Inta Bina Group Berhad

Earnings Growth Intact Despite Softer Quarterly Margins

Summary

- **Results within expectations.** INTA recorded 3Q26 core PATMI at RM11.1m (+7.0% QoQ, +10.7% YoY). Cumulative 9M26 core PATMI came to RM32.3m (+8.7% YoY), broadly in line with our expectations, achieving 77.9%/75.5% of our/consensus full-year FY26f estimates of RM41.4m and RM42.8m, respectively.

- **YoY.** Topline grew 21.8% to RM229.2m on higher work progress across new and ongoing projects, with construction revenue up 28.6%. GP rose only 3.4%, though, as GP margin narrowed 2.0ppts to 11.1% (3Q25: 13.1%). This reflects a smaller contribution from the higher-margin property development segment (revenue -69.4%) after its maiden project was handed over, and new construction jobs that are still at early stages. PBT rose 7.3% to RM15.9m, helped by 19.0% lower finance costs. Core PATMI grew faster, up 10.7% to RM11.1m, on a lower ETR of 29.3% (3Q25: 32.6%).

- **QoQ.** Topline grew 27.0% on higher recognition from ongoing construction projects. PBT rose 17.3%, also lifted by margins recognized when accounts for the completed maiden development were finalized, while finance costs were flat at RM1.8m. GP and PBT margins still narrowed 0.4ppt and 0.6ppt respectively, as cost of sales (+27.6%) and admin expenses (+41.6%) grew faster than revenue. Core PATMI grew a slower 7.0% as ETR rose to 29.3% (2Q26: 23.1%).

- **YTD.** 9M26 topline rose 8.2% YoY to RM615.4m, while pre-tax profit and core earnings rose 9.0% to RM44.6m and 8.7% to RM32.3m, respectively. Growth was largely contributed by the construction segment's stronger revenue (+9.0%) and profit (+21.2%). This offset weaker property development contributions (revenue: -67.3%, profit: -38.9%) after vacant possession was delivered on Senuri Residence in July 2026. GP margin slipped 0.5ppt to 11.4%, but 5.1% lower admin expenses lifted PBT margin by 0.1ppt to 7.3%. Core PATMI margin was flat at 5.2%.

- **Dividend.** Declared a 0.75 sen third interim dividend, payable on 21 December 2026.

- **Outlook.** We remain positive on INTA, as its investment case remains robust, supported by: (i) a c.RM1.7bn outstanding construction order book, providing 2.0x cover of our FY26f revenue and visibility over the next 2–3 years; (ii) replenishment momentum, with YTD FY26 job wins of c.RM645m as at end-Sep 2026 already at 80.7% of our RM800m assumption, and a c.RM4.4bn tender book across residential, commercial and data centre projects supporting further wins; and (iii) a supportive sector backdrop, with construction work done up 9.0% YoY to RM49.5bn in 3Q26 on non-residential activity, while Budget 2027's RM83bn development expenditure and affordable housing allocations should sustain residential demand. That said, rising material and energy costs, alongside the minimum wage increase to RM2,000 from June 2027, remain key risks to margins.

Results Note – 3QFY26

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

BUY

Share price	**RM0.360**
Target price	**RM0.780**
Previous TP	**RM0.780**
Capital upside	116.7%
Dividend return	5.6%
Total return	122.3%

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)	643.0
Market Cap (m)	231.5
52W High/Low	0.44 / 0.35
Est. Free float (%)	33.1
Beta (x)	0.9
3-mth avg vol ('000)	1465.5
Shariah compliant	Yes

Major shareholders	**%**
Apexjaya Industries S/B	28.6
Lim Ooi Joo	8.7
Teo Hock Choon	8.2

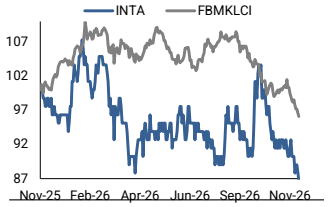
Share price vs. KLCI (%)

Hist. return	1M	3M	12M
Absolute	-4.0	-7.7	-12.2
Relative	-1.0	2.6	-9.4

Earnings snapshot

FYE (Dec)	FY25	FY26f	FY27f
PAT (m)	40.3	41.4	44.0
EPS (sen)	6.5	6.7	7.1
P/E (x)	5.5	5.4	5.1

Relative performance chart



Quarterly performance 3Q26

Quarterly performance

FYE Dec (RM m)	3Q25	2Q26	3Q26	QoQ (%)	YoY (%)	9MFY25	9MFY26	YoY (%)
Revenue	188.3	180.5	229.2	*27.0*	*21.8*	569.0	615.4	*8.2*
EBIT	16.9	15.2	17.6	*15.6*	*4.4*	46.0	50.2	*9.2*
PBT	14.9	13.6	15.9	*17.3*	*7.3*	40.9	44.6	*9.0*
Core PATMI	10.0	10.4	11.1	*7.0*	*10.7*	29.7	32.3	*8.7*
Reported PATMI	10.0	10.4	11.1	*7.0*	*10.7*	29.7	32.3	*8.7*
Core EPS (sen)	1.6	1.67	1.79	*7.0*	*10.7*	4.8	5.2	*8.7*
EBIT margin (%)	9.0	8.4	7.7			8.1	8.2	
PBT margin (%)	7.9	7.5	7.0			7.2	7.3	
Core PATMI margin (%)	5.3	5.7	4.8			5.2	5.2	

