Sunway Construction Group Bhd

Poised to clinch more data centre projects

- Reiterate Add, with a higher TP of RM3.44. FY24F-25F EPS raised 9-10%.
- 4Q23 beat expectations; first move advantage in Johor's data centre scene.
- ICPH in Singapore, and expertise in ACMV and geotechnical engineering are key positive attributes giving it a leg up when bidding for data centre projects

Malaysia

ADD *(no change)*

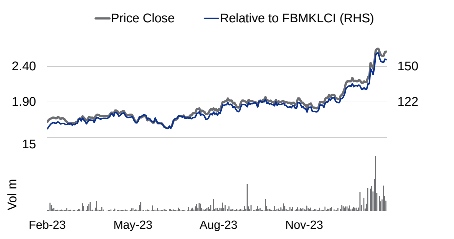
Consensus ratings*:	Buy 10	Hold 4	Sell 1

Current price:	RM2.61
Target price: ▲	RM3.44
Previous target:	RM2.70
Up/downside:	31.9%
CGSI / Consensus:	46.8%
Reuters:	SCOG.KL
Bloomberg:	SCGB MK
Market cap:	US$703.0m
	RM3,365m
Average daily turnover:	US$0.70m
	RM3.34m
Current shares o/s:	1,293m
Free float:	28.9%

**Source: Bloomberg*

Key changes in this note

- FY24F/FY25F EPS raised 10%/9% to account for higher order wins including data centres
- FY26 forecasts introduced
- TP raised to RM3.44



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	19.2	35.9	61.1
Relative (%)	14.5	29.1	55.5

Major shareholders	% held
Sunway Berhad	54.4
EPF	9.4
Amanah Saham	7.3

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Reiterate Add, raising FY24-F25F EPS and TP

We reiterate our Add rating and lift our SOP-based TP of RM3.44, equivalent to 19.6x FY25F P/E (0.5 s.d. above mean since 2015). We also raise our FY24/FY25F EPS by 10%/9% to factor in higher new order wins which we think will come from more data centre projects, which we believe are ROE-enhancing given the higher asset turnover, shorter duration and better margins. We like Suncon for its strong execution track record, 3-year EPS CAGR of 15% over FY23-FY26F, and market-leading ROEs of 21-24% for FY24-FY26F. Key downside risks to our Add call: increased raw material costs and labour shortages. Re-rating catalysts: the award of Vietnam project and more data centre projects.

First mover advantage for data centre projects

We believe Suncon is shaping up to be the go-to contractor for data centres in Johor; it currently has two such projects in its orderbook (33% of its total outstanding orderbook of RM5.3bn as at 31 Dec 2023). This is the RM1.7bn Sedenak and RM291m K2 data centres. Based on our channel checks, Suncon is tendering for up to 5 data centre projects in Malaysia; we estimate that winning any three of these could boost its orderbook by another RM3bn-4bn. This may be early days and there could be more project flows once the Southern Economic Zone takes off. Based on a DC Byte (global data centre market intelligence) data centre report dated Feb 2024, the total IT capacity in Johor has surpassed 1,500 MW, of which 20% is live and under construction and the balance 80% is committed and in early stage of planning for rollout. Assuming cost of construction of US$6m-9m per MW for a hyperscale data centre, this may translate into potential construction flows of RM37bn-55bn in Johor alone. Separately, Tenaga had said that as at Jan 2024 it had received >60 supply applications from data centre customers with a potential maximum demand of >5,000MW from Johor and Klang Valley.

What's Suncon's edge for data centres?

Suncon has a 73,500 m3 Integrated Construction and Prefabrication Hub (ICPH) in Singapore which gives it a competitive advantage in terms of time to market. This facility typically caters to the HDB market in Singapore but will be instrumental in its data centre wins in Johor, in our view. SunCon has also expertise in foundation and geotechnical engineering works including piling, large diameter bored piles, diaphragm wall construction and deep basement construction. Its fleet of machines enables it to provide geotechnical solutions for a wide range of building projects. It also has expertise in air conditioning and mechanical ventilation (ACMV) systems which is crucial in data centres. More importantly, its reputation as a contractor is solid and its strong parentage gives clients assurance in terms of execution capabilities, in our view.

