

26 February 2026

## UOA Development

### High Yield but Moderate Sales Clarity

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UOADEV's FY25 net profit (25%) missed expectations as we had expected sales momentum to continue strongly after the prior quarters' higher base. While we are seeing slowing incremental take-up rates from the group's previously launched projects, we opine the launch of its new Aethera Residences could invigorate sales. Downgrade to MARKET PERFORM with a lower TP of RM1.91 (from RM1.94).

**FY25 below expectations.** UOADEV's FY25 core net profit of RM304.8m disappointed, coming in at only 80% of our full-year forecast and 84% of consensus full-year estimate. The negative deviation appears to be due to lower-than-expected sales in 4QFY25, which we had expected to see favourable traction from the group's Bamboo Hill Residences project.

**YoY,** FY25 revenue rose by 24% following better progress billings from Bamboo Hills Residences, Aster Hill, its medical centre in Bangsar South, and Duo Tower. The group also enjoyed better gross margins of 42.7% (+6.9 pts) and higher rental and hospitality income (+12%), though this only translated to a core net profit expansion (adjusting for fair value gains) of 25% to RM304.7m after incurring higher operating expenses, likely tied to their ongoing developments as well as higher minority interest payments.

**QoQ,** 4QFY25 core net profit plunged by 80% due to lower overall sales for the group's products, likely due to frontloaded sales in the prior quarters and the same higher minority interest payments.

**Outlook.** UOADEV will continue focusing on mid-range residential projects. Its construction for Aster Hill is on track to be completed by FY26. Meanwhile, Bamboo Hills Residences, launched in July 2024 with a projected GDV of RM1.4b, has already achieved a 63% take-up rate and is expected to be completed by FY29. We note that Duo Tower had also reported an improved take-up rate of 39% (from 30%) for its Tower A. As of 4QFY25, the group's unbilled sales are reported at RM657m (3QFY25: RM795m).

The group is also backed by stable rental income and rising occupancy at its office and retail spaces like Bamboo Hills and Sphere. Additionally, the hospitality segment, including Komune Living & Wellness, is expected to benefit from both domestic and international guests.

**Forecasts.** We cut our FY26F earnings by 11% as we account for more revenues to be reported from the group's developments. Meanwhile, we also introduce our FY27F numbers.

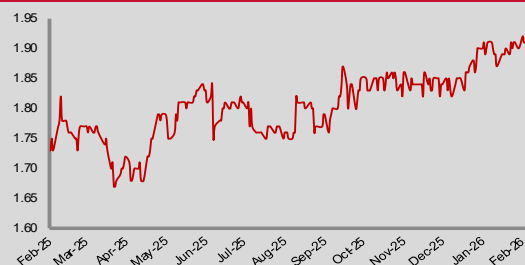
**Downgrade to MARKET PERFORM with a lower TP of RM1.91 (from RM1.94),** following RNAV updates and the removal of the completed Laurel Residence from our RNAV. Our RNAV discount of 50% is in line with our applied average across the sector. While the stock offers attractive dividend yields of >6%, we believe its risk-reward is fairly balanced at this moment, given its relatively muted product launch pipeline as well as higher dependency on rental markets for its investment income streams. Still, it is entirely debt free with a cash pile of RM422m.

**Risks to our call include:** (i) weaker/better-than-expected recovery in the property, hospitality, and MICE sectors, (ii) changes in mortgage rates affecting affordability, and (iii) more restrictive urban development policies in the Klang Valley.

## MARKET PERFORM ↓

Price : RM1.91  
Target Price : RM1.91 ↓

### Share Price Performance



KLCI	1,747.81
YTD KLCI chg	4.0%
YTD stock price chg	3.2%

### Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	UOAD MK Equity
Market Cap (RM m)	5,071.1
Shares Outstanding	2,655.0
52-week range (H)	1.92
52-week range (L)	1.67
3-mth avg. daily vol.	160,491
Free Float	26%
Beta	0.51

### Major Shareholders

UOA Holdings Sdn Bhd	69.3%
Employees Provident Fund	14.4%
Amanah Saham Nasional	4.2%

