



# Binastra Corporation Bhd

## Building Momentum, Cementing Growth

Binastra's 1HFY26 delivered a strong 1HFY26 performance with topline and bottomline rising by 59% and 31% but earnings accounted for 41% of our' full-year forecast respectively. We deemed the result to be in-line, as we anticipate stronger earnings delivery in the coming quarters, supported by higher progress billings from the existing orderbook and the commencement of newly secured projects YTD. No change to our earnings estimate hence TP maintained at RM2.54 premised on FY26E PER of 16.5x. Reiterate our BUY call.

**1HFY26 result** saw core profit of RM53.6m which made up 41% of our FY26 estimates. We deemed the result as within expectation, as we anticipate stronger earnings delivery in the coming quarters, supported by higher progress billings from the existing orderbook and the commencement of newly secured projects YTD. It declared an interim NDPS of 3.0 sen, amounting to RM32.7m or equivalent to 61% of 1HFY26 earnings.

**Revenue grew 59% YoY** while core profit rose a tad lower 31% to RM53.6m, drag by low-margins data centre jobs, dragging construction PBT margin to 9.3% (from 13.3%). QoQ, 2QFY26 core profit jumped +13% on the back of a +54% revenue jump as data centers accounted for a higher revenue share, pushing 2QFY26 PBT margin to 7.0% (12.8% in 1QFY25).

**Positioned to Capitalize on Sector Tailwinds.** The outlook for the Malaysian construction sector remains robust, supported by: i) **Government-led infrastructure spending**, particularly in transportation, water management, and renewable energy, ii) **Private sector investment growth**, driven by demand for industrial, commercial, and residential developments in high-growth regions such as the Greater Klang Valley, Johor, and East Malaysia and iii) Increasing emphasis on **green and sustainable developments**. Binastra is well-aligned to capitalize on these trends through its focus on **Green RE and GBI-certified projects**, which enhance asset value while meeting evolving regulatory and environmental standards. This positioning strengthens its competitive advantage as demand shifts towards sustainable and energy-efficient infrastructure.

As at 21 August 2025, **Binastra's outstanding orderbook stood at RM4.6bn**, translating into a robust 3.2x cover of our FY26 forecasted revenue due to Binastra's strong orderbook replenishment of RM721.6m in 2QFY26. Going forward, we expect the bulk of upcoming orderbook replenishment to be largely driven by its three key clients (EXSIM, MAXIM and AIMS), with an estimated RM3.3bn in potential awards from their Johor-based projects and RM1.2bn from their on-going development pipeline in the Klang Valley (RM364m has been completed in the Klang Valey while Johor remains at RM2.7b). Binastra is well-aligned to capitalize on these trends through its focus on **Green RE and GBI-certified projects**, which enhance asset value while meeting evolving regulatory and environmental standards. This positioning strengthens its competitive advantage as demand shifts towards sustainable and energy-efficient infrastructure.

### Main Market

### Construction Sector

BUY (↔)

TP: RM 2.54 (↔)

Last Closing Price: RM 1.95

### Share Price Performance



### 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)	1,598.93
YTD KLCI chg.	-2.6%
YTD Stock Price chg.	11.4%

Price Performance	1M	3M	12M
Absolute (%)	11.4	8.4	35.0
Relative to KLCI (%)	12.9	1.8	39.2

### Stock Information

Market Cap (RM m)	2,128.1
Issued Shares (m)	1,091.3
52-week High (RM)	2.01
52-week Low (RM)	1.35
Est. Free Float (%)	22
Beta vs FBM KLCI	0.8
3-month Avg Vol.	967,397
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	170.8	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 (%)	117.0%	-40.3%	29.5%
Net DPS (sen)	3.0	3.6	4.6
BV Per Share (sen)	25.9	34.2	45.0
Net Div. Yield (%)	1.5%	1.8%	2.3%
P/E (x)	23.9	16.6	12.8
ROE (%)	32%	35%	34%



**Key takeaways from the results briefing are as follows:**

- Diversification and Geographic Expansion.** The Group has made significant progress in diversifying its portfolio and expanding geographically: a) Data Centre Projects: Secured RM1.24 billion worth of contracts, including four major blocks in the Klang Valley with a remaining order book of RM874.1 million. This segment provides a recurring pipeline as demand for data storage and cloud services accelerates, b) Johor Expansion: Entered the southern region with projects such as *Causewayz Square @ JBCC* and *The Address @ Maxim Pelangi*, contributing to a total construction pipeline of approximately RM3.3 billion and c) Renewable Energy: Recently awarded three Large-Scale Solar (LSS5) projects totaling 56.54 MW, further diversifying revenue streams and reinforcing ESG credentials. These initiatives enhance BBSB's resilience against market cyclicity while positioning the Group to capture growth opportunities in emerging sectors and regions.
- Commitment to ESG and Financial Resilience.** Binastra continues to embed ESG principles into its strategy, with a strong focus on environmental sustainability, social responsibility, and governance excellence. This includes: a) Driving sustainable construction through green-certified projects, b) Enhancing governance practices to align with evolving global standards and c) Expanding renewable energy investments to support Malaysia's clean energy transition.
- Forward Strategy.** Looking ahead, BBSB's priorities include: a) Efficient execution of its RM4.6 billion order book to ensure timely delivery and margin optimization, b) Securing new high-value contracts in infrastructure, renewable energy, and data centre segments and c) Expanding geographic reach beyond the Klang Valley and Johor, with recent entry into Sabah and further plans for nationwide presence.

**Forecast and Valuation.** As results are deemed in line, we make no changes to our FY26E and FY27E of RM129.8m and RM168.1m respectively. Hence no change to our **valuation of RM2.54 premised on a FY27E PER of 16.5x. Reiterate our BUY call.**

**Investment case.** Binastra offers a compelling investment proposition underpinned by: a) **Strong earnings visibility** from its sizeable order book covering four years of revenue, b) **Sector alignment** with government infrastructure spending and rising private sector demand, iii) **Portfolio diversification** across resilient and high-growth segments, including data centres and renewable energy and iii) **Commitment to ESG**, supporting future-ready, sustainable growth. With an expanding project pipeline, and strategic execution, BBSB is well-positioned to deliver sustainable value creation for institutional investors over the medium to long term.

**Risks to our recommendation include:** (i) weak flows of construction jobs from public and private sectors, (ii) project cost overrun, and (iii) rising cost of building materials.

**Results Highlights**

Y/E : Dec (RM m)	2Q26	1Q26	QoQ Chg. %	2Q22	YoY Chg. %	6M25	6M24	YoY Chg. %
<b>Key financial highlights</b>								
Revenue	396.8	256.8	54.5%	230.9	71.9%	653.7	410.5	59.2%
Gross Profit	32.8	37.4	-12.5%	35.9	-8.8%	70.2	62.7	12.0%
OPEX	(1.6)	(1.6)	1.8%	(2.8)	-42.7%	(3.2)	(5.0)	-36.1%
EBITDA	31.3	36.0	-13.0%	33.4	-6.2%	67.3	58.1	15.8%
EBIT	28.2	33.0	-14.4%	30.9	-8.7%	61.2	55.0	11.2%
PBT/(LBT)	27.7	33.0	-16.1%	30.5	-9.3%	60.6	54.5	11.3%
Taxation	(9.2)	(7.8)	17.2%	(7.7)	20.0%	(17.0)	(13.5)	26.4%
Net Profit	27.7	33.0	-16.1%	30.5	-9.3%	60.6	54.5	11.3%
PATAMI	28.4	25.1	13.0%	22.9	24.3%	53.6	41.0	30.8%
Core EPS (sen)	2.6	2.3	11.0%	2.1	22.0%	4.9	4.0	21.7%
Net DPS (sen)	3.0	-	N/A	0.0		3.0	0.0	N/A
<b>Margins</b>								
Gross Margin	8.3%	14.6%		15.6%		10.7%	15.3%	
Opex	-0.4%	-0.6%		-1.2%		-0.5%	-1.2%	
EBITDA Margin	7.9%	14.0%		14.5%		10.3%	14.2%	
EBIT Margin	7.1%	12.8%		13.4%		9.4%	13.4%	
PBT Margin	7.0%	12.8%		13.2%		9.3%	13.3%	
PATAMI Margin	7.2%	9.8%		9.9%		8.2%	10.0%	
ETR	-33.2%	-23.8%		-25.1%		-28.1%	-24.7%	
<b>Orderbook (RMm)</b>								
Orderbook Replenishment	721.6	708.9	1.8%	675.0		1,430.5	1,056.1	35.5%
Construction Orderbook	4,400.0	4,100.0	7.3%	2,000.0		4,400.0	2,000.0	120.0%

Source: Company, Bursa Malaysia, Mercury Securities

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