

NEWS RELEASE

Kuala Lumpur/Singapore, 26 MAY 2022

**IHH Healthcare reports 31% y-o-y rise in Net Income in Q1 2022;  
To develop IHH Laboratories as a core business for the Group**

Q1 2022 Y-o-Y

Revenue	EBITDA	Net Operating Income*	Net Income^
RM4.2 b	RM996.5 m	RM407.4 m	RM493.3 m
(↑ 6%)	(↑ 4%)	(↑ 21%)	(↑ 31%)

\*PATMI excluding exceptionals

^PATMI

*“Our strong performance this quarter reflects the execution of our ‘Care. For Good.’ strategy as we seek to prioritise returns and drive capital efficient growth for our stakeholders as we transition to living with COVID-19.*

*We are nimbly adapting to the new normal and are pursuing new growth opportunities for the Group. One example is our laboratories segment, which we have accelerated from the onset of the pandemic. We see growth in its underlying core business and will work towards becoming a global laboratories service provider, backed by our deep clinical knowhow and capabilities.*

*As borders reopen and restrictions lift, we are seeing a firm recovery in our non-COVID business as domestic and foreign patients return. In the short term, we may expect to see some headwinds with the melt-off of COVID-19 related revenues as well as from global inflationary pressures. However, we remain confident that our longer-term growth trajectory remains intact.*

**Dr Kelvin Loh**  
Managing Director and CEO, IHH Healthcare

**GROUP RESULTS HIGHLIGHTS**

**Q1 2022: Witnessed growth from core operations and contribution from COVID-19 services rendered**

- Revenue increased 6% year-on-year (“Y-o-Y”) as the Group saw growth in its key markets, with a rebound in domestic patient revenue, contribution from delivery of COVID-19 related-services and a continued ramp-up of operations at Gleneagles Hong Kong Hospital (“GHK”). The acquisitions of DDRC SRL Diagnostics Private Limited (“DDRC SRL”) on 5 April 2021, and General Hospital Acibadem Bel Medic (“Bel Medic”) on 20 July 2021 also contributed.
- EBITDA grew 4% driven by higher revenue but partially offset by higher staff costs, operating expenses and lower government grants. This was compared to a higher base in the same period last year with a RM15.6 million gain on disposal of an investment property.
- Net Income and Net Operating Income increased to RM493.3 million and RM407.4 million due to increase in patient volumes and lower net finance costs.

## Q1 2022 OPERATIONAL HIGHLIGHTS

- Return on Equity (“ROE”) reached 8.8% as at March 2022 (December 2021: 8.4%).
- **Singapore:** Partnered with Singapore-based medtech developer [Us2.ai](#) to transform cardiovascular care for our patients in April 2022.
- **Laboratories segment:** The Group intends to develop this segment as a core business even as we expect a tapering off of COVID-19 services. We see growth in the underlying (ie. non COVID-19) business, and will focus on extracting operational synergies and driving digital transformation across the Group.
  - We are already pioneers and market leaders, being one of the first healthcare groups during the pandemic to take on PCR testing in our home markets, showcasing our ability to adapt and pursue new growth opportunities for the Group.

## OUR ‘CARE. FOR GOOD.’ STRATEGY

We unveiled our ‘Care. For Good.’ strategy earlier this year – focused on delivering sustainable growth for all stakeholders, including patients, people and the public. It is anchored on four strategic pillars:

1. Build a Trust culture
2. Improve locally, Synergise globally
3. Driven by five Growth Engines:
  - **Recovering from COVID-19:** Increasing volumes and occupancy to pre-pandemic levels as situation normalises. Expect the return of ‘business-as-usual’ services from domestic and foreign patients.
  - **Achieving organic growth:** Improving bed occupancy and better utilisation of existing capacity and beyond pre-pandemic levels.
  - **Acquiring strategic assets:** With appropriate fit, in-line with cluster strategy and to adjacent markets to give earnings-accretive growth.
  - **Developing our laboratories segment:** As a global laboratories platform.
    - i. Vision: To be the world’s most trusted laboratories services network with deep clinical knowhow and capabilities
  - **Driving innovation and digital transformation:** Through digital and health tech platforms with approximately RM400 million allocated from 2022-2025.
4. Compelling Sustainability strategy

