

# Zacks Small-Cap Research

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## SBC Medical Group Holdings (SBC-NASDAQ)

### SBC: Avg. Revenue / Customer Visit Trending Up; Expected Benefits of Expansion in Wellness & Longevity Areas

SBC is conducting a multi-brand strategy in aesthetic dermatology and other areas to address the increasingly diverse needs of its growing customer base, including increased focus on specialties where it believes it has substantial opportunities to grow and gain market share, such as wellness & longevity.

Current Price (4/2/26) \$4.47  
Valuation \$7.00

### OUTLOOK

With average revenue per customer visit on the upswing and the anniversary of the changes to its franchise fee structure in 2Q26, SBC is optimistic about domestic operating trends and about its international expansion activities. SBC plans to pursue opportunities with OrangeTwist that leverage cross-border synergies between the U.S. and Asia. SBC is also leveraging AI to lower costs and increase operational efficiency. AI can enhance a range of applications including many where clinics interact with customers. For example, AI tech can provide skin analysis, and in turn lower costs and help expand SBC service offerings.

### SUMMARY DATA

52-Week High \$5.75  
52-Week Low \$2.97  
One-Year Return (%) 31  
Beta 0.99  
Average Daily Volume (sh) 31,535

Shares Outstanding (mil) 103  
Market Capitalization (\$mil) \$460  
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 8.9  
P/E using 2025 8.9  
P/E using 2026 Estimate 9.7

Risk Level N/A,  
Type of Stock Small-Growth

### ZACKS ESTIMATES

#### Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
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	40 A	174 A
2026	42 E	46 E	47 E	44 E	178 E

#### EPS / Loss Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
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	0.14 A	0.50 A
2026	0.09 E	0.12 E	0.13 E	0.12 E	0.46 E

Quarters might not sum due to rounding & share counts

Disclosures on page 9 '23/24 PF

## ANNIVERSARY OF CHANGES IN FEE STRUCTURE BODES WELL GOING FORWARD

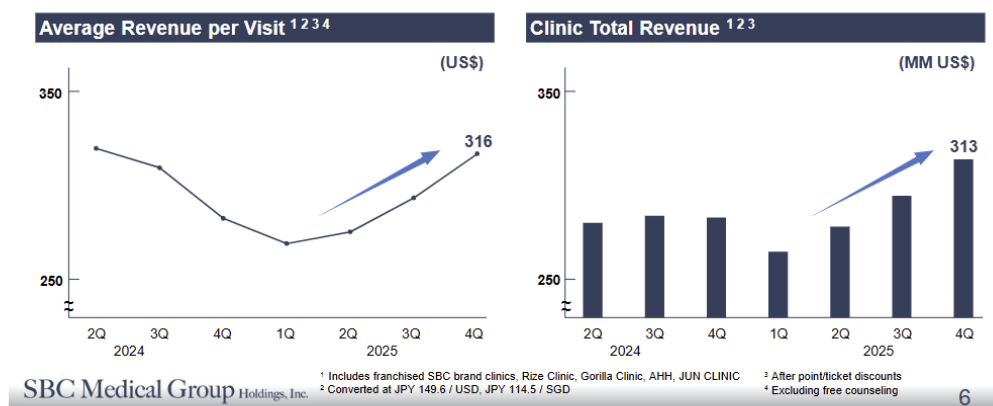
### Average revenue per customer visit on the upswing

SBC Medical Group Holdings (SBC-NASDAQ), which provides end-to-end solutions enabling aesthetics clinics to launch, expand and/or operate their businesses, recorded solid 2025 results following the launch of multiple organic growth strategies. For example, in April 2025 the company revised its franchise fee structure to make it easier financially for franchisees to join its network and, as they ramp services and customer bases, pay fees based a tiered fee system that aligns with the scale. This had a negative impact on 2025 revenue but indicates improving cost efficiencies were achieved by 2H25, as SBC expected.

SBC launched a multi-brand strategy in aesthetic dermatology and other areas 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. SBC has also increased its focus on many non-aesthetic specialties where it believes it has substantial opportunities to grow and gain more market share. Reflecting these and other changes and improved product mix, average revenue per customer visit has begun to recover and improve. The company is optimistic about recent growth measures, including expanding its service offerings and enhancing focus on medical tourism. The company expects efforts will continue to diversify revenue sources. SBC also 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.

### Average Revenue per Visit and Clinic Total Revenue

- The recovery of the average revenue per visit led to the recovery in total clinic revenue



Source: [Company presentation](#)

### SBC expects to benefit from rapid anticipated growth in the wellness and longevity areas

In terms of SBC's expanding its focus on offering diverse service both within and beyond the aesthetic dermatology field, the company has upped its focus on wellness and longevity. SBC recently announced its new wellness and longevity platform, SBC Wellness 2.0, which combines aesthetic healthcare, preventative care, and data-driven health management. The company believes its multiple initiatives position it to benefit from rapid anticipated growth in the wellness and longevity areas.

Business Growth in Japan	Business Base Expansion in Japan	Accelerating Global Expansion
<ul style="list-style-type: none"> <li>● Average revenue per customer visit rebounded</li> <li>● Dermatology clientele expanded</li> <li>● AGA clinic network became top level</li> <li>● Orthopedics &amp; Fertility clinics expanded (+2 clinics)</li> </ul>	<ul style="list-style-type: none"> <li>● Opened NEO SKIN CLINIC</li> <li>● Opened Hada no Aozora Clinic</li> <li>● M&amp;A of MB career lounge (JUN CLINIC)</li> <li>● Consolidated Waqoo, Inc. via TOB</li> </ul>	<ul style="list-style-type: none"> <li>● Strategic investment in OrangeTwist</li> <li>● Strategic alliance with BLEZ</li> <li>● Dr. Steven R. Cohen appointed as advisor</li> </ul>

Source: [Company presentation](#)

Citing external data from Report Ocean, “Global, US & Japan Longevity Market,” SBC notes that the longevity market is forecast to reach roughly \$2 trillion by 2035, up from an estimated \$800 billion in 2025. The longevity market in Japan, SBC’s core home market, represents an estimated \$34 billion, according to SBC and still represents early stages of anticipated growth. The company is optimistic about this opportunity and expects to benefit from first-mover advantages.

Leveraging blood biomarkers, imaging, and AI tools to assess people’s conditions, SBC Wellness 2.0 focuses on prevention, physical performance, and overall health span. The platform recommends personalized protocols. SBC believes it is well-positioned in longevity, reflecting its network and annual customer visits, and expects to commercialize Wellness 2.0 through a mix of programs sold on a B2B2 basis to corporations as employee-wellness benefits and B2C self-pay medical and aesthetic healthcare services sold directly to customers.

### Expanding global footprint

Through strategic M&A in the U.S., SBC recently 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 Athyrium Capital, a specialized asset management company focused on investment opportunities in the global healthcare sector, are also longstanding institutional shareholders in OrangeTwist.



#### Japan: Stable Earnings Base

- Advantage as the No.1 brand
- Core businesses support global expansion
- Diversification includes non-aesthetic areas

#### U.S.: Establishing a Business Foundation

- OrangeTwist expands its MedSpa business
- Approach to Longevity market
- Exporting business to other regions

#### ASIA: Expanding Locations & B2B

- Exploring business expansion mainly utilizing M&A
- Exploring B2B business

Source: [Company presentation](#)

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.

Other recent expansion steps included 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.

The company appointed Dr. Ewen Chee to head its expansion strategy in Asia to help the company advance its global expansion strategy and separately 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.



Source: [Company presentation](#)

In addition to SBC's multi-brand strategy in aesthetic dermatology, expanding its global footprint, increasing its focus on offering diverse services, SBC is leveraging AI to lower costs and increase operational efficiency. AI can enhance a range of applications including many where clinics interact with customers. AI technologies can provide skin analysis, for example, and in turn lower costs and help expand service offerings.

### **Strong balance sheet**

The company conducts its M&A strategy maintaining a disciplined financial process and has a solid cash balance and minimum debt. The company ended 2025 with cash and equivalents of \$163.8 million, compared to \$127.4 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.

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## VALUATION

We use a P/S multiple and apply a roughly 60% confidence factor, which we believe is appropriate at this point. 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 this as a benchmark range. On this basis, we derive a near-term valuation of about \$7.00 on our 2026 topline forecast. If SBC can deliver on its growth initiatives, in success we would anticipate share price appreciation over time.

Although 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. Nevertheless, reflecting SBC's focus on the growing medical aesthetics space and expansion opportunities, 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

- The company announced 2025 results on March 27, 2026.
- SBC announced SBC Wellness 2.0 on March 24, 2026.
- 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.

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## RISKS

SBC faces the following risks, among others.

- As a controlled company, interests of SBC’s majority shareholder might differ from those of public shareholders.
- The aesthetic medical industry is competitive.
- The need to continuously upgrade technology present risks.
- 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.
- SBC faces potential foreign exchange (FX) risk.
- 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\$)

	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26E	2Q26E	3Q26E	4Q26E	2026E
Total revenue	47,328,701	43,358,847	43,353,235	39,566,706	173,607,489	41,649,257	46,393,966	46,734,787	43,523,377	178,301,387
Cost of revenues	9,595,617	13,348,270	12,741,748	10,638,132	46,323,767	11,245,299	12,526,371	12,618,393	11,751,312	48,141,375
Gross profit	37,733,084	30,010,577	30,611,487	28,928,574	127,283,722	30,403,958	33,867,595	34,116,395	31,772,065	130,160,013
Operating expenses:										
S,G&A	13,531,010	15,456,385	14,730,247	16,079,682	59,797,324	16,101,902	15,920,077	15,614,062	15,638,310	63,274,350
Other	-	-	-	-	-	-	-	-	-	-
Misappropriation	-	-	-	-	-	-	-	-	-	-
Total operating e:	13,531,010	15,456,385	14,730,247	16,079,682	59,797,324	16,101,902	15,920,077	15,614,062	15,638,310	63,274,350
Operating income	24,202,074	14,554,192	15,881,240	12,848,892	67,486,398	14,302,056	17,947,519	18,502,333	16,133,755	66,885,663
Interest income	55,333	22,882	120,384	(284)	198,315					
Interest expense	(6,207)	(49,651)	(48,635)	(56,090)	(160,583)					
Other income	151,328	33,771	2,526,035	2,907,364	5,618,498					
Other expenses	(1,697,259)	(1,132,465)	(6,564)	(317,263)	(3,153,551)					
Gains	<u>8,746,138</u>	<u>111,632</u>	<u>34,404</u>	<u>3,184,379</u>	<u>12,076,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other inc (e):	7,249,333	(1,013,831)	2,625,624	5,718,106	14,579,232	787,687	795,564	803,520	811,555	3,198,326
Pretax income	31,451,407	13,540,361	18,506,864	18,566,998	82,065,630	15,089,743	18,743,083	19,305,853	16,945,310	70,083,988
Taxes	9,959,457	11,100,509	5,673,538	4,287,103	31,020,607	4,511,833	5,060,632	5,212,580	4,575,234	19,360,279
Net income	21,491,950	2,439,852	12,833,326	14,279,895	51,045,023	10,577,910	13,682,451	14,093,272	12,370,076	50,723,709
Non-controlling in	(10,496)	(18,388)	(8,690)	79,604	59,410	(95,201)	(116,301)	(119,793)	(105,146)	(431,152)
Net to SBC	21,502,446	2,458,240	12,842,016	14,200,291	50,985,613	10,673,111	13,798,751	14,213,065	12,475,222	51,154,861
EPS										
EPS PF	\$0.21	\$0.02	\$0.12	\$0.14	\$0.50	\$0.09	\$0.12	\$0.13	\$0.12	\$0.46
Avg shares out (n	103,276,637	103,507,249	102,642,634	#####	102,997,967	103,027,967	103,050,816	103,057,967	103,080,816	103,054,392

Source: Company reports, Zacks estimates

## HISTORICAL STOCK PRICE



Source: Yahoo Finance

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