

Company Report

Gan Huey Ling

gan-huey-ling@ambankgroup.com

03-2036 2305

GENT PLANTATIONS

(GENP MK EQUITY, GENP.KL)

Still a CPO play

PLANTATION

27 Nov 2025

BUY

(Maintained)

Rationale for report: Company Results

Price	RM5.05
Target Price	RM6.07
52-week High/Low	RM5.79/RM4.75

Key Changes

Fair value	↗
EPS	↔

YE to Dec	FY24	FY25F	FY26F	FY27F
Revenue (RMmil)	2,937.9	3,175.3	3,246.1	3,338.3
Net Profit (RMmil)	323.1	333.9	363.1	368.2
EPS (sen)	36.0	37.2	40.5	41.0
EPS growth (%)	27.4	3.4	8.7	1.4
Consensus net (RMmil)		338.7	340.2	333.6
DPS (sen)	25.0	28.0	30.0	33.0
PE (x)	14.0	13.6	12.5	12.3
EV/EBITDA (x)	6.4	6.2	5.8	5.7
Div yield (%)	5.0	5.5	5.9	6.5
ROE (%)	6.1	6.3	6.7	6.7
Net gearing (%)	23.5	22.7	23.3	23.9

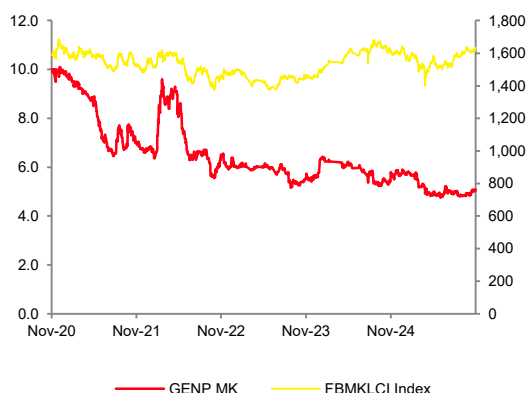
Stock and Financial Data

Shares Outstanding (million)	897.2
Market Cap (RMmil)	4,530.1
Book Value (RM/Share)	5.88
P/BV (x)	0.9
ROE (%)	6.1
Net Gearing (%)	23.5

Major Shareholders	Genting Bhd (55.4%) EPF (13.3%)
--------------------	------------------------------------

Free Float	44.6
Avg Daily Value (RMmil)	1.4

Price performance	3mth	6mth	12mth
Absolute (%)	+0.1	+4.1	-10.6
Relative (%)	-2.9	-1.5	-12.0



Investment Highlights

We are now assuming an average CPO price of RM4,100/tonne for Genting Plantations (GenP) in FY26F vs. RM3,950/tonne previously. We believe that CPO prices would be supported by the roll-out of Indonesia's B50 biodiesel policy in 2H2026. GenP's core net profit (ex-asset impairments and disposal gains) climbed by 49.9% YoY to RM283.7mil in 9MFY25 on the back of higher palm product prices and lower CPO production cost per tonne. We maintain BUY on GenP with a target price of RM6.07/share. As more than 80% of the group's earnings are from the upstream division, GenP is expected to benefit from an uptrend in CPO prices.

- **BUY with a higher TP of RM6.07/share vs. RM5.84/share previously.** To arrive at GenP's TP, we have assumed a FY26F PE of 15x, which is one SD below the five-year average of 18x. We applied a discount due to risks in respect of the group's vegetables JV in Johor and property development project in Jakarta. Also, we have raised GenP's FY26F net profit of 4% to account for a higher average CPO price of RM4,100/tonne vs. RM3,950/tonne originally.
- **GenP's 9MFY25 core net profit of RM283.7xmil (ex-disposal gains and asset impairment) was within our forecast and consensus.** GenP's plantation EBITDA grew by 20.7% YoY to RM646.5mil in 9MFY25 while property EBITDA almost doubled to RM36.9mil driven by sales at the Genting Indahpura and Genting Industrial City projects in Johor.
- **Higher CPO prices in 9MFY25.** GenP recorded an average CPO price of RM3,899/tonne in 9MFY25, which was 4.8% higher than the average price of RM3,722/tonne in 9MFY24. All-in cost of CPO production declined to RM2,550/tonne in 9MFY25 from RM2,710/tonne in 9MFY24.
- **Downstream was in the red in 9MFY25.** GenP's downstream unit was affected by weak demand for biodiesel and refined palm products. The division swung into the loss of RM0.8mil in 9MFY25 from an EBITDA of RM8.9mil in 9MFY24. Average utilisation rates were only 17% for the biodiesel plant and 33% for the palm refinery in 9MFY25.

Company profile

Genting Plantations (GenP) is involved in the production and sale of CPO, refined palm oil and biodiesel products. Apart from these, GenP has operations in property development and premium outlets.

GenP's earnings are mainly from upstream activities. In FY24, plantation accounted for 95% of EBITDA (ex-losses in biotech). Property and downstream accounted for the balance 5% of EBITDA.

GenP's customers are mainly refineries in Malaysia and Indonesia such as Wilmar International. Tenants of the premium outlets include Coach and Prada. Customers of property development projects are mainly Malaysians. GenP's main property projects are Bandar Pura Kencana and Indahpura in Johor.

GenP has operations in Malaysia and Indonesia. We believe that 60% of GenP's FFB production come from Indonesia while the balance 40% are from Malaysia.

GenP's competitive advantage lies in its large plantable reserves in Indonesia. We estimate that the group has more than 50,000ha of plantable land in Indonesia. GenP also has a decent age profile of oil palm trees. About 64% of planted areas are in the prime age of eight to 15 years old while another 10% are immature. An additional 12% of the oil palm trees are past prime while the balance 14% are young.

Investment thesis and catalysts

We have a BUY on GenP as it is a beneficiary of resilient CPO prices. More than 80% of GenP's earnings are from the plantation division.

Share price kickers are a surge in CPO prices and recovery in demand for refined palm products.

Valuation methodology

We applied a FY26F PE of 15x to arrive at GenP's target price of RM6.07/share. The PE of 15x is one SD below GenP's five-year average of 18x. We applied a discount to reflect risks in respect of the group's property project in Indonesia and vegetables joint venture.

Risk factors

Key risks are weaker-than-expected FFB production and a fall in CPO prices.

We estimate that GenP's net profit would fall by 2% to 5% for every RM100/tonne decline in CPO price assuming everything else is constant.

EXHIBIT 1: EARNINGS SUMMARY

YE 31 Dec (RMm)	9MFY24	9MFY25	% YoY	2QFY25	3QFY25	% QoQ
Turnover	2,081.5	2,333.4	12.1	767.0	846.0	10.3
EBITDA	550.8	699.9	27.1	239.9	210.1	(12.4)
Interest Income	25.4	38.9		15.4	10.4	
Interest expense	(87.6)	(95.3)	8.8	(34.4)	(28.3)	(17.7)
Depreciation	(240.0)	(228.6)	(4.8)	(75.9)	(75.9)	-
Associates	28.5	21.1	(25.9)	4.4	7.9	79.5
Pre-exceptional Profit	277.0	436.0	57.4	149.4	124.2	(16.8)
Exceptionals/forex loss	21.7	56.6		128.9	-	
Pretax Profit	298.7	492.6	64.9	278.3	124.2	(55.4)
Taxation	(89.2)	(147.3)		(85.5)	(34.7)	
Minorities	1.5	(4.9)		(0.3)	(2.9)	
Net Profit	211.0	340.4	61.3	192.5	86.6	(55.0)
ex-forex	189.3	283.7	49.9	63.6	86.6	36.1
EPS (sen)	23.5	37.9	61.3	21.5	9.6	(55.1)
Gross DPS (sen)	8.0	10.0		10.0	-	
NTA/Share (RM)	5.64	5.68		5.76	5.68	
EBITDA margin (%)	26.5	30.0		31.3	24.8	
Pretax margin (%)	14.4	21.1		36.3	14.7	
Effective tax rate (%)	29.9	29.9		30.7	28.0	
Average CPO price (RM/tonne)	3,722	3,899	4.8	3,802	3,779	(0.6)
FFB production	1,484,000	1,456,966	(1.8)	499,000	523,222	4.9

Source: Bursa Announcement

EXHIBIT 2: VALUATIONS

Target PE (x)	15
CY26F EPS (sen)	40.5 (from 38.9 Sen)
ESG premium	-
12-month target price	6.07 (from RM5.84)

EXHIBIT 3: CHANGE IN EARNINGS

RMmil	FY25F			FY26F			FY27F		
	Old	New	%	Old	New	%	Old	New	%
Revenue	3,175.3	3175.3	-	3,162.4	3,246.1	2.6	3,253.5	3,338.3	2.6
Net earnings	333.9	333.9	-	349.2	363.1	4.0	349.5	368.2	5.4
Average CPO price	3,950	3,950	-	3,950	4,100	3.8	3,950	4,100	3.8

EXHIBIT 4: ESG MATRIX

	Environmental assessment	Parameters	Weightage	Rating				Rationale
1	RSPO certification	100% certification	25%	*	*	*		100% certified in Malaysia, 48% certified in Indonesia in FY24
2	Supply chain auditing	100% traceable	25%	*	*	*		100% traceability to FFB suppliers and 77% traceable to external mills in FY24
3	Fires	Zero incidences	25%	*	*	*		357 fires inside concession and 78 fires outside concession in Indonesia in FY24
4	GHG emissions	Carbon neutrality by FY30F	25%	*	*	*		GHG emissions were 223,635 tCO ₂ eq in FY24 vs 188,944 tCO ₂ eq in FY23
	Weighted score for environmental assessment		100%	*	*	*		
1	Migrant workers welfare	Number of Workers grievances	40%	*	*	*	*	Zero in FY24
2	Work site safety	Zero fatalities	30%	*	*	*		2 fatalities in FY24, same as FY23
3	Total accident cases	Zero fatalities	30%	*	*	*		44 accidents in FY24 vs 43 in FY23
	Weighted score for social assessment		100%	*	*	*		
1	Related party transactions	Value of RPTs	40%	*	*	*		RM529.4mil in FY24, mainly in Musim Mas
2	Women in workforce	% in workforce	30%	*	*	*		23% of workforce were women in FY24
3	Remuneration to directors	Total value of remuneration or % of salary costs	30%	*	*	*		Amounted to RM10mil in FY24
	Weighted score for governance assessment		100%	*	*	*		
	Environmental score		50%	*	*	*		
	Social score		30%	*	*	*		
	Governance score		20%	*	*	*		
	Overall ESG Score		100%	*	*	*		

Source: AmInvestment Bank

EXHIBIT 5: FINANCIAL DATA

Income Statement (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	2,966.5	2,937.9	3,175.3	3,246.1	3,338.3
EBITDA	735.3	844.7	872.6	934.5	960.5
Depreciation/Amortisation	(301.5)	(324.3)	(331.5)	(355.3)	(379.2)
Operating income (EBIT)	433.8	520.4	541.1	579.2	581.3
Other income & associates	27.1	26.6	41.7	52.1	64.5
Net interest	(72.2)	(83.3)	(88.0)	(93.7)	(100.1)
Exceptional items	(4.5)	17.0	0.0	0.0	0.0
Pretax profit	384.1	480.7	494.9	537.5	545.7
Taxation	(118.4)	(145.7)	(148.5)	(161.3)	(163.7)
Minorities/pref dividends	(12.3)	(11.9)	(12.5)	(13.1)	(13.8)
Net profit	253.5	323.1	333.9	363.1	368.2
Core net profit	258.0	306.1	333.9	363.1	368.2
Balance Sheet (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	4,628.7	4,472.8	4,641.3	4,786.0	4,906.8
Intangible assets	67.4	77.6	77.6	77.6	77.6
Other long-term assets	1,984.0	2,035.4	2,033.1	2,033.1	2,033.1
Total non-current assets	6,680.1	6,585.8	6,752.0	6,896.7	7,017.5
Cash & equivalent	1,072.4	1,903.9	2,072.5	2,183.2	2,309.8
Stock	193.0	277.4	182.7	186.8	192.1
Trade debtors	519.6	716.3	652.5	667.0	686.0
Other current assets	101.9	141.0	135.2	141.1	147.4
Total current assets	1,887.0	3,038.5	3,042.9	3,178.0	3,335.3
Trade creditors	470.9	547.5	478.5	489.1	503.0
Short-term borrowings	528.5	1,677.9	1,677.9	1,677.9	1,677.9
Other current liabilities	5.1	11.3	8.3	8.3	8.3
Total current liabilities	1,004.6	2,236.7	2,164.7	2,175.4	2,189.2
Long-term borrowings	1,554.3	1,466.3	1,612.9	1,774.2	1,951.6
Other long-term liabilities	573.3	589.3	590.1	590.9	591.7
Total long-term liabilities	2,127.6	2,055.6	2,203.0	2,365.1	2,543.3
Shareholders' funds	5,334.3	5,275.0	5,357.7	5,451.7	5,523.8
Minority interests	100.6	57.0	69.5	82.6	96.4
BV/share (RM)	5.95	5.88	5.97	6.08	6.16
Cash Flow (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Pretax profit	384.1	480.7	494.9	537.5	545.7
Depreciation	301.5	324.3	331.5	355.3	379.2
Net change in working capital	(77.5)	(356.3)	(66.5)	(174.2)	(179.6)
Others	47.9	45.4	(88.5)	(116.8)	(126.1)
Cash flow from operations	656.1	494.1	671.3	601.8	619.1
Capital expenditure	(416.5)	(358.7)	(450.0)	(450.0)	(450.0)
Net investments & sale of fixed assets	0.4	3.3	0.0	0.0	0.0
Others	7.6	(20.8)	51.4	51.8	52.2
Cash flow from investing	(408.5)	(376.2)	(398.6)	(398.2)	(397.8)
Debt raised/(repaid)	(372.9)	1,066.3	146.6	161.3	177.4
Equity raised/(repaid)	(0.2)	0.0	0.0	0.0	0.0
Dividends paid	(271.0)	(221.3)	(227.3)	(254.2)	(272.2)
Others	(132.2)	(130.2)	0.0	0.0	0.0
Cash flow from financing	(776.3)	714.8	(80.7)	(92.9)	(94.7)
Net cash flow	(528.7)	832.8	192.1	110.7	126.6
Net cash/(debt) b/f	1,575.7	1,048.6	1,880.4	2,072.5	2,183.2
Forex	1.6	(0.9)	0.0	0.0	0.0
Net cash/(debt) c/f	1,048.6	1,880.4	2,072.5	2,183.2	2,309.8
Key Ratios (YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	-7.0	-1.0	8.1	2.2	2.8
EBITDA growth (%)	1.2	14.9	3.3	7.1	2.8
Pretax margin (%)	12.9	16.4	15.6	16.6	16.3
Net profit margin (%)	8.5	11.0	10.5	11.2	11.0
Interest cover (x)	10.2	10.1	9.9	10.0	9.6
Effective tax rate (%)	30.8	30.3	30.0	30.0	30.0
Dividend payout (%)	74.3	69.4	75.2	74.1	80.4
Debtors turnover (days)	64	89	75	75	75
Stock turnover (days)	24	34	21	21	21
Creditors turnover (days)	58	68	55	55	55

Source: Company, AmlInvestment Bank

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only and it is issued by AmInvestment Bank Berhad ("AmInvestment") without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation or expression of views to influence any one to buy or sell any real estate, securities, stocks, foreign exchange, futures or investment products. AmInvestment recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmInvestment believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmInvestment has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete or up-to-date and they should not be relied upon as such. All information included in this report constitute AmInvestment's views as of this date and are subject to change without notice. Notwithstanding that, AmInvestment has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmInvestment's affiliates and/or related corporations (collectively, "AmBank Group").

This report is prepared for the clients of AmBank Group and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmInvestment's prior written consent. AmInvestment, AmBank Group and its respective directors, officers, employees and agents ("Relevant Person") accept no liability whatsoever for any direct, indirect or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given in relation to this report. Any such responsibility is hereby expressly disclaimed.

AmInvestment is not acting as your advisor and does not owe you any fiduciary duties in connection with this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and/or may trade or otherwise effect transactions for their own account or the accounts of their customers which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held to be invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.