

Sunway Construction Group Bhd

SCOG.KL SCGB MK

EQUITY: ENGINEERING & CONSTRUCTION

Our positive thesis is intact despite miss

1Q19 results weaker due to review in construction projects and low earnings from precast

Action: Raise TP to MYR2.30 (implies 19% upside); reiterate Buy

1Q results were weak due to 1) delays in MRT2 and LRT3 projects, as these were re-negotiated by the government for cost optimisation; and 2) minimal contribution from precast on lower PBT margins. However, we reiterate Buy on SunCon as i) the orderbook outlook in Malaysia has turned positive after mega projects such as the East Coast Rail link (ECRL) and Bandar Malaysia were revived, and also there are positive developments surrounding the Penang Transport Master Plan (PTMP) and High Speed Rail (HSR) (see Fig. 7); ii) we believe SunCon is the best pure-play exposure to the construction sector in Malaysia with strong earnings to cash flow conversion, healthy balance sheet (net cash of MYR405mn) and high ROE (FY18: 25.3%) and iii) we expect its precast business to grow again along with opening of the new precast plant in Singapore (note that the precast business contributed ~MYR100mn to PBT in 2014 but now contributes almost nothing and is poised to grow from the low base – we estimate precast to generate MYR39mn PBT in FY21F). We also raise our orderbook replenishment target from MYR1.8bn to MYR2.0bn for both FY19/20 and raise FY19F/20F earnings by 1%/2%.

Valuation: TP based on 18x FY20F P/E (EPS: MYR0.13)

We now value SunCon at a forward P/E of 18x (current: 15x) which is in line with its peak valuation in 2017 (vs 15x cash adjusted P/E earlier) and roll forward our valuation to FY20F (EPS of MYR0.13) to arrive at a higher TP of MYR2.30 (implying 19% upside). We no longer use cash adjusted P/E as the company has started to gear up incrementally to fund Singapore capex.

Catalysts: Earnings recovery from LRT3

We expect the stock to continue re-rating with future project awards, precast awards from Singapore and potential higher dividends. Downside risks include: 1) delays in construction project awards; 2) lower-than-expected margins; 3) lower pre-cast earnings persisting; and 4) lack of new projects.

Year-end 31 Dec	FY18		FY19F		FY20F		FY21F	
Currency (MYR)	Actual	Old	New	Old	New	Old	New	
Revenue (mn)	2,257	1,964	2,278	1,964	2,365		2,267	
Reported net profit (mn)	145	151	153	164	168		173	
Normalised net profit (mn)	150	151	153	164	168		173	
FD normalised EPS	11.62c	11.69c	11.85c	12.70c	13.01c		13.38c	
FD norm. EPS growth (%)	15.3	3.6	2.0	8.6	9.8		2.9	
FD normalised P/E (x)	16.7	N/A	16.4	N/A	14.9	N/A	14.5	
EV/EBITDA (x)	9.7	N/A	9.9	N/A	8.7	N/A	8.0	
Price/book (x)	4.2	N/A	3.9	N/A	3.5	N/A	3.2	
Dividend yield (%)	3.6	N/A	4.0	N/A	4.4	N/A	4.5	
ROE (%)	25.3	24.1	24.7	23.9	24.7		23.3	
Net debt/equity (%)	net cash	net cash	net cash	net cash	net cash		net cash	

Source: Company data, Nomura estimates

Key company data: See next page for company data and detailed price/index chart.

Global Markets Research

16 May 2019

Rating Remains	Buy
Target Price Increased from 2.00	MYR 2.30
Closing price 16 May 2019	MYR 1.94
Potential upside	+18.6%

Anchor themes

We expect pure-play Malaysian contractors to continue to outperform diversified companies, which have property exposure. We like stocks where management is looking beyond short-term project awards and generating earnings growth and healthy cash flows, which in our view are the best indicators of long-term outperformance.

Nomura vs consensus

Our FY19F/20F earnings are 2%/7% above consensus.

