

Jun 20, 2012



Total Bangun Persada is an active construction company that have projects specialization in commercial, residential, medical and religious buildings, and schools.

## BUY - Rp626

### Company Update

Share Price	Rp480
Sector	Construction
Price Target	Rp626
Prev. TP	Rp700

### Stock Data

Reuters Code	TOTL.JK
Bloomberg Code	TOTL.IJ
Issued Shares (m)	3,410
Mkt Cap (Rpbn)	1,637
Average Daily T/O	4.7m
52-Wk range	Rp610 / Rp205

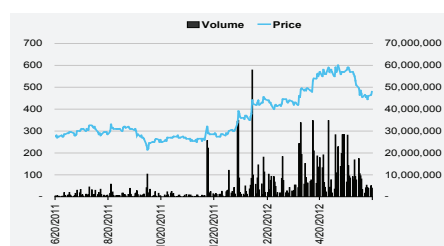
### Major Shareholders:

PT Total Inti Persada	56.5%
Ir. Djajang Tanuwidjaja	8.6%
Employees	2.6%
Public	32.4%

### Consensus

EPS	12E	13F
Consensus (Rp)	45	51
TRIM VS Cons (%)	9.6	20.0

### Stock Price



## Total Bangun Persada Adding Diversification

### Adding New Division

Total Bangun Persada added a new subsidiary, PT Total Persada Industri, which will focus on EPC and industrial building. This new subsidiary has Rp100bn of initial capital and Rp25bn of additional capital.

### EPC Yielded 15-20% Margin

This division will not contribute to revenue this year. However, it will potentially provide additional margin for TOTL as the EPC gross margin stood at 15-20% vs usual construction margin at 10%. Moreover, as TOTL already gained 15.6% gross margin on its high-rise division, the EPC will act more like a diversification product.

### Valuation

This is an early sign on diversification from its well known high-rise construction business. This new division has not been included into our model, thus it offers additional upside potential to our established TP of Rp626 that reflects 13x PE. BUY.

### Forecast & Rating

Year end Dec	2010	2011	2012E	2013F	2014F
Net Profit (Rpbn)	81	123	164	197	210
EPS (Rp)	24	36	48	58	62
EPS Growth (%)	25.2	52.4	33.0	20.1	6.9
DPS (Rp)	6	15	44	29	35
BVPS (Rp)	164	186	203	232	259
P/E (x)	10.8	7.9	14.0	11.0	11.0
P/BV (x)	1.6	1.5	3.3	2.7	2.6
Div Yield (%)	2.4	5.1	6.5	4.5	5.1

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### Income Statement (Rpbn)

Year end 31 Dec	2010	2011	2012E	2013F	2014F
Revenue	1,541	1,569	1,957	2,064	2,225
% growth	(10.9)	1.8	24.7	5.5	7.8
Gross Profit	196	244	303	329	354
Opr Profit	101	139	156	174	188
EBITDA	170	214	242	274	301
% growth	10.8	25.7	13.1	13.1	9.8
Net Int Inc/(Exp)	20	29	40	48	53
Gain/(loss) Forex	1	0	-	-	-
Other Inc/(Exp)	4	5	1	1	1
Pre-tax Profit	127	173	197	223	242
Tax	(46)	(49)	(58)	(62)	(66)
Minority Int.	0	(1)	-	-	-
Extra. Items	-	-	-	-	-
Net Profit	81	123	164	197	210
% growth	55.24	52.43	33.01	20.09	6.91

### Balance Sheet (Rpbn)

Year end 31 Dec	2010	2011	2012E	2013F	2014F
Cash and Deposits	607	796	829	950	1,008
Other Current Assets	759	809	929	992	1,064
Net Fixed Assets	61	84	105	129	151
Other Assets	163	208	308	308	358
Total Assets	1,589	1,897	2,172	2,379	2,580
ST Debt					
Other Curr Liabilities	907	1,143	1,334	1,436	1,535
LT Debt					
Other LT Liabs	82	80	94	98	103
Minority Interest	42	40	50	53	57
Total Liabilities	989	1,224	1,428	1,534	1,638
Shareholder's Equity	558	633	693	791	884
Net Debt/(Cash)	(488)	(661)	(829)	(950)	(1,008)
Net Working capital	70	161	84	43	33

### Cash Flow (Rpbn)

Year end 31 Dec	2010	2011	2012E	2013F	2014F
Net Profit	81	123	164	197	210
Depr/Amort	(7)	(11)	(8)	(14)	(13)
Others	-	-	-	-	-
Chg in Opr Ass&Liab	69.8	161.0	84.1	43.4	32.9
CF's from Oprs	143.6	273.4	239.5	226.5	229.8
Capex	2	(12)	(13)	(11)	(8)
Others					
CF's from Investing	8	(14)	(103)	(8)	(54)
Net Change in Debt					
Others	(18)	(58)	(104)	(98)	(118)
CF's from Financing	(18)	(58)	(104)	(98)	(118)
Net Cash Flow	133	202	33	120	58
Cash at BoY	500	633	835	868	989
Cash at EoY	633	835	868	989	1,047
Free Cashflow	98	108	60	200	166

### Key Ratio Analysis

Year end 31 Dec	2010	2011	2012E	2013F	2014F
<b>Profitability</b>					
Gross Margins (%)	12.7	15.6	15.5	15.9	15.9
Op Margins (%)	6.6	8.8	8.0	8.4	8.4
EBITDA Margins (%)	11.1	13.6	12.4	13.3	13.5
Net Margins (%)	5.2	7.8	8.4	9.5	9.4
ROE (%)	15.4	20.7	24.7	26.5	25.1
ROA (%)	5.6	7.1	8.0	8.6	8.5
<b>Stability</b>					
Current Ratio (x)	1.5	1.4	1.3	1.4	1.3
Net Debt/Equity (x)	-	-	-	-	-
Int Coverage (x)	174.6	253.4	284.8	318.1	342.8
<b>Efficiency</b>					
A/P days	15	15	15	15	15
A/R days	46	41	41	41	41
Inventory Days	-	317	317	317	317

### Interim Result (Rpbn)

	1Q11	2Q11	3Q11	4Q11	1Q12
Sales	411	352	343	463	344
Gross Profit	67	55	50	72	57
Operating Profit	42	31	25	41	27
Net Profit	30	31	22	42	32
Gross Margins (%)	16.3	15.7	14.6	15.6	16.4
Opr Margins (%)	10.3	8.8	7.2	8.8	7.8
Net Margins (%)	7.3	8.7	6.4	9.1	9.4

### Capital History

Date	
1-Jul-06	IPO @ Rp345
28-Jun-10	Bonus share 100:24

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