



IHH Healthcare



MAYBANK BURSA: IHH INVESTOR PRESENTATION

OCTOBER 2021



OUR VALUES



PATIENTS FIRST

We put patient's needs first



INTEGRITY

We do the right thing



EMPATHY

We listen to our hearts



TEAMWORK

We are better together



EXCELLENCE

We champion continuous improvement and innovation

OUR VISION

To be the world's most trusted healthcare services network

OUR MISSION

To take exemplary care of our patients anchored around our people who strive to continuously raise the bar in clinical, operational and service excellence

OUR PURPOSE

Touching Lives,
Transforming care

IHH HAS 80 HOSPITALS IN 10 COUNTRIES


- Malaysia
16 Hospitals
- Singapore
4 Hospitals
- Turkey
16 Hospitals
- India
34 Hospitals
- Greater China
3 Hospitals
- Brunei
1 Hospital
- Bulgaria
3 Hospitals
- Macedonia
1 Hospital
- Serbia
1 Hospital
- Netherlands
1 Hospital

 Key Markets

 Other markets



ACIBADEM

 Mount Elizabeth™

 Gleneagles

 PANTAI

 Parkway

 MU

 PUSAT PERUBATAN
PRINCE COURT
MEDICAL CENTRE.

 Fortis

 IHH Healthcare

COVID-19: AT THE FRONTLINE OF TRUST

AT THE FRONTLINE WITH OUR PEOPLE



Caring for our own



Enhancing safety
to protect patients
and staff



Deploying crisis
management
initiatives

AT THE FRONTLINE OF INNOVATION



Transforming care
through virtual
consultations



Greater
transparency
through our
VDO initiative

AT THE FRONTLINE OF POSITIVE CHANGE



Strengthening
public-private
partnerships



Increasing our
lab capacity and
providing swab
testing



Providing
vaccination to the
community

OUR STRATEGY

from 2020 to 2024

To improve earnings and deepen trust with stakeholders

EXTRACTING SYNERGIES



Drive productive improvements leveraging best practices across group to be the best healthcare engineering company



Group procurement synergy programme



Enhance operational efficiency to become one-IHH network

DRIVING EFFICIENT GROWTH



Improve asset turnover and drive bed utilisation



Deepen cluster strategy to deliver higher return on equity



Review and calibrate asset portfolio

DEVELOPING SUSTAINABLE PLATFORMS



Accelerate growth in global diagnostic business

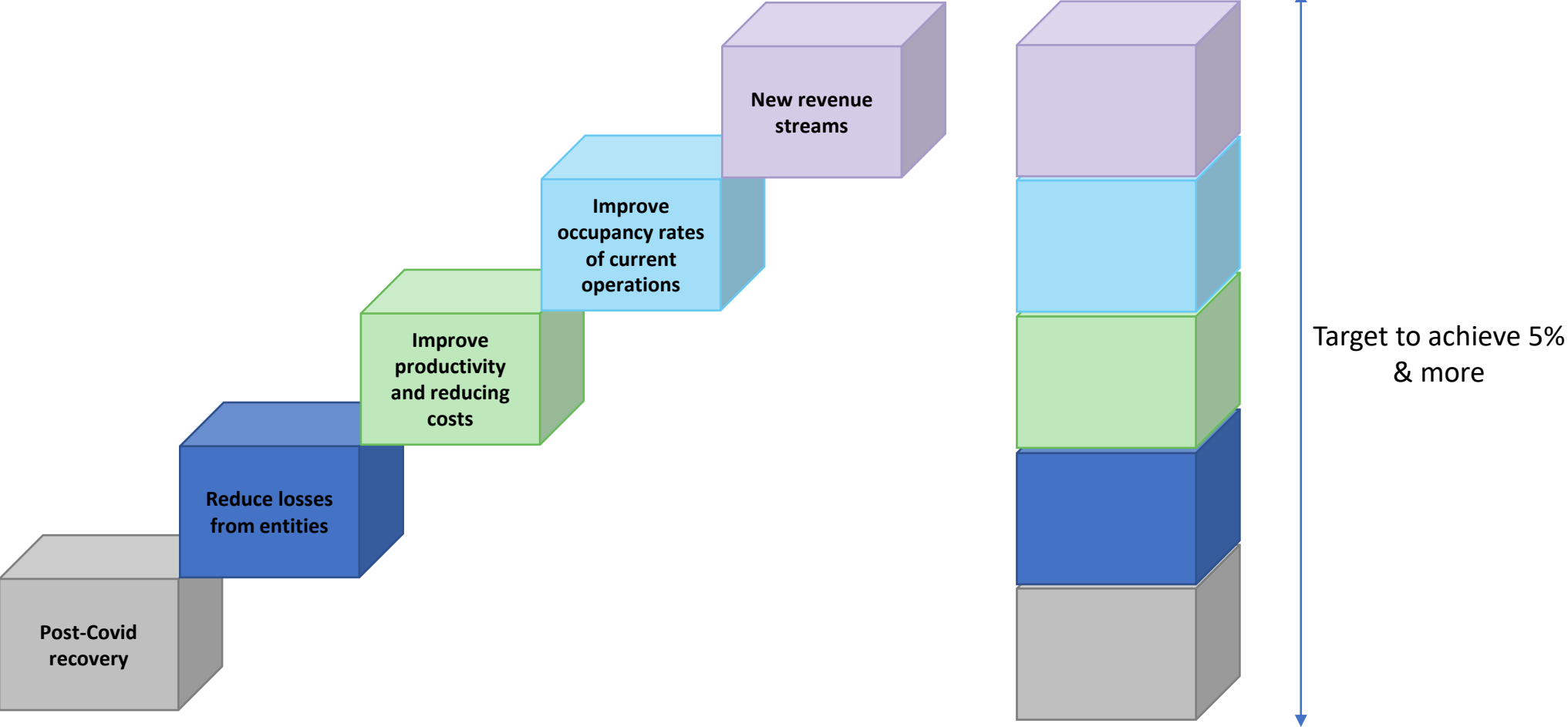


Develop digital / online service ecosystem, seamless connect to offline service



Drive deep insights for operating improvements and new revenue streams through advanced data analytics

Initiatives to doubling ROE and beyond

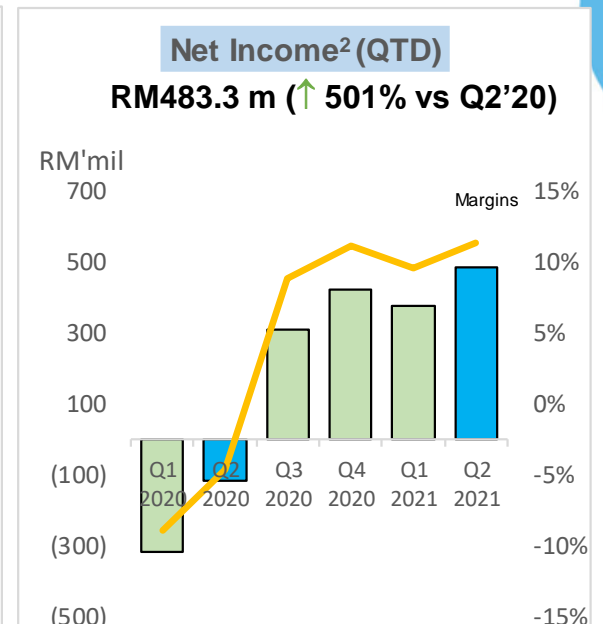
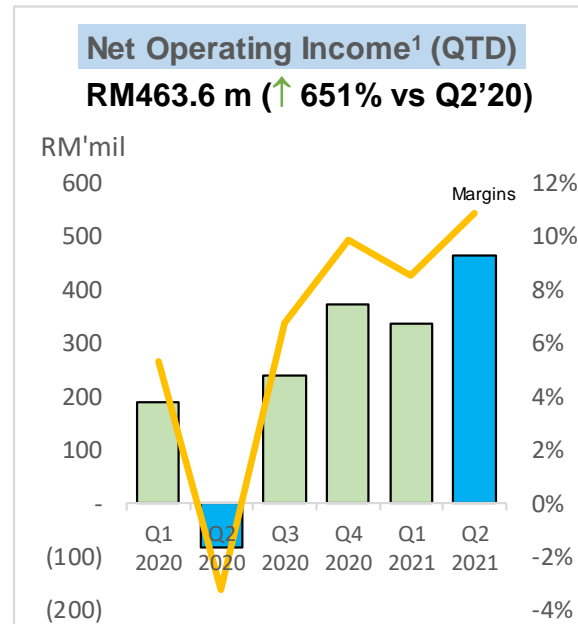
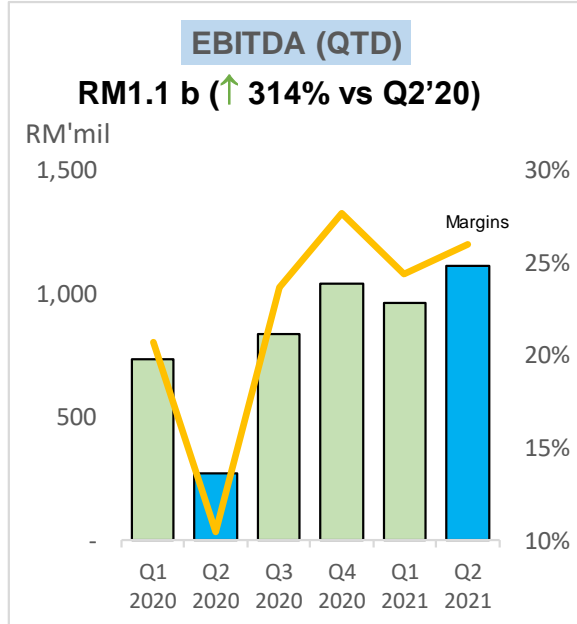
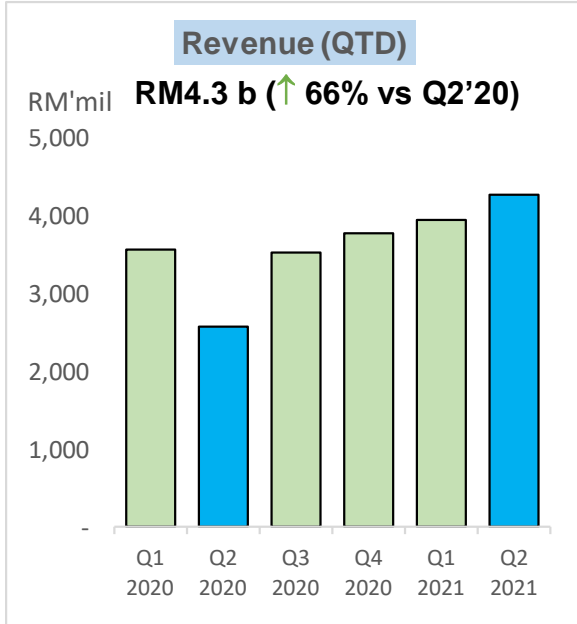


← Initiatives to double ROE from 2020 to 2024 →



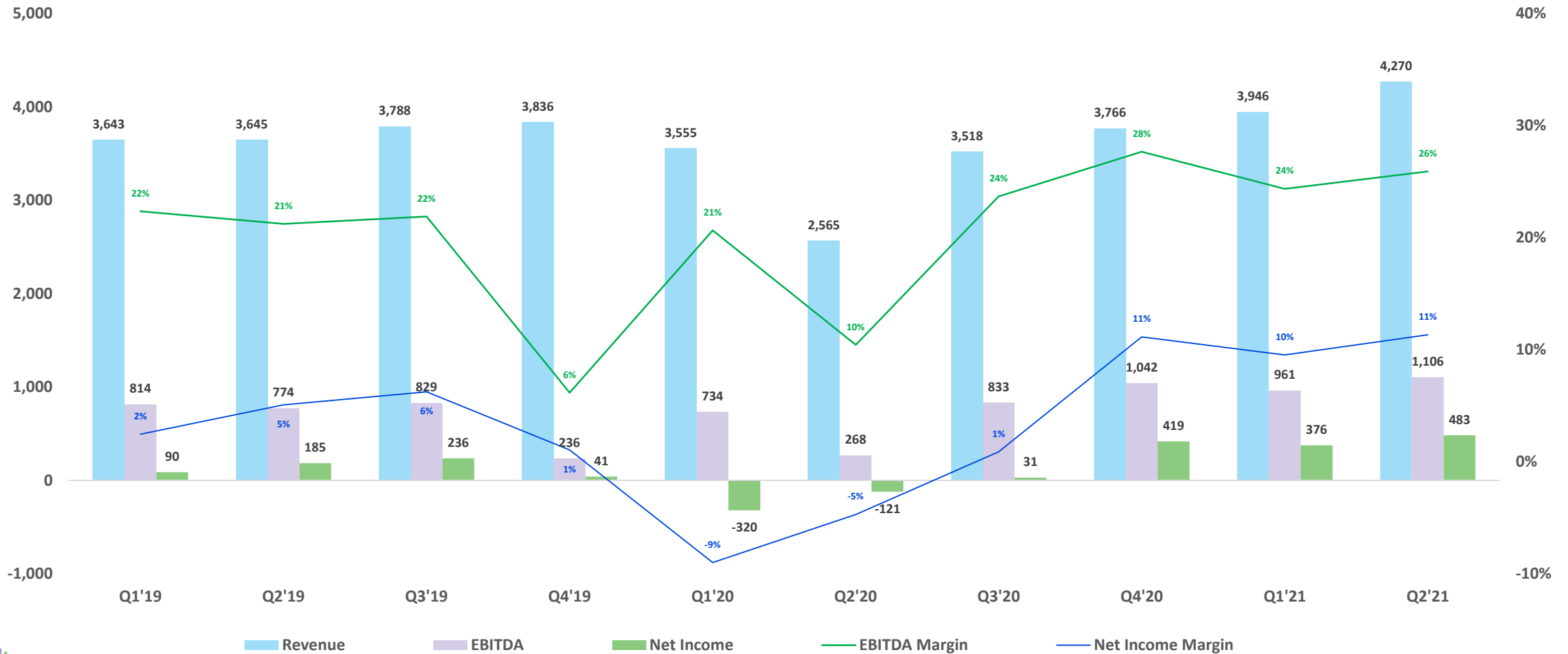
KEY FINANCIAL HIGHLIGHTS

Strong performance on resilient core operations, delivery of COVID-19 related services and strong cost controls

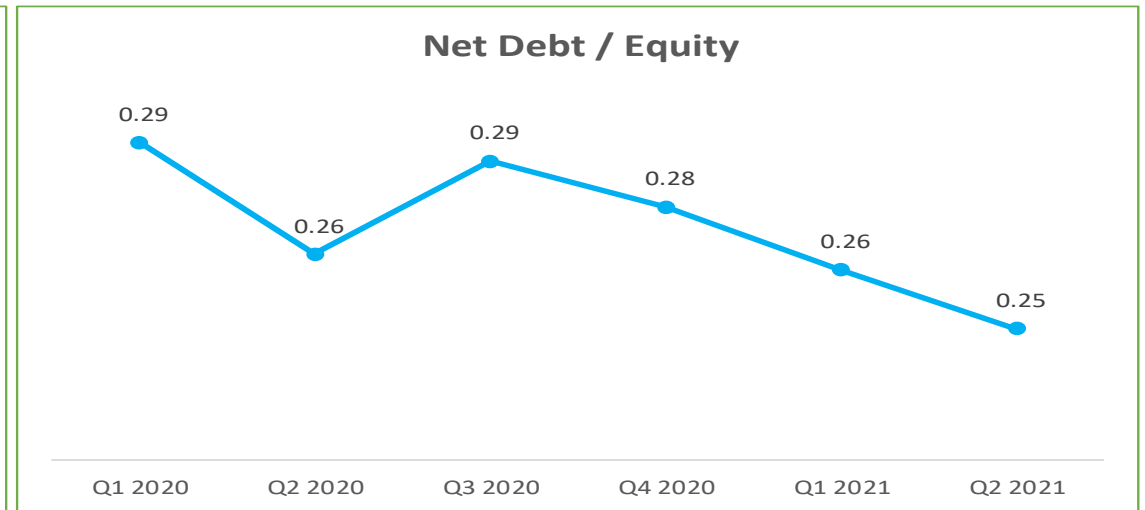
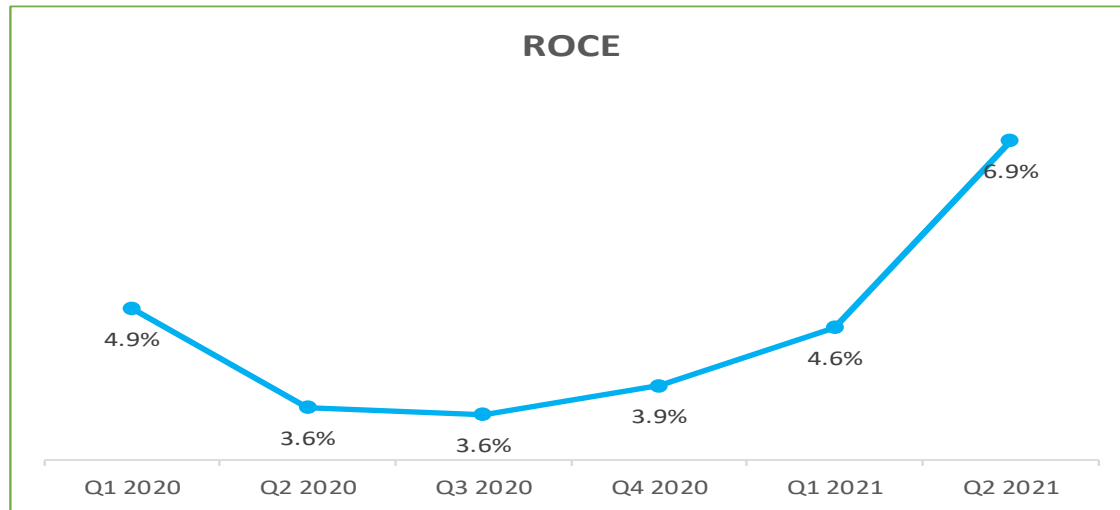
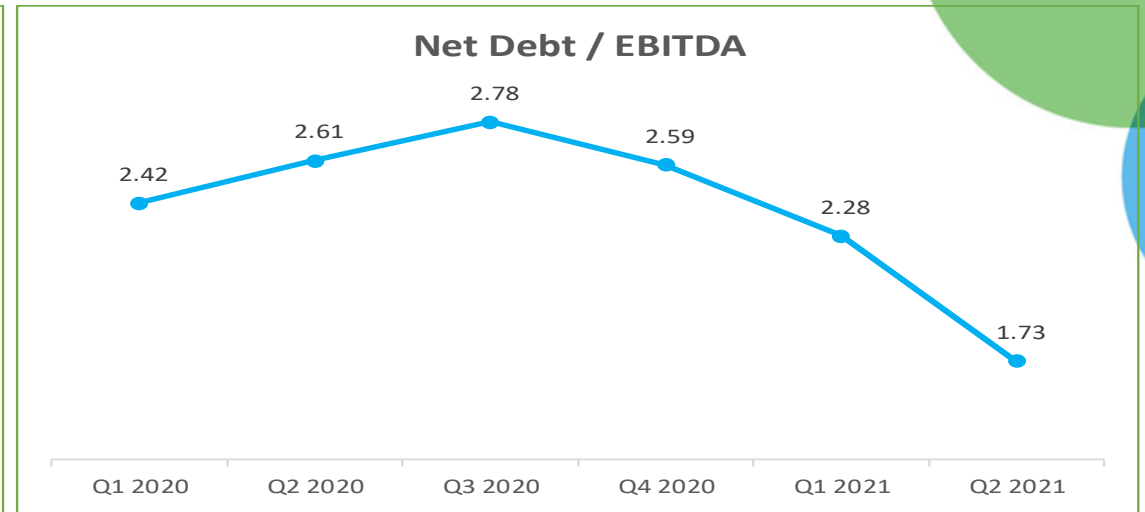
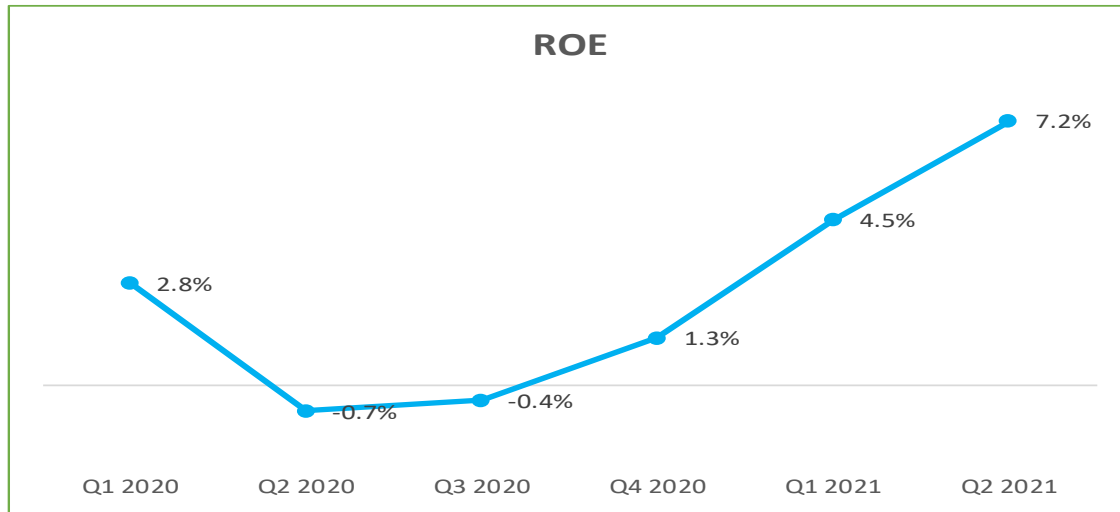


1. Net Operating Income = Profit after tax and minority interest excluding exceptional items ("PATMI ex. EI")
 2. Net Income = Profit after tax and minority interest ("PATMI")

Financial Performance from Q1'19 to Q2'21

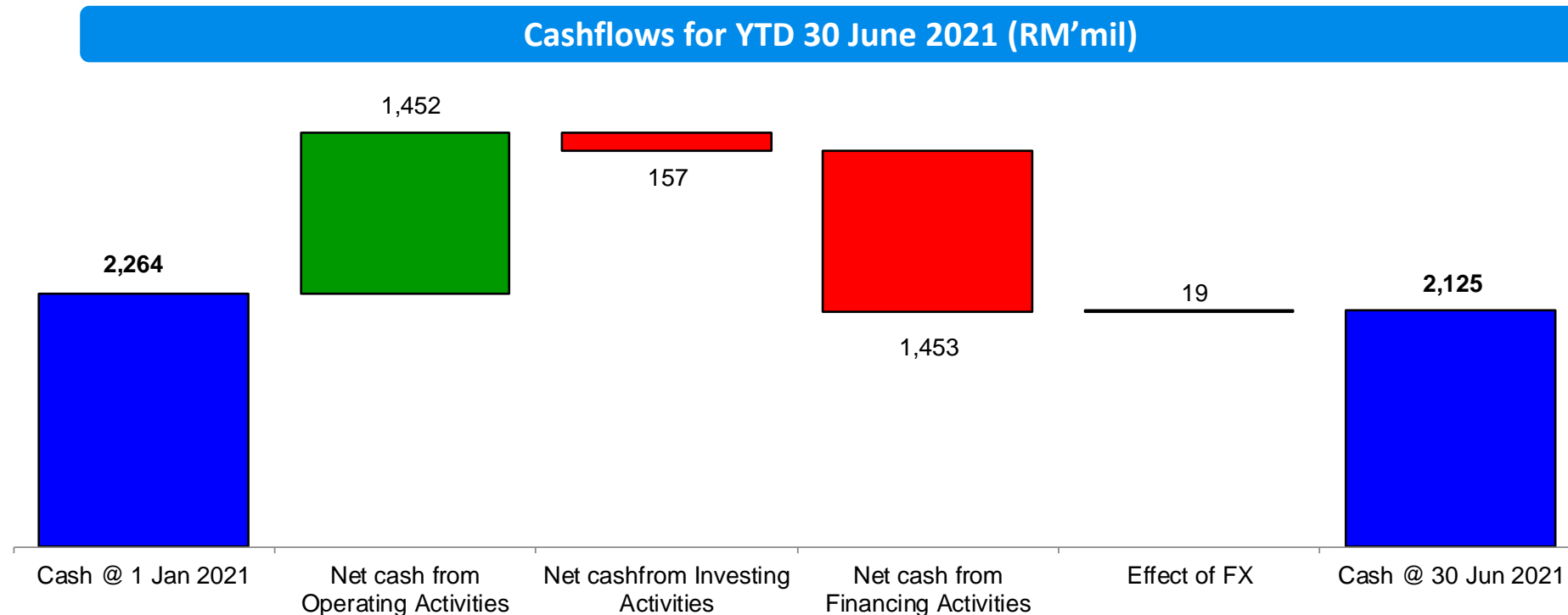


Improving Capital Efficiency Ratios



ROE = 12M Trailing PATMI / (Ave Shareholder Equity)
 ROCE = 12M Trailing EBIT / (Ave Total Equity + Ave LT Debt)
 Debt includes loans and borrowings as well as lease liabilities (arising from IFRS16) and overdrafts.

Strong cash balances and proactive capex management



Operating Cashflow remains robust

- Balance sheet remained strong with strong cash balance of RM4.1b as at 30 June 2021

Cash Reconciliation to Cashflow Statement:

	RM'mil
Cash per Balance Sheet	4,055
Less:	
Bank overdrafts	(37)
Deposits pledged	(9)
Deposits placed in escrow account	(1,883)
Cash per Cashflow Statement	2,125



Balance Sheet: Maintain Healthy Gearing Ratios

	As at 30 Jun 2021 <i>RM'mil</i>	As at 31 Dec 2020 <i>RM'mil</i>
Total Assets	44,543	44,534
- Tangible Assets	30,084	30,421
- Intangible Assets		
Goodwill	12,377	12,123
Other intangibles	2,082	1,990
Total Liabilities	(17,113)	(17,499)
Total Equity	27,431	27,035
Non-controlling Interests ("NCI")	(3,073)	(3,137)
Perpetual securities ("Perps")	(2,157)	(2,158)
Total Shareholders' Equity (excluding NCI and Perps)	22,200	21,740
 Net Tangible Assets ("NTA") (excluding NCI and Perps)	 (A) 7,741	 7,626
 Total Debt	 (B) (10,873)	 (11,629)
Total Cash[^]	4,055	4,188
Net Debt	(C) (6,818)	(7,441)
 Net Debt / NTA	 (C)/(A) 0.88	 0.98
Net Debt / Equity	0.25	0.28
 Gross Debt / EBITDA* (times)	 2.76	 4.04
Net Debt / EBITDA* (times)	1.73	2.59

*: Based on last 12 months EBITDA

[^]: Excludes fixed deposits (>3 months) of RM217 million (Dec 2020: RM208 million).

Includes RM1.9 billion (Dec 2020: RM1.9 billion) cash held in escrow account.



KEY OPERATIONAL HIGHLIGHTS



Q2 2021 Highlights: Securing operational continuity in Singapore

Extension of lease agreements for three hospitals in Singapore

Extended term of ~20 years to 31 December 2042

- Represents business continuity and operational stability for IHH Healthcare
- S\$150 million in upgrades to our facilities provided by the landlord will enhance the Singapore Hospitals to sustain competitiveness and ride the growth potential of Singapore's healthcare industry



Gleneagles Hospital Singapore



Mount Elizabeth Hospital (Orchard)




Parkway East Hospital

COVID-19:

Deepening trust with patients, employees and governments









We are supporting governments now and post-COVID to raise the bar on the healthcare ecosystem

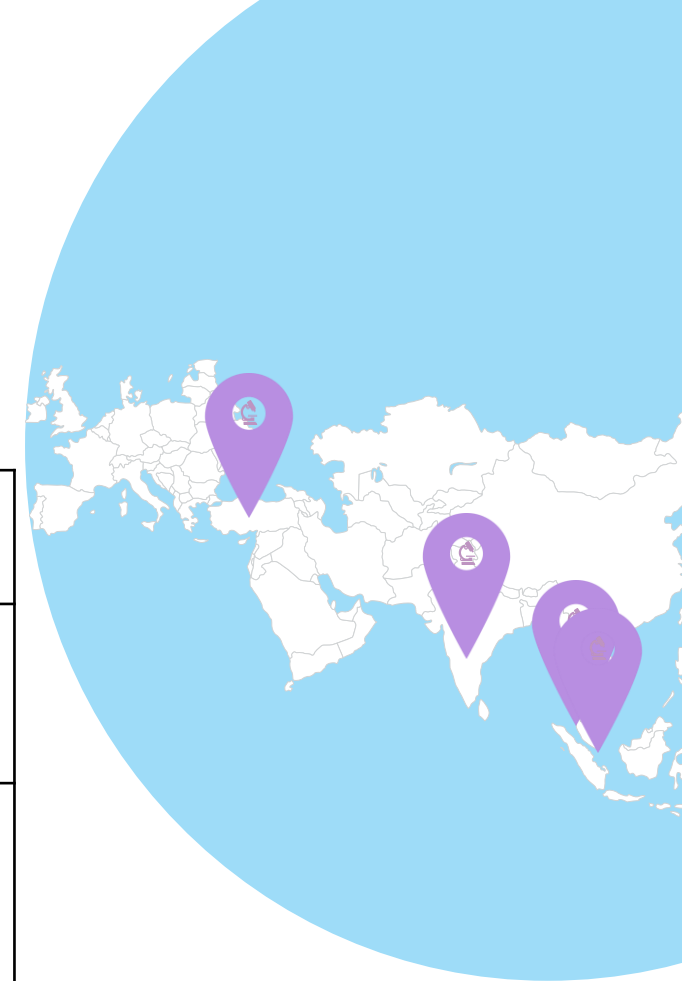
Markets:	COVID-19 Services Provided	Q2'21 Revenue (%)
Malaysia	<ul style="list-style-type: none">• COVID lab testing• Allocated about 10% of our beds for COVID patients• Treating non-COVID patients from government hospitals• 19 vaccination centres• Drive thru vaccination service	12%
Singapore	<ul style="list-style-type: none">• Border screening• On-arrival testing• COVID lab testing• Allocated about 15% of our beds for COVID patients• 4 vaccination centres	24%
Turkey & Europe	<ul style="list-style-type: none">• COVID lab testing• Treating COVID patients• Administered vaccination	9%
 India	<ul style="list-style-type: none">• COVID lab testing• Treating COVID patients• Administered vaccination	31%



IHH Laboratory vision:
 To develop the world's most trusted medical laboratory services network

Lab Revenue (1H 2021)
RM 975m*





Laboratories	Leadership position in country** (in revenue)	Labs
	Singapore 	5
	Malaysia 	30
	Turkey 	28
	India (via Fortis) 	420+



*includes SRL, PLS, PPP and Labmed
 **by revenue

*At the forefront of our fight against COVID-19:
Strong performance from delivery of COVID-19 related services*

**Total Covid-19 related tests rendered
(since 2020)
7,076,000**

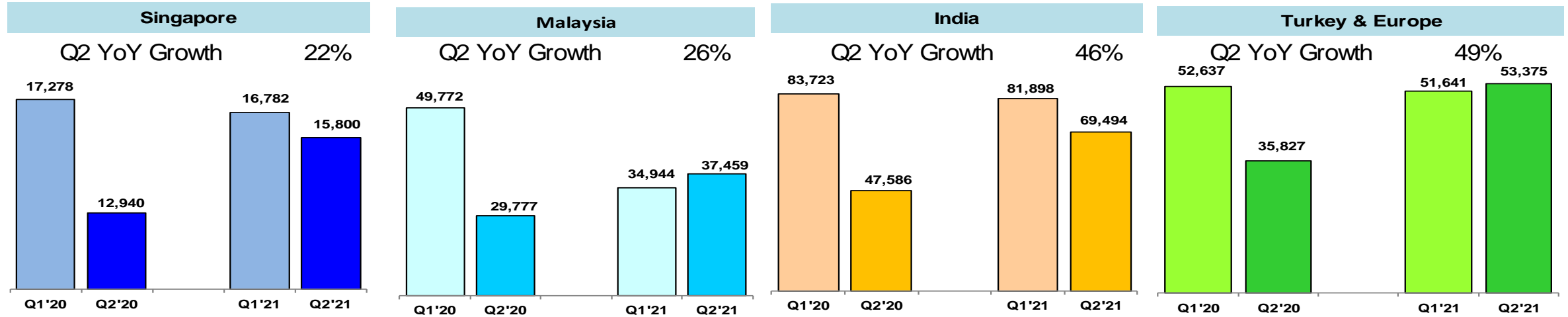
Laboratories	Q2 2021 Covid Tests	Cumulative Covid Tests since 2020
 Parkway Laboratories	428,000	1,251,000
 PANTAI PREMIER PATHOLOGY	397,000	1,082,000
 ACIBADEM LABMED	171,000	659,000
 SRL Diagnostics (via Fortis)	1,601,000	4,084,000

*Note: *PLS, PPP and Lamed : Includes RT - PCR, Serology and Antigen Testing
For SRL only RT-PCR numbers*

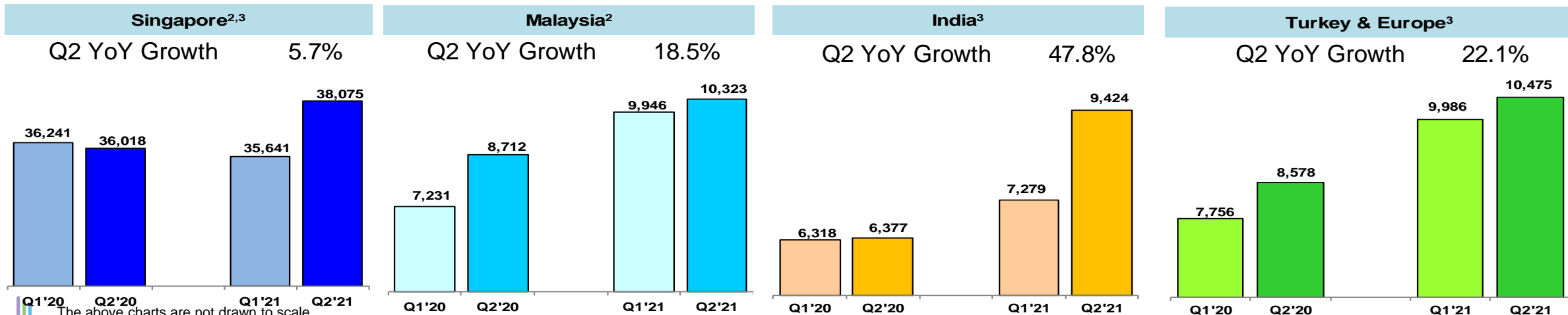


Inpatient admission not fully recovered; revenue intensity remains strong

Inpatient Admissions¹ (Number)



IP Revenue per IP Admit¹ (RM)

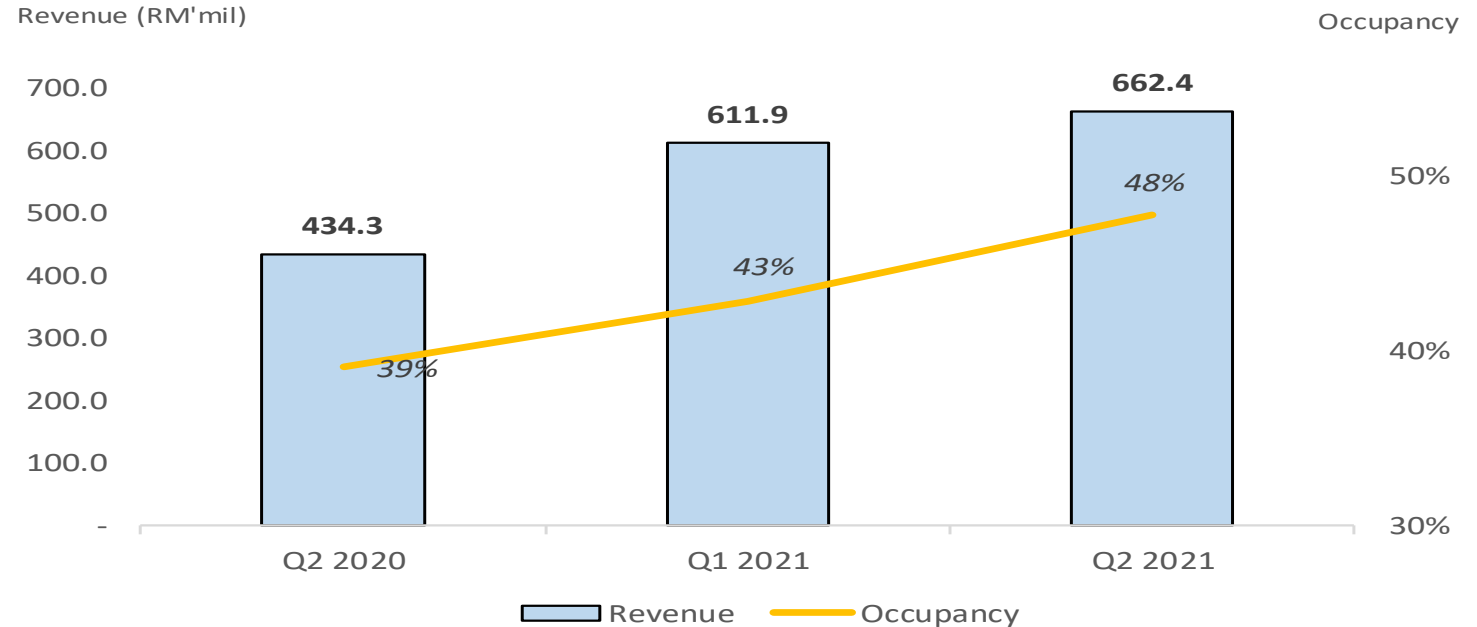


The above charts are not drawn to scale.

1. Based on Singapore, Malaysia, India and Acibadem Holdings hospitals only. Excludes hospitals operated by joint venture companies, hospitals under hospital management agreements and other international hospitals.
2. Specialist fees not included in Singapore's and Malaysia's average revenue per inpatient admission
3. Based on a uniform exchange rate throughout the periods shown (SGD: 3.0979; INR:0.0561; TL:0.4774)

Malaysia: Steady recovery with strong contributions from complex medical cases and COVID-19 tests

Q2 2021 vs. Q2 2020	
Revenue	RM 662.4m (↑53%)
EBITDA	RM185.5m (↑158%)
EBITDA Margins (%)	28.0% (↑11.4%)
Inpatient Admission	37,459 (↑26%)
IP Revenue / IP Admit	RM10,323 (↑18.5%)



Year-on-year:

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

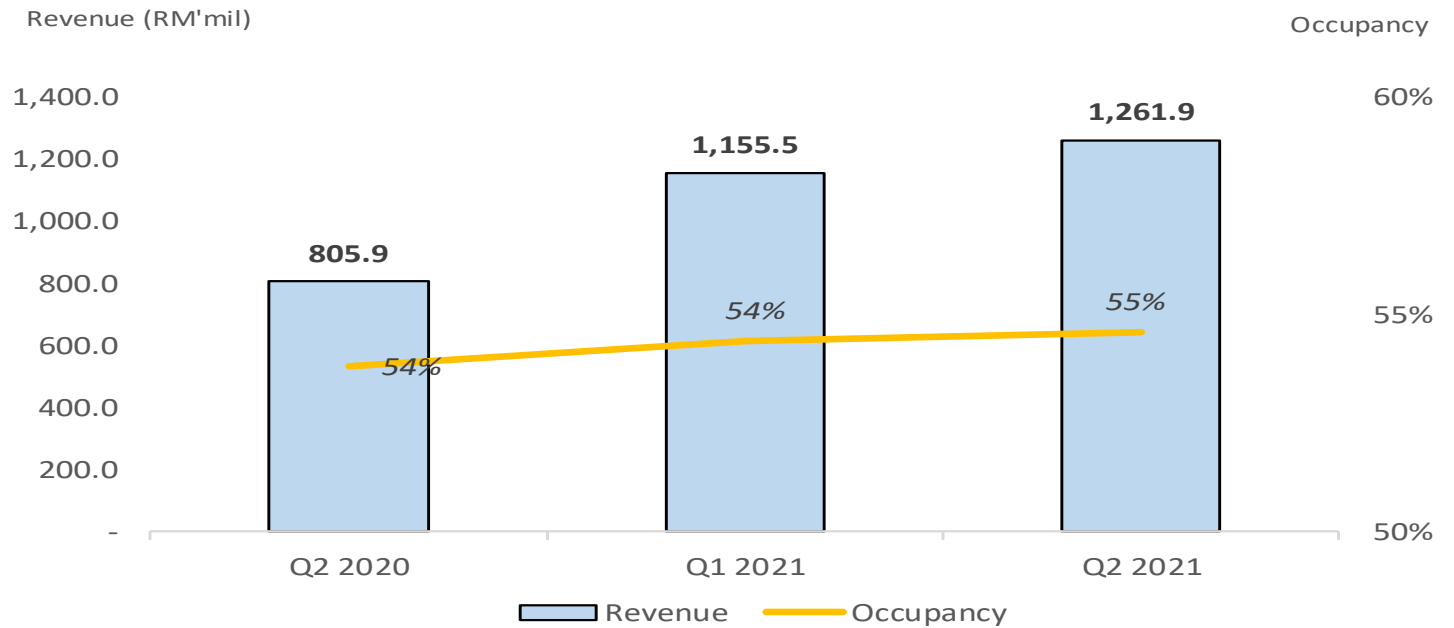
Outlook for 2021:

- Drive bed occupancy, grow via cluster strategy and extend reach to still fast-growing middle-income segments. Continue to implement tight cost controls measures.



Singapore: Resilient performance in Q2

Q2 2021 vs. Q2 2020	
Revenue	RM1,261.9m (↑57%)
EBITDA	RM434.4m (↑94%)
EBITDA Margins (%)	34.4% (↑6.6%)
Inpatient Admission	15,800 (↑22%)
IP Revenue / IP Admit	RM38,075 (↑5.7%)



Year-on-year:

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

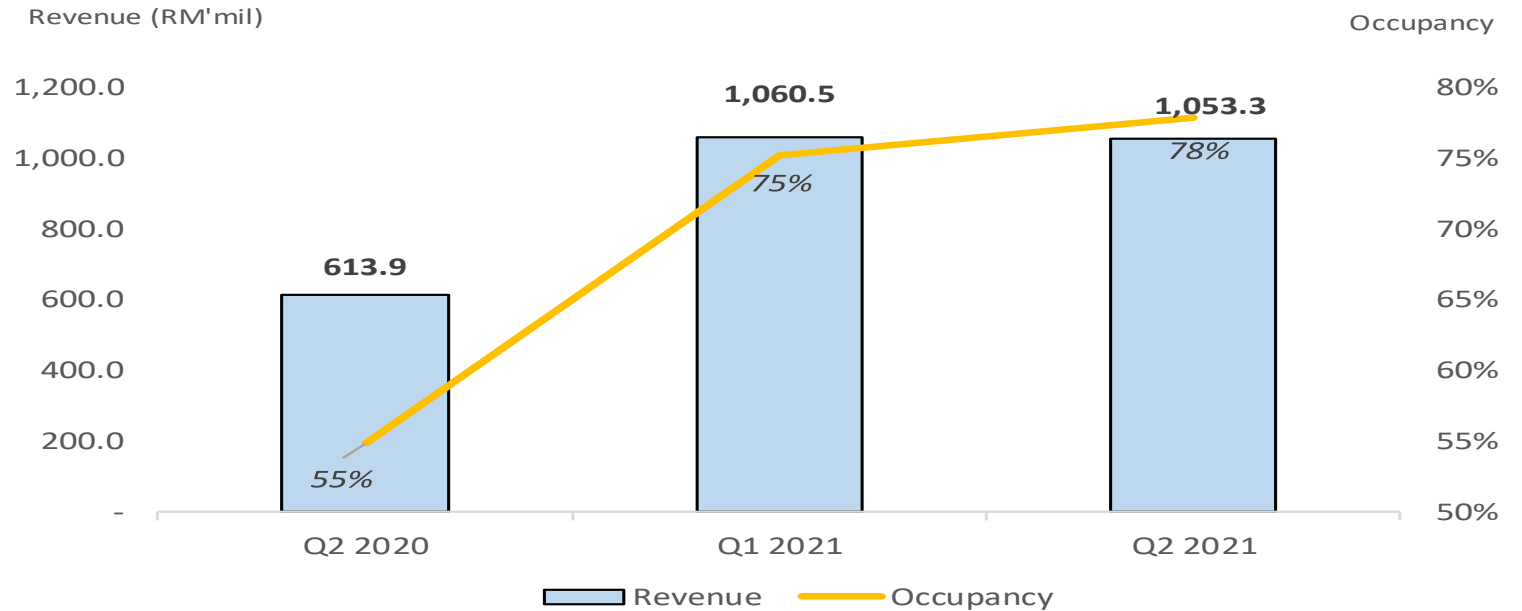
Outlook for 2021:

- COVID-19 services likely to contribute in high volumes for the rest of 2021
- Continued focus on driving revenue intensity as “super” specialisation hub.



Turkey and Europe: Strong revenue recovery in Q2

Q2 2021 vs. Q2 2020	
Revenue	RM1,053.3m (↑72%)
EBITDA	RM300.6m (↑304%)
EBITDA Margins (%)	28.5% (↑16.4%)
Inpatient Admission	53,375 (↑49%)
IP Revenue / IP Admit	RM10,475 (↑22.1%)



Year-on-year:

- Revenue improved 72% to RM1.1 billion; EBITDA increased to RM300.6 million.
- Inpatient admissions increased 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%.

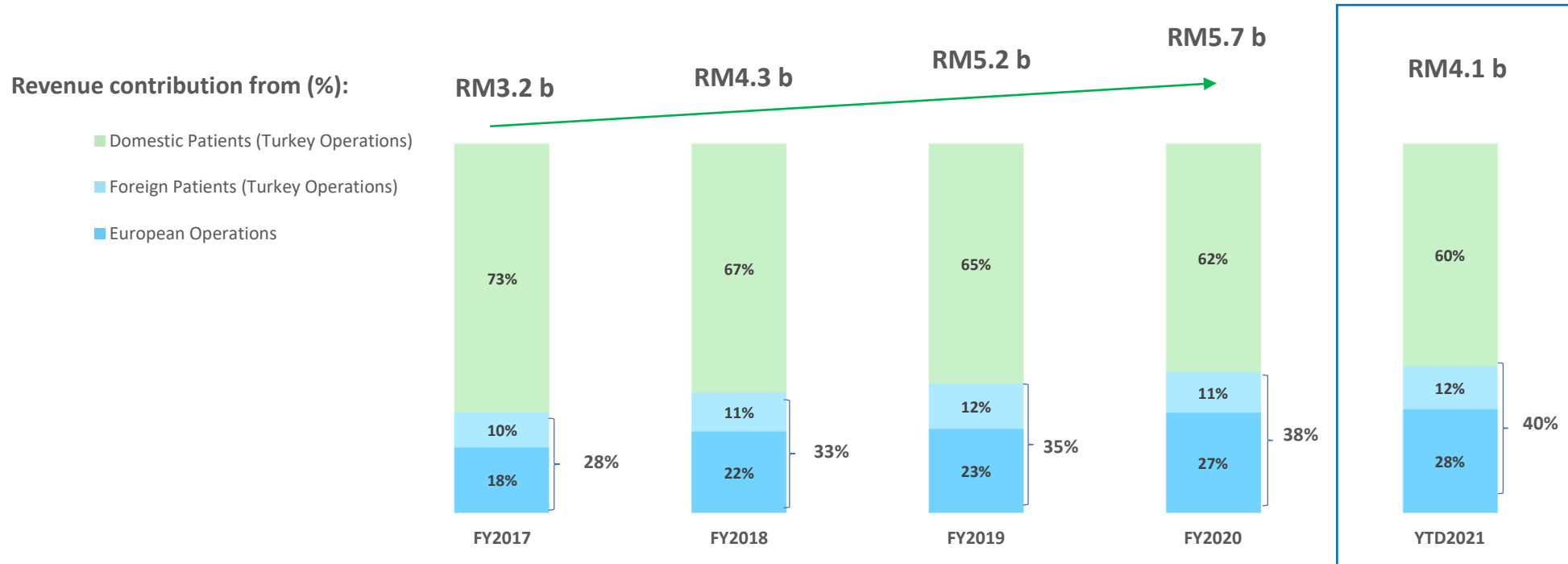
Outlook for 2021:

- Grow via cluster strategy, de-risk growth by expanding euro contribution.



Turkey & Europe Operations:

Non-Lira contributions from operations steadily increased since 2017

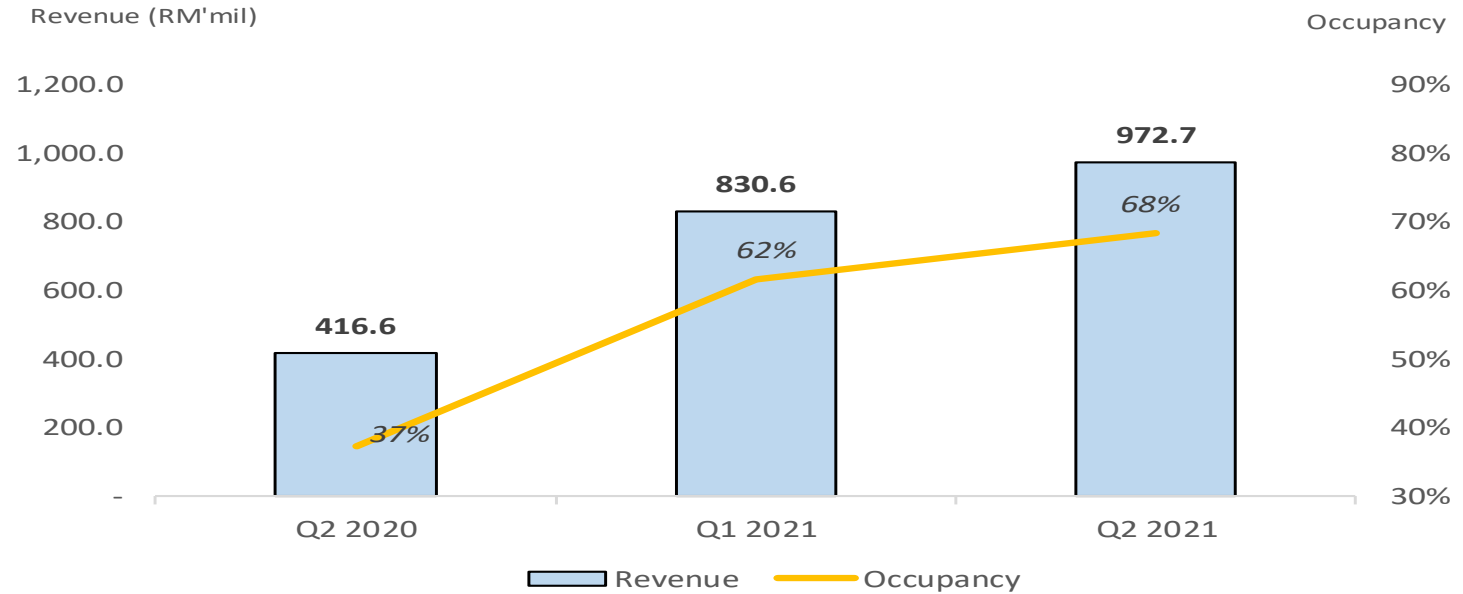


- Despite the pandemic, YTD foreign patient revenue contribution remain strong at 12%.
- European Operations continue to increase its contribution to 28% for Acibadem.



India: Revenue recovery on both COVID and non-COVID services growth

Q2 2021 vs Q2 2020	
Revenue	RM972.7m (↑133%)
EBITDA	RM187.9m (↑356%)
EBITDA Margins (%)	19.3% (↑36.9%)
Inpatient Admission	69,494 (↑46%)
IP Revenue / IP Admit	RM9,424 (↑47.8%)



Year-on-year:

- Revenue grew 133% to RM972.7 million on contribution from COVID-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%.

Outlook for 2021:

- Continue to drive cost savings and ramp up productivity.



Gleneagles Hong Kong: EBITDA breakeven achieved in May 2021

Year-on-year:

- Revenue increased 46% to RM177.2 million; EBITDA losses improved by 93% to RM2.8. million.
- Inpatient admissions increased 39% while revenue intensity increased 5.5%.
- For the quarter, average occupancy was at 61%.

Outlook for 2021:

Achieved EBITDA breakeven in May 2021 with continued EBITDA growth after.



ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)



ESG: IHH Sustainability Strategy

- IHH's three-pronged sustainability strategy guides the implementation of sustainability initiatives and supports the Group's overall business strategy.
- It covers critical areas involving opportunities for growth and learning, for IHH to achieve economic, environmental and social sustainability .

Quality Healthcare

To prioritise patient experience and encourage feedback to improve satisfaction levels and to continuously benchmark our standards throughout our operations

Eco-Efficiency

To implement measures and consider alternatives throughout our operations to manage our performance on matters relating to energy and other areas that have an environment impact



Sustainable Growth

To develop and deepen our operations in each market in a manner that provides economic opportunity, strengthens the local healthcare infrastructure, nurtures local talent and supports the surrounding communities



- Measures a company’s resilience to long-term, financially relevant ESG risks.
- IHH’s ratings improved from a **BBB to an A** in the latest review.
- Improved data security disclosures and anti-corruption measures drove the upgrade.
- Evidence suggests IHH maintains high product quality standards. Its operations are certified to the widely accepted ISO quality standard.

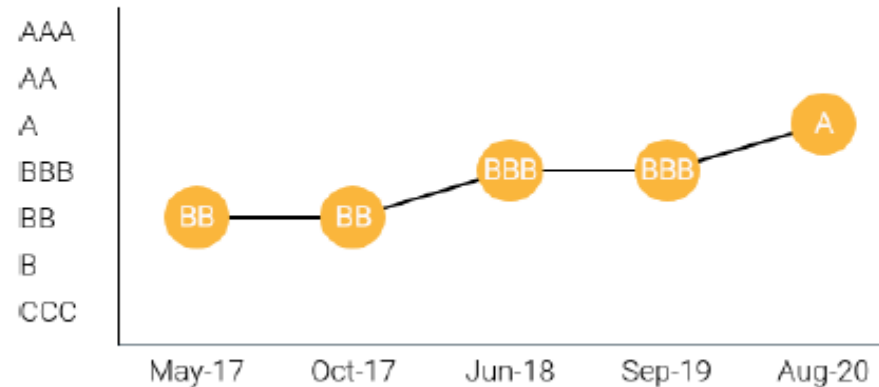
MSCI ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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LAST UPDATE: August 10, 2021

ESG Rating history



ESG Rating history shows five most recent rating actions



KEY TAKEAWAYS & OUTLOOK



Outlook

Refreshed Strategy centered on trust; remain agile in adapting to pandemic

- Short-term impact from resurgence of COVID-19 cases as the pandemic evolves with movement restrictions across markets where we operate and are mitigating this 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 opportunities to expand into new or established clusters where it is value accretive to IHH.
 - Proactively diversifying into new revenue streams in areas of diagnostics services and laboratory, improving case mix as well as partnering and supporting public health organisations, while maintaining tight cost and capital discipline.
 - Aligning our efforts to innovate and deliver healthcare digitally, such as introducing telemedicine.
- Long-term growth trajectory remains solid and well-prepared to ride out the pandemic as we stay guided by our purpose, anchored by trust with all stakeholders.



Enhancing stakeholder outreach: Social media channels

Join our social media channels for latest news, events, updates and thought leadership pieces



[linkedin.com/company/ihh-healthcare-berhad](https://www.linkedin.com/company/ihh-healthcare-berhad)



t.me/ihhir



[facebook.com/ihhhealthcare/](https://www.facebook.com/ihhhealthcare/)



twitter.com/ihh_healthcare



Dr Kelvin Loh
Managing Director and CEO at IHH Healthcare Berhad
2w · Edited

I am deeply shaken by how the COVID-19 situation is developing in India. I know this must be a very difficult and painful time for many of our friends, colleagues, patients and all who are trying to cope with the recent spike in #COVID19 cases and battle the virus.

My heart goes out to all healthcare workers, including our colleagues at **Gleneagles Global Hospitals**, **Continental Hospitals** and **Fortis Healthcare**, who are fighting tooth and nail every day and giving every ounce of their energy to save lives so that more patients can return home to their families. Many of you have gone on days and weeks without proper rest, without seeing your family just so you can tend to our patients who need your care and comfort. At the same time, you cannot help but worry constantly about the well-being and safety of your family. Yet, despite the physical and mental strain and exhaustion, you have not given up. I cannot thank you enough for all that you have done and are still doing. You are indeed our true heroes!

Please know that you are not alone in this fight. All of us across the **IHH Healthcare** network are standing behind you and together, we will get through this. Take care and stay safe.

IHH Healthcare @IHH_Healthcare · May 12

This #InternationalNursesDay, we celebrate nurses who are an essential part of the #COVID19 fight. We are always supporting you as you fight your daily battles. Through the eyes of our little ones, we have put together a video from us to you.

IHH Healthcare on LinkedIn: #InternationalNursesD...
This #InternationalNursesDay, we celebrate and appreciate nurses who are an essential part of the ...
🔗 [linkedin.com](https://www.linkedin.com)

IHH Healthcare - Our Trust Journey
5 March · 🌐

Public-private partnership is proving crucial to the success of #COVIDvaccine rollout. As mass vaccination efforts get underway in many countries, our teams in Malaysia, Singapore, India, Turkey and Hong Kong are also stepping up to support the governments' vaccination programmes.

Our **ACIBADEM Healthcare Services** provide vaccination services in all 16 hospitals in Turkey. Some 61,000 doses of vaccine have been administered since 14 January to about 12,000 employees and 37,000...
See more



IHH Healthcare
8,112 followers
3w · Edited · 🌐

Another win for our patients and doctor-partners! We are proud to have clinched the Mobile Award for Healthcare at the **Singapore Business Review Technology Excellence Awards 2021**. Our award-winning mobile apps – DigiHealth ...see more

“
Winning this award is an incredible achievement for us; it is a recognition of the value we bring to our stakeholders – both patients and doctors alike.
”

Jeffrey Law
Chief Commercial Officer
IHH Healthcare Singapore

64 · 3 comments

HealthcareInsider
Webinar Series by IHH Healthcare

Navigating the COVID-19 pandemic: Global vaccination rollout

Joerg Ayrlle Group CFO, IHH Healthcare
Dr Leong Hoe Nam Infectious Diseases Specialist, Mount Elizabeth Specialist Hospital
Dr Prem Kumar Nair CEO, IHH Healthcare Singapore
Erica Lam CEO, Fortis Hospital Kuala Lumpur

Join us at 2:30pm in our inaugural webinar, HealthcareInsider hosted by IHH Group CFO Joerg Ayrlle who will be speaking with key experts and leaders in the healthcare industry.

THANK YOU

To be the world's most trusted healthcare services network



Leading brands in our home markets services network



Leveraging international scale



Outstanding reputation for clinical outcomes



Continuously deepening operating capabilities



Revenue: QoQ & YoY Comparison

<u>Revenue</u> ¹	Q-on-Q			QTD Y-on-Y			YTD Y-on-Y		
	<u>Q2 2021</u>	<u>Q1 2021</u>	<u>Variance</u>	<u>Q2 2021</u>	<u>Q2 2020</u>	<u>Variance</u>	<u>YTD 2021</u>	<u>YTD 2020</u>	<u>Variance</u>
	<i>RM'mil</i>	<i>RM'mil</i>	%	<i>RM'mil</i>	<i>RM'mil</i>	%	<i>RM'mil</i>	<i>RM'mil</i>	%
Parkway Pantai:									
- Singapore	1,261.9	1,155.5	9%	1,261.9	805.9	57%	2,417.3	1,820.7	33%
- Malaysia	662.4	611.9	8%	662.4	434.3	53%	1,274.3	989.7	29%
- India	972.7	830.6	17%	972.7	416.6	133%	1,803.4	1,167.2	55%
- Greater China	218.9	187.3	17%	218.9	153.0	43%	406.2	281.7	44%
- PPL Others*	1.3	1.5	-11%	1.3	37.2	-96%	2.8	80.3	-96%
Parkway Pantai	3,117.1	2,786.9	12%	3,117.1	1,847.0	69%	5,904.0	4,339.6	36%
Acibadem Holdings	1,053.3	1,060.5	-1%	1,053.3	613.9	72%	2,113.8	1,569.6	35%
IMU Health	62.2	59.8	4%	62.2	63.2	-2%	122.1	130.5	-6%
Others^	0.6	0.6	0%	0.6	1.5	-58%	1.3	3.4	-62%
GROUP (Excluding PLife REIT)	4,233.3	3,907.8	8%	4,233.3	2,525.6	68%	8,141.2	6,043.1	35%
PLife REIT total revenue	91.3	91.4	0%	91.3	92.5	-1%	182.7	182.5	0%
Less: PLife REIT inter-segment revenue	(54.3)	(53.5)	-2%	(54.3)	(53.0)	-2%	(107.8)	(105.3)	-2%
PLife REIT	37.0	37.9	-3%	37.0	39.5	-6%	74.9	77.2	-3%
GROUP	4,270.3	3,945.8	8%	4,270.3	2,565.1	66%	8,216.1	6,120.3	34%

1: Relates to external revenue only.

It excludes PLife REIT's rental income earned from Parkway Pantai. Similarly, it excludes Parkway Pantai's dividend and management fee income earned from PLife REIT.

*: PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai

^: Others comprise mainly IHH Group's corporate office as well as other investment holding entities



EBITDA: QoQ & YoY Comparison

EBITDA¹	Q-on-Q			QTD Y-on-Y			YTD Y-on-Y		
	Q2 2021	Q1 2021	Variance	Q2 2021	Q2 2020	Variance	YTD 2021	YTD 2020	Variance
	<i>RM'mil</i>	<i>RM'mil</i>	<i>%</i>	<i>RM'mil</i>	<i>RM'mil</i>	<i>%</i>	<i>RM'mil</i>	<i>RM'mil</i>	<i>%</i>
Parkway Pantai:									
- Singapore	434.4	417.5	4%	434.4	224.1	94%	851.9	552.4	54%
- Malaysia	185.5	150.7	23%	185.5	72.0	158%	336.1	221.6	52%
- India	187.9	116.4	61%	187.9	(73.5)	NM	304.3	(4.4)	NM
- Greater China	(13.8)	(36.3)	62%	(13.8)	(48.8)	72%	(50.1)	(115.5)	57%
- PPL Others*	(5.7)	(7.7)	25%	(5.7)	4.7	NM	(13.5)	11.1	NM
Parkway Pantai	788.2	640.6	23%	788.2	178.5	NM	1,428.8	665.1	115%
Acibadem Holdings	300.6	279.8	7%	300.6	74.5	NM	580.4	291.7	99%
IMU Health	22.3	22.4	0%	22.3	22.8	-2%	44.8	51.3	-13%
Others[^]	(21.2)	(17.5)	-22%	(21.2)	(28.4)	25%	(38.7)	(44.5)	13%
GROUP (Excluding PLife REIT)	1,089.9	925.3	18%	1,089.9	247.3	NM	2,015.2	963.6	109%
PLife REIT²	73.3	89.0	-18%	73.3	73.3	0%	162.4	143.7	13%
Eliminations³	(54.6)	(53.7)	-2%	(54.6)	(53.0)	-3%	(108.3)	(105.3)	-3%
GROUP	1,108.7	960.6	15%	1,108.7	267.6	NM	2,069.3	1,002.0	107%



¹: Relates to the EBITDA performance of each SBUs, after elimination of dividend income from within the Group

²: Includes rental income earned from lease of hospitals to Parkway Pantai

³: Relates to the elimination of inter-segment income and expenses

*: PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai

^: Others comprise mainly IHH Group's corporate office as well as other investment holding entities