

Report Date: 21-May-25

AD-DULAYL INDUSTRIAL PARK & REAL ESTATE COMPANY

ASE: IDMC

Quarter Earnings: 31/3/2025

Annual Earnings: 31/12/2024



Price as of 19-May-25

JD 0.70/Share

RATING:



Initiated Coverage 21/05/2025

We project that IDMC will perform in line with the market over the next 6-12 months. UFICO relied on four key factors that influence common stock performance: (1) relative valuation, (2) earnings strength, (3) financial stability, and (4) price movement

Target Price

JD 0.72

Previous Rating					52- Week Price Range	Market Capitalization	Forward P/E	P/BV	
1	2	3	4	5					
1	2	3	4	5	09/04/2025	JD 0.59- JD 0.72	JD 15.6 M	7.37x	0.43x

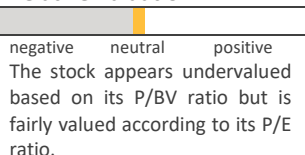
Founded: 1995 **Shares Outstanding:** 22.3 M **Employees:** 19 **Sector:** Real Estate/ Manufacturing **Industry:** Real Estate

Ad-Dulayl Industrial Park & Real Estate Company P.L.C (hereinafter referred to as “IDMC” or the “Company”) is a public shareholding company established in 1995 as a Qualified Industrial Zone (QIZ). The Company has become a prominent developer of industrial estates/zones in Jordan, providing developed plots of land and standard factory buildings tailored to the needs of various industries, housing 38 investments across 15 companies from various countries including Jordan, India, Iraq, Pakistan, Hong Kong and others. On February 26, 2025, IDMC has purchased a land plot, with a total area of 456,852 m² located in Wadi Al-Dhulail – Zarqa, for a total price of JD 1.946 million.

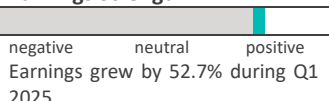
Recommendation Summary

UFICO’s **HOLD** recommendation of IDMC is the result of our systematic analysis of four characteristic mentioned above. While IDMC demonstrates strong financial stability and impressive earnings growth, the stock presents mixed valuation signals—undervalued on a P/BV basis but fairly valued based on its P/E ratio. The absence of dividend distribution and neutral technical indicators suggest limited short-term upside, supporting a hold position.

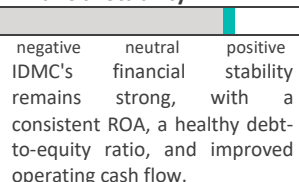
Relative Valuation



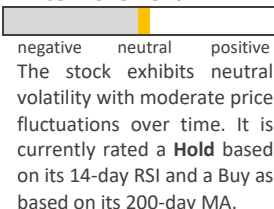
Earnings Strength



Financial Stability



Price Movement



Major Risks & Rewards

- **Market Volatility:** IDMC operates in the real estate and manufacturing sectors. Economic downturns or recessions can reduce demand for industrial estates and standard factory buildings, leading to lower occupancy rates and rental income, which in turn can negatively affect IDMC's profitability.
- **Occupancy Risk:** Since IDMC's business model depends on income from leasing factories to various industries, there is a risk that a drop in occupancy, due to tenants not renewing their contracts, could directly impact the Company's revenue and profitability.
- **Competition:** IDMC faces competition from other QIZs operating in Jordan, including Irbid Qualifying Industrial Zone, Al-Kerak Industrial Estate, Al-Tajamouat Industrial City, Aqaba Industrial Estate, Mushatta International Complex, Al Qastal Industrial Zone, Zarqa Industrial Zone, and Al Hallabat Industrial Park.
- **Dividend Distribution:** The Company has not distributed dividends over the past two years, which may make it less suitable for investors seeking regular income or dividend-focused returns.
- **Undervalued:** IDMC appears to be undervalued relative to its industry peers (in terms of P/BV), presenting a potential upside for capital appreciation as market conditions stabilize and the Company's valuation realigns with its fundamental performance.
- **Rental Income:** The Company benefits from recurring rental income, which provides a steady and predictable cash flow stream, contributing to overall income stability and reducing reliance on volatile revenue sources.

Peers Group Comparison

Ticker	Peer Name*	Price	Mkt Cap**	EPS	EV/EBITDA	P/E	P/BV	ROA
		19/5/2025	19/5/2025	(Forward)	(TTM)	(Forward)	(MRQ)	(MRQ)
IDMC	Ad-Dulayl Industrial Park & Real Estate	JD 0.7000	JD 15,595	JD 0.095	8.31x	7.37x	0.43x	4.89%
TMGH	Talaat Moustafa Group	JD 0.7315	JD 1,509,495	JD 0.101	3.45x	7.26x	1.46x	3.94%
ARAB	Arab Developers Holding***	JD 0.0033	JD 25,208	JD 0.000	11.13x	19.38x	0.99x	0.90%
ZMID	Zahraa Maadi Investment& Development***	JD 0.0483	JD 48,251	JD 0.007	4.45x	6.48x	1.67x	19.40%
Peers Weighted Average					3.60x	7.43x	1.46x	4.37%
Sector Average (www.investing.com)					NA	8.50x	0.90x	NA
Median					4.45x	7.26x	1.46x	3.94%

