



ECON HEALTHCARE (ASIA) LIMITED

Riding the Silver Wave in Asia

**Financial Presentation
FY2022**

27 May 2022



Financial Highlights

FY2022 Financial Highlights

FINANCIAL PERFORMANCE – SELECTED FINANCIAL INFORMATION ONLY

S\$ '000	FY2022	FY2021	Y-o-Y % Δ	Y-o-Y S\$ Δ
Revenue	38,905	37,660	3.3%	1,245
Other Income [#]	5,208	6,468	-19.5%	(1,260)
Supplies and consumables	5,849	5,462	7.1%	387
Staff costs	19,357	18,469	4.8%	888
SFRS (I) 16 Leases	7,181	6,162	16.5%	1,019
Other operating expenses	4,657	4,763	-2.2%	(106)
EBITDA	9,714	14,477	-32.9%	(4,763)
EBITDA Margin	25.0%	38.4%	-35.0%	-13.5%
Normalised Profit before tax[#]	4,098	4,998	-18.0%	(900)
Normalised Profit before tax Margin	10.5%	13.3%	-20.6%	-2.7%
PATMI	350	5,700	-93.9%	(5,350)
PATMI Margin	0.9%	15.1%	-94.1%	-14.2%
EPS (cents)	0.14	2.75	-94.9%	(2.61)
NAV (cents)	13.88	11.94	16.2%	1.94

[#] Normalised item refer to exceptional grant for Covid-19, net: JSS, FWL, Rent concession, PTR, net staff accomodation grant and IPO expense, Pudu closure expenses and loss on investment in quoted securities.

FY2022 Financial Highlights

FINANCIAL PERFORMANCE – REPORTABLE SEGMENTS INFORMATION

S\$ '000	FY2022	FY2021	Y-o-Y % Δ	Y-o-Y S\$ Δ
Revenue	38,905	37,660	3%	1,245
Medicare centres and nursing home fees	38,092	36,588	4%	1,504
Other operation and ancillary services	813	1,072	-24%	(259)
Profit before tax	861	6,827	-87%	(5,966)
Exceptional items, net	3,237	(1,829)		
Normalise Profit before tax	4,098	4,998	-18%	(900)

