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# Tech players take the lead

**T**ECHNOLOGY players come out tops on this year's Focus List of the fastest-growing companies by revenue. Of the top seven, three are technology companies. Apart from technology players, trading or services companies continue to lead in revenue growth.



by Dinesh Immanuel

12 last year.

The average revenue growth of the top 40 companies in Table 1 is 45%, higher

than last year's 29%. Similarly, the average revenue growth in the second table (Table 2) this year is 63%, lower than last year's 75%.

Of the 40 companies in Table 1 - with a market capitalisation of RM500 mil and above - 22 are new entrants. This reflects volatile economic and market conditions, especially in the second half of last year when some which made our list last year fell short this time.

The total market capitalisation of the companies in Table 1 is RM157.82 bil or

## THE FOCUS LIST 50 Fastest-Growing Companies



Table 2, featuring companies with market capitalisation of below RM500 mil, sees nine new entrants. This table is dominated by property and construction players. Interestingly, two technology companies also make Table 2, compared to none last year.

As in the last two years, we list the 40 fastest-growing companies on Bursa with market capitalisation of RM500 mil

**Table 1: Fastest-growing companies (market capitalisation of RM500 mil and above)**

Rank by revenue	Rank by net profit	Company	Sector	2014 ranking by revenue	FY end	Revenue latest FY (RM'000)	Revenue prev FY (RM'000)	Revenue growth	
								Latest FY/Prev FY (%)	3-year CAGR (%)
1	3	Inari Amerton	Technology	13	June 30, 2014	793,655	241,140	229.13	63.74
2	6	Barakah Offshore Petroleum	Trading/ Services	New	Dec 31, 2014	949,037	298,901	217.51	67.50
3	22	GHL Systems	Technology	New	Dec 31, 2014	164,933	64,031	157.58	45.56
4	1	Berjaya Food	Trading/ Services	New	Apr 30, 2015	377,355*	150,369	150.95	45.74
5	17	Destini	Trading/ Services	New	Dec 31, 2014	167,258	93,314	79.24	43.30
6	27	I-Bhd	Property	New**	Dec 31, 2014	261,114	152,148	71.62	57.64
7	5	Vitrox Corporation	Technology	New	Dec 31, 2014	169,939	106,104	60.16	24.12
8	29	Dayang Enterprise Holdings	Trading/ Services	9	Dec 31, 2014	876,870	552,634	58.67	29.77
9	4	Mitrajaya Holdings	Construction	New	Dec 31, 2014	520,205	338,444	53.70	27.57
10	34	Pleniitude	Property	New	June 30, 2014	309,887	208,548	48.59	14.59
11	28	Mah Sing Group	Property	36	Dec 31, 2014	2,904,723	2,005,596	44.83	17.84
12	13	MyEG Services	Trading/ Services	33	June 30, 2014	109,872	76,484	43.65	17.97
13	2	PJ Development	Property	New	June 30, 2014	1,169,502	826,985	41.42	22.33
14	14	UMW Oil & Gas Corporation	Consumer Products	New	Dec 31, 2014	1,014,903	737,752	37.57	11.90
15	30	Deleum	Trading/ Services	New	Dec 31, 2014	657,273	477,955	37.52	11.57
16	40	Tropicana Corporation	Property	1	Dec 31, 2014	1,972,358	1,475,503	33.67	46.26
17	24	Aeon Credit Service (M)	Finance	11	Feb 28, 2015	871,600	672,762	29.56	23.11
18	15	Scientex	Industrial Products	7	July 31, 2014	1,590,472	1,229,045	29.41	21.76
19	11	Berjaya Auto	Trading/ Services	New	April 30, 2015	1,829,876*	1,450,790	26.13	19.80
20	32	Tambun Indah Land	Property	19	Dec 31, 2014	466,842	376,389	24.03	16.31
21	37	Batu Kawan	Plantation	New	Sept 30, 2014	11,499,664	9,466,245	21.48	226.12
22	26	Kim Loong Resources	Plantation	New	Jan 31, 2015	774,925	640,394	21.01	6.74
23	20	Allianz Malaysia	Finance	30	Dec 31, 2014	4,376,184	3,649,389	19.92	11.61
24	12	Soicom (MSC)	Trading/ Services	New	June 30, 2014	160,142	133,843	19.65	6.86
25	18	Sapurakencana Petroleum	Trading/ Services	New	Jan 31, 2015	9,943,019	8,378,776	18.67	12.88
26	25	White Horse	Trading/ Services	New	Dec 31, 2014	765,200	646,814	18.30	9.30
27	23	Cahaya Mata Sarawak	Industrial Products	28	Dec 31, 2014	1,673,898	1,416,841	18.14	11.62
28	7	KSL Holdings	Property	2	Dec 31, 2014	801,026	680,004	17.80	25.75
29	10	GD Express Carriers	Trading/ Services	29	June 30, 2014	158,703	135,154	17.42	10.91
30	36	MKH	Property	21	Sept 30, 2014	806,521	688,219	17.19	13.94
31	33	Uzma	Trading/ Services	5	Dec 31, 2014	473,425	405,902	16.64	17.85
32	39	Tune Ins Holdings	Finance	New	Dec 31, 2014	451,070	388,130	16.22	25.78
33	31	Tenaga Nasional	Trading/ Services	New	Aug 31, 2014	42,792,400	37,130,700	15.25	6.08
34	9	Yinson Holdings	Trading/ Services	26	Jan 31, 2015	1,083,424	941,861	15.03	7.78
35	19	Boilermech Holdings	Industrial Products	New	March 31, 2015	277,875*	242,020	14.81	18.78
36	16	Hua Yang	Property	14	March 31, 2015	583,576*	509,893	14.45	12.61
37	38	UEM Edgenta	Trading/ Services	New	Dec 31, 2014	3,089,287	2,699,652	14.43	53.34
38	21	Dialog Group	Trading/ Services	10	June 30, 2014	2,551,690	2,237,180	14.06	16.02
39	35	Tasek Corporation	Industrial Products	New	Dec 31, 2014	656,061	577,009	13.70	5.14
40	8	SHL Consolidated	Property	New	March 31, 2015	230,564	205,291	12.31	8.18

