



HMI reports 8.9% increase in revenue to RM509.4 million for FY2019

- Revenue rises 8.9% yoy to RM509.4 million driven by rising patient loads and average bill sizes for the Group's hospital services segment
- Excluding the impact of gestation costs from the newly set-up StarMed Specialist centre, EBITDA would have increased 8.9% yoy while core PATMI would have increased 14.2% yoy

Financial Highlights	4Q2019	4Q2018	Change	FY2019	FY2018	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	131,100	119,198	10.0	509,403	467,597	8.9
Gross Profit	43,250	41,029	5.4	175,694	165,808	6.0
EBITDA	28,297	29,023	(2.5)	115,977	115,146	0.7
EBITDA Margin (%)	21.6	24.3	(2.7) pts	22.8	24.6	(1.8) pts
PATMI	13,505	15,206	(11.2)	48,835	60,596	(19.4)
Core PATMI (<i>excluding non-operational and one-off items</i>)	11,779	15,862	(25.7)	56,030	62,241	(10.0)

SINGAPORE – 19 August 2019 – Health Management International Ltd (“HMI” or the “Company”, and together with its subsidiaries, 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 fourth quarter (“4Q2019”) and full year (“FY2019”) ended 30 June 2019.

The Group reported an 8.9% year-on-year (“yoy”) increase in revenue to RM509.4 million for FY2019. This increase was driven mainly by rising patient loads and average bill sizes for the Group's hospital services segment.

The Group's EBITDA increased marginally to RM116.0 million while EBITDA margin contracted to 22.8% 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 8.9% yoy.

The Group reported a 19.4% yoy decline in net profit attributable to shareholders (“PATMI”) to RM48.8 million. Excluding non-operational items such as foreign exchange losses and one-off costs, the Group's core PATMI declined 10.0% yoy to RM56.0 million. The Group's PATMI for FY2019 was impacted by the gestation costs from StarMed. However, excluding these gestation costs, the Group's core net profit would have increased 14.2% yoy.

Operational Updates

The Group's total patient load increased 5.9% yoy to 121,891 for 4Q2019. In addition, average outpatient bill sizes increased 5.0% yoy to RM237 while average inpatient bill sizes increased marginally to RM8,269. During the quarter, the Group's operational bed occupancy increased to 61.4% while the total number of operational beds increased marginally to 441.

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 works have been ongoing as the hospital looks to increase its capacity. 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 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.

Commenting on the Group's latest financial results announcement, Chief Executive Officer Ms Chin Wei Jia said, "Leveraging on our strong brand equity across the region, our patient load continues to grow. With rising demand for healthcare in the region, our expansion plans at both hospitals are progressing as planned. We continue to chart steady growth while remaining focused on delivering quality healthcare and broadening our specialist offerings to provide comprehensive care for our patients.

In Singapore, StarMed continues to gain traction as the Group seeks to create a leading ambulatory care centre committed to providing quality care at affordable prices. **Ms Chin** said, "While we continue to face gestation costs at StarMed, we remain confident in its potential as the demand for day surgeries and diagnostic imaging increases. We continue to focus on specialist recruitment and marketing outreach activities to introduce StarMed to the community."

Other Updates

On 5 July 2019, the Company and PanAsia Health Limited (the "Offeror") jointly announced the proposed acquisition of all the issued ordinary shares in the capital of the Company by the Offeror, a special purpose vehicle incorporated in the Cayman Islands and indirectly controlled by EQT Mid Market Asia III GP B.V.,

by way of a scheme of arrangement. For more details, please refer to the SGX announcements dated 5 July 2019.

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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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