Research analysts

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Key data on Sunway Construction Group Bhd

Relative performance chart



Source: Thomson Reuters, Nomura research

Notes:

Performance

(%)	1M	3M	12M		
Absolute (MYR)	-1.0	23.6	-9.8	M cap (USDm)	602.5
Absolute (USD)	-1.8	21.2	-14.1	Free float (%)	37.9
Rel to MSCI Malaysia	0.4	28.3	3.2	3-mth ADT (USDm)	0.5

Income statement (MYRmn)

Year-end 31 Dec	FY17	FY18	FY19F	FY20F	FY21F
Revenue	2,076	2,257	2,278	2,365	2,267
Cost of goods sold	-1,919	-2,077	-2,093	-2,158	-2,054
Gross profit	157	180	184	207	213
SG&A					
Employee share expense					
Operating profit	157	180	184	207	213
EBITDA	195	220	226	260	278
Depreciation	-38	-40	-42	-53	-66
Amortisation					
EBIT	157	180	184	207	213
Net interest expense	7	8	9	6	6
Associates & JCEs	2	1	1	1	1
Other income					
Earnings before tax	167	189	194	213	219
Income tax	-36	-38	-41	-45	-46
Net profit after tax	130	150	154	169	173
Minority interests	0	0	0	0	0
Other items					
Preferred dividends					
Normalised NPAT	130	150	153	168	173
Extraordinary items	8	-5	0	0	0
Reported NPAT	138	145	153	168	173
Dividends	-90	-90	-100	-109	-112
Transfer to reserves	47	54	54	59	61

Valuations and ratios

Reported P/E (x)	18.2	17.3	16.4	14.9	14.5
Normalised P/E (x)	19.3	16.7	16.4	14.9	14.5
FD normalised P/E (x)	19.3	16.7	16.4	14.9	14.5
Dividend yield (%)	3.6	3.6	4.0	4.4	4.5
Price/cashflow (x)	39.9	13.3	29.1	12.0	10.4
Price/book (x)	4.5	4.2	3.9	3.5	3.2
EV/EBITDA (x)	10.9	9.7	9.9	8.7	8.0
EV/EBIT (x)	13.5	11.8	12.2	10.9	10.5
Gross margin (%)	7.6	8.0	8.1	8.7	9.4
EBITDA margin (%)	9.4	9.7	9.9	11.0	12.3
EBIT margin (%)	7.6	8.0	8.1	8.7	9.4
Net margin (%)	6.6	6.4	6.7	7.1	7.6
Effective tax rate (%)	21.7	20.2	20.9	20.9	20.9
Dividend payout (%)	65.6	62.5	65.0	65.0	65.0
ROE (%)	26.3	25.3	24.7	24.7	23.3
ROA (pretax %)	12.6	13.5	14.2	14.9	14.8

Growth (%)

Revenue	16.1	8.7	0.9	3.8	-4.1
EBITDA	13.8	12.9	2.9	14.8	7.1
Normalised EPS	22.5	15.3	2.0	9.8	2.9
Normalised FDEPS	22.5	15.3	2.0	9.8	2.9

Source: Company data, Nomura estimates

Cashflow statement (MYRmn)

Year-end 31 Dec	FY17	FY18	FY19F	FY20F	FY21F
EBITDA	195	220	226	260	278
Change in working capital	-41	-56	-109	-12	3
Other operating cashflow	-91	25	-32	-39	-40
Cashflow from operations	63	189	86	209	241
Capital expenditure	-55	-56	-107	-119	-98
Free cashflow	8	133	-21	90	143
Reduction in investments	0	-45	-1	-1	-1
Net acquisitions					
Dec in other LT assets	8	-3	0	0	0
Inc in other LT liabilities	6	96	0	0	0
Adjustments	73	-66	1	1	1
CF after investing acts	95	116	-21	90	143
Cash dividends	-71	-97	-95	-104	-111
Equity issue					
Debt issue	-2	-21	-21	-21	-21
Convertible debt issue					
Others	-1	0	0	0	0
CF from financial acts	-74	-118	-116	-125	-132
Net cashflow	21	-2	-137	-35	11
Beginning cash	466	487	485	348	312
Ending cash	487	485	348	312	323
Ending net debt	-353	-371	-255	-241	-273

Balance sheet (MYRmn)

