

## Inta Bina Group Berhad

Secures RM112.0mn Main Building Works

**TP: RM0.71** (+67.1%)

Last Traded: RM0.425

**BUY (ESG: ★★★)**

Raymond Ng Ing Yeow

Tel: +603-2167 9601

raymondng@ta.com.my

www.taonline.com.my

### Bags RM112.0mn of Main Building and Associated Works

INTA has secured a letter of award from Gamuda Land Sdn Bhd, a subsidiary of Gamuda Bhd, for a contract value of RM112.0mn. This contract is for the proposed development of 174 units of semi-detached houses, which include:-

- (A) Phase 1
  - (i) 124 units of semi-detached houses
  - (ii) 1 unit of guard house
  - (iii) 1 unit of JMB management office, and
  - (iv) 2 units of TNB substation
- (B) Phase 2
  - (i) 50 units of semi-detached houses.

This project will commence on 4 June 2024 with a construction period of 23 months.

### Our View

This marks INTA's fifth contract in FY24, bringing the year-to-date new job wins to RM1.1bn. This achievement also represents 91.7% of our initial FY24 new job win assumption of RM1.2bn. Assuming an estimated PBT margin of 5.4%, this project is anticipated to contribute a net profit of approximately RM4.6mn throughout the construction period.

Meanwhile, we estimate INTA's total outstanding order book to be around RM1.8bn, equivalent to 2.9x FY23 revenue.

### Impact

Following the new strong order book replenishment in 1HFY24, we have revised our FY24 order book replenishment assumption from RM1.2bn to RM1.6bn. As a result, our FY24/25/26F earnings forecasts have been adjusted higher by 1.8%/13.6%/27.3%, respectively.

### Valuation

Following the earnings revision, we raised our target price to RM0.71, premised 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 order book, and (iii) improving profitability. Maintain a **Buy** call on the stock.

### Share Information

Bloomberg Code	INTA MK
Bursa	INTA
Stock Code	0192
Listing	Main Market
Share Cap (mn)	545.2
Market Cap (RMmn)	231.7
52-wk Hi/Lo (RM)	0.46/0.2
12-mth Avg Daily Vol ('000 shrs)	1749.7
Estimated Free Float (%)	33.7
Beta	0.5

### Major Shareholders (%)

Apexjaya Industries Sdn Bhd	34.5
Lim Ooi Joo	9.0
Teo Hock Choon	8.7

### Forecast Revision

	FY24	FY25
Forecast Revision (%)	1.8	13.6
Net profit (RMmn)	26.6	40.4
Consensus	-	-
TA's / Consensus (%)	-	-
Previous Rating	Buy (Maintained)	
Consensus Target Price	-	

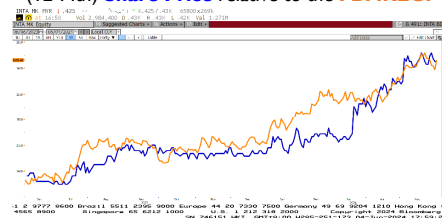
### Financial Indicators

	FY24	FY25
Net Debt / Equity (%)	net cash	net cash
CFPS (sen)	(3.4)	(1.1)
Price / CFPS (x)	(12.5)	(39.8)
ROA (%)	5.1	6.7
NTA/Share (sen)	33.5	35.6
Price/NTA (x)	1.3	1.2

### Share Performance (%)

Price Change	INTA	FBM KLCI
1 mth	9.0	1.6
3 mth	46.6	5.0
6 mth	66.7	10.9
12 mth	84.8	17.0

### (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	664.1	887.5	1,058.4
EBITDA	28.5	47.6	50.1	69.2	85.0
Depreciation	(11.3)	(11.5)	(11.2)	(11.4)	(11.4)
EBIT	16.6	36.1	38.9	57.8	73.6
Finance cost	(3.1)	(5.6)	(2.7)	(2.8)	(3.0)
PBT	13.7	31.8	36.3	54.9	70.5
Taxation	(4.1)	(8.9)	(9.6)	(14.6)	(18.7)
Net profit	9.6	22.9	26.6	40.4	51.9
Core profit	10.8	23.2	26.6	40.4	51.9
GDPS (sen)	0.8	1.5	1.5	2.0	2.5
Div Yield (%)	1.8	3.5	3.5	4.7	5.9

