

Lagenda Properties Berhad (LAGENDA MK)

Inline

BUY

Share Price **RM1.47**
Target Price **RM1.67 +13%**

Broadly In Line, Earnings Hit by One-Off Impairment

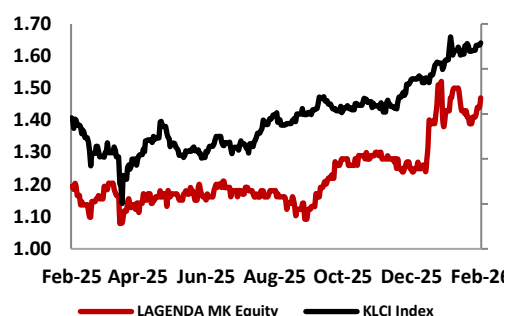
- Key Highlights.** FY2025 net profit of RM179.5mn (-2.5% YoY) was weighed down by a RM14.9mn receivable impairment linked to a PR1MA project within BBSAP. Excluding this, we estimate adjusted PAT of RM190.3mn, or 90% of our FY2025 forecast. Management also indicated Group PBT would have increased by RM13.7mn YoY ex impairment. For 4QFY2025, revenue rose 27.2% YoY to RM297.4mn, driven by stronger property development (+30.9% YoY) and trading (+73.9% YoY) contributions, partly offset by lower revenue from other segments following completion of incidental external construction contracts. Key development contributors were Lagenda Ardea Phases 1A and 2, BBSAP Phase 4B, and newer launches at Lagenda Darulaman Phase 3B and La' Lumière (Kulai). Group PBT increased 7.1% YoY to RM64.2mn, supported by stronger development profits despite the impairment. QoQ, revenue rose 16.7% (up RM42.5mn) on faster progress at BBSAP Phase 4B, Lagenda Ardea P2 and La' Lumière (Kulai) Phase 2A, plus encouraging take up from La' Indera Phase 1B and Lagenda Suria Phase 2. This was partly offset by lower recognition from near completed projects and slower progress at BBSAP Phase 4C. PBT rose RM2.5mn QoQ, while ex receivable impairment, PBT would have increased RM17.4mn, with development margins broadly stable.

- Dividend.** Dividend declaration was 3.5 sen for the second interim, taking FY2025 DPS to 6.5 sen (payout ratio of 30.2%). This translates into a 4.4% trailing yield, based on the closing price of RM1.47.

- Outlook.** Outlook remains constructive, underpinned by record FY2025 sales of RM1.7bn (+50% YoY), RM1.6bn unbilled sales, and a 4,300 acre landbank with c.RM11.0bn GDV, which should support medium term launch visibility. In the near term, management's focus is on township execution, tighter cash collection discipline, and progress on receivable recovery negotiations. A potential FY2026 write back on the PR1MA related receivable could provide upside.

- Maintain BUY with a higher TP of RM1.67.** We reiterate our **BUY** call and raise our **target price to RM1.67** (from RM1.48), based on 7.2x PER applied to fully diluted FY27F EPS of 23 sen, following a rollover of our valuation horizon to FY27. This implies +1.5 SD above its 5-year historical average forward PER of 5.9x, which we view as justified by improved earnings visibility, resilient execution and healthy unbilled sales.

Price Chart (RM)



Share Performance (%)	1m	3m	12m
Absolute	2.8	14.0	23.2
vs FBM KLCI	0.6	4.9	5.1

Stock Data

ESG Rating	Good
Adj. Beta	1.0
Mkt Cap (RM)	1,223.8
Free float (%)	0.3
Issued shares (mn)	832.5
52w H/L (RM)	1.56/ 1.09
3m avg daily volume	1,047,613

Major Shareholders (%)

