



ECON HEALTHCARE (ASIA) LIMITED

Riding the Silver Wave in Asia

For the six-month period ended 30 September 2023

9 November 2023



Financial Highlights

6M2024 Financial Highlights

FINANCIAL PERFORMANCE

S\$ '000	6M2024	6M2023	Y-o-Y % Δ	Y-o-Y S\$ Δ
Revenue	24,823	21,215	17.0%	3,608
Other Income [#]	2,768	3,496	-20.8%	(728)
Supplies and consumables	3,338	2,967	12.5%	371
Staff costs	13,890	11,408	21.8%	2,482
Leases [*]	4,545	4,556	-0.2%	(11)
Other operating expenses	2,300	2,316	-0.7%	(16)
EBITDA	7,208	7,241	-0.5%	(33)
EBITDA Margin	29.0%	34.1%	-14.9%	-5.1%
Normalised Profit before tax[#]	1,889	1,774	6.5%	115
Normalised Profit before tax Margin	7.6%	8.4%	-9.0%	-0.8%
PATMI	1,680	1,688	-0.5%	(8)
PATMI Margin	6.8%	8.0%	-14.9%	-1.2%
EPS (cents)	0.65	0.66	-1.5%	(0.01)
NAV (cents)	15.10	14.27	5.8%	0.83

[#] Normalised item refer to net of exceptional grants, which include grants on staff accomodation and grants on jobs growth incentive.

^{*} Leases comprise of depreciation of right-of-use assets of S\$3.9 million (6M2024: S\$3.9 million) and interest expense from lease liabilities of S\$0.7 million (6M2023: S\$0.6 million). Leases are not included in the computation of EBITDA.

6M2024 Financial Highlights

FINANCIAL PERFORMANCE – REPORTABLE SEGMENTS INFORMATION

S\$ '000	6M2024	6M2023	Y-o-Y % Δ	Y-o-Y S\$ Δ
Revenue	24,823	21,215	17.0%	3,608
Medicare centres and nursing home fees	24,378	20,756	17.5%	3,622
Other operation and ancillary services	445	459	-3.1%	(14)
Profit before tax	1,914	1,955	-2.1%	(41)
Exceptional items, net	(25)	(181)		
Normalise Profit before tax	1,889	1,774	6%	115
EPS (cent)	0.65	0.66	-1.5%	(0.01)
NAV (cent)	15.10	14.27	5.8%	0.83

Normalised item refer to net of exceptional grants, which include grants on jobs growth incentive and grants on staff

6M2024 vs 6M2023

- Singapore revenue increased mainly due to the ramped up operations of ECON Care Residences (Henderson) contributed to S\$2.4 million and S\$0.8 million through improvement in homecare business and fees increment.
- Malaysia revenue increased by S\$0.3 million due to net increase in bed occupancy of 24 for both ECON Medicare Centre and Nursing Home – Puchong and ECON Medicare Centre and Nursing Home – Taman Perling.
- China revenue increased by S\$0.1 million due to commencement of operations for ECON Medicare Centre and Nursing Home – Changshou.

6M2024 vs 6M2023

- Ancillary fees decreased S\$14,000 or 3% mainly due to decreased revenue contribution from Traditional Chinese medicine services.
- Other income decreased mainly due to decrease in pre-operations fundings for ECON Care Residences (Henderson).
- Normalised profit before tax increased by S\$0.1 million as a result of improvement in the Malaysia operations.

6M2024 Financial Highlights

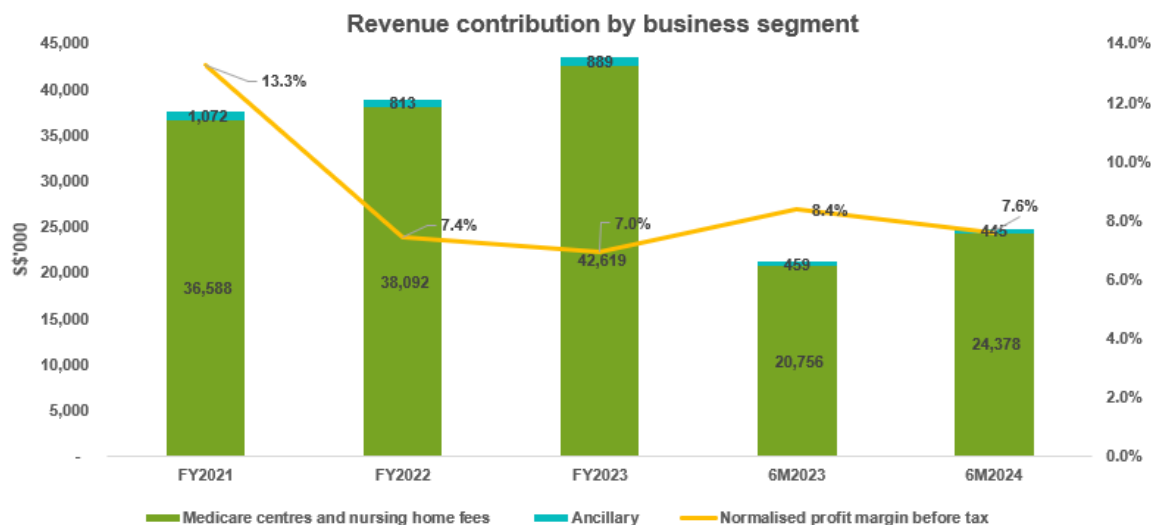
FINANCIAL PERFORMANCE – OTHER INCOME BREAKDOWN

S\$ '000	6M2024	6M2023	Y-o-Y S\$ Δ
Grants on special employment credit, temporary employment credit and wages credit scheme	18	12	6
Grants on staff accommodation	-	53	(53)
Eldercare centre baseline service transition grant	60	180	(120)
Active Ageing Centre fundings	167	-	167
Grants on community care salary enhancements	67	128	(61)
Dividends income from quoted investments	49	-	49
Rental income	133	126	7
Amortisation of deferred capital grants	213	113	100
Service fees from joint venture	-	32	(32)
Jobs Growth Incentive	25	128	(103)
Rental subsidy/subvention grants	1,456	1,470	(14)
Pre-operations funding	199	1,008	(809)
Others	381	246	135
	<u>2,768</u>	<u>3,496</u>	<u>(728)</u>
Exceptional Grants*	25	181	(156)

* Exceptional grants include grants on grants on staff accommodation and jobs growth incentive

