

Henderson Land

Leveraging Northern Metropolis growth

21 August 2026

Company Overview

Henderson Land Development (Henderson Land) is one of the leading property companies in Hong Kong. It excels in replenishing its land bank in urban areas by fully consolidating ownership of old building projects. Henderson Land has a development land bank of c.9.1msf in Hong Kong (as of Jun-26). The company is also the largest agricultural landowner in Hong Kong with land reserves in New Territories of c.38.4msf (site area) as of Jun-26. Its development land bank in China stands at 7.20msf. Henderson Land boasts a completed investment portfolio of 10.7msf in Hong Kong and 13.9msf in China. The company holds a 41.53% interest in The Hong Kong & China Gas Company, a 50.08% stake in Miramar Hotel and Investment, and a 33.41% stake in Hong Kong Ferry.

Investment Overview

Largest agricultural landowner in Hong Kong. Henderson Land Development holds the largest agricultural land reserve in Hong Kong, with the majority located in the Northern Metropolis, an area that has attracted significant attention amid the government's development initiatives. By converting agricultural land for residential and other uses, the company can secure development sites at relatively favourable costs. Meanwhile, government resumption of selected land parcels for public purposes in the Northern Metropolis provides Henderson Land with an additional avenue to monetise part of its extensive farmland holdings there.

Strong sales momentum, improving financial strength. In 1H26, Henderson Land sold more than 2,700 units across its Hong Kong projects, bringing total contracted sales to HKD18.5bn. The company plans to launch eight additional projects for sale in Hong Kong in 2H26, which should support continued sales momentum and further strengthen its financial position.

A prime beneficiary of Northern Metropolis development. Henderson Land has an agricultural land reserve of approximately 38.4msf, of which around 90% is located in the Northern Metropolis. Positive developments or further policy support for the area could improve market sentiment toward the stock, given the company's substantial exposure and the potential to unlock significant value from its farmland holdings.

BUY with a TP of HKD34.96. The stock is trading at a 52% discount to our estimated current NAV. Our TP is based on applying a 45% discount to our Jun-27 NAV estimate.

Risks

Any deterioration in property demand could drag its earnings and share price performance.

Jeff YAU | Percy LEUNG

Analysts

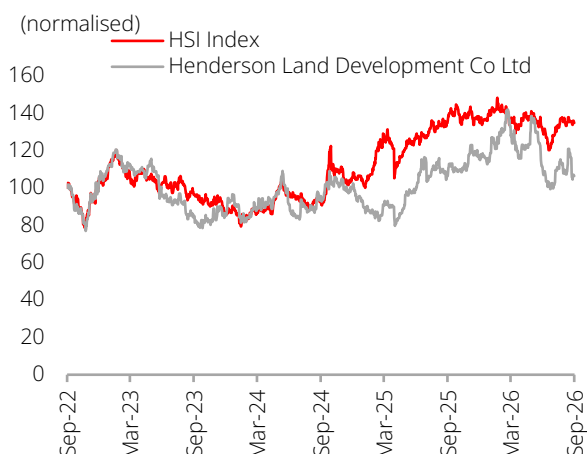
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Key Financial Data

Bloomberg Ticker	12 HK
Sector	Real Estate Management & Development
Share Price (HKD)	28.18
DBS Rating	BUY
12-mth Target Price (HKD)	34.96
Market Cap (USDbn)	16.40
Volume (mn shares)	3.17
Free float (%)	na
Dividend yield (%)	4.74
Net Debt/Equity (%)	na
Fwd. P/E (x)	16.47
P/Book (x)	0.40
ROE (%)	1.88

Closing Price as of 20 Aug 2026
Source: Twelve Data, DBS, Visible Alpha

Indexed Share price vs Composite Index Performance



Source: S&P

Financial Summary (HKDmn)

FY Dec	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
Sales	27,570	25,256	25,741	29,244	25,710
% y/y	7.9	(8.4)	1.9	13.6	(12.1)
Gross Profit	7,620	10,063	6,813	8,231	8,317
% y/y	(1.3)	32.1	(32.3)	20.8	1.0
EBITDA	6,791	8,933	6,044	7,500	7,800
% y/y	(11.7)	31.5	(32.3)	24.1	4.0
Net Profit (Loss)	9,706	9,774	6,063	8,037	7,699
% y/y	0.8	0.7	(38.0)	32.6	(4.2)
FCF	15,154	16,415	12,918	21,292	15,742
% y/y	14.7	8.3	(21.3)	64.8	(26.1)
CAPEX	(3,999)	(2,478)	(3,622)	(2,800)	(2,500)
% y/y	45.9	(38.0)	46.2	(22.7)	(10.7)
EBITDA Margin (%)	24.6	35.4	23.5	25.6	30.3
Net Margin (%)	35.2	38.7	23.6	27.5	29.9
ROA (%)	1.8	1.8	1.1	1.5	1.4
ROE (%)	3.0	3.0	1.9	2.5	2.4
Tax Rate (%)	6.8	10.7	4.1	9.4	9.8

Source: DBS

Valuation Metrics

FY Dec	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
PE (x)	14.1	14.0	22.5	17.0	17.7
P/B (x)	0.4	0.4	0.4	0.4	0.4
Dividend Yield (%)	6.4	6.4	4.5	4.5	4.5
EV/EBITDA (x)	32.8	24.4	34.8	27.8	26.7
FCF Yield (%)	6.8	7.5	6.1	10.2	7.6
Net DPS (HKD)	1.8	1.8	1.3	1.3	1.3
BV Per Share (HKD)	67.5	66.5	66.6	67.0	67.9

Source: DBS

Credit & Cashflow Metrics

FY Dec	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
Debt / Equity (x)	0.3	0.2	0.2	0.2	0.2
Net Debt / Equity (x)	0.2	0.2	0.2	0.2	0.1
Debt / Assets (x)	0.2	0.2	0.1	0.1	0.1

Source: DBS

Target Price & Ratings History



S.No.	Date	Closing Price	Target Price	Rating
1	16-Mar-26	HKD30.90	HKD36.85	BUY
2	24-Mar-26	HKD30.02	HKD35.84	BUY
3	21-Aug-26	HKD28.18	HKD34.96	BUY

Note: Share price and Target price are adjusted for corporate actions

Source: DBS

Analysts: Jeff YAU
Percy LEUNG

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BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

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*Share price appreciation + dividends

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