

## Investment Idea



8 September 2025

 research@rakutenrade.my

## Investment Idea

## Gagasan Nadi Cergas Bhd

Unprecedented Growth Expected

By Lee Cai Yu

**Gagasan Nadi Cergas Bhd (NADIBHD: 0206) delivered a robust set of 2QFY25 results predominantly driven by strong affordable housing momentum. With a RM4bn GDV pipeline of affordable housing projects and the potential expansion of its concession portfolio, the Group is on track to achieve record earnings going forward. As such, we maintain our FY26-27F forecasts with an unchanged target price of RM0.57 based on our SOP derived valuation (refer to table).**

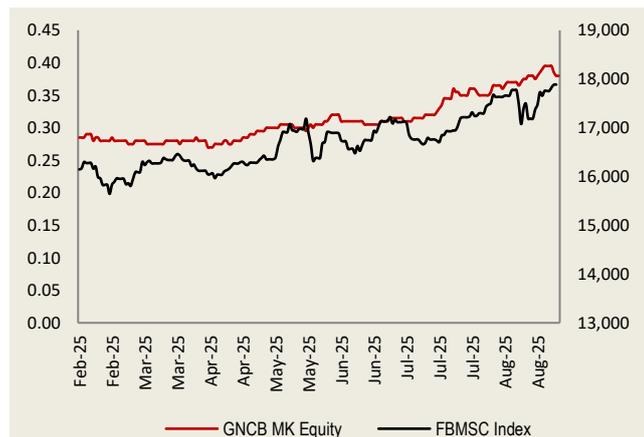
NADIBHD reported a solid 2QFY25 net profit of RM6.5m (in line with our expectations), marking a sharp turnaround from a net loss of RM1.2m in 2QFY24. Its 1HFY25 core net profit of RM11.6m accounted for 52% of our full-year forecast. The earnings recovery was driven primarily by the affordable housing property development segment, supported by the completion of Idaman Bukit Jelutong (1,260 homes delivered) and continuing progress at Idaman Kwasa Damansara R4-1.

NADIBHD is currently undertaking eight Idaman affordable housing projects in partnership with Permodalan Negeri Selangor Berhad (PNSB), comprising of 15,000 units with a total GDV of RM4bn, targeted for delivery by 2033. This represents a significant scale-up compared to its previous pipeline of 7,500 units with c.RM2.0bn GDV, underpin by the addition three projects namely: (i) Elmina 12 (GDV: RM370.5m), (ii) Idaman Rimbayu (GDV: RM533.3m), and (iii) Kwasa Damansara R4-2A (GDV: RM1.15bn). The segment's unbilled sales of RM288m as of 30 June 2025, provides earnings visibility over the next 1-2 years at least.

Meanwhile, the construction orderbook stood at RM228m, underpinned by external and in-house projects from the property development segment. In addition, NADIBHD is progressing with the proposed RM185m acquisition of Konsortium PAE Sepakat, pending regulatory and shareholder approvals. The acquisition would grant the Group a concession to manage student hostels across seven polytechnic campuses thus broadening its concession portfolio and strengthening its recurring income streams.

NADIBHD stands to benefit from the Government's 13th Malaysia Plan (13MP), which continues to prioritize affordable housing as a key national agenda. With its proven delivery track record, NADIBHD is well-positioned to benefit from this hence supporting sustained growth ahead.

We remain constructive on NADIBHD's outlook, anchored by its (i) solid positioning in the affordable housing segment within the vicinity of high-demand townships, (ii) multi-year earnings visibility backed by healthy unbilled sales and orderbook as well as (iii) prudent expansion strategy that balances property development with recurring concession income.

★★★★☆ **BUY**
**Price: RM0.38**  
**Target price: RM0.57**


KLCI	1,578.15
YTD FBM KLCI change	-3.9%
YTD FBM SC Index change	-12.0%
YTD stock price change	31.0%

## Stock Information

Market Cap (RM mil)	286.1
Issued Shares (m)	753.0
52-week range (H)	0.40
52-week range (L)	0.27
Shariah Compliant	Yes

## Major Shareholders

Wan Azman Bin Wan Kamal	64.7%
Subahan Bin Kamal	6.8%
Chong Ngu Chong	4.2%

## Summary Earnings Table

FY Dec (RM'm)	2023A	2024A	2025F	2026F
Revenue	318.3	262.8	371.2	479.2
EBIT	32.5	28.7	51.5	64.1
Pretax profit	17.8	17.9	37.4	50.9
PATMI	2.4	5.9	22.5	31.0
<b>Core PATMI</b>	<b>2.4</b>	<b>5.9</b>	<b>22.5</b>	<b>31.0</b>
Consensus	NA	NA	NA	NA
Core EPS (sen)	0.3	0.8	3.0	4.1
EPS growth (%)	-193.8	141.1	282.9	37.9
DPS (sen)	-	-	-	-
PER (x)	97.5	40.4	10.6	7.7
BV/Share (RM)	0.59	0.60	0.63	0.67
ROE (%)	0.5	1.3	4.9	6.3
Div. Yield (%)	-	-	-	-

Sources: Company, Rakuten Trade Research

Sum of Parts Valuation	RM(m)
Property (RNAV)	33.1
Construction (12x FY26 earnings)	117.1
Concession and Utility (NPV)	106.1
<b>Total SOP</b>	<b>256.3</b>
5-year average P/NTA @ 0.5x	175.9
<b>Fair Value</b>	<b>432.2</b>
Share base (m shares)	753.0
<b>Target price (RM)</b>	<b>0.57</b>



8 September 2025

 [research@rakutenrade.my](mailto:research@rakutenrade.my)

COMPANY	Definition
<b>Buy</b>	The stock return is expected to exceed the KLCI benchmark by more than 10% over the next 6-12 months.
<b>Trading Buy</b>	Short-term positive development on the stock that could lead to a re-rating in the share price and translate into an absolute return of 10% over the next 3-6 months. Trading Buy is generally for investors who are willing to take on higher risks.
<b>Take profit</b>	The stock return previously recommended has gained by >10%
<b>Hold</b>	The stock return is expected to be in line with the KLCI benchmark (+/- 5%) over the next 6-12 months.
<b>Sell</b>	The stock return is expected to underperform the KLCI benchmark by more than 10% over the next 6-12 months.
SECTOR	
<b>Overweight</b>	Industry expected to outperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
<b>Neutral</b>	Industry expected to perform in-line with the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
<b>Underweight</b>	Industry expected to underperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.

### **Scoring model:**

The in-house scoring model is derived from Rakuten Trade Research valuation matrix based on earnings growth, earnings visibility, business model, valuation, balance sheet, technical analysis, and shareholder value creation. Each parameter is given a specific weighting.

All buy calls are based on the research team's judgement. Investing is risky and trading is at your own risk. We advise investors to:

- read and understand the contents of the disclosure document or any relevant agreement or contract before investing;
- understand the risks involved in relation to the product or service;
- compare and consider the fees, charges and costs involved; and
- make your own risk assessment and seek professional advice, where necessary.

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained within does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This is not to be taken in substitution for the exercise of judgement by addressees and further shall not be re-distributed to any other third party. Rakuten Trade Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of the contents within or any solicitations of an offer to buy or sell any securities. Rakuten Trade Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may affect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published:



Kenny Yee Shen Pin  
Head of Research