TRADEVIEW RESEARCH

Equity
Company Results
Thursday, May 28, 2026

Oriental Kopi Holdings Berhad (0338)

Long-term Constructive, Near-term Cautious

Bloomberg Ticker: KOPI MK | Investment Horizon: 12 Months

Recommendation

We **downgrade** KOPI to **SELL** with a revised TP based on 23.3x FY26F PE (from 30x), in line with the +2 s.d. 10-year average PE multiple of the Bursa Malaysia consumer index. We believe a lower premium valuation is justified amid rising execution risk and softer consumer sentiment. While we remain constructive on KOPI's long-term expansion, we turn more conservative on near-term execution risk as accelerated outlet rollout (~1 outlet/month) weighs on margins and raises uncertainty over payback period, customer traffic, and SSSG sustainability. As expansion moves beyond prime locations, we see limited rerating potential until newer stores demonstrate a smoother ramp-up and quicker margin normalisation.

Results Review

KOPI's 1HFY26 core net profit of RM32.1mn came in below expectations, accounting for 37.7% of our FY26F forecast and 38.4% of street consensus.

YoY, revenue rose 42.7% to RM147.3mn, driven by outlet expansion and stronger packaged food contribution, with café chain operations remaining the key earnings driver (~89% of revenue). However, PAT increased only 8.8% YoY to RM15.0mn as GP margin compressed to 21.6% (2QFY25: 24.7%) and PBT margin declined to 13.4% (2QFY25: 17.7%), reflecting expansion-related labour costs, new outlet ramp-up and prior reclassification of selected sales and marketing expenses into COGS from 4QFY25.

QoQ, revenue increased 5.8% to RM147.3mn, supported by festive demand, stronger walk-in traffic and new outlets. However, PAT declined 11.8% QoQ to RM15.0mn, while GP margin softened to 21.6% (1QFY26: 23.0%) as staff costs, bonuses, marketing spend and pre-opening costs offset stronger sales.

Outlook

We expect KOPI to maintain strong topline momentum, supported by outlet expansion, tourism-related demand and FMCG rollout. We view its recent Guinness World Record achievement for "Most Servings of Nasi Lemak Sold in 8 Hours" as a catalyst that could strengthen consumer awareness, brand recall and footfall, complementing ongoing exposure to Visit Malaysia 2026 and Tourism Malaysia's "Truly Malaysian Taste" collaboration. In addition, continued limited-time product launches (flavoured egg tarts and festive-related FMCG offerings) should help support customer engagement and repeat purchases, while planned seasonal menu innovation could provide incremental support to SSSG over time.

That said, our focus has shifted towards the quality and sustainability of expansion, particularly whether newer outlets can replicate historical productivity as KOPI expands into progressively less-prime locations. We expect margins to remain under pressure over the next few quarters as newer stores mature and pre-opening costs remain elevated, with key areas of focus centred on (i) footfall resilience, (ii) payback period, and (iii) SSSG sustainability. We remain cautious until evidence emerges that newer stores can sustain attractive profitability.

Forecast

We revise our FY26F–FY28F forecasts to reflect faster expansion but lower near-term profitability. Revenue assumptions are revised upward to reflect a more aggressive rollout pace (~1 outlet/month), while margin assumptions are revised downward to reflect expansion-related cost pressures and slower operating leverage.

Consequently, earnings are revised down 16.5% for FY26F and 5.3% for FY27F, while FY28F earnings revised upward 9.2%, reflecting gradual margin normalisation as newer stores mature. Potential upside to our forecasts would depend on how quickly newer stores ramp up and achieve margin normalisation.

Investment Risk to our Call

(i) Weaker than expected consumer sentiment, (ii) intensifying competition in the F&B segment, (iii) brand and reputational risk, and (iv) lower SSSG

SELL ↓

Target Price: RM0.83 (-21%) ↓

Current Share Price: RM1.05

Ace Market
Consumer Products & Services

Tan Jia Hui
Research Analyst
jiahui@tradeviewcapital.my

Company Overview

Oriental Kopi Holdings Berhad, established in 2020, is a Malaysian café chain modernizing the traditional "kopitiam" experience with signature offerings like egg tarts, polo buns, and coffee. The company is expanding rapidly with 20 outlets across Malaysia, one in Singapore, and a retail store in Johor Bahru.

Stock Information	
Market Cap (RM'mn)	2,100.0
Issued Shares (mn)	2,000.0
52W High (RM)	1.61
52W Low (RM)	0.74
Estimated Free Float (%)	27.3
Beta vs FBM KLCI	1.4
3-month Average Vol. (mn)	4.4
Shariah Compliant	Yes

Consensus	FY25A	FY26F	FY27F
EPS (sen)	3.3	4.2	5.0
TP (RM)	High	Mean	Low
	1.40	1.25	1.18
Ratings	Buy	Hold	Sell
	2	3	0

Category	Score	Materiality	Weighted Score
Environmental	14	30%	0.8
Social	16	35%	1.2
Governance	29	35%	2.0
Total	59	100%	4.0

Results Summary

FYE 30 Sept (RM'mn)	2QFY25	1QFY26	2QFY26	QoQ (%)	YoY (%)	1HFY25	1HFY26	YoY (%)
Revenue	103.2	139.2	147.3	*5.8*	*42.7*	201.0	286.5	*42.5*
Gross profit	25.5	32.1	31.8	*-0.7*	*24.9*	50.8	63.9	*25.7*
EBITDA	26.3	34.4	31.5	*-8.3*	*19.8*	50.7	65.9	*30.1*
Depreciation	-7.0	-10.6	-10.4	*2.2*	*-48.1*	-13.2	-21.1	*-60.1*
EBIT	19.3	23.7	21.1	*-11.1*	*9.5*	37.5	44.9	*19.6*
Pretax Profit	18.2	22.3	19.7	*-11.6*	*8.3*	35.5	42.1	*18.5*
Taxation	-4.4	-5.3	-4.7	*11.0*	*-7.0*	-8.6	-10.0	*-16.3*
Net Profit	13.8	17.0	15.0	*-11.8*	*8.8*	26.9	32.1	*19.2*
Margin (%)								
GP	24.7	23.0	21.6			25.3	22.3	*-3.0*
EBITDA	25.5	24.7	21.4			25.2	23.0	*-2.2*
Pretax	17.7	16.0	13.4			17.7	14.7	
Net Profit	13.4	12.2	10.2			24.2	23.8	

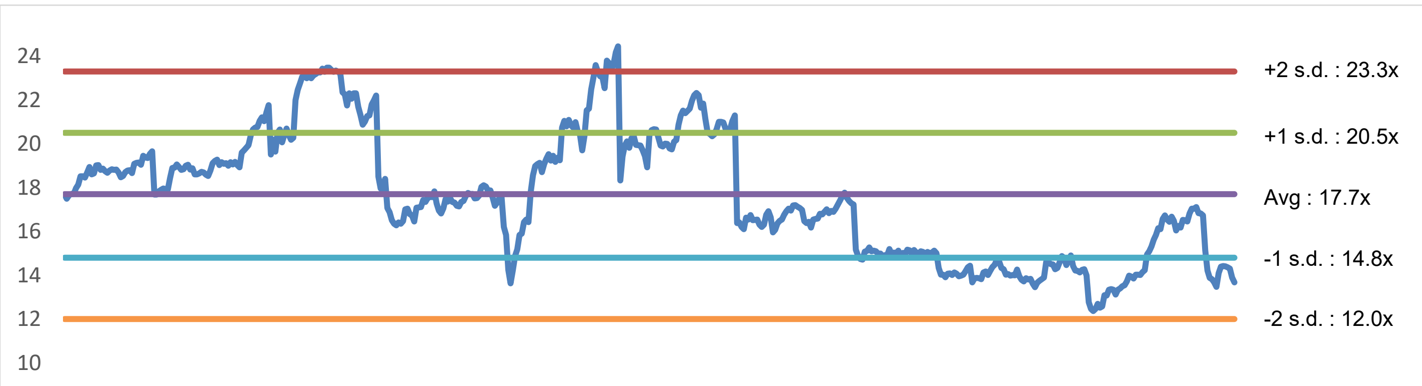
Key Assumptions

Revenue Growth	Actual		Forecasts (Before)			Forecasts (After)		
	FY24	FY25	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F
Total number of stores	20	28	33	36	40	41	50	56
Café chain	107%	60%	17%	19%	11%	32%	39%	19%
Packaged foods	47%	97%	50%	50%	10%	90%	60%	30%

Key Financial Metrics

FYE 30 Sept	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RM'mn)	277.3	450.9	613.3	862.5	1,035.8
EBITDA (RM'mn)	79.2	113.8	130.2	170.5	210.5
Pretax profit (RM'mn)	57.5	83.4	96.9	134.5	172.1
Net profit (RM'mn)	43.1	60.8	71.0	98.5	126.0
EPS (sen)	2.2	3.0	3.5	4.9	6.3
PER (x)	50.1	35.6	30.4	21.9	17.1
Core net profit (RM'mn)	43.1	60.8	71.0	98.5	126.0
Core EPS (sen)	2.2	3.0	3.5	4.9	6.3
Core EPS growth (%)	115.4	40.9	16.8	38.8	28.0
Core PER (x)	50.1	35.6	30.4	21.9	17.1
Net DPS (sen)	0.2	1.1	1.1	1.5	1.9
Dividend Yield (%)	0.1	1.0	1.0	1.4	1.8
ROE (%)	80.6	20.7	20.7	23.9	25.2
P/BV (x)	40.4	7.4	6.3	5.2	4.3

10-Year Bursa Malaysia Consumer Index PE Band



Source: Bloomberg estimates, Tradeview Research (As of 26th May 2026)

