

Company Update

RM2.62 @ 7 November 2025

*"Offer price looks fair to us.
Raising TP and maintaining
HOLD"*

Share price performance



	1M	3M	12M
Absolute (%)	8.3	11.9	0.5
Rel KLCI (%)	9.0	7.1	0.7

	BUY	HOLD	SELL
Consensus	-	2	1

Source: Bloomberg

Stock Data

Sector	Healthcare
Issued shares (m)	721.2
Mkt cap (RMm)/(US\$m)	1889.6/452.3
Avg daily vol - 6mth (m)	0.1
52-wk range (RM)	1.88-2.63
Est free float	21.1%
Stock Beta	0.95
Net cash/(debt) (RMm)	175.26
ROE (FY26E)	9.9%
Derivatives	No
Shariah Compliant	Yes
FTSE4Good	No
Constituent	
FBM EMAS (Top 200)	na
ESG Rank	

Key Shareholders

Apex Pharmacy Holding	39.6%
Washington H Soul	29.5%

Source: Affin Hwang, Bloomberg

Andrew Lim

T (603) 2146 7586

E andrew.lim@affingroup.com

Apex Healthcare (APEX MK)

HOLD (maintain)

Up/Downside: +0.8%

Price Target: RM2.64

Previous Target (Rating): RM2.30 (HOLD)

Conditional takeover offer at RM2.64

- Pharmora Investment Holdings Pte. Ltd. has launched a conditional voluntary take-over offer to acquire all remaining shares of Apex Healthcare (AHB) at RM2.64/share
- The offer is conditional upon reaching 90% acceptance, whereby it is supported by 71.27% of irrevocable undertakings by its major shareholders. The offer is lapsed if the threshold is not met
- The offer price looks fair to us. We now value AHB at RM2.64 (from RM2.30) based on the indicative offer price. Maintain HOLD due to limited earnings growth outlook

A RM2.64/share conditional privatization of AHB

Pharmora Investment Holdings Pte. Ltd., an SPV of Quadria Capital Fund (a healthcare investor managing over US\$4bn in assets across South and Southeast Asia), has announced a conditional voluntary take-over offer to acquire all remaining shares of AHB at RM2.64 per share in cash.

Offer is conditional upon reaching 90% acceptance

The offer is conditional upon reaching 90% acceptance, and is supported by irrevocable undertakings covering 71.27% of AHB's issued shares by its major shareholders, including Washington H. Soul Pattinson (29.5%) and entities linked to Chairman and CEO Dr. Kee Kirk Chin. Upon achieving at least 90% acceptances, the offeror intends to delist AHB from Bursa Malaysia, aligning with Quadria's strategy to privatise and reposition the business. If the 90% acceptance condition is not met by the close of the offer, the transaction will lapse automatically, all acceptances will be void and returned, and AHB will remain listed.

The offer price looks fair to us, raising TP to RM2.64, maintain HOLD

The offer price of RM2.64 is at a 15% premium against our previous PE-derived target price of RM2.30 and looks fair to us. We recommend investors to accept the offer, should the acceptance condition is met, as it provides an immediate liquidity opportunity in light of a potential delisting. Furthermore, the earnings growth outlook of the stock remains lacklustre, given the drag in its associate business coupled with the core business plateauing at a high base. We believe the stock is fairly valued as earnings momentum is expected to trend sideways in the near term.

Key upside/downside risks include: i) stronger-/ weaker-than-expected demand for pharmaceutical products; and ii) positive/adverse raw-material price fluctuations.

Earnings & Valuation Summary

FYE 31 Dec	2023	2024	2025E	2026E	2027E
Revenue (RMm)	936.2	961.8	1,011.6	1,033.6	1,061.1
EBITDA (RMm)	95.9	126.3	125.7	127.9	130.8
Pretax profit (RMm)	423.3	101.2	99.7	103.0	106.7
Net profit (RMm)	398.0	76.5	78.8	81.8	85.1
EPS (sen)	55.4	10.6	11.0	11.4	11.8
PER (x)	4.7	24.6	23.1	22.2	21.4
Core net profit (RMm)	94.6	83.2	78.8	81.8	85.1
Core EPS (sen)	13.2	11.6	11.0	11.4	11.8
Core EPS growth (%)	-2.2	-12.1	-5.3	3.8	4.0
Core PER (x)	19.9	22.6	23.1	22.2	21.4
Net DPS (sen)	22.5	9.0	9.0	6.5	6.5
Dividend Yield (%)	8.6	3.4	3.6	2.6	2.6
EV/EBITDA	15.7	13.6	12.8	12.3	11.8

Chg in EPS (%)

Affin/Consensus (x)

-

-

-

0.9

0.9

0.8

Source: Company, Bloomberg, Affin Hwang forecasts

Financial Summary – Apex Healthcare Berhad

Profit & Loss Statement

FYE 31 Dec (RM m)	2023A	2024A	2025E	2026E	2027E
Revenue	936.2	961.8	1011.6	1033.6	1061.1
Operating expenses	840.3	835.4	885.9	905.7	930.3
EBITDA	95.9	126.3	125.7	127.9	130.8
Depreciation	-15.3	-21.8	-23.4	-24.9	-26.4
EBIT	80.6	104.6	102.3	103.0	104.4
Net int income/(expense)	6.3	6.4	2.4	3.3	4.0
Associates' contribution	33.0	-3.1	-5.0	-3.3	-1.7
Pretax profit	423.3	101.2	99.7	103.0	106.7
Tax	-25.3	-24.7	-20.9	-21.3	-21.7
Minority interest	0.0	0.0	0.0	0.0	0.0
Net profit	398.0	76.5	78.8	81.8	85.1

Balance Sheet Statement

FYE 31 Dec (RM m)	2023A	2024A	2025E	2026E	2027E
Fixed assets	199.2	255.7	263.0	268.7	272.9
Other long term assets	217.5	212.7	206.7	202.3	199.6
Total non-current assets	416.8	468.4	469.7	471.0	472.6
Cash and equivalents	383.0	214.0	259.0	291.2	324.1
Stocks	127.0	132.4	156.0	159.5	163.8
Debtors	194.4	192.5	210.1	214.7	220.4
Other current assets	1.4	1.6	1.6	1.6	1.6
Total current assets	705.8	540.5	626.6	667.0	709.9
Creditors	179.9	149.3	221.0	225.9	232.0
Short term borrowings	3.6	7.1	7.1	7.1	7.1
Other current liabilities	7.0	6.6	6.6	6.6	6.6
Total current liabilities	190.6	163.0	234.7	239.6	245.7
Long term borrowings	0.0	39.9	39.9	39.9	39.9
Other long term liabilities	7.8	8.7	8.7	8.7	8.7
Total long term liabilities	7.8	48.5	48.5	48.5	48.5
Shareholders' Funds	918.3	789.6	805.4	842.2	880.5
Minority interest	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement

FYE 31 Dec (RM m)	2023A	2024A	2025E	2026E	2027E
EBIT	80.6	104.6	102.3	103.0	104.4
Depreciation & amortisation	15.3	21.8	23.4	24.9	26.4
Working capital changes	-13.2	-34.0	30.5	-3.1	-3.9
Cash tax paid	78.4	103.0	-20.9	-21.3	-21.7
Others	-95.9	-126.3	3.4	4.4	5.1
Cashflow from operation	65.2	69.0	138.6	107.9	110.3
Capex	-28.2	-30.6	-30.6	-30.6	-30.6
Others	226.7	9.2	0.0	0.0	0.0
Cash flow from investing	198.5	-21.5	-30.6	-30.6	-30.6
Debt raised/(repaid)	-5.9	-6.6	0.0	0.0	0.0
Dividends paid	-44.3	-205.1	-63.0	-45.0	-46.8
Others	-4.6	-7.0	0.0	0.0	0.0
Cash flow from financing	-48.9	-212.2	-63.0	-45.0	-46.8
Free Cash Flow	37.0	38.4	108.0	77.3	79.6

Key Financial Ratios and Margins

FYE 31 Dec (RM m)	2023A	2024A	2025E	2026E	2027E
Growth					
Revenue (%)	6.7	2.7	5.2	2.2	2.7
EBITDA (%)	-6.2	31.7	-0.5	1.8	2.3
Core net profit (%)	-2.2	-12.1	-5.3	3.8	4.0
Profitability					
EBITDA margin (%)	10.2	13.1	12.4	12.4	12.3
PBT margin (%)	45.2	10.5	9.9	10.0	10.1
Net profit margin (%)	42.5	8.0	7.8	7.9	8.0
Effective tax rate (%)	6.0	24.4	21.0	20.6	20.3
ROA (%)	42.6	7.2	7.5	7.3	7.3
Core ROE (%)	12.8	9.7	9.9	9.9	9.9
ROCE (%)	8.6	12.4	11.9	11.5	11.1
Dividend payout ratio (%)	40.6	84.5	80.0	55.0	55.0
Liquidity					
Current ratio (x)	3.7	3.3	2.7	2.8	2.9
Op. cash flow (RMm)	65.2	69.0	138.6	107.9	110.3
Free cashflow (RMm)	37.0	38.4	108.0	77.3	79.6
FCF/share (RM)	0.05	0.05	0.15	0.11	0.11
Asset management					
Debtors turnover (days)	73	73	73	75	75
Stock turnover (days)	60	64	59	64	63
Creditors turnover (days)	86	82	76	90	90
Capital structure					
Net gearing (x)	net cash	net cash	net cash	net cash	net cash
Interest cover (x)	n/a	n/a	n/a	n/a	n/a

