

Raffles Med's Q1 net profit increases 16.4% to \$9.07m

Contributions from hospital, healthcare segments cited

By **NISHA RAMCHANDANI**

STRONGER contributions from both its hospital and healthcare segments helped Raffles Medical Group chalk up a 16.4 per cent year-on-year increase in net profit to \$9.07 million for the first quarter ended March 31.

Revenue rose 10.2 per cent to \$56.2 million as its hospital services and healthcare services segments saw top line growing by 12 per cent and 8.8 per cent respectively. Earnings

per share were 1.74 cents, up from 1.5 cents previously.

As at March 31, the group had a net cash position of \$59 million.

A higher patient load, a wider range of medical specialties and improved operating efficiencies pushed operating profit up by 15.8 per cent to \$11.2 million.

During the quarter, Raffles Hospital brought on board new staff specialists in fields such as paediatrics, cardiology, oncology and dental surgery, which it expects will help further develop its clinical services as well as programmes.

"We keep expanding the

scale and scope. As we bring on more and more specialists, the range of services that we can offer expands," said Dr Loo Choon Yong, executive chairman of Raffles Medical Group, adding that a wider suite of services allowed the group to serve more locals and foreigners.

The number of foreign patients that the group saw during the quarter was 24 per cent higher compared to the corresponding quarter last year.

The group, which operates a large network of private clinics, expects to see a rebound in corporate medical services in line with the stronger economy.

The group will also be launching three more clinics this year at One Marina Boulevard, Maple Tree Business City and Serangoon NEX, having opened one at Changi Business Park in February.

CIMB maintained an "outperform" call on Raffles Medical but raised its target price from \$1.66 to \$2.07.

"We expect stock catalysts to include the addition of clinics, expansion of medical specialties, and higher local and foreign-patient catchments," analyst Gary Ng wrote.

The stock rose four cents in trading yesterday to close at \$1.71.