



AmInvestment Bank

Company Initiation

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ORIENTAL KOPI

(KOPI MK, KOPI.KL)

23 Jan 2025

*Brewing Strong Growth. Initiate at BUY.***BUY**

(Initiation)

Rationale for report: Initiation

Price RM0.44
Fair Value RM0.70
52-week High/Low na

Key Changes

Fair value na
EPS na

YE to Sep	FY24	FY25F	FY26F	FY27F
Revenue (RM mil)	277.3	400.3	533.5	648.8
Core net profit (RM mil)	44.9	62.5	82.8	103.6
FD Core EPS (sen)	2.2	3.1	4.1	5.2
FD Core EPS growth (%)	115.4	44.8	32.5	25.1
Consensus Net Profit (RM mil)	-	-	-	-
DPS (sen)	0.2	0.9	1.2	1.6
PE (x)	20.4	14.1	10.6	8.5
EV/EBITDA (x)	9.1	6.8	5.0	4.1
Div yield (%)	0.3	2.1	2.8	3.5
ROE (%)	98.6	37.3	26.7	27.6
Net Gearing (%)	nm	nm	nm	nm

Stock and Financial Data

Shares Outstanding (mil)	2,000.0
Market Cap (RMmil)	880.0
Book Value (RM/Share)	0.03
P/BV (x)	-
ROE (%)	98.6
Net Gearing (%)	0.0
Major Shareholders	Dato' Chan Jian Chern (42.2%) Chan Yen Min (15.6%) Koay Song Leng (10.9%)
Free Float	25.2
Avg Daily Value (RMmil)	-

Investment Highlights

We initiate coverage on Oriental Kopi Holdings Berhad (Oriental Kopi) with a BUY recommendation and target price (TP) of RM0.70/share, which is pegged to CY26 PE of 16x. The target PE is 1SD above the 5Y average forward PE of its closest peers in Malaysia, due to its superior growth prospect. We like the group for its strong free cash flow generation. It operates a highly scalable business, with a healthy payback period of 10-12 months. We forecast earnings to grow at a CAGR of 32% YoY from FY24-FY27 to be driven by its store expansion plan and packaged foods.

- **Initiating coverage with BUY and TP of RM0.70.** This is based on a target PE of 16x and CY26 EPS. Although our target PE is 1SD above the 5Y average forward PE of its peers, we believe this is justifiable due to its superior growth prospect. At its IPO price, the group's implied market cap is RM880mil. This translates to a CY26 PE ratio of 10x.
- **Highly scalable business model with healthy payback period.** A highly free cash flow (FCF) generative business due to its minimal working capital requirements and high return on equity. Its modular and scalable business model enables efficient expansion with a short payback period of 10–12 months. Their strong control over operations, from recipe development to owning and operating all outlets, ensures consistent product and service quality. For their packaged foods, they are able to optimise market access through both their own specialty retail stores and third-party distribution channels.
- **Strong earnings growth to be driven by two key business pillars.** We forecast earnings to grow at a CAGR of 32% YoY from FY24-FY27. This is supported by 19 new Malaysian café expansion over three years and packaged food sales slightly outpacing new café openings to account for the contribution from new specialty retail stores. Gross margins are projected to experience a slight increase from FY25 to FY27, driven by the growing contribution of the higher margin packaged foods segment.
- **Experienced management with skin in the game.** The management team, led by co-founders Dato' Chan Jian Chern, Chan Yen Min, Koay Song Leng, and Head Chief, Ho Poh Chian, brings extensive experience in F&B operations, strategic business growth, and retail management. Post-IPO, the management team will collectively own about 73.4% of the total shares in Oriental Kopi. Notably, there is no offer for sale, indicating the management's long-term commitment to the company.

Executive summary

Oriental Kopi operates a café chain and engages in the distribution and retail of its branded packaged foods. The business is built on two key pillars: café food and beverage (F&B) services and packaged foods.

Highly scalable business model with healthy payback period

The group is a high free cash flow (FCF) generation business due to its minimal working capital requirements. This is attributed to its low inventory and trade receivables turnover days.

Additionally, the company's return on equity has averaged 41% over the past 4 years. As a result, the company has been able to fund its previous expansion entirely through internally generated funds without resorting to borrowings.

We estimate capital expenditure requirements of approximately RM20 mil from FY25 to FY27, based on management's guidance of RM2.5–2.8 mil capex per store. Given this substantial free cash flow, there is potential for further dividend upside beyond management's current guidance of a 30% payout, which translates to yields of 2.1% to 3.6% from FY25 to FY27. To note, the FCF yield is expected to be 5.0% to 11.9% from FY25 to FY27.

Its modular and scalable business model enables efficient expansion with a healthy payback period of 10–12 months. Their strong control over operations, from recipe development to owning and operating all outlets, ensures consistent product and service quality. For their packaged foods, they are able to optimise market access through both their own specialty retail stores and third-party distribution channels.

Strong earnings growth to be driven by two key business pillars

Earnings are expected to grow at CAGR of 32% from FY24-FY27, driven by its store expansion plan domestically and regionally as well as the growth in the consumer brand packaged foods. We estimate revenue to grow at CAGR of 33%, supported by 19 new Malaysian café expansion over three years and packaged food sales slightly outpacing new café openings to account for the contribution from new specialty retail stores.

