

SBC Medical Group Holdings, Inc.  
Nasdaq: SBC

# EMERGING *Growth* Research

September 3, 2025

Price (close on September 2, 2025)  
**\$4.06**

Rating  
**Buy-Extended**

12-Month Target Price  
**\$9.00**

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## Look Through Valley to Global Expansion:

Long-term accomplished founder and management have shepherded SBC from a solo clinic in 2000 to become a global cosmetic treatment center franchiser and cash generation machine with virtually no debt. However, revenue growth has declined in recent quarters (which is expected to persist into early-2026), reflecting increased market competition pressure. Looking through the valley then sees the Company growing again starting in 2026 with increasing prospects for global M&A in addition to opportunistic Japanese M&A. Despite a YTD share price rebound, SBC remains heavily undervalued traditionally and via a DCF analysis (especially net of ample Cash). We are bullish on SBC, and **we initiate coverage with a Buy-Extended rating and with a \$9.00 price target.**

About the Company
SBC Medical Group Holdings Incorporated, together with its subsidiaries, provides management services to cosmetic treatment centers via a franchise model in Japan, Vietnam, and Singapore. Revenue is sourced from five segments: Franchising, Procurement, Management Services, Rental, and Other. The Company was founded in 2000.

FYE Dec Revenue (\$ mil.)	FY 2024A ACTUAL	FY 2025E CURRENT	FY 2025E FORMER	FY 2026E CURRENT	FY 2026E FORMER
Q1 Mar	\$54.8A	\$47.3A		\$43.4E	
Q2 Jun	\$53.1A	\$43.4A		\$48.8E	
Q3 Sep	\$53.1A	\$43.4E		\$48.8E	
Q4 Dec	\$44.4A	\$43.4E		\$48.8E	
<b>Year*</b>	<b>\$205.4A</b>	<b>\$177.4E</b>		<b>\$189.7E</b>	
Change	6%	(14)%		7%	

FYE Dec EPS (\$)	FY 2024A ACTUAL	FY 2025E CURRENT	FY 2025E FORMER	FY 2026E CURRENT	FY 2026E FORMER
Q1 Mar	\$0.20A	\$0.21A		\$0.09E	
Q2 Jun	\$0.20A	\$0.02A		\$0.12E	
Q3 Sep	\$0.03A	\$0.10E		\$0.12E	
Q4 Dec	\$0.06A	\$0.10E		\$0.12E	
<b>Year*</b>	<b>\$0.48A</b>	<b>\$0.42E</b>		<b>\$0.46E</b>	
P/E Ratio	8.5	9.6		8.8	

52-Week Range	\$2.95 - \$14.46
Shares Outstanding	103.9 mil
Insider/Institutional	87%/0%
Public Float	\$45.6 mil
Market Capitalization	\$423.8 mil
Total Debt	\$7.1 mil
Debt / Equity	3%
ROE (TTM)	18%
Book Value / Share	\$1.98
Daily Volume (90-day)	102,147
Fwd. Div. & Yield	--



### Investment Thesis

- Dominant franchise position in the local Japanese industry with underlying volume growth, though near-term revenue pressure (pricing)
- 25-year track record with visionary management (founder) plus new global managers of note to support expanded global M&A
- Heavily discounted shares with increasing steps by management to improve liquidity in share trading

### Key Risks

- Longer-than-expected revenue rebound expected as increased competition impacts pricing, though not volumes
- Japanese market and franchisee concentration presents diversifiable risks – less of an issue with future global M&A
- Limited international experience in SE Asia and U.S. markets that are targets for global M&A

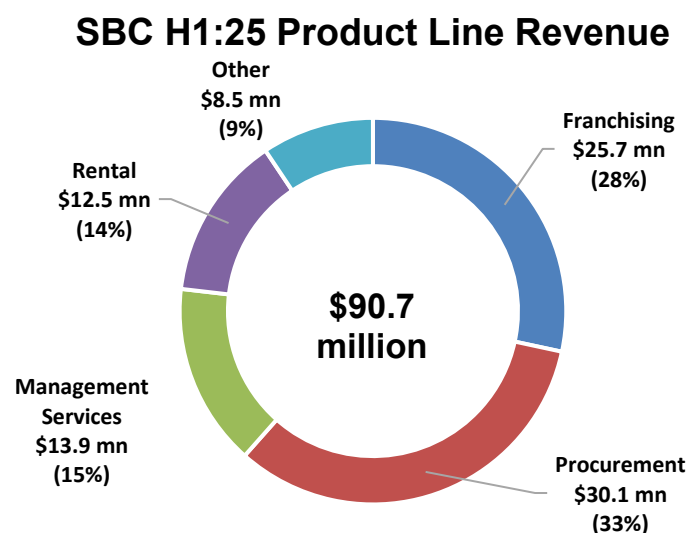
Please refer to the end of this report to obtain important disclosure information.

## Company Description

Founded in 2000 as Shonan Beauty Clinic in Japan, SBC Medical Group Holdings, Inc. (SBC) has grown organically and via acquisitions to become a global healthcare management company. The Company owns, operates, and provides management services through a franchise model to cosmetic treatment centers (e.g., dermatology, aesthetic surgery, hair removal, orthopedics, ophthalmology, alopecia, fertility, dentistry), currently mainly in Japan (i.e., 99% of revenue) but also in Vietnam and Singapore. SBC operates in five segments:

- **Franchising** – SBC generates royalty income revenue by licensing its intellectual properties, including but not limited to the Company’s brand name (“Shonan Beauty Clinic”), trade name, and trademarks, pursuant to franchise agreements with certain medical corporations (“MC”), primarily in Japan. In 2023, franchising income moved from a percentage-of-sales model to a fixed-fee model. Starting in Q2:25, SBC further revised its model for newly-opened clinics by reducing fees in the first year of operation to better reflect lower initial utilization, before transitioning to a performance-based structure as the clinics grow thereafter. This change temporarily reduced growth of franchising revenue in 2025.
- **Procurement** – SBC generates revenue by purchasing advertising services and medical materials from qualified vendors on behalf of MCs to maintain brand quality consistency. Occasionally, the Company also receives vendor discounts on certain large purchases.
- **Management Services** – SBC provides loyalty program management services, labor-supporting services, function-supporting services, and management consulting services to MCs: e.g., loyalty points program on behalf of MCs to MC customers in exchange for a handling fee and a range of services including clinic operation, IT, and administrative services (e.g., accounting and business operations). The Company exited its staffing business in 2025.
- **Rental** – SBC generates revenue from operating leases and sales-type leases. Operating lease revenue is generally recognized on a straight-line basis over the terms of the lease agreements, and sales-type lease revenue is generally recognized on the lease commitment date.
- **Other** – SBC generates other revenues such as accommodation services income, medicine-dispensed revenue, brokerage services revenue, construction services revenue, pilot training services revenue, interest income, etc. These revenues are recognized when the Company satisfies performance obligations.

### Exhibit 1: SBC Medical Group Business Segments



Source: “SBC Medical Group Holdings, Inc. Fiscal 2025 10-Q Report.” SBC Medical Group Holdings, Inc. 30 June, 2025

**Investment Thesis**

**Leading Domestic Position in Japan with Global Expansion on Tap**

SBC underwent financial recapitalization in Q3:24, during which the holding company Pono Capital Two, Inc. (“Pono”) merged the business lines of prior SBC businesses and renamed itself SBC Medical Group Holdings, Inc. Collectively, the Company is now the largest player in Japanese cosmetic treatment with an estimated 25% market share in its highly-fragmented industry in which the Company currently generates 99% of revenue. The Company owns numerous brands.

**Exhibit 2: Business Brands by Type**



Source: SBC Medical Group Holdings, Inc. (Note: The clinic in the United States recently closed.)

Shonan Beauty dermatology offers relatively reasonable prices with a high turnover. That said, SBC is lessening its dependence on lower-growth/lower-margin medical procedure business in favor of higher-growth/higher-margin dermatological aesthetics (e.g., NEO Skin Clinic), including an increasing focus on male customers and medical tourism, particularly from China. Orthopedics and AGA (i.e., alopecia) treatments are also high-growth areas which the Company aims to be the strongest competitor in 10 years. Of note, JUN and NEO Skin clinics are positioned in the mid-to-high price range where customers are focused on high quality and greater accessibility.

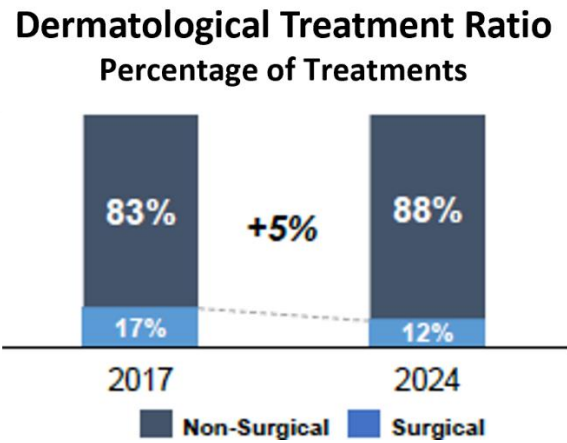
SBC has also taken steps to recruit management internationally to pursue a global expansion strategy. Indeed, SBC recently hired (1) renowned plastic surgeon Dr. Steven Cohen as an advisor, (2) Stephen Rodgers who was previously employed by Amazon and Rakuten with experience in business development/M&A to be Head of International Strategy, and (3) Shinya Inoue, a marketing leader with a track record at P&G, Eli Lilly, and Adobe as the Chief Marketing Officer. In Singapore in 2024, the Company also acquired AHH, Singapore’s leading aesthetic medical Company and just named Dr. Ewen Chee, founder of AHH, as President of AHH and Lead Doctor for Asia Strategy at SBC Medical Group.

**Solid Industry Volume but Weakening Pricing in Japanese Home Market**

The rate of use of cosmetic treatments for men and women is the highest it has been in the past five years. Versus 2024, the largest increase in volume has been women who are in their 30s and men between 15 and 19 years old. That said, the price of cosmetic treatment is declining, though repeats are increasing. Industry-wide, 12% of Japanese women and 8% of Japanese men purchase cosmetic treatments, but women spend far more per person (204k Yen vs. 119k Yen).<sup>1</sup> As witnessed at SBC, industry treatments are overwhelmingly non-surgical and becoming more so.

<sup>1</sup> “Beauty Census 2024 Second Half (Cosmetic Medical Edition)”, *Recruit Co., Ltd. Hot Pepper View*, December 2024.

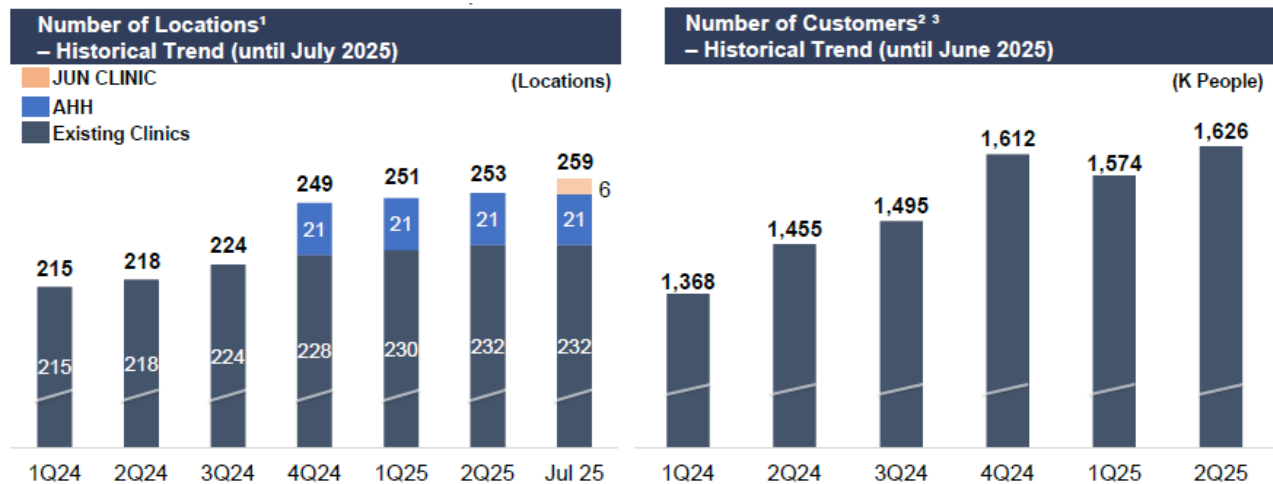
**Exhibit 3: Change in Cosmetic Industry Treatment Type**



Source: Japanese Society of Aesthetic Plastic Surgery 2025 Survey

At the micro level, SBC clinics have continued to grow (i.e., +36 or +16% total SBC clinics in last 12 months to reach a total of 259 clinics). Its recent acquisition of MB Career Lounge (i.e., six clinics from JUN Clinic) is indicative of this trend, though organic clinic openings remain key. The goal is to grow from 259 clinics currently to 1,000 in ten years, implying a 14% long-term CAGR in clinics. The Company now reports 6.3 million visits annually (which is unmatched in Japan) and a 72% repeat rate, but average spend is trending down reflecting reduced pricing stemming from fierce competition. This price reduction has impacted Franchise and Management Service revenue, though Procurement and rental revenues have risen 2025 YTD due to higher purchases of medical materials and replacement of hair removal devices.

**Exhibit 4: Underlying Clinic and Customer Volume Trends**



Source: SBC Medical Group Holdings, Inc.

## Heavily Discounted Cash-Generation Machine with Increasing Trading Liquidity

With growing underlying procedure volume, 70% - 75% gross margins, and operating expense control (reflecting the franchise model), SBC is a cash-generation machine. As of the end of Q2:25, the Company carried \$153 million in cash on the balance sheet, an additional \$73 million in accounts receivable, and \$14 million in pre-paid expenses. Net of very limited \$7 million long-term commercial bank loans (i.e., low-APR borrowing in Japan), current assets are approximately 75% of SBC's total assets or ~55% of its current fully-diluted ~\$425 million market capitalization (~35% in Net Cash alone). In effect then, net purchasing price of SBC is \$2 to \$3 per share, not the listed \$4.06 per share price as of September 2nd, 2025.

SBC intends to deploy its ample cash reserves in domestic and international M&A activity. SBC will continue to opportunistically acquire domestically in Japan. Reflecting long-term strength in their business model and management as well as fragmentation of cosmetic treatment globally, the Company also seeks to expand into Asia and the United States.

To improve trading liquidity, SBC has also taken several steps: became a Russell 3000 company (June 2025) and executed a share buyback earlier this year. Furthermore, the Company is contemplating the potential creation of a dividend program, partial liquidation of its founder's share ownership, and perhaps an additional share issuance to support global M&A activity.

Since mid-2024 (around the time of the Q3:24 recapitalization), SBC shares have declined 80%, reflecting expectations of and reality of near-term revenue slowdown in later 2024/2025 due to increased local market competition. Indeed, a Q2:25 change in franchise fee pricing structure has reduced quarterly revenue expected over the next four quarters (including Q2:25) from a ~\$55 million run rate for most of 2024 to a ~\$45 million run rate. It is expected that revenue generation will remain at the ~\$45 million level until Q2:26 after which it should return to its historical +10% to +15% CAGR range.

However, the share price is up ~+40% off its April, 2025 low reflecting steps management is taking to address its issues. Indeed, at its \$2.95/share low, the Company was close to effectively selling for free, net of current assets. Accordingly, SBC is heavily discounted with best yet to come on both domestic Japanese and global expansion, post-2025 treatment pricing change. Therefore, **we are bullish on SBC and initiate coverage with a Buy-Extended rating with a \$9.00 price target.**

## Primary Investment Risks

- Procedure volume growth has attracted more doctors to the cosmetic treatment industry in Japan, resulting in increasing pricing pressure that is materially impacting near-term revenue growth, though not underlying procedure volume. As well, Japan's government regulator is concerned about the increasing number of doctors entering the market and seeks to maintain quality of care, which may limit competition to a degree longer-term.
- While the Company's stock trades on the NASDAQ in the United States, its revenue and expenses are currently primarily denominated in Japanese yen. SBC does not hedge its financial statement currency translation risk.
- While SBC has ample operating experience in the Japanese cosmetic treatment industry in Japan, they have limited experience in its target markets in Southeast Asia and the United States – both areas set for expansion in the future.
- Partially reflecting its limited free float, SBC stock price is volatile though management is currently taking steps to broaden share trading capacity, including potentially introducing a future dividend.
- SBC business remains 50% dependent on its ability to build out Shonan Beauty Clinic brand. Therefore, the Company has significant franchisee concentration as well as a current 99% Japanese revenue focus. Globally, SBC management has little experience in providing management services to franchisee clinics located outside of Japan, and the Company is subject to a variety of costs and risks due to our continued international expansion.
- SBC's founder/Chairman/CEO Yoshiyuki Aikawa owns a dominant, controlling 87% of SBC shares. As such, he is in the position to steer SBC in any direction he chooses, which may not align with the interests of other shareholders.

- SBC has witnessed two incidences of internal control issue (i.e., 2023/prior employee misappropriation of funds and 2024 financial reporting process). Management has taken/is taking steps to remedy these matters.

## Management and Shareholders

SBC is led by Chairman/CEO Yoshiyuki Aikawa and CFO Yuya Yoshida. Mr. Aikawa has been involved in Japanese cosmetic treatment centers since the 2000 founding of its initial namesake clinic, growing SBC from a single clinic into its present status as a global healthcare Company. Mr. Yoshida was appointed CFO of SBC (post-2024 business combination) in April, 2025. Prior, he joined SBC as Chief Operating Officer and member of the Board of Directors since 2024 and was Chief Financial Officer of SBC Medical Group Co., Ltd. (Japan) since 2023. Prior to that date, he worked for eight years at Rakuten Group Co., Ltd. and for 15 years in securities, M&A, and investment banking at Mitsubishi UFJ Financial Group.

Reflecting long-term historical founder-ownership, SBC is controlled by Chairman/CEO Aikawa, who effectively owns approximately 87% of outstanding shares (as of year-end 2024). Accordingly, there is no institutional ownership over 5% of shares as well as limited free float trading in the shares. SBC reported 103.1 million fully-diluted shares outstanding as of June 30<sup>th</sup>, 2025. Large shareholders and holdings of officers and directors are summarized in the table below (see Exhibit 5).

### Exhibit 5: Key Shareholders

	% Ownership
Yoshiyuki Aikawa	87.4%
Total Insiders	87.4%
Over 5% Institutional Ownership	0.0%
Total Insiders & 5%+ Institutional Ownership	<b>87.4%</b>
Outstanding Shares as of 6/30/25	103.1

Source: SBC Company Filings

## Latest Quarterly Results (Q2:25)

SBC's revenue declined (18)% YOY in Q2:25 reaching \$43.4 million versus \$53.1 million in Q2:24 and \$47.3 million in Q1:25. This decline reflected the impact of franchising fee reductions and the Company's withdrawal from staffing business, partially offset by rising prices in Procurement and Rental Services. Underlying volumes increased as 36 more locations were added YOY (i.e., franchise locations were 259 as of June 30, 2025) and customer number increased +14% in YOY (i.e., 6.3 million customers in the twelve months ended June 30, 2025 with a repeat rate of 72%). Management estimates that revenue will be negatively impacted for the next three quarters as the effect of the recent pricing change is fully absorbed.

Gross profit in Q2:25 was \$30.0 million compared to \$39.4 million in Q2:24 reflecting the decline in higher-margin Franchising and Management Services revenue. Sequentially, gross profit also fell from \$37.7 million in Q1:25. Importantly, gross margin increased in H1:25 versus H2:25. Operating profit in Q2:25 also fell to \$14.6 million compared to \$27.3 million in Q2:24 on office re-supply and stock-listing consulting services, offset by lower salaries. Sequentially, operating profit fell from \$24.2 million in Q1:25. SBC's Net Income from Continuing Operations in Q2:25 was \$2.5 million versus \$18.5 million in Q2:24 on a higher-than-expected tax rate. Sequentially, Net Income from Continuing Operations also fell from \$21.5

million in Q1:25. EBITDA, a non-GAAP measure, was \$1.5 million in Q2:25 versus an estimated \$26.3 million in Q2:24 and \$23.3 million in Q1:25. EPS dropped to \$0.02 from \$0.20 in Q2:24 and \$0.21 sequentially in Q1:25.

**EPS Guidance, Estimates, and Valuation**

SBC management estimates that while revenue will continue to be negatively impacted for the next 3 quarters by the effect of recent price changes, operating profit for full year 2025 should be approximately equal to that of 2024. This expectation implies an operating profit stabilization in H2:25 versus Q2:25. +10% to +15% CAGR revenue growth is thereafter expected to return reflecting both domestic return to organic growth as well as select M&A activity in Japan, Southeast Asia, and the United States. Gross margin is expected to stabilize at around 70% while Operating margin is expected to slowly recover.

We traditionally value companies using a blend of peer group relative valuation multiples and a Discounted Cash Flow (DCF) model. However, SBC is a unique Company in the niche Japanese/global cosmetic treatment industry. Most of its industry is fragmented, and there are few publicly-traded true comparables. The closest peer in the United States is AIRS, which has an equivalent Price/Sales ratio despite being unprofitable/low-growth with a higher debt-load and volatile stock price.

So, we currently downplay relative valuation analysis. That said, even a cursory glance at SBC’s Price/Earnings, Price/Sales, and PEG ratios make it clear that SBC is undervalued (especially net of Cash or Current Assets). Moreover, the Company’s considerable Net Cash on the balance sheet (~35% of market value as of 6/30/2025) additionally calls for a Discounted Cash Flow (“DCF”) analysis. Exhibit 6 below summarizes our peer group multiples. Historical and proforma forecast financial statements as well as a DCF model are included on pages 10 through 14 of this report.

**Exhibit 6: SBC Medical Group Holdings, Inc. Peer Group Multiples and Price Target**

Company Name	Ticker	Price (8/29/24)	Shares (MM)	Market Cap (\$millions)	Trailing Price/Sales	Forward P/Sales	Trailing P/E	Forward P/E	Forward PEG
Airsulpt Tech	AIRS	\$6.45	62.5	\$403	2.4	2.4	NM	NM	NM
<b>Industry Averages (ex: negatives)</b>				<b>\$403</b>	<b>2.4</b>	<b>2.4</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>
SBC Medical Group Holdings, Inc.	SBC	<b>\$4.08</b>	<b>103.9</b>	<b>\$424</b>	<b>2.3</b>	<b>2.4</b>	<b>12.7</b>	<b>10.1</b>	<b>0.8</b>
SBC (Adj. for Net Cash on Balance Sheet)	SBC	\$2.68	103.9	\$424	1.5	1.6	8.3	6.7	0.5
SBC (Adj. for Current Assets on Balance Sheet)	SBC	\$1.76	103.9	\$424	1.0	1.0	5.5	4.4	0.3
<b>Discounted Cash Flow Estimate</b>		<b>\$9.19</b>							

Source: Emerging Growth Research and SBC Medical Group Holdings, Inc.

Our DCF model uses financial statement estimates for 2025 and 2026 and projections for years thereafter. We focus on Free Cash Flow, which we expect to resume +12.5% CAGR expansion in later 2026 (mid-point of +10% to +15% range), with rate of growth declining 1% each year to a terminal 3% growth rate achieved ten years from now in 2035. Operating margin is expected to remain at an average 40% over the period covered. We believe these estimates are conservative.

We discount estimated annual free cash flows by a 12.0% WACC, inclusive of risk premiums for the risk-free-rate, equity market, trading liquidity, and small-cap risk. Our DCF model produces a \$9.19/share present value of equity (inclusive of cash and warrants), which we round down to \$9.00. Terminal value sensitivity analysis (for different terminal growth and discount rates) indicates a min/max share price-estimate range of \$7.7 - \$12.1 that adds confidence in our price target estimate.

Our price target is higher than the current \$4.06 price of SBC shares as of September 2<sup>nd</sup>, 2025, though equal to SBC’s share price five months ago. Investors significantly sold off SBC shares in 2024 but have begun to come back on recovery from Q1:25 lows. We focus on the future. If management is able to stabilize operating profit and begin to regrow its top-line in 2026, share price upside is considerable. **We initiate with a Buy-Extended rating and a \$9.00 price target.**

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**Buy**, 30% or greater price appreciation in the next 12 months.

**Buy-Extended**, near-term EPS and/or revenue horizon is challenging with strong long-term appreciation possibility.

**Buy-Emerging**, initial stages with low revenue and the potential for large returns with higher risk and volatility.

**Hold**, perform similar to market.

**Sell**, 30% or more decline in the next 12 months.

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5-Year Chart



SBC Medical Group Holdings, Inc.  
 Nasdaq: SBC  
 Quarterly Results & Estimates  
 \$ in Millions

	2023 Actual	2024 Actual					2025 Estimated					2026 Estimated				
	Fiscal 2023A	1QA Mar-24	2QA Jun-24	3QA Sep-24	4QA Dec-24	Fiscal 2024A	1QA Mar-25	2QA Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2025E	1QE Mar-26	2QE Jun-26	3QE Sep-26	4QE Dec-26	Fiscal 2026E
<b>Revenues</b>																
Franchising	\$ 42.10	\$ 15.11	\$ 14.63	N/A	N/A	\$ 61.03	\$ 15.72	\$ 10.01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Procurement	\$ 53.19	\$ 13.20	\$ 13.54	N/A	N/A	\$ 54.81	\$ 14.33	\$ 15.76	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Management Services	\$ 72.28	\$ 15.66	\$ 16.71	N/A	N/A	\$ 53.11	\$ 8.73	\$ 5.14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rental Services	\$ 7.34	\$ 3.62	\$ 3.45	N/A	N/A	\$ 16.14	\$ 5.64	\$ 6.85	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	\$ 18.63	\$ 7.23	\$ 4.78	N/A	N/A	\$ 20.31	\$ 2.91	\$ 5.61	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elimination of intercompany transactions	\$ -	\$ -	\$ -	N/A	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Revenues</b>	<b>\$ 193.54</b>	<b>\$ 54.81</b>	<b>\$ 53.10</b>	<b>\$ 53.09</b>	<b>\$ 44.42</b>	<b>\$ 205.42</b>	<b>\$ 47.33</b>	<b>\$ 43.36</b>	<b>\$ 43.36</b>	<b>\$ 43.36</b>	<b>\$ 177.41</b>	<b>\$ 43.36</b>	<b>\$ 48.78</b>	<b>\$ 48.78</b>	<b>\$ 48.78</b>	<b>\$ 189.70</b>
<b>YOY Revenue Growth (%)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6.1%</b>	<b>-13.6%</b>	<b>-18.3%</b>	<b>-18.3%</b>	<b>-2.4%</b>	<b>-13.6%</b>	<b>-8.4%</b>	<b>12.5%</b>	<b>12.5%</b>	<b>12.5%</b>	<b>6.9%</b>
<b>Cost of Revenues</b>	<b>\$ 56.24</b>	<b>\$ 15.29</b>	<b>\$ 13.68</b>	<b>\$ 9.85</b>	<b>\$ 10.55</b>	<b>\$ 49.37</b>	<b>\$ 9.60</b>	<b>\$ 13.35</b>	<b>\$ 11.47</b>	<b>\$ 11.47</b>	<b>\$ 45.89</b>	<b>\$ 11.76</b>	<b>\$ 11.76</b>	<b>\$ 11.76</b>	<b>\$ 11.76</b>	<b>\$ 47.04</b>
<b>Cost of Revenues/Sales (%)</b>	<b>29.1%</b>	<b>27.9%</b>	<b>25.8%</b>	<b>18.5%</b>	<b>23.7%</b>	<b>24.0%</b>	<b>20.3%</b>	<b>30.8%</b>	<b>26.5%</b>	<b>26.5%</b>	<b>25.9%</b>	<b>27.1%</b>	<b>24.1%</b>	<b>24.1%</b>	<b>24.1%</b>	<b>24.8%</b>
<b>Gross Profit</b>	<b>\$ 137.31</b>	<b>\$ 39.52</b>	<b>\$ 39.42</b>	<b>\$ 43.24</b>	<b>\$ 33.87</b>	<b>\$ 156.05</b>	<b>\$ 37.73</b>	<b>\$ 30.01</b>	<b>\$ 31.89</b>	<b>\$ 31.89</b>	<b>\$ 131.52</b>	<b>\$ 31.60</b>	<b>\$ 37.02</b>	<b>\$ 37.02</b>	<b>\$ 37.02</b>	<b>\$ 142.66</b>
<b>Gross Margin</b>	<b>70.9%</b>	<b>72.1%</b>	<b>74.2%</b>	<b>81.5%</b>	<b>76.3%</b>	<b>76.0%</b>	<b>79.7%</b>	<b>69.2%</b>	<b>73.5%</b>	<b>73.5%</b>	<b>74.1%</b>	<b>72.9%</b>	<b>75.9%</b>	<b>75.9%</b>	<b>75.9%</b>	<b>75.2%</b>
SG&A	\$ 66.24	\$ 15.06	\$ 12.13	\$ 29.40	\$ 14.10	\$ 70.69	\$ 13.53	\$ 15.46	\$ 15.46	\$ 15.46	\$ 59.90	\$ 15.92	\$ 15.92	\$ 15.92	\$ 15.92	\$ 63.68
% of sales	34.2%	27.5%	22.8%	55.4%	31.7%	34.4%	28.6%	35.6%	35.6%	35.6%	33.8%	36.7%	32.6%	32.6%	32.6%	33.6%
Depreciation, depletion & amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% of sales	#DIV/0!	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Impairment of goodwill	\$ -	\$ -	\$ -	\$ -	\$ 15.06	\$ 15.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on disposal of assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 0.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impairment of other long-lived assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operating Expenses</b>	<b>\$ 66.64</b>	<b>\$ 15.06</b>	<b>\$ 12.13</b>	<b>\$ 29.40</b>	<b>\$ 29.16</b>	<b>\$ 85.75</b>	<b>\$ 13.53</b>	<b>\$ 15.46</b>	<b>\$ 15.46</b>	<b>\$ 15.46</b>	<b>\$ 59.90</b>	<b>\$ 15.92</b>	<b>\$ 15.92</b>	<b>\$ 15.92</b>	<b>\$ 15.92</b>	<b>\$ 63.68</b>
<b>% of sales</b>	<b>34.4%</b>	<b>27.5%</b>	<b>22.8%</b>	<b>55.4%</b>	<b>65.6%</b>	<b>41.7%</b>	<b>28.6%</b>	<b>35.6%</b>	<b>35.6%</b>	<b>35.6%</b>	<b>33.8%</b>	<b>36.7%</b>	<b>32.6%</b>	<b>32.6%</b>	<b>32.6%</b>	<b>33.6%</b>
<b>Operating Profit</b>	<b>\$ 70.66</b>	<b>\$ 24.46</b>	<b>\$ 27.29</b>	<b>\$ 13.84</b>	<b>\$ 4.72</b>	<b>\$ 70.30</b>	<b>\$ 24.20</b>	<b>\$ 14.56</b>	<b>\$ 16.43</b>	<b>\$ 16.43</b>	<b>\$ 71.62</b>	<b>\$ 15.68</b>	<b>\$ 21.10</b>	<b>\$ 21.10</b>	<b>\$ 21.10</b>	<b>\$ 78.99</b>
<b>Operating Margin</b>	<b>36.5%</b>	<b>44.6%</b>	<b>51.4%</b>	<b>26.1%</b>	<b>10.6%</b>	<b>34.2%</b>	<b>51.1%</b>	<b>33.6%</b>	<b>37.9%</b>	<b>37.9%</b>	<b>40.4%</b>	<b>36.2%</b>	<b>43.3%</b>	<b>43.3%</b>	<b>43.3%</b>	<b>41.6%</b>
Interest expense and financing charges, net	\$ (0.05)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ (0.09)	\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ (0.11)
Interest expense and financing charges, net - related parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income, net	\$ 3.62	\$ 0.35	\$ 0.34	\$ 0.07	\$ 4.05	\$ 4.81	\$ 7.20	\$ 0.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other, net - related parties	\$ (0.66)	\$ 2.40	\$ (0.53)	\$ (0.80)	\$ (2.70)	\$ (1.63)	\$ 0.06	\$ (1.02)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Pretax Income</b>	<b>\$ 73.58</b>	<b>\$ 27.20</b>	<b>\$ 27.09</b>	<b>\$ 13.11</b>	<b>\$ 6.06</b>	<b>\$ 73.46</b>	<b>\$ 31.45</b>	<b>\$ 13.54</b>	<b>\$ 16.41</b>	<b>\$ 16.41</b>	<b>\$ 77.80</b>	<b>\$ 15.65</b>	<b>\$ 21.07</b>	<b>\$ 21.07</b>	<b>\$ 21.07</b>	<b>\$ 78.88</b>
Income Tax (benefit)	\$ 35.02	\$ 8.45	\$ 8.53	\$ 10.27	\$ (0.49)	\$ 26.77	\$ 9.96	\$ 11.10	\$ 6.56	\$ 6.56	\$ 34.18	\$ 6.26	\$ 8.43	\$ 8.43	\$ 8.43	\$ 31.55
Effective tax rate	48%	31%	31%	78%	-8%	36%	32%	82%	40%	40%	44%	40%	40%	40%	40%	40%
Income (Loss) attributable to minority interests	\$ (0.81)	\$ (0.01)	\$ 0.07	\$ 0.00	\$ 0.01	\$ 0.08	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.06)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.07)
<b>GAAP Net Income from Continuing Operations</b>	<b>\$ 39.37</b>	<b>\$ 18.76</b>	<b>\$ 18.48</b>	<b>\$ 2.83</b>	<b>\$ 6.54</b>	<b>\$ 46.61</b>	<b>\$ 21.50</b>	<b>\$ 2.46</b>	<b>\$ 9.86</b>	<b>\$ 9.86</b>	<b>\$ 43.69</b>	<b>\$ 9.41</b>	<b>\$ 12.66</b>	<b>\$ 12.66</b>	<b>\$ 12.66</b>	<b>\$ 47.40</b>
Foreign currency adjustment	\$ 12.89	\$ 10.19	\$ 9.05	\$ (20.78)	\$ 18.10	\$ 16.56	\$ (9.81)	\$ (8.62)	\$ -	\$ -	\$ (18.43)	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income (Loss) attributable to minority interests	\$ (0.95)	\$ (0.09)	\$ 0.02	\$ 0.18	\$ 0.01	\$ 0.12	\$ (0.04)	\$ 0.18	\$ 0.10	\$ 0.10	\$ 0.35	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
<b>Comprehensive income (loss)</b>	<b>\$ 27.42</b>	<b>\$ 8.66</b>	<b>\$ 9.42</b>	<b>\$ 23.44</b>	<b>\$ (11.57)</b>	<b>\$ 29.94</b>	<b>\$ 31.35</b>	<b>\$ 10.90</b>	<b>\$ 9.76</b>	<b>\$ 9.76</b>	<b>\$ 61.77</b>	<b>\$ 9.31</b>	<b>\$ 12.56</b>	<b>\$ 12.56</b>	<b>\$ 12.56</b>	<b>\$ 47.40</b>
Shares for Basic EPS (millions of shares)	94.19	94.19	94.20	95.10	102.76	96.56	103.28	103.51	103.51	103.51	103.51	103.51	103.51	103.51	103.51	103.51
Shares for Diluted EPS (millions of shares)	94.19	94.19	94.20	95.10	102.76	96.56	103.28	103.51	103.51	103.51	103.51	103.51	103.51	103.51	103.51	103.51
EPS Basic	\$ 0.42	\$ 0.20	\$ 0.20	\$ 0.03	\$ 0.06	\$ 0.48	\$ 0.21	\$ 0.02	\$ 0.10	\$ 0.10	\$ 0.42	\$ 0.09	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.46
EPS Diluted	\$ 0.42	\$ 0.20	\$ 0.20	\$ 0.03	\$ 0.06	\$ 0.48	\$ 0.21	\$ 0.02	\$ 0.10	\$ 0.10	\$ 0.42	\$ 0.09	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.46
GAAP Earnings Growth	N/A	N/A	N/A	N/A	N/A	14.3%	5.4%	-87.9%	217.6%	49.7%	-11.6%	-56.7%	414.5%	28.4%	28.4%	7.9%

N/A – Data not currently available

SBC Medical Group Holdings, Inc.  
 Nasdaq: SBC  
 Quarterly EBITDA  
 \$ in Millions

	2023 Actual	2024 Estimated					2025 Estimated					2026 Estimated				
	Fiscal 2023A	1QA Mar-24	2QE Jun-24	3QE Sep-24	4QE Dec-24	Fiscal 2024A	1QA Mar-25	2QA Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2025E	1QE Mar-26	2QE Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2026E
Net income	\$ 39.37	\$ 18.76	\$ 18.48	\$ 2.83	\$ 6.54	\$ 46.61	\$ 21.50	\$ 2.46	\$ 9.86	\$ 9.86	\$ 43.69	\$ 9.41	\$ 12.66	\$ 12.66	\$ 12.66	\$ 47.40
Depreciation, depletion & amortization	\$ 12.25	\$ 1.02	\$ 0.93	\$ 0.93	\$ 0.93	\$ 3.80	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 3.71	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 3.67
<b>EBITDA</b>	<b>\$ 27.12</b>	<b>\$ 17.74</b>	<b>\$ 17.56</b>	<b>\$ 1.91</b>	<b>\$ 5.61</b>	<b>\$ 42.82</b>	<b>\$ 20.58</b>	<b>\$ 1.53</b>	<b>\$ 8.93</b>	<b>\$ 8.93</b>	<b>\$ 39.98</b>	<b>\$ 8.49</b>	<b>\$ 11.74</b>	<b>\$ 11.74</b>	<b>\$ 11.74</b>	<b>\$ 43.73</b>
<b>EBITDA Margin (%)</b>	<b>14.0%</b>	<b>32.4%</b>	<b>33.1%</b>	<b>3.6%</b>	<b>12.6%</b>	<b>20.8%</b>	<b>43.5%</b>	<b>3.5%</b>	<b>20.6%</b>	<b>20.6%</b>	<b>22.5%</b>	<b>19.6%</b>	<b>24.1%</b>	<b>24.1%</b>	<b>24.1%</b>	<b>23.1%</b>
Impairment of goodwill	\$ -	\$ -	\$ -	\$ -	\$ 15.06	\$ 15.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on disposal of assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impairment of other long-lived assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory obsolescence charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition related costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public offering costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stock based compensation	\$ -	\$ -	\$ -	\$ -	\$ 13.02	\$ 13.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest expense	\$ -	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.09	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.11
Other income, net	\$ -	\$ (2.75)	\$ 0.20	\$ 0.72	\$ (1.35)	\$ (3.18)	\$ (7.26)	\$ 0.99	\$ -	\$ -	\$ (6.27)	\$ -	\$ -	\$ -	\$ -	\$ -
Benefit for income tax	\$ -	\$ 8.45	\$ 8.53	\$ 10.27	\$ (0.49)	\$ 26.77	\$ 9.96	\$ 11.10	\$ 6.56	\$ 6.56	\$ 34.18	\$ 6.26	\$ 8.43	\$ 8.43	\$ 8.43	\$ 31.55
Interest on trade accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted EBITDA</b>	<b>\$ 27.12</b>	<b>\$ 23.45</b>	<b>\$ 26.29</b>	<b>\$ 12.91</b>	<b>\$ 31.86</b>	<b>\$ 94.51</b>	<b>\$ 23.29</b>	<b>\$ 13.65</b>	<b>\$ 15.52</b>	<b>\$ 15.52</b>	<b>\$ 67.98</b>	<b>\$ 14.78</b>	<b>\$ 20.20</b>	<b>\$ 20.20</b>	<b>\$ 20.20</b>	<b>\$ 75.39</b>
<b>Adjusted EBITDA Margin (%)</b>	<b>14.0%</b>	<b>42.8%</b>	<b>49.5%</b>	<b>24.3%</b>	<b>71.7%</b>	<b>46.0%</b>	<b>49.2%</b>	<b>31.5%</b>	<b>35.8%</b>	<b>35.8%</b>	<b>38.3%</b>	<b>34.1%</b>	<b>41.4%</b>	<b>41.4%</b>	<b>41.4%</b>	<b>39.7%</b>

\*Q2, Q3, and Q4 of 2024 are estimated because the cash flow statements for those quarters were unavailable.

SBC Medical Group Holdings, Inc.  
 Nasdaq: SBC  
 Cash Flow Statement  
 \$ in Millions

	2023 Actual	2024 Actual				2025 Estimated					2026 Estimated					
	Fiscal 2023A	1QA Mar-24	2QA Jun-24	3QA Sep-24	4QA Dec-24	Fiscal 2024A	1QA Mar-25	2QA Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2025E	1QE Mar-26	2QE Jun-26	3QE Sep-26	4QE Dec-26	Fiscal 2026E
Net income	\$ 38.56	\$ 18.75	N/A	N/A	N/A	\$ 46.69	\$ 21.49	\$ 2.44	\$ 9.86	\$ 9.86	\$ 43.65	\$ 9.41	\$ 12.66	\$ 12.66	\$ 12.66	\$ 47.40
Stock-based compensation	\$ -	\$ -	N/A	N/A	N/A	\$ 13.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation, depletion and amortization	\$ 12.25	\$ 1.02	N/A	N/A	N/A	\$ 3.80	\$ 0.63	\$ 0.64	\$ 0.64	\$ 0.64	\$ 2.54	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64	\$ 2.54
Amortization of debt origination costs	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bad debt expense	\$ 0.37	\$ 0.15	N/A	N/A	N/A	\$ (0.40)	\$ 0.03	\$ 0.26	\$ -	\$ -	\$ 0.28	\$ -	\$ -	\$ -	\$ -	\$ -
Gain/(loss) on disposal of property and equipment	\$ (0.25)	\$ -	N/A	N/A	N/A	\$ 0.51	\$ (0.01)	\$ 0.00	\$ -	\$ -	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -
Gain from sale of equipment damaged or lost	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impairment of goodwill	\$ -	\$ -	N/A	N/A	N/A	\$ 15.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on sale of business	\$ -	\$ (3.81)	N/A	N/A	N/A	\$ (3.81)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impairment of other long-lived assets	\$ 0.20	\$ -	N/A	N/A	N/A	\$ 0.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income taxes	\$ 4.11	\$ (0.36)	N/A	N/A	N/A	\$ (14.42)	\$ 7.02	\$ 0.44	\$ -	\$ -	\$ 7.45	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 3.08	\$ 1.99	N/A	N/A	N/A	\$ 6.49	\$ (7.62)	\$ 1.33	\$ -	\$ -	\$ (6.29)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>	<b>\$ 58.32</b>	<b>\$ 17.74</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 67.47</b>	<b>\$ 21.53</b>	<b>\$ 5.11</b>	<b>\$ 10.50</b>	<b>\$ 10.50</b>	<b>\$ 47.63</b>	<b>\$ 10.05</b>	<b>\$ 13.30</b>	<b>\$ 13.30</b>	<b>\$ 13.30</b>	<b>\$ 49.94</b>
Accounts receivable, net - decrease (increase)	\$ (0.60)	\$ (1.20)	N/A	N/A	N/A	\$ 17.74	\$ (0.15)	\$ (0.64)	\$ -	\$ -	\$ (0.79)	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables from related parties - decrease (increase)	\$ (5.41)	\$ 7.64	N/A	N/A	N/A	\$ (4.64)	\$ (0.30)	\$ (15.14)	\$ -	\$ -	\$ (15.44)	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories - decrease (increase)	\$ (1.83)	\$ (0.04)	N/A	N/A	N/A	\$ 1.13	\$ 1.60	\$ (2.32)	\$ -	\$ -	\$ (0.72)	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-paid expenses and other assets - decrease (increase)	\$ (0.77)	\$ 0.75	N/A	N/A	N/A	\$ (2.05)	\$ (3.15)	\$ 2.10	\$ -	\$ -	\$ (1.05)	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable - decrease (increase)	\$ 12.18	\$ (8.94)	N/A	N/A	N/A	\$ (9.59)	\$ 3.24	\$ (4.65)	\$ -	\$ -	\$ (1.41)	\$ -	\$ -	\$ -	\$ -	\$ -
Payables to related parties - decrease (increase)	\$ -	\$ -	N/A	N/A	N/A	\$ (34.08)	\$ (0.11)	\$ 0.11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses and other liabilities - decrease (increase)	\$ (24.59)	\$ (5.72)	N/A	N/A	N/A	\$ (26.63)	\$ (3.10)	\$ (4.51)	\$ -	\$ -	\$ (7.61)	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes payable - decrease (increase)	\$ 13.36	\$ (6.55)	N/A	N/A	N/A	\$ 11.23	\$ (17.64)	\$ 11.60	\$ -	\$ -	\$ (6.03)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Operating Activities - Net Cash Flow</b>	<b>\$ 50.67</b>	<b>\$ 3.68</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 20.58</b>	<b>\$ 1.93</b>	<b>\$ (8.34)</b>	<b>\$ 10.50</b>	<b>\$ 10.50</b>	<b>\$ 14.58</b>	<b>\$ 10.05</b>	<b>\$ 13.30</b>	<b>\$ 13.30</b>	<b>\$ 13.30</b>	<b>\$ 49.94</b>
Purchases of property and equipment	\$ (10.23)	\$ (0.70)	N/A	N/A	N/A	\$ (3.41)	\$ (0.76)	\$ (0.51)	\$ (0.63)	\$ (0.63)	\$ (2.53)	\$ (0.65)	\$ (0.65)	\$ (0.65)	\$ (0.65)	\$ (2.59)
Business divestitures, net of cash transferred	\$ 0.72	\$ (0.82)	N/A	N/A	N/A	\$ (5.07)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchases of property and equipment from related parties	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions to others	\$ (1.70)	\$ (0.18)	N/A	N/A	N/A	\$ 0.41	\$ 0.09	\$ 15.50	\$ -	\$ -	\$ 15.59	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from disposal of property and equipment	\$ 8.05	\$ -	N/A	N/A	N/A	\$ -	\$ 0.32	\$ 1.41	\$ -	\$ -	\$ 1.73	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase of short-term investment	\$ 4.95	\$ (1.70)	N/A	N/A	N/A	\$ (2.03)	\$ (0.64)	\$ (0.02)	\$ -	\$ -	\$ (0.65)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Investing Activities - Net Cash Flow</b>	<b>\$ 1.79</b>	<b>\$ (3.39)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ (10.10)</b>	<b>\$ (0.98)</b>	<b>\$ 16.38</b>	<b>\$ (0.63)</b>	<b>\$ (0.63)</b>	<b>\$ 14.13</b>	<b>\$ (0.65)</b>	<b>\$ (0.65)</b>	<b>\$ (0.65)</b>	<b>\$ (0.65)</b>	<b>\$ (2.59)</b>
Borrowings on long-term debt	\$ -	\$ -	N/A	N/A	N/A	\$ 6.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borrowings on long-term debt - related parties	\$ 12.31	\$ -	N/A	N/A	N/A	\$ 5.48	\$ 0.02	\$ -	\$ -	\$ -	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ -
Repayments of long-term debt	\$ (16.44)	\$ (0.03)	N/A	N/A	N/A	\$ (0.86)	\$ (0.06)	\$ (0.05)	\$ -	\$ -	\$ (0.10)	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from financing transaction	\$ 0.00	\$ -	N/A	N/A	N/A	\$ 11.74	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from sale/leaseback transaction	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments on sale/leaseback transaction	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ (0.22)	\$ (0.06)	\$ -	\$ -	\$ (0.28)	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends paid	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal payments on financing leases/notes	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt issuance costs	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 10.26	\$ (0.01)	N/A	N/A	N/A	\$ -	\$ (0.02)	\$ 7.28	\$ -	\$ -	\$ 7.27	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Financing Activities - Net Cash Flow</b>	<b>\$ 6.14</b>	<b>\$ (0.04)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 22.97</b>	<b>\$ (0.28)</b>	<b>\$ 7.18</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6.90</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Exchange rate effect	\$ (7.31)	\$ (7.09)	N/A	N/A	N/A	\$ (11.43)	\$ 6.34	\$ 5.47	\$ -	\$ -	\$ 11.81	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash and Equivalents - Change</b>	<b>\$ 51.28</b>	<b>\$ (6.84)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 22.02</b>	<b>\$ 7.01</b>	<b>\$ 20.68</b>	<b>\$ 9.86</b>	<b>\$ 9.86</b>	<b>\$ 47.42</b>	<b>\$ 9.40</b>	<b>\$ 12.65</b>	<b>\$ 12.65</b>	<b>\$ 12.65</b>	<b>\$ 47.35</b>
Cash Beginning	\$ 51.74	\$ 103.02	N/A	N/A	N/A	\$ 103.02	\$ 125.04	\$ 132.06	\$ 152.74	\$ 162.60	\$ 125.04	\$ 172.47	\$ 181.87	\$ 194.52	\$ 207.17	\$ 172.47
Cash End	\$ 103.02	\$ 96.18	N/A	N/A	N/A	\$ 125.04	\$ 132.06	\$ 152.74	\$ 162.60	\$ 172.47	\$ 172.47	\$ 181.87	\$ 194.52	\$ 207.17	\$ 219.82	\$ 219.82

N/A – Data not currently available

SBC Medical Group Holdings, Inc.  
 Nasdaq: SBC  
 Balance Sheet  
 \$ in Millions

	2023 Actual	2024 Actual				2025 Estimated					2026 Estimated					
	Fiscal 2023A	1QA Mar-24	2QA Jun-24	3QA Sep-24	4QA Dec-24	Fiscal 2024A	1QA Mar-25	2QA Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2025E	1QE Mar-26	2QE Jun-26	3QE Sep-26	4QE Dec-26	Fiscal 2026E
Cash & equivalents	\$ 103.02	N/A	N/A	\$ 137.39	\$ 125.04	\$ 125.04	\$ 132.06	\$ 152.74	\$ 162.60	\$ 172.47	\$ 172.47	\$ 181.87	\$ 194.52	\$ 207.17	\$ 219.82	\$ 219.82
Short term investments	\$ -	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash	\$ -	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	\$ 1.44	N/A	N/A	\$ 1.95	\$ 1.41	\$ 1.41	\$ 1.63	\$ 2.35	\$ 1.99	\$ 1.99	\$ 1.99	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04
Receivables from related parties, net	\$ 48.31	N/A	N/A	\$ 52.40	\$ 45.22	\$ 45.22	\$ 46.74	\$ 70.49	\$ 64.50	\$ 64.50	\$ 64.50	\$ 64.89	\$ 64.89	\$ 64.89	\$ 64.89	\$ 64.89
Inventories	\$ 3.09	N/A	N/A	\$ 1.99	\$ 1.50	\$ 1.50	\$ 1.70	\$ 1.71	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75
Pre-paid expenses	\$ 10.05	N/A	N/A	\$ 8.37	\$ 11.28	\$ 11.28	\$ 32.97	\$ 14.05	\$ 14.05	\$ 14.05	\$ 14.05	\$ 14.47	\$ 14.47	\$ 14.47	\$ 14.47	\$ 14.47
Other current assets	\$ -	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Current Assets</b>	<b>\$ 165.91</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 202.10</b>	<b>\$ 184.45</b>	<b>\$ 184.45</b>	<b>\$ 215.10</b>	<b>\$ 241.34</b>	<b>\$ 244.84</b>	<b>\$ 254.71</b>	<b>\$ 254.71</b>	<b>\$ 265.02</b>	<b>\$ 277.67</b>	<b>\$ 290.32</b>	<b>\$ 302.97</b>	<b>\$ 302.97</b>
Property & equipment, net	\$ 13.58	N/A	N/A	\$ 13.19	\$ 8.77	\$ 8.77	\$ 8.52	\$ 8.06	\$ 8.06	\$ 8.06	\$ 8.06	\$ 8.06	\$ 8.06	\$ 8.06	\$ 8.06	\$ 8.06
Operating lease right-of-use assets	\$ 5.92	N/A	N/A	\$ 5.25	\$ 5.27	\$ 5.27	\$ 5.15	\$ 5.15	\$ 5.15	\$ 5.15	\$ 5.15	\$ 5.15	\$ 5.15	\$ 5.15	\$ 5.15	\$ 5.15
Intangible assets, net - customer relationships	\$ -	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intangible assets, net	\$ 19.74	N/A	N/A	\$ 16.22	\$ 1.59	\$ 1.59	\$ 1.54	\$ 1.59	\$ 1.59	\$ 1.59	\$ 1.59	\$ 1.59	\$ 1.59	\$ 1.59	\$ 1.59	\$ 1.59
Goodwill	\$ 3.59	N/A	N/A	\$ 3.55	\$ 4.61	\$ 4.61	\$ 4.78	\$ 5.01	\$ 5.01	\$ 5.01	\$ 5.01	\$ 5.51	\$ 5.51	\$ 5.51	\$ 5.51	\$ 5.51
Deferred income tax asset	\$ -	N/A	N/A	\$ 0.63	\$ 9.80	\$ 9.80	\$ -	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34	\$ 2.34
Other non-current assets	\$ 50.07	N/A	N/A	\$ 55.54	\$ 51.59	\$ 51.59	\$ 49.51	\$ 51.81	\$ 51.81	\$ 51.81	\$ 51.81	\$ 51.81	\$ 51.81	\$ 51.81	\$ 51.81	\$ 51.81
<b>TOTAL ASSETS</b>	<b>\$ 258.81</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 296.48</b>	<b>\$ 266.09</b>	<b>\$ 266.09</b>	<b>\$ 284.61</b>	<b>\$ 315.30</b>	<b>\$ 318.80</b>	<b>\$ 328.67</b>	<b>\$ 328.67</b>	<b>\$ 339.48</b>	<b>\$ 352.13</b>	<b>\$ 364.78</b>	<b>\$ 377.43</b>	<b>\$ 377.43</b>
Accounts payable	\$ 26.53	N/A	N/A	\$ 14.87	\$ 13.88	\$ 13.88	\$ 17.85	\$ 16.29	\$ 17.07	\$ 17.07	\$ 17.07	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
Payables to related parties	\$ 3.37	N/A	N/A	\$ 10.20	\$ 0.69	\$ 0.69	\$ 2.57	\$ 9.33	\$ 5.95	\$ 5.95	\$ 5.95	\$ 6.10	\$ 6.10	\$ 6.10	\$ 6.10	\$ 6.10
Accrued expenses & other current liabilities	\$ 26.67	N/A	N/A	\$ 16.15	\$ 11.75	\$ 11.75	\$ 8.56	\$ 6.74	\$ 7.65	\$ 7.65	\$ 7.65	\$ 7.84	\$ 7.84	\$ 7.84	\$ 7.84	\$ 7.84
Accrued expenses & other current liab/related parties	\$ 23.06	N/A	N/A	\$ 18.99	\$ 11.74	\$ 11.74	\$ 13.50	\$ 10.33	\$ 11.92	\$ 11.92	\$ 11.92	\$ 12.22	\$ 12.22	\$ 12.22	\$ 12.22	\$ 12.22
Current operating lease liability	\$ 3.89	N/A	N/A	\$ 4.06	\$ 4.34	\$ 4.34	\$ 4.29	\$ 3.79	\$ 3.79	\$ 3.79	\$ 3.79	\$ 3.79	\$ 3.79	\$ 3.79	\$ 3.79	\$ 3.79
Current portion of long term debt	\$ 0.16	N/A	N/A	\$ 0.14	\$ 0.10	\$ 0.10	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
Income taxes payable	\$ 8.78	N/A	N/A	\$ 8.00	\$ 18.71	\$ 18.71	\$ 1.62	\$ 14.13	\$ 7.88	\$ 7.88	\$ 7.88	\$ 8.08	\$ 8.08	\$ 8.08	\$ 8.08	\$ 8.08
<b>Total Current Liabilities</b>	<b>\$ 92.45</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 72.42</b>	<b>\$ 61.19</b>	<b>\$ 61.19</b>	<b>\$ 48.47</b>	<b>\$ 60.68</b>	<b>\$ 54.32</b>	<b>\$ 54.32</b>	<b>\$ 54.32</b>	<b>\$ 55.58</b>	<b>\$ 55.58</b>	<b>\$ 55.58</b>	<b>\$ 55.58</b>	<b>\$ 55.58</b>
Long-term debt (revolver), net of current portion	\$ 1.06	N/A	N/A	\$ 0.69	\$ 6.50	\$ 6.50	\$ 6.80	\$ 7.03	\$ 7.03	\$ 7.03	\$ 7.03	\$ 7.03	\$ 7.03	\$ 7.03	\$ 7.03	\$ 7.03
Long-term debt from related parties	\$ 11.95	N/A	N/A	\$ 11.66	\$ 0.01	\$ 0.01	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income tax liability	\$ 6.01	N/A	N/A	\$ 3.52	\$ 0.93	\$ 0.93	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35
Long-term operating lease liability	\$ 2.44	N/A	N/A	\$ 1.53	\$ 1.24	\$ 1.24	\$ 1.51	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.37
Asset retirement obligations	\$ -	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other long-term liabilities	\$ 1.08	N/A	N/A	\$ 1.15	\$ 1.19	\$ 1.19	\$ 1.15	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.21
<b>TOTAL LIABILITIES</b>	<b>\$ 115.00</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 90.96</b>	<b>\$ 71.06</b>	<b>\$ 71.06</b>	<b>\$ 58.28</b>	<b>\$ 70.65</b>	<b>\$ 64.29</b>	<b>\$ 64.29</b>	<b>\$ 64.29</b>	<b>\$ 65.55</b>	<b>\$ 65.55</b>	<b>\$ 65.55</b>	<b>\$ 65.55</b>	<b>\$ 65.55</b>
Common stock	\$ 0.01	N/A	N/A	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Additional paid-in capital	\$ 36.88	N/A	N/A	\$ 60.83	\$ 62.51	\$ 62.51	\$ 62.51	\$ 72.21	\$ 72.21	\$ 72.21	\$ 72.21	\$ 72.21	\$ 72.21	\$ 72.21	\$ 72.21	\$ 72.21
Retained earnings	\$ 142.85	N/A	N/A	\$ 182.92	\$ 189.46	\$ 189.46	\$ 210.97	\$ 213.42	\$ 223.29	\$ 233.15	\$ 233.15	\$ 242.70	\$ 255.35	\$ 268.00	\$ 280.65	\$ 280.65
Accumulated comprehensive income/(loss)	\$ (37.58)	N/A	N/A	\$ (36.08)	\$ (54.18)	\$ (54.18)	\$ (44.34)	\$ (35.92)	\$ (35.92)	\$ (35.92)	\$ (35.92)	\$ (35.92)	\$ (35.92)	\$ (35.92)	\$ (35.92)	\$ (35.92)
Non-controlling interest	\$ 1.65	N/A	N/A	\$ 0.54	\$ (0.09)	\$ (0.09)	\$ (0.12)	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Less: treasury stock	\$ -	N/A	N/A	\$ (2.70)	\$ (2.70)	\$ (2.70)	\$ (2.70)	\$ (5.12)	\$ (5.12)	\$ (5.12)	\$ (5.12)	\$ (5.12)	\$ (5.12)	\$ (5.12)	\$ (5.12)	\$ (5.12)
<b>TOTAL EQUITY</b>	<b>\$ 143.81</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 205.52</b>	<b>\$ 195.02</b>	<b>\$ 195.02</b>	<b>\$ 226.32</b>	<b>\$ 244.65</b>	<b>\$ 254.52</b>	<b>\$ 264.38</b>	<b>\$ 264.38</b>	<b>\$ 273.93</b>	<b>\$ 286.58</b>	<b>\$ 299.23</b>	<b>\$ 311.88</b>	<b>\$ 311.88</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 258.81</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 296.48</b>	<b>\$ 266.09</b>	<b>\$ 266.09</b>	<b>\$ 284.61</b>	<b>\$ 315.30</b>	<b>\$ 318.80</b>	<b>\$ 328.67</b>	<b>\$ 328.67</b>	<b>\$ 339.48</b>	<b>\$ 352.13</b>	<b>\$ 364.78</b>	<b>\$ 377.44</b>	<b>\$ 377.44</b>

