Corporate Update

UOA Development Berhad

(5200 | UOAD MK) Main | Property

SHARIAH Compliant

ESG 3 Stars

Maintain **BUY**

Revised Target Price **RM2.01**
(from RM2.04)

3QFY25 Results Review
Earnings Lifted by Margin Expansion

9MFY25 earnings above expectations. UOA Development 9MFY25 core net income of RM276.5m came in above expectations, making up 90% of our and consensus full year forecast. The positive deviation was due to the lower-than-expected cost and the higher-than-expected progress billing.

Higher sequential earnings due to higher progress billing. Sequentially, 3QFY25 core net income increased to RM115.6m (+27.6%qoq) on the back of higher topline (+66.9%qoq). The earnings growth was mainly underpinned by higher profit recognition from ongoing projects and medical centre in Bangsar South. Besides, earnings growth was also partly aided by en-bloc sales of Southbank Boutique Office.

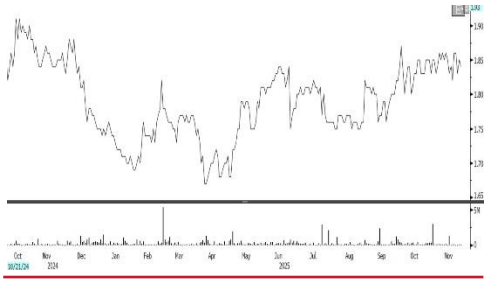
Margin expansion. On a yearly basis, 3QFY25 core net income was higher at RM115.6m (+139.2%yoy) mainly due to higher margin achieved. Gross profit margin expanded from 31% in 3QFY24 to 46% in 3QFY25 due to cost reversal for ongoing projects. Cumulatively, 9MFYFY25 core net income was higher at RM276.5m (+74.1%yoy), primarily driven by earnings recognition from ongoing projects, namely Bamboo Hills Residences, Aster Hill, Duo Tower and medical centre in Bangsar South. Besides, earnings growth was also underpinned by income from investment properties and hospitality assets.

Stable new property sales. UOA Development recorded new property sales of RM152m in 3QFY25, flattish against new sales of RM148m in 2QFY25. That brought total new sales to RM564.6m in 9MFY25. Bamboo Hills Residence was the key sales contributor, contributing 54% to total new sales in 9MFY25. Meanwhile, UOA Development targets to launch its Johor project, named Aethera Residences (GDV: RM800m) by end of this year or 1Q2026. On the other hand, unbilled sales declined from RM888m in 2QFY25 to RM794.9m in 3QFY25.

Maintain BUY with a revised TP of RM2.01. We revise our earnings forecast for FY25/26/27 by +13%/+12.6%/+12.2%. We expect earnings to normalise in 4QFY25 due to absence of en-bloc sales and cost reversal. We revise our **TP** for UOA Development from RM2.04 to **RM2.01** as we update our RNAV valuation. Our TP is based on 19% discount to RNAV. Dividend yield of UOA Development is attractive at 5.4% while its balance sheet is healthy at net cash position. Hence, we maintain our **BUY** call on UOA Development.

RETURN STATISTICS	
Price @ 26th Nov 2025 (RM)	1.84
Expected share price return (%)	+9.2
Expected dividend yield (%)	+5.4
Expected total return (%)	+14

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	0.5	-0.1
3months	1.1	1.8
12 months	-0.5	-1.8

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	682	710	726
Operating Profit	477	514	539
Profit Before Tax	457	493	518
Core PATAMI	346	363	382
Core EPS	13.88	14.59	15.33
DPS	10.00	10.00	10.00
Dividend Yield	5.4%	5.4%	5.4%

KEY STATISTICS

FBM KLCI	1,624.50
Issue shares (m)	2622.66
Estimated free float (%)	25.95
Market Capitalisation (RM'm)	4,885
52-wk price range	RM1.65 – RM1.9
3-mth average daily volume (m)	0.29
3-mth average daily value (RM'm)	0.53
Top Shareholders (%)	
UOA Holdings Sdn Bhd	69.29
EPF	14.24

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UOA Development: 3QFY25 RESULTS SUMMARY

