

TMC Life Sciences

Recommendation: **NOT RANKED**

Stock Code: **0101**

Bloomberg: **TMCL MK**

Price: **MYR0.35**

12-Month Target Price: **NA**

Date: **April 1, 2010**

Board: Main

Sector: Trading/Services

GICS: Health Care/Health Care Services

Market Value - Total: MYR213.6 mln

Summary: TMC Life Sciences (TMCL) is a leader in the provision of fertility treatment services in Malaysia and the Asian region. Its delivery rate per embryo transfer is among the highest in the world. The group's flagship multi-disciplinary hospital, Tropicana Medical Centre, commenced operations in December 2008.

Analyst: Alexander Chia, ACA



Recent Developments

Recommendation & Investment Risks

- We are suspending coverage of TMCL pending a universe coverage change. Our last call and target price are Hold and MYR0.38 respectively.
- Please note that our recommendation and target price may no longer represent our current view on the company. If readers have any queries, please direct them to asiaequityresearch@standardandpoors.com. For residents of Malaysia, all queries in relation to this report should be referred to Alexander Chia, Desmond Ch'ng or Ching Wah Tam in our K.L. office.

Key Stock Statistics

FY Dec.	2009	2010E
Reported EPS (sen)	-1.4	0.7
PER (x)	NM	54.5
Dividend/Share (sen)	0.3	0.3
NTA/Share (MYR)	0.15	0.16
Book Value/Share (MYR)	0.17	0.18
No. of Outstanding Shares (mln)	601.8	
52-week Share Price Range (MYR)	0.33 - 0.52	
Major Shareholders:	%	
Berjaya Group	31.8	
Dato' Dr. Colin Lee	24.8	
Skim Amanah Saham Bumiputera	5.2	

Per Share Data

FY Dec.	2007	2008	2009	2010E
Book Value (MYR)	0.15	0.19	0.17	0.18
Cash Flow (sen)	2.0	1.0	-1.4	0.7
Reported Earnings (sen)	2.0	0.7	-1.4	0.7
Dividend (sen)	0.3	0.3	0.3	0.3
Payout Ratio (%)	15.2	50.5	NM	46.1
PER (x)	18.2	51.4	NM	54.5
P/Cash Flow (x)	17.5	35.1	NM	54.5
P/Book Value (x)	2.4	1.9	2.1	2.0
Dividend Yield (%)	0.8	0.8	0.8	0.8
ROE (%)	14.7	3.8	-7.8	3.7
Net Gearing (%)	0.0	7.6	39.7	36.2

Note: Figures adjusted for rights & bonus issue.

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Profit & Loss

FY Dec. / MYR mln	2008	2009	2010E	2011E
Reported Revenue	38.8	48.5	66.4	79.7
Reported Operating Profit	4.6	-7.1	6.8	13.0
Depreciation & Amortization	-1.7	-7.6	-7.3	-7.0
Net Interest Income / (Expense)	-0.5	-1.7	-2.2	-2.3
Reported Pre-tax Profit	4.0	-8.7	4.6	10.7
Effective Tax Rate (%)	16.7	NM	15.0	15.0
Reported Net Profit	3.6	-8.5	3.9	9.1
Reported Operating Margin (%)	11.8	-14.5	10.2	16.3
Reported Pre-tax Margin (%)	10.4	-18.0	6.9	13.4
Reported Net Margin (%)	9.2	-17.5	5.9	11.4

Source: Company data, S&P Equity Research

Standard & Poor's Equity Research Services

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Glossary

Strong Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months, with shares rising in price on an absolute basis.

Hold: Total return is expected to closely approximate the total return of the KLCI or KL Emas Index respectively, over the coming 12 months with shares generally rising in price on an absolute basis.

Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months and share price is not anticipated to show a gain.

Strong Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months by a wide margin, with shares falling in price on an absolute basis.

S&P 12 Month Target Price – The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Shariah-compliant stock - As defined by the Shariah Advisory Council of Malaysia's Securities Commission

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Recommendation and Target Price History

Date	Recommendation	Target Price
New	Not Ranked	
30-Nov-09	Hold	0.38
21-Oct-09	Hold	0.42
1-Jun-09	Strong Sell	0.27
2-Mar-09	Strong Sell	0.15
1-Dec-08	Sell	0.33
2-Sep-08	Hold	0.58
2-Jun-08	Sell	0.58
31-Mar-08	Hold	0.58

