

MEDIA RELEASE
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Q & M Dental Core Healthcare Business resilient in the face of drop in Revenue and Profits from Covid-19 related business

- Core Healthcare Business¹ 2Q2022 revenue remains resilient above S\$40 million level per quarter for the last 7 quarters;
- Posted S\$91 million revenue and profit after tax of S\$10 million for the six months ended 30 June 2022
- Added 24 dental clinics in the last 12 months

Table 1:

Period ended 30 June S\$'000	2Q2022	2Q2021	Change	1H2022	1H2021	Change
Group's Total Revenue	44,128	50,809	-13%	90,910	94,571	-4%
-Core Healthcare Business Revenue ¹	42,443	40,248	5.5%	83,729	81,056	3.3%
-Other Business	1,685	10,561	NM	7,181	13,515	NM
Group's Total EBITDA	9,018	16,615	-46%	21,871	31,490	-31%
-Core Healthcare Business ¹ EBITDA	9,585	9,146	5%	20,285	17,994	13%

¹ Core Healthcare Business excludes contributions from the Group's medical laboratory, share of profit from disposal of associate, Aidite, and expenses incurred on the development of the Group's digital Artificial Intelligence (AI) guided clinical decision support system as well as rental rebates received from the Singapore Government.

SINGAPORE, 14 AUGUST 2022 – Q & M Dental Group (Singapore) Limited ("Q & M" or together with its subsidiaries, the "Group"), a leading private dental healthcare group in Asia, today reported revenue and profit after tax attributable to parent of S\$90.91 million and S\$9.85 million respectively for the six months ended 30 June 2022 ("1H2022"). The Group's EBITDA for 1H2022 was S\$21.87 million.

For the 1H2022, Core Healthcare revenue increased to S\$83.73 million and Core Healthcare EBITDA increased by 13% to S\$20.29 million.

As at 30 June 2022, the Group's financial position remains strong with Net Assets of S\$93.9 million, as well as cash and cash equivalents of S\$35.25 million. Cash and cash equivalents decreased mainly due to the dividend payments to shareholders and non-controlling interest, as well a purchase of property, dental equipment and renovations for new clinics.

2Q2022 vs 2Q2021 Financial Performance

Revenue from Core Healthcare Business increased by 5.5% from S\$40.25 million for the three months ended 30 June 2021 (“2Q2021”) to S\$42.44 million for the three months ended 30 June 2022 (“2Q2022”) mainly due to the organic growth of opening new dental clinics in Singapore. (See Table 1)

For the Other Business segment, revenue contributions from the Group’s medical laboratory business dropped significantly, with lesser demand for Covid-19 testing following changes in Singapore’s policies in Covid-19 management, as well as the reduction in Covid-19 test prices to maintain competitiveness in the market.

Dr Ng Chin Siau (黄震霄医生) Chief Executive Officer of Q&M said *“The Group’s Core Healthcare Business has continued to show consistent and sustained growth. In the last 12 months, we have added 24 dental clinics to the network. The revenue contributions of newly opened clinics have started to bear fruit.”*

“The revenue contributions from Other Business Segment was significantly impacted by the opening up of the economy and the relaxation of Covid-19 management measures for travelers. As we return to normalcy, Acumen will focus on the development of other products and tests to maximise its intellectual property and research capabilities.” Dr Ng added.

Sustained growth in Core Healthcare Business

Dr Ng said *“Prior to COVID-19, our Core Healthcare Business’ revenue has been in the range of S\$29.9 million to S\$36.4 million every quarter. For the last seven quarters since 4Q2020, our Core Healthcare Business revenue has been trending upwards at a range of between S\$40.3 million to S\$46.0 million every quarter. Our Core Healthcare Business revenue and profit for 2Q2022 grew respectably by 39% and 78% respectively compared to the pre-Covid-19 period in 2Q2019.”* (See Table 2).

Table 2: Core Healthcare Business 2022 vs pre-Covid-19

S\$' million	2Q 2022 (Current)	2Q 2019 (Pre Covid-19)	Variance %	1H 2022 (Current)	1H 2019 (Pre Covid-19)	Variance %
Revenue	42.4	30.5	+39%	83.7	60.4	+39%
Profit after tax attributable to parent	4.1	2.3	+78%	9.4	4.4	+114%

Q & M added 32 more clinics in Singapore and 24 more clinics in Malaysia compared to the pre-Covid-19 period. This is an increase of 42% for Singapore and 120% for Malaysia markets. (See Table 3)

Table 3: Number of Dental and Medical Clinics

	At Present	As at 30 June 2019 (pre-Covid-19)	Variance Growth Last 3 years	
Singapore	109*	77	+32 Dental Clinics	+42%
Malaysia	44	20	+24 Dental Clinics	+120%
China PRC	1	1	-	-

* Including 5 medical clinics

Operational Update and Recent Developments

Q & M has a total of 149 dental clinics, out of which 104 are located in Singapore. For the overseas market, there are 44 dental clinics in Malaysia and 1 dental clinic in the People's Republic of China ("PRC"). In 2Q2022, Q & M opened 3 new dental clinics in Cheras Selatan, Bahau and Segamat. For the dental clinics in Malaysia, 17 are in Johor, 9 in Kuala Lumpur, 11 in Selangor, 4 in Malacca and 3 in Negeri Sembilan. The Group has about 350 dentists. (See Table 4,5 and 6.)

Table 4: Group: Total Number of Clinics and College

Group Total	Dental	Medical	College
At present	149	5	1
As at 30 Jun 2021	125	5	1
Change	+24	-	-

Table 5: Singapore: Total Number of Clinics and College

Singapore	Dental	Medical	College
At present	104	5	1
As at 30 Jun 2021	87	5	1
Change	+17	-	-

Table 6: Overseas: Total Number of Clinics in Malaysia and China

Overseas	Dental-Malaysia	Dental-China	Total- Overseas
At present	44	1	45
As at 30 Jun 2021	37	1	38
Change	+7	-	+7

- **Commitment towards Singapore Green Plan 2030**

Q & M has committed to plant 150 trees, in support of the National Parks Board's One Million Trees movement. About 60 of the Group's staff planted the first 50 trees at Whampoa Park Connector on 8 June 2022. Planting trees adds to the beauty and sustainability of Singapore and also aligns with the Group's 修身齐家治国平天下 philosophy. Each tree planted symbolises the Group's unwavering commitment to make Singapore a greener place to live, work and play.

Q & M Group will continue to execute its business plans outlined below:

- 1. Expansion of dental clinic network in Singapore, Malaysia and Southeast Asia**

Q & M will focus on its operations in Singapore and has initiated a strategy of intensive organic growth for its dental clinics in Singapore. It will expand its team of dentists to support the future growth of its operations in Singapore.

The Group will continue to look for opportunities to expand its Core Healthcare Business through the opening of new dental clinics in Southeast Asia. The eventual number of dental outlets will depend on available opportunities, pertinent market conditions and the evolving Covid-19 situation.

- 2. Artificial Intelligence Guided Clinical Decision Support System (AI-GCDSS)**

Q & M will continue to develop, invest and optimise its digital Artificial Intelligence (AI) guided clinical decision support system to provide the most effective and suitable treatment plans for patient. The Group believes it is well-positioned to cater to the rising demand for primary and high-value specialist dental healthcare services to its patients.

3. Medical Laboratory

The Group's medical laboratory will continue to progressively roll out its pipeline of new PCR tests. These include the tests for sepsis, identification of bacteria pathogens and their associated antimicrobial resistance in hospitalised pneumonia, as well as colorectal cancer screening and pharmacogenomics.

Looking Forward

Barring any unforeseen circumstances, there are no known significant changes in the trends and competitive conditions of the industry in which the Group operates and no other major known factors or events that may adversely affect the Group in the next reporting period and the next 12 months.

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**(This media release is to be read in conjunction with the SGXNET announcement dated 14 August 2022)**



## About Q & M Dental Group (Singapore) Limited (QC7.SI)

**Q & M Dental Group (Singapore) Limited (QC7.SI)** (“Q & M” or together with its subsidiaries, the “Group”) is a leading private dental healthcare group in Asia.

The Group owns the largest network of private dental outlets in Singapore, operating 104 dental outlets across the country. Underpinned by about 280 experienced dentists and over 350 supporting staff, the Group sees an average of 40,000 patient visits a month in Singapore. The Group also operates 5 medical clinics and a dental supplies and equipment distribution company.

Outside of Singapore, the Group has 44 dental clinics and a dental supplies and equipment distribution company in Malaysia, as well as a dental clinic in the People’s Republic of China (“PRC”) with about 70 dentists and over 250 supporting staff.

Q & M is also the substantial shareholder of Aoxin Q & M Dental Group Limited, a dental Group listed on the Catalist board of the Singapore Exchange that operates dental clinics and hospitals primarily in the north-eastern region of the PRC. The Group aims to expand its operations geographically and vertically through the value chain in Malaysia, the PRC and within the ASEAN region.

The Q & M College of Dentistry was established in 2019 to offer postgraduate dental education as part of its commitment to continual education and professional development of dentists. It offers Singapore’s first private postgraduate diploma programme in clinical dentistry.

In 2020, the Group expanded into the medical laboratories and research industry with the strategic investment into Acumen Diagnostics Pte. Ltd. (“Acumen”). Acumen currently focuses on the manufacture, sale and distribution of COVID-19 diagnostic test kits, as well as COVID-19 testing. It is also working to roll out a pipeline of new tests, including PCR assays for dengue, sepsis and, identification of bacterial pathogens and their associated antibiotics resistance in pneumonia and bloodstream infections.

EM2AI Pte Ltd, a wholly-owned subsidiary of the Group that focuses on developing AI-powered solutions to diagnosis and treatment planning has rolled out IDMS, enabling dentists within the Group’s network to administer ethical treatment plans for patients.

The Group was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 26 November 2009.

**For more information on the Group, please visit [www.QandMDental.com.sg](http://www.QandMDental.com.sg)**

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**For more information, please contact:**

**Waterbrooks Consultants Pte Ltd**

Wayne Koo - [wayne.koo@waterbrooks.com.sg](mailto:wayne.koo@waterbrooks.com.sg) +65 9338-8166  
Derek Yeo - [derek@waterbrooks.com.sg](mailto:derek@waterbrooks.com.sg) +65 9791-4707

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