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Inta Bina Group Berhad

TP: RM0.72 (+48.5%)
Bags RM96.5mn Main Building Works
Last Traded: RM0.485
BUY (ESG: ★★★)

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Wins RM96.5mn of Main Building Works

INTA has secured a new project worth RM96.5mn from Sime Darby Property Sdn Bhd, a subsidiary of Sime Darby Property Bhd. The contract involves the construction of the main building for a 37-storey serviced apartment located at Persiaran Putra Perdana, Selangor. The scope of the project includes the construction of 246 units of service apartments and 62 units of affordable apartments, five carpark levels, residents' facilities, and a guardhouse.

This project is slated for completion within 30 months from 18 September 2024.

Our View

This marks the sixth project secured by INTA in FY24, lifting its year-to-date new job wins to RM1.2bn. Notably, INTA's total outstanding order book stood at RM1.8bn, translating to 2.8x FY23 revenue.

Assuming an estimated PBT margin of 5.5%, this project should contribute a net profit of c.RM4.0mn throughout the construction period.

Impact

No change to our earnings forecasts, given that the new job wins fall within our FY24 order book replenishment assumption of RM1.6bn.

Valuation

We maintain our target price at **RM0.72**, 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 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)	551.0
Market Cap (RMmn)	267.2
52-wk Hi/Lo (RM)	0.54/0.245
12-mth Avg Daily Vol ('000 shrs)	3184.4
Estimated Free Float (%)	28.2
Beta	1.0

Major Shareholders (%)

Apexjaya Industries Sdn Bhd	30.4
Lim Ooi Joo	8.9
	8.6

Forecast Revision

	FY24	FY25
Forecast Revision (%)	0.0	0.0
Net profit (RMmn)	29.5	41.2
Consensus	-	-
TA's / Consensus (%)	-	-
Previous Rating	Buy (Maintained)	
Consensus Target Price	-	

Financial Indicators

	FY24	FY25
Net Debt / Equity (%)	(1.7)	(4.2)
CFPS (sen)	(3.7)	(0.2)
Price / CFPS (x)	(13.2)	(216.3)
ROA (%)	5.5	6.7
NTA/Share (sen)	34.0	36.2
Price/NTA (x)	1.4	1.3

Share Performance (%)

Price Change	INTA	FBM KLCI
1 mth	31.1	8.4
3 mth	4.3	3.5
6 mth	70.2	8.3
12 mth	83.0	14.4

(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	696.1	887.5	1,058.4
EBITDA	28.5	47.6	54.1	70.3	86.1
Depreciation	(11.3)	(11.5)	(11.2)	(11.4)	(11.4)
EBIT	16.6	36.1	42.9	58.9	74.7
Finance cost	(3.1)	(5.6)	(2.7)	(2.8)	(3.0)
PBT	13.7	31.8	40.2	56.1	71.7
Taxation	(4.1)	(8.9)	(10.7)	(14.9)	(19.0)
Net profit	9.6	22.9	29.5	41.2	52.7
Core profit	10.8	23.2	29.5	41.2	52.7
GDPS (sen)	0.8	1.5	1.5	2.0	2.5
Div Yield (%)	1.5	3.1	3.1	4.1	5.2

Cash Flow (RMmn)

YE Dec 31	2022	2023	2024F	2025F	2026F
PBT	13.7	31.8	40.2	56.1	71.7
Adjustments	15.3	15.0	13.8	14.2	14.4
Changes in WC	(27.9)	39.3	(43.9)	(31.2)	(24.8)
Interest & tax	(4.8)	(8.2)	(10.7)	(14.9)	(19.0)
Operational cash flow	(5.5)	65.6	(0.6)	24.2	42.3
Capex	(4.7)	(9.9)	(9.2)	(10.0)	(10.0)
Others	(6.3)	(3.9)	(5.0)	(5.0)	(5.0)
Investment cash flow	(11.0)	(13.7)	(14.2)	(15.0)	(15.0)
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)
Financial cash flow	23.4	(28.7)	(6.6)	(10.6)	(15.1)
Net cash flow	7.0	23.1	(21.4)	(1.4)	12.3
Beginning cash	23.8	30.7	53.9	32.5	31.0
Ending cash	30.7	53.9	32.5	31.0	43.3
Adjustments	43.4	53.3	35.5	35.5	35.5
Cash	74.2	107.2	67.9	66.5	78.8

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
NCA	75.1	64.8	67.8	71.4	75.0
Cash	74.2	101.5	67.9	66.5	78.8
Receivables	211.3	257.5	313.2	403.8	481.6
Others	65.1	85.4	110.0	129.1	146.2
CA	350.6	444.4	491.1	599.5	706.6
Total assets	425.7	509.3	559.0	670.9	781.6
ST borrowings	78.6	51.9	51.7	51.5	51.3
Payables	179.4	244.7	243.6	310.6	370.4
Other liabilities	5.8	28.2	44.5	56.0	66.3
CL	263.7	324.7	339.8	418.2	488.0
Shareholders' funds	152.3	169.5	199.2	227.8	263.7
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
Total capital	425.7	509.3	559.0	670.9	781.6

Ratio

YE Dec 31	2022	2023	2024F	2025F	2026F
EBITDA Margins (%)	6.1	7.3	7.8	7.9	8.1
Core EPS (sen)	2.0	4.3	5.1	6.6	7.8
EPS Growth (%)	(8.5)	114.9	17.8	29.6	19.4
PER (x)	24.3	11.3	9.6	7.4	6.2
GDPS (sen)	0.8	1.5	1.5	2.0	2.5
Div Yield (%)	1.5	3.1	3.1	4.1	5.2
Net cash (RMmn)	(12.6)	35.0	(3.3)	(9.5)	(2.1)
Net gearing (%)	8.3	net cash	1.7	4.2	0.8
ROE (%)	7.2	14.4	16.1	19.3	21.5
ROA (%)	2.7	5.0	5.5	6.7	7.3
NTA (sen)	28.2	31.4	34.0	36.2	39.1
P/NTA(x)	1.7	1.5	1.4	1.3	1.2

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Sector Recommendation Guideline

OVERWEIGHT: The total return of the sector, as per our coverage universe, exceeds 12%.

NEUTRAL: The total return of the sector, as per our coverage universe, is within the range of 7% to 12%.

UNDERWEIGHT: The total return of the sector, as per our coverage universe, is lower than 7%.

Stock Recommendation Guideline

BUY : Total return of the stock exceeds 12%.

HOLD : Total return of the stock is within the range of 7% to 12%.

SELL : Total return of the stock is lower than 7%.

Not Rated: The company is not under coverage. The report is for information only.

Total Return of the stock includes expected share price appreciation, adjustment for ESG rating and gross dividend. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

Total Return of the sector is market capitalisation weighted average of total return of the stocks in the sector.

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% women directors.	

- ★★★★★ (≥80%) : Displayed market leading capabilities in integrating ESG factors in all aspects of operations, management and future directions. +5% premium to target price
- ★★★★ (60-79%) : Above adequate integration of ESG factors into most aspects of operations, management and future directions. +3% premium to target price
- ★★★ (40-59%) : Adequate integration of ESG factors into operations, management and future directions. No changes to target price
- ★★ (20-39%) : Have some integration of ESG factors in operations and management but are insufficient. -3% discount to target price
- ★ (<20%) : Minimal or no integration of ESG factors in operations and management. -5% discount to target price

Disclaimer

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As of Friday, September 06, 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

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