



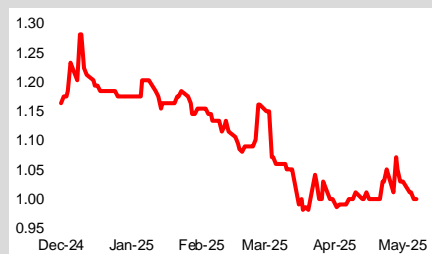
#### DESCRIPTION

An investment holdings company, via its subsidiaries principally involved in the manufacturing PE films and bags

**12-month Target Price** RM1.23  
**Current Price** RM1.00  
**Expected Return** 23.0%  
**Previous Target Price** RM1.23

**Market Sector** Industrial Products  
**Bursa Code** 5100  
**Bloomberg Ticker** BPP MK  
**Shariah-compliant** Yes

#### SHARE PRICE CHART



52 Week Range (RM) 0.96-1.43  
 3-Month Average Vol ('000) 47.7

#### SHARE PRICE PERFORMANCE

	1M	3M	6M
Absolute Returns	1.0	-11.8	-13.7
Relative Returns	-0.5	-10.1	-14.2

#### KEY STOCK DATA

Market Capitalisation (RMm) 281.5  
 No. of Shares (m) 281.5

#### MAJOR SHAREHOLDERS

	%
LG Capital SB	43.2
Tan See Khim	9.5
Lim Chun Yow	9.3
Hey Shioh Hoe	7.8

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## Weak Start

BP Plastics Holding Bhd's (BPPLAS) net profit fell 41.1% YoY to RM4.5m in 1QFY25, mainly due to lower revenue, margin compression arising from competition, and unfavourable foreign exchange movements. The results were below our expectations, accounting for only 13.0% of full-year estimates. We cut our FY25-27F forecast by an average of 19%, reflecting weak demand and intensified competition. Consequently, our target price is revised to RM1.00, based on lower PE of 8x on FY26F EPS. We maintain our **Neutral** call. On a side note, BPPLAS declared a first interim dividend of 1.0sen (1QFY24: 1.5sen).

§ **1QFY25 revenue declined by 8.4% YoY to RM113.8m**, mainly due to lower demand amid challenging global economic conditions and the strengthening of ringgit. Revenue from export markets fell 9.4% YoY to RM81.1m.

§ **1QFY25 net profit declined 41.1% YoY to RM4.5m**, in line with lower revenue, and further impacted by margin compression due to lower selling prices amid intense competition and unfavorable foreign exchange movements. The profit before tax (PBT) margin dropped to 5.6%, compared to 8.0% in 4QFY24.

§ **Outlook** for the flexible plastic packaging industry remains challenging, weighed down by global economic uncertainties, elevated costs, and supply-demand imbalances. However, the Group remains confident in the steady and growing demand for flexible packaging products and in its ability to defend profitability. We also note that the Group is well-positioned to navigate economic uncertainties, supported by its debt-free capital structure and total cash reserves of RM57m, positioning it to capitalise on the next demand upcycle.

## KEY FINANCIAL SUMMARY

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F	CAGR
Revenue	469.6	487.7	454.9	482.2	506.3	1.9%
Operating Profit	37.8	22.3	34.6	44.1	51.0	7.8%
Pre-tax Profit	42.6	26.0	36.8	46.3	53.2	5.7%
Net Profit	35.2	21.6	28.0	35.2	40.4	3.5%
EPS (Sen)	12.5	7.7	9.9	12.5	14.4	3.5%
P/E (x)	9.3	15.2	10.1	8.0	7.0	
DPS (Sen)	6.0	6.0	6.0	6.0	6.0	
Dividend Yield (%)	5.1	5.1	6.0	6.0	6.0	

