

**8. INDUSTRY OVERVIEW**

**VITAL FACTOR CONSULTING**  
Creating Winning Business Solutions

19 December 2025

The Board of Directors  
1 Doc International Berhad  
A-2-38, A-3-38, A-3A-38 IOI Boulevard  
Jalan Kenari 5, Bandar Puchong Jaya  
47170 Puchong, Selangor

**Vital Factor Consulting Sdn Bhd**  
Company No.: 199301012059 (266797-T)  
V Square @ PJ City Centre (VSQ)  
Block 6 Level 6, Jalan Utara  
46200 Petaling Jaya  
Selangor, Malaysia  
Tel (603) 7931 3188  
www.vitalfactor.com

Dear Sirs and Madams

**Independent Assessment of the Beauty Industry in Malaysia**

We are an independent business consulting and market research firm based in Malaysia, established in 1993. We offer consulting services, including business plans, opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market research. Since 1996, we have been involved in corporate exercises such as initial public offerings (IPO), reverse takeovers, chain listings, transfers to the Main Market, and business regularisations for publicly listed companies on Bursa Malaysia Securities Berhad (Bursa Securities). Our corporate exercise services encompass business overviews, independent industry assessments, management discussions and analyses, and business and industry risk assessments for prospectuses, shareholders' circulars and information memorandums.

We have been engaged to provide an independent assessment of the beauty industry in Malaysia for inclusion in the prospectus of 1 Doc International Berhad for its IPO and listing of its shares on the Main Market of Bursa Securities. This report has been prepared independently and objectively, with all reasonable due care taken to ensure its accuracy and completeness.

We believe the report provides a true and fair assessment of the industry, considering the limitations of timely and available information, and analyses based on secondary and primary market research as of the report date. However, it should be noted that our assessment pertains to the industry as a whole and may not reflect the performance of any specific company. We accept no responsibility for the decisions or actions of readers based on this document. This report should not be construed as a recommendation to buy, not buy, sell, or not sell the securities of any company.

Please be aware that our report may include disclosures, assessments, opinions, and forward-looking statements that are subject to hitherto unknown or undisclosed information, uncertainties, and contingencies. These statements are based on secondary information and primary market research, and despite careful analysis, the industry is influenced by various known and unforeseen factors that could cause actual outcomes and future results to differ materially from these statements.

Yours sincerely

Wooi Tan  
Managing Director

Wooi Tan holds a Bachelor of Science from the University of New South Wales and a Master of Business Administration from the University of Technology, Sydney. He is a Fellow of the Australian Marketing Institute and the Institute of Managers and Leaders, Australia. With over 30 years of experience in business consulting and market research, he has also assisted companies in their IPOs and listings of their shares on Bursa Securities.

**8. INDUSTRY OVERVIEW (CONT'D)**



Date of Report: 19 December 2025

**INDEPENDENT ASSESSMENT OF THE BEAUTY INDUSTRY IN MALAYSIA**

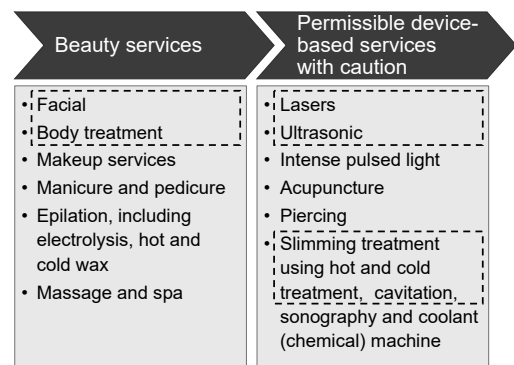
**1. OVERVIEW OF 1 DOC GROUP'S BUSINESS AND REPORT PARAMETERS**

- 1 Doc International Berhad, together with its subsidiaries (1 Doc Group), is primarily involved in the provision of beauty services and the distribution of beauty products in Malaysia, which shall form the focus of this report. All information refers to Malaysia unless stated otherwise. Beauty services include products where relevant. Given 1 Doc Group's existing operations and expansion plans in Singapore, this section also includes information on the Singapore market.

**2. INDUSTRY OVERVIEW**

**2.1 Beauty Services**

- The beauty industry in Malaysia spans a range of non-medical services aimed at enhancing personal appearance, grooming, and overall well-being. As defined by the Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri Dan Kos Sara Hidup (KPDN)), beauty services are non-invasive. They are delivered by trained therapists in beauty salons, spas, and wellness centres, without the use of prescription drugs.



Source: KPDN

1 Doc Group provides these services

- In addition to core services, many beauty premises now provide technology-assisted services such as intense pulsed light (IPL), laser-based therapies, ultrasonic devices, and non-invasive slimming procedures involving sonography, cavitation or thermal modalities. While these involve machinery, such services remain permissible under KPDN guidelines provided they do not breach the skin or involve restricted substances, and performed by practitioners who have received adequate training.
- Beauty services form one segment within the broader appearance enhancement landscape, alongside medical aesthetic and cosmetic surgical procedures. While these categories cater to consumer goals related to appearance and self-presentation, they differ in terms of invasiveness, regulatory oversight, and service delivery settings. Medical aesthetic and cosmetic surgical procedures are governed by the Ministry of Health (MoH) and must be performed by licensed medical professionals in accredited premises. These sectors are not covered in this report.
- Demand for beauty services is discretionary yet repeat-driven, often sustained through packages that bundle multiple sessions. It is fuelled by growing awareness of self-care, wellness, and personal image. Consumer preferences are influenced by the range of services offered, perceived effectiveness, outlet ambience, therapist expertise, and brand credibility.
- 1 Doc Group operates within the scope of beauty services, offering technology-assisted services such as facials, slimming, body contouring, and hair volumising services. To support service consistency and multi-outlet expansion, the group has established structured in-house training and is accredited as a National Dual Training System Centre by the Department of Skills Development for hair and scalp therapy and beauty therapy services. This enables the delivery of industry-recognised, dual-track training programmes.

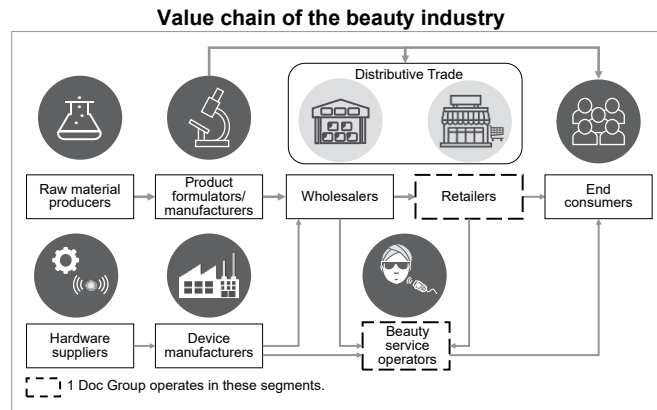
**2.2 Value Chain of the Beauty Industry**

- The beauty industry operates across a vertically integrated yet highly fragmented value chain, spanning upstream inputs to downstream consumer-facing services.

## 8. INDUSTRY OVERVIEW (CONT'D)



- Raw material producers** supply inputs, including active ingredients, base compounds and mediums to manufacturers. Separately, **device manufacturers** source hardware components such as sensors, heating elements, and ultrasound transducers from suppliers for their devices. These two segments serve complementary but distinct roles. **Product formulators and manufacturers** develop and manufacture topical solutions (for example, serums and gels), while **device manufacturers** design and manufacture equipment used in non-invasive procedures involving technologies such as electromagnetic muscle stimulation, high-intensity focused ultrasound, radiofrequency with suction, fat freezing and low-level light therapy.



- Topical products are typically classified as those used independently and those applied with devices to enhance absorption and efficacy. Independent-use products include moisturisers, sunscreens, exfoliating masks and serums that can be applied directly to the skin without equipment. By contrast, serums with active ingredients may be paired with technologies such as light emitting diode (LED) light therapy to promote deeper dermal penetration to improve service outcomes.
- Products and devices flow through a mix of direct and indirect channels comprising the **distributive trade**, which includes both **wholesalers** and **retailers**. Professional-use items and capital equipment are typically supplied via specialised distributors or direct arrangements with principals. In contrast, mass-market skincare and home-use devices such as IPL hair removal tools, facial cleansing brushes, and LED masks are distributed through traditional wholesale-to-retail channels or, increasingly, via direct-to-consumer models, including e-commerce. 1 Doc Group operates within this segment as a retailer of beauty products.
- Beauty service operators**, including beauty centres, spas and wellness centres, acting as both product users and service providers. They procure consumables and professional-grade devices either through the distributive trade or directly from manufacturers, and play a key role in delivering beauty services that combine topical application with technology-enabled enhancement. Their interaction with end users also allows them to influence consumer preferences and drive product adoption. 1 Doc Group operates within this segment.
- End consumers** engage with the value chain mainly through on-premises procedures and retail purchases of beauty products or home-use devices. Growing familiarity with technology-assisted services is driving convergence between these channels, prompting closer integration between product formulators/manufacturers and service operators. This underscores the interdependence of product innovation, technology advancement, and service experience.

### 3. PERFORMANCE OF THE BEAUTY INDUSTRY

#### 3.1 Gross Domestic Product (GDP) of Personal Services

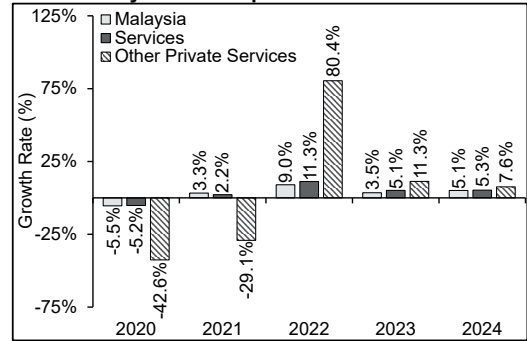
- 1 Doc Group operates within the beauty industry, which is part of the overall service industry, a broad category encompassing utilities, trade, food and accommodation, transport, information and communication technology (ICT), finance, real estate, business services, government services, and community, social and personal services. Within the community, social and personal services, activities are further segmented into private health, private education, and other private services. Beauty services are not reported separately but are captured under other private services.

**8. INDUSTRY OVERVIEW (CONT'D)**



- GDP measures the gross value added to the output of goods and services in a country or sector during a specified period. Real GDP measures the “real” change in output over time, reflecting changes in the quantity of goods and services produced rather than changes in their prices due to inflation or deflation. Nominal GDP is the value without any adjustments.
- Between 2022 and 2024, both the services industry and the other private services sector have expanded faster than Malaysia’s overall real GDP, reflecting the resilience of service-led consumption. The sharp rebound in 2022 was followed by steady growth in 2023 and 2024, indicating a shift from post-COVID-19 pandemic recovery to sustained demand.
- This momentum has extended into the first nine months (9M) of 2025, with Malaysia’s real GDP and the services sector expanding by 4.7% and 5.0%, respectively, compared to the same period in 2024. Services remain a key driver of national output, supported by a stable consumption pattern. The continued trajectory of other private services suggests a supportive macroeconomic backdrop for discretionary categories such as beauty services, reinforcing growth prospects for operators in the beauty industry.

**Real GDP of Malaysia, and Malaysia’s services industry and other private services sector**

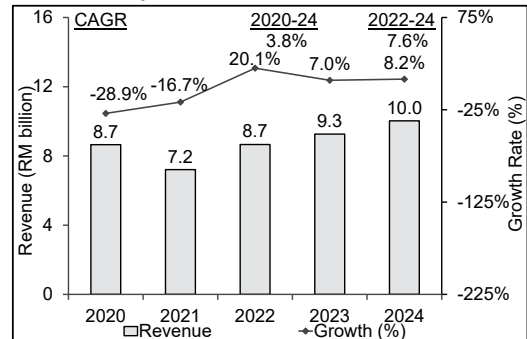


(Source: Department of Statistics Malaysia (DoSM))

**3.2 Revenue Trends in Personal Services**

- Revenue of the services industry expanded from RM2.12 trillion in 2022 to RM2.45 trillion in 2024. Growth moderated from 20.7% in 2022 to 6.3% in 2024 as pandemic-related effects eased, but domestically oriented sectors such as retail, hospitality, and personal care continued to support expansion. In 9M 2025, services revenue rose by 6.0% to RM1.93 trillion compared to 9M 2024. (Source: DoSM)

**Revenue of personal services and other activities**



(Source: DoSM)

- Within the services industry, revenue for personal services and other activities, including beauty services, reached RM8.2 billion in 9M 2025, up 10.8% from RM7.4 billion in 9M 2024. Although personal services and other activities account for a small share of total services, their consistent gains over the past three years indicate a return of demand following the COVID-19 pandemic.
- Mean monthly household expenditure on hairdressing salons and personal grooming, which includes, among others, spending on facial beauty treatments and body care, increased from RM33 in 2022 to RM53 in 2024, reflecting a CAGR of 26.4%. Over the same period, total mean monthly household expenditure expanded at a CAGR of 4.0%, from RM5,150 to RM5,566 (Source: DoSM). While growth in this category was more moderate, it remained supported by the broader expansion in household consumption.

**Mean monthly household consumption expenditure**

Hairdressing Salons and Personal Grooming (RM)	
2019	31
2022	33
2024	53
<b>2019-24 CAGR</b>	<b>11.3%</b>
<b>2022-24 CAGR</b>	<b>26.4%</b>

(Source: DoSM)

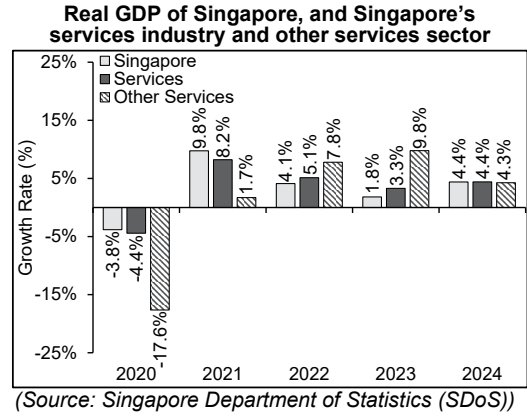
**3.3 Singapore Services Industry**

- Although 1 Doc Group’s main operations are based in Malaysia, its Singapore centres operate in a similarly service-driven economic environment. In Singapore’s national accounts, the services

**8. INDUSTRY OVERVIEW (CONT'D)**

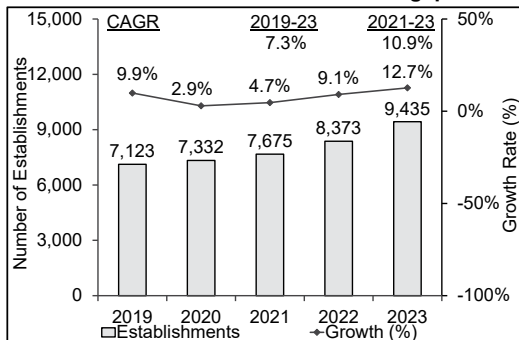


industry includes wholesale and retail trade, transport and storage, accommodation and food, ICT, finance and insurance, real estate and professional services, and other services. Within other services, activities are further segmented into public administration and defence, education, health and social services, arts, entertainment and recreation, and a residual 'other services - others' sector. Beauty services are not reported as a standalone item but is captured under the residual grouping, which serves as a proxy for discretionary, consumer-facing activities such as beauty, wellness, and personal care.

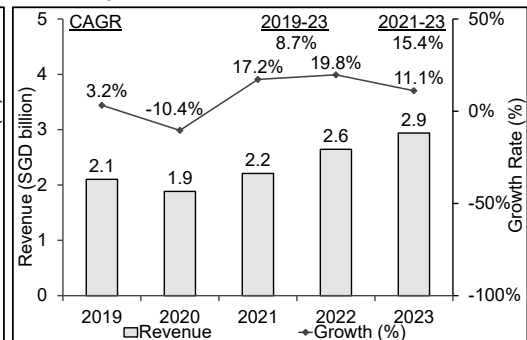


- Real GDP growth in Singapore's services industry outpaced the overall real GDP growth in 2022 and 2023, and remained broadly aligned in 2024, reflecting sustained recovery in domestic-facing industries. In 9M 2025, the real GDP of Singapore, the services industry and other services sector expanded by 4.3%, 4.1% and 2.8% respectively, compared to 9M 2024. The post-COVID-19 pandemic normalisation of in-person activity has supported a stable operating environment for beauty service providers in Singapore. This is reflected in the recovery of the hairdressing, beauty and other personal care services sector, where the number of establishments rose from 7,675 in 2021 to 9,435 in 2023, and sectoral revenue expanded at a 15.4% CAGR between 2021 and 2023 to reach SGD2.94 billion.

**Number of hairdressing, beauty and other personal care service establishments in Singapore**



**Singapore's hairdressing, beauty and other personal care services sector revenue**



(Source: DoS) **Note:** Latest available data.

- The recovery was both volume and revenue-driven, with revenue growth outpacing establishment growth between 2021 and 2023. This suggests increased spending or acceptance of higher-priced services. While market maturity may present some saturation risks, the sustained expansion in both outlet count and revenue underscores continued demand in Singapore's personal care sector.

**4. DEMAND DEPENDENCIES**

- Macroeconomic indicators such as inflation and household income provide insights into consumer purchasing power, confidence and expenditure patterns. These factors shape the operating landscape for beauty service operators, influencing both transaction volumes and average spend per visit.

**4.1 Disposable Income and Demand for Beauty Services**

- Demand for beauty services is inherently discretionary and tends to scale with improvements in household affordability. Between 2022 and 2024, mean monthly household disposable income in Malaysia rose at a CAGR of 3.3%, with Johor outperforming the national average. While Kuala

**8. INDUSTRY OVERVIEW (CONT'D)**



Lumpur (KL) and Selangor recorded growth below the national average, both continue to rank among the highest-income states and federal territories in absolute terms.

**Mean monthly household disposable income**

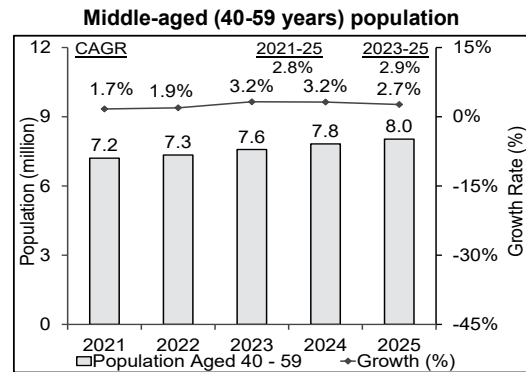
RM	Malaysia	KL	Selangor	Johor
2019	6,764	11,102	8,826	6,923
2022	7,111	10,540	10,008	7,251
2024	7,584	10,748	10,648	8,056
<b>2019-24 CAGR</b>	<b>2.3%</b>	<b>-0.6%</b>	<b>3.8%</b>	<b>3.1%</b>
<b>2022-24 CAGR</b>	<b>3.3%</b>	<b>1.0%</b>	<b>3.1%</b>	<b>5.4%</b>

(Source: DoSM)

- As of 2024, KL, Selangor and Johor were all ranked among the top four states and federal territories nationwide by household disposable income averaging above RM8,000. These two states and one federal territory form the core footprint of 1 Doc Group’s beauty service centres. Higher disposable income translates into greater capacity to spend on non-essential services, including body, facial, and hair care services, particularly when these services are perceived as contributing to lifestyle, wellness, and self-confidence.
- The sustained growth in disposable income across these key states and territory supports the affordability of repeat services. This enhances revenue for beauty service operators, as a significant portion of these services is multi-session rather than one-off. Looking ahead, the 13<sup>th</sup> Malaysia Plan aims to lift household incomes through targeted wage growth, higher-value job creation, and expanded social safety nets. Key measures include raising the average monthly household income target to RM12,000 by 2030, increasing the labour share of GDP, and creating more than 1.2 million jobs in manufacturing and the digital economy. Complementary initiatives to ease cost-of-living pressures are expected to strengthen disposable income, bolstering discretionary spending on services such as beauty services. (Source: Ministry of Economy)

**4.2 Population Growth and Demographic**

- Population dynamics influence both the size and service mix of the addressable market for beauty services. While overall growth expands the potential customer base, specific age segments drive distinct categories of demand. Middle-aged consumers are a particularly important target, as this group is more likely to seek services that enhance appearance, address visible signs of ageing and promote overall wellness.
- In Malaysia, the population aged 40 – 59 years old is estimated to grow from 7.6 million in 2023 to 8.0 million in 2025, representing a CAGR of 2.9%. This expansion increases the number of consumers entering life stages where appearance maintenance and anti-ageing services become more relevant, supporting sustained demand for hair, facial, and body care services.



(Source: DoSM) **Note:** Population figures are based on mid-year estimates.

**Population of Malaysia and selected states/territory**

('000)	Malaysia	Kuala Lumpur	Selangor	Johor
2021	32,576	1,964	7,015	4,020
2022	32,698	1,961	7,050	4,028
2023	33,402	2,006	7,210	4,107
2024	34,052	2,068	7,363	4,184
2025	34,232	2,074	7,407	4,206
<b>2021-25 CAGR</b>	<b>1.2%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.1%</b>
<b>2023-25 CAGR</b>	<b>1.2%</b>	<b>1.7%</b>	<b>1.4%</b>	<b>1.2%</b>

(Source: DoSM) **Note:** Population figures are based on mid-year estimates.

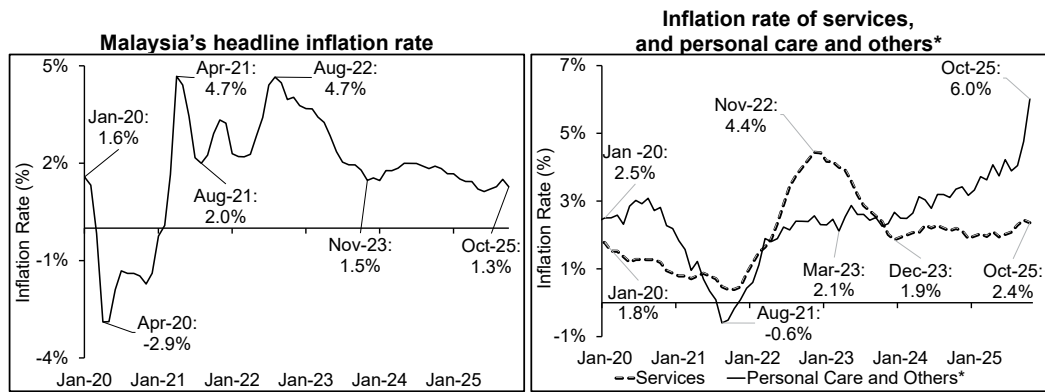
**8. INDUSTRY OVERVIEW (CONT'D)**



- Over the same period, Malaysia’s population grew at a CAGR of 1.2%. Kuala Lumpur and Selangor recorded growth above the national average, while Johor’s growth closely tracked the national average. These states and territory constitute 1 Doc Group’s core market and rank among the most economically active in the country, reinforcing the concentration of demand potential in these states and territory.

**4.3 Inflation and Cost Sensitivity**

- The consumer price index (CPI) tracks changes in the cost of goods and services. Rising inflation erodes purchasing power and consumer confidence, thus reducing spending. On the other hand, deflation may not boost spending, as consumers might delay purchases in anticipation of further price drops. As a discretionary category, beauty service consumption can be influenced by inflationary pressures, particularly among price-sensitive consumers.



(Source: DoSM) **Note:** \* Includes social protection and other miscellaneous goods and services.

- Between 2022 and 2024, the CPI for personal care and other services, a subset of the broader services industry, rose at a 2.7% CAGR, compared to 2.6% for services overall and 2.2% at the national level. The sustained upward trajectory in personal care and other services inflation suggests that prices in the sector have remained firm, supported by stable demand and a willingness among consumers to absorb gradual price increases. (Source: DoSM)
- Notably, the inflation trend diverged across the three categories. Headline inflation peaked earlier and had moderated by 2024, falling from 4.7% in August 2022 to 1.3% in October 2025. General services inflation also eased, stabilising around 1.9% from late 2023 onwards. In contrast, inflation for personal care and other services remained elevated, rising from 2.1% in March 2023 to 6.0% in October 2025, indicating continued pricing power in the sector despite broader disinflationary trends.
- This resilience in personal care and other services prices reflects the nature of the category. Services such as body, facial and hair care services are increasingly seen as lifestyle maintenance rather than discretionary indulgences. As such, price increases have been absorbed more readily by consumers, where higher disposable incomes offer a greater buffer against inflation. For beauty service operators, this suggests a favourable demand environment with headroom for calibrated price increases and limited volume trade-off. In a broader context of easing inflation, the ability to hold pricing in the personal care and other services sector also supports margin resilience, especially for chains with established brand trust and service differentiation.

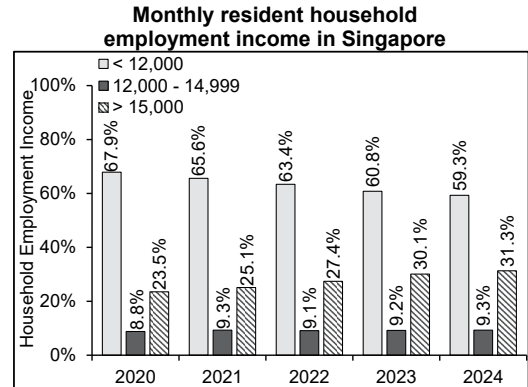
**4.4 Income Trends in Singapore**

- As of 2024, 59.3% of Singapore resident households reported monthly employment income below SGD12,000, a segment that includes not only lower-wage earners but also households with no employed persons. While this group still represents the majority, its share has steadily declined with an annual rate of 3.3% from 63.4% in 2022, reflecting a broad uplift in income levels. (Source: DoS)

8. INDUSTRY OVERVIEW (CONT'D)

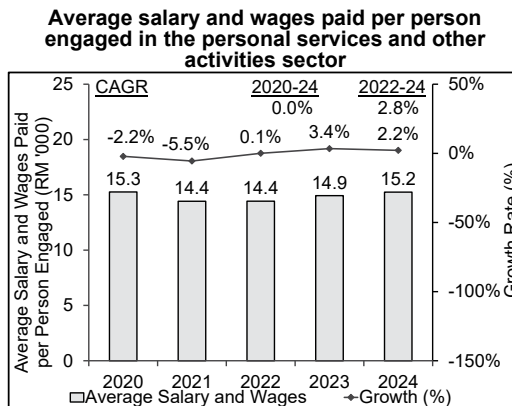


- At the same time, the proportion of households earning above SGD15,000 rose from 27.4% in 2022 to 31.3% in 2024, recording a CAGR of 6.9%. This shift is particularly relevant given that Singapore's average and median household employment incomes were SGD14,542 and SGD11,297, respectively, in 2024, indicating that a growing share of households are now moving into income brackets where discretionary spending, such as beauty services, becomes more affordable.
- For beauty service operators, the shrinking share of lower-income households points to a narrowing base of price-sensitive customers, while the expansion of the upper-income segments widens the market for advanced or customised beauty solutions. In particular, premium operators stand to benefit from a structurally growing segment of households with greater discretionary capacity and lifestyle-oriented spending priorities.

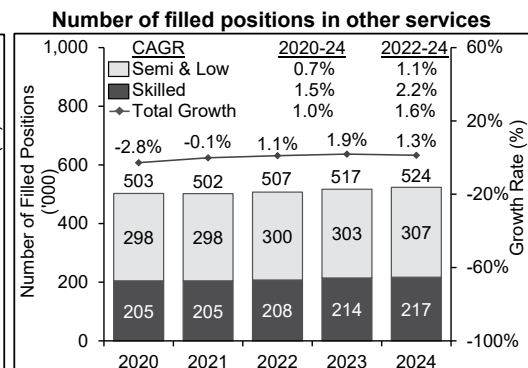


(Source: DoS) **Note:** A resident household refers to a household where the household reference person is a Singaporean citizen or permanent resident.

5. SUPPLY DEPENDENCIES



(Source: DoSM and Vital Factor analysis)



- Labour is a key cost component for beauty service operators, particularly those offering face-to-face or device-assisted services. Within the personal services and other activities sector, which serves as a relevant proxy for beauty services, average salaries and wages per person engaged rose at a 2.8% CAGR between 2022 and 2024, accelerating from earlier years of stagnation. (Source: DoSM and Vital Factor analysis)
- The recent wage uptrend outpaced the corresponding growth in the number of persons engaged, suggesting rising unit labour costs as service operators compete for trained therapists within the same sector. While the absolute wage level remains below that of other service sectors, the rising per-head cost reinforces the importance of scale, service mix optimisation, and staff productivity in sustaining margins.
- The other services sector, which includes personal care and beauty-related activities, maintained a relatively stable yet gradually expanding workforce. Between 2022 and 2024, filled positions grew at a 1.6% CAGR, with skilled positions expanding faster at a CAGR of 2.2% compared to 1.1% for partially and low-skilled. This reflects a shift towards more technical or specialised service offerings, with operators increasingly reliant on trained personnel.

## 8. INDUSTRY OVERVIEW (CONT'D)



- Skilled positions accounted for 41.4% of total filled positions in 2024, up from 41.0% in 2022, reinforcing the sector's progressive upskilling trend. While semi-skilled and low-skilled positions remain essential for daily operations, sustained growth in skilled employment suggests a shift toward higher-value services and more complex service protocols. The number of unfilled skilled positions declined at an annual rate of 13.3% between 2022 and 2024, even as total skilled positions increased. For operators in this industry, this may ease hiring bottlenecks and support service continuity in higher-value services. As of the end of 9M 2025, skilled positions accounted for 41.2% of total filled positions, indicating a sustained trend. (Source: DoSM)
- These trends suggest a supply environment characterised by improving availability of skilled labour and increasing professionalism. While wage costs are rising, the ability to recruit and retain skilled staff has enabled operators to scale services without compromising quality.

