TSH Resources Berhad

(9059 | TSH MK) Main | Plantation

3 Stars

SHARIAH Compliant

Corporate Update

Maintain BUY

Revised Target Price **RM1.36**
(from RM1.48)

4QFY25 Results Review: Within Estimates

Maintain BUY with a revised TP of RM1.36. We maintain our **BUY** call with a revised TP of **RM1.36** (from RM1.48), following the revision of our target PER to 11x (from 12x), which is its 5-year forward average.

The adjustment reflects near-term downside risks to earnings growth, premised on softer CPO price assumptions in FY26. Nevertheless, at 9.9x FY26F PER, the stock is still trading below its historical average mean, suggesting valuations remain undemanding.

Momentum carries through. After adjusting EI's, 4QFY25 reported core PATAMI came in at RM29.3m (-53.3%yoy), bringing the full year profit to RM182.0m (+42.7%yoy). The results were within our and street estimates, accounting for 100% and 96% of full year estimates.

The decent results were driven by modest CPO sales volume (+2.2%yoy), aided by relatively high average CPO price and PK prices realised, circa RM3,829/Mt (+0.9%yoy) and PK of RM3,199/Mt (+33.5%yoy), respectively. Notably, FFB output stabilised at 790,225 tonnes, subsequently reducing operational costs. As a result, operating margin inched by +5.7pts to 27.7% for the full year.

Despite the improvement, yearly sales and profit was partially impacted by increased in Indonesia Export levy and duty cost circa RM177.3m, coupled with continuing operating losses for other segments.

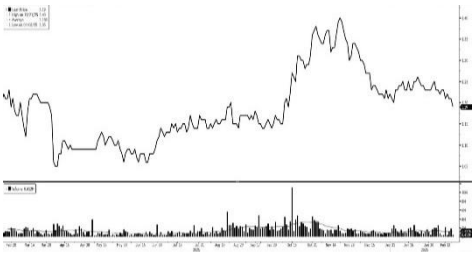
Additionally, the moderated performance posted in the last quarter were due to seasonal shift in peak production (towards mid-third quarter), coupled with the impact of localised inclement weather.

TSH/Wilmar. Earnings for the JV refinery returned to black, albeit smaller at RM0.7m compared to RM7.2m in prior year. We attribute the weaker results due high feedstock procurement cost given the high CPO prices traded in the 4QCY25.

Earnings. Maintained, as the results came in within expectations.

RETURN STATISTICS	
Price @ 25th Feb 2026 (RM)	1.22
Expected share price return (%)	+11.4
Expected dividend yield (%)	+2.1
Expected total return (%)	+13.5

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-4.0	-5.9
3 months	-1.6	-21.0
12 months	0.0	-9.3

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	1,048.5	1,027.9	996.8
Operating Profit	298.4	280.2	275.8
PBT	298.9	280.7	276.2
PATAMI	181.2	170.4	167.8
EPS (sen)	13.1	12.4	12.2
DPS (sen)	2.5	2.5	2.5
Dividend Yield (%)	2.0%	2.0%	2.0%

KEY STATISTICS

FBM KLCI	1,747.81
Issue shares (m)	1,367.01
Estimated free float (%)	24.09
Market Capitalisation (RM'm)	1,667.75
52-wk price range	RM1.00 – RM1.40
3-mth average daily volume (m)	1.21
3-mth average daily value (RM'm)	1.52
Top Shareholders (%)	
Tan Aik Pen	28.28
Central Depository Pte Ltd	19.25
Tan Aik Yong	5.70

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TSH Resources: 4QFY25 Results Summary

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	4Q24	3Q25	4Q25	QoQ (%)	YoY (%)	FY24	FY25	YoY (%)
Revenue	293.0	263.7	254.4	-3.5	-13.2	1,019.8	1,062.2	4.2
Operating profit	86.4	78.8	63.8	-19.1	-26.2	224.2	293.9	31.1
JVs	7.2	-1.3	0.7	>100	-90.6	8.5	1.3	-84.7
PBT	97.9	79.9	65.7	-17.8	-32.8	221.3	302.3	36.6
Tax Expense	-21.2	-22.0	-22.0	-0.3	3.6	-57.5	-79.9	39.0
PATAMI	66.7	49.8	29.1	-41.5	-56.3	140.5	182.9	30.2
Core PATAMI	62.8	42.9	29.3	-31.7	-53.3	127.6	182.0	42.7
Core EPS (sen)	4.5	3.1	2.1	-31.7	-53.3	9.2	13.2	42.7
Growth & Margin (%)				+/- ppts				+/- ppts
OP margin (%)	29.5	29.9	25.1	-4.8	-4.4	22.0	27.7	5.7
PBT margin (%)	33.4	30.3	25.8	-4.5	-7.6	21.7	28.5	6.8
Core PATAMI margin (%)	21.4	16.3	11.5	-4.8	-9.9	12.5	17.1	4.6

Source: Company, MBSBR

TSH Resources: Segmental Breakdown & Operational Stats.

