

Company Report

Paul Yap Ee Xing, CFA

paul.ee-xing@ambankgroup.com

+603 2036 2281

KAREX

(KAREX MK EQUITY, KAREX.MK)

09 Oct 2025

Largest condom maker in the world.

BUY

(Initiation)

Rationale for report: Initiation

Price	RM0.83
Target Price	RM1.05
52-week High/Low	RM1.09/RM0.68

Key Changes

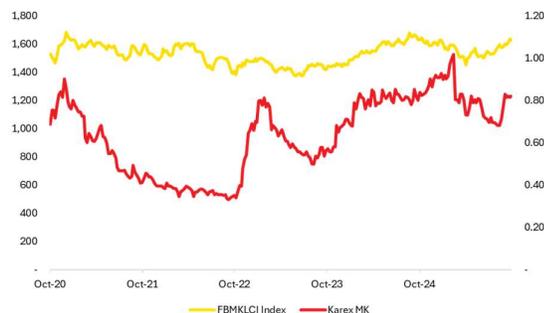
Target Price	↔
EPS	↔

YE to Jun	FY25	FY26F	FY27F	FY28F
Revenue (RM mil)	498.4	546.0	673.1	736.1
Core net profit (RM mil)	15.1	20.7	41.8	52.8
FD Core EPS (sen)	1.4	2.0	4.0	5.0
FD Core EPS growth (%)	(49.7)	37.1	102.1	26.2
Consensus Net Profit (RM mil)	-	31.5	37.0	71.0
DPS (sen)	1.0	1.0	2.0	2.5
PE (x)	4,178.4	42.0	20.8	16.5
EV/EBITDA (x)	29.5	14.5	10.7	9.2
Div yield (%)	1.2	1.2	2.4	3.1
ROE (%)	3.2	4.4	8.6	10.3
Net Gearing (%)	26.0	19.8	22.5	19.6

Stock and Financial Data

Shares Outstanding (million)	1,053.5
Market Cap (RMmil)	869.1
Book Value (RM/Share)	0.44
P/BV (x)	1.9
ROE (%)	-
Net Gearing (%)	26.0
Major Shareholders	Karex One Ltd (17.5%) BNP Paribas (16.9%) Maryen Holdings Limited (11.5%)
Free Float	27.6
Avg Daily Value (RMmil)	0.2

Price performance	3mth	6mth	12mth
Absolute (%)	15.4	1.9	1.9
Relative (%)	9.2	(6.5)	1.3



Investment Highlights

We initiate coverage on Karex Berhad (Karex) with a **BUY** recommendation and a target price of **RM1.05**, ascribing **23x** forward PE to CY27 EPS. Karex's net profit is expected to grow at a **4-year CAGR of 15%** over FY24-FY28F, to be driven by successful commercialisation of synthetic condoms which command higher gross margin than latex condoms and it will serve as an alternative to other non-latex condoms in the market with softer material and thinner than most of the existing non-latex condoms.

- Karex offer 27% upside with TP of RM1.05.** This is based on a target PE of 23x and CY27 EPS. Our target PE is in line with its 10 years median forward PE and its peers' 5 years mean PE. The valuation is justified due to its stronger growth prospect with the development of new product (i.e. synthetic rubber condom) that is expected to gain market share.
- Strong earnings growth to be driven by new synthetic condom.** We expect Karex's core net profit to grow at a CAGR of 15.2% over FY24-FY28F on the back of rising revenue from OEM and OBM segments while tender market will continue to see weakness moving forward (refer to Exhibit 4). The growth in OEM segment will be mainly driven by new product while OBM segment growth will be spurred by rising demand for premium products such as ONE brand in the US and Asia markets. In our projection, we expect tender market continues to be soft due to shift of government allocations from HIV prevention to other segments in the post-pandemic era.
- Game-changing new product innovation.** Karex's customer, Customer R, has launched the synthetic rubber condom in 18 countries in Europe and America. So far, the product has received positive response. Karex has fully installed six and lines and still in the midst of refining the product based on the customers' initial feedback. As compared to the existing polyisoprene (PI) and polyurethane (PU), this new synthetic rubber condom boasts with softer material and thinner than the existing non-latex condoms.
- Healthy balance sheet to support its expansion plan.** Karex's balance sheet is healthy with net gearing ratio of 0.26x as of FY25. Coupled with positive operating cashflows, we believe Karex has sufficient headroom to gear up for future expansion plan to cater to potential strong demand for its synthetic condom. As of end June 2025, Karex has fully installed six lines. The company plans to add 10 new lines every year, but the future expansion will depend on the market situation. The capex for each line is expected to be around RM1.5mil.

