

# Zacks Small-Cap Research

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## SBC Medical Group Holdings (SBC-NASDAQ)

### SBC: Expanding Footprint into Important U.S. Market as Global Expansion Continues

Last week, SBC completed an equity investment and implemented a collaboration with OrangeTwist, a leading U.S.-based MedSpa chain that operates 24 locations across multiple states, offering services within high-growth categories SBC prioritizes.

Current Price (1/8/26) \$4.54  
Valuation \$6.50

### OUTLOOK

SBC plans to expand domestically and internationally & plans to jointly pursue opportunities with OrangeTwist that leverage cross-border synergies between the U.S. and Asia. The company's global expansion strategy rests on three core tenets:

1. Partnering with high-performing regional operators with scalable business models; 2. Deploying SBC's expertise to drive efficiencies and optimize operating performance; 3. Securing first-mover advantages, support innovation and margin expansion. This initiative follows other recent expansion into the markets in Thailand and Singapore.

### SUMMARY DATA

52-Week High \$7.00  
52-Week Low \$2.62  
One-Year Return (%) -11  
Beta 1.14  
Average Daily Volume (sh) 57,362

Shares Outstanding (mil) 103  
Market Capitalization (\$mil) \$463  
Short Interest Ratio (days) N/A  
Institutional Ownership (%) 61  
Insider Ownership (%) 64

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 11.1

P/E using 2025 Estimate 9.3

P/E using 2026 Estimate N/A

#### Risk Level

Type of Stock

N/A,  
Small-Growth

### ZACKS ESTIMATES

#### Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022					174 A
2023	43 A	41 A			194 A
2024	55 A	53 A	53 A	44 A	205 A
2025	47 A	43 A	43 A	49 E	183 E

#### EPS / Loss Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022					0.79 A
2023	0.06 A	0.11 A	0.09 A	0.15 A	0.42 A
2024	0.20 A	0.20 A	0.03 A	0.06 A	0.48 A
2025	0.21 A	0.02 A	0.12 A	0.15 E	0.49 E

Quarters might not sum due to rounding & share counts

Disclosures on page 8 '23/24 PF

## INVESTMENT IN U.S. OPERATOR: PHASE 1 OF EXPANSION STRATEGY

### *International strategy – enter new markets, expand global footprint*

SBC Medical Group Holdings (SBC-NASDAQ) provides end-to-end solutions enabling aesthetics clinics to launch, expand and/or operate their businesses. SBC has launched multiple organic growth strategies and also plans to leverage strategic M&A to complement organic measures.

The company's view is that "the Japanese medical sector has two viable paths for growth: we must either attract more international patients or bring Japanese medical expertise abroad" and SBC is pursuing both strategies, using a disciplined financial approach. SBC sees international expansion, focused on the U.S. and Southeast Asia, as integral to creating long-term value. By 2027, the company expects to operate a significantly larger global footprint offering diversified medical services, with an emphasis on aesthetic medicine. In the U.S., SBC is exploring growing a MedSpa presence on the West Coast and expanding further within the market through strategic M&A.

#### Recent International expansion

- Singapore
- Thailand
- U.S.

Last week, SBC completed an equity investment and implemented a collaboration with OrangeTwist, a leading U.S.-based MedSpa chain that operates 24 locations in California, Texas, Washington, Nevada, Colorado and New Jersey, offering injectable, energy-based, and regenerative treatments, among other services within high-growth categories SBC prioritizes. Healthcare-focused private equity firm Hildred Capital and Athyrrium Capital, a specialized asset management company focused on investment opportunities in the global healthcare sector, are also longstanding institutional shareholders in OrangeTwist.

This initiative marks Phase 1 of SBC's market entry, which envisions three phases (subsequent phases are to respectively attain scale and market leadership). SBC and OrangeTwist plan to jointly pursue joint opportunities that leverage cross-border synergies between the U.S. and Asia. The company's global expansion strategy rests on three core tenets:

1. Partnering with high-performing regional operators with scalable business models
2. Deploying SBC's expertise to drive efficiencies and optimize operating performance
3. Securing first-mover advantages, support innovation and margin expansion

### *Earlier expansions into the markets in Thailand and Singapore*

In addition, SBC has recently expanded into the markets in Thailand and Singapore. The company acquired AHH, a leading provider in Singapore that operates approximately 20 aesthetic and medical locations, in November 2024. This acquisition marks a key milestone in the company's expansion strategy, serving as a critical hub for the company's operations across Asia.

SBC also recently entered into a Consulting Agreement with BLEZ ASIA, which operates 20+ pharmacies and clinics in Thailand to help facilitate its entry into the growing Thai aesthetic medicine market. SBC intends to deliver management support to a new clinic in Bangkok focusing primarily on dermatological treatments that is expected to open by year-end. SBC has cited industry research forecasting that the Thai aesthetic medicine market is projected to reach US\$1.118 billion by 2033 from an estimated roughly US\$372.24 million in 2024.

