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Recommendation:	BUY
Current Price:	RM 0.44
Previous Target Price:	N/A
Target Price:	RM 0.81
Capital Upside/Downside:	84.1%
Dividend Yield (%):	1.9%
Total Upside/Downside:	86.0%

Company Brief

Principally engaged in the F&B business and owned brands of packaged foods

Stock information

Board	ACE
Sector	Consumer
Bursa / Bloomberg Code	0338/KOPI
Syariah Compliant	No
Shares issued (m)	2,000.0
Market Cap (RM ' m)	880.0
Free float (%)	20.9

Top 3 Shareholders	(%)
United Gomax	73.4

IPO Timetable	Date
Opening of IPO application	6/1/2025
Closing of IPO application	10/1/2025
Ballotting of IPO application	14/1/2025
Allotment of IPO shares	21/1/2025
Listing of IPO on Bursa Malaysia	23/1/2025

Oriental Kopi Holdings Berhad

Formula for Brewing a Cup of Success

Executive Summary

- **Oriental Kopi operates 20 cafés including one retail speciality stores and commands a 0.35% market share in the Malaysia F&B market size of RM79bn in 2024.**
- **Oriental Kopi's revenue 3-year CAGR hits 112.4%, with a net profit margin of 15.6% to 19.7% in FY22-24.**
- **Rapid expansion over the past four years has resulted in 20 operational cafes. With expectations of additional café outlets, this will result in potential robust earnings growth in FY25/FY26, at 26.3% yoy/48.4% yoy to RM54.5m/RM80.8m respectively.**
- **We initiate coverage on Oriental Kopi with BUY recommendation with a target price of RM0.81 (84.1% potential capital upside from IPO price) based on P/E multiple of 20.0x pegged to FY26F core EPS of 4.0 sen.**

Key Investment Highlights

Cafés expansion (Domestic and foreign expansion). As of Jan 2025, Oriental Kopi operates a total 20 cafes located in Malaysia and Singapore. Looking ahead in 2025, the Group plans to open another seven cafe outlets, followed by three additions in 2026, utilising proceeds raised from IPO. These new outlets will be located in high traffic areas across several states such as Penang, Klang Valley, Pahang, Malacca, Sabah, and Sarawak. Given the high demand in Singapore, Oriental Kopi is also considering expanding its geographical presence, but this may only take place beyond CY26.

Tourist arrivals anchored key café contribution. The café located at KLIA2 Departure and Arrival is one of the top sales cafés of the Group. With the higher tourist arrivals, Oriental Kopi could potentially capture larger market share on the in-house branded consumable goods via the purchase of goods from the store as souvenirs. According to MAHB filing and DOSM data, tourist arrivals 2024 have recovered close to pre-pandemic levels. This is mainly due to the visa-free from the Chinese and Indian tourist arrivals. (refer to page 9)

Potential growth in own brands of packaged foods. Oriental Kopi has identified significant growth potential in its owned brands of packaged foods. In Feb 2024, the Group exported its brands of packaged foods to Hong Kong using an indirect distribution channel strategy. Oriental Kopi plans to establish additional reseller partnerships in other foreign markets, including Singapore. Notable improvement in the sales contribution of its owned branded packaged foods from 5.5% to total revenue in FY22 to 8.4% to total revenue in FY23. Growth momentum sustained into FY24, hitting 13.0% of total revenue.

Halal certification in the bag. Oriental Kopi bagged its halal certificate in 2024 for certain cafés and all in-house packaging of branded consumable goods. The halal certificate helps the Group to register 20-30% of Bumiputera customers to its total customer mix, which attributed to significant growth in revenue during FY24. Looking ahead, the group aims to obtain more halal certificates for other stores to capture the untapped in selected areas.

Establishment of central kitchen. Oriental Kopi aims to establish a new central kitchen to reduce workload and support the targeted expansion towards 40 café outlets. The café will carry out minimal final operations, cooking, and plating. This new central kitchen accompanied with the warehouse and it is targeted to complete by Q4 CY26. As Oriental Kopi does not have an established central kitchen, its net profit margin is already at double digits of 15.6% in FY24. We believe it has more room to grow with establishing a central kitchen.

