Zacks Small-Cap Research

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NewGenIVF Group Limited (NIVF-NASDAQ)

NIVF: Initiating Coverage of a Leading IVF Provider in Asia, with Powerful Real Estate and Technology Strategic Initiatives

Based on our DCF model, we think NIVF could trade up to $15.00. We look for a considerable upward revaluation for the stock, as awareness/appreciation of the company's evolving business model, accelerating/sustainable growth prospects, competitive positioning, proprietary technology, rising profitability, and valuation disconnect increasingly take hold (particularly assuming a broker-led capital raise).

Current Price (10/09/25)	$1.81
Valuation	**$15.00**

INITIATION

NewGenIVF (NIVF) provides Assisted Reproductive Services (ARS) to couples and individuals across Asia. Core businesses include In Vitro Fertilization (IVF) treatments and surrogacy services. More recently, the company acquired proprietary technology and related assets to facilitate family balancing/gender selection. Senior officials anticipate deploying medical devices in clinics to capitalize on the massive/high-growth fertility market here in the U.S. Furthermore, management recently acquired a plot of land in Ras Al Khaimah (RAK), the largest city and capital of the Emirate of Ras Al Khaimah, with plans to develop a luxury residential complex. The company was founded in 2014 and is headquartered in Bangkok, Thailand.

SUMMARY DATA

52-Week High	**$164.00**
52-Week Low	**$1.62**
One-Year Return (%)	**-93.46**
Beta	**N/A**
Average Daily Volume (sh)	**244,754**
Shares Outstanding (mil)	**2**
Market Capitalization ($mil)	**$4**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**66**
Insider Ownership (%)	**32**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2026 Estimate	**1.1**
P/E using 2027 Estimate	**0.3**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Medical Services**

ZACKS ESTIMATES

Revenue
(in thousands of $)

	Q1 (Mar)	H1 (Jun)	Q3 (Sep)	H2 (Dec)	Year (Dec)
2024		2,687 A		2,747 A	5,433 A
2025		2,020 A		2,872 E	4,892 E
2026					65,199 E
2027					171,441 E

Adjusted Earnings/Share[1]

	Q1 (Mar)	H1 (Jun)	Q3 (Sep)	H2 (Dec)	Year (Dec)
2024		-$54.14 A		-$2.25 A	-$20.82 A
2025		-$12.19 A		-$0.52 E	-$2.19 E
2026					$1.59 E
2027					$6.35 E

Semiannual revenues/EPS may not equal annual figures due to rounding.
[1]Excludes non-recurring items.

INVESTMENT THESIS

We are initiating coverage of **NewGenIVF Group (Nasdaq: NIVF)** with a 12-month price target of $15.00, translating into a sizeable upside from the stock's current price. NewGenIVF Group provides Assisted Reproductive Services (ARS) to couples and individuals across Asia, with four clinics in Thailand, Cambodia, and Kyrgyzstan. Core businesses include In Vitro Fertilization (IVF) treatments and surrogacy services. More recently, the company acquired proprietary technology and related assets to facilitate family balancing/gender selection. Senior officials anticipate deploying medical devices in clinics to capitalize on the massive/high-growth fertility market here in the U.S. Furthermore, management recently acquired a plot of land in Ras Al Khaimah (RAK), the largest city and capital of the Emirate of Ras Al Khaimah, with plans to develop a luxury residential complex as part of a broader strategic initiative to invest, develop, and resell real estate properties across the United Arab Emirates (UAE), thereby further diversifying the company's business model and revenue profile, while meaningfully enhancing financial performance and growth.

Our investment thesis revolves around:

1. **More potent business model:** NewGenIVF is in the process of profoundly diversifying the company's business model, revenue profile, and returns on investments. More specifically, the recent acquisitions of cytometry technology and assets to increasingly penetrate the U.S. fertility services market, along with the company's real estate development initiative in the UAE position NIVF for a considerable step up in financial performance and growth.

   Focusing on the company's core ARS business, NIVF provides IVF treatments and surrogacy services to couples and individuals across Asia. While related growth is partially a function of opening new clinics and hiring/training new employees, industry tailwinds remain robust including rising infertility rates, particularly across key markets in Asia. From a demographic perspective, the increasing prevalence of same-sex couples and single mothers by choice, as well as more women opting to delay childbirth represent incremental growth drivers for ARS. Furthermore, growing awareness and acceptance of IVF and related services, particularly as it relates to improving success rates and more affordable costs, remain key catalysts in accelerating growth across the ARS market.

   Beyond a favorable macro/demographic backdrop, company-specific growth drivers for NIVF include the company's: a) broad array of ARS capabilities, with market shares continuing to roll up to scale-enabled players offering proprietary technologies; b) high success rate reflecting leading-edge technology, best-in-class physicians, and long tenures working with couples and individuals across Asia; and c) multi-pronged marketing approach focused on social media, referrals, and branding initiatives in addition to increasingly capitalizing on accelerating fertility tourism growth, particularly in Thailand reflecting favorable infrastructure and regulatory backdrops and cost advantages more broadly, as well as the company's strategic initiatives to target tourists from specific countries by providing tailored services, facilities, and amenities.

2. **Introducing proprietary technology in the U.S.:** Following the acquisitions of MicroSort Lab Services in addition to related cytometry technology and assets earlier this year, management plans to offer U.S.-based IVF clinics sperm-sorting services to facilitate family balancing/gender selection. Pending regulatory clearance/approval, senior officials anticipate deploying cytometers in clinics to capitalize on the massive/high-growth fertility market here in the U.S. Over time, we look for management to increasingly leverage the company's MicroSort technology to market gender-related hereditary disease prevention services in other countries.

3. **Real estate kicker:** In June, NIVF announced plans to invest $45 million to acquire, develop, and resell real estate properties across the United Arab Emirates (UAE), thereby further diversifying the company's business model and revenue profile, while meaningfully enhancing financial performance and growth. Following suit, the company recently acquired a plot of land in Ras Al Khaimah (RAK), the largest city and capital of the Emirate of Ras Al Khaimah, with plans to develop a luxury residential complex. From a financial perspective, our math suggests project sales exceed $450 million, with net profits of ~$200 million. NIVF is entitled to approximately one-third of the gross sales revenue based on an initial ~$24 million investment.

   Stepping back, we view RAK as a prime location for NIVF's initial real estate venture reflecting a number of key catalysts. First, real estate property values and rental yields continue to rise driven by ongoing investments in infrastructure and hospitality projects across the emirate, as well as a rising supply/demand imbalance following a period of surplus. Second, pricing remains more affordable relative to comparable properties in other emirates – more specifically, Dubai – thereby supporting sustainable demand trends. Third, the number of tourists visiting RAK continues to grow, with a further step up anticipated following the opening of the Wynn Al Marjan Island resort in 2027. Fourth, RAK maintains robust economic trends, strong population growth, and political stability. Moreover, the government remains focused on stimulating investment activity via 100% foreign property ownership, low corporate tax rates and other tax benefits, and long-term visas for investors.

4. **Building earnings power:** Our model calls for an adjusted net loss per share of $2.19 this year (excludes a $19.2 million Bargain Purchase Gain related to the company's recent acquisition of cytometry intellectual property and related assets in 2H25, as well as a $4.3 million purchase gain on the acquisition of MicroSort Reproductive Technology in 1H25) followed by adjusted EPS of $1.59 in 2026, $6.35 in 2027, and $11.87 in 2028, as the business continues to scale. Importantly, our 2026 through 2028 EPS estimates are based on 11.7 million shares outstanding (2.2 million at present plus ~9.5 million related to incremental equity offerings, we believe). Key modeling inputs include accelerating revenue growth fueled by sales of the company's residential real estate development in the UAE (~$455 million spread across 2026, 2027, and 2028) and steady growth in Core IVF services reflecting growing awareness and utilization, ongoing market share gains driven by the company's high success rate, innovative and accessible fertility services, and building sales and marketing initiatives, and NIVF's expanding footprint across Asia, North America, and the UAE.

   While operating and net income/loss trends have remained uneven since 2023, we forecast a sharp step up in profitability next year and beyond. Despite stepped up marketing, G&A, and compensation costs related to strategic growth initiatives, much of the improvement can be linked to sizeable real estate contributions and meaningful margin expansion, we believe. Beyond operating leverage inherent in the model, much of the step up in profitability can be attributed to rising gross margins, particularly as the revenue mix continues to skew in favor of real estate sales and recurring technology royalty/leasing fees.

5. **Valuation disconnect:** The stock's current depressed valuation likely remains a function of limited revenue growth (for the core IVF business), inconsistent profitability trends, and unproven management acumen across newer business initiatives, along with the technical overhang related to a considerable chunk of shares potentially coming to market from selling shareholders and/or further equity capital raises to fund growth. That said, we look for a considerable upward revaluation for the stock, as awareness and appreciation of the company's diversified business model, accelerating/sustainable growth prospects, competitive positioning, proprietary technology, rising profitability, and valuation disconnect increasingly take hold (particularly assuming a broker-led capital raise). As discussed earlier, we look for a substantial step up in NIVF's earnings power (fueled by the ramp up of real estate and MicroSort business initiatives), which is clearly not reflected in the stock at current levels. Moreover, co-founders Mr. Siu and Ms. Fong maintain considerable influence on the company (through 100% ownership of NIVF's Class B shares), thereby reinforcing strong management/shareholder alignment.

   In addition to our DCF model, our valuation work typical involves looking at peer valuation multiples for corroboration. As it relates to NIVF, apples-to-apples comparisons remain challenging given the company's unique business model spanning various projects, revenue/margin profiles, and geographies. Moreover, most publicly-traded ARS/IVF companies remain unprofitable making relative P/E analyses not meaningful. That said, we note Progyny, Inc. (PGNY, Not Rated) and The Cooper Companies, Inc. (COO, Not Rated) – companies providing fertility products and services – are currently trading at 10.9x and 15.9x consensus EPS estimates for 2026, respectively. As further support, management recently disclosed an independent valuation report from a "Big Four" global accounting firm valued the company's recently acquired cytometry technology Intellectual Property (IP) at $17.9 million, or well above the stock's current market cap of ~$4 million (based on 2.2 million shares outstanding).