As at 31 Dec	FY17	FY18	FY19F	FY20F	FY21F
Cash & equivalents	487	485	348	312	323
Marketable securities					
Accounts receivable	1,106	917	925	960	921
Inventories	24	30	26	27	26
Other current assets	111	106	106	106	106
Total current assets	1,729	1,537	1,405	1,405	1,375
LT investments	0	45	46	46	47
Fixed assets	150	163	229	294	327
Goodwill	4	4	4	4	4
Other intangible assets	2	0	0	0	0
Other LT assets	2	5	5	5	5
Total assets	1,887	1,754	1,688	1,755	1,758
Short-term debt	135	114	93	72	51
Accounts payable	1,036	874	770	794	755
Other current liabilities	155	72	72	72	72
Total current liabilities	1,325	1,059	935	937	878
Long-term debt	0	0	0	0	0
Convertible debt					
Other LT liabilities	7	103	103	103	103
Total liabilities	1,332	1,162	1,037	1,040	981
Minority interest	1	1	2	2	3
Preferred stock					
Common stock	259	259	259	259	259
Retained earnings	324	361	419	483	545
Proposed dividends					
Other equity and reserves	-29	-28	-28	-28	-28
Total shareholders' equity	554	591	649	713	775
Total equity & liabilities	1,887	1,754	1,688	1,755	1,758

Liquidity (x)

Current ratio	1.30	1.45	1.50	1.50	1.57
Interest cover	na	na	na	na	na

Leverage

Net debt/EBITDA (x)	net cash	net cash	net cash	net cash	net cash
Net debt/equity (%)	net cash	net cash	net cash	net cash	net cash

Per share

Reported EPS (MYR)	10.66c	11.20c	11.85c	13.01c	13.38c
Norm EPS (MYR)	10.08c	11.62c	11.85c	13.01c	13.38c
FD norm EPS (MYR)	10.08c	11.62c	11.85c	13.01c	13.38c
BVPS (MYR)	0.43	0.46	0.50	0.55	0.60
DPS (MYR)	0.07	0.07	0.08	0.08	0.09

Activity (days)

Days receivable	164.3	163.5	147.6	145.9	151.5
Days inventory	4.6	4.8	4.9	4.6	4.7
Days payable	181.4	167.8	143.3	132.6	137.6
Cash cycle	-12.5	0.5	9.2	17.9	18.5

Source: Company data, Nomura estimates

1Q19 results recap

- SunCon reported 1Q19 net income of MYR31mn, which was down 13% y-y and formed 20%/21% of our new/consensus estimates for FY19F. The drag in 1Q19 results was largely from 1) delay in construction projects like MRT2 and LRT3 as they were re-negotiated by the government for cost optimisation and 2) marginal contribution to earnings from precast as PBT margins were low.
- SCGB is in a net cash position of MYR405mn, which could be used for higher dividend or new investments, supporting our bullish thesis.
- YTD 2019, SunCon has won MYR1bn worth of new contracts with management's full year target of MYR1.5b intact (NMR target: MYR2bn). As at end-Mar'19, the outstanding orderbook stands at MYR5.7bn implying earnings visibility of 1.9 years based on our estimate.
- **Construction:** Construction revenue for 1Q19 was MYR407mn, down 17% y-y due to the substantial completion of Putrajaya Parcel F project and delays in MRT2 and LRT3 projects. However, PBT of MYR40mn was flat y-y, with 2pp increase in PBT margin.
- **Precast:** Precast revenue for 1Q19 was MYR33mn, down 11% y-y due to delay in commencement of production. The segment reported negligible PBT vs PBT of MYR4mn in 1Q18.

Fig. 1: SunCon – 1Q19 result snapshot

MYR mn	1Q19	NMR FY19F new	as % of NMR	Cons FY19F	as % of cons
Revenue	440	2,278	19%	2,333	19%
Adj PBT	40	194	21%	189	21%
Adj NPATAMI	31	153	20%	150	21%
Reported NPATAMI	31	153	20%	150	21%

