



# Binastra Corp Bhd

Bloomberg: BNASTR MK | Stock Code: 7195

## Eyes Green Skill via Investment in LF Lansen

Binastra has announced a proposed investment to acquire up to 51% stake in LF Lansen Sdn Bhd (LF Lansen), a mechanical engineering and EPCC firm with exposure to the data centre and energy-efficient infrastructure space. The transaction, valued at up to RM44.8m, is structured as a mix of direct equity acquisition and capital injection via a subscription agreement, alongside embedded call options. The rationale of the investment was driven by immediate synergies realisation via internalisation of M&E capabilities particularly in cooling infrastructure space. This should grant Binastra access to more green EPCC opportunities while improving margin profiles on its EPCC data centre projects. Most importantly, we believe LF Lansen's strong track record should enhance Binastra's ability to secure more projects in the energy-efficient construction space, enhancing its orderbook replenishment visibility and earning quality. We reiterate our **BUY call and unchanged RM2.20 TP** based on 18.4x FY26 PE.

### Key Highlights

**Key highlights.** Binastra has entered into conditional agreements to acquire up to 51.0% equity interest in LF Lansen Sdn Bhd (LF Lansen) for a total cash consideration of up to RM44.8m, to be executed across three stages. The initial RM15.0m investment secures a 40.8% stake, with an option to raise its interest to 51.0% via a performance-linked call option priced at 8x LF Lansen's FY25 PAT, capped at RM8.7m. An earn-out mechanism further incentivizes the vendor, with up to RM21.2m payable over FY25–27 if LF Lansen meets or exceeds profit targets. LF Lansen is a G7-licensed contractor with 20 years of experience, specializing in Thermal Energy Storage (TES) systems, buffer tanks for data centres, and EPCC services for ventilation and air-conditioning in commercial and industrial buildings.

**Rationales for the acquisition.** The acquisition of LF Lansen strengthens Binastra's strength in sustainability-focused infrastructure construction by internalizing mechanical and engineering capabilities, particularly in energy-efficient solutions. LF Lansen's proven expertise in TES systems and buffer tanks positions Binastra to capture rising demand for sustainable cooling infrastructure across ASEAN, driven by accelerating ESG commitments. The deal also enables Binastra to leverage LF Lansen's track record to expand into the energy-efficient EPCC space and unlock potential earnings accretion via associate-level contributions and eventual full consolidation.

**Our takes.** We view the investment in LF Lansen as a strategically move that could improve Binastra's margin profile, particularly in EPCC data centre projects, by internalizing previously certain subcontracted M&E works such as buffer tank construction. Additionally, the acquisition equips Binastra with energy-efficient engineering capabilities, improving its competitiveness in securing EPCC projects with green requirements—area supported by robust ESG and sustainability tailwinds. Collectively, we believe these advantages should improve Binastra's orderbook replenishment visibility and long-term earnings quality.

**Our forecast remains unchanged.** We maintain our FY26-27E earnings forecasts, as Binastra's proposed investment in LF Lansen does not yet justify a revision given the lack of immediate new orderbook contribution to our orderbook assumption and the uncertainty around the timing of earnings consolidation and synergy realisation. We continue to 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)	39.0	19.3	21.4	14.9	11.5
EV/EBITDA (x)	79.5	33.5	13.9	8.3	6.0
Net Dividend Yield (%)	0.0%	0.0%	1.7%	2.0%	2.6%
PB (x)	16.0	9.6	6.8	5.2	3.9
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 1.77

### 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)	1,506.5
Upside (%)	24.0
Net Yield (%)	2.0
Total Return (%)	26.0

Price Performance	1M	3M	12M
Absolute (%)	(5.9)	2.9	121.3
Relative to KLCI (%)	(6.0)	6.7	124.0

### Stock Information

Market Cap (RM m)	2,010.3
Issued Shares (m)	1,090.5
52-week High (RM)	1.85
52-week Low (RM)	0.786
Estimated Free Float (%)	20.7
Beta vs FBM KLCI	1.06
3-month Average Vol. (m)	1.2
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	FY26E	FY27E
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
<b>Assets</b>	<b>137.6</b>	<b>295.9</b>	<b>731.0</b>	<b>781.7</b>	<b>994.9</b>
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
<b>Liabilities</b>	<b>95.2</b>	<b>212.7</b>	<b>448.5</b>	<b>408.4</b>	<b>503.9</b>
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
<b>Shareholder's equity</b>	<b>42.4</b>	<b>83.2</b>	<b>282.4</b>	<b>373.3</b>	<b>491.0</b>
NCI	-	-	-	-	-
<b>Equity</b>	<b>42.4</b>	<b>83.2</b>	<b>282.4</b>	<b>373.3</b>	<b>491.0</b>
<b>Equity and Liabilities</b>	<b>137.6</b>	<b>295.9</b>	<b>731.0</b>	<b>781.7</b>	<b>994.9</b>

### Cash Flow Statement

FYE Jan	FY23	FY24	FY25	FY26E	FY27E
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)
<b>Operating Cash Flow</b>	<b>(12.1)</b>	<b>13.1</b>	<b>0.4</b>	<b>330.6</b>	<b>192.3</b>
Capex	(0.1)	(10.1)	(46.0)	(87.6)	(116.4)
Others	(0.1)	(14.3)	(15.0)	-	-
<b>Investing Cash Flow</b>	<b>(0.3)</b>	<b>(24.5)</b>	<b>(61.0)</b>	<b>(87.6)</b>	<b>(116.4)</b>
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	-	-
<b>Financing Cash Flow</b>	<b>23.6</b>	<b>21.3</b>	<b>104.7</b>	<b>(38.9)</b>	<b>(50.4)</b>
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
<b>Ending cash</b>	<b>16.1</b>	<b>26.1</b>	<b>71.5</b>	<b>275.6</b>	<b>301.1</b>

### Income Statement

FYE Jan	FY23	FY24	FY25	FY26E	FY27E
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	-	-	-	-	-
<b>Pretax profit</b>	<b>23.5</b>	<b>55.1</b>	<b>124.5</b>	<b>170.8</b>	<b>221.2</b>
Taxation	(6.2)	(13.6)	(34.2)	(41.0)	(53.1)
MI	-	-	-	-	-
<b>Net profit</b>	<b>17.4</b>	<b>41.6</b>	<b>90.3</b>	<b>129.8</b>	<b>168.1</b>
<b>Core net profit</b>	<b>17.4</b>	<b>41.6</b>	<b>90.3</b>	<b>129.8</b>	<b>168.1</b>

### Key Statistics & Ratios

FYE Jan	FY23	FY24	FY25	FY26E	FY27E
<b>Growth</b>					
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%
<b>Profitability</b>					
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%
<b>Leverage</b>					
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
<b>Key Drivers</b>					
FYE Jan	FY23	FY24	FY25	FY26E	FY27E
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%
<b>Valuation</b>					
FYE Jan	FY23	FY24	FY25	FY26E	FY27E
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)	39.0	19.3	21.4	14.9	11.5
EV/ EBITDA (x)	79.5	33.5	13.9	8.3	6.0
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)	16.0	9.6	6.8	5.2	3.9



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