

PETALING JAYA: Land sales are anticipated to drive earnings growth at SD Guthrie Bhd in 2026.

The plantation giant intends to sell an average of about 1,000 ha annually and has eight outstanding land-related joint ventures that are either pending sales and paperpurchase agreements or still at the memorandum of understanding (MoU) stage.

CIMB Research believes if the sales target is met, it could translate into RM500mil to RM700mil in annual earnings and potentially lift the group's full-year net profit to around RM2.5bil, surpassing its projected core net profit of RM1.8bil to RM1.9bil across SD Guthrie's financial year 2025 (FY25), FY26 and FY27.

For instance, in the third quarter ended Sept 30, 2025 (3Q25), SD Guthrie booked a land sale gain of RM435mil from the land sale to Eco World Development Group Bhd and could help beat the research house's core net profit and dividend forecasts.

"We have not incorporated land sale gains into core earnings, as this remains a relatively new segment for the group," CIMB Research clarified.

SD Guthrie, in December 2025, signed an MoU with Permodalan Darul Ta'zim, a wholly-owned company of the Johor state government, to explore the potential devel-

Land sales to brighten SD Guthrie prospects

Full-year net profit of around RM2.5bil possible

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opment of 5,000 acres of land in Kulai.

The research house noted that assuming SD Guthrie sells all 5,000 acres of land at RM15 per sq ft and retains a 20% stake in the proposed development, it estimated a potential land sale gain of RM1.9bil to SD Guthrie.

That aside, CIMB Research expects SD Guthrie's 4Q25 earnings could be affected by lower average crude palm oil (CPO) pric-

es and lower fresh fruit bunch output during the quarter.

The research house noted SD Guthrie locked in an average CPO price of RM4,365 per tonne for its Malaysian operations in 4Q25.

"This is broadly in line with our forecast of a lower net profit of RM414mil in 4Q25 compared with RM499mil in 3Q25," it forecasts.

It maintained a "buy" call on SD Guthrie with a sum-of-parts-based target price of RM6.01 a share, adding key catalysts include higher dividends and stronger-than-expected land sale gains.

CIMB Research forecasts SD Guthrie to post a core net profit of RM1.94bil for FY25 and offer a dividend of 20.5 sen a share for the year.

SD Guthrie owns 566,000 ha of planted oil palm estates across four countries and produces 12% of the world's certified sustainable palm oil.

In 3Q25, SD Guthrie posted a net profit of RM935mil, up from RM766mil in the same quarter in 2024.

Earnings per share rose to 13.5 sen from 11.1 sen previously.

The group reported quarterly revenue of RM5.41bil as compared to RM5.27bil in the year-ago quarter.