Corporate Update

Genting Plantations Berhad

(2291 | GENP MK) Main | Plantation

4 Stars | FTSE4Good | SHARIAH Compliant

2QFY26 Results Review: Above Estimates

Maintain BUY. Following our EPS revision on higher ASP assumptions, we raise our TP to **RM6.94** (previously RM5.80), based on rolled-over FY27F EPS of 46.6 Sen, pegged to 14.9x PER - its 5-year historical mean. We expect GENP to sustain decent earnings growth, riding on elevated CPO prices, robust OER and low cost of production, keeping net margins steady at c.12-13% over FY26E-28F. Any CPO price upside from Super El-Nino or higher B20/B50 blending in Malaysia and Indonesia should provide further trading opportunities.

Above expectations. GENP's 2Q26 Core PATAMI more than doubled to RM148.7m (>100%yoy), bringing 1H26 earnings to >60% of our and consensus full-year estimates. The sharp rebound mainly reflected the absence of RM173m impairment losses booked in 2Q25, alongside positive downstream and AgTech contributions, stronger property earnings (+20.4%yoy) and decent upstream performance. Core margin consequently expanded to 14.9% (+10.5ppts yoy).

Upstream & Downstream. Upstream profit moderated to RM187.7m, despite FFB output growing +12.2%yoy and cost of production remaining low at RM2,140/Mt, as weaker ASP weighed on earnings, dragging margin to 36.9% (-27.4ppts yoy). In contrast, downstream swung back into the black with RM9.0m profit, supported by back-to-back sales, effective hedging strategies and a decent price spread, cushioning the softer upstream performance.

Operational performance. Group FFB production expanded to 560,000 Mt (+12.2%yoy), underpinned by favourable weather and improved yields from its Indonesian estates. Dry weather emerged across West, South and Central Kalimantan from June-July, with rainfall falling below 100mm.

However, given the c.6-month lagged impact, management raised FY26 FFB growth guidance to 5-10%, (previously 1-5%) with bumper output expected to catch up in 2H26.

Meanwhile, average CPO price realised softened slightly to RM3,758/Mt (-1.2%yoy), while PK prices were relatively flattish at RM3,478/Mt (+2.2%yoy), broadly tracking the relatively muted movement in spot palm product prices during the quarter.

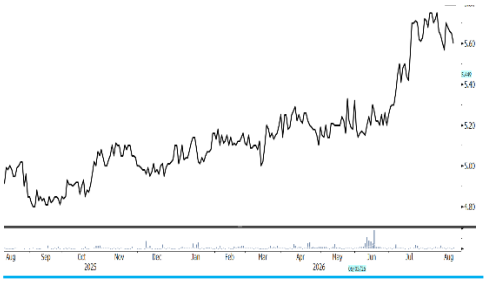
Earnings. We raise our FY26-28F earnings forecasts by +18.8%/ +25.9% to RM403.6m and RM418.1m, respectively, reflecting revised CPO ASPs of RM4,400-4,350/Mt, a circa 21.9% OER p.a., and lower cost of production c. RM2,400-2,600/tonne due to fertiliser carryover stock aided by stable estates yield.

Maintain BUY

Revised Target Price **RM6.94**
(from RM5.80)

RETURN STATISTICS	
Price @ 19th August 2026 (RM)	5.60
Expected share price return (%)	+24.00
Expected dividend yield (%)	+4.82
Expected total return (%)	+28.8

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-1.8	1.7
3 months	6.7	6.6
12 months	+16.3	6.9

INVESTMENT STATISTICS

FYE Dec	2026E	2027F	2028F
Revenue	3,279.4	3,349.9	3,346.0
Operating Profit	798.6	823.0	851.2
PBT	676.6	701.0	729.2
PATAMI	403.6	418.1	434.9
EPS (sen)	45.0	46.6	48.5
DPS (sen)	27.0	27.0	27.0
Dividend Yield (%)	4.8%	4.8%	4.8%

KEY STATISTICS

FBM KLCI	1,731.32
Issue shares (m)	895.44
Estimated free float (%)	39.17
Market Capitalisation (RM'm)	5,023.18
52-wk price range	RM4.62 – RM5.77
3-mth average daily volume (m)	0.21
3-mth average daily value (RM'm)	1.14
Top Shareholders (%)	
Genting Berhad	54.45
EPF	15.65
KWAP	7.55

