



Q & M TOTAL REVENUE FOR 2Q21 DOUBLED TO \$50.8M

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- Adjusted PATMI from operations increased more than 10 times from \$0.7 million to \$8.2 million.
- Following our 1Q21 1st interim dividend of 1 cent per share, a 2nd interim dividend of 1 cent per share will be paid on 3 September 2021.
- Proposed bonus issue of up to 157,461,725 new ordinary shares on the basis of 1 bonus share for every 5 existing ordinary shares.

Singapore, 13 August 2021 – Q & M Dental Group (Singapore) Limited (“Q & M” or the “Group”), a leading private dental healthcare group in Asia, reported a net profit attributable to shareholders of \$8.4 million for the three months ended 30 June 2021 (“2Q21”).

Financial Highlights	2Q21 \$'000	2Q20 \$'000	% Change
Revenue ¹	50,809	24,851	104
Key Operating Expenses ²	33,141	14,509	128
Other Expenses	2,839	1,244	128
Share of Profit (Loss) from Equity-Accounted Associates	(181)	350	NM
Other Loss - Net	217	32	578
Profit, Net of Tax	11,426	7,591	51
PATMI	8,383	6,824	23
Adjusted PATMI	8,179	746	996

¹Revenue from dental and medical clinics, dental equipment & supplies distribution and laboratory tests

²Key operating expenses include consumables & supplies used, cost of sales of medical laboratory & dental equipment and supplies, employee benefits expense and depreciation of Right-Of-Use Assets

2Q21 revenue doubled to \$50.8 million from \$24.9 million in 2Q20 mainly due to higher revenue in dental outlets as well as significant revenue contribution from Covid-19 testing from the Group’s Covid-19 medical laboratory business. Revenue from dental outlets in 2Q20 were negatively impacted by the Circuit Breaker (“CB”) from April 2020 to May 2020. The medical laboratory license was obtained in September 2020.

Key operating expenses increased by 128% from \$14.5 million in 2Q20 to \$33.1 million in 2Q21 due to increase in employment benefits expenses as a result of increase in revenue. Employment benefits expenses include professional fees paid to dentists. In 2Q20, key operating expenses were reduced by government support measure such as the Job Support Scheme and Rental Rebate due to Covid-19.

Other expenses increased by 128% from \$1.2 million in 2Q20 to \$2.8 million in 2Q21 mainly due to higher revenue in 2Q21 which resulted in increase in incidental expenses like higher credit card charges, increase in legal and professional fees arising from legal case in PRC, increase in marketing expenses such as giving masks for patients retention and reinstatement cost from clinics' relocations.

Share of loss from equity-accounted associate in 2Q21 amounted to \$0.2 million was due to the 43.9% equity-accounted associate, Aoxin Q & M. Share of profit in 2Q20 includes the share of profit from Aidite which was disposed by the Group in 1Q21.

Excluding the other gains, share of associate loss and one time item, the Group adjusted net profit after tax attributable to parent increased from \$0.7 million in 2Q20 to \$8.2 million in 2Q21 mainly due to core dental business and contribution from the Covid-19 medical laboratory testing business.

Financial Highlights	1H21 \$'000	1H20 \$'000	% Change
Revenue	94,571	54,695	73
Adjusted PATMI	14,975	3,023	395
Profit, Net of Tax	21,477	8,867	142
EBITDA	52,967 ³	37,676 ⁴	41

³Annualised EBITDA

⁴Actual FY2020 EBITDA

Total revenue increased by 73% from \$54.7 million in 1H20 to \$94.6 million in 1H21.

The Group's adjusted profit after tax attributable to owners of the parent increased by almost 5 times from \$3.0 million in 1H20 to \$15.0 million in 1H21.

As at 30 June 2021, the Group had cash and cash equivalents of \$43.9 million, bank borrowing and finance leases of \$83.7 million. Net debt was \$39.9 million.

As at 30 June 2021, the Group has a total of 87 dental outlets, 5 medical outlets and 1 dental college in operations, compared to 80 dental outlets, 5 medical outlets and 1 dental college as at 30 June 2020 in Singapore.

As at 30 June 2021, the Group has a total of 37 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 33 dental outlets in Malaysia and 1 dental outlet in PRC as at 30 June 2020.

The Company is proposing a bonus issue to increase the issued share capital base of the Company reflecting the growth and expansion of its business and to reward and recognise shareholders for their loyalty and continuing support for the Company. It will also increase the accessibility of investing in the Company to even more investors, thereby increasing trading liquidity and greater participation by various investors. This bonus issue shares will not be entitled to the 2nd interim dividend of 1 cent per share to be paid on 3 September 2021.

Commenting on the results, **Dr Ng Chin Siau, Group Chief Executive Officer** said, “

Q&M is guided by our philosophy of 修身齐家治国平天下, which places the focus on firstly continuous improvement of ourselves and our mindsets, and thereafter collectively aligning our Q&M family to one greater purpose - and that is towards the goal of treating all patients well through dentistry. That is our formula for building a sustainable business.

Our growth in such difficult times has been made possible because of our committed dentists and staff in the Group. This has been and will always be our greatest strength. Our future expansion will leverage on this proven formula. We will continue to expand organically with a target of opening 30 new clinics yearly starting from 2021 in Singapore and Malaysia.

The Group is optimistic that our core business would continue to see growth as a result of our expansion efforts, linked to the gradual release of social restrictions, and the subsequent controlled reopening of Singapore.

As Singapore shifts to managing Covid-19 as endemic, we see new opportunities to support the Government beyond PCR testing, including swabbing and vaccination services.”

This news release is to be read in conjunction with the Group’s announcement posted on SGXNET on 13 August 2021.

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