



Nextgreen Global Bhd

Secured GTP Land for Pulp Facility

Company Update

BUY (↔)

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Monday, December 8, 2025

Price: RM 0.785

Target Price: RM 0.99(↔)

Nextgreen Global and IOI Corp, via their jointly entity Neuwhite Paper Pulp Sdn Bhd acquired 32.794 hectares of industrial land in Green Technology Park (GTP), Pekan for RM70.4m for the EFB-based pulp manufacturing facility. Proceeds from the land sale will be used to reduce RM56m in debt and working capital, while construction of the plant is slated to begin after approvals, targeted by 3Q2026. Maintain our BUY with TP of RM0.99.

Land acquisition for pulp production facility. Nextgreen Global and IOI Corp, via their jointly controlled entity Neuwhite Paper Pulp Sdn Bhd, are moving ahead with the development of the EFB-based pulp manufacturing venture with the acquisition of 32.794 hectares of industrial land in Pekan for RM70.4m. Neuwhite is 75%-owned by Nextgreen IOI Pulp Sdn Bhd—a 55:45 JV between Nextgreen and IOI, while the remaining 25% stake is held by Hong Kong Paper Sources Co Ltd, a wholly owned subsidiary of China's Xiamen C&D. The land, located within the Green Technology Park in Kampung Paloh Hinai, is being acquired from Ultimate Ivory Sdn Bhd, a wholly owned subsidiary of Nextgreen. The purchase consideration represents a 3.6% discount to the independently assessed market value of RM73m. Importantly, Ultimate Ivory has substantially completed key site preparation works including earthworks, road access and utilities installation with RM56.2m.

Utilisation proceeds from the Land Disposals. Proceeds from the land disposal will primarily be channelled towards debt reduction amounting to RM56m and to meet working capital requirements. Construction of the new pulp plant is expected to begin once approvals are completed, targeted by 3Q2026.

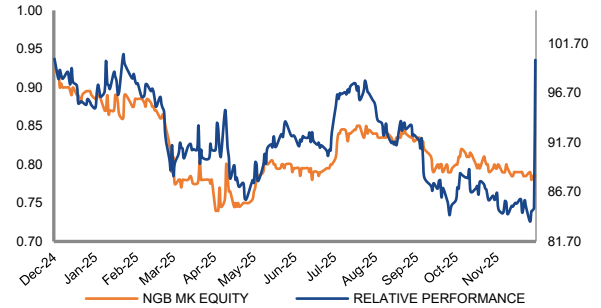
Phase 1 pulp facility to commence operation by June 2028. This site will accommodate Phase 1 of Neuwhite's RM882m EFB pulp facility, the flagship asset underpinning Nextgreen's strategic partnership with Xiamen C&D. The project will be financed through up to RM290m in equity and up to RM592m in debt. Targeted for completion by June 2028, the plant is designed to deliver 150,000 MTPA of EFB-based pulp and will benefit from an exclusive offtake agreement with Xiamen C&D, providing strong long-term demand visibility. Xiamen C&D is a major forest-pulp-and-paper supply-chain operator in China and ranks among the country's leading players in both paper sales and pulp import volumes.

Balance sheets stay intact. As the land disposals occur between Nextgreen subsidiaries, any financial impact is eliminated at the group level. As of 3QFY25, the group's net gearing stood at a healthy 0.2x.

Outlook. We are positive on this as key earnings upside will come from Neuwhite's long-term pulp operations with Xiamen C&D as 100% pulp offtaker. The Pulp Production Facility is expected to benefit from ready access to EFB feedstock from IOI's palm oil mills, as well as abundant supplies from other mills near the Green Technology Park (GTP), mitigating supply chain risk. The facility requires approximately 634,000 MT of EFB annually to achieve its designed production capacity of 150,000 MT of paper pulp per year. Upon completion and ramp-up to full production capacity after 2 years of operation, the Group expects Neuwhite to generate annual revenue of approximately RM375m and PAT of around RM87.7m by 2031.

Earnings forecast. Unchanged.

Share Price Performance



Business Overview

Nextgreen Global Berhad (NGGB) is an integrated green technology company that converts oil palm biomass mainly empty fruit bunches (EFB) into sustainable products such as paper pulp, green packaging, and organic fertilisers.

