

Inta Bina Group Berhad (INTA)

The Rising Powerhouse Of Construction

- Established in 1987, Inta Bina Group Berhad is a CIDB Grade 7 contractor focused on high-rise projects. As of FY24, Construction, being the Group's major segment, contributed 83.2% of revenue, while its newly established property development segment contributed 16.8%.
- Moving forward, we project a 3-year earnings CAGR of 10.3%, with core PATAMI expected to reach RM39.9-44.6m over the next three years; largely supported by: (i) active land banking activities by major developers and (ii) continuous billings from its unbilled order book and ongoing new projects.
- Initiate coverage with BUY with a TP of RM0.74. The target price is derived by pegging 11x P/E to FY26 EPS of 6.68sen, representing an upside of 47.1% based on the latest share price of RM0.50. We believe this is justified given its high exposure to Malaysia's key developers as well as its healthy net cash position.

Investment Highlights

Strong orderbook provides earnings visibility. INTA has secured RM1.2bn worth of jobs in FY24, awarded by its long-time and reputable customers – Sime Darby Property Sdn Bhd (RM296m), Gamuda Land (T12) Sdn Bhd (RM112m), Avaland Berhad (RM170m), as well as Eco Ardence Sdn Bhd (RM349m) and Tropicana Metropark Sdn Bhd (RM225m) which brings the group's orderbook to RM2.3bn (as of January 2025)– providing earnings visibility of 24–36 months. Meanwhile, as of April 2025 its tenderbook stands at RM3.2bn – majority in Klang Valley, with 42% in residential and 58% in non-residential; e.g commercial buildings. Additionally, we note that the group acquired a 2.7-acre parcel in Bukit Jelutong in late CY24 and, more recently, entered into a Sale and Purchase Agreement with Zikay Properties Sdn Bhd to acquire a 100% stake in Aliran Restu Sdn Bhd (ARSB) for ~RM5m.

Small but beautiful. INTA's property arm launched its inaugural property development, Senuri Residence, on 7 October 2023, with a GDV of RM204m. The development comprises a 24-storey residential apartment tower, complete with a multipurpose hall and various amenities such as swimming pools and a fitness centre – which has recorded a robust 100% take-up rate for its open market units since launch. The project is expected to deliver a healthy bottom-line, on the heels of INTA's end-to-end involvement from design through to construction. On top of that, we also note that INTA holds a development right with Selangor's *Lembaga Perumahan & Hartanah*, affirming its growing reputation in the property domain and positioning it well for low-cost high-rise projects, while leveraging its QCLASSIC score of >80%. On a side note, we believe its Construction business will remain the main revenue contributor, as management reaffirmed its stance to continuously serve as the main contractor for its key developer clients.

Tapping into lift and escalator segments. In 2023, INTA's 55%-owned subsidiary, IBEE, ventured into the (i) supply, (ii) installation, and (iii) maintenance of lifts and escalators under the Canny Lift brand, a global top 10 elevator manufacturer. Capitalising on the construction sector's upcycle momentum from CY23-24, INTA has secured an orderbook of ~RM5.3m since commencement. While IBEE is currently recording a PATAMI of -4.7% as of FY24, we note that a substantial portion of revenue is expected to materialise in both its top and bottom lines this year, as most of IBEE's projects are nearing completion. Furthermore, we believe this segment will contribute positively to the bottom-line, as its maintenance services offer a consistent and recurring income

Company Initiation

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BUY

Share price	RM0.50
Target price	RM0.74
Previous TP	-
Capital upside	47.1%
Dividend return	3.9%
Total return	51.0%

Company profile

A mid-sized, CIDB Grade 7-certified building contractor that specializes in high-rise residential, commercial, and institutional construction projects.

Stock information

Bursa Code	0192
Bloomberg ticker	INTA MK
Listing market	MAIN
Share issued (m)	553.3
Market Cap (m)	273.9
Shariah compliant	YES

Major shareholders

	%
Apexjaya Industries	30.9

Earnings snapshot













FYE (Dec)	FY24	FY25f	FY26f
PATMI (m)	33.3	39.9	41.9
FD EPS (sen)	5.30	6.36	6.68
P/E (x)	9.4	7.9	7.5



stream—given that clients typically sign 1–3 years contracts for lift and escalator maintenance following the initial supply and installation phases.

