



Focus Point Holdings Bhd

Bloomberg: FOCUSP MK | Stock Code: 0157

4QFY24 – Decent end

Focus Point Holdings Bhd (FPBH) booked a net profit of RM9.2m (-12.1% YoY) in 4QFY24, taking FY24 earnings to account for c.95% of our and consensus full-year forecast respectively. A 1.75sen DPS was also declared in 4QFY24, with full-year DPS of 3.5sen translating to an attractive yield of 4.6%. We remain optimistic about FPBH's growth prospects, driven by its leading position in the eyewear business, strategic store expansion in FY25, stronger corporate sales, and ongoing brand-building efforts. As such, we maintain our valuation forecasts and BUY call on FPBH with an unchanged TP of RM1.15 based on 13x FY25F EPS.

Results Highlights

4QFY24 results broadly inline. FPBH's recorded earnings of RM9.2m (-12.1% YoY) in 4QFY24, taking FY24 earnings to account for c.95% of our and consensus full-year forecasts. 4QFY24 revenue reached a record high of RM83.5m, reflecting a seasonally strong quarter supported by festive spending and higher corporate sales in the optical segment. However, PAT declined 12.1% YoY, primarily due to higher operating expenses, with PAT margin narrowing to 11.1% (4QFY23: 14.2%), as one-off expense reversals and higher supplier rebates lifted last year's margin. Margins were lower in 4QFY24 as FPBH ramped up promotional spending to enhance brand exposure in retail and corporate sales, particularly for its 35th-anniversary celebration and the annual World Sight Day campaign.

Growing sales, expanding reach. For FY24, FPBH's revenue grew 12.1% YoY to RM292.5m (FY23: RM260.9m), driven by solid growth in the optical (+13.8% YoY) and F&B (+5.6% YoY) segments. The optical division remains the key driver, backed by its 196-store network and expansion plans. Management has outlined plans to open 5 to 6 new stores in 2025, including locations at IOI Mall Damansara, Mitsui Sepang, Sabah, and Sarawak. We expect growth in this segment to be further fuelled by the rising myopic populations, stronger corporate sales and the continued effectiveness of marketing and promotional strategies. Meanwhile, the F&B division is also expanding, with 16 Komugi outlets and 1 HAP&PI store, alongside plans to open another 1 to 3 new Komugi outlets. Additionally, FPBH continues exploring new opportunities, including a trial supply partnership with ZUS Coffee, with further updates expected as the collaboration progresses.

Earnings forecasts and valuation. No change to our earnings forecasts and TP of RM1.15, based on 13x FY25F EPS. We continue to like FPBH's growth prospects, underpinned by its strategic store expansion in both the optical and F&B segments, stronger corporate sales, and continuous brand-building efforts.

FY Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	248.8	260.9	292.5	325.7	356.2
EBITDA	88.2	88.0	94.8	106.6	115.0
Net Profit	35.9	30.2	33.2	41.0	47.1
Core Net Profit	35.9	30.2	33.2	41.0	47.1
Core EPS (sen)	7.8	6.5	7.2	8.9	10.2
Core EPS Growth (%)	82.3	(15.9)	10.1	16.7	14.8
Net DPS (sen)	3.0	3.0	3.5	3.5	4.1
BV per share (sen)	22.0	25.5	29.2	35.4	41.5
P/E (x)	9.9	11.7	10.6	8.6	7.5
EV/EBITDA (x)	3.8	4.0	3.7	3.2	2.8
Net Dividend Yield (%)	3.9	3.9	4.6	4.6	5.3
P/B (x)	3.5	3.0	2.6	2.2	1.8
Net Gearing (x)	Cash	Cash	Cash	Cash	Cash
ROE (%)	35.3	25.6	24.6	25.0	24.5

Main Market
Consumer Products & Services Sector
BUY
TP: RM 1.15
Last Closing Price: RM 0.765

Business Overview

Focus Point Holdings Berhad operates the largest optical retail chain store in Malaysia. They have also diversified their business into the food and beverages sector with Komugi and HAP&PI.

