

LAC Med Berhad (5341)

From Scan to Scale

Bloomberg Ticker: LACMED MK | Investment Horizon: 12 Months

Recommendation

We recommend a **Buy** rating for LAC Med Berhad (LACMed), with a target price of RM1.26, representing a 63.6% capital upside plus a 3.6% FY27F dividend yield. LAC Med Berhad is a medical equipment distributor and systems integrator with long-standing sole distributorships for leading global brands. We favour LACMed for its (i) strong and long-standing principal relationships, (ii) expanding brand portfolio and recurring revenue mix, and (iii) undemanding valuation relative to its peer.

Investment Highlights

Sole Distributorships and Installed-Base Stickiness Support Revenue Visibility. LACMed has served as the de facto exclusive distributor for selected Philips and Samsung product categories since 2017 and 2013, respectively. These relationships are supported by LACMed's (i) turnkey capabilities, (ii) long-standing principal track record and (iii) nationwide technical-support network, which supports timely project delivery, responsive after-sales service and customer training. High installed-base stickiness further supports repeat equipment purchases, maintenance income and replacement demand over a typical ~10-year product lifecycle. Revenue visibility is underpinned by an outstanding order book of RM246.9mn as of July 2026, a tender book of RM769.8mn and a historical tender success rate of 25–30%. Together with further penetration of Malaysia's remaining hospital base and the continued expansion of its principal portfolio, we forecast revenue growth of 22–38% over FY26F–FY28F.

New Principal Ramp-Up and Higher Recurring Mix. LACMed has added nine new leading global principals since FY23, opening a management-guided RM700mn new addressable market and widening its cross-selling opportunities across equipment, consumables, maintenance, MEAMS, and software. Following a typical 6–12-month incubation period, the five new principals secured in FY25 are expected to deliver a significant revenue contribution from FY27F. The broader principal portfolio also expands cross-selling opportunities across consumables, maintenance and software, supporting an increase in recurring revenue mix from 12% of group revenue in FY25 to management's target of 40% by ~FY30. This should reduce project lumpiness, improve earnings visibility and support our forecast GP margin expansion from 25.7% in FY26F to 27.4% in FY28F.

Downside Risks Largely Priced In. Our target price is based on 13.5x FY27F PE, equivalent to Umedic's three-year average forward PE at -1 standard deviation. Umedic is the closest listed benchmark, as both are domestic medical-equipment distributors exposed to hospital procurement cycles, healthcare spending and meaningful USD costs. We are comfortable with the current valuation, with the share price trading near its RM0.75 IPO price and ~43% below its RM1.34 all-time high. We believe the market has largely priced in the downside risks, including: i) a potential earnings miss following the weaker-than-expected 1QFY26 and 1HFY26 results, and ii) possible delays in government project awards and the corresponding revenue recognition in the event of an early Malaysian general election in late 2026 or early 2027. We would only assign a higher multiple following a risk-off rotation into defensive healthcare names.

FYE 31 Dec (RM'mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RM'mn)	183.2	201.7	277.5	338.7	421.8
EBITDA (RM'mn)	27.9	32.8	40.2	56.5	72.6
Pretax profit (RM'mn)	27.0	31.0	35.9	49.3	63.8
Net profit (RM'mn)	20.4	22.0	27.2	37.2	47.5
EPS (sen)	5.1	5.5	6.8	9.3	11.9
PER (x)	15.1	14.0	11.3	8.3	6.5
Core net profit (RM'mn)	20.4	25.2	27.2	37.2	47.5
Core EPS (sen)	5.1	6.3	6.8	9.3	11.9
Core EPS growth (%)	-1.7	23.4	8.3	36.5	27.6
Core PER (x)	15.1	12.2	11.3	8.3	6.5
Net DPS (sen)	4.6	1.3	2.0	2.8	3.6
Dividend Yield (%)	6.0	1.6	2.7	3.6	4.6
ROE (%)	42.6	18.5	19.7	22.6	23.9
P/BV (x)	6.4	2.6	2.2	1.9	1.6

BUY

Target Price: RM1.26 (+64%)

Current Share Price: RM0.770

Main Market
Health Care

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Valuation

Our target price is based on:

FY27F PE of 13.5x, in line with Umedic Group Berhad's three-year historical average forward P/E at -1 standard deviation, which we view as appropriate given LACMed's predominantly trading-based business model and greater sensitivity to hospital CAPEX commitments.

Stock Information

Market Cap (RM'mn)	308.0
Issued Shares (mn)	400.0
52W High (RM)	1.34
52W Low (RM)	0.65
Estimated Free Float (%)	19.4
Beta vs FBM KLCI	2.1
3-month Average Vol. (mn)	0.8
Shariah Compliant	Yes

Consensus	FY25A	FY26F	FY27F
EPS (sen)	5.5	7.2	8.1
TP (RM)	High	Mean	Low
	1.16	1.16	1.16
Ratings	Buy	Hold	Sell
	1	0	0

Category	Score	Materiality	Weighted Score
Environmental	33	45%	2.1
Social	37	25%	3.0
Governance	39	30%	2.4
Total	109	100%	7.4

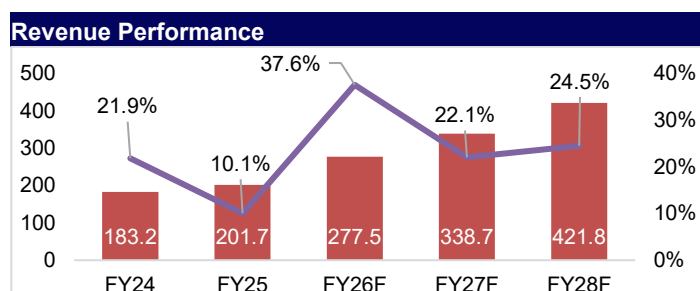
Investment Thesis

Sole Distributorships Underpin Revenue Visibility

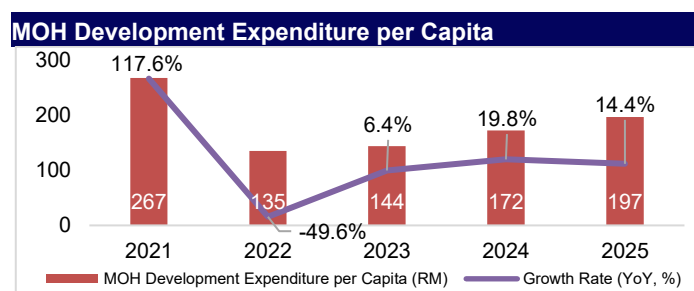
LACMed has served as the authorised distributor for Philips since 2017 and Samsung since 2013. Although the distributorship agreements are formally non-exclusive, principals generally operate a single-channel distribution model in Malaysia, whereby each product or product category is assigned to only one authorised distributor. In practice, this gives LACMed de facto exclusivity for the Philips product categories under its mandate.

We believe LACMed could maintain these sole distributorships for the foreseeable future, supported by three structural advantages: (i) turnkey capabilities from layout design and renovation to equipment supply, installation, post-installation support and maintenance, (ii) long-standing principal relationships built over multiple replacement cycles, and (iii) high operating barriers, including crisis management, regulatory expertise and a nationwide technical-support network enabling timely delivery, responsive after-sales service and customer training.

Medical equipment/device procurement is also characterised by high installed-base stickiness, as hospitals typically favour incumbent vendors during replacement and capacity expansion due to: i) staff familiarity, ii) established clinical protocols, iii) system integration and iv) existing service arrangements. These relationships also support recurring servicing income and eventual equipment/device upgrades after a typical product lifecycle of ~10 years.



Source: Tradeview Research



Source: Tradeview Research

From Equipment Sales to Recurring Managed Services

EaaS Converts Hospital Capex Pain Point into Recurring Managed-Service Income. To address hospitals' upfront capital burden and limited in-house technical expertise, LACMed expanded into a lease-like Equipment-as-a-Service (EaaS) model. Under this model, LACMed owns the medical equipment, funded partly through bank financing, and provides customised managed-service packages comprising medical equipment, managed software, maintenance, repair and upgrade services for recurring subscription-style fees, with management expecting an IRR of ~10% per product.

