EC Healthcare
醫思健康
HKEx Stock Code: 2138

FY2024/25 ANNUAL RESULTS

INVESTOR PRESENTATION

19 June 2025

Bring Health, Beauty and Happiness to more People

Financial Performance

EC Healthcare
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Key Financial Highlights

YoY: FY24 vs FY25

Sales Volume
-1.0%
YoY
HK$4,170M

Revenue
-1.7%
YoY
HK$4,140M
Declined by HK$324M if carve out new M&A

***Adjusted EBITDA**
-15.1%
YoY
HK$375M

Net Loss
- HK$112M

Full Year EPS
-14.1
HK Cent

Full Year DPS
1.0
HK Cent

Book Value Per Share
HK$1.86

Debt/ EBITDA
2.1x

Gearing Ratio
36.1%

Cash Balance
HK$1,055M

* *Excluding the effects of: (i) gain on disposal of subsidiaries, (ii) government grants and loss on disposal of PPE, iii) impairment loss on goodwill; iv) impairment and remeasurement loss on interests in associates; v) impairment loss on a joint venture; (vi) fair valuation loss on other receivables; (vii) fair value loss on investment properties; and (viii) fair value losses on financial assets.*

Financial Performance - Net Profit to Adjusted EBITDA Waterfall

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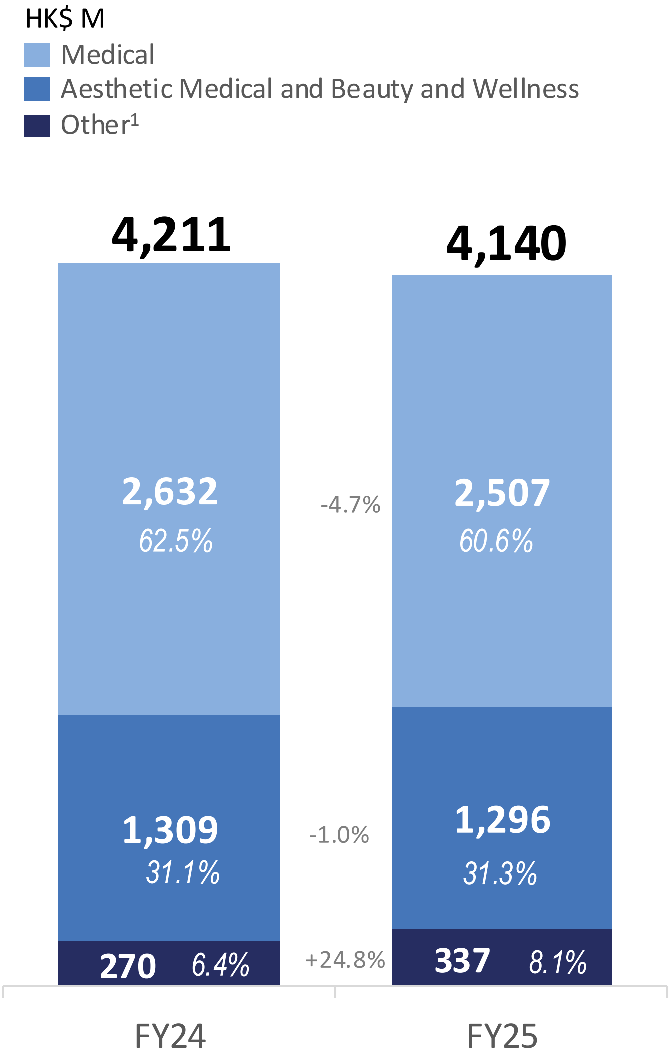
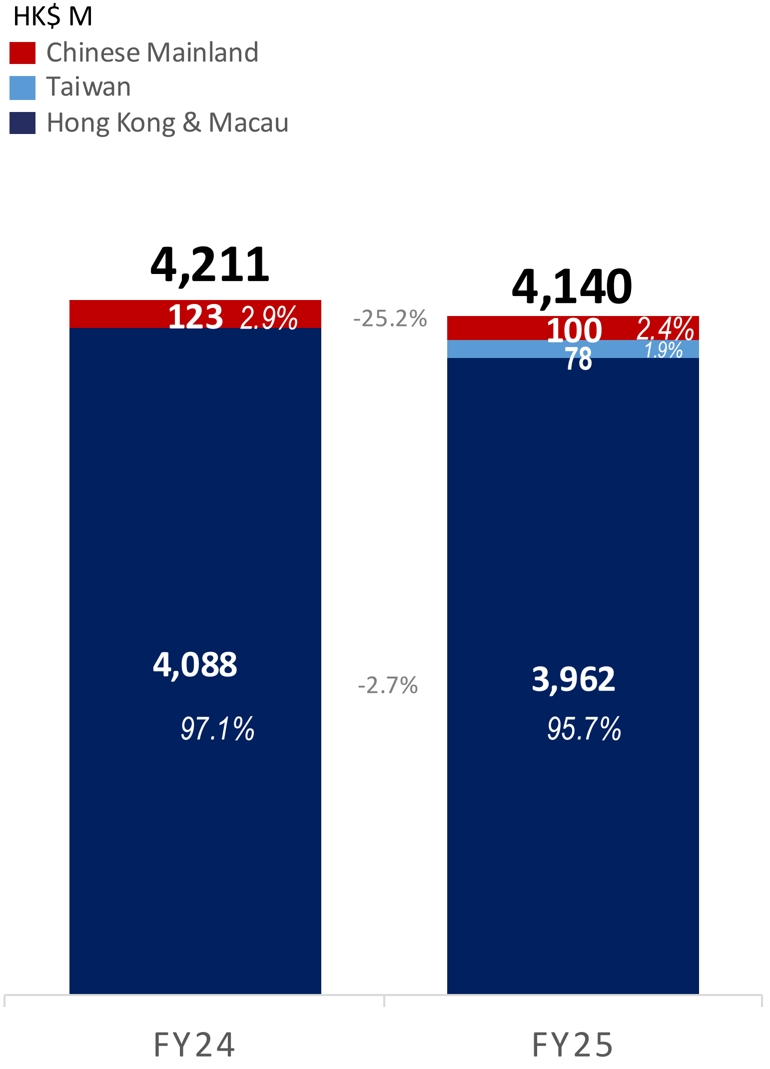
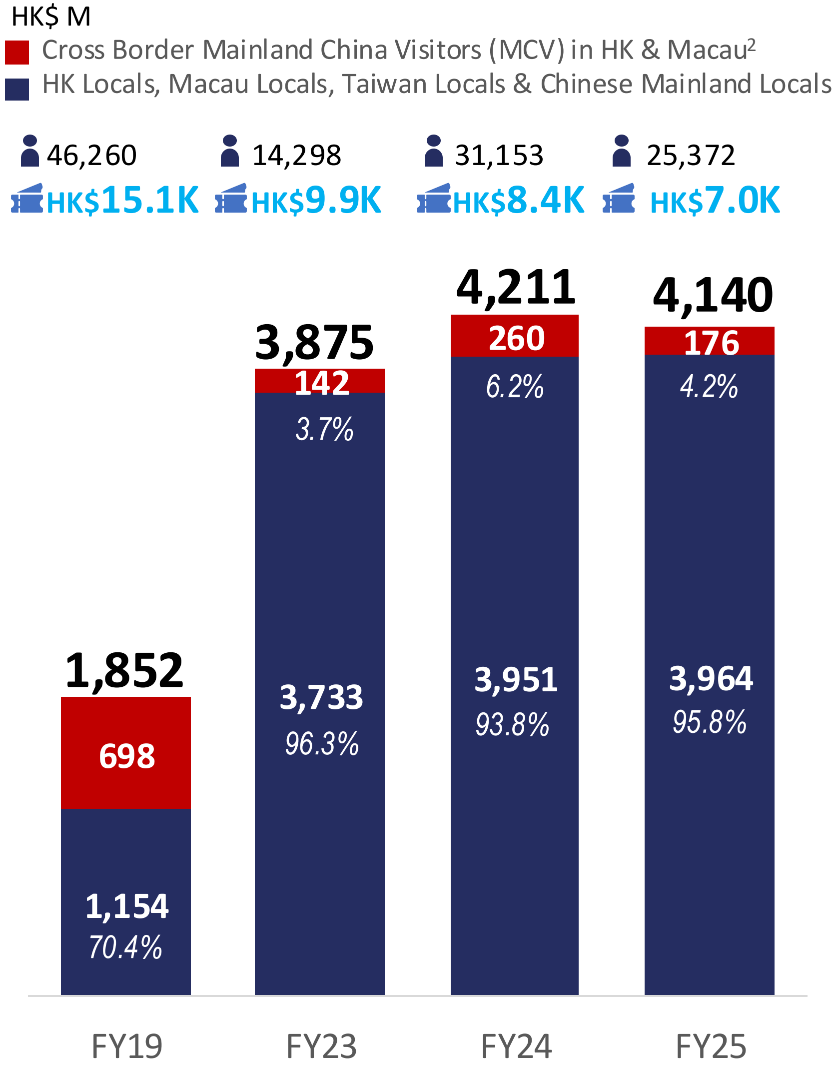
HK$ M

