



Q & M Dental Group (Singapore) Limited



---

# Q & M Business Review & Update

Singapore's Largest Private Dental Healthcare Group

May 2021

# Important Notice and Disclaimer

---

## **Important Information**

This presentation is not and does not constitute or form any part of and should not be construed as any offer or invitation to sell or issue, or any solicitation or recommendation of any offer to subscribe for or purchase any securities in any jurisdiction and nothing contained herein shall form the basis of or be relied upon in connection with any contract, commitment or investment decisions in relation thereto. This presentation is strictly confidential and is being furnished to you solely for your information and may not be reproduced or redistributed to any other person or published, in whole or in part, for any purpose. No representation or warranty, express or implied, of any nature is given as to, and no reliance should be placed on, the fairness, correctness, accuracy or completeness of the information or opinions contained herein.

This presentation is being communicated only to persons who have professional experience in matters relating to investments and to persons to whom it may be lawful to communicate it to (all such persons being referred to as "relevant persons"). This presentation is only directed at relevant persons. Solicitations resulting from this presentation will only be responded to if the person concerned is a relevant person. Other persons should not rely or act upon this presentation or any of its contents.

The information and opinions in this presentation are provided as at the date of this presentation and are subject to change without notice and no reliance should be placed as the fairness, accuracy, completeness as correctness of the information or opinions presented as contained in this presentation. No assurance is made as to the accuracy of this presentation and it may be incomplete or condensed and it may not contain all material information concerning the Company or the group of which the Company is a part (the "Group"). The information in this presentation is not financial product advice and does not take into consideration the investment objectives, financial situation or particular needs of any particular person. There is no obligation to update, modify or amend this communication or to otherwise notify the recipient if information, opinions, assumptions, projections, forecasts or estimates set forth therein, changes or subsequently becomes inaccurate. None of Q & M Dental Group (Singapore) Limited (the "Company"), nor any member of the Group, nor any of their respective affiliates, officers, employees, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of or reliance on the information or opinions contained in this presentation.

No offering of the Company's securities will be registered under the U.S. Securities Act of 1933, as amended, or with any securities regulatory authority of any state or any other jurisdiction of the United States. Subject to certain exceptions, the Company's securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act.

Neither this presentation nor any copy of such presentation may be taken or transmitted into the United States or distributed, directly or indirectly, in the United States. The information presented here is not an offer for sale within the United States of any securities of the Company.

The distribution of this presentation in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

By attending this presentation or by accepting this document, you will be taken to have represented, warranted and undertaken that: (i) you are a relevant person (as defined above); (ii) you are not a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or any U.S. person; (iii) you are bound by the foregoing limitations; and (iv) that any investment in any securities of the Company will be made solely on the basis of the disclosure document prepared by the Company and not on the basis of this presentation. Any failure to comply with these restrictions may constitute a limitation of applicable securities law.

Any discrepancies in the tables included herein between the listed amounts and the SGXNET announcements or the consolidated financial statements of the Company are due to rounding.

## **Forward-Looking Statements**

This presentation contains forward-looking statements which may be identified by their use of words like "plans", "expects", "will", "guidance", "anticipates", "believes", "intends", "projects", "estimates" or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

All forward-looking statements are subject to risks and uncertainties as they are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. The Company has no obligation to, and does not intend to, publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

---

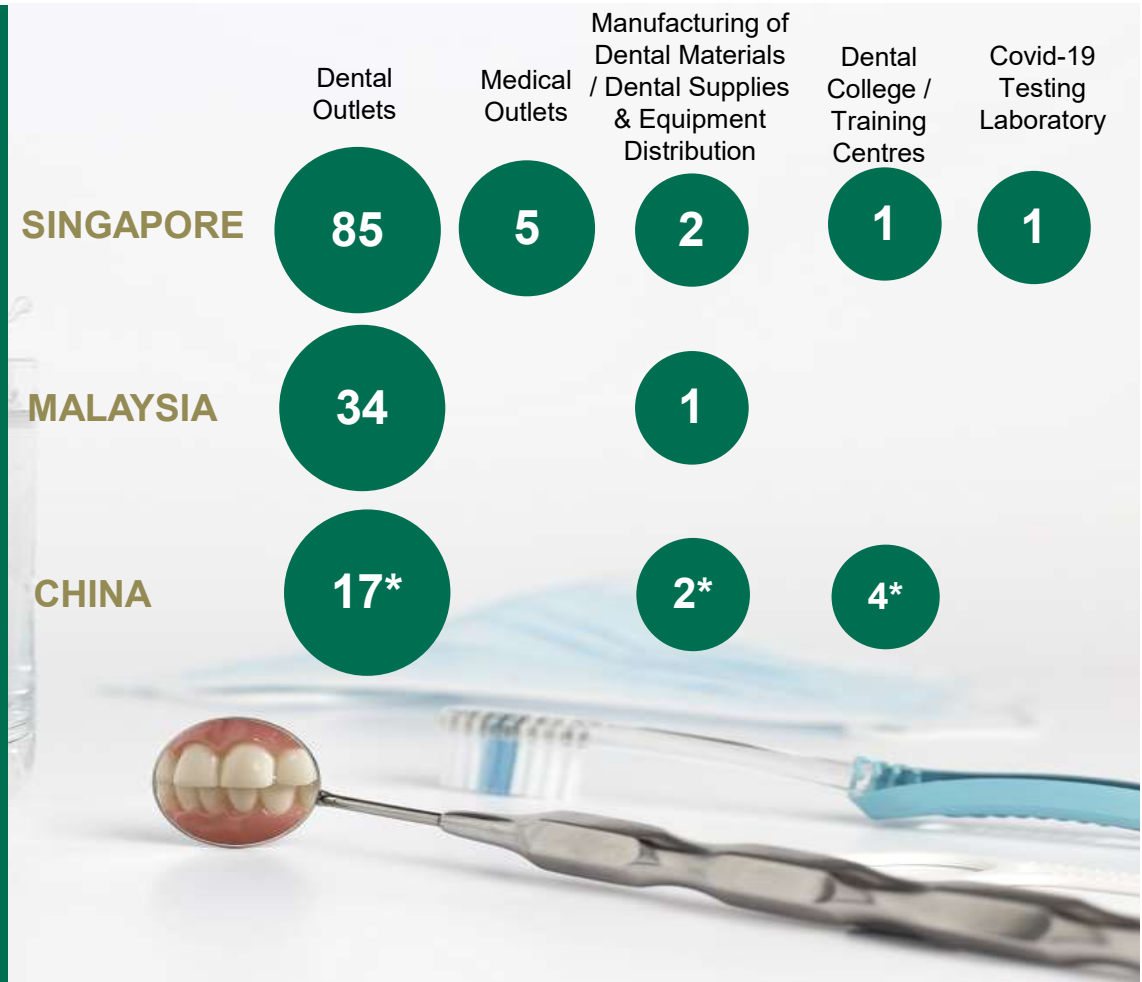
## Q & M listed on Main Board of SGX-ST on 26 November 2009



# Introduction

## BUILDING THE LEADING INTEGRATED DENTAL HEALTHCARE COMPANY IN ASIA

- First established in November 1996 in Singapore
- Listed on the Main Board of the Singapore Exchange on 26 November 2009
- The largest network of private dental outlets in Singapore with an expanding presence in China and Malaysia
- More than 400 experienced dentists, supported by close to 500 clinical and administrative staff in the region
- 50 dental specialists
- Serving over 400,000 patients in Singapore annually



\* Number include 6 dental hospitals, 10 dental clinics, 1 dental supplies & equipment distribution company, 4 training centres and 1 dental laboratory under Q & M's associate company Aoxin Q & M Dental Group Limited and 1 dental clinic in Shanghai under Q & M Dental Group (Singapore) Limited.

---

# Business Structure

CORE DENTAL SERVICES BUSINESS  
CONTRIBUTES 90% OF GROUP'S REVENUE



---

## Q & M Extended Family



# Key Management



## Dr Ng Chin Siau

*Group Chief Executive Officer*

- More than 20 years of experience in the dental healthcare industry
- Received the Best Entrepreneur Award
- Named the top entrepreneur and winner of the Entrepreneur of the Year Award



## Dr Ang Ee Peng Raymond

*Chief Operating Officer*

- More than 19 years of experience in the dental healthcare industry
- Advisor to the Singapore Dental Association ethics committee
- Presented with the SDA Meritorious Award by the SDA



## Mr Vitters Sim

*Chief Financial Officer*

- More than 35 years of experience in audit, finance and business management
- Former CFO of W.Atelier and Group Financial Controller of Pacific Healthcare Holdings



## Ms Foo Siew Juan

*General Manager*

- Assists in human resource, procurement, marketing, service recovery matters
- With the Group for over a decade



## Ms Melanie Ng

*Group Financial Controller*

- Assists our Chief Financial Officer in finance and compliance matters
- Close to two decades of finance experience

# Subsidiaries

## SINGAPORE OPERATIONS: Merger With Other Dental Clinics In Singapore



---

# Subsidiaries

## MALAYSIA OPERATIONS

The Group's Malaysia operations spans across several states including Johor, Kuala Lumpur, Selangor and Malacca. This include dental clinics and dental equipment and dental distribution arm.

As at March 2021, the Group runs a total of 36 dental outlets in Malaysia.

With a view of further expansion, especially in Johor and Klang Valley, the Group will continue to monitor the Malaysian economy closely.





# Our Associate Companies



- Aoxin Q & M Dental Group Limited (“Aoxin”) is one of the leading providers of private dental services and dental equipment and supplies in the Liaoning Province, Northern PRC
- It has 17 dental centres, comprising 6 dental hospitals and 11 polyclinics, in 4 different cities in Liaoning Province, namely, Shenyang, Huludao, Panjin and Gaizhou.
- Aoxin also has a dental equipment and supplies distribution network covering Liaoning, Heilongjiang and Jilin Provinces in Northern PRC.
- Listed on Catalist Board of SGX-ST on 26 April 2017.
- As at 31 December 2020, Q & M owns 43.38% of Aoxin.

	Revenue	Net Profit
<b>FY2016</b>	RMB86.9M	RMB11.0M
<b>FY2017</b>	RMB100.7M	RMB10.7M
<b>FY2018</b>	RMB119.1M	RMB(0.5)M
<b>FY2019</b>	RMB141.1M	RMB(13.5)M
<b>FY2020</b>	RMB132.6M	RMB(12.1)M
<b>1Q2021</b>	RMB34.8M	RMB(4.7)M

*Note: Net profit excludes IPO expenses for FY2017 and FY2016.*

# Listing of Aoxin Q & M Dental Group Limited on the Catalist Board of SGX-ST in 26 April 2017



# Competitive Strengths

## Distinct Brand Equity

Widest Network Of Well-recognized Clinics At Strategic Locations In Singapore

Serving Over 10% Of The Local Population

Strong Branding And Marketing Initiatives



## Strong Talent Acquisition Capabilities

Largest Qualified Pool Of Dentists And Medical Staff In Singapore  
Ability To Attract And Retain Talent

Dentists Split by Speciality



## Reputable and Respected

Management Team With Over Four Decades Of Dental Expertise

Largest Listed Pure Dental Play in Southeast Asia



## Financial Fortitude

Robust Financial Growth

Long-term Profit Commitments

Strong Balance Sheet And Cash Position

---

# Q & M Specialists



# RECENT DEVELOPMENTS & FUTURE PLANS

---



---

# Recent Development

## 1. Dental Artificial Intelligence

### EM2AI Pte. Ltd. (“EM2AI”)

- Incorporated on 12 November 2018.
- Focused on developing dental healthcare software in **diagnosis and treatment planning**.
- Collaboration agreement with International Medical University in April 2019 to develop an **AI-enhanced guided treatment plan** for the management of common dental diseases.
- Patent registration in process.
- First of its kind in Southeast Asia for use in the dental healthcare landscape.



### Q & M's purpose of developing AI-enhanced dental treatment

---

- Provide the most appropriate treatment.
- Automate and optimize the involvement of human judgement.
- Improve the quality of treatments received by patients and patient experience.

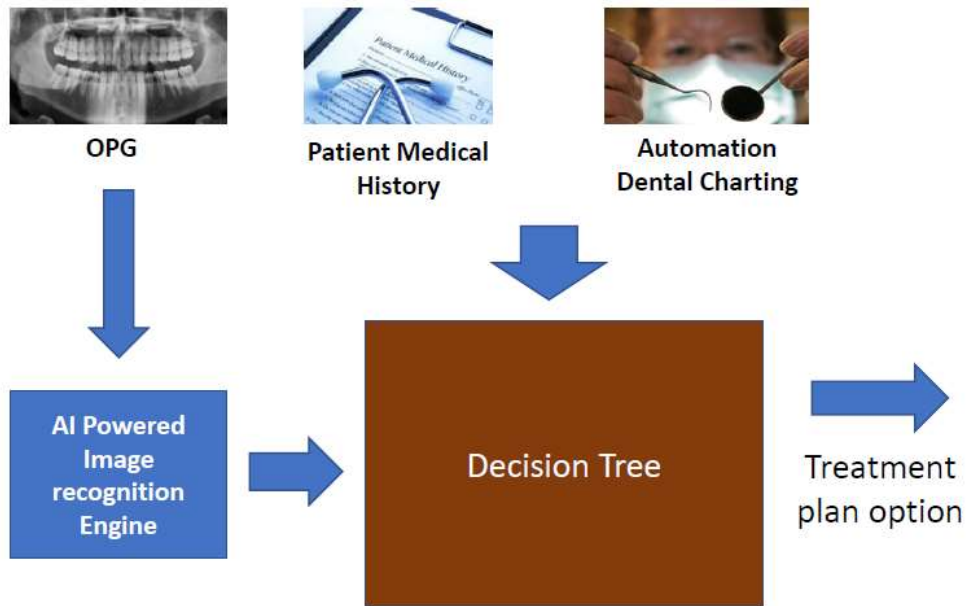
### Details of the AI Project

---

- Focused on the development of AI algorithms to intelligently assist dental treatment decision-making.
- The end product will aid the dentists in ensuring early and/or complete detection of dental problems.
- Serve as an adjunct training tool in the continuing education of Q & M's more than 400 dentists.

# AI in Dentistry

## Building the First AI powered Dental treatment in Asia



# Recent Developments

## 2. Dental Education

### Q & M College of Dentistry Pte Ltd (“QMCD”)

- Incorporated on 17 December 2018.
- Purpose is to offer premier postgraduate continuing dental education programmes.
- Offers two-year Graduate Diploma in Clinical Dentistry course, open to Q & M dentists and dental practitioners in Singapore.
- The course started in October 2019.



#### **Registration Granted**

Successfully registered as a private education provider by MOE Singapore in June 2019.



#### **Comprehensive Suite of Courses**

Courses in disciplines such as Implantology, Rotary Endodontics, Wisdom Tooth Surgery, CAD/CAM Dentistry equip dentists with skills beyond dental school.



#### **Recognized by the Committee for Private Education (Singapore)**

Upon completion of courses, dentists are awarded a Graduate Diploma in Advanced General Dental Practice, recognized by the Committee for Private Education, part of MOE.



#### **Strong Faculty and Large Network of Specialists**

The largest group of specialists outside of NDC & NUS form the faculty of the Q & M College of Dentistry.



## Dental Education

- The Graduate Diploma in Clinical Dentistry Course (2 years program) consists of didactic sessions and hands-on training conducted in an interactive learning environment.
- It prepares the students for further clinical management and treatment with chair-side supervision.
- 10 Modules:
  - ✓ Endodontics
  - ✓ Prosthodontics
  - ✓ Implant Dentistry
  - ✓ Digital Dentistry
  - ✓ Oral Maxillofacial Surgery & Restorative Dentistry
  - ✓ Patient Management & Business of Dentistry
  - ✓ Orthodontics
  - ✓ Geriatric Dentistry
  - ✓ Laser Dentistry
  - ✓ Periodontics

SKILLS *future* SG



## Registration

This is to certify that

**Q & M College of Dentistry**

is registered as a

**Private Education Institution**

under the provisions and regulations

of the Private Education Act (Chapter 247A)

in Singapore

The registration period is valid for 2 years from

20 June 2019 to 19 June 2021

Registration No. 201841969G

Hui Mei San

---

Director-General  
(Private Education)

# Opening of Q & M College of Dentistry



# Future Plans & New Projects

## WELL POSITIONED TO CAPTURE GROWTH OPPORTUNITIES

### Pursuing Organic Growth

- **Dental Services:** Focus on organic growth and M&A (Singapore, Malaysia, China, SEA)
- **Setting up new clinics** in Johor Bahru, Melaka and Klang Valley, which have shown continued growth prospects
- **Setting up new dental clinics/hospitals** through JV in China
- **Strengthen recruitment programme** through sponsorships and bursaries for aspiring dentists

### AI in Dentistry

- **Optimise our AI-enhanced guided treatment plan** to provide the most effective and suitable treatment plans for patients
- **AI to increase Group's long-term value proposition**

### Q & M College

- **Offer post-graduate programmes and other training programmes** through Q & M College of Dentistry
- **Offer training programs for Dental Surgery Assistants**

### New Projects

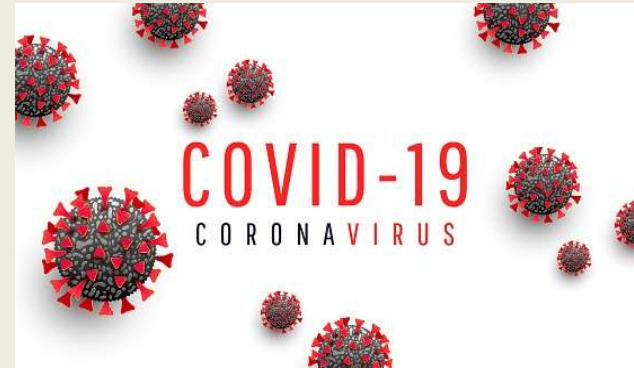
- **COVID-19 related:**
  - Sale of test kits
  - Laboratory tests and results
  - Swabbing
- **Sale of medical surgical mask and consumables (PPE)**

# New Project

## 1. COVID-19: Sale of Test Kits & Laboratory Tests

### Acumen Diagnostics Pte Ltd (“Acumen Diagnostics”)

- Incorporated on 9 April 2020.
- Joint venture agreement signed for a 51% equity stake in the JV company, Acumen Diagnostics for a consideration of S\$3.0 million.
- Q & M hope that through this joint venture, the Company can play a part to help Singapore in its continuous fight against Covid-19 by ensuring the timely availability of good quality performing test kits.



### Details of the Joint Venture

- Mainly involved in the manufacture, sale, and distribution of diagnostic test kits for viruses such as Covid-19, in Singapore and Overseas.
- Setting up of PCR laboratory in Singapore to analyse test results.
- The Acu-Corona 2.0 Diagnostics Test Kit has been given provisional authorization by the Health Sciences Authority (HSA).

### Recent Update

- Acumen has been granted a healthcare institution licence from the Ministry of Health for the operation of a clinical laboratory for conducting SARS-CoV-2 PCR testing services for COVID-19 on 14 September 2020
- The Acu-corona series of SARS CoV-2 RT-PCR tests are already been used in several other countries including Malaysia and Indonesia.
- In May 2021, Acumen was selected as one of the six successful awardees of the open tender exercise by HPB for the provision of COVID-19 swab and testing services

---

## Acumen's diagnostic kit developed for the coronavirus.



### **Acu-Corona™ 2.0**

**IVD**

For Applied Biosystems® 7500 Fast Real-Time PCR System

### **Acu-Corona™ 3.0**

**IVD**

For Applied Biosystems® 7500 Fast Real-Time PCR System

- This PCR test kit that can yield results within two hours

# FINANCIALS

---



# FY2020 KEY FIGURES



**S\$137.6 m**

Revenue



**S\$22.4 m**

Profit Before Tax



**S\$29.9 m**

EBITDA



**2.9**

Current Ratio (Times)



**S\$48.8 m**

Cash Position



**2.50 cents**

Earnings Per Share



**15.4 cents**

Nav Per Share

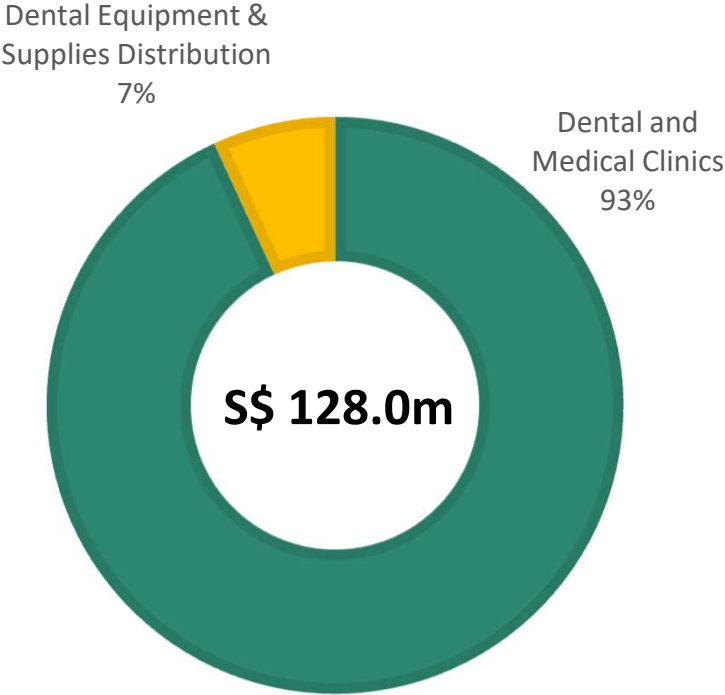
---

# Revenue

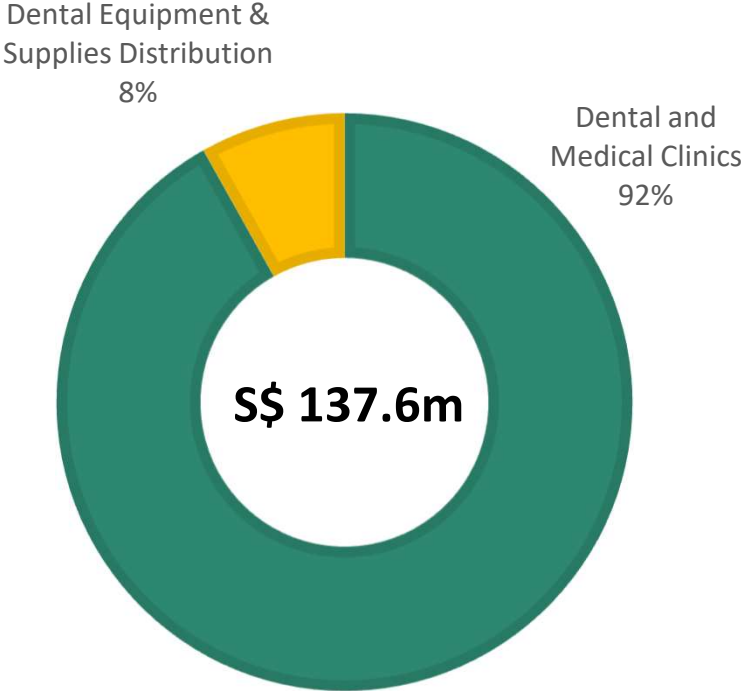
## SEGMENTAL INFORMATION

---

FY2019 REVENUE



FY2020 REVENUE

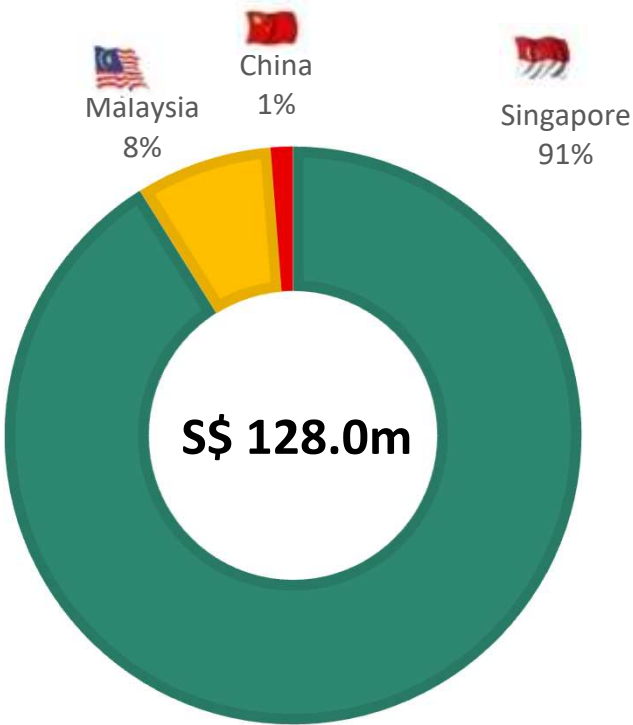




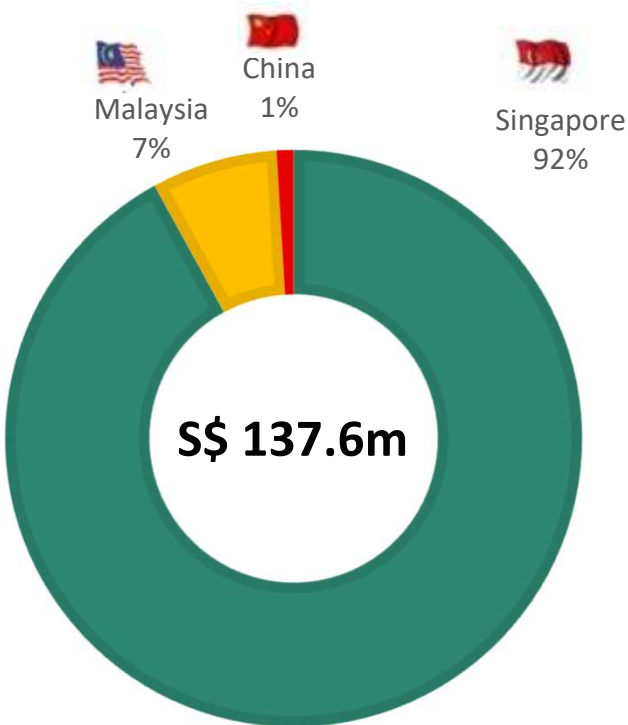
# Revenue

## GEOGRAPHICAL INFORMATION

FY2019 REVENUE



FY2020 REVENUE



# Consolidated Statement of Profit or Loss

	FY2019	FY2020	%
	S\$'000	S\$'000	Change
Revenue <sup>1</sup>	127,963	137,620	8
Other Items of Income	32	278	769
Other Gains – Net	9,017 <sup>4</sup>	253	(97)
Key Operating Expenses <sup>2</sup>	(104,340)	(100,877)	(3)
Other Items of Expense <sup>3</sup>	(16,713)	(15,062)	(10)
Share of Profit from Equity-Accounted Associates	4,163	159	(96)
Profit Before Tax from Continuing Operations	20,122	22,371	11
Income Tax Expense	(1,941)	(2,533)	30
Profit From Continuing Operations, Net of Tax	18,181	19,838	9
Profit Attributable to Owners of the Parent, Net of Tax	17,984	19,701	10
Profit Attributable to Owners of the Parent, Net of Tax (Excluding Other Gains & Share of Profit from Associates)	4,804	19,289	302
Profit Attributable to Owners of the Parent, Net of Tax (Margin)	14%	14%	-

<sup>1</sup> Revenue from dental and medical clinics, dental equipment and supplies distribution, sales of Covid-19 test kits and laboratory tests, assignment fee income and profit guarantee

<sup>2</sup> Key operating expenses includes consumables and supplies used, cost of sales of dental equipment and supplies distribution, cost of sales of test kits and laboratory tests, employee benefits expense and depreciation of Right-Of Use assets

<sup>3</sup> Other items of expense includes depreciation and amortisation expense, other expenses and finance costs

<sup>4</sup> Mainly due to gain on partial disposal of Aidite (Qinhuangdao) Technology Co., Ltd.

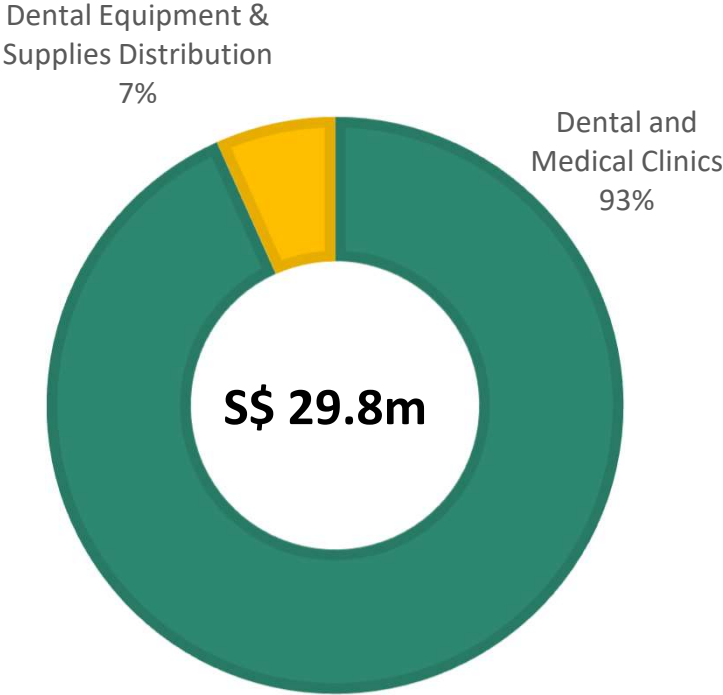
---

# Revenue

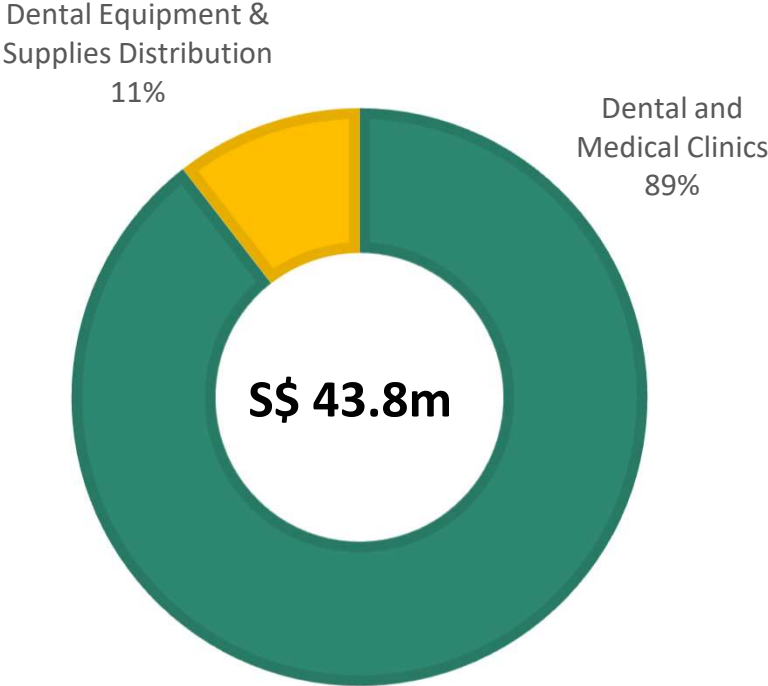
## SEGMENTAL INFORMATION

---

1Q2020 REVENUE



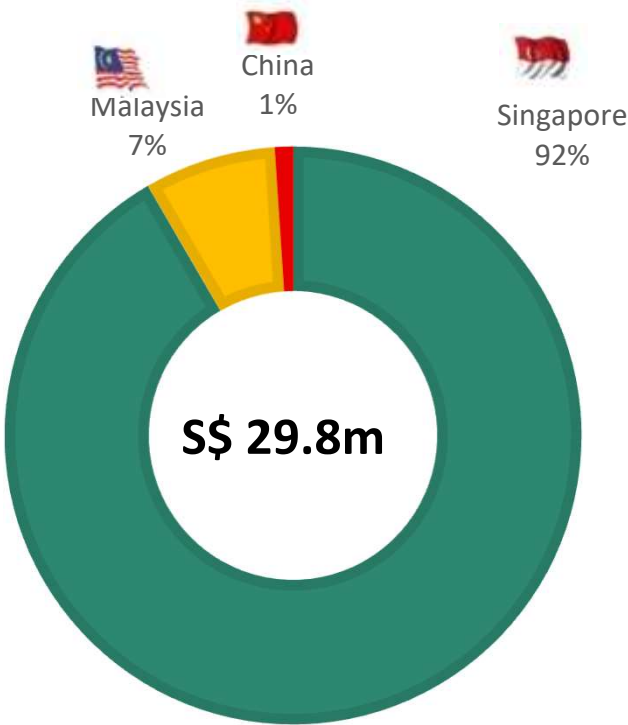
1Q2021 REVENUE



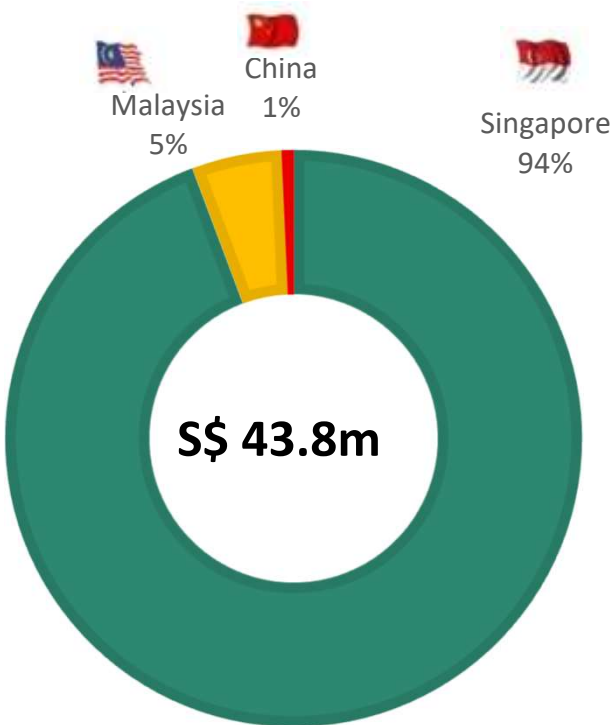
# Revenue

## GEOGRAPHICAL INFORMATION

1Q2020 REVENUE



1Q2021 REVENUE



# Consolidated Statement of Profit or Loss

	1Q2020	1Q2021	%
	S\$'000	S\$'000	Change
Revenue <sup>1</sup>	29,844	43,762	47
Other Items of Income	64	1	(98)
Other Gains – Net	(110)	4,255 <sup>4</sup>	NM
Key Operating Expenses <sup>2</sup>	(24,166)	(33,217)	37
Other Items of Expense <sup>3</sup>	(3,385)	(4,100)	21
Share of Loss from Equity-Accounted Associates	(856)	(240)	(72)
Profit Before Tax from Continuing Operations	1,391	10,461	652
Income Tax Expense	(115)	(410)	257
Profit From Continuing Operations, Net of Tax	1,276	10,051	688
Profit Attributable to Owners of the Parent, Net of Tax	1,311	9,411	618
Profit Attributable to Owners of the Parent, Net of Tax (Excluding Other Gains & Share of Profit from Associates)	2,277	6,796	198
Profit Attributable to Owners of the Parent, Net of Tax (Margin)	8%	16%	-

<sup>1</sup> Revenue from dental and medical clinics, dental equipment and supplies distribution, sales of Covid-19 test kits and laboratory tests, assignment fee income and profit guarantee

<sup>2</sup> Key operating expenses includes consumables and supplies used, cost of sales of dental equipment and supplies distribution, cost of sales of test kits and laboratory tests, employee benefits expense and depreciation of Right-Of Use assets

<sup>3</sup> Other items of expense includes depreciation and amortisation expense, other expenses and finance costs

<sup>4</sup> Mainly due to gain on disposal of Aidite (Qinhuangdao) Technology Co., Ltd.

# Statements of Financial Position

	As at Dec'20	As at Mar'21
	S\$'000	S\$'000
<b>Assets</b>		
Non-Current Assets	187,500	174,222
Current Assets	86,280	104,029
<b>Total Assets</b>	<b>273,780</b>	<b>278,251</b>
<b>Equity</b>		
Equity Attributable to Owners of the Parent	121,080	111,007
Non-Controlling Interests	2,845	3,474
<b>Total Equity</b>	<b>123,925</b>	<b>114,481</b>
<b>Liabilities</b>		
Non-Current Liabilities	119,609	128,631
Current Liabilities	30,246	35,139
<b>Total Liabilities</b>	<b>149,855</b>	<b>163,770</b>
<b>Total Equity and Liabilities</b>	<b>273,780</b>	<b>278,251</b>

# Consolidated Statement of Cash Flows

	FY2020	1Q2021
	S\$'000	S\$'000
<b>Cash Flows From Operating Activities</b>		
Operating Cash Flows Before Changes in Working Capital	37,934	10,743
Changes in Working Capital	(13,021)	(3,696)
Net Cash Flows From Operations	24,913	7,047
Income Taxes Paid	(1,162)	(838)
<b>Net Cash Flows From Operating Activities</b>	<b>23,751</b>	<b>6,209</b>
<b>Net Cash Flows Used in Investing Activities</b>	<b>41,753</b>	<b>(2,374)</b>
<b>Net Cash Flows Used in Financing Activities</b>	<b>(43,985)</b>	<b>(13,128)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>21,519</b>	<b>(9,293)</b>
<b>Cash and Cash Equivalents, Beginning Balance of the Year</b>	<b>27,253</b>	<b>48,772</b>
<b>Cash and Cash Equivalents, Ending Balance of the Year</b>	<b>48,772</b>	<b>39,479</b>

# Consolidated Statement of Cash Flows

	1Q2020	1Q2021
	S\$'000	S\$'000
<b>Cash Flows From Operating Activities</b>		
Operating Cash Flows Before Changes in Working Capital	7,197	10,743
Changes in Working Capital	(5,028)	(3,696)
Net Cash Flows From Operations	2,169	7,047
Income Taxes Paid	(490)	(838)
<b>Net Cash Flows From Operating Activities</b>	<b>1,679</b>	<b>6,209</b>
<b>Net Cash Flows Used in Investing Activities</b>	<b>42,201</b>	<b>(2,374)</b>
<b>Net Cash Flows Used in Financing Activities</b>	<b>(6,232)</b>	<b>(13,128)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>37,648</b>	<b>(9,293)</b>
<b>Cash and Cash Equivalents, Beginning Balance of the Year</b>	<b>27,253</b>	<b>48,772</b>
<b>Cash and Cash Equivalents, Ending Balance of the Year</b>	<b>64,901</b>	<b>39,479</b>



# Other Key Financials

Key Financial Figures	FY2019	FY2020	1Q2021
EBITDA	\$27.8 million	\$29.9 million	\$12.1 million
Net Asset Value Per Share (cents)	15.5*	15.4**	14.1**
Earnings Per Share (cents)	2.29	2.50	1.2
Financial Ratio	FY2019	FY2020	1Q2021
Net Gearing (times)	0.62	0.24	0.46
Return on Equity (%)	14.74	16.27	8.48
Current Ratio (times)	1.76	2.85	2.96
EBITDA/Interest Expense (times)	6.3	7.4	15.4

## DIVIDEND POLICY OF AT LEAST 30% OF CORE OPERATING PROFITS

Dividend Per Share (cents)	FY2019	FY2020	1Q2021
Interim	0.40	0.40	1.00
Final	0.42	0.50	-
Special	2.00	2.50	-
Total	2.82	3.40	1.00

\* Based on total number of shares issued of 785,621,921 shares as at 31 December 2019

\*\* Based on total number of shares issued of 787,308,627 shares as at 31 December 2020 and as at 31 March 2021

# Thank You

---

**Q & M Dental Group (Singapore) Limited**

2 Clementi Loop

#04-01 Logis Hub @ Clementi

Singapore 129809

[www.QandMDental.com.sg](http://www.QandMDental.com.sg)

Email: [QandM@QandM.com.sg](mailto:QandM@QandM.com.sg)