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News

## SunCon Achieves Record-High PBT, RM2.5 Billion Order Book For FY2023

By Nurul Huda - February 20, 2024



Sunway Construction Group Bhd's (SunCon) achieved record-high profit before tax (PBT) of RM188.6 million for the full financial year ended 31 December 2023 (FY2023), a slight increase of 2.4% from RM184.1 million in the previous year (FY2022).

In a Bursa filing today (Feb 20), the construction arm said for the fiscal year of 2023, its revenue climbed 24% to RM2.67 billion compared to RM2.165 billion in the previous financial year.

“The increase in revenue was attributed to higher revenue from the Construction and Precast segments. PBT for the Construction segment was marginally lower due to the finalisation of accounts for several projects in the previous year.

“However, the increase in PBT for the Precast segment outweighed the slip in profit for the Construction segment,” it said in a statement, adding it also surpassed its FY2023 new order book target, reaching RM2.5 billion.

For the fourth quarter ended 31 December 2023 (Q4 FY2023), the group said it showed a strong performance as PBT rose by 8% to RM60.7 million in Q4 FY2023 from RM56.3 million in the corresponding quarter last year (Q4 FY2022).

“Revenue soared 73% to RM871.5 million in 4Q FY2023, buoyed by higher revenue across all segments,” it said.

Segmentally, the Construction segment’s revenue climbed 77% to RM785.8 million in the current quarter, driven by accelerated progress in newer projects while PBT increased to RM53 million in Q4 2023, from RM51.1 million in the corresponding quarter in the previous year.

Meanwhile, the Precast segment registered revenue of RM85.7 million in Q4 FY2023, representing an increase of 44% compared to the same quarter in the previous year while PBT surged 48% to RM7.7 million in the current quarter, fueled by higher profit margins for several newer projects.

Sunway Construction group managing director Liew Kok Wing said the year has been a rewarding one for the group.

“After a record-high PBT in the previous year, Sunway Construction achieved another record-high PBT in FY2023. Notwithstanding that, the group also surpassed its FY2023 new order book target of RM2 billion, ending the year at RM2.5 billion,” he said.

He said the group continued to make good progress in the data center, logistic warehouse, and renewable energy segments, securing close to RM677 million worth of new contracts in FY2023.

“Going forward, the group is actively pursuing opportunities in the advanced technology facilities. We also look forward to the rollout of mega infrastructure projects in the pipeline arising from the continued growth in the economy.”

Liew added, on the international front, SunCon has substantially completed the physical works for the Meensurutti-Chidambaram Highway projects and aims to receive the commercial operations issuance in the first quarter of 2024.

“We are optimistic of registering a positive growth in FY2024 supported by our strong existing outstanding order book of RM5.3 billion as of 31 December 2023,” he further commented.

Suncon declared a single-tier second interim dividend of 3 sen per ordinary share for the financial year ended 31 December 2023.

For the financial year ended 31 December 2023, it has declared a total dividend of 6 sen per ordinary share, of which 3 sen of the total dividend was declared as the first interim dividend.

The dividend payout for FY2023 of 53% of profit after tax and minority interests (Patmi) surpassed the group’s dividend policy of 35% of PATMI, it added.