



2024 Annual Results

Adicon Holdings Limited

31 March 2025

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Company Overview

Resilient Base Business Growth Amidst Challenges



8.2%

Revenue in 2024 compared to non-Covid revenue in 2023



8.8%

Growth in total number of clients



37.7%

2024 FY Gross Margin

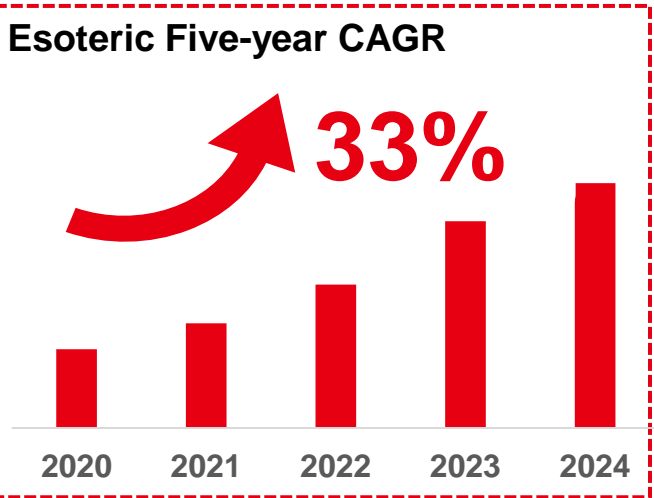
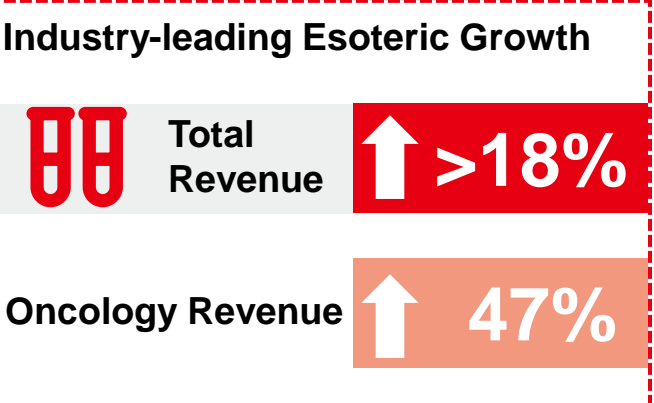


163MM

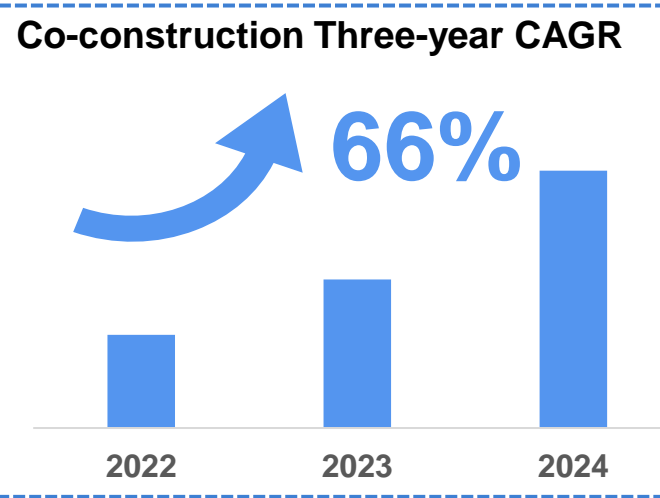
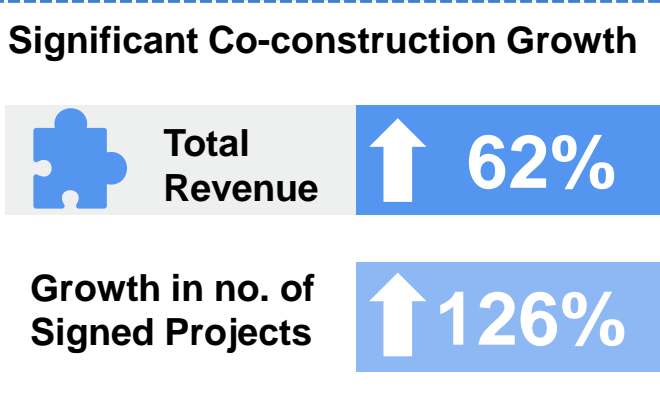
2024 FY Adjusted Net Profit

Esoteric Testing, Co-construction and New Client Acquisition Empower Growth

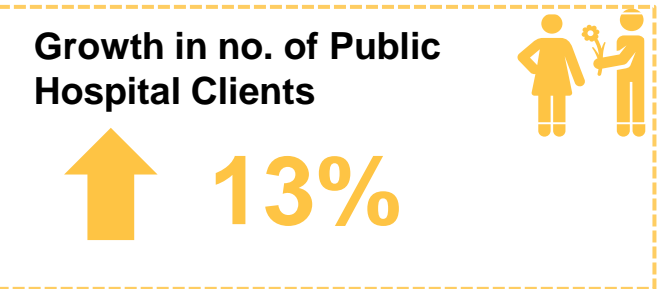
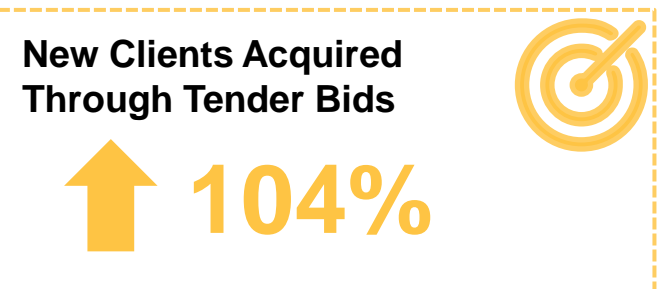
Esoteric Testing



Co-Construction



New Client Acquisition



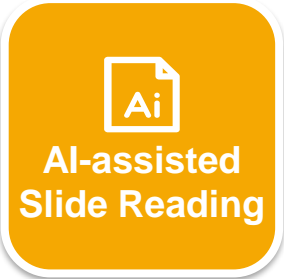
AI & Digitalization Drive Smart Healthcare Ecosystem

In-depth AI Integration



Efficiency Improvement

- Internally developed smart assistants covering the entire production and management process
- Knowledge base inquiry system empowering frontline sales
- Efficient workflow information retrieval and intelligent policy inquiries
- Smart process navigation for seamless HR system integration



AI-assisted Slide Reading

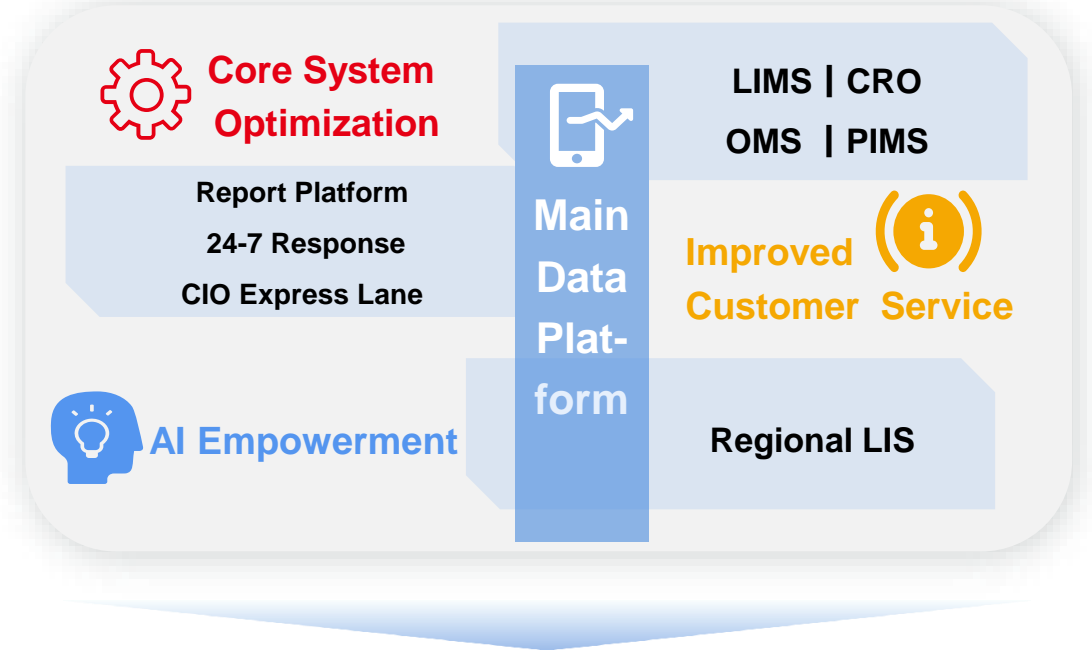
- Wide Application in Cervical Cancer and Reproductive Genetics
- Over 8 million assisted slide readings
- 70%+ reduction in labor costs
- Higher sensitivity in positive detection rates, significantly reducing misdiagnosis rates from manual slide reading and greatly improving client experience



Report Interpretation

- Upon launch, doctors can access the service free of charge
- Enhances diagnostic accuracy and efficiency
- Strengthens client loyalty and boosts satisfaction
- In the future, personalized health recommendations may be offered, utilizing historical test data to tailor patient care

Digitalization 2.0



R&D

- ✓ Expand R&D investment and introduce new technologies



Integration

- ✓ Strategic Multi-Stakeholder Collaboration



Informati-zation

- ✓ Invest in proprietary AI technology
- ✓ Drive ecological data & insights

Industry-leading Operational Capabilities

<p>¥ Reagent Procurement Price</p> <p>↓ 10%</p>	<p>🚚 Logistics Cost</p> <p>↓ 6%</p>	<p>Cost Control</p>
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<p>⚙️ Manpower Efficiency</p> <p>↑ 7%</p>	<p>🗑️ Reagent Consumption Rate</p> <p>↓ 16%</p>	<p>Improved Efficiency</p>
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<p>🏆 ISO15189 Certificate</p> <p>↑ 3</p>	<p>📄 Highest no. of Passing Projects</p> <p>320</p>	<p>Quality Control</p>
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37.7%
Gross margin

5.6%
Adjusted net margin

New Ventures, New Opportunities

Key Collaboration Projects

① Capital Medical University Co-construction Project



- ✓ 23 Beijing Tier III Hospitals
- ✓ 12 affiliated teaching hospitals
- ✓ Benchmark for **hospital-university-corporate collaboration**
- ✓ Empower future co-construction projects and regional partnerships



② Xiamen ITG Partnership



- ✓ Supply Chain Collaboration
- ✓ Collaborative Development

③ Bayzed Health Partnership



- ✓ Co-construction with **all hospitals under the group**
- ✓ Strategic supply chain collaboration

Pioneering New Frontiers

Testing Items



300+ testing items introduced



Guardant Health launched **OMNI/Molecular Response Assays**

Internet Hospital

- ✓ Clinic officially approved for operation
- ✓ A **comprehensive** healthcare service center, providing patients with convenient **diagnostic testing, online consultations, treatment recommendations**, and other medical services
- ✓ Covers core medical specialties such as general practice, gynecology, pediatrics etc.



ESG



“Jaundiced Baby” Blood & Urine Testing Service

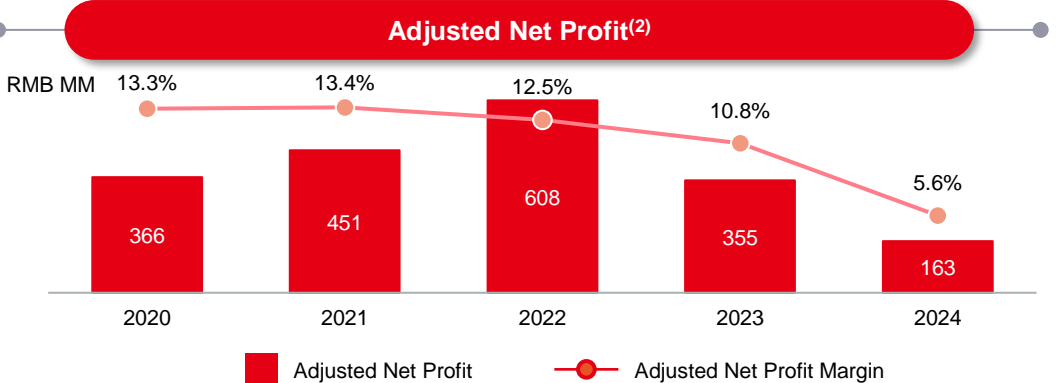
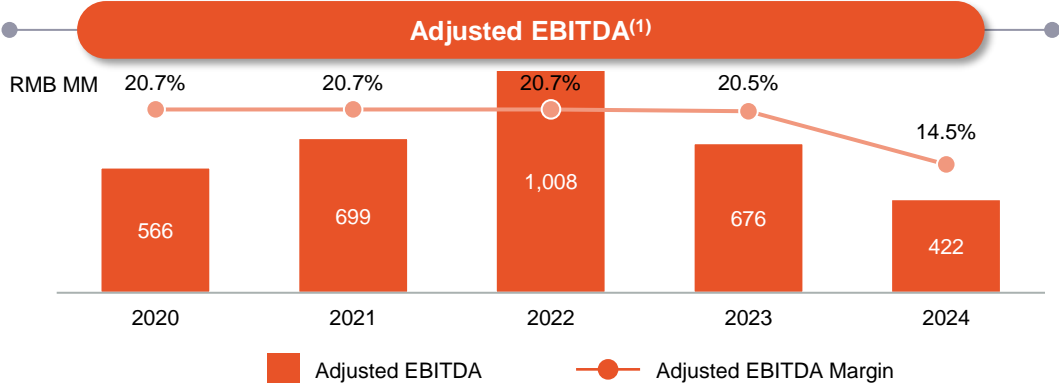
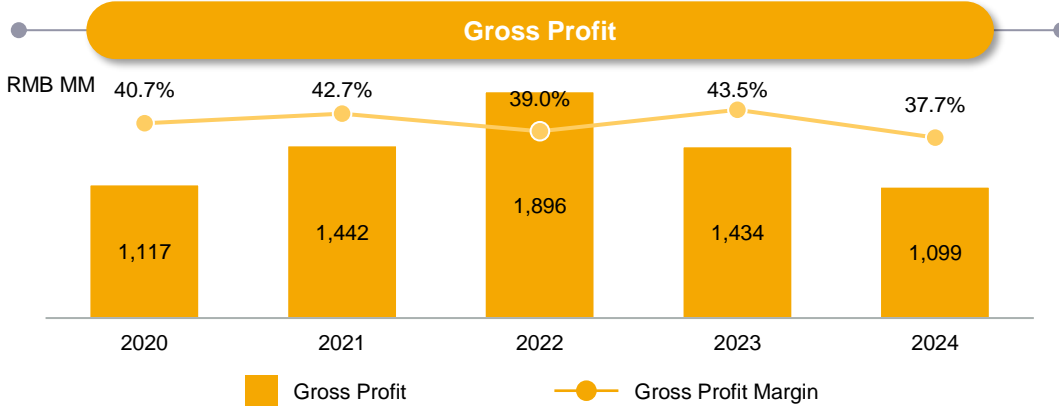
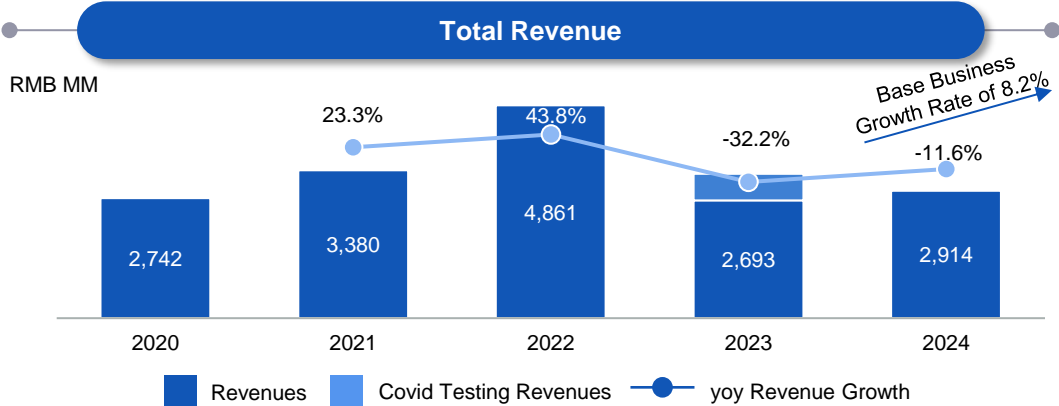


Adicon Maternal Healthcare Initiative



Financial Highlights

Resilient Base Business Growth Amidst Challenges

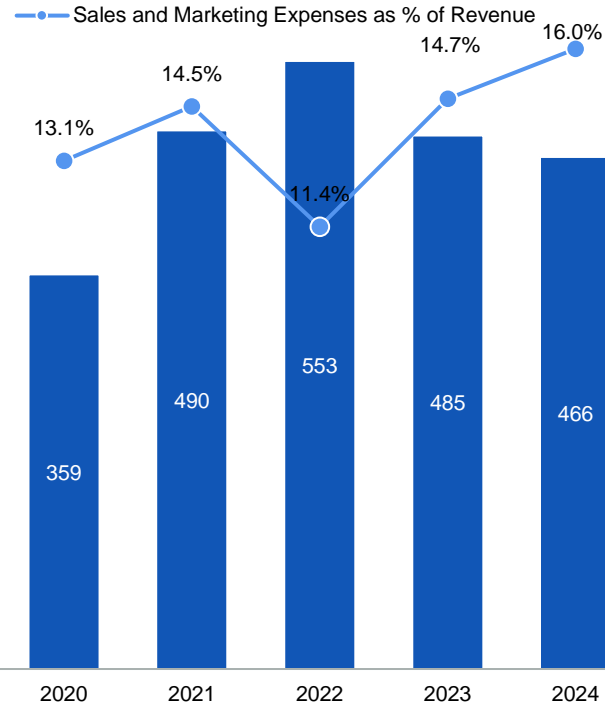


Notes:
 1. Adjusted EBITDA is defined as EBITDA (profit before tax plus depreciation and amortization expenses and finance costs, minus bank interest income) plus share-based compensation expenses, listing expenses, fair value loss on financial liabilities at FVTPL, fair value gains on contingent consideration, fair value gains on put option over non-controlling interests, fair value losses/(gains) on derivative financial instrument, fair value losses/(gains) on segregated portfolio, net foreign exchange (gains)/losses, Covid-19 related bad debt impairment and strategic restructuring charges.
 2. Adjusted net profit is defined as profit for the year adjusted for, net of tax, share-based compensation expenses, listing expenses, fair value loss on financial liabilities at FVTPL, fair value gains on contingent consideration, fair value gains on put option over non-controlling interests, fair value losses/(gains) on derivative financial instrument, fair value losses/(gains) on segregated portfolio, net foreign exchange (gains)/losses, Covid-19 related inventory impairment, Covid-19 related bad debt impairment and strategic restructuring charges.

Optimizing and Investing for Growth

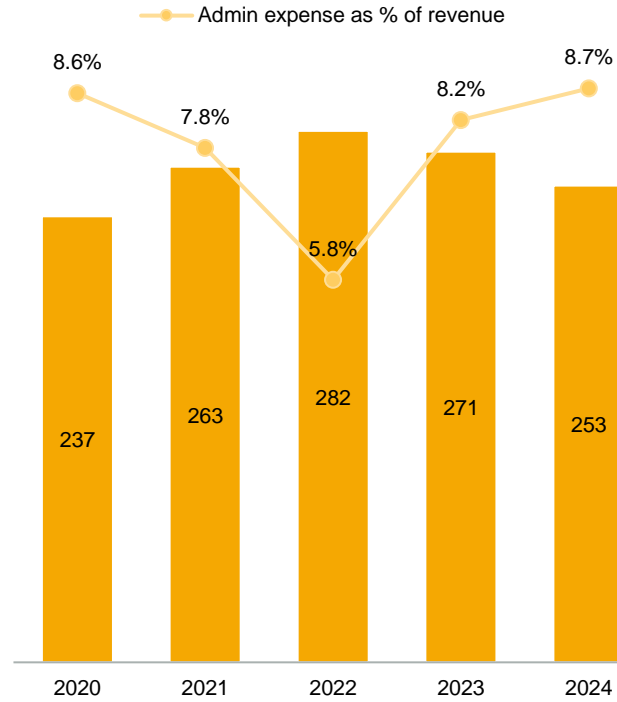
Selling and Marketing Expenses

RMB MM



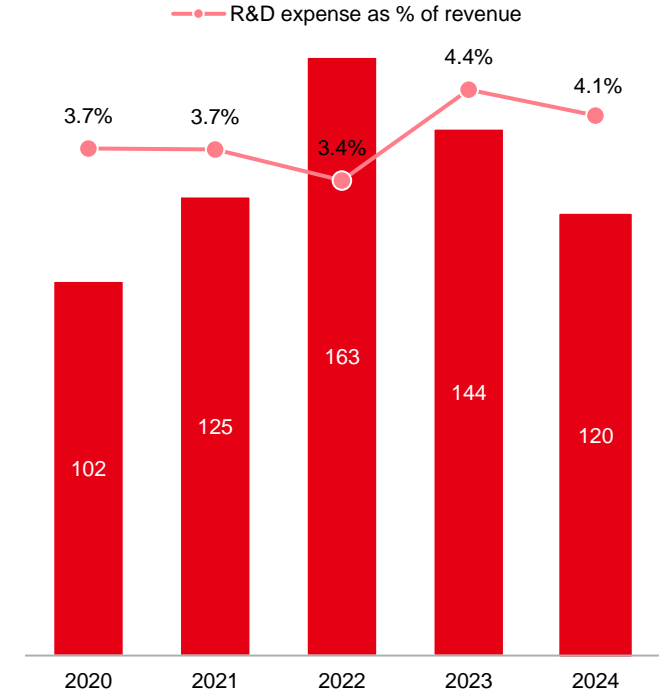
Administrative Expenses

RMB MM



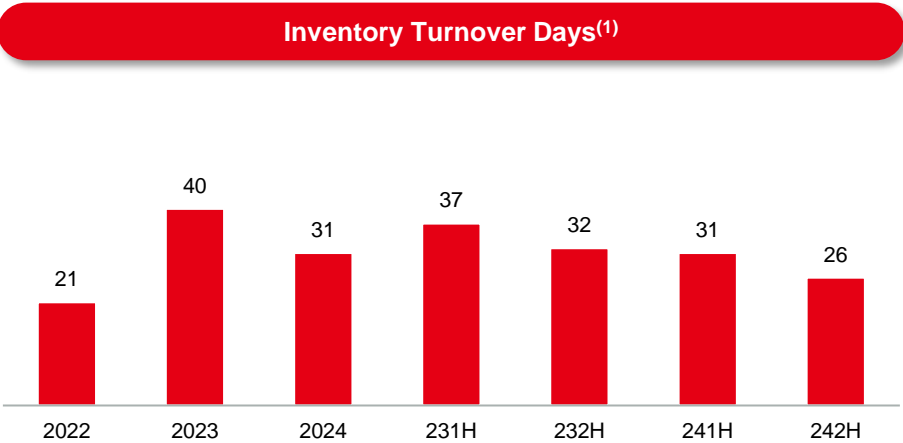
Research and Development Expenses

RMB MM

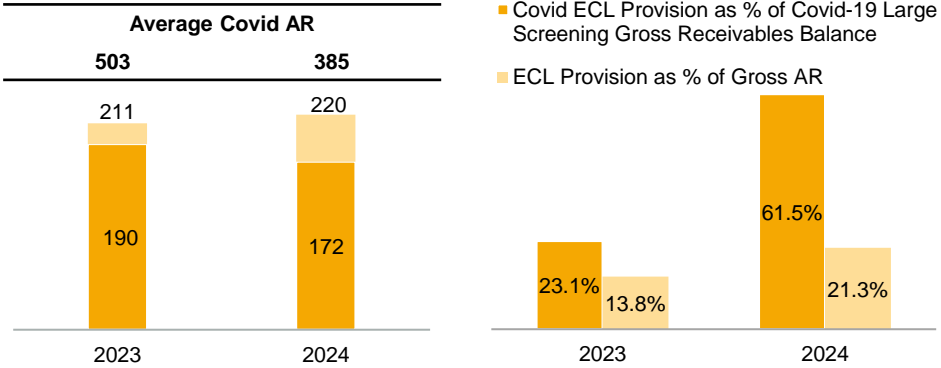


Improving Working Capital Turnover Days with Conservative ECL Provisions

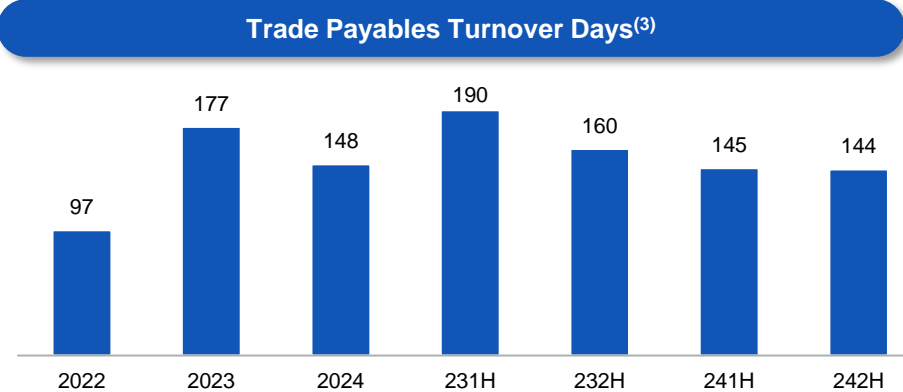
Inventory Turnover Days⁽¹⁾



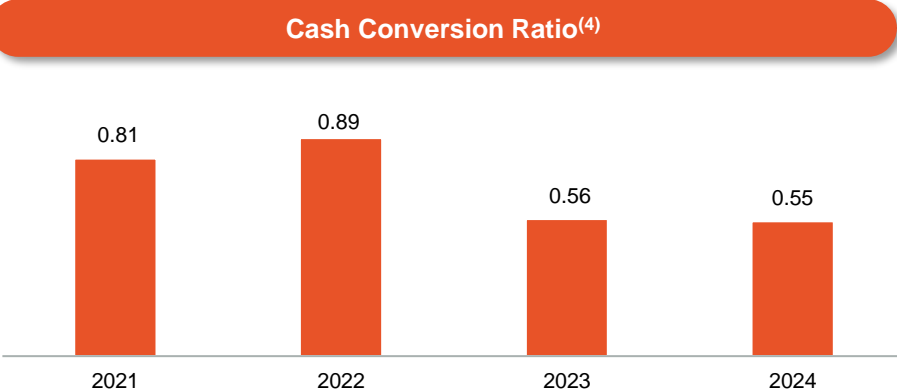
Trade Receivables Turnover Days and ECL Provision⁽²⁾



Trade Payables Turnover Days⁽³⁾



Cash Conversion Ratio⁽⁴⁾



Notes:
 1) Average balance of inventory for the year, divided by costs of sales for the same year and multiplied by 365 days.
 2) Average trade receivables turnover days is calculated by using the average balance of trade receivables for the year, divided by revenue for the relevant year, multiplied by 365 days. Pro forma figures breaking our receivables balance from large screenings Covid in light yellow and pro forma receivables days calculated not including large screening Covid receivables.
 3) Average balance of trade payables for the year, divided by costs of sales for the relevant year, multiplied by 365 days.
 4) Net cash generated from operating activities divided by adjusted EBITDA.

Income Statement

	Year ended 31 December					
	2019	2020	2021	2022	2023	2024
REVENUE	1,729,261	2,741,731	3,379,515	4,860,613	3,297,828	2,914,113
Cost of sales	-1,208,328	-1,625,071	-1,937,126	-2,964,448	-1,863,721	-1,815,464
Gross profit	520,933	1,116,660	1,442,389	1,896,165	1,434,107	1,098,649
Other income and gains	3,421	12,686	14,763	50,811	61,609	49,261
Selling and marketing expenses	-208,216	-359,051	-489,783	-553,272	-485,155	-465,691
Administrative expenses	-116,966	-236,566	-263,003	-282,262	-271,015	-253,274
Research and development costs	-69,932	-102,009	-125,446	-162,746	-143,522	-120,037
Other expenses	-24,260	-37,712	-48,530	-128,440	-99,622	-164,590
Listing expense	-	-16,179	-35,290	-9,664	-72,189	-
Finance costs	-17,382	-19,644	-16,326	-76,824	-86,316	-52,358
Fair value loss on financial liabilities at FVTPL	-	-	-61,531	87,044	11,475	-
PROFIT BEFORE TAX	87,598	358,185	417,243	820,812	349,372	91,960
Income tax expense	-17,155	-68,732	-94,948	-135,928	-87,050	-29,397
PROFIT FOR THE YEAR	70,443	289,453	322,295	684,884	262,322	62,563
Attributable to:						
Owners of the parent	67,906	284,121	315,540	680,793	234,885	47,014
Non-controlling interests	2,537	5,332	6,755	4,091	27,437	15,549

Adjusted EBITDA – non-IFRS reconciliation

	Year ended 31 December						
	2019	2020	2021	2022	2023	2024	
PROFIT BEFORE TAX	87,598	358,185	417,243	820,812	349,372	91,960	
(+) Depreciation	85,736	113,118	136,235	188,565	158,949	166,059	
(+) Amortization	610	662	1,617	4,853	8,490	10,034	
(+) Finance costs	17,382	19,644	16,326	76,824	86,316	52,358	
(-) Bank interest income	889	3,765	6,289	8,874	20,160	21,472	
EBITDA	190,437	487,844	565,132	1,082,180	582,967	298,939	
(+) Share based compensation expenses	2,735	63,598	37,325	15,049	17,054	2,151	
(+) Listing expenses	-	16,179	35,290	9,664	72,189	-	
(+) FV loss/(gain) on financial instruments at FVTPL	-	-	61,531	-87,044	-11,475	-	
(+) FV gains on contingent consideration	-	-	-	-13,337	-	-	
(+) FV gains on put option over non-controlling interests	-	-	-	-	-15,305	-	
(+) FV losses/(gains) on derivative financial instruments	-	-	-	-7,826	6,165	-2,256	
(+) FV losses/(gains) on segregated portfolio	-	-	-	-	-	4,486	
(+) Foreign exchange (gains)/losses, net	434	-1,427	50	6,743	8,198	-7594	
(+) Covid-19 related inventory impairment	-	-	-	1,421	15,976	2,320	
(+) Covid-19 Related Bad Debt Impairment	-	-	-	-	-	98,671	
(+) Strategic Restructuring Charges	-	-	-	-	-	25,590	
ADJUSTED EBITDA	193,606	566,194	699,328	1,006,850	675,769	422,307	
	<i>yoy growth</i>	<i>81.40%</i>	<i>192.40%</i>	<i>23.50%</i>	<i>44.00%</i>	<i>-32.90%</i>	<i>-37.50%</i>
	<i>Adjusted EBITDA margin</i>	<i>11.20%</i>	<i>20.70%</i>	<i>20.70%</i>	<i>20.70%</i>	<i>20.50%</i>	<i>14.50%</i>

Adjusted Net Income – non-IFRS reconciliation

	Year ended 31 December						
	2019	2020	2021	2022	2023	2024	
PROFIT FOR THE YEAR	70,443	289,453	322,295	684,884	262,322	62,563	
(+) Share based compensation expenses	2,735	63,598	37,325	15,049	17,054	2,151	
(+) Listing expenses	-	13,984	30,087	8,204	72,099	-	
(+) FV loss/(gain) on financial instruments at FVTPL	-	-	61,531	-87,044	-11,475	-	
(+) FV gains on contingent consideration	-	-	-	-13,337	-	-	
(+) FV gains on put option over non-controlling interests	-	-	-	-	-15,305	-	
(+) FV losses/(gains) on derivative financial instruments	-	-	-	-7,826	6,165	-2,256	
(+) FV losses/(gains) on segregated portfolio	-	-	-	-	-	4,486	
(+) Foreign exchange (gains)/losses, net	434	-1,427	50	6,743	8,198	-7594	
(+) Covid-19 related Inventory Impairment	-	-	-	1,421	15,976	2,415	
(+) Covid-19 Related Bad Debt Impairment						77,272	
(+) Strategic Restructuring Charges						23,692	
ADJUSTED NET INCOME	73,612	365,608	451,288	608,094	355,034	162,729	
	<i>yoy growth</i>	2201.10%	396.70%	23.40%	34.70%	-41.60%	-54.20%
	<i>Adjusted Net Income margin</i>	4.30%	13.30%	13.40%	12.50%	10.80%	5.60%

Balance Sheet

	As of 31 December				
RMB '000	2020	2021	2022	2023	2024
NON-CURRENT ASSETS					
Property and equipment	168,579	266,137	375,428	410,987	398,520
Right-of-use assets	155,458	173,381	218,853	187,390	165,719
Deferred tax assets	51,982	74,560	118,403	103,971	129,180
Other intangible assets	3,011	20,504	143,709	151,416	154,064
Prepayments, deposits and other receivables	7,747	9,645	12,839	12,575	54,543
Amounts due from related parties	1,852	1,816	2,123	2,474	2,511
Goodwill		25,691	79,802	79,802	79,802
Financial assets at fair value through profit or loss			8,104	1,535	-
Pledged deposits				300,000	650,000
Total non-current assets	388,629	571,734	959,261	1,250,150	1,634,339
CURRENT ASSETS					
Inventories	102,932	109,395	229,413	176,593	126,935
Trade and bills receivables	942,041	1,213,512	1,856,847	1,515,434	1,377,364
Financial assets at FVTPL				50,837	-
Prepayments, deposits and other receivables	61,120	105,716	127,860	188,474	196,521
Amounts due from related parties	199	270	227	25	25
Cash and cash balances	1,228,620	1,109,211	1,680,625	959,423	1,043,833
Pledged deposits				412,602	306,000
Total current assets	2,334,912	2,538,104	3,894,972	3,303,388	3,050,678
CURRENT LIABILITIES					
Trade and bills payables	383,775	510,691	1,062,452	742,108	721,814
Other payables and accruals	365,428	689,136	985,104	755,527	613,380
Contract liabilities	11,665	20,683	21,060	34,664	29,905

	As of 31 December				
RMB '000	2020	2021	2022	2023	2024
Interest-bearing bank borrowings	120,178	49,141	112,792	95,870	467,975
Profit tax payable	44,078	50,303	124,553	77,790	30,274
Amounts due to related parties	55,430	36,167	61,071	1,858	1,081
Lease liabilities	28,416	31,653	51,400	49,201	60,709
Dividends payable					
Total current liabilities	1,008,970	1,387,774	2,418,432	1,757,018	1,925,138
Net Current Assets	1,325,942	1,150,330	1,476,540	1,546,370	1,125,540
Total Assets Less Current Liabilities	1,714,571	1,722,064	2,435,801	2,796,520	2,759,879
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	100,276	90,790	1,023,329	791,647	837,943
Lease liabilities	129,710	146,297	182,455	153,117	124,523
Deferred tax liabilities	1,536	10,260	28,502	23,166	22,737
Convertible redeemable preferred shares	443,931	621,870	589,179		
Total non-current liabilities	675,453	869,217	1,823,465	967,930	985,203
Net Assets	1,039,118	852,847	612,336	1,828,590	1,774,676
EQUITY					
Share capital	77	86	86	97	97
Treasury Shares					(112,120)
Reserves	1,024,262	804,155	510,738	1,707,974	1,760,108
Non-controlling interests	14,779	48,606	101,512	120,519	126,591
Total equity	1,039,118	852,847	612,336	1,828,590	1,774,676
Total Cash (incl pledged deposits)	1,228,620	1,109,211	1,680,625	1,672,025	1,999,833
Net Cash (incl pledged deposits)	1,008,166	969,280	544,504	784,508	693,915



ADICON
艾迪康

THANK YOU