Executive Summary

Karex Berhad (Karex) is a Malaysian-based company renowned for being one of the largest manufacturers of condoms.

Founded in 1988, the company specialises in the production and distribution of latex-based products, including condoms, as well as other medical devices such as catheters. The products are sold under both its own brand and private labels for clients in various markets globally.

The company operates in the health and wellness sector, with its production facilities strategically located in Malaysia and Thailand. The company's production capacity is more than 5bil pieces of condoms per annum.

Strong earnings growth to be driven by new synthetic condom

We expect core net profit to grow at a CAGR of 15.2% over FY24-FY28 on the back of rising revenue from OEM and OBM segments while tender market will continue to see weakness moving forward (refer to Exhibit 4). The growth in OEM segment will be mainly driven by new product while OBM segment growth will be spurred by rising demand for premium products such as ONE brand in the US and Asia markets. In our projection, we expect tender market continues to be weak due to declining government allocations into HIV prevention in the post-pandemic era.

Game-changing new product

According to Grand View Research, latex condom constituted 88.4% of total market volume while the rest is made up by non-latex condoms namely, polyisoprene (PI) and polyurethane (PU).

Karex has developed a new product which is made of synthetic rubber material. This synthetic rubber material is allergen-free and has better durability, thermal conductivity, longer shelf life as well as more resistant to chemicals. This new product will offer a significant alternative to latex condoms, particularly for individuals seeking a latex-free option without compromising protection or comfort. This kind of innovation would be a major breakthrough, especially in expanding condom accessibility and meeting diverse consumer needs.

Healthy balance sheet to support its expansion plan

Balance sheet is healthy with net gearing ratio (excluding lease liabilities) of 0.26x as of FY25. Coupled with positive operating cashflows, we believe Karex has sufficient headroom to gear up for future expansion plan to cater to potential strong demand for its synthetic condom. As of end June 2025, Karex has fully installed six lines. The company plans to add 10 new lines every year, but the future expansion will depend on the market situation. The capex for each line is expected to be around RM1.5mil.

The stock offers huge upside potential with target price of RM1.05

We initiate coverage on Karex with a BUY recommendation and a target price of RM1.05, based on a target PE of 23x and CY27 EPS. Our target PE is in line with its median forward PE since listing and its peers' 5 years historical mean PE of 23.6x. The valuation is justified by its stronger growth prospect with the introduction of the new product that is expected to gain market share.

Industry Overview

Growing demand for condom

According to Grand View Research, the global condom market size was estimated at USD11.59bil in 2023 and is projected to reach USD20.73bil in 2030, growing at a CAGR of 8.72% from 2024 to 2030. The key drivers to the growth are

- i. the increasing focus on sexual health and the need to prevent sexual transmitted diseases,
- ii. presence of a well-educated population and greater awareness regarding birth control.

The key companies in the condom market include Reckitt Benckiser Group (UK), LifeStyles Healthcare Pte Ltd (Australia), Caution Wear Corp, Church & Dwight Co (US), Cupid Limited (India), ONE Condoms (US), Karex Berhad (Malaysia), Sagami Rubber Industries Co Ltd (Japan) and Okamoto Industries Inc (Japan).

Latex segment holds a leading position due to traditional usage

The market is segmented as latex and non-latex. The latex condom segment holds a major condom market share due to its traditional usage in making these rubber products due to its better stretchability and strength compared to non-latex material such as polyurethane.

However, certain adverse effects such as urinary infection, itching or pain in genital areas and other allergies caused by latex have shifted the consumer preference towards non-latex products.

Emergence of new designs and flavours to boost demand

In recent years, various developments have been witnessed within the condom category, notably in terms of material innovation, to meet the growing customers' demand for more comfortable condom and absence of allergens.

Business Overview

Largest condom maker in the world

Karex is the world's largest condom maker with the capacity to produce over 5 bil condoms annually. The company also manufactures other product such as personal lubricants, probe covers and foley balloon catheters. The firm is in compliant with various management systems such as ISO13485, ISO 14001, US FDA 21 CFR Part 820, Brazil RDC 16/2013 and GMP. With the necessary management systems in place, the group is able to export its products to over 130 countries globally.

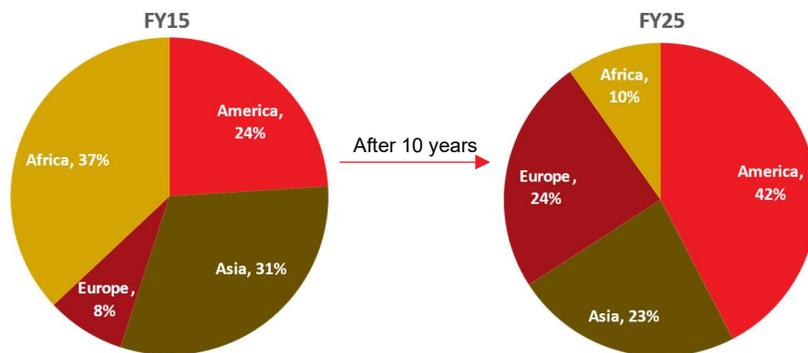
Karex operates three factories in Malaysia and one in Hat Yai, Thailand. The company manufactures condoms not only under its own brands but also services over 200 OEM clients, including well-known brands like Durex and Lifestyles. Karex's diverse portfolio comprises 5 key house brands, namely Carex, ONE, Trustex, MyONE and Pasante. Karex has tailored its branding to specific markets, with ONE brand catering to the premium markets, Pasante is aimed at UK customers while Carex is positioned for affordability in the Middle East and North African retail market.

Over the last 10 years, America market (including North and South America) has grown and become the largest revenue contributor, making up 42% of revenue in FY25, followed by 24% of FY25 revenue in Europe while Asia and Africa constituted 23% and 10% of FY25 revenue respectively (refer to Exhibit 1).

Karex breaks down its business into original brand manufacturing (OBM), tender market and commercial (comprising private labels and other brands, essentially original equipment manufacturer (OEM) (refer to Exhibit 4). Commercial segment has been the largest revenue contributor to the company, accounting for 68% of FY25 revenue. Revenue contribution from own brand (OBM) segment has grown to 18% in FY25 post the acquisition of ONE Brand from US-based Global Protection Corp and UK-based condom maker Pasante Healthcare Ltd. Meanwhile, tender business has been dwindling over the year as reduction in government and international bodies allocations into HIV prevention.

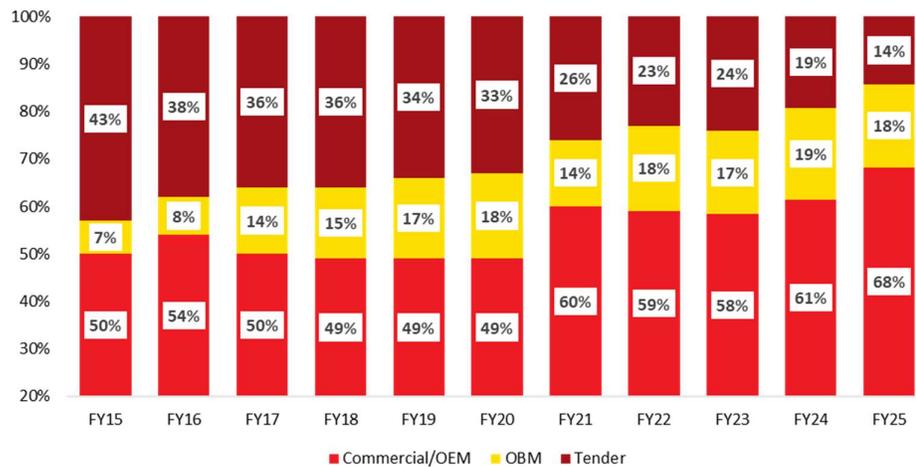
In terms of margins, gross profit margin for tender business has reduced significantly to high single digit from 25-30% in the past due to price competition in a shrinking market. Gross profit margin for commercial market is now at about 30% whereas OBM commands the highest gross profit margin in excess of 50%.

EXHIBIT 1: REVENUE SHARE BY GEOGRAPHICAL REGION



Source: Company

EXHIBIT 2: REVENUE SHARE BY MARKET SEGMENTS



Source: Company

Backed by its strong in-house engineering and R&D teams

To stay competitive in the current environment, Karex has been relying on its unique strengths such as its in-house engineering, and research and development teams. These unique strengths allow the firm to better adapt to new industry trends and differentiate themselves from the competition.

The company's value proposition is centered around the continuous enhancement of its proprietary systems and technologies, a key example being their efforts in machine fabrication.

Their in-house engineering team plays a pivotal role in designing and fabricating the machines used to develop and commercially produce synthetic condoms. This strategic decision not only gives the company full control over its production process but also enables significant cost savings by avoiding the high expenses associated with purchasing external machinery.

As a result, the company can redirect resources toward securing regulatory approvals and medical product certifications, reinforcing their commitment to both innovation and operational efficiency.

Research and development team intensified its efforts over the years to develop new product offerings, to meet evolving customer needs and market demands.

As the world's largest condom manufacturer, the group offers the widest selection of condom varieties from sizes, colours, textures, surfaces, shapes, flavours and fragrances.

