Results Note

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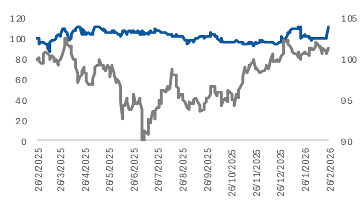
Recommendation:	BUY
Current Price:	RM 1.36
Previous Target Price:	RM 1.14
Target Price: ↑	RM 1.62
Capital Upside/Downside:	19.1%
Dividend Yield (%):	3.5%
Total Upside/Downside:	**22.6%**

Stock information	
Board	MAIN
Sector	Consumer
Bursa / Bloomberg Code	7035 / CCK MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	616.2
Market Cap (RM' m)	838.0
52-Week Price Range (RM)	1.42-1.08
Beta (x)	0.8
Free float (%)	40.2
3M Average Volume (m)	0.2
3M Average Value (RM' m)	0.2

Top 3 Shareholders	(%)
Central Coldstorage Sarawak	22.4
Sk Tiong Enterprise Sdn Bhd	16.8
Chong Nyuk Kiong Enterprise Sdn Bh	5.5

Share Price Performance



	1M	3M	12M
Absolute (%)	-0.7	17.2	8.8
Relative (%)	-0.9	9.0	-1.1

Earnings Summary

FYE Dec (RM m)	FY25	FY26F	FY27F
Revenue (RM'm)	1051.2	1101.6	1137.1
PATAMI (RM'm)	127.8	75.4	95.6
CNP (RM'm)	67.3	75.4	95.6
EPS - core (sen)	10.8	12.0	15.2
P/E (x)	12.5	11.4	9.0

Source: Company, Apex Securities

CCK Consolidated Holdings Bhd

Within Expectations

- **CCK posted a 4QFY25 CNP of RM15.8m (-25.5% YoY, -16.7% QoQ), bringing 12MFY25 CNP to RM67.3m (-19.9% YoY). The results came in within our expectations, meeting 95% of our full-year forecast and 91% of consensus estimates.**
- **We expect CCK to deliver steady performance into FY26, supported by its resilient East Malaysia retail network and disciplined expansion strategy.**
- **We upgrade our call from HOLD to BUY with a revised TP of RM1.62 (from RM1.14), now based on 13.5x P/E (from 9.5x) FY26F EPS of 12.0 sen, alongside a three-star ESG rating.**

Results within expectations. Excluding fair value gain in short-term investments (-RM0.5m) and other EIs (+RM0.9m), CCK reported a 4QFY25 CNP of RM14.8m (-25.5% YoY, -16.7% QoQ), bringing 12MFY25 CNP to RM67.3m (-19.9% YoY). The results were within our expectations, meeting 95% of our full-year forecast and 91% of consensus estimates.

YoY. 3QFY25 CNP declined 25.5% to RM14.8m, primarily due to weaker contributions across all business segments. Poultry operating profit (-2.3%) was broadly stable, while the prawn segment contracted 42.2% amid lower sales volumes to key export markets, namely Japan and Taiwan. The food service segment fell 35.9%, reflecting softer demand from government schools in Sarawak under existing supply contracts. Meanwhile, retail operating profit dropped 35.4% following strategic pricing adjustments aimed at strengthening competitiveness across the Group's domestic retail network.

QoQ. CNP declined 16.7% QoQ as stronger poultry contributions were offset by weaker performance across the prawn, food service and retail segments. Poultry operating profit rose 86.2%, supported by firmer demand alongside effective cost management and pricing strategies that helped preserve margins. However, prawn segment profitability plunged 89.6% due to lower sales volumes in the Indonesian domestic market and key export destinations, including Japan, Taiwan and Hong Kong. Food service profit fell 68.1%, likely reflecting weaker demand during the year-end school holidays, while retail operating profit declined 11.3% despite higher revenue, suggesting margin compression following recent price adjustments within the segment.

Outlook. We expect CCK to deliver steady performance into FY26, supported by its resilient East Malaysia retail network and disciplined expansion strategy. The Group's vertically integrated model positions it well to benefit from improving consumption trends, underpinned by the Sarawak Government's projected 4.6% GDP growth in 2026 and gradually strengthening household incomes. Meanwhile, the anticipated commissioning of its Central Java food processing facility in 1H 2026 should enhance operational efficiency within its Indonesian operations while opening opportunities to expand regional sales channels.

Earnings Revision. With results broadly within expectations, we retain our forecasts and introduce FY27F earnings estimates.

Valuation. We upgrade our call from **HOLD** to **BUY** with a revised TP of **RM1.62** (from RM1.14), now based on 13.5x P/E (from 9.5x) FY26F EPS of 12.0 sen, alongside a three-star ESG rating. Our latest valuation translates to an implied -2SD from the KLCSU given CCK's relatively smaller market cap, and is justified by the group's strong balance sheet and defensive retail-centric earnings base.

Risks. Volatility in poultry prices and feed expenses, along with vulnerability to currency fluctuations due to feed costs being denominated in USD, while the company also exports a portion of its goods overseas.