Stable relationship with key clientele. INTA's strong construction orderbook is underpinned by its stable and solid partnerships with core clients such as Eco World, Gamuda Land, Sime Darby, Sunway, Mah Sing, and many others. The company has maintained longstanding relationships with these clients for over 10 years, with the recent total value of contracts awarded by them amounting to RM883.9m, based on completed projects.

Fig #1 INTA's key clients and FY24 notable-completed projects

				Developer	Project	Contract Value (RM 000')
				Eco Sanctuary Sdn Bhd	Seruang, Eco Sanctuary	184.2
				Eco Ardence Sdn Bhd	Huni, Eco Ardence	312.3
				Eco Majestic Development Sdn Bhd	Cherrywood, Eco Majestic	39.7
				Eco Majestic Sdn Bhd	Stonside, Eco Majestic	79.8
				Southville City Sdn Bhd	Southville, Bangi	178.2
				Gamuda Land (T12) Sdn Bhd	Gamuda Cove	67.7
				Sime Darby	Serenica City	22.0
				Total		883.9
						
						

Source: Inta Bina Group Berhad

Additionally, we note that clients like UEMS have guided for more project launches in Johor in 2025—where we anticipate their sales estimates could increase to RM1.3bn for 2025 (up from RM1bn in 2024). Similarly, Gamuda may also set higher sales targets for 2025, supported by active land banking activities, including a recent land acquisition in addition to its ongoing Gamuda Cove project. We note that Gamuda's strong balance sheet, with net gearing of only 0.42x and net cash of RM3.5bn as of end-January, should provide ample headroom for further land acquisitions, which, in turn, should translate into more business opportunities for INTA, which has been one of Gamuda's long-term contractors. On a side note, its subsidiary IBEE, which we would categorise under the downstream construction segment, should offer more value-added services and position INTA ahead of its key competitor.

Capitalizing on Johor's momentum upcycle. Leveraging on its longstanding presence in Johor, we believe INTA is well-positioned to ride the Johor upcycle, fuelled by rising FDI and investors re-rating following the establishment of the Johor-Singapore Special Economic Zone (JSSEZ), in which INTA simultaneously actively participating in tendering activities, which currently stand at ~RM3bn, with an assumed success rate of ~15-20% — in compound with the active land banking activities from key clients like Gamuda and ECW, reflecting developers' optimism in the property market. We believe these factors are likely to generate spillover benefits for INTA, as the ability of its clients to initiate new projects creates opportunities for the group to competitively bid for contracts from these developers.

Best in Malaysia. INTA's dedication to achieving high-quality work is demonstrated through the Quality Assessment System in Construction (QLASSIC), a stringent standard established by the Construction Industry Development Board (CIDB) that measures construction quality with a comprehensive scoring system aligned with industry norms. INTA notably earned an impressive >80% QLASSIC score for its Sunway Lenang Heights project — one of the highest recorded in Malaysia. This accomplishment, coupled with INTA's enduring partnerships with esteemed developers, highlights the trust and confidence placed in the group's expertise, solidifying INTA's reputation as a top choice for developers seeking quality project execution within Malaysia's construction industry.

