



ASIA'S BEST HEALTHCARE NETWORK

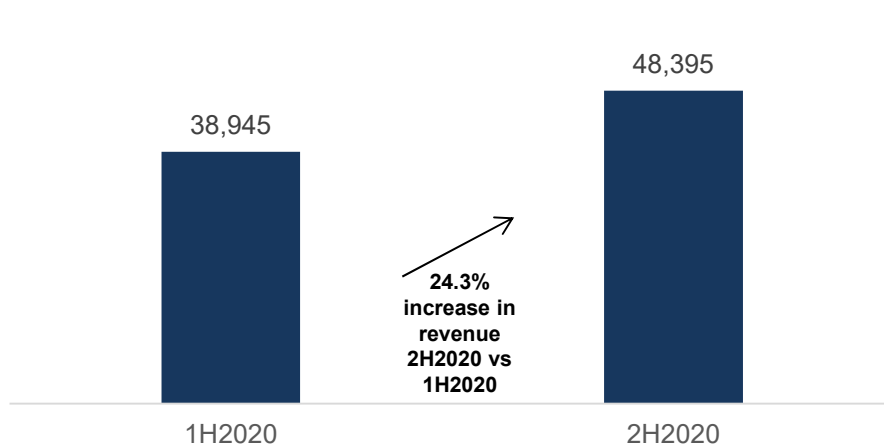
ANNUAL GENERAL MEETING
FY2020
26 APRIL 2021

Impact from COVID-19



1H2020		2H2020	
23 March - 7 April	<ul style="list-style-type: none"> Unable to accept foreign patients which contribute 15%-20% to Group revenue 	Increase in Demand	<ul style="list-style-type: none"> Aesthetics and plastic surgery related services post lockdown
7 April - 1 June (Circuit Breaker)	<ul style="list-style-type: none"> All non-essential medical services deferred Temporary closure of Aesthetics, Lasik and health screenings clinics Supported by property tax rebates and Job Support Scheme 		<ul style="list-style-type: none"> Health Screening services as patients became more health conscious amid the pandemic
2 June – 18 June (Phase 1)	<ul style="list-style-type: none"> Non-essential medical services continued to be deferred 		<ul style="list-style-type: none"> Lasik and Dental services continued to see strong demand as consumer discretionary spending continued to hold during the second half of the year
19 June Onwards (Phase 2)	<ul style="list-style-type: none"> Resumption of all medical services 		

Revenue (S\$'000)



Verticals which saw a surge in demand in 2H2020



The Dental Studio



- Aesthetics
- Health Screening
- Dental
- Lasik

Verticals which continue to be weighed by COVID-19 & lack of medical tourists in FY2020



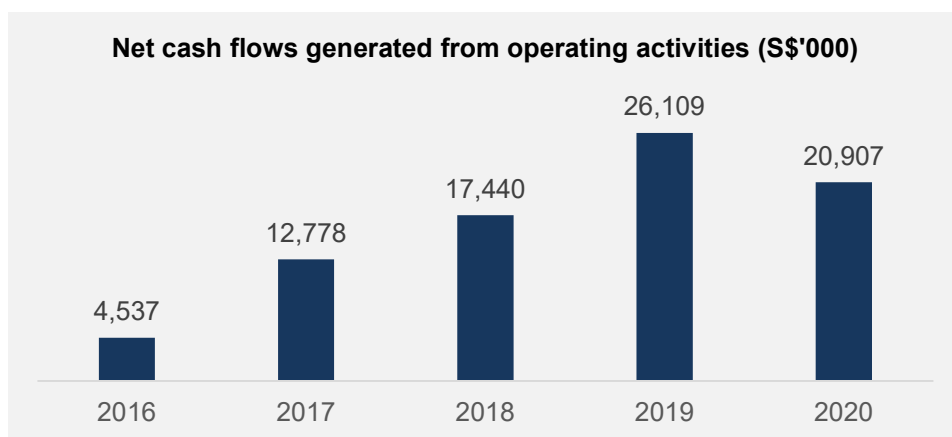
- Oncology
- Cardiology
- Paediatrics (gradual recovery as children returned to school)

FY2020 Financial Highlights



Financial Highlights (S\$'000)	FY2020	FY2019	Change (%)
Revenue	87,340	94,672	(7.7)
Gross Profit	38,040	43,241	(12.0)
Gross Profit Margin (%)	43.6	45.7	(2.1) pts
Profit Attributable to Owners of the Company	8,730	13,661	(36.1)
Net Profit Margin (%)	10.0	14.4	(4.4) pts
Earnings per Share – Basic (S\$ cents)	1.81	2.83	(36.0)

- ❖ Revenue declined 7.7% yoy to S\$87.3 million due to falling patient loads as a result of the deferment of non-essential medical services and temporary clinic closures during the Circuit Breaker period from April to June 2020 as well as the significant decline in medical tourism
- ❖ Received significant government support in the form of Job Support Scheme of approximately S\$2.6 million and rental assistance from the government and landlords of approximately S\$1.5 million. Without this support, the Group would have reported a significant drop in net profit of 64% compared to FY2019.
- ❖ Due to the impact from COVID-19, the Group recognised a non-cash impairment loss on goodwill amounting to S\$3.0 million as a result of the projected decline in earnings of the Paediatrics Business Unit



Dividend

- ❖ Backed by strong positive operating cash flows of S\$20.9 million for FY2020 (FY2019: S\$26.1 million), the Board has declared a prudent final dividend of 0.4 cents per share (FY2019: 0.4 cents per share) to reward shareholders

Strengthening Balance Sheet



S\$'000	As at 31.12.2019	As at 31.12.2020
Total Borrowings	22,220	9,790
Cash & Bank Balances	27,316	25,623
Total Capital	145,249	153,511
Gearing Ratio	15.3%	6.4%
Net Cash	5,096	15,833

Improved Net Cash Position & Gearing

- ❖ The Group maintained a healthy cash balance of S\$25.6 million as at 31 December 2020
- ❖ After accounting for total borrowings amounting to S\$9.8 million, the Group reported a net cash position of S\$15.8 million (31 Dec 2019: S\$5.1 million)
- ❖ Gearing ratio falls from 15.3% as at 31 December 2019 to 6.4% as at 31 December 2020

Well poised to invest and capture opportunities for growth in both local and overseas markets in FY2021

Corporate Developments – FY2020



Organic growth initiatives in Singapore

- ❖ New IVF doctor in 3Q2020
- ❖ New O&G doctor in 4Q2020
- ❖ New Women's Health clinic in the East
- ❖ New Paediatric clinic in the East
- ❖ New specialist vertical with the launch of SMG Endocrinology



Hub in the East at Tampines Grande housing our Paediatric, Women's Health and Endocrinology clinics

Organic growth initiatives Overseas

Vietnam

- ❖ Third Careplus medical centre opened in the prime District 1 of Ho Chi Minh City in 4Q2020



Careplus, three strategic locations in District 1, District 7 and Tan Binh District in Ho Chi Minh City

Indonesia

- ❖ Opened a second Ciputra SMG Eye Clinic in Surabaya, Indonesia at Ciputra World Surabaya in 3Q2020



Ciputra SMG Eye Clinic Surabaya, Indonesia

Australia

- ❖ CHA-SMG partnership continues to grow its fertility and women's health platform through its investment in CFC Global Pty Ltd which operates the City Fertility group of clinics



City Fertility Centre, Sydney CBD

Focus FY2021: Overseas Investments



Entity	Effective interest to the Group	FY2019 yoy Revenue Growth	FY2020 yoy Revenue Growth
Vietnam CityClinic Asia Investments Pte. Ltd.	26%	49%	16% (Despite Covid Impact)
Australia CHA SMG (Australia) Pte. Ltd	13%	6%	36% (Despite Covid Impact)
Indonesia PT Ciputra SMG	40%	47%	-12% (See Note Below)

Exporting Singapore's best healthcare practices and technology out into the region

Vietnam

- ❖ Careplus is recognised as an established ambulatory player in HCM City
- ❖ Looking to expand to other spoke locations in HCM & across Vietnam
- ❖ Exploring the possibility of increasing the Group's stake

Australia

- ❖ Achieved substantial growth in revenue and profitability despite the pandemic.
- ❖ Partnership between SMG, CHA Healthcare and City Fertility, one of Australia's largest IVF & fertility service groups with 8 IVF centres, 70 consulting rooms and 45 doctors across all major cities

Indonesia

- ❖ Successful launch of second eye centre and a return of pent up demand in 2H2020
- ❖ Exploring further collaborative opportunities with Ciputra Group, one of the largest and most diversified property developers in Indonesia

Notes:

*Impacted by COVID-19 closures on non-essential medical services in FY2020, strong pent up demand returned in 2H2020

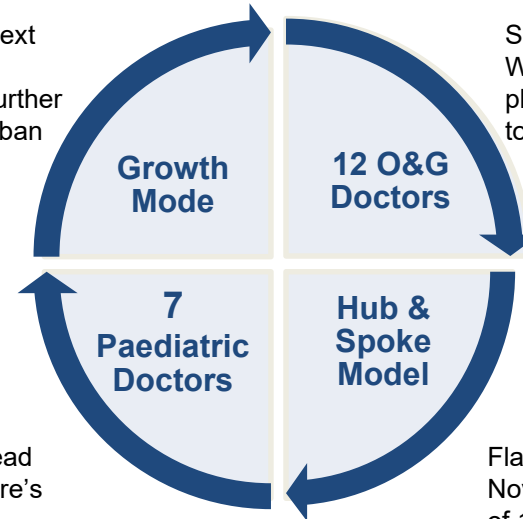
Focus FY2021: Organic Growth in Singapore



Women's & Children's Health Expansion

- ❖ Hiring of new O&G Specialists
- ❖ Hiring of new Paediatricians
- ❖ Opening of new clinics to further strengthen the Group's hub & spoke model

Grooming the next generation of specialists for further growth in suburban sites



SMG is the largest Women's & Children's player in the private sector today

7 locations spread across Singapore's heartlands

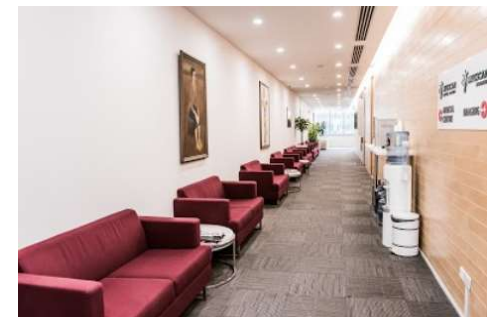
Flagship at Mount Elizabeth Novena along with a network of 14 specialist clinics which extend across the heartlands

Planned Capacity Expansion of the Diagnostics business

- ❖ The Group's Diagnostic Imaging centres are operating at near full capacity today across 12,000 square feet in Paragon and Novena under the Lifescan brand
- ❖ Placing a new MRI machine in Novena to meet demand, effectively increasing MRI capacity by more than 20% starting May 2021



New MRI machine to be added at Novena, increasing MRI capacity by more than 20% across the Group



Increasing capacity at Paragon with renovations planned in FY2021

Responses to Shareholder Queries – FY2020 AGM



1. Could the management highlight to shareholders on the opportunities to expand into region in light of political instability and the impact from COVID-19 since last year?

The COVID-19 pandemic has slowed progress on regional expansion opportunities, particularly in relation to furthering inorganic growth as the due diligence process remains challenging amid the uncertainty of the pandemic and the inability to travel.

However, the Group continues to work with local teams across the Group's overseas entities to capture growth opportunities as and when they arise. This was evident in FY2020 with the opening of the Group's third medical centre in the prime District 1 of Ho Chi Minh City, Vietnam and a second Ciputra SMG Eye Clinic in Surabaya, Indonesia.

2. With a healthy cash balance on hand, are there any plans to take on debt for horizontal expansion and acquisition of distressed assets from other companies?

The Group continues to explore earnings accretive acquisition in both key and complementary verticals in Singapore and the region. Depending on the size of the potential transaction, the Group may consider a mixture of debt and equity financing.

Note:

To find more questions and answers on the Group's FY2020 Annual Report, shareholders can refer to the SGXNET announcement titled, *Responses to SIAS' Questions on Singapore Medical Group's Annual Report FY2020*, dated 23 April 2021 at the following [link](#).

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