Established management team in F&B. Previous directorship in Golden Whale (Black Whale bubble tea), direct and indirect interest in Beautea Holdings. One of the key senior managements is the head chef of the Group, whom possess extensive experience within the F&B industry. Quality check is performed constantly in every 2-3 hours; personnel in charge of the store is required to randomly conduct food testing to ensure the quality of food to be served to customers meets certain level of requirement.

Strong earnings growth and stable margins. Oriental Kopi recorded a relatively stable GP margin, between 29-33% in recent years. This is due to higher contribution from packaged foods which yields better margins. Boiling down, the Group's net margins slipped from 19.7% in FY22 to 15.1% in FY23 before stabilising at 15.6% in FY24. This decline was due to higher raw material and input costs, but improved operational efficiency and economies of scale helped maintain the recent financial year bottom-line margin. Still, we gather that core net profit has demonstrated impressive performance from FY22 to FY24, reaching RM43.1m, which represents a three-year compound annual growth rate (CAGR) of 112.4%. We reckon further growth are largely on the cards, driven by (i) operational cost efficiencies, (ii) aggressive expansion in various states within Malaysia, (iii) expansion on house brands packaged foods and (iv) assuming a 13%/42% SSSG growth in FY25F/FY26F.

Valuation & Recommendation. We initiate coverage on Oriental Kopi with a **BUY** recommendation with a target price of **RM0.81** (84.1% potential capital upside from IPO price) by pegging its FY26F core EPS of 4.0 sen to PE of 20.0x. The assigned P/E represents c.30.0% premium to selected peers operating in FMCG retail services, which trades at an average forward PE of 15.5x for 2026F. The premium is justified, considering projected growth prospects and Oldtown Berhad valuations, which were privatised in 2017 at the acquisition PE multiple of 23.6x.

Earnings Summary

FYE Sep (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	48.6	133.0	277.3	373.4	539.4
EBITDA	15.8	39.8	80.2	104.3	140.8
Pre-tax profit	12.4	27.5	57.5	72.6	107.8
Net profit	9.6	20.0	43.1	54.5	80.8
Core net profit	9.6	20.0	43.1	54.5	80.8
Core EPS (sen)	0.5	1.0	2.2	2.7	4.0
P/E (x)	92.1	43.9	20.4	16.2	10.9
P/B (x)	49.8	25.9	16.4	9.6	5.9
EV/EBITDA (x)	55.2	21.3	10.8	8.5	6.7
Dividend Yield (%)	3.4%	0.9%	0.3%	1.9%	2.8%
Net Gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Source: Company, Apex Securities

Company Background

Oriental Kopi has a compelling story that began in 2020 with the launch of its first café in Johor Jaya, Johor, situated in a vibrant rented shop lot. By Dec 2020, Oriental Kopi saw an opportunity to diversify its offerings and leverage onto its in-store café via the introduction of its exclusive packaged food brands. Two months later, in Feb 2021, Oriental Kopi expanded its reach by partnering with key resellers such as Jaya Grocer, Aeon, and Village Grocer to distribute and retail its packaged foods.

Oriental Kopi has since successfully broadened its café operations, opening a second location in the bustling Mid Valley Southkey shopping centre and launched its first café outside Johor in Bandar Puteri Puchong, Selangor. At present, Oriental Kopi proudly operates 20 cafés comprising 12 in the Klang Valley, 6 in Johor, and 1 in Penang and a speciality retail store situated in the St. Giles Southkey Hotel in Johor.

Moreover, Oriental Kopi has reached an exciting milestone by partnering with Paradise Group Holdings to expand its presence in Singapore. Under this strategic joint venture, Oriental Kopi aims to establish 20 new cafés across Malaysia and Singapore. This expansion is expected to enhance its brand visibility and solidify its position in the competitive café market.

