

26 February 2026

Genting Plantations

A Better Than Expected FY25

By **Khoo Teng Chuan** | khootc@kenanga.com.my

GENP's FY25 core net profit (CNP) rose 16% to come in 14% above Kenanga and 3% higher than consensus' expectation. 4QFY25 saw stronger harvest offsetting softer CPO prices. Quarterly downstream stayed poor but no longer worsening while property fared better. Upgrade FY26F core EPS (CEPS) by 3%, from 42.6 sen to 43.7 sen and introduced FY27F CEPS of 44.2 sen. Upgrade TP from RM5.10 to RM5.40 as we halved our 20% discount for lower Indonesian land risk following recent fine and closure but left our recommendation intact at MARKET PERFORM as current share price is already within 10% of our revised TP.

FY25. Adjusting for forex losses (RM3m), Indonesian fine (RM97m) and net disposal gain (RM100m), FY25 CNP grew 16% YoY to RM354m. Upstream EBIT managed to grow 16% YoY despite a RM97m fine and provision (RM159m) for an Indonesian estate encroaching into forested zone. FFB output slipped (-3%) while CPO price held flat (-0.3% YoY) and PK price rose 32%. Full-year downstream losses shrank to near breakeven on better margins while property profits improved. Genting Indahpura (Kulai, Johor) continues to sell well. The Malaysian retail outlets improved but still sluggish while Jakarta Premium Outlet is almost breaking even at EBITDA as occupancy is nearly full.

Net debt declined QoQ, from RM1.246b in 3QFY25 to RM1.532b (31% net gearing). GENP declared (a) final DPS of 4.0 sen and (b) special dividend of 14.0 sen, bringing FY25 DPS to 28.0 sen, 3.0 sen more than our estimate of 25.0 sen.

4QFY25. CNP of RM113m (+27% QoQ, -2% YoY) was better than expected. Plantation EBIT dipped QoQ and YoY to RM64m but likely distorted by the RM97m Indonesian forest infringement fine. Nevertheless, 4QFY25 CPO price softened to RM3,746 per MT (-1% QoQ, -11% YoY) while FFB harvest of 523k MT was mixed, up 5% QoQ but lower by 4% YoY. Tight margins continued to dampen downstream but GENP manage to report a small profit of RM2m in 4QFY25. Property earnings picked up QoQ and YoY mainly from Indahpura U.reka residential property sales while GENP's Malaysian Premium Outlets continue to see softer earnings despite higher footfall. The new Jakarta Premium Outlets is near breaking even as it approached near full occupancy.

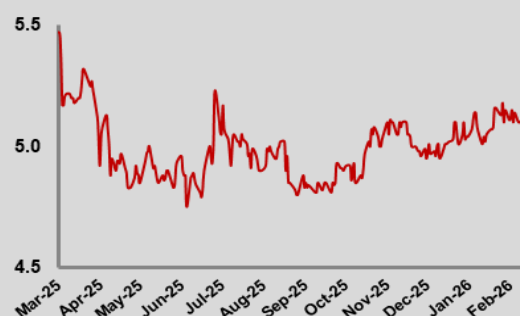
FY26-27 earnings to consolidate. CPO prices are expected to ease in FY26 from inventory overhang but staying firm as supply constrains remain. FY26 average CPO price is raised from RM4,000/MT to RM4,100. However, the group's overall CPO price tends to be RM200-RM300 per MT lower as 60% of sales are Indonesian where CPO prices are lower than Malaysia. Upstream cost is expected to inch up but staying manageable on lower but still decent PK prices and recovering FFB yields from maturing Indonesian estates. Downstream is likely to continue facing headwinds but better property earnings is expected thanks to U.reka's popularity, new Genting Pura Kencana industrial park, and Jakarta Premium Outlets turning profitable.

Seeds business should grow. GENP commercialised high yielding oil palm high seed in 2015, partnered with Green World Genetics Sdn Bhd to develop seeds for other food crops in 2022 and in Aug 2025, proposed a JV with China's Shougang Vegetable Science and Technology Sdn Bhd for a 70-acre tropical vegetable crop center, and acquired a 71% stake in an Indonesian oil palm seed business for RM40m. Earnings should thus grow over FY26-27.

MARKET PERFORM ↔

Price : **RM5.14**
Target Price : **RM5.40** ↑

Share Price Performance



KLCI	1,747.81
YTD KLCI chg	4.0%
YTD stock price chg	0.8%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	GENP MK EQUITY
Market Cap (RM m)	4,611.4
Shares Outstanding	897.2
52-week range (H)	5.68
52-week range (L)	4.75
3-mth avg. daily vol.	317,331
Free Float	39%
Beta	0.5

Major Shareholders

Genting Berhad	54.4%
Employees Provident Fund Board	15.5%
Kumpulan Wang Persaraan	7.6%

Summary Earnings Table

FYE Dec (RM m)	2025A	2026F	2027F
Turnover	3,367.6	3,107.9	3,130.5
EBIT	657.7	671.5	705.1
PBT	569.2	569.5	593.0
Net Profit	354.5	392.1	396.9
Core NP (CNP)	354.2	392.1	396.9
Consensus	342.3	332.6	336.6
Earnings Revision	-	3%	NEW
Core EPS (sen)	39.5	43.7	44.2
Core EPS Growth (%)	16.2	10.7	1.2
NDPS (sen)	28.0	28.0	28.0
NTA/Share (RM)	5.98	5.99	6.21
Core PER (x)	13.0	11.8	11.6
Price/NTA (x)	0.9	0.8	0.8
Net Gearing (x)	0.21	0.21	0.21
Dividend Yield (%)	5.4	5.4	5.4

26 February 2026

Forecasts. Upgrade FY26F CEPS by 3% from 42.6 sen to 43.7 sen on higher CPO price of RM4,100 (vs RM4,000 previously) and introduce FY27F CEPS at 44.2 sen.

Valuations. TP is upgraded by 6% from RM5.10 to RM5.40 as we halved our 20% discount for the group's land encroachment issue with the Indonesian forestry authorities. While fine and provision for the loss of 3,000 Ha under PT Susantri Permai has now ended, risks of other areas under investigation cannot be ruled out thus a 10% discount is still maintained. Otherwise, the basis of our PT remains (i) 1.0x PBV and (ii) 16x FY26F PER. No ESG adjustment to our TP based on a 3-star rating as appraised by us (see Page 3).

Risks to our call include: (i) Western hostility towards palm oil on sustainability and bio-diversity issues, (ii) impact of weather and labour shortages on production, (iii) weak CPO and PK prices, and (iv) cost inflation particularly fertilisers.

Results Highlights

FYE Dec (RM m)	4Q25	3Q25	QoQ	4Q24	YoY	FY25	FY24	YoY
Revenue	1,034.2	847.0	22%	856.3	21%	3,367.6	2,937.9	15%
Gross Profit	275.3	220.1	25%	289.9	-5%	938.0	819.7	14%
EBIT	190.4	147.1	29%	206.6	-8%	657.7	542.8	21%
Interest expenses	(26.6)	(28.3)	-6%	(36.1)	-26%	(121.9)	(123.7)	-1%
Associates & JVs	12.0	7.9	51%	15.1	-21%	33.1	43.6	-24%
EI (to be excluded fr N. Profit)	(99.2)	(2.6)	3725%	(3.6)	2622%	0.2	18.0	-99%
Pretax Profit	76.6	124.1	-38%	182.0	-58%	569.2	480.7	18%
Taxation	(53.4)	(34.7)	54%	(56.5)	-6%	(200.7)	(145.7)	38%
MI	(9.1)	(2.9)	213%	(13.4)	-32%	(14.0)	(11.9)	18%
Net Profit	14.1	86.5	-84%	112.1	-87%	354.5	323.1	10%
Core Net Profit	113.4	89.1	27%	115.7	-2%	354.2	305.0	16%
Core EPS (sen)	12.6	9.9	27%	12.9	-2%	39.5	34.0	16%
DPS (sen)	18.0	-	-	17.0	6%	28.0	25.0	12%
GP %	27%	26%		34%		28%	28%	
EBIT %	18%	17%		24%		20%	18%	
PBT %	7%	15%		21%		17%	16%	
Tax %	70%	28%		31%		35%	30%	
CPO Avg (RM/MT)	3,746	3,799	-1%	4,232	-11%	3,853	3,866	-0.3%
PK Avg (RM/MT)	3,255	3,294	-1%	3,111	5%	3,313	2,519	32%
FFB Prod ('000 MT)	556.9	523.2	6%	584.1	-5%	2,013.8	2,068.3	-3%

Source: Company, Kenanga Research

Segmental Breakdown

FY Dec (RM m)	4Q25	3Q25	QoQ	4Q24	YoY	FY25	FY24	YoY
Segmental Revenue								
- Upstream Plantation	531	484.0	10%	557.1	-5%	1,890.1	1,797.9	5%
- Downstream Manufacturing.	399	273.8	46%	260.0	53%	1,163.7	1,008.5	15%
- Property	98	85.9	14%	38.2	155%	302.9	127.1	138%
- Biotech & Others	6	3.2	101%	1.0	N.A.	11.0	4.4	149%
Total Group	1,034	847.0	22%	856.3	21%	3,367.6	2,937.9	15%
Segmental PBT								
- Upstream - Plantation	64.2	122.0	-47%	194.1	-67%	570.0	490.0	16%
- Downstream - Manufacturing.	2.0	(0.9)	-326%	(9.1)	-122%	(5.5)	(7.8)	-30%
- Property	28.8	22.2	30%	27.8	4%	93.2	80.5	16%
- Biotech & Others	(0.8)	(1.1)	-27%	(9.6)	-92%	(14.6)	1.3	-1228%
- Net interest expense	(17.6)	(18.0)	-2%	(21.1)	-17%	(74.0)	(83.3)	-11%
Total PBT	76.6	124.1	-38%	182.0	-58%	569.2	480.7	18%

Source: Company, Kenanga Research

26 February 2026

Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
PLANTATION																	
GENTING PLANTATIONS BHD	MP	5.14	5.40	5.1%	4,611.4	Y	12/2026	43.7	44.2	10.7%	1.2%	11.8	11.6	0.8	7.2%	28.0	5.4%
HAP SENG PLANTATIONS HLDGS	UP	2.31	2.15	-7.0%	1,847.3	Y	12/2026	16.3	16.7	-6.4%	2.2%	14.2	13.9	0.8	5.9%	8.0	3.5%
IOI CORP BHD	MP	4.04	4.35	7.7%	25,392.2	Y	06/2026	23.9	23.5	18.8%	-1.5%	16.9	17.2	1.9	12.5%	11.0	2.7%
KUALA LUMPUR KEPONG BHD	OP	19.18	24.00	25.1%	21,360.0	Y	09/2026	127.1	137.8	17.2%	8.4%	15.1	13.9	1.4	9.7%	60.0	3.1%
PPB GROUP BHD	OP	10.96	12.50	14.1%	15,591.7	Y	12/2025	98.5	115.3	21.5%	17.0%	11.1	9.5	0.5	3.0%	45.0	4.1%
SD GUTHRIE BHD	MP	5.86	5.45	-7.0%	40,526.1	Y	12/2026	27.8	28.0	-3.3%	0.5%	21.1	21.0	1.9	11.9%	15.0	2.6%
TA ANN HOLDINGS BHD	MP	4.63	3.90	-15.8%	2,039.3	Y	12/2025	45.5	41.5	20.4%	-8.8%	10.2	11.2	1.1	10.9%	40.0	8.6%
TSH RESOURCES BHD	OP	1.22	1.55	27.0%	1,538.2	Y	12/2026	12.6	13.0	-9.5%	3.1%	9.6	9.4	0.7	7.9%	5.0	4.1%
UNITED MALACCA BHD	OP	5.80	6.45	11.2%	1,216.7	Y	04/2026	76.1	70.8	37.2%	-7.0%	7.6	8.2	0.7	10.4%	20.0	3.4%
Simple Average					114,122.8					10.8%	4.5%	15.8	15.1	1.1	8.8%		4.2%

Source: Bloomberg, Kenanga Research

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★	☆	
	Corporate Social Responsibility	★	★	★		
	Management/Workforce Diversity	★	★	★		
	Accessibility & Transparency	★	★	☆		
	Corruption-Free Pledge	★	★	★		
	Carbon-Neutral Initiatives	★	★	☆		
	SPECIFIC	Biodiversity Conservation	★	★	☆	
Sustainable Planting		★	★	★		
Guest Labour Welfare		★	★	★		
Supply Chain Auditing		★	★	★		
Occupational Health & Safety		★	★	★		
Waste Disposal & Pollution Control		★	★	☆		
OVERALL		★	★	★		

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

26 February 2026

Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM	: A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM	: A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM	: A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT	: A particular sector's Expected Total Return is MORE than 10%
NEUTRAL	: A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT	: A particular sector's Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my