

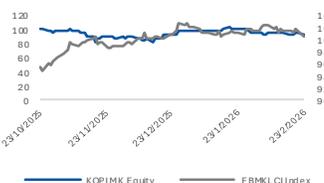
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<b>Recommendation:</b>	<b>HOLD</b>
Current Price:	RM 1.34
Previous Target Price:	RM 1.26
Target Price:	↓ RM 1.20
Capital Upside/Downside:	-10.4%
Dividend Yield (%):	0.9%
<b>Total Upside/Downside</b>	<b>-9.6%</b>

<b>Stock information</b>	
Board	ACE
Sector	Consumer
Bursa / Bloomberg Code	0338 / KOPIMK
Shariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	2,000.0
Market Cap (RM' m)	2,680.0
52-Week Price Range (RM)	1.61-0.625
Beta (x)	N/A
Free float (%)	27.3
3M Average Volume (m)	4.0
3M Average Value (RM' m)	5.4

<b>Top 3 Shareholders</b>		(%)
Chern Dato Chan Jian		42.2
Chan Yen Min		15.6
Koay Song Leng		10.9

#### Share Price Performance



	1M	3M	12M
Absolute (%)	-6.9	2.3	N/A
Relative (%)	-8.7	-6.0	N/A

<b>Earnings Summary</b>	<b>FY25</b>	<b>FY26F</b>	<b>FY27F</b>
Revenue	450.9	598.2	660.7
PATAMI	60.8	79.9	87.3
CNP	60.8	79.9	87.3
EPS - core (sen)	3.0	4.0	4.4
P/E(x)	44.1	33.5	30.7

Source: Company, Apex Securities

# Oriental Kopi Holdings Bhd

## Below Expectations

- KOPI's 1QFY26 CNP of RM15.7m (+5.9% QoQ, +16.2% YoY) came in below expectations at 19% of our full-year and consensus estimates, impacted by margin pressure from expansion-related costs.
- The Group's proposed 5,262 sqm integrated facility, targeted for completion by CY26, is expected to support FMCG expansion and help ease margin pressure.
- We trim our FY26F/FY27F earnings forecasts by 4% and 9% respectively on lower margin assumptions, while introducing our FY28F earnings forecasts.
- Post-earnings revision, we maintain our HOLD call with a lower TP of RM1.20 (from RM1.26), based on unchanged 30x FY26F EPS of 4.0 sen, alongside its three-star ESG rating.

**Results below expectations.** Excluding a fair value gain from other investments (-RM1.4m), KOPI reported a 1QFY26 CNP of RM15.7m (+5.9% QoQ, +16.2% YoY). The results came in below expectations, accounting for 19% of our full-year forecast and consensus estimates. The shortfall was due to margin pressure from expansion-related costs weighed on profitability.

**QoQ.** CNP rose 5.9% QoQ in line with the 4.5% revenue growth, driven by stronger year-end festive footfall across its café chain operations. However, PBT declined 8.5% QoQ as selling & distribution expenses rose 34.2%, mainly due to outlet opening costs tied to its expansion plans.

**YoY.** CNP rose 16.2% YoY, in line with the 42.3% revenue growth driven by the success of its outlet expansion in accommodating higher customer traffic. However, overall gross profit margin declined 1.9ppts due to higher operating costs, including foreign worker permit expenses incurred for new outlet openings.

**Outlook.** KOPI's café chain operations remain its core earnings pillar, further supported by its recent proposal to acquire a 5,262 sqm land to develop an integrated operational facility comprising a central kitchen, warehouse and office, expected to be completed by CY26, which could help ease margin pressure while supporting FMCG SKU expansion. Meanwhile, its ongoing partnership with Tourism Malaysia under the "Truly Malaysian Taste" campaign should enhance brand visibility and positioning, allowing KOPI to better capitalise on tourist inflows under Visit Malaysia 2026, although earnings impact is likely gradual as near-term performance remains weighed by expansion-related costs.

**Earnings Revision.** We trim our FY26F/FY27F earnings forecasts by 4% and 9% respectively on lower margin assumptions, while introducing our FY28F earnings forecasts.

