



Media Release

Cordlife on Target to Achieve Full-Year Net Profit in FY2018

- ***Result brings earnings for first 15 months of current financial year to S\$3.7m vs net loss of S\$2.0m for previous corresponding period***
- ***Strong balance sheet with S\$42.9m in cash and cash equivalents, fixed deposits and short-term investments; gearing at 4.5%***

S\$'000	Quarter Ended 30 Sept 2018	Quarter Ended 30 Sept 2017	Change (%)	15 Months Ended 30 Sept 2018	15 Months Ended 30 Sept 2017	Change (%)
Revenue	16,871	16,589	1.7	85,180	76,551	11.3
Gross Profit	11,121	11,012	1.0	56,883	49,838	14.1
Pre-tax Operating Profit	729	925	(21.2)	4,960	3,102	59.9
Net Profit/(Loss) Attributable to Shareholders	476	649	(26.7)	3,748	(1,923)	N.M.

N.M. – Not Meaningful

Note: The financial information in the table above and in this press release is based on the fifteen months unaudited financial statements for the period ended 30 September 2018.

SINGAPORE, 12 November 2018 – Cordlife Group Limited (“**Cordlife**” and together with its subsidiaries, the “**Group**”) has announced a net profit of S\$3.7 million for the 15 months ended 30 September 2018, reversing a loss of S\$2.0 million for the same period a year earlier.

The private cord blood bank’s current financial year spans 18 months, from 1 July 2017 to 31 December 2018 (“**FY2018**”), following a change in its financial year-end from 30 June to 31 December. Financial years commencing after FY2018 will begin on 1 January.

The turnaround in the Group’s bottom line for the first 15 months of FY2018 came on the back of higher revenue, which lifted its pre-tax operating profit, as well as an absence of non-operating expenses related to a set of fixed-rate notes issued in 2014 and fully redeemed in December 2016.

Revenue rose by 11.3% from the 15 months ended 30 September 2017 to S\$85.2 million as newborn deliveries in Singapore, India and the Philippines increased. Total newborn deliveries across all the markets the Group operates in increased to 31,900 for the first 15



months of FY2018 from 31,800 for the 15 months ended 30 September 2017. Lower discounts in India and higher selling prices in the Philippines also contributed to revenue growth. The Group also recognised nine months of revenue from Healthbaby Biotech (Hong Kong) Co., Limited (“**Healthbaby**”), which it acquired in January 2018.

For the quarter ended 30 September 2018, total revenue edged up 1.7% to S\$16.9 million from the same period last year, aided by contributions from Healthbaby. Net profit attributable to shareholders came in at S\$476,000 compared with S\$649,000 for the same period last year.

Various initiatives put into practice by the Group over the past few quarters are expected to underpin future growth, even as it continues to pursue acquisition opportunities as part of efforts to drive profitability, according to Mr Michael Weiss, Group CEO and Executive Director of Cordlife.

“We have had some success in raising selling prices in a number of markets, such as the Philippines. We have also further streamlined operations to optimise productivity and costs. In Hong Kong, for example, we now have a joint procurement system for our two brands – Cordlife Hong Kong and Healthbaby – and staff from both companies are now housed in one office instead of two. Our entire Hong Kong workforce has also been rightsized following the Healthbaby acquisition,” said Mr Weiss.

Cordlife expects to fund any acquisition or investment using internal resources and/or debt. As at 30 September 2018, the Group had S\$42.9 million in cash and cash equivalents, fixed deposits and short-term investments in money market funds. Total debt as a percentage of equity was 4.5%.

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About Cordlife Group Limited



(Bloomberg: CLGL; Reuters: CORD.SI)

Incorporated in 2001, Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”) is a consumer healthcare company and one of the leading providers of cord blood as well as cord lining banking services in Asia. Cordlife has been listed on the Mainboard of Singapore Exchange (SGX: P8A) since March 2012.

Cordlife owns the largest network of cord blood banks in Asia with full stem cell processing and storage facilities in six key markets, namely Singapore, Hong Kong, Indonesia, India, Malaysia and the Philippines. In Singapore, the Philippines and Indonesia, Cordlife operates the largest private cord blood banks. It is amongst the top three market leaders in India and Malaysia. In January 2018, Cordlife became the market leader in Hong Kong with the acquisition of the largest private cord blood bank there, Healthbaby Biotech (Hong Kong) Co., Limited. Through its majority owned subsidiary, Stemlife Berhad in Malaysia, Cordlife controls an indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. Cordlife is also the first Singapore private cord blood bank to provide cord blood and cord lining banking services in Myanmar and Vietnam.

Beyond cord blood and cord lining banking, Cordlife offers a comprehensive suite of diagnostics services for the mother and child segment including urine-based newborn metabolic screening, non-invasive prenatal testing, paediatric vision screening and other genetic screening services.

The Group’s stem cell processing and storage facilities in Singapore, Hong Kong, India and the Philippines are accredited by AABB (formerly known as the American Association of Blood Banks), the organisation behind the world's gold standard for cord blood banking. Cordlife Singapore is also accredited by FACT-Netcord, another world-class accreditation body for cord blood banks globally, co-founded by the American Society of Blood and Marrow Transplantation and the International Society for Cellular Therapy. This makes Cordlife Singapore one of just six private cord blood banks in the world to be accredited by both AABB and FACT-Netcord simultaneously. The Group's majority-owned Hong Kong Screening Centre and Cordlife India also attained accreditation from the College of American Pathologists for meeting the highest industry standards for laboratory services. These quality achievements underpin the Group’s commitment to providing the highest service quality for clients. For more information, visit <http://cordlife.listedcompany.com>