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Singapore Medical Group reports S\$3.3 million net profit for 1Q2019

- Revenue rises 12.3% yoy to S\$21.6 million driven by growth in the Diagnostics & Aesthetics segment
- Aggressive organic expansion initiatives in key growth verticals such as O&G and Paediatrics are underway as the Group targets to onboard a total of 10 to 12 specialists over the course of FY2019
- CHA-SMG partnership continues to pursue inorganic growth opportunities with near-term projects in Vietnam and other key Asian markets in the pipeline

Singapore, 9 May 2019 – SGX-listed Singapore Medical Group (“SMG” or “the Group”), a multi-disciplinary specialist healthcare services provider with a growing regional network of healthcare facilities has announced its financial results for the first quarter ended 31 March 2019.

Financial Highlights (S\$'000)	1Q2019	1Q2018	Change
Revenue	21,589	19,229	12.3%
Gross Profit	10,012	8,917	12.3%
Gross Profit Margin (%)	46.4	46.4	n.m.
Profit Before Tax	3,796	3,761	0.9%
Profit Attributable to Owners of the Company	3,318	3,421	(3.0)%
Net Profit Margin (%)	15.4	17.8	(2.4) pts
Earnings per Share – Basic (S\$ cents)	0.69	0.74	(6.8)%

The Group’s revenue increased 12.3% year-on-year (“yoy”) to S\$21.6 million for 1Q2019. This growth in topline was driven primarily from SW1, Singapore’s largest aesthetic, plastic surgery and medical spa establishment which the Group acquired in April 2018.

Following an internal strategic review, SMG had closed its Orthopaedics practice which had been in direct competition with the Group’s imaging business. While the Group reported increases in revenue across key specialist verticals such as Obstetrics and Gynaecology (“O&G”) and Paediatrics, this growth was offset by the absence of contribution from the Group’s Orthopaedics practice.

In line with the increase in revenue, gross profit increased 12.3% yoy to S\$10.0 million. Correspondingly, gross profit margin remained stable at 46.4%.

In tandem with the Group’s growth initiatives, an increase in marketing efforts led to a 22.2% yoy rise in distribution and selling expenses to S\$0.9 million. Similarly, administrative expenses increased 15.6% yoy to S\$4.9 million due to an increase in staff costs as the Group grew its network of clinics.

Accordingly, the Group’s profit before tax increased 0.9% yoy to S\$3.8 million. After taking into account tax expenses which increased 106.6% yoy due to lower tax exemptions and lesser carried forward tax benefits, SMG reported a marginal 3.0% yoy decline in net profit attributable to owners of the Company amounting to S\$3.3 million for 1Q2019.

The Group’s robust core business operations continued to generate strong positive operating cash flows.

Commenting on the Group's 1Q2019 performance, Executive Director and CEO Dr. Beng Teck Liang said, *"Today, we are focused on driving aggressive organic growth strategies in key specialist verticals. In 1Q2019, we opened a new O&G and Paediatrics clinic in Punggol and our second SW1 Clinic in downtown Singapore. This was followed closely by the establishment of our new breast care clinic in May 2019 as we welcomed a new breast specialist to the Group.*

We expect this momentum to continue into the remainder of the year as we plan to hire two to three more O&G specialists, two to three more Paediatricians and one additional radiologist. We are also looking to hire specialists in other key complementary verticals. Overall, we target to onboard 10 to 12 additional specialists in FY2019. With additional scale and continued improvements to operational efficiency, these organic growth efforts will translate positively to the Group's performance in the medium term.

The implementation of our various growth strategies in Vietnam, Indonesia and Australia continue to gain traction as we continue to strengthen our positioning as a pan-Asian healthcare player. In partnership with our strategic partner, CHA Healthcare Singapore Pte Ltd, we are also looking at inorganic growth opportunities and new avenues for growth in other key Asian markets."

– The End –

About Singapore Medical Group Limited

Incorporated in 2005 and listed on the Singapore Exchange Securities Trading Limited (SGX) since 2009, Singapore Medical Group (SMG) is a private specialist healthcare provider with a comprehensive range of multidisciplinary specialties and an extensive network of Specialist and Associate doctors situated across clinics in Singapore. The Group is committed to its promise of providing patient centred medical care and experience to every individual.

SMG's practices are strategically and conveniently located at Paragon Medical Centre, Mount Elizabeth Medical Centre, Mount Elizabeth Novena Specialist Centre, Novena Medical Center, OUE Downtown Gallery, Gleneagles Medical Centre, Farrer Park Medical Centre @ Connexion, and other locations at Bishan, Hougang, Jurong, Toa Payoh, Tiong Bahru, Bedok and Punggol

SMG Clinics: LSC Eye Clinic, The Dental Studio, Lifescan Medical Centre, Lifescan Imaging, The Cancer Centre, The Obstetrics & Gynaecology Centre, SMG Specialist Centre, SMG Urology Centre with Beng Surgery, Wellness & Gynaecology Centre by Dr Julinda Lee, Astra Women's Specialists, Kids Clinic, Astra Laparoscopic & Robotic Centre for Women and Fertility, Cardiac Centre International, SW1 Clinic and The Breast Clinic.

SMG Specialties: Aesthetic Medicine, Age Management, Anaesthesiology, Cardiology, Cardiothoracic Surgery, Dentistry, Dermatology, Endocrinology, General Medicine & Health Screening, Gastroenterology, General Surgery Infectious Diseases, Medical Oncology, Neurosurgery, Obstetrics & Gynaecology, Ophthalmology, Orthopaedic and Sports Surgery, Otorhinolaryngology (ENT), Paediatric Medicine, Pain Management, Plastic and Reconstruction Surgery, Psychology, Radiology, Traditional Chinese Medicine (TCM), and Urology

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*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the Catalist Rules. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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