CCK Consolidated Holdings Berhad (7035)

Stable 9M Results

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BUY ⬌

TP: RM1.56 (+34%) ⬌

Current Share Price: RM 1.16

Valuation

Our target price is based on:

FY26F PE of 11x, a premium to the peer average of 6x; this premium is justified by CCK's fully integrated business model and superior earnings growth potential.

Results Report | **Growth** | **Investment Horizon : 12 months**

Results Review

CCK's 9MFY25 earnings of RM52.8mn were in line with expectations, accounting for 72% of our forecast and 77% of consensus. QoQ, 3QFY25 revenue rose slightly by 2.4%, supported by stronger performance in the retail segment (+2.7% QoQ), which helped offset the softer prawn segment (-3.6% QoQ) due to lower sales volumes in the Indonesian market. Earnings dipped marginally by 1.9% QoQ, mainly attributable to a higher effective tax rate of 23.4% compared 22% in 2Q25.

Outlook

We expect steady quarters ahead as demand remains stable, supported by chicken being the primary protein source despite subdued consumer sentiment. We also expect CCK to benefit from lower input costs, driven by softer raw material prices such ash corn and soybean meal, and a stronger Malaysian ringgit. Its Indonesia plant expansion is on track for completion in December 2025, focusing on processed foods and strengthening its presence in the country's fast-growing frozen food market. Thus, we keep our FY25F-FY27F forecast numbers. We maintain our BUY call with unchanged target price of RM1.56, based on unchanged FY26F PE of 11x.

Key Assumption

		Unchanged	
Revenue growth	**FY2025F**	**FY2026F**	**FY2027F**
Retail	2%	8%	8%
Poultry	-3%	4%	4%
Prawn	1%	2%	2%
Food Service	-5%	15%	15%

Results Summary

FYE 31 Dec (RMmn)	3QFY24	2QFY25	3QFY25	QoQ (%)	YoY (%)	9MFY24	9MFY25	YoY (%)
Revenue	259.5	258.4	264.5	*2.4*	*1.9*	791.8	786.9	*(0.6)*
Gross profit	58.8	58.6	61.8	*5.5*	*5.1*	181.3	177.9	*(1.9)*
EBITDA	35.0	34.8	33.7	*(3.2)*	*(3.9)*	96.5	99.3	*2.9*
Depreciation	-5.1	-8.6	-7.2	*(16.3)*	*41.3*	-15.2	21.5	*41.1*
EBIT	29.9	26.2	26.5	*1.1*	*(11.6)*	81.3	77.8	*(4.3)*
Pretax Profit	30.4	26.2	27.2	*3.7*	*(10.6)*	83.4	79.4	*(4.7)*
Taxation	-7.1	-5.8	-6.4	*10.5*	*10.0*	-18.9	-18.0	*5.1*
Net Profit	23.3	20.5	20.8	*1.7*	*(10.8)*	64.5	61.5	*(4.6)*
PATAMI	23.3	17.8	17.5	*(1.9)*	*(25.1)*	64.5	52.8	*(18.1)*
Margin (%)								
GP	22.7	22.7	23.4			22.9	22.6	
EBITDA	13.5	13.5	12.7			12.2	12.6	
Pretax	11.7	10.2	10.3			10.5	10.1	
PATAMI	9.0	6.9	6.6			8.1	6.7	
Touch point								
CCK Local Supermarkets	3.0	4.0	4.0	-	*1.0*			
CCK Fresh Mart Retail stores	65.0	69.0	69.0	-	*4.0*			
CCK Wholesale stores	6.0	6.0	6.0	-	-			

Financial Exhibits

FYE 31 Dec	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Revenue (RMmn)	980.7	1,057.6	1,071.8	1,145.7	1,226.8
EBITDA (RMmn)	132.0	139.5	130.4	142.8	151.4
Pretax profit (RMmn)	107.5	112.0	105.4	120.5	128.8
Net profit (RMmn)	83.4	71.6	80.1	91.6	97.9
EPS (sen)	13.5	11.6	13.0	14.8	15.9
PER (x)	8.6	10.0	8.9	7.8	7.3
Core net profit (RMmn)	83.3	71.5	73.1	87.6	93.9
Core EPS (sen)	13.5	11.6	11.8	14.2	15.2
Core EPS growth (%)	32.0	(14.2)	2.2	19.8	7.3
Core PER (x)	8.6	10.0	9.8	8.2	7.6
Net DPS (sen)	4.25	5.00	4.12	4.94	5.29
Dividend Yield (%)	3.7	4.3	3.6	4.3	4.6
ROE (%)	19.3	12.6	12.3	13.3	12.9
P/BV (x)	1.7	1.2	1.1	1.0	0.9

Financial Exhibits

Income Statement

FYE 31 Dec (RMmn)	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Revenue	980.7	1,057.6	1,071.8	1,145.7	1,226.8
Operating expenses	(848.7)	(918.2)	(941.4)	(1,002.9)	(1,075.5)
EBITDA	**132.0**	**139.5**	**130.4**	**142.8**	**151.4**
Depreciation	(26.7)	(29.5)	(27.6)	(24.8)	(25.0)
EBIT	**105.3**	**110.0**	**102.9**	**118.0**	**126.4**
Net int income/(expense)	(2.7)	(2.9)	(2.5)	(2.5)	(2.5)
Exceptional gains / (losses)	0.0	0.0	0.0	0.0	0.0
Associates' contribution	4.8	5.0	5.0	5.0	5.0
Pretax profit	**107.5**	**112.0**	**105.4**	**120.5**	**128.8**
Tax	(24.1)	(40.5)	(25.3)	(28.9)	(30.9)
Minority interest	0.1	0.1	7.0	4.0	4.0
Net profit	**83.4**	**71.6**	**80.1**	**91.6**	**97.9**
Core net profit	**83.3**	**71.5**	**73.1**	**87.6**	**93.9**

Balance Sheet Statement

FYE 31 Dec (RMmn)	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Fixed assets	216.2	232.2	201.0	204.4	207.7
Other long term assets	48.7	54.4	71.0	64.2	60.4
Total non-current assets	**265.0**	**286.6**	**272.0**	**268.6**	**268.2**
Cash and equivalents	104.5	154.9	152.2	214.2	275.9
Inventories	92.6	106.6	109.0	116.0	124.2
Receivables	48.9	48.7	53.9	55.9	59.4
Other current assets	65.3	171.2	192.0	199.0	203.0
Total current assets	**311.3**	**481.3**	**507.3**	**585.0**	**662.4**
Payables	34.9	35.1	40.6	41.9	44.0
Short term borrowings	40.0	37.4	37.4	37.4	37.4
Other current liabilities	41.2	50.6	29.8	31.6	33.9
Total current liabilities	**116.1**	**123.2**	**107.8**	**111.0**	**115.3**
Long term borrowings	5.5	4.6	4.6	4.6	4.6
Other long term liabilities	23.2	27.3	19.7	20.9	22.4
Total long term liab.	**28.6**	**31.9**	**24.3**	**25.5**	**26.9**
Shareholders' Funds	**431.0**	**565.4**	**592.7**	**658.7**	**726.0**
Minority Interest	**0.6**	**47.4**	**54.4**	**58.4**	**62.4**

Cash Flow Statement

FYE 31 Dec (RMmn)	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Pretax Profit	107.5	112.0	105.4	120.5	128.8
Depreciation & amortisation	25.9	28.6	26.6	23.9	24.1
Working capital changes	7.5	(23.8)	(2.3)	(7.5)	(9.7)
Cash tax paid	(21.8)	(35.7)	(25.3)	(28.9)	(30.9)
Others	(7.9)	(3.9)	10.1	10.4	10.9
C/F from operation	**111.2**	**77.1**	**114.5**	**118.3**	**123.2**
Capex	(33.7)	(37.1)	(25.0)	(25.0)	(25.0)
Others	5.2	(24.6)	0.0	0.0	0.0
C/F from investing	**(28.5)**	**(61.6)**	**(25.0)**	**(25.0)**	**(25.0)**
Debt raised/(repaid)	(0.8)	(3.5)	0.0	0.0	0.0
Dividends paid	(21.7)	(26.4)	(52.8)	(25.6)	(30.6)
Others	1.1	120.3	(5.9)	(5.9)	(5.9)
C/F from financing	**(21.5)**	**90.5**	**(58.6)**	**(31.4)**	**(36.5)**
Net change in cash flow	**61.3**	**106.0**	**30.9**	**61.9**	**61.7**
Free Cash Flow	**77.6**	**40.1**	**89.5**	**93.3**	**98.2**

Investment Risk

1. Commodity and raw material price volatility. CCK's profitability is sensitive to fluctuations in the prices of key inputs such as poultry feed, livestock, and energy. Sharp increases in raw material costs can erode margins, especially if these costs cannot be fully passed on to customers.

2. Biosecurity and disease outbreaks. CCK's poultry and prawn operations are exposed to risks of disease outbreaks, which could lead to production halts, loss of inventory, and reputational damage.

3. Concentration and market exposure. A significant portion of CCK's revenue is generated in East Malaysia, making it vulnerable to regional economic slowdowns, changing consumer trends, or local market disruptions.

Tradeview Research Investment Rating System

Equity:

BUY: Total stock return expected to exceed +15% over 12-month period

HOLD: Total stock return to be between -15% and +15% over a 12-month period

SELL: Total stock return expected to below -15% over a 12-month period

TRADING BUY: Total stock return expected to exceed +10% over 6-month period

TRADING SELL: Total stock return expected to below -10% over a 6-month period