

Lagenda Properties (LAGENDA MK/BUY/RM1.30/Target: RM1.65)

3Q25: Below Expectations; Record-breaking Sales For Second Consecutive Quarter

Highlights

- **Results lagged our full-year forecast.** Lagenda Properties (Lagenda) posted a 3Q25 revenue of RM255m (+7% qoq; -10% yoy) and core PATAMI of RM47m (+4% qoq, -6% yoy). This brings 9M25 core PATAMI to RM132m, representing 71% and 68% of our and consensus full-year forecasts, which we deem below expectations due to lower-than-expected revenue.
- **Property segment revenue grew 4% yoy to RM230m.** Overall, 3Q25 revenue declined to RM255m (-10% yoy), dragged by a reduction in sales demand for building materials and others. Property development revenue, however, grew to RM230m (+4% yoy), supported by stronger sales and new launches. Core PATAMI margin improved by 0.8ppt yoy as a result of higher gross profit margin (+2.8ppt yoy).
- **3Q25 sales reached a record-breaking RM543m (+31% qoq; +56% yoy),** driven by strong demand in Johor (La Lumiere), Pahang (La'Indera) and Selangor (Lagenda Ardea). This brings 9M25 sales to RM1.2b (+39% yoy), achieving 81% of its full-year sales target of RM1.5b and exceeding expectations. As of end-Jun 25, unbilled sales had surged to an all-time high of RM1.33b for the second consecutive quarter (2Q25: RM1.05b) with outstanding bookings of RM543m (2Q25: RM277m).

Earnings Revision/Risk

- We cut our 2025 earnings forecast by 7% for 2025 as we have lowered our progressive billing assumption.
- Maintain BUY with a lower target price of RM1.65 (from RM1.74), based on a 40% discount to RNAV per share of RM2.72. Our target price implies 1.2x 2026F P/B (+1SD of five-year mean: 1.1x) and 5x 2026F PE.

3Q25 Results						Key Financials				
Year to 31 Dec	3Q25 (RMm)	qoq % chg	yoy % chg	9M25 (RMm)	yoy % chg	Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Revenue	254.9	6.7	(10.1)	758.2	0.4	Net Turnover	989	1,103	1,686	1,770
Gross Profit	90.0	0.3	(2.4)	265.9	(1.3)	EBIT	273	276	421	460
EBIT	67.2	(0.3)	(3.2)	201.4	(1.8)	Net Profit (Reported/Actual)	185	173	274	299
PBT	61.7	1.1	(2.9)	183.0	(2.9)	Net Profit (Adjusted)	169	173	274	299
PATAMI	44.7	(1.3)	(5.5)	134.5	(2.9)	EPS (sen)	20.2	20.7	32.8	35.8
Core PATAMI	44.7	3.8	(5.5)	132.3	(4.5)	PE (x)	6.4	6.3	4.0	3.6
						P/B (x)	1.2	1.1	0.9	0.8
Margins	%	+/- ppt	+/- ppt	%	+/- ppt	EV/EBITDA (x)	5.7	6.0	4.3	3.7
GP	35.3	(2.2)	2.8	35.1	(0.6)	Dividend Yield (%)	5.0	3.5	6.3	6.9
EBIT	26.4	(1.9)	1.9	26.6	(0.6)	Net Margin (%)	17.1	15.7	16.3	16.9
PBT	24.2	(1.3)	1.8	24.1	(0.8)	Net Debt/(Cash) to Equity (%)	40.8	44.6	49.5	35.6
Core PATAMI	17.5	(0.5)	0.8	17.4	(0.9)	Interest Cover (x)	11.2	8.2	11.0	10.9
						ROE (%)	15.1	12.8	17.5	16.7
						Consensus Net Profit		194	263	303
						UOBKH/Consensus (x)		0.9	1.0	1.0

Source: Lagenda, UOB Kay Hian

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