

## Delivering Value Through Healthcare Excellence

### PMCK BERHAD

**Fair Value: RM0.25 (13.64%)**

#### Company Description

PMCK Berhad ("PMCK") is principally involved in the provision of specialist consultant services, healthcare support services and other services comprising general dental services, polyclinic services and medical laboratory services.

#### Investment Highlight

- Growth driven by the favourable market dynamics in northern states:** The relatively lower number of private hospital beds per capita in Kedah, Perlis, and Penang indicates an underserved market with limited competition. This creates a favourable operating environment for private healthcare providers to capture the unmet demand. Hence, the supply and demand imbalance present a strategic opportunity for PMCK in these states to expand market share and drive sustainable revenue growth.
- Aging demographics accelerate healthcare service utilisation:** Malaysia has entered the stage of an aging population, with individuals aged 65 and above accounting for 7.70% of the population in 2024. States such as Kedah (9.10%), Perlis (8.20%), and Penang (8.00%) exceed the national average, underscoring concentrated demand in northern regions. As the share of elderly population has increased, healthcare infrastructure must scale accordingly. This long-term demographic trends offers a compelling investment opportunity for the Group.
- Robust specialist capabilities driving patient demand:** PMCK offers a broad spectrum of specialist medical services across 17 disciplines, ranging from cardiology, orthopaedics, and internal medicine to specialised fields such as oral and maxillofacial surgery, sports medicine, and urology. These services are delivered by a highly experienced team of specialist consultants, supported by integrated healthcare support functions. This depth of medical expertise positions the Group as a full-service healthcare provider, enhancing patient retention, supporting case complexity handling, and driving consistent patient inflow. Hence, many patients prefer to get treatment in PMCK.
- Strong demand for private healthcare:** According to the Life Insurance Association of Malaysia ("LIAM"), total medical claims payout rose significantly from RM4.94 billion ("bn") in 2019 to RM8.90bn in 2024, reflecting a robust compounded annual growth rate ("CAGR") of 12.49%. These payouts, primarily tied to treatment at private hospitals – which signals a sustained and growing utilisation of private healthcare services. The upward trend in insurance-funded medical spending reinforces the attractiveness and resilience of the private healthcare sector as a key driver of revenue growth.

#### Valuation / Recommendation

We derive a fair value of RM0.23 based on 17.51x multiple to its FYE2026F EPS of 1.41sen. The initial public offering ("IPO") aims to raise approximately RM59.97 million ("mn") through the issuance of 272.60mn new shares. A total of 83.37% is allocated for repayment of bank borrowings to be drawn for private medical centre (i.e. PMC) Kulim, 8.79% will be utilised for the acquisition of equipment for PMC, while the remaining of 7.84% of it will be used for listing expenses.

The current ratio stands above 1x at 3.79x (as of FYE2024) – indicating a strong ability to meet short-term obligations. Supported by the steadily growing global demand in the healthcare industry, the Group is expected to experience sustained long-term growth.

#### IPO TIMELINE

Opening Date	26 May 2025
Closing Date	25 Jun 2025
Listing Date	9 Jul 2025

IPO Price (RM)	0.22
Expected Return	13.64%
Market/ Sector	Healthcare
Bursa Code	0363

IPO Details	Shares(mn)
Offer for Sale	32.72
Public Issue	272.60
Enlarged share	1,090.60
RM(mn)	
Market Cap	239.93
Shariah compliant	Yes

Substantial Shareholders	Shares(mn)	(%)
LKH Holdings	604.28	55.41
Dato' Lee	157.30	14.42

Utilisation of IPO Proceeds	RM(mn)	(%)
Repayment of bank borrowings to be drawn for PMC Kulim	50.00	83.37
Acquisition of equipment for PMC	5.27	8.79
Estimated expenses	4.70	7.84
<b>Total</b>	<b>59.97</b>	<b>100.00</b>

Allocation	Shares(mn)	(%)
<b>Public Issue</b>		
Malaysian Public via balloting process:		
• Public investors	27.27	2.50
• Bumiputera public investors	27.27	2.50
Eligible Directors	2.13	0.20
Eligible employees	14.75	1.35
Persons contributed to the success of Group	26.75	2.45
Private placement to selected investors	38.12	3.50
Private placement to Bumiputera investors approved by MITI	136.33	12.50
Subtotal	272.60	25.00

<b>Offer for sale</b>		
Private placement to selected investors	32.72	3.00
Subtotal	32.72	3.00
<b>Total</b>	<b>305.32</b>	<b>28.00</b>
<b>Total enlarged share capital upon listing</b>	<b>1,090.60</b>	

