

Team Coverage

(603) 7890 8888

research.dept@apexsecurities.com.my

Recommendation:	BUY
Current Price:	RM 1.08
Previous Target Price:	RM 0.81
Target Price:	↑ RM 1.26
Capital Upside/Downside:	16.7%
Dividend Yield (%):	1.2%
Total Upside/Downside	17.8%

Stock information

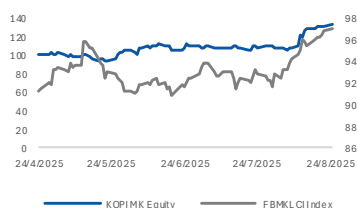
Board	ACE
Sector	Consumer
Bursa / Bloomberg Code	0338 / KOPIMK
Shariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	2,000.0
Market Cap (RM' m)	2,160.0
52-Week Price Range (RM)	1.11-0.625
Beta (x)	N/A
Free float (%)	31.3
3M Average Volume (m)	6.3
3M Average Value (RM' m)	5.6

Top 3 Shareholders

(%)

Chern Dato Chan Jian	42.2
Chan Yen Min	15.6
Koay Song Leng	10.9

Share Price Performance



	1M	3M	12M
Absolute (%)	29.3	36.7	N/A
Relative (%)	25.4	31.9	N/A

Earnings Summary	FY24	FY25F	FY26F
Revenue	277.3	431.8	563.6
PATAMI	43.1	61.4	83.6
CNP	43.1	61.4	83.6
EPS - core (sen)	2.2	3.1	4.2
P/E(x)	50.1	35.2	25.8

Source: Company, Apex Securities

Oriental Kopi Holdings Bhd

Earnings Surprise in 3QFY25; Upgraded to BUY

- KOPI's 3QFY25 CNP came in at RM17.0m (+16.0% QoQ), bringing 9MFY25 CNP to RM45.2m, accounting for 76% of our full-year forecast and 74% of consensus estimates. We deem the result ahead of expectations, as the quarter defied our earlier assumption that the absence of festive seasonality would dampen earnings.
- The stronger QoQ results are attributed to resilient café footfall (GP +17.1% QoQ) and increased packaged food sales (GP +29.6% QoQ).
- Earnings momentum is expected to continue into 4QFY25, supported by menu and packaged food innovation, branding initiatives, and ongoing outlet expansion.
- We lift our FY25F earnings by 3.7% to reflect stronger-than-expected 3QFY25 performance, with 4QFY25 expected to deliver similar performance trajectory. That said, we trim FY26–27F earnings by 7.7%/0.1% to account for a normalisation in sales growth and higher upfront operating costs associated with new store openings.
- We upgrade our recommendation to BUY from HOLD, raising our target price to RM1.26/share, based on 30x P/E multiple applied to FY26F EPS of 4.2 sen, alongside a three-star ESG rating.

Results exceeded expectations. Excluding one-off listing expenses (+RM0.1m) and a fair value gain from other investments (-RM1m), KOPI reported a 3QFY25 CNP of RM17.0m (+16.0% QoQ), bringing the 9MFY25 total to RM45.2m, accounting for 76% of our full-year forecast and 74% of consensus estimates. We deem the result ahead of expectations, as the quarter benefited from resilient café footfall and stronger packaged food sales, defying our earlier assumption that the absence of festive seasonality would dampen earnings. We expect 4QFY25 to sustain a similar performance trajectory.

QoQ. 3QFY25 CNP rose 16% QoQ, driven by stronger contribution from both café segment (GP +17.1% QoQ) and packaged food segment (GP +29.6% QoQ). The café division experienced a revenue growth of 11.8%, supported by higher footfall despite the absence of festive seasonality, complemented by contributions from newly opened outlets and the ramp-up of the 7 stores launched in the first three quarters of FY25. Meanwhile, packaged food division's sales grew 28.2%, benefited from the rollout of nine merchandise kiosks, an initiative introduced in CY25. Steady mall traffic during the school holiday period further supported higher patronage, enabling KOPI to sustain growth even in a non-festive quarter.

YoY. Since KOPI was only listed in January 2025, no YoY comparison is available.

Outlook. KOPI's earnings momentum is expected to continue into 4QFY25, supported by new menu launches, product innovation, targeted marketing, and café expansion (10 outlets opened in FY25, six more planned by FY26). Looking ahead, the Group's new operational facility — head office, central kitchen, and warehouse — due by CY26 could optimise food preparation while enhancing R&D. While upfront store-opening costs may pressure margins, these should ease as outlets mature, keeping the outlook positive for the year-end crowd.

