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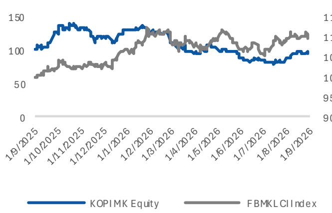
Recommendation:		HOLD
Current Price:		RM 1.050
Previous Target Price:		RM 1.04
Target Price:	↔	RM 1.04
Capital Upside/Downside:		-1.0%
Dividend Yield (%):		1.1%
Total Upside/Downside		**0.1%**

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)	2,100.0
52-Week Price Range (RM)	1.61-0.88
Beta (x)	N/A
Free float (%)	28.2
3M Average Volume (m)	4.9
3M Average Value (RM' m)	4.8

Top 3 Shareholders	(%)
United Gomax Sdn Bhd	67.9
Kaf Investment Funds Bhd	2.4
Ubs Ag	1.7

Share Price Performance



	1M	3M	12M
Absolute (%)	6.6	9.9	-2.8
Relative (%)	6.5	7.2	-2.8

Earnings Summary	FY25	FY26F	FY27F
Revenue	450.9	598.2	660.7
PATAMI	60.8	66.0	76.5
CNP	60.8	66.0	76.5
EPS - core (sen)	3.0	3.3	3.8
P/E (x)	34.6	31.8	27.5

Source: Company, Apex Securities

Oriental Kopi Holdings Bhd

Below Expectations

- **KOPI's 3QFY26 core net profit of RM17.0m (+16.5% QoQ, -0.1% YoY) brought 9MFY26 core net profit to RM47.3m (+4.7% YoY). Results came in below expectations at 67% of our full-year forecast and 65% of consensus, mainly due to weaker margin flow-through and a higher effective tax rate.**
- **We trim our FY26F earnings forecast by 6.4% to RM66.0m (from RM70.5m) to reflect softer margin conversion amid ongoing outlet expansion.**
- **Maintain HOLD with an unchanged TP of RM1.04, based on 27x FY27F Core EPS of 3.82 sen.**

Results below expectations. KOPI reported a 3QFY26 core net profit of RM17.0m (+16.5% QoQ, -0.1% YoY), bringing 9MFY26 core net profit to RM47.3m (+4.7% YoY). The results came in below expectations at 67% of our full-year forecast and 65% of consensus estimates, mainly due to weaker margin flow-through and a higher effective tax rate during the quarter.

QoQ. Revenue increased 6.4% QoQ to RM156.6m, supported by stronger walk-in traffic, festive season demand and contribution from newly opened outlets during the quarter. Core net profit rose at a faster pace of 16.5% QoQ to RM17.0m, as GP margin recovered to 23.5% (from 21.6% in 2QFY26) on improved cost management and operational efficiency, following the seasonal staff incentive and pre-opening cost drag seen in the preceding quarter.

YoY. Revenue surged 34.2% YoY to RM156.6m, driven by continued expansion of the Group's café chain operations and stronger contribution from packaged food sales. However, core net profit was broadly flat YoY at RM17.0m (-0.1%), as gross profit margin narrowed to 23.5% (from 26.0% in 3QFY25) on higher cost of sales, while a higher effective tax rate of 31% (versus 24% in 3QFY25) further offset the strong topline growth. The results suggest that incremental earnings contribution from expansion continues to be diluted by rising operating costs and new outlet ramp-up.

YTD. 9MFY26 core net profit rose 4.7% YoY to RM47.3m, supported by resilient consumer demand and continued outlet expansion across the café chain and packaged food segments. However, earnings growth continued to trail the 39.4% YoY revenue expansion, reflecting softer margin conversion (GP margin: 22.7% in 9MFY26 vs 25.5% in 9MFY25) and a higher effective tax rate, as the Group accelerated its outlet rollout strategy during the period.

Outlook. We remain constructive on KOPI's longer-term growth prospects, supported by resilient domestic consumption, rising tourist arrivals ahead of Visit Malaysia 2026, and ongoing brand-building initiatives including the "Truly Malaysian Taste" partnership with Tourism Malaysia. On store expansion, management does not intend to accelerate or slow the current pace, with new openings guided by suitable location availability. **The Group still targets around 8 new domestic outlets for CY2026**, implying roughly 2 more in 4QFY26. On margins, management indicated GP margin is expected to hold up going forward, aided by recent price increases of RM1-2 on selected menu items, supporting our view that the current margin pressure is manageable rather than structural. Overseas, the Indonesia JV remains on track for its first Jakarta outlet by end-2026, with 2-3 further outlets planned for FY27F, while the Mauritius franchise is still in early preparation ahead of its contractual deadline of around June 2027.

Earnings Revision. We trim our FY26F core net profit forecast by 6.4% to RM66.0m (from RM70.5m), as gross profit margin softened to 22.7% for 9MFY26 (from 25.5% in 9MFY25) on continued outlet expansion costs. We expect this pressure to persist into 4QFY26, and view it as tied to this year's elevated pace of new store openings rather than a structural shift.

Valuation & Recommendation. We maintain our **HOLD** recommendation and unchanged TP of **RM1.04**, based on an unchanged 27x FY27F Core P/E applied to FY27F Core EPS of 3.82 sen. While near-term earnings execution remains under pressure from margin normalisation amid ongoing outlet expansion, KOPI's overseas expansion into Indonesia and Mauritius offers additional medium-term growth optionality, though we await greater clarity on the pace of rollout and earnings contribution before factoring this into our estimates.

Risks. Key risks include weaker margin recovery, slower store rollout, overseas execution risk, and cost inflation.

Results Comparison

FYE Sep (RM m)	3QFY26	3QFY25	yoy (%)	2QFY26	qoq (%)	9MFY26	9MFY25	yoy (%)
Revenue	156.6	116.7	*34.2*	147.3	*6.4*	443.1	317.8	*39.4*
EBITDA	37.8	31.6	*19.8*	31.2	*21.4*	102.9	80.3	*28.2*
Pre-tax profit	24.5	23.5	*4.3*	19.7	*24.1*	66.6	59.0	*12.8*
PATMI	17.0	17.9	*(5.3)*	15.0	*13.1*	49.1	44.9	*9.4*
Core net profit	17.0	17.0	*(0.1)*	14.6	*16.5*	47.3	45.2	*4.7*
Core EPS (sen)	0.9	0.9	*(0.1)*	0.7	*16.5*	2.4	2.3	*4.7*
EBITDA margin (%)	24.2	27.0		21.2		23.2	25.3	
PBT margin (%)	15.6	20.1		13.4		15.0	18.6	
Core PATMI margin (%)	10.9	14.6		9.9		10.7	14.2	

Source: Company, Apex Securities

Segmental Breakdown

FYE Sep (RM m)	3QFY26	3QFY25	yoy (%)	2QFY26	qoq (%)	9MFY26	9MFY25	yoy (%)
Revenue								
Operation of café chain	141.8	107.8	*31.5*	131.5	*7.9*	398.8	295.9	*34.8*
Distribution & retail of packaged food	13.6	8.2	*66.1*	14.4	*(5.8)*	40.4	20.0	*101.4*
Others	1.2	0.7	*71.2*	1.3	*(9.6)*	3.9	1.8	*112.3*
Total	**156.6**	**116.7**		**147.3**		**443.1**	**317.8**	
Gross Segment profit/(loss)								
Operation of café chain	30.5	25.8	*18.2*	26.4	*15.5*	83.6	70.2	*19.1*
Distribution & retail of packaged food	6.1	4.4	*38.1*	5.2	*16.7*	16.5	10.7	*54.1*
Others	0.2	0.1	*71.0*	0.2	*(9.9)*	0.6	0.3	*113.0*
Total	**36.8**	**30.3**		**31.8**		**100.7**	**81.1**	
Gross Profit Margin (%)								
Operation of café chain	22%	24%	*(10.1)*	20%	*7.1*	21%	24%	*(11.6)*
Distribution & retail of packaged food	45%	54%	*(16.8)*	36%	*23.8*	41%	53%	*(23.5)*
Others	15%	15%	*(0.1)*	15%	*(0.3)*	15%	15%	*0.3*
Overall Gross Profit Margin (%)	**23.5%**	**26.0%**		**21.6%**		**22.7%**	**25.5%**	

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Sep (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**277.3**	**450.9**	**598.2**	**660.7**	**728.0**
Gross Profit	**82.8**	**116.9**	**125.6**	**145.4**	**160.2**
EBITDA	**79.2**	**113.6**	**119.5**	**132.1**	**139.6**
Depreciation & Amortisation	-19.3	-29.5	-33.8	-32.3	-31.7
EBIT	**59.9**	**84.1**	**85.7**	**99.8**	**107.9**
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
Pre-tax Profit	**57.5**	**83.4**	**86.8**	**100.6**	**108.3**
Tax	-14.4	-22.7	-20.8	-24.1	-26.0
Profit After Tax	**43.1**	**60.8**	**66.0**	**76.5**	**82.3**
Minority Interest	0.0	0.0	0.0	0.0	0.0
PATAMI	**43.1**	**60.8**	**66.0**	**76.5**	**82.3**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**43.1**	**60.8**	**66.0**	**76.5**	**82.3**

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%	8.6%	15.9%	7.7%
P/E (x)	48.7	34.6	31.8	27.5	25.5
EPS	2.2	3.0	3.3	3.8	4.1
P/B (x)	39.2	7.2	6.2	5.3	4.6
EV/EBITDA (x)	26.3	19.0	18.8	17.4	17.1
DPS (sen)	0.2	1.1	1.0	1.1	1.2
Dividend Yield (%)	0.1%	1.0%	0.9%	1.1%	1.2%
EBITDA margin	28.6%	25.2%	20.0%	20.0%	19.2%
EBIT margin	21.6%	18.6%	14.3%	15.1%	14.8%
PBT margin	20.7%	18.5%	14.5%	15.2%	14.9%
PAT margin	15.6%	13.5%	11.0%	11.6%	11.3%
Net Profit margin	15.6%	13.5%	11.0%	11.6%	11.3%
Core NP margin	15.6%	13.5%	11.0%	11.6%	11.3%
ROE	80.6%	20.7%	19.4%	19.4%	18.2%
ROA	23.8%	14.1%	12.3%	12.2%	11.4%
Net gearing	Net Cash	Net Cash	Net Cash	Net Cash	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	FY27F
EPS (RM)	0.038
Multiple (x)	27.0
Equity Value/share (RM)	**1.04**
ESG premium/discount	0.0%
Fair Value (RM)	**1.04**

Source: Company, Apex Securities

Balance Sheet

FYE Sep (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	59.0	149.0	257.4	329.4	434.6
Receivables	13.3	30.9	21.6	43.6	28.2
Inventories	6.9	12.3	18.8	20.8	22.8
Other current assets	0.6	103.3	103.3	103.3	103.3
Total Current Assets	**79.8**	**295.5**	**401.0**	**497.0**	**589.0**
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
Total Non-current assets	**101.6**	**135.5**	**137.6**	**131.7**	**130.1**
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	70.9	87.6	96.5
Other Current Liabilities	11.3	11.0	11.0	11.0	11.0
Total Current Liabilities	**66.1**	**65.2**	**104.8**	**125.5**	**138.8**
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
Total Non-current Liabilities	**61.9**	**72.2**	**94.1**	**110.0**	**128.5**
Shareholder's equity	53.5	293.5	339.7	393.2	451.8
Minority Interest	0.0	0.0	0.0	0.0	1.0
Equity	**53.5**	**293.5**	**339.7**	**393.2**	**452.8**

Cash Flow

FYE Sep (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	**57.5**	**83.4**	**86.8**	**100.6**	**108.3**
Depreciation & amortisation	19.3	29.5	33.8	32.3	31.7
Changes in working capital	0.2	-10.2	40.4	-7.3	22.3
Others	-8.9	-25.6	-21.1	-23.6	-24.0
Operating cash flow	**68.1**	**77.2**	**139.9**	**102.0**	**138.3**
Capex	-17.1	-27.3	-35.9	-26.4	-29.1
Others	-0.1	-97.3	4.6	5.0	5.5
Investing cash flow	**-17.2**	**-124.6**	**-31.3**	**-21.4**	**-23.6**
Dividends paid	-3.0	-21.0	-19.8	-22.9	-24.7
Others	-13.7	158.5	19.6	14.3	15.3
Financing cash flow	**-16.7**	**137.5**	**-0.2**	**-8.7**	**-9.4**
Net cash flow	**34.2**	**90.0**	**108.4**	**72.0**	**105.3**
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	257.4	329.4
Ending cash	**59.0**	**149.0**	**257.4**	**329.4**	**434.6**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Carbon emissions mainly come from electricity and logistics fuel; preparing for IFRS S1/S2 climate disclosures.
Waste & Effluent	★★★	Promotes reusable packaging, food waste recycling and uses FOG traps to manage wastewater.
Energy	★★	Electricity is the main energy source, while petrol and diesel are used for logistics.
Water	★★	Water usage increased significantly alongside the expansion of its café network.
Compliance	★★★	Recorded zero major environmental fines or penalties in FY2025.

Social

Diversity	★★★	Strong female representation with 42.9% female Board members and 38.9% female management; 63.9% of employees are local.
Human Rights	★★★	Prohibits forced and child labour, with zero substantiated human rights complaints.
Occupational Safety and Health	★★★	Recorded zero fatalities and lost-time injuries, with ongoing safety training and formalisation of an OSH Committee.
Labour Practices	★★★	Complies with labour and minimum wage regulations, with employee benefits and regular training provided.

Governance

CSR Strategy	★★★	Integrates ESG into business operations and supports local suppliers, which account for 87.4% of its supplier base.
Management	★★★	Board-led sustainability oversight with anti-bribery, whistleblowing and gender diversity policies; zero corruption cases and data breaches.
Stakeholders	★★★	Engages key stakeholders through AGMs, customer surveys, employee reviews and community activities.

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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As of **Tuesday, 01 Sep, 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.