

SUNVIEW

(SUNVIEW MK EQUITY, SUNVIEW.KL)

31 Dec 2025

Acquires solar plant for RM70mil from PKNP Reneuco
HOLD

Company Report

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Rationale for report: Company Update

(Maintained)

| | |
|------------------|---------------|
| Price | RM0.37 |
| Target Price | RM0.37 |
| 52-week High/Low | RM0.47/RM0.34 |

Key Changes

| | |
|--------------|---|
| Target Price | ↑ |
| EPS | ↑ |

| YE to Sep | FY25 | FY26F | FY27F | FY28F |
|-------------------------------|-------|-------|-------|-------|
| Revenue (RM mil) | 379.2 | 375.3 | 416.4 | 456.3 |
| Core net profit (RM mil) | 7.8 | 9.1 | 10.4 | 10.9 |
| FD Core EPS (sen) | 1.4 | 1.6 | 1.8 | 1.9 |
| FD Core EPS growth (%) | -31.9 | 16.5 | 13.8 | 4.9 |
| Consensus Net Profit (RM mil) | 0.0 | 0.0 | 0.0 | 0.0 |
| DPS (sen) | 0.0 | 0.0 | 0.0 | 0.0 |
| PE (x) | 26.9 | 23.1 | 20.3 | 19.3 |
| EV/EBITDA (x) | 24.4 | 29.3 | 26.6 | 33.0 |
| Div yield (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| ROE (%) | 4.4 | 4.9 | 5.3 | 5.3 |
| Net Gearing (%) | 69.9 | 88.8 | 117.2 | 117.2 |

Stock and Financial Data

| | |
|--------------------------|-------|
| Shares Outstanding (mil) | 567.7 |
| Market Cap (RMmil) | 215.7 |
| Book Value (RM/Share) | 0.28 |
| P/BV (x) | 1.4 |
| ROE (%) | 4.4 |
| Net Gearing (%) | 69.9 |

| | |
|--------------------|----------------------------|
| Major Shareholders | New Energy Capital (24.9%) |
| | Ong Hang Ping (4.1%) |
| | Chow Kian Hung (2.9%) |

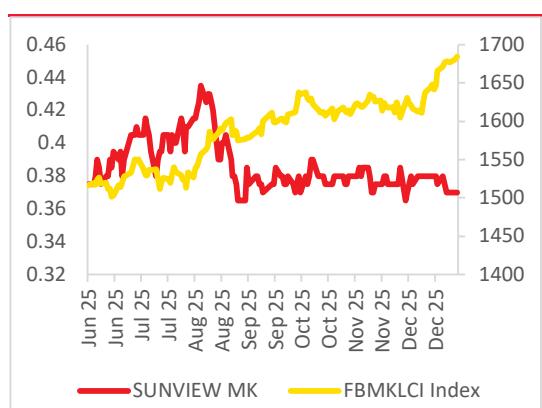
| | |
|-------------------------|-------|
| Free Float | 61.9% |
| Avg Daily Value (RMmil) | 1.28 |

| Price performance | 3mth | 6mth | 12mth |
|-------------------|-------|--------|--------|
| Absolute (%) | (1.3) | (7.4) | (17.6) |
| Relative (%) | (0.3) | (11.7) | (15.2) |

Investment Highlights

Sunview has proposed to acquire a 50MWac LSS 4 solar plant for RM70mil cash from PKNP Reneuco. The solar plant is located in Pekan, Pahang. It is 79% complete and Sunview is the EPCC contractor currently. We are neutral on the proposed acquisition. Although it would increase Sunview's recurring income, the enhancement to net profit is expected to be insignificant due to higher interest expense. The solar plant would boost Sunview's ownership of solar assets from 12.1MW to 62.1MW. We maintain HOLD with a target price of RM0.37/share.