The group's gross margin is projected to experience a slight increase from FY25 to FY27, driven by the growing contribution of the higher margin packaged foods segment. Lastly, we expect Paradise Oriental Joint Venture to open 6 new stores internationally and contribute RM2.7 mil to Oriental Kopi's net profit by FY27.

Experienced management with skin in the game

The management team, led by co-founders Dato' Chan Jian Chern, Chan Yen Min, Koay Song Leng, and Head Chief, Ho Poh Chian, brings extensive experience in F&B operations, strategic business growth, and retail management. Post-IPO, the management team will collectively own about 73.4% of the total shares in Oriental Kopi. Notably, there is no offer for sale, indicating the management's long-term commitment to the company.

Initiate coverage with BUY and TP of RM0.70

This is based on a target PE of 16x and CY26 EPS. Although our target PE is 1SD above the 5Y average forward PE of its peers, we believe this is justifiable due to its superior growth prospect. At its IPO price, the group's implied market cap is RM880mil. This translates to a CY26 PE ratio of 10x.

Business Overview

Cafe chain located in prime locations

Oriental Kopi operates a café chain and engages in the distribution and retail of its branded packaged foods. The business is built on two key pillars: café food and beverage (F&B) services and packaged foods. With 19 outlets across Malaysia, the café chain, under the Oriental Kopi brand, offers a combination of F&B services and in-store sales of its packaged foods. The company also caters to a broad demographic with halal-certified offerings, including 13 halal-certified cafés as of January 2025.

Oriental Kopi's menu features approximately 120 F&B items, while its consumer-branded packaged foods include 26 SKUs, all halal-certified. The company plans to expand its product range with new offerings, including "cham" (a coffee and tea blend), chocolate beverages, premium coffee products, as well as packaged goods such as cookies and cooking pastes for preparing dishes like Hainanese chicken rice, chicken rendang, and curry.

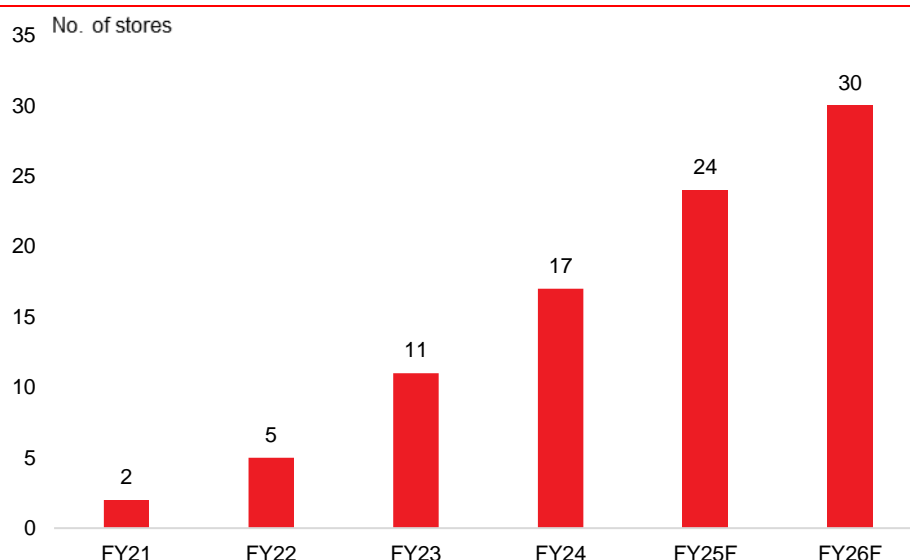
The cafes are strategically located in high-visibility locations, primarily in shopping malls such as TRX, Suria KLCC, KLIA 2, and Mid Valley, enhancing brand presence and driving growth. The company fully owns and operates its cafes to maintain the quality of their food. With the vision of bringing Malaysian cuisine internationally, the company expanded into Singapore through a joint venture with Paradise Group, forming Paradise Oriental. The first Singaporean outlet opened in Bugis Junction in November 2024, marking a significant step in the company's regional expansion.

Cautious growth strategy to preserve quality and service standards

Oriental Kopi has expanded to 17 cafes in Malaysia within just over three years, reaching this milestone by the end of September 2024 (FY24). The company plans to open 13 additional cafes domestically between FY25 and FY26, aiming for a total of 30 stores.

However, management has emphasised a cautious approach for store expansion, targeting a maximum of 40 to 50 stores to maintain quality and service standards. For context, OldTown White Coffee, a notable competitor, operates more than 180 cafes in Malaysia, highlighting Oriental Kopi's focused and measured growth strategy.

EXHIBIT 1: NUMBER OF MALAYSIAN CAFES



Source: AmInvestment Bank Bhd

EXHIBIT 2: LIST OF CAFES

Store	State	Size (sqft)	Date opened
Johor Jaya	Johor	6,695	Dec-20
Mid Valley Southkey	Johor	2,427	May-21
Bandar Puteri Puchong	KV	6,091	Nov-21
Pavilion Bukit Jalil	KV	3,670	Apr-22
Mid Valley Megamall	KV	3,025	Jul-22
KLIA2 Retail Mall (arrival)	KV	4,006	Nov-22
Sunway Pyramid	KV	4,323	Dec-22
Aeon Mall Tebrau City	Johor	3,077	Apr-23
Pavilion KL	KV	3,536	Jun-23
KLIA 2 Retail Mall (departure)	KV	4,582	Jul-23
Johor Bahru City Square Mall	Johor	5,794	Aug-23
The Exchange TRX	KV	4,058	Nov-23
Suria KLCC	KV	3,508	Dec-23
IOI City Mall	KV	2,709	Jan-24
Gurney Plaza	Penang	3,199	Jun-24
Pavilion Damansara Heights Mall	KV	7,241	Aug-24
AEON Mall Bukit Indah	Johor	2,546	Sep-24
AEON Mall Cheras Selatan	KV	2,403	Oct-24
Paradigm Mall	Johor	4,309	Nov-24
Bugis Junction	SG	2,867	Nov-24

