

NEWS

SunCon's 1Q net profit rises 23.8% as revenue strengthens on higher progress billings



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KUALA LUMPUR (May 20): Sunway Construction Group Bhd's (SunCon) net profit for the first quarter ended March 31, 2021 (1QFY21) rose 23.8% to RM20.24 million from RM16.35 million a year ago, underpinned by higher construction revenue and improved blended margin due to its precast segment.

Revenue for 1QFY21 grew 24.43% to RM455.2 million from RM365.83 million, its Bursa Malaysia filing showed.

Its construction revenue jumped to RM421.3 million from RM329.6 million, while segmental profit before tax climbed to RM23.6 million from RM20.8 million, despite a lower profit before tax margin of 5.6% compared with 6.3% on the back of a highly competitive construction landscape.

It said that despite the imposition of Movement Control Order 2.0 (MCO 2.0) during the quarter, the building division managed to achieve higher progress billings from projects in the central and northern regions.

In a statement, SunCon group managing director Chung Soo Kiong said the group's first quarter results illustrated its consistent performance with steady growth in revenue, despite the disruptions owing to the impact of Covid-19.

The group's outstanding order book stood at RM5 billion (December 2020: RM5.1 billion) with RM462 million new orders secured up to March 2021.

"We remain steadfast in growing our order book towards our target of RM2 billion new orders in 2021 as we continue to navigate the challenging environment," he said.

He also noted that recent developments on the revival of mass infrastructure projects such as Mass Rapid Transit 3 (MRT3) bode well for the group in view of its prior track record with MRT1 and MRT2.

"In addition, we are actively exploring opportunities in overseas, sustainable energy as well as in-house projects by Sunway Group," he said.

Barring further unforeseen circumstances, the group is cautiously optimistic about sustaining its performance for FY21, considering the anticipated vaccine roll-out in Malaysia despite the recent imposition of MCO 3.0.

SunCon shares closed unchanged at RM1.68 today, valuing the group at RM2.2 billion.