Results Note – 2QFY26

Research Team
research@msec.com.my
(603) 2201 2100

Inta Bina Group Berhad

Construction Profitability Supports 2QFY26 Earnings

Summary

- **Earnings within expectation.** INTA's 2Q26 core PATMI came in at RM10.4m (-4.2% QoQ, +7.2% YoY), bringing 1H26 net profit to RM21.2m (+7.6% YoY). This accounted for 50.8% and 48.6% of our and consensus full-year FY26f estimates of RM41.7m and RM43.6m, respectively. We deem the earnings within expectation, as stronger construction profitability offset lower property development contributions as projects approached completion.

- **YoY.** INTA's 2Q26 revenue slipped 3.0% to RM180.5m, dragged by lower contributions from the property development segment (-84.0% to RM4.1m) and the construction segment (-1.3% to RM175.0m). Despite the softer revenue, pre-tax profit and core earnings rose 7.8% and 7.2% respectively, as margins improved by 0.7ppts and 0.5ppts. Construction segment profit jumped 31.2%, driven by stronger contributions from ongoing projects and final account closures. Conversely, property development segment profit fell 61.1% to RM1.4m as projects neared completion and progressive revenue recognition tapered accordingly.

- **QoQ.** Revenue declined 12.2% while PATMI fell 4.2%, mainly due to lower progressive revenue and profit recognition from the property development segment as projects advanced toward completion. The decline was partly cushioned by stronger construction segment profitability, with segment profit rising 26.5% on stronger contributions from ongoing projects.

- **YTD.** 1H26 topline grew 1.4% YoY to RM386.2m, while pre-tax profit and core earnings rose 10.0% to RM28.7m and 7.6% to RM21.2m, respectively. Earnings growth was supported by margin expansion, with PBT and PATMI margins improving by 0.6ppts and 0.3ppts to 7.4% and 5.5%, respectively, as construction segment profit grew 12.6% despite broadly flat revenue.

- **Dividend.** Declared a 0.5 sen second interim dividend, payable on 25 September 2026.

- **INTA's outstanding construction order book stood at c.RM1.7bn**, up from RM1.5bn at end-Mar 2026, as YTD FY26 job wins stood at RM424.0m. The current order book provides 2.0x cover of our FY26f revenue and visibility over the next 2–3 years, alongside RM8.2m of unbilled property sales. Encouragingly, YTD job wins have already achieved 53% of our RM800m for FY26 annual replenishment assumption, while c.RM3.3bn of tenders remain pending award, supporting continued order book replenishment.

- **Outlook.** We remain cautiously positive on INTA's outlook, supported by sustained construction activity across the non-residential and residential segments. The sector is projected to grow c.8.5% in 2026, underpinned by data center and industrial developments in Johor and Selangor, alongside affordable housing demand. Near-term earnings should remain supported by order book conversion and ongoing project execution, though rising construction material, energy, and compliance costs remain key risks to margins.

BUY

Share price	**RM0.385**
Target price	**RM0.760**
Previous TP	**RM0.760**
Capital upside	97.4%
Dividend return	5.5%
Total return	102.9%

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)	640.4
Market Cap (m)	246.6
52W High/Low	0.46 / 0.355
Est. Free float (%)	33.7
Beta (x)	1.0
3-mth avg vol ('000)	772.2
Shariah compliant	Yes

Major shareholders	%
Apexjaya Industries S/B	28.2
Lim Ooi Joo	8.58
Teo Hock Choon	8.26

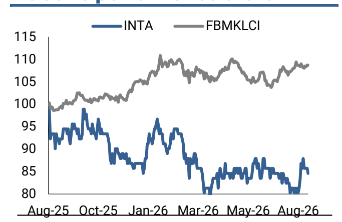
Share price vs. KLCI (%)

Hist. return	1M	3M	12M
Absolute	2.7	0.0	-15.4
Relative	0.6	-1.4	-22.2

Earnings snapshot

FYE (Dec)	FY25	FY26f	FY27f
PAT (m)	40.5	41.7	44.2
EPS (sen)	6.52	6.73	7.15
P/E (x)	6.06	6.86	5.53

Relative performance chart



Quarterly performance 2Q26

Quarterly performance

FYE Dec (RM m)	2Q25	1Q26	2Q26	QoQ (%)	YoY (%)	1HFY25	1HFY26	YoY (%)
Revenue	186.1	205.7	180.5	*(12.2)*	*(3.0)*	380.7	386.2	*1.4*
EBIT	13.8	17.3	15.2	*(12.1)*	*10.2*	29.1	32.6	*12.0*
PBT	12.6	15.1	13.6	*(9.9)*	*7.8*	26.1	28.7	*10.0*
Core PATMI	9.7	10.8	10.4	*(4.2)*	*7.2*	19.7	21.2	*7.6*
Reported PATMI	9.7	10.8	10.4	*(4.2)*	*7.2*	19.7	21.2	*7.6*
Core EPS (sen)	1.6	1.75	1.67	*(4.2)*	*7.2*	3.2	3.4	*7.6*
EBIT margin (%)	7.4	8.4	8.4			7.6	8.4	
PBT margin (%)	6.8	7.3	7.5			6.8	7.4	
Core PATMI margin (%)	5.2	5.3	5.7			5.2	5.5	

Source: Inta Bina Group Berhad, M+ Research

Valuation & Recommendation

- **Forecast.** Maintained.
- **Maintained BUY recommendation with an unchanged target price of RM0.76**, derived by applying an 11x P/E multiple to our mid-FY27f EPS of 6.94 sen.
- **Downside risks.** Risks to our recommendation include: (i) fluctuations in raw material prices; (ii) INTA's ability to continue replenish its orderbook; and (iii) regulatory compliance risk.

