

Inta Bina Group Berhad

Looking Forward to a Stronger Year Ahead

TP: RM0.47 (+70.9%)

Last Traded: RM0.275

BUY (ESG: ★★★)

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Results Review

- INTA's FY21 core profit of RM11.8mn came in below expectations, accounting for 80.3% of our full-year estimate. The variance was mainly due to lower-than-expected revenues recorded.
- The group declared a second interim dividend of 0.5sen/share, bringing full year dividend to 1.0sen/share. (FY20: 0.85sen/share).
- YoY, FY21 core profit jumped 16.8% to RM11.8mn as revenue was 19.9% higher at RM336.0mn. The stronger earnings were mainly due to higher work progress following the gradual relaxation of movement restrictions by the government.
- QoQ, 4QFY21 net profit surged 122.3% to RM2.4mn while revenue grew by 99.0% to RM110.4mn. The robust earnings were primarily due to low base effect as the business operations were severely affected by movement restrictions a quarter ago.

Impact

- Maintain FY22 and FY23 earnings forecasts. We introduce FY24 numbers with a projected net profit of RM36.0mn, representing an earnings growth of 8.1%.

Outlook

- INTA's outstanding order book stood at RM1.2bn as of end-December 2021, which translates into 3.6x FY21 revenue. This could provide earnings visibility to the group for the next 3 years.

Valuation

- No change to our target price of **RM0.47**, based on unchanged 10x CY22 earnings. Reiterate **Buy** on INTA.

Share Information

Bloomberg Code	INTA MK
Bursa	INTA
Stock Code	0192
Listing	Main Market
Share Cap (mn)	535.3
Market Cap (RMmn)	147.2
52-wk Hi/Lo (RM)	0.35/0.25
12-mth Avg Daily Vol ('000 shrs)	580.3
Estimated Free Float (%)	28.5
Beta	1.0

Major Shareholders (%)

Apexjaya Industries Sdn Bhd	- 28.1
Ahmad bin Awi	- 12.6
Lim Ooi Joo	- 9.2
Teo Hock Choon	- 8.8

Forecast Revision

	FY22	FY23
Forecast Revision (%)	-	-
Net profit (RMmn)	27.7	33.3
Consensus	-	-
TA's / Consensus (%)	-	-
Previous Rating	Buy (Maintained)	

Financial Indicators

	FY22	FY23
Net Debt / Equity (%)	net cash	net cash
CFPS (sen)	1.7	2.1
Price / CFPS (x)	15.7	13.3
ROA (%)	6.9	6.8
NTA/Share (RM)	28.4	32.5
Price/NTA (x)	1.0	0.8

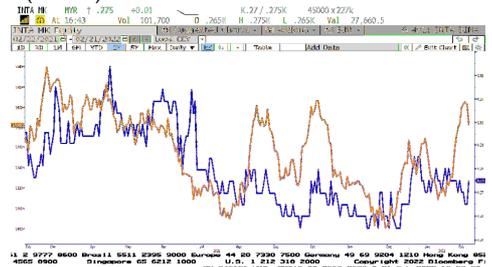
Scorecard

	% of FY	
vs. TA	80.3	Below
vs. Consensus	-	-

Share Performance (%)

Price Change	INTA	FBM KLCI
1 mth	0.0	3.6
3 mth	3.8	3.7
6 mth	(3.5)	4.3
12 mth	(8.3)	(0.1)

(12-Mth) Share Price relative to the FBMKLCI



Source: Bloomberg

Table 1: Earnings Summary (RMmn)

FYE Dec (RMmn)	2020	2021	2022F	2023F	2024F
Revenue	280.3	336.0	576.0	621.6	655.0
Gross profit	26.6	31.5	51.8	59.7	63.5
EBITDA	23.0	29.2	49.7	57.6	61.4
EBITDA margin (%)	8.2	8.7	8.6	9.3	9.4
EBIT	14.5	19.9	39.3	47.2	51.0
Reported PBT	12.9	17.9	37.7	45.3	48.9
Core PBT	15.0	17.9	37.7	45.3	48.9
Reported net profit	8.1	11.8	27.7	33.3	36.0
Core profit	10.1	11.8	27.7	33.3	36.0
Core EPS (sen)	1.9	2.2	4.7	5.6	6.1
PER (x)	14.5	12.4	5.8	4.9	4.5
Gross dividend (sen)	0.9	1.0	1.5	1.5	1.5
Dividend yield (%)	3.1	3.6	5.5	5.5	5.5
ROE (%)	7.3	8.3	17.6	18.5	17.5

Table 2: 4QFY21 Results Analysis (RMmn)

FYE Dec	4Q20	3Q21	4Q21	QoQ (%)	YoY (%)	FY20	FY21	YoY (%)
Revenue	84.9	55.5	110.4	99.0	30.1	280.3	336.0	19.9
Operating profit	6.7	1.8	6.1	237.4	(8.8)	14.5	19.9	37.2
Finance cost	(0.5)	(0.5)	(0.7)	54.4	63.6	(1.6)	(2.0)	25.7
Profit before taxation	4.1	1.3	5.3	303.6	28.6	12.9	17.9	38.3
Core PBT	6.2	1.3	5.3	303.6	(14.1)	15.0	17.9	19.3
Income tax expense	(2.7)	(0.2)	(3.0)	>100.0	10.1	(4.8)	(6.1)	25.9
Net profit	1.4	1.1	2.4	122.3	69.4	8.1	11.8	46.6
Core net profit	3.5	1.1	2.4	122.3	(31.2)	10.1	11.8	16.8
Reported EPS (sen)	0.3	0.2	0.5	114.3	73.1	1.5	2.2	48.0
Core EPS (sen)	0.6	0.2	0.5	114.3	(29.7)	1.9	2.2	18.1
Dividend (sen)	0.4	0.5	0.5	0.0	42.9	0.9	1.0	17.6
Margin (%):								
- Operating	7.8	3.2	5.5	2.3	(2.3)	5.9	5.9	0.0
- Core PBT	7.3	2.4	4.8	2.4	(2.5)	5.3	5.3	(0.0)
- PAT	4.1	1.9	2.2	0.2	(1.9)	3.6	3.5	(0.1)
- Effective tax rate	65.9	18.5	56.4	37.9	(9.5)	37.5	34.1	(3.4)

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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, February 22, 2022, 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

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