



Binastra Corp Bhd

Bloomberg: BNASTR MK | Stock Code: 7195

Main Market
Construction Sector
BUY

TP: RM 2.20

Last Closing Price: RM 1.79

Foray Into Johor With RM458.5m Jobs Win

Binastra has bagged 2 new high-rise construction contracts worth a combined RM458.5m from Exsim Kebun Teh Sdn Bhd, marking its maiden project wins in Johor Bahru. Both developments are located along Jalan Kebun Teh bringing Binastra's outstanding orderbook to RM4.3bn, equivalent to approximately 2.9x FY26 revenue, ensuring its strong multi-year earnings visibility. We expect margins to be in line with its typical high-rise projects following Binastra's recent establishment of a corporate office in Johor Bahru, enabling construction cost saving through reduced logistics complexity and improved operational efficiency. More importantly, this mark Binastra's strategic geographic expansion into Johor Bahru's high-growth property market, positioning it to capture rising construction demand in the state. We reiterate our **BUY call and unchanged RM2.20 TP** based on 18.4x FY26 PE.

Key Highlights

Contract overviews. Binastra, via its wholly-owned subsidiary Binastra Builders Sdn Bhd, has secured 2 new contracts from Exsim Kebun Teh Sdn Bhd with combined value of RM458.5m. Both projects are strategically located along Jalan Kebun Teh, Johor Bharu, which is at the close proximity to the CIQ Johor Bharu and the upcoming RTS station. The Plot 1 (RM243.6m) - The Asteriaz @ Kebun Teh, entails the development of a 43-storey serviced apartment comprising a 10-storey podium (car park and commercial space) and a 33-storey residential tower featuring 848 units. Construction is slated to commence on 29 April 2025, with targeted completion by 28 September 2028. For the Plot 2 (RM214.9m), it involves construction of a 41-storey serviced apartment featuring a 31-storey residential tower with 735 units and a 10-storey podium with parking and commercial units. While the start date is pending confirmation, the project is scheduled for completion within 41 months from commencement date.

Order book remain robust. The latest contract wins mark Binastra's maiden entry into the Johor Bahru market and lifts its FY26 year-to-date new job wins to RM708.8m. Incorporating these wins, Binastra's outstanding order book now stands at an estimated RM4.3bn, representing a healthy 2.9x of our projected FY26 revenue—providing strong earnings visibility. We expect margins to remain in line with Binastra's typical high-rise property development projects, supported by its recent corporate expansion into Johor Bahru, which should streamline logistics and drive cost efficiencies through improved operational execution.

Key read-through. A key positive takeaway from these contracts award is Binastra's strategic expansion into the high-growth Southern region property development market. With the state's property market set to be bolstered by long-term growth catalysts such as JS-SEZ and upcoming completion of RTS infrastructure, Binastra's timely entry positions it to benefit from the rising construction demand. That said, we view this new job win positively, as it not only boosting Binastra's construction orderbook replenishment but also reinforcing its sustained multi-years earnings visibility.

No changes to our forecasts. Our FY26-27E earnings forecasts and RM3.0bn order book replenishment target for FY26 remain unchanged given the contracts win are within our orderbook assumptions. We like Binastra for its robust orderbook (driven by long-standing clients with vibrant growth prospects) and superior profit margin.

FY Jan (RM m)	FY23	FY24	FY25	FY26E	FY27E
Revenue (RM m)	184.8	425.2	946.6	1,460.0	1,940.0
EBITDA (RM m)	24.1	57.1	133.6	200.2	272.2
Net Profit (RM m)	17.4	41.6	90.3	129.8	168.1
Core Net Profit (RM m)	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
PE (x)	39.4	19.5	21.6	15.0	11.6
EV/EBITDA (x)	80.4	33.9	14.1	8.4	6.1
Net Dividend Yield (%)	0.0%	0.0%	1.7%	2.0%	2.6%
PB (x)	16.1	9.7	6.9	5.2	4.0
Net Gearing (x)	Cash	Cash	Cash	Cash	Cash
ROE (%)	40.9	50.0	32.0	34.8	34.2

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)	1,486.4
Upside (%)	22.9
Net Yield (%)	2.0
Total Return (%)	24.9

Price Performance

	1M	3M	12M
Absolute (%)	4.7	1.1	131.0
Relative to KLCI (%)	10.7	10.3	137.2

Stock Information

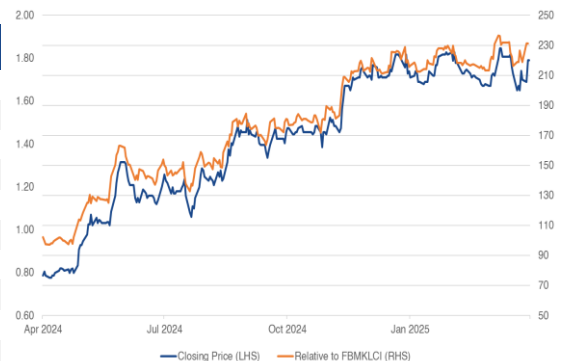
Market Cap (RM m)	2,033.0
Issued Shares (m)	1,090.5
52-week High (RM)	1.85
52-week Low (RM)	0.761
Estimated Free Float (%)	20.7
Beta vs FBM KLCI	0.94
3-month Average Vol. (m)	1.3
Shariah Compliant	Yes

Consensus

	FY26	FY27	FY28
EPS Forecast (sen)	11.9	16.3	20.0
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



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	5.5	5.5
Deposit, bank and cash	16.4	40.7	97.0	290.2	315.6
Assets	137.6	295.9	731.0	781.7	994.9
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	97.9	97.9
Liabilities	95.2	212.7	448.5	408.4	503.9
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	781.7	994.9

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)	(37.6)	(53.1)
Others	(0.6)	(0.7)	0.0	(0.3)	(0.3)
Operating Cash Flow	(12.1)	13.1	0.4	330.6	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	204.1	25.4
Forex	-	-	-	-	-
Beginning cash	4.9	16.1	26.1	71.5	275.6
Ending cash	16.1	26.1	71.5	275.6	301.1

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%	16.6%	16.9%
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)	39.4	19.5	21.6	15.0	11.6
EV/ EBITDA (x)	80.4	33.9	14.1	8.4	6.1
Net DPS (sen)	-	-	3.0	3.6	4.6
Yield	0.0%	0.0%	1.7%	2.0%	2.6%
BV per share (RM)	0.11	0.18	0.26	0.34	0.45
P/BV (x)	16.1	9.7	6.9	5.2	4.0



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Published & Printed By:

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