

Alpha IVF Group Berhad (0303)

From Build-Out to Payback

Bloomberg Ticker: ALPHA MK | Investment Horizon: 12 Months

Recommendation

We maintain our BUY call with a lower target price of RM0.33, based on an unchanged FY27F PE of 26x, which is an 8% premium to the average PE of regional peers and aligned with its historical PE, justified by market share gains in neighbouring markets and earnings sustainability.

Outlook

Pre-operating drag has peaked, but ramp-up losses take its place. Following our recent engagement with management, the group disclosed that its operating-to-pre-operating centre ratio has improved from 3:7 at IPO to 6:4 as at May 2026, and is guided to reach c.9:1 by end-2026. The Tuguegarao centre is slated to open in early October 2026, followed by the Jakarta full centre within 2QFY27 and Johor Bahru in 3QFY27, broadly in line with the accelerated timeline flagged at the July 2026 briefing. In our view, this ratio, rather than headline revenue growth, is the key earnings variable for FY27F, as much of the platform cost is already sunk. We caution, however, that a centre exiting pre-operations does not turn accretive immediately: fixed staffing, rental and a fresh depreciation charge on capitalised fit-out front-run patient volumes, meaning pre-operating costs are in effect replaced by ramp-up losses. With three openings concentrated across 2QFY27-3QFY27, we expect group margins to remain under pressure in the near term, with the inflection more visible from 4QFY27 into FY28F. This is consistent with our existing centre-by-centre schedule, and we make no change to our assumptions.

Utilisation at established centres is the cheapest growth. We understand that utilisation at the established centres of the group stands at 70%-90%. While this leaves finite headroom, we view it as the highest-quality growth lever in the portfolio, as the highest-quality growth lever in the portfolio, as incremental treatment cycles on existing laboratory and clinical capacity carry little additional fixed cost and should flow through at margins above the group average. Singapore remains the exception, where we continue to expect a rebound only in the back end of FY27F once the replacement specialist completes the accreditation runway.

China steady, Indonesia the swing factor. Management characterised Chinese demand as resilient, with currency movements not materially altering patient decisions. We concur, as IVF is a low-frequency, outcome-driven purchase in which success rates, doctor reputation and trust outweigh modest currency swings. We are more cautious than management on Indonesia, however. Indonesian inbound revenue declined 2.4% YoY in FY26, as rupiah depreciation compounded the 6% SST on non-citizen private healthcare in place since July 2025, and we see limited near-term relief on either front. Importantly, we believe the more durable answer is structural rather than promotional: the Jakarta full centre and Bali (4QFY27) allow the group to treat Indonesian patients onshore, outside the reach of both currency translation and SST, effectively converting a cross-border exposure into a domestic one. While some cannibalisation of Malaysia-bound flows is likely, the patient is retained within the network, and we view this positively.

FY28F is the first clean year. Management guides for a gradual rather than step-change improvement over the next 6-12 months, which we believe is the right framing. By our schedule, FY28F will be the first full year with 10 revenue-generating centres and no pre-operating burden, and is therefore where the earnings power of the expanded network becomes visible.

Forecast

We cut our FY27F-FY28F earnings by 2%-5% to reflect higher ramp-up costs in our assumptions. We maintain our FY29F earnings forecasts.

Investment Risk to our Call

(i) talent dependence and succession risk, (ii) execution and operational risk, (iii) competition and pricing pressure, and (iv) high capital expenditure and margin pressure.

BUY ↔

Target Price: RM0.33 (+29%) ↓

Current Share Price: RM0.255

ACE Market
Healthcare

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Company Overview

Alpha IVF Group Berhad (Alpha) is a leading assisted reproductive services provider in Malaysia and Singapore, specialising in in vitro fertilisation (IVF) and advanced genetic testing.

