

Inta Bina Group Berhad

TP: RM0.53 (+73.8%)

A Good Start

Last Traded: RM0.305

BUY (ESG: ★★★)

Chan Mun Chun

Tel: +603-2167 9731

mcchan@ta.com.my

www.taonline.com.my

Results Review

- INTA's IQFY21 net profit of RM5.9mn came in within our expectation, accounting for 22.7% of our full-year estimate.
- YoY, IQFY21 net profit almost doubled to RM5.9mn from RM3.0mn while revenue surged 46.3% to RM96.9mn. The robust performance was mainly due to higher recognition of progress billings from on-going projects such as Eco Ardence project, Eco Majestic project, Eco Sanctuary project, Kiara Kasih project, Southville project, Sunway Lenang Height project, and Tropicana Metropark project.
- QoQ, IQFY21 net profit jumped 317.1% to RM5.9mn while revenue increased by 14.3% to RM96.9mn. The stronger performance was contributed by higher progress billings from the on-going projects.
- Its net cash position improved from RM11.7mn a quarter ago to RM22.4mn.

Impact

- Maintain FY21 to FY23 earnings forecasts.

Outlook

- INTA's outstanding order book stood at RM1.04bn as of end-March 2021, which translates into 3.6x FY20 revenue. This could provide earnings visibility to the group for the next 3 years.

Valuation

- No change to our target price of **RM0.53**, based on unchanged 10x CY22 EPS. Maintain **Buy** call on the stock.

Share Information

Bloomberg Code	INTA MK
Bursa	INTA
Stock Code	0192
Listing	Main Market
Share Cap (mn)	535.3
Market Cap (RMmn)	163.3
52-wk Hi/Lo (RM)	0.4/0.2
12-mth Avg Daily Vol ('000 shrs)	2450.0
Estimated Free Float (%)	28.6
Beta	1.20

Major Shareholders (%)

Apexjaya Industries Sdn Bhd	- 34.7
Ahmad bin Awi	- 12.6
Lim Ooi Joo	- 9.2
Teo Hock Choon	- 8.8

Forecast Revision

	FY21	FY22
Forecast Revision (%)	-	-
Net profit (RMmn)	25.9	31.2
Consensus	-	-
TA's / Consensus (%)	-	-
Previous Rating	Buy (Maintained)	

Financial Indicators

	FY21	FY22
Net Debt / Equity (%)	net cash	net cash
CFPS (sen)	1.8	(1.4)
Price / CFPS (x)	17.2	(22.1)
ROA (%)	6.7	6.9
NTA/Share (RM)	27.1	30.9
Price/NTA (x)	1.1	1.0

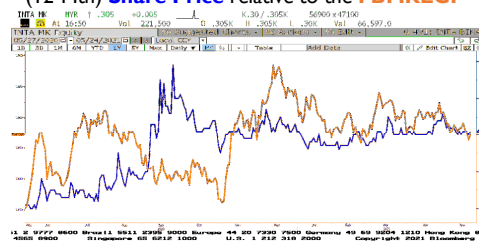
Scorecard

	% of FY	
vs. TA	22.7	Within
vs. Consensus	-	-

Share Performance (%)

Price Change	INTA	FBM KLCI
1 mth	(4.7)	(2.4)
3 mth	5.2	0.8
6 mth	3.4	(0.6)
12 mth	48.8	9.2

(12-Mth) Share Price relative to the FBMKLCI



Source: Bloomberg

Table 1: Earnings Summary (RMmn)

FYE Dec (RMmn)	2019	2020	2021F	2022F	2023F
Revenue	411.6	280.3	540.0	566.0	650.0
Gross profit	43.8	26.6	48.6	56.6	65.0
EBITDA	39.9	23.0	47.0	54.5	62.9
EBITDA margin (%)	9.7	8.2	8.7	9.6	9.7
EBIT	31.7	14.5	36.6	44.1	52.5
Reported PBT	29.8	12.9	35.3	42.5	50.6
Core PBT	29.8	15.0	35.3	42.5	50.6
Reported net profit	22.4	8.1	25.9	31.2	37.2
Core profit	22.4	10.1	25.9	31.2	37.2
Core EPS (sen)	4.2	1.9	4.4	5.3	6.3
PER (x)	7.3	16.1	6.9	5.8	4.8
Gross dividend (sen)	1.0	0.9	1.0	1.5	1.5
Dividend yield (%)	3.3	2.8	3.3	4.9	4.9
ROE (%)	17.4	7.3	17.3	18.3	19.0

Table 2: IQFY21 Results Analysis (RMmn)

FYE Dec	1Q20	4Q20	1Q21	QoQ (%)	YoY (%)	3MFY20	3MFY21	YoY (%)
Revenue	66.2	84.9	96.9	14.3	46.3	66.2	96.9	46.3
Operating profit	4.5	6.7	8.4	25.6	84.4	4.5	8.4	84.4
Finance cost	(0.5)	(0.5)	(0.5)	1.6	(4.6)	(0.5)	(0.5)	(4.6)
Profit before taxation	4.1	4.1	7.9	90.7	94.9	4.1	7.9	94.9
Core PBT	4.1	6.2	7.9	27.4	94.9	4.1	7.9	94.9
Income tax expense	(1.0)	(2.7)	(2.0)	(26.2)	98.8	(1.0)	(2.0)	98.8
Net profit	3.0	1.4	5.9	317.1	93.6	3.0	5.9	93.6
Core net profit	3.0	3.5	5.9	69.5	93.6	3.0	5.9	93.6
Reported EPS (sen)*	0.6	0.3	1.1	323.1	93.0	0.6	1.1	93.0
Core EPS (sen)*	0.6	0.6	1.1	71.9	93.0	0.6	1.1	93.0
Dividend (sen)	0.0	0.4	0.0	(100.0)	na	0.0	0.0	na
Margin (%):								
- Operating	6.8	7.8	8.6	0.8	1.8	6.8	8.6	1.8
- Core PBT	6.1	7.3	8.2	0.8	2.0	6.1	8.2	2.0
- PAT	4.6	4.1	6.1	2.0	1.5	4.6	6.1	1.5
- Effective tax rate	25.0	65.9	25.5	(40.4)	0.5	25.0	25.5	0.5

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Stock Recommendation Guideline

- BUY** : Total return within the next 12 months exceeds required rate of return by 5%-point.
HOLD : Total return within the next 12 months exceeds required rate of return by between 0-5%-point.
SELL : Total return is lower than the required rate of return.
Not Rated: The company is not under coverage. The report is for information only.

Total Return is defined as expected share price appreciation plus gross dividend over the next 12 months. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

Required Rate of Return of 7% is defined as the yield for one-year Malaysian government treasury plus assumed equity risk premium.

ESG Scoring & Guideline

	Environmental	Social	Governance	Average
Scoring	★★★	★★★	★★★	★★★
Remark	Have yet to set up comprehensive environmental policy but generally in compliance with project environmental requirements.	Gave back to society through scholarship, donation and biweekly gotong-royong campaign.	The board is presented by 50% independent directors with 12.5% women directors.	

★★★★★ (≥80%) : Displayed market leading capabilities in integrating ESG factors in all aspects of operations, management and future directions.

★★★★ (60-79%) : Above adequate integration of ESG factors into most aspects of operations, management and future directions.

★★★ (40-59%) : Adequate integration of ESG factors into operations, management and future directions.

★★ (20-39%) : Have some integration of ESG factors in operations and management but are insufficient.

★ (<20%) : Minimal or no integration of ESG factors in operations and management.

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As of Tuesday, May 25, 2021, the analyst, Chan Mun Chun, who prepared this report, has interest in the following securities covered in this report:
(a) nil

Kaladher Govindan – Head of Research

TA SECURITIES HOLDINGS BERHAD (14948-M)

A Participating Organisation of Bursa Malaysia Securities Berhad

Menara TA One | 22 Jalan P. Ramlee | 50250 Kuala Lumpur | Malaysia | Tel: 603 – 2072 1277 | Fax: 603 – 2032 5048
www.ta.com.my