Sunview Group Berhad

(0262) | SUNVIEW MK) ACE |Energy

SHARIAH Compliant

Corporate Update

Maintain BUY

Unchanged Target Price **RM0.62**

Better Quarters Ahead from CGPP

Maintain BUY. We expect Sunview's prospects moving forward to be driven by the rising demand for commercial and industrial (C&I) 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 unchanged target price of RM0.62, as we peg its FY26F EPS of 3.5 sen to a PER of 18x, at a discount to its larger peers.

CGPP to drive future earnings. Earnings in upcoming quarters are expected to be driven by the ongoing progress of CGPP EPCC jobs. Sunview currently has three EPCC contracts for the CGPP worth RM248.0m, which are still in the initial stages, which will progress further in the coming quarters. We gather that several CGPP contract awards are still pending, and we expect these to be finalised soon, at least by 1HCY25. In a meeting with Sunview yesterday, management said they have three more tenders that are pending. Recall that CGPP plants are expected to reach commercial operation date (COD) by end-2025.

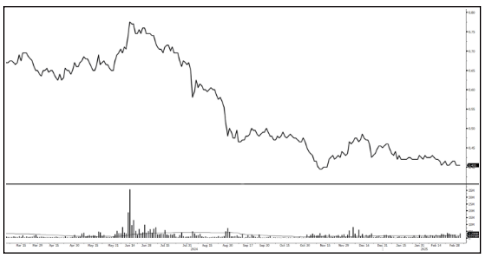
Strong outstanding order book. The group's unbilled order book currently stands at RM392.9m, providing Sunview with earnings visibility up to FY26. This comprises about RM200m of remaining CGPP order book, the recently secured RM45.0m EPCC contract for a 10.58MWp solar PV facility at Universiti Malaysia Sabah and the remaining being rooftop projects for the commercial and industrial (C&I) segment. Sunview is actively bidding for EPCC jobs with a tender book of more than RM1.0b including three CGPP contracts of 30MW each and about 330MW of LSS5 contracts.

Updates on overseas projects. Recall that Sunview has recently set up two new wholly owned subsidiaries namely Sunview-Alpha LLC and Sunview Beta LLC in Uzbekistan for the proposed development of two solar plants (600MW) in Uzbekistan. The group is currently ironing out certain terms and they aim to sign the power purchase agreement (PPA) by May-25. Meanwhile, Sunview has dropped the EPCC contract for a 20MW solar PV plant in Bulgaria worth RM79.5m due to delays on the client's end in getting the site ready. Management did not discount the possibility of taking on the project again in future once the that is sorted out.

Earnings estimates. We make no changes to our earnings estimates after recently cutting 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 @ 5th Mar 2025 (RM)	0.405
Expected share price return (%)	+53.1
Expected dividend yield (%)	-
Expected total return (%)	+53.1

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-5.8	-5.2
3months	-10.0	-9.1
12 months	-39.6	-40.6

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	1,564.42
Issued shares (m)	510.54
Estimated free float (%)	62.81
Market Capitalisation (RM'm)	229.93
52-wk price range	RM0.37 - RM0.80
3-mth average daily volume (m)	1.82
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

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FINANCIAL SUMMARY

Profit or Loss (RM'm)	2022A	2023A	2024A	2025F	2026F
Revenue	99.3	347.0	465.9	442.6	486.9
EBIT	13.4	25.9	20.0	17.7	24.8
PBT	10.9	21.5	16	12	18.5
Taxation	-2	-8.5	-5.1	-3	-4.6
PAT	8.9	13	10.9	9	13.9
Core earnings	8.9	12.9	10.9	9	13.9
EPS (sen)	2.2	3.2	2.7	2.2	3.5
PER (x)	18.3	12.5	14.9	18.1	11.7
DPS (sen)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-

Cash Flow (RM'm)	2022A	2023A	2024A	2025F	2026F
PBT	10.9	21.5	16.0	12.0	18.5
Depreciation	3.2	4.0	6.2	5.5	3.2
Change in NWC	3.9	(89.6)	26.3	2.3	3.9
Operating cash flow	**2.0**	**(69.6)**	**3.5**	**18.2**	**2.0**
Capital expenditure	(4.2)	(5.4)	(5.3)	(5.3)	(4.2)
Investing cash flow	**(3.0)**	**6.2**	**(3.6)**	**(3.6)**	**(3.0)**
Debt raised/(repaid)	(15.0)	(2.7)	(10.0)	(11.0)	(15.0)
Dividends paid	-	-	-	-	-
Financing cash flow	**56.6**	**47.9**	**22.6**	**23.6**	**56.6**
Net cash flow	**55.5**	**11.9**	**22.5**	**38.2**	**55.5**
Beginning cash flow	**1.9**	**57.4**	**69.3**	**91.8**	**1.9**
Ending cash flow	**57.4**	**69.3**	**91.8**	**130.0**	**57.4**

Balance Sheet (RM'm)	2022A	2023A	2024A	2025F	2026F
PPE	39.2	40.6	43.7	48.6	50.1
ROU assets	17.3	17.3	16.8	17.3	17.3
Non-current assets	**57.2**	**57.9**	**79.9**	**84.8**	**86.3**
Trade receivables	31.4	44.6	57.8	39.4	49.5
Cash & bank balances	20.1	87.4	51.1	86.6	99.6
Current assets	101.1	226.6	279.0	225.5	251.2
Long-term debt	42.7	31.9	36.6	17.2	18.9
Non-current liabilities	**43.1**	**32.7**	**37.1**	**18.9**	**20.6**
Short-term debt	10.1	58.1	91.7	70.3	70.3
Trade payables	19.3	38.4	100.1	55.4	63.2
Current liabilities	**60.4**	**148.2**	**201.7**	**135.6**	**143.4**
Share capital	24.2	81.6	108.8	81.6	81.6
Reserves	17.7	30.7	40.3	55.6	73.2
Equity	**54.7**	**103.5**	**140.5**	**155.8**	**173.4**

Profitability Ratios (%)	2022A	2023A	2024A	2025F	2026F
EBIT margin	13.5%	7.5%	4.3%	4.0%	5.1%
PBT margin	10.9%	6.2%	3.4%	2.7%	3.8%
PATAMI margin	9.0%	3.7%	2.3%	2.0%	2.9%
Core PATAMI margin	9.0%	3.7%	2.3%	2.0%	2.9%

Source: Bloomberg, MIDFR

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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