

HLIB Retail Research

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

Technical Risk Profile



Financials and technical snapshots

Stock code	FOCUSP/0157
Last price (RM)	0.855
52Wk High	0.975
52Wk Low	0.32
Outlook (2-4 weeks)	Signs of bottoming up
Volume (m)	1.08
Average Volumes 20D (m)	0.88
S1/S2	0.80/0.78
R1/R2	0.90/0.975
LT Technical Objective (RM)	1.00
Upside reward (%)	17.0
Stop Loss	0.775
Downside risk (%)	9.3
HLIB Research TP (RM)	1.02
BVPS (RM)	0.33
P/B (x)	2.07

Source: HLIB, Bloomberg

EARNINGS SUMMARY

FYE Dec	FY19	FY20E	FY21E	FY22E
Revenue (RM'm)	192	177	202	223
Core PATMI (RM'm)	9.9	9.0	14.0	15.2
Issued shares (m)	220	220	220	220
EPS (sen)	4.5	4.1	6.4	6.9
DPS (sen)	1.9	2.0	2.0	2.0
P/E (x)	19.0	20.9	13.4	12.4
DY (%)	2.2	2.3	2.3	2.3

Source: HLIB

Focus Point Holdings

Look beyond current lockdowns

Downside limited amid undemanding valuation. Despite the prevailing lockdowns, we remain sanguine on FOCUSP. We expect a modest return to normalcy and recovery in consumption behaviour, supported by government stimulus packages, a low interest rate environment and gradual rolling out of vaccines. FOCUSP's risk-reward profile remains attractive with undemanding 13.4x FY21 PE (37% lower than industry) and a robust FY20-22 EPS CAGR of 30%. Increasing F&B corporate sales and starting of a second central kitchen should see the profitability of its F&B division accelerate. Furthermore, we reckon the possibility of securing new F&B corporate clients likely given the popularity of their current product offerings.

FOCUSP daily: Signs of bottoming up above 50D SMA support



Figure #1 Industry comparison

Stocks	Price RM	FYE	FY21E EPS (sen)	P/E (x)
FOCUSP	0.855	31-Dec	6.4	13.4
7-Eleven	1.340	31-Dec	4.9	27.3
AEON	0.970	31-Dec	6.6	14.7
BFOOD	1.600	30-Jun	5.6	28.6
MYNEWS	0.580	31-Oct	2.8	20.7
PADINI	2.800	30-Jun	15.0	18.7
PWROOT	1.900	31-Mar	10.8	17.6
Average				21.3
FOCUSP vs avg				-36.8%

HLIB, Bloomberg

Signs of bottoming up. After hitting an all-time high of RM0.975 (31 Dec), FOCUSP slipped 20% to a low of RM0.78 (8 Jan) before recovering gradually to RM0.855 yesterday. The hammer-like candlestick (8 Jan) and a strong close above the 50D SMA (near RM0.775) bode well for a potential downtrend reversal soon. Crossing the immediate 20D SMA barrier at RM0.90 will lift the price higher towards RM0.975 and our LT objective at RM1.00 levels. Key supports are situated at RM0.80 and RM0.78. Cut loss at RM0.775.

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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.

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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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