Based on our assumed bank financing rate of ~4–6% and LACMed's projected net cash position over FY26F–FY28F, we expect each managed-service package to remain profitable on a spread basis while improving customer affordability. Commercial validation is already underway, with LACMed securing two initial EaaS contracts in FY25: i) a PACS software services agreement with KPJ Healthcare covering 30 private hospitals and ii) an ultrasound equipment contract covering five public hospitals. Strategically, EaaS should also strengthen market share by lowering hospitals' adoption hurdle, especially for newer principal products that require market education before broader customer penetration.

Order Book and Tender Book Anchor FY26F–FY28F Growth. LACMed is still actively promoting and discussing EaaS with hospital customers, which suggests the model remains in an early monetisation phase and is not yet fully reflected in current revenue. Despite already serving ~58% of Malaysia's hospitals, LACMed retains further growth runway from penetrating the remaining hospital base. Together with its sole distributorships and continued expansion of its principal portfolio, we forecast YoY revenue growth of 22–38% over FY26F–FY28F. Visibility is supported by an outstanding order book of RM246.9mn as of July 2026, a tender book of RM769.8mn and a historical tender success rate of 25–30%.

Expanding Principal Portfolio Provides New Growth Opportunities

Expanded Principal Portfolio Opens RM700mn New Addressable Market. Beyond Philips and Samsung, LACMed has expanded its principal portfolio to include nine new industry-leading brands, allowing the group to access a management-guided RM700mn new addressable market. The enlarged portfolio allows LACMed to deepen wallet share within the same hospital customer base. This should reduce reliance on any single modality over time while improving cross-selling efficiency through existing sales, project management and service infrastructure.

Brand Portfolio

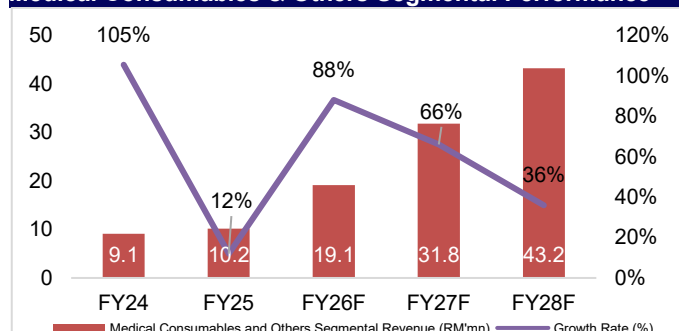
Since 2013 SAMSUNG radiographic and ultrasound equipment	Since 2017 PHILIPS radiographic, ultrasound and MRI equipment, medical consumables, and related software and systems	Since 2023 SwiftMR[®] Harrison.ai Software	Since 2023 EPSON imaging products and consumables	Since 2024 stryker neurovascular devices
Since 2025 Baxter diagnostic devices	Since 2025 ALPINION MEDICAL SYSTEMS ultrasound equipment	Since 2025 Abbott immunoassay reagents and haematology instruments	Since 2025 LG medical diagnostic display, surgical and clinical review monitors	Since 2025 BAYER contrast media injection systems and consumables

Source: Company presentation slide, Tradeview Research

New Principals Move from Incubation to FY27F Revenue Kick-In. Five new principals were secured in FY25 (Abbott, Baxter, Bayer, Alpinion, and LG), bringing LACMed's total number of principals to eleven. After securing a new principal, LACMed typically requires a 6–12-month incubation period before generating meaningful revenue, as time is required for: i) hospitals to evaluate product fit, ii) customer education and product introduction, iii) securing tender eligibility, iv) developing technical-support capabilities and v) securing internal procurement budgets. We therefore expect the FY26F contribution to remain in the ramp-up phase, with a stronger step-up in FY27F as product registration, customer education and sales conversion mature. Management expects the new principals to contribute ~RM100mn of revenue in FY27F, broadly in line with our revenue forecast.

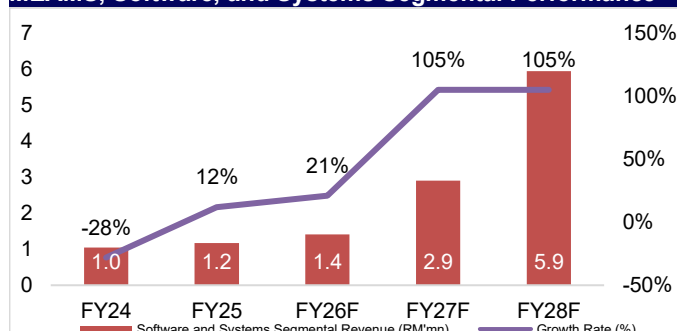
Wider Portfolio Expands Consumables Cross-Sell. A broader equipment and principal base should increase LACMed's cross-selling opportunity in complementary medical consumables. This is particularly relevant following the addition of Abbott and Bayer among the five principals secured in FY25, expanding LACMed's exposure to recurring immunoassay reagents and contrast injection consumables. As LACMed supplies more units across a wider range of products and brands, it should also be able to cross-sell reagents, accessories, maintenance and software services into existing hospital relationships. We forecast the medical consumables and others segment to grow by a CAGR of 61.9% over FY25–FY28F, contributing ~10% of total revenue in FY28F.

Medical Consumables & Others Segmental Performance



Source: Tradeview Research

MEAMS, Software, and Systems Segmental Performance



Source: Tradeview Research

Vertical Expansion into Medical Equipment Software Development

Installed Hardware Base Creates Software Cross-Sell. LACMed provides healthcare software and system-integration services that complement its medical-device portfolio. This aligns with the Ministry of Health's target to digitalise all health clinics by 2027 and all hospitals by 2029, as healthcare providers increasingly require better data management, imaging workflow integration, storage, dashboard visibility and AI-enabled diagnostic support.

LACMed's software portfolio includes SwiftMR, which improves MRI image quality and scanning efficiency, alongside AI imaging, PACS and instrument-management solutions that enhance diagnostic workflow and data management. These solutions can also be cross-sold into LACMed's existing installed base, increasing revenue per customer without requiring a proportionate rise in equipment sales.

Software Portfolio



Source: Company presentation slide, Tradeview Research

Proprietary MEAMS Adds Recurring Income. LACMed has allocated part of its IPO proceeds to develop a proprietary, vendor-neutral Medical Equipment Asset Management System (MEAMS) that integrates equipment from different brands and categories with hospitals' digital systems. It is expected to be sold through tiered service plans and launched in 1QFY27.

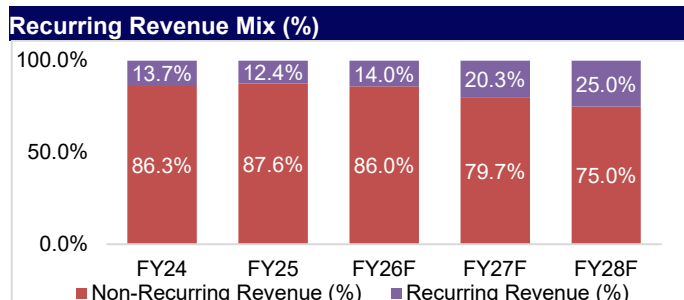
Together with existing software offerings, we expect the MEAMS, software, and systems segment to grow 105% to RM2.9mn in FY27F from RM1.4mn in FY26F. Although still small in absolute revenue (<1% of FY27F revenue), the segment is strategically important given MEAMS and SaaS can raise recurring income, increase customer retention and differentiate LACMed from pure equipment distributors.