Return Information

KLCI (pts)	1,568.0
Upside (%)	50.3
Net Yield (%)	4.6
Total Return (%)	54.9

Price Performance

	1M	3M	12M
Absolute (%)	(10.0)	(6.2)	(0.1)
Relative to KLCI (%)	(9.7)	(4.9)	(1.5)

Stock Information

Market Cap (RM m)	353.4
Issued Shares (m)	462.0
52-week High (RM)	0.88
52-week Low (RM)	0.69
Estimated Free Float (%)	20.0
Beta vs FBM KLCI	0.8
3-month Average Vol. (m)	0.4
Shariah Compliant	Yes

Consensus	FY24	FY25	FY26
EPS Forecast (sen)	8.1	9.0	9.8
Ratings	5 Buy	0 Hold	0 Sell

Top 3 Shareholders

Dato' Liaw Choon Liang	37.5
Datin Goh Poi Eong	12.9
PERNAS	8.4



Source: Mercury Securities, Bloomberg



Figure 1 : 4QFY24 results review

FY Dec (RM m)	4QFY23	3QFY24	4QFY24	% y-o-y change	% q-o-q change	FY23	FY24	% y-o-y change	Comments
Key financial highlights									
Revenue	73.7	70.2	83.5	13.2	18.9	260.9	292.5	12.1	Look into revenue breakdown.
Gross profit	48.2	45.5	50.5	4.7	10.9	169.4	186.6	10.1	
Operating profit	14.2	11.7	12.9	-9.3	10.3	44.4	48.2	8.5	
Pretax profit	12.7	10.6	11.7	-7.7	11.0	39.9	43.7	9.6	
Net profit	10.5	8.1	9.2	-12.1	13.6	30.2	33.2	10.1	
Core net profit	10.5	8.1	9.2	-12.1	13.6	30.2	33.2	10.1	
Per share data									
EPS (sen)	2.3	1.8	2.0	-11.9	13.6	6.5	7.2	9.9	
Core EPS (sen)	2.3	1.8	2.0	-11.9	13.6	6.5	7.2	9.9	
Net DPS (sen)	1.5	0.0	1.8	16.7	0.0	3.0	3.5	16.7	Declared 1.75 sen interim dividend in 4QFY24.
BV/share (sen)	25.5	29.0	29.2	14.4	0.9	25.5	29.2	14.4	
Margins									
Gross profit (%)	65.4	64.9	60.5	-4.9 pts	-4.4 pts	64.9	63.8	-1.1 pts	
Operating profit (%)	19.3	16.7	15.5	-3.8 pts	-1.2 pts	17.0	16.5	-0.6 pts	Aggressively spending on promotional activities.
Pretax (%)	17.2	15.1	14.1	-3.2 pts	-1.0 pts	15.3	14.9	-0.3 pts	
Net profit (%)	14.2	11.6	11.1	-3.2 pts	-0.5 pts	11.6	11.3	-0.2 pts	
Other highlights									
Revenue breakdown (m)									
- Optical related	60.7	57.2	69.7	14.9	21.8	211.5	240.8	13.8	Strong marketing activities.
- Food and beverages	10.9	10.7	11.6	6.3	8.4	40.9	43.2	5.6	Increased corporate client and improving UR of central kitchen.
- Franchise management	1.0	0.9	1.2	18.8	27.6	4.0	4.2	4.0	
- Other	1.1	1.3	1.0	-13.0	-26.9	4.5	4.4	-2.5	
Number of stores (Optical)									
- Wholly-owned						130	132	1.5	
- Franchise						62	64	3.2	
Number of stores (F&B)									
- Wholly-owned						12	16	33.3	Total of 15 Komugi retail outlet and 1 HAP&PI Kiosk in FY24.
- Franchise						22	17	-22.7	Brunei closed due to non-compliance and 3 outlets in Philippines closed by foreign master franchisee.

Source: Company, Mercury Securities



Key Financial Data

Balance Sheet

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
PPE	47.8	53.6	60.7	59.3	60.8
Intangibles	-	-	-	-	-
Inventories	52.7	60.7	60.7	80.2	87.7
Receivables	39.4	42.9	43.2	56.8	61.8
Other assets	77.5	88.6	85.3	89.4	89.6
Deposit, bank and cash	54.0	37.4	38.5	45.8	61.8
Assets	271.4	283.2	288.3	331.5	361.7
LT borrowings	21.9	17.8	18.5	17.8	17.8
ST borrowings	17.1	17.2	16.9	17.2	17.2
Payables	36.7	33.1	20.1	40.5	43.5
Other liabilities	94.0	97.1	97.8	92.3	91.3
Liabilities	169.7	165.2	153.3	167.8	169.8
Share capital	40.1	40.1	40.1	40.1	40.1
Reserves	61.6	77.9	94.9	123.6	151.8
Shareholder's equity	101.7	118.0	135.0	163.7	191.9
MI	-	-	-	-	-
Equity	101.7	118.0	135.0	163.7	191.9
Equity and Liabilities	271.4	283.2	288.3	331.5	361.7

