



Focus Point Holdings Bhd

Clear Vision, Bright Prospects

Main Market
Consumer Products & Services Sector
BUY
TP: RM 1.15
Last Closing Price: RM 0.765

Bloomberg: FOCUSP MK | Stock Code: 0157

Valuation / Recommendation

We initiate coverage on Focus Point Holdings Bhd (FPHB) with a **BUY recommendation and RM1.15 TP**. Our TP is based on 13x FY25F EPS, which is roughly in line with the average valuation of similar consumer retail stocks on Bursa Malaysia. We like FPHB for its leading position and steady growth in the eyewear business, coupled with potential earnings expansion from the turnaround in its F&B business. The stock currently trades at an attractive 8.6x FY25 PE and offers a 4.0% net dividend yield.

Investment Highlights

Optical – steady growth. FPHB is the largest optical retail chain operator in Malaysia, boasting a total of 196 outlets. Even after a strong rebound post COVID-19 pandemic, the sales for its optical segment have remained robust, supported by rising myopia cases among an ageing population. We expect FPHB's optical segment to achieve a 3-year revenue CAGR of 10.9% from FY23-26F, driven by continued outlet expansion (5-8 net openings p.a.) and steady sales growth of 5-7% per outlet. Given the fragmented nature of the optical industry, we believe there is potential for FPHB to expand its market share inorganically (<20% now) by acquiring smaller chain store operators.

F&B – poised for a flavourful comeback. This year, FPHB has achieved a positive shift in earnings for its F&B segment (Komugi), transitioning from an RM1m operating loss in 1H23 to breaking even in 1H24. We believe this positive momentum can be sustained, as the previous issue of excess labour has been fully resolved. We conservatively assume that Komugi's operating margins could improve to 8-12% in FY25-26F (vis-à-vis the 9.8% achieved in FY22). There could be upsides to our forecasts if corporate sales by Komugi surpass expectations, leading to higher utilisation rate for its central kitchens (currently at around 70%).

Overall, we forecast FY23-26F earnings CAGR of 16.0% for FPHB, driven by healthy retail sales growth alongside outlet expansion for both its optical and F&B segments. Moreover, we believe the current economic backdrop in Malaysia is also quite supportive, characterised by the civil servant pay hikes, partial EPF withdrawals, a likely Rakyat-friendly Budget 2025, and potential hikes in the minimum wage. We expect rising margins for FPHB in FY24-26F, primarily driven by improving profitability at Komugi.

Risk factors for FPHB include (1) Intense competition; (2) Supply chain disruption; and (3) Dependency on registered optometrists/opticians.

FY Dec (RM m)	FY22	FY23	FY24F	FY25F	FY26F
Revenue	248.8	260.9	293.8	325.7	356.2
EBITDA	88.2	88.0	98.2	106.6	115.0
Net Profit	35.9	30.2	35.1	41.0	47.1
Core Net Profit	35.9	30.2	35.1	41.0	47.1
Core EPS (sen)	7.8	6.5	7.6	8.9	10.2
Core EPS Growth (%)	82.3	(15.9)	16.5	16.7	14.8
Net DPS (sen)	3.0	3.0	3.0	3.5	4.1
BV per share (sen)	22.0	25.5	30.1	35.4	41.5
P/E (x)	9.9	11.7	10.1	8.6	7.5
EV/EBITDA (x)	3.8	4.0	3.6	3.2	2.8
Net Dividend Yield (%)	3.9	3.9	4.0	4.6	5.3
P/B (x)	3.5	3.0	2.5	2.2	1.8
Net Gearing (x)	Cash	Cash	0.0	Cash	Cash
ROE (%)	35.3	25.6	25.2	25.0	24.5

Business Overview

Focus Point Holdings Berhad operates the largest optical retail chain store in Malaysia. They have also diversified their business into the F&B sector with Komugi and HAP&PI.

Return Information

KLCI (pts)	1,640.9
Upside (%)	50.3
Net Yield (%)	4.0
Total Return (%)	54.3

Price Performance

	1M	3M	12M
Absolute (%)	2.7	(7.8)	(2.6)
Relative to FBMKLCI (%)	3.5	(9.0)	(16.9)

Stock Information

Market Cap (RM m)	351.1
Issued Shares (m)	462.0
52-week High (RM)	0.875
52-week Low (RM)	0.690
Estimated Free Float (%)	23.9
Beta vs FBM KLCI	0.92
3-month Average Vol. (m)	0.8
Shariah Compliant	Yes

Consensus

	FY24	FY25	FY26
EPS Forecast (sen)	8.1	9.0	9.8
Ratings	4 Buy	0 Hold	0 Sell

Top 3 Shareholders

	%
Dato' Liaw Choon Liang	37.5
Datin Goh Poi Eong	12.9
PERNAS	8.4



Source: Mercury Securities, Bloomberg



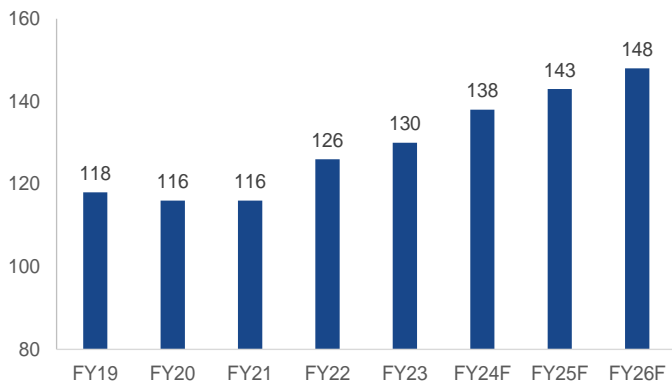
Investment Merits

Optical segment - Industry leader with steady growth

Largest optical retail chain store operator in Malaysia. With a total of 196 outlets and employing over 200 professional optometrists, FPHB is the largest optical retail chain operator in Malaysia whose wholly-owned outlets are strategically located in high-traffic shopping malls and specialised retail centres. These wholly-owned outlets total about 132 and are spread across 11 different brands, each with a distinct business concept. Leveraging on its established "Focus Point" brand, FPHB has also successfully attracted 64 franchisees in Malaysia and Brunei (as of 2Q24) via their franchising program.