KDN PP13226/06/2024 (035469)

Results Comparison

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Revenue	264.2	267.4	(1.2)	264.5	(0.1)	1,051.2	1,059.2	(0.8)	
EBITDA	31.8	38.4	(17.3)	(11.5)	nm	127.8	74.6	71.2	
Pre-tax profit	24.3	27.1	(10.2)	27.2	(10.5)	78.8	110.5	(28.7)	
PATAMI	14.5	10.2	43.1	17.5	(16.9)	127.8	74.7	70.9	
Core net profit	14.8	19.9	(25.5)	17.8	(16.7)	67.3	84.1	(19.9)	
Core EPS (sen)	2.4	3.2	(25.5)	2.9	(16.7)	10.8	13.5	(19.9)	
EBITDA margin (%)	12.0	14.4		(4.3)		12.2	7.0		
PBT margin (%)	9.2	10.1		10.3		7.5	10.4		
Core PATMI margin (%)	5.6	7.4		6.7		6.4	7.9		

Segmental Breakdown

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)
Segment revenue								
Poultry	28.1	31.4	(10.4)	28.9	(2.6)	111.9	125.4	(10.8)
Prawn	16.7	20.7	(19.2)	26.1	(36.0)	93.3	91.1	2.4
Food Service	4.5	5.1	(13.2)	4.7	(4.3)	16.5	20.8	(20.8)
Retail	214.6	210.1	2.1	204.6	4.9	828.5	821.7	0.8
Corporate	0.3	0.0	548.9	0.3	6.2	1.0	0.2	468.3
Total	**264.2**	**267.3**	**(1.2)**	**264.5**	**(0.1)**	**####**	**####**	**(0.8)**
Segment operation profits								
Poultry	7.6	7.7	(2.3)	4.1	86.2	21.5	24.4	(11.9)
Prawn	0.4	0.7	(42.2)	3.9	(89.6)	12.5	10.5	19.1
Food Service	0.2	0.4	(35.9)	0.7	(68.1)	1.4	1.5	(4.4)
Retail	15.8	24.5	(35.4)	17.8	(11.3)	66.9	80.5	(16.9)
Corporate	5.3	103.7	(94.9)	0.1	5,653.3	5.2	101.4	(94.9)
Total	**29.3**	**33.3**	**(12.0)**	**26.7**	**9.9**	**107.5**	**218.3**	**(109.0)**
Segment OP margin (%)								
Poultry	26.9%	24.6%		14.1%		76.9%	77.7%	
Prawn	2.5%	3.4%		15.1%		49.2%	45.1%	
Food Service	5.3%	7.2%		16.0%		32.6%	28.5%	
Retail	7.4%	11.6%		8.7%		32.3%	39.2%	
Corporate	n.m	n.m		n.m		n.m	n.m	
	42.0%	**46.9%**		**53.8%**		**191.0%**	**190.5%**	

Source: Company, Apex Securities

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★	Lack of strategy to address climate change in prawn aquaculture.
Waste & Effluent	★	Lack of data comparison because 2024 is the first year of disclosing waste data: 2,053 tonnes.
Energy(not)	★★★★	Energy consumption dropped from 26,155.73 MW in FY2023 to 9,992 MW in FY2024, representing a reduction of 16,163.7 MW.
Water	★★★★	Water consumption fell to 247 ML in FY2024 from 404.5 ML in FY2023, a reduction of 157.5 ML.
Compliance	★★★	There were no cases of non-compliance in FY2023 and FY2024, and CCK remain committed to maintaining zero reports and penalties for FY2025.

Social

Diversity	★★★	The gender distribution is 62% male and 38% female (from 63% and 37% respectively in FY2023). There is a slight improvement from recruiting more female employees in the organisation.
Human Rights	★★★	Zero number of substantiated complaints concerning human rights violations.
Occupational Safety and Health	★★★★	Remained 0 fatalities in FY2024, which aligns with the internal target. While the Lost time incident rate (LTIR) in FY2024 is 4.18, which is still aligned with internal target of <10.28.
Labour Practices	★★★	CCK opposes discrimination, promoting diversity and equal opportunities regardless of gender or ethnicity.

Governance

CSR Strategy	★★★★	In FY2024, CCK donated a total of RM41.9k for CSR, including: (i) RM12.0k to sustain its long-standing support for SMK Kampung Nangka's Food Bank, benefiting 850 students; (ii) 500 whole chickens (valued at RM9.9k) in collaboration with Majlis Bandaraya Kuching Selatan, assisting 500 low-income families; (iii) RM6.0k to SMK Tung Hua's "We Care For You" program, aiding 10 underprivileged students; and (iv) smaller contributions to various community and government bodies.
Management	★★★★	There has been a significant shift towards a younger demographic in senior management. This includes 33% increase (from 0% in FY2023) in senior management under 30, 14% increase (from 0% in FY2023) in the 30-50 age range, and a corresponding 36% decrease in senior management over 50, now representing 65% (down from 100% in FY2023).
Stakeholders	★	1x AGM per annum and no analyst briefing conducted.

Overall ESG Scoring: ★★★

Recommendation Framework:
BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 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

As of **Thursday, 26 Feb, 2026**, 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.