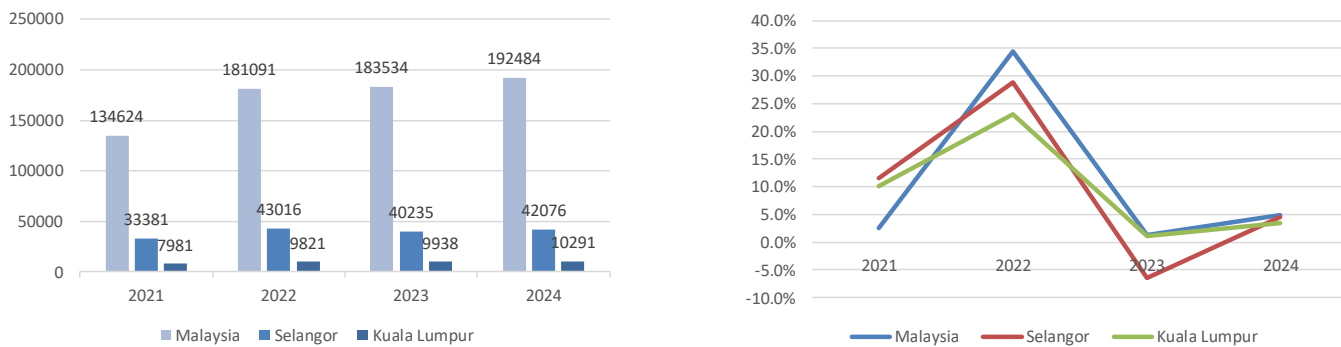


Industry Outlook

Klang Valley remains in focus. The residential property market in both Kuala Lumpur and Selangor continued to show positive performance in 2024, as indicated by the increase in residential transaction volumes. Kuala Lumpur recorded a rise of just under 3.6% (CY23: 1.2%) in transaction volume, while Selangor saw a nearly 4.6% (CY23: -6.5%) increase.

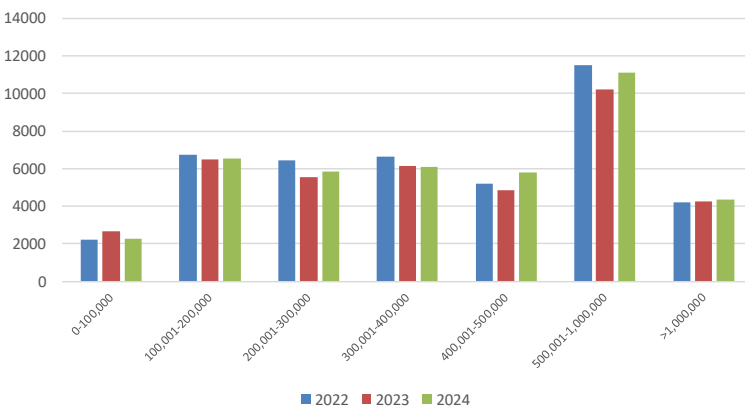
Looking ahead, we believe the key factors to watch in the property market include the continued demand for landed homes in Selangor and high-rise apartments or condominiums in Kuala Lumpur, given the high land costs within or near the city, which make landed property development less feasible. Homes priced between RM500,000 and RM1 million in popular locations in Kuala Lumpur, as well as affordable homes priced around RM500,000 or below in Selangor, remain in focus.

Fig #2 Volume and Growth Trend of Residential Transactions (2021-2024)



Source: NAPIC, M+ Research

Fig #3 Volume and Growth Trend of Residential Transactions (2021-2024)



Source: NAPIC, M+ Research

Affordable housing to gain the greatest benefit in 2025. The government has introduced initiatives to improve homeownership, particularly for first-time buyers, with a focus on meeting the 500,000-unit affordable housing target under the 12th Malaysia Plan by 2025. Key initiatives include: i) The Housing Credit Guarantee Scheme (HCGS), offering up to RM10bn in guarantees for 20,000 buyers, including those without fixed income; ii) A 100% stamp duty waiver for properties under RM500,000; and iii) The Housing Tax Relief initiative in Budget 2025, providing tax relief up to RM7,000 for properties below RM500,000 and up to RM5,000 for properties between RM500,000 and RM750,000 (valid from 1st January 2025 to 31st December 2027).



Company Background

Established in 1987, Inta Bina Group Berhad is a mid-sized, CIDB Grade 7-certified building contractor that specializes in high-rise residential, commercial, and institutional construction projects. The group operates on a project-based tender model and has completed over 155 building construction projects with a total contract value exceeding RM5.0bn, primarily serving established property developers in the Klang Valley and Johor.

- i. **Construction (83.2% of FY24 revenue).** The majority of revenue is derived from residential projects, contributing 83.2% of the total. Non-residential projects account for 9.4%, while the remaining 7.4% comes from other activities, including property-related services such as lift installation and maintenance.

Fig #4 INTA's construction projects



Source: Inta Bina Group Berhad

- ii. **Property development (16.8% of FY24 revenue).** The segment has achieved a year-to-date of RM45.1m and segmental profit of RM4.3m.

Fig #5 INTA's property development project



Source: Inta Bina Group Berhad

Key management team

Lim Ooi Joo (Managing Director) – Co-leads overall management and strategic planning of the group. Oversees group-wide operations and business development.

Teo Hock Choon (Deputy Managing Director) – Supports day-to-day operations alongside the Managing Director. Jointly responsible for strategy execution and operational oversight.

Ahmad Bin Awi (Executive Director) – More than 20 years of experience in construction safety. Promoted to Safety Officer in 2000 and to current role in 2010. Also one of the group's major shareholders.



Chau Yik Mun (Executive Director)– Brings over 20 years of experience in site supervision, civil engineering, and project management, with a strong focus on building construction.

Fig #6 INTA's organization structure



Source: Inta Bina Group Berhad

Fig #7 INTA's SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none"> • Strong track record. Over 30 years of experience with more than 150 completed projects. • CIDB G7 certification. Enables INTA to tender for projects with unlimited contract value. 	<ul style="list-style-type: none"> • Limited geographic footprint. Its core operations are focused mainly in Peninsular Malaysia (Klang Valley and Johor). • Thin margins. Construction sector competitiveness and rising material/labour costs which would pressure its profitability.
Opportunity	Threat
<ul style="list-style-type: none"> • Government push for affordable housing. National housing policies and infrastructure spending may create robust project pipelines. • Private sector property recovery. As property launches recover, particularly in mid-to-high rise residential segments, we believe Inta Bina would benefit from this trend. 	<ul style="list-style-type: none"> • Skilled labour shortages. Ongoing dependence on foreign labour poses operational risks amid regulatory changes and immigration tightening. • Rising interest rate. Any increase in the overnight policy rate will result in margin compression and higher financing costs.

Source: M+ Research



Financials

Revenue highlights. The group reported RM690.8m or 6.3% YoY growth in revenue, increasing from RM650.1m in FY23 to RM690.8m in FY24. This increase was primarily driven by higher progress billings from its ongoing and new projects, complementing its construction segment, which saw a 3.4% increase in revenue to RM699.2m, with the majority of the revenue coming from residential projects, accounting for 83.2% of the total, while non-residential projects contributed 9.4%. The property development arm also began contributing with the launch of its first project in October 2023. Core net profit registered a significant 40.1% growth, driven by newly secured higher-margin construction projects, compounded by lower input costs.

Balance sheet. While INTA's total liabilities increased from RM339.7m as of FY23 to RM428.0m in FY24, mainly due to higher payables turnover and an increase in loans and borrowings used to finance its ongoing projects and working capital needs, we view its financial position as remaining healthy, as the company has maintained a net cash position from FY17 to FY24, except in FY22 where the group operated with high gearing.

Cash flow. Leveraging on its cash position, investment activities increased significantly with a cash outflow of RM25.2m in FY24 (FY23: RM13.7m), used to finance its PPE, which mainly comprised aluminium system formwork and a new scaffolding system. On the same note, INTA saw an improvement in its billings – contract assets – complementing its operating cash outflow of only RM2.8m (FY23: RM65.6m).

Earnings forecast. Moving forward, we project a 3-year earnings CAGR of 10.3%, with core PATAMI expected to reach RM39.9m, RM41.9m, and RM44.6m over the next three years. This is largely supported by: (i) active land banking activities by major developers, which are expected to create a spillover effect benefiting contractors like INTA; and (ii) continuous billings from its unbilled order book and ongoing new projects, which we believe are sufficient to support INTA's top-line for at least 24–36 months, assuming FY24 as the base year.

