

TCS Group Holdings Bhd

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Better days ahead

- Principally involved in the construction of building and civil works with notable clients such as Sime Darby Property Bhd, Mah Sing Group Bhd, IJM Corporation Bhd, SP Setia Bhd, Tropicana Corporation Bhd and Worldwide Holdings Bhd.
- Outstanding orderbook of RM1.57bn, representing an orderbook-to-cover ratio of 6.5x against FY20 revenue of RM242.6m to provide earnings visibility at least for the next 3 years.
- Recovery in the cards on works resumption in the construction sector that was largely affected by works disruption from MCO 3.0 and FMCO. Technically, price has formed a short-term consolidation breakout above RM0.46, targeting the next resistances at RM0.495-0.515 with long term target set at RM0.56.

TCS daily: Consolidation breakout



M+ Wiz

Trading Catalyst

- TCS Group Holdings Bhd (TCS) is principally involved in the construction of building and civil works. Some notable clients include established property developers such as Sime Darby Property Bhd, Mah Sing Group Bhd, IJM Corporation Bhd, SP Setia Bhd, Tropicana Corporation Bhd and Worldwide Holdings Bhd.
- Moving forward, TCS will be backed by outstanding orderbook of RM1.57bn, representing an orderbook-to-cover ratio of 6.5x against FY20 revenue of RM242.6m to provide earnings visibility at least for the next 3 years. Meanwhile, current tenderbook at approximately RM2.40bn will continue to underpin orderbook replenishment overtime.
- We reckon that a recovery is in the cards on works resumption in the construction sector that was largely affected by works disruption from the implementation of Movement Control Order (MCO) 3.0 and the Full MCO (FMCO). Meanwhile, TCS is

TCS GROUP HOLDINGS BHD

Last Price (RM)	0.475
5 Day Change (%)	4.4
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	85.7
52Week Range Percentile (%)	35.2
Volatility 30D	28.4
EMA9, EMA20, EMA60 Trend	Consolidation
Price vs. EMA20 (%)	5.3
DMI DI+	23.2
DMI DI-	18.7
ADX	11.7
Price Skew	DOWN
RSI 14D	78.6
RSI OB/OS	Overbought
Price vs. Bollinger Band (%)	124.8

Bloomberg

Financial snapshot

FYE Dec	FY19	FY20	FY21*
Revenue (RM m)	358.4	242.6	780.5
Net profit (RM m)	15.8	16.0	36.4
Shares (m)	#N/A	309.8	558.4
EPS (sen)	#VALU	5.2	6.5
DPS (sen)	E!	1.0	3.0
P/E (x)	#VALU	9.2	12.7
DY (%)	E!	0.0	2.1

Bloomberg

FY21* based on trailing-12-months data

also supported by a solid balance sheet with a net cash position of RM17.1m in 2QFY21, translating to net cash per share of 4.5 sen (c.9.5% of share price).

Technical Outlook

- Technically, price has pullback since March 2021 before staging a recovery last month. Price has recently rebounded to close above the daily EMA60 level and has formed a short-term consolidation breakout above RM0.46. Price may stage further recovery higher towards the resistances at RM0.495-0.515 with long term target set at RM0.56. Support is pegged at RM0.445 and cut loss is located at RM0.44.

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. 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.
EMA9, EMA20, EMA60 Trend	Position of the price away from the EMA20 level
Price vs. EMA20 (%)	Positive directional movement.
DMI DI+	Negative directional movement.
DMI DI-	ADX is a moving average of the directional movement index.
ADX	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.
Price Skew	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.
RSI 14D	If RSI 14 days is greater or equal to 70, it will be stated Overbought.
RSI OB/OS	If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive.
	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