



Media Release

Cordlife Sustains Growth Momentum with Third Straight Quarter of Net Profit in 2QFY2018

- *Pre-tax operating profit up 73% to S\$1.1 million in 2QFY2018*
- *India, Singapore and the Philippines key contributors to revenue growth*
- *Recent acquisition of HealthBaby propels Cordlife to top spot in Hong Kong*
- *Strong balance sheet with S\$52.8 million in cash, fixed deposits and short-term investments; gearing at 5.6%*

	2QFY2018 (S\$'000)	2QFY2017 (S\$'000)	Change (%)	1HFY2018 (S\$'000)	1HFY2017 (S\$'000)	Change (%)
Revenue	16,390	15,227	7.6	32,979	29,880	10.4
Gross Profit	10,948	9,560	14.5	21,960	19,058	15.2
Pre-tax Operating Profit	1,111	643	72.8	2,036	1,442	41.2
Net Profit/(Loss) Attributable to Shareholders	736	(2,275)	N.M.	1,385	(2,849)	N.M.

N.M. – Not Meaningful

SINGAPORE, 12 February 2018 – Cordlife Group Limited (“**Cordlife**”, and together with its subsidiaries, the “**Group**”) announced today its third consecutive quarterly net profit as its stem cell banking business continues to make inroads in its key markets amid growing public awareness and appreciation of pre-emptive healthcare in Asia.

The consumer healthcare company, a pioneer in Asia’s private cord blood banking industry, made a net profit attributable to shareholders of S\$736,000 in its second quarter ended 31 December 2017 (“**2QFY2018**”). This is in contrast to a net loss of approximately S\$2.3 million in the same period during the last financial year (“**2QFY2017**”).

The turnaround came as revenue rose 7.6% year-on-year to S\$16.4 million in 2QFY2018, driven mainly by higher contributions from India, Singapore and the Philippines. By reducing discounts in India and raising prices in the Philippines, Cordlife managed to boost revenue per customer in these markets. Revenue in Singapore went up as a result of more newborn deliveries, which helped lift the Group’s overall gross profit margin to 66.8% from 62.8% in 2QFY2017.

The Group’s bottom-line in 2QFY2018 also benefited from an absence of certain non-operating costs. It incurred one-off expenses of S\$2.1 million in 2QFY2017 for redeeming



the remaining S\$68.25 million worth of fixed-rate notes issued as part of a multi-currency debt issuance programme launched in 2014.

With the notes fully redeemed, the Group's debt as a percentage of equity dropped to 5.6% as at 31 December 2017 from 7.1% as at 31 December 2016 and from 65.1% as at 31 December 2015. It generated net cash of S\$1.7 million from operations in 2QFY2018 and had S\$52.8 million in cash and cash equivalents, fixed deposits and short-term investments in money market funds as at 31 December 2017.

With the improved performance, the Group turned in fully diluted earnings per share of 0.29 Singapore cents in 2QFY2018, compared to a loss per share of 0.88 Singapore cents a year earlier.

For the six months ended 31 December 2017, the Group achieved a net profit of S\$1.3 million, compared to a net loss of S\$2.8 million for the six months ended 31 December 2016. The improvement came on the back of a 10.4% increase in revenue to S\$33.0 million and an absence of non-operating expenses related to the fixed-rate notes and their redemption.

Barring unforeseen circumstances, the Group expects to remain profitable for the rest of its current financial year ending 30 June 2018 ("FY2018") as it seeks to expand its base of clients in the eight Asian markets it currently operates in.

In line with its expansion efforts, Cordlife recently became the market leader in Hong Kong with the acquisition of full control of HealthBaby Biotech (Hong Kong) Co., Limited, the leading private cord blood bank in Hong Kong. The acquisition, completed on 2 January 2018, gives the Group control over two established brands in Hong Kong – "HealthBaby" and "Cordlife" – and is expected to enhance its overall profitability from FY2018.

Besides stem cell banking, the Group will also continue to expand its diagnostics business. In December 2017, it started marketing in Indonesia and the Philippines a clinically approved non-invasive prenatal test known as NICE® (Non-Invasive Chromosome Examination).

Developed by an established joint venture between Eone Life Science Institute in South Korea and Diagnostomics Inc in the United States, NICE® is a blood test that can detect, with 99% accuracy, up to 10 chromosomal abnormalities in preborn children as early as week 10 of the pregnancy.

End

Cordlife Group Limited
1 Yishun Industrial Street 1 • A'Posh Bizhub • #06-01/09 • Singapore 768160
Phone (65) 6238 0808 • Fax (65) 6238 1108
Find Out More • info@cordlife.com • For Cordlife Parents • customercare@cordlife.com
Company Registration Number: 200102883E



Media & Investor Contact Information

WeR1 Consultants Pte Ltd
3 Phillip Street, #12-01, Royal Group Building
Singapore 048693
Tel: (65) 6737 4944
Frankie Ho – frankieho@wer1.net
Grace Yew – graceyew@wer1.net
Afina Kong – afinakong@wer1.net

About Cordlife Group Limited (Bloomberg: CLGL; Reuters: CORD.SI)

Incorporated in May 2001, Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”) is a leading provider of cord blood, cord tissue and cord lining banking services in Asia.

As a consumer healthcare company catering to, among others, the mother and child segment, Cordlife has the largest market share among private cord blood banks in Singapore, Hong Kong, the Philippines and Indonesia. It is among the Top 3 market leaders in India and Malaysia. Cordlife is also the first Singapore private cord blood bank in Myanmar and Vietnam.

Cordlife’s cord blood processing and cryopreservation facility in Singapore is one of only six private cord blood banks in the world to be dually accredited by AABB and FactNetcord, two of the world’s gold standards for cord blood banking. The Group’s majority-owned Hong Kong Screening Centre Limited and Cordlife Sciences (India) Pvt Ltd have also received accreditation from the College of American Pathologists, which only recognises facilities that meet or exceed the highest standards in laboratory services. Cordlife has been listed on the mainboard of Singapore Exchange since March 2012.

For more information, visit <http://cordlife.listedcompany.com>