

Suncon bags RM661m new jobs

by AYISY YUSOF

SUNWAY Construction Group Bhd (Suncon) has secured RM661 million of new jobs year-to-date in line with management's target of RM2 billion for financial year of 2017.

TA Securities Holdings Bhd noted that Suncon has also been recently awarded the Mass Rapid Transit (MRT) Line 2 (Sungai Buloh-Serdang-Putrajaya line) station works package S201 worth RM212.3 million.

"The MRT Line 2 project is the fourth works package Suncon has secured from the MRT Corp, after it secured works package V4 of MRT Line 1 and V201, and advanced work between Kampung Muhibbah and Serdang Raya 4 of MRT Line 2," it said.

TA Securities said other recent work packages Suncon secured are for the construction and completion of elevated stations and other associated works at Damansara Damai, Sri Damansara West and Sri Damansara East.

"We estimate the outstanding orderbook currently stands at RM4.5 billion and are positive on the job win as we

understand that the successful bidder of this package would be the nominated sub-contractor for viaduct works package V201, which was also secured by Suncon," it said.

The research house maintained its 'Hold' call on Suncon with a target price of RM1.90 per share, based on 15 times earnings for calendar year 2017.

The research house stated the secured projects will allow Suncon to share its resources for both works packages, to save in mobilisation of construction team, as well as reducing the hassle in site coordination and interfacing works.

"Assuming a profit before tax margin of 6%, we expect the project to contribute RM9.7 million to the bottom line, or 0.7 sen per share throughout the construction period," it said.

The research firm added there is no impact to Suncon earnings as the job win is within the financial year 2017 orderbook replenishment assumption of RM2 billion.

As of 5pm yesterday, Suncons' shares were traded at RM1.73 with a market capitalisation of RM2.24 billion.