**Table 2: Fastest-growing companies (market capitalisation below RM500 mil)**

1	4	TAS Offshore	Industrial Products	New	May 31, 2014	254,271	137,996	84	36
2	7	Elsoft Research	Technology	New	Dec 31, 2014	45,143	25,218	79	34
3	1	Eduspec Holdings	Technology	New	Sept 30, 2014	58,760	34,292	71	26
4	5	BCB	Property	New	June 30, 2014	281,945	164,578	71	32
5	9	Kan Holdings	Property	New	Dec 31, 2014	91,082	55,828	63	19
6	10	Entra Group	Property	New	March 31, 2015	107,504	66,300	62	54
7	2	Seal Incorporated	Property	New	June 30, 2014	287,089	183,299	57	33
8	3	Gadang Holdings	Construction	New	May 31, 2014	544,946	356,466	53	30
9	6	OSK Property Holdings	Property	New	Dec 31, 2014	668,549	455,699	47	46
10	8	Melati Ehsan Holdings	Construction	4	Aug 31, 2014	323,143	226,235	43	37

\*Unaudited | \*\*Last year ranked number 1 in the under RM500 mil market capitalisation category | Source: Bloomberg, Bursa Malaysia | Researched by FocusM Research





Inari is the top company

and above. Additionally, we list the top 10 companies with market capitalisation of below RM500 mil.

To ensure performance consistency, we require companies on our list to have a three-year profit record.

Of the combined 50 companies, 26, or 52%, are repeats, meaning they recorded consistently strong financial performance.

### Enter the tech players

From 13th place last year, main market-listed Inari Amertron Bhd comes out tops this year. Its revenue grew by 230% to RM793.7 mil in the financial year. It is also the third-fastest-growing in terms of net profit, having increased its net profit by 143% year-on-year (yoy).

TA Securities analyst Paul Yap says Inari's sudden jump in earnings and profits was due partly to its successful acquisition of Amertron Inc (Global) Ltd in 2013. Apart from this, he notes Inari benefited from increased orders and gains due to the weaker ringgit.

