

January 2026



AmInvestment Bank

Consumer

Primer: Sector 101

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Agricultural Products

Companies that raise livestock and operate fisheries including manufacturers of livestock feeds



Automotive

Companies that produce and distribute passenger automobiles



DKSH

Consumer Services

Businesses not covered in other sub sectors



Food/Beverages

Food or beverages producers including packaged foods, dairy products, brewers, soft drinks



Household Goods

Manufacturers and distributors of household products including furniture, kitchenware, consumer electronics



BAT
A BETTER TOMORROW

Personal Goods

Manufacturers and distributors of personal products including textiles, apparel, footwear, jewellery, timepieces, accessories, cosmetics, personal care and tobacco



Retailers

Owners and operators of retail stores including direct marketing



Travel, Leisure & Hospitality

Companies providing travel and tourism related services
eg. Airlines, gambling, hotels

Peer Comparison of Malaysian Consumer



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Name	Ticker	Mkt Cap (RM b)	Last Price	PE	1 year forward			EPS 3Y CAGR
					PB	Div Yld	ROE	
Agricultural Products								
QL Resources Bhd	QLG MK	14.8	4.1	30.3	3.9	1.3%	13.3%	19%
Lii Hen Industries Bhd	LHI MK	0.2	0.3	-	-	-	-	14%
Automotive								
Hong Leong Industries Bhd	HLI MK	5.4	17.0	10.7	2.1	4.7%	-	2%
Sime Darby Bhd	SIME MK	14.7	2.2	8.2	0.7	6.3%	6.6%	10%
Consumer Services								
SEG International Bhd	SYS MK	0.8	0.7	-	-	-	-	5%
DKSH Holdings Malaysia Bhd	DKSH MK	0.9	5.9	5.8	1.5	3.1%	-	6%
Food & Beverages								
Nestle Malaysia Bhd	NESZ MK	27.0	115.3	46.1	47.6	2.2%	89.1%	7%
PPB Group Bhd	PEP MK	15.8	11.1	11.0	-	3.8%	-	28%
Household Goods								
Cuckoo International Mal Bhd	CKI MK	0.7	0.5	-	-	-	-	0%
Signature International Bhd	SIGN MK	0.9	1.4	-	-	-	-	8%
Personal Goods								
Magni-Tech Industries Bhd	MTI MK	0.9	2.1	6.5	0.9	6.2%	14.0%	26%
British American Tobacco Malaysia	ROTH MK	1.3	4.7	11.0	3.4	10.6%	30.4%	1%
Retailers								
99 Speed Mart Retail Holdings	99SMART MK	32.3	3.8	46.6	14.1	1.1%	33.3%	5%
Petronas Dagangan Bhd	PETD MK	20.9	21.0	18.4	3.4	5.0%	18.3%	44%
Travel, leisure & hospitality								
AirAsia X Bhd	AAX MK	5.8	1.7	6.6	1.3	-	76.7%	8%
CAPITAL A Bhd	CAPITALA MK	2.4	0.5	2.1	-	-	-5.8%	-1%

Source: Bloomberg 23 Jan 2026,. Valuations: 1-yr fwd (consensus where available). "-" = no consensus estimates.

01 Consumer Sector Overview

02 Retailers Competitive Landscape

03 Key Macro Trends

04 Spending Patterns

05 Raw Materials Trend

06 Outlook



Consumer Sector Overview



Defensive vs Cyclical Consumer Names



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Defensive



Cyclical

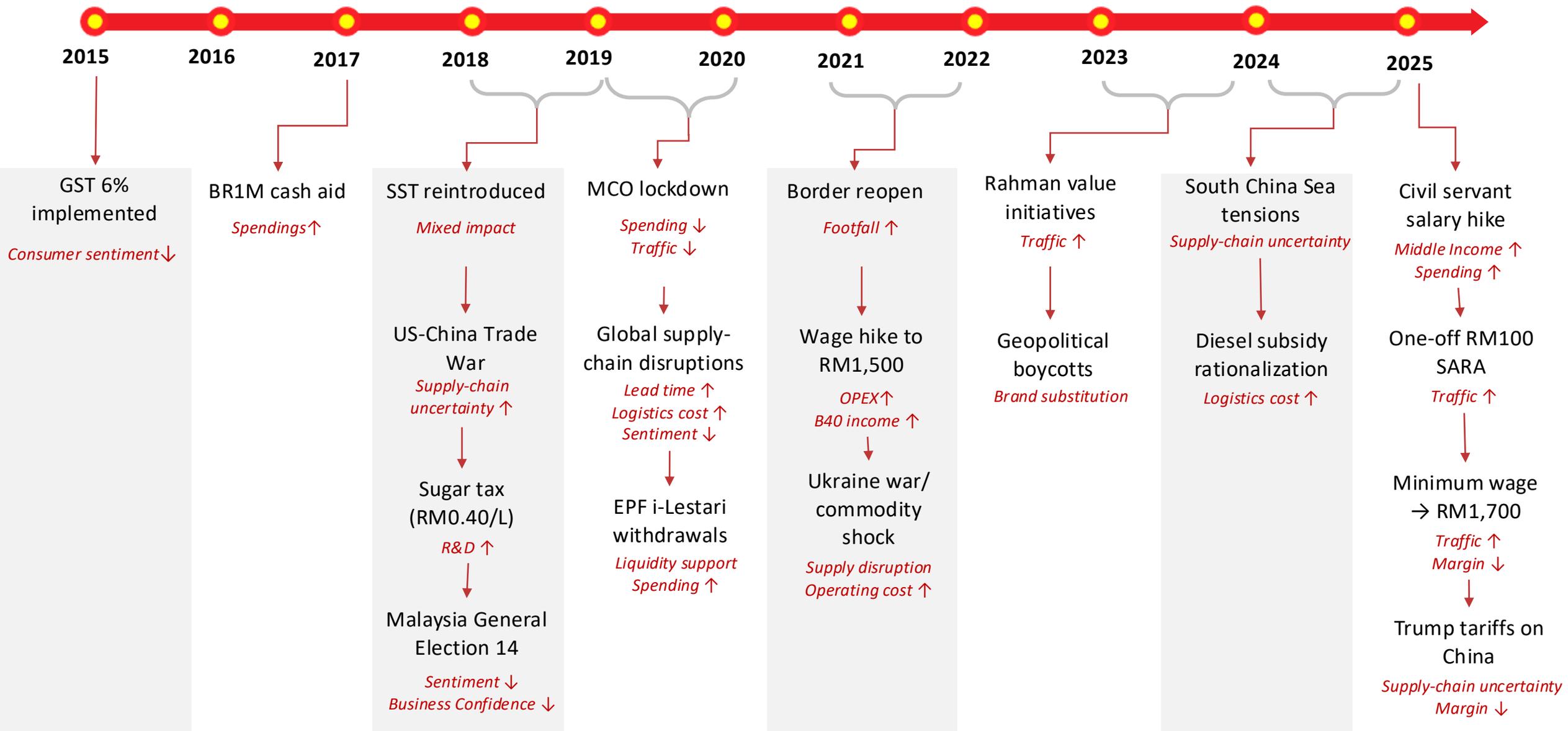
The Defensive category contains three logos: Nestlé (a bird feeding its young in a nest), 99 SPEEDMART (a green banner with orange text), and PETRONAS DAGANGAN (the word 'PETRONAS' above 'DAGANGAN' next to a teal drop icon).

The Cyclical category contains four logos: MR.D.I.Y. (yellow and red stylized text with 'Always Low Prices' below), eco-shop (white text on a red background), HEDAI KOPITIAM (a circular logo with a red bird and Chinese characters) above ORIENTAL KOPI (green text), and PDI (white text in a black box).

Historical Events



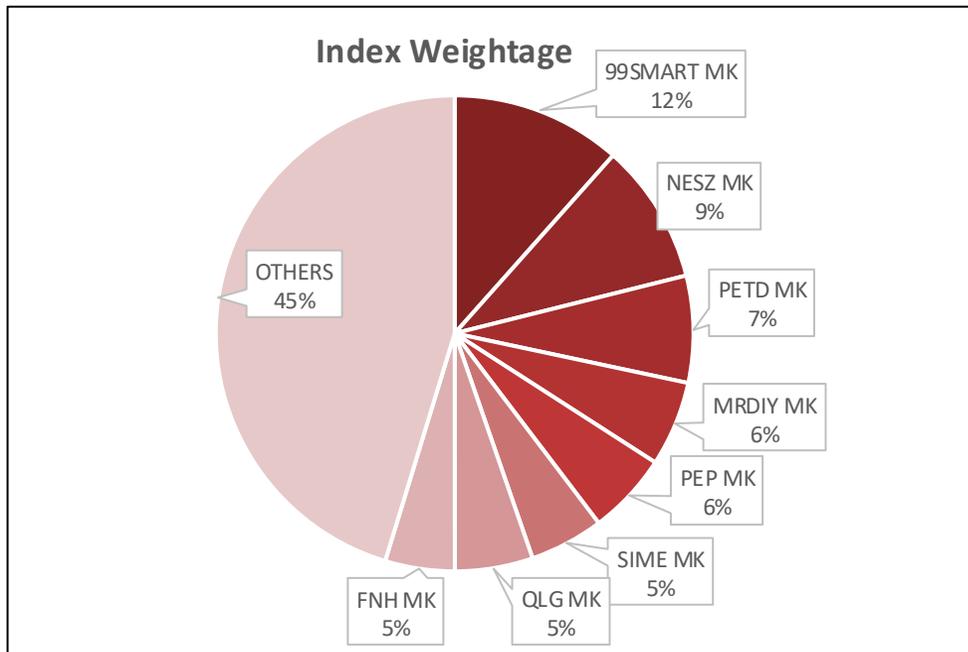
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Concentrated Index with 8 out of 175 Companies Account for 55% of the Index Weightage

Name	Ticker	Sub-sector	Index Weight	Mkt Cap (RM b)	Last Price	PE	1 year forward			EPS 3Y CAGR
							PB	Div Yld	ROE	
99 Speed Mart Retail Holdings	99SMART MK	Retailers	11.6%	32.3	3.84	46.58	14.09	1.1%	33.3%	19%
Nestle Malaysia Bhd	NESZ MK	Food & Beverages	9.5%	27.0	115.30	46.13	47.60	2.2%	89.1%	14%
Petronas Dagangan Bhd	PETD MK	Retailers	7.3%	20.9	21.04	18.38	3.37	5.0%	18.3%	2%
MR DIY Group M Bhd	MRDIY MK	Retailers	5.8%	17.2	1.81	23.64	7.50	3.2%	33.0%	10%
PPB Group Bhd	PEP MK	Food & Beverages	5.6%	15.8	11.08	11.02	-	3.8%	-	6%
Sime Darby Bhd	SIME MK	Automotive	5.0%	14.7	2.15	8.23	0.68	6.3%	6.6%	7%
QL Resources Bhd	QLG MK	Agricultural Products	5.3%	14.8	4.05	30.32	3.85	1.3%	13.3%	5%
Fraser & Neave Holdings Bhd	FNH MK	Food & Beverages	4.7%	13.2	35.98	22.88	3.06	2.0%	13.7%	8%

Source: Bloomberg 23 Jan 2026., Valuations: 1-yr fwd (consensus where available). "-" = no consensus estimates.



Source: Bloomberg

- Large consumer staples such as 99, Nestle and QL trade at high multiples due to scarcity premium.
- Investors are willing to pay more for strong earnings visibility, especially during the current geopolitical uncertainty.

Bursa Malaysia Consumer Index 10Y Forward PE



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Source: Bloomberg

Despite recent rally, the sector still trades -0.5SD below its 10Y average at 17x PE



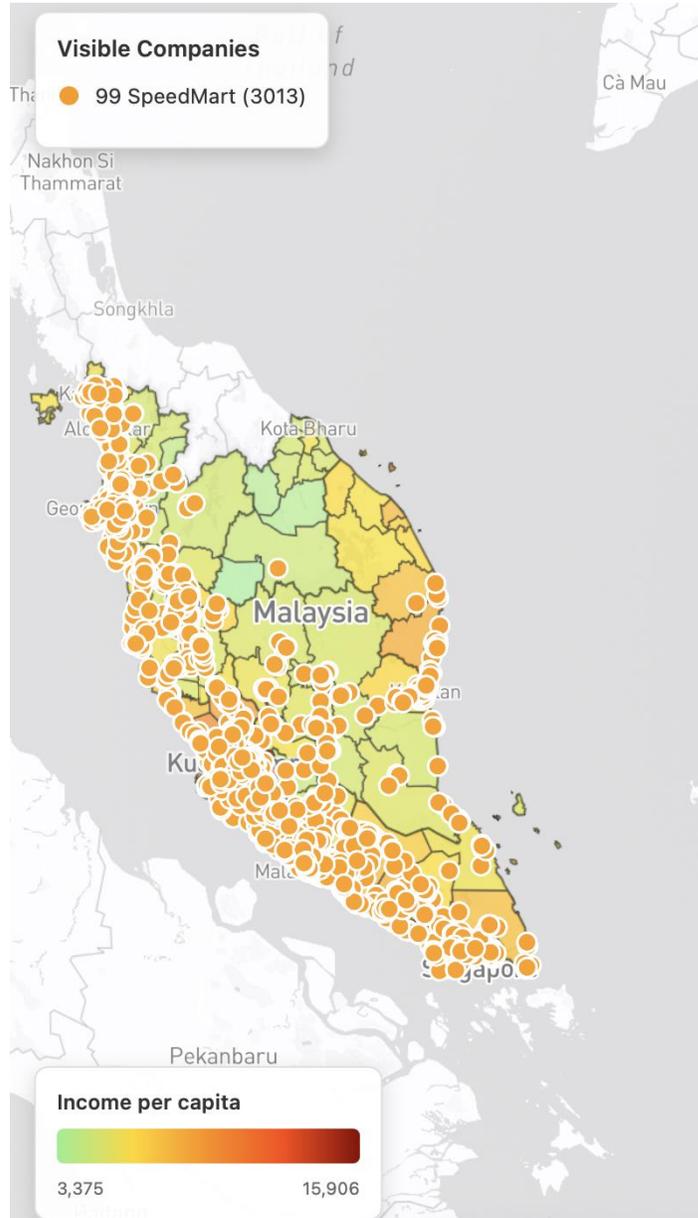
Retailers Competitive Landscape

[View Map Here](#)

99 Speedmart Store Locations and Income Per Capita

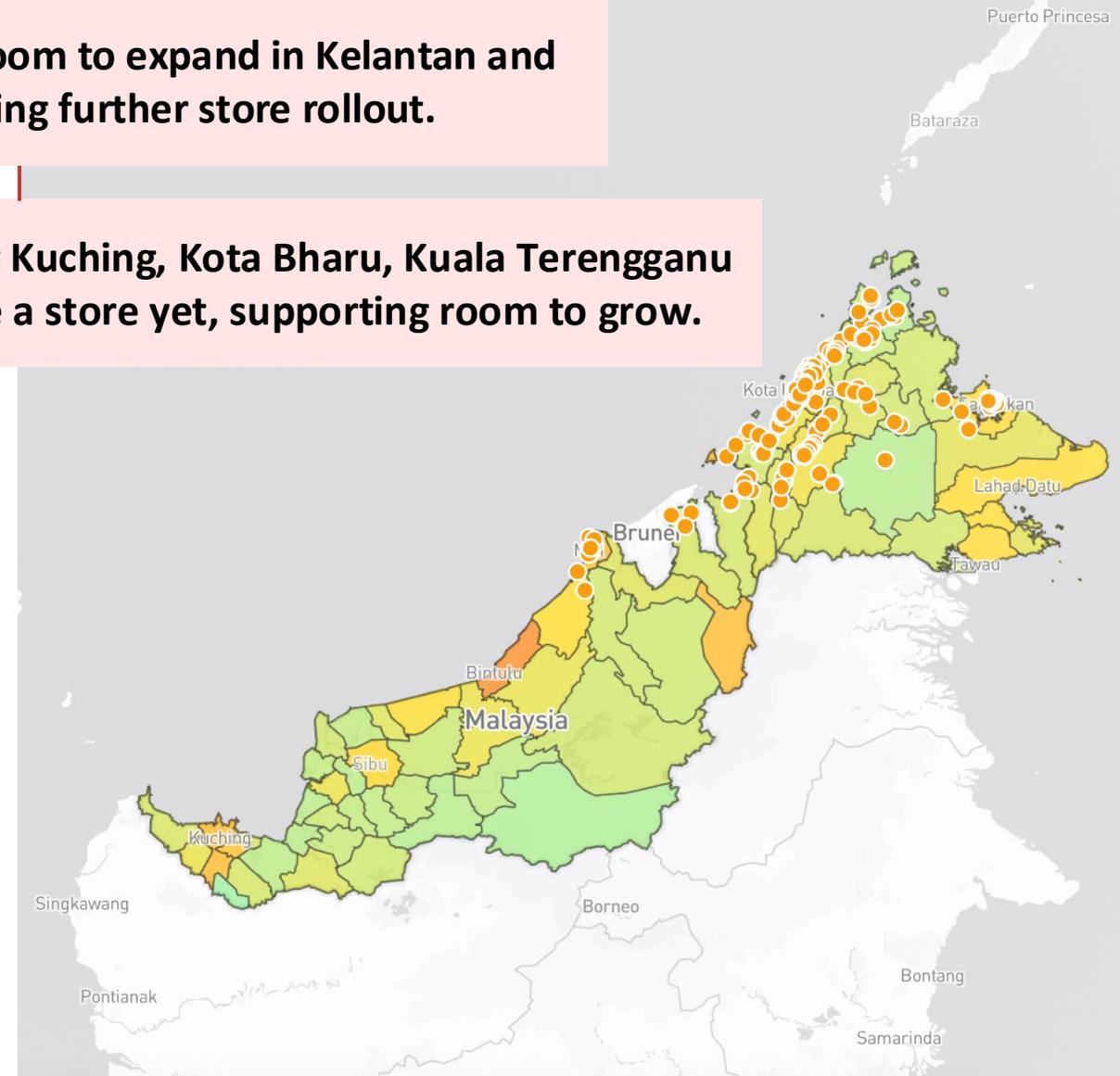


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99 Speedmart still has room to expand in Kelantan and Sarawak, supporting further store rollout.

