Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51666.8	(0.1)	(0.6)	2.1	7.5
S&P 500	7365.5	(1.4)	(1.9)	(1.4)	7.6
FTSE 100	10428.9	(0.1)	(0.6)	(0.4)	5.0
AS30	8988.3	(0.5)	(1.6)	1.3	(0.3)
CSI 300	4919.4	(2.8)	0.7	1.5	6.3
FSSTI	5205.7	0.0	1.7	2.7	12.0
HSCEI	7759.4	(2.0)	(5.8)	(9.3)	(12.9)
HSI	23336.3	(1.8)	(4.7)	(8.9)	(9.0)
JCI	6101.3	(0.3)	(2.5)	(1.0)	(29.4)
KLCI	1679.9	(1.2)	(1.8)	(1.9)	(0.0)
KOSPI	8203.8	(10.0)	(6.0)	4.5	94.7
Nikkei 225	69788.4	(3.5)	0.6	10.2	38.6
SET	1540.9	(2.1)	(3.0)	0.1	22.3
TWSE	47100.7	(1.3)	2.8	11.4	62.6
BDI	2667.0	(0.6)	(0.1)	(10.8)	42.1
CPO (RM/mt)	4551.5	0.0	1.8	2.3	15.7
Brent Crude (US$/bbl)	77.1	(1.1)	(2.4)	(25.6)	26.7

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Presentation on Regional 2H26 Outlook and Strategy	Singapore	23 Jun	24 Jun
Virtual Meeting with Mr DIY Holding Thailand PCL (MRDIYT TB)	Thailand	01 Jul	01 Jul
Analyst Marketing on Singapore 2H Outlook & Strategy by Adrian Loh	Malaysia	01 Jul	03 Jul
Hybrid Post-results Luncheon with JBM (Healthcare) Ltd (2161 HK) & Jacobson Pharma (2633 HK)	Hong Kong	03 Jul	03 Jul
Small & Mid-Caps Corporate Day	Singapore	09 Jul	09 Jul
Analyst Marketing on 2H Thai Strategy and Healthcare Sector presentation	Malaysia	13 Jul	15 Jul

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
May Trade Balance, Exports, Imports	Hong Kong	25 Jun
May Industrial Profits	China	27 Jun
Jun PMI (Composite, Manufacturing, Non-manufacturing)	China	30 Jun
May Money Supply (M1, M2, M3)	Hong Kong	30 Jun

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Top Stories

Company Results | JBM Healthcare (2161 HK/**BUY**/HK$1.96/Target: HK$3.10) Page 2

JBM's FY26 revenue grew 6.7% yoy to HK$834m, largely in line with our estimate, but net profit (up 1.9% yoy to HK$201m) missed our expectation by 6% on forex losses and higher non-controlling interest. Management remains conservative on FY27 and plans to continue focusing on brand building for its proprietary brands through omni-channel marketing as well as sales channel enhancement. Maintain BUY and cut target price to HK$3.10 as we roll over to 12.0x FY27F PE.

Technical Analysis

MiniMax Group | 100 HK Page 5

Support levels: HK$377.00/HK$235.00
Resistance levels: HK$640.00/HK$651.00

Ubtech Robotics | 9880 HK Page 5

Support levels: HK$84.60/HK$75.90
Resistance levels: HK$110.70/HK$114.50

JBM Healthcare (2161 HK)

FY26: Resilient PCM Sales; Conservative FY27 Outlook

Highlights

- JBM's FY26 revenue grew 6.7% yoy to HK$834m, largely in line with our estimate, but net profit (up 1.9% yoy to HK$201m) missed our expectation by 6% on foreign exchange losses and higher non-controlling interest.
- Management remains conservative on FY27 and plans to continue focusing on: a) brand building for its proprietary brands through omni-channel marketing initiatives, and b) ongoing enhancement for both online and offline sales channels.
- Maintain BUY and cut target price to HK$3.10 as we roll over to 12.0x FY27F PE. We lower our dividend payout ratio assumption from 70% to 65% for FY27-29 in view of debt repayment and potential M&A.

FY26 Results

Year to 31 Mar (HK$000)	2HFY26	yoy	hoh	FY26	FY25	yoy	UOBKH	Variance
Revenue	**404,990**	**5.6%**	**-5.7%**	**834,634**	**782,292**	**6.7%**	**831,230**	**0.4%**
Branded medicine	129,064	-8.8%	-14.5%	279,972	272,231	2.8%	299,454	-6.5%
Proprietary Chinese medicines	231,846	24.8%	-2.0%	468,404	405,448	15.5%	445,993	5.0%
Health & Wellness products	44,080	-21.3%	4.5%	86,258	104,613	-17.5%	85,783	0.6%
Gross profit	**211,937**	**2.0%**	**-16.4%**	**465,538**	**413,707**	**12.5%**	**470,165**	**-1.0%**
Operating profit	**111,658**	**-3.7%**	**-21.4%**	**253,689**	**227,966**	**11.3%**	**254,876**	**-0.5%**
Net profit	**86,077**	**-15.1%**	**-25.2%**	**201,088**	**197,261**	**1.9%**	**213,713**	**-5.9%**
Margins (%)								
Gross margin	52.3	-1.9ppt	-6.7ppt	55.8	52.9	2.9ppt	56.6	-0.8ppt
Operating margin	27.6	-2.7ppt	-5.5ppt	30.4	29.1	1.3ppt	30.7	-0.3ppt
Net margin	21.3	-5.2ppt	-5.5ppt	24.1	25.2	-1.1ppt	25.7	-1.6ppt

Source: JBM Healthcare, UOB Kay Hian

Analysis

- **PCM registered robust sales growth in FY26.** JBM Healthcare's (JBM) revenue grew 6.7% yoy to HK$834m in FY26, largely in line with our estimate. By segment, branded medicine grew moderately at 2.8% yoy in FY26 but declined 14.5% hoh in 2HFY26 due to softer sales of Ho Chai Kung amid a weaker-than-expected flu season in 2HFY26. Sales of proprietary Chinese medicines (PCM) rose 15.5% yoy, driven by: a) solid momentum of Po Chai Pills, b) resilient growth of concentrated Chinese medicine granules, and c) the consolidation of Tin Hee Pills (acquired in Apr 25) and Kenford Medical Group (acquired in Jun 25). Revenue from the health and wellness segment fell 17.5% yoy due to restructuring and the discontinuation of certain products.

Key Financials

Year to 31 Mar (HK$'000)	FY25	FY26	FY27F	FY28F	FY29F
Net turnover	782,292	834,634	880,505	929,627	982,245
EBITDA	280,250	303,433	318,080	333,091	350,434
Operating profit	227,966	253,689	263,739	280,034	298,484
Net profit (rep./act.)	197,261	201,088	210,651	224,603	241,067
Net profit (adj.)	197,261	201,088	210,651	224,603	241,067
EPS (cents)	24.1	24.6	25.8	27.5	29.5
P/E (x)	10.8	8.0	7.6	7.1	6.6
P/B(x)	2.0	1.5	1.4	1.3	1.2
EV/EBITDA	7.5	6.2	5.2	4.7	4.1
Dividend yield (%)	6.5	8.7	8.6	9.1	9.8
Net margin (%)	25.2	24.1	23.9	24.2	24.5
Net debt (cash) to equity (%)	(2.9)	24.2	4.1	(4.6)	(11.8)
Interest cover (x)	51.1	21.7	24.5	29.1	34.4
ROE (%)	18.0	17.5	17.8	17.5	17.4
Consensus net profit			240,474	278,460	n.a.
UOBKH/Consensus (x)			0.88	0.81	n.a.

Source: JBM Healthcare, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	HK$1.96
Target Price	HK$3.10
Upside	57.9%
Previous TP	HK$3.15

Analyst(s)

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Stock Data

GICS sector	Healthcare
Bloomberg ticker	2161 HK
Shares issued (m)	822
Market cap (HK$m)	1,611
Market cap (US$m)	207
3-mth avg daily t'over (US$m)	0.09

Price Performance (%)

52-week high/low				HK$3.43/HK$1.96
1mth	3mth	6mth	1yr	YTD
(18.7)	(23.7)	(26.9)	(36.8)	(26.3)

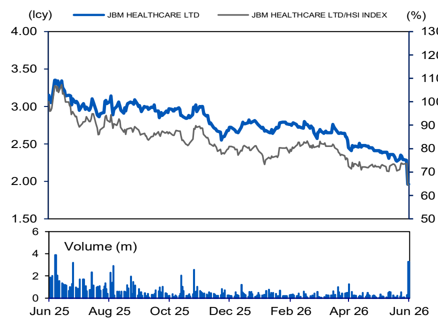
Major Shareholders

	%
Sum Kwong Yip	71.6%

Balance Sheet Metrics

FY27 NAV/Share (HK$)	1.51
FY27 Net Debt/Share (HK$)	0.06

Price Chart



Company Description

JBM Healthcare manufactures pharmaceuticals. The company researches, produces, and sells a variety of generic drugs in Hong Kong.

- **Net profit missed on non-operating items.** Gross profit grew 12.5% yoy to HK$466m and gross margin expanded 2.9ppt yoy to 55.8% in FY26, thanks to a lower sales proportion of low-margin third-party products in 1HFY26, but was offset by the consolidation of Kenford Medical Group in 2HFY26, which has a lower gross margin than its PCM segment. Operating profit increased 11.3% yoy to HK$252m, largely in line with our estimate, despite higher marketing expenses related to the campaign for Po Chai Pills' new sachet packaging (we estimate to be about HK$10m) and higher staff costs. Attributable net profit increased 1.9% yoy to HK$201m, 5.9% below our estimate, mainly due to foreign exchange losses and higher non-controlling interest.
- **About 70% dividend payout ratio.** Final DPS declared was 7.35 HK cents and full-year DPS was HK 17.1 cents, representing a 69% payout ratio, vs 70% in FY25 and 51% in FY24.
- **Conservative FY27 outlook.** Management remains conservative on FY27 while it continues focusing on: a) brand building for its proprietary brands through omni-channel marketing initiatives, such as the marketing campaign for Tin Hee Pills scheduled in 1HFY27, title sponsorship for Midlife, Sing and Shine! Season 4, and targeted marketing on social media platforms; and b) enhancing both online channels and offline sales channels, especially for leading chain retail stores in Hong Kong.
- **Expanding Chinese medicine clinic services.** Besides acquiring Kenford Medical Group in Jun 25, JBM completed the acquisition of 100% equity interest in King Pui Chinese Medical Group and Siulun Medheart Group (King Pui Group) at a consideration of HK$36m in Jan 26. Kenford Medical Group and King Pui Group operate 40 clinics in Hong Kong, offering traditional Chinese medicine, orthopaedic and chiropractic, acupuncture and other Chinese medicine consultancy services (rendering of Chinese medicine clinic services account for 8% of PCM sales in FY26). We believe the acquisitions give JBM direct access to patients and create cross-selling opportunities for its existing PCM products. Management has prudent plans to open new clinics in residential areas in FY27.

Earnings Outlook

- We lower our FY27-28 revenue forecasts by 6%/12% respectively to reflect normalised sales growth of branded medicine and resilient PCM sales. We trim our FY27-28 net profit estimates by 12%/19% to reflect lower revenue forecasts and slightly softer blended gross margin due to the consolidation of its recent M&As. We introduce our FY29 revenue and net profit forecasts of HK$982m and HK$241m respectively.
- We lower our dividend payout ratio forecast from 70% to 65% for FY27-29 in view of debt repayment and potential M&As.

Valuation/Recommendation

- **Maintain BUY and cut target price to HK$3.10 based on 12.0x FY27 PE.** The current price implies 7.6x FY27F PE (about 0.5SD below its historical mean of 11.4x in 2021-25) and an 8.6%/9.1%/9.8% dividend yield in FY27-29.

Key Assumptions

Year to 31 Mar (HK$'000)	FY26	FY27F	FY28F	FY29F
Revenue	**834,634**	**880,505**	**929,627**	**982,245**
Branded medicine	279,972	288,371	297,022	305,933
Proprietary Chinese medicine	468,404	505,876	546,346	590,054
Health & wellness	86,258	86,258	86,258	86,258
Revenue Breakdown (%)	**100.0**	**100.0**	**100.0**	**100.0**
Branded medicine	33.5	32.8	32.0	31.1
Proprietary Chinese medicine	56.1	57.5	58.8	60.1
Health & wellness	10.3	9.8	9.3	8.8
Gross margin breakdown (%)	**55.8**	**55.2**	**55.0**	**54.9**
Branded medicine	77.9	77.0	77.0	77.0
Proprietary Chinese medicine	48.0	47.5	47.5	47.5
Health & wellness	26.3	27.0	27.0	27.0
Gross profit contribution (%)	**100.0**	**100.0**	**100.0**	**100.0**
Branded medicine	46.9	45.7	44.7	43.7
Proprietary Chinese medicine	50.6	50.6	50.6	51.6
Health & wellness	4.9	4.8	4.6	4.3

Source: JBM Healthcare, Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Mar (HK$'000)	FY26	FY27F	FY28F	FY29F
Net turnover	**834,634**	**880,505**	**929,627**	**982,245**
EBITDA	303,433	318,080	333,091	350,434
Depreciation & amortization	(49,744)	(54,341)	(53,056)	(51,950)
EBIT	**253,689**	**263,739**	**280,034**	**298,484**
Total other non-operating income	10,151	10,099	10,099	11,266
Net interest income/(expense)	(11,686)	(10,754)	(9,623)	(8,678)
Pre-tax profit	**252,154**	**263,085**	**280,510**	**301,072**
Tax	(41,843)	(43,657)	(46,549)	(49,961)
Minorities	9,223	8,777	9,358	10,044
Net profit	**201,088**	**210,651**	**224,603**	**241,067**

Balance Sheet

Year to 31 Mar (HK$'000)	FY26	FY27F	FY28F	FY29F
Fixed assets	173,328	**168,352**	**164,300**	**161,000**
Other LT assets	1,101,010	1,081,645	1,062,641	1,043,990
Cash/ST investment	119,936	313,341	395,170	482,523
Other current assets	368,372	273,097	296,930	314,028
Total assets	**1,762,646**	**1,836,436**	**1,919,040**	**2,001,542**
ST debt	134,491	104,491	74,491	54,491
Other current liabilities	123,046	124,876	134,718	141,528
LT debt	259,230	259,230	259,230	259,230
Other LT liabilities	114,875	114,875	114,875	114,875
Shareholders' equity	1,080,130	1,173,313	1,266,716	1,352,364
Minority interest	50,874	59,651	69,010	79,054
Total liabilities & equity	**1,762,646**	**1,836,436**	**1,919,040**	**2,001,542**

Cash Flow

Year to 31 Mar (HK$'000)	FY26	FY27F	FY28F	FY29F
Operating	**152,900**	**381,627**	**282,651**	**301,450**
Pre-tax profit	252,154	263,085	280,510	301,072
Tax	(41,843)	(43,657)	(46,549)	(49,961)
Deprec. & amort.	49,744	54,341	53,056	51,950
Working capital changes	(118,789)	97,105	(13,990)	(10,289)
Other operating cashflows	11,634	10,754	9,623	8,678
Investing	**(304,837)**	**(30,000)**	**(30,000)**	**(30,000)**
Capex (growth)	(63,419)	(30,000)	(30,000)	(30,000)
Others	(241,418)	-	-	-
Financing	**66,026**	**(158,222)**	**(170,823)**	**(184,097)**
Dividend payments	(174,460)	(117,468)	(131,199)	(155,419)
Issue of shares	-	-	-	-
Proceeds from borrowings	215,637	-	-	-
Loan repayment	-	(30,000)	(30,000)	(20,000)
Others/interest paid	24,849	(10,754)	(9,623)	(8,678)
Net cash inflow (outflow)	**(85,911)**	**193,405**	**81,828**	**87,353**
Beginning cash & cash equivalent	**205,847**	**119,936**	**313,341**	**395,170**
Changes due to forex impact	-	-	-	-
Ending cash & cash equivalent	**119,936**	**313,341**	**395,170**	**482,523**

Key Metrics

Year to 31 Mar (%)	FY26	FY27F	FY28F	FY29F
Profitability				
Gross margin	55.8	55.2	55.0	54.9
Operating margin	30.4	30.0	30.1	30.4
Net margin	24.1	23.9	24.2	24.5
ROE	17.5	17.8	17.5	17.4
ROA	12.2	11.7	11.7	12.0
Growth				
Turnover	6.7	5.5	5.6	5.7
Gross profit	12.5	4.3	5.3	5.4
Pre-tax profit	4.3	4.3	6.6	7.3
Net profit	1.9	4.8	6.6	7.3
EPS	2.3	4.8	6.6	7.3
Leverage				
Debt to total capital	22.3	19.8	17.4	15.7
Debt to equity	34.8	29.5	25.0	21.9
Net debt to equity	24.2	4.1	(4.6)	(11.8)
Interest cover (x)	21.7	24.5	29.1	34.4

MiniMax Group (0100 HK)

Source: TradingView

Last price: HK$515.00
Support levels: HK$377.00/HK$235.00
Resistance levels: HK$640.00/HK$651.00

Technical View:

Price was rejected at its support-turned-resistance zone, which is punctuated by a bearish engulfing candlestick pattern. This structural failure is heavily validated by a deteriorating momentum profile, with the MACD firmly entrenched in a negative regime and primed to execute a fresh bearish crossover. This confluence of overhead supply and expanding selling velocity strongly favours a continuation of the broader primary downtrend.

Average timeframe: Around two weeks.

Ubtech Robotics (9880 HK)

Source: TradingView

Last price: HK$98.00
Support levels: HK$84.60/HK$75.90
Resistance levels: HK$110.70/HK$114.50

Technical View:

Price was capped at its support-turned-resistance zone, and subsequently broke down to violate its recent structural low. This technical weakness is reinforced by the MACD which has turned bearish and is expanding lower within a negative regime. This combination of an established overhead supply ceiling and accelerating downward velocity significantly increases the probability of a sustained extension lower.

Average timeframe: Around two weeks.

Analyst

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