Sunway Construction (SCGB MK)

Poised for growth in multiple avenues

MALAYSIA | CONSTRUCTION | INITIATION

- SunCon is poised to reap the rewards from the rollout of extensive infrastructure projects and increased investments in data centres
- We project a 3-year net profit CAGR of 5.5% backed by pick-up in public infrastructure spending and strong orderbook replenishment track record
- SunCon stands out in terms of its prominent parentage company (part of Sunway Group) and strong execution capability. Current valuation appears fair, trading at its 3-year mean. Initiating with a HOLD rating and 12-month TP of RM2.06

Largest pure-play contractor backed by strong parent company

Sunway Construction (SunCon) stands out as Malaysia's leading pure-play construction company, offering fully integrated construction services, and being a part of the prominent property developer, Sunway Group. Its RM5.8bn orderbook (equivalent to 2.7x 2022 revenue) encompasses a varied portfolio of projects spanning across the sectors such as building, infrastructure, sustainable energy, and data centres.

MRT3, Penang LRT and Vietnam a potential catalyst

SunCon is well-positioned to benefit from robust job inflows from infrastructure rollout and data centre investments. The bedrock orders from Sunway Group (comprising 40% of its orderbook) also add to its value proposition. We are forecasting a 3-year 2022-25E net profit CAGR of 5.5% underpinned by a strong pick-up in public infrastructure spending and solid order book replenishment track record. SunCon has consistently in the past secured an average RM2.2bn in contract wins annually, and we anticipate this momentum to persist as we project RM2.5bn new orderbook replenishments moving forward. SunCon is a strong contender for the upcoming MRT 3, Penang LRT and the anticipated Song Hau 2 Thermal Power Plant projects.

Initiate with HOLD

We are initiating coverage with a HOLD rating and 12-month TP of RM2.06. Our target price is based on a target 16x PE multiple on 2024E EPS, in line with its historical 3-year mean. While we like SunCon for its consistent job flows from Sunway Group and the prospects in securing infrastructure and data centre projects. We see current valuation to be fair, in line with its industry average of 15x PE. Risk to our call: delays in infrastructure projects rollout, slower-than-expected work progress for on-going projects and margin pressures.

Key Financials

Y/E Dec	2021	2022	2023E	2024E	2025E
Revenue (RMm)	1,729.2	2,155.2	2,591.5	3,074.5	3,231.4
EBITDA (RMm)	198.9	218.9	224.4	279.1	285.1
Pretax profit (RMm)	152.2	184.1	184.0	223.0	226.5
Net profit (RMm)	112.6	135.2	136.3	165.9	168.6
EPS (sen)	8.7	10.5	10.6	12.9	13.1
PER (x)	22.0	18.3	18.0	14.8	14.5
Core net profit (RMm)	144.6	143.8	136.3	165.9	168.6
Core EPS (sen)	11.2	11.1	10.6	12.9	13.1
Core EPS growth (%)	57.3	(0.6)	(5.2)	21.8	1.6
Core PER (x)	17.1	17.2	18.0	14.8	14.5
Net DPS (sen)	5.3	5.5	5.5	5.5	6.0
Dividend Yield (%)	2.7	2.9	2.9	2.9	3.2
EV/EBITDA (x)	10.1	11.1	11.3	9.4	9.1
Chg in EPS (%)			-	-	-
Phillip/Consensus (%)			1.0	1.0	1.0

Sources: Company, Phillip Research forecasts

3 October 2023

HOLD

LAST CLOSE PRICE	RM1.90
TARGET PRICE	RM2.06
TOTAL RETURN	8.4%

COMPANY DATA

BLOOMBERG TICKER	SCGB MK EQUITY
O/S SHARES (MN) :	1,289
MARKET CAP (USD mn / RM mn) :	520 / 2450
52 - WK HI/LO (RM) :	1.98 / 1.41
3M Average Daily T/O (mn) :	0.62
NET CASH/(DEBT) (RMm)	(240.00)

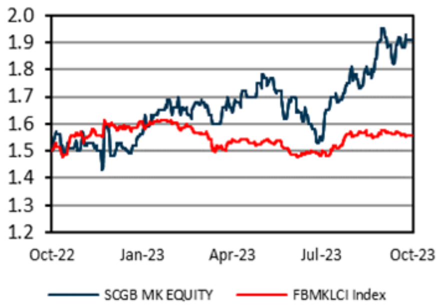
MAJOR SHAREHOLDERS (%)

Sunway Holdings Sdn	54.6%
Sungei Way Corp Sdn	10.1%
Employees Provident	9.8%

PRICE PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	1.1	24.6	25.7
FBMKLCI RETURN	(0.3)	5.3	(1.1)

