

NEWS RELEASE

Kuala Lumpur/Singapore, 31 MAY 2023

IHH reports stellar growth in Q1 2023

- Records highest ever quarterly revenue of RM5.1 billion, representing 24% Y-o-Y growth on higher patient volume across key markets
- Net income nearly triples to RM1.4 billion
- Special dividend of 9.6 sen per share declared
- Confident of long-term growth; To add >2,000 beds organically over 3 years and explore M&A

"We kicked off the year with a stellar set of results, recording our highest ever quarterly revenue and nearly tripling net income. While this was boosted by one-off gains from our strategic divestment of IMU, we had also seen stellar operational growth as we took in more patients across our key markets. The Board declared a special dividend of 9.6 sen per share, a 100% payout of the gains from the IMU sale, so shareholders can participate as we create value and pursue growth."

Joe Sim

Group Chief Operating Officer, IHH Healthcare

GROUP RESULTS - FINANCIAL HIGHLIGHTS

The Group's headline performance includes the application of the MFRS 129¹ reporting standard. Stripping out the effect from MFRS 129 which are all non-cash, core underlying performance outperformed on stellar revenue growth in all key markets. Demand for domestic elective procedures and medical tourism continue to trend upward in a post-COVID environment.

Q1 2023 At A Glance (Y-o-Y change)

Headline Financial Performance (Including MFRS 129 application)

Revenue

RM5.1b

+ 24% ↑

EBITDA

RM1.1b

+ 15% ↑

Net Operating Income*

RM329.9m

- 19% ↓

*PATMI excluding exceptionals

Net Income[^]

RM1.4b

+ 182% ↑

[^]PATMI

Core Underlying Performance (Excluding MFRS 129 application)

Revenue

(ex MFRS 129)

RM5.1b

+ 22% ↑

EBITDA

(ex MFRS 129)

RM1.1b

+ 15% ↑

Net Operating Income

(ex MFRS 129)

RM451.7m

+ 11% ↑

Net Income

(ex MFRS 129)

RM1.4b

+ 175% ↑

¹ MFRS 129, *Financial Reporting in Hyperinflationary Economies*, relates to the Group's entities in Türkiye.

GROUP RESULTS - FINANCIAL SUMMARY

Q1 2023: Stellar performance across key markets

- Revenue increased 24% year-on-year (“Y-o-Y”) as the Group saw more patients from across its key markets. EBITDA grew 15% mainly driven by the higher revenue.
- Net Income nearly tripled to RM1.4 billion. This was boosted primarily by one-off gains from the sale of International Medical University (“IMU”), and on the strong patient volume growth.
- The dividend of 7.0 sen per ordinary share for FY 2022 was paid out on 28 April 2023. The Board further declared a special dividend of 9.6 sen per ordinary share for FY 2023 from the divestment of IMU, representing a 100% payout of the gains from the sale, to be paid out on 30 June 2023.
- Return on Equity (“ROE”) was 9.1% as at end-March 2023.
- Balance sheet remained strong, with net cash generated from operating activities of RM661.0 million and an overall cash balance of RM4.9 billion.
- Net gearing improved to 0.20x (from 0.25x as at December 2022).

GROUP RESULTS - OUTLOOK

- The Group will grow organically by adding more than 2,000 new beds in Malaysia, India and Türkiye over the next three years.
- It will also seek earnings-accretive opportunities to acquire assets across Asia and Europe, backed by its healthy balance sheet.
- It is also expanding its service offerings such as by developing its laboratory and diagnostics business and investing into complementary digital health services.
- The Group expects robust revenue growth to continue. It will maintain a tight rein on costs and leverage operational synergies to mitigate near-term headwinds from inflationary and interest rates pressures.

GROUP - OPERATIONAL SUMMARY (AS AT END-MAR 2023)



Occupancy
71%



Inpatient Admissions
226,105



Operational Beds
12,159



Lab Tests
23.3 million

GROUP - KEY UPDATES SINCE Q1 2023

- **IHH Group:**
 - Shareholders and proxies approved all 10 resolutions tabled at its Annual General Meeting on 30 May 2023.
 - First standalone Sustainability Report launched in April 2023.
 - Invested in Intellect, Asia's leading digital mental health company, in March 2023.
- **Singapore:**
 - Mount Elizabeth Novena opened the Proton Therapy Centre, the first private hospital in Southeast Asia to provide this advanced precision cancer treatment.
 - Parkway MediCentre Woodleigh, a new-concept ambulatory care facility, opened in May 2023.
 - Mount Elizabeth Hospital (Orchard) and Gleneagles Hospital were named among the top 250 hospitals in the World's Best Hospital ranking in 2023.
- **Türkiye and Europe**
 - Acibadem acquired Kent Health Group ("Kent"), a leading private healthcare provider in Izmir, Türkiye's third largest city, in February 2023. Kent operates a 340-bed hospital with a cancer centre attached, as well as two medical centres.
 - RM25.0 million in-cash and in-kind has been donated since February 2023 to support humanitarian efforts for earthquake victims in Türkiye.
- **India:**
 - Fortis Healthcare acquired the 350-bed Medeor Hospital in Manesar, Gurugram, Haryana, for INR 225 crores in April 2023.

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ABOUT IHH HEALTHCARE BERHAD (“IHH”)

A world-leading integrated healthcare provider, IHH believes that making a difference starts with our aspiration to Care. For Good.

Our team of 65,000 people commit to deliver greater good to our patients, people, the public and our planet, as we live our purpose each day to touch lives and transform care.

Through our portfolio of trusted brands – Acibadem, Mount Elizabeth, Prince Court, Gleneagles, Fortis, Pantai and Parkway – we offer our patients comprehensive and personalised care ranging from primary to quaternary, and even ancillary services such as laboratory, diagnostics, imaging and rehabilitation.

With our scale and reach in 10 countries, we continue to raise the bar in healthcare in our key markets of Malaysia, Singapore, Türkiye, India, Greater China (including Hong Kong) and beyond.

In partnership with our stakeholders, we will co-create a sustainable future for all as we work towards our vision to become the world’s most trusted healthcare services network.

More information can be found at www.ihhhealthcare.com.

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