Expected Features of LACMed's Vendor-Neutral MEAMS Platform

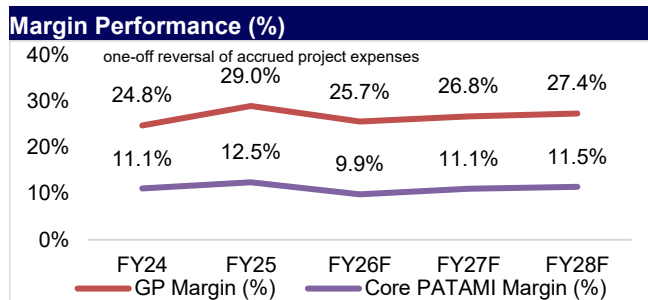
LACMed's MEAMS Platform Features	Details
IoT integration	Connects medical equipment to software for automated data collection and monitoring.
Real-time global positioning system	Uses RFID and barcodes to track equipment location and status in real time.
Predictive and preventive maintenance services	Uses AI-driven analytics to predict equipment failure based on usage patterns, data and historical records, while enabling scheduled maintenance when performance thresholds are reached to minimise downtime.
Cloud-based asset management	Centralises equipment location, service history, warranty and compliance records, while providing real-time asset and maintenance visibility. The platform can also support lifecycle management and automated replacement alerts for equipment nearing end-of-life.
Dashboard display and periodic reports	Tracks equipment uptime, downtime, utilisation and maintenance costs, supported by a data platform that manages equipment usage, billing, compliance reporting and service documentation required for regulatory purposes.

Source: Company Prospectus, Tradeview Research

Recurring Revenue Mix Reduces Project Lumpiness. Recurring revenue (MEAMS, EaaS, maintenance, consumables and software) contributed 12% of group revenue in FY25, with management targeting the recurring revenue mix to reach 40% by ~FY30. We view this transition positively, as LACMed's historical revenue profile remains exposed to project timing, tender awards and healthcare equipment CAPEX cycles. These recurring segments should not only improve earnings visibility but also support profitability, as they are generally higher margin in nature. Accordingly, we forecast GP margin to expand from 25.7% in FY26F to 27.4% in FY28F as the recurring revenue mix increases.



Source: Tradeview Research



Source: Tradeview Research

Indonesia Roll-Out Targets a Sizeable but Controlled Regional Option

LACMed's Indonesia venture, through its wholly owned subsidiary, PT Fairmed, was incorporated in December 2024 and has been operating since July 2025. Management has allocated part of the IPO proceeds to progressively set up branch offices to support sales, customer service and technical coverage. PT Fairmed has secured an exclusive distributorship from Alpinion for ultrasound equipment in Indonesia, supported by an existing installed base of >800 units.

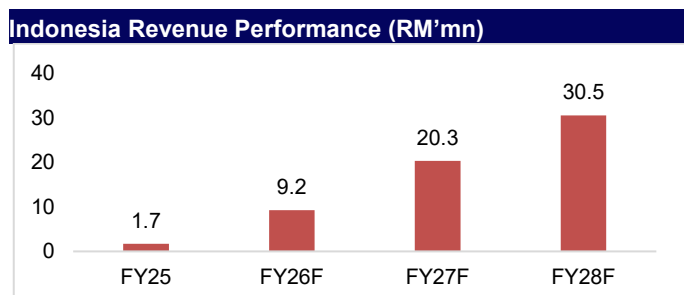
Indonesia Existing and Planned Footprint



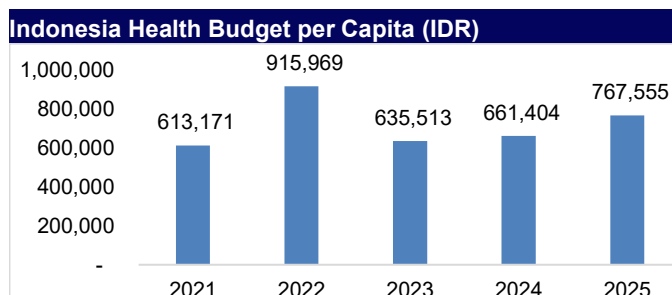
Source: Company presentation slide

Indonesia remains a challenging market, but downside is contained given its limited contribution of 0.9% of FY25 revenue and management's target for the operation to break even by 1HFY27F. Near-term growth will remain modest as PT Fairmed currently holds only one distributorship licence, with execution dependent on securing additional approvals, including for irradiating medical devices, and expanding its brand portfolio.

Despite near-term weakness arising from Indonesia's soft macro environment and subdued public-sector spending, GP margins remain attractive, at ~30–35% for government projects and >25% for private projects, both higher than in Malaysia. Once these licences are obtained, PT Fairmed can progressively replicate LACMed's Malaysia model, leveraging its existing principal relationships and operating experience. We therefore view Indonesia as a longer-term expansion opportunity with limited near-term earnings risk, rather than a material earnings driver. We forecast Indonesia revenue to reach RM30.5mn in FY28F (~7% of Group revenue), supported by the country's larger population, ageing demographics and longer-term private healthcare capacity requirements.



Source: Tradeview Research



Source: Tradeview Research

Company Overview

LAC Med Berhad was incorporated on 22 November 2024 and converted into a public company on 14 April 2025, although the Group traces its operating history to LAC Medical, which was incorporated in 2003 by Liew Yoon Kit and Giam Teck Eng and commenced operations in 2004 as a supplier of medical goods and equipment. The business progressively expanded into computer radiography, imaging films and healthcare IT software, before securing distributorships for Samsung X-ray and ultrasound equipment in 2013. Leadership depth increased when Liew Yoon Poh joined LAC Medical in 2009, became a director and shareholder in 2012, and subsequently assumed a larger role in driving the Group's commercial and strategic development.

In 2017, the Group established CVS Medical and secured the Philips distributorship for ultrasound equipment in West Malaysia, before broadening the relationship in 2019 to include MRI machines and radiography equipment, including CT scanners. LACMed subsequently expanded its principal portfolio across diagnostic imaging, neurovascular devices, laboratory diagnostics, medical consumables and healthcare software. This included Stryker, Epson, Harrison.ai (formerly Annalise.ai) and SwiftMR over 2023-2024, followed by Abbott, LG, Baxter, Alpinion and Bayer in 2025. Regional expansion began with the incorporation of PT Fairmed in Indonesia in December 2024, with its Indonesian office established in February 2025 and commercial operations commencing in July 2025 after securing the required licences.

The Group further strengthened its digital healthcare capabilities through the acquisition of GoCloud in September 2025, supporting its expansion into healthcare IT, EaaS and medical equipment asset management services. In the same year, LACMed commenced its EaaS segment through an agreement with KPJ Healthcare to provide PACS services across 30 hospitals.

Today, LACMed operates as an integrated medical technology solutions provider across Malaysia and Indonesia, representing 11 international brands and offering more than 1,250 SKUs spanning medical equipment, consumables, software and healthcare IT solutions. Its capabilities cover preliminary planning and facility design, interior fit-outs, equipment procurement and installation, systems integration, testing and commissioning, as well as training, technical support and maintenance. With more than 2,600 installed units, over 300 active customers and approximately 58% hospital coverage in Malaysia, the Group has developed an established platform to capture equipment replacement, hospital expansion, recurring consumables, maintenance and digital healthcare demand.

