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<https://www.klscreener.com/v2/news/view/676629/maybank-ib-maintains-buy-on-suncon-revises-tp-to-rm2-03>

Maybank IB maintains 'buy' on SunCon, revises TP to RM2.03

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KUALA LUMPUR: Investors looking for direct exposure to big-ticket infrastructure spending could consider [SUNWAY CONSTRUCTION GROUP BHD](#), which offers upside potential, says Maybank Investment Bank research.

SunCon last traded at RM1.81 a share on Wednesday, having fallen to as low as RM1.29 on the second day of the movement control order on March 19.

The research house, which has a buy recommendation on the counter, dropped its price target on SunCon to RM2.03 from RM2.28 previously after evaluating the disruptions to its operations.

"Despite construction works having re-started, they are not at full capacity pending the health screening of all foreign workers on-site.

"We expect full capacity only from end-May, considering also the upcoming Aidilfitri public holiday in the final week of May," it said.

Maybank IB added that the circuit breaker in Singapore is also preventing supply to the island state despite the restart of operations of SunCon's Johor plants.

The research house cut its FY20 net profit forecast by 41% as it is expected to incur a loss in 2Q20 due to fixed overheads

Over the mid-term however, SunCon's orderbook offers earnings visibility as a recent win in India has helped sustain it at RM5.2bil, based on Maybank IB's estimate.

SunCon has a 60% stake in the new Indian project, which comprises the construction of a four-lane highway, plus O&M over 15 years.

SunCon's management has retained its RM2bil orderbook replenishment target for 2020.