

# IHH Healthcare Berhad

## Results Briefing Presentation FY2015

25 February 2016



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## \* Key Operational Highlights

- Strong year-on-year growth in revenue intensity
- Project progress – Malaysia
- Project progress – International
- Project progress – Turkey

## \* Key Financial Highlights

- Key Group Highlights
- Key Group Highlights (without PLife REIT results)
- Performance by SBUs (in key metrics)
- Strong balance sheet and operating cash flows
- Expansion capital expenditure
- Outlook and Prospects



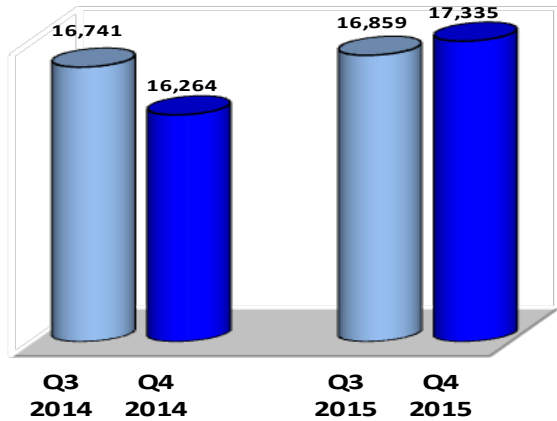
# ***Key Operational Highlights***

# Revenue intensity increased YoY across all home markets

## Inpatient Admission Volumes<sup>1</sup> (Number)

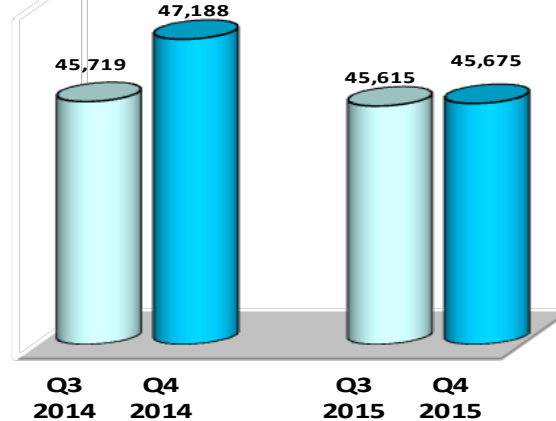
### PPL - Singapore

Q4 YoY Growth 6.6%



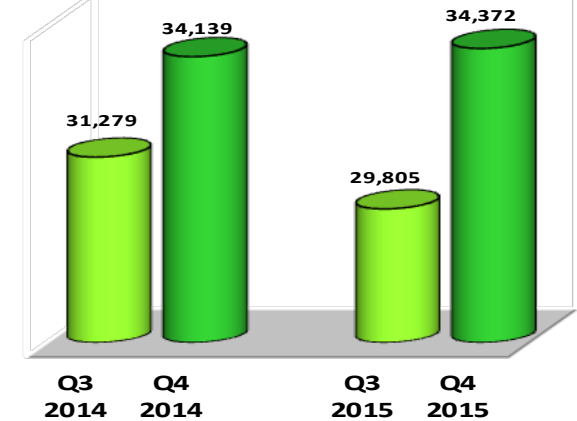
### PPL - Malaysia

Q4 YoY Growth -3.2%



### Acibadem

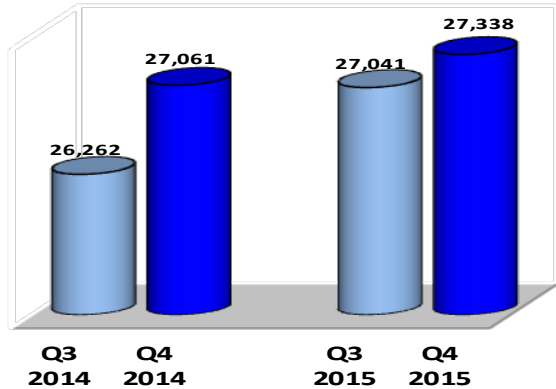
Q4 YoY Growth 0.7%



## Average Revenue per Inpatient Admission<sup>1</sup> (RM)

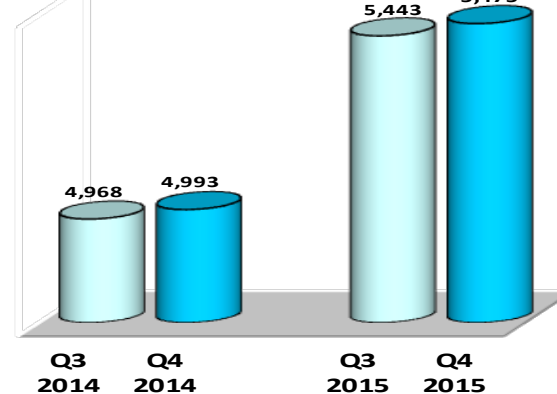
### PPL - Singapore<sup>2,3</sup>

Q4 YoY Growth 1.0%



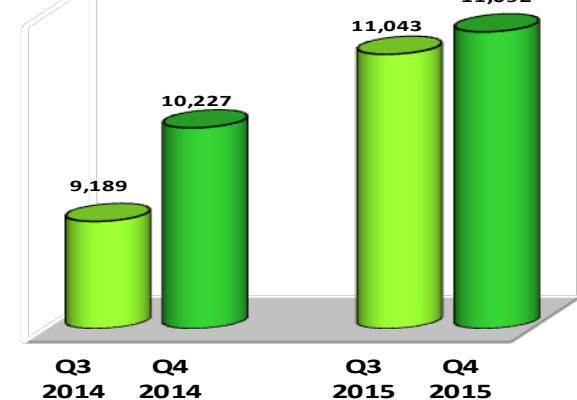
### PPL - Malaysia<sup>2</sup>

Q4 YoY Growth 9.7%



### Acibadem<sup>2,3</sup>

Q4 YoY Growth 8.5%



1. Based on Singapore, Malaysia and Acibadem Holdings hospitals only. International hospitals not included.
2. Specialist fees not included in Singapore and Malaysia but included in Acibadem Holdings' average revenue per inpatient admission
3. Based on a uniform exchange rate throughout the periods shown (SGD: 3.0590; TL:1.4745)

## Project Progress – Malaysia

| Type               | Hospital                     | Description  | Target Completion  |
|--------------------|------------------------------|--|--|
| Expansion Project  | Pantai Hospital Ayer Keroh   | 160 beds capacity  | <ul style="list-style-type: none"> <li>Target completion: Late 2017</li> </ul>   |
| Expansion Project  | Pantai Hospital Klang        | 80 beds capacity   | <ul style="list-style-type: none"> <li>Planning stage</li> </ul>                 |
| Expansion Project  | Pantai Hospital Kuala Lumpur | Phase 2:<br>~120 beds capacity                                     | <ul style="list-style-type: none"> <li>Phase 2: Planning &amp; Design</li> </ul> |
| Greenfield Project | Gleneagles Medini            | Phase 1b:<br>Medical Office Block<br>(~160 Medical Clinic Suites ) | <ul style="list-style-type: none"> <li>Target completion: Late 2017</li> </ul>   |

## Project Progress – International

| Type                            | Hospital                                      | Description      | Target Completion  |
|---------------------------------|---|------------------|--|
| 60-40% JV<br>Greenfield Project | Hong Kong<br>Gleneagles Hong Kong<br>Hospital | 500 bed capacity | <ul style="list-style-type: none"><li>• Under Construction.</li><li>• Target Completion: Q1 2017</li></ul> |
| 50-50% JV<br>Greenfield Project | India<br>Gleneagles Khubchandani,<br>Mumbai   | 450 bed capacity | <ul style="list-style-type: none"><li>• Target Completion: 2017</li></ul>                                  |

