

Report Date: 9-Apr-25

AD-DULAYL INDUSTRIAL PARK & REAL ESTATE COMPANY

ASE: IDMC

Annual Earnings: 31/12/2024

Price as of 8-Apr-25

JD 0.61/Share

RATING:



Initiated Coverage 09/04/2025

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 0.65

Previous Rating

1 2 3 4 5 08/01/2025

52- Week Price Range

JD 0.59- JD 0.73

Market Capitalization

JD 13.6 M

Current P/E

9.48x

P/BV

0.38x

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. **As of the latest data, IDMC’s industries have contributed to 7.0% of Jordanian exports, mainly comprising of leather and knitted industries.**

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 overvalued on a P/E basis. The absence of dividend distribution and technical indicators suggest limited short-term upside, supporting a hold position.

Relative Valuation

negative neutral positive
The stock is undervalued based on its P/BV ratio, but overvalued based on its P/E ratio. **The Company did not distribute any dividends during 2023 and 2024.**

Earnings Strength

negative neutral positive
The Company has been profitable over the past 3 years, with earnings growing by 150.7% at the end of 2024.

Financial Stability

negative neutral positive
IDMC’s financial stability remains strong, with a consistent ROA, a healthy debt-to-equity ratio, and improved operating cash flow.

Price Movement

negative neutral positive
Low volatility with minimal price fluctuation over time. The stock is **oversold** at its current 14-Day RSI and is rated a **Sell** at its MA200.

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
		8/4/2025	8/4/2025	(2024)	(2024)	(Current)	(2024)	(2024)
IDMC	Ad-Dulayl Industrial Park & Real Estate	JD 0.6100	13,590	JD 0.064	7.30x	9.48x	0.38x	3.45%
TMGH	Talaat Moustafa Group	JD 0.6752	1,393,380	JD 0.099	4.95x	6.85x	1.40x	4.06%
ARAB	Arab Developers Holding**	JD 0.0032	24,990	JD 0.001	6.45x	5.92x	1.00x	3.06%
ZMID	Zahraa Maadi Investment& Development	JD 0.0549	54,862	JD 0.007	5.13x	7.37x	1.90x	19.40%
Peers Weighted Average					4.98x	6.85x	1.41x	4.61%
Sector Average (www.investing.com)					-	8.00x	0.90x	-
Median					5.13x	6.85x	1.40x	4.06%

* In JD thousands

** Q3 2024

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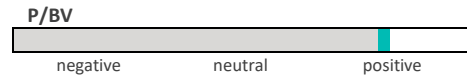
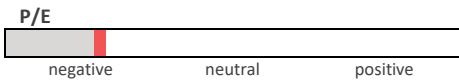
Past Performance

	2018	2019	2020	2021	2022	2023	2024
Net Profit Margin	43.62%	54.04%	57.24%	65.35%	63.66%	55.37%	56.25%
Earning/ Share (JD)	0.042	0.052	0.053	0.049	0.057	0.063	0.064
Debt to Equity	7.48%	5.79%	5.53%	2.20%	4.84%	8.64%	6.72%
Gross Profit Margin	95.55%	97.16%	95.32%	92.20%	93.88%	89.23%	84.93%
Dividend/ Share (JD)	0.03	0.03	-	0.03	0.04	-	-

Relative Valuation: **NEUTRAL**

Last Price	Mkt Cap	EPS	P/E	BV/Share	P/BV
8/4/2024	8/4/2024	(2024)	(Current)	(2024)	(2024)
JD 0.61	JD 13.6 M	JD 0.064	9.48x	JD 1.61	0.38x

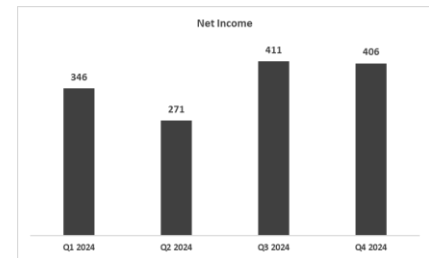
- **P/E vs. Industry:** is above the peer group weighted average and the emerging market average P/E indicating overvaluation.
- **P/BV vs. Industry:** is below the peer group weighted average and the emerging market average P/BV indicating undervaluation.



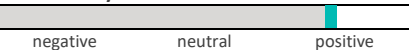
Earning Strength: **POSITIVE**

FY24 Results	Revenues	Net Income	ROE	NPM
	JD 2.38 M (+15.6%)	JD 1.43 M (+150.7%)	3.85%	56.25%

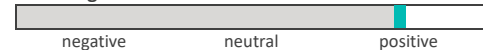
- **Earnings Trend:** IDMC has been profitable over the past 5 years. With earnings growing by 150.7%. In addition, the company has signed **41 lease contracts** with a diverse range of tenants under varying term. The occupancy rate reached 50% of the total area of the park by the end of 2024.
- **Return on Equity** is higher than 3.62% achieved at the end of 2023, but still very low.
- **Net Profit Margin** is slightly higher than 56.25% achieved at the end of 2023, and is more or less in line with past performance.



Profitability



Earnings Trend

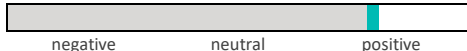


Financial Stability: **POSITIVE**

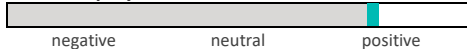
FY24 Results	Assets	Equity	ROA	Debt/ Equity	Current Ratio
	JD 41.6 M	JD 35.9 M	3.03%	6.72%	0.45x

- **Return on Assets** is higher than 2.70% achieved at the end of 2023. It 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.

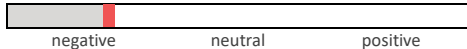
Return On Assets



Debt/ Equity



Current Ratio

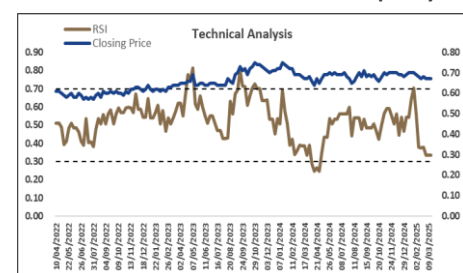


Price Movement: **NEUTRAL**

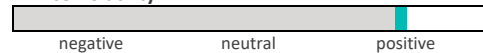
Avg 30-Day Volatility:	14-Day RSI:	200 Day MA:	Avg. Vol (3M):
+/-11.3%	26.917	0.68	13,495 shares

- **Price Volatility** indicates a low level of fluctuation in price over time. The higher the volatility, the riskier the stock.
- **14-Day Relative Strength Index (RSI)** is 26.917, indicating the stock has entered the **oversold** 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 below to its 200-day moving average, which might indicate a **Sell** signal. The MA for the 50-Day and 100-Day are 0.69 and 0.67, indicating a **Sell** signal.
- **Average Volume 3-Months** is 13,495 shares, which 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 **negative** price strength in the past 200-day period indicating an unfavourable 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.

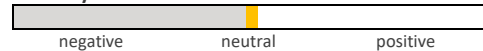
Stock Price is down 16.4% in the past year



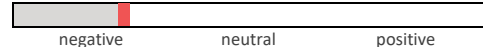
Price Volatility



14-Day RSI



Moving Average (MA)



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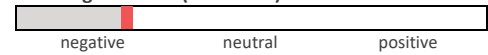
ASE: IDMC

Price as of 8-Apr-25

JD 0.61/Share

IDMC's stock is currently trading in a downward trend with its price sitting below the 200-Day MA. The 14-Day RSI suggests that the stock oversold, indicating potential for a short-term rebound, especially as the price approaches the JD 0.60 psychological level. Overall momentum remains weak, and a move above the JD 0.68 level is necessary for a trend reversal. **Long-term investors should wait for a stronger confirmation of recovery.**

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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