

# Sunview Group Berhad

(0262 | SUNVIEW MK) ACE | Energy



Maintain **NEUTRAL**  
Unchanged Target Price **RM0.32**

## Diversifying into Power Generation

**Maintain NEUTRAL.** We maintain our **NEUTRAL** recommendation on Sunview with an unchanged target price of RM0.32. 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.

**Diversification into solar power generation.** Sunview has proposed a diversification of its principal business to include solar power generation, a move to facilitate its proposed acquisitions of two 50MW large-scale solar (LSS) plants in Pahang and Penang. This follows its two recent conditional sale and purchase agreements, entered into on 29<sup>th</sup> December 2025 and 9<sup>th</sup> January 2026. Sunview expects the two assets to contribute to more than 25% of the group's PBT and/or result in a diversion of 25% or more in the group's net assets in FY26. Based on the ACE Market Listing Requirements, Sunview will need to obtain approval from its shareholders in a general meeting for the diversification.

**Proposed acquisitions.** SAM 2 Sdn Bhd (an indirect wholly owned subsidiary of Sunview) has entered into a conditional sale and purchase agreement with PKNP Reneuco Suria Sdn Bhd for the acquisition of a 50MW solar farm in Pekan for RM70.0m in cash. Meanwhile, Sunview Asset Management Sdn Bhd (a wholly-owned subsidiary of Sunview) has entered into a conditional sale and purchase agreement with JAKS Resources Berhad for the acquisition of the entire 10m ordinary shares in JAKS Solar Nibong Tebal Sdn Bhd (JSNT) for a cash consideration of RM15.0m and settlement of the shareholders' advances given by JAKS to JSNT as at 31 December 2025 which shall be capped at RM40.0m. We expect Sunview to undertake more borrowings or other funding exercises for the proposed acquisitions, which may further stretch its balance sheet. Based on the audited FY25 figures, we view that the balance sheet is already stressed with a net gearing of 125.6%.

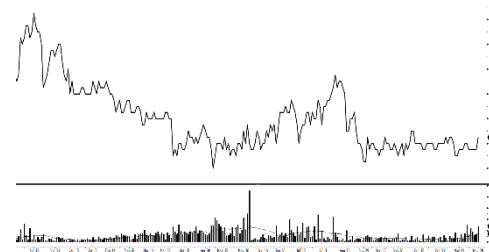
**Need for order book replenishment.** While potential stronger earnings from power generation would bode well for Sunview, we opine its bread and butter is still in solar EPCC. The group's unbilled order book currently stands at RM173.8m, a level at which Sunview needs to urgently bump up. We expect the LSS5 and LSS5+ EPCC projects which are progressively being awarded to aid in order book replenishment.

**Earnings estimates and TP.** We are maintaining our earnings estimates following our recent adjustments due to a weaker FY25. We are also maintaining our target price at RM0.32, pegging Sunview's FY27F EPS of 1.7 to a PER of 19x, at a discount to its larger peers due to weaker performance and project execution risk.

### RETURN STATISTICS

Price @ 5 <sup>th</sup> Feb 2026 (RM)	0.345
Expected share price return (%)	-7.2
Expected dividend yield (%)	-
Expected total return (%)	-7.2

### SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-5.4	-9.7
3 months	-5.4	-14.5
12 months	-17.6	-26.8

### INVESTMENT STATISTICS

FYE Sept	2025A	2026F	2027F
Revenue	379.1	360.2	396.3
Operating Profit	-57.7	24.0	25.8
Profit Before Tax	-66.1	13.2	13.9
Core PATAMI	-71.3	9.8	10.3
Core EPS	-0.11	1.6	1.7
DPS	-	-	-
Dividend Yield	-	-	-

### KEY STATISTICS

FBM KLCI	1,731.02
Issue shares (m)	540.91
Estimated free float (%)	61.92
Market Capitalisation (RM'm)	198.71
52-wk price range	RM0.29 - RM0.44
3-mth average daily volume (m)	4.39
3-mth average daily value (RM'm)	1.64
<b>Top Shareholders (%)</b>	
New Energy Capital Sdn Bhd	24.88
Ong Hang Ping	4.14
Chow Kian Hung	2.91