Quarterly Profit & Loss

FYE 31 Dec (RM m)	2Q24	3Q24	4Q24	1Q25	2Q25
Revenue	238.7	237.4	237.5	238.9	240.8
Operating expenses	208.0	204.0	198.1	210.4	209.2
EBITDA	30.7	33.4	39.4	28.4	31.5
Depreciation	9.4	14.5	19.7	5.3	10.7
EBIT	25.9	28.3	34.2	23.2	26.1
Net int income/(expense)	1.9	2.0	7.5	0.9	1.2
Associates' contribution	1.0	-3.7	-6.6	-1.6	-2.6
Exceptional Items	-0.1	-1.7	-6.2	0.4	0.4
Pretax profit	29.1	23.7	22.1	22.7	24.6
Tax	-5.4	-5.5	-8.6	-5.1	-5.8
Minority interest	0.0	0.0	0.0	0.0	0.0
Net profit	23.6	18.2	13.5	17.6	18.8
Core net profit	23.7	19.9	19.6	17.2	18.4
Margins (%)					
EBITDA	12.9	14.1	16.6	11.9	13.1
PBT	12.2	10.0	9.3	9.5	10.2
Net profit	9.9	7.7	5.7	7.4	7.8

Source: Company, Affin Hwang forecasts

Important Disclosures and Disclaimer

Equity Rating Structure and Definitions

BUY	Total return is expected to exceed +10% over a 12-month period
HOLD	Total return is expected to be between -5% and +10% over a 12-month period
SELL	Total return is expected to be below -5% over a 12-month period
NOT RATED	Affin Hwang Investment Bank Berhad does not provide research coverage or rating for this company. Report is intended as information only and not as a recommendation

The total expected return is defined as the percentage upside/downside to our target price plus the net dividend yield over the next 12 months.

OVERWEIGHT	Industry, as defined by the analyst's coverage universe, is expected to outperform the KLCI benchmark over the next 12 months
NEUTRAL	Industry, as defined by the analyst's coverage universe, is expected to perform inline with the KLCI benchmark over the next 12 months
UNDERWEIGHT	Industry, as defined by the analyst's coverage universe is expected to under-perform the KLCI benchmark over the next 12 months

This report is intended for information purposes only and has been prepared by Affin Hwang Investment Bank Berhad (14389-U) ("the Company") based on sources believed to be reliable and is not to be taken in substitution for the exercise of your judgment. You should obtain independent financial, legal, tax or such other professional advice, when making your independent appraisal, assessment, review and evaluation of the company/entity covered in this report, and the extent of the risk involved in doing so, before investing or participating in any of the securities or investment strategies or transactions discussed in this report. However, such sources have not been independently verified by the Company, and as such the Company does not give any guarantee, representation or warranty (expressed or implied) as to the adequacy, accuracy, reliability or completeness of the information and/or opinion provided or rendered in this report. Facts, information, estimates, views and/or opinion presented in this report have not been reviewed by, may not reflect information known to, and may present a differing view expressed by other business units within the Company, including investment banking personnel and the same are subject to change without notice. Reports issued by the Company, are prepared in accordance with the Company's policies for managing conflicts of interest. Under no circumstances shall the Company, be liable in any manner whatsoever for any consequences (including but are not limited to any direct, indirect or consequential losses, loss of profit and damages) arising from the use of or reliance on the information and/or opinion provided or rendered in this report. Under no circumstances shall this report be construed as an offer to sell or a solicitation of an offer to buy any securities. The Company its directors, its employees and their respective associates may have positions or financial interest in the securities mentioned therein. The Company, its directors, its employees and their respective associates may further act as market maker, may have assumed an underwriting commitment, deal with such securities, may also perform or seek to perform investment banking services, advisory and other services relating to the subject company/entity, and may also make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report. The Company, its directors, its employees and their respective associates, may provide, or have provided in the past 12 months investment banking, corporate finance or other services and may receive, or may have received compensation for the services provided from the subject company/entity covered in this report. No part of the research analyst's compensation or benefit was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. Employees of the Company may serve as a board member of the subject company/entity covered in this report.

Third-party data providers make no warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data.

Copyright © 2021 Sustainability. All rights reserved.

This report contains information developed by Sustainability. Such information and data are proprietary of Sustainability and/or its third-party suppliers (Third-Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainability.com/legal-disclaimers>.

This report, or any portion thereof may not be reprinted, sold or redistributed without the written consent of the Company.

This report is printed and published by:
Affin Hwang Investment Bank Berhad (14389-U)
A Participating Organisation of Bursa Malaysia Securities Berhad

22nd Floor, Menara Boustead,
69, Jalan Raja Chulan,
50200 Kuala Lumpur, Malaysia.

T : + 603 2142 3700
F : + 603 2146 7630
research@affinhwang.com