Earnings Revision. We lift our FY25F earnings by 3.7% to reflect stronger-than-expected 3QFY25 performance, with 4QFY25 expected to deliver similar performance trajectory. That said, we trim FY26–27F earnings by 7.7%/0.1% to account for a normalisation in sales growth and higher upfront operating costs associated with new store openings.

Valuation. Following earnings revision, we upgrade our recommendation to **BUY** from HOLD, raising our target price to **RM1.26/share**, based on 30x P/E multiple applied to FY26F EPS of 4.2 sen, alongside a three-star ESG rating. The assigned P/E multiple, revised higher from 20x previously, is justified by KOPI's robust earnings growth outlook, with the core earnings expected to deliver a FY24–27F CAGR of c.31%. On a PEG basis, this implies a ratio of c.1.0x, which is reasonable relative to its strong growth profile and in line with valuations accorded

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to high-growth consumer peers. The 30x also implies only a c.4% premium to the weighted average forward P/E multiple of listed peers in Consumer sector (28.8x), which we believe is justified by KOPI's scarcity value as a growth-focused F&B retail stock and its superior growth trajectory versus peers.

Risks. Quality control, shortage of labour, and supply chain disruptions.

Results Comparison

FYE Sep (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)	Comments
Revenue	116.7	N/A	N/A	103.2	13.1	317.8	N/A	N/A	
EBITDA	31.6	N/A	N/A	24.8	27.2	80.3	N/A	N/A	
Pre-tax profit	23.5	N/A	N/A	18.2	29.0	59.0	N/A	N/A	
PATMI	17.9	N/A	N/A	13.8	29.9	44.9	N/A	N/A	
Core net profit	17.0	N/A	N/A	14.7	16.0	45.2	N/A	N/A	
Core EPS (sen)	0.9	N/A	N/A	0.7	16.0	2.3	N/A	N/A	
EBITDA margin (%)	27.0	N/A		24.1		25.3	N/A		
PBT margin (%)	20.1	N/A		17.7		18.6	N/A		
Core PATMI margin (%)	14.6	N/A		14.2		14.2	N/A		

Segmental Breakdown

FYE Sep (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)
Revenue								
Operation of café chain	107.8	N/A	N/A	96.4	11.8	295.87	N/A	N/A
Distribution & Retail of packaged food	8.2	N/A	N/A	6.4	28.2	20.04	N/A	N/A
Others	0.7	N/A	N/A	0.4	90.9	1.85	N/A	N/A
Total	116.7	-	nm	103.2	13.1	317.8	-	nm
Gross Segment profit/(loss)								
Operation of café chain	25.8	N/A	N/A	22.1	17.1	70.16	N/A	N/A
Distribution & Retail of packaged food	4.4	N/A	N/A	3.4	29.6	10.7	N/A	N/A
Others	0.1	N/A	N/A	0.0	127.7	0.3	N/A	N/A
Total	30.3	-	nm	25.5	19.0	81.1	-	nm

Source: Company, Apex Securities

Gross Profit Margin (%)

Operation of café chain	24%	N/A	23%	23.7%	N/A
Distribution & Retail of packaged food	54%	N/A	53%	53.4%	N/A
Others	15%	N/A	13%	15.0%	N/A
Overall Gross Profit Margin (%)	26.0%	0.0%	24.7%	25.5%	0.0%

Source: Company, Apex Securities

Peers Comparison

Figure 1: Selected peers in the Consumer sector, listed on Bursa Malaysia

Company	FYE	Market Cap	Price	Target Price	Potential Upside	P/E (x)		EPS Growth (%)		Dividend Yield (%)		ESG Rating
		RM'm	(RM)	(RM)	(%)	FY25	FY26	FY25	FY26	FY25	FY26	
Oriental Kopi Group Bhd	Sep	2,160.0	1.08	1.26	16.7	35.2	25.8	42.4	36.1	0.9	1.2	★★★
Nestlé (Malaysia) Bhd	Dec	21,691.3	92.50	85.71	-7.3	42.9	39.1	21.5	9.7	2.3	2.5	N/A
Farm Fresh Bhd	Mar	3,622.1	1.93	2.08	7.8	27.9	25.7	35.6	8.5	0.3	0.4	N/A
MR. D.I.Y. Group (M) Berhad	Dec	14,682.0	1.55	1.95	26.0	22.8	20.9	13.1	8.8	3.4	3.7	N/A
99 Speed Mart Retail Holdings Bhd	Dec	21,168.0	2.52	2.76	9.7	36.0	31.9	19.9	12.9	1.6	1.7	N/A
Eco-Shop Marketing Bhd	May	7,701.0	1.34	1.55	15.9	33.3	26.9	15.2	23.8	1.4	2.2	N/A
Average (ex)- Oriental Kopi Group Bhd						32.6	28.9			1.8	2.1	

