



Bina Puri Holdings Berhad

Appointed as PMC for PPR in Pitas, Sabah

TP: RM0.435 (+10.1%)

Last traded: RM0.395

HOLD

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Bina Puri has accepted the award from Arus Sutera Sdn Bhd for the role of project management consultant for the design and build of 440 flat units (5-storey walk-up flats) and associated works for Program Perumahan Rakyat (PPR), in Pitas, Sabah.

The contract sum is RM80mn, with a project duration of 42 months.

This is the third construction job win for Bina Puri in 2016 after securing works packages at Pengerang, Johor and Pan Borneo Highway in Sarawak (see Exhibit 1). The new job brings the YTD contract wins to RM561mn. The outstanding construction order book stands at estimated RM2.0bn, about 1.9x of FY15 construction revenue.

Exhibit 1: Construction Jobs Secured YTD

Date	Project	Contract Sum (RMmn)	Duration
20-Jun-16	Execution of pipe sleeper and underground services for Package-22 RAPID project	73.0	18 months
25-Jul-16	Pan Borneo Sarawak (Sg Awik - Bintangor Junction)	407.7	47 months
1-Aug-16	Program Perumahan Rakyat, Pitas, Sabah	80.0	42 months
TOTAL		560.7	

Source: Company, TA Research

Assuming a PBT margin of 3%, the project is expected to contribute RM1.8mn of net profit or 0.8sen/share throughout the construction period.

Impact

No change to our FY16 earnings forecast as the job win is within our order book replenishment assumption of RM1.0bn.

Valuation

We adjust the target price from RM0.455 to **RM0.435**, after factoring in enlarged share base arising from the recent private placement and ESOS. The valuation is based on unchanged 7x CY17 EPS. Maintain our **HOLD** call on the stock.

Share Information

Bloomberg Code	BIN MK
Bursa	BPURI
Stock Code	5932
Listing	Main Market
Share Cap (mn)	242.1
Market Cap (RMmn)	95.6
Par Value	0.50
52-wk Hi/Lo (RM)	0.50/0.33
12-mth Avg Daily Vol ('000 shrs)	606.9
Estimated Free Float (%)	46.7
Beta	0.95

Major Shareholders (%)

Jentera Jati Sdn Bhd	- 8.42
Tee Hock Seng	- 7.64
Ng Keong Wee	- 5.82
Bumimaju Mawar Sdn Bhd	- 5.58

Forecast Revision

	FY16	FY17
Forecast Revision (%)	-	-
Net profit (RMm)	12.6	15.1
Consensus	-	-
TA's / Consensus (%)	-	-
Previous Rating	Hold (Maintained)	

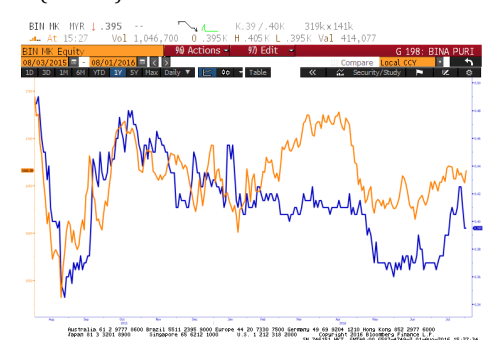
Financial Indicators

	FY16	FY17
Net Debt / Equity (%)	197.8	180.9
CFPS (sen)	(23.5)	11.9
Price / CFPS (x)	n.m.	3.3
ROA (%)	0.8	1.0
NTA/Share (RM)	1.2	1.3
Price/NTA (x)	0.3	0.3

Share Performance (%)

Price Change	BPURI	FBM KLCI
1 mth	6.8	1.0
3 mth	(2.5)	(0.6)
6 mth	(6.0)	(0.3)
12 mth	(17.7)	(3.5)

