

## Team Coverage

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<b>Recommendation:</b>	<b>BUY</b>
Current Price:	RM 1.19
Previous Target Price:	RM 1.53
Target Price:	↔ RM 1.53
Capital Upside/ Downside:	28.6%
Dividend Yield (%):	5.5%
<b>Total Upside/ Downside:</b>	<b>34.0%</b>

## Stock information

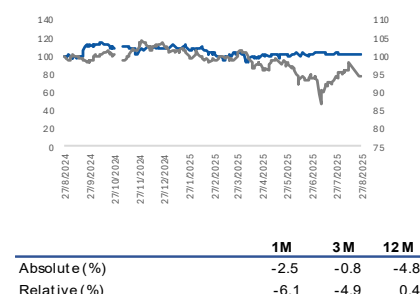
Board	MAIN
Sector	Property
Bursa / Bloomberg Code	7179 / LAGENDA MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	837.3
Market Cap (RM' m)	996.4
52-Week Price Range (RM)	1.45- 1.09
Beta (x)	1.0
Free float (%)	39.9
3M Average Volume (m)	0.3
3M Average Value (RM' m)	0.4

## Top 3 Shareholders

(%)

Lagenda Land Sdn Bhd	53.4
Oversea-Chinese Banking Corp Ltd	9.6
Doh Capital Sdn Bhd	4.5

## Share Price Performance



Earnings Summary	FY25F	FY26F	FY27F
Revenue (RM'm)	1080.5	1344.2	1596.4
PATAMI (RM'm)	201.1	252.5	304.6
CNP (RM'm)	201.1	252.5	304.6
EPS - core (sen)	24.0	30.2	36.4
P/E(x)	5.0	3.9	3.3

# Lagenda Properties Bhd

## Within Expectations

- **LAGENDA's 2QFY25 CNP** came in at RM45.3m (-6.3% YoY, +7.0% QoQ), bringing 6MFY25 CNP to RM87.7m (-3.7% YoY), which accounts for 43.6% of our full-year forecast and 43.8% of consensus estimates. The results were deemed within expectations, as we expect a stronger ramp-up in the second half, backed by strong unbilled sales of RM1.05bn.
- The Group announced an interim dividend of 3.0 sen (2QFY24: 3.0 sen).
- We maintain our earnings forecast and have introduced FY27F earnings of RM304.6m.
- We maintain our BUY recommendation with an unchanged target price of RM1.53, based on a 30% discount to our RNAV valuation and appraised with a three-star ESG rating.

**Results within expectations.** Excluding the loss on disposal of property, plant, and equipment (+RM0.1m), 2QFY25 CNP came in at RM45.3m, bringing 6MFY25 CNP to RM87.7m, which accounts for 43.6% of our full-year forecast and 43.8% of consensus estimates. The results were deemed within expectations, as we expect a stronger ramp-up in the second half, backed by strong unbilled sales of RM1.05bn.

**Dividends maintained.** The Group announced an interim dividend of 3.0 sen (2QFY24: 3.0 sen).

**YoY.** CNP slipped 6.3% YoY, primarily due to a decline in revenue from the property development segment. The segment's PBT fell 4.4%, as lower contributions from completed and near-completion projects outweighed gains from ongoing and newly launched developments. While the trading and other segments showed mixed results, overall PBT declined 7.4% to RM61.0m, driving the decrease in CNP.

**YTD.** CNP declined 3.7% to RM87.7m despite revenue rising 6.8% to RM503.3m. The revenue growth was supported by new project launches, including La' Indera, Lagenda Ardea Phase 2, and La' Lumière Phase 1A, as well as progress in ongoing developments. However, the CNP decline was primarily due to lower gross profit margins from affordable housing commitments and higher finance costs.

**QoQ.** On a sequential basis, CNP rose 7.0% despite a revenue decline of 9.7%. The increase in CNP was mainly driven by higher gross margins in the property development segment, resulting from cost savings, which offset the impact of slower construction progress and lower sales from nearly sold-out projects.

**Outlook.** Looking ahead, the Group's multi-state expansion is beginning to bear fruit, underpinned by unbilled sales of RM1.05bn to be recognised over the next 2–3 years and outstanding bookings of RM276.6m, providing strong revenue visibility. This was reinforced by record quarterly sales of RM413.4m, driven by strong demand across all Johor developments. With government support for affordable housing, the Group is well-positioned to capitalise on affordability trends and sustained demand for landed housing.

