



Health
Management
International

Investor Presentation

Financial Year Ended 30 June 2015

Disclaimer

This is a presentation of general information relating to the current activities of the Health Management International Ltd (“HMI”). It is given in summary form and does not purport to be complete. In addition, the presentation may contain forward-looking statements relating to financial trends for future periods, compared to the results for previous periods. Some of the statements contained herein are not historical facts but are statements of future expectations relating to the financial conditions, results of operations and businesses and related plans and objectives. The information is based on certain views and assumptions and would thus involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support future business. Such statements are not and should not be construed as a representation as to the future of HMI and should not be regarded as a forecast or projection of future performance. No reliance should therefore be placed on these forward-looking statements, which are based on the current view of the management of HMI on future events. The presentation is also not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. HMI accepts no responsibility whatsoever with respect to the use of this document or any part thereof.



Health
Management
International

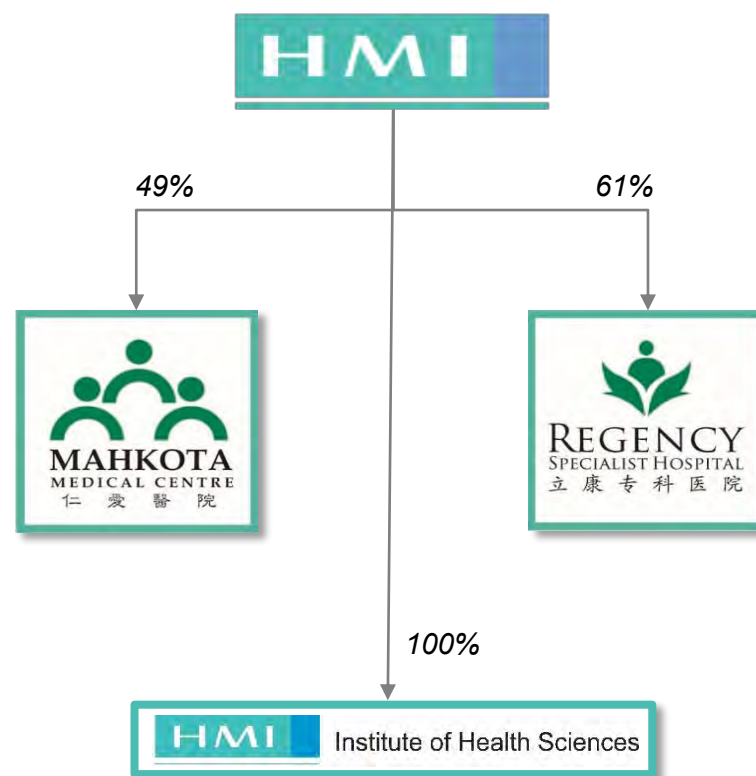
GROUP OVERVIEW

Overview

General description

- Health Management International Ltd (“HMI”) is a fast growing private healthcare provider with presence in Singapore, Malaysia and Indonesia
- Established in 1998 and listed on the SGX Mainboard
- Owns and operates
 - 2 tertiary care hospitals in Malaysia that are supported by a strong patient referral network across Southeast Asia; and
 - 1 healthcare training institute in Singapore providing healthcare courses
- Independent practice model attracts and retains top specialist doctors for HMI hospitals
 - More than 170 practicing consultants serving close to 400,000 patients p.a.
- Core expertise in hospital management, strategy and business turnaround

Abridged group structure¹



Fast growing private healthcare provider with two tertiary hospitals in Malaysia

Extensive regional network



Mahkota Medical Centre
Malacca, Malaysia

- Operational since 1994
- 266 bed tertiary hospital
- Serving ~300,000 patients p.a.
- >110 practicing consultants
- One of the largest and most profitable hospitals in Malaysia
- Leader in Malaysia medical tourism
- 17 awards won to date



Regency Specialist Hospital
Johor, Malaysia

- Operational since 2009
- 218 bed tertiary hospital
- Serving ~100,000 patients p.a.
- >60 practicing consultants
- One of the fastest growing private hospitals in Malaysia
- 15 minutes from Singapore-Woodlands checkpoint and Johor City Centre

HMI's hospitals are supported by a network of 19 Patient Referral Centres across Southeast Asia

History and milestones

FY1998

- Incorporation of HMI
- Operated the 60 bed Balestier Hospital in Singapore



FY2007

- Acquired a 35% equity stake in Regency Specialist Hospital ("**Regency**"), an empty hospital building
- Raised interest in Mahkota to 49%

FY2000

- Completed acquisition of 20% interest in Mahkota

FY2003

- Acquired 2-year management contract for Grand Hospital Bengkalis, Indonesia

FY2009

- Official opening of Regency

FY2014

- Regency achieved first full year of profitability

FY2001

- Achieved turn-around of Mahkota after years of losses
- Raised interest in Mahkota to 40%

FY2008

- Commissioned Regency
- Raised interest in Regency to 61%
- HMI upgraded to SGX-Mainboard

FY2015

- Commenced capacity expansion plans at Mahkota and Regency

FY1999

- Listing of HMI on SGX-Sesdaq
- Obtained agreement to manage loss making Mahkota Medical Centre ("**Mahkota**")



FY2005

- Shift of core business in Singapore to healthcare education and training

FY2010

- HMI hospitals approved for use of Medisave overseas for hospitalisation & day surgeries

Vision, mission and key awards

Our Vision

Improving lives through quality healthcare services

Our Mission

To be a leading regional healthcare company committed to the delivery of quality services with care and compassion, that:

- Creates sustainable stakeholder value;
- Improves the quality of human life;
- Adheres to the highest ethical standards; and
- Attracts and develops quality human capital

Notable Awards



2015 Frost & Sullivan Malaysia Medical Tourism Hospital of the Year



Malaysia Society for Quality in Health (MSQH) Accreditation, 4th Edition



The BrandLaureate SMEs Master Awards 2013
Best Brand in Wellness Healthcare – Hospital



Malaysia Healthcare Tourism Council Awards for Outstanding Achievement 2012¹

Group strategy

- Expand from 266 beds to c.360 beds in existing building
- Further develop Centres of Excellence (“COE”) into one-stop treatment centres
- Potential to increase bed capacity by building new hospital wing on adjacent plot of land

Expansion of Mahkota

Expand private hospital presence in the region

- Expansion through new investments in hospitals in the region
 - Key focus on Southeast Asia
 - Replicate successful hospital model achieved in Mahkota and Regency

- Expand from 130 beds to c.218 beds in existing building
- Construction of a new 10-storey medical outpatient block to increase bed and clinic capacity and provide dedicated outpatient services
- Development of a cancer centre

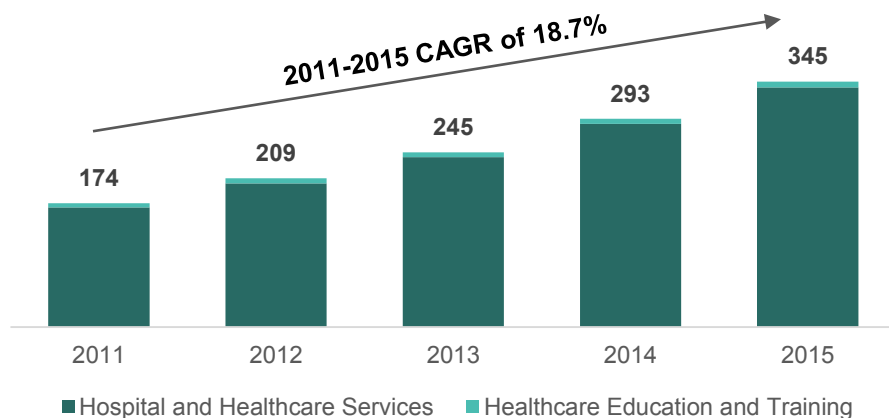
Expansion of Regency

Identify healthcare related business opportunities

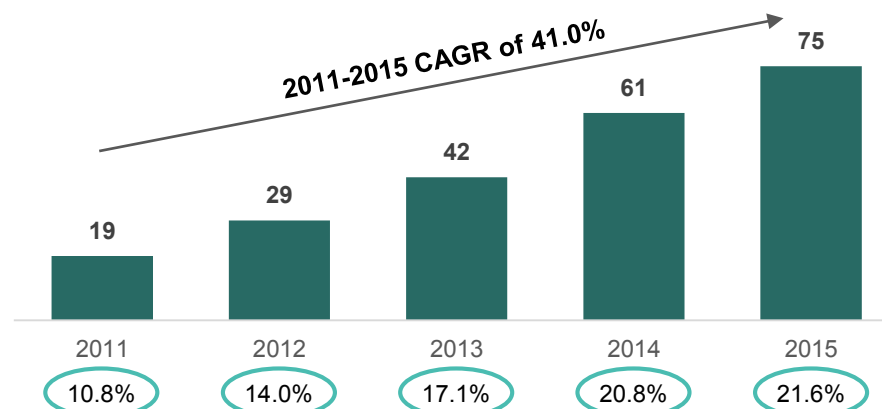
- Identify other attractive healthcare related opportunities in the region
- Leverage on HMI’s existing knowledge, resources in tertiary healthcare as well as business turnaround expertise

Group financials

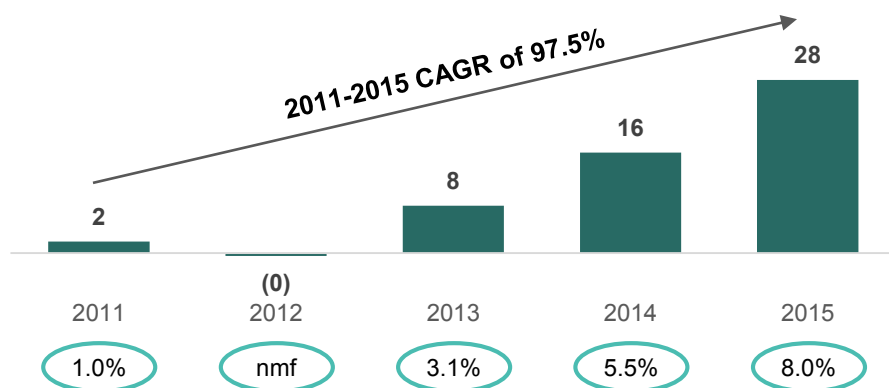
Revenue by Segment (RMm)



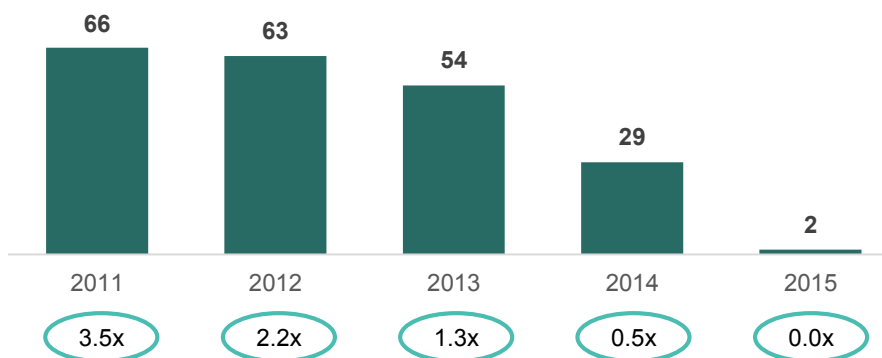
EBITDA² (RMm) and EBITDA Margin (%)



PATMI (RMm) and PATMI Margin (%)



Net Debt (RMm) and Net Debt-LTM EBITDA (x)





KEY SUBSIDIARIES

Mahkota Medical Centre

General description

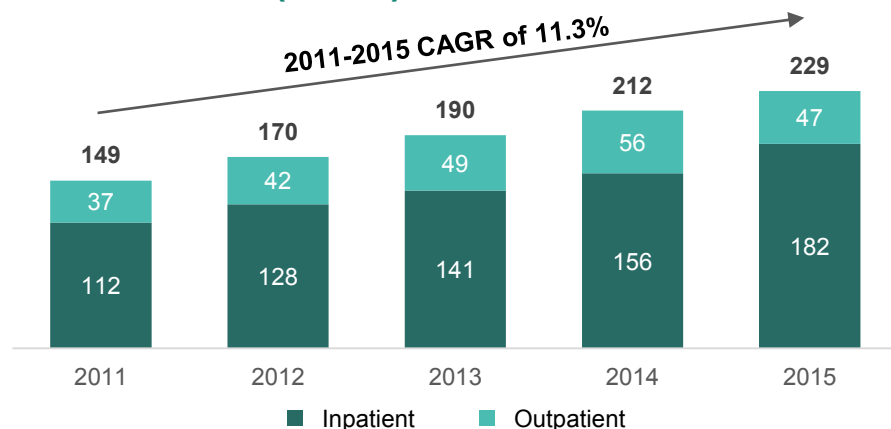
- Established in 1994, Mahkota is the largest tertiary hospital in South Malaysia¹ with 266 beds, serving almost 300,000 patients a year
 - Strategically located within historical city centre of Malacca
 - >110 consultants across wide range of medical and surgical disciplines
- Has one of the highest EBITDA margins amongst key domestic hospital peers
- A pioneer and leader of medical tourism in Malaysia
 - First mover in Indonesia (since 1998) with strong brand recognition today
 - >10% market share of Malaysia's medical tourists (with ~80,000 foreign patients a year)
 - Frost & Sullivan “*Malaysia Medical Tourism Hospital of the Year*” in 2015
- To expand to c.360 beds within existing building and potential to construct a new hospital wing on adjacent plot of land
- Won 17 awards to date and achieved Malaysian Society for Quality in Healthcare 4-year accreditation (4th edition)



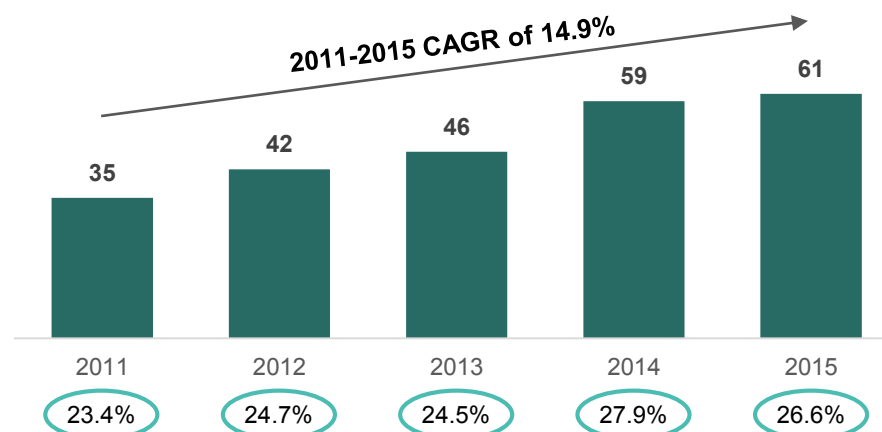
One of the most established and profitable hospitals in Malaysia and the region

Mahkota Medical Centre (cont'd)

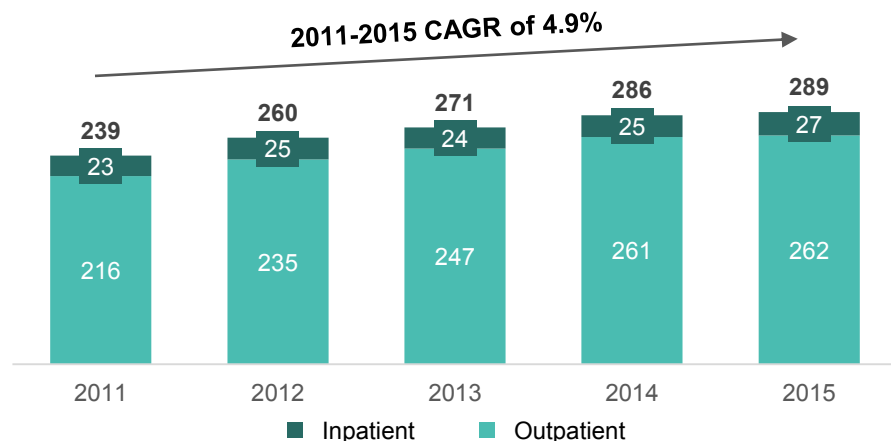
Net Revenue (RMm)



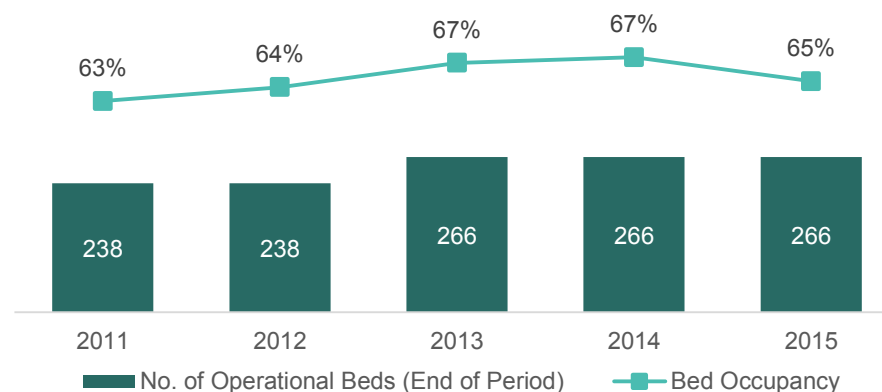
EBITDA (RMm) and EBITDA Margin (%)



Patient Load ('000)



No. of Operational Bed and Bed Occupancy



Regency Specialist Hospital

General description

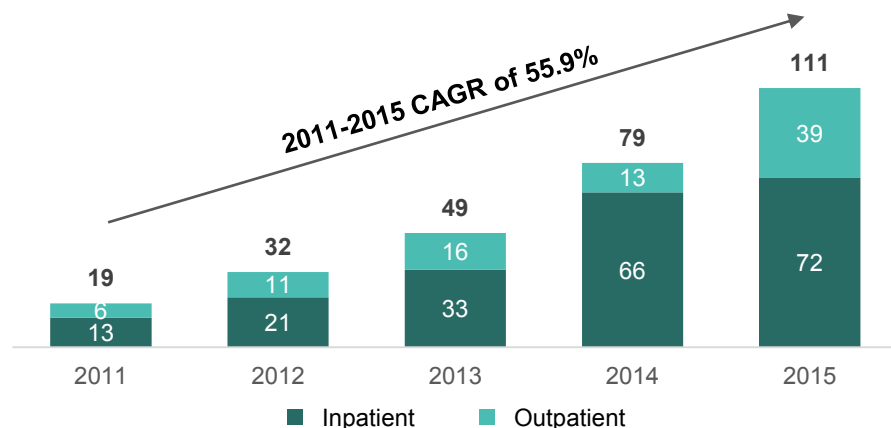
- Established in 2009, Regency is a 218-bed private hospital located in Iskandar, Johor
 - First major tertiary hospital built in Johor in 20 years
 - 15 minute from Singapore-Woodlands checkpoint and Johor Bahru City Centre
- Closest tertiary hospital to Pasir Gudang industrial area and new RM 60 billion Petronas oil refinery-petrochemicals complex
 - Only private hospital in Malaysia to have a 24 hour emergency specialist centre
- Supported by >60 consultants with intention to become a comprehensive one-stop centre to serve the Iskandar region
- Approved by Singapore Ministry of Health for Singapore residents to use Medisave for hospitalisation and day surgeries overseas
- Expansion plans include construction of a new 10-storey medical outpatient block and development of a cancer centre



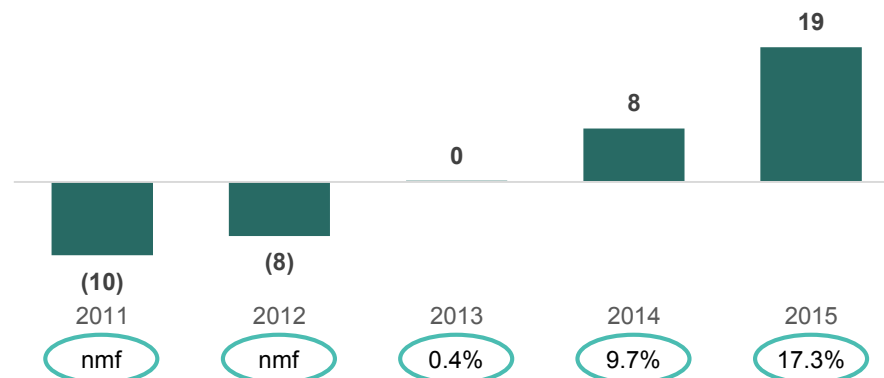
Tertiary hospital providing comprehensive healthcare services to the fast growing region of Iskandar

Regency Specialist Hospital (cont'd)

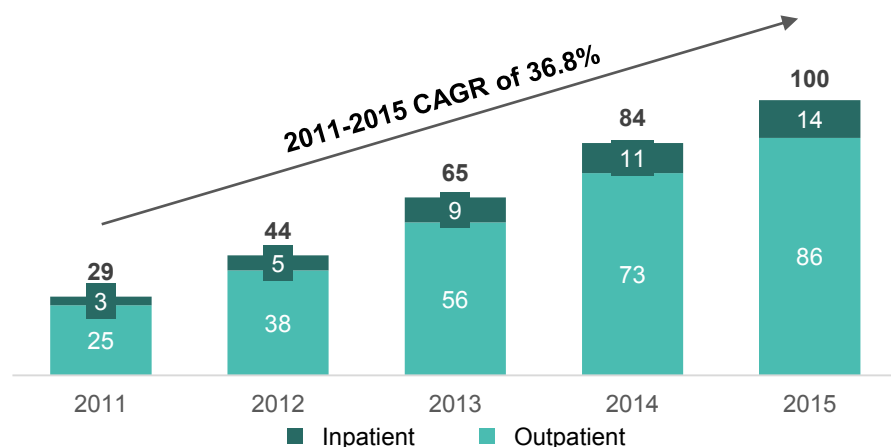
Net Revenue (RMm)



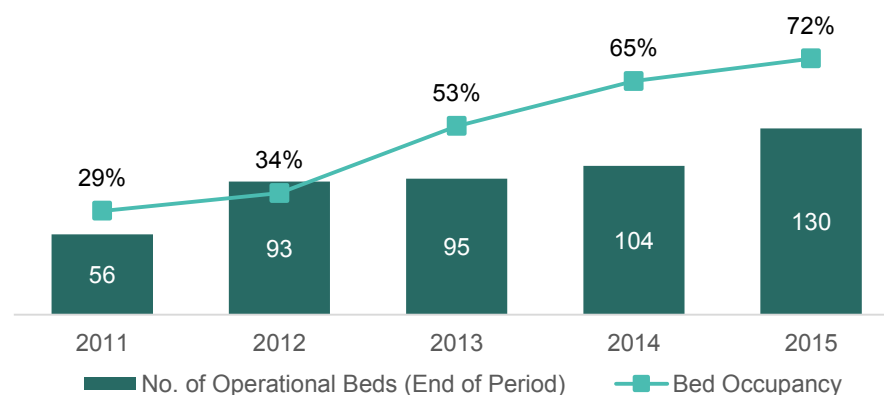
EBITDA (RMm) and EBITDA Margin (%)



Patient Load ('000)



No. of Operational Bed and Bed Occupancy



HMI Institute of Health Sciences

General description

- HMI Institute of Health Sciences (“**IHS**”) is the first dedicated private provider of healthcare training and education in Singapore
 - Appointed by Singapore Workforce Development Agency as a Continuing Education & Training Centre to conduct Workforce Skills Qualifications (“**WSQ**”) for the healthcare sector
 - Provides nationally accredited nursing education and healthcare vocational skills training and courses on emergency life support (“**ELS**”)
- To date, IHS has trained more than 3,500 healthcare graduates as well as ~100,000 people benefiting from the ELS short courses
- Shifted operations to a purpose-built training facility at Devan Nair Institute and adding new courses and curriculum as part of expansion plans



Provider of WSQ certified healthcare and emergency life support courses



Health
Management
International

APPENDIX

Group financials

	Units	FY2011	FY2012	FY2013	FY2014	FY2015
Revenue	RM'000	173,884	209,221	245,415	292,912	345,224
Growth	%		20.3%	17.3%	19.4%	17.9%
Gross Profit	RM'000	43,381	52,811	66,478	85,834	103,058
Gross Margin	%	24.9%	25.2%	27.1%	29.3%	29.9%
EBITDA²	RM'000	18,859	29,298	41,998	60,896	74,567
EBITDA Margin	%	10.8%	14.0%	17.1%	20.8%	21.6%
Depreciation	RM'000	(9,136)	(10,858)	(12,346)	(14,025)	(16,239)
EBIT ²	RM'000	9,724	18,439	29,652	46,871	58,328
EBIT Margin	%	5.6%	8.8%	12.1%	16.0%	16.9%
Net Profit after Tax ("NPAT")	RM'000	6,809	8,133	19,171	36,042	53,357
Profit after Tax and Minority Interests ("PATMI")	RM'000	1,816	(481)	7,574	16,027	27,643
PATMI Margin	%	1.0%	nmf	3.1%	5.5%	8.0%
Total Cash	RM'000	11,247	6,535	9,699	25,977	39,076
Total Debt	RM'000	77,212	69,855	63,648	55,378	40,576
Net Debt	RM'000	65,964	63,320	53,949	29,401	1,500
Net Debt to LTM EBITDA	x	3.5x	2.2x	1.3x	0.5x	0.0x

Note: 1. For year ended 30 June; 2. EBITDA and EBIT are pro-forma for effects of asset restructuring exercise undertaken in FY2015

Key management



Dr Gan See Khem
Chairman

- >30 years of experience in healthcare, management, strategic planning, and public services
- Former Nominated Member of Parliament of the Republic of Singapore



Ms Chin Wei Jia
*Executive Director
Regency CEO*

- >12 years of experience in healthcare-related strategic planning, business development and hospital management
- Led the setting up of healthcare education arm in Singapore



Mr Stanley Lam
Mahkota CEO

- >10 years in Pantai Group with last appointment as Deputy CEO of Pantai Hospital Kuala Lumpur (“**PHKL**”)
- Led PHKL to achieve significant accreditations which include JCI, MSQH and ISO



Mr Chin Wei Yao
*Director, Finance &
Corporate Development*

- >8 years of private equity and investment banking experience in South East Asia
- Previously with KV Asia Capital, Sindicatum and Credit Suisse



Mr Tee Soo Kong
IHS General Manager

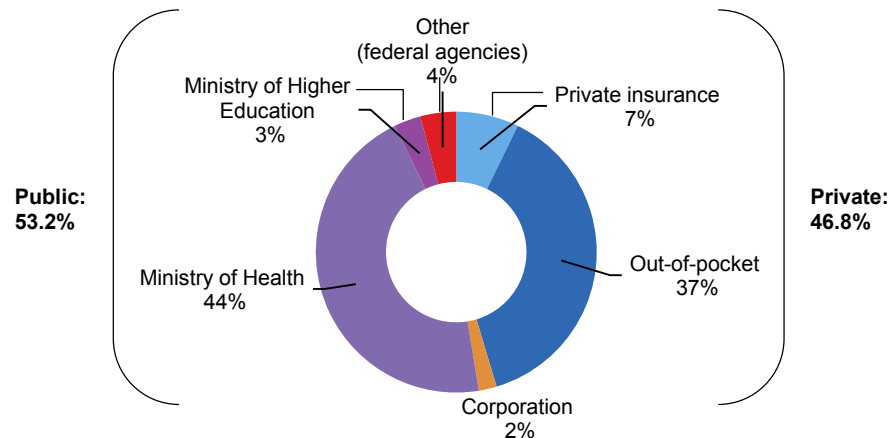
- >20 years of experience in the management and delivery of healthcare training
- Previously served as Head, Medical Training Development and Evaluation Centre at SAF Medical Training Institute

HMI is led by an experienced team of healthcare professionals

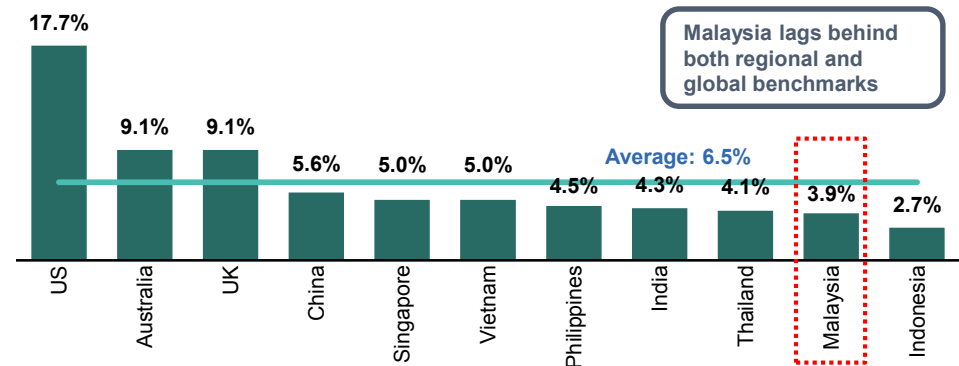
Overview of Malaysian healthcare system

Overview of Malaysian healthcare system

- Two-tiered healthcare system split approximately 50:50 between public and private spending
 - Public spending primarily sourced from the Malaysian Ministry of Health
 - Private spending primarily sourced from out-of-pocket spending by patients
- Increasing disposable income with Malaysian consumer expenditure per capita forecasted to rise at a CAGR of 6.5% from 2013 – 2018E

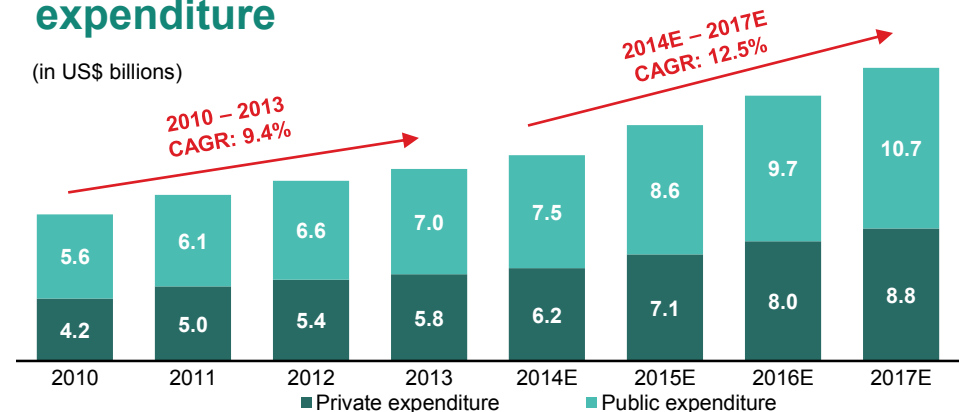


Healthcare expenditure as % of GDP (2013)



Malaysian public and private healthcare expenditure

(in US\$ billions)

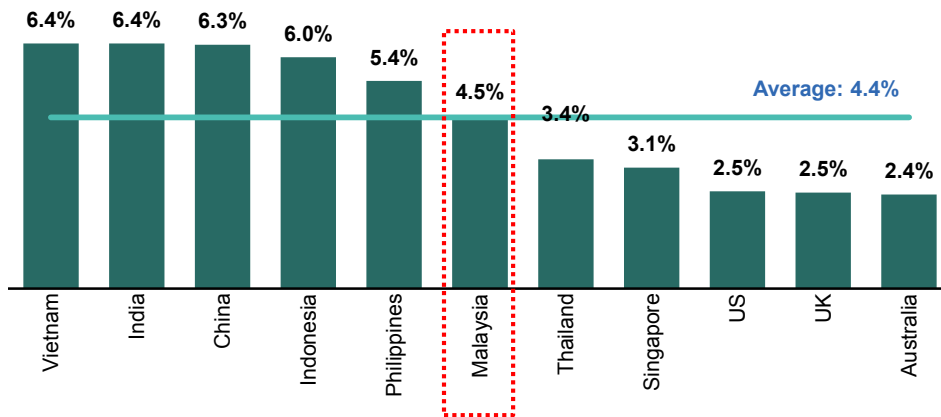


Malaysia offers a two-tiered healthcare system that represents a ~US\$12.8 billion market

Domestic demand drivers

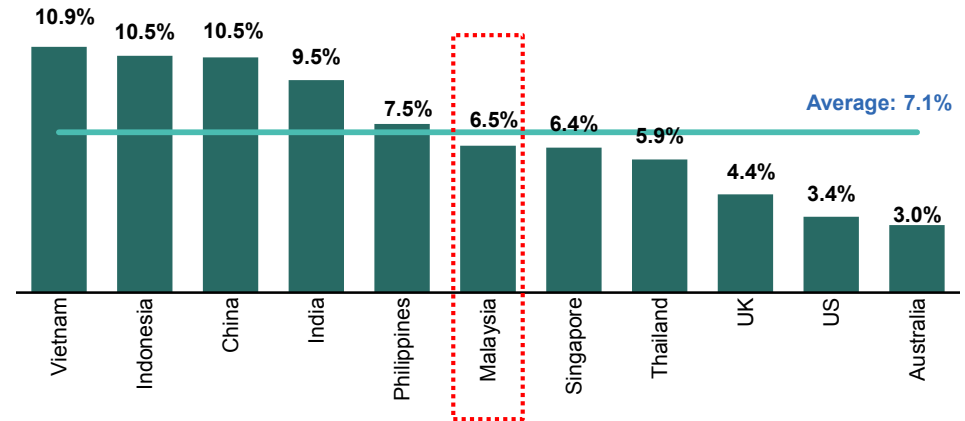
Malaysia – robust real GDP growth

Real GDP (2013 – 2018E CAGR)



Personal wealth in Malaysia¹

Growth of consumer expenditure per capita (2013 – 2018E CAGR)

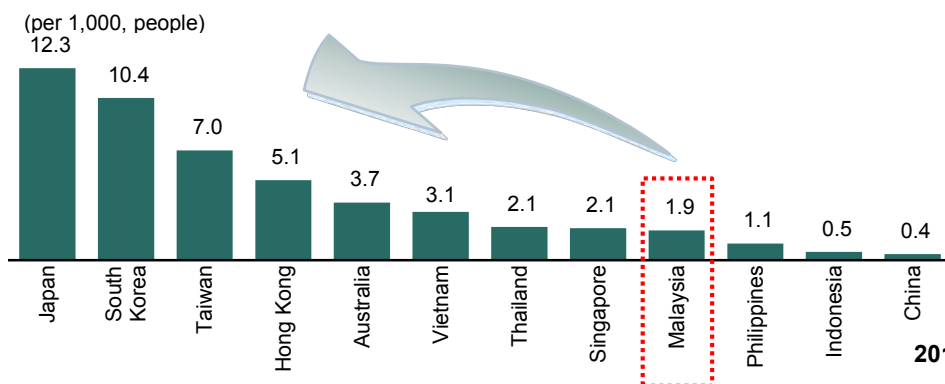


Increasing access to healthcare / medical insurance

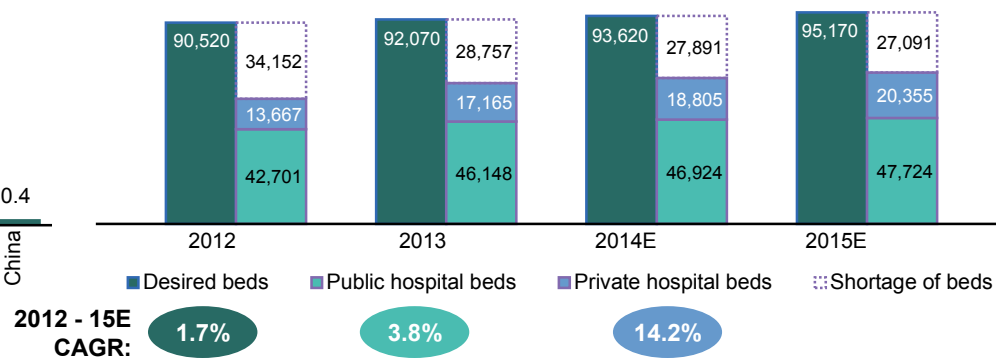
- Increasing availability of medical insurance packages in Malaysia has decreased the reliance on OOP spending for private Healthcare Services (“HCS”)
 - Encourages transition from public to private HCS, in particular for the middle income population
- 27 registered medical insurance providers in Malaysia as at March 2012
- Written premium for general medical insurance in 2013 amounted to RM 920 million (~USD 280 million)²
 - Forecasted to grow to RM 1.5 billion (~USD 491 million)² by 2016
 - Growth in the insurance market indicates that the public is accepting the benefits of subscribing to private insurance
 - Increase in private insurance will lead to increased funds for private HCS

Key supply dynamics

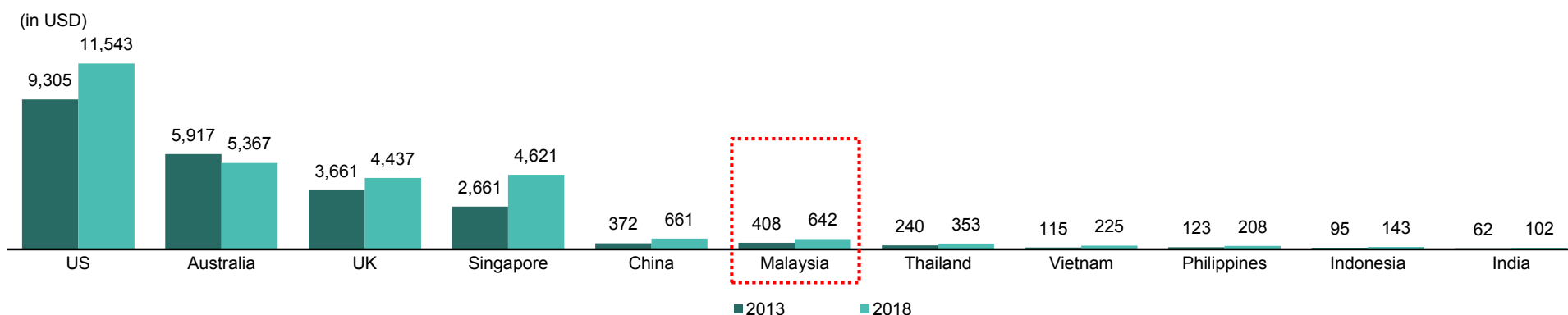
Hospital bed capacity in APAC in 2013



Supply / demand shortfall in Malaysia



Healthcare expenditure per capita

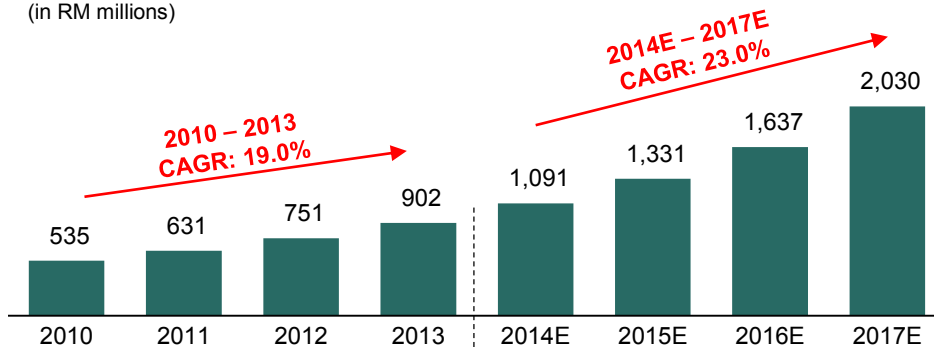


Malaysian healthcare market is severely underserved owing to lack of beds

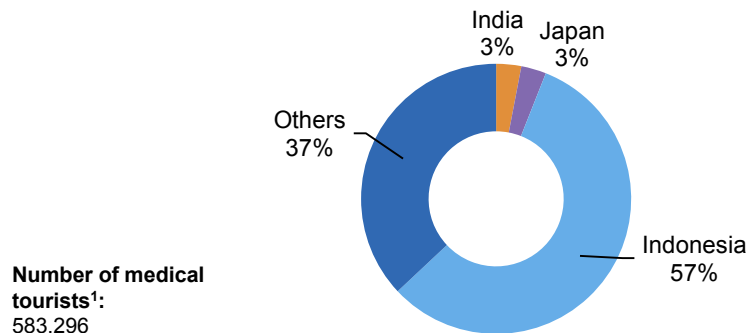
Medical tourism

Malaysian medical tourism market

(in RM millions)



Malaysian medical tourists by country¹



Cost benchmarking of healthcare services²

(in USD)

Surgeries	Malaysia	Singapore	Thailand
Heart bypass	14,000	23,000	13,000
Angioplasty	8,750	27,750	3,800
Knee replacement	10,900	16,700	11,400
Gastric bypass	8,600	20,000	16,700

Key medical tourism drivers

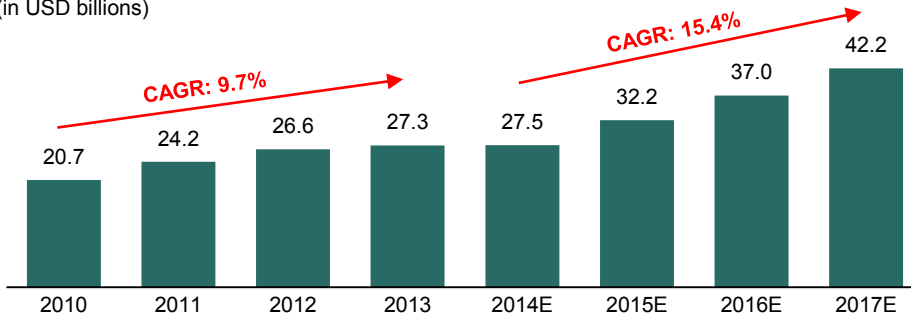
- Encouraging government initiatives
 - Tax benefits for medical tourism focused companies that expand their hospitals or build new ones
 - MHTC has opened offices in Jakarta and Hong Kong
- Competitive edge of the Malaysian healthcare market
 - Lower costs with high quality offerings
 - Large English-speaking population
 - Regional accessibility and transport infrastructure in place

Medical tourism will continue to be a key growth factor of the Malaysia healthcare sector

Medical tourism (cont'd)

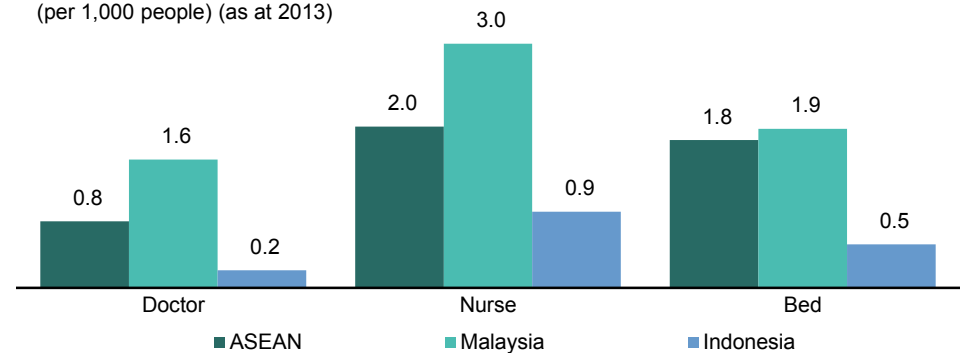
Growing demand for healthcare in Indonesia – total healthcare expenditure in Indonesia

(in USD billions)



Underdeveloped healthcare infrastructure in Indonesia – demand and supply dynamics

(per 1,000 people) (as at 2013)



Malaysia as a desirable destination for medical tourists from Indonesia – Comparison of medical tourism destinations

	Malaysia	Singapore	Thailand
Geographic proximity			
Cultural similarities			
Quality of healthcare			
Price competitiveness			
% of medical tourism revenues from Indonesian medical tourists	60.0%	48.5%	Not a significant source of revenues ²

Malaysia is well positioned to benefit from medical tourists from Indonesia

Note: 1. ASEAN excludes Myanmar, Laos, Brunei and Cambodia; 2. Indonesian medical tourists are not one of the top 5 sources of Thai medical tourism revenues; Source: BMI, broker research. Euromonitor International, Malaysia government statistics