UOBKayHian

Country Daily | Malaysia

Friday, 6 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,523.1	(3.4)	(1.6)	0.5	7.2
S&P 500	7,353.7	(4.4)	(4.7)	(5.4)	7.4
FTSE 100	10,782.7	(0.4)	0.6	2.7	8.6
AS30	9,117.9	(0.9)	1.0	2.4	1.1
CSI 300	4,113.4	0.3	1.8	(5.6)	(11.2)
FSSTI	5,296.3	0.5	(1.8)	(7.1)	14.0
HSCEI	8,369.1	3.9	7.9	3.0	(6.1)
HSI	24,797.0	3.7	8.0	3.1	(3.3)
JCI	5,030.3	2.2	(1.3)	(18.8)	(41.8)
KLCI	1,635.9	1.2	1.5	0.2	(2.6)
KOSPI	5,383.8	(5.3)	(6.1)	(22.4)	27.8
Nikkei 225	61,077.9	(1.8)	(4.5)	(13.6)	21.3
SET	1,498.0	(0.3)	(3.0)	(5.3)	18.9
TWSE	41,574.7	(3.2)	(10.3)	(16.6)	43.5
BDI	2,740	1.7	1.0	(10.7)	46.0
CPO (RM/mt)	4,292	(1.7)	(3.2)	(1.7)	9.1
Brent Crude (US$/bbl)	98	3.9	(14.4)	(2.0)	61.5

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
TNFD Conference: Nature Means Business – Navigating Nature-Related Risks with TNFD	Malaysia	05 Nov	05 Nov
Virtual Meeting with UUE Holdings Berhad (UUE MK)	Malaysia	10 Nov	10 Nov
1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP)	Singapore	11 Nov	11 Nov
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Bangkok	23 Nov	23 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Kuala Lumpur	25 Nov	25 Nov
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Foreign Reserves	Malaysia	6 Nov

Top Stories

Company Results | Fraser & Neave Holdings (FNH MK/**BUY**/RM21.22/Target: RM30.00) Page 2

- F&N's FY26 results fell below expectations. The Malaysia segment was dragged by dairy losses whereas Thailand continued to be impacted by the Cambodia border conflict. Consequently, margins contracted across the board, resulting in weak 4QFY26 earnings. Maintain BUY with a lower target price of RM30.00 as we cut our FY26F/FY27F earnings forecasts.

Company Results | SD Guthrie (SDG MK/**BUY**/RM6.00/Target: RM8.30) Page 5 →

- SDG's 3Q26 net profit fell 17% yoy to RM773m on smaller land sale gains, but core net profit rose 39% yoy to RM693m as upstream earnings jumped 48%. 9M26 core net profit of RM1.64b is in line at 73% of our full-year forecast. We raise our 2026 core net profit forecast by 3%, mainly to reflect net savings from the redeemed perpetual sukuk, keep 2027 forecast broadly unchanged and cut 2028 estimate by 8.6% to match our RM4,500/tonne CPO assumption. Maintain BUY. Target price: RM8.30.

Market Spotlight

Page 8 →

- The FBMKLCI rose 19.30pt (1.2%) to close at 1,635.86 yesterday as it recouped early losses amid late buying interest in index-linked counters.
- US stocks were lower after the close on Thursday, as losses in the technology, industrials and consumer goods sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 9 →

Traders' Corner Page 11 →

CCK Consolidated Holdings | CCK MK Page 11 →

- Trading Buy Range: RM0.855-0.86

Hi Mobility | HI MK Page 11→

- Trading Buy Range: RM1.69-1.70

Kumpulan Fima | FIMA MK Page 12 →

- Trading Buy Range: RM2.50-2.55

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Fraser & Neave Holdings (FNH MK)

FY26: Below Expectations; Setup Costs Remain A Drag

Highlights

- F&N's FY26 earnings fell below both our and consensus estimates. Contributions from both domestic markets and Thailand came in sequentially weak as costs for new plants dragged earnings.
- As a result, F&N saw margin compression across the board as the increased costs offset largely resilient sales volumes in Malaysia and Thailand.
- Maintain BUY with a lower target price of RM30.00 as we cut our FY27/FY28 forecasts by 16%/20% respectively.

FY26 Results

Year to 30 Sep	4Q26 (RMm)	qoq (%)	yoy (%)	FY26 (RMm)	yoy (%)
Revenue	**1,189.1**	**(0.8)**	**(3.1)**	**4,923.8**	**(5.3)**
GP	**333.1**	**(8.9)**	**(16.8)**	**1,500.0**	**(9.5)**
EBIT	**169.1**	**24.8**	**1.2**	**624.1**	**(10.2)**
PBT	169.4	26.0	0.2	625.4	(14.4)
Net profit	135.0	44.3	18.2	437.1	(14.0)
Core profit	**40.8**	**(56.4)**	**(66.2)**	**341.6**	**(34.0)**
Margins	**%**	**+/- ppt**	**+/- ppt**	**%**	**+/- ppt**
Gross profit	28.0	(2.5)	(4.6)	30.5	(1.4)
EBIT	14.2	2.9	0.6	16.1	(0.2)
Eff. tax rate	(19.0)	9.5	11.2	(29.6)	(0.0)

Source: F&N, UOB Kay Hian

Analysis

- **Below expectations.** Fraser & Neave Holdings (F&N) reported a core net profit of RM341.6m (-34.0% yoy) in FY26. We arrive at this after excluding: a) a RM90.5m gain from the disposal of a JV, and b) RM5.0m in foreign exchange gains. This fell below expectations, accounting for only 80% of our and 81% of consensus full-year forecasts. The negative deviation stemmed largely from higher-than-expected costs associated with the new plants in both Malaysia and Cambodia. A final dividend of 30 sen was also announced, bringing the total to 60 sen for FY26 (FY25: 65 sen).

Key Financials

Year to 30 Sep (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	5,196.6	4,923.8	5,068.5	5,180.9	5,275.5
EBITDA	1,859.2	1,594.7	1,815.5	1,872.4	1,924.9
Operating profit	896.6	818.7	815.6	850.4	869.8
Net profit (rep./act.)	508.5	437.1	423.8	453.6	501.2
Net profit (adj.)	517.3	341.6	423.8	453.6	501.2
EPS (sen)	401.1	304.7	392.3	403.7	422.5
PE (x)	15.0	22.8	18.4	17.2	15.5
P/B (x)	2.0	1.9	1.9	1.8	1.7
EV/EBITDA (x)	8.4	9.4	9.4	8.9	8.6
Dividend yield (%)	3.1	3.1	3.8	4.1	4.5
Net margin (%)	10.0	6.9	8.4	8.8	9.5
Net debt/(cash) to equity (%)	(0.9)	(3.9)	(3.4)	(5.6)	(8.3)
Interest cover (x)	25.4	29.3	32.0	54.6	169.9
ROE (%)	13.3	11.0	10.1	10.5	11.4
Consensus net profit	n.a.	n.a.	512.4	611	n.a.
UOBKH/Consensus (x)	n.a.	n.a.	0.8	0.7	n.a.

Source: F&N, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM21.22
Target Price	RM30.00
Upside	41.4%
Previous TP	RM36.00

Stock Data

GICS sector	Consumer Staples
Bloomberg ticker	FNH MK
Shares issued (m)	366.8
Market cap (RMm)	7,805.0
Market cap (US$m)	1,929.3
3-mth avg daily t'over (US$m)	0.5

Price Performance (%)

52-week high/low				RM36.82/RM19.46
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(2.2)	(21.0)	(28.0)	(23.5)	(40.1)

Major Shareholders (%)

Fraser and Neave Ltd	55.5
Employees Provident	16.5
Amanah Saham Nasiona	6.5

Balance Sheet Metrics

FY27 NAV/Share (RM)	10.5
FY27 Net Debt/Share (RM)	0.9

Price Chart



Source: Bloomberg

Company Description

Leading beverage player which is principally involved in the manufacture, sale and marketing of soft drinks, dairies, and non-carbonated drinks.

FY26 Results By Segment

Year to 30 Sep	4QFY26 (RMm)	qoq (%)	yoy (%)	FY26 (RMm)	yoy (%)	Comments
Revenue						
Malaysia	737.8	0.2	0.9	3,059.9	3.3	Domestic sales volume remained broadly resilient
Thailand	450.5	(2.4)	(8.9)	1,860.7	(16.6)	Continued impact from the Cambodia-Thailand conflict continues to drag volumes
EBIT						
Malaysia	15.8	(62.5)	(80.2)	200.9	(27.2)	Setup costs associated with the new dairy plants dragged earnings
Thailand	78.5	(15.6)	(26.4)	355.0	(25.2)	
EBIT Margin	**%**	**+/- ppt**	**+/- ppt**	**%**	**+/- ppt**	
Malaysia	2.1	(3.6)	(8.8)	6.6	(2.7)	Margin compression across the board
Thailand	17.4	(2.7)	(4.1)	19.1	(2.2)	

Source: F&N, UOB Kay Hian

- **Malaysia: Volumes stable but dairy costs drag.** F&N's Malaysia segment saw revenue grow 3.3% yoy in FY26 as sales volume remained largely resilient. Both the domestic and export channels saw sales improve yoy, although export growth was offset partially by unfavourable forex. However, gains were mitigated by a spike in costs as EBIT declined both sequentially (-62.5%) and yoy (-27.2%). We understand this is largely attributable to F&N's continued investment into its AgriValley dairy farm. We had previously highlighted that the group would look to optimise its dairy production before expanding. We believe the sudden increase in costs is reflective of further investment into AgriValley's operations ahead of the anticipated scale-up.
- **Thailand: Border conflict continues to cloud outlook.** Revenue for F&N Thailand declined 16.6% yoy in FY26, largely due to the disruption of exports to Cambodia. Positively, domestic sales in Thailand saw gradual improvement as spending-power support from the local government helped offset softer tourism in the country. EBIT for the segment also declined 25.2% yoy as startup costs for the new dairy plant in Cambodia dragged margins. Looking forward, we understand the group is mulling over expanding its capacity in either Malaysia or Cambodia to attempt to recapture the sales volume lost as a result of the border conflict. However, these plans are still preliminary with nothing concrete committed as of yet.

Valuation/Recommendation

- **Maintain BUY with a lower target price of RM30.00.** FY26 was a challenging year for F&N with the road to recovery appearing long and winding. While prospects for FY27 and beyond appear to be improving, geopolitical headwinds and challenges from its new dairy venture are likely to persist in the near-term.
- Nonetheless, depressed valuations following the recent selldown also present an attractive entry point, with the group trading near -2.0SD to mean based on 2027F PE.
- Our target price is based on DCF implying 26.0x 2027F PE, which is slightly above its seven-year mean of 24.6x.

Earnings Revision/Risk

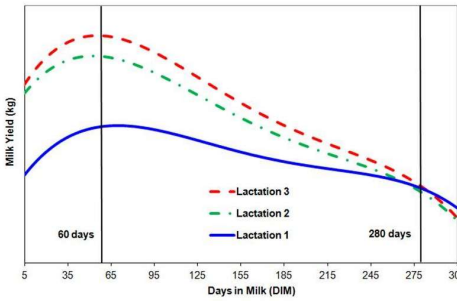
- We trim our FY27/FY28 earnings by 16%/20% respectively as we impute higher costs associated with the new dairy plants.

Key Assumptions

	2027F	2028F	2028F
Sales (RMm)	**5,068**	**5,181**	**5,275**
Malaysia – ex dairy (% yoy)	0.0	0.0	0.0
Dairy (% yoy)	79	52	34
Dairies Thailand (% yoy)	2.0	3.0	2.0
EBIT	**816**	**850**	**870**
Margin (%)	12.3	12.5	12.5

Source: UOB Kay Hian

Typical Holstein Lactation Curves and Measure of Lactation Persistency



Source: Lactanet

Environmental, Social, Governance (ESG) Updates

Environmental

- Emissions management: Reduced solid waste intensity ratio by 62% from 2017.

Social

- Wellbeing: Lowered the amount of sugar contained per ml in all its beverages by 59% since 2004.
- Diversity & inclusion: Fosters a diverse and inclusive work environment, ensuring that all patients and employees are treated with respect and dignity.

Governance

- Board balance and composition: Six board members are independent directors, amounting to 55% of the board members.