PRICE VS. FBMKLCI



Source: Bloomberg

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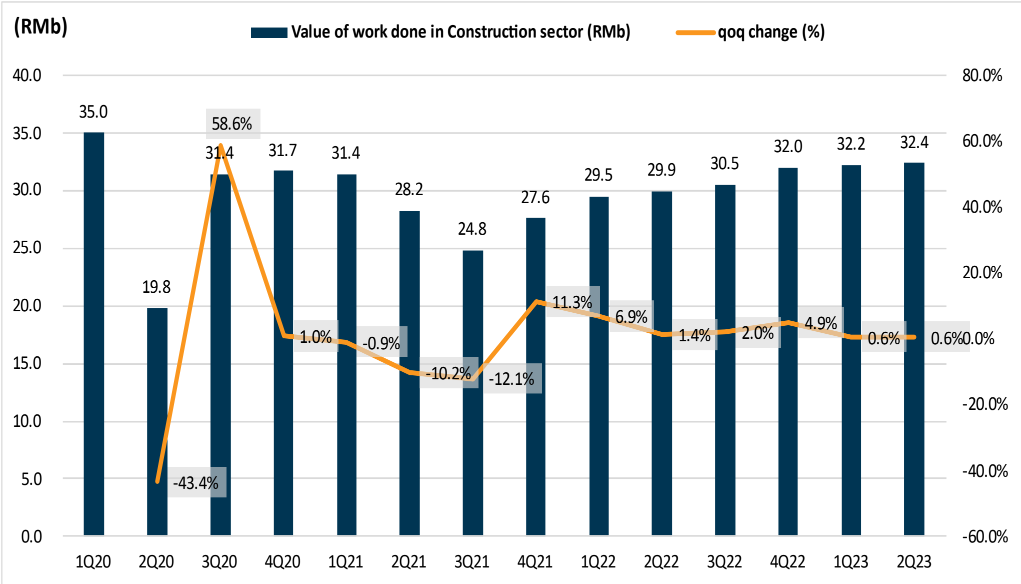
Expecting a slew of mega projects to be rolled out on the back of pick-up in public infrastructure spending

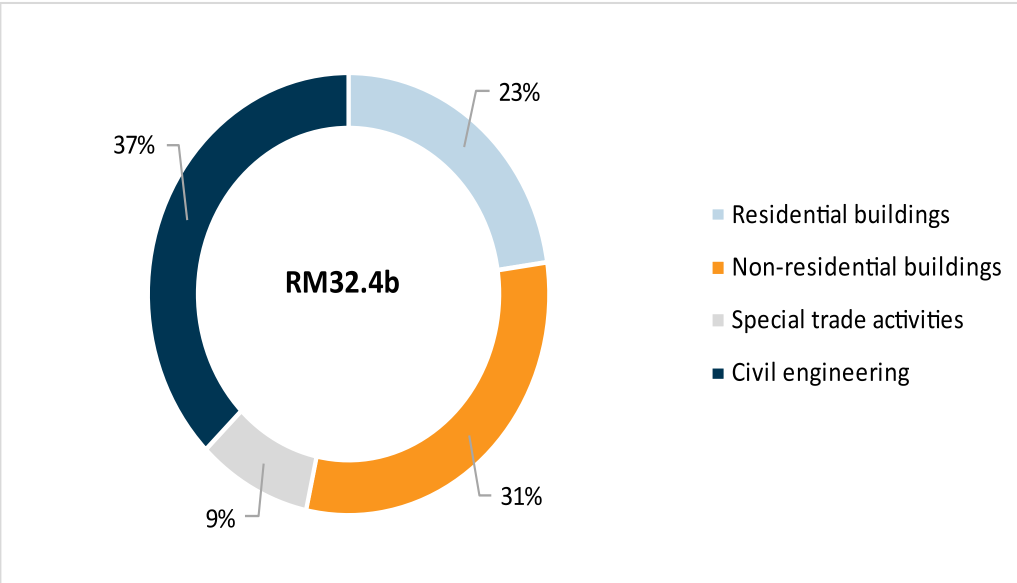
Domestic construction work growing steadily: Construction activities in Malaysia have been steadily increasing since 1Q22 following the lifting of pandemic restrictions. The civil engineering and non-residential building segments continue to dominate, accounting for 37% and 31% of total value work completed in 2Q23, respectively.

Table 1: Work completed across 2020-2023 by quarter



Source: Department of Statistics Malaysia, Phillip Research

Table 2: Breakdown of 2Q23 completed work by sub-sector



Source: Department of Statistics Malaysia, Phillip Research

<u>Abbreviations</u>
EPC– Engineering, Procurement and Construction
HDB – Housing Development Board
ICPH– Integrated Construction & Prefabrication Hub
MEP – Mechanical, Electrical and Plumbing Services
MNC – Multi National Companies
MW- Megawatts
RTS – Rapid Transit System
STeP- Sedenak Tech Park

Upcoming mega projects: With the recently announced higher development expenditure (+4% to RM415bn) in the 12th Malaysia Plan Mid-Term Review, we expect the acceleration of certain infrastructure projects such as the MRT 3 and Penang LRT. SunCon's involvement in various civil projects including SILK, MEX, MRT 1 and 2, LRT, BRT and RTS places it in a strong position to secure work packages in the upcoming launch of mega projects.

Booming data centre opportunities

Data centre investment in Malaysia: Malaysia emerged as the leader among the SEA-5 regions, establishing itself as the most appealing data centre investment market. Malaysia reported 113MW capacity added in 2022, surpassing the capacity of the next highest market, Thailand by more than 4x, with only 25 MW recorded there.

