SD Guthrie Berhad

(5285 | SDG MK) Main | Plantation

Maintain **BUY**

Unchanged Target Price **RM6.15**

Corporate Update

Land Monetisation Continues

Maintain BUY. We remain positive on SDG latest agreement with Sime Darby Property (SDPR) to jointly develop a 1,000-acre industrial park in Selangor. The partnership is mutually beneficial and strategically positioned to strengthen SDG's property segment, with the project expected to contribute a one-off profit of about RM500m, which management will consider recurring financial year's exercise. The collaboration leverages SDG's extensive landbank while drawing on SDPR's strong development track record and established brand presence. We maintain our earnings forecasts and **RM6.15 TP**, pending further details. Reiterate **BUY**.

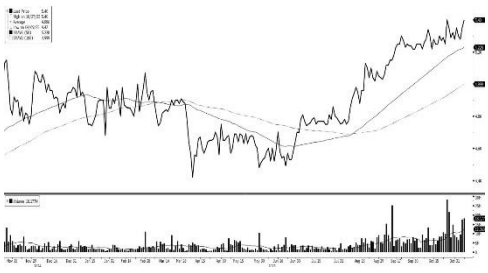
Land monetization continues. We expect a similar land monetisation approach to be adopted, mirroring the structure of the EcoWorld-NS Corp alliance, with the sale and purchase agreement (SPA) likely to be finalised in 2HFY26. After the SPA exercise, SDG is expected to hold a 50% equity stake in the JV company as announced. From a valuation standpoint, based on a back-of-envelope estimate, using a land price assumption of RM16psf (about 46% higher than the EcoWorld–NS Corp transaction, reflecting the site's premium growth location), and after accounting for roughly 10% disposal-related expenses and 24% gain tax, we estimate that SDG could recognise at least RM463m in profit from the land sale to the newly JV company. This is equivalent to net gain of 6.5sen per SDG share.

Leaner balance sheets ahead. Based on the recent results briefing, SDG indicate to utilise the proceeds from most of disposal for working capital and capex to support its replanting programme. The disposal is also expected to further strengthen balance sheet of SDG. As of 9M25, SDG's net gearing remained low circa 0.19x vs 0.24x in 9MFY24. Assuming 10% gains to pay its loans c. RM4.7b, net gearing expected to decrease to 0.18x, a -1% decrease which we believe to be the lowest since its listing.

Developing 3,000 acres land in Kuala Selangor area. As per media released, the initial phase of development over 3,000 acres land in Kuala Selangor, will start with development of 1,000-acre within Guthrie's Jalan Acob, Bukit Kerayong and Bukit Cherakah estates. The development is in a prime growth area, strategically positioned 40 minutes from Port Klang, and within close proximity to Bandar Bukit Raja (BBR), an award-winning township by Sime Darby Property, with direct access to major transport links including the West Coast Expressway (WCE) and the future East Coast Rail Link (ECRL).

RETURN STATISTICS	
Price @ 07 Nov 2025 (RM)	5.40
Expected share price return (%)	+14.0
Expected dividend yield (%)	+3.3
Expected total return (%)	+17.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	1.1	1.3
3months	3.4	7.1
12 months	8.2	8.4

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	18,957.6	18,637.1	17,979.3
Operating Profit	2,846.3	3,311.6	3,034.5
PBT	2,773.3	3,238.5	2,961.5
Core PATAMI	2,273.2	2,591.5	2,402.0
EPS (sen)	32.9	37.5	34.7
DPS (sen)	18.8	18.0	18.0
Dividend Yield (%)	3.5%	3.3%	3.3%

KEY STATISTICS	
FBM KLCI	1,619.13
Issue shares (m)	6,915.71
Estimated free float (%)	46.38
Market Capitalisation (RM'm)	37,344.86
52-wk price range	RM4.42 - RM5.44
3-mth average daily volume (m)	7.75
3-mth average daily value (RM'm)	40.38
Top Shareholders (%)	
ASNB	50.62
EPF	15.69
KWAP	7.50

Table 1: FINANCIAL SUMMARY

Income Statement (RM'm)	2023A	2024A	2025E	2026F	2027F	Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	18,427.9	19,831.0	18,957.6	18,637.1	17,979.3	PAT	2,033.4	2,343.5	1,998.2	2,333.2	2,133.7
Operating Profit	2,887.4	3,286.3	2,846.3	3,311.6	3,034.5	Operating cash flow	3,075.0	2,758.6	3,548.1	3,811.3	3,668.4
PBT	2,752.5	3,139.3	2,773.3	3,238.5	2,961.5	Investing cash flow	-629.8	-1,280.0	-1,500.0	-1,500.0	-1,500.0
PATAMI	1,869.7	2,164.4	1,773.2	2,091.5	1,902.0	Financing cash flow	(2,244.1)	(1,684.3)	(1,421.7)	(1,369.8)	(1,369.8)
Core PATAMI	907.7	1,522.4	2,273.2	2,591.5	2,402.0	Net cash flow	201.1	(207.9)	626.4	941.5	798.6
EPS (sen)	13.1	22.0	32.9	37.5	34.7	Beginning cash flow	635.0	830.4	625.4	1,251.8	2,193.3
PER (x)	41.1	24.5	16.4	14.4	15.5	Ending cash flow	830.4	625.4	1,251.8	2,193.3	2,991.9
DPS (sen)	15.0	16.4	18.8	18.0	18.0						
Dividend yield (%)	2.8	3.0	3.5	3.3	3.3						

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F	Margins	2023A	2024A	2025E	2026F	2027F
PPE	19,145.3	19,364.7	19,567.2	19,756.2	19,932.6	OP margin	15.7%	16.6%	15.0%	17.8%	16.9%
Right-of-use Assets	2,060.5	1,959.3	1,861.4	1,768.3	1,679.9	PBT margin	14.9%	15.8%	14.6%	17.4%	16.5%
Deferred tax assets	442.9	450.5	450.5	450.5	450.5	PATAMI margin	10.1%	10.9%	9.4%	11.2%	10.6%
Non-current assets	25,511.7	25,500.0	25,573.9	25,641.2	25,699.8	Core PATAMI margin	4.9%	7.7%	12.0%	13.9%	13.4%
Inventories	2,663.9	2,841.7	2,716.6	2,670.6	2,576.4						
Trade receivables	2,207.5	2,407.8	2,301.8	2,262.9	2,183.0						
Derivative assets	33.6	29.9	29.9	29.9	29.9						
Current assets	6,208.9	6,395.2	6,790.5	7,647.1	8,271.5						
Total Assets	31,886.5	32,047.0	32,516.1	33,440.1	34,123.1						
Loans & borrowings	1,700.6	1,741.9	1,741.9	1,741.9	1,741.9						
Trade & other payables	2,385.8	2,384.4	2,279.4	2,240.9	2,161.8						
Current liabilities	31,886.5	32,047.0	32,516.1	33,440.1	34,123.1						
Non-current liabilities	6,677.3	6,456.0	6,453.7	6,452.8	6,451.1						
Equity	20,406.4	21,160.6	21,737.1	22,700.4	23,464.3						
Liabilities & equity	31,886.5	32,047.0	32,516.1	33,440.1	34,123.1						

Source: Bloomberg, MBSBR

Table 2: SOP Valuation

	Basis	Valuation RMm
Plantation	At 19x projected FY26 core net profit	39,738.4
Property development	20% Discount to RNAV	2,822.7
Total		**42,561.1**
Issued shares (m)		6,915.7
Sum-of-parts TP (RM/share)		**6.15**

Source: 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