Source: Company

Establishing new head office, central kitchen and warehouse

Oriental Kopi plans to utilise RM54 mil (approximately 30% of the funds raised) to establish a 3-storey operational facility with an estimated total built-up area of approximately 108,448 square feet. This facility will house the company's new head office, central kitchen, and warehouse. The central kitchen will handle as much of the preparation and cooking as possible, reducing the workload at the cafes, which will focus on minimal final preparation, cooking, and plating of F&B items. The facility is targeted for completion by the fourth quarter of 2026 and will have the capacity to support up to 40 outlets.

Aiming to open 13 additional cafes in Malaysia between FY25 and FY26

Additionally, Oriental Kopi aims to open 13 additional owned-operated cafes progressively between FY25 and FY26 across Klang Valley, Negeri Sembilan, Penang, Johor, Malacca, Pahang, Sabah, and Sarawak. These new cafes will be strategically located in urban and suburban areas with high population density to maximise customer reach and support growth. Furthermore, the company plans to open four specialty retail stores in the central region and Johor between FY25 and FY26 to enhance overall brand awareness, support café chain operations, and cater to both domestic and foreign tourists.

These specialty retail stores will exclusively retail the full range of the company's branded packaged foods and some ready-to-eat items, such as Oriental egg tarts. The specialty retail stores will not carry third-party products or provide F&B services but will primarily target the tourist market to promote Malaysian-branded products. Management has guided that packaged foods will contribution to their business will increase in the long-term.

Expanding into Singapore via JV with Paradise Group

On 2 May 2024, Oriental Kopi Group (OKG) entered into a joint venture agreement with Paradise Group to establish a joint venture company in Singapore named Paradise Oriental to operate F&B outlets under the Group's brand in Singapore. On 30 July 2024, Paradise Group, OKG, and Oriental Kopi Global entered into a novation agreement in relation to the joint venture agreement, where it was agreed that OKG would novate its rights, obligations, and liabilities under the joint venture agreement to Oriental Kopi Global.

As of now, Oriental Kopi holds a 30% shareholding in Paradise Oriental, while Paradise Group holds 70%. Additionally, Oriental Kopi made its first export sales to a reseller in Hong Kong in February 2024 and plans to secure more resellers in other foreign markets, including Singapore.

FINANCIAL OVERVIEW

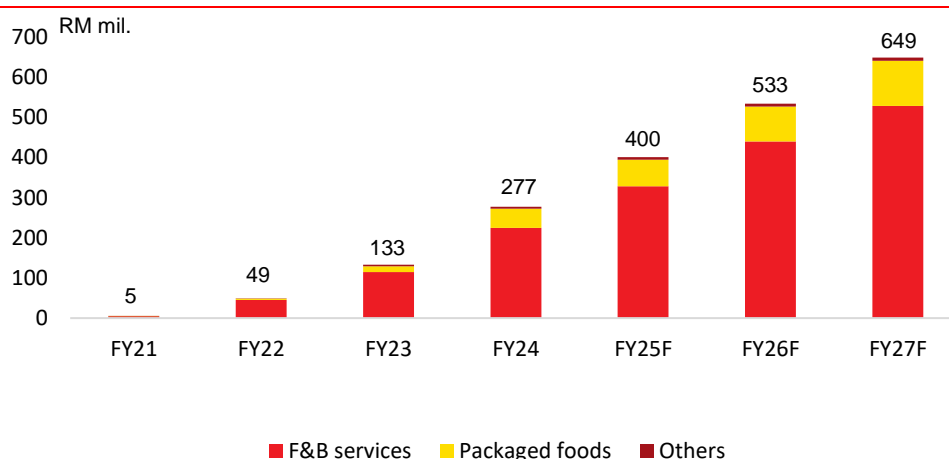
Strong earnings growth to be driven by two key pillars

We estimate revenue to grow at CAGR of 33%, supported by 19 new Malaysian café expansion over three years and packaged food sales slightly outpacing new café openings to account for the contribution from new specialty retail stores.

Our analysis is based on management's guidance to open 13 new domestic cafés between FY25 and FY26, with an additional six stores in FY27. Given that nearly 80% of packaged food sales are generated through the cafés, we project this segment to grow by 40%, 30%, and 30% in FY25, FY26, and FY27, respectively—slightly outpacing new café openings to account for the contribution from new specialty retail stores.

Over the past 3 years (FY21-FY24), Oriental Kopi's revenue performance has grown tremendously, increasing from RM4.9 mil in FY21 to RM277.3 mil in FY24. The primary revenue driver is F&B services, contributing most of the revenue each year. Packaged foods and other revenue streams have also shown notable increases, particularly in FY24, reflecting diversification efforts. For FY24, F&B services, packaged foods and other revenue streams contributed to 81.1%, 17.1% and 1.8% of their total revenue respectively.