Table 3: SEA-5 data centre opportunity index in 2022

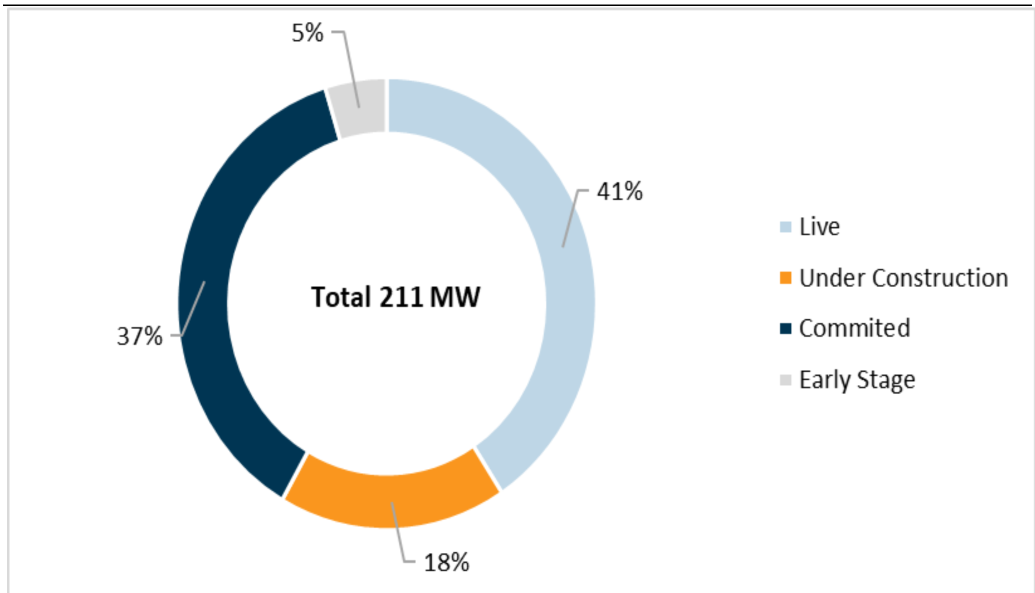
Rank	Market	Take-up (MW)	GDP growth (%)
1	Malaysia	113	8.7
2	Indonesia	22	5.3
3	Vietnam	2	8.0
4	Philippines	2	7.6
5	Thailand	25	2.6

Source: Knight Frank

Expanding data centre presence in Malaysia: The majority of the data centres in Malaysia were initially concentrated in the Klang Valley, particularly in Cyberjaya, owing to its proximity to Kuala Lumpur and the availability of land. Nevertheless, Johor is now becoming an increasingly attractive location to set up data centres. This is driven by capacity limitations in Singapore data centres, leading to a spill-over of demand into Johor, thanks to its close proximity to Singapore.

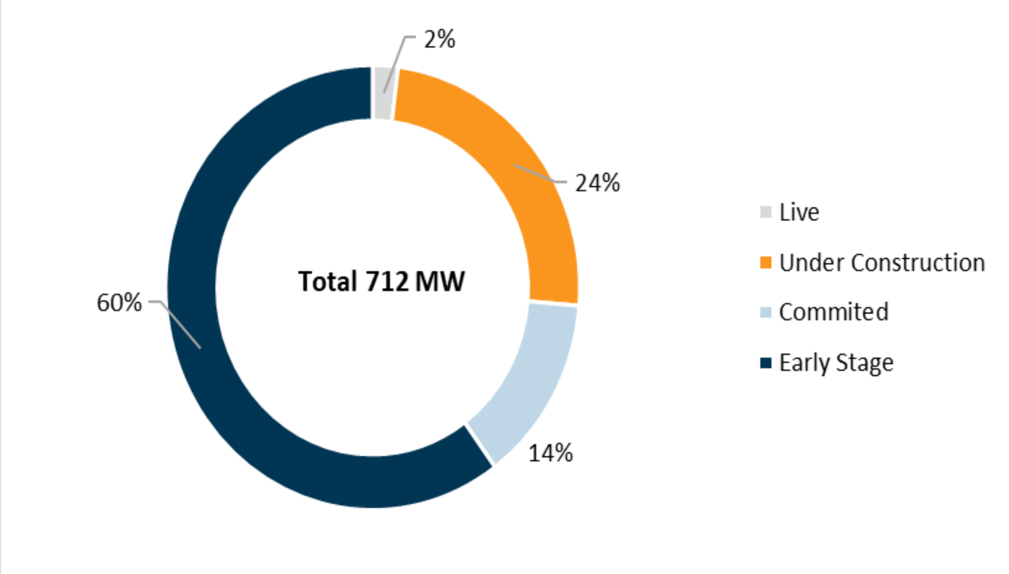
Growing data centre investment globally: The availability of land in these regions, coupled with supportive government initiatives aimed at attracting data centre investments, has spurred a surge in investments from MNCs like Amazon, Microsoft, and Google, as they intend to establish and operate hyperscale data centres in Malaysia. The aggregated capacity of committed and early-stage planned data centres added up to 612MW, nearly doubling the existing live and under-construction capacity of 310 MW as of end-22.

