



HMI reports an 8.1% increase in revenue to RM124.8 million for 3Q2019

- Revenue rises 8.1% yoy to RM124.8 million driven by rising patient loads and average bill sizes
- Excluding the impact of gestation costs from the newly set-up StarMed Specialist centre, EBITDA would have increased 5.6% yoy while core PATMI would have increased 10.0% yoy
- Robust positive cash flow generation of RM37.4 million contributes to balance sheet strength, with the Group's net debt to equity at 1.0x as at 31 March 2019

Financial Highlights	3Q2019	3Q2018	Change	9M2019	9M2018	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	124,755	115,358	8.1	378,303	348,398	8.6
Gross Profit	42,101	41,369	1.8	132,444	124,778	6.1
EBITDA	27,539	28,169	(2.2)	87,680	86,123	1.8
EBITDA Margin (%)	22.1	24.4	(2.3) pts	23.2	24.7	(1.5) pts
PATMI	13,429	15,880	(15.4)	35,330	45,390	(22.2)
Core PATMI (<i>excluding non-operational and one-off items</i>)	12,962	15,409	(15.9)	44,251	46,379	(4.6)

SINGAPORE – 13 May 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 third quarter (“3Q2019”) ended 31 March 2019.

The Group reported an 8.1% year-on-year (“yoy”) increase in revenue to RM124.8 million for 3Q2019. This increase was driven mainly 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 RM27.5 million while EBITDA margin contracted to 22.1% as a result of gestation costs from the Group’s new ambulatory care centre in Singapore, StarMed Specialist Centre (“StarMed”). Excluding the impact arising from gestation costs at StarMed, the Group’s EBITDA would have increased 5.6% yoy.

The Group reported a 15.4% yoy decline in net profit attributable to shareholders (“PATMI”) to RM13.4 million. Excluding non-operational items such as foreign exchange losses and one-off costs, the Group’s core PATMI declined 15.9% yoy to RM13.0 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 PATMI would have increased 10.0% yoy.

Supported by robust positive operating cash flow generation of RM37.4 million, the Group reported net debt to equity at 1.0x as at 31 March 2019.

Operational Updates

The Group's total patient load increased 1.3% yoy to 116,202 for 3Q2019. In addition, average outpatient bill sizes increased 5.3% yoy to RM233 and average inpatient bill sizes increased 4.9% yoy to RM8,191. During the quarter, the Group's bed occupancy increased to 61.2% 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, the planned construction of the new hospital block has commenced. This new block will more than double existing capacity with additional inpatient beds, clinical services, operating theatres and medical suites. 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 with a soft launch since September 2018. The Group expects StarMed to incur gestation start-up losses from its operations for potentially up to 3 years. In addition, on 15 March 2019, the Group completed the acquisition of a 28% stake in a chain of primary care clinics in Singapore for S\$4.2 million which allowed the Group to effectively widen its healthcare network. 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, "Our hospitals continue to see rising patient loads as we leverage on our strong brand equity and quality services to chart steady growth. Against the backdrop of rising healthcare demand in the region, our expansion initiatives at both hospitals are progressing well. In addition, we continue to focus our efforts on broadening our specialist offerings, developing our centres of excellence, as well as investing into technology and human capital across the Group."

In Singapore, while still in its infancy, StarMed continues to gain traction as the Group seeks to create a leading ambulatory care centre committed to providing excellence in medical care. **Ms Chin said,** "We remain confident in the potential of StarMed in light of rising demand for day surgeries and diagnostic imaging. Following the completion of our investment into a network of primary care clinics, we have widened our healthcare network in Singapore to provide quality 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.

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