FY2022 vs FY2021

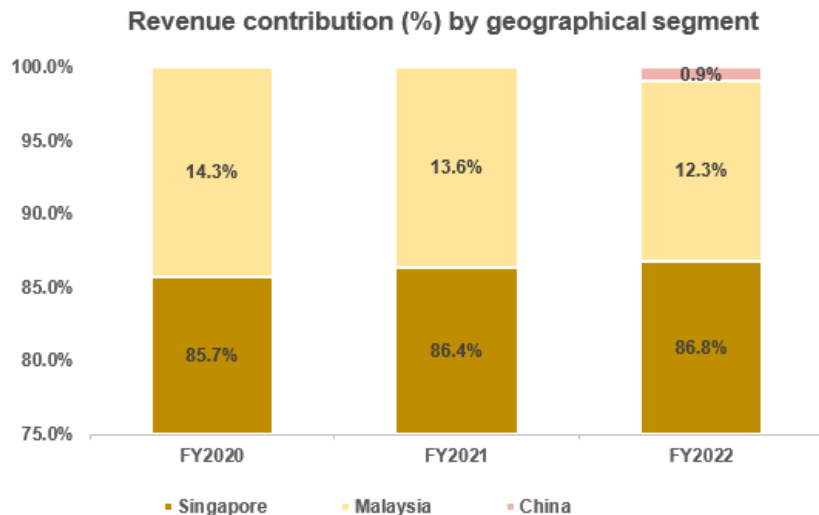
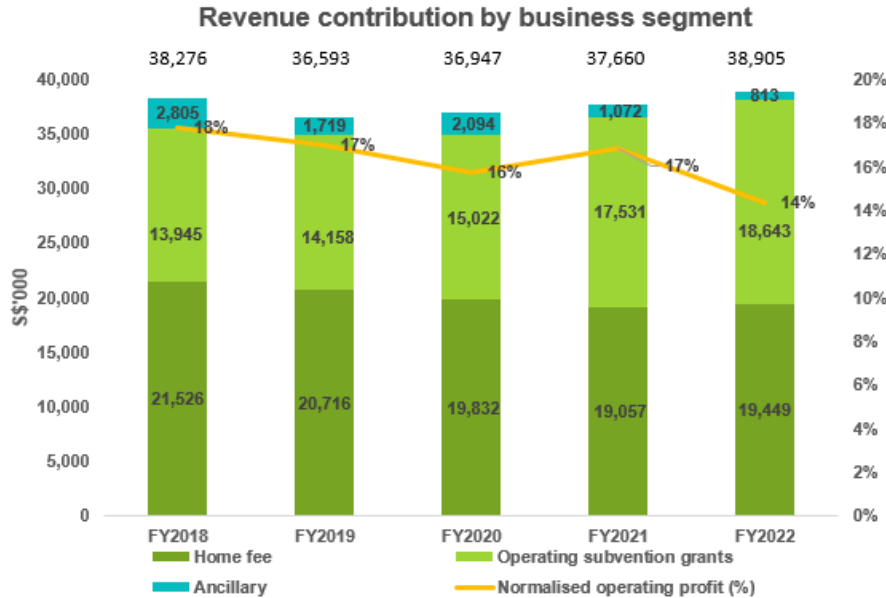
- Revenue increased mainly due to the overall net increase in bed occupancy in nursing homes in Singapore. The bed occupancy rate in Singapore increased from 95% to 96.3% in FY2022.
- Occupancy rate for Malaysia decreased from 58.5% to 57.5%, due mainly to ramping up of occupancy for Econ Medicare Centre and Nursing Home - Puchong in Dec 2020, with a 138 bed capacity, average occupancy is 57 beds for FY2022, and removal of bed capacity and occupancy for KL. KL used to achieve 80% occupancy rate.
- Chongqing Nursing Home commenced operations in May 2021, with 44 bed capacity, average occupancy is 23 beds for FY2022.
- Ancillary fees decreased S\$0.3m due mainly to the cessation of management fees charged to West Point Hospital Pte. Ltd, following the cessation of operations of West Point Hospital in August 2020.

FY2022 vs FY2021

- Other income decreased mainly due to the reduction in government grants relating to COVID-19, such as Job Support Scheme grants and foreign worker levy rebates and staff accommodation grants.
- Normalised profit before tax decreased by S\$0.9m due to ECON Medicare Centre and Nursing Home – Puchong and ECON Medicare Centre and Nursing Home – Chongqing ramping up, staff costs increase as a result of step up protective personal equipment and disinfection cleaning.

FY2022 Financial Highlights

FINANCIAL PERFORMANCE – BUSINESS & GEOGRAPHICAL SEGMENTS



Business Segment:

- Home fee and operating subvention grant increased from S\$37.7m to S\$38.9m in FY2022, an improvement of S\$1.2m at nursing home and home care operations
- Normalised operating profit margin dropped from 17% to 14%, mainly due to Puchong nursing home and Chongqing nursing home ramping up.

Geographical Segment:

- Top line contributed by Singapore increase with the historically high occupancy rate, 96.3%
- Decreased for Malaysia as a result of closure of ECON Medicare Centre and Nursing Home – Pudu.
- China contributed 0.9% of total Group's revenue

FY2022 Financial Highlights

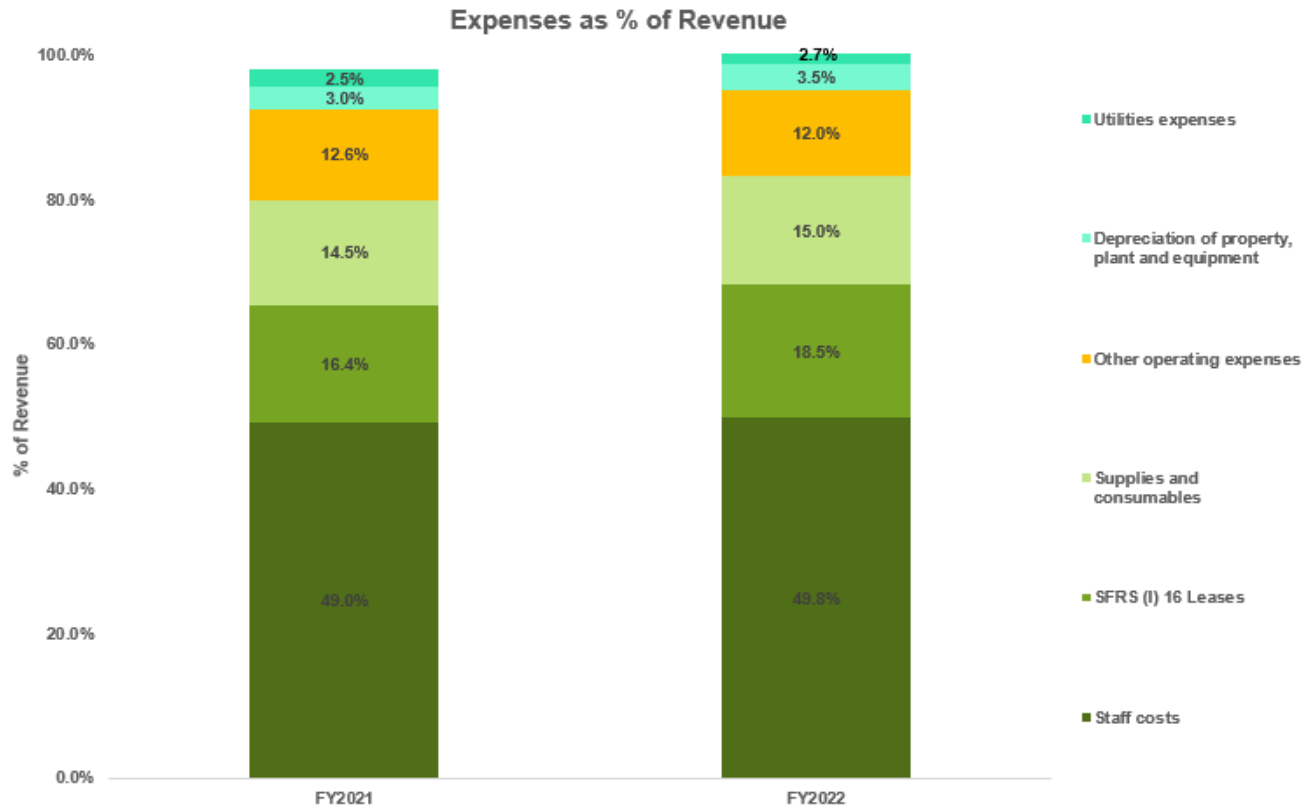
FINANCIAL PERFORMANCE – OTHER INCOME BREAKDOWN

S\$ '000	FY2022	FY2021	Y-o-Y S\$ Δ
Staff accomodation grant	218	1,832	(1,614)
Grants on job support scheme	128	1,277	(1,149)
FWL Wavier/rebate	-	651	(651)
Rental concessions	659	501	158
Debt recovery from sale of EARC	-	375	(375)
MOH S Pass levy support	107	241	(134)
Work permit levy transition	53	-	53
Wage subsidy program- Malaysia	24	239	(215)
Rental income	259	224	35
Grant on Senior Activity Centres	-	180	(180)
Others	216	226	(11)
Service fees	106	106	-
Grants on special employment credit, temporary employment credit and wages credit scheme	107	99	7
AIC - Senior management associate grant	152	91	61
ESG Scale up grant	-	70	(70)
Property tax rebate	-	54	(54)
Amortisation of deferred capital grants	178	42	136
Grants on Jobs Growth Incentive	370	11	358
Eldercare centre baseline service transition grant	420	-	420
Grant for Equity Market Singapore	200	-	200
Work-life grant	70	-	70
Community care salary enhancements	384	-	384
Grants on Healthcare Hiring In Advance Initiative	312	-	312
Dividends income from quoted securities	8	-	8
Gain on lease termination	76	-	76
Rental subsidy/subvention grants	986	249	737
Pre-operations funding	176	-	176
	5,208	6,468	(1,259)
A. Exceptional Grants*	1,006	4,315	(2,950)
Exceptional Expense			
IPO expense	61	1,647	(1,586)
Rental of staff quarters	306	839	(533)
Loss on investment in quoted securities	3,354	-	3,354
Pudu closure expenses	521	-	521
B. Exceptional expense	4,242	2,486	1,756
Exceptional items, net (A-B)	(3,236)	1,829	(5,065)