## 6. COMPETITIVE LANDSCAPE

- The beauty industry in Malaysia is highly fragmented, with operators ranging from sole proprietors and privately owned companies running one or a few centres, to large local operators managing nationwide chains. While there are no published statistics specific to beauty centres, the latest available data indicate that 13,957 establishments under the category “hair dressing and other beauty treatment” (which also encompasses massage, manicure, pedicure, and other personal care services) were recorded in 2022 (Source: DoSM). The wide range of service types, coupled with the ongoing entry of new operators, reinforces the sector's fragmentation.
- The companies listed below are included for comparative financial analysis of industry players with business activities similar to those competing with 1 Doc Group. Selection criteria focused on chain outlet operators with at least 10 centres in Malaysia and relatively recent financial disclosures, with revenue above RM1 million. The list, sorted in descending order by revenue, is not exhaustive:

Company	B	F	H	FYE <sup>(1)</sup>	Rev <sup>(2)</sup> (RM '000)	PAT/LAT <sup>(2)</sup> (RM '000)	PAT/LAT <sup>(2)</sup> margin	Operating Brand	<sup>(3)</sup> No. of Centres
<b>1 Doc Group</b>	√	√	√	Dec-24	346,961	97,052	28.0%	<b>One Doc, Hair Doc, Slim Doc, Perfect Doc</b>	<b>53</b>
<b>Public listed company</b>									
Esthetics International Group Bhd <sup>(4)</sup>		√		Mar-25	183,628	(8,860)	(4.8%)	AsterSpring	30
<b>Private companies</b>									
London Weight Management S/B	√			Mar-25	95,948	17,647	18.4%	London Weight Management	15
Dorra Slimming S/B	√			Mar-25	91,358	20,794	22.8%	Dorra Slimming	12
New York Skin S/B		√		Mar-25	83,372	6,981	8.4%	New York Skin Solutions	15
Skin Essentials (M) S/B		√		Dec-24	67,316	3,244	4.8%	HerbaLine	47
Yun Nam Hair Care S/B			√	Mar-25	43,005	2,782	6.5%	Yun Nam Hair Care	13
Medi Beaute S/B	√	√		Dec-24	20,194	(75)	(0.4%)	Medi Beaute	15
Estika Medispa Holdings S/B		√		Dec-24	19,107	420	2.2%	Estika Medispa	34
Hannan Medispa S/B		√	√	Dec-23	17,387	2,348	13.5%	Hannan Medispa	126
Dermalene S/B		√		Dec-24	11,584	940	8.1%	Dermalene	10
Face Cleaning Bar S/B		√		Sep-24	8,191	(320)	(3.9%)	Face Bar	16
Faubourg One S/B		√		Dec-24	8,002	3,456	43.2%	Sothys	32
Bio-Jourdeness Cosmetic Co. (MY) S/B	√	√		Dec-24	6,860	(946)	(13.8%)	Jourdeness	15
Seduisant Skin & Bodyline S/B	√	√		Dec-24	6,601	182	2.8%	Seduisant	11
Grand Escapades S/B		√		Jun-23	5,248	777	14.8%	Borneo Medispa	14
Kunzense S/B		√		Dec-23	5,103	403	7.9%	beauMedic	14
Kskin Facial S/B		√		Sep-24	3,866	611	15.8%	Kskin	18
Celeb Beauty & Spa Specialist S/B	√	√		Dec-24	2,495	208	8.3%	Celmonze Signature Aesthetic	44
SW Muslimah S/B		√		Dec-23	2,454	68	2.8%	Seri Wajah	12
The True Beauty S/B		√		Dec-24	1,372	248	18.1%	Verthys	15
Regenz Hairmd S/B			√	Dec-24	1,289	195	15.1%	Bee Choo Origin	39

## 8. INDUSTRY OVERVIEW (CONT'D)



*B = Body care; F = Facial care; H = Hair care; FYE = Financial Year Ended; Rev = Revenue; PAT = Profit after Tax; LAT = Loss after Tax; S/B = Sendirian Berhad; Bhd = Berhad.*

- (1) Latest audited financial data from the Companies Commission of Malaysia and 1 Doc Group.
- (2) It may include other business activities, products or services at the group or company level.
- (3) As at the date of this report, and based on publicly available information. The number of centres refers to those located in Malaysia only and is presented at the operating brand level. Certain operating brands may be operated by more than one legal entity, and certain legal entities may operate more than one operating brand. Financial information, where presented, relates only to the reporting entity.
- (4) Listed on the Main Market of Bursa Securities, which includes Asterspring International S/B, a subsidiary operating a beauty chain. Centre count refers to AsterSpring only.

- Companies with similar operating models and more than 10 centres, but for which recent financial data is not available, include Bella Medispa S/B (Beylla Medispa, 44 centres) and SRC Space S/B (Mayfair Wellness, 19 centres).
- As 1 Doc Group also retails its own formulations and related beauty products, it competes with other beauty service centres as well as retailers, including specialised centres, direct selling, departmental stores and online platforms selling beauty and skincare products.

## 7. BARRIERS TO ENTRY

- Barriers to entry in the beauty industry are low, supported by modest capital requirements for single outlet setups, the absence of onerous regulatory requirements or sector-specific licensing, and accessible training pathways for therapists. New operators can start from a single outlet on rented premises offering basic beauty services or incorporating technology-based services, scaling investment as demand and resources grow. These operating conditions, alongside the broad scope of services within the beauty industry category, including other personal care services, contribute to the high turnover among smaller players and the ongoing diversification of market offerings.