	FY24	FY25	
Net Profit Before Tax	**17**	**-101**	
(+) Finance Cost	101	89	• Decrease due to lower overall interest rate environment in HK as compared to FY24
(-) Interest Income	-16	-17	• Increase slightly on utilizing higher fixed-time deposit interest rate
(+) Depreciation of owned PP&E	177	219	• Accelerated depreciation schedule of under-utilized service points
(+) Amortisation of intangible assets	109	118	• Increase slightly with M&A of a beauty & wellness chain in HK
EBITDA	**388**	**308**	
(-) Gain on disposal of subsidiaries	0	-268	• Strategic disposal of certain medical assets in HK with a insurance partner
(-) Government grants	-1	-1	• Non-recurring item
(+) Loss on disposals and write-off of PPE	2	1	• Non-recurring item
(+) Impairment loss on goodwill	-	116	• Write off of under-performed dental clinics in HK and beauty service points in Mainland China
(+) Impairment loss on interest in a joint venture	-	10	• Represented a JV investment in a GP clinic that ceased operation
(+) Impairment loss on interest in an associate	-	88	• Impairment loss on ECH Tower (Tsim Sha Tsui) due to lower capital value across HK office market
(+) Remeasurement loss on an associate	-	5	• Represented a technical fair value changes when an associate became a subsidiary
(+) Fair value loss on investment properties	26	69	• Decline in capital value due to rising vacancy rate and weakness across HK office market
(+) Fair value loss on other receivables	1	36	• A fair value loss on other receivables due to a change in expectation on recoverability
(+) Fair value loss on financial assets	25	11	• Weak capital market as a result of persistent geopolitical tensions and trade policy disruptions
Adjusted EBITDA	**442**	**375**	

Revenue Mix







1. *Including multi-channel networking and related services and veterinary services*
2. *MCV related data are among 32 retail brands*

Operation Highlights - Cost Structure and Margin Squeeze in FY25 2H

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	FY24	Margin Squeeze	FY25 1H	FY25 2H	FY25	Roll-up Strategies
Revenue (HK$ M)	**4,211**	• Softer demand in discretionary healthcare segments • Disposing of under-perform assets	**2,063**	**2,077**	**4,140**	• TTIPP partnership • Increasing GDP and medical expenditure • Expedite M&A assets integration and organic growth
Cost of inventories & Consumables **- Service segment** **- Distribution segment**	15.8% 16.6% 44.3%	• M&A of consumable distribution businesses kicking in • Inflation on medical consumables	17.8% 14.7% 54.7%	20.7% 15.4% 59.0%	19.3% 15.0% 57.3%	• Central procurement to offset inflationary pressure • Upstream supplier partnership and integration
Rental & related expenses *	10.3%	• Consolidation and optimization of service space from 657,000 sq ft in FY24 to 591,000 sq in FY25	9.2%	9.4%	9.3%	• Consolidating overlapping & synergetic service points • Ramping-up new stores before further expansion
Marketing & advertising expenses	4.9%	• Stringent control on the return of investment in social media and advertising costs	4.5%	4.1%	4.3%	• CRM to enhance CLV • Outsourcing supporting functions
Employee benefit expenses	24.8%	• Reduction of headcount by 613 from FY23 baseline operation • Lift up talents productivity per headcount	23.0%	26.1%	24.6%	• Shift HK back-office staff to Shenzhen Headquarters • Workflow optimization and AI automation
Registered practitioner expenses	27.8%	• Optimize practitioner terms • Enhance doctors' productivity by roaster optimization	26.3%	25.6%	26.0%	• Ramping up of new clinic • TTIPP strategies execution • Commercial terms optimization
Administrative & other expenses	5.2%	• One-off expenses in service points relocation • One-off legal fee in connection with different transactions	6.1%	6.2%	6.2%	• Productivity focus • Outsourcing of non-core admin function • Stringent cost control
****Adjusted EBITDA Margin**	**10.5%**		**11.9%**	**6.3%**	**9.1%****	
Depreciation of owned PP&E	4.2%	• Accelerated depreciation schedule of under-utilized service points	4.5%	6.1%	5.3%	• Assume limited organic expansion
Amortisation of IA	2.6%	• Increase slightly with M&A of a beauty & wellness chain in HK	2.8%	3.0%	2.9%	• Assume no M&A execution
Finance costs	2.4%	• Optimizing cost of capital	2.4%	2.0%	2.2%	• Lower Interest rate environment during 2H FY25
Net Margin	**0.4%**		**2.0%**	**-7.3%**	**-2.7%**	
Minority Interest	0.8%	• Increase with M&A transactions	1.3%	1.4%	1.3%	• Implement new recharge model to M&A assets

** Including depreciation of right-of-use assets*

*** Excluding the effects of: (i) gain on disposal of subsidiaries, (ii) government grant and loss on disposal of PPE, iii) impairment loss on goodwill; iv) impairment loss on interest in associates; v) impairment loss on joint venture; (vi) fair valuation loss on other receivables; (vii) fair value loss on investment properties; and (viii) fair value losses on financial assets.*