### Summary Earnings Table

FYE Dec (RM m)	2025A	2026F	2027F
Turnover	674.3	678.3	700.0
Operating Profit	589.5	436.2	450.8
Profit Before Tax	637.1	483.2	512.2
<b>Net Profit</b>	<b>474.0</b>	<b>359.9</b>	<b>381.5</b>
<b>Core Net Profit</b>	<b>304.8</b>	<b>359.9</b>	<b>381.5</b>
Consensus (CNP)	-	394.4	414.5
Earnings Revision	-	-11%	NEW
Core EPS (sen)	11.6	13.7	14.5
Core EPS Growth(%)	27.0	18.1	6.0
NDPS (sen)	10.0	12.0	13.0
BV/Share (RM)	2.3	2.3	2.3
Core PER (x)	16.4	13.9	13.1
Price/BV (x)	0.8	0.8	0.8
Net Gearing (x)	0.0	-0.1	-0.2
Dividend Yield (%)	5.2	6.3	6.8

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### Results Highlight

	4Q	3Q	QoQ	4Q	YoY	12M	12M	YoY
FYE Dec (RM m)	FY25	FY25	Chg	FY24	Chg	FY25	FY24	Chg
Revenue	174.7	217.3	-20%	234.9	-26%	674.3	545.7	24%
Cost of Goods Sold	-112.7	-117.4	-4%	-147.1	-23%	-386.4	-350.5	10%
<b>Gross Profit</b>	<b>62.0</b>	<b>99.9</b>	<b>-38%</b>	<b>87.8</b>	<b>-29%</b>	<b>287.9</b>	<b>195.2</b>	<b>47%</b>
Fair Value Adjustments	169.2	0.0	N.M	44.2	283%	169.2	44.2	283%
Other Income	107.7	119.5	-10%	98.9	9%	428.4	383.1	12%
Impairment (Loss)/Reversal	5.1	-0.3	-1947%	1.3	290%	6.2	2.2	181%
Inventories Written Down	-2.1	0.1	-2303%	0.0	N.M.	-8.5	0.9	-1049%
Administrative Expenses	-52.1	-52.0	0%	-49.1	6%	-203.7	-188.0	8%
Other Expenses	-23.4	-23.3	0%	-21.6	8%	-90.3	-91.6	-1%
<b>Operating Profit</b>	<b>266.5</b>	<b>143.9</b>	<b>85%</b>	<b>161.5</b>	<b>65%</b>	<b>589.2</b>	<b>346.1</b>	<b>70%</b>
Net Finance Income / (Cost)	12.7	11.1	14%	12.6	1%	47.8	47.7	0%
<b>Profit Before Tax</b>	<b>279.2</b>	<b>155.0</b>	<b>80%</b>	<b>174.1</b>	<b>60%</b>	<b>636.9</b>	<b>393.7</b>	<b>62%</b>
Taxation	-64.3	-37.6	71%	-43.7	47%	-136.3	-98.8	38%
Minority interest	-22.0	-1.8	1130%	-2.1	958%	-26.7	-7.4	259%
<b>Net Profit</b>	<b>192.8</b>	<b>115.7</b>	<b>67%</b>	<b>128.2</b>	<b>50%</b>	<b>473.9</b>	<b>287.5</b>	<b>65%</b>
One-off Adjustments	169.2	0.0	N.M	44.2	283%	169.2	44.2	283%
<b>Core Net Profit</b>	<b>23.6</b>	<b>115.7</b>	<b>-80%</b>	<b>84.0</b>	<b>-72%</b>	<b>304.7</b>	<b>243.3</b>	<b>25%</b>
Gross Profit Margin	35.5%	46.0%		37.4%		42.7%	35.8%	
Operating Margin	152.5%	66.2%		68.8%		87.4%	63.4%	
Pretax Margin	159.8%	71.3%		74.1%		94.5%	72.1%	
Net Margin	110.4%	53.2%		54.6%		70.3%	52.7%	
Effective Tax Rate	23.0%	24.2%		25.1%		21.4%	25.1%	
Net Gearing	-0.30	-0.30		-0.34		-0.33	-0.35	

Source: Company, Kenanga Research

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<b>UOADEV's RNAV</b>			
<b>Project</b>	<b>Remaining Land Bank (acres)</b>	<b>Outstanding GDV (RM m)</b>	<b>Effective NPV of profit (RM m)</b>
<b><u>On-going/Up-coming Projects</u></b>			
Aster Hill	-	480.0	125.0
Duo Tower A	-	1,300.0	323.3
Bamboo Hills Residences (Block A&B)	-	1,400.0	318.4
<b><u>To be developed</u></b>			
UOA Business Park (Phase 2)	-	130.0	32.3
Aethera Residences	-	800.0	182.0
Jalan Ipoh	27.3	4,600.0	848.0
Bangsar South Land (Commercial)	-	2,300.0	424.0
Bangsar South Land (Residential)	-	1,850.0	341.0
Land Around Bangsar South	-	900.0	165.9
Cyberjaya Land	-	265.0	48.8
<b>Total</b>	<b>27.3</b>	<b>14,025.0</b>	<b>2,808.7</b>
<b>Unbilled Sales (as of 4QFY25)</b>		656.5	170.9
<b>Property Development Net Assets (FY24)</b>			3,829.4
<b>Property Development RNAV (RM m)</b>			<b>6,809.0</b>
Discount ascribed to PD RNAV			50%
<b>Discounted PD RNAV</b>			<b>3,404.5</b>
<b>Property Investment</b>	0.9x NAV	1,784.5	<b>1,606.0</b>
<b>TotalSoP</b>			<b>5,010.5</b>
Number of shares (m)			2,623.8
<b>RNAV/share (RM)</b>			<b>1.91</b>

Source: Company, Kenanga Research

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### Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside (%)	Market Cap (RM'm)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)		ROE (%)		Net Div. (sen)		Net Div Yld (%)	
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
<b>PROPERTY DEVELOPERS</b>																					
Eco World Development Group	OP	2.17	2.24	3.2%	6,982.5	Y	10/2026	15.9	16.2	14.9%	1.5%	13.6	13.4	1.0	7.7%	7.5	3.5%				
IOI Properties Group Bhd	MP	3.63	2.81	-22.6%	19,987.3	Y	06/2026	11.2	12.4	112.3%	10.1%	32.3	29.4	0.8	4.5%	5.0	1.4%				
LBS Bina Bhd	OP	0.410	0.640	56.1%	628.0	Y	12/2025	6.2	7.6	45.7%	23.3%	6.6	5.4	0.3	5.4%	2.3	5.6%				
Mah Sing Group Bhd	OP	1.21	1.78	47.1%	3,097.8	Y	12/2025	10.5	11.0	12.0%	4.7%	11.6	11.0	0.8	6.4%	5.0	4.1%				
Malaysian Resources Corp Bhd	MP	0.325	0.560	72.3%	1,451.9	Y	12/2025	1.8	1.4	19.2%	-18.9%	45.8	24.6	0.3	1.7%	1.0	3.1%				
Paramount Corporation Bhd	OP	1.09	1.47	34.9%	678.8	Y	12/2026	21.0	22.0	82.8%	4.7%	5.2	5.0	0.4	8.6%	8.5	7.8%				
S P Setia Bhd	OP	0.955	1.43	49.7%	4,778.2	Y	12/2025	6.1	7.3	-33.3%	18.9%	15.7	13.2	0.3	2.4%	2.0	2.1%				
Sime Darby Property Bhd	OP	1.48	1.97	33.1%	10,065.2	Y	12/2025	8.3	8.6	11.9%	4.6%	17.9	17.1	0.9	5.3%	3.0	2.0%				
Sunway Bhd	UP	5.84	4.98	-14.7%	39,480.9	Y	12/2026	20.5	19.4	7.8%	-5.4%	28.4	30.1	2.2	7.8%	6.5	1.1%				
UOA Development Bhd	MP	1.91	1.91	0.0%	5,071.1	Y	12/2026	13.7	14.5	18.1%	6.0%	13.9	13.1	0.8	5.8%	12.0	6.3%				
<b>SECTOR AGGREGATE</b>					<b>92,221.8</b>					<b>21.2%</b>	<b>3.1%</b>	<b>24.4</b>	<b>23.7</b>	<b>0.8</b>	<b>5.3%</b>		<b>3.7%</b>				

Source: Kenanga Research

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