Footprint of Oriental Oriental Kopi



Source: Oriental Kopi, Prospectus

Oriental Kopi has recently obtained a Halal certificate for another four cafés, making 13 Halal certificate cafes in total. Oriental Kopi offers a variety of Halal-certified packaged foods such as coffee, tea, spreads, pastries, cooking paste, etc. Besides leveraging onto resellers network, Oriental Kopi has also established an online presence to carry out retail sales through its website and third-party e-commerce platforms such as Shopee and Lazada.

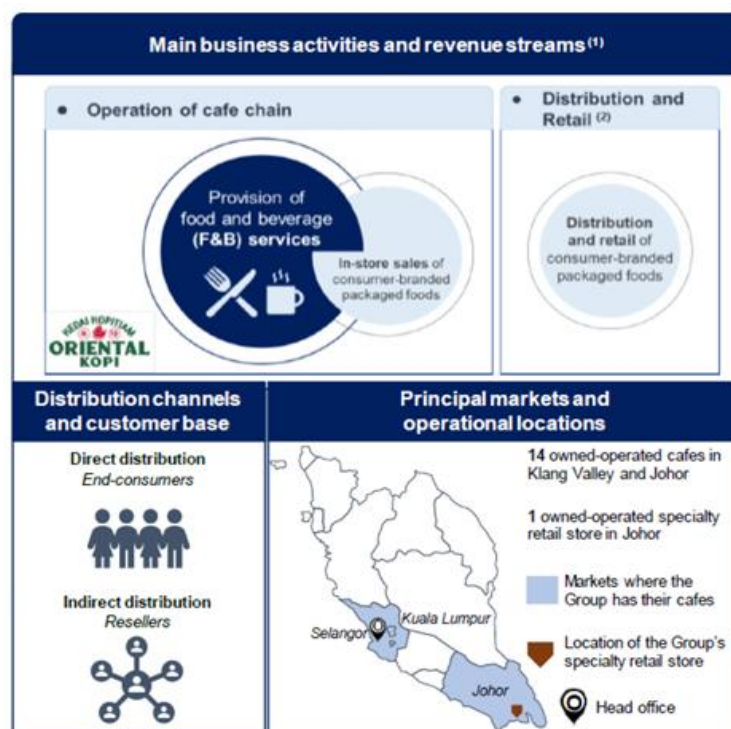
The Group's FY24 revenue of RM277.3m represents only 0.35% of the estimated RM79bn of F&B market size in Malaysia. We believe potential growth are largely in the cards to capture additional market share, should food quality and security remains well maintained in existing and future café outlets.

IPO Utilisation

Details of Utilisation	Estimated time frame for utilisation	RM'm	(%)
Set up new head office, central kitchen and warehouse	Within 36 months	53.7	29.2%
Expansion of cafes in various states within Malaysia	Within 24 months	36.4	19.8%
Expansion of own brands of packaged foods	Within 24 months	5.0	2.7%
Marketing activities in foreign countries	Within 24 months	5.5	3.0%
Working capital	Within 24 months	75.8	41.2%
Estimated listing expenses	Within 3 months	7.6	4.1%
Total		184.0	100%

Source: Oriental Kopi, Prospectus

Business Overview



Source: Oriental Kopi, Prospectus

Oriental Kopi principally operates café chain. The Group operates 14 owned-operated café and one owned-operated speciality retail store across Klang Valley and Johor. Besides the café chain business, Oriental Kopi also distributes and retails in-house packaged foods, accounting for less than 5% of the Group's total revenue in FY22-FY24. In addition, a small proportion of the Group's revenue derived from trading materials, consumables and equipment, which contributed 3% or less to the total revenue in recent years. However, this business segment ceased operations in Apr 2024.

Over the years, contribution from the F&B business in terms of proportion has contracted from 93.4%/86.4%/81.1% in FY22/FY23/FY24. This is due to the higher contribution from consumer-branded packaged foods segment which has gradually picked up to 6.5% in FY22 to 17.1% in FY23.

