

Singapore Company Update

Raffles Medical

Bloomberg: RFMD SP | Reuters: RAFG.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

7 Nov 2023

HOLD

Last Traded Price (6 Nov 2023): S\$1.07 (STI : 3,180.53)
Price Target 12-mth: S\$1.00 (7% downside) (Prev S\$1.48)

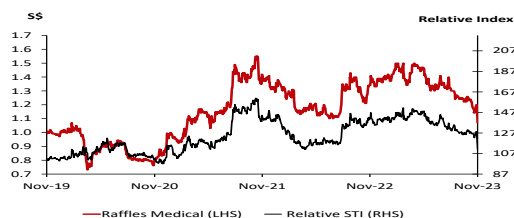
Analyst

Rachel TAN +65 6682 3713 racheltanlr@dbs.com

What's New

- 9M23 PAT fell 26% y-o-y to S\$72.8m (53% of our FY23F estimate). 3Q23 performance fell 67% y-o-y and 9% below that of 3Q19, moderating more than expected
- Soft earnings led by i) discontinued Covid activities, ii) cost inflation, iii) gestation losses, iv) higher insurance claims
- TCF has been extended to Feb 25; plan in place to right-size and improve operational efficiencies in China
- Maintain HOLD rating; lower TP to S\$1.00

Price Relative



Forecasts and Valuation

FY Dec (\$m)	2022A	2023F	2024F	2025F
Revenue	767	735	736	808
EBITDA	237	161	143	151
Pre-tax Profit	192	118	100	107
Net Profit	144	88.0	74.4	78.1
Net Pft (Pre Ex.)	144	88.0	74.4	78.1
Net Pft Gth (Pre-ex) (%)	70.5	(38.7)	(15.4)	4.9
EPS (S cts)	7.73	4.74	4.01	4.20
EPS Pre Ex. (S cts)	7.73	4.74	4.01	4.20
EPS Gth Pre Ex (%)	71	(39)	(15)	5
Diluted EPS (S cts)	7.70	4.72	3.99	4.19
Net DPS (S cts)	3.80	3.80	3.80	3.80
BV Per Share (S cts)	54.7	55.6	55.8	56.2
PE (X)	13.8	22.6	26.7	25.5
PE Pre Ex. (X)	13.8	22.6	26.7	25.5
P/Cash Flow (X)	10.1	10.3	17.8	14.9
EV/EBITDA (X)	7.7	10.7	11.9	11.1
Net Div Yield (%)	3.6	3.6	3.6	3.6
P/Book Value (X)	2.0	1.9	1.9	1.9
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	14.5	8.6	7.2	7.5
Earnings Rev (%)		(36)	(47)	-
Consensus EPS (S cts):		6.0	5.9	6.3
Other Broker Recs:		B: 7	S: 0	H: 1

Source of all data on this page: Company, DBS Bank, Bloomberg Finance L.P.

Earnings moderate post normalisation

Investment Thesis:

Raffles Medical has benefitted from the strong recovery of local and foreign patients post Covid-19 in Singapore. Raffles Medical is an integrated private healthcare service provider with key operations of a tertiary hospital and a network of clinics in Singapore and has expanded into China hospitals in recent years. Raffles Medical has benefitted from the strong recovery of local and foreign patients post Covid-19 in Singapore.

We expect earnings growth to moderate in FY23F given the exceptionally high base. In FY22, Raffles Medical delivered its strongest earnings in history, c.80% above that of its last high in 2013, when it recorded a disposal gain. Given the moderation seen in 3Q23 post the normalisation of healthcare activities, we lower our FY23F-FY24F earnings by 36% to 47% and expect earnings to likely bottom in FY24F should the trajectory continue into FY24F. This could cap the share price upward momentum. In the medium term, we remain positive on the prospects of its China operations with a further upside from its fourth hospital in the long term.

Key re-rating factors that could derail our thesis include stronger organic growth/ramp-up of China hospitals. Key data to watch that could cause a further re-rating include i) stronger organic growth from Singapore operations; ii) the normalisation of cost inflation, with lower utility costs in FY24F and a potential price increase to offset the earnings; and iii) the ramp-up of China hospitals at a much faster pace than expected, with success in improving operational efficiencies.

Maintain HOLD; lower TP to S\$1.00. We maintain our HOLD rating but lower our TP to S\$1.00 from S\$1.48 previously. Our TP is based on the sum-of-the-parts, applying 20x PE (close to -0.5SD PE) to FY24F earnings, plus S\$0.20 per share for its hospitals in China. Our revised TP implies a PE of c.25x, which is close to the historical average.

Key Risks

Key potential risks include i) stronger organic growth from Singapore operations and ii) a faster-than-expected ramp-up of China hospitals.

At A Glance

Issued Capital (m shrs)	1,860
Mkt. Cap (S\$m/US\$m)	1,990 / 1,469
Major Shareholders (%)	
Raffles Medical Holding Pte Ltd	42.1
Loo Choon Yong	10.8
Global Alpha Capital Management Ltd	9.1
Free Float (%)	38.0
3m Avg. Daily Val (US\$m)	1.00
GIC Industry : Health Care / Health Care Equipment & Services	

WHAT'S NEW

Earnings moderate post normalisation

3Q23 performance moderated more than expected, led by the discontinuation of Covid-19 activities, cost inflation, gestation losses from China, and higher insurance claims.

- Raffles Medical's 3Q23 performance moderated more than expected after delivering an exceptionally stellar year in FY2022, which forms a high base. 3Q23 PAT fell by 67% y-o-y to S\$12.4m and 9% below that of 3Q2019. 9M23 PAT fell 26% y-o-y to S\$72.8m, making up 53% of our FY23F estimates.
- While Singapore's core operations remain strong and profitable, the discontinuation of Covid-19 activities, cost inflation, and gestation losses from China continue to weigh on performance and profitability.
- The standalone vaccination centres have been discontinued and there has been a drop in Covid tests as we return to normalisation.
- In addition, RafflesHealthInsurance (RHI) registered higher claims in 3Q23.
- Operationally, Raffles Medical's contract to manage the Transitional Care Facilities (TCF) at Expo has been extended to Feb 2025.

However, management expects profit will likely be less now, given that the tenders were a lot more competitive.

- Management has highlighted that it will right-size and rationalise its China operations to achieve better operating efficiencies.
- Nevertheless, the gestation losses of the two China hospitals (RafflesHospital Chongqing and RafflesHospital Shanghai) are within expectations. As the ramp-up of the hospitals were disrupted by the Covid-19 pandemic, management expects the ramp-up of both hospitals to resume this year, with c.S\$10m of EBITDA losses at each hospital, and targets potential breakeven by year 3.

Maintain HOLD rating, lower TP to S\$1.00. We maintain our HOLD rating but lower our TP to S\$1.00 from S\$1.48 previously. We revised down our FY23F and FY24F earnings estimates by 36% and 47%, respectively, to factor in a further potential normalisation of earnings. Our TP is based on the sum-of-the-parts, applying 20x PE (close to -0.5SD PE) to lower FY24F earnings, plus S\$0.20 per share for its hospitals in China. Our TP implies PE of c.25x, close to the historical average.

Given the exceptionally strong earnings posted in FY22, 9M23 earnings appear to have moderated more than expected. Nevertheless, we remain long-term positive on Raffles Medical, led by the long-term positive trend of the healthcare industry and potential ramp-up of its China hospitals as it reaches stabilisation and breakeven in the medium term.

Factors that could derail our thesis include i) stronger organic growth from Singapore operations; ii) the normalisation of cost inflation, with lower utility costs in FY24F and a potential price increase to offset the earnings; iii) the ramp-up of China hospitals at a much faster pace than expected, with success in improving operational efficiencies.

Company Background

Raffles Medical is an integrated private healthcare service provider that focuses on Singapore. It owns and operates a network of family medical clinics, a tertiary care hospital, insurance services, and a consumer healthcare division. It was founded in 1976 with two clinics in Singapore, and now serves more than one million patients and over 6,500 corporate clients.

Raffles Medical

Key summary of update

S\$m	3Q2022	3Q2021	% y-o-y	9M2022	9M2021	% y-o-y
Revenue	161.6	214.2	-24.6%	532.4	623.9	-14.7%
PAT	12.4	38.3	-67.6%	72.8	97.9	-25.6%

Source: Company, DBS Bank

Interim Income Statement (\$m)

FY Dec	1H2022	2H2022	1H2023	% chg yoy	% chg hoh
Revenue	410	384	371	(9.5)	(3.5)
Other Oper. (Exp)/Inc	(324)	(275)	(294)	(9.1)	7.1
Operating Profit	86	109	77	(11.1)	(30.0)
Other Non Opg (Exp)/Inc	0	0	0	-	-
Associates & JV Inc	0	0	0	-	-
Net Interest (Exp)/Inc	(3)	(1)	2	nm	nm
Exceptional Gain/(Loss)	0	0	0	-	-
Pre-tax Profit	83	108	78	(5.9)	(27.5)
Tax	(24)	(24)	(18)	(23.4)	(26.4)
Minority Interest	0	0	(1)	nm	nm
Net Profit	60	84	60	0.6	(28.6)
Net profit bef Except.	60	84	60	0.6	(28.6)
EBITDA	107	129	96	(10.4)	(25.9)
Margins (%)					
Opg Profit Margins	21.0	28.5	20.7		
Net Profit Margins	14.5	21.8	16.1		

Source of all data: Company, DBS Bank

Historical PE and PB band



Source: Bloomberg Finance L.P., DBS Bank estimates



Source: Bloomberg Finance L.P., DBS Bank estimates

Raffles Medical

Key Assumptions

FY Dec	2021A	2022A	2023F	2024F	2025F
Avg Utilisation (%)	45.0	45.2	45.0	45.0	45.0
Avg rate increase (%)	(13.0)	(13.0)	2.00	3.00	3.00
Avg clinic fee growth (%)	8.88	8.88	(2.6)	0.0	4.00
Staff costs/ Rev (%)	53.5	44.6	53.3	53.7	53.9
Consumables, svcs/ Rev (%)	19.8	16.5	18.5	20.5	21.5

Segmental Breakdown

FY Dec	2021A	2022A	2023F	2024F	2025F
Revenues (\$m)					
Healthcare services	444	491	407	377	393
Hospital services	273	269	321	352	408
Investment holdings	6.75	7.16	7.16	7.23	7.30
Less: Eliminations	0.0	0.0	0.0	0.0	0.0
Total	724	767	735	736	808
Operating profit (\$m)					
Healthcare services	79.3	168	40.7	37.7	39.3
Hospital services	24.0	21.5	77.1	62.5	68.2
Investment holdings	29.1	16.4	2.15	2.17	2.19
Less: Eliminations	(11.0)	0.37	0.0	0.0	0.0
Total	121	206	120	102	110
Operating profit Margins					
Healthcare services	17.9	34.2	10.0	10.0	10.0
Hospital services	8.8	8.0	24.0	17.8	16.7
Investment holdings	431.2	228.9	30.0	30.0	30.0
Total	16.8	26.8	16.3	13.9	13.6

Income Statement (\$m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Revenue	724	767	735	736	808
Other Opng (Exp)/Inc	(602)	(561)	(615)	(634)	(698)
Operating Profit	121	206	120	102	110
Other Non Opng (Exp)/Inc	0.0	(10.0)	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(5.7)	(4.1)	(1.5)	(2.3)	(2.2)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	116	192	118	100	107
Tax	(31.9)	(48.0)	(29.7)	(25.1)	(27.9)
Minority Interest	0.46	(0.2)	(0.8)	(0.6)	(1.4)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	84.2	144	88.0	74.4	78.1
Net Profit before Except.	84.2	144	88.0	74.4	78.1
EBITDA	162	237	161	143	151
Growth					
Revenue Gth (%)	27.4	5.9	(4.1)	0.2	9.7
EBITDA Gth (%)	30.9	46.0	(32.0)	(10.9)	5.1
Opg Profit Gth (%)	37.2	69.7	(41.7)	(14.6)	7.1
Net Profit Gth (Pre-ex) (%)	27.7	70.5	(38.7)	(15.4)	4.9
Margins & Ratio					
Opg Profit Margin (%)	16.8	26.8	16.3	13.9	13.6
Net Profit Margin (%)	11.6	18.7	12.0	10.1	9.7
ROAE (%)	9.1	14.5	8.6	7.2	7.5
ROA (%)	5.7	9.4	5.9	5.0	5.2
ROCE (%)	7.4	12.8	7.5	6.4	6.7
Div Payout Ratio (%)	62.1	49.2	80.2	94.8	90.4
Net Interest Cover (x)	21.2	49.7	82.8	44.4	49.5

Source: Company, DBS Bank

Raffles Medical

Interim Income Statement (\$m)

FY Dec	1H2021	2H2021	1H2022	2H2022	1H2023
Revenue	344	380	410	384	371
Other Oper. (Exp)/Inc	(288)	(315)	(324)	(275)	(294)
Operating Profit	56.1	65.2	86.2	109	76.7
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(2.5)	(3.3)	(2.9)	(1.3)	1.76
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	53.6	62.0	83.3	108	78.4
Tax	(14.8)	(17.1)	(23.5)	(24.5)	(18.0)
Minority Interest	0.61	(0.2)	(0.3)	0.11	(0.6)
Net Profit	39.5	44.7	59.5	83.9	59.9
Net profit bef Except.	39.5	44.7	59.5	83.9	59.9
EBITDA	74.5	86.1	107	129	95.7
Growth					
Revenue Gth (%)	5.2	10.5	7.8	(6.2)	(3.5)
EBITDA Gth (%)	(9.2)	15.5	24.1	20.8	(25.9)
Opg Profit Gth (%)	(12.6)	16.4	32.2	27.0	(30.0)
Net Profit Gth (%)	(18.9)	13.4	33.1	40.9	(28.6)
Margins					
Opg Profit Margins (%)	16.3	17.2	21.0	28.5	20.7
Net Profit Margins (%)	11.5	11.8	14.5	21.8	16.1

Balance Sheet (\$m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Net Fixed Assets	797	739	718	697	676
Invts in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other LT Assets	309	298	302	305	308
Cash & ST Invts	265	253	352	370	409
Inventory	13.4	13.1	14.0	14.0	15.4
Debtors	161	194	91.9	92.1	101
Other Current Assets	0.0	0.0	0.0	0.0	0.0
Total Assets	1,545	1,498	1,478	1,478	1,510
ST Debt	96.3	9.67	9.67	9.67	9.67
Creditor	254	224	206	206	226
Other Current Liab	66.8	92.3	72.3	67.7	70.6
LT Debt	77.9	63.4	63.4	63.4	63.4
Other LT Liabilities	74.1	78.2	78.2	78.2	78.2
Shareholder's Equity	961	1,015	1,032	1,036	1,044
Minority Interests	15.8	15.4	16.2	16.8	18.2
Total Cap. & Liab.	1,545	1,498	1,478	1,478	1,510
Non-Cash Wkg. Capital	(146)	(109)	(172)	(168)	(180)
Net Cash/(Debt)	90.8	180	279	297	336
Debtors Turn (avg days)	69.1	84.5	71.0	45.6	43.6
Creditors Turn (avg days)	(1,985.2)	(2,127.8)	(1,912.2)	(1,831.2)	(1,920.1)
Inventory Turn (avg days)	(124.8)	(118.0)	(120.7)	(124.8)	(130.8)
Asset Turnover (x)	0.5	0.5	0.5	0.5	0.5
Current Ratio (x)	1.1	1.4	1.6	1.7	1.7
Quick Ratio (x)	1.0	1.4	1.5	1.6	1.7
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	28.7	34.2	20.5	20.5	20.5

Source: Company, DBS Bank

Raffles Medical

Cash Flow Statement (\$m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Pre-Tax Profit	83.7	144	118	100	107
Dep. & Amort.	39.3	40.2	41.0	41.0	41.1
Tax Paid	(21.7)	(29.2)	(49.6)	(29.7)	(25.1)
Assoc. & JV Inc/(loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	14.2	(32.9)	83.0	0.19	9.69
Other Operating CF	44.6	74.3	0.0	0.0	0.0
Net Operating CF	160	196	193	112	133
Capital Exp.(net)	(50.0)	(25.0)	(15.0)	(15.0)	(15.0)
Other Invs.(net)	(2.9)	0.0	0.0	0.0	0.0
Invs in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.63	2.18	(8.2)	(8.2)	(8.2)
Net Investing CF	(52.2)	(22.8)	(23.2)	(23.2)	(23.2)
Div Paid	(37.4)	(52.0)	(70.6)	(70.6)	(70.6)
Chg in Gross Debt	(0.5)	(94.4)	0.0	0.0	0.0
Capital Issues	5.60	0.0	0.0	0.0	0.0
Other Financing CF	(14.6)	(37.3)	0.0	0.0	0.0
Net Financing CF	(46.9)	(184)	(70.6)	(70.6)	(70.6)
Currency Adjustments	0.83	(1.6)	0.0	0.0	0.0
Chg in Cash	61.9	(11.9)	99.1	17.9	39.4
Opg CFPS (S cts)	7.81	12.3	5.91	6.00	6.64
Free CFPS (S cts)	5.90	9.22	9.58	5.20	6.36

Source: Company, DBS Bank

Target Price & Ratings 12-mth History



Note : Share price and Target price are adjusted for corporate actions.

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	28 Feb 23	1.39	1.48	HOLD

Source: DBS Bank

Analyst: Rachel TAN

DBS Bank recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 7 Nov 2023 06:30:46 (SGT)

Dissemination Date: 7 Nov 2023 07:21:32 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), DBSVUSA, or their subsidiaries and/or other affiliates have a proprietary position in Raffles Medical recommended in this report as of 30 Sep 2023.

Compensation for investment banking services:

2. DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.

Directorship/trustee interests:

3. Olivier Lim Tse Ghow, a member of DBS Group Holdings Board of Directors, is a Non-Exec Director of Raffles Medical as of 30 Sep 2023.


Disclosure of previous investment recommendation produced:

4. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	<p>This report has been prepared by a personnel of DBS Bank Ltd, who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.</p> <p>For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH8290) at dbsvhk@dbs.com</p>
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;">  Wong Ming Tek, Executive Director, ADBSR </p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.
Thailand	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact Chanpen Sirithanarattanukul at research@th.dbs.com</p>

<p>United Kingdom</p>	<p>This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore.</p> <p>This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS UK, This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
<p>Dubai International Financial Centre</p>	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our-network/default.page.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>

Raffles Medical

United States	<p>This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.</p>
Other jurisdictions	<p>In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.</p>

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Dennis Lam
 13th Floor One Island East,
 18 Westlands Road,
 Quarry Bay, Hong Kong
 Tel: 852 3668 4181
 Fax: 852 2521 1812
 e-mail: dbsvhk@dbs.com

SINGAPORE

DBS Bank Ltd

Contact: Paul Yong
 12 Marina Boulevard,
 Marina Bay Financial Centre Tower 3
 Singapore 018982
 Tel: 65 6878 8888
 e-mail: groupresearch@dbs.com
 Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif
 DBS Bank Tower
 Ciputra World 1, 32/F
 Jl. Prof. Dr. Satrio Kav. 3-5
 Jakarta 12940, Indonesia
 Tel: 62 21 3003 4900
 Fax: 6221 3003 4943
 e-mail: indonesiaresearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul
 989 Siam Piwat Tower Building,
 9th, 14th-15th Floor
 Rama 1 Road, Pathumwan,
 Bangkok Thailand 10330
 Tel. 66 2 857 7831
 Fax: 66 2 658 1269
 e-mail: research@th.dbs.com
 Company Regn. No 0105539127012
 Securities and Exchange Commission, Thailand