HLIB Research
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Focus Point

On course for growth

FocusP's growth trajectory remains intact, with the optical division set to benefit from store expansion into underserved East Malaysia and incremental demand redirected from the MDA ban on online sales of optical products. Marketing efforts, including the 360° APEC campaign and ongoing store refurbishments, continue to reinforce customer trust and conversion. On the F&B side, while profitability remains pressured by elevated costs and softer corporate sales, management is sharpening its focus on B2B opportunities, having secured contracts with grocery and convenience store chains, with further negotiations ongoing with national coffee chains. Overall, we see FocusP as well-positioned to capture rising consumer spending through its strong brand equity, expanding footprint, and growing B2B scale. Reiterate BUY, TP RM0.83.

BUY (Maintain)

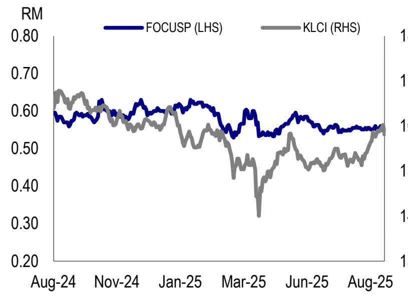
Target Price:	**RM0.83**
Previously:	**RM0.83**
Current Price:	**RM0.54**

Capital upside	53.7%
Dividend yield	4.6%
Expected total return	58.3%

Sector coverage: Consumer

Company description: FocusP owns and operates eye care centres and F&B bakery chain 'Komugi'.

hare price



Historical return (%)	1M	3M	12M
Absolute	-2.7	-5.3	-5.3
Relative	-4.0	-8.9	-0.8

Stock information

Bloomberg ticker	FOCUSP MK
Bursa code	0157
Issued shares (m)	616
Market capitalisation (RM m)	333
3-mth average volume ('000)	209
SC Shariah compliant	Yes
F4GBM Index member	No
ESG rating	★★★

Major shareholders

Liaw Choon Liang	37.2%
Goh Poi Eng	12.9%
EPF	10.2%

Earnings summary

FYE (Dec)	FY24	FY25f	FY26f
PAT – core (RM m)	33.3	36.5	39.4
EPS – core (sen)	5.4	5.9	6.4
P/E (x)	10.0	9.1	8.4

Steady optical demand. FocusP's optical division delivered a +3% YoY growth in 2Q25, underpinned by robust traction in both Corporate (+72% YoY) and Franchise sales (+12% YoY). We expect this growth trajectory to be sustained, supported by the group's strong brand equity and disciplined store expansion strategy. Two new outlets were added in 2Q25, bringing the total store count to 203. For FY25, management is guiding for 10 new store openings, with potential upside to exceed this target. Expansion will focus on the Signature, SightSavers, Concept Store, and Anggun formats, with increasing penetration into East Malaysia. Importantly, we also see incremental upside from the recent Medical Device Authority (MDA) ban on online sales of optical devices and contact lenses, which is expected to drive additional footfall to brick-and-mortar stores. Notably, contact lenses currently account for c.18% of optical segment revenue.

Elevated marketing and brand reinforcement. FocusP continues to strengthen its leadership in the optical space through targeted marketing and customer engagement. The flagship 360° Advanced Primary Eye Care (APEC) campaign, a free advanced eye screenings conducted by licensed optometrists has proven effective in enhancing brand trust and driving conversions. YTD, over 8,154 individuals have been screened across four roadshows at high traffic malls including Suria KLCC, IOI Damansara, Gurney Plaza, and One Utama. Four more roadshows are scheduled for the remainder of 2025 at Setia City Mall (Sept), Mid Valley KL (Oct), Mid Valley Southkey (Oct), and Sunway Pyramid (Nov). Concurrently, store refurbishment initiatives are ongoing, with five outlets already upgraded to incorporate the 360° APEC experience.

