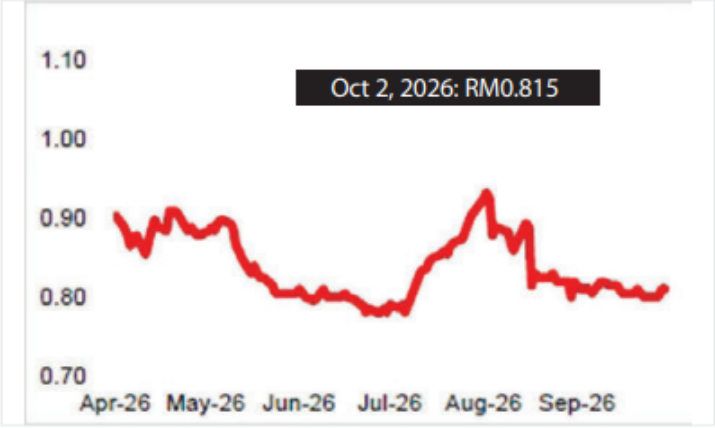
Company Name : **Teo Seng Capital Berhad**
Date : **05 October 2026**
Source : **The Sun Daily**

Teo Seng Capital Bhd

Neutral. Target price: RM0.81



Source: PublicInvest Research

WE met with management recently and gathered that there are early signs of egg price recovery, as the oversupply situation gradually returns to equilibrium post subsidy removal. Supply tightening is driven by the exit of layer farms that were not able to convert from open-air to closed-house systems. In addition, the challenging weather conditions e.g. hot temperatures and air pollution from the haze have resulted in reduced egg size and volume. With the worst appears to be over, we lift our FY26-28F earnings forecasts by an average of 29%, reflecting a recovery of egg prices. The animal health segment is also expected to provide some net profit support, complementing the cyclical nature of the egg business.

Revenue remained flat YoY at RM171.4m, as lower sales volume was offset by stable average selling prices. Core PATAMI collapsed 83.5% YoY to RM6.9m following the full removal of the government egg subsidy, dragging core net profit margin down by 20.6ppts YoY to 4%. Malaysia's egg market has historically swung between extremes, from a Covid-era glut in 2020 that crashed farm-gate prices by 38%, to a shortage in 2022, and back to oversupply by 2026 as production of 16.7bn eggs outpaced yearly consumption of approximately 11.6bn following the subsidy removal in August 2025.

We believe the early signs of egg price recovery are encouraging, supported by supply tightening from farm exits and adverse weather conditions, while inelastic egg demand provides a degree of earnings floor. The risk of an El Nino-driven spike in wheat and soy meal prices (which constitute approximately 70% of egg production costs) remains a key downside risk and could offset any benefit from higher egg prices.

We upgrade our rating to Neutral with a higher TP of RM0.81.

- ***PublicInvest Research, Oct 2***