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24 August 2022

Malaysia Infrastructure

Reuters SCOG.KL
Bloomberg SCGB MK

Priced on 23 August 2022
KLSE Comp @ 1,482.6

12M hi/lo RM1.72/1.45

12M price target RM1.80
±% potential +16%

Shares in issue 1,292.9m
Free float (est.) 45.6%

Market cap US\$451m

3M ADV US\$0.0m

Foreign s'holding 1.0%

Major shareholders

Sunway Berhad 54.4%
Sungei Way Corp Sdn Bhd 10.1%

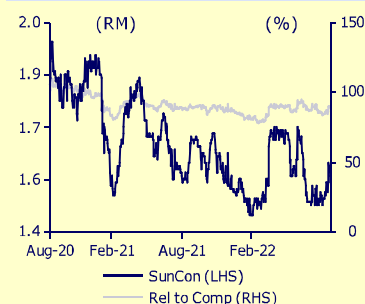
Blended ESG Score (%)*

Overall 75.9
Country average 71.0
GEM sector average 74.7

*Click to visit company page on cls.com for details

Stock performance (%)

	1M	3M	12M
Absolute	4.7	(2.5)	(5.5)
Relative	3.5	1.4	(2.9)
Abs (US\$)	4.0	(4.6)	(10.7)



Source: Bloomberg

Brighter at the horizon

Better job outlook for construction/precast amid easing work conditions

Adjusting for a receivables impairment of RM6.3m, SunCon's 2Q22 core PATMI of RM48.1m (6x YoY/+39% QoQ) lifted its 1H22 PATMI to RM73.7m, beating consensus but in line with our estimate at 48% of our FY22 forecast. Easing steel prices and improving labour availability is bolstering its margin amid revenue being churned out at a high clip to meet timelines. In addition, a more aggressive tender-book locally and improved housing supply in Singapore underpin the pipeline for construction and precast segments. All told, these could be catalysts for this YTD laggard of larger peers Gamuda and IJM, especially at a 13x 2023 PE, ie below its 5-year average (15.9x).

India delivering on margins is giving the construction segment a boost

Its core construction pre-tax margin was c.9% in 2Q22, despite no notable account finalisations. Its construction margin of 8.4% in 1H22 (Malaysia only: 7%) was boosted by its India operations, at c.11% of its top line, showed a broad margin of 14%. We will keep an eye out for timelines for the TJ highway project (earlier flood disruptions, etc). In 1H22, notable wins in the RM563m replenishment included a variation order for the LRT3 of RM190m. This buoyed its order-book to RM4.2bn (1.6x revenue cover).

Proxy to incoming supply of Singapore housing and improving work conditions

Its pre-tax margin in pre-cast segment rose to a decent 5% in 2Q22, and easing steel prices to c.RM2,700 per MT (-23% from peak) could help. In addition, SunCon obtained approval for 400 foreign workers in June 2022. Demand remains good as Singapore's planned built-to-order house units will jump 40% to 23,000 units (versus the past four years) in 2023. With c.RM530m in outstanding pre-cast orders this should allow its integrated pre-cast hub, targeting a 2H22 start, to operate optimally.

Ballooning active tenders as it counts MRT3 main civil package tenders

Internal jobs remained evident, albeit small YTD (2Q22: cRM70m on Ipoh Hospital). Even so, we retain the full benefit of the RM2bn job replenishment target as its active tender-book ballooned to a huge RM17bn. Aside from eyeing sizeable data centre work and mixed-development/high-rise residential buildings from its parent, the jump reflects primarily its bid for the MRT3 main civil packages. However, as details including partners and the effective order-book are unknown, we do not give the full benefit.

Retain BUY rating on this laggard play

Our target price of RM1.80 is pegged to FY23 earnings to a 15.2x multiple, its pre-Covid-19 average (since listing), which we see as fair given a better infrastructure pipeline. A 3 sen dividend, translating to a 58% payout ratio, was declared (1H21: 56%).

