



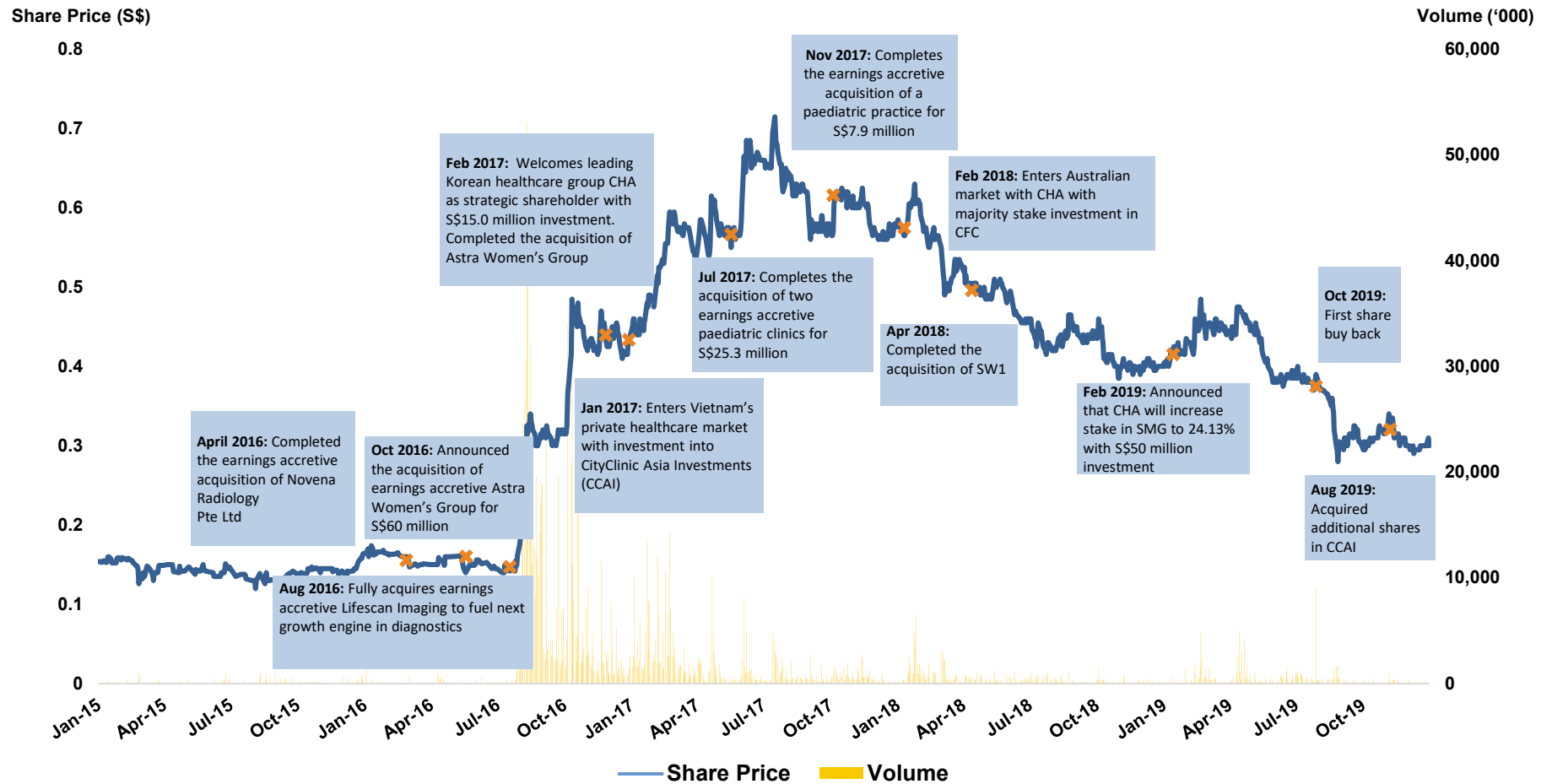
SPECIALIST & PRIMARY
HEALTHCARE PROVIDER

**FY2019 Corporate
Presentation
24 February 2020**

Five-year Overview



Share Price Performance & Significant Events



Source: Bloomberg, Company Filings

Where We Are in the Region Today



- ❖ Established Network that spans the entire pacific rim region – North Asia, SEA, The US and Australia
- ❖ Partnership with CHA through a S\$15 million share placement in 2017; CHA increased its stake in SMG to 24.13% through S\$50 million investment in 2019
- ❖ Strategic partnerships and investments to reap cross-border synergies; tapping on the expertise of both CHA and CFC will help to accelerate our growth whereby we have identified Vietnam as the natural target for progression in the region

Vietnam

- ❖ Executing growth initiatives at the Group's two 15,000 sqft clinics in HCM
- ❖ Paediatric team of six to spearhead growth initiatives at our clinic in Careplus Vietnam
- ❖ Strategic location of CarePlus Vietnam – less than 1.0km away from an industrial park and just 2.6km away from the CBD of Ho Chi Minh, Vietnam

Indonesia

- ❖ JV eye centre with PT Ciputra SMG since 2014
- ❖ One of the largest and most diversified property developers in Indonesia
- ❖ Profitable

Australia

- ❖ Investment in Australia's fourth largest IVF clinic group, with seven IVF centres and nearly 50 doctors in major cities nationwide
- ❖ SMG's 20% investment into the Consortium to drive expansion of SMG's Pacific region footprint and generate significant synergies with its existing specialist practices

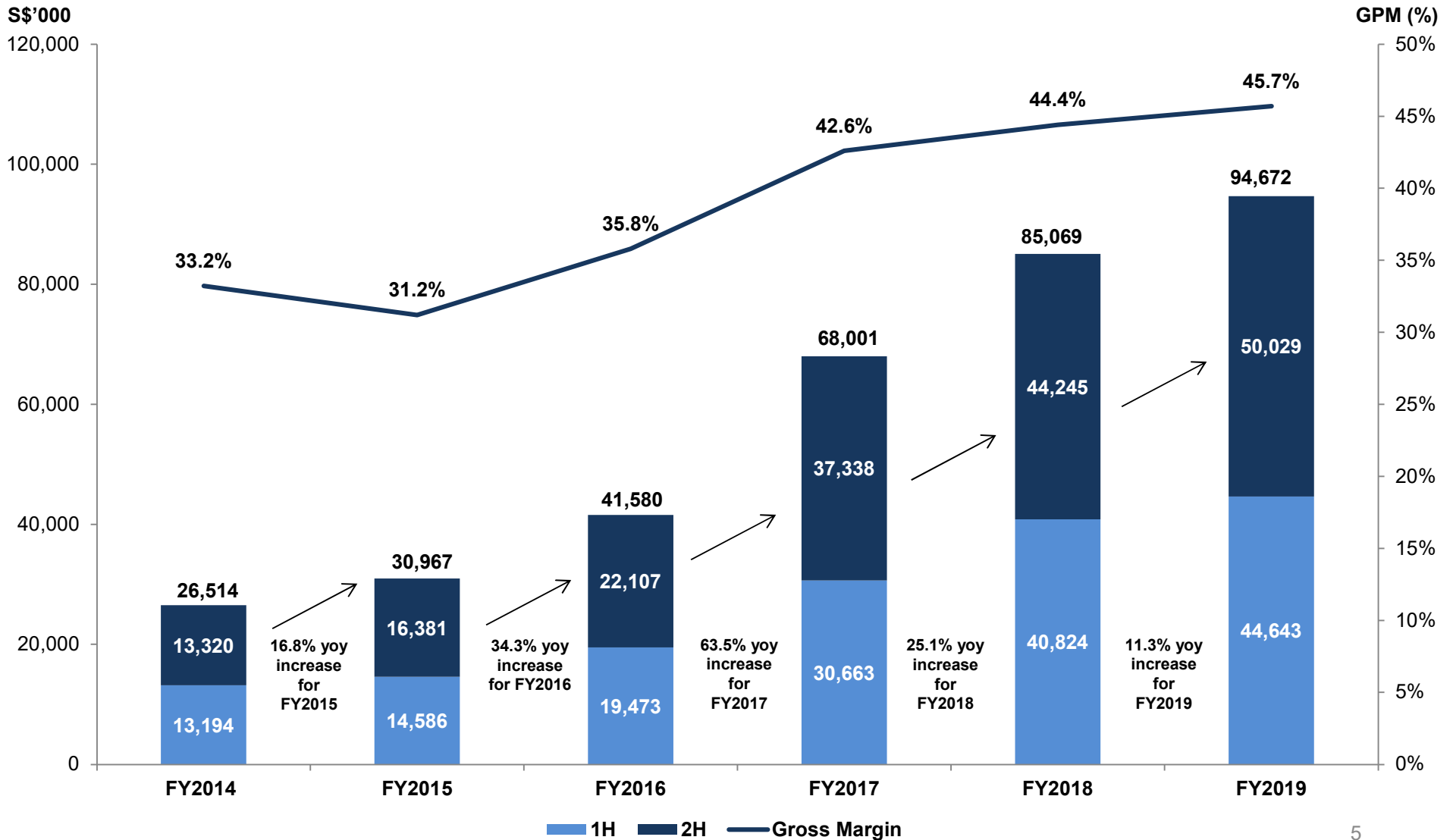
Exporting Singapore's best healthcare practices and technology out into the region



Revenue & GPM Expansion (2014 – 2019)



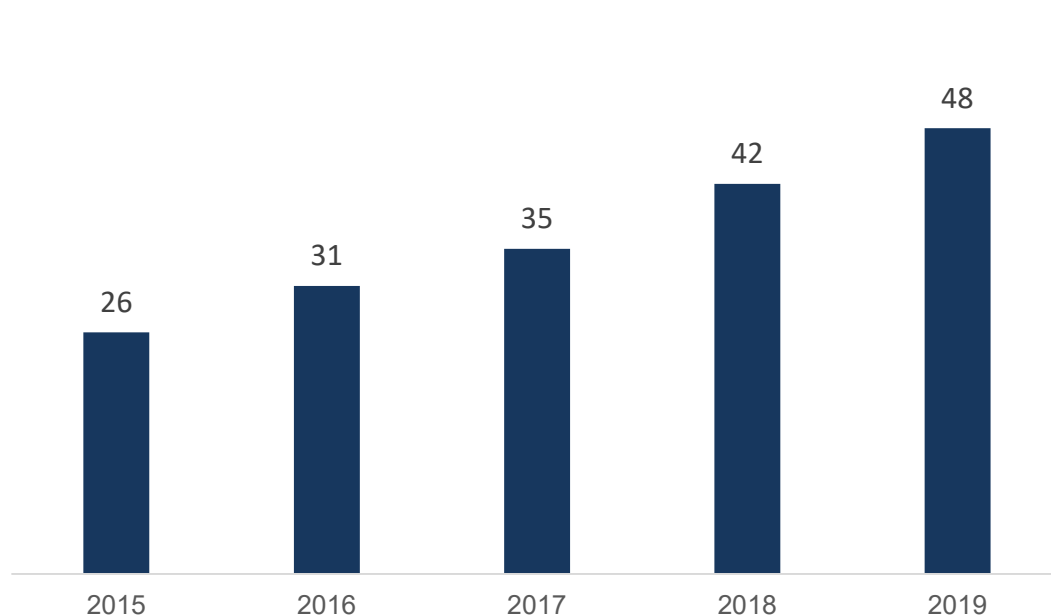
Consistent revenue growth and margin expansion for five consecutive years



Growth in Specialists Across the Group



Number of Specialists at SMG



Breakdown of Specialists at SMG

Segment	Number of Specialists
O&G	11
Paeds	7
Oncology	2
Others*	28

*Including Breast Health, Aesthetic Medicine & Plastic Surgery, Age & Wellness Management, Cardiology, Dentistry, Radiology and Urology

Number of specialists amongst SGX-Listed Peers

HC Surgical ¹	SOG ²	Talkmed ³	Asian Healthcare Specialists ⁴
6	15	16	13

Sources

- (1) Company Website: <http://www.hcsurgicalspecialists.com/en/our-specialist-surgeons-and-general-practitioners/specialist-surgeons>
- (2) Company Presentation: <https://links.sgx.com/FileOpen/SOG%20-%20Q4%202019%20Results%20Presentation%2019.02.2020.ashx?App=Announcement&FileID=597057>
- (3) Annual Report 2018: <https://links.sgx.com/FileOpen/TGL%20-%20Annual%20Report%202018.ashx?App=Announcement&FileID=551239>
- (4) Press Release: https://links.sgx.com/FileOpen/AHS_Press%20Release%20on%20Completion%20of%20Acquisition_19Feb2020.ashx?App=Announcement&FileID=597002

**FY2019 Financial Performance,
Maiden Final Dividend,
New Dividend Policy**

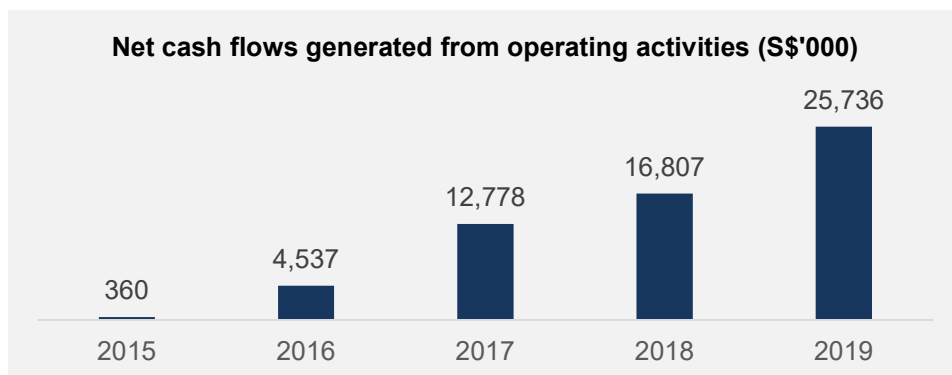


FY2019 Financial Highlights



Financial Highlights (S\$'000)	4Q2018	4Q2019	Change (%)	FY2018	FY2019	Change (%)
Revenue	22,193	25,856	16.5	85,069	94,672	11.3
Gross Profit	9,630	11,490	19.3	37,795	43,241	14.4
Gross Profit Margin (%)	43.4	44.4	1.0 pts	44.4	45.7	1.3 pts
Profit Attributable to Owners of the Company	2,944	3,683	25.1	12,928	13,661	5.7
Net Profit Margin (%)	13.3	14.2	0.9 pts	15.2	14.4	(0.8) pts
Earnings per Share – Basic (S\$ cents)	0.61	0.76	24.6	2.74	2.83	3.3

- ❖ Revenue rises 11.3% yoy to a record S\$94.7 million driven by growth across all business segments
- ❖ GPM expands 1.3 percentage points to 45.7% fueled by a change in sales mix within the Health and Diagnostic & Aesthetics segments



Maiden Final Dividend & New Dividend Policy

- ❖ Backed by strong positive operating cash flows of S\$25.7 million for FY2019 (FY2018: S\$16.8 million), the Board declares a maiden final dividend of 0.8 cents per share to reward shareholders
- ❖ Announces a formal dividend policy to declare dividends of not less than 20% of the Group's core earnings excluding the share of results of joint ventures and associates in any financial year

Strengthening Balance Sheet



S\$'000	As at 31.12.2016	As at 31.12.2017	As at 31.12.2018	As at 31.12.2019
Total borrowings	3,563	11,482	17,923	22,220
Cash & bank balances	7,824	21,326	20,012	27,316
Total capital	23,287	108,283	130,328	145,249
Debt to Equity Ratio	15.3%	10.6%	13.8%	15.3%
Net Cash	4,261	9,844	2,089	5,096

- ❖ Balance sheet strengthens on the back of strong positive operating cash flows of S\$25.7 million for FY2019 (FY2018: S\$16.8 million)
- ❖ Cash position increases to S\$27.3 million as at 31 Dec 2019 (31 Dec 2018: S\$20.0 million)
- ❖ Debt/Equity ration remains healthy at 15.3%
- ❖ Net cash position of S\$5.1 million provides the impetus to pursue inorganic growth opportunities across the region

FY2019 Growth Initiatives



Organic growth initiatives in Singapore

- ❖ Opened new paediatrics clinic in Punggol (Jan 2019)
- ❖ Opened new O&G clinic in Punggol (Jan 2019)
- ❖ Opened new breast clinic (May 2019)
- ❖ Opened second SW1 aesthetics clinic at OUE Downtown Gallery (Jan 2019)
- ❖ Launched telehealth platform HiDoc providing first of its kind telehealth and video conferencing services, strategic backing by DBS

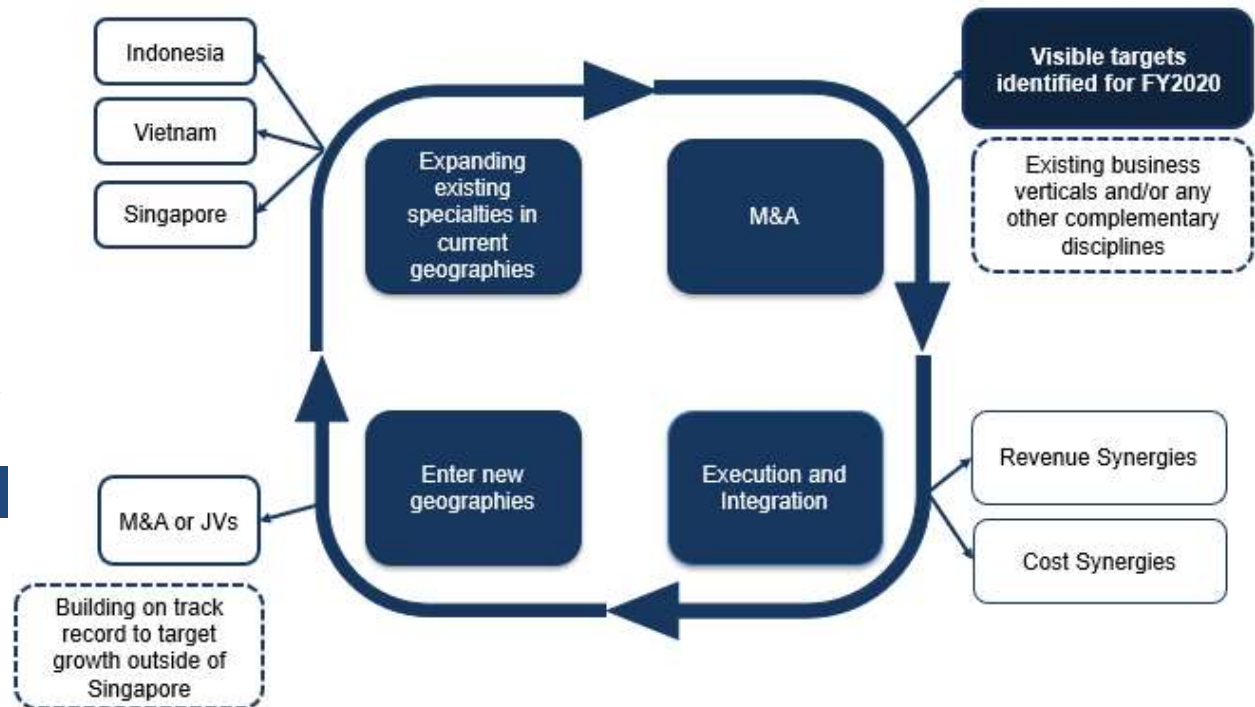
Hiring specialists in key verticals

- ❖ Added a new breast surgeon (2Q2019)
- ❖ Added a new paediatrician (3Q2019)
- ❖ Added a new radiologist (3Q2019)
- ❖ Added a new gynaecologist (4Q2019)
- ❖ Added two new paediatricians (4Q2019)

Organic growth initiatives overseas

- ❖ Opened SW1 Vietnam (April 2019), a new 4,000 sq feet aesthetics centre in Ho Chi Minh City

Growth Strategies – Organic & Inorganic



Peer Comparisons¹



SMG today is severely undervalued across all valuation metrics despite demonstrating consistent growth over the past five years

Company	Market Cap (S\$ mn)	P/E	Forward P/E	P/B	EV/EBITDA	Div Yld (%)
Raffles Medical Group	1,846.2	28.7	30.6	2.2	17.8	2.5
Thomson Medical Group	1,560.0	2,269.2	Not Rated	2.7	39.4	0.4
Q&M Dental Group	361.4	26.7	Not Rated	3.1	-	1.8
ISEC Healthcare	186.0	25.2	Not Rated	3.1	13.6	5.8
Singapore O&G	124.0	Loss Making for FY2019	Not Rated	3.4	8.2	5.8
Talkmed Group	683.7	19.1	17.3	8.2	13.4	4.0
HC Surgical Specialists	78.0	10.7	Not Rated	3.8	8.0	4.9
Asian Healthcare Specialists	68.6	23.3	16.2	2.9	18.9	8.6
SMG	164.2	12.6	11.0	1.2	9.1	2.4
Average	563.6	301.9	18.8	3.4	16.0	4.0
Median	186.0	24.3	16.7	3.1	13.5	4.0

(1) Source: Bloomberg, 22 February 2020



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