Corporate Update

Genting Plantations Berhad

(2445 | KLK MK) Main | Plantation

4 Stars | FTSE4Good | SHARIAH Compliant

4QFY25 Results Review: Within Estimates

Downgrade to Neutral. We downgrade our BUY call to **NEUTRAL** with a revised TP of **RM5.14** (previously RM5.81), after trimming our target PER to 14x (from 15x), closer to -0.5SD of its 5-year forward average mean.

While operational fundamentals remain intact, current valuations appear to have priced in much of the near-term upside. We see potential downside risks to earnings growth stemming from Indonesia's land-related enforcement measures, which could moderate production expansion. Operationally, the group remains resilient, underpinned by a competitive cost structure (<RM2,400/MT in FY25F–FY26F), a balanced estate age profile, incremental mature hectarage contributions from Indonesia, and stable OER of 21.6–21.8%.

At 14x FY26F PER, the stock is trading broadly in line with its mid-cycle valuation band – range bound of between 13-15x, offering limited re-rating catalysts in the absence of stronger production growth or a sustained uplift in CPO prices. We believe the current multiple adequately reflects its steady operational delivery, but risk-reward has turned more balanced following the recent share price performance.

Within expectations. After adjusting for Eis, GENP's core PATAMI came in RM118.2m (+11.2%yoy), bringing FY25 earnings to RM381.8m (+11.4%yoy). The results came within ours but above consensus, accounting for 105%/111% of full-year estimates respectively. Notably, there was a fine amounting to IDR396b (equivalent to approximately RM97.1m), payable by the Company's 95% indirect subsidiary, PT Susantri Permai (PT SP) to Satuan Tugas Penertiban Kawasan Hutan (known as Forest Area Enforcement Task Force of Indonesia). However, the management reiterate this was one-off, hence we have excluded the fine.

Upstream & Downstream. Earnings remained mixed across divisions. Upstream profit were down to RM64.2m (-66.9%yoy), while downstream operations reported an insignificant profit of RM2.0m. Upstream margins narrowed to 12.1% (+22.7ppts), dragged by lower FFB output and significantly lower average CPO prices realised during the quarter. Meanwhile, downstream returned to black, largely supported by improved margins.

Group blended cost of production for 4QFY25 eased to RM2,090/tonne, while for the FY25, it fell by -7.0%yoy to RM2,420/tonne.

Operational performance. Prolonged rainfall in several Indonesia and Sabah estates have reduced overall production, particularly in the month of December 2026. This resulted in FFB output slipping to 2.0m tonne (-2.6%yoy). Meanwhile, average selling price, were flat at RM3,853/tonne, for CPO.

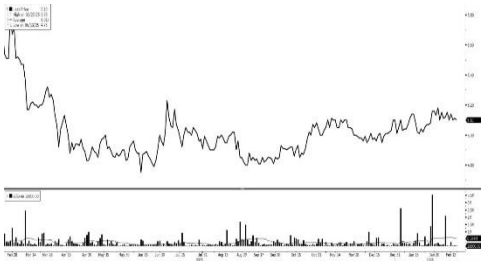
Earnings. Maintained at this juncture.

Downgrade to NEUTRAL (from BUY)

Revised Target Price **RM5.14** (from RM5.81)

RETURN STATISTICS	
Price @ 25 Feb 2026 (RM)	5.14
Expected share price return (%)	+5.41
Expected dividend yield (%)	+4.09
Expected total return (%)	+9.40

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	1.0	-1.0
3 months	0.0	-7.8
12 months	-8.3	-16.8

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 (%)	4.9%	4.1%	3.9%

KEY STATISTICS

FBM KLCI	1,747.81
Issue shares (m)	895.63
Estimated free float (%)	39.18
Market Capitalisation (RM'm)	4,611.60
52-wk price range	RM4.75 – RM5.67
3-mth average daily volume (m)	0.32
3-mth average daily value (RM'm)	1.62
Top Shareholders (%)	
Genting Berhad	54.44
EPF	15.50
KWAP	7.57