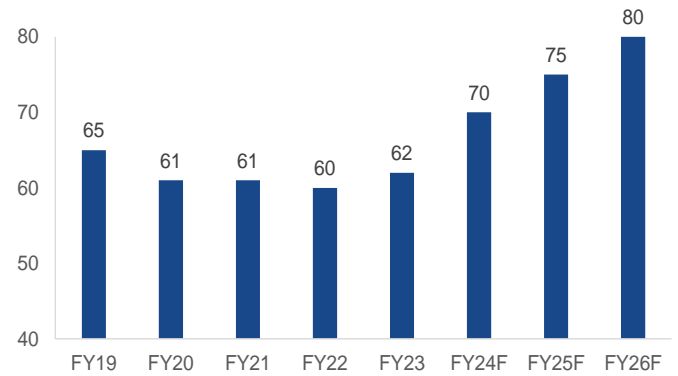
Supportive macro trend with growing myopic population. A study published in the scientific journal Ophthalmology projects that if current trends persist, nearly 50% of the global population will be myopic by 2050, with an estimated 30% of individuals already experiencing this condition. The rise in myopia is attributed to the increased use of electronic devices, amid the ageing population globally. This prevailing macro trend, coupled with Malaysia's positive population growth rate of approximately 1-2% annually, should continue to support steady growth for the optical products market in Malaysia.

Figure 1: FPHB wholly-owned retail outlets



Source: Company, Mercury Securities

Figure 2: FPHB's franchise outlets



Source: Company, Mercury Securities

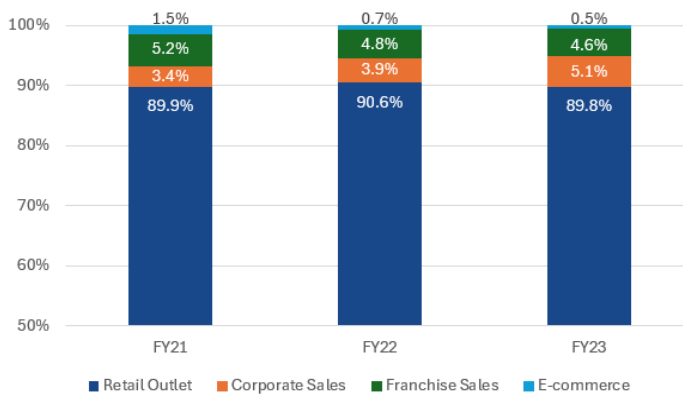
Continued outlet expansion. FPHB targets to open 10 new wholly-owned outlets in FY24, maintaining its brand presence in new retail malls and also selective expansion focusing on the southern region (stronger consumer spending, especially with tourists from Singapore). 1H24 outlet opening was quite slow (3 new openings and 1 closure), but we expect this to pick up steam in 2H24. Overall, we expect FPHB to achieve 8 net openings in FY24F, and a conservative 5 net openings in FY25-26F respectively. See Figure 1.

Potential inorganic growth through acquisitions. Despite being the largest optical retail chain in Malaysia, FPHB's estimated market share remains below 20%, indicating a fragmented market with potential for the company to consolidate and acquire smaller competitors. Based on this premise, we understand that management has been in discussion with several smaller optical chain operators (10-20 outlets) that are still struggling to recover from the impact of the COVID-19 pandemic. If materialised, this will inevitably help FPHB capture a larger market share, achieve stronger sales growth, and expand its margins through economies of scale and higher rebates earned from its key suppliers.

Expanding reach with franchising program. With most of its own retail outlets focusing on high-traffic shopping malls in Tier-1 cities, franchising is a way for FPHB to capture market share in Tier-2 and Tier-3 cities. The company had not been very active in pursuing new franchisees until recently when it launched the SightSavers franchise program in collaboration with Perbadanan Nasional Berhad (PERNAS) in February 2024. The program offers an affordable business entry point and financial support (up to 80% loan) to new entrepreneurs who want to open or convert their standalone stores to the Focus Point brand. So far, two franchise outlets have been established under this program in 1H24, and we anticipate more openings to come (5-8 new franchise outlets in FY24-26F). See Figure 2.

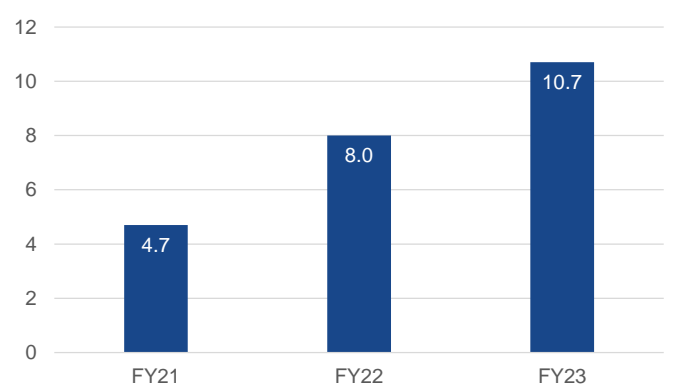


Figure 3: Optical segment sales composition, %



Source: Company

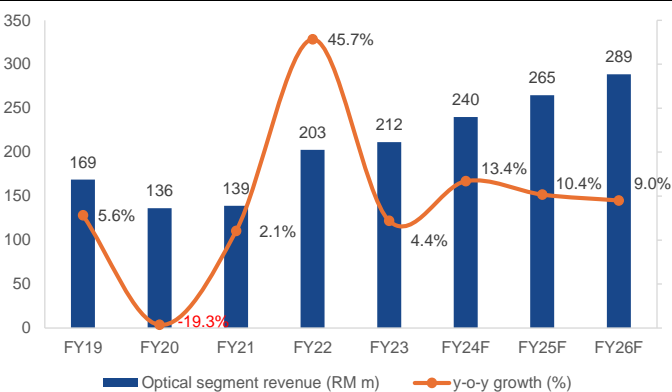
Figure 4: Optical segment corporate sales (in RM m)



Source: Company

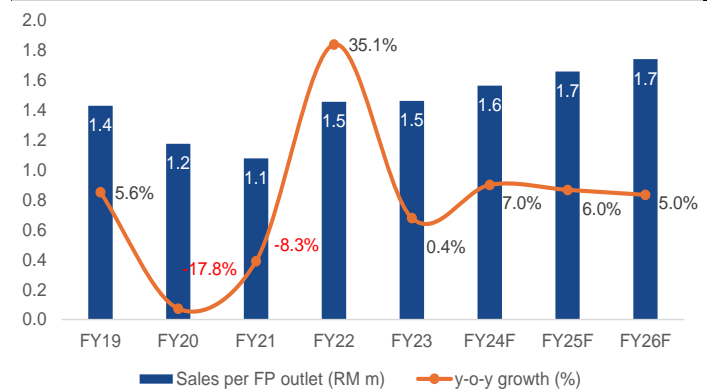
Also eyeing growth in corporate sales. Although small, management sees corporate sales as another key growth area for them, given the rising demand from corporate customers. This trend is attributed to the increasing allocation of funds for employee benefits, including eyewear allowances, as part of enhanced ESG practices in Malaysia. In addition to direct engagement with corporate clients, FPHB also collaborates with third-party administrators (such as MiCare, BookDoc, MedKad, etc.) who make the process easier and seamless for corporate employees to claim their optical benefits.

Figure 5: Optical segment revenue trend (in RM m)



Source: Company, Mercury Securities

Figure 6: Optical segment - retail sales per outlet (in RM m)



Source: Company, Mercury Securities

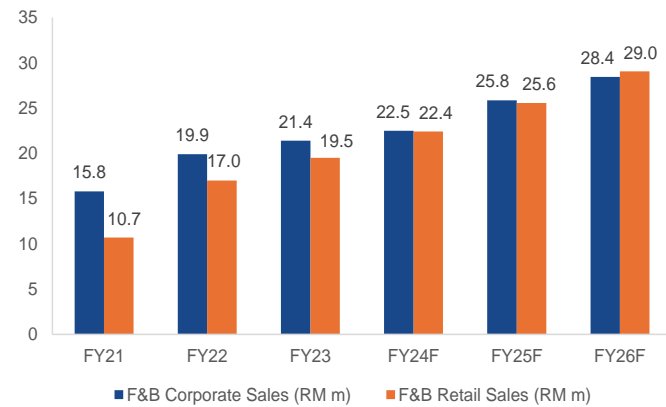
Steady growth. FPHB's optical segment has shown strong resiliency, with sales at its retail outlets rebounding strongly in FY22 (+46% y-o-y) after COVID-19 quarantine restrictions were lifted, even surpassing pre-pandemic levels. Besides net opening of 10 outlets that year, the strong recovery was also aided by a robust increase in sales per outlet (+35% y-o-y) that also exceeded pre-pandemic performance. We believe this was probably due to the increased use of electronic devices during the pandemic, leading to a rise in myopia cases and exacerbating existing conditions, thereby spurring demand for optical products.

Looking ahead, we forecast FPHB's optical segment to achieve a 3-year revenue CAGR of 10.9% from FY23-26F, supported by continued outlet expansion (5-8 net openings annually) and steady sales growth of 5-7% per outlet.



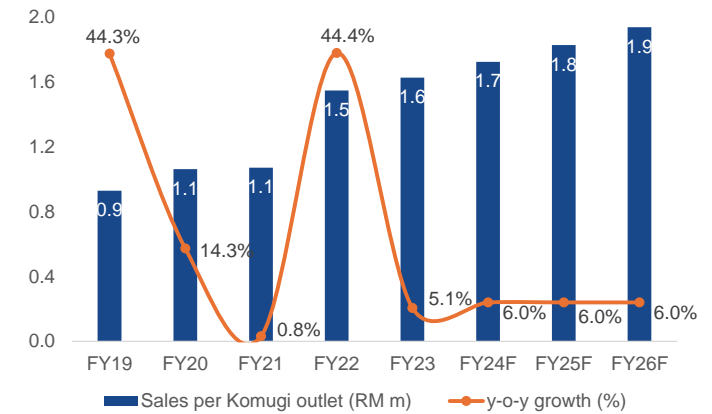
F&B segment – Poised for a flavourful comeback

Figure 7: F&B sales breakdown (in RM m)



Source: Company, Mercury Securities

Figure 8: F&B segment - retail sales per outlet (in RM m)



Source: Company, Mercury Securities

Sweet growth for Komugi. FPHB has demonstrated robust growth of its F&B segment, achieving a 4-year revenue CAGR of over 25% from FY19-23, despite challenges posed by the COVID-19 pandemic. This growth can be attributed to the strong sales performance at its Komugi retail outlets and increased sales to corporate customers. Although there were only two new Komugi store openings between FY22 and FY23, there was a notable upsurge in retail sales performance per outlet post-pandemic (refer to Figure 8), which has been sustained.

We believe this success can be attributed to strategic marketing initiatives by FPHB, including promotions, social media campaigns, and customer engagement through their rewards app, all of which have continued post-pandemic, driving further business growth. On a macro level, healthy consumer spending in Malaysia, underpinned by sustained economic recovery and accommodative policies, would have also contributed to the robust performance of Komugi retail outlets.

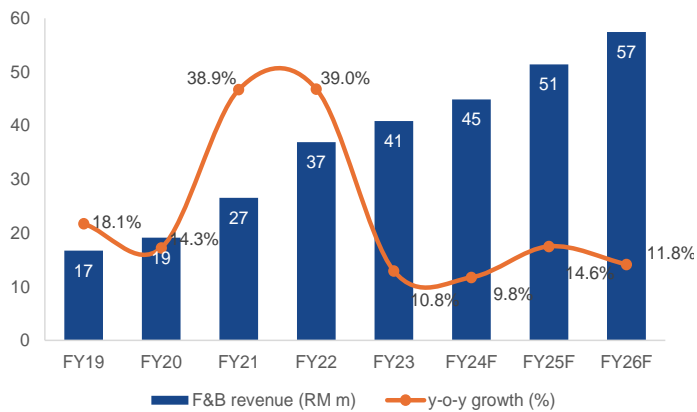
Navigating challenges in corporate sales. The corporate sales side of Komugi have shown an upward trend over the years as well, primarily due to continued strong store expansion at a major customer, FamilyMart. However, we understand there has been a recent decline in sales from another customer, Starbucks (operating about 320 stores), resulting in relatively stagnant revenue in 1H24. To mitigate this, FPHB has managed to secure a new customer with similar business, i.e. Zus Coffee which already operates more than 400 stores nationwide. This new customer is currently in a trial phase, with FPHB supplying products to only two of their stores at present.

We understand Komugi also has ongoing discussions with a full-service airline to supply pastries for inflight catering, although no agreements have been finalised yet. Considering the sizeable volume and simplified distribution process, this can potentially be a very lucrative venture for Komugi if materialised. Alas, the stumbling block is that the airline operator is presently dealing with several internal challenges (operation instability, fleet maintenance, etc.), so it may take a longer time for any deal to be finalised.

