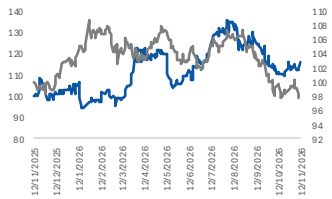
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Recommendation:	BUY
Current Price:	RM 1.80
Previous Target Price:	RM 2.15
Target Price:	RM 2.15
Capital Upside/Downside:	19.4%
Dividend Yield (%):	3.9%
Total Upside/Downside	23.4%

Stock information	
Board	MAIN
Sector	Plantation
Bursa / Bloomberg Code	5323 / JPGMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	2,492.1
Market Cap (RM' m)	4,485.8
52-Week Price Range (RM)	2.1-1.43
Beta (x)	0.8
Free float (%)	42.2
3M Average Volume (m)	5.7
3M Average Value (RM' m)	10.8

Top 3 Shareholders	(%)
Kulim Malaysia Bhd	54.6
Employees Provident Fund Board	19.2
Kumpulan Wang Persaraan	5.5

Share Price Performance vs KLCI



	1M	3M	12M
Absolute (%)	5.3	-13.0	16.1
Relative (%)	7.4	-4.5	19.5

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM'm)	1,724.7	1,815.5	2,221.4
PATAMI (RM'm)	345.0	287.5	355.1
CNP (RM'm)	350.4	287.5	355.1
EPS - core (sen)	14.0	11.5	14.2
P/E(x)	12.8	15.7	12.7

Johor Plantations Group Bhd

3QFY26 Earnings Rise Sequentially Amid Improving Production

- **Results within expectations. 3QFY26 CNP stood at RM110.8m (-0.6% YoY, +96.0% QoQ), bringing 9MFY26 CNP to RM219.9m (-18.8% YoY), accounting for 76.5% and 77.2% of our and consensus full-year estimates, respectively.**
- **Sequential earnings recovery supported by stronger production. CNP rose 96.0% QoQ, supported by higher revenue (+8.4% QoQ) and lower cost of sales (-7.0% QoQ). FFB production increased 35.6% QoQ to 292k MT while CPO production unit costs reduce by 9.4% QoQ to RM2,526/MT.**
- **iSPOC to support future earnings diversification. Commercial operations are expected to contribute more meaningfully in FY27.**
- **Maintain our BUY call with an unchanged TP of RM2.15 pegged to 15.1x PE on FY27 EPS of 14.2 alongside a three-star ESG rating.**

Results in line with expectations. The Group reported 3QFY26 CNP of RM110.8m with YTD 9MFY26 at RM219.9m, meeting 76.5% and 77.2% of our and consensus full-year estimates respectively. YTD CNP was derived after excluding fair value loss in biological assets (RM18.1m).

YoY. CNP declined 0.6% to RM110.8m (FY25Q3: RM111.5m). The decline was primarily attributable to a 9.2% YoY reduction in revenue to RM450.72m (FY25Q3: RM496.15m), following lower CPO and PK delivery volumes (-15.9% and -10.4% YoY, respectively), partially offset by higher average selling prices for CPO and PK (+6.5% and +6.6% YoY, respectively). Meanwhile, cost of sales declined by a smaller 5.7% YoY to RM286.82m (FY25Q3: RM304.21m) while internal CPO production costs increased by 13.5% YoY to RM2,526/MT. Nevertheless, the impact on profitability was mitigated by a 10.0% YoY reduction in administrative expenses to RM37.93m (FY25Q3: RM42.13m), a 79.2% increase in other income to RM18.19m (FY25Q3: RM10.15m).

QoQ. CNP increased by 96.0% to RM110.8m (FY26Q2: RM56.5m). The improvement was supported by an 8.4% QoQ increase in operating revenue to RM450.72m, driven by higher CPO and PK delivery volumes (+6.2% and +15.7% QoQ, respectively). Administrative expenses increased by 4.5% QoQ to RM37.93m, although this was more than offset by higher other income (+70.7%, FY26Q2: RM10.7m).

YTD YoY. CNP declined by 18.8% to RM219.9m (9MFY25: RM270.7m). Operating revenue declined marginally by 0.9% YoY to RM1.22bn (9MFY25: RM1.23bn), primarily due to lower Group CPO and PK delivery volumes (-1.1% and -3.1% respectively), partially offset by higher average selling prices. Meanwhile, cost of sales increased by 9.2% YoY to RM846.41m (9MFY25: RM774.97m), reflecting higher harvesting and transportation, upkeep and field maintenance, and mill-related costs. Consequently, the Group's internal CPO production cost increased by 10.9% YoY to RM2,557/MT. Administrative expenses also increased by 4.5% YoY to RM107.29m (9MFY25: RM102.70m). The impact was partially cushioned by higher other income rising to RM35.3m (+32.8%).

Operational Highlights. Management has guided that CY27 FFB production will be at approximately 1m MT, accounting for El-Nino impacts. Oct-Nov-Dec production is expected to be c.290k. Current YTD production stands at c.713k, with monthly production peaking in October. CPO ASP of RM 4,400/4,500 was also guided for 4QFY26 based on delayed effects from El-Nino arising. YoY, fertiliser prices have risen 15% with similar increases expected for next year. CY27 CPO cost guidance stands at +/- 5%. June 2027 wage hike will result in a 5% decrease in NP. Earnings contributions from iSPOC remain minimal with contributions expected to ramp-up within FY27. YTD iSPOC capex is at 219m. (cumulative: RM434.2m).

For 3QFY26, FFB, CPO, and PK production fell YoY while rising QoQ. In addition, CPO ASPs rose YoY and QoQ while PK ASPs rose YoY but fell QoQ.

Figure 1: YTD Production for FFB/CPO/PK ending September

Production	CY25	CY26	YoY
FFB (MT)	808,622	712,829	-11.8%
CPO (MT)	229,358	220,856	-3.7%
PK (MT)	59,486	56,817	-4.5%

Figure 2: 3QCY26 production for FFB/CPO/PK

Production	3QCY25	2QCY26	3QCY26	YoY	QoQ
FFB (MT)	334,482	215,552	292,352	-12.6%	35.6%
CPO (MT)	93,910	72,046	83,779	-10.8%	16.3%
PK (MT)	24,466	18,090	21,839	-10.7%	20.7%

Figure 3: CPO and PK ASPs

ASP	3QCY25	2QCY26	3QCY26	YoY	QoQ
CPO	4,395	4,644	4,683	6.6%	0.8%
PK	3,514	3,887	3,747	6.6%	-3.6%

Figure 4: YTD Delivery volumes for CPO/PK ending September

Delivery vol	CY25	CY26	YoY
CPO (MT)	224,156	221,599	-1.1%
PK (MT)	58,458	56,664	-3.1%

Source: Company, Apex Securities

Dividend. A single tier dividend of 1.50 sen was declared with an ex-date of 26th Nov 2026.

Outlook. We continue to be optimistic on JPG owing to i) a tighter supply-demand balance owing to supply risks (El-Nino) and festival-related buying (Chinese New Year) and ii) the upcoming commissioning of iSPOC which is expected to be online by 1QFY27.
Looking ahead, Upstream earnings are expected to be supported by full year FFB production of 1m MT which we deem as justifiable. Meanwhile, elevated industry inventories may constrain further CPO price appreciation, although sustained biodiesel demand and the potential lagged effects of El Niño on production could provide underlying price support.

Earnings Revision. No change to our FY26F-FY28F CNP estimates due to operational results meeting our expectations.

Valuation. We maintain our BUY call on JPG with an unchanged TP of RM2.15 based on a PE of 15.1x on FY27 EPS of 14.2 alongside a three-star ESG rating.

Risk. Key risks include adverse export regulations, worse-than-expected El-Nino disruptions to FFB production, changes in taxation or Indonesian export policies, labour shortages and higher operating costs.