Profit & Loss

Year to 30 Sep (RMm)	2026	2027F	2028F	2029F
Net turnover	**4,924**	**5,068**	**5,181**	**5,275**
EBITDA	1,595	1,815	1,872	1,925
Deprec. & amort.	151	174	191	201
EBIT	819	816	850	870
Associate contributions	0	0	0	0
Net interest income/(expense)	(19)	(16)	(9)	0
Pre-tax profit	**625**	**593**	**635**	**664**
Tax	(185)	(166)	(178)	(159)
Minorities	(3)	(3)	(4)	(4)
Net profit	**437**	**424**	**454**	**501**
Net profit (adj.)	342	424	454	501

Balance Sheet

Year to 30 Sep (RMm)	2026	2027F	2028F	2029F
Fixed assets	2,418	2,452	2,476	2,489
Other LT assets	1,124	1,117	1,110	1,103
Cash/ST investment	656	446	341	426
Other current assets	1,610	1,689	1,726	1,758
Total assets	**5,808**	**5,705**	**5,653**	**5,775**
ST debt	164	24	-76	-80
Other current liabilities	1,047	1,014	1,033	1,049
LT debt	334	280	176	138
Other LT liabilities	216	216	216	216
Shareholders' equity	4,027	4,155	4,292	4,444
Minority interest	19	16	12	8
Total liabilities & equity	**5,808**	**5,705**	**5,653**	**5,775**

Cash Flow

Year to 30 Sep (RMm)	2026	2027F	2028F	2029F
Operating	**818**	**489**	**631**	**701**
Pre-tax profit	593	635	664	0
Tax	(166)	(178)	(159)	0
Deprec. & amort.	174	191	201	0
Working capital changes	258	(113)	(18)	(15)
Other operating cashflows	(42)	(46)	(57)	716
Investing	**(368)**	**(209)**	**(216)**	**(225)**
Capex (growth)	(513)	(225)	(225)	(225)
Investments	0	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	145	16	9	0
Financing	**(388)**	**(490)**	**(521)**	**(392)**
Dividend payments	(239)	(296)	(317)	(350)
Issue of shares	0	0	0	0
Loan repayment	0	(194)	(204)	(42)
Others/interest paid	(149)	0	0	0
Net cash inflow (outflow)	**61**	**(210)**	**(105)**	**85**
Beginning cash & cash equivalent	**626**	**656**	**446**	**341**
Changes due to forex impact	(31)	0	0	0
Ending cash & cash equivalent	**656**	**446**	**341**	**426**

Key Metric

Year to 30 Sep (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	16.6	16.1	16.4	16.5
Pre-tax margin	10.8	11.7	12.3	12.6
Net margin	6.9	8.4	8.8	9.5
ROA	7.7	7.4	8.0	8.8
ROE	11.0	10.1	10.5	11.4
Growth				
Turnover	(5.3)	2.9	2.2	1.8
EBITDA	(8.7)	(0.4)	4.3	2.3
Pre-tax profit	(28.3)	12.0	7.0	4.6
Net profit	(14.0)	(3.0)	7.0	10.5
Net profit (adj.)	(34.0)	24.1	7.0	10.5
EPS	(34.0)	24.1	7.0	10.5
Leverage				
Debt to total capital	8.6	5.3	1.8	1.0
Debt to equity	12.3	7.3	2.3	1.3
Net debt/(cash) to equity	(3.9)	(3.4)	(5.6)	(8.3)
Interest cover	29.3	32.0	54.6	169.9

SD Guthrie (SDG MK)

3Q26: Within Expectations; Upstream Lifts Core Profit By 39%

Highlights

- SD Guthrie (SDG) reported 3Q26 net profit of RM773m (-17% yoy, -22% qoq) on smaller land sale gains. Excluding one-off items, core net profit rose 39% yoy and 30% qoq to RM693m, led by upstream operations.
- 9M26 core net profit of RM1.64b (+10% yoy) is in line at 73% of our full-year forecast. We raise 2026 core net profit forecast by 3%, mainly to reflect net savings from the redeemed perpetual sukuk, and keep 2027's estimates unchanged.
- Maintain BUY with an unchanged target price of RM8.30, based on 19x 2027F PE.

3Q26 Results Summary

Year to 31 Dec (RMm)	3Q26	3Q25	qoq %	yoy %	9M26	yoy %
Revenue	5,393	5,411	9.1	(0.3)	15,026	(2.4)
PBIT	1,134	1,264	(13.6)	(10.3)	3,254	12.8
Upstream	935	631	49.1	48.2	2,091	2.5
Midstream	99	123	(16.8)	(19.5)	286	28.8
Downstream	1	31	(94.1)	(96.8)	59	(56.0)
Industrial Development	81	432	(84.7)	(81.3)	770	78.2
Profit Before Tax	1,099	1,251	(14.1)	(12.2)	3,166	11.8
Net Profit	773	935	(21.7)	(17.3)	2,320	15.6
Core Net Profit (excl. one-offs)	693	497	30.0	39.4	1,641	10.4
Margins	**%**	**%**	**+/- ppt**	**+/- ppt**	**%**	**+/- ppt**
PBIT	21.0	23.4	(5.5)	(2.3)	21.7	2.9
Core Net Profit	12.8	9.2	2.1	3.7	10.9	1.3

