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Nextgreen Global Bhd

A Boon from Robust Sales of Liquid Fertilizer

Results Note
BUY (↔)
ahmadramzani@mersec.com.my
Friday, November 28, 2025
Price: RM 0.785
Target Price: RM 0.99 (↑)

Nextgreen's 9MFY25 PATAMI of RM30.4m were above expectations, accounting for 94% of our full-year forecast. As we revised a better GP margin from 54%-55% to average of 60%-70%, we upgrade our FY25E/FY26E earnings by 39%/11% to RM44.9m/RM96.8m. Revise our TP upward to RM0.99 (from RM0.89), based on P/E of 11.8x to the FY26E EPS forecast of 8.34 sen. Maintain our BUY call.

9MFY25 results above expectations, with PATAMI of RM30.4m made up 94% of our FY25 forecast. Key variance against our forecast came from: i) stronger contributions from the Fertiliser segment and ii) improved gross margins (9MFY25: 71.5%, 9MFY24: 53.9%).

YoY. Revenue and PATAMI surged by 71% and 45%, respectively attributable to stronger sales of liquid fertiliser products that increased by >100% to RM14.9m in 3QFY25 (vs 3QFY24:RM1.7m). The improvement was driven by higher output from the Group's bio conversion activities, whereby effluent generated from the Pulp & Paper segment is utilised by the Fertiliser segment as raw material and further processed into value-added liquid fertiliser (NexBooster) for commercial sale. Demand remained firm from both existing and new customers as production continued to scale. GP margin in 3QFY25 improved to 75.9% (vs 2QFY25: 73.1%). However, PAT margin softened to 46.6% (vs. 2QFY25: 48.8%), mainly due to higher depreciation expenses driven by the recognition of General Expected Credit Losses (ECL) amounting to RM3.0m and additional depreciation from newly capitalised production assets.

QoQ. PATAMI increased by 30% to RM13.2m driven by the Manufacturing Division, which recorded a 36% increase in operating revenue to RM28.3m (vs 2QFY25: RM20.7m). Subsequently, GP margin improved by 75.9% (vs 2QFY25: 73.1%) driven by better production efficiency and a more favourable product mix.

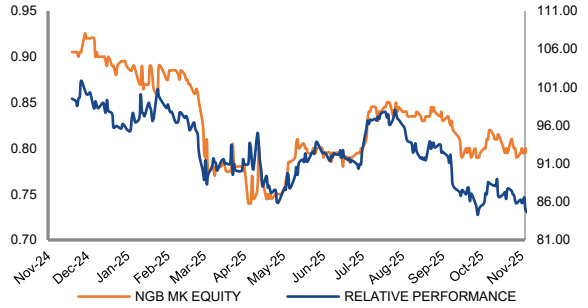
Outlook. We expect long-term demand for both fertiliser and pulp & paper to remain strong, supported by: i) the JV with Hong Kong Paper Source to establish Neuwhite Paper Pulp Sdn Bhd (NWPP) and develop a 150,000 MTPA bleached EFB pulp mill under GTP Phase 2A; ii) the near completion of NGF's 30,000-MT solid fertiliser plant; and iii) three strategic agreements (Libya, Padi Global and DOA Integrated Farming) that will broaden domestic and international fertiliser applications from FY26E onwards.

Forecast. We revised our FY25E–FY26E GP margin assumptions to 60%–70% (from 54%–55%) on cost savings from black liquor utilisation. Accordingly, earnings forecasts were raised by 39%/11% to RM44.9m/RM96.8m.

Valuation. We upgrade our TP higher at RM0.99 (from RM0.89). This is based on P/E multiple of 11.8x applied to its FY26E projected EPS of 8.3 sen.

Investment Case. We remain positive on Nextgreen given: (i) its position as Malaysia's pioneer in palm-based waste-to-value solutions, (ii) its advantage use of patented PRC-RBMP technology that converts EFB into high-grade pulp without relying on traditional wood fibres, and (iii) its superior GP margins driven by operational efficiency and higher-value fertiliser products. Notably, RSPO/MSPO-certified EFB feedstock is priced at only RM2–RM3/MT.

Share Price Performance



Business Overview

Nextgreen Global principally involved in converting palm oil biomass specifically EFB into high-value green products, including pulp, paper, biofertilizers and bioenergy.

Return Information	
KLCI (pts)	1,617.46
YTD KLCI chg.	-1.5%
YTD Stock Price chg.	-12.3%

Price Performance	1M	3M	12M
Absolute (%)	-2.5%	-6.5%	-12.8%
Relative to KLCI (%)	0.2%	1.9%	0.8%

Stock Information	
Market Cap (RM m)	858.3
Issued Shares (m)	1,093.4
52-week High (RM)	0.93
52-week Low (RM)	0.72
Est. Free Float (%)	56%
Beta vs FBM KLCI	0.7
3-month Avg Vol.	1,401,504
Shariah Compliant	Yes
Bloomberg Ticker	NGB MK

Top 3 Shareholders	%
Gan Kong Hiok	12.8%
Lim Thiam Huat	10.6%
Kenanga Investors Bh	8.2%

FY Dec (RM m)	FY24A	FY25E	FY26E
Revenue	68.0	79.7	194.7
EBITDA	36.0	41.9	93.5
PBT	23.0	45.4	97.9
Net Profit	23.1	44.9	96.9
Core Net Profit	23.0	44.9	96.8
Core EPS (sen)	0.02	0.04	0.08
Earnings Revision (%)	-	39.0	11.0
Core EPS Growth (%)	102.2	78.4	115.6
Net DPS (sen)	0.0	0.0	0.0
BV Per Share (sen)	41.6	38.1	38.1
Net Div. Yield (%)	-	-	-
P/E (x)	36.2	20.3	9.4
ROE (%)	5.2	10.2	21.9

Key Risks include: (i) delays in GTP execution, (ii) financial risks, and (iii) geopolitical tensions affecting exports.

Results Highlights

Y/E: DEC (RM m)	3QFY25	2QFY25	*QoQ Chg*	3QFY24	*YoY Chg*	9M24	9M25	YoY Chg
Turnover	**28.3**	**20.7**	**36.3%**	**16.5**	**71.2%**	**51.2**	**63.1**	**23.1%**
Gross Profit	**21.4**	**15.2**	**41.5%**	**8.2**	**162.7%**	**27.6**	**45.1**	**63.5%**
OPEX	**-1.8**	**-1.4**	**26.1%**	**-1.4**	**31.5%**	**-3.8**	**-4.4**	**17.6%**
EBITDA	16.4	13.5	21.4%	12.5	30.9%	12.5	16.4	30.9%
EBIT	12.5	11.5	8.9%	10.4	20.2%	26.2	32.4	23.7%
PBT/(LBT)	**10.7**	**10.1**	**6.5%**	**9.1**	**18.5%**	**22.4**	**28.0**	**24.7%**
Taxation	-0.0	0.0	-	-0.0	50.0%	-0.0	-0.0	50.0%
Net Profit	10.7	10.1	6.4%	9.1	18.5%	22.4	28.0	24.7%
PATAMI	**13.2**	**10.1**	**30.1%**	**9.1**	**45.2%**	**22.4**	**30.4**	**35.6%**
Core EPS (sen)	1.2	1.0	29.0%	0.9	43.9%	2.1	2.9	35.1%
DPS (sen)								
Gross Margin	75.9%	73.1%		49.5%		53.9%	71.5%	
OPEX	-6.3%	-6.8%		-8.2%		-7.4%	-7.0%	
EBITDA Margin	57.9%	65.0%		75.7%		24.4%	25.9%	
EBIT Margin	44.3%	55.5%		63.1%		51.1%	51.3%	
PBT Margin	38.0%	48.6%		54.9%		43.8%	44.3%	
PATAMI Margin	46.6%	48.8%		54.9%		43.8%	48.2%	
ETR	0.0%	0.0%		0.0%		0.0%	0.0%	
Segmental Turnover (RM m)								
Manufacturing	27.36	17.94	52.5%	15.20		47.46	117.21	147.0%
Property & Construction	0.00	2.29	-	0.00		0.00	4.40	-
Printing & Publishing	0.90	0.50	80.4%	1.30		3.55	9.25	160.6%
Utility & RE	0.00	0.00	-	0.00		0.00	0.00	-

Source: Company, Bursa Malaysia, Mercury Securities

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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my