Return Information

KLCI (pts)	1,616.52
YTD KLCI chg.	-1.6%
YTD Stock Price chg.	-12.3%

Price Performance	1M	3M	12M
Absolute (%)	-0.6%	-4.3%	-13.3%
Relative to KLCI (%)	-0.7%	1.0%	0.8%

Stock Information

Market Cap (RM m)	858.3
Issued Shares (m)	1,093.4
52-week High (RM)	0.92
52-week Low (RM)	0.72
Est. Free Float (%)	56%
Beta vs FBM KLCI	0.7
3-month Avg Vol. (m)	1,448,485
Shariah Compliant	Yes
Bloomberg Ticker	NGB MK

Top 3 Shareholders

	%
Gan Kong Hiok	12.8%
Lim Thiam Huat	10.6%
Kenanga Investors B	8.2%

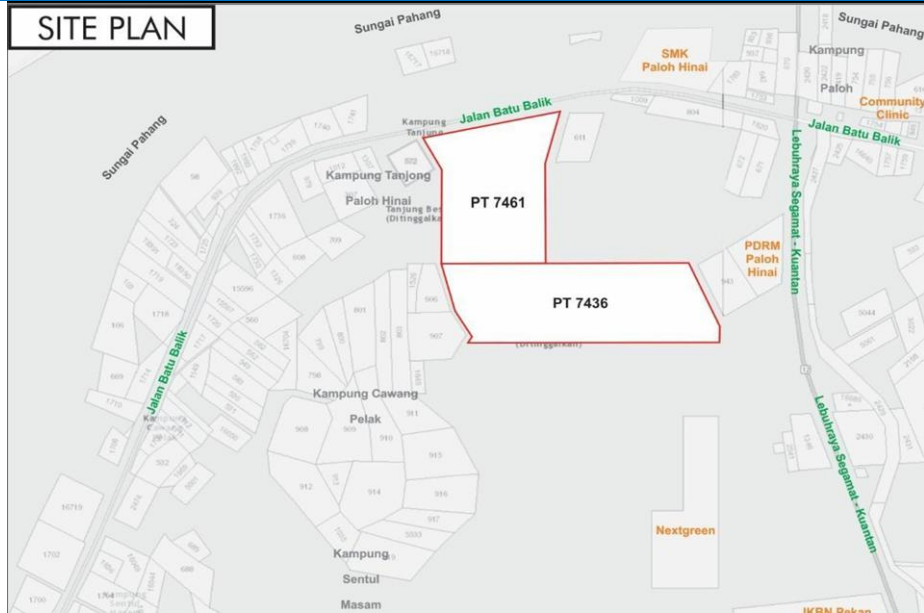
FY Dec (RM m)	FY24A	FY25E	FY26E
Revenue	68.0	79.7	194.7
Gross Profit	36.7	55.8	116.8
EBITDA	36.0	41.9	93.5
PBT	23.0	45.4	97.9
Net Profit	23.1	44.9	96.9
Core Net Profit	23.0	44.9	96.8
Core EPS (sen)	0.02	0.04	0.08
Core EPS Growth (%)	102.2	78.4	115.6
Net DPS (sen)	0.0	0.0	0.0
Net Div. Yield (%)	-	-	-
BV Per Share (sen)	41.6	38.1	38.1
PBV (x)	1.9	2.1	2.1
P/E (x)	36.2	20.3	9.4
ROE (%)	5.2	10.2	21.9

Valuation. Reiterate our **BUY** call recommendation on Nextgreen with **TP** of **RM0.99**. 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.

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

Figure 1: Proposed site for Phase 1 pulp production facility



Source: Company

Key Financial Data

Balance Sheet

FYE Dec	FY23	FY24	FY25	FY26E	FY27E
PPE	146.4	187.6	209.7	230.9	251.2
Trade and other receivables	98.8	106.5	43.6	106.5	131.9
ROU Assets	0.6	1.0	1.0	1.0	1.0
Tax asset	0.1	0.9	0.9	0.9	0.9
Other assets	213.5	274.2	113.5	183.2	266.6
Deposit, bank and cash	5.8	9.1	157.5	148.9	200.6
Assets	465.2	579.3	526.2	670.5	851.3
LT borrowings	63.4	58.5	58.5	58.5	58.5
ST borrowings	5.1	9.8	9.8	9.8	9.8
Payables	53.9	64.0	13.1	18.6	11.8
Other liabilities	4.9	4.5	2.2	141.0	328.5
Liabilities	127.3	136.8	83.6	227.9	408.6
Share capital	327.5	411.5	411.5	411.5	411.5
Reserves and retained earning	7.5	30.8	30.8	30.8	30.8
Shareholder's equity	337.9	442.6	442.6	442.7	442.8
Equity and Liabilities	465.2	579.3	526.2	670.5	851.3

