

Total Bangun Persada

TOTL IJ / TOTL JK

Market Cap
US\$161.6m
Rp1,483,350m

Avg Daily Turnover
US\$0.27m
Rp2,461m

Free Float
38%
3,410 m shares

Current
Target
Previous Target
Up/downside
Rp435.0
Rp560.0
Rp440.0
28.7%

SHORT TERM (3 MTH) LONG TERM
TRADING BUY OUTPERFORM
TRADING SELL NEUTRAL
UNDERPERFORM

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Share price info

Share price perf. (%)	1M	3M	12M
Relative	0.0	43.5	60.8
Absolute	1.2	50.0	74.0
Major shareholders	% held		
Total Inti Persada	56.5		

Nurturing its property baby

Total moved out of its construction zone and into a property venture in late 2010. It now has two property assets under construction with profits set to kick in this year.

We raise our 2011-13 earnings by 7-32% as we factor in profit contribution from Total's property ventures that should turn profitable this year. Outperform maintained with higher target price of Rp560 based on an unchanged 20% discount to our market P/E at 12.5x.

Largest private contractor ▶

With 40 years of experience in high rise buildings construction, Total is known as the most prudent private contractor with proven quality and timely project delivery. The strong track record has gained the trust of Total's clients, which is why almost 70% of its project bookings come from repeat clientele and word of mouth. In late-10, Total ventured into property development, through its 99%-owned subsidiary Total Persada Development (TPD).

Property delivers in 2012 ▶

Total has been a beneficiary of the latest building boom that include new

offices, commercial spaces and hotels. Total rapidly secured Rp380bn new contracts in Jan 2012 or 20% of its full-year target, on top of Rp1.8tr worth of backlog from 2011. Its 2012 order book is simply its highest ytd. On top of this, Total's property investments should start bearing fruit. The management expects Rp25bn of profit contribution in 2012 and Rp30bn in 2013, or 15% of 2012-13 earnings. This is despite the Rp3bn losses reported by 2011. Total was reported to have sold 30% of the condotel and office towers by Jan 2012.

Decent valuation ▶

Valuation remains decent even after the recent sector rerating. Total still trades at 8.7x and 7.8x FY12-13 earnings, with a 20% CAGR. Earnings from the property business and high dividend payments should catalyse a stock rerating. Outperform maintained.



Financial Summary

	Dec-09A	Dec-10A	Dec-11F	Dec-12F	Dec-13F
Revenue (Rpb)	1,731	1,541	1,598	2,075	2,183
Operating EBITDA (Rpb)	96.3	110.2	144.0	212.1	225.6
Net Profit (Rpb)	52.0	80.6	124.3	169.8	175.9
Core EPS (Rp)	22.34	23.29	36.44	49.79	51.60
Core EPS Growth	125%	4%	56%	37%	4%
FD Core P/E (x)	19.47	16.78	11.94	8.74	8.43
DPS (Rp)	1.70	5.14	12.47	18.58	16.93
Dividend Yield	0.39%	1.18%	2.87%	4.27%	3.89%
EV/EBITDA (x)	7.34	8.33	6.18	4.50	4.43
P/FCFE (x)	7.86	9.81	18.90	74.60	39.94
Net Gearing	(97%)	(101%)	(94%)	(74%)	(60%)
P/BV (x)	2.40	2.66	2.34	2.04	1.75
Recurring ROE	13.0%	15.1%	20.9%	25.0%	22.3%
% Change In Core EPS Estimates			7.4%	32.0%	26.6%
CIMB/consensus EPS (x)			0.99	1.15	1.02

SOURCE: CIMB, COMPANY REPORTS

Profit & Loss

(Rpb)	Dec-10A	Dec-11F	Dec-12F	Dec-13F
Revenue	1,541	1,598	2,075	2,183
Cost Of Sales	(1,345)	(1,351)	(1,737)	(1,813)
Gross Profit	195.8	247.2	337.6	369.7
Total Operating Costs	(94.9)	(112.6)	(134.9)	(153.5)
Operating Profit	100.9	134.6	202.7	216.2
Operating EBITDA	110.2	144.0	212.1	225.6
Depreciation And Amortisation	(9.33)	(9.40)	(9.40)	(9.40)
Operating EBIT	100.9	134.6	202.7	216.2
Net Interest Income	23.87	34.14	36.45	32.47
Exchange Gains	1.23	0.00	0.00	0.00
JV/Associates Profit	0.35	0.00	0.00	0.00
Other Income	0.32	0.00	0.00	0.00
Profit Before Tax (pre-EI)	126.7	168.8	239.2	248.7
Exceptional Items	-	-	-	-
Pre-tax Profit	126.7	168.8	239.2	248.7
Taxation	(46.04)	(44.52)	(59.25)	(59.24)
Profit After Tax	80.6	124.3	179.9	189.4
Minority Interests	0.00	0.00	(10.13)	(13.50)
Net Profit	80.6	124.3	169.8	175.9
Recurring Net Profit	79.4	124.3	169.8	175.9

