

Raffles Medical Group Q1 profit up 8%

Revenue boost from bigger patient load, new specialists

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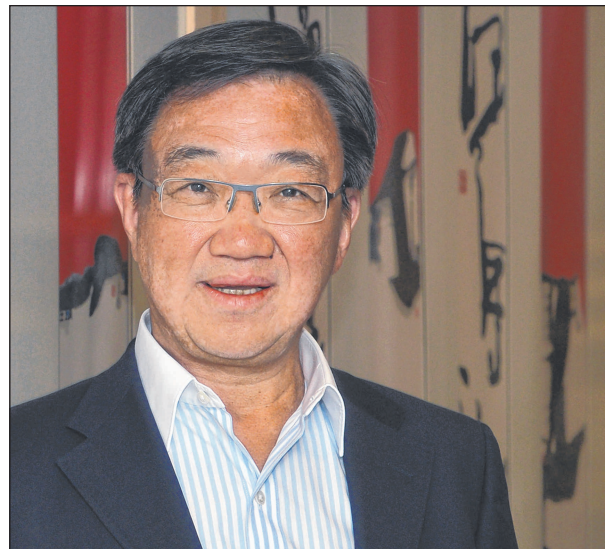
RAFFLES Medical Group (RMG) posted an 8 per cent year-on-year increase in net profit to \$14.56 million in its fiscal first quarter, as revenues received a boost from a bigger patient load, new specialists and a higher volume of healthcare insurance services.

Revenue also increased 8 per cent to \$87.55 million for the three months ended March 31, 2014.

Earnings per share were 2.63 cents, up from 2.47 cents a year earlier. Operating profit increased 6 per cent to \$17.2 million.

Its healthcare services and hospital services divisions chalked up revenue growth of 14.3 per cent and 4.8 per cent, respectively.

Its hospital services grew at a slower clip than usual due to “seasonal vari-



Dr Loo: RMG's hospital services grew at a slower clip than usual due to 'seasonal variations' and 'external factors' BT FILE PHOTO

ations” and “external factors”, said executive chairman Loo Choon Yong at a media briefing yesterday.

For instance, the depreciation of the rupiah against the Singapore dollar and the elections in Indonesia have contributed to a 10-15 per cent year-on-year decline in medical tour-

ists from Indonesia during the quarter. Indonesia is RMG's biggest source market for medical tourism.

“We think it will rebound,” Dr Loo added.

In an update on its property at Holland Village, which it announced it was acquiring last year, RMG said construction work had

Raffles Medical Group

	Q1 2014 — (\$m) —	Q1 2013	Y-O-Y % CHANGE
Revenue	87.55	81.1	8
Net profit	14.56	13.48	8
Earnings per share	2.63¢	2.47¢	6.5

started on the five-storey commercial building early this month. With a floor area of around 62,720 square feet, 9,000 sq ft will go to medical and specialist services, which are expected to cater to areas such as obstetrics & gynaecology, paediatrics, dermatology and dentistry, when the building is ready at the end of 2015 or early 2016. Meanwhile, DBS Bank will take up some 4,500 sq ft and the remainder will be available for retail shops and food-and-beverage outlets.

Outside of Singapore, RMG is launching a representative office in Ho Chi Minh City, Vietnam, in early May to encourage more patients to come to Singapore. Previously, it had re-

lied on its associates in Vietnam to do this.

Cash and cash equivalents fell to \$98.3 million as at end-March from \$265.9 million as at end-December, due to the acquisition of two properties, namely the one at Holland Village and the site adjacent to Raffles Hospital to facilitate its expansion.

“The more measured pace of economic growth in China and Singapore may have a dampening effect on healthcare demand in general. However, the group is well positioned for the future given its recent investments in two new assets,” it said.

The counter closed unchanged at \$3.42 yesterday.