Corporate Update

Genting Plantations Berhad

(2445 | KLK MK) Main | Plantation

Maintain **BUY**

Unchanged Target Price **RM5.81**

3QFY25 Results Review: Earnings Momentum Preserved

Maintain BUY. We maintain our **BUY** call with an unchanged TP of **RM5.81**, based on FY26F EPS of 38.7 sen and a PER of 15x, in line with its 2-year historical average. The group's operating outlook remains solid, anchored by its low cost of production (<RM2,400/Mt in FY25F-26F), supported by a healthy age profile and incremental mature area contributions from Indonesia, alongside stable OER of 21.6-21.8%.

Historically, upstream operations have contributed 85-90% of profit, and with CPO prices likely to stay firm, margins are expected to hold at 12-13% over the next two years. Movements in CPO prices should present tactical trading opportunities for the stock.

Within expectations. After adjusting for EIs, GENP's core PATAMI stood at RM97.4m (-9.5%yoy), bringing 9MFY25 earnings to RM263.6m (+8.2%yoy). The results were within the expectations, accounting for approximately 75.1% of our forecast and 78.0% of consensus full-year estimates.

Upstream & Downstream. Earnings remained mixed across divisions. Upstream profit improved to RM122.0m (+5.0%yoy), while downstream operations reported a marginal loss of RM0.9m. Upstream margins expanded to 25.2% (+5.0ppts), supported by higher average CPO prices realised during the quarter. Meanwhile, downstream losses narrowed, largely driven by stronger sales volumes, although contribution remained uneven.

Group blended cost of production for 3QFY25 was RM2,590/Mt (vs RM2,415/Mt in 3Q24). For the year-to-date basis, blended CPO cost was RM2,550/Mt, down from RM2,710/Mt in 2024.

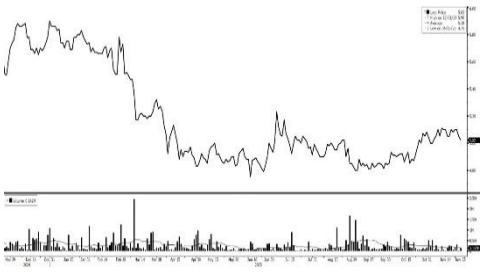
Operational performance. Prolonged rainfall in several Malaysian and Indonesian estates had reduced production, particularly in 1Q and continuing into October. Full-year 2025 FFB production is expected to decline by 2-3%; group production growth of about 5% anticipated for 2026, mainly driven by Indonesian operations.

Average selling price on the other hand, were flat at RM3,779/Mt (3Q24; RM3,725/Mt) and RM3,294/Mt respectively, for CPO and PK.

Earnings. Maintained at this juncture.

RETURN STATISTICS	
Price @ 26 Nov 2025 (RM)	5.05
Expected share price return (%)	+14.95
Expected dividend yield (%)	+4.16
Expected total return (%)	+19.11

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	1.0	0.5
3months	3.5	-0.1
12 months	-6.6	-7.7

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	2,884.8	2,922.7	2,989.2
Operating Profit	583.9	609.0	545.4
PBT	509.6	548.4	484.7
PATAMI	351.0	347.3	334.5
EPS (sen)	39.1	38.7	37.3
DPS (sen)	25.0	21.0	20.0
Dividend Yield (%)	5.0%	4.2%	4.0%

KEY STATISTICS

FBM KLCI	1,624.50
Issue shares (m)	895.63
Estimated free float (%)	39.18
Market Capitalisation (RM'm)	4,530.85
52-wk price range	RM4.75 – RM5.78
3-mth average daily volume (m)	0.27
3-mth average daily value (RM'm)	1.34
Top Shareholders (%)	
Genting Berhad	54.44
EPF	13.86
KWAP	7.70

Genting Plantations: 3QFY25 Results Summary

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	3Q24	2Q25	3Q25	QoQ (%)	YoY (%)	9M24	9M25	YoY (%)
Revenue	718.5	767.0	847.0	10.4	17.9	2,081.5	2,333.4	12.1
Operating profit	153.9	308.2	144.5	-53.1	-6.1	357.9	566.7	58.4
Finance Cost	-35.2	-34.3	-28.3	NM	NM	-87.6	-95.3	NM
PBT	127.5	278.3	124.1	-55.4	-2.6	298.7	492.6	64.9
Tax Expense	-36.0	-85.5	-34.7	NM	NM	-89.2	-147.3	NM
PATAMI	83.1	192.6	86.5	-55.1	4.2	211.0	340.3	61.3
Core PATAMI	107.6	33.8	97.4	>100	-9.5	243.5	263.6	8.2
Core EPS (sen)	9.3	21.5	9.6	-55.1	4.2	27.1	29.4	8.2
Growth & Margin (%)				+/- ppts				+/- ppts
OP margin (%)	21.4	40.2	17.1	-23.1	-4.4	17.2	24.3	7.1
PBT margin (%)	17.7	36.3	14.7	-21.6	-3.1	14.4	21.1	6.8
Core PATAMI margin (%)	15.0	4.4	11.5	7.1	-3.5	11.7	11.3	-0.4
Effective tax rate (%)	28.2	30.7	28.0	-2.7	-0.2	29.9	29.9	0.0

Source: Company, MBSBR

Genting Plantations: Segmental Breakdown & Operational Stats.

