



Media Release

Cordlife on Track for Full-Year Net Profit in FY2018 as Growth Gathers Momentum

- *3QFY2018 marks 4th straight quarter of net profitability*
- *S\$3.2m pre-tax operating profit for first 9 months of FY2018 highest in 3 years*
- *Net profit of S\$2.2m for first 9 months of FY2018 vs S\$3.3 loss in previous year*
- *Strong balance sheet with S\$43.6m in cash, fixed deposits, short-term investments; gearing at 5.5%*

S\$'000	3Q FY2018	3Q FY2017	Change (%)	9M FY2018	9M FY2017	Change (%)
Revenue	17,705	14,225	24.5	50,684	44,105	14.9
Gross Profit	11,862	9,212	28.8	33,822	28,270	19.6
Pre-tax Operating Profit/(Loss)	1,209	(394)	N.M.	3,245	1,048	209.6
Net Profit/(Loss) Attributable to Shareholders	843	(401)	N.M.	2,228	(3,250)	N.M.

N.M. – Not Meaningful

SINGAPORE, 11 May 2018 – Cordlife Group Limited (“**Cordlife**” and together with its subsidiaries, the “**Group**”) reported today its fourth consecutive quarterly net profit as higher revenue from key markets and contributions from a newly-acquired subsidiary lifted profit from operations.

The consumer healthcare company, a pioneer in Asia’s private cord blood banking industry, made a net profit attributable to shareholders of S\$843,000 in its third quarter ended 31 March 2018 (“**3QFY2018**”), turning around from a net loss of S\$401,000 in the same period a year earlier (“**3QFY2017**”).

Including contributions from Healthbaby Biotech (Hong Kong) Co Limited (“**Healthbaby**”), revenue rose 24.5% to S\$17.7 million, along with a 6.7% increase in total client deliveries to 6,400. India and Singapore were the main revenue drivers in 3QFY2018. Healthbaby, the leading private cord blood bank in Hong Kong, was acquired by Cordlife in January 2018.

The growth in revenue outpaced an increase in cost of sales, lifting the Group’s gross profit margin to 67.0% from 64.8%. It generated S\$2.2 million in net cash from operations in



3QFY2018, up from S\$652,000 in 3QFY2017. Overall, the 3QFY2018 results mark the Group's best showing in its current financial year ending 30 June 2018 ("FY2018").

The improvement lifted pre-tax operating profit for the first nine months of FY2018 to S\$3.2 million from S\$1.0 million for the same period a year earlier. This puts the Group on track to end FY2018 with the highest pre-tax operating profit in three years. Barring any unforeseen developments, it should also end FY2018 with a net profit, compared to a net loss in the previous year.

The Group's balance sheet remains strong. As at 31 March 2018, it had S\$43.6 million in cash and cash equivalents, fixed deposits and short-term investments in money market funds, while debt as a percentage of equity was 5.5%.

Mr Michael Weiss, Group CEO and Executive Director of Cordlife, said: "Things have come together nicely. We will continue to drive profitability organically and explore earnings-accretive acquisition opportunities. With our extensive reach in Asia and amid growing public awareness of the therapeutic potential of stem cells for disease treatment, we are well placed for further growth."

The Group's optimism is backed by an influx of investment capital into the field of cellular immunotherapies. Notable transactions over the past 12 months include Gilead Sciences, Inc's US\$11.9 billion acquisition of Kite Pharma, Inc, Celgene Corporation's US\$9 billion takeover of Juno Therapeutics, Inc, and Sanpower Group Co., Ltd's US\$820 million acquisition of Dendreon Pharmaceuticals LLC.

"These developments bode well for companies involved in stem-cell collection and cryopreservation," said Mr Weiss. "In seeking to offer more holistic healthcare options to our target audience, we also intend to continue expanding our suite of non-invasive diagnostics services."

Cordlife's latest diagnostic service, launched in Singapore in April 2018, is the Plumcare™ DNA Advisor, which screens families for possible disease-causing genetic mutations associated with common hereditary conditions such as breast and ovarian cancers.

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Media & Investor Contact Information

WeR1 Consultants Pte Ltd

3 Phillip Street, #12-01, Royal Group Building

Frankie Ho – frankieho@wer1.net

Grace Yew – graceyew@wer1.net

Jordan Teo – jordanteo@wer1.net



Singapore 048693

Tel: (65) 6737 4844

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

Incorporated in 2001, Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”) is a consumer healthcare company and one of the leading providers of cord blood as well as cord lining banking services in Asia. Cordlife has been listed on the Mainboard of Singapore Exchange (SGX: P8A) since March 2012.

Cordlife owns the largest network of cord blood banks in Asia with full stem cell processing and storage facilities in six key markets, namely Singapore, Hong Kong, Indonesia, India, Malaysia and the Philippines. In Singapore, the Philippines and Indonesia, Cordlife operates the largest¹ private cord blood banks. It is amongst the top three market leaders in India and Malaysia. In January 2018, Cordlife became the market leader in Hong Kong with the acquisition of the largest private cord blood bank there, HealthBaby Biotech (Hong Kong) Co., Limited. Through its majority owned subsidiary, Stemlife Berhad in Malaysia, Cordlife controls an indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. Cordlife is also the first Singapore private cord blood bank to provide cord blood and cord lining banking services in Myanmar and Vietnam.

Beyond cord blood and cord lining banking, Cordlife offers a comprehensive suite of diagnostics services for the mother and child segment including urine-based newborn metabolic screening, non-invasive prenatal testing, paediatric vision screening and other genetic screening services.

The Group's stem cell processing and storage facilities in Singapore, Hong Kong, India and the Philippines are accredited by AABB, the organisation behind the world's gold standard for cord blood banking. Cordlife Singapore is also accredited by FACT-Netcord, another world-class accreditation body for cord blood banks globally. This makes Cordlife Singapore one of just six private cord blood banks in the world to be accredited by both AABB and FACT-Netcord simultaneously. The Group's majority-owned Hong Kong Screening Centre and Cordlife India also attained accreditation from the College of American Pathologists (“CAP”) for meeting the highest industry standards for laboratory services. These quality achievements underpin the Group’s commitment to providing the highest service quality for clients. For more information, visit <http://cordlife.listedcompany.com>.

¹ Source : Deloitte & Touche Financial Advisory Services Limited report, 10 April 2013