Big Caring Group Berhad (BCG)

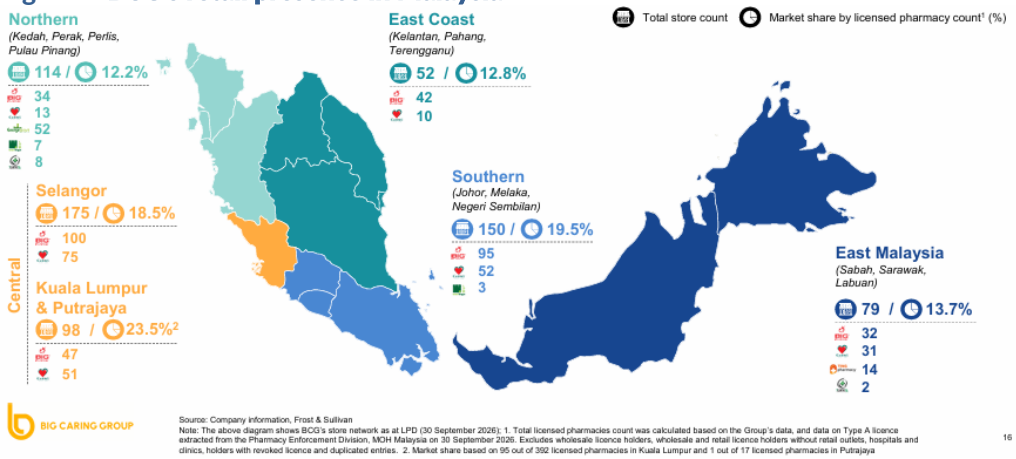
Build – Combine – Grow

- **Big Caring Group (BCG) is Malaysia's largest retail pharmacy chain, with 668 outlets under six brands, led by BIG Pharmacy and CARiNG Pharmacy, and the only chain present in all 13 states and three Federal Territories. It held a 24.2% share of the retail pharmacy market by revenue in 2025 and employs 715 licensed pharmacists, the most of any operator. Retail made up 92.9% of FY26 revenue.**
- **We project PATMI to grow at a 29.3% CAGR, reaching RM281.3m, RM350.0m and RM413.8m in FY27–FY29 respectively. This growth is underpinned by (i) the opening of 45 new outlets a year at 8.0% SSSG, both at the mid-point of management's targets, (ii) a wider retail gross margin as procurement scale feeds through, and (iii) contributions from the newly acquired iCare outlets, 15% annual growth in e-commerce and corporate sales, and Medispec's widening product range. The 12 outlets opened and 10 iCare outlets acquired since July 2026, together with 190 of 219 recent openings having already reached EBITDA breakeven, provide visibility on the roll-out.**
- **We assign a fair value of RM1.40 per share to BCG, indicating 29.6% upside from the IPO price of RM1.08. Our valuation applies a target P/E of 32.7x, in line with the peer average forward P/E, to mid-FY28 EPS of 4.28 sen.**

Investment highlights

The national leader in a fragmented market. BCG is the clear number one in Malaysian retail pharmacy. As at 30 September 2026, 660 of its 668 outlets were licensed pharmacies, 16.5% of the national total of 4,002, and it employed 715 licensed pharmacists, more than double the next-largest chain on both counts (Alpro: 312 pharmacies; Health Lane: 354 pharmacists). Its 24.2% revenue share in 2025 compares with 5.4% for the next player and rises to 43.8% among organised chains. The runway to consolidate remains long. Organised chains account for only 51.9% of Malaysian pharmacy outlets, against 84.2% in Singapore, and Malaysia has 126 pharmacies per million people versus 162–665 in Indonesia, the Philippines, Thailand and Vietnam. Frost & Sullivan expects organised chain sales to grow at a 12.1% CAGR over 2025–2030F, ahead of the wider industry at 8.7%. With the widest footprint in the country and brands positioned for different catchments, we see BCG as the natural consolidator.

Fig #1 BCG's retail presence in Malaysia



Source: Big Caring Group Berhad

IPO Note – Not rated

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Non-Rated

Share price	**RM1.08**
Target price	**RM1.40**
Previous TP	-
Capital upside	29.6%
Dividend return	1.8%
Total return	31.4%

Company profile

Malaysia's largest retail pharmacy chain, with 668 outlets under six brands, led by BIG and CARiNG Pharmacy, across all 13 states and three Federal Territories. Founded in 2006 by pharmacists Lee Meng Chuan and Lim Sin Yin, it also manufactures and distributes healthcare products and runs physiotherapy centres.