We gathered that the average capital expenditure to open a new outlet is between RM2.5m and RM2.8m, depending on the location. Meanwhile, the payback period per store is estimated at 10–12 months, assuming an average monthly revenue of RM1.0m per store. In FY24, Oriental Kopi experienced a 15% same-store sales growth (SSG) in Johor, while no data were available for other regions, which has yet to achieve full-year comparative figures.

F&B chain under Paradise Group



Source: Paradise Group

Latest JV with Oriental Oriental Kopi



Source: Paradise Group

On 2 May 2024, Oriental Kopi entered into a JV agreement with Paradise Group to expand its market presence into Singapore. Oriental Kopi and Paradise Group owns 30% and 70% equity interest, respectively. Paradise Group principally engages as a holding company with its subsidiaries engage in restaurant operations in Singapore. The Group undertook the JV route as part of their strategic geographical expansion mode as the Group has no prior experience operating cafes in Singapore. The JV enables the Group to leverage Paradise's facilities and experience operating a chain of restaurants in Singapore.

Crowd in Bugis Junction, Singapore



Source: Social Media (TikTok), Apex Securities

Trending in Social Media (TikTok)



Here's what I ate at Oriental Kopi in #Bugis,...



Oriental Kopi opens in Singapore. Be prepared...



Oriental Kopi has officially landed in...



Malaysia Oriental Kopi is now in Singapore!...



When your go-to Malaysian kopitiam...

Source: Social Media (TikTok), Apex Securities

Crowd in KLIA 2



Source: Oriental Kopi, Apex Securities

(Note: We have visited the Oriental Kopi in KLIA 2 arrival level)

Oriental Kopi has also obtained the Halal certification of Authentication in certain outlet which is KLIA 2 (departure and arrival level) and Suria KLCC in May 2024. In addition, all of the Oriental Kopi's own brands packaged foods are halal certified.

Oriental Kopi is now halal certified



Source: Oriental Kopi, Berita Harian

Moving forward, Oriental Kopi aims to establish more cafes in other major cities in Malaysia (mainly in Central and Southern towns). The move is expected to be completed within 24 months post-listing. This expansion has also allowed Oriental Kopi to expand its market

presence on the East Coast, the Northern region, and East Malaysia. Should the expansion turn out in success, we are sanguine that the Group will be able to replicate growth momentum in recent years.

Industry Overview

The F&B services refer to the full process of preparing, presenting, and serving food and beverages to customer. Oriental Kopi Group involved in the operations of its own brand of cafe chain in Malaysia. Aside on café operations, Oriental Kopi Group also distributed dry foods and beverages to resellers, including wholesalers and retailers like supermarkets, hypermarkets, minimarkets, and health and beauty stores. It also engages in retail through in-cafe sales, specialty retail stores, and online platforms, including its own website and third-party platforms.

Historically, Malaysia's F&B services have experienced a 2-year CAGR of 11.9% in real GDP from 2021 to 2023. Growth in 2022 was primarily driven by a recovery in domestic demand, while 2023 witnessed a partial rebound in tourism spending. Despite that, F&B services' real GDP has yet to reach the levels recorded in 2019. Still, the sector achieved positive growth post-Covid-19, with a reported growth rate of 3.7% yoy in 9M24.

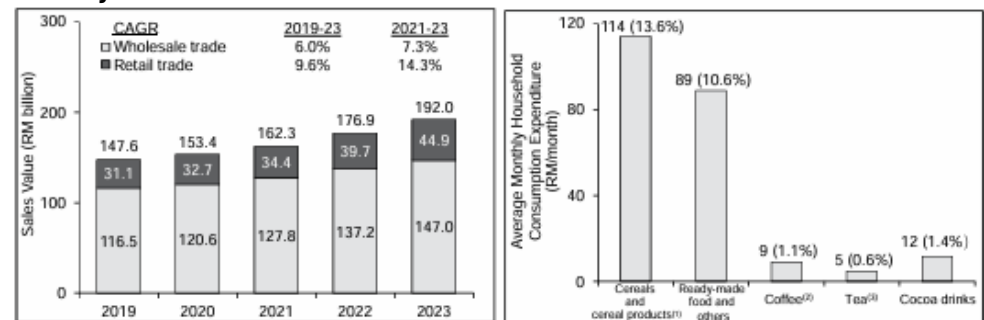
Household spending on restaurants and cafes reflects the demand for F&B services. According to DOSM, Malaysia's average monthly household expenditure on dining out grew at a CAGR of 6.6%, showing a rising trend in eating out from 2019 to 2022. In 2022, Kuala Lumpur and Selangor recorded the highest average monthly household spending (>RM1,000) on restaurants and cafes in Malaysia.

