

25 February 2026

Nova Wellness Group

Seasonally Slower 2QFY26

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NOVA's 1HFY26 results came in within expectation. Looking into FY26, the group is optimistic on increased demand for health supplements. It is targeting to making further inroads in penetrating public hospitals from which it has recorded higher sales. We keep our forecasts, TP of RM0.47 based on unchanged 13x FY26F EPS, at a 15% discount to its peers' average due to its smaller market capitalisation. **Maintain OUTPERFORM.**

Its 1HFY26 net profit of RM5.2m (+40% YoY) came in within our expectation at 46% of our full-year net profit forecast. A dividend of 1.6 sen was declared which is within our expectation.

YoY, its 1HFY26 revenue rose 9% due to higher demand from house brands (+2%) and OEM (+28%). Overall, we believe, the increase was due to consumers snapping up health supplements amidst rising cases of the common flu and influenza-like illnesses, and higher sales in public hospitals. Ebitda rose a larger 31%, we believe, due to better economies of scale and the appreciating MYR against the USD which helped to alleviate cost pressure since raw materials make up 30%-50% of total cost. Its net profit rose 40% to RM5.2m.

QoQ, its 2QFY26 topline fell 8%. However net profit fell 49% due to higher base effect in 1QFY26 and increased staffing costs from bonuses, and higher sales promotional expenses. Note that 2Q is a seasonally slower quarter.

Outlook. With the government's new targeted petrol subsidy removing key policy uncertainty and easing cost-of-living pressures for the rakyat, this should help to lift consumer sentiment.

Looking further into FY26, the group is optimistic on increased demand for health supplements. It is targeting Activmax and Sustinex range of functional food products such as plant-based protein including specialty Activmax for hospitals. Specifically, Activmax and Sustinex are house-brand products developed with embedded vitamins and other nutrients to fulfil consumers' nutritional needs. The group has made further inroads over the past two years penetrating into the local public hospitals. Looking ahead in FY26, we expect EBITDA margins to improve to between 35%-40% due to better economies of scale and efficiency coupled with incremental revenue, as its new plant is expected to have better overhead absorption and hence margin improvements.

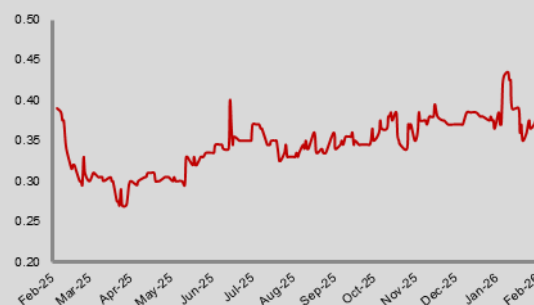
Valuations and forecasts. We keep our forecasts, TP of RM0.47 based on unchanged 13x FY26F EPS, at a 15% discount to its peers' average due to its smaller market capitalisation. There is no adjustment to our TP based on ESG given a 3-star ESG rating as appraised by us (see Page 2). **Maintain OUTPERFORM.**

Risks to our call include: (i) intense competition from existing/new and local/foreign players, and (ii) product safety and regulatory risks.

OUTPERFORM ↔

Price : **RM0.40**
Target Price : **RM0.47** ↔

Share Price Performance



KLCI 1,754.01
YTD KLCI chg 4.4%
YTD stock price chg 3.9%

Stock Information

Shariah Compliant Yes
Bloomberg Ticker NOVA MK
Market Cap (RM m) 127.5
Shares Outstanding 318.7
52-week range (H) 0.45
52-week range (L) 0.26
3-mth avg. daily vol. 61,367
Free Float 17%
Beta 0.8