59/160 districts including Kuching, Kota Bharu, Kuala Terengganu and Kuching don't have a store yet, supporting room to grow.



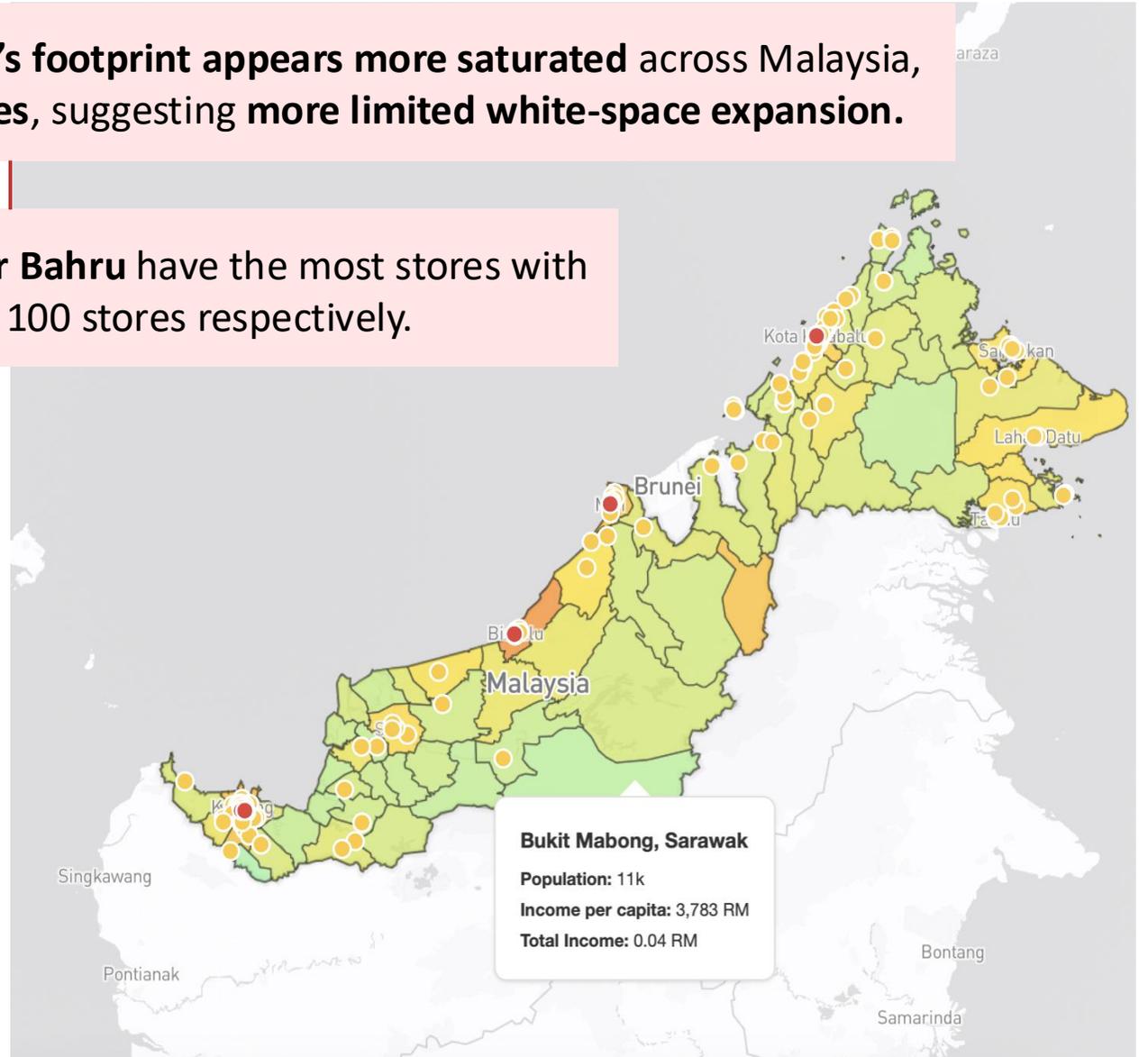
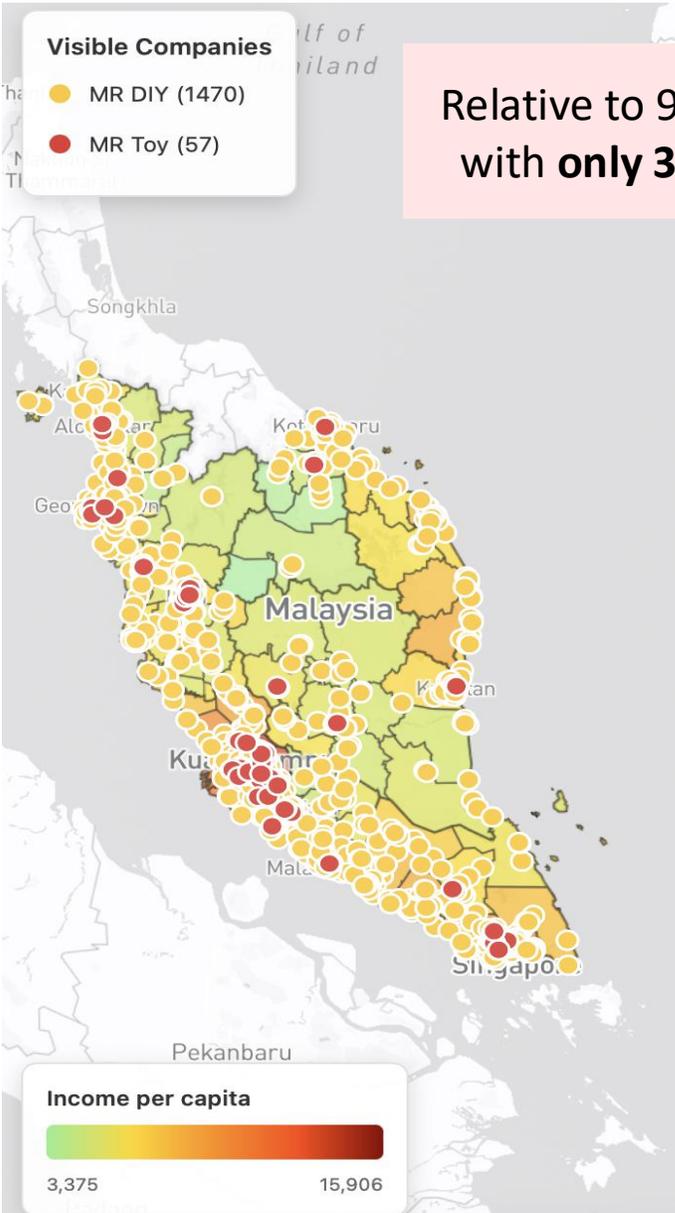
MrDIY Store Locations and Income Per Capita



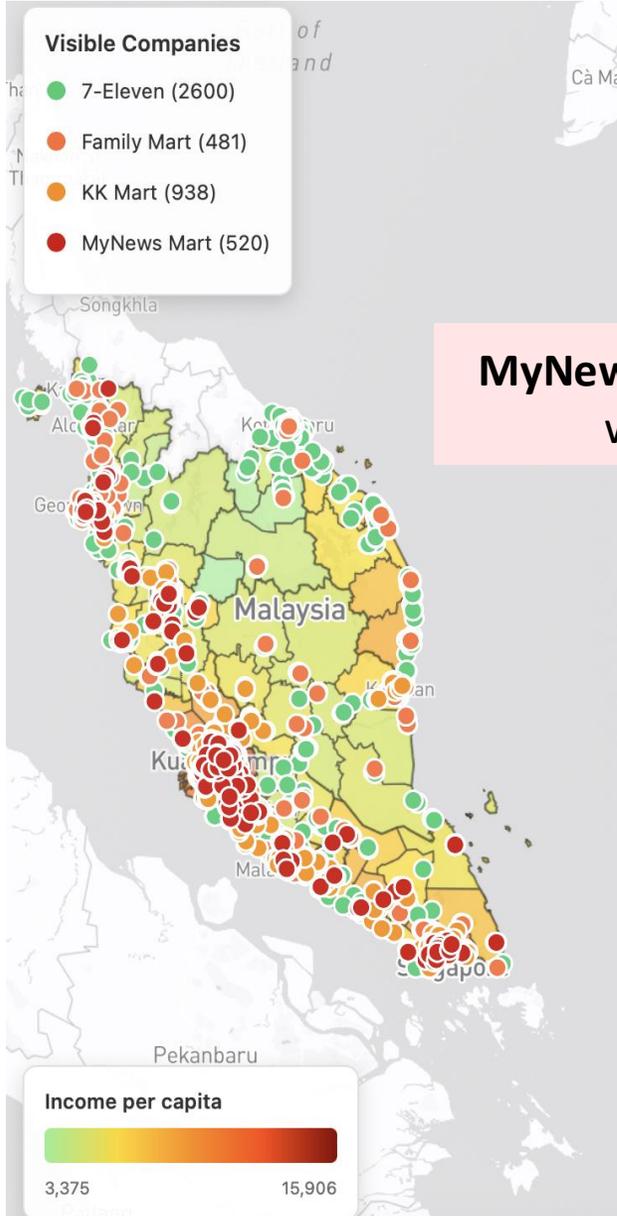
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Relative to 99 Speedmart, MR D.I.Y.'s footprint appears more saturated across Malaysia, with only 30 districts with no stores, suggesting more limited white-space expansion.

Petaling and Johor Bahru have the most stores with 101 and 100 stores respectively.



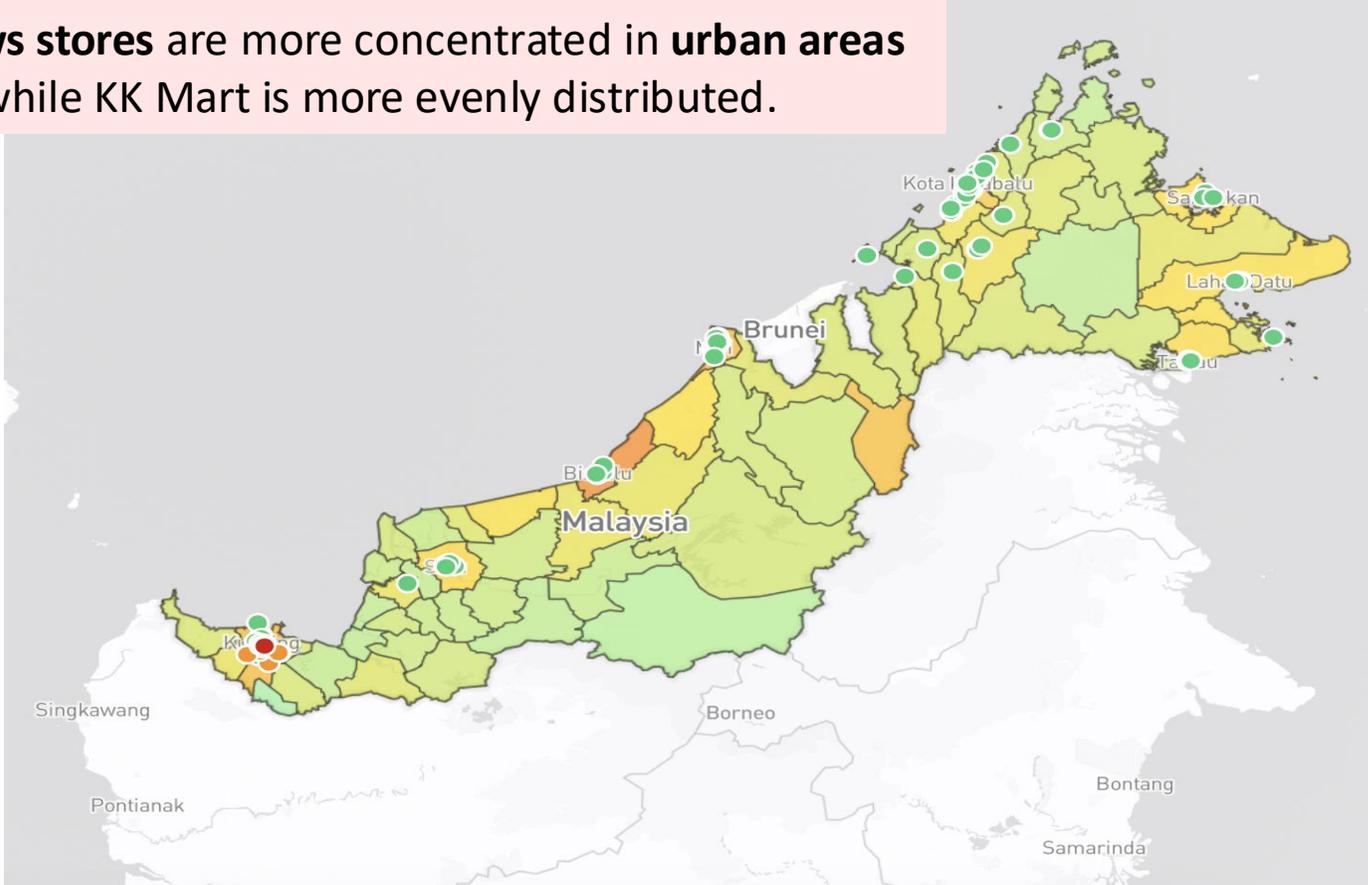
Convenient Store Locations and Income Per Capita



7-Eleven is the only convenience stores that has stores nationwide.

Family Mart focuses its operations in Peninsula Malaysia, while **MyNews** and **KK Mart** has most of their stores concentrated in the West Coast of Peninsula Malaysia.

MyNews stores are more concentrated in **urban areas** while **KK Mart** is more evenly distributed.



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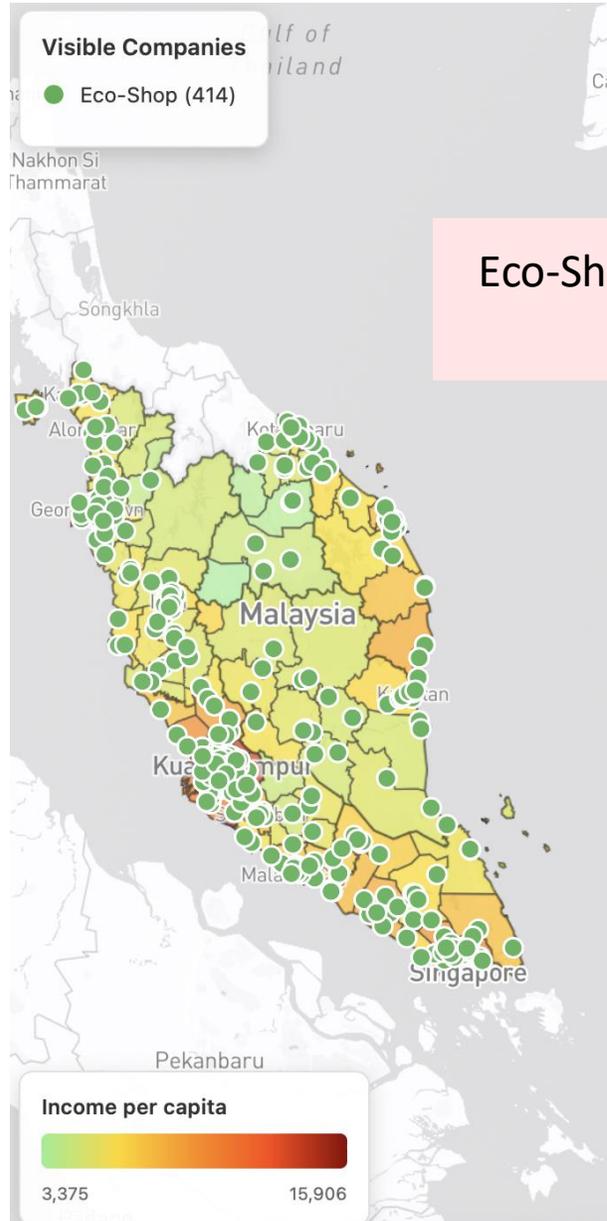


Source: Company Data, Aminvestment bank

EcoShop Store Locations and Income Per Capita

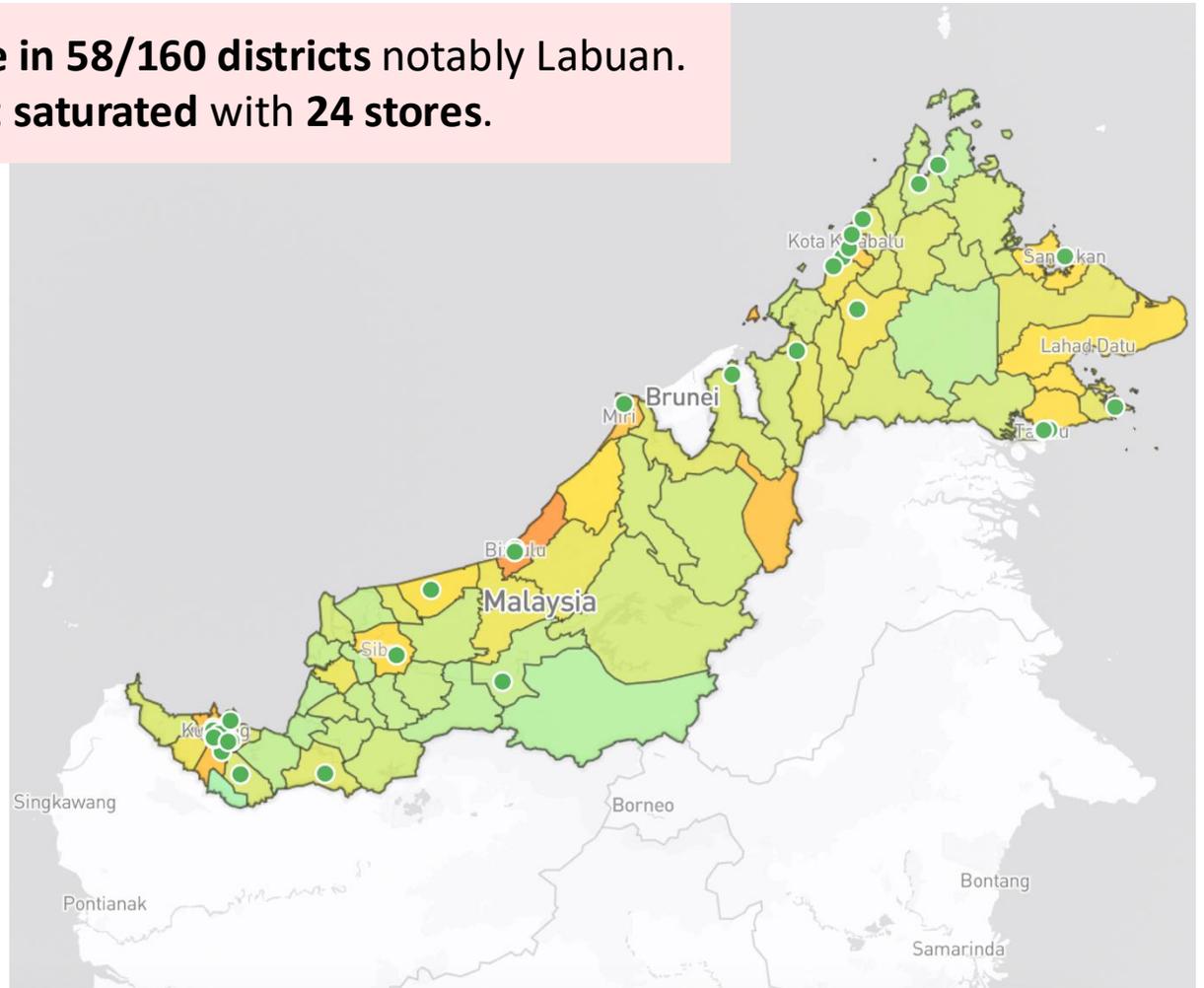


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East Malaysia remains underpenetrated by Eco-shop, with a commanding c. 70% market share in the dollar-store sector in Malaysia.

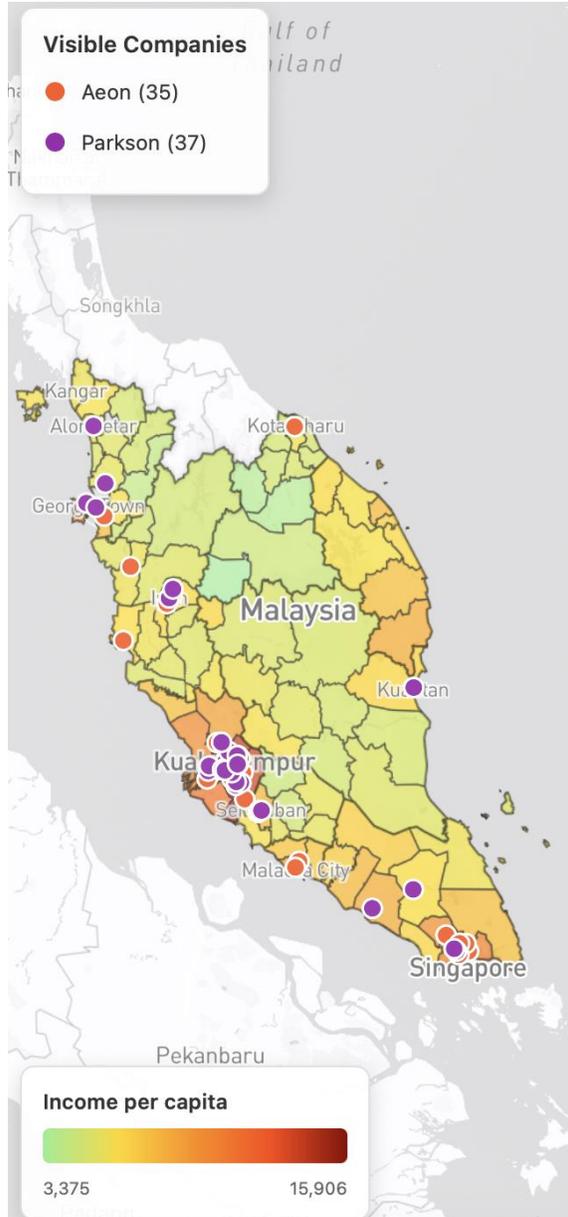
Eco-Shop doesn't have a presence in 58/160 districts notably Labuan. Johor Bahru is the most saturated with 24 stores.



Departmental Store Locations and Income Per Capita



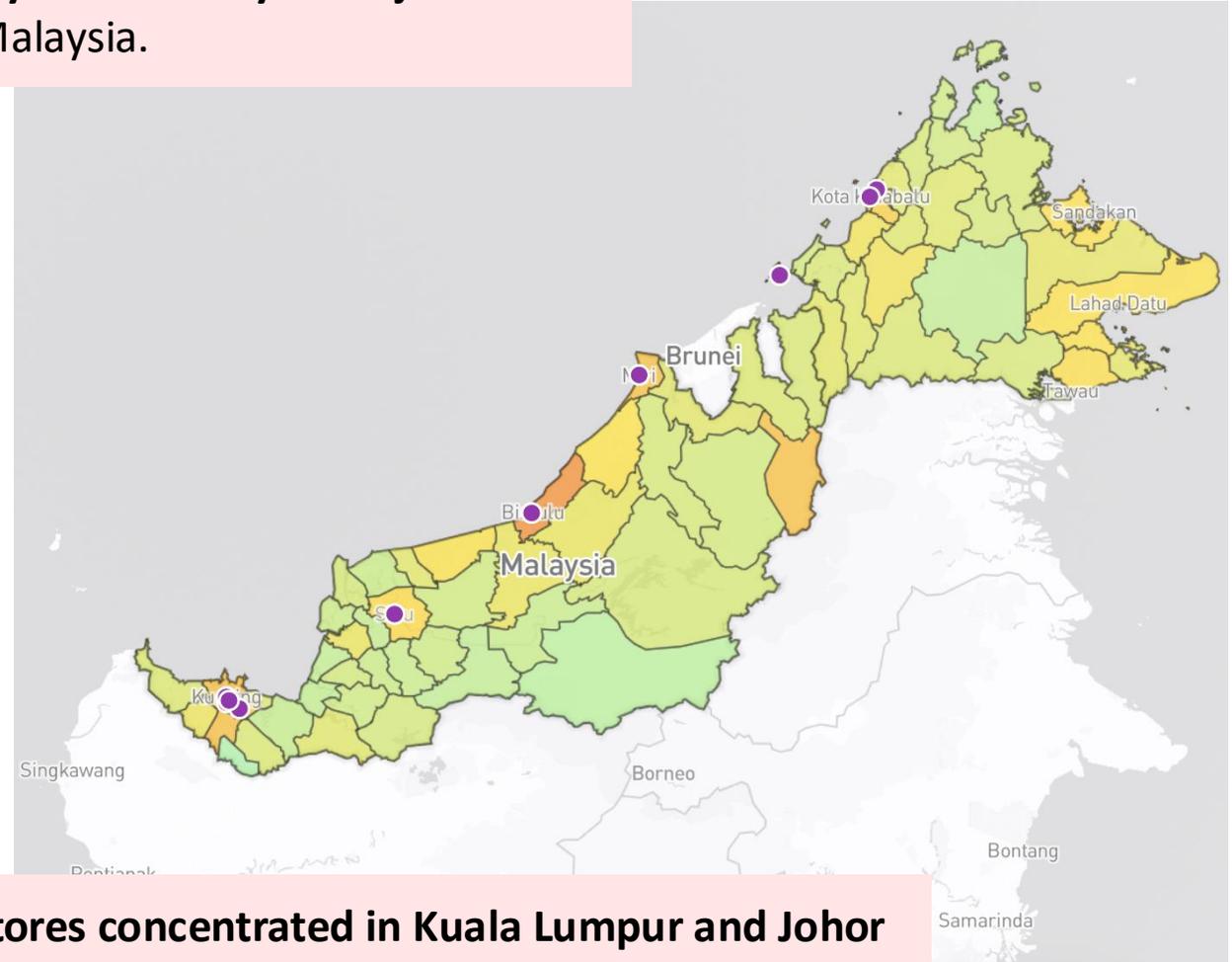
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AEON primarily operates in West Malaysia with only one store in East Malaysia.

Parkson has stores strategically located only in major cities in East Malaysia.

AEON
PARKSON



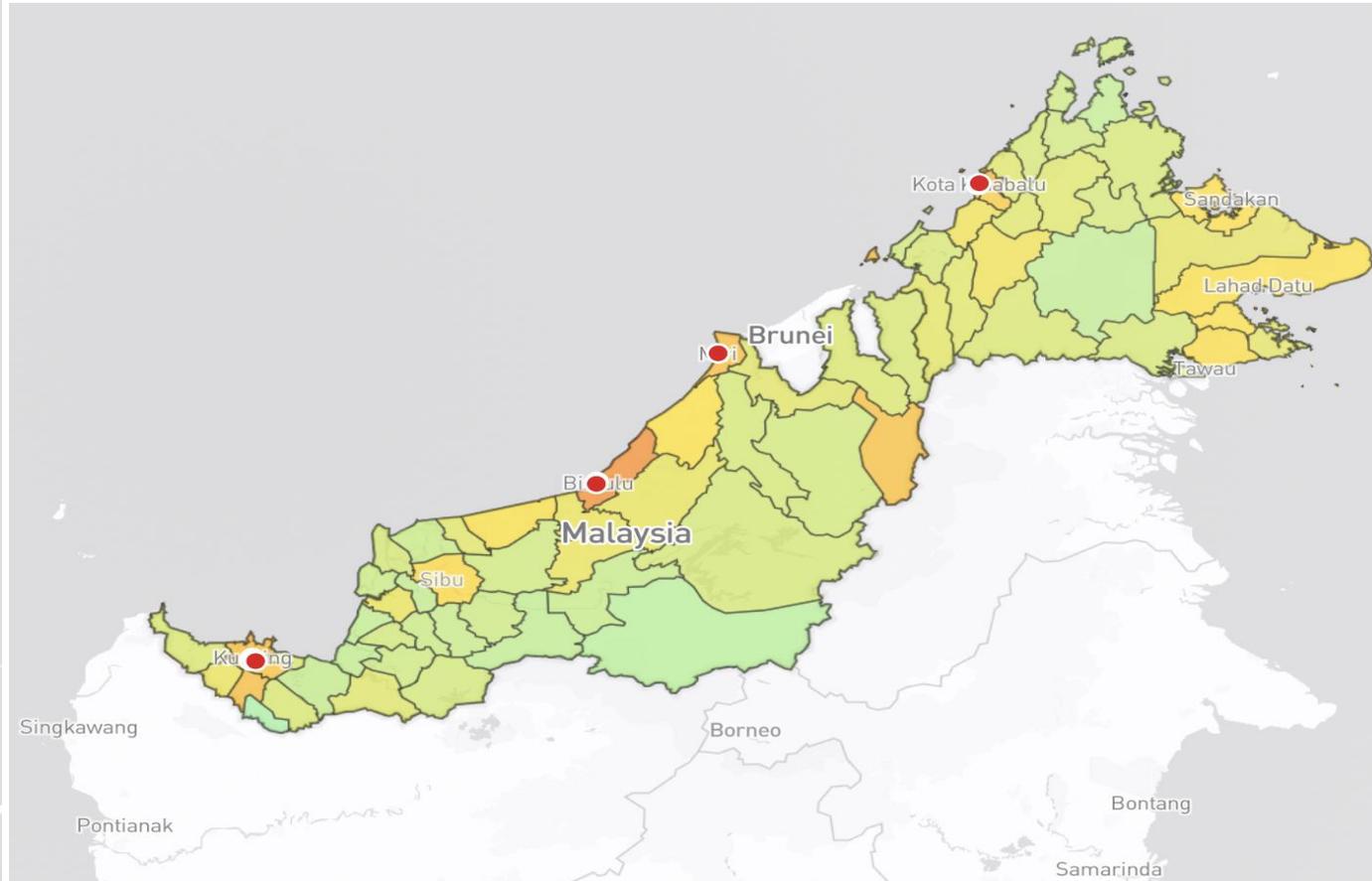
Both companies have their stores concentrated in Kuala Lumpur and Johor

Fast Fashion Store Locations and Income Per Capita



Padini still has ample of room to penetrate into districts with high income per capita.

Their **closest competitors** - HLA, H&M, Uniqlo are **largely concentrated** in high income districts in Klang Valley, Johor and Pulau Pinang.



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Kopitiam Chain Store Locations and Income Per Capita



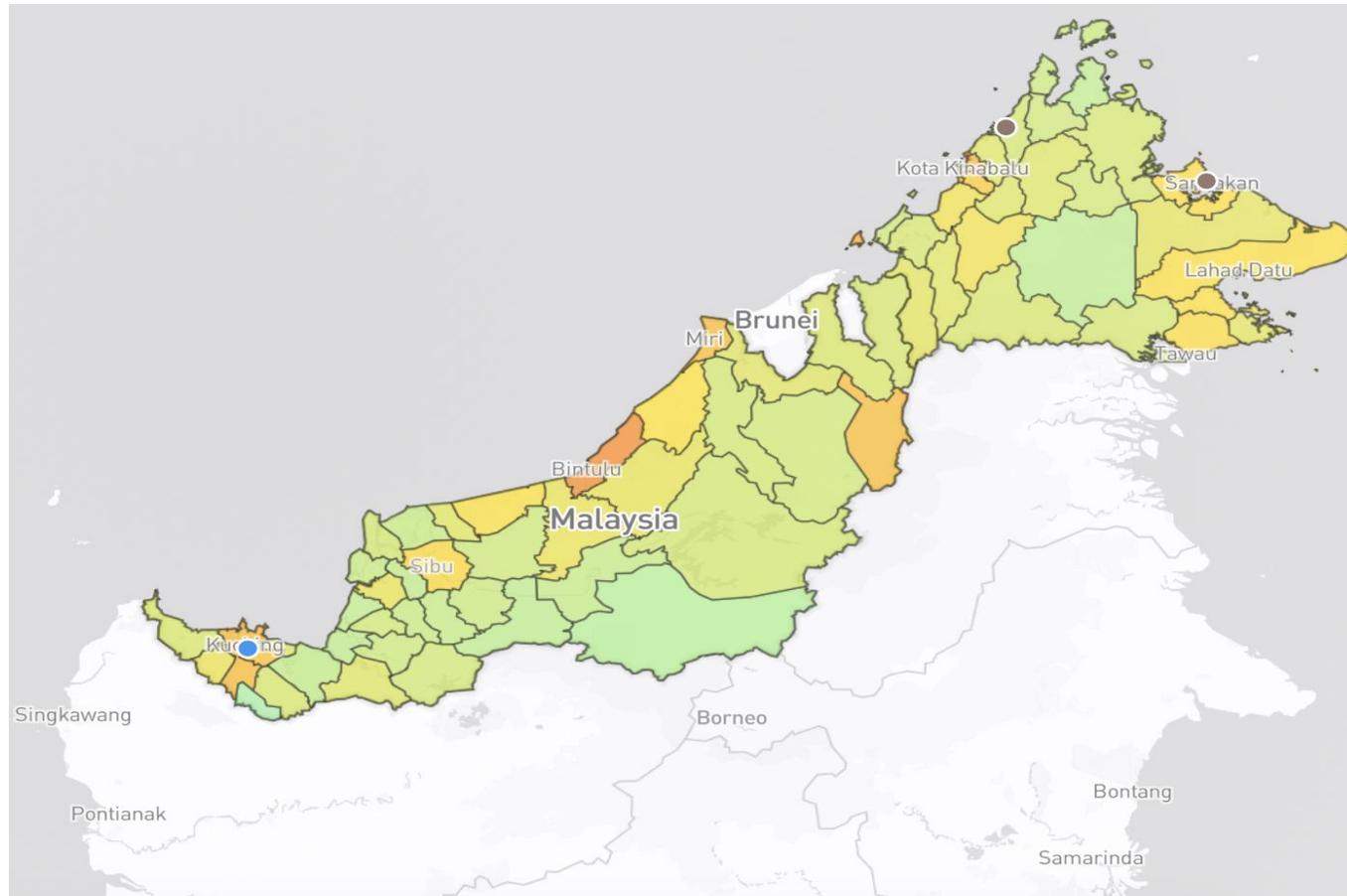
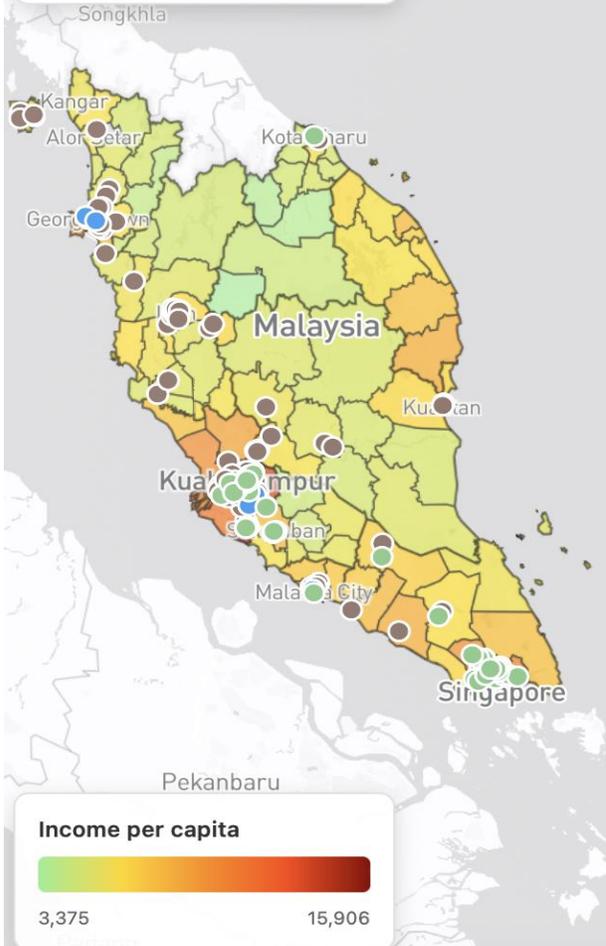
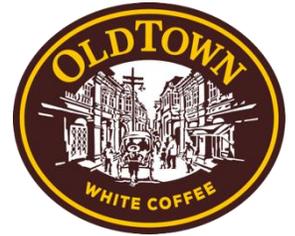
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Visible Companies

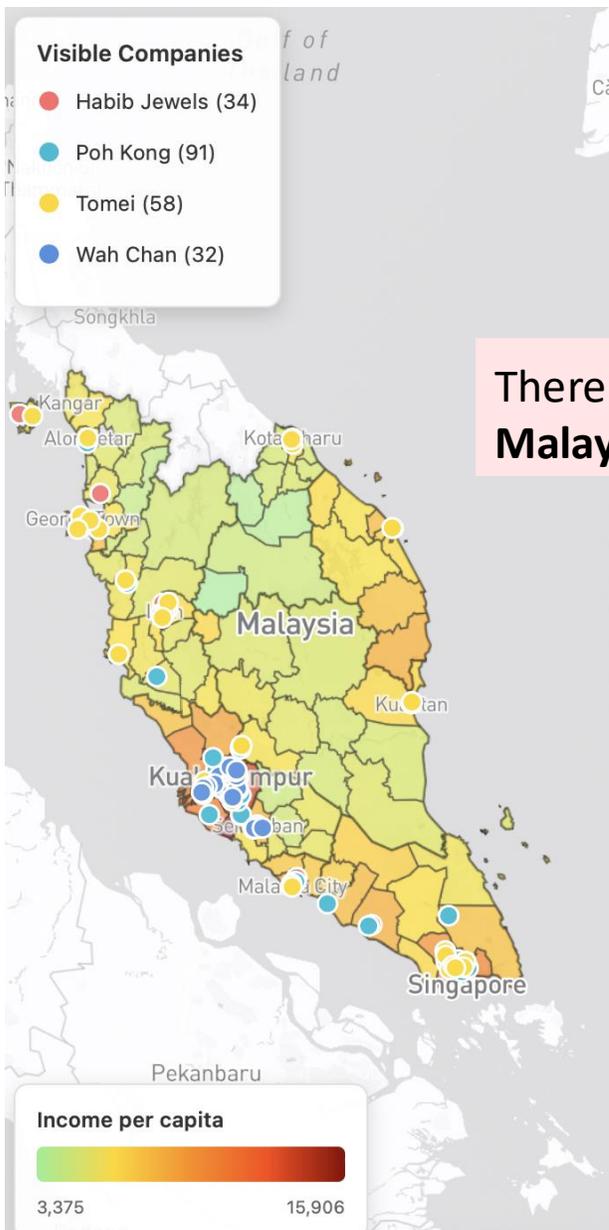
- Memangmeow (9)
- OldTown White Coffee (99)
- Oriental Kopi (25)
- Tea Garden (41)

Oriental Kopi primarily focus its operations on West Malaysia, thus we selected peers that operate in this region.

The company has the **most stores in Johor Bahru and KL** with 6 stores each. There are **ample of room to grow**, especially since Oriental Kopi is aiming for **international expansion**.



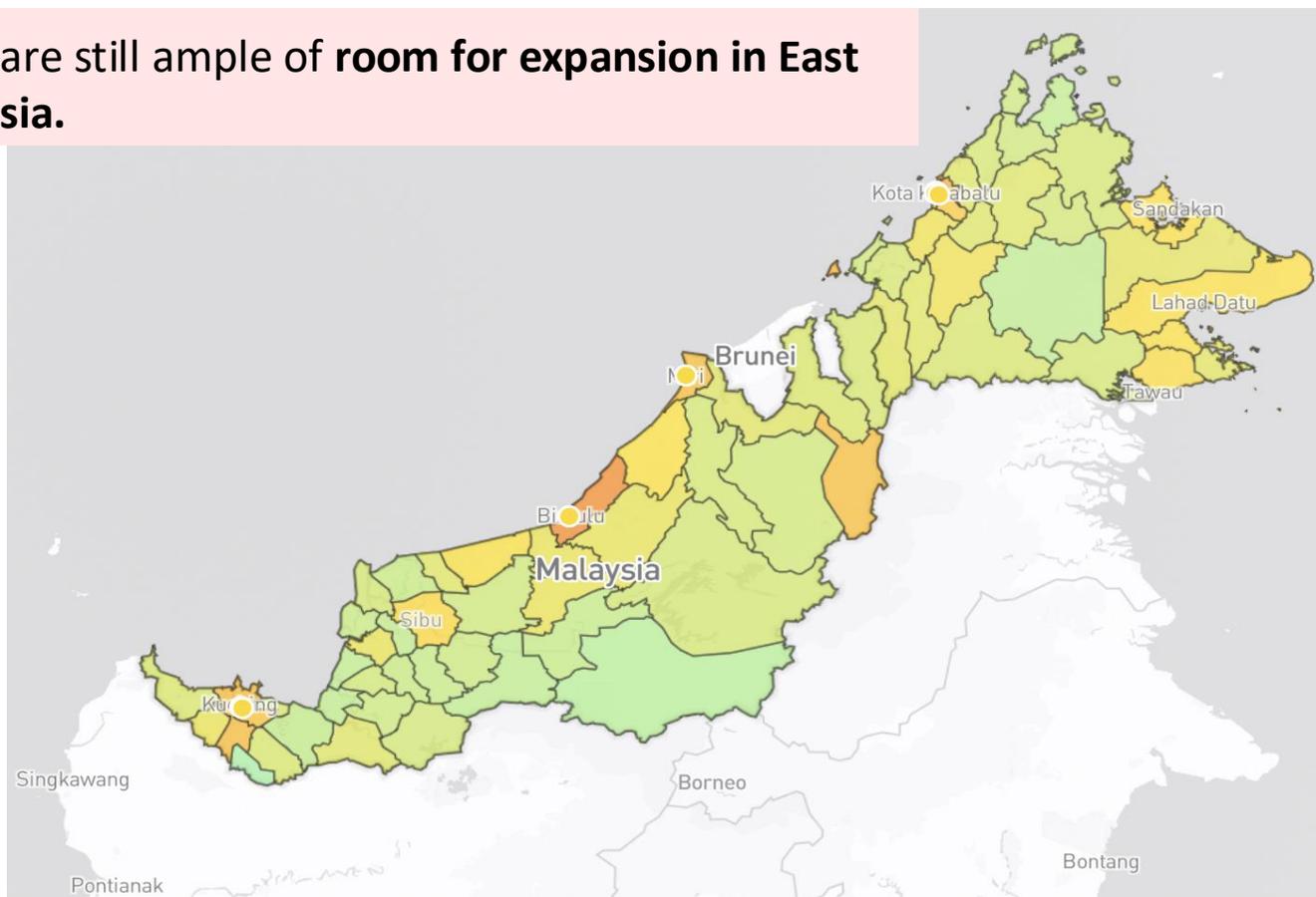
Gold Jewellery Chain Locations and Income Per Capita



Tomei has the highest exposure to low-income districts.

Poh Kong, Habib and Wah Chan generally operates in districts with higher disposable income such as Petaling, Kuala Lumpur and Johor Bharu.

There are still ample of room for expansion in East Malaysia.



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HABIB

POH KONG®

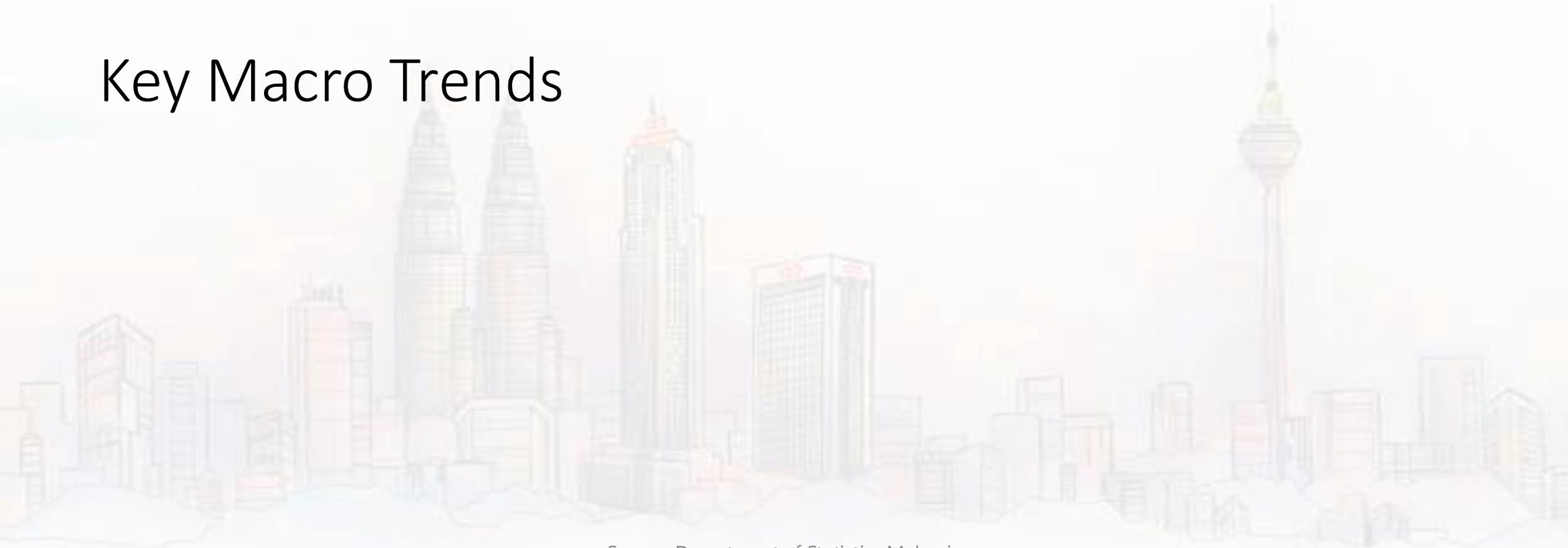
TOMEI



WAH CHAN®
since 1955



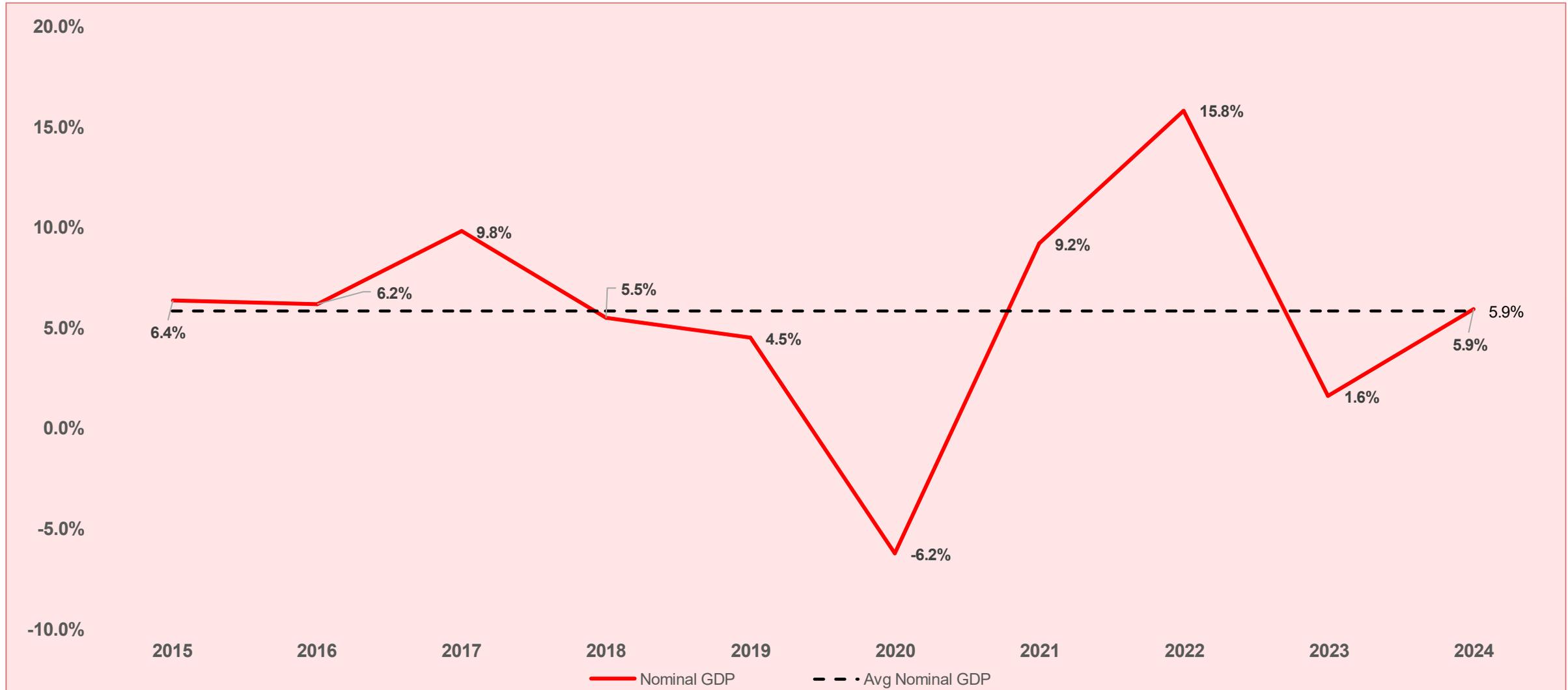
Key Macro Trends



Source: Department of Statistics Malaysia



Malaysia Nominal GDP has grown at 5.9% CAGR

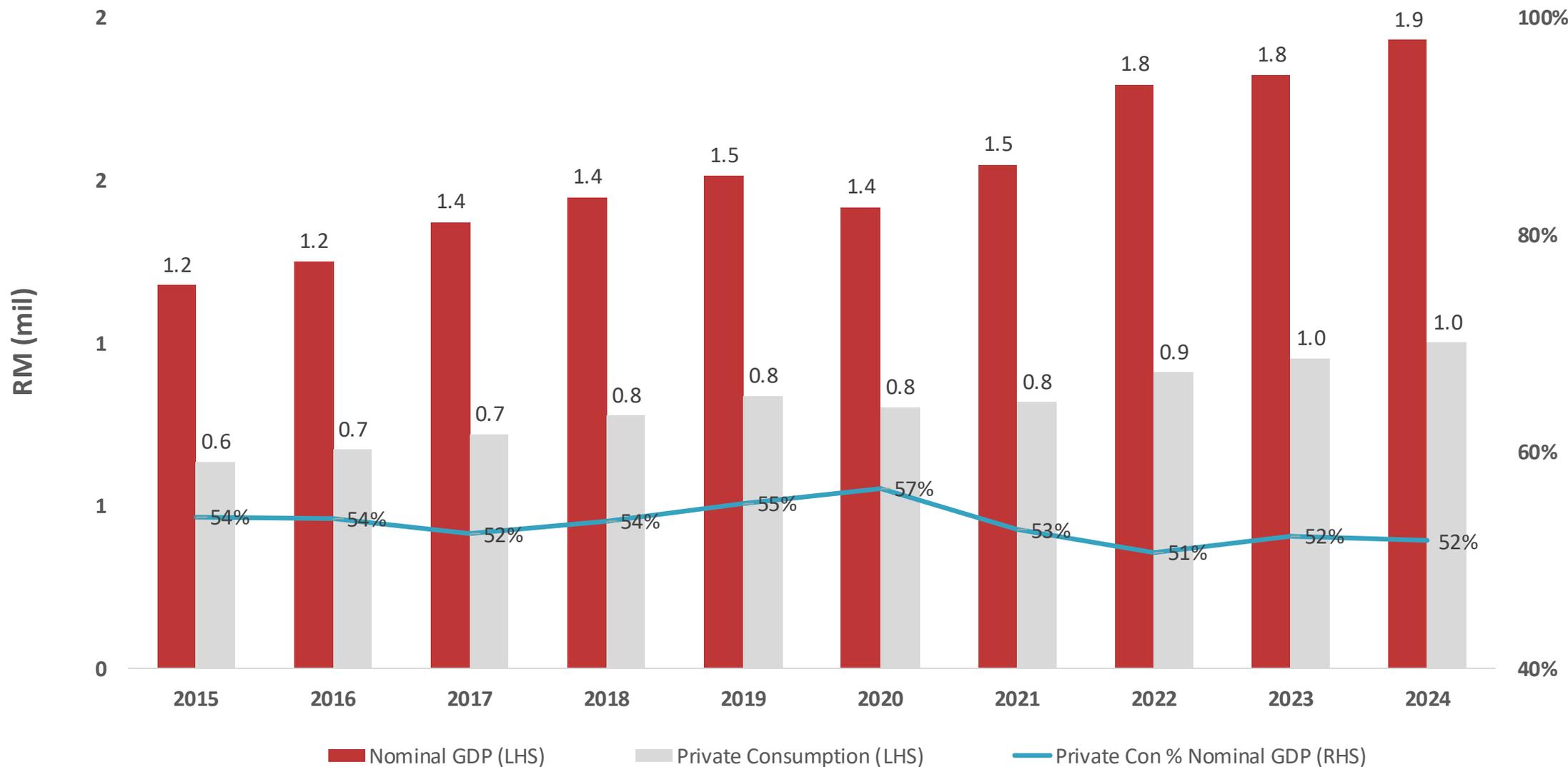


Source: Department of Statistics Malaysia

Private consumption has consistently tracked nominal GDP, maintaining a share of ~52–55%, excluding the pandemic period



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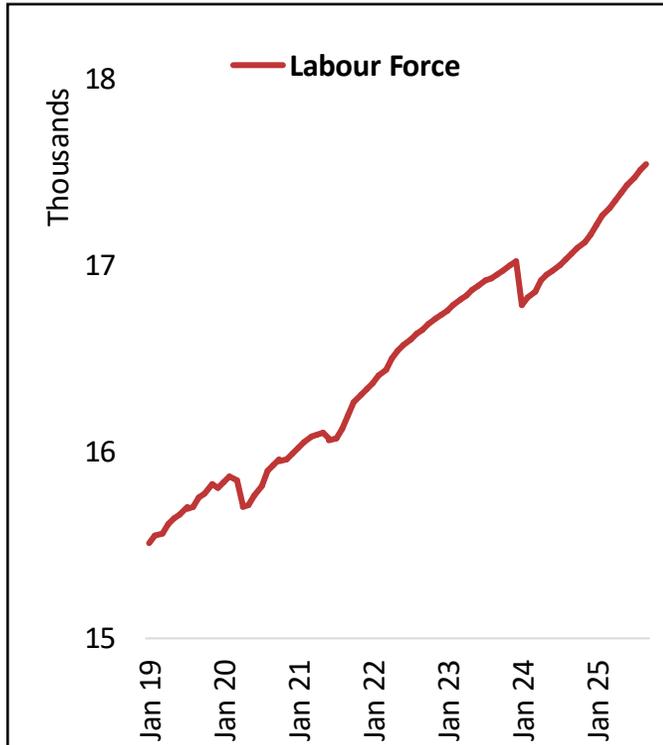


Full Employment Backdrop: 3.1% Unemployment, Rising Labor Force



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Labor Rate



Source: Department of Statistics Malaysia

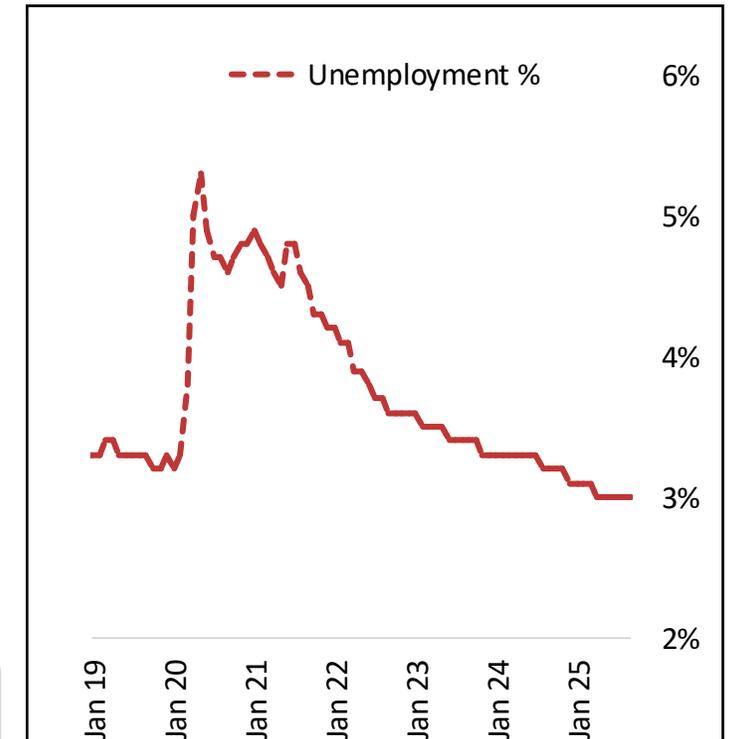
Rising Labor Force Expands Consumer Wallets

The labour force has steadily improved and is now above pre-pandemic levels at c.3.0%.

A growing labour force and low unemployment underpin consumer income, confidence and spending.

Rising wages lift nominal disposable income, supporting demand for consumer staples.

Unemployment Rate

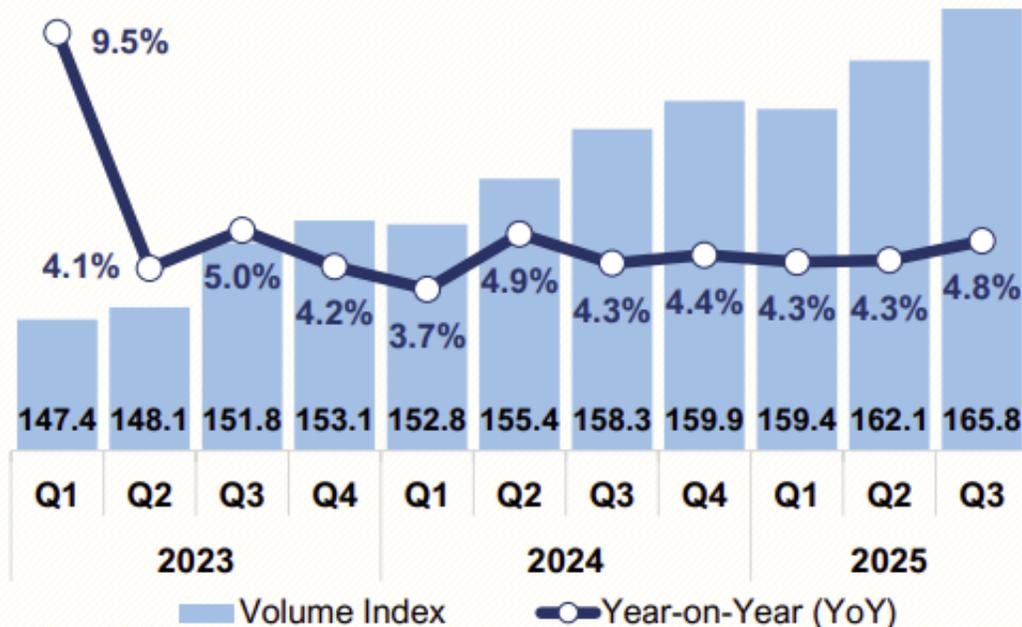


Source: Department of Statistics Malaysia

Low Unemployment Underpins Stable Consumption

VOLUME INDEX OF WHOLESALE & RETAIL TRADE THIRD QUARTER 2025 | Q3 2025

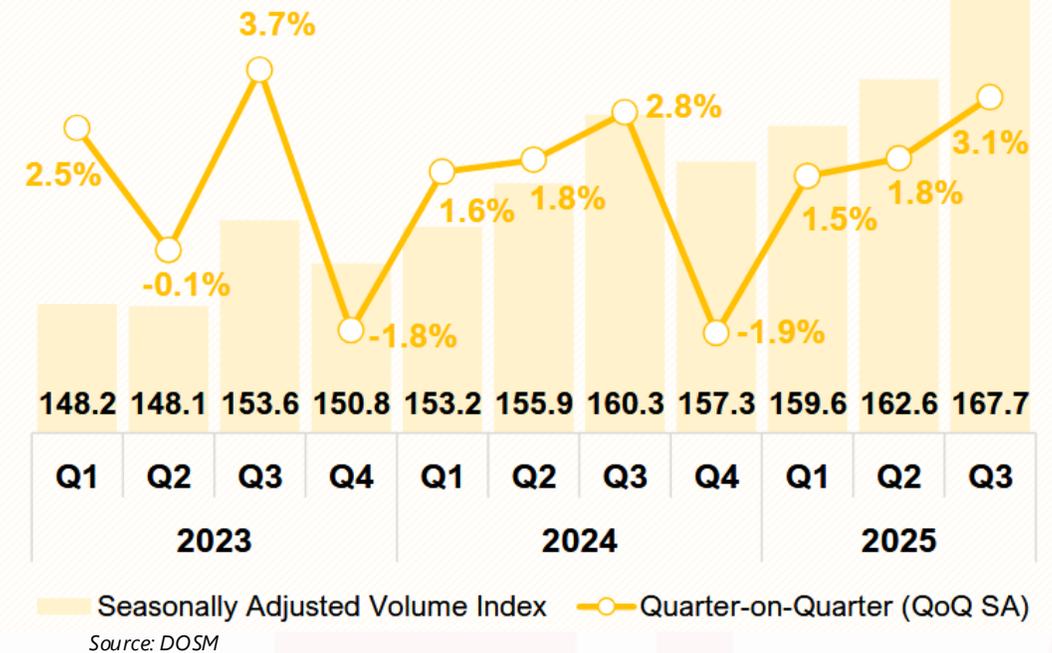
Volume Index



Source: DOSM

Retail trade volume remains resilient at c.4–5% post-pandemic, with Q4 typically posting the highest reported activity

Seasonally Adjusted Volume Index

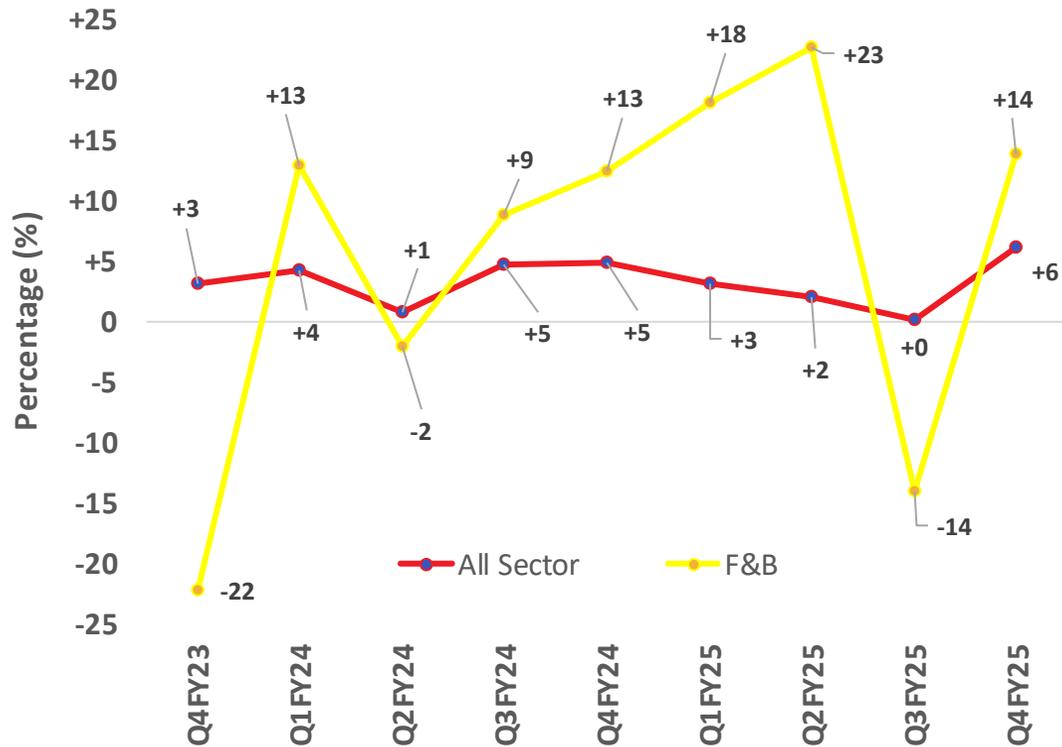


Source: DOSM

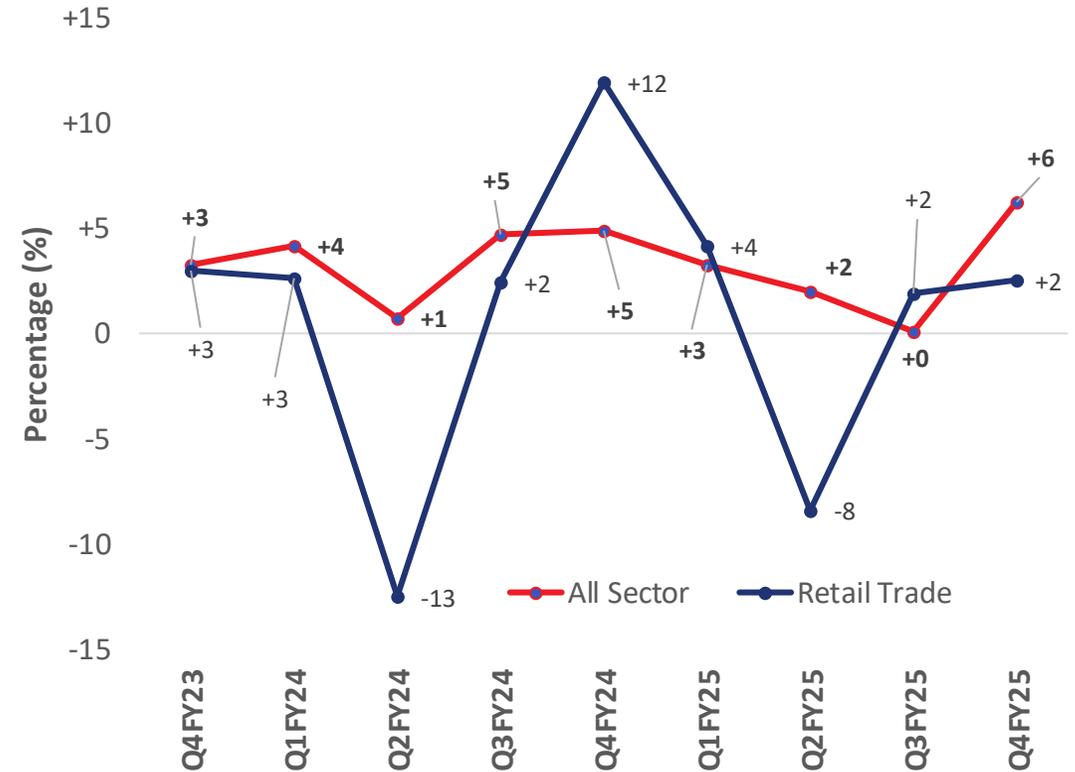
However, on a seasonally adjusted basis, Q3 is usually the strongest quarter due to pull-forward demand, while Q4 tends to be the weakest as public holidays reduce trading days

MALAYSIA CONFIDENCE INDICATOR

F&B



Retail Trade



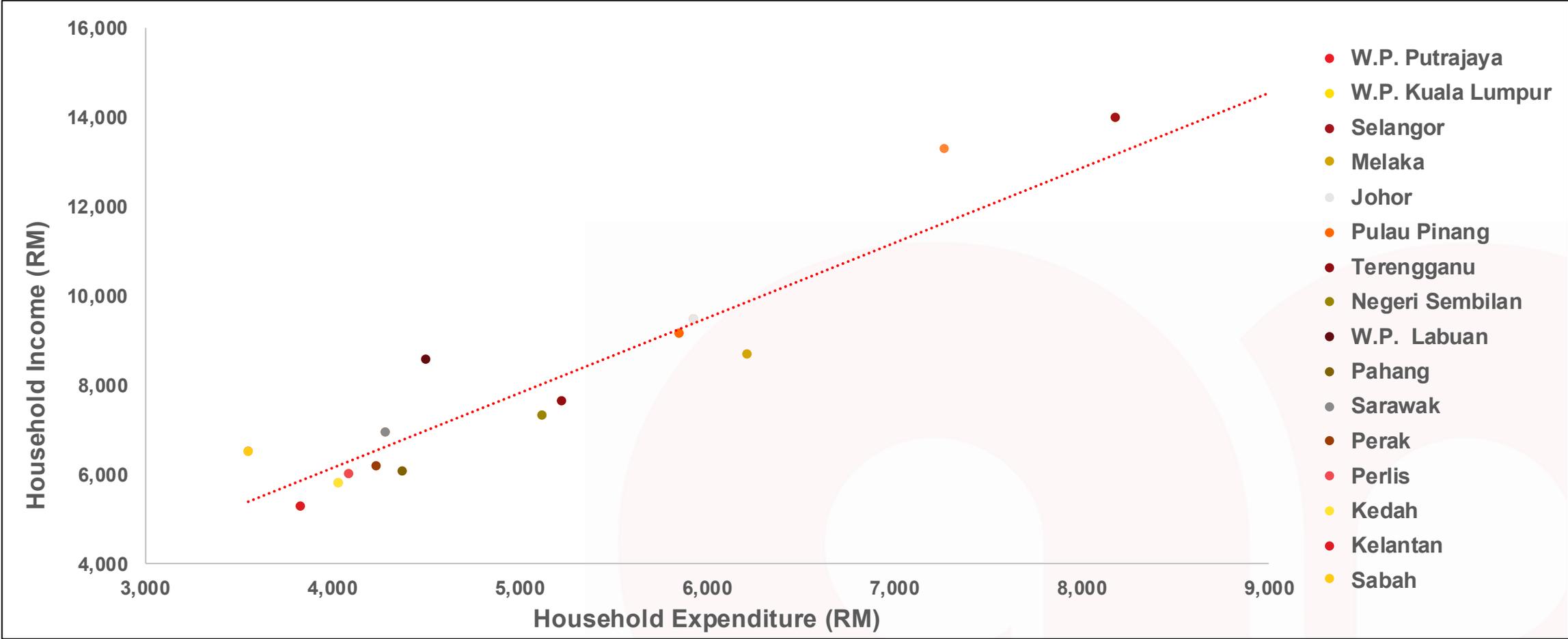
Food & beverage sentiment is highly volatile due to seasonal factors and not correlated to the economy

In contrast, retail trade sentiment is closely tied to overall economic conditions and remains inherently volatile

Strong Positive Correlation between Income and Expenditure



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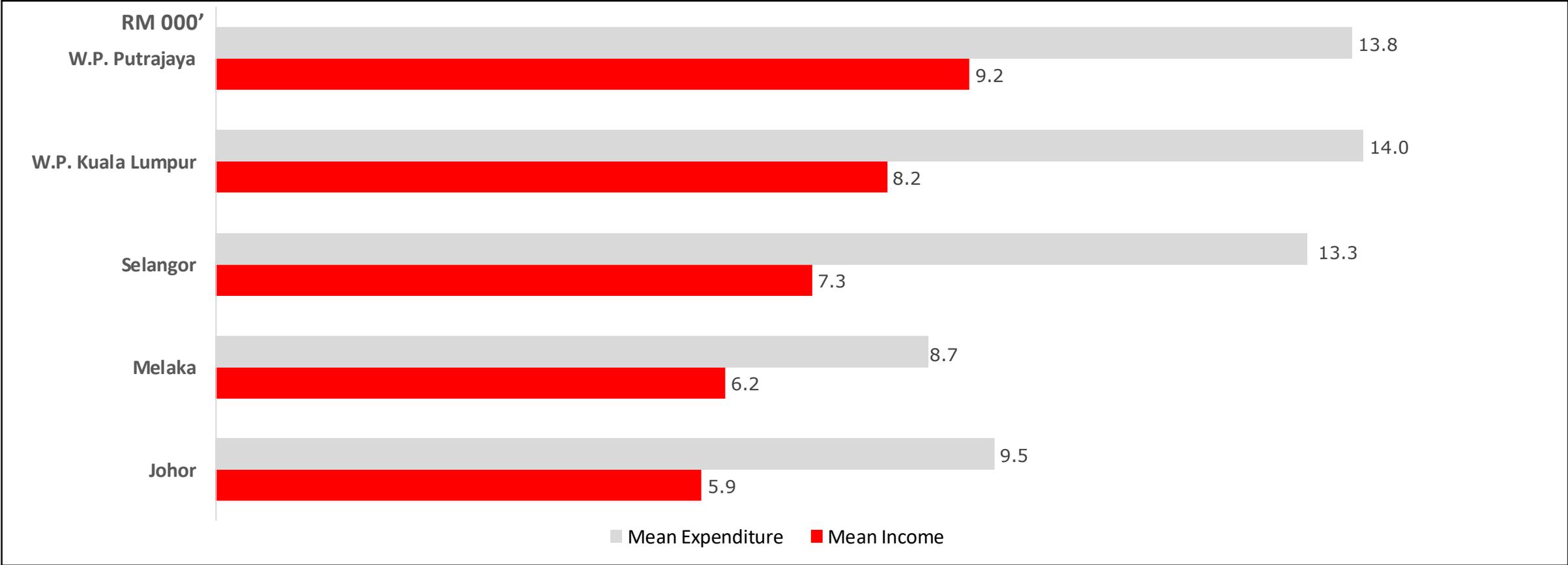
Source: Department of Statistics Malaysia

Klang Valley Tops the List for Highest Household Income



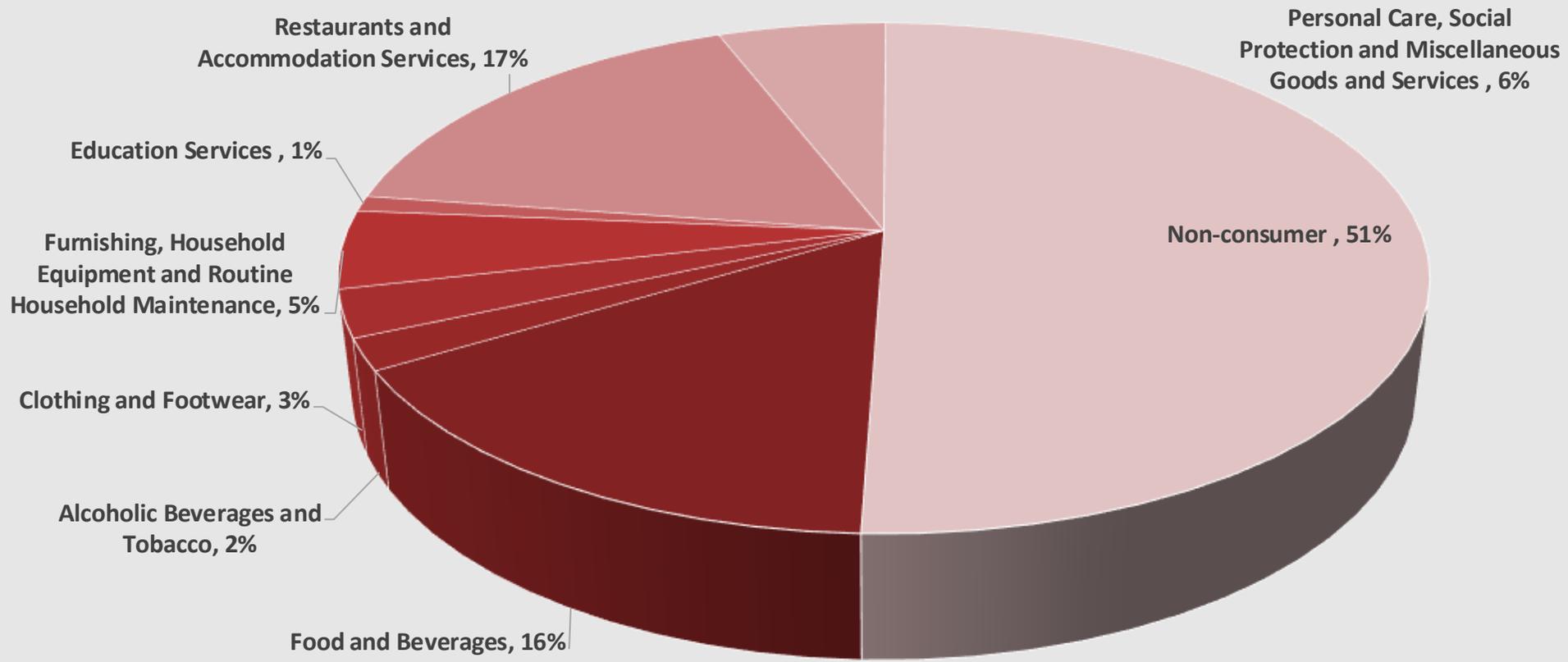
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Top 5 States Mean Household Income and Expenditure in 2024



Source: Department of Statistics Malaysia

Consumer Products for Half of the Malaysian Wallets in 2024



Source: Department of Statistics Malaysia



Spending Patterns



Household F&B Expenditure Shows Weak Correlation with Income

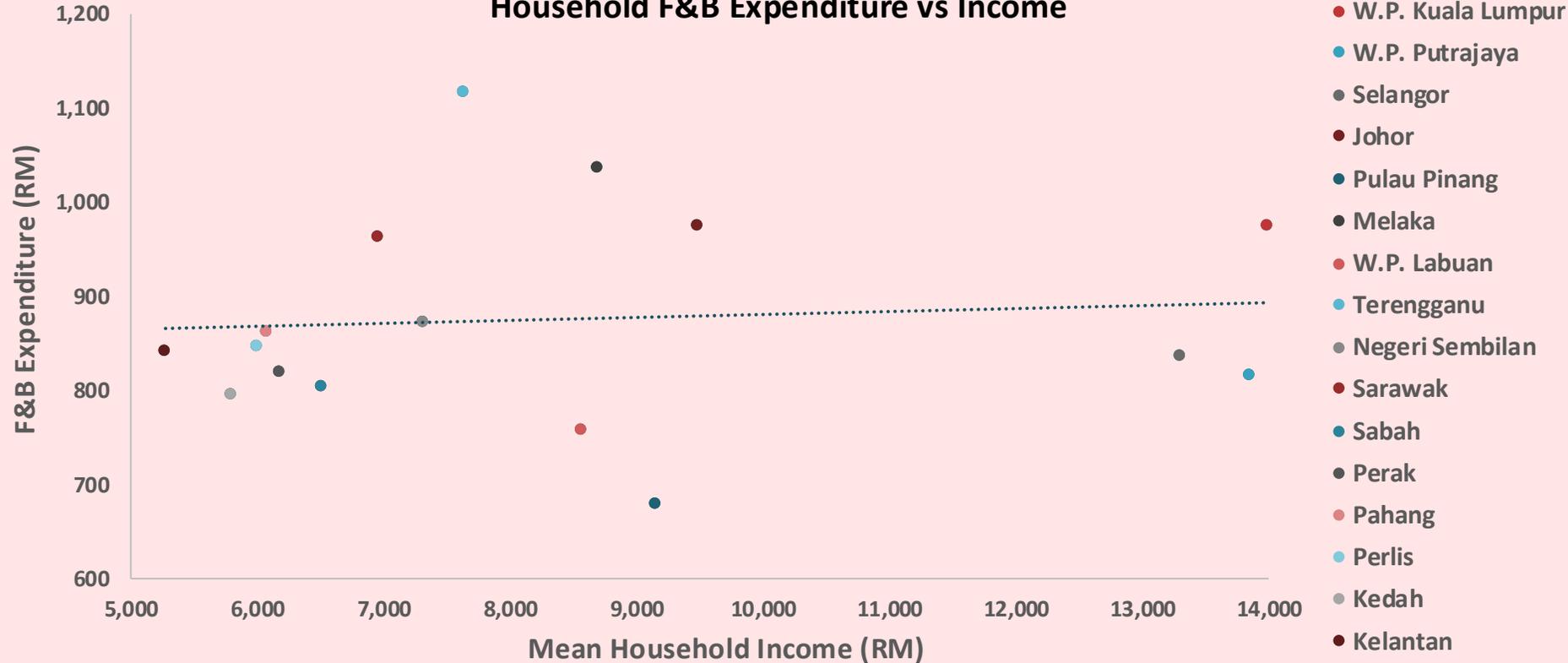


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KEY PLAYERS



Household F&B Expenditure vs Income



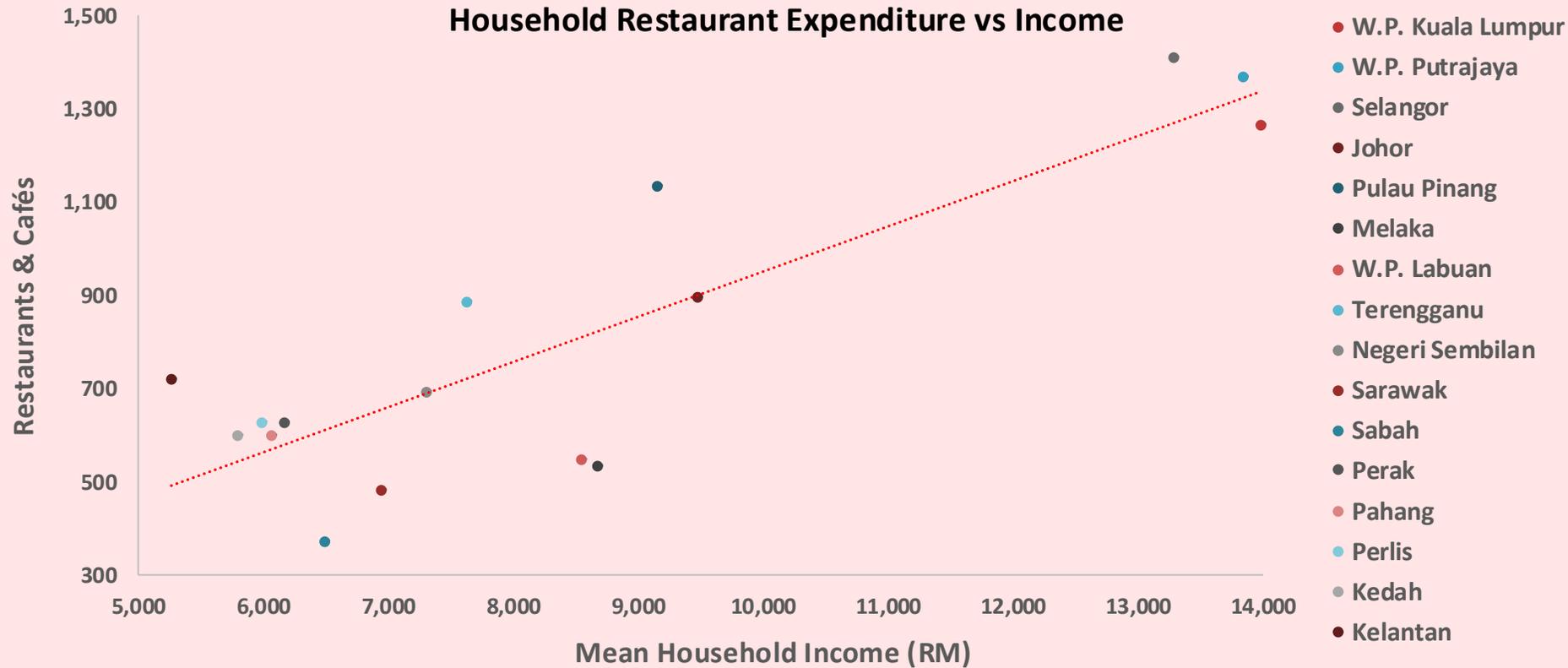
Source: Department of Statistics Malaysia

This implies F&B focused consumer staples such as 99 Speedmart and Nestlé's total addressable market across regions is more closely linked to the number of households rather than income levels.