## OUTLOOK

- There may be short-term headwinds as IHH awaits the inflexion from a full return of ‘business-as-usual’; with the expectation of rising staff costs and inflationary pressures, including energy costs.
- Long term mega-trends however remain intact and favorable, and we will see sustained growth.
- Our ‘Care. For Good.’ strategy will continue to be our north star, in building trust and guiding us in all that we do for all our stakeholders.

## **GEOGRAPHICAL OPERATIONAL AND FINANCIAL UPDATES**

### **IHH Malaysia**

#### **Continued recovery with higher inpatient volumes**

- Year-on-year (Y-o-Y):
  - Revenue rose 15% to RM704.6 million due to increased contribution from inpatient admissions from local patients and performing COVID-19 related services; EBITDA grew 28% to RM193.6 million.
  - Inpatient admissions increased 19% while revenue intensity dropped 1.7%. For the quarter, average occupancy was at 52%.

### **IHH Singapore**

#### **Resilient performance with higher revenue intensity**

- Year-on-year (Y-o-Y):
  - Revenue grew 8% to RM1,250.5 million largely contributed from COVID-19 related services, in particular the warding of COVID-19 patients into our hospitals; EBITDA dropped 4% to RM395.7 million due to higher staff costs for the COVID-19 projects.
  - Inpatient admissions dropped 6% due to surge in COVID-19 community cases in Q1; however, revenue intensity grew 20.2%.
  - For the quarter, average occupancy was at 55%.

### **IHH Turkey and Europe**

#### **Volume growth from domestic and foreign patients**

- Year-on-year (Y-o-Y):
  - Due to the translation effects, revenue dropped 4% to RM1,014.3 million; EBITDA dropped 4% to RM269.1 million. The weaker Turkish Lira translated into Malaysian Ringgit eroded the revenue and EBITDA growth of the Group's operations in Turkey.
  - Inpatient admissions increased 11%; Revenue intensity increased 20% with price adjustments to counter inflation.
  - For the quarter, average occupancy was at 79%.

### **IHH India**

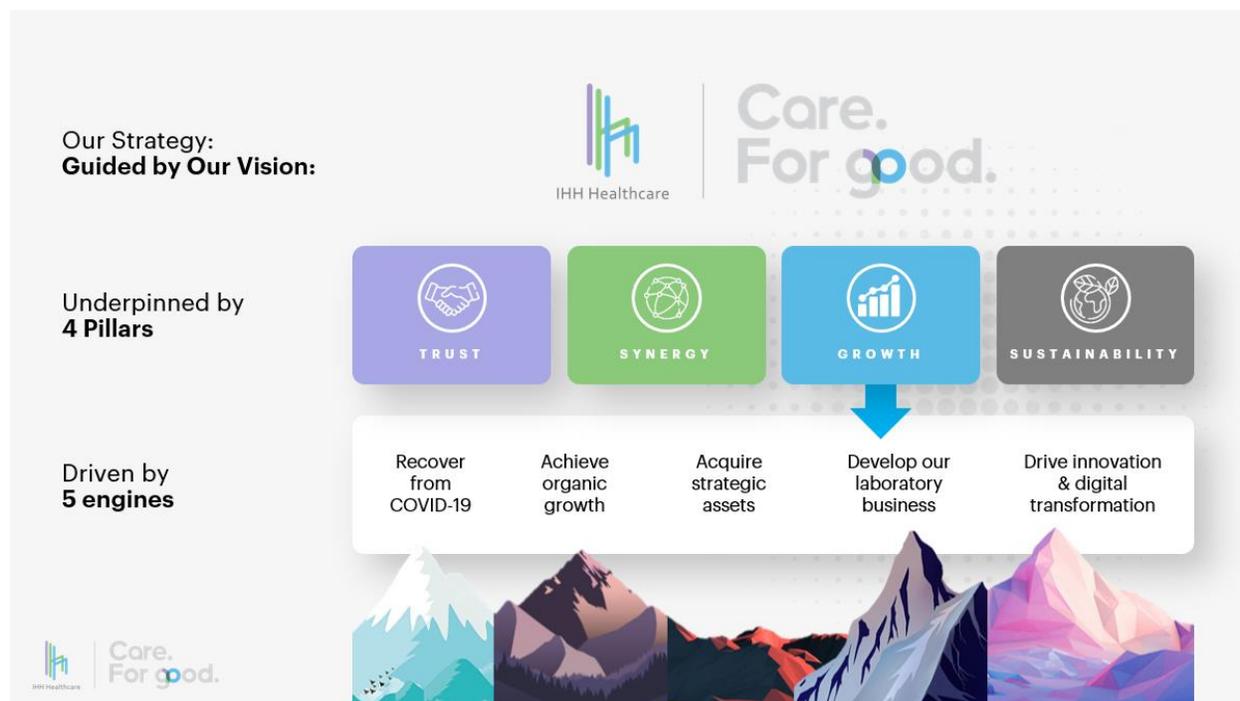
#### **Recovery of non-COVID inpatient admissions**