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	3Q24	2Q25	3Q25	QoQ (%)	YoY (%)	9M24	9M25	YoY (%)
Revenue (RM'm):								
Plantation	445.2	449.2	484.0	7.7	8.7	1,240.8	1,358.8	9.5
Downstream	239.8	226.4	273.8	20.9	14.2	88.9	205.3	>100
Property	32.2	90.7	85.9	-5.4	>100	3.4	4.5	29.9
Agtech	1.3	0.6	3.2	>100	>100	748.4	764.8	2.2
Recurring Operating Profit								
Plantation	116.1	289.1	122.0	-57.8	5.0	28.5	21.1	-25.8
Downstream	0.5	-10.1	-0.9	NM	NM	-6.3	-7.8	NM
Property	17.9	26.2	22.2	-15.3	24.1	0.4	0.6	50.4
Agtech	-3.5	-5.2	-2.2	NM	NM	34.4	28.3	-17.7
Operating Margin (%)								
Plantation	26.1	64.3	25.2	-0.6	-0.9	2.3	1.6	-0.3
Downstream	0.2	-4.5	-0.3	-0.9	-0.6	-7.1	-3.8	-0.5
Property	55.4	28.9	25.8	-0.1	-29.6	10.7	12.3	0.2
Agtech	-272.9	-839.6	-68.1	-0.9	204.8	4.6	3.7	-0.2
Operational Stats.								
FFB production ('000 mt)	543	499	523	4.8	-3.7	1,484.0	1,457.0	-1.8
Avg CPO Price Realised (RM/Mt)	3,725	3,802	3,779	-0.6	1.4	3,722.0	3,899.0	4.8
Avg PK Price Realised (RM/Mt)	2,590	3,404	3,294	-3.2	27.2	2,307.0	3,336.0	44.6

Source: Company, MBSBR

FINANCIAL SUMMARY

Income Statement (RM'm)	2023A	2024A	2025E	2026F	2027F	Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	2,966.5	2,937.9	2,884.8	2,922.7	2,989.2	PBT	384.1	480.7	509.6	504.0	484.7
Operating Profit	448.2	560.8	583.9	564.6	545.4	Operating cash flow	656.1	494.1	855.0	642.4	632.8
PBT	384.1	480.7	509.6	504.0	484.7	Investing cash flow	-408.6	-376.2	-410.0	-410.0	-410.0
PATAMI	253.5	323.1	351.0	347.3	334.5	Financing cash flow	-776.3	714.8	-179.4	-179.4	-161.5
Core PATAMI	258.3	342.7	351.0	347.3	334.5	Net cash flow	-528.8	832.7	265.6	52.9	61.3
EPS (sen)	28.3	36.0	39.1	38.7	37.3	Beginning cash flow	1,575.8	1,048.6	1,880.4	2,146.0	2,271.2
PER (x)	17.9x	14.0x	12.9x	13.0x	13.5x	Ending cash flow	1,048.6	1,880.4	2,146.0	2,198.9	2,332.5
DPS (sen)	21.0	25.0	25.0	21.0	20.0						
Dividend yield (%)	4.2%	5.0%	5.0%	4.2%	4.0%						

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F	Margins	2023A	2024A	2025E	2026F	2027F
PPE	4,628.7	4,472.8	4,865.9	4,973.9	5,075.5	OP margin	15.1%	19.1%	20.2%	19.3%	18.2%
ROU assets	986.6	969.9	982.8	980.7	978.5	PBT margin	12.9%	16.4%	17.7%	17.2%	16.2%
Non-current assets	6,680.1	6,585.8	6,991.7	7,097.6	7,197.0	PATAMI margin	8.5%	11.0%	12.2%	11.9%	11.2%
Inventories	193.0	277.4	187.7	190.2	194.5	Core PATAMI margin	8.7%	11.7%	12.2%	11.9%	11.2%
Receivables	519.6	716.3	505.3	512.0	523.6						
Current assets	1,887.0	3,038.5	2,999.4	3,133.8	3,211.1						
Total Assets	8,567.1	9,624.3	9,991.2	10,231.4	10,408.1						
Long-term debt	1,554.3	1,466.3	1,466.3	1,466.3	1,466.3						
Non-current liabilities	2,127.6	2,055.6	2,055.6	2,055.6	2,055.6						
Payables	465.3	540.7	452.5	458.4	468.9						
Current liabilities	1,004.6	2,236.7	2,148.5	2,154.5	2,164.9						
Share capital	1,724.0	1,724.0	1,724.0	1,724.0	1,724.0						
Reserves	3,611.9	3,552.5	4,827.9	5,405.0	5,276.8						
Equity	5,434.9	5,332.0	5,787.0	6,021.4	6,187.6						

Source: Bloomberg, MBSBR

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STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology