



Focus Point Holdings Bhd

Momentum Sustained; Strongest 1Q Performance

Focus Point Holdings Bhd (FOCUSP) delivered its highest ever 1Q performance, extending its record-breaking momentum from 4QFY25, with results broadly in line with expectations. Growth was driven by continued strength in the Optical segment, while the F&B segment marked a turnaround from loss before tax to breakeven, signalling early-stage recovery. FY26E/FY27E earnings estimates maintained. Maintain BUY call with unchanged TP of RM0.66, ascribing FY26E EPS to unchanged P/E multiple of 10x, pending post-results briefing today.

1QFY26 results met expectations, coming in at 23%/25% of ours/consensus full-year estimates. A first single-tier interim dividend of 0.75 sen per ordinary share was declared, in line with its enhanced dividend policy of 50%, implying an exciting forward dividend yield of 6-7%.

YoY, the Group recorded its highest-ever 1Q revenue, rising 5.9% to RM77.3m on the back of stronger sales performance in the Optical segment which grew 9.4%, remaining as the highest contributor at 87%. Meanwhile, the F&B segment fell by 12% to RM9.6m, comparing from a high base of RM10.9m in 1QFY25. However, the segment made a turnaround from a LBT of RM0.7m to a PBT of RM8k, underpinned by effective cost discipline and operational efficiency measures. GP rose 8.4% as margin improved 1.6 ppts to 68%, (vs our assumption at 68%). PBT surged 16.2%, with margin improved by 1.4 ppts to 16% (vs our assumption at 16%), as OPEX margin was flattish at 35%. Correspondingly, PAT grew 16.4%, with margin up 1.1 ppts to 12%, (vs our assumption at 12%), as ETR remain stable at 26%.

QoQ, topline declined 15.2% from RM91.2m in 4QFY25 (its strongest ever quarter to date). Historically, the Group records softer performances in 1Q while strongest in 4Q, due to higher retail spending towards the end of the financial year. Despite topline decline, GP only dropped by 8.9% as margin improved by 4.8 ppts from 63%. PBT dropped 29.1% with margin lower at 16% (4QFY25 vs 19%) as OPEX margin slightly higher at 35% (4QFY25: 31%) and higher selling and distribution expenses margin at 20% (4QFY25: 15%). Correspondingly, PAT also fell by 25.6%, recording softer margins at 12% (4QFY25: 14%), despite lower ETR at 26% (4QFY25: 29%).

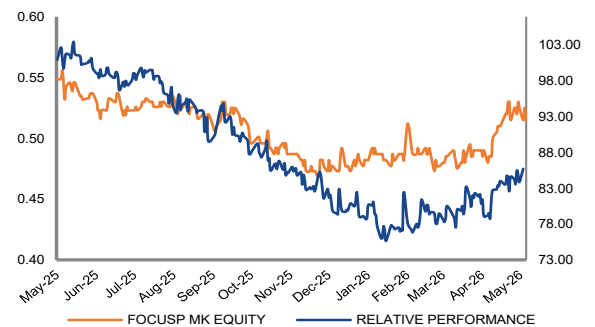
Outlook. Following a record-breaking FY25, Focus Point's sustained its exceptional momentum to deliver its strongest-ever 1Q performance, driven by resilient consumer spending and a strategic expansion that now gives FOCUSP a retail footprint in every state across Malaysia via its latest Kangar Jaya Mall outlet. Growth in the optical division will be structurally defended through continuous new store openings, investments in advanced primary eyecare diagnostic equipment, and high-visibility community roadshows. Crucially, group earnings is further bolstered by a 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.

No change to earnings estimates. We maintain our estimates for FY26E/27E as results are broadly in line with expectations.

Valuations. We maintain our TP of RM0.66 based on an unchanged target PE of 10x, in line with the FBM Small Cap Index's forward PE of 10x. Undemanding valuations and an exciting forward dividend yield of 6-7%, we maintain our BUY recommendation.