#### Key Financial Summary

FYE Apr (RMmn)	2023A	2024A	2025F	2026F	2027F
Revenue	99.85	104.34	100.87	106.52	112.49
Gross Profit	36.29	34.74	33.59	35.47	37.46
Pre-tax Profit	15.56	21.38	20.67	21.82	23.05
Core Net Profit	10.73	15.02	14.52	15.33	16.19
Core EPS (Sen)	0.98	1.38	1.33	1.41	1.48
P/E (x)	22.36	15.98	16.53	15.65	14.82
DPS (Sen)	1.10	1.10	0.27	0.28	0.30
Dividend Yield (%)	5.00	5.00	1.21	1.28	1.35

Source: Company Prospectus, S&P Global, Eco Asia Research Estimates  
EPS, P/E and DPS from 2023A to 2024A (pre-IPO) are on pro-forma basis for comparative purposes only.



## Company Background

PMCK was incorporated in Malaysia under the Companies Act 1965 on 16 November 2000 as a private limited company under the name Unique Luxury Holdings Sdn Bhd ("ULHSB") and is domiciled in Malaysia. On 29 August 2024, the Group changed its name from ULHSB to PMCK Sdn Bhd. It then converted into a public limited liability company on 25 September 2024 and assumed its present name. Below are the key milestones in PMCK history and development.

## Key Milestones



- Commenced operations of Putra Medical Centre ("PMC") Old Wing



- Completed construction of PMC New Wing and commenced operations



- Obtained ISO 9001:2000 certification for quality patient care



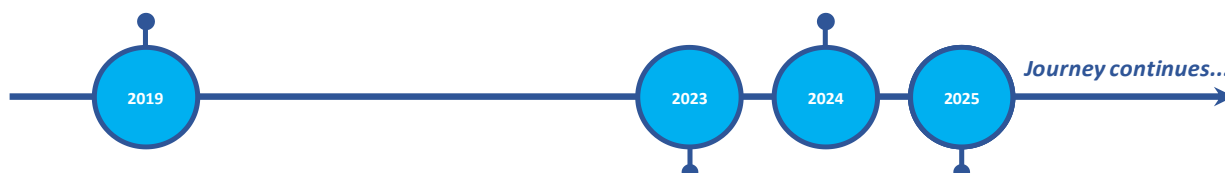
- PMC accredited by MSQH for compliance with Malaysian Hospital Accreditation Standards



- Set up Poliklinik Unik and Klinik Pergigian Unik in Kulim
- Acquired Kulim land for construction of PMC Kulim



- Subscribed 51% stake in RYM DX for medical lab expansion
- Received 5-star MyCREST rating (81%) for PMC Kulim design
- Commenced earthworks for PMC Kulim



- Set up Klinik Pergigian Unik in Semenyih
- Commenced site clearance for PMC Kulima



- Commenced operations of RYM DX in Kulim
- Commenced building construction of PMC Kulim
- Listing on ACE Market



Source: Company Prospectus



## Business activities

The Group's revenue streams are derived from the following 3 core business segments:

- (i) **Specialist consultant services:** Involves delivery of specialist healthcare services by qualified medical consultants for the diagnosis, treatment, and management of severe and/or complex medical conditions requiring specialised medical attention.
- (ii) **Healthcare Support Services:** Includes facilities management, ward services, clinical support, nursing care, and sale of medication.
- (iii) **Other Services:** Comprises general dental care, polyclinic outpatient services, and medical laboratory testing.

PMCK business comprises of:

### 1. Specialist consultant services

Specialist healthcare services refer to the diagnosis, treatment, prevention, cure, or management of severe and/or complex medical conditions that fall within specific medical specialisations. These conditions typically stem from acute or chronic illnesses that have advanced in severity, leading to further health complications and necessitating specialised medical attention.



#### Specialisation

- Anaesthesiology
- Cardiology
- Dermatology
- Emergency medicine
- Internal medicine
- Nephrology
- Obstetrics and gynaecology
- Ophthalmology
- Oral and maxillofacial surgery
- Orthodontics
- Orthopaedics
- Otorhinolaryngology
- Paediatrics
- Radiology
- Sports medicine
- Surgical / general surgery
- Urology

### 2. Healthcare Support Services

#### Facilities Services



Accident and emergency unit



Endoscopic suite



Dialysis unit



Labour room



Nursery unit



Operating theatre



Dietetics unit



Ear nose throat clinic

### 2. Healthcare Support Services (cont'd)

#### Ward services



Private ward



Deluxe ward



Sharing ward



Platinum ward



High dependency unit



Day care ward

#### Clinical Support Services



Medical laboratory



Rehabilitative care



Radiology services

### 3. Other Services

#### General Dental Services



Medical Laboratory Services



#### Polyclinic Services



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## Business Segments



### Putra Medical Centre (PMC)

#### Specialist Consultant Services

Provision of specialist healthcare services by qualified consultants for the diagnosis, treatment, and management of severe and/or complex medical conditions requiring