Balance Sheet

(Rpb)	Dec-10A	Dec-11F	Dec-12F	Dec-13F
Fixed Assets	61.2	87.5	100.5	113.5
Intangible Assets	-	-	-	-
Other Long Term Assets	162.7	219.1	246.7	244.3
Total Non-current Assets	223.9	306.7	347.3	357.9
Total Cash And Equivalents	606.6	634.8	580.1	549.4
Inventories	-	-	-	-
Accounts Receivable	192.8	153.2	227.4	239.2
Other Current Assets	566.0	553.2	635.7	656.5
Total Current Assets	1,365	1,341	1,443	1,445
Trade Creditors	53.92	55.51	71.38	74.50
Short-term Debt	-	-	-	-
Other Current Liabilities	853.2	836.2	857.5	731.8
Total Current Liabilities	907.1	891.7	928.9	806.3
Total Long-term Debt	-	-	-	-
Other Liabilities	82.05	81.77	81.77	81.77
Deferred Tax	-	-	-	-
Total Non-current Liabilities	82.05	81.77	81.77	81.77
Shareholders' Equity	558.4	632.6	727.9	849.4
Minority Interests	41.81	41.81	51.93	65.43
Preferred Shareholders Funds	-	-	-	-
Total Equity	600.2	674.5	779.8	914.8

Cash Flow

(Rpb)	Dec-10A	Dec-11F	Dec-12F	Dec-13F
Pre-tax Profit	126.7	168.8	239.2	248.7
Depreciation And Non-cash Adj.	(16.12)	(24.74)	(27.04)	(23.07)
Change In Working Capital	65.2	59.7	(129.6)	(155.2)
Tax Paid	(46.04)	(44.52)	(59.25)	(59.24)
Other Operating Cashflow	150.3	34.1	46.6	46.0
Cashflow From Operations	279.9	193.3	69.9	57.1
Capex	(30.00)	(15.00)	(20.00)	(20.00)
Disposals Of FAs/subsidiaries	-	-	-	-
Acq. Of Subsidiaries/investments	0.00	(99.86)	(30.00)	0.00
Other Investing Cashflow	(18.07)	0.00	0.00	0.00
Cash Flow From Investing	(48.1)	(114.9)	(50.0)	(20.0)
Debt Raised/(repaid)	(80.64)	0.00	0.00	0.00
Equity Raised/(Repaid)	-	(0.000)	(0.000)	(0.000)
Dividends Paid	(20.63)	(50.02)	(74.55)	(67.91)
Net Cash Interest	-	-	-	-
Other Financing Cashflow	1.28	(0.28)	0.00	0.00
Cash Flow From Financing	(99.98)	(50.30)	(74.55)	(67.91)
Total Cash Generated	131.9	28.2	(54.7)	(30.8)
Change In Net Cash	212.5	28.2	(54.7)	(30.8)
Free Cashflow To Equity	151.2	78.5	19.9	37.1

Key Ratios

	Dec-10A	Dec-11F	Dec-12F	Dec-13F
Revenue Growth	(10.9%)	3.7%	29.8%	5.2%
Operating EBITDA Growth	14%	31%	47%	6%
Operating EBITDA Margin	7.2%	9.0%	10.2%	10.3%
Net Cash Per Share (Rp)	177.9	186.2	170.1	161.1
BVPS (Rp)	163.8	185.5	213.5	249.1
Gross Interest Cover	173.9	N/A	N/A	N/A
Tax Rate	36.3%	26.4%	24.8%	23.8%
Net Dividend Payout Ratio	21.7%	34.2%	37.3%	32.8%
Accounts Receivables Days	42.57	39.52	33.57	39.01
Inventory Days	-	-	-	-
Accounts Payables Days	16.13	14.79	13.37	14.69
ROIC (%)	133%	150%	90%	50%
ROCE (%)	23.0%	26.5%	32.9%	29.3%

Key Drivers

(Rpb)	Dec-10A	Dec-11F	Dec-12F	Dec-13F
Outstanding Orderbook	2,722.5	3,824.5	4,034.4	4,317.8
Orderbook Depletion	N/A	N/A	N/A	N/A
Orderbook Replenishment	1,554.0	2,177.6	1,800.0	2,200.0
ASP (% chg. main prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% main prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% main prod./serv.)	N/A	N/A	N/A	N/A
ASP (% chg. 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% 2ndary prod./serv.)	N/A	N/A	N/A	N/A