



ECON HEALTHCARE (ASIA) LIMITED

Riding the Silver Wave in Asia

For the year ended 31 March 2024

28 May 2024

Disclaimer

This presentation may contain forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. Such risks and uncertainties include without limitation industry and economic conditions, competition, and legal, governmental and regulatory changes. You are cautioned not to place undue reliance on these forward-looking statements, which reflect the current views of Econ Healthcare (Asia) Limited (the "Company") on future trends and development. No assurance can be given that future events will occur, that projections will be achieved, or that the assumptions are correct. Actual results may differ materially from those anticipated as a result of the risks faced by us. The views expressed here also contain some information derived from publicly available sources that have not been independently verified. This presentation does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer to subscribe for, any shares nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision or commitment whatsoever.

The Company does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this presentation to reflect subsequent events or circumstances. Despite the fact that utmost care has been taken to ensure that the information in this presentation is as accurate as possible, the Company does not accept any liability for errors or omissions nor for the consequences of using the information or the material presented herein.



Financial Highlights

FY2024 Financial Highlights

FINANCIAL PERFORMANCE

S\$ '000	FY2024	FY2023 [^]	Y-o-Y % Δ	Y-o-Y S\$ Δ	FY2022 [^]	As % of Revenue		
						FY2024	FY2023 [^]	FY2022 [^]
Revenue	50,786	43,012	18.1%	7,774	38,540	100%	100%	100%
Other Income [#]	6,974	8,698	-19.8%	(1,724)	4,862	14%	20%	13%
Supplies and consumables	6,686	6,055	10.4%	631	5,763	13%	14%	15%
Staff costs	27,697	23,039	20.2%	4,658	19,104	55%	54%	50%
Leases [*]	8,550	8,385	2.0%	165	6,517	17%	19%	17%
Other operating expenses	5,355	4,351	23.1%	1,004	4,607	11%	10%	12%
EBITDA	16,409	16,893	-2.9%	(484)	9,454	32%	39%	25%
EBITDA Margin	32.3%	39.3%	-17.7%	-7.0%	24.5%			
Normalised Profit before tax from continuing operations[#]	4,123	2,955	39.5%	1,168	4,431	8%	7%	11%
Normalised Profit before tax from continuing operation	8.1%	6.9%	18.2%	1.2%	11.5%			
PATMI from continuing operations	6,298	5,832	8.0%	466	714	12%	14%	2%
PATMI from continuing operations margin	12.4%	13.6%	-8.5%	-1.2%	1.9%			
EPS (cents) from continuing operations	2.44	2.27	7.7%	0.18	0.28			
NAV (cents)	16.70	16.64	0.3%	0.06	14.02			

[^] The comparative figures have been re-presented to report profit and loss items separately for continuing and discontinued operations pursuant to the partial disposal of subsidiaries stake and complete disposal of associate

[#] Normalised item refer to net of exceptional grants, which include grants on staff accomodation, grants on salary enhancements, jobs growth incentive, pre-operating funding, capex funding and gain on disposal of motor vehicle, and professional fees in relation to acquisition of Ambulance Medical Service Ptd. Ltd. ("AMS").

^{*} Leases comprise of depreciation of right-of-use assets of S\$7.5 million (FY2023: S\$7.5 million) and interest expense from lease liabilities of S\$1.1 million (FY2023: S\$0.9 million). Leases are not included in the computation of EBITDA.

FY2024 Financial Highlights

FINANCIAL PERFORMANCE – VARIANCE ANALYSIS

S\$ '000	FY2024	FY2023^	Y-o-Y % Δ	Y-o-Y S\$ Δ	FY2022^
Revenue	50,786	43,012	18.1%	7,774	38,540

FY2024 vs FY2023

- Consolidated revenue for full year FY2024 reported increase from S\$43.0 million to S\$50.8million approximately, representing a 18% or S\$7.8mil.
- Singapore, our largest revenue contributing region, represents 88.4% of our Group total revenue. During the year, our newly acquired business unit, Ambulatory BU contributed S\$0.6 million to revenue from 5 March 2024 till 31 March 2024.
- Medicare centres and nursing home business in Singapore continued with high occupancy and an additional S\$2.2 million improvement in revenue through fee increase to overcome inflation in the region. Our 236beds ECON Care Residences (Henderson) fully ramped up during the year contributed additional revenue of S\$4.1 million y-o-y.
- Singapore homecare business continue to grow with an increase of S\$0.4 million to revenue compare with last year.

