TA SECURITIES
A MEMBER OF THE TA GROUP

RESULTS UPDATE

Wednesday, November 26, 2025
FBMKLCI: 1,611.74
Sector: Consumer

Leong Hup International Bhd

TP: RM0.83 (+33.9%)

Last Traded: RM0.62

BUY (ESG: ★★★)

Solid 9M25 Results Delivered

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Review

- Leong Hup International Bhd (LHI)'s 3QFY25 core net profit of RM129.1mn (-2.2% YoY) came in above expectations due to a better-than-expected EBIT margin and lower-than-expected interest expenses.
- Cumulatively, 9MFY25 core earnings of RM321.1mn accounted for 89% and 83% of our and consensus full-year projections, respectively.
- 9MFY25 revenue declined by 6.3% YoY to RM6.5bn, weighed down by softer sales across both operating segments, particularly the feedmill segment. Despite the topline contraction, Core net profit improved by 11.5% YoY to RM321.1mn, supported by higher other income, lower minority interest, and reduced operating and interest expenses.
- **Livestock & Poultry Related Segment**. Despite stable revenue of RM4.0bn, 9MFY25 EBIT improved by 6.5% YoY to RM224.6mn, supported by better margins in the Malaysia and Vietnam operations. However, excluding the translation impact affecting Indonesia, Vietnam, Singapore, and the Philippines, segmental revenue rose 6.1% YoY.
- **Feedmill Segment.** 9MFY25 revenue declined by 14.6% YoY to RM2.6bn, largely due to adverse forex translation effects in Indonesia, Vietnam, and the Philippines. Excluding the translation impact, revenue contracted at a softer pace of 5.7% YoY, reflecting (i) lower ASPs in Indonesia and (ii) lower ASPs and sales volumes in Malaysia and Vietnam. Correspondingly, EBIT fell by 7.9% YoY to RM373.3mn.
- No dividend was declared for the quarter under review.

Impact

- After incorporating higher EBIT margin assumptions and lower interest expenses, we revised our FY25-27 core earnings upward by 16.5% to 20.8%.

Outlook

- Management expects a satisfactory performance in FY25, supported by lower feed input costs and stronger demand across all operating markets. Therefore, we expect FY25 core earnings to remain stable at RM426.6mn.

Valuation

- We reiterate our **BUY** recommendation with a revised TP of **RM0.83/share** *(previously: RM0.81/share)*, based on a lower CY26 PER of 7x to align with peers.

Share Information	
Bloomberg Code	LHIB MK
Stock Code	6633
Listing	Main Market
Share Cap (mn)	3479.9
Market Cap (RMmn)	2157.5
52-wk Hi/Lo (RM)	0.675/0.56
12-mth Avg Daily Vol ('000 shrs)	4478.9
Estimated Free Float (%)	23.7
Beta	1.2
Major Shareholders (%)	
Emerging Glory	55.4%
Amanah Saham Nasional	7.3%
Lau Joo Han	2.8%

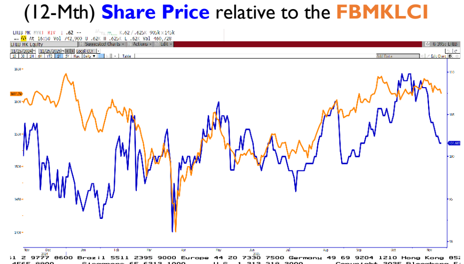
Forecast Revision	FY25	FY26
Forecast Revision (%)	17.7	16.5
Net profit (RMm)	426.6	432.7
Consensus	386.6	393.0
TA's / Consensus (%)	110.4	110.1
Previous Rating	Buy (Maintained)	
Consensus Target Price (RM)	0.87	

Financial Indicators	FY25	FY26
Net Debt / Equity (x)	0.3	0.1
ROE (%)	16.4	14.9
ROA (%)	6.5	6.3
NTA/Share (RM)	0.7	0.8
Price/NTA (x)	0.9	0.8

Scorecard	% of FY	
vs TA	89	Above
vs Consensus	83	Above

Share Performance (%)		
Price Change	LHI	FBM KLCI
1 mth	(6.8)	(0.1)
3 mth	(4.6)	0.6
6 mth	(4.6)	5.0
12 mth	(2.4)	0.9

(12-Mth) **Share Price** relative to the **FBMKLCI**



Source: Bloomberg

Table 1: Earnings Summary (RM'mn)

FYE December (RM mn)		2023	2024	2025E	2026F	2027F
Revenue		9,539.5	9,309.5	8,862.6	9,057.6	9,256.8
EBITDA		1,028.8	1,195.6	1,055.3	1,068.9	1,077.8
PBT		554.7	760.5	688.0	705.4	710.8
Reported Net Profit		301.7	428.9	426.6	432.7	435.9
Core Net Profit		301.7	428.9	426.6	432.7	435.9
Core EPS	(sen)	8.3	11.7	11.7	11.8	11.9
Core PER	(x)	7.5	5.3	5.3	5.2	5.2
DPS	(sen)	3.0	2.8	3.5	3.6	3.6
Dividend Yield	(%)	4.8	4.4	5.7	5.7	5.8

Table 2: 3QFY25 Results Analysis (RM'mn)

FYE 31 Dec		3QFY24	2QFY25	3QFY25	QoQ (%)	YoY (%)	9MFY24	9MFY25	YoY (%)
Revenue		2,228.3	2,133.5	2,209.7	3.6	(0.8)	6,994.3	6,554.1	(6.3)
Other Income		40.9	51.8	24.2	(53.4)	(40.9)	74.2	121.3	63.5
Operating Expenses		(2,036.4)	(2,004.5)	(2,004.4)	0.0	1.6	(6,455.9)	(6,080.4)	5.8
EBIT		228.7	176.1	222.9	26.6	(2.5)	601.0	578.3	(3.8)
Adj. EBIT		228.7	176.1	222.9	26.6	(2.5)	601.0	578.3	(3.8)
Net Interest		(26.9)	(20.2)	(17.2)	14.9	36.0	(89.8)	(58.4)	34.9
Associate		0.0	0.1	0.1	(51.8)	71.0	0.1	0.3	>100
Profit before Tax		201.9	156.0	205.8	31.9	1.9	511.3	520.1	1.7
Adj. PBT		201.9	156.0	205.8	31.9	1.9	511.3	520.1	1.7
Taxation		(16.2)	(37.3)	(42.3)	(13.3)	>-100	(86.5)	(97.4)	(12.5)
Minority Interest		(50.7)	(28.3)	(34.3)	(21.1)	32.3	(136.7)	(101.5)	25.7
Net Profit		135.0	90.3	129.1	43.0	(4.4)	288.1	321.2	11.5
Adj. Net Profit		135.0	90.3	129.1	43.0	(4.4)	288.1	321.2	11.5
Basic EPS	(sen)	3.7	2.5	3.6	44.4	(2.2)	7.9	8.9	13.2
DPS	(sen)	1.5	-	-	nm	nm	2.8	1.0	(63.6)
					%-points	%-points			%-points
EBIT Margin	(%)	10.3	8.3	10.1	1.8	(0.2)	8.6	8.8	0.2
PBT Margin	(%)	9.1	7.3	9.3	2.0	0.3	7.3	7.9	0.6
Net Margin	(%)	6.1	4.2	5.8	1.6	(0.2)	4.1	4.9	0.8
Adj. Net Margin	(%)	6.1	4.2	5.8	1.6	(0.2)	4.1	4.9	0.8
Tax Rate	(%)	8.0	23.9	20.6	(3.4)	12.6	16.9	18.7	1.8

Table 3: 3QFY25 Results Analysis (RM'mn) – Segmental Breakdown

FYE 31 Dec	3QFY24	2QFY25	3QFY25	QoQ (%)	YoY (%)	9MFY24	9MFY25	YoY (%)
Revenue	**2,228.3**	**2,133.5**	**2,209.7**	3.6	(0.8)	**6,994.3**	**6,554.1**	(6.3)
Livestock and Poultry Related	1,311.7	1,298.1	1,366.6	5.3	4.2	3,995.5	3,989.5	(0.1)
Feedmill	913.8	832.0	839.9	0.9	(8.1)	2,990.2	2,554.6	(14.6)
Others	2.8	3.4	3.2	(6.3)	13.7	8.6	10.0	16.2
Segment EBIT	**232.8**	**180.8**	**229.5**	**26.9**	**(1.4)**	**612.6**	**595.0**	**(2.9)**
Livestock and Poultry Related	109.8	58.2	111.0	90.9	1.1	210.8	224.6	6.5
Feedmill	123.8	123.1	119.0	(3.3)	(3.8)	405.2	373.2	(7.9)
Elimination	(0.8)	(0.4)	(0.6)	(50.0)	25.0	(3.4)	(2.8)	16.8
				%-points	%-points			%-points
Segment EBIT Margin	**10.4**	**8.5**	**10.4**	**1.9**	**(0.1)**	**8.8**	**9.1**	**0.3**
Livestock and Poultry Related	8.4	4.5	8.1	3.6	(0.2)	5.3	5.6	0.4
Feedmill	13.5	14.8	14.2	(0.6)	0.6	13.6	14.6	1.1

Sector Recommendation Guideline

OVERWEIGHT: The total return of the sector, as per our coverage universe, exceeds 12%.

NEUTRAL: The total return of the sector, as per our coverage universe, is within the range of 7% to12%.

UNDERWEIGHT: The total return of the sector, as per our coverage universe, is lower than 7%.

Stock Recommendation Guideline

BUY : Total return of the stock exceeds 12%.
HOLD : Total return of the stock is within the range of 7% to12%.
SELL : Total return of the stock is lower than 7%.
Not Rated: The company is not under coverage. The report is for information only.

Total Return of the stock includes expected share price appreciation, adjustment for ESG rating and gross dividend. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

Total Return of the sector is market capitalisation weighted average of total return of the stocks in the sector.

ESG Scoring & Guideline

	Environmental	Social	Governance	Average
Scoring	★★★	★★★	★★★	★★★
Remark	Compliant towards waste management on both hazardous and non-hazardous waste. However, score is muted owing to absence of quantifiable goal for near future.	Farming and trading of poultry-related products helps to meet protein needs and encourage balance diet.	The board has decent gender diversity though is short of 1 independent director to meet the 50% majority. Leong Hup has targeted dividend payout of 30%.	

★★★★★	**(≥80%)**	: Displayed market leading capabilities in integrating ESG factors in all aspects of operations, management and future directions.	+5% premium to target price
★★★★	**(60-79%)**	: Above adequate integration of ESG factors into most aspects of operations, management and future directions.	+3% premium to target price
★★★	**(40-59%)**	: Adequate integration of ESG factors into operations, management and future directions.	No changes to target price
★★	**(20-39%)**	: Have some integration of ESG factors in operations and management but are insufficient.	-3% discount to target price
★	**(<20%)**	: Minimal or no integration of ESG factors in operations and management.	-5% discount to target price

As of Wednesday, November 26, 2025, the analyst, Liew Yi Jiet, who prepared this report, has interest in the following securities covered in this report:
(a) nil

Kaladher Govindan – Head of Research

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