Sunview Group Berhad

(0262 | SUNVIEW MK) ACE | Energy

SHARIAH Compliant

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Corporate Update

6QFY25 Results Review
Margins Trending Downwards

Maintain BUY. We are downgrading our recommendation on Sunview from BUY to **NEUTRAL** with a **revised target price of RM0.40** as the group's earnings continue to disappoint. While we are positive on the renewable energy subsector, especially the solar EPCC players that are expected to benefit from the various schemes and policies and the longer-term National Energy Transition Roadmap (NETR), there is an urgent need for Sunview to secure new projects for better earnings visibility.

Below estimates. Sunview recorded core earnings of RM1.4m (-23.1%yoy) after adjusting for unrealised foreign exchange losses in 6MFY25. For the cumulative 18MFY25, the group's core earnings amounted to RM6.9m, coming in below expectations at 86.3% of our estimates for the 18-month period ending Sep-25. This was due to the higher-than-expected administrative expenses, finance cost and higher effective tax rate. There is no comparison for the cumulative period due to the recent change in the group's financial year end from 31st March to 30th September.

EPCC and services. Revenue generated from EPCC-related services saw an increase of +37.0%qoq to RM86.3m while its gross profit grew only +9.5%qoq to RM7.8m during the quarter. This was mainly due to the higher contribution from CGPP projects and other jobs that achieved stronger progress during the quarter. There was a notable decline in margins to 9.1% from 11.3% in the previous quarter. For the power generation segment, revenue grew +18.1%qoq to RM1.7m, while its gross profit grew +13.0%qoq to RM0.9m.

Need for order book replenishment. The group's unbilled order book currently stands at RM173.8m, a level at which Sunview needs to urgently bump up. We expect the LSS5 and LSS5+ EPCC projects which are progressively being awarded to aid in order book replenishment.

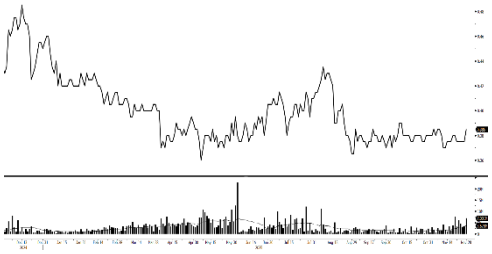
Earnings estimates and TP. We trim our earnings expectations for FY26F and FY27F following the weaker FY25 numbers and margins. We slash our core PATAMI estimates by -10.5% and -11.3% respectively. We are also revising our target price to RM0.40 from RM0.46 previously as we peg Sunview's revised FY26F EPS of 2.0 to a PER of 20x, at a discount to its larger peers.

Downgrade to NEUTRAL
(from BUY)

Revised Target Price **RM0.40**
(from RM0.46)

RETURN STATISTICS	
Price @ 28th Nov 2025 (RM)	0.385
Expected share price return (%)	+3.9
Expected dividend yield (%)	-
Expected total return (%)	+3.9

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	1.3	1.6
3months	4.1	3.5
12 months	-11.5	-12.1

INVESTMENT STATISTICS

FYE Sept	2025A	2026F	2027F
Revenue	379.2	360.2	396.3
Operating Profit	21.6	25.8	27.8
Profit Before Tax	13.1	15.0	15.9
Core PATAMI	6.9	11.1	11.8
Core EPS	1.4	2.0	2.1
DPS	-	-	-
Dividend Yield	-	-	-

KEY STATISTICS	
FBM KLCI	1,604.47
Issue shares (m)	540.91
Estimated free float (%)	61.92
Market Capitalisation (RM'm)	218.58
52-wk price range	RM0.33 - RM0.49
3-mth average daily volume (m)	2.05
3-mth average daily value (RM'm)	0.77
Top Shareholders (%)	
New Energy Capital Sdn Bhd	24.88
Ong Hang Ping	4.14
Chow Kian Hung	2.91