F&B B2B emerging as key growth driver. F&B revenue expanded +2% YoY, supported by Retail (+13%) and Franchise fee (+55%), partly offset by softer Corporate sales (-13%). Komugi's retail arm continues to gain traction, benefitting from heightened social media engagement, KOL marketing, and targeted promotions such as the weekly Buy-1-Free-1 campaign. More strategically, FocusP has begun to scale its B2B business, recently securing contracts to supply to a grocery retail chain with 30 outlets and a major convenience store chain, with deliveries commencing in September. Negotiations are also underway with several large potential clients, including national coffee chains. Should these materialize, we expect meaningful improvement in CK2 facility utilisation and margin uplift for the segment. Management sees B2B as the next growth pillar, while retail sales are expected to remain resilient.

Outlook. We remain optimistic on FocusP's prospects, with both core segments poised for continued expansion. In optical, the group is targeting underserved areas in East Malaysia, with three new outlets planned in Karamunsing, Bintulu, and Miri. On the F&B front, while sales momentum persisted, the segment remained in the red, weighed down by elevated operating costs and softer corporate sales from key clients amid intensified competition. Nevertheless, management remains focused on improving cost efficiencies and driving scalability via B2B expansion. Given FocusP's strong brand presence, expanding footprint, and operational agility, we view it as a compelling proxy for rising consumer spending.

Forecast. Unchanged.

Reiterate BUY with unchanged TP of RM0.83, pegged to 14x PE multiple to FY25 EPS. We remain confident on FocusP's scalable business model as we reckon that both optical and F&B segments are poised to continue their growth trajectories with the group's brand equity and popularity of Komugi products.

Financial Forecast

All items in (RM m) unless otherwise stated

Income statement

FYE Dec	FY23	FY24	FY25f	FY26f	FY27f
Revenue	260.9	292.5	313.9	324.6	333.6
EBITDA	90.6	95.9	103.6	107.9	110.4
Operating profit	46.7	50.4	57.7	61.7	63.9
Finance cost	-6.1	-6.4	-5.1	-5.1	-5.1
Associate & JV	0.1	0.2	0.2	0.2	0.2
PBT	39.9	43.7	52.8	56.8	59.0
Tax	-9.7	-10.5	-16.3	-17.4	-18.1
PAT	30.2	33.2	36.5	39.4	40.9
Minority interest	0.0	0.0	0.0	0.0	0.0
Reported PATAMI	30.2	33.2	36.5	39.4	40.9
Exceptionals	0.0	0.1	0.0	0.0	0.0
Core PATAMI	**30.1**	**33.3**	**36.5**	**39.4**	**40.9**
HLIB/Consensus			97.1%	95.1%	93.2%

Quarterly financial summary

FYE Dec	2Q24	3Q24	4Q24	1Q25	2Q25
Revenue	70.6	70.2	83.5	72.9	72.8
EBITDA	**23.5**	**22.9**	**25.5**	**23.3**	**24.2**
Operating profit	12.4	11.7	13.4	11.8	12.7
Finance cost	-1.5	-1.6	-1.7	-1.7	-1.8
Associate & JV	0.0	0.0	0.0	0.0	0.0
PBT	**11.4**	**10.6**	**11.7**	**10.6**	**11.5**
Tax	-2.9	-2.5	-2.5	-2.7	-3.0
PAT	8.4	8.1	9.2	7.9	8.4
Minority interest	0.0	0.0	0.0	0.0	0.0
Reported PATAMI	**8.4**	**8.1**	**9.2**	**7.9**	**8.4**
Exceptionals	0.0	-0.1	0.2	0.0	0.2
Core PATAMI	**8.4**	**8.0**	**9.4**	**7.9**	**8.7**

Balance sheet

FYE Dec	FY23	FY24	FY25f	FY26f	FY27f
Cash	37.4	38.5	56.1	83.0	112.3
Receivables	42.9	50.1	62.8	65.0	66.8
Inventories	60.7	60.7	87.2	90.2	92.7
PPE	53.6	60.7	54.8	48.5	42.0
Right-of-use assets	83.5	83.4	83.4	83.4	83.4
Others	5.1	1.9	2.0	2.2	2.3
Assets	**283.2**	**295.3**	**346.3**	**372.3**	**399.5**
Payables	33.1	27.0	57.1	59.0	60.6
Debt	35.0	35.4	35.4	35.4	35.4
Lease liabilities	87.9	91.6	91.6	91.6	91.6
Others	7.2	4.5	4.5	4.5	4.5
Liabilities	**165.2**	**160.2**	**190.3**	**192.2**	**193.8**
Shareholder's equity	118.0	135.0	156.1	180.1	205.6
Minority interest	0.0	0.0	0.0	0.0	0.0
Equity	**118.0**	**135.0**	**156.1**	**180.1**	**205.6**

Valuation Ratios

FYE Dec	FY23	FY24	FY25f	FY26f	FY27f
Core EPS (sen)	4.9	5.4	5.9	6.4	6.6
P/E (x)	11.0	10.0	9.1	8.4	8.1
EV/EBITDA (x)	3.7	3.5	3.3	3.1	3.1
DPS (sen)	2.3	2.6	2.5	2.5	2.5
Dividend yield	4.2%	4.9%	4.6%	4.6%	4.6%
BVPS (RM)	0.2	0.2	0.3	0.3	0.3
P/B (x)	2.8	2.5	2.1	1.8	1.6
EBITDA margin	34.7%	32.8%	33.0%	33.2%	33.1%
Operating margin	17.9%	17.2%	18.4%	19.0%	19.2%
PBT margin	15.3%	14.9%	16.8%	17.5%	17.7%
Net margin	11.6%	11.4%	11.6%	12.1%	12.3%
ROE	25.5%	24.7%	23.4%	21.9%	19.9%
ROA	10.6%	11.3%	10.5%	10.6%	10.2%
Net gearing	Cash	Cash	Cash	Cash	Cash

Cash flow

FYE Dec	FY23	FY24	FY24f	FY25f	FY26f
PBT	39.9	43.7	52.8	56.8	59.0
D&A	8.9	9.6	10.0	10.2	10.5
Working capital	-15.7	-8.5	-9.2	-3.2	-2.7
Taxation	-12.6	-13.4	-16.3	-17.4	-18.1
Others	6.4	6.7	4.9	4.9	4.9
CFO	**26.9**	**38.1**	**42.1**	**51.4**	**53.7**
Capex	-13.2	-14.1	-4.0	-4.0	-4.0
Others	14.3	5.0	0.0	0.0	0.0
CFI	**1.1**	**-9.1**	**-4.0**	**-4.0**	**-4.0**
Changes in debt	40.4	30.6	0.0	0.0	0.0
Shares issued	0.0	0.0	0.0	0.0	0.0
Dividends	-13.9	-16.2	-15.4	-15.4	-15.4
Others	-1.7	-1.7	-5.1	-5.1	-5.1
CFF	**24.8**	**12.7**	**-20.5**	**-20.5**	**-20.5**
Net cash flow	**0.0**	**2.0**	**17.6**	**26.9**	**29.2**
Forex	0.0	0.0	0.0	0.0	0.0
Others	24.9	-0.9	0.0	0.0	0.0
Beginning cash	**12.5**	**37.4**	**38.5**	**56.1**	**83.0**
Ending cash	**37.4**	**38.5**	**56.1**	**83.0**	**112.3**

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BUY	Expected absolute return of +10% or more over the next 12 months.
HOLD	Expected absolute return of -10% to +10% over the next 12 months.
SELL	Expected absolute return of -10% or less over the next 12 months.
UNDER REVIEW	Rating on the stock is temporarily under review which may or may not result in a change from the previous rating.
NOT RATED	Stock is not or no longer within regular coverage.

Sector rating guide

OVERWEIGHT	Sector expected to outperform the market over the next 12 months.
NEUTRAL	Sector expected to perform in-line with the market over the next 12 months.
UNDERWEIGHT	Sector expected to underperform the market over the next 12 months.

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