Table 4: Overall Klang Valley data centres capacities



Source: Knight Frank

Table 5: Combined Johor data centres capacities



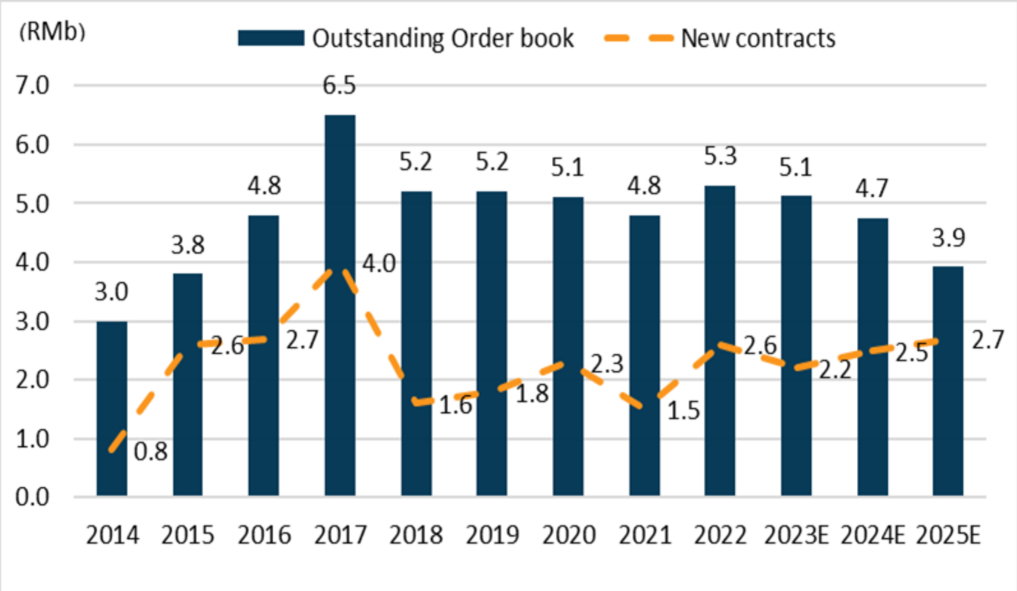
Source: Knight Frank

Growth opportunities for contractors: The surge in data centre investments is poised to present ample opportunities for contractors involved in design and build contracts. Data centre contracts typically come with a relatively short turnaround periods (2 years) and command higher profit margins (c.8% PBT margin) for SunCon, primarily due to the value engineering aspect. In 2022, SunCon secured a RM1.7bn design-and-build contract for a data centre (JHB1X0) construction project in STeP located in Johor. Given SunCon's established track record and demonstrated expertise in executing data centre projects, we believe SunCon is well positioned to secure some of these prospects.

Earnings outlook – poised for growth in multiple avenues

Solid 3-year profit CAGR of 5.5%: We are projecting a net profit CAGR of 5.5% over 2022-25E to be driven by a strong pick-up in public infrastructure spending, solid orderbook replenishment track record and its current RM5.8bn outstanding orderbook (equivalent to 2.7x 2022 revenue). SunCon has in the past secured an average RM2.2bn in contract wins annually, and we anticipate this momentum to persist as we project RM2.5bn new order book replenishments moving forward. SunCon is a strong contender for the upcoming MRT 3, Penang LRT and the expected Song Hau 2 Thermal Power Plant projects. We have yet to consider any of these projects into our model, and such rollout would provide upside to our current earnings.

Table 6: Orderbook replenishment and target new wins



Source: Company, Phillip Research forecasts

Diversified orderbook: SunCon has a well-diversified orderbook that encompasses projects in various segments, including building, infrastructure, sustainable energy, precast and internal works from its parent, Sunway Group. Having a diversified orderbook enables SunCon to strategically expand its business without being too overly dependent on any single sub-sector, ensuring long-term sustainability and growth. Nevertheless, the consistent job flows (c. 40% of outstanding orderbook) from its parent complement the group's value proposition.

Opportunities from its RM27bn tender book: SunCon has tendered for several upcoming infrastructure work packages including the elevated packages (CMC 301 and CMC 302) of MRT 3 (RM3bn and RM11bn contract value, respectively), JB–SG RTS (RM1bn) and the pre-qualification for Penang LRT (c. RM9.5bn) project. SunCon is also actively exploring opportunities in the data centre space, which could potentially fuel its next phase of growth. Data centre contracts offer a quicker turnaround and higher profit margins (c.8% PBT margin), which would help enhance the group's profit margin.

On the international front, SunCon has formalized an EPC agreement for the Song Hau 2 thermal power plant in Vietnam in Dec-22 and is currently awaiting the client's financial close. SunCon holds a 55% stake in this project with the remaining 45% by Power Engineering Consulting Joint Stock Company 2 (subsidiary of Vietnam state-owned Vietnam Electricity). With an expected RM11bn total contract value, this project (RM6.1bn nett to SunCon) could potentially double its existing order book, which currently stands at RM5.8b.

Precast segment mainly driven by Singapore HDB projects: SunCon's precast manufacturing plants located in Iskandar and Senai, Johor as well as the newly established ICPH in Singapore are primarily driven by Singapore's HDB projects. We have assumed an annual precast order replenishment of RM200m–300m across 2023–25E. Our order win assumptions align with Singapore HDB's objectives, which include addressing the backlog of projects affected by the pandemic and its ongoing commitment to launch up to 100,000 HDB flats between 2021 to 2025.

