

Q1FY2015 RESULTS PRESENTATION

17 November 2014



cordlife – A Consumer Healthcare Company, listed on the Mainboard of SGX-ST.



Cordlife Singapore, Hong Kong & India are
BB Accredited

www.cordlife.com
Singapore | Hong Kong | India
Indonesia | Philippines

FINANCIAL HIGHLIGHTS



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1QFY2015 Financial highlights



| (S\$mil) | 1QFY2014 | 1QFY2015 | +(-)% Chg |
|--|------------|--------------|--------------|
| Total Revenue | 11.3 | 13.3 | 17.0 |
| Cost of Sales | (3.5) | (4.2) | 20.1 |
| Gross Profit | 7.8 | 9.1 | 15.6 |
| Gross Profit Margin | 69.2% | 68.3% | (0.9p.p) |
| Other operating income | 0.06 | 0.2 | >100 |
| Selling and marketing expenses | (3.2) | (4.4) | 36.1 |
| Administrative expenses | (3.0) | (3.2) | 8.0 |
| Finance income – net | 0.01 | 0.04 | >100 |
| Profit before income tax from operations | 1.7 | 1.7 | (1.0) |
| Share of results of associates | (2.1) | (0.02) | (99.1) |
| Fair value changes on financial asset designated at fair value through profit or loss | 3.1 | (4.9) | n.m. |
| Gain on transfer from associate to financial asset designated at fair value through profit or loss | 6.2 | - | n.m. |
| Profit/(loss) before income tax | 8.9 | (3.2) | n.m. |
| Income tax expense | (0.2) | (0.3) | 52.8 |
| Profit/(loss) for the financial period | 8.7 | (3.6) | n.m. |

Note: Figures might not tally due to rounding of numbers

1QFY2015 Financial highlights

- Revenue increased 17.0% year-on-year, driven by rise in number of client deliveries from approximately 3,500 in 1QFY2014 to 5,100 in 1QFY2015
- Gross profit margin decreased marginally from 69.2% in 1QFY2014 to 68.3% in 1QFY2015 due mainly to an increase in revenue contribution from operations with lower margin
- Increase in selling and marketing expense is mainly attributable to the Group's Indian subsidiary where selling and marketing expenses increased by S\$1.3 million, of which S\$0.5 million was spent on Cordlife's first television commercials in the Indian market
- The Group's 1QFY2015 core net profit before income tax from operations remained comparable to 1QFY2014 at S\$1.7 million
- Fair value loss on investment in CCBC as a result of decrease in CCBC's last traded price from US\$5.52(S\$6.90) as at 30 June 2014 to US\$4.89 (S\$6.23) as at 30 September 2014





Financial Highlights

Healthy balance sheet:

- Gearing ratio of 0.1x
- Cash & cash equivalents of S\$37.1 million

| As at September 30, 2014 | S\$'000 |
|--|---------|
| Cash and cash equivalents, fixed deposits, short term investments and pledged fixed deposits * | 38,677 |
| Total Assets | 182,550 |
| Total Liabilities | 51,267 |
| Total Equity | 131,283 |
| Gearing Ratio** | 0.1x |

*Inclusive of S\$11.9 million in fixed deposits, S\$0.5 million in short term investments and pledged fixed deposits of S\$1.5 million

**Book value of debt/Total book value of equity

Strong cash position

- Well-poised for further market penetration and expansion at home and overseas
- Strategic use of cash for accretive investments
- Limited capital expenditure going forward

| S\$'000 | 1QFY2014 | 1QFY2015 |
|--|----------------|-----------------|
| Operating cash flows before movement in working capital | 1,823 | 1,564 |
| Net cash used in operating activities | (763) | (694) |
| Net cash generated from investing activities | 1,267 | 145 |
| Net cash used in financing activities | (61) | (7,285) |
| Cash & Cash equivalents, fixed deposits, short term investments and pledged fixed deposits at end of period | 20,574* | 38,677** |

*Inclusive of S\$11.5 million in fixed deposits, S\$0.6 million in short term investments and pledged fixed deposits of S\$0.3 million as at 1QFY2014

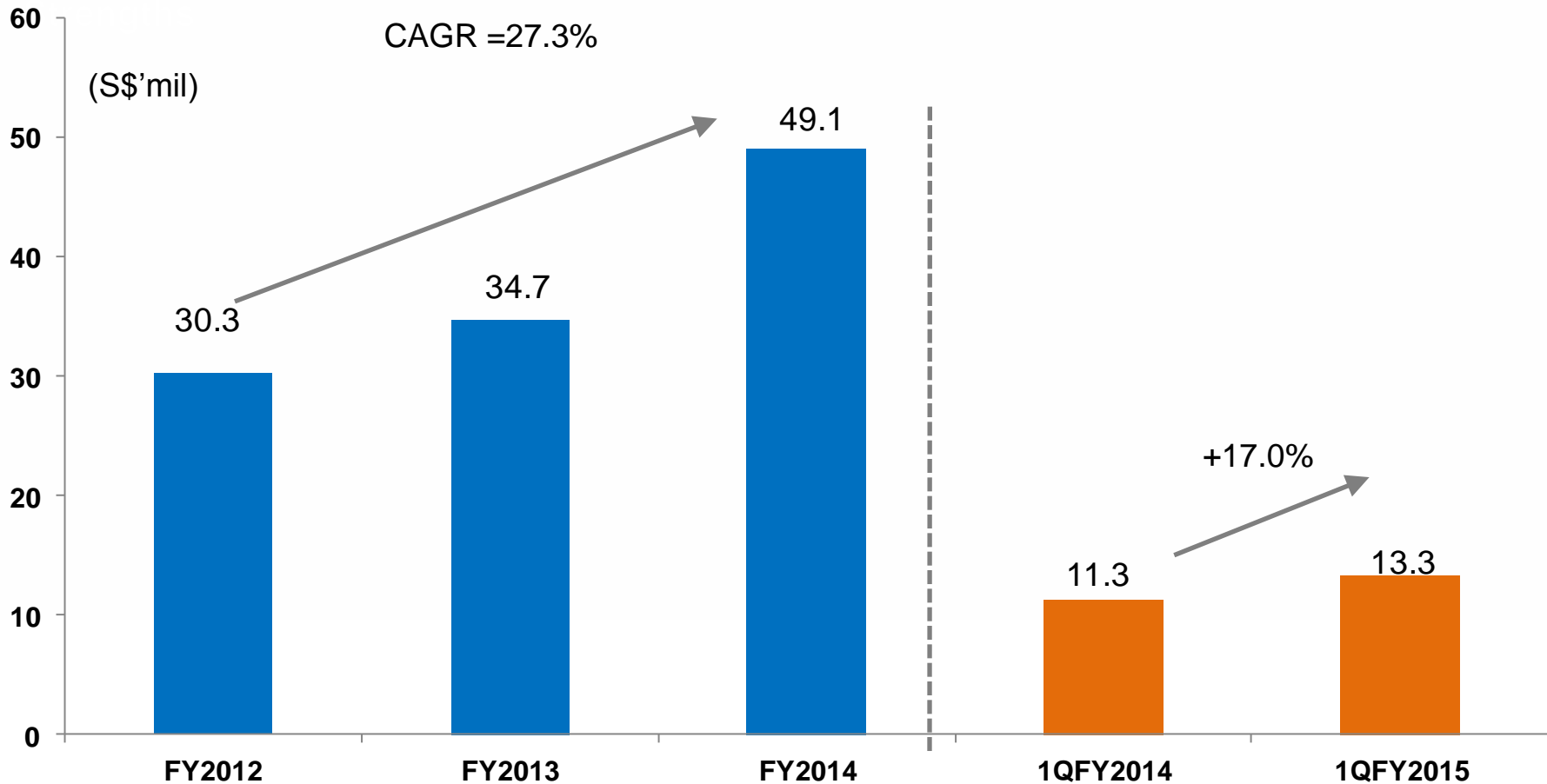
**Inclusive of S\$11.9 million in fixed deposits, S\$0.5 million in short term investments and pledged fixed deposits of S\$1.5 million as at 1QFY2015

Financial Highlights

RISING REVENUE

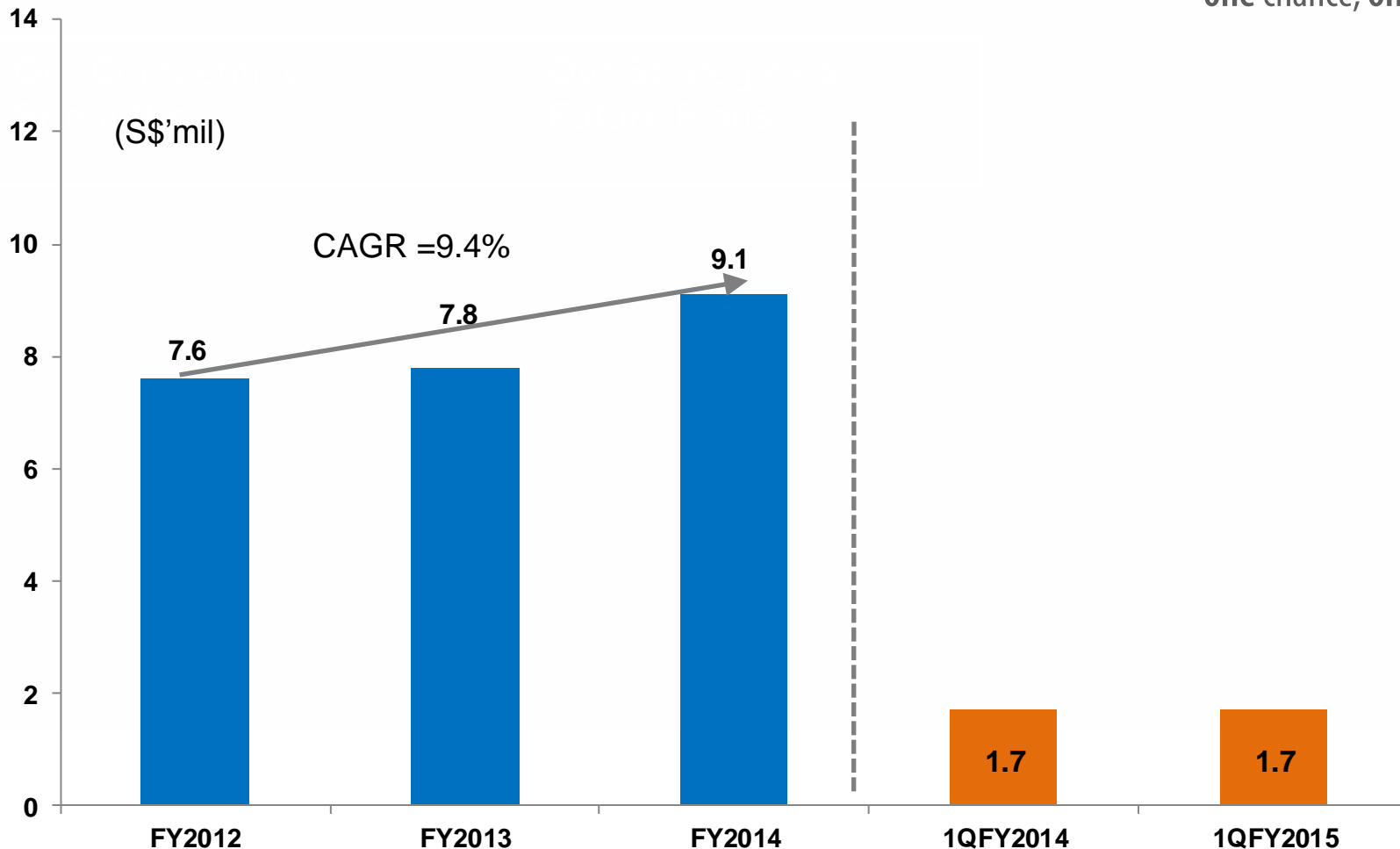


- Primarily driven by increase in number of client deliveries
- This was mainly contributed by the increased client deliveries from the Philippines, India and Indonesia.



Financial Highlights

CORE PROFIT BEFORE INCOME TAX FROM OPERATIONS



- Note that only entities operating under the Cordlife brand name which the Group has significant control over, are included in the calculation of core profit before income tax operations
- Share of results in associate, fair value changes on financial asset designated as fair value through profit or loss, gain on transfer of investment in associate to financial asset designated as fair value through profit or loss are excluded from core profits from operations
- One-off items such as IPO expenses, gain on disposal of associate, fair value gain on investment properties and negative goodwill on acquisition of associate are also excluded from core profits from operations

Near term income growth drivers



Successful introduction and expansion of new products

- Rollout of umbilical cord lining and MetaScreen Metabolic screening in target countries
- Further new products catering to the mother and child



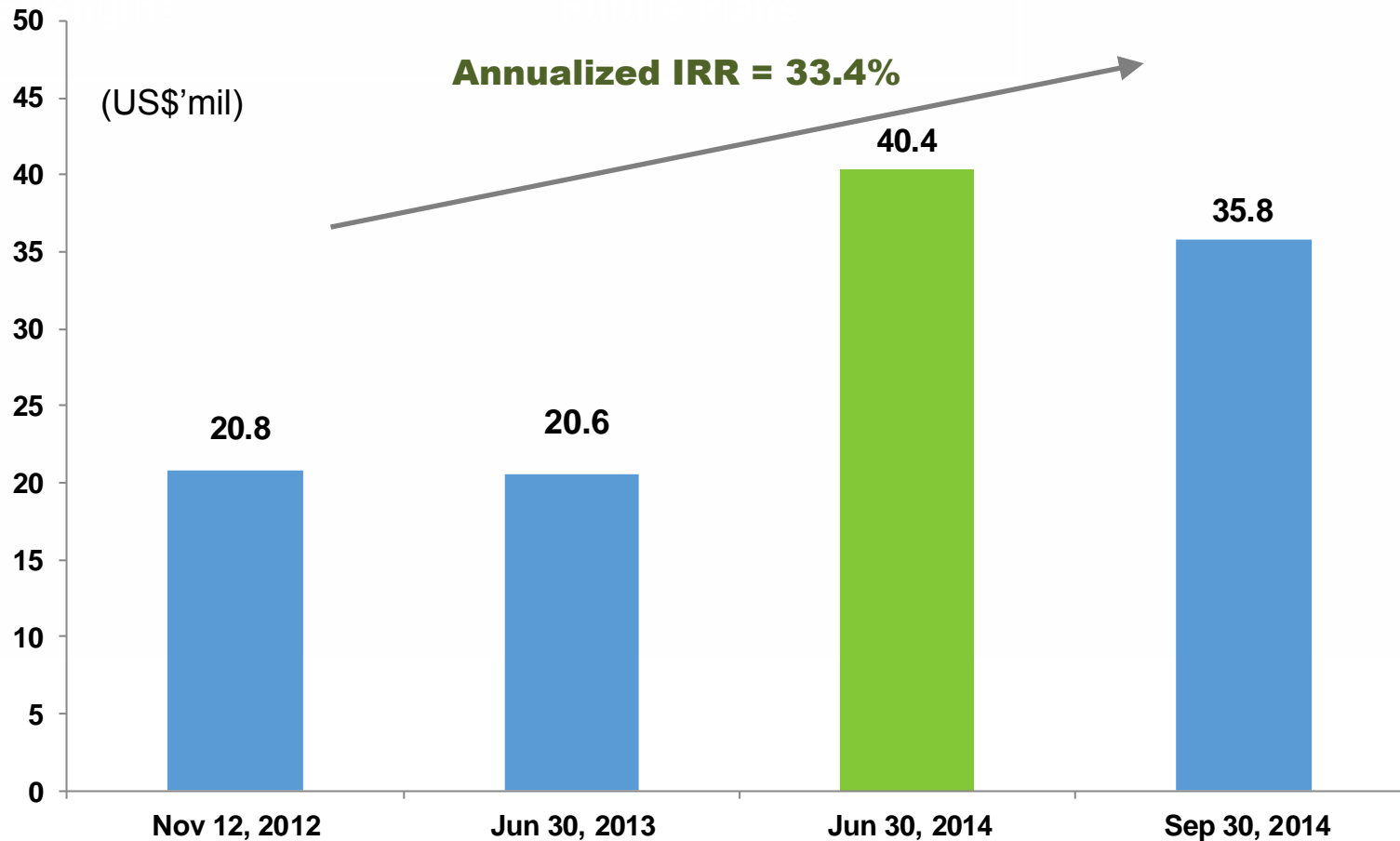
Investment in CCBC

- Participate in CCBC's China growth story and upside from:
 - Coupon payments from Convertible Note: 7.0% p.a. which amounts to US\$1.75m annually
 - Potential dividend income
 - Capital appreciation (Annualized IRR of 39.5% from inception till 30 September 2014)
 - Interest from US\$46.5 million Magnum facility
 - Upfront non-refundable fee of approximately US\$1.45m
 - 7.0% p.a. semi-annually for first 3 years of loan. 4th and 5th year, interest payable at a rate of 4.6% over the Swap Offer Rate or 7.0% per annum, whichever is higher. Equivalent to US\$3,255,000 in each of the first 3 years, US\$2,848,125 in the 4th year and US\$1,220,625 in the 5th year
 - Expansion of products into China via CCBC

Cordlife's China Investment Portfolio



- Acquired 10% of CCBC and disposed 10% indirect equity stake in Guangzhou Tianhe Nuoya in November 2012
- Between 12 Nov 2012 and 30 Sep 2014, Cordlife has realised an Annualized IRR of 33.4%



Note: The US\$20.8 million reflects the investment cost of Cordlife's 10.02% stake in CCBC in November 2012, while values of US\$20.6 million, US\$40.4 million and US\$35.8 million reflect the value of a 10.02% stake in CCBC based on the prevailing market capitalization of CCBC on the respective dates

APPENDIX

cordlife 
one chance, one choice.



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Group Structure

