

NEWS RELEASE

Kuala Lumpur/Singapore, 29 November 2021

**IHH Healthcare continues performance rebound from steady return of patients to hospitals and providing COVID-19 support services**

<p><b>Revenue</b></p> <p><b>RM4.4 b</b></p> <p>(↑ 26%)</p>	<p><b>EBITDA</b></p> <p><b>RM1.1 b</b></p> <p>(↑ 32%)</p>	<p><b>Net Operating Income*</b></p> <p><b>RM354.6 m</b></p> <p>(↑ 49%)</p>	<p><b>Net Income^</b></p> <p><b>RM550.0 m</b></p> <p>(↑ 77%)</p>
Q3 2021 Y-o-Y		*PATMI Excluding exceptionals	^ PATMI

*“Performance continued to rebound as patients returned to our hospital services network, and as we continue to prioritise COVID-19 support to help governments in some of our countries. Our efforts to optimise our capital structure and operations have started to pay off. Gleneagles Hong Kong Hospital delivered a positive EBITDA in the third quarter, while Turkey and India operations have recovered fully and are geared for continued expansion.*

*Our growth from here will be driven both organically and inorganically. We are also making innovation investments as part of our digital transformation roadmap to seize disruptive opportunities that will give patients better, faster and affordable care. As we emerge from the pandemic, IHH will not lose sight of our purpose to touch lives and transform care, keeping our people and patients safe.”*

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

**GROUP RESULTS: REBOUND FROM Q3 2020 AS LOCAL PATIENTS RETURN, AND PROVISION OF SERVICE OFFERINGS TO SUPPORT COVID-19 EFFORTS**

**Q3 2021**

Year-on-Year (Y-o-Y):

- **Revenue** grew 26% to RM4.4 billion as the Group saw growth across all the countries it operated. More patients returned to our hospitals for treatments, despite some disruptions and movement controls from resurging waves of COVID-19 outbreak. The consolidation of DDRC SRL Diagnostics and Prince Court Medical Center also contributed. We continued to actively support the public healthcare sector through COVID-19 related services such as treating of COVID-19 patients, screening, laboratory testing and vaccination services.
- Correspondingly, **EBITDA** grew to RM1.1 billion with stringent cost controls in place. All our key markets: Malaysia, Singapore, India and Greater China have improved performance. **Net Operating Income** increased to RM354.6 million. In Greater China, Gleneagles Hong Kong Hospital reported a positive EBITDA in Q3 2021.
- **Net Income** grew to RM550.0 million on the back of stronger revenue from local patients returning and contributions from COVID-19 services rendered and maintaining cost discipline. The strong performance

recorded was also due to the recognition of a previously unrecognised deferred tax asset by Acibadem Holdings.

## 9M 2021

### Year-on-Year (Y-o-Y):

- **Revenue, EBITDA, and Net Income** grew to RM12.7 billion, RM3.2 billion and RM1.4 billion respectively from a lower base a year ago when major lockdowns across our network impacted our performance.
- **Cashflows** were strong with net cash generated from operating activities of RM2.4 billion.
- **Balance sheet** remained robust, with an overall cash balance of RM4.0 billion and **net gearing** of 0.24 times (31 December 2020: 0.28 times).

## 9M 2021 OPERATIONAL HIGHLIGHTS

- Return on Equity reached 8.2% in Q3 2021.
- Gleneagles Hong Kong Hospital broke even on EBITDA in May 2021 and reported a positive EBITDA in Q3 2021.
- Supported governments in COVID-19 efforts across our international network:
  - New market-specific support rendered in 9M 2021 included:
    - **Singapore:**
      - Parkway Laboratory Services was awarded the contract by Changi Airport Group to be one of two laboratory vendors to provide Polymerase Chain Reaction (PCR) tests for on-arrival travellers at Changi Airport starting November 2021.
      - Allocated about 230 beds to treat COVID-19 patients at our IHH Singapore hospitals.
    - **Turkey:** Dalaman YDA Airport Acibadem PCR Laboratory has been operational since 1 June 2021 to perform PCR tests for passengers 24/7

