

**HOLD  
RM0.91**

Target Price: RM0.70

**Stock data**

Market cap (RMm):	76.2
Issued shares (m):	83.8
52-week range:	RM0.70-RM1.05
3-mth avg daily volume:	13,390 shrs
Bloomberg code:	BINMK
YTD price chg:	-5.2%
YTD KLCI chg:	+19.1%
Est. free float:	47.5%
Major shareholders:	
Jentera Jati S/B:	24.3%
Tan Sri Datuk	17.4%
Tee Hock Seng, JP:	
Dr. Tan Cheng Kiat:	10.8%

KLCI	FBM30	FBM70	Syariah	Hijrah
No	No	No	Yes	No

**Consensus**

FYE31 Dec	2009E	2010E
Net profit (RMm):	na	na
EPS (sen):	na	na

**Forecast revision**

FYE31 Dec	2009E	2010E
Prev net profit (RMm)	5.0	5.3
Revision(%):	-	-

**Share price chart**

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# Bina Puri Holdings

## 1Q09 within expectations

- **1Q09 net profit** of RM1.0m at **20% of our forecast** was within our expectation. Construction profit began to recover on easing building material prices.
- **QoQ, 1Q09 revenue dropped 8.3%** while **EBIT declined 10.1% to RM2.6m** mainly on lower property profit as Jesselton Condo is near to completion. Pre-tax profit however jumped 94.9% as its associates' earnings turnaround (1Q09: RM0.3m; 4Q08: -RM1.1m).
- **YoY, 1Q09 turnover fell 10.4%** on **lower construction and quarry & premix sales**. Notwithstanding the lower revenue, EBIT rose 23.6% on the back of construction margin recovery as building material prices moderate.
- **Outlook. Robust order book** with c.RM2.5b outstanding works providing earnings visibility up for the next 3 years. Property contribution will be underpinned by its Taman Malawa Apartment phase 2 project. Meanwhile polyol performance should remain weak as demand dwindles on the economic slowdown.
- **Retaining our earnings forecast** and **HOLD recommendation** with **unchanged target price** of RM0.70. Our target price however should be **adjusted to RM0.56** should the proposed **debt capitalisation materialise** as the issuance of 20m new shares will dilute EPS. (Please refer to our previous report dated 23 Feb 09 for more details on the proposed debt capitalisation)

**Results Highlights**

FYE: 31 Dec (RMm)	1Q FY08	2Q FY08	3Q FY08	4Q FY08	1Q FY09	QoQ Chg	YoY Chg
Revenue	150.6	179.3	200.3	147.1	135.0	-8.3%	-10.4%
EBIT	2.1	5.0	4.2	2.9	2.6	-10.1%	23.6%
EBIT margin (%)	1.4	2.8	2.1	2.0	1.9	-1.9%	38.0%
Investment income	0.0	0.1	0.0	0.2	0.2	5.8%	596.6%
Finance costs	-1.3	-1.2	-1.3	-1.2	-1.5	24.1%	13.5%
Associate	0.9	-0.8	-0.5	-1.1	0.3	-123.7%	-71.5%
Pre-tax profit	1.8	3.1	2.5	0.8	1.6	94.9%	-8.4%
Taxation	-0.1	-0.9	-1.2	-0.6	-0.3	-56.7%	97.9%
Profit after tax	1.6	2.1	1.3	0.2	1.3	623.7%	-17.7%
Minority interest	-0.4	-0.3	0.0	-0.1	-0.3	150.8%	-24.1%
Net Profit	1.2	1.8	1.2	0.1	1.0	1779.6%	-15.3%
EPS (sen)	1.4	2.2	1.5	0.1	1.2	1779.6%	-15.3%

## Revenue and Operating Profit Breakdown

	1Q08	4Q08	1Q09	QoQ Chg	YoY Chg	Comments
<b>Revenue (RM m)</b>						
Construction	104.8	115.7	109.9	-5.1%	4.8%	Lower property revenue as Jesselton Condo comes near to completion
Property development	21.2	8.1	7.4	-7.8%	-64.9%	
Polyol	4.3	3.4	3.8	11.2%	-11.2%	Lower polyol demand on economic slowdown.
Quarry & pre-mix	20.3	19.9	13.8	-30.5%	-31.7%	Quarry & pre-mix turnover declined with less road paving works secured.
<b>Total</b>	<b>150.6</b>	<b>147.1</b>	<b>135.0</b>	<b>-8.3%</b>	<b>-10.4%</b>	
<b>Operating profit (RM m)</b>						
Construction	0.9	0.5	1.3	151.9%	39.7%	Better construction margin vs 4Q08 on easing building material prices.
Property Developments	0.4	2.6	0.7	-75.2%	68.6%	
Polyol	0.3	-0.3	0.0	-101.5%	-98.7%	Property profit from Taman Malawa Apartment phase 2.
Quarry & pre-mix	0.5	0.7	0.6	-15.6%	10.5%	Polyol was affected by lower exports due to global economic slowdown.
Others	0.0	-0.7	0.1	-119.0%	-6400%	Reduced road paving works affected quarry & premix division.
<b>Total</b>	<b>2.1</b>	<b>2.9</b>	<b>2.6</b>	<b>-10.1%</b>	<b>23.6%</b>	

## Earnings Estimates

FYE 31 Dec (RMm)	2006	2007	2008	2009E	2010E
Revenue	491.6	607.9	677.3	695.0	715.0
Pretax profit	6.4	8.5	8.1	7.7	8.6
Net profit	5.1	7.0	4.3	5.0	5.3
EPS (sen)	6.1	8.4	5.2	6.0	6.3
EPS growth (%)	26.3	37.1	-38.0	15.3	4.7
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)	14.8	10.8	17.5	15.1	14.5
P/NTA (x)	1.1	1.0	1.0	1.0	1.0
Div. Yield (%)	5.5	6.6	4.4	4.4	4.4
ROE (%)	7.8	11.3	7.0	8.5	8.9

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