

## NEWS RELEASE

Kuala Lumpur/Singapore, 29 February 2024

### IHH earnings up 280% in Q4 2023; Revises dividend policy upwards

- Q4 2023 outperformance driven by higher patient volumes and improved case mix, PATMI up 280% from a year ago; FY2023: PATMI up 91%
- Return on Equity (“ROE”) of 10.7% as at end-December 2023
- Declared second and final cash dividend 5.5 sen per share payable on 26 April 2024; Brings total ordinary dividend for FY2023 to 9.0 sen per share; FY2023 total dividend amounts to 18.6 sen per share, including special dividend of 9.6 sen per share paid in June 2023
- Dividend policy<sup>1</sup> revised upwards to no less than 30% of PATMI (ex-EI)

*“Our outstanding growth in Q4 and FY2023 and double-digit ROE are testament to our collective commitment to deliver value for all stakeholders, in alignment with our “ACE” framework to **Align**, **Challenge** and **Empower** our people, processes and operations. We remain on a strong, positive trajectory as we execute our growth strategy, including adding close to 4,000 beds by 2028.*

*As a testament to our confidence in our sustained growth trajectory of IHH, we are proud to announce the enhancement of our dividend policy. This upwards adjustment reflects our commitment to ensuring our shareholders participate in and benefit from our continued success and growth.*

*Our priority in the year ahead is to further solidify our position as a global healthcare leader, driving operational excellence, advancing innovation to push the boundaries of medicine and providing superior care and outcomes for patients. Our guiding principle, ‘Care. For Good.’ reflects our belief that if we take care of our patients, the business takes care of itself.”*

**Dr Prem Kumar Nair**  
Group Chief Executive Officer, IHH Healthcare

### GROUP RESULTS – FINANCIAL HIGHLIGHTS<sup>2</sup>

#### FY2023 key metrics (Y-o-Y) change

Revenue	EBITDA	PATMI (ex EI)	PATMI
<b>RM20.9b</b>	<b>RM4.6b</b>	<b>RM1.3b</b>	<b>RM3.0b</b>
+16%	+15%	-7%	+91%

#### Q4 2023 key metrics (Y-o-Y) change

Revenue	EBITDA	PATMI (ex EI)	PATMI
<b>RM5.3b</b>	<b>RM1.1b</b>	<b>RM265.5m</b>	<b>RM727.5m</b>
+9%	No change	-22%	+280%

<sup>1</sup> Please refer to dividend policy for more details: <https://www.ihhhealthcare.com/investors/corporate-governance/corporate-governance-policy-disclosures>

<sup>2</sup> The Group’s headline performance includes the application of the MFRS 129 accounting standard (Financial Reporting in Hyperinflationary Economies) relating to its entities in Türkiye.

**FY2023: Maintained strong financial position and performance; double-digit ROE of 10.7%**

- Revenue and EBITDA saw double-digit growth on higher patient volumes and improved case mix. Excluding effects of MFRS 129, revenue and EBITDA increased 17% and 15% respectively.
- PATMI grew on strong operational performance and included one-off gains from the sale of International Medical University.
- PATMI excluding exceptional items ("PATMI (ex EI)"), decreased 7% largely on higher depreciation and amortisation from the application of MFRS 129. Excluding effects of MFRS 129, PATMI (ex EI) increased 17% YoY.
- ROE reached 10.7% as at end-December 2023; reflecting the outperformance on the year and a strong commitment to drive shareholder value.
- Balance sheet remained strong: net cash generated from operating activities at RM3.8 billion; overall cash balance at RM2.4 billion.
- In December 2023, IHH received approval from Indian regulatory authorities to repatriate RM1.8 billion from the Fortis' Mandatory Tender Offer escrow account and replace with a banker's guarantee.
- Net gearing decreased to 0.24x (from 0.25x as at December 2022).
- Declared a second and final cash dividend of 5.5 sen per share to be paid on 26 April 2024, bringing total ordinary dividend for FY2023 to 9.0 sen per share (previously paid interim cash dividend of 3.5 sen per share in October 2023). The total dividend paid out for FY2023 amounts to 18.6 sen per share, including the 9.6 sen special dividend paid in end June 2023.
- Dividend policy<sup>3</sup> revised from 'no less than 20%' to 'no less than 30%' of the Group's PATMI (ex EI) for the financial year.

**Q4 2023: Strong revenue driven by higher patient volumes and improved case mix**

- Revenue increased due to higher patient volumes and revenue intensity across all markets, with all business segments and markets registering growth. Excluding effects of MFRS 129, the Group's revenue increased 11% YoY.
- EBITDA was stable at RM1.1 billion with growth across most markets. Excluding effects of MFRS 129, the Group's EBITDA increased 10% YoY.
- PATMI increased 280% YoY, boosted by significant operational growth that more than offset the lower base a year ago that had seen an impairment loss of RM305.9 million<sup>4</sup>.
- PATMI (ex EI) fell 22%. Excluding effects of MFRS 129, the Group's PATMI (ex EI) increased 20% YoY.

