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Singapore Medical Group more than doubles net profit to S\$3.4 million for 1Q2018 in its inaugural quarterly report

- Revenue jumps 37.0% yoy to S\$19.2 million as the Group registers double-digit growth in key verticals while driving organic growth across newly acquired clinics
- Gross profit surges 47.0% yoy to S\$8.9 million while gross margin expands 3.2 percentage points to 46.4% fueled by a change in sales mix across the Healthcare and Diagnostic & Aesthetics segments
- Growth trajectory set to continue with the opening of four new clinics; additional organic growth initiatives are in place to aggressively scale in key verticals such as Obstetrics and Gynaecology, Paediatrics and other key specialist verticals

Singapore, 15 May 2018 – SGX-listed Singapore Medical Group (“SMG” or “the Group”), a multi-disciplinary specialist healthcare services provider with 35 clinics in Singapore and an expanding regional network of specialist healthcare facilities has announced its financial results for the three months ended 31 March 2018 (“1Q2018”).

Financial Highlights (S\$'000)	1Q2018	1Q2017	Change
Revenue	19,229	14,033	37.0%
Gross Profit	8,917	6,064	47.0%
Gross Profit Margin (%)	46.4	43.2	3.2 pts
EBITDA	4,942	2,332	111.9%
Profit Attributable to Owners of the Company	3,421	1,432	138.9%
Net Profit Margin (%)	17.8	10.2	7.6 pts
Earnings per Share – Basic (S\$ cents)	0.74	0.45	64.4%

Following a record-setting year in which SMG transformed into one of the largest specialist practitioners dedicated towards women’s health and wellness, the Group reported a 37.0% year-on-year (“yoy”) increase in revenue to S\$19.2 million for 1Q2018. This was the Group’s inaugural quarterly financial report as its growth in market capitalization had exceeded the level required for mandatory quarterly reporting under listing rules.

Growth in the Group’s top line was driven by the Healthcare segment which increased 47.7% yoy to S\$14.3 million. Adding further fuel to growth was the Group’s Diagnostic & Aesthetics segment which rose 14.2% yoy to S\$4.9 million.

In line with the increase in revenue, gross profit surged 47.0% yoy to S\$8.9 million. Correspondingly, gross profit margin improved 3.2 percentage points to 46.4% as a change in sales mix across both segments led to margin improvements. Similarly, the Group’s EBITDA increased 111.9% yoy to S\$4.9 million while EBITDA margin expanded 9.1 percentage points to 25.7%, underpinned by continuous efforts to streamline operations while deriving cost synergies from recent acquisitions.

The Group’s administrative expenses increased 16.1% yoy to S\$4.2 million arising primarily from higher depreciation and an increase in maintenance expenses during the period. In addition, distribution and selling

expenses increased 15.8% yoy from S\$0.7 million for 1Q2017 to S\$0.8 million for 1Q2018, driven mainly by the increase in revenue.

As a result, the Group reported a 138.9% yoy increase in net profit attributable to shareholders of S\$3.4 million.

Commenting on the Group's 1Q2018 results, Executive Director and CEO Dr. Beng Teck Liang said, *"After a record-setting year in 2017, our growth trajectory has continued to garner momentum as we've registered double-digit growth in key verticals such as oncology, obstetrics & gynaecology ("O&G") and paediatrics. Furthermore, our buy-and-grow inorganic growth strategy has translated to significant improvements in our profit margins. For each of the acquisitions we completed in 2017, we have helped to further fuel organic growth while driving operational efficiencies in staffing and marketing. These initiatives have translated to our net profit margin climbing 7.6 percentage points to 17.8%.*

This is just the beginning as we chart further growth in the year ahead. Organically, we are firing on all cylinders having opened a new O&G clinic in Paragon and a new paediatric clinic in Bedok. The opening of these two clinics further strengthens our hub and spoke model with our flagship at Mount Elizabeth Novena along with seven specialist clinics which extend into the heartlands. Our vision of being the leading specialist provider of women's health and wellness care in Singapore remains on track.

Similarly, in our diagnostics segment, we officially opened our new 5,500 square feet centre at Novena Medical Center in February. Within diagnostics, we are planning to add more radiologists in the third quarter of 2018 as we continue to see opportunities for growth. In addition, we have started our cardiology practice with the opening of 2 new clinics in Novena and Paragon. These growth initiatives will continue throughout the year as new clinics in key segments such as O&G, paediatrics and other specialist verticals are being formulated.

Finally, we are happy to have completed the acquisition of SW1 Clinic in April 2018. Already one of the largest aesthetic, plastic surgery and medical spa clinics in Singapore, we have begun to forge ahead with plans to scale this platform into the region in neighbouring geographies where we have an existing footprint. This one-stop aesthetics destination, highly synergistic and complementary to our women's health segment, is another monumental step in our growth story."

– 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 an extensive network of 25 specialities, 35 clinics and SMG Associates clinics. 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 Center, Mount Elizabeth Novena Specialist Centre, Novena Medical Center, Novena Specialist Centre, 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, The Wellness Suite An SMG Clinic, 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, and the Astra Women's Specialists Group, Kids Clinics 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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