



Yoong Onn Corporation

Core Resilience Amid Write-Off Drag

Yoong Onn Corporation Berhad (YOCB) FY25 results were within expectations, with core earnings meeting both our and consensus forecast. Retail momentum remained strong, led by solid growth in Malaysia and robust contributions from Singapore, while distribution was stable and manufacturing softer as expected. Backed by a healthy balance sheet and net cash position, YOCB is well positioned to capture resilient soft furnishing demand, supported by store expansion plans, steady institutional sales, and ongoing claims recovery. We maintain our earnings forecasts and reiterate our BUY call with an unchanged TP of RM2.46, based on 10x FY26F EPS, underpinned by resilient earnings visibility and a c.4.5% dividend yield.

Core earnings within expectations. YOCB reported FY25 revenue of RM296.6m, achieve 95% of our forecast of RM311.0m, while core net profit of RM33.5m was within expectations, meeting 100% of both our full-year estimate and consensus. Reported net profit, however, fell sharply to RM16.7m (-48% YoY vs. RM32.2m in FY24), weighed down by c.RM30m in write-offs on PPE and inventories. Excluding these, earnings remain resilient, partly cushioned by RM15m in interim insurance claim (up to RM38m still claimable). Importantly, management guided that no further write-offs are expected, while the Group continues to work closely with loss adjusters to expedite progress claims and payments. We now expect an additional RM10m claim in FY26.

Retail segment continues to shine. Retail revenue momentum remained strong, delivering revenue of RM138.9m (+23% YoY vs. RM112.9m in FY24), driven by a solid 10.5% YoY growth in Malaysia to RM105.1m (FY24: RM95.1m). This was supported by 3 new store expansion (total: 44 stores) and positive, albeit modest, SSSG of <5% amid firmer consumer sentiment. Singapore retail operations (via T.C. Homeplus) jumped 90.2% YoY to RM33.8m (FY24: RM17.8m), benefitting from a full-year contributions following its ramping up in 2HFY24; store count remained at 11.

Distribution and manufacturing mixed. Distribution revenue was relatively flat at RM132.3m (-1.4% YoY vs. RM134.2m in FY24), reflecting weaker international consignment sales. That said, Singapore distribution nearly doubled to RM16.2m (+77% YoY vs. RM9.1m in FY24), lifting total segment revenue to RM148.5m (+3.6% YoY vs. RM143.3m in FY24). Furthermore, manufacturing revenue fell 38% YoY to RM9.2 (FY24:14.9m), in line with expectation due to softer OEM orders.

Outlook remains encouraging. YOCB is well positioned to benefit from rising residential demand, supported by affordable housing programs, FDI inflows, infrastructure rollouts, and robust mortgage approvals in 1HFY25. We expect soft furnishing demand to remain resilient, particularly in the mass-premium space where YOCB is anchored. For FY26, the Group plans to add 3–4 new stores in Malaysia while maintaining its 11-store footprint in Singapore. Discussion with mall operators for strategic expansion in East Malaysia are still ongoing. Distribution is expected to expand by 5 new consignment counters in Malaysia (270 in FY25), 2 in Singapore, while e-commerce sales continue to gain traction with a wider product mix. Institutional supply also remains steady, supported the rising tourist arrivals and stronger occupancy trends among

Main Market
Consumer Products & Services Sector
BUY
TP: RM 2.46
Last Closing Price: RM 1.63

Share Price Performance



Business Overview

Yoong Onn Corporation Berhad is a leading integrated designer, manufacturer, distributor, and retailer of home linen and bedding accessories in the region.