Business Operations Process Flow



Source: Company presentation slide

Malaysia Support Network

- 28 sales & account management professionals
- 13 clinical application specialists
- 22 field service engineers and technical personnel
- 8 business / project managers

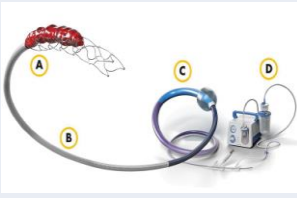
Head office Field support staff



- Proactive support through preventive maintenance and regular inspections
- Technical support team available 24/7
- Comprehensive training sessions for medical personnel provided

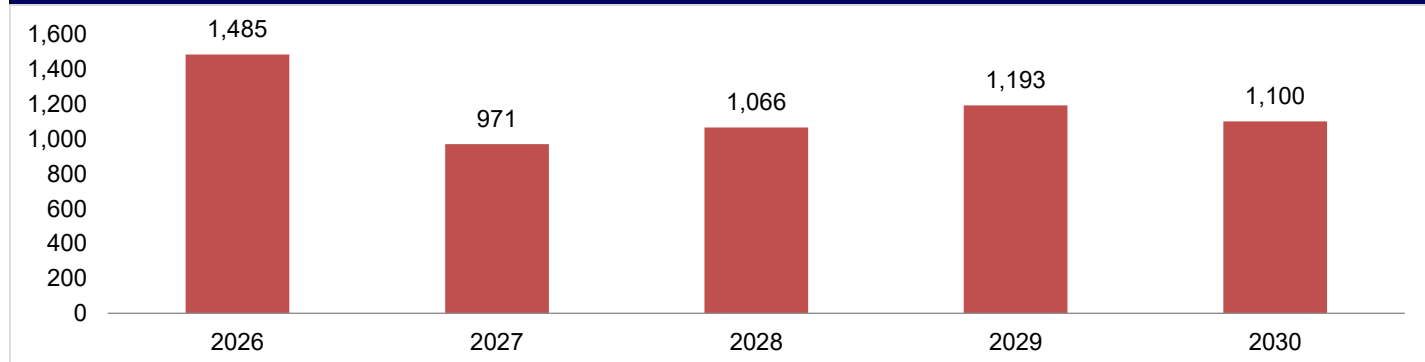
Source: Company presentation slide

Business Segments

Segments	Description	Visualization / Services	
Supply and integration of medical devices	- Provide end-to-end supply and integration of fixed and large medical equipment that requires significant renovation and M&E works. - Capabilities include facility design, infrastructure planning, custom fit-outs, installation, systems integration, testing and commissioning, as well as training and maintenance.	 Radiographic equipment	 MRI machines
Supply of medical equipment	Supply standalone and portable medical equipment that requires minimal M&E works and is typically plug-and-play	 Ultrasound machines	 Radiographic equipment
Supply of related products and services	- Supply medical consumables, accessories, diagnostic reagents, healthcare software and system-integration solutions that complement its equipment portfolio. - Provide preventive, corrective and breakdown maintenance through its field service engineers and technical personnel.	 Medical consumables and others	 Software and systems

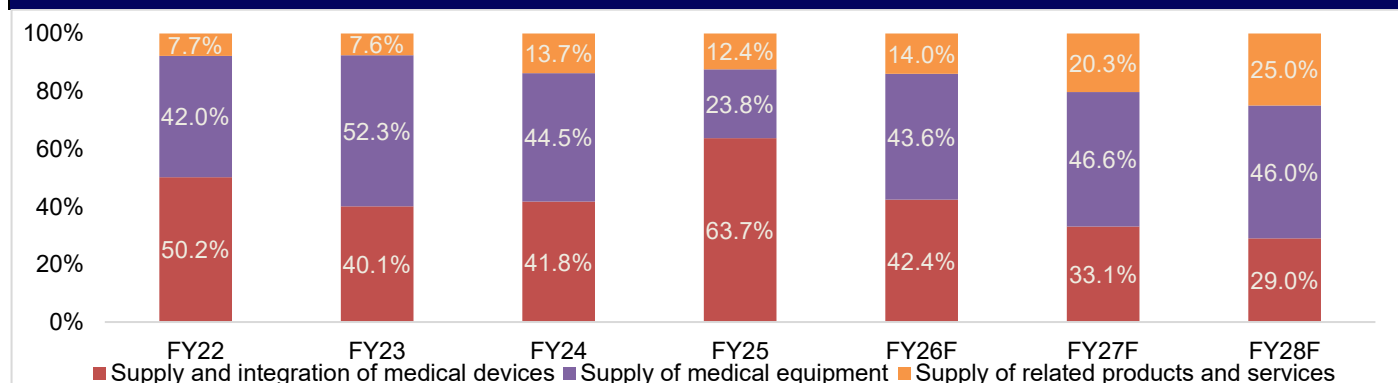
Source: Company Prospectus, Company presentation slide, Tradeview Research

Expected Annual Incremental Beds



Source: Multiple sources, Tradeview Research

Revenue by Segment

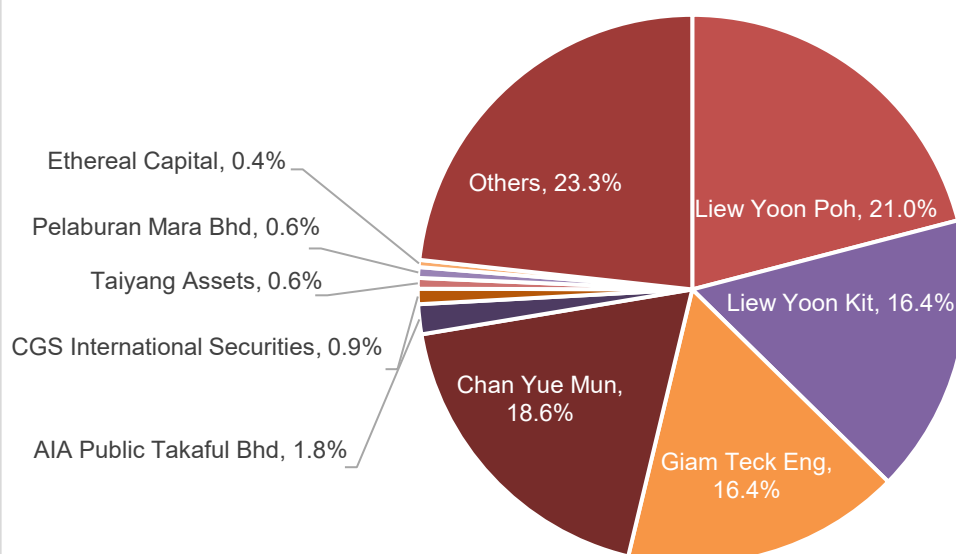


Source: Tradeview Research

Management Team

Name and Designation	Profile
Liew Yoon Poh Chief Executive Officer	Liew Yoon Poh leads the Group's strategic direction, business development and overall growth. He began his career in 2001 by co-founding a children's educational-book distribution business before working as a corporate trainer. He joined LACMed in 2009 as Sales Executive and progressed to Director in 2012, Managing Director in 2022 and Group Chief Executive Officer in 2025. He co-founded CVS Medical in 2017, oversees its day-to-day management, and serves as Commissioner of PT Fairmed and Director of GoCloud. He holds a Bachelor of Science in Economics and Management from the University of London. He is the brother of Liew Yoon Kit.
Liew Yoon Kit Non-Independent Non-Executive Chairman	Liew Yoon Kit guides the Board on governance and strategic oversight. He co-founded multiple ICT businesses including Glocomp in 1999, where he remains a substantial shareholder and part of key management, and LACMed in 2003. He has held various leadership roles in industry bodies, including Chairman of the National Tech Association of Malaysia and advisor to MBAM's ICT Automation and Robotics Committee. He also co-founded several ICT-related companies such as Retec Distribution, Goodybuzz and Global Computing Solutions. He holds a Bachelor of Arts from the University of Malaya and is the brother of Liew Yoon Poh.
Hong Chong Chet Deputy Chief Executive Officer	Hong Chong Chet oversees strategic projects, digital healthcare development and regional expansion initiatives. He has extensive experience in medical equipment, project execution and healthcare IT across ASEAN, having served in leadership roles at GE Healthcare, IDS Services and Pharmaniaga Biomedical. He joined LACMed in 2022 as Chief Transformation Officer and was re-designated Deputy Chief Executive Officer in 2025. He also serves as President Director of PT Fairmed and Director of CVS Medical. He holds a Bachelor of Electrical Engineering from Universiti Tun Hussein Onn Malaysia.
Thean Yain Peng Chief Financial Officer	Thean Yain Peng is responsible for finance, treasury, tax and procurement. She has more than 30 years of experience in financial management, internal audit and corporate governance in property development, construction and diversified groups, with senior roles at Berjaya Land, Ho Hup Construction, Sentoria Group, Naza TTDI and S P Setia. She is an ACCA Fellow, a member of the MIA and an Associate Member of the Institute of Internal Auditors Malaysia. She joined LACMed as Chief Financial Officer in 2024.
Teh Peng Ting Chief Commercial Officer	Teh Peng Ting is responsible for sales, project management and clinical application functions. He has over 20 years of experience in medical equipment installation, servicing and commercial operations, having held technical and managerial positions in several medical equipment companies before joining LACMed in 2013. His roles progressed from Product Manager to National Sales Manager, General Manager and Chief Commercial Officer in 2025. He holds a Bachelor of Electrical and Electronics Engineering from Universiti Putra Malaysia and is a certified Radiation Protection Officer.

