



# Focus Point Holdings Bhd

## Multi-Engine Growth Story Intact

Company Update

BUY (↔)

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Monday, May 25, 2026

Price: RM 0.535

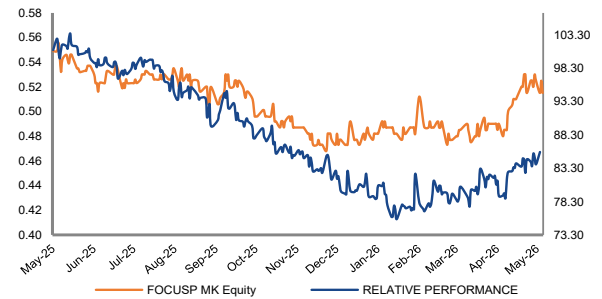
Target Price: RM 0.77 (↑)

Post results briefing, Focus Point's provides a compelling growth story, backed by its (i) continued optical outlet expansion, (ii) expanding corporate client base, (iii) position as a leader in the smart glasses segment in Malaysia and (iv) F&B segment turnaround, driven by catalysts from B2B supply contracts. Coupled with inclusions in key Bursa Malaysia ESG and Quality indices, committed 50% dividend payout and exciting forward dividend yield of 6-7%, we reiterate our BUY call with a higher TP of RM0.77 (previously RM0.66), as we rollover to FY27E, keeping both our target P/E multiple of 10x and FY26E/FY27E earnings estimates unchanged.

We attended FOCUSP's post results briefing recently and gathered several key insights on its operational developments and outlook. The key takeaways include:

- Margins expected to be stable throughout FY26.** Management guided for margins to remain broadly stable throughout FY26, which is in line with our existing assumptions with GP/PBT/PAT margins at 68%/16%/12% respectively. The improved GP margin of 68% achieved in 1QFY26 was partly lifted by supplier rebates and a more favourable product mix in the quarter. Do note that the margin differential between corporate sales and retail sales channels is minimal and largely insignificant. Despite the strong 43% YoY growth in corporate sales in 1QFY26, which now constitutes 12% of optical segment revenue, there is no meaningful margin dilution from channel mix shift. Retail outlet sales remain as the largest mix, contributing 82% to total optical segment revenue in 1QFY26.
- Expanding corporate client base.** Corporate sales channel continues to emerge as a compelling structural growth engine for the optical segment, onboarding 51 new accounts to reach a total roster of 890 clients in 1QFY26 from 839 in 4QFY25. This strong momentum underscores management's systematic scaling across high-value healthcare panels, employee benefit platforms, and premier blue-chip accounts. Driven by this widening network and deeper wallet penetration, corporate sales are expected to further expand and support topline growth. Furthermore, the Group's is structurally supported by a favorable regulatory backdrop, where the Medical Device Authority's strict ban on online optical sales by unlicensed operators effectively funnels volume back to dominant, licensed players such as Focus Point. With the corporate client base closing in on the 900-account threshold, we expect this channel to solidify as a durable contributor to total optical revenue, providing a highly defensive and recurring multi-year growth runway.
- Smart Glasses; offering promising growth vertical.** Focus Point is actively building out a smart glasses product pillar, positioning itself as the exclusive or preferred retail destination for AI-integrated and connected eyewear in Malaysia. Currently, SOLOS Smartglasses, which Focus Point holds exclusive Malaysian distribution rights, are already available at select outlets, including the Mid Valley Megamall outlet. The rollout target is 50 outlets by end of May 2026, which would represent a meaningful scaling of the product's accessibility. Meta smart glasses (the Ray-Ban Meta collaboration) are expected to arrive in Malaysia around September 2026 — a product with substantially stronger brand pull and consumer awareness relative to SOLOS. Separately, the Group had recently

### 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. Listed on the Main market.

### Return Information

KLCI (pts)	1,712.67
YTD KLCI chg.	1.9%
YTD Stock Price chg.	10.3%

Price Performance	1M	3M	12M
Absolute (%)	10.3%	9.9%	-2.0%
Relative to KLCI (%)	10.5%	12.4%	-12.9%

### Stock Information

Market Cap (RM m)	329.0
Issued Shares (m)	615.0
52-week High (RM)	0.59
52-week Low (RM)	0.46
Est. Free Float (%)	34%
Beta vs FBM KLCI	0.8
3-month Avg Vol. (m)	523,349
Shariah Compliant	Yes
Bloomberg Ticker	FOCUSP MK Equity

### Top 3 Shareholders

	%
Sustain Focus Sdn Bhd	28.5%
Datin Goh Poi Eong	12.9%
Dato Liaw Choon Liang	8.9%

