

## NEWS RELEASE

Kuala Lumpur/Singapore, 31 May 2021

**IHH Healthcare reports 77% y-o-y rise in Net Operating Income in Q1 2021**

Revenue	EBITDA	Net Operating Income*	Net Income^
RM3.9 b	RM960.6 m	RM335.8 m	RM375.6 m
(↑ 11%)	(↑ 31%)	(↑ 77%)	(↑ 217%)

Q1 2021 Y-o-Y

\*PATMI Excluding exceptionals    ^ PATMI

*“Our strong performance in the quarter demonstrates our agility in responding to COVID-19. Adapting nimbly to undertake operational changes and new initiatives enabled us to return a 77% Y-o-Y growth in core earnings at this stage of our recovery. We will remain adaptive to manage the challenges that will come from the tightening COVID-19 measures. Our Refreshed Strategy, which puts trust at the centre of all we do and has underpinned our resilience, remains a focus.*

*Still, as the resurgence of COVID-19 including in India, Malaysia, Turkey and Singapore has shown, this fight is far from over. Our hearts are especially with our India friends, colleagues and patients amid this devastating health crisis. We continue to stand by them and stand ready to provide additional support where needed; a commitment that applies to all countries where we operate. The safety of our colleagues, patients and communities remains our top priority.”*

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

**GROUP RESULTS HIGHLIGHTS**
**Q1 2021: Strong performance on resilient core operations and delivery of COVID-19 related services**
Year-on-Year (Y-o-Y):

- **Revenue** grew 11% as impact from pandemic was largely offset by delivery of COVID-19 related services and contribution from Prince Court Medical Centre. Local patients, including elective cases have increasingly returned to our Group’s hospitals. Correspondingly, **EBITDA** increased 31%.
- **Net Income** more than doubled on the back of strong EBITDA growth, without the impairment for Global Hospitals in India and foreign currency translation losses for Khubchandani Hospitals<sup>1</sup> in India factored in to Q1 2020.
- **Net Operating Income** grew 77% on the stronger operating performance and higher share of profits from joint ventures and associates. Depreciation and amortisation expenses and net finance costs were also lower.
- **Cashflows** were strong with net cash generated from operating activities of RM0.57 billion.
- **Balance sheet** remained robust, with an overall cash balance of RM4.6 billion and **net gearing** of 0.26 times<sup>2</sup> (31 December 2020: 0.28 times).

<sup>1</sup> This joint venture project was deemed substantively liquidated in Q1 2020.

<sup>2</sup> In addition to loans and borrowings, the Group’s revised definition for “Debt” includes lease liabilities (arising from IFRS16) and overdrafts. Excluding lease liabilities and overdrafts, the gearing ratio is 0.19.

## REFRESHED STRATEGY OPERATIONAL HIGHLIGHTS: DOUBLE RETURN ON EQUITY (“ROE”) OVER FIVE YEARS FROM 2020-2024

### 1) Completed divestment of Apollo Gleneagles Hospital Kolkata joint venture in April 2021

- Divestment is part of Refreshed Strategy to review portfolio and capital deployment to prioritise returns.
- Group will explore options to recycle capital and review the expansion of our footprint in line with our cluster strategy for capital efficiency and growth in the Indian sub-continent.

### 2) Entered Serbia with Acibadem’s acquisition of Bel Medic in March 2021

- Aligned with growth strategy for the Eastern European market.
- Adds a quality asset that is immediately earnings accretive and further diversifies Acibadem’s revenue base with its Euro-hedged earnings. Serbia is a key market for Acibadem’s foreign patient network in to its hospital facilities in Turkey.

### 3) Continued to support COVID-19 efforts across international network

- Commitment to continue delivering trusted healthcare services amid pandemic.
- Vaccination drives began for home markets of Malaysia, Singapore, Turkey and India since Q1 2021.
- Some new market specific support rendered since the start of 2021 include:
  - **Malaysia:** In January, we set aside approximately 10% of bed capacity for COVID-19 patients; In May, we have increased that to 13% and also more than doubled ICU beds committed for COVID-19 patients. Pantai Hospital Kuala Lumpur and Pantai Hospital Klang have become designated vaccination centres.
  - **Singapore:** Taking on additional COVID-19 related projects including operating three vaccination centres via our primary care arm Parkway Shenton.
  - **Turkey:** All hospitals have started to administer vaccines to patients and staff.
  - **India:** Partnered with Bharat Biotech to administer vaccines across our Gleneagles Global Hospitals in Bengaluru, Chennai and Hyderabad, in support of the government’s accelerated vaccination drive amid the surge in cases.