Cash Flow Statement

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
Profit before taxation	47.9	39.9	43.7	53.9	61.9
Depreciation & amortisation	37.3	43.8	45.3	46.9	47.3
Changes in working capital	(8.9)	(15.7)	(16.8)	(9.8)	(9.6)
Net interest received/ (paid)	(0.2)	(0.3)	0.1	(4.9)	(4.9)
Share of associate profits	(0.3)	(0.1)	0.0	0.0	0.0
Tax paid	(6.7)	(12.6)	(13.4)	(12.9)	(14.9)
Others	5.6	6.6	6.2	9.8	9.7
Operating Cash Flow	74.6	61.6	65.1	83.0	89.7
Capex	(14.4)	(13.2)	(14.2)	(13.0)	(13.0)
Others	(33.0)	14.3	5.1	0.0	0.0
Investing Cash Flow	(47.4)	1.1	(9.1)	(13.0)	(13.0)
Issuance of shares	0.0	0.0	0.0	0.0	0.0
Changes in borrowings	(33.9)	(42.9)	(31.6)	(37.7)	(36.9)
Dividends paid	(9.9)	(13.9)	(16.2)	(16.4)	(18.8)
Others	(5.4)	(5.9)	(6.3)	(4.9)	(4.9)
Financing Cash Flow	(49.2)	(62.7)	(54.0)	(59.0)	(60.6)
Net cash flow	(22.1)	(0.0)	2.0	11.0	16.0
Forex	0.0	0.0	0.0	0.0	0.0
Beginning cash	34.8	12.7	12.7	10.2	21.1
Ending cash	12.7	12.7	14.7	21.1	37.2

Income Statement

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
Revenue	248.8	260.9	292.5	325.7	356.2
EBITDA	88.2	88.0	94.8	106.6	115.0
Depn & amort	(37.3)	(43.8)	(45.3)	(46.9)	(47.3)
Net interest expense	4.8	5.3	5.7	4.9	4.9
Associates & JV	0.3	0.1	0.2	0.1	0.1
EI	0.0	(0.8)	(0.5)	0.0	0.0
Pretax profit	47.9	39.9	43.7	53.9	61.9
Taxation	(12.0)	(9.7)	(10.5)	(12.9)	(14.9)
MI	0.0	0.0	0.0	0.0	0.0
Net profit	35.9	30.2	33.2	41.0	47.1
Core net profit	35.9	30.2	33.2	41.0	47.1

Key Statistics & Ratios

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
Growth					
Revenue	46.0%	4.9%	12.1%	10.9%	9.4%
EBITDA	47.6%	-0.2%	7.7%	8.5%	7.8%
Pretax profit	131.2%	-16.7%	9.6%	16.7%	14.8%
Net profit	155.2%	-15.9%	10.1%	16.7%	14.8%
Core EPS	82.3%	-15.9%	10.2%	16.7%	14.8%

Profitability

EBITDA margin	35.5%	33.7%	32.4%	32.7%	32.3%
Net profit margin	14.4%	11.6%	11.3%	12.6%	13.2%
Effective tax rate	25.1%	24.4%	24.1%	24.0%	24.0%
ROA	13.2%	10.6%	11.5%	12.4%	13.0%
ROE	35.3%	25.6%	24.6%	25.0%	24.5%

Leverage

Debt/ Assets (x)	0.14	0.12	0.12	0.11	0.10
Debt/ Equity (x)	0.38	0.30	0.26	0.21	0.18
Net debt/ equity (x)	Cash	Cash	Cash	Cash	Cash

Key Drivers

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
Optical revenue growth (%)	45.7%	4.4%	13.8%	10.4%	9.0%
F&B revenue growth (%)	39.0%	10.8%	5.6%	14.6%	11.8%
Optical operating margin (%)	22.6%	19.8%	19.4%	20.0%	20.0%
F&B operating margin (%)	9.8%	-0.5%	2.7%	8.0%	12.0%

Valuation

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
EPS (sen)	7.8	6.5	7.2	8.9	10.2
Core EPS (sen)	7.8	6.5	7.2	8.9	10.2
P/E (x)	9.9	11.7	10.6	8.6	7.5
EV/ EBITDA (x)	3.8	4.0	3.7	3.2	2.8
Net DPS (sen)	3.0	3.0	3.5	3.5	4.1
Yield	3.9%	3.9%	4.6%	4.7%	5.4%
BV per share (RM)	0.22	0.26	0.29	0.35	0.42
P/BV (x)	3.5	3.0	2.6	2.2	1.8

Source: Mercury Securities, Bloomberg



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Published & Printed By:

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