



19 OCT, 2023

Analysts positive on Kerjaya`s latest Penang contract

Borneo Post (KK), Malaysia

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KUCHING: Kerjaya Prospek Group Bhd's (Kerjaya) latest building job in Penang by Aspen Vision City Sdn Bhd (Aspen) garnered positive views from analysts as the contract is expected to boost its year to date (YTD) job wins to RM1.5 billion and outstanding order book to RM4.7 billion.

"We are positive on the latest contract that has boosted its YTD job wins to RM1.5 billion, which has met our full-year assumption of RM1.5 billion and surpassed the company's

own target of RM1.2 billion.

"The latest contract has also boosted its outstanding order book to RM4.7 billion and we expect the contract to fetch a profit after tax margin of 10 per cent," Kenanga Investment Bank Bhd's research team (Kenanga Research) said in a report.

Meanwhile, its tender book stands at circa RM1.5 billion to RM2.0 billion currently, comprising building/reclamation jobs from its sister companies E&O and KPPROP, MNC industrial warehouse/

factories (via its joint venture with Samsung C&T), and third-party building jobs in the Klang Valley.

All in, Kenanga Research said it continued to like Kerjaya for its innovative and hence high-margin formwork construction method, its lean and hands-on management team with a strong execution track record, and its strong earnings visibility underpinned by a sizeable outstanding order book and recurring orders from related companies.



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SUMMARIES

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