Improving utilisation rate. Komugi currently operates 2 central kitchens in Kota Damansara, Selangor. The central kitchens obtained their halal certification in January 2018 and HACCP certification in February 2021. According to management, production capacity at Central Kitchen 1 is fully utilised, while the utilisation rate at Central Kitchen 2 has improved to approximately 40-50%.

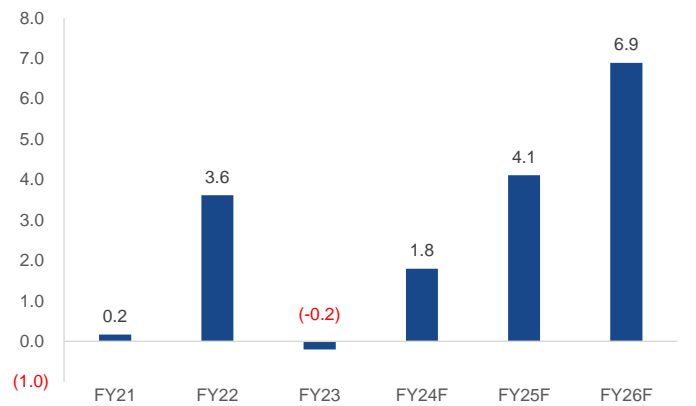


Figure 9: F&B segment revenue trend (in RM m)



Source: Company, Mercury Securities

Figure 10: F&B operating profit trend (in RM m)



Source: Company, Mercury Securities

3-year revenue CAGR of 12%. Banking on increasing corporate orders and further expansion of new Komugi outlets, we expect FPHB's F&B segment to grow at a 3-year revenue CAGR of 12.0% between FY23-26F.

Turning profitable. This year, FPHB has achieved a positive shift in earnings for its F&B segment, transitioning from an RM1m operating loss in 1H23 to breaking even in 1H24. We believe this positive momentum can be sustained, as the issue of excess labour has been fully resolved. Previously, Komugi had expanded its workforce at the central kitchens by almost 70% in 2022 (from 100 to 170 workers), as management was anticipating a large increase in orders from a new corporate customer (a full-service airline). Unfortunately, this did not materialise, leading to both overstaffing issues and financial losses since 4Q22 (refer to Figure 10).

For now, we conservatively assume that Komugi's operating margins could improve to 8-12% in FY25-26F (vis-à-vis 9.8% achieved in FY22). There could be upside to our forecasts if corporate sales are stronger than expected, driving higher utilisation rate for its central kitchens. Additionally, management has also alluded that there is room for Komugi to improve its margins further by optimising its operations and reducing wastage.

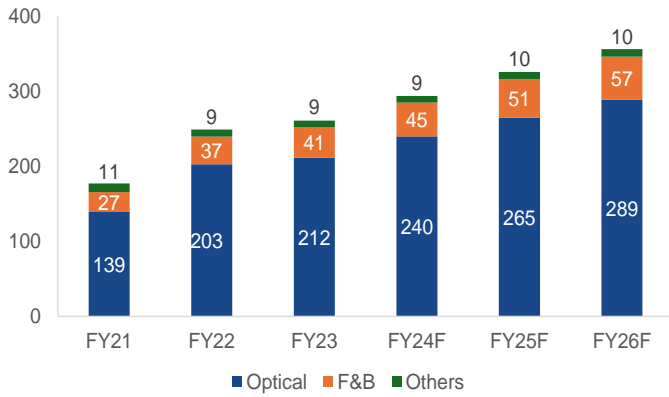
Still early days for HAP&PI. In March 2024, FPHB launched a new frozen yogurt F&B franchise under the brand name "HAP&PI." Management sees this as a promising venture due to the increasing consumer demand for healthier food options, demonstrated by the success of market leader LLaoLLao. Additionally, the investment required for this venture is relatively low, as it does not require a central kitchen to operate the kiosks.

FPHB was able to secure a prime location in Mid Valley Megamall at a discounted rate, thanks to their strong relationship with the mall operator. However, as the performance of HAP&PI in the 1H24 fell short of management's expectations, there are currently no plans for expanding the HAP&PI brand until further market studies are conducted and its product offerings are fine-tuned.



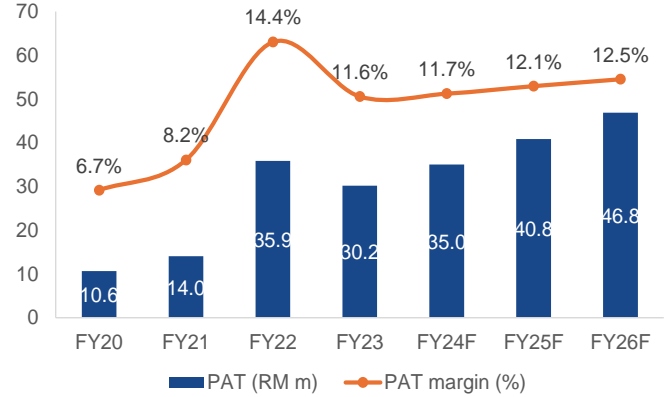
Financial Highlights

Figure 31: Revenue breakdown (in RM m)



Source: Company, Mercury Securities

Figure 14: PAT trend (in RM m)

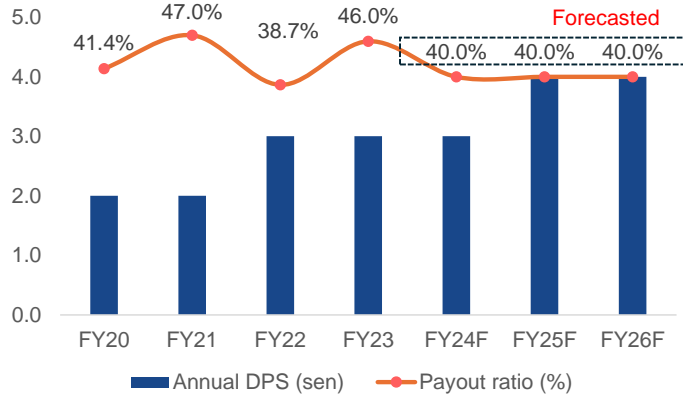


Source: Company, Mercury Securities

Overall, we forecast FY23-26F revenue CAGR of 10.9%, driven by healthy retail sales growth of 5-7% annually, alongside further outlet expansion for both the optical and F&B segments. Moreover, we believe the current economic backdrop in Malaysia is also quite supportive, characterised by the civil servant pay hikes, partial EPF withdrawals, a likely Rakyat-friendly Budget 2025, and potential hikes in the minimum wage. At the PAT level, we expect improving margins for FPHB in FY24-26F, which is mainly underpinned by the improving profitability at Komugi.

