



BinaPuri Holdings Berhad

Property Division Shines

TP: RM0.485 (+11.5%)

Last traded: RM0.435

HOLD

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Review

- BPURI's 9M15 core net profit of RM6.2mn came in above expectation, accounting for 88.9% of our full-year forecast. The variance was mainly due to lower-than-expected taxation.
- YoY, 9M15 core net profit increased by 27.1% despite the revenue was 5.5% lower at RM799.9mn. This was mainly driven by the property division which saw the PBT margin jumped 9.8% pts to 13.1%. All the remaining core divisions (construction, quarry & readymix concrete, polyol and power divisions) recorded declines in PBT.
- QoQ, the core net profit surged 44.9% to RM2.5mn as construction and property divisions reported improved performance.

Impact

- We raise FY15 earnings by 18.5% after lowering FY15 taxation estimate.

Outlook

- The group has an outstanding construction order book of about RM2.8bn, which translate into 3.4x of FY14 construction revenue. The outstanding order book could provide earnings visibility for the construction division until 2017.
- While the group has an estimated pipeline GDV of RM3bn in its property development division, we are less sanguine on the outlook of property development as the market sentiment has turned cautious.
- The 4.2MW mini hydro plant in Sulawesi at an estimated cost of US\$10mn is expected to commence its commercial operation in early 2016. It is expected to contribute positively to the group's earning during the tenure of the power purchase agreement which lasts for 15 years.

Valuation

- No change to our target price of **RM0.485**, based on unchanged PE multiple of 8x CY16 EPS. Maintain our **HOLD** call on **BPURI**.

Share Information

Bloomberg Code	BIN MK
Bursa	BPURI
Stock Code	5932
Listing	Main Market
Share Cap (mn)	229.8
Market Cap (RMmn)	100.0
Par Value	0.50
52-wk Hi/Lo (RM)	0.65/0.33
12-mth Avg Daily Vol ('000 shrs)	474.6
Estimated Free Float (%)	46.4
Beta (x)	1.07

Major Shareholders (%)

Jentera Jati Sdn Bhd	- 8.87
Tee Hock Seng	- 7.31
Ng Keong Wee	- 6.13
Bumimaju Mawar Sdn Bhd	- 5.88

Forecast Revision

	FY15	FY16
Forecast Revision (%)	-	-
Net profit (RMm)	8.3	13.7
Consensus (RM'mn)	-	-
TA's / Consensus (%)	-	-
Previous Rating	Hold (Maintained)	

Scorecard (%)

	% of FY	
vs TA	88.9	Above
vs Consensus	na	na

Financial Indicators

	FY15	FY16
Net Debt / Equity (%)	206.1	195.5
CFPS (sen)	(17.4)	2.3
Price / CFPS (x)	(2.5)	18.7
ROA (%)	0.4	0.9
NTA/Share (RM)	1.2	1.2
Price/NTA (x)	0.4	0.4

Share Performance (%)

Price Change	BPURI	FBM KLCI
1 mth	(7.4)	(0.8)
3 mth	20.8	5.1
6 mth	(20.9)	(4.1)
12 mth	(28.1)	(8.1)

(12-Mth) Share Pricerelative to the FBM KLCI



Source: Bloomberg

Earnings Summary

FYE December (RMmn)	2013	2014	2015F	2016F	2017F
Revenue	1058.4	1053.5	1396.7	1614.4	1407.9
Gross profit	65.1	64.8	124.2	161.4	154.9
EBITDA	32.6	41.6	47.8	59.8	65.2
EBITDA margin (%)	3.1	3.9	3.4	3.7	4.6
EBIT	20.2	27.2	28.5	41.8	48.0
PBT	13.9	58.3	11.4	26.8	32.7
Net profit	5.2	6.5	5.8	13.7	17.0
Core net profit	5.2	6.9	8.3	13.7	17.0
Core EPS (sen)	3.9	4.0	3.8	6.0	7.5
PER (x)	11.3	10.9	11.4	7.2	5.8
Gross dividend (sen)	1.5	2.0	2.0	2.0	2.0
Dividend yield (%)	3.4	4.6	4.6	4.6	4.6
ROE (%)	3.6	2.1	2.9	6.2	7.2

3QFY15 Results Analysis

FYE Dec (RMmn)	3Q14	2Q15	3Q15	QoQ (%)	YoY (%)	9MFY14	9MFY15	YoY (%)
Revenue	303.2	266.4	195.1	(26.8)	(35.7)	846.7	799.9	(5.5)
COGS	(288.0)	(246.5)	(174.0)	(29.4)	(39.6)	(800.8)	(738.4)	(7.8)
GP	15.3	19.9	21.1	5.9	38.0	45.9	61.5	33.9
Other Op Income	3.3	1.4	1.0	(29.2)	(69.6)	9.0	5.0	(44.9)
Admin Expenses	(15.6)	(16.4)	(16.0)	(2.7)	2.0	(41.7)	(47.9)	15.0
Finance Costs	(2.9)	(3.8)	(3.4)	(10.8)	17.8	(8.0)	(11.5)	43.7
Associate	(0.1)	0.0	(0.9)	<(100.0)	547.3	0.8	(1.6)	<(100.0)
Investment income	2.7	0.8	1.3	66.2	(51.2)	3.1	2.6	(14.8)
PBT	2.6	1.9	3.1	64.4	19.7	9.1	8.1	(11.4)
Tax	(1.6)	0.0	(1.5)	<(100.0)	(8.9)	(3.5)	(2.1)	(40.3)
MI	0.6	(0.6)	(0.4)	(30.8)	<(100.0)	(0.7)	(2.2)	230.5
Net profit	1.6	1.3	1.2	(6.8)	(24.5)	4.9	3.8	(23.3)
Core net profit	1.6	1.7	2.5	44.9	53.4	4.9	6.2	27.1
Core EPS (sen)	0.9	0.9	1.3	(4.5)	(29.7)	3.9	3.3	13.7
Dividend (sen)	0.0	0.0	0.0	na	na	0.0	0.0	na
Margin (%):				% pts	% pts			% pts
- PBT	0.9	0.7	1.6	0.9	0.7	1.1	1.0	(0.1)
- PAT	0.3	0.7	0.8	0.1	0.5	0.7	0.7	0.1
- Effective tax rate	62.5	-0.5	47.6	48.1	(14.9)	38.9	26.2	(32.6)

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