Cash Flow Statement

FYE Dec	FY23	FY24	FY25	FY26E	FY27E
Profit before taxation	12.7	23.0	45.4	97.9	146.4
Depreciation & amortisation	8.6	8.5	7.9	8.8	9.6
Changes in working capital	(12.2)	(15.7)	100.7	(1.1)	59.7
Net interest received/ (paid)	(4.4)	(5.0)	-	-	-
Share of associate profits	-	-	-	-	-
Tax paid	(1.3)	(2.4)	(0.5)	(1.0)	(1.5)
Others	(21.2)	(31.5)	(53.3)	(106.7)	(156.1)
Operating Cash Flow	(17.9)	(23.1)	100.3	(2.0)	58.2
Capex	(34.9)	(48.8)	(30.0)	(30.0)	(30.0)
Others	3.0	(4.5)	-	-	-
Investing Cash Flow	(31.9)	(53.3)	(30.0)	(30.0)	(30.0)
Issuance of shares	-	-	-	-	-
Changes in borrowings	(2.6)	(1.0)	-	-	-
Dividends paid	-	-	-	-	-
Others	53.9	80.8	78.1	23.4	23.4
Financing Cash Flow	51.3	79.8	78.1	23.4	23.4
Net cash flow	(47.2)	(64.5)	70.7	(31.1)	29.7
Forex	-	-	-	-	-
Beginning cash	5.8	4.4	7.7	156.1	147.5
Ending cash	(41.4)	(60.2)	78.4	125.0	177.2

Income Statement

FYE Dec	FY23	FY24	FY25	FY26E	FY27E
Revenue	36.3	68.0	79.7	194.7	241.2
EBITDA	25.6	36.0	41.9	93.5	141.3
Depn & amort	(8.6)	(8.5)	(7.9)	(8.8)	(9.6)
Net interest expense	(4.4)	(4.5)	(4.5)	(4.5)	(4.5)
Associates & JV	-	-	-	-	-
EI	-	-	-	-	-
Pretax profit	12.7	23.0	45.4	97.9	146.4
Taxation	(3.4)	0.1	(0.5)	(1.0)	(1.5)
MI	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)
Net profit	9.2	23.1	44.9	96.9	145.0
Core net profit	9.1	23.0	44.9	96.8	144.9

Key Statistics & Ratios

FYE Dec	FY23	FY24	FY25	FY26E	FY27E
Growth					
Revenue	10.4%	87.1%	17.2%	144.3%	23.9%
EBITDA	11.6%	40.6%	16.4%	123.1%	51.0%
Pretax profit	-8.4%	81.7%	97.4%	115.6%	49.6%
Net profit	-26.3%	149.5%	94.8%	115.6%	49.6%
Core EPS	-33.0%	102.2%	78.4%	115.6%	49.6%

Profitability

EBITDA margin	70.5%	53.0%	52.6%	48.0%	58.6%
Net profit margin	25.4%	33.9%	56.4%	49.8%	60.1%
Effective tax rate	-27.0%	0.3%	-1.0%	-1.0%	-1.0%
ROA	2.0%	4.0%	8.5%	14.4%	17.0%
ROE	2.7%	5.2%	10.2%	21.9%	32.7%

Leverage

Debt/ Assets (x)	0.15	0.12	0.13	0.10	0.08
Debt/ Equity (x)	0.20	0.15	0.15	0.15	0.15
Net debt/ equity (x)	0.2	0.1	(0.2)	(0.2)	(0.3)

Key Drivers

FYE Dec	FY23	FY24	FY25	FY26E	FY27E
GP margin	36.2%	53.9%	70.0%	60.0%	70.0%
PBT margin	34.8%	33.8%	56.9%	50.3%	60.7%

Valuation

FYE Dec	FY23	FY24	FY25	FY26E	FY27E
EPS (sen)	1.1	2.2	3.9	8.3	12.5
Core EPS (sen)	1.1	2.2	3.9	8.3	12.5
P/E (x)	73.2	36.2	20.3	9.4	6.3
EV/ EBITDA (x)	28.4	24.8	19.6	8.9	5.5
Net DPS (sen)	-	-	-	-	-
Yield	0.0%	0.0%	0.0%	0.0%	0.0%
BV per share (RM)	0.40	0.42	0.38	0.38	0.38
P/BV (x)	2.0	1.9	2.1	2.1	2.1

Source: Mercury Securities, Bloomberg



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