Source: Company data, Bloomberg, Nomura estimates

Fig. 2: SunCon – 1Q19 results review

MYR mn	1Q19	1Q18	% chg y-y	4Q18	% chg q-q	1Q19	1Q18	% chg y-y	FY19F new	as % of FY19F new
Revenues	440	529	(17%)	626	(30%)	440	529	(17%)	2,278	19%
Construction	407	492	(17%)	595	(32%)	407	492	(17%)	1,930	21%
Precast concrete	33	37	(11%)	31	8%	33	37	(11%)	348	9%
Operating profit	38	43	(11%)	45	(15%)	38	43	(11%)	184	21%
Construction	38	39	(3%)	48	(21%)	38	39	(3%)		
Precast concrete	0	4	(91%)	(3)	NM	0	4	(91%)		
Adjusted Pretax profit	40	44	(8%)	47	(15%)	40	44	(8%)	194	21%
Construction	40	40	(0%)	50	(20%)	40	40	(0%)	187	21%
Precast concrete	0	4	(98%)	(3)	<-100%	0	4	(98%)	7	1%
Core PAT	32	36	(12%)	37	(14%)	32	36	(12%)	154	21%
Core PAT - equityholders	31	36	(13%)	37	(15%)	31	36	(13%)	153	20%
Other one-off charges	0	0	NM	0	NM	0	0	NM	0	NM
Headline NPAT - equityholders	31	36	(13%)	37	(15%)	31	36	(13%)	153	20%
Adj Pretax margins	9%	8%	1 ppt	8%	2 ppt	9%	8%		9%	
Construction	10%	8%	2 ppt	8%	1 ppt	10%	8%		10%	
Precast concrete	0%	10%	-9 ppt	(9%)	10 ppt	0%	10%		2%	

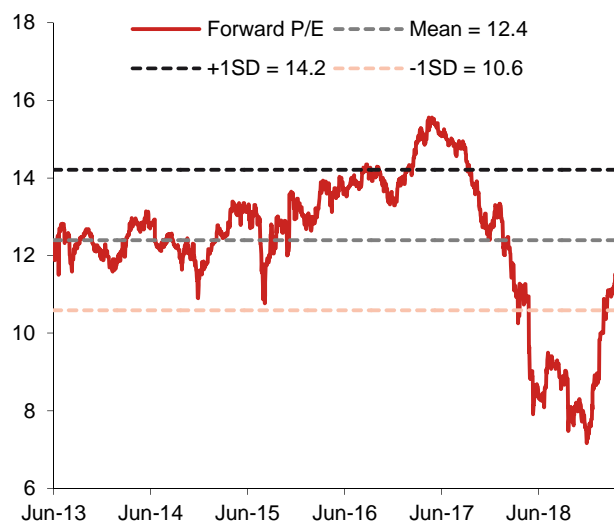
Source: Company data, Nomura estimates

Fig. 3: SunCon forward P/E (consensus)



Source: Bloomberg, Nomura research

Fig. 4: KLCON forward P/E



Source: Bloomberg, Nomura research

Fig. 5: SunCon's outstanding orderbook

As at Mar'19

MYR mn	Contract Sum	Outstanding order book
Infrastructure/Piling		
MRT V201 + S201 (Sg Buloh-Persiaran Dagang)	1,213	359
LRT3: Package GS07-08	2,178	1,929
Piling Works	227	160
Building		
Putrajaya Parcel F	1,610	69
PPA1M project in Kota Bharu	582	141
Nippon Express	70	48
GDC (Plant 2)	14	6
TNB HQ Campus	781	781
Internal		
Sunway Velocity Medical Centre	185	10
Sunway Medical Centre Phase 4	512	429
Sunway Iskandar - Emerald Residences	175	8
Big Box Iskandar	170	45
Sunway Serene - Serviced Residences	449	306
Velo 2	352	343
3C4	100	96
Sunway GEOLake	223	161
Carnival Mall Ext	286	247
SMC Seberang Jaya	180	163
Velocity Ecodeck	11	9
M&E works	27	6
Big Box Hotel	100	100
Singapore		
Precast	331	285
Precast - New order 2019	31	31
Total	9,805	5,731
Orderbook burn rate (FY18, including internal)		3,049
Implied earnings visibility (years)		1.9

Source: Company data, Nomura research

Fig. 6: SunCon – orderbook replenishment

2018	
MYR mn	Contract sum
Sunway Carnival 2 Extension	286
SunGeo Lake 44 storey residential tower	223
Sunway Medical Centre	180
Piling works	128
Precast	229
Sunway Velocity TWO	352
GDC (Plant 2)	14
3C4	100
Velocity Ecodeck	11
M&E works	30
Total	1,553
YTD 2019	
MYR mn	Contract sum
TNB HQ Campus	781
Piling works	99
Big Box Hotel	100
Precast	31
Total	1,011