Stock information	
Bursa Code	5358
Bloomberg ticker	BCG MK
Listing market	Main
Share issued (m)	7,381.8
Market Cap (m)	7,972.4
Shariah compliant	Yes
MITI allocation	Yes

Major shareholders	%
UPSB	34.4
IPSB	19.3
Lee Meng Chuan	7.3

Earnings snapshot

FYE (Jun)	FY26	FY27f	FY28f
PATMI (m)	191.6	281.3	350.0
EPS (sen)	2.6	3.8	4.7
P/E (x)	41.5	28.3	22.8

Timetable of IPO

Opening of application	29 Oct
Closing of application	5 Nov
Balloting of application	10 Nov
Allotment of the IPO shares	18 Nov
Listing on the Main market	19 Nov

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M+Global
By Malacca Securities

A repeatable roll-out engine, backed by M&A. BCG has grown from 179 outlets in July 2022 to 668, opening 235 outlets organically and acquiring 290, net of 36 closures. The organic model is well proven. A new outlet costs RM280,000–420,000 in capex, typically breaks even at EBITDA level within a year and pays back in two to three years. Of the 219 net new outlets opened over FY23–FY26, 190 had reached EBITDA breakeven, with the remaining 29 all opened in FY25–FY26. Existing stores keep growing as well, with same-store sales up 7.3%, 9.6% and 7.3% over FY24–FY26. Management targets 40–50 new outlets a year over the next three to five years and SSSG of 7.0–9.0%, and has opened 12 outlets since July 2026. Acquisitions add a second lever. The Caring deal brought in 256 outlets and centralised purchasing, while the iCare Pharmacy purchase (10 outlets) and the pending acquisition of Singapore's Yeap Medical Supplies (YMS) show the pipeline remains active.

Fig #2 Retail outlet movement

No. of outlets	FY23	FY24	FY25	FY26	Jul–Sep 26
Beginning of period	179	267	538	593	646
Opened	69	39	57	58	12
Acquired	23	256	-	1	10
Closed	(4)	(24)	(2)	(6)	-
End of period	**267**	**538**	**593**	**646**	**668**

Source: Big Caring Group Bhd. FY24 closures reflect the rationalisation of overlapping outlets after the Caring acquisition

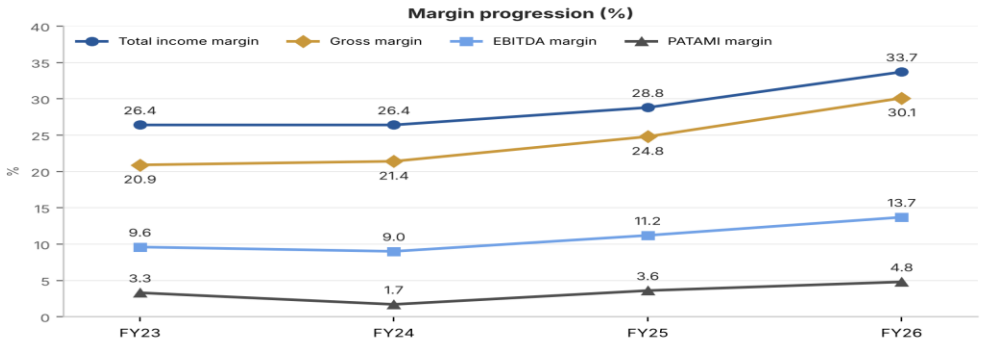
Fig #3 Retail outlet operating metrics

	FY23	FY24	FY25	FY26
Big retail outlets				
SSSG (%)	(3.8)	7.5	8.8	9.9
Avg value per transaction (RM)	64	69	67	69
Avg transactions per month ('000)	1,240	1,549	1,847	2,061
Avg sales per store per day (RM)	15,017	13,484	13,900	14,414
Caring retail outlets				
SSSG (%)	6.7	4.5	10.3	4.9
Avg value per transaction (RM)	69	72	78	82
Avg transactions per month ('000)	1,521	1,658	1,760	1,806
Avg sales per store per day (RM)	17,726	17,035	18,640	18,536
Group SSSG (%)	**-**	**7.3**	**9.6**	**7.3**

Source: Big Caring Group Bhd. Caring outlets were consolidated from 29 December 2023; earlier figures are shown for comparison

Scale is showing up in margins. The Caring acquisition gave BCG the volume to centralise purchasing across all its brands, and the benefit is now visible. Total income margin, which adds supplier rebates and promotional income to gross profit, widened to 33.7% in FY26 from 26.4% in FY24 as BCG secured better rebate terms and longer credit, with payable days rising to 80 from 65. EBITDA margin improved by 4.7ppts to 13.7% over the same period. Suppliers also pay for visibility in BCG's stores, with advertising and promotion income rising to RM123.9m in FY26 from RM58.8m in FY24. The product mix is improving too. Own-brand products made up 12.4% of FY26 retail revenue, with more than 1,000 own-brand SKUs in range and a pipeline of over 280 more. With 93.3% of outlets profitable at outlet EBITDA level in FY26, we expect further operating leverage as newer stores mature.

Fig #4 BCG's margin progression



Source: Big Caring Group Bhd, M+Global Research. Total income margin = (gross profit + other operating income) / revenue

Vertical integration adds a higher-margin layer. BCG is the only organised pharmacy chain in Malaysia that also manufactures, imports and distributes healthcare and pharmaceutical products. Yanling (manufacturing, acquired in 2023) and Medispec (import and distribution, acquired in 2025) lifted the others segment to 7.1% of FY26 revenue but 12.5% of gross profit, at a 53.2% gross margin against 28.4% for retail. Yanling makes BCG's own-brand products in-house, with 41.4% of its FY26 revenue coming from the Group, and has spare capacity, with four of its six lines running at 45–66% utilisation. Medispec distributes 496 registered products to more than 7,200 distribution points, including hospitals and clinics, and aims to exceed 600 products within three years. Digital health is a further lever. Transactions on the MyHA tele-consultation and e-prescription platform rose to c.125,000 a month in FY26 from c.25,000 in FY25, with a target of 180,000 by end-2027, and those prescriptions are fulfilled through BCG's outlets.

Fig #5 FY26 revenue and gross profit by business

RM'm	Revenue	Gross profit	GP margin (%)
Retail	3,738.1	1,060.3	28.4
Yanling (manufacturing)	67.3	28.4	42.2
Medispec (distribution)	174.5	90.2	51.7
Other products and services	44.1	33.5	75.8
Total	**4,024.0**	**1,212.4**	**30.1**

Source: Big Caring Group Bhd. Other products and services include physiotherapy (Your Physio), which carries a 99.6% gross margin

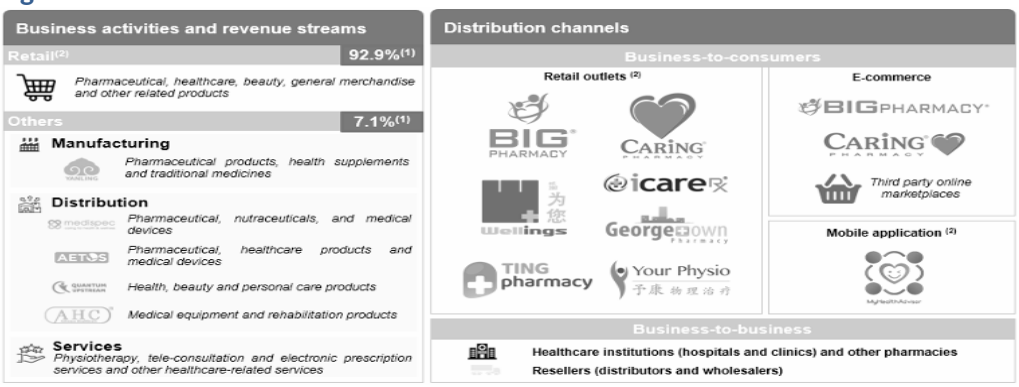
Company background

BCG traces its roots to 2006, when pharmacists Lee Meng Chuan and Lim Sin Yin opened their first outlet in Damansara Uptown, Petaling Jaya. Growth was organic and focused on the Klang Valley for over a decade, reaching 12 outlets by 2017. The model changed in 2018, when the merger with RedCap Pharmacy took the business into Johor and brought in private equity fund Creador, through IPSB, as a major shareholder. A string of acquisitions followed, including MY Pharmacy (2020), Mercury Wellness on the East Coast (2022) and Ting Pharmacy in East Malaysia (2023). The largest was the RM888.3m acquisition of Caring Pharmacy Group in December 2023, which added 256 outlets and the CARiNG, Georgetown and Wellings brands. Caring had itself been listed on Bursa Malaysia from 2013 until 2020.

The Group then moved upstream, buying nutraceutical manufacturer Yanling for RM63.0m (October 2023), pharmaceutical distributor Medispec for RM249.4m (February 2025) and a 57.1% stake in Your Physio for RM32.8m (2025). Today, BCG runs 668 retail outlets, 27 physiotherapy centres, a manufacturing plant in Sungai Buloh

and a semi-automated distribution centre in Bukit Raja, Klang (BRDC), supported by satellite hubs in Penang, Johor and Sarawak. It employs 7,101 staff, including 1,205 retail pharmacists, of whom 715 hold Type A licences. Big Caring Group Bhd ("BCG" or "the Group") was incorporated in 2013 and converted into a public company in March 2026 ahead of its listing.

Fig #6 Business model



Source: Big Caring Group Berhad

Fig #7 Corporate milestones

FYE June	Key events and milestones
2006	First outlet opened in Damansara Uptown, Petaling Jaya
2017	Network reaches 12 outlets in the Klang Valley
2018	Merger with RedCap Pharmacy adds 22 outlets in Johor; IPSB (Creador) becomes a major shareholder
2020	Acquisition of MY Pharmacy Group adds 17 outlets in Johor
2022	51.0% of Mercury Wellness adds 15 East Coast outlets; 60.0% of AHC Medical Supplies
2023	70.0% of Ting Pharmacy for c.RM28.0m adds 16 outlets in East Malaysia
2024	Caring acquisition for c.RM888.3m adds 256 outlets; Yanling acquisition for RM63.0m; renamed Big Caring Group
2025	Medispec acquisition for c.RM249.4m; warehousing centralised at BRDC; 57.1% of Your Physio for c.RM32.8m
2026	Additional stakes in TPHP (26.8%) and Wellings Pharmacy (32.4%) for c.RM77.7m
2027	iCare Pharmacy business acquired for c.RM32.5m; agreement signed to acquire 96.0% of Singapore-based YMS

Source: Big Caring Group Berhad

Industry overview

BCG operates in the retail pharmacy part of Malaysia's health and beauty market. Frost & Sullivan sizes the retail pharmacy industry at RM15.4bn in 2025, up at a 13.2% CAGR since 2020, and forecasts an 8.7% CAGR to RM23.3bn by 2030F. Organised chains, defined as operators with 10 or more outlets, are taking share. Their sales grew 21.0% a year over 2020–2025 to RM8.5bn and are projected to grow 12.1% a year to RM15.1bn by 2030F, against 3.8% for independents. Retail pharmacies are also the main channel for medicines, accounting for RM8.0bn, or 59.7%, of private-sector pharmaceutical sales in the 12 months to June 2026, ahead of hospitals (24.4%) and clinics (15.5%).

Fig #8 Market size of the health and beauty segment in Malaysia

RM'bn	2020	2025	2030F	CAGR 20–25	CAGR 25–30F
Retail pharmacy	8.3	15.4	23.3	13.2%	8.7%
Organised chains	3.3	8.5	15.1	21.0%	12.1%
Independent	5.0	6.9	8.3	6.6%	3.8%
Wellness and CPC	9.5	15.8	23.6	10.6%	8.4%
Total health and beauty	**17.8**	**31.1**	**47.0**	**11.9%**	**8.6%**

Source: Frost & Sullivan (IMR report in the prospectus). CPC = cosmetics and personal care. Totals may not add up due to rounding

Demand is structural. The share of Malaysians aged 60 and above is projected to rise to 13.7% by 2030F from 12.1% in 2025, while the prevalence of diagnosed hypertension (17.3%), hypercholesterolaemia (15.2%) and diabetes (9.7%) all rose between 2019 and 2023. Household spending on health grew at a 9.1% CAGR over 2019–2024, well ahead of household income growth of 3.0%, and out-of-pocket health spending reached RM34.8bn in 2024. Pharmacist supply is a constraint on growth. Malaysia had 6.8 pharmacists per 10,000 people in 2024 against 12.1 for high-income countries, which favours operators that can recruit and train at scale.

Beyond BCG, the market is fragmented. No other chain holds more than 5.4% of retail pharmacy revenue, and independents and small chains account for 55.5%. Barriers to entry come from regulation, as every licensed pharmacy needs a Type A-licensed pharmacist on duty, and from purchasing scale. Among the key players benchmarked by Frost & Sullivan, BCG has the highest revenue per store at c.RM6.2m and one of the shortest cash conversion cycles at 31 days. The main competitive pressure comes from the broader health and beauty chains, with Watsons holding 14.7% of that segment against BCG's 12.0%, from fast-growing pharmacy chains such as Alpro and Health Lane, and from online retailers on price.

Fig #9 Key players in Malaysian retail pharmacy (as at 30 September 2026)

Brand	Licensed pharmacies	Licensed pharmacists	Net change since Dec 2021	Share by outlet count
BCG (six brands)	660	715	+378	16.5%
Alpro Pharmacy	312	346	+169	7.8%
Health Lane Family Pharmacy	270	354	+143	6.7%
PMG Pharmacy and AM PM Pharmacy	164	200	+83	4.1%
Sunway Multicare Pharmacy	115	152	+31	2.9%
Watsons Pharmacy	112	149	+18	2.8%
Guardian Pharmacy	93	105	-6	2.3%
Total retail pharmacy	**4,002**	**4,549**	**+760**	**100.0%**

Source: Frost & Sullivan, MOH Malaysia (IMR report in the prospectus)

Substantial Shareholders and Key Management

1. Lee Meng Chuan – Promoter, Substantial Shareholder and Group Managing Director cum Group CEO

Responsible for the Group's overall strategic direction, expansion plans and partnerships. A pharmacy graduate of the University of South Australia, he did his housemanship at Hospital Selayang and worked in sales at Schering-Plough before co-founding the business with Lim Sin Yin in 2006. With c.20 years in retail pharmacy, he has driven BCG's acquisition programme, from RedCap to Caring. Post-IPO, he holds a 7.3% direct interest and a deemed interest in UPSB's 34.4% stake, of which he owns 29.0%.

2. Lim Sin Yin – Promoter, Substantial Shareholder and Executive Director

Oversees the Group's day-to-day operations, including the supply chain and retail outlets. She holds a Master of Pharmacy from the University of Strathclyde and worked as a retail pharmacist at ABC Pharmacy before co-founding the Group in 2006, giving her c.21 years in retail pharmacy. She sits on the Sustainability and Risk Management Committee and is the spouse of Lee Meng Chuan. Post-IPO, she holds a 3.7% direct interest and, through her 25.0% stake in UPSB, a deemed interest in the same 34.4% block.

3. Tan Sri Dato' Seri Dr. Haji Noor Hisham Bin Abdullah – Independent Non-Executive Chairman

Appointed in January 2026, he brings c.36 years of healthcare experience. A breast and endocrine surgeon by training, he served as Deputy Director General and then Director General of Health at the Ministry of Health until his retirement in 2023. He was appointed Chair of the WHO Standing Committee on Health Emergency Prevention, Preparedness and Response in 2022 and also chairs the UCSI healthcare group.

4. Chong Yeow Siang – Chief Operating Officer

Leads the day-to-day management of the Group's retail sales operations. A pharmacist with a Bachelor of Pharmacy from Universiti Sains Malaysia and c.34 years in the industry, he worked at Servier Malaysia before co-founding Caring in 1997, and served as its Managing Director from 2002. He stayed on after the Caring acquisition and was re-designated COO in 2025, providing continuity across the enlarged network.

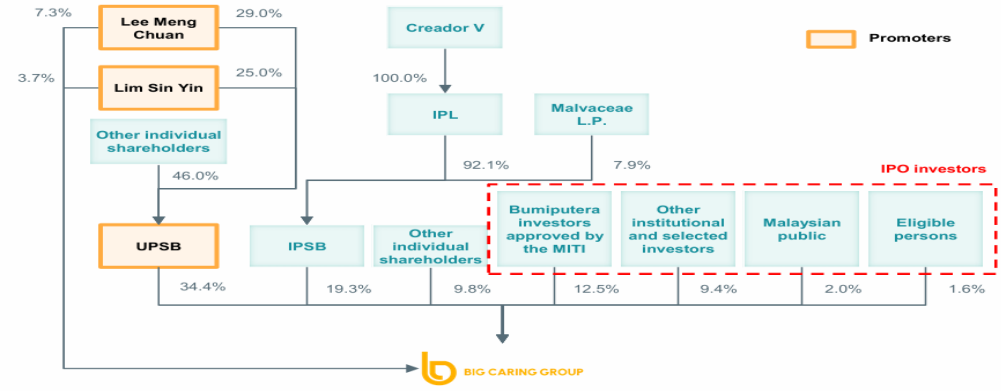
5. Chin Shin Yi – Group Chief Financial Officer

Leads the Group's corporate finance strategy, financial planning, reporting and cash flow management. A Fellow of ACCA with a degree in Accounting and Finance from the University of London, she has c.25 years in audit, accounting and reporting, including CFO roles at Microlink Solutions and Total Sports Asia. She joined BIG Pharmacy Healthcare as CFO in 2019 and was re-designated Group CFO in 2025.

6. Livia Chan Lih Wen – Non-Independent Non-Executive Director

Appointed in February 2021, she spent nine years at Creador, the private equity firm behind substantial shareholder IPSB, rising to Executive Director heading its Malaysia and Vietnam investment teams before leaving in 2024. She holds Bachelor's and Master's degrees in Economics from the University of Cambridge, sits on the Nominating and Remuneration Committee and retains a 0.04% limited partner interest in Creador V.

Fig #10 Post-IPO shareholding structure



Source: Big Caring Group Berhad

Fig #11 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Repayment of bank borrowings	570.7	89.5	Within 3 months
Establishment of a new distribution centre	30.0	4.7	Within 36 months
Defrayment of listing expenses	37.1	5.8	Immediate
Total	637.8	100.0	

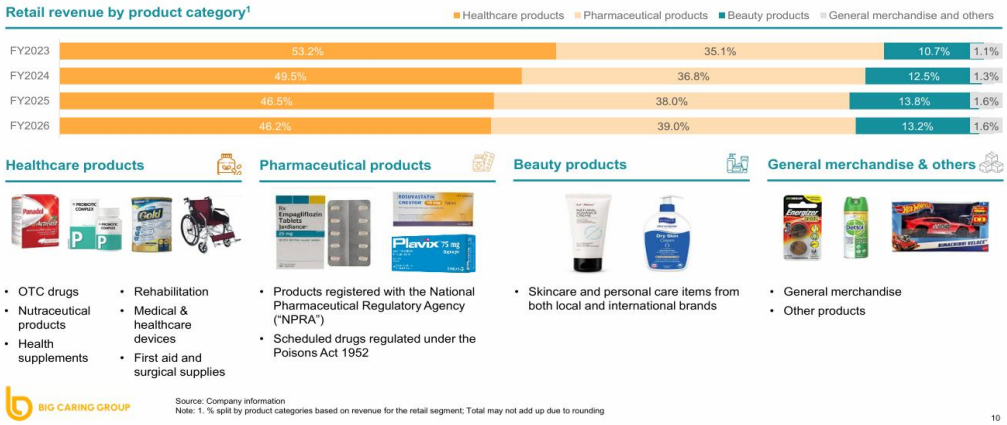
Source: Big Caring Group Berhad

Business overview

Retail — 92.9% of FY26 revenue
Through its core business, BCG sells pharmaceutical, healthcare, beauty and general merchandise products through 668 outlets, its own e-stores and third-party marketplaces, and corporate channels serving employers, healthcare administrators and insurers. Most outlets are high-street shops (535), with the rest in malls (133), and each licensed pharmacy generally has at least one licensed pharmacist on duty during operating hours. The brands have distinct roles. BIG Pharmacy (350 outlets) serves dense residential areas with larger stores and more elderly-care products, CARiNG (232) targets mall traffic, families and beauty, while Georgetown, Wellings, Ting and iCare serve regional markets. Healthcare (46.2%) and pharmaceutical products (39.0%) make up most retail revenue, from a range of c.25,800 SKUs. E-commerce and corporate sales reached RM211.1m in FY26, or 5.2% of Group revenue.

Others — 7.1% of FY26 revenue
The upstream and services layer. Yanling manufactures nutraceuticals, health supplements and traditional medicines for BCG's own brands and for third-party brand owners, with more than 800 registered products. Medispec, together with Quantum Upstream and Aetos Pharma, imports and distributes pharmaceuticals, medical devices and supplements to hospitals, clinics and other pharmacies, sourcing mainly generics from 43 foreign principals. The segment also covers 27 Your Physio physiotherapy centres and the MyHA digital health platform, which offers tele-consultations and e-prescriptions.

Fig #12 Key Retail products and services



Source: Big Caring Group Berhad

Fig #13 SWOT analysis of BCG

Strength	Weakness
• **Market leadership.** 24.2% revenue share and 660 licensed pharmacies, more than twice the nearest rival. • **Proven store economics.** New outlets break even within a year; 93.3% of outlets were profitable at outlet EBITDA level in FY26. • **Integrated supply chain.** In-house manufacturing, distribution and a semi-automated DC support margins.	• **Supplier concentration.** Zuellig Pharma and DKSH together supplied 57.3% of FY26 purchases. • **Thin net margin.** FY26 net margin was 4.8%, against 7.1% for its Bursa retail peers, reflecting acquisition financing and a 34.2% effective tax rate. • **Acquisition-heavy balance sheet.** Intangibles of RM1.35bn exceeded shareholders' funds of RM456.1m

	at FY26, and pre-IPO net gearing was 2.3x.
Opportunity	**Threat**
• **Consolidation runway.** Organised chains hold 51.9% of outlets versus 84.2% in Singapore. • **Ageing population.** Seniors to make up 13.7% of the population by 2030F. • **Digital health and own brands.** MyHA targets 180,000 transactions a month by end-2027; 280 own-brand SKUs in the pipeline.	• **Competition.** Rival chains compete for sites, pharmacists and customers on price. • **Regulatory change.** Pricing reforms or tighter licensing rules could squeeze margins. • **Integration risk.** Further M&A, including YMS in Singapore, adds execution and funding demands.

Source: M+Global Research

Financials

Revenue and earnings. Revenue nearly doubled to RM2.17bn in FY24 with six months of Caring, then rose 57.1% to RM3.41bn in FY25 on its first full year. FY26 is the cleaner read. Revenue grew 17.9% to RM4.02bn, with retail up 13.9% on 7.3% SSSG and 58 new outlets, while the others segment more than doubled (+119.5%) on full-year contributions from Medispec and Your Physio. Profitability rose faster. Gross margin rose to 30.1% from 24.8%, partly because product rebates are now booked against cost of sales instead of other income. On a like-for-like total income basis, the margin still widened 4.9ppts to 33.7%, on better supplier terms and Medispec's higher margins. Against this, operating expenses rose 31.5% to RM913.4m on 762 more retail staff, and finance costs rose 33.4% to RM88.5m on acquisition debt. PATMI rose 56.7% to RM191.6m, after RM12.0m of listing expenses. The effective tax rate stayed high at 34.2%, due to non-deductible IPO and acquisition financing costs. Minorities took RM40.2m of PAT, reflecting stakes held by pharmacists in Caring outlets and by partners in acquired businesses such as Yanling, Mercury Wellness and Your Physio.

Balance sheet. The balance sheet reflects the acquisition strategy. At FY26, borrowings stood at RM1.36bn and lease liabilities at RM364.6m, against cash of RM296.6m and shareholders' funds of RM456.1m. That puts net gearing at 2.3x, excluding leases. Intangible assets, including acquisition goodwill, totalled RM1.35bn. The current ratio fell to 0.77x, as RM471.7m of the acquisition loan was reclassified as current ahead of repayment and RM160.8m was booked for the Yanling put option, exercisable between November 2026 and January 2027. The IPO resets this. RM570.7m of the RM637.8m public issue will repay acquisition loans, and we project net gearing to fall to 0.9x in FY27f and 0.3x in FY28f. On a pro forma basis, the current ratio rises to 1.1x and NA per share is RM0.16. Receivables are minimal at 7 days, but inventory days rose to 104 from 86 on higher stock levels and Medispec's tender-related stockholding, partly offset by payable days of 80.

Cash flow. Cash generation is strong. Operating cash flow rose from RM36.0m in FY23 to RM350.9m in FY25 and RM338.4m in FY26, or 1.5x PAT, despite a RM220.3m inventory build. Over the four years, cumulative operating cash flow of RM865.7m was 1.9x cumulative PAT of RM463.8m, helped by longer supplier credit. After capex of RM73.7m and lease payments of RM75.4m, FY26 free cash flow was c.RM189m, or c.RM112m after RM77.3m of interest paid. Investing outflows were dominated by acquisitions, at RM808.3m in FY24 and RM435.8m in FY25, funded mainly by term loans. FY26 also included RM101.9m spent on buying out minorities in TPHP, Wellings and Ting Pharmacy, and RM32.3m of dividends.

Earnings forecasts. Moving forward, we forecast PATMI to rise 46.8% to RM281.3m in FY27f and to reach RM413.8m by FY29f, indicating a three-year CAGR of 29.3%. The FY27f figure is after the remaining RM11.9m of listing expenses, which will be charged upon listing. Revenue is expected to expand at an 11.0% CAGR to RM5.50bn, driven primarily by BCG's outlet expansion strategy. We assume 45 new outlets annually and 8.0% SSSG, both at the mid-point of management's targets. Further support comes from the newly acquired iCare outlets, 15% annual growth in e-commerce and corporate sales, and the continued expansion of Medispec's product range. Earnings should outpace revenue as procurement scale feeds through. We expect retail gross margin to widen to c.30.7% in FY27f from 28.4%, lifting group gross margin to c.32%, while supplier-funded promotional income continues to grow ahead of sales. We assume a 31.0% effective tax rate, still above the 24% statutory rate given non-deductible financing costs on acquisition borrowings. We keep finance costs at c.RM87–90m a year, excluding the c.RM26.3m of gross interest savings from the IPO-funded repayment, which we treat as upside. Assuming a c.50% dividend payout ratio, we project DPS of 1.9–2.8 sen over FY27f–FY29f.

Fig #14 Financial Highlights

FYE Jun (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Revenue	3,412.0	4,024.0	4,503.3	4,982.7	5,497.1
EBITDA	316.6	477.1	645.7	749.7	863.8
EBIT	285.6	440.6	603.9	703.2	812.7
PBT	219.3	352.2	514.0	613.6	725.4
PAT	143.0	231.8	354.7	423.4	500.5
PATMI – Core	122.3	191.6	281.3	350.0	413.8
PATMI – Reported	122.3	191.6	281.3	350.0	413.8
% change YoY – Core PATMI	229%	57%	47%	24%	18%
Core EPS (sen)	1.7	2.6	3.8	4.7	5.6
P/E (x)	65.2	41.6	28.3	22.8	19.3
EV/EBITDA (x)	24.3	16.1	11.9	10.3	8.9
DPS (sen)	0.1	0.3	1.9	2.4	2.8
Yield (%)	0.1%	0.3%	1.8%	2.2%	2.6%
BVPS (RM/share)	0.1	0.1	0.2	0.2	0.2
P/B (x)	18.9	17.5	6.7	5.8	5.0
ROE (%)	31%	44%	34%	27%	28%
Net Gearing (x)	2.5	2.3	0.9	0.3	0.3

Source: Company, M+Global Research

Valuation

We ascribe a fair value of RM1.40 to BCG, pegging a 32.7x P/E to mid-FY28f EPS of 4.28 sen. The multiple is in line with the forward average of its selected Bursa-listed consumer retail peers (99 Speed Mart, Mr D.I.Y., Eco-Shop and 7-Eleven). This implies 29.6% upside to the IPO price of RM1.08, or a total return of 31.4% including a 1.8% FY27f dividend yield. At the IPO price, BCG trades at 25.3x mid-FY28f EPS, a c.23% discount to the peer average and c.16% below the Bursa Healthcare Index at 30.0x. We view the peer-average multiple as undemanding. BCG offers a 29.3% three-year earnings CAGR, against c.11.5% forward EPS growth for the healthcare sector, which implies a PEG of just 1.1x at our target.

As Malaysia's largest pharmacy chain in a market where organised players hold only about half of all outlets, it has a longer consolidation runway than its more mature peers. Its proven roll-out of 40–50 outlets a year, with EBITDA breakeven within a year, underpins earnings visibility. Its earnings are also more defensive than those of general merchandise retailers, anchored on medicines and healthcare products that consumers buy regardless of the cycle. Returns are already superior, with FY26 ROE of 43.6% against the peer average of 24.8%. With its 4.8% net margin trailing the basket's 7.1%, further procurement gains, a higher-margin manufacturing and distribution arm and interest savings from the RM570.7m debt repayment offer scope for a re-rating beyond the peer average.

