



Sunway Berhad

Bags Contract Worth RM304mn

TP: RM3.59 (+31.0%)

Last Traded: RM2.74

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BUY

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Letter of Award for KLCC North East Car Park

Sunway secured a contract worth RM304mn from Cititower Sdn Bhd (a JV Co between KLCC (Holdings) Sdn Bhd and QD Asia Pacific Ltd) for the construction and completion of North East Car Park (NEC) underneath the KLCC Park.

More about the contract

The scope of works include; excavation works, construction and installation of diaphragm wall, foundation and piling works, construction of 6 levels basement car park and its associated works. The project is expected to commence upon obtaining site possession (to be determined later) with a construction period of 178 weeks.

Positive to FY13-16 earnings

According to management, the site is expected to hand over to Sunway in 2Q13. With a construction period of 178 weeks, the project is expected to be completed by 3Q16. Assuming a PBT margin of 6%, this contract will contribute RM2.7-4.0mn to our FY13-16 earnings. However, we are keeping our earnings forecasts unchanged as the job win is part of our order book replenishment assumptions of RM1.1bn for year 2013. YTD, Sunway has secured new jobs worth RM871mn (external).

Valuation

No change to our SOP-derived target price of RM3.59/share. As it offers a total upside of 31%, we maintain our Buy recommendation on Sunway Bhd.

Figure 1: KLCC Park Aerial View



Source: Sunway & TA Research

Share Information

Bloomberg Code	SWB MK
Stock Name	Sunway
Stock Code	5211
Listing	Main Market
Share Cap (mn)	1292.5
Market Cap (RMmn)	3541.5
Par Value	1.00
52-wk Hi/Lo (RM)	2.82/2.12
12-mth Avg Daily Vol ('000 shrs)	686.07
Estimated Free Float (%)	47.36
Beta	-

Major Shareholders (%)

Sungei Way Corp (42.55)

Forecast Revision

	FY13	FY14
Forecast Revision (%)	0.0	0.0
Net profit (RMm)	361.1	428.3
Consensus	372.1	413.0
TA's / Consensus (%)	97.0	103.7
Previous Rating	Buy (Maintained)	

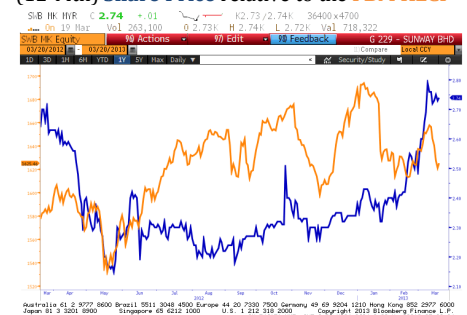
Financial Indicators

	FY13	FY14
Net Debt / Equity (%)	33.1	29.7
FCPS (sen)	28.1	8.4
Price / CFPS (x)	9.7	32.6
ROA (%)	4.0	4.5
NTA/Share (RM)	2.8	3.1
Price/NTA (x)	1.0	0.9

Share Performance (%)

Price Change	Sunway	FBM KLCI
1 mth	8.7	0.8
3 mth	17.1	(2.7)
6 mth	20.7	(0.0)
12 mth	3.8	3.0

(12-Mth) Share Price relative to the FBM KLCI



Source: Bloomberg

YE Dec 31 (RM'mn)	2011	2012	2013F	2014F	2015F
Revenue	3691.7	3876.8	3783.7	4126.8	4351.6
EBITDA	454.0	583.3	547.1	628.6	879.0
EBITDA margin (%)	12.3	15.0	14.5	15.2	20.2
Pretax profit	443.9	519.8	498.2	590.9	843.5
Net profit	369.7	532.3	509.9	428.3	593.7
Net profit -adj	325.6	323.9	361.1	428.3	593.7
EPS (sen)	28.6	41.2	39.4	33.1	45.9
EPS - adj (sen)	25.2	25.1	27.9	33.1	45.9
EPS Growth (Core) (%)	0.7	(0.5)	11.5	18.6	38.6
PER (x)	10.9	10.9	9.8	8.3	6.0
GDPS (sen)	0.0	6.0	6.0	6.0	7.0
Div Yield (%)	0.0	2.2	2.2	2.2	2.6
EV/EBITDA (x)	11.1	8.8	8.9	7.7	4.9
ROE (%)	11.6	9.9	9.6	10.3	12.9

Table 1: Outstanding orderbook

Project	RM'mn
Local	
MRT Package V4	1137
LRT Kelana Jaya Line Extension	355
BRT Sunway Line	452
Pinewood Studios	182
UiTM campus expansion	89
Precinct 1, Putrajaya	6
BioXcell - Central Facilities Utility	25
Legoland Water Park	45
KLCC NEC	304
Others	358
Foreign	
Singapore - precast	219
Total	3172
Other in-house jobs	
Sunway Velocity Mall (Substructure)	219
Sunway Velocity Phase 2 (Substructure)	98
Sunway Velocity (Shop offices & Apartment)	120
The Pinnacle (Superstructure)	136
Sunway University New Academic Block	192
Sunway Putra Place	258

Source: Sunway & TA Research

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for TA SECURITIES HOLDINGS BERHAD^(14948-M)

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