Glomac Berhad

(5020 | GLMC MK) Main | Property

SHARIAH Compliant

ESG 2 Stars

Maintain **NEUTRAL**

Revised Target Price **RM0.34** (from RM0.39)

Corporate Update

3QFY25 Results Review
Earnings Helped by Better Margin

Maintain NEUTRAL on Glomac Berhad with a revised TP of RM0.34. Glomac Berhad (Glomac) 9MFY25 core net earnings came in below expectation. Earnings in 3QFY25 was weaker (-49%yoy) due to weak progress billing. Nevertheless, 9MFY25 earnings were higher (+57.9%yoy) due to higher margin. New sales were flattish in 3QFY25. We made downwards revision in our earnings forecast and revised TP lower to RM0.34 from RM0.39 after widening RNAV discount in view of the weaker earnings visibility.

9MFY25 earnings below expectation. Glomac Berhad (Glomac) 9MFY25 core net income of RM13.2m came in below expectation, making up 62% of our full year forecast. The negative deviation was mainly due to the lower-than-expected progress billing from its projects.

Earnings helped by better margin in 9MFY25. On sequential basis, 3QFY25 core net income declined to RM1.95m (-51.1%qoq), in line with lower topline (-40.3%qoq). The lower earnings were due to lower revenue recognition from ongoing projects. On yearly basis, 3QFY25 core net income was lower (-49%yoy) due to lower contribution from property projects. That brought 9MFY25 core net income to RM13.2m (+57.9%yoy) while topline was lower (-20.4%yoy). The earnings growth in 9MFY25 was driven by margin expansion. Gross profit margin expanded to 31.3% in 9MFY25 from 25.2% in 9MFY24 due to better mix of higher profit margin developments. Projects that contributed to earnings in 9MFY25 include ongoing phases at Saujana Perdana, 121 Residences and Plaza @ Kelana Jaya.

New sales at RM162m in 9MFY25. New sales were flattish in 3QFY25 at RM72m against new sales of RM68m in 2QFY25. That brought total new sales to RM162m in 9MFY25. Bulk of the new sales were contributed by Bandar Saujana Utama projects which contributed 89% to total new sales. Moving forward, new sales momentum in 4QFY25 should sustain by planned launches with total GDV of RM298m. On the other hand, unbilled sales increased to RM475m in 3QFY25 from RM413m in 2QFY25, providing more than one year earnings visibility.

Maintain NEUTRAL with a revised TP of RM0.34. We revise our earnings forecast for FY25F/26F/27F by -21.3%/-52.5%/-46% to factor in the weaker progress billing. We revise TP for Glomac to RM0.34 from RM0.39 as we widen RNAV discount to 84% from 82% in view of the weak earnings visibility. We are maintaining our NEUTRAL call on Glomac due to limited catalyst.

RETURN STATISTICS	
Price @ 26th March 2025 (RM)	0.36
Expected share price return (%)	-5.6
Expected dividend yield (%)	+3.6
Expected total return (%)	+2.0

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-2.7	1.4
3months	-9.0	-3.0
12 months	0.0	2.2

INVESTMENT STATISTICS

FYE April	2025E	2026F	2027F
Revenue	227	234	294
Gross Profit	71	72	87
Profit Before Tax	17	16	24
Core PATAMI	17	16	24
Core EPS	2.17	2.05	3.08
DPS	1.30	1.40	1.50
Dividend Yield	3.6%	3.9%	4.2%

KEY STATISTICS

FBM KLCI	1,518.05
Issue shares (m)	767.49
Estimated free float (%)	24.50
Market Capitalisation (RM'm)	288
52-wk price range	RM0.34 – RM0.47
3-mth average daily volume (m)	0.14
3-mth average daily value (RM'm)	0.05
Top Shareholders (%)	
Tan Sri Dato' Mohamed Mansor Bin Fateh Din	30.63
Datuk Seri Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor	21.01
Fong Loong Tuck	13.72
Shapadu Capital Sdn Bhd	11.92

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Glomac Berhad: 3QFY25 RESULTS SUMMARY