Results Comparison

FYE Dec (RM m)	3QFY26	3QFY25	yoy (%)	2QFY26	qoq (%)	9MFY26	9MFY25	yoy (%)
Revenue	450.7	496.2	*(9.2)*	415.8	*8.4*	1,223.3	1,234.9	*(0.9)*
EBITDA	176.4	190.3	*(7.3)*	113.5	*55.5*	400.2	474.2	*(15.6)*
Pre-tax profit	133.0	149.0	*(10.7)*	70.1	*89.7*	269.1	355.1	*(24.2)*
Net profit	100.3	106.0	*(5.4)*	51.1	*96.0*	201.8	257.2	*(21.5)*
Core net profit	110.8	111.5	*(0.6)*	56.5	*96.0*	219.9	270.7	*(18.8)*
Core EPS (sen)	4.4	4.5	*(0.6)*	2.3	*96.0*	8.8	10.8	*(18.8)*
EBITDA margin (%)	39.1	38.4		27.3		32.7	38.4	
PBT margin (%)	29.5	30.0		16.9		22.0	28.8	
Core net profit margin (%)	24.6	22.5		13.6		18.0	21.9	

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**1,524.9**	**1,724.7**	**1,815.5**	**2,221.4**	**2,243.6**
EBITDA	**532.3**	**624.7**	**555.1**	**702.1**	**706.4**
Depreciation & Amortisation	(119.6)	(121.1)	(130.7)	(142.5)	(147.2)
EBIT	**412.7**	**503.6**	**424.5**	**559.6**	**559.1**
Net Finance Income/ (Cost)	(66.5)	(35.4)	(40.3)	(46.4)	(39.1)
Pre-tax Profit	**346.2**	**468.2**	**384.2**	**513.2**	**520.1**
Tax	(90.2)	(124.6)	(98.7)	(131.9)	(133.7)
Profit After Tax	**256.1**	**343.6**	**285.4**	**381.3**	**386.4**
Minority Interest	1.3	1.4	2.0	(26.1)	(26.4)
Net Profit	**257.3**	**345.0**	**287.5**	**355.1**	**360.0**
Exceptionals	(4.0)	(5.4)	0.0	0.0	0.0
Core Net Profit	**261.3**	**350.4**	**287.5**	**355.1**	**360.0**

Key Ratios

FYE Dec	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	10.5	14.0	11.5	14.2	14.4
P/E (x)	17.2	12.8	15.7	12.7	12.5
P/B (x)	1.6	1.5	1.4	1.3	1.2
EV/EBITDA (x)	10.4	8.6	10.3	7.9	7.6
DPS (sen)	2.50	6.75	5.75	7.10	7.20
Dividend Yield (%)	1.4%	3.8%	3.2%	3.9%	4.0%
EBITDA margin (%)	34.9%	36.2%	30.6%	31.6%	31.5%
EBIT margin (%)	27.1%	29.2%	23.4%	25.2%	24.9%
PBT margin (%)	22.7%	27.1%	21.2%	23.1%	23.2%
PAT margin (%)	16.8%	19.9%	15.7%	17.2%	17.2%
NP margin (%)	16.9%	20.0%	15.8%	16.0%	16.0%
CNP margin (%)	17.1%	20.3%	15.8%	16.0%	16.0%
ROE (%)	9.2%	11.5%	9.0%	10.5%	10.0%
ROA (%)	5.3%	6.5%	5.0%	5.9%	5.9%
Gearing (%)	49.1%	50.3%	55.1%	50.0%	45.4%
Net gearing (%)	37.2%	27.8%	36.8%	27.8%	20.8%

