

THIS REPORT IS STRICTLY FOR INTERNAL CIRCULATION ONLY*

Inta Bina Group Berhad

TP: RM0.62 (+59.5%)

Winning Spree, New Job Win Worth RM224.8mn!

Last Traded: RM0.39

BUY (ESG: ★★★)

Raymond Ng Ing Yeow

Tel: +603-2167 9601

raymondng@ta.com.my

www.taonline.com.my

Secures RM224.8mn of Building Works

INTA has been awarded a RM224.8mn contract by Tropicana Metropark Sdn Bhd, a subsidiary of Tropicana Corporation Bhd to carry out the construction works of a 38-storey serviced apartment in Subang Jaya, Selangor. This contract entails: -

- (i) 30 floors of business serviced apartment
- (ii) 8 floors of podium block.

The project shall commence on 2 May 2024 with a construction period of 34 months.

Our View

We are positive on the third contract win in FY24, lifting its year-to-date new job wins to RM743.4mn. This achievement represents 92.9% of our FY24 new job win assumption of RM800mn. With an estimated PBT margin of 5.4%, this latest project is expected to contribute net earnings of c.RM9.2mn throughout the construction period.

Following the job win, we estimate INTA's total outstanding order book to be around RM1.6bn, equivalent to 2.5x FY23 revenue.

Impact

Considering the strong momentum in new order book replenishment, we have revised our FY24 order book replenishment assumption to RM1.2bn from RM800mn previously. Consequently, our FY24/25/26F earnings forecast have been revised higher by 1.8%/25.5%/25.0%, respectively.

Valuation

In tandem with the earnings revision, we toned up our target price to **RM0.62** (from RM0.50), based on unchanged 11x CY25 earnings. We continue to like INTA for the following factors: (i) a direct beneficiary of the robust domestic property sector, (ii) strong earnings visibility backed by a resilient orderbook, and (iii) improving profitability. Maintain **Buy** call on the stock.

Share Information

Bloomberg Code	INTA MK
Bursa	INTA
Stock Code	0192
Listing	Main Market
Share Cap (mn)	541.7
Market Cap (RMmn)	211.3
52-wk Hi/Lo (RM)	0.40/0.20
12-mth Avg Daily Vol ('000 shrs)	1239.5
Estimated Free Float (%)	22.4
Beta	0.5

Major Shareholders (%)

Apexjaya Industries Sdn Bhd	34.7
Ahmad bin Awi	12.5
Lim Ooi Joo	9.1
Teo Hock Choon	8.7

Forecast Revision

	FY24	FY25
Forecast Revision (%)	1.8	25.5
Net profit (RMmn)	26.2	35.6
Consensus	-	-
TA's / Consensus (%)	-	-
Previous Rating	Buy (Maintained)	
Consensus Target Price	-	

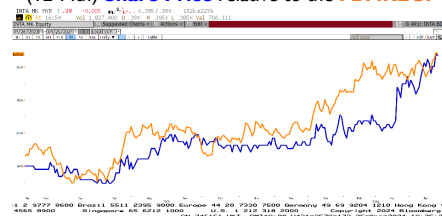
Financial Indicators

	FY23	FY24
Net Debt / Equity (%)	net cash	net cash
CFPS (sen)	(3.4)	0.3
Price / CFPS (x)	(11.4)	118.1
ROA (%)	5.0	6.1
NTA/Share (sen)	33.5	35.2
Price/NTA (x)	1.2	1.1

Share Performance (%)

Price Change	INTA	FBMKLCI
1 mth	11.4	2.1
3 mth	39.3	4.3
6 mth	56.0	8.8
12 mth	69.6	10.1

(12-Mth) Share Price relative to the FBMKLCI



Source: Bloomberg

Earnings Summary

Profit & Loss (RMmn)

YE Dec 31	2022	2023	2024F	2025F	2026F
Revenue	466.3	650.1	656.1	807.5	878.4
EBITDA	28.5	47.0	49.4	62.6	69.8
Depreciation	(11.3)	(10.9)	(11.2)	(11.4)	(11.4)
EBIT	16.6	36.1	38.2	51.2	58.4
Finance cost	(3.1)	(5.6)	(2.6)	(2.8)	(3.0)
PBT	13.7	31.9	35.6	48.4	55.4
Taxation	(4.1)	(9.0)	(9.4)	(12.8)	(14.7)
Net profit	9.6	22.9	26.2	35.6	40.7
Core profit	10.8	23.2	26.2	35.6	40.7
GDPS (sen)	0.8	1.5	1.5	1.5	2.0
Div Yield (%)	1.9	3.8	3.8	3.8	5.1

