OLD CHANG KEE | SGX:OCK

1H Preview – F&B Sales Upturn Underpins 27F

BUY

Price:	**$ 1.18**
Fair Value:	**$ 1.61**
Upside:	**+ 36%**

Old Chang Kee reports 1H27 results for the April to September period soon and we are forecasting a 10.4% YoY rise in revenue to $57.3mil, a much better performance than FY26's +1.5%. Industry F&B sales in Singapore have surprised on the upside in 2026 with sales ex online rising 6.9% YoY in OCK's 1H, a marked improvement from the 2.1% decline in 1H26.

Sequential MoM SA growth in total F&B sales of 0.1% in July, 1.4% in August and 0.8% in September, has signalled growth momentum for OCK's top line going into 2H.

OCK began FY27 with 82 Singapore outlets, up from 80 a year earlier. New outlets at the Ng Teng Fong General Hospital and the Raffles Hospital lifted the total to 84 in 1H – an annual opening run rate of 4. Our investment thesis in our 26 May Initiation Report is premised on OCK opening a stepped-up 2 to 3 new outlets annually as Singapore is far from being saturated with OCK's kiosks.

OCK's higher-margin catering revenue, which grew 8.3% to $12.9 mil in FY26, becoming the main growth driver of the group's revenue, is also expected to propel top and bottom-line growth in FY27.

Valuation gap vs peer group has increased. OCK has held up better than most F&B shares in Singapore following recent selloffs but still trades at a valuation discount with a 27F PE of 9.5x and a dividend yield of 2.6%. **RHTC's valuation** framework is a Total Shareholder Returns approach: At current levels, **OCK's expected Intrinsic Value at $1.61 offers investors an upside of 36%.**

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Mkt cap: $143 mil

[$1.18 10-Nov-26]

Intrinsic Value: $1.61

52-week range: $1.11 – $1.30

Singapore

Discretionary Consumer Services [2530]

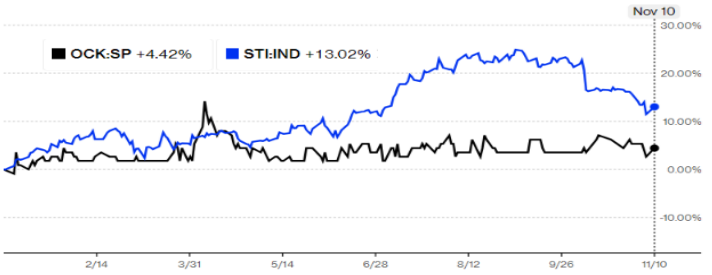
RHTC Forecast $mil	2024	2025	2026	2027F
Revenue	101	102	103.5	114.6
EBIT	10.3	11.5	10.3	14.6
Net Income	9.7	11.3	9.6	16.3
EPS ($ cts)	0.08	0.09	0.08	0.13
P/E (x)	14.8	12.6	15.0	9.5
PEG (x)			0.95	0.17
Rule 40 (%)	n.a.	n.a.	n.a.	n.a.
ROAE (%)	21.7	21.5	15.7	21.5
Div Yield (%)	1.7	1.7	1.7	2.6
FCF Yield (%)	17.6	16.2	14.7	22.7
Gearing - D/E (%)	6.0	2.9	0.5	0.0
- D/TA (%)	3.2	1.7	0.3	0.0
Intrinsic Value				**1.61**
% Upside				**36%**

Industry Valuation	2026F P/E(X)	2027F P/E(X)	2026F DY(%)
OCK	**15.0**	**9.5**	**2.6***
Kimly	14.4	18.0	4.9
Jumbo	25.0	12.0	4.6
Greggs UK	14.6	14.1	4.0
Peer Average	17.7	15.0	4.5
OCK premium Peer (%)	**-15.3**	**-36.7**	**-1.9ppt**
Mkt Benchmark			
STI	16.9	15.9	4.4
OCK premium STI (%)	**-11.2**	**-40.3**	**-1.8ppt**

Source: Yahoo Finance. OCK 3/27F for comparable with STI 12/26F*

BUY

Price $1.18 10-Nov-26



Top shareholders (Est Free Float 14.7%)

#	Beneficial owner	Total shares	Est % O/s
1	Han Keen Juan	72,136,000	58.61
2	Far East Organization	14,564,000	12.00
3	Lim Tao-E William	8,892,000	7.33
4	Ng Choi Hong	8,892,000	7.33
5	Sub-total	104,484,000	85.27

OCK Per Share

per share data	2024	2025	2026	2027F
EPS (basic) cents	8.0	9.3	7.9	12.4
DPS	2.0	2.0	2.0	3.0
Payout	25.1%	21.4%	25.4%	24.2%