- Maintain Hold with a higher TP of RM0.37/share (from RM0.36/share).** Our TP is based on a CY27F PE of 20x, which is below the simple average PE of the solar EPCC peers of 22x. We applied a discount due to Sunview's high gearing and low return on equity of 4.4%. We have raised Sunview's FY27F net profit by 2.2% and FY28F net earnings by 2.3% to account for earnings contribution from the proposed acquisition.
- Proposed acquisition increases recurring earnings.** Sunview is expected to complete the proposed acquisition of Reneuco's solar plant in 4Q2026. Assuming a tariff of 15 sen/kWh and nine months contribution, we estimate that the solar plant would improve Sunview's net profit by 2.2% in FY27F.
- Purchase consideration of RM70mil is fair.** Basing the consideration of RM70mil on 50MWac, the purchase price translates into RM1.4mil per MW. In comparison, Malakoff's 51% purchase of a 29MWac solar plant in Kota Tinggi for RM27mil in 2023 was at RM1.8mil per MW.
- Net gearing expected to rise.** The acquisition is expected to be funded via RM14mil internal cash and RM56mil bank borrowings. The increase in borrowings would lift Sunview's net gearing to 88.8% in FY26F from 69.9% currently. Sunview's gross cash stood at RM55.1mil as at September 2025.



Company profile

Sunview is involved in the provision of solar PV construction and installation services, operation and maintenance (O&M) and sale of electricity to customers.

The group's project portfolio is evenly split between commercial & industrial (C&I) rooftop installations and large scale solar (LSS) developments.

Backed by a strong track record of project deliveries in C&I and LSS segments, the group is an established player in the solar industry. This positions the group to secure more solar EPCC jobs in the future.

Investment thesis and catalysts

Sustained orderbook momentum. The group recently secured a 99.99MW LSS project under the LSS5+ program, which is expected to add RM150mil to its current orderbook. We forecast the group's orderbook to reach RM412mil in FY27F from RM356mil in FY25.

Stretched balance sheet. Despite strong project execution and track record, the group's balance sheet is stretched due to high working capital requirements and borrowings from project financing. The group plans to raise equity to rebalance its capital structure and improve gearing levels.

Robust tender book to support earnings. We estimate at least a 25% success rate for its current tender book of RM5.8bil, implying potential contract wins of RM1.5bil over the next three years.

Valuation methodology

We applied a discounted CY27F PE of 20x to the simple average of the solar EPCC companies of 22x. The discount reflects the group's high net gearing, limited financial flexibility and low ROE. While the group remains one of the more established players in the domestic EPCC segment, we believe a stronger balance sheet is required for a re-rerating.

Risk factors

Key risks are a high net gearing, a fall in orderbook replenishment and increase in solar panel prices.

EXHIBIT 1: VALUATIONS

| | |
|----------------------------|------------------|
| Target PE (x) | 20 |
| CY27F EPS (sen) | 1.83 (From 1.80) |
| ESG premium | - |
| 12-month target price (RM) | 0.37 (From 0.36) |

EXHIBIT 2: CHANGE IN EARNINGS

| RMmil | FY26F | | | FY27F | | | FY28F | | |
|--------------|-------|-------|----|-------|-------|------|-------|-------|------|
| | Old | New | % | Old | New | % | Old | New | % |
| Revenue | 375.3 | 375.3 | 0% | 405.6 | 416.4 | 2.7% | 441.8 | 456.3 | 3.3% |
| Net earnings | 9.1 | 9.1 | 0% | 10.2 | 10.4 | 2.2% | 10.6 | 10.9 | 2.3% |