* Exceptional grants include staff accomodation grant, grants on job support scheme, FWL waiver/rebate, rental concessions and property tax rebate.

FY2022 Financial Highlights

FINANCIAL PERFORMANCE



- Staff costs increased due to salary enhancements, top up of COVID-19 Healthcare Award, additional overtime payment, temporary contract service fee in Singapore. The increase also relate to the two new nursing homes as productivity has yet to reach the desirable stage as the private nursing homes take time ramping 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. We also purchase additional PPEs, and extra disinfectants required for the COVID-19 situation
- Other operating expense decreased mainly due absence in fees that the Group incurred for the IPO project in FY2021.

FY2022 Financial Highlights

FINANCIAL PERFORMANCE – BALANCE SHEET AND CASH FLOWS

BALANCE SHEET HIGHLIGHTS

S\$ '000	FY2022	FY2021
Total assets	100,738	72,654
Cash and cash equivalents	26,102	16,095
Trade and other receivables	5,552	3,352
Other assets	261	246
Current assets	31,915	19,693
Property, plant and equipments	17,930	16,476
Right-of-use assets	40,858	27,154
Investment property	8,092	8,154
Associate	53	-
Non-current assets	68,823	52,961
Total Liabilities	64,796	47,423
Trade and other payables	11,250	5,977
Lease Liabilities	35,748	23,677
Current liabilities	23,306	18,065
Non-current liabilities	41,490	29,358
Loans and borrowings	7,144	10,361
Short term	3,997	5,825
Long term	3,147	4,536
Net cash/ (debt)	18,958	5,734

- Increased in trade and other receivables mainly due increase in government grant receivables for operating subvention grants and other grant receivables, such as rental subvention grants, grants on community care salary enhancements and healthcare hiring in advance initiatives.
- Increased in cash and bank balances mainly due to proceeds from shares issued pursuant to initial public offering of S\$14m and capital grants received of S\$1.5m, offset with dividends paid of S\$2.6m and loss in investment of quoted securities of S\$3.4m.
- Increase in trade and other payables mainly due to increase in deferred grant income relating to pre-operations funding for 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	FY2022	FY2021
Operating cash flow before working capital change	12,612	14,065
Net cash flow from operating activities	12,559	15,615
Capital expenditure	(2,630)	(2,441)
Net cash flow used in investing activities	(4,507)	(2,557)
Free cash flow	9,929	13,174
Net (decrease)/increase in loans and borrowings	(3,176)	806
Net cash flow from/(used in) financing activities	1,978	(4,347)
Net increase in cash flow	10,030	8,711

