Focus Point Holdings Bhd

Main Market
Consumer Products & Services Sector
BUY (↔)
TP: RM 0.62 (↔)
Last Closing Price: RM 0.50

Growth On Track for the Year

Focus Point Holdings Bhd (FOCUSP) 12MFY25 results were in line with expectations. The Group achieved its highest ever quarterly revenue and notable annual revenue. This marks five consecutive years of revenue growth. The Optical segment also recorded its highest ever annual revenue. The Board also implemented a 50% dividend payout policy. We are optimistic on FOCUSP's growth prospects, underpinned by its leading position in the eyewear business amid rising myopia prevalence, continued store expansion (>10% SSSG), and ongoing brand-building efforts. We maintain FY26E earnings, valuations maintained at an unchanged PE multiple of 10x. Reiterate BUY call with TP of RM0.62.

12MFY25 results broadly met expectations, with net profit coming in at 99%/99% of ours/consensus full-year estimates A third single-tier interim dividend of 0.75 sen per ordinary share was declared bringing cumulative declared for the financial year end at 3.56 sen (adjusted to reflect the bonus issue which was completed on 18 August 2025) -implying a 59% payout (vs our expectation of a 30% payout).

YoY, the Group recorded its highest-ever revenue at RM311.4m in FY25, representing a 6% growth, driven by stronger sales performance in the Optical segment which registered a 9% increase to RM263.3m (FY24: RM240.8m). Concurrently, the F&B segment was up 2% to RM44.2m (FY24: RM43.2m). However, the F&B segment posted a LBT of RM3.1m due to higher operating costs and write downs. GP and EBITDA margins improved to 65.5% and 32.5% respectively (FY24: 63.6% and 32.0% respectively). Subsequently, PBT marginally rose by 0.8ppts to 16%. No change in PATAMI margins (11%) despite higher ETR of 28% (FY24: 24%).

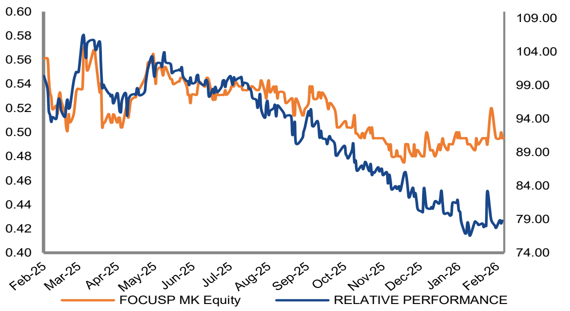
QoQ, topline posted its strongest quarterly revenue to date, rising by 22% on the back of stronger sales from the Optical segment (+32%). GP margin slightly trimmed to 63% (FY24: 65%) as EBITDA, PBT and PATAMI margins improved by 5.3%, 6.8% and 5.1% respectively on account of lower OPEX at 31% (FY24: 36%) and lower ETR at 29% (FY24: 31%).

Outlook. Having achieving another highest year to date revenue for the Optical segment, the Focus Point will continue with its strategic efforts to sustain growth and enhance their market leadership position. Subsequent to the opening of their Optical outlet in Kangar Jaya Mall, FOCUSP is now holds presence in every state in Malaysia. The Group will continue expanding our local geographical reach via the opening of new outlets in strategic locations, investing in advanced primary eyecare equipment and undertaking more vision care awareness roadshows. Focus Point will continue enhancing operational efficiency and cost effectiveness, expanding more products to serve both retail and corporate customers, and acquiring more corporate customers as part of the ongoing initiatives to turnaround the business and return to profitability.

Post results, we introduce our FY27E earnings of RMwhile maintaining FY26E earnings as results broadly met expectations.

Valuation. We maintain our TP of RM0.62, ascribing a target PE multiple of 10x - comparable to the FBM Small Cap index best forward PE of 10x. Undemanding valuations coupled with an attractive dividend yield of c.6%, we **reiterate our BUY call.**

Share Price Performance



Business Overview

Focus Point Holdings Bhd owns and operates eye care centers. The Company also franchises eye care centers and provides medical eye care surgery and services.