- Malaysia growth is encouraging, with overall occupancy rate increase from 77% to 87%. Our newest Malaysia nursing home, ECON Medicare Centre and Nursing Home – Puchong, had fully ramped up and the extension discussion to increase its bed capacity is undergoing within the same location. The occupancy rate at our 194 beds capacity Medicare Centre & Nursing Home – Taman Perling, Johor Bahru, currently stood at 90%, the management team is looking into extension/ new location.
- Discontinued operations and disposal group held for sale refer to the Group's committed plan to dispose off its interest in its China subsidiaries, Chongqing Yikang Bailingbang Eldercare Co., Ltd. and Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd, and full interest in its associate, Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. This is a strategic decision the Group embark on to spread its investments to more China projects on Joint Venture manner. Accordingly, the financials are re-presented based on continuing operations and discontinued operations, as the group ceased control on the subsidiaries.

FY2024 Financial Highlights

FINANCIAL PERFORMANCE – VARIANCE ANALYSIS

S\$ '000	FY2024	FY2023 [^]	Y-o-Y % Δ	Y-o-Y S\$ Δ	FY2022 [^]
Other Income [#]	6,974	8,698	-19.8%	(1,724)	4,862
EBITDA	16,409	16,893	-2.9%	(484)	9,454
EBITDA Margin	32.3%	39.3%	-17.7%	-7.0%	24.5%
Normalised Profit before tax from continuing operations [#]	4,123	2,955	39.5%	1,168	4,431
Normalised Profit before tax from continuing operation	8.1%	6.9%	18.2%	1.2%	11.5%
PATMI from continuing operations	6,298	5,832	8.0%	466	714
PATMI from continuing operations margin	12.4%	13.6%	-8.5%	-1.2%	1.9%

- Other income decrease by S\$1.7 million was mainly due to a decrease in funding for ECON Care Residences (Henderson), jobs growth incentive grants of S\$0.1 million, staff accommodation grants of S\$0.1 million, workforce development grants of S\$0.1 million, and grants on healthcare hiring in advance initiatives of S\$0.3 million.
- These decreases were offset by the increase in grants of S\$1.3 million for salary enhancements. However, this grant will be phased out in July 2024 with a rebasing exercise and revised operating subvention grant.
- The decreases are also offset by amortisation of deferred capital grants of S\$0.2 million and gain on disposal of motor vehicle of S\$0.2 million.

- EBITDA including leases would be S\$7.9 million for FY2024, or 15%.
- Profit After Tax and Minority Interest (“PATMI”) from continuing operations has increased to S\$6.3 million, from S\$5.8million in FY2023. The Group is proposing 35% dividend out of the consolidated PATMI, the fourth consecutive financial years since IPO (FY2022 we only declared dividend for 6M2022).

FY2024 Financial Highlights

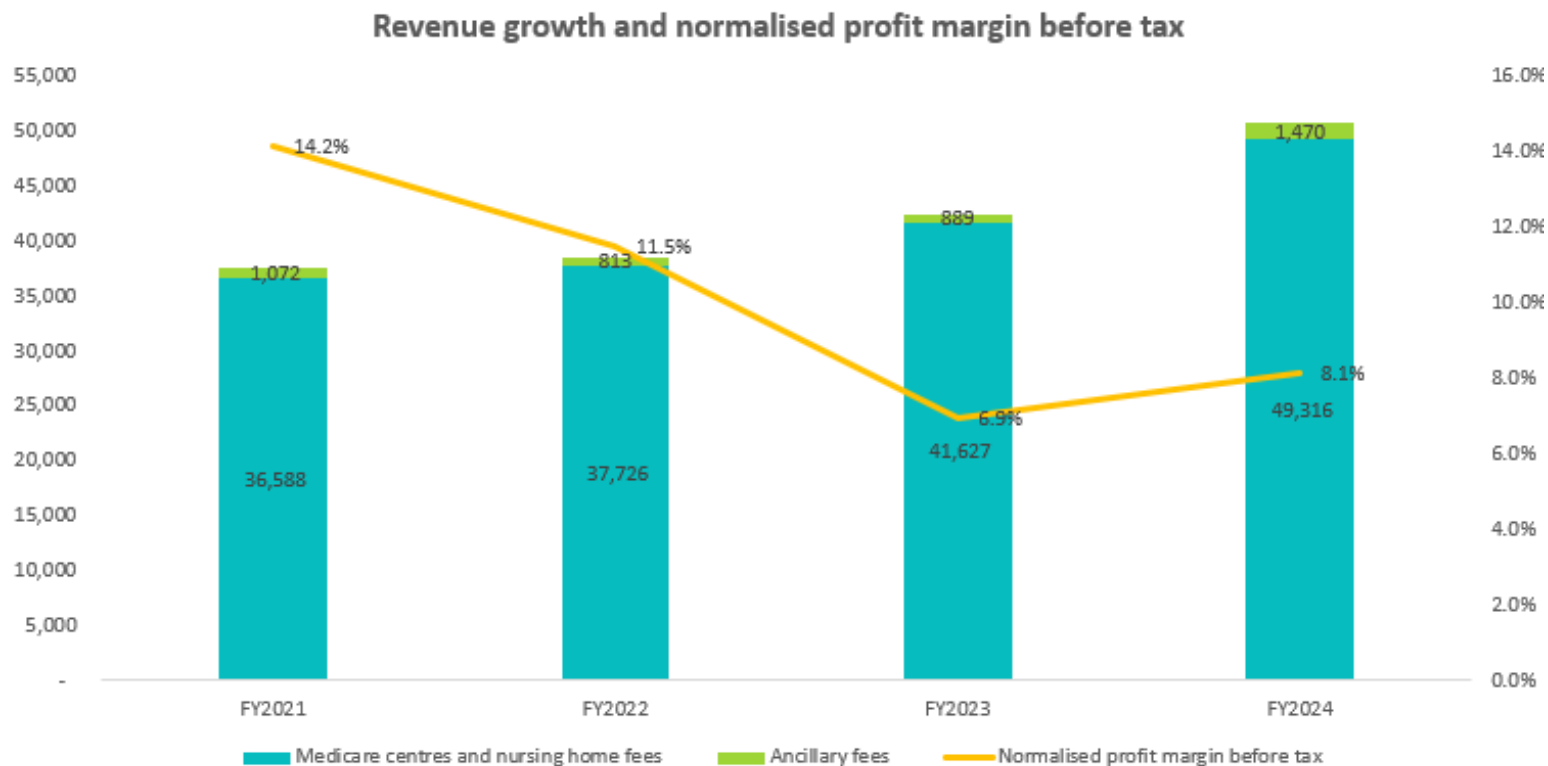
FINANCIAL PERFORMANCE – OTHER INCOME BREAKDOWN