Cash Flow (RMmn)

YE Dec 31	2022	2023	2024F	2025F	2026F
PBT	13.7	31.9	35.6	48.4	55.4
Adjustments	15.3	23.4	13.7	14.2	14.4
Changes in WC	(27.9)	37.9	(39.0)	(25.2)	(10.3)
Interest & tax	(4.8)	(9.0)	(9.4)	(12.8)	(14.7)
Operational cash flow	(5.5)	84.1	0.9	24.5	44.8
Capex	(4.7)	(8.3)	(9.2)	(10.0)	(10.0)
Others	(6.3)	(5.0)	(5.0)	(5.0)	(5.0)
Investment cash flow	(11.0)	(13.3)	(14.2)	(15.0)	(15.0)
Debt raised/(repaid)	40.0	4.8	4.8	4.8	4.8
Dividend	(5.4)	(8.1)	(8.8)	(9.4)	(13.5)
Others	(11.3)	(5.6)	(2.6)	(2.8)	(3.0)
Financial cash flow	23.4	(8.9)	(6.6)	(7.4)	(11.7)
Net cash flow	7.0	62.0	(19.9)	2.1	18.2
Beginning cash	23.8	30.7	92.7	72.8	74.9
Ending cash	30.7	92.7	72.8	74.9	93.0
Adjustments	43.4	35.5	35.5	35.5	35.5
Cash	74.2	128.2	108.3	110.3	128.5

Assumptions (RMmn)

YE Dec 31	2022	2023	2024F	2025F	2026F
New job wins	626	453	1200	800	800

Balance Sheet (RMmn)

YE Dec 31	2022	2023	2024F	2025F	2026F
Fixed assets	32.4	32.9	31.3	30.3	29.3
Others	42.7	32.0	36.6	41.2	45.8
NCA	75.1	64.8	67.8	71.4	75.0
Cash	74.2	101.3	108.3	110.3	128.5
Receivables	211.3	255.9	295.2	367.4	399.7
Others	65.1	87.5	67.2	82.3	89.4
CA	350.6	444.7	470.6	560.1	617.6
Total assets	425.7	509.5	538.5	631.5	692.6
ST borrowings	78.6	51.8	51.6	51.4	51.2
Payables	179.4	247.1	229.6	282.6	307.4
Other liabilities	5.8	26.7	42.1	51.2	55.5
CL	263.7	325.6	323.4	385.3	414.1
Shareholders' funds	152.3	169.6	195.8	221.9	249.2
LT borrowings	8.2	13.9	18.9	23.9	28.9
Other LT liabilities	1.5	0.4	0.4	0.4	0.4
Total capital	425.7	509.5	538.5	631.5	692.6

Ratio

YE Dec 31	2022	2023	2024F	2025F	2026F
EBITDA Margins (%)	6.1	7.2	7.5	7.7	7.9
Core EPS (sen)	2.0	4.3	4.5	5.7	6.0
EPS Growth (%)	(8.5)	115.0	4.3	26.2	7.0
PER (x)	19.5	9.1	8.7	6.9	6.4
GDPS (sen)	0.8	1.5	1.5	1.5	2.0
Div Yield (%)	1.9	3.8	3.8	3.8	5.1
Net cash (RMmn)	(12.6)	35.5	37.7	35.0	48.4
Net gearing (%)	(12.6)	net cash	net cash	net cash	net cash
ROE (%)	7.2	14.4	14.4	17.1	17.3
ROA (%)	2.7	5.0	5.0	6.1	6.2
NTA (sen)	28.2	31.4	33.5	35.2	36.9
P/NTA(x)	1.4	1.2	1.2	1.1	1.1

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

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 55.6% independent directors with 22.0% consists of woman director.	

- ★★★★★ (≥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.

Disclaimer

The information in this report has been obtained from sources believed to be reliable. Its accuracy and/ or completeness is not guaranteed and opinions are subject to change without notice. This report is for information only and not to be construed as a solicitation for contracts. We accept no liability for any direct or indirect loss arising from the use of this document. We, our associates, directors, employees may have an interest in the securities and/or companies mentioned herein.

As of Friday, April 26, 2024, the analyst, Raymond Ng Ing Yeow, 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 197301001467 (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