Note: Core net profit excludes land gains and other one-off items
Source: SDG, UOB Kay Hian

Analysis

- **Upstream drove the quarter.** Upstream PBIT rose 48% yoy to RM935m. Indonesian PBIT nearly quadrupled to RM264m as FFB output rose 23% yoy, with newer areas reaching prime age after accelerated replanting. Malaysian PBIT rose 26% to RM517m on 4% higher FFB output and a 6% higher realised CPO price of RM4,548/tonne. Papua New Guinea (PNG) and the Solomon Islands PBIT were flat at RM154m as dry weather cut output by 2%.
- **Midstream and downstream softens.** Midstream PBIT fell 20% yoy to RM99m on inventory provisions in bulk refining after CPO prices eased, although trading rose 35% to RM88m. Downstream PBIT was only RM1m (3Q25: RM31m) on weaker margins in Asia Pacific and Europe and losses at the Emery JV.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	19,831	20,895	24,922	26,158	27,775
EBITDA	4,102	4,487	5,535	5,658	5,322
Operating profit	2,649	3,048	3,945	4,068	3,732
Net profit (rep./act.)	1,527	2,503	2,837	3,019	2,711
Net profit (adj.)	1,527	1,949	2,231	2,414	2,105
EPS (sen)	22.5	36.2	41.0	43.7	39.2
PE (x)	26.8	16.6	14.7	13.8	15.4
P/B (x)	2.0	2.0	2.3	2.3	2.3
EV/EBITDA (x)	11.4	10.4	8.6	8.3	8.9
Dividend yield (%)	2.7	3.0	3.4	3.6	3.3
Net margin (%)	7.7	12.0	11.4	11.5	9.8
Net debt/(cash) to equity (%)	22.8	22.6	23.5	23.2	22.9
Consensus net profit	-	-	2,720	2,699	2,530
UOBKH/Consensus (x)	-	-	1.04	1.12	1.07

Source: SDG, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM6.00
Target Price	RM8.30
Upside	38.3%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	SDG MK
Shares issued (m)	6,915.7
Market cap (RMm)	41,494.3
Market cap (US$m)	10,229.8
3-mth avg daily t'over (US$m)	14.7

Price Performance (%)

52-week high/low				RM7.00/RM 5.18
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(2.3)	(11.8)	(4.6)	11.8	4.4

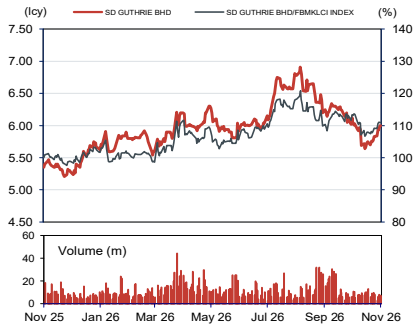
Major Shareholders (%)

Permodalan Nasional Bhd (incl. ASNB)	39.7
Employees Provident Fund	17.6

Balance Sheet Metrics

NAV/Share, Sep-26 (RM)	2.70
Net Debt/Share, Sep-26 (RM)	0.87

Price Chart



Source: Bloomberg

Company Description

SD Guthrie is one of the world's largest producers of certified sustainable palm oil, with 232 estates across Malaysia, Indonesia, Papua New Guinea and the Solomon Islands, and 10 refineries. It is also developing industrial parks and renewable energy projects on its Malaysian land bank.

