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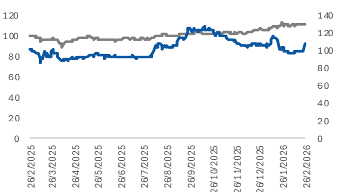
Recommendation:		BUY
Current Price:		RM 0.58
Previous Target Price:		RM 0.69
Target Price:	↔	RM 0.69
Capital Upside/Downside:		19.0%
Dividend Yield (%):		2.7%
Total Upside/Downside		21.6%

Stock information	
Board	MAIN
Sector	Healthcare
Bursa / Bloomberg Code	0222 / OPTIMAXMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	543.3
Market Cap (RM' m)	315.1
52-Week Price Range (RM)	0.715-0.46
Beta (x)	1.0
Free float (%)	26.4
3M Average Volume (m)	0.3
3M Average Value (RM' m)	0.2

Top 3 Shareholders	(%)
Sena Holdings Sdn Bhd	29.6
Tan Boon Hock	27.2
Chung Soon Hee	5.7

Share Price Performance



	1M	3M	12M
Absolute (%)	-4.9	-6.5	3.6
Relative (%)	-3.3	-13.1	-5.6

Earnings Summary

FYE Dec (RM m)	FY24	FY25F	FY26F
Revenue (RM'm)	127.7	135.7	149.0
PATAMI (RM'm)	13.0	13.8	16.8
CNP (RM'm)	13.0	13.8	16.8
EPS - core (sen)	2.4	3.1	3.1
P/E (x)	24.3	18.7	18.8

Source: Company, Apex Securities

Optimax Holdings Berhad

Short-Term Cost Drag, Long-Term Utilisation Upside

- **Optimax reported 4QFY25 CNP of RM4.1m (+46.6% QoQ, +32.9% YoY) which brought FY25's sum to RM14.4m (+11.1% YoY). The results came in below our (85%) but within consensus (101%) estimates reflecting higher depreciation and maintenance costs than incorporated in our prior assumptions.**
- **The Group declared a second interim dividend of 0.6sen (ex-date 13 Mar) (4QFY24: 0.5sen) bringing total DPS declared for FY25 to 1.40sen (FY24: 1.30sen).**
- **Selgate Specialist Hospital, Kempas Eye Specialist Hospital and the Jakarta hospital are slated to commence operations in 2HFY26, driving the Group's next phase of regional expansion.**
- **Maintain BUY with an unchanged TP of RM0.69, based on an unchanged 22× PE applied to FY26F EPS of 3.0sen.**

Below expectations. Excluding a PPE write-off (+RM0.6m), Optimax reported 4QFY25 CNP of RM4.1m (+46.6% QoQ, +32.9% YoY) which brought FY25's sum to RM14.4m (+11.1% YoY). The results came in below our (85%) but within consensus (101%) estimates. The variance relative to our forecast was primarily due to higher-than-expected depreciation and maintenance expenses following recent capex additions, reflecting a more front-loaded cost recognition profile than previously assumed. Our earlier assumptions on depreciation and maintenance costs were lower than actual, resulting in earnings projections that were higher than the reported performance.

Higher Dividend Declared. The Group declared a second interim dividend of 0.6sen (ex-date 13 Mar) (4QFY24: 0.5sen) bringing total DPS declared for FY25 to 1.40sen (FY24: 1.30sen).

QoQ. 4QFY25 CNP rose 46.6% QoQ thanks to revenue uplift driven by stronger contributions from satellite clinics in Central Malaysia (+7.8%), East Malaysia (+5.0%) and Cambodia (+51.2%) reflecting improved operating leverage as higher patient volumes enhanced fixed cost absorption.

YoY. CNP increased 32.9% YoY, supported by network expansion and stronger satellite clinic contributions. Cambodia (+2.8× YoY) benefited from patient flow redirection following Thailand–Cambodia geopolitical tensions in 3QFY25, while East Malaysia (+36.4% YoY) saw improved patient acquisition driven by sustained online promotional traction. While Cambodia's growth was partly event-driven, we note that patient retention trends will be critical in determining the durability of this uplift into FY26.

YTD. FY25 CNP grew 11.1% YoY, with earnings progression partially offset by higher depreciation and maintenance costs following recent expansion initiatives.

Expansion Pipeline – FY26 Catalyst. Selgate Specialist Hospital (Setia Alam) and Kempas Eye Specialist Hospital (Johor) remain on track for completion in 2HFY26, with Selgate structured under an asset-light collaboration model and Kempas to be leased from Sena Resources, strategically positioned to capture demand from southern Malaysia and Singapore, with breakeven targeted within one year of operations. Concurrently, the Group is entering the Jakarta market with estimated capex of c.RM5m, marking its expansion into Indonesia's growing middle-income healthcare segment. These projects underpin the next phase of regional scaling and provide visibility for incremental utilisation-driven earnings growth from FY26 onwards.