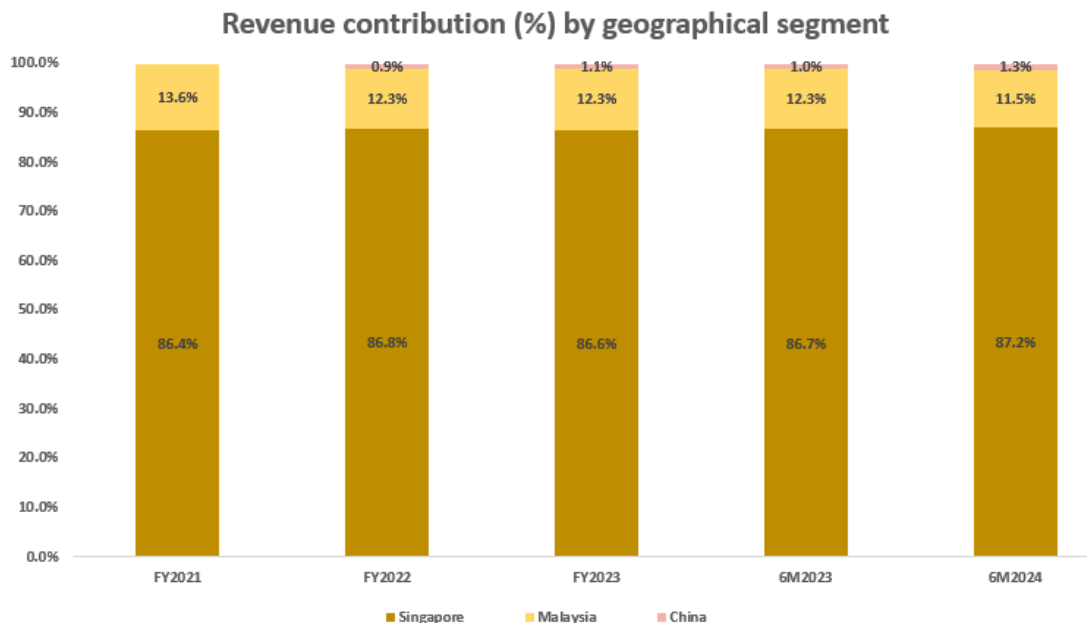
6M2024 Financial Highlights

FINANCIAL PERFORMANCE – BUSINESS & GEOGRAPHICAL SEGMENTS



Business Segment:

- Medicare centres and nursing home fees increased from S\$20.8m in 6M2023 to S\$24.4m in 6M2024 due to ramped up operations of Econ Care Residences (Henderson) and improvement in home care business and fee increment.
- Normalised profit before tax margin is 8.4% in 6M2023, compared to 7.6% in 6M2024, due to increased staff costs.



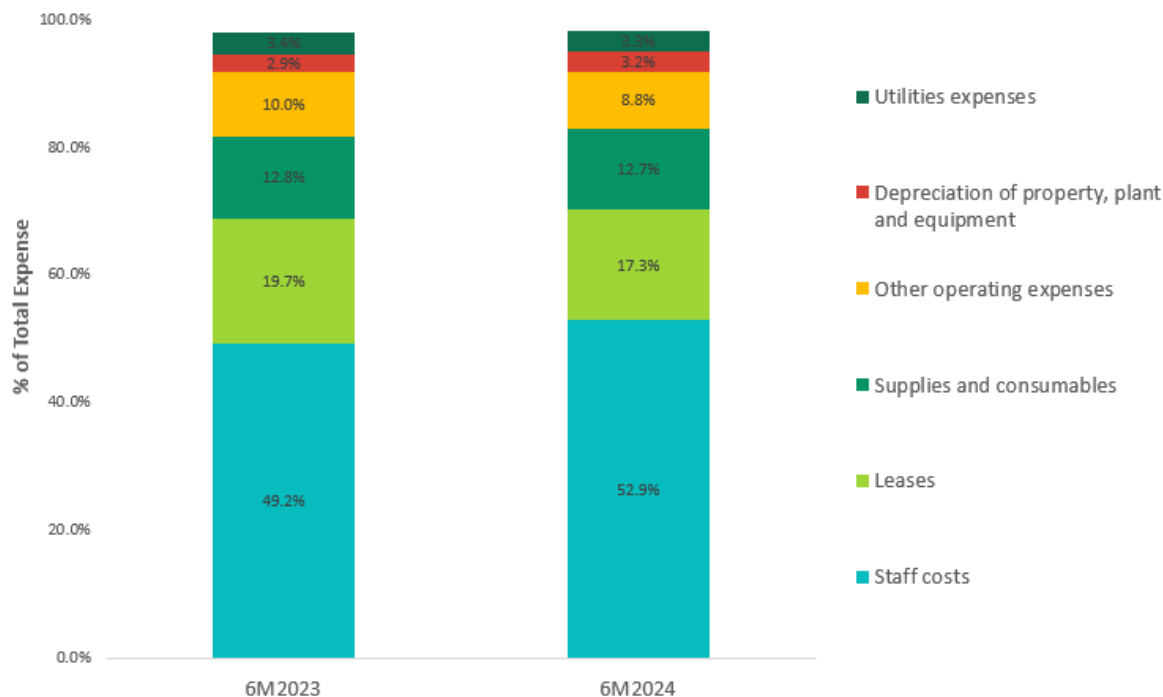
Geographical Segment:

- Singapore is the biggest contributor to the Group revenue, contributing to 87.2% of total Group's revenue.
- Malaysia contributed to 11.5% of the total Group's revenue
- China contributed 1.3% of total Group's revenue

6M2024 Financial Highlights

FINANCIAL PERFORMANCE

Expenses as % of Total Expense



- Staff costs increased from S\$11.4 million to S\$13.9 million, 21.8% mainly due to S\$0.9 million staff costs incurred in Singapore for the headcount of ECON Care Residence (Henderson), S\$0.9 million of staff costs incurred for increase in headcount and salary increments in the remaining nursing homes and homecare, S\$0.1 million of staff costs incurred for increase in headcount of ECON Medicare Centre and Nursing Home – Changshou, and increase in headcount for support function of S\$0.6 million.
- Leases and Other operating expenses were fairly comparable at S\$4.5 million and S\$2.3 million for both 6M2024 and 6M2023.

6M2024 Financial Highlights

FINANCIAL PERFORMANCE – BALANCE SHEET AND CASH FLOWS

BALANCE SHEET HIGHLIGHTS

S\$ '000	30-Sep-23	31-Mar-23
Total assets	95,719	99,271
Cash and cash equivalents	22,727	24,621
Trade and other receivables	5,756	6,291
Other assets	11,608	866
Current assets	40,091	31,778
Property, plant and equipments	14,712	18,328
Right-of-use assets	31,340	39,746
Investment property	7,310	7,554
Associate	-	21
Non-current assets	55,628	67,493
Total Liabilities	57,205	60,745
Trade and other payables	6,496	7,916
Lease Liabilities	27,315	35,542
Current liabilities	25,309	19,143
Non-current liabilities	31,896	41,602
Loans and borrowings	4,129	5,083
Short term	2,718	3,285
Long term	1,411	1,798
Net cash/ (debt)	18,598	19,538

- Decrease in trade and other receivables mainly due to receipts of other government grants receivables, such as grants on community care salary enhancements and healthcare hiring in advance initiatives.
- Decrease in cash and bank balances mainly due to dividend payment and 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.

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)

CASH FLOWS HIGHLIGHTS

S\$ '000	6M2024	6M2023
Operating cash flow before working capital change	6,960	7,185
Net cash flow from operating activities	6,195	6,209
Capital expenditure	(983)	(2,082)
Net cash flow used in investing activities	(567)	(2,172)
Free cash flow	5,212	4,127
Net decrease in loans and borrowings	(817)	(928)
Net cash flow (used in)/from financing activities	(6,243)	(5,050)
Net (decrease)/increase in cash flow	(615)	(1,013)

RATIO	6M2024	FY2023
Profitability		
EBITDA margin (%)	29.0%	34.1%
PATMI margin (%)	6.8%	8.0%
Return on equity* (%)	4.3%	4.6%
Dividend payout ratio [#] (%)	35.0%	35.0%
Turnover days		
Trade receivables turnover days ⁽¹⁾	32.8	28.6
Trade payables turnover days ⁽²⁾	37.6	61.9
Liquidity ratios		
Current ratio	1.6	1.7
Debt ratios		
Net Cash or (Debt) / shareholders equity	0.5	0.5
Gearing [^]	0.1	0.1
EBITDA/ interest expense	57.7	58.9
Per share info (S\$*cents)		
Earning per share	0.65	0.66
Net Asset per share	15.10	14.27
Dividend per share	0.23	0.23

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

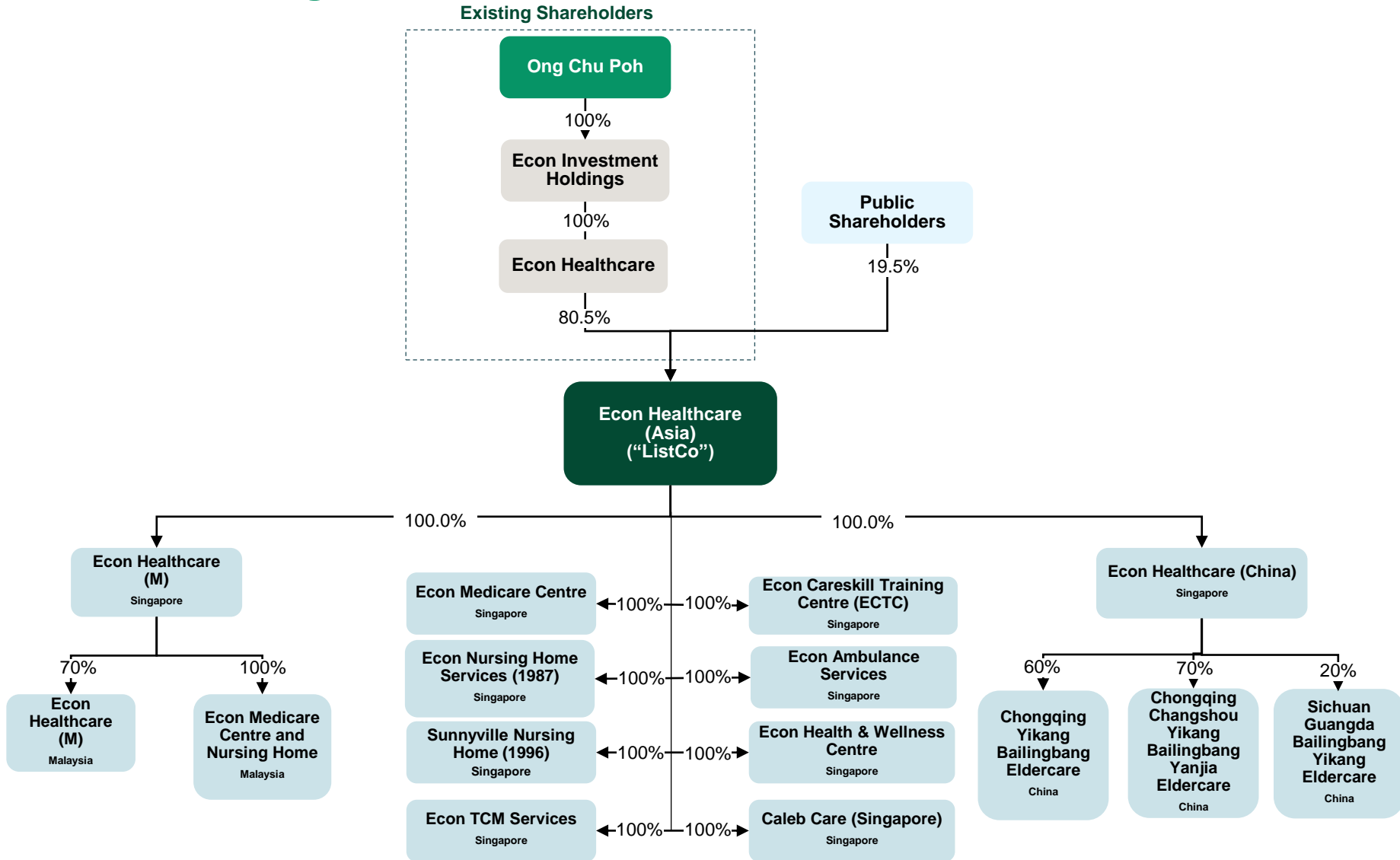
[#] Dividend payout ratio is defined as dividend declared divided by PATMI

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



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





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