Source: Company, PublicInvest Research estimates

**Table 1: Results Summary**

FYE Dec (RM m)	<u>1Q25</u>	<u>1Q24</u>	<u>4Q24</u>	<u>YoY</u> <u>chg</u> <u>(%)</u>	<u>QoQ</u> <u>chg</u> <u>(%)</u>	<u>YTD</u> <u>FY25</u>	<u>YTD</u> <u>FY24</u>	<u>YoY</u> <u>chg</u> <u>(%)</u>	<u>Comments</u>
Revenue	113.8	124.2	117.6	-8.4	-3.3	113.8	124.2	-8.4	Lower demand
Operating profit	5.8	8.9	4.2	-35.6	35.7	5.8	8.9	-35.6	
Other income	0.6	1.0	1.4	-36.7	-55.1	0.6	1.0	-36.7	
Pre-tax profit	6.4	10.0	5.7	-35.7	12.8	6.4	10.0	-35.7	
Taxation	-1.9	-2.3	-1.0	-18.1	87.5	-1.9	-2.3	-18.1	
Profit after tax	4.5	7.6	4.7	-41.1	-3.5	4.5	7.6	-41.1	
EPS (sen)	1.6	2.7	1.7			1.6	2.7		Margin fell due to intense competition and higher production cost
DPS (sen)	1.5	1.5	1.5			1.5	1.5		
Operating Margin (%)	5.1	7.2	3.6			5.1	7.2		
Pre-tax Margin (%)	5.6	8.0	4.8			5.6	8.0		
Net Margin (%)	4.0	6.1	4.0			4.0	6.1		
Effective tax rate (%)	29.8	23.4	17.9			29.8	23.4		
Revenue by Geography									
Asia countries	62.0	71.3	64.6	-13.1	-4.0	62.0	71.3	-13.1	
Malaysia	32.7	34.7	33.5	-5.8	-2.5	32.7	34.7	-5.8	
Others	19.2	18.2	19.5	5.1	-2.0	19.2	18.2	5.1	
Total	113.8	124.2	117.6	-8.4	-3.3	113.8	124.2	-8.4	

## KEY FINANCIAL DATA

### INCOME STATEMENT DATA

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F
Revenue	469.6	487.7	454.9	482.2	506.3
<b>Operating Profit</b>	<b>37.8</b>	<b>22.3</b>	<b>34.6</b>	<b>44.1</b>	<b>51.0</b>
Other gains/(losses)	4.8	3.7	2.2	2.2	2.2
<b>Pre-tax Profit</b>	<b>42.6</b>	<b>26.0</b>	<b>36.8</b>	<b>46.3</b>	<b>53.2</b>
Income Tax	-7.4	-4.4	-8.8	-11.1	-12.8
Effective Tax Rate (%)	-17.3	-17.0	-24.0	-24.0	-24.0
<b>Net Profit</b>	<b>35.2</b>	<b>21.6</b>	<b>28.0</b>	<b>35.2</b>	<b>40.4</b>
<b>Growth</b>					
Revenue (%)	-6.6	3.9	-6.7	6.0	5.0
Operating Profit (%)	11.7	-40.9	55.1	27.3	15.6
Net Profit (%)	15.4	-38.7	29.7	25.7	14.8

Source: Company, PublicInvest Research estimates

### BALANCE SHEET DATA

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F
Property, Plant & Equipment	125.6	123.4	130.6	133.3	135.9
Cash and Cash Equivalents	68.3	47.8	80.8	90.9	102.8
Trade and Other Receivables	48.4	50.2	48.2	43.4	45.6
Other Assets	101.1	120.6	93.5	99.6	99.1
<b>Total Assets</b>	<b>343.4</b>	<b>341.9</b>	<b>353.1</b>	<b>367.2</b>	<b>383.4</b>
Trade and Other Payables	65.1	59.0	31.8	33.8	35.4
Borrowings	--	--	--	--	--
Other Liabilities	14.7	14.6	41.9	35.7	26.7
<b>Total Liabilities</b>	<b>79.8</b>	<b>73.6</b>	<b>73.7</b>	<b>69.5</b>	<b>62.1</b>
Shareholders' Equity & Minority	263.6	268.3	279.4	297.7	321.3
<b>Total Equity and Liabilities</b>	<b>343.4</b>	<b>341.9</b>	<b>353.1</b>	<b>367.2</b>	<b>383.4</b>

Source: Company Prospectus, PublicInvest Research estimates

### PER SHARE DATA & RATIOS

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F
Book Value Per Share	0.94	0.95	0.99	1.06	1.14
NTA Per Share	0.94	0.95	0.99	1.06	1.14
EPS (Sen)	12.52	7.67	9.95	12.50	14.36
DPS (Sen)	6.00	6.00	6.00	6.00	6.00
Payout Ratio (%)	47.9	78.2	60.3	48.0	41.8
ROA (%)	10.3	6.3	7.9	9.6	10.5
ROE (%)	13.4	8.0	10.0	11.8	12.6

Source: Company Prospectus, PublicInvest Research estimates

## RATING CLASSIFICATION

### STOCKS

<b>OUTPERFORM</b>	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
<b>NEUTRAL</b>	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
<b>UNDERPERFORM</b>	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
<b>TRADING BUY</b>	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
<b>TRADING SELL</b>	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
<b>NOT RATED</b>	The stock is not within regular research coverage.

### SECTOR

<b>OVERWEIGHT</b>	The sector is expected to outperform a relevant benchmark over the next 12 months.
<b>NEUTRAL</b>	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
<b>UNDERWEIGHT</b>	The sector is expected to underperform a relevant benchmark over the next 12 months.

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