

Report Date: 04-May-25

## THE PROFESSIONAL COMPANY FOR REAL ESTATE INVESTMENT & HOUSING

ASE: PROF

Quarterly Earnings: 03/31/2025

Annual Earnings: 12/31/2024



Price as of 30-Apr-25

JD 0.50/Share

### RATING:



Initiated Coverage 18/03/2025

We project that PROF will perform in line with the market over the next 6-12 months. Although our analysis is based 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 0.54

#### Previous Rating



09/01/2025

#### 52- Week Price Range

JD 0.43- JD 0.51

#### Market Capitalization

JD 13.68 M

#### Forward P/E

17.12x

#### Price/BV

0.48x

Founded: 2007

Shares Outstanding: 27.4 M

Employees: 14

Sector: Real Estate & Investment

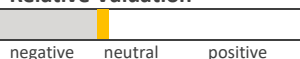
Industry: Real Estate

The Professional Company for Real Estate Investment & Housing (hereinafter referred to as “PROF” or the “Company”) is a public shareholding company established in Jordan. PROF focuses on the development, management, and leasing of real estate projects, as well as investing in land development projects. On February 27, the Board of Directors of PROF decided to reduce the Company's capital by 6% through a cash distribution to shareholders.

### Recommendation Summary

UFICO's **HOLD** recommendation of PROF is the result of our systematic analysis of four basic characteristics mentioned above. While being underpriced compared to industry averages, PROF's earnings increased at the end of Q1 2025. Furthermore, the Company has exhibited strong liquidity and efficiency. Additionally, the 14-Day RSI signals a Neutral, reflecting neutral short-term momentum. Notably, the recent upward price movement suggests a potential for further price increases in the near term.

#### Relative Valuation



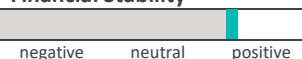
The stock is **undervalued** based on its P/BV ratio, but appears **overvalued** in terms of P/E ratio when compared to industry peers.

#### Earnings Strength



During Q1 2025, PROF's earnings increased by 134.2% compared to Q1 2024.

#### Financial Stability



PROF maintains a strong capital position and low leverage. The current ratio indicates healthy liquidity and the ability to meet short-term obligations, supporting overall financial stability

#### Price Movement



Moderate volatility with minimal price fluctuation over time. The stock is rated a **Hold** at its current 14-Day RSI, and rated a **Buy** at its MA200.

### Major Risks & Rewards

- **Decline in Revenues:** The decline in revenues in the first quarter of 2025, is linked to the performance of the real estate market in Jordan that has shown significant decline during the end of 2024, which directly affects PROF's financial stability and profitability. This fall might indicate challenges with maintaining growth, which could have an impact on investors' confidence.
- **Competition:** The real estate industry is highly competitive, with many companies competing for market share. Increased competition from other market players or alternative investment opportunities may put pressure on PROF's profitability and market position.
- **Economic Downturn:** Economic downturns or recessions can have a negative impact on PROF's financial stability and performance. A slowdown in economic activity can result in lower demand for real estate, lower property value, and less revenue for the Company.
- **Undervalued:** PROF's undervalued position in comparison to industry peers provides an opportunity for potential capital gains as market conditions improve and the Company's valuation matches its fundamentals.
- **Improved Capital Efficiency:** By returning capital to shareholders, the Company is giving its shareholders direct value, improving share metrics, and improving its capital structure, all while maintaining shareholder alignment and trust.

### Peers Group Comparison

Ticker	Peer Name	Price	Mkt Cap*	EPS	Forward P/E	P/BV	ROA
		30/04/2025	30/04/2025	(Forward)	(Forward)	(MRQ)	(Forward)
PROF	The Professional Company For Real Estate	JD 0.50	13,684	JD 0.029	17.12x	0.48x	1.33%
JRCD	Jordanian Real Estate Company	JD 0.53	18,285	JD 0.008	69.70x	0.53x	0.71%
NCMD	Noor Capital Markets for Diversified Investments	JD 1.46	1,460	JD 0.114	12.82x	1.06x	7.69%
AMAD	Amad Investment & Real Estate	JD 0.82	4,920	JD 0.511	1.61x	0.63x	36.47%
Weighted Average (Peers)					4.18x**	0.59x	
Sector Average ( <a href="http://www.investing.com">www.investing.com</a> )					8.40x	0.90x	
Median					7.25x**	0.63x	