N/A – Data not currently available

**SBC Medical Group Holdings, Inc.**  
**Nasdaq: SBC**  
**Discounted Cash Flow Model (DCF)**  
*(\$ in millions, except per share)*

Estimates:	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	Terminal Value
Revenue	\$ 177.41	\$ 189.70	\$ 211.52	\$ 235.84	\$ 262.96	\$ 293.20	\$ 326.92	\$ 364.52	\$ 406.44	\$ 453.18	
Operating Income	\$ 71.62	\$ 78.99	\$ 84.61	\$ 94.34	\$ 105.18	\$ 117.28	\$ 130.77	\$ 145.81	\$ 162.57	\$ 181.27	
Less: Taxes (benefit)	\$ 34.18	\$ 31.55	\$ 33.84	\$ 37.73	\$ 42.07	\$ 46.91	\$ 52.31	\$ 58.32	\$ 65.03	\$ 72.51	
<b>NOPAT</b>	<b>\$ 37.44</b>	<b>\$ 47.43</b>	<b>\$ 50.76</b>	<b>\$ 56.60</b>	<b>\$ 63.11</b>	<b>\$ 70.37</b>	<b>\$ 78.46</b>	<b>\$ 87.48</b>	<b>\$ 97.54</b>	<b>\$ 108.76</b>	
Add: Depreciation & Amortization	\$ 2.54	\$ 2.54	\$ 2.64	\$ 2.95	\$ 3.29	\$ 3.67	\$ 4.09	\$ 4.56	\$ 5.08	\$ 5.66	
Add: Changes in NWC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Less: Capital Expenditures	\$ 2.53	\$ 2.59	\$ 3.17	\$ 3.54	\$ 3.94	\$ 4.40	\$ 4.90	\$ 5.47	\$ 6.10	\$ 6.80	
<b>Free Cash Flow</b>	<b>\$ 37.45</b>	<b>\$ 47.39</b>	<b>\$ 50.23</b>	<b>\$ 56.01</b>	<b>\$ 62.45</b>	<b>\$ 69.64</b>	<b>\$ 77.64</b>	<b>\$ 86.57</b>	<b>\$ 96.53</b>	<b>\$ 107.63</b>	<b>\$ 1,232.37</b>
Discount Period - Months	4.00	16.00	28.00	40.00	52.00	64.00	76.00	88.00	100.00	112.00	112.00
Discount Period - Years	0.33	1.33	2.33	3.33	4.33	5.33	6.33	7.33	8.33	9.33	9.33
Discount Factor	0.96	0.86	0.77	0.69	0.61	0.55	0.49	0.44	0.39	0.35	0.35
<b>Present Value of FCF</b>	<b>\$ 36.06</b>	<b>\$ 40.74</b>	<b>\$ 38.57</b>	<b>\$ 38.40</b>	<b>\$ 38.23</b>	<b>\$ 38.06</b>	<b>\$ 37.89</b>	<b>\$ 37.72</b>	<b>\$ 37.55</b>	<b>\$ 37.39</b>	<b>\$ 428.09</b>

**Growth Rate Assumptions:**

Revenue	12.5%
Terminal Growth Rate (g):	3.0%
Discount Rate at WACC:	12.0%

**Margin Assumptions:**

Operating Income	40.0%
D&A as a % of sales	1.3%
Taxes	40.0%
Changes in WC	0.0%
Capex as a % of sales	1.5%

**Valuation:**

Shares Outstanding	103.88
PV of FCF	\$ 380.59
PV of Terminal Value	\$ 428.09
Enterprise Value	\$ 808.68
less: Net Debt	(145.64)
less: Minority Interest	\$ 0.06
Estimated Total Value	\$ 954.26
<b>Est. Equity Value per Share</b>	<b>\$ 9.19</b>

**Price Target Sensitivity Analysis:**

Discount Rate	Terminal Growth Rate (g)				
	1.0%	2.0%	3.0%	4.0%	5.0%
11.0%	9.18	9.66	10.26	11.04	12.07
11.5%	8.75	9.17	9.69	10.35	11.20
12.0%	8.37	8.73	9.18	9.74	10.46
12.5%	8.02	8.34	8.73	9.21	9.82
13.0%	7.70	7.98	8.32	8.74	9.26