Sunview Group Berhad

(0262) | SUNVIEW MK) ACE |Energy

SHARIAH Compliant

Maintain BUY

Revised Target Price **RM0.62** (from RM0.64)

Corporate Update

Driven by Stronger Margins

Maintain BUY. We expect Sunview's prospects moving forward to be driven by the rising demand for rooftop solar, EPCC projects from CGPP and the upcoming 2GW LSS5. Prospects for solar EPCC players remains bright, with favourable policies such as the National Energy Transition Roadmap (NETR). We maintain our BUY recommendation on Sunview with a revised target price of RM0.62, as we peg its revised FY26F EPS of 3.5 sen to a PER of 18x, at a discount to its larger peers.

Below estimates. Sunview's core earnings in 3QFY25 doubled year-on-year to RM2.0m, driven by higher margins from its ongoing progress on its large-scale solar and commercial and industrial (C&I) projects. The cumulative 9MFY25 core earnings came in +8.0%yoy higher at RM5.2m. This is below expectations, making up 49.5% of ours and 55.0% of consensus' full-year estimates.

EPCC and services. Revenue generated from EPCC-related services saw a +27.1%yoy growth to RM61.7m, with a +12.7%yoy growth in the segmental profit to RM8.3m, driven by better margins. Revenue from power generation declined -4.9%yoy to RM1.1m while its segmental bottom line slipped -21.8%yoy to RM0.4m.

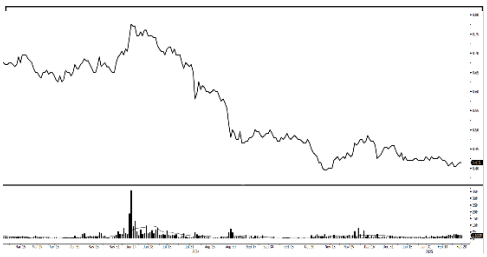
Strong outstanding order book. The group's unbilled order book currently stands at RM392.9m, providing Sunview with earnings visibility up to FY26. This includes the recently secured RM45.0m EPCC contract for a 10.58MWp solar PV facility at Universiti Malaysia Sabah. We expect the upcoming LSS5 EPCC projects to aid in order book replenishment, on top of the strong demand for rooftop solar.

Updates on overseas projects. While there has yet to be any official updates on Sunview's development of two solar plants (600MW) in Uzbekistan, we note that its wholly-owned subsidiary Sunview Centraziya LLC has set up two new wholly-owned subsidiaries namely Sunview-Alpha LLC and Sunview Beta LLC, where the intended business activities are production of electricity by other power plants, electric power transmission, electricity distribution and sales.

Earnings estimates. We slash our FY25E/FY26F earnings target by -14.3%/-16.8% to RM9.0m/RM13.9m on the back of the weaker than expected earnings.

RETURN STATISTICS	
Price @ 28th Feb 2025 (RM)	0.415
Expected share price return (%)	+49.4
Expected dividend yield (%)	-
Expected total return (%)	+49.4

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-3.5	-4.8
3months	-7.8	-2.6
12 months	-38.1	-39.5

INVESTMENT STATISTICS

FYE Mar	2024A	2025F	2026F
Revenue	465.9	442.6	486.9
Operating Profit	22.6	17.7	24.8
Profit Before Tax	16.0	12.0	18.5
Core PATAMI	9.6	9.0	13.9
Core EPS	2.7	2.2	3.5
DPS	-	-	-
Dividend Yield	-	-	-

KEY STATISTICS	
FBM KLCI	1,574.70
Issued shares (m)	510.54
Estimated free float (%)	62.81
Market Capitalisation (RM'm)	235.61
52-wk price range	RM0.37 - RM0.80
3-mth average daily volume (m)	1.83
3-mth average daily value (RM'm)	0.80
Top Shareholders (%)	
New Energy Capital Sdn Bhd	24.88
Ong Hang Ping	3.69
Tradeview Capital	2.82

Analyst

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SUNVIEW GROUP BERHAD: 3QFY25 RESULTS SUMMARY

All in RM'm unless stated otherwise	Quarterly Results					Cumulative		
Income Statement	**Q325**	**Q225**	**Q324**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Revenue	62.8	50.4	49.7	**24.5%**	**26.4%**	150.8	362.7	**-58.4%**
Cost of sales	(54.0)	(43.4)	(42.0)	**-24.4%**	**-28.7%**	(127.7)	(338.4)	**62.3%**
Gross profit	8.8	7.0	7.7	**25.2%**	**14.0%**	23.1	24.3	**-4.9%**
Other income	1.1	2.3	0.1	**-52.0%**	**1076.1%**	3.8	0.4	**932.5%**
Administrative expenses	(6.6)	(5.9)	(3.9)	**-11.1%**	**-68.7%**	(17.4)	(12.9)	**-34.7%**
Operating profit	3.3	3.3	3.9	**-2.0%**	**-15.9%**	9.6	11.8	**-18.8%**
Finance costs	(2.0)	(1.8)	(1.8)	**-10.9%**	**-12.8%**	(5.4)	(4.9)	**-10.8%**
Profit before tax	2.7	2.1	2.8	**28.5%**	**-4.2%**	6.8	7.7	**-12.2%**
Tax	(0.7)	(0.5)	(1.2)	**-32.7%**	**45.4%**	(1.6)	(2.8)	**43.8%**
Profit after tax	2.0	1.6	1.5	**27.2%**	**29.3%**	5.2	5.0	**5.5%**
Core net profit	2.0	1.8	1.0	**8.3%**	**90.8%**	5.2	4.8	**8.0%**

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MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology