

## GENERAL ANNOUNCEMENT::1ST QUARTER 2021 BUSINESS UPDATE

### Issuer & Securities

#### Issuer/ Manager

VICOM LTD

#### Securities

VICOM LTD. - SGXE86215543 - WJP

#### Stapled Security

No

### Announcement Details

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1st Quarter 2021 Business Update

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#### Submitted By (Co./ Ind. Name)

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#### Designation

Joint Company Secretary

#### Description (Please provide a detailed description of the event in the box below)

Please see attached

### Attachments

[VICOM - 1st Quarter 2021 Business Update.10 May 2021.pdf](#)

Total size =901K MB



# 1st Quarter 2021 Business Update

**10 May 2021**

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# Contents

- COVID-19 Update for 1Q 2021
- Operational Update for 1Q 2021
- Financial Update for 1Q 2021



# COVID-19 UPDATE FOR 1ST QUARTER 2021

# COVID-19 Update for 1st Quarter 2021

- Singapore transitioned to Phase 3 of re-opening plans on 28 December, with lifting of restrictions to allow bigger social gatherings and live performances.
- With the uncovering of several COVID-19 clusters and the recent rise in the number of unlinked cases, the Government has announced on 4 May 2021 to return to Phase 2 for about 3 weeks from 8 to 30 May.
- From 11 May, most previously approved Entry Approvals with an arrival date before 5 July will also be withdrawn.
- Revised measures will have following impact on the Group:
  - More stringent worksite measures will hamper project progress. This will impact on the inspection and testing services in these sectors.
  - Border controls on countries such as India and Bangladesh will impact on the availability of skilled workers. This further exacerbates the foreign labour crunch especially in the construction, marine and process sectors.
- Will watch the evolving situation closely. Health and safety of our workers, customers and vendors remain our top priority.

# OPERATIONAL UPDATE FOR 1ST QUARTER 2021

# Operational Update for 1st Quarter 2021

## Vehicle Inspection Business

- The vehicle inspection business is stable and operating at pre-COVID-19 level.

## Non-Vehicle Testing Business

- Business has continued to improve in 1Q 2021 with Phase 3 re-opening.
- However, the improvement was uneven for the different sectors that we served, especially the Construction, Marine and Process industries where work progress continued to be hampered by stringent COVID-19 restrictions at site. In addition, the recent tightened measures add to the woes of the labour crunch situation facing these industries.
- Will work with our customers to coordinate project completions, while exploring alternative sources of skilled workers.
- As a result, the non-vehicle testing business is expected to continue to face challenges ahead.



# Operational Update for 1st Quarter 2021

## Government Assistance

- Government Reliefs of \$586k mainly from Jobs Support Scheme and rebates on Foreign Worker Levy were recognised by the Group for 1Q 2021.

# FINANCIAL UPDATE FOR 1ST QUARTER 2021

# Income Statement – 1st Quarter 2021

	1Q 2021	1Q 2020	Fav/(Adv)	
	\$'000	\$'000	\$'000	%
Revenue	24,074	25,304	(1,230)	(4.9)
Operating Costs	(16,438)	(16,373)	(65)	(0.4)
Operating Profit	7,636	8,931	(1,295)	(14.5)
Profit After Tax	6,273	7,446	(1,173)	(15.8)
Profit after Tax and Minority Interest (PATMI)	6,158	7,328	(1,170)	(16.0)
<b>EBITDA</b>	<b>9,376</b>	<b>10,749</b>	<b>(1,373)</b>	<b>(12.8)</b>

Operating Profit before COVID-19 Government Reliefs	7,050	8,931	(1,881)	(21.1)
COVID-19 Government Reliefs	586	-	586	NM
Operating Profit after COVID-19 Government Reliefs	7,636	8,931	(1,295)	(14.5)

*NM - Not Meaningful*

- Revenue ↓\$1,230k – Mainly due to lower sales volume from non-vehicle testing as it gradually recovers from the effects of COVID-19
- Operating Costs ↑ \$65k – Mainly from higher staff costs but offset by government reliefs
- Operating Profit ↓ \$1,295k – Due to lower revenue while operating costs is comparable with 1Q 2020
- PATMI ↓\$1,170k – As a result of lower operating profit and lower interest income but offset by lower tax expense

# Income Statement – Quarter-to-Quarter

	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	25,304	14,536	22,199	24,413	24,074
Operating Costs	(16,373)	(12,023)	(13,941)	(14,788)	(16,438)
Operating Profit	8,931	2,513	8,258	9,625	7,636
Profit After Tax	7,446	2,455	6,967	8,108	6,273
Profit after Tax and Minority Interest (PATMI)	7,328	2,371	6,823	7,972	6,158
EBITDA	10,749	4,337	10,066	11,509	9,376
Operating Profit/(Loss) before COVID-19 Government Reliefs	8,931	(1,298)	6,163	7,814	7,050
COVID-19 Government Reliefs	-	3,811	2,095	1,811	586
Operating Profit after COVID-19 Government Reliefs	8,931	2,513	8,258	9,625	7,636

# Income Statement – Quarter-to-Quarter

## 1Q 2021 versus 4Q 2020

- Revenue ↓ \$0.3m or 1.4%

Lower revenue from vehicle testing as backlog inspection of private cars deferred during Circuit Breaker were completed by 4Q 2020, offset by higher revenue from non-vehicle testing as situation has improved and workload has gradually increased

- OP ↓ \$2.0m or 20.7%

Lower OP from lower revenue of \$0.3m, higher operating cost of \$0.5m mainly from staff cost and lower Government Reliefs of \$1.2m

# Balance Sheet

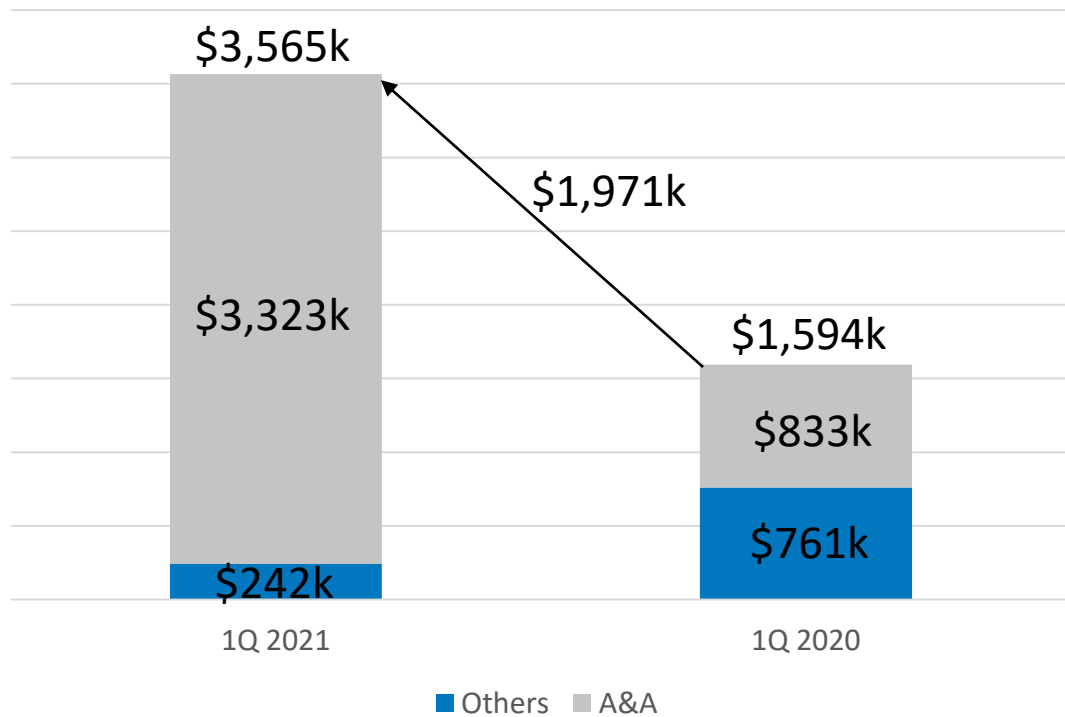
	Mar 21	Dec 20	Fav/(Adv)	
	\$'000	\$'000	\$'000	%
Cash & Cash Equivalents	94,751	93,196	1,555	1.7
Other Current Assets	12,923	12,271	652	5.3
Non-Current Assets	104,263	102,431	1,832	1.8
<b>Total Assets</b>	<b>211,937</b>	<b>207,898</b>	<b>4,039</b>	<b>1.9</b>
Current Liabilities	37,718	39,213	(1,495)	(3.8)
Non-Current Liabilities	32,957	33,233	(276)	(0.8)
<b>Total Liabilities</b>	<b>70,675</b>	<b>72,446</b>	<b>(1,771)</b>	<b>(2.4)</b>
<b>Total Equity</b>	<b>141,262</b>	<b>135,452</b>	<b>5,810</b>	<b>4.3</b>

- Balance sheet remains strong with healthy cash & cash equivalents of \$94,751k to weather prevailing uncertainties
- Other Current Assets increased by \$652k mainly from higher trade receivables
- Non-Current Assets increased by \$1,832k from capital projects in progress at the new premises in Bukit Batok
- Total liabilities were lower by \$1,771k mainly due to payment of income tax and recognition of deferred grant income from Government Reliefs

# Cashflow

	1Q 2021
	\$'000
<b>Cash from Operating Activities</b>	<b>5,790</b>
<u>Utilisation of Cash:</u>	
CAPEX	(3,565)
Dividends to non-controlling interests	(480)
Payments under lease liability	(293)
<b>Total Utilisation of Cash</b>	<b>(4,338)</b>
Interest Received	84
Others	19
<b>Net Cash Generated</b>	<b>1,555</b>

## CAPEX 1Q 2021 vs 1Q 2020



- CAPEX ↑\$1,971k
- Increase in progressive payments of \$2,490k for capital projects at the new premises in Bukit Batok offset by decrease of \$519k in CAPEX for equipment and others



# Financial Summary

## Financial Performance

- The 1Q 2021 results were still impacted by the effects of COVID-19. Group PATMI at \$6.2m fell \$1.2m or 16.0% against 1Q 2020
- Government Reliefs of \$0.6m

## Financial Position

- Strong and resilient balance sheet
- Healthy cash balance of \$94.8m to weather prevailing uncertainties

## Cash Flow

- Net cash generated of \$1.6m during 1Q 2021

**THANK YOU**