



3rd Quarter 2023 Business Update

8 November 2023

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OPERATIONAL UPDATE FOR 3RD QUARTER 2023

Operational Update for 3rd Quarter 2023

Business Climate

- Although inflationary pressure has begun to ease in the quarter, it remains elevated. Business cost still remain high, particularly materials and staff costs.

Vehicle Inspection Business

- The vehicles inspection business has largely been stable, except that there was lower demand for new car registrations / emission testing services as a result of low Certificate of Entitlement quota.
- VICOM has been appointed by LTA as one of the Authorised Partners for installation of Vehicle On-Board Unit (OBU) which will commence from December 2023.

Non-Vehicle Testing Business

- The demand for the non-vehicle testing business has been adversely affected by the weak manufacturing sector which is into its 12th month of decline. As a result, competition for the reduced demand has become very keen.

**FINANCIAL UPDATE
FOR
3RD QUARTER & YTD SEP 2023**

Income Statement - 3rd Quarter & YTD Sep 2023

	3Q 2023	3Q 2022	Fav/(Adv)		9 mths to 30 Sep 23	9 mths to 30 Sep 22	Fav/(Adv)	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Revenue	27,252	27,404	(152)	(1)	83,132	80,735	2,397	3
Operating Costs	(19,326)	(19,284)	(42)	-	(58,629)	(56,091)	(2,538)	(5)
Operating Profit	7,926	8,120	(194)	(2)	24,503	24,644	(141)	(1)
Profit after Tax	6,658	6,556	102	2	20,804	19,854	950	5
Profit after Tax and Minority Interest (PATMI)	6,554	6,461	93	1	20,486	19,567	919	5
EBITDA	9,865	9,943	(78)	(1)	30,166	30,039	127	-

Income Statement - 3rd Quarter & YTD Sep 2023

3Q 2023 versus 3Q 2022

- Revenue and Operating Profit ↓ \$0.2 million respectively – Mainly from the lower business volume in the non-vehicle testing business arising from the slow-down of the manufacturing sector.
- PATMI ↑ \$0.1 million – As a result of higher interest income offset by lower operating profit.

YTD Sep 2023 versus YTD Sep 2022

- Revenue ↑ \$2.4 million – Contributed by higher revenue from both the vehicle inspection and the non-vehicle testing business.
- Operating Costs ↑ \$2.5 million – Higher operating costs of \$1.9 million as a result of inflationary pressure and higher business volume. There was a lower write-back of allowance for expected credit losses of \$0.4m and lower COVID-19 Government reliefs of \$0.2 million.
- Operating Profit ↓ \$0.1 million – Consequently Operating Profit was lower by \$0.1m. However if the lower write-back from expected credit losses of \$0.4m and lower COVID-19 Government reliefs of \$0.2m have been excluded, Operating Profit would have been higher by \$0.5m.
- PATMI ↑ \$0.9 million – As a result of higher interest income offset by lower operating profit.

Balance Sheet

	Sep 23	Dec 22	Fav/(Adv)	
	\$'000	\$'000	\$'000	%
Cash & Cash Equivalents	46,933	60,491	(13,558)	(22.4)
Other Current Assets	15,864	13,693	2,171	15.9
Non-Current Assets	123,473	112,781	10,692	9.5
Total Assets	186,270	186,965	(695)	(0.4)
Current Liabilities	29,834	30,805	(971)	(3.2)
Non-Current Liabilities	31,090	31,029	61	0.2
Total Liabilities	60,924	61,834	(910)	(1.5)
Total Equity	125,346	125,131	215	0.2

- Cash and cash equivalents decreased by \$13.6 million mainly from payments of dividends, Jalan Papan land parcel and CAPEX, offset by cash generated from operations.
- Other Current assets increased by \$2.2 million mainly from higher trade receivables.
- Non-current assets increased by \$10.7 million mainly from additions in CAPEX and the completion on the acquisition of the land parcel at Jalan Papan, additional investment in Foretellix offset by depreciation.
- Total liabilities decreased by \$0.9 million mainly from the decrease in trade and other payables and income tax payables.

Cashflow

	3Q 2023	YTD Sep 2023
	\$'000	\$'000
Cash from Operating Activities	10,632	21,832
<u>Utilisation of Cash:</u>		
Dividends to Shareholders	(9,750)	(21,522)
CAPEX	(3,367)	(6,053)
Jalan Papan land parcel	-	(5,264)
Purchases of unquoted equity instruments held at FVTOCI	-	(2,355)
Payments under lease liability	(296)	(867)
Acquisition of subsidiaries, net of cash	(520)	(520)
Total Utilisation of Cash	(13,933)	(36,581)
Interest received	187	1,200
Others	5	(9)
Net Cash Used	(3,109)	(13,558)

Financial Summary

Financial Performance

- Revenue for 3Q 2023 at \$27.3m was lower by \$0.2m or 1% against 3Q 2022.
- Operating profit at \$7.9m was lower by \$0.2m or 2% against 3Q 2022.
- PATMI for 3Q 2023 at \$6.6m was higher by \$0.1m or 1% against 3Q 2022.

Financial Position

- Strong and resilient balance sheet.
- Healthy cash balance of \$46.9m.

Cash Flow

- Net cash of \$3.1m used during 3Q 2023.

THANK YOU