Thursday, November 28, 2024

**Company Results** 

#### **Chelsea Chew**

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Recommendation:		BUY
<b>Current Price:</b>		RM 0.62
<b>Previous Target Price:</b>		RM 0.76
Target Price:	$\downarrow$	RM 0.70
Upside/Downside:		12.9%

#### **Stock information**

Board	MAIN
Sector	Healthcare
Bursa / Bloomberg Code	0222 / OPTIMAX MK
Syariah Compliant	Yes
FTSE4Good Index	Yes
FTSE ESG Rating	☆☆☆★
Bloomberg ESG Rating	N/A
Shares issued (m)	543.3
Market Cap (RM'm)	336.8
52-Week Price Range (RM)	0.58-0.735
Beta (x)	0.5
Free float (%)	29.4
3M Average Volume (m)	0.3
3M Average Value (RM' m)	0.2

Top 3 Shareholders	(%)
Sena Healthcare Serv	29.0
Tan Boon Hock	27.2
Chung Soon Hee	5.7

## **Share Price Performance**



	1M	3M	12M
Absolute (%)	-6.1	-6.8	-8.8
Relative (%)	-5.7	-2.6	-17.7

# **Optimax Holdings Berhad**

# Slight miss, but outlook remains optimistic

# **Summary**

- Optimax reported 3QFY24 core net profit of RM3.2m (-15.9% qoq, +11.7% yoy). 9MFY24 core net profit of RM10.0m (+2.5% yoy), which came below both ours and consensus expectations, accounting for 67.8%%/68.0% of full year forecasts respectively.
- We revised our FY24F depreciation rate from 12.5% to 13% and our tax rate from 25% to 28% (YTD tax rate was 26.6%). This resulted in FY24F CNP of RM13.7m. We have also revised our FY25F forecast lower by 7%, from RM18.7m to RM17.3m, as we increased our operating expense forecasts by additional 2% on the account of pre-operation training expenses for hospital operation commencement.
- Our current FY25F and FY26F forecasts exclude hospital contributions, as Optimax is still in the MOU stage for potential partnerships.
- Maintain BUY recommendation on OPTIMAX, with a lower target price of RM0.70 based on 22.0x pegged to FY25F EPS of 3.2 sen.

# **Results Review**

- **Below expectations.** Optimax's 9MFY24 core net profit (CNP) of RM10.0m accounted for 67.8% of our CNP forecast of RM14.7m and 68.0% of the street forecast of FY24F CNP at RM14.6m. Despite missing our and the consensus's expectations this quarter, the top line still aligned with our and consensus forecast, accounting for 70.9% of our revenue forecast of RM131.6m and 74.0% of the consensus of RM126.0m. Margins compression were noticeable on higher OPEX (higher staff cost in advance) and depreciation rates were recognised this quarter, as most of the new ACCs (Kota Kinabalu) and satellite clinics received operating licenses during this period.
- **Proposed dividend.** An interim dividend of 0.8 sen per share, payable on 30 Dec 2024 was declared.
- QoQ. 3QFY24 CNP declined -15.9% qoq to RM3.2m (from RM3.8m), despite a 3.3% qoq increase in revenue to RM33.1m the weaker CNP was due to higher OPEX and depreciation expenses. Geographically, Central Malaysia saw a +4.4% qoq increase. While Cambodia surged +137.0% qoq improvement (due to a lower base effect). Central region's major contribution is mainly linked to the Atria clinics with some minor contribution from the aesthetic service. (Atria has 4 Operation Theatres (OT) and an aesthetic clinic—Neumax clinic)
- YoY. 9MFY24 CNP rose 2.5% yoy to RM10.0m; the marginal increase was due to the effective promotional efforts from ongoing promotion and newly set up satellite clinics. On the other side, the top-line rose +13.1% yoy. Bottom line margin compression due to (i) higher OPEX, mainly additional hiring costs in anticipation for FY25 ACCs commencement, (ii) higher depreciation rate on new ACCs with associated rental costs and (iii) pre-operation costs at the Cambodia ACCs.
- **Outlook**. Signed an MOU to operate full-service eye specialist centre in Selgate Group of hospitals. This hospital group will be one of the large-scale private healthcare operators in the country by end-2026, as it plans to complete and operate seven hospitals. While, Optimax currently has signed the MOU of the first



Thursday, November 28, 2024 Company Results

hospital of Selgate Group in Setia Alam, we gather that construction is expected to be completed in 4Q24 and operational in early 2025.

- Kempas Eye Hospital serves to capture the increased demand for Indonesia and Singapore medical tourism. Optimax may capitalise from its ability to price ReLEx SMILE service cheaper (refer to Appendix 1). The Group is also able to provide ReLEx SMILE pro and PRESBYOND laser treatment.
- **Earnings revision.** We revised our depreciation and tax rates in FY24F to 13.0% from 12.5% and 25% to 28%, respectively. Most of the new ACC experienced higher depreciation expenses with associated rentals, and the YTD tax rate was recorded at 26.6%. This result in FY24F CNP at RM13.7m. We have also revised our FY25F forecast lower from RM18.7m to RM17.3m (-7%) following the additional 2% in operating expenses (from 48% to 50% of total revenue), due to the pre-operation training costs for hospital staff. The current FY25F and FY26F CNP has yet to factor in hospital revenue, as Optimax is still in the MOU stage with both hospitals.
- **Valuation**. Maintain **BUY** recommendation with a lower TP of **RM0.70** (from RM0.76). This is based on a PE multiple of 22.0x (2-year historical average) pegged to FY25F EPS of 3.2 sen, almost equivalent to Optimax's 2-year average historical PE of 22.6x. We are confident on Optimax's prospects, premised to the Group's market leading position in cataract and refractive surgeries, advanced medical technology and aggressive expansion plans.
- **Risks**. (i) Exposed to foreign exchange risk with potential short-term increases in material costs and freight charges, (ii) Changes in hospital agreements.