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<sup>3</sup> Please refer to dividend policy for more details: <https://www.ihhhealthcare.com/investors/corporate-governance/corporate-governance-policy-disclosures>

<sup>4</sup> The impairment loss in Q4 2022 was relating to the Group's assets and goodwill in China amid sustained COVID restrictions.

## GROUP OPERATIONAL SUMMARY (FOR YEAR ENDED 31 DECEMBER 2023)



**Occupancy**  
(for FY2023)  
**69%**



**Inpatient Admissions**  
(for FY2023)  
**869,673 (+7%)**



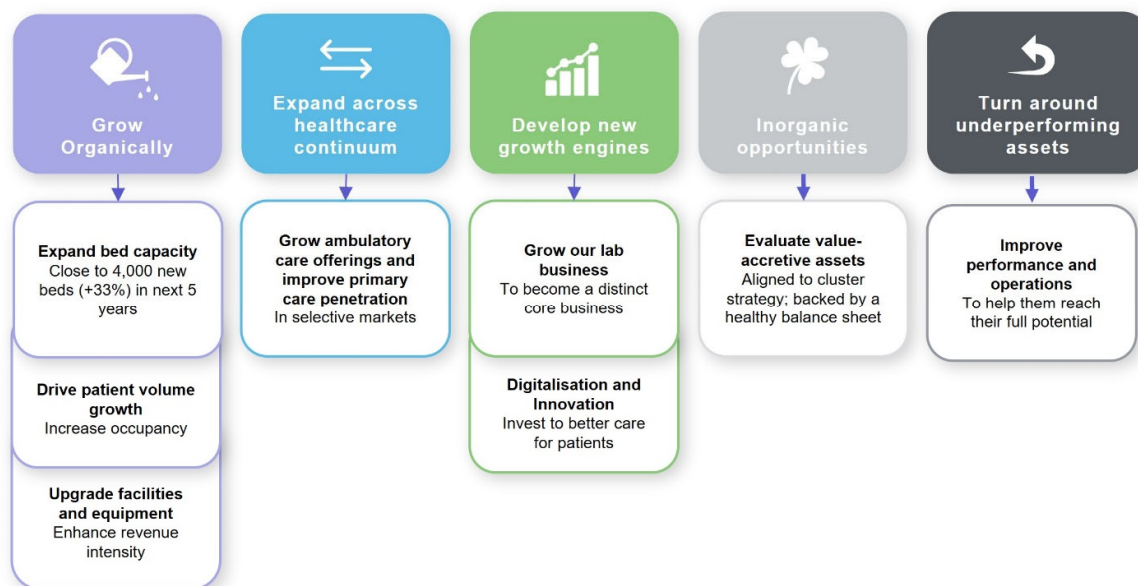
**Operational Beds**  
(as at 31 December 2023)  
**12,307**



**Lab Tests**  
(for FY2023)  
**97.5 million (+6%)**

## GROUP OUTLOOK

The Group's ACE framework will continue to guide IHH's growth across five strategic priorities:



- The Group is confident of its growth trajectory and will anchor on its ACE framework to deliver against its five strategic priorities, notably aiming to add close to 4,000 new beds in the next five years.
- Overall, the Group expects continued revenue growth with a focus on driving profitability and a sustained double-digit ROE, while maintaining prudent capital management and mitigating inflationary and interest rates pressures.

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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](http://www.ihhhealthcare.com).

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*For more information or to speak to an IHH spokesperson, please contact:*

Penelope Koh  
Investor Relations, IHH Healthcare  
t. +65 9820 8973  
e. [penelope.koh@ihhhealthcare.com](mailto:penelope.koh@ihhhealthcare.com)

Melissa Sim  
WATATAWA Consulting  
t. +65 9380 2938  
e. [msim@we-watatawa.com](mailto:msim@we-watatawa.com)

## APPENDIX: The Group's "ACE" framework: *Align to Care. For Good. to grow*

### "A" Align on shared aspiration to *Care. For Good. to propel profitable growth*

- The Group will ensure all IHH operations align on its aspiration to ***Care. For Good.*** and co-create a sustainable healthcare system.
- It will **deliver profitable growth** as a Group by:
  - Continuing organic expansion, including adding close to 4,000 beds in the next five years
  - Expanding across the healthcare continuum, such as ambulatory and primary care
  - Developing new growth engines including the laboratory and diagnostics business
  - Evaluating value-accretive assets in existing and new markets
  - Turning around underperforming assets to maximise their value potential

### "C" Challenge to transform and future-proof the organisation

- The Group will seek to "challenge" itself to drive transformation; future-proofing the organisation.
  - This will include extracting greater synergies – people, tech, processes – across IHH's network
- It will also roll out projects to enhance process efficiencies in markets and across the Group.

### "E" Empower to excel and grow with stronger mandates

- Markets, operations and functions will have greater responsibility to chart and drive their own growth trajectories as aligned with national healthcare agendas, while continuing to create quality care and outcomes for patients.