

21 May 2026

# Genting Plantations

## Seasonally Soft 1Q, Better 2Q Likely

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GENP's 1QFY26 core net profit (CNP) dipped QoQ and YoY to come in at 16% of Kenanga's, and 19% consensus, full-year estimates. 1QFY26 saw seasonal weaker QoQ harvest but nudged up 5% YoY. Downstream results stayed poor but positive while property profit fell QoQ. Downgrade FY26F and FY27F core EPS (CEPS) by 6% to 44.0 sen and 3% to 44.7 sen, respectively, but maintain TP at RM5.50 and our MARKET PERFORM call.

**1QFY26.** Adjusting for forex gain (RM0.3m) and impairment (RM0.4m), 1QFY26 CNP of RM68.1m (-40% QoQ, -46% YoY) was softer than we had expected. Plantation EBIT rose QoQ and YoY but 1QFY25 saw RM66m impairment while 4QFY25 upstream profit suffered a RM97m fine. If not for these lumpy items, 1QFY26 plantation EBIT would fall 33% QoQ and 32% YoY as CPO price softened to RM3,617 per MT (-3% QoQ, -13% YoY) while FFB harvest of 0.457m MT dipped 18% QoQ though grew 5% YoY.

Downstream was profitable but margins stayed tight (1%). Property earnings were mix and weaker than expected, down 37% QoQ but up 12% YoY though. Genting Indahpura (Kulai, Johor) managed to sell some new U.Reka units before encountering delays as the Middle East conflict caused hesitancy among some sub-contractors to commit due to uncertainty over costs. GENP Malaysia outlets' performance improved. Jakarta Premium Outlet broke even at EBITDA level as occupancy improves but it still reported pre-tax losses.

Net debt rose QoQ, from RM1.53b in 4QFY25 to RM1.64b (34% net gearing) after paying RM162m in 4QFY25 dividends. As is GENP's practice, no 1QFY26 dividend was declared.

**Better earnings ahead.** Elevated CPO prices are expected following the Middle East war which has pushed up demand for bio-diesel and buyers building reserve inventory on food security concerns. Maintain FY26F and FY27F CPO prices of RM4,250 per MT and RM4,200, respectively, but overall GENP price tends to be RM200-RM300 lower as 60% comprised Indonesian sales at lower prices. Upstream cost is set to inch up from higher fertilizer and diesel costs but staying manageable due to elevated PK prices and better FFB harvest as its Indonesian estates mature in higher yielding age. Downstream headwind is likely but property earnings should improve given good underlying demand for Genting Indahpura properties with maiden profit from Jakarta Premium Outlets expected later this year.

**Seeds business should grow.** GENP first commercialised high yielding oil palm seeds in 2015, and then in Aug 2025, GENP has proposed a tropical vegetable seed JV with China's Shougang Vegetable Science and Technology Sdn Bhd and also bought 71% equity for RM40m in PT Bakti Tani Nusantara, an Indonesian oil palm seed producer. Seed earnings should thus grow over FY26-27F.

**Forecasts.** Downgrade FY26F CEPS by 6% from 46.9 sen to 44.0 sen on softer property earnings prospects and by 3% for FY27F from 46.1 sen to 44.7 sen on higher costs.

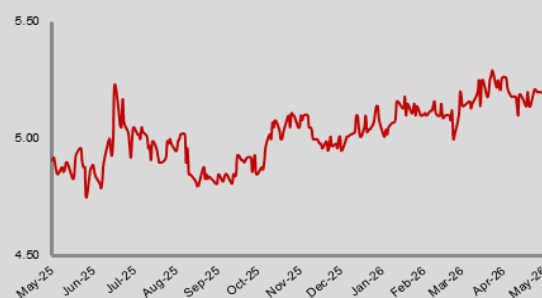
**Valuations.** TP is kept at RM5.50 based on 1.0x PBV with no ESG adjustment to TP based on our 3-star rating appraisal (see Page 3).

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

# MARKET PERFORM ↔

Price : RM5.22  
Target Price : RM5.50 ↔

## Share Price Performance



KLCI 1,717.69  
YTD KLCI chg 2.2%  
YTD stock price chg 5.3%

## Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	GENP MK Equity
Market Cap (RM m)	4,683.2
Shares Outstanding	897.2
52-week range (H)	5.29
52-week range (L)	4.75
3-mth avg. daily vol.	142,418
Free Float	39%
Beta	0.49

## 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	3,305.9	3,361.4
EBIT	643.2	673.0	683.7
PBT	569.2	577.6	594.7
<b>Net Profit</b>	<b>354.5</b>	<b>395.1</b>	<b>401.1</b>
<b>Core NP (CNP)</b>	<b>354.2</b>	<b>395.1</b>	<b>401.1</b>
Consensus	-	354.0	356.0
Earnings Revision	-	-6%	-3%
Core EPS (sen)	39.5	44.0	44.7
Core EPS Growth (%)	16.2	11.5	1.5
NDPS (sen)	28.0	28.0	29.0
NTA/Share (RM)	5.56	5.63	5.74
Core PER (x)	13.2	11.9	11.7
Price/NTA (x)	0.9	0.9	0.9
Net Gearing (x)	0.31	0.28	0.28
Dividend Yield (%)	5.4	5.4	5.6

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<b>Results Highlights</b>								
<i>FYE Dec (RM m)</i>	<b>1Q26</b>	<b>4Q25</b>	<b>QoQ</b>	<b>1Q25</b>	<b>YoY</b>	<b>1QFY26</b>	<b>1QFY25</b>	<b>YoY</b>
<b>Revenue</b>	<b>720.2</b>	<b>1,034.2</b>	<b>-30%</b>	<b>719.5</b>	<b>0%</b>	<b>720.2</b>	<b>719.5</b>	<b>0%</b>
Gross Profit	189.6	275.3	-31%	237.3	-20%	189.6	237.3	-20%
<b>EBIT</b>	<b>125.9</b>	<b>190.4</b>	<b>-34%</b>	<b>179.3</b>	<b>-30%</b>	<b>125.9</b>	<b>179.3</b>	<b>-30%</b>
Interest expenses	(25.9)	(26.6)	-3%	(32.7)	-21%	(25.9)	(32.7)	-21%
Associates & JVs	8.5	12.0	-29%	8.8	-3%	8.5	8.8	-3%
El (to be excluded fr N. Profit)	(0.1)	(99.2)	-100%	(65.3)	-100%	(0.1)	(65.3)	-100%
<b>Pretax Profit</b>	<b>108.5</b>	<b>76.6</b>	<b>42%</b>	<b>90.1</b>	<b>20%</b>	<b>108.5</b>	<b>90.1</b>	<b>20%</b>
Taxation	(34.5)	(53.4)	-35%	(27.1)	27%	(34.5)	(27.1)	27%
MI	(5.9)	(9.1)	-35%	(1.7)	238%	(5.9)	(1.7)	238%
<b>Net Profit</b>	<b>68.1</b>	<b>14.1</b>	<b>381%</b>	<b>61.3</b>	<b>11%</b>	<b>68.1</b>	<b>61.3</b>	<b>11%</b>
<b>Core Net Profit</b>	<b>68.1</b>	<b>113.4</b>	<b>-40%</b>	<b>126.6</b>	<b>-46%</b>	<b>68.1</b>	<b>126.6</b>	<b>-46%</b>
Core EPS (sen)	7.6	12.6	-40%	14.1	-46%	7.6	14.1	-46%
DPS (sen)	-	18.0	-	-	-	-	-	-
GP %	26%	27%		33%		26%	33%	
EBIT %	17%	18%		25%		17%	25%	
PBT %	15%	7%		13%		15%	13%	
Tax %	32%	70%		30%		32%	30%	
CPO Avg (RM/MT)	3,617	3,746	-3%	4,162	-13%	3,617	4,162	-13%
PK Avg (RM/MT)	3,158	3,255	-3%	3,311	-5%	3,158	3,311	-5%
FFB Prod ('000 MT)	457.2	556.9	-18%	435.5	5%	457.2	435.5	5%

Source: Company, Kenanga Research

<b>Segmental Breakdown</b>								
<i>FY Dec (RM m)</i>	<b>1Q26</b>	<b>4Q25</b>	<b>QoQ</b>	<b>1Q25</b>	<b>YoY</b>	<b>1QFY26</b>	<b>1QFY25</b>	<b>YoY</b>
<b>Segmental Revenue</b>								
- Upstream Plantation	391.6	531.3	-26%	425.5	-8%	391.6	425.5	-8%
- Downstream Manufacturing.	269.4	398.8	-32%	264.6	2%	269.4	264.6	2%
- Property	55.7	97.6	-43%	28.7	94%	55.7	28.7	94%
- Biotech & Others	3.5	6.5	-45%	0.6	N.A.	3.5	0.6	466%
<b>Total Group</b>	<b>720.2</b>	<b>1,034.2</b>	<b>-30%</b>	<b>719.5</b>	<b>0.1%</b>	<b>720.2</b>	<b>719.5</b>	<b>0.1%</b>
<b>Segmental PBT</b>								
- Upstream - Plantation	108.6	64.2	69%	94.8	15%	108.6	94.8	15%
- Downstream - Manufacturing.	2.9	2.0	45%	3.5	-17%	2.9	3.5	-17%
- Property	18.0	28.8	-37%	16.1	12%	18.0	16.1	12%
- Biotech & Others	(4.2)	(0.8)	413%	(4.7)	-12%	(4.2)	(4.7)	-12%
- Net interest expense	(16.9)	(17.6)	-4%	(19.6)	-13%	(16.9)	(19.6)	-13%
<b>Total PBT</b>	<b>108.5</b>	<b>76.6</b>	<b>42%</b>	<b>90.1</b>	<b>20%</b>	<b>108.5</b>	<b>90.1</b>	<b>20%</b>

Source: Company, Kenanga Research

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### 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. (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.
<b>PLANTATION</b>																	
GENTING PLANTATIONS BHD	MP	5.22	5.50	5.4%	4,683.2	Y	12/2026	44.0	44.7	11.5%	1.5%	11.9	11.7	0.9	7.8%	28.0	5.4%
HAP SENG PLANTATIONS HLDGS	UP	2.20	2.00	-9.1%	1,759.3	Y	12/2026	17.6	17.4	0.9%	-1.0%	12.5	12.6	0.8	6.4%	8.0	3.6%
IOI CORP BHD	OP	4.10	4.55	11.0%	25,769.3	Y	06/2026	24.7	24.6	22.8%	-0.5%	16.6	16.7	1.9	12.9%	11.0	2.7%
KUALA LUMPUR KEPONG BHD	OP	20.66	24.50	18.6%	23,008.2	Y	09/2026	133.2	143.0	22.8%	7.3%	15.5	14.5	1.5	10.2%	60.0	2.9%
PPB GROUP BHD	OP	10.30	14.85	44.2%	14,652.8	Y	12/2026	117.7	119.1	23.7%	1.2%	8.8	8.6	0.6	6.9%	42.0	4.1%
SD GUTHRIE BHD	MP	5.99	5.80	-3.2%	41,425.1	Y	12/2026	29.7	27.7	3.2%	-6.7%	20.2	21.6	2.0	12.4%	15.0	2.5%
TA ANN HOLDINGS BHD	MP	5.80	4.40	-24.1%	2,554.7	Y	12/2026	46.4	45.8	-4.3%	-1.4%	12.5	12.7	1.3	10.8%	40.0	6.9%
TSH RESOURCES BHD	OP	1.18	1.60	35.6%	1,474.6	Y	12/2026	11.7	12.3	-16.7%	5.2%	10.1	9.6	0.7	7.3%	5.0	4.2%
UNITED MALACCA BHD	OP	5.86	6.70	14.3%	1,229.2	Y	04/2026	79.3	76.5	43.0%	-3.5%	7.4	7.7	0.8	10.8%	20.0	3.4%
<b>Simple Average</b>					<b>116,556.4</b>					<b>14.6%</b>	<b>-0.2%</b>	<b>15.0</b>	<b>15.0</b>	<b>1.2</b>	<b>9.5%</b>		<b>4.0%</b>

Source: Bloomberg, Kenanga Research

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

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

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**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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