



Q & M REPORTS EARNINGS GROWTH OF 4% TO \$4.8 MILLION FOR 2Q19

- Revenue for 2Q19 increased 3% to \$30.5 million with higher revenue from Singapore and Malaysia dental outlets
- Group proposes an interim dividend of 0.4 cents per ordinary share for 1H2019

Singapore, 14 August 2019 – Q & M Dental Group (Singapore) Limited (“Q & M” or the “Group”), a leading private dental healthcare group in Asia, posted an increase of 4% in net profit attributable to owners of the parent of \$4.8 million for the 3 months ended 30 June 2019 (“2Q19”) from \$4.6 million for the corresponding quarter in 2018 (“2Q18”).

Financial Highlights	2Q19 \$'000	2Q18 \$'000	% Change
Revenue	30,505	29,548	3
Key Operating Expenses ¹	24,142	23,628	2
Other Expenses	1,859	1,622	15
Share of Profit from Equity-Accounted Associates	1,888	1,763	7
PATMI	4,752	4,561	4
PATMI Margin	16%	15%	-

¹Key Operating Expenses include Consumables & Supplies Used, Dental Equipment & Supplies Distribution, Employee Benefits Expense and Rental Expense/Depreciation of Right-Of-Use Assets

Revenue contribution from dental and medical clinics increased by 3% from \$27.1 million for 2Q18 to \$27.9 million for 2Q19 mainly due to higher revenue from dental outlets in Singapore and Malaysia in 2Q19.

For the first six months ended 30 June 2019 (“1H19”), revenue from dental and medical clinics increased by 3% to \$55.4 million from \$53.8 million in the previous corresponding period (“1H18”) mainly due to higher revenue from dental outlets in Singapore and Malaysia.

As at 30 June 2019, the Group has a total of 73 dental outlets and 4 medical outlets in operations, compared to 71 dental outlets and 4 medical outlets as at 30 June 2018 in Singapore.

As at 30 June 2019, the Group has a total of 20 dental outlets in Malaysia and 1 dental outlet in People’s Republic of China (“PRC”) compared to 14 dental outlets in Malaysia and 1 dental outlet in PRC as at 30 June 2018.

Revenue contribution from the dental equipment and supplies distribution business increased by 6% from \$2.5 million in 2Q18 to \$2.6 million in 2Q19. The increase was mainly due to higher revenue from dental equipment and supplies distribution company in Malaysia in 2Q19.

For 1H19, revenue from the dental equipment and supplies distribution business increased by 12% to \$5.0 million from \$4.5 million in 1H18 mainly due to higher revenue from the dental equipment and supplies distribution company in Malaysia.

Share of profit from equity-accounted associates increased by 7% from \$1.8 million in 2Q18 to \$1.9 million in 2Q19. The increased of \$0.1 million was mainly due to higher share of profit from Aidite offset by share of losses from Aoxin Q & M in 2Q19. Aoxin Q & M suffered losses during this period mainly due to start up losses from new hospitals and clinics as well as higher expenses for training dentists and staff to cater for its expansion.

Comparing 1H19 with 1H18, share of profit from equity-accounted associates decreased by \$0.7 million or 22% mainly due to the start up losses incurred by Aoxin Q & M for new hospitals and clinics as well as higher expenses for training dentists and staff to cater for its expansion.

As at 30 June 2019, the Group has cash and cash equivalents of \$22.2 million.

The Group proposes an interim dividend of 0.4 cents per ordinary share for 1H19, unchanged from 1H18.

In Singapore, the Group currently operates 73 clinics and has secured locations to open 6 new dental clinics which are expected to commence operations in the second half of 2019.

The Group currently operates 21 clinics in Malaysia located in Kuala Lumpur, Johor and Malacca and has secured locations to open 8 new dental clinics which are expected to commence operations in the second half of 2019.

Dr Ng Chin Siau, Group Chief Executive Officer said, *“The 2nd quarter saw the identification and acquisition of 14 locations for new clinics in Singapore and Malaysia, as part of the long term plan of organic growth. Together with the ongoing recruitment of dentists and the progress in developing AI-enhanced guided treatment plan, the foundation for long-term revenue growth has been strengthened.”*

This news release is to be read in conjunction with the Group’s announcement posted on SGXNET on 14 August 2019.