EXHIBIT 3: REVENUE PERFORMANCE FY21-FY27F



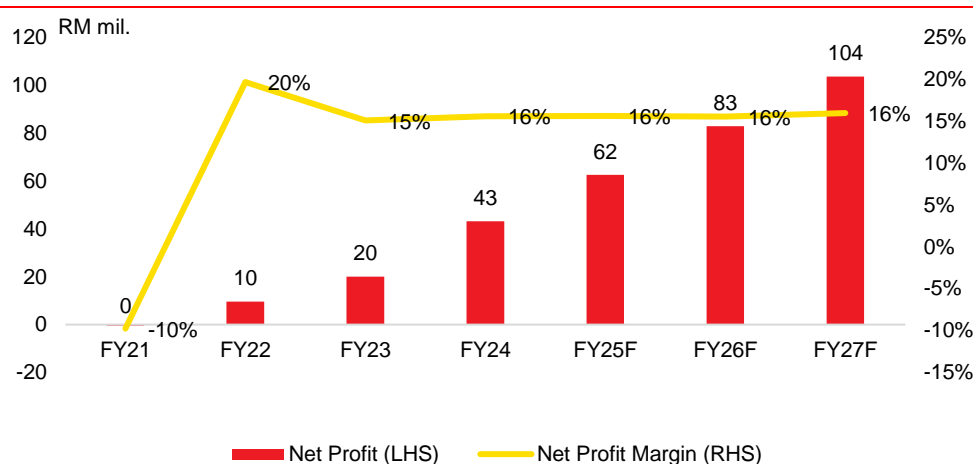
Source: AmlInvestment Bank

The group's gross margin is projected to experience a slight increase from FY25 to FY27, driven by the growing contribution of the higher margin packaged foods segment. Lastly, we expect Paradise Oriental Joint Venture to open 6 new stores internationally and contribute RM2.7 mil to Oriental Kopi's net profit by FY27.

Oriental Kopi's earnings are expected to grow at CAGR of 32% from FY24-FY27, driven by its store expansion plan domestically and regionally as well as the growth in the consumer brand packaged foods.

The group saw a significant turnaround from loss making in the first year of operation to profitable in the subsequent years. In FY22, Oriental Kopi garnered core net profit of RM9.6 mil before growing to RM20.2 mil in FY23 and further to RM44.9 mil in FY24. Net profit margin stabilised around 15%–16% in the past three years, indicating steady profitability amid growing revenue. The stability in net profit reflects improved operational efficiency and successful expansion of revenue streams.

EXHIBIT 4: NET PROFIT PERFORMANCE



Source: AmlInvestment Bank

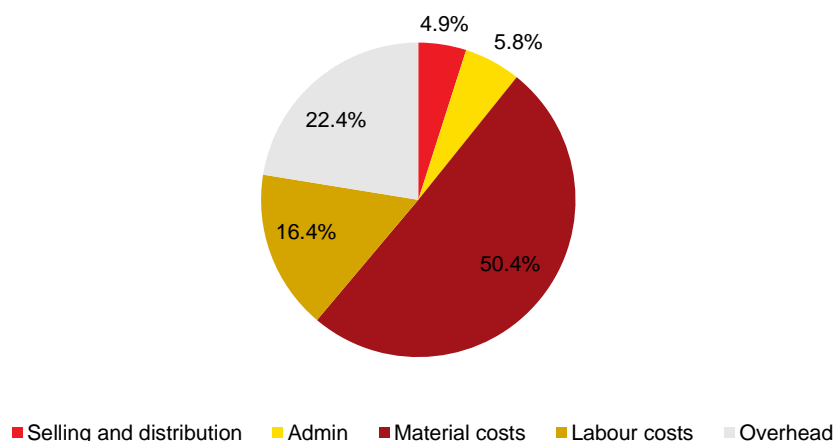
Cost breakdown

Material costs constituted the largest component of Oriental Kopi's cost of sales, accounting for 56.5% of its total cost of goods sold and 50.4% of its total operating cost for FY24. Material costs for F&B services include ingredients for cooking, such as ready-to-cook meat and seafood, bakery products, vegetables, culinary paste, sauces and syrups, food seasonings, spices and toppings, eggs, rice and noodles, whipping cream, and dairy products. Beverage ingredients include coffee and tea, fruit pastes and syrups, beverage toppings, dessert ingredients, and soft drinks. Other material costs include packaging materials. For its packaged foods, material costs include finished goods such as packaged coffee and tea, spreads, sauces, instant noodles, pastries, and seasonal packaged foods like mooncakes.

Overhead costs accounted for 25.1% of Oriental Kopi's total cost of goods sold and 22.4% of its total operating cost for FY24. Overhead costs mainly consist of utility expenses, rental expenses (including variable lease payments and depreciation of right-of-use assets), depreciation of property, plant, and equipment (PPE), and upkeep of PPE related to café chain operations. Labour costs accounted for 18.4% of its total cost of goods sold and 16.4% of its total operating cost for FY24. Labour costs include salaries and wages, allowances, bonuses, and other employee-related expenses for café workers.

Administrative expenses accounted for 5.8% of Oriental Kopi's total operating cost for FY24, with professional fees constituting 28% and staff costs making up 26%. Selling and distribution expenses accounted for 4.9% of its total operating expenses, of which 43% was spent on food delivery commissions and 22% on marketing expenses.