Average monthly household consumption expenditure on restaurants and cafes based on s states

	Malaysia RM/month	Kuala Lumpur RM/month	Selangor RM/month	Johor RM/month
2019	604	1,024	866	626
2022	732	1,316	1,174	622
CAGR (2019-2022)	6.6%	8.7%	10.7%	-0.2%

Source: Oriental Kopi, prospectus

Performance of the distribution and retailing of consumer-branded packaged food industry



Source: Oriental Kopi, prospectus

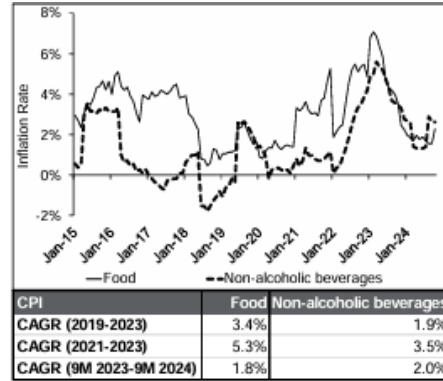
(Note: (1) Cereals refer to seeds or grains such as rice, wheat, barley, oats, corn and millet, while cereal products include food items derived from cereals or their derivatives, such as bread, pasta, noodles and baked goods; (2) Includes coffee substitutes; (3) Includes mate and other plant products)

Between 2021 and 2023, the wholesale and retail sales value of food, beverages, and tobacco experienced a 2-year CAGR of 7.3% and 14.3%, respectively. In 9M24, these figures rose by 6.3% and 7.6% compared to 9M23. Additionally, in 2022, the average monthly household consumption expenditure for food and beverages was RM841.

Malaysia's real GDP is projected to grow between 4.8% and 5.3% in 2024, driven by strong domestic demand and export recovery. In the 9M24, real GDP increased by 5.2% yoy, mainly driven by higher household spending, improved exports, and more substantial investment activities.

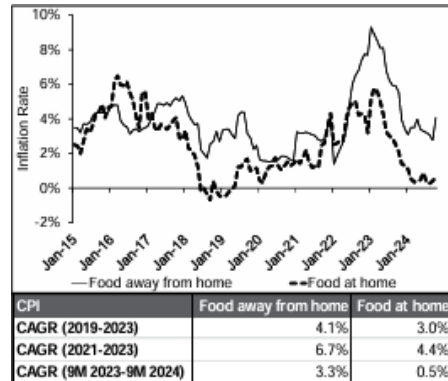
Nevertheless, rising inflation, reflected by the annual CPI change, may erode consumer spending by reducing purchasing power, tempering confidence, and impacting discretionary spending. Between 2021 and 2023, the CPI for food and non-alcoholic beverages grew at 5.3% and 3.5% respectively. Dining out saw a higher CPI increase, of 2-year CAGR at 6.7%, compared to food at home, which grew by 2-year CAGR of 4.4%.

Inflation rate of food and non-alcoholic beverages



Source: Oriental Kopi, prospectus

Inflation rate of food away from home and food at home



Source: Oriental Kopi, prospectus

(Note: Food includes food away from home and food at home.)