Genting Plantations: 2QFY26 Results Summary

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	2Q25	1Q26	2Q26	QoQ (%)	YoY (%)	1H25	1H26	YoY (%)
Revenue	767.0	720.2	996.8	38.4	30.0	1,486.4	1,717.0	15.5
Operating profit	308.2	125.9	232.8	85.0	-24.5	422.2	358.7	-15.0
Finance Cost	-34.3	-25.9	-25.6	NM	NM	-67.0	-51.5	NM
PBT	278.3	108.5	219.0	>100	-21.3	368.4	327.5	-11.1
Tax Expense	-85.5	-34.5	-65.4	NM	NM	-112.6	-99.9	NM
PATAMI	192.6	68.1	140.9	>100	-26.8	253.8	209.0	-17.7
Core PATAMI	**33.8**	**75.7**	**148.7**	**96.4**	**>100**	**166.2**	**224.4**	**35.0**
Core EPS (sen)	21.5	7.6	15.7	>100	-26.8	18.5	25.0	35.0
Growth & Margin (%)				+/- ppts				+/- ppts
OP margin (%)	40.2	17.5	23.4	5.9	-16.8	28.4	20.9	-7.5
PBT margin (%)	36.3	15.1	22.0	6.9	-14.3	24.8	19.1	-5.7
Core PATAMI margin (%)	4.4	10.5	14.9	4.4	10.5	11.2	13.1	1.9
Effective tax rate (%)	30.7	31.8	29.9	-1.9	-0.8	30.6	30.5	0.0

Source: Company, MBSBR

Genting Plantations: Segmental Breakdown & Operational Stats.

FYE Dec (RM'm)	Quarterly results					Cumulatively results		
	2Q25	1Q26	2Q26	QoQ (%)	YoY (%)	1H25	1H26	YoY (%)
Revenue (RM'm):								
Plantation	449.2	391.6	508.5	29.9	13.2	874.8	900.1	2.9
Downstream	226.4	269.4	402.7	49.5	77.9	491.0	672.1	36.9
Property	90.7	55.7	81.3	46.1	-10.4	119.4	137.0	14.8
Agtech	0.6	3.5	4.2	19.8	>100	1.2	7.8	>100
Operating Profit								
Plantation	289.1	108.6	187.7	72.8	-35.1	383.9	296.3	-22.8
Downstream	-10.1	2.9	9.0	>100	>100	-6.6	11.9	>100
Property	26.2	18.0	31.5	75.0	20.4	42.2	49.6	17.3
Agtech	-5.2	-4.5	7.0	>100	>100	-10.1	2.5	>100
Operating Margin (%)								
Plantation	64.3	27.7	36.9	0.3	-27.4	43.9	32.9	-0.2
Downstream	-4.5	1.1	2.2	1.1	6.7	-1.3	1.8	-2.3
Property	28.9	32.4	38.8	0.2	9.9	35.4	36.2	0.0
Agtech	NM	-127.0	164.9	-2.3	>100	NM	32.0	-1.0
Operational Stats.								
FFB production ('000 mt)	499	457	560	22.5	12.2	934.0	1,017.0	8.9
Avg CPO Price Realised (RM/Mt)	3,802	3,617	3,758	3.9	-1.2	3,969.0	3,694.0	-6.9
Avg PK Price Realised (RM/Mt)	3,404	3,158	3,478	10.1	2.2	3,361.0	3,329.0	-1.0

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	3,279.4	3,349.9	3,346.0	PBT	480.7	569.2	676.6	701.0	729.2
Operating Profit	560.8	657.9	798.6	823.0	851.2	Operating cash flow	494.1	517.0	709.6	713.0	741.5
PBT	480.7	569.2	676.6	701.0	729.2	Investing cash flow	-376.2	-406.8	-350.0	-350.0	-350.0
PATAMI	323.1	354.5	403.6	418.1	434.9	Financing cash flow	714.8	-822.0	-251.2	-251.2	-251.2
Core PATAMI	342.7	381.3	403.6	418.1	434.9	Net cash flow	832.7	-711.8	108.4	111.8	140.3
EPS (sen)	36.0	39.5	45.0	46.6	48.5	Beginning cash flow	1,048.6	1,880.4	1,164.4	1,272.8	1,384.6
PER (x)	15.6x	14.2x	12.4x	12.0x	11.6x	Ending cash flow	1,880.4	1,164.4	1,272.8	1,384.6	1,524.9
DPS (sen)	25.0	28.0	27.0	27.0	27.0						
Dividend yield (%)	4.5%	5.0%	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%	24.4%	24.6%	25.4%
ROU assets	969.9	886.5	874.2	861.9	849.6	PBT margin	16.4%	16.9%	20.6%	20.9%	21.8%
Non-current assets	6,585.8	6,623.6	6,667.6	6,707.7	6,744.1	PATAMI margin	11.0%	10.5%	12.3%	12.5%	13.0%
Inventories	277.4	305.7	297.7	304.1	303.7	Core PATAMI margin	11.7%	11.3%	12.3%	12.5%	13.0%
Receivables	716.3	646.7	629.8	643.3	642.6						
Current assets	3,038.5	2,392.7	2,454.3	2,586.0	2,725.2						
Total Assets	9,624.3	9,016.3	9,121.9	9,293.7	9,469.3						
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	606.0	619.0	618.3						
Current liabilities	2,236.7	1,219.5	1,203.2	1,216.2	1,215.5						
Share capital	1,724.0	1,724.0	1,724.0	1,724.0	1,724.0						
Reserves	3,552.5	3,270.2	3,422.6	3,589.5	3,773.2						
Equity	5,332.0	5,028.2	5,150.1	5,308.9	5,485.2						

Source: Bloomberg, MBSBR

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MBSB 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