Fig #8 INTA's ongoing projects

Developer	Project	Schedule completion date	Contract value
Eco World	Eco Ardence - Duduk Hana (P182)	Oct-25	146.0
	Eco Sanctuary - Eden (P183)	Jun-25	88.0
	Eco Grandeur - Willington (P186)	Jul-25	80.0
	Eco Majestic - Cherrywood (Ph4) (P188)	Jun-25	44.0
	Eco Ardence - Maya (P191)	Jul-27	349.0
Mahsing	M Sinar Southville City (P187)	Dec-26	206.0
SDB	19 Trees (P181)	May-25	138.0
Avaland	Amika Metropark (P192)	Feb-27	170.0
Tropicana	Tropicana Metropark - Residence & Shoppes PT20A (P193)	Mar-27	225.0
Gamuda	Gamuda Cove - Camellia (P194)	May-26	112.0
Artessa Sunway	Sunway Artessa (P197)	Jul-25	161.0
Sime Darby	Park One Melawati (P184)	Jun-25	94.0
	TriAra Ara Damansara (P195)	Apr-27	199.0
	Damayan Putra Height (P196)	Mar-27	97.0

Source: Inta Bina Group Berhad



Valuations

Initiate with a BUY call and target price of RM0.74, pegged to 11x FY26f PE. Valuations are undemanding, given its latest trading P/E of 7.5x, representing a c.53.3–103.9% discount to construction peers' current P/E and forward P/E, which stand at 11.5x–15.4x. We believe this is justified given its high exposure to Malaysia's key developers, healthy net cash position as well as prospective dividend yield of 3.9-4.4% as per its forecasted financial years.

Fig #9 Peers' comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	P/B (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
Inta Bina Group Bhd	MAIN	Dec	0.50	304.5	7.6	1.4	6.3	19.2	4.8
IJM Corp Bhd	MAIN	Dec	2.45	8,587.7	14.8	0.8	17.8	5.8	10.1
Kerjaya Prospek Group Bhd	MAIN	Dec	2.10	2,643.1	16.5	2.3	13.2	14.0	8.7
Binastra Corp Bhd	MAIN	Dec	1.72	1,875.9	18.9	6.6	13.8	49.4	9.5
MGB Bhd	MAIN	Dec	0.63	372.7	6.2	0.6	6.1	10.4	5.8
Vestland Bhd	ACE	Dec	0.44	437.5	10.8	2.2	NM	22.3	6.2
KUMPULAN KITACON Bhd	MAIN	Dec	0.75	375.2	10.3	1.3	6.8	14.2	5.6
GDB Holdings Bhd	MAIN	Dec	0.33	304.7	11.4	1.6	NM	14.7	10.4
Nestcon Sdn Bhd	ACE	Dec	0.37	264.4	33.8	1.8	NM	5.6	0.9
Avg ex-Inta Bina Group Bhd				1,857.6	15.5	2.2	11.5	17.1	7.2

Source: M+ Research (*FY25, **FY26f)

Investment risks

Regulatory compliance risk. As a registered G7 contractor, Inta Bina's operations are subject to various laws and regulations, including construction licensing, safety, environmental, and industrial compliance. Non-adherence to regulatory standards may result in penalties, suspension of licenses, or disqualification from future tenders, impacting operational continuity and financial performance.

Key personnel dependency risk. The group relies significantly on the experience and leadership of its Executive Directors and senior management team. Loss of any key personnel without timely and effective succession planning could disrupt project execution and strategic direction, adversely affecting business stability.

Order book replenishment risk. The group's financial performance is closely tied to its ability to secure new contracts and maintain a healthy order book. Delays or shortfalls in new project awards, especially from recurring clients, may lead to revenue gaps and reduced capacity utilization.

Construction cost escalation risk. Volatility in raw material prices, particularly steel and cement, and rising labour costs pose a risk to margin stability, especially for fixed-price contracts. Inability to pass on cost increases to clients may erode profitability and affect project viability.

INTA's ESG initiatives

Environmental Initiatives

IBS & Green Building Practices: Partial adoption of Industrialised Building System (IBS) through aluminium formworks to reduce construction waste and improve material efficiency. Promotes green building designs and is actively exploring adoption of Building Information Modelling (BIM).

Waste & Emission Management: Tracks and manages construction waste, emissions (Scope 1–3), and energy usage in alignment with environmental goals. Aims to increase use of sustainable materials and improve energy management protocols at construction sites.



