



ECON HEALTHCARE (ASIA) LIMITED

Riding the Silver Wave in Asia

For the six-month period ended 30 September 2022

9 November 2022



Financial Highlights

6M2023 Financial Highlights

FINANCIAL PERFORMANCE

S\$ '000	6M2023	6M2022	Y-o-Y % Δ	Y-o-Y S\$ Δ
Revenue	21,215	19,580	8.4%	1,635
Other Income [#]	3,496	969	260.8%	2,527
Supplies and consumables	2,967	2,904	2.2%	63
Staff costs	11,408	9,671	18.0%	1,737
Leases [*]	4,556	3,082	47.8%	1,474
Other operating expenses	2,316	1,877	23.4%	439
EBITDA	7,241	5,604	29.2%	1,637
EBITDA Margin	34.1%	28.6%	19.3%	5.5%
Normalised Profit before tax[#]	1,967	1,553	26.7%	415
Normalised Profit before tax Margin	9.3%	7.9%	16.9%	1.3%
PATMI	1,688	1,612	4.7%	76
PATMI Margin	8.0%	8.2%	-3.4%	-0.3%
EPS (cents)	0.66	0.63	4.7%	0.03
NAV (cents)	14.27	14.63	-2.5%	(0.36)

[#] Normalised item refer to net of exceptional grant for Covid-19, which include grants on job support scheme, rent concession, grants on jobs growth incentive, net staff accomodation grant and IPO expense.

^{*} Leases comprise of depreciation of right-of-use assets of S\$3.9 million and interest expense from lease liabilities of S\$0.6 million

6M2023 Financial Highlights

FINANCIAL PERFORMANCE – REPORTABLE SEGMENTS INFORMATION

S\$ '000	6M2023	6M2022	Y-o-Y % Δ	Y-o-Y S\$ Δ
Revenue	21,215	19,580	▲ 8%	▲ 1,635
Medicare centres and nursing home fees	20,756	19,163	▲ 8%	▲ 1,593
Other operation and ancillary services	459	417	▲ 10%	▲ 42
Other income	3,496	969	▲ 261%	▲ 2,527
Profit before tax	1,955	1,750	▲ 12%	▲ 205
Exceptional items, net	12	(197)		
Normalise Profit before tax	1,967	1,553	▲ 27%	▲ 415

6M2023 vs 6M2022

- Topline increased mainly due to the overall net increase in bed occupancy from 824 to 852 in nursing homes and an increase in home care revenue in Singapore. The commencement of operations of ECON Care Residences (Henderson) contributed to S\$0.7 million in revenue and S\$0.8 million through improvement in our homecare business and fees increment.
- Malaysia occupancy rate increased from 53.8% to 77.5% mainly due to ramping up of occupancy for Econ Medicare Centre and Nursing Home - Puchong, with a 138 bed capacity.
- Chongqing Nursing Home commenced operations in May 2021, with 44 bed capacity, average occupancy is 77% for 6M2023.
- Ancillary fees increased S\$42,000 or 10% mainly due to increased revenue contribution from Traditional Chinese medicine services.

6M2023 vs 6M2022

- Other income increased mainly due to increase in rental subvention grants and pre-operations fundings.
- Normalised profit before tax increased by S\$0.4 million mainly due to ramping up of bed occupancy for Econ Medicare Centre and Nursing Home – Puchong and Chongqing Nursing Home, which commenced their operations on Dec 2021 and May 2021 respectively.

6M2023 Financial Highlights

FINANCIAL PERFORMANCE – OTHER INCOME BREAKDOWN

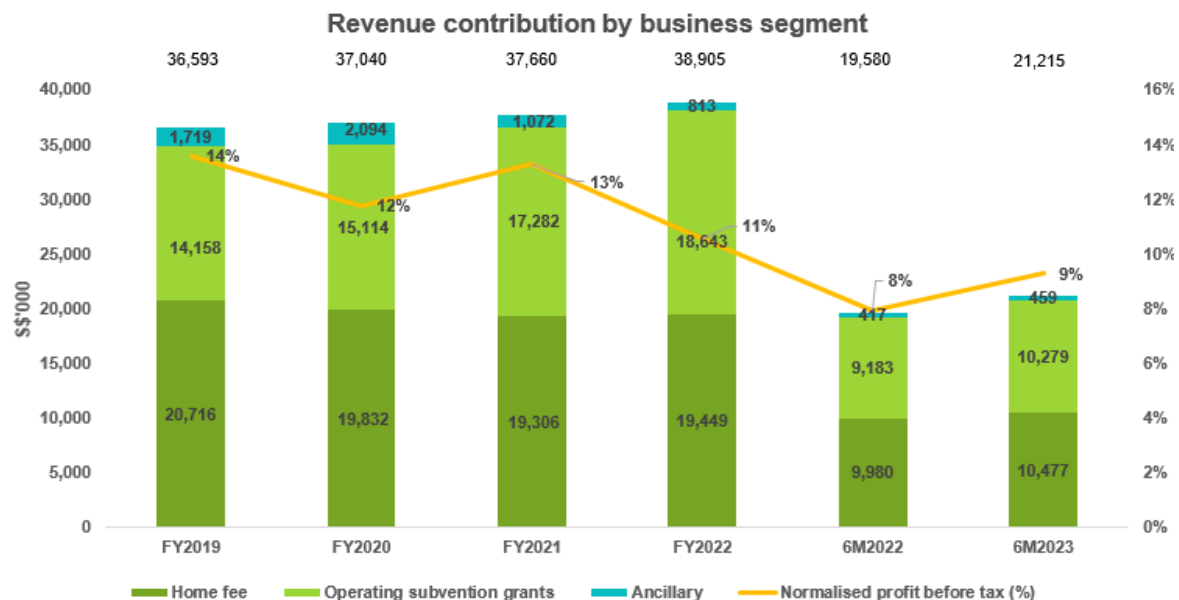
S\$ '000	6M2023	6M2022	Y-o-Y S\$ Δ
Grants on staff accomodation grant	53	60	(7)
Grants on job support scheme	-	128	(128)
Rent concessions	-	133	(133)
Rental income	126	125	1
Service fees	32	53	(21)
Grants on special employment credit, temporary employment credit and wages credit scheme	12	17	(5)
Amortisation of deferred capital grants	113	79	34
Grants on Jobs Growth Incentive	128	137	(9)
Eldercare centre baseline service transition grants	180	-	180
Grants on community care salary enhancements	128	-	128
Rental subsidy/subvention grants [#]	1,470	156	1,314
Pre-operations funding	1,008	-	1,008
Others	246	81	165
	3,496	969	2,527
A. Exceptional Grants*	181	458	(277)
Exceptional Expense			
IPO expense	-	80	(80)
Rental of staff quarters	193	181	13
B. Exceptional expense	193	261	(67)
Exceptional items, net (A-B)	(12)	197	(210)

* Exceptional grants include staff accomodation grant, grants on job support scheme, rent concessions and grants on jobs growth incentive.

[#] During the current financial period, the Group reclassifies rental subvention grants of S\$0.2 million from "Operating subvention grants" to "Other income".

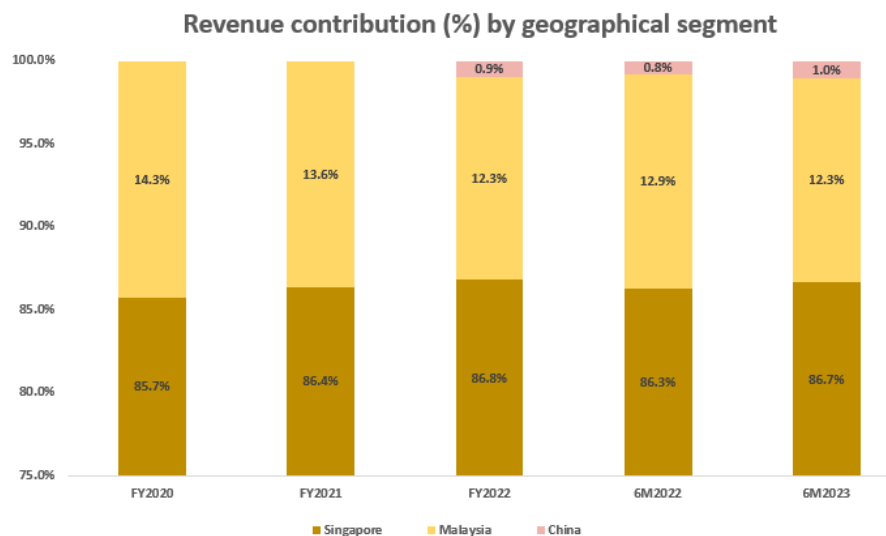
6M2023 Financial Highlights

FINANCIAL PERFORMANCE – BUSINESS & GEOGRAPHICAL SEGMENTS



Business Segment:

- Home fee and operating subvention grant increased from S\$19.6m in 6M2022 to S\$21.2m in 6M2023, an improvement of S\$1.6m at nursing home and home care operations
- Normalised profit before tax increased from 8% to 9%, mainly due to ramping up of bed occupancy for Econ Medicare Centre and Nursing Home – Puchong and Chongqing Nursing Home



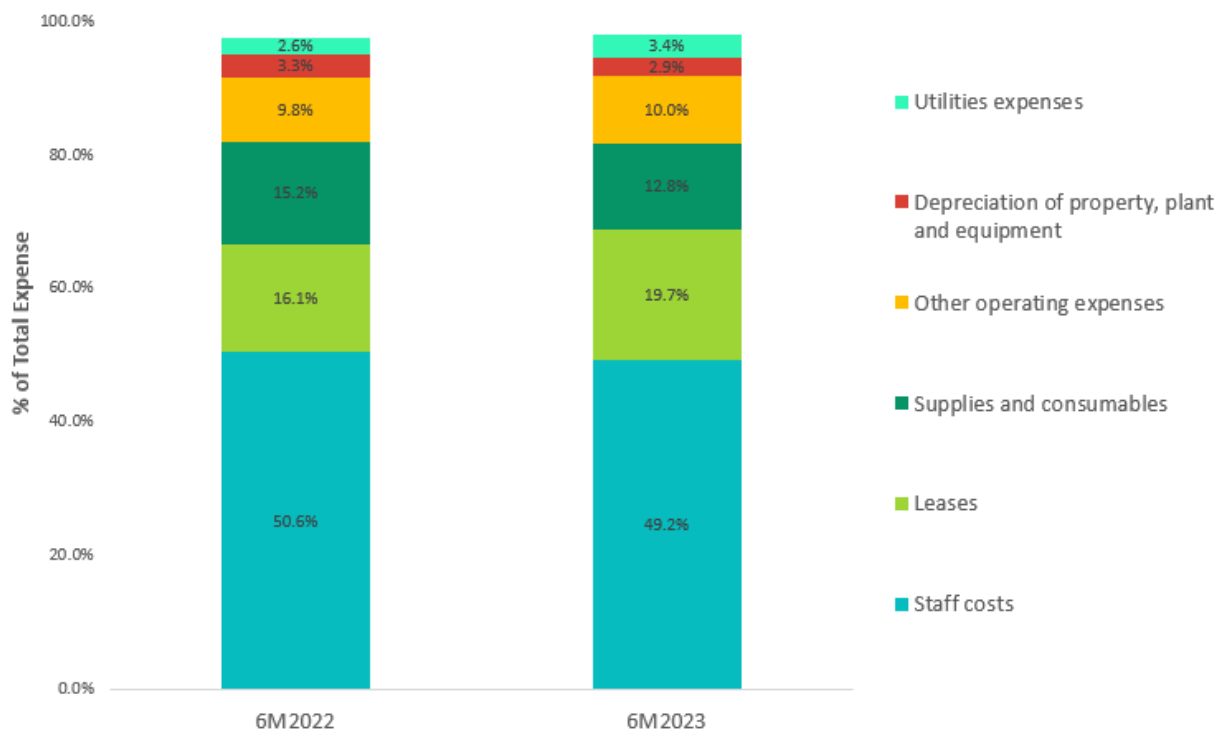
Geographical Segment:

- Top line contributed by Singapore increase to 86.7% due to commencement of ECON Care Residences (Henderson) and improvement in our homecare business and fees increment
- Malaysia contributed to 12.3% of the total Group's revenue
- China contributed 1% of total Group's revenue

6M2023 Financial Highlights

FINANCIAL PERFORMANCE

Expenses as % of Total Expense



- Utilities increased mainly due to increase in electricity tariff in Singapore.
- Leases increased mainly due to the depreciation on right-of-use assets and interest expense on lease liabilities incurred for ECON Care Residence (Henderson) and Changshou Nursing Home.
- Other operating expense increased mainly due to increase in purchases of low value assets for ECON Care Residence (Henderson).

6M2023 Financial Highlights

FINANCIAL PERFORMANCE – BALANCE SHEET AND CASH FLOWS

BALANCE SHEET HIGHLIGHTS

S\$ '000	30-Sep-22	FY2022
Total assets	101,747	100,738
Cash and cash equivalents	25,171	26,102
Trade and other receivables	4,593	5,552
Other assets	648	261
Current assets	30,412	31,915
Property, plant and equipments	18,279	17,930
Right-of-use assets	43,256	40,858
Investment property	7,776	8,092
Associate	46	53
Non-current assets	71,335	68,823
Total Liabilities	64,754	64,796
Trade and other payables	9,721	11,250
Lease Liabilities	38,026	35,748
Current liabilities	21,922	23,306
Non-current liabilities	42,832	41,490
Loans and borrowings	6,019	7,144
Short term	3,931	3,997
Long term	2,088	3,147
Net cash/ (debt)	19,152	18,958

- Decreased in trade and other receivables mainly due receipt of the grant provided by the Singapore government to recognize the contribution and dedication of healthcare staffs during the pandemic.
- Decreased in cash and bank balances mainly due to higher cash outflow in purchases of property, plant and equipment and more payments made for lease liabilities.
- Decrease in trade and other payables mainly due to payments made to suppliers of property, plant and equipment and decrease in deferred grant income relating to pre-operations funding for Henderson to facilitate ramp up of its operations.

CASH FLOWS HIGHLIGHTS

S\$ '000	6M2023	6M2022
Operating cash flow before working capital change	7,185	5,397
Net cash flow from operating activities	6,209	4,641
Capital expenditure	(2,082)	(1,048)
Net cash flow used in investing activities	(2,172)	(114)
Free cash flow	4,127	3,593
Net (decrease)/increase in loans and borrowings	(928)	(2,633)
Net cash flow from/(used in) financing activities	(5,050)	5,960
Net (decrease)/increase in cash flow	(1,013)	10,487

FINANCIAL INDICATORS

RATIO	6M2023	FY2022
Profitability		
EBITDA margin (%)	34.1%	28.6%
PATMI margin (%)	8.0%	8.2%
Return on equity* (%)	4.6%	1.0%
Dividend payout ratio [#] (%)	35.0%	161.5%
Turnover days		
Trade receivables turnover days ⁽¹⁾	24.1	26.2
Trade payables turnover days ⁽²⁾	45.9	56.5
Liquidity ratios		
Current ratio	1.4	1.4
Debt ratios		
Net Cash or (Debt) / shareholders equity	0.5	0.8
Gearing [^]	0.2	0.3
EBITDA/ interest expense	73.1	32.8
Per share info (S\$'cents)		
Earning per share	0.66	0.63
Net Asset per share	14.27	14.63
Dividend per share	0.23	0.22

*Return on equity is defined as PATMI divided by shareholder equity for the year

[#] Dividend payout ratio is defined as dividend declare divided by PATMI

[^] Gearing is defined as total loan and borrowings divided by net asset

Notes:

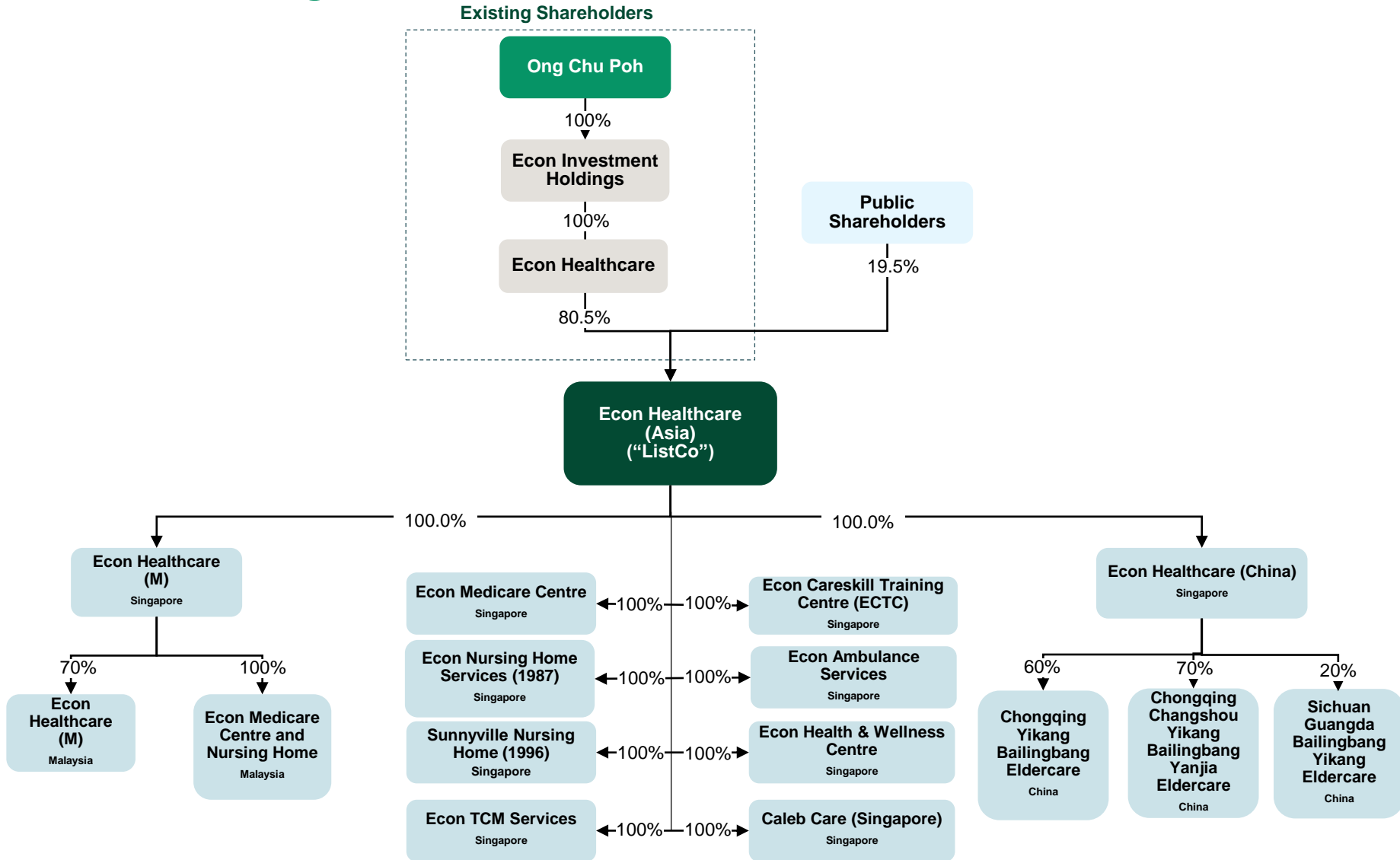
(1) Trade receivable turnover days = (trade receivables and government grant receivables for subvention / revenue) * days in period (i.e. 365 days for FY and 182 days for 6M)

(2) Trade payables turnover days = (trade payables / supplies and consumables) * days in period (i.e. 365 days for FY and 182 days for 6M)



Supplemental Information

Econ Healthcare (Asia) Limited Shareholding Structure



Note:
 ECON Medicare Centre and Nursing Home – Chongqing (JFB) commenced business on 17 May 2021. Facility is held under Chongqing Yikang Bailingbang Eldercare
 Sichuan Guangda incorporated on 3 March 2021
 Chongqing Changshou incorporated on 30 April 2021

Our Overseas Centres

Taman Perling, Johor Bahru, Malaysia



Chongqing, China (1)



Note:
(1) Expected to be operational in 2021



Thank You

This presentation slides has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this presentation slides. This presentation slides has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this presentation slides, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this presentation slides .

The contact persons of the Sponsor are Mr Goh Chyan Pit, Managing Director and Mr Kelvin Wong, Senior Vice President, who can be contacted at 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone +65 6878 8888.