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## Subang Airport deal a positive for TRC Synergy



PETALING JAYA: Analysts are positive on [TRC Synergy Bhd](#) 's contract win to carry out refurbishment and infrastructure works at Subang Airport as it will significantly contribute to the group's overall order book.

The contract, valued at RM358mil, was secured by TRC's unit Trans Resources Corp Sdn Bhd (TRCSB) from Impeccable Vintage Properties Sdn Bhd, a subsidiary of Khazanah Nasional Bhd.

The scope of the contract involves the proposed refurbishment of the main building and infrastructure works at Subang Engineering Complex A, located at Sultan Abdul Aziz Shah Airport, commonly referred to as Subang Airport.

TA Research said the win marked TRC's first construction contract secured in 2024.

"Based on our estimation, the group's current outstanding order book stands at around RM750mil, translating to about 1.1 times financial year 2022 (FY22) revenue.

"Assuming a pre-tax profit margin of 8%, the project is estimated to generate a net profit of RM21.8mil throughout the construction period," TA Research said in a report.

The research firm said the contract positions the group favourably to pursue and secure more substantial projects in the future, leveraging on its strengthened track record.

Despite the successful job win falling within TA Research's FY24 order book replenishment assumption of RM700mil, it has adjusted the construction division's revenue recognition assumption for FY23, FY24 and FY25.

"This adjustment stems from a lower-than-expected job replenishment rate of RM33.6mil in FY23, as opposed to our initial assumption of RM500mil.

"Consequently, this has resulted in a reduction in earnings forecasts by 9.4%, 9.6%, and 3.2% for FY23, FY24, and FY25, respectively," it added.

With the potential upswing in the domestic construction sector, TA Research has assigned a higher price-earnings ratio of 12 times to TRC's 2024 earnings and raised its target price to 51 sen from 42 sen previously.