

20 June 2016 | Company Update

Mitrajaya Holdings Berhad

Looking for more infrastructure jobs

Non-rated

Fair Value (FV): RM1.56

INVESTMENT HIGHLIGHTS

- **Tendering for jobs worth RM3.6b**
- **Outstanding orderbook at RM1.69b**
- **Property unbilled sales at RM169.8m**
- **New South Africa land has GDV potential of RM415.6m**
- **Not rated with fair value of RM1.56 based on FY16F PER of 11x**

Tendering for jobs worth RM3.6b out of which, RM2.2b is made up of infrastructure projects and the remaining RM1.4b are mainly building jobs from developers. Topping that, it is preparing for tenders worth RM1bil. For the infrastructure works, it will be focusing on Damansara-Shah Alam Expressway (DASH), Pan Borneo Highway and Petronas' Refinery and Petrochemical Integrated Development (RAPID) in Pengerang, Johor. We understand that the APPL Engineering-Emax Synergy-Mitrajaya consortium had put in bids for all 8 packages for Pan Borneo Highway.

Outstanding orderbook at RM1.69b that will last the company until 2019. The major jobs are: MACC Buildings at Precinct 7, Putrajaya (RM286m), MK22 Condos at Mont Kiara (RM317m) and PJ Midtown complex building and external works at Seksyen 13, Petaling Jaya (RM293m).

Property arm backed by unbilled sales of RM169.8m, mainly from Wangsa 9 Residency. Income recognition from this project should be higher in the next few quarters as construction works for the first phase is already 35-40% completed. This year, it plans to launch 2 blocks of 408 apartments worth RM73m and 24 units of double-storey shop offices at Sungai Rengit, Pengerang valued at RM24m.

New land in South Africa with GDV of RM415.6m. Mitrajaya's current project in South Africa is coming to a tail-end with 10% of the remaining land area to be sold. It could be able to recognise up to RM26mil for the remaining 73 acres. It could develop 140 units of houses over the next three years there. To replenish its landbank in South Africa, Mitrajaya has bought a parcel of 215 acres for RM10.4m. The new piece of land is expected to have a gross development value of RM415.6m that could be developed over four years.

RETURN STATS

Price (17 June 2016)	RM1.32
Fair Value	RM1.56
Expected Share Price Return	18.0%
Expected Dividend Yield	3.8%
Expected Total Return	+22.0%

STOCK INFO

KLCI	1,624.18
Bursa / Bloomberg	9571 MHB MK
Board / Sector	Main/ Construction
Syariah Compliant	Yes
Issued shares (m)	649.0
Par Value (RM)	0.50
Market cap. (RM'm)	856.68
Price over NA	1.69
52-wk price Range	RM0.80-RM1.39
Beta (against KLCI)	1.43
3-mth Avg Daily Vol	1.98m
3-mth Avg Daily Value	RM2.55m
Major Shareholders (%)	
Tan Eng Piow	40.44
Employees Provident Fund	2.62
Kumpulan Wang Persaraan	2.51
Aw Eng Soon	1.94

Not rated with unchanged FV of RM1.56. We maintain our fair value which is derived from 11x FY16 EPS forecast of 14.15sen. The valuation of 11x is in line with the average PER among small-mid cap construction players. Its FY16F earnings will be supported by outstanding orderbook of RM1.7b as well as unbilled property sales of RM169.8m. 

INVESTMENT STATISTICS

FYE Dec	FY12	FY13	FY14	FY15	FY16F
Revenue (RM'm)	250.54	338.44	520.21	891.05	918.00
Pretax Profit (RM'm)	27.84	40.30	72.48	124.83	129.74
Net Profit (RM'm)	18.88	28.65	53.29	87.78	90.82
EPS (sen)	4.54	7.43	13.64	13.66	14.15
EPS growth (%)	NA	64.00	84.00	0.14	4.00
PER (x)	29.05	17.76	9.68	9.66	9.33
Net Dividend (sen)	-	-	2.00	5.00	5.00
Dividend yield (%)	-	-	1.50	3.79	3.79

Source: Company, MIDFR

DAILY PRICE CHART



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MIDF AMANAH INVESTMENT BANK : GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >15% over the next 12 months.
TRADING BUY	Stock price is expected to <i>rise</i> by >15% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
NEUTRAL	Total return is expected to be between -15% and +15% over the next 12 months.
SELL	Total return is expected to be <-15% over the next 12 months.
TRADING SELL	Stock price is expected to <i>fall</i> by >15% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.