Game-changing new product

Currently, there are two key non-latex condoms in the market namely polyurethane and polyisoprene condoms.

- i) Polyurethane is a synthetically created, non-allergenic plastic and is safe with all types of lubricants. Apart from that, polyurethane is also thinner than natural latex and users find that it conducts body heat better. However, PU condoms do not have the same stretchability as latex condoms and hence it may be more prone to breaking or slipping during intercourse.

Some examples of polyurethane condoms in the market are Trojan Supra Ultra Thin and Okamoto 0.01 Hydro.

- ii) Polyisoprene is a synthetic form of latex, which is made in a laboratory rather than natural rubber latex which is made of a tree. While polyisoprene condoms are more stretchy and more comfortable as compared to polyurethane condoms, it is slightly thicker than latex and polyurethane condoms. The condoms can be used with both water and silicone-based lubricants but not oil-based lubricants as oil-based lubricants can break down the condom and increase the risk of breakage.

Some examples of polyisoprene condoms are Durex RealFeel and SKYN Elite.

Karex has developed a new product which is made of synthetic rubber material. This synthetic rubber material is allergen-free and has better durability, thermal conductivity, longer shelf life as well as more resistant to chemicals.

This new product will offer a significant alternative to latex condoms, particularly for individuals seeking a latex-free option without compromising protection or comfort. This kind of innovation would be a major breakthrough, especially in expanding condom accessibility and meeting diverse consumer needs.

This new product has received US FDA and CE approval in 2024 which allows it to market the product in both Europe and the US. The product has been launched in 18 countries in both Europe and the US. We gather that the firm has filed patents for the manufacturing process for synthetic condoms in several countries namely, the US, China, Europe, France, Korea and Canada.

The key competitive advantages of this new product are: -

- Soft and stretchy but thinner than most of the existing products in the market.
- Thin with thickness only at 40 microns which is significantly thinner than the average condoms thickness of 65-70 microns.
- Conduct heat well and thus offers better sensation. However, the condom can only be used with silicone-based lubricant.

SWOT Analysis

Strengths	Weaknesses
<p>1) Global Scale & Market Leadership Karex is the world's largest condom manufacturer, producing over 5 billion pieces annually and exporting to more than 130 countries. This scale provides cost advantages, brand credibility, and bargaining power with suppliers and distributors.</p> <p>2) Diversified Product Portfolio Beyond condoms, Karex manufactures lubricants, medical gloves, catheters, and ultrasound probe covers, reducing reliance on a single product and tapping into broader healthcare and sexual wellness markets.</p> <p>3) Strong R&D and Innovation Capabilities Karex develops its own manufacturing machinery and continuously innovates products (ultra-thin, textured, flavoured, premium synthetic condoms). This agility helps it meet changing consumer preferences and differentiate from low-cost competitors.</p>	<p>1) Profitability Volatility Earnings have been inconsistent due to fluctuations in wages, raw material costs, forex rates, and logistics expenses. Despite scale, margins remain vulnerable to external shocks.</p> <p>2) Declining Tender Market About 14% of revenue coming from Tender market, mainly from governments and NGOs, which is price-sensitive and low margin. Although Karex is diversifying, declining tender market remains a drag on profitability.</p> <p>3) High dependency on external OEM contracts A significant portion of Karex's sales comes from OEM customers, which limits pricing power and makes the company vulnerable to changes in client demand or contract renewals.</p>

Opportunities	Threats
<p>1) Shift to Own-Brand & Premium Products Moving up the value chain with premium synthetic condoms, branded lubricants, and sexual wellness products allows Karex to capture higher margins and build stronger consumer loyalty.</p> <p>2) Rising Global Sexual Wellness Awareness Increasing education, urbanization, and openness about sexual health worldwide support long-term demand growth for contraceptives and related wellness products.</p> <p>3) Growth in Medical Device Segment Expanding into catheters, probe covers, and gloves leverages Karex's manufacturing expertise while diversifying into healthcare markets with higher entry barriers and stable demand.</p>	<p>1) Raw Material & Input Cost Volatility Latex, synthetic rubbers, energy, and freight costs are highly cyclical. Sudden spikes in input costs can erode margins, especially when tender pricing is fixed in advance.</p> <p>2) Intense Competition from Low-Cost Manufacturers Competitors in Asia and other emerging markets can undercut pricing in both tender and commercial segments, forcing Karex to defend share at the expense of profitability.</p> <p>3) Regulatory and Cultural Challenges Strict medical regulations, trade restrictions, or cultural sensitivities around sexual wellness may limit market entry or delay product approvals in certain regions.</p>

