

NEWS RELEASE

Kuala Lumpur/Singapore, 23 February 2022

IHH Healthcare more than doubles Net Operating Income for full year 2021; Unveils “Care. For Good.” Strategy as it celebrates 10th anniversary

FY 2021 Y-o-Y

Revenue	EBITDA	Net Operating Income*	Net Income [^]
RM17.1 b	RM4.3 b	RM1.6 b	RM1.9 b
(↑ 28%)	(↑ 49%)	(↑ 123%)	(↑ 645%)

Q4 2021 Y-o-Y

Revenue	EBITDA	Net Operating Income*	Net Income [^]
RM4.5 b	RM1.1 b	RM440.8 m	RM453.6 m
(↑ 19%)	(↑ 7%)	(↑ 19%)	(↑ 8%)

*PATMI excluding exceptionals

[^]PATMI

“Our improved performance is down to the disciplined execution of our strategy, underpinned by the trust culture we have built with our stakeholders. This year, as we celebrate our 10th anniversary as a listed company, IHH will embark on a new “Care.For Good.” Strategy.

We will continue to strengthen our trust culture; improve locally, synergise globally; and develop growth engines. This is with a clear goal to increase ROE including through our focus on growing the laboratory business and setting aside US\$100 million for our digital transformation journey. All of these efforts will be centred on our true north of caring for patients, people, planet and the public.

IHH has grown from strength to strength in the past 10 years, and in the years to come, we intend to provide sustainable growth for all. #CareForGood.”

Dr Kelvin Loh
Managing Director and CEO, IHH Healthcare

GROUP RESULTS HIGHLIGHTS

Q4 2021: Strong performance on core operations and COVID-19 services; maintained cost discipline

- Revenue saw a 19% increase year-on-year (“Y-o-Y”) as the Group saw continued growth across the countries it operated in, with patient volumes picking up since June 2020. The acquisition of Bel Medic in Serbia in July 2021 and DDRC SRL in India in April 2021 also contributed to the increase .
- EBITDA grew 7% as revenue growth was offset by higher staff costs and operating expenses, lower government grant income and lower valuation gain on investment properties of PLife REIT.
- Net Income and Net Operating Income increased to RM453.6 million and RM440.8 million respectively on the back of increased patient volumes, offset by higher costs.
- Board declared a first and final dividend of 6 sen per share for Bursa shareholders and 1.93¹ cents per share for SGX shareholders, a 50% increase compared to a year ago.

¹Dividend to be paid is subject to the prevailing exchange rate on 29 April 2022, equivalent to 6 sen per share

FY 2021: Strong balance sheet, ample liquidity and debt headroom

- Revenue and EBITDA rose 28% and 49% y-o-y due to a lower base in FY2020 when COVID-19 lockdowns occurred in the markets IHH operates in.
- Net Operating Income more than doubled from RM715.3 million to RM1.6 billion on the back of stronger EBITDA, lower net finance costs and higher share of profits from associates.
- Balance sheet remained strong, with net cash generated from operating activities of RM3.5 billion and an overall cash balance of RM5.0 billion.
- Net gearing reduced to 1.37 times (31 Dec 2020: 2.59 times).
- For the first time, the Group issued its audited financial statements at the same time as its full year financial results, making IHH one of the select few to do so on both Bursa and SGX.

FY 2021 OPERATIONAL HIGHLIGHTS

- Return on Equity (“ROE”) reached 8.4% as at December 2021 (September 2021: 8.2%).
- **Hong Kong:** Gleneagles Hong Kong Hospital continued to report positive EBITDA in Q4 2021.
- **India:** Completed the divestment of Continental Hospitals in December 2021, which is part of IHH’s portfolio review.
- **Turkey:** Acibadem Atasehir Hospital, a 180-bed capacity hospital, is expected to open by Q3 2022.
- **China:** Parkway Shanghai Hospital, a 450-bed capacity hospital, is slated to open in Q3 2022.
- **Singapore:** Building a one-stop multi-disciplinary medical centre at Woodleigh Mall in Singapore. The facility will feature an in-house radiological unit, and offer a comprehensive suite of medical services for the community, which range from offering health screening to providing urgent care. The centre is expected to open by 2023.