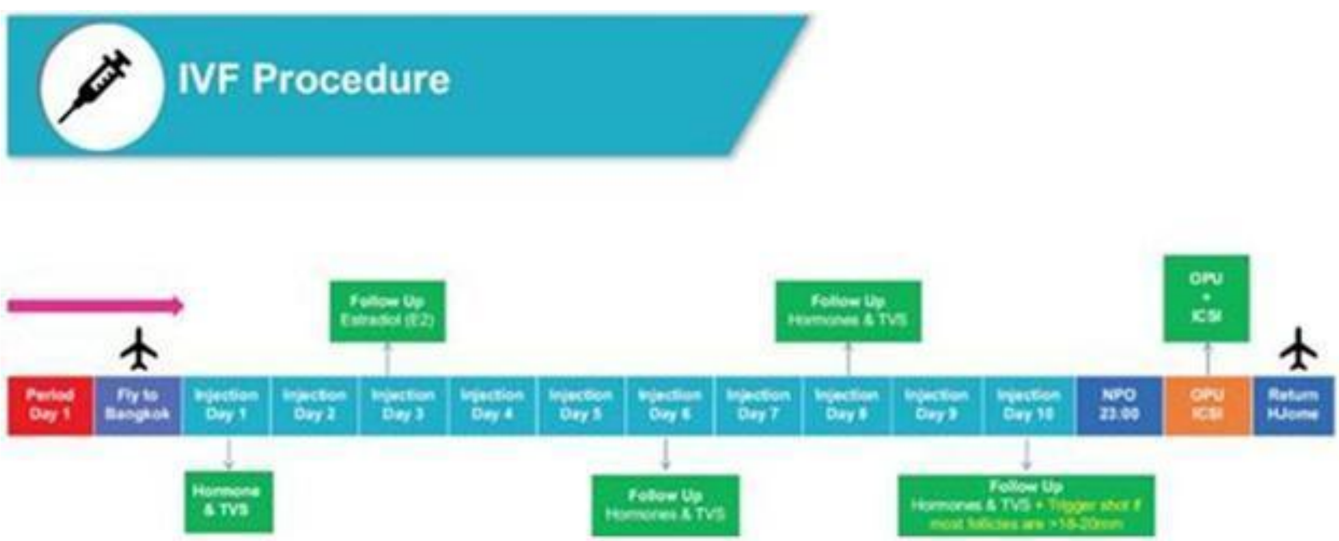
EVOLVING BUSINESS MODEL

NewGenIVF is in the process of profoundly diversifying the company's business model and revenue profile, while turbocharging returns on investments. More specifically, the recent acquisitions of cytometry technology and assets to increasingly penetrate the U.S. fertility services market, along with the company's real estate development initiative in the UAE position NIVF for a considerable step up in financial performance and growth (discussed next).

Focusing on the company's core Assisted Reproductive Services (ARS) business, NIVF provides IVF treatments (Exhibit 1) and surrogacy services to couples and individuals across Asia, with four clinics in Thailand, Cambodia, and Kyrgyzstan (Exhibit 2) serving clients from China, Hong Kong, India, Thailand, Australia, and Taiwan. While related growth is partially a function of opening new clinics and hiring/training new employees, industry tailwinds remain robust including rising infertility rates, particularly across key markets in Asia. As shown in Exhibit 3, infertility rates across China (18%), Hong Kong (20%), and the U.S. (19%) exceed the global average of 17%. Focusing on China, the number of infertile couples is projected to reach 65 million by 2030 (Exhibit 4) driving accelerating use of ARS. Indeed, according to China Insight Consultancy, ARS users in China reached 185,000 in 2022, up 35% from 137,000 in 2017. Putting it all together, NIVF's total addressable market continues to expand, with the fertility market across Asia forecast to reach $15 billion by 2033 (Exhibit 5).

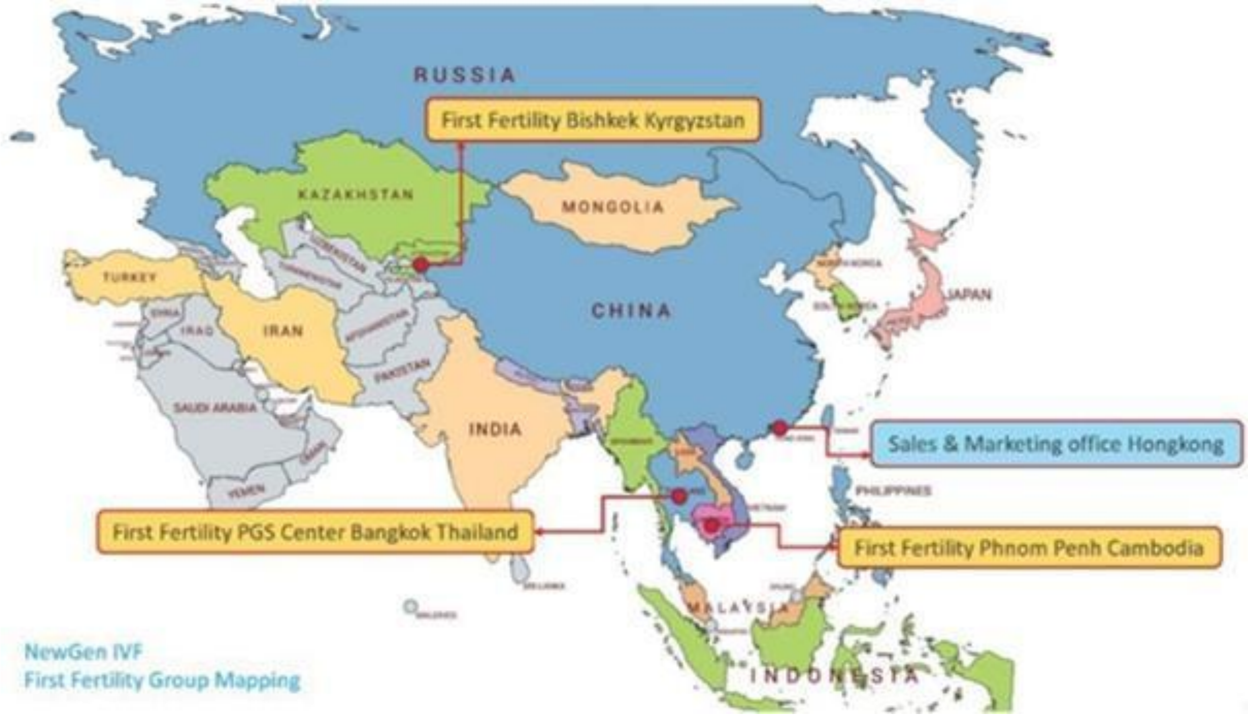
From a demographic perspective, the increasing prevalence of same-sex couples and single mothers by choice represent incremental growth drivers for ARS. Moreover, more women are opting to delay childbirth to focus on careers and promote healthier personal/professional life balances. That said, the chances of conceiving naturally drops from 86% for women aged 20 to 24 to just over 50% when maternal age reaches 35-39 years old (Exhibit 6), thereby reinforcing the need for IVF services. Furthermore, growing awareness and acceptance of IVF and related services, particularly as it relates to improving success rates and more affordable costs, remain key catalysts in driving growth across the ARS market.

Exhibit 1. IVF Procedure



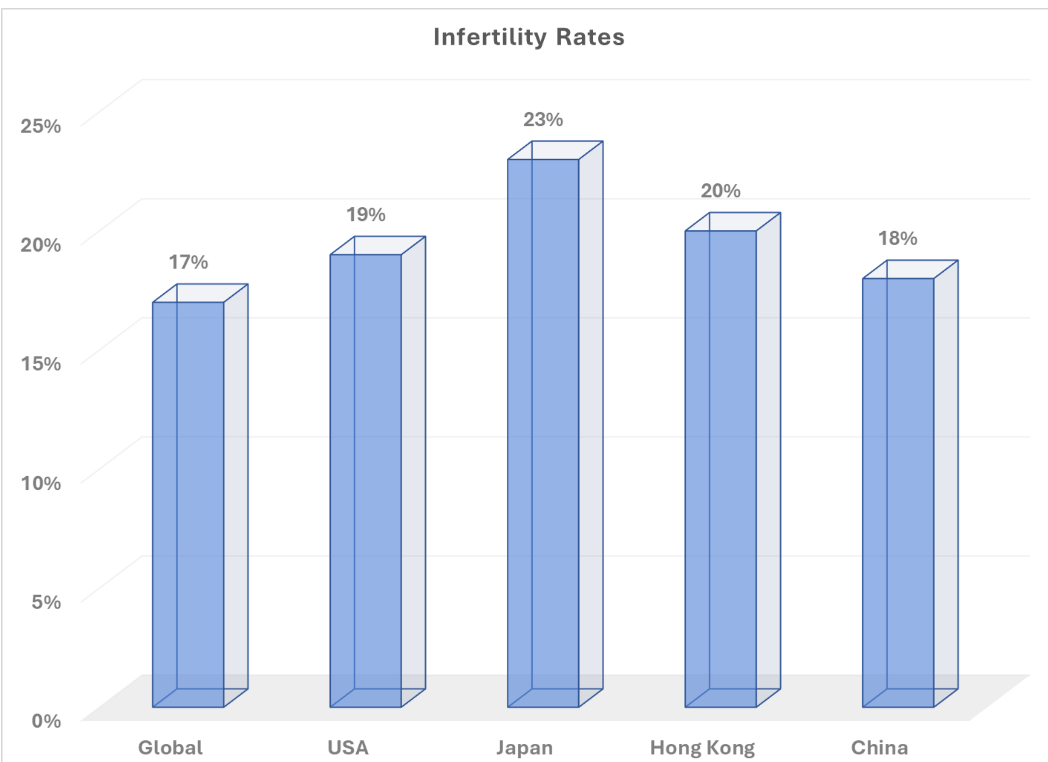
Source: Company reports.

