



KPJ Healthcare Berhad

3Q 2021 Performance



Q3 Highlights

- ❖ KPJ Revenue rose 10% from relaxation of MCO
- ❖ Weaker profit in Q3 due to higher operational costs and 4 hospitals still in gestation period
- ❖ Healthcare outlook is positive due to pent up demand from MCO
- ❖ Emerging demand for Digital Healthcare
- ❖ Opening of KPJ ACC in Kinrara, 1 Dec 2021

A silver and black stethoscope is positioned on the left side of the slide, set against a light blue background. The stethoscope's chest piece is at the bottom left, and its two earpieces extend towards the top right. The background is a light blue color that transitions into a white area on the right side of the slide.

3Q 2021 Financial & Operational Performance Snapshot

Group Financial Highlights 3Q21 vs 3Q20



+10.3%




Total Revenue
RM698.9 mil
(3Q 2020 : *RM633.4mil)

-2.8%



EBITDA
RM147.9mil
(3Q 2020 : *RM152.1mil)

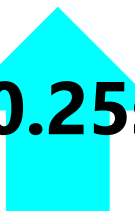
-22.6%



PBT
RM43.4mil
(3Q 2020 : *RM56.1 mil)

Dividend
0.25sen
(3Q 2020 : 0sen)

+0.25sen

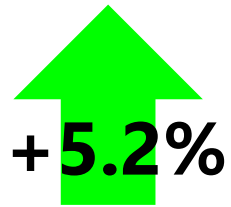


Basic EPS
0.29sen
(3Q 2020 : 0.79sen)

-50sen



Operational Highlights 3Q21 vs 3Q20



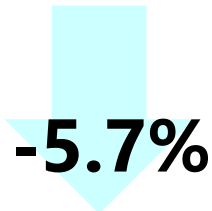
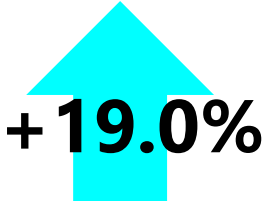
Outpatient
662,439
(3Q2020 : 630,023)

BOR
44%
(3Q2020 : 51%)



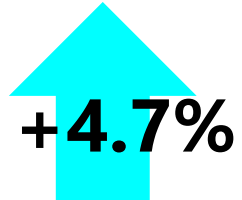
Inpatients
51,882
(3Q2020 : 63,070)

Av. Inpatient Revenue
8,080
(3Q2020 : 6,792)



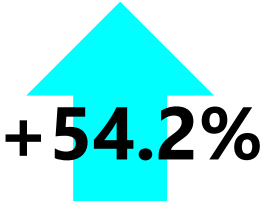
Surgeries
20,924
(3Q2020 : 22,188)

Av. Outpatient Revenue
283
(3Q2020 : 270)



Beds
3,236
(3Q2020 : 3,205)

Deliveries
4,459
(3Q2020 : 2,892)



Group Financial Highlights 9M21 vs 9M20



+9.2%

Total Revenue

RM1,937.7 mil

(9M 2020 : *RM1,775.1mil)

-6.4%

EBITDA

RM390.6 mil

(9M 2020 : *RM417.2mil)

-40.3%

PBT

RM77.8mil

(9MQ 2020 : *RM130.2 mil)

Dividend

0.25sen

(9M 2020 : 0.80 sen)

-55sen

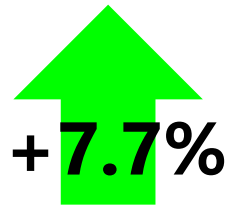
Basic EPS

0.76sen

(9M 2020 : 120sen)

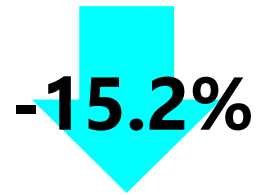
-44sen

Operational Highlights 9M21 vs 9M20



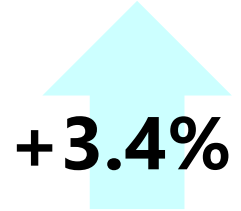
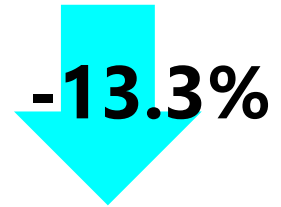
Outpatient
1,930,602
(9M2020 : 1,793,115)

BOR
42%
(9M2020 : 50%)



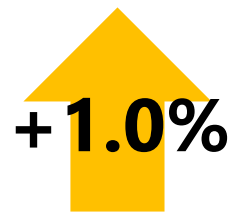
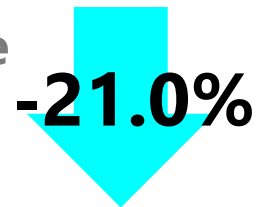
Inpatients
154,138
(9M2020 : 181,707)