Financial Summary	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Revenue (RMm)	2,155	2,671	3,513	4,335	4,862
Operating EBITDA (RMm)	221.0	245.3	296.9	365.7	413.7
Net Profit (RMm)	135.2	170.2	185.6	227.4	259.2
Core EPS (RM)	0.11	0.12	0.14	0.18	0.20
Core EPS Growth	17.1%	4.8%	23.6%	22.5%	14.0%
FD Core P/E (x)	23.55	22.48	18.18	14.84	13.02
DPS (RM)	0.05	0.06	0.07	0.09	0.10
Dividend Yield	2.01%	2.30%	2.75%	3.37%	3.84%
EV/EBITDA (x)	15.60	15.91	13.27	10.85	9.50
P/FCFE (x)	7.47	47.33	20.86	37.83	20.56
Net Gearing	(1.3%)	51.1%	50.3%	47.4%	39.6%
P/BV (x)	4.58	4.11	3.70	3.29	2.92
ROE	19.9%	19.3%	21.4%	23.4%	23.8%
% Change In Core EPS Estimates			9.82%	8.80%	
EPS/Consensus EPS (x)			1.11	1.25	

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Poised for more data centre wins

4QFY23 beat expectations

Sunway Construction (Suncon) today (20 Feb 2024) announced 4Q23 core net profit of RM74m (+61% yoy, +95% qoq), bringing full-year core net profit to RM170m (+18% yoy). This was at 121% of both our and Bloomberg consensus estimates.

The key highlight was the strong pick up in construction revenue in 4Q23 to RM786m (+77% yoy; +33% qoq) due to the acceleration in the progress of some newer projects. Pretax margin declined to 6.7% vs. 11.5% in 4Q22 as 4Q22 saw a reversal in provision for a legal case and finalisation of accounts for a few projects. However, 4Q23 construction pretax margin was stable qoq.

4Q23 precast revenue was RM86m (+44%, +3% qoq), with improvement in pretax margin to 9% (3Q23: 7.8%). The higher revenue was driven by contributions from ICPH projects and several newer projects. We understand that management expects margins should be sustainable at these levels.

Suncon declared a second interim dividend of 3 sen, bringing FY23 DPS to 6 sen (payout of 53%), within our expectation.

Figure 1: 4Q23 yoy and qoq comparison

	4QFY23 RMm	4QFY22 RMm	% change yoy	3QFY23 RMm	% change qoq
Revenue	871.5	503.4	73%	673.5	29%
Other operating income	40.7	10.4	290%	3.4	1105%
Other operating expense	-830.4	-449.5	85%	-622.8	33%
EBIT	81.8	64.3	27%	54.1	51%
Finance income	8.6	4.4	95%	7.0	22%
Finance cost	-15.2	-10.5	45%	-13.0	16%
Share of JV profits	-14.5	-2.0	637%	0.0	n.m
Profit before taxation	60.8	56.3	8%	48.1	26%
Taxation	-12.3	-10.8	14%	-12.6	-2%
Net income	48.4	45.5	6%	35.5	36%
Minority interest	0.8	0.1	518%	-0.5	-268%
Atributed to shareholders	49.3	45.6	8%	35.0	41%
Less: Exceptional Items	-24.8	-0.4		-3.0	
Core net profit	74.0	46.0		38.0	
	4QFY23	**4QFY22**	**% change yoy**	**3QFY23**	**% change qoq**
	RMm	**RMm**		**RMm**	
Construction	785.8	444.0	77%	590.6	33%
Precast Concrete	85.7	59.4	44%	83.0	3%
Revenue	871.5	503.4	73%	673.5	29%
Construction	53.0	51.0	4%	41.6	27%
Precast Concrete	7.7	5.3	46%	6.5	19%
Profit before taxation	60.8	56.3	8%	48.1	26%
Construction pretax margins	7%	11%	-41%	7%	-4%
Precast concrete pretax margins	9%	9%	1%	8%	15%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Raising FY24-FY25F EPS

We summarise the changes in our FY24F/FY25F revenue, EBITDA and net profit forecasts in Figure 2.

However, we are taking a more optimistic view on the number of potential data centre projects whereby we expect it to clinch two or three projects out of the five it is bidding for.