# **APEX SECURITIES BERHAD**

Page	Thursday, November 2	28, 2024										Co	mpany	Results
Part	Figure 1: Results Compa	rison												
Person   Sal	FYE Dec (RM m)	3QFY24	3QFY23		2QFY24		9MFY23	9MFY24		5 Quarters Trend	d Co	mments		
Perform   4,5   4,6   4,6   2,7   2,8   2,7   3,8   1,7   3,9   1,7   3,9   2,7   3,0   3,7   3,0   3,7   3,0   3,7   3,0				16.0		3.3			13.1	-	_			
Net profice						. ,					→ effe	ective mark	keting effol	t
Content   Signature   Sign	•					. ,					•			
Part	•					. ,					-			
Part	•					. ,					→ Slig	ght dip due	to higher o	opex
Part many   1,8   1,8   1,9   1,18	EDITOA manusin (0/)	27.7	26.0		21 5		27.7	20.0			and	d depreciati	on expens	e
Properties   Pr	- , ,													
Properties   Pr														
Property   Property	Source: Company, Apex Sec	curities												
PECE (RM m) PY21 PY23 PY24 PY25 PY26 PECE (RM m) PY26 PY27 PY27 PY27 PY27 PY27 PY27 PY27 PY27 PY27 PY28 PY28 PY28 </td <td>Financial Highlights</td> <td></td>	Financial Highlights													
Revenue 108.0 11.4 131.6 138.8 151.6 Cash Cash 11.2 16.3 21.3 21.0 33.0 3.3 3.2 3.2 3.2 3.2 3.2 3.2 3.7 3.7 2.7 3.7 2.7 3.7 3.7 3.7 3.7 3.2 3.3 4.1 4.2 2.2 2.2 1.2 <td>Income Statement</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Baland</td> <td>ce Sheet</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Income Statement						Baland	ce Sheet						
Geos Profit 84.4 89.4 18.14 31.5 41.2 43.5 receivable of the current assets 4.3 5.0 2.9 3.0 7.0<	FYE Dec (RM m)	FY2	22 FY23	FY24	F FY25F	FY26I	F FYE D	ec (RM m)		FY22	FY23	FY24F	FY25F	FY26F
EBITOA 32.4 31.4 34.5 41.2 43.5 Unerportation A montrisation	Revenue	108	.0 114.0	131.6	138.8	151.6	<b>C</b> ash			18.2	16.2	15.3	23.4	33.4
Percentation A mortisoriation   7.8   7.9   7.18   7.18   7.18   7.19   7.10	Gross Profit	84	.4 89.4	101.3	110.4	119.7	7 Receiv	ables		2.5	3.2	3.2	3.0	3.7
ENT 24.6 21.2 22.7 28.3 29.5 Total Current Assets 33.1 30.2 31.3 41.6 97.3 78.8 86.7 79.8 86.7 79.8 86.7 79.8 86.7 79.8 76.9 79.2 20.0 10.0 0.0 0.0 0.0 10.0 <td>EBITDA</td> <td>32</td> <td>.4 31.1</td> <td>34.</td> <td>5 41.2</td> <td>43.5</td> <td>Invento</td> <td>ories</td> <td></td> <td>4.3</td> <td>5.0</td> <td>2.9</td> <td>4.7</td> <td>8.7</td>	EBITDA	32	.4 31.1	34.	5 41.2	43.5	Invento	ories		4.3	5.0	2.9	4.7	8.7
Net   Princip   Princip	Depreciation & Amortisation	-7	'.8 -9.9	-11.8	-13.0	-14.0	Other of	current assets	5	8.0	5.8	9.9	10.4	11.4
Associates 3 V 0.0 0.0 0.0 0.0 0.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 0.0	EBIT	24	.6 21.2	22.7	7 28.3	29.5	5 Total	Current Ass	ets	33.1	30.2	31.3	41.6	57.3