**Valuation & Recommendation.** Post-earnings revision, we maintain our **HOLD** call with a lower TP of **RM1.20** (from RM1.26), based on unchanged 30x FY26F EPS of 4.0 sen, alongside its three-star ESG rating.

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

# Results Note

Wednesday, 25 Feb, 2026

## Results Comparison

FYE Sep (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue	139.2	97.8	42.3	133.2	4.5	139.2	97.8	42.3	
EBITDA	33.9	23.9	41.9	33.3	1.9	33.9	23.9	41.9	
Pre-tax profit	22.3	17.3	29.2	24.4	(8.5)	17.0	17.3	(1.4)	
PATMI	17.0	13.1	30.2	15.9	7.3	17.0	13.1	30.2	
Core net profit	15.7	13.5	16.2	14.8	5.9	15.7	13.5	16.2	
Core EPS (sen)	0.8	0.7	16.2	0.7	5.9	0.8	0.7	16.2	
EBITDA margin (%)	24.4	24.4		25.0		24.4	24.4		
PBT margin (%)	16.0	17.7		18.3		12.2	17.7		
CorePATMI margin (%)	11.3	13.8		11.1		11.3	13.8		

## Segmental Breakdown

FYE Sep (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)
<b>Revenue</b>								
Operation of café chain	125.5	91.6	37.0	122.6	2.4	125.5	91.6	37.0
Distribution & retail of packaged food	12.3	5.5	125.6	9.2	34.5	12.3	5.5	125.6
Others	1.4	0.8	77.9	1.4	(0.6)	1.4	0.8	77.9
<b>Total</b>	<b>139.2</b>	<b>97.8</b>		<b>133.2</b>		<b>139.2</b>	<b>97.8</b>	
<b>Gross Segment profit / (loss)</b>								
Operation of café chain	26.6	22.3	19.5	28.8	(7.4)	26.6	22.3	19.5
Distribution & retail of packaged food	5.2	2.9	79.1	4.0	31.3	5.2	2.9	79.1
Others	0.2	0.1	65.9	0.2	(1.4)	0.2	0.1	65.9
<b>Total</b>	<b>32.1</b>	<b>25.3</b>		<b>33.0</b>		<b>32.1</b>	<b>25.3</b>	
<b>Gross Profit Margin (%)</b>								
Operation of café chain	21%	24%	(12.8)	23%	(9.5)	21%	24%	(12.8)
Distribution & retail of packaged food	42%	53%	(20.6)	43%	(2.3)	42%	53%	(20.6)
Others	15%	16%	(6.7)	15%	(0.9)	15%	16%	(6.7)
<b>Overall Gross Profit Margin (%)</b>	<b>23.0%</b>	<b>25.9%</b>		<b>24.7%</b>		<b>23.0%</b>	<b>25.9%</b>	

Source: Company, Apex Securities

# Results Note

Wednesday, 25 Feb, 2026

## Financial Highlights

### Income Statement

FYE Sep (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Revenue</b>	<b>277.3</b>	<b>450.9</b>	<b>598.2</b>	<b>660.7</b>	<b>728.0</b>
<b>Gross Profit</b>	<b>82.8</b>	<b>116.9</b>	<b>143.6</b>	<b>158.6</b>	<b>174.7</b>
<b>EBITDA</b>	<b>79.2</b>	<b>113.6</b>	<b>137.8</b>	<b>146.4</b>	<b>156.3</b>
Depreciation & Amortisation	-19.3	-29.5	-33.8	-32.3	-31.7
<b>EBIT</b>	<b>59.9</b>	<b>84.1</b>	<b>104.0</b>	<b>114.1</b>	<b>124.6</b>
Net Finance Income/ (Cost)	-3.3	-4.3	-4.3	-5.5	-6.5
Associates & JV	-0.1	0.2	0.9	1.3	1.5
<b>Pre-tax Profit</b>	<b>57.5</b>	<b>83.4</b>	<b>105.2</b>	<b>114.9</b>	<b>125.0</b>
Tax	-14.4	-22.7	-25.2	-27.6	-30.0
<b>Profit After Tax</b>	<b>43.1</b>	<b>60.8</b>	<b>79.9</b>	<b>87.3</b>	<b>95.0</b>
Minority Interest	0.0	0.0	0.0	0.0	0.0
<b>PATAMI</b>	<b>43.1</b>	<b>60.8</b>	<b>79.9</b>	<b>87.3</b>	<b>95.0</b>
Exceptionals	0.0	0.0	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>43.1</b>	<b>60.8</b>	<b>79.9</b>	<b>87.3</b>	<b>95.0</b>