For projects from Sunway Berhad, we believe there will be c.RM1bn worth of potential jobs to construct malls and infrastructure this year. There will also be construction opportunities from Sunway Berhad's JV project with Singapore developer and asset manager Equalbase Pte Ltd to build an integrated warehouse with a multi-tenant facility for the logistics industry on 135 acres of its 1,770 acres of land bank in the state. Sunway estimates gross development value (GDV) of RM8bn over a 10-year period. Assuming construction cost is 50% of GDV, this may translate to potential orders of RM4bn for Suncon. We also expect Suncon to have a role for large government infrastructure projects such as MRT 3 and Penang LRT which we have not built into our forecasts.

Our earnings lift factors in stronger new orderbook replenishment (including for precast business) of RM3.9bn/RM4.9bn for FY24F/FY25F (vs. RM2.8bn/RM4.3bn previously), building in expectations of more data centre wins. Suncon has set a new order win target of RM2.5bn-3bn for FY24F. We also introduce our FY26 forecasts. Our FY24F-FY26F construction pretax margin assumptions are 7-7.5%, which we think is conservative as overseas projects such as the US$2.4bn Song Hau 2 Power Plant project in Vietnam and data centre projects will carry higher margins, in our view.

Figure 2: Revisions to our forecasts for Suncon

	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Revenue (RMm)	3,108.4	3,866.7	4,862.0	3,513.4	4,334.7	4,862.0	13.0%	12.1%	0.0%
EBITDA (RMm)	264.2	328.0	413.7	296.9	365.7	413.7	12.4%	11.5%	0.0%
Net profit (RMm)	169.0	209.0	259.2	185.6	227.4	259.2	9.8%	8.8%	0.0%
EPS (Sen)	13.1	16.2	20.1	14.4	17.6	20.1	9.8%	8.8%	0.0%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Lifting SOP-derived TP to RM3.44

We also lift our SOP-derived TP to RM3.44, pegging it to a higher P/E of 18x (vs 16x) for both its construction and precast business segments. The 18x multiple is its mean P/E level since 2015 and would be more reflective of its strong orderbook replenishment prospects, which we expect to peak by end-2024F or early-2025F, as well as its solid execution track record and synergistic precast building materials manufacturing business.

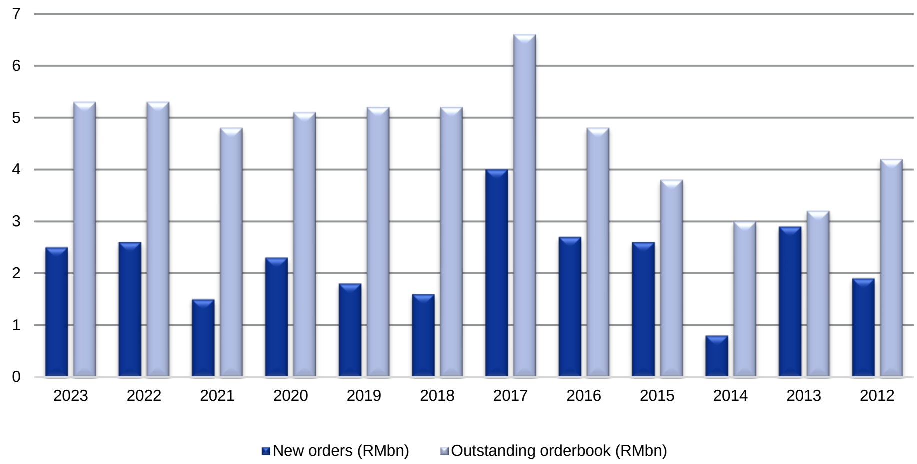
Our revised TP of RM3.44 implies FY25F P/E of 19.6x, which is its 0.5 s.d above mean P/E since 2015. We think Suncon's market-leading ROEs of 21-24% for FY24F-FY26F (in our estimates) and 3-year EPS CAGR of 15% over FY23-FY26F will support the higher valuations, in our view.