Return Information

KLCI (pts)	1,588.0
YTD KLCI chg.	3.2
YTD Stock Price chg.	11.4

Price Performance

	1M	3M	12M
Absolute (%)	3.0	3.0	16.0
Relative to KLCI (%)	6.9	7.3	11.9

Stock Information

Market Cap (RM m)	258.6
Issued Shares (m)	158.7
52-week High (RM)	2.2
52-week Low (RM)	1.6
Est. Free Float (%)	27.5
Beta vs FBM KLCI	0.6
3-month Avg Vol. (m)	0.3
Shariah Compliant	Yes
Bloomberg Ticker	YOCB MK

Top 3 Shareholders

	%
Casatex Cosmo Sdn Bhd	53.0
Wang Shou Hu	5.0
Brahmal A/L Vasuden	3.2

FY Jun (RM m)	FY25A	FY26E	FY27E
Revenue	296.6	330.2	371.2
EBITDA	44.5	74.7	74.6
PBT	22.6	51.3	56.2
Net Profit	16.7	39.0	42.7
Core Net Profit	33.5	39.0	42.7
Core EPS (sen)	21.1	24.6	26.9
Core EPS Growth (%)	2.2	16.4	9.5
Net DPS (sen)	8.0	7.4	8.1
BV Per Share (sen)	211.6	228.8	247.6
Net Div. Yield (%)	4.9	4.5	5.0
P/E (x)	7.7	6.6	6.1
ROE (%)	5.0	10.7	10.9



hospitality operators for recurring replacement cycles and inventory restocking.

Forecasts and valuation. Post-results, we maintain our earnings forecasts and introduce FY27E earnings (+9.5% YoY) in this report. We reiterate our BUY call with an unchanged TP of RM2.46/share, based on 10.0x FY26E EPS due to its resilient earnings and an attractive dividend yield of c.4.5%. Key downside risks include delays in store and consignment, as well as weaker-than-expected distribution performance.

Results Highlights

Y/E : Jun (RM m)	4Q25	3Q25	QoQ Chg. (%)	4Q24	YoY Chg. (%)	12M25	12M24	YoY Chg. (%)
Key financial highlights								
Revenue	66.6	83.4	20.1	67.1	0.8	296.6	271.1	9.4
EBIT	9.2	12.3	175.1	9.4	198.3	24.2	43.2	44.1
Pretax profit	9.7	11.9	181.3	9.0	208.3	22.6	42.1	46.4
Net profit	8.4	9.4	189.7	6.9	221.9	16.7	32.0	47.7
Per share data								
EPS (sen)	5.3	5.9	189.7	4.3	221.9	10.6	20.6	47.7
Net DPS (sen)	4.0	0.0	0.0	4.0	0.0	8.0	7.5	0.0
Margins								
EBIT (%)	13.9	14.8	28.6 pts	14.0	27.9 pts	8.2	16.1	7.9 pts
Pretax (%)	14.6	14.3	28.9 pts	13.4	27.9 pts	7.6	15.6	8.0 pts
Net profit (%)	12.6	11.2	23.8 pts	10.3	22.9 pts	5.6	11.9	6.2 pts
Other highlights								
Revenue breakdown (MY)								
- Retailing	25.6	31.2	17.9	25.7	0.2	112.6	100.9	11.6
- Distribution	30.9	36.9	16.3	29.8	3.8	132.3	134.2	1.4
- Manufacturing	9.7	11.1	12.2	6.9	39.7	38.9	37.8	2.9
- Investment Holding	0.3	25.3	98.8	0.4	15.3	26.2	18.3	43.6
- Elimination	9.9	35.5	72.0	6.6	49.7	63.4	46.9	35.2
Total	56.6	68.9	17.9	56.1	0.8	246.6	244.2	1.0
Revenue breakdown (SG)								
- Retailing	8.0	9.3	13.5	7.3	10.2	33.8	17.8	90.2
- Distribution	2.0	5.2	61.0	3.7	46.3	16.2	9.1	77.2
Total	10.0	14.4	30.5	11.0	9.0	50.0	26.9	85.7
Number of stores								
- Malaysia						44	41	3
- Singapore						11	11	0
Number of consignment								
- Malaysia						270	260	10
- Singapore						10	10	0

Source: Company, Mercury Securities



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HOLD	Stock's total return is expected to be within +10% or -10% over the next 12 months (including dividend yield)
SELL	Stock's total return is expected to be -10% or worse over the next 12 months (including dividend yield)

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