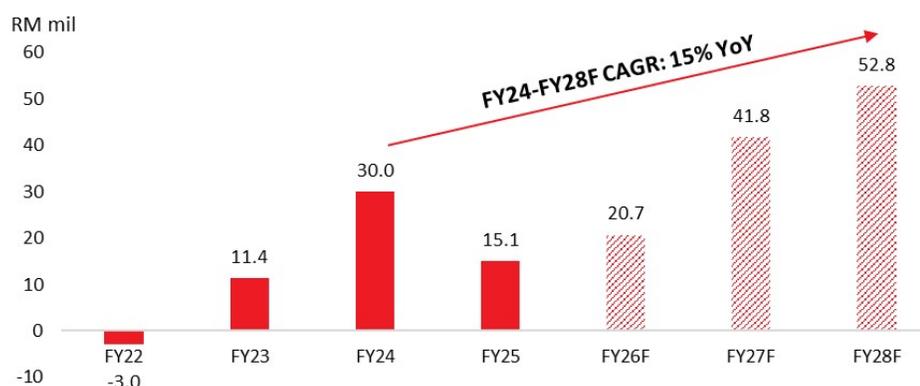
Outlook and Financial Analysis

Earnings growth to be underpinned by new product

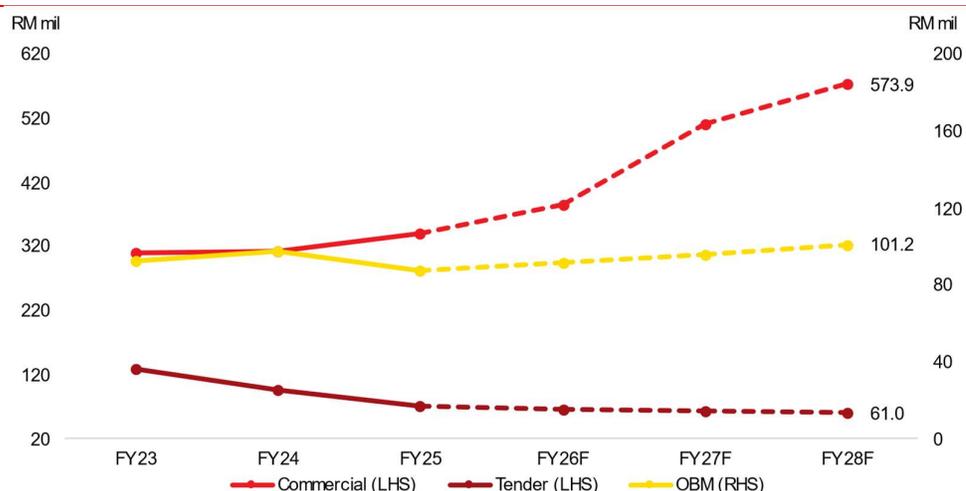
We expect core net profit to grow at a CAGR of 15.2% over FY24-FY28F on the back of rising revenue from OEM and OBM segments while tender market will continue to see weakness moving forward (refer to Exhibit 4). The growth in OEM segment will be mainly driven by new product while OBM segment growth will be spurred by rising demand for premium products such as ONE brand in the US and Asia markets. In our projection, we expect tender market continues to be soft due to shift of government allocations from HIV prevention to other segments in the post-pandemic era. Revenue breakdown by segment is shown in Exhibit 2.

In term of gross profit margin, we expect the margin to improve from 31% in FY25 to 36% by FY28F as the gross profit margin for synthetic condom is significantly higher than the latex condoms for OEM segment of 30% and comparable to OBM (refer to Exhibit 5).

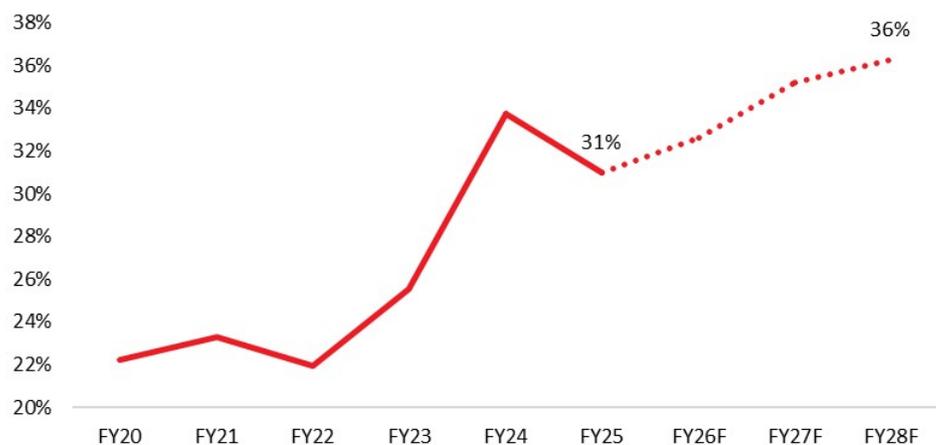
EXHIBIT 3: CORE EARNINGS FORECAST



Source: Company, AmInvestment Bank Bhd

EXHIBIT 4: REVENUE TREND BY SEGMENT

Source: Company, AmlInvestment Bank Bhd

EXHIBIT 5: GROSS PROFIT MARGIN TREND (FY20-FY28F)

Source: Company, AmlInvestment Bank Bhd

Healthy balance sheet to support its expansion plan

Balance sheet is healthy with net gearing ratio (excluding lease liabilities) of 0.26x as of FY25. Coupled with positive operating cashflows, we believe Karex has sufficient headroom to gear up for future expansion plan to cater to potential strong demand for its synthetic condom.

As of end June 2025, Karex has fully installed six lines. The company plans to add 10 new lines every year, but the future expansion will depend on the market situation. The capex for each line is expected to be around RM1mil. We expect the company to distribute 50% of its profit as dividends, yielding 1.1%-3.2% over FY26-FY28F.

Valuation

Our target price is RM1.05, based on a target PE of 23x and CY27 EPS. Target PE is in line with its median forward PE since listing its peers' 5 years historical mean PE of 23.6x. The valuation is justified by its stronger growth prospect with the introduction of the new product that is expected to gain market share.

There are no comparable listed peers on Malaysia stock market. However, global comparable listed peers include

- i) Reckitt Benckiser Group PLC (owns Durex),
- ii) Okamoto Industries Inc (owns Okamoto),
- iii) Thai Nippon Rubber Industry (OEM and owns OneTouch),
- iv) Sagami Rubber Industries Co Ltd (owns Sagami) and;
- v) Church & Dwight Co (owns Trojan).

EXHIBIT 6: PEERS' VALUATIONS

Respective currency	Market Cap (mil)	EPS		PE (x)		ROE (%)	5Y mean PE (x)
		Trailing	Forward	Trailing	Forward		
Reckitt Benckiser (GBP)	38,063.9	3.5	3.5	15.8	16.0	17.2	14.7
Okamoto (JPY)	92,744.7	384.8	-	18.4	-	5.3	13.5
Sagami Rubber Industries Co Ltd (JPY)	10,095.3	23.9	-	57.3	-	1.7	51.0
Thai Nippon (THB)	1,905.0	1.8	-	11.1	-	13.2	12.5
Church & Dwight Co (USD)	21,654.4	3.4	3.4	25.9	25.6	12.0	26.1
Simple average				25.7	20.8	9.9	23.6

Source: AmInvestment Bank Bhd, Bloomberg

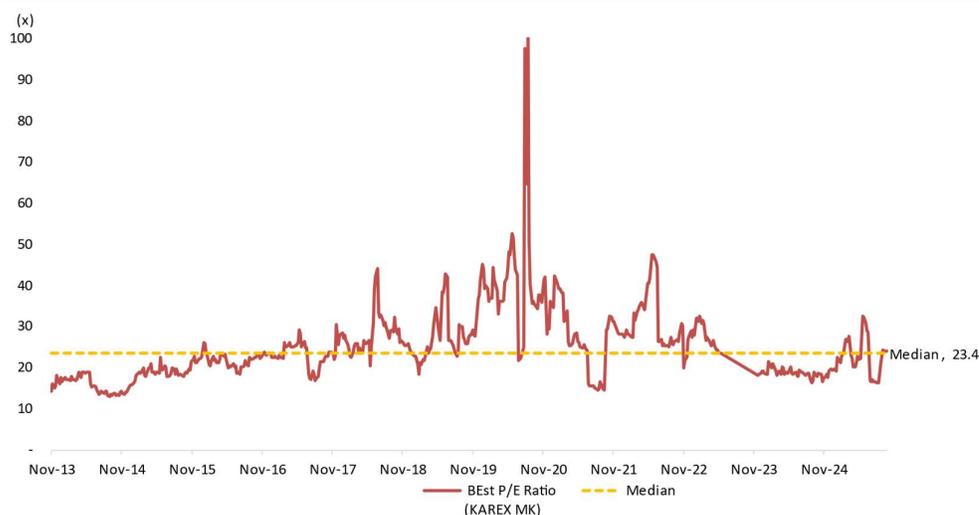
*FYE for Okamoto and Sagami is March while the rest is December.

EXHIBIT 7: VALUATIONS

Target PE (x)	23x
CY27 EPS	4.49
12-month target price	RM1.05

Source: AmInvestment Bank Bhd

EXHIBIT 8: KAREX MEDIAN SINCE IPO



Source: Bloomberg

Investment Risks

The key investment risks for the company are:

- 1) lower-than-expected acceptance rate for the new synthetic condoms;
- 2) slower-than-expected volume growth;
- 3) lower-than-expected average selling price for the new product; and
- 4) weaker-than-expected USD against the MYR.

Sensitivity Analysis on USD/MYR

As the sale of finished goods are typically denominated in USD, the company is susceptible to the forex movement. Every USD0.10 depreciation against MYR, it is estimated that the gross profit margin will fall by 1.4ppt.

Foreign currency exposure is mitigated through the utilisation of derivatives such as Forward Exchange Contracts and shift the payment currency of raw materials to USD in order to match the currency sale of finished goods.

EXHIBIT 9: ESG RATING

No	ESG	Parameters	Weightage	Rating			Rationale
Environmental assessment							
1	GHG emissions	Scope 1 and 2 emissions	25%	*	*	*	Declining trend. Emissions of 27.3k tCO ₂ e Scope 2 emissions in 2024 down from 30.4k tCO ₂ e in 2023.
2	Waste management	Amount of rubber recycled	25%	*	*	*	Amount of rubber crepe produced from recycled rubber and sold to customers increased to 255MT in 2024 from 138MT in 2023 (+84.7% YoY).
3	Water management	Total water withdrawal	25%	*	*	*	Total water withdrawal across all production facilities increased from 439,213m ³ in 2023 to 448,281m ³ in 2024.
4	Energy consumption	Megajoules	25%	*	*	*	Energy consumption fell from 209mil MJ in 2023 to 186mil MJ in 2024.
Weighted score for environmental assessment			100%	*	*	*	
Social assessment							
1	Health and safety	Loss time incident frequency rate	25%	*	*	*	Loss time incident per mil work-hours rose from 0.09 to 0.15 in 2024.
2	Employee training	No of training hours	25%	*	*	*	Total formal training hours rose from 2,812 to 4,167 in 2024.
3	Women in workforce	% of total workforce	25%	*	*	*	60% of the workforce is female.
4	Contribution to the community	CSR initiative	25%	*	*	*	Donated a total of RM456,000 in cash and over 500,000 condoms to charitable causes.
Weighted score for social assessment			100%	*	*	*	
Governance assessment							
1	Board age diversity	% under 60 years old	15%	*	*	*	12.5% of the board age below 60.
2	Board women representation	% of total board directors	15%	*	*	*	37.5% of the directors are female.
3	Directors with tenure below 6 ye	% of below 6 years category	15%	*	*	*	25%.
4	Independent board directors	% of total board directors	15%	*	*	*	50%
5	Remuneration to directors	% of total staff costs	20%	*	*	*	3% of total staff cost
6	Corruption investigations	confirmed incidents	20%	*	*	*	No incidences over the past 3 financial years.
Weighted score for governance assessment			100%	*	*	*	
Overall ESG Score							
Environmental score			40%	*	*	*	
Social score			30%	*	*	*	
Governance score			30%	*	*	*	
Overall ESG Score			100%	*	*	*	