Financial Performance - Existing Business Pre FY19 & M&A Cohort FY19 – FY25

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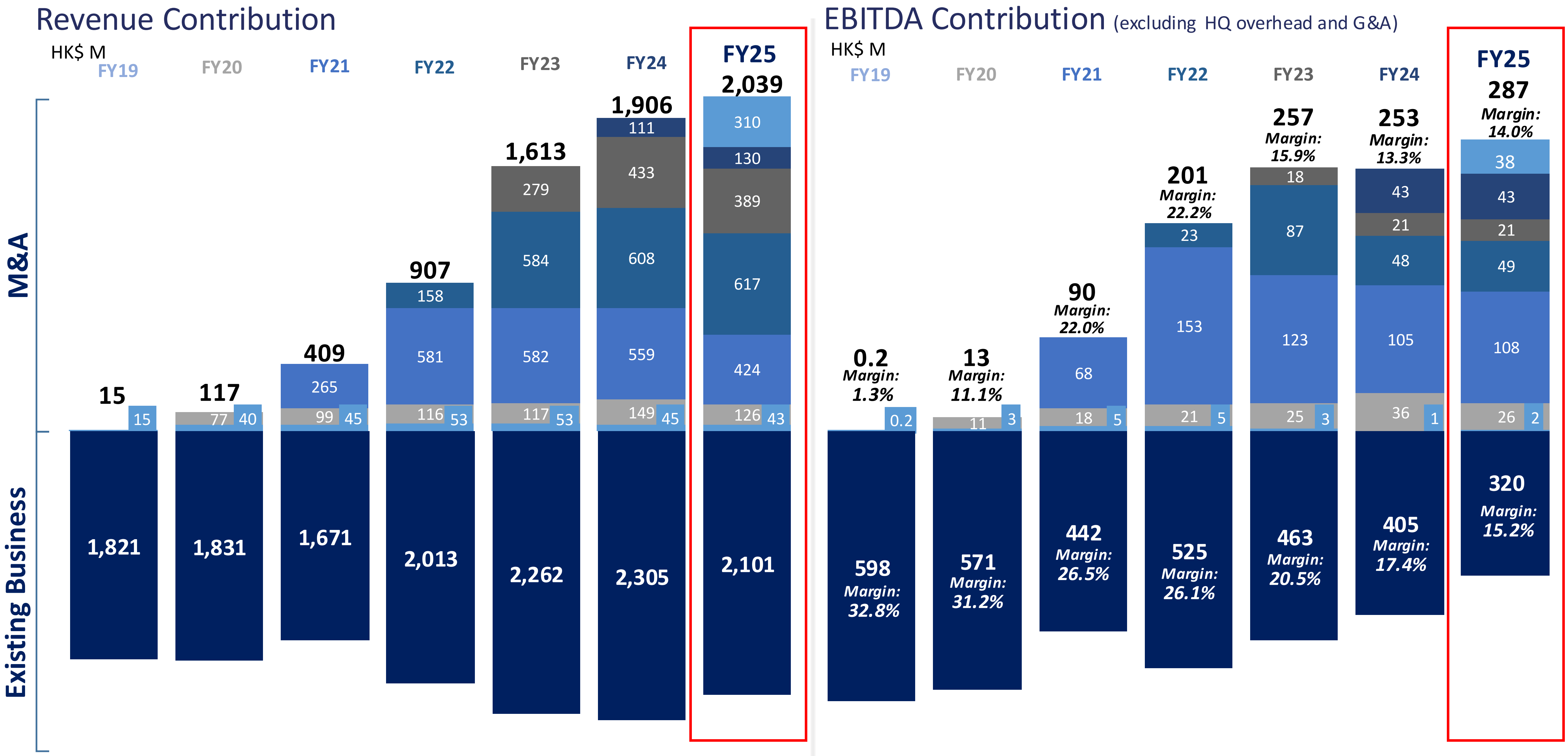

Financial Performance - EBITDA of M&A vs. Organic to Net Profit Waterfall

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HK$ M

		FY19	FY20	FY21	FY22	FY23	FY24	FY25
EBITDA (recap from previous slide)	M&A	0.2	13	90	201	257	253	287
	Existing Business	598	471	442	525	463	405	320
	Sub-total	598	584	532	726	720	658	607
HQ Overhead and G&A		(87)	(135)	(215)	(206)	(334)	(216)	(232)
Adjusted EBITDA		511	449	317	520	386	442	375
*Fair Valuation Gain/(Loss)		(8)	8	(12)	(5)	(3)	(53)	(116)
**Impairment Loss		(7)	-	-	-	(7)	(2)	(220)
***Gain (loss) on Disposals		6	3	17	19	4	(0)	268
Government Grants		-	-	75	2	50	1	1
EBITDA		503	460	397	536	430	388	308
Amortisation		(13)	(13)	(32)	(71)	(98)	(109)	(118)
Depreciation		(49)	(70)	(78)	(96)	(137)	(177)	(219)
Finance Cost		(3)	(18)	(24)	(49)	(64)	(101)	(89)
Net Profit/(loss)		385	310	226	270	107	16	(112)

