

Five largest healthcare stocks generate 2014 average total return of 11.3%

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STOCKS of healthcare companies, including drugmakers, healthcare equipment manufacturers, biotech firms and services providers, have had a strong showing in 2014.

The Singapore Exchange (SGX) Healthcare Index, made up of 28 stocks, generated a total return of 39.1 per cent over the 12-month period, compared with the Straits Times Index which rose 9.5 per cent on a total return basis.

The five largest healthcare stocks listed on SGX yielded an average total return of 11.3 per cent last year, according to an SGX My Gateway report released on Thursday.

Those big firms - IHH Healthcare Berhad, Raffles Medical Group, Tian-

jin Zhongxin Pharmaceutical Group Corporation, Haw Par Corporation and Parkway Reit - have a combined market capitalisation of S\$22.2 billion.

Mainboard-listed heavyweights IHH Healthcare and Raffles Medical yielded a total return of 23.2 per cent and 26.9 per cent, respectively, in 2014. They had the most total returns of the five.

IHH Healthcare, which provides healthcare services primarily in Asia, Central and Eastern Europe, the Middle East, and North Africa, is expanding across the region, while Raffles Medical is ramping up its capacity in Singapore by more than 70 per cent.

Suntar Eco-City, Health Management International, Q&M Dental Group Singapore, Star Pharmaceutical and Religare Health Trust were the five best performing healthcare stocks last year with an average total

How they fare

SGX Healthcare Index (total return)



Source: SGX

5 largest players

NAME	MARKET CAP (\$M)	TOTAL RETURN 2014 (%)
IHH Healthcare Bhd	14,639.6	23.2
Raffles Medical Group	2,217.1	26.9
Tianjin Zhong Xin Pharma	2,058.6	-8.0
Haw Par Corp	1,856.8	7.8
Parkway Life Reit	1,403.6	6.3

Source: Bloomberg (Data as at Jan 7, 2015)

return of 70.8 per cent. These five stocks have a combined market capitalisation of S\$1.4 billion, said the report.

Although a smaller player, Suntar Eco-City generated 133.3 per cent in 2014 total return, with its year-to-date price change at 133.3 per

cent. This was followed by Health Management International which saw a total return of 89.7 per cent last year. The group's healthcare operations include two tertiary care hospitals in Malaysia. It also operates HMI Institute of Health Sciences in Singapore, which provides nursing educa-

tion and healthcare vocational training.

Of the 28 stocks on the index, nine are listed on the Catalist.

UG Healthcare, which was listed on the Catalist in December 2014, is the latest addition to the group. ISEC Healthcare joined in October, QT Vas-

cular in April and TalkMed Group in January. These four stocks have a combined market capitalisation of S\$1.1 billion and generated 2014 year-to-date median price change of 1.4 per cent, said the report.

It added that the median price change of these stocks is derived from their respective offer prices - with UG Healthcare's price unchanged, ISEC Healthcare generating year-to-date price change of 2.7 per cent, 16.4 per cent for QT Vascular and TalkMed Group having a year-to-date price change of -3.6 per cent.

Currently, the SGX lists 25 Global Industry Classification Standard (GICS) designated healthcare stocks, including UG Healthcare. In all, these listed stocks have a combined market capitalisation of S\$25.6 billion and generated an average total return of 12.1 per cent in 2014.