



**MEDIA RELEASE
FOR IMMEDIATE RELEASE**

Q&M Dental Group's profit after tax grew 84%, Board declared 0.40 cent interim dividend, a 150% increase over the same period last year

- 1H2024 Total EBITDA 27% higher at S\$23.4 million vs 1H2023 of S\$18.5 million;
- 1st Interim Dividend of 0.40 Singapore cent per share to be paid on 2 September 2024, an increase of 150% as compared to 1H23. Dividend Payout Ratio of 39%;
- Net Asset Value of S\$104 million with Group gearing reduced from 0.78 to 0.71 as at 30 June 2024 vs 31 Dec 2023.

GROUP FINANCIAL HIGHLIGHTS

6 months ended 30 June	1H2024 S\$'000	1H2023 S\$'000	Change %
Total Revenue	88,792	87,145	2
Total EBITDA	23,420	18,477	27
Total PATMI	9,799	5,334	84
Earnings Per Share (SG Cent)	1.04	0.56	86
Dividend Per share (SG Cent)	0.4	0.16	150
Dividend Payout Ratio (%)	39	28	11
	As at 30 June 2024 S\$'000	As at 31 Dec 2023 S\$'000	Change %
Net Asset Value (S\$'000)	104,000	99,071	5
Net Asset Value per Share (SG Cent)	11.0	10.5	5
Debt to Total Equity Ratio (X times)	0.71	0.78	Reduced

SINGAPORE, 12 August 2024 – Mainboard listed Q & M Dental Group Limited (“the Group” or “the Company” and together with its subsidiaries, the “Group”) today reported total revenue of S\$88.8 million and profit after tax attributable to parent of S\$9.8 million for the 6 months ended 30 June 2024 (“1H2024”).

Dr Ng Chin Siau, (黄震霄医生) Group Chief Executive Officer of Q & M, said, “*We are pleased to report that Q&M Dental Group has achieved a solid 84% increase in profit to S\$9.8 million for the first half of 2024, driven by a robust revenue of S\$88.8 million.*”



This significant growth underscores the strength of our dental healthcare business, which has remained steady and resilient despite the challenges of recent years with our total EBITDA for the period also increasing by 27% to S\$23.4 million compared to the same period last year. In recognition of our solid performance, we are pleased to declare a first interim dividend of 0.4 Singapore cents per share, to be paid on 2 September, 2024, reflecting a dividend payout ratio of 39%. Additionally, we have successfully pared down our Group gearing, further strengthening our financial position.

These achievements highlight our commitment to delivering sustainable growth and value to our shareholders while continuing to provide exceptional dental care."

1H2024 Financials

The Group's total revenue increased 2% from \$87.1 million for 1H2023 to \$88.8 million for 1H2024, mainly from higher revenue contribution from Singapore dental clinics that was partially offset by lower revenue contribution from the Group's medical laboratory business and dental distribution business, as well as lower profit guarantee income.

The Group recorded net other gains of S\$1.8 million, mainly due to a gain on disposal of EM2AI Pte. Ltd. as well as compensation from ex-vendors for the settlement and termination deed for Shanghai Chuangyi Investment & Management Co., Ltd. and ex-vendors from AR Dental Supplies Sdn. Bhd..

Added Dr Ng, "While this has been a solid performance so far for this 1H2024, we remain focused on and committed to solidifying the fundamentals of the Group, keeping to our corporate philosophy of personal excellence and ethical behaviour 修身、harmonious and respectful work environment 齐家、align objectives and work effectively as a team 治國、ultimately benefiting patients and contributing to societal well-being 平天下. We will expand our network, embrace innovative technologies such as Artificial Intelligence (AI), and enhance operational efficiencies to drive future success."

Investment in associates recorded a share of profit of S\$0.2 million, mainly due to Aoxin Q & M Dental Limited turning from a loss in 1H2023 to profit in 1H2024.



Net cash flow generated from operating activities was S\$17.3 million for 1H2024. This is mainly due to profit generated from operations in 1H2024 offset by decrease in trade and other payables, increase in trade and other receivables and income taxes paid. Net cash used in investing activities in 1H2024 amounted to S\$1.1 million, mainly due to the purchase of plant and equipment for the existing and new dental clinics off set by decrease in sign on bonus for dentists. Net cash used in financing activities in 1H2024 was S\$17.9 million, mainly due to repayment of lease liabilities arising from right-of-use assets, dividend payment to shareholders and repayment of bank loans. As at 30 June 2024, Q & M has cash and cash equivalents of S\$32.3 million and bank borrowings plus finance leases amounting to S\$76.5 million.

Net Asset Value attributable to owners of parent is S\$104.0 million as at 30 June 2024 compared to S\$99.1 million on 31 December 2023, an increase of 5%. Net assets value per ordinary share increased to 11.0 Singapore cents as at 30 June 2024 from 10.5 cents as at 31 December 2023.

Dividend

The Board of Directors of Q & M declared a first interim dividend of 0.4 Singapore cent per ordinary share for 1H2024, an increase of 150% as compared to 1H23. The dividend payout ratio works out to be 39% for 1H2024. The dividend will be paid on 2 September 2024.

Recent Developments

- **EM2AI – AI-empowered Dental Solutions**

EM2AI Pte. Ltd has recently announced in July, the release of the “**Treatment Plan**” on its Artificial Intelligence (AI)-module. The "Treatment Plan" AI-Module leverages state-of-the-art technology, including Large Language Models (LLM) to optimise treatment recommendations. It combines the strength of conventional clinical decision support systems, with the advanced processing capabilities of LLM to understand and interpret all data and input effectively. This greatly strengthens our overall value proposition as patients will be provided with holistic analysis with recommendations that will be unbiased and objective.



- **Announcement of Arbitral award**

On 15 July 2024, the Company announced that the Group's wholly-owned subsidiary, Q & M Dental Group (Malaysia) Sdn Bhd, obtained an arbitral award from the Singapore International Arbitration Centre against (i) Tye Chee Wah; (ii) Chong Vooi Seong; (iii) Chan Sing Cheong, who are the remaining 30% shareholders of AR Dental Supplies Sdn Bhd, as well as (iv) Pride Access Sdn Bhd.

Looking Ahead

- **Expansion of network of dental clinics in Singapore and the Asia Pacific region**

Our commitment to expanding our network of dental clinics is unwavering. We continue to explore strategic opportunities for growth in Singapore and other Asia Pacific region markets. Each clinic is meticulously evaluated to enhance productivity and maximise returns.

- **Dentistry 3.0 – Towards a “Lifelong Learning Organisation”, Ethical Dentistry, & Strengthening of Core Values**

We are optimistic about the opportunities that lie ahead. Our strategic investments in AI, lifelong learning throughout the organisation, and ethical dentistry will ensure that we are well-prepared to navigate the challenges of the evolving healthcare landscape. We remain committed to our core values of loyalty, truthfulness, respect, righteousness, and integrity, which guide our actions and decisions.

Barring any unforeseen circumstances, there are no known significant changes in the trends and competitive conditions of the industry in which the Q & M operates and no other major known factors or events that may adversely affect the Group in the next reporting period and the next 12 months.

This press release is read in conjunction with Q & M's 1H2024 results release on SGXNET.

Footnotes:

1. EBITDA refers to earnings before interest, taxes, depreciation and amortisation.
2. PATMI refers to profit after tax and minority interest (aka Profit attributable to parent).

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About Q & M Dental Group (Singapore) Limited (QC7.SI)

Q & M Dental Group (Singapore) Limited (QC7.SI) (“Q & M” or together with its subsidiaries, the “Group”) is a leading private dental healthcare group in Asia.

The Group owns the largest network of private dental outlets in Singapore, operating 107 dental outlets across the country. Underpinned by about 270 experienced dentists and over 350 supporting staff, the Group sees an average of 40,000 patient visits a month in Singapore. The Group also operates 5 medical clinics and a dental supplies and equipment distribution company.

Outside of Singapore, the Group has 44 dental clinics and a dental supplies and equipment distribution company in Malaysia. Q & M is also the substantial shareholder of Aoxin Q & M Dental Group Limited, a dental Group listed on the Catalist board of the Singapore Exchange that operates dental clinics and hospitals primarily in the north-eastern region of the PRC. The Group aims to expand its operations geographically and vertically through the value chain in Malaysia, the PRC and within the ASEAN region.

The Q & M College of Dentistry was established in 2019 to offer postgraduate dental education as part of its commitment to continual education and professional development of dentists. It offers Singapore’s first private postgraduate diploma programme in clinical dentistry.

In 2020, the Group expanded into the medical laboratories and research industry with the strategic investment into Acumen Diagnostics Pte. Ltd. (“Acumen”). Currently, Acumen focuses on developing its range of medical research, tests and solutions to secure viable patents and to achieve successful commercialisation of the medical products in the near future.

The Group was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 26 November 2009.

For more information on the Group, please visit www.QandMDental.com.sg

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