\* In JD thousands, \*\* excluding JRCD

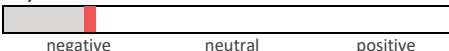
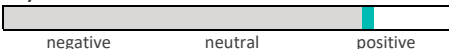
**Report Date: 04-May-25**
**THE PROFESSIONAL COMPANY FOR REAL ESTATE INVESTMENT & HOUSING**
**ASE: PROF**
**Price as of 30-Apr-25**
**JD 0.50/Share**
**Past Performance**

	2020	2021	2022	2023	2024	1Q24	1Q25
Net Profit Margin	-25.27%	22.13%	16.17%	18.42%	11.53%	11.19%	<b>47.16%</b>
Earning/ Share (JD)	(0.017)	0.030	0.034	0.024	0.023	0.003	<b>0.007</b>
Gross Profit Margin	9.65%	27.75%	20.48%	27.75%	27.73%	45.60%	<b>38.69%</b>
Dividend/Share (JD)	-	-	0.03	0.03	-	-	-

**Relative Valuation: NEUTRAL**

Last Price	Mkt Cap*	EPS	P/E	BV/Share	P/BV
30/04/2025	30/04/2025	(Forward)	(Forward)	(MRQ)	(MRQ)
JD 0.50	JD 13.68 M	JD 0.029	17.12x	JD 1.05	0.48x

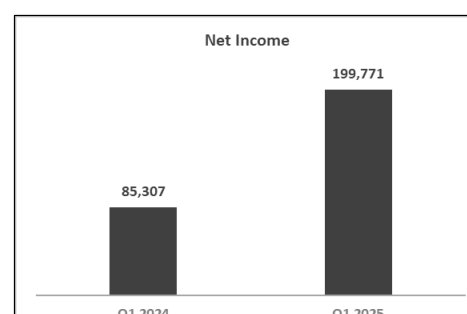
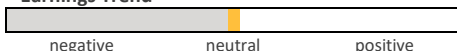
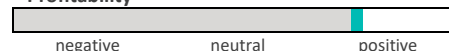
- **P/E vs. Industry:** is above its peer group weighted average, sector average and median P/E, indicating potential overvaluation.
- **P/BV vs. Industry:** is below its peer group weighted average and median P/BV, indicating potential undervaluation.

**P/E**

**P/BV**

**Earning Strength: NEUTRAL**

1Q25 Results	Revenues	Net Income	ROE	NPM
(TTM)	JD 423,609 (-42.8%)	JD 199,771 (134.2%)	2.80%	47.16%

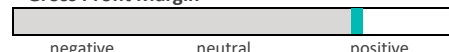
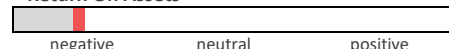
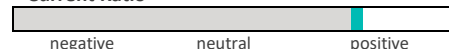
- **Earnings Trend:** During the first 3 months of 2025, earnings increased by 134.2% compared to Q1 2024.
- **Return on Equity** is modest, reflecting limited efficiency in generating returns to shareholders.
- **Net Profit Margin** has shown great increase, in comparison with Q1 2024 as well as previous years.

It is worth noting that, when normalized, net income for Q1 2025 excluding differences in financial assets valuation (JD 124, 739 in Q1 2025), results in a decrease in income from operations in comparison to Q1 2024.

**Earnings Trend**

**Profitability**

**Financial Stability: POSITIVE**

1Q25 Results	Assets	Equity	GPM	ROA	Current Ratio
(MRQ)	JD 32.49 M	JD 29.3 M	38.69%	1.33%	1.91x

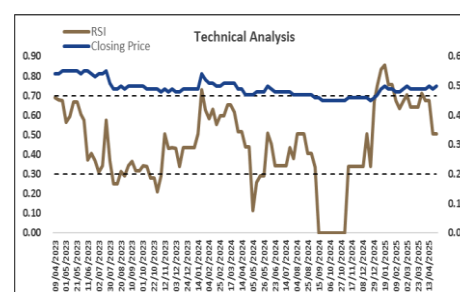
- **Gross Profit Margin** remains healthy, though lower than the NPM, possibly reflecting the gain from differences in financial assets valuation.
- **Return on Assets** is low, reflecting limited efficiency in generating returns from assets.
- **Current Ratio** indicates healthy liquidity and the ability to meet short-term obligations.