Figure 3: Sum-of-parts (SOP) valuation as at 20 Feb 2024

	Earnings (RMm)	P/E (x)	Stake	Attributed Value (RMm)	Per Share (RM)
Construction	216	18	100%	3,887.4	3.01
Precast	31	18	100%	564.8	0.44
SOP Value				4,452.2	3.44

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 4: Suncon's new orders (orderbook replenishment) ranged from RM0.8bn to RM4bn over FY12-FY23



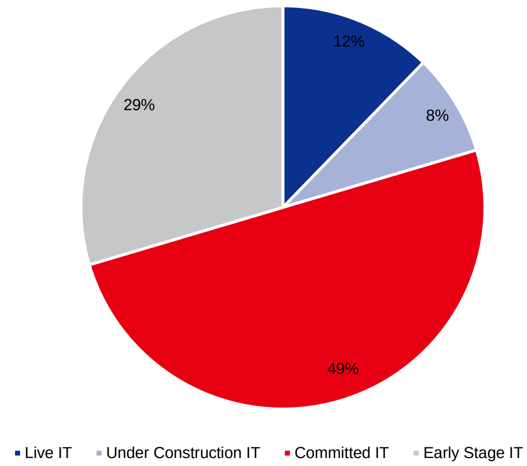
SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 5: Selective data centre investments in Johor

Date	Company	Acres	MW	Total Investment (RMm)
Nov-23	ST Telemedia	22	120	n/a
Sep-23	K2 Strategic Ptr Ltd	60	200	n/a
May-23	Princeton Digital Group	31	150	2000
Jan-23	Macquarie AirTrunk	25	150	n/a
Nov-22	Equinix	n/a	n/a	176
Mar-22	Yondr	73	200	n/a
Apr-23	MN Holdings China Shanghai DC	20	120	2650

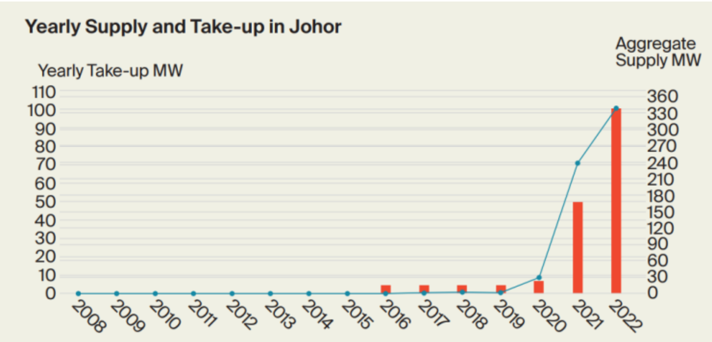
SOURCES: KNIGHT FRANK MALAYSIA, CGSI RESEARCH, COMPANY REPORTS

Figure 6: Total IT data centre capacity in Johor in 2023 (total: 1,600MW)



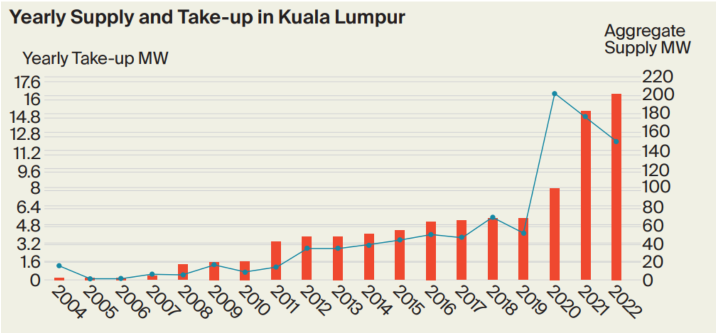
SOURCES: DC BYTE, CGSI RESEARCH, COMPANY REPORTS

Figure 7: Data centre take up in Johor



SOURCES: KNIGHT FRANK MALAYSIA, CGSI RESEARCH, COMPANY REPORTS

Figure 8: Data centre take up in KL



SOURCES: KNIGHT FRANK MALAYSIA, CGSI RESEARCH, COMPANY REPORTS

Figure 9: South East Asia as a secondary location for data centres

Market	MW IT Supply	MW per million Capita
Tier 1 (Singapore, HK, Sydney, Tokyo)	6,287	113.1
Indonesia	1,220	4.5
Malaysia	934	28.9
Thailand	211	3.0
Vietnam	127	1.3
Philippines	217	2.0

SOURCES: DC BYTE, CGSI RESEARCH, COMPANY REPORTS

Figure 10: Knight Frank SEA-5 Data Centre Opportunity Index in 2022

Rank	Market	Take up (MW)	GDP Growth (%)
1	Malaysia	113	8.7
2	Indonesia	22	5.3
3	Vietnam	2	8
4	Philippines	2	7.6
5	Thailand	25	2.6