Outlook. The healthcare sector remains structurally supported by rising health awareness, ageing demographics and gradual recovery in medical tourism. Following its FY24 expansion phase, management's focus has shifted towards improving utilisation rates across newly established centres. We view operating leverage from utilisation ramp-up as the primary earnings driver into FY26–27. While near-term cost pressures from depreciation and maintenance may persist, we expect improved scale to enhance fixed cost absorption over the medium term.

KDN PP13226/06/2024 (035469)

Earnings revision. Despite FY25 earnings coming in below our expectations due to our underestimation of depreciation and maintenance costs, we maintain our FY26–27 earnings forecasts, as our assumptions for depreciation and maintenance expenses in the outer years are materially higher and already incorporate a more prudent cost profile compared with FY25. We also introduce our FY28 earnings forecast of RM26.2m.

Valuation. We maintain a **BUY** recommendation with an unchanged TP of **RM0.69** after rolling forward our valuation base year to FY26F EPS of 3.0sen, pegged to a 22x PE multiple. Our ascribed multiple represents 0.5SD below Optimax's 5-year historical average PE of 30x, reflecting a prudent stance amid near-term cost pressures while preserving upside from utilisation ramp-up. A sustained improvement in utilisation and margin normalisation could catalyse re-rating towards historical mean multiples.

Results Comparison

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Revenue	36.1	34.3	*5.3*	35.2	*2.7*	135.7	127.7	*6.3*	
EBITDA	9.9	10.1	*(1.8)*	9.4	*5.7*	39.5	37.1	*6.5*	
Pre-tax profit	5.1	5.1	*0.9*	4.6	*11.7*	20.3	20.0	*1.5*	
Net profit	3.5	3.4	*3.1*	3.4	*3.2*	14.9	14.3	*3.8*	
Core net profit	4.1	3.1	*32.9*	2.8	*46.6*	14.4	13.0	*11.1*	
Core EPS (sen)	0.7	0.6	*32.9*	0.5	*46.6*	2.7	2.4	*11.1*	
DPS (sen)	0.6	0.5	*20.0*	0.8	*(25.0)*	1.4	1.3	*7.7*	
EBITDA margin (%)	27.4	29.4		26.7		29.1	29.1		
PBT margin (%)	14.2	14.8		13.1		14.9	15.6		
Core PATMI margin (%)	11.3	8.9		7.9		10.6	10.2		

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Geographical revenue									
North Malaysia	5.0	6.3	*(20.6)*	6.0	*(16.6)*	20.6	21.4	*(3.8)*	
Central Malaysia	21.1	19.5	*7.9*	19.5	*7.8*	80.2	76.6	*4.8*	
South Malaysia	5.9	6.1	*(3.4)*	6.1	*(4.5)*	22.4	23.3	*(3.6)*	
East Malaysia	2.5	1.8	*36.4*	2.4	*5.0*	8.4	4.7	*77.5*	
Cambodia	1.7	0.6	*177.8*	1.2	*51.2*	4.1	1.8	*135.5*	
Total	**36.1**	**34.3**	**5.3**	**35.2**	**2.7**	**135.7**	**127.7**	**6.3**	

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Dec (RM m)	FY24	FY25F	FY26F	FY27F	FY28F
Revenue	**127.7**	**135.7**	**149.0**	**163.8**	**179.2**
Gross Profit	**101.6**	**106.3**	**117.7**	**130.3**	**143.4**
EBITDA	**37.0**	**39.5**	**48.5**	**58.5**	**68.9**
Depreciation & Amortisation	-14.6	-16.4	-20.7	-25.9	-27.2
EBIT	**22.4**	**23.1**	**27.8**	**32.6**	**41.8**
Net Finance Income/ (Cost)	-2.5	-2.8	-2.8	-4.0	-4.4
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	**19.9**	**20.3**	**25.0**	**28.6**	**37.4**
Tax	-5.6	-5.4	-6.7	-7.7	-9.0
Profit After Tax	**14.3**	**14.9**	**18.2**	**20.9**	**28.4**
Minority Interest	1.3	1.1	1.5	1.7	2.3
PATAMI	**13.0**	**13.8**	**16.8**	**19.2**	**26.2**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**13.0**	**13.8**	**16.8**	**19.2**	**26.2**

Key Ratios

FYE Dec (RM m)	FY24	FY25F	FY26F	FY27F	FY28F
P/E (x)	24.3	18.7	18.8	16.4	12.0
EPS (sen)	2.4	3.1	3.1	3.5	4.8
P/B (x)	4.7	4.1	3.7	3.3	2.9
EV/EBITDA (x)	9.2	7.7	6.5	5.1	4.0
DPS (sen)	1.4	1.6	1.5	1.8	2.4
Dividend Yield (%)	2.4%	2.7%	2.7%	3.0%	4.2%
EBITDA margin	29.0%	29.1%	32.5%	35.7%	38.5%
EBIT margin	17.6%	17.0%	18.6%	19.9%	23.3%
PBT margin	15.6%	15.0%	16.8%	17.4%	20.9%
PAT margin	11.2%	11.0%	12.2%	12.7%	15.9%
PATAMI margin	10.2%	10.2%	11.3%	11.7%	14.6%
Core NP margin	10.2%	10.2%	11.3%	11.7%	14.6%
ROE	19.2%	18.1%	19.8%	20.4%	24.4%
ROA	8.7%	7.9%	7.1%	6.2%	6.9%
Net gearing	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Key Assumptions