Major Shareholders

Tan Sok Mooi 42.4%
Phang Yeen Aun 7.9%
Phang Yeen Nung 7.9%

Summary Earnings Table

FY Jun (RM m)	2025A	2026F	2027F
Turnover	44.1	47.8	49.7
EBITDA	13.1	18.4	19.1
PBT	10.4	15.5	16.2
Net Profit	7.7	11.5	12.0
Core Net Profit	7.7	11.5	12.0
Consensus (NP)	-	-	-
Earnings Revision (%)	-	-	-
Core EPS (sen)	2.4	3.6	3.8
Core EPS Growth (%)	(1.7)	49.4	4.2
NDPS (sen)	1.6	1.6	1.6
Price to NTA (x)	1.2	1.1	1.1
PER (x)	16.4	11.0	10.6
PBV (x)	1.2	1.1	1.0
Net Gearing (%)	Cash	Cash	Cash
Net Div. Yield (%)	4.0	4.0	4.0

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Result Highlights								
FYE Jun (RM m)	2QFY26	1QFY26	QoQ Chg (%)	2QFY25	YoY Chg (%)	6MFY25	6MFY26	YoY Chg (%)
Turnover	11.5	12.5	(8.0)	11.4	1.1	22.0	24.0	9.0
EBITDA	3.1	5.3	(41.9)	3.4	(9.4)	6.4	8.4	31.0
Depreciation	(0.8)	(0.8)	(0.1)	(0.8)	3.1	(1.5)	(1.6)	3.5
Net interest expense	0.1	0.1	12.6	0.1	13.7	0.1	0.1	7.4
EI	0.0	0.0	NM	0.0	NM	0.0	0.0	NM
PBT	2.4	4.6	(48.5)	2.7	(12.5)	5.0	7.0	38.8
Tax	(0.6)	(1.1)	(46.6)	(0.7)	(11.5)	(1.3)	(1.7)	36.6
Net Profit (NP)	1.8	3.5	(49.1)	2.0	(12.8)	3.7	5.2	39.6
Core NP	1.8	3.5	(49.1)	2.0	(12.8)	3.7	5.2	39.6
EPS (sen)	0.6	1.1	(49.1)	0.6	(12.7)	1.2	1.6	39.3
EBITDA margin (%)	26.9	42.6		30.0		29.2	35.1	
PBT margin (%)	20.6	36.8		23.8		22.8	29.0	
Net profit (%)	15.3	27.7		17.8		17.0	21.7	
Effective tax rate (%)	25.7	24.8		25.4		25.5	25.1	

Source: Company, Kenanga Research

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Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside (%)	Market Cap (RM'm)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE (%)	Net Div. (sen)
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	
Stocks Under Coverage																
DUOPHARMA	OP	1.49	1.72	15%	1,433	Y	12/2025	9.9	11.5	52%	16%	15.1	13.0	1.9	12.8%	3.3
IHH HEALTHCARE BHD	MP	9.08	8.50	-6%	80,232	Y	12/2025	21.6	24.3	13%	12%	42.0	37.4	2.6	6.2%	10.0
KOTRA INDUSTRIES BHD	OP	4.14	4.90	18%	614	Y	06/2026	28.7	32.5	-5%	13%	14.4	12.7	2.2	15.3%	25.5
NOVA WELLNESS GROUP BHD	OP	0.400	0.470	18%	127	Y	06/2026	3.6	3.8	49%	4%	11.1	10.6	1.1	10.1%	1.6
PHARMANIAGA BERHAD	UP	0.300	0.200	-33%	1,967	Y	12/2026	1.0	1.1	34%	8%	30.3	28.0	3.9	13.9%	0.0
SCOMNET BERHAD	OP	0.600	1.00	67%	513	Y	12/2026	4.2	4.9	38%	18%	14.3	12.2	1.2	7.1%	2.3

Source: Company, Bloomberg, Kenanga Research

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Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★	☆	
	Community Investment	★	★	★		
	Workers Safety & Wellbeing	★	★	☆		
	Corporate Governance	★	★	★		
	Anti-Corruption Policy	★	★	★		
	Emissions Management	★	★	☆		
SPECIFIC	Product Quality & Safety	★	★	★		
	Effluent/Waste Management	★	★	☆		
	Energy Efficiency	★	★	★		
	Education & Training	★	★	★	☆	
	Talent Management	★	★	★	☆	
	Supply Chain Management	★	★	☆		
OVERALL		★	★	★		

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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