



LBS Bina Group Bhd

Steady Earnings Visibility

LBS's 9MFY25 core net profit of RM85m met expectations. The unbilled property sales as of Oct 2025 stood strongly at RM1.34b (1.05x of our FY25E revenue). 4QFY25 is expected to be driven by the launches of Landed D'Island Residence, Highrise KITA @ Cybersouth, Industrial Telok Gong, and Landed Bandar Putera Indah, with a combined GDV of RM1.02bn. No change to forecast. We maintain our BUY recommendation with an RNAV-based TP of RM0.64.

9MFY25 results met expectations, with core net profit of RM85m made up 73% of our FY25 forecast. Property development dominated earnings, making up 95% of Group revenue. The hotel segment has been reclassified into *others* segment since it does not meet MFRS 8 reporting thresholds. No dividend declared as LBS historically announced in Q2.

YoY. Revenue declined by 5% YoY, mainly due to a 6% contraction in the Property Development segment as several projects reached completion or were near completion. Core net profit (excluding discontinued operations) fell 18%, weighed down by weaker PAT contributions from both Property Development (-16% YoY) and Construction & Trading (>-100% YoY). The Construction & Trading division posted a significantly wider LAT of RM18.7m (vs 9MFY24 LAT: RM0.17m), driven by project tail-end effects and additional costs incurred by a foreign subsidiary. As a result, gross and net profit margins compressed by 1.2–2.1ppts, although EBITDA margin improved marginally by 3bps due to lower depreciation (-5% YoY).

QoQ. Topline and bottomline elevated by 46% and 8%, respectively on the back of accelerated development activities in on-going projects such as LBS Alam Perdana, KITA @ Cybersouth, Prestige Residence and Idaman projects. Notably, LBS launched Alam Perdana Industrial Park 4 (GDV: RM85.8m) and KITA Avenue Square (GDV: RM61.3m) during the quarter. Nevertheless, gross, net profit, and EBITDA margin declined by 2.3-9.7ppts as the cost of sales margin recorded higher at 75% (vs 2QFY25: 65%).

Outlook. We remain sanguine on LBS's 8 x 8 Strategy, which emphasizes efficient land use, township expansion, and diversified offerings (such as residential, commercial & retail, industrial/factory, and hospitality segments). The 4QFY25 is expected to further be supported by the launch of the Landed D'Island Residence, Highrise Kita@Cybersouth, Industrial Telok Gong, and Landed Bandar Putera Indah with cumulative GDV of RM1.02b. In October 2025, the Group signed two JV agreements with Oriental Holdings Berhad to develop Phase 1 of a 54.6-acre mixed-use project in Klebang, Melaka, marking its entry into the coastal growth corridor that expands its footprint beyond Klang Valley, Johor, Perak, and Pahang. As of October 2025, LBS holds a 3,778-acre landbank with unbilled sales of RM1.34bn (1.05x against our FY25E revenue), providing solid earnings visibility. Meanwhile, ongoing projects remains at steady average take-up rate of 72%.

Forecast. Unchanged as earnings came within expectations.

BUY Maintain with a RNAV-derived TP of RM0.64. We retained our 75% discount to our estimated revalued net asset value (RNAV) of RM2.54 per share. Our TP implies a FY25–26E forward P/E of 5.25x–6.0x, well below the broader property sector's 11.3x–12.5x and the 16.0x–21.4x range of selected developer peers. The sizeable discount reflects ongoing macro uncertainties and the subdued near-term sector outlook.

Results Note

BUY (↔)

asyikin@mersec.com.my

Monday, December 1, 2025

Price: RM 0.40

Target Price: RM 0.64 (↔)

Share Price Performance



Business Overview

LBS Bina Group Berhad is a Malaysian property developer primarily focused on affordable and mid-range residential housing, supported by a strong presence in key growth corridors such as Klang Valley, Johor, and Pahang. Known for its township developments (e.g., Bandar Saujana Putra).