Stock Information

Market Cap (RM'mn)	1,233.5
Issued Shares (mn)	4,837.1
52W High (RM)	0.35
52W Low (RM)	0.24
Estimated Free Float (%)	34.2
Beta vs FBM KLCI	0.5
3-month Average Vol. (mn)	1.9
Shariah Compliant	Yes

Consensus	FY26A	FY27F	FY28F
EPS (sen)	1.1	1.4	1.7
TP (RM)	High	Mean	Low
	0.36	0.34	0.33
Ratings	Buy	Hold	Sell
	3	0	0

Category	Score	Materiality	Weighted Score
Environmental	29	45%	2.8
Social	28	25%	1.4
Governance	28	30%	1.7
Total	85	100%	5.9

Progress

Facilities	4Q26 (As of 20th July 2026)	2027
Alpha IVF KL	In Operation	In Operation
Genesis IVF PG	In Operation	In Operation
Alpha IVF SG	In Operation	In Operation
Alhaya IVF KL	In Operation	In Operation
Sales Rep Office in China No 1 (Shanghai)	In Operation	In Operation
Sales Rep Office in China No 2 (Guangzhou)	In Operation	In Operation
Satellite Clinics in Indonesia No 1 (PIK Jakarta)	In Operation	In Operation
Satellite Clinics in Indonesia No 2 (Surabaya)	In Operation	In Operation
IVF Centre in SEA No 1 (Philippines, Manila)	In Operation	In Operation
IVF Centre in Malaysia No 1 (Kota Kinabalu)	In Operation	In Operation
Satellite Clinics in Indonesia No 3 (Medan)	In Operation	In Operation
IVF Centre in SEA No 2 (Philippines, Tuguegarao)	Renovation in progress with 60% completion rate. Target operational by October 2026.	In Operation
IVF Centre in SEA No 3 (Indonesia, Jakarta)	Renovation in progress. Target operational by October 2026.	In Operation
IVF Centre in Malaysia No 2 (Johor Bahru)	On track to begin operations by end of 2026.	In Operation
IVF Centre in SEA No 4 (Indonesia, Bali)	Construction progressing ahead of schedule. Target operational by mid-2027.	In Operation
Total Facilities in Operation	11	15
Total Facilities in Operation/under Reno	15	15

Key Assumption

Revenue Growth	Actual		Unchanged		
	FY25A	FY26A	FY27F	FY28F	FY29F
Number of OPU	3,399	3,720	4,247	4,862	5,560
Number of OPU growth	10%	9%	14%	14%	14%
Revenue per OPU (RM)	52,028	53,384	54,985	56,635	57,768
Revenue per OPU growth	-4%	3%	3%	3%	2%

Key Financial Metrics

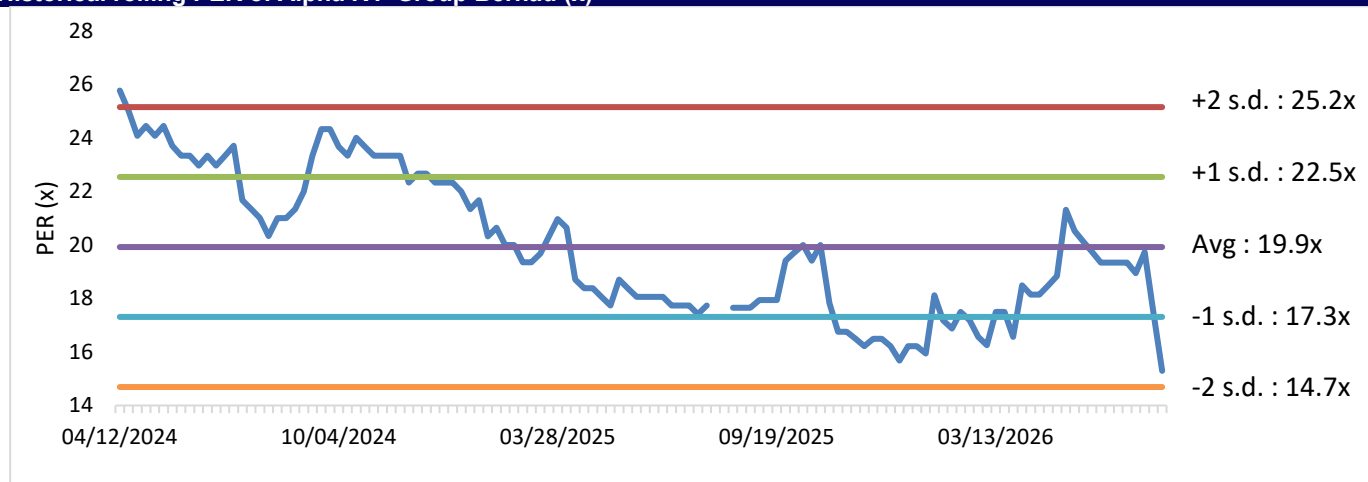
FYE 31 May	FY2025A	FY2026A	FY2027F	FY2028F	FY2029F
Revenue (RM'mn)	176.8	198.6	233.5	275.4	321.2
EBITDA (RM'mn)	82.8	85.5	99.5	123.5	145.1
Pretax profit (RM'mn)	76.1	73.9	82.5	104.7	125.7
Net profit (RM'mn)	58.6	53.2	62.7	79.5	94.3
EPS (sen)	1.2	1.1	1.3	1.6	1.9
PER (x)	21.2	23.3	19.8	15.6	13.1
Core PATAMI (RM'mn)	57.5	53.6	62.1	78.7	93.4
Core EPS (sen)	1.2	1.1	1.3	1.6	1.9
Core EPS growth (%)	8.5	(6.6)	15.7	26.8	18.6
Core PER (x)	21.6	23.1	20.0	15.7	13.3
Net DPS (sen)	1.0	1.1	1.0	1.0	1.0
Dividend Yield (%)	3.9	4.3	3.9	3.9	3.9
ROE (%)	29.0	28.3	29.7	32.8	32.7
P/BV (x)	6.1	6.3	5.8	5.0	4.2

