



Restoring
Vision
Enriching
Lives



FY2014 Financial Results Presentation

February 2015

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Business Overview



About Us

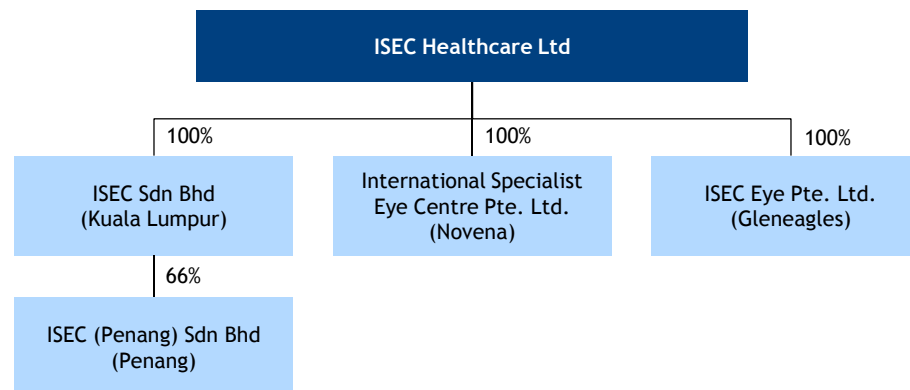
- A comprehensive medical eye care service provider, with ambulatory surgical centres in Malaysia (Kuala Lumpur & Penang) and Singapore (Gleneagles Hospital & Mount Elizabeth Hospital, Novena)
- Specialises in the fields of cataract and refractive surgery (including LASIK), vitreoretinal diseases, corneal and external eye diseases, glaucoma, uveitis, oculoplastics, facial cosmetics and aesthetics surgery, adult strabismus and paediatric ophthalmology
- 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



JCI Accreditation
- Kuala Lumpur &
- Lee Hung Ming
Eye Centre,
Gleneagles



Group Structure & Clinic Location



Competitive Strengths

1. Highly qualified and experienced specialist doctors
2. High quality and comprehensive range of eye care services
3. Well positioned to capture growing demand for private eye care services
4. Asset-light, strong cash flow business model
5. Ability to replicate our business model which features state-of-the-art technology across markets
6. Business model aligns the interest of our specialist doctors with our Group and Shareholders



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>



FY2014 Financial Highlights

Financial year ended 31 December 2014



- ISEC Healthcare Ltd. (“the Company”) was incorporated on 2 January 2014 as a private limited company
- International Specialist Eye Centre Pte. Ltd. (“ISEC Singapore”) was incorporated on 2 January 2014. On 30 April 2014, ISEC Singapore was transferred to ISEC Healthcare Ltd. and became a 100% owned subsidiary of the Company. ISEC Singapore started operations in August 2014
- On 22 September 2014, ISEC Eye Pte. Ltd. (“ISEC Eye”) acquired the entire businesses of LHM companies (LHM companies consist of Lee HM & Co Pte Ltd, Singapore Lasik Hub Pte Ltd, Perfect Vision Eye Centre Pte Ltd and Lee Hung Ming Eye Centre Pte Ltd)
- On 26 September 2014, the Company completed its restructuring exercise
 - (a) acquisition of ISEC Sdn Bhd and its subsidiaries by way of pooling-of-interest;
 - (b) acquisition of ISEC Eye by way of acquisition accounting; andthe Company and its subsidiaries (“the Group”) were formed
- Due to that, the Group consolidated the results of ISEC Eye with effect from 26 September 2014

Basis of Preparation of FY2014 Financial Information (Cont'd)



	2013	2014		
	YTD	Jan-Mar	Apr-June	Jul to Dec
ISEC Group results	ISEC Mal	ISEC Mal + ISEC Sing	ISEC Mal + ISEC Sing + ISEC Eye	
Description			ISEC Sing was transferred to ISECH	ISEC Sing started operations in Aug 2014
				Acquisition of ISEC Eye on 26 Sept 2014

ISEC Group - ISEC Healthcare Ltd. (“ISECH”) and its subsidiary companies
 ISEC Mal - ISEC Malaysia consists of ISEC Sdn Bhd and its subsidiaries
 ISEC Sing - International Specialist Eye Centre Pte. Ltd.
 ISEC Eye - ISEC Eye Pte. Ltd.

