



ECON HEALTHCARE (ASIA) LIMITED

Riding the Silver Wave in Asia

For the six-month period ended 30 September 2021

9 November 2021



Financial Highlights

6M2022 Financial Highlights

FINANCIAL PERFORMANCE

S\$ '000	6M2022	6M2021	Y-o-Y % Δ	Y-o-Y S\$ Δ
Aggregate revenue and Operating subvention grant	19,736	18,641	5.9%	1,095
Medicare centres and nursing homes fees	9,980	9,593	4.0%	387
Ancillary fees	417	641	-34.9%	(224)
Sub total	10,397	10,234	1.6%	163
Operating subvention grant	9,339	8,407	11.1%	932
Other Income[#]	813	3,113	-73.9%	(2,300)
Supplies and consumables	2,904	2,627	10.5%	277
Staff costs	9,671	9,221	4.9%	450
SFRS (I) 16 Leases	3,082	3,081	0.0%	1
<i>Depreciation of right-of-use assets</i>	2,638	2,574	2.5%	64
<i>Finance costs – leases</i>	444	507	-12.4%	(63)
Other operating expenses	1,877	1,371	36.9%	506
Operating Profit	2,335	4,935	-52.7%	(2,600)
Medicare centres and nursing homes fees	2,304	4,314	-46.6%	(2,010)
Ancillary fees	31	621	-95.0%	(590)
Operating Profit Margin	11.8%	26.5%	-55.3%	-14.6%
Medicare centres and nursing homes fees	11.9%	24.0%	-50.2%	-12.0%
Ancillary fees	7.4%	96.9%	-92.3%	-89.4%
EBITDA	5,604	8,035	-30.3%	(2,431)
EBITDA Margin	28.4%	43.1%	-34.1%	-14.7%
Normalised Operating Profit[#]	2,138	3,034	-29.5%	(896)
Normalised Operating Profit Margin	10.8%	16.3%	-33.5%	-5.4%
PATMI	1,612	3,652	-55.9%	(2,040)
PATMI Margin	8.2%	19.6%	-58.3%	-11.4%
EPS (cents)	0.63	1.76	-64.4%	(1.14)
NAV (cents)	14.63	11.94	22.5%	2.69

[#] Normalised item refer to exceptional grant for Covid-19, net: JSS, FWL, Jobs Growth Incentive, Rent concession, PTR, net staff accommodation grant and IPO expense 1H2022 was S\$197k, 1H2021 was S\$1.9mil (Please refer to page 5 for the breakdown)

6M2022 Financial Highlights

FINANCIAL PERFORMANCE – TOPLINE

PROFIT AND LOSS Highlights

S\$ '000	6M2022	6M2021	Y-o-Y % Δ	Y-o-Y S\$ Δ
Aggregate revenue and operating subvention grants	19,736	18,641	▲ 6%	▲ 1,095
Medicare centres and nursing home fees	19,319	18,000	▲ 7%	▲ 1,319
Other operation and ancillary services	417	641	▼ -35%	▼ (224)
Operating profit	2,335	4,935	▼ -53%	▼ (2,600)
Exceptional Grant for Covid-19, net*	197	1,901		
Normalise Operating profit	2,138	3,034	▼ -30%	▼ (896)

6M2022 vs 6M2021

- Topline increased mainly due to the overall increase in bed occupancy in nursing homes in Singapore. The bed occupancy rate in Singapore increased from 94.1% to 96.4% in 6M2022.
- Malaysia occupancy rate decreased from 75.5% to 53.8%. Due mainly to drop in average occupancy for Econ Medicare Centre and Nursing Home - Pudu from 156 to 104 period to period as a result of resurgence infections; offset with the commencement of Econ Medicare Centre and Nursing Home - Puchong in Dec 2020, with a 138 bed capacity, average occupancy is 34 beds for 1H2022.
- Chongqing Nursing Home commenced operations in May 2021, with 44 bed capacity, average occupancy is 14 beds for 6M2022.
- Ancillary fees decreased S\$224k due mainly to the cessation of management fees charged to WPHPL of S\$0.3mil following the cessation of operations of WPH in August 2020. Offset with increase in TCM revenue for S\$80k.

6M2022 vs 6M2021

- Other income decreased due mainly to reduction in government grants relating to COVID-19. Lower Exceptional Grants of S\$2.3m:
- the JSS grants and grant on FWL of S\$1.2m;
 - the rent concessions and property tax rebates of S\$0.4m; and
 - the staff accommodation grants of S\$0.7m

- Normalised operating profit decreased by S\$896k, S\$0.3m is due to drop in occupancy rates of the Malaysia Nursing Homes. The losses from Econ Medicare Centre and Nursing Home – Pudu was S\$0.2m, losses from Econ Medicare Centre and Nursing Home – Chongqing was S\$50k, drop in WPHPL management fee S\$0.3m as well as rise of staff cost and consumables due to the 2 new NHs ramping up.