Financial Highlights

Financial Forecast

All items in (RM m) unless otherwise stated

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25	FY26f	FY27f
Cash	101.5	115.0	108.8	183.7	228.9
Receivables	231.6	260.6	304.6	289.6	307.9
Inventories	17.2	15.9	16.7	20.9	22.2
PPE	32.9	41.5	62.8	54.5	48.9
Others	126.1	188.7	222.9	188.7	188.7
Assets	**509.3**	**621.6**	**715.8**	**737.4**	**796.6**
Debts	66.5	112.6	129.9	114.2	121.4
Payables	243.7	303.9	298.8	333.6	354.7
Others	29.5	11.5	35.9	11.5	11.5
Liabilities	**339.7**	**428.0**	**464.6**	**459.3**	**487.5**
Shareholder's equity	169.2	193.3	250.7	278.1	309.1
Minority interest	0.4	0.3	0.5	-	-
Equity	**169.5**	**193.6**	**251.2**	**278.1**	**309.1**

Cash Flow Statement

FYE Dec (RM m)	FY23	FY24	FY25	FY26f	FY27f
Profit before taxation	31.8	43.5	55.6	54.8	58.2
Depreciation & amortis	11.5	13.8	19.7	14.6	15.6
Changes in working ca|	7.8	32.5	(49.9)	1.1	1.5
Share of JV profits	-	-	-	-	-
Taxation	(8.9)	(10.3)	(15.1)	(13.2)	(14.0)
Others	24.6	(80.9)	15.1	-	-
Operating cash flow	**66.8**	**(1.5)**	**25.4**	**57.4**	**61.3**
Net capex	(11.8)	(10.9)	(20.9)	(10.0)	(10.0)
Others	(3.2)	(15.6)	(28.6)	-	-
Investing cash flow	**(15.0)**	**(26.5)**	**(49.4)**	**(10.0)**	**(10.0)**
Changes in borrowings	(20.3)	46.2	17.3	5.5	7.2
Issuance of shares	0.3	-	-	-	-
Dividends paid	(2.9)	-	-	(12.5)	(13.3)
Others	(5.9)	(19.6)	(17.3)	-	-
Financing cash flow	**(28.7)**	**26.5**	**-**	**(7.0)**	**(6.1)**
Net cash flow	**23.1**	**(1.5)**	**(24.0)**	**40.4**	**45.2**
Forex	(0.0)	0.3	0.3	-	-
Others	-	-	-	-	-
Beginning cash	74.2	101.5	115.0	143.4	183.7
Ending cash	101.5	115.0	108.8	183.7	228.9

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25	FY26f	FY27f
Revenue	**650.1**	**690.8**	**750.6**	**845.7**	**899.0**
EBITDA	45.6	60.5	81.8	75.9	80.6
EBIT	34.2	46.7	62.1	61.3	65.0
Net finance income/ (co	(3.9)	(2.9)	(5.9)	(6.5)	(6.8)
Associates & JV	-	-	-	-	-
Profit before tax	**31.8**	**43.5**	**55.6**	**54.8**	**58.2**
Tax	(8.9)	(10.3)	(15.1)	(13.2)	(14.0)
Net profit	**22.9**	**33.1**	**40.5**	**41.7**	**44.2**
Minority interest	(0.0)	0.1	(0.2)	-	-
Core earnings	**22.9**	**33.3**	**40.3**	**41.7**	**44.2**
Exceptional items	-	-	-	-	-
Reported earnings	22.9	33.3	40.3	41.7	44.2

Valuation & Ratios

FYE Dec (RM m)	FY23	FY24	FY25	FY26f	FY27f
Core EPS (sen)	3.70	5.38	6.51	6.73	7.15
FD Core EPS (sen)	3.70	5.38	6.51	6.73	7.15
P/E (x)	10.01	6.88	5.68	5.49	5.18
EV/EBITDA (x)	0.03	0.02	0.01	0.02	0.02
DPS (sen)	1.08	2.22	2.22	2.02	2.14
Dividend yield	2.9%	6.0%	6.0%	5.5%	5.8%
BVPS (RM)	0.27	0.31	0.41	0.45	0.50
P/B (x)	1.35	1.18	0.91	0.82	0.74
EBITDA margin	7.0%	8.8%	10.9%	9.0%	9.0%
EBIT margin	5.3%	6.8%	8.3%	7.2%	7.2%
PBT margin	4.9%	6.3%	7.4%	6.5%	6.5%
Net margin	3.5%	4.8%	5.4%	4.9%	4.9%
ROE	14.2%	18.4%	18.1%	15.8%	15.1%
ROA	4.9%	5.9%	6.0%	5.8%	5.8%
Net gearing	CASH	CASH	8.4%	CASH	CASH

M+ Research

Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.

This report has been prepared by research analyst(s) of MSSB pursuant to the Research Incentive Program under Bursa Research Incentive Scheme Plus ("Bursa RISE+") administered by Bursa Malaysia Berhad. This report has been produced independent of any influence from Bursa Malaysia Berhad or the subject company. Bursa Malaysia Berhad and its group of companies disclaim any and all liability, howsoever arising, out of or in relation to the administration of Bursa Research Incentive Program and/or this report.

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