Source: Company data, Nomura research

Fig. 7: Key Infrastructure projects in Malaysia

Projects highlighted in bold are gaining traction

Infrastructure	Project Name	Value	Firms involved	Outlook
Rail	KL-Singapore High Speed Rail	MYR 110bn	Gamuda, Malaysian Resources Corporation, YTL Corp, and Tabung Haji along with various international firms	Technical Advisory consultant to be appointed to review cost-reduction options
	East Coast Rail Link	MYR 44bn in two phases	China Communications Construction Corporation (CCCC)	Contract revived, supplementary agreement signed
	Rapid Transit System	MYR 4bn	SMRT and Prasarana	Likely to go ahead
	Mass Rapid Transit (MRT) Line 3	MYR 40bn	A Gamuda-MMC-George Kent JV	Suspended
	Light Rapid Transit (LRT) Line 3	MYR 16bn	George Kent and MRCB	Going ahead after cost revisions
	Mass Rapid Transit (MRT) Line 2	MYR 30.5bn	MMC-Gamuda JV	Converted to a single turnkey contract with value of MYR30.5bn. Underground part's cost has been renegotiated down to MYR13.1bn from MYR15.5bn.
	Klang Valley Double Track Phase 2	< MYR5.2bn	To be awarded again	Government cancelled the award worth MYR5.2bn citing the cost was very high. To be re-awarded in 1H19
Mixed: rail, road, tunnel	Penang Transport Masterplan	Up to MYR 46bn	SRS Consortium, a consortium involving Gamuda, Loh Phoy Yen Holdings Sdn Bhd and Ideal Property Development Sdn Bhd	Construction of MYR9bn LRT and MYR9.6bn Pan Island Link 1 to start in June-2020
Road	Pan-Borneo Highway - Sabah	to be re-evaluated	Borneo Highway PDP (shareholders are MMC, UEM and Warisan Tarang Construction)	Some discussions that PDP will be removed and turnkey contractor model will be used
	Pan-Borneo Highway - Sarawak	MYR 16.5bn	Lebuhraya Borneo Utara	Proceeding, to be completed by June-2021
Port	Melaka Gateway	MYR 43bn	KAJ Development, PowerChina International	Likely to be significantly delayed
	Carey Island Port	Up to MYR 200bn GDV	MMC, Sime Darby	Likely to be cancelled or indefinitely delayed
	Kuantan Port	MYR 4bn investment into port, and Malaysia-China Industrial Park has MYR 2.6bn GDV	IJM Corp, Guangxi Beibu International Port Group	Likely to go ahead
Gas pipelines	Gas pipelines	MYR 10bn	China Petroleum Pipeline Bureau, China's Exim Bank	Likely to be cancelled or indefinitely delayed
Urban development	Tun Razak Exchange	MYR 40bn GDV	The government, several state funds and firms, Australia's Lendlease	Likely to go ahead
	Bandar Malaysia	MYR 140bn GDV	Iskandar Waterfront and China Railway Engg Corp (IWH-CREC) consortium	Project revived with changes in plan, IWH-CREC consortium given 60 days (from 19-Apr) to pay MYR741mn deposit and additional MYR500mn advance

Source: Media articles including Edge Malaysia, Nomura research

Fig. 8: SunCon – changes in estimates

MYR mn	Old		New		% change	
	FY19F	FY20F	FY19F	FY20F	FY19F	FY20F
Orderbook replenishment	1,800	1,800	2,000	2,000	11%	11%
External	1,000	1,000	1,200	1,200	20%	20%
Internal	500	500	500	500	0%	0%
Precast	300	300	300	300	0%	0%
Revenue	1,964	1,964	2,278	2,365	16%	20%
Adj PBT	191	208	194	213	2%	3%
PBT margins	9.7%	10.6%	8.5%	9.0%	(1.2 ppt)	(1.5 ppt)
Adj NPAT	151	164	153	168	1%	2%

Source: Nomura estimates

Fig. 9: SunCon – Target price valuation methodology

	Dec-20 FY20F
Normalised net profit (MYR mn)	168
FD number of shares outstanding (mn)	1,292
FD EPS (MYR/ sh)	0.13
Target FY20F P/E	18.0 x
Price target (MYR/ sh)	2.30

Source: Nomura estimates

Fig. 10: Peer valuation table

		Nomura Rating	Last Close 16/May	Syariah?	Mcap (US\$m)	P/E		P/B		EV/EBITDA		ROE		Div Yld	
						CY19F	CY20F	CY19F	CY20F	CY19F	CY20F	CY19F	CY20F	CY19F	CY20F
MALAYSIA CONSTRUCTION															
Gamuda Bhd	GAM MK	Buy	3.20	Y	1,897	13.0	12.7	1.0	1.0	13.2	13.0	7.7	7.5	3.9	3.9
IJM Corp Bhd	IJM MK	Reduce	2.04	Y	1,776	13.8	12.4	0.7	0.7	10.4	10.0	5.6	6.0	4.6	5.2
Sunway Construction Group Bhd	SCGB MK	Buy	1.94	Y	602	16.4	14.9	3.9	3.5	9.9	8.7	24.7	24.7	4.0	4.4
Kerjaya Prospek Group Bhd	KPG MK	NR	1.23	Y	364	9.9	9.0	1.5	1.3	5.4	4.9	14.9	14.7	2.8	2.9
WCT Holdings Bhd	WCTHG MK	Reduce	0.97	Y	322	8.1	8.1	0.4	0.4	12.2	11.7	5.4	5.2	5.6	5.5
Muhibbah Engineering M Bhd	MUHI MK	Buy	2.70	Y	313	5.3	5.5	0.9	0.8	5.7	5.9	19.2	16.0	4.8	4.8
Econpile Holdings Bhd	ECON MK	NR	0.63	Y	202	18.5	14.2	2.0	1.8	8.8	7.8	11.6	12.7	2.1	2.4
Hock Seng LEE BHD	HSL MK	NR	1.41	Y	186	11.8	10.4	1.0	0.9	6.8	6.2	8.4	8.9	1.8	1.9
Gadang Holdings BHD	GADG MK	NR	0.83	Y	132	7.6	6.8			6.2	5.3	9.1	10.8	3.0	3.2
Kimlun Corp Bhd	KICB MK	NR	1.36	Y	108	7.4	7.2	0.6	0.6	5.6	5.5	8.8	8.2	3.4	3.6
Pintaras Jaya BHD	PINT MK	NR	2.50	Y	100	15.1	13.5	1.3	1.3	6.9	6.4	8.9	9.8	8.2	8.2
Mitrajaya Holdings Bhd	MHB MK	NR	0.38	Y	80	9.1	9.6	0.4	0.4	7.5	7.5	4.7	4.6	2.4	2.4
Eversendai Corp Bhd	EVSD MK	NR	0.43	Y	80	5.2	5.3	0.3		8.8	8.6	6.4	5.7	1.2	1.2
Median						10.0	9.7	0.9	0.9	7.5	7.5	8.8	8.9	3.4	3.6
INDONESIA CONSTRUCTION															
Jasa Marga Persero Tbk PT	JSMR IJ	NR	5100	Y	2,564	18.2	16.6	1.9	1.8	11.4	9.2	10.4	10.5	1.1	1.3
Waskita Karya Persero Tbk PT	WSKT IJ	NR	1720	N	1,617	6.2	6.5	0.9	0.8	11.4	10.8	16.3	13.4	3.8	3.8
Wijaya Karya Persero Tbk PT	WIKA IJ	NR	1850	Y	1,150	8.3	7.1	1.0	0.9	5.6	4.8	11.4	11.6	2.7	3.3
PP Persero Tbk PT	PTPP IJ	NR	1725	Y	741	6.2	5.4	0.7	0.7	4.8	4.2	11.5	12.5	3.6	4.2
Adhi Karya Persero Tbk PT	ADHI IJ	NR	1400	Y	345	5.4	5.0	0.6	0.6	4.5	4.3	12.8	12.8	3.6	3.9
Median						6.2	6.5	0.9	0.8	5.6	4.8	11.5	12.5	3.6	3.8
THAILAND CONSTRUCTION															
CH Karnchang PCL	CK TB	NR	26.50	N	1,421	23.0	20.6	1.7	1.6	49.3	45.2	7.3	7.8	1.8	2.1
Sino-Thai Engineering & Cons	STEC TB	NR	24.70	N	1,193	23.4	19.8	3.2	2.9	11.2	8.7	14.0	15.0	1.7	1.9
Italian-Thai Development PCL	ITD TB	NR	2.16	N	361	24.5	20.0	0.8	0.8	11.4	10.5	3.1	3.9		
Median						23.4	20.0	1.7	1.6	11.4	10.5	7.3	7.8	1.7	2.0

