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Q & M Dental's Core Healthcare¹ Average revenue growth over the past 5 years of 9% per annum with revenue at all time high of S\$42.2m for three months ended September 2022 (3Q2022)

- ***Group total revenue of S\$133.4m and profit after tax of S\$13.5m for nine months ended 30 September 2022 (9M2022)***
- ***Core Healthcare Revenue growth remains respectable despite COVID-19 pandemic receding, with third quarter (3Q) and nine-months (9M) comparisons***
- ***Strategy going forward is to combine growth with productivity and cost optimisation for all clinics***

SINGAPORE, 13 November 2022 – Mainboard-listed **Q & M Dental Group (Singapore) Limited** (hereinafter, “**Q & M**” and “**Company**”) today reported total revenue of S\$133.4 million and profit after tax attributable to parent (“PATMI”) of S\$13.5 million for nine months ended 30 September 2022 (“9M2022”). The Group Earnings before interest, tax, depreciation, amortisation (“EBITDA) for 9M2022 was S\$31.3 million.

For the 9M2022, Core Healthcare revenue increased 3% to S\$125.9 million and Core Healthcare EBITDA increased by 5% to S\$30.4 million.

A comparison of 3Q Core Healthcare Revenue (ie 3Q2018, 3Q2019, 3Q2020, 3Q2021, 3Q2022) with longer term indicator 9M Core Healthcare Revenue (ie 9M2018, 9M2019, 9M2020, 9M2021, 9M2022) reaffirms that core healthcare revenue exhibits a secular uptrend. See Charts 1A and 1B in Annex A.

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

Table 1: Financial Highlights

Period ended 30 Sep S\$'000	3Q2022	3Q2021	Change	9M2022	9M2021	Change
Group's Total Revenue	42,521	57,734	-26%	133,431	152,305	-12%
-Core Healthcare Business Revenue	42,203	41,399	+2%	125,932	122,455	+3%
-Other Business	318	16,335	-98%	7,499	29,850	-75%
Group's Total EBITDA	9,422	21,377	-56%	31,293	52,867	-41%
-Core Healthcare EBITDA	10,065	10,513	-4%	30,418	29,108	+5%
Group's Profit After Tax & MI (PATMI)	3,610	9,512	-62%	13,459	27,306	-51%
-Core Healthcare Business PATMI	4,257	5,147	-17%	13,691	14,220	-4%

For the Other Business segment, revenue contributions from the Group's medical laboratory business dropped significantly, with lesser demand for COVID-19 testing following changes in Singapore's policies on COVID-19 management, as well as the reduction in COVID-19 test prices to maintain competitiveness in the market.

As at 30 September 2022, the Group's financial position remains strong with Net Assets of S\$96.9 million, as well as cash and cash equivalents of S\$36.5 million.

Q & M Chief Executive Officer Dr Ng Chin Siau (黄震霄医生) said, *"Our Core Healthcare business remains resilient with good prospects for growth. Revenue has come in above S\$40m for the eight consecutive quarters and it will continue to be the key contributor to the Group's revenue and profitability going forward."*



“While the COVID-19 pandemic is now very much part of everyday life in Singapore, the economy is being buffeted by inflationary pressures, high interest rates and the possibility of a global recession in 2023/2024.

At Q & M Group, we are mindful of these challenges, but we will continue to invest in our people first and foremost. We will not let up in developing the key talent within the Group to ensure the long-term success of Q&M. We are also growing our footprint in Singapore, Malaysia, and other parts of South-East Asia when good opportunities arise.

Dr Ng continued, “With our strategic investments in Artificial Intelligence for our dental business, we are also creating a larger moat between our competitors and ourselves.

The future of dentistry lies in combining the dentist's domain expertise and valuable experience with AI's data-centric analysis and ability to generate holistic dental healthcare plans that are specifically tailored to individual needs.

This results in better patient management outcome and care which are the main objectives of all medical practice”

Taking into consideration our competitive advantages, we are cautiously optimistic on the outlook of our core Healthcare Business.



3Q2022 Core Business Healthcare- Financial Performance

Revenue from Core Healthcare Business increased modestly by 2% from S\$41.4 million for the three months ended 30 September 2021 (“3Q2021”) to S\$42.2 million for the three months ended 30 September 2022 (“3Q2022”) mainly due to the organic growth of opening new dental clinics in Singapore the last 12 months.

Operational Update and Recent Developments

Dr Raymond Ang, Chief Operating Officer said, “Going forward our emphasis will be to optimise the productivity of each clinic. There will be internal Key Performance Indicators to monitor, and data analytics will enable us to have a profile of each clinic in terms of Revenue, Utilisation, CAPEX, and OPEX. We will then implement measures to optimise productivity. As the Group grows, increasing productivity instead of merely increasing the number of clinics will play an important part in ensuring sustainable growth.”

1. Dental Operations (Singapore and Malaysia)

Q &M Currently has 152 dental clinics, of which 106 are located in Singapore and 45 in Malaysia and 1 in PRC China. (See Table 2 below)

The Group plans to open 2 new clinics in Singapore in the subsequent quarter. In Malaysia, the Group operates 45 clinics with 17 clinics in Johor, 9 clinics in Kuala Lumpur, 12 clinics in Selangor, 4 clinics in Melaka and 3 clinics in Negeri Sembilan.

Table 2: Number of Dental and Medical Clinics (Singapore*, Malaysia, China PRC)

	As at 30 Sep 2022 (Present)	As at 30 Sep 2021	Variance Growth Last 12 months	
Singapore-Dental	106	90	+16 Dental Clinics	+18%
Singapore-Medical	5	5	-	-
Malaysia	45	37	+8 Dental Clinics	+22%
China PRC	1	1	-	-



2. Performance Shares Awarded as a Retention Exercise

In September 2022, the Group announced the award of 2,014,245 shares to 7 promising next-generation dentists, who also signed 12-year service agreements, as part of the Q & M Performance Share Plan (“PSP”) 2018, as well as the proposed placement of an additional 4,985,755 treasury shares, totalling S\$1,750,000, through placement to the same dentists. The PSP 2018 and proposed placement shares was completed on 20 October 2022.

3. Medical Laboratory Wins Ministry of Health (“MOH”) Tender for Operation of a Joint Testing and Vaccination Center (“JTVC”)

On 11 October 2022, the Group announced that the Group’s 51%-owned subsidiary, Acumen Diagnostics Pte. Ltd. (“Acumen”) won a Singapore MOH tender for the operation of one of the sites allocated for Joint Testing Vaccination Centres (JTVCs). The operation of JTVCs by the private medical sector is part of the Government’s policy and effort to provide the public with efficient and convenient access to COVID-19 booster shot vaccinations.

Acumen’s 15-months contract commences on 1 October 2022 and ends on 31 December 2023, with actual operations starting from 2 November 2022. The value of the contract over the period is estimated to be worth at least S\$3.6 million.

In the last few months, Acumen has launched a new series of PCR (Polymerase Chain Reaction) tests: (1) AcuSept that will rapidly detect sepsis based on specific mRNA biomarkers in the blood; (2) Unyvero HPN that can rapidly detect bacteria with their associated antibiotics resistance profile in patients with severe pneumonia.

4. Awards Received

In September 2022, Q & M was conferred the title of “**Champion of Good**” by the National Volunteer and Philanthropy Centre (NVPC). This is an award under the Company of Good that recognises organisations that are exemplary in doing good and are also a multiplier by engaging their partners and stakeholders on a collaborative journey toward doing good.

In October 2022, Q & M received the Most Transparent Company (Healthcare) Award at the Securities Investors Association of Singapore’s (“SIAS”) Investors Choice Award Ceremony. The Award’s investor-centric selection criteria were developed by a SIAS-NUS (“National University of Singapore”) partnership to recognise companies that have



achieved excellence in their transparency and disclosure standards as well as shareholders' rights and equitable treatment.

Sustainable growth for the future

Q & M Group will continue to execute our business plans outlined below:

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

Q & M is focused on growing its operations in Singapore and has initiated a strategy of intensive organic expansion for its dental clinic network in Singapore. It will invest in recruiting and developing its team of dentists to support the future growth of its operations in Singapore.

The Group will also continue to invest and optimise our digital Artificial Intelligence (AI) Guided Clinical Decision Support System (**AI-GCDSS**) to provide the most effective and suitable treatment plans for patients. The Group believes it is well-positioned to cater to the rising demand for primary and high-value specialist dental healthcare services in Singapore and will ensure that every effort will be made to increase its capabilities in this area.

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

The Group will continue to look for opportunities to expand its Core Healthcare Business through the opening of new dental clinics in Southeast Asia. The eventual number of dental outlets will depend on available opportunities, tight labour market, pertinent market conditions and the evolving post COVID-19 pandemic situation.

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.

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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 106 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 45 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.

EM2AI Pte Ltd, a wholly-owned subsidiary of the Group that focuses on developing AI-powered solutions to diagnosis and treatment planning has rolled out IDMS, enabling dentists within the Group’s network to administer ethical treatment plans for patients.

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:

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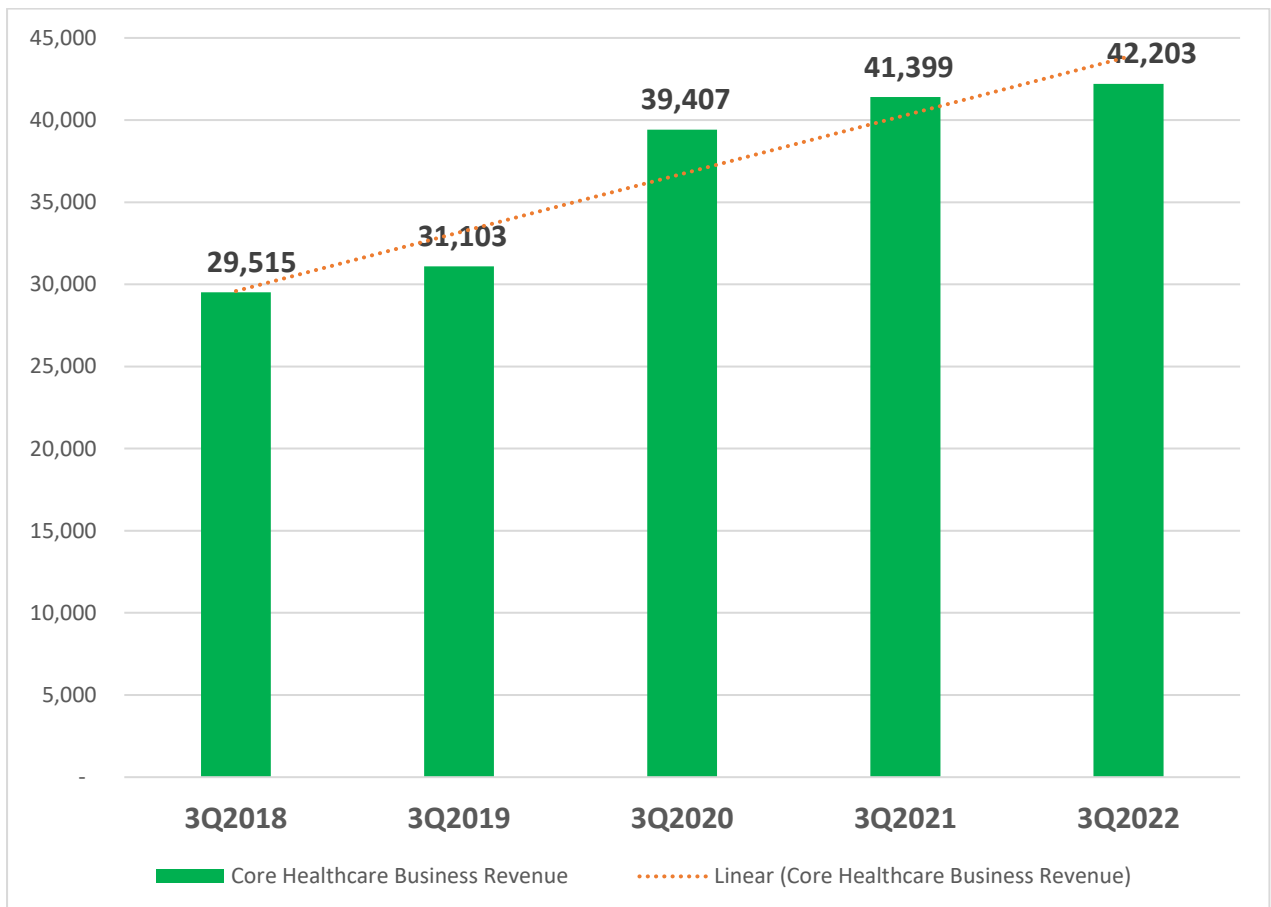
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Annex A: Charts

Comparing the numbers over 5 Quarters of corresponding periods instead of just previous years' corresponding periods, which will mitigate any impact of changes in the economic and business environment.

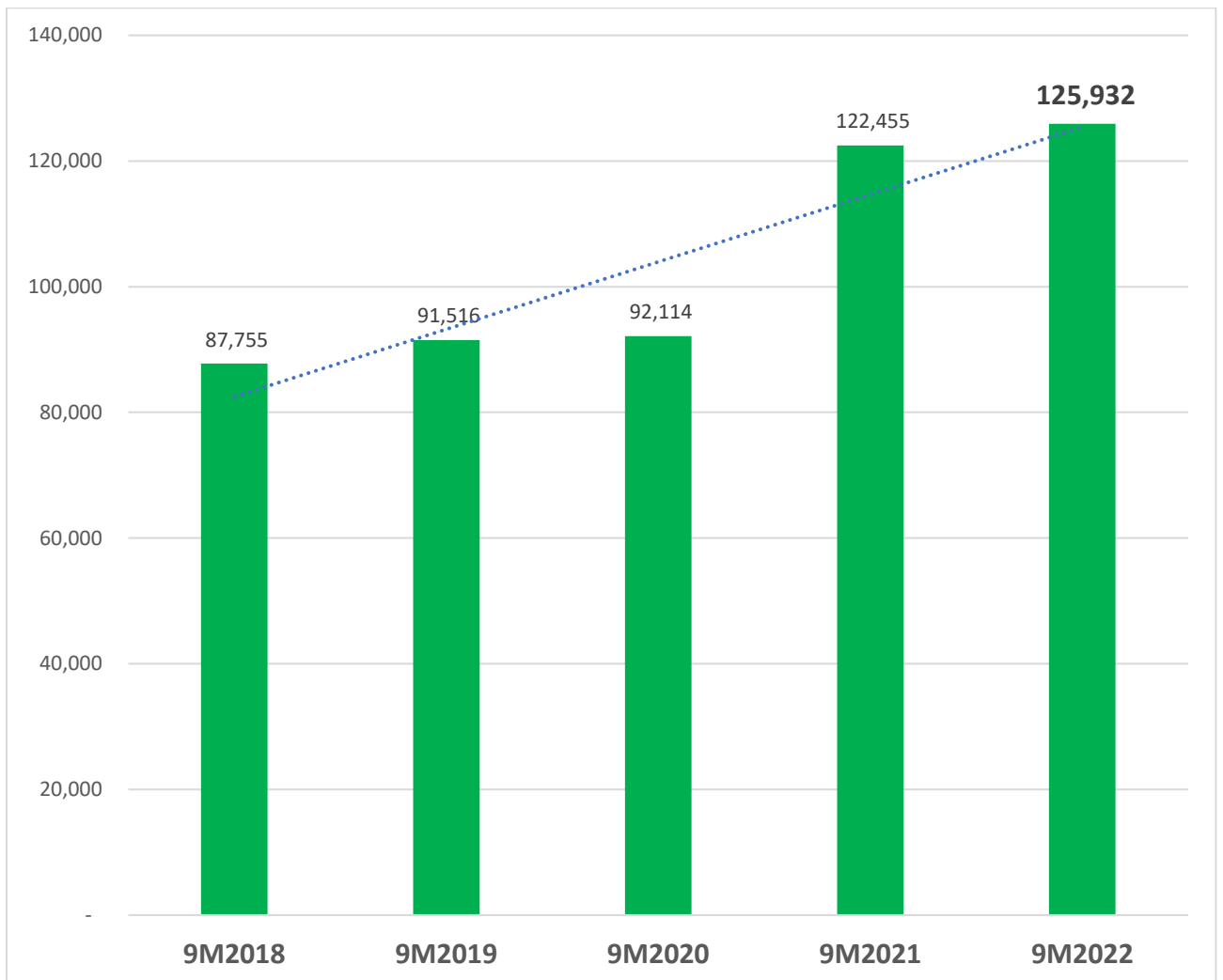
This reaffirms the resilience of Q&M's core healthcare operations.

Chart 1A: Comparison of 3Q trend in Core Healthcare Revenue (\$'000)



Core Healthcare Business Revenue shows steady uptrend for 3Q2022, 3Q2021, 3Q2020, 3Q2019 and 3Q2018

Chart 1B: Comparison of 9M trend in Core Healthcare Revenue (S\$'000)



9M Core Healthcare Revenue which is a longer term indicator reaffirms steady uptrend shown in 3Q numbers