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	4Q24	3Q25	4Q25	QoQ (%)	YoY (%)	FY24	FY25	YoY (%)
Revenue								
- Palm product	279.9	249.9	242.9	-2.8	-13.2	966.5	1,010.4	4.5
- Others	13.0	13.7	11.5	-16.0	-11.5	53.3	51.8	-2.9
Operating Profit								
- Palm product	93.4	92.9	70.6	-24.0	-24.4	254.6	325.3	27.8
- Others	-4.8	-3.2	-5.3	NM	NM	-12.2	-15.7	NM
Operating Profit Margins (%)								
- Palm product	33.4	37.2	29.1	-8.1	-4.3	26.3	32.2	5.9
- Others	-37.0	-23.1	-45.5	-22.5	-8.6	-22.8	-30.3	-7.5
Operational Stats.								
FFB Production	208,392	202,510	184,554	-8.9	-11.4	795,002	790,225	-0.6
Avg CPO Price Realised (RM/Mt)	4,195	3,765	3,686	-2.1	-12.1	3,793	3,829	0.9
Avg PK Price Realised (RM/Mt)	2,195	3,138	3,137	0.0	42.9	2,396	3,199	33.5

Source: Company, MBSBR

FINANCIAL SUMMARY

Income Statement (RM'm)	2023A	2024A	2025E	2026F	2027F	Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	1,066.5	1,019.8	1,048.5	1,027.9	996.8	PBT	197.8	219.9	298.9	280.7	276.2
Operating Profit	209.8	208.0	298.4	280.2	275.8	Operating cash flow	246.4	249.0	315.6	301.8	295.3
PBT	197.8	219.9	298.9	280.7	276.2	Investing cash flow	-8.7	-24.1	-55.0	-55.0	-55.0
PATAMI	95.1	135.7	181.2	170.4	167.8	Financing cash flow	-331.1	-148.7	-34.5	-34.5	-34.5
Core PATAMI	80.5	122.7	181.2	170.4	167.8	Net cash flow	-93.5	76.2	226.1	212.3	205.8
EPS (sen)	5.8	8.9	13.1	12.4	12.2	Beginning cash flow	376.2	251.0	261.9	488.0	700.3
PER (x)	20.9	13.7	9.3	9.9	10.0	Ending cash flow	251.0	261.9	488.0	700.3	906.2
DPS (sen)	5.0	2.5	2.5	2.5	2.5						
Dividend yield (%)	4.1%	2.0%	2.0%	2.0%	2.0%						

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F	Margins	2023A	2024A	2025E	2026F	2027F
PPE	1,277.8	1,338.0	1,287.3	1,240.4	1,197.1	EBITDA margin	29.0%	32.8%	39.5%	38.1%	38.5%
Right-of-use Assets	253.4	248.5	238.2	228.3	218.8	EBIT margin	19.7%	20.4%	28.5%	27.3%	27.7%
Biological assets	366.0	366.4	365.2	364.0	362.8	PBT margin	18.5%	21.6%	28.5%	27.3%	27.7%
Non-current assets	2,200.4	2,290.2	2,249.4	2,210.2	2,175.7	Core PATAMI margin	7.5%	12.0%	17.3%	16.6%	16.8%
Inventories	93.7	102.7	105.6	100.3	97.4						
Trade receivables	36.2	44.1	45.4	43.1	41.9						
Derivative assets	0.295	0.298	0.298	0.298	0.298						
Current assets	644.6	457.6	617.6	752.2	872.2						
Total Assets	**2,845.0**	**2,747.8**	**2,867.0**	**2,962.4**	**3,047.9**						
Loans & borrowings	191.2	201.1	201.1	201.1	201.1						
Trade & other payables	123.5	108.4	111.4	105.9	102.8						
Current liabilities	317.9	317.2	320.3	314.8	311.6						
Loans & borrowings	111.0	58.6	58.6	58.6	58.6						
Non - Current liabilities	221.9	169.6	169.6	169.6	169.6						
Liabilities & equity	**2,845.0**	**2,747.8**	**2,867.0**	**2,962.4**	**3,047.9**						

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