"Inari has gained from the increased global demand for radio-frequency [RF] components. Some 50% of Inari's business is RF-related and there is a high demand for RF [components] worldwide. Also, as 90% of its sales are made in US dollars, Inari benefits from the weak ringgit," Yap tells *FocusM*.

Inari, which recently made Forbes Asia's Best Under A Billion 2015 list, has charted impressive performance in revenue and net profit growth over the last three years. With analysts noting the company's first 9M 2015 financial figures already coming in above expectations, Inari is expected to outdo itself this year. "Inari's revenue in 2015 should be close to RM1 bil," notes Yap. Inari's share price

has gained 20% this year and now hovers at about RM3.40. Analysts expect the counter to climb as high as RM4.

GHL Systems Bhd is another technology player to make the top three. Also listed on the main market, GHL is third in terms of revenue growth, which jumped 158% yoy last year. Its chairman Datuk Kamaruddin Taib attributes the company's earnings growth partly to the consolidation of revenues from its e-payment business.

Still, the company has not been very profitable, managing a small, 4% profitability margin in its recent 2014 financial year. Despite this, it has been consistently increasing net profits over the last three years. It has the lowest earnings per share (EPS) of the companies in Table 1. Alongside its bright outlook, its share price has gained over 60% this year and stands close to its 52-week high of RM1.28.

There are two KLCI constituent stocks in Table 1, namely Tenaga Nasional Bhd and SapuraKencana Petroleum Bhd. They are the largest two companies on our list by market cap. Tenaga records the largest revenue of the companies, having raked in RM42.8 bil last year. It also has the highest net profit and largest net cash position from operating activities.

We find it interesting that at least five of the top 15 companies in our main table are in the oil and gas (O&G) industry. Of these, only Dayang Enterprise Bhd is a repeat, improving from 9th place last year to 8th this year. Barakah Offshore Petroleum Bhd, an O&G service provider, takes second spot.

Amid an industry downturn, it is surprising to see these O&G players perform well. A local industry analyst says the effects of a downturn in crude oil prices and general slump in the industry will only be fully seen in these companies' financials this year.

Furthermore, big-cap O&G stocks have so far shown resilient earnings due to their diversified businesses and are expected to weather the storm better than mid- to small-cap players. As such, big-cap O&G stocks are still some of the best stock picks, the analyst notes.

### Many consistent top performers

Tropicana Corporation Bhd makes our list again this year. Last year it topped our tables with an impressive 134% in revenue growth. However, it drops to 16th place this year, after having increased its revenue by 34% to RM1.97 bil.

In February, the company sold Tropicana City Mall and Tropicana City Office Tower for some RM540 mil. Analysts had then said the move would improve its debt position.

Delivering the best shareholder value of the companies on our list is insurer Allianz Malaysia Bhd. It is ranked

first in terms of an EPS of 178.5 sen per share. Last year, it was tops too in terms of EPS. Ranked by revenue, the company is

### QUICK FACTS

- ▶ DESPITE technology companies' topping our list, trading or services companies continue to lead the way, making up 16 (32%) of the 50 companies on the list. The second-biggest sector is property, which has 15 of the 50 companies.
- ▶ THERE are 31 new entrants and 19 repeats.
- ▶ THE average revenue growth of the top 40 companies in Table 1 is 45%, and the average revenue growth in Table 2 is 63%.
- ▶ INARI Amertron Bhd is the fastest-growing by revenue, and the fastest-growing company by net profit is Berjaya Food Bhd.
- ▶ THE total market capitalisation of the companies in Table 1 is RM157.82 bil, or just under 10% of the total Bursa Malaysia market cap. The 16 trading or services companies account for RM114.3 bil, or 72%, of the total Table 1 market cap.
- ▶ TENAGA Nasional Bhd and SapuraKencana Petroleum Bhd are the only two KLCI constituents on our list. Tenaga is also the largest company by market cap. The smallest is TAS Offshore Bhd.