S\$ '000	FY2024	FY2023	Y-o-Y S\$ Δ
Grants on special employment credit, temporary employment credit and wages credit scheme	83	152	(69)
Grants on staff accommodation	-	102	(102)
Grants on Senior Management Associate Scheme	-	19	(19)
Eldercare centre baseline service transition grant	120	390	(270)
Active Ageing Centre fundings	352	-	352
Grants on salary enhancements	2,063	727	1,336
Grants on Healthcare Hiring In Advance Initiative	-	284	(284)
Workforce Development grant	-	88	(88)
Dividends income from quoted investments	49	-	49
Rental income	261	261	-
Amortisation of deferred capital grants	435	255	180
Service fees from joint venture	-	32	(32)
Jobs Growth Incentive	26	171	(145)
Gain on lease modification	-	-	-
Rental subsidy/subvention grants	2,593	2,593	-
Pre-operating funding	199	2,935	(2,736)
Capex funding	283	327	(44)
Gain on disposal of motor vehicle	201	-	201
Others	309	362	(53)
	6,974	8,698	(1,724)
A. Exceptional Grants*	2,772	4,262	(1,490)
Exceptional Expense			
Professional fees in relation to acquisition of AMS	312	-	312
B. Exceptional expense	312	-	312
Exceptional items, net (A-B)	2,460	4,262	(1,802)

* Exceptional grants include grants on staff accommodation, grants on salary enhancements, jobs growth incentive, pre-operating funding, capex funding and gain on disposal of motor vehicle

