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Research Flash

iFabric – Scrubs Launching on Amazon Canada

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Rating	Target Price
BUY	**$7.75**
Unchanged	*Unchanged*

September 21, 2026

Disseminated on Behalf of iFabric Corp.

All figures in CAD unless otherwise stated

iFabric Corp.	**IFA:TSX**
Rating	BUY
Target Price	$7.75
Return to Target	108%

Market Data	
Share Price	$3.73
Average Daily TSX Volume (K)	32.2
FD ITM Shares (M, Last Reported)	37.4
Market Cap ($M)	$139.4
Cash ($M, Last Reported)	$25.5
Debt ($M, Last Reported)	$5.4
Enterprise Value ($M)	$119.4

FYE Dec 31	**2025A**	**2026E**	**2027E**
Revenue ($M)	$32.9	$61.6	$90.3
Gross Margin (%)	32%	32%	35%
Adj. EBITDA ($M)	$1.9	$7.9	$14.6
Adj. EBITDA Margin (%)	6%	13%	16%
Net Income ($M)	($0.1)	$5.5	$10.2
EPS (Basic)	($0.00)	$0.17	$0.28
FCFF ($M)	($4.7)	$13.5	$1.6

Valuation	**2025A**	**2026E**	**2027E**
EV/EBITDA	N/A	15.0x	8.2x
EV/Sales	3.6x	1.9x	1.3x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents

iFabric develops, licenses, and commercializes innovative performance technologies for textiles and apparel. Through its Intelligent Fabric Technologies (North America) division, iFabric partners with global brands and retailers to deliver enhanced fabric functionality ranging from antimicrobial technologies to moisture management and PFAS-free water repellency—across diverse end uses.

What you need to know:

- iFabric announced the launch of Doctor's Choice scrubs on Amazon.ca, building on the already strong retail network, which includes Walmart USA, Target USA, and Costco Canada.
- This currently includes women's scrub tops and bottoms in various colours, which are receiving strong reviews thus far.
- Management is executing well and at a rapid pace, as seen on the timeline on page 2, setting up the Company for long-term growth in this category as it increases distribution and penetration.

This morning, iFabric Corp. (IFA:TSX, IFABF:OTCQX) reported that it has launched Doctor's Choice scrubs on Amazon Canada. This represents the fourth major retailer to sell the product, adding to Walmart USA, Target USA, and Costco Canada. We believe this speaks to the growing demand for scrubs given the ever-expanding healthcare workforce as well as increasing recognition of IFTNA's technology. Our estimates remain unchanged as this builds into the growth we already assumed for scrubs going into 2027. **We are maintaining a BUY rating and our $7.75/share target price on IFA.**

This announcement allows IFA to directly access Canada's healthcare workforce, including large urban hospitals, community and rural clinics, long-term and home-care settings, dental offices, and veterinary practices. Many of these employees purchase their own scrubs and already use Amazon to buy various other products, making this an ideal fit. This especially applies to healthcare workers in more rural areas that do not have access to Costco stores. Amazon currently has listed women's scrub tops priced at $38.99 or $40.99 and women's scrub bottoms priced at $46.99, both offered in various colours and sizes, with Prime delivery. Ratings are strong thus far, being in the 4.5-4.6 star range. The program has potential to expand into additional styles, colours, and product assortments over time.

As a reminder, Doctor's Choice combines comfort, durability, and practical clinical features with IFTNA's proprietary performance finishes. The scrubs integrate multiple IFTNA technologies such as PROTX2 and ecoPEL (same combination from the peer-reviewed trial) or PROTX2 and DryTX. Doctor's Choice is also sold at Walmart USA.

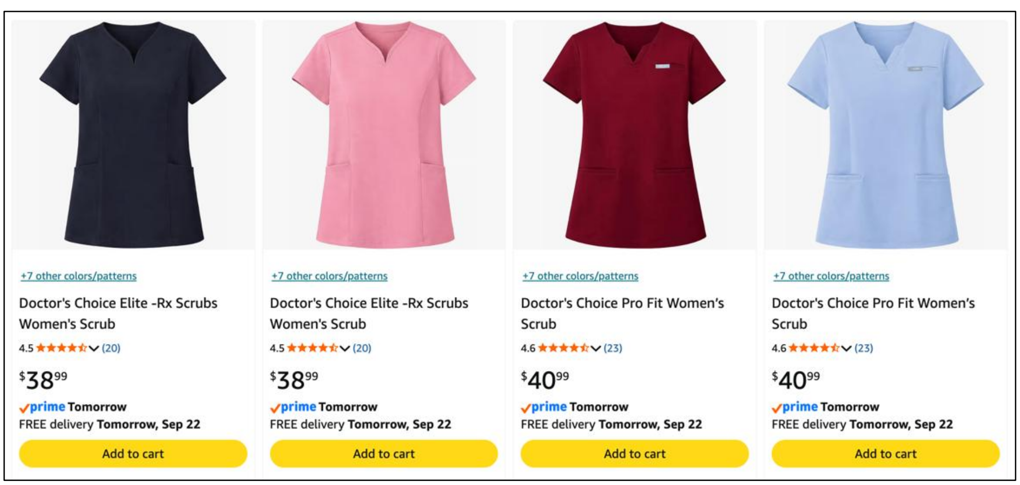

Figure 1: Amazon Listings (Source: Amazon.ca)

Scrub Execution Timeline

- **August 2025:** The clinical trial was published in the Journal of Hospital Infection.
- **September 2025:** IFTNA signed a license with Mercury Athletics.
- **October 2025:** Doctor’s Choice launched at Walmart USA.
- **February 2026:** Frontline scrubs launched at Costco Canada.
- **March 2026:** Doctor's Choice expanded to 1,000 more stores at Walmart USA.
- **July 2026:** Aura scrubs launched at Target USA.
- **September 2026:** Doctor’s Choice launched at Amazon Canada.

Q3 Preview

IFA is expected to report Q3 financials in mid-November, and we are forecasting the following results. Our projections are slightly above consensus.

- Revenue of $10.4M, up 15.6% from $9.0M last year
- Gross Margin of 32% compared to 30% in Q3/25
- Adjusted EBITDA of $0.8M (8% margin) vs. $0.9M (9% margin) last year
- Net income of $0.5M and EPS of $0.01/share vs. $0.5M and $0.02/share in Q3/25

Why We Like IFA

- IFA has developed a technological application for medical scrubs that provides reduced bacterial/ pathogen proliferation on scrubs, confirmed by a peer-reviewed clinical trial.
- The Company is significantly growing its retail footprint through major distribution partners, including a 1,000-store Walmart rollout in the US, 400-stores with Target in the US, and launch with Costco in Canada. This represents only a fraction of the potential locations.
- The medical scrubs market is expected to grow at a 9.4% CAGR through 2032, supported by a growing U.S. healthcare workforce, post-COVID mandates, and the PFAS regulatory phase-out.
- In 2025, IFA grew revenue 20% YoY to $32.9M, with the Intelligent Fabric division growing 33% YoY. We expect a large acceleration, with revenue growth of 87% in 2026 and 47% in 2027.
- Management and insiders own approximately 50% of the Company, creating strong alignment with shareholder interests.

Catalysts

- Quarterly Financial Results – Ongoing
- Partnerships & Distribution Announcements – Ongoing
- EPA “Kill” Claim – Ongoing

Tear Sheet

Market Data	
Ticker	IFA:TSX
Stock Price	$3.73
Rating	BUY
Target Price	$7.75
Upside	108%
Market Cap ($M)	$139.4
Cash ($M)	$25.5
Debt ($M)	$5.4
EV ($M)	$119.4

Capital Structure	
Basic Shares Outstanding (M)	36.5
Warrants (M)	0.0
Options (M)	1.8
FD Shares (M)	38.3
FD ITM Shares (M)	37.4

Ownership	
Hylton Karon (CEO)	47%
Other Management & Insiders	3%
Retail & Institutions	50%

Financial Estimates	2024A	Q1/25A	Q2/25A	Q3/25A	Q4/25A	2025A	Q1/26A	Q2/26A	Q3/26E	Q4/26E	2026E	2027E
Revenue ($M)	**27.3**	**7.1**	**5.8**	**9.0**	**11.0**	**32.9**	**27.5**	**9.6**	**10.4**	**14.2**	**61.6**	**90.3**
% YoY	*-4%*	*5%*	*0%*	*111%*	*5%*	*20%*	*288%*	*65%*	*15%*	*29%*	*87%*	*47%*
Gross Profit ($M)	**11.3**	**2.7**	**2.1**	**2.7**	**2.9**	**10.5**	**9.0**	**2.9**	**3.3**	**4.7**	**19.8**	**31.2**
Gross Margin	*41%*	*39%*	*37%*	*30%*	*26%*	*32%*	*33%*	*30%*	*32%*	*33%*	*32%*	*35%*
Adj. EBITDA ($M)	**1.9**	**0.3**	**(0.3)**	**0.9**	**1.0**	**1.9**	**5.7**	**(0.2)**	**0.8**	**1.6**	**7.9**	**14.6**
EBITDA Margin	*7%*	*4%*	*-5%*	*9%*	*9%*	*6%*	*21%*	*-3%*	*8%*	*12%*	*13%*	*16%*
Net Income ($M)	1.6	0.1	(0.2)	0.5	(0.5)	(0.1)	3.7	0.2	0.5	1.1	5.5	10.2
EPS (Basic)	0.05	0.00	(0.01)	0.02	(0.02)	(0.00)	0.12	0.01	0.01	0.03	0.17	0.28
FCFF ($M)	0.2	3.4	(2.6)	(3.8)	(1.8)	(4.7)	(4.7)	10.5	10.8	(3.1)	13.5	1.6

Figure 2: Tear Sheet

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