



Binastra Corp Bhd

Bloomberg: BNASTR MK | Stock Code: 7195

First Job of the Year

Binastra has secured an RM250.37m data centre construction contract from AIMS Group (70% owned by NYSE-listed Digital Bridge), reinforcing its push into the fast-growing data centre segment in Malaysia. This marks its first job win in FY26, lifting its outstanding order book to RM3.6bn (approximately 3.8x FY25 revenue). While margins will likely be lower due to M&E subcontracting, the fast turnaround (completion within a year) offsets this. More importantly, we believe this contract will strengthen Binastra's prospects for future data centre jobs as well as diversify its clientele base. We reiterate our BUY call and unchanged RM2.20 TP based on 18.4x FY26 PE.

Key Highlights

Contract details. Binastra's wholly-owned subsidiary, Binastra Builder Sdn Bhd, has secured an RM250.37m construction contract to develop a data centre in Cyberjaya for AIMS Group. Under the contract, Binastra will construct a six-storey data centre building, a guard house, and a refuse room. Construction is scheduled to commence on 26 February 2025, with a phased completion timeline spanning from 15 June 2025 to 15 December 2025.

Robust order book. This contract marks the first order book secured by Binastra in FY26. With this win, we estimate Binastra's current outstanding order book to total approximately RM3.6bn (assuming roughly RM300m order book depletion in 4QFY25). This represents 3.8x of our projected FY25 revenue, reinforcing earnings visibility for the company. While margins are expected to be below Binastra's typical property development projects, we note that this is a fast turnaround project with a completion timeline of under a year. The lower margin profile reflects the subcontracting of M&E works for data centre construction, given Binastra's lack of specialised expertise in this segment.

Positive takeaways. A positive read-through from this contract awarded by AIMS Group is that Binastra is working towards diversifying its client base as well (beyond EXSIM, MAXIM and PV). Additionally, clinching a job from a reputable global data centre player (AIMS Group is 70% owned by NYSE-listed Digital Bridge Group Inc), should enhance Binastra's competitive positioning in the fast-growing data centre segment in Malaysia. We believe this win displays its credibility and strengthens the prospects for securing more data centre contracts in FY26. That said, we expect Binastra will still continue to leverage its strong relationships with key clientele to secure most of its new order book in FY26.

No changes to our forecasts. Our FY24-26F earnings forecasts and RM3.0bn order book replenishment target for FY26 remain unchanged.

FY Jan (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue (RM m)	184.8	425.2	945.6	1,460.0	1,940.0
EBITDA (RM m)	24.1	57.1	129.0	200.9	272.9
Net Profit (RM m)	17.4	41.6	89.1	129.8	168.1
Core Net Profit (RM m)	17.4	41.6	89.1	129.8	168.1
Core EPS (sen)	4.5	9.2	8.2	12.0	15.5
Core EPS growth (%)	46.4	102.3	(10.7)	45.7	29.5
Net DPS (sen)	0.0	0.0	0.0	3.6	4.6
BV Per Share (sen)	11.1	18.4	15.9	24.2	35.1
PE (x)	40.7	20.1	22.5	15.5	12.0
EV/EBITDA (x)	82.8	34.9	14.9	9.4	6.9
Net Dividend Yield (%)	0.0%	0.0%	0.0%	1.9%	2.5%
PB (x)	16.7	10.1	11.7	7.6	5.3
Net Gearing (x)	Cash	Cash	Cash	Cash	Cash
ROE (%)	40.9	50.0	51.7	49.3	44.1

Main Market
Construction Sector
BUY

TP: RM 2.20

Last Closing Price: RM 1.85

Business Overview

Binastra specializes in providing turnkey engineering and construction services for both the residential and non-residential buildings.

Return Information

KLCI (pts)	1,603.1
Upside (%)	18.9
Net Yield (%)	1.9
Total Return (%)	20.8

Price Performance

	1M	3M	12M
Absolute (%)	3.4	31.2	30.3
Relative to KLCI (%)	1.7	31.5	25.6

Stock Information

Market Cap (RM m)	2,122.7
Issued Shares (m)	1,089.9
52-week High (RM)	1.87
52-week Low (RM)	0.675
Estimated Free Float (%)	20.6
Beta vs FBM KLCI	1.22
3-month Average Vol. (m)	1.3
Shariah Compliant	Yes

Consensus

	FY25	FY26	FY27
EPS Forecast (sen)	8.2	11.9	16.3
Ratings	4 Buy	0 Hold	0 Sell

Top 3 Shareholders

	%
JL Conglomerate Sdn Bhd	41.2
Lee Yong Seng	12.9
Datuk Tan Kak Seng	11.1



Source: Mercury Securities, Bloomberg



Key Financial Data

Balance Sheet

FYE Jan	FY23	FY24	FY25F	FY26F	FY27F
PPE	0.8	9.5	54.9	112.9	177.9
Trade and other receivables	114.3	227.3	236.4	292.0	388.0
Contract Assets	6.1	18.5	52.5	81.1	107.8
Tax asset	0.0	0.0	0.0	0.0	0.0
Other assets	0.1	0.0	0.0	0.0	0.0
Deposit, bank and cash	16.4	40.7	110.3	138.5	163.9
Assets	137.6	295.9	454.1	624.5	837.6
LT borrowings	0.3	0.1	0.1	0.1	0.1
ST borrowings	0.5	24.8	24.8	24.8	24.8
Payables	84.6	137.9	207.0	286.5	382.0
Other liabilities	9.8	49.9	49.9	49.9	49.9
Liabilities	95.2	212.7	281.8	361.3	456.8
Share capital	23.5	28.9	28.9	28.9	28.9
Reserves and retained earning	13.6	54.4	143.5	234.3	352.0
Shareholder's equity	42.4	83.2	172.3	263.2	380.9
NCI	-	-	-	-	-
Equity	42.4	83.2	172.3	263.2	380.9
Equity and Liabilities	137.6	295.9	454.1	624.5	837.6

