



HMI kicks off FY2017 with a strong 1Q net attributable profit of RM 6.2 million

Highlights

- Revenue increased 16% to RM 109.5 million underpinned by higher patient load and average bill sizes at its two hospitals in Malaysia
- Continued healthy growth from local and foreign patients lifted patient load by 7% year-on-year
- Ongoing expansion plans at Mahkota and Regency to cater to growing number of patients

FINANCIAL HIGHLIGHTS	1Q2017	1Q2016	Change
	RM'000	RM'000	%
Revenue	109,460	94,079	16
Gross Profit	37,828	32,184	18
Gross Profit Margin (%)	34.6	34.2	0.4 pts
Profit before tax	20,250	12,918	57
Net Profit Attributable to Equity Holders (PATMI)	6,170	1,382	346
Basic Earnings per Share (cents)*	1.06	0.24	342

*Note: Weighted average number of ordinary shares outstanding was 579.5 million for the 3 months ended 30 September 2016 compared to 577.1 million for the 3 months ended 30 September 2015.

SINGAPORE – 10 November 2016 - Health Management International Ltd (“HMI” or the “Group”), a growing regional private healthcare provider, kicked off financial year 2017 with a strong 346% increase in net profit attributable to equity holders to RM 6.2 million for the first quarter ended 30 September 2016 (“**1Q2017**”). This was achieved on the back of a 16% increase in revenue to RM 109.5 million compared to RM 94.1 million in the corresponding period a year ago (“**1Q2016**”) and lower foreign exchange losses.

The growth was underpinned by higher patient load and average bill sizes in its two tertiary hospitals in Malaysia - Mahkota Medical Centre (“**Mahkota**”) and Regency Specialist Hospital (“**Regency**”), which accounted for approximately RM 14.1 million of the increase. The Group’s education business contributed RM 1.3 million to revenue growth from higher student headcount for the quarter.

With higher revenue intensity and efficient cost management at both hospitals, the Group achieved an 18% increase in gross profit to RM 37.8 million for 1Q2016, while overall gross profit margin maintained despite higher expenses arising from non-recoverable input Goods and Services Tax.

The Group’s financial position remained healthy with cash and cash equivalents doubling to RM 88.1 million as at 30 September 2016 compared to RM 40.1 million as at 30 September 2015, while cash flow generated from operating activities increased 67% to RM 22.2 million.

Operational Updates

The Group continued to deliver healthy growth for 1Q2017 with year-on-year increase in revenue as well as patient load at both hospitals, which rose 16% and 7% respectively.

Operationally, Mahkota continued to expand its core specialties and sub-specialties, invest in the latest medical equipment, further develop its Centres of Excellence and increase utilisation of its existing facilities for patient services. In addition, Mahkota will be the first hospital in Malacca to offer nuclear medicine services with the upcoming launch of its Positron Emission Tomography (“PET”) scanner services, and it will also be increasing inpatient bed capacity later this year.

To cater to the growing number of patients, the 218-bed Regency will be constructing a new Hospital Extension Block adjacent to its existing hospital building. The new block will double its existing capacity with more inpatient beds, clinical services, operating theatres, as well as clinical suites for sale or rental to doctors. Construction is expected to commence in 2017.

Looking ahead

Despite a volatile and slowing global economy as well as increased competition from new hospitals in Malacca and Johor, the Group expects to see continued growth for FY2017 with continued demand for private healthcare services from both local and foreign patients.

HMI Group Chief Executive Officer, Ms Chin Wei Jia, said, “Going forward, the Group will continue to focus on investing in and expanding our range of healthcare services to become comprehensive “one-stop” medical centres providing holistic care for our patients. In addition to catering to local patients, the Group will also continue to tap on the growing medical tourism market in Malaysia, which registered a strong year in 2015 with more than 850,000 medical tourist visits and revenue of more than RM 900 million, according to the Malaysia Ministry of Health.”

In 1Q2017, 21% of the Group’s patient load comprised foreign patients, which has been largely consistent across the last few quarters. With 15 out of its 17 representative offices located in Indonesia and Singapore, the Group will continue to leverage its presence in these countries to expand its medical tourism receipts.

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About Health Management International Ltd

Health Management International Ltd (“HMI” or the “Group”) is a growing private healthcare provider with presence in Singapore, Malaysia and Indonesia. The Group’s key assets comprise of two tertiary hospitals in Malaysia, the 288-bed capacity Mahkota Medical Centre (“Mahkota”) in Malacca and the 218-bed capacity Regency Specialist Hospital (“Regency”) in Johor. The Group also owns and operates the HMI Institute of Health Sciences in Singapore.

For more information, please refer to our website at www.hmi.com.sg.

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