

Q4 FY15 QOC 2016 RESULTS REPORT

30 May 2016

Name of POC: Can One Berhad (Can One)		POC Website: www.canone.com.my
Business Summary: Manufacture and distribution of tin cans, plastic jerry cans and food products		
Top Three Shareholders: Fook An Hoe		27.4%
Suk Kien Hoe		19.9%
Market / Sector:	Industrial Products	Stock Code: 6309
		Shareng Ticker: C100-ME
Market Capitalization:	RM 647.6m	Recommendation: BUY
Target Price:	RM 6.50	Expected Capital Gain: 27.0%
		Expected Div. Yield: 2.7%
Current Price:	RM 5.17	Expected Total Return: 28.4%
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Key Stock Metrics	2016	2017	2018	2019E
EPS (sen)	49.0	53.0	54.2	54.4
DIV (sen)	7.0	8.2	8.0	8.0
Net Dividend/Share (sen)	4.0	4.0	4.0	4.0
P/E Ratio (Share)	3.00	4.12	4.54	3.90
Book Value/Share (RM)	3.00	4.19	4.32	4.31
Target Capitalization (RM)	647.2	645.2	645.2	645.2
30-month Mean Price Range (RM)			5.83	4.46
Current Bid Price			5.17	
Average volume (shares)			314,700	

Key Share Data	2016	2017	2018	2019E
Year-end 10 Day				
Book Value/Share (RM)	3.00	4.19	4.32	4.31
Operating E/Share (sen)	89.7	84.9	86.9	89.0
EPS (sen)	49.0	53.0	54.2	54.4
Net Dividend/Share (sen)	8.0	8.0	8.0	8.0
DIV (sen)	7.0	8.2	8.0	8.0
OC (sh. Value)	4.0	33.9	4.7	0.3
OC (sh. Value)	0.0	0.0	0.0	0.0
Dividend Yield (%)	2.0	2.2	2.2	2.2
Payoff Ratio (%)	0.0	15.1	86.3	3.4
ROE (%)	11.0	8.0	9.3	9.4
Net Leverage (%)	93.0	90.0	93.0	93.0

FOK Analysis (RM mil)	2016	2017	2018	2019E
Revenue	606.26	1,079.34	1,217.33	1,727.81
EBITDA	606.26	98.32	109.47	99.74
Depreciation & amort	(121.78)	(121.89)	(124.88)	(121.77)
Net interest income	(20.86)	(20.27)	(24.14)	(26.87)
Available	(1.02)	28.96	4.98	(3.07)
CF	-	-	-	(201.34)
Free Cash Profit	606.26	87.47	67.73	394.67
Free Cash	86.77	63.99	46.36	642.84
Operating Margin (%)	11.7	8.7	5.6	7.1
Free Cash Margin (%)	14.3	7.3	5.5	41.8
Net Margin (%)	9.7	7.6	7.8	5.7

4. Q4 FY15 Results Highlight

	Q4 FY15 RM mil	Q4 FY16 RM mil	Chg %
Revenue	606.26	740.49	20.8
Operating Profit	69.27	87.86	7.7
Net Interest cost	(7.28)	(6.52)	10.8
Available	(1.02)	3.49	4.46
CF	(212.36)	-	9.95
Free Cash Profit	381.27	24.44	1,538.2
Free Cash	98.88	11.11	143.9
Operating Margin (%)	11.3	11.8	0.4
Free Cash Margin (%)	62.5	3.1	
Net Margin (%)	11.5	11.7	0.1

- Due to the first-time consolidation of KOCF's financials in Q4 FY16, the financial comparison is not as comparable.
- To recap, on 13-Dec-15, Can One International Sdn Bhd (COIS), a wholly-owned subsidiary of Can One, proposed an acquisition of a 10.00% stake in Kim An-Can Factory Berhad (KACF) from Mr. Tan Kim Seng at RM5.10/share. This had increased COIS's stake in KACF from 31.00% to 41.00%. Subsequently, COIS has proposed a mandatory general offer (MGO) for all remaining KACF shares not already owned by COIS at RM5.10/share.