



Raffles Hospital in North Bridge Road recorded strong quarter-on-quarter growth. ST FILE PHOTO

# Raffles Medical posts 11% rise in profit in 3rd quarter

By YASMINE YAHYA

ROBUST revenue growth in the health-care and hospital services units gave earnings a healthy boost at Raffles Medical Group in the third quarter, it reported yesterday.

Net profit rose 11 per cent to \$15.5 million, while revenue for the three months to Sept 30 grew 11.1 per cent to \$94.5 million.

More patients, an expanding clinic network and higher contributions from its medical insurance services pushed health-care services revenue up 16.4 per cent.

Hospital services turnover rose 7.3 per cent as the company hired new specialists and admitted more patients who stayed overnight at its hospitals.

As a result, operating profit rose 8.1 per cent from a year earlier to \$18.2 million, despite start-up costs that arose from expanding the clinic network.

The company said it had a cash position of \$124.5 million as of Sept 30, as a result of the strong operating cashflows.

This was after accounting for \$10.4 million in capital expenditure for business expansion as well as the distribution of interim dividends of \$8.5 million to shareholders.

Earnings per share was 2.74 cents in the third quarter, up from 2.51 cents in the same period a year ago.

Net asset value per share stood at 91.37 cents at the end of September, up from 85.31 cents at the end of December last year.

Raffles Hospital recorded strong quarter-on-quarter growth as specialists in paediatric surgery, gastroenterology, obstetrics and gynaecology, diagnostic radiology and otorhinolaryngology (ear, nose and throat) joined the team.

“The strong specialist recruitment drive is in line with the plans to expand several specialist centres, as well as the emergency department,” Raffles Medical said. “This will progressively build up the breadth and depth of the hospital’s capabilities in preparation for the new hospital extension.”

Construction on its five-storey block on the site of the former POSB Building in Holland Village is in progress. Once completed, about 9,000 sq ft from a total gross floor area of 65,000 sq ft will be used for medical and specialist services while the remaining commercial space will be leased to DBS Bank, retail and food and beverage tenants.

Raffles Medical said the public and private hospitals and medical suites being developed in Singapore and the region will keep the health-care market competitive while slower growth in China, Hong Kong and Singapore may dampen general demand.

But the ageing population here and the demand for health-care services from patients in the region will continue to increase the overall need for such services, it added.

✉ [yasminey@sph.com.sg](mailto:yasminey@sph.com.sg)

## At a glance

- **Profit after tax:** \$15.5m (+11%)
- **Revenue:** \$94.5m (+11%)
- **Dividend:** None