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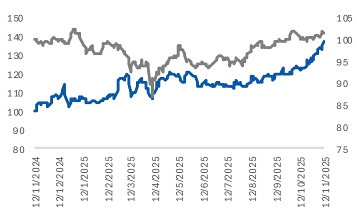
Recommendation:	**HOLD**
Current Price:	RM 26.24
Previous Target Price:	RM 23.70
Target Price: ↔	RM 23.70
Capital Upside/Downside:	-9.7%
Dividend Yield (%):	2.9%
Total Upside/Downsid	**-6.8%**

Stock information	
Board	MAIN
Sector	Plantation
Bursa / Bloomberg Code	2089 / UPL MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	622.2
Market Cap (RM' m)	16,325.9
52-Week Price Range (RM)	26.24-18.976
Beta (x)	0.4
Free float (%)	43.4
3M Average Volume (m)	0.5
3M Average Value (RM' m)	11.7

Top 3 Shareholders	**(%)**
Maximum Vista Sdn Bhd	43.7
Employees Provident Fund Board	6.0
Uie Plc	4.7

Share Price Performance



	1M	3M	12M
Absolute (%)	11.2	19.3	35.2
Relative (%)	10.1	16.0	33.5

Earnings Summary	**FY24**	**FY25F**	**FY26F**
Revenue (RM'm)	114.8	135.8	139.1
PATAMI (RM'm)	715.2	844.8	865.3
CNP (RM'm)	714.5	844.8	865.3
EPS - core (sen)	114.8	135.8	139.1
P/E (x)	20.6	17.5	17.0

United Plantation Bhd

Earnings Beat on Strong Plantation Performance

- **UPL's 3QFY25 CNP rose 23.6% YoY and 4.9% QoQ to RM239.6m, bringing 9MFY25 CNP to RM669.6m, which exceeded our full-year forecast at 83% of expectations.**
- **We have raised our FY25F/26F earnings forecasts by 4%/2%, respectively, reflecting slightly higher CPO output (2.85m mt vs 2.78m mt).**
- **Reiterate our HOLD recommendation on UPL with a higher target price of RM23.70 (previously RM22.20), after rolling forward our valuation base to FY26F. The revised TP is derived by applying a 17x P/E multiple to FY26F EPS of RM1.39.**

Above expectations. 9MFY25 core net profit reached RM669.6m, exceeding our expectations at 83% of the full-year forecast. The outperformance was driven by higher-than-anticipated crop production during the quarter.

YoY. 3QFY25 revenue and CNP increased 23.6% YoY and 30.8% YoY respectively, mainly led by the plantation segment benefiting from higher output, improved cost efficiency, along with stronger CPO and PK ASP. Meanwhile, the refinery segment recorded a loss due to lower sales volume and higher feedstock costs.

QoQ. Revenue rose 6.1% QoQ, while CNP increased 4.9% QoQ, supported by higher CPO and PK output and reduced manuring costs. Despite a slight decline in CPO selling prices, the higher sales volumes mitigated the impact.

Dividend. The Group declared a first interim dividend of 30 sen/share and a special dividend of 14 sen/share, totalling 44 sen/share. We expect UPL to declare 74.6 sen for FY25, implying a dividend yield of 2.8%.

Outlook. Palm oil prices have been volatile in recent months due to rising stockpiles, which hit an all-time high of 2.4m mt in October. That said, we believe production likely may have peaked in October and could ease over the next two months amid the monsoon season. Looking ahead to 2026, we remain positive, supported by tighter supply and potential tailwinds from policy measures such as Indonesia's B50 biodiesel mandate.

Earnings Revision. We have raised our FY25F/26F earnings forecasts by 4%/2%, respectively, reflecting slightly higher CPO output (2.85m mt vs 2.78m mt) following the strong 3QFY25 results.

Valuation. Reiterate our **HOLD** recommendation on UPL with a higher target price of **RM23.70** (previously RM22.20), after rolling forward our valuation base year to FY26F. The revised TP is derived by applying a 17x P/E multiple to FY26F EPS of RM1.39, with a 0% ESG premium/discount applied, reflecting its three-star ESG rating.

Risk. EU export ban and regulations, changing weather patterns affect FFB production, taxation and export ban in Indonesia threatens local CPO demand, shortage of labours and rising operational cost.

