



Binastra Corp Berhad

Bloomberg: BNASTR MK | Stock Code: 7195

New Height in FY25, Momentum Continue

Binastra delivered a record-high FY25 core earnings of RM90.3m (+117.0% YoY), meeting both our and consensus estimates at 99% of full-year projections. The strong earnings performance was driven by a robust 122.6% YoY surge in 4QFY24 revenue amid accelerated construction activity and higher progress billings. While PAT margin softened to 9.5% (vs.9.8% in FY24) due to a shift toward lower-margin data center and EPCC contracts, it remained within our projected high single-digit range of 8.7%-9.5%. Looking ahead, Binastra's outlook remains solid, underpinned by its stronger progress billing, its robust RM3.6bn outstanding orderbook and solid orderbook replenishment visibility with management expecting RM4-5bn in new contract win for FY26F. We reiterate our BUY call on Binastra with an unchanged target price (TP) of RM2.20, pegged to a target FY26F P/E of 18.4x.

Results Highlights

FY25 core earnings met expectation. Binastra reported record-high FY25 core earnings of RM90.3m (+117.0% YoY), in line with both our and consensus estimates at 99% of full-year projections. Earnings growth was driven by a robust 122.6% YoY surge in 4QFY24 revenue, supported by accelerated construction activities and stronger progress billings. Meanwhile, operating expenses increased at a slower pace (+83.0% YoY), supporting bottom-line resilience. Despite solid revenue growth, PAT margin moderated to 9.5% (vs. 9.8% in FY24), largely due to a shift in orderbook composition towards a higher volume of data center and EPCC contracts with lower margins. However, this margin compression still within our expected high single digit margin range of 8.7%-9.5%.

Robust orderbook with solid replenishment visibility. As at FY25, Binastra's outstanding construction orderbook stood at RM3.6bn, representing a strong 3.8x cover of its FY25 revenue. This thanks to its record-high FY25's orderbook replenishment of RM3.1bn, which exceed the management's RM3.0bn target. For FY26F, Binastra is targeting RM4.0-5.0bn in new contract wins, with the bulk of replenishment expected to come from its expansion into Johor (~RM3.0bn) alongside existing multi-phase developments in the Klang Valley (~RM1.0bn). Given our annual orderbook replenishment assumption of RM3.0bn are conservative, we see further potential upside to our FY26-27F earnings if the management's target orderbook replenishment materialises.

Earnings forecast and valuation. Given Binastra's earnings are line with our expectation, we make no changes to our valuation by continue pegging a target P/E of 18.4x based on our FY26F EPS target. We continue to like Binastra for its robust orderbook (driven by long-standing clients with vibrant growth prospects) and superior profit margin. Key rerating catalysts include stronger-than-expected new orderbooks win and stronger property sales by its key customers.

FY Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	184.8	425.2	946.6	1,460.0	1,940.0
EBITDA	24.1	57.1	133.6	200.2	272.2
Net Profit	17.4	41.6	90.3	129.8	168.1
Core Net Profit	17.4	41.6	90.3	129.8	168.1
Core EPS (sen)	4.5	9.2	8.3	11.9	15.4
Core EPS Growth (%)	46.4	102.3	(9.9)	43.8	29.5
Net DPS (sen)	0.0	0.0	3.0	3.6	4.6
BV per share (sen)	11.1	18.4	25.9	34.2	45.0
P/E (x)	41.4	20.5	22.7	15.8	12.2
EV/EBITDA (x)	84.5	35.6	14.8	8.9	6.5
Net Dividend Yield (%)	0.0%	0.0%	1.6%	1.9%	2.5%
P/B (x)	16.9	10.2	7.3	5.5	4.2
Net Gearing (x)	Cash	Cash	Cash	Cash	Cash
ROE (%)	40.9	50.0	32.0	34.8	34.2