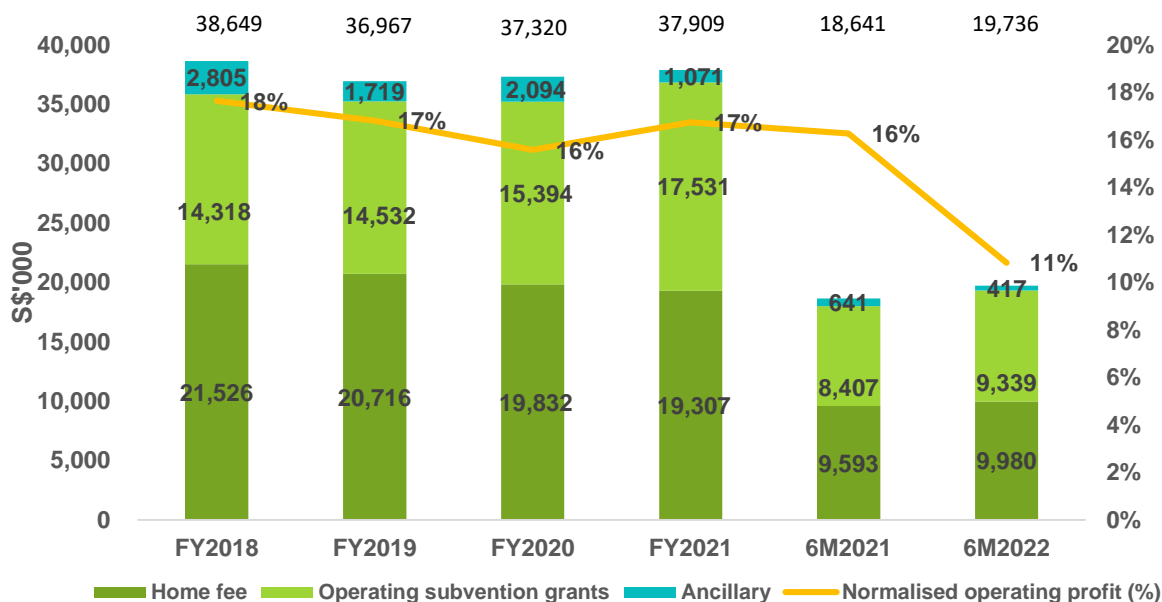
6M2022 Financial Highlights

FINANCIAL PERFORMANCE – OTHER INCOME BREAKDOWN

S\$ '000	6M2022	6M2021	Y-o-Y S\$ Δ
Staff accomodation grant	60	751	(691)
Grants on job support scheme	128	807	(678)
FWL Wavier/rebate	-	491	(491)
Rental concessions	133	501	(369)
Debt recovery from sale of EARC	-	-	-
MOH Pass levy support	-	-	-
Wage subsidy program- Malaysia	24	-	24
Rental income	125	104	21
Grant on Senior Activity Centres	-	180	(180)
Others	38	132	(94)
Service fees	53	53	-
Grants on special employment credit, temporary employment credit and wages credit scheme	17	42	(26)
AIC - Senior management associate grant	20	-	20
ESG Scale up grant	-	-	-
Disposal of PPE	-	-	-
Property tax rebate	-	41	(41)
Amortisation of deferred capital grants	79	11	68
Grant on capability development	-	-	-
S Pass Levy Transition support grant_ MOH	-	-	-
Grants on Jobs Growth Incentive	137	-	137
	813	3,113	(2,300)
Exceptional Grant (OC)	398	1,840	(1,442)
A. Exceptional Grant (OC + Staff Accom Grant)	458	2,591	(2,133)
Exceptional Expense			
IPO	80	-	80
Rental of staff quarters	181	690	(509)
B. Exceptional expense	261	690	(429)
Normalised item, net (A-B)	197	1,901	(1,704)

6M2022 Financial Highlights

FINANCIAL PERFORMANCE – BUSINESS & GEOGRAPHICAL SEGMENTS

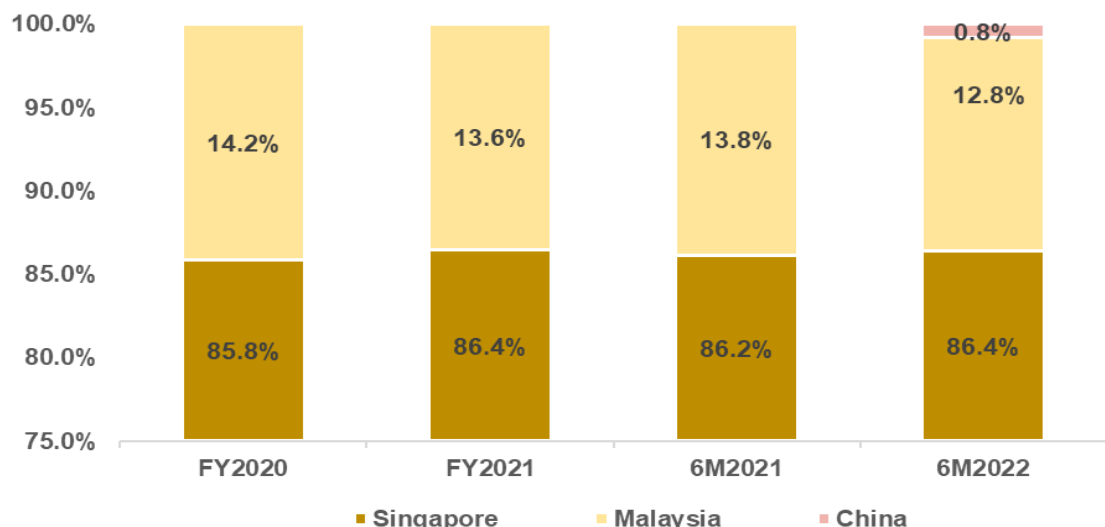


Business Segment:

- Home fee and operating subvention grant increased from S\$18m to S\$19.3m in 6M2022, an improvement of S\$1.3m at nursing home and home care operations
- Normalised operating profit margin dropped from 16% to 11%, mainly due to Puchong nursing home and Chongqing nursing home ramping up, staff costs increase as a result of step up protective personal equipment and disinfection cleaning, and occupancy of ECON Medicare Centre and Nursing Home – Pudu affected by the COVID-19 situation.

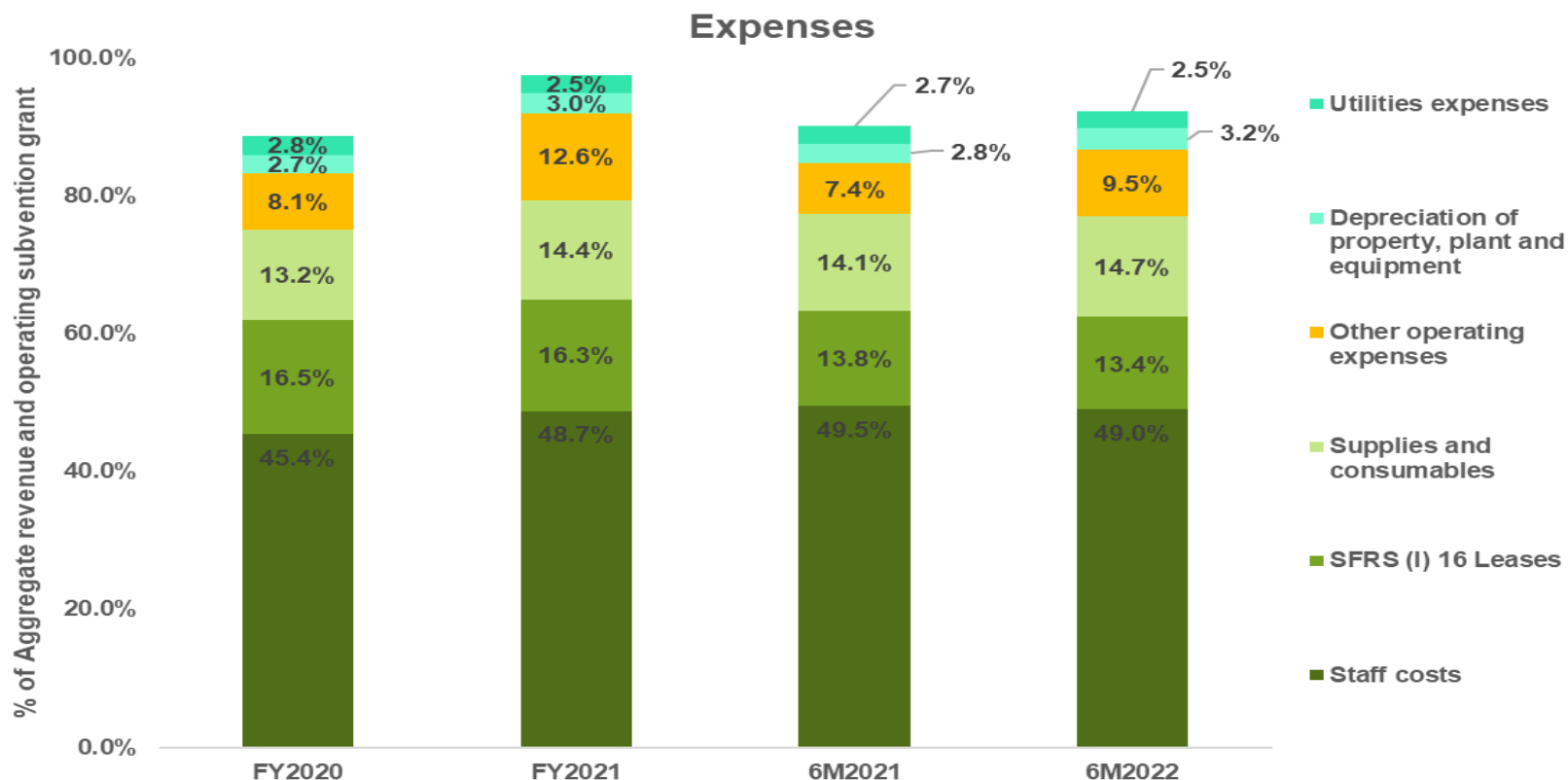
Geographical Segment:

- Top line contributed by Singapore increase with the historically high occupancy rate, 96.4%
- Decreased for Malaysia as a result of COVID-19 situation.
- China contributed 0.8% of total Group's revenue



6M2022 Financial Highlights

FINANCIAL PERFORMANCE



- Staff costs increased due to additional overtime payment, temporary contract service fee, as well as salary increment incurred as a result of continued border control restriction. The increase also relate to the two new nursing homes as productivity is not yet at desirable stage as the private nursing homes take time to ramp up.
- Supplies and consumables increased due to purchase of additional consumables for patients, such as food, milk feed and dressing materials and facemasks, as the number of residents increase. There were also purchase of additional personal protective equipments, and disinfectants due to step up of the infection control & environmental hygiene practices due to the COVID-19 situation.
- Other operating expense increased mainly due listing expenses incurred, such as professional fees for sponsor and counsel.

6M2022 Financial Highlights

FINANCIAL PERFORMANCE – BALANCE SHEET AND CASH FLOWS

BALANCE SHEET Highlights			CASH FLOWS Highlights		
S\$ '000	6M2022	FY2021	S\$ '000	6M2022	6M2021
Total assets	81,177	72,654	Operating cash flow before working capital change	5,397	7,520
Cash and cash equivalents	26,575	16,095	Net cash flow from operating activities	4,641	5,580
Trade and other receivables	3,220	3,352	Capital expenditure	(1,048)	(1,102)
Other assets	308	246	Net cash flow used in investing activities	(114)	(3,447)
Current assets	30,103	19,693	Free cash flow	3,593	4,478
Property, plant and equipments	16,760	16,476	Net (decrease)/increase in loans and borrowings	(2,633)	1,541
Right-of-use assets	24,845	27,154	Net cash flow from/(used in) financing activities	5,960	(435)
Investment property	8,155	8,154	Net increase/ (decrease) in cash flow	10,487	1,698
Associate	83	-			
Non-current assets	51,074	52,961			
Total Liabilities	43,226	47,423			
Trade and other payables	5,964	5,977			
Lease Liabilities	21,320	23,677			
Current liabilities	16,019	18,065			
Non-current liabilities	27,207	29,358			
Loans and borrowings	7,729	10,361			
Short term	3,877	5,825			
Long term	3,852	4,536			
Net cash/ (debt)	18,846	5,734			

FINANCIAL INDICATORS		
RATIO	6M2022	FY2021
Profitability		
EBITDA margin (%)	28.4%	38.2%
PATMI margin (%)	8.2%	15.0%
Return on equity* (%)	4.3%	23.1%
Dividend payout ratio# (%)	35.1%	35.2%
Turnover days		
Trade receivables turnover days ⁽¹⁾	26.1	23.9
Trade payables turnover days ⁽²⁾	42.6	49.8
Liquidity ratios		
Current ratio	1.9	1.1
Debt ratios		
Net Cash or (Debt) / shareholders equity	0.5	0.2
Gearing [^]	0.2	0.4
EBITDA/ interest expense	39.2	37.7
Per share info (S\$'cents)		
Earning per share	0.63	2.75
Net Asset per share	14.63	11.94
Dividend per share	0.22	0.78

<ul style="list-style-type: none"> Decreased in trade and other receivables mainly due to receipt of government grants of S\$0.1 million for ECON Medicare Centre and Nursing Home – Taman Perling under the wage subsidy program. Increased in cash and bank balances mainly due to proceeds from shares issued pursuant to initial public offering of S\$14m, offset with dividends paid of S\$2m and repayment of fixed advance facility loan of S\$2m. Trade and other payables remained constant at S\$6.0m for both 6M2022 and FY2021.