Lagenda Land Sdn Bhd	53
Oversea-Chinese Bank	9.6
Ubs Ag Singapore	4.5

Mohd Fadzerin Arrifin

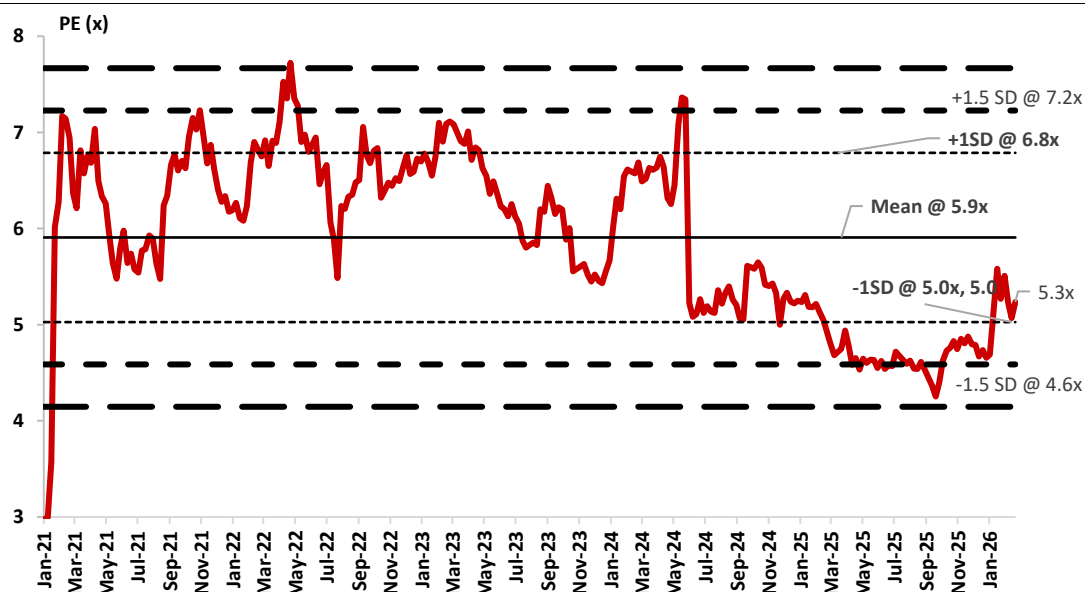
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Table 1: Quarterly figures

Legenda Properties Berhad FYE 31 Dec (RM mn)	Quarterly			Change (%)		Cumulative		YTD	BIMB	
	4QFY24	3QFY25	4QFY25	QoQ	YoY	FY2024	FY2025	%	FY25F	12M/F
Revenue	233.9	254.9	297.4	16.7	27.2	988.8	1,055.6	6.8	1,171.7	90%
EBITDA	67.2	67.2	71.9	7.1	7.0	271.9	272.9	0.4	327.2	83%
Pretax profit	59.9	61.7	64.2	4.1	7.1	248.4	247.2	-0.5	302.0	82%
Taxation	(14.4)	(17.0)	(19.2)	12.9	33.3	(64.3)	(67.7)	5.2	(89.5)	76%
Net profit	45.5	44.7	45.0	0.7	-1.2	184.0	179.5	-2.5	212.5	84%
Core net profit	45.9	44.7	45.0	0.7	-2.1	184.3	179.5	-2.6	212.7	84%
EPS (sen)	4.04	3.94	3.97	0.8	-1.8	16.21	15.83	-2.3	18.3	86%
				Chg (ppts)				Chg (ppts)		
EBITDA margin (%)	28.7	26.3	24.2	-2.2	-4.5	27.5	25.9	-1.6	27.9	
PBT margin (%)	25.6	24.2	21.6	-2.6	-4.0	25.1	23.4	-1.7	25.8	
Core net profit margin (%)	19.6	17.5	15.1	-2.4	-4.5	18.6	17.0	-1.6	18.2	
Effective tax rate (%)	-24.0	-27.6	-29.9	-2.3	-5.9	-25.9	-27.4	-1.5	-29.6	

Source: BIMB Securities, Company

Chart 5: Legenda's 5-Year Historical Forward P/E



Source: BIMB Securities

Table 2: Earnings Forecast

FYE Dec (RM mn)	2023	2024	2025F	2026F	2027F
Turnover	835	989	1,172	1,232	1,448
EBITDA	234	279	327	377	438
Pretax profit	213	248	302	318	373
Net profit	148	184	212	224	263
Core net profit	148	184	213	224	263
Consensus			176	274	323
EPS (sen)	21.2	15.4	18.3	19.3	22.7
PER (x)	7.2	9.9	8.3	7.9	6.7
DPS (sen)	2.0	6.5	5.6	5.9	6.9
Div. Yield (%)	1.9	5.08	4.39	4.5	5.3
BVPS (RM)	1.4	1.1	1.2	1.4	1.4
P/B (x)	0.6	1.3	1.2	1.1	1.1
Key Ratios (%)					
ROE	9.5	13.5	15.0	14.2	16.7
EBITDA margin	31.0	28.0	27.9	30.6	30.3
Pretax margin	28.9	25.5	25.8	25.8	25.8
Net margin	20.5	17.8	18.2	18.2	18.1

Source: Bloomberg, BIMB Securities

DEFINITION OF RATINGS

BIMB Securities uses the following rating system:

STOCK RECOMMENDATION

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

SECTOR RECOMMENDATION

OVERWEIGHT	The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months
NEUTRAL	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
UNDERWEIGHT	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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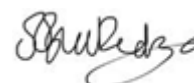
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