



Pacific Healthcare Holdings Ltd.

Annual General Meeting

27 April 2015



Care, Compassion & Medical Excellence...

AGENDA



1. Statutory Financial Results
 - Improved financial performance and continued progress
2. Strategic turnaround
 - Focus on medical services and eldercare in Singapore
 - To dispose /close facilities and overseas operations
 - Target profitable “on-going” businesses
3. SGX watch list
4. AOB

1a. Income Statement : FY2014 vs FY2013

PHH Group	2014 S\$'000	% of Rev	2013 S\$'000	% of Rev	Inc / (Dec) S\$'000	Inc / (Dec) %
Revenue	52,908		53,462		(554)	-1%
Other items of income						
Interest income	117		103		14	14%
Other income	5,319	10%	1,300	2%	4,019	309%
Items of expense						
Financial expense	(33)	0%	(185)	0%	(152)	-82%
Consumables and medical supplies	(9,460)	18%	(10,259)	19%	(798)	-8%
Employee benefits expense	(32,710)	62%	(34,018)	64%	(1,308)	-4%
Depreciation and amortisation	(3,289)	6%	(3,885)	7%	(596)	-15%
Rental expense	(8,726)	16%	(8,320)	16%	405	5%
Other expenses	(8,865)	17%	(9,700)	18%	(835)	-9%
Share of results of associates	1,058	2%	70	0%	988	1411%
Loss before tax	(3,681)		(11,432)		(7,751)	68%
Income tax expense	(99)		376		476	126%
Loss for the period	(3,780)		(11,056)		(7,276)	66%
Attribute to company owners	(2,543)		(8,791)		(6,248)	71%

- Steady revenue
- Reduced group expenses by 5%, coming from across the board
 - Consumables (-8%)
 - Staff (-4%)
 - Other expenses (-9%)
 - Depreciation (-15%)
- Improvement in Group pretax loss to S\$3.7m. Represents an improvement of 38% and 68% (without and with inclusion of exceptional gain respectively) vs FY2013
- Improvement by 71% in Attributable to company owners in FY2014

1b. Cash Flow Statement : FY2014 vs FY2013

	Dec_2014		Dec_2013	
	Actual		Actual	
Operating profit before working capital	(4,089)		(6,210)	
Changes in working capital	2,704		2,163	
Operating profit after working capital changes	(1,385)		(4,047)	
Income tax refund / (paid)	69		90	
Interest paid	(33)		(185)	
Interest received	117		103	
Cash used in operation	(1,232)		(4,039)	
Investing activities	885		(1,195)	
Net cash inflow on acquisition of a subsidiary		1,044		104
Dividend received from other investment		105		113
Net cash inflow from disposal of a subsidiary		349		0
Proceeds from disposal of equipment		23		60
Purchase of equipments		(357)		(1,472)
Acquisition on an associate		(844)		0
Dividend income from associates		565		0
Financing activities	(567)		4,169	
Repayment of borrowing		(435)		(5,011)
Repayment of finance lease		(170)		(342)
Unclaimed div written back		38		0
Proceeds from placement of shares		0		9,522
Net increase / (decrease)	(914)		(1,065)	
Effect on foreign exchange	0		(4)	
Balance at beginning of the period	4,149		5,218	
Balance at the end of the period	3,235		4,149	

- Operating cash flow
 - Smaller negative run rate
 - Turns positive after sale /closure of facilities and overseas operations
- Nursing homes provide positive cashflow to group
- To finalise and quantify funding requirements and plans for the “next phase” of growth that may include a clinical chain roll up /roll out

1c. Balance Sheet: FY2014 vs FY2013

	31/12/2014	31/12/2013
PHH Group	S\$'000	S\$'000
ASSETS		
Current assets:		
Cash and bank	2,737	4,149
Trade and other receivables	6,703	5,332
Other assets	679	1,276
Inventories	1,245	2,170
	11,364	12,927
Assets of disposed group held for	3,566	0
	14,930	12,927
Non-current assets:		
Investment in subsidiaries	0	0
Investment in associates	1,531	2,626
Other investment	0	180
Property, plant and equipment	4,266	11,301
Other assets	1,163	1,950
	6,960	16,057
TOTAL ASSETS	21,890	28,984
EQUITY AND LIABILITIES		
Current liabilities:		
Trade and other payables	12,486	18,818
Other liabilities	3,197	6,862
Income tax payable	254	34
Current portion of borrowings	0	435
Current portion of finance leases	0	186
Provision	411	0
	16,348	26,335
Liabilities of disposed group held	4,133	0
	20,481	26,335
Working capitals	(5,551)	(13,408)

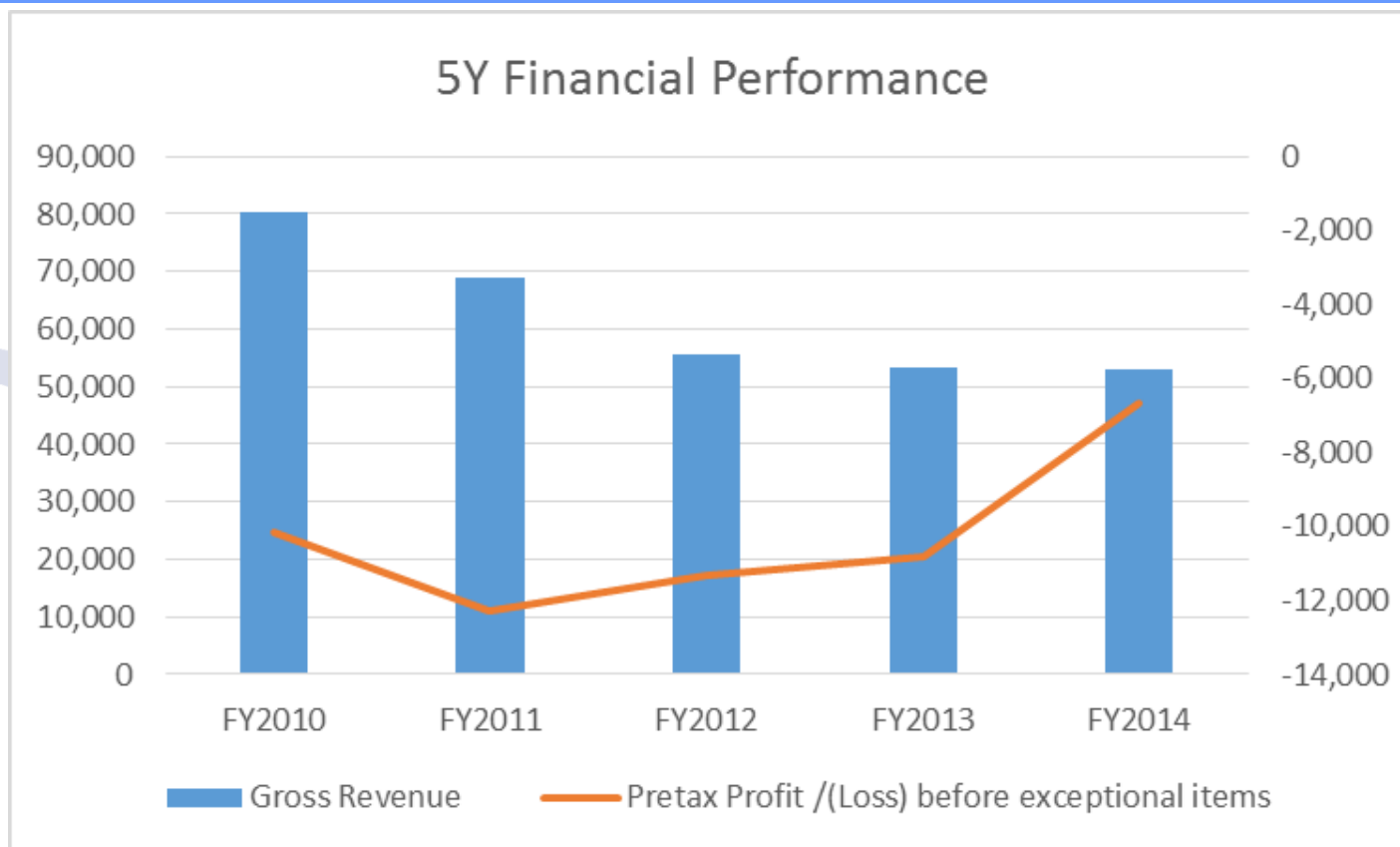
	31/12/2014	31/12/2013
PHH Group	S\$'000	S\$'000
Non-current liabilities:		
Deferred tax liabilities	29	81
Provision	870	1,245
Other payable	0	800
Finance leases	0	57
	899	2,183
TOTAL LIABILITIES	21,380	28,518
Equity attributable to owners of the Company:		
Share capital	62,615	62,615
Retained earnings	(60,254)	(57,749)
Other reserves	(533)	(1,044)
	1,828	3,822
Non-controlling interests	(1,318)	(3,356)
TOTAL EQUITY	510	466
TOTAL EQUITY AND LIABILITIES	21,890	28,984

- Reduction in cash balance from S\$4.1m to S\$2.7m due to negative run rate
- Increased trade receivables because of NH subvention scheme from MOH / AIC
- Sharp reduction in fixed assets from proposed disposals of facilities
- The proposed disposal of the facilities and full year contribution from the profitable nursing homes will lead to strengthened Group working capital and balance sheet

2. Turnaround Initiatives

- Highlights of Turnaround Plan
 - Focus on medical services and eldercare in Singapore
 - To dispose /close loss-making units (Imaging, Day Surgery, Jakarta)
 - Space optimization - propose to:
 - Give up two floors on L7 and L12
 - Fit our 40 Drs onto 2 floors at L19 and L20
 - Reduce rental by >50% from 50,000 sf to 23,000 sf
 - Raise revenue intensity (on psf basis)
 - Optimise clinical and non-clinical staff ratios via centralized functions
- Network of spokes /feeders
 - Opened 2 Senior Activity Centres – Woodlands & Punggol Emerald
 - To open 2nd Renal Dialysis centre in mid-May 2015
- New Sources of Revenue
 - Nursing Homes
 - Renal Dialysis
 - Plan for future Clinical Network Chain for GP Doctors and GP Aesthetics

2b. Financial Performance over 5 years



	FY2010	FY2011	FY2012	FY2013	FY2014
Gross Revenue	80,293	68,953	55,591	53,462	52,908
Pretax Profit /(Loss) before exceptional items	(10,174)	(12,301)	(11,326)	(10,809)	(6,673)
Pretax Profit /(Loss) reported	(13,174)	(23,634)	(11,326)	(11,432)	(3,681)

2c. Sale Progress



- Imaging
 - Sale to Royal Medical & Imaging
 - Signed SPA on 2 Jan 2015
 - Long-stop date 1 April
 - Transaction cancelled
 - In current negotiations with several other parties to sell
- Day Surgery
 - Sale to Straitsworld Advisory
 - Signed SPA on 16 Jan 2015
 - Long-stop date 30 April 2015
- Jakarta
 - Sale to Straitsworld Advisory
 - Signed SPA on 16 Jan 2015
 - Long-stop date 30 April 2015

3. SGX watch list

- 24 month anniversary on 4 June 2015
- Requirements for automatic extension:
 - (i) 2 consecutive quarters of pretax profits and
 - (ii) S\$40m market capitalisation for 120 days
- To apply to SGX for extension on watch list



THANK YOU