UOA Development Berhad

(5200 | UOAD MK) Main | Property

SHARIAH Compliant

ESG 3 Stars

Maintain **BUY**

Revised Target Price **RM2.09** (from RM2.06)

Corporate Update

4QFY24 Results Review
Improved New Sales in FY24

Maintain BUY on UOA Development with a revised TP of RM2.09.UOA Development FY24 core net earnings came in above our expectation due to higher-than-expected progress billing. UOA Development recorded earnings growth of +15.2%yoy in FY24, driven mainly by higher progress billing of its ongoing projects. We make upwards revision to our earnings forecast. We maintain our BUY call on UOA Development as earnings prospect is expected to be supported by the improving new sales. Dividend yield is attractive at 5.7%.

FY24 earnings came in above our expectation. UOA Development FY24 core net income of RM242.1m came in above our expectation but within consensus estimates, making up 112% and 102% of our and consensus full year estimates. The positive deviation could be attributed to the higher-than-expected progress billing of its projects. UOA Development announced dividend of 10sen per share which translates into dividend yield of 5.7%.

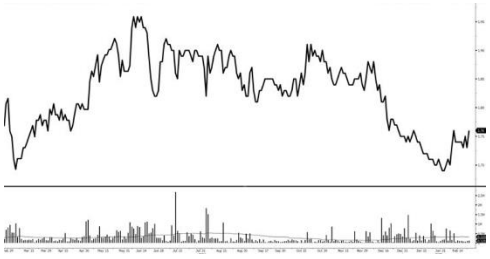
FY24 earnings driven by higher progress billing. Sequentially, 4QFY24 core net income increased to RM83.3m (+67.6%qoq) mainly due to higher progress billing from its projects and sale of stocks. On yearly basis, 4QFY24 core net income was higher (+43%yoy), bringing FY24 core earnings higher at RM242.1m (+15.2%yoy). The higher earnings were underpinned by higher progress billing on its ongoing projects namely Aster Hill, Laurel Residence and medical centre in Bangsar South. Besides, earnings growth is also supported by income from its investment properties and hospitality assets.

Higher new sales of RM1b in FY24. New property sales in 4QFY24 were recorded at RM213m, lower than new sales of RM526.5m in 3QFY24. That brought total new sales higher at RM1b in FY24 from RM827m sales in FY23. The higher new sales in FY24 were mainly contributed by Bamboo Hills Residence at Jalan Ipoh which made up half of total new sales. Looking ahead, new sales in FY25 are expected to be driven by Bamboo Hills Residence. Meanwhile, unbilled sales increased to RM837m in 4QFY24 from RM524.6m in 3QFY24, providing earnings visibility for 1.5 years.

Target price revised from RM2.06 to RM2.09. We revise our FY25F/26F earnings forecast by +15.1%/+15.5% as earnings came in above our expectations. We also introduce our earnings forecast for FY27F. We revise our TP for UOA Development from RM2.06 to RM2.09 as we narrow RNAV discount from 25% to 24% in view of the better earnings visibility. Earnings prospect for UOA Development is expected to remain stable on the back of new sales growth and stable earnings contribution from its investment properties and hospitality assets. Meanwhile, dividend yield is attractive at 5.7%.

RETURN STATISTICS	
Price @ 24th Feb 2025 (RM)	1.76
Expected share price return (%)	+18.8
Expected dividend yield (%)	+5.7
Expected total return (%)	+24.5

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	3.5	2.8
3months	0.6	-4.0
12 months	-4.9	-7.0

INVESTMENT STATISTICS			
FYE Dec	2025E	2026F	2027F
Revenue	589	611	621
Operating Profit	373	390	421
Profit Before Tax	353	369	399
Core PATAMI	257	268	291
Core EPS	10.30	10.78	11.67
DPS	10.00	10.00	10.00
Dividend Yield	5.7%	5.7%	5.7%

KEY STATISTICS	
FBM KLCI	1,584.25
Issue shares (m)	2489.28
Estimated free float (%)	24.21
Market Capitalisation (RM'm)	4,617.87
52-wk price range	RM1.69 – RM2.07
3-mth average daily volume (m)	0.32
3-mth average daily value (RM'm)	0.57
Top Shareholders (%)	
UOA Holdings Sdn Bhd	70.11
EPF	12.59

Analyst

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UOA Development: 4QFY24 RESULTS SUMMARY

