

May 20, 2026

Price (close on May 19, 2026)

\$2.89

Rating

Buy

12- Month Target Price

\$10.00

Andrew White, CFA

Research@EmergingGrowth.com

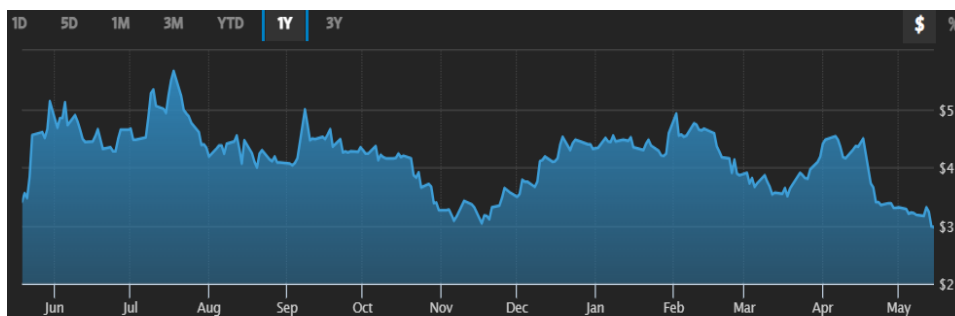
2026 Return to Growth Likely Arrives: Long-term accomplished founder and management have shepherded SBC from a solo clinic in 2000 to a global cosmetic treatment center franchiser and cash generation machine with little debt. Near-term revenue growth decline in 2025 on pricing pressures (reflecting increased market competition pressure) appears to now be completed. Accordingly, the Company should likely begin to grow anew going forward with additional prospects, global and Japanese M&A targets, and AI and Longevity initiatives. The recent small founder share sale is positive for trading liquidity (i.e., management remains confident in operating strategy). SBC is undervalued, especially net of ample Net Cash. **We are bullish and upgrade to a Buy rating with an increased \$10.00 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, Thailand, Singapore, and the United States. 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 2025A CURRENT	FY 2025A FORMER	FY 2026E CURRENT	FY 2026E FORMER
Q1 Mar	\$54.8A	\$47.3A	\$47.3A	\$43.1A	\$43.5E
Q2 Jun	\$53.1A	\$43.4A	\$43.4A	\$44.7E	\$44.8E
Q3 Sep	\$53.1A	\$43.4A	\$43.4A	\$46.4E	\$46.2E
Q4 Dec	\$44.4A	\$39.6A	\$39.6A	\$48.1E	\$47.6E
Year	\$205.4A	\$173.6A	\$173.6A	\$182.2E	\$182.1E
Change	6%	(16)%	(16)%	5%	5%

FYE Dec EPS (\$)	FY 2024A ACTUAL	FY 2025A CURRENT	FY 2025A FORMER	FY 2026E CURRENT	FY 2026E FORMER
Q1 Mar	\$0.20A	\$0.21A	\$0.21A	\$0.11A	\$0.12E
Q2 Jun	\$0.20A	\$0.02A	\$0.02A	\$0.12E	\$0.12E
Q3 Sep	\$0.03A	\$0.12A	\$0.12A	\$0.13E	\$0.13E
Q4 Dec	\$0.06A	\$0.14A	\$0.14A	\$0.14E	\$0.14E
Year	\$0.48A	\$0.50A	\$0.50A	\$0.50E	\$0.50E
P/E Ratio	6.2	6.0	6.0	6.0	6.0

52-Week Range	\$2.95 - \$5.75
Shares Outstanding	103 mil
Insider/Institutional	82%/0%
Public Float	\$56 mil
Market Capitalization	\$305 mil
Total Debt	\$40 mil
Debt / Equity	15%
ROE (TTM)	16%
Book Value / Share	\$2.64
Daily Volume (90-day)	91,000
Fwd. Div. & Yield	--



Q1:26 Financial Performance

- Revenue -9% YoY, but +9% QoQ, as early-2025 fee structure change impact likely becomes fully reflected in YoY performance.
- Underlying volumes increased (e.g., +6% same clinic sales YoY and +10% customer number growth YoY).
- Operating profit fell -27% YoY mostly reflecting revenue YoY decline but increased +38% QoQ. Cash remains very strong.
- Shares heavily discounted despite improved revenue growth outlook and increasing steps by management to improve trading liquidity.

Key Risks

- Delay of 2026 revenue rebound on competition, though importantly not being seen in volumes or same clinic sales growth
- 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 (judicious in partnership approach then)
- Relatively small share free float hampers liquidity, though steps are being taken to change this reality (e.g., small founder share sale)

Investment Thesis

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 the highly fragmented industry in which the Company currently generates 99% of revenue.

The Company operates reasonable prices/a high turnover model (e.g., Shonan Beauty dermatology, Gorilla Clinic) as well as higher-growth/higher-margin dermatological aesthetics (e.g., JUN Clinic, NEO Skin Clinic), including an increasing focus on male customers. SBC has also expanded internationally with management recruitment, acquisition of AHH in Singapore, a partnership with BLEZ ASIA in Thailand, and an equity investment/partnership with Orange Twist in the United States.

SBC clinics have continued to grow organically and via acquisitions (i.e., +33 total SBC clinics or +13% in last 12 months to reach a total of 284 clinics). The goal is to grow from 284 clinics currently to 1,000 in nine years, implying a 15% long-term CAGR in clinic number. The Company now reports 6.7 million visits annually (which is unmatched in Japan) and a 72% repeat rate. Of note, management reported that same clinic sales increased +6% yoy in Q1:26.

Since mid-2024 (around the time of Q3:24 recapitalization), SBC shares have declined ~80%, reflecting revenue slowdown in later 2024-2025 due to increased local market competition. Indeed, a Q2:25 change in franchise fee pricing structure reduced quarterly revenue over the following three quarters from a \$45-\$55 million run rate in 2024 to a \$40-\$45 million run rate currently. It is expected that revenue generation will now begin to grow again going forward (+5% overall during 2026) after which SBC should return to its historical +10% to +15% CAGR historical range. Moreover, the Company has launched two new major initiatives: AI-driven operations (i.e., customer experience, staffing) and Wellness 2.0/Longevity (inspired by models in the US) which underscore future revenue and expense control prospects.

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 Q1:26, the Company carried \$167 million in cash on the balance sheet (out of \$239 million in total current assets). Net of limited \$40 million short and long-term commercial bank loans (i.e., low-APR borrowing in Japan), Net Current Assets are approximately 60% of SBC's total assets and ~60% of its current fully diluted \$305 million market capitalization (~40% share price in Net Cash). In effect, Net Cash price of SBC shares is about \$1.73 per share (or ~\$1.04 Net of Current Assets), not the listed \$2.89 share price as of May 19, 2026.

Accordingly, SBC is heavily discounted with the best likely now here on both domestic Japanese and global expansion, as the 2025 treatment pricing change appears to be full absorbed. Moreover, to improve trading liquidity, SBC has also become a Russell 3000 company and partially reduced its founder's commanding ownership position (which is good long-term, though resulted in near-term share price compression). **Accordingly, we are bullish and upgrade to a Buy rating with an increased \$10.00 price target.**

Q1:26 Financial Performance

SBC's revenue declined (9)% yoy in Q1:26 to \$43.1 million versus \$47.3 million in Q1:25 primarily reflecting the impact of an early-2025 franchising fee reduction. Importantly though, sequential quarterly revenue growth was +9%, potentially indicating the revenue decline has completed. This point is further bolstered by a +6% same clinic revenue increase. Underlying volumes increased as 33 more locations were added yoy (i.e., franchise locations were 284 as of end of Q1:26) and customer number increased +10% yoy (i.e., 6.7 million customers in the twelve months ended March 31, 2026 with a repeat rate of 72%). Management estimates that total revenue will potentially now begin to regrow for a +5% overall growth rate in 2026, as the effect of the revised fee structure for clinic services now completes full absorption.

Gross profit in Q1:26 was \$30.4 million compared to \$37.7 million in Q1:25 reflecting a decline in Franchising revenue. Sequentially, gross profit increased from \$28.9 million in Q4:25. Operating profit in Q1:26 fell to \$17.7 million compared to \$24.2 million in Q1:25 due to the impact of the 2025-revenue decline. Sequentially, operating profit increased from \$12.9 million in Q4:25. SBC's Net Income from Continuing Operations in Q4:25 fell to \$11.3 million versus \$21.5 million in Q1:25 on yoy revenue decline and one-off redemption of life insurance policy on SBC's founder. Adjusted EBITDA, a non-GAAP measure, was \$18.5 million in Q1:26 versus \$24.9 million in Q1:25 and \$13.6 million in Q4:25. EPS fell in tandem to \$0.11 in Q1:26. Net Cash remained plentiful at \$127 million while debt load remained low at 15% Debt/Book Equity.

EPS Guidance, Estimates, and Valuation

SBC management estimates that full-year 2026 revenue growth should now see a progressive return to +5% revenue growth while gross and operating margins should remain at (or increase from) current levels. This expectation implies a healthy recovery of operating profit in 2026 versus a difficult 2025 year. +10% to +15% CAGR revenue growth thereafter is 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. Importantly, we step-down revenue growth by (1)%/year from 2028-2035. Gross margin is expected at ~70%+ while Operating margin is expected at ~40%.

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 a higher headline Price/Sales ratio despite being unprofitable with a higher debt-load.

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 (~40% of market value as of 5/15/2026 or ~60% Net Current Assets/market value) calls for Discounted Cash Flow ("DCF") analysis. Exhibit 1 below summarizes the peer group. Historical and proforma forecast financial statements as well as a DCF model are included on pages 6 through 10 of this report.

Exhibit 1: SBC Medical Group Holdings, Inc. Peer Group Multiples and Price Target

Company Name	Ticker	Price (5/15/26)	Shares (MM)	Market Cap (\$millions)	Trailing Price/Sales	Forward P/Sales	Trailing P/E	Forward P/E	Forward PEG
Airsulpt Tech	AIRS	\$4.80	70.6	\$339	2.2	2.2	NM	NM	NM
Industry Averages (ex: negatives)				\$339	2.2	2.2	NM	NM	NM
SBC Medical Group Holdings, Inc.	SBC	\$2.97	102.6	\$305	1.8	1.6	7.5	5.5	0.4
SBC (Adj. for Net Cash on Q1:26 Balance Sheet)	SBC	\$1.73	102.6	\$305	1.0	0.9	4.4	3.2	0.3
SBC (Adj. for Net Current Assets on Q1:26 Balance Sheet)	SBC	\$1.04	102.6	\$305	0.6	0.6	2.6	1.9	0.2
Discounted Cash Flow Estimate		\$10.32							

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

Our DCF model uses financial statement estimates for 2026 and projections for years thereafter. We focus on Free Cash Flow, which we expect to resume +12.5% CAGR expansion in 2027 (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 2036. Operating margin is expected to remain at an average 40% over the period covered. We believe these estimates are conservative.

We now discount estimated annual free cash flows by a 10.3% WACC, inclusive of risk premiums for the risk-free-rate, equity market, trading liquidity, and small-cap risk. Our DCF model produces a \$10.32/share present value of equity (inclusive of cash and warrants), which we round down to \$10.00. Sensitivity analysis (for different terminal growth and discount rates) indicates a min/max share price-estimate range of \$8.27 - \$15.03 which adds confidence in our price target estimate.

Our price target is materially higher than the current \$2.89 price of SBC shares as of May 19, 2026. Investors significantly sold off SBC shares in 2024, but shares have broadly stabilized since on operating earnings steadiness/re-testing of Q1:25 lows. We focus on the future. If management is now able to regrow its top-line going forward and further improve margins, share price upside is considerable. **Accordingly, we upgrade to a Buy rating and increase our price target to \$10.00.**

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Rating Definitions

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

US:SBC

Volume x



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

	2023 Actual	2024 Actual	2025 Actual					2026 Estimated				
	Fiscal 2023A	Fiscal 2024A	1QA Mar-25	2QA Jun-25	3QA Sep-25	4QA Dec-25	Fiscal 2025A	1QA Mar-26	2QE Jun-26	3QE Sep-26	4QE Dec-26	Fiscal 2026E
Revenues												
Franchising	\$ 42.10	\$ 61.03	\$ 15.72	\$ 10.01	\$ 9.93	\$ 10.29	\$ 45.94	\$ 9.09	N/A	N/A	N/A	N/A
Procurement	\$ 53.19	\$ 54.81	\$ 14.33	\$ 15.76	\$ 13.41	\$ 12.56	\$ 56.05	\$ 12.34	N/A	N/A	N/A	N/A
Management Services	\$ 72.28	\$ 53.11	\$ 8.73	\$ 5.14	\$ 9.46	\$ 6.30	\$ 29.63	\$ 11.93	N/A	N/A	N/A	N/A
Rental Services	\$ 7.34	\$ 16.14	\$ 5.64	\$ 6.85	\$ 6.22	\$ 4.32	\$ 23.03	\$ 3.44	N/A	N/A	N/A	N/A
Other	\$ 18.63	\$ 20.31	\$ 2.91	\$ 5.61	\$ 4.24	\$ 6.10	\$ 18.95	\$ 6.26	N/A	N/A	N/A	N/A
Elimination of intercompany transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A
Total Revenues	\$ 193.54	\$ 205.42	\$ 47.33	\$ 43.36	\$ 43.35	\$ 39.57	\$ 173.61	\$ 43.06	\$ 44.68	\$ 46.35	\$ 48.09	\$ 182.18
YOY Revenue Growth (%)	N/A	6.1%	-13.6%	-18.3%	-18.3%	-10.9%		-9.0%	3.0%	6.9%	21.5%	4.9%
Cost of Revenues	\$ 56.24	\$ 49.37	\$ 9.60	\$ 13.35	\$ 12.74	\$ 10.64	\$ 46.32	\$ 12.71	\$ 12.51	\$ 12.51	\$ 12.50	\$ 50.24
Cost of Revenues/Sales (%)	29.1%	24.0%	20.3%	30.8%	29.4%	26.9%	26.7%	29.5%	28.0%	27.0%	26.0%	27.6%
Gross Profit	\$ 137.31	\$ 156.05	\$ 37.73	\$ 30.01	\$ 30.61	\$ 28.93	\$ 127.28	\$ 30.35	\$ 32.17	\$ 33.84	\$ 35.59	\$ 131.94
Gross Margin	70.9%	76.0%	79.7%	69.2%	70.6%	73.1%	73.3%	70.5%	72.0%	73.0%	74.0%	72.4%
SG&A	\$ 66.24	\$ 70.69	\$ 13.53	\$ 15.46	\$ 14.73	\$ 16.08	\$ 59.80	\$ 12.63	\$ 12.63	\$ 12.63	\$ 12.63	\$ 50.51
% of sales	34.2%	34.4%	28.6%	35.6%	34.0%	40.6%	34.4%	29.3%	28.3%	27.2%	26.3%	27.7%
Depreciation, depletion & amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% of sales	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on disposal of assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 0.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impairment of other long-lived assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 66.64	\$ 85.75	\$ 13.53	\$ 15.46	\$ 14.73	\$ 16.08	\$ 59.80	\$ 12.63	\$ 12.63	\$ 12.63	\$ 12.63	\$ 50.51
% of sales	34.4%	41.7%	28.6%	35.6%	34.0%	40.6%	34.4%	29.3%	28.3%	27.2%	26.3%	27.7%
Operating Profit	\$ 70.66	\$ 70.30	\$ 24.20	\$ 14.56	\$ 15.88	\$ 12.85	\$ 67.49	\$ 17.72	\$ 19.54	\$ 21.21	\$ 22.96	\$ 81.43
Operating Margin	36.5%	34.2%	51.1%	33.6%	36.6%	32.5%	38.9%	41.2%	43.7%	45.8%	47.7%	44.7%
Interest expense and financing charges, net	\$ (0.05)	\$ (0.03)	\$ (0.01)	\$ (0.03)	\$ (0.05)	\$ (0.06)	\$ (0.16)	\$ (0.12)	\$ (0.12)	\$ (0.12)	\$ (0.12)	\$ (0.46)
Interest expense and financing charges, net - related parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income, net	\$ 3.62	\$ 4.81	\$ 7.20	\$ 0.03	\$ 0.15	\$ 3.18	\$ 10.57	\$ -	\$ -	\$ -	\$ -	\$ -
Other, net - related parties	\$ (0.66)	\$ (1.63)	\$ 0.06	\$ (1.02)	\$ 2.53	\$ 2.59	\$ 4.15	\$ 1.25	\$ 0.90	\$ 0.93	\$ 1.00	\$ 4.08
Pretax Income	\$ 73.58	\$ 73.46	\$ 31.45	\$ 13.54	\$ 18.51	\$ 18.57	\$ 82.07	\$ 18.86	\$ 20.32	\$ 22.02	\$ 23.84	\$ 85.05
Income Tax (benefit)	\$ 35.02	\$ 26.77	\$ 9.96	\$ 11.10	\$ 5.67	\$ 4.29	\$ 31.02	\$ 7.53	\$ 8.13	\$ 8.81	\$ 9.54	\$ 34.00
Effective tax rate	48%	36%	32%	82%	31%	23%	38%	40%	40%	40%	40%	40%
Income (Loss) attributable to minority interests	\$ (0.81)	\$ 0.08	\$ 0.01	\$ 0.02	\$ 0.01	\$ 0.08	\$ 0.12	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.08
GAAP Net Income from Continuing Operations	\$ 39.37	\$ 46.61	\$ 21.48	\$ 2.43	\$ 12.82	\$ 14.20	\$ 50.93	\$ 11.31	\$ 12.17	\$ 13.19	\$ 14.28	\$ 50.96
Foreign currency adjustment	\$ 12.89	\$ 16.56	\$ (9.81)	\$ (8.62)	\$ 6.79	\$ 14.59	\$ 2.95	\$ 4.25	\$ -	\$ -	\$ -	\$ 4.25
Other	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income (Loss) attributable to minority interests	\$ (0.95)	\$ 0.12	\$ (0.04)	\$ 0.18	\$ 0.01	\$ (0.01)	\$ 0.11	\$ 0.00	\$ -	\$ -	\$ -	\$ 0.00
Comprehensive Income (loss)	\$ 27.42	\$ 29.94	\$ 31.33	\$ 10.86	\$ 6.02	\$ (0.38)	\$ 47.87	\$ 7.06	\$ 12.17	\$ 13.19	\$ 14.28	\$ 46.71
Shares for Basic EPS (millions of shares)	94.19	96.56	103.28	103.51	102.64	102.58	103.00	102.58	102.58	102.58	102.58	102.58
Shares for Diluted EPS (millions of shares)	94.19	96.56	103.28	103.51	102.64	102.58	103.00	102.58	102.58	102.58	102.58	102.58
EPS Basic	\$ 0.42	\$ 0.48	\$ 0.21	\$ 0.02	\$ 0.12	\$ 0.14	\$ 0.50	\$ 0.11	\$ 0.12	\$ 0.13	\$ 0.14	\$ 0.50
EPS Diluted	\$ 0.42	\$ 0.48	\$ 0.21	\$ 0.02	\$ 0.12	\$ 0.14	\$ 0.50	\$ 0.11	\$ 0.12	\$ 0.13	\$ 0.14	\$ 0.50
GAAP Earnings Growth	N/A	14.3%	5.4%	-88.1%	316.4%	117.6%	3.5%	-47.5%	406.5%	3.0%	0.6%	0.0%

N/A – Data not currently available

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

	2023 Actual	2024 Actual	2025 Actual					2026 Estimated				
	Fiscal 2023A	Fiscal 2024A	1QA Mar-25	2QA Jun-25	3QA Sep-25	4QA Dec-25	Fiscal 2025A	1QA Mar-26	2QE Jun-26	3QE Sep-26	4QE Dec-26	Fiscal 2026E
Operating Profit	\$ 39.37	\$ 70.30	\$ 24.20	\$ 14.56	\$ 15.88	\$ 12.85	\$ 67.49	\$ 17.72	\$ 19.54	\$ 21.21	\$ 22.96	\$ 81.43
Interest expense	\$ -	\$ 0.03	\$ 0.01	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.14	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.46
Depreciation, depletion & amortization	\$ 12.25	\$ 3.80	\$ 0.67	\$ 0.67	\$ 0.67	\$ 0.67	\$ 2.68	\$ 0.67	\$ 0.67	\$ 0.67	\$ 0.67	\$ 2.67
EBITDA	\$ 51.62	\$ 74.13	\$ 24.88	\$ 15.25	\$ 16.60	\$ 13.58	\$ 70.31	\$ 18.50	\$ 20.32	\$ 21.99	\$ 23.74	\$ 84.56
EBITDA Margin (%)	26.7%	36.1%	52.6%	35.2%	38.3%	34.3%	40.5%	43.0%	45.5%	47.4%	49.4%	46.4%
Impairment of goodwill	\$ -	\$ 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income, net	\$ -	\$ (3.18)	\$ (7.26)	\$ 0.99	\$ (2.67)	\$ (5.78)	\$ (14.72)	\$ (1.25)	\$ (0.90)	\$ (0.93)	\$ (1.00)	\$ (4.08)
Interest on trade accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted EBITDA	\$ 51.62	\$ 99.03	\$ 17.62	\$ 16.24	\$ 13.93	\$ 7.80	\$ 55.59	\$ 17.25	\$ 19.42	\$ 21.06	\$ 22.74	\$ 80.48
Adjusted EBITDA Margin (%)	26.7%	48.2%	37.2%	37.5%	32.1%	19.7%	32.0%	40.1%	43.5%	45.4%	47.3%	44.2%

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

	2023 Actual		2024 Actual		2025 Actual					2026 Estimated				
	Fiscal 2023A	Fiscal 2024A	1QA Mar-25	2QA Jun-25	3QA Sep-25	4QA Dec-25	Fiscal 2025A	1QA Mar-26	2QE Jun-26	3QE Sep-26	4QE Dec-26	Fiscal 2026E		
Net income	\$ 38.56	\$ 46.69	\$ 21.49	\$ 2.44	\$ 12.83	\$ 14.28	\$ 51.05	\$ 11.33	\$ 12.17	\$ 13.19	\$ 14.28	\$ 50.98		
Stock-based compensation	\$ -	\$ 13.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Depreciation, depletion and amortization	\$ 12.25	\$ 3.80	\$ 0.63	\$ 0.64	\$ 0.75	\$ 0.67	\$ 2.68	\$ 0.67	\$ 0.67	\$ 0.67	\$ 0.67	\$ 2.68		
Amortization of debt origination costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Bad debt expense	\$ 0.37	\$ (0.40)	\$ 0.03	\$ 0.26	\$ 0.02	\$ (0.00)	\$ 0.30	\$ (0.03)	\$ -	\$ -	\$ -	\$ (0.03)		
Gain/(loss) on disposal of property and equipment	\$ (0.25)	\$ 0.51	\$ (0.01)	\$ 0.00	\$ (0.40)	\$ (2.77)	\$ (3.18)	\$ -	\$ -	\$ -	\$ -	\$ -		
Gain from sale of equipment damaged or lost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Impairment of goodwill	\$ -	\$ 15.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Gain on sale of business	\$ -	\$ (3.81)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Impairment of other long-lived assets	\$ 0.20	\$ 0.53	\$ -	\$ -	\$ -	\$ 0.13	\$ 0.13	\$ -	\$ -	\$ -	\$ -	\$ -		
Deferred income taxes	\$ 4.11	\$ (14.42)	\$ 7.02	\$ 0.44	\$ 1.65	\$ (3.77)	\$ 5.33	\$ (1.09)	\$ -	\$ -	\$ -	\$ (1.09)		
Other	\$ 3.08	\$ 6.49	\$ (7.62)	\$ 1.33	\$ 0.11	\$ 1.07	\$ (5.11)	\$ 1.50	\$ -	\$ -	\$ -	\$ 1.50		
Subtotal	\$ 58.32	\$ 67.47	\$ 21.53	\$ 5.11	\$ 14.96	\$ 9.61	\$ 51.21	\$ 12.38	\$ 12.84	\$ 13.86	\$ 14.95	\$ 54.04		
Accounts receivable, net - decrease (increase)	\$ (0.60)	\$ 17.74	\$ (0.15)	\$ (0.64)	\$ (0.29)	\$ 16.74	\$ 15.66	\$ 2.64	\$ -	\$ -	\$ -	\$ 2.64		
Receivables from related parties - decrease (increase)	\$ (5.41)	\$ (4.64)	\$ (0.30)	\$ (15.14)	\$ (9.67)	\$ 13.91	\$ (11.20)	\$ (6.56)	\$ -	\$ -	\$ -	\$ (6.56)		
Inventories - decrease (increase)	\$ (1.83)	\$ 1.13	\$ 1.60	\$ (2.32)	\$ 0.98	\$ (0.44)	\$ (0.17)	\$ 0.44	\$ -	\$ -	\$ -	\$ 0.44		
Pre-paid expenses and other assets - decrease (increase)	\$ (0.77)	\$ (2.05)	\$ (3.15)	\$ 2.10	\$ (0.77)	\$ 2.47	\$ 0.65	\$ 0.60	\$ -	\$ -	\$ -	\$ 0.60		
Accounts payable - decrease (increase)	\$ 12.18	\$ (9.59)	\$ 3.24	\$ (4.65)	\$ 3.96	\$ 0.13	\$ 2.68	\$ 2.48	\$ -	\$ -	\$ -	\$ 2.48		
Payables to related parties - decrease (increase)	\$ -	\$ (34.08)	\$ (0.11)	\$ 0.11	\$ (10.62)	\$ 4.53	\$ (6.09)	\$ (0.12)	\$ -	\$ -	\$ -	\$ (0.12)		
Accrued expenses and other liabilities - decrease (increase)	\$ (24.59)	\$ (26.63)	\$ (3.10)	\$ (4.51)	\$ (5.53)	\$ (3.25)	\$ (16.39)	\$ (2.40)	\$ -	\$ -	\$ -	\$ (2.40)		
Income taxes payable - decrease (increase)	\$ 13.36	\$ 11.23	\$ (17.64)	\$ 11.60	\$ (13.91)	\$ 8.27	\$ (11.66)	\$ (0.25)	\$ -	\$ -	\$ -	\$ (0.25)		
Operating Activities - Net Cash Flow	\$ 50.67	\$ 20.58	\$ 1.93	\$ (8.34)	\$ (20.88)	\$ 51.98	\$ 24.67	\$ 9.23	\$ 12.84	\$ 13.86	\$ 14.95	\$ 50.89		
Purchases of property and equipment	\$ (10.23)	\$ (3.41)	\$ (0.76)	\$ (0.51)	\$ (0.18)	\$ (0.93)	\$ (2.37)	\$ (0.55)	\$ (0.55)	\$ (0.55)	\$ (0.55)	\$ (2.20)		
Business divestitures, net of cash transferred	\$ 0.72	\$ (5.07)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Acquisition, net of cash	\$ -	\$ -	\$ -	\$ -	\$ (14.86)	\$ (28.14)	\$ (43.01)	\$ -	\$ -	\$ -	\$ -	\$ -		
Purchases of property and equipment from related parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Contributions to others	\$ (1.70)	\$ 0.41	\$ 0.09	\$ 15.50	\$ 2.28	\$ 0.03	\$ 17.89	\$ 0.02	\$ -	\$ -	\$ -	\$ 0.02		
Proceeds from disposal of property and equipment	\$ 8.05	\$ -	\$ 0.32	\$ 1.41	\$ 1.03	\$ 4.72	\$ 7.48	\$ -	\$ -	\$ -	\$ -	\$ -		
Purchase of investments	\$ 4.95	\$ (2.03)	\$ (0.64)	\$ (0.02)	\$ (0.43)	\$ 0.11	\$ (0.97)	\$ -	\$ -	\$ -	\$ -	\$ -		
Investing Activities - Net Cash Flow	\$ 1.79	\$ (10.10)	\$ (0.98)	\$ 16.38	\$ (12.16)	\$ (24.22)	\$ (20.97)	\$ (0.53)	\$ (0.55)	\$ (0.55)	\$ (0.55)	\$ (2.18)		
Borrowings on long-term debt	\$ -	\$ 6.60	\$ -	\$ -	\$ 14.85	\$ 19.90	\$ 34.75	\$ -	\$ -	\$ -	\$ -	\$ -		
Borrowings on long-term debt - related parties	\$ 12.31	\$ 5.48	\$ 0.02	\$ -	\$ -	\$ -	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ -		
Repayments of long-term debt	\$ (16.44)	\$ (0.86)	\$ (0.06)	\$ (0.05)	\$ (0.62)	\$ (0.63)	\$ (1.35)	\$ (1.78)	\$ -	\$ -	\$ -	\$ (1.78)		
Proceeds from financing transaction	\$ 0.00	\$ 11.74	\$ -	\$ -	\$ (5.00)	\$ -	\$ (5.00)	\$ -	\$ -	\$ -	\$ -	\$ -		
Proceeds from sale/leaseback transaction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Payments on sale/leaseback transaction	\$ -	\$ -	\$ (0.22)	\$ (0.06)	\$ 0.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Dividends paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Principal payments on financing leases/notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.33)	\$ (0.33)	\$ (0.03)	\$ -	\$ -	\$ -	\$ (0.03)		
Debt issuance costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Other	\$ 10.26	\$ -	\$ (0.02)	\$ 7.28	\$ 2.06	\$ 0.88	\$ 10.20	\$ (0.02)	\$ -	\$ -	\$ -	\$ (0.02)		
Financing Activities - Net Cash Flow	\$ 6.14	\$ 22.97	\$ (0.28)	\$ 7.18	\$ 11.57	\$ 19.82	\$ 38.29	\$ (1.84)	\$ -	\$ -	\$ -	\$ (1.84)		
Exchange rate effect	\$ (7.31)	\$ (11.43)	\$ 6.34	\$ 5.47	\$ (3.84)	\$ (11.23)	\$ (3.26)	\$ (3.33)	\$ -	\$ -	\$ -	\$ (3.33)		
Cash and Equivalents - Change	\$ 51.28	\$ 22.02	\$ 7.01	\$ 20.68	\$ (25.31)	\$ 36.34	\$ 38.73	\$ 3.53	\$ 12.23	\$ 12.94	\$ 14.02	\$ 43.55		
Cash Beginning	\$ 51.74	\$ 103.02	\$ 125.04	\$ 132.06	\$ 152.74	\$ 127.43	\$ 125.04	\$ 163.77	\$ 167.30	\$ 179.53	\$ 192.48	\$ 163.77		
Cash End	\$ 103.02	\$ 125.04	\$ 132.06	\$ 152.74	\$ 127.43	\$ 163.77	\$ 163.77	\$ 167.30	\$ 179.53	\$ 192.48	\$ 206.50	\$ 207.32		

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

	2023 Actual	2024 Actual	2025 Actual					2026 Estimated				
	Fiscal 2023A	Fiscal 2024A	1QA Mar-25	2QA Jun-25	3QA Sep-25	4QA Dec-25	Fiscal 2025A	1QA Mar-26	2QE Jun-26	3QE Sep-26	4QE Dec-26	Fiscal 2026E
Cash & equivalents	\$ 103.02	\$ 125.04	\$ 132.06	\$ 152.74	\$ 127.43	\$ 163.77	\$ 163.77	\$ 167.31	\$ 179.53	\$ 192.48	\$ 206.50	\$ 206.50
Short term investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.32	\$ 0.32	\$ 0.31	\$ -	\$ -	\$ -	\$ -
Restricted Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	\$ 1.44	\$ 1.41	\$ 1.63	\$ 2.35	\$ 2.61	\$ 2.39	\$ 2.39	\$ 2.98	\$ 2.98	\$ 2.98	\$ 2.98	\$ 2.98
Receivables from related parties, net	\$ 48.31	\$ 45.22	\$ 46.74	\$ 70.49	\$ 79.94	\$ 49.05	\$ 49.05	\$ 53.77	\$ 53.77	\$ 53.77	\$ 53.77	\$ 53.77
Inventories	\$ 3.09	\$ 1.50	\$ 1.70	\$ 1.71	\$ 1.68	\$ 2.79	\$ 2.79	\$ 2.32	\$ 2.32	\$ 2.32	\$ 2.32	\$ 2.32
Pre-paid expenses	\$ 10.05	\$ 11.28	\$ 32.97	\$ 14.05	\$ 14.71	\$ 11.72	\$ 11.72	\$ 10.91	\$ 10.91	\$ 10.91	\$ 10.91	\$ 10.91
Other current assets	\$ -	\$ -	\$ -	\$ -	\$ 0.84	\$ 1.18	\$ 1.18	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.17
Total Current Assets	\$ 165.91	\$ 184.45	\$ 215.10	\$ 241.34	\$ 227.20	\$ 231.22	\$ 231.22	\$ 238.78	\$ 250.69	\$ 263.64	\$ 277.66	\$ 277.66
Property & equipment, net	\$ 13.58	\$ 8.77	\$ 8.52	\$ 8.06	\$ 7.00	\$ 7.54	\$ 7.54	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29
Operating lease right-of-use assets	\$ 5.92	\$ 5.27	\$ 5.15	\$ 5.15	\$ 4.89	\$ 8.37	\$ 8.37	\$ 11.48	\$ 11.48	\$ 11.48	\$ 11.48	\$ 11.48
Intangible assets, net - customer relationships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intangible assets, net	\$ 19.74	\$ 1.59	\$ 1.54	\$ 1.59	\$ 23.30	\$ 47.74	\$ 47.74	\$ 47.15	\$ 47.15	\$ 47.15	\$ 47.15	\$ 47.15
Goodwill	\$ 3.59	\$ 4.61	\$ 4.78	\$ 5.01	\$ 4.93	\$ 15.43	\$ 15.43	\$ 15.40	\$ 15.40	\$ 15.40	\$ 15.40	\$ 15.40
Deferred income tax asset	\$ -	\$ 9.80	\$ -	\$ 2.34	\$ 0.61	\$ 4.01	\$ 4.01	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98
Other non-current assets	\$ 50.07	\$ 51.59	\$ 49.51	\$ 51.81	\$ 53.44	\$ 66.14	\$ 66.14	\$ 62.95	\$ 62.95	\$ 62.95	\$ 62.95	\$ 62.95
TOTAL ASSETS	\$ 258.81	\$ 266.09	\$ 284.61	\$ 315.30	\$ 321.36	\$ 380.45	\$ 380.45	\$ 388.02	\$ 399.93	\$ 412.88	\$ 426.90	\$ 426.90
Accounts payable	\$ 26.53	\$ 13.88	\$ 17.85	\$ 16.29	\$ 17.26	\$ 16.99	\$ 16.99	\$ 19.17	\$ 19.17	\$ 19.17	\$ 19.17	\$ 19.17
Payables to related parties	\$ 3.37	\$ 0.69	\$ 2.57	\$ 9.33	\$ 4.48	\$ 0.65	\$ 0.65	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.53
Accrued expenses & other current liabilities	\$ 26.67	\$ 11.75	\$ 8.56	\$ 6.74	\$ 7.99	\$ 15.65	\$ 15.65	\$ 15.58	\$ 15.58	\$ 15.58	\$ 15.58	\$ 15.58
Accrued expenses & other current liab/related parties	\$ 23.06	\$ 11.74	\$ 13.50	\$ 10.33	\$ 7.35	\$ 5.36	\$ 5.36	\$ 4.22	\$ 4.22	\$ 4.22	\$ 4.22	\$ 4.22
Current operating lease liability	\$ 3.89	\$ 4.34	\$ 4.29	\$ 3.79	\$ 3.69	\$ 4.55	\$ 4.55	\$ 5.64	\$ 5.64	\$ 5.64	\$ 5.64	\$ 5.64
Current portion of long term debt	\$ 0.16	\$ 0.10	\$ 0.07	\$ 0.07	\$ 3.04	\$ 9.10	\$ 9.10	\$ 8.99	\$ 8.99	\$ 8.99	\$ 8.99	\$ 8.99
Income taxes payable	\$ 8.78	\$ 18.71	\$ 1.62	\$ 14.13	\$ 0.77	\$ 8.82	\$ 8.82	\$ 8.45	\$ 8.45	\$ 8.45	\$ 8.45	\$ 8.45
Total Current Liabilities	\$ 92.45	\$ 61.19	\$ 48.47	\$ 60.68	\$ 44.58	\$ 61.12	\$ 61.12	\$ 62.57	\$ 62.57	\$ 62.57	\$ 62.57	\$ 62.57
Long-term debt (revolver), net of current portion	\$ 1.06	\$ 6.50	\$ 6.80	\$ 7.03	\$ 18.08	\$ 33.73	\$ 33.73	\$ 31.45	\$ 31.45	\$ 31.45	\$ 31.45	\$ 31.45
Long-term debt from related parties	\$ 11.95	\$ 0.01	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income tax liability	\$ 6.01	\$ 0.93	\$ 0.35	\$ 0.35	\$ 7.77	\$ 16.37	\$ 16.37	\$ 16.22	\$ 16.22	\$ 16.22	\$ 16.22	\$ 16.22
Long-term operating lease liability	\$ 2.44	\$ 1.24	\$ 1.51	\$ 1.37	\$ 1.70	\$ 4.25	\$ 4.25	\$ 5.83	\$ 5.83	\$ 5.83	\$ 5.83	\$ 5.83
Asset retirement obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other long-term liabilities	\$ 1.08	\$ 1.19	\$ 1.15	\$ 1.21	\$ 1.17	\$ 1.66	\$ 1.66	\$ 1.58	\$ 1.58	\$ 1.58	\$ 1.58	\$ 1.58
TOTAL LIABILITIES	\$ 115.00	\$ 71.06	\$ 58.28	\$ 70.65	\$ 73.30	\$ 117.14	\$ 117.14	\$ 117.64	\$ 117.64	\$ 117.64	\$ 117.64	\$ 117.64
Common stock	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Additional paid-in capital	\$ 36.88	\$ 62.51	\$ 62.51	\$ 72.21	\$ 72.20	\$ 72.87	\$ 72.87	\$ 72.87	\$ 72.87	\$ 72.87	\$ 72.87	\$ 72.87
Retained earnings	\$ 142.85	\$ 189.46	\$ 210.97	\$ 213.41	\$ 226.25	\$ 240.46	\$ 240.46	\$ 251.76	\$ 263.67	\$ 276.61	\$ 290.64	\$ 290.64
Accumulated comprehensive income/(loss)	\$ (37.58)	\$ (54.18)	\$ (44.34)	\$ (35.92)	\$ (42.72)	\$ (57.29)	\$ (57.29)	\$ (61.54)	\$ (61.54)	\$ (61.54)	\$ (61.54)	\$ (61.54)
Non-controlling interest	\$ 1.65	\$ (0.09)	\$ (0.12)	\$ 0.06	\$ 0.07	\$ 15.00	\$ 15.00	\$ 15.04	\$ 15.04	\$ 15.04	\$ 15.04	\$ 15.04
Less: treasury stock	\$ -	\$ (2.70)	\$ (2.70)	\$ (5.12)	\$ (7.75)	\$ (7.75)	\$ (7.75)	\$ (7.75)	\$ (7.75)	\$ (7.75)	\$ (7.75)	\$ (7.75)
TOTAL EQUITY	\$ 143.81	\$ 195.02	\$ 226.32	\$ 244.65	\$ 248.06	\$ 263.30	\$ 263.30	\$ 270.38	\$ 282.30	\$ 295.24	\$ 309.26	\$ 309.26
TOTAL LIABILITIES & EQUITY	\$ 258.81	\$ 266.09	\$ 284.61	\$ 315.30	\$ 321.36	\$ 380.45	\$ 380.45	\$ 388.02	\$ 399.93	\$ 412.87	\$ 426.90	\$ 426.90

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

Estimates:	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	Terminal Value
Revenue	\$ 182.18	\$ 204.95	\$ 228.52	\$ 252.51	\$ 276.50	\$ 300.00	\$ 322.50	\$ 343.47	\$ 362.36	\$ 378.66	
Operating Income	\$ 81.43	\$ 81.98	\$ 91.41	\$ 101.01	\$ 110.60	\$ 120.00	\$ 129.00	\$ 137.39	\$ 144.94	\$ 151.47	
Less: Taxes (benefit)	\$ 34.00	\$ 32.79	\$ 36.56	\$ 40.40	\$ 44.24	\$ 48.00	\$ 51.60	\$ 54.95	\$ 57.98	\$ 60.59	
NOPAT	\$ 47.42	\$ 49.19	\$ 54.84	\$ 60.60	\$ 66.36	\$ 72.00	\$ 77.40	\$ 82.43	\$ 86.97	\$ 90.88	
Add: Depreciation & Amortization	\$ 2.68	\$ 2.55	\$ 2.42	\$ 2.78	\$ 3.04	\$ 3.30	\$ 3.55	\$ 3.78	\$ 3.99	\$ 4.17	
Add: Changes in NWC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Less: Capital Expenditures	\$ 2.20	\$ 2.56	\$ 2.86	\$ 3.16	\$ 3.46	\$ 3.75	\$ 4.03	\$ 4.29	\$ 4.53	\$ 4.73	
Free Cash Flow	\$ 47.91	\$ 49.17	\$ 54.41	\$ 60.22	\$ 65.95	\$ 71.55	\$ 76.92	\$ 81.92	\$ 86.42	\$ 90.31	\$ 1,266.90
Discount Period - Months	8.00	20.00	32.00	44.00	56.00	68.00	80.00	92.00	92.00	104.00	104.00
Discount Period - Years	0.67	1.67	2.67	3.67	4.67	5.67	6.67	7.67	7.67	8.67	8.67
Discount Factor	0.94	0.85	0.77	0.70	0.63	0.57	0.52	0.47	0.47	0.43	0.43
Present Value of FCF	\$ 44.87	\$ 41.73	\$ 41.85	\$ 41.98	\$ 41.66	\$ 40.96	\$ 39.91	\$ 38.52	\$ 40.64	\$ 38.49	\$ 539.90

Growth Rate Assumptions:

Revenue (1% stepdown/year)	12.5%
Terminal Growth Rate (g):	3.0%
Discount Rate at WACC:	10.3%

Margin Assumptions:

Operating Income	40.0%
D&A as a % of sales (long-term)	1.1%
Taxes	40.0%
Changes in WC	0.0%
Capex as a % of sales	1.3%

Valuation:

Shares Outstanding	102.58
PV of FCF	\$ 410.61
PV of Terminal Value	\$ 539.90
Enterprise Value	\$ 950.50
less: Net Debt (Q4:25)	(123.34)
less: Minority Interest (Q1:26)	\$ 15.04
Estimated Total Value	\$ 1,058.80
Est. Equity Value per Share	\$ 10.32

Price Target Sensitivity Analysis:

Discount Rate		Terminal Growth Rate (g)				
		1.0%	2.0%	3.0%	4.0%	5.0%
9.4%	9.4%	10.15	10.87	11.82	13.13	15.03
	9.9%	9.60	10.21	11.01	12.08	13.59
	10.4%	9.11	9.64	10.31	11.20	12.42
	10.9%	8.67	9.13	9.70	10.44	11.44
	11.4%	8.27	8.67	9.16	9.79	10.62