Return Information	
KLCI (pts)	1,740.94
YTD KLCI chg.	3.6%
YTD Stock Price chg.	2.1%

Price Performance	1M	3M	12M
Absolute (%)	0.0	2.1	-7.1
Relative to KLCI (%)	0.2	-5.1	-16.7

Stock Information	
Market Cap (RM m)	304.0
Issued Shares (m)	615.7
52-week High (RM)	0.61
52-week Low (RM)	0.46
Est. Free Float (%)	34.1%
Beta	0.9
3-month Avg Vol.	311,001
Shariah Compliant	Yes
Bloomberg Ticker	FOCUSP MK Equity

Top 3 Shareholders	%
Dato Liaw Choon Liang	37.3%
Datin Goh Poi Eong	12.9%
Perbadanan Nasional	8.5%

FY Dec (RM m)	FY25A	FY26E	FY27E
Revenue	311.4	361.3	396.1
Gross Profit	204.1	243.7	268.3
EBITDA	100.5	109.0	116.7
EBIT	54.0	61.7	68.7
PBT	48.7	55.0	62.1
Net Profit	**35.0**	**41.8**	**47.2**
Core Net Profit	**35.0**	**41.8**	**47.2**
Consensus Net Profit	-	38.2	40.8
Earnings Revision (%)	-	-	-
Core EPS (sen)	5.7	6.8	7.7
Core EPS Growth (%)	-21%	19%	13%
Net DPS (sen)	3.3	2.7	3.1
Net Div. Yield (%)	6.7%	5.5%	6.2%
BV Per Share (sen)	24.7	28.4	32.9
P/B (x)	2.00	1.75	1.50
P/E (x)	8.7	7.3	6.5
ROE (%)	23%	24%	23%

Investment Case. We continue to like Focus Point due to its; i) Market leader with a 15 to 20% market share, ii) Tailwinds from Regulatory Changes - *MDA (Medical Device Authority) 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* and iii) Diversified revenue with emerging F&B contribution and iv) resilient private consumption supported by higher disposable income, favorable market conditions, targeted assistance programs and vibrant tourism activities.

Risks to our recommendation include: (i) intense competition, ii) supply chain disruption, and iii) dependency on registered optometrist/opticiansand iv) upside risk of inflationary pressure

Results Highlights

Y/E: Dec (RM m)	Q4 FY25	Q3 FY25	QoQ Chg	Q4 FY24	YoY Chg	12M25	12M24	YoY Chg
Key financial highlights								
Revenue	**91.2**	**74.5**	*22.4%*	**83.5**	*9.2%*	**311.4**	**292.5**	*6.4%*
Gross Profit	**57.7**	**48.5**	*19.2%*	**50.0**	*15.5%*	**204.1**	**186.1**	*9.6%*
OPEX	**(28.0)**	**(26.6)**	*5.4%*	**(26.5)**	*5.5%*	**(105.3)**	**(95.1)**	*10.8%*
EBITDA	31.8	22.0	*44.5%*	25.0	*27.2%*	101.3	93.5	*8.4%*
EBIT	19.0	10.5	*80.5%*	12.9	*46.9%*	54.0	48.2	*12.2%*
PBT/(LBT)	**17.4**	**9.2**	***89.7%***	**11.7**	***48.5%***	**48.7**	**43.7**	*11.5%*
Taxation	(5.1)	(2.9)	*75.4%*	(2.5)	*101.4%*	(13.7)	(10.5)	*30.4%*
Net Profit	12.4	6.3	*96.2%*	9.2	*34.1%*	35.0	33.2	*5.5%*
PATAMI	**12.4**	**6.3**	*96.2%*	**9.2**	*34.1%*	**35.0**	**33.2**	*5.5%*
Core EPS (sen)	2.0	1.0	*96.3%*	2.0	*0.6%*	6.1	7.2	*-14.9%*
Net DPS (sen)	0.1	0.0		0.0		1.8	3.5	
Margins (%)								
Gross Profit	63.3%	65.0%		59.9%		65.5%	63.6%	
Opex	-30.7%	-35.7%		-31.8%		-33.8%	-32.5%	
EBITDA	34.9%	29.6%		30.0%		32.5%	32.0%	
EBIT	20.8%	14.1%		15.5%		17.4%	16.5%	
PBT	19.1%	12.3%		14.1%		15.7%	14.9%	
PATAMI	13.6%	8.5%		11.1%		11.2%	11.3%	
ETR	-29.1%	-31.4%		-21.4%		-28.1%	-24.1%	
Revenue Breakdown (RMm)								
Optical related	80.5	61.1	*31.8%*	69.7	*15.5%*	263.2	240.8	*9.3%*
Food and beverages	11.4	10.9	*4.4%*	11.6	*-2.4%*	44.2	43.2	*2.4%*
Franchise management	0.0	0.0		1.2	*-100.0%*	0.0	4.2	*-100.0%*
Others	0.9	1.0	*-12.4%*	1.0	*-7.6%*	4.0	4.4	*-9.6%*
Total	**92.7**	**72.9**	*27.1%*	**83.5**	*11.1%*	**311.4**	**292.5**	*6.4%*

Source: Company, Bursa Malaysia, Mercury Securities

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