*All peers for IDMC are from Egypt, ** In JD thousands, *** Results as 31/12/2024

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AD-DULAYL INDUSTRIAL PARK & REAL ESTATE COMPANY

ASE: IDMC

Past Performance

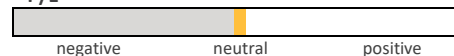
	2020	2021	2022	2023	2024	1Q24	1Q25
Net Profit Margin	57.24%	65.35%	63.66%	55.37%	56.25%	62.55%	70.36%
Earning/ Share (JD)	0.053	0.049	0.057	0.063	0.064	0.016	0.024
Debt to Equity	5.53%	2.20%	4.84%	8.64%	6.72%	9.11%	10.60%
Gross Profit Margin	95.32%	92.20%	93.88%	89.23%	84.93%	81.91%	85.27%
Dividend/ Share (JD)	-	0.03	0.04	-	-	-	-

Relative Valuation: **NEUTRAL**

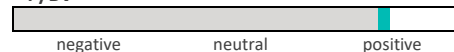
Last Price	Mkt Cap	EPS	P/E	BV/Share	P/BV
19/5/2025	19/5/2025	(Forward)	(Forward)	(MRQ)	(MRQ)
JD 0.70	JD 15.6 M	JD 0.095	7.37x	JD 1.64	0.43x

- **P/E vs. Industry:** is in line with the peers' weighted average and median, indicating the stock is fairly valued. However, it is below the sector average, suggesting it may be undervalued.
- **P/BV vs. Industry:** is below the peer group weighted average and the emerging market average P/BV indicating undervaluation.

P/E



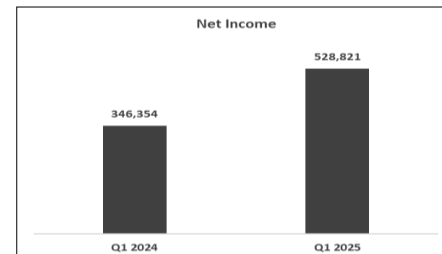
P/BV



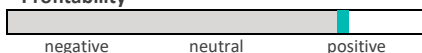
Earning Strength: **POSITIVE**

1Q25 Results	Revenues	Net Income	ROE	NPM
(TTM)	JD 751,573 (+35.7%)	JD 528,821 (+52.7%)	5.84%	70.36%

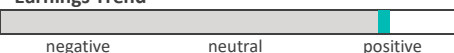
- **Earnings Trend:** Earnings grew by 52.7% during Q1 2025. In addition, the Company has signed **41 lease contracts** with a diverse range of tenants under varying term. The occupancy rate reached 50% of the total area of the park by the end of Q1 2025.
- **Return on Equity** is higher than 3.91% achieved at the end of Q1 2024.
- **Net Profit Margin** is higher than Q1 2024, and the past 5 years on an annualized basis.



Profitability



Earnings Trend

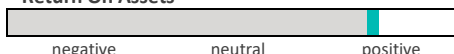


Financial Stability: **POSITIVE**

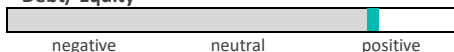
1Q25 Results	Assets	Equity	ROA	Debt/ Equity	Current Ratio
(MRQ)	JD 43.3 M	JD 36.6 M	4.99%	10.60%	0.35x

- **Return on Assets** is considered a modest return, suggesting that IDMC holds a lot of assets which may not be fully optimized, given the 50% occupancy rate.
- **Debt/ Equity** is healthy, indicating low reliance on debt to finance operations.
- **Current Ratio:** indicates that the Company's current liabilities and short-term obligations are not well covered by its current assets.

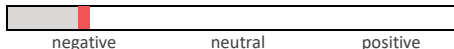
Return On Assets



Debt/ Equity



Current Ratio



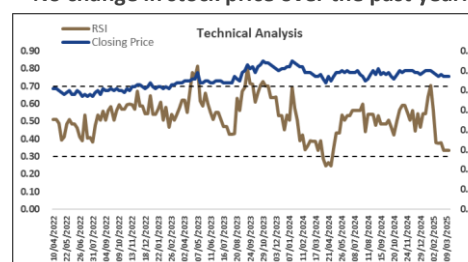
Price Movement: **NEUTRAL**

Annual Volatility:	14-Day RSI:	200 Day MA:	Avg. Vol (3M):
+/-23.00%	59.421	0.68	15,651 shares

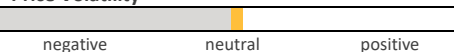
- **Price Volatility** indicates a neutral level of fluctuation in price over time. The higher the volatility, the riskier the stock.
- **14-Day Relative Strength Index (RSI)** Indicates neutral momentum, with a slight trend towards overbought territory. Traditionally, a stock is considered overbought or overvalued when RSI is above 70 and oversold or undervalued when it is below 30.
- **Moving Averages (MA):** The stock price currently trades slightly above to its 200-day MA, which might indicate a **Buy** signal. The MA for the 50-Day and 100-Day are 0.66 and 0.67, indicating a **Buy** signal.
- **Average Volume 3-Months** indicates low trading activity.