FY2024 Financial Highlights

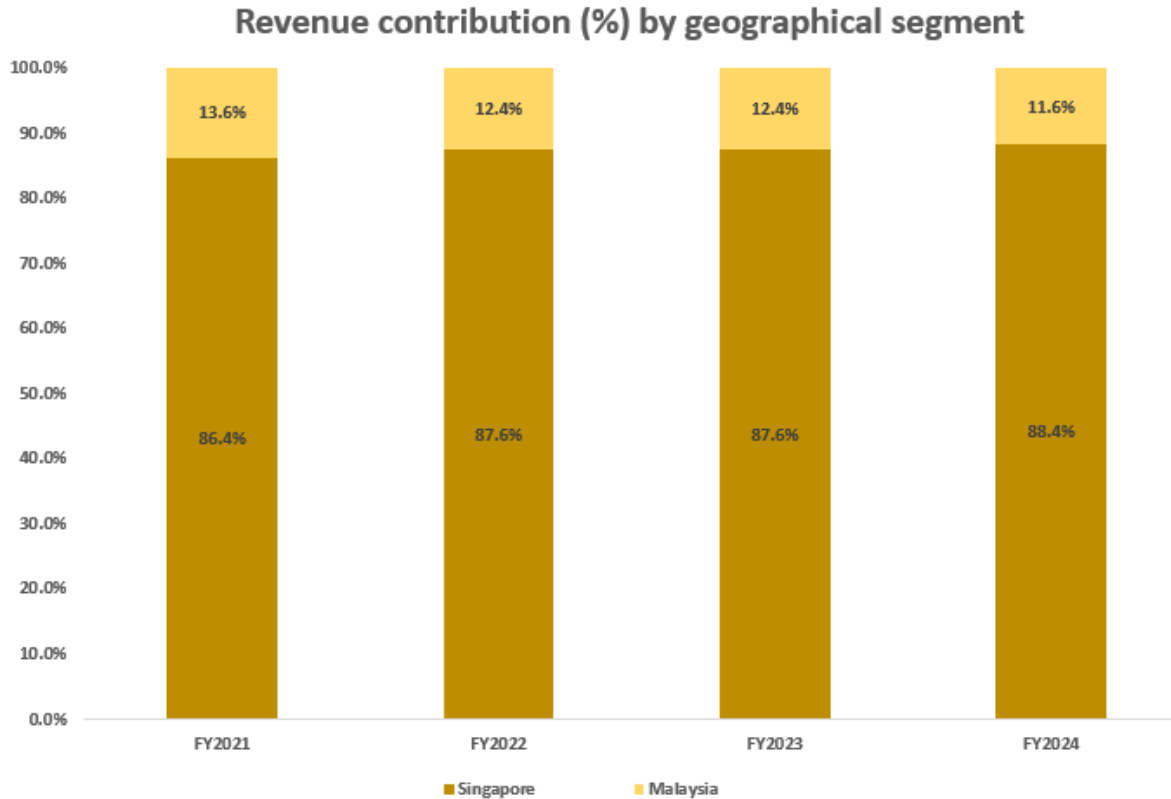
FINANCIAL PERFORMANCE – REVENUE GROWTH AND NORMALISED PROFIT BEFORE TAX



- Revenue for FY2024 had increased by 18.1%, or S\$7.8 million compared to FY2023, mainly due to increase in medicare centres and nursing home fees from the ramped up occupancy of ECON Care Residences (Henderson) and improve in homecare business and fees increment.
- Normalised profit before tax margin is 8.1% in FY2024, compared to 6.9% in FY2023.

FY2024 Financial Highlights

FINANCIAL PERFORMANCE – GEOGRAPHICAL SEGMENTS

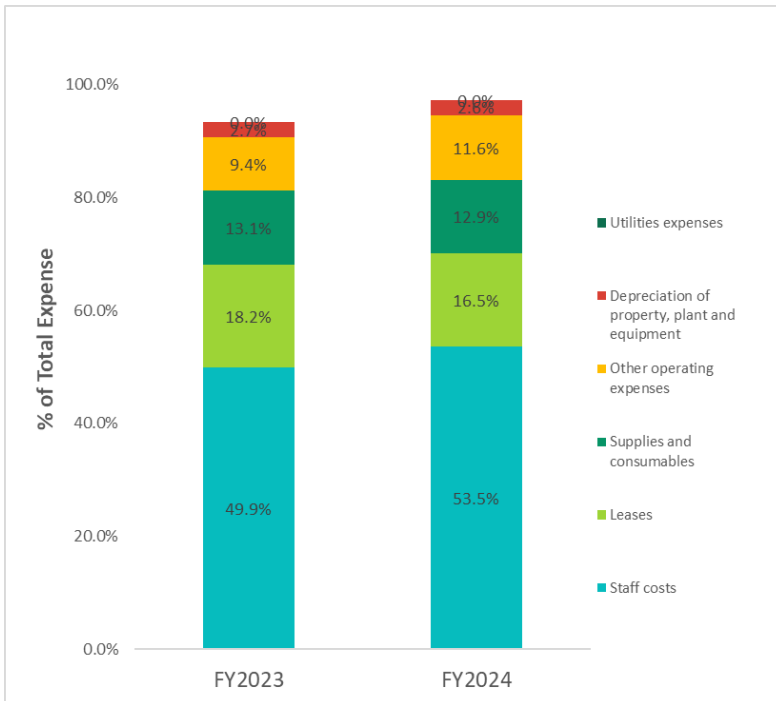


- Singapore is the main contributor to the Group’s revenue, contributing to 88.4% of total Group revenue in FY2024.
- Malaysia contributed to 11.6% of the total Group revenue in FY2024.