Main Market
Construction Sector
BUY

TP: RM 2.20

Last Closing Price: RM 1.88

Business Overview

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

Return Information

KLCI (pts)	1,513.6
Upside (%)	17.0
Net Yield (%)	1.9
Total Return (%)	18.9

Price Performance

	1M	3M	12M
Absolute (%)	6.8	7.4	8.7
Relative to KLCI (%)	10.3	13.0	10.3

Stock Information

Market Cap (RM m)	2,134.4
Issued Shares (m)	1,090.1
52-week High (RM)	1.91
52-week Low (RM)	0.765
Estimated Free Float (%)	20.6
Beta vs FBM KLCI	0.88
3-month Average Vol. (m)	1.3
Shariah Compliant	Yes

Consensus

	FY25	FY26	FY27
EPS Forecast (sen)	8.2	11.9	16.2
Ratings	6 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



Figure 1 : 4QFY25 results review

FY Dec (RM m)	4Q24	3Q25	4Q25	% y-o-y change	% q-o-q change	FY24	FY25	% y-o-y change	Comments
Key financial highlights									
Revenue	155.4	265.9	270.2	73.9	1.6	425.2	946.6	6.2	Stronger progress billing
Gross Profit	22.8	35.7	38.8	69.9	8.6	60.6	134.1	15.9	
PBT profit	20.4	32.9	37.2	82.5	13.0	55.1	124.5	25.9	Better PBT margin YoY
Net profit	15.4	24.2	25.1	63.1	3.7	41.6	90.2	22.3	
Core net profit	15.4	24.2	25.1	63.1	3.7	41.6	90.2	11.5	
Per share data									
EPS (sen)	3.40	2.23	2.3	-32.4	3.1	9.2	8.3	22.1	
Core EPS (sen)	3.40	2.23	2.3	-32.4	3.1	9.2	8.3	13.6	
Net DPS (sen)	-	-	3.0	>100	>100	-	3.0	>100	Declared 3.0sen interim dividend in 4QFY25.
BV/share (RM)	0.10	0.23	0.26	>100	13.0	0.10	0.26	>100	
Margins									
Gross Profit (%)	14.7	13.4	14.4	-0.3 pts	0.9 pts	14.2	14.2	-0.1 pts	
EBIT (%)	13.2	12.5	13.6	0.4 pts	1.1 pts	13.0	13.2	0.2 pts	
PBT (%)	13.1	12.4	13.8	0.7 pts	1.4 pts	13.0	13.1	0.2 pts	
Net profit (%)	9.9	9.1	9.3	-0.6 pts	0.2 pts	9.8	9.5	-0.2 pts	Lower due to more DC and EPCC works
Other highlights									
Orderbook replenishment (RM m)	35	1,400	652	>100	-53.5	750	3,108	>100	Record-high full year new order secured
Construction order book (RM m)	1,379	3,200	3,600	>100	12.5	1,379	3,600	>100	Completion of RM946.6m worth of construction works up to 4QFY24.

Source: Company, Mercury Securities



Key Financial Data

Balance Sheet

FYE Jan	FY23	FY24	FY25	FY26F	FY27F
PPE	0.8	9.5	47.4	112.9	178.0
Trade and other receivables	114.3	227.3	454.9	292.0	388.0
Contract Assets	6.1	18.5	126.1	81.1	107.8
Tax asset	0.0	0.0	-	-	-
Other assets	0.1	0.0	5.5	-	-
Deposit, bank and cash	16.4	40.7	97.0	286.8	312.2
Assets	137.6	295.9	731.0	772.8	986.0
LT borrowings	0.3	0.1	0.2	0.2	0.2
ST borrowings	0.5	24.8	23.7	23.7	23.7
Payables	84.6	137.9	326.7	286.6	382.1
Other liabilities	9.8	49.9	97.9	94.7	94.7
Liabilities	95.2	212.7	448.5	405.3	500.8
Share capital	23.5	28.9	137.4	137.4	137.4
Reserves and retained earning	13.6	54.4	145.0	235.9	353.6
Shareholder's equity	42.4	83.2	282.4	373.3	491.0
NCI	-	-	-	-	-
Equity	42.4	83.2	282.4	373.3	491.0
Equity and Liabilities	137.6	295.9	731.0	772.8	991.7