**Gross Profit Margin**

**Return On Assets**

**Current Ratio**

**Price Movement: NEUTRAL**

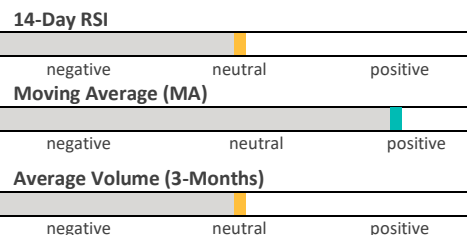
Average Annual Volatility:	14-Day RSI:	200-Day MA:	Average Volume (3M):
+/- 18.34%	61.32	0.47	40,248 Shares

- **Price Volatility** indicates a moderate level of fluctuation in price over time. The higher the volatility, the riskier the stock.
- **14-Day Relative Strength Index (RSI)** indicates a **Neutral** signal at this level, but approaching 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 its 200-day moving average, which might indicate a **Buy** signal. The MA for the 50-Day and 100-Day are 0.49 and 0.48, accordingly, indicating a **Buy** signal.
- **Average Volume 3-Months** is 40,248 shares, showing low trade activity, although with a 57.487% free float.

PROF is showing a steady upward trend, supported by strong momentum and positive technical signals. A breakout above current resistance could open the way for further

**Stock Price is down 3.92% in the past year**

**Price Volatility**


gains, with a near-term target of JD 0.54. Investors may consider accumulating on pullbacks, as the technical setup favors continued strength.



**Report Date: 04-May-25**
**THE PROFESSIONAL COMPANY FOR REAL ESTATE INVESTMENT & HOUSING**
**ASE: PROF**
**Price as of 30-Apr-25**
**JD 0.50/Share**

**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	<b>Strong Buy</b>	Significantly Satisfactory
1	2	3	4	5	<b>Buy</b>	Satisfactory
1	2	3	4	5	<b>Hold</b>	Average
1	2	3	4	5	<b>Sell</b>	Unsatisfactory
1	2	3	4	5	<b>Strong Sell</b>	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.

**Disclaimer**

The statements, opinions and analyses presented in this report (collectively, "Information") are for informational purposes only. Any opinions or probabilities expressed in this report are those of the author as of the report date and are subject to change without notice. United Financial Investments ("UFICO") makes no guarantee as to the completeness or accuracy of the Information, nor can it accept any responsibility for any errors in the report. Other events that were not taken into account may occur, and any opinions or probabilities should not be construed to be indicative of the actual events that may occur. The Information contained herein is not an offer to sell or the solicitation of an offer to buy any securities. Nothing contained herein is intended to be investment advice, nor is it to be relied upon in making any investment or other decision. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment will be profitable or equal any historical performance level(s). Neither UFICO, any of its affiliates, nor each of their respective officers, directors, members, agents, representatives, employees, or contractors (collectively, "UFICO Parties"), are liable for investment decisions based upon, or the results obtained from, the Information provided. UFICO Parties or their clients may at times own positions in the companies described in these reports. You assume all risks of loss resulting, directly or indirectly, from the use of the Information contained in this report. By accepting receipt of this report, you agree to hold harmless the UFICO Parties from any and all claims, actions, damages, losses, liabilities, costs and expenses of any kind whatsoever, including any claims of negligence, arising out of, resulting from, by reason of, or in connection with the use of the Information contained in this report. This report contains certain "forward-looking statements," which may be identified by the use of such words as "believe," "expect," "anticipate," "should," "planned," "estimated," "potential" and other similar terms. Examples of forward-looking statements include estimates with respect to financial condition, market developments, and the success or lack of success of particular investments (and may include such words as "crash" or "collapse"). All are subject to various factors, including general and local economic conditions, changing levels of competition within certain industries and markets, changes in interest rates, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors that could cause actual results to differ materially from projected results. Comparable companies, strategies, portfolios and indices may be included in this report only as a context reflecting general market results during the depicted period or as of the specified date. The comparison of any company, strategy, portfolio or index to a single other portfolio may be inappropriate because the portfolio's assets, strategies and level of risk may vary materially from the comparable company, strategy, portfolio or index as a whole. This report is provided to you on a confidential basis and is intended solely for the use of the person to whom it is provided. It may not be modified, reproduced or redistributed in whole or in part without the prior written consent of UFICO.