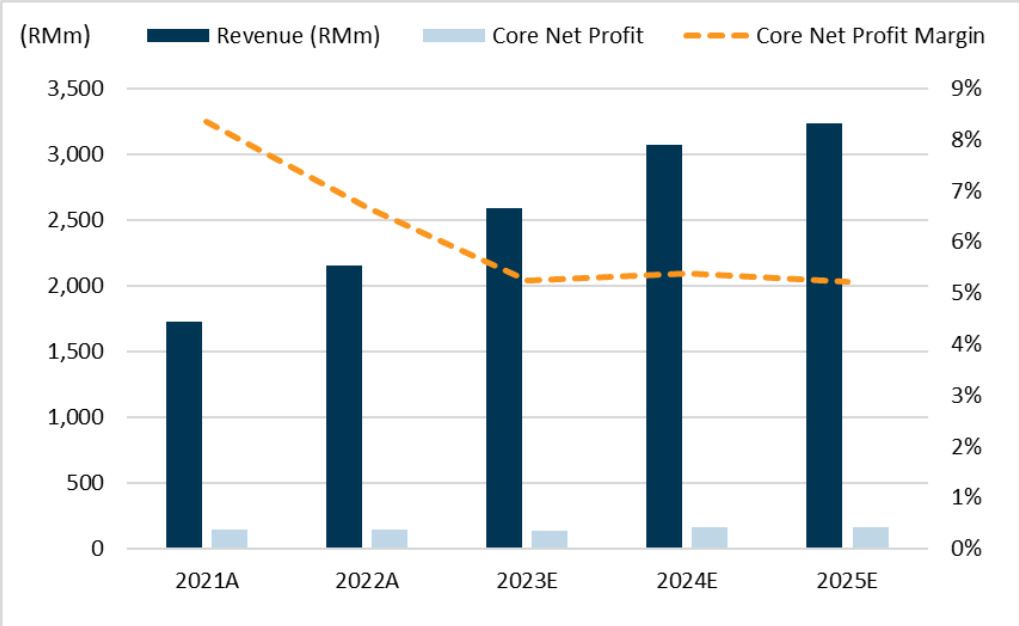
Table 7: Orderbook as at Jun-23

On-going projects	Completion	Contract Value	Outstanding value	% of orderbook
Building				
Oxley Tower (MEP)	4Q24	68	38	1%
Oxley Tower VO (MEP)	1Q24	9	9	0%
JHB1X0- Data Centre	3Q24	1,700	1,593	28%
			1,640	**28%**
Infrastructure/ Piling				
LRT 3: Package GS07-08	3Q23	1,295	15	0%
RTS Link Package 1B and Package 5	2Q25	605	587	10%
LRT 3: Package GS06	3Q23	191	52	1%
			654	**11%**
India				
Thorapalli- Jittandanhalli (TJ)	4Q23	508	305	5%
Meensurutti- Chidambaram	3Q23	315	98	2%
			403	**7%**
Sustainable Energy				
Solar- External	Various	35	12	0%
Solar- Internal	Various	12	4	0%
LSS4 Gopeng	4Q23	200	126	2%
LSS4 Sharp Ventures	4Q23	185	126	2%
South Quay Square DCS	2Q25	35	32	1%
New Order 2023- External	Various	45	45	1%
			345	**6%**
Singapore				
Precast	Various	676	376	7%
New Order 2023- External	Various	76	75	1%
			451	**8%**
Internal- Sunway Group				
SMC 4+ VO	3Q23	612	77	1%
Sunway Belfield	4Q24	403	202	3%
Sunway Velocity 2	3Q23	352	8	0%
South Quay Square- Superstructure	3Q24	756	417	7%
South Quay Square- Superstructure (VO)	4Q25	607	607	11%
Sunway Carnival Mall- Refurbishment	2Q25	253	253	4%
Sunway Velocity 2B	4Q23	253	112	2%
SMC Damansara	2Q24	240	153	3%
SMC IPOH+VO	1Q24	217	165	3%
SW International School (SIS)	3Q23	140	12	0%
Sunway Velocity 3C4	3Q23	100	9	0%
Big Box Office	3Q23	51	5	0%
SW Flora	4Q25	278	266	5%
			2,286	**40%**
Total outstanding orderbook			**5,779**	**100%**

Source: Company, Phillip Research

Strong revenue growth, margins to normalize: We are forecasting a 3-year revenue CAGR of 15% across 2022-25E, driven by the accelerated progress across its RM5.8bn orderbook. However, we are expecting core net profit margin to normalize to c.5% as most of its on-going projects are still in the early-stage, which typically commands a lower margin. Securing more data centre contracts (currently 28% of total orderbook) could help to enhance margins moving forward.

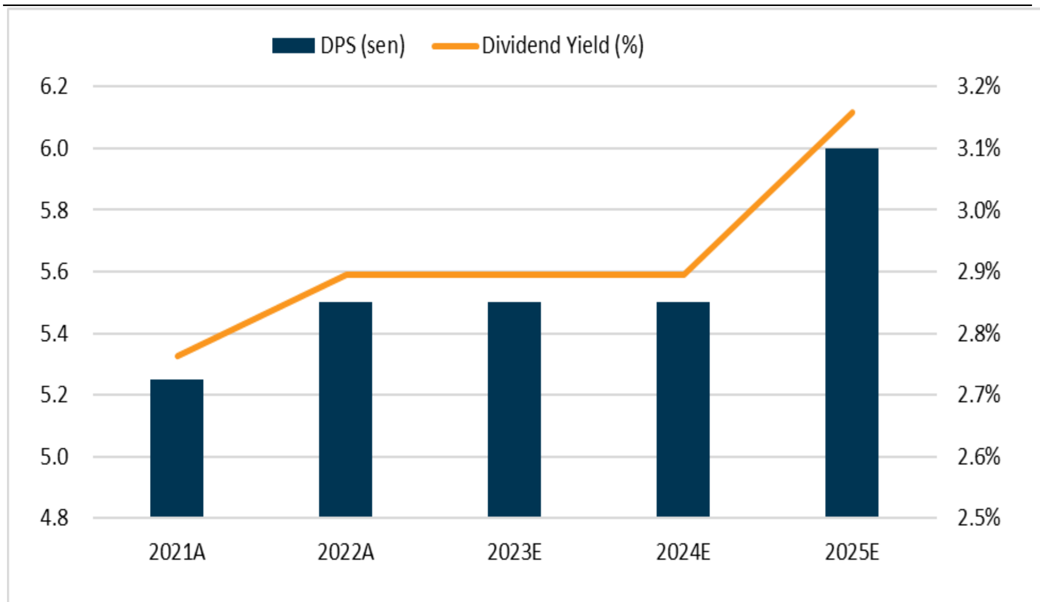
Table 8: Profit CAGR of 5.5% for 2022-25E driven by revenue growth