Main Market
Consumer Products & Services Sector
BUY (↔)
TP: RM 0.66 (↔)
Last Closing Price: RM 0.52

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)	1,708.36
YTD KLCI chg.	1.7%
YTD Stock Price chg.	7.2%

Price Performance	1M	3M	12M
Absolute (%)	8.3%	6.8%	-6.5%
Relative to KLCI (%)	8.0%	9.3%	-16.8%

Stock Information

Market Cap (RM m)	319.8
Issued Shares (m)	615.0
52-week High (RM)	0.59
52-week Low (RM)	0.46
Est. Free Float (%)	34%
Beta	0.8
3-month Avg Vol.	521,201
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 Dec (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
EBIT	55.8	60.1	68.6
PBT	50.7	53.5	62.1
Net Profit	36.8	40.7	47.2
Core Net Profit	36.8	40.7	47.2
Consensus Net Profit	-	37.4	40.5
Earnings Revision (%)	-	-	-
Core EPS (sen)	6.0	6.6	7.7
Core EPS Growth (%)	11%	11%	16%
Net DPS (sen)	3.0	3.3	3.8
Net Div. Yield (%)	5.7%	6.4%	7.4%
BV Per Share (sen)	24.8	28.2	32.1
P/B (x)	2.10	1.84	1.62
P/E (x)	8.7	7.9	6.8
ROE (%)	24%	23%	24%



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 underpinned by improving disposable income, supportive market conditions, targeted assistance measures and sustained tourism activity.

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

Results Highlights								
Y/E: Dec (RM m)	Q1 FY26	Q4 FY25	QoQ Chg	Q1 FY25	YoY Chg	3M26	3M25	YoY Chg
Key financial highlights								
Revenue	77.3	91.2	-15.2%	72.9	5.9%	77.3	72.9	5.9%
Gross Profit	52.6	57.7	-8.9%	48.5	8.4%	52.6	48.5	8.4%
OPEX	(27.0)	(28.0)	-3.4%	(25.4)	6.6%	(27.0)	(25.4)	6.6%
EBITDA	25.7	31.8	-19.3%	23.3	10.3%	25.7	23.3	10.3%
EBIT	13.8	19.0	-27.0%	11.8	16.9%	13.8	11.8	16.9%
PBT/(LBT)	12.4	17.4	-29.1%	10.6	16.2%	12.4	10.6	16.2%
Taxation	(3.2)	(5.1)	-37.6%	(2.7)	15.8%	(3.2)	(2.7)	15.8%
Net Profit	9.2	12.4	-25.6%	7.9	16.4%	9.2	7.9	16.4%
PATAMI	9.2	12.4	-25.6%	7.9	16.4%	9.2	7.9	16.4%
Core EPS (sen)	1.5	2.0	-25.6%	1.7	-12.6%	1.5	1.7	-12.6%
Net DPS (sen)	0.8	0.8	0.0%	1.8		0.8	1.8	
Margins (%)								
Gross Profit	68.1%	63.3%		66.5%		68.1%	66.5%	
Opex	-35.0%	-30.7%		-34.8%		-35.0%	-34.8%	
EBITDA	33.3%	34.9%		31.9%		33.3%	31.9%	
EBIT	17.9%	20.8%		16.2%		17.9%	16.2%	
PBT	16.0%	19.1%		14.6%		16.0%	14.6%	
PAT	11.9%	13.6%		10.8%		11.9%	10.8%	
ETR	-25.6%	-29.1%		-25.7%		-25.6%	-25.7%	
Revenue Breakdown (RMm)								
Optical related	66.8	80.5	-17.0%	61.1	9.4%	66.8	61.1	9.4%
Food and beverages	9.6	11.4	-15.8%	10.9	-12.0%	9.6	10.9	-12.0%
Franchise management	0.0	0.0		0.0	n/a	0.0	0.0	n/a
Others	0.9	0.9	1.6%	1.0	-11.0%	0.0	0.0	-16.0%
Total	77.3	92.7	-16.7%	72.9	5.9%	1.0	1.0	0.0%

Source: Company, Bursa Malaysia, 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)

Published & Printed By:

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