

Raffles Medical Q2 profit up 0.8% at S\$16.9m

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RAFFLES Medical Group recorded nearly flat growth in its net profit for its second quarter, while revenue stayed steady.

Net profit crept up 0.8 per cent to S\$16.9 million from the previous year. For the three months ended June 30, revenue crept up 0.1 per cent to S\$120.2 million from the preceding year, as revenue for its healthcare services division increased by 5.4 per cent, offset by a decrease of 2.3 per cent in the hospital services division.

"The increase in revenue from healthcare services division was contributed by the addition of new corporate clients, and a new contract, awarded by the Ministry of Health and Civil Aviation Authority of Singapore, to provide Air Borders screening services," it said.

"The decrease in revenue from the hospital services division this quarter was the result of softer than expected demand from the foreign patients, even though local patients registered a slight increase."

Raffles Medical

	Q2 FY18	Q2 FY17	Y-O-Y % CHANGE
	(S\$ MILLION)		
Revenue	120.2	120.1	0.1
Net profit	16.9	16.8	0.8
EPS (c)	0.95	0.96	
DPS (c)	0.5	0.5	

Earnings per share dipped to 0.95 Singapore cent from 0.96 Singapore cent in the previous year. Net asset value per share crept up to 42.42 Singapore cents as at June 30, from 41.45 Singapore cents six months ago.

The group declared an interim dividend per share at 0.5 Singapore cent, the same as in the corresponding period in the preceding year. The dividend will be paid on Sept 6, 2018.

The group also said that it has successfully implemented its e-Commerce service, since the pilot in October 2017, to allow patients to conveniently purchase their health screening, vaccination, health supplements and other medical services online before they turn up at the respective medical centres.

It also began its refurbishment works for its outpatient clinics and inpatient wards in Q2 2018, and the refurbishment is progressing well. These facilities will open in Q3 2018.

RafflesHealthInsurance (RHI) has recently obtained regulatory approvals to enter into the Integrated Shield market, making it the seventh MediShield player in the market. RHI also entered into a partnership with NTUC Income Insurance Company to offer NTUC IncomeShield policyholders access to its panel of specialists at RafflesHospital as well as other private hospitals in Singapore.

Construction of RafflesHospital Chongqing and procurement of equipment are progressing according to schedule. Recruitment of international and local physicians as well as senior hospital management staff has begun and the response has been positive. RafflesHospital Chongqing is scheduled to open in the fourth quarter of this year. The construction of RafflesHospital Shanghai, in Pudong, is also progressing well, and it is slated to open in the second half of 2019.

Raffles Medical Group shares closed at S\$1.09 on Monday, down one cent.