FY2024 Financial Highlights

FINANCIAL PERFORMANCE - EXPENSES

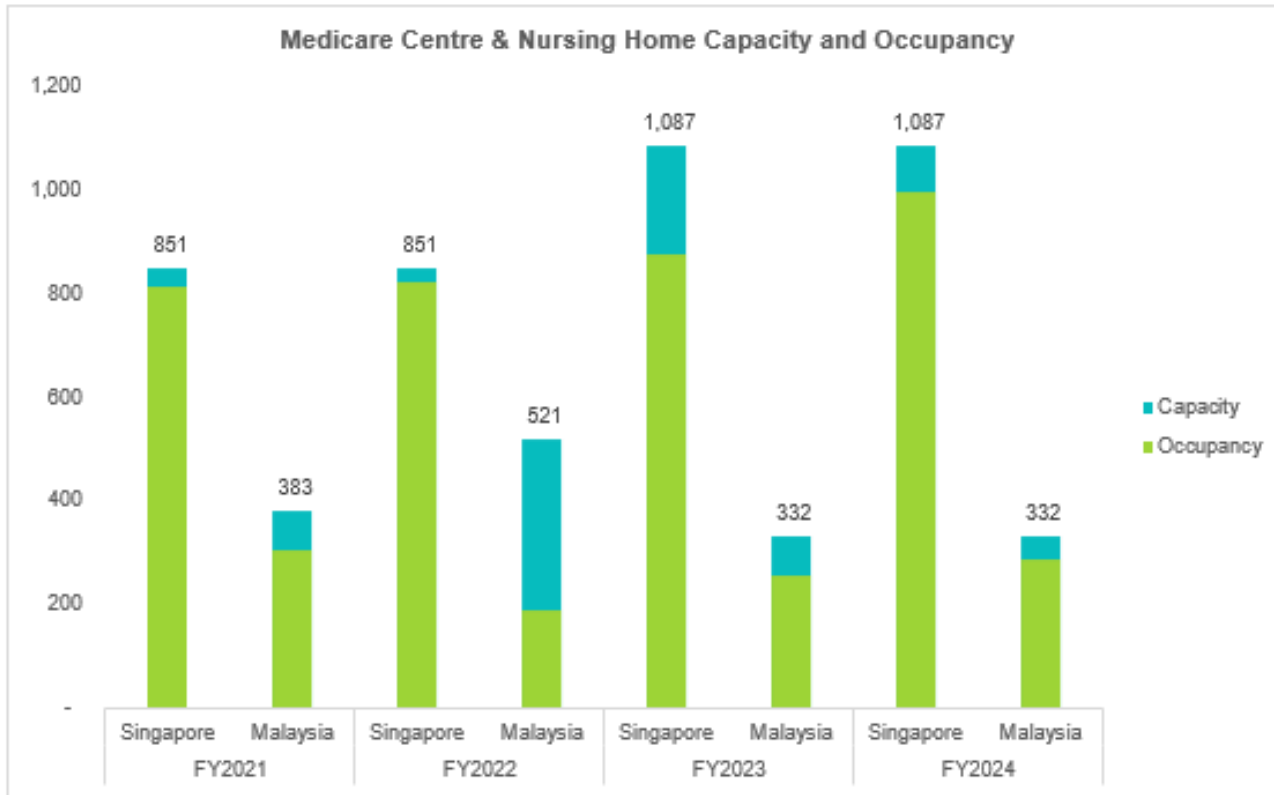
S\$ '000	FY2024	FY2023 [^]	Y-o-Y % Δ	Y-o-Y S\$ Δ	FY2022 [^]	As % of Revenue		
						FY2024	FY2023 [^]	FY2022 [^]
Supplies and consumables	6,686	6,055	10.4%	631	5,763	13%	14%	15%
Staff costs	27,697	23,039	20.2%	4,658	19,104	55%	54%	50%
Leases*	8,550	8,385	2.0%	165	6,517	17%	19%	17%
Other operating expenses	5,355	4,351	23.1%	1,004	4,607	11%	10%	12%



- Supplies and consumables increased 10.4% y-o-y due mainly to S\$0.5million of Econ Care Resident (Henderson) for ramping up and marginal increase from our Malaysia Nursing Home operation. In general, we saw price increase among our consumables but we are able to control the increase to 2% y-o-y by constant effort in reducing wastage.
- Staff costs increased by S\$4.7 million from S\$23.0 million in FY2023 to S\$27.7 million in FY2024, increase due mainly to (i) S\$1.6 million of staff costs incurred for increase in headcount of ECON Care Residences (Henderson) alongside with its increase in occupancy for full ramped, (ii) S\$1.9 million of staff costs incurred for increase in headcount and salary increments in the remaining nursing homes and homecare, (iii) increase in headcount for operation and back office shared service function for S\$0.8 million, and (iv) S\$0.4 million of staff costs incurred for the consolidation of AMS.
- Other operating expenses increased by S\$1.0 million from S\$4.4 million in FY2023 to S\$5.4 million in FY2024, mainly due to increase in (i) professional fees of S\$0.3 million incurred for the acquisition of AMS, (ii) professional fees of S\$0.3 million in relation to statutory compliance fees such as sustainability reporting and audit fees, (iii) consolidation of AMS other operating expenses of S\$0.1 million and (iv) unclaimable GST expenses of S\$0.3 million the Group has to absorb due to increase in subsidy home fees

