

## Sunway Construction (SCGB MK)

### Secures RM1.2bn DC related jobs

- SunCon has secured RM1.2bn contracts for two hyperscale DC projects, building on the earlier ECI works for a US-based MNC
- The contracts win lifts its YTD replenishment to RM3.5bn—well on track to achieve management's guided range of RM4.5–6.0bn for FY25 and lift its outstanding order book to RM7.9bn (4QFY24: RM5.8bn)
- The group continued to be supported by a robust pipeline of DC projects, currently at around 50% of the order book. Reiterate our BUY call with an unchanged TP of RM6.61

### Secured RM1.2bn General Contractor Works for two DCs

Sunway Construction (SUNCON) has secured RM1.2bn in new Work Orders for two data centre (DC) projects from a US-based multinational technology company. The contracts encompass General Contractor (GC) works, with construction commencing immediately and targeted for completion by February 2027. These projects is a continuation of SUNCON's ongoing early contractor involvement (ECI) and enabling works for the same client at its Klang Valley site, which remains on track for completion in the 2QCY25. Due to confidentiality agreements under non-disclosure arrangements (NDA), specific project details such as exact location, capacity, or client identity cannot be disclosed.

### DC Projects Now Contribute 50% of RM7.9bn Order Book.

YTD, SUNCON has secured total of RM3.5bn in new orders, achieving 64% of our full-year replenishment target of RM5.5bn and well on track to achieve management's guided range of RM4.5–6.0bn for FY25. The group's outstanding order book currently stood at RM7.9bn (4QFY24: RM5.8bn). DC projects now representing 50% of the total (up from 42% in 1QFY25). Concurrently, reliance on in-house projects from parent company Sunway Group has decreased to 35% (from 41% in 1QFY25). Active tenders remain robust at RM15.9bn (end-Mac 2025), up from RM14.6bn in 4QFY24, supporting future replenishment visibility.

### New DC Projects to Generate RM25-40mn Annual PBT

The projects are expected to contribute between RM60mn to RM96 mn in pretax profit, based on the company's guided pretax profit margin range of 5% to 8%. This translates to an estimated annual pretax profit contribution of approximately RM25-40mn over the project timeline through February 2027. However, we keep our forecasts unchanged as the new win is within our replenishment assumption of RM5.5bn.

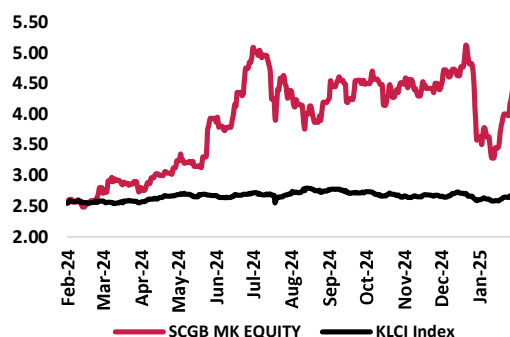
### Maintain BUY with unchanged TP of RM6.61

We reiterate our BUY call with an unchanged TP of RM6.61 via pegging our FY26F EPS of 27.5 sen to 24x, +0.5SD above its historical 10-year mean P/E of 21x, given its strong earnings growth momentum supported by its RM7.9bn outstanding order book.

BUY

Share Price RM5.83  
Target Price RM6.61 +13.4%

Price Chart (RM)



Share Performance (%)	1m	3m	12m
Absolute	12.7	18.9	48.4
vs FBM KLCI	9.0	20.3	52.6

#### Stock Data

ESG Rating	Good
Mkt Cap (RM mn)	6285.6
Beta	1.3
Free float (%)	27.9
Issued shares (mn)	1290.7
52w H/L (RM)	5.3 / 3.10
3m avg daily volume	4,188,907

#### Major Shareholders (%)

Sunway Holdings	54.5
Sungei Way Corp	10.1
Employees Provident Fund	7.6

FYE Dec(RM mn)	FY23	FY24	FY25F	FY26F	FY27F
Turnover	2672.2	3521.7	5332.4	5919.0	6570.0
Pre-tax profit	188.6	273.0	415.9	473.5	525.6
<b>Core net profit</b>	<b>151.2</b>	<b>171.3</b>	<b>303.6</b>	<b>355.1</b>	<b>394.2</b>
Core EPS (sen)	11.7	13.3	23.5	27.5	30.6
EPS growth (%)	5.2	13.3	77.2	17.0	11.0
PER (x)	13.1	43.9	24.8	21.2	19.1
DPS (sen)	6.0	8.5	15.0	17.5	19.5
Div. Yield (%)	0.9	2.0	3.5	4.1	4.6
P/B (x)	9.2	8.6	5.7	5.3	4.8
Net gearing (x)	0.4	(0.3)	(0.0)	0.2	0.2

#### Key Ratios (%)

ROE	19	19	24	27	29
Pretax margin	7	6	8	8	8
Net margin	5	5	6	6	6

Source: Company, BIMB Securities

Nabil Zainoodin, CFA

nabil@bimbsec.com.my  
+(603) 2613 1773

**DEFINITION OF RATINGS**

BIMB Securities uses the following rating system:

**STOCK RECOMMENDATION**

**BUY** Total return (price appreciation plus dividend yield) is expected to exceed 10% in the next 12 months.

**TRADING BUY** Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain.

**HOLD** Share price may fall within the range of +/- 10% over the next 12 months

**TAKE PROFIT** Target price has been attained. Fundamentals remain intact. Look to accumulate at lower levels.

**TRADING SELL** Share price may fall by more than 15% in the next 3 months.

**SELL** Share price may fall by more than 10% over the next 12 months.

**NOT RATED** Stock is not within regular research coverage.

**SECTOR RECOMMENDATION**

**OVERWEIGHT** The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months

**NEUTRAL** The Industry as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months

**UNDERWEIGHT** The Industry as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months

**Applicability of ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

**Disclaimer**

This report has been prepared for information and educational purposes only and are not recommendation or endorsement to sell or solicitation to buy any securities, subscription of financial products or otherwise to be taken as investment advice of any form or kind and neither should be relied upon as such. The information herein was obtained or derived from publicly available information, internally developed data and other sources believed to be reliable. Whilst all reasonable care has been taken to ensure that all information and data are accurate and the opinions are fair and reasonable, we do not represent or warrant their accuracy, timeliness, completeness and currentness or applicability of such information for any particular purpose. The investments advice or idea discussed or recommended in this report may not be suitable for all investors. Any recommendation presented in this report is general in nature and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this report. The investors are advised to conduct own research and seek independent professional advice prior to taking any investment or investment related decisions. The directors and employees of BIMB Securities Sdn Bhd and BIMB Group of Company may from time to time have a position in or either the securities mentioned or may provide services to any company and affiliates of such companies whose securities are mentioned herein. BIMB Securities Sdn Bhd and BIMB Group of Company accept no liability for any direct, indirect or consequential losses, claims and damages arising from any use of this report. BIMB Securities does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report. Unless stated otherwise, BIMB Securities is not a market maker in the securities or other capital market products of the subject company(ies) covered in this report. BIMB Securities did not receive compensation for corporate finance services from the subject company(ies) in the past 12 months. BIMB Securities did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report. The analyst(s) who prepared this research report is/are prohibited from receiving any compensation, incentive or bonus based on specific transactions or for providing a specific recommendation for, or view of, a particular company.

Printed and published by

**BIMB SECURITIES**

**BIMB SECURITIES SDN BHD (290163-X)**

*A Participating Organisation of Bursa Malaysia Securities Berhad*

*Level 34, Menara Bank Islam*

*No 22, Jalan Perak, 50450 Kuala Lumpur*

*Tel: 03-2613 1600 Fax: 03-2613 1799*

<http://www.bimbsec.com.my>



Mohd Redza Abdul Rahman  
Director of Research