We like to highlight two key potential upsides to our forecasts, which are: 1) Faster outlet expansion via the acquisition of smaller-chain operators to gain market share for the optical segment; and 2) Clinching major corporate customers (particularly a full-service airline), which will further boost utilisation rate and improve profitability for the F&B segment.

Figure 13: Dividend per share & payout ratio



Source: Company, Mercury Securities

Strong balance sheet with net cash position. FPHB has maintained a net cash position since FY21, reflecting a healthy balance sheet. Its robust free cash flow generation has enabled the company to achieve a dividend payout ratio of 38-47% in FY20-23. Given its strong cash flows, we expect FPHB to sustain a payout ratio of approximately 40% for FY24-26F, translating to attractive net dividend yields of 4.0%-5.4% respectively.



Valuation

Initiate coverage with BUY call, RM1.15 TP. We peg a target PE of 13x for FPHB, which is broadly in line with the average valuation of consumer retail stocks on Bursa Malaysia (except for large-cap retailers such as 99 Speedmart and MrDIY). While FPHB has a smaller market capitalisation, we believe our target valuation is justified by the company's leadership position within the optical industry and its strong, resilient financial track record.

Peer Comparison (as at 10 October 2024)

Company	Bloomberg Ticker	Share price (RM)	Mkt Cap (RM m)	EPS Growth (%)		P/E (x)		P/B		ROE (%)		Net Dividend Yield (%) 2024
				2024	2025	2024	2025	2024	2025	2024	2025	
Local:												
99 Speed Mart	99SMART MK	2.45	20,580.0	24.4	10.2	40.8	35.2	34.5	30.6	35.7	32.9	1.3
Mr DIY	MRDIY MK	2.17	20,518.0	14.3	23.7	30.6	24.7	10.1	9.5	34.8	31.5	2.3
Padini	PAD MK	3.38	2,224.2	10.3	8.8	14.0	12.9	2.0	1.9	14.0	15.0	1.9
7-11 Malaysia	SEM MK	1.91	2,238.2	n.m.	(1.8)	16.8	17.1	5.2	4.7	18.5	20.5	1.5
AEON	AEON MK	1.46	2,051.0	32.0	8.3	13.8	12.7	1.1	1.0	7.9	8.4	3.0
MY News	MNHB MK	0.62	465.5	n.m.	85.9	37.9	20.4	1.9	1.7	5.0	8.8	0.9
Simple Average				20.3	22.5	25.6	20.5	9.1	8.2	19.3	19.5	1.8

Source: Bloomberg, Mercury Securities

Figure 14: Forward PE band (x)



Source: Mercury Securities, Bloomberg

Figure 15: Forward PB band (x)



Source: Mercury Securities, Bloomberg

Key Risks

Intense competition. The professional eye care and F&B industries face competition and low entry barriers. Failing to outperform competitors in terms of products, services, and operations may lead to a reduced market share, negatively impacting revenue and profitability.

Disruption in supply of eyewear products. FPHB's eye care segment relies heavily on overseas sources for the supply of exclusive and non-exclusive eyewear brands and eyecare products. Any interruption in the supply of these products would have an adverse effect on the operations of their outlets and, consequently, their profitability.

Dependent on registered optometrists and opticians. FPHB outlets expansion relies on the availability to retain and recruit of registered optometrists and opticians. It is because, under the Optical Act 1991, only optometrists and opticians registered with the Malaysia Optical Council are allowed to prescribe and dispense eyewear.

Changes in consumer preferences. FPHB faces the risk of holding outdated stock due to frequent changes in consumer preferences and eyewear trends. This could impact their operational results if the stock needs to be written off or sold at substantial discounts.