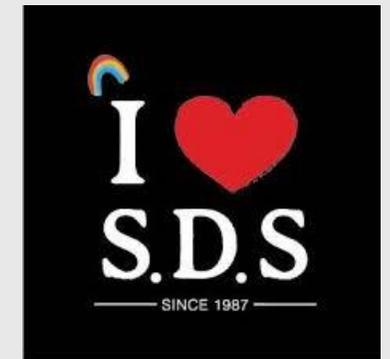
Household Restaurant Spending Showed High Correlation with Income



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KEY PLAYERS



Source: Department of Statistics Malaysia

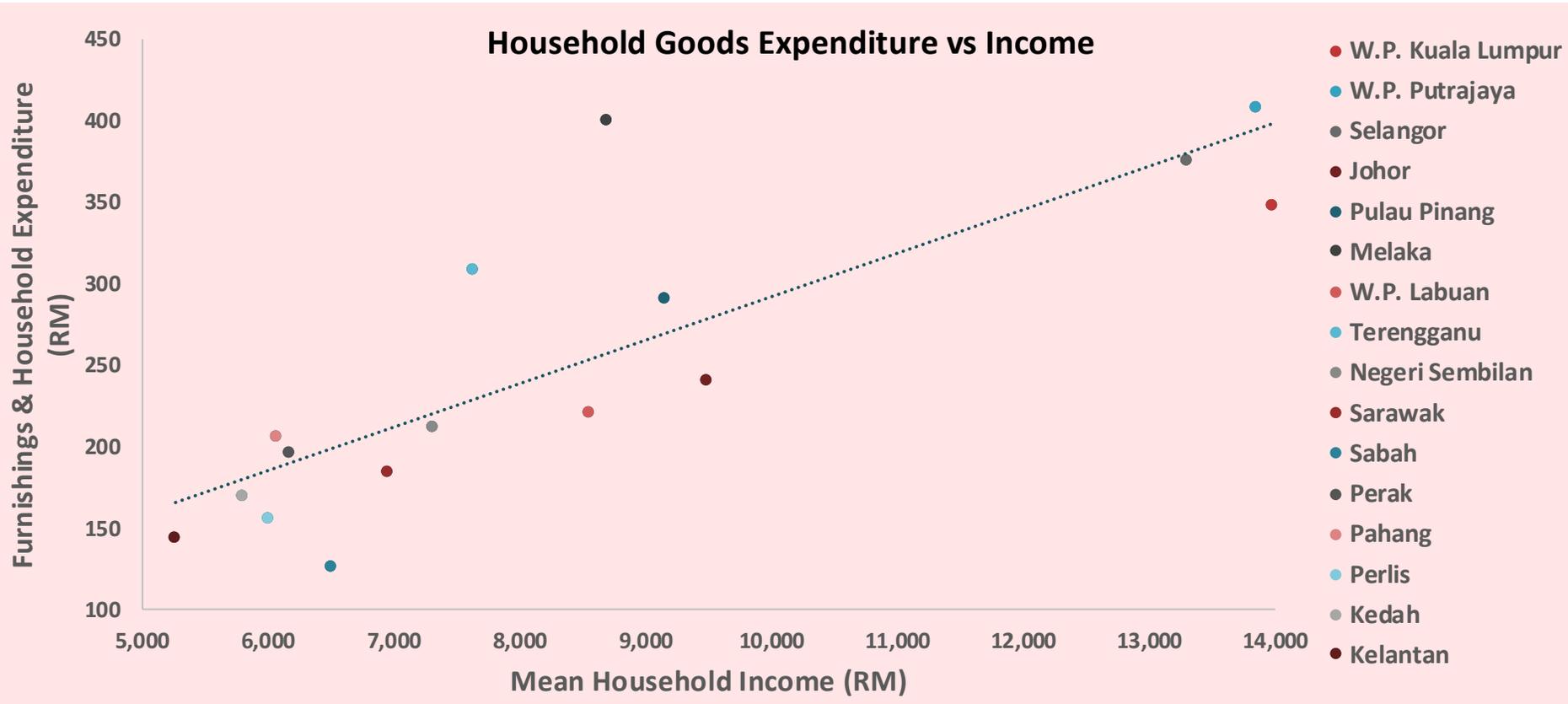
This suggests restaurant operators such as Oriental Kopi are better positioned by targeting higher-income catchments, where spending power supports higher footfall, pricing.

Household Goods Spending Showed High Correlation with Income



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KEY PLAYERS



Source: Department of Statistics Malaysia

This makes expansion into higher-income, urban catchments more suitable for players such as Mr DIY and Eco-Shop, where purchasing power supports higher basket sizes.

Household Jewellery Spending Showed Positive Correlation with Income



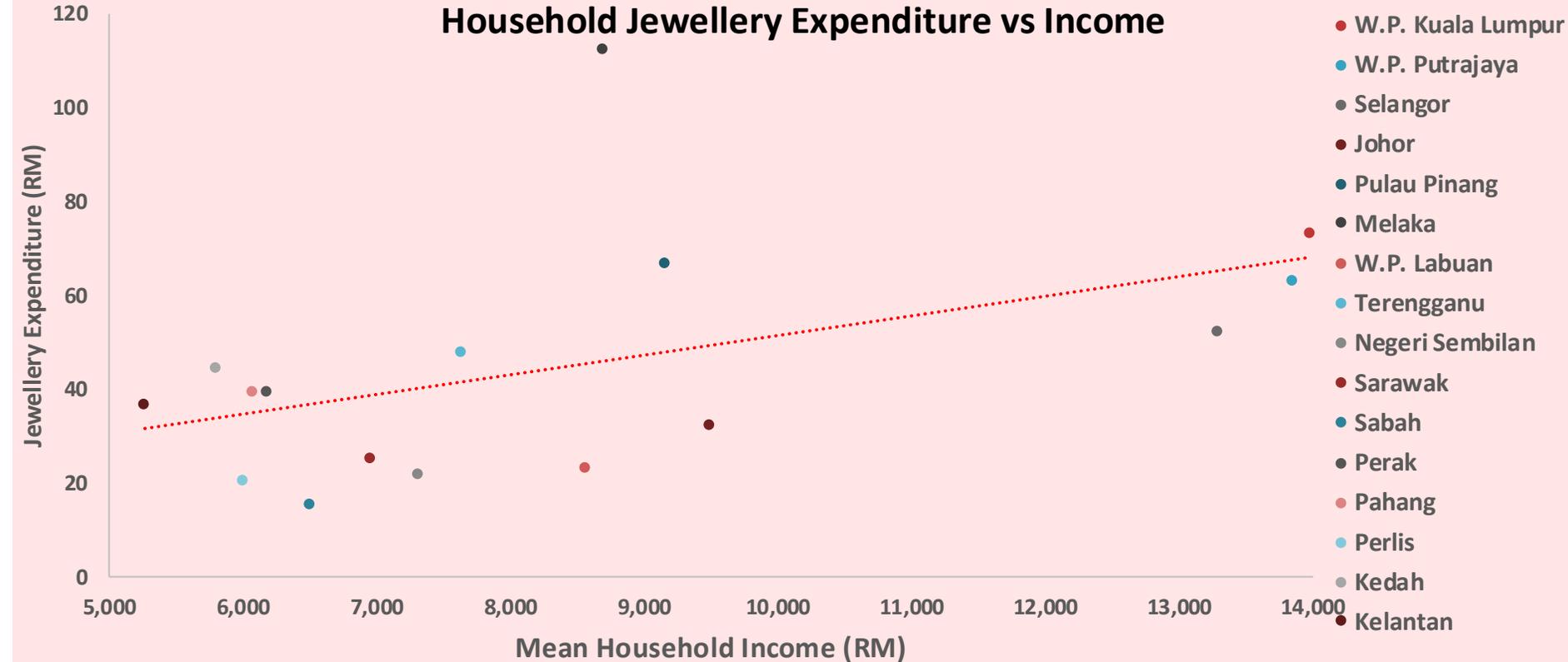
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KEY PLAYERS

POH KONG®

TOMEI®
GOLD & JEWELLERY

Household Jewellery Expenditure vs Income



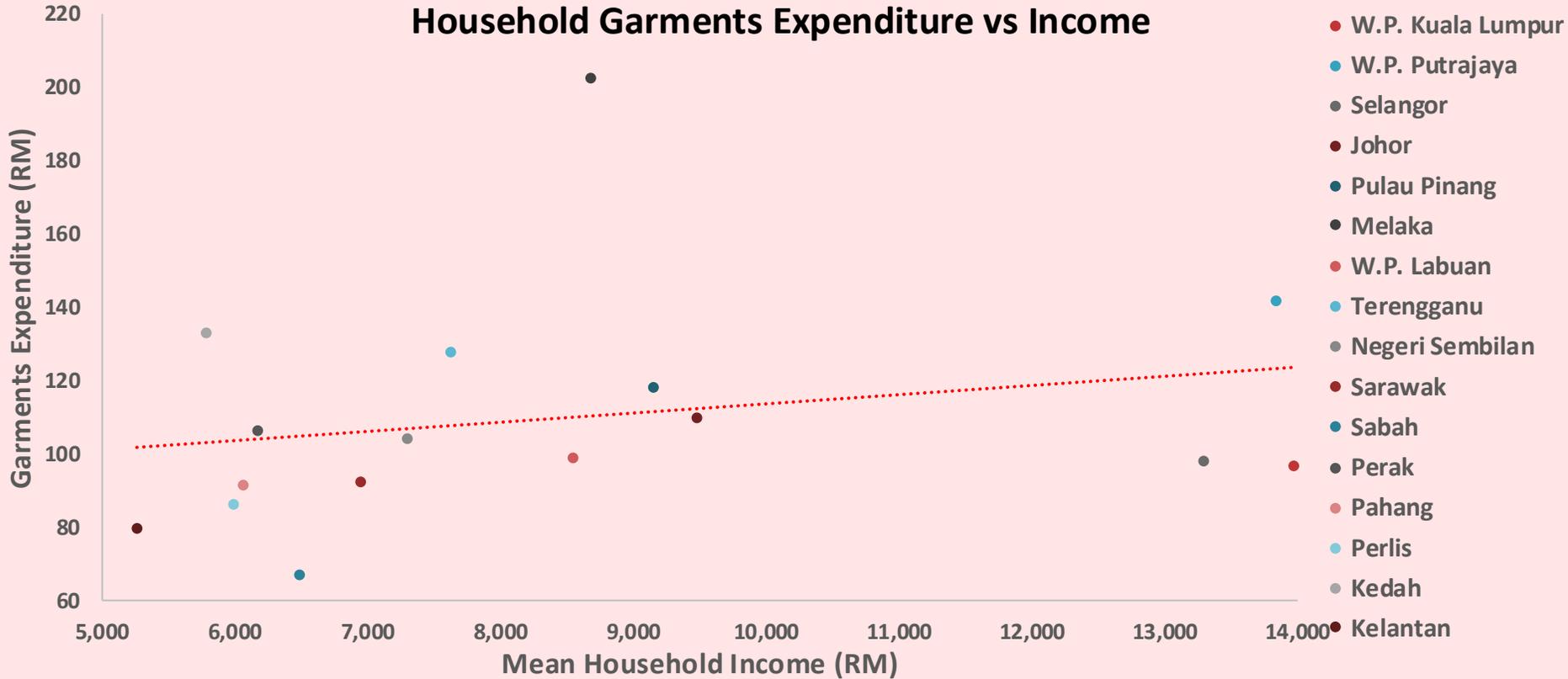
Source: Department of Statistics Malaysia

As such, jewellery retailers are better positioned by concentrating store networks in higher-income, urban catchments where spending capacity is stronger.

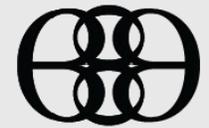
Household Garments Spending Showed Slight Positive Correlation with Household Income



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KEY PLAYERS



BONIA

Source: Department of Statistics Malaysia

Hence, spending rises with higher incomes but is not solely dependent on high-income households, supporting demand across both mass and mid-market segments.



Raw Materials Trend



Elevated Coffee and Cocoa prices impact margins



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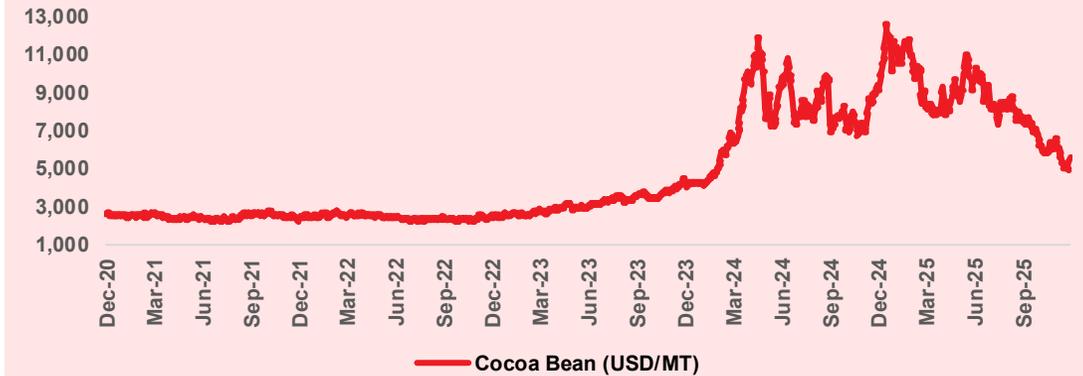
Post-pandemic coffee supply disruptions due to unfavourable weather conditions in Brazil and Vietnam led to a **sharp rise** in coffee prices, primarily impacting coffee-intensive F&B producers and café chains through higher input costs and margin pressure.

Companies affected: Nestlé, Power Root, Oriental Kopi and Orgabio

Arabica Coffee Bean Price Trend



Cocoa Bean Price Trend



Similarly, cocoa bean prices spiked sharply in 2023–2024 due to extreme weather, disease outbreaks and aging trees in West Africa. Despite easing in 2H25, Cocoa prices remain well above 2022 levels.