Shareholding Structure

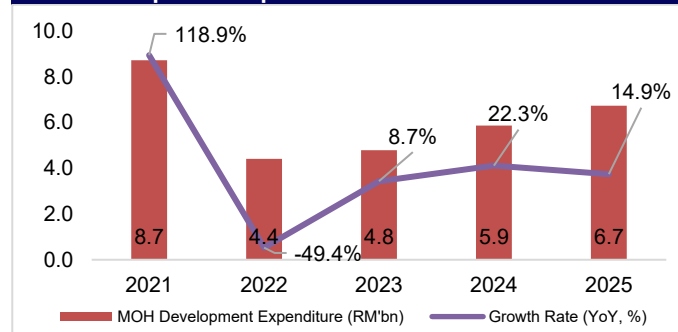


Source: Bloomberg

Industry Outlook

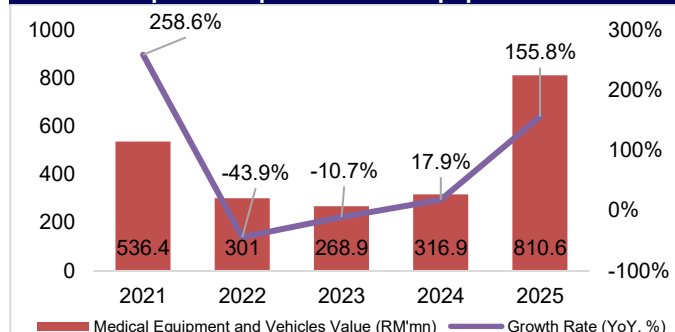
Rising public healthcare investment and infrastructure expansion. Malaysia's MOH received a total allocation of RM45.3bn under Budget 2025, comprising RM38.5bn of operating expenditure and RM6.7bn of development expenditure. Within the development allocation, spending under the equipment and vehicles line was revised to RM810.6mn in 2025 from actual spending of RM316.9mn in 2024. Budget 2026 raises MOH's total allocation to RM46.5bn and the equipment and vehicles allocation to RM1.3bn, supporting sustained public-sector demand for medical equipment and related services.

MOH Development Expenditure



Source: MOH

MOH Development Expenditure for Equipment & Vehicles

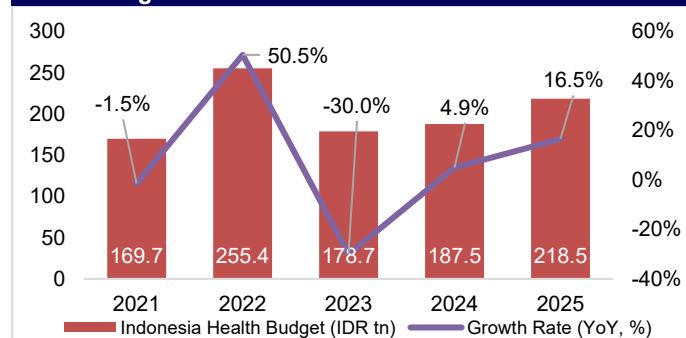


Source: MOH

Demographics and disease burden create structural demand tailwinds. Malaysia's population aged 65 and above increased to 8.0% in 2025 from 7.6% in 2024, while the old-age dependency ratio rose to 11.4 from 10.9. The National Health and Morbidity Survey (NHMS) 2025 also found that among Malaysians aged 60 and above, ~39% had diabetes, 73% had hypertension and 76% had high cholesterol. Notably, 68% had at least two of these conditions, while 30% had all three. The ageing population and high chronic-disease burden should drive structural demand for related medical equipment.

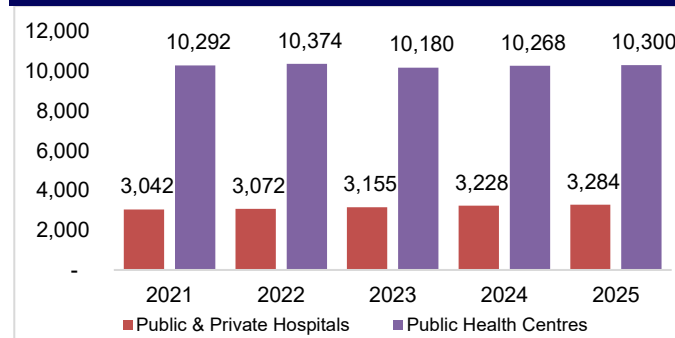
Indonesia's market scale and healthcare investment present a sizeable regional opportunity. Indonesia's health budget increased to IDR244.0tn in 2026 from IDR218.5tn in 2025, with priorities including JKN coverage, hospital revitalisation and healthcare-facility upgrades. The government is also progressing its programme to upgrade 66 regional hospitals, after commencing 22 projects in 2025 and approving funding for another 20 hospitals in 2026. The programme includes advanced equipment such as CT scanners, cathlabs, mammography and ultrasound systems. Indonesia's population reached 284.7mn in 2025, with those aged 60 and above accounting for 11.97%, supporting structural demand for diagnostic imaging, laboratory reagents and point-of-care technologies.

Health Budget in Indonesia



Source: APBN

Number of Healthcare Facilities in Indonesia



Source: Profil Kesehatan Indonesia

Private hospital capex provides an additional multi-year demand pipeline. MIDA recorded RM870.8mn of approved investment across four private healthcare projects in 2025, while our compilation of major publicly disclosed hospital developments identifies more than RM10.0bn of operator capex, gross development cost and construction value through ~2032.

As these projects progress into fit-out and commissioning, procurement should extend to diagnostic imaging equipment, operating-theatre systems, patient monitoring, laboratory instruments, healthcare software and maintenance services, providing medical equipment suppliers and distributors with a multi-year private-sector tender pipeline.

