

Inta Bina Group Berhad

Secures RM160.6mn of Building Job

TP: RM0.47 (+70.9%)

Last Traded: RM0.275

BUY (ESG: ★★★)

Chan Mun Chun

Tel: +603-2167 9731

mcchan@ta.com.my

www.taonline.com.my

Secures RM160.6mn of Building Job

INTA has secured main building works from Sunway Artessa Sdn Bhd for a contract sum of RM160.6mn.

The contract involves the construction of a 47-storey apartment (468 units) with 4 levels of underground carpark and a developer unit on the rooftop in Wangsa Maju, Kuala Lumpur.

The project has a construction period of 33 months, commencing from the date of site possession which will be determined later.

Our View

This is the first major job win for INTA in 2022, and it helps boost its outstanding order book to about RM1.3bn currently, equivalent to 4.6x FY20 revenue.

Assuming a gross margin of 10%, the project is estimated to contribute RM6.4mn in net earnings throughout the construction period.

Impact

Maintain FY21 to FY23 earnings forecasts as the job win is within our FY22 order book replenishment assumption of RM600mn.

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)	600.1
Estimated Free Float (%)	28.5
Beta	1.1

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)	

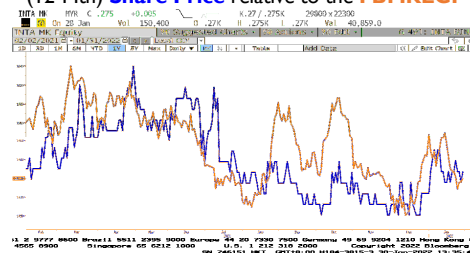
Financial Indicators

	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 (sen)	28.4	32.5
Price/NTA (x)	1.0	0.8

Share Performance (%)

Price Change	INTA	FBM KLCI
1 mth	3.8	(1.3)
3 mth	1.9	(3.0)
6 mth	(1.8)	0.3
12 mth	(3.5)	(3.8)

(12-Mth) Share Price relative to the FBMKLCI



Source: Bloomberg

Earnings Summary

Profit & Loss (RMmn)

YE Dec 31	2019	2020	2021F	2022F	2023F
Revenue	411.6	280.3	344.0	576.0	621.6
EBITDA	39.9	22.6	31.8	49.7	57.6
Depreciation	(8.2)	(8.0)	(10.4)	(10.4)	(10.4)
EBIT	31.7	14.5	21.4	39.3	47.2
Finance cost	(1.9)	(1.6)	(1.3)	(1.6)	(1.9)
PBT	29.8	12.9	20.1	37.7	45.3
Taxation	(7.4)	(4.8)	(5.3)	(10.0)	(12.0)
Net profit	22.4	8.1	14.8	27.7	33.3
Core profit	22.4	10.2	14.8	27.7	33.3
GDPS (sen)	1.0	0.9	1.0	1.5	1.5
Div Yield (%)	3.6	3.1	3.6	5.5	5.5

Cash Flow (RMmn)

YE Dec 31	2019	2020	2021F	2022F	2023F
PBT	29.8	12.9	20.1	37.7	45.3
Adjustments	8.9	10.3	11.7	12.0	12.3
Changes in WC	(11.1)	(14.0)	(12.9)	(10.8)	(14.4)
Interest & tax	(7.8)	(5.2)	(5.3)	(10.0)	(12.0)
Operational cash flow	19.8	4.0	13.6	28.9	31.2
Capex	(1.5)	(5.1)	(8.0)	(8.0)	(8.0)
Others	2.6	2.0	(5.0)	(5.0)	(5.0)
Investment cash flow	1.2	(3.1)	(13.0)	(13.0)	(13.0)
Debt raised/(repaid)	3.1	2.6	4.8	4.8	4.8
Dividend	(6.7)	(5.4)	(5.9)	(8.8)	(8.8)
Others	(10.9)	(2.4)	(1.3)	(1.6)	(1.9)
Financial cash flow	(14.5)	(5.1)	(2.4)	(5.7)	(6.0)
Net cash flow	6.5	(4.2)	(1.8)	10.3	12.2
Beginning cash	11.8	18.3	14.0	12.2	22.5
Ending cash	18.3	14.0	12.2	22.5	34.7
Adjustments	41.9	35.5	35.5	35.5	35.5
Cash	60.1	49.5	47.7	58.0	70.2

Assumptions (RMmn)

YE Dec 31	2019	2020	2021F	2022F	2023F
New job wins	369	783	391	600	600

Balance Sheet (RMmn)

YE Dec 31	2019	2020	2021F	2022F	2023F
Fixed assets	23.9	26.3	24.3	22.3	20.3
Others	28.0	22.7	27.3	31.9	36.5
NCA	51.9	49.0	51.6	54.2	56.8
Cash	60.1	49.5	47.7	58.0	70.2
Receivables	217.2	198.6	206.4	293.8	323.2
Others	34.3	41.2	38.0	57.7	62.3
CA	311.6	289.3	292.0	409.5	455.7
Total assets	363.5	338.2	343.6	463.6	512.4
ST borrowings	31.0	30.7	30.5	30.3	30.1
Payables	160.0	151.6	120.4	201.6	217.6
Other liabilities	26.4	8.8	31.7	46.8	50.5
CL	217.4	191.1	182.6	278.7	298.1
Shareholders' funds	136.8	139.6	148.4	167.3	191.7
LT borrowings	8.6	7.1	12.1	17.1	22.1
Other LT liabilities	0.6	0.5	0.5	0.5	0.5
Total capital	363.5	338.2	343.6	463.6	512.4

Ratio

YE Dec 31	2019	2020	2021F	2022F	2023F
EBITDA Margins (%)	9.7	8.1	9.2	8.6	9.3
Core EPS (sen)	4.2	1.9	2.5	4.7	5.6
EPS Growth (%)	5.8	(54.7)	32.0	87.8	19.8
PER (x)	6.6	14.5	11.0	5.8	4.9
GDPS (sen)	1.0	0.9	1.0	1.5	1.5
Div Yield (%)	3.6	3.1	3.6	5.5	5.5
Net cash (RMmn)	20.4	11.7	5.1	10.6	18.0
Net gearing (%)	net cash	net cash	net cash	net cash	net cash
ROE (%)	17.4	7.4	10.2	17.6	18.5
ROA (%)	6.2	2.9	4.3	6.9	6.8
NTA (sen)	25.6	26.1	25.2	28.4	32.5
P/NTA(x)	1.1	1.1	1.1	1.0	0.8

(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 50% independent directors with 12.5% 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 Monday, January 31, 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

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