



# Binastra Corporation Bhd

## Highest Quarterly Earnings Ever Recorded

Binastra's 9MFY26 delivered a strong performance with topline and bottomline rising by 52% and 43% YoY respectively, as well as met our earnings estimates at 72% against the full year forecast. We anticipate 4QFY26 earnings to remain strong in line with historical trends that project activity typically accelerates towards year-end. Meanwhile FY27E-FY28E to resume robust attribute to steady orderbook replenishment from its three key clients - EXSIM, MAXIM and AIMS. No earnings revision made. Maintain our BUY call at RM2.54 premised on FY27E EPS of 15.4 sen and PER of 16.5x.

**9MFY26's results met expectations**, with PATAMI of RM93m made up 72% of our FY26E forecast. 4QFY26 earnings are projected to remain solid, underpinned by stronger progress billings as the year closed. Meanwhile, FY27-FY28E will foresee earnings to continue driven by orderbook replenishment from Binastra's three key clients which include EXSIM, MAXIM and AIMS. No dividend was declared.

**YoY.** Revenue and PATAMI rose 52% and 43% respectively, supported by robust performance in the construction segment led by its wholly owned subsidiary Binastra Builders Sdn Bhd (BBSB), whose PBT surged 63% YoY thanks to higher number of ongoing projects during the quarter. Earnings also were further strengthened by contributions from the newly acquired 51%-owned subsidiary, LF Lansen. Despite this, net margin declined to 9.1% (from 9.6% in 9MFY25) as FY26E featured a higher proportion of non-residential projects, such as data centres, where Binastra typically subcontracts M&E works to other firms, resulting in lower overall margins for the group.

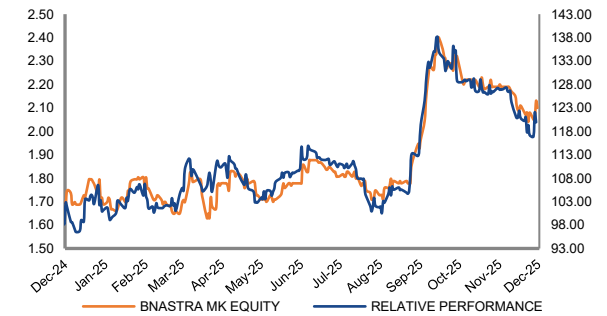
**QoQ.** Topline declined modestly by 6%, reflecting slower work progress and billings as a larger share of projects approached completion, which in turn led to a 34% reduction in order book replenishment. During 2QFY26, revenue was higher due to greater contributions from ongoing lower-margin projects, which boosted topline but diluted profitability. Consequently, while revenue fell in the 3QFY26, earnings improved by 39% due to the recognition of higher-margin profits upon project completion. Net margin widened to 11% vs 7% in 2QFY26.

**Outlook.** We expect 4QFY26 earnings to remain strong as per historical where most of the project accelerated, allowing for the recognition of higher-margin final accounts and contract deadlines met. As of date, Binastra's outstanding orderbook stood at RM4.6bn, translating into a robust 4.2x of our FY27E revenue. Going forward, we expect order book replenishment to be largely driven by Binastra's three key clients —EXSIM, MAXIM and AIMS with an estimated RM3.3bn in potential contract awards from Johor-based projects and a further RM1.2bn from their ongoing development pipeline in the Klang Valley. The Group is well positioned to capitalise on these opportunities through its focus on green real estate and GBI-certified projects, which enhance asset value while meeting increasingly stringent regulatory and environmental standards. This strategic positioning reinforces Binastra's competitive edge amid a growing shift towards sustainable and energy-efficient infrastructure.

**Forecast and Valuation.** As results are deemed in line, we make no changes to our earnings forecast. Maintain our BUY call with TP of RM2.54 premised on FY27E EPS of 15.4 sen and PER of 16.5x.

**Main Market**  
**Construction Sector**  
**BUY (↔)**  
**TP: RM 2.54 (↔)**  
**Last Closing Price: RM 2.10**

### 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)	1,646.90
YTD KLCI chg.	0.3%
YTD Stock Price chg.	20.0%

Price Performance	1M	3M	12M
Absolute (%)	-4.1%	9.0%	23.7%
Relative to KLCI (%)	2.0%	3.0%	3.0%

### Stock Information

Market Cap (RM m)	2,291.8
Issued Shares (m)	1,091.3
52-week High (RM)	2.50
52-week Low (RM)	1.60
Est. Free Float (%)	23%
Beta vs FBM KLCI	0.8
3-month Avg Vol.	2,239,562
Shariah Compliant	Yes
Bloomberg Ticker	BNASTRA MK

### Top 3 Shareholders

Shareholder	%
Jt Conglomerate Sdn	41.2%
Lee Yong Seng	11.7%
Tan Kak Seng	11.1%

FY JAN (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
Consensus Net Profit	-	131.0	172.3
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 (%)	1.7	2.0	2.6
P/E (x)	23.9	16.6	12.8
Net Gearing (x)	NetCash	Net Cash	Net Cash
ROE (%)	32.0	34.8	34.2



**Investment case.** Binastra offers a compelling investment proposition underpinned by strong earnings visibility from its sizeable order book, which provides up to four years of revenue cover, favourable sector positioning that benefits from sustained government infrastructure spending and rising private-sector demand, a diversified portfolio across resilient and high-growth segments such as data centres and renewable energy, and a clear commitment to ESG that supports long-term, sustainable growth. With an expanding project pipeline and disciplined execution, the Group is well positioned to deliver sustainable earnings growth and long-term value creation for institutional investors.

**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: Jan (RM m)	3Q26	2Q26	QoQ Chg. %	3Q25	YoY Chg. %	9M26	9M25	YoY Chg. %
<b>Key financial highlights</b>								
Turnover	371.4	396.8	(6.4%)	265.9	39.7%	1,025.1	676.4	51.6%
Gross Profit	45.3	32.8	38.2%	38.4	17.9%	115.5	101.1	14.2%
OPEX	(2.8)	(1.6)	75.8%	(2.7)	2.4%	(6.0)	(7.7)	(22.4%)
EBITDA	42.6	31.3	35.9%	35.9	18.7%	109.9	94.0	16.9%
EBIT	39.2	28.2	38.9%	33.2	18.1%	100.4	88.2	13.8%
PBT/(LBT)	39.1	27.7	41.2%	32.9	18.7%	99.7	87.4	14.1%
Taxation	(11.8)	(9.2)	29.0%	(8.7)	36.3%	(28.9)	(22.2)	30.2%
Net Profit	39.4	28.4	38.6%	24.2	62.8%	92.9	65.2	42.6%
PATAMI	39.4	28.4	38.6%	24.2	62.8%	92.9	65.2	42.6%
Core EPS (sen)	3.4	2.6	32.0%	2.3	52.2%	8.3	6.1	37.2%
DPS (sen)	-	3.0	-	0.0		3.0	0.0	
<b>Gross Margin</b>	12.2%	8.3%		14.4%		11.3%	14.9%	
<b>Opex</b>	-0.8%	-0.4%		-1.0%		-0.6%	-1.1%	
<b>EBITDA Margin</b>	11.5%	7.9%		13.5%		10.7%	13.9%	
<b>EBIT Margin</b>	10.6%	7.1%		12.5%		9.8%	13.0%	
<b>PBT Margin</b>	10.5%	7.0%		12.4%		9.7%	12.9%	
<b>PATAMI Margin</b>	10.6%	7.2%		9.1%		9.1%	9.6%	
<b>ETR</b>	-30.3%	-33.2%		-26.4%		-29.0%	-25.4%	
<b>Orderbook (RM m)</b>								
Order book replenishment	437.0	721.6	-39.4%	1,400.0		1,867.5	2,456.1	-24.0%
Construction order book (RM m)	4,600.0	4,400.0	4.5%	3,200.0		4,600.0	3,200.0	43.8%

Source: Company, Bursa Malaysia, Mercury Securities



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