

INITIAL PUBLIC OFFERING

NOT RATED

Fair Value **RM 0.85**
IPO Price **RM 0.75**

Stock Return Information

Capital upside/downside (%)	13.3
Expected dividend yield (%)	2.7
Total upside/downside (%)	16.0

Timetable of IPO

Opening date	14/11/2025
Closing date	25/11/2025
Balloting of applications	1/12/2025
Allotment date	8/12/2025
Listing date	10/12/2025

Listing Details

Listing board	Main Market
Market capitalisation (RM m)	300.0
Enlarged number of shares (m)	400.0
New IPO shares (m)	74.2
• Malaysian public	20.0
• Eligible persons	4.2
• Bumiputera investors approved by the MITI	50.0
Offer for sale (m)	30.0

Major Shareholders After IPO (%)

Liew Yoon Poh	20.9
Chan Yue Mun	18.6
Liew Yoon Kit	16.4
Giam Teck Eng	16.4

Utilisation of Proceeds

Details	RM (m)
Capital expenditure:	
• Setting up new head office and warehouse	12.0
• Expansion of Indonesia business	8.0
• Establishment of EaaS and MEAMS segments	8.0
Repayment of bank borrowings	16.0
Working capital	6.1
Estimated listing expenses	5.5
Total	55.6

Analyst

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LAC MED BHD

Expanding The Reach Of Medical Devices

BLOOMBERG: LACMED MK | BURSA: LACMED (5341)

LAC Med Bhd is a leading provider of medical devices and integrated healthcare solutions in Malaysia and Indonesia. As an authorised distributor for international brands such as Philips, Samsung, Stryker and Epson, the group has positioned itself as a trusted partner to healthcare providers since 2004. Its reputable clientele includes Sunway Healthcare Group, IHH Healthcare Group, MAHSA Hospital and Columbia Asia Hospital.

Our **fair value** at **RM0.85**, represents a premium of 13.3% over its IPO offer price of RM0.75, based on a target PER of 13.0x pegged to its CY26F EPS of 6.5 sen. The target PER is benchmarked against the average 1-year forward PER to its closest peers within the sector. Risk factors include: 1) failure to retain and renew operating licences, 2) dependence on key distributorship agreements, and 3) competition from existing distributors and new entrants.

INVESTMENT MERITS

Leading Integrated Provider of End-To-End Medical Device Solutions

With over 20 years of experience, LAC Med offers comprehensive solutions from planning and infrastructure design to installation, commissioning and post-installation support, complemented by healthcare ICT products and software.

Strong Structural Demand in Malaysia

An ageing population and rising prevalence of noncommunicable diseases, coupled with the expansion of public and private hospitals and growing medical tourism, continue to fuel demand for medical devices. Strong government investments in healthcare infrastructure and equipment procurement further support long-term industry growth.

Expansion into the Growing Indonesian Healthcare Market

Through PT Fairmed, LAC Med is tapping into Indonesia's sizable healthcare market with exclusive distributorships and planned branch offices. This expansion diversifies revenue streams and leverages the group's expertise to capture new growth opportunities in Southeast Asia market.

Solid Financial Performance

LAC Med's revenue and PATAMI registered a commendable 2-year CAGR of 31.1% and 25.0% respectively from CY22 to CY24, supported by strong project execution and medical equipment sales. Looking ahead, we expect revenue and PATAMI growth to remain supported by: 1) rising healthcare demand, 2) increase in revenue streams from the establishment of new EaaS and MEAMS segments, and 3) regional expansion into Indonesia.

Table 1: Historical Earnings and Forecasts

CYE Dec (RM m)	CY23	CY24	CY25(F)	CY26(F)	CY27(F)
Revenue	150.3	183.2	192.1	212.9	245.2
EBITDA	27.1	27.9	25.9	34.7	39.3
EBITDA margin (%)	18.0	15.2	13.5	16.3	16.0
PBT	25.7	27.0	25.0	33.7	38.3
PATAMI	20.7	20.4	18.7	25.6	29.1
Core PATAMI	20.7	20.4	21.1	26.1	30.2
Core PATAMI margin (%)	13.8	11.1	11.0	12.3	12.4
Core EPS (sen)	5.2	5.1	5.3	6.5	7.6
Core EPS growth (%)	58.8	(1.7)	3.6	23.6	15.8
PER (x)	14.5	14.7	14.2	11.5	9.9
DPS (sen)	1.5	3.1	1.6	2.0	2.4
Dividend yield (%)	2.0	4.2	2.1	2.7	3.2
ROE (%)	52.0	42.6	18.4	19.8	19.9
Net gearing ratio	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
P/B (x)	7.5	6.3	2.6	2.3	2.0