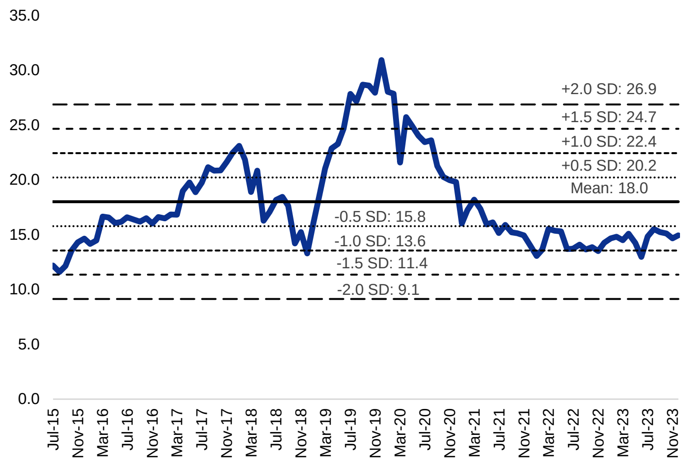
SOURCES: KNIGHT FRANK MALAYSIA, CGSI RESEARCH, COMPANY REPORTS

Figure 11: Peer comparison (as at 20 Feb 2024)

Company	Bbg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US$ m)	P/E (x) CY23F	P/E (x) CY24F	P/E (x) CY25F	2-year EPS CAGR (%)	P/BV (x) CY23F	P/BV (x) CY24F	Recurring ROE (%) CY23F	Dividend Yield (%) CY23F
Gamuda	GAM MK	Add	5.10	6.50	2,922	14.5	12.6	11.2	9.0%	1.23	1.15	8.7%	6.7%
IJM Corp Bhd	IJM MK	Add	2.19	2.88	1,604	20.2	16.7	14.1	21.9%	0.77	0.74	3.9%	1.7%
WCT Holdings	WCTHG MK	Add	0.55	0.71	163	10.4	8.5	7.6	4.7%	0.19	0.19	1.9%	1.4%
Sunway Construction Group Bhd	SCGB MK	Add	2.61	3.44	703	22.5	18.2	14.8	10.2%	4.11	3.70	19.4%	2.3%
Muhibbah Engineering	MUHI MK	Add	0.79	0.90	119	24.3	11.6	9.0	na	0.43	0.42	1.8%	1.2%
HSS Engineers	HSS MK	Add	1.12	1.21	119	20.8	15.3	13.0	30.8%	2.12	1.93	10.9%	1.4%
YTL Corporation	YTL MK	Add	2.25	2.13	5,154	17.2	14.4	16.5	86.5%	1.63	1.54	10.1%	2.4%
Malayan Cement Bhd	LMC MK	Add	4.82	6.00	1,320	26.7	19.6	17.6	59.5%	1.05	1.01	4.1%	1.7%
Sunway Bhd	SWB MK	Add	2.73	3.40	3,132	22.0	19.0	18.6	8.6%	1.03	0.99	4.8%	1.3%
Malaysia average						**18.4**	**13.5**	**11.4**	**11.5%**	**1.3**	**1.2**	**7.2%**	**2.6%**

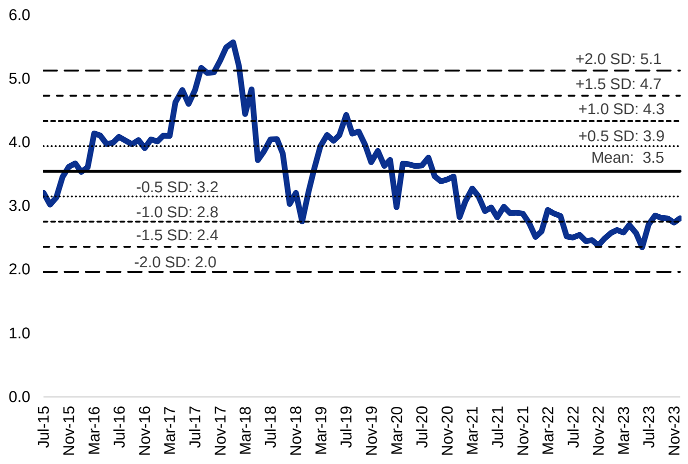
SOURCES: CGSI RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS

Figure 12: Suncon P/E trading band



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 13: Suncon P/BV trading band



SOURCES: CGSI RESEARCH, COMPANY REPORTS

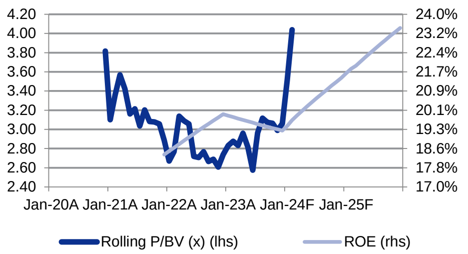
ESG in a nutshell

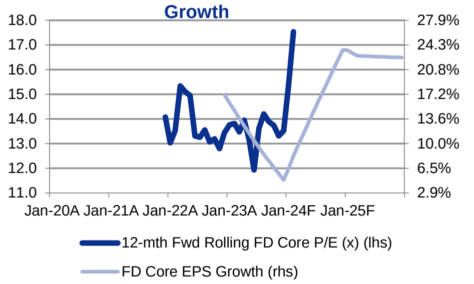
We deem Sunway Construction Group Bhd's (Suncon) ESG practices as some of the most progressive in the local construction industry. In 2022, SunCon reviewed its Sustainability Framework to better align its strategic approach to ESG with industry best practices as well as to adopt more stringent reporting disclosures. Suncon is bidding for more ESG-based projects such as renewable energy and green building projects; this is positive for its ESG journey, in our view. Two large scale solar (LSS) projects it bagged in FY21-22 marked the beginning of this foray.

Keep your eye on	Implications
The group is looking to expand further in the solar energy space; it is currently an engineering, procurement, construction and commissioning (EPCC) contractor for two large scale solar (LSS) projects. Besides this, there is growing demand for more sustainable or ESG-based projects in Malaysia, such as thermal energy storage (TES), district cooling systems (DCS), energy efficient or "smart" buildings, solar farms and solar panels. It was one of 22 most recent winners of the Corporate Green Power Programme (CGPP) announced by the Energy Commission (EC) on 7 Aug 2023.	There was a delay in the rollout of renewable (RE) projects in Malaysia, especially LSS farms, due to the high prices of solar panels but prices have since abated. The Energy Commission (EC) announced new measures to maintain the viability of projects identified under the fourth round of LSS awards (LSS4), such as the extension of the duration of Power Purchase Agreements (PPA) by four years from 21 years to 25 years. While Suncon is just an EPCC contractor, this is still positive for the company, in our view. On 20 July 2022, SunCon commenced construction of a district cooling system (DCS) at the mixed development in South Quay Square, Sunway City Kuala Lumpur, in collaboration with ENGIE South East Asia.
ESG highlights	**Implications**
In 2022, SunCon continued to focus on driving its ESG performance. This included addressing energy consumption and emissions, improving labour practices and also improving waste management and recycling efforts across all aspects of its operations. 2022 saw Suncon align its related disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD). The inclusion of the TCFD disclosures is in line with Suncon's continued strategic approach of embedding material ESG matters within its strategy.	We consider Suncon's ESG efforts to be progressive and among the best among the local contractors. SunCon is working towards achieving 30% women representation on its board, according to its FY22 annual report.
Trends	**Implications**
SunCon may be looking to participate in Malaysia's voluntary carbon market (VCM) as a buyer of carbon credits to offset emissions. It may also potentially generate carbon credits through its carbon negative projects, according to tis FY22 annual report. The construction industry's increased focus on climate change and sustainability provides more opportunities for green building design and construction. SunCon's continued progress in and focus on green and sustainable infrastructure development could boost its access to green bonds and sustainable financing, in our view. Suncon is rated AA for ESG by MSCI but is not in the FTSE4GOOD as it was excluded from FTSE EMAS due to liquidity issues.	While it is early days, we think Suncon will continue to tick more boxes for ESG where it can also leverage on its parent company Sunway Berhad to achieve this. All Sunway Berhad's ESG initiatives are aligned with five global megatrends i.e. rapid urbanisation, social change, technological breakthroughs, resource scarcity, and shifting economic power. These trends will become more central in 2024F, in our view. Sunway Berhad also targets that, by 2030, it would have achieved green building certification for all Sunway-owned and/or managed townships and buildings completed from 2025 onwards. This will bode well for Suncon, in our view..