Source: Company, Phillip Research forecasts

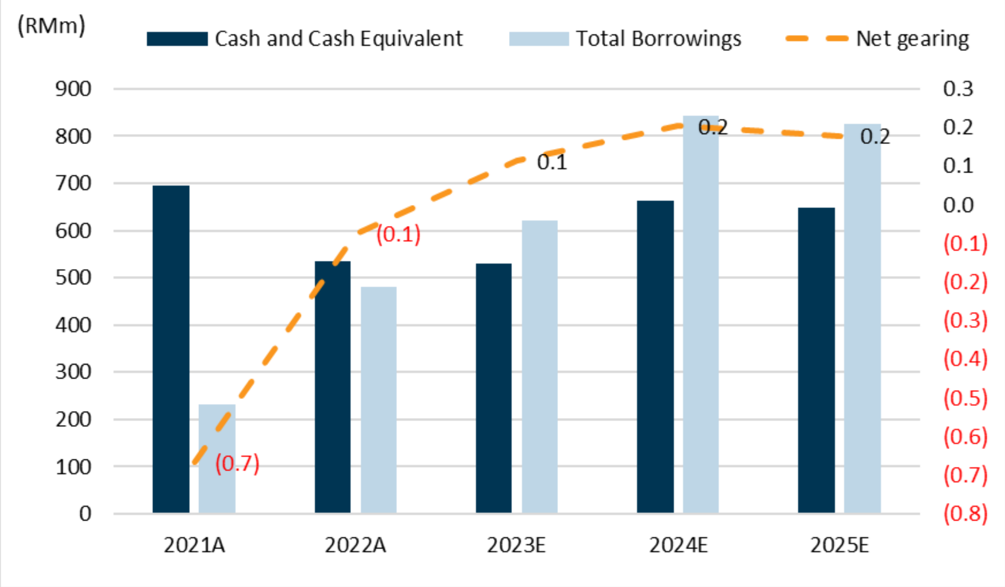
Minimum 35% dividend payout ratio: SunCon has an official dividend payout policy of at least 35% of its profit, but has historically paid out a higher 40–70% of its earnings. We expect SunCon to be able to sustain its current payout which translates to 5.5–6sen DPS (average 3% dividend yield across 2023-25E).

Table 9: Forward average 3.0% dividend yield



Source: Company, Phillip Research forecasts

Table 10: Balance sheet strength



Source: Company, Phillip Research forecasts

Resilient balance sheet in anticipation for mega projects: We expect total borrowings to increase in anticipation of the higher working capital required for the on-going projects. However, we see a gradual reduction from 2025E onwards on the back of accelerated project progress. SunCon maintain a strong balance sheet which we believe provide the group room to gear up and undertake future mega infrastructure projects, such as MRT3 which require private funding in the first few years.

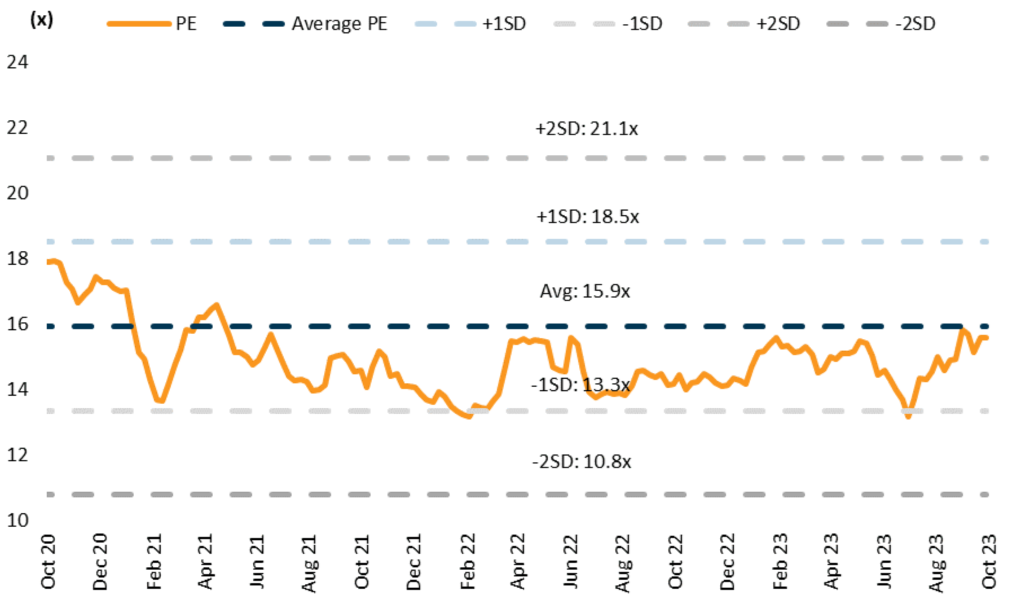
Table 11: SunCon's latest gearing level against other construction peers

Ticker	Stock	Net gearing (x)
SCGB MK EQUITY	SUNWAY CONSTRUCTION	0.3
GAM MK EQUITY	GAMUDA	0.3
KPG MK EQUITY	KERJAYA PROSPEK	Net Cash
IJM MK EQUITY	IJM CORP	0.2
WCTHG MK EQUITY	WCT Holdings	0.7
MRC MK Equity	Malaysian Resources Corp	0.4

Source: Bloomberg, Companies

Initiate coverage with a HOLD rating and target price of RM2.06: We initiate coverage on SunCon with a target price of RM2.06, pegged to target PE multiple of 16x on 2024E EPS. Our ascribed PE multiple is in line with its 3-year mean valuation. SunCon is currently trading at forward 2024E 15x PE multiple, in line with the industry peers mean PE multiple. We like SunCon for its 1) order flow certainty from Sunway Group (parent); and 2) above industry average ROE. However, we see current valuation to be fair and see better value elsewhere.