Source: Company, Berjaya Research

COMPANY OVERVIEW

LAC Med and its subsidiaries (LAC Medical, CVS Medical, GoCloud Solutions and PT Fairmed) specialise in the supply, distribution and integration of medical devices and services. As an authorised distributor for multiple international brands in Malaysia and Indonesia, the group supplies third-party medical devices, equipment, consumables and accessories, complemented by software solutions, systems integration and comprehensive maintenance services. Its product portfolio currently comprises 54 active SKUs with the majority of its medical equipment used for diagnostic purposes, including MRI systems and radiographic equipment such as CT scanners and fluoroscopy machines. While Malaysia remains its core market with domestic revenue representing 100% of total revenue in CY24, the group began expanding regionally with the establishment of its Indonesian operations in 2025.

LAC Med primarily employs a direct distribution model, selling its products directly to end-users such as private hospitals, clinics and diagnostic centres. In addition, the group also utilises an indirect distribution channel, supplying products to medical device suppliers and concessionaire companies that in turn distribute to private and public healthcare institutions.

Table 2: Key Subsidiaries

Subsidiary	Principal Activities
LAC Medical Supplies Sdn Bhd (100%-owned)	<ul style="list-style-type: none"> Incorporated in 2003 Principally involved in the supply and integration of medical devices and related products and services in Malaysia
CVS Medical Sdn Bhd (100%-owned)	<ul style="list-style-type: none"> Incorporated in 2017 Principally involved in the supply and integration of medical devices and related products and services in Malaysia Focus primarily on the distribution of Philips ultrasound equipment in West Malaysia
GoCloud Solutions Sdn Bhd (100%-owned)	<ul style="list-style-type: none"> Acquired in 2025 to expand its services to provide MEAMS Principally involved in the provision of ICT products and services for healthcare facilities in Malaysia
PT Fairmed Imaging Nusajaya (95%-owned)	<ul style="list-style-type: none"> Incorporated in 2024 to expand into Indonesia Established a sales and support office in February 2025 Principally involved in the supply and integration of medical devices and related products and services in Indonesia Remaining 5.0% equity interest is held by Hong Chong Chet, the group's Deputy CEO

Source: Company

Figure 1: LAC Med's Major Clientele



Source: Company

LAC Med's main business segments include:

Supply and integration of medical devices: This segment focuses on the supply and integration of large, fixed medical equipment such as MRI systems, CT scanners and fluoroscopy machines, which typically require substantial mechanical and electrical (M&E) as well as renovation works prior to installation. Leveraging its in-house technical expertise, the group provides comprehensive end-to-end integration solutions, covering design, site planning, installation, testing and commissioning. Its subsidiary, LAC Medical, holds a Grade G7 CIDB contractor certification, enabling it to undertake major M&E and renovation works under these projects. The group also engages subcontractors to carry out M&E and renovation works based on its designs and specifications, under its direct supervision and management, including specialised tasks such as the installation of protective shielding for radiology rooms. This segment contributed 40.5%-51.6% of total revenue in CY22-CY24.

Table 3: Ongoing and future contracts for the supply and integration of medical devices