Fig #15 Peers comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
Big Caring Group Berhad	**Main**	**Jun**	**1.08**	**7,972.4**	***41.5**	****22.8**	***43.6**	***4.8**
99 Speed Mart Retail Holdings	Main	Dec	3.08	25,872.0	39.0	31.8	37.6	5.3
MR DIY Group M Bhd	Main	Dec	1.18	11,183.4	17.8	15.7	32.9	12.8
ECO-Shop Marketing Bhd	Main	May	1.26	7,257.4	27.4	20.7	24.9	9.1
7-Eleven Malaysia Holdings Bhd	Main	Dec	2.00	2,218.1	166.8	62.5	3.9	1.0
Avg ex-Big Caring Group Berhad				**11,632.7**	**62.8**	**32.7**	**24.8**	**7.1**

*Source: M+ Research (*FY26, **FY28f)*

Investment risks

Acquisition-built balance sheet and near-term cash calls. Even after the IPO, BCG retains RM400.0m of its syndicated term loan, repayable quarterly to December 2031, and pro forma bank borrowings of c.RM0.78bn. Several payments fall due soon after listing: the Yanling put option (RM160.8m recognised, exercisable November 2026 to January 2027), the c.RM51.1m first tranche of the YMS acquisition and, potentially, the Mercury Wellness put option, which can be exercised at any time after listing. Further debt-funded acquisitions would slow deleveraging and compete with dividends.

Supplier concentration and economics. Zuellig Pharma and DKSH Malaysia, with their group companies, supplied 57.3% of FY26 purchases (FY23: 55.9%). Much of the recent margin gain also comes from rebates and supplier-funded promotions. Advertising and promotion income alone was RM123.9m in FY26, equivalent to 64.7% of FY26 PATMI, while Medispec's margins benefited from favourable USD exchange rates. Any change in supplier terms, or a reversal in currency, would flow straight to earnings given the thin 4.8% PATMI margin.

Roll-out execution. Opening 40–50 outlets a year depends on securing sites and pharmacists. 654 of the 668 outlets are on tenanted premises, with 186 leases due for renewal within 12 months, and Malaysia's pharmacist density remains low. New outlets can also draw sales from nearby stores. Average daily sales per BIG outlet of RM14,414 in FY26 remain below the FY23 level of RM15,017, and 29 outlets opened in FY25–FY26 have yet to reach EBITDA breakeven.

Minority leakage and working capital. Non-controlling interests absorbed RM40.2m, or 17.3% of FY26 PAT, and buying them out, as BCG did for RM101.9m in FY26, adds to cash needs. Inventory days have also lengthened to 104 from 86, and the Group was in a net current liability position of RM423.2m before the IPO.

Governance and share overhang. IPSB, Creador's vehicle, is selling 863.7m shares in the IPO and will retain 19.3% (16.3% if the over-allotment option is exercised). A six-month moratorium applies, after which further sell-downs could weigh on the share price. Related-party dealings also exist, including RM48.0m of FY26 purchases from Brego Life Sciences, a major shareholder of BCG's Yanling subsidiary in which Lee Meng Chuan's mother is a director and major shareholder. In addition, 15 outlets were

operating without certificates of completion and compliance as at 30 September 2026, though the combined maximum penalty for this and related permit lapses is RM5.4m.

Environmental, Social and Governance (ESG) Practices

Environmental

- **Operational footprint, qualitative disclosure.** With 668 outlets and four distribution centres, energy use comes mainly from lighting and air-conditioning. All stores have switched to LED lighting, and a solar system installed at the Bukit Raja corporate office in November 2025 is expected to generate c.383,838kWh a year. The 'Do It Right' programme collected 6,988kg of unused medicines for safe incineration in FY26. Emissions are not yet quantified in the prospectus.

Social

- **Access to care, a large local workforce.** BCG employs 7,101 people, 93.7% of them local and 72.8% female, with no union or industrial disputes reported. Its outlets act as a first point of care, offering health screenings, chronic disease management and medication reviews, and the 'One Shop One School' programme has supplied first aid kits to 357 schools. A dedicated occupational safety and health department was set up in August 2024.

Governance

- **Experienced chair, newly independent board.** Four of seven directors are independent, including Chairman Tan Sri Dr. Noor Hisham, a former Director General of Health, and four are women. The audit committee consists entirely of independent directors. However, all four independent directors joined in January 2026, so their record in overseeing related-party dealings and capital allocation will only build after listing.
- **Compliance in progress.** Past lapses, including the occupation of the Yanling plant, Medispec's buildings and BRDC without updated building approvals and the relocation of 377 foreign workers without endorsed work locations, have since been resolved. Fifteen outlets still lack certificates of completion and compliance, with most approvals expected by 4Q2026. With the founders and Creador holding 64.7% post-IPO, disclosure on related-party dealings will be key.

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Stock recommendation guide	
BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned