



Health
Management
International

Company Presentation

Financial Year Ended 30 June 2016

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.



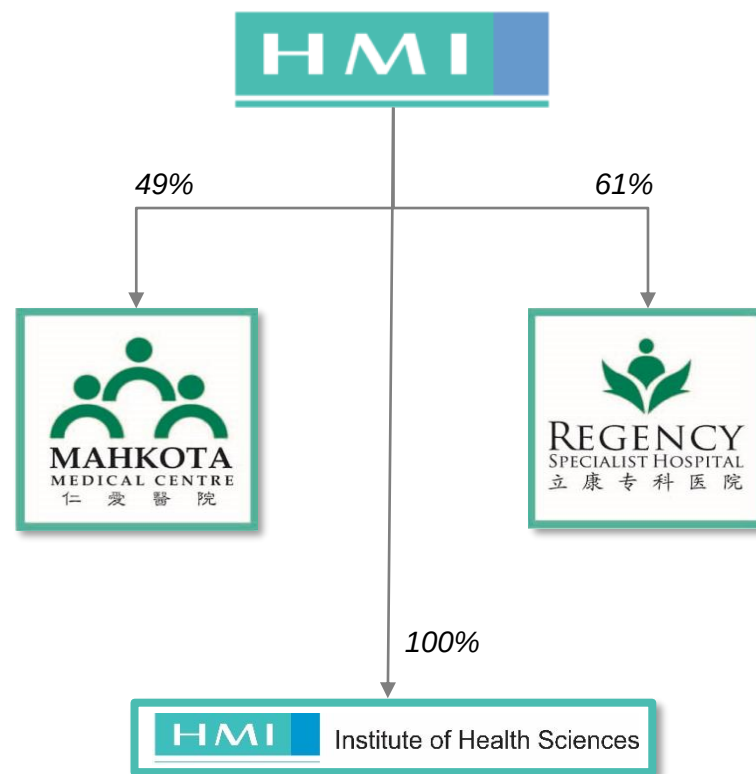
GROUP OVERVIEW

Overview

General description

- Health Management International Ltd (“HMI”) is a 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 (c. 500 beds capacity) which are supported by a strong patient referral network across Southeast Asia; and
 - 1 healthcare training institute in Singapore
- Independent practice model attracts and retains top specialist doctors for HMI hospitals
 - ~200 practicing consultants serving more than 400,000 patients p.a.
- Core expertise in hospital management, strategy and business turnaround

Abridged group structure¹



Growing private healthcare provider with two tertiary hospitals in Malaysia

Extensive Regional Network



Mahkota Medical Centre
Malacca, Malaysia

- Operational since 1994
- 288 bed tertiary hospital
- Serving ~300,000 patients p.a.
- >120 practicing consultants
- One of the largest and most profitable hospitals in Malaysia
- Leader in Malaysia medical tourism
- 18 awards won to date



Regency Specialist Hospital
Johor, Malaysia

- Operational since 2009
- 218 bed tertiary hospital
- Serving ~110,000 patients p.a.
- >70 practicing consultants
- One of the fastest growing private hospitals in Malaysia
- 15 minutes from Singapore-Woodlands checkpoint and Johor City Centre

Hospitals supported by network of 17 patient representative offices across Southeast Asia

Notable Awards and Accreditations



ASEAN Business Awards 2015:
AEC Priority Integration Sectors
Excellence Award - Healthcare



2015 & 2016 Frost & Sullivan
Malaysia Medical Tourism
Hospital of the Year



Full four year accreditation
for MSQH



The Brand Laureate SMEs Master
Award 2013 for Best Hospital Brand



Ministry of Health Malaysia Award for
Outstanding Achievement 2012
*Highest Number of Healthcare Travelers
in Southern Region*



The Brand Laureate SMEs
Signature Award 2012



Business Award of the Year –
Service Provider Category 2010



Health Industry Recognition
Award 2009

Numerous medical tourism related awards and quality accreditations

HMI's Unique Value Proposition

1

Fully Comprehensive Hospitals

- Tertiary care hospitals with large bed capacity & full range of medial and surgical specialties
- Aim to provide patients a “one-stop” treatment center & attract referral of complex cases
- Large scale with high patient load allows for high EBITDA margins, ability to attract top quality consultants and justify investment in latest medical equipment

2

Differentiated Business Model

- Since 1998, HMI has successfully adapted the Singapore private healthcare model to Malaysia
- Independent clinic model within a hospital setting is unique to HMI in Malaysia; only hospital group in Malaysia to offer sale of medical suites to resident consultants
- We view our doctors as important partners & look to structure win-win relationships

3

High brand equity

- With a heritage of over 20 years, we are a trusted healthcare partner both locally and overseas
- We are one of the most established private hospital groups in Malaysia
- Our hospitals have won awards and accolades such as the “*Frost and Sullivan Malaysia Medical Tourism Hospital of the Year*” in 2015 & 2016

4

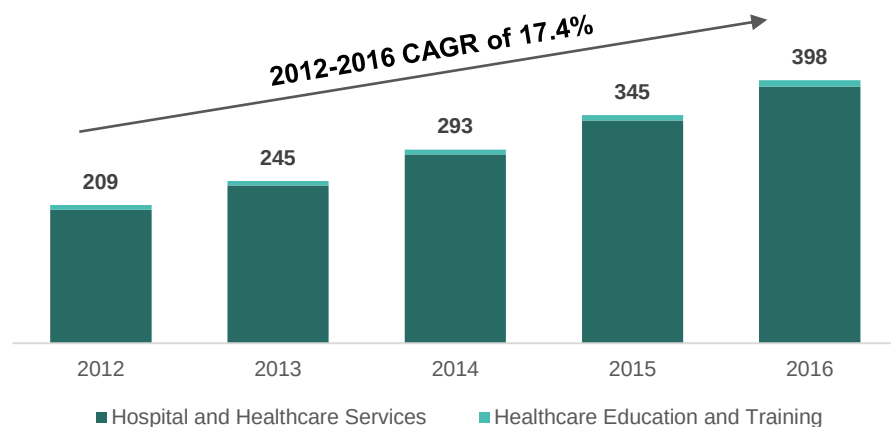
Pioneer in Malaysian Medical Tourism

- Early mover in medical tourism since 1999; c. 20% of patient load are medical tourists and growing
- Hospitals set-up to cater to foreign patient needs; support from regional patient representative offices
- Work closely with Malaysia Healthcare Travel Council as a Partner Healthcare Provider
- 1 of 2 hospital groups approved by Singapore Ministry of Health for usage of Medisave in Malaysia

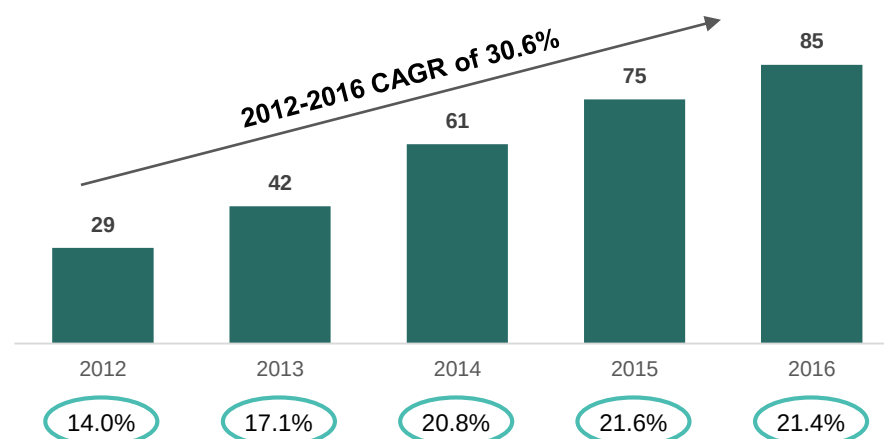
We are focused on providing quality healthcare to patients from the region

Strong Financial Performance

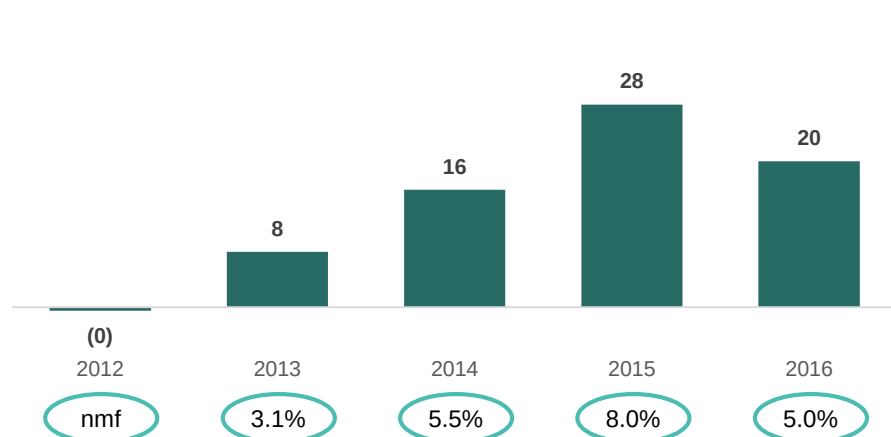
Revenue by Segment (RMm)



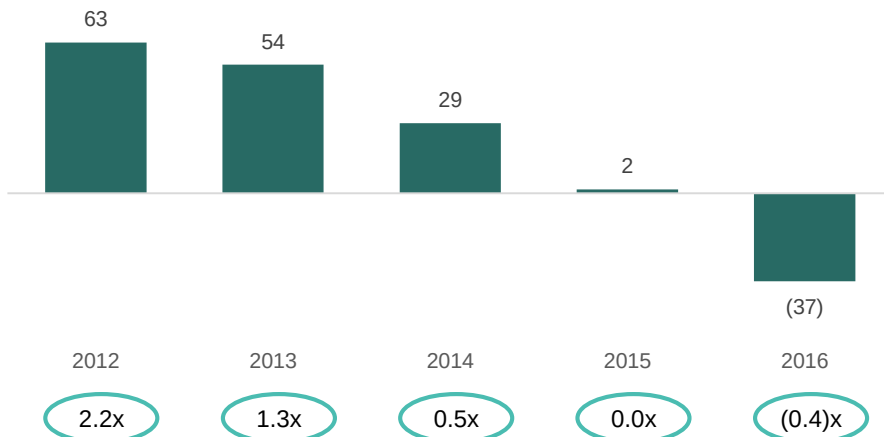
EBITDA² (RMm) and EBITDA Margin (%)



PATMI (RMm) and PATMI Margin (%)



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



Our Growth Strategy

- Maximise bed capacity & clinical areas within existing building
- Further develop Centres of Excellence (“COE”) into one-stop treatment centres & recruitment of sub-specialty consultants
- Potential to build new hospital extension 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

- New hospital extension will more than double existing capacity
 - More inpatient beds, clinical service areas, operating theatres as well as clinic suites
- Further develop comprehensiveness of services, including a cancer centre
- Focus on medical tourism potential

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

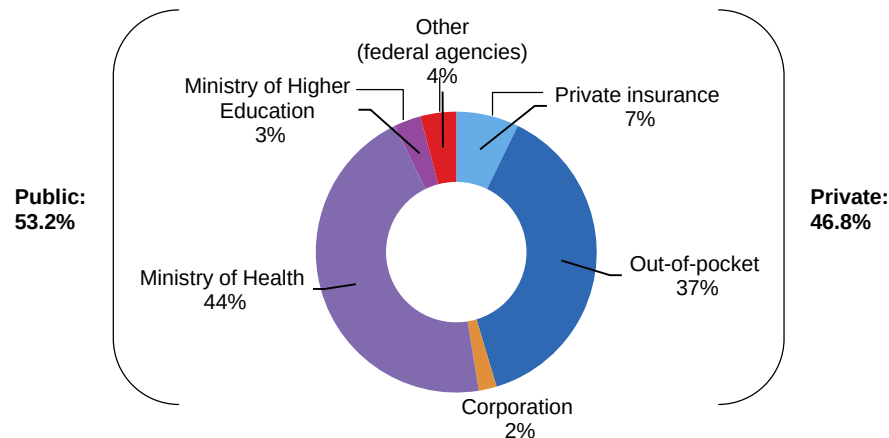


MALAYSIAN HEALTHCARE INDUSTRY

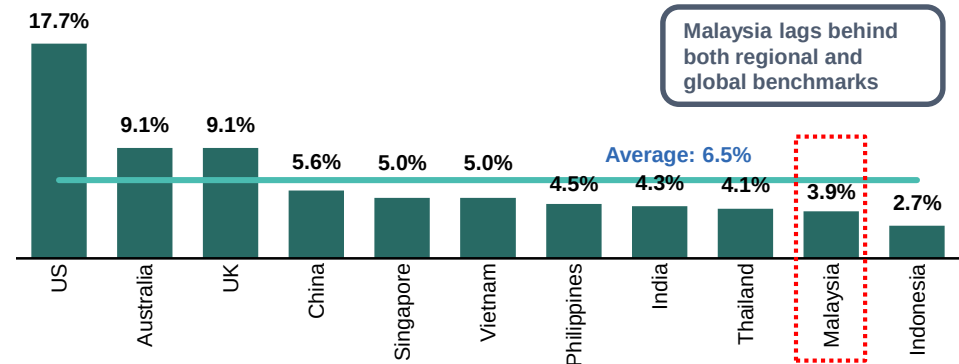
Overview of Malaysian Healthcare System

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

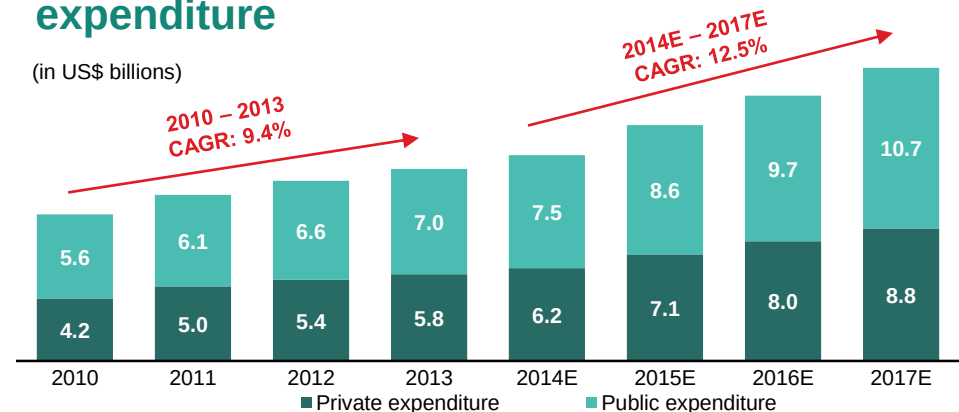


Healthcare expenditure as % of GDP (2013)



Malaysian public and private healthcare expenditure

(in US\$ billions)

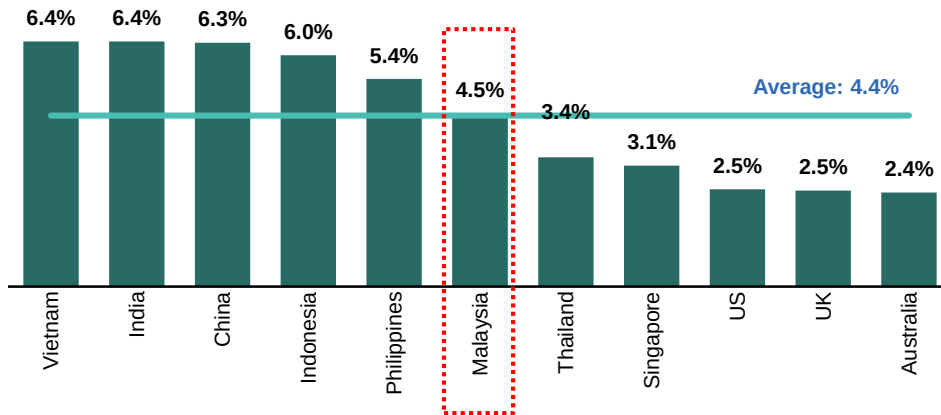


Malaysia offers a two-tiered healthcare system that represents a ~US\$12.8 billion market

Domestic Demand Drivers

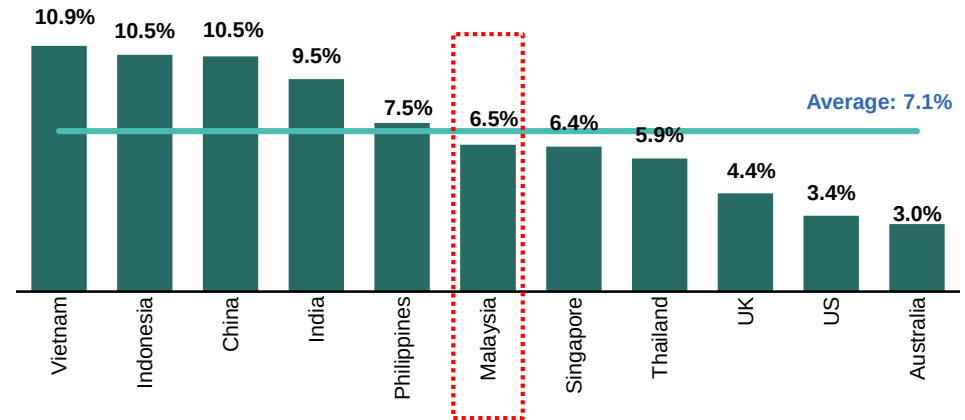
Malaysia – robust real GDP growth

Real GDP (2013 – 2018E CAGR)



Personal wealth in Malaysia¹

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



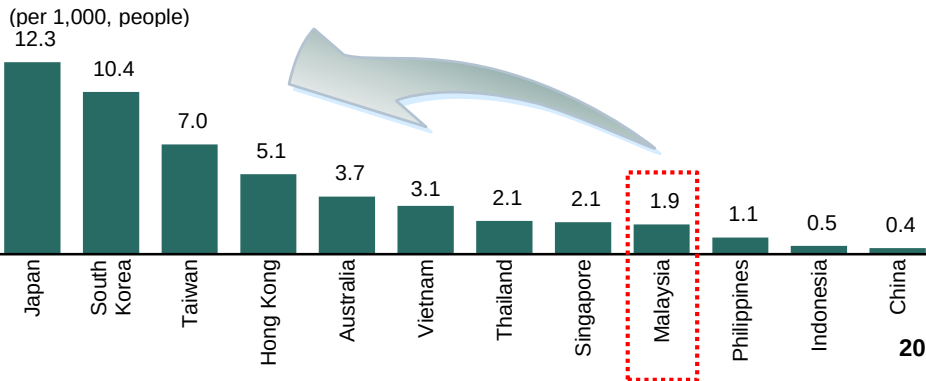
Increasing access to healthcare / medical insurance

- Increasing availability of medical insurance packages in Malaysia has decreased the reliance on out-of-pocket spending for private Healthcare Services (“HCS”)
 - Encourages transition from public to private HCS, in particular for middle income population
- 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 insurance market indicates that the public is accepting the benefits of subscribing to private insurance

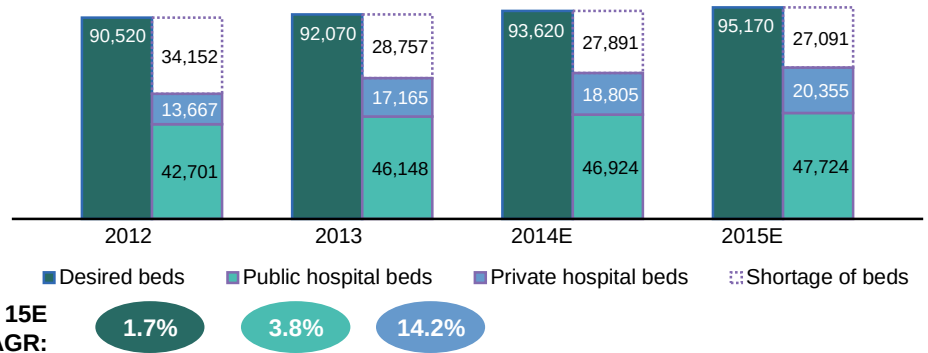
Growth in income levels & medical insurance usage to drive demand for private healthcare services

Key Supply Dynamics

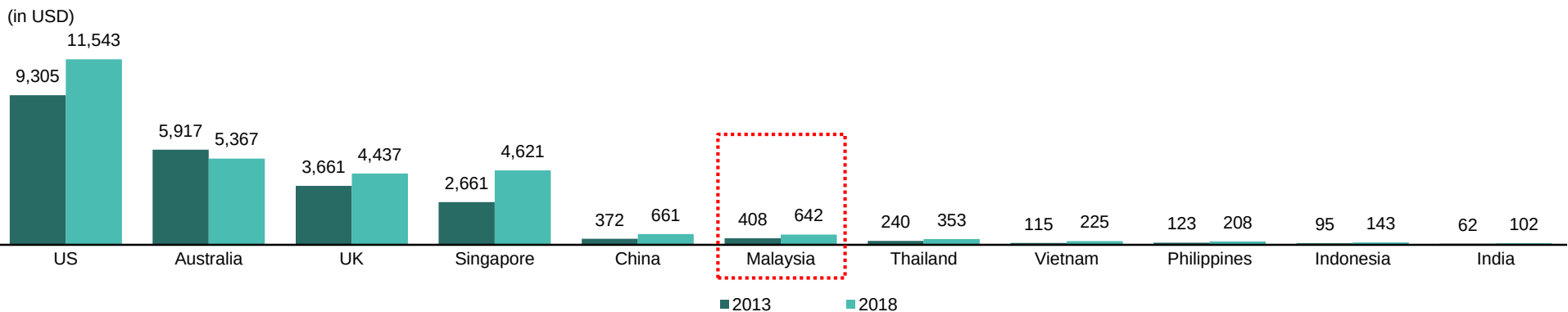
Hospital bed capacity in APAC in 2013



Supply / demand shortfall in Malaysia



Healthcare expenditure per capita

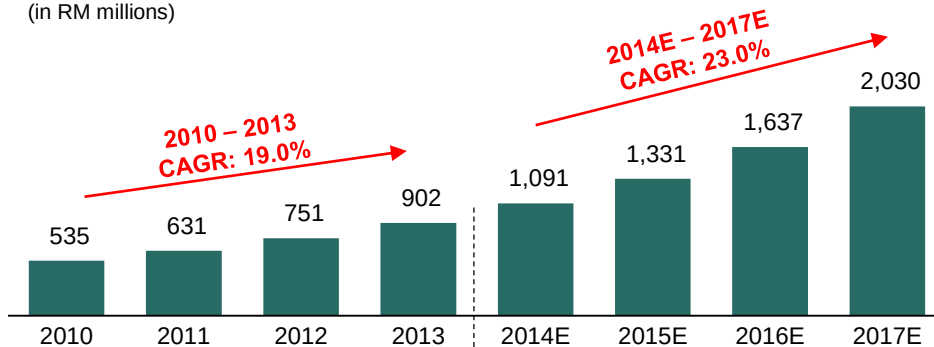


The Malaysian healthcare market is severely underserved owing to lack of beds

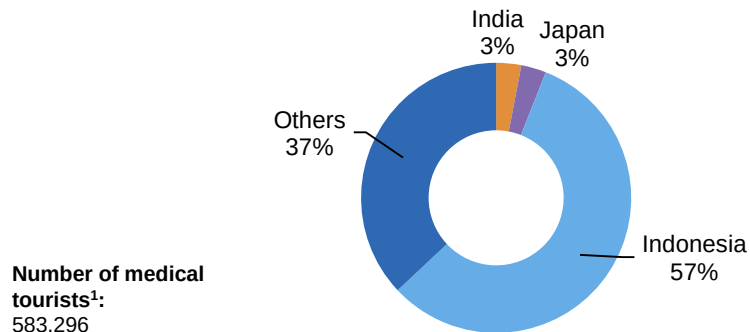
Malaysian Medical Tourism Market

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

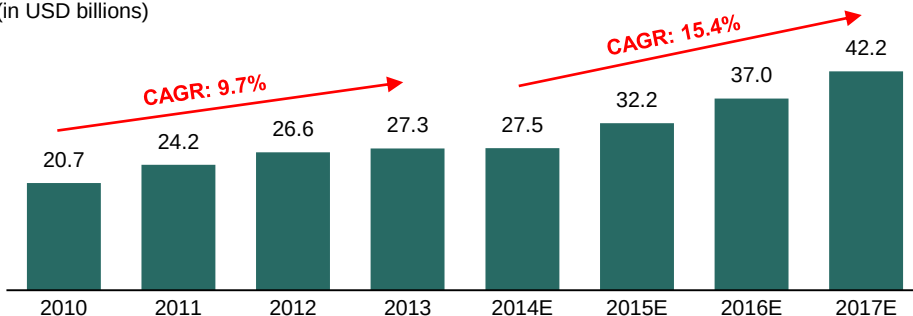
- Encouraging government initiatives
 - Tax benefits for medical tourism focused hospitals
 - Government agency i.e. Malaysia Healthcare Travel Council working with providers to promote medical tourism
- Competitive edge of the Malaysian healthcare market
 - Lower costs with high quality offerings
 - Large English-speaking population
 - Regional accessibility & transport infrastructure in place

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

Indonesian Medical Tourists

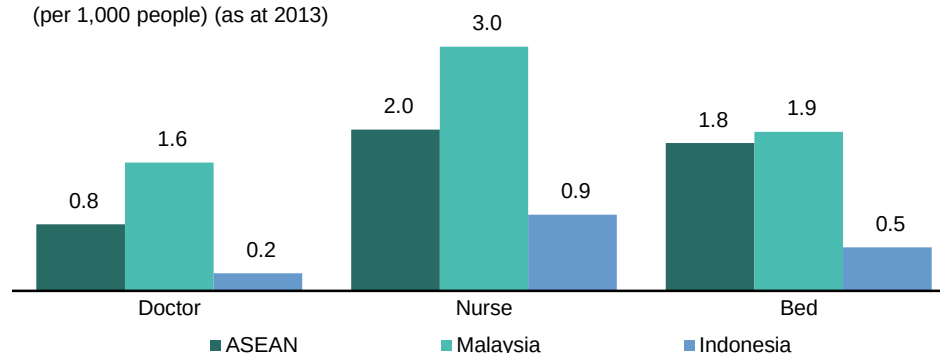
Growing demand for healthcare in Indonesia – total healthcare expenditure in Indonesia

(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

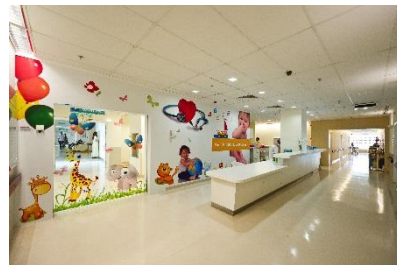


KEY SUBSIDIARIES

Mahkota Medical Centre (“MMC”)

General description

- Established in 1994, MMC is the largest private tertiary hospital in South Malaysia¹ with 288 bed capacity, serving almost 300,000 patients a year
 - Strategically located within historical city centre of Malacca
 - >120 consultants across comprehensive range of medical and surgical specialties & sub-specialties
- 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 1999) with strong brand recognition today
 - c.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 & 2016
- Won 18 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

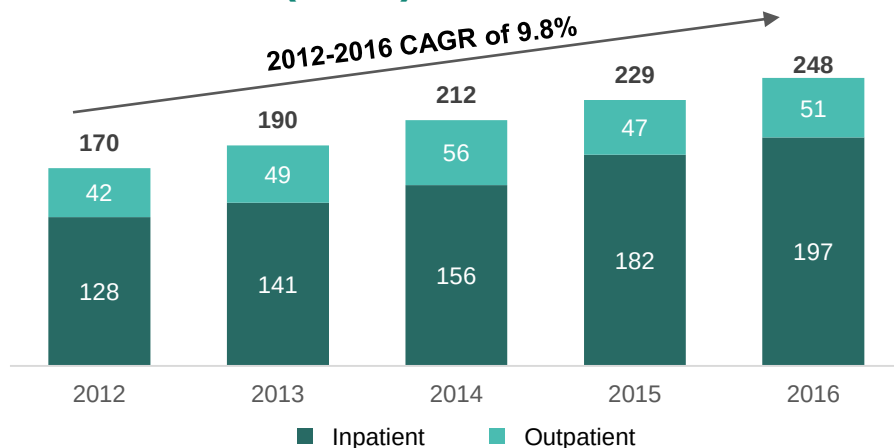
MMC's Strategic Location



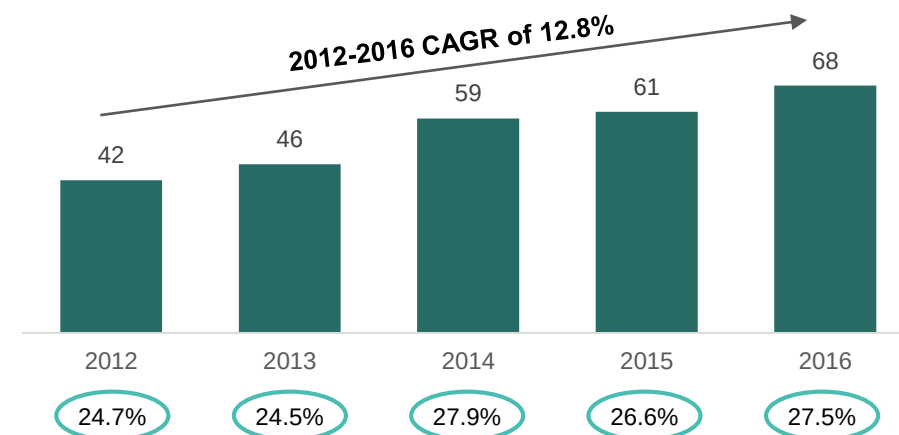
Mahkota is ideally situated for medical tourism & attracts majority of all foreign patients to Malacca

MMC Financial & Operating Performance

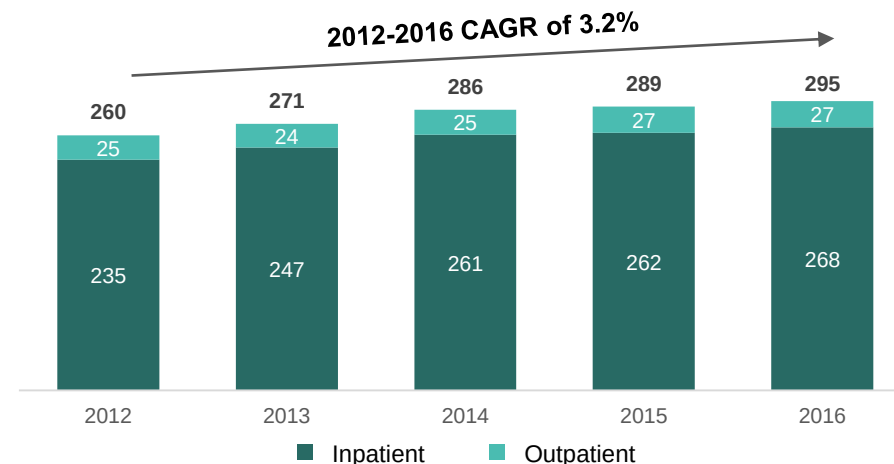
Net Revenue (RMm)



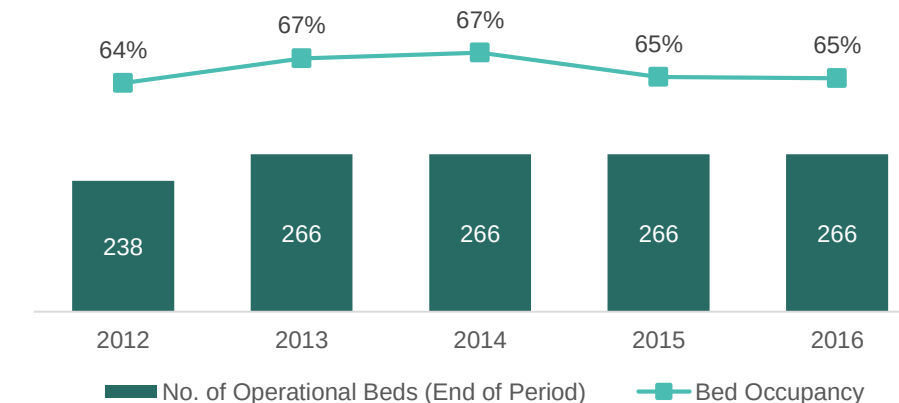
EBITDA (RMm) and EBITDA Margin (%)



Patient Load ('000)



No. of Operational Bed and Bed Occupancy



New Facilities and Services at MMC

Pictures of new facilities and services at MMC



Nuclear Medicine

- Mahkota is the first and only hospital in Malacca with a Positron Emission Tomography (“PET”) scanner
- Complements existing radiotherapy & chemotherapy services at MMC



Day Surgery Centre

- New Day Surgery Unit added, adjacent to the operating theatres and intensive care unit
- Equipped with two minor operating rooms and day beds



Diabetes Care Centre

- Provides services such as diabetic and eye screening, foot care, professional diet counselling and diabetic education

Continued investment in latest medical equipment and new services

Regency Specialist Hospital (“RSH”)

General description

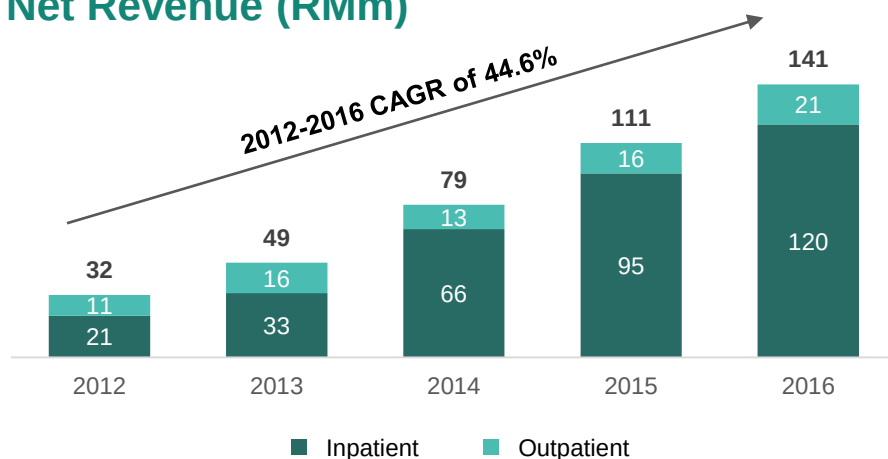
- Established in 2009, Regency is one of the fastest growing private hospitals in Malaysia with 218 bed capacity, serving >110,000 patients a year
 - First major tertiary hospital built in Johor in 20 years
 - 15 minutes drive from Singapore-Woodlands checkpoint and Johor Bahru City Centre
 - >70 practicing consultants across wide range of medical and surgical specialties
 - 5-year revenue CAGR of 45% and patient load CAGR of 27%
- Closest tertiary hospital to Pasir Gudang industrial area & new RM 60 billion Petronas oil refinery-petrochemicals complex
 - Only private hospital in Malaysia to have 24-hour A&E staffed by emergency specialists
- Potential for medical tourism from regional markets i.e. Indonesia and Singapore



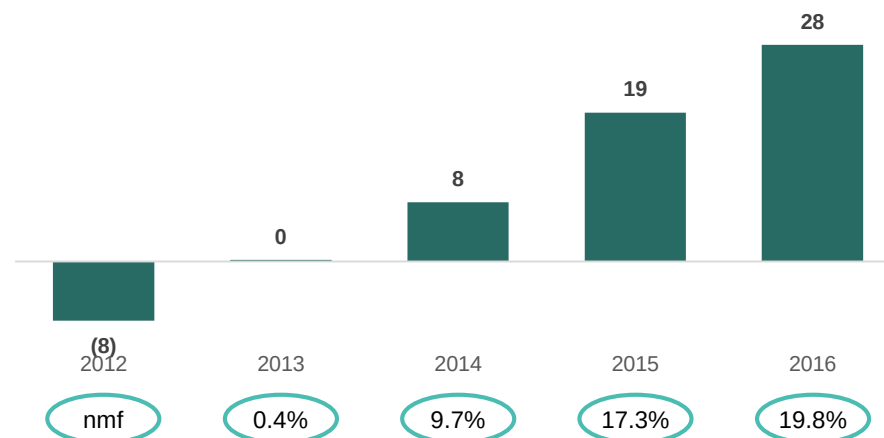
Aims to become fully comprehensive care hospital for local & overseas patients

RSH Financial & Operating Performance

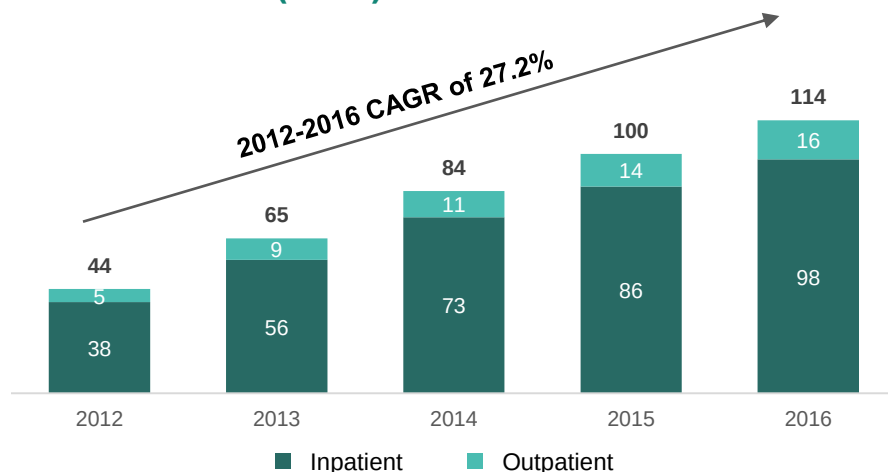
Net Revenue (RMm)



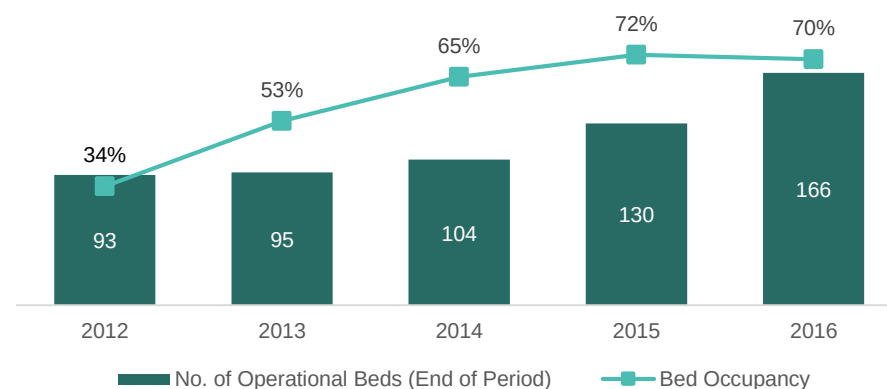
EBITDA (RMm) and EBITDA Margin (%)



Patient Load ('000)



No. of Operational Bed and Bed Occupancy



New Hospital Extension Block at RSH

Artist's impressions of the Medical Block



Top: Exterior of the Medical Block with the existing hospital building in the right background



Top left and right: Ground floor lobby area for outpatient registration

Key statistics

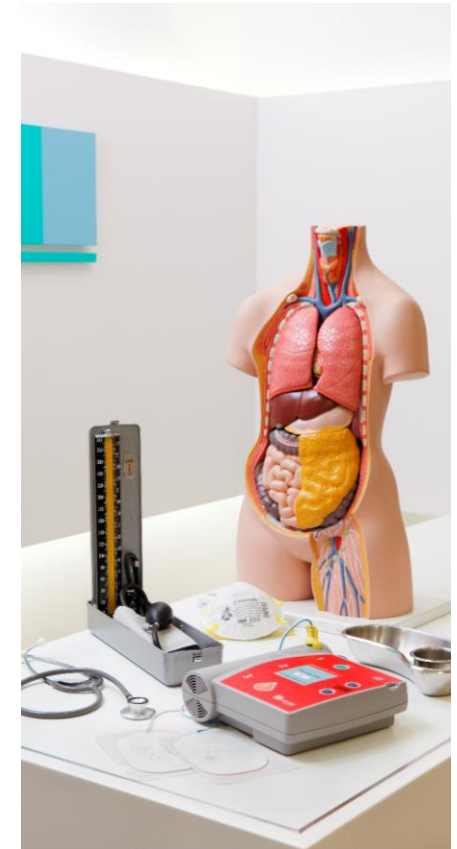
- Due to strong patient demand, the initially planned Medical Block (with mainly clinic suites) has been re-designed to become a Hospital Extension Block
- To add more inpatient beds, clinical service areas, operating theatre capacity, as well as clinic suites for sale or rental to doctors
- Construction to commence in 2017 and expected to take 2.5 years to complete; funded by debt and internal cash resources

New Regency hospital extension will more than double existing capacity

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



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APPENDIX

Group Financials

	Units	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue	RM'000	209,221	245,415	292,912	345,224	397,810
Growth	%	20.3%	17.3%	19.4%	17.9%	15.2%
Gross Profit	RM'000	52,811	66,478	85,834	103,058	129,777
Gross Margin	%	25.2%	27.1%	29.3%	29.9%	32.6%
EBITDA²	RM'000	29,298	41,998	60,896	74,567	85,215
EBITDA Margin	%	14.0%	17.1%	20.8%	21.6%	21.4%
Depreciation	RM'000	(10,858)	(12,346)	(14,025)	(16,239)	(18,990)
EBIT ²	RM'000	18,439	29,652	46,871	58,328	66,225
EBIT Margin	%	8.8%	12.1%	16.0%	16.9%	16.6%
Net Profit after Tax ("NPAT")	RM'000	8,133	19,171	36,042	53,357	45,451
Profit after Tax and Minority Interests ("PATMI")	RM'000	(481)	7,574	16,027	27,643	19,899
PATMI Margin	%	nmf	3.1%	5.5%	8.0%	5.0%
Total Cash	RM'000	6,535	9,699	25,977	39,076	78,928
Total Debt	RM'000	69,855	63,648	55,378	40,576	41,857
Net Debt	RM'000	63,320	53,949	29,401	1,500	(37,071)
Net Debt to LTM EBITDA	x	2.2x	1.3x	0.5x	0.0x	(0.4)x

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
Group CEO

- >15 years of experience in healthcare-related strategic planning, business development and hospital management
- Led the setting up of healthcare education arm in Singapore and previous CEO of RSH



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 Gan Boon San
Regency CEO
Director, Technology & Strategic Development

- ~30 years of experience in leading global and regional technology companies such as Microsoft, Oracle and Sun Microsystems prior to joining the Group
- Will help drive use of appropriate technology at HMI subsidiaries as well



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

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, 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



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