## Project Progress – Turkey

| Type               | Hospital                | Description                                       | Target Completion   |
|--------------------|-------------------------|---|---|
| Expansion Project  | Acibadem Sistina Skopje | 81 bed capacity and an Oncology Dept              | <ul style="list-style-type: none"> <li>Construction 100% complete</li> </ul>  |
| Expansion Project  | Acibadem Maslak         | 200+ bed capacity                                 | <ul style="list-style-type: none"> <li>Construction to commence in 2016</li> <li>Target completion: 2017</li> </ul>     |
| Greenfield Project | Acibadem Altunizade     | Located in Istanbul<br>Expected: 325 bed capacity | <ul style="list-style-type: none"> <li>Construction commenced in 2015</li> <li>Target Completion: Early 2017</li> </ul> |
| Greenfield Project | Acibadem Kartal         | Located in Istanbul<br>Expected: 120 bed capacity | <ul style="list-style-type: none"> <li>Target completion: 2018</li> </ul>   |
| Greenfield Project | Acibadem Atasehir       | Located in Istanbul<br>Expected: 180 bed capacity | <ul style="list-style-type: none"> <li>Project under evaluation</li> </ul>  |





# ***Key Financial Highlights***

# Key Financial Highlights

(Excluding PLife REIT's results)

**FY2015 Revenue, EBITDA & PATMI (Excl EI) grew 15%, 12% and 17% respectively vs FY 2014**

- \* Robust revenue performance mainly driven by:
  - Strong revenue intensity growth across all home markets
  - Contribution from new hospitals as they ramp up as well as the opening of Gleneagles Medini and Acibadem Taksim Hospital in Q4 2015
  - Contribution from newly acquired Continental and Global Hospitals in India
  
- \* EBITDA growth driven by revenue, offset by:
  - Increasing costs pressures, especially wage inflation
  - Pre-operating and start-up losses on new hospitals
  
- \* Benefits of diversification with strong Singapore Dollar (“SGD”) offsetting weak Turkish Lira (“TL”) on translation of subsidiary groups’ income statements\* and balance sheets
  - Effects of a weak TL on the Group’s Revenue and EBITDA growth is mitigated by the effects of the strengthening SGD
  - Net foreign currency translation gain recognised in the Group’s other comprehensive income, on a year-to-date basis

\*: Movements in key average exchange rates used to translate the results of significant overseas subsidiaries into RM

| <u>SGD Average Rates Variance</u> | <u>QTD</u> | <u>YTD</u> | <u>TL Average Rates Variance</u> | <u>QTD</u> | <u>YTD</u> |
|-----------------------------------|------------|------------|----------------------------------|------------|------------|
| vs Last Year                      | 16.2%      | 9.4%       | vs Last Year                     | -1.5%      | -4.3%      |

## Double-digit revenue, EBITDA and PATMI (Excl EI) growth for FY2015; Q4 PATMI (Excl EI) eroded by finance costs relating to acquisitions

### Total Group Results

| <i>RM'mil</i>  | QTD Dec      |              |              | YTD Dec      |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2015         | 2014         | Variance     | 2015         | 2014         | Variance     |
| Revenue  | 2,294.9      | 1,937.4      | 18%          | 8,455.5      | 7,344.0      | 15%          |
| EBITDA   | 614.3        | 583.7        | 5%           | 2,141.5      | 1,935.9      | 11%          |
| <i>EBITDA Margin (%)</i>   | <i>26.8%</i> | <i>30.1%</i> | <i>-3.4%</i> | <i>25.3%</i> | <i>26.4%</i> | <i>-1.0%</i> |
| PATMI  | 415.8        | 239.2        | 74%          | 933.9        | 754.3        | 24%          |
| <i>PATMI Margin (%)</i>  | <i>18.1%</i> | <i>12.3%</i> | <i>5.8%</i>  | <i>11.0%</i> | <i>10.3%</i> | <i>0.8%</i>  |
| PATMI<br>(Excluding exceptional items <sup>1</sup> )                   | 214.6        | 241.3        | -11%         | 899.2        | 782.2        | 15%          |
| <i>PATMI Margin (%)</i><br>(Excluding exceptional items <sup>1</sup> ) | <i>9.4%</i>  | <i>12.5%</i> | <i>-3.1%</i> | <i>10.6%</i> | <i>10.7%</i> | <i>0.0%</i>  |

1: Exceptional items, net of tax and minority share

## Strengthening Singapore Dollar offsets the weakening Turkish Lira upon translation

### Excluding PLife REIT's Results

|   | QTD Dec        |                |          |                                      | YTD Dec        |                |          |                                      |
|---|----------------|----------------|----------|--------------------------------------|----------------|----------------|----------|--------------------------------------|
|   | 2015           | 2014           | Variance | Variance<br>(@ Constant<br>Currency) | 2015           | 2014           | Variance | Variance<br>(@ Constant<br>Currency) |
| <i>RM'mil</i>   |                |                |          |                                      |                |                |          |                                      |
| <b>Revenue</b>  | <b>2,265.4</b> | <b>1,914.5</b> | 18%      | 11%                                  | <b>8,349.8</b> | <b>7,249.7</b> | 15%      | 12%                                  |
| <b>EBITDA</b>   | <b>479.4</b>   | <b>442.8</b>   | 8%       | 1%                                   | <b>1,835.3</b> | <b>1,637.6</b> | 12%      | 9%                                   |
| <b>EBITDA Margin (%)</b>  | <b>21.2%</b>   | <b>23.1%</b>   | -2.0%    | -2.1%                                | <b>22.0%</b>   | <b>22.6%</b>   | -0.6%    | -0.7%                                |
| <b>PATMI</b>  | <b>378.2</b>   | <b>197.8</b>   | 91%      | 84%                                  | <b>855.5</b>   | <b>673.4</b>   | 27%      | 19%                                  |
| <b>PATMI Margin (%)</b>   | <b>16.7%</b>   | <b>10.3%</b>   | 6.4%     | 6.8%                                 | <b>10.2%</b>   | <b>9.3%</b>    | 1.0%     | 0.5%                                 |
| <b>PATMI<br/>(Excluding exceptional items<sup>1</sup>)</b>            | <b>177.0</b>   | <b>200.0</b>   | -11%     | -18%                                 | <b>820.8</b>   | <b>701.3</b>   | 17%      | 10%                                  |
| <b>PATMI Margin (%)<br/>(Excluding exceptional items<sup>1</sup>)</b> | <b>7.8%</b>    | <b>10.4%</b>   | -2.6%    | -2.8%                                | <b>9.8%</b>    | <b>9.7%</b>    | 0.2%     | -0.2%                                |

1: Exceptional items, net of tax and minority share

## Exceptional Items: Q4 PATMI boosted by valuation gains, investment tax allowance & exchange gains on net borrowings

### Exceptional Items

RM'mil

|  | QTD Dec      |              |             | YTD Dec      |              |            |
|--|--------------|--------------|-------------|--------------|--------------|------------|
|  | 2015         | 2014         | Variance    | 2015         | 2014         | Variance   |
| <b>Profit after tax and minority interests</b>   | <b>415.8</b> | <b>239.2</b> | <b>74%</b>  | <b>933.9</b> | <b>754.3</b> | <b>24%</b> |
| <b>Add back/(Less): Exceptional Items</b>  |              |              |             |              |              |            |
| Gain on liquidation of subsidiaries <sup>i</sup>   | -            | -            |             | (4.1)        | -            |            |
| Gain on disposal of subsidiaries <sup>ii</sup>   | -            | (0.3)        |             | -            | (0.3)        |            |
| Change in fair value of investment properties <sup>iii</sup>   | (49.2)       | 0.2          |             | (49.2)       | 0.2          |            |
| Investment tax allowance <sup>iv</sup>   | (93.1)       | -            |             | (93.1)       | -            |            |
| Change in fair value of CCPS liabilities <sup>v</sup>  | (0.9)        | -            |             | (0.9)        | -            |            |
| Exchange (gain)/loss on net borrowings <sup>vi</sup>   | (121.3)      | 4.6          |             | 234.2        | 58.4         |            |
|  | (264.5)      | 4.5          |             | 86.9         | 58.3         |            |
| Add/(less): Tax effects on exceptional items   | 24.3         | (0.9)        |             | (46.8)       | (11.7)       |            |
|  | (240.2)      | 3.6          |             | 40.1         | 46.6         |            |
| Add/(less): Minority interest share of exceptional items   | 39.0         | (1.5)        |             | (74.7)       | (18.7)       |            |
|  | (201.2)      | 2.1          |             | (34.7)       | 27.9         |            |
| <b>Profit after tax and minority interests (Excluding exceptional items <sup>vii</sup>)</b>                | <b>214.6</b> | <b>241.3</b> | <b>-11%</b> | <b>899.2</b> | <b>782.2</b> | <b>15%</b> |
| Less: PATMI contribution from PLife REIT   | (37.6)       | (41.4)       |             | (78.4)       | (80.9)       |            |
| <b>Profit after tax and minority interests (Excluding exceptional items <sup>vii</sup> and PLife REIT)</b> | <b>177.0</b> | <b>200.0</b> | <b>-11%</b> | <b>820.8</b> | <b>701.3</b> | <b>17%</b> |

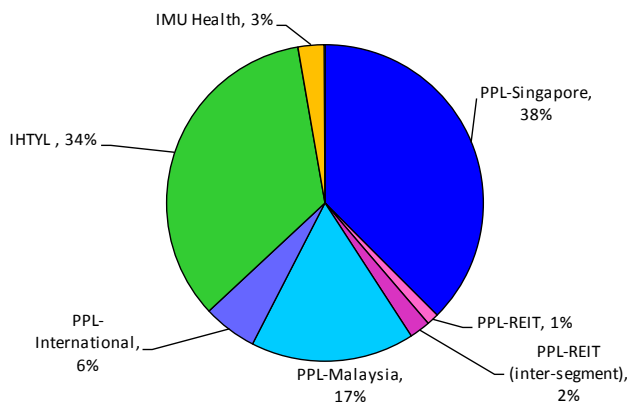
Note:

- i) Gain on liquidation of Gleneagles Hospital (UK) Limited and The Heart Hospital Limited, both 60% owned subsidiaries of the Group
- ii) Gain on disposal of GCRC group, 51% owned by the Group in 2013. Additional gain was recognised upon finalisation of the price consideration in 2014.
- iii) Fair valuation of investment properties held for rental to third parties, excluding PLife REIT's investment properties held for rental to third parties.
- iv) Investment tax allowance granted in relation to the Group's hospital construction projects and capital investments in Malaysia.
- v) Change in fair value of Compulsory Convertible Preference Shares ("CCPS") of a subsidiary, that is classified as liabilities fair value through P&L.
- vi) Exchange differences arising from foreign currency denominated borrowings/payables, net of foreign currency denominated cash/receivables recognised by Acibadem Holdings (As at 31 Dec 2015, Euro/TL=3.1776 USD/TL=2.9076)
- vii) Exceptional items, net of tax and non-controlling interests

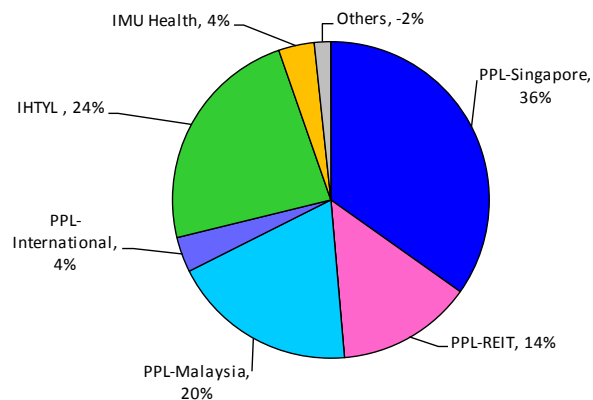
# PPL-Singapore accounts for about 50% of the Group's PATMI (Excl EI)

## Acibadem Holdings accounts for less than 10% of the Group's PATMI (Excl EI)

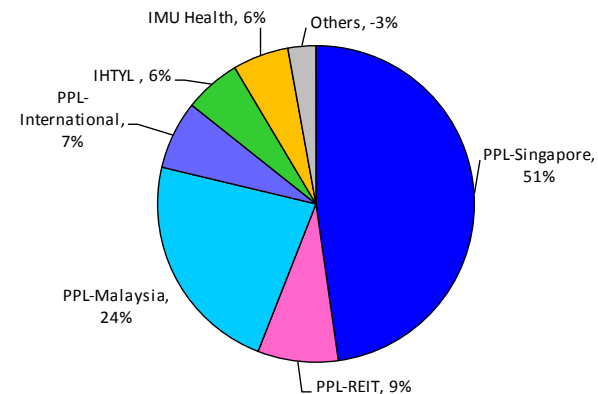
YTD 2015 Revenue



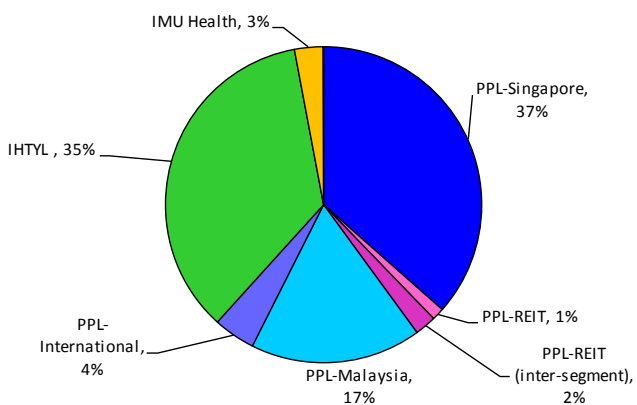
YTD 2015 EBITDA



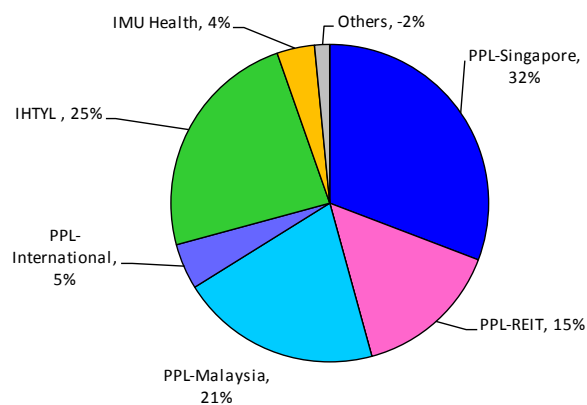
YTD 2015 PATMI (Excl EI)



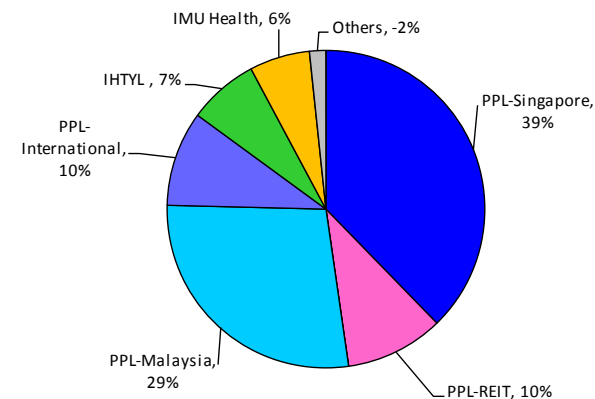
YTD 2014 Revenue



YTD 2014 EBITDA

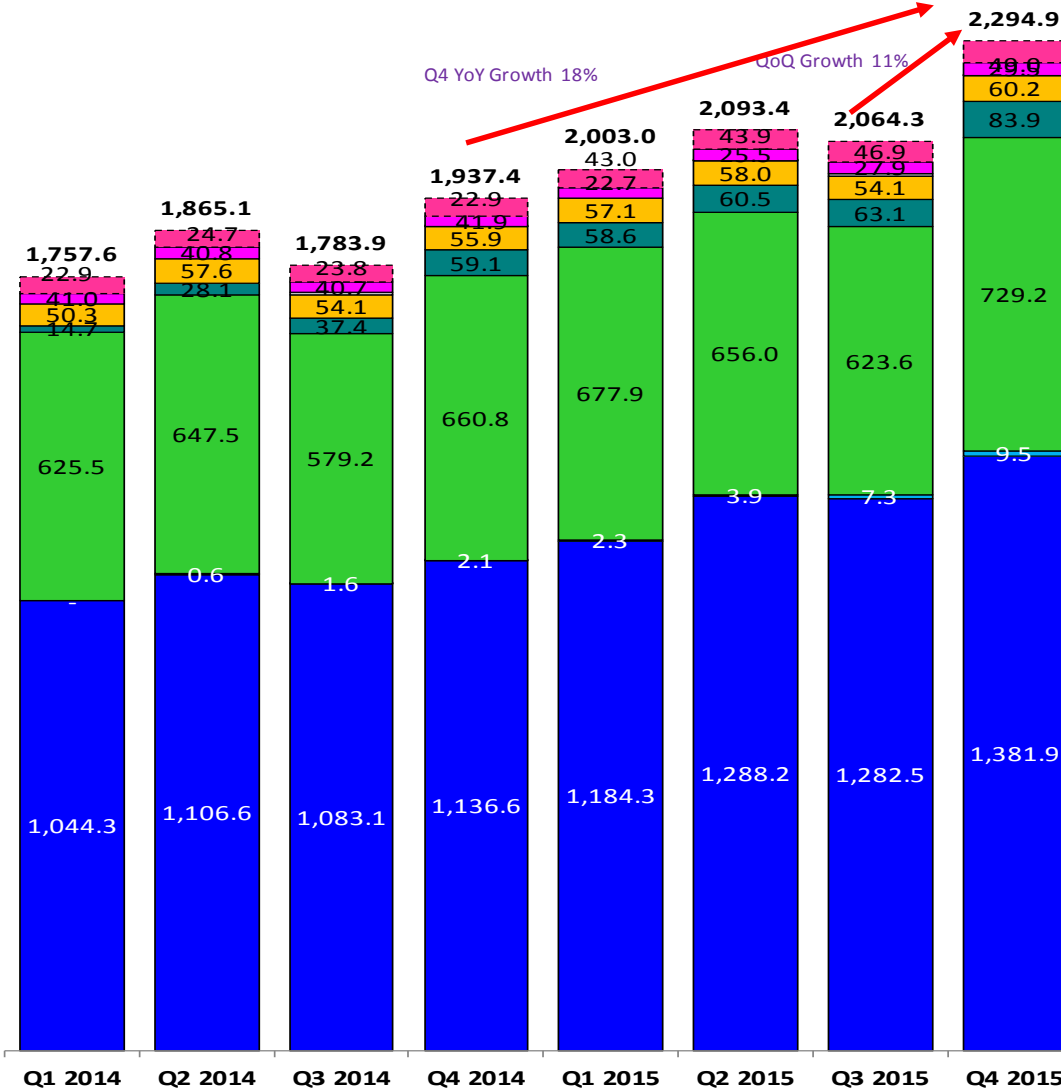


YTD 2014 PATMI (Excl EI)



# Revenue: Robust growth from existing operations & contribution from ramp up of new hospitals

## Revenue (RM 'mil)



## Variations

### Segments

|                   | Q4'15<br>vs Q3'15 | Q4'15<br>vs Q4'14 | YTD'15<br>vs YTD'14 |
|-------------------|-------------------|-------------------|---------------------|
| GROUP             | 11%               | 18%               | 15%                 |
| GROUP (Excl REIT) | 11%               | 18%               | 15%                 |

|                              |      |     |     |
|------------------------------|------|-----|-----|
| PLife REIT (External)        | 6%   | 29% | 12% |
| Others                       | -88% | NN  | 68% |
| IMU Health                   | 11%  | 8%  | 5%  |
| Acibadem Holdings (New)      | 33%  | 42% | 91% |
| Acibadem Holdings (Existing) | 17%  | 10% | 7%  |
| Parkway Pantai (New)         | 30%  | NN  | NM  |
| Parkway Pantai (Existing)    | 8%   | 22% | 18% |

PLife REIT Interco Revenue

"Others" segment comprises of IHH Group corporate offices as well as other investment holding entities

"New Hospitals" as referred to in these slides refers to:

#### Parkway Pantai – Malaysia

- Pantai Hospital Manjung (Opened in May 2014)
- Gleneagles Kota Kinabalu (Opened in May 2015)
- Gleneagles Medini (Opened in Nov 2015)

#### Parkway Pantai – North Asia

- Gleneagles Hong Kong Hospital

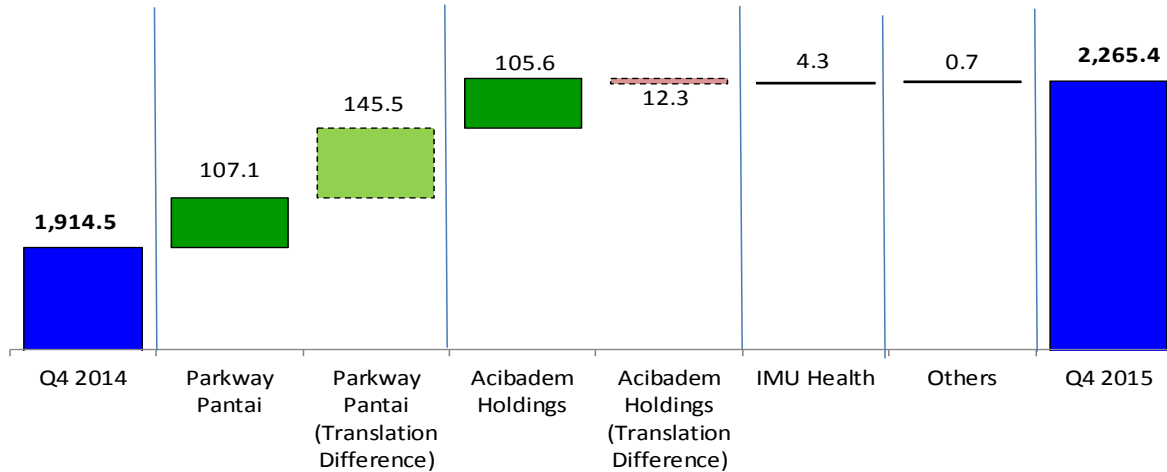
#### Acibadem Holdings – Turkey

- Acibadem Atakent Hospital (Opened in January 2014)
- Acibadem Taksim Hospital (Opened in October 2015)
- Acibadem Altunizade Hospital

# Revenue: Actual revenues boosted by the appreciation of S\$ in Q4; effects muted on YTD basis as it was offset by the depreciation of TL

## Revenue Variance (RM'mil)

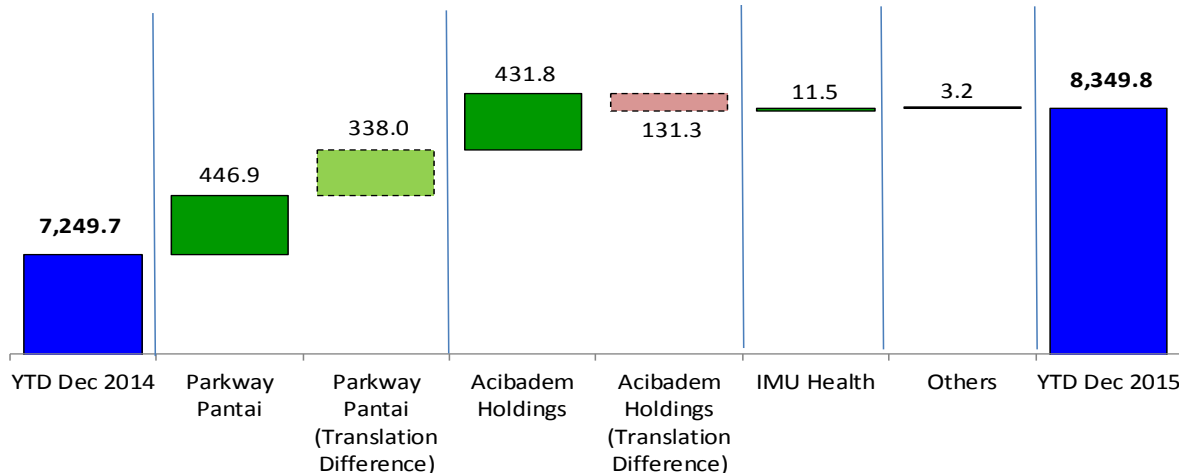
### Revenue - QTD Variance



Parkway Pantai  
Acibadem Holdings  
IMU Health  
**Group (Excl PLife REIT)**

| Q4'15 vs Q4'14 |                     |
|----------------|---------------------|
| Actual         | @ Constant Currency |
| 22%            | 9%                  |
| 13%            | 15%                 |
| 8%             | 8%                  |
| <b>18%</b>     | <b>11%</b>          |

### Revenue - YTD Variance



Parkway Pantai  
Acibadem Holdings  
IMU Health  
**Group (Excl PLife REIT)**

| YTD'15 vs YTD'14 |                     |
|------------------|---------------------|
| Actual           | @ Constant Currency |
| 18%              | 10%                 |
| 11%              | 16%                 |
| 5%               | 5%                  |
| <b>15%</b>       | <b>12%</b>          |

The above figures excludes PLife REIT

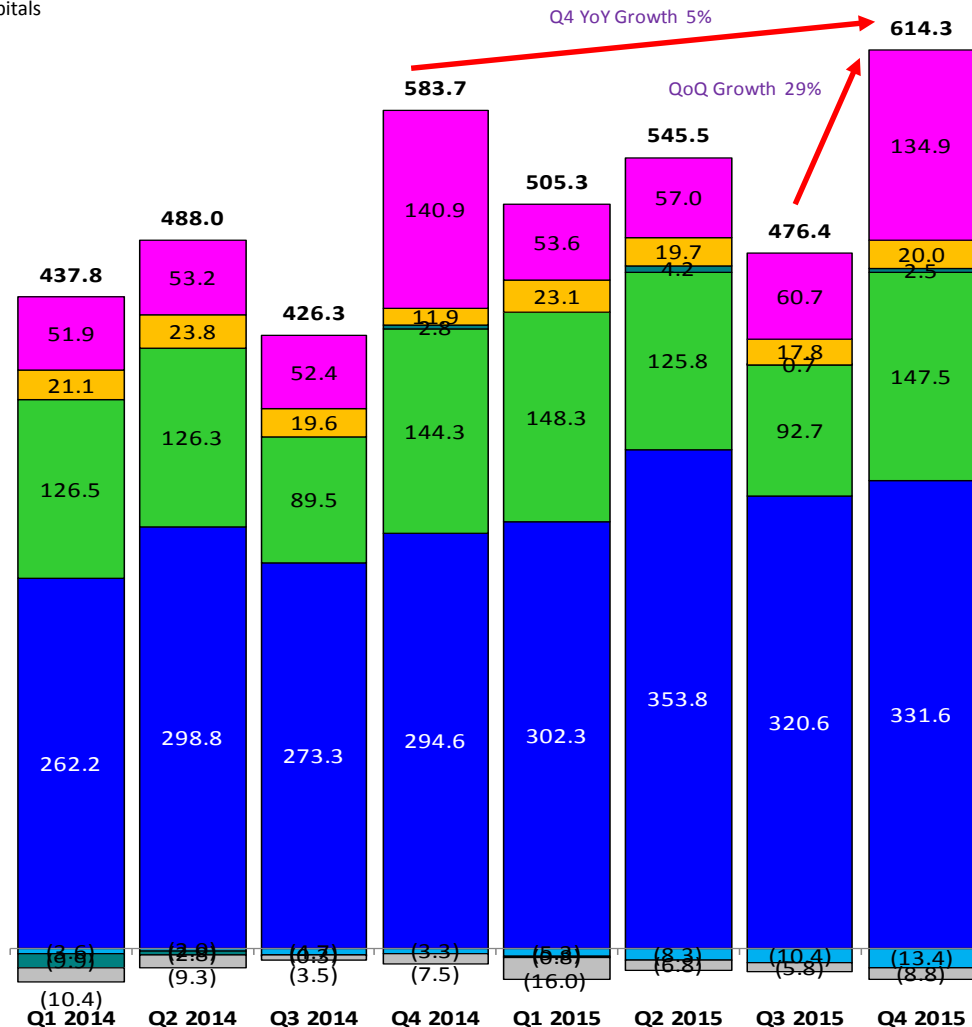


# EBITDA: Healthy YoY EBITDA growth as a result of Revenue growth

## EBITDA (RM 'mil)

Margins w/o PLife REIT: 22.3%, 23.6%, 21.2%, 23.1%, 22.8%, 23.6%, 20.4%, 21.2%

Margins w/o New Hospitals & PLife REIT: 23.2%, 24.3%, 22.0%, 23.9%, 23.8%, 24.6%, 21.6%, 22.6%



## Variations

### Segments

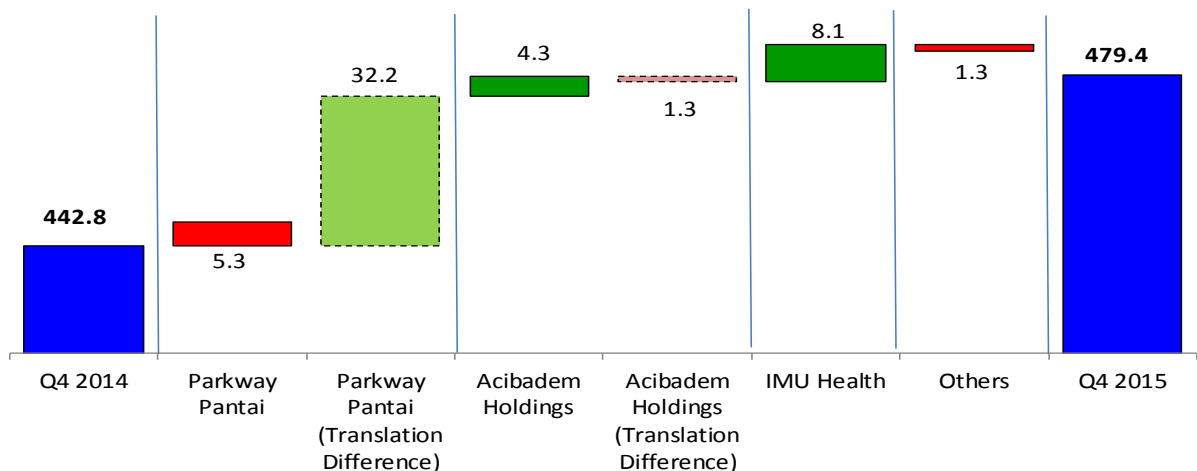
|                          | Q4'15 vs Q3'15 | Q4'15 vs Q4'14 | YTD'15 vs YTD'14 |
|--------------------------|----------------|----------------|------------------|
| <b>GROUP</b>             | <b>29%</b>     | <b>5%</b>      | <b>11%</b>       |
| <b>GROUP (Excl REIT)</b> | <b>15%</b>     | <b>8%</b>      | <b>12%</b>       |

| Segment                      | Q4'15 vs Q3'15 | Q4'15 vs Q4'14 | YTD'15 vs YTD'14 |
|------------------------------|----------------|----------------|------------------|
| PLife REIT                   | 122%           | -4%            | 3%               |
| Others                       | -53%           | -18%           | -22%             |
| IMU Health                   | 12%            | 68%            | 5%               |
| Acibadem Holdings (New)      | NM             | -8%            | 165%             |
| Acibadem Holdings (Existing) | 59%            | 2%             | 6%               |
| Parkway Pantai (New)         | -29%           | NM             | -175%            |
| Parkway Pantai (Existing)    | 3%             | 13%            | 17%              |

# EBITDA: Actual EBITDA boosted by the appreciation of S\$ in Q4; effects muted on YTD basis as it was offset by the depreciation of TL

## EBITDA Variance (RM'mil)

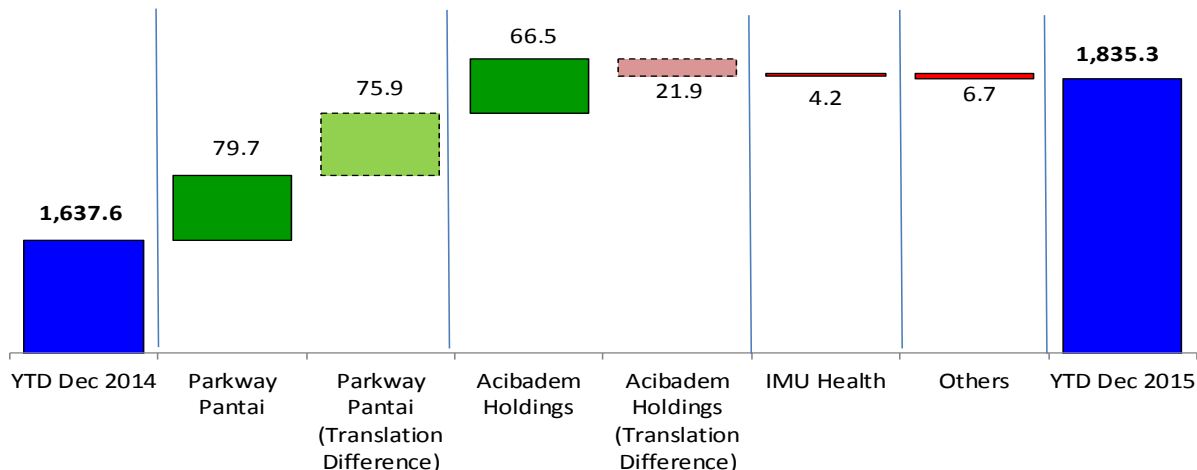
### EBITDA - QTD Variance



Parkway Pantai  
Acibadem Holdings  
IMU Health  
**IHH Group (Excl PLife REIT)**

| Q4'15 vs Q4'14 |                     |
|----------------|---------------------|
| Actual         | @ Constant Currency |
| 9%             | -2%                 |
| 2%             | 3%                  |
| 68%            | 68%                 |
| <b>8%</b>      | <b>1%</b>           |

### EBITDA - YTD Variance



Parkway Pantai  
Acibadem Holdings  
IMU Health  
**IHH Group (Excl PLife REIT)**

| YTD'15 vs YTD'14 |                     |
|------------------|---------------------|
| Actual           | @ Constant Currency |
| 14%              | 7%                  |
| 9%               | 14%                 |
| 5%               | 5%                  |
| <b>12%</b>       | <b>9%</b>           |

The above figures excludes PLife REIT

## Key coverage ratios increased compared to Dec 2014 with the Group's acquisitions in India, capital expenditure during the year, as well as the placement of cash into money market funds and fixed deposits (classified as "other financial assets")

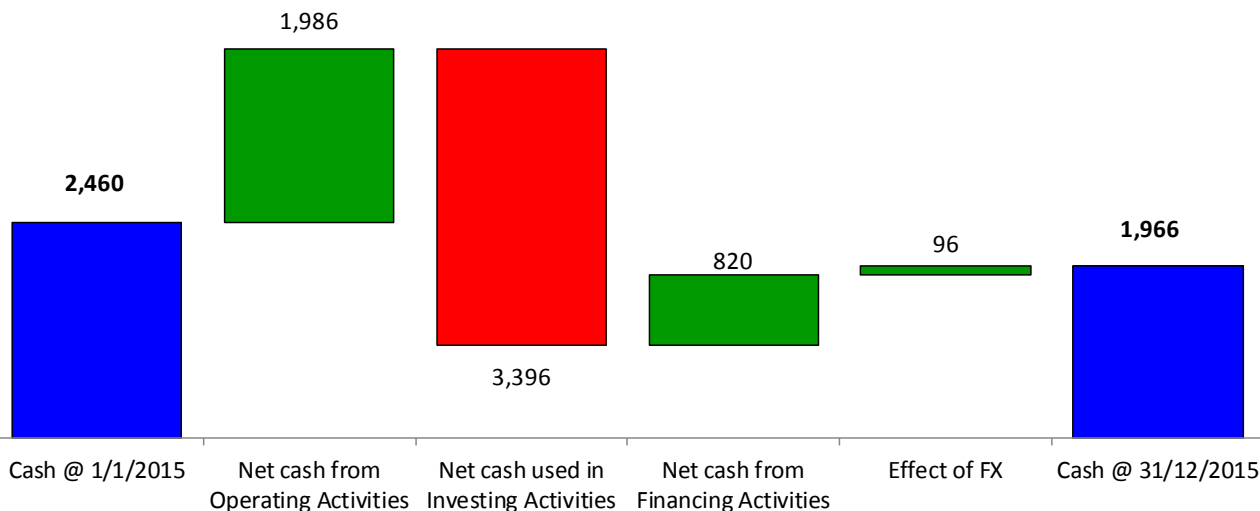
| Balance Sheet  | As at  | As at          |
|--|--|----------------|
|  | 31 Dec 2015  | 31 Dec 2014    |
|  | <i>RM'mil</i>  | <i>RM'mil</i>  |
| <b>Total Assets</b>  | <b>35,498</b>  | <b>28,640</b>  |
| - Tangible Assets  | 21,888   | 16,948         |
| - Intangible Assets  |  |                |
| Goodwill   | 11,009   | 9,155          |
| Other intangibles  | 2,600  | 2,538          |
| <b>Total Liabilities</b>   | <b>(11,077)</b>  | <b>(7,327)</b> |
| <b>Total Equity</b>  | <b>24,421</b>  | <b>21,313</b>  |
| <b>Non-controlling Interests</b>   | <b>(2,081)</b>   | <b>(1,862)</b> |
| <b>Total Shareholders' Equity (excluding non-controlling interests)</b>  | <b>22,340</b>  | <b>19,452</b>  |
| <b>Net Tangible Assets ("NTA") (excluding non-controlling interests)</b> | <b>8,730</b>   | <b>7,759</b>   |
|  | <i>Adjusted to include</i>                               |                |
|  | <i>Money Market Funds &amp; Long-term Fixed Deposits</i> |                |
| <b>Total Debt</b>  | (6,696)  | (4,269)        |
| <b>Total Cash</b>  | 2,753  | 2,468          |
| <b>Net Debt</b>  | (3,943)  | (1,801)        |
| <b>Net Debt / NTA</b>  | 0.45   | 0.23           |
| <b>Net Debt / Equity</b>   | 0.16   | 0.08           |
| <b>Net Debt / EBITDA* (times)</b>  | 1.84   | 0.93           |