SOURCES: CGSI RESEARCH, REFINITIV

BY THE NUMBERS





Profit & Loss

(RMm)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Total Net Revenues	**2,177**	**2,698**	**3,527**	**4,349**	**4,876**
Gross Profit	**475**	**588**	**643**	**716**	**767**
Operating EBITDA	**221**	**245**	**297**	**366**	**414**
Depreciation And Amortisation	-24	-21	-21	-27	-32
Operating EBIT	**197**	**224**	**276**	**339**	**382**
Financial Income/(Expense)	-4	-21	-27	-33	-33
Pretax Income/(Loss) from Assoc.	2	-14	2	2	2
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	**195**	**189**	**251**	**307**	**350**
Exceptional Items	-11	25	0	0	0
Pre-tax Profit	**184**	**214**	**251**	**307**	**350**
Taxation	-45	-43	-65	-80	-91
Exceptional Income - post-tax					
Profit After Tax	**139**	**171**	**186**	**227**	**259**
Minority Interests	-4	-1	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	**135**	**170**	**186**	**227**	**259**
Recurring Net Profit	143	150	186	227	259
Fully Diluted Recurring Net Profit	**143**	**150**	**186**	**227**	**259**

Cash Flow

(RMm)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
EBITDA	221.0	245.3	296.9	365.7	413.7
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(120.5)	(274.1)	(102.9)	(116.6)	(76.1)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(16.3)	(62.1)	(40.0)	(46.7)	(49.0)
Other Operating Cashflow	(249.6)	(130.6)	0.0	0.0	0.0
Net Interest (Paid)/Received	(4.2)	(21.5)	(27.1)	(33.3)	(33.4)
Tax Paid	(45.3)	(42.8)	(65.2)	(79.9)	(91.1)
Cashflow From Operations	**(215.0)**	**(285.8)**	**61.7**	**89.2**	**164.1**
Capex	(27.1)	(17.7)	(50.0)	(50.0)	(50.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	450.8	(70.4)	0.0	0.0	0.0
Cash Flow From Investing	**423.7**	**(88.1)**	**(50.0)**	**(50.0)**	**(50.0)**
Debt Raised/(repaid)	242.8	445.2	150.0	50.0	50.0
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(90.3)	(70.9)	(92.8)	(113.7)	(129.6)
Preferred Dividends					
Other Financing Cashflow	31.5	(21.6)	41.7	48.4	50.7
Cash Flow From Financing	**184.0**	**352.7**	**98.9**	**(15.3)**	**(28.9)**
Total Cash Generated	392.8	(21.2)	110.6	23.9	85.2
Free Cashflow To Equity	**451.6**	**71.3**	**161.7**	**89.2**	**164.1**
Free Cashflow To Firm	**226.8**	**(326.0)**	**53.4**	**87.6**	**164.8**

SOURCES: CGSI RESEARCH, COMPANY REPORTS

BY THE NUMBERS… cont'd

Balance Sheet

(RMm)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Total Cash And Equivalents	492	470	581	605	690
Total Debtors	989	1,596	1,877	2,316	2,598
Inventories	53	46	44	55	61
Total Other Current Assets	104	127	127	127	127
Total Current Assets	**1,637**	**2,239**	**2,629**	**3,102**	**3,476**
Fixed Assets	108	99	128	151	169
Total Investments	223	253	253	253	253
Intangible Assets	264	483	483	483	483
Total Other Non-Current Assets	3	9	9	9	9
Total Non-current Assets	**599**	**844**	**873**	**896**	**914**
Short-term Debt	172	438	438	438	438
Current Portion of Long-Term Debt					
Total Creditors	917	1,243	1,419	1,752	1,964
Other Current Liabilities	14	21	21	21	21
Total Current Liabilities	**1,103**	**1,702**	**1,878**	**2,211**	**2,423**
Total Long-term Debt	309	488	638	688	738
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0	0	0	0	0
Total Non-current Liabilities	**309**	**488**	**638**	**688**	**738**
Total Provisions	3	1	1	1	1
Total Liabilities	**1,415**	**2,191**	**2,517**	**2,900**	**3,162**
Shareholders' Equity	737	820	913	1,027	1,156
Minority Interests	84	72	72	72	72
Total Equity	**821**	**892**	**985**	**1,098**	**1,228**