- Year-on-year (Y-o-Y):
  - Revenue grew 5% to RM870.2 million from healthy recovery of non-COVID-19 inpatient admissions. EBITDA increased 16% to RM134.2 million.
  - Inpatient admissions dropped 8%; Revenue intensity increased 9.6% as patients with more serious and urgent ailments sought treatment at the hospitals.
  - For the quarter, average occupancy was at 62%.

### Other Business Segments

- IHH Laboratories’ Q1 2022 revenue increased 8% to RM463.7 million and EBITDA decreased 26% to RM102.4 million respectively. This was due to lower COVID-19 test revenues, from a high base at the peak of the pandemic in Q1 2021.
- IMU Health’s Q1 2022 revenue increased 4% to RM62.2 million while EBITDA decreased 2% to RM21.9 million. The increase in revenue was due to higher student population and revenue recognised over a shorter course period for certain programmes.
- PLife REIT’s Q1 2022 external revenue was 4% higher than Q1 2021 while its EBITDA decreased 18%. The higher revenue was contributed by two nursing homes acquired in July 2021 and one nursing home property acquired in December 2021, partially offset by the divestment of P-Life Matsudo on 29 January 2021 and depreciation of the Japanese Yen. EBITDA decreased from a higher base in the same period last year with a RM15.6 million gain on disposal of an investment property.

### APPENDIX: OUR STRATEGY AT A GLANCE



## **ABOUT IHH HEALTHCARE BERHAD (“IHH”)**

A world-leading integrated healthcare provider, IHH believes that making a difference starts with a simple idea: Care. For Good.

Our team of 65,000 people commit to deliver greater good to our patients, people, the public and planet, as we live our purpose each day to touch lives and transform care.

Through our portfolio of trusted brands – Acibadem, Mount Elizabeth, Prince Court, Gleneagles, Fortis, Pantai, Parkway and IMU – we offer our patients comprehensive and personalised care ranging from primary to quaternary, and even ancillary services such as laboratories, diagnostics, imaging and rehabilitation.

With our scale and reach in 10 countries, we continue to raise the bar in healthcare in our key markets of Malaysia, Singapore, Turkey, India, Greater China (including Hong Kong) and beyond.

In partnership with our stakeholders, we will co-create a sustainable future for all as we work towards our vision to become the world’s most trusted healthcare services network.

More information can be found at [www.ihhealthcare.com](http://www.ihhealthcare.com).

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