Valuations	FY27F
Core EPS (RM)	0.1421
P/E multiple (x)	15.1
Fair Value (RM)	**2.15**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**2.15**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	336.8	688.5	583.6	752.1	885.7
Receivables	65.1	57.0	60.0	73.4	74.0
Inventories	39.6	66.6	70.1	85.9	87.0
Other current assets	246.1	111.0	111.0	111.0	111.0
Total Current Assets	**687.7**	**923.2**	**824.8**	**1,022.4**	**1,157.7**
Fixed Assets	2,655.3	2,889.1	3,386.8	3,410.5	3,446.2
Other non-current assets	1,616.5	1,593.0	1,564.6	1,536.2	1,507.8
Total Non-current assets	**4,271.8**	**4,482.1**	**4,951.4**	**4,946.6**	**4,954.0**
Short-term Debt	56.2	7.5	0.0	0.0	0.0
Payables	180.0	241.4	254.3	311.3	315.4
Other Current Liabilities	16.3	30.1	30.1	30.1	30.1
Total Current Liabilities	**252.6**	**279.0**	**284.3**	**341.4**	**345.5**
Long-term Debt	1,332.0	1,527.4	1,757.8	1,696.4	1,635.0
Other non-current liabilities	548.9	549.4	542.9	536.4	529.9
Total Non-current Liabiliti	**1,880.9**	**2,076.8**	**2,300.7**	**2,232.8**	**2,164.9**
Shareholder's equity	2,817.6	2,993.4	3,133.0	3,310.6	3,490.6
Minority interest	8.5	56.2	58.2	84.3	110.7
Equity	**2,826.1**	**3,049.5**	**3,191.2**	**3,394.9**	**3,601.3**

Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	**346.2**	**468.2**	**384.2**	**513.2**	**520.1**
Depreciation & amortisation	119.6	121.1	130.7	142.5	147.2
Changes in w orking capital	25.5	40.7	6.3	27.9	2.5
Others	3.0	-32.2	-65.0	-92.0	-101.1
Operating cash flow	**494.4**	**597.7**	**456.2**	**591.6**	**568.7**
Net capex	-146.7	-401.3	-600.0	-137.8	-154.6
Others	-136.5	192.0	20.7	17.5	22.6
Investing cash flow	**-283.3**	**-209.3**	**-579.3**	**-120.3**	**-132.0**
Changes in borrow ings	-239.0	146.5	222.9	-61.4	-61.4
Issuance of shares	9.8	49.0	0.0	0.0	0.0
Dividends paid	-62.5	-168.8	-143.7	-177.6	-180.0
Others	276.7	-63.4	-60.9	-63.9	-61.6
Financing cash flow	**-15.0**	**-36.7**	**18.2**	**-302.9**	**-303.0**
Net cash flow	**196.1**	**351.7**	**-104.9**	**168.5**	**133.6**
Forex	0.0	1.0	2.0	3.0	4.0
Others	0.0	-1.0	-2.0	-3.0	-4.0
Beginning cash	140.7	336.8	688.5	583.6	752.1
Ending cash	336.8	688.5	583.6	752.1	885.7

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	In FY24, Scope 1 and Scope 2 emissions were reduced by -7% and -13% respectively, while Scope 3 emissions saw a -7% yoy decline. Emission intensity at palm oil mills improved to 0.45 tCO_2e per MT of CPO produced, representing a -13% yoy reduction.
Waste & Effluent	★★★	Waste management showed marked progress with landfilled waste reduced by 33% to 2,272 MT, while recycled waste up by +17% yoy to 5,010 MT.
Energy	★★★	Total energy consumption rose to 14.43m GJ, a +7% yoy increase from the previous year. However, the share of renewable energy declined slightly to 41%, compared to 45% previously.
Water	★★★	Water withdrawal increased marginally to 33.8m m^3, yet water use efficiency improved, with intensity down -2% yoy to 1.06 m^3 per MT of FFB processed.
Compliance	★★	Complied with MSPO, RSPO certified

Social

Diversity	★★★	The workforce remains diverse, with women making up 25% of the total headcount and 22% of management roles, reflecting an increase in leadership diversity.
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★	There were 5 workplace fatalities in FY24, down from 7 in the previous year, while the LTIFR improved to 0.36, a -23% yoy reduction.
Labour Practices	★★★	The Group continued aligning pay scales with market rates under the National Wages Consultative Council Act and provided an average of 19.5 training hours per employee.

Governance

CSR Strategy	★★★	Community investment rose significantly to RM5.8m in FY24, benefiting over 46,000 individuals through various outreach and empowerment programs.
Management	★★	Average board members age above 62, 1/6 female board composition, 4/6 Independent Directors.
Stakeholders	★★★★	1x AGM per annum but responsive to enquiries on request.

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

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

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As of **Friday, 13 Nov, 2026**, 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.