

Beshom Holdings Berhad

TP: RM0.47 (-13.8%)

Last Traded: RM0.56

SELL (ESG: ★★★)

Outlook Stays Challenging

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Review

- Beshom Holdings Bhd's (Beshom) IQFY27 core profit of RM0.6mn came in below expectations, accounting for only 6% of both ours and consensus' full-year projections. The shortfall was mainly attributable to weaker-than-expected EBIT across its core divisions.
- Excluding the RM1.9mn one-off gain from disposal of investment properties, IQFY27 core PAT dropped 59.5% YoY. The weaker performance was mainly due to: i) lower sales contribution from higher-margin products amid higher operating expenses in the wholesale segment; ii) higher marketing expenditure in the MLM division despite broadly flat sales; and iii) subdued footfall and weaker purchasing power in the retail segment.
- On a QoQ basis, IQFY27 PAT increased 30.3% to RM2.6mn, primarily driven by a lower effective tax rate of 10.5%. (-16.1ppt QoQ).
- No dividend was declared for the quarter under review.

Impact

- We cut our FY27-29 earnings forecasts by 13.9%-18.7%, following the adoption of more conservative EBIT margin assumptions of 7.8%-8.2% over FY27-29 (-0.5ppt to 1.0ppt). This reflects higher operating expenses and continued sales-support initiatives, which are expected to weigh on margins.

Outlook

- Looking ahead, the group will continue to explore potential collaborations with strategic business partners, while implementing more targeted promotional campaigns and events at selected stores to support sales across its wholesale and retail divisions.
- Meanwhile, the MLM division is expected to remain challenging amid intense market competition and weaker discretionary spending. Overall, management remains cautious on the FY27 outlook given the challenging business environment.

Valuation

- Maintain **SELL** with a lower TP of **RM0.47/share** (from RM0.56/share), based on 15x CY27 PER.

Share Information

Bloomberg Code	BESHOM MK
Stock Code	7668
Listing	Main Market
Share Cap (mn)	298.6
Market Cap (RMmn)	167.2
52-wk Hi/Lo (RM)	0.689/0.505
12-mth Avg Daily Vol ('000 shrs)	151.5
Estimated Free Float (%)	50.8
Beta	0.5
Major Shareholders (%)	
Tan Kai Hee Family Holdings Sdn bhd	11.8%
Akintan Sdn Bhd	9.3%
Excellent Communication Sdn Bhd	5.4%

Forecast Revision

	FY27	FY28
Forecast Revision (%)	(18.7)	(14.6)
Net profit (RMmn)	8.8	9.5
Consensus	11.0	11.2
TA's / Consensus (%)	80.3	85.2
Previous Rating	Sell (Maintained)	
Consensus Target Price (RM)	0.56	

Financial Indicators

	FY27	FY28
Net Debt / Equity (x)	Net Cash	Net Cash
ROE (%)	2.9	3.1
ROA (%)	2.5	2.7
NTA/Share (RM)	1.1	1.1
Price/NTA (x)	0.5	0.5

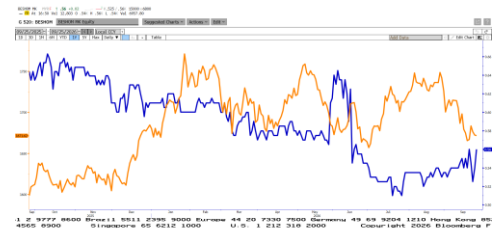
Scorecard

	% of FY	
vs TA	6	Below
vs Consensus	6	Below

Share Performance (%)

Price Change	BESHOM	FBM KLCI
1 mth	3.7	(3.7)
3 mth	0.9	0.5
6 mth	(2.6)	(2.6)
12 mth	(16.4)	4.6

(12-Mth) **Share Price** relative to the **FBMKLCI**



Source: Bloomberg

Table 1: Earnings Summary

FYE Apr (RM mn)	2025	2026	2027F	2028F	2029F
Revenue	155.1	144.8	153.7	159.5	164.8
EBITDA	17.7	16.0	18.0	19.0	19.8
EBIT	12.3	10.7	11.9	12.8	13.4
PBT	12.2	10.3	11.8	13.0	13.6
Net profit	8.5	7.9	8.8	9.5	10.0
Core net profit	9.4	7.8	8.8	9.5	10.0
Core EPS (sen)	3.1	2.6	3.0	3.2	3.3
Core PER (x)	17.4	21.0	18.5	17.1	16.3
DPS (sen)	4.0	2.5	2.0	2.0	2.0
Div. yield (%)	7.3	4.6	3.7	3.7	3.7