**Earnings Revision.** No changes to current forecasts. We have introduced FY27F earnings of RM304.6m.

**Valuation.** We reiterate our **BUY** recommendation with an unchanged target price of **RM1.53**, based on 30% discount rate to our RNAV valuation and appraised with a three-star ESG rating.

**Risk.** Rising construction costs, changes in housing policies or property regulations, and slower-than-expected sales absorption of new developments.

# Results Note

Thursday, 28 Aug, 2025

## Results Comparison

FYE Dec (RM m)	2QFY25	2QFY24	yoy (%)	1QFY25	qoq (%)	6MFY25	6MFY24	yoy (%)	Comments
Revenue	238.9	245.8	(2.8)	264.4	(9.7)	503.3	471.4	6.8	
EBITDA	66.7	72.3	(7.7)	67.3	(0.8)	134.0	135.9	(1.4)	
Pre-tax profit	61.0	65.8	(7.4)	60.4	1.0	121.3	124.9	(2.9)	
Net profit	45.2	48.4	(6.5)	44.6	1.5	89.8	91.1	(1.4)	
Core net profit	45.3	48.4	(6.29)	42.4	7.0	87.7	91.1	(3.7)	
Core EPS (sen)	5.4	5.8	(6.29)	5.1	7.0	10.5	10.9	(3.7)	
EBITDA margin (%)	27.9	29.4		25.4	8.4	26.6	28.8		
PBT margin (%)	25.5	26.8		22.8	(121.6)	24.1	26.5		
Core net profit margin (%)	19.0	19.7		16.0	147.4	17.4	19.3		

Source: Company, Apex Securities

## Segmental Breakdown

FYE Dec (RM m)	2QFY25	2QFY24	yoy (%)	1QFY25	qoq (%)	6MFY25	6MFY24	yoy (%)	Comments
<b>Revenue</b>									
Property development	196.2	214.5	(8.5)	235.1	(16.5)	431.3	409.9	5.2	
Construction	-	136.4	(100.0)	-	-	-	268.3	(100.0)	Derecognition of the construction segment as it is now treated as in-house support
Trading & others	58.8	103.6	(43.3)	62.0	(5.2)	120.8	181.3	(33.4)	
Elimination	(16.1)	(208.7)	(92.3)	(32.7)	(50.7)	(48.8)	(388.1)	(87.4)	
<b>Total</b>	<b>238.9</b>	<b>245.8</b>	<b>(2.8)</b>	<b>264.4</b>	<b>(9.7)</b>	<b>503.3</b>	<b>471.4</b>	<b>6.8</b>	
<b>Pre-tax profit</b>									
Property development	60.8	46.3	31.2	55.1	10.2	115.9	92.9	24.8	
Construction	-	13.1	(100.0)	-	-	-	21.5	(100.0)	
Trading & Others	4.5	27.8	(83.9)	0.9	381.7	5.4	33.4	(83.7)	
Elimination	(4.3)	(21.5)	(80.0)	4.3	nm	-	(22.8)	(100.0)	
<b>Total</b>	<b>61.0</b>	<b>65.8</b>	<b>(7.4)</b>	<b>60.4</b>	<b>1.0</b>	<b>121.3</b>	<b>124.9</b>	<b>(2.9)</b>	
<b>Adjusted PBT</b>									
Property development	62.7	67.1	(4.4)						
Trading & Others	(1.7)	(1.3)	(0.4)						
<b>Total</b>	<b>61.0</b>	<b>65.8</b>	<b>(7.4)</b>						
<b>Pre-tax profit margin (%)</b>			%-pts		%-pts			%-pts	
Property development	31.0%	21.6%	9.4%	23.5%	7.5%	26.9%	22.7%	0.0	
Construction	-	9.6%	-	-	-	-	8.0%	-	
Trading & others	7.6%	26.9%	-19.2%	1.5%	6.1%	4.5%	18.4%	(0.1)	
<b>Aggregate Total</b>	<b>25.5%</b>	<b>26.8%</b>	<b>-1.3%</b>	<b>22.8%</b>	<b>2.7%</b>	<b>24.1%</b>	<b>26.5%</b>	<b>(0.0)</b>	

