

Team Coverage

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Recommendation:	BUY
Current Price:	RM 1.30
Previous Target Price:	RM 1.53
Target Price:	RM 1.49
Capital Upside/ Downside:	14.6%
Dividend Yield (%):	5.0%
Total Upside/ Downside:	19.6%

Stock information

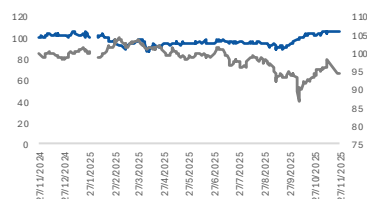
Board	MAIN
Sector	Property
Bursa / Bloomberg Code	7179 / LAGENDA MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	834.3
Market Cap (RM' m)	1,084.6
52-Week Price Range (RM)	1.4- 1.09
Beta (x)	1.0
Freefloat (%)	39.6
3M Average Volume (m)	0.5
3M Average Value (RM' m)	0.6

Top 3 Shareholders

(%)

Lagenda Land Snd Bhd	53.6
Oversea-Chinese Banking Corp Ltd	9.6
Doh Capital Sdn Bhd	4.5

Share Price Performance



	1M	3M	12M
Absolute (%)	1.6	9.2	0.0
Relative (%)	1.2	6.8	-1.2

Earnings Summary	FY25F	FY26F	FY27F
Revenue (RM'm)	960.4	1384.7	1597.0
PATAMI (RM'm)	176.3	262.9	304.6
CNP (RM'm)	176.3	262.9	304.6
EPS - core (sen)	21.1	31.4	36.4
P/E(x)	6.2	4.1	3.6

Lagenda Properties Bhd

Missed Expectations

- **LAGENDA's 3QFY25 CNP** came in at RM42.9m (-9.3% YoY, -5.4% QoQ), bringing 9MFY25 CNP to RM130.9m (-3.7% YoY), which accounts for 65.1% of our full-year forecast and 67.7% of consensus estimates. The results were below expectations due to several projects still being in early stages with limited earnings recognition.
- **Outlook remains constructive, supported by:** (i) RM543m new sales in 3QFY25 (YTD: RM1.2bn), (ii) strong earnings visibility from RM1.3bn unbilled sales and RM543m outstanding bookings, (iii) progressive multi-state expansion, and (iv) supportive policy backdrop for affordable housing and sustained demand for landed township developments.
- **We maintain our BUY call with a lower TP of RM1.49 (from RM1.53), based on a 30% discount to our revised RNAV.**

Results below expectations. Excluding fair value gain on investments (-RM1.1m) and other items (-RM0.6m), 3QFY25 CNP stood at RM42.9m (-9.3% YoY, -5.4% QoQ), bringing 9MFY25 CNP to RM130.9m (-5.4% YoY). This accounted for 65.1% of our full-year forecast and 67.7% of consensus, missing expectations due to several projects still being in early stages with limited earnings recognition.

YoY. CNP fell 9.3%, weighed down by weaker Property Development, Trading and higher tax expenses. Property Development's PBT declined 5.7% on a higher mix of affordable housing launches (Ardea 2, La' Indera 1A, Darulaman 3B, La' Lumiere 1A/2A) and reduced contributions from projects nearing completion with stronger margins (Lagenda Suria 1B, Puncak Warisan, Lagenda Ardea 1A, Lagenda Aman). Trading segment's PBT plunged 90.4% on a 49.2% drop in revenue and unfavourable product mix, resulting in a 5.5%-pts margin contraction. Effective tax rate rose to 27.6% (3QFY24: 25.6%), likely due to certain non-deductible expenses.

QoQ. CNP declined 5.4% despite a 6.7% rise in revenue, dragged by softer contributions from Property Development division (PBT -2.2%) from greater affordable housing mix and Trading division (-9.1%) from lower sales, alongside a higher tax expense.

YTD. CNP eased 5.4%, reflecting softer Property Development (PBT -4.1%) and Trading (-56.3%) contributions. Property Development's margins contracted 1.4%-pts despite stronger revenue (+6.8%), pressured by affordable housing commitments and one-off cost adjustments on completed projects. Trading segment remained weak due to lower external contractor demand and unfavourable mix.

