

## JF Apex Research: IJM's order book at all time high of RM8bil



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KUALA LUMPUR: JF Apex Research said IJM Corp Bhd's orderbook is currently at an all-time high of RM8bil after securing its latest job under the Mass Rapid Transit (MRT) Line 2.

Assuming a net profit margin of 6%, the contract is expected to generate net earnings of RM88.2mil to the group, or equivalent to EPS of 2.45 sen from FY17 to FY21, the research house on Friday.

It also increased the construction giant's earnings forecast for FY17 by 2%, as it expects the project to contribute positively to IJM's earnings from FY17 onwards.

"We continue to favour the group for its well-diversified business especially strong growth in infrastructure division coupled with encouraging performance posted by industry division as benefited from the domestic construction activity.

"Meanwhile, we believe the construction division's performance is expected to be underpinned by an all-time high order book of RM8bil whilst property division is supported by its unbilled sales of about RM1.4bil and its focus on launching more affordable housing products," it said in a note.

It maintained its BUY call on the stock with an unchanged target price of RM3.83.

On Thursday, IJM was among the companies awarded part of the Mass Rapid Transit (MRT) Line 2 contracts.

It was awarded work package V203 to build the 4.6km viaduct guideway from Jinjang to Jalan Ipoh North Portal.

IJM was the winner for the MRT Line 1 Viaduct and stations S5 contracts with majority of works were fully completed.