Financials

Year to 31 December	20A	21A	22CL	23CL	24CL
Revenue (RMm)	1,553	1,729	2,575	2,614	2,478
Net profit (RMm)	73	113	154	156	159
EPS (sen)	5.6	8.7	11.9	12.0	12.3
CL/consensus (13) (EPS%)	-	-	119	109	102
EPS growth (% YoY)	(43.7)	54.7	37.1	0.8	1.9
PE (x)	27.5	17.8	13.0	12.9	12.6
Dividend yield (%)	2.6	3.4	4.5	4.5	4.8
FCF yield (%)	3.6	9.1	(6.6)	(1.3)	8.9
PB (x)	3.1	2.9	2.6	2.4	2.2
ROE (%)	11.6	16.9	21.0	19.4	18.2
Net debt/equity (%)	(53.1)	(63.9)	(27.6)	(10.8)	(17.7)

Source: www.cls.com

Financials at a glance

Year to 31 December	2020A	2021A	2022CL	(% YoY)	2023CL	2024CL
Profit & Loss (RMm)						
Revenue	1,553	1,729	2,575	48.9	2,614	2,478
Cogs (ex-D&A)	(1,429)	(1,566)	(2,318)		(2,344)	(2,205)
Gross Profit (ex-D&A)	124	164	257	57.3	270	273
SG&A and other expenses	-	-	-		-	-
Op Ebitda	124	164	257	57.3	270	273
Depreciation/amortisation	(33)	(27)	(55)		(60)	(65)
Op Ebit	91	136	203	48.8	210	208
Net interest inc/(exp)	10	11	2	(83.6)	(6)	(12)
Other non-Op items	0	5	5	7	5	5
Profit before tax	101	152	209	37.6	209	202
Taxation	(28)	(41)	(42)		(42)	(40)
Profit after tax	73	111	168	51.3	167	162
Minority interest	(1)	2	(13)		(12)	(3)
Net profit	73	113	154	37.1	156	159
Adjusted profit	73	113	154	37.1	156	159
Cashflow (RMm)						
Operating profit	91	136	203	48.8	210	208
Depreciation/amortisation	33	27	55	99.7	60	65
Working capital changes	(29)	83	(298)		(205)	(5)
Other items	(23)	(29)	(42)		(42)	(40)
Net operating cashflow	72	218	(82)		23	227
Capital expenditure	0	(35)	(50)		(50)	(50)
Free cashflow	72	183	(132)		(27)	177
M&A/Others	17	(19)	17		15	16
Net investing cashflow	17	(54)	(33)		(35)	(34)
Increase in loans	(85)	(71)	150		150	150
Dividends	(62)	(52)	(98)		(97)	(99)
Net equity raised/other	-	-	-		-	-
Net financing cashflow	(147)	(122)	52		53	51
Incr/(decr) in net cash	(58)	42	(63)		41	245
Exch rate movements	4	14	(24)		(16)	(22)
Balance sheet (RMm)						
Cash & equivalents	640	696	609	(12.5)	633	856
Accounts receivable	1,048	850	1,399	64.6	1,618	1,554
Other current assets	54	66	98	48.5	115	123
Fixed assets	104	125	115	(8.1)	100	80
Investments	49	127	127	0	127	127
Intangible assets	4	0	0		0	0
Other non-current assets	7	1	1	0	1	1
Total assets	1,906	1,864	2,348	26	2,593	2,740
Short-term debt	234	93	93	0	93	93
Accounts payable	955	891	1,143	28.2	1,156	1,087
Other current liabs	6	8	8	0	8	8
Long-term debt/CBs	67	145	295	103.2	445	595
Provisions/other LT liabs	6	10	10	0	10	10
Shareholder funds	637	699	769	9.9	839	902
Minorities/other equity	2	18	31	74.7	43	45
Total liabs & equity	1,906	1,864	2,348	26	2,593	2,740
Ratio analysis						
Revenue growth (% YoY)	(12.2)	11.4	48.9		1.5	(5.2)
Ebitda margin (%)	8.0	9.5	10.0		10.3	11.0
Ebit margin (%)	5.8	7.9	7.9		8.0	8.4
Net profit growth (%)	(43.7)	54.7	37.1		0.8	1.9
Op cashflow growth (% YoY)	(54.3)	201.1	(137.8)		nm	887.0
Capex/sales (%)	0.0	2.0	1.9		1.9	2.0
Net debt/equity (%)	(53.1)	(63.9)	(27.6)		(10.8)	(17.7)
Net debt/Ebitda (x)	-	-	-		-	-
ROE (%)	11.6	16.9	21.0		19.4	18.2
ROIC (%)	24.6	49.8	53.7		29.8	25.0

