



Focus Point Holdings Bhd

1QFY25: Retail Steady, Eyes on F&B

Focus Point Holdings Bhd (FOCUSP) 1QFY25 results came within expectations, accounting for approximately 21% of both ours and consensus full-year forecast. Backed by a strong balance sheet and net cash position, the group declared a first interim dividend of 1.75sen, translating to a 30% payout ratio, with the ex-date set for 9 June. We remain positive on FOCUSP's growth prospects, supported by its leading position in the eyewear business, continued store expansion, ongoing brand-building efforts, and the potential earnings turnaround in its F&B operations. As such, we maintain our valuation forecasts and reiterate our BUY call with an unchanged target price of RM1.18, based on 13x FY25E EPS.

Earnings within expectations. Focus Point started FY25 on a solid note, with revenue rising 6.8% YoY to RM72.9m and core net profit improving 6.6% YoY to RM7.9m, marking its strongest first-quarter earnings since listing. Results were broadly in line, meeting 21% of both our and consensus full-year forecasts. Typically, the first quarter tends to be seasonally softer due to the absence of year-end festive-driven spending tailwinds seen in 4QFY24, a natural tapering in corporate optical benefit utilisation, and slower corporate orders for F&B segment during the Ramadan period. Meanwhile, its ongoing corporate proposal submitted to Bursa remains under review, with a decision expected within the next 6 months.

Optical segment continues to shine. Healthy topline underpinned by a sharp pickup in corporate sales (RM5.7m, +74.2% QoQ), continued outlet expansion, and effective promotional efforts, particularly for the 360 APEC, Airdoc, AI Fundus, and SOLOS Smart Glasses. Three new stores were added, two wholly owned (IOI Mall Damansara, Sunway Carnival) and one franchise (Sri Rampai), bringing the total store count to 202, up from 199 at end-FY24. For FY25, management is guiding for 10 new store openings (including franchises) and refurbish 8 of its existing outlets. The group is also expanding in East Malaysia, with plans for a largest concept store in Bintulu and new outlet in Miri, capitalising on Sarawak's growing consumer spending as Malaysia fourth-largest state contributor to GDP at RM142bn or 9.2% in 2023, according to the data from DOSM.

Cautiously optimistic outlook for F&B segment. It posted a healthy 7.6% YoY increase in revenue to RM10.9m, led by stronger retail performance and more innovative halal-certified offerings. However, corporate sales were seeing a slowed down due to lesser orders during Ramadan period, resulting in a PBT margin of -6.8%. To mitigate this, cost rationalism efforts at Komugi are ongoing and expected to fully kick off at 2HFY25E. Expansion plan for Komugi remain on track, with 1–3 outlets targeted in FY25 and utilisation rate of both Central Kitchen was steady at 70%. Discussions with ZUS Coffee are progressing positively, alongside talks with other major coffee chain for potential collaboration.

Forecast. Unchanged.

Valuations. No change to our TP of RM1.18 based on a 13x PE FY25 EPS. We like Focus Point due to its; i) Market leader with a 15 to 20% market share, ii) Tailwinds from Regulatory Changes and iii) Diversified revenue with emerging F&B contribution.

Main Market
Consumer Products & Services Sector
BUY (↔)
TP: RM 1.18
Last Closing Price: RM 0.78

Share Price Performance



Business Overview

Focus Point Holdings Berhad (FOCUSP) 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)	1,535.4
YTD KLCI chg.	(6.5)
YTD Stock Price chg.	(3.7)

Price Performance

	1M	3M	12M
Absolute (%)	9.2	(1.9)	(4.9)
Relative to KLCI (%)	7.5	1.6	0.3

Stock Information

Market Cap (RM m)	358.0
Issued Shares (m)	462.0
52-week High (RM)	0.88
52-week Low (RM)	0.70
Estimated Free Float (%)	20.0
Beta vs FBM KLCI	1.0
3-month Average Vol. (m)	10.0
Shariah Compliant	Yes
Bloomberg Ticker	FOCUSP MK

Top 3 Shareholders

	%
Dato' Liaw Choon Liang	37.6
Datin Goh Poi Eong	12.9
Employee Provident Fund	10.3