Major Publicly Disclosed Private Hospital Expansion Pipeline in Malaysia

Operator / hospital	Announced Capacity	CAPEX / Project Value	Timeline	Key project scope
KPJ Healthcare network expansion	+2,200 beds across nine hospitals	RM5.0bn group capex	2026–2030	Brownfield expansion, additional clinical blocks, specialist services, advanced equipment and digital infrastructure.
Sunway Medical Centre, Sunway City – Tower F	+216 beds	RM189.1mn	Target completion: 3Q26	Expansion of the flagship quaternary hospital.
Sunway Medical Centre Velocity – Tower A	+90 beds	RM314.5mn	Target completion: 4Q26	Additional inpatient capacity and specialist facilities.
Sunway Medical Centre Damansara – Phases 2 and 3	+100 beds	RM29.5mn	34 beds commissioned in 4Q25; remaining 66 targeted by 4Q26	Progressive capacity activation within the existing hospital.
Sunway Medical Centre Penang – Phase 3	+105 beds	RM140.3mn	Target completion: 3Q28	Brownfield expansion of inpatient and specialist capacity.
Sunway Medical Centre Seremban Sentral	250 beds	RM417.0mn	Construction targeted to commence in 3Q26; completion in 2030	New tertiary hospital serving Seremban and surrounding townships.
Sunway Medical Centre Iskandar Puteri	401 beds	RM781.6mn	Construction targeted to commence in 4Q26; 270 beds by 2030 and remaining 131 by 2032	New tertiary hospital within Sunway City Iskandar Puteri.
Sunway Medical Centre Putrajaya	325 beds	RM599.4mn	Proposed construction from 4Q27 and completion in 2031	Proposed multi-specialty tertiary hospital in Precinct 7.
Gleneagles Hospital Kuching	200 beds	~RM400.0mn	Groundbreaking completed in February 2025; opening targeted for 2Q28	Cardiology, oncology, orthopaedics, neurology, AI-assisted diagnostics, robotic surgery and advanced imaging.
Thomson Hospital Iskandariah, Johor Bahru	566 beds under the latest medical-equipment planning tender	Up to ~RM1.6bn	Under construction and planned for phased activation; first phase targeted around commencement of RTS operations, with the earlier full-development target in 2030	Multi-specialty tertiary hospital with oncology, orthopaedics, obstetrics and gynaecology, fertility and general surgery; medical-equipment planning and ICT tenders are underway.
KMI Bertam Medical Centre, Penang	100 beds	RM146.0mn GDC	Construction commenced; completion targeted for 2028	Asset-light build-and-lease hospital with advanced medical, surgical and diagnostic facilities.
KMI Tawau Medical Centre – new specialist block	59 beds total planned capacity	RM72.0mn GDC	Construction expected within 24 months after conditions are fulfilled; operations targeted for 2Q28	New specialist block with upgraded facilities and advanced medical systems under a build-and-sublease structure.
KMI Chukai Medical Centre, Terengganu	50 beds, expandable by another 50	~RM70.0mn	Construction LOI issued in April 2026; operations targeted for early 2028	Greenfield hospital offering radiology, emergency, surgical, obstetrics and specialist services.
Selgate Specialist Hospital Balik Pulau	172 beds	RM130.0mn construction cost	Target completion: 2028	Development-and-lease hospital with 31 specialties near Penang International Airport.
Setia Alam Medical Centre – Mega First	not disclosed	RM247.5mn awarded construction value	Construction: July 2026–January 2029	Three hospital blocks comprising inpatient facilities, support areas, M&E infrastructure and parking. This project is separate from Selgate Specialist Hospital Setia Alam.
Radium Hospital @ Ayer Keroh	140 beds, scalable to 200	~RM300.0mn estimated development cost	Operations targeted for 1H28	Tertiary hospital with 40 specialist clinics, operating theatres and centres focused on cardiology, traumatology, fertility and neonatology.
Putra Specialist Hospital 2 and Brain & Spine Hospital, Melaka	420 beds combined: 300 and 120 respectively	RM678.0mn combined construction value	Groundbreaking completed in February 2026; completion targeted for 2029	Putra 2 will include ~100 consultant suites, laboratory and pathology facilities, while the second hospital focuses on neurological and spinal care.
Siraj Putra Specialist Centre, Serdang	300 beds in two phases	~RM400.0mn	Original phase-one operating target: July 2027; latest construction progress has not been separately disclosed	Private specialist hospital within UPM's Putra Medical City, with 150 beds planned in each phase.
International Tertiary Hospital @ KL Wellness City	624 beds, scalable to 1,000	RM860.0mn proposed investment; subsequent project value indicated at ~RM1.0bn	85% complete as of February 2026; full completion targeted for 4Q26	Technology-focused tertiary hospital covering cardiology, spine, neurology, sports medicine, fertility, advanced imaging and robotic surgery.
Kuala Pilah private specialist hospital	240 beds; 120 in Phase 1	~RM150.0mn	Construction commencement by end-2025; completion in 2028	New regional specialist hospital operated by Sena Healthcare Services.
Aurelius Hospital Pahang expansion	Existing 57 beds to 150 beds	Additional RM100.0mn	Development preparations underway; completion timeline not disclosed	New 12-storey tertiary facility with 40 specialist clinics and greater emphasis on oncology and advanced specialist services.

Source: Multiple sources, Tradeview Research; *GDC = Gross Development Cost

Valuation

We recommend a **BUY** rating and a **target price of RM1.26**, based on an FY27F PE of 13.5x, in line with Umedic Group Berhad's three-year historical average forward PE at -1 standard deviation. We view Umedic as the most suitable valuation benchmark, as both companies: i) operate mainly as distributors, ii) are exposed to healthcare procurement and hospital spending, iii) conduct most of their distribution activities domestically, and iv) have meaningful exposure to USD-denominated procurement costs.

LACMed is more sensitive to hospital CAPEX commitments due to its lower recurring revenue mix and focus on high-value medical equipment, while Umedic is less sensitive due to its greater exposure to lower-value medical equipment and recurring consumables, including proprietary manufactured consumables. LACMed's revenue and earnings are also inherently more volatile, as quarterly recognition depends on the timing of project awards and deliveries for high-value machines.

We therefore view the -1 standard deviation multiple as appropriate, reflecting both this earnings volatility and market concerns that an early Malaysian general election in late 2026 or early 2027 could lead to a change in government and ministerial leadership, temporarily delaying healthcare CAPEX awards.

However, we do not apply a further discount, supported by: i) LACMed's significantly larger revenue base relative to Umedic's ~RM50mn, ii) its expanding recurring revenue mix through the addition of new consumables and SaaS principals, iii) management's guidance that the recent MOH budget reduction mainly affects OPEX and does not materially affect equipment-related CAPEX relevant to LACMed, iv) management's expectation that ~20% of FY27 revenue recognition could be deferred by at most one quarter following a change in government and the appointment of a new health minister, despite stronger recent public-sector tender activity, and v) its faster expected FY27F EPS growth.

We see the recent share-price consolidation as driven by the market misreading LACMed's weaker-than-expected 1QFY26 earnings of RM1.0mn and 1HFY26 earnings of RM6.3mn against street FY26 consensus earnings of ~RM29mn, alongside stronger investor preference for technology and data-centre buildout-related stocks. According to management, LACMed has historically recognised only ~25–30% of its annual revenue in 1H, with the balance recognised in 2H. This reflects the industry's procurement cycle, whereby hospital budgeting typically takes place in 1Q, tendering commences in 2Q, contract awards and initial work execution begin in 3Q, and most revenue is recognised in 4Q.

Whether LACMed can catch up in 2HFY26 will largely depend on private-hospital customers obtaining the required regulatory approvals and licences before completing renovation and site works. This is particularly relevant in FY26, as the project mix is more heavily weighted toward the private sector than in FY25, when public-sector projects contributed more.

Although 1HFY26 earnings accounted for only ~21% of street FY26 consensus, we are comfortable with the current valuation, with the share price trading near its RM0.75 IPO price after declining ~43% from its all-time high of RM1.34. We believe the market has largely priced in the downside risks, including: i) a potential earnings miss following the weaker-than-expected 1QFY26 and 1HFY26 results, and ii) possible delays in government project awards and the corresponding revenue recognition. We would prefer to wait for market sentiment to shift into risk-off mode and for investors to rotate back into the relatively defensive healthcare sector before assigning a higher multiple.