Table 12: SunCon's 3-year mean PE



Source: Bloomberg, Phillip Research forecasts

Key risks to our HOLD call:

- Delay in infrastructure projects rollout
- Slower-than-expected progress for its on-going projects
- Increase in building material price that could potentially compress project margins

Table 13: Local peer comparison table

Ticker	Stock	Rating	Price (RM)	TP (RM)	Mkt Cap (RM m)	Core PE (x) 2023E	Core PE (x) 2024E	Core EPS Growth (%) 2023E	Core EPS Growth (%) 2024E	EV/EBITDA 2023E	P/BV 2023E	ROE (%) 2023E	Div. Yield (%) 2023E
SCGB MK EQUITY	SUNWAY CONSTRUCTION	BUY	1.90	2.06	2,449.8	17.9	14.7	(8.3)	18.5	11.6	3.1	17.2	2.9
GAM MK EQUITY	GAMUDA	BUY	4.43	5.01	11,945.5	14.9	12.2	2.2	27.9	10.2	1.1	7.7	11.3
KPG MK EQUITY	KERJAYA PROSPEK	BUY	1.26	1.48	1,588.9	10.6	8.4	29.7	25.2	3.9	1.4	13.3	4.8
IJM MK EQUITY	IJM CORP	N/R	1.87	N/R	6,556.5	23.4	18.5	125.5	27.9	9.9	0.7	1.6	3.2
WCTHG MK EQUITY	WCT Holdings	N/R	0.55	N/R	772.4	13.6	10.9	(59.0)	38.5	18.6	0.2	1.6	1.3
MRC MK Equity	Malaysian Resources Corp	N/R	0.46	N/R	2,032.7	45.5	22.8	(27.0)	36.4	14.3	0.5	1.2	1.9
Total/Average					**25,345.8**	**21.0**	**14.6**	**10.5**	**29.1**	**11.4**	**1.2**	**7.1**	**4.2**

Source: Bloomberg, Phillip Research forecasts

Company Background

Established player: SunCon's journey began in 1981 as Sungai Way Construction Sdn Bhd, initially focusing on the completion of previously abandoned Jetty and Public Amenities projects in Langkawi. Since then, the company has evolved into an integrated construction services provider, offering comprehensive services and products spanning all stages of construction, from project conception to fruition. While SunCon's core operations are centred in Malaysia, the company also has a presence in Singapore and India. Additionally, SunCon operates an Integrated Construction & Prefabrication Hub (ICPH) in Singapore and is actively engaged in multiple highway construction projects in India.

Table 14: Key business segments

Source: Company

Board of Directors and Management Profile

Dato' Ir Goh Chye Koon, the **Chairman & Independent Non-Executive Director**, was appointed on 17 October 2014. He was a board member of the Construction Industry Development Board Malaysia (CIDB) from 2004 to 2006 and served as a Main Committee Member (2001 – 2009) and Chairman of the Working Group for construction projects (Local and Foreign) (2003 – 2009) in the Construction Industry Master Plan of CIDB.

Liew Kok Wing is the **Group Managing Director.** He was appointed on 1 April 2022. He has more than 20 years of experience in the construction industry. He first joined SCSB as Senior Geotechnical Engineer from 1996 to 1998. Thereafter, he joined Nishimatsu Construction Company Singapore. He rejoined SCSB in 2000 and was promoted during the course of overseeing various projects in Malaysia and India to the position of Senior General Manager, heading the Civil Engineering Division in 2003. Mr Liew was the Deputy Managing Director of SCSB since 2016 before his promotion to the position of Managing Director of SCSB in January 2020. He was promoted to Group Managing Director of SunCon on 1 April 2022.

Eric Tan Chee Hin is the **Group Deputy Managing Director**. In 2000, he joined Sunway Engineering Sdn Bhd and has held various positions in the company during his tenure of 22 years within the company. He has been heading the Mechanical, Electrical and Plumbing division since 1 November 2014 and also leads the Sustainable Energy and Civil Divisions. Eric was appointed as Executive Director in January 2019. He was promoted to his current position as Group Deputy Managing Director of SunCon on 1 April 2022.

FINANCIALS

Income Statement

Y/E Dec (RMm)	2021	2022	2023E	2024E	2025E
Revenue	**1,729.2**	**2,155.2**	**2,591.5**	**3,074.5**	**3,231.4**
Operating expenses	(1,530.3)	(1,936.4)	(2,367.1)	(2,795.5)	(2,946.3)
EBITDA	**198.9**	**218.9**	**224.4**	**279.1**	**285.1**
Depreciation	(27.4)	(23.8)	(30.3)	(36.8)	(38.3)
EBIT	**171.5**	**195.1**	**194.1**	**242.3**	**246.8**
Net int income/(expense)	(0.4)	(4.2)	(11.9)	(21.0)	(21.9)
Associates' contribution	13.3	1.7	1.7	1.7	1.7
Forex gain/(loss)	(0.2)	2.1	0.0	0.0	0.0
Exceptional gain/(loss)	(31.9)	(10.7)	0.0	0.0	0.0
Pretax profit	**152.2**	**184.1**	**184.0**	**223.0**	**226.5**
Tax	(41.5)	(45.3)	(44.2)	(53.5)	(54.4)
Minority interest	1.8	(3.6)	(3.6)	(3.6)	(3.6)
Net profit	**112.6**	**135.2**	**136.3**	**165.9**	**168.6**