FYE Dec (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	3QFY25	%YoY	%QoQ	FY25	%YoY
Revenue	217.3	53.7%	66.9%	499.6	60.7%
Core EBIT	155.0	87.4%	43.7%	362.9	65.4%
Core PBT	155.0	87.6%	43.7%	362.8	65.5%
Net Income	115.6	139.2%	26.1%	281.3	76.8%
Core Net Income	115.6	132.7%	27.6%	276.5	74.1%
EPS (sen)	4.37	134.1%	25.0%	10.7	147.4%
Core EPS (sen)	4.37	127.8%	26.5%	10.9	151.8%
Net DPS (sen)	0.00	NA	NA	0.0	NA
NTA/share (RM)	2.16	NA	2%	2.2	NA
Net Gearing (x)	Net Cash	NA	NA	Net Cash	NA
Core EBIT Margin	71.3%	NA	NA	72.6%	NA
Core PBT Margin	71.3%	NA	NA	72.6%	NA

Source: Company, MBSB Research

UOA Development RNAV

Landbank	Est.GDV (RM m)	Location	Stake		Value (RM m)
Ongoing Projects and unbilled sales					
Aster Hill	480	Sri Petaling, KL	100%	DCF @ WACC 10%	34.82
Duo Tower A	1300	Bangsar South, KL	100%	DCF @ WACC 10%	82.57
Bamboo Hill Residences	1400	Jalan Ipoh	100%	DCF @ WACC 10%	88.92
UOA Business Park (Phase 2)	130	Bangsar South, KL	100%	DCF @ WACC 10%	9.43
Aethera Residences	800	Johor Bahru	75%	DCF @ WACC 10%	69.58
Unbilled sales	794		100%	DCF @ WACC 10%	55.06
Future Projects					
Jalan Ipoh Land	4600	Jalan Ipoh	100%	DCF @ WACC 10%	247.32
Bangsar South land (commercial)	1000	Bangsar South, KL	100%	DCF @ WACC 10%	66.34
Bangsar South land (residential)	1850	Bangsar South, KL	100%	DCF @ WACC 10%	122.73
Land around Bangsar South	900	Bangsar South, KL	100%	DCF @ WACC 10%	59.70
Cyberjaya land	265	Cyberjaya	100%	DCF @ WACC 10%	17.58
Total landbank value					**854.0**
Equity					5720.00
Total RNAV					**6574.0**
No of shares (m)					2655
RNAV per share (RM)					2.48
Discount					19%
Target Price (RM)					**2.01**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	399	546	682	710	726
EBIT	299	348	477	514	539
PBT	299	348	457	493	518
Net Income	280	253	346	363	382
Core Net Income	210	242	346	363	382
Core EPS (sen)	8.4	9.2	13.9	14.6	15.3
Core PER (x)	21.9	20.1	13.3	12.7	12.1
NTA/share	2.17	2.16	2.32	2.36	2.40
P/NTA	0.85	0.86	0.80	0.78	0.77

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	1,176	1,204	1,150
Fixed deposits	206	233	224	221	226
Cash and bank balances	196	234	348	260	281
Other assets	250	421	643	794	1,069
Total Assets	6,081	6,389	6,546	6,757	6,990
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	2,656	2,770	2,891
Total Equity	5,589	5,835	5,952	6,067	6,187
Equity + Liability	6,081	6,389	6,546	6,757	6,990

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Cash flows from operating activities					
Net income before taxation	368	394	457	493	518
Net cash from operating activities	267	26	30	34	39
Cash flows from investing activities					
Addition to investment properties	-10	-59	-58	-49	-44
Net cash used in investing activities	32	-28	-21	-16	-12
Cash flows from financing activities					
Net cash from/(used in) financing activities	-616	-45	-61	-82	-56
Net increase/(decrease) in cash and cash equivalents	-317	-46	-52	-63	-28
Cash and cash equivalent at 1 January	2163	1846	1800	1748	1685
Cash and cash equivalent at 1 December	1846	1800	1748	1685	1657

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
EBIT margin	74.9%	63.8%	70.0%	72.4%	74.3%
PBT margin	74.9%	63.8%	67.0%	69.4%	71.3%
PAT margin	70.0%	46.4%	50.7%	51.2%	52.6%
Core PATAMI margin	52.6%	44.4%	50.7%	51.2%	52.6%
ROE	3.9%	4.3%	6.0%	6.2%	6.4%
ROA	3.5%	3.8%	5.3%	5.4%	5.5%

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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