

## Beverly JCG

### Non-rated

Share price (\$S)	-
Target price (\$S)	-
Up / downside (%)	-

#### Company Profile

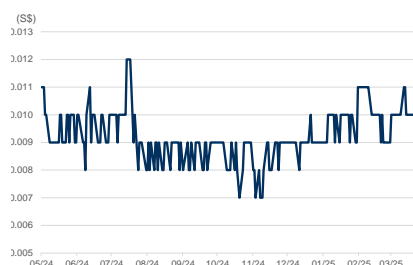
BJCG offers a broad suite of services including invasive and non-invasive aesthetic procedures, cosmetic surgery, dentistry, wellness treatments, and health management solutions. It is listed on the SGX Catalist.

BBG Ticker	JCGI SP
Market cap (\$m)	8.5
3M ADV (\$'000)	7.2
Free float (m shares)	463.3
Total shares outstanding (m)	850.3
52W High / Low (\$S)	0.012 / 0.007
Top shareholders (%)	
Dato Francis Ng	25.6

#### Price performance (%)

1M	3M	12M
22.2	-	-

#### 52W price chart



#### Analyst (s)

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### Maiden profit turnaround after 12 years

#### Investment Highlights

- **We initiate non-rated coverage on Beverly JCG (BJCG).** Following a major restructuring led by Dato' Francis, BJCG has significantly streamlined its operations – reducing operating theatre shifts and outsourcing its marketing and HR functions. Along with strong patient volume from its collaboration with GY Beauty starting 1<sup>st</sup> Oct 2024, this has boosted the firm's operating theatre utilisation from 30% to 65%. **As a result, the firm has turned its first quarterly profit after 12 years in operation, on the back of a 25.2% YoY growth in revenue.**
- **Collaboration with GY Beauty to support bottomline.** BJCG decided to collaborate with GY Beauty Aesthetic International Sdn Bhd, where BJCG leases out its unused operating theatre space to GY Beauty. This contributed approximately RM137,000 (\$\$41.4k) per month in incremental income to its BWMC-KL branch. Looking ahead, BJCG plans to continue leasing out unused or underutilized theatre space to supplement its ancillary income as it continues working on improving its core business.
- **Expansion plans in the works.** Following its cost rationalisation efforts, management has indicated plans to refocus on brand expansion by establishing a BW centre in every Malaysian state by 2026. This domestic rollout forms the foundation for the firm's broader ambition to become a recognised regional player, with plans to eventually set up aesthetic centres in Australia, Cambodia, Indonesia, Singapore, and Vietnam. To support this growth trajectory, BJCG has briefly mentioned that they start with expanding in KL first.
- **Medical aesthetics sector expected to pick up steam.** According to Data Bridge Market Research, the Asia-Pacific medical aesthetics market is projected to grow at a CAGR of 13.8% from 2023 to 2030, reaching an estimated US\$9.7 billion by 2030. This robust growth is driven by evolving beauty standards and the growing influence of social media, which have collectively fuelled demand for non-surgical cosmetic procedures. Hence, BJCG is expected to benefit from this trend in the longer term.

Key Financials (YE 31st Dec, \$m)	FY21	FY22	FY23	FY24	1Q25
Revenue	9.0	10.5	8.0	5.9	2.0
Gross Profit	4.4	5.7	4.4	3.1	1.2
EBITDA	(1.4)	(0.3)	(1.0)	(1.5)	0.2
PATMI	(2.5)	(2.1)	(2.2)	(4.9)	0.01
CFO	(0.7)	(0.7)	0.4	1.7	(1.3)
EPS (S cents)	(0.7)	(0.5)	(0.5)	(0.8)	0.001
DPS (S cents)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Net gearing (%)	5,585.1%	n.m.	2,938.2%	n.m.	n.m.
P/E (x)	-	-	-	-	-
P/B (x)	180.9	n.m.	95.5	n.m.	n.m.
ROE (%)	-	-	-	-	-
ROA (%)	(30.1%)	(28.7%)	(31.1%)	n.m.	0.3%

Source: Evolve Capital, Company

## Company background

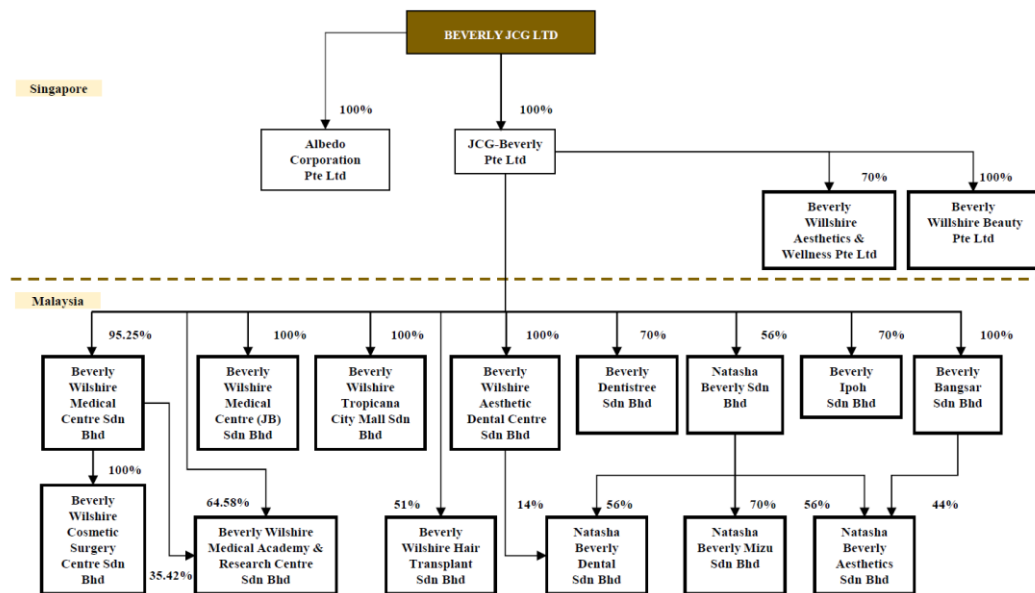
Beverly JCG (BJCG) is a Singapore-based investment holding company listed on the SGX Catalist. Through its subsidiaries, the firm operates primarily in the aesthetic medical and healthcare sector through its Beverly Wilshire (BW) brand, with medical centres and clinics located across Malaysia. As of Apr 25, the firm has a total of two Ministry of Health (MOH) licensed hospitals, four aesthetic clinics and three dental clinics, most of which are located in Klang Valley. BJCG offers a broad suite of services including invasive and non-invasive aesthetic procedures, cosmetic surgery, dentistry, wellness treatments, and health management solutions. Some of its top procedures include facelifts, blepharoplasty and breast augmentation, amongst others.



While the firm supposedly has two operating segments, it has been gradually winding down its **trading and distribution** segment, which involved the trading and distribution of steel raw materials, consumables, instruments, and semi-finished products to steel mills, iron and steel foundries, and aluminium smelters in the Asia-Pacific region. Hence, as of 1Q25, its revenue is solely derived from its **aesthetics medical and healthcare** segment.

BJCG was initially listed as Albedo Corporation in 2006. The firm then acquired a 51% stake in China iMyth Company, a Singapore-incorporated company which provides medical aesthetics and healthcare services in Taiwan and China. The acquisition was part of Albedo's efforts to diversify its metal trading business in the wake of increased competition and a global slump in the commodities sector. It was subsequently renamed to China Medical (International) Group in 2016, before being renamed Beverly JCG in Jul 2020 post its acquisition of a 51% stake in the Beverly Wilshire Medical Group of companies in 2019.

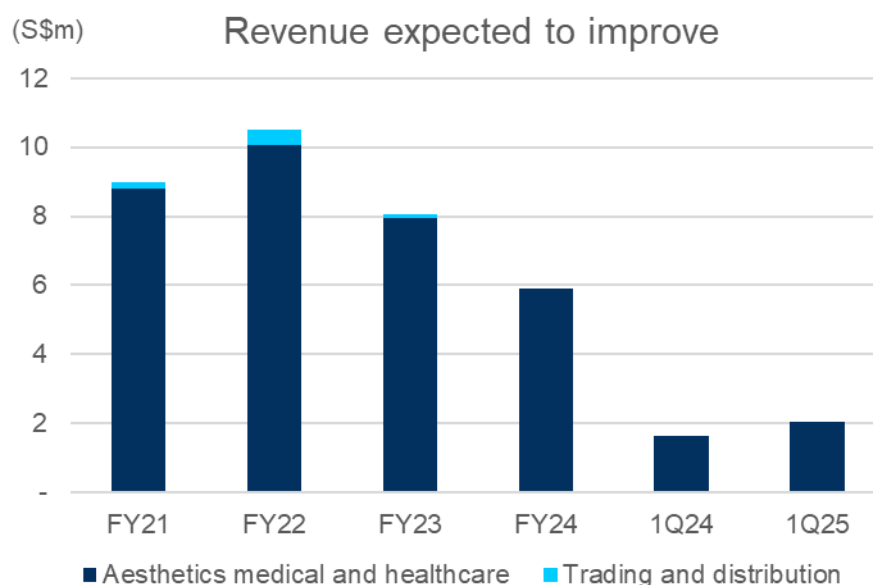
The firm's largest shareholder is Dato Francis Ng, the firm's Executive Director and CEO, with a shareholding of approximately 25.6%, refer to the diagram below for the Group's corporate structure.



