

Company Name : Teo Seng Capital Berhad  
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## Teo Seng Capital Faces Margin Pressure From Costs, Subsidy Removal



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KUALA LUMPUR: Teo Seng Capital Bhd is likely to see margin pressure from higher costs for raw material and transportation due to higher oil prices.

The company's first-quarter core net profit declined 63.4 per cent year-on-year to RM15 million, weighed by the full removal of government egg subsidies effective August 2025.

Public Investment Bank Bhd (PublicInvest Research) said the results fell short of both the firm's and consensus estimates, coming in at only 14 per cent and 18 per cent of full-year forecasts, respectively.

The firm revised downward its earnings forecasts for the company by 25 per cent, 16 per cent and nine per cent for financial year 2026 (FY26), FY27 and FY28, respectively.

The firm also cut its dividend per share assumptions for the company by 33 per cent, 17 per cent and eight per cent, accordingly.

"We forecast earnings to contract approximately 44 per cent in FY26, largely dragged by the subsidy removal, before recovering 22 per cent in FY27.

"The recovery is expected to be driven by the group's downstream diversification into higher-margin products, a strengthening ringgit, and management's cost discipline," it said.

PublicInvest maintained its "Neutral" call on the stock with a lower target price of 91 sen.