



TRC Synergy Berhad

5th Job Win for 2011

TP: RM0.70(+15.6%)

Last traded: RM0.605

BUY

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Second jobs from Putrajaya Holdings this year

TRC Synergy's (TRC) announced that the company has received the letter of award of building works from Putrajaya Holdings for: 1) development of 14 units 2 storey terrace house and 14 units 2 storey semi-detached house at Precinct 14, Putrajaya; and 2) development of 72 units 2 storey terrace house at sub-Precinct 14-6A, Putrajaya, for a contract sum of RM38.1mn.

YTD job win of RM497.2mn

YTD, TRC has bagged new contracts worth RM497.2mn including the massive Brunei Airport works worth RM319mn. This job win is in line with our new jobs assumptions of RM500mn for FY11.

Projects	Value (RMmn)	Awarder	Expected Completion Date
Housing Projects in Putrajaya	43.8	Putrajaya Hldgs	December 2012
RMN Submarine Facilities	45.0	Boustead Penang	August 2013
Brunei Airport Works	318.9	Brunei EDB	July 2013
Jetty Works, Lumut	51.4	JKR	-
Housing Projects in Putrajaya	38.1	Putrajaya Hldgs	-
Total	497.2		

Source: TRC & TA Research

RM1mn PBT contribution to FY12-13 earnings

We are positive over this job win, albeit small, as it will boost the group's order book to RM1.2bn. Assuming a construction PBT margin of 5% and a contract duration of 2 years, the new Putrajaya works will contribute approximately RM1.0mn to FY12-13 pretax profit.

Forecast

No change to our FY11-13 earnings projections. We continue to assume TRC to secure RM700mn new jobs for FY12-13.

Valuation

We maintain our fair value of RM0.70/share for TRC, based on an unchanged PE of 12x CY12 earnings. Maintain Buy.

Share Information

Bloomberg Code	TRC MK
Bursa	TRC
Stock Code	5054
Listing	Main Market
Share Cap (mn)	467.7
Market Cap (RMmn)	283.0
Par Value	1.00
52-wk Hi/Lo (RM)	0.779/0.496
12-mth Avg Daily Vol ('000 shrs)	935.1
Estimated Free Float (%)	35.8
Beta (x)	1.27

Major Shareholders (%)

TRC Capital Sdn Bhd	12.73
Kolektif Aman Sdn Bhd	12.51
Mohd Zin Suffri bin Haji	9.70
Leong Kam Heng	9.70
Lembaga Tabung Haji	9.59
Khoo Tew Choon	6.92

Forecast Revision

	FY11	FY12
Forecast Revision (%)	-	-
Net profit (RMm)	14.6	26.6
Consensus (RM'mn)	16.1	31.8
TA's / Consensus (%)	90.3	83.7
Previous Rating	Buy (Maintained)	

Financial Indicators

	FY11	FY12
Net Debt / Equity (%)	Net Cash	Net Cash
CFPS (sen)	(4.1)	5.1
Price / CFPS (x)	(14.9)	11.91
ROA (%)	3.7	6.0
NTA/Share (RM)	0.7	0.7
Price/NTA (x)	0.9	0.9

Share Performance (%)

Price Change	TRC	FBM KLCI
1 mth	(5.5)	0.8
3 mth	2.5	2.4
6 mth	(16.6)	(4.0)
12 mth	3.8	(0.8)

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



Source: Bloomberg

Earnings Summary

FYE December (RMmn)	2009	2010	2011E	2012F	2013F	
Revenue	533.8	376.6	380.3	553.1	768.3	
Gross Profit	58.6	44.7	47.4	74.9	95.5	
EBITDA	45.9	28.9	22.6	38.0	51.9	
EBIT	41.1	23.9	17.5	31.8	44.8	
PBT	38.8	23.5	20.5	35.5	49.2	
PAT	27.3	16.5	14.6	26.6	36.9	
EPS	(sen)	14.4	8.7	3.2	5.8	8.1
Gross Dividend	(sen)	2.0	2.5	2.5	3.3	4.0
Dividend Yield	(%)	2.5	3.1	3.1	4.0	5.0
PER	(x)	4.2	7.0	19.0	10.4	7.5

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