Tourist arrivals

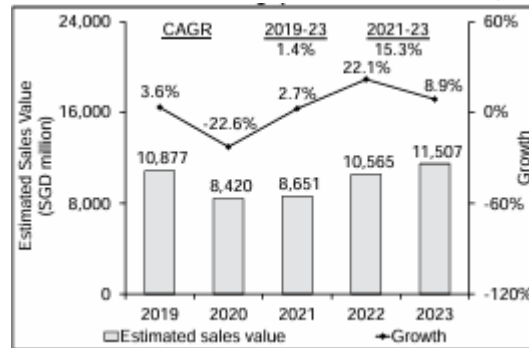
	Arrivals (million)	Receipts (RM billion)
2019	26.1	86.1
2020	4.3	12.7
2021	0.1	0.2
2022	10.1	28.2
2023	20.1	71.3
CAGR (2019-2023)	-6.3%	-4.6%
CAGR (2021-2023)	1144.7%	1623.6%

Source: Oriental Kopi, prospectus

Tourist arrivals could boost demand for F&B services, as visitors often explore local cuisine and dining experiences, particularly in tourist hotspots such as KLIA2 and Suria KLCC. Among these areas, Oriental Kopi has established their market presence to cater for tourists and locals.

From 2021 to 2023, tourist arrivals in Malaysia surged from 100k to 20.1m reflecting the tourism sector's recovery. Tourist receipts also grew from RM200k to RM71.3m during this period, driven by the reopening of China's borders. Tourism rebound is expected to benefit consumer-related sectors like F&B services. As of 14 Oct 2024, Malaysia welcomed 16.45m international tourists, surpassing 60% of its target of 27.3m for the year. Top three countries were Singapore, Indonesia and China which consist 35.1%/14.6%/13.9% respectively.

Performance of the F&B services industry in Singapore



Source: Oriental Kopi, prospectus

Oriental Kopi undertook a venture with Paradise Group to expand its market presence in Singapore. According to the Singapore Department of Statistics, from 2021 to 2023, the estimated sales value of F&B services in Singapore grew at a 2-year CAGR of 15.3%, surpassing pre-Covid-19 levels from 2019. In 2023, the sales value reached SGD11.5 bn, highlighting the potential market for F&B operators. In the 9M24, sales value increased by 2.7% yoy compared to the same period in 2023.

Looking ahead, we anticipate that demand will increase over time, aligning with our new regional market expansion that focuses on boosting Oriental Kopi's sales revenue. We believe that having more halal-certified cafés will help Oriental Kopi attract a more diverse customer base.

Financial Highlights

Oriental Kopi's core net profit has recorded an impressive performance from FY22 to FY24, reaching RM43.1m in FY24, which represents a three-year CAGR of 112.4%. Growth has largely been driven by the sequential opening of new cafes and strong demand for branded packaged foods.

The Group's net margins dipped from 19.7% recorded in FY22 to 15.1% in FY23. The decrease can be attributed to elevated raw material costs and increased input expenses. Despite these challenges, the net margin stabilised at 15.6% in FY24 due to enhanced operational efficiency and economies of scale, which helped absorb the higher input costs.

Moving forward, we are projecting the core net profit to demonstrate further improvement, rising 26.3% yoy to RM54.5m in FY25F. We have factored in an average revenue per store of RM11.4m for the full year with a 13% SSSG growth. The average revenue per store has inched down in FY25F due to 10 more stores operating by the end of the year. Thus, it has a larger base despite the existing average per store at RM15.0m. The net margin is set to taper to 14.6% in FY25F, given that the new central kitchen and new store operations may require a subtle amount of time to establish sales and the timing of the opening of the new café.

Going into FY26F, we expect Oriental Kopi's top and bottom line to record RM539.4m (+44.4% yoy) and RM80.8m (+48.4% yoy) respectively, supported by the (i) operational cost efficiencies,

(ii) aggressive expansion in various states within Malaysia and (iii) expansion on house brands packaged foods and (iv) 42% SSSG growth assumption. We reckon net margin may gradually recover in FY26 as certain stores (27 stores) matured.

Oriental Kopi adopts a 30% dividend policy as the Group holds a strong cash flow on hand due to its business nature. We reckon that the rolling out of aggressive expansion plans would be their key focus over the next 24 months.

