Sunway Berhad

(5211 | SWB MK) Main | Industrial Products & Services

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Corporate Update

Maintain NEUTRAL

Unchanged Target Price **RM5.06**

Visit to Sunway Sanctuary Premium Senior Living

Visit to Sunway Sanctuary. We visited Sunway Sanctuary by Sunway Berhad recently. Sunway Sanctuary is flagship senior living residence by Sunway Berhad which was opened in 2023. The senior living residence is located within Sunway City Kuala Lumpur. It is annexed to Sunway Medical Centre, giving it competitive advantage of allowing residents to have access to wide range of medical services and facilities only minutes aways. Sunway Sanctuary is in Tower D of Sunway Medical Centre, occupying level 15 to level 30.

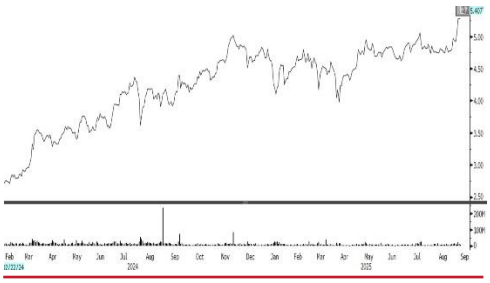
Diverse range of care. Sunway Sanctuary provides independent living, assisted living, post-hospital discharge care and post-natal care. For independent living units which are for seniors with independent living and active lifestyle, package per month starts from RM8,800. Services include housekeeping services, daily recreational and social activities, emergency response system and others. For assisted living units which are for seniors requiring some help with daily activities but do not need the intensive care, the package starts from RM10,800 per month. Besides, Sunway Sanctuary also offers assisted living for post-hospital discharge care for patients recovering from orthopedic surgery or cardiac surgery with month package starts from RM10,800. On the other hand, Sunway Sanctuary has 28 rooms for post-natal care with package starts from RM23,800 for 28 days care. We think that the diverse range of care of Sunway Sanctuary complements medical services of Sunway Medical Centre.

Facilities. There are several amenities at Sunway Sanctuary with close to 100,000 sf. ft. of fitness, wellness and recreation facilities. Facilities provided include heated saltwater infinity pool, room for board games, Karaoke room, mini theatre, library, fitness centre, restaurant and others. Sunway Sanctuary also provides healing therapies such as TCM treatments, massage therapy and pedicure & manicure services. With the facilities, it helps to improve the average occupancy rate of Sunway Sanctuary to 50% from 30% in 2024. We also gather that occupancy rate also helped by staycation for seniors with daily rate of ~RM600 per day. Note that Sunway Sanctuary comprises 473 units with first phase consists of 235 rooms while the second phase will be launched later.

Maintain NEUTRAL with an unchanged TP of RM5.06. While contribution of Sunway Sanctuary which is under its healthcare arm is minimal, we think that the venture into the silver economy by Sunway Berhad is timely considering the growing aging population in Malaysia. Besides, the premium aged care and post-hospital discharge care of Sunway Sanctuary also supported by medical tourism in Malaysia. Post visit, we make no changes to our earnings forecast for FY25F/26F/27F. We maintain our TP for Sunway Berhad at RM5.06, based on Sum-of-Parts valuation. While the listing of healthcare division is positive to Sunway Berhad, we maintain our **NEUTRAL** call on Sunway Berhad as upside is limited and as we see that most of the positives are priced in.

RETURN STATISTICS	
Price @ 8th Sept 2025 (RM)	5.28
Expected share price return (%)	-4.2
Expected dividend yield (%)	+1.9
Expected total return (%)	-2.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	11.2	9.2
3months	12.3	5.4
12 months	34.0	39.6

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	6,877	6,921	7,934
Operating Profit	844	878	1,005
Profit Before Tax	995	1,027	1,083
Core PATAMI	904	959	947
Core EPS	13.56	14.39	14.20
DPS	10.00	10.00	10.00
Dividend Yield	1.9%	1.9%	1.9%

KEY STATISTICS	
FBM KLCI	1,585.59
Issue shares (m)	6,588.38
Estimated free float (%)	49.03
Market Capitalisation (RM'm)	32,869
52-wk price range	RM3.84 – RM5.36
3-mth average daily volume (m)	7.84
3-mth average daily value (RM'm)	38.11
Top Shareholders (%)	
Sungei Way Corp Sdn Bhd	45.52
JEF-SAN Enterprise Sdn Bhd	10.17
EPF	8.75

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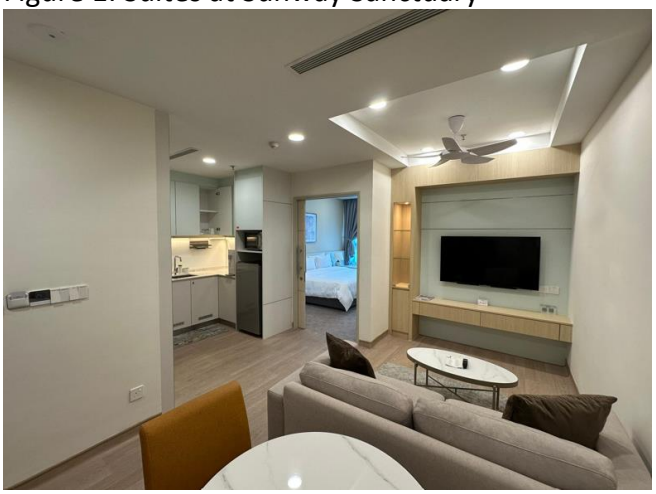
Figure 1: Suites at Sunway Sanctuary



Source: MBSB Research

Figure 2: Heated saltwater infinity pool



Source: MBSB Research

Figure 3: Room for board games



Source: MBSB Research

Figure 4: Fitness centre



Source: MBSB Research

Sum-of-Parts

Division	Methodology	Multiple	Stake	Discount	Value (RM m)
Property Development	NPV of profits	n/a	100%	10%	9,414.7
Property Investment	Net Book Value	n/a	100%	n/a	2,895.0
Construction	Target Price of RM6.53	n/a	54%	n/a	4,580.2
Sunway REIT	Target Price of RM2.10	n/a	35%	n/a	2,480.7
Healthcare	23x EV EBITDA	23	84%	n/a	13,620.6
Trading and manufacturing	13x FY26E PER	13	100%	n/a	274.7
Quarry & Others	13x FY26E PER	13	100%	n/a	465.8
Total SOP					33,731.7
Number of shares					6,666.0
Target Price (RM)					**5.06**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	6,140	7,882	6,877	6,921	7,934
EBIT	664	887	844	878	1,005
PBT	953	1,426	995	1,027	1,083
Net Income	738	1,154	904	959	947
Core Net Income	698	1,056	904	959	947
Core EPS (sen)	10.8	15.8	13.6	14.4	14.2
Core PER (x)	48.7	33.3	38.9	36.7	37.2
NTA/share	2.15	2.39	2.43	2.48	2.52
P/NTA	2.45	2.21	2.17	2.13	2.09

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F
Property, plant and equipment	1,358	1,252	1,264	1,277	1,290
Investment properties	2,664	2,973	2,914	2,855	2,798
Investment in JV	7,105	7,410	7,573	7,740	7,910
Total non-current assets	18,533	18,561	18,969	19,387	19,813
Inventories	3,561	4,122	4,213	4,305	4,400
Cash and bank balances	2,300	4,356	4,452	4,549	4,650
Other assets	4,219	4,472	4,473	4,433	4,395
Total Assets	28,613	31,510	32,106	32,674	33,257
LT Term Loans	3,633	4,905	5,249	5,616	6,009
ST Borrowings	6,018	5,972	6,091	6,213	6,337
Other Liabilities	3,965	4,696	4,544	4,329	4,092
Total Liability	13,615	15,573	15,884	16,158	16,439
Share capital	6,161	7,049	7,049	7,049	7,049
Other Equity	8,837	8,889	9,173	9,467	9,770
Total Equity	14,998	15,938	16,222	16,516	16,819
Equity + Liability	28,613	31,510	32,106	32,674	33,257

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Cash flows from operating activities					
Net income before taxation	993	1524	995	1027	1083
Net cash from operating activities	390	1574	1543	1512	1482
Cash flows from investing activities					
Acquisition of property, plant and equipment	-96	-102	-88	-76	-65
Net cash used in investing activities	-472	-26	-20	-15	-12
Cash flows from financing activities					
Net cash from/(used in) financing activities	402	573	487	530	508
Net increase/(decrease) in cash and cash equivalents	320	2120	2010	2026	1979
Cash and cash equivalent at 1 January	1895	2230	4350	6360	8387
Cash and cash equivalent at 1 December	2230	4350	6360	8387	10365

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
EBIT margin	10.8%	11.3%	12.3%	12.7%	12.7%
PBT margin	15.5%	18.1%	14.5%	14.8%	13.6%
PAT margin	12.0%	14.6%	13.1%	13.9%	11.9%
Core PATAMI margin	11.4%	13.4%	13.1%	13.9%	11.9%
ROE	5.0%	6.6%	5.6%	5.8%	5.6%
ROA	2.4%	3.4%	2.8%	2.9%	2.8%

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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