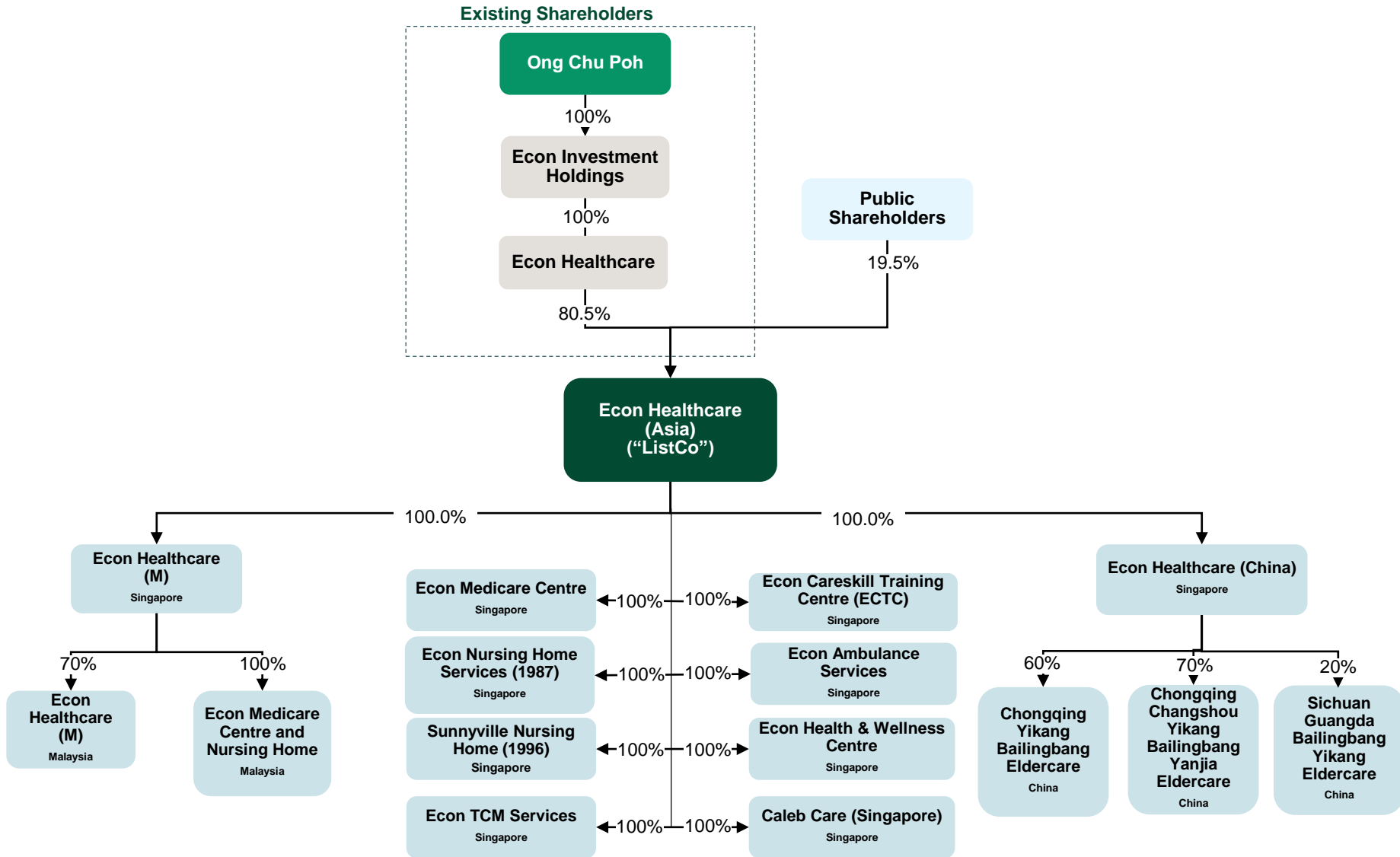
FINANCIAL INDICATORS

RATIO	FY2022	FY2021
Profitability		
EBITDA margin (%)	25.0%	38.4%
PATMI margin (%)	0.9%	15.1%
Return on equity* (%)	1.0%	23.1%
Dividend payout ratio [#] (%)	161.5%	35.2%
Turnover days		
Trade receivables turnover days ⁽¹⁾	26.2	24.1
Trade payables turnover days ⁽²⁾	56.5	49.9
Liquidity ratios		
Current ratio	1.4	1.1
Debt ratios		
Net Cash or (Debt) / shareholders equity	0.5	0.2
Gearing [^]	0.2	0.4
EBITDA/ interest expense	32.8	37.7
Per share info (S\$cents)		
Earning per share	0.14	2.75
Net Asset per share	13.88	11.94
Dividend per share	0.22	0.78



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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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.