FYE Dec (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	4QFY24	%YoY	%QoQ	FY24	%YoY
Revenue	234.9	115.4%	66.1%	545.7	36.6%
Core EBIT	129.1	51.0%	56.1%	348.5	16.5%
Core PBT	129.1	51.0%	56.3%	348.3	16.5%
Net Income	128.2	8.0%	165.2%	287.3	2.8%
Core Net Income	83.3	43.0%	67.6%	242.1	15.2%
EPS (sen)	4.89	2.5%	161.8%	9.2	-19.4%
Core EPS (sen)	3.17	35.7%	65.5%	7.5	-13.1%
Net DPS (sen)	10.00	0.0%	NA	10.0	0.0%
NTA/share (RM)	2.16	NA	1%	2.2	NA
Net Gearing (x)	Net Cash	NA	NA	Net Cash	NA
Core EBIT Margin	55.0%	NA	NA	63.9%	NA
Core PBT Margin	55.0%	NA	NA	63.8%	NA

Source: Company, MIDF Research

UOA Development RNAV

Landbank	Est.GDV (RM m)	Location	Stake		Value (R
Ongoing Projects and unbilled sales					
Laurel Residence	250	Bangsar South, KL	100%	DCF @ WACC 10%	
Aster Hill	412	Sri Petaling, KL	100%	DCF @ WACC 10%	
Desa 3	18	Taman Desa, KL	70%	DCF @ WACC 10%	
Duo Tower	1300	Bangsar South, KL	100%	DCF @ WACC 10%	
Unbilled sales	285.2		100%	DCF @ WACC 10%	
Future Projects					
Jalan Ipoh Land	6000	Jalan Ipoh	100%	DCF @ WACC 10%	
UOA Business Park (Phase 2)	140	Shah Alam	100%	DCF @ WACC 10%	
Bangsar South land (commercial)	2300	Bangsar South, KL	100%	DCF @ WACC 10%	
Bangsar South land (residential)	1850	Bangsar South, KL	100%	DCF @ WACC 10%	
Land around Bangsar South	900	Bangsar South, KL	100%	DCF @ WACC 10%	
Cyberjaya land	265	Bangsar South, KL	100%	DCF @ WACC 10%	
Total landbank value					
Equity					
Total RNAV					
Fully Diluted No of shares (m)					
RNAV per share (RM)					
Discount					
Target Price (RM)					

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	399	546	589	611	621
EBIT	299	348	373	390	421
PBT	299	348	353	369	399
Net Income	280	253	257	268	291
Core Net Income	210	242	257	268	291
Core EPS (sen)	8.4	9.2	10.3	10.8	11.7
Core PER (x)	20.9	19.1	17.1	16.3	15.1
NTA/share	2.17	2.16	2.30	2.34	2.37
P/NTA	0.81	0.82	0.76	0.75	0.74

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F
Investment properties	1,652	1,784	1,793	1,802	1,811
Total non-current assets	2,581	2,742	2,772	2,803	2,834
Inventories	1,404	1,426	1,383	1,476	1,431
Short term investments	1,443	1,333	1,171	1,190	1,119
Fixed deposits	206	233	224	221	226
Cash and bank balances	196	234	348	260	281
Other assets	250	421	621	753	1,017
Total Assets	**6,081**	**6,389**	**6,520**	**6,702**	**6,908**
LT Borrowings	0	0	0	0	0
ST Borrowings	0	0	0	0	0
Other Liabilities	492	512	594	690	803
Total Liability	492	512	594	690	803
Share capital	3,071	3,297	3,297	3,297	3,297
Other Equity	2,518	2,538	2,629	2,715	2,808
Total Equity	5,589	5,835	5,926	6,012	6,105
Equity + Liability	**6,081**	**6,389**	**6,520**	**6,702**	**6,908**

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Cash flows from operating activities					
Net income before taxation	287	368	394	353	369
Net cash from operating activities	489	267	26	25	24
Cash flows from investing activities					
Addition to investment properties	-18	-10	-59	-74	-93
Net cash used in investing activities	-16	32	-28	-21	-16
Cash flows from financing activities					
Net cash from/(used in) financing activities	-104	-616	-45	-61	-82
Net increase/(decrease) in cash and cash equivalents	369	-317	-46	-56	-74
Cash and cash equivalent at 1 January	1794	2163	1846	1800	1744
Cash and cash equivalent at 1 December	2163	1846	1800	1744	1670

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
EBIT margin	74.9%	63.8%	63.4%	63.8%	67.8%
PBT margin	74.9%	63.8%	59.9%	60.4%	64.3%
PAT margin	70.0%	46.4%	43.6%	43.9%	46.8%
Core PATAMI margin	52.6%	44.4%	43.6%	43.9%	46.8%
ROE	3.9%	4.3%	4.5%	4.6%	4.9%
ROA	3.5%	3.8%	3.9%	4.0%	4.2%

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MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology