Corporate Update

Oriental Kopi Holding Berhad

(0338 |KOPI MK) Ace | Consumer Products & Services

SHARIAH Compliant

3QFY25 Results Review
Café Strength, FMCG Boost

Maintain NEUTRAL with higher TP of RM1.03. Oriental Kopi's ("KOPI") 2QFY25 results met expectations, underpinned by resilient café contributions and stronger FMCG traction. With results tracking expectations, we leave our FY25F–27F EPS forecasts unchanged and reiterate our **NEUTRAL** call. That said, we lift our **target price** (TP) to **RM1.03** (from RM0.83), now based on 25x FY26F P/E (vs. 20x previously). We believe the valuation premium is justified by KOPI's strong growth prospects, supported by its fast-expanding café network, increasing FMCG contribution, recovering tourist footfall, and packaged food export opportunities. Nonetheless, we maintain NEUTRAL as the share price has surged recently, capping near-term upside despite solid fundamentals.

Within expectations. KOPI chalked in 3QFY25 revenue of RM116.7m (+13.1%qoq) and core PATAMI of RM18.1m (+23.2%qoq), after excluding one-off listing expenses of RM0.12m. This lifted cumulative 9MFY25 core earnings to RM46.2m, which came in line at 74% and 75% of our and consensus full-year forecasts, respectively. No dividend was declared.

Resilient topline supported by café strength and FMCG traction. 3QFY25 revenue registered at RM116.7m (+13.1%qoq), anchored by café contributions of RM107.8m or 92.4% of total revenue. The café segment benefitted from higher footfall, including stronger tourist spending, as well as additional sales from new outlets opened during the quarter. Meanwhile, the distribution and retail of packaged foods (FMCG) segment continued to gain traction, rising +28.2%qoq to RM8.2m and lifting its revenue share to 7.0% (2QFY25: 6.2%; 1QFY25: 5.6%).

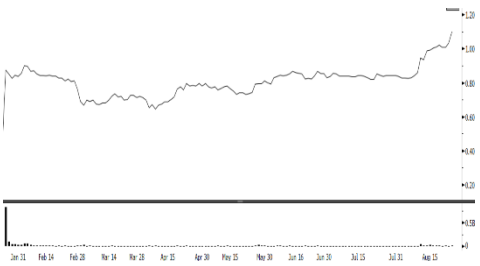
Profitability strengthened by FMCG contribution. Core PATAMI increased to RM18.1m in 3QFY25 (+23.2%qoq), outpacing revenue growth as operating leverage and a more favourable sales mix supported earnings. The FMCG segment, which carries structurally higher margins than café operations, expanded its revenue share to 7%, thereby enhancing group profitability. This translated into a 1.3ppts qoq improvement in core net margin to 15.5%. On a cumulative basis, 9MFY25 core PATAMI reached RM46.2m, translating into a commendable 14.6% net margin.

Outlook. We remain positive on KOPI's growth trajectory, anchored by its steady pace of café rollouts and the rising contribution from its higher-margin FMCG segment. The group's ongoing expansion of outlets across key urban centres will allow it to capture both resilient domestic demand and recovering tourist footfall. The group is also expanding its packaged food range with seasonal items such as mooncakes and exploring overseas distribution opportunities. These initiatives, together with supportive consumption trends, are expected to underpin sustained growth in both revenue and profitability.

Maintain NEUTRAL
Revised Target Price **RM1.03**
(from RM0.83)

RETURN STATISTICS	
Price @ 26th Aug 2025 (RM)	1.08
Expected share price return (%)	-4.3
Expected dividend yield (%)	+1.1
Expected total return (%)	-3.1

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	29.3	25.4
3months	26.3	41.6
12 months	NA	NA

INVESTMENT STATISTICS

FYE SEPT (RM'm)	2025F	2026F	2027F
Revenue	418.2	547.5	613.0
EBITDA	107.4	142.5	168.1
PBT	83.7	110.3	131.0
Core PATANCI	62.8	82.7	98.3
Core EPS (sen)	3.1	4.1	4.9
DPS (sen)	0.9	1.2	1.5
Dividend Yield (%)	0.9	1.1	1.4