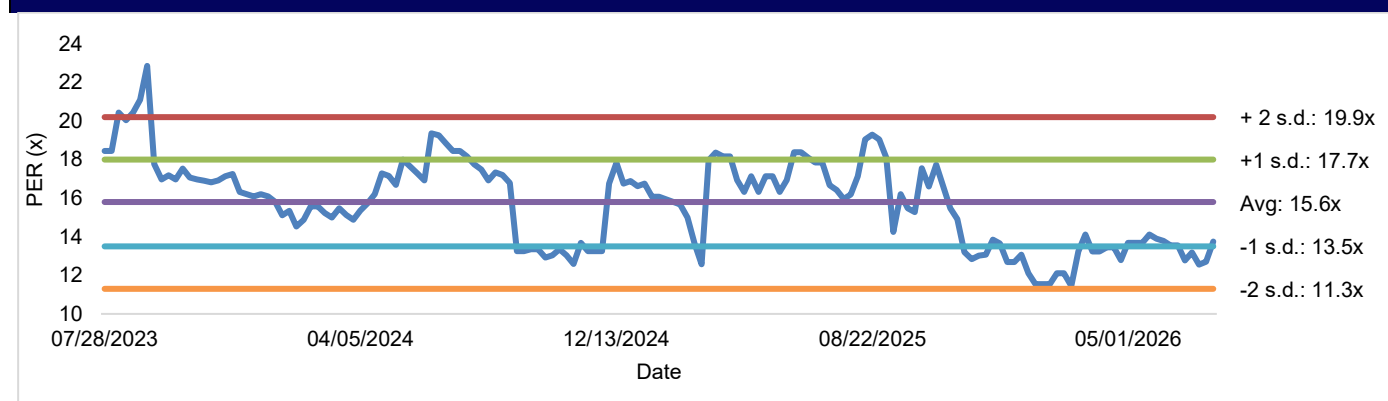
We like LACMed for its long-standing principal relationships, which provide a strong foundation to further expand its brand portfolio and deepen cross-selling opportunities. Key growth drivers include: i) significant revenue contribution from new principals beginning FY27F, ii) an expanding recurring revenue mix, and iii) strong order-book and tender-book visibility.

Peer Comparison

Name	Last Price	Market Cap (RM'mn)	FYE	Earnings Growth		P/E (x)	Div. Yield		ROE
				1-yr Fwd	2-yr Fwd	Hist.	1-yr Fwd	2-yr Fwd	Hist.
Domestic Medical Equipment Distributor Peers				MYR					
Umedic Group Bhd	0.31	114.0	07/2025	3.6	11.6	13.9	13.7	12.3	10.1
BCM Alliance Bhd	0.01	20.3	12/2025	N/A	N/A	N/A	N/A	N/A	-1.2
Simple Avg				3.6	11.6	13.9	13.7	12.3	4.5
Foreign Medical Equipment Distributor Peers				JPY					
Japan									
Japan Medical Dynamic Marketing Inc	683.00	474.3	03/2026	110.5	-33.1	62.9	161.8	241.8	-0.9
Ship Healthcare Holdings Inc	2,392.50	5,920.7	03/2026	-4.9	34.7	16.4	16.8	12.5	9.2
Taiwan				TWD					
CHC Healthcare Group	25.90	648.8	12/2025	N/A	N/A	22.4	N/A	N/A	3.1
Simple Avg				52.8	0.8	33.9	89.3	127.2	3.8
LAC Med Bhd	0.77	308.0	12/2025	8.3	36.5	12.2	11.3	8.3	18.5

Source: Bloomberg estimates, Tradeview Research (As of 7th September 2026)

Umedic Group Berhad's Rolling PER (x) over the past 3 years



Name	Gross Margin (%)				EBITDA Margin (%)				Core PATAMI Margin (%)			
	FY24	FY25	FY26F	FY27F	FY24	FY25	FY26F	FY27F	FY24	FY25	FY26F	FY27F
Umedic Group Bhd	41.5	46	N/A	N/A	27.3	27.5	23.3	24	16.5	16.7	14.4	15.5
BCM Alliance Bhd	26.7	34.5	N/A	N/A	-4.5	1.2	N/A	N/A	-9	-4.4	N/A	N/A
Japan Medical Dynamic Marketing Inc	63.7	62.3	60.4	54.5	14.4	12.9	10.4	3.1	5.5	-1.8	1.8	-4.9
Ship Healthcare Holdings Inc	10.4	9.8	10.6	9.8	5.1	4.7	4.5	4.4	2.2	2.2	2.3	2.2
CHC Healthcare Group	21.1	26.1	N/A	N/A	23.7	23.5	N/A	N/A	4.7	4.2	N/A	N/A
Simple Average	32.7	35.7	35.5	32.2	13.2	14.0	12.7	10.5	4.0	3.4	6.2	4.3
LAC Med Bhd	24.8	29.0	25.7	26.8	15.2	16.3	14.5	16.7	11.1	12.5	9.9	11.1

Source: Bloomberg estimates, Tradeview Research (As of 7th September 2026)

SWOT Analysis

Strengths - Long-standing authorised distributorships for leading global medical-equipment brands. - Turnkey capabilities spanning design, renovation, supply, installation and maintenance. - Broad installed base and strong relationships with Malaysian public and private hospitals.	Weaknesses - Revenue remains exposed to project timing, tender awards and hospital CAPEX cycles. - Dependence on hospital CAPEX makes revenue relatively lumpy. - Predominantly trading-based business model limits control over product supply and pricing.
Opportunities - Expand recurring revenue through consumables, maintenance, EaaS and vendor-neutral healthcare software. - Longer-term replication of its Malaysian model in Indonesia. - Further penetration of Malaysia's remaining hospital base.	Threats - Non-renewal or termination of key distributorship agreements. - Delays or reductions in public and private healthcare CAPEX. - Indonesia execution risks.

Investment Risks

- Distributorship and supplier dependency risk.** LACMed depends heavily on its distributorship agreements with Philips and Samsung, which contributed most of its revenue during the review period. These agreements are subject to renewal at the brand owners' discretion and include performance expectations. Any non-renewal, termination or disintermediation could lead to less favourable sourcing terms or loss of access to key brands, which may materially impact operations and financial performance.
- Healthcare industry demand risk.** LACMed's sales are directly influenced by public and private healthcare spending, regulatory direction and investment cycles across hospitals and clinics. Any downturn in healthcare spending could reduce procurement of medical equipment and dampen LACMed's revenue outlook.
- Competition and brand integrity risk.** LACMed faces competition from existing distributors and new entrants that may secure licences, build technical teams or expand product portfolios over time. LACMed also faces risks of brand misuse or unauthorised sales by third parties, which may involve counterfeit or misrepresented products. Such incidents could erode customer trust, damage brand integrity and weaken LACMed's competitive position in both public and private healthcare markets.

Financial Overview

Financial Review

LACMed's revenue recorded a 23.7% CAGR from FY22 to FY25, driven by a broader customer base, repeat business and an expanded brand portfolio. In FY25, revenue rose 10.1%, supported by 48.6% YoY growth in the supply and integration of medical devices segment, partially offset by a 40.5% YoY decline in the supply of medical equipment segment, with both figures excluding revenue from related products and services.

Core earnings rose 23.4% YoY in FY25, as the Group's GP margin expanded from 24.8% in FY24 to 29.0% in FY25, driven by a one-off reversal of accrued project expenses for the supply of medical equipment to public hospitals and a product mix shift towards higher-margin EaaS and service contracts. Notably, the effective tax rate increased to 29.1% in FY25 from 24.6% in FY24, mainly due to non-tax-deductible listing expenses.

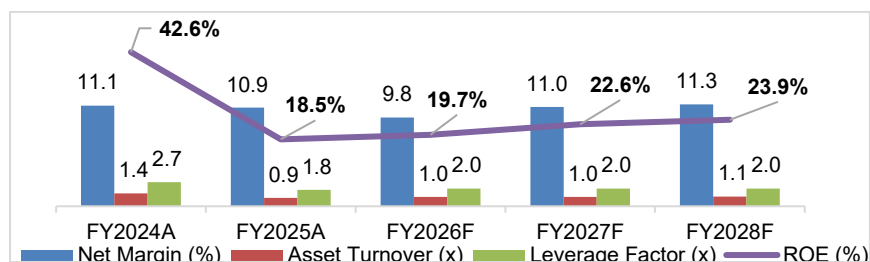
LACMed's 1QFY26 revenue declined 62.7% QoQ to RM29.4mn from RM78.7mn in 4QFY25, while earnings fell 89.7% to RM1.0mn from RM9.8mn. 2QFY26 marked a sequential recovery, with revenue rising 55.1% QoQ to RM45.6mn and earnings increasing 410.9% to RM5.3mn, driven by higher revenue recognition across all three segments. Consequently, 1HFY26 revenue and earnings stood at RM75.0mn and RM6.3mn, down 21.0% and 37.5% YoY, respectively. The stronger 1HFY25 base included a ~RM6mn one-off revenue adjustment from the supply and integration segment that was deferred from FY24 following the transition from private-entity reporting to MFRS.