Source: www.clsa.com

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Figure 1

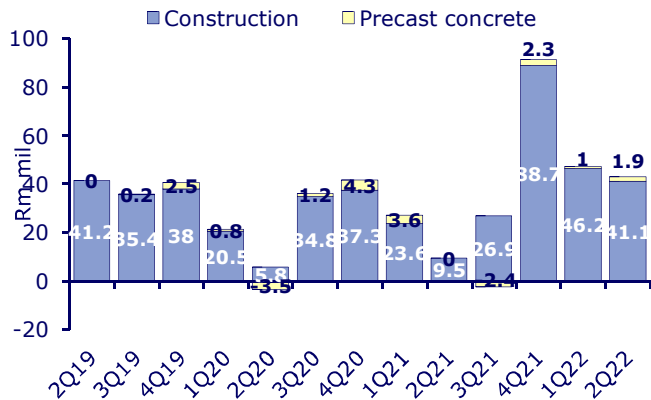
SunCon: financials

FYE 31 Dec (RM m)	2Q22	2Q21	YoY % Chg	1Q22	QoQ % Chg	1H22	1H21	YoY % Chg
Revenue	557.9	375.3	49%	624.7	(11%)	1,182.5	830.5	42%
Operating expenses	(517.6)	(370.1)	40%	(583.1)	(11%)	(1,100.7)	(802.4)	37%
Other income	2.1	1.2	66%	1.4	49%	3.4	4.4	(22%)
EBITDA	48.5	12.2	298%	49.2	(1%)	97.6	46.4	110%
Depreciation	(6.1)	(5.8)	5%	(6.2)	(2%)	(12.3)	(13.9)	(11%)
EBIT	42.4	6.4	n.m.	42.9	(1%)	85.3	32.5	163%
Interest income	3.2	1.4	131%	2.2	43%	5.4	2.1	153%
Interest expense	(3.2)	(1.0)	220%	(1.2)	176%	(4.3)	(2.6)	68%
JV/Associate	0.6	2.8	n.m.	3.2	(80%)	3.8	4.7	n.m.
Pre-tax profit	43.0	9.5	352%	47.2	(9%)	90.1	36.8	145%
Tax	(9.3)	(3.6)	160%	(11.5)	(19%)	(20.9)	(10.5)	98%
Effective tax rate	21.7%	37.7%	n.m.	24.4%	n.m.	23.2%	28.6%	n.m.
Minority interest	(1.33)	2.40	(155%)	(1.12)	19%	(2.5)	2.3	(205%)
Net profit	32.3	8.3	288%	34.5	(6%)	66.8	28.6	134%
EPS (sen)	2.51	0.65	286%	2.68	(6%)	5.2	2.2	134%
EBIT margin	7.6%	1.7%		6.9%		7.2%	3.9%	
PBT margin	7.7%	2.5%		7.6%		7.6%	4.4%	

Source: CLSA

Figure 2

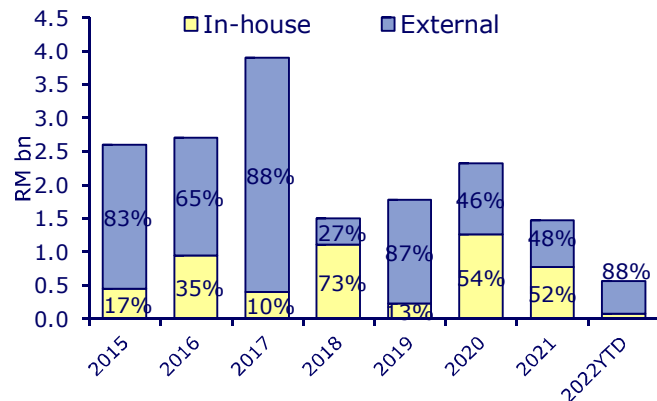
SunCon: pre-tax profit by segment



Source: CLSA, SunCon

Figure 4

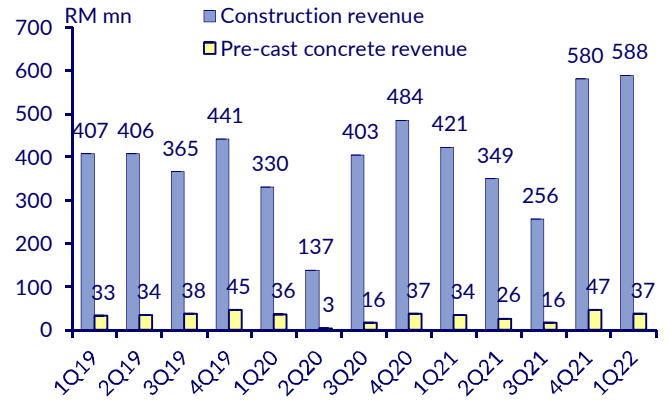
SunCon's order book replenishment history