(12-Mth) Share Pricerelative 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	1,186.8	1,391.3
EBITDA	41.6	76.5	64.1	67.3	62.8
Dep. & amortisation	(14.4)	(13.8)	(22.8)	(21.0)	(19.2)
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	30.2	27.3
Taxation	(10.8)	(12.9)	(9.7)	(11.5)	(10.4)
MI	(41.0)	(19.5)	(3.1)	(3.6)	(3.4)
Net profit	6.5	3.4	12.6	15.1	13.5
Core net profit	6.9	7.5	12.6	15.1	13.5
Core EPS (sen)	4.0	3.6	5.2	6.2	5.5
GDPS (sen)	2.0	0.0	0.0	0.0	2.0
Div yield (%)	5.1	0.0	0.0	0.0	5.1

Cash Flow (RMmn)

YE Dec 31	2014	2015	2016F	2017F	2018F
PBT	58.3	35.7	25.4	30.2	27.3
Adjustment	(7.4)	42.6	40.7	38.9	37.1
Dep. & amortisation	14.4	13.8	22.8	21.0	19.2
Changes in WC	61.5	(17.9)	(102.8)	(12.9)	(27.1)
Operational cash flow	69.4	17.6	(64.3)	26.7	9.0
Capex	(23.2)	(13.0)	(12.5)	(10.7)	(12.5)
Others	(39.2)	5.1	3.5	3.2	3.0
Investment cash flow	(62.4)	(7.9)	(9.0)	(7.5)	(9.6)
Debt raised/ (repaid)	(30.5)	3.5	9.8	9.8	9.8
Equity raised/ (repaid)	20.6	24.2	4.5	0.0	0.0
Dividend	(2.7)	(4.3)	0.0	0.0	(4.9)
Others	(8.0)	(6.6)	(23.4)	(17.3)	(14.5)
Financial cash flow	(20.5)	16.8	(9.0)	(7.5)	(9.6)
Net cash flow	(13.5)	26.5	(57.1)	29.0	4.4
Opening cash	55.7	66.9	81.0	23.9	52.9
Forex adjustment	(2.6)	(14.0)	0.0	0.0	0.0
Ending Cash	66.9	81.0	23.9	52.9	57.3

Balance Sheet (RMmn)

YE Dec 31	2014	2015	2016F	2017F	2018F
Fixed assets	148.2	175.2	161.4	147.9	138.2
Others	347.6	305.9	306.0	306.1	306.2
Total NCA	495.9	481.1	467.4	454.0	444.4
Cash	66.9	81.0	23.9	52.9	57.3
Others	908.6	1,221.8	1,086.6	1,029.0	1,125.6
CA	975.5	1,302.8	1,110.5	1,081.9	1,182.9
Total Assets	1,471.4	1,783.8	1,577.9	1,536.0	1,627.4
ST debt	406.8	458.5	458.5	458.5	458.5
Others	521.9	760.8	523.0	452.5	522.1
CL	928.7	1,219.3	981.6	911.1	980.6
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	121.6	121.6	121.6
Reserves	104.8	101.6	114.2	129.3	137.9
NCI	55.3	75.0	78.1	81.7	85.1
Shareholders' fund	193.8	216.5	235.4	250.6	259.2
Treasury shares	0.0	(0.4)	(0.4)	(0.4)	(0.4)
Total Equity	249.1	291.5	313.6	332.3	344.3
Total Equity & Liabilities	1,471.4	1,783.8	1,577.9	1,536.0	1,627.4

Ratio

YE Dec 31	2014	2015	2016F	2017F	2018F
EBITDA margin (%)	3.1	6.2	4.6	5.7	4.5
Core EPS (sen)	4.0	3.6	5.2	6.2	5.5
EPS Growth (%)	3.8	(10.9)	45.9	19.9	(11.0)
PER (x)	9.9	11.1	7.6	6.3	7.1
GDPS (sen)	2.0	0.0	0.0	0.0	2.0
Div Yield (%)	5.1	0.0	0.0	0.0	5.1
Net cash (RMm)	(541.8)	(553.3)	(620.2)	(601.0)	(606.4)
Net gearing (x)	2.2	1.9	2.0	1.8	1.8
ROE (%)	2.1	3.7	5.6	6.2	5.3
ROA (%)	0.5	0.5	0.8	1.0	0.9
NTA (RM)	1.3	1.2	1.2	1.3	1.4
P/NTA (x)	0.3	0.3	0.3	0.3	0.3

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