UGHEALTHCARE CORPORATION

(Incorporated in Singapore with Unique Entity No.: 201424579Z)
website: www.ughealthcarecorporation.com
SGX stock code: 8K7

UG Healthcare registers 46% revenue growth in 1H FY25 and improves gross margin to 26% through its integrated OBM business model amid global recovery

- Gross profit more than doubled to S$18.8 million as the Group collaborated with cost-effective product manufacturers and enriched its product portfolio of hand protection solutions and ancillary products by leveraging its proprietary **UNI**GLOVES® brand and robust downstream distribution network

- The Group intends to enhance its proprietary **UNI**GLOVES® brand position and optimises its integrated OBM business model to achieve economies of scale and sustainable long-term growth

KEY FINANCIAL HIGHLIGHTS:

FYE 30 Jun (S$'000)	1H FY25	1H FY24	YoY Change	FY24
Revenue	72,665	49,697	+ 46.2%	115,205
Gross profit	18,827	8,115	> 100.0%	25,866
Gross margin	25.9%	16.3%	+ 9.6 pp	22.5%
Loss before tax	(1,247)	(6,157)	(79.7)%	(9,089)
Net loss after tax	(2,083)	(6,012)	(65.4)%	(8,781)
Net loss (1)	(936)	(4,979)	(81.2)%	(6,056)
Net margin	(1.3)%	(10.0)%	+ 8.7 pp	(5.3)%
LPS (2) (cents)	(0.15)	(0.80)	(81.3)%	(0.97)

Notes:

* 1H denotes 6 months and FY denotes 12 months ended 30 June; pp denotes percentage points.

(1) Net loss attributable to owners of the Company.

(2) Loss per share ("**LPS**") was computed based on the average weighted number of shares of 623.8 million for 1H FY25, 1H FY24, and FY24.

SINGAPORE, 14 February 2025 – SGX Catalist-listed **UG Healthcare Corporation Limited 优格医疗集团** ("**UG Healthcare**" and together with its subsidiaries, the "**Group**"), an own brand manufacturer that markets and sells proprietary **UNI**GLOVES® branded products through its own established global downstream distribution network, reduced its net loss by 81.2% year-on-year from S$5.0 million in 1H FY24 to S$0.9 million in 1H FY25, reflecting the global recovery trend as market demand and supply continue to converge. The financial improvement was on the back of higher sales volume and the increase in the average selling price ("**ASP**") of an enriched product portfolio of disposable examination gloves and ancillary products, as well as an expanded downstream distribution network.

Commenting on the financial performance, Mr. Lee Jun Yih, Executive Director and Finance Director of UG Healthcare, said, "**The strategic expansion of our downstream distribution network, particularly in Germany and Spain, and now the USA, has been both timely and favourable. In addition to broadening our geographical footprint, these acquisitions enabled us to generate sales immediately by offering a broader selection of products under our proprietary UNIGLOVES® brand and leveraging established platforms, including local warehousing and logistics infrastructure, to a broader customer base.**

We believe our proprietary UNIGLOVES® brand and entrenched downstream distribution provide us with the opportunity to collaborate with cost-effective product manufacturers in order **to enrich our product portfolio. Our progress towards sustainable long-term growth and economies of scale will be facilitated by our endeavours to optimise our integrated own brand manufacturing ("OBM") business model and enhance our proprietary UNIGLOVES® brand position.**"

RECENT DEVELOPMENTS

The Group, through its wholly-owned subsidiary, Unigloves (Singapore) Pte Ltd, as announced on 23 January 2025, increased its equity interest from 50.0% to 75.0% in UG Healthcare (USA), and this associated company is reclassified as an indirect 75%-owned subsidiary. The Group made this acquisition to strengthen its downstream distribution network in the North American market.

The planning and joint development, management, and operation of the active retirement homes in Desaru, Malaysia, are currently underway and will require time to make material progress, given its nature as a property development. Hence, the Group will provide an update on the material progress in due course.

Mr. Lee adds, "**While we continue to strengthen the fundamentals of our gloves and healthcare-related business through our OBM business model, we will also work concurrently to develop our non-glove healthcare- related business, particularly the Active Retirement Home Project, to pave the way for sustainable long-term growth of the Group. We appreciate our stakeholders' support and patience, as it is our Group's business ethos to pursue and develop business opportunities in a prudent manner.**"

FINANCIAL REVIEW

As global demand and supply for disposable gloves continued to normalise, the Group saw an increase in sales volume. This, together with an increase in the average selling price of disposable examination gloves and ancillary products, resulted in the Group's revenue growth of 46.2% year-on-year from S$49.7 million in 1H FY24 to S$72.7 million in 1H FY25.

REVENUE ANALYSIS BY PRODUCT SEGMENTS

FYE 30 Jun (S$'000)	Revenue			Gross Profit			Gross Margin	
	1H FY25	1H FY24	YoY Change	1H FY25	1H FY24	YoY Change	1H FY25	1H FY24
Latex examination gloves	29,244	28,851	+ 1.4%	8,312	4,928	+ 68.7%	28.4%	17.1%
Nitrile examination gloves	35,280	16,483	> 100.0%	8,959	2,745	> 100.0%	25.4%	16.7%
Other ancillary products	8,141	4,363	+ 86.6%	1,556	442	> 100.0%	19.1%	10.1%
Group total	**72,665**	**49,697**	**+ 46.2%**	**18,827**	**8,115**	**> 100.0%**	**25.9%**	**16.3%**

Nitrile disposable examination gloves and ancillary products, which are focused on infection control, hygiene and care, dental, and wound care, saw a significant increase in revenue in 1H FY25, while latex disposable examination gloves recorded a modest growth.

The increase in sales volume was attributable to the strategic downstream distribution expansion in Germany and Spain in the fourth quarter of FY24. Except for South America, all key markets, especially Europe and North America, recorded commendable revenue growth.

REVENUE ANALYSIS BY KEY MARKETS

FYE 30 June (S$'000)	1H FY25	1H FY24	YoY Change (%)
Europe	45,333	22,062	> 100.0
North America	4,289	1,681	> 100.0
South America	6,139	13,731	(55.3)
Africa	4,167	3,015	+ 38.2
Asia	11,684	8,289	+ 41.0
Others	1,053	919	+ 14.6
Group total	**72,665**	**49,697**	**+ 46.2%**

Note: As a result of the integrated supply chain, the Group recognises sales only after the products have been sold by the distribution companies. The goods in transit and in the warehouses of its distribution companies are recorded as inventory, and can only be recognised as revenue when they are sold to end consumers.

The Group collaborated with cost-effective product manufacturers and enriched its product portfolio of hand protection solutions and ancillary products by leveraging its proprietary **UNI**GLOVES® brand and robust downstream distribution. This contributed to the Group's composite gross margin increasing from 16.3% in 1H FY24 to 25.9% in 1H FY25. Additionally, gross profit more than doubled from S$8.1 million in 1H FY24 to S$18.8 million in 1H FY25.

The decline in other income by 30.2% year-on-year from S$1.2 million in 1H FY24 to S$0.8 million in 1H FY25 was due to the reduced interest income earned from fixed deposits with the banks, which coincided with the decrease in the interest rate environment.

Other expenses increased from S$0.6 million in 1H FY24 to S$1.9 million in 1H FY25 due to higher foreign exchange losses arising from currency volatility during the period under review.

Total operating expenses, comprising marketing and distribution expenses and administrative expenses, increased by 26.3% year-on-year from S$14.2 million in 1H FY24 to S$17.9 million in 1H FY25. The increase was mainly driven by higher marketing expenses that corresponded with the recovery trend, as well as higher administrative expenses as a result of the Group's downstream distribution network expansion.

Finance costs increased by 86.9% year-on-year from S$0.6 million in 1H FY24 to S$1.0 million in 1H FY25, due to an increase in interest expense from the loan to acquire the equity interest of Unigloves Germany in FY24.

Following the acquisition of UG Nitrex S. L. in June 2024, the share of results from the joint venture generated a maiden profit of S$21,000. Share of results from associates saw a slight increase in losses reported by the USA associates, from S$82,000 in 1H FY24 to S$84,000 in 1H FY25.

The Group's net loss attributable to shareholders decreased from S$5.0 million in 1H FY24 to S$0.9 million in 1H FY25 after accounting for tax expenses and minority interests.

FINANCIAL POSITION ANALYSIS

FYE 30 Jun (S$'000)	As at 31 Dec 2024	As at 30 June 2024
Equity attributable to the owners of the Company ("**Net asset value**")	163,472	163,393
Cash and bank balances	22,217	27,998
Long-term bank borrowings	23,989	24,927
Short-term bank borrowings	19,895	17,907
Net asset value per share	S$0.2620	S$0.2619

Note: Net asset value per share was computed based on the share capital of 623.8 million shares as at 31 December 2024 and 30 June 2024.

The Group remains fundamentally sound while maintaining a net debt position of S$21.7 million as at 31 December 2024, up from a net debt position of S$14.8 million as at 30 June 2024. The increase in borrowings was mainly due to a long-term loan to facilitate the acquisition of Unigloves Germany. The net asset value increased marginally from S$163.4 million as at 30 June 2024 to S$163.5 million as at 31 December 2024 on the back of the Group's improving financial performance. Correspondingly, the net asset value per share increased from S$0.2619 as at 30 June 2024 to S$0.2620 as at 31 December 2024.

The Company will update shareholders on material developments of the Group, as and when they arise.

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This media release is to be read in conjunction with the Company's results announcement posted on the SGX website on 14 February 2025.

UG HEALTHCARE CORPORATION 优格医疗集团

(Stock Code – SGX: **8K7** | Bloomberg: **UGHC SP** | Reuters: **UGHE.SI**)

UG Healthcare Corporation Limited ("**UG Healthcare**" and together with its subsidiaries, the "**Group**") is an own brand manufacturer that markets and sells proprietary **UNI**GLOVES® branded products through its own established global downstream distribution network.

The Group owns and operates an extensive downstream network of distribution companies with a local presence in Europe, United Kingdom, USA, China, Africa, North America, and South America, where it primarily markets and sells its proprietary **UNI**GLOVES® range of disposable examination gloves and ancillary products. These disposable and reusable hand protection products are used across a diverse range of industries that require safety and cross-infection protection and high hygiene standards, as well as catering to different applications and preferences. The Group additionally enriches its product offerings with ancillary products comprising reusable gloves for users in the heavy industries, surgical, vinyl, and cleanroom disposable gloves, as well as non-glove hygiene and healthcare ancillary products, which are focused on infection control, hygiene and care, dental, and wound care.

The downstream distribution division is supported and complemented by the Group's own upstream manufacturing division, manufacturing natural latex and nitrile disposable gloves under its **UNI**GLOVES® brand and third-party labels in its upstream manufacturing facilities located in Malaysia. The Group's upstream manufacturing is certified by the British Standards Institution for ISO 9001:2015, ISO 13485:2016 and EN ISO 13485:2016 for the scope of manufacture and supply of natural latex and nitrile latex examination gloves. The Group's proprietary brand of products conforms to various international standards and requirements.

The Group has also strategically diversified into non-glove healthcare related businesses, including the joint development, management, and operation of active retirement homes in Malaysia.

For more information, please visit the company's website at www.ughealthcarecorporation.com

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*This media release has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").*

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