Source: CLSA, SunCon

Figure 3

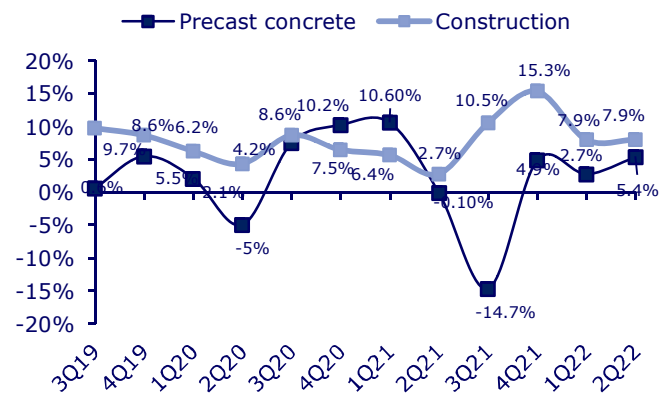
SunCon: revenue breakdown by segment



Source: CLSA, SunCon

Figure 5

SunCon: pre-tax profit margin by segment



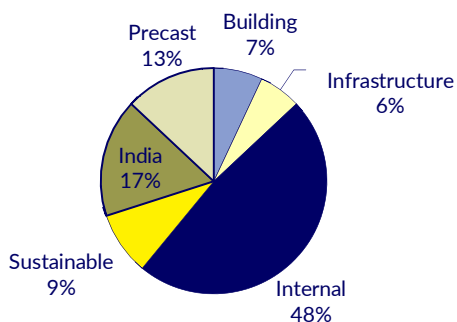
Source: CLSA, SunCon

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Figure 6

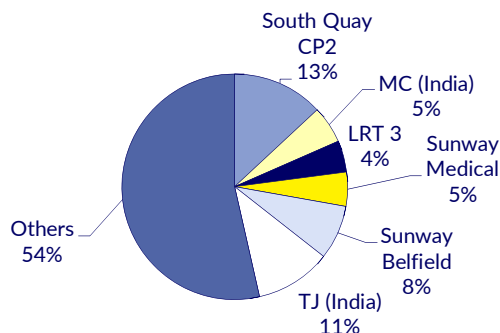
Order book: outstanding by type (RM4.2bn as at end-June 2022)



Source: CLSA, SunCon

Figure 7

Order book: outstanding by project (RM4.2bn as at end-June 2022)



Source: CLSA, SunCon, MC = Meensurutti-Chidambaran whereas TJ refers to Thorapalli-Jittandahalli

Figure 8

SunCon target price valuation

PE method of valuation		Remarks
Earnings (23CL)	15.2x, i.e. PE multiple at 1 sd above 3-year sector mean of 13x	155.68
Multiple applied		15.20
Total		2,366.31
Number of shares (unit million)		1,293
Value per share (RM)		1.80

Source: CLSA

Valuation details

Our target price is derived from 15.2x 23CL earnings, one standard deviation above the 10-year mean PE for the KL Construction index. We accord an above-sector average PE, given the company's flow of internal jobs and strong balance sheet.

Investment risks

The main concern is construction risk. Specific risks include lower-than-expected margins (below 5-8%) or if the amount of projects secured falls below our expectation, either due to an inability to secure projects or project rollout delays. Higher-than-expected steel price increases could cut into margins as SunCon hedges steel needs for a future six-month period. On the precast segment, another risk is margin recovery timing, currently in the doldrums due to competition. Prolonged Covid-19 could also reduce operating efficiency.

Detailed financials

Profit & Loss (RMm)

