual job win assumptions for FY26-FY27 are RM2.0b each. We maintain our FY26 NDPS of 12.0 sen and we project the same 12.0 sen for FY27.

Valuations. We maintain our SoP-driven TP of RM3.05 (see Page 2) valuing its construction business at 18x FY26F earnings, at a discount to the 22x we ascribed to large contractors (i.e. **GAMUDA**, **IJM** and **SUNCON**), reflecting KERJAYA's mid-cap status. There is no adjustment to our TP based on ESG given a 3-star ESG rating as appraised by us (see Page 4).

OUTPERFORM ↔

Price: RM2.61
Target Price: RM3.05 ↔

Share Price Performance



KLCI	1,715.16
YTD KLCI chg	2.1%
YTD stock price chg	4.1%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	KPG MK
Market Cap (RM m)	3,482.8
Shares Outstanding	1,257.3
52-week range (H)	2.92
52-week range (L)	1.80
3-mth avg. daily vol.	2,045,958
Free Float	29%
Beta	0.6

Major Shareholders

Egovision Sdn Bhd	49.9%
Amazing Parade Sdn Bhd	17.9%
Employees Provident Fund	5.0%

Summary Earnings Table

FY Dec (RM m)	2025A	2026F	2027F
Turnover	2249.3	2434.5	2564.5
EBIT	294.8	323.7	349.2
PBT	306.5	333.7	359.5
Net Profit	224.7	245.7	264.7
Core Net Profit	224.5	245.7	264.7
Consensus	-	240.6	264.4
Earnings Revision (%)	-	+4.5	NEW
Core EPS (sen)	17.8	19.5	21.0
Core EPS Growth (%)	40.2	9.4	7.7
NDPS (sen)	12.5	12.0	12.0
BVPS (RM)	0.95	1.04	1.13
NTA/share (RM)	0.77	0.84	0.93
PER (x)	14.9	13.4	12.4
PBV (x)	2.79	2.52	2.32
P/NTA (x)	3.47	3.09	2.80
Net Gearing (x)	N. Cash	N. Cash	N. Cash
Net Div. Yield (%)	4.7	4.6	4.6

27 February 2026

Investment case. We continue to like KERJAYA for: (i) its innovative and hence high-margin formwork construction method (c.10% net margin), (ii) its lean and hands-on management team with a strong execution track record, and (iii) its strong earnings visibility underpinned by a sizeable outstanding order book and recurring orders from related companies (such as **E&O, KPPROP**) of at least RM1b a year. OUTEPFORM rating maintained. The stock also offers attractive dividend yields of >4%.

Risks to our call include: (i) further deterioration in the prospects for building jobs, (ii) rising input costs, and (iii) liquidated ascertained damages (LAD) from cost overrun and delays.

Income Statement								
FY Dec (RM m)	4Q FY25	3Q FY25	Q-o-Q Chg	4Q FY24	Y-o-Y Chg	12M FY25	12M FY24	Y-o-Y Chg
Turnover	671.7	566.3	19%	598.1	12%	2,249.3	1,835.5	23%
EBITDA	88.2	71.3	24%	62.7	41%	312.0	225.9	38%
Depreciation	-2.6	-2.4	9%	-4.3	-39%	-17.1	-16.8	2%
EBIT	85.6	68.9	24%	58.4	47%	294.8	209.0	41%
Interest & other income	3.9	3.3	20%	3.0	29%	12.8	8.8	46%
Interest expense	-0.3	-0.3	-16%	-0.3	0%	-1.1	-1.4	-20%
Pretax profit	89.2	71.8	24%	61.2	46%	306.5	216.4	42%
Taxation	-22.5	-14.3	57%	-17.9	26%	-81.3	-56.2	45%
Profit after tax	66.7	57.5	16%	43.3	54%	225.3	160.3	41%
Minority interest	0.0	-0.1	N/A	0.2	-85%	-0.6	0.0	1317%
Net profit	66.7	57.4	16%	43.5	53%	224.7	160.2	40%
Core net profit	66.7	57.4	16%	43.5	53%	224.5	160.1	40%
EPS (sen)	5.3	4.6	16%	3.5	53%	17.8	12.7	40%
NDPS (sen)	3.50	3.00	17%	3.00	17%	12.50	15.00	-17%
NTA/share (RM)	0.77	0.75	3%	0.72	7%	0.77	0.72	7%
EBITDA margin	13.1%	12.6%		10.5%		13.9%	12.3%	
EBIT margin	12.7%	12.2%		9.8%		13.1%	11.4%	
Pretax margin	13.3%	12.7%		10.2%		13.6%	11.8%	
Core margin	9.9%	10.1%		7.3%		10.0%	8.7%	
Effective tax rate	25.2%	20.0%		29.2%		26.5%	25.9%	