FY Mar (RM m)	FY25A	FY26E	FY27E
Revenue	311.4	348.5	390.1
Gross Profit	204.1	235.8	265.3
EBITDA	102.3	107.5	116.7
PBT	55.8	60.1	68.6
Net Profit	50.7	53.5	62.1
Core Net Profit	36.8	40.7	47.2
Consensus Net Profit	36.8	40.7	47.2
Earnings Revision (%)	-	37.4	40.5
Core EPS (sen)	-	-	-
Core EPS Growth (%)	6.0	6.6	7.7
Net DPS (sen)	11%	11%	16%
Net Div. Yield (%)	3.0	3.3	3.8
BV Per Share (sen)	5.7%	6.4%	7.4%
PER (x)	24.8	28.2	32.1
PBV (x)	2.10	1.84	1.62
ROE (%)	8.7	7.9	6.8



received their initial shipment of Lenovo smart glasses and are expected to be made available at outlets in the near term. The smart wearables vertical is currently subscale in revenue terms and we do not bake in a material contribution to FY26 estimates. However, the strategic value lies in footfall differentiation, higher ASP potential, and positioning Focus Point as a technology-forward retailer, attributes that should support premium brand partnerships and long-term margin mix improvements.

- 4. Successful F&B segment turnaround.** The F&B segment (Komugi) achieved a PBT breakeven at RM8,000 in 1QFY26, a meaningful inflection after four consecutive quarters of losses ranging from RM0.4m to RM1.0m per quarter. While the absolute profit figure remains nominal, the turnaround validates management's pivot toward leveraging the Group's central kitchen capacity (currently at 70%) through B2B supply arrangements, rather than relying solely on direct retail. The group has been supplying baked goods to Luckin Coffee Malaysia, Gigi Coffee, and Bila Bila Mart since late 2025/early 2026. These contracts provide a more predictable, volume-driven revenue base that is structurally less exposed to mall foot traffic volatility and retail rental costs. Franchise revenue in the F&B segment also grew 34% YoY and 25% QoQ in 1QFY26, reflecting the expanding Philippines franchise network to 26 outlets from 25 outlets in 4QFY25. The next catalyst is the commencement of supply to Luckin Coffee Singapore, which management expects to begin as early as June 2026. Given Luckin's rapid expansion trajectory in Singapore, this could represent a meaningful and scalable incremental revenue stream. We view this as an underappreciated earnings driver for 2H26 and into FY27, and expect the F&B segment to emerge as a sustainable net-positive earnings contributor over the course of the year.
- 5. Optical outlet openings are progressing as planned.** Four new wholly owned outlets were opened in 1QFY26 achieving 40% of its 10 targeted outlet openings in FY26. The 2QFY26 pipeline includes openings at SOGO KL (May 2026) and Great Eastern Mall (April 2026), with further openings planned for 3Q and 4Q. The outlet expansion strategy continues to prioritise SightSavers, Signature, Concept Store, and Anggun formats, as well as East Malaysia — the latter completing Focus Point's presence across all states in Malaysia as of the Kangar Jaya Mall opening. Importantly, management has clarified that there are no near-term plans to expand the optical segment into the Philippines. The Philippines market will remain the domain of the F&B segment, where the Komugi franchise network is well-established with 26 outlets. This clean segmentation of regional expansion strategy avoids capital overextension and allows management to maintain focus on deepening the Malaysian optical footprint while growing the Philippines F&B franchise base.

**Post Update,** we maintain our FY26E/FY27E estimates as our (i) GP/PBT/PAT margin assumptions align with its recent 1QFY26 results at 68%/16%/12% respectively and (ii) store openings are on track with our assumptions and management target.

**Valuation.** As we rollover our valuation to FY27E, we derived a new target price of RM0.77 (previously RM0.66), applying an unchanged target PE multiple of 10x to its FY27E EPS of 7.7 sen. This valuation is in line with the FBM Small Cap index's peak forward PE of 10x. Given the undemanding valuation alongside a compelling dividend yield of c.6-7% and solid growth catalysts, we reiterate our BUY call.

**Outlook.** Following a record-breaking FY25, Focus Point's sustained its exceptional momentum to deliver its strongest-ever 1Q performance, driven by resilient consumer spending and a strategic expansion that now gives FOCUSP a retail footprint in every state across Malaysia. Growth in the optical division will be structurally driven through continuous new store openings, investments in advanced primary eyecare diagnostic equipment, high-visibility community roadshows, expanding corporate client base as well as promising smart glasses segment. Crucially, Group earnings is expected to be further supported by the major operational turnaround in the F&B segment, which successfully hit a breakeven inflection point in 1Q after languishing in a net loss position last year. Moving forward, we expect management's aggressive pivot toward expanding high-volume corporate customer accounts, enhancing central kitchen cost-effectiveness, and diversifying product lines to bear fruit, allowing the F&B wing to emerge as a sustainable net-positive earnings contributor for the remainder of the year.

**Investment Case.** We continue to favour Focus Point on the back of: i) its position as the market leader with an estimated 15–20% market share, ii) favourable regulatory developments following the Medical Device Authority's (MDA) ban on online sales of optical devices and contact lenses by unlicensed sellers, which is expected to strengthen Focus Point's competitive positioning given its extensive licensed network, iii) a more diversified earnings base supported by the growing contribution from its F&B segment, and iv) resilient consumer spending.

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



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