Net profit latest FY (RM'000)	Net profit prev FY (RM'000)	Net profit growth		Share price as of June 30 (RM)	Market cap as of June 30 (RM'000)
		Latest FY/Prev FY (%)	3-year CAGR (%)		
100,399	41,243	143	73	3.25	2,362,622
80,226	41,103	95	34	0.93	757,489
6,371	5,165	23	14	1.10	707,803
181,264*	20,113	801	119	2.67	1,001,018
14,524	10,870	34	27	0.63	503,029
53,438	43,969	22	47	0.56	551,274
49,108	24,063	104	34	3.38	788,011
180,132	149,293	21	21	2.25	1,972,799
52,248	24,619	112	47	1.75	716,236
87,646	77,792	13	7	2.04	762,843
337,663	279,261	21	13	1.65	3,975,538
50,113	34,849	44	22	2.78	3,335,839
214,221	60,606	253	60	1.49	676,186
253,758	186,795	36	51	1.71	3,697,020
70,651	58,662	20	9	1.40	560,000
383,081	378,372	1	29	1.01	1,457,602
215,726	175,352	23	17	13.44	1,935,360
151,501	112,497	35	22	6.89	1,556,169
222,521*	133,848	66	62	2.70	3,078,330
103,335	87,756	18	22	1.66	701,525
1,106,715	1,032,434	7	31	18.22	7,421,649
89,689	73,259	22	9	2.77	862,139
295,902	237,921	24	13	11.78	1,993,637
22,403	14,556	54	18	2.04	725,125
1,433,460	1,123,697	28	29	2.36	14,141,486
59,235	48,182	23	16	2.40	550,524
265,608	215,548	23	17	5.15	5,533,035
342,317	181,530	89	39	1.73	1,659,393
23,385	13,616	72	39	1.37	1,693,770
119,622	107,148	12	17	2.13	893,338
40,388	34,884	16	19	2.35	632,973
76,086	72,534	5	16	1.64	1,232,886
6,426,800	5,382,800	19	13	12.64	71,335,248
251,412	143,114	76	91	3.05	3,150,035
39,155*	31,016	26	18	1.46	753,360
110,557*	82,166	35	16	1.92	506,880
241,909	229,850	5	18	3.45	2,806,579
228,773	185,307	23	8	1.59	8,079,792
105,043	93,903	12	5	16.08	1,947,978
104,192	58,821	77	43	3.30	799,008
28,785	13,456	114	37	0.61	107,230
20,133	10,822	86	45	1.80	325,803
7,533	992	659	174	0.31	261,276
32,514	16,102	102	61	1.02	204,237
31,952	20,895	53	25	1.17	209,832
8,665	6,899	26	42	2.79	376,423
115,431	34,779	232	58	0.56	120,725
44,378	20,663	115	45	1.41	305,120
104,811	56,294	86	42	1.90	466,466
19,325	12,304	57	39	1.03	123,085



in 23rd place.

Its finance-sector peer, Aeon Credit Service (M) Bhd, displays the second-best EPS. It also ranked third in dividend payouts, at 57 sen per share.

Cement manufacturer Tasek Corp Bhd is tops in dividend payouts. In its 2014 financial year, it paid shareholders a whopping RM1.70 per share. That represents a yield of over 10%, based on its current price of RM15.90.

Berjaya Food Bhd tops Table 1 in net profit growth. It saw an eight-fold increase yoy in net profits last year, to RM181.3 mil. The jump in revenue and net profits was due to earnings from asset injections during the financial year. The injection of Berjaya's Starbucks business in Malaysia helped boost its profitability.

### Small caps shine

Shipbuilder TAS Offshore Bhd leads our second table with an 84% yoy growth in revenue. In terms of absolute revenue, though, property player OSK Property Holdings Bhd comes out on top with RM668.5 mil.

Technology player Eduspec Holdings Bhd increased its net profit almost sevenfold to RM7.5 mil. Among the 50 companies on this year's list, Eduspec's net profit growth is second only to Berjaya Food's.

Another notable mention in Table 2 is construction player Melati Ehsan Holdings Bhd, which fell to 10th place from 4th last year.

FocusM