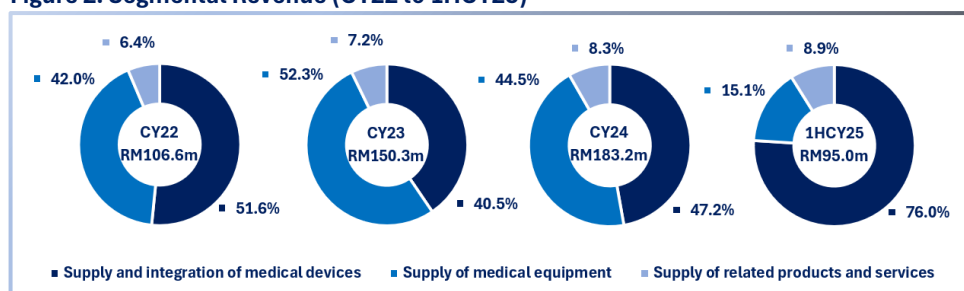
Customer Name	Type of Customer	Products and Services	Project Period	Project Value	Outstanding Project Value
Ongoing Contracts				RM m	RM m
1. Teraju Farma Sdn Bhd	Medical device supplier	Radiographic system	Mar 25 – Mar 26	3.2	2.6
2. Teraju Farma Sdn Bhd	Medical device supplier	Radiographic system	Jul 25 – Jan 26	23.1	22.7
3. Meditech Sdn Bhd	Medical device supplier	Radiographic system	Jul 25 – Aug 26	10.1	10.0
4. Advance Altimas Sdn Bhd	Medical device supplier	Radiographic system	Jul 25 – Feb 26	22.8	22.1
5. ReGen Rehabilitation International Sdn Bhd	Private hospital	Radiographic system and ultrasound machine	Aug 25 – Nov 25	0.8	0.1
6. Adventist Hospital & Clinic Services (M)	Private hospital	Radiographic system	Aug 25 – Nov 25	0.3	0.1
7. Columbia Asia Sdn Bhd	Private hospital	Radiographic system	Sep 25 – Dec 25	0.8	0.8
Future Contracts				RM m	RM m
8. Customer C	Private hospital	Radiographic system		0.8	0.8
9. Customer C	Private hospital	Radiographic system		0.7	0.7
10. Sunway Medical Centre Penang Sdn Bhd	Private hospital	Radiographic system	Expected to commence by 4QCY25 and complete within 3 to 9 months from the commencement date	0.7	0.7
11. Regen Hospital Sdn Bhd	Private hospital	Radiographic system		12.8	12.8
12. DNA Diagnostic and Imaging Sdn Bhd	Ambulatory Care Centre	Radiographic system		2.5	2.5
13. Teraju Farma Sdn Bhd	Medical device supplier	Radiographic system		15.5	15.5
14. Teraju Farma Sdn Bhd	Medical device supplier	Radiographic system		11.9	11.9
15. Meditech Sdn Bhd	Medical device supplier	Radiographic system		5.8	5.8
16. Medik Sempurna Sdn Bhd	Medical device supplier	Patient monitor		9.2	9.2
Total				121.0	118.3

Source: Company

Supply of medical equipment: This segment covers the distribution and installation of loose, standalone, portable or “plug-and-play” medical equipment such as ultrasound machines, patient monitors and mobile digital radiography units that requires minimal renovation or M&E work. The group manages the full process of supply, installation, testing and commissioning at customers’ premises, as well as provides post-installation support services throughout the warranty period. This segment made up 42.0%-52.3% of total revenue in CY22-CY24.

Supply of related products and services: LAC Med also supplies medical consumables and accessories that complement its equipment offerings, including neurovascular devices, radiology accessories and ultrasound components such as IVUS catheters and transducers. The group also provides healthcare-related software and systems integration, offering third-party applications such as SwiftMR, annalise.ai, Philips and Abbott solutions, alongside its own GoDetect power and environmental monitoring system. In addition, the group delivers after-sales support through preventive, corrective and breakdown maintenance services for installed equipment. This segment accounted for 6.4%-8.3% of total revenue in CY22-CY24.

Figure 2: Segmental Revenue (CY22 to 1HCY25)



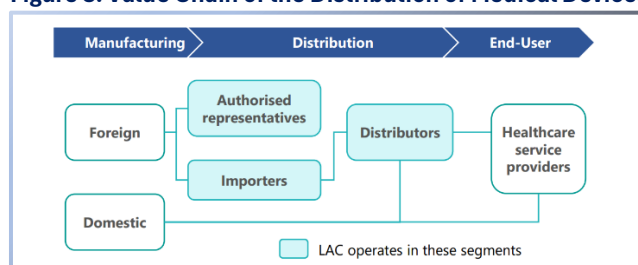
Source: Company, Berjaya Research

INDUSTRY OVERVIEW

Medical Device Industry in Malaysia

Malaysia's medical device industry is highly regulated under the Medical Device Authority (MDA) and is shaped by strong involvement of international manufacturers supplying advanced technologies, complemented by a domestic value chain that focuses mainly on consumables such as medical gloves and catheters. As Malaysia relies heavily on imported medical equipment to meet domestic demand, authorised distributors play a critical role in bridging global suppliers with the local healthcare providers. The industry is supported by a broad healthcare ecosystem across both public and private sectors, underpinning sustained demand for medical devices and solutions.