EXHIBIT 3: ESG RATING

| | Environmental assessment | Parameters | Weightage | Rating | | | | | Rationale |
|---|--|--|-----------|--------|---|---|---|---|---|
| 1 | GHG emissions | Net zero by 2050F | 25% | * | * | * | * | | Emissions of 45.03 mtCO2e for Scope 2 in FY24 |
| 2 | Exposure to renewables | More than 20% of generation mix or capacity | 25% | * | * | * | * | * | Solar EPCC and asset player |
| 3 | Contribution of coal to earnings | Less than 20% | 25% | * | * | * | * | * | Zero coal exposure |
| 4 | Energy consumption | Energy consumption | 25% | * | * | * | | | Consumed 59,556.10 KWH in FY24 |
| | Weighted score for environmental assessment | | 100% | * | * | * | * | | |
| | Social assessment | | | | | | | | |
| 1 | Workers welfare | Learning and development hours | 50% | * | * | * | | | Total training hours of 140 for 45 participants averaging 3.1 training hours each in FY24 |
| 2 | Customer satisfaction rate | Customer satisfaction rate of 90% | 50% | * | * | * | | | Customer satisfaction rate of 86% to 90% in FY24 |
| | | | | | | | | | |
| | Weighted score for social assessment | | 100% | * | * | * | | | |
| | Governance assessment | | | | | | | | |
| 1 | Related party transactions | Value of RPTs | 25% | * | * | * | | | RM3.6mil in FY24 |
| 2 | Women in workforce | % in workforce | 25% | * | * | * | | | 44% of workforce were women in FY24 |
| 3 | Remuneration to directors | Total value of remuneration or % of salary costs | 25% | * | * | * | | | RM480,000l in FY24 |
| 4 | Material Litigation | Adjudication claim | 25% | * | | | | | RM1.7mil adjudication claim over 50MW solar PV project in Pekan, Pahang |
| | | | | | | | | | |
| | Weighted score for governance assessment | | 100% | * | * | * | | | |
| | | | | | | | | | |
| | Environmental score | | 40% | * | * | * | * | | |
| | Social score | | 30% | * | * | * | | | |
| | Governance score | | 30% | * | * | * | | | |
| | Overall ESG Score | | 100% | * | * | * | | | |

We accord a discount/premium of -6%, -3%, 0%, +3% and +6% on fundamental fair value based on the overall ESG rating as appraised by us, from 1-star to 5-star.

