

NEWS RELEASE

Kuala Lumpur/Singapore, 26 August 2021

**IHH Healthcare performance bounces back as patients return to hospitals, from new services rendered to support COVID efforts and strong cost controls**

Revenue	EBITDA	Net Operating Income*	Net Income <sup>^</sup>
RM4.3 b	RM1.1 b	RM463.6 m	RM483.3 m
(↑ 66%)	(↑ 314%)	(↑ 651%)	(↑ 501%)
Q2 2021 Y-o-Y		*PATMI Excluding exceptionals	<sup>^</sup> PATMI

*“Our performance rebounded beyond pre-COVID levels on three key drivers: Firstly, our relentless focus on delivering excellent care for patients has seen more return to our hospitals; secondly, our ability to provide COVID-related services in support of government healthcare efforts, especially by ramping up our laboratory and diagnostic services; and thirdly, the strong cost discipline we continue to maintain.*

*Operationally, we are delighted that in Singapore, we have locked in business continuity by extending a long-term lease for three hospitals, which includes a S\$150 million infrastructure upgrade provided by the landlord that will further improve our services. We are also excited that our Gleneagles Hong Kong Hospital has achieved EBITDA breakeven in May 2021.*

*While we may face unpredictable short-term headwinds amid the ever-evolving pandemic situation, we are confident of our longer-term trajectory. Given the Delta variant causing a resurgence worldwide, the situation remains fluid, but our priority remains the same - we will provide the fullest extent of COVID-19 support for governments so that patients continue to get the best of medical care, while ensuring the safety and well-being of our people.”*

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

**GROUP RESULTS: REBOUND IN PROFITS AS PATIENTS RETURN TO HOSPITALS, FROM NEW OFFERINGS TO SUPPORT COVID-19 EFFORTS AND STRONG COST CONTROLS**

**Q2 2021**

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

- **Revenue** grew 66% to RM4.3 billion as more patients returned to our hospitals for treatments in certain markets where movement restrictions were eased. 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 and **Net Operating Income** increased to RM463.6 million.
- **Net Income** grew to RM483.3 million on the back of stronger EBITDA, as more patients returned to our hospitals, from COVID-19 support services provided and tight cost control measures especially in India.

At the same time, Gleneagles Hong Kong Hospital achieved EBITDA breakeven in May 2021. The increase in net income was also attributed to a re-measurement to fair value of interest in DDRC SRL and disposal gains from Apollo Gleneagles Hospitals, offset by a substantive write down of Parkway Yangon Hospital in Myanmar and Gleneagles Chengdu Hospital in China.

## H1 2021

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

- **Revenue, EBITDA, Net Income** grew to RM8.2 billion, RM2.1 billion and RM858.9 million respectively from a low base in FY2020 when major lockdowns across our network impacted our performance.
- **Cashflows** were strong with net cash generated from operating activities of RM1.45 billion.
- **Balance sheet** remained robust, with an overall cash balance of RM4.1 billion and **net gearing** of 0.25 times (31 March 2021: 0.26 times).

## H1 2021 OPERATIONAL HIGHLIGHTS

### 1) Refreshed Strategy to double return on equity bears fruit

- Achieved EBITDA breakeven for Gleneagles Hong Kong Hospital in May 2021.
- Continue to explore options to make use of capital available upon the divestment of non-core assets such as the Apollo Gleneagles Hospital Kolkata joint venture in April 2021.
- Entered Serbia when Acibadem acquired Bel Medic in July 2021. This is in line with our strategy to grow in Eastern Europe and diversify Acibadem's revenue base with Euro-hedged earnings.
- Supported governments in COVID-19 efforts across our international network:
  - Vaccination drives began in Q1 2021 for home markets of Malaysia, Singapore, Turkey and India.
  - New market-specific support rendered in H1 2021 included:
    - **Malaysia:** Operating a total of 19 vaccination centres and conducting drive thru vaccination service.
    - **Singapore:** Operating a total of four vaccination centres via our primary care arm Parkway Shenton.
    - **Turkey & Europe:** All hospitals have started to administer vaccines to patients and staff.
    - **India:** Vaccine administration for patients in the hospitals.

### 2) Secured operational continuity, with built-in infrastructure improvements, at three Singapore hospitals

- Extended lease term of ~20 years for Gleneagles Hospital Singapore, Mount Elizabeth Hospital (Orchard) and Mount Elizabeth Novena Hospital with PLife REIT.
- Includes S\$150 million in infrastructure upgrades by the landlord to improve service offerings that will ensure our continued competitiveness.

## OUTLOOK

- We expect continued short-term impact from instances of resurgence of COVID-19 cases as the pandemic evolves, with movement restrictions across countries we operate. However, we aim to mitigate these impacts by executing on our Refreshed Strategy 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 value 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, while maintaining tight cost and capital discipline.
- Accelerating innovation to deliver healthcare digitally, such as introducing telemedicine.
- Our long-term growth trajectory remains solid and we are well-prepared to ride out the pandemic to emerge stronger as we stay guided by our purpose to build trust with all stakeholders.

## **GEOGRAPHICAL OPERATIONAL AND FINANCIAL UPDATES**

### **Malaysia operations**

#### **Steady recovery with strong contributions from complex medical cases and COVID-19 tests**

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

- Revenue increased 53% to RM662.4 million due to the inclusion of contribution from Prince Court Medical Centre and increased contribution from performing more COVID-19 tests and patient admissions; EBITDA grew to RM185.5 million.
- Inpatient admissions grew 26% and revenue intensity 18.5%.
- For the quarter, average occupancy was at 48%.

### **Singapore operations**

#### **Resilient performance in Q2**

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

- Revenue improved 57% to RM1.3 billion; EBITDA grew to RM434.4 million.
- Inpatient admissions increased 22% and revenue intensity grew 5.7%.
- For the quarter, average occupancy was at 55%.
- Lab and diagnostic capabilities were ramped up to support COVID-19 efforts.

### **Turkey and European operations**

#### **Robust EBITDA growth from Q2 2020**

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

- Revenue grew 72% to RM1.1 billion; EBITDA increased to RM300.6 million.
- Inpatient admissions improved 49%; Revenue intensity increased 22.1% with more complex cases undertaken and price adjustments to counter inflation.
- For the quarter, average occupancy was at 78%.

### **India operations**

#### **Strong revenue intensity and more inpatient admissions**

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

- Revenue grew 133% to RM972.7 million on contribution from COVID-19 related services and recovery of non-COVID inpatient admissions; EBITDA increased to RM187.9 million.
- Inpatient admissions increased 46%; Revenue intensity increased 47.8% as patients with more serious and urgent ailments sought treatment at the hospitals.
- For the quarter, average occupancy was at 68%.

## Others

- IMU Health's revenue was marginally down by 2% to RM62.2 million largely impacted by COVID-19 which led to the adjustment in academic calendar following movement restriction orders and student intake for certain courses also decreased; EBITDA consequently fell to RM22.3 million.
- PLife REIT's external revenue decreased 6% to RM37.0 million due to loss of revenue upon divestment of an investment property in Japan in January 2021 and depreciation of Japanese Yen, which was partially offset by contribution from a nursing home acquired in December 2020 and lower operating expenses. EBITDA was marginally higher at RM73.3 million.

## 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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