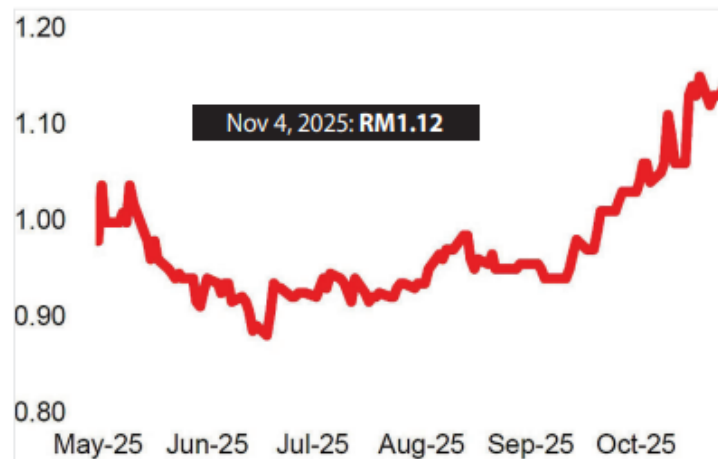


Company Name : Teo Seng Capital Berhad
Date : 05 November 2025
Source : The Sun Daily

Teo Seng Capital Bhd

Neutral. Target price: RM1.05



Source: PublicInvest Research

TEO SENG Capital Bhd (Teo Seng) is one of the largest egg producers in Malaysia, having the capacity to produce 4.5 million eggs/day. With an ample experience for over 40 years in the industry, the group has developed into a fully integrated layer farming business, supported by complementary divisions to ensure its quality. Teo Seng's earnings recorded an impressive 4-year compound annual growth rate (CAGR) of 157% for FY20-24, mainly due to improved operational efficiencies and government grants.

Looking ahead, while we expect earnings for FY25-26F to decline by an average of 20% due to the absence of government subsidy, we take comfort in Teo Seng's ongoing initiatives to enhance operational efficiency, which should help to mitigate the impact of subsidy removal. Additionally, we foresee rising egg demand, on the back of steady population growth in Malaysia and Singapore.

Teo Seng recorded a strong 4-year CAGR core net profit growth of 157% in FY20-24, driven by increase in egg production volume from 4m/day to 4.5m/day and lower imported feed cost due to ringgit appreciation. Teo Seng's earnings was further fuelled by government subsidy where the group received RM91 million in FY24.

We project Teo Seng's earnings to contract by an average of 20% over FY25-26, mainly to reflect the impact of the government's complete removal of egg subsidies effective Aug 1. Nonetheless, we anticipate a 5% YoY earnings recovery in FY27, driven by stronger egg demand and margin expansion from ongoing operational efficiency.

Neutral with RM1.05 TP. – **PublicInvest Research, Nov 4**