Year to 31 December	2018A	2019A	2020A	2021A	2022CL	2023CL	2024CL
Revenue	2,257	1,769	1,553	1,729	2,575	2,614	2,478
Cogs (ex-D&A)	(2,042)	(1,587)	(1,429)	(1,566)	(2,318)	(2,344)	(2,205)
Gross Profit (ex-D&A)	215	181	124	164	257	270	273
Research & development costs	-	-	-	-	-	-	-
Selling & marketing expenses	-	-	-	-	-	-	-
Other SG&A	-	-	-	-	-	-	-
Other Op Expenses ex-D&A	-	-	-	-	-	-	-
Op Ebitda	215	181	124	164	257	270	273
Depreciation/amortisation	(53)	(40)	(33)	(27)	(55)	(60)	(65)
Op Ebit	162	141	91	136	203	210	208
Interest income	16	25	17	16	17	15	16
Interest expense	(8)	(13)	(7)	(5)	(16)	(22)	(28)
Net interest inc/(exp)	8	12	10	11	2	(6)	(12)
Associates/investments	-	4	0	5	5	5	5
Forex/other income	-	-	-	-	-	-	-
Asset sales/other cash items	-	-	-	-	-	-	-
Provisions/other non-cash items	-	-	-	-	-	-	-
Asset revaluation/Exceptional items	-	-	-	-	-	-	-
Profit before tax	170	157	101	152	209	209	202
Taxation	(38)	(27)	(28)	(41)	(42)	(42)	(40)
Profit after tax	132	130	73	111	168	167	162
Preference dividends	-	-	-	-	-	-	-
Profit for period	132	130	73	111	168	167	162
Minority interest	0	(1)	(1)	2	(13)	(12)	(3)
Net profit	131	129	73	113	154	156	159
Extraordinaries/others	0	0	0	0	0	0	0
Profit available to ordinary shares	131	129	73	113	154	156	159
Dividends	(90)	(90)	(52)	(68)	(90)	(90)	(97)
Retained profit	41	39	21	45	64	65	62
Adjusted profit	131	129	73	113	154	156	159
EPS (sen)	10.2	10.0	5.6	8.7	11.9	12.0	12.3
Adj EPS [pre excep] (sen)	10.2	10.0	5.6	8.7	11.9	12.0	12.3
Core EPS (sen)	10.2	10.0	5.6	8.7	11.9	12.0	12.3
DPS (sen)	7.0	7.0	4.0	5.3	7.0	7.0	7.5

Profit & loss ratios

Year to 31 December	2018A	2019A	2020A	2021A	2022CL	2023CL	2024CL
Growth (%)							
Revenue growth (% YoY)	8.7	(21.6)	(12.2)	11.4	48.9	1.5	(5.2)
Ebitda growth (% YoY)	6.0	(15.5)	(31.6)	32.0	57.3	4.9	1.1
Ebit growth (% YoY)	(1.9)	(12.9)	(35.8)	50.5	48.8	3.8	(1.0)
Net profit growth (%)	(3.5)	(1.5)	(43.7)	54.7	37.1	0.8	1.9
EPS growth (% YoY)	(3.5)	(1.5)	(43.7)	54.7	37.1	0.8	1.9
Adj EPS growth (% YoY)	(3.5)	(1.5)	(43.7)	54.7	37.1	0.8	1.9
DPS growth (% YoY)	0.0	0.0	(42.9)	31.3	33.3	0.0	7.1
Core EPS growth (% YoY)	(3.5)	(1.5)	(43.7)	54.7	37.1	0.8	1.9
Margins (%)							
Gross margin (%)	9.5	10.2	8.0	9.5	10.0	10.3	11.0
Ebitda margin (%)	9.5	10.2	8.0	9.5	10.0	10.3	11.0
Ebit margin (%)	7.2	8.0	5.8	7.9	7.9	8.0	8.4
Net profit margin (%)	5.8	7.3	4.7	6.5	6.0	6.0	6.4
Core profit margin	5.8	7.3	4.7	6.5	6.0	6.0	6.4
Op cashflow margin	7.1	9.0	4.7	12.6	(3.2)	0.9	9.2
Returns (%)							
ROE (%)	22.9	21.3	11.6	16.9	21.0	19.4	18.2
ROA (%)	6.8	6.3	3.4	5.3	7.7	6.8	6.2
ROIC (%)	52.1	42.4	24.6	49.8	53.7	29.8	25.0
ROCE (%)	76.4	64.1	35.0	48.8	48.4	30.8	26.6
Other key ratios (%)							
Effective tax rate (%)	22.4	17.2	27.5	27.3	20.0	20.0	20.0
Ebitda/net int exp (x)	-	-	-	-	-	42.9	23.4
Exceptional or extraord. inc/PBT (%)	0.0	0.0	-	-	-	-	-
Dividend payout (%)	68.9	70.0	71.0	60.3	58.6	58.1	61.1

Source: www.clsa.com



Balance sheet (RMm)

Year to 31 December	2018A	2019A	2020A	2021A	2022CL	2023CL	2024CL
Cash & equivalents	485	693	640	696	609	633	856
Accounts receivable	885	818	1,048	850	1,399	1,618	1,554
Inventories	30	25	34	46	46	46	46
Other current assets	198	174	20	20	52	68	76
Current assets	1,597	1,710	1,742	1,612	2,106	2,366	2,533
Fixed assets	164	139	104	125	115	100	80
Investments	45	49	49	127	127	127	127
Goodwill	4	4	4	0	0	0	0
Other intangible assets	0	0	0	0	0	0	0
Other non-current assets	3	4	7	1	1	1	1
Total assets	1,812	1,905	1,906	1,864	2,348	2,593	2,740
Short term loans/OD	114	233	234	93	93	93	93
Accounts payable	995	885	955	891	1,143	1,156	1,087
Accrued expenses	-	-	-	-	-	-	-
Taxes payable	14	1	4	7	7	7	7
Other current liabs	0	0	2	1	1	1	1
Current liabilities	1,123	1,120	1,195	992	1,243	1,257	1,188
Long-term debt/leases/other	-	53	67	145	295	445	595
Convertible bonds	-	-	-	-	-	-	-
Provisions/other LT liabs	97	107	6	10	10	10	10
Total liabilities	1,220	1,280	1,267	1,147	1,549	1,712	1,793
Share capital	259	259	259	259	259	259	259
Retained earnings	361	399	410	471	540	610	673
Reserves/others	(28)	(35)	(31)	(30)	(30)	(30)	(30)
Shareholder funds	591	623	637	699	769	839	902
Minorities/other equity	1	2	2	18	31	43	45
Total equity	593	625	639	717	799	881	947
Total liabs & equity	1,812	1,905	1,906	1,864	2,348	2,593	2,740
Total debt	114	286	301	238	388	538	688
Net debt	(371)	(407)	(339)	(458)	(221)	(96)	(168)
Adjusted EV	1,589	1,550	1,617	1,436	1,687	1,824	1,754
BVPS (sen)	45.7	48.2	49.3	54.1	59.5	64.9	69.7

Balance sheet ratios

Year to 31 December	2018A	2019A	2020A	2021A	2022CL	2023CL	2024CL
Key ratios							
Current ratio (x)	1.4	1.5	1.5	1.6	1.7	1.9	2.1
Growth in total assets (% YoY)	(3.9)	5.1	0.1	(2.2)	26.0	10.4	5.7
Growth in capital employed (% YoY)	9.4	(1.2)	37.0	(13.5)	123.4	35.8	(0.8)
Net debt to operating cashflow (x)	-	-	-	-	-	-	-
Gross debt to operating cashflow (x)	0.7	1.8	4.2	1.1	(4.7)	23.3	3.0
Gross debt to Ebitda (x)	0.5	1.6	2.4	1.5	1.5	2.0	2.5
Net debt/Ebitda (x)	-	-	-	-	-	-	-
Gearing							
Net debt/equity (%)	(62.7)	(65.0)	(53.1)	(63.9)	(27.6)	(10.8)	(17.7)
Gross debt/equity (%)	19.2	45.8	47.1	33.2	48.5	61.0	72.6
Interest cover (x)	21.4	12.6	15.6	33.2	14.2	10.5	8.1
Debt cover (x)	1.4	0.6	0.2	0.9	(0.2)	0.0	0.3
Net cash per share (sen)	28.7	31.5	26.2	35.4	17.1	7.4	13.0
Working capital analysis							
Inventory days	4.9	6.3	7.6	9.4	7.3	7.2	7.6
Debtor days	157.7	175.7	219.4	200.4	159.4	210.6	233.6
Creditor days	194.7	216.1	235.1	215.3	160.2	179.0	185.7
Working capital/Sales (%)	4.6	7.4	9.1	1.0	13.4	21.7	23.5
Capital employed analysis							
Sales/Capital employed (%)	1,019.8	809.4	518.5	667.8	445.1	332.8	318.1
EV/Capital employed (%)	717.9	709.5	540.0	554.8	291.6	232.1	225.2
Working capital/Capital employed (%)	46.5	59.7	47.2	6.4	59.8	72.3	74.6
Fixed capital/Capital employed (%)	74.0	63.5	34.7	48.2	19.8	12.7	10.3
Other ratios (%)							
PB (x)	3.4	3.2	3.1	2.9	2.6	2.4	2.2
EV/Ebitda (x)	7.4	8.6	13.0	8.8	6.6	6.8	6.4
EV/OCF (x)	10.0	9.8	22.4	6.6	(20.5)	79.2	7.7
EV/FCF (x)	15.4	10.1	22.4	7.9	(12.8)	(67.6)	9.9
EV/Sales (x)	0.7	0.9	1.0	0.8	0.7	0.7	0.7
Capex/depreciation (%)	106.6	11.7	0.0	127.0	91.3	83.7	77.2

Source: www.clsa.com

Cashflow (RMm)

Year to 31 December	2018A	2019A	2020A	2021A	2022CL	2023CL	2024CL
Operating profit	162	141	91	136	203	210	208
Operating adjustments	0	0	12	0	0	0	0
Depreciation/amortisation	53	40	33	27	55	60	65
Working capital changes	(11)	28	(29)	83	(298)	(205)	(5)
Interest paid / other financial expenses	(8)	(13)	(6)	(4)	0	0	0
Tax paid	(37)	(38)	(29)	(29)	(42)	(42)	(40)
Other non-cash operating items	1	1	0	4	0	0	0
Net operating cashflow	159	158	72	218	(82)	23	227
Capital expenditure	(56)	(5)	0	(35)	(50)	(50)	(50)
Free cashflow	103	154	72	183	(132)	(27)	177
Acq/inv/disposals	26	(47)	-	(53)	-	-	-
Int, invt & associate div	(28)	25	17	34	17	15	16
Net investing cashflow	(58)	(26)	17	(54)	(33)	(35)	(34)
Increase in loans	(21)	162	(85)	(71)	150	150	150
Dividends	(97)	(91)	(62)	(52)	(98)	(97)	(99)
Net equity raised/others	-	-	-	-	-	-	-
Net financing cashflow	(118)	72	(147)	(122)	52	53	51
Incr/(decr) in net cash	(16)	204	(58)	42	(63)	41	245
Exch rate movements	13	6	4	14	(24)	(16)	(22)
Opening cash	487	484	693	640	696	609	633
Closing cash	484	693	640	696	609	633	856
OCF PS (sen)	12.3	12.3	5.6	16.8	(6.4)	1.8	17.6
FCF PS (sen)	8.0	11.9	5.6	14.2	(10.2)	(2.1)	13.7

Cashflow ratio analysis

Year to 31 December	2018A	2019A	2020A	2021A	2022CL	2023CL	2024CL
Growth (%)							
Op cashflow growth (% YoY)	238.7	(0.7)	(54.3)	201.1	(137.8)	nm	887.0
FCF growth (% YoY)	-	48.8	(52.9)	152.9	(172.3)	-	-
Capex growth (%)	2.7	(91.6)	(100.0)	-	43.6	0.0	0.0
Other key ratios (%)							
Capex/sales (%)	2.5	0.3	0.0	2.0	1.9	1.9	2.0
Capex/op cashflow (%)	35.2	3.0	0.0	16.0	(60.8)	217.0	22.0
Operating cashflow payout ratio (%)	56.7	57.1	71.5	31.2	-	392.6	42.6
Cashflow payout ratio (%)	56.7	57.1	71.5	31.2	-	392.6	42.6
Free cashflow payout ratio (%)	87.6	58.9	71.5	37.1	-	-	54.6

DuPont analysis

Year to 31 December	2018A	2019A	2020A	2021A	2022CL	2023CL	2024CL
Ebit margin (%)	7.2	8.0	5.8	7.9	7.9	8.0	8.4
Asset turnover (x)	1.2	1.0	0.8	0.9	1.2	1.1	0.9
Interest burden (x)	1.0	1.1	1.1	1.1	1.0	1.0	1.0
Tax burden (x)	0.8	0.8	0.7	0.7	0.8	0.8	0.8
Return on assets (%)	6.8	6.3	3.4	5.3	7.7	6.8	6.2
Leverage (x)	3.2	3.1	3.0	2.8	2.8	2.9	2.9
ROE (%)	22.9	21.3	11.6	16.9	21.0	19.4	18.2

EVA® analysis

Year to 31 December	2018A	2019A	2020A	2021A	2022CL	2023CL	2024CL
Ebit adj for tax	126	117	66	99	162	168	167
Average invested capital	241	275	266	199	302	565	665
ROIC (%)	52.1	42.4	24.6	49.8	53.7	29.8	25.0
Cost of equity (%)	12.1	12.1	12.1	12.1	12.1	12.1	12.1
Cost of debt (adj for tax)	3.9	4.1	3.6	3.6	4.0	4.0	4.0
Weighted average cost of capital (%)	12.1	12.1	12.1	12.1	12.1	12.1	12.1
EVA/IC (%)	40.0	30.3	12.5	37.7	41.6	17.7	12.9
EVA (RMm)	96	83	33	75	126	100	86