KDN PP13226/06/2024 (035469)

Results Comparison

FYE Dec (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)
Revenue	677.1	547.7	*23.6*	638.4	*6.1*	1,833.1	1,570.5	*16.7*
EBITDA	313.4	290.2	*8.0*	342.9	*(8.6)*	899.3	747.4	*20.3*
Pre-tax profit	282.6	280.9	*0.6*	329.1	*(14.1)*	834.1	698.5	*19.4*
Net profit	203.3	215.0	*(5.5)*	249.4	*(18.5)*	615.9	533.8	*15.4*
Core net profit	239.6	183.2	*30.8*	228.5	*4.9*	669.6	529.2	*26.5*
Core EPS (sen)	38.5	29.4	*30.8*	36.7	*4.9*	107.5	84.9	*26.5*
EBITDA margin (%)	46.3	53.0		53.7		49.1	47.6	
PBT margin (%)	41.7	51.3		51.5		45.5	44.5	
Core net profit margin (%)	35.4	33.4		35.8		36.5	33.7	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)
Revenue								
Plantations	427.6	356.5	*19.9*	426.7	*0.2*	1,179.3	997.0	*18.3*
Palm Oil Refining	411.7	359.8	*14.4*	395.2	*4.2*	1,158.6	1,034.5	*12.0*
Profit before tax (PBT)								
Plantations	288.1	224.2	*28.5*	277.9	*3.7*	777.6	589.4	*31.9*
Palm Oil Refining	(5.7)	56.4	*nm*	51.4	*nm*	57.1	108.9	*(47.6)*
PBT margin (%)								
Plantations	67.4%	62.9%		65.1%		65.9%	59.1%	
Palm Oil Refining	-1.4%	15.7%		13.0%		4.9%	10.5%	

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	**2514.8**	**2014.2**	**2197.8**	**2520.6**	**2555.7**
Gross Profit	**1605.6**	**1433.7**	**1455.2**	**1714.0**	**1753.7**
EBITDA	**939.9**	**1014.7**	**1025.4**	**1210.6**	**1243.8**
Depreciation & Amortisation	102.7	107.0	109.5	108.7	116.7
Associates & JV	13.3	10.5	22.7	22.7	22.7
EBIT	**837.2**	**907.7**	**915.9**	**1101.9**	**1127.2**
Net Finance Income/ (Cost)	9.3	25.8	23.1	14.0	15.7
Pre-tax Profit	**846.5**	**933.5**	**939.0**	**1115.9**	**1142.8**
Tax	-240.9	-222.5	-219.5	-267.8	-274.3
Profit After Tax	**605.6**	**711.0**	**719.5**	**848.1**	**868.6**
Minority Interest	-3.9	-3.3	-4.3	-3.3	-3.3
Net Profit	**601.7**	**707.8**	**715.2**	**844.8**	**865.3**
Exceptionals	7.0	14.8	-0.6	0.0	0.0
Core Net Profit	**608.7**	**722.6**	**714.5**	**844.8**	**865.3**

Key Ratios

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
EPS (sen)	97.8	116.1	114.8	135.8	139.1
P/E (x)	24.2	20.4	20.6	17.5	17.0
P/B (x)	5.6	5.7	5.8	5.1	4.9
EV/EBITDA (x)	16.8	15.5	15.5	13.3	12.9
DPS (sen)	110.0	60.0	74.0	74.6	76.4
Dividend Yield (%)	4.2%	2.3%	2.8%	2.8%	2.9%
EBITDA margin (%)	37.4%	50.4%	46.7%	48.0%	48.7%
EBIT margin (%)	33.3%	45.1%	41.7%	43.7%	44.1%
PBT margin (%)	33.7%	46.3%	42.7%	44.3%	44.7%
PAT margin (%)	24.1%	35.3%	32.7%	33.6%	34.0%
NP margin (%)	23.9%	35.1%	32.5%	33.5%	33.9%
CNP margin (%)	24.2%	35.9%	32.5%	33.5%	33.9%
ROE (%)	21.0%	25.2%	25.4%	26.2%	25.7%
ROA (%)	18.3%	22.1%	22.0%	26.2%	25.7%
Gearing (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations	FY26F
Core EPS (RM)	1.39
P/E multiple (x)	17.0
Fair Value (RM)	**23.70**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**23.70**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	537.2	579.9	484.5	299.5	334.3
Receivables	147.5	191.9	304.7	349.4	354.3
Inventories	219.5	245.9	228.5	262.0	265.7
Other current assets	342.2	168.2	116.0	116.0	116.0
Total Current Assets	**1246.4**	**1186.0**	**1133.7**	**1027.0**	**1070.2**
Fixed Assets	1241.8	1250.8	1261.5	1354.5	1442.2
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	830.6	826.8	848.1	848.1	848.1
Total Non-current assets	**2072.4**	**2077.7**	**2109.6**	**2202.6**	**2290.3**
Short-term Debt	0.2	0.0	0.0	0.0	0.0
Payables	25.6	19.2	141.9	156.3	157.5
Other Current Liabilities	183.3	167.6	80.3	80.3	80.3
Total Current Liabilities	**209.1**	**186.8**	**222.2**	**236.6**	**237.8**
Long-term Debt	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	204.9	209.4	203.8	203.8	203.8
Total Non-current Liabilities	**204.9**	**209.4**	**203.8**	**203.8**	**203.8**
Shareholder's equity	2890.7	2850.4	2799.8	3212.1	3343.1
Minority interest	14.0	17.0	17.5	17.5	17.5
Equity	**2904.8**	**2867.4**	**2817.2**	**3229.5**	**3360.5**