Figure 3: Value Chain of the Distribution of Medical Devices

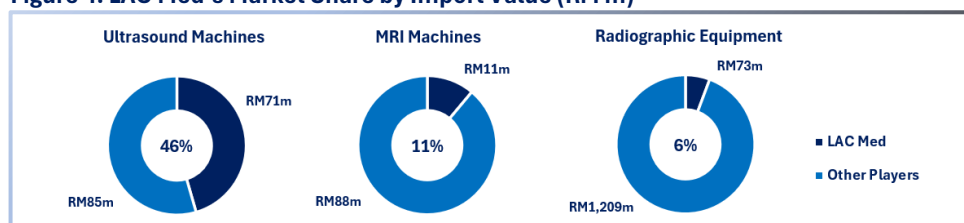


Source: Vital Factor Consulting

Demand Drivers for Medical Devices

Demand for medical devices in Malaysia continues to rise, supported by demographic shifts, disease trends and the expansion of healthcare infrastructure. Malaysia's ageing population is growing rapidly with the aged 65+ segment rising at a CAGR of 5.0% between 2023 and 2025, while noncommunicable diseases such as diabetes, hypertension, high cholesterol and obesity remain highly prevalent. These trends heighten the need for diagnostic, monitoring and treatment equipment. The growing healthcare network, comprising 161 public hospitals, 212 private hospitals and more than 18,000 public and private clinics, further drives sustained demand for advanced equipment and integrated solutions.

Figure 4: LAC Med's Market Share by Import Value (RM m)



Source: Vital Factor Consulting

Government Expenditure and Policy Support

Government investment remains a major catalyst for industry growth. Between 2022 and 2024, federal development expenditure on the healthcare sector grew at a CAGR of 15.3%, supporting infrastructure upgrades, equipment replacement and the expansion of healthcare facilities. Under Budget 2026, RM7.0b has been allocated to healthcare development, including RM755.0m for acquiring advanced medical equipment. Ministry of Health procurement of medical equipment also grew at a 2-year CAGR of 15.1% to reach RM453.0m in 2024. Complementing this, private sector demand is supported by the growing medical tourism industry, which generated RM2.7b in 2024 and is projected to reach RM2.9b in 2025, with further growth anticipated in 2026 under the Malaysia Year of Medical Tourism initiative.

Medical Device Industry in Indonesia

Indonesia presents a sizable and growing market for medical devices, underpinned by rising public healthcare spending, a large population base and increasing demand for better-quality healthcare services. Government allocations to the health sector increased from IDR187.5t in 2024 to IDR218.5t under the 2025 State Budget Bill, reflecting continued investment in healthcare infrastructure. The country's extensive network of healthcare facilities also forms a strong demand base for medical device distribution and provides a favourable landscape for LAC Med's planned expansion into Indonesia.

COMPETITIVE STRENGTHS

Established Integrated Medical Device Solutions Provider with Proven Track Record

With over 20 years of industry experience, LAC Med has evolved from a medical consumables supplier into an integrated provider of end-to-end medical device solutions, backed by deep market knowledge, regulatory expertise and strong execution capabilities across equipment supply, infrastructure integration and post-installation support. This proven track record positions the group as a trusted partner to healthcare providers seeking reliable, high-quality solutions. Supported by a broad installed base and more than 170 active customers, the group's clientele spans private and public healthcare institutions, university hospitals, local health offices, medical device suppliers and concessionaire companies, including Sunway Healthcare Group, IHH Healthcare Group, MAHSA Hospital and Columbia Asia Hospital.

Extensive Portfolio of Leading Medical Device Brands

LAC Med represents a broad portfolio of well-established international brands, including Philips, Samsung, Stryker, Epson, SwiftMR, annalise.ai, Abbott, LG, Baxter, Alpinion and Bayer, covering medical equipment, consumables and healthcare software. These strategic partnerships strengthen customer confidence, enhance market visibility and enable the group to address evolving healthcare needs with recognised, high-quality products.