- **Land gains lumpy, not slowing.** Industrial development PBIT was RM81m (3Q25: RM432m) from a single outright sale. 9M26 land gains of RM770m already exceed our RM700m full-year assumption, and after the quarter, the Byram (RM253m) and Port Dickson (RM89m) sales turned unconditional and the RM241m Penang land compensation was settled.
- **Higher tax rate, lower gearing.** The effective tax rate rose to 28% (3Q25: 22%) on withholding tax on dividends from foreign subsidiaries and RM17m of Pillar Two global minimum tax. Net gearing fell to 31% from 37% at end-June, as RM1.14b of operating cash flow and RM581m of disposal proceeds cut net borrowings by RM1.04b to RM5.99b.
- **El Niño impact still ahead.** Management said 9M26 rainfall at its Indonesian estates was lower yoy. Kalimantan has had little rain since July, and only about 65% of the Indonesian fertiliser programme has been applied. The yield effect usually appears 6-18 months later. At the analyst briefing, management guided for production growth in Malaysia in 2027; we remain more cautious at the group level and continue to expect a small decline in 2027 FFB output.
- **Indonesian policy risk is manageable for now.** The agrarian reform law passed on 22 September requires at least 20% of plantation land, or an equivalent profit share, for communities.
- **Land pipeline.** About 22,000 acres sit in the co-development pipeline. Beyond 4Q26, the Bukit Kerayong sale to the YTL Power/Bumi Assets JV (RM586m gain) is due to complete in 1Q27 and the Kulai sale to Sime Darby Property (RM418.5m) has received shareholder approval.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM8.30,** based on 19x 2027F PE on reported EPS of 43.7 sen, which includes RM500m of land gains. The multiple is unchanged.
- **Undemanding valuation.** At RM6.02, SDG trades at 14.7x 2026F and 13.8x 2027F PE, with 37.9% upside to our target price.

Earnings Revision/Risk

- **2026 forecasts raised, while those for 2028 are cut.** We raise 2026 core net profit forecast by 3% to RM2,231m, mainly because the RM2.2b perpetual sukuk was redeemed in March, removing RM96m of distributions this year, partly offset by higher finance costs on replacement borrowings. Our 2027 net profit forecast is broadly unchanged as higher fertiliser and wage cost assumptions offset the full-year sukuk saving. We cut our 2028 net profit forecast by 8.6% to align with our RM4,500/tonne CPO assumption (previously RM4,600).
- **Risks. a**) A deeper El Niño impact on 2027-28 output, especially in Kalimantan, b) lower CPO prices while Malaysian stocks stay high, c) delays in the completion of land sales, d) stricter implementation of Indonesia's agrarian reform and export rules.

Share Price Catalyst

- a) Recognition of 4Q26 land transactions: Penang compensation (RM241m), Byram (RM253m) and Port Dickson (RM89m).
- b) Completion of the Bukit Kerayong sale to the YTL Power/Bumi Assets JV in 1Q27, with a RM586m gain.
- c) A CPO price recovery into 2027 as El Niño reduces output. Our 2027 CPO price forecast is RM4,700/tonne.

Environmental, Social, Governance (ESG) Updates

Environmental

- Fire management: 2,411 fires confirmed in Indonesia in 9M26, of which 99% were outside SDG's concessions (31 within). SDG runs 67 firefighting teams (1,005 trained personnel) and monitors a 5km radius around its operations.
- Renewable energy: 15MW first solar PV plant commissioned in Dec 25; 100MW Similajau (Bintulu) project, 24.5% stake, target COD: Dec 29; term sheet signed on 28 Sep 26 for a 680MWac hybrid solar and battery project supplying a US technology company's data centres (33.5% indirect stake). Aspiration: 1GW of solar capacity.

Social

- Indonesia's agrarian reform law (22 Sep 26) requires 20% of plantation land, or equivalent profit sharing, for communities. Regulations are pending implementation; SDG is in dialogue with government agencies, communities and smallholders.
- Community fire-prevention programmes cover 186,000ha and engage about 100,000 people across 34 villages.

Governance

- Contingent liability: Indonesia's forestry task force (Satgas PKH) has alleged land overlaps at several Indonesian subsidiaries. SDG holds valid HGU titles; verification is ongoing and no sanction has been issued to date.
- The RM2.2b perpetual sukuk was redeemed on 24 Mar 26, funded mainly by Sustainability-Linked Sukuk Wakalah.