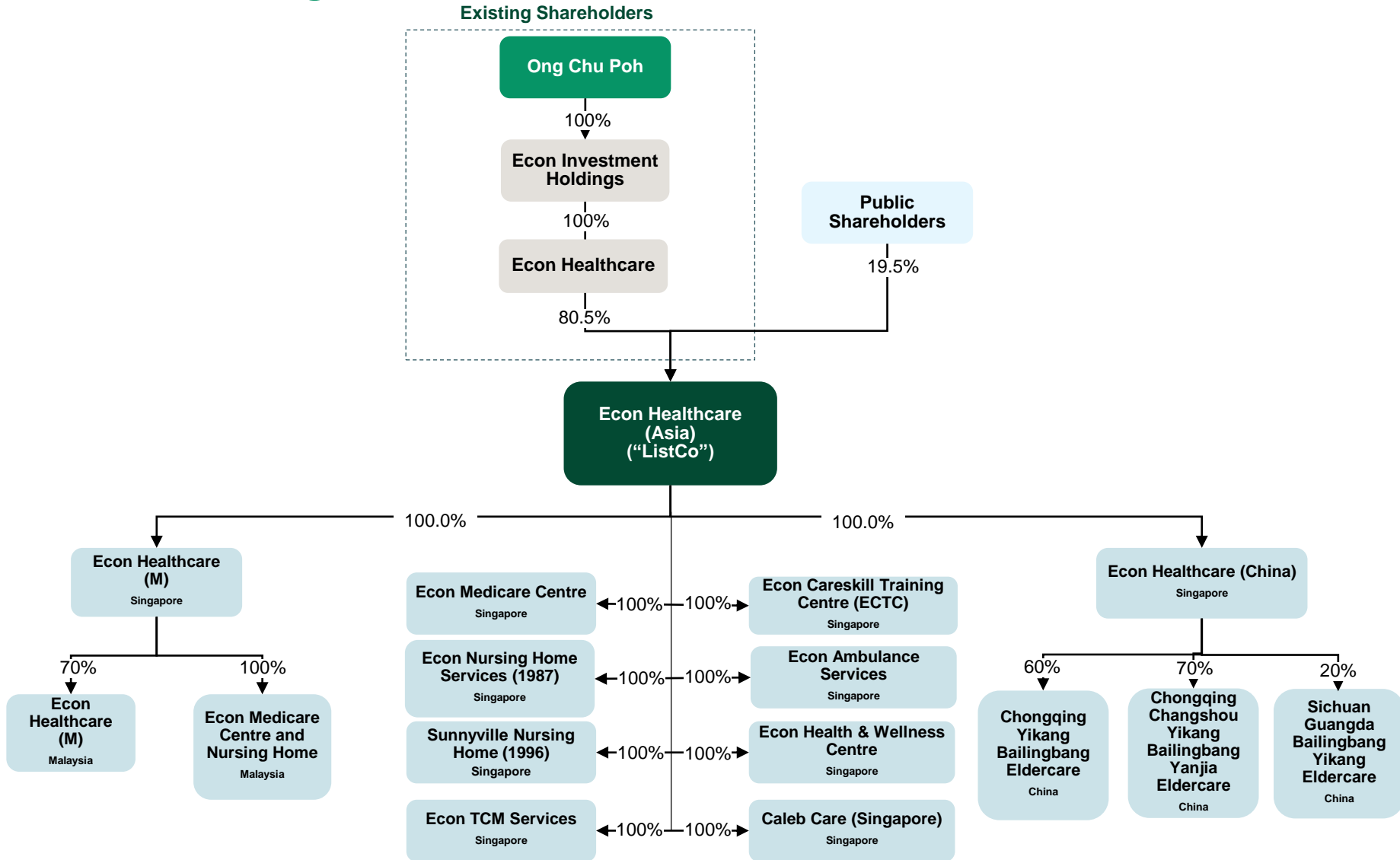
Notes:

- (1) Trade receivable turnover days = (trade receivables and government grant receivables for subvention / aggregate revenue and operating subvention grants) * 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



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