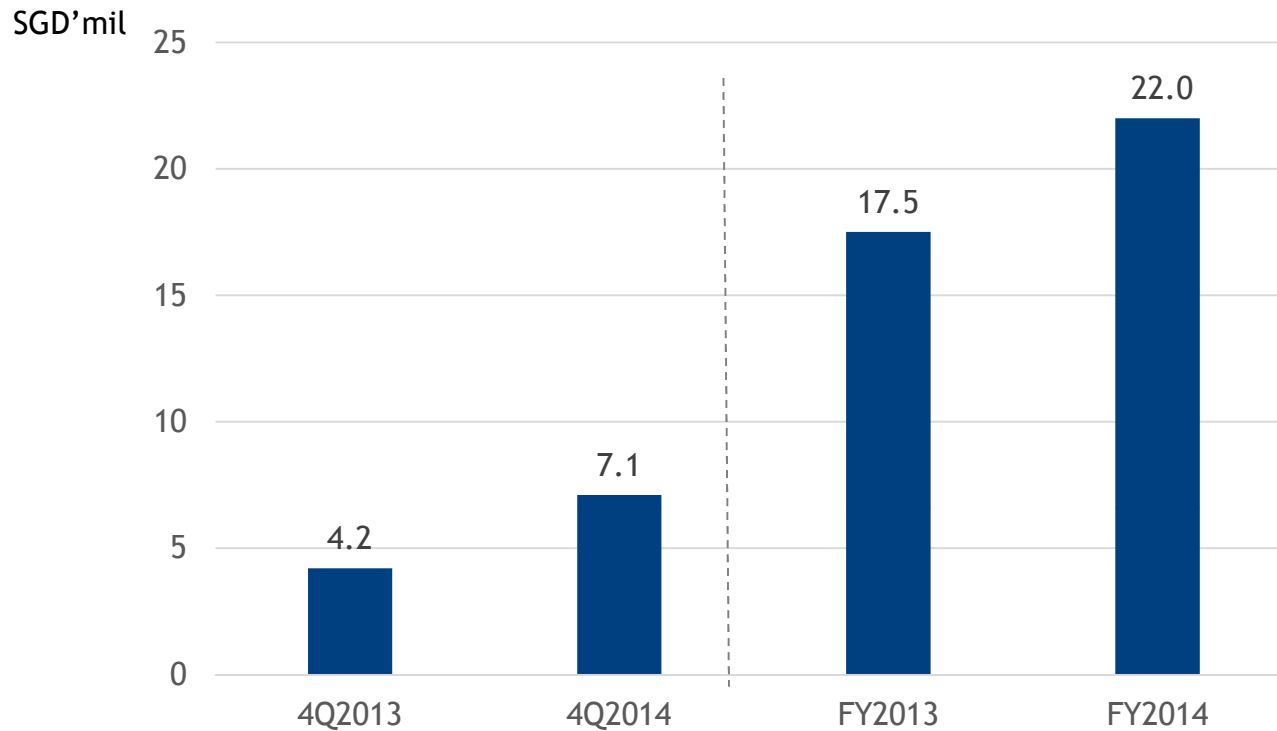
Summary:

FY2013 figures only consist of financial results of ISEC Sdn. Bhd. and its subsidiaries in Malaysia

FY2014 figures consist of:

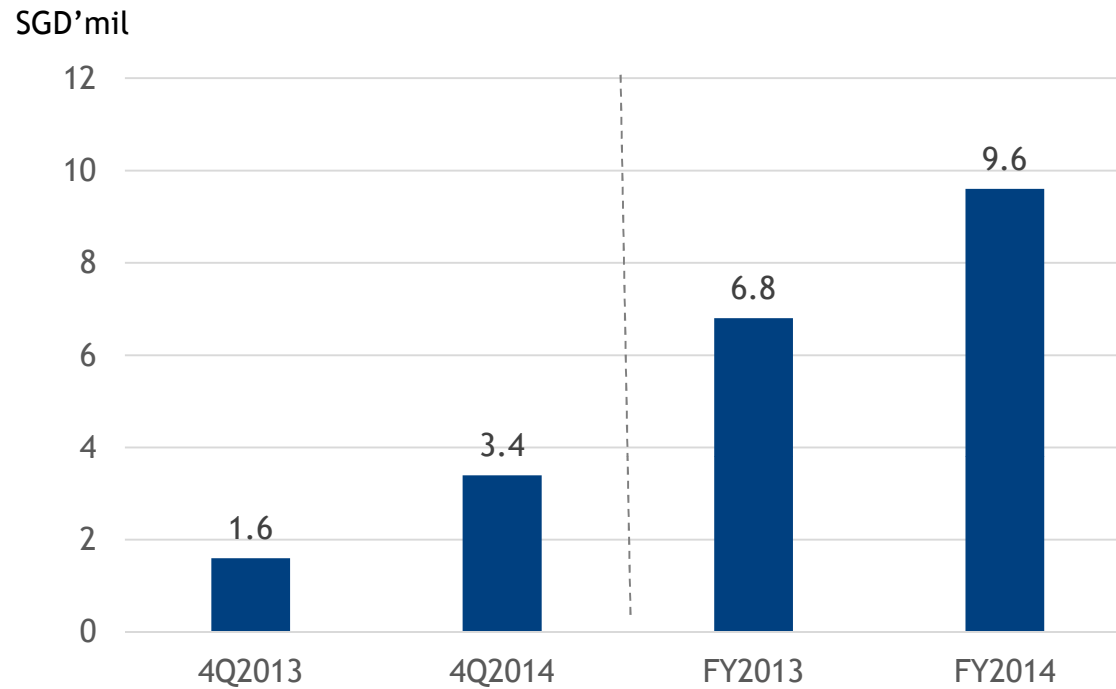
- a) Financial results of ISEC Sdn. Bhd. and its subsidiaries in Malaysia and
- b) Financial results of ISEC Healthcare Ltd., International Specialist Eye Centre Pte. Ltd. (started operations in August 2014) and ISEC Eye Pte. Ltd. (acquired on 26 September 2014) in Singapore

