



1st Quarter 2023 Business Update

11 May 2023

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OPERATIONAL UPDATE FOR 1ST QUARTER 2023

Operational Update for 1st Quarter 2023

Business Climate

- Although inflationary pressure has begun to ease in the quarter, it remains elevated. Business cost still remain high, particularly material, utility and staff costs.

Vehicle Inspection Business

- The vehicles inspection business has largely been stable, except that there was lower demand for new car registrations / emission testing services as a result of low Certificate of Entitlement quota.
- The VICOM Emission Test Laboratory (VETL), which underwent an upgrade to conduct the World Harmonised Light Vehicles Test Procedure (WLTP), has reopened at the end of the quarter after closure in January 2023.

Non-Vehicle Testing Business

- The non-vehicle testing business continues to improve in the quarter, along with the recovery of the Aerospace, Construction, Marine & Offshore, Oil and Gas industries.
- However there are signs of slowdown in the Singapore economy due to the wider macro environment.

FINANCIAL UPDATE FOR 1ST QUARTER 2023

Income Statement – 1st Quarter 2023

	1Q 2023	1Q 2022	Fav/(Adv)	
	\$'000	\$'000	\$'000	%
Revenue	27,758	26,034	1,724	6.6
Operating Costs	(19,600)	(17,964)	(1,636)	(9.1)
Operating Profit	8,158	8,070	88	1.1
Profit After Tax	6,977	6,442	535	8.3
Profit after Tax and Minority Interest (PATMI)	6,853	6,343	510	8.0
EBITDA	10,009	9,847	162	1.6
Operating Profit before COVID-19 Government Reliefs	8,158	7,974	184	2.3
COVID-19 Government Reliefs	-	96	(96)	n.m.
Operating Profit after COVID-19 Government Reliefs	8,158	8,070	88	1.1

NM - Not Meaningful



Income Statement – 1st Quarter 2023

1Q 2023 versus 1Q 2022

- Revenue ↑ \$1.7m – Mainly from the higher business volume in the non-vehicle testing business as it mirrors the trajectory of the Singapore economy.
- Operating Costs ↑ \$1.6m – Higher operating costs of \$1.5m primarily due to higher staff costs resulting from annual increments, higher headcount and lower COVID-19 Government reliefs.
- Operating Profit ↑ \$0.1m – This is due to the higher revenue which more than offset the higher operating costs.
- PATMI ↑ \$0.5m – Contributed by higher operating profit and higher interest income.

Balance Sheet

	Mar 23	Dec 22	Fav/(Adv)	
	\$'000	\$'000	\$'000	%
Cash & Cash Equivalents	59,606	60,491	(885)	(1.5)
Other Current Assets	17,564	13,693	3,871	28.3
Non-Current Assets	119,411	112,781	6,630	5.9
Total Assets	196,581	186,965	9,616	5.1
Current Liabilities	33,010	30,805	2,205	7.2
Non-Current Liabilities	32,823	32,332	491	1.5
Total Liabilities	65,833	63,137	2,696	4.3
Total Equity	130,748	123,828	6,920	5.6

- Balance sheet remains strong with healthy cash & cash equivalents of \$59.6m.
- Other Current Assets increased by \$3.9m mainly from higher trade receivables.
- Non-Current Assets increased by \$6.6m mainly from the acquisition of lease of land parcel in Jalan Papan.
- Total liabilities increased by \$2.2m mainly from higher income tax payable and trade and other payables.

Cashflow

	1Q 2023
	\$'000
Cash from Operating Activities	6,158
<u>Utilisation of Cash:</u>	
CAPEX	(1,707)
Jalan Papan land parcel	(5,264)
Payments under lease liability	(302)
Total Utilisation of Cash	(7,273)
Others	230
Net Cash Used	(885)

Financial Performance

- Group PATMI at \$6.9m rose by \$0.5m or 8.0% against 1Q 2022.

Financial Position

- Strong and resilient balance sheet.
- Healthy cash balance of \$59.6m to support business growth and opportunities.

Cash Flow

- Net cash used of \$0.9m during 1Q 2023.

THANK YOU