

Company Name : Teo Seng Capital Berhad  
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## Teo Seng Slips After Posting Weaker-Than-Expected 1Q, Analysts Divided



KUALA LUMPUR (May 13): Teo Seng Capital Bhd (KL:TEOSEN) slipped to a one-month low on Wednesday after reporting a weaker-than-expected first-quarter.

The only two research houses covering the poultry firm are divided in their outlook. Public Investment Bank expects Teo Seng's earnings to contract about 44% in 2026 largely dragged by the subsidy removal, before recovering with a 22% growth in 2027 as egg demand stays resilient.

“We think that the elevated oil prices and rising feed cost could result in a contraction in Teo Seng’s profit margins,” Public Investment said and kept its ‘neutral’ recommendation for the stock.

Shares of Teo Seng fell 2.5 sen or nearly 3% in its third straight day of decline to 87.5 sen, its lowest since April 13. The stock has lost more than 9% of its market value so far this year to RM525 million on Wednesday.

An ongoing conflict in the Middle East now in its third month has raised prices of oil and freight as well as choking off global flow of key commodities including grains crucial as animal feed.



Mercury Securities, which maintained its 'buy' rating on the stock, said Teo Seng's results were broadly in line with expectations as earnings comparisons were distorted by the removal of government subsidies.

"We expect the group to remain resilient, supported by sustained demand for eggs in both Malaysia and Singapore, stable ringgit currency as well as its ongoing diversification into higher-margin downstream products such as egg mayo, liquid eggs and hardboiled eggs," the research house said.

Further, Teo Seng had already purchased forward contracts, insulating the company from volatility in feed prices through the first half of 2026 amid disruptions to global shipping, Mercury Securities noted.