

### Lagenda Properties Berhad (LAGENDA MK)

Inline

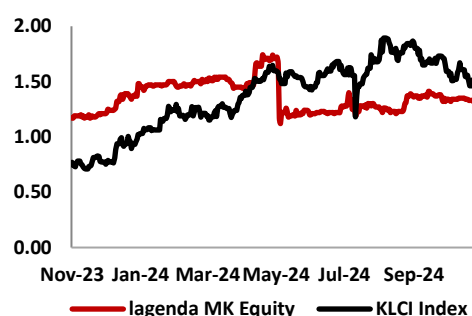
BUY

Share Price RM1.25  
Target Price RM1.48 +18%

### 3QFY24's Property Sales Hit the Roof

- **Maintain BUY (TP: RM1.48).** Lagenda's 9MFY24 revenue surged by 26.8% YoY to RM755mn, primarily driven by higher contributions from new sales and the construction progress of active phases and newly launched projects. The 9MFY24's property sales rising to RM869mn (+9% YoY), achieving the company's highest-ever quarterly property sales of RM349mn. Core net profit surged by 25% YoY to RM138.4mn, inline with our estimates, accounting for 69% of our full-year forecast. We maintain our recommendation of a **BUY call** with a **TP of RM1.48** pegged at 8.1x price-to-earnings ratio (PER) to fully diluted FY25F EPS of 18 sen.
- **Key highlights.** On QoQ basis, Lagenda reported a revenue increase of 15.3% to RM283.4mn, driven by significant progress in ongoing projects such as Lagenda Suria Phase 1A and Lagenda Aman. The trading segment also contributed to the growth, with a 2.4% rise in revenue to RM77.0mn, boosted by higher external sales during the quarter. Despite the revenue growth, core net profit declined slightly by 2.3% to RM47.3mn, mainly due to a lower gross profit margin and a reduction in other income.
- **Earnings Revision.** No revision.
- **Outlook.** Lagenda's outlook remains positive, underpinned by an expected surge in revenue from upcoming project launches, particularly in 4QFY24. As of 30 September 2024, the company reported unbilled sales of RM835.2mn and additional bookings amounting to RM306.5mn, further enhancing its earnings potential.

Price Chart (RM)



Share Performance (%)	1m	3m	12m
Absolute	(6.7)	0.6	11.8
vs FBM KLCI	(5.5)	1.0	(2.8)

#### Stock Data

ESG Rating	Good
Adj. Beta	1.0
Mkt Cap (RM)	1,046.7
Free float (%)	0.3
Issued shares (mn)	837.3
52w H/L (RM)	1.77 / 0.85
3m avg daily volume	920,966

#### Major Shareholders (%)

Lagenda Land Sdn Bhd	53
Ocbc Securities Pvt	9.6
Ubs Ag Singapore	4.2

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Table 1: Quarterly figures

Lagenda Properties Berhad	Quarterly			Change (%)		Cumulative		YTD	BIMB	
FYE 31 Dec (RM mn)	3QFY23	2QFY24	3QFY24	QoQ	YoY	9MFY23	9MFY24	%	FY24F	9M/F
Revenue	217.9	245.8	283.4	15.3	30.1	595.2	754.9	26.8	1,097.9	69%
EBITDA	66.3	72.3	68.8	-4.8	3.7	176.7	201.0	13.8	309.9	65%
Pretax profit	57.9	65.8	63.5	-3.5	9.8	158.1	188.5	19.2	283.0	67%
Taxation	(19.3)	(17.4)	(16.3)	-6.7	-15.8	(47.2)	(50.0)	5.8	(83.9)	60%
Net profit	38.6	48.4	47.3	-2.3	22.6	110.9	138.5	24.9	199.1	70%
Core net profit	38.6	48.4	47.3	-2.3	22.6	110.9	138.4	24.8	199.3	69%
EPS (sen)	3.97	4.17	4.08	-2.1	2.8	11.43	11.95	4.6	17.2	70%
				Chg (ppts)				Chg (ppts)		
EBITDA margin (%)	30.4	29.4	24.3	-5.1	-6.2	29.7	26.6	-3.1	28.2	
PBT margin (%)	28.8	28.9	24.0	-4.9	-4.8	28.5	26.6	-1.9	27.1	
Core net profit margin (%)	26.6	26.8	22.4	-4.4	-4.1	26.6	25.0	-1.6	25.8	
Effective tax rate (%)	17.7	19.7	16.7	-3.0	-1.0	18.6	18.3	-0.3	18.2	

Source: BIMB Securities, Company

Table 2: Earnings Forecast

FYE Dec (RM mn)	2022	2023	2024F	2025F	2026F
<b>Turnover</b>	868	835	1,098	1,172	1,232
EBITDA	269	234	310	327	342
Pretax profit	251	213	283	302	318
<b>Net profit</b>	178	148	199	213	224
<b>Core net profit</b>	178	148	199	213	224
Consensus			<b>202</b>	<b>240</b>	<b>284</b>
EPS (sen)	21.2	15.4	17.2	18.3	19.3
PER (x)	7.2	9.9	8.8	8.3	7.9
DPS (sen)	2.0	6.5	5.3	5.6	5.9
Div. Yield (%)	1.9	5.08	4.12	4.39	4.62
BVPS (RM)	1.4	1.1	1.1	1.2	1.4
P/B (x)	0.6	1.3	1.4	1.2	1.1
<b>Key Ratios (%)</b>					
ROE	9.5	13.5	15.7	15.0	14.2
EBITDA margin	31.0	28.0	28.2	27.9	27.8
Pretax margin	28.9	25.5	25.8	25.8	25.8
Net margin	20.5	17.8	18.2	18.2	18.2

Source: Bloomberg, BIMB Securities

**DEFINITION OF RATINGS**

BIMB Securities uses the following rating system:

**STOCK RECOMMENDATION**

<b>BUY</b>	Total return (price appreciation plus dividend yield) is expected to exceed 10% in the next 12 months.
<b>TRADING BUY</b>	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain.
<b>HOLD</b>	Share price may fall within the range of +/- 10% over the next 12 months
<b>TAKE PROFIT</b>	Target price has been attained. Fundamentals remain intact. Look to accumulate at lower levels.
<b>TRADING SELL</b>	Share price may fall by more than 15% in the next 3 months. <b>SELL</b> Share price may fall by more than 10% over the next 12 months.
<b>NOT RATED</b>	Stock is not within regular research coverage.

**SECTOR RECOMMENDATION**

<b>OVERWEIGHT</b>	The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months
<b>NEUTRAL</b>	The Industry as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months
<b>UNDERWEIGHT</b>	The Industry as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months

**Applicability of ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

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