Social Initiatives

Workforce Development: Invests in upskilling initiatives to convert unskilled labour ("Kongsi Kong") into trained tradesmen. Promotes internal career progression through mentorship and training programs.

Worker Welfare: Upholds workplace safety standards through OHSAS-aligned policies, and monitors health metrics such as lost time incident rates. Committed to ethical treatment of both local and foreign workers across its construction sites.

Governance Initiatives

Anti-Corruption & Whistleblowing: Enforces anti-bribery and whistleblower policies across business units, with board oversight and annual reviews. Conducts staff training on ethical practices.

Sustainability Governance: A dedicated Sustainability Working Group, led by the Managing Director, drives alignment with the UNSDGs and reviews materiality exposures annually. ESG performance is tracked through GRI-linked indicators and stakeholder materiality assessments.

Fig #10 INTA's financials forecast

All items in (RM m) unless otherwise stated

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Cash	102	115	138	180	228
Receivables	232	261	276	290	308
Inventories	17	16	20	21	22
PPE	33	41	65	58	50
Others	126	189	189	189	189
Assets	509	622	687	738	797
Debts	66	113	109	114	121
Payables	244	304	318	334	355
Others	30	11	11	11	11
Liabilities	340	428	438	459	487
Shareholder's equity	169	193	249	278	309
Minority interest	0	0	-	-	-
Equity	170	194	249	278	309

Cash Flow Statement

FYE Dec (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Profit before taxation	32	43	53	55	59
Depreciation & amortis	11	14	16	17	18
Changes in working ca	8	32	(5)	1	1
Share of JV profits	-	-	-	-	-
Taxation	(9)	(10)	(13)	(13)	(14)
Others	25	(81)	(15)	-	-
Operating cash flow	67	(2)	35	60	64
Net capex	(11)	(21)	(10)	(10)	(10)
Others	(4)	(6)	-	-	-
Investing cash flow	(15)	(26)	(10)	(10)	(10)
Changes in borrowings	(20)	46	(4)	5	7
Issuance of shares	0	-	-	-	-
Dividends paid	(3)	-	(12)	(13)	(13)
Others	(6)	(20)	-	-	-
Financing cash flow	(29)	27	(2)	(7)	(6)
Net cash flow	23	(2)	23	43	48
Forex	(0)	0	-	-	-
Others	-	-	-	-	-
Beginning cash	74	102	115	138	180
Ending cash	102	115	138	180	228

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Revenue	650	691	805	846	899
EBITDA	46	61	72	76	81
EBIT	34	47	57	59	63
Net finance income/ (co	(4)	(3)	(4)	(4)	(4)
Associates & JV	-	-	-	-	-
Profit before tax	32	43	53	55	59
Tax	(9)	(10)	(13)	(13)	(14)
Net profit	23	33	40	42	45
Minority interest	(0)	0	-	-	-
Core earnings	23	33	40	42	45
Exceptional items	-	-	-	-	-
Reported earnings	23	33	40	42	45

Valuation & Ratios

FYE Dec (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Core EPS (sen)	3.8	5.5	6.6	6.9	7.3
FD Core EPS (sen)	3.6	5.3	6.4	6.7	7.1
P/E (x)	13.7	9.4	7.9	7.5	7.0
EV/EBITDA (x)	1.8	1.4	1.1	1.1	1.0
DPS (sen)	1.1	2.3	2.0	2.1	2.2
Dividend yield	2.2%	4.5%	3.9%	4.1%	4.4%
BVPS (RM)	0.27	0.31	0.40	0.44	0.49
P/B (x)	1.8	1.6	1.2	1.1	1.0
EBITDA margin	7.0%	8.8%	9.0%	9.0%	9.0%
EBIT margin	5.3%	6.8%	7.0%	7.0%	7.0%
PBT margin	4.9%	6.3%	6.5%	6.5%	6.5%
Net margin	3.5%	4.8%	5.0%	5.0%	5.0%
ROE	14.2%	18.4%	18.1%	15.9%	15.2%
ROA	4.9%	5.9%	6.1%	5.9%	5.8%
Net gearing	CASH	CASH	CASH	CASH	CASH

Source: M+ Research



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Stock recommendation guide

BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned

