

Advancecon Holdings Bhd

Kenneth Leong
kennethleong@msec.com.my
(603) 2201 2100

Turning the tide

- Renewable energy diversification equipped Advancecon with a total of 3 major solar projects with combined 3,710.5kWp solar photovoltaic system that will provide long term recurring income to sustain earnings visibility over the years. Outstanding construction orderbook of RM730.9m will provide earnings visibility to the construction segment over the next 24 months.
- Proxy to the potentially higher spending on infrastructure developments under Budget 2021, backed by its strong track record in execution of mega-infrastructure projects. Technically, a recovery beyond RM0.36 may drive share price towards the next resistances at RM0.395-RM0.41 with long term target at RM0.455.

Advancecon daily: Monitor for rebound



ADVANCECON HOLDINGS BHD

Last Price (RM)	0.355
5 Day Change (%)	0.0
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	66.7
52Week Range Percentile (%)	54.7
Volatility 30D	29.6
EMA9, EMA20, EMA60 Trend	Downtrend
Price vs. EMA20 (%)	-1.3
DMI DI+	11.2
DMI DI-	23.7
ADX	17.7
Price Skew	DOWN
RSI 14D	44.4
RSI OB/OS	Negative
Price vs. Bollinger Band (%)	29.8

Bloomberg

Financial snapshot

FYE Dec	FY18	FY19	FY20*
Revenue (RM m)	272.9	302.3	253.5
Net profit (RM m)	6.9	11.5	0.7
Shares (m)	401.7	401.7	401.7
EPS (sen)	1.7	2.9	0.2
DPS (sen)	1.0	0.6	0.6
P/E (x)	20.7	12.4	211.9
DY (%)	2.8	1.7	1.7

Bloomberg

FY20* data denotes trailing 12-months

Trading Catalyst

- Advancecon Holdings Bhd (Advancecon) is regarded as one of the leading earthworks and civil engineering services player, having over 25 years of experience in the industry. The group has and currently undertaking several notable projects such as property related projects such as Setia Ecohill, Setia Eco Garden and Cyberjaya Flagship Zone and infrastructure transportation projects such as West Coast Expressway, Lekas Highway, Pan Borneo Highway and East Coast Rail Link.
- The group has engaged Solarvest Energy Sdn Bhd as engineering, procurement, construction and commissioning (EPCC) contractor to jointly co-operate for the purposes of undertaking solar renewable energy projects. At present, Advancecon has a total of 3 major solar projects with combined 3,710.5kWp solar photovoltaic system that will provide long term recurring income to sustain earnings visibility over the years.
- We reckon earnings recovery to take place from 2HFY20 as the group's operations

Disclaimer: This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.

has fully resume works since end-May 2020, backed by more than a dozen of construction projects. This will be backed by the group's outstanding orderbook of RM730.9m (as of September 2020) will provide earnings visibility to the construction segment over the next 24 months.

- We regard Advancecon as one of the proxy to the potentially higher spending on infrastructure developments under Budget 2021, backed by its strong historical track record in execution of mega-infrastructure projects.

Technical Outlook

- Technically, share price is forming a descending triangle formation with strong support seen at neckline of RM0.345. A recovery beyond RM0.36 may drive share price for a technical rebound towards the next resistances at RM0.395-RM0.41 with long term target at RM0.455. Support is pegged at RM0.345 and cut loss is located at RM0.34.

Glossary

Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage.
EMA9, EMA20, EMA60 Trend	If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition. If RSI 14 days is greater or equal to 70, it will be stated Overbought. If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive.
RSI OB/OS	If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage