



## HMI reports 10.9% increase in revenue to RM128.6 million for 2Q2019

- Revenue rises 10.9% yoy to RM128.6 million driven by rising patient loads and average bill sizes
- The Group's latest investment, StarMed Specialist Centre, has begun operations with corresponding gestation start-up costs. Excluding the impact from StarMed, EBITDA would have increased 4.9% yoy while core PATMI would have increased 15.5% yoy
- Declares an interim dividend of RM1.0 cents per share (1H2018: RM1.0 cents per share)

Financial Highlights	2Q2019	2Q2018	Change	1H2019	1H2018	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	128,618	115,987	10.9	253,548	233,041	8.8
Gross Profit	46,184	42,782	8.0	90,343	83,410	8.3
EBITDA	28,989	29,375	(1.3)	60,141	57,954	3.8
EBITDA Margin (%)	22.5	25.3	(2.8) pts	23.7	24.9	(1.2) pts
PATMI	11,253	15,724	(28.4)	21,901	29,510	(25.8)
Core PATMI ( <i>excluding non-operational and one-off items</i> )	14,662	15,214	(3.6)	31,289	30,970	1.0

**SINGAPORE – 11 February 2019 – Health Management International Ltd (“HMI” or the “Group”)**, a growing regional healthcare provider that owns two tertiary hospitals in Malaysia, a healthcare training institute as well as a new one-stop ambulatory care centre in Singapore has announced its financial results for the second quarter (“2Q2019”) ended 31 December 2018.

The Group reported a 10.9% year-on-year (“yoy”) increase in revenue to RM128.6 million for 2Q2019. This increase was driven by rising patient loads and average bill sizes at the Group's two hospitals, Mahkota Medical Centre (“Mahkota”) and Regency Specialist Hospital (“Regency”).

The Group's EBITDA declined marginally to RM29.0 million while EBITDA margin contracted to 22.5% as a result of gestation costs from the Group's new ambulatory care centre in Singapore, StarMed Specialist Centre. Excluding the impact arising from gestation costs at StarMed, the Group's EBITDA would have increased 4.9% yoy.

The Group reported a 28.4% yoy decline in net profit attributable to shareholders (“PATMI”) to RM11.3 million. Excluding non-operational items such as foreign exchange losses and one-off costs, the Group's core PATMI declined 3.6% yoy to RM14.7 million. The Group's PATMI for this quarter was further impacted by the gestation costs from StarMed. Excluding these gestation costs, the Group's core net profit would have increased 15.5% yoy.

The Group's gearing ratio remained stable at 0.6x while Net Debt / LTM EBITDA increased marginally from 1.2x as at 30 June 2018 to 1.4x as at 31 December 2018.

### Operational Updates

The Group's total patient load increased 6.8% yoy to 122,392 for 2Q2019. In addition, average outpatient bill sizes increased 4.8% yoy to RM233 while average inpatient bill sizes remained stable at RM8,004. During the quarter, the Group's operational bed occupancy increased to 62.7% while the total number of operational beds remained stable at 437.

To cope with the growing number of patients at its hospitals and rising demand for private healthcare, the Group has embarked on expansion initiatives to capture growth opportunities. At Regency, construction of the new hospital extension block has begun. This new block will more than double existing capacity with additional inpatient beds, clinical services, operating theatres and clinical suites for sale or rental to doctors. Upon its targeted commissioning in 2021, Regency will become a 380-bed tertiary hospital, with potential to expand capacity to 500 beds.

In Singapore, StarMed has commenced operations since 1Q2019. The Group expects StarMed to incur gestation start-up costs from its operations for potentially up to 2 to 3 years. In addition, on 14 December 2018, HMI announced an investment into a chain of primary care clinics in Singapore to widen the Group's healthcare network. Pursuant to the agreement, HMI will invest S\$4.2 million for an initial stake of 28% in the primary care clinic group. This clinic group, in its initial stages of growth, will primarily use the proceeds received from HMI's investment to expand its network of primary care clinics in Singapore.

**The Group's Chief Executive Officer Ms Chin Wei Jia said,** "Leveraging on our strong brand equity and affordability, we continue to see rising patient loads at both our hospitals. Amid rising demand for healthcare in the region, our expansion plans at both hospitals are in progress. As we continue to chart steady growth, we remain focused on delivering quality healthcare and broadening our specialist offerings to provide comprehensive care for our patients."

In Singapore, the Group's vision for StarMed is to be a leading ambulatory care centre committed to providing excellence in medical care across Asia. **Ms Chin said,** "With the new proposed investment into a network of primary care clinics in Singapore, we will be widening our healthcare network to support growth at StarMed. Fully equipped with the latest medical technology and a team of experienced specialists, this new ambulatory care centre presents a unique value proposition of providing quality and affordable healthcare at competitive pricing."

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**About Health Management International Ltd**

Health Management International Ltd (“HMI” or the “Group”) is a growing regional private healthcare provider with presence in Singapore, Malaysia and Indonesia. The Group owns two tertiary hospitals in Malaysia, a healthcare training centre in Singapore and Singapore’s first private one-stop ambulatory care centre, StarMed Specialist Centre. The Group also operates a network of representative offices in Indonesia, Malaysia and Singapore.

Established in 1994, Mahkota Medical Centre (“Mahkota”) is HMI’s flagship hospital located in the heart of Malacca, a UNESCO World Heritage Site and a popular destination for medical care and leisure. The 288-bed hospital is the largest private tertiary hospital in South Malaysia, offering a comprehensive suite of healthcare services and the first and only hospital in Malacca to offer nuclear medicine services. It is also a leader in Malaysia medical tourism, serving close to 100,000 international patients per year and named the “Malaysia Medical Tourism Hospital of the Year” by Frost & Sullivan in 2015 and 2016.

The Group’s second hospital, Regency Specialist Hospital (“Regency”) operational since 2009, is one of the fastest growing private tertiary hospitals in Malaysia. Strategically located within the fast developing and vibrant Iskandar Malaysia, the special economic zone in the state of Johor, the 218-bed Regency is easily accessible via land, sea or air from Singapore, Indonesia and the region. It is the only private hospital in Malaysia with a 24-hour Emergency & Trauma Centre, providing round the clock specialist attention and medical care to both local and international patients.

The Group holds a controlling stake in StarMed Specialist Centre (“StarMed”), a new one-stop day-surgery and multidisciplinary medical centre that offers quality clinical services at competitive private sector prices. The centre is conveniently situated above Farrer Park MRT station and co-located with the 300-room Park Hotel Farrer Park.

HMI’s healthcare training centre, the HMI Institute of Health Sciences, is a Skills Future Singapore accredited Continuing Education and Training Centre for the healthcare support sector. It has trained more than 4,500 healthcare professionals and 160,000 individuals in Emergency life-saving skills since 2001 and 2010 respectively.

For more information, please refer to our website at [www.hmi.com.sg](http://www.hmi.com.sg).

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