

Beshom Holdings Berhad

TP: RM0.51 (-20.3%)
Weaker Sales in 2QFY26
Last Traded: RM0.64
SELL (ESG: ★★★)

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Review

- Beshom Holdings Bhd's (Beshom) 2QFY26 results were below expectations, primarily due to weaker-than-expected sales. 1H FY26 core earnings of RM3.7mn represented 42% of both ours and consensus' full-year earnings projections.
- 2QFY26 revenue declined by 6.7% YoY to RM38.5mn, reflecting more cautious spending among Multi-Level Marketing (MLM) members. Quarterly core net profit fell by 20.0% YoY to RM2.1mn, mainly due to (i) reduced sales of higher-margin PB Thera series products in the MLM division and (ii) an unfavourable sales mix in the wholesale division. Conversely, losses in the retail division narrowed to RM0.1mn from RM0.3mn, supported by a half-yearly sales campaign and an aggressive sales push for newly launched traditional Chinese medicinal products.
- On a cumulative basis, 1H FY26 core earnings declined by 29.6% YoY, largely due to weaker performance in the MLM and retail divisions. Additionally, softer 2Q results from the wholesale division further weighed on the group's 1H profitability.
- A single-tier interim dividend of 1.0sen/share was declared for the quarter under review, lower than the 1.5sen/share declared in 2QFY25.

Impact

- Following downward revisions to sales assumptions of 11.4%-11.9% for FY26-28, our FY26/27/28 core earnings forecasts have been reduced to RM7.9/11.4/11.7mn (from RM8.9/12.9/13.4mn), respectively.

Outlook

- The group will proactively manage operating costs while enhancing sales to sustain profitability. Key initiatives include expanding distribution channels and FMCG product offerings to broaden market reach, closing underperforming stores or relocating outlets to more strategic locations, and launching incentive travel campaigns to motivate members.

Valuation

- Following the earnings revision, we revised our TP to **RM0.51/share** (previously: RM0.58 per share), based on 15x CY26 EPS. Maintained **Sell**.

Share Information

Bloomberg Code	BESHOM MK
Stock Code	7668
Listing	Main Market
Share Cap (mn)	299.3
Market Cap (RMmn)	191.5
52-wk Hi/Lo (RM)	0.837/0.571
12-mth Avg Daily Vol ('000 shrs)	143.1
Estimated Free Float (%)	51.1
Beta	0.7

Major Shareholders (%)

Tan Kai Hee Family Holdings Sdn bhd	11.6%
Akintan Sdn Bhd	9.1%
Excellent Communication Sdn Bhd	5.4%

Forecast Revision

	FY26	FY27
Forecast Revision (%)	(11.2)	(11.7)
Net profit (RMmn)	7.9	11.4
Consensus	8.9	12.9
TA's / Consensus (%)	88.4	88.3
Previous Rating	Sell (Maintained)	
Consensus Target Price (RM)	0.58	

Financial Indicators

	FY26	FY27
Net Debt / Equity (x)	Net Cash	Net Cash
ROE (%)	2.5	3.6
ROA (%)	2.2	3.1
NTA/Share (RM)	1.1	1.1
Price/NTA (x)	0.6	0.6

Scorecard

	% of FY	
vs TA	42	Below
vs Consensus	42	Below

Share Performance (%)

Price Change	BESHOM	FBM KLCI
1 mth	(0.8)	2.6
3 mth	(1.5)	4.2
6 mth	8.3	11.0
12 mth	(22.2)	4.1

(12-Mth) Share Price relative to the FBMKLCI



Source: Bloomberg

Table 1: Earnings Summary

FYE Apr (RM mn)		2024	2025	2026E	2027F	2028F
Revenue		151.1	155.1	155.6	166.4	172.9
EBITDA		19.7	18.1	15.6	20.3	20.8
EBIT		14.2	12.6	9.9	14.5	14.9
PBT		14.5	12.6	10.3	14.9	15.3
Net profit		11.1	8.9	7.9	11.4	11.7
Core net profit		11.7	8.9	7.9	11.4	11.7
Core EPS	(sen)	3.9	3.0	2.6	3.8	3.9
Core PER	(x)	16.4	21.6	24.4	16.9	16.5
DPS	(sen)	3.0	4.0	2.0	2.0	2.0
Div. yield	(%)	4.7	6.3	3.1	3.1	3.1

