

## PRESS RELEASE

# Cordlife records a net profit of S\$3.6 million for 9M2023 increasing 27.6% yoy

- Sequential revenue growth of 2.8% in 3Q2023 to S\$14.7 million from S\$14.3 million in 2Q2023 due to the increase in new samples processed and stored.
- Net profit margin improved by 1.5 percentage points ("pp") to 8.4% in 9M2023 from 7.0% in 9M2022.
- The Group will focus on capitalising on the growing momentum from its marketing campaigns and will continue to build awareness of the benefits that stem cells hold.

**Singapore, 10 November 2023** – 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 2023 ("9M2023" and "3Q2023" respectively).

### Financial Highlights

S\$'000	3Q2023	3Q2022	Change (%)	9M2023	9M2022	Change (%)
Revenue	14,684	14,564	0.8	42,997	40,802	5.4
Gross profit	9,949	9,894	0.6	29,101	27,472	5.9
Profit before income tax from operations	1,442	1,021	41.2	3,654	2,998	21.9
Profit before tax	1,754	1,181	48.5	4,489	3,418	31.3
Income tax expense	(360)	(235)	53.2	(866)	(578)	49.8
Net profit	1,394	946	47.4	3,623	2,840	27.6
Gross profit margin (%)	67.8	67.9	(0.1)pp	67.7	67.3	0.4pp
Net profit margin (%)	9.5	6.5	3.0pp	8.4	7.0	1.5pp

The Group recorded a revenue increase of 5.4% year-on-year ("yoy") to S\$43.0 million in 9M2023, as compared to S\$40.8 million in 9M2022. The increase was driven by higher revenue in both the banking and diagnostic segments. Banking revenue for 9M2023 increased by 5.0% yoy to S\$39.5 million and diagnostics revenue showed an increase of 9.4% yoy to S\$3.5 million. With growth in the number of samples processed and stored, Cordlife also reported a 2.8% increase in revenue of S\$14.7 million for 3Q2023 as compared to S\$14.3 million for 2Q2023 and a 0.8% increase yoy from S\$14.6 million in 3Q2022.

Selling and marketing expenses increased by 7.7% yoy compared to 9M2022 as the Group continued to invest in both in-person and digital marketing activities and baby expos. These marketing efforts help the Group connect to potential customers and build awareness, and eventually, lead to customer acquisitions.

In 9M2023, interest income increased 29.0% or S\$0.6 million from S\$1.9 million in 9M2022 to S\$2.5 million for the current period. This, together with the top-line growth and an increase in share of profits of associate by 98.8% or S\$0.4 million from 9M2022 to 9M2023, contributed to an increase in net profit by 27.6% yoy to S\$3.6 million in 9M2023 from S\$2.8 million in 9M2022. Net profit for 3Q2023 increased 47.4% yoy to S\$1.4 million as compared to S\$0.9 million in 3Q2022.

The Group's net cash position as at 30 September 2023 remains healthy at S\$85.0 million, contributed by strong net cash flow from operations for 9M2023 of S\$8.5 million, and increase of 46.0% over 9M2022 of S\$5.8 million.

## **Looking Forward**

Challenging economic and geopolitical developments continue to threaten economies around the world. The recent Israel-Hamas conflict that broke out in early October 2023, if exacerbated, has the potential to further disrupt the world economy and possibly cause a recession. This, along with high inflation, is likely to affect consumer spending by curbing it further. However, the Group is committed to expanding the scope of its offerings to deliver more value to current and prospective clients, as well as their extended families.

The increase in intensity of marketing activities has served as an opportunity for the Group to be on the ground and meet face to face with potential customers to understand their needs and create awareness of the benefits of stem cell banking. Due to the nature of the Group's service offerings, the sign ups acquired from such events and baby expos typically occur a few months prior to their delivery. Their delivery would mark the point of the Group's service delivery and, consequently, when revenue is recognised.

Ms Tan Poh Lan, Chief Executive Officer of Cordlife, commented, "While the global economic environment remains tense, Cordlife has been exhibiting consistent growth each quarter this year. We continue to see the benefits of large-scale on-ground marketing events and outreach programs as we strive to meet the needs of our customers with a personal touch and a high level of trust. The Group aims to leverage on the growing awareness and scientific studies in relation to the medical potential of stem cells to be further unlocked in the near future. "

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## 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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