### Cash Flow (RMmn)

YE Dec 31	2022	2023	2024F	2025F	2026F
PBT	13.7	31.8	36.3	54.9	70.5
Adjustments	15.3	15.0	13.8	14.2	14.4
Changes in WC	(27.9)	39.3	(39.4)	(35.7)	(24.8)
Interest & tax	(4.8)	(8.2)	(9.6)	(14.6)	(18.7)
<b>Operational cash flow</b>	<b>(5.5)</b>	<b>65.6</b>	<b>1.0</b>	<b>18.9</b>	<b>41.5</b>
Capex	(4.7)	(9.9)	(9.2)	(10.0)	(10.0)
Others	(6.3)	(3.9)	(5.0)	(5.0)	(5.0)
<b>Investment cash flow</b>	<b>(11.0)</b>	<b>(13.7)</b>	<b>(14.2)</b>	<b>(15.0)</b>	<b>(15.0)</b>
Debt raised/(repaid)	40.0	(17.2)	4.8	4.8	4.8
Dividend	(5.4)	(6.7)	(8.8)	(12.6)	(16.8)
Others	(11.3)	(4.9)	(2.7)	(2.8)	(3.0)
<b>Financial cash flow</b>	<b>23.4</b>	<b>(28.7)</b>	<b>(6.6)</b>	<b>(10.6)</b>	<b>(15.1)</b>
<b>Net cash flow</b>	<b>7.0</b>	<b>23.1</b>	<b>(19.8)</b>	<b>(6.7)</b>	<b>11.4</b>
<b>Beginning cash</b>	<b>23.8</b>	<b>30.7</b>	<b>53.9</b>	<b>34.0</b>	<b>27.3</b>
<b>Ending cash</b>	<b>30.7</b>	<b>53.9</b>	<b>34.0</b>	<b>27.3</b>	<b>38.8</b>
Adjustments	43.4	53.3	35.5	35.5	35.5
<b>Cash</b>	<b>74.2</b>	<b>107.2</b>	<b>69.5</b>	<b>62.8</b>	<b>74.2</b>

### Assumptions (RMmn)

YE Dec 31	2022	2023	2024F	2025F	2026F
New job wins	626	453	1600	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
<b>NCA</b>	<b>75.1</b>	<b>64.8</b>	<b>67.8</b>	<b>71.4</b>	<b>75.0</b>
Cash	74.2	101.5	69.5	62.8	74.2
Receivables	211.3	257.5	298.8	403.8	481.6
Others	65.1	85.4	106.8	129.1	146.2
<b>CA</b>	<b>350.6</b>	<b>444.4</b>	<b>475.1</b>	<b>595.8</b>	<b>702.0</b>
<b>Total assets</b>	<b>425.7</b>	<b>509.3</b>	<b>543.0</b>	<b>667.2</b>	<b>777.1</b>
ST borrowings	78.6	51.9	51.7	51.5	51.3
Payables	179.4	244.7	232.4	310.6	370.4
Other liabilities	5.8	28.2	42.6	56.0	66.3
<b>CL</b>	<b>263.7</b>	<b>324.7</b>	<b>326.7</b>	<b>418.2</b>	<b>488.0</b>
<b>Shareholders' funds</b>	<b>152.3</b>	<b>169.5</b>	<b>196.3</b>	<b>224.1</b>	<b>259.1</b>
LT borrowings	8.2	14.6	19.6	24.6	29.6
Other LT liabilities	1.5	0.4	0.4	0.4	0.4
<b>Total capital</b>	<b>425.7</b>	<b>509.3</b>	<b>543.0</b>	<b>667.2</b>	<b>777.1</b>

### Ratio

YE Dec 31	2022	2023	2024F	2025F	2026F
EBITDA Margins (%)	6.1	7.3	7.5	7.8	8.0
Core EPS (sen)	2.0	4.3	4.6	6.4	7.7
EPS Growth (%)	(8.5)	114.9	6.2	40.8	19.9
PER (x)	21.3	9.9	9.3	6.6	5.5
GDPS (sen)	0.8	1.5	1.5	2.0	2.5
Div Yield (%)	1.8	3.5	3.5	4.7	5.9
Net cash (RMmn)	(12.6)	35.0	(1.8)	(13.3)	(6.6)
Net gearing (%)	(12.6)	net cash	(1.8)	(13.3)	(6.6)
ROE (%)	7.2	14.4	14.6	19.3	21.5
ROA (%)	2.7	5.0	5.1	6.7	7.2
NTA (sen)	28.2	31.4	33.5	35.6	38.4
P/NTA(x)	1.5	1.4	1.3	1.2	1.1

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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
<b>Scoring</b>	★★★	★★★	★★★	★★★
<b>Remark</b>	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% 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

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As of Wednesday, June 05, 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