

MEDIA RELEASE

Thomson Medical Group Reports 6M 2020 Revenue of S\$98 Million; Demand for Obstetrics Services Remain Resilient

Result Announcement for 6M2020 (S\$'000)

	6M2020 (S\$'000) (Unaudited)	6M2019 (S\$'000) (Unaudited)	% change	18M2020 (S\$'000) (Audited)	12M2018 (S\$'000) (Audited)	% change
<u>Continuing operations</u>						
Revenue	97,980	111,668	-12.3%	327,798	215,610	52.0%
Adjusted EBITDA ⁽¹⁾	16,226	23,899	-32.1%	64,081	51,723	23.9%
Operating (Loss)/Profit	(82,633)	19,024	NM	(45,405)	37,183	NM
(Loss)/Profit After Tax	(97,057)	4,104	NM	(93,916)	14,700	NM

⁽¹⁾ Excluding the effect of SFRS(I) 16 Leases, non-cash impairment and one-off non-recurring expenses

Financial Highlights of 6M2020 Performance

- Group revenue decreased by **12.3%** to **S\$98.0 million**
- Excluding the effect of the one-off non-cash impairment recorded on the freehold land located within the Iskandar Development Region in Johor Bahru, Malaysia, the Group would have recorded an **operating profit of S\$10.8 million**
- Adjusted EBITDA decreased **32.1%** to **S\$16.2 million**
- Revenue from Hospital Services decreased by **8.5%**
- Revenue from Specialised Services decreased by **18.6%**
- Operations remain cash generative with healthy cash position of **S\$160 million**

Singapore, 27 August 2020 – SGX Mainboard-listed Thomson Medical Group Limited (“**the Group**”) reported a 12.3% decrease in revenue to S\$98.0 million for the six-month period ended 30 June 2020 (“**6M2020**”), from S\$111.7 million in the same period last year. Revenue was impacted by the various movement and social distancing measures implemented to curb COVID-19 transmission across countries where the Group operates in. Revenue from Hospital Services and Specialised Services decreased 8.5% and 18.6% respectively.

The COVID-19 pandemic has brought about a challenging economic environment, even for the healthcare sector. While several services and satellite clinics in our Singapore business were operating under significantly restricted conditions and patient loads at the hospital and fertility operations in our Malaysian business were impacted, demand for obstetric services in Singapore continues to remain healthy, mitigating the impact.

The Group recorded a net loss after tax of S\$97.1 million for 6M2020. Adjusted EBITDA was S\$16.2 million, 32.1% lower than a year ago at S\$23.9 million, mainly due to lower revenue recorded during 6M2020. The Group also recorded an operating loss of S\$82.6 million compared to an operating profit of S\$19.0 million in the previous year, mainly due to the one-off non-cash impairment of S\$93.4 million recorded on the 9.23 ha freehold land located within the Iskandar Development Region in Johor Bahru, Malaysia. Excluding the effect of this one-off non-cash impairment, the Group would have recorded an operating profit of S\$10.8 million.

With the gradual easing of restrictions in Singapore and Malaysia from June onwards, the Group has resumed operations of healthcare services that were previously closed or operating under restricted conditions and has observed a gradual recovery of patient volumes across most segments. The Group continues to generate sufficient cash flows to finance its operations and has adequate cash and bank resources to fund its working capital needs as well as its committed business growth plans. As at 30 June 2020, the Group has a healthy cash position of S\$160 million.

Amidst the challenging business environment due to the COVID-19 pandemic, the Group will continue to remain focused on its long-term strategy to grow the Group’s business. To meet the burgeoning demand of younger families in the North-east region of Singapore, the Group has established a new Thomson Women’s Clinic at Punggol Waterway Point to bring our services and brand of care closer to home. Further growing our core competencies, the Group announced the development of the Thomson Kids platform, aimed at providing an ecosystem of synergistic services where children’s developmental health and well-being are taken care

of in a holistic and multidisciplinary way. In Malaysia, the expansion works of the new wing at Thomson Hospital Kota Damansara that will add 400 beds, has resumed following the easing of the Movement Control Order in Malaysia and is on track for completion in the next financial year.

In response to the COVID-19 pandemic, the Group has pivoted into the digital space to continue to bring our services to our patients. Though telehealth solutions under appropriate conditions, the Group's partnering doctors will be able to continue consultations with patients remotely, with necessary medication delivered to the patient's doorstep. Public education for parents and parents-to-be are now delivered via online pregnancy webinars, allowing our healthcare professionals to continue to reach out to our patients despite restrictions on large scale physical events.

Barring another wave of community infections which might bring about new public health measures or any other unforeseen circumstances, the Group remains cautious in the outlook of its performance in FY2021.

"COVID-19 has thrown the world into unprecedented turmoil on both the economic and public health fronts. In these trying and dangerous times, the Group continues to be resilient and focused on providing quality care to our patients and their families. Safety of our patients and our staff remain our main concern as we continue to explore opportunities to grow the Group's business. We remain focused on staying prudent and vigilant in managing costs and bringing value to our stakeholders. I am deeply appreciative of the commitment and dedication of our staff and partners during these challenging times, as they continue to ensure the best care and safety for our patients" said Dr Wong Chiang Yin, Group Chief Executive Officer, Thomson Medical Group.

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About Thomson Medical Group Limited

Listed on the Mainboard of the Singapore Exchange, Thomson Medical Group Limited (**SGX: A50**) is one of the leading listed healthcare players in the South-East Asian region with operations in Singapore and Malaysia.

Established in 1979, the Group's Thomson Medical Pte Ltd is one of the largest private provider of healthcare services for women and children in Singapore. It owns and operates the iconic Thomson Medical Centre and a network of specialist medical clinics and facilities providing outpatient women and children healthcare services and service offerings in diagnostic imaging, health screening, gynaecological oncology, dentistry, specialist dermatology, traditional Chinese medicine, musculoskeletal and sports medicine, and medical aesthetics.

The Group's operations in Malaysia under TMC Life Sciences Berhad is a multi-disciplinary healthcare company listed on Bursa Malaysia. It operates Thomson Hospital Kota Damansara, a tertiary hospital located in Kota Damansara, and the award-winning TMC Fertility Centre which is the industry leader in assisted reproduction in Malaysia. It also owns the proposed Thomson Iskandar Medical Hub, in Johor Bahru, Malaysia.

The Group also owns a prime 9.23 ha freehold waterfront land, strategically located in Johor Bahru's City Centre, with a proposed long term plan to build an integrated healthcare city to meet the growing healthcare needs of the people in the region.

For more information, please visit: www.thomsonmedicalgroup.com.

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