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SMG reports 5.7% yoy rise in net profit to a record S\$13.6 million; declares maiden dividend of 0.8 cents per share to reward shareholders

- Revenue rises 11.3% yoy to a record S\$94.7 million driven by growth across all business segments
- Backed by strong positive operating cash flows of S\$25.7 million for FY2019 (FY2018: S\$16.8 million), the Board declares a maiden final dividend of 0.8 cents per share to reward shareholders
- Announces a formal dividend policy to declare dividends of not less than 20% of the Group’s core earnings excluding the share of results of joint ventures and associates in any financial year
- Remains in growth mode with organic initiatives in place to hire additional specialists while pursuing earnings accretive acquisitions in key and complementary specialist verticals

Singapore, 24 February 2020 – SGX-listed Singapore Medical Group (“SMG” or “the Group”), a multi-disciplinary specialist healthcare services provider with a growing regional network of healthcare facilities has announced its financial results for the full year ended 31 December 2019 (“FY2019”).

Financial Highlights (S\$'000)	FY2018	FY2019	Change
Revenue	85,069	94,672	11.3%
Gross Profit	37,795	43,241	14.4%
Gross Profit Margin (%)	44.4	45.7	1.3 pts
Profit Attributable to Owners of the Company	12,928	13,661	5.7%
Net Profit Margin (%)	14.6	14.4	(0.2) pts
Earnings per Share – Basic (S\$ cents)	2.74	2.83	3.3%

The Group’s revenue increased 11.3% year-on-year (“yoy”) to a record S\$94.7 million for FY2019. The rise in revenue was driven by growth across the Group’s business segments. Topline from the Diagnostic & Aesthetics segment increased by S\$6.9 million due to the contribution of Pheniks Pte. Ltd. which owns SW1 Clinic, Singapore’s largest aesthetic, plastic surgery and medical spa establishment which the Group acquired in April 2018. In addition, the Health segment increased by S\$2.7 million mainly due to organic growth initiatives at existing clinics.

In line with the increase in revenue, gross profit increased 14.4% yoy to S\$43.2 million. Correspondingly, gross profit margin expanded 1.3 percentage points to 45.7% fueled by a change in sales mix within the Health and Diagnostic & Aesthetics segments.

In a record year of sales, the Group reported a 5.7% yoy increase in net profit attributable to owners of the Company to an all-time high of S\$13.6 million.

The Group’s robust core business operations continued to generate strong positive operating cash flows amounting to S\$25.7 million for FY2019 as compared to S\$16.8 million for FY2018.

Backed by strong cash flow generation and a strengthened balance sheet, the Board of Directors has declared a maiden dividend of 0.8 cents per share, representing a dividend payout ratio of 28.3% to reward shareholders for their continued support. In addition, the Group has announced a formal dividend policy to declare dividends

of not less than 20% of the Group's core earnings, excluding the share of results of joint ventures and associates in any financial year.

Commenting on the Group's FY2019 performance, Executive Director and CEO Dr. Beng Teck Liang said, *"Our ability to steadily execute our growth strategies in key specialist verticals such as women's and children's health, oncology, diagnostics and aesthetics has once again translated to a record year of revenue and profitability. These growth initiatives, which include the hiring of additional specialists in both key and complementary verticals, will continue as we chart steady growth in the year ahead."*

Against the backdrop of Covid-19 and softening market conditions, opportunities for inorganic growth are starting to present itself. We will remain aggressive in seeking out earnings accretive acquisitions in both key and complementary verticals both in Singapore and the region.

Overseas, our operations in high-growth markets such as Indonesia and Vietnam continue to garner momentum. In both Indonesia and Vietnam, we are exploring opportunities for expansion. Similarly, we continue to work with our major strategic shareholder, CHA Healthcare Singapore Pte Ltd, to expand our presence in Australia as we remain well positioned to capture growth opportunities across the Asia-Pacific region."

– 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 a comprehensive range of multidisciplinary specialties and an extensive network of Specialist and Associate doctors situated across clinics in Singapore. 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 Centre, Mount Elizabeth Novena Specialist Centre, Novena Medical Center, Royal Square at Novena, OUE Downtown Gallery, Gleneagles Medical Centre, Farrer Park Medical Centre @ Connexion, Mount Alvernia Medical Centre, and other locations at Bishan, Hougang, Jurong, Toa Payoh, Tiong Bahru, Bedok and Punggol

SMG Clinics: LSC Eye Clinic, The Dental Studio, Lifescan Medical Centre, Lifescan Imaging, The Cancer Centre, The Obstetrics & Gynaecology Centre, SMG Specialist Centre, SMG Urology Centre with Beng Surgery, Wellness & Gynaecology Centre by Dr Julinda Lee, Astra Women's Specialists, Kids Clinic, Astra Laparoscopic & Robotic Centre for Women and Fertility, Cardiac Centre International, SW1 Clinic and The Breast 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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This press release has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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