Peer Comparison

Name	Last Price	Market Cap (RM'mn)	FYE	Earnings Growth		Hist.	P/E (x)		Div. Yield 1-yr Fwd	ROE Hist.
				1-yr Fwd	2-yr Fwd		1-yr Fwd	2-yr Fwd		
Malaysia (RM'mn)										
METRO HEALTHCARE BHD	0.21	205.6	12/2025	-	-	30.4	-	-	-	9.1
TMC LIFE SCIENCES BHD	0.43	740.3	06/2026	-	-	42.5	-	-	-	2.0
OPTIMAX HOLDINGS BHD	0.51	274.4	12/2025	4.4	15.4	21.2	19.4	16.8	3.0	17.4
PMCK BHD	0.19	207.2	04/2026	-	-	-	17.3	15.8	1.6	12.1
IHH HEALTHCARE BHD	8.08	71396.1	12/2025	6.8	16.1	31.8	31.8	27.4	1.4	7.3
KPJ HEALTHCARE BERHAD	2.69	11907.7	12/2025	8.7	12.1	29.6	29.6	26.4	1.7	14.4
CENGILD MEDICAL BHD	0.20	166.6	06/2026	-	-	14.5	-	-	-	9.8
Simple Avg				6.6	14.5	28.3	24.5	21.6	1.9	10.3
Australia (AUD'mn)										
MONASH IVF GROUP LTD	0.75	838.7	06/2026	-41.4	16.4	40.1	17.0	15.6	2.7	3.0
Thailand(THB'mn)										
SAFE FERTILITY GROUP PCL	5.30	196.6	12/2025	4.0	7.4	12.6	11.9	11.0	7.2	7.8
GENESIS FERTILITY CENTER PCL	2.22	59.6	12/2025	-	-	-	22.2	22.2	-	-0.4
Hong Kong (HKD'mn)										
JINXIN FERTILITY GROUP LTD	2.11	2925.2	12/2025	1.3	27.2	28.7	22.2	17.5	2.1	1.9
ALPHA IVF GROUP BHD	0.25	1185.1	05/2026	-6.8	27.3	22.1	22.3	17.5	4.1	27.7
Source: Bloomberg estimates, Tradeview Research (As of 24 th September 2026)										

Source: Bloomberg estimates, Tradeview Research (As of 24th September 2026)

Historical rolling PER of Alpha IVF Group Berhad (x)