## Investment merits

### 1Q25 breaks the downtrend with revenue growth

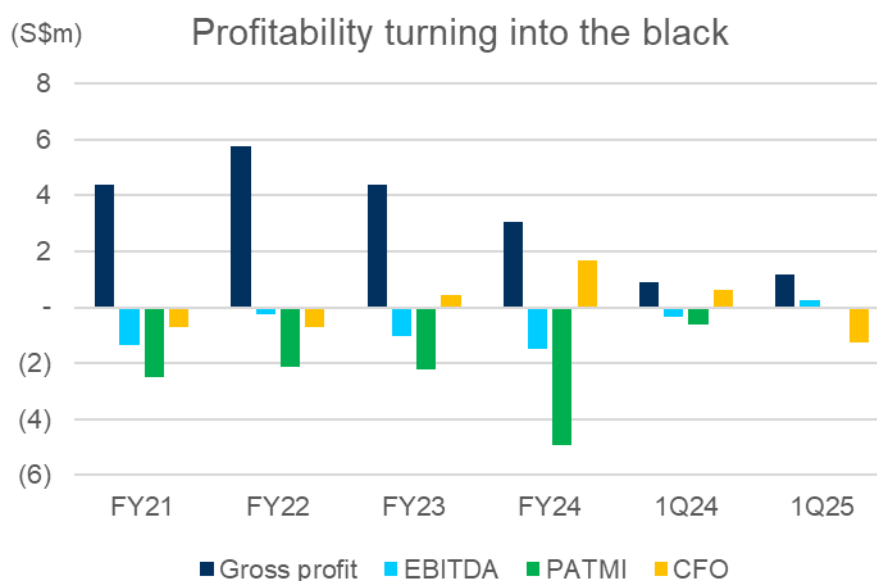
BJCG had initially enjoyed a post-COVID rebound in FY21 as the easing of lockdown restrictions led to a recovery in consumer activity and demand for aesthetic services. The momentum continued into FY22 as its revenue increase was mainly attributable to a hike in products and services pricing as well as the return of medical tourism at its medical centres. However, FY23 and FY24 saw a contraction in revenue due to softer demand from its Natasha group entities and Beverly Dentistree, as well as operational downtime from refurbishment works in preparation for a new partnership with GY Beauty Aesthetic International Sdn Bhd. **In 1Q25, the firm registered revenue growth of 25.2% YoY.** While there hasn't been much information around the increase in revenue, management expects demand for its medical aesthetic services to continue picking up in the near-medium term.



## Turning profitable after 12 years in operation

To further boost earnings, BJCG decided to collaborate with GY Beauty Aesthetic International Sdn Bhd. BJCG's collaboration with GY Beauty officially commenced on 1<sup>st</sup> Oct 2024, where BJCG leases out its unused operating theatre space to GY Beauty. This contributed approximately RM137,000 (S\$41.4k) per month in incremental income to its Beverly Wilshire Medical Centre Kuala Lumpur branch (BWMC-KL). Further, as part of its restructuring efforts, BJCG streamlined its operations by reducing operating theatre shifts from three to one. Coupled with strong patient volume from GY Beauty as per management, this has notably improved utilisation of the Group's operating theatres, with utilization rising from 30% to 65%. Looking ahead, BJCG plans to continue leasing out unused theatre space renting excess or underutilized operating theatre capacity to supplement its ancillary income as it continues working on improving its core business.

In terms of profitability, the firm had been gradually reducing its losses, with FY24 being the exception as a result of a S\$3.5m one-time impairment loss on goodwill, intangible assets and PPE, as well as loss allowances on certain receivables. **As of 1Q25, the BJCG registered positive results on both the EBITDA and PATMI fronts.** Per management, this is the first time it has turned profitable after 12 years in operation. Aside from this being the result of the aforementioned collaboration with GY Beauty, Dato Francis had also undertaken significant restructuring efforts to streamline operations such as the outsourcing of BJCG's marketing and human resource functions. Moving forward, management has mentioned that they will adopt a dual prong approach of growing its revenue base while further reducing any underutilized manpower so as to better improve margins.