KEY STATISTICS

FBM KLCI	1,581.59
Issue shares (m)	2000
Estimated free float (%)	31.27
Market Capitalisation (RM'm)	2,160.00
52-wk price range	RM0.62 - RM1.11
3-mth average daily volume (m)	6.17
3-mth average daily value (RM'm)	5.42
Top Shareholders (%)	
CHERN DATO CHAN JIAN	42.20
Chan Yen Min	15.57
Koay Song Leng	10.92

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Oriental Kopi: 3QFY25 Results Summary

FYE Sept (RM'm)	Quarterly results					Cumulative results		
	3QFY25	2QFY25	2QFY24	YoY (%)	QoQ (%)	9MFY25	9MFY24	YoY (%)
Revenue	116.7	103.2	NA	NA	13.1	317.8	NA	NA
Cost of Sales	(86.4)	(77.7)	NA	NA	11.2	(236.6)	NA	NA
Gross Profit	**30.3**	**25.5**	**NA**	**NA**	**19.0**	**81.1**	**NA**	**NA**
Other Income	2.0	1.8	NA	NA	8.8	4.4	NA	NA
Selling and distribution expenses	(4.8)	(3.9)	NA	NA	23.6	(13.0)	NA	NA
Administrative expenses	(3.0)	(4.2)	NA	NA	(29.4)	(10.4)	NA	NA
Others Operating Expenses	0.0	0.0	NA	NA	45.2	0.0	NA	NA
EBIT	24.6	19.3	NA	NA	27.7	62.1	NA	NA
Net finance income/(cost)	(1.1)	(1.1)	NA	NA	5.1	(3.1)	NA	NA
PBT	23.5	18.2	NA	NA	29.0	59.0	NA	NA
Taxation	(5.6)	(4.4)	NA	NA	26.2	(14.2)	NA	NA
PAT	17.9	13.8	NA	NA	29.9	44.9	NA	NA
Core PATAMI	**18.1**	**14.7**	**NA**	**NA**	**23.2**	**46.2**	**NA**	**NA**
Core EPS (sen)	0.9	0.7	NA	NA	23.2	2.3	NA	NA
DPS (sen)	0.0	0.0	NA	NA	NA	0.0	NA	NA
Margin (%)				+/(-) ppts	+/(-) ppts			+/(-) ppts
Gross Profit Margin	26.0	24.7	NA	NA	1.3	25.5	NA	NA
EBIT Margin	21.1	18.7	NA	NA	2.4	19.6	NA	NA
PBT Margin	20.1	17.7	NA	NA	2.5	18.6	NA	NA
Core PATAMI Margin	15.5	14.2	NA	NA	1.3	14.6	NA	NA

Source: Company, MBSBR

Oriental Kopi: Breakdown by segment

FYE Sept (RM'm)	Quarterly results					Cumulative results		
	3QFY25	2QFY25	2QFY24	YoY (%)	QoQ (%)	9MFY25	9MFY24	YoY (%)
Revenue (RM'm)								
Café chain operations	107.8	96.4	NA	NA	11.8	295.9	NA	NA
Distribution and retail of packaged foods	8.2	6.4	NA	NA	28.2	20.0	NA	NA
Others	0.7	0.4	NA	NA	90.9	1.8	NA	NA
Total Revenue	**116.7**	**103.2**	NA	NA	**13.1**	**317.8**	NA	NA
Gross Profit (RM'm)								
Café chain operations	25.8	22.1	NA	NA	17.1	70.2	NA	NA
Distribution and retail of packaged foods	4.4	3.4	NA	NA	29.6	10.7	NA	NA
Others	0.1	0.0	NA	NA	127.7	0.3	NA	NA
Total Gross Profit	**30.3**	**25.5**	NA	NA	**19.0**	**81.1**	NA	NA
Gross Profit Margin (%)				+/(-) ppts	+/(-) ppts			
Café chain operations	23.9	22.9	NA	NA	1.1	23.7	NA	NA
Distribution and retail of packaged foods	53.7	53.1	NA	NA	0.6	53.4	NA	NA
Others	15.0	12.6	NA	NA	2.4	15.0	NA	NA
Total Gross Profit Margin	**26.0**	**24.7**	NA	NA	**1.3**	**25.5**	NA	NA

