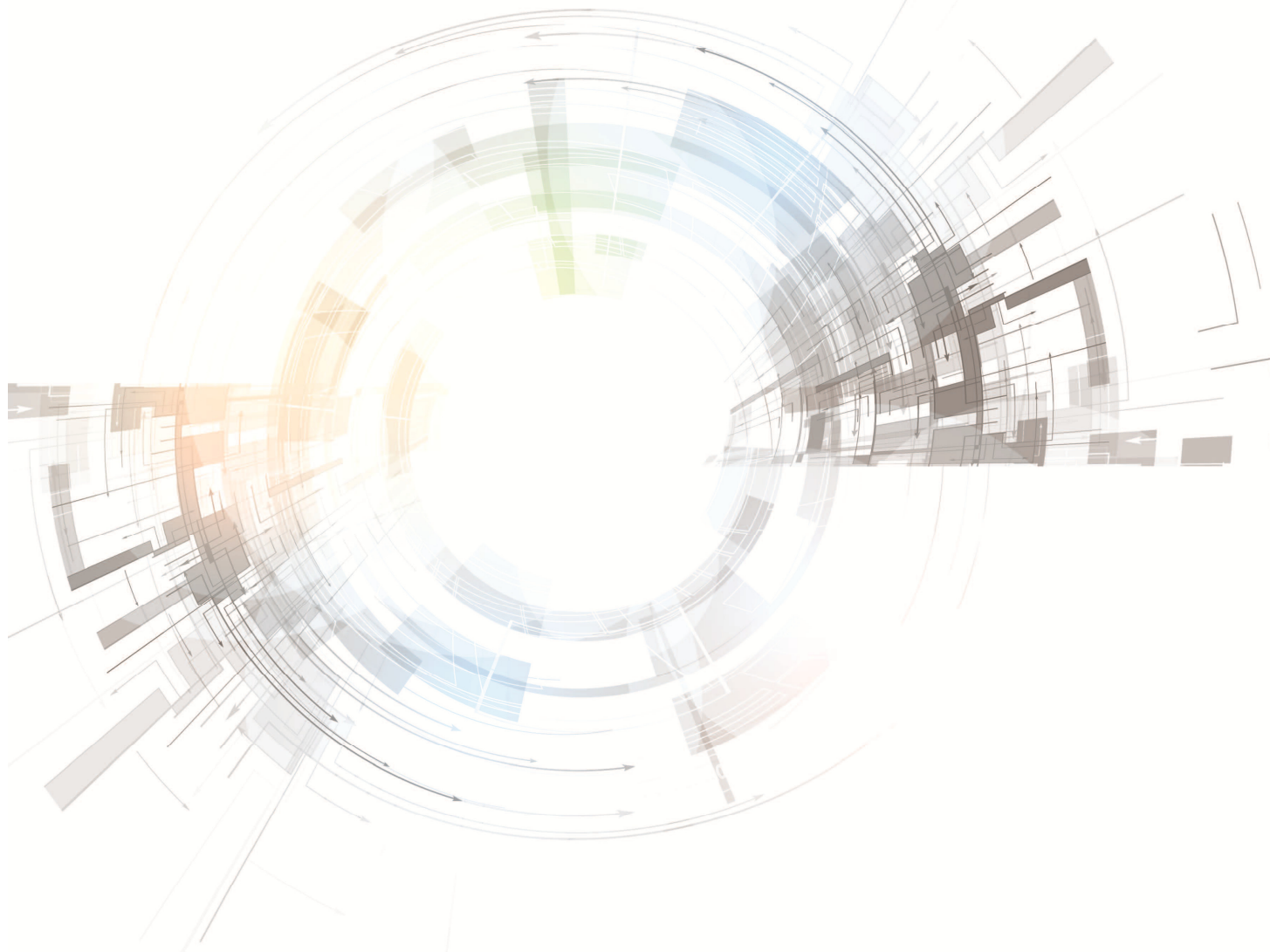




# Corporate Presentation

3 months ended  
31 March 2016



ISEC Healthcare Ltd. (“ISEC” or the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 28 October 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”).

This presentation has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this presentation.

This presentation has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this presentation, including the accuracy, completeness and correctness of any of the information, statements or opinions made or reports contained in this presentation.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

# Table of Content



**Business Overview**

**Industry Overview**

**Business Strategy and Expansion Plans**

**Use of Proceeds**

**3 months ended 31 March 2016 Financial Highlights**



## **Business Overview**

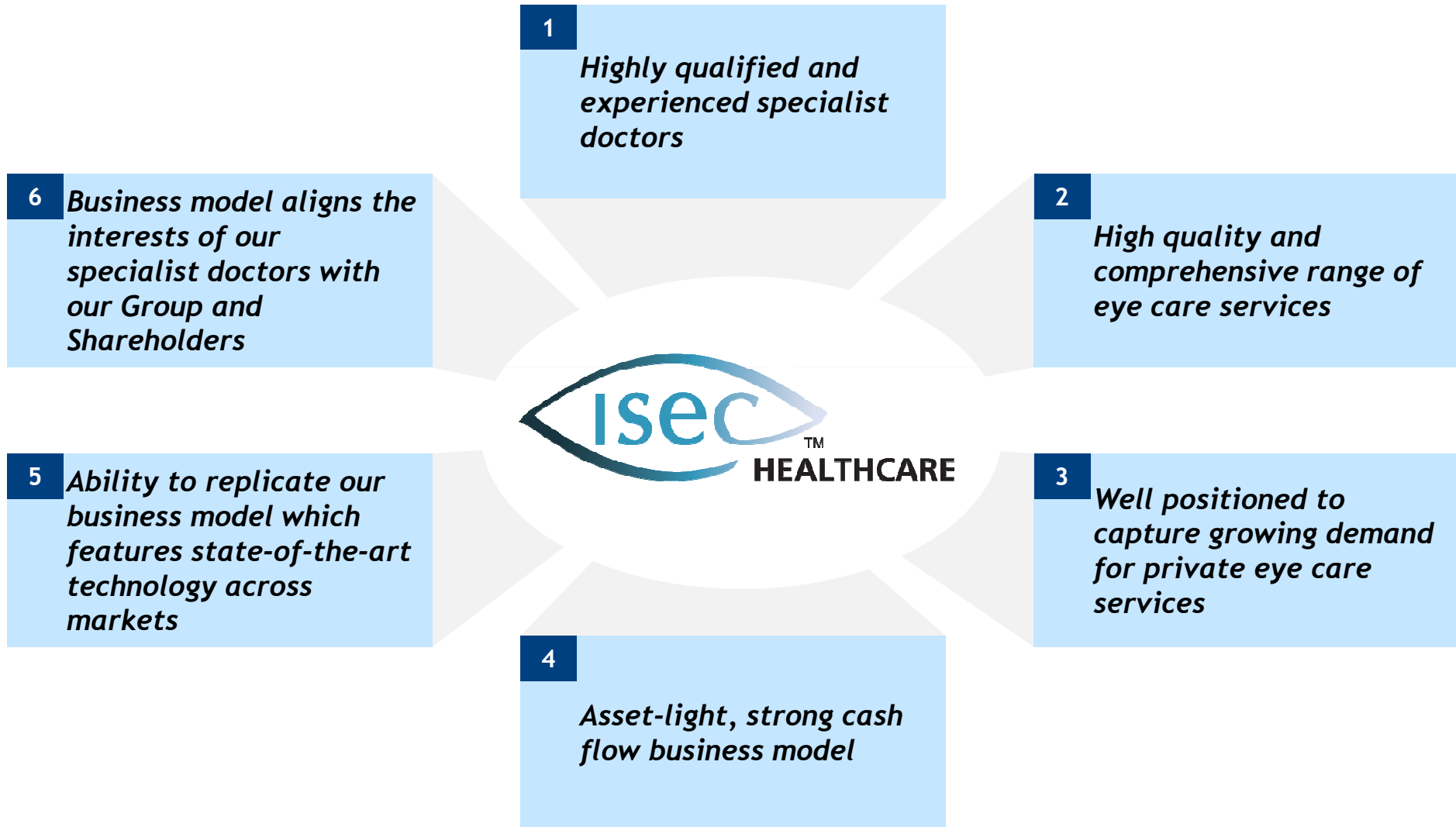
- ISEC is a comprehensive medical eye care service provider, with ambulatory surgical centres in Malaysia (Kuala Lumpur, Penang & Malacca) and provides specialist medical ophthalmology services to Lee Hung Ming Eye Centre in Gleneagles Hospital (Singapore)
- We specialise in the fields of cataract and refractive surgery (including LASIK), vitreoretinal diseases, corneal and external eye diseases, glaucoma, uveitis, oculoplastics, facial cosmetics and aesthetics surgery, adult strabismus and paediatric ophthalmology
- We have a strong team of 19 full-time specialist doctors, and most are also shareholders of the Company
- Our vision is to provide high quality, compassionate, world-class eye care at affordable level
- Listed on Catalist SGX-ST on 28 October 2014



ISEC stands for “International Specialist Eye Centre”

# Business Overview

## Competitive Strengths of the Group





## **Industry Overview**

# Industry Overview

## Key Drivers for Private Ophthalmology



**AGEING POPULATION** with large elderly patient group suffering from cataract, glaucoma, AMD, dry eyes or vitreoretinal diseases as these eye disorders are age-related

- 25.9% of population in Malaysia above 40 years old in 2013, expected to grow at CAGR of 1.7% from 2013 to 2018
- 48.0% of population in Singapore above 40 years old in 2013, expected to grow at CAGR of 4.6% from 2013 to 2018

**INCREASING AWARENESS** with information technology penetration will increase patients' propensity to seek timely and private medical treatment

- Internet penetration in Malaysia increase from 55.8 per 100 people in 2008 to 67.0 per 100 people in 2013, allowed patients to seek information about eye treatments online
- Number of internet users in Singapore increased from 69.0 per 100 people in 2008 to 73.0 per 100 people in 2013 allowing them to gain awareness over eye diseases from the internet

**RISING INCOME LEVEL** increases patients' affordability to engage private ophthalmology services

- Malaysian household monthly income rose from SGD 1,532 in 2009 to SGD 1,903 in 2012
- In Singapore, the median monthly household income from work increased from SGD 7,570 in 2012 to SGD 7,870 in 2013

**INCREASE IN PRIVATE INSURANCE COVERAGE** encourages more people to seek private medical services, including ophthalmology-related medical procedures that are subsidized by insurance

- Medical and personal accident insurance market in Malaysia increase at a CAGR of 13.6% from 2013 to 2018
- The annual premium growth in Singapore between 2013 to 2020 is expected to be 11.8%



# Industry Overview

## Key Drivers for Private Ophthalmology (cont'd)



**GOVERNMENT SUPPORT IN PROMOTING MEDICAL TOURISM** leading to generation of additional demand for medical services including ophthalmology services

- Medical tourism based healthcare expenditure forecast to grow at 26.7% CAGR from 2009 to 2018 in Malaysia
- Medical tourism based healthcare expenditure forecast to grow at 13.6% CAGR from 2009 to 2018 in Singapore. Ophthalmology is the second most popular medical procedures amongst medical tourist coming to Singapore

**RISING INCIDENCE OF DIABETES** can in turn increase one's chances of getting an eye disorder such as diabetic retinopathy, cataract and glaucoma

- 12% of Malaysian are suffering from diabetes, and this would subsequently contribute to the growth of more eye patients who suffer from diseases such as diabetic retinopathy, cataract and glaucoma

### ***The ophthalmology industry is underserved by qualified ophthalmologist:***

Malaysia	<i>0.01 ophthalmologist per 1,000 population</i>
Singapore	<i>0.04 ophthalmologist per 1,000 population</i>
World average	<i>0.036 per 1,000 population</i>
Other modernized nations	<i>0.05-0.11 per 1,000 population</i>



# **Business Strategy And Expansion Plans**

# Our Business Strategies



<b>Growing the ISEC Brand and Expanding into the Asia Pacific Region</b>	<ul style="list-style-type: none"><li>■ To reach more patients in locations where we currently operate, as well as new locations such as major cities or locations in Peninsular Malaysia, East Malaysia and Singapore</li><li>■ To expand via setting up of subsidiaries, JV, expand existing centres, acquire assets, businesses and companies</li><li>■ Identified China, India, Indonesia, Myanmar, the Philippines, Taiwan and Vietnam as markets with growth potential</li></ul>
<b>Expanding Talent Pool of Specialist Doctors and Management Staff</b>	<ul style="list-style-type: none"><li>■ To recruit and retain highly qualified and talented management and healthcare professionals</li><li>■ To provide them with opportunity and time to further their professional development and expertise in their subspecialty areas</li></ul>
<b>Building Regional Network with Referral Centres</b>	<ul style="list-style-type: none"><li>■ To build relationships with referral centres which will refer patients requiring more complicated surgical procedures or medical consultation</li><li>■ To offer patients options in country of treatment, added comfort and convenience of receiving follow-up treatment in home country</li></ul>
<b>Investing in the Latest Technology</b>	<ul style="list-style-type: none"><li>■ To constantly upgrade and improve our medical equipment and keeping abreast of the latest technology to ensure that we are at the forefront of our industry</li></ul>

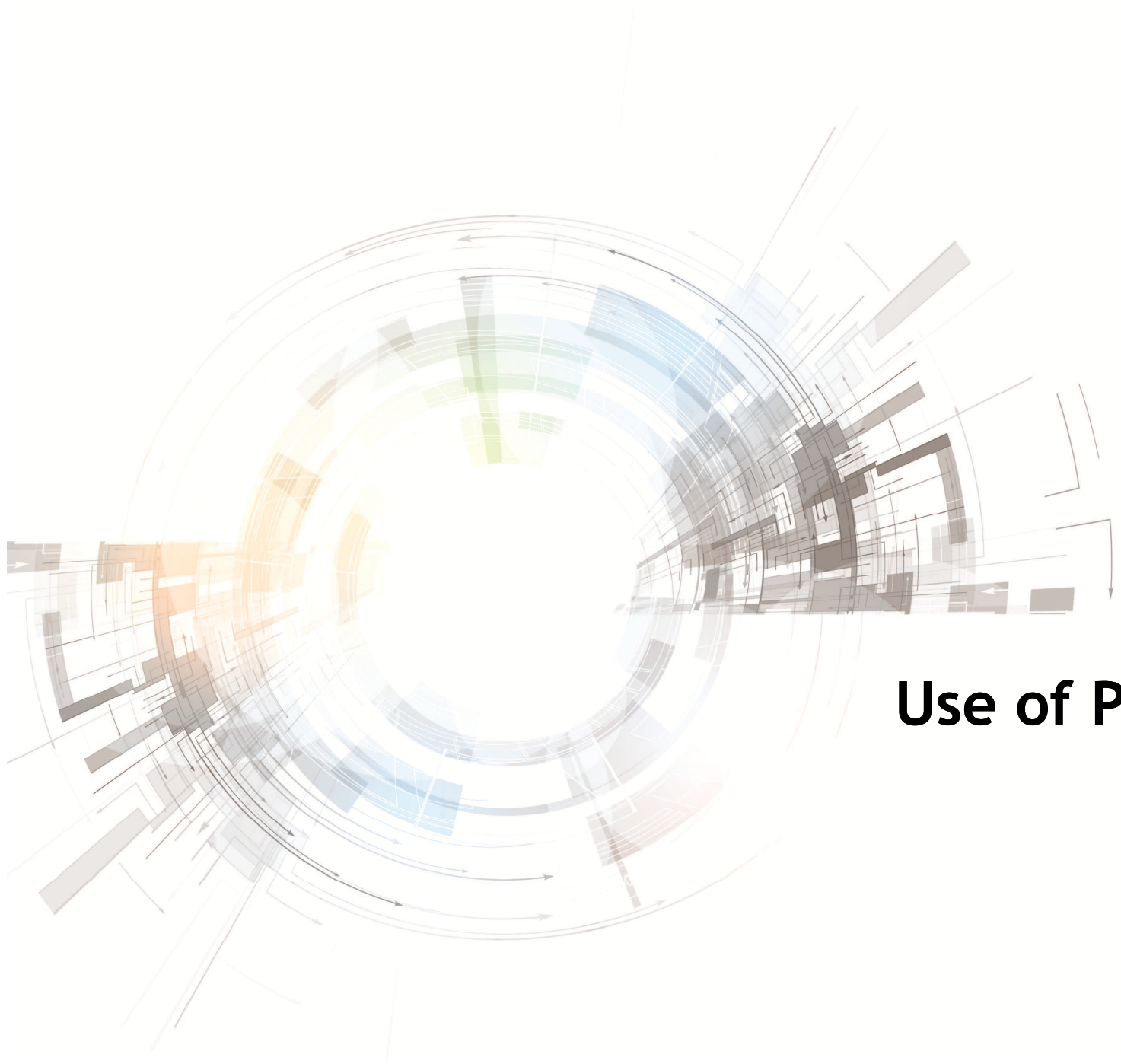
Source: Company's information

# Expansion Plans



**Business expansion  
in the Asia Pacific  
region  
(including Malaysia  
and Singapore)**

 Target Countries



## **Use of Proceeds**

# Use of Proceeds

As at 12 May 2016



Use of proceeds	Amount allocated S\$'000	Amount allocated pursuant to reallocation of unutilized listing expenses S\$'000	Amount utilised S\$'000	Balance S\$'000
Business expansion in Asia Pacific region (including Malaysia and Singapore)	13,800	14,100	(5,326) (N1)	8,774
General working capital	2,500	2,500	(2,500) (N2)	-
<b>Total</b>	<b>16,300</b>	<b>16,600</b>	<b>(7,826)</b>	<b>8,774</b>

(N1) Amount utilized for the acquisition of Southern Specialist Eye Centre Sdn. Bhd. ("SSEC"):	S\$'000
Cash consideration	5,204
Administrative expenses	122
<b>Total</b>	<b>5,326</b>

(N2) Amount utilized for:	S\$'000
Cost of sales	1,028
Administrative expenses	1,378
Selling and distribution expenses	94
<b>Total</b>	<b>2,500</b>

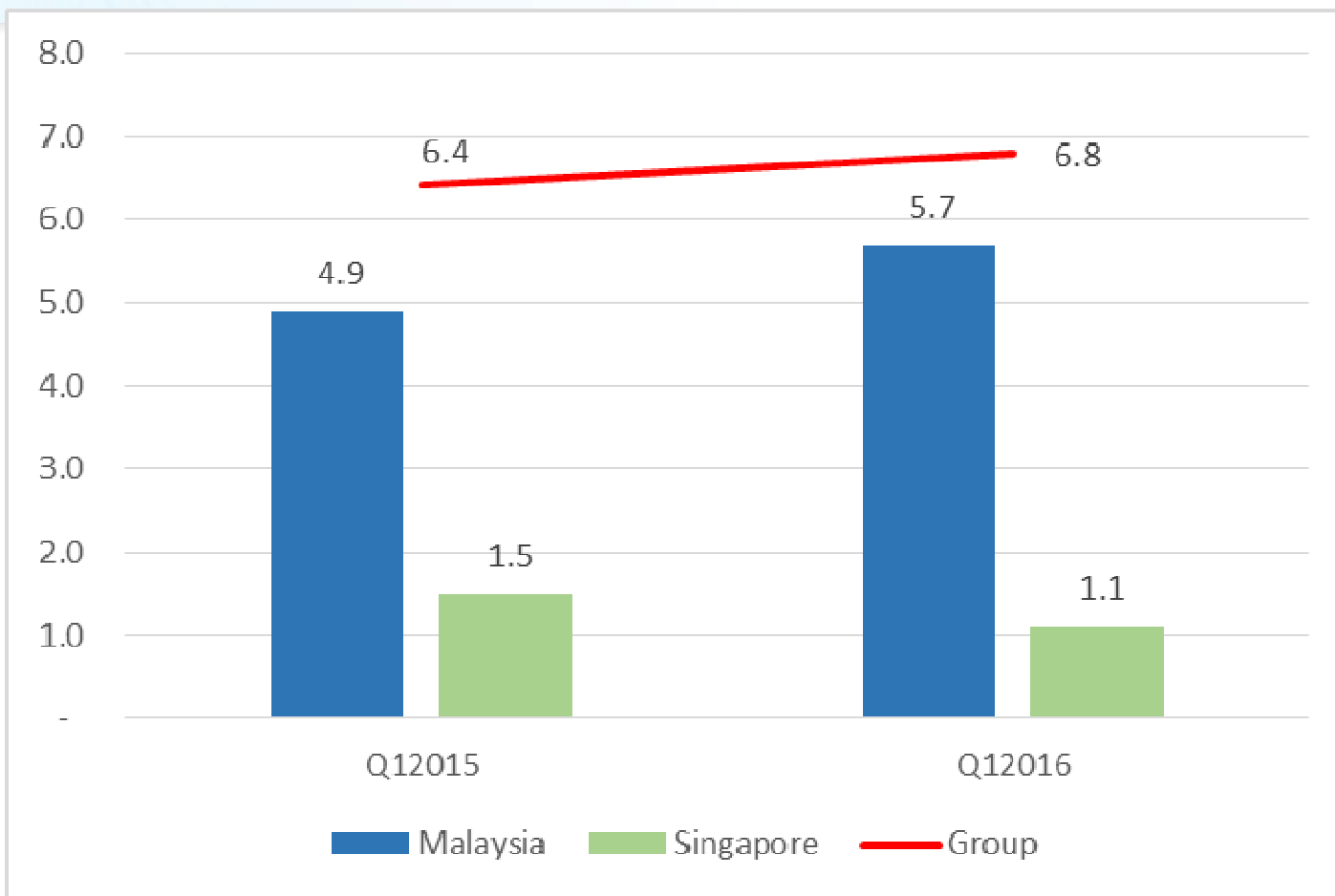


# **3 Months Financial Highlights**

for the period ended 31 March 2016

# Revenue

SGD'mil



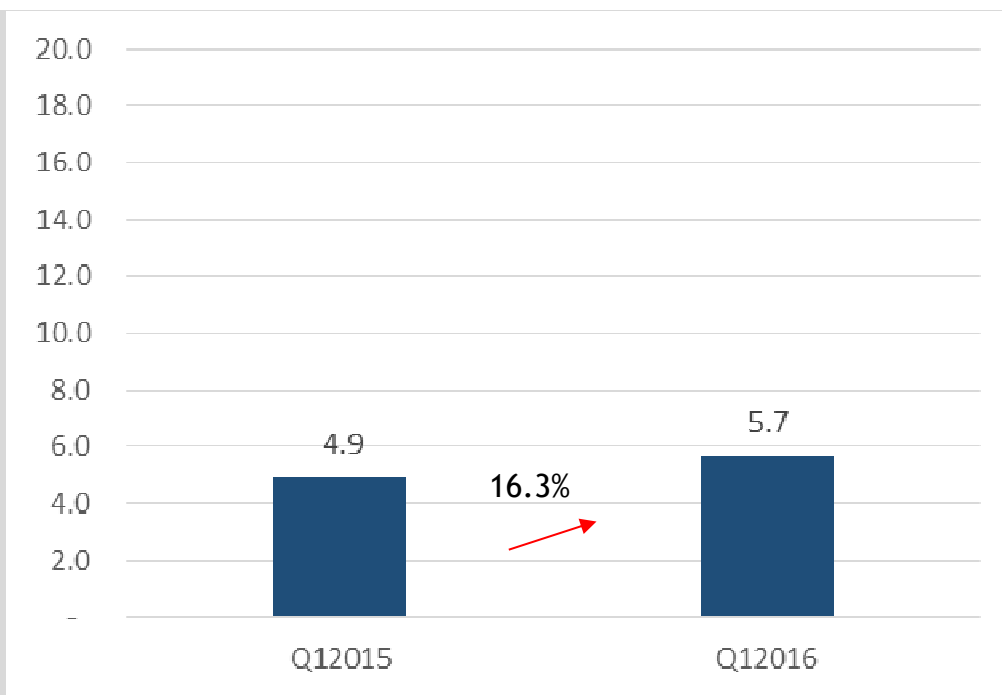
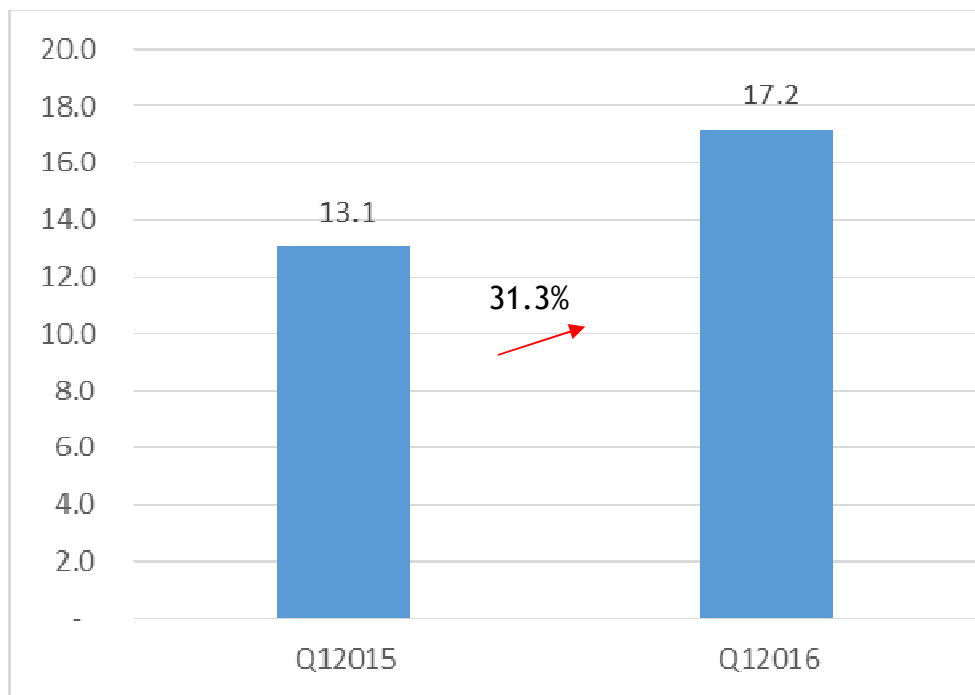
- Q12016 vs Q12015** Group revenue was higher. The increase was attributable to higher revenue contribution from Malaysia operations. SSEC which was acquired on 8 December 2015 contributed S\$0.8 million to the Group's revenue in 1Q2016. Revenue from Singapore operations had decreased by S\$0.4 million, mainly due to the cessation of clinic operations at Mount Elizabeth Novena Specialist Centre (ISEC Singapore) in October 2015



## Revenue - Malaysia

RM'mil

SGD'mil

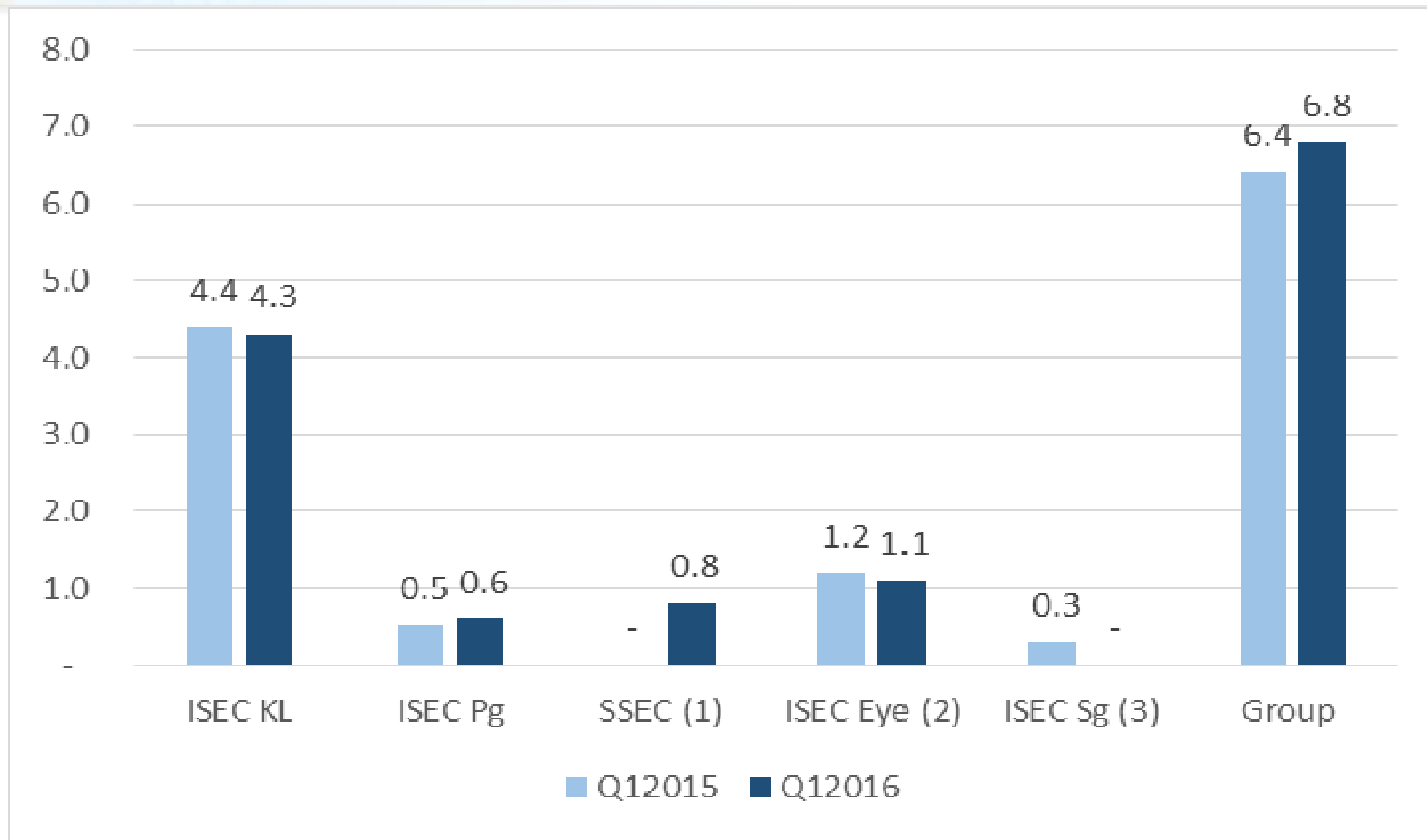


- Revenue from Malaysia operations in Ringgit Malaysia (“RM”) increased from RM13.1 million in Q12015 to RM17.2 million in Q12016, up 31.3% mainly due to increased number of patients visits in ISEC KL and ISEC Penang and the inclusion of results from SSEC to the Group’s 1Q2016 results post completion of the acquisition of SSEC on 8 December 2015

However, the quarter on quarter Singapore Dollar translated revenue from Malaysia operations was only 16.3% higher, from S\$4.9 million in 1Q2015 to S\$5.7 million in 1Q2016, due to weaker RM

## Revenue - By location/clinic

SGD'mil



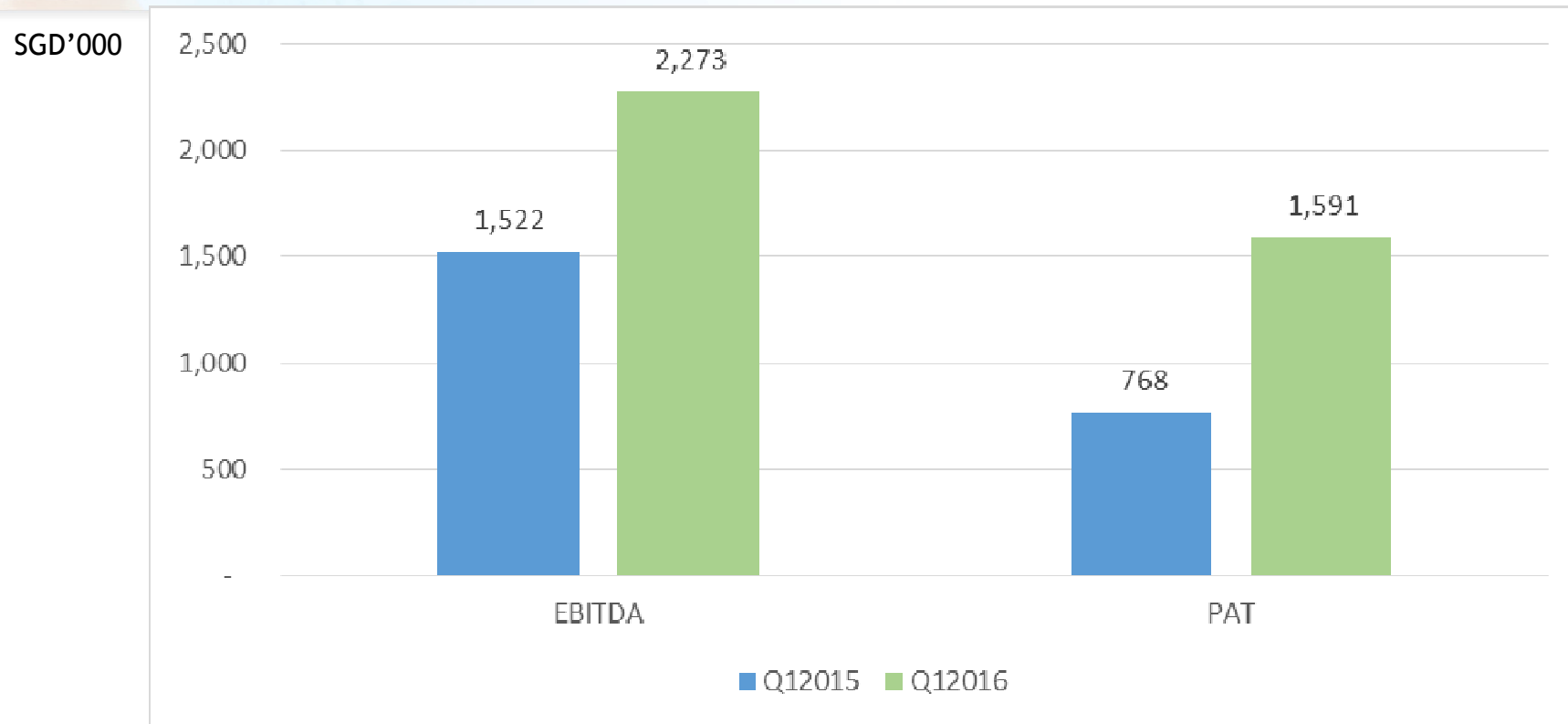
**Notes:**

(1) On 8 Dec 2015, the Group completed the acquisition of Southern Specialist Eye Centre Sdn. Bhd. (“SSEC”)

(2) ISEC Eye - revenue from Lee Hung Ming Eye Centre

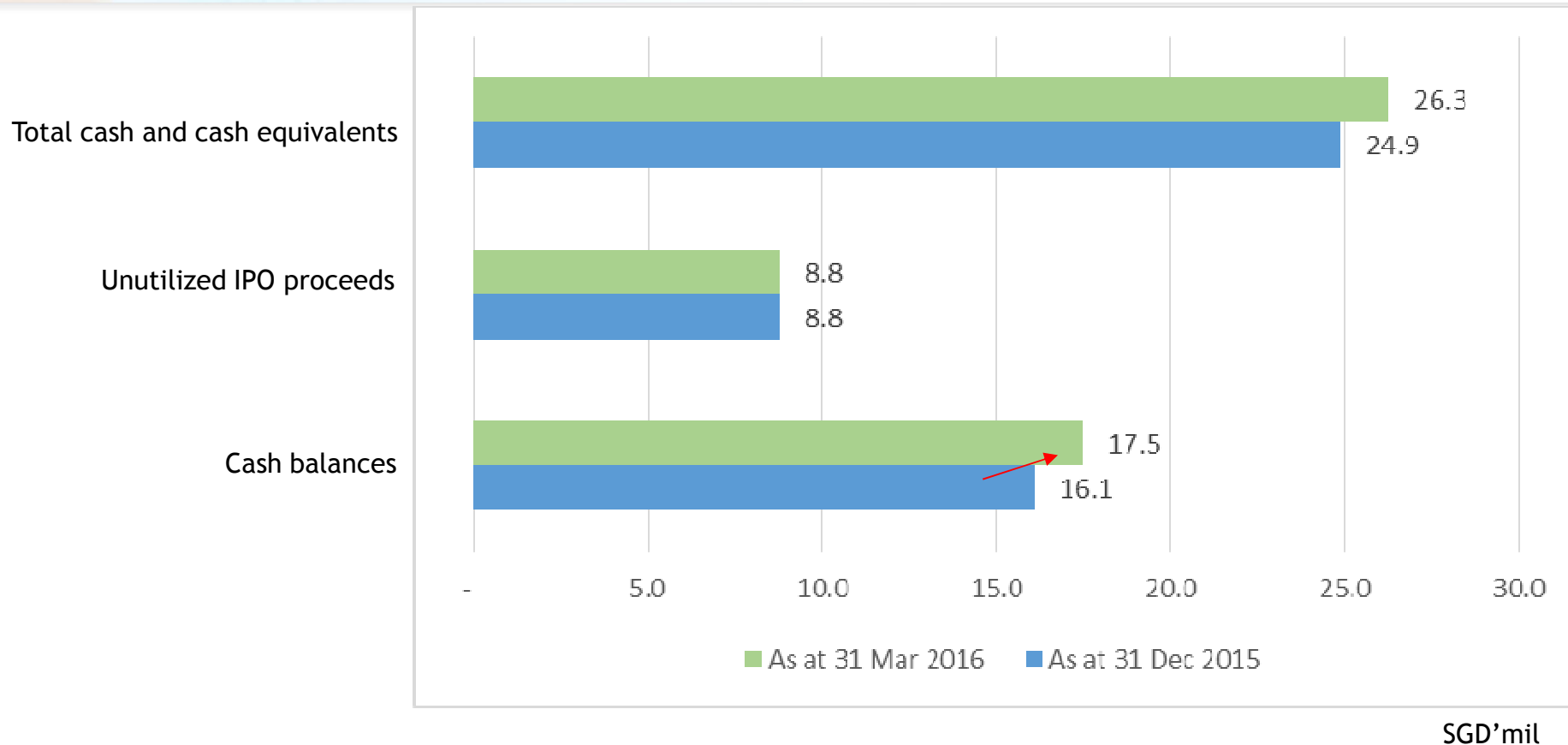
(3) ISEC Sg - revenue from ISEC Singapore (which ceased operations in October 2015)

## Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) and Profit After Tax (PAT)



- EBITDA was S\$2.3 million in Q12016 as compared to S\$1.5 million in Q12015 mainly due to higher revenue contribution from SSEC and lower cost of sales, selling and distribution expenses and administrative expenses, which were mainly due to the closure of ISEC Singapore in October 2015
- PAT was S\$1.6 million in Q12016 as compared to S\$0.8 million in Q12015 mainly due to the above reasons and lower provision of income tax for Singapore operations as the Group is expected to utilise tax credit for the losses incurred by ISEC Singapore in FY2015, as well as the unutilised capital allowances from ISEC Singapore

# Cash Position



- Total cash and cash equivalents as at 31 March 2016 was S\$26.3 million. No debts.
- Cash balances (exclude unutilized IPO proceeds) increased from S\$16.1 million as at 31 Dec 2015 to S\$17.5 million as at 31 March 2016

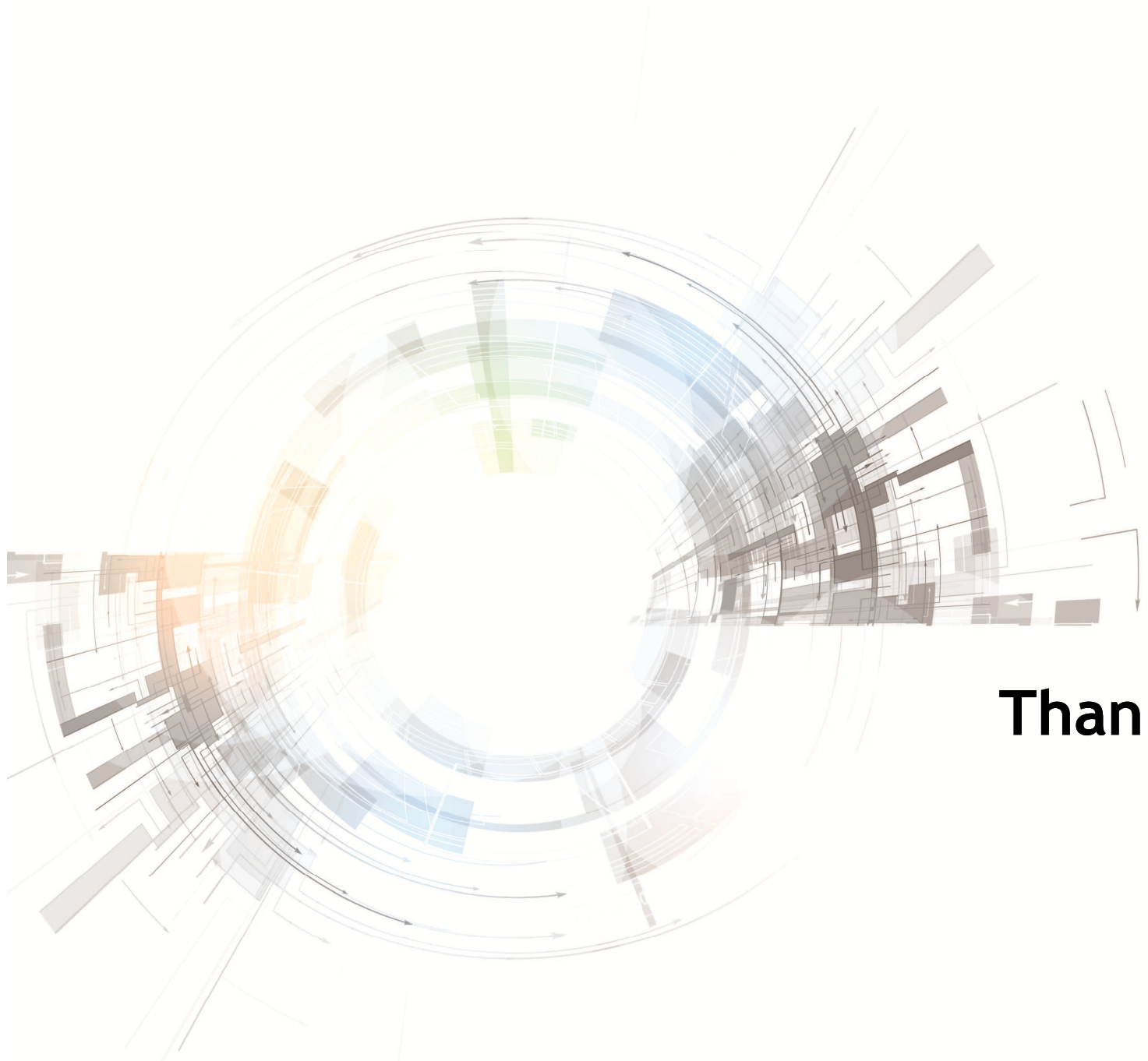
## Statement of Financial Position



S\$'000	31 March 2016	31 December 2015
<b>Key Assets</b>		
Plant and equipment	3,619	3,639
Intangible assets <sup>^</sup>	25,603	25,162
Trade and other receivables	1,648	1,905
Cash and cash equivalents	26,340	24,924
<b>Key Liabilities</b>		
Trade and other payables	2,556	3,410
<b>Equity</b>		
Shareholders equity	54,439	51,925

<sup>^</sup> - Arose mainly from the acquisition of:

- (i) ISEC Eye Pte. Ltd. (Intangible assets arose from contractual relationship of S\$4.8 million and goodwill of S\$8.0 million); and
- (ii) SSEC (goodwill of S\$12.4 million)



**Thank You**