For Pro Forma figures, please refer to Pages 20 to Page 24



- **FY2014 vs FY2013** revenue was higher mainly due to higher revenue recorded from Malaysia operations of S\$20.3 million (FY2013: S\$17.5 million) as a result of upward revision in services pricing and increase in the number of patients
- There was no revenue contribution from Singapore operations in FY2013 as ISEC Singapore started operations in August 2014 and ISEC Eye was acquired by the Company on 26 September 2014

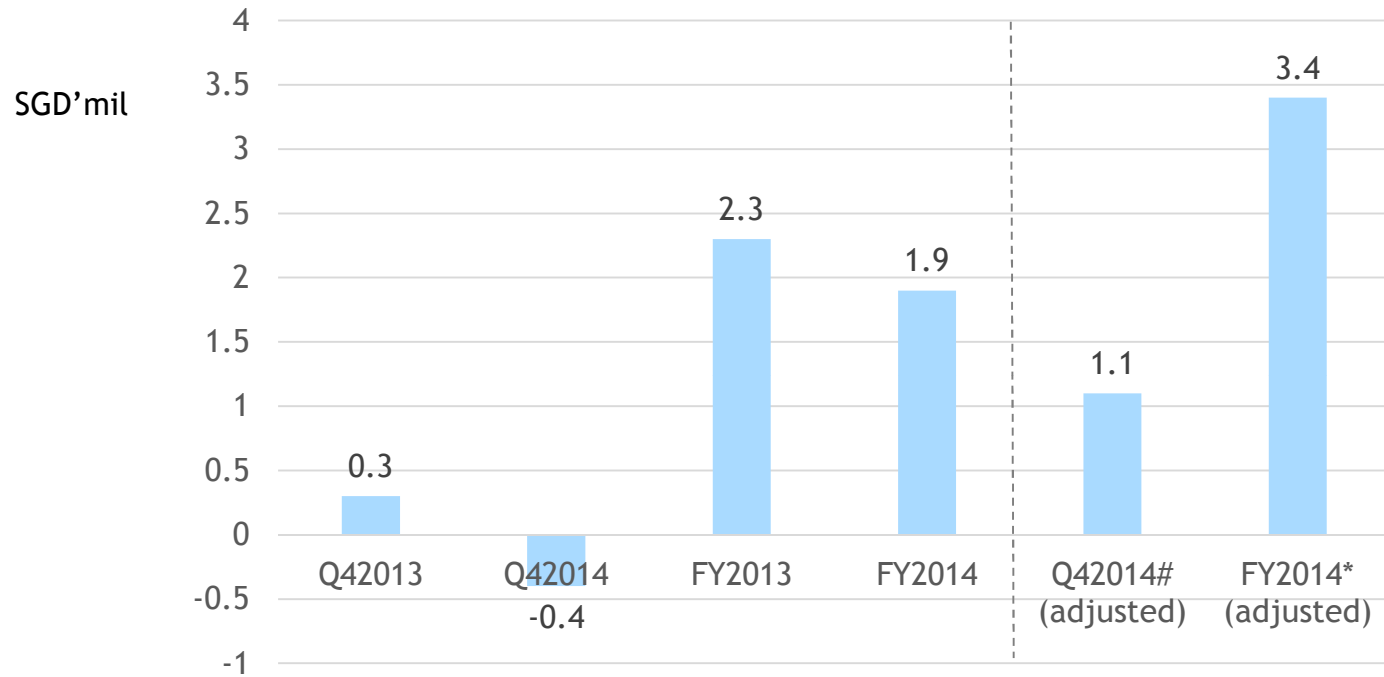
Gross Profit



GP Margin	38.6%	47.9%	38.9%	43.6%
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- GP Margin in FY2014 vs FY2013 was higher mainly due to upward revision of services pricing in Malaysia and inclusion of results of ISEC Eye which was partially off-set by start up losses in ISEC Singapore

Net Profit / (Loss)



Net Margin	7.4%	-5.6%	13.2%	8.6%	15.5%	15.9%
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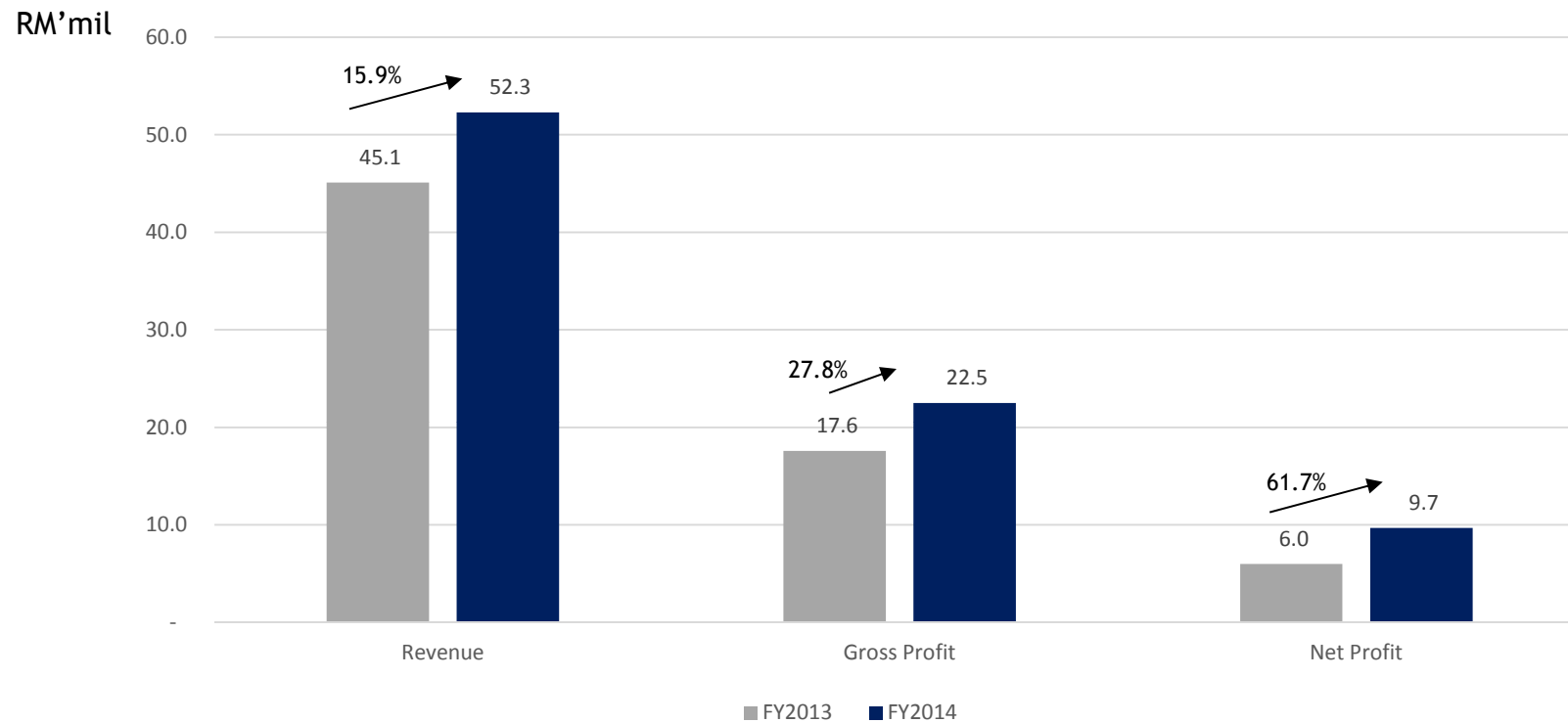
Please refer to Slide 15 on explanation notes

Net Profit / (Loss) (Cont'd)



- Net Profit and Net Profit Margin was lower in FY2014 vs FY2013 mainly due to one off listing expenses of S\$1.4 million expensed off, additional staff recruited to support the growing business activities of the Group, set-up costs and rental of premises of the new corporate office and ISEC Singapore
- The Group also amortised S\$133,000 relating to the intangible assets arising from the acquisition of ISEC Eye
- 4Q2014# (adjusted) - adjusted net profit after adding back one-off IPO expenses of S\$1.4 million and amortisation of S\$133,000 was S\$1.1 million, which was an increase of 267% from 4Q2013 mainly due to increase in revenue from Malaysia operations and profit from ISEC Eye which was included from 26 September 2014 upon the completion of acquisition by the Company
- FY2014* (adjusted) - adjusted net profit after adding back one-off IPO expenses of S\$1.4 million and amortisation of intangibles of S\$133,000 was S\$3.4 million, which was an increase of 47.8% from FY2013 mainly due to the increase in revenue from Malaysia operations and profit from ISEC Eye which was included from 26 September 2014 upon the completion of acquisition by the Company

Malaysia Results in Ringgit Malaysia



Revenue, gross profit and net profit have been on an upward trend in the last 2 financial years

Statement of Financial Position



S\$'000	31 December 2014
Key Assets	
Plant and equipment	4,285
Intangible assets [^]	13,219
Trade and other receivables	2,569
Cash and cash equivalents	27,267
Key Liabilities	
Trade and other payables	2,498
Equity	
Shareholders equity	43,680

[^] - Arose from the acquisition of ISEC Eye Pte. Ltd. (Intangible assets of S\$5.2 million and goodwill of S\$8.0 million)

Per Share Data* (Singapore cents)	31 December 2014
Net Asset Value per share	9.53
Earnings per share	0.43
Proposed first and final dividend per share	0.11**
Dividend payout [^]	25.6%
Financial Ratios	
Current ratio	9.37
Return on equity	4.35%
Return on assets	3.95%

* Based on post-IPO no of shares issued of 458,500,000

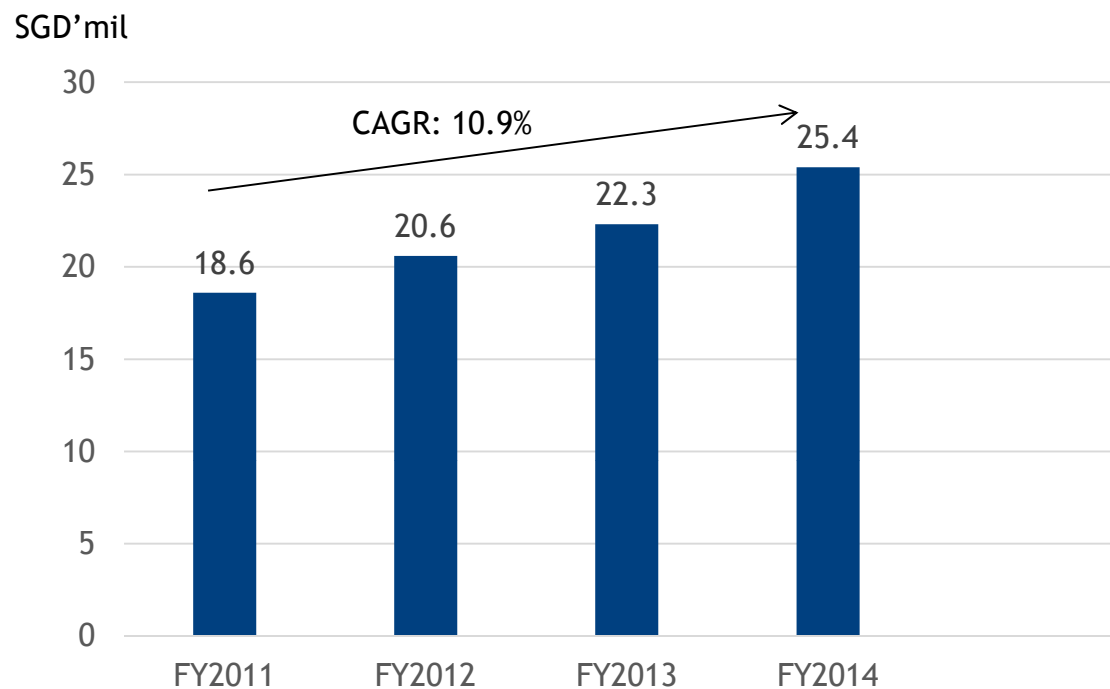
** Subject to approval by shareholders at the forthcoming AGM

[^] Based on the Group's profit attributable to owners of the parent in FY2014. In line with IPO's disclosure to pay at least 25% of profit attributable to owners of the parent

The unaudited pro forma combined financial information of the Group for the financial years ended 31 December 2011, 2012, 2013, 1Q2013 and 1Q2014 in the Prospectus have been compiled based on:

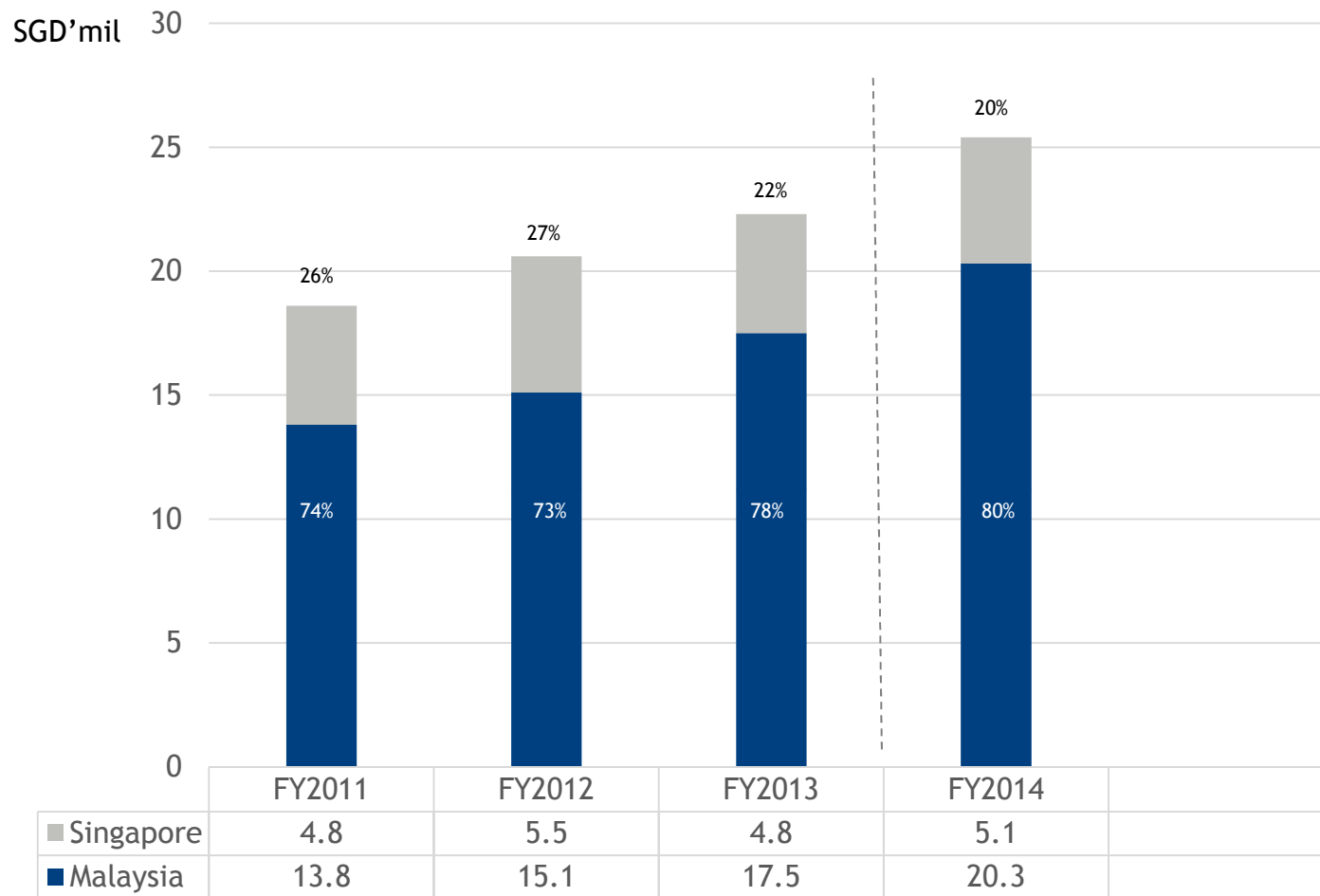
- Acquisition of ISEC Eye by the Company subsequent to acquisition by ISEC Eye of the business from LHM Companies, was assumed to have taken place on 1 January 2011
- Increase in capital injection by issuance of 5,500,000 Shares with consideration of S\$5.5 million; which was assumed to have taken place on 1 January 2013; and
- Increase in capital expenditure for plant and equipment amounting to S\$2,379,006 for opening of ISEC Singapore, which was assumed to have taken place on 1 January 2013.

Due to the above, for comparative purposes, we have also presented certain financial information from the combined statement of comprehensive income following the above assumptions in the following slides mainly for analytical and discussion purposes and these financial information does not form part of our reporting Financial Statement for the Financial Year Ended 31 December 2014

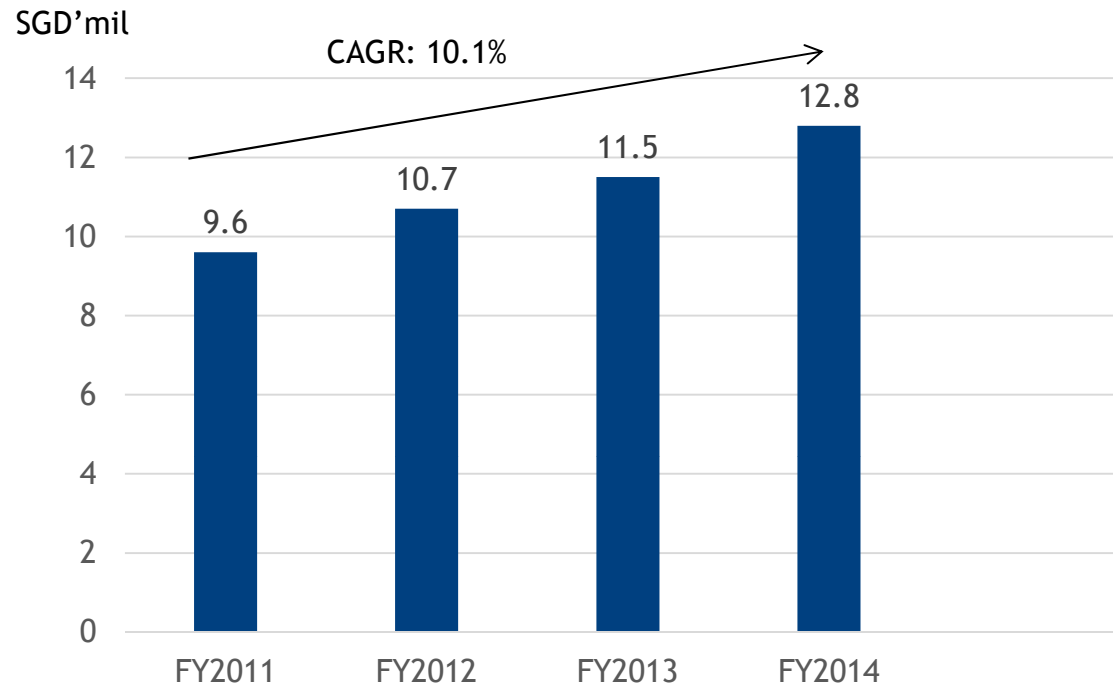


- FY2011 to FY2014 - increase in revenue was mainly due to increase in number of patients and upward revision in services pricing and number of patients covered under insurance policies from Malaysia operations
- FY2013 to FY2014 - revenue increased by 13.9%

Revenue (breakdown by geographical locations) Pro Forma



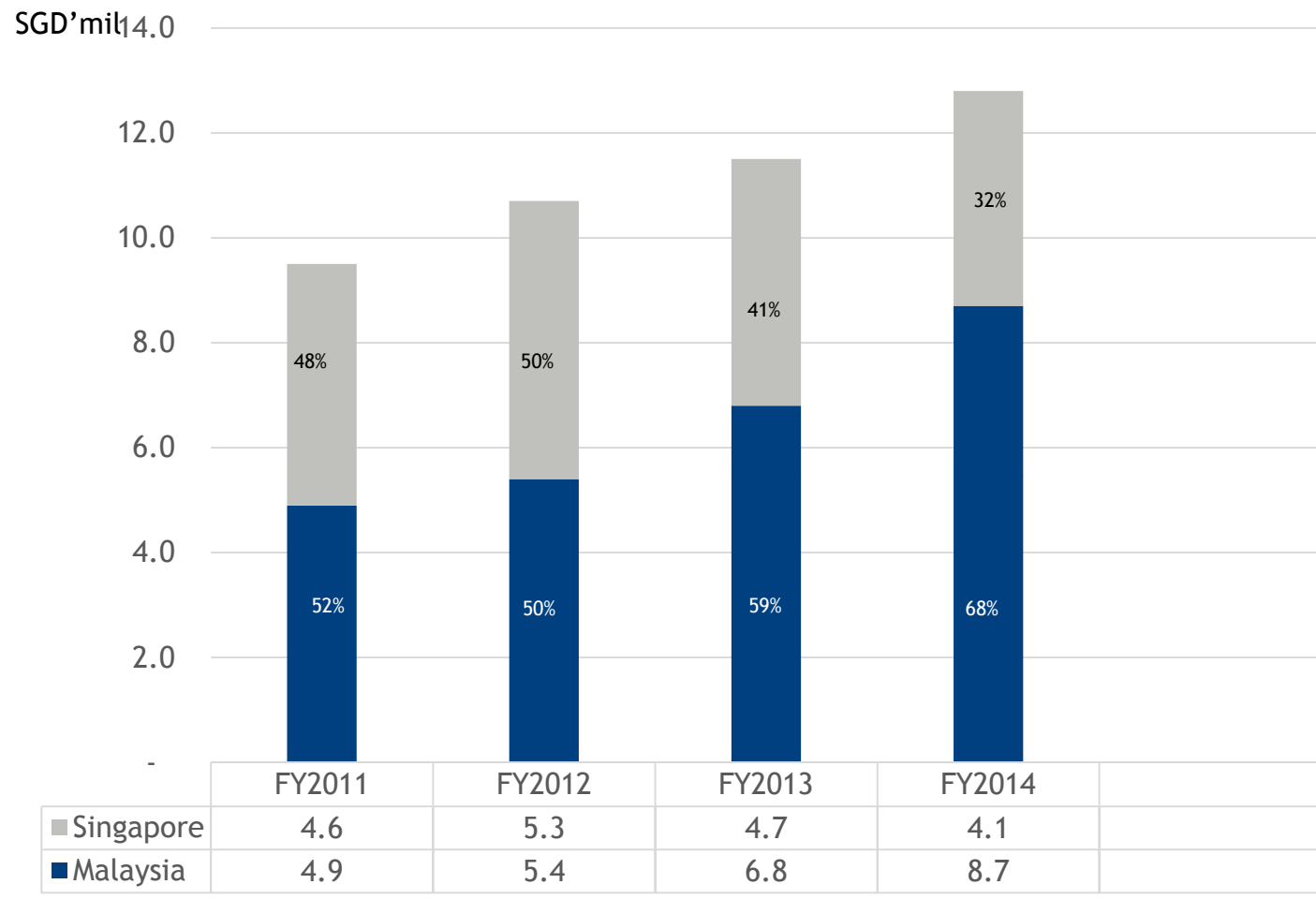
Gross Profit Pro Forma



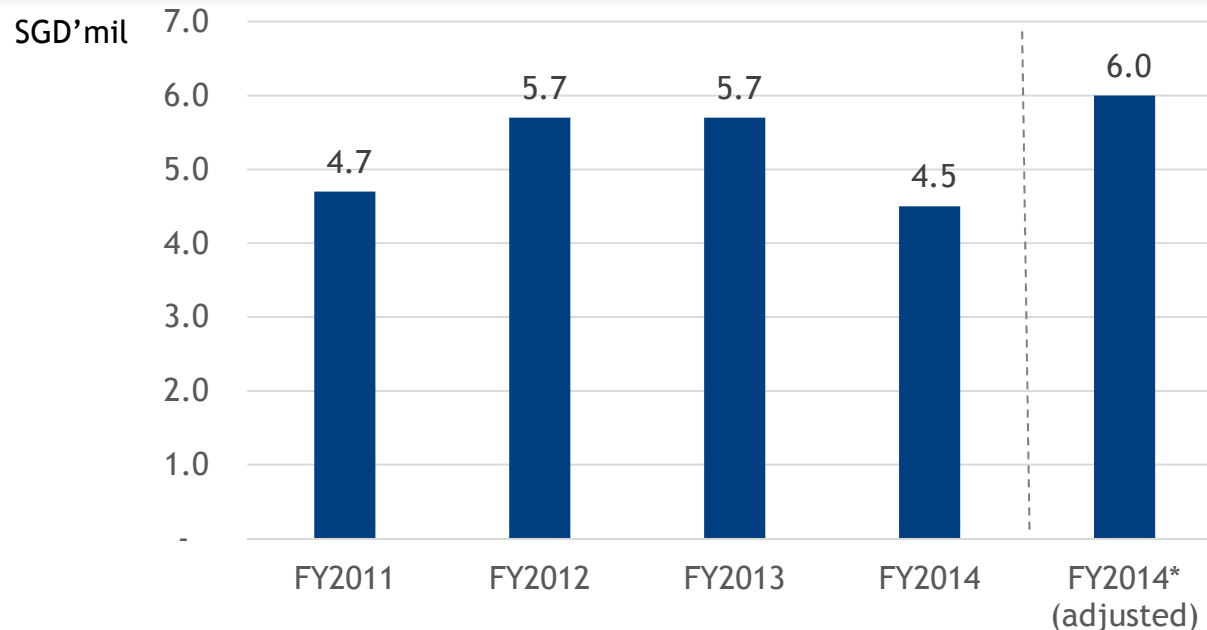
GP Margin	51.4%	51.8%	51.5%	50.4%

- GP Margin - consistently above 50%
- Slight decrease in GP Margin despite increase in selling price in Malaysia was mainly due to losses in ISEC Singapore
- FY2013 to FY2014 - Gross profit increased by 11.3%

Gross Profit (breakdown by geographical locations) Pro Forma



Net Profit Pro Forma



NP Margin	25.0%	27.6%	25.3%	17.7%	23.6%

- FY2012 to FY2013 - net income was almost unchanged despite increase in revenue due to higher employee benefits and PPE written off as a result of the cessation of business by a then-subsiary in Malaysia and higher administrative expenses incurred by ISEC Penang
- FY2013 to FY2014 - **net profit was lower due to one off IPO expenses**, losses in ISEC Singapore, corporate office set-up cost, amortisation of intangible assets arising from the acquisition of ISEC Eye and weakening of Malaysia Ringgit against Singapore Dollars which led to lower reported Malaysia operation results
- FY2014* (adjusted) - adjusted net profit after adding back IPO expenses of S\$1.4 million and amortisation of intangibles of S\$133,000
- CAGR from FY2011 to FY2014* (adjusted) was 8.5%