The company appointed Dr. Ewen Chee to head its expansion strategy in Asia to help the company advance its global expansion strategy. Dr. Chee's role will be to support physician recruitment and training across the Asia-Pacific region and facilitate SBC's global strategy. SBC also recently appointed Dr. Steven R. Cohen as Medical Strategy Advisor. Based in California, he has more than 30 years of clinical experience, has published many scientific papers and textbooks and also is a Clinical Professor at the University of California, San Diego. SBC intends to expand further in existing and potentially additional markets.

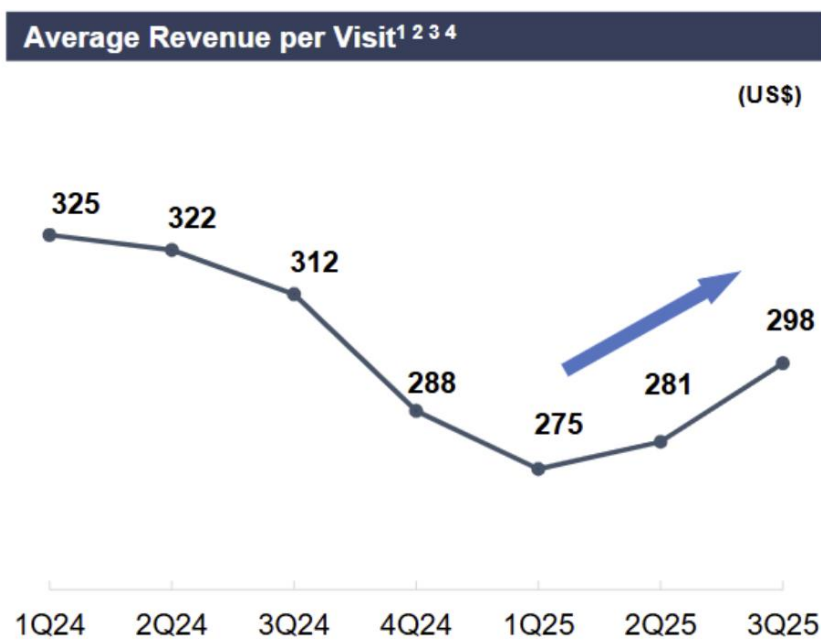
### **Strong balance sheet supports expansion measures**

The company conducts its M&A strategy maintaining a disciplined financial process and has a solid cash balance and minimum debt. The company ended 3Q25 with cash and equivalents of \$127.4 million, compared to \$125 million at year-end 2024. This is expected to give SBC the flexibility to pursue strategic growth opportunities. The company intends to allocate available capital to organic and strategic M&A investments in Japan and internationally. SBC's strategy is to focus on expanding its clinic network, enhancing its technology capabilities, developing new services and pursuing strategic partnership or acquisitions to complement and enhance organic growth prospects.

SBC also expects to be strategic in its market selection process as it expands both domestically and internationally, with the intention to launch new clinics in both new and existing markets to reinforce its market position. SBC's goal is to leverage the expertise it has developed through more than 20 years of operating history in order to expand geographically and into adjacent areas within certain fields.

## **ORGANIC INITIATIVES TO DRIVE GROWTH**

Within its home market, SBC has implemented multiple organic measures to drive growth. For example, SBC launched a multi-brand strategy to address the increasingly diverse needs of its growing customer base to customize services across multiple brands, segment the market and garner more market share overall. Partially reflecting the multi-brand strategy, including pricing adjustments, average revenue per customer increased 5% in 3Q25.



Source: [Company presentation](#)

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## VALUATION

Using other companies related to the medical aesthetics space or which provide solutions to the healthcare sector, there is a wide range of price-to-sales (P/S) multiples, ranging from as low as 0.45x to 1.0x or higher. We use a P/S multiple at the mid end of the above noted range and apply a roughly 50% confidence factor is appropriate at this point given certain industry challenges. On this basis, on our 2025 topline forecast, we derive a near-term valuation of about \$6.50. If SBC can deliver on its growth initiatives, in success we would anticipate share price appreciation over time.

Nevertheless, we believe that it is difficult to compare SBC shares to those of other publicly traded companies, as there does not seem to be a direct and comprehensive competitor, particularly given SBC's focus on the growing medical aesthetics space. As the company adds new clinics either organically or through M&A as with MB career lounge and continues to broaden its offerings, the company expect it will translate into multiple expansion. The company also believes the company's goal to improve the trading liquidity of its shares could lead to multiple expansion, as well, particularly if the company implements a dividend for shareholders.

To enhance shareholders value, the company is considering implementing a share repurchase plan and/or paying dividends. The board approved a 5-million share repurchase program. Shares repurchased would be earmarked for employee stock based compensation in the future to better align employee incentives with initiatives to deliver long-term shareholder value and retain talent. The company recently filed a prospectus for a secondary share offering by certain existing security holders. Issuing new shares and / or having existing security holders and/or the founder reduce holdings in order could inject liquidity into the float.

Any delay or failure in successful execution of the strategy could represent a potential risk to the company's valuation and cause the share price to decline. The company believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon.

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## RECENT NEWS

- SBC entered the U.S. market on January 5, 2026.
- SBC entered the Thai market on November 14, 2025.
- SBC announced the launch of new brand, "Hada no Aozora Clinic" on September 17, 2025.
- SBC appointed Dr. Ewen Chee President Lead Doctor for Asia Strategy on August 25, 2025.
- The company acquired MB career lounge, Co., Ltd. on July 17, 2025.
- SBC appointed Dr. Steven R. Cohen as Medical Strategy Advisor on July 14, 2025.
- SBC appointed a new Chief Marketing Officer on July 7, 2025.
- On June 27, 2025, SBC shares were added to the Russell 3000® Index.
- SBC reported 1Q25 results on May 15, 2025 and announced a share repurchase program.
- SBC announced a Bitcoin strategy on February 2, 2025, but has deferred further Bitcoin purchases.

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## RISKS

SBC faces the following risks, among others.

- SBC Medical is a controlled company and the interests of its majority shareholder might differ from those of public shareholders.
- In addition, the competitive nature of the aesthetic medical industry and the need to continuously upgrade technology present risks, as well.
- Industry headwinds could persist beyond longer than management anticipates.
- New initiatives could take longer than expected to gain traction or might not gain traction at all.
- Growth might be constrained temporarily by limitations of its internal infrastructure.
- Moreover, the company faces potential foreign exchange (FX) risk. Its businesses in Japan are conducted in Japanese yen.
- The potential issuance of equity or warrants exercise by existing security holders could be dilutive.

## FINANCIAL MODEL

### SBC Medical Group Holdings

SBC Medical Group Holdings (US\$)

	1Q24	2Q24A	3Q24A	4Q24A	2024A	1Q25A	2Q25A	3Q25A	4Q25E	2025E
Total revenue	54,808,042	53,102,080	53,084,883	44,420,537	205,415,542	47,328,701	43,358,847	43,353,235	48,684,909	182,725,692
Cost of revenues	15,288,667	13,682,405	9,845,793	10,548,170	49,365,035	9,595,617	13,348,270	12,741,748	10,223,831	45,909,466
Gross profit	39,519,375	39,419,675	43,239,090	33,872,367	156,050,507	37,733,084	30,010,577	30,611,487	38,461,078	136,816,226
Operating expenses:										
S,G&A	15,058,490	12,129,115	16,597,032	13,880,503	57,665,140	13,531,010	15,456,385	14,730,247	14,216,645	57,934,287
Other	-	-	12,807,455	15,274,202	28,081,657	-	-	-	-	-
Misappropriation loss	-	-	-	-	-	-	-	-	-	-
Total operating expenses	15,058,490	12,129,115	29,404,487	29,154,705	85,746,797	13,531,010	15,456,385	14,730,247	14,216,645	57,934,287
Operating income	24,460,885	27,290,560	13,834,603	4,717,662	70,303,710	24,202,074	14,554,192	15,881,240	24,244,432	78,881,938
Interest income	17,689	11,644	7,950		19,943	55,333	22,882	120,384		
Interest expense	(3,008)	(7,424)	(5,466)		(28,300)	(6,207)	(49,651)	(48,635)		
Other income	349,681	306,291	65,922		4,810,008	151,328	33,771	2,526,035		
Other expenses	(1,436,656)	(514,636)	(795,158)		(5,463,153)	(1,697,259)	(1,132,465)	(6,564)		
Gains	3,813,609	-	-	-	3,813,609	8,746,138	111,632	34,404	-	-
Total other inc (exp)	2,741,315	(204,125)	(726,752)	1,341,669	3,152,107	7,249,333	(1,013,831)	2,625,624	162,537	9,023,663
Pretax income	27,202,200	27,086,435	13,107,851	6,059,331	73,455,817	31,451,407	13,540,361	18,506,864	24,406,970	87,905,602
Taxes	8,451,984	8,529,110	10,273,384	(488,553)	26,765,925	9,959,457	11,100,509	5,673,538	8,054,300	34,787,804
Net income	18,750,216	18,557,325	2,834,467	6,547,884	46,689,892	21,491,950	2,439,852	12,833,326	16,352,670	53,117,798
Non-controlling interest	(7,536)	72,917	1,573	8,663	75,617	(10,496)	(18,388)	(8,690)	(7,359)	(44,933)
Net to SBC	18,757,752	18,484,408	2,832,894	6,539,221	46,614,275	21,502,446	2,458,240	12,842,016	16,360,028	53,162,730
EPS	\$2.36	\$2.33	\$0.03							
EPS PF	\$0.20	\$0.20	\$0.03	\$0.06	\$0.48	\$0.21	\$0.02	\$0.12	\$0.15	\$0.49
Avg shares out (mn, 1Q, 2Q '23 not PF)	94,192,433	94,192,433	95,095,144	102,764,154	96,561,041	103,276,637	103,507,249	102,642,634	103,611,211	103,259,433

Source: Company reports, Zacks estimates

## HISTORICAL STOCK PRICE



Source: Yahoo Finance

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