



WCT HOLDINGS BERHAD

Neutral

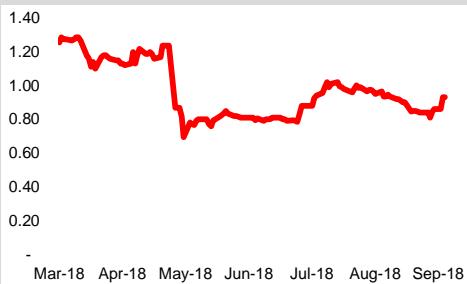
DESCRIPTION

Malaysian construction company with core businesses in civil engineering construction, property development and investment and management of properties and concession assets.

12-Month Target Price RM1.00
Current Price RM0.93
Expected Return +8%

Market Main
Sector Construction
Bursa Code 9679
Bloomberg Ticker WCTHG MK
Shariah-Compliant Yes

SHARE PRICE CHART



52 Week Range (RM) 0.70-1.83
3-Month Average Vol ('000) 8,325.0

SHARE PRICE PERFORMANCE

Table with 4 columns: Metric, 1M, 3M, 6M. Rows: Absolute Returns, Relative Returns.

KEY STOCK DATA

Market Capitalisation (RMm) 1,285.4
No. of Shares (m) 1,382.2

MAJOR SHAREHOLDERS

Table with 2 columns: Shareholder Name, %. Rows: Tan Sri Desmond Lim, EPF, Lembaga Tabung Haji.

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Secures RM1.77bn Building Job

WCT Holdings Berhad (WCT) announced the acceptance of a letter of award from Impian Ekspresi Sdn Bhd (IESB) for a mixed development job with a contract value of c.RM1.77bn. This, together with the recent contract from Landlease (RM555m contract value), sees the jobs secured so far having surpassed its jobs replenishment target of RM2bn in FY18.

Scope of works. The scope of works encompass the execution and completion of 9 blocks of office tower and 3 blocks of service apartment on a podium block comprising retail space, mezzanine floors and works to lower ground floor and basement car park within Pavilion Damansara Heights mixed development.

KEY FORECAST TABLE

Table with 7 columns: FYE Dec (RM m), 2016A, 2017F, 2018F, 2019F, 2020F, CAGR (%). Rows: Revenue, Operating Profit, Pre-tax Profit, Net Profit, EPS (Sen), P/E (x), DPS (Sen), Dividend Yield (%).

Source: Company, PublicInvest Research estimates

## KEY FINANCIAL DATA

### INCOME STATEMENT DATA

FYE Dec (RM m)	2016A	2017A	2018F	2019F	2020F
Revenue	1,933.6	2,495.7	2,576.4	2,682.4	2,683.5
Gross Profit	238.8	463.4	488.9	519.9	530.9
Operating expenses	-117.9	-204.1	-189.7	-205.7	-216.3
Operating Profit	120.9	259.3	299.2	314.2	314.6
Other Gains / (Losses)	109.3	16.8	17.3	17.8	18.4
Finance Costs	-108.2	-102.6	-107.8	-103.8	-99.8
Pre-tax Profit	122.0	173.5	208.7	228.2	233.2
Income Tax	-32.7	-41.6	-50.1	-54.8	-56.0
Effective Tax Rate (%)	26.8	24.0	24.0	24.0	24.0
Minorities	2.8	1.7	7.8	7.8	7.8
Net Profit	68.4	117.4	166.4	181.3	185.0
<b>Growth</b>					
Revenue (%)	0.5	15.9	11.1	3.2	4.1
Gross Profit (%)	27.0	-19.5	13.6	5.5	6.3
Net Profit	42.3	-67.3	10.5	28.9	19.9

Source: Company, PublicInvest Research estimates

### BALANCE SHEET DATA

FYE Dec (RM m)	2016A	2017F	2018F	2019F	2020F
Property, Plant & Equipment	288.4	319.6	361.1	404.5	449.6
Cash and Cash Equivalents	524.3	1,000.4	794.2	719.7	641.9
Receivables	1,155.9	1,487.3	1,652.9	1,706.3	1,776.5
Other Assets	4,793.5	4,165.1	4,300.3	4,343.5	4,400.4
<b>Total Assets</b>	<b>6,762.1</b>	<b>6,972.5</b>	<b>7,108.5</b>	<b>7,174.0</b>	<b>7,268.5</b>
Payables	1,457.5	1,143.6	1,270.9	1,312.0	1,365.9
Borrowings	2,593.2	2,565.2	2,440.5	2,351.1	2,261.7
Tax payable	9.2	35.4	35.4	35.4	35.4
Other Liabilities	44.7	795.0	863.9	886.1	915.3
<b>Total Liabilities</b>	<b>4,104.7</b>	<b>4,539.2</b>	<b>4,610.7</b>	<b>4,584.6</b>	<b>4,578.4</b>
Shareholders' Equity	2,657.4	2,433.3	2,497.8	2,589.4	2,690.1
<b>Total Equity and Liabilities</b>	<b>6,762.1</b>	<b>6,972.5</b>	<b>7,108.5</b>	<b>7,174.0</b>	<b>7,268.5</b>

Source: Company, PublicInvest Research estimates

### PER SHARE DATA & RATIOS

FYE Dec	2016A	2017F	2018F	2019F	2020F
Book Value Per Share	1.9	1.7	1.8	1.8	1.9
NTA Per Share	1.9	1.7	1.8	1.8	1.9
EPS (Sen)	5.1	8.7	12.3	13.4	13.7
DPS (Sen)	2.0	2.0	2.0	2.0	2.0
Payout Ratio (%)	39.5	23.0	16.2	14.9	14.6
ROA (%)	1.8	2.4	1.5	1.6	2.2
ROE (%)	2.6	4.9	6.8	7.1	7.0

Source: Company, PublicInvest Research estimates

## **RATING CLASSIFICATION**

### **STOCKS**

<b>OUTPERFORM</b>	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
<b>NEUTRAL</b>	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
<b>UNDERPERFORM</b>	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
<b>TRADING BUY</b>	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
<b>TRADING SELL</b>	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
<b>NOT RATED</b>	The stock is not within regular research coverage.

### **SECTOR**

<b>OVERWEIGHT</b>	The sector is expected to outperform a relevant benchmark over the next 12 months.
<b>NEUTRAL</b>	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
<b>UNDERWEIGHT</b>	The sector is expected to underperform a relevant benchmark over the next 12 months.

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