

UltraGreen.ai (UGAI SP)

1H26: Robust Growth And More Positive Outlook For 2H26

Highlights

- 1H26 earnings of US\$39m (+53% yoy) are in line with expectations, representing 48% of our 2026 forecast, with volume growing across all geographies.
- Verdyne approvals have increased from 35 to 43 countries, while IC-Flow approvals have risen from 40 to 46 countries since end-25.
- UltraGreen has renewed its revenue guidance in anticipation of a better 2H26 revenue vs 1H26. Ultragreen is trading at an attractive PE of 16x 2027F vs peers of 27x. Maintain BUY with an unchanged target price of US\$1.95.

1H26 Results

Year to 31 Dec	1H26	1H25	yoy%
Revenue (US\$m)	87.2	70.1	24.0
Sales volume (no. of vials)	589,511	530,908	11.0
Gross profit (US\$m)	75.5	59.6	27.0
Net profit (US\$m)	39.2	25.7	53.0
Gross margins (%)	87.0	85.0	2.0ppt
Net margins (%)	45.0	36.6	8.4ppt

Source: UltraGreen, UOB Kay Hian

Analysis

- Strong top-line growth, earnings in line.** UltraGreen.ai (UltraGreen) reported 1H26 revenue of US\$87.2m (+24% yoy) and PATMI of US\$39.2m (+53% yoy), forming 50% and 48% of our 2026 forecasts respectively. Growth was driven by an 11% yoy increase in Indocyanine Green (ICG) sales volume, improved pricing in the US and continued adoption across key markets. Management also guides 2026 revenue of US\$175m-185m, with 2H26 revenue expected to exceed 1H26, supporting continued growth momentum.
- Market and pipeline expansion support growth.** UltraGreen continues to broaden its footprint, with Verdyne approvals increasing from 35 to 43 countries and IC-Flow approvals from 40 to 46 countries since end-25. The company has also secured Denmark's national tender through 2028. Beyond geographical expansion, PerfusionWorks is progressing towards European regulatory approval, while expansion into new indicators such as wound care should further broaden ICG adoption and support vial volume growth.

Key Financials

Year to 31 Dec (US\$m)	2024	2025	2026F	2027F	2028F
Net turnover	115	138	177	205	232
EBITDA	72	89	106	120	135
Operating profit	66	83	99	112	127
Net profit (rep./act.)	56	51	83	94	106
Net profit (adj.)	56	64	83	94	106
EPS (US\$ cent)	5.1	5.8	7.5	8.5	9.6
PE (x)	26.0	22.8	17.6	15.5	13.7
P/B (x)	n.a.	4.7	3.7	3.0	2.5
EV/EBITDA (x)	16.8	13.6	11.4	10.1	9.0
Dividend yield (%)	1.1	2.7	0.0	0.0	0.0
Net margin (%)	48.8	37.1	46.8	45.9	45.9
Net debt/(cash) to equity (%)	(537.2)	(55.7)	(61.6)	(65.7)	(69.1)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	n.a.	n.a.	23.5	21.4	19.7
Consensus net profit (US\$m)	-	-	87	102	57
UOBKH/Consensus (x)	-	-	0.95	0.92	1.87

Source: UltraGreen.ai, Bloomberg, UOB Kay Hian

Analyst(s)

John Cheong

johncheong@uobkh.com

+65 6590 6623

Tang Kai Jie

kaijietang@uobkh.com

+65 6590 6624

Shaina Kamlesh Mahtani

shainamahtani@uobkh.com

+65 6590 6633

BUY (Maintained)

Share Price	US\$1.32
Target Price	US\$1.95
Upside	+47.7%

Stock Data

GICS sector	Health Care
Bloomberg ticker:	UGAI SP
Shares issued (m):	1,102.1
Market Cap (US\$m):	1,454.8
Market cap (US\$m):	1,454.8
3-mth avg t'over (US\$m):	2.0

Price Performance (%)

52-week high/low			US\$1.86/US\$1.15	
1mth	3mth	6mth	1yr	YTD
8.2	1.5	(21.0)	n.a.	(12.6)

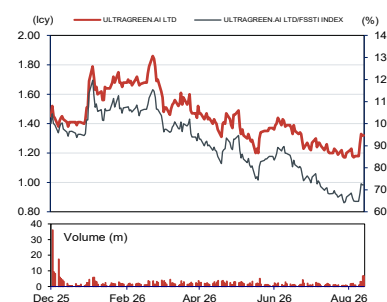
Major Shareholders (%)

Renew Group P/L	61.92
Anchor VI P/L	8.19
Verde Taano P/L	6.97

Balance Sheet Metrics

FY26 NAV/Share (US\$)	0.36
FY26 Net Cash/ Share (US\$)	0.22

Price Chart



Source: Bloomberg

Company Description

UltraGreen.ai Limited operates as a pharmaceutical imaging and fluorescence-guided surgery company. The Company develops vertical AI tools for surgical precision using data-driven fluorescence imaging solutions to improve patient outcomes. UltraGreen.ai serves health care sectors worldwide.

- **Sales volumes continued to display momentum.** 1H26 sales volumes rose 11% yoy to 589,511 vials, led by EMEA (+24% yoy to 196,165 vials) and a lower-base APAC (+45% yoy to 15,730 vials), while the US grew at a more modest 4% yoy to 377,616 vials. This momentum is likely to continue as global adoption of ICG in fluorescence-guided surgeries expands, with volumes expected to grow at a 3.1% CAGR through 2030.
- **Strong balance sheet supports growth and shareholder returns.** UltraGreen ended 1H26 with US\$197.6m in cash and short-term liquid investments, up 12% from end-25, while remaining debt-free. The group generated US\$27.9m of operating cash flow, providing flexibility to fund growth initiatives. It also declared a US\$0.01/share interim dividend and repurchased around 1m shares, with management expecting to continue returning capital through semi-annual dividends and share buybacks.
- **Investing ahead of growth.** Adjusted EBITDA rose 16% yoy to US\$52.5m, although margin moderated 5ppt to 60% as operating expenses increased 66% yoy to US\$28.0m. The higher cost base reflects increased investment in headcount, with employees rising to 112 from 73 in 1H25, increased marketing expenditure, and higher listed company expenses. Management expects stronger operating leverage as revenue scales against the enlarged cost base.

Valuation/Recommendation

- **Maintain BUY with an unchanged PE-based target price of US\$1.95,** implying 46.6% upside, pegged to 26x 2026F PE (in line with historical mean). The premium is justified by UltraGreen's market leadership, strong pricing power, and expanding global footprint.
- UltraGreen currently trades at 15.6x 2027F PE, below our target multiple of 26x.

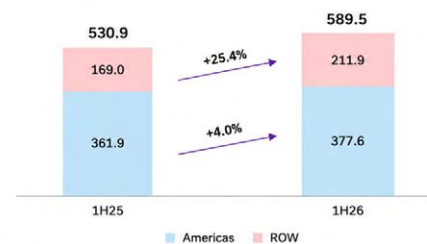
Earnings Revision/Risk

- We raise our 2026 revenue forecast to US\$177m following the stronger-than-expected 1H26 top-line performance, supported by higher ICG vial volumes and improved US pricing. We keep our 2026 earnings forecast unchanged and trim 2027 PATMI to US\$94m, as higher investment in headcount, marketing and listed-companies expenses offset some of the revenue upside.

Share Price Catalyst

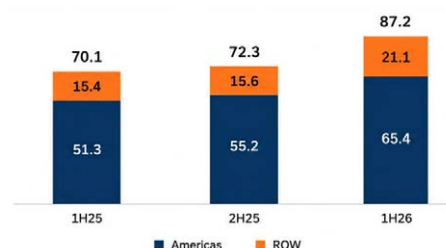
- Expansion into new countries and markets.
- Successful pipeline expansion into new products and procedures.
- Stronger operating leverage from investments made ahead of growth.

Number of vials sold ('000 units)



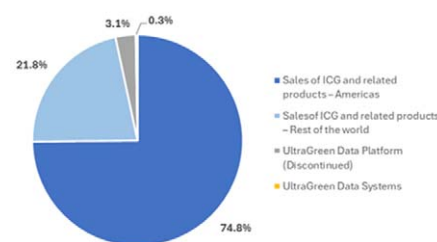
Source: UltraGreen, UOB Kay Hian

Revenue (US\$m)



Source: UltraGreen, UOB Kay Hian

Revenue by business segments (2025)



Source: UltraGreen, UOB Kay Hian

Profit & loss

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Net turnover	137.9	176.5	205.0	231.6
EBITDA	89.4	106.3	119.8	135.0
Deprec. & amort.	6.0	7.0	7.4	8.0
EBIT	83.4	99.3	112.4	127.0
Total other non-operating income	(10.0)	1.2	2.0	2.3
Associate contributions	(0.7)	(0.9)	(1.0)	(1.2)
Net interest income/(expense)	(0.1)	(0.1)	(0.1)	(0.1)
Pre-tax profit	72.6	99.5	113.2	128.0
Tax	(21.5)	(16.9)	(19.3)	(21.8)
Minorities	0.0	0.0	0.0	0.0
Net profit	51.1	82.6	94.0	106.2
Net profit (adj.)	63.8	82.6	94.0	106.2

Cash flow

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Operating	53.3	81.2	91.9	105.5
Pre-tax profit	75.6	82.6	94.0	106.2
Tax	21.5	16.9	19.3	21.8
Deprec. & amort.	6.0	7.0	7.4	8.0
Associates	0.7	0.0	0.0	0.0
Working capital changes	(14.3)	(5.5)	(11.1)	(10.4)
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	(36.2)	(19.8)	(17.8)	(20.1)
Investing	13.0	(10.5)	(12.2)	(13.8)
Capex (maintenance)	0.0	0.0	0.0	0.0
Investment	(1.2)	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	14.2	(10.5)	(12.2)	(13.8)
Financing	95.8	(1.4)	(1.6)	(1.8)
Dividend payments	(39.8)	0.0	0.0	0.0
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(7.4)	(1.4)	(1.6)	(1.8)
Others/interest paid	143.0	0.0	0.0	0.0
Net cash inflow (outflow)	162.1	69.3	78.1	89.9
Beginning cash & cash equivalent	12.7	176.1	245.4	323.5
Changes due to forex impact	1.3	0.0	0.0	0.0
Ending cash & cash equivalent	176.1	245.4	323.5	413.4

Balance Sheet

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Fixed assets	6.9	9.3	12.1	15.2
Other LT assets	73.7	76.1	79.7	84.2
Cash/ST investment	176.1	245.4	323.5	413.4
Other current assets	71.5	82.0	95.2	107.5
Total assets	328.2	412.9	510.5	620.3
ST debt	0.6	0.6	0.6	0.6
Other current liabilities	18.4	21.2	24.5	27.6
LT debt	2.5	2.5	2.5	2.5
Other LT liabilities	3.4	2.7	3.1	3.5
Shareholders' equity	310.6	393.2	487.2	593.5
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	335.6	420.3	517.9	627.7

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	64.8	60.2	58.4	58.3
Pre-tax margin	52.6	56.4	55.2	55.3
Net margin	37.1	46.8	45.9	45.9
ROA	21.7	22.3	20.4	18.8
ROE	n.a.	23.5	21.4	19.7
Growth				
Turnover	20.3	28.0	16.1	13.0
EBITDA	23.8	18.9	12.7	12.6
Pre-tax profit	8.7	37.0	13.8	13.0
Net profit	(8.6)	61.5	13.8	13.0
Net profit (adj.)	14.1	29.4	13.8	13.0
EPS	14.1	29.4	13.8	13.0
Leverage				
Debt to total capital	1.0	0.8	0.6	0.5
Debt to equity	1.0	0.8	0.6	0.5
Net debt/(cash) to equity	(55.7)	(61.6)	(65.7)	(69.1)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at [this link](#) or by scanning the QR code below:



The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."