Companies affected: Nestlé Malaysia, Power Root and Guan Chong Berhad

Companies Affected:

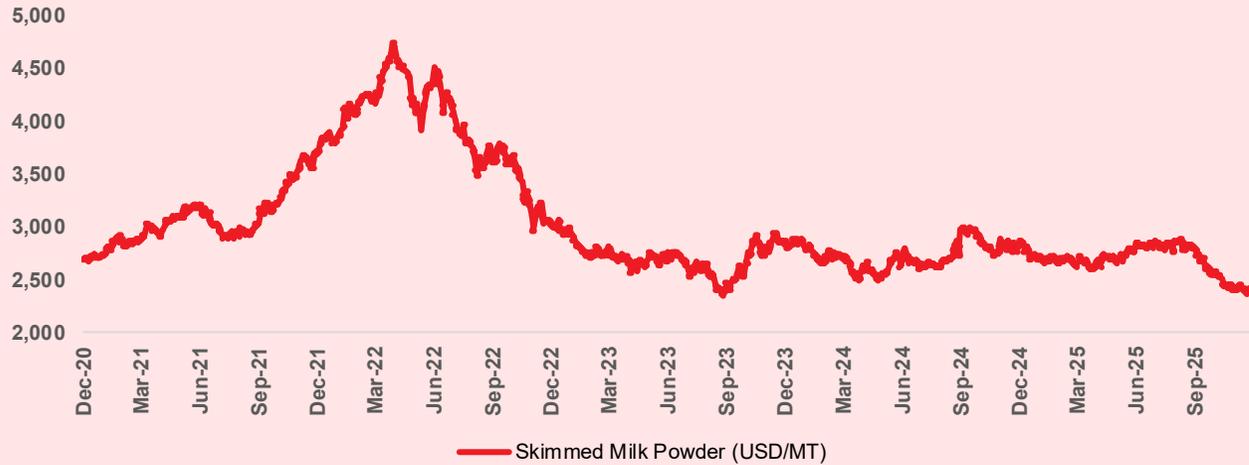


Low milk powder and sugar prices provide relief to dairy-focused names



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Skimmed Milk Powder Price Trend



Skimmed milk powder prices peaked in mid-2022 but have trended lower and stabilised, benefiting dairy-focused names such as Farm Fresh, Dutch Lady and Fraser & Neave, which enjoy lower feedstock prices.

Sugar prices have been trended down in 2025, easing cost pressure for beverage and packaged food producers.

Sugar Price Trend



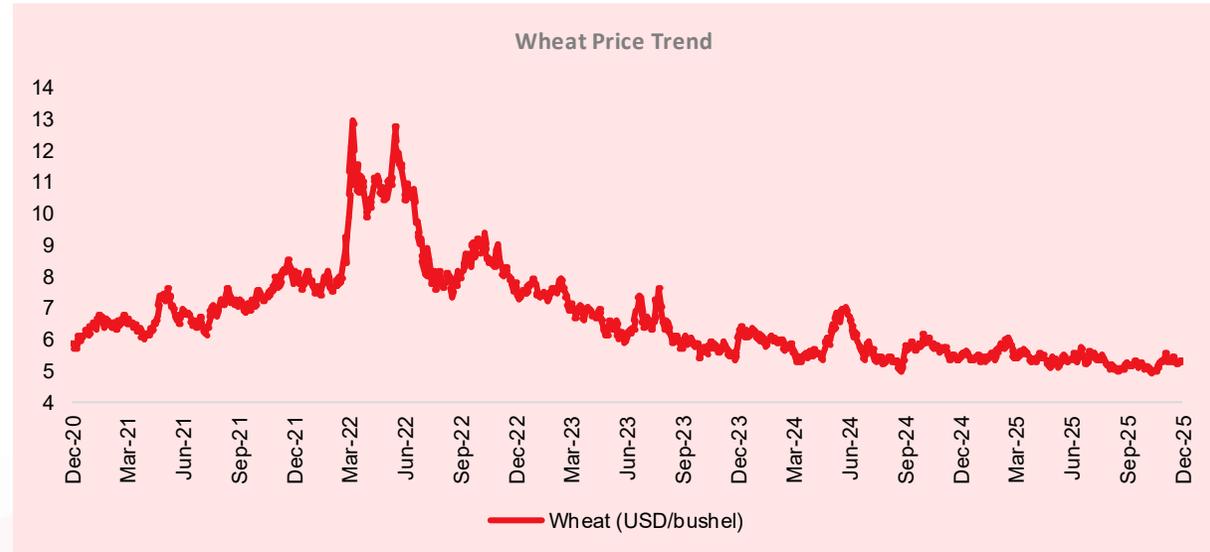
Beneficiary Companies:



Resin prices are trending lower while wheat remain stabilised



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- ❏ **PET resin** are key for plastic bottles and beverage packaging. PET resin price came down in 2025 due to increased supply and lower feedstock cost.
- ❏ **Beneficiaries:** Spritzer, Life Water, Fraser & Neave

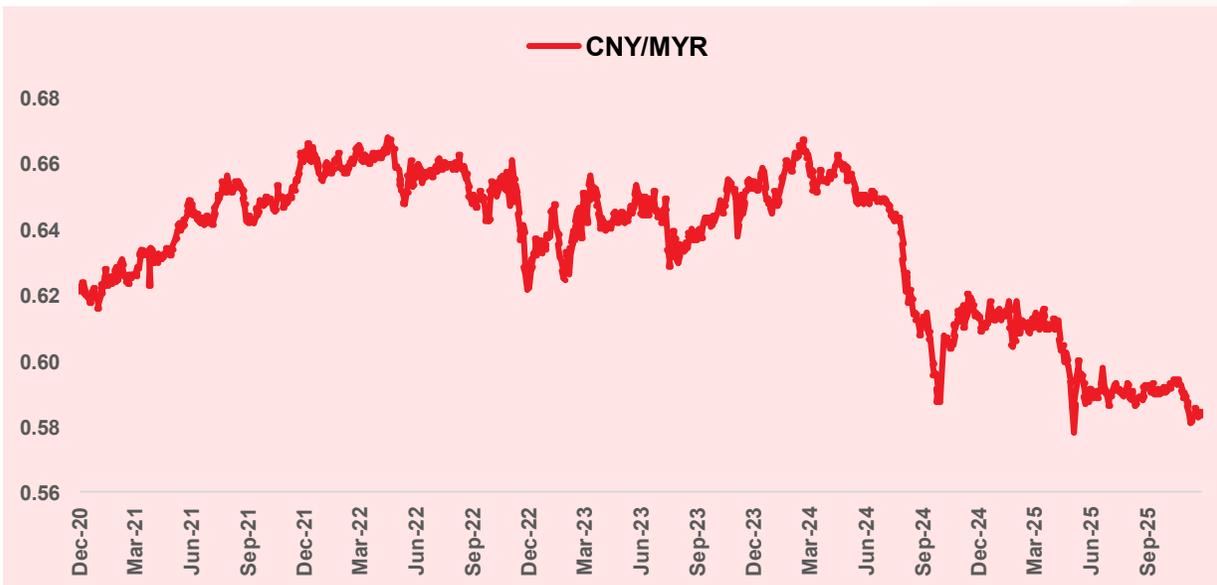
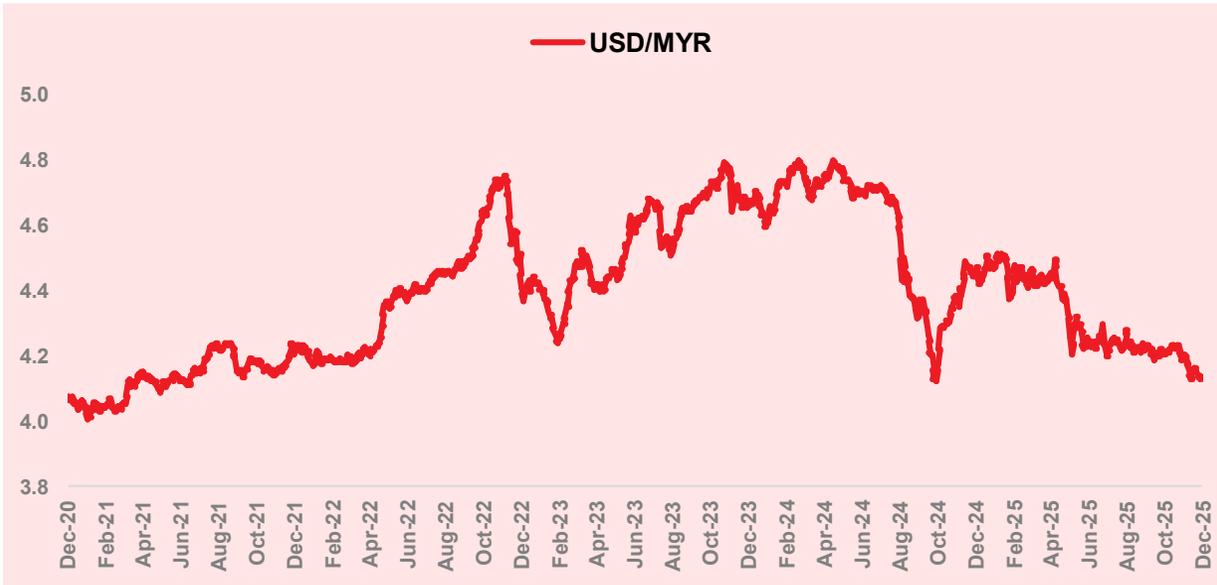
- ❏ **Wheat prices surged in 2022 and have since stabilised**, easing the supply chain for flour-based and bakery players and snack manufacturers.
- ❏ **Beneficiaries:** Hup Seng



Strengthening ringgit benefits retailers



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FX Gains Benefits Consumer Sector

- Ringgit has **appreciated 5-9% in 2025 vs CNY and USD**.
- Consumer players import key raw materials in USD (coffee, cocoa, milk powder, wheat, sugar, PET resin), so a stronger ringgit enables them to purchase at a lower cost.
- Retailers that source merchandise from China benefit from a **stronger MYR vs CNY**.
- Beneficiaries:** MR DIY, Ecoshop Padini with **50-70% of supplies from China**

Beneficiary Companies:



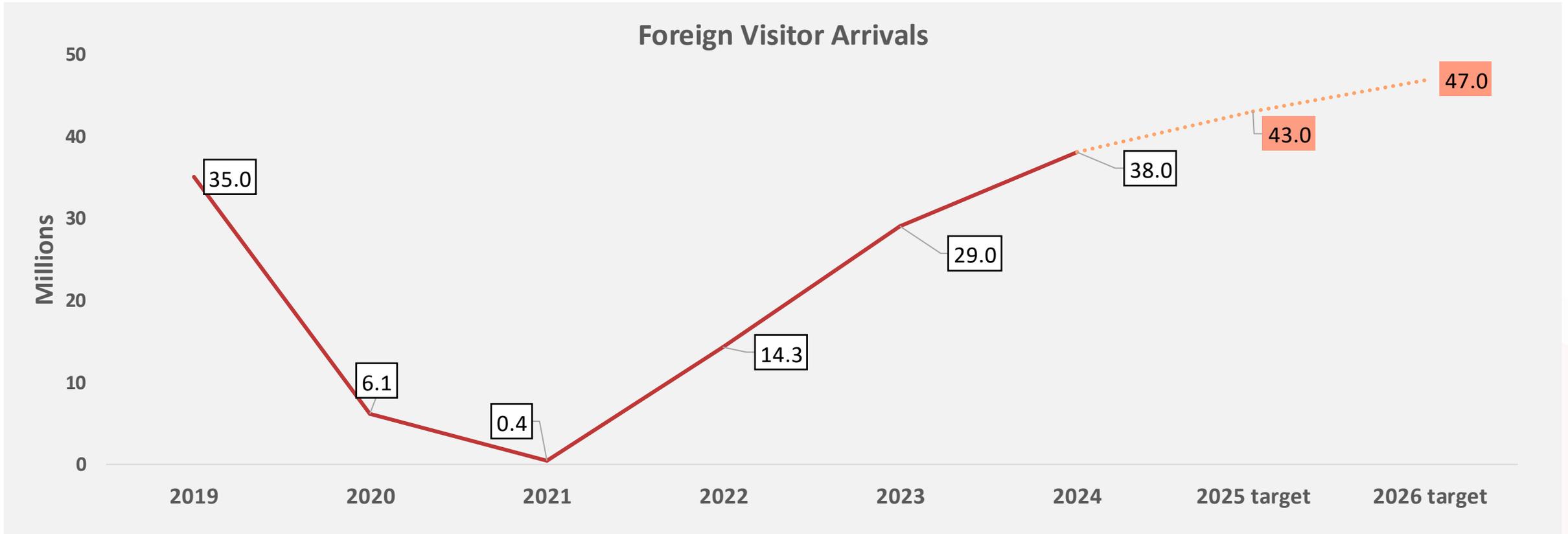
Outlook



Tourism boosted by Visit Malaysia 2026



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Source: DOSM, Tourism Malaysia

Beneficiaries



LifeWater



Consumer sector buoyed by supportive government policies



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Government Policies

- STR cash handouts totalling RM15bil
- Phase 2 salary hike for civil servant by 3-7%.
- Visit Malaysia Tourism Drive, with RM700mil govt budget allocation

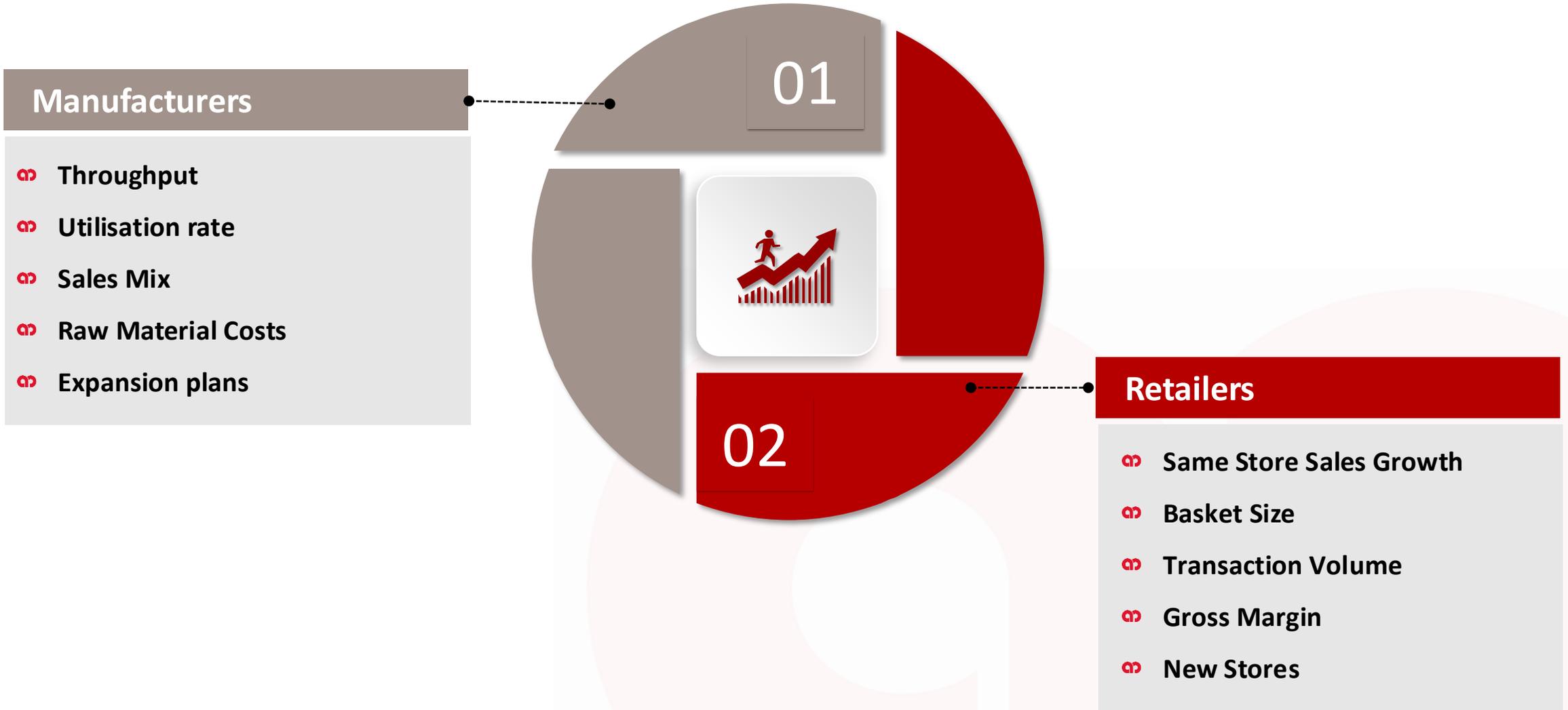


Consumer sentiment boosted by rising disposable income



Key Economic Data to Track

- Consumer confidence indices
- Retail sales dynamics
- Wage growth & unemployment trends
- Policy changes
- Potential cash handouts from fuel subsidy savings



MERITS

- ❏ **Structural consumption growth** driven by rising incomes, urbanisation and a growing middle class
- ❏ **Defensive earnings profile** with resilient demand across economic cycles
- ❏ **Cash-generative businesses** with high ROE and consistent dividends
- ❏ **Scarcity premium** for high-quality consumer names in the market

RISKS

- ❏ **Intense competition** due to low barrier of entry to new entrants
- ❏ **Execution risk** in rapid store expansion
- ❏ **Supply Chain** disruption risk in the event of rising raw material or labour cost
- ❏ **Valuation risk** as quality consumer names often trade at premium multiples



AmInvestment Bank

THANK YOU