Table 4: Authorised Distributor for Established Brands

Brands	Products	Exclusivity	Year Secured
Philips	Radiographic, ultrasound and MRI equipment, medical consumables and related software and systems	Non-exclusive	2017
Samsung	Radiographic and ultrasound equipment	Non-exclusive	2013
Stryker	Neurovascular devices	Non-exclusive	2024
Epson	Imaging products and consumables such as printers, scanners, projectors, label printers, and disc producers	Non-exclusive	2023
SwiftMR	MR image enhancement software	Non-exclusive	2023
annalise.ai	Software for medical imaging with artificial intelligence (AI) module	Non-exclusive	2023
LG	Medical diagnostic display, surgical and clinical review monitors	Non-exclusive	2025
Abbott	Immunoassay reagents and haematology instruments	Non-exclusive	2025
Baxter	Diagnostic devices	Non-exclusive	2025
Alpinion	Ultrasound equipment	Exclusive (Indonesia)	2025
Bayer	Contrast media injection systems and consumables	Non-exclusive	2025

Source: Company

Comprehensive End-to-End Solutions with Integrated ICT Services

LAC Med provides fully integrated medical device solutions spanning preliminary planning, infrastructure design, installation, testing, commissioning and post-installation support. This end-to-end service model offers customers a single point of contact, streamlines project execution and ensures consistent service quality, while fostering long-term customer relationships. Complementing its core equipment offerings, the group also provides healthcare ICT products and software that integrate medical devices for data management, analytics, dashboard display and storage. This enhances workflow efficiency, strengthens the attractiveness of its offerings and creates additional revenue opportunities through value-added services.

Wide Sales and Technical Support Network Across Malaysia

LAC Med maintains an extensive network of sales and technical personnel strategically located across Peninsular and East Malaysia. This wide coverage enables rapid response to maintenance requests, minimises equipment downtime and ensures reliable after-sales support, which is one of the key purchasing factors for hospitals and healthcare providers. The group's strong on-ground presence supports customer retention, drives repeat sales and strengthens its overall competitive positioning.

FUTURE PLANS

Setting up a new head office for business expansion

LAC Med currently operates from its head office in Kelana Jaya, Selangor with a total built-up area of 10,398 sq. ft. To support the expansion of its distributorship portfolio and product offerings, the group plans to relocate to a larger ready-built facility in Selangor (to be identified) with an estimated built-up area of 25,000–30,000 sq. ft. The new facility will house its head office, expanded storage areas and a dedicated showroom for product demonstrations, enhancing customer engagement and reinforcing its positioning as an end-to-end healthcare solutions provider. The relocation, targeted for completion by 2H2028, is estimated to cost RM15.0m, comprising property acquisition (RM12.5m), renovation works (RM2.0m), equipment and furniture (RM0.3m) and relocation expenses (RM0.2m). Of this amount, RM12.0m will be funded through IPO proceeds with the balance financed via bank borrowings. Upon completion, the group expects to save approximately RM0.5m annually in rental expenses.

Broadening product and service offerings to include MEAMS

LAC Med intends to expand its software and systems segment by introducing Medical Device Asset Management Services (MEAMS), which incorporate RFID and barcode tracking to monitor assets in real-time and manage maintenance schedules. This helps to enhance equipment reliability, reduce downtime, optimise utilisation as well as provide predictive and preventive maintenance using AI-driven analytics. MEAMS will be offered through flexible service plans, including subscription-based Software-as-a-Service (SaaS) with the option to bundle with equipment maintenance services, allowing customers to pay annually or monthly. To support MEAMS, the group will establish a dedicated technical support team of 3 support engineers and 2 after-sales personnel to provide user training and maintenance services. Engagement with external partners and software development will commence in 1H2026, with completion and marketing targeted for 2H2026. The group has allocated RM3.0m from IPO proceeds to fund the establishment of this segment.

New business model as an asset owner to provide EaaS

LAC Med also plans to expand into an asset-owner business model by establishing an Equipment-as-a-Service (EaaS) segment where the group will retain ownership of integrated medical equipment systems and provide them to healthcare providers on a subscription basis, bundled with managed software platforms. This allows customers to access the latest technology without upfront capital costs, while the group handles installation, commissioning, maintenance, repair and system upgrades. The model aims to generate recurring revenue and foster long-term partnerships, though it requires upfront capital investment to acquire medical devices and digital infrastructure, increasing the group's asset base and depreciation expenses. Investment will focus on specialised diagnostic equipment with advanced technologies, general medical devices as well as IoT-enabled digital infrastructure that supports monitoring, maintenance and data management under the EaaS model.

Purchase orders have been placed since August 2025 with marketing scheduled to commence in 1H2026. Two contracts have already been secured: 1) picture archiving and communication software services covering 30 hospitals under KPJ Healthcare Bhd, and 2) ultrasound machines for 5 public hospitals. Total investment is estimated at RM25.0m, of which RM5.0m will be funded via IPO proceeds and the balance through bank borrowings.

Expansion of Indonesian business

LAC Med aims to strengthen its regional footprint by accelerating the expansion of its operations in Indonesia, leveraging its established strengths in medical device distribution to tap into the country's growing healthcare market that are supported by favourable structural trends such as government-led initiatives to improve healthcare infrastructure, population growth and an ageing demographic. The group incorporated PT Fairmed in December 2024 and currently operates from a rented office in Jakarta with 20 personnel. PT Fairmed has secured exclusive distributorship rights from Alpinion Medical Systems Co. Ltd for the supply of ultrasound equipment in Indonesia. To broaden its market coverage, the group plans to open new branch offices in Sumatra and Surabaya by 2H2026, followed by Kalimantan by 2H2027. The group has allocated RM8.0m from its IPO proceeds to fund its planned investments in Indonesia.

Table 5: Utilisation of Proceeds

No.	Purposes	Amount (RM m)	%	Estimated timeframe for utilisation
1.	Setting up new head office and warehouse	12.0	21.6	Within 36 months
2.	Expansion of Indonesian business	8.0	14.4	Within 36 months
3.	Establishment of EaaS and MEAMS segments	8.0	14.4	Within 36 months
4.	Repayment of bank borrowings	16.0	28.7	Within 12 months
5.	Working capital	6.1	11.0	Within 24 months
6.	Estimated listing expenses	5.5	9.9	Within 1 month
Total		55.6	100.0	

Source: Company

KEY RISKS

Exposure to regulatory and licensing renewal requirements

LAC Med operates in a highly regulated medical device industry in Malaysia and Indonesia, requiring multiple licences, certifications and product registrations to import and distribute medical devices. Any failure or delay in renewing existing licences or obtaining new approvals for additional products may disrupt business continuity and adversely impact financial performance.

Dependence on key distributorship agreements

LAC Med's product portfolio and revenue depend on distributorship agreements with international medical device brand owners. Any non-renewal, termination or disruption in relationships with major suppliers could reduce product availability, force procurement on less favourable terms or weaken market competitiveness, thereby affecting profitability.

Competition from existing distributors and new entrants

The medical device distribution and integration market is highly competitive with multiple authorised distributors often representing the same international brands. Competitors offering lower pricing, better credit terms or stronger service capabilities could erode the group's market share, placing pressure on margins and potentially impacting profitability.

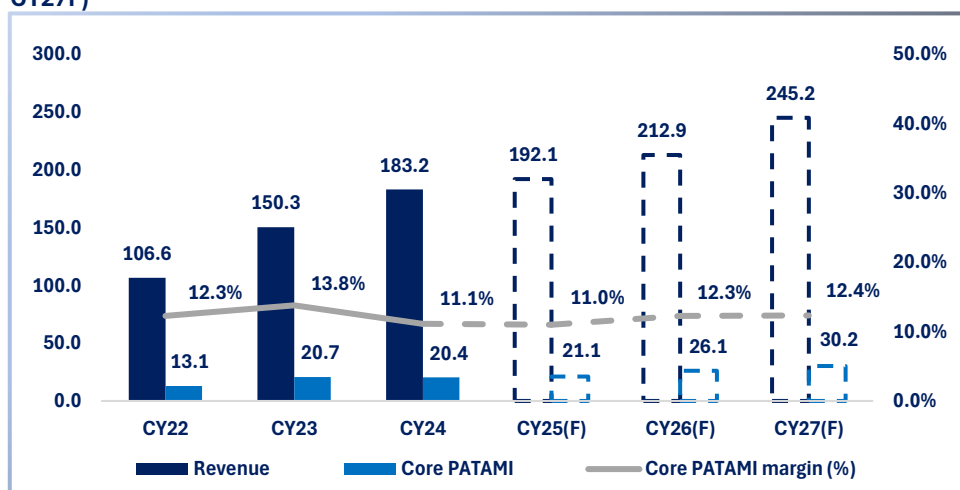
FINANCIAL HIGHLIGHTS

Stable Performance Amid Sustained Demand for Medical Devices

LAC Med's revenue grew at a 2-year CAGR of 31.1%, rising to RM183.2m in CY24, from RM106.6m in CY22, primarily driven by the successful delivery of supply and integration projects for new private hospitals, as well as upgrades and expansions of existing hospital facilities. The group also benefited from increased sales of medical equipment, particularly ultrasound machines, which peaked at 302 units in CY23. Revenue growth moderated slightly in 1HCY25 due to a lower volume of ultrasound machine sales to medical equipment suppliers (62 units). Still, overall revenue improved by 7.0% Y-o-Y in 1HCY25, supported by the resilient performance of the supply and integration of medical devices segment. Across the same period, the group's gross profit margin remained relatively stable within the range of 24.8% to 29.4%.

