

Q4 FY19 JUN 2019 RESULTS REPORT

30 August 2019

Name of POC: Phoenix Asia Ltd (Phoenix)		P.O.C Website: www.phoenix.com.sg	
Business Summary: Involved in the provision of geotechnical engineering & construction services and also manufacturing of industrial metal containers			
Top Three Shareholders as of 31 December 2018:			
De Chia Hong King and related interest		43.3%	
Khor Fok Kee		8.9%	
Investors Group		8.9%	
Market / Sector:	SEAP Construction	Stock Code:	0709
		Bloomberg Ticker:	PHO1-ASE
Market Capitalisation:	S\$743M	Recommendation:	BUY
Target Price:	S\$2.63	Expected Capital Gain:	(10.2%)
		Expected Div Yield:	8.9%
Current Price:	S\$2.30	Expected Total Return:	(1.4%)
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Key Stock Metrics	2018	2017	2016E	2015E
EPS (cents)	8.4	15.7	15.2	15.0
EPS (cents)	11.0	18.8	15.2	15.2
EPS (cents)	8.4	15.7	15.2	15.0
EPS (cents)	10.0	16.7	15.2	15.2
Per Sharebook/Share (cents)	30.0	30.0	30.0	30.0
P/B Ratio (BMS)	1.00	1.93	1.97	1.99
Book Value/Share (BMS)	1.00	1.87	1.97	1.99
Forward P/Earnings Multiple (BMS)	10.5	10.5	10.5	10.5
32 weeks Share Price Range (BMS)			2.00-1.00	
Dividend Per Share			0.20	
Average Volume (shares)			11,700	

Key Share Data	2018	2017	2016E	2015E
Free and 30 days				
Book Value/Share (BMS)	1.00	1.87	1.97	1.99
Operating CF/Share (cents)	11.0	11.0	10.0	10.0
EPS (cents)	8.4	15.7	15.2	15.0
Per Sharebook/Share (cents)	30.0	30.0	30.0	30.0
EPS (cents)	11.0	18.8	15.2	15.2
EPS (cents)	8.4	15.7	15.2	15.0
EPS (cents)	10.0	16.7	15.2	15.2
Dividend Yield (%)	8.0	8.0	8.0	8.0
Payable Ratio (%)	11.0	10.0	10.0	10.0
ROE (%)	11.0	11.0	11.0	11.0
Per Shareing (%)	106.75	106.75	106.75	106.75

Key Analysis (2018 only)	2018	2017	2016E	2015E
Revenue	111.0	111.0	111.0	111.0
EBITDA	11.0	11.0	11.0	11.0
Operating Profit	11.0	11.0	11.0	11.0
Net Interest Income	1.0	1.0	1.0	1.0
EPS	11.0	11.0	11.0	11.0
Per Share Profit	11.0	11.0	11.0	11.0
Per Share	11.0	11.0	11.0	11.0
EBITDA Margin (%)	10.0	10.0	10.0	10.0
Per Share Margin (%)	10.0	10.0	10.0	10.0
Per Share Profit	11.0	11.0	11.0	11.0

4. Q4 FY19 Results Highlight

	Q4 FY19	Q4 FY18	Chg
	RMm	RMm	%
Revenue	50.9	51.4	100.0
Gross Profit	20.7	20.6	6.6
Other operating income	0.6	3.3	405.0
Pre-tax Profit	17.3	16.6	104.4
Post-tax Profit	16.2	16.0	101.4
Pre-Margin (%)	34.1	32.2	115.6
Gross Margin (%)	40.7	40.1	101.5
Pre-tax Margin (%)	34.0	32.4	104.9
Post-Margin (%)	31.7	31.2	101.6

- The Company posted extremely strong results in Q4 FY19. Its revenue jumped 240.3% y-o-y from RM22.2m to Q4 FY18 to RM50.9m in Q4 FY19. Core profits' y-o-y growth widened further by engineering RM16.2m core profits in Q4 FY19. The strong results were mainly driven by its Singapore subsidiary, Primary International Pte Ltd.
- Construction division's revenue surged 511.9% y-o-y to RM21.0m while its segmental profit turned profitable at RM12.2m from a loss of RM1.2m in Q4 FY18, underpinned by the stronger performance of its Singapore operation.
- Manufacturing division's revenue improved marginally by 2.1% y-o-y to RM19.5m. However, its FY19 was 23.5% lower y-o-y at RM1.3m due to higher input cost, whose average prices y-o-y were 10% higher.