Source: Company, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025F	2026F	2027F
Revenue	133.0	277.3	418.2	547.5	613.0
Gross Profit	39.1	82.8	123.7	162.6	189.2
EBITDA	39.5	79.2	107.4	142.5	168.1
EBIT	29.0	59.9	86.5	114.0	134.7
PBT	27.5	57.5	83.7	110.3	131.0
Taxation	(7.4)	(14.4)	(20.9)	(27.6)	(32.8)
PAT	20.0	43.1	62.8	82.7	98.3
Core PATAMI	20.0	43.1	62.8	82.7	98.3
Core EPS (sen)	1.0	2.2	3.1	4.1	4.9
PER (x)	107.8	50.1	34.4	26.1	22.0
DPS (sen)	0.4	0.2	0.9	1.2	1.5
Dividend Yield (%)	0.4	0.1	0.9	1.1	1.4

Cash Flow (RM'm)	2023A	2024A	2025F	2026F	2027F
PBT	27.5	57.5	83.7	110.3	131.0
Operating cash flow	35.5	68.1	82.8	109.8	131.0
Investing cash flow	(12.2)	(17.2)	(25.1)	(32.9)	(36.8)
Financing cash flow	(11.8)	(16.7)	152.9	(40.1)	(44.7)
Net cash flow	11.5	34.2	210.6	36.9	49.5
Beginning cash flow	13.3	24.8	59.0	269.5	306.4
Ending cash flow	24.8	59.0	269.5	306.4	355.9

Growth (%)	2023A	2024A	2025F	2026F	2027F
Revenue Growth	173.4	108.5	50.8	30.9	12.0
Gross Profit Growth	148.9	111.8	49.4	31.5	16.3
EBITDA Growth	150.2	100.7	35.7	32.6	18.0
Core PATAMI Growth	109.5	115.4	45.5	31.8	18.8

Profitability Ratios (%)	2023A	2024A	2025F	2026F	2027F
Gross Profit Margin	29.4	29.9	29.6	29.7	30.9
EBITDA Margin	29.7	28.6	25.7	26.0	27.4
EBIT Margin	21.8	21.6	20.7	20.8	22.0
Core PATANCI Margin	15.1	15.6	15.0	15.1	16.0

Balance Sheet (RM'm)	2023A	2024A	2025F	2026F	2027F
PPE	18.6	31.0	48.4	69.1	88.6
Right of use assets	55.8	69.4	86.2	84.8	77.7
Non-current assets	74.4	101.6	135.8	155.2	167.5
Inventories	2.1	6.9	6.5	8.4	9.3
ST Trade	9.0	13.3	14.8	16.0	16.6
Cash	24.8	59.0	269.5	306.4	355.9
Total current assets	36.3	79.8	291.4	331.4	382.4
Total Assets	110.7	181.5	427.2	486.6	549.9
Total Equities	34.0	53.5	281.4	339.3	408.1
LT Loans	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	49.6	61.9	76.2	76.0	71.0
ST Trade payables	9.9	39.8	39.9	41.7	42.4
ST Loans	0.0	0.0	0.0	0.0	0.0
Current Liabilities	27.2	66.1	69.6	71.3	70.8
Total Liabilities	76.7	128.0	145.8	147.3	141.8

Source: Bloomberg, MBSBR

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MBSB INVESTMENT BANK (formerly known MIDF INVESTMENT BANK): GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology