AmInvestment Bank

Company Report

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CONSTRUCTION

BINASTRA

(BNASTRA MK EQUITY, BNASTRA.KL) **08 Oct 2025**

Binastra's renewable leap: RM305mil Solar-BESS Win

BUY

Price: RM2.35
Target Price: RM2.70

Rationale for report: Company Update

Quick Take

YE to Jan	FY25	FY26F	FY27F	FY28F
FD Core EPS (sen)	8.3	12.2	15.6	19.5
PE (x)	28.4	19.3	15.0	12.0

Source: AmInvestment Bank Bhd

- Binastra's renewable arm clinched its first solar and battery energy storage (BESS) EPCC job worth RM305mil (12% of market cap, 108% of FY25 shareholders' equity) from Bahru Stainless for
    - the design and construction of 65MWp solar photovoltaic system (15MWp rooftop and 50MWp ground-mounted solar
    - a 200MWh BESS facility in Pasir Gudang, Johor.
- The system is integrated with AI-enabled forecasting, real-time optimisation, and predictive maintenance – generate c.80mil kWh per year, about 80% of Bahru Stainless' power needs.
- Assuming 8% PBT margin and 9-month completion timeline, the project is estimated to contribute RM24.4mil PBT and RM18.6mil PAT respectively, materially lifts FY27F earnings by 10%, in our estimate.
- This win marks Binastra's entry into renewable energy EPCC space, diversifying earnings beyond property construction.
- The contract also strengthens Binastra's ESG credentials and creates credible platform for recurring solar-BESS deployments among industrial clients – a move that supports an ESG-based valuation premium over mid-cap construction peers.
- Maintain BUY, TP: RM2.70/share, offers 15% upside with an attractive FY27F dividend yield of 4.8%

TABLE 1 : VALUATION MATRIX

YE 31 Jan	FY24	FY25	FY26F	FY27F	FY28F
Revenue (RM mil)	425.2	946.6	1,587.9	2,015.3	2,469.0
Core net profit (RM mil)	40.6	90.3	132.5	170.4	212.8
FD Core EPS (sen)	9.0	8.3	12.2	15.6	19.5
FD Core EPS growth (%)	145.6	(7.7)	46.8	28.5	24.9
Consensus Net Profit (RM mil)	-		130.7	169.6	209.0
DPS (sen)	-	3.0	7.3	9.4	11.7
PE (x)	26.2	28.4	19.3	15.0	12.0
EV/EBITDA (x)	44.9	18.6	12.7	9.9	7.9
Div yield (%)	-	1.5	3.7	4.8	6.0
ROE (%)	0.2	49.4	42.9	46.1	47.7
Net Gearing (%)	nm	nm	nm	nm	nm

Source: Company, AmInvestment Bank Bhd estimates

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