Corporate Update

Genting Plantations Berhad

(2291 | GENP MK) Main | Plantation

4 Stars | FTSE4Good | SHARIAH Compliant

Maintain BUY

Unchanged Target Price **RM5.80**

1QFY26 Results Review: Within Estimates

Maintain BUY. We maintain our BUY call with an unchanged TP of RM5.80, based on FY26F EPS of 37.9sen pegged to a PER of 15.3x, nearly 5year average historical mean. Note that upstream operating profit accounts for 85-90% of the total group profit in FY26-27. With CPO price expected to hinge on the high side, this will likely support a stable profit margin c. 10-11% over the next 2 years. Therefore, any movement in CPO prices due higher B20/B50 blending rate in Malaysia and Indonesia would provide trading opportunity in the stock.

Within expectations. After adjusting EI's of RM7.0m, 1Q26 Core PATAMI stood at RM75.7m, broadly within expectations, accounting for 22.3% and 24.0% of our and consensus full-year estimates, respectively. The improved performance was mainly supported by stronger upstream earnings (+14.6%yoy), underpinned by higher FFB output (+5.1%yoy) alongside lower cost of production. Meanwhile, downstream operating profit softened by -16.9%yoy, weighed by narrower refining margins as elevated feedstock costs continued to pressure the refining segment.

Upstream & Downstream. Upstream profit strengthened to RM108.6m, while downstream earnings narrowed to RM2.9m, respectively. Upstream margin expanded to 27.7% (+5.5ppts), supported by delayed manuring activities alongside improved FFB output during the quarter, which in turn reduced cost of production towards RM2,350–2,400/Mt.

Meanwhile, downstream earnings remained compressed, weighed by lower utilisation rates across both the refinery and biodiesel plants amid intense competition from rival edible oils and weaker demand visibility.

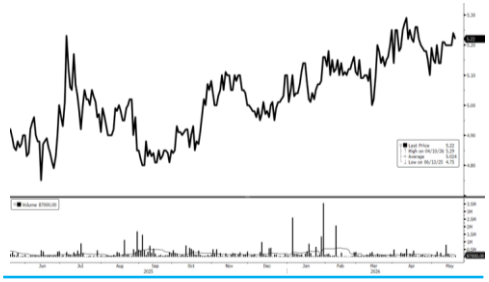
Operational performance. FFB production expanded to 457,000 Mt (+5.1%yoy), underpinned by higher Malaysia output thanks to the favourable weather in Sabah and improved yields across palm age categories. Meanwhile, Indonesia production slowed due to a higher base in 1Q25, as some estates continued peak cropping then.

Management does not expect the earlier dry spell to materially affect 2H production, as weather conditions have gradually normalised since April and the dryness period was relatively short-lived. The Group continues to guide for production to peak towards late 3Q into 4Q26, particularly around September-October, albeit still subject to weather conditions. Meanwhile, average realised CPO and PK prices softened to RM3,617/Mt (-13.1%yoy) and RM3,158/Mt (-13.1%yoy), respectively, in tandem with weaker spot palm product prices traded during the quarter.

Earnings. Maintained at this juncture, fundamental remains supported by a steady estate age profile, expansion in mature harvestable areas in Indonesia, alongside resilient OER performance hovering around 19-21%.

RETURN STATISTICS	
Price @ 20 May 2026 (RM)	5.22
Expected share price return (%)	+11.11
Expected dividend yield (%)	+4.79
Expected total return (%)	+15.9

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-0.8	-0.9
3 months	-0.6	7.4
12 months	+9.1	-1.9

INVESTMENT STATISTICS			
FYE Dec	2026E	2027F	2028F
Revenue	3,084.0	3,079.0	3,062.9
Operating Profit	569.5	556.8	558.9
PBT	569.5	556.8	558.9
PATAMI	339.7	332.1	333.4
EPS (sen)	37.9	37.0	37.1
DPS (sen)	25.0	25.0	25.0
Dividend Yield (%)	4.8%	4.8%	4.8%

KEY STATISTICS	
FBM KLCI	1,717.69
Issue shares (m)	895.44
Estimated free float (%)	39.18
Market Capitalisation (RM'm)	4,683.18
52-wk price range	RM4.61 – RM5.33
3-mth average daily volume (m)	0.14
3-mth average daily value (RM'm)	0.73
Top Shareholders (%)	
Genting Berhad	54.44
EPF	15.45
KWAP	7.57

Genting Plantations: 1QFY26 Results Summary

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	1Q25	4Q25	1Q26	QoQ (%)	YoY (%)	3M25	3M26	YoY (%)
Revenue	719.5	1,034.2	720.2	-30.4	0.1	719.5	720.2	0.1
Operating profit	114.0	91.2	125.9	38.0	10.5	114.0	125.9	10.5
Finance Cost	-32.7	-26.6	-25.9	NM	NM	-32.7	-25.9	NM
PBT	90.1	76.6	108.5	41.6	20.4	90.1	108.5	20.4
Tax Expense	-27.1	-53.4	-34.5	NM	NM	-27.1	-34.5	NM
PATAMI	61.3	14.1	68.1	>100	11.1	61.3	68.1	11.1
Core PATAMI	132.4	117.7	75.7	-35.7	-42.8	132.4	75.7	-42.8
Core EPS (sen)	6.8	1.6	7.6	>100	11.1	14.8	8.4	-42.8
Growth & Margin (%)				+/- ppts				+/- ppts
OP margin (%)	15.8	8.8	17.5	8.7	1.6	15.8	17.5	1.6
PBT margin (%)	12.5	7.4	15.1	7.7	2.5	12.5	15.1	2.5
Core PATAMI margin (%)	18.4	11.4	10.5	-0.9	-7.9	18.4	10.5	-7.9
Effective tax rate (%)	30.1	69.7	31.8	-37.9	1.8	30.1	31.8	1.8

Source: Company, MBSBR

Genting Plantations: Segmental Breakdown & Operational Stats.