Analyst
MBSB Research
research@mbsb.com

Genting Plantations: 4QFY25 Results Summary

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	4Q24	3Q25	4Q25	QoQ (%)	YoY (%)	FY24	FY25	YoY (%)
Revenue	856.3	847.0	1,034.2	22.1	20.8	2,937.9	3,367.6	14.6
Operating profit	202.9	144.5	91.2	-36.9	-55.0	560.8	657.9	17.3
Finance Cost	-36.1	-28.3	-26.6	NM	NM	-123.7	-121.9	NM
PBT	189.1	124.1	76.6	-38.3	-59.5	480.7	569.2	18.4
Tax Expense	-56.5	-34.7	-53.4	NM	NM	-145.7	-200.7	NM
PATAMI	119.2	86.5	14.1	-83.7	-88.1	323.1	354.5	9.7
Core PATAMI	106.3	97.4	20.6	-78.8	-80.6	342.7	284.2	-17.1
Core EPS (sen)	13.3	9.6	1.6	-83.7	-88.1	38.2	31.7	-17.1
Growth & Margin (%)				+/- ppts				+/- ppts
OP margin (%)	23.7	17.1	8.8	-8.2	-14.9	19.1	19.5	0.4
PBT margin (%)	22.1	14.7	7.4	-7.2	-14.7	16.4	16.9	0.5
Core PATAMI margin (%)	12.4	11.5	2.0	-9.5	-10.4	11.7	8.4	-3.2
Effective tax rate (%)	29.9	28.0	69.7	41.7	39.8	30.3	35.3	4.9

Source: Company, MBSBR

Genting Plantations: Segmental Breakdown & Operational Stats.

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	4Q24	3Q25	4Q25	QoQ (%)	YoY (%)	FY24	FY25	YoY (%)
Revenue (RM'm):								
Plantation	557.1	484.0	531.3	9.8	-4.6	1,797.9	1,890.1	5.1
Downstream	260.0	273.8	398.8	45.7	53.4	127.1	302.9	>100
Property	38.2	85.9	97.6	13.6	>100	4.4	11.0	>100
Agtech	1.0	3.2	6.5	>100	>100	1,008.5	1,163.7	15.4
Recurring Operating Profit								
Plantation	194.1	122.0	64.2	-47.3	-66.9	43.6	33.1	-24.0
Downstream	-2.0	-0.9	2.0	>100	>100	-7.6	-10.5	NM
Property	27.8	22.2	28.8	29.8	3.7	0.5	1.3	>100
Agtech	-4.6	-2.2	-0.5	NM	NM	50.7	42.1	-17.1
Operating Margin (%)								
Plantation	34.8	25.2	12.1	-0.5	-22.7	2.4	1.8	-0.3
Downstream	-0.8	-0.3	0.5	-2.5	1.3	-6.0	-3.5	-0.4
Property	72.6	25.8	29.5	0.1	-43.2	11.9	12.1	0.0
Agtech	-485.3	-68.1	-7.9	-0.9	477.3	5.0	3.6	-0.3
Operational Stats.								
FFB production ('000 mt)	584	523	557	6.5	-4.6	2,068.0	2,014.0	-2.6
Avg CPO Price Realised (RM/Mt)	4,232	3,779	3,746	-0.9	-11.5	3,866.0	3,853.0	-0.3
Avg PK Price Realised (RM/Mt)	3,111	3,294	3,255	-1.2	4.6	2,519.0	3,313.0	31.5

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)	18.2x	14.3x	13.1x	13.3x	13.8x	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 (%)	4.1%	4.9%	4.9%	4.1%	3.9%						

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

MBSB RESEARCH (formerly known as MIDF RESEARCH) is part of MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad)

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

MBSB INVESTMENT BANK (formerly known MIDF INVESTMENT BANK): GUIDE TO RECOMMENDATIONS

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