Cash Flow

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	**846.5**	**933.5**	**939.0**	**1115.9**	**1142.8**
Depreciation & amortisation	102.7	107.0	109.5	108.7	116.7
Changes in working capital	14.5	-77.2	-36.5	-36.5	-7.3
Others	-39.4	-272.4	-323.3	-298.5	-277.5
Operating cash flow	**924.3**	**690.8**	**688.6**	**889.5**	**974.7**
Net capex	-138.7	-109.4	-125.3	-201.6	-204.5
Others	-51.7	222.3	13.2	0.0	0.0
Investing cash flow	**-190.4**	**112.9**	**-112.0**	**-201.6**	**-204.5**
Changes in borrowings	0.0	0.0	0.0	0.0	0.0
Issuance of shares	0.0	0.0	0.0	0.0	0.0
Dividends paid	-518.5	-746.6	-705.1	-872.9	-735.5
Others	21.9	-16.0	-7.2	0.0	0.0
Financing cash flow	**-496.6**	**-762.6**	**-712.3**	**-872.9**	**-735.5**
Net cash flow	**237.3**	**41.1**	**-135.8**	**-185.0**	**34.7**
Forex	0.0	0.0	0.0	0.0	0.0
Others	36.8	1.6	40.4	0.0	0.0
Beginning cash	263.2	537.2	579.9	484.5	299.5
Ending cash	**537.2**	**579.9**	**484.5**	**299.5**	**334.3**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★★	UP has achieved a 63% reduction in GHG emissions per kilogram of palm oil produced from 2004 to 2023, accounting for indirect land use change (iLUC), nature conservation, and scope 1, 2, and 3 emissions. In FY23, new investments were made to further expand the light railway network, which consumes only 1/10th of the fossil fuels compared to tractor or lorry transportation for moving Fresh Fruit Bunches from the fields to its four mills in Malaysia.
Waste & Effluent	★★★★	In FY23, a total of 789,113 MT of biomass residues were generated through UP's various field and mill operations in Malaysia. Almost all of the total biomass generated (99.6%) or 785,934 MT were utilised as organic mulch in the nurseries and fields or as fuel source, thereby enriching our soils and displacing the use of fossil fuels whilst enhancing the value the biomass generated.
Energy	★★★	In FY23, a total of 7,585 MWh of green electricity was generated from the UIE biogas plant and sold to the grid, which represents an increase of 14% yoy compared to FY22
Water	★★★	Mill water consumption rose from 1.5MT/FFB processed to 1.7 MT/FFB processed in FY23.
Compliance	★★★	In compliance with local and international environmental regulations

Social

Parameters	Rating	Comments
Diversity	★★★	47% of total employees age below 50, 37% are female
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★	Lost Time Injury Frequency Rate increased in FY23 due to new inexperienced guest workers who have recently joined the Group.
Labour Practices	★★★	All recruitment is guided by Ethical Recruitment Procedures, which are regularly witnessed and assessed by Dignity in Work for All as well as other NGOs and Human Rights Activists, and includes the Employer Pays Principle stating that no Guest Worker should pay for a job in UP.

Governance

Parameters	Rating	Comments
CSR Strategy	★★★	Actively engaged in the Indonesian government's Plasma Scheme, which aims to support smallholders in becoming independent plantation growers. In FY23, 1,377.08 hectares of Plasma were developed for 853 smallholders under the scheme.
Management	★★	1/9 female board composition, 4/9 Independent Directors
Stakeholders	★★	Lack of analyst briefing, 1x AGM per annum

Overall ESG Scoring: ★★★

Recommendation Framework:
BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.
*Capital gain + dividend yield

Sector Recommendations:
OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.
NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.
UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:
★★★★★ : Appraised with 3% premium to fundamental fair value
★★★★ : Appraised with 1% premium to fundamental fair value
★★★ : Appraised with 0% premium/discount to fundamental fair value
★★ : Appraised with -1% discount to fundamental fair value
★ : Appraised with -5% discount to fundamental fair value

As of **Thursday, 13 Nov, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) nil.