# TECHNICAL FOCUS

Friday, 23 May, 2025

# SUNCON (5263)

## Another DC Contract Wins




Bloomberg

## Technical Outlook

**Flag formation breakout.** SunCon experienced a bullish flag pattern breakout, backed by healthy volume with price remains in the uptrend intact position. Given the RSI is overbought; the price may form a healthy consolidation, before the next upward rally, potentially retesting the resistance zone around RM5.61–5.67, while support lies between RM4.94–4.89. Cut loss is set below RM4.80.

## Trading Catalysts

**Beating estimates.** As of its recent quarterly results, the Group reported revenue of RM1.4bn (+131.6% YoY) and registered core PATAMI of RM82.4m (+187.1% YoY), beating street estimates, driven by higher-than-anticipated project billings from the ramp-down of its JHB1X0 DC project, as mentioned to by management.

**Another DC wins.** Leveraging on its strong track record, the Group continues to secure DCs Stage 3 after winning the first and second packages in February from K2 Strategic Infrastructure, totalling the contract value for the entire project to RM392.7m. Hence, we expect stronger revenue recognition this year before project completion by Mar-26.

**Earnings visibility.** With the recent contract wins, its outstanding order book now stands at ~RM6.6bn, which we estimate should provide earnings visibility for 1–2 years, assuming FY24 as the base. We believe the Group will remain active in tendering for more DC-related jobs, the Penang Airport expansion, industrial facilities, and other projects.

## Peer Comparison

| Company | Price (RM) | Market Cap (RM'm) | P/E (x) | Forward P/E (x) | ROE (%) | NP Margin (%) | RSI | ST Trend | M+ Scoring Quality | M+ Scoring Momentum | M+ Scoring Combined |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **SUNCON** | **5.150** | **6654.5** | **28.9** | **-** | **25.2** | **5.3** | **Overbought** | **Up** | **A** | **A** | **A** |
| IJM | 2.380 | 8342.3 | 14.4 | 17.6 | 5.8 | 10.1 | Positive bias | Up | B | A | A |
| KERJAYA | 2.090 | 2630.5 | 16.5 | 13.1 | 14.0 | 8.7 | Positive bias | Up | B | A | A |
| GAMUDA | 4.530 | 26126.5 | 27.1 | 24.4 | 8.0 | 6.8 | Positive bias | Up | C | A | A |
| BNASTRA | 1.740 | 1897.7 | 19.1 | 13.9 | 49.4 | 9.5 | Negative bias | Down | B | A | A |
| **Avg ex-SUNCON** | | **9749.2** | **19.3** | **17.3** | **19.3** | **8.8** | | | | | |

Source: Bloomberg, M+ Research

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**Sunway Construction Group Berhad**

### Company profile

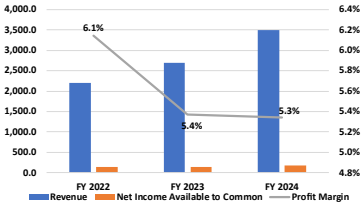
Through its wholly-owned subsidiary, Sunway Construction Group is a Malaysian construction and engineering company with operations in construction and precast concrete, serving projects across Malaysia and abroad, including Singapore, India, UAE, and others.

### Technical Data

| | |
|---|---|
| Price | 5.15 |
| R1 | 5.61 |
| R2 | 5.67 |
| S1 | 4.98 |
| S2 | 4.94 |

M+ Research, Bloomberg

### Financial Snapshot




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