



# Binastra Corporation Bhd

## Keep Buy; Another contract in bag

Binastra has clinched a RM405m contract from Exsim Jalil Link Sdn Bhd for the construction of The Queenswoodz, a 1,004-unit high-rise residential development in Bukit Jalil. This latest win brings its FY26 YTD orderbook replenishment to RM1.4bn, boosting its outstanding orderbook to RM4.6bn, representing a solid 3.2x cover of our projected FY26 revenue. As this project are from its recurring client, Exsim, we anticipate margins to remain consistent with Binastra's high-rise residential projects, supported by favourable contractual terms and prompt payment that can help to mitigate any construction cost fluctuation. We expect Binastra to remain on track to achieve our FY26 orderbook replenishment target, supported by strong tendering effort beyond core clients and a healthy pipeline from its recurring clients, with five new contract wins anticipated in 2HFY26. That said, these should help to improve its orderbook replenishment visibility while boosts its earning sustainability. We reiterate our BUY call and unchanged RM2.54 TP based on 16.5x FY27 PE.

**Contract details.** Binastra, via its wholly-owned subsidiary, Binastra Builder Sdn Bhd has bagged a RM405m construction contract from Exsim Jalil Link Sdn Bhd. The contract involves the construction of The Queenswoodz, a high-rise residential development located in Bukit Jalil, Kuala Lumpur. The project will feature 2 residential towers namely Block A (43 storeys, 494 units) and Block B (44 storeys, 510 units), totalling 1,004 units. The development also includes a ground-floor retail segment comprising one shop unit and 2 hawker-style commercial units, an 8-level podium car park, a utility floor housing a main electrical substation, resident facilities, and a guardhouse. Construction is scheduled for completion within 41 months from the commencement date.

**Robust orderbook.** With this new contract win, this brings the Binastra's FY26 YTD orderbook replenishment to RM1.4bn. Factoring in this new contract win, this lifts Binastra's outstanding orderbook to RM4.6bn. This represents a solid 3.2x covered of our estimated FY26 revenue, further strengthening its earning visibility. Since this contract is secured from its recurring client, Exsim, we expect the project margins to remain consistent with Binastra's typical high-rise residential construction jobs. This is supported by favourable contract terms and an established working relationship that facilitates smoother execution and more prompt payments, helping to mitigate any construction cost variability.

**Our takes.** Although orderbook replenishment remains gradual (currently at 47% of our FY26 assumption of RM3.0bn), we believe Binastra is on track to secure the remainder, underpinned by its active tendering efforts beyond its core clients (e.g., CPI Land) and a healthy project launch pipeline from its recurring clients (Exsim, Maxim, and Platinum Victory). Looking ahead, we anticipate another five more contracts win in 2HFY26, including one from a new phase of Exsim's Central Park Damansara development, and four from Maxim across its developments in The Atlas @ Taman Desa, Alam Damai, Bandar Sri Permaisuri, and Taman Pelangi (Johor). That said, this robust orderbook replenishment trajectory should enhance Binastra's future earnings visibility.

**No changes to our forecast.** We maintain our FY26–27 earnings forecasts and RM3.0bn order book replenishment target, as the latest contract win is within our expectations. No change to our **TP of RM2.54** based on an unchanged **16.5x FY27 PE**. Valuation is undemanding, we reiterate our BUY call. We continue to 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: RM2.54 (↔)

Last Closing Price: RM 1.86

### 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)	1,530.1
YTD KLCI chg.	(6.8)
YTD Stock Price chg.	4.5

Price Performance	1M	3M	12M
Absolute (%)	3.3	10.7	59.0
Relative to KLCI (%)	2.4	4.7	64.2

### Stock Information

Market Cap (RM m)	2,029.2
Issued Shares (m)	1,091.0
52-week High (RM)	1.90
52-week Low (RM)	1.06
Est. Free Float (%)	21.9
Beta vs FBM KLCI	0.91
3-month Avg Vol. (m)	0.83
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	129.8	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 (%)	1.6	1.9	2.5
P/E (x)	22.5	15.6	12.1
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
<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	-	-	-	-	-
El	-	-	-	-	-
<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

### 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)	40.9	20.2	22.5	15.6	12.1
EV/ EBITDA (x)	83.6	35.3	14.6	8.8	6.4
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)	16.8	10.1	7.2	5.4	4.1

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