

# Farm Price Holdings Berhad (0304)



## Continuing to harvest success

By Tan Jia Hui / [jiahui@tradeviewcapital.my](mailto:jiahui@tradeviewcapital.my)

**HOLD** ↔

**TP: RM 0.55 (+1%)** ↔

**Current Share Price: RM 0.54**

**Result Report**

**Growth**

Investment Horizon  
**12 months**

### Valuation

**Our target price is based on:**

DCF valuation with TG of 1.5% and WACC of 8.6%. We are projecting stronger earnings growth from its wholesales distribution segment.

### Results Review



FPHB's 9MFY24 core net profit of RM8.4mil came within our expectation at 72%. On a QoQ basis, 3QFY24 core net profit dropped slightly by 1.6% despite revenue improved by 2%, due to lower gross profit margin. The lower gross profit margin was due to higher purchase costs, which were impacted by raining season on poor harvesting.

### Outlook



We anticipate more robust performance in the coming quarters with a 18% revenue growth in FY25F, supported by the new distribution centers in Nilai, Cameron Highlands, and Sabah, which commenced in 4Q24. This expansion enables the group to penetrate a broader geographic market, reaching more potential customers while enhancing service delivery to both existing and new clients. In the long term, we expect the new plant, which is targeted to be completed by 4QFY25, will drive higher revenue in the wholesale segment with new capacities. Additionally, introducing automated lines for prepacked and fresh-cut vegetables will improve margins and reduce reliance on manual labour. Thus, we reiterate our robust revenue growth assumption of 23% in FY26F. We maintain our forecast and TP at RM0.55 based on DCF valuation.

### Key Assumptions

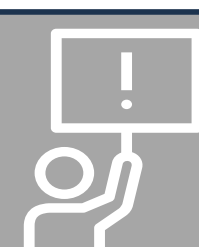
	Before			After		
	FY2024E	FY2025E	FY2026E	FY2024E	FY2025E	FY2026E
Revenue Growth						
Wholesale Distribution Segment	9%	18%	23%	9%	18%	23%
Retailing Segment	5%	5%	5%	5%	5%	5%

## Results Summary

FYE 31 Dec	1QFY24	2QFY24	3QFY24	QoQ (%)	QoQ (%)
Revenue	30.7	30.6	30.6	0.2	-0.3
Gross profit	7.0	7.5	6.6	-12.9	-7.0
EBITDA	3.9	5.0	4.2	-26.3	-5.6
Depreciation	-0.5	-0.5	-0.5	nm	nm
EBIT	3.5	4.6	3.7	-18.8	6.6
Pretax Profit	3.3	4.4	3.6	-19.4	7.1
Taxation	-0.7	-1.5	-0.7	53.0	-5.1
Net Profit	2.7	2.9	2.9	-1.6	7.6
Core Net Profit	2.7	2.9	2.9	-1.6	7.6
<b>Margin (%)</b>					
GP	23.0	24.6	21.4		
EBITDA	12.8	16.5	12.1		
Pretax	10.9	14.6	11.7		
Core Net Profit	8.6	9.5	9.3		

## Financial Exhibits

FYE 31 Dec	FY2022A	FY2023A	FY2024E	FY2025E	FY2026E
Revenue (RMm)	94.4	114.2	124.3	145.7	177.6
EBITDA (RMm)	7.2	12.0	14.4	17.1	22.2
Pretax profit (RMm)	6.1	11.8	14.0	18.4	23.6
Net profit (RMm)	4.7	8.7	10.4	13.6	17.5
EPS (sen)	1.36	2.50	2.30	3.03	3.88
PER (x)	39.6	21.6	23.5	17.8	13.9
Core net profit (RMm)	4.7	8.7	11.6	13.6	17.5
Core EPS (sen)	1.4	2.5	2.6	3.0	3.9
Core EPS growth (%)	52.4	83.3	2.9	17.6	28.1
Core PER (x)	39.6	21.6	21.0	17.8	13.9
Net DPS (sen)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	29.9	35.2	17.4	18.7	19.3
P/BV (x)	15.3	9.8	4.1	3.3	2.7



### DISCLOSURE AND DISCLAIMER



This report is prepared and issued by Tradeview Capital Sdn Bhd ("Tradeview") for general circulation only and shall not be construed or considered as an offer, recommendation, invitation and/or solicitation to purchase, subscribe or sell any securities, related investments or financial instruments.

The information contained herein are based on data and sources believed to be reliable at the time of issuance and are subject to change without further notice. Any recommendation and/or opinion contained herein does not have regards to any specific investment objectives, financial condition, risk profile and particular needs of its readers. Readers are encouraged to evaluate any specific investment or strategy based on individual circumstances, risk profile, investment objectives and/or to seek legal, tax, financial and/or other advice prior to executing any investment transaction.

Tradeview does not make any representations and/or guarantee to the accuracy and completeness of the information and opinion contained herein and accepts no liability for any direct or consequential loss arising from the reliance of this report. Tradeview and its affiliates, directors, shareholders, employees and/or agents may have positions in the securities of the company(ies) covered in this report and may from time to time buy or sell any such securities.