Ratios & Valuations

Mar-yr end	2024	2025	2026	2027F
PE	14.8	12.6	15.0	9.5
PEG			- 0.95	0.17
ex-Cash PE			8.93	4.52
Intrinsic Value				1.61
(potential upside)				36%
Mkt Cap / Sales	1.42	1.40	1.38	1.25
Div Yield	1.7%	1.7%	1.7%	2.5%
FCF Yield	17.6%	16.2%	14.7%	21.7%
P/B	3.0	2.5	2.2	1.9
ROAE	21.7%	21.5%	15.7%	21.5%
ROAA	11.3%	12.1%	9.6%	13.7%

Balance Sheet (‘000)

Mar-yr end ('000)	2024	2025	2026	2027F
Cash	44,098	52,438	57,916	75,200
Prepayments	903	1,061	936	842
Deposits	1,022	1,051	1,106	995
Trade & Rec	991	433	492	541
Inventories	1,624	1,028	1,465	1,612
Others	2,500	2,500	2,500	250
Total Current Assets	51,138	58,511	64,415	79,440
PPE	15,981	15,256	15,219	14,889
Right of use assets	22,178	19,328	20,404	19,108
Intangible asets	241	191	143	95
Deferred tax assets	12	346	491	368
LT deposits	2,512	2,481	2,592	2,777
Total LT assets	40,924	37,602	38,849	37,237
Total Assets	92,062	96,113	103,264	116,677
Trade & payables	11,148	10,700	10,913	11,459
Other liabilities	145	156	160	168
Provisions	780	929	1,128	1,241
Bank loans	1,253	1,317	336	-
Finance lease liabilities	298	361	335	369
Lease liabilities	10,309	9,924	10,914	11,241
Provision for Taxation	2,774	2,650	2,319	2,551
Total Current Liabilities	26,707	26,037	26,105	27,028
Bank loans	1,657	337	-	-
Provisions	1,466	1,325	1,208	1,268
Finance lease liabilities	723	665	750	788
Lease liabilities	13,019	10,473	10,872	11,416
Deferred tax liabilities	282	22	23	250
LT liabilities	17,147	12,822	12,853	13,722
Share Capital	13,964	13,964	13,964	13,964
Retained Earnings	33,945	42,865	49,990	61,396
FX reserve	299	425	352	352
Total equity	48,208	57,254	64,306	75,712

Growth & Margins (%)

yoy (%)	2024	2025	2026	2027F
Revenue growth	12.4	1.0	1.5	10.7
PBT growth	63.3	7.5	-12.5	57.5
EPS growth	57.2	17.4	-15.8	57.5
FCF growth	19.7	-8.0	-9.7	48.4
Asset growth	16.0	4.4	7.4	13.0
Gross margin	67.6	69.2	69.2	69.0
SG&A margin	57.4	58.0	59.2	57.2
Net margin	9.6	11.1	9.2	13.1
FCF margin	25.0	22.8	20.3	27.2

Source: Company data, RHTC estimates

Income Statement (‘000)

Mar-yr end ('000)	2024	2025	2026	2027F
Revenue	100,953	101,952	103,476	114,590
Cost of goods sold	(32,722)	(31,364)	(31,888)	(35,523)
Gross profit	68,231	70,588	71,588	79,067
SG&A	(57,924)	(59,113)	(61,295)	(65,586)
EBIT	10,307	11,475	10,293	13,482
Interest income	1,080	1,339	787	1,069
Interest expense	1,088	1,229	1,121	1,191
Others	2,203	1,858	1,797	1,707
Pre-tax profit	**12,502**	**13,443**	**11,756**	**18,517**
Tax	(2,834)	(2,095)	(2,203)	(3,470)
Tax rate (%)	22.7%	15.6%	18.7%	18.7%
Net profit	**9,668**	**11,348**	**9,553**	**15,047**
less dividends	- 2,428	- 2,428	- 2,428	- 3,641
Retained Earnings	7,240	8,920	7,125	11,406

Cash Flow (‘000))

Cashflow	2024	2025	2026	2027F
PBT	12,502	13,443	11,756	18,517
Working capital changes	306	1,831	(283)	350
Income taxes paid	(1,984)	(2,818)	(2,683)	(2,776)
Net CF from operating activities	**26,794**	**25,170**	**23,573**	**30,809**
Purchase PPE	(1,527)	(1,923)	(2,588)	330
Interest income received	1,052	1,406	821	1,101
Others	(365)	(375)		
CF in Investing	**(826)**	**(693)**	**(1,431)**	**1,431**
Repayment of fin lease	(287)	(347)	(487)	(369)
Repayment of lease	(10,720)	(10,877)	(10,914)	(11,241)
Interest portion of lease	(869)	(1,074)	(1,041)	(1,191)
Interest paid	(219)	(155)	(80)	
Bank borrowings	(1,191)	(1,256)	(336)	
Dividends paid	(2,428)	(2,428)	(2,428)	(3,641)
CF from Financing	**(15,714)**	**(16,137)**	**(15,286)**	**(16,442)**
Net change in CF	10,254	8,340	6,856	15,799
Cash beg	33,927	44,098	52,545	59,401
FX	(83)	107		
Cash end of period	44,098	52,545	59,401	75,200