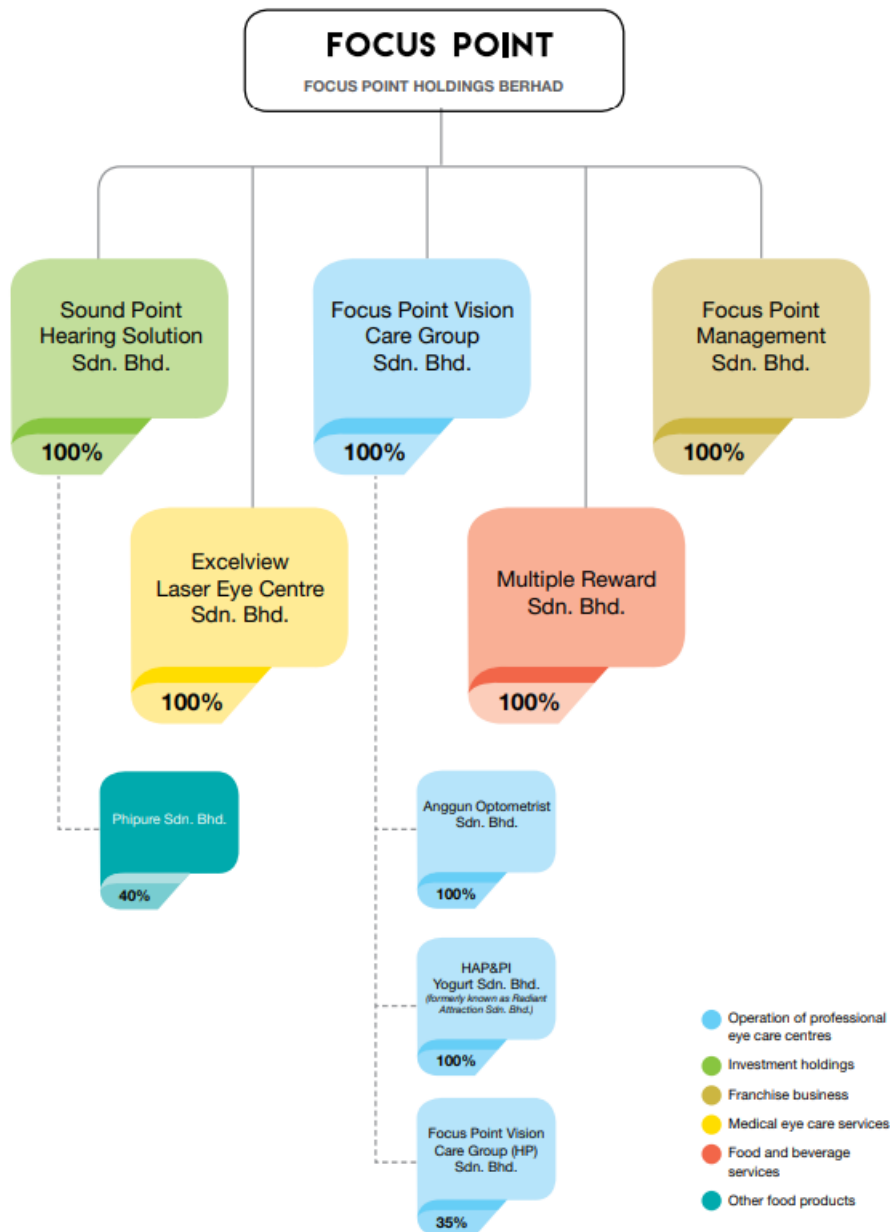


Company Background

Started the journey at Muar. FPHB's journey began in 1989 with the opening of its first store, Focus Vision Care Centre, in Muar, Johor. Initially a modest counter in a shopping centre, the company evolved significantly after establishing Focus Point Vision Care Group Sdn Bhd in 1993, setting up a management office in Batu Pahat to support its growing retail network. The expansion continued, reaching Kuala Lumpur in 2000.

From these humble beginnings, FPHB has transformed into a leader of Malaysia's eyewear retail industry, recognised by the Malaysia Book of Records as the largest optical retail chain in the country and the only optical retailer listed on Bursa Malaysia. The company operates over 190 outlets nationwide and employs more than 200 professional optometrists.

Figure 16: Corporate Structure



Source: Company, Mercury Securities



Malaysia's largest optical retail chain operator. FPHB offers a wide range of fashionable eyewear through retail outlets, e-commerce, corporate sales, and franchise sales at their concept stores:

Brands	FY21	FY22	FY23	1H24	Description
Focus Point	130	131	135	136	A professional eyecare centre that caters for customers of all age groups
Focus Point Signature	5	5	7	8	Outlets which provide only the finest selection of products and brands
Focus Point Outlet	2	2	2	2	Outlets that are offering discounts of up to 70% on all products
Focus Point Concept Store	7	12	14	14	One-stop solution for all customers by combining all key concepts of various Focus Point outlets & brands
Focus Point Lifestyle	1	1	1	1	A new retail concept that houses Focus Point and homegrown KOMUGI bakery under one roof
Focus Point SightSavers	0	0	2	4	Outlets that provide the best possible vision care and eyewear services at affordable prices.
Eyefont	3	2	1	1	Outlets that house all major Luxottica brands under one roof
Opulence	5	4	3	2	An exclusive optical centre for luxurious eyewear brands
i-Focus	1	1	1	1	Outlets that provide comprehensive eye screening, including screenings for eye-related diseases.
Whoosh	23	21	21	21	Outlets that offer a wide range of designs in three distinctive styles, four fixed and affordable prices and a great team of professional opticians
Optometris Anggun	0	7	5	6	A one-stop destination for classy and elegant eyewear with Malay aesthetic art culture supported by a comprehensive eye screening service offering
Wholly-owned	116	126	130	132	
Franchise	61	60	62	64	
Total	177	186	192	196	

Figure 17: Focus Point Sunway Pyramid



Source: Sunway Pyramid

Figure 18: Focus Point Signature The TRX



Source: The TRX

Figure 19: Whoosh Sunway Pyramid



Source: Sunway Pyramid

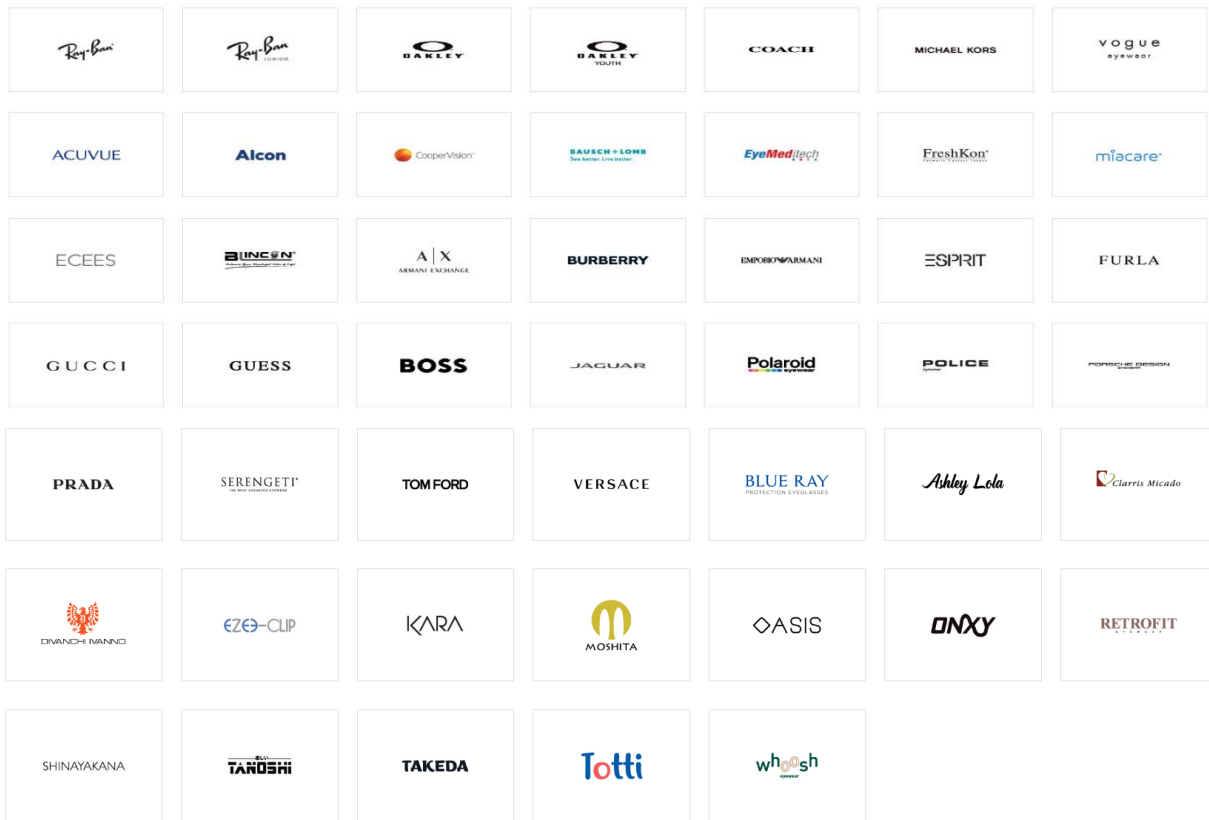
Figure 20: Optometris Anggun Mid Valley Megamall



