

Sisram Medical Ltd

(Stock Code: 1696.HK)

Sisram Medical Ltd Announces 2019 Annual Results, Continuing Strong Revenue Growth to Exceed Industry CAGR

Hong Kong, March 18, 2020 -- Sisram Medical Ltd (“Sisram” or “the Company”; stock code: 1696.HK), an investment holding company specializing in medical technology for healthcare, today announced its audited consolidated annual results for the 12 months ended December 31, 2019 (“the year”).

HIGHLIGHTS

- Revenue for the year grew to US\$173.5 million, an increase of 12.7% YOY
- Gross profit rose to US\$95.9 million, an increase of 16.5% YOY
- Net cash flows from operating activities for the year was US\$21.0 million, up by 29.6% YOY
- Revenue from surgical (minimally invasive) product line grew 16% YOY
- Revenue from core product line grew 10.2% YOY
- Revenue attributed to North America increased by 28.2% YOY
- Revenue attributed to Europe, Middle East and Africa increased by 32.4% YOY
- The Board has resolved to declare a final dividend of HK\$0.11 per share for the year.

Despite a challenging business atmosphere, Sisram continued to create long-term, sustainable value to its shareholders in 2019, achieving consolidated revenue of US\$173.5 million, representing a YOY growth of 12.7% and exceeding the industry CAGR.

Gross profit increased by 16.5% year-over-year in 2019. Profit attributable to owners of the parent for the year was US\$20.8 million, while adjusted profit reached US\$27.0 million. The Company’s continuing ability to deliver sustainable value is a major achievement in the face of challenges including the pressure to offer competitive pricing, the rapid entry of disruptive technologies, a crowded and competitive industry, and ever-changing consumer trends.

Innovative technology and product strategy for continuously improving operation ability

In 2019, the revenue derived from our surgical (minimally invasive) product line recorded an increase of 16% year-over-year, while the revenue from the core product line increased by 10.2% year-over-year.

Adapting to the constantly changing environment led Sisram to deepen investments in research and development in advanced technologies. Sisram expanded its focus on the emerging stem cell market with research and development investments in the fat harvesting and fat grafting fields, broadening the scope to include future therapeutic applications for fat-originated stem cells. Sisram was recently positioned as one of the top four companies holding 80% of the market for fat grafting.

In addition to expanded research and development investments, Sisram continues to monitor and forecast market trends and customer feedback to optimize the products and services we offer to our customers. During 2019, Sisram developed the DermaClear platform, a powerful 3-in-1 treatment platform for deep cleansing, nourishment, and hydration of facial skin that was launched in early 2020. DermaClear was designed to meet the market's need of an effective dermatology treatment, tailored around natural and organic active ingredients. Its upgraded laser hair removal platform Soprano Titanium increased the entire product segment's revenue by 31.5% YOY in its first 11 months of commercial distribution.

In 2019, Sisram also improved optimization by the redesign of production operation, procurement, manufacturing, quality assurance and compliance, as well as investments in new and advanced infrastructures, such as a new campus and ERP system, all of which will facilitate growth in the coming years.

Accelerated globalization and further penetration into the APAC market

Sisram's pursuit of globalization with a local focus in 2019 led to business operations and sales in 90 countries. The expanding globalization brought accelerated growth in multiple regions. Revenue attributed to North America for the year increased by 28.2%, while revenue attributed to Europe, Middle East and Africa increased by 32.4%.

Continuing a focus in the APAC market, Sisram strengthened operation and investments in the region with the establishment of three new direct sales operations in Israel, Australia and South Korea, and the launch of a regional service center in South Korea to serve Asia Pacific countries.

For 2020 and beyond, Sisram aims to continue to drive growth by pursuing new business opportunities, strengthening the Company's APAC market position, and diversifying its business with optimized products and services.

“With our comprehensive knowledge and experience in the Medical Aesthetics industry, fueled by our strong global presence, extensive portfolio and diverse business lines, we are well positioned to pursue future opportunities in the greater wellness industry, fulfilling our vision of enhancing quality of life,” said Mr. Lior Dayan, CEO of Sisram Medical and Alma.

“With its advanced technologies from Israel, and unique and valuable experience in the global medical technology market, Sisram Medical has gained strong competitiveness in the global market, laying a perfect cornerstone for its Med-Tech eco-system,” said Mr. Liu Yi, Chairman and Executive Director of Sisram. “As an important element of Fosun’s medical equipment segment, leveraging Fosun’s resources and network in China and the global healthcare industry, Sisram will continue to strengthen its focus on the APAC market and accelerate globalization, staying committed to providing diversified and optimized products and services to customers across the globe.”

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About Sisram Medical Ltd

Sisram Medical Ltd (1696.HK), the first Israeli company listed on the Hong Kong Exchange Main Board, was established in 2013 for the acquisition of Alma, a leading provider of energy-based surgical and medical aesthetics solutions, ranked No. 1 in the People's Republic of China and one of the top 5 global leaders in its industry. Sisram Medical is majority held by Fosun Pharma, a leading health & medical industry group in China.

Sisram Medical – Enhancing Quality of Life.

<http://www.sisram-medical.com>

For media inquiries, please contact:

ICR Inc.

Edmond Lococo

Tel: +86 (10) 6583-7510

E-mail: Edmond.lococo@icrinc.com

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