Table 2: 2QFY26 Results Analysis

FYE 30 Apr ('mn)		2QFY25	1QFY26	2QFY26	QoQ (%)	YoY (%)	1H FY25	1H FY26	YoY (%)
Revenue		41.3	35.5	38.5	8.3	(6.7)	74.7	74.0	(0.9)
-MLM		15.0	11.0	11.6	4.8	(22.7)	27.8	22.6	(18.8)
-Wholesale		17.0	16.2	17.0	5.0	0.1	28.3	33.1	17.0
-Retail		7.8	6.7	8.3	24.3	6.1	15.4	15.0	(2.5)
-Others		1.5	1.6	1.6	(0.7)	9.5	3.1	3.3	4.5
Cost of sales		(26.1)	(22.0)	(24.1)	(9.3)	7.7	(45.6)	(46.1)	(1.0)
Gross profit		15.2	13.5	14.4	6.7	(5.0)	29.1	27.9	(3.9)
EBIT		3.4	1.8	2.7	47.9	(20.6)	6.1	4.5	(25.3)
-MLM		1.4	0.4	0.7	87.2	(52.0)	2.8	1.1	(62.0)
-Wholesale		2.1	0.7	1.5	>100	(25.2)	2.4	2.2	(7.5)
-Retail		(0.3)	(0.9)	(0.1)	84.2	51.9	(0.5)	(1.0)	(89.3)
-Others		0.2	1.7	0.6	(62.7)	>100	1.4	2.3	60.7
Adj. EBIT		3.7	1.9	2.9	50.0	(21.1)	6.8	4.9	(28.3)
Net interest		(0.0)	(0.0)	(0.1)	(53.5)	>-100	0.0	(0.1)	nm
Extraordinary Items		0.3	0.1	0.2	83.9	(28.0)	0.7	0.3	(54.0)
PBT		3.4	1.8	2.6	48.8	(22.2)	6.1	4.4	(27.9)
Adj. PBT		3.6	1.9	2.8	50.9	(22.6)	6.8	4.7	(30.6)
Taxation		(1.1)	(0.5)	(0.8)	(47.1)	30.2	(1.8)	(1.3)	26.5
Minority Interest		0.1	0.2	0.1	(54.9)	(32.6)	0.3	0.3	17.7
Net Profit		2.4	1.4	1.9	34.6	(19.1)	4.6	3.4	(25.9)
Adj. Net Profit		2.7	1.6	2.1	38.1	(20.0)	5.3	3.7	(29.6)
Basic EPS	(sen)	0.8	0.5	0.6	34.6	(18.9)	1.5	1.1	(25.8)
DPS	(sen)	1.5	-	1.0	nm	(33.3)	1.5	1.0	(33.3)
					%-points	%-points			%-points
EBIT Margin	(%)	8.3	5.1	7.0	1.9	(1.2)	8.1	6.1	(2.0)
PBT Margin	(%)	8.1	4.9	6.8	1.8	(1.3)	8.1	5.9	(2.2)
Net Margin	(%)	5.8	4.1	5.0	1.0	(0.8)	6.1	4.6	(1.5)
Adj. Net Margin	(%)	6.5	4.4	5.6	1.2	(0.9)	7.0	5.0	(2.0)
Tax Rate	(%)	32.8	29.7	29.4	(0.3)	(3.4)	28.9	29.5	0.6

Table 3: 2QFY26 Segmental Analysis

FYE 30 Apr ('mn)	2QFY25	1QFY26	2QFY26	QoQ (%)	YoY (%)	1HFY25	1HFY26	YoY (%)
Revenue	41.3	35.5	38.5	8.3	(6.7)	74.7	74.0	(0.9)
Multi-Level Marketing	15.0	11.0	11.6	4.8	(22.7)	27.8	22.6	(18.8)
Wholesale	17.0	16.2	17.0	5.0	0.1	28.3	33.1	17.0
Retail	7.8	6.7	8.3	24.3	6.1	15.4	15.0	(2.5)
Others	1.5	1.6	1.6	(0.7)	9.5	3.1	3.3	4.5
Segment EBIT	3.4	1.8	2.7	47.9	(20.6)	6.1	4.5	(25.3)
Multi-Level Marketing	1.4	0.4	0.7	87.2	(52.0)	2.8	1.1	(62.0)
Wholesale	2.1	0.7	1.5	>100	(25.2)	2.4	2.2	(7.5)
Retail	(0.3)	(0.9)	(0.1)	84.2	51.9	(0.5)	(1.0)	(89.3)
Others	0.2	1.7	0.6	(62.7)	>100	1.4	2.3	60.7
				%-points	%-points			%-points
Segment EBIT Margin	8.3	5.1	7.0	1.9	(1.2)	8.1	6.1	(2.0)
Multi-Level Marketing	9.6	3.3	6.0	2.6	(3.6)	10.0	4.7	(5.3)
Wholesale	12.2	4.4	9.1	4.7	(3.1)	8.6	6.8	(1.8)
Retail	(3.8)	(13.4)	(1.7)	11.7	2.1	(3.6)	(6.9)	(3.4)

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, December 22, 2025, the analyst, Liew Yi Jiet, who prepared this report, has interest in the following securities covered in this report:
(a) nil

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