Financial Exhibits

Income Statement

FYE 30 Sept	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue	277.3	450.9	613.3	862.5	1,035.8
Operating expenses	(198.1)	(337.1)	(483.1)	(692.0)	(825.3)
EBITDA	**79.2**	**113.8**	**130.2**	**170.5**	**210.5**
Depreciation	(19.3)	(29.5)	(28.7)	(31.0)	(32.9)
EBIT	**59.9**	**84.3**	**101.5**	**139.5**	**177.6**
Net int income/(expense)	(4.2)	(7.7)	0.0	0.0	0.0
Exceptional gains / (losses)	0.0	0.0	0.0	0.0	0.0
Associates' contribution	3.0	4.0	5.0	6.0	7.0
Pretax profit	**57.5**	**83.4**	**96.9**	**134.5**	**172.1**
Tax	(14.4)	(22.7)	(25.9)	(36.0)	(46.0)
Minority interest	3.0	4.0	5.0	6.0	7.0
Net profit	**43.1**	**60.8**	**71.0**	**98.5**	**126.0**
Core net profit	**43.1**	**60.8**	**71.0**	**98.5**	**126.0**

Balance Sheet Statement

FYE 30 Sept	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Fixed assets	31.0	50.7	52.6	54.1	55.2
Other long term assets	70.6	84.7	96.2	105.8	113.8
Total non-current assets	**101.6**	**135.5**	**148.8**	**159.9**	**169.1**
Cash and equivalents	59.0	149.0	215.0	417.2	535.5
Inventories	6.9	12.3	14.6	20.5	24.7
Receivables	13.3	30.9	39.9	56.1	67.3
Other current assets	0.6	103.3	103.3	103.3	103.3
Total current assets	**79.8**	**295.5**	**372.7**	**597.1**	**730.8**
Payables	40.4	34.1	58.2	80.9	95.7
Short term borrowings	14.4	20.1	18.3	21.0	23.5
Other current liabilities	11.3	11.0	11.0	139.5	165.5
Total current liabilities	**66.1**	**65.2**	**87.6**	**241.4**	**284.6**
Long term borrowings	57.6	66.8	85.4	97.9	109.4
Other long term liabilities	4.3	5.5	5.5	5.5	5.5
Total long term liab.	**61.9**	**72.2**	**90.8**	**103.4**	**114.9**
Shareholders' Funds	**53.5**	**293.5**	**343.2**	**412.1**	**500.4**
Minority Interest	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Cash Flow Statement

FYE 30 Sept	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Pretax Profit	57.5	83.4	96.9	134.5	172.1
Depreciation & amortisation	(19.3)	(29.5)	(28.7)	(31.0)	(32.9)
Working capital changes	0.2	(10.2)	12.8	129.0	25.4
Cash tax paid	(11.2)	(23.8)	(25.9)	(36.0)	(46.0)
Others	40.9	57.3	57.4	62.0	65.8
C/F from operation	**68.1**	**77.2**	**112.5**	**258.5**	**184.3**
Capex	(17.1)	(27.3)	(15.0)	(15.0)	(15.0)
Others	(0.1)	(97.3)	0.0	0.0	0.0
C/F from investing	**(17.2)**	**(124.6)**	**(15.0)**	**(15.0)**	**(15.0)**
Debt raised/(repaid)	(10.9)	(16.4)	(10.3)	(11.8)	(13.1)
Dividends paid	(3.0)	(21.0)	(21.3)	(29.6)	(37.8)
Others	(2.8)	174.9	0.0	0.0	0.0
C/F from financing	**(16.7)**	**137.5**	**(31.6)**	**(41.3)**	**(51.0)**
Net change in cash flow	**34.2**	**90.0**	**66.0**	**202.2**	**118.4**
Free Cash Flow	**51.0**	**49.9**	**97.5**	**243.5**	**169.3**

DISCLOSURE AND DISCLAIMER

This report is prepared and issued by Tradeview Capital Sdn Bhd ("Tradeview") for general circulation only and shall not be construed or considered as an offer, recommendation, invitation and/or solicitation to purchase, subscribe to or sell any securities of the subject company mentioned in this report.

The information contained herein are based on data and sources believed to be reliable at the time of issuance and are subject to change without further notice. Readers are encouraged to evaluate any specific investment or strategy based on individual circumstances, risk profile, investment objectives and/or to seek legal, tax, financial and/or other advice prior to executing any transaction.

Tradeview does not make any representations and/or guarantee to the accuracy and completeness of the information and opinion contained herein and accepts no liability for any direct or consequential loss arising from the reliance of this report. Tradeview and its affiliates, directors, shareholders, employees and/or agents may have positions in the subject company covered in this report and may, from time to time, buy or sell securities of the subject company. This report can be found on https://www.tradeviewcapital.my/research-depository/

This report has been prepared by Tradeview pursuant to the Research Incentive Program under Bursa Research Incentive Scheme Plus ("Bursa RISE+") administered by Bursa Malaysia Berhad. This report has been produced independent of any influence from Bursa Malaysia Berhad or the subject company. Bursa Malaysia Berhad and its group of companies disclaim any and all liability, howsoever arising, out of or in relation to the administration of Bursa Research Incentive Program and/or this report. This report can be found on : https://my.bursamalaysia.com/market/market-updates/bursa-digital-research

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

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