FYE April (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	3QFY25	%YoY	%QoQ	FY25	%YoY
Revenue	33.70	-62.3%	-40.3%	163.40	-20.4%
Gross profit	11.77	-50.8%	-29.6%	51.12	-1.1%
Profit before tax	3.32	-46.1%	-46.7%	21.36	63.9%
Core PBT	3.32	-46.1%	-46.7%	21.36	63.9%
Net income	1.95	-49.0%	-51.1%	13.20	57.9%
Core net income	1.95	-49.0%	-51.1%	13.20	57.9%
EPS (sen)	0.25	-49.0%	-51.1%	1.72	57.9%
Core EPS	0.25	-49.0%	-51.1%	1.72	57.9%
Net DPS	0.0	N/A	N/A	1.00	N/A
NTA/share (RM)	1.56	1%	-0.5%	1.56	0.9%
Net gearing (x)	0.03	-65%	-19.6%	0.03	-65.0%
Core PBT margin (%)	0.10	N/A	N/A	0.10	N/A

Source: Company, MIDF Research

Glomac RNAV

	Stake	Est remaining GDV (RM m)	WACC (%)	Value (RM m)
Projects				
Lakeside Residences	100%	3446	10%	159.68
Loop City, Puchong	51%	1555	10%	50.17
Saujana KLIA	100%	835	10%	65.65
Saujana Perdana	100%	182	10%	9.63
Saujana Utama 5	100%	325	10%	23.93
Saujana Rawang	100%	290	10%	22.37
Sri Saujana, Johor	100%	178	10%	14.06
Saujana Jaya, Johor	100%	612	10%	45.45
Glomac Cyberjaya	100%	123	10%	9.56
Glomac Cyberjaya 2	100%	126	10%	9.79
Unbilled sales		504		37.43
Total				447.43

Shareholders' Funds	1202.68
Number of shares (m)	768.07
RNAV per share	2.13
Discount	84%
Target Price (RM)	**0.34**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	341.0	266.7	226.8	233.7	293.6
Core EBIT	107.2	73.4	71.4	71.7	87.5
Core PBT	50.5	15.9	26.5	25.0	37.6
Net Income	31.3	23.6	16.7	15.7	23.7
Core Net Income	31.4	6.6	16.7	15.7	23.7
Core EPS (sen)	4.1	0.9	2.2	2.1	3.1
Core PER (x)	8.8	41.9	16.6	17.6	11.7
NTA/share	1.5	1.6	1.6	1.6	1.6
P/NTA	0.23	0.23	0.23	0.23	0.22

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F
Investment properties	345	350	354	357	361
Inventories	766	750	795	843	894
Total non-current assets	1265	1259	1290	1343	1400
Short-term inventories	167	198	196	194	192
Cash and bank balances	289	314	328	343	359
Other assets	310	204	182	139	110
Total Assets	2031	1975	1996	2019	2060
LT Borrowings	147	135	139	143	146
ST Borrowings	331	256	262	270	273
Other Liabilities	190	74	73	71	70
Total Liability	787	734	748	765	782
Share capital	419	419	419	419	420
Other Equity	826	822	829	835	859
Total Equity	1244	1241	1248	1253	1278
Equity + Liability	2031	1975	1996	2019	2060

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Cash flows from operating activities					
Net income before taxation	50	33	26	25	38
Net cash from operating activities	146	173	178	183	189
Cash flows from investing activities					
Interest Received	4	4	5	5	5
Net cash used in investing activities	4	-21	-22	-22	-23
Cash flows from financing activities					
Dividends paid	-8	-10	-10	-10	-10
Net cash from/(used in) financing activities	-31	-100	-58	-47	-38
Net increase/(decrease) in cash and cash equivalents	74	17	24	37	48
Cash and cash equivalent at 1 January	192	261	278	302	339
Cash and cash equivalent at 1 December	261	278	302	339	388

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
EBIT margin	31.4%	27.5%	31.5%	30.7%	29.8%
PBT margin	14.8%	5.9%	11.7%	10.7%	12.8%
Core PATAMI margin	9.2%	2.5%	7.4%	6.7%	8.1%
ROE	2.7%	0.5%	1.4%	1.3%	1.9%
ROA	1.5%	0.3%	0.8%	0.8%	1.1%

MIDF RESEARCH is part of MIDF Amanah Investment Bank Berhad

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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