Corporate Update

UOA Development Berhad

(5200 | UOAD MK) Main | Property

SHARIAH Compliant

ESG 3 Stars

Maintain **BUY**

Unchanged Target Price **RM2.01**

4QFY25 Results Review
Decent Earnings Growth in FY25

FY25 earnings within our expectation. UOA Development FY25 core net income of RM307.5m came in within our expectation but below consensus expectation, making up 99.7% and 84.9% of our and consensus estimates respectively. Note that we have excluded mainly fair value adjustment on investment properties of RM169m in our core net income calculations. UOA Development declared dividend of 10sen per share for FY25 which is in line with our estimates. That translates into dividend yield of 5.2%.

Normalised earnings in 4QFY25. Sequentially, 4QFY25 core net income was lower at RM82.9m (-28.3%qoq), in tandem with weaker topline (-19.6%qoq). The lower earnings were due to higher base in 3QFY25 which was lifted by en-bloc sales of Southbank Boutique Office. Besides, the lower sequential earnings were also due to lower margin achieved. Note that gross profit margin narrowed to 35% in 4QFY25 from 46% in 3QFY25.

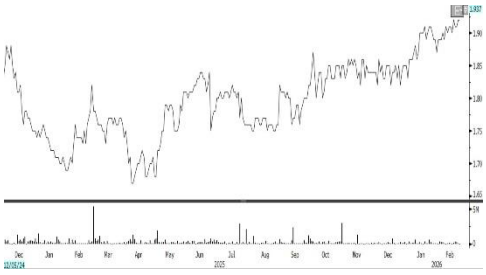
Decent earnings growth in FY25. On a yearly basis, 4QFY25 core net income was flattish at RM82.9m (-0.5%yoy) despite weaker topline (-25.6%yoy) as earnings were helped by higher income from investment properties and lower tax rate of 23% in 4QFY25 against tax rate of 25% in 4QFY24. Cumulatively, FY25 core net income was higher at RM307.5m (+27%yoy), mainly driven by earnings recognition from ongoing projects and higher income from investment properties and hospitality assets. Besides, earnings growth was also aided by expanding gross profit margin to 43% in FY25 from 36% in FY24. Meanwhile, tax rate declined to 21.4% in FY25 from 25% in FY24 which helped earnings growth in FY25.

FY25 property sales at RM673m. UOA Development recorded new property sales of RM108.3m in 4QFY25, lower than new property sales of RM152m in 3QFY25. That brought total new sales to RM672.9m in FY25, lower than new sales of RM1b in FY24. Bamboo Hills Residence was the key sales contributor, contributing 48% to total new sales in FY25. Looking ahead, new sales in FY26 should be supported by launch of Aethera Residences (GDV: RM800m) in Johor. Aethera Residences is currently undergoing soft launch and official launch is expected in 1QFY26. On the other hand, unbilled sales declined to RM656.5m in 4QFY25 from RM794.9m in 3QFY25.

Maintain BUY with an unchanged TP of RM2.01. We make no changes to our earnings forecast for FY26/27. We also introduce our earnings forecast for FY28. We maintain our **TP** for UOA Development at **RM2.01**, based on 19% discount to RNAV. Dividend yield of UOA Development is attractive at 5.2% while its balance sheet remains healthy at net cash position. Besides, new sales prospect is expected to support by launch of Aethera Residences. Hence, we maintain our **BUY** call on UOA Development.

RETURN STATISTICS	
Price @ 25th Feb 2026 (RM)	1.91
Expected share price return (%)	+5.2
Expected dividend yield (%)	+5.2
Expected total return (%)	+10.4

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	0.5	-1.4
3months	3.8	-4.6
12 months	8.5	-3.0

INVESTMENT STATISTICS

FYE Dec	2026E	2027F	2028F
Revenue	710	726	821
Operating Profit	514	539	605
Profit Before Tax	493	518	582
Core PATAMI	363	382	427
Core EPS	14.59	15.33	17.13
DPS	10.00	10.00	11.00
Dividend Yield	5.2%	5.2%	5.7%

