



Bina Puri Holdings Berhad

Secures RM73mn Infrastructure Job in Pengerang

TP: RM0.425(+13.9%)

Last traded: RM0.375

HOLD

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Bina Puri has accepted the letter of award from Punj Lloyd Sdn Bhd for the execution of pipe sleeper and underground services for Package-22 RAPID project. The contract sum is RM73mn and the project is to be completed within a period of 18 months.

This is the first construction job win for Bina Puri in 2016. With this contract win, its outstanding construction order book increases to RM1.6bn, about 1.5x of FY15 construction revenue.

This is the third civil works package BPURI has secured at Pengerang, Johor, after it had won two others infrastructure works worth RM94.9mn and RM234.1mn in September 2016 and October 2015 respectively.

Assuming a PBT margin of 3%, the project is expected to contribute RM1.7mn of net profit or 0.7sen/share throughout the construction period.

Impact

No change to our earnings forecasts as this job win is within our FY16 order book replenishment assumption of RM800mn. While the YTD order book replenishment appears slow, we expect more opportunities for BPURI in 2H16. This could come from Pan Borneo Highway, LRT line 3, and highway projects such as DASH, SUKE and West Coast Expressway.

Valuation

We maintain our **HOLD** call on the stock with an unchanged target price of **RM0.425**, based on unchanged 7x CY17 EPS.

Share Information

Bloomberg Code	BIN MK
Bursa	BPURI
Stock Code	5932
Listing	Main Market
Share Cap (mn)	238.5
Market Cap (RMmn)	90.6
Par Value	0.50
52-wk Hi/Lo (RM)	0.555/0.33
12-mth Avg Daily Vol ('000 shrs)	559.3
Estimated Free Float (%)	47.4
Beta	0.93

Major Shareholders (%)

Jentera Jati Sdn Bhd	- 8.55
Tee Hock Seng	- 7.04
Ng Keong Wee	- 5.91
Bumimaju Mawar Sdn Bhd	- 5.67

Forecast Revision

	FY16	FY17
Forecast Revision (%)	-	-
Net profit (RMm)	12.6	14.3
Consensus	-	-
TA's / Consensus (%)	-	-
Previous Rating	Hold (Maintained)	

Financial Indicators

	FY16	FY17
Net Debt / Equity (%)	199.1	181.5
CFPS (sen)	(25.0)	13.9
Price / CFPS (x)	(1.5)	2.7
ROA (%)	0.8	0.9
NTA/Share (RM)	1.3	1.4
Price/NTA (x)	0.3	0.3

Share Performance (%)

Price Change	BPURI	FBM KLCI
1 mth	1.4	0.3
3 mth	(10.7)	(4.8)
6 mth	(11.8)	(0.6)
12 mth	(30.6)	(5.1)

(12-Mth) Share Price relative to the FBM KLCI



Source: Bloomberg

Financial Statements

Profit & Loss (RMmn)

YE Dec 31	2014	2015	2016F	2017F	2018F
Revenue	1,053.5	1,227.9	1,393.9	1,086.8	1,241.3
EBITDA	41.6	76.5	64.1	65.8	60.5
Dep. & amortisation	(14.4)	(13.8)	(22.8)	(21.0)	(19.1)
Finance cost	(14.4)	(15.9)	(16.2)	(16.4)	(16.6)
Associates	(21.7)	(11.0)	0.1	0.1	0.1
Jointly controlled entity	0.0	0.0	0.0	0.0	0.0
Investment income	75.2	24.0	0.2	0.2	0.2
PBT	58.3	35.7	25.4	28.7	25.0
Taxation	(10.8)	(12.9)	(9.7)	(10.9)	(9.5)
MI	(41.0)	(19.5)	(3.1)	(3.5)	(3.3)
Net profit	6.5	3.4	12.6	14.3	12.2
Core net profit	6.9	7.5	12.6	14.3	12.2
Core EPS (sen)	4.0	3.6	5.4	6.1	5.2
GDPS (sen)	2.0	0.0	0.0	0.0	2.0
Div yield (%)	5.3	0.0	0.0	0.0	5.3

Cash Flow (RMmn)

YE Dec 31	2014	2015	2016F	2017F	2018F
PBT	58.3	35.7	25.4	28.7	25.0
Adjustment	(7.4)	42.6	40.7	38.9	37.0
Dep. & amortisation	14.4	13.8	22.8	21.0	19.1
Changes in WC	61.5	(17.9)	(102.8)	(9.4)	(25.3)
Operational cash flow	69.4	17.6	(64.3)	29.3	9.2
Capex	(23.2)	(13.0)	(12.5)	(9.8)	(11.2)
Others	(39.2)	5.1	3.5	3.2	2.9
Investment cash flow	(62.4)	(7.9)	(9.0)	(6.6)	(8.2)
Debt raised/ (repaid)	(30.5)	3.5	9.8	9.8	9.8
Equity raised/ (repaid)	20.6	24.2	5.0	0.0	0.0
Dividend	(2.7)	(4.3)	0.0	0.0	(4.7)
Others	(8.0)	(6.6)	(23.8)	(16.4)	(13.4)
Financial cash flow	(20.5)	16.8	(9.0)	(6.6)	(8.2)
Net cash flow	(13.5)	26.5	(58.4)	32.4	6.1
Opening cash	55.7	66.9	81.0	22.6	55.0
Forex adjustment	(2.6)	(14.0)	0.0	0.0	0.0
Ending Cash	66.9	81.0	22.6	55.0	61.2

Balance Sheet (RMmn)

YE Dec 31	2014	2015	2016F	2017F	2018F
Fixed assets	148.2	175.2	161.4	147.0	136.1
Others	347.6	305.9	306.0	306.1	306.2
Total NCA	495.9	481.1	467.4	453.1	442.3
Cash	66.9	81.0	22.6	55.0	61.2
Others	908.6	1,221.8	1,086.6	991.6	1,069.4
CA	975.5	1,302.8	1,109.2	1,046.6	1,130.6
Total Assets	1,471.4	1,783.8	1,576.6	1,499.7	1,572.9
ST debt	406.8	458.5	458.5	458.5	458.5
Others	521.9	760.8	523.0	418.5	471.1
CL	928.7	1,219.3	981.6	877.1	929.6
LT borrowings	213.1	183.4	193.2	203.0	212.8
Others	80.5	89.6	89.6	89.6	89.6
LT Liabilities	293.6	273.0	282.8	292.6	302.4
Share cap	89.0	115.3	120.3	120.3	120.3
Reserves	104.8	101.6	114.2	128.4	136.0
NCI	55.3	75.0	78.1	81.6	85.0
Shareholders' fund	193.8	216.5	234.1	248.4	255.9
Treasury shares	0.0	(0.4)	(0.4)	(0.4)	(0.4)
Total Equity	249.1	291.5	312.2	330.0	340.8
Total Equity & Liabilities	1,471.4	1,783.8	1,576.6	1,499.7	1,572.9

Ratio

YE Dec 31	2014	2015	2016F	2017F	2018F
EBITDA margin (%)	3.1	6.2	4.6	6.1	4.9
Core EPS (sen)	4.0	3.6	5.4	6.1	5.2
EPS Growth (%)	3.8	(10.9)	51.7	13.0	(14.6)
PER (x)	9.4	10.5	6.9	6.1	7.2
GDPS (sen)	2.0	0.0	0.0	0.0	2.0
Div Yield (%)	5.3	0.0	0.0	0.0	5.3
Net cash (RMm)	(541.8)	(553.3)	(621.5)	(598.9)	(602.6)
Net gearing (x)	2.2	1.9	2.0	1.8	1.8
ROE (%)	2.1	3.7	5.6	5.9	4.8
ROA (%)	0.5	0.5	0.8	0.9	0.8
NTA (RM)	1.3	1.2	1.3	1.4	1.4
P/NTA (x)	0.3	0.3	0.3	0.3	0.3

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