

## Sunview Group Berhad

(0262 | SUNVIEW MK) ACE | Industrial Products &amp; Services

### Awaiting A CGPP Driven FY26

#### KEY INVESTMENT HIGHLIGHTS

- **CGPP expected to drive stronger performance in FY26**
- **Actively tendering for jobs with a tender book size of RM2.4b**
- **PPA for development of 600MW solar plants being negotiated**
- **Maintain BUY with an unchanged TP of RM0.64**

**A crowded year underpins order book growth.** The Corporate Green Power Programme (CGPP) and the upcoming fifth cycle of the Large-Scale Solar (LSS5) are among the two main renewable energy schemes in 2025. For solar EPCC companies such as Sunview, this means that the opportunities for order book replenishment are aplenty, which should keep them busy throughout 2025 and 2026.

**RM500m of CGPP tenders.** As CGPP solar farms have to be completed no later than 2025 unless approved by the Energy Commission, we expect more announcements in this space towards end-2024 and in Jan-25. Sunview has secured one EPCC contract so far, a RM51.9m package that it secured from Cenergi Solar Kuala Ketil Sdn Bhd in Sep-24. According to management, this is a free issue contract where the client will provide the solar panels, mounting structures and inverter. Sunview's role is mainly for the installation and procurement of other items such as interconnection equipment and cables. The group currently has RM500m of CGPP tenders.

**Actively tendering for projects.** Other than the CGPP, Sunview is also actively participating in tenders, with a total tender book value of RM2.4b, including CGPP. This comprises RM1.8b of LSS5 tenders and RM116m of rooftop projects. We expect CGPP-related contracts to deliver an immediate boost to the group's outstanding order book of RM244.6m currently. Management is also optimistic on solar rooftop projects moving forward. About half of Sunview's 1HFY25 revenue of RM88.0m came from commercial and industrial (C&I) rooftop projects.

**PPA negotiation ongoing.** Recall that the group entered into a heads of terms agreement in Jul-24 with Uzbekistan via the Ministry of Energy to develop two solar PV plants with a size of 600MW. They are currently negotiating the power purchase agreement (PPA) with the ministry, on top of the land lease and transmission agreements. The group recently incorporated a new wholly owned subsidiary there, known as Sunview Centraziya LLC. Management hopes to sign the PPA by Jan-25.

**Earnings estimates.** We are maintaining our earnings estimates.

**Target price.** We are also keeping to our TP of **RM0.64** as we peg Sunview's FY26F EPS of 2.8 sen to a forward PER of 23x, at a slight discount to its larger peers.

**Maintain BUY**
**Unchanged Target Price: RM0.64**

#### RETURN STATISTICS

Price @ 4 <sup>th</sup> Dec 2024 (RM)	0.465
Expected share price return (%)	+37.6
Expected dividend yield (%)	0.0
<b>Expected total return (%)</b>	<b>+37.6</b>

#### SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	5.7	5.8
3 months	-5.1	1.3
12 months	-25.0	-32.6


#### INVESTMENT STATISTICS

FYE Mar (RM'm)	2024A	2025E	2026F
Revenue	465.9	351.3	404.0
Operating Profit	22.6	18.6	27.5
Profit Before Tax	16.0	14.1	22.3
Core Net Profit	9.6	10.5	16.7
Core EPS (sen)	1.8	1.8	2.8
PER (x)	25.8	25.8	16.6
DPS	-	-	-
Dividend Yield	-	-	-

#### KEY STATISTICS

FBM KLCI	1,614.09
Issued shares (m)	510.54
Estimated free float (%)	
Market Capitalisation (RM'm)	263.99
52-wk price range	RM0.37-RM0.80
3-mth average daily volume (m)	1.19
3-mth average daily value (RM'm)	0.53
Top Shareholders (%)	
PMB Investment Bhd	0.79
AIA Bhd	0.24
Kenanga Funds Bhd	0.00

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

**Maintain BUY.** We expect Sunview's prospects moving forward to be driven by the rising demand for 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) and the recent announcement under Budget 2025 with an allocation of over RM300m for the National Energy Transition Facility Fund, up from RM100m in 2024 to fuel additional green energy projects. All factors considered; we maintain our **BUY** recommendation on **Sunview**. 

## FINANCIAL SUMMARY

Income Statement (RM'm)	2022A	2023A	2024A	2025E	2026F
Revenue	99.3	347.0	465.9	351.3	404.0
Cost of sales	(78.9)	(310.3)	(422.7)	(322.2)	(363.6)
Gross profit	20.3	36.7	43.2	29.2	40.4
Administrative expenses	(7.8)	(16.3)	(21.3)	(15.8)	(18.2)
Profit before tax	13.4	25.9	16.0	14.1	22.3
Tax	(2.0)	(8.5)	(6.4)	(3.5)	(5.6)
Reported net profit	8.9	13.0	9.6	10.5	16.7
Core net profit	8.9	12.9	9.6	10.5	16.7

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

Cash Flow (RM'm)	2023E	2024A	2025E	2026F
PBT	21.5	16.0	14.1	22.3
Depreciation & amortisation	3.2	4.0	6.2	5.5
Changes in working capital	3.9	(89.6)	26.3	2.3
<b>Operating cash flow</b>	<b>2.0</b>	<b>(69.6)</b>	<b>3.5</b>	<b>18.2</b>
Capital expenditure	(4.2)	(5.4)	(5.3)	(5.3)
<b>Investing cash flow</b>	<b>(3.0)</b>	<b>6.2</b>	<b>(3.6)</b>	<b>(3.6)</b>
Debt raised/(repaid)	(15.0)	(2.7)	(10.0)	(11.0)
Equity raised/(repaid)	32.6	27.5	-	-
Dividends paid	-	-	-	-
<b>Financing cash flow</b>	<b>56.6</b>	<b>47.9</b>	<b>22.6</b>	<b>23.6</b>
<b>Net cash flow</b>	<b>55.5</b>	<b>11.9</b>	<b>22.5</b>	<b>38.2</b>
<b>Beginning cash flow</b>	<b>1.9</b>	<b>57.4</b>	<b>69.3</b>	<b>91.8</b>
<b>Ending cash flow</b>	<b>57.4</b>	<b>69.3</b>	<b>91.8</b>	<b>130.0</b>

<b>Profitability Margins</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025F</b>	<b>2026F</b>
Gross profit margin	10.6%	10.6%	9.3%	8.3%	10.0%
Operating profit margin	7.5%	7.5%	4.9%	5.3%	7.0%
PBT margin	6.2%	6.2%	4.5%	4.0%	5.7%
PAT margin	3.7%	3.7%	2.1%	3.0%	4.3%
Core PAT margin	3.7%	3.7%	2.1%	3.0%	4.3%
PER (x)	28.3	35.2	25.8	25.8	16.6

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	Stock price is expected to <i>rise</i> by >10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
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	Stock price is expected to <i>fall</i> by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.

#### 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