



ECON HEALTHCARE (ASIA) LIMITED

Riding the Silver Wave in Asia

For the financial year ended 31 March 2023

26 May 2023



Financial Highlights

FY2023 Financial Highlights

FINANCIAL PERFORMANCE

S\$ '000	FY2023	FY2022	Y-o-Y % Δ	Y-o-Y S\$ Δ
Revenue	43,508	38,905	11.8%	4,603
Other Income [#]	9,197	5,208	76.6%	3,989
Supplies and consumables	6,187	5,849	5.8%	338
Staff costs	23,499	19,357	21.4%	4,142
Leases*	9,116	7,181	26.9%	1,935
Other operating expenses	5,364	4,657	15.2%	707
EBITDA	16,207	9,714	66.8%	6,493
EBITDA Margin	37.3%	25.0%	49.2%	12.3%
Normalised Profit before tax[#]	3,025	2,894	4.5%	131
Normalised Profit before tax Margin	7.0%	7.4%	-6.5%	-0.5%
PATMI	4,849	350	1285.4%	4,499
PATMI Margin	11.1%	0.9%	1138.9%	10.2%
EPS (cents)	1.89	0.14	1271.4%	1.75
NAV (cents)	15.08	14.02	7.6%	1.06

[#] Normalised item refer to net of exceptional grants, which include grants on pre-operations funding, furniture and equipment funding, job support scheme, grants on staff accomodation, rent concession, grants on jobs growth incentive, grant for Equity Market Singapore, grants on senior management associate scheme, IPO expense, loss on investment in quoted securities, Pudu closure expenses, impairment losses on property, plant and equipment and rights-of-use assets.

* Leases comprise of depreciation of right-of-use assets of S\$7.8 million (FY2022: S\$6.0 million) and interest expense from lease liabilities of S\$1.2 million (FY2022: S\$1.2 million).

FY2023 Financial Highlights

FINANCIAL PERFORMANCE – REPORTABLE SEGMENTS INFORMATION

PROFIT AND LOSS Highlights

S\$ '000	FY2023	FY2022	Y-o-Y % Δ	Y-o-Y S\$ Δ
Revenue	43,508	38,905	▲ 12%	▲ 4,603
Medicare centres and nursing home fees	42,619	38,092	▲ 12%	▲ 4,527
Other operation and ancillary services	889	813	▲ 9%	▲ 76
Profit before tax	5,631	861	▲ 554%	▲ 4,770
Exceptional items, net	(2,606)	2,033		
Normalise Profit before tax	3,025	2,894	▲ 5%	▲ 131
EPS (cent)	1.89	0.14	▲ 1271%	▲ 2
NAV (cent)	15.08	14.02	▲ 8%	▲ 1.06

FY2023 vs FY2022

- Singapore revenue increased mainly due commencement of operations of ECON Care Residences (Henderson) contributed to S\$2.6 million in revenue and S\$1.2 million through improvement in our homecare business and fees increment.
- Malaysia occupancy rate increased from 57.5% to 77.7% mainly due mainly to ramping up of occupancy for Econ Medicare Centre and Nursing Home - Puchong, with a 138 bed capacity.
- In China, Chongqing Nursing Home commenced operations in May 2021, with 44 bed capacity, average occupancy has increased from 52.3% to 78.9%. Changshou Nursing Home, with 280 bed capacity, has soft launched in February 2023, and had successfully held its grand opening on 18 May 2023.
- Ancillary fees increased S\$75,000 or 9.2% mainly due to increased revenue contribution from Traditional Chinese medicine services.

FY2023 vs FY2022

- Other income increased mainly due to increase in rental subvention grants, pre-operations funding and furniture and equipment funding for ECON Care Residences (Henderson).
- Normalised profit before tax increased by S\$0.1 million as a result of improvement in our core business.

FY2023 Financial Highlights

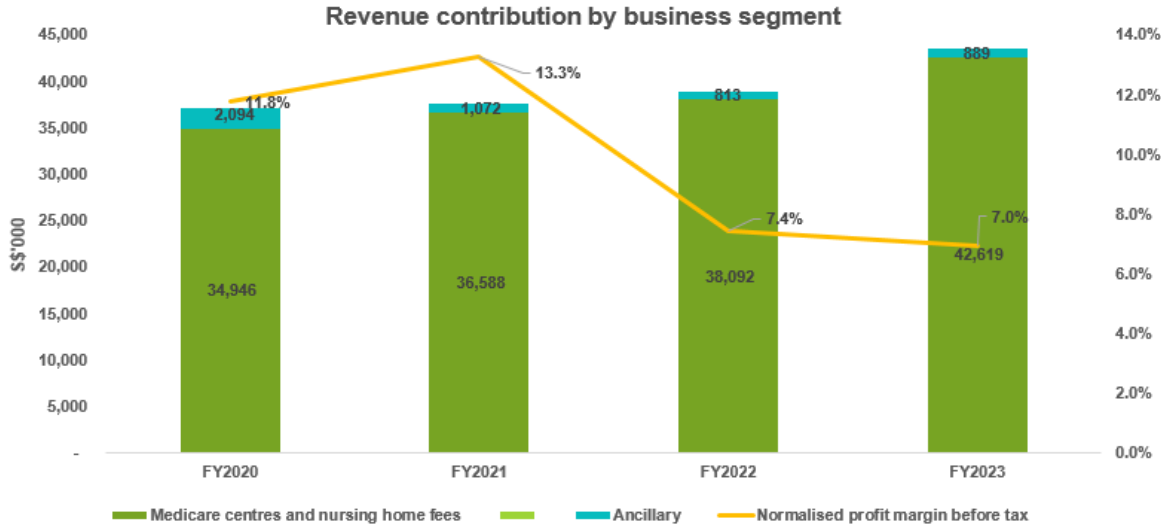
FINANCIAL PERFORMANCE – OTHER INCOME BREAKDOWN

S\$ '000	FY2023	FY2022	Y-o-Y S\$ Δ
Grants on special employment credit, temporary employment credit and wages credit scheme	152	107	45
Grants on Jobs Support Scheme	-	128	(128)
Grants on staff accommodation	102	218	(116)
Grants on Senior Management Associate Scheme	19	152	(133)
Eldercare centre baseline service transition grant	390	420	(30)
Grant for Equity Market Singapore	-	200	(200)
Grants on community care salary enhancements	727	384	343
Grants on Healthcare Hiring In Advance Initiative	284	312	(28)
Workforce Development grant	88	-	88
Dividends income from quoted investments	-	8	(8)
Rent concessions	-	659	(659)
Rental income	261	259	2
Amortisation of deferred capital grants	321	178	143
Service fees from joint venture	32	106	(74)
Jobs Growth Incentive	171	370	(199)
Gain on lease modification	-	76	(76)
Rental subsidy/subvention grants	2,931	986	1,945
Pre-operations funding	2,935	176	2,759
Furniture and equipment funding	327	-	327
Others	457	469	(12)
	9,197	5,208	3,989
A. Exceptional Grants*	3,554	1,903	1,651
Exceptional Expense			
IPO expense	-	61	(61)
Loss on investment in quoted securities	-	3,354	(3,354)
Pudu closure expenses	-	521	(521)
Impairment losses on property, plant and equipment	568	-	568
Impairment losses on right-of-use assets	380	-	380
B. Exceptional expense	948	3,936	(2,988)
Exceptional items, net (A-B)	2,606	(2,033)	4,639

* Exceptional grants include grants on job support scheme, grants on staff accommodation, grants on senior management associate scheme, grant for Equity Market Singapore, jobs growth incentive, rent concessions, pre-operations funding and furniture and equipment funding

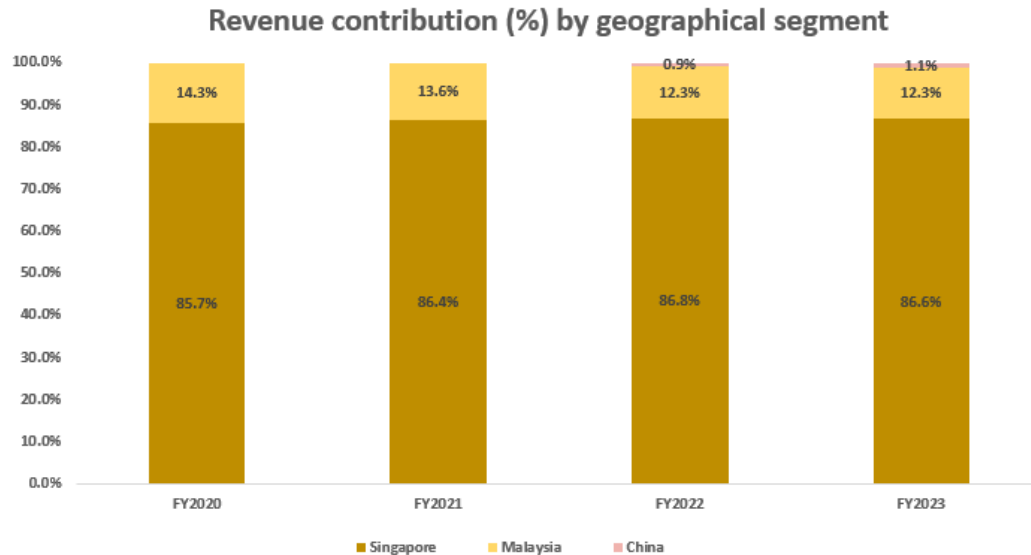
FY2023 Financial Highlights

FINANCIAL PERFORMANCE – BUSINESS & GEOGRAPHICAL SEGMENTS



Business Segment:

- Medicare centres and nursing home fees increased from S\$38.1m in FY2022 to S\$42.2m in FY2023 due to commencement of Econ Care Residences (Henderson) and improvement in home care business and fee increment.
- Normalised profit before tax margin is 7.0% in FY2023, compared to 7.4% in FY2022



Geographical Segment:

- Singapore is the biggest contributor to the Group revenue, contributing to 86.6% of total Group's revenue.
- Malaysia contributed to 12.3% of the total Group's revenue
- China contributed 1.1% of total Group's revenue

FY2023 Financial Highlights

FINANCIAL PERFORMANCE

Expenses as % of Total Expense



- Staff costs increased mainly due to staff costs incurred in Singapore for the headcount of ECON Care Residence (Henderson), increase in headcount and salary increments in the remaining nursing homes, and increase in support function headcount.
- 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 impairment losses on property, plant and equipment and rights-of-use assets for Chongqing Nursing Home.

FY2023 Financial Highlights

FINANCIAL PERFORMANCE – BALANCE SHEET AND CASH FLOWS

BALANCE SHEET HIGHLIGHTS

S\$ '000	31-Mar-23	31-Mar-22
Total assets	99,271	100,738
Cash and cash equivalents	24,621	26,102
Trade and other receivables	6,291	5,552
Other assets	866	261
Current assets	31,778	31,915
Property, plant and equipments	18,328	17,930
Right-of-use assets	39,746	40,858
Investment property	7,554	8,092
Associate	21	53
Non-current assets	67,493	68,823
Total Liabilities	60,745	64,796
Trade and other payables	7,916	11,250
Lease Liabilities	35,542	35,748
Current liabilities	19,143	23,306
Non-current liabilities	41,602	41,490
Loans and borrowings	5,083	7,144
Short term	3,285	3,997
Long term	1,798	3,147
Net cash/ (debt)	19,538	18,958

- Increase in trade and other receivables mainly due to increase in government grant receivables relating to rental subvention grants, grants on community care salary enhancements and healthcare hiring in advance initiatives.
- Decrease in cash and bank balances mainly due to repayment of bank borrowings.
- Decrease in trade and other payables mainly due to decrease in deferred grant income relating to pre-operations funding for ECON Care Residences (Henderson) to facilitate ramp up of its operations.

CASH FLOWS HIGHLIGHTS

S\$ '000	FY2023	FY2022
Operating cash flow before working capital change	16,915	12,612
Net cash flow from operating activities	11,731	12,558
Capital expenditure	(3,631)	(2,630)
Net cash flow used in investing activities	(2,160)	(4,506)
Free cash flow	8,100	9,928
Net decrease in loans and borrowings	(1,733)	(3,176)
Net cash flow (used in)/from financing activities	(11,195)	1,978
Net (decrease)/increase in cash flow	(1,624)	10,030

FINANCIAL INDICATORS

RATIO	FY2023	FY2022
Profitability		
EBITDA margin (%)	37.3%	25.0%
PATMI margin (%)	11.1%	0.9%
Return on equity* (%)	12.5%	1.0%
Dividend payout ratio# (%)	35.5%	161.5%
Turnover days		
Trade receivables turnover days ⁽¹⁾	28.6	26.2
Trade payables turnover days ⁽²⁾	61.9	56.5
Liquidity ratios		
Current ratio	1.7	1.4
Debt ratios		
Net Cash or (Debt) / shareholders equity	0.5	0.5
Gearing [^]	0.1	0.2
EBITDA/ interest expense	58.9	32.8
Per share info (S\$'cents)		
Earning per share	1.89	0.14
Net Asset per share	15.08	14.02
Dividend per share	0.67	0.22

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

Dividend payout ratio is defined as dividend declared divided by PATMI

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

Notes:

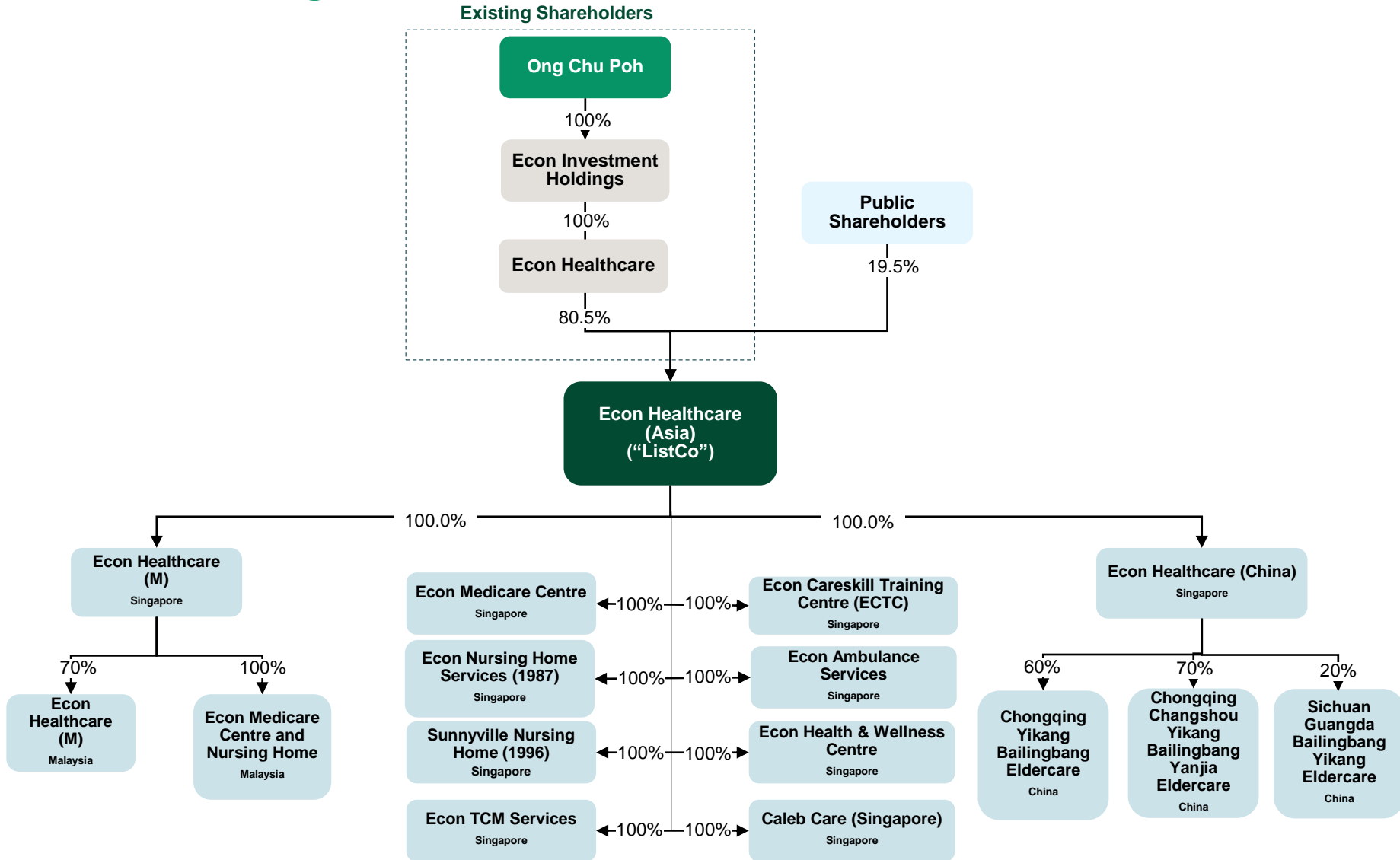
(1) Trade receivable turnover days = (trade receivables and government grant receivables for subvention / revenue) * days in period (i.e. 365 days for FY and 182 days for 6M)

(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





Thank You

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