

Unaudited Results for 1H 2020

	1H 2020 (S\$'000)	1H 2019 (S\$'000)	% change
Revenue	241,420	255,255	(5.4)
EBITDA	41,867	48,654	(13.9)
Operating Profit	24,282	34,796	(30.2)
Profit After Tax	16,291	27,917	(41.6)
Diluted Earnings per Share (cts)	0.94	1.55	(39.4)
Net Assets Value per Share (cts)	47.23	46.00 *	2.7

* As at 31 December 2019

Highlights of 1H 2020 Performance

- **Group revenue** decreased by **5.4%** to **S\$241.4 million**
- Excluding the results of China Healthcare division, the **Group's Profit after Tax** would have been **S\$31.2 million**, a diminution of **3.7%**
- Revenue from **Healthcare Services** division increased by **6.8%**
- Revenue from **Hospital Services** division decreased by **14.5%**
- **Healthy cash** position of **S\$151.5 million**
- **Interim Dividend** of **0.5 cents** per share

MEDIA RELEASE

RafflesMedicalGroup Reports Revenue of S\$241.4 Million and Profit After Tax of S\$16.3 Million in 1H 2020 Amidst Challenging Market Conditions

Singapore, 27 July 2020 – In the midst of challenging COVID-19 conditions, **RafflesMedicalGroup** (the **Group**) has reported a decrease in revenue of **5.4%** to **S\$241.4** million in 1H 2020, from **S\$255.3** million in 1H 2019. Although revenue for the Hospital Services division saw a decrease of **14.5%** from **S\$148.1** million year-on-year due to the deferment of elective surgeries and fewer offshore patients, the Group's overall business remained resilient with the Healthcare Services division recording a revenue growth of **6.8%** from **S\$116.6** million in 1H 2019 to **S\$124.6** million in 1H 2020. This was bolstered by mitigating activities such as air-border screening, swabbing of foreign workers, teleconsulting services, as well as supporting the Government's Changi Exhibition Centre – Community Care Facility for COVID-19 positive cases. In China, **RafflesHospital Chongqing** and our clinics had to operate with a significantly smaller patient load as the movement of people was curtailed for much of 1H 2020.

The Group's earnings before interest, taxes, depreciation and amortisation (**EBITDA**) registered a decrease of **13.9%** at **S\$41.9** million in 1H 2020 as compared to **S\$48.7** million in 1H 2019. Its Profit after Tax decreased by **41.6%** to **S\$16.3** million in 1H 2020 from **S\$27.9** million in 1H 2019, due to higher depreciation charges and interest expense. Excluding the results of China Healthcare Division (**RafflesHospital Chongqing**, **RafflesChinaClinics** and **RafflesMedical Hong Kong**), which had been severely impacted by COVID-19 in 1H 2020, the Group's Profit after Tax would have been **S\$31.2** million as compared to **S\$32.3** million in 1H 2019, a diminution of **3.7%**.

The Group continued to generate cash from its operating activities which enabled it to fund its expansion through a combination of internally generated cash and borrowings. As at 30 June 2020, the Group had **S\$151.5** million and **S\$168.4** million in cash and debt respectively. The Group's balance sheet remains resilient with very low net gearing of approximately **1.8%** as at 30 June 2020.

For the half year ended 30 June 2020, the Directors are pleased to declare an interim dividend of **0.5** Singapore cents per share.

Based on the current conditions, and barring unforeseen circumstances, including the deterioration of the COVID-19 situation, the Group expects to remain profitable for the rest of the year.

Business Updates

- In June, all key services of *RafflesMedical* have resumed operations with the relaxation of the Circuit Breaker (CB). The Group continues to support the Government's various COVID-19 initiatives. The Group has also obtained a Ministry of Health (MOH) license on Molecular Microbiology services for COVID-19 polymerase chain reaction and serology testing, to support MOH's efforts to expand Singapore's testing capacity for COVID-19.
- The Group will continue to invest and develop its digital platform – *RafflesConnect* to provide enhanced access to services, improve customer experience and offer up-to-date authoritative medical information. During the CB, *RafflesConnect* offered our patients online access to doctors and medical professionals for comprehensive and seamless care.
- In response to the COVID-19 situation, *RafflesHealthinsurance* had adjusted its marketing initiatives to focus on digital platforms, with a view to create a seamless digital journey for our customers.
- In China, the Group will continue to focus on fulfilling the demand for high quality healthcare services from affluent Chinese and the expatriate community in the country. We are in the process of completing the renovation of our 54,000 square feet medical centre in Beijing. Located at our existing Beijing International Clinic, the medical centre will offer minimally invasive surgeries to complement our clinical services when it opens in the second half of 2020.
- Preparations are on track for the opening of *RafflesHospital Shanghai*. Currently, fitting-out works and recruitment are in progress. However, in view of the COVID-19 situation, the actual date of commencement will depend on Shanghai's return to normalcy.

“Throughout this challenging period, our businesses and people have remained resilient. Our strategic investment in technology, together with our experience from managing SARS, H1N1 and MERS, have helped us improve our protocols and operations for care during epidemics. This has enabled us to respond with agility and flexibility while continuing to provide quality care during this pandemic. We are beginning to see patient loads gradually returning to pre-COVID levels at all our network clinics across the region, as well as *RafflesHospital Singapore* and *RafflesHospital Chongqing*. We remain focused on delivering value to all our patients through the high quality, seamless and compassionate healthcare that they have come to expect of us. They can depend on us, their trusted partner for health,” said Dr Loo Choon Yong, Executive Chairman, *RafflesMedicalGroup*.

###

For media queries, please contact:

Cindy Gui

Associate Director, Corporate Communications
Raffles Medical Group
Tel: 6311 1318
Email: gui_cindy@rafflesmedical.com

Joanna Lee

Manager, Corporate Communications
Raffles Medical Group
Tel: 6311 1312
Email: lee_joanna@rafflesmedical.com

About Us

RafflesMedicalGroup (SGX: BSL) is one of the largest integrated private healthcare provider in the region, providing comprehensive services from primary to tertiary care.

RafflesMedical clinics form one of the largest networks of private family medicine and health screening centres in Singapore.

RafflesHospital is the flagship tertiary hospital of Raffles Medical Group that is located in the heart of Singapore. As the only private hospital in Singapore certified by the Ministry of Health to meet the stringent standards of acute trauma care, it offers a wide range of specialist medical and diagnostic services for both inpatients and outpatients. Representing more than 30 disciplines, its 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 and patient liaison offices in Bangladesh, Indonesia, Myanmar and Vietnam.

RafflesMedical International operates medical facilities beyond Singapore in 13 other cities across China, Japan, Vietnam and Cambodia. They include **RafflesHospital Chongqing** – Singapore's first international tertiary hospital in China, and **RafflesHospital Shanghai** – a second international hospital that is slated for opening in 2020.

RafflesDental is an established team-based multi-specialty dental group in Singapore and China.

RafflesHealthinsurance provides healthcare insurance to corporate and individual clients, and has been approved by the Ministry of Health to provide integrated Shield plans.

For more information, please refer to our website at www.rafflesmedicalgroup.com.