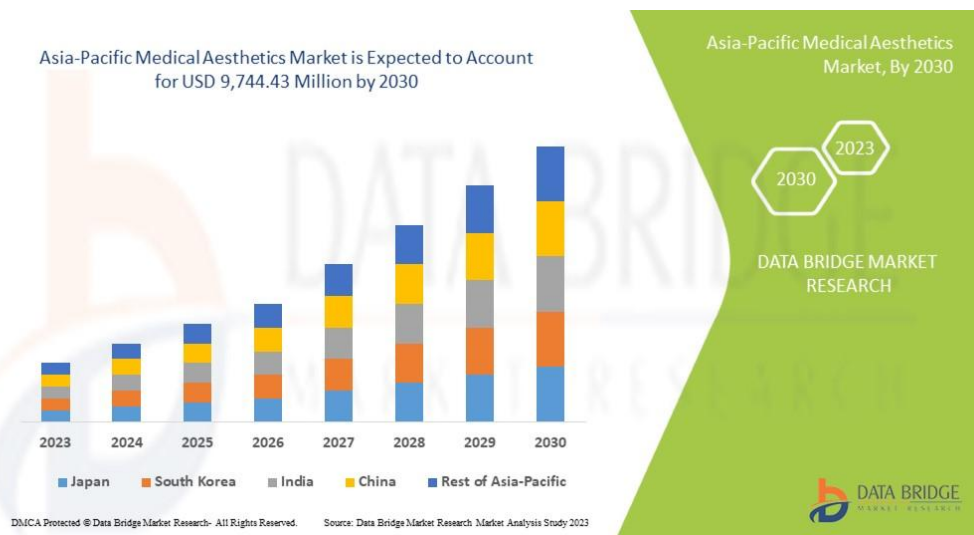
## Expansion plans in the works

Following its cost rationalisation efforts, management has indicated plans to refocus on brand expansion by establishing a BW centre in every Malaysian state by 2026. This domestic rollout forms the foundation for the firm's broader ambition to become a recognised regional player, with plans to eventually set up aesthetic centres in Australia, Cambodia, Indonesia, Singapore, and Vietnam. To support this growth trajectory, BJCG has briefly mentioned that they intend to expand in KL first and aims to house more of its medical centres there in the near term.



## Medical aesthetics sector expected to pick up steam

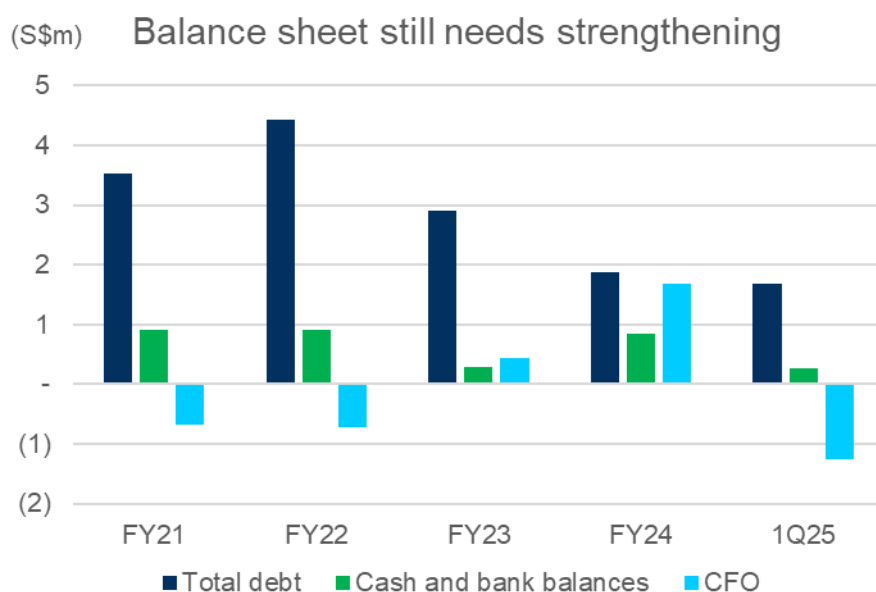
According to Data Bridge Market Research, the Asia-Pacific medical aesthetics market is projected to grow at a CAGR of 13.8% from 2023 to 2030, reaching an estimated US\$9.7 billion by 2030. This robust growth is driven by evolving beauty standards and the growing influence of social media, which have collectively fuelled demand for non-surgical cosmetic procedures. Increasing mainstream acceptance and destigmatization of aesthetic treatments have further supported this trend, making such procedures more accessible and desirable across a broader demographic. Hence, BJCG is expected to benefit from this trend in the longer term.



## Key Risks

### Balance sheet still needs some work

A key concern for investors remains the company's balance sheet, which has been burdened by high leverage for an extended period. However, there are encouraging signs of improvement such as total debt having been gradually reduced since FY21 as the firm fully repaid its RM7m loan from UOB Malaysia as of Oct 2024. Its sole remaining bank debt is its RM100k CIMB Bank loan, procured in Apr 2020 for its Beverly Bangsar Sdn Bhd (BBSB) operations. Notably, the company has generated positive operating cash flow (CFO) in FY23-24, although CFO was negative in 1Q25 as the firm reduced its outstanding payables. However, its overall debt position would still be something to keep an eye out for.



### Increased recession risks might bring about slowdown

As a provider of elective aesthetic medical services, BJCG's business is inherently sensitive to consumer discretionary spending. Given the increased risk of recession as a result of the ongoing trade war, economic slowdowns could dampen overall consumer sentiment and willingness to spend on non-essential healthcare services. Any significant deterioration in macroeconomic conditions could therefore lead to reduced clinic traffic, lower average spend per patient, and potential delays in business expansion plans.

## Key Financial Items

### Income statement

YE 31st Dec, S\$m	FY21	FY22	FY23	FY24	1Q25
Revenue	9.0	10.5	8.0	5.9	2.0
Gross profit	4.4	5.7	4.4	3.1	1.2
EBITDA	(1.4)	(0.3)	(1.0)	(1.5)	0.2
PATMI	(2.5)	(2.1)	(2.2)	(4.9)	0.01
<b>Margins (%)</b>					
Gross profit	48.7%	54.6%	54.7%	52.1%	57.8%
EBITDA	(15.2%)	(2.5%)	(13.0%)	(25.6%)	11.6%
PATMI	(27.9%)	(20.1%)	(27.6%)	(83.6%)	0.3%
<b>YoY Growth (%)</b>					
Revenue	64.8%	17.1%	(23.5%)	(26.8%)	25.2%
Gross profit	78.6%	31.5%	(23.4%)	(30.3%)	32.6%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.
PATMI	n.m.	n.m.	n.m.	n.m.	n.m.

Source: Evolve Capital, Company

### Balance sheet

YE 31st Dec, S\$m	FY21	FY22	FY23	FY24	1Q25
PPE	5.0	4.5	3.4	0.6	0.5
Inventories	0.4	0.5	0.4	0.4	0.4
Trade and other receivables	0.9	0.8	1.0	0.6	0.8
Cash and bank balances	0.9	0.9	0.3	0.9	0.3
Others	1.1	0.7	2.0	0.6	0.6
<b>Total assets</b>	<b>8.3</b>	<b>7.4</b>	<b>7.1</b>	<b>3.0</b>	<b>2.5</b>
<b>Non-current liabilities</b>					
Borrowings	0.3	1.0	0.04	0.01	-
Lease liabilities	1.6	1.7	1.1	0.7	0.6
Others	0.2	0.1	0.1	0.02	0.02
<b>Current liabilities</b>					
Borrowings	1.0	0.9	1.0	0.7	0.4
Lease liabilities	0.6	0.8	0.7	0.5	0.7
Trade and notes payables	4.5	4.0	4.0	6.5	5.1
Others	0.02	0.01	0.01	0.01	0.01
<b>Total liabilities</b>	<b>8.3</b>	<b>8.5</b>	<b>7.0</b>	<b>8.4</b>	<b>6.8</b>
Share capital	73.0	73.9	84.4	87.6	88.8
Settlement shares and warrants receivables	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)
Other reserves	3.0	3.1	3.0	0.1	0.01
Accumulated losses	(72.7)	(74.8)	(83.7)	(88.6)	(88.6)
<b>Shareholders' equity</b>	<b>(0.2)</b>	<b>(1.3)</b>	<b>0.1</b>	<b>(4.5)</b>	<b>(3.4)</b>
NCI	0.3	0.2	(0.04)	(0.9)	(0.9)
<b>Total equity</b>	<b>0.05</b>	<b>(1.1)</b>	<b>0.1</b>	<b>(5.3)</b>	<b>(4.3)</b>

Source: Evolve Capital, Company



### Cash flows

YE 31st Dec, S\$m	FY21	FY22	FY23	FY24	1Q25
CFO	(0.7)	(0.7)	0.4	1.7	(1.3)
CFI	(0.3)	(0.1)	(0.1)	(0.05)	(0.007)
CFF	1.7	0.4	(0.9)	(0.7)	0.7
Net change in cash	0.7	(0.4)	(0.5)	1.0	(0.6)
Cash and cash equivalents	0.8	0.4	(0.1)	0.9	0.3

Source: Evolve Capital, Company



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