Exhibit 2. IVF Clinics Map



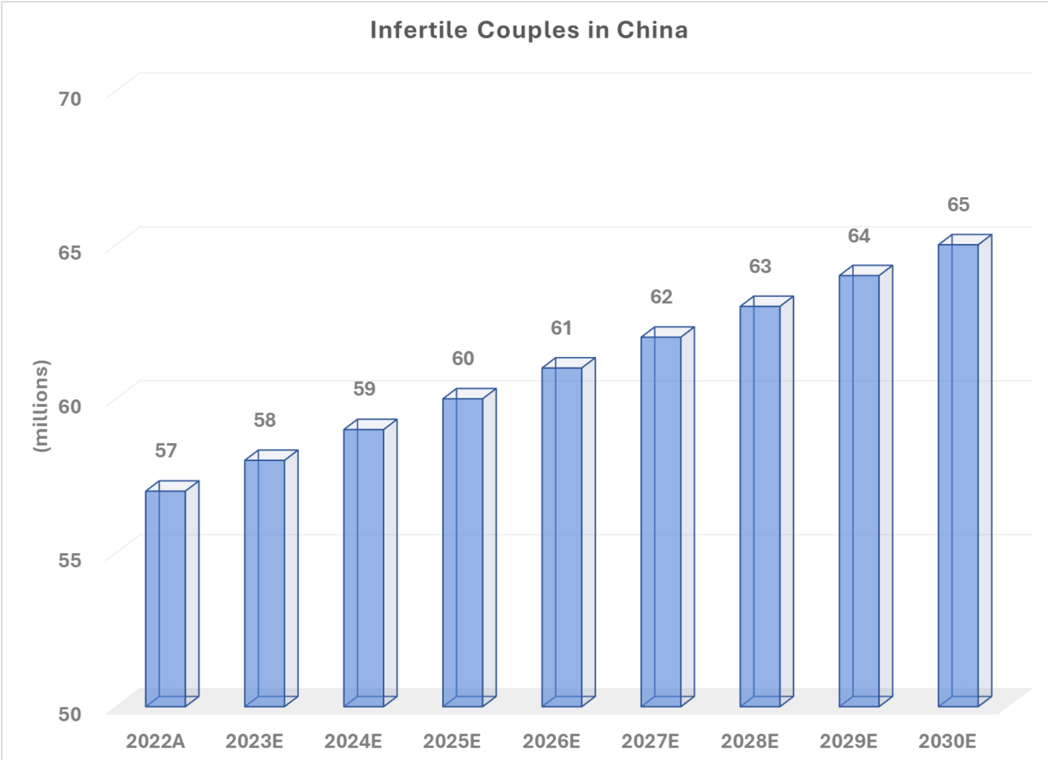
Source: Company reports.

Exhibit 3. Infertility Rates by Country



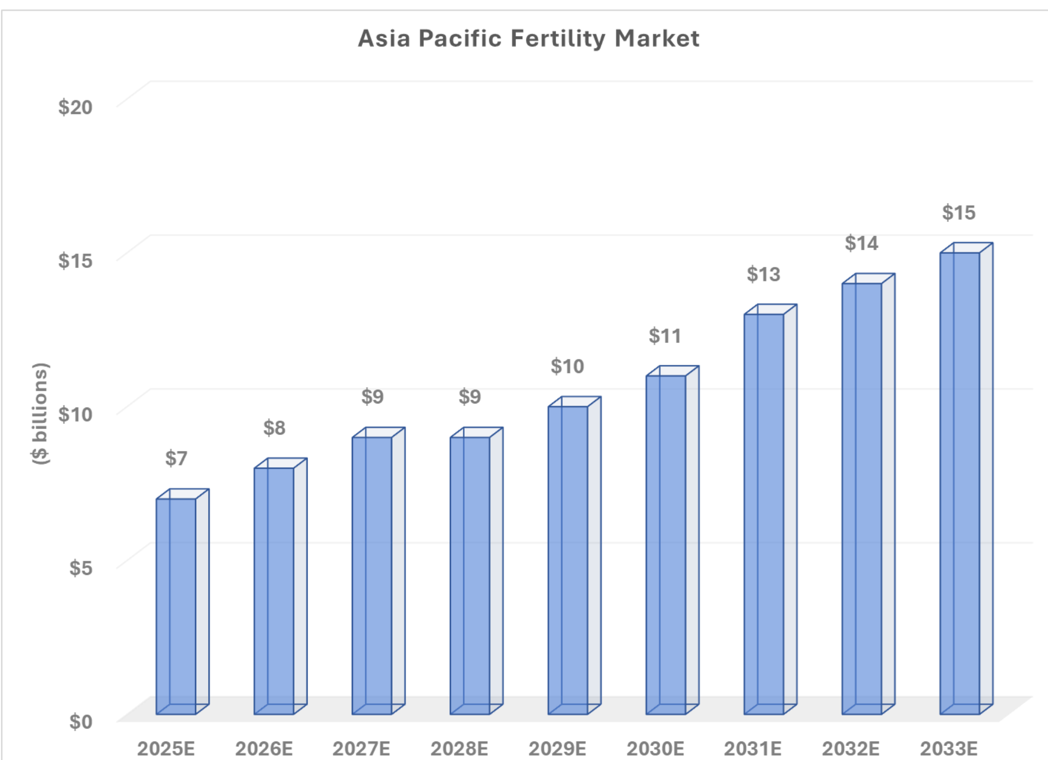
Source: Analyst work from BDA Partners.

Exhibit 4. Number of Infertile Couples



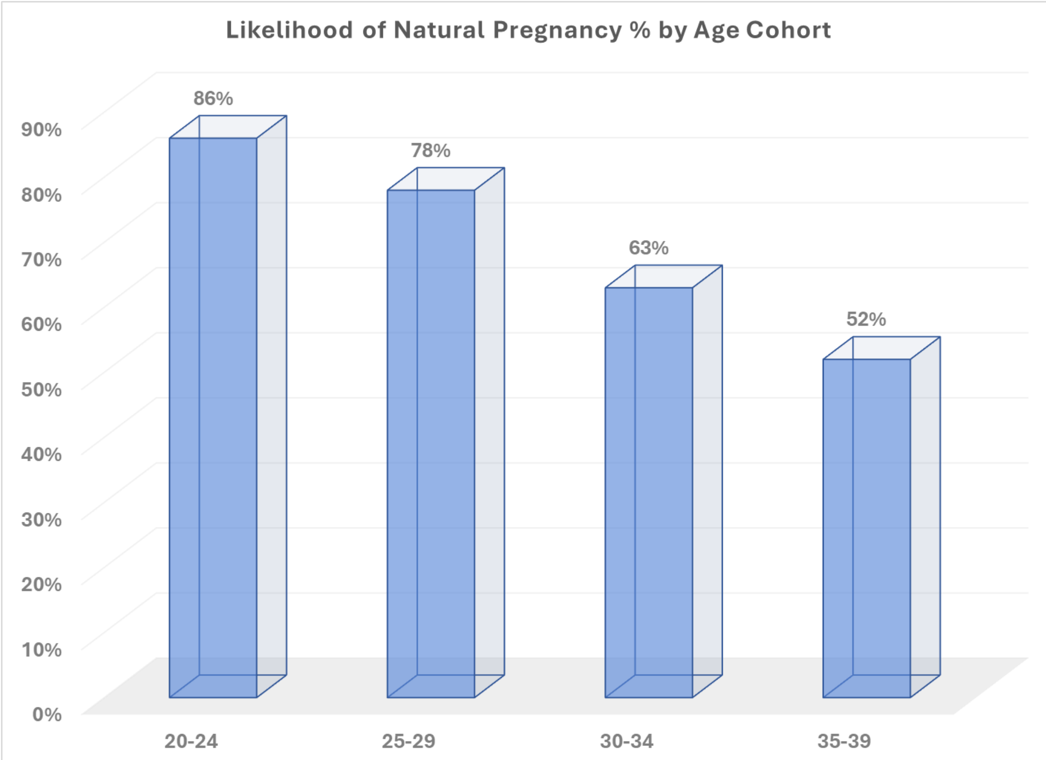
Source: Analyst work from BDA Partners.

Exhibit 5. Asia Pacific Fertility Market



Source: Analyst work from BDA Partners.

Exhibit 6. Natural Pregnancy % by Age



Source: Analyst work from BDA Partners.

Beyond a favorable macro/demographic backdrop, company-specific growth drivers for NIVF include:

- **Broad array of ARS capabilities:** As mentioned earlier, NIVF provides a comprehensive and innovative range of IVF, egg donation, surrogacy, and related services to clients across the Asia Pacific region via an expanding clinic footprint. Stepping back, while the ARS industry remains highly fragmented, market shares continue to roll up to scale-enabled players offering a compressive array of services and proprietary technologies – boding well for NIVF.

- **High success rate:** As a result of leading-edge technology, partnering with best-in-class physicians, and long tenures working with couples and individuals across Asia, NIVF maintains a high success rate (82.5%) with clients.

- **Multi-pronged marketing approach:** NIVF's growing sales team leverages social media, referrals, branding initiatives, and other advertising channels and events to target potential clients. Furthermore, senior officials remain focused on partnering with hospitals, healthcare providers, and agencies across Asia to expand the company's reach. Finally, NIVF remains well positioned to continue to capitalize on accelerating fertility tourism growth, particularly in Thailand reflecting favorable infrastructure/regulatory backdrops and cost advantages more broadly, as well as the company's strategic initiatives to target tourists from specific countries by providing tailored services, facilities, and amenities. To be sure, more recent studies suggest the global fertility tourism market is projected to grow from $709 million in 2023 to $13+ billion by 2034, representing a Compound Annual Growth Rate (CAGR) in excess of 30%.

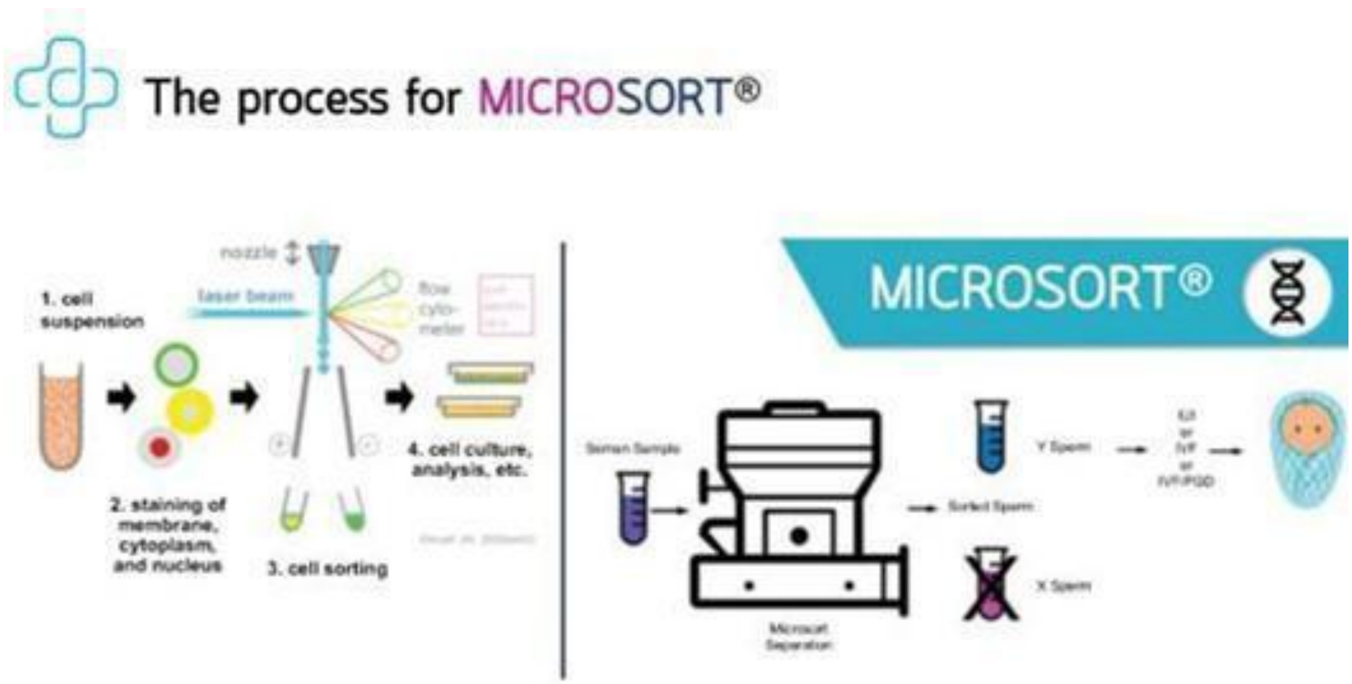
PROPRIETARY TECHNOLOGY

Back in February, NIVF completed the acquisition of MicroSort Lab Services from Genetics & IVF Institute for $750,000 of cash and Class A shares. MicroSort technology separates sperm cells by gender chromosomes, thereby aiding family balancing/gender selection (in countries where the process is permissible) resulting in more effective cycles for couples undergoing IVF treatments (Exhibit 7). Following the acquisition, the company maintains exclusive rights to the MicroSort Technology. In July, the company announced the acquisition of cytometry (classifying, measuring, and analyzing cells) technology and assets including 18 cell-sorting units and six related patents. The new cytometry technology enhances sperm sorting safety and efficacy.

Looking ahead, management plans to start deploying machines in the U.S. (we understand regulatory clearance/approval may be required) in 2026 to increasingly penetrate the massive/high-growth market. The fertility industry comprising IVF, genetic testing, tissue storage, donor services, and mediation currently represents an $11 billion market projected to grow 12% on an annual basis. Furthermore, according to the Society for Assisted Reproductive Technology, member clinics performed 430,000+ IVF cycles in 2023, up 11% on a year-over-year basis, with IVF births representing 2.6% of total births in the U.S. in 2023. From regulatory perspective, 22 states in addition to the District of Columbia have passed laws requiring employer-provided insurance plans to offer full/partial coverage for infertility diagnosis and/or treatments.

As such, we expect demand to be strong across the ~500 IVF clinics here in the U.S. given access to MicroSort's proprietary technology, limited upfront capital requirements, and favorable economics, with NIVF able to manufacture additional machines relatively quickly and efficiently. Over time, we look for management to increasingly leverage the company's MicroSort technology to market gender-related hereditary disease prevention services in other countries likely via joint ventures, strategic partnerships, and/or third-party sales agents.

Exhibit 7. MicroSort Process



Source: Company reports.

REAL ESTATE KICKER

In June, NIVF announced plans to invest $45 million to acquire, develop, and resell real estate properties across the United Arab Emirates (UAE), thereby further diversifying the company's business model and revenue profile, while meaningfully enhancing financial performance and growth. While management anticipates investing in other Emirates (namely, Abu Dhabi) to hedge market risk, the company recently acquired a plot of land in Ras Al Khaimah (RAK), the largest city and capital of the Emirate of Ras Al Khaimah.

More specifically, the project site is positioned in RAK's Beach District neighboring Al Marjan Island (the location of the Wynn Al Marjan Island resort set to open in early 2027), with plans to develop a luxury residential complex with 525,000+ square feet of Gross Floor Area (GFA) expected to be completed in 2028. From a project development standpoint, the company recently formed a Joint Venture with BNW Developments, a premium real estate developer focused on high-rise residential properties in the UAE, to help facilitate the design, construction, and marketing of the property.

While we walk through our financial projections in detail later in our report, suffice it say the project offers a compelling return on investment. Our math suggests project sales exceed $450 million, with net profits of ~$200 million. NIVF is entitled to approximately one-third of the net profits based on an initial ~$24 million investment. From a financing perspective, the company recently engaged an investment bank to raise capital to fund the initial purchase and related development costs, as well as build out NIVF's real estate portfolio over time.

Stepping back, we view RAK as a prime location for NIVF's initial real estate venture reflecting a number of key catalysts:

- First, real estate property values and rental yields continue to rise driven by ongoing investments in infrastructure and hospitality projects across the emirate, as well as a rising supply/demand imbalance following a period of surplus (Exhibit 8).

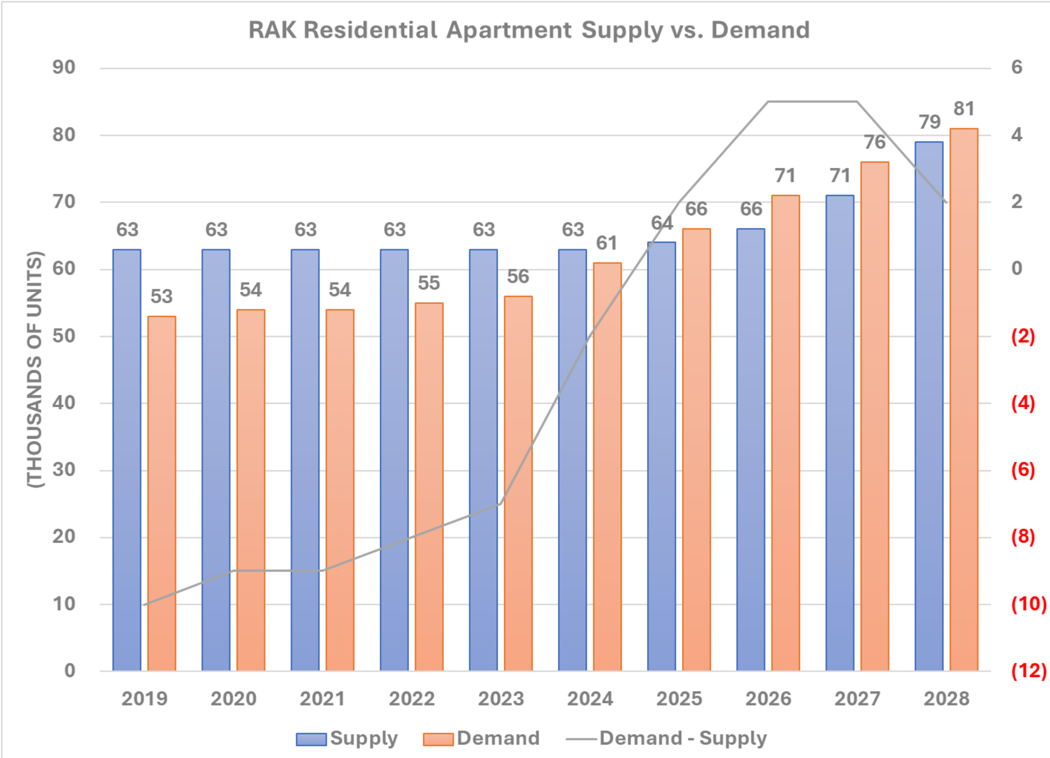
- Second, pricing remains more affordable relative to comparable properties in other emirates – more specifically, Dubai – thereby supporting sustainable demand trends.

- Third, the number of tourists visiting RAK continues to grow, with a further step up anticipated following the opening of the Wynn Al Marjan Island resort in 2027. Indeed, more than 30% of the world's population resides within a four-hour plane trip to the UAE. Looking ahead, the government's Vision 2030 plan includes a goal of attracting three million visitors to the emirate each year by 2030.

- Fourth, RAK maintains robust economic trends, strong population growth (Exhibit 9), and political stability. Moreover, the government remains focused on stimulating investment activity via 100% foreign property ownership, low corporate tax rates and other tax benefits, and long-term visas for investors.

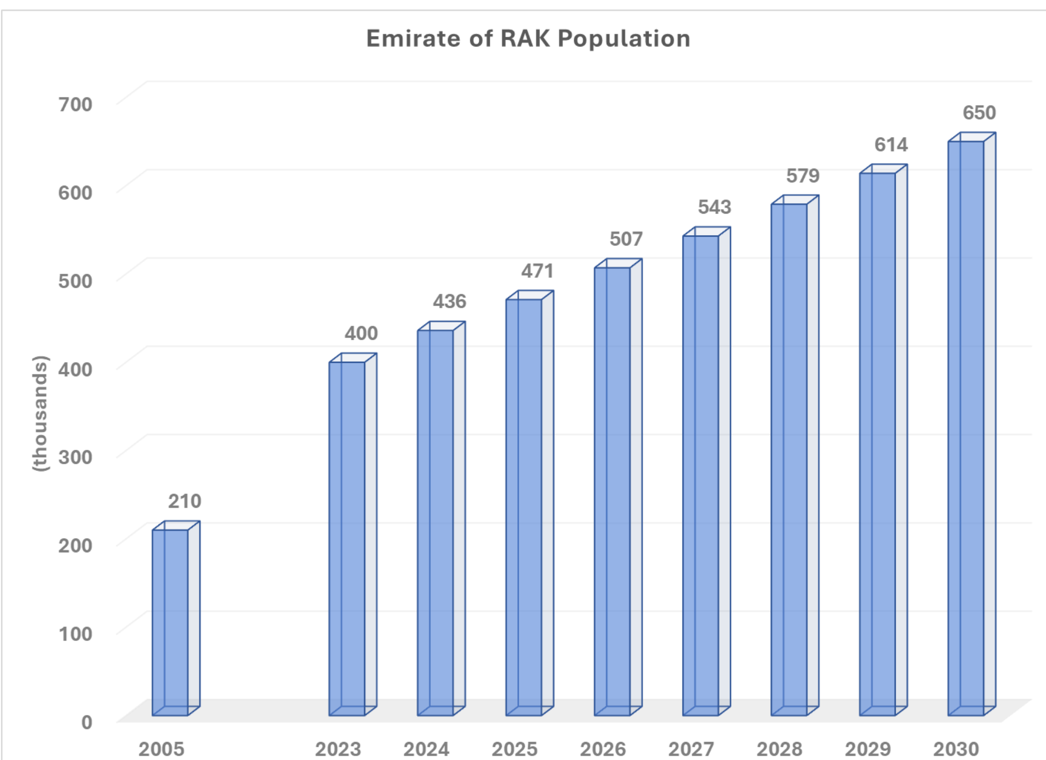
To be sure, a key component of the RAK project's value proposition remains management's ability to generate unit sales by leveraging the company's presence and relationships across Hong Kong and mainland China. Demographic trends remain favorable, with ~30,000 immigrants from China relocating to the UAE each year. Importantly, the UAE's Golden Visa program provides for long-term residency for foreigners that invest in property, with the 10-year renewable visas permitting individuals to live, work, and study in the UAE.

Exhibit 8. Supply/Demand Imbalance



Source: Analyst work from Ras Al Khaimah Statistics Center.

Exhibit 9. Strong Growth in Population



Source: Analyst work from Ras Al Khaimah Statistics Center.

BUILDING EARNINGS POWER

NIVF reported a net loss of $0.5 million for 2024, with earnings per share (EPS) of ($20.82). Notably, EPS calculations are based on diluted shares outstanding retroactively adjusted for 1-for-20, 1-for-10, and 1-for-5 reverse stock splits in February, May, and August 2025, respectively. Looking ahead, our model calls for adjusted EPS of ($2.19) this year (excludes a $19.2 million Bargain Purchase Gain related to the company's recent acquisition of cytometry intellectual property and related assets based on a valuation report from a "Big Four" global accounting firm in 2H25, as well as a $4.3 million purchase gain on the acquisition of MicroSort Reproductive Technology in 1H25) followed by $1.59 in 2026, $6.35 in 2027, and $11.87 in 2028, as the business continues to scale. Importantly, our forward-year EPS estimates are based on 11.7 million shares outstanding (2.2 million at present plus ~9.5 million related to incremental equity offerings, we believe).

Key modeling inputs include:

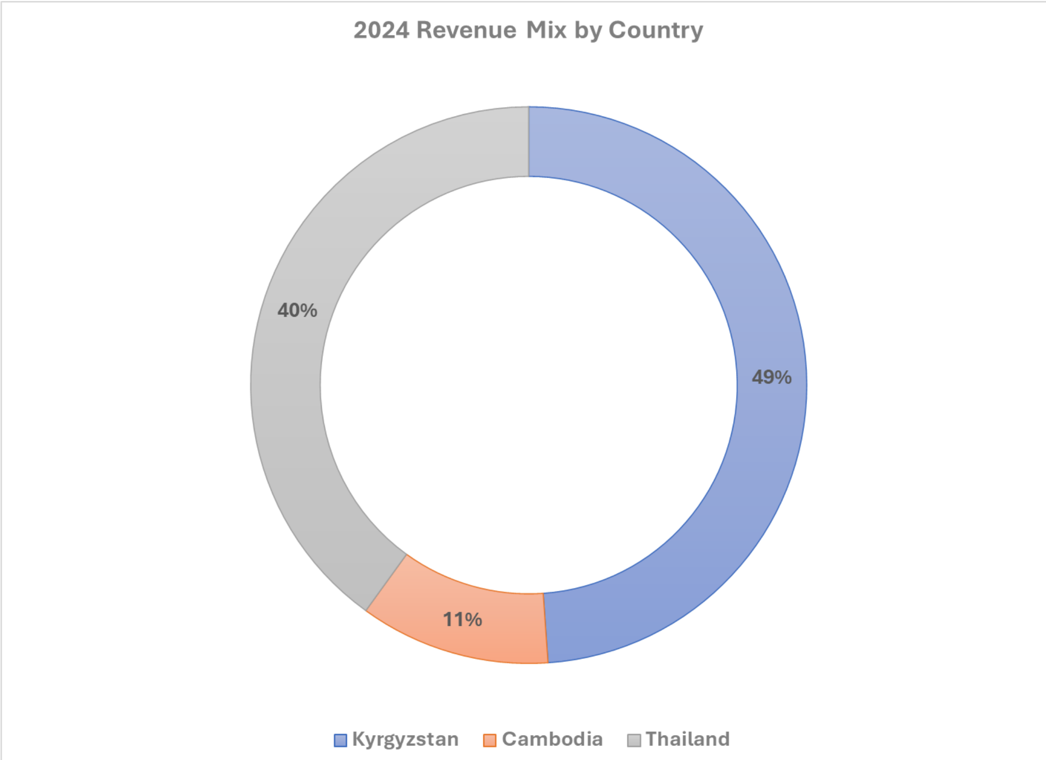
1. **Step up in revenues:** At present, NIVF generates revenue by providing IVF treatments, surrogacy and ancillary caring services, and egg freezing/storage capabilities to clients across clinics in Thailand, Cambodia, and Kyrgyzstan. Importantly, NIVF's revenue base remains well diversified by geography (Exhibit 10), and increasingly from a business perspective. Looking ahead, we project revenue to surge from an estimated $4.9 million in 2025 to $65 million in 2026, $171 million in 2027, and $272 million in 2028 (Exhibit 11). Key growth drivers likely include:

    a. **RAK project:** Much of the projected growth in revenue can be linked to sales of the company's residential real estate development in the UAE. As shown in Exhibit 12, our model incorporates square footage sold and average selling price/square foot assumptions through 2028, with related revenues recognized over time based on various performance obligations. More specifically, we assume installment payments include 10% deposits, 50% through construction periods, and the residual 40% at closings, with the project expected to be completed in 2028. In aggregate, we look for $455 million of sales, with ~45% recognized in 2026 and 2027.

    b. **MicroSort:** Following NIVF's recent acquisitions of proprietary sperm-sorting technology, as well as related equipment and Intellectual Property (IP), the company is positioned to generate high-margin/recurring licensing and royalty fees in addition to perpetual machine cartridge sales from a growing number of fertility service clinics. Based on the IP valuation conducted by a "Big Four" accounting firm, we believe related revenue could exceed $20 million on an annualized basis once operations are up to speed Our model incorporates more conservative assumptions over the next few years based on modest market share assumptions and 10% royalty/consumable revenue (Exhibit 13).

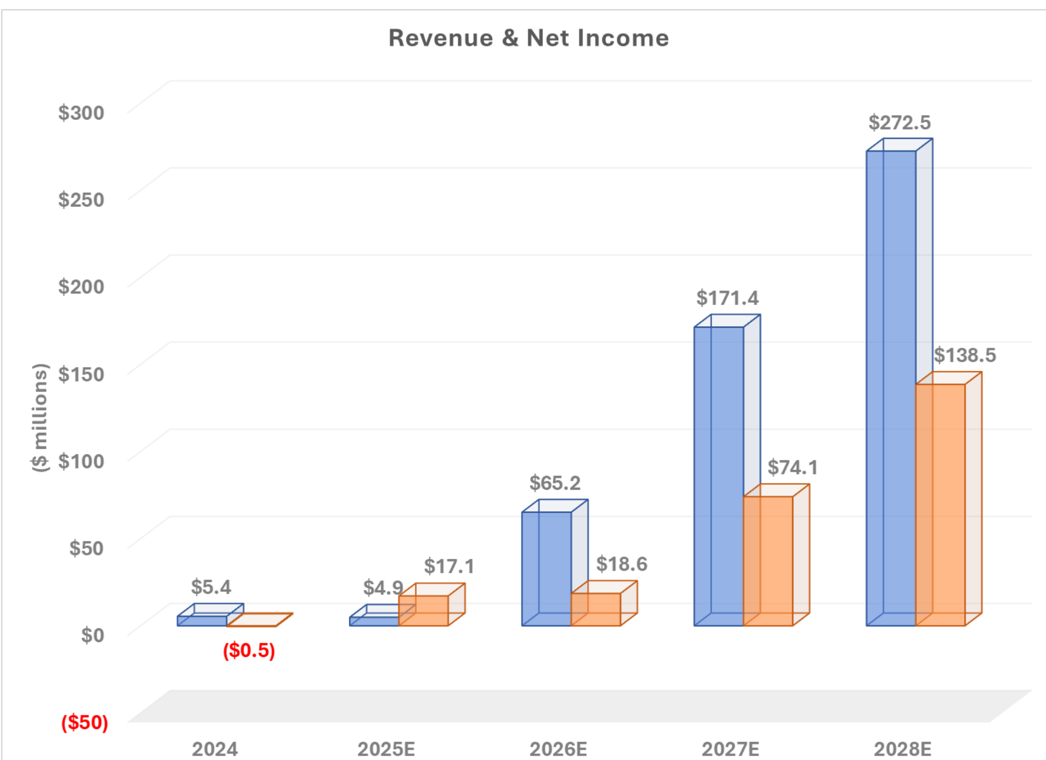
    c. **Core IVF:** While related revenue growth has remained somewhat limited (but steady) given the time and resources required to open new clinics and hire/train new employees, we look for a step up in fees reflecting rising demand more broadly in light of growing awareness and utilization, ongoing market share gains driven by the company's high success rate, innovative and accessible fertility services, building sales and marketing initiatives, and NIVF's expanding footprint across Asia, North America, and the UAE.

Exhibit 10. Diversified Revenue Mix



Source: Company reports and Zacks Small Cap Research estimates and calculations.

Exhibit 11. Considerable Step Up in Revenue & Net Income Projected



Source: Company reports and Zacks Small Cap Research estimates and calculations.

Exhibit 12. RAK Real Estate Project Assumptions

($ thousands)

	2026E	2027E	2028E	Totals
Square Footage Sold	131,938	211,101	184,714	**527,753**
Avg. Selling Price/Square[2] (1)	$817	$858	$901	
Sales	$107,780	$181,071	$166,359	**$455,210**
Revenue Recognition (2)				
2026 Units	$53,890	$26,945	$26,945	**$107,780**
2027 Units		$126,750	$54,321	**$181,071**
2028 Units			$166,359	**$166,359**
Totals	**$53,890**	**$153,695**	**$247,625**	**$455,210**

(1) Assumes AED 3,000 per square foot and 5% annual appreciation.
(2) Installment payments based on various performance obligations.
Source: Zacks Small Cap Research estimates and calculations.

Exhibit 13. MicroSort Revenue Forecasts

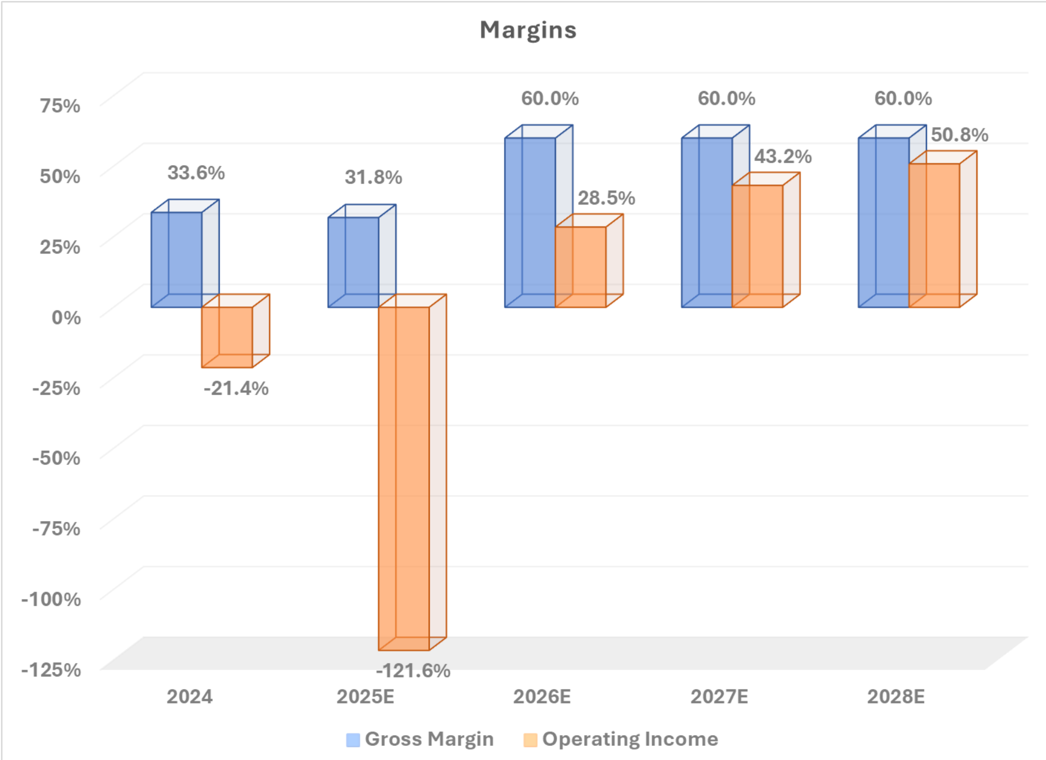
($ thousands)

	2026E	2027E	2028E
US Fertility Market	$6,160,000	$6,310,000	$6,463,653
Market Share	0.4%	0.9%	1.3%
Target Clinic Revenue	$24,640	$53,635	$85,643
Royalties (1)	$2,464	$5,364	$8,564
Consumables (1)	$2,464	$5,364	$8,564
Total	**$4,928**	**$10,727**	**$17,129**

(1) Assumes 10% of sales.
Source: Zacks Small Cap Research estimates and calculations.

2. **Profitability inflection:** While operating and net income/loss trends have remained uneven since 2023, we forecast a sharp step up in profitability next year and beyond. Despite stepped up marketing, G&A, and compensation costs related to strategic growth initiatives, much of the improvement can be linked to sizeable real estate contributions and meaningful margin expansion, we believe. Indeed, we forecast operating margins to expand from an estimated -121.6% in 2025 to 28.5% in 2026, 43.2% in 2027, and 50%+ in 2028 (Exhibit 14). Beyond operating leverage inherent in the model, much of the step up in profitability can be attributed to rising gross margins, particularly as the revenue mix continues to skew in favor of real estate sales and recurring technology royalty/leasing fees. Our model conservatively assumes gross margins expand to 60% in 2026 through 2028 versus the low-30% range in 2024.

Exhibit 14. Rising Gross/Operating Margins



Source: Company reports and Zacks Small Cap Research estimates and calculations.

Pivoting to the balance sheet, the company's capital needs remain outsized in light of NIVF's upfront commitment of $24 million to fund the land purchase for the UAE real estate project. In fact, the company recently filed a prospectus offering up to 4,975,124 Class A ordinary shares and warrants to purchase up to 2,487,562 Class A Ordinary Shares. Furthermore, NIVF maintains $90+ million of capacity remaining on the company's Equity Line of Credit (ELOC) facility with White Lion Capital. For background, NIVF entered into a Share Purchasing Agreement (SPA) in November 2024 with White Lion Capital. Pursuant to terms of the agreement, the company has the right to sell up to $100 million (expandable to $500 million assuming incremental M&A activity) of Class A shares to White Lion at/near market prices during the 36-month period following execution, thereby providing financial flexibility to capitalize on strategic growth initiatives. In exchange, the company issued 700,000 Class A shares to White Lion.

MANAGEMENT TEAM

Wing Fung Alfred Siu
<u>Chairman of the Board & Chief Executive Officer</u>

Mr. Siu co-founded NewGenIVF and has served as the company's Chairman of the Board and Chief Executive Officer since 2019. Prior to starting NewGenIVF, Mr. Siu served as Director of First Fertility PGS Center Co., Ltd. Mr. Siu holds a Master of Science degree as well as a Bachelor's degree in Science from Stanford University.

Hei Yue Tina Fong
<u>Director & Chief Marketing Officer</u>

Ms. Fong co-founded NewGenIVF and has served as the company's Director and Chief Marketing Officer since 2019. Prior to starting NewGenIVF, Ms. Fong served as Director of First Fertility PGS Center Co., Ltd. Ms. Fong holds a bachelor's degree in marketing from Indiana University.

Ho Fai Chung
<u>Chief Financial Officer</u>

Mr. Chung has served as NewGenIVF's Chief Financial Officer since October 2024. Prior to joining NewGenIVF, Mr. Chung held positions at various companies including Price Waterhouse ("PwC"). Mr. Chung is a Certified Public Accountant in the United States, and holds a Master's degree in Accounting and Finance from Lancaster University (UK), a Master's degree in International and Public Affairs from Hong Kong University, and a Bachelor of Law degree from the University of London.

VALUATION DISCONNECT

We are initiating coverage of NewGenIVF Group with a price target of $15.00 representing considerable upside potential from the stock's current levels. To be sure, the stock's current depressed valuation likely remains a function of limited revenue growth (for the core IVF business), inconsistent profitability trends, and unproven management acumen across newer business initiatives, along with the technical overhang related to a considerable chunk of shares potentially coming to market from selling shareholders and/or further equity capital raises to fund growth.

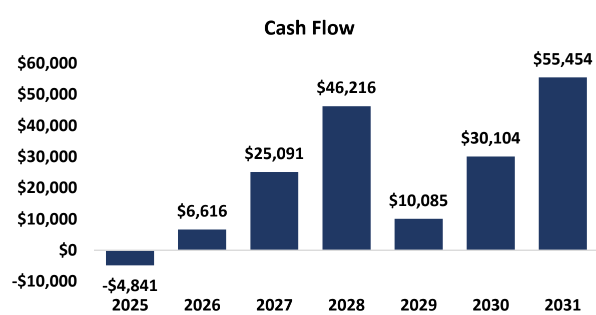
That said, we look for a considerable upward revaluation for the stock, as awareness and appreciation of the company's diversified business model, accelerating/sustainable growth prospects, competitive positioning, proprietary technology, rising profitability, and valuation disconnect increasingly take hold (particularly assuming a broker-led capital raise). As discussed earlier, we look for a substantial step up in NIVF's earnings power (fueled by the ramp up of real estate and MicroSort business initiatives), which is clearly not reflected in the stock at current levels. Moreover, further acquisitions of strategically complementary assets at attractive valuations likely represent powerful catalysts for NIVF. Finally, co-founders Mr. Siu and Ms. Fong maintain considerable influence on the company (through 100% ownership of NIVF's Class B shares), thereby reinforcing strong management/shareholder alignment.

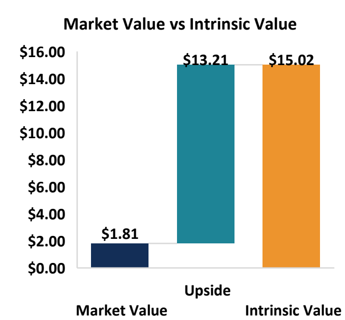
Turning to valuation, our DCF model suggests a wide disconnect between NIVF's fundamentals and the stock's current price. As shown in Exhibit 15, key inputs include: 1) explicit EBIT forecasts through 2028; 2) a cyclical EBIT trajectory through the forecast period reflecting the timing of RAK earnings and future projects; 3) a 19% discount rate; 4) a perpetual growth rate of 3% despite sustainably higher growth rates for the foreseeable future; and 5) an exit EV/EBITDA multiple of 3x.

Exhibit 15. NIVF DCF Model

NewGenIVF Group Limited
DCF Model ($ 000s)

Assumptions	
Tax Rate	20%
Discount Rate	19%
Perpetural Growth	3%
EV/EBITDA Mulltiple	3.0x
Fiscal Year End	12/31/24
Current Price	1.81
Shares Outstanding	11,670
Debt	-
Cash	21,641
Capex	1,753





Source: Zacks Small Cap Research estimates and calculations.

In addition to our DCF model, our valuation work typical involves looking at peer valuation multiples for corroboration. As it relates to NIVF, apples-to-apples comparisons remain challenging given the company's unique business model spanning various projects, revenue/margin profiles, and geographies. Moreover, most publicly-traded ARS/IVF companies remain unprofitable making relative P/E analyses not meaningful. That said, we note Progyny, Inc. (PGNY, Not Rated) and The Cooper Companies, Inc. (COO, Not Rated) – companies providing fertility products and services – are currently trading at 10.9x and 15.9x consensus EPS estimates for 2026, respectively. As further support, management recently disclosed an independent valuation report from a "Big Four" global accounting firm valued the company's recently acquired cytometry technology Intellectual Property (IP) at $17.9 million, or well above the stock's current market cap of ~$4 million (based on 2.2 million shares outstanding).

INVESTMENT RISKS

1. **Rising competition:** The Assisted Reproductive Services industry remains highly fragmented, dynamic, and competitive across Asia. Stepping back, demographic shifts in population growth and infertility rates likely impact demand trends across the region. Furthermore, larger, more mature companies, with considerable infrastructure, resource, and financial advantages may increasingly capture market share, thereby pressuring NIVF's sales, profits, and/or margins. That said, we look for NIVF's comprehensive/integrated solutions portfolio, broad network of IVF specialists, proprietary technology, effective marketing initiatives, focus on customer experience, innovative pricing structures, and high success rates to increasingly differentiate the company from a crowded field of fertility service providers.

2. **Dilutive financing to fund growth initiatives:** As discussed at length earlier, we look for a considerable step up in growth primarily related to the introduction of NIVF's MicroSort technology in the U.S. and real estate projects in the UAE. That said, related initiatives likely require significant capital to finance. Beyond existing liquidity and Equity Line of Credit (ELOC) drawdowns, we suspect management will tap the equity markets to accelerate growth. Indeed, our model assumes the company raises an incremental ~$15 million via incremental ELOC drawdowns and a secondary offering resulting in ~9.5 million incremental shares. We assume management will opt to convert all outstanding convertible bonds and terminate the related financing agreement by the end of this year following the ELOC drawdowns in order to reduce interest expense.

3. **Regulatory backdrop:** The ARS industry in Asia remains highly regulated, with varying government policies and restrictions across Thailand, Cambodia, and Kyrgyzstan. More specifically, fertility clinics are required to maintain registrations with supervisory agencies across jurisdictions. Shifts in regulations and/or compliance requirements likely impact NIVF's sales/costs of providing related solutions. The application and potential enforcement of existing laws and/or forthcoming regulatory changes could hinder business operations and/or divert management/financial resources.

4. **Variable cost structure:** While we look for a material step up in gross/operating margins at the corporate level, as the revenue mix skews in favor of higher-margin MicroSort royalty/consumables fees and real estate sales, the company's core IVF business remains subject to variable clinic costs, compensation, marketing, and general and administration expenses. Our model incorporates material increases in cost of goods sold and operating expenses (on absolute dollar bases), as volumes pick up and management further expands the company's footprint across businesses, products, and geographies.

5. **Dual share class structure:** NIVF's Chairman of the Board and Chief Executive Officer Mr. Wing Fung Alfred Siu and Director and Chief Marketing Officer Ms. Hei Yue Tina Fong collectively own 100% of Class B shares outstanding. With each Class B share entitled to 100 votes, Mr. Siu and Ms. Fong maintain ~16% of the voting power of the company's total shares outstanding based on our calculations. As such, Mr. Siu and Ms. Fong maintain meaningful influence over the election of directors, as well as potential mergers, acquisitions, and/or dispositions.

PROJECTED INCOME STATEMENT (USD)

NewGenIVF Group Limited
($ in thousands)

	Semi-Annually						Annual					Y/Y Growth			
	1H23	**2H23**	**1H24**	**2H24**	**1H25**	**2H25E**	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2025E**	**2026E**	**2027E**	**2028E**
	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	Dec-25	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-25	Dec-26	Dec-27	Dec-28
Revenues	**2,138.6**	**2,997.5**	**2,686.9**	**2,746.5**	**2,019.6**	**2,872.0**	**5,433.4**	**4,891.6**	**65,199.0**	**171,440.7**	**272,474.8**	**-10%**	**1233%**	**163%**	**59%**
Cost of Revenues	1,205.9	2,248.4	2,048.0	1,558.5	1,705.8	1,629.7	3,606.5	3,335.6	26,079.6	68,576.3	108,989.9	-8%	682%	163%	59%
Gross Profit	**932.7**	**749.1**	**638.9**	**1,188.0**	**313.8**	**1,242.3**	**1,826.9**	**1,556.1**	**39,119.4**	**102,864.4**	**163,484.9**	**-15%**	**2414%**	**163%**	**59%**
Operating Expenses															
Selling and marketing	2.9	15.1	56.7	149.6	307.2	436.8	206.3	744.0	10,757.8	18,429.9	17,710.9	261%	1346%	71%	-4%
General and administrative	1,223.3	398.2	869.9	1,911.2	3,247.0	3,513.2	2,781.1	6,760.2	9,809.5	10,362.0	7,239.5	143%	45%	6%	-30%
Total Operating Expenses	**1,226.2**	**413.4**	**926.6**	**2,060.8**	**3,554.2**	**3,950.0**	**2,987.4**	**7,504.2**	**20,567.3**	**28,791.9**	**24,950.4**	**151%**	**174%**	**40%**	**-13%**
Operating Income/(Loss)	**(293.5)**	**335.7**	**(287.7)**	**(872.8)**	**(3,240.4)**	**(2,707.8)**	**(1,160.5)**	**(5,948.1)**	**18,552.1**	**74,072.5**	**138,534.5**	**413%**	**-412%**	**299%**	**87%**
Other income (expense), net	8.5	103.3	7.1	964.2	4,062.3	19,200.0	971.4	23,262.3	0.0	0.0	0.0	2295%	-100%	NM	NM
Interest income	0.4	0.2	12.9	(6.0)	1.6	0.0	7.0	1.6	0.0	0.0	0.0	-77%	-100%	NM	NM
Interest expense	(10.5)	(35.7)	(120.2)	(658.5)	(125.5)	(67.9)	(778.7)	(193.4)	0.0	0.0	0.0	-75%	-100%	NM	NM
Pre-Tax Income/(Loss)	**(295.1)**	**403.5**	**(387.8)**	**(573.0)**	**698.0**	**16,424.3**	**(960.8)**	**17,122.4**	**18,552.1**	**74,072.5**	**138,534.5**	**-1882%**	**8%**	**299%**	**87%**
Income tax expense (benefit)	83.7	(83.7)	0.0	(486.7)	0.0	0.0	(486.7)	0.0	0.0	0.0	0.0	-100%	NM	NM	NM
Net Income/(Loss)	**(378.8)**	**487.2**	**(387.8)**	**(86.3)**	**698.0**	**16,424.3**	**(474.1)**	**17,122.4**	**18,552.1**	**74,072.5**	**138,534.5**	**-3712%**	**8%**	**299%**	**87%**
Net income/(Loss) attributable to NCI	(70.9)	49.1	8.8	41.8	(26.9)	(634.0)	50.5	(660.9)	10,171.0	42,588.8	80,634.5	-1408%	-1639%	319%	89%
Net Inc/(Loss) attributable to Shareholders	**(307.9)**	**438.1**	**(396.5)**	**(128.1)**	**725.0**	**17,058.3**	**(524.6)**	**17,783.3**	**8,381.1**	**31,483.7**	**57,900.0**	**-3490%**	**-53%**	**276%**	**84%**
Earnings/(loss) per share	**(629.39)**	**613.29**	**(54.14)**	**(2.25)**	**2.53**	**3.09**	**(20.82)**	**6.12**	**1.59**	**6.35**	**11.87**	**-129%**	**-74%**	**299%**	**87%**
Adjusted earnings/(loss) per share	**(629.39)**	**613.29**	**(54.14)**	**(2.25)**	**(12.19)**	**(0.52)**	**(20.82)**	**(2.19)**	**1.59**	**6.35**	**11.87**	**-89%**	**-172%**	**299%**	**87%**
Weighted avg shares out, basic	0.6	0.8	7.2	38.4	275.9	5,319.4	22.8	2,797.7	11,670.3	11,670.3	11,670.3	12186%	317%	0%	0%
Weighted avg shares out, diluted	0.6	0.8	7.2	38.4	275.9	5,319.4	22.8	2,797.7	11,670.3	11,670.3	11,670.3	12186%	317%	0%	0%
% of Revenues															
Selling and marketing	0.1%	0.5%	2.1%	5.4%	15.2%	15.2%	3.8%	15.2%	16.5%	10.8%	6.5%				
General and administrative	57.2%	13.3%	32.4%	69.6%	160.8%	60.0%	51.2%	138.2%	12.3%	5.0%	2.0%				
Margins															
Gross Margin	43.6%	25.0%	23.8%	43.3%	15.5%	43.3%	33.6%	31.8%	60.0%	60.0%	60.0%				
Operating Income	-13.7%	11.2%	-10.7%	-31.8%	-160.4%	-94.3%	-21.4%	-121.6%	28.5%	43.2%	50.8%				

Note: Our model consolidates RAK Project financials, with Adjusted EPS calculated after incorporating related Non-Controlling Interests (NCI).
Source: Company reports and Zacks SCR estimates and calculations.

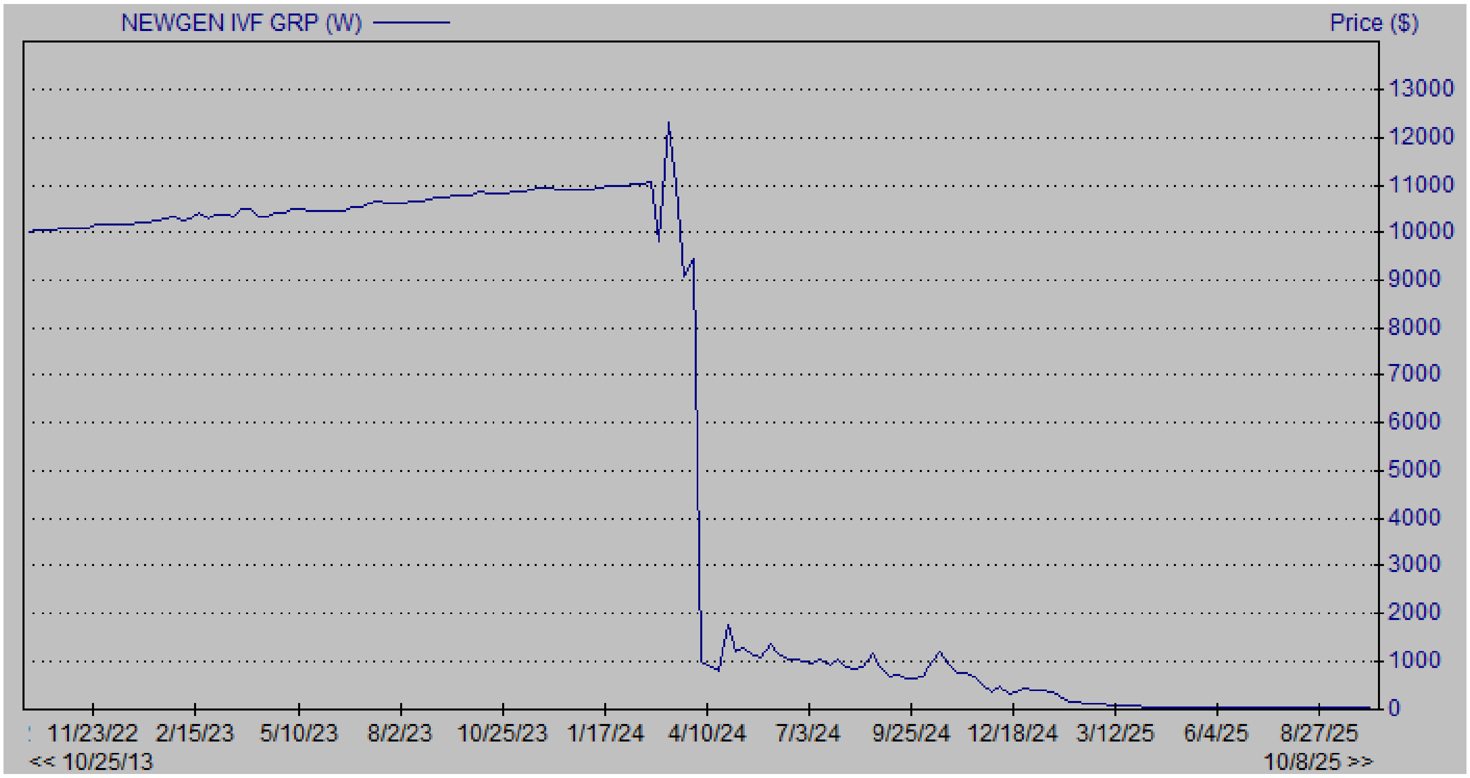
PROJECTED BALANCE SHEET (USD)

NewGenIVF Group Limited
($ in thousands)

	Semi-Annually					Annual					Y/Y Growth			
	2H23	1H24	2H24	1H25	2H25E	2024	2025E	2026E	2027E	2028E	2025E	2026E	2027E	2028E
	Dec-23	Jun-24	Dec-24	Jun-25	Dec-25	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-25	Dec-26	Dec-27	Dec-28
Assets														
Current Assets:														
Cash and cash equivalents	54.1	184.1	457.7	1,608.5	21,640.6	457.7	21,640.6	22,506.3	23,406.5	91,021.0	4628%	4%	4%	289%
Accounts receivable, net	9.4	172.5	49.2	63.6	66.1	49.2	66.1	30,071.4	77,477.1	7,675.3	34%	45387%	158%	-90%
Inventories	126.3	102.8	80.8	96.1	99.9	80.8	99.9	114.9	132.2	152.0	24%	15%	15%	15%
Deposits, other receivables and deferred legal 8	512.6	703.9	195.4	2,112.4	2,112.4	195.4	2,112.4	2,112.4	2,112.4	2,112.4	981%	0%	0%	0%
Deposit with a digital asset trading platform	0.0	0.0	1,000.0	0.0	0.0	1,000.0	0.0	0.0	0.0	0.0	-100%	NM	NM	NM
Receivable from agents	0.0	0.0	1,191.8	821.3	854.2	1,191.8	854.2	922.5	996.3	1,076.0	-28%	8%	8%	8%
Prepayments	1,262.2	0.0	197.7	0.0	0.0	197.7	0.0	0.0	0.0	0.0	-100%	NM	NM	NM
Loan to A SPAC I	140.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NM	NM	NM	NM
Due from shareholders	354.3	0.0	0.0	382.7	0.0	0.0	0.0	0.0	0.0	0.0	NM	NM	NM	NM
Total Current Assets	2,458.8	1,163.3	3,172.7	5,084.6	24,773.3	3,172.7	24,773.3	55,727.5	104,124.5	102,036.7	681%	125%	87%	-2%
Non-Current Assets:														
Plant and equipment, net	162.2	159.9	273.1	348.9	362.8	273.1	362.8	1,491.8	1,715.6	1,973.0	33%	311%	15%	15%
Right-of-use assets, net	283.8	272.5	98.6	1,006.4	1,046.7	98.6	1,046.7	1,130.4	1,220.8	1,318.5	962%	8%	8%	8%
Intangible assets	0.0	0.0	0.0	5,723.7	21,833.7	0.0	21,833.7	20,043.7	18,253.7	16,463.7	NM	-8%	-9%	-10%
Prepayments	1,582.2	2.0	33.3	0.0	0.0	33.3	0.0	0.0	0.0	0.0	-100%	NM	NM	NM
Investment in Artwork	0.0	0.0	0.0	270.0	280.8	0.0	280.8	303.3	327.5	353.7	NM	8%	8%	8%
Deposits, prepayment and other rec's, net	0.0	0.0	0.0	1,444.3	1,444.3	0.0	1,444.3	1,444.3	1,444.3	1,444.3	NM	0%	0%	0%
Financial Assets	0.0	0.0	0.0	665.9	692.5	0.0	692.5	747.9	807.7	872.4	NM	8%	8%	8%
Deferred debt issuance cost	0.0	0.0	0.0	274.2	274.2	0.0	274.2	274.2	274.2	274.2	NM	0%	0%	0%
Total Non-Current Assets	2,028.2	434.4	405.0	9,733.3	25,935.0	405.0	25,935.0	25,435.6	24,043.9	22,699.7	6304%	-2%	-5%	-6%
Total Assets	**4,487.0**	**1,597.7**	**3,577.7**	**14,817.9**	**50,708.3**	**3,577.7**	**50,708.3**	**81,163.1**	**128,168.4**	**124,736.5**	**1317%**	**60%**	**58%**	**-3%**
Liabilities														
Current Liabilities:														
Accounts payable	172.6	1,940.6	1,299.0	876.3	2,893.8	1,299.0	2,893.8	17,009.5	6,689.9	7,693.4	123%	488%	-61%	15%
Accrued liabilities and other payables	241.6	3,015.0	500.7	344.9	351.7	500.7	351.7	365.8	380.5	395.7	-30%	4%	4%	4%
Contract liabilities	7.9	37.6	63.5	66.8	68.1	63.5	68.1	70.8	73.7	76.6	7%	4%	4%	4%
Due to related parties	0.0	811.2	154.5	0.0	15,000.0	154.5	15,000.0	45,600.0	27,424.0	424.0	9612%	204%	-40%	-98%
Operating lease liabilities, current	207.1	199.3	108.5	700.8	714.8	108.5	714.8	743.4	773.1	804.0	559%	4%	4%	4%
Finance lease liabilities, current	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NM	NM	NM	NM
Derivative liability	0.0	0.0	0.0	304.4	304.4	0.0	304.4	304.4	304.4	304.4				
Taxes payable	486.7	486.7	11.7	3.7	3.8	11.7	3.8	4.0	4.1	4.3	-68%	4%	4%	4%
Total Current Liabilities	1,122.5	6,490.4	2,137.9	2,296.8	19,336.6	2,137.9	19,336.6	64,097.9	35,649.6	9,702.4	804%	231%	-44%	-73%
Non-Current Liabilities:														
Operating lease liabilities, non-current	119.0	114.1	10.2	298.0	303.9	10.2	303.9	316.1	328.7	341.9	2871%	4%	4%	4%
Convertible notes, non-current	0.0	3,383.9	2,911.4	3,434.0	0.0	2,911.4	0.0	0.0	0.0	0.0	-100%	NM	NM	NM
Total Non-Current Liabilities	119.0	3,498.0	2,921.6	3,732.0	303.9	2,921.6	303.9	316.1	328.7	341.9	-90%	4%	4%	4%
Total Liabilities	**1,241.4**	**9,988.4**	**5,059.5**	**6,028.7**	**19,640.6**	**5,059.5**	**19,640.6**	**64,414.0**	**35,978.4**	**10,044.3**	**288%**	**228%**	**-44%**	**-72%**
Total Shareholders' Equity	**3,245.6**	**(8,390.7)**	**(1,481.8)**	**8,789.2**	**31,067.7**	**(1,481.8)**	**31,067.7**	**16,749.1**	**92,190.0**	**114,692.2**	**-2197%**	**-46%**	**450%**	**24%**
Total Liabilities & Shareholders' Equity	**4,487.0**	**1,597.7**	**3,577.7**	**14,817.9**	**50,708.3**	**3,577.7**	**50,708.3**	**81,163.1**	**128,168.4**	**124,736.5**	**1317%**	**60%**	**58%**	**-3%**

Source: Company reports and Zacks SCR estimates and calculations.

HISTORICAL STOCK PRICE



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