Sunview Group Berhad

(0262 | SUNVIEW MK) ACE | Energy

SHARIAH Compliant

ESG 2 Stars

Maintain **SELL**

Unchanged Target Price **RM0.32**

Corporate Update

Another Weak Quarter

Maintain SELL. We maintain our **SELL** 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), we view that Sunview continues to lag in translating job wins into meaningful and consistent profitability.

Below expectations. Sunview Group Berhad's delivered another set of underwhelming results, with core earnings of RM0.3m (-74.8%qoq) in 3QFY26. For the cumulative 9MFY26, Sunview recorded RM1.6m in core earnings, which was below expectations, coming in at 17.8% of our full year estimates.

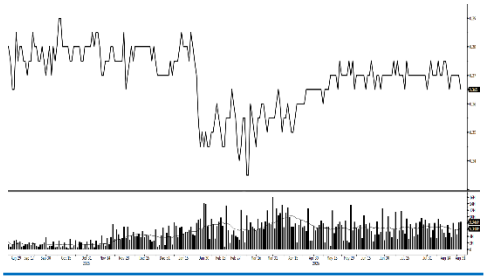
EPCC and services. Despite recording a growth in EPCC revenue to RM103.4m (+66.0%qoq) during the quarter, Sunview recorded a loss of -RM2.3m. The power generation division posted losses of -RM1.3m, even with a stronger revenue of RM1.4m (+37.5%qoq). The item that lifted the group into the black came under "others", with a segmental profit of RM3.4m.

Strong order book but concentrated on one project. Sunview's unbilled order book has ballooned to RM746.4m, thanks to the RM1.96b EPCC contract for a 595MW solar PV plant with BESS at the Kenyir Lake in Terengganu. It secured this project in Apr-26 via a 40:60 JV with Cypark Renewable Energy Sdn Bhd. Based on Sunview's 40% stake in the JV, we estimate its share of the contract to be RM784.8m, resulting in a relatively high project concentration risk. The project is expected to be completed in slightly over two years, by 29th Sept 2028. Upon completion, the Tasik Kenyir floating solar farm is set to be the largest in Southeast Asia.

Earnings estimates and TP. We maintain our FY26E/FY27F earnings estimates as we expect the massive Kenyir Lake floating solar project to contribute to its bottom line in the coming quarters. We also maintain our target price of RM0.32 as we peg Sunview's FY27F EPS of 1.6 sen to a PER of 20x, at a discount to its larger peers.

RETURN STATISTICS	
Price @ 27th Aug 2026 (RM)	0.365
Expected share price return (%)	-12.3
Expected dividend yield (%)	-
Expected total return (%)	-12.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-1.4	-3.0
3months	-1.4	-3.8
12 months	-3.9	-12.4

INVESTMENT STATISTICS

FYE Sept	2025A	2026F	2027F
Revenue	379.1	360.2	374.0
Operating Profit	-57.7	21.0	24.7
Profit Before Tax	-66.1	12.0	13.5
Core PATAMI	-71.3	8.9	10.0
Core EPS	-0.11	1.4	1.6
DPS	-	-	-
Dividend Yield	-	-	-

KEY STATISTICS	
FBM KLCI	1,741.72
Issue shares (m)	540.91
Estimated free float (%)	62.38
Market Capitalisation (RM'm)	225.78
52-wk price range	RM0.29 - RM0.39
3-mth average daily volume (m)	6.54
3-mth average daily value (RM'm)	2.42
Top Shareholders (%)	
New Energy Capital Sdn Bhd	20.77
Ong Hang Ping	3.80
Malacca Securities Sdn Bhd	3.23

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FINANCIAL SUMMARY

All in RM'm unless stated otherwise	Quarterly Results					Cumulative		
Income Statement	**Q326**	**Q226**	**Q525**	**QoQ**	**YoY**	**9MFY26**	**3Q to 5QFY25**	**YoY**
Revenue	104.8	62.3	64.4	**68.3%**	**62.7%**	242.8	203.2	**19.4%**
Cost of sales	(94.8)	(53.9)	(56.9)	**-76.1%**	**-66.7%**	(217.0)	(177.6)	**-22.2%**
Gross profit	10.0	9.4	7.5	**6.1%**	**32.4%**	26.8	25.7	**4.3%**
Other income	0.8	0.1	0.8	**852.4%**	**2.8%**	2.6	2.3	**11.5%**
Administrative expenses	(8.3)	(6.3)	(5.2)	**-31.2%**	**-58.9%**	(20.0)	(17.5)	**-14.3%**
Operating profit	2.5	3.2	3.1	**-21.5%**	**-19.7%**	9.3	10.4	**-10.9%**
Finance costs	(3.4)	(3.1)	(2.4)	**-12.1%**	**-45.4%**	(9.2)	(6.4)	**-44.5%**
Profit before tax	1.0	0.1	1.6	**694.5%**	**-38.2%**	1.4	6.8	**-78.9%**
Tax	0.1	(0.0)	(0.3)	**400.0%**	**130.8%**	(0.2)	(2.3)	**89.9%**
Profit after tax	(0.0)	0.1	1.4	**-101.0%**	**-100.1%**	1.2	4.5	**-73.2%**
Core net profit	0.3	1.1	(0.9)	**-74.8%**	**132.9%**	1.6	2.2	**-29.5%**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	**2023A**	**2024A**	**2025A**	**2065F**	**2027F**
Revenue	347.0	465.9	379.1	299.2	374.0
EBIT	25.9	-57.7	21.7	21.0	24.7
PBT	21.5	16.0	-66.1	12.0	13.5
Taxation	(8.5)	(5.1)	(4.2)	(3.1)	(3.5)
PAT	13.0	10.9	(70.3)	8.9	10.0
Core earnings	13.0	10.9	(71.3)	8.9	10.0
EPS (sen)	2.8	2.1	-0.11	1.4	1.6
PER (x)	13.0	17.4	-	26.4	22.8
DPS (sen)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-

Cash Flow (RM'm)	**2023A**	**2024A**	**2025A**	**2065F**	**2027F**
PBT	21.5	16.0	13.1	15.0	13.5
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%	7.0%	6.6%
PBT margin	6.2%	3.4%	3.5%	4.0%	6.6%
PATAMI margin	3.7%	2.3%	2.1%	3.0%	2.7%
Core PATAMI margin	3.7%	2.3%	1.8%	3.0%	2.7%

Source: Bloomberg, MBSBR

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MBSB 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