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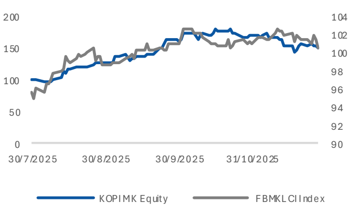
Recommendation:		HOLD
Current Price:		RM 1.25
Previous Target Price:		RM 1.26
Target Price:	↔	RM 1.26
Capital Upside/Downside:		0.8%
Dividend Yield (%):		1.0%
Total Upside/Downside		**1.8%**

Stock information	
Board	ACE
Sector	Consumer
Bursa / Bloomberg Code	0338 / KOPI MK
Shariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	2,000.0
Market Cap (RM' m)	2,500.0
52-Week Price Range (RM)	1.61-0.625
Beta (x)	N/A
Free float (%)	31.3
3M Average Volume (m)	6.8
3M Average Value (RM' m)	9.1

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 (%)	-13.2	15.7	N/A
Relative (%)	-13.6	12.0	N/A

Earnings Summary	FY25	FY26F	FY27F
Revenue	450.9	563.6	622.9
PATAMI	60.8	83.6	96.3
CNP	60.0	83.6	96.3
EPS - core (sen)	3.0	4.2	4.8
P/E (x)	41.7	29.9	26.0

Source: Company, Apex Securities

Oriental Kopi Holdings Bhd

4QFY25 post-results briefing takeaways

- **KOPI's FY25 GP margin contracted 4.6%-pts vs. FY24 on higher FMCG input costs, though margins are expected to steady at c.26% in FY26 with high-margin menu items and better supplier terms.**
- **Same-store sales growth (SSSG) improved to an average of 12.2% in FY25.**
- **KOPI currently operates 25 cafés domestically and plans to open 3 new outlets by 1HFY26, while maintaining its full-year target of 8 openings for FY26.**
- **FMCG demand has strengthened following SARA eligibility, while new distribution with myNews and 7-Eleven by 1HFY26 and ongoing plans to expand into international markets will broaden the segment's market access.**
- **We maintain our HOLD recommendation with an unchanged TP of RM1.26, based on 30x FY26F EPS of 4.2 sen.**

We left KOPI's briefing with the following key takeaways:

FY25 margins contraction. GP margin declined by 4.6%-pts to 25.3% in FY25 vs 29.9% in FY24, driven by higher FMCG input costs (santan and coffee). Margins may remain soft as in the near-term, but we expect GP margin to hold at c.26% in FY26, supported by its focus on retaining high-margin menu items and securing more favourable supplier pricing.

SSSG Trend. SSSG improved to an average of 12.2% in FY25, supported by stronger performances in Kuala Lumpur and Selangor, which recorded growth of 18.2% and 14.7% respectively. Johor was softer at 3.4%, mainly due to the Johor Jaya outlet, where sales were affected by the opening of the AEON Mall Tebrau City outlet just 2km away, shorter operating hours and lower in-store FMCG demand. Other Johor outlets continued to perform healthily.

Outlet Expansion Updates. Excluding Singapore, KOPI currently operates 25 cafés. The Group plans to open 3 outlets in 1HFY26 at Queensbay Mall Penang, KLIA 1 and Suria Sabah Shopping Mall. Beyond these, the pipeline includes KLIA Terminal 2 Departure Satellite, Sunway Velocity, Merdeka 118 and IJM Penang. The Group maintains its FY26 target of 8 new outlets, with site selection focused on high-traffic areas that attract both tourist and office crowds.

FMCG Outlook. KOPI's FMCG segment has seen stronger demand since its products became SARA-eligible, with White Coffee and Kaya remaining the main contributors. The Group has secured distribution with myNews and 7-Eleven, expected to begin by 1HFY26, which will extend the availability of its FMCG products across more retail channels. The Group is also assessing opportunities to distribute into Hong Kong, Australia and New Zealand, offering additional markets for the segment in the longer term.

Central Kitchen Completion May Be Delayed. KOPI's new operational facility, which will house its central kitchen, warehouse and office, is likely to see a delay from the initial FY26 completion target as the Group is still in the process of securing suitable land. The Group is negotiating for a site opposite the existing factory, which means commencement of the new operational facility would likely only take place in FY27. Once operational, the facility is expected to enhance production efficiency and improve cost control.

Earnings Revision. No change to our earnings forecasts.

Valuation and Recommendation. KOPI's near-term outlook remains promising, but following the recent share price rally, we maintain our **HOLD** recommendation with an unchanged TP of **RM1.26**, based on 30x FY26F EPS of 4.2 sen, alongside a three-star ESG rating. We continue to favour KOPI for its (i) **strong outlet expansion momentum**, (ii)

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consistent product innovation with **expanding menu and SKUs** and (iii) **commitment to product quality**.

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

Figure 1: KOPI's existing stores

FY	Total no. of cafes operating at the end of the FY	New cafes opened during the FY		Commencement Date
		Numbers	Locations	
2021	2	2	Taman Johor Jaya, Johor	Dec-20
			The Mall, Mid Valley SouthKey, Johor	May-21
2022	5	3	Bandar Puteri Puchong, Selangor	Nov-21
			Pavillion Bukit Jalil, KL	Apr-22
			Mid Valley Megamall, KL	Jul-22
2023	11	6	KLIA 2 (arrival level), Selangor	Nov-22
			Sunway Pyramid Mall, Selangor	Dec-22
			AEON Mall Tebrau City, Johor	Apr-23
			Pavillion KL Mall, KL	Jun-23
			KLIA 2 (departure level), Selangor	Jul-23
			Johor Bahru City Square Mall, Johor	Aug-23
2024	17	6	The Exchange TRX, KL	Nov-23
			Suria KLCC Mall, Kl	Dec-23
			IOI City Mall, Putrajaya	Jan-24
			Gurney Plaza Mall, Penang	Jun-24
			Pavillion Damansara Heights Mall, KL	Aug-24
			AEON Mall Bukit Indah, Johor	Sep-24
2025	25	8	AEON Mall Cheras Selatan	Oct-24
			Paradigm Mall JB, Johor	Nov-24
			Vivacity, Sarawak	Dec-24
			Senai Airport, Johor	Mar-25
			Alamanda Shopping Centre, Putrajaya	Apr-25
			AEON Bandaraya Melaka	Jul-25
			Sunway Putra Mall	Jul-25
			Sunway Carnival Mall	Aug-25

Source: Company, Apex Securities

Figure 2: KOPI's tentative new openings in FY26

FY	Target no. of cafes operating at the end of the FY	Target Opening	Locations	Commencement Date
2026	33	8	Queensbay Mall, Penang	1HFY26
			KLIA 1, Selangor	1HFY26
			KLIA 2 Departure Satellite, Selangor	TBC
			Sunway Velocity, KL	TBC
			Merdeka 118, KL	TBC
			IJM, Penang	TBC
			Suria Sabah Shopping Mall, Sabah	1HFY26
			TBC (1 location pending)	TBC

Source: Company, Apex Securities

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

As of **Wednesday, 03 Dec, 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.