Cash Flow Statement

FYE Jan	FY23	FY24	FY25F	FY26F	FY27F
Profit before taxation	23.5	55.1	117.3	170.8	221.2
Depreciation & amortisation	0.5	1.8	11.4	29.6	51.3
Changes in working capital	(31.3)	(31.1)	25.9	(4.7)	(27.2)
Net interest received/ (paid)	-	(0.0)	(0.4)	(0.4)	(0.4)
Share of associate profits	-	-	-	-	-
Tax paid	(4.2)	(12.0)	(28.1)	(41.0)	(53.1)
Others	(0.6)	(0.7)	0.4	0.4	0.4
Operating Cash Flow	(12.1)	13.1	126.4	154.7	192.2
Capex	(0.1)	(10.1)	(56.7)	(87.6)	(116.4)
Others	(0.1)	(14.3)	-	-	-
Investing Cash Flow	(0.3)	(24.5)	(56.7)	(87.6)	(116.4)
Issuance of shares	19.4	-	-	-	-
Changes in borrowings	(0.4)	23.7	-	-	-
Dividends paid	-	-	-	(38.9)	(50.4)
Others	4.6	(2.4)	-	-	-
Financing Cash Flow	23.6	21.3	-	(38.9)	(50.4)
Net cash flow	11.2	10.0	69.7	28.1	25.4
Forex	-	-	-	-	-
Beginning cash	4.9	16.1	26.1	95.8	123.9
Ending cash	16.1	26.1	95.8	123.9	149.3

Income Statement

FYE Jan	FY23	FY24	FY25F	FY26F	FY27F
Revenue	184.8	425.2	945.6	1,460.0	1,940.0
EBITDA	24.1	57.1	129.0	200.9	272.9
Deprn & amort	0.5	1.8	11.4	29.6	51.3
Net interest expense	(0.7)	(0.0)	(0.1)	(0.0)	(0.1)
Associates & JV	-	-	-	-	-
EI	-	-	-	-	-
Pretax profit	23.5	55.1	117.3	170.8	221.2
Taxation	(6.2)	(13.6)	(28.1)	(41.0)	(53.1)
MI	-	-	-	-	-
Net profit	17.4	41.6	89.1	129.8	168.1
Core net profit	17.4	41.6	89.1	129.8	168.1

Key Statistics & Ratios

FYE Jan	FY23	FY24	FY25F	FY26F	FY27F
Growth					
Revenue	379.5%	130.0%	122.4%	54.4%	32.9%
EBITDA	311.8%	137.1%	126.2%	55.6%	35.9%
Pretax profit	378.6%	134.2%	112.6%	45.7%	29.5%
Net profit	300.0%	139.4%	114.3%	45.7%	29.5%
Core EPS	46.4%	102.3%	-10.7%	45.7%	29.5%
Profitability					
EBITDA margin	13.0%	13.4%	13.6%	13.8%	14.1%
Net profit margin	9.4%	9.8%	9.4%	8.9%	8.7%
Effective tax rate	26.2%	24.6%	24.0%	24.0%	24.0%
ROA	12.6%	14.1%	19.6%	20.8%	20.1%
ROE	40.9%	50.0%	51.7%	49.3%	44.1%
Leverage					
Debt/ Assets (x)	0.01	0.08	0.05	0.04	0.03
Debt/ Equity (x)	0.02	0.30	0.14	0.09	0.07
Net debt/ equity (x)	Net cash	Net cash	Net cash	Net cash	Net cash

Key Drivers

FYE Jan	FY23	FY24	FY25F	FY26F	FY27F
Construction order book (RM m)	1,055	1,379	3,550	5,090	6,150
Order book replenishment (RM m)	870	750	3,116	3,000	3,000
PAT margin	9.4%	9.8%	9.4%	8.9%	8.7%
PBT margin	13.9%	13.3%	12.4%	11.7%	11.4%

Valuation

FYE Jan	FY23	FY24	FY25F	FY26F	FY27F
EPS (sen)	4.5	9.2	8.2	12.0	15.5
Core EPS (sen)	4.5	9.2	8.2	12.0	15.5
P/E (x)	40.7	20.1	22.5	15.5	12.0
EV/ EBITDA (x)	82.8	34.9	14.9	9.4	6.9
Net DPS (sen)	-	-	-	38.9	50.4
Yield	0.0%	0.0%	0.0%	21.1%	27.3%
BV per share (RM)	0.11	0.18	0.16	0.24	0.35
P/BV (x)	16.7	10.1	11.7	7.6	5.3



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