

# CAB Cakaran Corporation Berhad (7174)

## In Line; Ringgit Strength Supports Margins

Bloomberg Ticker: CABK MK | Investment Horizon: 12 Months

### Recommendation

We maintain our BUY call with a higher target price of RM0.86 (from RM0.81), as we roll forward to FY27F with unchanged PE of 5.8x, reflecting robust demand in the poultry market, stronger contributions from new subsidiaries, and the anticipated completion of the processing plant in Indonesia.

### Results Review

CAB's 1HFY26 earnings of RM49.5mn came in within expectations at 50% of our forecast and 47% of consensus.

YoY, 1HFY26 PATAMI rose by 3.4% in tandem with an increase of 6.5% in revenue, thanks to (i) higher sales in the integrated poultry division and feed sales contributed by the newly acquired subsidiaries in November 2025, CAB Feed Sdn. Bhd. and Desa CAB Sdn. Bhd, and (ii) better operational efficiency in the retail division.

QoQ, 2QFY26 revenue rose marginally by 1.3% thanks to feed sales from the newly acquired subsidiary companies. However, core earnings declined by 21.9% due to higher production costs at the processing plants as some restructuring of broiler production operations is ongoing.

### Outlook

We also expect CAB to continue to benefit from the strengthening ringgit, which lower raw material costs such as soybean meal and corn, and leads to better margins. Besides, we continue to expect good volume and average selling price for the poultry segment due to a shortage of chicken supply from stricter regulations and bird flu disease overseas. On the JV with PT Ternak Ayam Terpadu, we believe that the setup and discussion are still ongoing, and construction is expected to start in June 2026. As the JV is still at an early stage, we have not factored in any estimates for now, but we believe the plant will likely be ready by end-CY26 with new contributions expected in CY27.

### Forecast

We keep our FY26F-FY28F projection unchanged.

### Investment Risk to our Call

(i) Disease outbreak, (ii) Weaker than expected ASP or sales volume, and (iii) Higher than expected feed cost.

**BUY** ↔

Target Price: RM0.86 (+65%) ↑

Current Share Price: RM0.52

**Main Market**  
**Consumer Products & Services**

**Tan Jia Hui**

Research Analyst

[jiahui@tradeviewcapital.my](mailto:jiahui@tradeviewcapital.my)

### Company Overview

Cab Cakaran Corporation Berhad is an integrated poultry industry, encompassing activities such as breeding, hatchery, broiler farming, slaughtering, and food processing. CAB also grow its retail business comprising supermarket (Pasaraya Jaya Gading and Home Mart Fresh&Frozen) and fast-food stores (Kyros Food).

### Stock Information

Market Cap (RM'mn)	363.6
Issued Shares (mn)	699.3
52W High (RM)	0.89
52W Low (RM)	0.50
Estimated Free Float (%)	22.5
Beta vs FBM KLCI	0.7
3-month Average Vol. (mn)	0.4
Shariah Compliant	Yes

Consensus	FY25A	FY26F	FY27F
EPS (sen)	12.9	15.0	17.0
TP (RM)	High	Mean	Low
	1.10	0.91	0.81
Ratings	Buy	Hold	Sell
	3	0	0

Category	Score	Materiality	Weighted Score
Environmental	29	45%	2.8
Social	28	25%	1.4
Governance	28	30%	1.7
Total	85	100%	5.9

## Results Summary

FYE 30 Sep (RMm)	2QFY25	1QFY26	2QFY26	QoQ (%)	YoY (%)	1HFY25	1HFY26	YoY (%)
Revenue	573.7	617.8	625.9	1.3	9.1	1,167.3	1,243.8	6.5
Gross profit	75.0	87.7	82.7	(5.6)	10.4	148.6	170.4	14.7
EBITDA	56.0	70.5	59.4	(15.8)	5.9	114.8	129.9	13.1
Depreciation	(15.5)	(14.9)	(17.4)	16.8	(12.3)	(30.1)	(32.2)	(7.0)
EBIT	40.6	55.7	42.0	(24.6)	3.5	84.7	97.7	15.3
Other gains and losses	(4.0)	(4.5)	(3.0)	(33.0)	(25.0)	(2.1)	(7.5)	264.3
joint venture	0.6	0.8	0.3	(58.8)	(47.9)	2.2	1.1	(49.9)
Pretax Profit	32.4	47.8	33.6	(29.6)	4.0	77.7	81.4	4.8
Taxation	(11.4)	(14.1)	(10.8)	23.6	5.4	(22.8)	(24.9)	9.2
Net Profit	21.0	33.6	22.9	(32.1)	9.0	54.8	56.5	3.0
MI	1.2	5.8	1.1	(80.6)	(6.7)	6.9	6.9	0.4
PATAMI	19.8	27.8	21.7	(21.9)	10.0	47.9	49.5	3.4
Margin (%)								
GP	13.1	14.2	13.2			12.7	13.7	
EBITDA	9.8	11.4	9.5			9.8	10.4	
Pretax	5.6	7.7	5.4			6.7	6.5	
Core PATAMI	3.4	4.5	3.5			4.1	4.0	

## Key Assumption

Revenue Growth	Actual		Unchanged		
	FY24	FY25	FY26F	FY27F	FY28F
Integrated poultry growth	9%	16%	4%	4%	5%
# of supermarket	18	20	22	25	27%
SSSG of supermarket	-19%	-20%	2%	2%	2%
Overall GP margin	10%	12%	14%	14%	12%

## Key Financial Metrics

FYE 30 Sep	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RM'mn)	2,297.1	2,306.2	2,480.5	2,625.1	2,767.3
EBITDA (RM'mn)	209.1	209.2	236.8	244.8	242.6
Pretax profit (RM'mn)	131.5	149.8	157.9	166.7	168.0
Net profit (RM'mn)	75.5	90.7	98.3	103.7	104.6
EPS (sen)	10.8	12.9	14.0	14.8	14.9
PER (x)	4.8	4.0	3.7	3.5	3.5
Core net profit (RM'mn)	75.5	90.7	98.3	103.7	104.6
Core EPS (sen)	10.8	13.0	14.1	14.8	14.9
Core EPS growth (%)	(29.2)	20.4	8.5	5.0	0.7
Core PER (x)	4.8	4.0	3.7	3.5	3.5
Net DPS (sen)	1.0	1.0	1.0	1.0	1.0
Dividend Yield (%)	0.5	0.5	0.5	0.5	0.5
ROE (%)	11.1	11.8	12.5	12.9	12.7
P/BV (x)	0.4	0.4	0.4	0.4	0.4

## Peer Comparison

Name	Last Price	Market Cap (RM'mn)	FYE	Earnings Growth		P/E (x)			Div. Yield	ROE
				1-yr Fwd	2-yr Fwd	Hist.	1-yr Fwd	2-yr Fwd	1-yr Fwd	Hist.
<b>Domestic Poultry Peers</b>										
	<b>MYR</b>									
LEONG HUP INTERNATIONAL BHD	0.72	2,430.4	12/2026	474.8	515.4	4.9	5.4	5.1	3.5	20.0
CCK CONSOLIDATED HOLDINGS BH	1.21	745.1	12/2026	77.8	87.6	12.2	9.8	8.6	3.6	10.9
QL RESOURCES BHD	3.44	12,556.9	03/2026	458.0	487.1	30.9	27.3	25.7	1.5	13.2
<b>Simple Avg</b>				336.9	363.4	16.0	14.2	13.2	2.8	14.7
CAB CAKARAN CORP BHD	0.52	363.6	09/2026	105.1	117.7	3.9	3.5	3.1	1.9	12.0

Source: Bloomberg estimates, Tradeview Research (As of 26<sup>th</sup> May 2026)