Source: Nomura estimates for rated stocks, Bloomberg consensus for others. Prices as of 16 May 2019 close

Appendix A-1

Analyst Certification

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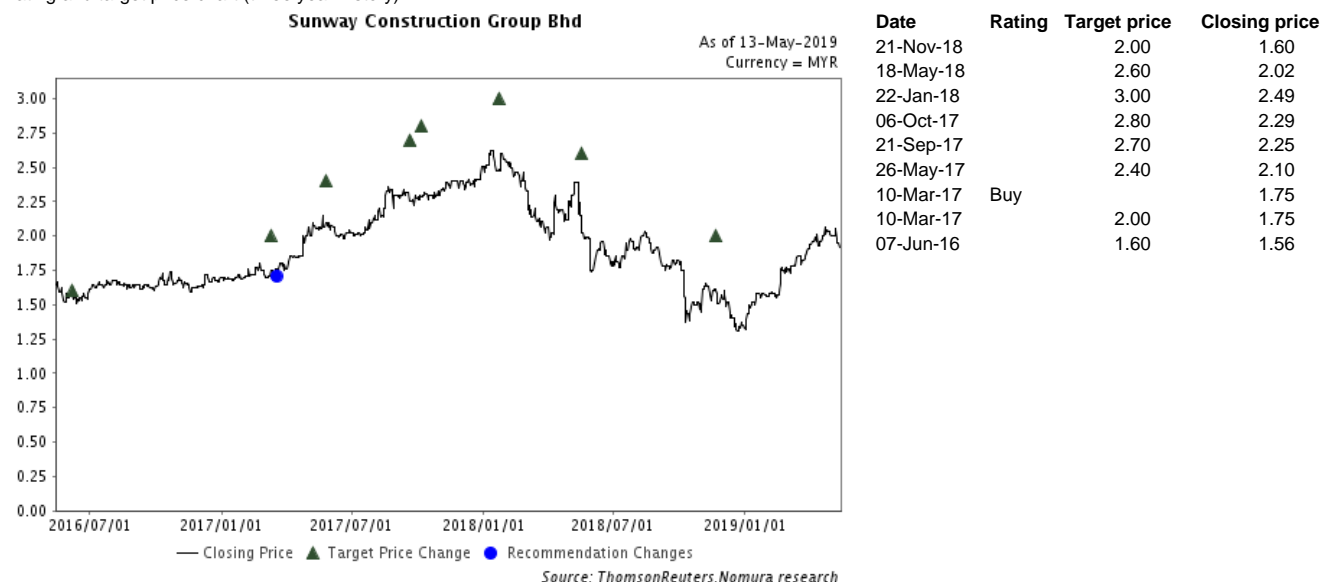
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Materially mentioned issuers

Issuer	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
Sunway Construction Group Bhd	SCGB MK	MYR 1.90	15-May-2019	Buy	N/A	

Sunway Construction Group Bhd (SCGB MK) MYR 1.90 (15-May-2019) Buy (Sector rating: N/A)

Rating and target price chart (three year history)



For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology We value SunCon at a target P/E of 18x on FY20F earnings. Using net income of MYR168mn for FY20F and a target P/E of 18x, we arrive at our TP of MYR2.30. The benchmark index for the stock is the MSCI Malaysia.

Risks that may impede the achievement of the target price Downside risks include: 1) delays in construction project awards; 2) lower-than-expected margins; 3) lower pre-cast earnings persisting; 4) a lack of new projects.

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As at 31 March 2019.

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