Key Ratios

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Revenue Growth	24.6%	23.9%	31.5%	23.4%	12.2%
Operating EBITDA Growth	22.6%	11.0%	21.1%	23.1%	13.1%
Operating EBITDA Margin	10.3%	9.2%	8.5%	8.4%	8.5%
Net Cash Per Share (RM)	0.01	-0.35	-0.38	-0.40	-0.38
BVPS (RM)	0.57	0.63	0.71	0.79	0.89
Gross Interest Cover	10.94	4.68	6.63	7.00	7.54
Effective Tax Rate	24.6%	20.0%	26.0%	26.0%	26.0%
Net Dividend Payout Ratio	61.9%	53.3%	50.0%	50.0%	50.0%
Accounts Receivables Days	155.7	176.6	180.9	176.5	184.4
Inventory Days	10.68	8.64	5.76	4.98	5.16
Accounts Payables Days	193.9	186.8	168.9	159.3	165.0
ROIC (%)	139%	38%	25%	28%	28%
ROCE (%)	18.6%	16.0%	15.0%	16.5%	17.2%
Return On Average Assets	7.49%	6.29%	6.46%	6.95%	6.98%

Key Drivers

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
New order wins	150.0	180.0	3,900.0	4,900.0	4,900.0
Construction revenue	1,973.6	2,381.0	3,261.4	4,027.7	4,475.0
Precast revenue	181.6	290.2	252.0	307.0	387.0
Construction EBIT margins	8.5	7.5	7.4	7.3	7.2
Precast EBIT margins	9.9	15.5	14.0	14.0	15.0

SOURCES: CGSI RESEARCH, COMPANY REPORTS

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Description:	Excellent	Very Good	Good	N/A	N/A

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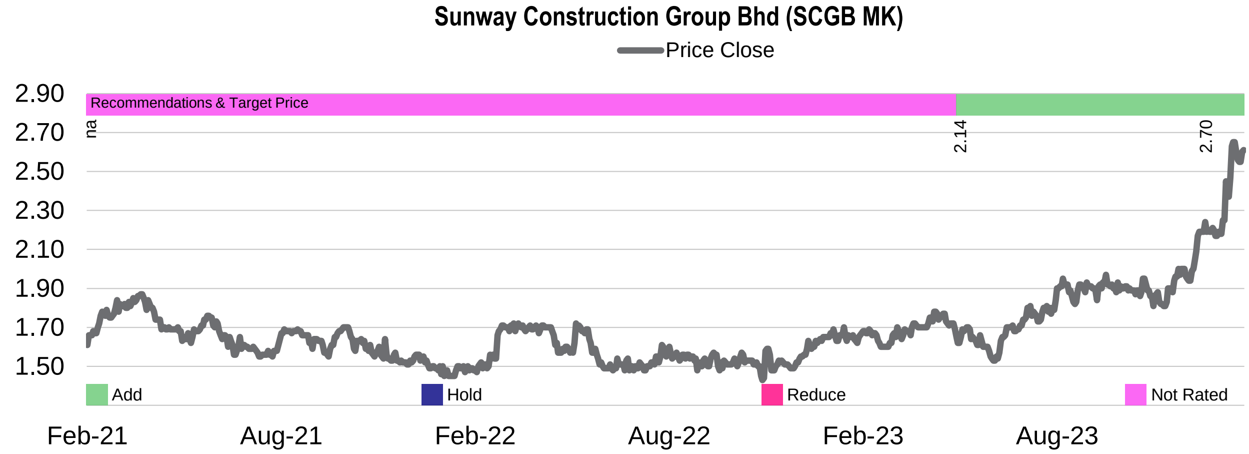
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.5%	1.3%
Hold	22.5%	0.0%
Reduce	10.1%	0.2%

Spitzer Chart for stock being researched (2 year data)



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Add	The stock's total return is expected to exceed 10% over the next 12 months.
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