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	1Q25	4Q25	1Q26	QoQ (%)	YoY (%)	3M25	3M26	YoY (%)
Revenue (RM'm):								
Plantation	425.5	531.3	391.6	-26.3	-8.0	425.5	391.6	-8.0
Downstream	264.6	398.8	269.4	-32.5	1.8	28.7	55.7	94.3
Property	28.7	97.6	55.7	-43.0	94.3	0.6	3.5	>100
Agtech	0.6	6.5	3.5	-45.3	>100	264.6	269.4	1.8
Recurring Operating Profit								
Plantation	94.8	64.2	108.6	69.2	14.6	8.8	8.5	-3.0
Downstream	3.5	2.0	2.9	45.2	-16.9	-2.0	-3.4	NM
Property	16.1	28.8	18.0	-37.4	12.3	0.2	1.3	>100
Agtech	-5.0	-0.5	-4.5	NM	NM	10.6	10.6	0.0
Operating Margin (%)								
Plantation	22.3	12.1	27.7	1.3	5.5	2.1	2.2	0.1
Downstream	1.3	0.5	1.1	1.1	-0.2	-7.1	-6.1	-0.1
Property	56.0	29.5	32.4	0.1	-23.6	31.7	36.9	0.2
Agtech	-792.0	-7.9	-127.0	15.0	665.0	4.0	3.9	0.0
Operational Stats.								
FFB production ('000 mt)	435	557	457	-18.0	5.1	435.0	457.0	5.1
Avg CPO Price Realised (RM/Mt)	4,162	3,746	3,617	-3.4	-13.1	4,162.0	3,617.0	-13.1
Avg PK Price Realised (RM/Mt)	3,311	3,255	3,158	-3.0	-4.6	3,311.0	3,158.0	-4.6

Source: Company, MBSBR

FINANCIAL SUMMARY

Income Statement (RM'm)	2024A	2025A	2026E	2027F	2028F	Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	2,937.9	3,367.6	3,084.0	3,079.0	3,062.9	PBT	480.7	569.2	569.5	556.8	558.9
Operating Profit	560.8	657.9	569.5	556.8	558.9	Operating cash flow	494.1	517.0	662.3	631.0	637.1
PBT	480.7	569.2	569.5	556.8	558.9	Investing cash flow	-376.2	-406.8	-350.0	-350.0	-350.0
PATAMI	323.1	354.5	339.7	332.1	333.4	Financing cash flow	714.8	-822.0	-251.2	-251.2	-251.2
Core PATAMI	342.7	381.3	339.7	332.1	333.4	Net cash flow	832.7	-711.8	61.1	29.8	35.9
EPS (sen)	36.0	39.5	37.9	37.0	37.1	Beginning cash flow	1,048.6	1,880.4	1,164.4	1,161.4	1,191.2
PER (x)	14.5x	13.2x	13.8x	14.1x	14.1x	Ending cash flow	1,880.4	1,164.4	1,225.5	1,191.2	1,227.2
DPS (sen)	25.0	28.0	25.0	25.0	25.0						
Dividend yield (%)	4.8%	5.4%	4.8%	4.8%	4.8%						

Balance Sheet (RM'm)	2024A	2025A	2026E	2027F	2028F	Margins	2024A	2025A	2026E	2027F	2028F
PPE	4,472.8	4,215.0	4,271.3	4,323.7	4,372.4	OP margin	19.1%	19.5%	18.5%	18.1%	18.2%
ROU assets	969.9	886.5	874.2	861.9	849.6	PBT margin	16.4%	16.9%	18.5%	18.1%	18.2%
Non-current assets	6,585.8	6,623.6	6,667.6	6,707.7	6,744.1	PATAMI margin	11.0%	10.5%	11.0%	10.8%	10.9%
Inventories	277.4	305.7	279.9	279.5	278.0	Core PATAMI margin	11.7%	11.3%	11.0%	10.8%	10.9%
Receivables	716.3	646.7	592.3	591.3	588.2						
Current assets	3,038.5	2,392.7	2,287.7	2,316.1	2,283.3						
Total Assets	9,624.3	9,016.3	8,955.3	9,023.8	9,027.5						
Long-term debt	1,466.3	2,135.2	2,135.2	2,135.2	2,135.2						
Non-current liabilities	2,055.6	2,768.6	2,768.6	2,768.6	2,768.6						
Payables	540.7	622.3	569.9	569.0	566.0						
Current liabilities	2,236.7	1,219.5	1,167.1	1,166.1	1,163.1						
Share capital	1,724.0	1,724.0	1,724.0	1,724.0	1,724.0						
Reserves	3,552.5	3,270.2	3,297.1	3,378.0	3,398.5						
Equity	5,332.0	5,028.2	5,019.6	5,089.0	5,095.7						

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