Source: AmlInvestment Bank

EXHIBIT 4: FINANCIAL DATA

| Income Statement (RMmil, YE 30 Sep) | FY24 | FY25 | FY26F | FY27F | FY28F |
|--|---------------|---------------|---------------|---------------|---------------|
| Revenue | 465.9 | 379.2 | 375.3 | 416.4 | 456.3 |
| EBITDA | 26.1 | 28.1 | 38.5 | 42.3 | 46.4 |
| Depreciation/Amortisation | (4.2) | (6.4) | (7.2) | (8.3) | (9.5) |
| Operating income (EBIT) | 21.9 | 21.7 | 31.2 | 34.0 | 37.0 |
| Other income & associates | 1.4 | 11.4 | 0.5 | 0.5 | 0.5 |
| Net interest | (7.5) | (13.2) | (15.3) | (17.2) | (20.1) |
| Exceptional items | - | - | - | - | - |
| Pretax profit | 16.1 | 13.1 | 15.9 | 18.4 | 19.1 |
| Taxation | (6.5) | (5.3) | (6.8) | (8.1) | (8.2) |
| Minorities/pref dividends | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| Net profit | 9.7 | 7.8 | 9.1 | 10.4 | 10.9 |
| Balance Sheet (RMmil, YE 30 Sep) | FY24 | FY25 | FY26F | FY27F | FY28F |
| Fixed assets | 46.1 | 52.9 | 57.4 | 65.2 | 74.8 |
| Intangible assets | 16.8 | 18.6 | 18.6 | 18.6 | 18.6 |
| Other long-term assets | 36.3 | 24.3 | 24.3 | 24.3 | 24.3 |
| Total non-current assets | 99.2 | 95.8 | 100.3 | 108.0 | 117.7 |
| Cash & equivalent | 49.2 | 55.1 | 113.6 | 93.6 | 105.9 |
| Stock | 3.7 | 4.8 | 7.9 | 8.8 | 9.6 |
| Trade debtors | 56.3 | 73.7 | 123.4 | 136.9 | 150.0 |
| Other current assets | 187.6 | 281.9 | 281.9 | 281.9 | 281.9 |
| Total current assets | 296.8 | 415.5 | 526.8 | 521.3 | 547.5 |
| Trade creditors | 96.9 | 128.6 | 248.3 | 275.4 | 301.8 |
| Short-term borrowings | 94.0 | 133.0 | 163.0 | 198.0 | 173.0 |
| Other current liabilities | 7.5 | 26.5 | 26.5 | 26.5 | 26.5 |
| Total current liabilities | 198.4 | 288.1 | 437.8 | 500.0 | 501.3 |
| Long-term borrowings | 39.9 | 45.6 | 115.6 | 125.6 | 175.6 |
| Other long-term liabilities | 0.5 | 0.7 | 0.7 | 0.7 | 0.7 |
| Total long-term liabilities | 40.3 | 46.2 | 116.2 | 126.2 | 176.2 |
| Shareholders' funds | 140.4 | 176.7 | 185.8 | 196.2 | 207.1 |
| Minority interests | 0.1 | 0.3 | 0.3 | 0.3 | 0.3 |
| BV/share (RM) | 0.29 | 0.31 | 0.33 | 0.35 | 0.36 |
| Cash Flow (RMmil, YE 30 Sep) | FY24 | FY25 | FY26F | FY27F | FY28F |
| Pretax profit | 16.1 | 13.1 | 15.9 | 18.4 | 19.1 |
| Depreciation/Amortisation | 4.2 | 6.4 | 7.2 | 8.3 | 9.5 |
| Net change in working capital | (107.0) | (61.7) | (10.5) | (65.9) | (66.3) |
| Others | 7.1 | 0.6 | 15.3 | 17.2 | 20.1 |
| Cash flow from operations | (79.5) | (41.6) | 28.0 | (22.0) | (17.7) |
| Capital expenditure | (5.2) | (10.9) | (15.0) | (18.0) | (20.0) |
| Net investments & sale of fixed assets | (13.2) | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | 30.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from investing | 11.6 | (10.9) | (15.0) | (18.0) | (20.0) |
| Debt raised/(repaid) | 33.6 | 30.2 | 100.0 | 20.0 | 50.0 |
| Equity raised/(repaid) | 27.2 | 28.5 | 0.0 | 0.0 | 0.0 |
| Dividends paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | (12.4) | (17.5) | 0.0 | 0.0 | 0.0 |
| Cash flow from financing | 48.5 | 41.1 | 100.0 | 20.0 | 50.0 |
| Net cash flow | (19.5) | (11.3) | 113.0 | (20.0) | 12.3 |
| Net cash/(debt) b/f | 27.4 | 11.9 | 0.6 | 113.6 | 93.6 |
| Forex | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash/(debt) c/f | 7.9 | 0.6 | 113.6 | 93.7 | 105.9 |
| Key Ratios (YE 31 Sep) | FY24 | FY25 | FY26F | FY27F | FY28F |
| Revenue growth (%) | 34.3 | -51.3 | 65.5 | 10.9 | 9.6 |
| EBITDA growth (%) | -2.8 | 7.4 | 37.0 | 10.0 | 9.8 |
| Pretax margin (%) | 3.5 | 3.5 | 4.2 | 4.4 | 4.2 |
| Net profit margin (%) | 2.1 | 2.1 | 2.4 | 2.5 | 2.4 |
| Interest cover (x) | -3.5 | -2.1 | -2.5 | -2.5 | -2.3 |
| Effective tax rate (%) | 40.2 | 40.4 | 42.6 | 43.7 | 42.8 |
| Dividend payout (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Debtors turnover (days) | 44 | 119 | 120 | 120 | 120 |
| Stock turnover (days) | 3 | 9 | 9 | 9 | 9 |
| Creditors turnover (days) | 84 | 241 | 241 | 241 | 241 |

Source: Company, AmlInvestment Bank

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