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Inta Bina Group Berhad

TP: RM0.30 (+33.3%)
Secures RM93.7mn of Building Job
Last Traded: RM0.225
BUY (ESG: ★★★)

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Secures RM93.7mn of Building Job

INTA has secured a RM93.7mn contract for superstructure works from Sime Darby Property (KL East) Sdn Bhd in Gombak, Selangor.

The project involves the construction of a 34-storey serviced apartment comprising 234 units.

The construction works are expected to commence on 16 January 2023 and will take 28 months to complete from the commencement date.

Our View

This is the fifth construction job secured by INTA in 2022, bringing the total year-to-date contract win to about RM626.0mn. Assuming a gross margin of 9%, the project is estimated to generate RM3.3mn of net earnings throughout the construction period.

Following the job win, INTA's total outstanding order book now stands at about RM1.3bn, equivalent to 3.7x FY21 revenue.

Impact

Maintain FY22 to FY24 earnings forecasts as the job win is within our FY22 order book replenishment assumption of RM650mn.

Valuation

No change to our target price of **RM0.30**, based on unchanged 10x CY23 earnings. Maintain **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)	120.4
52-wk Hi/Lo (RM)	0.285/0.205
12-mth Avg Daily Vol ('000 shrs)	95.3
Estimated Free Float (%)	23.2
Beta	0.2

Major Shareholders (%)

Apexjaya Industries Sdn Bhd	- 34.9
Ahmad bin Awi	- 12.6
Lim Ooi Joo	- 9.2
Teo Hock Choon	- 8.8

Forecast Revision

	FY22	FY23
Forecast Revision (%)	-	-
Net profit (RMmn)	13.1	18.0
Consensus	-	-
TA's / Consensus (%)	-	-
Previous Rating	Buy (Maintained)	
Consensus Target Price	-	

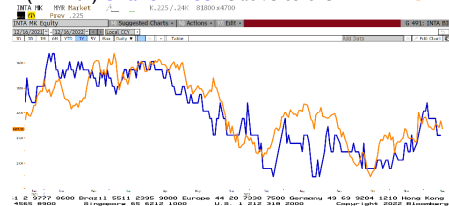
Financial Indicators

	FY22	FY23
Net Debt / Equity (%)	net cash	net cash
CFPS (sen)	3.4	1.7
Price / CFPS (x)	6.7	13.5
ROA (%)	3.3	4.2
NTA/Share (sen)	26.2	28.2
Price/NTA (x)	0.9	0.8

Share Performance (%)

Price Change	INTA	FBM KLCI
1 mth	2.3	1.1
3 mth	0.0	0.0
6 mth	(2.2)	0.6
12 mth	(13.5)	(1.1)

(12-Mth) Share Price relative to the FBMKLCI



Source: Bloomberg

Earnings Summary

Profit & Loss (RMmn)

YE Dec 31	2020	2021	2022F	2023F	2024F
Revenue	280.3	336.0	456.0	521.6	585.0
EBITDA	22.6	29.5	30.3	37.5	45.5
Depreciation	(8.0)	(9.9)	(10.4)	(10.9)	(11.2)
EBIT	14.5	19.6	19.9	26.6	34.3
Finance cost	(1.6)	(1.7)	(2.1)	(2.2)	(2.3)
PBT	12.9	17.9	17.8	24.5	32.0
Taxation	(4.8)	(6.2)	(4.7)	(6.5)	(8.5)
Net profit	8.1	11.7	13.1	18.0	23.5
Core profit	10.2	11.8	13.1	18.0	23.5
GDPS (sen)	0.9	1.0	1.0	1.0	1.0
Div Yield (%)	3.8	4.4	4.4	4.4	4.4

Cash Flow (RMmn)

YE Dec 31	2020	2021	2022F	2023F	2024F
PBT	12.9	17.9	17.8	24.5	32.0
Adjustments	10.3	10.8	26.4	13.1	13.5
Changes in WC	(14.0)	16.0	(4.4)	(4.6)	(14.7)
Interest & tax	(5.2)	(4.5)	(4.7)	(6.5)	(8.5)
Operational cash flow	4.0	30.1	35.1	26.4	22.3
Capex	(5.1)	(5.6)	(7.0)	(8.3)	(9.2)
Others	1.4	(1.5)	(5.0)	(5.0)	(5.0)
Investment cash flow	(3.7)	(7.1)	(12.0)	(13.3)	(14.2)
Debt raised/(repaid)	2.6	5.4	4.8	4.8	4.8
Dividend	(5.4)	(4.5)	(5.9)	(5.9)	(5.9)
Others	(1.8)	(13.0)	(2.1)	(2.2)	(2.3)
Financial cash flow	(4.5)	(12.2)	(3.2)	(3.3)	(3.4)
Net cash flow	(4.2)	10.8	19.9	9.9	4.7
Beginning cash	18.3	14.0	24.9	44.8	54.6
Ending cash	14.0	24.9	44.8	54.6	59.3
Adjustments	35.5	39.3	35.5	35.5	35.5
Cash	49.5	64.2	80.2	90.1	94.8

Assumptions (RMmn)

YE Dec 31	2020	2021	2022F	2023F	2024F
New job wins	783	391	650	600	600

Balance Sheet (RMmn)

YE Dec 31	2020	2021	2022F	2023F	2024F
Fixed assets	26.3	35.8	32.8	30.6	29.0
Others	22.7	34.7	29.0	33.6	38.2
NCA	49.0	70.5	61.8	64.2	67.2
Cash	49.5	64.2	80.2	90.1	94.8
Receivables	198.6	176.8	218.9	245.2	269.1
Others	41.2	73.9	45.7	52.3	58.6
CA	289.3	314.9	344.8	387.5	422.5
Total assets	338.2	385.4	406.7	451.8	489.7
ST borrowings	30.7	37.6	37.4	37.2	37.0
Payables	151.6	159.3	159.6	182.6	204.8
Other liabilities	8.8	29.3	38.5	43.7	37.1
CL	191.1	226.1	235.4	263.4	278.8
Shareholders' funds	139.6	146.8	154.0	166.1	183.6
LT borrowings	7.1	11.2	16.2	21.2	26.2
Other LT liabilities	0.5	1.1	1.1	1.1	1.1
Total capital	338.2	385.4	406.7	451.8	489.7

Ratio

YE Dec 31	2020	2021	2022F	2023F	2024F
EBITDA Margins (%)	8.1	8.8	6.6	7.2	7.8
Core EPS (sen)	1.9	2.2	2.2	3.0	4.0
EPS Growth (%)	(54.7)	15.9	0.8	37.4	30.6
PER (x)	11.8	10.2	10.1	7.4	5.6
GDPS (sen)	0.9	1.0	1.0	1.0	1.0
Div Yield (%)	3.8	4.4	4.4	4.4	4.4
Net cash (RMmn)	11.7	15.4	26.7	31.8	31.6
Net gearing (%)	net cash	net cash	net cash	net cash	net cash
ROE (%)	7.4	8.2	8.7	11.2	13.4
ROA (%)	2.9	3.3	3.3	4.2	5.0
NTA (sen)	26.1	27.4	26.2	28.2	31.1
P/NTA(x)	0.9	0.8	0.9	0.8	0.7

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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 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 Friday, December 16, 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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