Source: SDG, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	**19,831**	**20,895**	**24,922**	**26,158**	**27,775**
EBITDA	4,102	4,487	5,535	5,658	5,322
Deprec. & amort.	1,453	1,439	1,591	1,591	1,591
EBIT	2,649	3,048	3,945	4,068	3,732
Associate contributions	(28)	(9)	(6)	51	54
Net interest income/(expense)	(119)	(63)	(115)	(121)	(109)
Pre-tax profit	**2,502**	**3,530**	**3,823**	**3,997**	**3,676**
Tax	(796)	(842)	(855)	(913)	(901)
Minorities & perp. sukuk	(179)	(185)	(132)	(65)	(65)
Net profit	**1,527**	**2,503**	**2,837**	**3,019**	**2,711**
Net profit (adj.)	1,527	1,949	2,231	2,414	2,105

Balance Sheet

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Fixed assets	19,365	19,341	19,750	20,160	20,569
Other LT assets	4,954	4,582	4,724	4,724	4,724
Cash/ST investment	625	624	898	879	718
Other current assets	520	7,196	6,505	5,399	5,365
Total assets	**32,047**	**31,743**	**31,878**	**31,162**	**31,376**
ST debt	1,809	546	361	177	177
Other current liabilities	237	5,364	6,227	6,410	6,596
LT debt	3,537	4,713	6,274	5,530	5,530
Other LT liabilities	233	271	271	271	271
Shareholders' equity	20,718	20,470	18,239	18,239	18,239
Minority interest	443	401	505	536	563
Total liabilities & equity	**32,047**	**31,765**	**31,878**	**31,162**	**31,376**

Cash Flow

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Operating	**3,013**	**3,598**	**4,517**	**4,334**	**3,999**
Pre-tax profit	2,502	3,530	3,823	3,954	3,578
Tax	(796)	(842)	(850)	(904)	(859)
Deprec. & amort.	1,453	1,439	1,591	1,591	1,591
Working capital changes	(378)	(510)	325	(163)	(166)
Other operating cashflows	113	(19)	213	235	247
Investing	**(630)**	**(1,668)**	**(1,184)**	**(1,196)**	**(1,184)**
Capex (maintenance)	(2,096)	(2,125)	(2,000)	(2,000)	(2,000)
Investments	0	(365)	2	2	2
Proceeds from sale of assets	1,452	711	800	800	800
Others	14	111	14	2	14
Financing	**(1,621)**	**(1,943)**	**(3,053)**	**(3,151)**	**(2,971)**
Dividend payments	(1,127)	(1,346)	(1,563)	(1,661)	(1,481)
Issue of shares	0	0	0	0	0
Proceeds from borrowings	0	(95)	0	0	0
Others/interest paid	6	(502)	10	10	10
Net cash inflow (outflow)	**762**	**(13)**	**280**	**(13)**	**(155)**
Beginning cash & cash equivalent	**830**	**625**	**624**	**898**	**879**
Changes due to forex impact	(6)	12	(6)	(6)	(6)
Ending cash & cash equivalent	**1,586**	**624**	**898**	**879**	**718**

Key Metric

Year to 31 Dec (%)	2024	2025	2026F	2027F	2028F
Profitability					
EBITDA margin	20.7	21.5	22.2	21.3	18.8
Pre-tax margin	12.6	16.9	15.3	15.0	12.9
Net margin	7.7	12.0	11.4	11.5	9.7
ROA	5.1	8.3	9.4	10.2	9.0
ROE	8.3	13.8	16.7	17.7	15.8
Growth					
Turnover	7.6	5.4	19.3	5.7	5.5
EBITDA	25.4	9.4	23.4	1.4	(7.0)
Pre-tax profit	(9.1)	41.1	8.3	3.4	(9.5)
Net profit	(17.9)	63.9	13.5	6.3	(10.8)
Net profit (adj.)	88.1	27.6	15.2	15.5	(12.6)
EPS	88.0	61.2	13.5	6.3	(10.8)
Leverage					
Debt to total capital	25.3	25.2	35.4	30.4	30.4
Debt to equity	25.8	25.7	36.4	31.3	31.3
Net debt/(cash) to equity	22.8	22.6	31.5	26.5	27.4
Interest cover (x)	34.5	71.2	47.9	46.3	47.8

Market Spotlight

Market News

The FBMKLCI rose 19.30pt (1.2%) to close at 1,635.86 yesterday as it recouped early losses amid late buying interest in index-linked counters. Meanwhile, Asian stocks were mixed on Thursday, as a sharp selloff in semiconductor shares triggered a trading curb in South Korea, offsetting support from a steep decline in oil prices after Democrats' victories in the US midterm elections. The FBMKLCI's top gainers were Hong Leong Bank (+4.5%), AMMB Holdings (+4.2%) and Public Bank (+4.0%), while the top losers were Petronas Chemicals Group (-8.3%), MISC (-4.0%) and CelcomDigi (-1.2%). In the broader market, losers outpaced gainers 723 to 497 with 466 counters unchanged. Turnover was 3.75b share valued at RM3.61b.

