

**HLIB Retail Research**

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**Profile:** INTA (listed in May 2017 at IPO price of RM0.25) is primarily a building contractor with ~30 years of operating history in the construction industry in Malaysia. The group has completed more than 130 building construction projects with a total contract value of more than RM3bn (from reputable clients such as EcoWorld, Gamuda, SP Setia, Tropicana to name a few), mainly in Klang Valley and Johor. It mainly focuses on various types of buildings including residential, commercial, and leisure properties.

Currently, INTA's outstanding order book stood at approximately RM1.04bn, comprising Eco Ardence duduk Huni, Residences and Shoppes (South) Metropark, Eco Sanctuary Duduk Seruang, Southville City; Mont Kiara; Residensi Suasana@Damai; Eco Majestic (Garden Home Phase 5 & Ergo Home Phase 3); Eco Majestic (Precint 7-1) (Package 2); Eco Grandeur (Phase P2E-5) etc.

**Latest development:** On 27 April, INTA proposed to issue 147.2m free warrants to shareholders. It will be issuing the warrants on the basis of one warrant (strike price: RM0.40) for every four existing ordinary shares held (entitlement date: mid-July).

**Technical Risk Profile**



**Financials and technical snapshots**

Stock code	INTA/0192
Last price (RM)	0.315
Issued shares/Marketcap	535.3m/ RM168.6m
52Wk High/ Low (RM)	0.40/0.195
Outlook (2-4 weeks)	Poised for a bullish ascending triangle breakout
Volume (m)	0.3
Average Volumes 90D (m)	1.1
S1/S2	0.30/0.29
R1/R2	0.34/0.35
LT Technical target (RM)	0.40
Upside reward (%)	27.0
Stop Loss	0.28
Downside risk (%)	-11.1
BVPS/P/B	RM0.27/1.17x
HLIB Research TP (RM)	NR
Bloomberg TP (RM)	0.53

Source: HLIB, Bloomberg

# Inta Bina Group

## Poised for a bullish triangle breakout

While the building construction industry is facing headwinds, we believe INTA would be able to sail through the challenging times, underpinned by (i) a record outstanding order book of RM1bn (~3.6x FY20 revenue and provides earnings visibility until 2024), (ii) strong execution capability with existing Tier-1 clients who are mostly well-known developers, (iii) a net cash position of 4sen/share end March (12.7% to share price). The stock is trading at undemanding 5.4x (ex-cash 4.7x) FY22E P/E (about 56% lower than peers' weighted market P/E of 12.3x), supported by strong 20% EPS CAGR for FY21-23, commendable FY21-23E ROE of 17%-19%, and a decent FY21-23E DY of 3.2%-4.8% (vs peers' FY22 average of 3.4%).

**Earnings summary**

FYE Dec 31	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Turnover	289	383	412	280	540	566	650
Core PATAMI	15.8	21.0	22.4	10.1	25.9	31.2	37.2
Issued shares	535	535	535	535	535	535	535
EPS (sen)	3.0	3.9	4.2	1.9	4.8	5.8	7.0
DPS (sen)	-	0.75	1.0	0.9	1.0	1.5	1.5
P/E (x)	10.7	8.0	7.5	16.7	6.5	5.4	4.5
DY (%)	-	2.4	3.2	2.9	3.2	4.8	4.8

Bloomberg

**INTA daily: Pending a bullish triangle breakout**



HLeBroking

**Poised for a bullish triangle breakout.** After plunging 31% from 52-week high of RM0.40 (17 Sep 2020) to YTD low of RM0.275 (8 Jan), INTA's share prices were consolidating upward to settle at RM0.315 yesterday, closing well above multiple key SMAs. A successful breakout above RM0.325 (downtrend line from RM0.40) would signal that a new up-leg has begun, probably heading higher to retest RM0.34 (9 June high) and RM0.35 (28 Apr) resistances before advancing to our LT target at RM0.40 (also the new warrants strike price). Supports are pegged at RM0.29-0.30 levels. Cut loss at RM0.28.

### Peers comparison

STOCKS	PRICE	Mkt cap	FY22E	FY22E	FY22E	FY22E
	RM	(RM'm)	EPS	PE (x)	DPS	DY (%)
			(sen)	(x)	(sen)	
<b>INTA</b>	<b>0.315</b>	<b>168.6</b>	<b>5.8</b>	<b>5.4</b>	<b>1.50</b>	<b>4.8</b>
KERJAYA	1.230	1,527.7	12.60	9.8	4.50	3.7
SUNCON	1.740	2,248.1	10.90	16.0	6.50	3.7
HSL	0.975	568.0	9.00	10.8	2.30	2.4
GDB	0.920	575.0	10.70	8.6	3.50	3.8
<b>Average</b>				<b>11.3</b>		<b>3.4</b>

*Bloomberg*

Note: FY22 Weighted P/E is 12.3x

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<b>NEUTRAL</b>	Sector expected to perform in-line with the market over the next 12 months.
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