## OUTLOOK

- With operations returning to normalcy, we expect revenues from COVID-19 services to gradually decrease.
- The Group also expects staff costs to rise as we strengthen our clinical talent across our hospital services network with a strong return of core non-COVID business.
- At the same time, we will further drive business performance by:
  - Extracting synergies from our international network and enhancing efficiencies to become one-IHH network.
  - Driving efficient growth through reviewing opportunities to expand into new or established clusters where it is earnings accretive to IHH.
  - Proactively diversifying into new revenue streams including diagnostics and laboratory services, improving case mix, as well as partnering and supporting public health organisations.
  - Embarking on a patient-centric digital transformation roadmap over the next few years to deliver better, seamless, and affordable care for our patients.
- Our long-term growth trajectory remains solid, and we are poised for sustainable growth in the new normal as we stay guided by our vision to be the world's most trusted healthcare services network.

## **GEOGRAPHICAL OPERATIONAL AND FINANCIAL UPDATES**

### **Malaysia operations**

#### **Sustained recovery with contributions from complex medical cases and the provision of COVID-19 related services**

##### Year-on-year (Y-o-Y):

- Revenue increased 23% to RM709.9 million due to the inclusion of contribution from Prince Court Medical Centre and increased contribution from performing more COVID-19 tests; EBITDA grew 26% to RM200.8 million.
- Inpatient admissions decreased 11% while revenue intensity improved 25.1%.
- For the quarter, average occupancy was at 48%.

### **Singapore operations**

#### **Continued resilience in performance**

##### Year-on-year (Y-o-Y):

- Revenue improved 32% to RM1.3 billion; EBITDA grew 5% to RM367.5 million.
- Inpatient admissions decreased marginally by 2% while revenue intensity grew 5.8%.
- For the quarter, average occupancy was at 55%.
- Lab and diagnostic capabilities were ramped up to support COVID-19 efforts via the installation of the eleventh PCR test machine in August to increase testing capacity.

### **Turkey and European operations**

#### **Strong performance continues in the quarter**

##### Year-on-year (Y-o-Y):

- Revenue grew 19% to RM1.1 billion; EBITDA increased 34% to RM300.2 million.
- Inpatient admissions improved 12%; Revenue intensity increased 21.7% with more complex cases undertaken and price adjustments to counter inflation.
- For the quarter, average occupancy was at 75%.

### **India operations**

#### **Strong recovery of core non-COVID business**

##### Year-on-year (Y-o-Y):

- Revenue grew 41% to RM977.2 million on contribution from COVID-19 related services and healthy recovery of non-COVID inpatient admissions; EBITDA increased 102% to RM180.8 million.
- Inpatient admissions increased 29%; Revenue intensity increased 3.2% as patients with more serious and urgent ailments sought treatment at our hospitals.
- For the quarter, average occupancy was at 66%.
- Restructuring in 2020 that delivered cost savings sustained.

### **Others**

- IMU Health's revenue grew 21% to RM65.6 million due to the postponement of academic courses from last year amid the pandemic; EBITDA grew to RM25.0 million on the higher revenue as well as the absence of allowances granted to students last year.

- PLife REIT's external revenue was marginally higher at RM39.6 million; EBITDA increased to RM137.2 million mainly due to valuation gains for its portfolio.

## **ABOUT IHH HEALTHCARE (“IHH”)**

IHH Healthcare is a leading international healthcare services provider with a vision to become the world's most trusted healthcare services network. We manage a portfolio of trusted healthcare brands – Acibadem, Mount Elizabeth, Prince Court, Gleneagles, Fortis, Pantai, Parkway and IMU – in our key markets of Malaysia, Singapore, Turkey, India and Greater China (including Hong Kong). Employing over 65,000 dedicated people across 80 hospitals in 10 countries, we offer a full spectrum of integrated healthcare services, from primary care to highly specialised acute medical treatment, through a diverse range of medical, diagnostic and ancillary assets from clinics and hospitals to laboratories and radiology centres. Together, we commit to touch lives and transform care. More information can be found at [www.ihhhealthcare.com](http://www.ihhhealthcare.com).

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