Financial Forecast

We project LACMed's core earnings to be RM27.2mn in FY26F and RM37.2mn in FY27F, driven by (i) significant revenue contribution from new principals, (ii) continued expansion of its principal portfolio, and iii) GP margin expansion from a higher recurring revenue mix.

FYE 31 Dec	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RM'mn)	183.2	201.7	277.5	338.7	421.8
EBITDA (RM'mn)	27.9	32.8	40.2	56.5	72.6
Pretax profit (RM'mn)	27.0	31.0	35.9	49.3	63.8
Net profit (RM'mn)	20.4	22.0	27.2	37.2	47.5
EPS (sen)	5.1	5.5	6.8	9.3	11.9
PER (x)	15.1	14.0	11.3	8.3	6.5
Core net profit (RM'mn)	20.4	25.2	27.2	37.2	47.5
Core EPS (sen)	5.1	6.3	6.8	9.3	11.9
Core EPS growth (%)	-1.7	23.4	8.3	36.5	27.6
Core PER (x)	15.1	12.2	11.3	8.3	6.5
Net DPS (sen)	4.6	1.3	2.0	2.8	3.6
Dividend Yield (%)	6.0	1.6	2.7	3.6	4.6
ROE (%)	42.6	18.5	19.7	22.6	23.9
P/BV (x)	6.4	2.6	2.2	1.9	1.6

DuPont Analysis



We project healthy ROE from FY26F to FY28F, as the company continues to generate good profits. The dip in FY25 is mainly attributed to an increase in shareholders' equity following the IPO exercise.

Key Assumptions

Operating Stats	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Heavy Medical Devices and Related Segmental Growth	42.2%	58.1%	-5.2%	7.1%	22.5%
Medical Equipment and Related Segmental Growth	3.6%	-41.1%	151.6%	30.6%	23.0%
MEAMS, SaaS, Consumables & Related Segmental Growth	40.0%	11.3%	59.4%	55.9%	37.1%

Sensitivity Analysis

Case 1: Changes in Supply of Medical Equipment Segmental Growth Rate against Supply of Related Products and Services Segmental Growth Rate to derive core earnings

Supply of Medical Equipment Segmental Growth in FY27F: 30.6%

Supply of Related Products and Services Segmental Growth in FY27F: 55.9%

Supply of Medical Equipment Segmental Growth Rate (%) / Supply of Related Products and Services Segmental Growth Rate (%)	20.6%	25.6%	30.6%	35.6%	40.6%	45.6%
40.9%	34.8	35.6	36.4	37.2	38.0	38.7
45.9%	35.1	35.9	36.6	37.4	38.2	39.0
50.9%	35.3	36.1	36.9	37.7	38.5	39.3
55.9%	35.6	36.4	37.2	38.0	38.8	39.6
60.9%	35.9	36.7	37.5	38.3	39.1	39.8
65.9%	36.2	37.0	37.7	38.5	39.3	40.1

Case 2: Changes in core net profit against PE to derive target price

Core Net Profit in FY27F: RM37.2mn

Core Net profit (RM'mn) / PE (x)	31.2	34.2	37.2	40.2	43.2	46.2
10.5	0.82	0.90	0.98	1.06	1.13	1.21
11.5	0.90	0.98	1.07	1.16	1.24	1.33
12.5	0.98	1.07	1.16	1.26	1.35	1.44
13.5	1.05	1.15	1.26	1.36	1.46	1.56
14.5	1.13	1.24	1.35	1.46	1.57	1.67
15.5	1.21	1.33	1.44	1.56	1.67	1.79

Financial Exhibits

Income Statement

FYE 31 Dec (RM'mn)	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue	150.3	183.2	201.7	277.5	338.7	421.8
Operating expenses	(123.3)	(155.3)	(168.8)	(237.3)	(282.3)	(349.2)
EBITDA	27.1	27.9	32.8	40.2	56.5	72.6
Depreciation & amortisation	(0.3)	(0.4)	(1.3)	(2.8)	(5.2)	(6.5)
EBIT	26.8	27.5	31.6	37.4	51.2	66.1
Net int income/(expense)	(1.1)	(0.5)	2.6	(1.5)	(1.9)	(2.3)
Exceptional gains / (losses)	0.0	0.0	(3.2)	0.0	0.0	0.0
Associates' contribution	0.0	0.0	0.0	0.0	0.0	0.0
Pretax profit	25.7	27.0	31.0	35.9	49.3	63.8
Tax	(5.0)	(6.6)	(9.1)	(8.6)	(11.8)	(15.3)
Minority interest	0.0	(0.0)	(0.1)	0.1	0.3	1.0
Net profit	20.7	20.4	22.0	27.2	37.2	47.5
Core net profit	20.7	20.4	25.2	27.2	37.2	47.5

Balance Sheet Statement

FYE 31 Dec (RM'mn)	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Fixed assets	1.4	1.5	9.8	25.5	32.0	37.2
Other long term assets	2.1	2.7	4.9	4.9	4.9	4.9
Total non-current assets	3.5	4.1	14.7	30.4	36.9	42.1
Cash and equivalents	30.5	38.1	46.1	39.9	61.8	90.6
Inventories	21.6	20.8	27.8	34.7	42.3	52.7
Receivables	72.7	54.1	35.7	74.9	91.5	113.9
Other current assets	11.3	11.0	91.0	91.0	91.0	91.0
Total current assets	136.1	124.0	200.5	240.5	286.6	348.2
Payables	48.9	43.7	53.4	80.0	96.2	118.7
Short term borrowings	23.2	18.9	26.1	26.1	26.1	26.1
Other current liabilities	25.3	16.2	15.6	15.6	15.6	15.6
Total current liabilities	97.5	78.8	95.1	121.7	137.9	160.4
Long term borrowings	2.1	1.3	1.1	11.1	21.1	31.1
Other long term liabilities	0.2	0.1	0.1	0.1	0.1	0.1
Total long term liab.	2.3	1.4	1.2	11.2	21.2	31.2
Shareholders' Funds	39.9	47.9	118.9	138.0	164.4	198.6
Minority Interest	0.0	0.1	0.1	0.1	0.4	1.4

Cash Flow Statement

FYE 31 Dec (RM'mn)	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Pretax Profit	25.7	27.0	31.0	35.9	49.3	63.8
Depreciation & amortisation	0.3	0.4	1.3	2.8	5.2	6.5
Working capital changes	(2.6)	4.0	(26.6)	(19.6)	(8.0)	(10.3)
Cash tax paid	(5.8)	(6.9)	(7.6)	(8.6)	(11.8)	(15.3)
Others	5.0	6.1	2.4	0.0	0.0	0.0
C/F from operation	22.6	30.7	0.4	10.5	34.7	44.7
Capex	(0.9)	(0.5)	(9.5)	(8.5)	(1.7)	(1.7)
Others	(0.4)	(8.3)	8.1	0.0	0.0	0.0
C/F from investing	(1.2)	(8.8)	(1.4)	(8.5)	(1.7)	(1.7)
Debt raised/(repaid)	(9.7)	(5.2)	(8.2)	0.0	0.0	0.0
Dividends paid	(4.0)	(18.5)	(5.0)	(8.2)	(11.2)	(14.2)
Others	(1.0)	(0.4)	65.3	0.0	0.0	0.0
C/F from financing	(14.7)	(24.2)	52.1	(8.2)	(11.2)	(14.2)
Net change in cash flow	6.6	(2.3)	51.1	(6.2)	21.9	28.7
Free Cash Flow	21.7	30.2	(9.1)	2.0	33.0	43.0



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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