DISCIPLINED CAPITAL RECYCLING

JUN / 2024
Disposal of obstetric & gynaecology business in HK

SEP / 2024
Disposal of physiotherapy business in HK

NOV / 2024
Announced disposal of specialty poly clinic and imaging center to strategic partner in HK

Dec / 2024
Announced acquisition of 90% interest in a wellness & beauty chain in HK

*Fair Valuation gain (loss) on investment properties, financial assets and other receivables **Impairment Loss on good will, interests in a joint venture and an associates
***Gain (loss) on disposals of subsidiaries and write-off of PP&E

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Capital Management

Capital Structure as at 31 March 2025

TOTAL DEBT
HK$ 796M

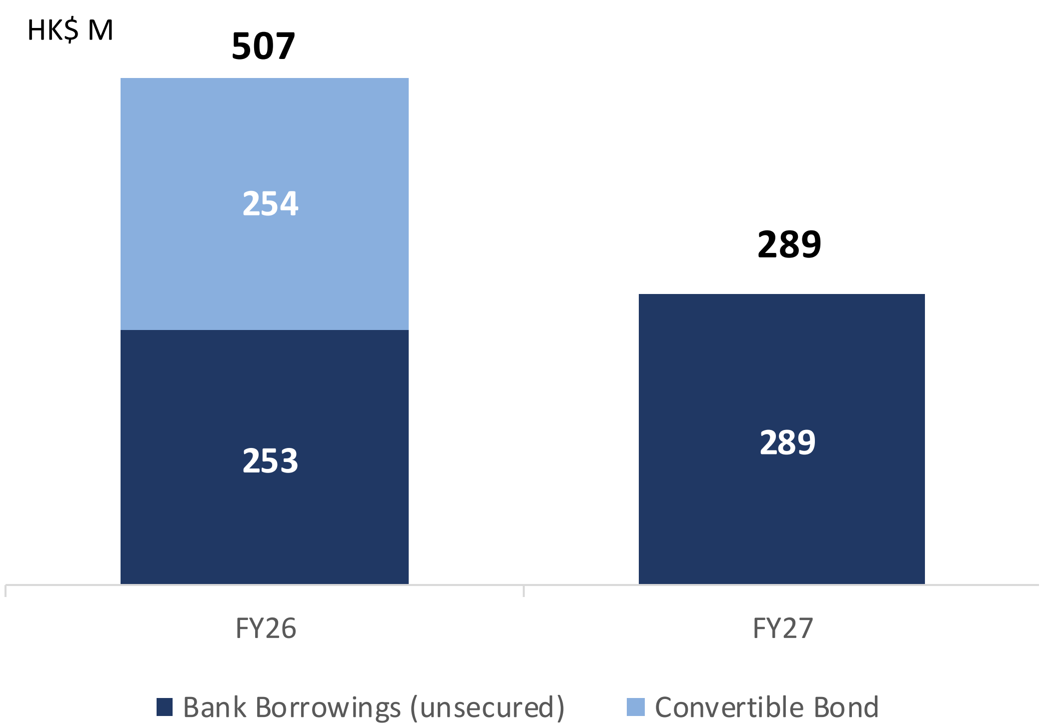
GEARING RATIO[1]
36.1%

UNDRAWN FACILITIES
HK$ 600M

CASH ON HAND[2]
HK$ 1,055M

Debt Maturity Profile as at 31 March 2025

Weighted Average Interest Rate of 4.7%



1. *Total debt excluding lease liabilities relating to properties leased for own use divided by total equity*
2. *Cash and equivalents as well as time deposits*

Operation Highlight

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Operation Highlights

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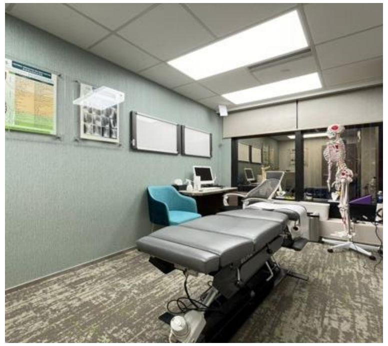
No. of Service Points
164

Total GFA
-10.1% YoY
591,000
sq ft



No. of Customer Visit [1]
-4.9% YoY
1,767,583

No. of Specialist Discipline & Veterinary Discipline
38 + 7

Registered Doctors & Vets
316 + 71

Avg. Spending per Customer Visit [1]
-2.6% YoY
HK$2,096

Repurchase Rate [2]
65.7%

Existing Customer Revenue Contribution [3]
66.6%

Customers' Satisfaction Rate [4]
99.99%

Number of Lifetime Cross Brand Customers [5]
36.7%

1. Based on sales volume for period among 38 brands, excluding non-retail brands
2. Customers of FY24 contribution in FY25 divided by the total revenue in FY24
3. Revenue contribution by existing customers to the total revenue for the year
4. 100% minus the percentage of material unfavourable feedback of total revenue for the year
5. Number of unique customers purchased services from more than 1 brand divided by total number of unique customers since 2018 among 34 brands

FY23 Baseline Operation Cost Structure Rationalization [Completion]

- Excluding new M&A from FY23 / 24 - Surecare & new distribution business
- Excluding new organic expansion in FY23 / 24 - AMAH Vet Hospital

FY25 saving against FY23 Baseline

1 Registered Practitioner & Employee Benefit Expenses

- Total Headcount reduction: **613**
  - Back-office (272);
  - Front-line (341)

2 Rental & Related Expenses

- Rent reduction: ~**137,000 sq ft**
- Space returned: ~**233,000 sq ft**

  Returned service points:
  - Medical (20);
  - Aesthetics & Beauty (16);
  - Dental (7);
  - Vet (2);
  - Warehouse (6);
  - Office (4);
  - Others (1)

3 Cost of Goods Sold

- Service Mix
- Cost Optimization
- Kick start centralized procurement with inflation pressure

4 Administrative & Other Expenses

- Stringent governance on ad-hoc expenditure
- BPR & automation
- Pressing on tight cost control with inflation pressure
- Scaling up digital transformation with strategic outsourcing

FY25 Vs FY23	1	2	3	4
TARGET	HK$150M	HK$45M[1]	No Savings	HK$30M
ACTUAL	HK$185M	HK$96M	No Savings	HK$5M

Target

HK$225M

Actual

HK$286M

[+HK$61M vs target]

Remark: 1: Baseline from FY23 to FY25 : Rental Return : HK$82M & Rental Reduction : HK$14M

Key Sub-Pillar Business Performance (Including HQ Overhead and G&A)

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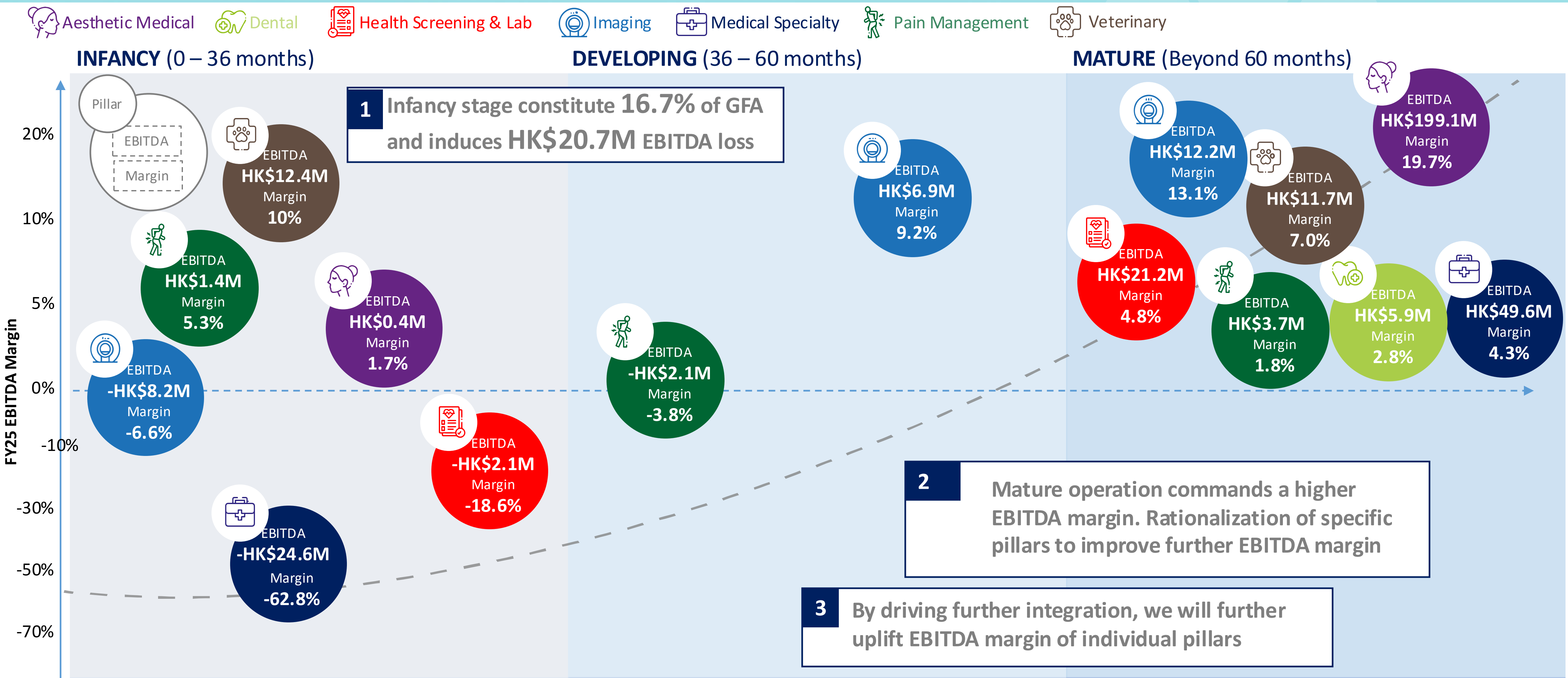

1 Infancy stage constitute 16.7% of GFA and induces HK$20.7M EBITDA loss

2 Mature operation commands a higher EBITDA margin. Rationalization of specific pillars to improve further EBITDA margin

3 By driving further integration, we will further uplift EBITDA margin of individual pillars

EBITDA	: -HK$20.7M	EBITDA Per Shop	: -HK$0.9M
Service Space	: 98,618 sq ft	Avg. size Per Shop	: 4,483 sq ft
No. of Shops	: 22		

EBITDA	: HK$4.8M	EBITDA Per Shop	: HK$0.5M
Service Space	: 20,302 sq ft	Avg. size Per Shop	: 2,256 sq ft
No. of Shops	: 9		

EBITDA	: HK$303.4M	EBITDA Per Shop	: HK$2.3M
Service Space	: 471,934 sq ft	Avg. size Per Shop	: 3,548 sq ft
No. of Shops	: 133		

* Excluding non-retail 6 BUs with HK$462M revenue

Key Sub-Pillar Business Half-on-Half Performance (Including HQ Overhead and G&A)

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FY25 vs. FY24 Change in	INFANCY (0 – 24 months) EBITDA (HK$M) YoY	DEVELOPING (25 – 48 months) EBITDA (HK$M) YoY	MATURE (Beyond 48 months) EBITDA (HK$M) YoY
Aesthetic Medical	2 +5.5	-	3 -52.2
Dental	-	-	+15.2
Health Screening & Lab	+1.2	-	-9.3
Imaging	+5.3	+0.8	+3.1
Medical Specialty	+2.9	-	-21.1
Pain Management	-2.6	+0.9	-21.3
Veterinary	+17.1	-	-5.7
	+29.4	**+1.7**	**-91.5**

1 **Operating EBITDA decreased HK$60.4M**

1 More challenging operating environment for B2C discretionary service segments in FY25 vs FY24

2 Overall operations in infancy stage achieved satisfactory ramp up as we have been optimizing resources on these service points with driven by B2B and B2I

3 Mature aesthetic medical, health screening and medical specialty shops were affected by seasonality with more local travels abroad

* Excluding non-retail 5 BUs with HK$462M revenue

Strategy & Outlook

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TTIPP Partnership Development

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Technology

Telecommunication

Insurance

Property

Pharmaceutical

RIMAG
一脉阳光医学影像

- Formed the "RIMAG-EC Health Tech Alliance" with Jiangxi RIMAG Group (HKEX: 2522), merging their medical imaging and supply chain strengths with our healthcare platform in Hong Kong, Macau, and global markets. This partnership streamlines procurement of high-end imaging equipment and supplies, reducing costs while advanced diagnostic solutions through integrated operations.

EC HEALTHCARE TOWER (Tsim Sha Tsui)

- EC Healthcare Tower (Tsim Sha Tsui) at Cameron Road is set for completion in FY26, further extending the Group's strategic positioning in Hong Kong's four key prime medical districts

KERRY
LOGISTICS
嘉里物流

- KERRY LOGISTIC launched phase 2 of centralised warehouse, inventory and logistics management

Project Cameron Road

- Address: 35-37 Cameron Road, Tsim Sha Tsui, Kowloon
- Centralize our premium medical services, enhancing corporate branding, patient convenience, and operational efficiency
- Unlock synergies across our organic and acquired medical assets, driving asset value appreciation and delivering stronger returns for shareholders

1. Operation

- GFA: 103,000 sq ft
- Occupation Permit target to be acquired by July 2025
- ECH as 100% master tenant
- Soft opening: 4Q205; Grand Opening: 1Q2026

2. Medical Proposition

- One-stop service patient journey
- Approximately 300 medical professional to around 20,000 monthly patient visits at full capacity
- 10+ medical discipline, including advanced imaging (MRI, CT, mammograph, Xray, Ultrasound), day procedure centre, health screening & laboratory specialist clinics with pneumatic tube to pilot centralized pharmacy operation

3. Financial

- 30% JV
- Refinancing expected to be completed by July 2025
- Valuation: limited downward risk due to reasonable & prudent impairment made in FY25
- Depreciation: <$10M p.a. due to landlord subsidy, tight capex control via rigorous tender
- Rental: 75% of our new floor area involves relocation (i.e. natural offsetting), in addition to potential 3rd party rental income from retail floors. This will help us contain entire group's rental expenditure to be within 10% of group revenue.

FY2026: Back Office Integration with Strengthened Governance

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HR

- Already 100% rolled out new HR system to all 3,300 employees by **Apr25**
- Standardized staff profile, leave, payroll, roster and MPF operation
- Streamlined policy, organization with automation in progress
- Roll out enhanced MPF scheme

Customer Service

- Target 100% implementation of call centre solution across group by **Dec25**
- Gradual implementation of chat-based engagement to expand operating hours and improve customer accessibility

Centralized Procurement

- Acquired WDL license by Nov2024
- Strategic outsourcing to Kerry Pharma on warehouse, logistic solution and system integration
- Consolidated over 70,000 SKUs across 3000+ suppliers on COGS, to inform strategic negotiation with key suppliers in 2025
- Roll out centralized procurement system in 3 batches between **Aug25-1Q26**

Finance

- SAP public cloud implementation with full integration to POS, HR, Procurement system across all subsidiaries by **1Q2026**

Strategy & Outlook - Financial Outlook

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HK$ M	FY25	FY26e	FY27e	FY28e	
Adjusted EBITDA	375	Downside Risk	Upside Potential	Upside Potential	• Project Cameron Road will induce short term pressure on OPEX / EBITDA • Positive impact from business integration of 4 key pillars
*Fair Valuation gain (loss)	(116)	-	-	-	• Conversative accounting approach adopted in FY25 means minimal impairment & fair valuation adjustment expected in medium term
**Impairment Loss	(220)				
***Gain (loss) on disposals	268				
Government Grants	1				
EBITDA	308	Downside Risk	Upside Potential	Upside Potential	• EBITDA to bottom out in FY26e, and increase YoY in FY27e which is expected to remain on an upward trend
Amortisation	(118)	Reducing	Reducing	Reducing	• Decline expected in amortization & depreciation • Finance cost should also reduce given debt repayment, assuming no new M&A and limited organic CAPEX
Depreciation	(219)				
Finance Cost	(89)				
Net Profit	(112)	Neutral	Positive	Positive	• Target to turn around to net profit in short to medium term

*Fair Valuation gain (loss) on investment properties, financial assets and other receivables **Impairment Loss on good will, interests in a joint venture and an associates

***Gain (loss) on disposals of subsidiaries and write-off of PP&E

Outlook - Chairman Message

Market Remains Lucrative in Long-Run Amid Short-term Local Economic and Global Uncertainties

ECH Strategic Priorities

- Business Development
- Operational Excellence
- Digital Transformation

1 Policy Support Driving Sector Advancement

2 Structural Demand & Demographic Tailwinds

3 Infrastructure Foundations for Sustainable Growth

Appendix

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Key Financial Metrics

	For the twelve months ended 31 March		
	FY24	FY25	Changes
Basic Earnings per share (HK cents)	**-1.6**	**-14.1**	*-781.3%*
Adjusted EBITDA margin	10.5%	9.1%	*-1.4 p.pt*
Net profit margin	0.4%	-2.7%	*-3.1 p.pt*
Dividend per share for the year (HK cents)	**0.5**	**1.0**	*+100%*
Return on equity[1]	0.7%	-5.1%	*-5.8 p.pt*
Return on average total assets[2]	0.6%	-4.5%	*-5.1 p.pt*
Financial position	**31 Mar 24**	**31 Mar 25**	
Current ratio	0.92x	1.00x	*+8.7%*
Gearing ratio (Debt[3] divided by equity)	38.3%	36.1%	*-2.2 p.pt*
Quick ratio	0.85x	0.92x	*+8.2%*
Cash Conversion Cycle (days)			
Average creditors' turnover days	41	43	*+4.9%*
Average debtors' turnover days	21	26	*+23.8%*
Average inventory turnover days	53	59	*+11.3%*

Notes:

1. *Profit for the period(annualised) or year divided by total equity*
2. *Profit for the period (annualised) or year divided by average of total asset at the beginning of the financial year and end of the period*
3. *Total debt excluding lease liabilities relating to the properties leased for own use*

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