Source: Company, Apex Securities

# Results Note

Thursday, 28 Aug, 2025

## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
<b>Revenue</b>	<b>866.9</b>	<b>834.9</b>	<b>1080.5</b>	<b>1344.2</b>	<b>1596.4</b>
<b>Gross Profit</b>	<b>319.8</b>	<b>302.3</b>	<b>377.3</b>	<b>469.4</b>	<b>557.5</b>
<b>EBITDA</b>	<b>270.2</b>	<b>233.5</b>	<b>311.9</b>	<b>385.8</b>	<b>447.6</b>
Depreciation & Amortisation	-3.4	-5.0	-9.6	-9.7	-9.8
<b>EBIT</b>	<b>266.8</b>	<b>228.5</b>	<b>302.3</b>	<b>376.1</b>	<b>437.8</b>
Net Finance Income/ (Cost)	-11.8	-12.6	-21.5	-24.6	-9.5
Associates & JV	0.0	2.3	0.1	0.2	0.2
<b>Pre-tax Profit</b>	<b>251.5</b>	<b>212.6</b>	<b>273.1</b>	<b>342.9</b>	<b>419.3</b>
Tax	-73.3	-64.4	-71.0	-89.1	-113.2
<b>Profit After Tax</b>	<b>178.2</b>	<b>148.1</b>	<b>202.1</b>	<b>253.7</b>	<b>306.1</b>
Minority Interest	0.0	-0.2	1.0	1.3	1.5
<b>Net Profit</b>	<b>178.3</b>	<b>148.3</b>	<b>201.1</b>	<b>252.5</b>	<b>304.6</b>
Exceptionals	-7.7	0.2	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>186.0</b>	<b>148.1</b>	<b>201.1</b>	<b>252.5</b>	<b>304.6</b>

### Key Ratios

FYE Dec	FY23	FY24	FY25F	FY26F	FY27F
EPS (sen)	22.2	17.7	24.0	30.2	36.4
P/E (x)	5.4	6.7	5.0	3.9	3.3
P/B (x)	1.0	0.9	0.7	0.6	0.6
EV/EBITDA (x)	3.2	1.7	1.9	1.8	2.4
DPS (sen)	6.5	6.5	6.5	6.5	6.5
Dividend Yield (%)	5.5%	5.5%	5.5%	5.5%	5.5%
EBITDA margin (%)	31.2%	28.0%	28.9%	28.7%	28.0%
EBIT margin (%)	30.8%	27.4%	28.0%	28.0%	27.4%
PBT margin (%)	29.0%	25.5%	25.3%	25.5%	26.3%
PAT margin (%)	20.6%	17.7%	18.7%	18.9%	19.2%
NP margin (%)	20.6%	17.8%	18.6%	18.8%	19.1%
CNP margin (%)	21.5%	17.7%	18.6%	18.8%	19.1%
ROE (%)	18.3%	13.4%	14.8%	16.3%	17.0%
ROA (%)	10.5%	7.0%	7.8%	9.3%	11.4%
Gearing (%)	37.3%	77.2%	56.7%	46.3%	23.1%
Net gearing (%)	13.2%	55.1%	29.7%	18.7%	Net Cash

### Valuations

	FY26F	Valuation methodology
Total RNAV (RM' m)	1829.9	(Ke: 10%)
Discount Rate	30.0%	
Discounted RNAV (RM' m)	1280.9	
No. of shares	837.3	
<b>Fair Value (RM)</b>	<b>1.53</b>	

Source: Company, Apex Securities

### Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
<b>Cash</b>	<b>245.3</b>	<b>244.4</b>	<b>367.3</b>	<b>428.3</b>	<b>499.9</b>
Receivables	314.0	234.8	250.0	265.5	241.8
Inventories	472.0	700.9	643.5	703.1	612.3
Other current assets	474.3	255.6	283.2	283.2	283.2
<b>Total Current Assets</b>	<b>1505.7</b>	<b>1435.7</b>	<b>1544.1</b>	<b>1680.2</b>	<b>1637.3</b>
Fixed Assets	40.9	115.3	160.8	162.2	163.6
Intangibles	25.6	25.6	25.6	25.6	25.6
Other non-current assets	204.4	546.4	849.0	849.2	849.4
<b>Total Non-Current Assets</b>	<b>270.8</b>	<b>687.2</b>	<b>1035.4</b>	<b>1037.0</b>	<b>1038.5</b>
Short-term debt	190.4	738.9	700.0	651.6	378.7
Payables	365.7	692.2	366.5	384.5	402.7
Other current liabilities	10.1	-535.5	17.3	17.3	17.3
<b>Total Current Liabilities</b>	<b>566.2</b>	<b>895.7</b>	<b>1083.8</b>	<b>1053.4</b>	<b>798.6</b>
Long-term debt	188.6	112.0	72.1	66.7	36.3
Other non-current liabilities	5.6	13.6	62.2	44.1	44.1
<b>Total Non-Current Liabilities</b>	<b>194.2</b>	<b>125.6</b>	<b>134.2</b>	<b>110.8</b>	<b>80.5</b>
Shareholder's equity	1016.1	1101.8	1360.4	1550.5	1792.8
Minority interest	0.0	-0.2	1.1	2.4	3.9
<b>Total Equity</b>	<b>1016.2</b>	<b>1101.6</b>	<b>1361.5</b>	<b>1552.9</b>	<b>1796.7</b>

### Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
<b>Pre-tax profit</b>	<b>251.5</b>	<b>212.6</b>	<b>273.1</b>	<b>342.9</b>	<b>419.3</b>
Depreciation & amortisation	3.4	5.0	9.6	9.7	9.8
Changes in working capital	-61.5	-590.7	27.9	-75.2	132.7
Others	-100.1	-57.5	-71.1	-89.3	-113.5
<b>Operating cash flow</b>	<b>93.3</b>	<b>-430.6</b>	<b>239.5</b>	<b>188.1</b>	<b>448.4</b>
Capex	-5.0	-17.5	-10.0	-10.0	-10.0
Others	-64.8	-2.8	-1.1	-1.1	-1.1
<b>Investing cash flow</b>	<b>-69.8</b>	<b>-20.4</b>	<b>-11.1</b>	<b>-11.1</b>	<b>-11.1</b>
Dividends paid	-54.4	-54.4	-54.4	-54.4	-54.4
Others	-133.4	504.5	-51.1	-61.6	-311.2
<b>Financing cash flow</b>	<b>-187.9</b>	<b>450.1</b>	<b>-105.5</b>	<b>-116.1</b>	<b>-365.6</b>
<b>Net cash flow</b>	<b>-164.3</b>	<b>-0.9</b>	<b>122.9</b>	<b>60.9</b>	<b>71.7</b>
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	409.6	245.3	244.4	367.3	428.3
<b>Ending cash</b>	<b>245.3</b>	<b>244.4</b>	<b>367.3</b>	<b>428.3</b>	<b>499.9</b>

# Results Note

Thursday, 28 Aug, 2025

## ESG Matrix Framework:

### Environment

Parameters	Rating	Comments
Climate	★★★	Solar installations to yield an expected 5,700kg of carbon avoidance by installing 1,000 units of residential solar PV systems in 5 years
Waste & Effluent	★★★	>3,000kg of waste recycled at KL Office and Bandar Baru Setia Awan Perdana Townships
Energy	★★★	Developed energy inventory data for monitoring purposes and recorded 940,180 kWh of electricity consumption across operational buildings
Water	★★★	4,075 units of rainwater harvesting tanks installed and recorded 11,610m <sup>3</sup> of water consumption across operational buildings
Compliance	★★★	In compliance with local and international environmental regulations

### Social

Diversity	★★★	141 job opportunities created in FY23 and ensure diversity, equality, and inclusivity ("DEI") are applied, per the Human Rights Policy and Employment Policy
Human Rights	★★★	Adhere to Human Rights and Employment Policy in line with Employment Act 1995
Occupational Safety and Health	★★★	Achieve an average of 20 hours of safety training for each site employee per year and zero fatality and injury
Labour Practices	★★★	Revised Company Policy in accordance with amendments to the Employment Act

### Governance

CSR Strategy	★★★	Contributed RM277,689.00 to programmes related to education, community and environmental welfare, and sports
Management	★★★	33% female board composition, 33% composition of Independent Directors
Stakeholders	★★★	Regularly maintain constructive channels of communication through both formal and informal to key stakeholders group

Overall ESG Scoring: ★★★

## Recommendation Framework:

**BUY:** Total returns\* are expected to exceed 10% within the next 12 months.

**HOLD:** Total returns\* are expected to be within +10% to – 10% within the next 12 months.

**SELL:** Total returns\* are expected to be below -10% within the next 12 months.

**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.

**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain + dividend yield

## Sector Recommendations:

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.

**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.

## ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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As of **Thursday, 28 Aug, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.