Source: Company

Segmental Breakdown								
FY Dec (RM m)	4Q FY25	3Q FY25	Q-o-Q Chg	4Q FY24	Y-o-Y Chg	12M FY25	12M FY24	Y-o-Y Chg
Turnover								
Construction & manufacturing	555.7	477.8	16%	545.8	2%	1,925.7	1,737.1	11%
Property development	115.2	87.7	31%	51.5	124%	320.8	95.6	236%
Investment	0.0	0.0	N/A	0.0	N/A	0.0	0.0	N/A
Others & elimination	0.7	0.8	-5%	0.8	-11%	2.8	2.7	3%
Group turnover	671.7	566.3	19%	598.1	12%	2,249.3	1,835.5	23%
Segment results								
Construction & manufacturing	67.0	68.7	-2%	46.8	43%	232.3	167.5	39%
Property development	9.6	7.8	22%	7.5	29%	35.9	14.3	151%
Investment	34.8	76.8	-55%	102.1	-66%	200.7	188.3	7%
Others & elimination	-44.7	-95.9	-53%	-112.8	-60%	-244.2	-209.9	16%
Group net profit	66.7	57.4	16%	43.5	53%	224.7	160.2	40%
Net margin								
Construction & manufacturing	12.1%	14.4%		8.6%		12.1%	9.6%	
Property development	8.3%	8.9%		14.5%		11.2%	15.0%	
Investment	N/A	N/A		N/A		N/A	N/A	
Others & elimination	N/A	N/A		N/A		N/A	N/A	
Group net margin	9.9%	10.1%		7.3%		10.0%	8.7%	

Source: Company

27 February 2026

KERJAYA's SoP Valuation			
Segment	Valuation		Basis
	(RM m)	(RM/share)	
Construction	3,652.1	2.90	18x FY26 PER
Property	183.2	0.15	30% discount to RNAV
Valuation	3,835.2	3.05	

Source: Kenanga Research

27 February 2026

Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
Stocks Under Coverage																	
GAMUDA	OP	4.26	5.30	24.4%	25,259.3	Y	07/2026	17.8	23.4	5.3%	31.3%	23.9	18.2	2.0	8.5%	10.0	2.3%
IJM	OP	2.57	3.40	32.3%	9,008.3	Y	03/2026	14.4	15.9	11.8%	10.1%	17.8	16.2	0.9	5.1%	8.0	3.1%
KERJAYA	OP	2.61	3.05	16.9%	3,281.7	Y	12/2026	16.7	18.9	29.8%	13.2%	15.6	13.8	2.7	17.8%	12.0	4.6%
KIMLUN	OP	1.30	1.50	15.4%	505.3	Y	12/2026	21.8	20.3	70.1%	-6.8%	6.0	6.4	0.6	10.3%	2.0	1.5%
SUNCON	OP	7.25	7.76	7.0%	9,589.8	Y	12/2026	32.0	33.6	0.3%	5.1%	22.7	21.6	8.8	38.9%	32.0	4.4%
WCT	OP	0.540	1.13	109.3%	841.8	Y	12/2026	4.1	4.4	19.2%	7.3%	13.2	12.3	0.2	1.9%	0.0	0.0%
Sector Aggregate					48,486.1					9.4%	18.3%	20.5	17.3	1.6	7.9%		2.7%

Source: Kenanga Research

This section is intentionally left blank

Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★	★	
	Corporate Social Responsibility	★	★	★		
	Management/Workforce Diversity	★	★	★		
	Accessibility & Transparency	★	★	★	★	
	Corruption-Free Pledge	★	★	★		
	Carbon-Neutral Initiatives	★	★	★		
SPECIFIC	Migrant Worker Welfare	★	★	★	☆	
	Waste Disposal/Pollution Control	★	★	★		
	Work Site Safety	★	★	★	☆	
	Environmentally Friendly Construction Technology	★	★	★	☆	
	Supply Chain Auditing	★	★	★		
	Energy Efficiency	★	★	★	★	
OVERALL		★	★	★		

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies. Kenanga Investment Bank Berhad being a full-service investment bank offers investment banking products and services and acts as issuer and liquidity provider with respect to a security that may also fall under its research coverage.

Published by:

KENANGA INVESTMENT BANK BERHAD (15678-H)
 Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
 Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my