Pre-tax Profit 23.5 20.0 21.4 27.0 28.0 04 non-current assets 60, 80, 80, 80, 80, 80, 80, 80, 80, 80, 8	Net Finance Income/ (Cost)	-1	.1 -1.2	-1.3	-1.3	-1.3	Fixed A	Assets		58.0	73.5	78.8	86.7	93.9
Tax -5.5 -7.1 -5.7 -6.7 -8.7 -8.9 -9.0 -5.0 <th< td=""><td>Associates &amp; JV</td><td>0</td><td>.0 0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>) Intangi</td><td>ibles</td><td></td><td>9.9</td><td>15.7</td><td>15.7</td><td>15.7</td><td>16.7</td></th<>	Associates & JV	0	.0 0.0	0.0	0.0	0.0	) Intangi	ibles		9.9	15.7	15.7	15.7	16.7
Profit After Tax 16.4 14.3 15.4 18.9 19.5 Short-tern Debt 3.8 3.1 3.3 3.5 3.1   Minority Interest 1.4 1.1 1.7 7.1.8 Payables 9.3 15.4 13.4 11.5 11.5   Net Profit 14.7 12.9 13.7 17.3 17.9 Other Current Liabilities 12.9 20.5 18.0 19.0   Exceptionals 0.0 10.0 10.0 10.0 Condet Current Liabilities 13.4 15.0 16.0 18.0 19.0   Ever Profit 14.7 12.9 13.7 17.9 17.2 17.	Pre-tax Profit	23	.5 20.0	21.4	27.0	28.2	2 Other	non-current a	ssets	0.4	0.3	0.3	0.3	0.3
Minority Interest -1.7 -1.4 -1.7 -1.7 -1.8 Payables 9.3 15.4 13.4 11.3 31.3	Tax	-5	5.5 -7.1	-5.	7 -6.0	-8.1	l Total	Non-current	assets	68.3	89.6	94.9	102.8	110.9
Net Profit 14.7 12.9 13.7 17.9 0ther Current Liabilities 2.8 3.4 3.8 3.4 3.8 3.4 3.8 3.4 3.8 3.8 3.8 3.8 3.8 3.9 3.8 3.9 3.0 1.0 1.0 10.0 10.0 0.0 0.0 0.0 0.0 10.0 10.0 1.1 2.0	Profit After Tax	16	.4 14.3	15.4	18.9	19.7	7 Short-	term Debt		3.8	3.1	3.3	3.5	3.6
Exceptionals 0.0 <	Minority Interest	-1	.7 -1.4	-1.3	7 -1.7	-1.8	B Payabl	es		9.3	15.4	13.4	11.1	11.5
Core Net Profit 14.7 12.9 13.7 17.3 17.3 17.9 Long-term Debt 13.4 15.0 16.5 18.2 20.0   Key Ratios Total Mon-current Liabilities 23.5 29.9 24.2 27.8 32.9   FYE Dec (RM m) FY23 FY23 FY24F FY25F FY26F Shrecholder's equity 42.0 48.0 40.0 41.0 <th< td=""><td>Net Profit</td><td>14</td><td>.7 12.9</td><td>13.7</td><td>7 17.3</td><td>17.9</td><td>Other (</td><td>Current Liabili</td><td>ties</td><td>2.8</td><td>3.4</td><td>3.8</td><td>3.4</td><td>3.8</td></th<>	Net Profit	14	.7 12.9	13.7	7 17.3	17.9	Other (	Current Liabili	ties	2.8	3.4	3.8	3.4	3.8
Key Ratios FY22 FY23 FY24F FY25F FY26F Shareholder's equity 42.0 48.9 76.0 11.0 14.57   BBIT margin 22.8% 18.6% 17.3% 20.4% 19.5% Minority interest 3.9 4.8 4.9 4.1 4.9 4.9 4.1 4.9 4.9 4.1 4.9 4.9 <t< td=""><td>Exceptionals</td><td>0</td><td>.0 0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>Total</td><td>Current Liab</td><td>ilities</td><td>15.9</td><td>21.9</td><td>20.5</td><td>18.0</td><td>19.0</td></t<>	Exceptionals	0	.0 0.0	0.0	0.0	0.0	Total	Current Liab	ilities	15.9	21.9	20.5	18.0	19.0