Source: AmInvestment Bank Bhd

EXHIBIT 10: FINANCIAL DATA

Income Statement (RMmil, YE 30 Jun)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	507.8	498.4	546.0	673.1	736.1
EBITDA	65.0	33.6	66.6	92.1	105.3
Depreciation/Amortisation	(25.5)	(25.7)	(30.1)	(29.5)	(29.0)
Operating income (EBIT)	39.5	7.9	36.5	62.6	76.3
Other income & associates	-	-	-	-	-
Net interest	(8.5)	(7.6)	(10.3)	(10.3)	(10.3)
Exceptional items	6.5	14.9	-	-	-
Pretax profit	31.0	0.3	26.2	52.3	66.0
Taxation	(7.6)	(0.1)	(5.5)	(10.5)	(13.2)
Minorities/pref dividends	-	-	-	-	-
Net profit	23.4	0.2	20.7	41.8	52.8
Core net profit	30.0	15.1	20.7	41.8	52.8
Balance Sheet (RMmil, YE 30 Jun)	FY24	FY25	FY26F	FY27F	FY28F
Fixed assets	258.7	269.9	267.8	265.9	264.1
Intangible assets	100.2	107.1	107.4	107.6	107.8
Other long-term assets	29.1	69.4	65.6	62.4	59.5
Total non-current assets	388.0	446.4	440.8	435.8	431.4
Cash & equivalent	39.0	33.2	60.2	42.4	51.7
Stock	155.2	158.7	154.3	182.8	196.7
Trade debtors	124.2	121.9	131.6	162.3	177.5
Other current assets	2.5	3.6	3.6	3.6	3.6
Total current assets	320.8	317.4	349.7	391.1	429.5
Trade creditors	62.5	67.3	83.7	99.2	106.7
Short-term borrowings	77.2	123.1	123.1	123.1	123.1
Other current liabilities	21.8	17.8	17.8	17.8	17.8
Total current liabilities	161.5	208.3	224.6	240.1	247.6
Long-term borrowings	43.1	31.2	31.2	31.2	31.2
Other long-term liabilities	21.3	58.8	58.8	58.8	58.8
Total long-term liabilities	64.4	89.9	89.9	89.9	89.9
Shareholders' funds	482.9	465.6	475.9	496.9	523.3
Minority interests	-	-	-	-	-
BV/share (RM)	0.46	0.44	0.45	0.47	0.50
Cash Flow (RMmil, YE 30 Jun)	FY24	FY25	FY26F	FY27F	FY28F
Pretax profit	31.0	0.3	26.2	52.3	66.0
Depreciation/Amortisation	25.5	25.7	30.1	29.5	29.0
Net change in working capital	2.1	3.6	11.1	(43.7)	(21.5)
Others	12.5	(7.6)	4.8	(0.2)	(2.9)
Cash flow from operations	71.1	21.9	72.2	37.9	70.5
Capital expenditure	(19.9)	(42.2)	(24.0)	(24.0)	(24.0)
Net investments & sale of fixed assets	1.1	0.7	-	-	-
Others	(0.5)	(0.1)	(0.5)	(0.5)	(0.5)
Cash flow from investing	(19.3)	(41.6)	(24.5)	(24.5)	(24.5)
Debt raised/(repaid)	(16.8)	19.6	-	-	-
Equity raised/(repaid)	-	-	-	-	-
Dividends paid	(15.8)	(10.5)	(10.3)	(20.9)	(26.4)
Others	(9.4)	(1.2)	(10.3)	(10.3)	(10.3)
Cash flow from financing	(42.0)	7.9	(20.7)	(31.2)	(36.7)
Net cash flow	9.8	(11.9)	27.0	(17.8)	9.3
Net cash/(debt) b/f	27.6	32.2	33.2	60.2	42.4
Net cash/(debt) c/f	39.0	19.6	60.2	42.4	51.7
Key Ratios (YE 30 Jun)	FY24	FY25	FY26F	FY27F	FY28F
Revenue growth (%)	(4.6)	(1.9)	9.5	23.3	9.4
EBITDA growth (%)	32.0	(48.4)	98.6	38.2	14.3
Pretax margin (%)	6.1	0.1	4.8	7.8	9.0
Net profit margin (%)	4.6	-	3.8	6.2	7.2
Interest cover (x)	4.7	1.0	3.5	6.1	7.4
Effective tax rate (%)	24.4	30.9	21.0	20.0	20.0
Dividend payout (%)	67.4	5,064.7	50.0	50.0	50.0
Debtors turnover (days)	91	90	85	80	84
Stock turnover (days)	170	167	155	141	148
Creditors turnover (days)	73	69	75	77	80

Source: Company, AmInvestment Bank Bhd estimates

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only and it is issued by AmInvestment Bank Berhad (“AmInvestment”) without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation or expression of views to influence any one to buy or sell any real estate, securities, stocks, foreign exchange, futures or investment products. AmInvestment recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmInvestment believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmInvestment has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete or up-to-date and they should not be relied upon as such. All information included in this report constitute AmInvestment’s views as of this date and are subject to change without notice. Notwithstanding that, AmInvestment has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmInvestment’s affiliates and/or related corporations (collectively, “AmBank Group”).

This report is prepared for the clients of AmBank Group and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmInvestment’s prior written consent. AmInvestment, AmBank Group and its respective directors, officers, employees and agents (“Relevant Person”) accept no liability whatsoever for any direct, indirect or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given in relation to this report. Any such responsibility is hereby expressly disclaimed.

AmInvestment is not acting as your advisor and does not owe you any fiduciary duties in connection with this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and/or may trade or otherwise effect transactions for their own account or the accounts of their customers which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held to be invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.

This report has been prepared by AmInvestment Bank pursuant to the Research Incentive Program under Bursa Research Incentive Scheme Plus (“Bursa RISE+”) administered by Bursa Malaysia Berhad. This report has been produced independent of any influence from Bursa Malaysia Berhad or the subject company. Bursa Malaysia Berhad and its group of companies disclaims any and all liability, howsoever arising, out of or in relation to the administration of Bursa Research Incentive Program and/or this report.