EXHIBIT 5: COST BREAKDOWN FOR FY24

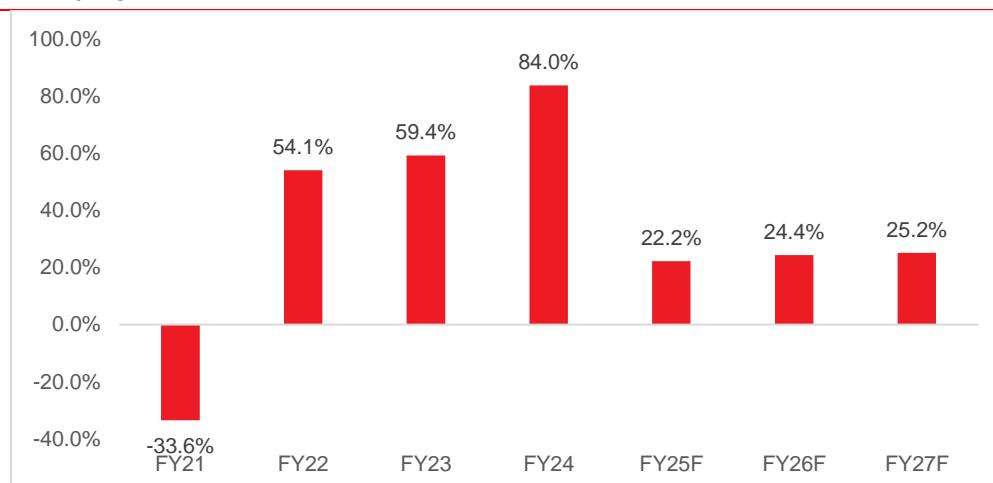


Source: Company

Impressive ROE due to healthy payback period

Oriental Kopi's return on equity (ROE) stands at a staggering 84% in FY24 and has averaged 41% over the past 4 years, which is attributed to the strong average revenue per store and healthy payback period of 10-12 months. This has enabled the company to generate substantial operating cash flow, more than enough to fund their capital expenditure and working capital needs.

EXHIBIT 6: ROE

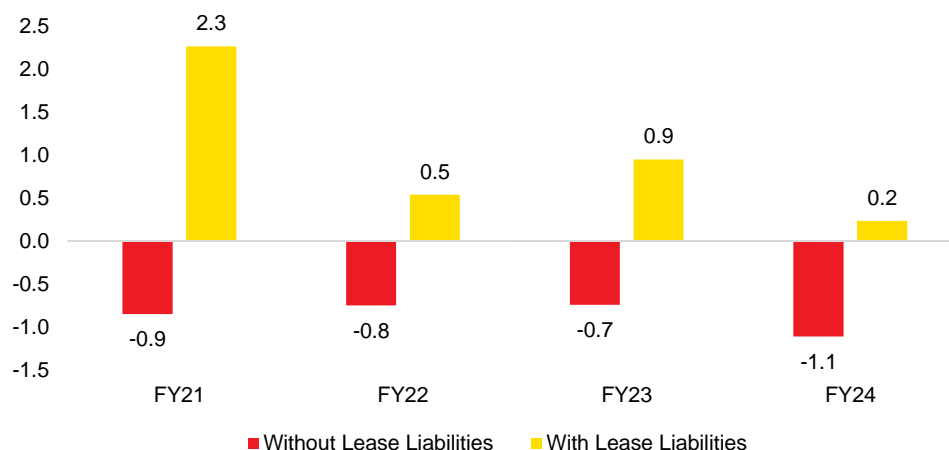


Source: AmlInvestment Bank

Sturdy balance sheet with zero debt

Balance sheet is sturdy with zero debt, supported by strong free cash flow generation and low working capital requirements. When lease liabilities are included, the net gearing ratio improved significantly from 2.3x in FY21 to 0.2x in FY24, demonstrating the company's robust financial position and disciplined capital management.

EXHIBIT 7: HISTORICAL NET GEARING (X)



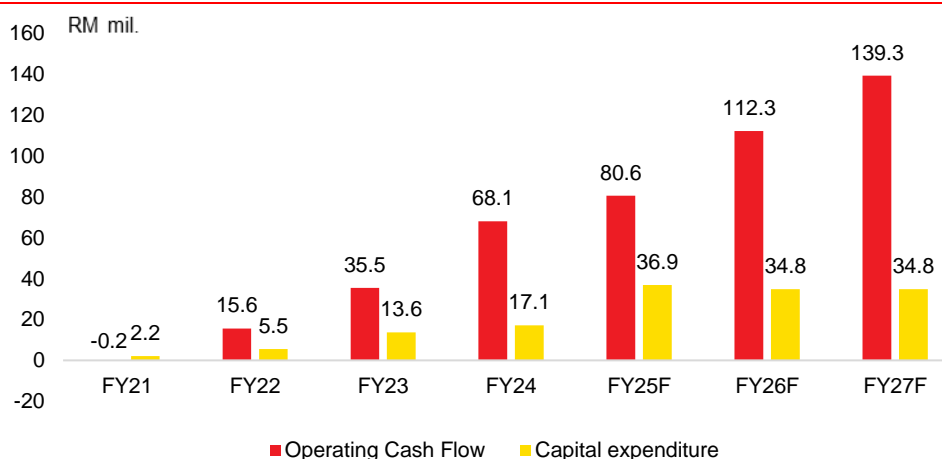
Source: Company

High dividend potential due to strong cash flow

Oriental Kopi's operating cash flow is more than sufficient to fund its required capital expenditure. We estimate capital expenditure requirements of approximately RM40 million per year from FY25 to FY27, based on management's guidance of using RM54 million for the new operational facility from the IPO proceeds, RM2.5–2.8 mil capex per café and RM0.5 mil per specialty retail store.

