Cordlife Group Limited
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PRESS RELEASE

Cordlife's business remains resilient in FY2020 with Net Profit of S$6.6 million

- Revenue declined 17.8% yoy to S$50.6 million due to a decrease in new samples processed and stored as a result of the ongoing COVID-19 pandemic.
- Net cash position improved to S$71.2 million, mainly driven by net operating cash flows of S$15.9 million.
- The Group shall continue to engage and enroll potential customers for our services through various digital initiatives amidst the ongoing COVID-19 outbreak.
- Proposed final dividend of 0.9 cents per share, equivalent to a payout ratio of 35.0% of net profit after tax for FY2020

Singapore, 1 March 2021 – Cordlife Group Limited ("Cordlife" and together with its subsidiaries, the "Group"), announced today its financial results for the financial year ended 31 December 2020 ("FY2020").

Financial Highlights

S$'000	FY2020	FY2019	Change (%)
Revenue	50,616	61,579	(17.8)
Gross profit	31,735	39,690	(20.0)
Profit before income tax from operations	7,005	7,506	(6.7)
Profit before tax	7,551	8,125	(7.1)
Income tax expense	(1,001)	(1,663)	(39.8)
Net profit	6,550	6,462	1.4
Gross profit margin (%)	62.7	64.5	(1.8)pp
Net profit margin (%)	12.9	10.5	2.4pp

The Group's revenue declined 17.8% year-on-year ("yoy") to S$50.6 million due to a decrease in the number of new samples processed and stored in all of the Group's operating markets, as a result of the ongoing COVID-19 pandemic. During this turbulent period, the Group has demonstrated its ability to respond quickly to the changing landscape. To counter the restrictions on physical trade fairs and antenatal seminars, the Group ramped up its use of digital marketing campaigns, and webinars to create consumer awareness of its product offerings. With shifting customer preferences away from face-to-face consultations, the Group also embarked on digital initiatives like e-enrolment to continue engaging potential customers in the current environment. In addition, the Group also managed to increase the conversion of more clients to higher value price plans in Singapore and the Philippines and ramp up the revenue contribution from the diagnostics services, particularly from pre-natal testing services. Diagnostics services have seen relatively positive responses from various markets despite the outbreak and the Group is seeing a growing contribution from this segment. These mitigated the decline in revenue caused by the COVID-19 pandemic. Net cash flow from operations remained strong at S$15.9 million, bringing the Group's net cash position to S$71.2 million as at 31 December 2020.

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Net profit after tax grew 1.4% year-on-year ("yoy") to S$6.6 million despite a drop in gross profit of S$8.0 million. This was mainly driven by: (a) government relief measures for COVID-19 given in Singapore, Hong Kong and Malaysia of an aggregate of S$2.1 million recognised, (b) lower marketing expenses (attributable to lower advertising and promotion expenses due to restrictions on physical trade fairs and antenatal seminars as a result of the outbreak of COVID-19) and (c) lower administrative expenses (due to lower staff and travel costs, partially offset by an increase in impairment loss on trade receivables). Tax expense also decreased, partly due to government grants not being taxable. The Group also recognised a reversal of impairment loss in associate and share of profits in its associate, Thai Stemlife Co., Ltd, which was previously fully impaired.

The Board has recommended a final one-tier tax exempt dividend of 0.9 cents per share. This represents a dividend payout of 35.0% of the Group's FY2020 net profit after tax.

On the Group's results, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, commented, "**During these uncertain and volatile times, we have demonstrated our business resilience and the ability to pivot with the evolving landscape. We are heartened that our staff across the different countries have worked together as a team to overcome the challenges brought about by the COVID-19 pandemic. We continue to recognise and nurture our good performers and reward them accordingly.**"

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About Cordlife Group Limited

Established in May 2001, Cordlife Group Limited ("Cordlife", together with its subsidiaries, the "Group") is a leading company dedicated to safeguarding the well-being of mother and child. The Group has been listed on the Mainboard of the Singapore Exchange since 2012 and is a pioneer in private cord blood banking in Asia.

Cordlife owns the largest network of cord blood banks in Asia with full stem cell banking facilities in six key markets namely Singapore, Hong Kong, Indonesia, India, Malaysia and the Philippines. In Singapore, the Philippines and Indonesia, Cordlife operates the largest private cord blood banks; and is amongst the top three market leaders in India and Malaysia. In January 2018, Cordlife became the market leader in Hong Kong with the acquisition of the largest private cord blood bank in the country, Healthbaby Biotech (Hong Kong) Co., Limited. Through its majority-owned subsidiary in Malaysia, Stemlife Berhad, Cordlife holds an indirect stake in Thailand's largest private cord blood bank, Thai Stemlife. Through its marketing agents, Cordlife also expanded its presence to Myanmar and Vietnam in 2017 as well as Bangladesh in 2019.

Beyond cord blood and cord lining banking, Cordlife offers a comprehensive suite of diagnostics services for the family including urine-based newborn metabolic screening, non-invasive prenatal testing, paediatric vision screening and family genetic screening services.

Quality and customer focus are amongst some of the cornerstones of Cordlife. All of the Group's facilities are accredited by AABB, the organisation behind the world's gold standard for cord blood banking. In addition, Cordlife Singapore and Healthbaby are also two of the four cord blood banks in Asia, and ten in the world, to be accredited by both AABB and FACT, another world-class accreditation body for cord blood banks globally. In the area of clinical diagnostics, Cordlife India, Cordlife Hong Kong and Healthbaby are accredited by the College of American Pathologists. These quality achievements underpin 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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