LAC Med's profitability saw a strong upswing in CY23 with core PATAMI rising 58.8% Y-o-Y, lifted by higher sales of ultrasound machines which generally command stronger margins, coupled with a lower effective tax rate. In CY24, core PATAMI growth turned flat despite higher revenue, reflecting a normalisation in ultrasound sales and higher administrative expenses. In 1HCY25, core PATAMI declined 11.7% Y-o-Y, weighed down by setup costs for Indonesia operation, higher tax expenses and listing-related expenses.

Figure 5: Historical and Forecast Revenue, Core PATAMI and Core PATAMI Margin (CY22 – CY27F)



Source: Company, Berjaya Research

Structural Healthcare Demand and Regional Expansion Fuelling Growth

LAC Med's core PATAMI is projected to remain largely flat for CY25F despite continued revenue growth, mainly attributed to initial investment in its new MEAMS and EaaS segments as well as Indonesia operations. Looking ahead to CY26F and CY27F, core PATAMI is projected to regain growth momentum, underpinned by stronger demand for medical devices in Malaysia on continued government investment in healthcare infrastructure and the expansion of private healthcare services. A growing ageing population and the increasing medical awareness is also expected to drive higher demand for medical devices. Regionally, the group's expansion into Indonesia with new branch offices and exclusive distributorships, is anticipated to provide additional revenue streams, while the scaling of MEAMS and EaaS segments is also expected to contribute recurring revenue and strengthen service offerings. With that, revenue is projected to grow at a CAGR of 13.0% from CY25F to CY27F, reaching RM192.1m/RM212.9m/RM245.2m in CY25F/CY26F/CY27F, while core PATAMI forecasted to expand at a CAGR of 19.6% to RM21.1m/RM26.1m/RM30.2m, with net profit margins estimated to sustain around 11.0%-12.4%.

Solid Orderbook

As at 15 October, 2025, the group's total outstanding orderbook stands at RM184.6m with the majority arising from the supply and integration of medical devices (RM118.3m), followed by the provision of software and system (RM42.0m), while the remaining comes from the supply of medical equipment (RM14.5m), provision of maintenance services (RM8.9m) and supply of medical consumables and others (RM0.9m). These orders are expected to be recognised over the next 3 years, at RM72.5m (CY25F), RM85.6m (CY26F) and RM26.5m (CY27F) respectively.

Table 6: Outstanding orderbook as at 15 October, 2025

	CY25F (RM m)	CY26F (RM m)	CY27F (RM m)	Total (RM m)
Supply and integration of medical devices	60.7	57.6	-	118.3
Supply of medical equipment	6.9	5.9	1.7	14.5
Provision of software and system	2.9	18.9	20.2	42.0
Provision of maintenance services	1.1	3.2	4.6	8.9
Supply of medical consumables and others	0.9	-	-	0.9
Total	72.5	85.6	26.5	184.6

Source: Company

Dividend Policy

Post-listing, LAC Med targets to distribute at least 30% of its PATAMI as dividends. For CY25F/CY26F/CY27F, we project an annual dividend of 1.6 sen/2.0 sen/2.4 sen per share, translating to a dividend yield of 2.1%/2.7%/3.2%, based on the IPO price of RM0.75.

RECOMMENDATION AND VALUATION

Not Rated with Fair Value of RM0.85

We derived LAC Med's **fair value** at **RM0.85**, implying a premium of 13.3% over its IPO price of RM0.75, based on our target PER of 13.0x pegged to its CY26F EPS of 6.5 sen. Our valuation is benchmarked against its closest local peers involved in the distribution of medical devices, equipment and healthcare supplies listed on Bursa Malaysia. We view the target PER of 13.0x to be fair, representing a c.30% discount to the average 1-year forward PER of selected peers, reflecting LAC Med's pure distributor model, limited manufacturing capabilities and smaller scale. Nevertheless, we believe LAC Med's growth prospect remains compelling, supported by rising demand for medical devices and regional expansion into Indonesia.