Valuation & Recommendation

We initiate coverage on Oriental Kopi with a **BUY** recommendation with a target price of **RM0.81** (84.1% potential capital upside from IPO price) by pegging its FY26F core EPS of 4.0 sen to PE of 20.0x. The assigned P/E represents c.30.0% premium to selected peers operating in FMCG retail services, which trades at an average forward PE of 15.5x for 2026F. The premium is justified, considering projected growth prospects and Oldtown Berhad valuations, which were privatised in 2017 at the acquisition PE multiple of 23.6x.

Peers Comparison

Company	FYE	Market Cap	Weighted Market Cap	Rec.	Price	Target Price	Potential Upside	P/E (x)		P/BV (x)		EPS Growth (%)		ROE (%)		Dividend Yield (%)		ESG Rating
		RM'm	RM'm		(RM)	(RM)	(%)	CY25	CY26	CY25	CY26	CY25	CY26	CY25	CY26	CY25	CY26	
Oriental Kopi Group	Sep	880.00	880.00	BUY	0.44	0.81	84.09	14.8	10.3	8.7	5.5	32.8	41.2	58.2	52.5	2.1	2.9	***
Berjaya Food	Jun	628.99	1,771.81	N/A	0.36	0.34	-2.82	N/A	N/A	2.3	2.8	17.9	39.0	-21.4	-16.1	0.28	0.28	N/A
Mr DIY	Dec	17,034.28	9,453.60	N/A	1.80	2.27	26.10	24.0	21.4	7.5	6.7	19.0	12.0	33.5	33.3	2.50	2.78	N/A
99Speedmart	Dec	19,572.00	8,400.00	N/A	2.33	2.66	14.33	31.5	28.1	11.7	9.7	21.3	12.2	40.0	38.5	1.72	1.93	N/A
Padini Holdings Berhad	Jun	2,121.76	657.91	HOLD	2.15	3.13	45.58	13.6	12.0	1.2	1.1	7.6	12.9	0.1	0.1	0.0	0.0	***
Focus Point Holdings Bhd	Dec	376.53	462.00	N/A	0.82	1.12	37.42	9.3	8.5	2.2	2.0	12.8	9.1	25.9	25.7	5.03	5.52	N/A
Bonia Corp Berhad	Jun	264.55	201.00	N/A	1.32	1.29	-2.65	9.1	7.3	N/A	N/A	-2.7	24.1	7.1	7.7	4.85	5.87	N/A
Average (ex)- Oriental Kopi Group								17.5	15.5	5.0	4.5					2.4	2.7	

Source: Bloomberg, Apex Securities

Investment Risk

Food quality constraint. Food quality is the top priority for any F&B chain.

Shortage of labour.

Reliant on third-party suppliers.

Financial Highlights

Income Statement

FYE Sep (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	48.6	133.0	277.3	373.4	539.4
Gross Profit	15.7	39.1	82.8	112.0	161.8
EBITDA	15.8	39.8	80.2	104.3	140.8
Depreciation & Amortisation	-3.0	-10.5	-19.3	-28.3	-29.1
EBIT	12.8	29.3	60.9	76.0	111.7
Net Finance Income/ (Cost)	-0.4	-1.9	-3.3	-3.6	-4.7
Associates & JV	0.0	0.0	-0.1	0.2	0.8
Pre-tax Profit	12.4	27.5	57.5	72.6	107.8
Tax	-2.8	-7.4	-14.4	-18.2	-26.9
Profit After Tax	9.6	20.0	43.1	54.5	80.8
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	9.6	20.0	43.1	54.5	80.8
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	9.6	20.0	43.1	54.5	80.8

Key Ratios

FYE Sep (RM m)	FY22	FY23	FY24	FY25F	FY26F
P/E (x)	92.1	43.9	20.4	16.2	10.9
EPS	0.5	1.0	2.2	2.7	4.0
P/B (x)	49.8	25.9	16.4	9.6	5.9
EV/EBITDA (x)	55.2	21.3	10.8	8.5	6.7
DPS (sen)	1.5	0.4	0.2	0.8	1.2
Dividend Yield (%)	3.4%	0.9%	0.3%	1.9%	2.8%
EBITDA margin	32.4%	29.9%	28.9%	27.9%	26.1%
EBIT margin	26.3%	22.0%	21.9%	20.4%	20.7%
PBT margin	25.5%	20.6%	20.7%	19.4%	20.0%
PAT margin	19.7%	15.1%	15.6%	14.6%	15.0%
Net Profit margin	19.7%	15.1%	15.6%	14.6%	15.0%
Core NP margin	19.7%	15.1%	15.6%	14.6%	15.0%
ROE	54.1%	58.9%	80.6%	59.4%	54.5%
ROA	19.8%	18.1%	23.8%	21.4%	24.0%
Net gearing	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Key Assumptions

FYE Sep (RM m)	FY22	FY23	FY24	FY25F	FY26F
Average revenue per store	9.1	10.4	13.2	11.4	15.1
No. of café (unit)	5	11	17	27	30
SSSG (%)	274%	15%	27%	13%	42%

Valuations

	FY26F
EPS (RM)	0.040
Multiple (x)	20.0
Fair Value (RM)	0.81

Source: Company, Apex Securities

Balance Sheet

FYE Sep (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	13.3	24.8	59.0	102.8	183.2
Receivables	4.8	9.0	13.3	23.5	23.8
Inventories	0.8	2.1	6.9	13.1	11.7
Other current assets	0.0	0.5	0.6	0.6	0.6
Total Current Assets	18.9	36.3	79.8	140.0	219.3
Fixed Assets	29.5	74.4	100.4	113.2	116.4
Deferred income taxes	0.1	0.0	0.2	0.2	0.2
Other non-current assets	0.0	0.0	1.0	1.0	1.0
Total Non-current asset:	29.5	74.4	101.6	114.4	117.7
Short-term lease	4.4	10.0	14.4	18.9	23.2
Short-term debt	0.1	0.2	0.5	0.5	0.5
Payables	4.3	9.9	39.8	52.3	56.6
Other Current Liabilities	2.7	7.1	11.3	11.3	11.3
Total Current Liabilities	11.4	27.2	66.1	83.0	91.6
Long-term lease	18.4	47.6	57.6	75.5	92.8
Long-term debt	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	0.9	2.0	4.3	4.3	4.3
Total Non-current Liabili	19.3	49.6	61.9	79.8	97.1
Shareholder's equity	17.7	34.0	53.5	91.6	148.2
Minority Interest	0.0	0.0	0.0	0.0	0.0
Equity	17.7	34.0	53.5	91.6	148.2

Cash Flow

FYE Sep (RM m)	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	12.4	27.5	57.5	72.6	107.8
Depreciation & amortisation	3.0	10.5	19.3	28.3	29.1
Changes in working capital	-0.2	-1.2	0.2	-4.0	5.5
Others	0.4	-1.2	-8.9	-14.6	-22.2
Operating cash flow	15.6	35.5	68.1	82.4	120.2
Net capex	-5.5	-13.6	-17.1	-41.1	-32.4
Others	-1.3	1.4	-0.1	0.0	0.0
Investing cash flow	-6.8	-12.2	-17.2	-41.1	-32.4
Dividends paid	-2.5	-8.0	-3.0	-16.3	-24.3
Others	5.7	-3.8	-13.7	18.8	16.9
Financing cash flow	3.2	-11.8	-16.7	2.5	-7.4
Net cash flow	12.0	11.5	34.2	43.8	80.4
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	1.2	13.3	24.8	59.0	102.8
Ending cash	13.3	24.8	59.0	102.8	183.2

Initiation Coverage

Friday, 10 Jan, 2025

Recommendation Framework:

SUBSCRIBE: Total returns* are expected to exceed 10% within the next 12 months.

NOT SUBSCRIBE: Total returns* are expected to be below -10% within the next 12 months.

*Capital gain + dividend yield

Sector Recommendations:

OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.

NEUTRAL: The industry defined by the analyst is expected to be within +10% to -10% within the next 12 months.

UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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As of **Friday, 10 Jan, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.
