



KPJ Healthcare Berhad 4Q2019



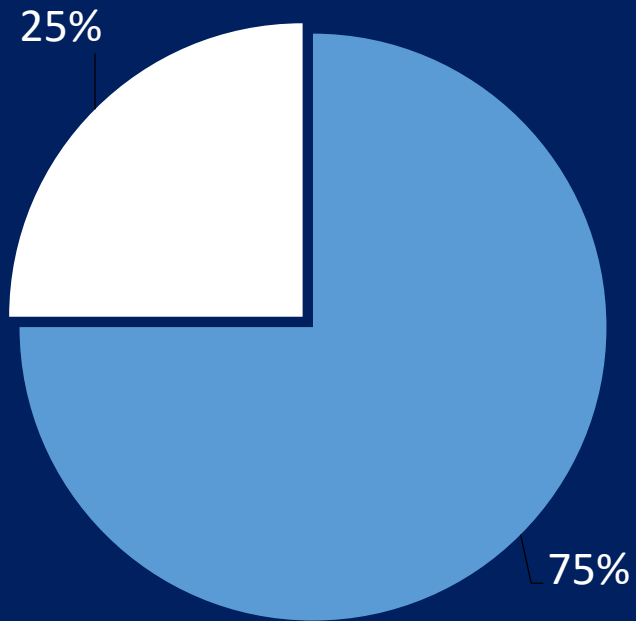
FTSE4Good



Healthcare Industry in Malaysia

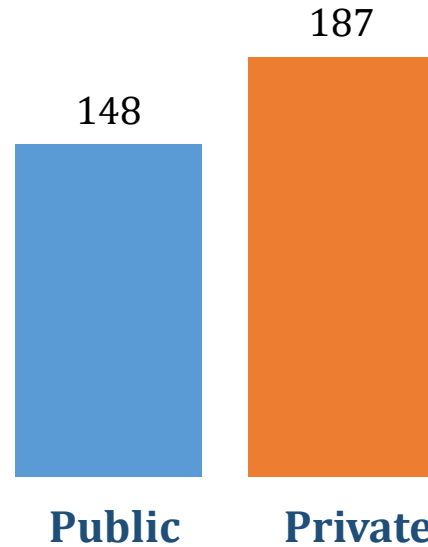
Malaysia Healthcare System 2016

Healthcare Provider

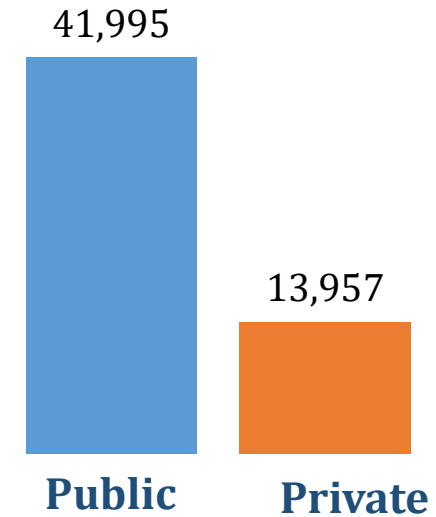


Legend :
Public ■
Private ■

No. of Hospitals



No of. Beds



Other info:

Public	No
Health & Dental Clinics	4,920
Mobile Health & Dental Clinic Team	826
Inpatient (pax)	2,571,880
Outpatient (pax)	63,774,109

Private	No
Maternity & Nursing Homes	10
Ambulatory care	73
Medical clinics	7,335
Dental clinics	1,992
Inpatient (pax)	1,073,039
Outpatient (pax)	4,894,737

Healthcare Industry in Malaysia

Competitive Advantage

“Malaysia – Top 6 Countries with the Best Healthcare in the World”

<https://internationalliving.com/countries-best-healthcare-world/>

(updated: January 22, 2019)

Hospital facilities

- modern & high international standards
- Accreditation by MSQH (*52 Private Hospitals Nationwide of which 19 are KPJ Hospitals)
- Accreditation by JCI (13 Private Hospitals Nationwide of which 4 are KPJ Hospitals)

** As at Aug 2019*

Health Tourism

-among the world's most favored destinations

Latest Medical Equipment

-diagnostic and therapeutic resources
-endoscopic suites, cardiac catheterization, oncology suites and MRI

