

30 November 2009

**HOLD
RM0.83**

Target Price: RM0.70

Stock data

Market cap (RMm):	86.3m
Issued shares (m):	103.9m
52-week range:	RM0.70-RM0.96
3-mth avg daily volume:	42,244 shrs
Bloomberg code:	BINMK
YTD price chg:	-13.5%
YTD KLCI chg:	+44.9%
Est. free float:	38.5%
Major shareholders:	
<i>Jentera Jati S/B:</i>	19.6%
<i>Bumimaju Mawar S/B</i>	19.2%
<i>Tan Sri Datuk</i>	14.0%
<i>Tee Hock Seng, JP:</i>	
<i>Dr. Tan Cheng Kiat:</i>	8.7%

KLCI	FBM70	FBM100	Syariah	Hijrah
No	No	No	Yes	No

Consensus

FYE31 Dec	2009E	2010E
Net profit (RMm):	n.a.	n.a.
EPS (sen):	n.a.	n.a.

Forecast revision

FYE31 Dec	2009E	2010E
Prev net profit (RMm):	5.0	5.3
Revision (%):	+20.0%	+52.8%
Prev net profit (RMm):	6.0	8.1

Share price chart

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Bina Puri Holdings

Better 9M09

- **9M09 net profit of RM4.4m was ahead of our expectation at 88% of our full year forecast.** Higher profit was boosted by improved construction margin and new projects contribution which more than offset lower property contribution. Group also announced an **interim 2.0sen dividend (less tax)** as expected.
- **QoQ, 3Q09 revenue and pre-tax profit increased 11.7% and 13.8% respectively, underpinned by higher construction contribution.** Except for property which suffered from lack of new launches, other divisions including quarry & premix and polyol recorded better performance.
- **YoY, 9M09 turnover was flat as higher construction sales more than offset lower contribution from other divisions.** Pre-tax however fell by a slight 5.4% to RM6.9m in the absence of high margin property contribution.
- Outstanding order book of RM2.4b should keep group busy for the next 3 years. **Upgrading our FY09 and FY10 forecasts by 20.0% and 52.8% respectively** on higher construction contribution as more projects should hit critical milestone going forward. Note that the proposed debt capitalisation has been completed with the issuance of 20m new shares which enlarge group's outstanding shares to 103.9m. Our **target price of RM0.70 is maintained** as we value the group based on **FY10 PER of 9x.**

Results Highlights

FYE: 31 Dec (RMm)	3Q FY08	4Q FY08	1Q FY09	2Q FY09	3Q FY09	QoQ Chg	YoY Chg	9M08	9M09	YoY Chg
Revenue	200.3	147.1	135.0	186.3	208.2	11.7%	4.0%	530.2	529.4	-0.1%
EBIT	4.2	2.9	2.6	3.7	4.1	11.5%	-2.4%	11.3	10.4	-7.8%
EBIT margin (%)	2.1	2.0	1.9	2.0	2.0	1.7%	-28.7%	2.1	2.0	-7.7%
Investment income	0.0	0.2	0.2	0.2	0.1	-69.7%	280.0%	0.1	0.4	226.3%
Finance costs	-1.3	-1.2	-1.5	-1.2	-1.1	-9.2%	-17.9%	-3.8	-3.7	-2.6%
Associate	-0.5	-1.1	0.3	-0.3	0.1	-138.6%	-120.4%	-0.4	0.1	-127.7%
Pre-tax profit	2.5	0.8	1.6	2.5	2.8	13.8%	13.8%	7.3	6.9	-5.4%
Taxation	-1.2	-0.6	-0.3	-0.5	-0.7	38.5%	-42.5%	-2.2	-1.4	-35.1%
Profit after tax	1.3	0.2	1.3	2.0	2.1	7.7%	65.1%	5.1	5.5	7.6%
Minority interest	0.0	-0.1	-0.3	-0.4	-0.3	-21.2%	634.1%	-0.8	-1.1	37.6%
Net Profit	1.2	0.1	1.0	1.6	1.8	15.3%	45.0%	4.3	4.4	2.2%
EPS (sen)	1.2	0.1	1.0	1.5	1.7	15.3%	45.0%	4.1	4.2	2.2%

Revenue and Operating Profit Breakdown

	3Q08	2Q09	3Q09	QoQ Chg	YoY Chg	9M08	9M09	YoY Chg	Comments
Revenue (RM m)									
Construction	173.3	168.1	186.8	11.1%	7.8%	423.7	464.8	9.7%	Increased construction turnover with more new projects contribution. Property turnover fell as Jesselton condo comes to completion. Quarry & pre-mix turnover declined yoy on less road paving contracts.
Property development	2.4	1.0	0.5	-48.5%	-78.8%	35.5	8.9	-74.9%	
Polyol	5.7	4.6	4.2	-8.8%	-26.3%	15.3	12.6	-17.6%	
Quarry & pre-mix	19.0	12.6	16.7	32.2%	-12.1%	55.7	43.1	-22.6%	
Total	200.3	186.3	208.2	11.7%	4.0%	530.2	529.4	-0.1%	
Operating profit (RM m)									
Construction	2.1	3.1	3.7	19.9%	81.3%	6.0	8.1	35.8%	Higher construction EBIT on more projects and improved margin. Polyol exports still slow. Less road paving works for quarry & premix.
Property Developments	1.4	-0.2	-0.3	62.4%	-121%	2.6	0.2	-92.9%	
Polyol	0.0	0.1	0.2	17.1%	-443%	0.4	0.3	-36.7%	
Quarry & pre-mix	0.8	0.6	0.8	33.8%	-1.9%	2.4	2.0	-16.5%	
Others	0.0	0.0	0.0	-141%	-433%	0.0	0.1	-478%	
Total	4.2	3.7	4.4	18.9%	4.2%	11.3	10.7	-5.4%	

Earnings Estimates

FYE 31 Dec (RMm)	2006	2007	2008	2009E	2010E
Revenue	491.6	607.9	676.5	696.0	845.0
Pretax profit	6.4	8.5	8.0	9.1	12.6
Net profit	5.1	7.0	4.3	6.0	8.1
EPS (sen)	4.9	6.8	4.1	5.8	7.8
EPS growth (%)	26.3	37.1	-39.0	40.2	34.7
Gross DPS (sen)	5.0	6.0	4.0	4.0	4.0
NTA/share (RM)	0.8	0.9	0.9	0.9	1.0
Net gearing (%)	4.1	1.9	1.4	1.5	1.5
PER (x)	16.8	12.3	20.1	14.4	10.7
P/NTA (x)	1.0	0.9	0.9	0.9	0.8
Div. Yield (%)	6.0	7.2	4.8	4.8	4.8
ROE (%)	7.8	11.3	6.9	9.8	12.3

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