

## Audited Result Announcement For Year Ended 2016

	2016 (S\$'000)	2015 (S\$'000)	% change
<b>Revenue</b>	473,608	410,535	15.4
<b>EBITDA</b>	96,611	93,411	3.4
<b>Operating Profit</b>	81,946	80,604	1.7
<b>PATMI</b>	70,210	69,291	1.3
<b>Diluted Earnings per Share (cts) ^</b>	4.00	4.01	(0.2)
<b>Net Assets Value per Share (cts) ^</b>	38.12	34.96 ^	9.0

\* Excluded fair value gain on investment properties of \$1.5m (2015: \$1.5m) in 2016

^ Adjusted for Share Split in May 2016 (3 for 1)

### Highlights of 2016 Performance

- Group achieved **15.4%** growth in revenue to **S\$473.6 million**
- Profit After Tax and Minority Interests (**PATMI**) showed an increase of **1.3%**
- Revenue from Healthcare Services Division grew **30.8%**
- Revenue from Hospital Services Division increased by **6.3%**
- Healthy cash position of **S\$111.9 million**
- Final Dividend of **1.5 cents**

***RafflesMedicalGroup* Announces Record Revenue for FY 2016**  
**Maintains Growth Amidst Challenging Economic Times**

Singapore, 20 February 2017 – *RafflesMedicalGroup* (**Group**), a leading integrated healthcare organisation in Asia, achieved a record revenue of **S\$473.6** million for the year ended 2016, a **15.4%** growth from 2015.

All divisions contributed positively to the growth of the Group with revenue from Healthcare Services growing an impressive **30.8%** and Hospital Services increasing by **6.3%**. The strong revenue growth was driven by higher patient load from the expanding *RafflesMedical* clinic network, higher revenue contributed by more specialists as well as full year contributions from International SOS (MC Holdings) Pte Ltd and its subsidiaries (MCH). Excluding the revenue contribution from MCH, the Group's revenue would have grown by **7.5%**.

The Group registered a Profit After Tax and Minority Interests (**PATMI**) of **S\$70.2** million, an increase of **1.3%** from **S\$69.3** million in 2015. The strong revenue performance was offset by greater staff costs, operating expenses and consumables. The increase in staff costs was due to manpower recruitment to cater for expanded business operations and the new medical centre in *Raffles Holland V*. On a comparable basis, excluding the results of MCH, the Group's operating profit would have grown by **4.4%** instead of **1.7%**.

The strong performance of the Group translated into a strong cashflow from operating activities of **S\$78.9** million. The Group has a healthy cash position of **S\$111.9** million as at 31 December 2016. The strong operating cashflows will enable the Group to support its investments in MCH, *RafflesHospital Shanghai* and *RafflesHospital Extension*. These investments amounted to **S\$45.6** million in 2015.

The Directors are pleased to recommend a final dividend of **1.5** cents per share amounting to approximately **S\$26.2** million. Including the interim dividend of **0.5** cent per share paid in August 2016, the total dividend for the financial year ended 31 December 2016 will be **2.0** cents per share.

**RafflesHospital Extension** is progressing according to schedule. When completed by the second half of 2017, it will contribute an additional 220,000 square feet of gross floor area to **RafflesHospital**. The integrated medical complex will not only support the current **RafflesHospital's** range of specialist services, healthcare training and clinical research but will also offer opportunities for growth and expansion in the future years.

**RafflesHospital Extension's** completion will allow **RafflesHospital** to further increase its breadth and depth of clinical services with projected concurrent expansion in outpatient specialist centres and inpatient facilities capacity. Together with **RafflesHealthInstitute's** staff training and development initiatives, the integrated medical complex will be able to serve the total healthcare needs of its patients and corporate clients, both current and future.

**RafflesHospital's** improved year-on-year performance reflects consistent development in all operational units of the Hospital from its 24 Hour Emergency department, specialist outpatient centres to the inpatient wards and surgical services. Patient and services growth were matched by an increase in the depth and breadth of specialists in various disciplines, strengthening RMG's institutional group practice model of care for patients.

**RafflesMedicalCentre - Orchard** and **RafflesMedicalCentre - Holland V**, the Group's one-stop comprehensive healthcare medical centres continue to attract new patients, both local and foreign as reflected in the increased patient numbers. The centres provide integrated primary care, specialist care, dental, health screening, laboratory and radiology services as well as **RafflesChineseMedicine's** Traditional Chinese Medicine services in convenient satellite locations outside **RafflesHospital**. Both of these centres are performing well and according to expectations.

In 2016, **RafflesMedical** opened new clinics in Bukit Batok Central, Fragrance Empire Building, Our Tampines Hub, and Waterway Point while existing clinics in Bedok North, Bishan, Clementi, Compass One, Loyang Point, Northpoint, Rivervale Mall, and Toa Payoh were refurbished and expanded to meet growing patient needs. In 2017, **RafflesMedical** will further expand its network with new clinics in Hillion Mall and Changi Airport Terminal 4. Through these, **RafflesMedical** will increase its touchpoints across Singapore by offering greater convenience to quality healthcare for patients.

**RafflesMedical** continues to grow its portfolio of corporate clients through the **RafflesOne** corporate package by leveraging on employee medical benefits, group insurance and administration services offered by the Group. More multinational corporations (MNCs) are utilising the Group's medical services in locations outside Singapore - 12 cities in China, Japan, Hong Kong, Vietnam and Cambodia.

**RafflesDental** opened five new clinics in 2016 at Toa Payoh, Bukit Batok, Holland V, Compass One and Our Tampines Hub, and is opening more clinics in 2017 to extend its geographical reach. To serve the expanding clinic network and patients, new dental surgeons and specialists were recruited.

**RafflesHealthinsurance** continued to show positive growth in revenue in the corporate employee benefits business in a challenging economic environment locally. Slower growth is expected in the coming year as employers face global economic uncertainties and slower economic growth.

**Raffles Holland V**, representing the Group's initiative of locating comprehensive healthcare services with other lifestyle attractions in prime suburban regions, celebrated its official opening on 21 October 2016. Conveniently located at Holland Village, the entire 5th floor of the mall is dedicated to **RafflesMedicalCentre - Holland V**, and the remaining space is leased to tenants such as Virgin Active, Sushi Tei, The Nailist, DBS Bank, Hoshino Coffee, Otto's Deli Fresh, Provence Bakery & Cafe, Face Bistro, Patissez, Soup Restaurant, Café O, Haakon, Taste and Laundry Club. As at 20 February 2017, approximately 95% of the space has been committed. The remaining units are under negotiation. **Raffles Holland V** will contribute significantly to the Group's results in the coming year.

The slower economic growth in Singapore and the region may have a dampening effect on healthcare demand in general. However, the Group has positioned itself well for growth in Singapore and the region. Based on the current economic outlook and barring unforeseen circumstances, the Directors expect the Group to continue growing and remain profitable in 2017.

Says Dr Loo Choon Yong, Executive Chairman of **RafflesMedicalGroup**: "We are growing well locally and regionally. The completion of **RafflesHospital Extension** later this year as well as the Group's expansion to other regional markets will enable the Group to enjoy greater synergies brought about by the expanded reach of our multi-disciplinary services. The Group will continue to be vigilant and proactively respond to new opportunities and challenges that may arise."

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## About Us

**RafflesMedicalGroup (SGX: BSL)** is a leading integrated private healthcare provider in the region, operating medical facilities in thirteen cities in Singapore, China, Japan, Vietnam and Cambodia.

**RafflesMedical** clinics form one of the largest networks of private family medicine centres in Singapore.

**RafflesHospital**, the flagship of Raffles Medical Group, is a private tertiary hospital located in the heart of Singapore offering a wide range of specialist medical and diagnostic services for both inpatients and outpatients. Representing more than 30 disciplines, our team of specialists constitutes a group practice combining sub-specialty expertise and teamwork to ensure optimal, affordable and high quality care for our patients. The Group also has representative offices in Indonesia, Vietnam, Cambodia, Brunei, Bangladesh and the Russian Far East, as well as associates throughout the Asia-Pacific region.

**RafflesDental** is a team-based dental group in Singapore comprising of a specialist dental practice at Raffles Hospital and a network of general dental clinics.

**RafflesHealthinsurance** provides healthcare insurance to corporate and individual clients.

For more information, please refer to our website at [www.rafflesmedicalgroup.com](http://www.rafflesmedicalgroup.com).