Key Ratios FY2Dec (RM m) FY2Dec (PM m) GRIT margin 30.0% 27.3% 26.2% 29.7% 28.7% Minority interest 3.9 4.0 4.0	Core Net Profit	14	.7 12.9	13.7	7 17.3	17.9	Long-to	erm Debt		13.4	15.0	16.5	18.2	20.0
EFE Dec (RM m) FY22 FY23 FY24F FY25F PY25F Shreholder's equity 42.0 48.0 76.0 11.0 18.0   EBITDA margin 30.0% 27.3% 26.2% 29.7% 28.7% Minority interest 3.9 4.0 4.0 <							Other	non-current li	abilities	10.0	14.8	7.6	9.6	12.9
EBITDA margin 30.0% 27.3% 26.2% 29.7% 28.7% Minority interest 3.9 4.9	Key Ratios						Total	Non-current	Liabilitie	s 23.5	29.9	24.2	27.8	32.9
EBIT margin 22.8% 18.6% 17.6% 20.4% 19.5% Total Equity 62.0 68.0 81.5 98.6 11.6%   PBT margin 21.8% 17.6% 16.3% 19.5% 18.6% 18.6% 18.6% 18.7% 18.6% 18.6% 18.7% 18.6% 18.6% 18.7% 18.6% 18.6% 18.7% 18.6% 18.6% 18.7% 18.6% 18.6% 18.7% 18.6% 18.7% 18.6% 18.7% 18.6% 18.7% 18.6% 18.7% 18.6% 18.6% 18.6% 18.7% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 19.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6% 18.6%	FYE Dec (RM m)	FY2	22 FY23	FY24	F FY25F	FY26I	<b>F</b> Sharel	nolder's equity	/	42.0	48.9	76.0	110.2	145.7
PBT margin 21.8% 17.6% 16.3% 19.5% 18.6%   PAT margin 15.2% 12.5% 11.7% 13.6% 13.0% Cash Flow   NP margin 13.6% 11.3% 10.4% 12.4% 11.8% PEDec (RM m) FY22 FY23 FY24F FY25F FY26F   Core NP margin 13.6% 11.3% 10.4% 12.4% 11.8% Pre-tax profit 23.5 20.0 21.4 27.0 28.2   ROE 23.7% 19.0% 16.8% 16.1% 16.	EBITDA margin	30.0	% 27.3%	26.2%	6 29.7%	28.7%	6 Minorit	y interest		3.9	4.9	4.9	4.9	4.9
PAT margin 15.2% 12.5% 11.7% 13.6% 13.0% Cash Flow   NP margin 13.6% 11.6% 10.4% 12.4% 11.8% FYE Dec (RM m) FY22 FY23 FY24F FY25F PY26F   Core NP margin 13.6% 11.3% 10.4% 12.4% 11.8% Pre-tax profit 23.5 20.0 21.4 27.0 28.2   ROE 23.7% 19.0% 16.8% 17.5% 15.4% Depreciation & amortisation 7.8 9.9 11.8 13.0 14.0   ROA 21.5% 14.4% 16.8% 16.1% Changes in working capital 1.3 1.0 3.6 4.8 4.8   ROA Net Cash 3.0% 5.6% Net Cash Others -5.6 </td <td>EBIT margin</td> <td>22.8</td> <td>% 18.6%</td> <td>17.3%</td> <td>6 20.4%</td> <td>19.5%</td> <td>Total</td> <td>Equity</td> <td></td> <td>62.0</td> <td>68.0</td> <td>81.5</td> <td>98.6</td> <td>116.4</td>	EBIT margin	22.8	% 18.6%	17.3%	6 20.4%	19.5%	Total	Equity		62.0	68.0	81.5	98.6	116.4
NP margin 13.6% 11.3% 12.4% 11.8% FYE Dec (RM m) FY22 FY23 PY24F PY25F PY26F   Core NP margin 13.6% 11.3% 10.4% 12.4% 11.8% Pre-tax profit 23.5 20.0 21.4 27.0 28.2   ROE 23.7% 19.0% 16.8% 15.5% 15.4% Depreciation & amortisation 7.8 9.9 11.8 13.0 14.0   ROA 21.5% 14.4% 14.4% 16.8% 16.1% Changes in working capital 1.3 1.0 3.6 4.8 4.8   ROA Net Cash 3.0% 5.6% Net Cash Net Cash -5.6 -5.0 -1.2 -1.2	PBT margin	21.8	% 17.6%	16.3%	6 19.5%	18.6%	, O							
