



**AmInvestment Bank**

# SUNVIEW

(SUNVIEW MK EQUITY, SUNVIEW.KL)

31 Dec 2025

**Acquires solar plant for RM70mil from PKNP Reneuco**

**HOLD**

## Company Report

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(Maintained)

**Rationale for report: Company Update**

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

### Key Changes

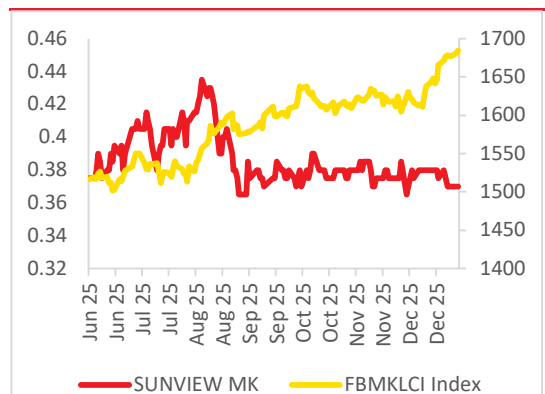
Target Price	0
EPS	0

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

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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

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**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

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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-rating.

### Risk factors

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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
	<b>Weighted score for environmental assessment</b>		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
	<b>Weighted score for social assessment</b>		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
	<b>Weighted score for governance assessment</b>		100%	*	*	*			
	Environmental score		40%	*	*	*	*	*	
	Social score		30%	*	*	*			
	Governance score		30%	*	*	*			
	<b>Overall ESG Score</b>		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: AmInvestment 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	-	-	-	-	-
<b>Pretax profit</b>	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)
<b>Net profit</b>	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
<b>Total non-current assets</b>	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
<b>Total current assets</b>	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
<b>Total current liabilities</b>	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
<b>Total long-term liabilities</b>	40.3	46.2	116.2	126.2	176.2
<b>Shareholders' funds</b>	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
<b>Cash flow from operations</b>	<b>(79.5)</b>	<b>(41.6)</b>	<b>28.0</b>	<b>(22.0)</b>	<b>(17.7)</b>
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
<b>Cash flow from investing</b>	<b>11.6</b>	<b>(10.9)</b>	<b>(15.0)</b>	<b>(18.0)</b>	<b>(20.0)</b>
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
<b>Cash flow from financing</b>	<b>48.5</b>	<b>41.1</b>	<b>100.0</b>	<b>20.0</b>	<b>50.0</b>
<b>Net cash flow</b>	<b>(19.5)</b>	<b>(11.3)</b>	<b>113.0</b>	<b>(20.0)</b>	<b>12.3</b>
<b>Net cash/(debt) b/f</b>	<b>27.4</b>	<b>11.9</b>	<b>0.6</b>	<b>113.6</b>	<b>93.6</b>
Forex	0.0	0.0	0.0	0.0	0.0
<b>Net cash/(debt) c/f</b>	<b>7.9</b>	<b>0.6</b>	<b>113.6</b>	<b>93.7</b>	<b>105.9</b>
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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