Source: Mid Valley Megamall



Figure 21: Brands suppliers in optical segment



Source: Company

Figure 22: Third-party administrators and corporate customers for FPHB's optical segment



Source: Company

Franchising program. Since its launch in 2002, FPHB's franchise program for its optical segment has grown to over 60 outlets across Malaysia and Brunei. In June 2023, FPHB introduced the "Focus Point SightSavers" franchise initiative. By February 2024, a Memorandum of Understanding (MoU) with PERNAS was signed, offering franchise financing schemes to qualified Bumiputera optometrists. Beyond financing, franchisees benefit from waived renovation costs, paying only an upfront fee.

Diversifying into F&B. In 2012, FPHB made its foray into the F&B sector by launching "Komugi," a Japanese concept bakery offering over 100 products with a focus on natural, handmade, and premium items. Komugi operates two central kitchens in Kota Damansara, Selangor. Both kitchens are halal-certified (since 2018) and HACCP-certified (since 2021). Expanding beyond retail, Komugi now supplies pastries to large corporate clients and has 19 franchise outlets in the Philippines. In March 2024, FPHB launched a new frozen yogurt brand, "HAP&PI," with its first outlet at Mid Valley Megamall.

Figure 23: Komugi Mid Valley Megamall



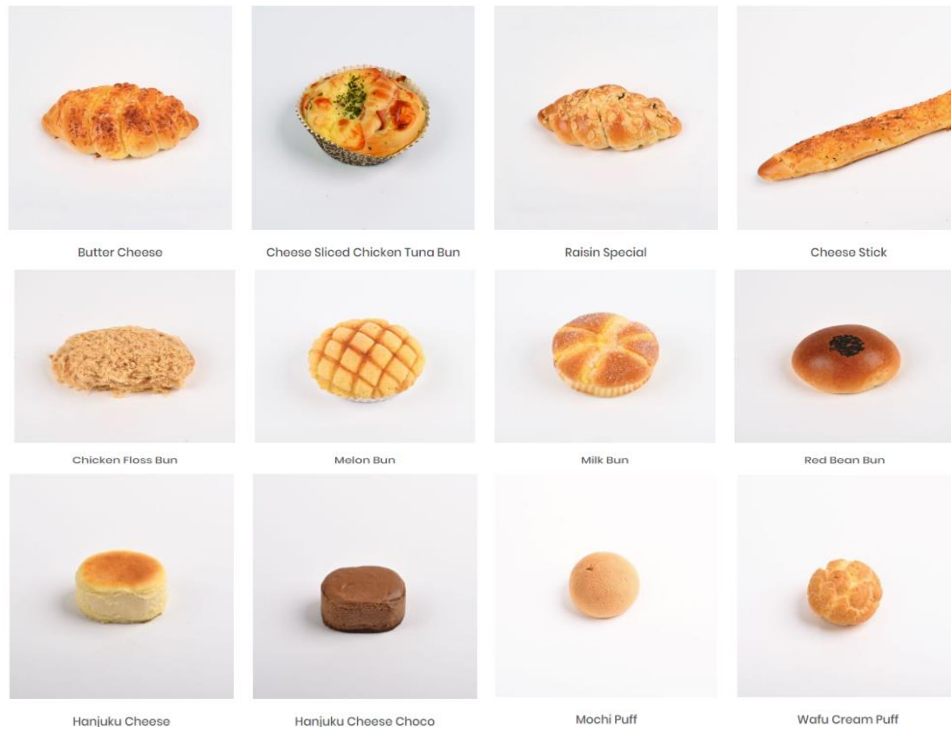
Source: Company

Figure 24: Komugi Pavilion KL



Source: Company

Figure 25: Top selling products by Komugi



Source: Company

Figure 26: Some of Komugi's corporate customers



Source: Company

Figure 27: Key Management Team

Name and Designation	Age	Profile
Dato' Liaw Choon Liang Founder President CEO	57	<ul style="list-style-type: none"> Over 30 years of experience in the professional eye care industry. Received multiple awards, including the Outstanding Young Malaysian Award (2002), Best Franchise Entrepreneur Award (2009), and MRCA-8TV Entrepreneur Award (2009).
Vivien Lee Xin Rui Deputy CEO of Optical Segment	37	<ul style="list-style-type: none"> Assumed the role on 15 March 2024, acts as the right hand to the CEO Primarily in charge of aligning the company's strategic goals with their operational activities, ensuring a cohesive approach across all levels Honours degree in Optometry from Twintech International University College of Technology Pursuing an MBA at the University of Strathclyde
Aaron Loke Khy-Min CFO	43	<ul style="list-style-type: none"> Assumed the role on 1 April 2024 Two decades of work experience across various accounting and finance roles In charge of spearheading all aspects of finance of FPHB
Chee Kok Hua COO of Optical Segment	49	<ul style="list-style-type: none"> Joined FPHB on 1 June 2011 as Head of Retail Sales & Operations Subsequently served as the Vice President before assumed the role as COO on 1 April 2024 In charge of the operations of the optical retail chain for wholly owned outlets nationwide
Teng Kee Teong COO of F&B Segment	41	<ul style="list-style-type: none"> Assumed the role on 16 March 2015 In charge of overseeing the day-to-day operations of the F&B segment, implementing strategic initiatives, managing resources and budgets, and ensuring alignment with the Group's goals and objectives. Postgraduate Certificate in Commerce specialising in Management from Lincoln University, New Zealand.
Chun Siok Ling Chief Marketing Officer	33	<ul style="list-style-type: none"> Assumed the role of Chief Marketing Officer on 1 April 2024 In charged of planning and executing marketing events, managing corporate social responsibility initiatives, implementing rewards programs and overseeing all marketing-related activities Master's degree in business administration majoring in Marketing Certified Professional Marketer ("CPM") Asia
Loo Yik Xiang Chief Sustainability Officer	35	<ul style="list-style-type: none"> In charge of leading the company's ESG initiatives and spearheading investor relations efforts Over a decade of experience in risk management and sustainability gained from his tenure in both Singapore and Malaysia Degree in Business Administration with a specialisation in finance from Universiti Putra Malaysia

