



IHH Healthcare Berhad

FOR IMMEDIATE RELEASE

Kuala Lumpur/Singapore, 27 February 2018

IHH Healthcare Q4 profit increases to RM101.3 million; Recommends dividend of 3 sen per share for FY2017

HIGHLIGHTS:

Sustained organic growth YoY: double-digit revenue growth; EBITDA up despite start-up costs

- Q4 2017 revenue up 10% year-on-year to RM2.9 billion; EBITDA up 9% to RM615.7 million
- Solid operational performance offset start-up costs for newly opened Gleneagles Hong Kong and Acibadem Altunizade
- Headline PATMI at RM101.3 million in Q4 2017, reversing from a loss in Q4 2016

Maintained balance sheet strength on proactive management

- Improved net gearing of 0.03 times (31 December 2016: 0.21 times) with RM6.1 billion cash position

Board recommends dividend of 3 sen per share

- First and final cash dividend of 3 sen per ordinary share for FY2017

GROUP RESULTS HIGHLIGHTS

Consolidated Financial Results for the period ended 31 Dec	Q4 2017 (RM million)	Q4 2016 (RM million)	Variance (%)	FY2017 (RM million)	FY2016 (RM million)	Variance (%)
Revenue	2,885.1	2,631.5	10	11,142.6	10,021.9	11
EBITDA	615.7	565.4	9	2,279.5	2,283.2	0
PATMI	101.3	(42.5)	N.M.	970.0	612.4	58
PATMI (less exceptional items)	181.9	222.4	(18)	595.3	866.0	(31)

IHH Healthcare Berhad (“IHH” or the “Group”), a leading premium global healthcare provider, today announced earnings for the fourth quarter and full year ended 31 December 2017 (“Q4 2017” and “FY2017” respectively). The Board of Directors recommended a first and final dividend of 3 sen per ordinary share for the full year.

For the three months ended 31 December 2017, the Group’s revenue increased 10% year-on-year (“YoY”) to RM 2.9 billion on sustained organic growth from existing operations and the continued ramp up of its new hospitals: Gleneagles Hong Kong Hospital and Acibadem Altunizade Hospital, which opened



IHH Healthcare Berhad

FOR IMMEDIATE RELEASE

Kuala Lumpur/Singapore, 27 February 2018

in 2017. Tokuda Group and City Clinic Group in Bulgaria also contributed to higher revenue following their acquisition in June 2016.

Earnings before interest, tax, depreciation, amortisation, exchange differences and other non-operational items (“EBITDA”) grew 9% to RM615.7 million on the stronger revenue performance and from lower provisions for doubtful debts compared to the previous corresponding period.

Headline PATMI stood at RM101.3 million, reversing a loss of RM42.5 million for Q4 2016, which was impacted by a number of exceptional items. PATMI (excluding exceptional items)* declined 18% mainly due to higher depreciation, amortisation and finance costs for the two new hospitals opened last year.

For the full year ended 31 December 2017, revenue increased 11% YoY to RM11.1 billion while EBITDA was flat at RM2.3 billion. Headline PATMI was RM970.0 million, 58% higher than the RM612.4 million for FY2016. PATMI (excluding exceptional items)* decreased 31% to RM595.3 million.

The Group maintained a strong financial position as at end-December 2017, with a cash balance of RM6.1 billion and improved net gearing of 0.03 times (31 December 2016: 0.21 times).

BOARD AND MANAGEMENT COMMENTS:

IHH Managing Director and CEO, Dr Tan See Leng, said: “In 2017, we enhanced the quality of our portfolio of core assets while positioning for growth. Our existing hospitals continue to perform, Gleneagles Hong Kong and Acibadem Altunizade are ramping up, and we invested in strategic assets including diagnostics player Angsana Holdings, to further differentiate our service offerings. Proactive management of our capital structure and balance sheet has placed us in a solid position to grow; this includes phasing our projects progressively to manage costs, disposing of non-core assets and establishing a US\$2 billion multi-currency medium-term note programme.

“Looking ahead, we are poised for growth. Our newer hospitals will become game changers for the Group, with Gleneagles Hong Kong in particular, putting us well on the way to making Greater China our fifth home market as our slate of hospital projects takes shape.”

IHH Chairman, Dato’ Mohammed Azlan bin Hashim, said: “The stewardship of our former Chairman, Tan Sri Dato’ Dr Abu Bakar bin Suleiman, has played a crucial role in steering the Group’s sustainable growth since our Initial Public Offering in 2012. On behalf of the Board and all at IHH, we want to thank him for his many years of leadership and dedication through the IPO and beyond.

We are also pleased that with our steady performance, it has allowed us to recommend a dividend for our shareholders for 2017. The Board and Management are now looking forward to the next phase in IHH’s growth as we continue to deliver sustainable long-term value for shareholders.”

* Stripping out exceptional items provides a better gauge of underlying operational performance



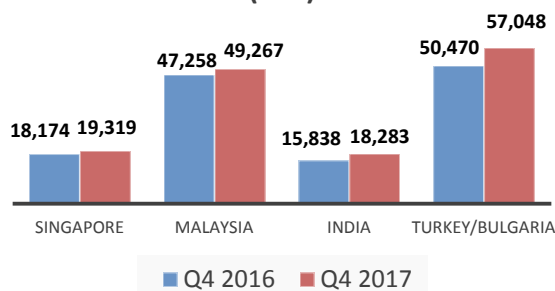
FOR IMMEDIATE RELEASE

Kuala Lumpur/Singapore, 27 February 2018

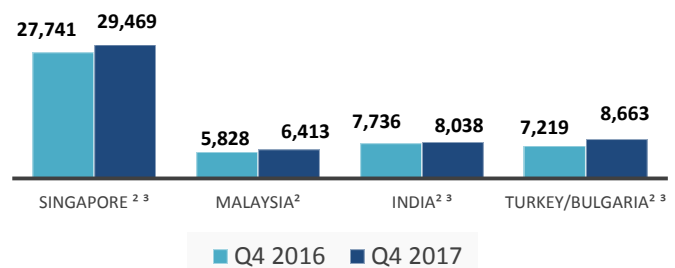
SEGMENTAL RESULTS OVERVIEW: Q4 2017

Segment	Revenue (RM million)			EBITDA (RM million)		
	Q4 2017	Q4 2016	Variance (%)	Q4 2017	Q4 2016	Variance (%)
Parkway Pantai	1,758.1	1,571.3	12	317.3	332.9	(5)
Acibadem Holdings	1,034.5	967.6	7	206.1	136.9	51
IMU Health	59.0	58.0	2	7.0	16.0	(56)
PLife REIT	32.9	34.0	(3)	74.5	89.0	(16)

**Inpatient Admission Volumes¹
(YoY)**



Revenue Intensity Per Patient¹ (YoY)



1. Based on Singapore, Malaysia, India and Acibadem Holdings hospitals only. Excludes hospitals operated by joint venture companies, hospitals under hospital management agreements and other international hospitals.
2. Specialist fees not included in Singapore's and Malaysia's average revenue per inpatient admission
3. Based on a uniform exchange rate throughout the periods shown (SGD: 3.05717; INR:0.06377; TL:1.03880)

Parkway Pantai, the Group's largest operating subsidiary, reported double-digit revenue improvement of 12% on sustained organic growth and the ramp up of its newer hospitals in Malaysia as well as for Mount Elizabeth Novena in Singapore. Gleneagles Hong Kong also contributed to Parkway Pantai's revenue. However, EBITDA dipped slightly by 5% due to the RM65.3 million start-up losses for Gleneagles Hong Kong.

Inpatient admissions at its Singapore hospitals grew 6.3% to 19,319, driven by both local and foreign patients. Average revenue per inpatient admission ("**revenue intensity**") rose 6.2% to RM29,469 as the Group continued to see strong growth in the quarter from foreign patients especially from Indonesia.

Inpatient admissions at its Malaysia hospitals increased 4.3% to 49,267 while revenue intensity improved by 10.0% to RM6,413 driven by an increase in both local and foreign patients.