US stocks were lower after the close on Thursday, as losses in the technology, industrials and consumer goods sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average lost 3.45%, while the S&P 500 Index declined 4.29%, and the NASDAQ Composite Index declined 5.42%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 2,482 to 355 and 38 ended unchanged; on the Nasdaq Stock Exchange, 3,011 fell and 438 advanced, while 77 ended unchanged. (*Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

Analyst(s)

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,636.85
Expected moving range:	1,610-1,650

Technical View:

From a technical perspective, the index formed a rising window pattern and closed higher at 1.636.85 yesterday. The index penetrated the previous immediate resistance with higher volume on yesterday's movement. The bullish crossover in DMI suggests buying pressure has started to gain traction, which could lead to further upside in the near term. This bullish also supported by an uptick in RSI and bullish crossover in MACD. Support and resistance levels are revised as follows:

Support: 1,593, 1,585

Resistance: 1,651, 1,683

FCPO



Source: TradingView

Futures Crude Palm Oil (FCPO) Active Contract, 1 Hour Chart

Technical SELL with -2.3% downside

Trading SELL range:	RM4,500-4,540
Last price:	RM4,368
Target price:	RM4,301, RM4,266
Resistance:	RM4,599
Stop-loss:	RM4,601

SELL with a target price of RM4,266 and stop-loss at RM4,601. Based on the chart, FCPO hit our both targets at RM4,401 and RM4,369 before continuing the bearish movement to the current level. This bearish movement is supported by the downtick in RSI and bearish crossover in both MACD and DMI indicators. We peg our new targets at RM4,301 and RM4,266 in the near term.

Expected timeframe: One day to three days

FKLI



Source: TradingView

FTSE Bursa Malaysia KLCI Futures (FKLI), 1 Hour Chart

Technical BUY with +1.7% potential return

Trading BUY range:	1,630-1,650
Last price:	1,630.5
Target price:	1,649, 1,659
Support:	1,612
Stop-loss:	1,611

BUY with a target price of 1,659 and stop-loss at 1,611. Based on the chart, FKLI hit both our previous targets at 1,636 and 1,639 before formed a pullback to the current level. This bullish movement is supported by an uptick in the RSI and bullish crossovers in both MACD and DMI indicators. We peg our new targets at 1,649 and 1,659 in the near term.

Expected timeframe: One day to three days

Traders' Corner

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Source: UOBKH ChartGenie

CCK Consolidated Holdings
CCK MK

Technical BUY on breakout with +17.0% potential return

Trading BUY range:	RM0.855-0.86
Last price:	RM0.83
Target price:	RM0.97, RM0.995
Support:	RM0.785
Stop-loss:	RM0.78

BUY on breakout with a target price of RM0.995 and stop-loss at RM0.78. Based on daily chart, CCK has seen its share price recovers gradually and move above the 7- and 21-day EMA following yesterday's spike to close higher at RM0.83. This is supported by an uptick in RSI and bullish crossover in MACD, indicating that positive momentum would strengthen in the near term. We peg our targets at RM0.97 and RM0.995 once it penetrates the breakout level of RM0.855

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Hi Mobility
HI MK

Technical BUY on breakout with +17.8% potential return

Trading BUY range:	RM1.69-1.70
Last price:	RM1.66
Target price:	RM1.87, RM1.99
Support:	RM1.55
Stop-loss:	RM1.54

BUY on breakout with a target price of RM1.99 and stop-loss at RM1.54. Based on the daily chart, HI closed above the BBI line yesterday. This supported by the bullish crossover in the DMI and is consistent with the uptick in the RSI which suggests stronger buying momentum ahead. We expect HI to continue moving in its bullish momentum towards our targets at RM1.87 and RM1.99 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Kumpulan Fima
FIMA MK

Technical BUY with +10.6% potential return

Trading BUY range:	RM2.50-2.55
Last price:	RM2.54
Target price:	RM2.69, RM2.82
Support:	RM2.43
Stop-loss:	RM2.42

BUY with a target price of RM2.82 and stop-loss at RM2.42. Yesterday, share price closed above the BBI line, and we expect FIMA to continue to trend up. This bullish movement is supported by the MACD and the DMI that are currently showing positive signals. This is also consistent with the uptick in the RSI which suggests stronger buying momentum ahead. We peg our targets at RM2.69 and RM2.82 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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