Outlook. The Group achieved its highest quarterly property sales of RM542.9m in 3QFY25, lifting YTD sales to RM1.2bn. Unbilled sales increased to RM1.33bn (from RM1.1bn), providing visibility for the next three years. This, together with RM543m in outstanding bookings, anchors a robust earnings pipeline, led by La Lumiere (Kulai) and La Indera (Kuantan). With successful multi-state expansion and policy support for affordable housing, the Group remains well-positioned to capture sustained demand for landed township developments.

Earnings Revision. We revise our property development revenue recognition by adopting more conservative assumptions on construction progress, resulting in a larger spillover into FY26. We also trim margin assumptions to reflect a higher proportion of affordable housing projects. Consequently, FY25F/FY26F earnings are revised by -12%/+4%, while FY27F remains unchanged.

Valuation. We maintain our **BUY** call with a lower TP of **RM1.49** (from RM1.53), based on a 30% discount to our revised RNAV and a three-star ESG rating.

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

Results Note

Thursday, 27 Nov, 2025

Results Comparison

FYE Dec (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)	Comments
Revenue	254.9	283.4	(10.1)	238.9	6.7	758.2	754.9	0.4	
EBITDA	67.2	69.2	(3.0)	66.7	0.6	201.2	205.2	(1.9)	
Pre-tax profit	61.7	63.5	(2.9)	61.0	1.1	183.0	188.5	(2.9)	
Tax expense	(17.0)	(16.3)	4.5	(15.7)	8.0	(48.5)	(50.0)	(2.9)	
Net profit	44.7	47.3	(5.5)	45.2	(1.3)	134.5	138.4	(2.8)	
Core net profit	42.9	47.3	(9.3)	45.3	(5.4)	130.9	138.4	(5.4)	
Core EPS (sen)	5.1	5.7	(9.3)	5.4	(5.4)	15.6	16.5	(5.4)	
EBITDA margin (%)	26.3	24.4		27.9	9.4	26.5	27.2		
PBT margin (%)	24.2	22.4		25.5	180.6	24.1	25.0		
Core net profit margin (%)	16.8	16.7		19.0	(111.0)	17.3	18.3		

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)	Comments
Revenue									
Property development	229.7	221.2	3.9	196.2	17.1	661.0	619.0	6.8	
Trading	21.8	42.9	(49.2)	42.0	(48.1)	88.0	109.8	(19.8)	
Others	3.3	19.4	(82.8)	0.7	384.2	9.1	26.1	(65.1)	
Total	254.9	283.4	(10.1)	238.9	6.7	758.2	754.9	0.4	
Pre-tax profit									
Property development	61.3	65.0	(5.7)	62.7	(2.2)	185.7	193.6	(4.1)	
Trading	0.3	2.9	(90.4)	1.3	(79.1)	3.5	8.0	(56.3)	
Others	0.1	(4.4)	nm	(3.0)	nm	(6.2)	(13.2)	(52.8)	
Total	61.7	63.5	(2.9)	61.0	1.1	183.0	188.5	(2.9)	
Pre-tax profit margin (%)			%-pts		%-pts			%-pts	
Property development	26.7%	29.4%	-2.7%	31.9%	-5.3%	28.1%	29.5%	-1.4%	
Trading	1.3%	6.8%	-5.5%	3.2%	-1.9%	2.0%	3.3%	-1.3%	
Others	2.8%	-22.6%	25.4%	-441.0%	443.8%	8.1%	9.2%	-1.1%	
Aggregate Total	24.2%	22.4%	1.8%	25.5%	-1.3%	24.1%	25.0%	-0.8%	

Source: Company, Apex Securities

*3QFY24, 3QFY25, 9MFY24, 9MFY25 figures restated following segment reorganisation. Construction is no longer a reportable segment; related activities are now subsumed under Property Development.

Results Note

Thursday, 27 Nov, 2025

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	834.9	988.8	960.4	1384.7	1597.0
Gross Profit	302.3	345.3	335.4	483.6	557.8
EBITDA	233.5	281.1	278.3	399.9	447.7
Depreciation & Amortisation	-5.0	-7.3	-9.6	-9.7	-9.8
EBIT	228.5	273.8	268.7	390.2	438.0
Net Finance Income/ (Cost)	-12.6	-18.4	-21.5	-24.6	-9.6
Associates & JV	2.3	-1.0	0.1	0.2	0.2
Pre-tax Profit	212.6	248.4	239.5	357.0	419.4
Tax	-64.4	-64.4	-62.3	-92.8	-113.2
Profit After Tax	148.1	184.0	177.2	264.2	306.2
Minority Interest	-0.2	0.0	0.9	1.3	1.5
Net Profit	148.3	184.0	176.3	262.9	304.6
Exceptionals	0.2	15.9	0.0	0.0	0.0
Core Net Profit	148.1	168.1	176.3	262.9	304.6

Key Ratios

FYE Dec	FY23	FY24	FY25F	FY26F	FY27F
EPS (sen)	17.7	20.1	21.1	31.4	36.4
P/E (x)	7.3	6.5	6.2	4.1	3.6
P/B (x)	1.1	1.0	0.8	0.7	0.6
EV/EBITDA (x)	4.7	2.1	2.7	2.3	2.6
DPS (sen)	6.5	6.5	6.5	6.5	6.5
Dividend Yield (%)	5.0%	5.0%	5.0%	5.0%	5.0%
EBITDA margin (%)	28.0%	28.4%	29.0%	28.9%	28.0%
EBIT margin (%)	27.4%	27.7%	28.0%	28.2%	27.4%
PBT margin (%)	25.5%	25.1%	24.9%	25.8%	26.3%
PAT margin (%)	17.7%	18.6%	18.5%	19.1%	19.2%
NP margin (%)	17.8%	18.6%	18.4%	19.0%	19.1%
CNP margin (%)	17.7%	17.0%	18.4%	19.0%	19.1%
ROE (%)	14.6%	15.3%	13.2%	17.1%	17.1%
ROA (%)	8.3%	7.9%	6.9%	9.7%	11.4%
Gearing (%)	29.8%	74.0%	58.1%	46.9%	23.5%
Net gearing (%)	Net Cash	45.3%	26.2%	11.5%	Net Cash

Valuations

	FY26F	Valuation methodology
Total RNAV (RM' m)	1777.6	(Ke: 10%)
Discount Rate	30.0%	
Discounted RNAV (RM' m)	1244.4	
No. of shares	837.3	
Fair Value (RM)	1.49	

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash	321.5	316.6	426.0	545.2	495.5
Receivables	234.8	282.8	243.4	287.7	281.1
Inventories	700.9	811.6	643.5	625.0	638.6
Other current assets	248.5	24.7	211.1	211.1	211.1
Total Current Assets	1505.7	1435.7	1524.0	1669.0	1626.3
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
Total Non-Current Assets	270.8	687.2	1035.4	1037.0	1038.5
Short-term debt	190.4	738.9	704.3	654.5	381.4
Payables	692.2	348.4	366.5	384.5	403.0
Other current liabilities	13.0	17.3	17.3	17.3	17.3
Total Current Liabilities	895.7	1104.6	1088.1	1056.3	801.7
Long-term debt	112.0	76.4	72.5	67.0	36.7
Other non-current liabilities	13.6	44.1	62.2	44.1	44.1
Total Non-Current Liabilities	125.6	120.5	134.7	111.1	80.8
Shareholder's equity	1016.1	1101.8	1335.6	1536.3	1778.6
Minority interest	0.1	0.1	1.0	2.2	3.8
Total Equity	1016.2	1101.9	1336.6	1538.5	1782.3

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Pre-tax profit	212.6	248.4	239.5	357.0	419.4
Depreciation & amortisation	5.0	7.3	9.6	9.7	9.8
Changes in working capital	-61.5	-590.7	34.5	-25.8	11.5
Others	-62.7	-95.6	-62.4	-93.0	-113.5
Operating cash flow	93.3	-430.6	221.3	248.0	327.2
Capex	-5.0	-17.5	-10.0	-10.0	-10.0
Others	-64.8	-2.8	-1.1	-1.1	-1.1
Investing cash flow	-69.8	-20.4	-11.1	-11.1	-11.1
Dividends paid	-54.4	-54.4	-54.4	-54.4	-54.4
Others	-133.4	504.5	-46.3	-63.3	-311.3
Financing cash flow	-187.9	450.1	-100.7	-117.7	-365.7
Net cash flow	-164.3	-0.9	109.5	119.2	-49.7
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	353.9	473.0
Ending cash	245.3	244.4	353.9	473.0	423.4
Short term investment/fixed depo	76.2	72.1	72.1	72.1	72.1
Ending cash	321.5	316.6	426.0	545.2	495.5

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 ³ 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, 27 Nov, 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.