In India, the Group's fourth home market, inpatient admissions grew 15.4% to 18,283 while revenue intensity increased by 3.9% to RM8,038. This was on the continued ramp-up and improved case mix at IHH's operations in the country.



IHH Healthcare Berhad

FOR IMMEDIATE RELEASE

Kuala Lumpur/Singapore, 27 February 2018

Acibadem Holdings, Turkey's leading private healthcare provider in which IHH owns a 60% majority stake, saw revenue improve by 7% on sustained organic growth across most hospitals, as well as the ramp up of newer hospitals and the consolidated Bulgaria operations. EBITDA increased sharply by 51% on improved revenue and from lower provisions made for doubtful debts compared to Q4 2016.

Inpatient admissions grew 13.0% to 57,048 with contribution from Acibadem Altunizade and the Bulgaria operations. Revenue intensity improved by 20.0% to RM8,663 due to taking on more complex cases and receiving more foreign patients.

IMU Health, the Group's medical education arm, increased revenue by 2% as it shortened the semester for some courses. However, EBITDA fell by 56% on higher staff costs as well as operating and marketing expenses.

PLife REIT, with a portfolio of 49 healthcare-related properties as at 31 December 2017, saw external revenue impacted by a weaker Japanese Yen versus the Malaysian Ringgit, which affected translated income from its Japan portfolio. EBITDA declined by 16% as the previous corresponding quarter had seen a RM13.1 million revaluation gain from the divestment of investment properties.

OUTLOOK AND PROSPECTS

IHH continues to believe in the sustained demand for quality private healthcare in its home markets and key growth market of Greater China. This is based on shifting demographics and a fast-growing middle and upper class in its home and key markets, as well as its centres of excellence in established medical hubs.

The Group will continue to draw on its rapid growth over the past few years to enhance service offerings at existing hospitals, ramp up newer hospitals to further optimise operating leverage, consolidate acquired assets and prepare for the progressive opening of its slate of greenfield and expansion projects.

IHH is confident that it is well-positioned to capture opportunities on having an experienced management team with a proven execution record, its 40-year track record of delivering superior clinical outcomes, strong balance sheet and operating cash flows, and strong brands and network of hospitals.

For further information or to speak to an IHH spokesperson, please contact:

Penelope Koh
t. +65 6307 7881
e. penelope.koh@ihhhealthcare.com

Josephine Chew
t. +65 9061 0353
e. jchew@we-watatawa.com



IHH Healthcare Berhad

FOR IMMEDIATE RELEASE

Kuala Lumpur/Singapore, 27 February 2018

About IHH Healthcare Berhad (“IHH”)

IHH Healthcare Berhad is a leading premium integrated healthcare provider in markets where the demand for quality care is strong and growing. We are one of the largest healthcare groups in the world by market capitalisation and are listed on the Main Market of Bursa Malaysia and the Main Board of SGX-ST.

Employing more than 35,000 people and operating over 10,000 licensed beds across 50 hospitals in 10 countries worldwide, the Group offers the full spectrum of integrated healthcare services from clinics to hospitals to quaternary care and a wide range of ancillary services across our three operating subsidiaries:

- **Parkway Pantai Limited** is one of Asia's largest integrated private healthcare groups with a network of 28 hospitals throughout the region, including Malaysia, Singapore, India, China, Brunei and UAE. Its “Mount Elizabeth”, “Gleneagles”, “Parkway” and “Pantai” brands are among the most prestigious in Asia.
- **Acibadem Holdings** is Turkey’s leading private healthcare provider, offering integrated healthcare services across 22 hospitals in Turkey, Macedonia, Bulgaria and Iraq. The “Acibadem” brand is renowned for its clinical excellence in the Central & Eastern Europe, Middle East and North Africa (“CEEMENA”) region.
- **IMU Health** is IHH’s medical education arm, and oversees the established higher learning institutions of International Medical College (“IMC”) and International Medical University (“IMU”) in Malaysia.

IHH is the leading player in our home markets of Malaysia, Singapore, Turkey and India, and key growth markets of China and Hong Kong. For more information, please visit www.ihhhealthcare.com.