

## PRESS RELEASE

### Cordlife delivers a 3Q2022 revenue of S\$14.5 million

- 3rd consecutive quarter of top line growth as the Group enjoyed a return to in-person large scale events, and continued progress in its diagnostics business, displaying resilience amidst macroeconomic headwinds.
- Gross profit margin for 3Q2022 is down 1.1pp yoy to 67.9% due to inflationary pressures affecting cost of delivery of services.
- Moving forward, the Group will continue invest in its marketing initiatives as momentum picks up for large scale events and in-person opportunities.

**Singapore, 24 November 2022** – Cordlife Group Limited (“Cordlife” and together with its subsidiaries, the “Group”), provided its quarterly business updates for the nine months and three months ended 30 September 2022 (“**9M2022**” and “**3Q2022**” respectively).

#### Financial Highlights

S\$'000	3Q2022	3Q2021	Change (%)	9M2022	9M2021	Change (%)
Revenue	14,564	14,780	(1.5)	40,802	42,099	(3.1)
Gross profit	9,894	10,208	(3.1)	27,472	29,009	(5.3)
Profit before income tax from operations	1,021	1,983	(48.5)	2,998	4,423	(32.2)
Profit before tax	1,181	2,021	(41.6)	3,418	4,748	(28.0)
Income tax expense	(235)	(257)	(8.6)	(578)	(490)	18.0
Net profit	946	1,764	(46.4)	2,840	4,258	(33.3)
Gross profit margin (%)	67.9	69.1	(1.1)pp	67.3	68.9	(1.6)pp
Net profit margin (%)	6.5	11.9	(5.4)pp	7.0	10.1	(3.1)pp

The Group recorded a revenue of S\$14.6 million in 3Q2022, a 1.5% decrease year-on-year (“yoy”) from S\$14.8 million in the three months ended 30 September 2021 (“**3Q2021**”), with banking revenue declining 2.7% from S\$13.8 million in 3Q2021 to S\$13.4 million in 3Q2022, as a result of a lower number of new samples processed and stored. Although there was a decrease in revenue yoy, the Group has delivered a 3rd consecutive quarter of revenue growth, boosted by in-person large scale events held during the quarter. Cordlife also continues to see steady growth in its diagnostics arm, with revenue contribution from diagnostics growing at 15.5% yoy from S\$1.0 million in 3Q2021 to S\$1.1 million in 3Q2022.

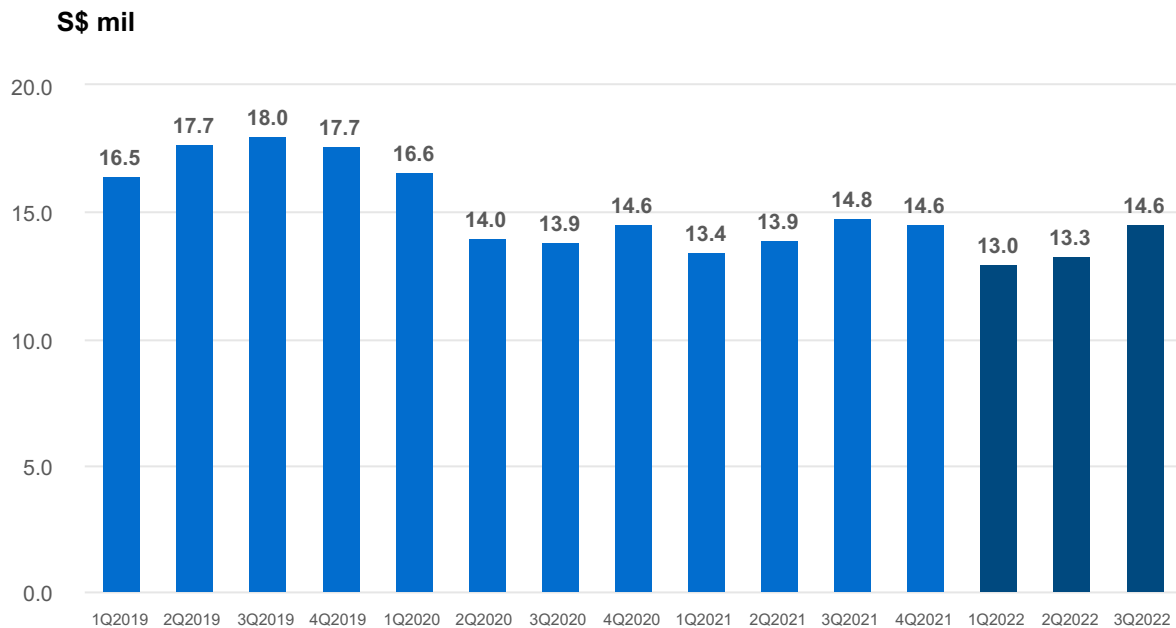
Gross profit for 3Q2022 decreased by 3.1% yoy to S\$9.9 million, compared to S\$10.2 million in 3Q2021, while gross profit margin decreased from 69.1% in 3Q2021 to 67.9% in 3Q2022. The slight decline in gross profit margin is partly due to inflationary pressures affecting the Group's cost of delivery.

With the increase in in-person large scale events and baby expos, the Group has increased its investments in marketing activities during the quarter in order to increase awareness and customer sign ups, resulting partly in the increase in operating expenses by 7.3% from 3Q2021 to 3Q2022. As revenue from customer sign ups is only recognised when the customer gives birth, this revenue is typically recorded a few months after the date of sign up.

As a result of the foregoing, the Group recorded a net profit of S\$0.9 million for 3Q2022.

The Group's net cash position as at 30 September 2022 remains healthy, contributed by strong net cash flow from operations for 3Q2022 of S\$1.8 million.

## Looking Forward



**Chart 1: Quarterly Revenue Trend**

Consumer spending has tightened against the backdrop of inflationary pressures on global commodity prices as a result of the ongoing Russia-Ukrainian conflict and persistent supply chain disruptions. However, this situation is expected to stabilise, with the US Federal Reserve expected to slow down its aggressive tightening monetary policy<sup>1</sup> after announcing its fourth consecutive 75-basis-points rate hikes in November.

As countries continue to head towards full endemic living and easing of Covid-19 regulations, there has also been a spike in Covid-19 infections due to the new XBB recombinant variant. In Singapore, this has resulted in tightening of certain restrictions, such as limits to in-person visits to hospitals. However, the Singapore authorities demonstrated their commitment to endemic living<sup>2</sup> when combating the recent infections without reimposing safe management measures such as indoor mask requirements.

With the pandemic highlighting the vulnerability of children and infants, there has been an increased willingness to spend on paediatric care. In addition, consumers are increasingly seeking more proactive healthcare solutions and comprehensive protection. We believe that these factors will continue to boost the demand for the Group's diagnostic services. Moving forward, the Group remains cautiously optimistic of its long-term prospects and will continue to closely monitor the situation and adapt accordingly.

Commenting on the Group's results, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, said, "While we have made significant inroads with our online marketing efforts, large-scale and in-person events remains a stalwart in our customer outreach efforts, as these in-person meetings allow us to directly address the concerns and questions of our potential customers, and give them the assurance to trust the quality and commitment of our services.

Looking ahead, we will continue to innovate and expand our range of products and services to cater to the needs of the entire family. With borders reopening globally and travel restrictions easing, our M&A team has started to look for new opportunities in earnest."

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<sup>1</sup> Reuters: Fed seen slowing rate hike pace as inflation eases (<https://www.reuters.com/markets/us/traders-see-fed-getting-less-aggressive-after-inflation-report-2022-11-10/>)

<sup>2</sup> ChannelNewsAsia: COVID-19 infection wave driven by XBB variant clearly coming down: Ong Ye Kung (<https://www.channelnewsasia.com/singapore/covid-19-wave-xbb-variant-coming-down-ong-ye-kung-restrictions-3034571>)

## ABOUT CORDLIFE GROUP LIMITED

Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”), founded in May 2001, is a leading company dedicated to safeguarding the well-being of mother and child. Listed on the Mainboard of the Singapore Exchange since 2012, the Group is a pioneer in private cord blood banking in Asia. Cordlife operates Asia’s largest network of cord blood banks. With full stem cell banking facilities in six key markets, Cordlife is an industry leader in Singapore, Hong Kong, Indonesia and the Philippines, and one of the top three market leaders in India and Malaysia. Through its majority-owned subsidiary in Malaysia, Stemlife Berhad, Cordlife has an indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. In addition to cord blood, cord lining, cord tissue and lenticule banking, Cordlife offers families a comprehensive suite of diagnostics services, including non-invasive prenatal testing, paediatric vision screening and newborn metabolic screening. Two of Cordlife’s primary focus areas are providing reliable quality and being customer-centric. All of the Group’s facilities are accredited by the Association for the Advancement of Blood & Biotherapies (“AABB”), an organisation dedicated to its mission of improving lives by making transfusion medicine and biotherapies safe, available and effective worldwide. Furthermore, Cordlife Singapore and Healthbaby Hong Kong are the only two full-fledged private cord blood banks in Asia and five worldwide to be accredited by both AABB and the Foundation for the Accreditation of Cellular Therapy (“FACT”), another world-class accreditation body for cord blood banks worldwide. In the area of clinical diagnostics, Cordlife India, Cordlife Hong Kong and Healthbaby Hong Kong are all accredited by the College of American Pathologists (“CAP”). This makes Healthbaby Hong Kong the only private cord blood bank in the world to be accredited by three international standard-setting bodies, and Cordlife India one of the only two medical laboratories in West Bengal to be holding accreditations from the National Accreditation Board for Testing and Calibration Laboratories (“NABL”) and CAP. These quality achievements reinforce the Group’s commitment to providing reliable healthcare solutions through innovation and technological advancement. For more information, visit <http://cordlife.listedcompany.com>.

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