FYE Dec (RM m)	FY25F	FY26F	FY27F
Medicine and others (RM'm)	8.33	8.94	11.47
Medical services (RM'm)	1.5	1.5	1.6
No. of satellite clinics	10	11	12
Est. revenue per clinic (RM'm)	2.5	2.6	2.6

Valuations	FY26F
Core EPS (RM)	0.03
P/E multiple (x)	22.0
Equity Value (RM)	**0.68**
ESG premium/discount	**0.0%**
Fair Value	**0.68**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY24	FY25F	FY26F	FY27F	FY28F
Cash	17.9	17.0	39.0	66.7	85.6
Receivables	5.1	5.7	6.1	6.7	7.4
Inventories	5.7	5.8	6.2	6.6	7.1
Other current assets	6.9	5.4	5.4	5.4	5.4
Total Current Assets	**35.6**	**33.9**	**56.7**	**85.5**	**105.4**
PPE	96.3	120.0	152.8	191.5	232.9
ROU	15.8	21.2	27.0	33.8	41.1
Other non-current assets	1.0	0.0	0.0	0.0	0.0
Total Non-current assets	**113.2**	**141.2**	**179.8**	**225.3**	**274.0**
Short-term Debt	9.5	5.0	6.1	7.4	6.8
Payables	12.2	12.7	13.2	13.7	14.3
Other Current Liabilities	4.1	30.3	72.1	124.4	124.8
Total Current Liabilities	**25.9**	**48.1**	**91.5**	**145.6**	**145.9**
Long-term Debt	32.4	28.5	34.8	41.8	38.8
Other non-current liabilities	17.3	15.3	17.1	19.2	74.9
Total Non-current Liabilities	**49.6**	**43.8**	**51.9**	**61.0**	**113.7**
Shareholder's equity	67.7	76.2	84.6	94.2	107.2
Minority interest	5.6	7.0	8.5	10.2	12.4
Equity	**73.3**	**83.2**	**93.0**	**104.3**	**119.7**

Cash Flow

FYE Dec (RM m)	FY24	FY25F	FY26F	FY27F	FY28F
Pre-tax profit	**19.9**	**25.1**	**25.0**	**28.6**	**37.4**
Depreciation & amortisation	14.6	15.1	20.7	25.9	27.2
Changes in working capital	-7.1	-0.2	-0.3	-0.5	-0.5
Others	-3.9	-6.8	-6.7	-7.7	-9.0
Operating cash flow	**23.5**	**33.3**	**38.6**	**46.3**	**55.1**
Capex	-25.6	-13.9	-17.9	-19.7	-21.5
Others	3.2	0.0	0.0	0.0	0.0
Investing cash flow	**-22.5**	**-13.9**	**-17.9**	**-19.7**	**-21.5**
Dividends paid	-7.6	-8.4	-8.4	-9.6	-13.1
Others	7.0	-10.7	9.7	10.7	-1.6
Financing cash flow	**-0.6**	**-19.2**	**1.3**	**1.1**	**-14.7**
Net cash flow	**0.5**	**0.2**	**22.0**	**27.7**	**18.8**
Forex	0.1	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	1.0
Beginning cash	16.2	16.8	17.0	39.0	66.7
Ending cash	**16.8**	**17.0**	**39.0**	**66.7**	**86.6**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Scope 1 emissions reduced by 8% to 117,212.7 tCO_2e in FY2024; flaring emissions also declined to 36,312.6 tCO_2e.
Waste & Effluent	★★★	Waste management aligns with industry standards and regulatory requirements as well as minimise environmental impact.
Energy	★★★	Energy consumption increases by 7.2% in FY24
Water	★★★	Water consumption rose 4.2% yoy to 1,953,271m3 in FY24
Compliance	★★★	The Group complies with all local and international environmental regulations.

Social

Diversity	★★	91.7% of average employees age below 40, 30.5% of female directors on the Board
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★★	Formal grievance mechanism in place; strong zero-incident policies and health & safety oversight
Labour Practices	★★★	Fully compliant with labour standards; no violations in FY24

Governance

CSR Strategy	★★★★	Invested RM215k in community initiatives scholarships, internships, school awards, health clinics, sports, cultural events benefiting 116 individuals.
Management	★★	Average board members age @51, 28.6%, 2/9 female board composition
Stakeholders	★★★	Regularly organizes corporate events and holds an annual general meeting (AGM) for investors

Overall ESG Scoring: ★★★

Recommendation Framework:
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.

ESG Rating Framework:
★★★★★ : Appraised with 3% premium to fundamental fair value
★★★★ : Appraised with 1% premium to fundamental fair value
★★★ : Appraised with 0% premium/discount to fundamental fair value
★★ : Appraised with -1% discount to fundamental fair value
★ : Appraised with -5% discount to fundamental fair value