Core NP margin 13.6% 11.3% 10.4% 12.4% 11.8% Pre-tax profit 23.5 20.0 21.4 27.0 28.2   ROE 23.7% 19.0% 16.8% 17.5% 15.4% Depreciation & amortisation 7.8 9.9 11.8 13.0 14.0   ROA 21.5% 14.4% 14.4% 16.8% 16.8% 16.1% Changes in working capital 1.3 1.0 3.6 4.8 4.8   Net gearing Net Cash 3.0% 5.6% Net Cash Net Cash -5.6 -5.0 -5.1 -5.1 -5.0 -1.1 -1.1<	PAT margin	15.2	% 12.5%	11.7%	6 13.6%	13.0%	Cash I	How						
ROE 23.7% 19.0% 16.8% 17.5% 15.4% Depreciation & amortisation 7.8 9.9 11.8 13.0 14.0   ROA 21.5% 14.4% 14.4% 16.8% 16.1% Changes in working capital 1.3 1.0 3.6 4.8 4.8   Net agaring Net Cash 3.0% 5.6% Net Cash Net Cash Others -5.6 -5.0 -5.1 -5.0 -1.1 -1.1 -1.1 -1.0 -1.1 -1.0 -1.1 -1.0 -1.2 -1.1	NP margin	13.6	% 11.3%	10.4%	6 12.4%	11.8%	FYE D	ec (RM m)		FY22	FY23	FY 24F	FY25F	FY26F
ROA 21.5% 14.4% 14.4% 16.8% 16.1% Changes in working capital 1.3 1.0 3.6 4.8 4.8   Net gearing Net Cash 3.0% 5.6% Net Cash Net Cash Others -5.6 -5.0 -5.0 -5.1 -5.1 -5.0 -1.7 -7.0 -7.0 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2	Core NP margin	13.6	% 11.3%	10.4%	6 12.4%	11.8%	Pre-ta	ax profit		23.5	20.0	21.4	27.0	28.2
Net gearing Net Cash 3.0% 5.6% Net Cash Net Cash Others -5.6 -7.1 -7.1 -7.1 -7.1 -7.1 -7.1 -7.1 -7.1 -7.1 -7.1 -7.1 -7.1 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2 -7.2	ROE	23.7	% 19.0%	16.8%	6 17.5%	15.4%	b Depred	ciation & amo	rtisation	7.8	9.9	11.8	13.0	14.0
Key Assumptions PY22 FY23 FY24F FY25F FY26F Others -11.1 -11.3 -17.1 -20.8 -21.2   PE Dec (RM m) FY22 FY23 FY24F FY25F FY26F Others -0.1 1.9 1.9 1.9 1.9   Medical services 101.7 107.7 123.7 130.5 142.5 Investing cash flow -11.2 -9.4 -15.2 -18.9 -19.3   Medicine and others 6.3 6.7 7.9 8.3 9.1 Dividends paid -0.6 -0.5 -0.1 -0.2 -18.9 -19.3   Satellite clinics 1 6 8 10 12 Others -15.6 -17.4 -11.0 -12.0 -12.0 -12.0   Satellite clinics FY25F	ROA	21.5	% 14.4%	14.4%	6 16.8%	16.1%	6 Change	es in working	capital	1.3	1.0	3.6	4.8	4.8
Key Assumptions Net capex -11.1 -11.3 -17.1 -20.8 -21.2   FYE Dec (RM m) FY22 FY23 FY24F FY25F FY26F Others -0.1 1.9 1.9 1.9 1.9   Medical services 101.7 107.7 123.7 130.5 142.5 Investing cash flow -11.2 -9.4 -15.2 -18.9 -19.3   Medicine and others 6.3 6.7 7.9 8.3 9.1 Dividends paid -0.6 -0.5 -0.1 -0.2 -0.2   Satellite clinics 1 6 8 10 12 Others -15.6 -17.4 -11.0 -12.0 -12.0   Satellite clinics 1 6 8 10 12 Others -15.6 -17.4 -11.0 -12.0 -12.0   Valuations FY25F FY25F FOPEX FOPEX 0.0 0.0 0.0 0.0 0.0 0.0   Valuations FY25F FOPEX	Net gearing	Net Ca	sh 3.0%	5.6%	6 Net Cash	Net Cash	<u>Others</u>			-5.6	-5.6	-5.6	-5.6	-5.6
FYE Dec (RM m) FY22 FY23 FY24F FY25F FY26F Others -0.1 1.9 1.0 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Opera</td> <td>ting cash flo</td> <td>ow</td> <td>27.1</td> <td>25.3</td> <td>31.2</td> <td>39.2</td> <td>41.5</td>							Opera	ting cash flo	ow	27.1	25.3	31.2	39.2	41.5
Medical services 101.7 107.7 123.7 130.5 142.5 Investing cash flow -11.2 -9.4 -15.2 -18.9 -19.3   Medicine and others 6.3 6.7 7.9 8.3 9.1 Dividends paid -0.6 -0.5 -0.1 -0.2 -0.2   Satellite clinics 1 6 8 10 12 Others -15.6 -17.4 -11.0 -12.0 -12.0   Valuations FY25F Forex 0.0 0.0 0.0 0.0 0.0   Core EPS (RM) 0.03 -1.1 -1.1 0.0 -5.8 0.0 0.0   P/E multiple (x) 22.0 -1.1 -1.1 -1.1 0.0 -5.8 0.0 0.0	Key Assumptions						Net ca	pex		-11.1	-11.3	-17.1	-20.8	-21.2
Medicine and others 6.3 6.7 7.9 8.3 9.1 Dividends paid -0.6 -0.5 -0.1 -0.2 -1.2 -	FYE Dec (RM m)	FY2	22 FY23	FY24	F FY25F	FY 26	F Others			-0.1	1.9	1.9	1.9	1.9
Satelite clinics 1 6 8 10 12 Others -15.6 -17.4 -11.0 -12.0 -12.0 -12.0   Financing cash flow -16.1 -18.0 -11.1 -12.2 -12.2   Valuations FY25F Forex 0.0 0.0 0.0 0.0 0.0   Core EPS (RM) 0.03 Others -1.1 0.0 -5.8 0.0 0.0   P/E multiple (x) 22.0 Beginning cash 19.6 18.2 16.2 15.3 23.4	Medical services	101	.7 107.7	123.	7 130.5	142.5	Inves	ting cash flo	w	-11.2	-9.4	-15.2	-18.9	-19.3
Financing cash flow -16.1 -18.0 -11.1 -12.2 -12.2   Net cash flow -0.3 -2.0 4.9 8.2 10.0   Valuations FY25F Forex 0.0 0.0 0.0 0.0 0.0   Core EPS (RM) 0.03 Others -1.1 0.0 -5.8 0.0 0.0   P/E multiple (x) 22.0 Beginning cash 19.6 18.2 16.2 15.3 23.4	Medicine and others	6	6.7	7.9	8.3	9.1	L Divider	nds paid		-0.6	-0.5	-0.1	-0.2	-0.2
Valuations FY25F Forex 0.0 0.0 0.0 0.0 0.0 0.0   Core EPS (RM) 0.03 Others -1.1 0.0 -5.8 0.0 0.0   P/E multiple (x) 22.0 Beginning cash 19.6 18.2 16.2 15.3 23.4	Satelite clinics		1 6	1	3 10	12	2 Others			-15.6	-17.4	-11.0	-12.0	-12.0
Valuations FY25F Forex 0.0 0.0 0.0 0.0 0.0 0.0   Core EPS (RM) 0.03 Others -1.1 0.0 -5.8 0.0 0.0   P/E multiple (x) 22.0 Beginning cash 19.6 18.2 16.2 15.3 23.4							Financ	ing cash flo	w	-16.1	-18.0	-11.1	-12.2	-12.2
Core EPS (RM) 0.03 Others -1.1 0.0 -5.8 0.0 0.0   P/E multiple (x) 22.0 Beginning cash 19.6 18.2 16.2 15.3 23.4							Net ca	sh flow		-0.3	-2.0	4.9	8.2	10.0
P/E multiple (x) 22.0   Beginning cash 19.6 18.2 16.2 15.3 23.4	Valuations	FY2	5F				Forex			0.0	0.0	0.0	0.0	0.0
	Core EPS (RM)	0.0	03				Others			-1.1	0.0	-5.8	0.0	0.0
Fair Value (RM) 0.70 Ending cash 18.2 16.2 15.3 23.4 33.4	P/E multiple (x)	22	.0				Beginn	ing cash		19.6	18.2	16.2	15.3	23.4
	Fair Value (RM)	0.7	70				Ending	g cash		18.2	16.2	15.3	23.4	33.4

Source: Company, Apex Securities

Thursday, November 28, 2024 Company Results

# **Appendix 1: Surgeries breakdown**

	Cataract Surgeries							
				Total	YoY	QoQ		
		Q1	1695					
	FY23	Q2	8080	6069				
	1123	Q3		0300				
		Q4	1776					
Ī		Q1	1552					
	FY24	Q2 1890 5040	5213					
	F124	Q3	1771	5213	<b>1.29</b>	<b>√</b> -6.3%		
		Q4						

	Q1	1634			
FY23	Q2	1731	7238		
1123	Q3	1910	7230		
	Q4	1963			
	Q1	1755			
FY24	Q2	1522	4806		
F124	Q3	1529	4600	<b>V</b> -19.9%	▲ 0.5%
	Q4				

YoY QoQ

Refractive Surgeries (Implant Vision Correction)								
			Total	YoY	QoQ			
	Q1	73						
FY23	FY23 Q2 84 290							
F123	Q3	62	290					
	Q4	71						
	Q1	52						
FY24	Q2	77	223					
F124	Q3	94	223	<b>▲</b> 51.69	% 🛕 22.1%			
	Q4							

\*FY24 total figure is on a YTD basis

Source: Optimax, Apex Securities

# **Appendix 2: Price comparison in SEA countries on ReLEx SMILE service**

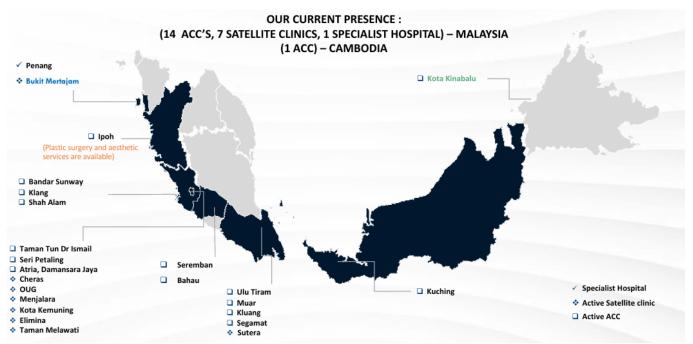
# Average ReLEx SMILE pricing in SEA¹

- 1. Thailand RM19,500
- 2. Singapore RM18,600
- 3. Philippine RM11,000
- 4. Indonesia RM11,000
- 5. Malaysia (Optimax) RM10,800

Source: Optimax, Apex Securities Berhad

\*Note: (1) Price of ReLEx SMILE procedures (both eyes) as at 31 March 2024.

# **Appendix 3: Optimax's market presence**



Source: Optimax's Q2FY24 deck, Apex Securities Berhad

Thursday, November 28, 2024 **Company Results** 

### **APEX SECURITIES BERHAD – CONTACT LIST**

#### **APEX SECURITIES BHD**

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#### RESEARCH RECOMMENDATION FRAMEWORK

#### STOCK RECOMMENDATIONS

**BUY**: Total returns\* are expected to exceed 10% within the next 12 months.

**HOLD**: Total returns\* are expected to be within +10% to -10% within the next 12 months.

**SELL**: Total returns\* are expected to be below -10% within the next 12 months.

**TRADING BUY**: Total returns\* are expected to exceed 10% within the next 3 months. TRADING SELL: Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain + dividend yield

## **SECTOR RECOMMENDATIONS**

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months. **NEUTRAL**: The industry defined by the analyst is expected to be within +10% to -10% within the next 12 months. **UNDERWEIGHT**: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

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