

# Raffles Medical's net profit inches up 1.3% to \$70.2m

**Strong revenue performance for last year offset by greater staff costs, expenses**

**Rachael Boon**

Higher expenses hit Raffles Medical Group's full-year results, although units such as its healthcare division expanded.

Net profit inched up 1.3 per cent to \$70.2 million, while revenue grew 15.4 per cent to \$473.6 million for the 12 months ended Dec 31 last year, the firm reported yesterday.

The company said: "The strong revenue performance was offset by greater staff costs, operating expenses and supplies used."

The higher staff costs were partly due to the hiring of more people for its bigger business operations and a new medical centre in Raffles Holland V.

Turnover from healthcare services grew 30.8 per cent, while revenue for hospital services rose 6.3 per cent. The increases came from more patients from the expanding Raffles Medical clinic network, additional revenue from specialist consultants, and full-year contributions from a newly acquired unit called International SOS (MC Holdings) and its subsidiaries, known as MCH.

If MCH's turnover was excluded, Raffles Medical's revenue would be up 7.5 per cent. Without MCH's results, "on a comparable basis, the group's operating profit would have grown by 4.4 per cent instead of 1.7 per cent", noted the company.

It also said it had a cash position of \$111.9 million as of Dec 31 last year, a result of strong operating cash flows. "The strong operating cash flows will enable the group to support its investments in MCH, Raffles Hospital Shanghai and Raffles Hospi-



tal Extension". A final dividend of 1.5 cents per share has been recommended, with a total dividend of two cents a share for the year.

Full-year earnings per share was 4.04 cents, from 4.05 cents in the same period a year earlier. Net asset value per share was 38.12 cents, from 34.96 cents as of Dec 31, 2015.

Raffles Medical said it "continues to grow its portfolio of corporate clients through the Raffles One corporate portfolio package". It added that some multinational corporations have already begun using its medical services beyond Singapore, for example in Shanghai and Beijing.

Raffles Medical will expand its

clinical network this year with new outlets in Hillion Mall and Changi Airport Terminal 4.

It will also add 220,000 sq ft of gross floor area to Raffles Hospital, once works are completed on the extension, by the second half of this year. "The integrated medical complex will not only support the current Raffles Hospital's range of specialist services, healthcare training and clinical research, but will also offer opportunities for growth and expansion in the future years," it said.

Raffles Medical shares closed two cents lower at \$1.46 yesterday.

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## AT A GLANCE

**REVENUE:**  
\$473.6m (+15.4%)

**NET PROFIT:**  
\$70.2m (+1.3%)

**FINAL DIVIDEND PER SHARE:**  
1.5 cents (unchanged)

Raffles Hospital (above) will have 220,000 sq ft of gross floor area added by the second half of this year. The addition will offer Raffles Medical Group opportunities for growth and expansion in the future, the company said.  
PHOTO: RAFFLES MEDICAL GROUP