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NewGenIVF Group Limited (NIVF-NASDAQ)

NIVF: YTD Financial Results Generally Tracking Our 2025 Full-Year Forecasts; Plenty of Growth Catalysts on Tap

Research Note

Pre-market open on 12/2/25, NewGenIVF Group (NIVF) reported financial results for the nine months ended September 30, 2025. Following our review of YTD results, we highlight the following key takeaways:

1. **Financials mostly tracking in line with our full-year estimates:** On a GAAP basis, NIVF reported net income of $17.5 million for the nine months ended 9/30/25, or $96.76 per basic share, representing a considerable turnaround from a net loss of $416K, or $205.97 per share, for the prior-year period. Much of the year-over-year improvement can be attributed to non-cash bargain purchase gains totaling $23.4 million related to the recent acquisitions of MicroSort technology and advanced cytometry intellectual property and equipment from Nodexus. For reference, our model calls for net income of $17.5 million for 2025.

   Focusing on the top line, NIVF generated year-to-date (YTD) total revenues of $3.3 million compared to $4.2 million for the first three quarters of 2024. After factoring in cost of revenues of $2.9 million, gross profit totaled $0.4 million for the first nine months of 2025 translating into a gross margin of 13.1%. YTD operating expenses totaled $6.2 million versus $1.4 million for the prior-year period, with much of the step up related to higher general & administrative costs associated with ongoing strategic initiatives to further expand and diversify the company's portfolio of businesses (discussed next).

   Following through, NIVF reported a YTD operating loss of $5.8 million compared to $71K for the first three quarters of 2024. That said, the company generated $23.2 million of non-operating income for the nine months ended 9/30/25 compared to a loss of $347K for the prior-year period. Looking ahead, we will wait until NIVF reports full-year 2025 results to formally update our earnings model.

2. **Plenty of growth catalysts:** Beyond the core IVF business, management remains proactive in further building out the company's portfolio of businesses, thereby enhancing growth prospects and sustainability – likely driving an outsized upward revaluation for the stock over time, we believe.

   a. **Transformational acquisition:** First and foremost, the company recently announced the execution of a non-binding term sheet related to a proposed merger with SAXA, Inc., an international holding company focused on high-value mining assets. Terms of the proposed transaction include the issuance of 500 million Class A shares of NIVF stock to SAXA shareholders in exchange for: 1) placer mining claims on 640 acres in La Paz

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County, Arizona administered by the U.S. Bureau of Land Management (BLM); and 2) claims on 440 acres in California wherein ore samples were found to contain recoverable gold, silver, and Rare Earth Elements (REEs).

Focusing on the Arizona gold and silver mine, the most recent NI 43-101 technical report estimates life-of-mine production of 1.9 million ounces of gold and 4.4 million ounces of silver translating into total sales of $8.1 billion based on recent Au and Ag prices. After accounting for equipment, mining costs, and taxes, we put cumulative net cash flows at $4.8 billion over 10 years. After layering in an initial mine acquisition cost of $25 million along with $124 million of development/expansion expenses, and assuming a 10% discount rate (at the high end of precious metal mining projects in similar jurisdictions), we calculate a Net Present Value (NPV) of $2.3 billion for the Arizona project.

Turning to the Gold Earths & Mineral Strategies (GEMS) processing facility, management is allocating $1.5 billion of capital expenditures spread across the next 24 months for engineering, procurement, and construction costs. Importantly, CapEx needs are mostly secured by commitments across structures and funding groups (a key differentiating factor relative to most other junior miners), with deployment front-loaded to expedite production and related cash flows. According to the NI 43-101 technical report, the facility is projected to reach peak revenue of $2.5 billion per year (seemingly based on conservative commodities prices) in year three of operations. After factoring in operating expenses and taxes and assuming a 10% discount rate, we calculate a Net Present Value of $4.2 billion for the GEMS facility.

b. **Digital asset treasury/tokenization strategies:** Senior executives remain focused on pursuing a Digital Asset Treasury (DAT) strategy, with plans to invest up to $30 million in Solana (SOL). As of 11/28/25, the company had acquired 13,000 SOL translating into $1.8 million at current prices. Moreover, the company recently announced a binding term sheet with an investment firm for a digital assets purchase agreement. Pursuant to the term sheet, NIVF maintains the option to sell shares of common stock to the investment firm in exchange for up to 600,000 SOL tokens (~$84 million at current prices), thereby further supporting the company's DAT strategy.

   Furthermore, more recent digital assets business opportunities include engagement letters with SAXA and the World Chinese Museum to act as the agent for the tokenization of gold-backed assets and a private art collection, respectively. Initial tranches involve $100 million of gold-backed assets and artwork valued at $2 million, with opportunities to expand tokenizations to $1 billion and $200 million, in that order. From a revenue perspective, NIVF can earn 5% commissions on gold-backed assets sold and a 15% fee on the value of artwork tokenized. Stepping back, tokenization provides for incremental monetization opportunities, partial ownership stakes, and enhanced liquidity across transparent, secure, and efficient markets.

c. **Real estate kicker:** NIVF recently announced plans to invest $45 million to acquire, develop, and resell real estate properties across the United Arab Emirates (UAE). 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. 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.

3. **Strengthening the balance sheet:** As of 9/30/25, NIVF's book value totaled $28.7 million, of $66.75 per share based on 430,540 shares outstanding (adjusted for the recent 1-for-5 reverse stock split) compared to a shareholder deficit of $1.5 million as of 12/31/24. Much of the step-up reflected higher intangible assets related to recent acquisitions. Importantly, the Board of Directors recently authorized a $2 million share repurchase program, thereby further enhancing shareholder alignment, while reinforcing management's conviction in prospective growth prospects and pending transactions.

VALUATION

Turning to valuation, our DCF-derived price target for standalone NIVF is based on explicit EBIT forecasts through 2028, a cyclical EBIT trajectory thereafter, a perpetual growth rate of 3% (despite sustainably higher growth rates for the foreseeable future), and an exit EV/EBITDA multiple of 3x. Looking ahead, assuming the reverse merger with SAXA closes, our work suggests considerable upside for NIVF shares on a pro forma basis. More specifically, we calculate NPVs of $2.3 billion and $4.2 billion for the AZ mine and GEMS facility, respectively, and ascribe $88 million of value to the CA project based on a potential resource value of $8.8 billion (440 acres at $20 million/acre). We generally use 1% of resource value for a project at this early stage reflecting considerable uncertainty and the work required to further advance the project through to development.

INVESTMENT THESIS

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.

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., particularly assuming incremental governmental support. 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.

4. **Building earnings power:** 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.

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:** 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.

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 meaningful influence over the election of directors, as well as potential mergers, acquisitions, and/or dispositions.

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