FY2024 Financial Highlights

OPERATIONAL PERFORMANCE – NURSING HOME CAPACITY & OCCUPANCY



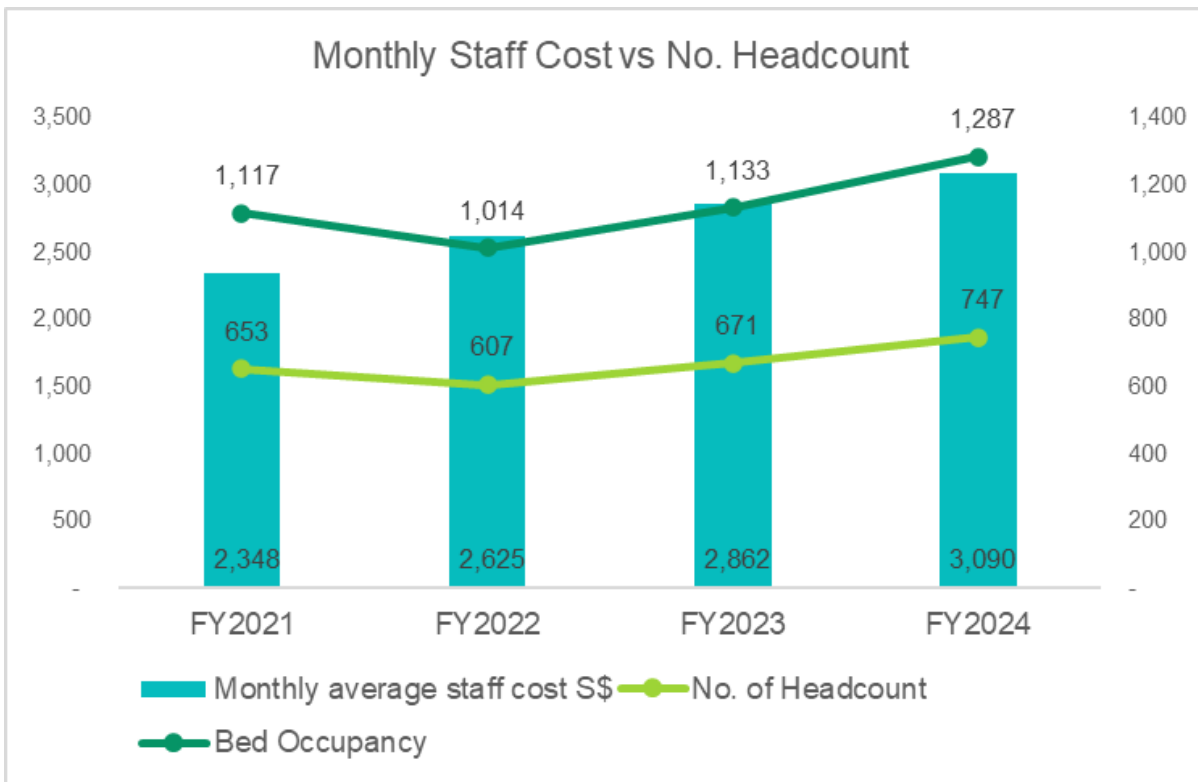
* Launch of operation of ECON Care Residences (Henderson) contributed to bed capacity of 236 in FY2023

* Decrease in bed capacity from 521 in FY2021 to 322 in FY2022 was due to closure of ECON Medicare Centre and Nursing Home – Pudu with bed capacity of 189

Note: China bed capacity and occupancy are excluded as they are classified as "Discontinued operations".

FY2024 Financial Highlights

MANPOWER STATISTIC

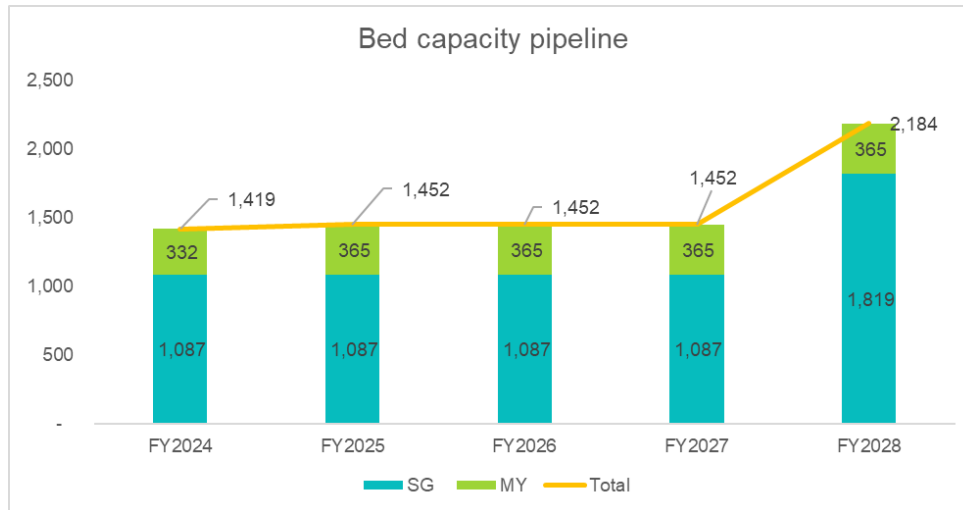


- Staff headcount increased by 76 from 671 to 747, main increase refer to staffing for SG Nursing Home
- Staff costs per head had increased from S\$2,862 per head in FY2023 to S\$3,090 (8%) per head in FY2024, mainly due the salary adjustments.
- CAGR is 10% for staff cost from 2021 to 2024.

FY2024 Financial Highlights

BUSINESS PIPELINE

1. Bed capacity pipeline – From 1,419 bed capacity in FY2024 to 2,184 bed capacity in FY2028
 - FY2025 – Puchong Lot 4 extension of 33 beds, target to commence business in 2nd half year of FY2025. Pending lease agreement to be signed.
 - FY2028 – TOP of Jurong East Nursing Home, 732 bed capacity



2. Malaysia continue to source for new site for expansion
3. Continue with exploration of potential M&A opportunities. Acquisition of Ambulatory Business Unit – Completed on 5 March 2024

FY2024 Financial Highlights

FINANCIAL PERFORMANCE – BALANCE SHEET AND CASH FLOWS

BALANCE SHEET HIGHLIGHTS			CASH FLOWS HIGHLIGHTS		
S\$ '000	31-Mar-24	31-Mar-23	S\$ '000	FY2024	FY2023
Total assets	105,373	99,271	Operating cash flow before working capital change	16,432	16,914
Cash and cash equivalents	16,181	24,621	Net cash flow from operating activities	12,660	11,731
Trade and other receivables	10,376	6,291	Capital expenditure	(1,785)	(3,631)
Other assets	12,234	866	Net cash flow used in investing activities	(7,841)	(2,160)
Assets of disposal group classified as held for sale	11,100	-	Free cash flow	10,875	8,100
Current assets	38,791	31,778	Net decrease in loans and borrowings	(1,252)	(1,733)
Property, plant and equipments	16,578	18,328	Net cash flow used in financing activities	(11,890)	(11,195)
Right-of-use assets	35,051	39,746			
Investment property	7,177	7,554	Net (decrease) in cash flow	(7,071)	(1,624)
Intangible asset	5,110	-			
Non-current assets	66,582	67,493			
Total Liabilities	60,885	60,745			
Trade and other payables	7,154	7,916			
Lease Liabilities	29,652	35,542			
Current liabilities	26,635	19,143			
Non-current liabilities	34,250	41,602			
Net Asset	44,400	38,759			
Net Tangible Asset	39,290	38,759			
Loans and borrowings	3,624	5,083			
Short term	2,382	3,285			
Long term	1,242	1,798			
Net cash/ (debt)	12,557	19,538			

FINANCIAL INDICATORS		
RATIO	FY2024	FY2023
Profitability (continuing operations)		
EBITDA margin (%)	32.3%	39.3%
PATMI margin (%)	12.4%	13.6%
Return on equity* (%)	14.2%	15.0%
Dividend payout ratio# (%)	35.3%	35.5%
Turnover days		
Trade receivables turnover days ⁽¹⁾	38.9	29.0
Trade payables turnover days ⁽²⁾	68.6	63.3
Liquidity ratios		
Current ratio	1.5	1.7
Debt ratios		
Net Cash or (Debt) / shareholders equity	0.3	0.5
Gearing [^]	0.1	0.1
EBITDA/ interest expense	74.2	61.4
Per share info (S\$'cents)		
Earning per share	2.44	2.27
Net Asset per share	16.70	16.64
Dividend per share	0.86	0.67

<ul style="list-style-type: none"> Increase in trade and other receivables mainly due to increase in trade receivables and operating subvention grants, and increase in other government grants receivables, such as grants on community care salary enhancements and furniture and equipment fundings. Decrease in cash and bank balances mainly due to dividend payment and cash payment for acquisition of AMS. Decrease in trade and other payables mainly due to decrease in payables of suppliers of property, plant and equipment.
--

*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:

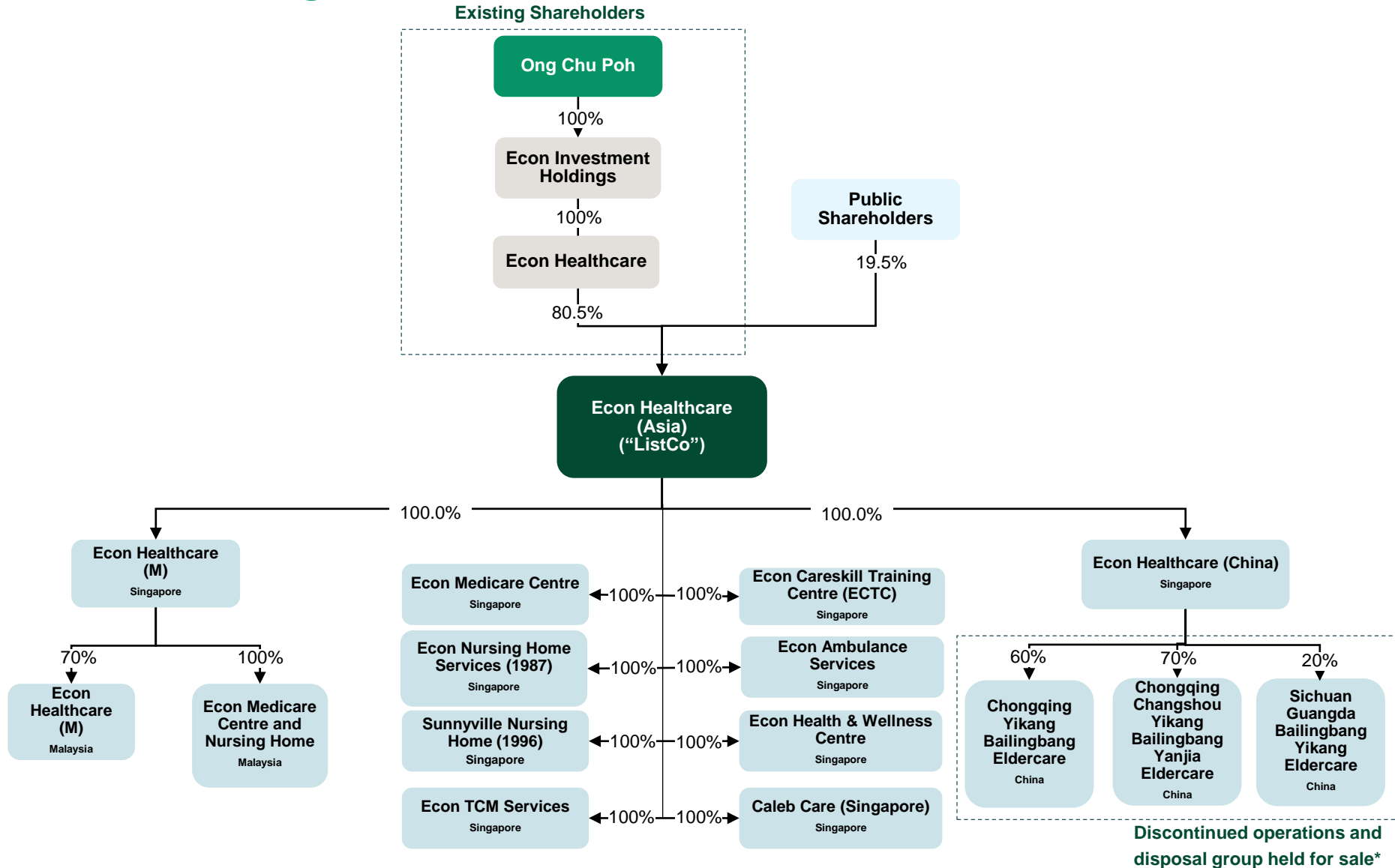
(1) Trade receivable turnover days = (trade receivables and government grant receivables for subvention / revenue) * days in period (i.e. 365 days for FY and 182 days for 6M)

(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:

* Discontinued operations and disposal group held for sale refer to the Group's disposal plan of its interest in its China subsidiaries, Chongqing Yikang Bailingbang Eldercare Co., Ltd. and Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. and full interest in its associate, Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. Upon completion of the disposal, the Group retains a non-controlling interest of 49% for both of its China subsidiaries

Our Overseas Centres

Taman Perling, Johor Bahru, Malaysia



Chongqing, China





Thank You

This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). This document has not been examined or approved by the Exchange. The Exchange assumes no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person(s) for the Sponsor is Mr. Howard Cheam Heng Haw (Telephone Number: +65 6232 0685), R & T Corporate Services Pte. Ltd., at 9 Straits View #06-07, Marina One West Tower, Singapore 018937.