EXECUTIVE SUMMARY

New Kiosks and Upturn in Apr–Sep F&B Sales Ex-Online Support Our FY27F Forecast

Singapore's F&B sales declined 0.7% YoY to $9.557 bil in April–September 2026 (Old Chang Kee's 1H27), a worse performance than the year ago growth of 0.7%. However, a more relevant F&B benchmark for Old Chang Kee, as outlets, mainly kiosks, accounted for approximately 87% of FY26 group turnover; corporate catering and B2B sales contributed the remaining 13%, are sales excluding online. These grew 6.9% YoY to $7.588 bil in 1HFY27, reversing a 2.1% decline in 1HFY26 — a 9-percentage-point improvement. For an industry that experienced F&B sales growth of 0.6% in CY2026, the rebound in growth to 6.9% is positive news for the F&B industry in Singapore.

Figure 1-1: Food & Beverage Sales in FY26 and 1H27, (% YoY)

$m% YoY	1HFY26*	2HFY26^	FY26	1HFY27*
Restaurants	-3.9	-0.1	-2.0	0.0
Fast Food Outlets	2.5	8.4	2.9	4.6
Food Caterers	13.4	10.0	11.6	**2.2**
Cafes	3.8	2.8	3.3	-2.5
Food Courts	0.2	-1.2	-0.5	-5.0
Total	0.7	1.5	1.1	**-0.7**
Total ($bil)	9.630	9.746	19.376	**9.557**
OCK Revenue				
$mil	51.9	51.5	103.5	**57.3 (1H27F)**
% YoY	0.2	2.8	1.5	**10.4 (1H27F)**
Singapore F&B Sales				
Ex-Online				
$bil	7.096	7.485	14.582	7.588
% Share	73.7	76.8	75.3	79.4
% YoY	**-2.1**	3.4	0.6	**6.9**
Online				
$bil	2.534	2.261	4.794	1.969
% Share	26.3	23.2	24.7	20.6
% YoY	10.9	4.2	3.3	-22.3

**Apr-Sep. ^Oct-Mar.*
Source: Dept. of Statistics, RHTC estimates.

Old Chang Kee began FY27 in April with 82 Singapore F&B outlets, up from 80 a year earlier — a net addition of two in FY26. New F&B outlets at the 700-bed Ng Teng Fong General Hospital in Jurong East and the privately-owned Raffles Hospital lifted the total to 84 in 1H. This is an annual run rate of new F&B outlet openings of 4. Our investment thesis for OCK is premised on the Company opening 2 to 3 new F&B outlets annually as Singapore is far from saturated with OCK's ubiquitous kiosks. F&B sales per outlet was about $1.1 mil in FY26 and so 2 new outlets add $2.2 mil to revenue. This shows that OCK is on track to deliver our FY27 forecast.

The 2 new F&B outlets in hospitals bring OCK's hospital portfolio to 3 outlets – the first was in Woodlands Health in 2024. These new F&B kiosks should help OCK outpace the industry's 6.9% growth in F&B sales excluding online in OCK's 1H, supporting our forecast of 10.4% YoY revenue growth to $57.3 mil in 1H and $114.6 mil in FY27.

Singapore's hospital network is expanding rapidly in both number and size, offering further opportunities for OCK in 2H and FY28, as highlighted in our 25 May 2026 Initiation Report on Old Chang Kee. We also expect further expansion at other strategic, high-traffic locations, including transport hubs such as near or in the new MRT stations, in 2H with 3 new MRT stations on the Thomson-East Coast Line opened in July 2026 – Keppel, Cantonment and Prince Edward Road and a further two on the Downtown Line: Xilin and Sungei Bedok, due December 2026. Old Chang Kee currently has 9 F&B outlets located in MRT stations, 11% of its portfolio. The RTS link to Johore is also set to open in January 2027 which should provide OCK with a long runway to increase its presence in Malaysia.

The other highlight of the 1H results will be higher-margin catering revenue, which grew 8.3% to $12.9 mil in FY26, becoming the main growth driver of revenue. This is also expected to support our 1HFY27F and FY27F revenue and profit forecasts; industry catering sales grew 2.2% YoY in OCK's 1H, 2.9% percentage points ahead of the 0.7% dip in total F&B sales.