Cash Flow Statement

FYE Jan	FY23	FY24	FY25	FY26F	FY27F
Profit before taxation	23.5	55.1	124.5	170.8	221.2
Depreciation & amortisation	0.5	1.8	8.6	29.6	51.3
Changes in working capital	(31.3)	(31.1)	(106.8)	167.8	(27.2)
Net interest received/ (paid)	-	(0.0)	(0.0)	0.3	0.3
Share of associate profits	-	-	-	-	-
Tax paid	(4.2)	(12.0)	(25.9)	(41.0)	(53.1)
Others	(0.6)	(0.7)	0.0	(0.3)	(0.3)
Operating Cash Flow	(12.1)	13.1	0.4	327.3	192.3
Capex	(0.1)	(10.1)	(46.0)	(87.6)	(116.4)
Others	(0.1)	(14.3)	(15.0)	-	-
Investing Cash Flow	(0.3)	(24.5)	(61.0)	(87.6)	(116.4)
Issuance of shares	19.4	-	68.8	-	-
Changes in borrowings	(0.4)	23.7	(1.5)	-	-
Dividends paid	-	-	-	(38.9)	(50.4)
Others	4.6	(2.4)	37.4	-	-
Financing Cash Flow	23.6	21.3	104.7	(38.9)	(50.4)
Net cash flow	11.2	10.0	45.4	200.7	25.4
Forex	-	-	-	-	-
Beginning cash	4.9	16.1	26.1	71.5	272.3
Ending cash	16.1	26.1	71.5	272.3	297.7

Income Statement

FYE Jan	FY23	FY24	FY25	FY26F	FY27F
Revenue	184.8	425.2	946.6	1,460.0	1,940.0
EBITDA	24.1	57.1	133.6	200.2	272.2
Depn & amort	0.5	1.8	8.6	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	124.5	170.8	221.2
Taxation	(6.2)	(13.6)	(34.2)	(41.0)	(53.1)
MI	-	-	-	-	-
Net profit	17.4	41.6	90.3	129.8	168.1
Core net profit	17.4	41.6	90.3	129.8	168.1

Key Statistics & Ratios

FYE Jan	FY23	FY24	FY25	FY26F	FY27F
Growth					
Revenue	379.5%	130.0%	122.6%	54.2%	32.9%
EBITDA	311.8%	137.1%	134.2%	49.8%	36.0%
Pretax profit	378.6%	134.2%	125.8%	37.2%	29.5%
Net profit	300.0%	139.4%	117.0%	43.8%	29.5%
Core EPS	46.4%	102.3%	-9.9%	43.8%	29.5%

Profitability

EBITDA margin	13.0%	13.4%	14.1%	13.7%	14.0%
Net profit margin	9.4%	9.8%	9.5%	8.9%	8.7%
Effective tax rate	26.2%	24.6%	27.5%	24.0%	24.0%
ROA	12.6%	14.1%	12.3%	16.8%	17.0%
ROE	40.9%	50.0%	32.0%	34.8%	34.2%

Leverage

Debt/ Assets (x)	0.01	0.08	0.03	0.03	0.02
Debt/ Equity (x)	0.02	0.30	0.08	0.06	0.05
Net debt/ equity (x)	Net cash	Net cash	Net cash	Net cash	Net cash

Key Drivers

FYE Jan	FY23	FY24	FY25	FY26F	FY27F
Construction order book (RM m)	1,055	1,379	3,600	5,090	6,150
Order book replenishment (RM m)	870	750	3,116	3,000	3,000
PAT margin	9.4%	9.8%	9.5%	8.9%	8.7%
PBT margin	13.9%	13.3%	12.4%	11.7%	11.4%

Valuation

FYE Jan	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	4.5	9.2	8.3	11.9	15.4
Core EPS (sen)	4.5	9.2	8.3	11.9	15.4
P/E (x)	41.4	20.5	22.7	15.8	12.2
EV/ EBITDA (x)	84.5	35.6	14.8	8.9	6.5
Net DPS (sen)	-	-	3.0	3.6	4.6
Yield	0.0%	0.0%	1.6%	1.9%	2.5%
BV per share (RM)	0.11	0.18	0.26	0.34	0.45
P/BV (x)	16.9	10.2	7.3	5.5	4.2



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Published & Printed By:

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