## 8. INDUSTRY SIZE AND SHARE

- The industry size and market share of 1 Doc Group are estimated as follows:

2024 – Malaysia	Estimated Industry Size <sup>(a)</sup> (RM million)	1 Doc Group	
		Revenue (RM million) <sup>(b)</sup>	Market share <sup>(3)</sup>
Beauty industry*	5,838 <sup>(1)</sup>	347 <sup>(2)</sup>	6%

Source: (a) DoSM; (b) 1 Doc Group. **Note:** \* Based on total household expenditure on hairdressing salons and personal grooming establishments, which includes, among others, facial beauty treatments and body care.

(1) Estimated based on the mean monthly household expenditure on hairdressing salons and personal grooming establishments multiplied by the total number of households in 2024. (RM53.43 x 9,104,600 x 12 months).

(2) Revenue from beauty products and services in Malaysia for the financial year ended 31 December 2024.

(3) ((2) divided by (1)) x 100%.

## 9. INDUSTRY OUTLOOK AND PROSPECTS

The outlook and prospects for the beauty industry are mainly shaped by a combination of economic and social factors strongly influenced by consumer behaviour and market trends. Key factors include the following:

### Drivers of Growth and Opportunities

- **GDP growth providing consumer purchasing power:** Domestic consumption-led growth continues to support demand for beauty services, a discretionary expense dependent on disposable income. GDP serves as a key indicator of economic well-being, where higher growth reflects stronger household purchasing power. Malaysia's GDP is projected to grow between 4.0% and 4.8% in 2025, and between 4.0% and 4.5% in 2026, while the services industry is expected to grow by 5.1% and 5.2%, respectively, driven by resilient household spending, supporting urban demand for beauty products and services. (Source: Ministry of Finance).

## 8. INDUSTRY OVERVIEW (CONT'D)



- Resilient private consumption underpinned by income growth:** Private consumption is expected to remain resilient, supported by continued income growth and policy measures. Stable labour market conditions, salary adjustments under the Public Service Remuneration System, higher minimum wages, and targeted government assistance programmes are expected to sustain discretionary disposable income spend, including body, facial, and hair care. The labour force participation rate rose from 69.8% (16.8 million) in January 2023 to 70.2% (17.0 million) in December 2023, and to 70.9% (17.6 million) in October 2025. *(Source: DoSM)*
- Retail sales growth in beauty products:** In 9M 2025, retail trade rose 5.9% compared to the same period in 2024, to total sales of RM602.8 billion, with specialised stores including cosmetics, perfumeries and toiletries recording a 6.2% increase. This reflects sustained demand for beauty products, benefiting operators that combine service provision with product sales to enhance revenue and brand engagement. *(Source: DoSM)*
- Expanding economically active population:** The expanding economically active population continues to underpin demand for lifestyle products and services. Based on mid-year estimates, Malaysia's 15-64 working-age population grew at a 1.6% CAGR between 2023 and 2025. This expansion increases the base of income-earning consumers, supporting lifestyle spending, particularly in urban markets with higher labour force participation. *(Source: DoSM)*
- Income and population growth:** Rising population and disposable incomes in core urban markets such as KL, Selangor and Johor continue to enlarge the addressable market. These states and territory rank among the highest in household incomes and have also recorded a relatively high population growth in recent years, reaffirming their role as key demand hubs for beauty services.
- Resilient demand in Singapore's wellness sector:** While Singapore's GDP growth is forecasted at around 4.0% in 2025 and expected to moderate to between 1.0% and 3.0% in 2026, beauty service operators may benefit from relative resilience in domestic-facing sectors. Despite external trade headwinds, the stable performance of health and social services, along with continued cross-border retail spending by residents, indicates a consumer base that remains engaged in wellness and personal care. This suggests modest but steady demand conditions for discretionary services. *(Source: Ministry of Trade and Industry, Singapore)*

### Threats and Challenges

- Shortage of skilled beauty therapists:** The limited supply of qualified beauty therapists remains a structural constraint. Despite a gradual recovery in overall employment, operators face challenges in attracting and retaining skilled staff, which limits service capacity and could delay expansion, particularly for chain centres. Labour cost pressures are compounded by minimum wage adjustments and competition for experienced talent within urban clusters.
- Quality and safety risks from inconsistent regulation:** The beauty industry remains exposed to quality and safety concerns arising from inconsistent regulatory enforcement. Gaps in enforcement have enabled the proliferation of non-compliant practices. These practices not only pose health risks, such as chemical exposure or infections, but also erode consumer confidence and damage the reputation of compliant industry players. Strengthening enforcement and hygiene standards will be critical to sustaining trust and long-term growth.
- Inflationary pressures on consumer behaviour:** Inflation remains a potential headwind for discretionary services. Malaysia's CPI rose 1.8% in 2024, with the personal care and other services subgroup recording a higher 3.0% increase *(Source: DoSM)*. Elevated price growth can influence consumer behaviour, prompting trade-downs from premium to mid-range products or reducing service frequency. For beauty operators, sustained inflation may necessitate greater value differentiation or promotional strategies to retain consumer spending.