Source: Bloomberg, Apex Securities

Figure 2: KOPI's existing cafés and specialty retail stores

FYE	Total no. of cafes operating during the FYE	New cafes opened during the FYE		Commencement date	Halal certified
		Numbers	Locations		
2021	2	2	Taman Johor Jaya, Johor The Mall, Mid Valley SouthKey, Johor	Dec-20 May-21	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
2022	5	3	Bandar Puteri Puchong, Selangor Pavillion Bukit Jalil, KL Mid Valley Megamall, KL	Nov-21 Apr-22 Jul-22	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
2023	11	6	KLIA 2 (arrival level), Selangor Sunway Pyramid Mall, Selangor AEON Mall Tebrau City, Johor Pavillion KL Mall, KL KLIA 2 (departure level), Selangor Johor Bahru City Square Mall, Johor	Nov-22 Dec-22 Apr-23 Jun-23 Jul-23 Aug-23	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
2024	17	6	The Exchange TRX, KL Suria KLCC Mall, KL IOI City Mall, Putrajaya Gurney Plaza Mall, Penang Pavillion Damansara Heights Mall, KL AEON Mall Bukit Indah, Johor	Nov-23 Dec-23 Jan-24 Jun-24 Aug-24 Sep-24	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
2025	27	10	Bugis Junction, Singapore Aeon Mall Cheras Selatan Paradigm Mall JB, Johor Vivacity, Sarawak Senai Airport, Johor Alamanda Shopping Centre, Putrajaya NEX Singapore Aeon Melaka Sunway Putra Mall Sunway Carnival Mall	Nov-24 Oct-24 Nov-24 Dec-24 Mar-25 Apr-25 Jun-25 Jul-25 Jul-25 Aug-25	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Specialty Retail Stores					
2024	2	2	St. Giles Southkey Hotel KSL City Mall	Apr-24 Dec-24	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

Source: Company, Apex Securities

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Financial Highlights

Income Statement

FYE Sep (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	133.0	277.3	431.8	563.6	622.9
Gross Profit	39.1	82.8	112.3	146.5	168.2
EBITDA	39.5	79.2	111.1	140.7	156.7
Depreciation & Amortisation	-10.5	-19.3	-29.6	-30.4	-29.3
EBIT	29.0	59.9	81.5	110.3	127.4
Net Finance Income/(Cost)	-1.7	-3.3	-4.3	-4.9	-6.0
Associates & JV	0.0	-0.1	0.2	0.8	1.2
Pre-tax Profit	27.5	57.5	80.8	110.0	126.8
Tax	-7.4	-14.4	-19.4	-26.4	-30.4
Profit After Tax	20.0	43.1	61.4	83.6	96.3
Minority Interest	0.0	0.0	0.0	0.0	0.0
PATAMI	20.0	43.1	61.4	83.6	96.3
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	20.0	43.1	61.4	83.6	96.3

Key Ratios

FYE Sep (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue Growth (%)	173.4%	108.5%	55.7%	30.5%	10.5%
Core EPS Growth (%)	109.5%	115.4%	42.4%	36.1%	15.2%
P/E (x)	107.8	50.1	35.2	25.8	22.4
EPS	1.0	2.2	3.1	4.2	4.8
P/B (x)	63.6	40.4	22.4	13.9	9.7
EV/EBITDA (x)	53.9	27.1	19.5	15.9	14.6
DPS (sen)	0.4	0.2	0.9	1.3	1.4
Dividend Yield (%)	0.4%	0.1%	0.9%	1.2%	1.3%
EBITDA margin	29.7%	28.6%	25.7%	25.0%	25.2%
EBIT margin	21.8%	21.6%	18.9%	19.6%	20.5%
PBT margin	20.6%	20.7%	18.7%	19.5%	20.3%
PAT margin	15.1%	15.6%	14.2%	14.8%	15.5%
Net Profit margin	15.1%	15.6%	14.2%	14.8%	15.5%
Core NP margin	15.1%	15.6%	14.2%	14.8%	15.5%
ROE	58.9%	80.6%	63.6%	53.9%	43.3%
ROA	18.1%	23.8%	22.4%	23.6%	21.2%
Net gearing	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Key Assumptions

FYE Sep (RM m)	FY25F	FY26F	FY27F
Average revenue per store	13.3	14.2	14.3
No. of café (unit)	17	27	33
SSSG (%)	30%	18%	5%

Valuations

	FY26F
EPS (RM)	0.042
Multiple (x)	30.0
Equity Value/share (RM)	1.26
ESG premium/discount	0.0%
Fair Value (RM)	1.26

Source: Company, Apex Securities

Balance Sheet

FYE Sep (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash	24.8	59.0	107.4	200.6	269.5
Receivables	9.0	13.3	29.3	20.1	41.3
Inventories	2.1	6.9	17.6	9.8	25.0
Other current assets	0.5	0.6	0.6	0.6	0.6
Total Current Assets	36.3	79.8	154.9	231.2	336.5
PPE & ROU	74.4	100.4	118.3	121.7	117.3
Deferred income taxes	0.0	0.2	0.2	0.2	0.2
Other non-current assets	0.0	1.0	1.0	1.0	1.0
Total Non-current assets	74.4	101.6	119.5	122.9	118.5
Short-term lease	10.0	14.4	19.6	24.1	27.8
Hire purchase payables	0.2	0.5	0.5	0.5	0.5
Payables	9.9	39.8	63.9	62.6	77.3
Other Current Liabilities	0.0	0.3	0.3	0.3	0.3
Total Current Liabilities	20.1	55.1	84.4	87.5	106.0
Long-term lease	47.6	57.6	78.3	96.4	111.3
Long-term debt	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	2.0	4.3	4.3	4.3	4.3
Total Non-current Liabilities	49.6	61.9	82.6	100.7	115.6
Shareholder's equity	34.0	53.5	96.5	155.0	222.5
Minority Interest	0.0	0.0	0.0	0.0	0.0
Equity	34.0	53.5	96.5	155.0	222.5

Cash Flow

FYE Sep (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Pre-tax profit	27.5	57.5	80.8	110.0	126.8
Depreciation & amortisation	10.5	19.3	29.6	30.4	29.3
Changes in working capital	-1.2	0.2	-2.5	15.5	-21.6
Others	-1.2	-8.9	-18.5	-25.2	-28.5
Operating cash flow	35.5	68.1	89.4	130.7	106.0
Capex	-13.6	-17.1	-47.5	-33.8	-24.9
Others	1.4	-0.1	3.4	3.7	4.1
Investing cash flow	-12.2	-17.2	-44.1	-30.1	-20.8
Dividends paid	-8.0	-3.0	-18.4	-25.1	-28.9
Others	-3.8	-13.7	21.6	17.6	12.7
Financing cash flow	-11.8	-16.7	3.2	-7.4	-16.2
Net cash flow	11.5	34.2	48.4	93.2	68.9
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	13.3	24.8	59.0	107.4	200.6
Ending cash	24.8	59.0	107.4	200.6	269.5

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ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Collect the used cooking oil and arrange for its proper handling and repurposing, effectively reducing environmental impact.
Waste & Effluent	★★★★	Collaborate with the mall's management to separate leftover food and deliver it to the designated location for conversion into organic waste.
Energy	★★	Most of the cafés are operated within malls, so there is no specific energy-saving plan as most of the malls have already implemented measures.
Water	★★★★	Installed oil and grease (FOG) traps in all cafés to prevent wastewater buildup and protect the drainage system from clogging and river pollution.
Compliance	★★★★	Installed oil and grease (FOG) traps in all cafes to prevent wastewater buildup, comply with local regulations, and reduce pollution by preventing clogging in drainage systems.

Social

Diversity	★★★	At least 30% of directors are female.
Human Rights	★★	Eliminating inappropriate behaviors, such as bullying, discrimination, harassment, and victimization, while ensuring equal opportunities for all employees regardless of their age, gender, ethnicity, religion, national origin, sexual orientation, or disability.
Occupational Safety and Health	★★	Established safe, healthy and nurturing work environment.
Labour Practices	★★★	Organizes various recreational events, such as employee birthday celebrations, sports tournaments, movie nights, and cultural festivals, to foster team bonding, cultural exchange, and a sense of unity and appreciation among employees.

Governance

CSR Strategy	★★	Due to lack of CSR strategy.
Management	★★	At least half of the Board members are independent directors.
Stakeholders	★★★	Two quarterly results briefings were 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

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(a) nil.