

## PRESS RELEASE

# Cordlife's revenue increases 7.9% yoy in 1H2023 with the resumption of in-person outreach programs

- Revenue for the six months ended 30 June 2023 ("1H2023") increased to S\$28.3 million from S\$26.2 million in the six months ended 30 June 2022 ("1H2022") due to an increase in samples stored and an 8.2% year-on-year ("yoy") increase in diagnostic revenue.
- Net profit for 1H2023 increased by 17.7% yoy to S\$2.2 million with overall margin improvement despite the inflationary pressures.
- The Group will continue to capitalise on the resumption of in-person outreach events to create awareness amongst a larger group of potential customers.

**Singapore, 11 August 2023** – Cordlife Group Limited ("Cordlife" and together with its subsidiaries, the "Group"), announced today its results for 1H2023.

## Financial Highlights

S\$'000	1H2023	1H2022	Change (%)
Revenue	28,313	26,238	7.9
Gross profit	19,152	17,578	9.0
Profit before income tax from operations	2,212	1,977	11.9
Profit before tax	2,735	2,237	22.3
Income tax expense	(506)	(343)	47.5
Net profit	2,229	1,894	17.7
Gross profit margin (%)	67.6	67.0	0.6pp
Net profit margin (%)	7.9	7.2	0.7pp

The Group recorded a revenue of S\$28.3 million in 1H2023, a 7.9% increase yoy from S\$26.2 million in 1H2022. The increase was due to a 6.0% increase in new samples processed and stored, largely contributed by Singapore and the Philippines, a result of the intensification of the Group's traditional in-person marketing campaigns in 1H2023. Revenue from the banking segment was also boosted by higher conversions to high value plans and lower discounts provided. Revenue from the Group's diagnostic service offerings also increased to S\$2.3 million, a 8.2% yoy increase from S\$2.1 million in 1H2022, demonstrating strong growth potential.

Gross profit increased by 9.0% yoy to S\$19.2 million, compared to S\$17.6 million in 1H2022, while gross profit margin increased marginally from 67.0% in 1H2022 to 67.6% in 1H2023 despite upward pressures on operating costs. Selling and marketing expenses increased by 10.5% yoy to S\$9.4 million in order to support the Group's increase in in-person marketing campaigns.

In line with the increase in revenue and a significant increase in the share of profit of associate, the Group achieved a net profit of S\$2.2 million for 1H2023, a 17.7% yoy increase compared to S\$1.9 million in 1H2022.

The Group generated robust net cash flow from operating activities for 1H2023 of S\$5.4 million compared to S\$1.3 million for 1H2022. This contributed to the Group's strong net cash position of S\$82.7 million as at 30 June 2023.

## **Looking Forward**

There remains persistent inflationary pressure globally, resulting in surging food and energy prices. While headline inflation appears to have peaked, it continues to affect both businesses and consumers alike, curbing their overall spending capacity. Cordlife continues to navigate through these challenges with a focus on reaching out to a wider group of consumers and expanding its range of products and services.

Intensification of large scale in-person events and baby expos, concurrently with our digital marketing efforts, are expected to promote awareness and customer sign ups. Due to the nature of the Group's service offerings, the sign ups acquired from such events and baby expos typically occur a few months prior to their delivery, which marks the point of the Group's service delivery and, consequently, when revenue is recognised.

Ms Tan Poh Lan, Chief Executive Officer of Cordlife, commented, "There is an increase in the willingness to spend on preventive care and comprehensive healthcare solutions. Additionally, we are also seeing a considerable increase in awareness of the benefits that stem cell therapy holds. Cordlife's banking and diagnostic businesses are beginning to show signs of recovery and we will tap onto these opportunities to grow further. We will continue to expand our network of medical professionals we work with and look for new and innovative ways to serve our customers."

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## ABOUT CORDLIFE GROUP LIMITED

Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”), founded in May 2001, is a leading company dedicated to safeguarding the well-being of mother and child. Listed on the Mainboard of the Singapore Exchange since 2012, the Group is a pioneer in private cord blood banking in Asia. Cordlife operates Asia’s largest network of cord blood banks. With full stem cell banking facilities in six key markets, Cordlife is an industry leader in Singapore, Hong Kong, Indonesia and the Philippines, and one of the top three market leaders in India and Malaysia. Through its majority-owned subsidiary in Malaysia, Stemlife Berhad, Cordlife has an indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. In addition to cord blood, cord lining, cord tissue and lenticule banking, Cordlife offers families a comprehensive suite of diagnostics services, including non-invasive prenatal testing, paediatric vision screening and newborn metabolic screening. Two of Cordlife’s primary focus areas are providing reliable quality and being customer-centric. All of the Group’s facilities are accredited by the Association for the Advancement of Blood & Biotherapies (“AABB”), an organisation dedicated to its mission of improving lives by making transfusion medicine and biotherapies safe, available and effective worldwide. Furthermore, Cordlife Singapore and Healthbaby Hong Kong are the only two full-fledged private cord blood banks in Asia and five worldwide to be accredited by both AABB and the Foundation for the Accreditation of Cellular Therapy (“FACT”), another world-class accreditation body for cord blood banks worldwide. In the area of clinical diagnostics, Cordlife India, Cordlife Hong Kong and Healthbaby Hong Kong are all accredited by the College of American Pathologists (“CAP”). This makes Healthbaby Hong Kong the only private cord blood bank in the world to be accredited by three international standard-setting bodies, and Cordlife India one of the only two medical laboratories in West Bengal to be holding accreditations from the National Accreditation Board for Testing and Calibration Laboratories (“NABL”) and CAP. These quality achievements reinforce the Group’s commitment to providing reliable healthcare solutions through innovation and technological advancement. For more information, visit <http://cordlife.listedcompany.com>.

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