### Key Ratios

FYE Sep (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue Growth (%)	108.5%	62.6%	32.7%	10.5%	10.2%
Core EPS Growth (%)	115.4%	40.9%	31.5%	9.2%	8.9%
P/E(x)	62.1	44.1	33.5	30.7	28.2
EPS	2.2	3.0	4.0	4.4	4.8
P/B(x)	50.1	9.1	7.7	6.5	5.6
EV/EBITDA(x)	33.7	24.1	20.6	19.8	19.1
DPS (sen)	0.2	1.1	1.2	1.3	1.4
Dividend Yield (%)	0.1%	0.8%	0.9%	1.0%	1.1%
EBITDA margin	28.6%	25.2%	23.0%	22.2%	21.5%
EBIT margin	21.6%	18.6%	17.4%	17.3%	17.1%
PBT margin	20.7%	18.5%	17.6%	17.4%	17.2%
PAT margin	15.6%	13.5%	13.4%	13.2%	13.1%
Net Profit margin	15.6%	13.5%	13.4%	13.2%	13.1%
Core NP margin	15.6%	13.5%	13.4%	13.2%	13.1%
ROE	80.6%	20.7%	22.9%	21.3%	19.8%
ROA	23.8%	14.1%	14.6%	13.6%	12.8%
Net gearing	Net Cash				

### Key Assumptions

FYE Sep (RM m)	FY25	FY26F	FY27F	FY28F
Average revenue per store	14.2	14.5	14.6	14.7
No. of café (unit)	17	25	33	36
SSSG (%)	8%	16%	5%	5%

### Valuations

	FY26F
EPS (RM)	0.040
Multiple(x)	30.0
<b>Equity Value/ share (RM)</b>	<b>1.20</b>
ESG premium/ discount	0.0%
<b>Fair Value (RM)</b>	<b>1.20</b>

Source: Company, Apex Securities

### Balance Sheet

FYE Sep (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Cash</b>	<b>59.0</b>	<b>149.0</b>	<b>265.6</b>	<b>344.3</b>	<b>459.7</b>
Receivables	13.3	30.9	21.6	43.6	28.2
Inventories	6.9	12.3	17.6	20.9	21.5
Other current assets	0.6	103.3	103.3	103.3	103.3
<b>Total Current Assets</b>	<b>79.8</b>	<b>295.5</b>	<b>408.1</b>	<b>512.1</b>	<b>612.7</b>
PPE&ROU	100.4	133.1	135.2	129.3	127.7
Deferred income taxes	0.2	0.3	0.3	0.3	0.3
Other non-current assets	1.0	2.1	2.1	2.1	2.1
<b>Total Non-current assets</b>	<b>101.6</b>	<b>135.5</b>	<b>137.6</b>	<b>131.7</b>	<b>130.1</b>
Short-term lease	14.4	20.1	22.2	26.1	30.5
Hire purchase payables	0.5	0.8	0.8	0.8	0.8
Payables	39.8	33.3	68.2	85.4	94.1
Other Current Liabilities	11.3	11.0	11.0	11.0	11.0
<b>Total Current Liabilities</b>	<b>66.1</b>	<b>65.2</b>	<b>102.1</b>	<b>123.2</b>	<b>136.3</b>
Long-term lease	57.6	66.8	88.6	104.5	122.0
Long-term debt	0.0	0.0	0.0	0.0	1.0
Other non-current liabilities	4.3	5.5	5.5	5.5	5.5
<b>Total Non-current Liabilities</b>	<b>61.9</b>	<b>72.2</b>	<b>94.1</b>	<b>110.0</b>	<b>128.5</b>
Shareholder's equity	53.5	293.5	349.4	410.5	478.1
Minority Interest	0.0	0.0	0.0	0.0	1.0
<b>Equity</b>	<b>53.5</b>	<b>293.5</b>	<b>349.4</b>	<b>410.5</b>	<b>479.1</b>

### Cash Flow

FYE Sep (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Pre-tax profit</b>	<b>57.5</b>	<b>83.4</b>	<b>105.2</b>	<b>114.9</b>	<b>125.0</b>
Depreciation & amortisation	19.3	29.5	33.8	32.3	31.7
Changes in working capital	0.2	-10.2	38.8	-8.2	23.5
Others	-8.9	-25.6	-25.5	-27.0	-28.0
<b>Operating cash flow</b>	<b>68.1</b>	<b>77.2</b>	<b>152.3</b>	<b>112.0</b>	<b>152.2</b>
Capex	-17.1	-27.3	-35.9	-26.4	-29.1
Others	-0.1	-97.3	4.6	5.0	5.5
<b>Investing cash flow</b>	<b>-17.2</b>	<b>-124.6</b>	<b>-31.3</b>	<b>-21.4</b>	<b>-23.6</b>
Dividends paid	-3.0	-21.0	-24.0	-26.2	-28.5
Others	-13.7	158.5	19.6	14.3	15.3
<b>Financing cash flow</b>	<b>-16.7</b>	<b>137.5</b>	<b>-4.4</b>	<b>-11.9</b>	<b>-13.2</b>
<b>Net cash flow</b>	<b>34.2</b>	<b>90.0</b>	<b>116.6</b>	<b>78.7</b>	<b>115.4</b>
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	24.8	59.0	149.0	265.6	344.3
<b>Ending cash</b>	<b>59.0</b>	<b>149.0</b>	<b>265.6</b>	<b>344.3</b>	<b>459.7</b>

## ESG Matrix Framework:

### Environment

Parameters	Rating	Comments
Climate	★★★	At certain locations with composting initiatives, café employees separate leftover food and food preparation waste for delivery to designated collection points. They are then treated and converted into organic fertiliser which will help to reduce methane emissions from disposal to landfills.
Waste & Effluent	★★★	Waste-handling practices are aligned with the Environmental Quality Act 1974 (Amendment 2024). Used cooking oil is collected regularly by authorised waste contractors by the Department of Environment for recycling or repurposing.
Energy	★★	Total fuel consumption increased from 188,603 litres in FY24 to 360,699 litres in FY24, a 91% surge but in line with the expansion of the Group's outlet network and distribution activities.
Water	★★	The Group's total water withdrawal increased from 260,114 m <sup>3</sup> in FY24 to 394,735 m <sup>3</sup> in FY25, a 52% increase but corresponds with the Group's expanding operating footprint.
Compliance	★★★	In compliance with local environmental regulations.

### Social

Diversity	★★★	Reasonable gender diversity with 42.9% female board representation and strong female presence in executives (77.1%) and management (66.7%), though the overall workforce remains male-skewed at non-executive level (63.1% male).
Human Rights	★★★	In FY25, the Group recorded 0 reported cases of labour law violations or employee discrimination and 0 substantiated complaints concerning human rights violations.
Occupational Safety and Health	★★★	In FY25, the Group recorded 0 fatalities and 0 lost-time injuries.
Labour Practices	★★★	In the FY25, the Group remained in compliance with applicable Malaysian labour and employment laws and regulations, such as the Employment Act 1955 (Amendment 2022) and the Minimum Wages Order 2024.

### Governance

CSR Strategy	★★★	The Group contributed approximately RM17,800 to the communities in FY25 through various programmes and charitable donations, benefitting an estimated 112 individuals.
Management	★★★	3/7 female board composition, 4/7 independent directors.
Stakeholders	★★★	Major announcements and financial reports were announced in timely manner.

Overall ESG Scoring: ★★★

# Results Note

Wednesday, 25 Feb, 2026

## 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.