Table 7: Peer Comparison

Company	Country	FYE	Price (RM) 24/11/2025	Market Capitalisation (RM m) 24/11/2025	Forward PER (x) 1-year	Forward PER (x) 2-year	Historical ROE (%)	Historical Dividend Yield (%)
LAC Med Bhd	Malaysia	Dec-25	0.75	300.0	11.5	9.9	42.6	4.2
Apex Healthcare Bhd	Malaysia	Dec-25	2.57	1,854.9	22.0	20.2	9.0	3.5
UMediC Group Bhd	Malaysia	July-26	0.355	132.7	14.4	12.8	10.7	N/A
Average					18.2	16.5	9.8	3.5

Source: Bloomberg, Berjaya Research

Note: Data of LAC Med is derived based on listing price of RM0.75 and enlarged number of shares of 400.0m.

FINANCIAL SUMMARY

CYE Dec (RM m)	CY23	CY24	CY25(F)	CY26(F)	CY27(F)
Income Statement					
Revenue	150.3	183.2	192.1	212.9	245.2
EBITDA	27.1	27.9	25.9	34.7	39.3
PBT	25.7	27.0	25.0	33.7	38.3
Core PATAMI	20.7	20.4	18.7	25.6	29.1
Core EPS (sen)	5.2	5.1	5.3	6.5	7.6

CYE Dec (RM m)	CY23	CY24	CY25(F)	CY26(F)	CY27(F)
Balance Sheet					
Non-current assets	3.5	4.1	6.7	26.3	55.8
Current assets	136.1	124.0	191.4	195.3	192.9
Total assets	139.6	128.1	198.1	221.6	248.7
Share capital	2.0	2.0	102.2	102.2	102.2
Other equity and reserves	37.9	45.9	12.4	30.0	49.6
Total equity	39.9	47.9	114.6	132.2	151.7
Non-current liabilities	2.3	1.4	1.6	1.7	1.9
Current liabilities	97.5	78.8	82.0	87.7	95.0
Total liabilities	99.7	80.2	83.6	89.4	96.9
Total equity & liabilities	139.6	128.1	198.1	221.6	248.7

CYE Dec (RM m)	CY23	CY24	CY25(F)	CY26(F)	CY27(F)
Key Metrics					
Revenue growth (%)	41.0	21.9	4.8	10.8	15.1
Core PATAMI growth (%)	58.8	(1.7)	3.6	23.6	15.8
EBITDA margin (%)	18.0	15.2	13.5	16.3	16.0
Core PATAMI margin (%)	13.8	11.1	11.0	12.3	12.4
Net gearing ratio (x)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
ROE (%)	52.0	42.6	18.4	19.8	19.9
ROA (%)	14.9	15.9	10.7	11.8	12.2

Source: Company, Berjaya Research

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Signed

Kenneth Leong Chee Kin
Head of Research
Berjaya Research Sdn Bhd

Stock Ratings are defined as follows:

Stock Recommendations

BUY	Total return is expected to exceed 15% in the next 12 months
TRADING BUY	Total return is expected to exceed 10% in the next 3 months
NEUTRAL	Total return is expected to be between -15% to 15% in the next 12 months
SELL	Total return is expected to be below -15% in the next 12 months
TRADING SELL	Total return is expected to be below -10% in the next 3 months
NOT RATED	The stock is not within regular research coverage

Abbreviation

PER	Price Earnings Ratio	CAGR	Compounded Annual Growth Rate
PEG	PER to Growth	CAPEX	Capital Expenditure
EPS	Earnings per Share	DPS	Dividend per Share
FYE	Financial Year End	ROA	Return on Asset
FY	Financial Year	ROE	Return on Equity
CY	Calendar Year	PBT	Profit Before Tax
MoM	Month-on-Month	PAT	Profit After Tax
QoQ	Quarter-on-Quarter	EV	Enterprise Value
YoY	Year-on-Year	EBIT	Earnings Before Interest and Tax
YTD	Year-to-Date	EBITDA	EBIT Depreciation & Amortisation
p.a.	Per Annum	WACC	Weighted Average Cost of Capital
DCF	Discounted Cash Flow	NTA	Net Tangible Asset
FCF	Free Cash Flow	BV	Book Value
NAV	Net Asset Value		

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