Figure 1-2: Monthly Food & Beverage Sales in 1H27, (% YoY)

$m% YoY	Apr	May	Jun	Jul	Aug	Sep
Restaurants	1.2	2.0	-2.2	-0.9	-2.3	2.6
Fast Food Outlets	2.8	2.9	1.4	4.7	7.8	7.6
Food Caterers	1.4	1.3	8.7	-0.1	2.8	-0.2
Cafes	1.8	0.1	-5.6	-6.1	-4.8	0.1
Food Courts	-3.4	-5.5	-5.5	-6.2	-5.4	-4.2
Total	0.3	0.1	-2.0	-2.0	-1.8	1.0
Total ($bil)	1.535	1.655	1.514	1.604	1.671	1.578
Ex-Online						
$bil	1.226	1.321	1.207	1.267	1.322	1.245
% Share	79.9	79.8	79.7	79.0	79.1	78.9
% YoY	8.9	8.6	6.7	4.5	4.9	**8.2**
Online						
$mil	309	334	307	337	349	333
% Share	20.1	20.2	20.3	21.0	20.9	21.1
% YoY	-23.6	-23.7	-25.8	-20.6	-21.1	-19.0

Source: Dept. of Statistics, RHTC estimates.

Further Supported by Robust GDP Growth

Singapore's F&B sales in OCK's 1H were buoyed by a robust economy with GDP growth of 6.2% YoY in 2Q and a preliminary 5.4% in 3Q, which are ahead of GDP growth in the corresponding quarters of 2025. The Government has raised its 2026 GDP growth forecast to 4.5%-5.5% on strong AI-related demand. The Singapore jobs market has also remained healthy with a net increase in employment of 11,400 in 2Q and 27,700 in 3Q, which are ahead of employment growth in the corresponding quarters of 2025.

Figure 1-3: GDP Growth and Employment

	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26
GDP (%YoY)	5.4	4.5	5.7	6.4	**6.2**	**5.4**
Employment (Change)	+10,400	+25,100	+17,700	+9,400	**+11,400**	**+27,700**

Source: Dept. of Statistics.

Positive Momentum Going into 2H27

Sequential MoM SA growth in total F&B sales of 0.1% in July, 1.4% in August and 0.8% in September signalled growth momentum for OCK's top line going into 2H27, with catering sales up an encouraging 3% MoM SA in September. Unfortunately, Singapore doesn't report monthly SA data for online F&B sales, so we are unable to calculate MoM SA sales growth excluding online.

Figure 1-4: Monthly Food & Beverage Sales in 1H27, (% MoM SA)

$m	Apr	May	Jun	Jul	Aug	Sep
Restaurants	-0.1	0.3	-2.3	-0.2	2.4	1.1
Fast Food Outlets	5.2	-3.7	-1.9	5.8	0.0	1.1
Food Caterers	-0.3	-3.6	3.8	-1.6	-0.9	3.0
Cafes	-1.8	2.6	-4.6	0.3	1.5	3.6
Food Courts	4.2	-2.0	-1.3	-1.0	1.1	-2.4
Total	**1.2**	**-0.8**	**-1.6**	**0.1**	**1.4**	**0.8**

Source: Dept. of Statistics.

Fair Value of $1.61, +36% Upside

OCK trades at a valuation discount at 9.5x FY27F PE and 0.17x PEG versus industry peer group (Kimly and Jumbo) with an average FY27F PE of 15x and EV/EBITDA of 19.1x, and to the broader Singapore market with an FY27F PE of 15.9x.

We Reiterate our Buy Recommendation

We estimate FY27F Total Shareholder Return (TSR) of approximately +36%, implying an Intrinsic Value of $1.61. We reiterate our BUY recommendation with potential 36% upside.

SWOT ANALYSIS

SWOTs	Description
Strengths	• One of the largest local heritage F&B businesses in Singapore in terms of number of outlets. • Untapped pricing power will allow it to increase prices to offset the rising wage costs in 2026-28. • Healthy cash balance insulates against any macro downturn due to the severe energy crisis. • Embedded in high traffic locations such as MRT stations, malls and airport.
Weaknesses	• Heavy concentration of revenue (almost 100%) generated from Singapore. • Limited Executive Management Resources may curb overseas expansion.
Opportunities	• High margin catering at 13% of revenues provides avenue for significant margin expansion. • Local transport sector is undergoing massive expansion providing scope for multiple kiosk openings annually. • With 84 outlets in Singapore OCK is still far from McDonalds level saturation – estimated at 150 outlets. Franchising can get it there. • M&A opportunities abound in the F&B sector given the healthy cash balances of over S$50 mil. • Large, untapped opportunities in neighbouring Malaysia which will be facilitated by the opening of the RTS link at end 2026.
Threats	• F&B wage costs are set to rise 6%-7% pa in 2026-28 increasing costs. • Total F&B sales have continued to flatline in 2026 despite robust GDP growth. • Foreign F&B brands from China are expanding aggressively with many targeting a large number of outlets.

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