Source: Company



Key Financial Data

Balance Sheet

FYE Dec	FY22	FY23	FY24F	FY25F	FY26F
PPE	47.8	53.6	57.5	59.3	60.8
Intangibles	-	-	-	-	-
Inventories	52.7	60.7	72.3	80.2	87.7
Receivables	39.4	42.9	51.6	56.8	61.8
Other assets	77.5	88.6	89.1	89.4	89.6
Deposit, bank and cash	54.0	37.4	34.8	45.8	61.8
Assets	271.4	283.2	305.3	331.5	361.7
LT borrowings	21.9	17.8	17.8	17.8	17.8
ST borrowings	17.1	17.2	17.2	17.2	17.2
Payables	36.7	33.1	37.2	40.5	43.5
Other liabilities	94.0	97.1	94.0	92.3	91.3
Liabilities	169.7	165.2	166.2	167.8	169.8
Share capital	40.1	40.1	40.1	40.1	40.1
Reserves	61.6	77.9	99.0	123.6	151.8
Shareholder's equity	101.7	118.0	139.1	163.7	191.9
MI	-	-	-	-	-
Equity	101.7	118.0	139.1	163.7	191.9
Equity and Liabilities	271.4	283.2	305.3	331.5	361.7

Cash Flow Statement

FYE Dec	FY22	FY23	FY24F	FY25F	FY26F
Profit before taxation	47.9	39.9	46.2	53.9	61.9
Depreciation & amortisation	37.3	43.8	46.2	46.9	47.3
Changes in working capital	(8.9)	(15.7)	(16.2)	(9.8)	(9.6)
Net interest received/ (paid)	(0.2)	(0.3)	(5.0)	(4.9)	(4.9)
Share of associate profits	(0.3)	(0.1)	0.0	0.0	0.0
Tax paid	(6.7)	(12.6)	(11.1)	(12.9)	(14.9)
Others	5.6	6.6	10.0	9.8	9.7
Operating Cash Flow	74.6	61.6	70.1	83.0	89.7
Capex	(14.4)	(13.2)	(14.5)	(13.0)	(13.0)
Others	(33.0)	14.3	0.0	0.0	0.0
Investing Cash Flow	(47.4)	1.1	(14.5)	(13.0)	(13.0)
Issuance of shares	0.0	0.0	0.0	0.0	0.0
Changes in borrowings	(33.9)	(42.9)	(39.1)	(37.7)	(36.9)
Dividends paid	(9.9)	(13.9)	(14.0)	(16.4)	(18.8)
Others	(5.4)	(5.9)	(5.0)	(4.9)	(4.9)
Financing Cash Flow	(49.2)	(62.7)	(58.2)	(59.0)	(60.6)
Net cash flow	(22.1)	(0.0)	(2.6)	11.0	16.0
Forex	0.0	0.0	0.0	0.0	0.0
Beginning cash	34.8	12.7	12.7	10.2	21.1
Ending cash	12.7	12.7	10.2	21.1	37.2

Income Statement

FYE Dec	FY22	FY23	FY24F	FY25F	FY26F
Revenue	248.8	260.9	293.8	325.7	356.2
EBITDA	88.2	88.0	98.2	106.6	115.0
Depn & amort	(37.3)	(43.8)	(46.2)	(46.9)	(47.3)
Net interest expense	4.8	5.3	5.0	4.9	4.9
Associates & JV	0.3	0.1	0.1	0.1	0.1
EI	0.0	(0.8)	0.0	0.0	0.0
Pretax profit	47.9	39.9	46.2	53.9	61.9
Taxation	(12.0)	(9.7)	(11.1)	(12.9)	(14.9)
MI	0.0	0.0	0.0	0.0	0.0
Net profit	35.9	30.2	35.1	41.0	47.1
Core net profit	35.9	30.2	35.1	41.0	47.1

Key Statistics & Ratios

FYE Dec	FY22	FY23	FY24F	FY25F	FY26F
Growth					
Revenue	46.0%	4.9%	12.6%	10.9%	9.4%
EBITDA	47.6%	-0.2%	11.6%	8.5%	7.8%
Pretax profit	131.2%	-16.7%	15.8%	16.7%	14.8%
Net profit	155.2%	-15.9%	16.5%	16.7%	14.8%
Core EPS	82.3%	-15.9%	16.5%	16.7%	14.8%

Profitability

EBITDA margin	35.5%	33.7%	33.4%	32.7%	32.3%
Net profit margin	14.4%	11.6%	11.9%	12.6%	13.2%
Effective tax rate	25.1%	24.4%	24.0%	24.0%	24.0%
ROA	13.2%	10.6%	11.5%	12.4%	13.0%
ROE	35.3%	25.6%	25.2%	25.0%	24.5%

Leverage

Debt/ Assets (x)	0.14	0.12	0.11	0.11	0.10
Debt/ Equity (x)	0.38	0.30	0.25	0.21	0.18
Net debt/ equity (x)	Cash	Cash	0.00	Cash	Cash

Key Drivers

FYE Dec	FY22	FY23	FY24F	FY25F	FY26F
Optical revenue growth (%)	45.7%	4.4%	13.4%	10.4%	9.0%
F&B revenue growth (%)	39.0%	10.8%	9.8%	14.6%	11.8%
Optical operating margin (%)	22.6%	19.8%	20.0%	20.0%	20.0%
F&B operating margin (%)	9.8%	-0.5%	4.0%	8.0%	12.0%

Valuation

FYE Dec	FY22	FY23	FY24F	FY25F	FY26F
EPS (sen)	7.8	6.5	7.6	8.9	10.2
Core EPS (sen)	7.8	6.5	7.6	8.9	10.2
P/E (x)	9.8	11.6	10.0	8.6	7.5
EV/ EBITDA (x)	3.8	4.0	3.6	3.2	2.8
Net DPS (sen)	3.0	3.0	3.0	3.5	4.1
Yield	3.9%	3.9%	4.0%	4.7%	5.4%
BV per share (RM)	0.22	0.26	0.30	0.35	0.42
P/BV (x)	3.5	3.0	2.5	2.1	1.8



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