Given the substantial cash flow, there is potential for further dividend upside beyond management's current guidance of a 30% payout, which translates to yields of 2.1% to 3.6% from FY25 to FY27. To note, the FCF yield is expected to be 5.0% to 11.9% from FY25 to FY27.

EXHIBIT 8: OPERATING CASH FLOW AND CAPITAL EXPENDITURE (FY21-FY27F)



Source: AmlInvestment Bank

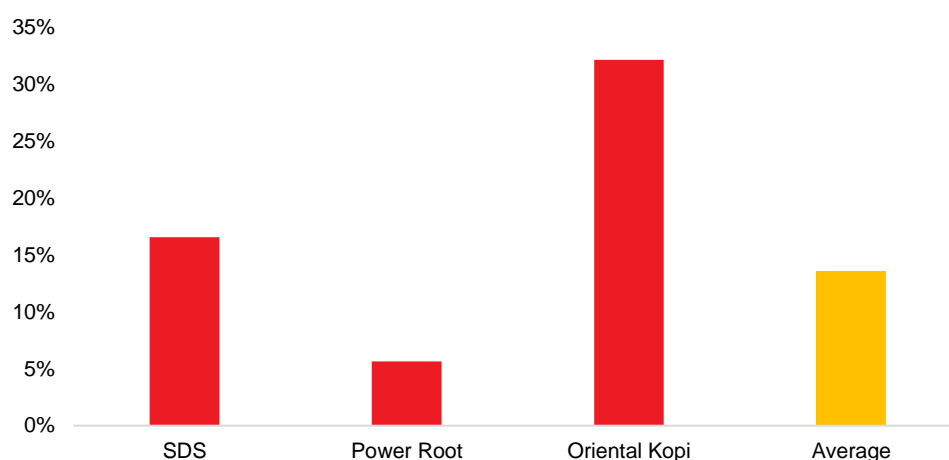
Valuation and recommendation

We initiate coverage on Oriental Kopi Holdings Berhad (Oriental Kopi) with BUY recommendation at a target price of RM0.70/share, pegged to CY26 PE of 16x. The target PE of 16x is in line with the 5Y historical median forward PE for Bursa Malaysia Consumer Product Index but 1SD above the 5Y historical average forward PE for their closest peers in Malaysia (SDS, Power Root and Oldtown throughout their listing from 2011 to 2018) due to its more superior growth prospect.

We believe it is fair to compare Oriental Kopi with local restaurant operators Oldtown and SDS, as well as beverage coffee manufacturer Power Root as the Oriental Kopi is involved in both café operation and sale of consumer branded packaged foods.

We decided to use 1SD above the mean as Oriental Kopi's net profit is expected to grow at 32% CAGR from FY24 to FY27, much higher than its peers average of 14%.

EXHIBIT 9: FY24-FY27F NET PROFIT CAGR



Source: AmlInvestment Bank, Companies

EXHIBIT 10: VALUATIONS

Target PE (x)	16x
CY26 EPS	4.4sen
ESG premium	-
12-month target price	RM0.70

Source: AmlInvestment Bank

Investment risks

Changes in consumer preferences

As a consumer-based product and service provider, Oriental Kopi faces the risk of negative actions and changes in consumer behavior, trends, and brand preferences. The demand for F&B services is dependent on discretionary spending, as consumers have the option of eating at home.

Therefore, the sustainability and success of Oriental Kopi's business rely on its ability to consistently adapt to changing consumer behavior, trends, and brand preferences, supported by its brand equity. Additionally, the barriers to entry in the F&B services industry are low, as demonstrated by the large number of operators—27,448 food premises were registered with the Ministry of Health (MoH) in Malaysia in 2023, of which 23,681 were food outlet premises.

Store cannibalisation risk

Sales at the Bandar Puteri Puchong café declined by 13% in FY24, primarily due to the availability and commencement of other Oriental Kopi cafes in the same state, which diluted sales in the region. With the planned doubling of stores over the next two years, there is a risk of further store cannibalisation, where outlets compete for the same customer base, potentially lowering per-store sales. Additionally, shorter queues may reduce the sense of exclusivity that has contributed to the brand's "scarcity" demand, potentially impacting brand perception and same-store sales growth.

Product recipe risk

The business is highly dependent on the Managing Director, Executive Directors, key senior management, and its Head Chef, Ho Poh Chian, who plays a crucial role in research and development (R&D) activities. Thus, the departure of a key senior management could potentially lead to detrimental changes to Oriental Kopi's recipes and impact product quality. Additionally, there is a risk that the company's recipes for both its café menu items and branded packaged foods may be copied by competitors.

While taste is subjective, the availability of similar-tasting products from competitors could result in a loss of market share and competitive advantage. Oriental Kopi engages third-party suppliers for ready-to-eat, ready-to-mix/blend, and ready-to-cook products and conducts product development and taste tests in collaboration with these suppliers. Despite implementing safeguards, such as limiting recipe access to certain personnel and suppliers, there is no assurance that copied products will not negatively affect the company's operations and financial performance.

Inflationary pressures and cost increases

Retail businesses, including Oriental Kopi, are sensitive to inflationary pressures, which impact the cost of goods and services, as the company's gross profit margin stands at only 30%. Between 2021 and 2023, the CPI for food away from home increased at a higher CAGR of 6.7% compared to food at home, which increased at a CAGR of 4.4% over the same period, potentially affecting retail sales. As management mentioned during the IPO briefing that their wages are already above RM1700, coupled with the fact that labour cost only accounts for 16.4% of their total operating cost, we believe Oriental Kopi will not have a material direct impact from the minimum wage.

Besides, inflationary pressure may arise from the cost of goods, such as food products, ingredients, and consumables, as well as indirectly from increased costs related to utilities, fuel, logistics, rental, and labour. Additionally, coffee beans, a key ingredient in Oriental Kopi's coffee powder and packaged coffee products, are subject to price fluctuations as they are agricultural commodities traded globally.

Board of directors and key management

Dato' Chan Jian Chern, 42, is a Promoter, Specified Shareholder, substantial shareholder, and Managing Director of Oriental Kopi. He was appointed to the Board on 23 February 2024. He began his career in mobile phone retail in 1999, founding multiple businesses before transitioning to the F&B sector in 2018 as co-founder of the "Black Whale" bubble tea chain. Since co-founding Oriental Kopi Group, he oversees corporate strategy, branding, and packaged food distribution.

Chan Yen Min, 33, is a Promoter, substantial shareholder, and Executive Director of Oriental Kopi. She holds a Bachelor of Engineering (Honours) in Chemical Engineering from Taylor's University. She began her career at Yokogawa Electric and later joined Petron Malaysia as an Industrial Fuels Territory Manager. In 2018, she co-founded the "Black Whale" bubble tea chain with Dato' Chan. In 2020, she co-founded Oriental Kopi Group, where she oversees finance, procurement, HR, and administration.

Koay Song Leng, 34, is a Promoter, substantial shareholder, and Executive Director of Oriental Kopi, appointed to the Board on 23 February 2024. He holds a Bachelor of Engineering (Honours) in Mechanical Engineering from Taylor's University. He began his career with Foster Asia Pacific and later worked at Grundfos (Singapore), where he was promoted to Business Development Specialist in 2018. In 2019, he joined the "Black Whale" bubble tea chain, managing warehousing, logistics, and outlet expansion. In 2020, he co-founded Oriental Kopi Group, overseeing retail outlet management and logistics.

Goh Ting Keong, 52, is the CFO of Oriental Kopi, was appointed in 2023. He holds a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College and is a member of ACCA, MIA, and the Malaysian Institute of Chartered Secretaries and Administrators. He also holds an MBA from Universiti Utara Malaysia. With over 27 years of audit and financial experience, he has held key roles in various companies, including Lean Kee Chan Sdn Bhd and GKY Machinery. In 2016, he founded Bizway Management Services, which he exited in 2024 to focus on Oriental Kopi. He currently oversees the Group's financial management, cashflow, ERP implementation, and internal controls.

Ho Poh Chian, 46, is the Head Chef of Oriental Kopi appointed since its 2020. He began his culinary career in 1995 with Bao Bao Seafood in Singapore and later established Restaurant Man Xiang in Muar, Malaysia, in 1998. He gained 10 years of experience leading culinary teams as a chef at Golden Caffe Cafe in Singapore. In 2016, he set up New York Café in Johor Bahru, where he oversaw compliance with food regulations and quality standards. In 2017, he founded HT Kitchen under H3T Holdings. As Head Chef, he manages kitchen operations, ensures food quality, and leads menu research and development.

Family Relationships Among Key Management. Dato' Chan Jian Chern, the Managing Director, and Chan Yen Min, the Executive Director, are siblings and both serve as Promoters, Specified Shareholders, and substantial shareholders of Oriental Kopi. Chan Yen Min is married to Koay Song Leng, the Executive Director, making him the brother-in-law of Dato' Chan Jian Chern. Both Chan Yen Min and Koay Song Leng are also Promoters, Specified Shareholders, and substantial shareholders. Koay Chor Leng, the Retail Operation Manager, is the sister of Koay Song Leng and sister-in-law to Chan Yen Min, and she is also a Specified Shareholder. Additionally, Chan Wei Jet, the Business Development and FMCG Manager, is a cousin of Dato' Chan Jian Chern and Chan Yen Min.

EXHIBIT 11: ESG RATING

	Environmental assessment	Parameters	Weightage	Rating				Rationale
1	Carbon emissions	45% CO2 reduction by 2030	50%	*	*	*		
2	Minimise waste generation	recycling rate	50%	*	*	*		Mall management treats this organic food waste to produce fertiliser.
	Weighted score for environmental assessment		100%	*	*	*		
	Social assessment							
1	Employee turnover	No of workforce changes	20%	*	*	*		
2	Health, safety & well-being	Lost time incident rate	20%	*	*	*		
3	Women in workforce	% of total workforce	20%	*	*	*		42.9% of Board members in FY24
4	Investment in employee training	Adoptions	20%	*	*	*		
5	CSR programmes	Donations	20%	*	*	*		RM1.2mil in FY24
	Weighted score for social assessment		100%	*	*	*		
	Governance assessment							
1	Board age diversity	% under 50 years old	15%	*	*	*	*	71.4% in FY24
2	Board women representation	% of total board directors	15%	*	*	*	*	42.9% in FY24
3	Directors with tenure below 6 years	% below 6 years category	15%	*	*	*		100% in FY24, but the company was only founded in 2021.
4	Independent board directors	% of total board directors	15%	*	*	*	*	57.1% are independent non-exec
5	Remuneration to directors	% of total staff costs	20%	*	*	*		RM1.1mil in FY24
6	Corruption investigations	Confirmed incidents	20%	*	*	*		0 in FY24
	Weighted score for governance assessment		100%	*	*	*	*	
	Environmental score		40%	*	*	*		
	Social score		30%	*	*	*		
	Governance score		30%	*	*	*	*	
	Overall ESG Score		100%	*	*	*		

Source: AmlInvestment Bank Bhd

EXHIBIT 12: FINANCIAL DATA

Income Statement (RMmil, YE 30 Sep)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	133.0	277.3	400.3	533.5	648.8
EBITDA	39.5	78.6	105.0	141.7	174.2
Depreciation/Amortisation	(10.5)	(19.3)	(19.8)	(28.8)	(34.8)
Operating income (EBIT)	29.0	59.3	85.2	112.9	139.4
Other income & associates	0.2	0.6	1.5	1.5	1.5
Net interest	(1.5)	(2.4)	(5.0)	(7.1)	(8.3)
Exceptional items	-	-	-	-	-
Pretax profit	27.5	57.5	82.2	108.9	136.3
Taxation	(7.4)	(14.4)	(19.7)	(26.1)	(32.7)
Minorities/pref dividends	-	-	-	-	-
Net profit	20.0	43.1	62.5	82.8	103.6
Core net profit	20.2	44.9	62.5	82.8	103.6
Balance Sheet (RMmil, YE 30 Sep)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	74.4	100.4	149.1	182.1	209.2
Intangible assets	-	-	-	-	-
Other long-term assets	-	1.2	1.2	1.2	1.2
Total non-current assets	74.4	101.6	150.3	183.3	210.4
Cash & equivalent	25.2	59.4	266.3	307.0	363.4
Stock	2.1	6.9	6.1	11.3	9.8
Trade debtors	9.0	13.3	15.9	15.8	18.0
Other current assets	-	0.2	0.2	0.2	0.2
Total current assets	36.3	79.8	288.5	334.2	391.4
Trade creditors	9.9	39.8	39.4	43.5	42.5
Short-term borrowings	-	-	-	-	-
Other current liabilities	17.3	26.2	32.2	35.6	38.1
Total current liabilities	27.2	66.1	71.6	79.1	80.6
Long-term borrowings	-	-	-	-	-
Other long-term liabilities	49.6	61.9	86.0	99.3	109.5
Total long-term liabilities	49.6	61.9	86.0	99.3	109.5
Shareholders' funds	34.0	53.5	281.2	339.2	411.7
Minority interests	-	-	-	-	-
BV/share (RM)	0.02	0.03	0.14	0.17	0.21
Cash Flow (RMmil, YE 30 Sep)	FY23	FY24	FY25F	FY26F	FY27F
Pretax profit	27.5	57.5	82.2	108.9	136.3
Depreciation/Amortisation	10.5	19.3	19.8	28.8	34.8
Net change in working capital	37.2	79.5	103.2	144.7	178.5
Others	(39.6)	(88.3)	(124.6)	(170.1)	(210.3)
Cash flow from operations	35.5	68.1	80.6	112.3	139.3
Capital expenditure	(13.6)	(17.1)	(22.0)	(22.1)	(22.1)
Net investments & sale of fixed assets	-	(0.1)	-	-	-
Others	1.5	-	(0.5)	(1.6)	(2.7)
Cash flow from investing	(12.2)	(17.2)	(22.6)	(23.7)	(24.8)
Debt raised/(repaid)	(0.5)	-	-	-	-
Equity raised/(repaid)	4.3	0.4	184.0	-	-
Dividends paid	(8.0)	(3.0)	(18.7)	(24.8)	(31.1)
Others	(7.6)	(14.1)	(16.3)	(23.2)	(27.0)
Cash flow from financing	(11.8)	(16.7)	148.9	(48.0)	(58.0)
Net cash flow	11.5	34.2	206.9	40.6	56.5
Net cash/(debt) b/f	13.3	24.8	59.4	266.3	307.0
Net cash/(debt) c/f	25.2	59.4	266.3	307.0	363.4
Key Ratios (YE 30 Sep)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	173.4	108.5	44.4	33.3	21.6
EBITDA growth (%)	153.2	99.2	33.6	35.0	22.9
Pretax margin (%)	20.6	20.7	20.5	20.4	21.0
Net profit margin (%)	15.1	15.6	15.6	15.5	16.0
Interest cover (x)	18.9	25.2	16.9	15.8	16.8
Effective tax rate (%)	27.1	25.0	24.0	24.0	24.0
Dividend payout (%)	40.0	7.0	30.0	30.0	30.0
Debtors turnover (days)	7	7	7	7	7
Stock turnover (days)	8	8	8	8	8
Creditors turnover (days)	4	3	3	3	3

Source: Company, AmlInvestment Bank Bhd estimates

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