FY DEC (RM m)	FY24A	FY25E	FY26E
Revenue	292.5	329.7	361.3
EBITDA	109.3	102.6	109.0
PBT	43.7	49.4	55.0
Net Profit	33.2	37.5	41.8
Core Net Profit	33.2	37.5	41.8
Core EPS (sen)	7.2	8.1	9.0
Core EPS Growth (%)	10.1	13.0	11.3
Net DPS (sen)	3.5	3.1	4.7
BV Per Share (sen)	29.2	34.9	40.3
Net Div. Yield (%)	4.8	3.1	4.7
P/E (x)	10.1	9.5	8.6
ROE (%)	24.6	23.3	22.4



Gaining from regulatory and tariff turmoil. The MDA (Medical Device Authority) recently has banned the online sale of optical devices and contact lenses by non-licensed sellers. This regulatory shift is expected to benefit Focus Point, given its strong licensed presence and leading market position. Separately, ongoing global tariff turmoil may offer additional leverage in negotiation with manufactures in China and South Korea for the group in-house brands, which collectively represent less than 10% of its product mix. Importantly, the group also recorded a sharp improvement in GPM to 66.5% in 1QFY25 (from 60.5% in 4QFY24), driven by successful suppliers' negotiations due to the substantial purchase volumes and economic of scale

Results Highlights

Y/E : Dec (RM m)	1Q25	4Q24	QoQ Chg. %	1Q24	YoY Chg. %	3M25	3M24	YoY Chg. %	Comments
Key financial highlights									
Revenue	72.9	83.5	(12.6)	68.3	6.8	72.9	68.3	6.8	Look into revenue breakdown.
Gross profit	48.5	50.5	(3.9)	44.8	8.4	48.5	44.8	8.4	
Operating profit	11.8	12.9	(8.3)	11.2	6.1	11.8	11.2	6.1	
Pretax profit	10.6	11.7	(9.4)	10.0	6.1	10.6	10.0	6.1	
Net profit	7.9	9.2	(14.3)	7.4	6.6	7.9	7.4	6.6	
Core net profit	7.9	9.2	(14.3)	7.4	6.6	7.9	7.4	6.6	
Per share data									
EPS (sen)	1.7	2.0	(14.5)	1.6	6.9	1.7	1.6	6.9	Upcoming dividend is 1.75 sen with ex-date of 9 Jun 2025.
Core EPS (sen)	1.7	2.0	(14.5)	1.6	6.9	1.7	1.6	6.9	
Net DPS (sen)	1.8	1.8	0.0	0.0	0.0	1.8	0.0	0.0	
BV/share (sen)	30.9	29.2	5.9	27.1	14.0	30.9	27.1	14.0	
Margins									
Gross profit (%)	66.5	60.5	6.0 pts	65.5	1.0 pts	66.5	65.5	1.0 pts	Better GP margin YoY.
Operating profit (%)	16.2	15.5	0.8 pts	16.3	(0.1 pts)	16.2	16.3	(0.1 pts)	
Pretax (%)	14.6	14.1	0.5 pts	14.7	(0.1 pts)	14.6	14.7	(0.1 pts)	Stable NP margin YoY
Net profit (%)	10.8	11.1	(0.2 pts)	10.9	(0.1 pts)	10.8	10.9	(0.1 pts)	
Other highlights									
Revenue breakdown									
- Optical related	61.1	69.7	(12.4)	56.0	9.0	61.1	56.0	9.0	Strong marketing activities.
- Food and beverages	10.9	11.6	(6.5)	10.1	7.6	10.9	10.1	7.6	
- Franchise management	0.0	1.2	0.0	1.1	0.0	0.0	1.1	0.0	Increase in retail outlets but slowdown in corporate sales due to Ramadan period.
- Others	1.0	1.0	5.4	1.1	(9.4)	1.0	1.1	(9.4)	
Number of stores (Optical)									
- Wholly-owned						134	130	3.1	
- Franchise						68	63	7.9	
Number of stores (F&B)									
- Wholly-owned						17	13	30.8	16 Komugi retail outlet and 1 Hap&Pi Kiosk
- Franchise						20	19	5.3	

Source: Company, Mercury Securities

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