



Binastra Corporation Bhd

New Contract in the Bag, Within Expectation

Binastra has secured a RM268m construction contract from TNJ Development Sdn Bhd, a subsidiary of CPI Land Sdn Bhd, for the development of a 45-storey suite apartment comprising 1,269 residential units located in Jalan Segambut, Kuala Lumpur. This latest win lifts Binastra's cumulative FY26 year-to-date orderbook wins to RM976.8m, bringing its outstanding order book to RM4.3bn, equivalent to a robust 2.9x coverage of our estimated FY26 revenue. We expect margins to be in line with its typical high-rise projects, driven by its effective construction cost management via value-engineering initiative. More importantly, this job wins signal Binastra's continual effort in diversifying its clientele base as well as position the company to potentially secure additional future contract wins from CPI Land, supported by its active and growing development pipeline. That said, these should help to improve its orderbook replenishment visibility while enhances its earning sustainability. We reiterate our BUY call and unchanged RM2.20 TP based on 18.4x FY26 PE.

Contract details. Yesterday, Binastra announced on Bursa that its wholly owned subsidiary, Binastra Builders Sdn Bhd, has secured a RM268.0m main building construction works contract from TNJ Development Sdn Bhd, a subsidiary of CPI Land Sdn Bhd (CPI Land). The scope involves the construction of a 45-storey suite apartment block comprising 1,269 residential units, featuring three levels of amenities and recreational facilities, eight levels of podium parking, and a guardhouse unit. The project is strategically located on Jalan Segambut, Kuala Lumpur. Construction is scheduled to commence on 15 August 2025, with a contract duration of 28 months.

Orderbook remain resilient. Securing this contract brings the FY26 year-to-date new orderbook win to RM976.8m. Incorporating this new orderbook win, Binastra's outstanding orderbook stands at RM4.3bn. This translates into a robust 2.9x covered of our estimated FY27 revenue, further reinforcing its earning visibility. Margin wise, we expect it to remain in line with Binastra's typical high-rise property development projects, supported by its effective construction cost management through its value engineering initiative.

Key read-through. This latest contract award reflects Binastra's continual effort to diversify its client portfolio beyond its core recurring customers namely EXSIM, MAXIM, and Platinum Victory. Notably, the contract is awarded by CPI Land, a new client with a solid track record, having completed five residential projects and with three ongoing developments and one upcoming launch in the pipeline. That said, we view this maiden engagement as a potential springboard for future contract wins from CPI Land, supported by the client's active development portfolio. Strategically expanding its client base is not only enhancing Binastra's earnings visibility, but also reducing its customer concentration risk and supporting its future orderbook replenishment visibility.

Forecast and Valuations Maintained. Our FY26-27E earnings forecasts and RM3.0bn orderbook replenishment target for FY26 remain unchanged as the contract win are within our orderbook assumptions. No change to our **TP of RM2.20** based on an unchanged **18.4x FY26 PE**. Undemanding valuations, we reiterate our BUY call. We like Binastra for its i) robust orderbook (driven by long-standing clients with vibrant growth prospects) and ii) superior profit margin.

Main Market
Construction Sector
BUY

TP: RM2.20 (↔)

Last Closing Price: RM 1.79

Share Price Performance



Business Overview

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

Return Information

KLCI (pts)	1,523.8
YTD KLCI chg.	(7.2)
YTD Stock Price chg.	0.6

Price Performance	1M	3M	12M
Absolute (%)	(0.6)	5.3	38.8
Relative to KLCI (%)	4.3	2.7	44.1

Stock Information

Market Cap (RM m)	1,952.2
Issued Shares (m)	1,090.6
52-week High (RM)	1.85
52-week Low (RM)	1.06
Est. Free Float (%)	20.7
Beta vs FBM KLCI	0.96
3-month Avg Vol. (m)	0.97
Shariah Compliant	Yes
Bloomberg Ticker	BNASTRA MK

Top 3 Shareholders

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

FY DEC (RM m)	FY25A	FY26E	FY27E
Revenue	946.6	1,460.0	1,940.0
EBITDA	133.6	200.2	272.2
PBT	124.5	171.0	221.2
Net Profit	90.3	130.0	168.1
Core Net Profit	90.3	129.8	168.1
Core EPS (sen)	8.3	11.9	15.4
Core EPS Growth (%)	(9.9)	43.8	29.5
Net DPS (sen)	3.0	3.6	4.6
BV Per Share (sen)	25.9	34.2	45.0
Net Div. Yield (%)	1.7	2.0	2.6
P/E (x)	21.6	15.0	11.6
ROE (%)	32.0	34.8	34.2



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
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	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)
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	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	-	-	-	-	-
El	-	-	-	-	-
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	FY26E	FY27E
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	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%

Valuation

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)	39.4	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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