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## FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025A	2065F	2027F	Cash Flow (RM'm)	2023A	2024A	2025A	2065F	2027F
Revenue	347.0	465.9	379.1	360.2	396.3	PBT	21.5	16.0	13.1	15.0	15.9
EBIT	25.9	-57.7	21.7	24.0	25.8	Depreciation	3.2	4.0	6.9	5.5	5.5
PBT	21.5	16.0	-66.1	13.2	13.9	Change in NWC	3.9	(89.6)	(57.4)	41.2	(32.1)
Taxation	(8.5)	(5.1)	(4.2)	(3.4)	(3.6)	Operating cash flow	<b>2.0</b>	<b>(72.5)</b>	<b>26.5</b>	<b>18.2</b>	<b>18.2</b>
PAT	13.0	10.9	(70.3)	9.8	10.3	Capital expenditure	(4.2)	(5.4)	(5.7)	(5.3)	(5.3)
Core earnings	13.0	10.9	(71.3)	9.8	10.3	Investing cash flow	<b>(3.0)</b>	<b>11.6</b>	<b>(7.4)</b>	<b>(3.6)</b>	<b>(3.6)</b>
						Debt raised/(repaid)	(15.0)	(2.7)	24.9	(11.0)	(11.0)
EPS (sen)	2.8	2.1	-0.11	1.6	1.7	Dividends paid	-	-	-	-	-
PER (x)	16.8	20.1	-	22.4	21.2	Financing cash flow	<b>56.6</b>	<b>48.5</b>	<b>53.4</b>	<b>23.6</b>	<b>24.6</b>
DPS (sen)	-	-	-	-	-	Net cash flow	<b>55.5</b>	<b>11.9</b>	<b>7.3</b>	<b>38.2</b>	<b>39.2</b>
Dividend yield (%)	-	-	-	-	-	Beginning cash flow	<b>1.9</b>	<b>27.4</b>	<b>7.9</b>	<b>15.3</b>	<b>53.5</b>
						Ending cash flow	<b>57.4</b>	<b>7.9</b>	<b>15.3</b>	<b>53.5</b>	<b>92.7</b>

Balance Sheet (RM'm)	2023A	2024A	2025A	2026F	2027F	Profitability Ratios (%)	2023A	2024A	2025A	2065F	2027F
PPE	40.6	43.7	52.9	54.5	56.1	EBIT margin	7.5%	4.3%	5.7%	7.2%	7.0%
Intangible assets	17.3	16.8	18.6	17.3	18.3	PBT margin	6.2%	3.4%	3.5%	4.2%	4.0%
<b>Non-current assets</b>	<b>57.9</b>	<b>79.9</b>	<b>95.8</b>	<b>97.4</b>	<b>99.0</b>	PATAMI margin	3.7%	2.3%	2.1%	3.1%	3.0%
Trade receivables	44.6	57.8	55.1	99.6	93.6	Core PATAMI margin	3.7%	2.3%	1.8%	3.1%	3.0%
Cash & bank balances	87.4	51.1	73.7	49.5	26.9						
<b>Current assets</b>	<b>226.6</b>	<b>279.0</b>	<b>415.5</b>	<b>333.6</b>	<b>380.9</b>						
Long-term debt	31.9	36.6	128.6	63.2	72.7						
<b>Non-current liabilities</b>	<b>32.7</b>	<b>37.1</b>	133.0	70.3	70.3						
Short-term debt	58.1	91.7	<b>288.1</b>	<b>160.0</b>	<b>169.5</b>						
Trade payables	38.4	100.1	45.6	50.1	55.1						
<b>Current liabilities</b>	<b>148.2</b>	<b>201.7</b>	<b>46.2</b>	<b>50.8</b>	<b>55.8</b>						
Share capital	81.6	108.8	137.4	137.4	137.4						
Reserves	30.7	40.3	48.2	82.7	117.2						
<b>Equity</b>	<b>103.5</b>	<b>140.5</b>	<b>177.0</b>	<b>220.1</b>	<b>254.6</b>						

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