Raffles Medical's profit up on record revenue

Group announces proposed three-for-one share split

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An artist's impression of Raffles Holland V, on track to be finished in the first quarter. Raffles Medical says the planned completion of projects such as Raffles Holland V, as well as its expansion to regional markets, will position the group well for the future. PHOTO: RAFFLES MEDICAL GROUP

Record revenue, lifted by new acquisitions and expansion, boosted earnings at Raffles Medical Group for the 2015 full financial year, the company said yesterday.

The group also announced a proposed three-for-one share split at the earnings briefing, where every share is split into three shares.

The move is designed to make the counter more affordable for investors – and is a response to feedback.

Net profit for the year ended Dec 31 rose 2.4 per cent to $69.3 million.

Excluding a change in the fair value of investment properties, earnings was up 4.9 per at $67.8 million.

Raffles Medical Group achieved a record revenue of $410.5 million last year, a jump of 9.6 per cent over the previous year.

It attributed the higher turnover to better performances in both healthcare services and hospital services divisions.

During the year, healthcare services grew by 14.6 per cent, with sales contributions from its newly acquired International SOS (MC Holdings) and its units (MCH) since last Oct 17, as well as an expanding Raffles Medical clinic network and the provision of insurance services to more corporate clients.

Revenue from hospital services rose 7 per cent, owing to higher revenue contributed by more specialist consultants, increased patient load and greater patient acuity, it added.

A final dividend of 4.5 cents per share has been recommended by the board, up from four cents in 2014.

Earnings per share was 12.15 cents last year, compared with 12.09 cents a year earlier, while net asset value per share came in at 104.88 cents as at Dec 31, up from 95.50 cents at the end of 2014.

The group proposed a share split to make its stock more affordable to investors.

"We have a lot of feedback from investors to say that our share price has gone up in the last few years and people feel that we are not so affordable... so we are just responding to feedback from our shareholders," said Raffles Medical Group executive chairman Loo Choon Yong at the briefing.

The move is subject to approval from shareholders at an upcoming general meeting, as well as approval from the Singapore Exchange.

The proposed move may also broaden its shareholder base from the current 7,780.

The group has about 575.25 million issued shares and does not hold any treasury shares.

It said following the implementation of the proposed share split and assuming there is no change to the number of issued shares from the date of announcement, the company will have about 1.73 billion issued sub-divided shares.

The issued and paid-up share capital of the company of $286.4 million as at Dec 31 will remain unchanged upon completion of the proposed share split, the group added.

Looking ahead, Raffles Medical Group said the slower economic growth in Singapore and the region may have a "dampening effect on healthcare demand in general".

However, it added that the planned completion of projects such as Raffles Holland V and Raffles Hospital Extension, as well as its expansion to regional markets, will position the group well for the future.

Its share price rose eight cents to $4.25 after the announcements.

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AT A GLANCE

NET PROFIT: $69.3 million (+2.4%)

REVENUE: $410.5 million (+9.6%)

DIVIDEND: 4.5 cents per share