



**MEDIA RELEASE
FOR IMMEDIATE RELEASE**

**Q&M reports lower full year profits due to impairments
and decrease in Covid-19 related revenue
Core Healthcare¹ Revenue strengthens to S\$172.1
million for twelve months ended 31 December 2022
(FY2022)**

- *Core Healthcare Revenue grew at a CAGR of 9% from S\$120.8 million to S\$172.1 million for the last 5 financial years (FY2018 to FY2022) demonstrating the inherent strength and sustainability of our healthcare business;*
- *Covid-19 testing revenue significantly decreased, and also with write-off of Covid-19 related consumables*
- *Second interim dividend of 0.6 cent declared for current quarter making a total dividend of 1.0 cent for FY2022;*
- *Group total revenue of S\$181.2m and profit after tax attributable to shareholders (PATMI) of S\$11.3m for FY2022;*
- *Increased utilisation, Optimisation of existing clinics and Improvement of margins are key strategies going forward.*

SINGAPORE, 1 March 2023 – Mainboard-listed **Q & M Dental Group (Singapore) Limited** (hereinafter, “**Q & M**” and “**Company**”) today reported total revenue of S\$181.2 million, and profit after tax attributable to parent (“PATMI”) of S\$11.3 million for the twelve months ended 31 December 2022 (“FY2022”). The Group Earnings before interest, tax, depreciation, amortisation (“EBITDA”) for FY2022 was S\$35.2 million.

¹ Core Healthcare Business excludes contributions from the Group’s medical laboratory, share of profit from disposal of associate, Aidite, other gains, other losses 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.



For FY2022, Core Healthcare revenue increased 2% to S\$172.1 million and Core Healthcare EBITDA increased by 6% to S\$39.5 million.

Table 1: Financial Highlights

Period ended 31 Dec S\$'000	4Q2022	4Q2021	Change	FY2022	FY2021	Change
Group's Total Revenue	47,783	53,294	-10%	181,214	205,599	-12%
-Core Healthcare Business Revenue	46,199	45,999	-	172,131	168,454	+2%
-Other Business	1,584	7,295	-78%	9,083	37,145	-76%
Group's Total EBITDA	3,927	10,378	-62%	35,220	63,245	-44%
-Core Healthcare EBITDA	9,093	8,052	+13%	39,473	37,283	+6%
Group's Loss/ Profit After Tax & MI (PATMI)	(2,150)	3,165	NM	11,309	30,471	-63%
-Core Healthcare Business PATMI	3,415	1,613	+112%	17,068	15,955	+7%

For the Other Business segment, revenue contributions from the Group's medical laboratory business dropped very significantly with demand for COVID-19 testing now reduced to a very small group, following the government eliminating all tests for locals and foreign visitors to Singapore.

As at 31 December 2022, the Group's financial position remains strong with Net Assets of S\$96.5 million, as well as cash and cash equivalents of S\$39.7 million. Bank borrowings plus finance leases amounted to S\$85.1 million.

The Group declares a second interim dividend of 0.6 Singapore cent per ordinary share for 4Q2022. Together with the 0.4 Singapore cent dividend paid out for 1Q2022, the total dividends for FY2022 work out to 1.0 Singapore cent. The 4Q2022 dividend will be paid on 24 March 2023.



Q & M Chief Executive Officer Dr Ng Chin Siau (黄震霄医生) said, "We are pleased to note that our Core Healthcare Business has continued to demonstrate strong resilience and is well-positioned to grow in the coming year.

We are heartened by the fact that the Core Healthcare's Revenue and EBITDA compound annual growth rate ("CAGR") for the last 5 years (FY2018 to FY2022) are 9% and 26% respectively. We believe that with the strategies that we are implementing, this will continue to be the case.

The Group had been very nimble in the Covid-19 period, treating and reacting to threats as opportunities with resulting outstanding results. As we transition to a "living with COVID-19" stance now, long term growth will be driven by improved utilisation of our professional staff, optimising the use of clinics and improving margins. The key to this approach is continuing training and upgrading of our dentists and professional assistants and use of technologies. The Group is very well placed to implement these strategies with the Q&M College of Dentistry, our investments in technologies and an experienced management team, which has led the exponential expansion of our core businesses. "

Dr Ng continued, "We see the future of dentistry lying in combining the dentist's domain expertise and valuable experience with data-centric analysis to generate objective and highly accurate dental healthcare plans that are specifically tailored to individual needs.

With the above in mind, we will continue to prioritise in investing in our people as they are the bedrock upon which our long term success lies. Whether frontline or behind the scenes, they play a vital role in ensuring that we deliver the best dental healthcare to our patients, every single day."



4Q2022 Core Business Healthcare- Financial Performance

Revenue from Core Healthcare Business continues to inch up to S\$46.2 million for the three months ended 31 December 2022 (“4Q2022”) mainly due to the organic growth of dental clinics (See Table 1). The Group added a net 10 dental clinics in Singapore and net 6 dental clinics in Malaysia the last 12 months.

Over the last 4 consecutive quarters ie 4Q2022 vs 1Q2022, 2Q2022 and 3Q2022, Core Healthcare Business grew between 9% and 12%. (See Table 2 below)

Table 2: Revenue for 1Q2022, 2Q2022, 3Q2022, 4Q2022

S\$'000	1Q2022	2Q2022	3Q2022	4Q2022	4Q2022 Vs 1Q2022	4Q2022 Vs 2Q2022	4Q2022 Vs 3Q2022
Group's Total Revenue	46,782	44,128	42,521	47,783	+2%	+8%	+12%
Core Healthcare Business Revenue	41,286	42,443	42,203	46,199	+12%	+9%	+9%
Total Clinics	146	152	157	157	+11	+5	-

Operational Update and Recent Developments

The Group currently operates a total of 152 dental clinics, of which 107 are located in Singapore, 44 in Malaysia and 1 in PRC China. (See Table 3 below)



Table 3: Number of Dental and Medical Clinics (Singapore*, Malaysia, China PRC)

	As at 31 Dec 2022	As at 31 Dec 2021	Variance Net Growth Last 12 months	
Singapore-Dental	107	97	+10 Dental Clinics	+10%
Singapore-Medical	5	5	-	-
Malaysia	44	38	+6 Dental Clinics	+16%
China PRC	1	1	-	-
TOTAL	157	141		

1. Dental Operations (Singapore and Malaysia)

The Group is initiating a strategy of intensive organic growth of dental clinics and will expand its team of dentists to support the future growth of its operations in Singapore. We will continue to develop, invest and optimise our digital guided clinical decision support system to provide the most effective and suitable treatment plans for our patients.

With rising standards of living and higher expectations of dental healthcare in Singapore, the Group believes it is well-positioned to meet the rising demand for primary and high-value specialist dental healthcare services for its patients.

In Malaysia, the Group operates 44 clinics with 16 dental clinics in Johor, 9 in Kuala Lumpur, 12 in Selangor, 4 in Melaka and 3 in Negeri Sembilan. The eventual number of dental outlets will depend on available opportunities and pertinent market conditions. The increasingly tight labour market is a limiting factor.

2. Dental Operations (People's Republic of China (PRC))

The main thrust of the Group's proposed expansion in PRC is through organic growth to develop a new and sustainable growth pillar that can yield long term value for the Group.

The Group is also actively exploring opportunities to expand its dental business to Southeast Asian countries at this time.



Strengthening Capabilities, Fortifying Relationships, Building Futures

Q&M has firmly committed to keep the business on a steady growth path that is always forward looking, sustainable yet firmly anchored in the Company's philosophy of **修身齐家 治国平天下**.

1. Expansion of network of dental clinics in Singapore, Malaysia and Southeast Asia and China

The Group is continuously looking for opportunities to expand its dental business to Southeast Asian countries with an emphasis on utilisation and optimisation of existing clinics, and only opening new clinics where appropriate and meets the overall strategic objectives of the Company.

2. Medical Laboratory

The Group's medical laboratory will continue to progressively roll out its pipeline of new PCR tests for various purposes. 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. However, the Group and the industry is impacted by increased manpower and occupancy costs, as well as shortage of and competition for trained nurses.

---- End ----



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 107 dental outlets across the country. Underpinned by about 270 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”). 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.

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

For more information, please contact:

Waterbrooks Consultants Pte Ltd

Wayne Koo: wayne.koo@waterbrooks.com.sg +65 9338-8166

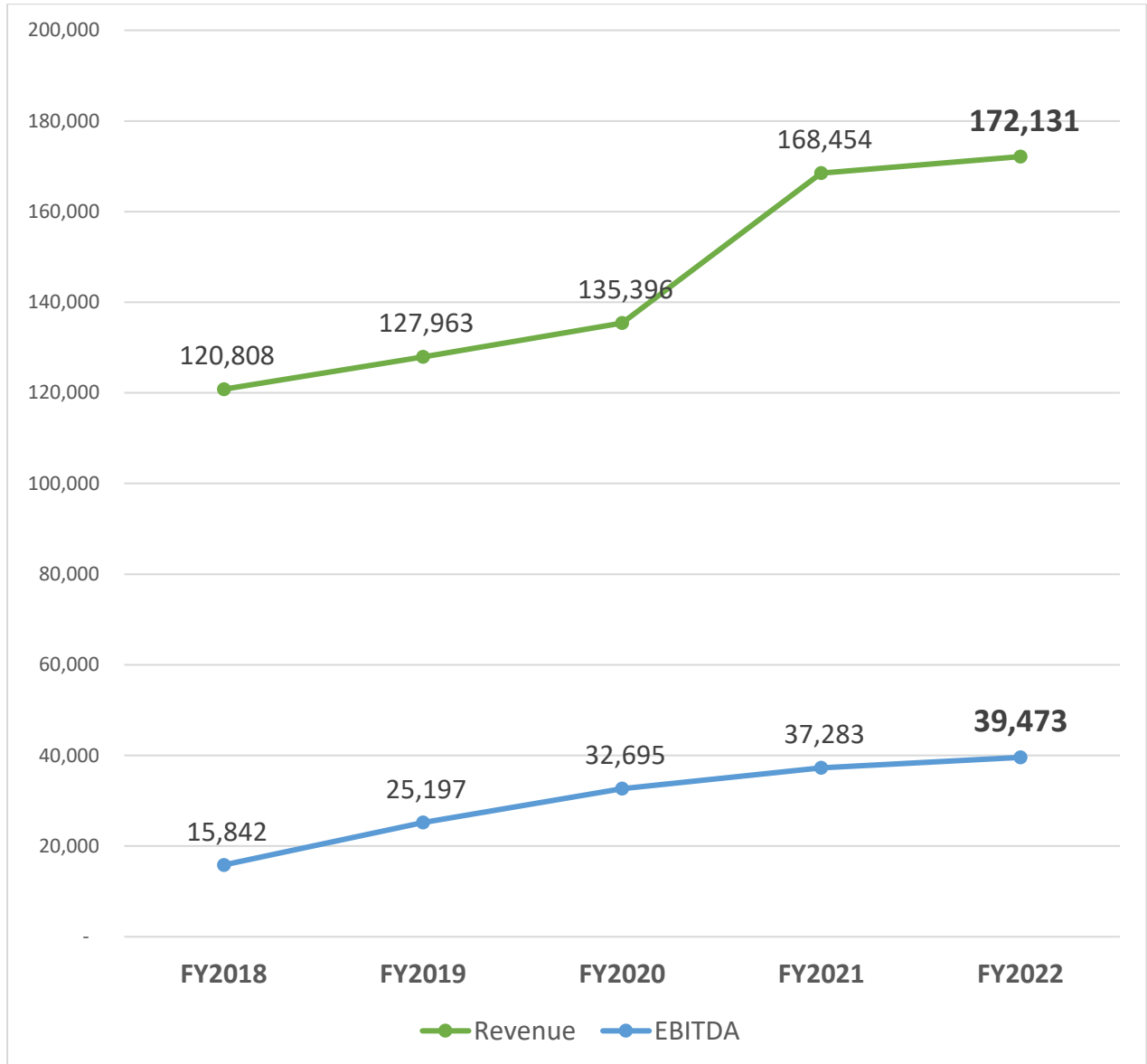
Derek Yeo: derek@waterbrooks.com.sg +65 9791-4707

General: query@waterbrooks.com.sg +65 9690-4959

Proud Investor Relations partner: <https://www.waterbrooks.com.sg/> and <https://www.shareinvestorholdings.com/>

Annex A: Charts

Chart 1: Core Healthcare- Revenue & EBITDA from FY2018-FY2022 (S\$'000)



- **Core Healthcare Revenue CAGR** grew at a rate of **9.3%** last 5 financial years
- **Core Healthcare EBITDA CAGR** grew at a rate of **25.6%** last 5 financial years
- FY2020-FY2022 was the height of the Covid-19 Pandemic globally

Chart 2: Group Total: Revenue & EBITDA from FY2018-FY2022 (S\$'000)

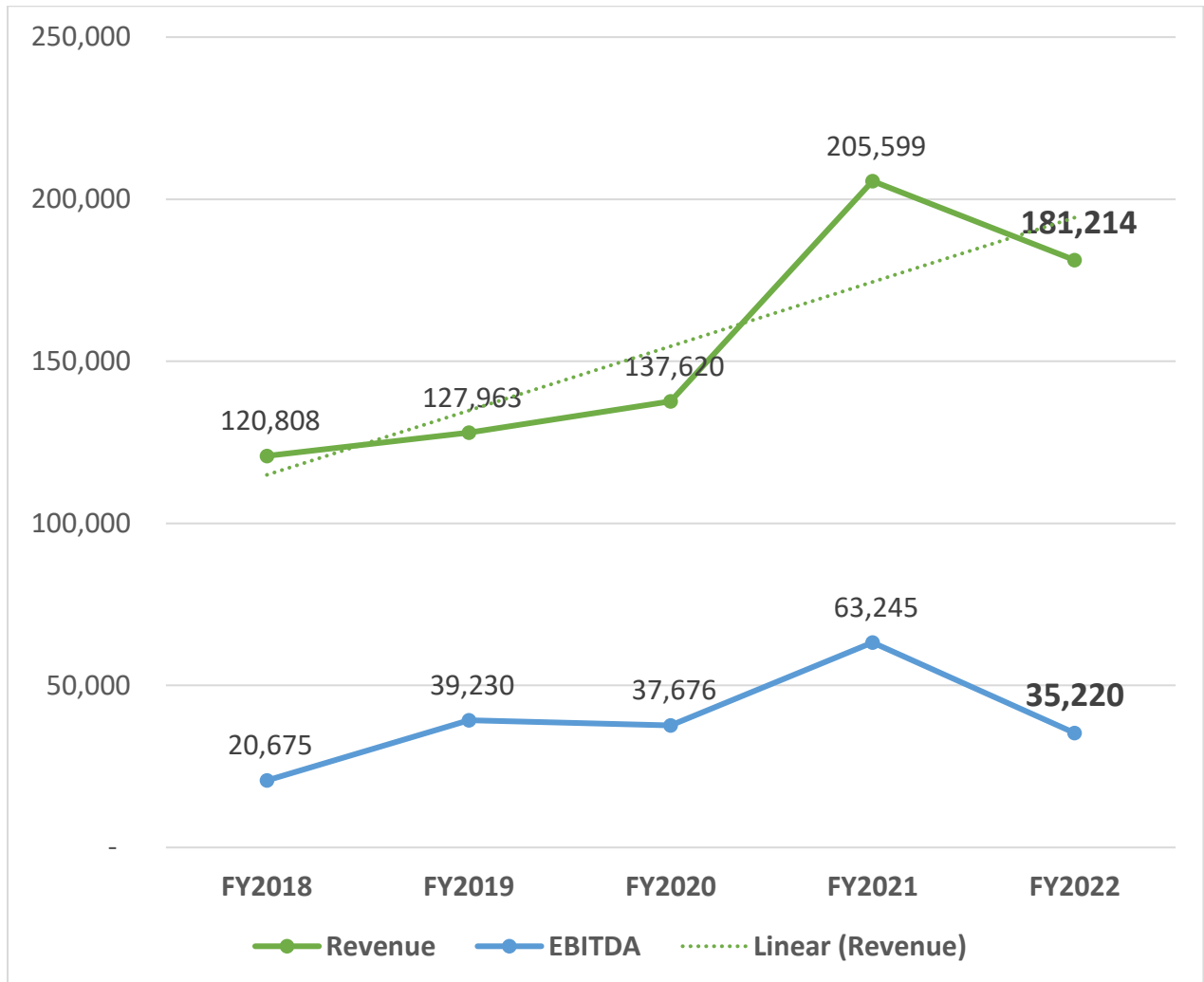


Chart 2:

- **Group Total Revenue CAGR** grew at a rate of **10.7%** last 5 financial years
- **Group Total EBITDA CAGR** grew at a rate of **14.2%** last 5 financial years
- FY2020-FY2022 was the height of the Covid-19 Pandemic globally
- Non-core healthcare contributions reduced in line with moving toward “living with Covid-19” and reduced need for Covid-19 testing protocols and supplies

Chart 3: Revenue by Country- Singapore (S\$'000)

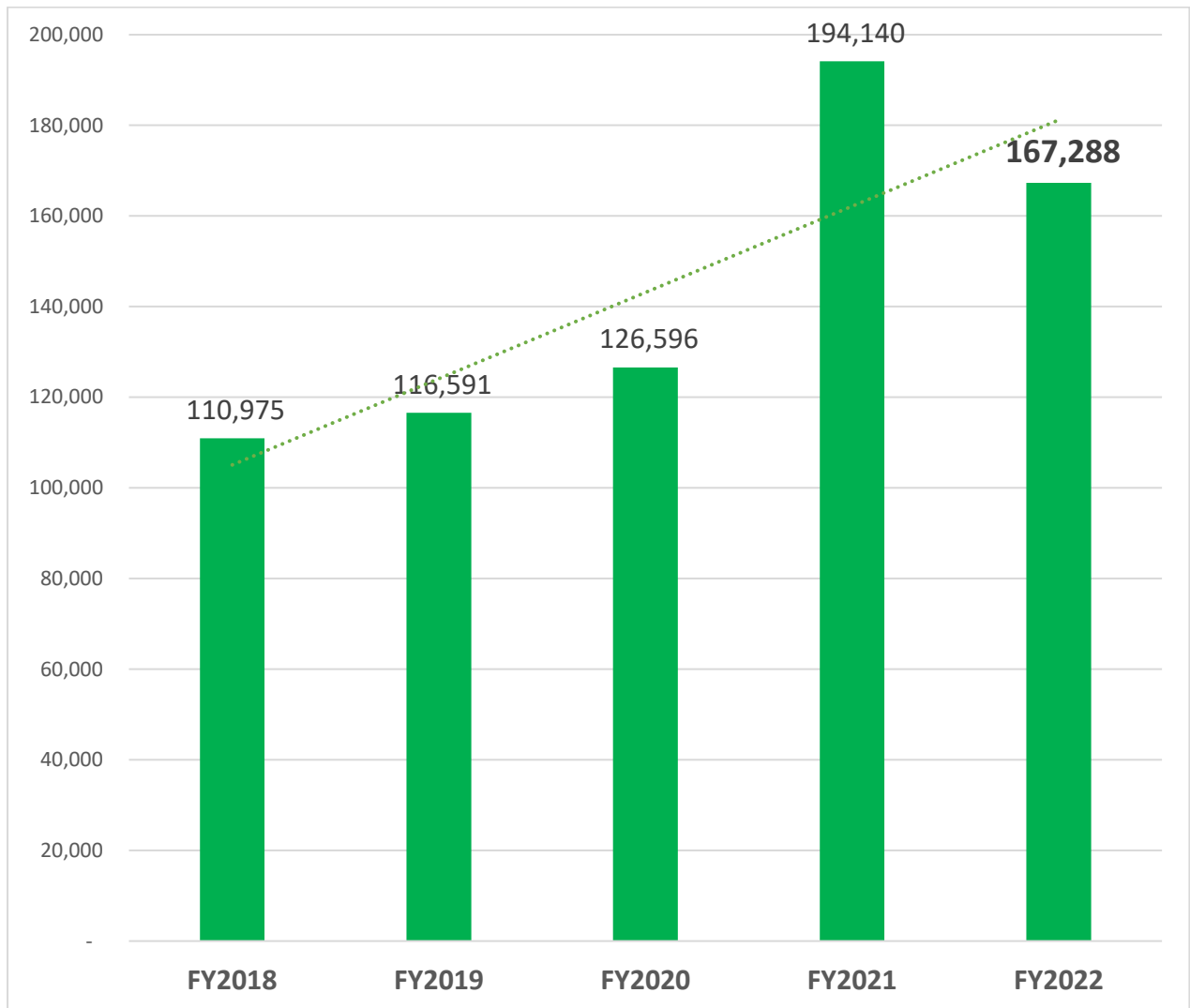


Chart 3:

- Q&M's Singapore operations grew from 70 dental clinics as at end of 2017 to 107 dental clinics as at end of 2022
- Singapore's Revenue grew by a compound annual growth rate (CAGR) of 10.8% from FY2018 to FY2022
- FY 2021 was an exceptional year in terms of performance brought about by contributions from non-core dental healthcare

Chart 4: Revenue by Country- Malaysia (S\$'000)

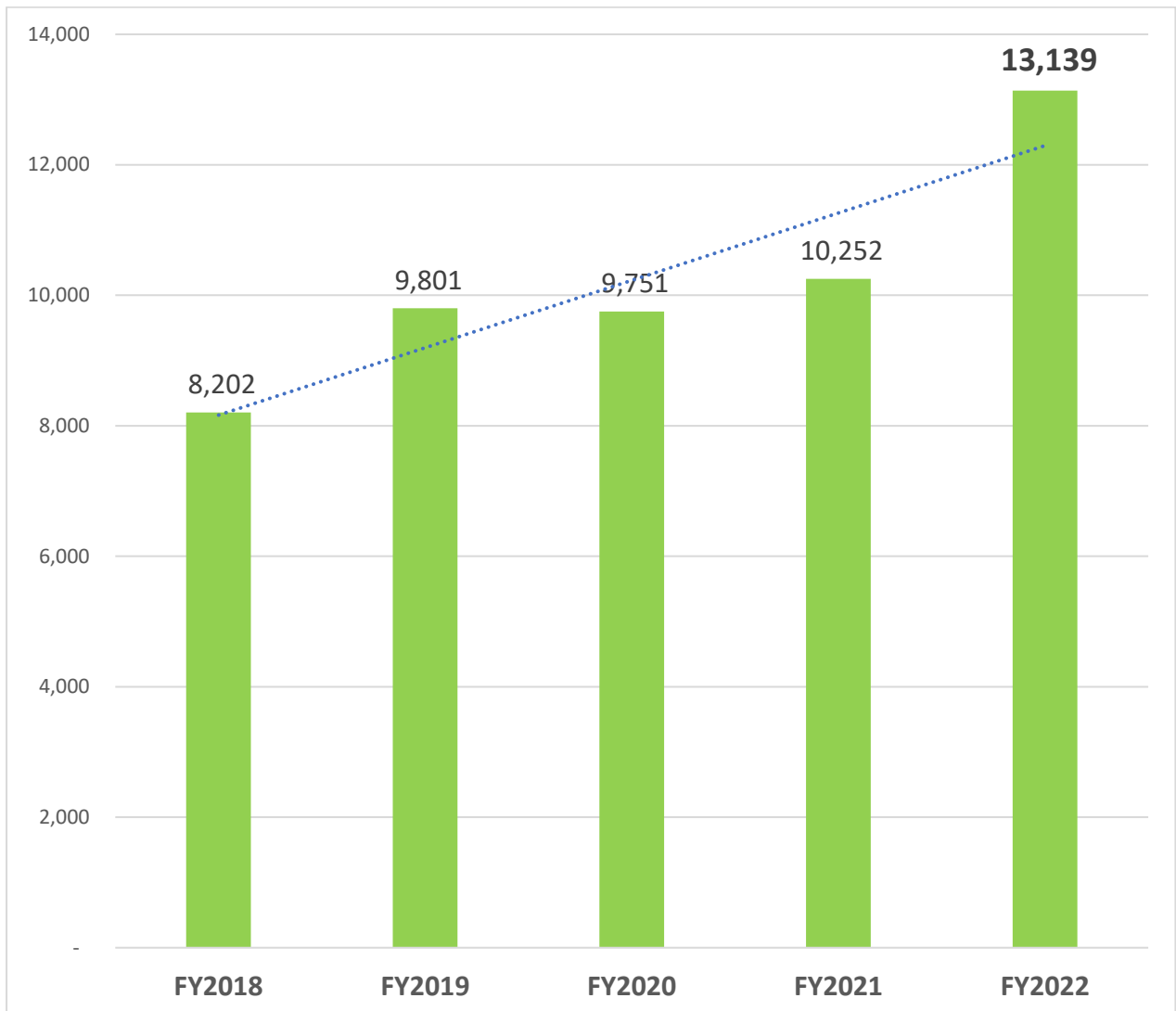


Chart 4:

- *Q & M's Malaysia operations grew from 14 dental clinics as at end of 2017 to 44 dental clinics as at end of 2022*
- *Malaysia's Revenue grew by a compound annual growth rate (CAGR) of 12.5% from FY2018 to FY2022*