

PRESS RELEASE

Cordlife delivers third consecutive quarter of revenue growth in challenging conditions

- Revenue for 3Q2021 increased year-on-year due to higher number of new samples stored and processed and revenue contribution from the diagnostics services.
- Despite operational challenges amidst the ongoing Covid-19 pandemic, gross margins continue to remain stable due to cost saving measures.
- Cordlife continues to ramp up its digital initiatives and broaden its product offerings as it prepares for the gradual recovery of the Covid-19 situation in its operating markets.

Singapore, 11 November 2021 – Cordlife Group Limited (“Cordlife” and together with its subsidiaries, the “Group”), provided quarterly business updates for the three months ended 30 September 2021 (“3Q2021”).

Financial Highlights

S\$'000	3Q2021	3Q2020	Change (%)	9M2021	9M2020	Change (%)
Revenue	12,726	11,686	8.9	35,896	37,927	(5.4)
Gross profit	8,154	7,063	15.4	22,806	23,517	(3.0)
Profit before income tax from operations	1,983	2,529	(21.6)	4,423	5,668	(22.0)
Profit before tax	2,021	2,529	(20.1)	4,748	5,668	(16.2)
Income tax expense	(257)	(145)	77.2	(490)	(652)	(24.8)
Net profit	1,764	2,384	(26.0)	4,258	5,016	(15.1)
Gross profit margin (%)	64.1	60.4	3.6pp	63.5	62.0	1.5pp
Net profit margin (%)	13.9	20.4	(6.5)pp	11.9	13.2	(1.4)pp

The Group's 3Q2021 revenue increased 8.9% year-on-year (“yoy”) to S\$12.7 million driven by 6.0% yoy increase in the number of new samples processed and stored compared to the three months ended 30 September 2020 (“3Q2020”). There was also conversion of more clients to higher value price plans in the Philippines market. Amidst the ongoing challenges from the Covid-19 pandemic, the Group continued to adopt digital initiatives for engaging and enrolling clients remotely.

The increase was also due to higher revenue contribution from the diagnostics services. The Group ramped up its diagnostic service revenue which grew 36.5% yoy to S\$1.0 million, driven mainly by the increase in pre-natal testing and genetic screening services.

Cordlife's 3Q2021 net profit after tax decreased 26.0% yoy to S\$1.8 million, due mainly to lower government grants recognised during the quarter.

Net cash flow from operations for 3Q2021 remained strong at S\$2.9 million, bringing the Group's net cash position to S\$73.2 million as at 30 September 2021.

Safe & Sound – Looking Forward

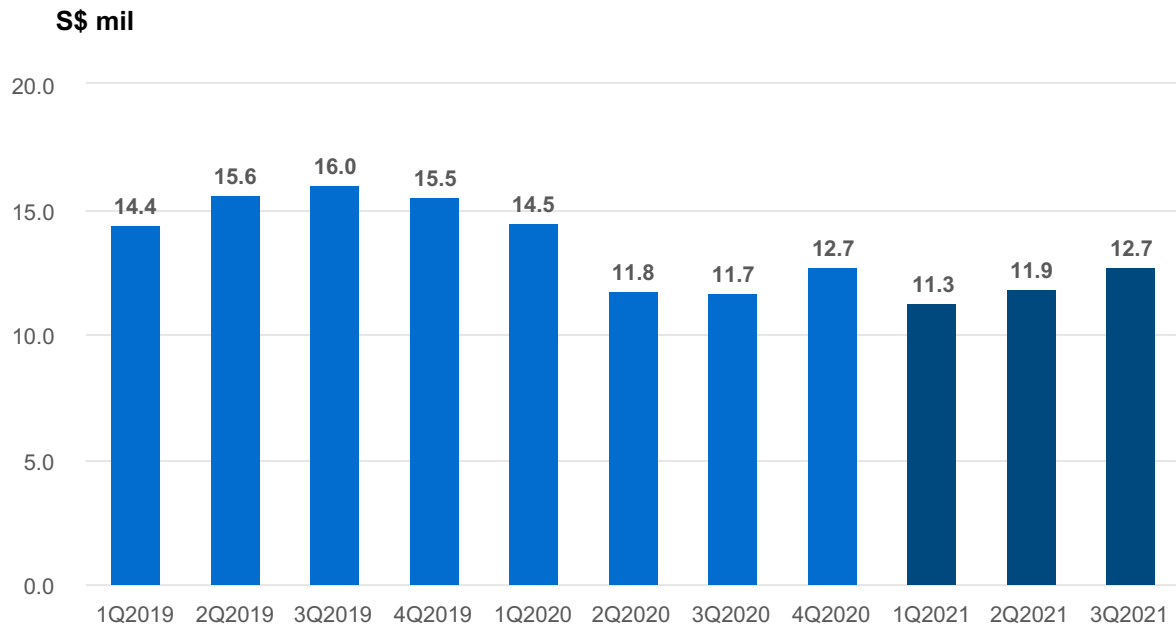


Chart 1: Quarterly Revenue - illustrating stable revenue of the past 6 quarters

The Group continues to demonstrate business resilience and adaptability amidst the evolving landscape, booking stable revenue over the past six consecutive quarters. As countries begin to adopt the endemic living approach while battling new emerging variants, the Group remains cautious of the uncertainties of the Covid-19 situation and its impact to the demand for the Group’s services in their operating markets. Nonetheless, the Group is hopeful that continued global efforts to develop and implement more effective healthcare solutions and the rise in global vaccination rates will bring steady progress in the recovery of the situation. If the Covid-19 situation continues to improve gradually, the Group expects an increase in client sign-ups in the future as well.

Commenting on the Group’s results, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, said, “Notwithstanding the challenges brought about by the ongoing Covid-19 pandemic, the Group has continued to deliver stable revenue over the past six quarters and third consecutive quarter of revenue growth. As various major economies pivot to endemic living and look to ease their Covid-19 restrictions, we will gradually resume our conventional marketing activities which will now run concurrently with our digital initiatives and online marketing campaigns. We have also expanded our suite of services and recently launched our new OptiQ service in Singapore and Hong Kong. Moving forward, we will remain focused on building up our revenue growth by offering more services to our clients and their broader families.”

- End -

ABOUT CORDLIFE GROUP LIMITED

Established in May 2001, Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”) is a leading company dedicated to safeguarding the well-being of mother and child. The Group has been listed on the Mainboard of the Singapore Exchange since 2012 and is a pioneer in private cord blood banking in Asia. Cordlife owns the largest network of cord blood banks in Asia with full stem cell banking facilities in six key markets namely Singapore, Hong Kong, Indonesia, India, Malaysia and the Philippines. In Singapore, Hong Kong, the Philippines and Indonesia, Cordlife operates the largest private cord blood banks and 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, Healthbaby Biotech (Hong Kong) Co., Limited. Through its majority-owned subsidiary in Malaysia, Stemlife Berhad, Cordlife holds an indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. Cordlife has also established its presence in Myanmar, Vietnam, Macau, Brunei and Bangladesh. Beyond cord blood, cord lining and cord tissue banking, Cordlife offers a comprehensive suite of diagnostics services for the family including urine-based newborn metabolic screening, non-invasive prenatal testing, paediatric vision screening and family genetic screening services. Quality and customer focus are amongst some of the cornerstones of Cordlife. For more information, visit <http://cordlife.listedcompany.com>

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