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Singapore Medical Group reports a 59.8% yoy rise in net profit to S\$3.2 million for 3Q2018

- Revenue surges 18.9% yoy to S\$22.1 million driven by organic growth initiatives in key specialist verticals such as O&G, Paediatrics, Diagnostics and Aesthetics
- Gross profit jumps 24.0% yoy to S\$9.6 million while gross margin expands 1.8 percentage points to 43.4% fueled by a change in sales mix across the Healthcare and Diagnostic & Aesthetics segments
- Furthers organic growth momentum with the opening of three new clinics in Singapore while continuing to scale its pan-Asian platform in the region with the opening of SW1 Vietnam

Singapore, 5 November 2018 – SGX-listed Singapore Medical Group (“SMG” or “the Group”), a multi-disciplinary specialist healthcare services provider with an expanding regional network of healthcare facilities has announced its financial results for the third quarter ended 30 September 2018 (“3Q2018”).

Financial Highlights (S\$'000)	3Q2018	3Q2017	Change	9M2018	9M2017	Change
Revenue	22,052	18,540	18.9	62,876	49,203	27.8
Gross Profit	9,568	7,715	24.0	28,165	21,003	34.1
Gross Profit Margin (%)	43.4	41.6	1.8pts	44.8	42.7	2.1pts
EBITDA	4,824	3,282	47.0	15,034	9,186	63.7
Profit Attributable to Owners of the Company	3,157	1,976	59.8	9,984	5,988	66.7
Net Profit Margin (%)	14.3	10.7	3.7pts	15.9	12.2	3.7pts
Earnings per Share – Basic (S\$ cents)	0.66	0.44	50.0	2.14	1.46	46.6

Underpinned by organic growth initiatives in key specialist verticals such as O&G, Paediatrics, Diagnostics and Aesthetics, the Group’s revenue surged 18.9% year-on-year (“yoy”) to S\$22.1 million for 3Q2018. The Group’s Healthcare segment rose 3.8% yoy to S\$15.2 million while the Diagnostic & Aesthetic segment grew 76.6% yoy to S\$6.8 million, driven by contributions from the Group’s new imaging centre in Novena and SW1, Singapore’s largest aesthetic, plastic surgery and medical spa establishment.

In line with the increase in revenue, gross profit increased 24.0% yoy to S\$9.6 million. Correspondingly, gross profit margin improved 1.8 percentage points to 43.4% fueled a change in sales mix across the Group’s business segments. Similarly, the Group’s EBITDA increased 47.0% yoy to S\$4.8 million while EBITDA margin expanded 4.2 percentage points to 21.9%, underpinned by continuous efforts to streamline operations while deriving cost synergies from previous acquisitions.

The Group’s administrative expenses increased 10.3% yoy to S\$4.3 million due to an increase in staff headcount arising from acquired subsidiaries and higher depreciation expenses. In addition, distribution and selling expenses increased 34.4% yoy to S\$1.0 million for 3Q2018, mainly attributable to the increase in revenue.

As a result, the Group reported a 59.8% yoy increase in net profit attributable to owners of the Company to S\$3.2 million.

Commenting on the Group's 3Q2018 results, Executive Director and CEO Dr. Beng Teck Liang said, *“The execution of our organic growth strategies in key verticals such as O&G, Paediatrics and Diagnostics have translated to consistent improvements in our profitability margins. As we continue to chart further growth in key verticals such as Paediatrics, we are opening a new Paediatrics clinic in Punggol. This will further strengthen our hub and spoke model in women’s and children’s health with our flagship at Mount Elizabeth Novena along with a network of 14 specialist clinics which extend across the heartlands. Our vision of being the leading specialist provider of women’s health and wellness care in Singapore continues to garner momentum.”*

Following the completion of the acquisition of SW1 Clinic in April 2018, the Group intended to aggressively scale this unique aesthetics platform out into the region. Speaking on SW1’s latest developments, Dr Beng said, *“Against the backdrop of rising demand for aesthetics services in the burgeoning Ho Chi Minh City, we are delighted to be opening SW1 Vietnam, our new 4,000 square feet aesthetics centre. Already one of the largest aesthetic, plastic surgery and medical spa clinics in Singapore, we are also growing SW1 at home with the opening of SW1 at OUE Downtown Gallery. This is just the beginning as we have plans to penetrate into new geographies such as Malaysia and Indonesia which will serve as another gateway for regional expansion.”*

– The End –

About Singapore Medical Group Limited

Incorporated in 2005 and listed on the Singapore Exchange Securities Trading Limited (SGX) since 2009, Singapore Medical Group (SMG) is a private specialist healthcare provider with a comprehensive range of multidisciplinary specialties and an extensive network of Specialist and Associate doctors situated across clinics in Singapore. The Group is committed to its promise of providing patient centred medical care and experience to every individual.

SMG’s practices are strategically and conveniently located at Paragon Medical Centre, Mount Elizabeth Medical Centre, Mount Elizabeth Novena Specialist Centre, Novena Medical Center, OUE Downtown Gallery, Gleneagles Medical Centre, Farrer Park Medical Centre @ Connexion, and other locations at Bishan, Hougang, Jurong, Toa Payoh, Tiong Bahru and Bedok

SMG Clinics: The Lasik Surgery Clinic, The Dental Studio, Lifescan Medical Centre, Lifescan Imaging, SMG Vision Centre, The Cancer Centre, The Obstetrics & Gynaecology Centre, SMG Specialist Centre, SMG Orthopaedic Group, SMG Urology Centre with Beng Surgery, Wellness & Gynaecology Centre by Dr Julinda Lee, Astra Women’s Specialists, Kids Clinic, Astra Laparoscopic & Robotic Centre for Women and Fertility, Cardiac Centre International and SW1 Clinic

SMG Specialties: Aesthetic Medicine, Age Management, Anaesthesiology, Cardiology, Cardiothoracic Surgery, Dentistry, Dermatology, Endocrinology, General Medicine & Health Screening, Gastroenterology, General Surgery Infectious Diseases, Medical Oncology, Neurosurgery, Obstetrics & Gynaecology, Ophthalmology, Orthopaedic and Sports Surgery, Otorhinolaryngology (ENT), Paediatric Medicine, Pain Management, Plastic and Reconstruction Surgery, Psychology, Radiology, Traditional Chinese Medicine (TCM), and Urology

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