Source: Inta Bina Group Berhad, M+Global Research

Valuation & Recommendation

- **Forecast.** Maintained as results were within our expectations.
- **Maintained BUY with an unchanged TP of RM0.78**, derived by ascribing an unchanged 11x P/E multiple to our FY27f EPS of 7.11 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)	FY24	FY25	FY26f	FY27f	FY28f
Cash	115.0	108.8	183.4	228.5	277.0
Receivables	260.6	304.6	289.6	307.9	327.4
Inventories	15.9	16.7	20.9	22.2	23.6
PPE	41.5	62.8	54.5	48.9	42.3
Others	188.7	222.9	188.7	188.7	188.7
Assets	**621.6**	**715.8**	**737.1**	**796.1**	**858.9**
Debts	112.6	129.9	114.2	121.4	129.0
Payables	303.9	298.8	333.6	354.7	377.1
Others	11.5	35.9	11.5	11.5	11.5
Liabilities	**428.0**	**464.6**	**459.3**	**487.5**	**517.6**
Shareholder's equity	193.3	250.7	277.8	308.6	341.3
Minority interest	0.3	0.5	-	-	-
Equity	**193.6**	**251.2**	**277.8**	**308.6**	**341.3**

Cash Flow Statement

FYE Dec (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Profit before taxation	43.5	55.6	54.8	58.2	61.8
Depreciation & amortis	13.8	19.7	14.6	15.6	16.6
Changes in working ca	32.5	(49.9)	1.1	1.5	1.6
Share of JV profits	-	-	-	-	-
Taxation	(10.3)	(15.1)	(13.2)	(14.0)	(14.8)
Others	(80.9)	15.1	-	-	-
Operating cash flow	**(1.5)**	**25.4**	**57.4**	**61.3**	**65.1**
Net capex	(10.9)	(20.9)	(10.0)	(10.0)	(10.0)
Others	(15.6)	(28.6)	-	-	-
Investing cash flow	**(26.5)**	**(49.4)**	**(10.0)**	**(10.0)**	**(10.0)**
Changes in borrowings	46.2	17.3	5.5	7.2	7.7
Issuance of shares	-	-	-	-	-
Dividends paid	-	-	(12.4)	(13.2)	(14.0)
Others	(19.6)	(17.3)	-	-	-
Financing cash flow	**26.5**	**-**	**(7.0)**	**(6.0)**	**(6.3)**
Net cash flow	**(1.5)**	**(24.0)**	**40.2**	**45.1**	**48.6**
Forex	0.3	0.3	-	-	-
Others	-	-	-	-	-
Beginning cash	101.5	115.0	143.2	183.4	228.5
Ending cash	115.0	108.8	183.4	228.5	277.0

Income Statement

FYE Dec (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	**690.8**	**750.6**	**845.7**	**899.0**	**955.9**
EBITDA	60.5	81.8	75.9	80.6	85.6
EBIT	46.7	62.1	61.3	65.0	69.0
Net finance income/ (co	(2.9)	(5.9)	(6.5)	(6.8)	(7.2)
Associates & JV	-	-	-	-	-
Profit before tax	**43.5**	**55.6**	**54.8**	**58.2**	**61.8**
Tax	(10.3)	(15.1)	(13.2)	(14.0)	(14.8)
Net profit	**33.1**	**40.5**	**41.7**	**44.2**	**47.0**
Minority interest	0.1	(0.2)	(0.2)	(0.2)	(0.3)
Core earnings	**33.3**	**40.3**	**41.4**	**44.0**	**46.7**
Exceptional items	-	-	-	-	-
Reported earnings	33.3	40.3	41.4	44.0	46.7

Valuation & Ratios

FYE Dec (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Core EPS (sen)	5.38	6.51	6.70	7.11	7.55
FD Core EPS (sen)	5.38	6.51	6.70	7.11	7.55
P/E (x)	6.69	5.53	5.38	5.06	4.77
EV/EBITDA (x)	(0.08)	(0.06)	(0.07)	(0.06)	(0.06)
DPS (sen)	2.22	2.22	2.01	2.13	2.26
Dividend yield	6.2%	6.2%	5.6%	5.9%	6.3%
BVPS (RM)	0.31	0.41	0.45	0.50	0.55
P/B (x)	1.15	0.89	0.80	0.72	0.65
EBITDA margin	8.8%	10.9%	9.0%	9.0%	9.0%
EBIT margin	6.8%	8.3%	7.2%	7.2%	7.2%
PBT margin	6.3%	7.4%	6.5%	6.5%	6.5%
Net margin	4.8%	5.4%	4.9%	4.9%	4.9%
ROE	18.4%	18.1%	15.7%	15.0%	14.4%
ROA	5.9%	6.0%	5.8%	5.7%	5.6%
Net gearing	CASH	8.4%	CASH	CASH	CASH

Source: Inta Bina Group Berhad, M+Global 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