OUR “CARE. FOR GOOD.” STRATEGY

On our 10th anniversary as a listed company, we are unveiling “Care. For Good.” – our strategy to provide sustainable growth for all stakeholders, including patients, people and the public. It is anchored by four strategic pillars:

1. Build a Trust culture
2. Improve locally, Synergise globally
3. Driven by five Growth Engines:
 - **Recovering from COVID-19:** Increasing volumes and occupancy to pre-pandemic levels as situation normalises
 - **Achieving organic growth:** Improving bed occupancy and better utilisation of existing capacity
 - **Acquiring strategic assets:** According to cluster strategy and to adjacent markets
 - **Developing our laboratory business:** As a global laboratory platform
 - **Driving innovation and digital transformation:** Through digital and health tech platforms with US\$100 million allocated from 2022-2025
4. Compelling Sustainability strategy

OUTLOOK

- As the world emerges from the pandemic, there may be short-term headwinds as COVID-19 services taper off. We are cognisant of rising staff costs and inflationary pressures, but remain disciplined and will continue our journey of improving ROE as normalcy returns.
- Long term mega-trends will remain intact and favourable, business-as-usual will return and we see continued growth.
- 2022 marks our 10th anniversary as a listed company; Our new “Care. For Good” strategy is driven by five Growth Engines, anchored on Trust, supported by operational Synergy on a global scale and made Sustainable, because we care.

GEOGRAPHICAL OPERATIONAL AND FINANCIAL UPDATES

Malaysia operations

Continued recovery with higher inpatient volumes

- Quarter-on-quarter (Q-o-Q):
 - Revenue improved by 5% and EBITDA grew 11%.
- Year-on-year (Y-o-Y):
 - Revenue rose 20% to RM742.9 million due to increased contribution from inpatient admissions, undertaking more complex cases and performing COVID-19 tests; EBITDA grew 28% to RM223.2 million.
 - Inpatient admissions increased 12% while revenue intensity grew 8.3%. For the quarter, average occupancy was at 52%.

Singapore operations

Resilient performance despite lower inpatient admissions in Q4 due to COVID-19 community cases buoyed by higher revenue intensity

- Quarter-on-quarter (Q-o-Q):
 - Revenue declined 2%; EBITDA grew 32%.
- Year-on-year (Y-o-Y):
 - Revenue grew 22% to RM1.3 billion; EBITDA grew 6% to RM484.9 million.
 - Inpatient admissions decreased 11%; however, revenue intensity grew 17.5%.
 - For the quarter, average occupancy was at 53%.

Turkey and Europe operations

Steady profits maintained

- Quarter-on-quarter (Q-o-Q):
 - Revenue improved 3% while EBITDA grew 6%.
- Year-on-year (Y-o-Y):
 - Revenue improved 17% to RM 1.1 billion; EBITDA increased 14% to RM318.3 million.
 - Inpatient admissions increased 21%; Revenue intensity increased 7.3% with more complex cases undertaken and price adjustments to counter inflation.
 - For the quarter, average occupancy was at 81%.

India operations

Healthy recovery of non-COVID inpatient admissions

- Quarter-on-quarter (Q-o-Q):
 - Revenue decreased 3% while EBITDA remained flat.
- Year-on-year (Y-o-Y):
 - Revenue grew 19% to RM948.2 million from healthy recovery of non-COVID-19 inpatient admissions. EBITDA increased 58% to RM181.4 million.
 - Inpatient admissions increased 15%; Revenue intensity increased 3.4% as patients with more serious and urgent ailments sought treatment at the hospitals.
 - For the quarter, average occupancy was at 68%.

Others

- IMU Health’s Q4 2021 revenue increased 9% y-o-y, driven by changes in the academic calendar due to COVID-19; EBITDA rose 36% y-o-y on the higher revenue and the lower base in FY 2020.
- PLife REIT’s Q4 2021 external revenue was on par with Q4 2020; EBITDA decreased 45% due to a valuation loss of RM24.6 million on its Japan investment properties in Q4 2021, versus an overall valuation gain of RM19.7 million in Q4 2020.

APPENDIX: OUR NEW STRATEGY AT A GLANCE

OUR NEW STRATEGY, GUIDED BY OUR VISION:



UNDERPINNED BY FOUR PILLARS:



DRIVEN BY FIVE ENGINES



ABOUT IHH HEALTHCARE BERHAD (“IHH”)

A world-leading integrated healthcare provider, IHH believes that making a difference starts with a simple idea: Care. For Good.

Our team of 65,000 people commit to deliver greater good to our patients, people, the public and planet, as we live our purpose each day to touch lives and transform care.

Through our portfolio of trusted brands – Acibadem, Mount Elizabeth, Prince Court, Gleneagles, Fortis, Pantai, Parkway and IMU – we offer our patients comprehensive and personalised care ranging from primary to quaternary, and even ancillary services such as laboratory, diagnostics, imaging and rehabilitation.

With our scale and reach in 10 countries, we continue to raise the bar in healthcare in our key markets of Malaysia, Singapore, Turkey, India, Greater China (including Hong Kong) and beyond.

In partnership with our stakeholders, we will co-create a sustainable future for all as we work towards our vision to become the world’s most trusted healthcare services network.

More information can be found at www.ihhealthcare.com.

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