Use of Proceeds & Corporate Developments



Use of Proceeds

As at 25 February 2015



Use of proceeds	Amount allocated S\$'000	Amount after reallocation (N1) S\$'000	Amount utilised S\$'000	Balance S\$'000
Business expansion in Asia Pacific region (including Malaysia and Singapore)	13,800	14,100	-	14,100
General and working capital	2,500	2,500	(2,392)*	108
Total	16,300	16,600	(2,392)	14,208

(N1) The Company incurred IPO expenses of S\$3.0 million. Accordingly, the remaining balance of S\$300,000 (initial estimated listing expenses of approximately S\$3.3 million less actual listing expenses of S\$3.0 million) has been reallocated for the purposes of business expansion in Asia Pacific region (including Malaysia and Singapore)

*Amount utilised for:

General and working capital	S\$'000
Cost of sales	974
Administrative expenses	1,330
Selling and distribution expenses	88
Total	2,392

January 2015

Proposed incorporation of joint venture company, ISEC (Sibu) Sdn Bhd

- ISEC Sdn. Bhd. shall hold 55% of the shares in ISEC (Sibu) Sdn. Bhd.
- ISEC (Sibu) Sdn. Bhd. shall operate and administer an ophthalmology centre of excellence in the city of Sibu, State of Sarawak in Malaysia
- The joint venture partners, Professor Dr Chua Chung Nen and Dr Ngo Chek Tung shall practice in ISEC (Sibu) Sdn. Bhd.



Thank You