Source: www.clsa.com



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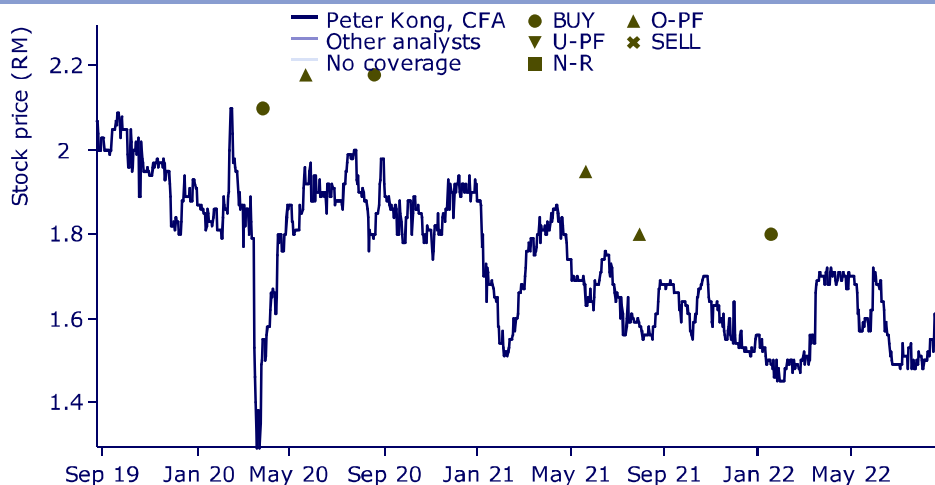
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- Gamuda (GAM MK - RM3.75 - O-PF)
- IJM (IJM MK - RM1.73 - U-PF)
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Recommendation history of Sunway Construction Group Bhd SCGB MK



Date	Rec	Target	Date	Rec	Target
17 Jan 2022	BUY	1.80	19 Aug 2020	BUY	2.18
30 Jul 2021	O-PF	1.80	22 May 2020	O-PF	2.18
21 May 2021	O-PF	1.95	27 Mar 2020	BUY	2.10

Source: CLSA

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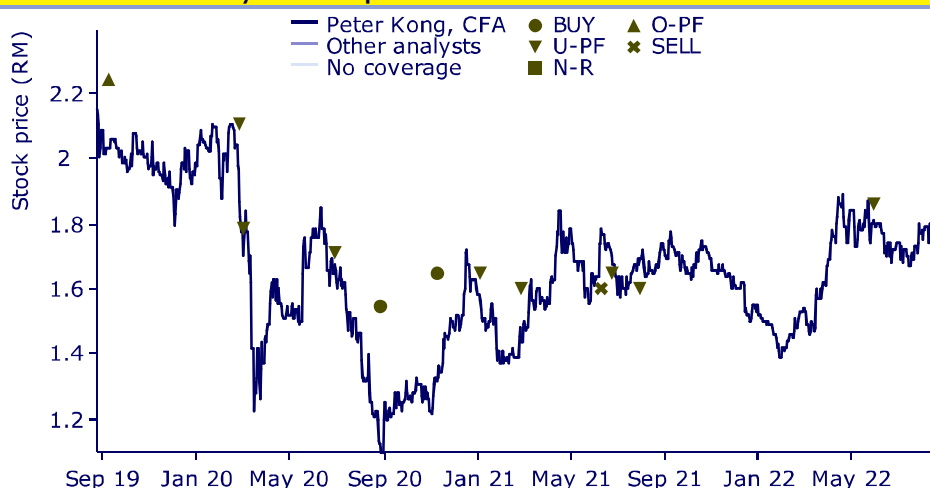
Recommendation history of Gamuda Bhd GAM MK



Date	Rec	Target	Date	Rec	Target
20 Jun 2022	O-PF	4.05	31 Mar 2021	BUY	4.25
24 Mar 2022	BUY	3.95	04 Jan 2021	O-PF	4.35
02 Mar 2022	BUY	3.75	09 Nov 2020	O-PF	4.10
23 Feb 2022	BUY	3.58	28 Sep 2020	O-PF	3.80
30 Sep 2021	BUY	3.55	15 Jun 2020	O-PF	3.90
10 Sep 2021	BUY	3.70	26 Mar 2020	BUY	3.50
30 Jul 2021	BUY	3.80	02 Mar 2020	O-PF	3.65
25 Jun 2021	BUY	4.00			

Source: CLSA

Recommendation history of IJM Corp Bhd IJM MK



Date	Rec	Target	Date	Rec	Target
30 May 2022	U-PF	1.86	09 Nov 2020	BUY	1.65*
30 Jul 2021	U-PF	1.60*	27 Aug 2020	BUY	1.55*
24 Jun 2021	U-PF	1.65*	29 Jun 2020	U-PF	1.71*
10 Jun 2021	SELL	1.60*	02 Mar 2020	U-PF	1.78*
26 Feb 2021	U-PF	1.60*	26 Feb 2020	U-PF	2.10*
04 Jan 2021	U-PF	1.65*	09 Sep 2019	O-PF	2.24*

Source: CLSA; * Adjusted for corporate action

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