Price movement is an evaluation based on a company's relative share price strength in the past 1-quarter, 14 day and 1-year period. **IDMC had a positive price strength in the past 200-day period indicating a favourable signal of near-term price gain.** Conversely, price changes in the past 14-day period might indicate a short-term neutral condition resulting in neutral near-term price changes.

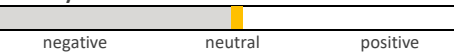
No change in stock price over the past year.



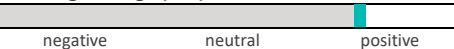
Price Volatility



14-Day RSI



Moving Average (MA)



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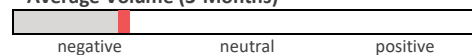
ASE: IDMC

Price as of 19-May-25

JD 0.70/Share

IDMC is currently trading, just above its 200-day MA, showing an insignificant bullish trend. Key support levels are indicated at JD 0.68 and JD 0.65, while resistance lies at JD 0.72 and JD 0.75, with JD 0.70 acting as a psychological ceiling. If the stock maintains support, the near-term aim is JD 0.72, with the possibility of reaching JD 0.75 in the medium run.

Average Volume (3-Months)



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UFICO Stock Ratings: UFICO's coverage of stocks uses a quantitative model that evaluates a company's relative valuation, earnings strength, financial stability, and its recent price movement. UFICO's five recommendation ratings include strong buy, buy, hold, sell, strong sell. For all stocks in our coverage universe, ratings are generated each week and reflect the fundamental and price data as of the last trading day of the week.

1	2	3	4	5		
1	2	3	4	5	Strong Buy	Significantly Satisfactory
1	2	3	4	5	Buy	Satisfactory
1	2	3	4	5	Hold	Average
1	2	3	4	5	Sell	Unsatisfactory
1	2	3	4	5	Strong Sell	Significantly Unsatisfactory

Relative Valuation: Relative valuation is a weighted combination of factors that measure a company's current stock price valuation vs industry. These include the company's price-to-earnings vs. industry, and its price-to-book vs. industry. UFICO also measures the rank of a company's dividend yield among dividend payers on the Amman Stock Exchange. A stock may stay undervalued or overvalued for a long period of time. For this reason, it is important to combine dividend yield rank factor with shorter-term predictive factors such as earnings momentum or price momentum to identify more imminent valuation adjustments. In addition, UFICO also measure a company's dividend payments growth over the past 10 years and the degree its dividend payments are covered by earnings.

Earnings Strength: Over 20 years of research have shown that the change in the growth of earnings per share is an important factor that drives stock price performance. UFICO measures earnings momentum to get an early indication of changing earnings patterns. Earnings strength is a weighted combination of factors that measure a company's earnings growth performance. These include the company's 5-year average earnings growth rate, its 1-year earnings growth rate vs its 5-year average earnings growth rate, its 1-year earnings growth rate vs. industry, its relative strength of ROE, and its y-o-y profit margin growth rate.

Financial Stability: Financial stability is a weighted combination of factors that measure a company's ability to pay its debts in the short and long terms. UFICO looks for a company's capital structure where its total liabilities do not exceed 40% of its equity. For a company's solvency strength, we look for an interest coverage of at least 3x, indicating a company's ability to cover its interest payments through its operating income, and a debt coverage of at least 200%, indicating a company's ability to cover its loans and interest payments through its operating income. For liquidity strength, we look for a company's current ratio of at least 1.25x, indicating current liabilities are sufficiently covered by current assets. Companies in the banking sector are analyzed using assets/equity ratio, loans/deposits ratio, loans/assets ratio, and level of bad loans. For assets/equity ratio, we look for a ratio below 10x, indicating adequate reliance on debt to fund the bank's operations. For loans/deposits ratio, we look for a ratio below 125%, indicating high liquidity and low exposure risk to cover unexpected funding requirements. For loans/asset ratio, we look for a ratio below 110%, indicating high liquidity and low exposure risk to defaults. For the level of bad loans, we look for a ratio below 5.00%, indicating lower provisions are required and, hence, increases bank profitability.

Recent Price Movement: Historical price action of a company's stock is an especially helpful measure used to identify intermediate and short term performance potential. Long term historical performance is a good predictor of future price performance, but much more importantly, large price movements over the intermediate and short term tend to reverse themselves. UFICO's price momentum measure integrates historical long, intermediate and short term price changes, creating ratings that are highest for stocks with strong twelve-month price performance that have had a price consolidation in the past quarter and month. Price movement is an evaluation based on a company's relative share price strength in the past 1-quarter, 14-day and 1-year period. In UFICO's analysis, positive price strength in the past 200-day period is a favorable indication of near-term price gain. Conversely, positive price changes in the past quarter or 14-day period can indicate a short-term overbought condition resulting in negative near-term price change.

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