#### Healthcare Support Services

- Facilities services
- Ward services
- Clinical support services
- Sale of medication
- Nursing care

#### Other Services

- General dental services
- Polyclinic services
- Medical laboratory services

## Location

### Alor Setar, Kedah



- Putra Medical Centre (PMC)**
- Specialist consultant for 17 specialisations
  - Healthcare support services



### Kulim, Kedah



- RYM DX Lab**
- Medical Laboratory services for in-house & third parties



- Klinik Pergigian Unik**
- General dental services



- Poliklinik Unik**
- Polyclinic services

### Semenyih, Selangor



- Klinik Pergigian Unik**
- General dental services

Source: Company Prospectus

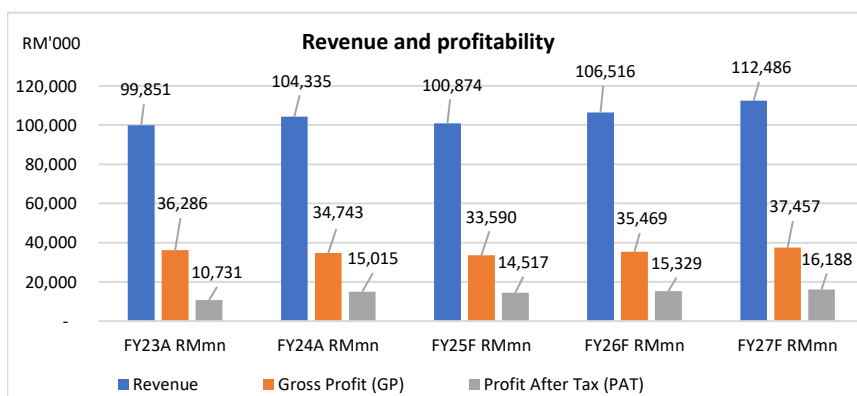
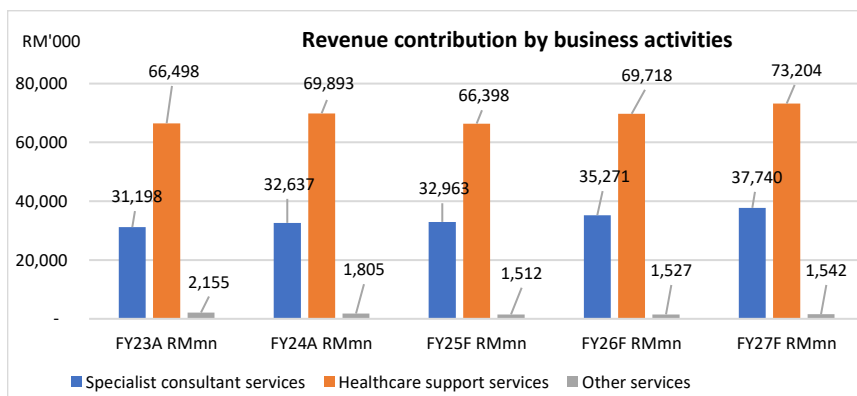
Source: Company Prospectus





## Revenue and Profitability

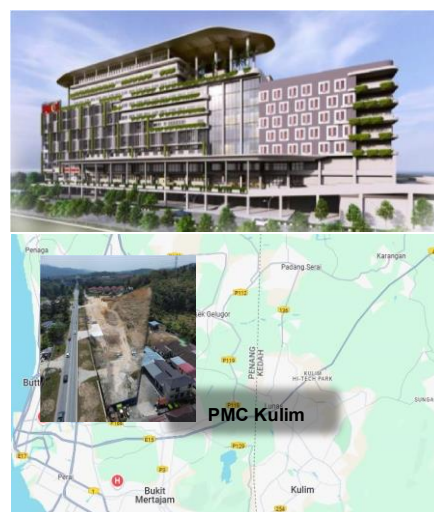
PMCK revenue from FYE2023 to FYE2024 was mainly derived from the healthcare support services, which accounted around 67.00% of its total revenue (as of FYE2024). The following shows revenue contributions by business activities as well as the revenue and profitability from FYE2023A to FYE2024A, FYE2025F, FYE2026F and FYE2027F:



## Future Plans and Strategies

### 1) Intends to expand medical business by setting up PMC Kulim in Kulim, Kedah:

- The expansion will be consolidating Poliklinik Unik and Klinik Pergigian Unik to enhance operational efficiency.
- A 141,534 sq ft plot of land was acquired in August 2019 for the development of a 12-storey medical centre with a single-storey carpark, and a 7-storey mixed-use building comprising a carpark, food court, and hotel for patients' families.
- The total construction cost of RM193mn will be funded via RM166mn in bank borrowings and RM27mn in internal funds. RM50mn from the IPO will be used to repay part of the borrowings. Estimated operational expenses of RM61.25mn will be funded through internal funds, bank borrowings, and hire purchase arrangements.
- Range of healthcare facilities and equipment:
  - Up to 90 beds
  - Key medical infrastructure including
    - 1 operating theatre
    - 1 endoscopic suite
    - 2 labour rooms and 2 nursery units
    - 15 specialist clinics
- Commenced construction targets to begin by Q1 2028



PMC Kulim's design has achieved a 5-star (81%) MyCREST rating, making it Malaysia's first fully engineered green hospital—reflecting a strong commitment to sustainability, low-carbon development, and improved economies of scale.



**2) To integrate RYM DX Lab into New Medical Centre:**

- a) To consolidate the operations of RYM DX Lab into PMC Kulim to meet the demand for medical laboratory tests from both PMC Kulim and Poliklinik Unik.
- b) Operations commenced in March 2025, with accreditation targeted by Q3 2025.

**3) To upgrade the facilities of PMC**

- a) The Group plans to upgrade the equipment and facilities under clinical support services (i.e. medical laboratory) and facility services (i.e. radiology unit), including:
  - i) An automated continuous random access integrated system comprising a clinical chemistry analyser and an immunoassay analyser.
  - ii) A mammography system
  - iii) Picture Archiving and Communication System ("PACS").
- b) The upgrades are estimated to cost RM3.83mn, with RM3.77mn funded via IPO proceeds and RM0.06mn from internally generated funds. Completion is targeted within 36 months from the listing date.
- c) To replace PMC's solar panels with high-efficiency units over 36 months, aiming to increase power generation capacity to 625 kW. The estimated cost will be RM1.50mn – to be fully funded via IPO proceeds.

**Key Risks**

**Dependence on regulatory approvals:** The Group's operations are subject to approvals, licences, permits, and certifications from relevant authorities, including the Ministry of Health ("MOH"), for the operation of its medical centre, dental clinics, and polyclinic. Additionally, all medical personnel must be registered with their respective professional boards or councils under the MOH to legally provide healthcare services.

**Exposure to medical malpractice and legal risks:** There is no assurance that services provided by specialist consultants and healthcare personnel will consistently result in favourable outcomes. Unfavourable treatment results due to factors such as case complexity, misdiagnosis, or diagnostic failure may lead to patient dissatisfaction, public allegations of malpractice (including on social media), and potential legal action. Such incidents could adversely impact the PMCK's reputation, financial performance, and business prospects.

**Risk of business interruptions from external and system Failures:** The Group is exposed to operational risks arising from fire, natural disasters, and other unforeseen environmental events, which may damage medical equipment, facilities, or premises, leading to service disruptions. As PMCK is the Group's sole operating medical centre as at the LPD, any major damage or destruction could result in a complete operational halt, requiring significant reconstruction and equipment replacement efforts, with recovery timelines dependent on the extent of the damage.

**Industry Outlook**

The healthcare services industry in Malaysia continues to show robust expansion, driven by increasing total health expenditure from both public and private sectors. Between 2019 and 2023, Malaysia's private healthcare expenditure surged from RM29.82bn to RM39.83bn, reflecting a healthy CAGR of 7.50%. Similarly, public healthcare spending rose from RM34.22bn to RM44.37bn, achieving a CAGR of 6.71%.

As a proportion of gross domestic product ("GDP"), private health expenditure increased from 1.97% to 2.18%, while public health expenditure grew from 2.26% to 2.43%, which underscores the sector's rising importance and investment appeal. This consistent growth trend highlights Malaysia's dynamic and expanding healthcare landscape, offering promising opportunities for investors.



**DEFINITION OF RATINGS**

Eco Asia Investment Advice uses the following rating system:

**STOCK RECOMMENDATION**

**BUY** Total return (price appreciation plus dividend yield) is expected to exceed 10% in the next 12 months.

**TRADING BUY** Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain.

**HOLD** Share price may fall within the range of +/- 10% over the next 12 months

**TAKE PROFIT** Target price has been attained. Fundamentals remain intact. Look to accumulate at lower levels.

**TRADING SELL** Share price may fall by more than 15% in the next 3 months.

**SELL** Share price may fall by more than 10% over the next 12 months.

**NOT RATED** Stock is not within regular research coverage.

**SECTOR RECOMMENDATION**

**OVERWEIGHT** The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months

**NEUTRAL** The Industry as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months

**UNDERWEIGHT** The Industry as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months

**Applicability of ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

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