Table 2: IQFY27 Results Analysis

FYE 30 Apr ('mn)	IQFY26	4QFY26	IQFY27	QoQ (%)	YoY (%)
Revenue	35.5	35.4	35.4	0.1	(0.4)
-MLM	11.0	9.1	11.4	25.5	3.1
-Wholesale	16.2	15.5	16.1	3.8	(0.1)
-Retail	6.7	9.3	6.3	(32.2)	(5.5)
-Others	1.6	1.4	1.5	8.2	(6.2)
Cost of sales	(22.0)	(20.1)	(21.9)	(9.3)	0.5
Gross profit	13.5	15.3	13.5	(12.0)	(0.3)
EBIT	1.8	2.9	2.8	(4.6)	51.8
-MLM	0.4	1.2	(0.6)	nm	nm
-Wholesale	0.7	0.0	0.2	>100	(67.6)
-Retail	(0.9)	0.1	(0.8)	nm	6.7
-Others	1.7	1.6	4.0	>100	>100
Adj. EBIT	1.9	2.9	0.8	(73.0)	(60.2)
Net interest	(0.0)	(0.1)	(0.1)	(21.0)	(74.4)
Extraordinary Items	0.1	(0.0)	(2.0)	>-100	nm
PBT	1.8	2.8	2.7	(5.1)	53.1
Adj. PBT	1.9	2.8	0.7	(75.4)	(63.2)
Taxation	(0.5)	(0.8)	(0.3)	62.6	46.0
Minority Interest	0.2	(0.1)	0.2	nm	8.7
Net Profit	1.4	2.0	2.6	30.3	82.7
Adj. Net Profit	1.6	2.0	0.6	(68.1)	(59.5)
Basic EPS (sen)	0.5	0.7	0.9	30.1	82.7
DPS (sen)	-	1.5	-	nm	-
				%-points	%-points
EBIT Margin (%)	5.1	8.2	7.8	(0.4)	2.7
PBT Margin (%)	4.9	8.0	7.6	(0.4)	2.7
Net Margin (%)	4.1	5.7	7.4	1.7	3.4
Adj. Net Margin (%)	4.4	5.6	1.8	(3.8)	(2.6)
Tax Rate (%)	29.7	26.6	10.5	(16.1)	(19.2)

Stock Recommendation Guideline

BUY : Total return of the stock exceeds 12%.
HOLD : Total return of the stock is within the range of 7% to 12%.
SELL : Total return of the stock is lower than 7%.
Not Rated: The company is not under coverage. The report is for information only.

Total Return of the stock includes expected share price appreciation, adjustment for ESG rating and gross dividend. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

Total Return of the sector is market capitalisation weighted average of total return of the stocks in the sector.

ESG Scoring & Guideline

	Environmental	Social	Governance	Average
Scoring	★★★	★★★	★★★	★★★
Remark	It has established Code of Business Ethics for Suppliers and Business Associate to ensure sustainable supply. Meanwhile, Beshom is exploring way to adopt more environmentally friendly packaging. However, score remains muted owing to absence of quantifiable goal for near future.	Committed in promoting healthcare culture and improving human's well-being. The group also provide extensive leadership workshop to develop entrepreneurial spirit within distributors and community.	The board is well represented by independent directors yet may consider having more gender diversity in the board. Beshom has target of paying more than 50% of earnings as dividend.	

★★★★★ (≥80%) : Displayed market leading capabilities in integrating ESG factors in all aspects of operations, management and future directions. +5% premium to target price

★★★★ (60-79%) : Above adequate integration of ESG factors into most aspects of operations, management and future directions. +3% premium to target price

★★★ (40-59%) : Adequate integration of ESG factors into operations, management and future directions. No changes to target price

★★ (20-39%) : Have some integration of ESG factors in operations and management but are insufficient. -3% discount to target price

★ (<20%) : Minimal or no integration of ESG factors in operations and management. -5% discount to target price

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As of Monday, September 28, 2026, the analyst, Liew Yi Jiet, who prepared this report, has interest in the following securities covered in this report:
(a) nil

Kaladher Govindan – Head of Research

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