## Financial Exhibits

### Income Statement

FYE 30 Sep (RM'mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue	2,297.1	2,306.2	2,480.5	2,625.1	2,767.3
Operating expenses	(2,088.0)	(2,097.0)	(2,243.6)	(2,380.3)	(2,524.7)
<b>EBITDA</b>	<b>209.1</b>	<b>209.2</b>	<b>236.8</b>	<b>244.8</b>	<b>242.6</b>
Depreciation	(59.2)	(59.2)	(63.9)	(64.4)	(62.1)
<b>EBIT</b>	<b>149.9</b>	<b>150.0</b>	<b>172.9</b>	<b>180.3</b>	<b>180.4</b>
Net int income/(expense)	(15.5)	(12.6)	(15.0)	(13.7)	(12.5)
Exceptional gains / (losses)	4.0	5.0	6.0	7.0	8.0
Associates' contribution	1.8	2.6	0.0	0.0	0.0
<b>Pretax profit</b>	<b>131.5</b>	<b>149.8</b>	<b>157.9</b>	<b>166.7</b>	<b>168.0</b>
Tax	(38.3)	(41.6)	(39.5)	(41.7)	(42.0)
Minority interest	17.7	17.5	20.1	21.2	21.4
<b>Net profit</b>	<b>75.5</b>	<b>90.7</b>	<b>98.3</b>	<b>103.7</b>	<b>104.6</b>
<b>Core PATAMI</b>	<b>75.5</b>	<b>90.7</b>	<b>98.3</b>	<b>103.7</b>	<b>104.6</b>

### Balance Sheet Statement

FYE 30 Sep (RM'mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Fixed assets	667.6	692.9	668.9	644.5	621.3
Other long term assets	212.2	210.0	-	-	-
<b>Total non-current assets</b>	<b>879.8</b>	<b>902.9</b>	<b>668.9</b>	<b>644.5</b>	<b>621.3</b>
Cash and equivalents	74.1	94.2	336.0	470.6	604.1
Inventories	100.6	88.0	89.3	94.7	99.8
Receivables	241.1	225.0	271.8	287.7	303.3
Other current assets	263.1	311.0	313.4	220.6	155.5
<b>Total current assets</b>	<b>678.9</b>	<b>718.3</b>	<b>1,010.5</b>	<b>1,073.6</b>	<b>1,162.7</b>
Payables	252.1	246.8	285.8	303.1	319.5
Short term borrowings	207.8	184.8	184.8	184.8	184.8
Other current liabilities	15.0	19.0	30.7	30.7	58.8
<b>Total current liabilities</b>	<b>475.0</b>	<b>450.6</b>	<b>501.3</b>	<b>518.6</b>	<b>563.1</b>
Long term borrowings	151.8	138.9	138.9	138.9	138.9
Other long term liabilities	71.1	71.7	61.8	61.8	61.8
<b>Total long term liab.</b>	<b>222.9</b>	<b>210.6</b>	<b>200.7</b>	<b>200.7</b>	<b>200.7</b>
<b>Shareholders' Funds</b>	<b>682.6</b>	<b>765.9</b>	<b>783.4</b>	<b>804.6</b>	<b>826.1</b>
<b>Minority Interest</b>	<b>178.2</b>	<b>194.1</b>	<b>194.1</b>	<b>194.1</b>	<b>194.1</b>

### Cash Flow Statement

FYE 30 Sep (RM'mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Pretax Profit	131.5	149.8	157.9	166.7	168.0
Depreciation & amortisation	59.2	59.2	63.9	64.4	62.1
Working capital changes	(12.8)	7.8	(9.1)	(3.9)	(4.3)
Others	(36.5)	(54.3)	(48.6)	(45.6)	(46.3)
<b>C/F from operation</b>	<b>141.5</b>	<b>162.5</b>	<b>164.2</b>	<b>181.6</b>	<b>179.5</b>
Capex	(55.0)	(71.4)	(40.0)	(40.0)	(39.0)
Others	(3.1)	(0.7)	0.0	0.0	0.0
<b>C/F from investing</b>	<b>(58.1)</b>	<b>(72.2)</b>	<b>(40.0)</b>	<b>(40.0)</b>	<b>(39.0)</b>
Debt raised/(repaid)	(58.0)	(38.0)	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Others	0.9	(20.6)	(7.0)	(7.0)	(7.0)
<b>C/F from financing</b>	<b>(57.2)</b>	<b>(58.6)</b>	<b>(7.0)</b>	<b>(7.0)</b>	<b>(7.0)</b>
<b>Net change in cash flow</b>	<b>26.2</b>	<b>31.7</b>	<b>117.2</b>	<b>134.6</b>	<b>133.5</b>
<b>Free Cash Flow</b>	<b>86.5</b>	<b>91.0</b>	<b>124.2</b>	<b>141.6</b>	<b>140.5</b>



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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

#### IPO Note:

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

NEUTRAL: Total stock return expected to below +15% over 12-month period