Analyst
Royce Tan Seng Hooi
royce.tan@midf.com.my
03-2173 8461

Sunview Group Berhad: 6QFY25 Results Summary

All in RM'm unless stated otherwise	Quarterly Results					Cumulative
Income Statement	**6QFY25**	**5QFY25**	**2QFY25**	**QoQ**	**YoY**	**18MFY25**
Revenue	88.0	64.4	50.4	**36.6%**	**74.4%**	379.2
Cost of sales	(79.0)	(56.9)	(43.4)	**-38.8%**	**-81.8%**	(330.2)
Gross profit	9.0	7.5	7.0	**19.4%**	**28.7%**	49.0
Other income	1.7	0.8	2.3	**123.7%**	**-22.8%**	6.8
Administrative expenses	(5.8)	(5.2)	(5.9)	**-11.7%**	**1.6%**	(34.1)
Operating profit	4.9	3.1	3.3	**58.5%**	**47.6%**	21.6
Finance costs	(3.3)	(2.4)	(1.8)	**-41.3%**	**-85.5%**	(13.1)
Profit before tax	2.2	1.6	2.1	**34.9%**	**7.0%**	13.1
Tax	(2.1)	(0.3)	(0.5)	**-734.4%**	**-311.5%**	(5.3)
Profit after tax	0.1	1.4	1.6	**-92.2%**	**-93.0%**	7.8
Core net profit	1.4	(0.9)	1.8	**266.3%**	**-23.1%**	6.9

Source: Company, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025A	2065F	2027F
Revenue	347.0	465.9	379.2	360.2	396.3
EBIT	25.9	20.0	21.7	25.8	27.8
PBT	21.5	16.0	13.1	15.0	15.9
Taxation	(8.5)	(5.1)	(5.3)	(3.9)	(4.1)
PAT	13.0	10.9	7.8	11.1	11.8
Core earnings	13.0	10.9	6.9	11.1	11.8
EPS (sen)	2.8	2.1	1.4	2.0	2.1
PER (x)	16.5	19.7	27.5	19.3	18.2
DPS (sen)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-

Cash Flow (RM'm)	2023A	2024A	2025A	2065F	2027F
PBT	21.5	16.0	13.1	15.0	15.9
Depreciation	3.2	4.0	6.9	5.5	5.5
Change in NWC	3.9	(89.6)	(57.4)	41.2	(32.1)
Operating cash flow	**2.0**	**(72.5)**	**26.5**	**18.2**	**18.2**
Capital expenditure	(4.2)	(5.4)	(5.7)	(5.3)	(5.3)
Investing cash flow	**(3.0)**	**11.6**	**(7.4)**	**(3.6)**	**(3.6)**
Debt raised/(repaid)	(15.0)	(2.7)	24.9	(11.0)	(11.0)
Dividends paid	-	-	-	-	-
Financing cash flow	**56.6**	**48.5**	**53.4**	**23.6**	**24.6**
Net cash flow	**55.5**	**11.9**	**7.3**	**38.2**	**39.2**
Beginning cash flow	**1.9**	**27.4**	**7.9**	**15.3**	**53.5**
Ending cash flow	**57.4**	**7.9**	**15.3**	**53.5**	**92.7**

Balance Sheet (RM'm)	2023A	2024A	2025A	2026F	2027F
PPE	40.6	43.7	52.9	54.5	56.1
Intangible assets	17.3	16.8	18.6	17.3	18.3
Non-current assets	**57.9**	**79.9**	**95.8**	**97.4**	**99.0**
Trade receivables	44.6	57.8	55.1	99.6	93.6
Cash & bank balances	87.4	51.1	73.7	49.5	26.9
Current assets	**226.6**	**279.0**	**415.5**	**333.6**	**380.9**
Long-term debt	31.9	36.6	128.6	63.2	72.7
Non-current liabilities	**32.7**	**37.1**	133.0	70.3	70.3
Short-term debt	58.1	91.7	**288.1**	**160.0**	**169.5**
Trade payables	38.4	100.1	45.6	50.1	55.1
Current liabilities	**148.2**	**201.7**	**46.2**	**50.8**	**55.8**
Share capital	81.6	108.8	137.4	137.4	137.4
Reserves	30.7	40.3	48.2	82.7	117.2
Equity	**103.5**	**140.5**	**177.0**	**220.1**	**254.6**

Profitability Ratios (%)	2023A	2024A	2025A	2065F	2027F
EBIT margin	7.5%	4.3%	5.7%	7.2%	7.0%
PBT margin	6.2%	3.4%	3.5%	4.2%	4.0%
PATAMI margin	3.7%	2.3%	2.1%	3.1%	3.0%
Core PATAMI margin	3.7%	2.3%	1.8%	3.1%	3.0%



Source: Bloomberg, MBSBR

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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