Return Information

KLCI (pts)	1,617.46
YTD KLCI chg.	-1.5%
YTD Stock Price chg.	-27.3%

Price Performance	1M	3M	12M
Absolute (%)	-8.0%	-10.9%	-19.4%
Relative to KLCI (%)	-7.5%	-12.0%	-19.4%

Stock Information

Market Cap (RM m)	616.7
Issued Shares (m)	1,541.7
52-week High (RM)	0.58
52-week Low (RM)	0.40
Est. Free Float (%)	52%
Beta vs FBM KLCI	1.1
3-month Avg Vol.	2,026,425
Shariah Compliant	Yes
Bloomberg Ticker	LBS MK

Top 3 Shareholders

Shareholder	%
Gaterich Sdn Bhd	37.5%
KWAP	8.2%
Sri Lim Hock San	2.8%

FY Dec (RM m)	FY24A	FY25E	FY26E
Revenue	1,434.7	1,281.2	1,504.7
EBITDA	297.4	270.2	285.2
PBT	190.9	152.3	174.1
Net Profit	108.5	115.7	132.3
Core net profit	108.5	115.7	132.3
Core EPS (sen)	7.0	7.5	8.6
Core EPS Growth (%)	(26.3)	6.7	14.3
Net DPS (sen)	4.7	2.3	2.6
BV Per Share (sen)	5.8	5.4	4.7
Net Div. Yield (%)	11.6	5.6	6.4
P/E (x)	5.8	5.4	4.7
ROE (%)	12.7	5.3	5.8

Investment Case. We continue to favour LBS for its compelling risk-reward, supported by a i) healthy unbilled sales pipeline and strong launch across residential, commercial, and industrial segments, ii) leadership in affordable housing, while iii) disciplined financial management and landbank optimisation under the 8 x 8 Strategy.

Key Risks include: (i) Subdued property sales, (ii) Construction cost fluctuations and (iii) Project launches and completion delay.

Results Highlights

Y/E: DEC (RM m)	3QFY25	2QFY25	QoQ Chg	3QFY24	YoY Chg	9M25	9M24	YoY Chg
Turnover	452.3	309.8	46.0%	377.4	19.8%	1,091.3	1,147.5	-4.9%
Gross Profit	112.8	107.2	5.2%	120.4	-6.3%	328.1	368.9	-11.1%
OPEX	-17.6	-11.3	56.0%	-17.2	2.1%	-39.5	-40.9	-3.5%
EBITDA	75.8	69.6	9.0%	76.0	-0.2%	75.8	76.0	-0.2%
EBIT	65.4	59.5	9.8%	66.7	-2.0%	186.1	212.6	-12.5%
PBT/(LBT)	47.8	48.3	-0.9%	49.5	-3.4%	146.7	171.7	-14.6%
Taxation	-16.7	-18.8	-10.8%	-17.2	-2.7%	-53.5	-59.9	-10.6%
Net Profit	31.1	29.5	5.3%	172.0	-81.9%	93.1	251.5	-63.0%
Core net profit	29.3	27.1	8.1%	27.6	6.1%	84.6	103.0	-17.9%
Core EPS (sen)	1.9	1.8	8.1%	1.8	6.2%	5.5	6.7	-18.0%
DPS (sen)	0.0	0.0	-	2.6	-100.0%	-	-	-
Gross Margin	24.9%	34.6%		31.9%		30.1%	32.1%	
Opex	-3.9%	-3.6%		-4.6%		-3.6%	-3.6%	
EBITDA Margin	16.8%	22.5%		20.1%		6.9%	6.6%	
EBIT Margin	14.5%	19.2%		17.7%		17.1%	18.5%	
PBT Margin	10.6%	15.6%		13.1%		13.4%	15.0%	
Core net profit Margin	6.5%	8.7%		7.3%		7.8%	9.0%	
ETR	-35.0%	-38.8%		-34.7%		-36.5%	-34.9%	
Property Sales (RM m)	351.0	262.0	34.0%	408.0	-14.0%			
Unbilled property sales (RM m)	1,410.0	1,383.0	2.0%	1,683.0	-16.2%			

Source: Company, Bursa Malaysia, Mercury Securities

RNAV Valuation table:

Valuation	RNAV (RM m)
Property development (DCF @ 9.4% WACC)	2,626.9
Shareholder fund/ equity (inclusive of irredeemable convertible preference share)	1629.7
Total RNAV	4,256.6
Enlarged share capital inclusive of irredeemable convertible preference share conversion (m units)	1,672.76
RNAV per share	2.54
Targeted discount to RNAV	75%
ESG Premium	0%
Intrinsic value per share	0.64
Current market price	0.4
Upside	59%

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SELL	Stock's total return is expected to be -10% or worse over the next 12 months (including dividend yield)

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