KEY STATISTICS

FBM KLCI	1,747.81
Issue shares (m)	2622.66
Estimated free float (%)	25.95
Market Capitalisation (RM'm)	5,073
52-wk price range	RM1.65 – RM1.95
3-mth average daily volume (m)	0.16
3-mth average daily value (RM'm)	0.30
Top Shareholders (%)	
UOA Holdings Sdn Bhd	69.29
EPF	14.36

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UOA Development: 4QFY25 RESULTS SUMMARY

FYE Dec (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	4QFY25	%YoY	%QoQ	FY25	%YoY
Revenue	174.7	-25.6%	-19.6%	674.3	23.6%
Core EBIT	169.3	31.1%	9.2%	532.2	52.7%
Core PBT	169.3	31.1%	9.2%	470.5	35.1%
Net Income	192.8	50.3%	66.7%	474.0	65.0%
Core Net Income	82.9	-0.5%	-28.3%	307.5	27.0%
EPS (sen)	7.26	48.6%	66.2%	17.9	94.9%
Core EPS (sen)	3.12	-1.6%	-28.5%	14.0	86.8%
Net DPS (sen)	10.00	NA	NA	10.0	0.0%
NTA/share (RM)	2.23	NA	3%	2.2	NA
Net Gearing (x)	Net Cash	NA	NA	Net Cash	NA
Core EBIT Margin	96.9%	NA	NA	78.9%	NA
Core PBT Margin	96.9%	NA	NA	69.8%	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)	2024A	2025A	2026F	2027F	2028F
Revenue	546	674	710	726	821
EBIT	532	473	514	539	605
PBT	470	453	493	518	582
Net Income	342	342	363	382	427
Core Net Income	307	342	363	382	427
Core EPS (sen)	11.6	13.7	14.6	15.3	17.1
Core PER (x)	16.6	14.0	13.2	12.5	11.2
NTA/share	2.13	2.37	2.42	2.47	2.52
P/NTA	0.90	0.81	0.79	0.78	0.76

Balance Sheet (RM'm)	2024A	2025A	2026F	2027F	2028F
Investment properties	1,784	2,311	2,323	2,335	2,346
Total non-current assets	2,742	3,259	3,294	3,331	3,414
Inventories	1,426	1,286	1,372	1,330	1,477
Short term investments	1,333	1,327	1,262	1,341	1,557
Fixed deposits	233	255	231	240	242
Cash and bank balances	234	167	199	200	189
Other assets	421	394	498	637	454
Total Assets	6,389	6,687	6,857	7,079	7,333
LT Borrowings	0	0	0	0	0
ST Borrowings	0	0	0	0	0
Other Liabilities	512	550	636	738	858
Total Liability	512	550	636	738	858
Share capital	3,297	3,345	3,345	3,345	3,345
Other Equity	2,538	2,792	2,876	2,996	3,130
Total Equity	5,835	6,137	6,221	6,341	6,475
Equity + Liability	6,389	6,687	6,857	7,079	7,333

Cash Flow (RM'm)	2024A	2025A	2026F	2027F	2028F
Cash flows from operating activities					
Net income before taxation	394	637	493	518	582
Net cash from operating activities	26	247	287	328	375
Cash flows from investing activities					
Addition to investment properties	-59	-166	-141	-127	-114
Net cash used in investing activities	-28	-98	-75	-57	-43
Cash flows from financing activities					
Net cash from/(used in) financing activities	-45	-200	-270	-183	-125
Net increase/(decrease) in cash and cash equivalents	-46	-51	-57	88	207
Cash and cash equivalent at 1 January	1846	1800	1749	1692	1781
Cash and cash equivalent at 1 December	1800	1749	1692	1781	1988

Profitability Ratios (%)	2024A	2025A	2026F	2027F	2028F
EBIT margin	97.5%	70.1%	72.4%	74.3%	73.7%
PBT margin	86.2%	67.1%	69.4%	71.3%	71.0%
PAT margin	62.7%	50.8%	51.2%	52.6%	52.0%
Core PATAMI margin	56.3%	50.8%	51.2%	52.6%	52.0%
ROE	5.4%	5.8%	6.0%	6.2%	6.8%
ROA	4.8%	5.1%	5.3%	5.4%	5.8%

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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