

CAB Cakaran Corporation Berhad

Teaming Up with Oiltek on Palm-Based Feed Ingredients

Newsbreak

- CAB Cakaran Corporation Berhad (CAB) announced that it has signed a non-binding Memorandum of Understanding (MOU) with Oiltek Global Pte Ltd (Oiltek), a wholly-owned subsidiary of SGX-ST Mainboard-listed Oiltek International Limited, to explore a joint venture (JV) in Malaysia to develop premium animal feed ingredients from palm oil-derived products. Both parties will evaluate the feasibility of the collaboration, including product development, processing technologies and the JV framework. The MOU remains subject to definitive agreements and the necessary approvals, with no investment cost, equity structure or timeline disclosed.
 - The collaboration pairs CAB's 50 years of poultry farming experience with Oiltek's 45-year track record in palm oil processing technology, backed by eight proprietary process technology patents. The JV aims to convert palm-derived products into feed ingredients with improved nutritional quality, digestibility and commercial value. CAB brings a ready market via CAB Feed Sdn Bhd (formerly Cargill Feed), acquired on 28 November 2025, which operates four feed mills in Westport, Butterworth, Melaka and Sabah.
- M+ Global View**
- We view the MOU as a logical next step in CAB's move upstream following the CAB Feed acquisition, extending the Group from feed milling into feed ingredients. Locally sourced palm-derived ingredients could partially reduce CAB's reliance on imported corn and soybean meal, which remain exposed to USD and geopolitical-driven price volatility.
 - Partnering with Oiltek allows CAB to tap proven processing know-how without developing the technology in-house, while premium feed ingredients could also be sold to third-party feed millers. Nonetheless, we remain cautious as the MOU is non-binding and at an early stage, with product scope, capex and JV structure yet to be defined. Given the Salim JV Phase 1 delay, we would await a definitive agreement before ascribing any value.

Valuation & Recommendation

- Forecast.** Pending further clarification from management on the JV investment cost, equity structure and funding as the MOU progresses, we maintain our FY26f-28f core PAT forecasts of RM95.4m/RM101.6m/RM104.3m.
- Valuations.** We maintain our Buy recommendation for CAB with an unchanged TP of RM0.72, implying a potential upside of 22.0% from the current share price of RM0.59. The target price is derived based on a P/E ratio of 5.0x pegged to FY27f EPS of 14.47 sen.

Company update

Kieran Lim
kieranlim@msec.com.my
 (603) 2201 2100

BUY

Share price	RM0.590
Target price	RM0.720
Previous TP	RM0.720
Capital upside	22.0%
Dividend return	-
Total return	22.0%

Company profile

CAB Cakaran Corporation Berhad operates across the full value chain from breeding and broiler farming to slaughtering, processing and value-added production, supported by its supermarket and Kyros Kebab retail businesses.

Stock information

Bursa Code	7174
Bloomberg ticker	CAB MK
Listing market	MAIN
Share issued (m)	701.9
Market Cap (m)	414.1
52W High/Low	0.885-0.495
Est. Free float (%)	22.5
Beta (x)	0.6
3-mth avg vol ('000)	839.3
Shariah compliant	YES

Major shareholders

	%
Chuah Ah Bee	45.9
Chan Kim Keow	17.6
Plant Wealth Holdings	15.2

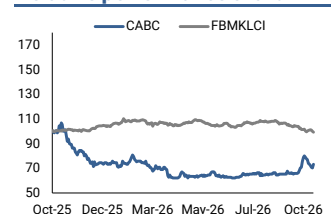
Share price vs. KLCI (%)

	1M	3M	12M
Hist. return	11.3	12.4	-26.7
Absolute	16.2	21.3	-26.2
Relative			

Earnings snapshot

FYE (Sep)	FY25	FY26f	FY27f
PAT (m)	90.7	95.4	101.6
EPS (sen)	12.9	13.6	14.5
P/E (x)	4.6	4.3	4.1

Relative performance chart



Financial Forecast

All items in (RM m) unless otherwise stated

Balance Sheet

FYE Sep (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Cash	74	94	19	88	199
Receivables	241	225	259	272	278
Inventories	101	88	105	110	113
PPE	668	693	671	659	649
Others	475	521	521	521	521
Assets	1,559	1,621	1,575	1,651	1,760
Debts	360	324	307	306	304
Payables	252	247	278	291	298
Others	86	91	91	91	91
Liabilities	698	661	676	688	693
Shareholder's equity	683	766	861	963	1,067
Minority interest	178	194	-	-	-
Equity	861	960	861	963	1,067

Cash Flow Statement

FYE Sep (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Profit before taxation	132	150	149	159	163
Depreciation & amortis	58	59	64	67	70
Changes in working cap	(8)	23	(21)	(4)	(2)
Share of JV profits	(2)	(3)	(3)	(3)	(3)
Taxation	(38)	(42)	(35)	(37)	(39)
Others	18	(26)	-	-	-
Operating cash flow	159	162	155	181	190
Net capex	(56)	(77)	(50)	(55)	(60)
Others	(2)	5	-	-	-
Investing cash flow	(58)	(72)	(50)	(55)	(60)
Changes in borrowings	(50)	(36)	(16)	(2)	(2)
Issuance of shares	-	(0)	-	-	-
Dividends paid	(1)	(10)	-	-	-
Others	(23)	(13)	-	-	-
Financing cash flow	(74)	(59)	(16)	(2)	(2)
Net cash flow	26	32	(75)	69	110
Forex	(3)	0	-	-	-
Others	(45)	(12)	-	-	-
Beginning cash	96	74	94	19	88
Ending cash	74	94	19	88	199

Source: M+ Research

Income Statement

FYE Sep (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	2,297	2,306	2,567	2,693	2,752
EBITDA	203	219	221	234	241
EBIT	145	160	158	167	171
Net finance income/ (co)	(15)	(13)	(11)	(11)	(11)
Associates & JV	2	3	3	3	3
Profit before tax	132	150	149	159	163
Tax	(38)	(42)	(35)	(37)	(39)
Net profit	93	108	114	121	125
Minority interest	(18)	(18)	(18)	(20)	(20)
Core earnings	75	91	95	102	104
Exceptional items	-	-	-	-	-
Reported earnings	75	91	95	102	104

Valuation & Ratios

FYE Sep (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Core EPS (sen)	10.8	12.9	13.6	14.5	14.9
P/E (x)	5.5	4.6	4.3	4.1	4.0
EV/EBITDA (x)	0.7	0.7	0.7	0.6	0.6
DPS (sen)	0.2	1.4	-	-	-
Dividend yield	0.3%	2.4%	0.0%	0.0%	0.0%
BVPS (RM)	0.97	1.09	1.23	1.37	1.52
P/B (x)	0.6	0.5	0.5	0.4	0.4
EBITDA margin	8.8%	9.5%	8.6%	8.7%	8.8%
EBIT margin	6.3%	6.9%	6.1%	6.2%	6.2%
PBT margin	5.7%	6.5%	5.8%	5.9%	5.9%
Net margin	3.3%	3.9%	3.7%	3.8%	3.8%
ROE	11.7%	12.5%	11.7%	11.1%	10.3%
ROA	4.9%	5.7%	6.0%	6.3%	6.1%
Net gearing	41.8%	30.0%	33.5%	22.6%	9.9%

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(a) nil.

Stock recommendation guide

BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned



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