

# 10 in 10 – Singapore Paincare Holdings (SGX Code: **FRQ**)

10 Questions in 10 Minutes with SGX-listed companies



## 10 Questions for Singapore Paincare Holdings

### Company Overview

Singapore Paincare Holdings (SPCH) is a medical services group primarily engaged in the provision of pain care services, primary care and other services including, among others, minimally invasive procedures, general medical consultations, management of chronic and acute conditions. SPCH currently operates two specialist clinics, five medical clinics and a physiotherapy centre in Singapore.

[Link to StockFacts company page](#)

SGX Code: FRQ	BBG: SPCH SP	RIC: SINR.SI
Market cap on 28 Jun (S\$m)	33.2	
Price on 28 Jun (S\$)	0.185	
52 wk high/low (S\$)	0.235 – 0.165	
12m ADTV (S\$)	44,611	
Shares Outstanding (m)	179.6	
Float	23.1%	
P/E (LTM)	11.3	
P/B (LTM)	0.2	
Dividend Yield	3.8%	

Source: Bloomberg (28 Jun 2021)

### 1. Could you describe Singapore Paincare Holdings' (SPCH) business segments and its focus?

- SPCH specialises in interventional pain management procedures for various pain conditions including acute and chronic pain due to injury, age-related pain conditions, functional pain disorders, post-surgical pain, and cancer pain.
- We aim to be a one-stop service provider, covering the entire spectrum of paincare treatment solutions. We serve patients in Asia with our suite of services that include minimally invasive procedures, specialised injections, pharmacotherapy and cognitive behavioural therapy.
- In line with our value proposition of providing holistic pain care, we also offer traditional Chinese medicine (TCM), and physiotherapy services as part of post-treatment rehabilitation.

### 2. How is SPCH growing recognition within this niche segment of the healthcare industry?

- Through media interviews and other publicity platforms, we try to reach out to the masses and help them understand that they do not have to live with painful conditions.
- We are also making pain management services more accessible and affordable by bringing them out of the confines of specialist clinics to primary care clinics in the heartlands. All the general practitioners (GPs) in our network are required to undergo rigorous training at our Singapore Paincare Academy before they can administer the pain care procedures that we offer.
- With that, the best way of improving customer recognition is to let the results speak for themselves. Our intimate understanding of pain today has allowed us to achieve a pain reduction outcome of 70 to 90%, and over 85% in patient satisfaction.

### 3. Could you elaborate on SPCH's geographical customer base? How has this base changed since the onset of COVID-19 and what do you plan to maintain or change?

- Prior to the pandemic, we saw a good mix of local and Asia-based patients and had plans to grow our overseas customer base by taking our services overseas. However, with travel restrictions imposed by the various Asian countries, it has been difficult for our overseas patients to fly into Singapore for treatment, and hence we will need to wait a little while more to expand geographically.
- We look forward to an improvement in the COVID-19 situation in Asia and believe that it will be a driver for the recovery of Singapore's medical tourism sector and enable more foreign patients to seek treatment here again.

### 4. The Group made several acquisitions since its listing in 2020. How have these acquisitions strengthened SPCH's value proposition to investors?

- Since our listing in July 2020, we have added two more specialists, three primary care doctors as well as three clinics to our network. We also have expanded our service offerings to include traditional Chinese medicine through the addition of a TCM practitioner to our team. This follows a collaboration that we have with our substantial shareholder, non-profit TCM institution *Sian Chay Medical Institute*.
- In November 2020, we began offering post-treatment rehabilitation with the establishment of *Ready Fit Physiotherapy*.



- These initiatives are in line with our strategy to be a leader in the pain care industry by making our services more widely available and by bridging the gap between open surgery (often linked to higher risk and longer recovery periods) and traditional therapies (which may be less effective in providing immediate pain relief). The combination of minimally invasive specialist Western pain management procedures with TCM and physiotherapy, allows us to achieve longer-lasting pain relief outcomes for our clients while minimising risk and downtime.

### 5. How do you ensure the quality of service is maintained across all clinics and subsidiaries?

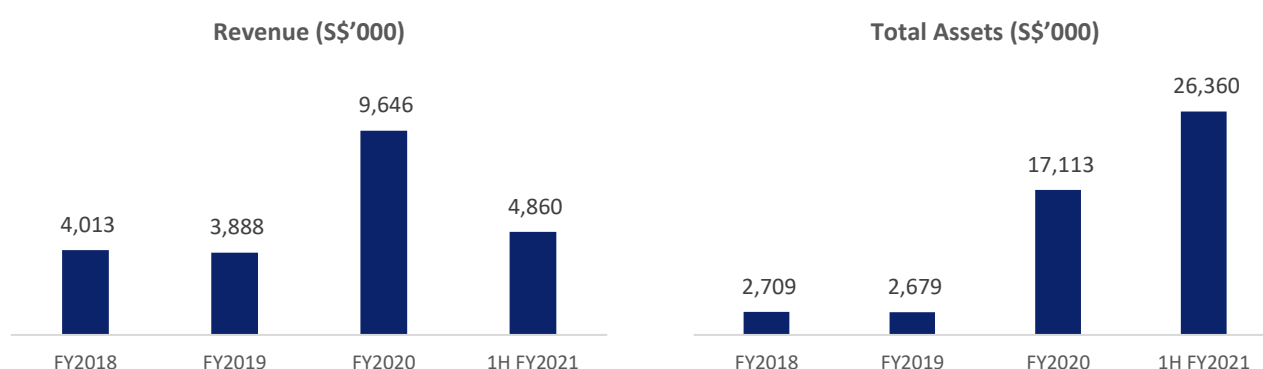
- Pain care is a specialist field that requires rigorous training before it can be practiced. We uphold the highest training standards at our Group to provide patients with effective treatment. Aside from the specialists, the other GP doctors in our network must be trained and certified as "pain care GPs" by our Singapore Paincare Academy before they are allowed to offer our services. The clinics will also be subject to regular audits to ensure consistency of service and standard across the board.

### 6. Who are some of your competitors and what differentiates SPCH?

- Our competitors can range from specialists in Western medicine to TCM practitioners, chiropractors, osteopaths, and even masseurs, catering to various individuals of different affluence levels. Each of these services has its pros and cons. Open surgeries administered by specialists are generally invasive, while relief offered by less invasive non-medical services may be slower to take effect or may not provide lasting relief.
- SPCH's differentiating factor is our ability to offer minimally invasive procedures as an alternative to open surgery, and that provides faster and sustained pain relief outcomes for our patients. However, there is synergistic value in some of these competing services. For example, we have been able to combine our treatment with physiotherapy and TCM to achieve improved outcomes in terms of pain relief and well-being.
- SPCH has become the final stop for many patients who have been unsuccessful in finding relief for their difficult chronic pain conditions. We leverage a unique diagnostic approach with our patients' pain conditions that builds on our knowledge of the multiple pathways leading to chronic pain to eradicate the pain generator and provide lasting pain relief.

## 7. What are your plans in expanding or diversifying your patient base?

- We are working to position ourselves as the first line of defence for patients suffering from painful conditions and have acquired several general primary care clinics as part of our strategy to make paincare services more accessible and affordable to the masses and intend to continue doing so as and when the opportunity arises.
- Having a network of GPs as a first line of defence is also helpful in facilitating the referral of complex cases that they come across to the specialists at SPCH. We also plan to engage more corporate clients and the general public, by conducting seminars and talks on pain care and raising awareness of the vast range of pain conditions that can be treated by the Group.
- In addition, the Group also plans to expand through acquisitions. On 30 November 2020, we announced the acquisition of 40% of the total issued share capital of KCS Anaesthesia Services Pte. Ltd. We believe that the acquisition would allow the Group to include the provision of anaesthesia services and procedures, which is complementary to the Group's existing pain care services and aligned with the Group's strategy to expand its business locally to become a one-stop centre for pain care treatment.



## 8. What are some key demographic trends you foresee in Singapore and the Group's target geographies in the coming years?

- We anticipate that rising income and education levels will continue to drive demand for quality medical services needed to enable improved quality of living. Singapore's ageing population signifies a larger proportion of elderly, who are generally more susceptible to degenerative chronic pain conditions and less likely to be able to afford expensive treatment and surgery. This demographic group is also less mobile, and it can be a hassle for them to wait or seek treatment at public hospitals.
- The decentralised treatment that we offer presents an opportunity to provide greater bedside care for them, which may prove essential in the future. In addition, the increasing recognition of pain care as a specialised field by insurance companies, and growth in the number of insured patients in Singapore will enable more patients with chronic pain conditions to seek out private healthcare services offered by the Group.
- Singapore's reputation as a country providing high medical standards has been an attraction for overseas-based patients, but this group of patients has shrunk significantly since border closures were introduced in view of the pandemic. Management believes that the expected recovery in overseas patient numbers when the borders are reopened will augur well for SPCH as well as enable us to execute our plan of bringing our services outside of the country.

## 9. A key ESG consideration for medical firms is the accessibility of medical services. How has the Group ensured the accessibility of pain care treatments for the local community?

- We have a practice of partnering our GP network annually, to identify and provide free specialist paincare treatment for certain needy patients who require but cannot afford it. We expect to provide more such pro bono services as we expand our network of doctors over time. We currently also have an ongoing initiative with *Sian Chay Medical Institute*, to provide free influenza and pneumonia vaccinations to their beneficiaries.

## 10. What is SPCH's value proposition to its shareholders and potential investors? What do you think investors may have overlooked about it?

- Our proprietary specialised injections and minimally invasive procedures have enabled us to build up a solid track record of successfully treating most of the difficult pain conditions that others have failed or were unable to manage. The rise in the number of patients seeking paincare services for chronic pain, which we believe is due to growing awareness that these conditions can be treated, presents a good growth opportunity for SPCH, which offers an alternative to open surgery and helps patients with degenerative conditions to age painlessly.
- While pain care is a relatively young specialist field in Singapore, it is widely recognised among medical professionals. This field of specialisation now exists as a separate Chapter within the Specialist Accreditation Board. There is also higher acceptance among insurance companies for claims in relation to paincare treatment, and this translate to a growth in patient numbers in time.

*Source: Company data*



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Designed to be a short read, 10 in 10 provides insights into SGX-listed companies through a series of 10 Q&As with management. Through these Q&As, management will discuss current business objectives, key revenue drivers as well as the industry landscape. Expect to find wide-ranging topics that go beyond usual company financials.

This report contains factual commentary from the company's management and is based on publicly announced information from the company.

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For company information, visit <https://sgpaincareholdings.com/>  
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## Notes



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