## OUTLOOK

- Resurgence of cases across markets IHH operates in will present near-term headwinds, with some markets having tightened safety and movement control measures. To mitigate the impact, the Group will continue to:
  - Execute our targeted strategy for each market to ensure sustained earnings growth.
  - Align efforts to innovate and deliver healthcare digitally; Leverage synergies from IHH’s international network and build platforms for growth through our cluster strategy.
  - Proactively diversify into new revenue streams including COVID-19 related services, improve case mix, maintain tight cost and capital discipline while supporting public health organisations.
- Strong financial position with ample liquidity and cash flow and well-placed to ride out the pandemic.
- Overall, the Group is confident that our longer-term growth trajectory remains intact. We remain disciplined in delivering our Refreshed Strategy, which is centred on becoming the world’s most trusted healthcare services provider, even as we stay nimble in adapting to the pandemic.

## **GEOGRAPHICAL OPERATIONAL AND FINANCIAL UPDATES**

### **Malaysia operations**

#### **Performance impacted by Movement Control Order (“MCO”)**

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

- Revenue improved 10% to RM611.9 million due to the inclusion of contribution from Prince Court Medical Centre and increased contribution from Pantai Laboratory on performing more COVID-19 tests; EBITDA grew 1% to RM150.7 million.
- Inpatient admissions fell 30% while revenue intensity grew 37.6%.
- For the quarter, average occupancy was at 43%.

### **Singapore operations**

#### **Firm recovery with additional COVID-19 related services undertaken**

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

- Revenue grew 14% to RM1.16 billion largely due to COVID-19 related services rendered; EBITDA was up 27% to RM417.5 million.
- Inpatient admissions decreased 3% while revenue intensity fell 1.7%.
- For the quarter, average occupancy was at 54%.

### **Turkey and European operations**

#### **Strong revenue recovery in Q1**

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

- Revenue improved 11% to RM1.1 billion; EBITDA grew 29% to RM279.8 million.
- Inpatient admissions fell by 2%; Revenue intensity increased 28.7% with more complex cases undertaken and price adjustments to counter inflation.
- For the quarter, average occupancy was at 75%.

### **India operations**

#### **Revenue recovery on both COVID and non-COVID services growth**

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

- Revenue grew 11% to RM830.6 million on contribution from COVID-19 related services and recovery of non-COVID inpatient admissions; EBITDA rose 68% to RM116.4million.
- Inpatient admissions decreased 2%; Revenue intensity increased 15.2% as patients with more serious and urgent ailments sought treatment at the hospitals.
- For the quarter, average occupancy was at 62%.

### **Others**

- IMU Health’s revenue decreased by 11% to RM59.8 million mainly due to a higher base in Q1 2020 from a one-off RM3.8 million seminar income. Revenue was also affected as COVID-19 meant IMU Health had to adjust its academic calendar following movement restriction orders and student intake for certain courses also decreased; EBITDA fell by 21%.
- PLife REIT’s revenue was flat at RM37.9 million; EBITDA increased 26% to RM89.0 million due to a RM15.6 million gain on divestment of an investment property in Japan.

## **ABOUT IHH HEALTHCARE (“IHH”)**

IHH Healthcare is a leading international healthcare operator offering our patients a full spectrum of integrated healthcare services from clinics to hospitals to highly specialised care and a wide range of acute medical services. Our wide geographical footprint extends across our home markets of Malaysia, Singapore, Turkey, and India, as well as our key growth market of Greater China (including Hong Kong). Our portfolio of trusted premium healthcare brands includes Pantai, Gleneagles and Prince Court in IHH Malaysia; Mount Elizabeth, Gleneagles, and Parkway in IHH Singapore; Gleneagles and ParkwayHealth in IHH Greater China; Fortis, Global and Continental in IHH India; and Acibadem in Turkey. We employ over 65,000 people across 80 hospitals in 10 countries, with a vision to become the world’s most trusted healthcare services network. More information can be found at [www.ihhhealthcare.com](http://www.ihhhealthcare.com).

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