^: Adjusted to include money market funds and long term fixed deposits

\*: Based on last 12 months EBITDA

# Strong operating cash flows to support annual dividends and capital expenditure for expansion

## Cashflows @ 31 December 2015 (RM'mil)



### Cash Reconciliation to Cashflow Statement:

|                                    | RM'mil       |
|------------------------------------|--------------|
| Cash per Balance Sheet             | 1,978        |
| Less:                              |              |
| Bank overdrafts                    | (6)          |
| Cash collateral received           | (0)          |
| Fixed deposits pledged             | (6)          |
| <b>Cash per Cashflow Statement</b> | <b>1,966</b> |

### Cash

| @ 31 Dec 2015             | RM'mil              |
|---------------------------|---------------------|
| Parkway Pantai            | 1,365               |
| Acibadem Holdings         | 448                 |
| IMU Health                | 74                  |
| Others                    | 28                  |
|                           | <u>1,916</u>        |
| PLife REIT                | 62                  |
|                           | <u>1,978</u>        |
| Funds placed in:          |                     |
| Money Market Fund         | 71                  |
| Eurobonds                 | 312                 |
| Fixed Deposits > 3 months | 705                 |
| Non-cash balance          | 1,087               |
| <b>Total</b>              | <b><u>3,065</u></b> |

### Debt

| @ 31 Dec 2015     | RM'mil       |
|-------------------|--------------|
| Parkway Pantai    | 1,682        |
| Acibadem Holdings | 3,217        |
| IMU Health        | 1            |
| Others            | 0            |
|                   | <u>4,900</u> |
| PLife REIT        | 1,796        |
|                   | <u>6,696</u> |

# Expansion Capital Expenditure

## – Construction & Medical Equipment

RM' mil

|   |            | Projected Disbursements<br>Q1 2016 till 2018 |
|---|------------|--|
| Pantai Hospital Kuala Lumpur                          | Expansion  | 65.4   |
| Pantai Hospital Klang                                 | Expansion  | 49.1   |
| Gleneagles Kuala Lumpur                               | Expansion  | 22.6   |
| Pantai Hospital Ayer Keroh                            | Expansion  | 137.4  |
| Gleneagles Medini                                     | Greenfield | 243.4  |
| Gleneagles Kota Kinabalu                              | Greenfield | 5.3  |
| Budgeted expenditure for approved projects            |            | 13.5   |
|   |            | <hr/> 536.7                                  |
| Gleneagles Hong Kong Hospital - 60%                   | Greenfield | 1,629.5 *                                    |
| Continental Hospital                                  | Expansion  | 12.2   |
| Parkwayhealth Shanghai Hospital - 70%                 | Greenfield | 864.5 *                                      |
| Chengdu Hospital - 70%                                | Brownfield | 602.9 *                                      |
| Yangon Hospital                                       | Greenfield | 262.7 *                                      |
| Acibadem Maslak                                       | Expansion  | 380.0  |
| Acibadem Altunizade                                   | Greenfield | 565.4  |
| Acibadem Kartal                                       | Greenfield | 322.8  |
| Acibadem Atasehir                                     | Greenfield | 192.7  |
|   |            | <hr/> 1,460.8                                |
| <b>Total Unincurred Expansion Capital Expenditure</b> |            | <hr/> <b>5,369.2</b> <hr/>                   |

Funded from Malaysia's operating cash flows and new bank facilities, if required

\*: Parkway will fund its share of the project cost through its bank facility and the business partner will fund their respective share. Amount shown is total capex

Acibadem will fund these from operating cash flows and Acibadem's bank facilities

Based on the following exchange rates:

|       |          |
|-------|----------|
| 1 SGD | : 3.0590 |
| 1 TL  | : 1.4745 |
| 1 HKD | : 0.5583 |

## Outlook & Prospects : Overall IHH Group

- \* For the year ahead, IHH will continue to draw from rapid growth over past few years to:
  - Improve service offerings in existing hospitals
  - Ramp up newer hospitals opened in 2014/2015 to achieve optimal operating leverage
  - Integrate newly acquired assets
  - Prepare for progressive opening of several greenfield hospitals in 2017
  
- \* Expansion of existing and new facilities will enable Group to support growth in demand for quality private healthcare driven by:
  - Shifting demographics in home and key growth markets
  - Fast growing upper/middle class in home and key growth markets
  - Increased medical travel from to established medical hubs
  
- \* Higher costs of operations or purchases expected from:
  - Increased competition for healthcare personnel in home markets
  - Higher minimum wages in Turkey
  - Possible USD strengthening against home market currencies
  
- \* Cost effects will be mitigated through
  - Improving mix of higher revenue intensity cases
  - Continued cost optimisation
  - Tight cost control

## Outlook & Prospects: Overall IHH Group (cont'd)

- \* Currency volatility may result in translational differences on balance sheet and income statement, but Group continues to optimise and manage capital structure:
  - IHH benefits from geographically diversified operations spreading currency risks
  - The Group also borrows in the functional currency of the borrowing entity or by borrowing in the same currency as its foreign investment
  - Concurrently, Acibadem continues to hedge cash flow by conserving hard currency and medical tourism receipts to service non-Lira obligations
  
- \* The Group is confident of tiding through challenging operating environment expected for year ahead by leveraging its:
  - Strong brands and network of hospitals
  - Strong balance sheet and operating cash flows
  - 40-year track record of delivering superior clinical outcomes for patients



# Q&A



# Revenue: QoQ & YoY Comparison

| Revenue <sup>1</sup>               | Q-on-Q         |                |            | QTD Y-on-Y     |                |            | YTD Y-on-Y     |                |            |
|------------------------------------|----------------|----------------|------------|----------------|----------------|------------|----------------|----------------|------------|
|                                    | Q4 2015        | Q3 2015        | Variance   | Q4 2015        | Q4 2014        | Variance   | YTD 2015       | YTD 2014       | Variance   |
|                                    | RM'mil         | RM'mil         | %          | RM'mil         | RM'mil         | %          | RM'mil         | RM'mil         | %          |
| Parkway Pantai:                    |                |                |            |                |                |            |                |                |            |
| - Singapore                        | 878.0          | 817.4          | 7%         | 878.0          | 712.1          | 23%        | 3,239.8        | 2,742.3        | 18%        |
| - Malaysia                         | 354.6          | 350.0          | 1%         | 354.6          | 337.9          | 5%         | 1,420.6        | 1,306.2        | 9%         |
| - Malaysia <sup>(New)</sup>        | 9.5            | 7.3            | 30%        | 9.5            | 2.1            | NM         | 22.9           | 4.3            | NM         |
| - North Asia                       | 66.5           | 57.4           | 16%        | 66.5           | 54.1           | 23%        | 252.9          | 201.9          | 25%        |
| - India                            | 40.7           | 17.9           | 127%       | 40.7           | -              | -          | 74.0           | -              | -          |
| - PPL Others*                      | 42.1           | 39.8           | 6%         | 42.1           | 32.4           | 30%        | 149.6          | 120.2          | 24%        |
| <b>Parkway Pantai</b>              | <b>1,391.4</b> | <b>1,289.8</b> | <b>8%</b>  | <b>1,391.4</b> | <b>1,138.7</b> | <b>22%</b> | <b>5,159.8</b> | <b>4,374.8</b> | <b>18%</b> |
| Acibadem Holdings                  | 729.2          | 623.6          | 17%        | 729.2          | 660.8          | 10%        | 2,686.8        | 2,513.0        | 7%         |
| Acibadem Holdings <sup>(New)</sup> | 83.9           | 63.1           | 33%        | 83.9           | 59.1           | 42%        | 266.1          | 139.3          | 91%        |
| <b>Acibadem Holdings</b>           | <b>813.1</b>   | <b>686.7</b>   | <b>18%</b> | <b>813.1</b>   | <b>719.9</b>   | <b>13%</b> | <b>2,952.9</b> | <b>2,652.3</b> | <b>11%</b> |
| IMU Health                         | 60.2           | 54.1           | 11%        | 60.2           | 55.9           | 8%         | 229.3          | 217.9          | 5%         |
| Others^                            | 0.7            | 5.8            | -88%       | 0.7            | 0.0            | NM         | 7.9            | 4.7            | 68%        |
| <b>GROUP (Excl REIT)</b>           | <b>2,265.4</b> | <b>2,036.4</b> | <b>11%</b> | <b>2,265.4</b> | <b>1,914.5</b> | <b>18%</b> | <b>8,349.8</b> | <b>7,249.7</b> | <b>15%</b> |
| PLife REIT Total                   | 78.5           | 74.7           | 5%         | 78.5           | 64.8           | 21%        | 288.3          | 258.8          | 11%        |
| Less: PLife REIT Inter-segment     | (49.0)         | (46.9)         | -4%        | (49.0)         | (41.9)         | -17%       | (182.7)        | (164.4)        | -11%       |
| <b>PLife REIT</b>                  | <b>29.5</b>    | <b>27.9</b>    | <b>6%</b>  | <b>29.5</b>    | <b>22.9</b>    | <b>29%</b> | <b>105.6</b>   | <b>94.3</b>    | <b>12%</b> |
| <b>GROUP</b>                       | <b>2,294.9</b> | <b>2,064.3</b> | <b>11%</b> | <b>2,294.9</b> | <b>1,937.4</b> | <b>18%</b> | <b>8,455.5</b> | <b>7,344.0</b> | <b>15%</b> |

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 comprisemainly IHH Group's corporate office as well as other investment holding entities

# EBITDA: QoQ & YoY Comparison

| EBITDA <sup>1</sup>                | Q-on-Q       |              |            | QTD Y-on-Y   |              |           | YTD Y-on-Y            |                       |            |
|------------------------------------|--------------|--------------|------------|--------------|--------------|-----------|-----------------------|-----------------------|------------|
|                                    | Q4 2015      | Q3 2015      | Variance   | Q4 2015      | Q4 2014      | Variance  | YTD <sup>2</sup> 2015 | YTD <sup>2</sup> 2014 | Variance   |
|                                    | RM'mil       | RM'mil       | %          | RM'mil       | RM'mil       | %         | RM'mil                | RM'mil                | %          |
| Parkway Pantai:                    |              |              |            |              |              |           |                       |                       |            |
| - Singapore <sup>2</sup>           | 214.0        | 186.5        | 15%        | 214.0        | 154.9        | 38%       | 756.1                 | 602.0                 | 26%        |
| - Malaysia                         | 100.4        | 108.4        | -7%        | 100.4        | 109.2        | -8%       | 446.0                 | 415.3                 | 7%         |
| - Malaysia <sup>(New)</sup>        | (10.4)       | (7.3)        | -43%       | (10.4)       | (1.7)        | NM        | (26.1)                | (8.2)                 | NM         |
| - North Asia                       | 13.8         | 9.0          | 54%        | 13.8         | 17.7         | -22%      | 57.0                  | 59.7                  | -4%        |
| - North Asia <sup>(New)</sup>      | (3.0)        | (3.1)        | 3%         | (3.0)        | (1.6)        | -89%      | (11.2)                | (5.3)                 | -110%      |
| - India                            | (12.5)       | (0.2)        | NM         | (12.5)       | (0.0)        | NM        | (14.9)                | (0.1)                 | NM         |
| - PPL Others*                      | 15.9         | 17.0         | -6%        | 15.9         | 12.8         | 24%       | 64.2                  | 52.1                  | 23%        |
| <b>Parkway Pantai</b>              | <b>318.2</b> | <b>310.2</b> | <b>3%</b>  | <b>318.2</b> | <b>291.3</b> | <b>9%</b> | <b>1,271.1</b>        | <b>1,115.4</b>        | <b>14%</b> |
| Acibadem Holdings                  | 147.5        | 92.7         | 59%        | 147.5        | 144.3        | 2%        | 514.4                 | 486.7                 | 6%         |
| Acibadem Holdings <sup>(New)</sup> | 2.5          | 0.7          | NM         | 2.5          | 2.8          | -8%       | 6.6                   | (10.3)                | 165%       |
| <b>Acibadem Holdings</b>           | <b>150.0</b> | <b>93.4</b>  | <b>61%</b> | <b>150.0</b> | <b>147.1</b> | <b>2%</b> | <b>521.0</b>          | <b>476.4</b>          | <b>9%</b>  |
| IMU Health                         | 20.0         | 17.8         | 12%        | 20.0         | 11.9         | 68%       | 80.6                  | 76.4                  | 5%         |
| Others <sup>^</sup>                | (8.8)        | (5.8)        | -53%       | (8.8)        | (7.5)        | -18%      | (37.4)                | (30.7)                | -22%       |
| <b>GROUP (Excl REIT)</b>           | <b>479.4</b> | <b>415.7</b> | <b>15%</b> | <b>479.4</b> | <b>442.8</b> | <b>8%</b> | <b>1,835.3</b>        | <b>1,637.6</b>        | <b>12%</b> |
| PLife REIT <sup>3</sup>            | 134.9        | 60.7         | 122%       | 134.9        | 140.9        | -4%       | 306.2                 | 298.3                 | 3%         |
| <b>GROUP</b>                       | <b>614.3</b> | <b>476.4</b> | <b>29%</b> | <b>614.3</b> | <b>583.7</b> | <b>5%</b> | <b>2,141.5</b>        | <b>1,935.9</b>        | <b>11%</b> |

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

2: Includes rental expense incurred for lease of hospitals 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