Cost

-low cost
-very competitive pricing
-lower than neighboring countries

Healthcare Industry in Malaysia

Sources of Funding for Healthcare Expenses

Treatment Funding



Healthcare Insurance

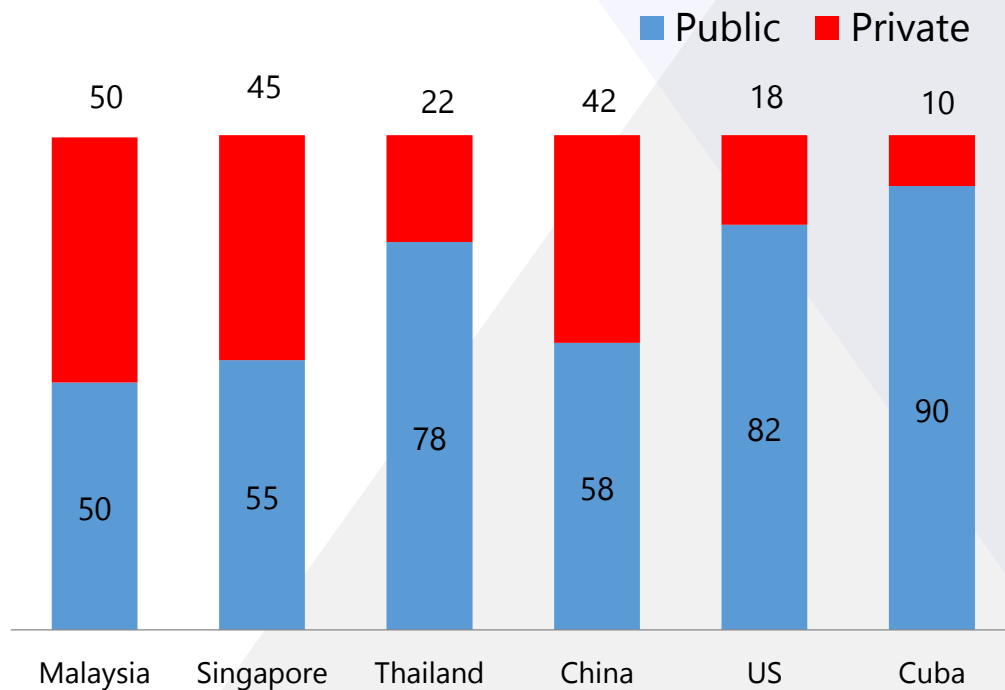


Corporate Clients



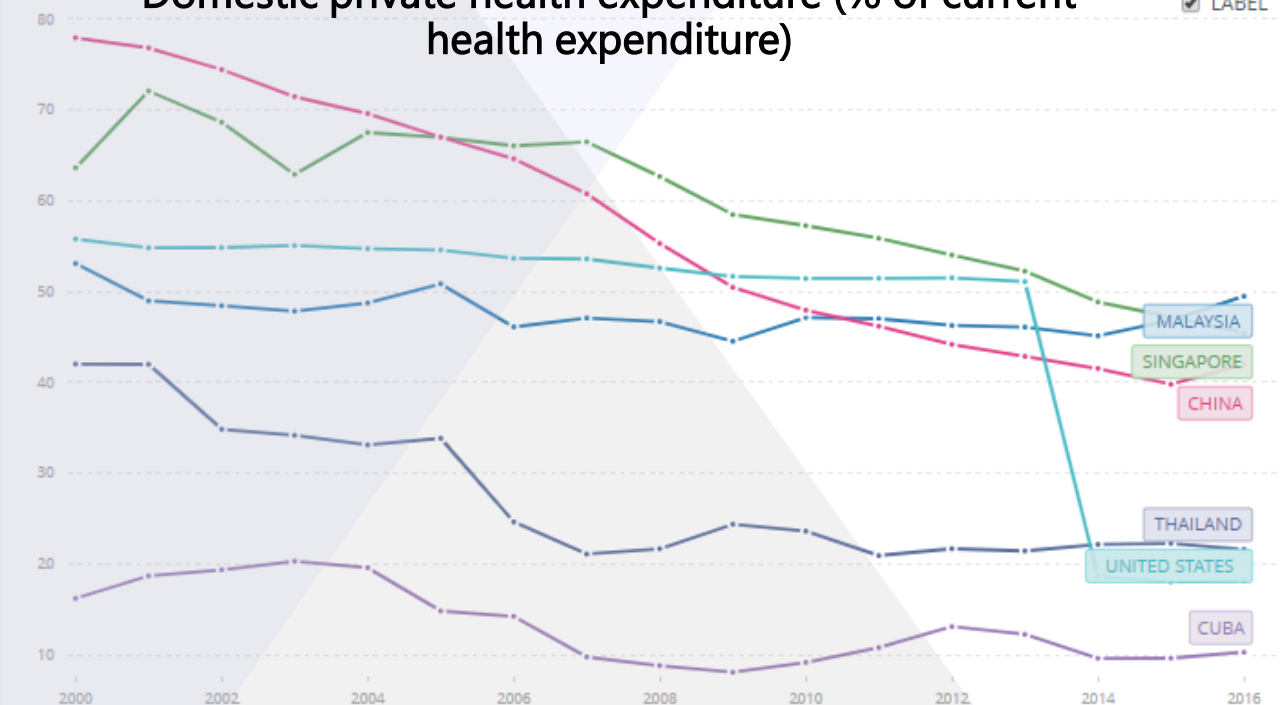
Out of Pocket

Public vs Private
Healthcare Expenditure % 2016



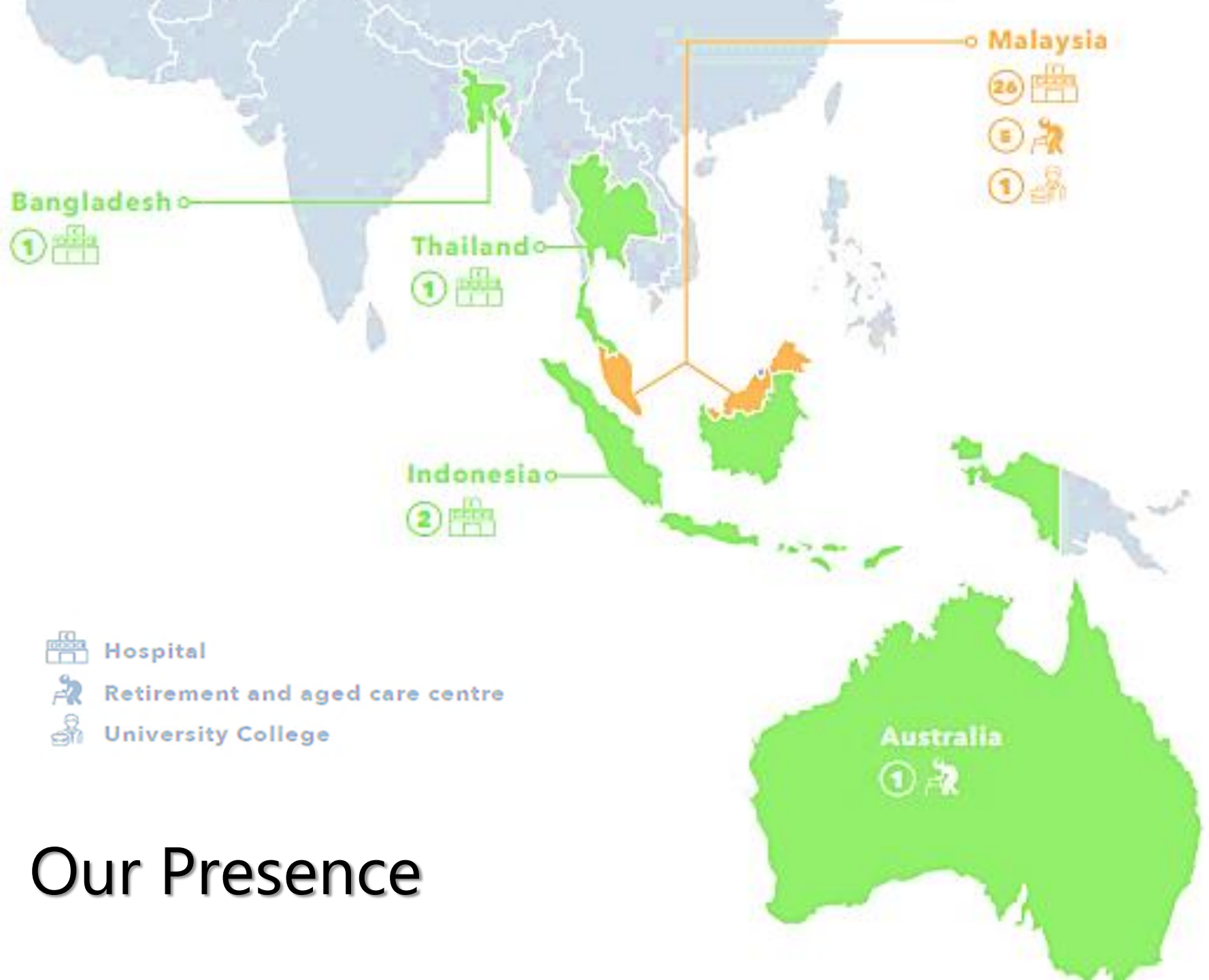
Source : 2018 World Development Indicators

Domestic private health expenditure (% of current health expenditure)

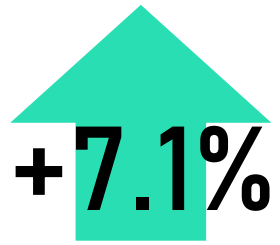


2000 - 2016

4



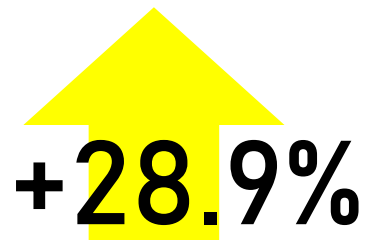
Our Presence



+7.1%

Total revenue
RM3.60 billion
(2018 : RM3.37billion)

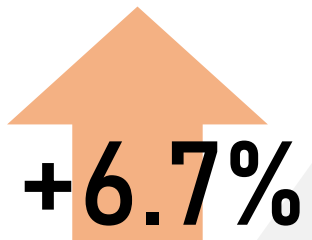
Dividend
2.00 sen
(2018 : 2.00 sen)



+28.9%

EBITDA
RM640.612 million
(2018 : RM 496.968 million)

Group Financial Highlights 4Q2019



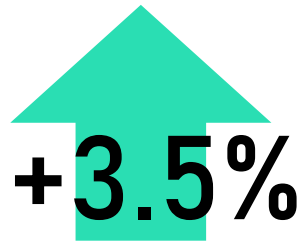
+6.7%

PBT
RM275.4 million
(2018 : RM 258.1 million)

Basic EPS
4.95sen
(2018 : 4.12 sen)



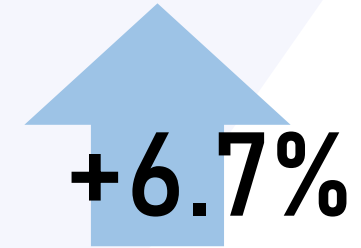
0.83 sen



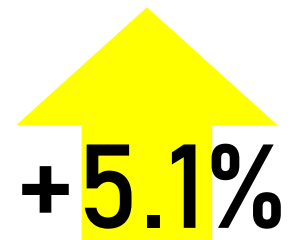
+3.5%

Outpatient
2,629,878
(2018 : 2,541,822)

Consultants
1,105
(2018 : 1,036)

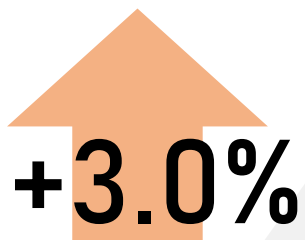


+6.7%



+5.1%

Inpatients
315,182
(2018 : 299,780)



+3.0%

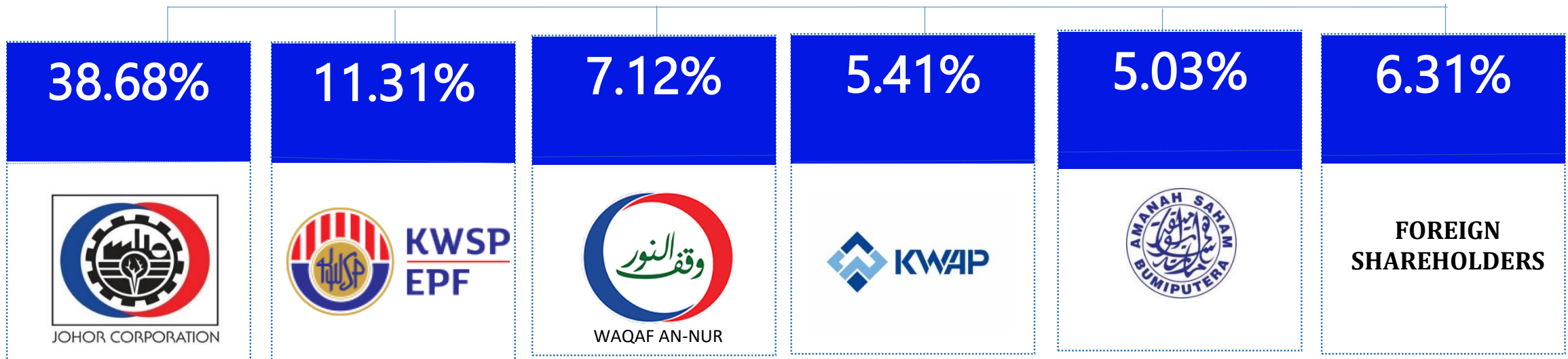
Beds
3,200
(2018 : 3,107)

Group Operational Highlights 4Q2019

Occupancy Rates
Malaysia 67%
Indonesia 54%
Dhaka 80%

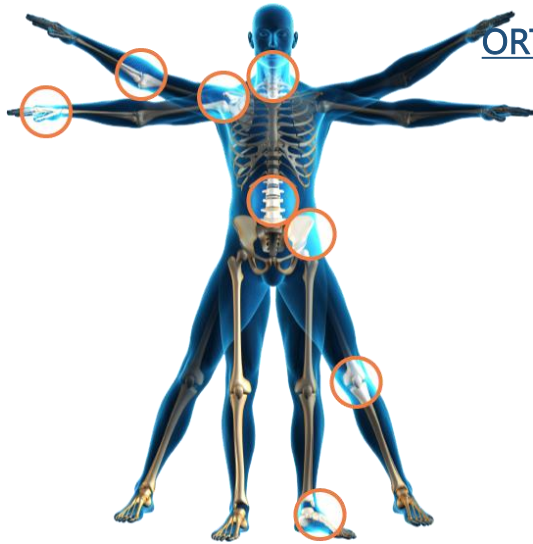
Avg Length of Stay (days)
Malaysia 2.5
Indonesia 3.2
Dhaka 2.6

About KPJ Shareholdings Stats



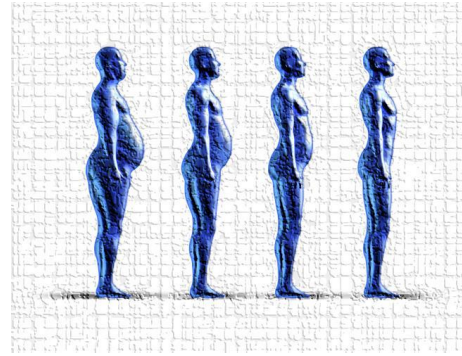
As at January 2020

KPJ's Niche Services



ORTHOPEDIC CARE

- ✓ KPJ Ampang Puteri
- ✓ KPJ Damansara
- ✓ KPJ Ipoh
- ✓ KPJ Johor
- ✓ KPJ Kajang
- ✓ Kedah
- ✓ KPJ Penang
- ✓ KPJ Perdana
- ✓ KPJ Selangor
- ✓ KPJ Seremban
- ✓ KPJ Tawakkal



BARIATRIC (Obesity) SURGERY

- ✓ KPJ Damansara

CARDIAC ANGIOPLASTY

- ✓ KPJ Johor
- ✓ KPJ Penang
- ✓ KPJ Damansara
- ✓ KPJ Ipoh
- ✓ KPJ Selangor
- ✓ KPJ Tawakkal
- ✓ KPJ Perdana
- ✓ KPJ Sabah
- ✓ Kedah Medical Centre
- ✓ KPJ Klang
- ✓ KPJ Kuching



ONCOLOGY (Cancer)

- ✓ KPJ Damansara
- ✓ KPJ Ipoh
- ✓ KPJ Johor
- ✓ KPJ Selangor
- ✓ KPJ Ampang Puteri
- ✓ KPJ Sabah

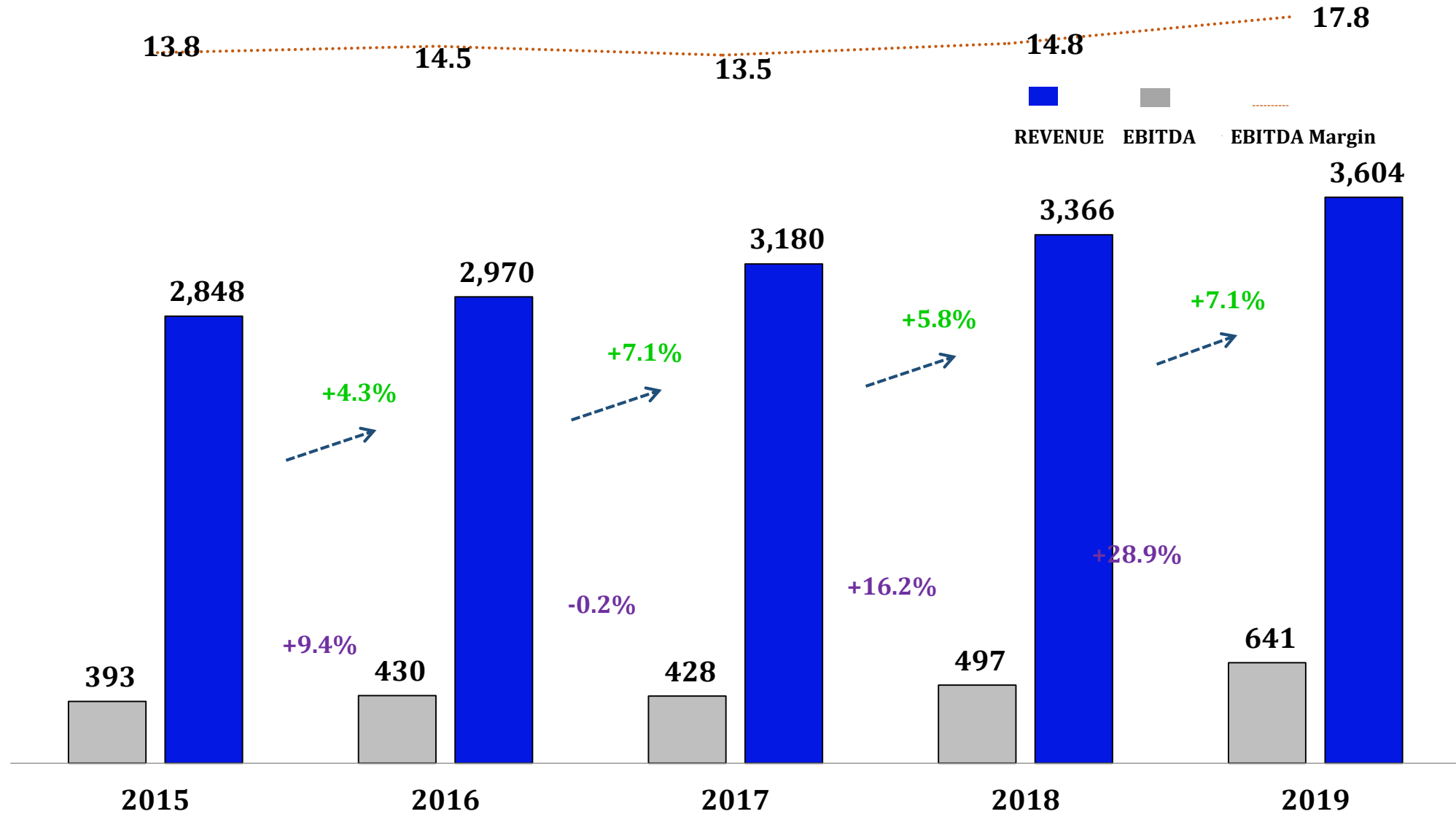
RECONSTRUCTIVE & PLASTIC SURGERY

- ✓ KPJ Ampang Puteri
- ✓ KPJ Damansara
- ✓ KPJ Johor



FINANCIAL TRENDS

KPJ 5 years Revenue & EBITDA



KPJ Share Price vs FBMKLCI as at December 2019



Group Financials 3 months ended

	4Q/2019	3Q/2019	4Q/2018	Sequential	Y-o-Y
RM'000	RM ('000)	RM ('000)	RM ('000)	Var (%)	Var (%)
Revenue	944,003	919,104	876,547	2.7	7.7
Gross Profit	278,951	300,659	276,372	(7.2)	0.9
Profit from Operations	98,944	92,492	80,505	7.0	22.9
Finance Income	4,513	4,258	3,826	6.0	18.0
Finance Cost	(41,965)	(37,004)	(25,389)	13.4	65.3
Share of Results from associates	16,842	9,937	18,188	69.5	(7.4)
Profit before tax	78,334	69,683	77,130	12.4	1.6
Taxation	12,454	(20,965)	(22,094)	(159.4)	(156.4)
Profit after tax	90,788	48,718	55,036	86.4	65.0
Net profit for the year	90,788	48,718	55,036	86.4	65.0
Equity holders of company	84,001	46,413	53,324	81.0	57.5
Non-controlling interest	6,787	2,305	1,712	194.4	296.4
Net profit attributable to shareholders	90,788	48,718	55,036	86.4	65.0
Basic EPS (sen)	1.97	0.98	1.24		

Key Ratios 3 months ended

	4Q2019	3Q2019	4Q2018	Sequential	Y-o-Y
	%	%	%	Var	Var
Gross Profit (GP) Margin	29.5	32.7	31.5	(3.2)	(2.0)
Profit Before Tax (PBT) Margin	8.3	7.6	8.8	0.7	(0.5)
Net Profit Margin	9.6	5.3	6.3	4.3	3.3
EBITDA Margin	19.1	16.8	16.4	2.3	2.7
PATAMI Margin	8.9	5.0	6.1	3.9	2.8
Dividend per share (sen)	0.5	0.5	0.5	-	-
Debt Equity Ratio		-		-	-
Net assets per share (RM)		-		-	-

Group Financials 12 months ended

RM'000	4Q/2019 RM ('000)	4Q2018 RM ('000)	Y-o-Y Var (%)
Revenue	3,604,364	3,365,608	7.1
Gross Profit	1,110,254	1,036,326	7.1
Profit from Operations	376,473	297,469	26.6
Finance Income	14,206	10,066	41.1
Finance Cost	(159,165)	(91,148)	74.6
Share of Results from associates	43,879	41,670	5.3
Profit before tax	275,393	258,057	6.7
Taxation	(48,696)	(71,872)	(32.2)
Profit after tax	226,697	186,185	21.8
Net profit for the year	226,697	186,185	21.8
Equity holders of company	211,368	179,444	17.8
Non-controlling interest	15,329	6,741	127.4
Net profit attributable to shareholders	226,697	186,185	21.8
Basic EPS (sen)	4.95	4.12	

Key Ratios 12 months ended

	4Q2019	4Q2018	Y-o-Y
	%	%	Var
Gross Profit (GP) Margin	30.8	30.8	-
Profit Before Tax (PBT) Margin	7.6	7.7	(0.1)
Net Profit Margin	6.3	5.5	0.8
EBITDA Margin	17.8	14.8	3.0
PATAMI Margin	5.9	5.3	0.6
Dividend per share (sen)	2.0	2.0	-
Debt Equity Ratio	0.9	0.8	0.1
Net assets per share (RM)	0.4	0.5	(0.1)

Segmental Financial Highlights 12 months ended

	4Q2019	4Q2018	Var (%)
Revenue	RM ('000)	RM ('000)	
Malaysia	3,436,876	3,365,608	2.1
Indonesia	56,872	43,452	30.9
Australia	51,893	57,491	(9.7)
PBT			
Malaysia	309,385	258,057	19.9
Indonesia	(9,784)	(6,968)	(40.4)
Australia	(7,894)	(4,524)	(74.5)
EBITDA	291,707		
Malaysia	619,620	496,968	24.7
Indonesia	9,820	1,274	670.8
Australia	5,287	(2,162)	(344.5)

Segmental Operational Highlights

	4Q2019	4Q2018	Var (%)
Outpatients			
Malaysia	2,629,878	2,541,822	3.5
Indonesia – RS PH	50,931	51,892	(1.9)
Indonesia – RS BSD	79,253	67,924	16.7
Dhaka -SFMMK	142,493	110,657	28.8
Inpatients			
Malaysia	315,182	299,780	5.1
Indonesia – RS PH	5,538	5,047	9.7
Indonesia – RS BSD	4,155	2,993	38.8
Dhaka -SFMMK	6,608	4,257	55.2
Consultants			
Malaysia	1,105	1,036	6.7
Indonesia – RS PH	69	63	9.5
Indonesia – RS BSD	53	43	23.3
Dhaka -SFMMK	32	39	(17.9)

Segmental Operational Highlights

	4Q2019	4Q2018	Var (%)
No of Beds			
Malaysia	3,200	3,107	3.0
Indonesia – RS PH	88	88	0.0
Indonesia – RS BSD	68	68	0.0
Dhaka -SFMMK	80	50	60.0
Occupancy Rates %			
Malaysia	67	65	2.6
Indonesia – RS PH	63	55	14.5
Indonesia – RS BSD	45	34	32.4
Dhaka -SFMMK	60	74	(18.9)
Average length of Stay			
Malaysia	2.5	2.5	0.0
Indonesia – RS PH	3.6	3.9	(7.7)
Indonesia – RS BSD	2.8	2.6	7.7
Dhaka -SFMMK	2.6	3.2	(18.8)

Segmental Average Revenue Highlights

	4Q2019	4Q2018	Var (%)
Average Revenue – per beds			
Malaysia	767,288	701,802	9.3
Indonesia	239,397	175,728	36.2
Dhaka -SFMMK	113,595	134,868	(15.8)
Average Revenue – per outpatient			
Malaysia	344	328	4.9
Indonesia	167	145	15.2
Dhaka -SFMMK	72	74	(2.7)
Average Revenue – per inpatient			
Malaysia	7,790	7,274	7.1
Indonesia	3,853	3,410	13.0
Dhaka -SFMMK	1,375	1,584	(13.2)

Senior & Assisted Living Care

Hospitals / Facilities	4Q2019	4Q2018	Var (%)
Australia - Jeta Gardens			
Aged Care Facility (ACF)	178	180	-
Retirement Villas	33	33	-
Apartment Unit	32	32	-
No of Residents	143	162	(11.7)
Occupancy Rate (%) (ACF)	80	94	(14.9)
Tawakkal Health Centre			
No of Beds	42	42	-
No of Residents	391	383	2.1
Occupancy Rate (%)	75	79	(5.1)
Sibu Geriatric			
No of Beds	28	28	0.0
No of Residents	320	337	(5.0)
Occupancy Rate (%)	95	100	(5.0)

Hospitals / Facilities	4Q2019	4Q2018	Var (%)
Kuantan Health Centre			
No of Beds	20	20	0.0
No of Residents	202	138	46.4
Occupancy Rate (%)	63	57	10.5
Damai Wellness Centre (opened Dec 2018)			
No of Beds	31	21	47.6
No of Residents	154	13	1084.6
Occupancy Rate (%)	50	53	(5.7)

Education - KPJ Healthcare University College

Hospitals / Facilities ^c	4Q2019	4Q2018	Var (%)
No of Students	2192	2,051	6.8
Academic Program KPJ offered 33 programmes ranging from the Foundation to PhD levels at all campus.			

Faculties

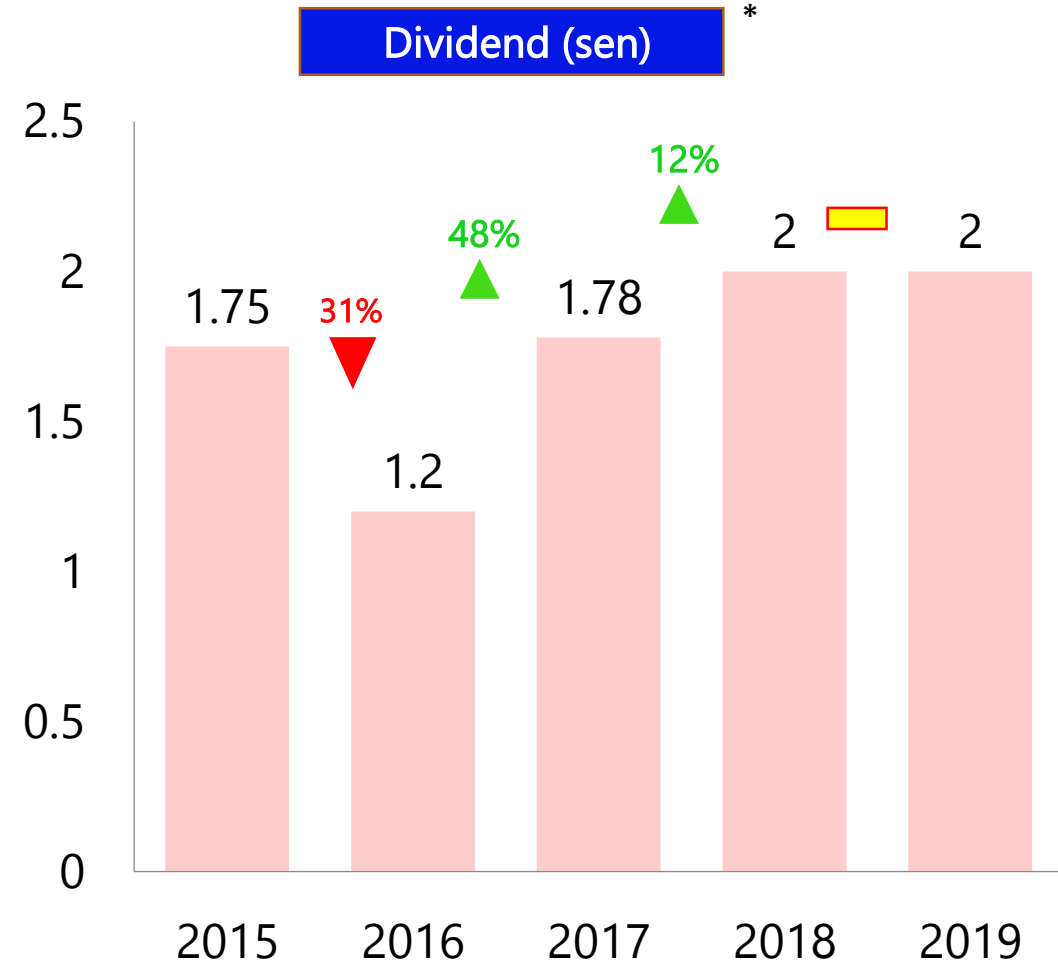
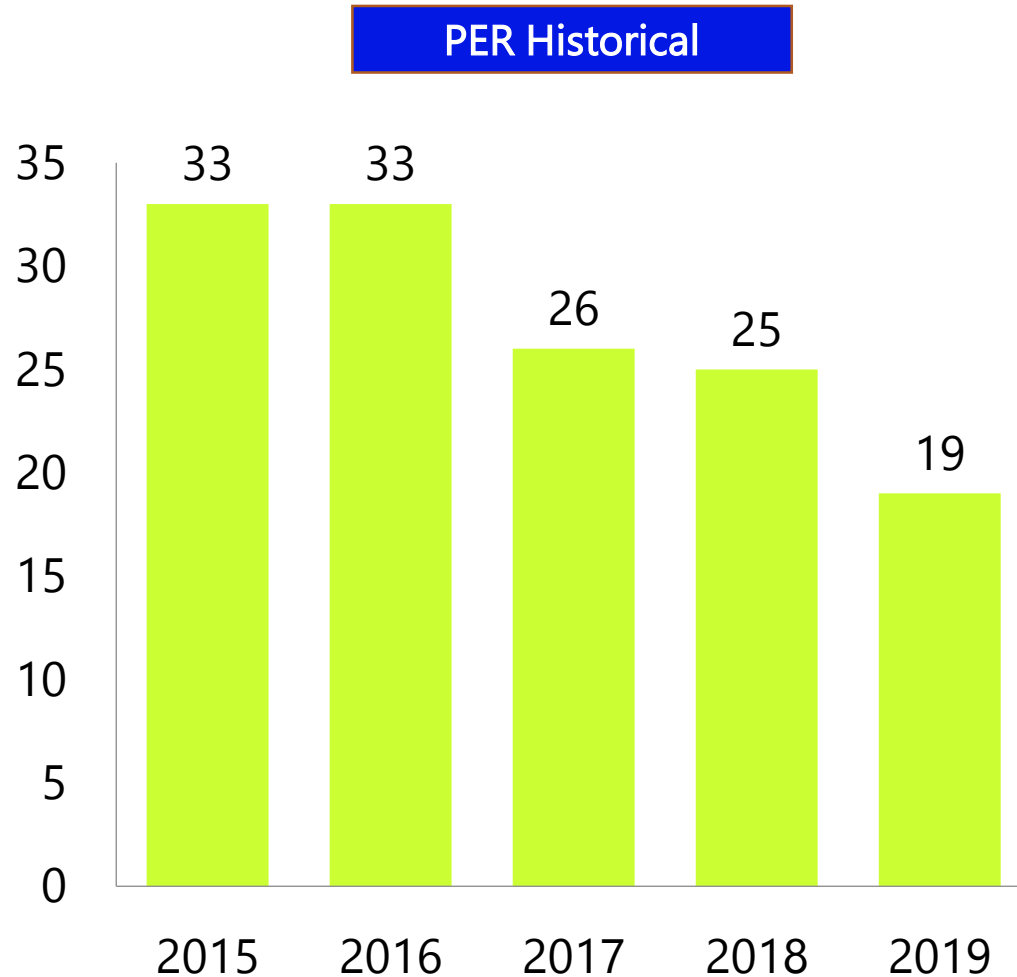
1. School of Medicine
2. School of Pharmacy
3. School of Nursing
4. School of Health Sciences
5. School of Business & Management
6. Centre for Global Professional and Social Development

Courses

- 1 PHD
- 7 Master
- 9 Bachelor
- 8 Diploma
- 8 Certificate / Foundation

Key Financial Highlights

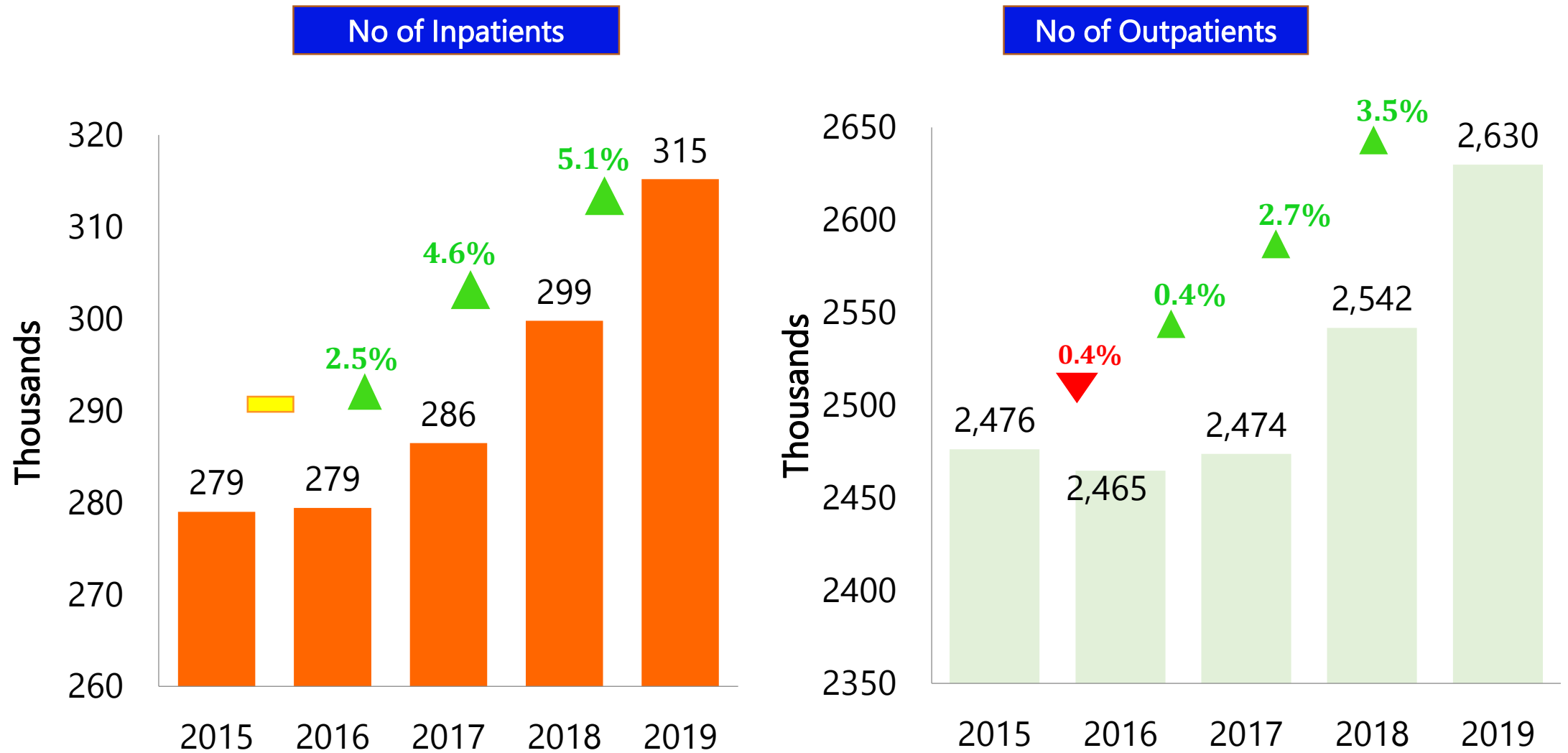
5 Years



*Dividend per share re-stated to reflect subdivision of shares in Sept 2017 22

Key Operational Highlights

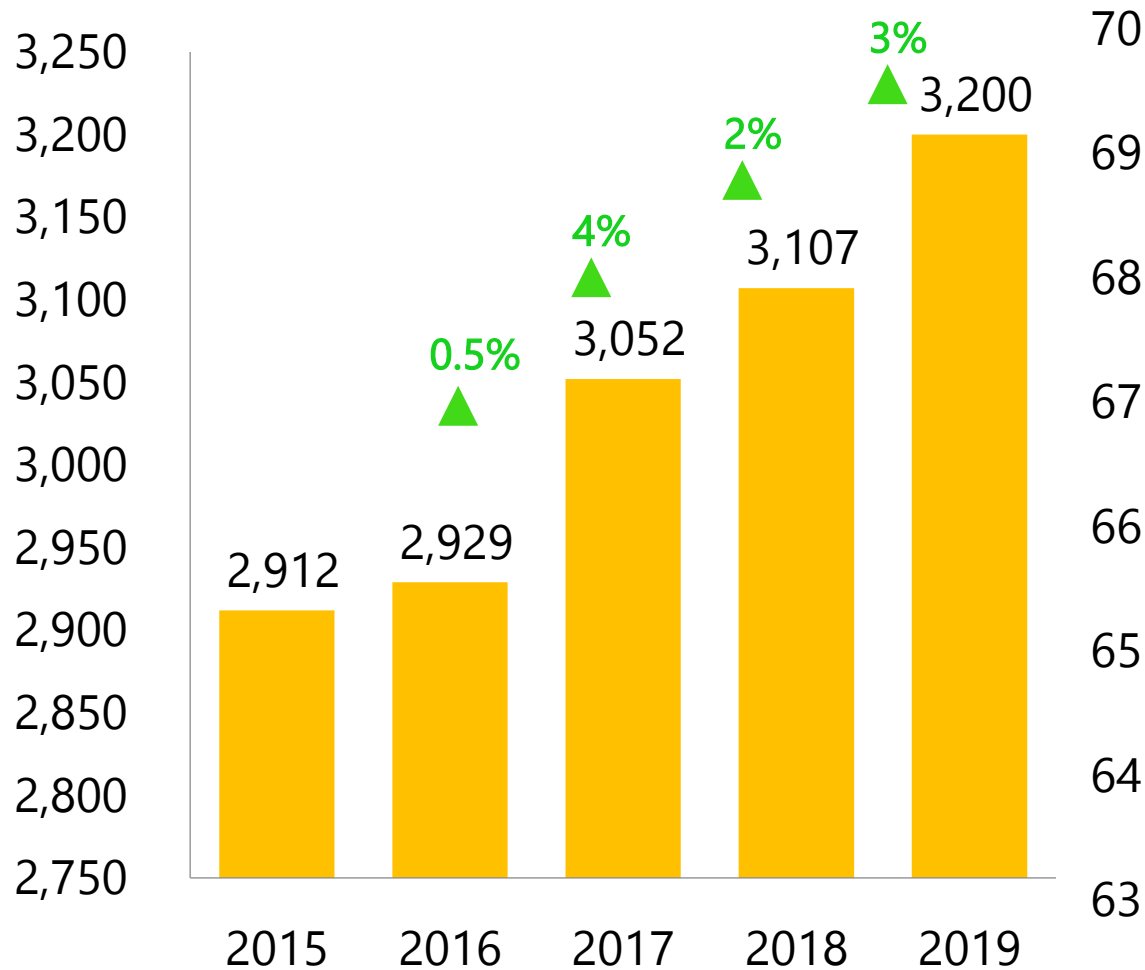
5 Years



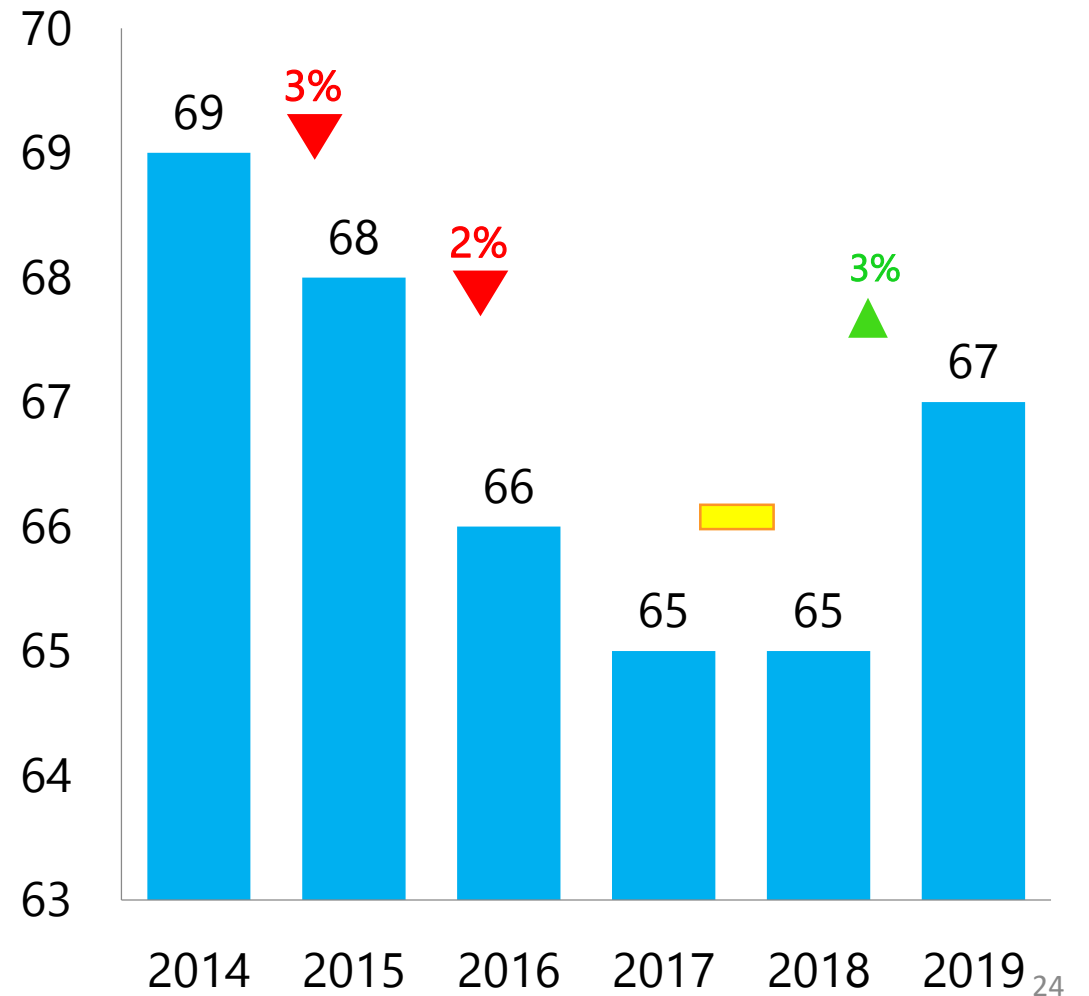
Key Operational Highlights

5 Years

No of Operating Beds

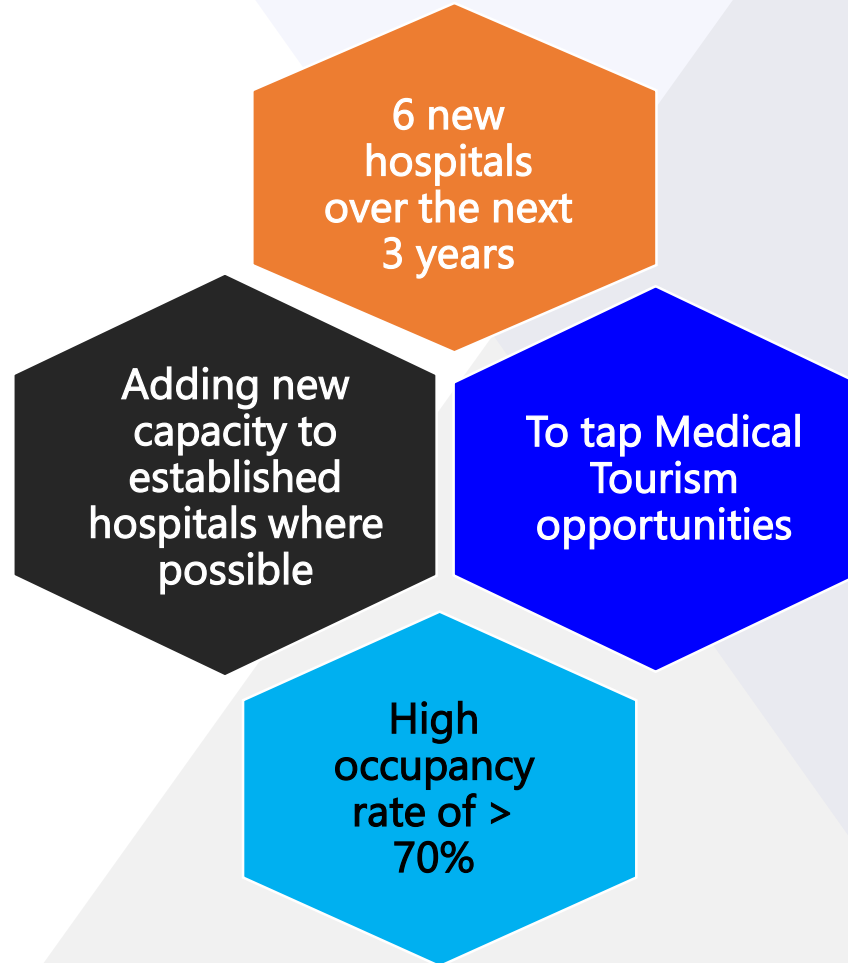


Occupancy Rates (%)



Growth & Strengthening Capacity

Expanding Network



Growth Strategies

> Delivering Safe and Excellent Services

Compliance with MOH & Clinical Governance guidelines

> Certification, Accreditation & Standards

19 Accredited hospitals , 4 JCI Accredited hospitals

> Patient Satisfaction

Hospitals expansion

Qualified consultants and quality nurses

> Health Tourism

Strong cooperation with Malaysian Govt – MHTC, MOH & Tourism Malaysia (targeting tourists arrivals from Indonesia, China, Middle East, East Africa & Indochina)

> Explore Niche Market

Ageing population – Senior & Assisted Living Care

Jeta Gardens Australia, Sibu Geriatric, Tawakkal Health Centre, Kuala Lumpur, Kuantan Health Centre & Damai Wellness Centre

Ambulatory Care Centre (ACC)

1 ACC in Bandar Kinrara, Selangor

Pharmacy outlets

(KPJ Selangor, KPJ Damansara, KPJ Pahang, KPJ Tawakkal, KPJ Johor, KPJ Ipoh & JX Pharmacy, Bangi)

Medical Tourism

KPJ's Involvement

- MHTC
- MOH
- Tourism Malaysia
- Govt / Corporates targets

Marketing agents in target market

- INDOCHINA
- MENA Countries
- CHINA

Opportunities

- Price advantage over regional peers
- World class facilities -4 JCI Hospitals
- Reputable & talented doctors pool

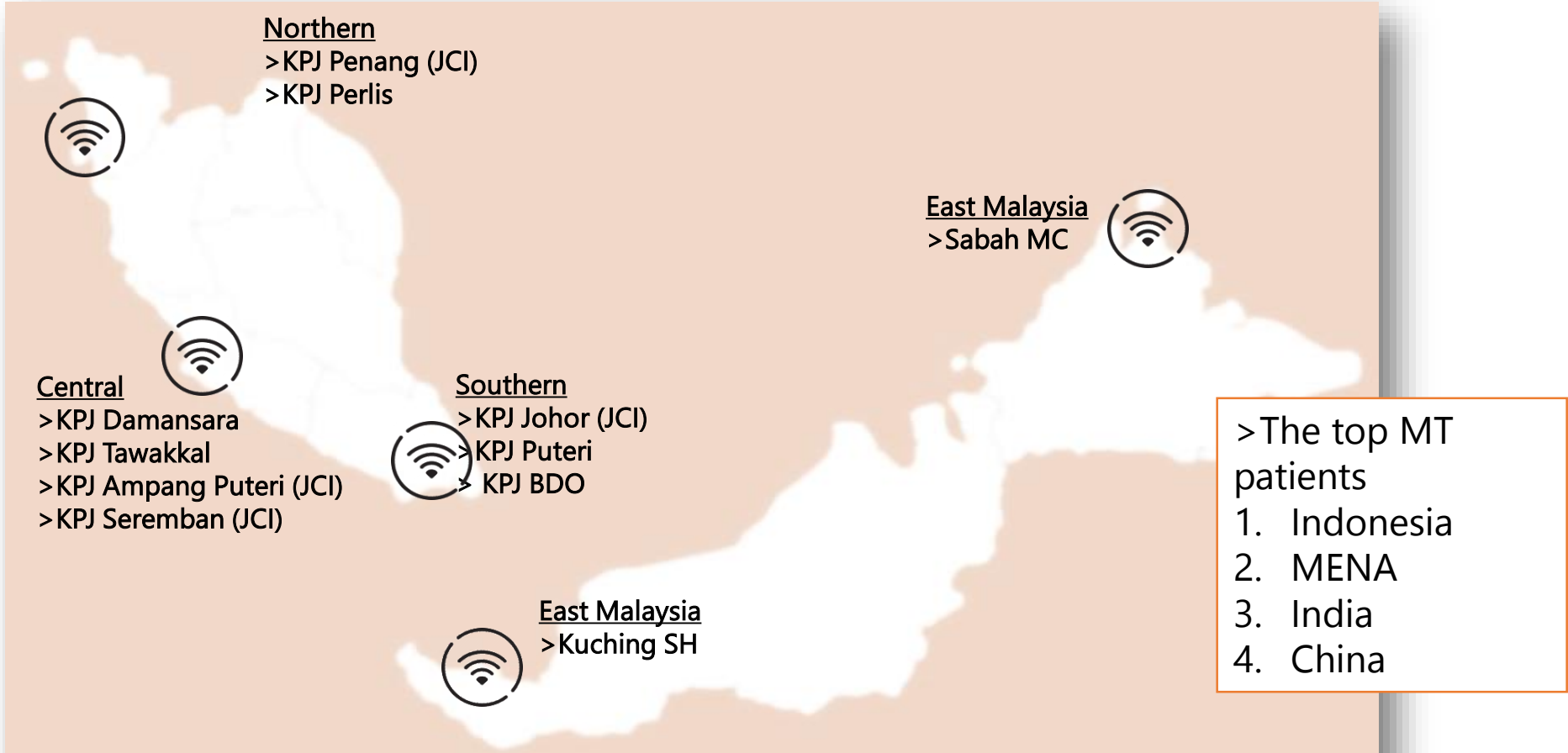


Limitations

- Hospital capacity constraint
- No price differential
- Logistic ease



Medical Tourism KPJ MT Hub



Comparison of Healthcare Travelers to Malaysia between 2011-2017

Year	2012	2013	2014	2015	2016	2017	2018
No. of Healthcare Travellers	728,800	881,000	882,000	850,000	921,000	1,050,000	1,200,000

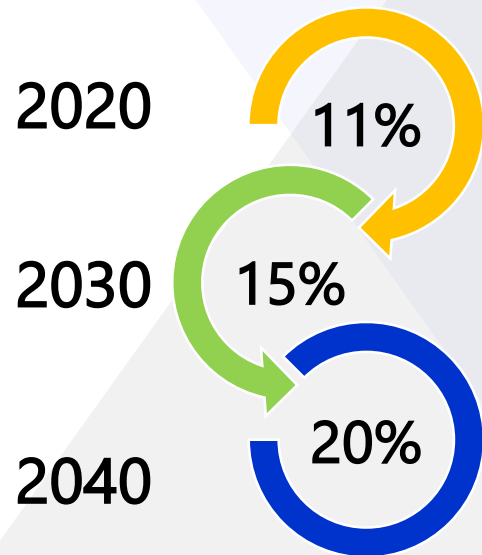
Source:
 Malaysia Health Travel Council

Aged Care Projection of Elderly Population

Malaysia – Amongst the World's Best Places to Retire in 2018

<https://internationalliving.com/the-best-places-to-retire/>

> By 2040, 20% of Malaysian population will be over 60 years old.

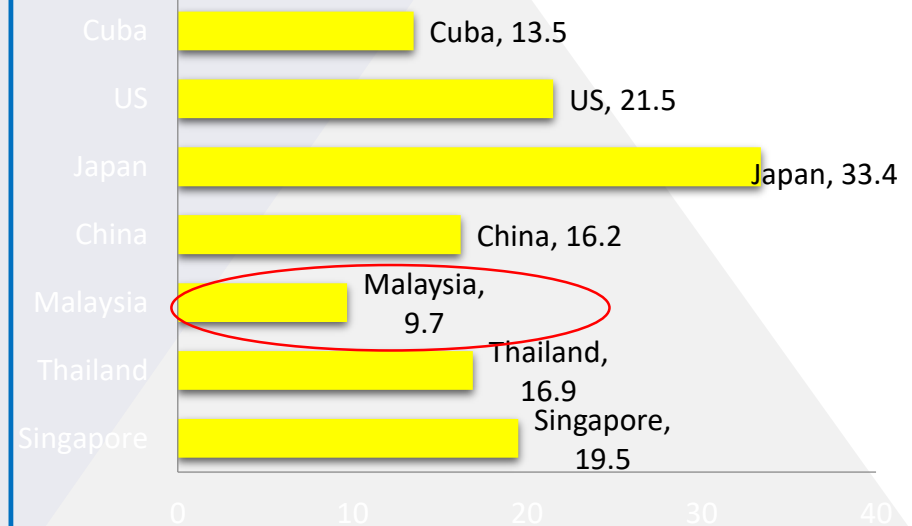


Challenges

- . Culture
- . Legal framework
- . Funding mechanism



% Population & Aged > 60 years 2017



Source : United Nations, World Population Ageing 2017 Highlights

Source :

> Department of Statistic Malaysia, Population Quick Info

Aged Care & KPJ Business of the future

Facilities

- MALAYSIA – Senior & Assisted Living Care
 - Tawakkal Health Centre, Kuala Lumpur
 - Sibu Geriatric, Sarawak
 - KPJ Kuantan Wellness, Pahang
 - Damai Wellness Centre, Sabah



> KPJ Presence in Aged Care Segment

Distribution of elderly population (above 60) by state (2025 projection)

State	% elder population	Remarks
Selangor	12%	*KPJ Ampang *KPJ Damansara
Johor	14%	*Coronation Square *KPJ BDO *KPJ Puteri *KPJ Johor
Sarawak	4%	Sibu Geriatric
Sabah	9%	^^ Damai Wellness
Kuala Lumpur	14%	Tawakkal Health Centre
Pahang	13%	^ KPJ Kuantan Wellness

* Planning

^ Opened in Feb 2018

^^ Opened in Dec 2018

Source :

> Department of Statistic Malaysia, Population Quick Info

KPJ Tawakkal Health Centre Senior Living Care



KPJ Kuantan Health Centre *Senior Living Care*



Opened in
Feb 2018



MOVING HEALTHCARE OUTSIDE HOSPITAL WALLS

Senior & Assisted Living Care – Damai Wellness Centre



**Opened in
Dec 2018**



Network Expansion *New Hospitals*

PROJECT	LOCATION	TOTAL CAPACITY (Beds)	OPERATING BEDS	COMPLETION	OPENING
BDO	Johor	150	30	3Q2018	1Q2019
Miri	Sarawak	96	26	2Q2019	4Q2019
Kuching	Sarawak	150	70	4Q2019	2Q2020
UTM	Johor	90	30	TBA	TBA
K/Bayuemas	Selangor	90	90	TBA	TBA
Melaka	Melaka	150	60	TBA	TBA

Total Beds

726

306

Network Expansion *New Hospitals- lease*

PROJECT	LOCATION	TOTAL CAPACITY (Beds)	OPERATING BEDS	COMPLETION	OPENING	LEASE PERIOD
KPJ Batu Pahat	Batu Pahat	90	25	2Q2019	3Q2019	30 years (6+3yrs up to 30 years)
Kluang Specialist	Kluang	90	90	3Q2019	2Q2020	30 years (15+15yrs)
KPJ Damansara	Sg Penchala	300	30	2020	2Q2020	30 years (15+15yrs)

Total Beds	480	145
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Network Expansion *Hospital Expansion*

HOSPITALS	DESCRIPTION		COMPLETION	OPENING
	Beds	Clinics		
KPJ Seremban	87	30	1Q2017*	4Q2019
KPJ Klang (1 st phase)	40	14	3Q2019*	4Q2019
KPJ Ampang Puteri	88	24	3Q2019*	1Q2020
Taiping	20	16	4Q2019	1Q2020
Sri Manjung	30	13	4Q2019	1Q2020
KPJ Puteri	101	20	1Q2020	2Q2020
KPJ Perdana	45	35	4Q2019	1Q2020
KPJ Penang	155	32	4Q2020	1Q2021
KPJ Tawakkal	120	24	TBA	TBA

Total Beds **686**
Total Clinics **208**

** Completed*

Network Expansion 2019 New Hospitals

KPJ Bandar Dato' Onn Specialist Hospital - opened 19 February 2019



Beds Capacity : 150
First phase : **30 beds**



36 Specialist Consultants
(residents: 13)

9 Services:

- Anaesthesiology
- General Internal Medicine
- Gynaecology
- Internal Medicine & Geriatrics
- Internal Medicine & Cardiology
- Orthopaedic
- Oncology
- Paediatrics
- Radiology

Network Expansion 2019 New Hospitals

KPJ Batu Pahat Specialist Hospital - opened 18 September 2019

KPJ Batu Pahat - *greenfield*



Beds Capacity : 90
First phase : **25 beds**



**16 Specialist
Consultants**
(residents: 10)

9 Services:

- Anaesthesiology
- Ear Nose Throat
- General Internal Medicine
- General Surgeon
- Internal Medicine & Cardiology
- Obstetrics & Gynaecology
- Orthopaedic
- Paediatrics
- Radiology

Network Expansion 2019 New Hospitals

KPJ Miri Specialist Hospital - opened 21 December 2019

KPJ Miri- *greenfield*



Beds Capacity : 96
First phase : **26 beds**

10 Services:

- Anaesthesiology
- Ear Nose Throat
- Internal Medicine
- General Surgeon
- Obstetrics & Gynaecology
- Orthopaedic
- Paediatrics
- Plastic & Reconstructive Surgery
- Radiology
- Urology

**11 Specialist
Consultants**
(residents: 8, visiting: 3)

Network Expansion 2020

New Hospitals - Lease

BDC Kuching - relocation

KPJ Kluang - Relocation

KPJ Damansara II - Relocation



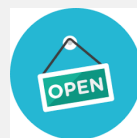
Beds Capacity : 150
Operating **Beds** : 70



1Q2020



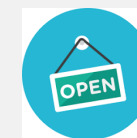
Beds Capacity : 90
Operating **Beds** : 90



2Q2020



Beds Capacity : 300
First phase : **30 beds**



2Q2020

Network Expansion 2019/2020

Brownfield Hospitals



KPJ Seremban



Additional Clinics : **30**



Additional Beds : **87**



3Q2019



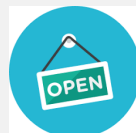
KPJ Klang



Additional Clinics : **14**



Additional Beds : **40**



4Q2019



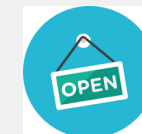
KPJ Ampang Puteri



Additional Clinics : **24**



Additional Beds : **88**



1Q2020

Network Expansion 2019/ 2020 Brownfield Hospitals



Taiping MC



Additional Clinics : **16**



Additional Beds : **20**



1Q2020

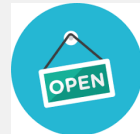
KPJ Puteri



Additional Clinics : **20**



Additional Beds : **101**



2Q2020

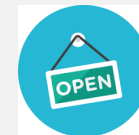
KPJ Sri Manjung



Additional Clinics : **13**



Additional Beds : **30**



1Q2020

Network Expansion 2020 & beyond

Brownfield Hospitals



KPJ Perdana



Additional Clinics : 35



Additional Beds : 45



1Q2020



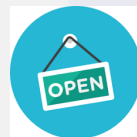
KPJ Penang



Additional Clinics : 32



Additional Beds : 155



1Q2021



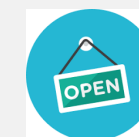
KPJ Tawakkal - Annex



Additional Clinics : 24



Additional Beds : 120



TBA

KPJ CHALLENGES



- ***Cost of Healthcare Services***



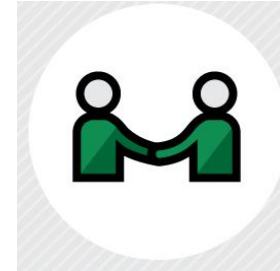
- ***Quality of Service Standards***



- ***Managing and Retaining Talent***

- ***Funders of Healthcare Services***

- ***Government Regulations
- Drug price controls***





Thank You



FTSE4Good