Financial Exhibits

Income Statement

FYE 31 May (RM'mn)	FY2025A	FY2026A	FY2027F	FY2028F	FY2029F
Revenue	176.8	198.6	233.5	275.4	321.2
Operating expenses	(94.0)	(113.1)	(134.1)	(151.9)	(176.1)
EBITDA	82.8	85.5	99.5	123.5	145.1
Depreciation	(5.8)	(10.0)	(14.2)	(16.1)	(17.6)
EBIT	77.0	75.5	85.2	107.4	127.5
Net int income/(expense)	(0.9)	(1.6)	(2.7)	(2.7)	(2.7)
Exceptional gains / (losses)	0.0	0.0	0.0	0.0	0.0
Associates' contribution	0.0	0.0	0.0	0.0	1.0
Pretax profit	76.1	73.9	82.5	104.7	125.7
Tax	(17.6)	(20.6)	(19.8)	(25.1)	(31.4)
Minority interest	(1.1)	0.4	(0.6)	(0.8)	(0.9)
Net profit	58.6	53.2	62.7	79.5	94.3
Core PATAMI	57.5	53.6	62.1	78.7	93.4

Balance Sheet Statement

FYE 31 May (RM'mn)	FY2025A	FY2026A	FY2027F	FY2028F	FY2029F
Fixed assets	13.8	35.9	44.0	52.5	59.4
Other long term assets	63.6	70.4	68.9	68.9	68.9
Total non-current assets	77.4	106.3	112.9	121.4	128.3
Cash and equivalents	34.4	37.0	18.5	25.2	35.9
Inventories	2.8	3.6	3.4	3.9	4.6
Receivables	1.6	2.1	1.3	1.5	1.8
Other current assets	134.6	105.9	123.7	139.9	168.5
Total current assets	173.4	148.6	146.9	170.5	210.7
Payables	2.8	1.0	2.6	3.0	3.5
Short term borrowings	-	-	-	-	-
Other current liabilities	21.0	26.6	10.1	10.1	10.1
Total current liabilities	23.8	27.7	12.7	13.1	13.6
Long term borrowings	1.2	1.3	1.3	1.3	1.3
Other long term liabilities	21.7	30.4	30.4	30.4	30.4
Total long term liab.	22.9	31.6	31.6	31.6	31.6
Shareholders' Funds	198.0	189.7	208.8	239.8	285.5
Minority Interest	6.1	5.9	6.5	7.3	8.3

Cash Flow Statement

FYE 31 May (RM'mn)	FY2025A	FY2026A	FY2027F	FY2028F	FY2029F
Pretax Profit	76.1	73.9	82.5	104.7	125.7
Depreciation & amortisation	5.8	10.0	14.2	16.1	17.6
Working capital changes	(4.8)	5.7	2.6	(0.3)	(0.4)
Cash tax paid	(17.6)	(20.5)	(19.8)	(25.1)	(31.4)
Others	(4.7)	(2.3)	0.0	0.0	0.0
C/F from operation	54.9	66.7	79.5	95.3	111.5
Capex	(7.3)	(27.3)	(20.0)	(20.0)	(20.0)
Others	37.8	32.6	0.0	0.0	0.0
C/F from investing	30.4	5.3	(20.0)	(20.0)	(20.0)
Debt raised/(repaid)	(3.3)	(11.9)	0.0	0.0	0.0
Dividends paid	(46.2)	(48.5)	(48.6)	(48.6)	(48.6)
Others	2.1	(3.6)	0.0	0.0	0.0
C/F from financing	(47.4)	(64.0)	(48.6)	(48.6)	(48.6)
Net change in cash flow	38.0	8.0	10.9	26.7	42.9
Free Cash Flow	47.6	39.5	59.5	75.3	91.5



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Tradeview Research Investment Rating System

Equity:

BUY: Total stock return expected to exceed +15% over 12-month period

HOLD: Total stock return to be between -15% and +15% over a 12-month period

SELL: Total stock return expected to below -15% over a 12-month period

TRADING BUY: Total stock return expected to exceed +10% over 6-month period

TRADING SELL: Total stock return expected to below -10% over a 6-month period

IPO Note:

SUBSCRIBE: Total stock return expected to exceed +15% over 12-month period

NEUTRAL: Total stock return expected to below +15% over 12-month period