Balance Sheet

Y/E Dec (RMm)	2021	2022	2023E	2024E	2025E
Fixed assets	124.8	107.6	207.4	300.6	292.3
Other long term assets	127.8	491.1	551.3	611.6	671.9
Total non-current assets	**252.5**	**598.7**	**758.7**	**912.2**	**964.2**
Cash and equivalents	695.8	535.3	538.1	678.7	675.8
Stocks	46.2	53.4	66.3	75.7	73.6
Debtors	821.4	960.0	1,324.0	1,385.8	1,462.3
Other current assets	48.4	88.6	95.6	111.8	128.9
Total current assets	**1,611.7**	**1,637.4**	**2,024.1**	**2,252.0**	**2,340.5**
Creditors	891.4	916.8	1,257.4	1,321.8	1,389.0
Short term borrowings	92.5	172.2	177.1	177.1	159.4
Other current liabilities	8.1	14.4	14.4	14.4	14.4
Total current liabilities	**992.0**	**1,103.3**	**1,448.9**	**1,513.3**	**1,562.8**
Long term borrowings	145.4	311.9	447.9	670.1	670.1
Other long term liabilities	10.0	0.0	0.0	0.0	0.0
Total long term liabilities	**155.4**	**311.9**	**447.9**	**670.1**	**670.1**
Shareholders' Funds	**699.1**	**737.1**	**802.3**	**897.1**	**988.2**
Minority interests	**17.6**	**83.7**	**83.7**	**83.7**	**83.7**

Cash Flow Statement

Y/E Dec (RMm)	2021	2022	2023E	2024E	2025E
EBIT	171.5	195.1	194.1	242.3	246.8
Depreciation & amortisation	27.4	23.8	30.3	36.8	38.3
Working capital changes	83.1	(382.1)	(36.2)	(6.8)	(7.1)
Cash tax paid	(28.9)	(50.8)	(44.2)	(53.5)	(54.4)
Others	(14.7)	(0.9)	(22.0)	(40.3)	(42.2)
Cashflow from operation	**238.3**	**(215.0)**	**122.0**	**178.5**	**181.4**
Capex	(31.5)	(1.9)	(130.0)	(130.0)	(30.0)
Disposal/(purchases)	(141.8)	425.6	(59.0)	(59.0)	(59.0)
Others	0.0	0.0	0.0	0.0	0.0
Cash flow from investing	**(173.4)**	**423.7**	**(189.0)**	**(189.0)**	**(89.0)**
Debt raised/(repaid)	(70.2)	250.0	140.9	222.3	(17.7)
Equity raised/(repaid)	0.0	0.0	0.0	0.0	0.0
Net interest income/(exp)	(0.5)	(0.4)	0.0	0.0	0.0
Dividends paid	(51.8)	(90.3)	(71.1)	(71.1)	(77.6)
Others	112.2	(524.5)	0.0	0.0	0.0
Cash flow from financing	**(10.3)**	**(365.3)**	**69.8**	**151.1**	**(95.3)**
Free Cash Flow	**206.8**	**(216.9)**	**(8.0)**	**48.5**	**151.4**

Financial Ratios and Margins

Y/E Dec (RMm)	2021	2022	2023E	2024E	2025E
Growth					
Revenue (%)	11.4	24.6	20.2	18.6	5.1
EBITDA (%)	38.9	10.0	2.5	24.4	2.1
Core net profit (%)	57.3	(0.6)	(5.2)	21.8	1.6
Profitability					
EBITDA margin (%)	11.5	10.2	8.7	9.1	8.8
PBT margin (%)	8.8	8.5	7.1	7.3	7.0
Net profit margin (%)	6.5	6.3	5.3	5.4	5.2
Effective tax rate (%)	27.3	24.6	24.0	24.0	24.0
ROA (%)	2.8	3.0	2.4	2.4	2.3
Core ROE (%)	21.7	20.0	17.7	19.5	17.9
ROCE (%)	64.5	42.6	24.8	24.9	22.4
Dividend payout ratio (%)	60.3	52.6	52.2	42.9	46.0
Liquidity					
Current ratio (x)	1.6	1.5	1.4	1.5	1.5
Op. cash flow (RMm)	238.3	(215.0)	122.0	178.5	181.4
Free cashflow (RMm)	206.8	(216.9)	(8.0)	48.5	151.4
FCF/share (sen)	16.0	(16.8)	(0.6)	3.7	11.7
Asset management					
Debtors turnover (days)	173.4	162.6	186.5	164.5	165.2
Stock turnover (days)	9.7	9.0	9.3	9.0	8.3
Creditors turnover (days)	188.2	155.3	177.1	156.9	156.9
Capital structure					
Net gearing (%)	(66.5)	(7.4)	10.4	18.4	15.2
Interest cover (x)	NA	NA	NA	NA	NA

Quarterly Profit & Loss

Y/E Dec (RMm)	2Q22	3Q22	4Q22	1Q23	2Q23
Revenue	**557.9**	**469.3**	**503.4**	**522.1**	**604.1**
Operating expenses	(504.1)	(424.5)	(433.0)	(477.2)	(552.5)
EBITDA	**53.8**	**44.7**	**70.4**	**44.9**	**51.6**
Depreciation	(6.1)	(5.8)	(5.6)	(5.3)	(5.3)
EBIT	**47.6**	**38.9**	**64.8**	**39.7**	**46.3**
Net int income/(expense)	(0.0)	0.8	(6.1)	(4.2)	(4.7)
Associates' contribution	0.6	(0.1)	(2.0)	0.0	0.0
Forex gain/(loss)	0.3	0.9	0.9	0.2	0.6
Exceptional items	(5.6)	(2.9)	(1.4)	1.8	0.1
Pretax profit	**43.0**	**37.6**	**56.3**	**37.5**	**42.3**
Tax	(9.3)	(13.6)	(10.8)	(8.9)	(9.0)
Minority interest	(1.3)	(1.2)	0.1	(0.8)	(0.3)
Net profit	**32.3**	**22.7**	**45.6**	**27.8**	**33.0**
Core net profit	**37.6**	**24.7**	**46.1**	**25.8**	**32.3**
Margins (%)					
EBITDA	9.6	9.5	14.0	8.6	8.5
PBT	7.7	8.0	11.2	7.2	7.0
Net profit	5.8	4.8	9.1	5.3	5.5

Source: Company, Phillip Research

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