Av. Inpatient Revenue
7,466
(9M2020 : 8,608)



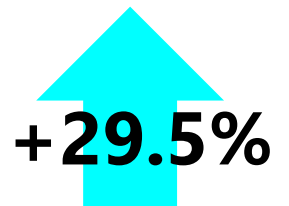
Surgeries
59,683
(9M2020 : 57,734)

Av. Outpatient Revenue
284
(9M2020 : 359)



Beds
3,236
(9M2020 : 3,205)

Deliveries
11,057
(9M2020 : 8,541)



Key Ratios 3Q 2021 vs 3Q 2020



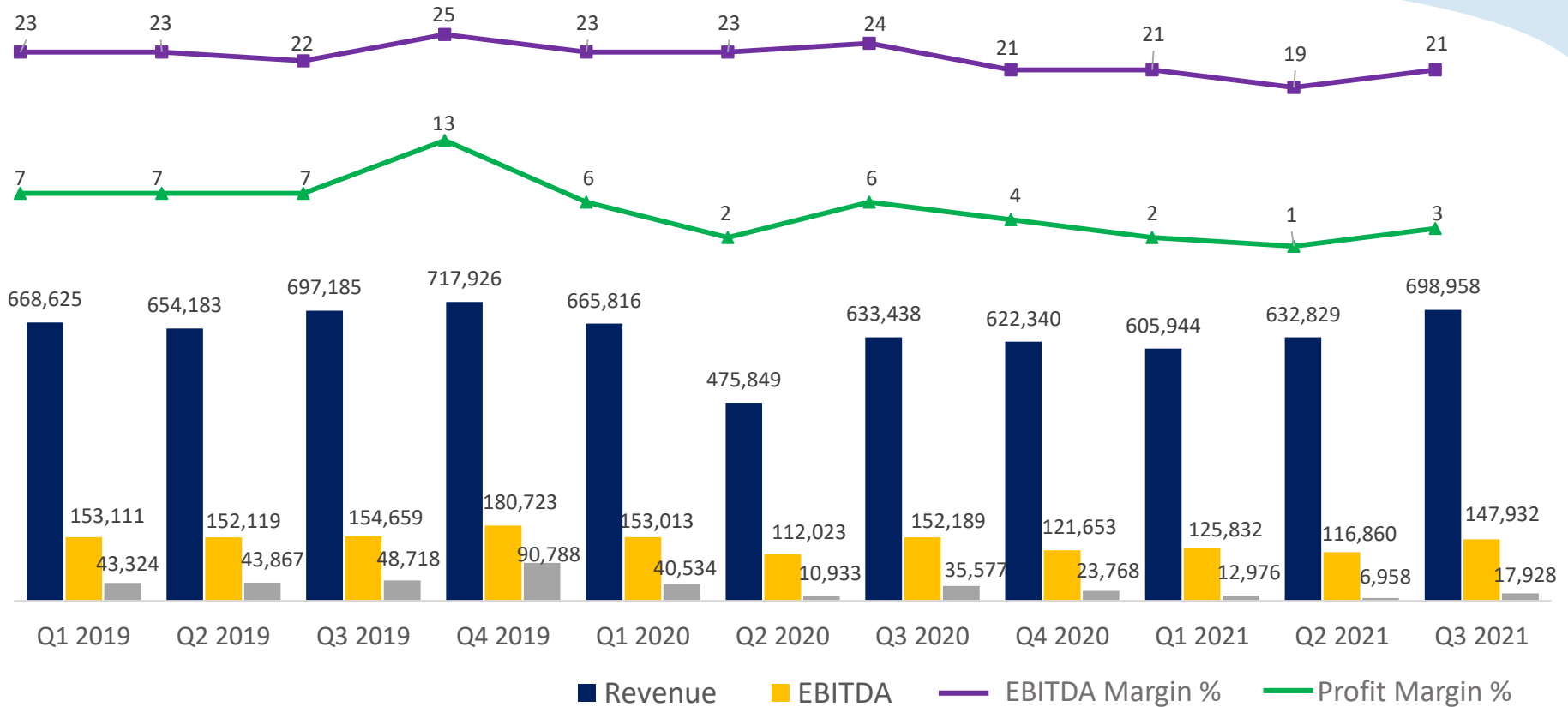
	Q3 2021	Q3 2020	Var
Gross profit margin	35.2	40.3	(5.1)
Profit before tax margin	6.2	8.9	(2.7)
Net profit margin	2.6	5.6	(3.0)
EBITDA Margin	21.2	24.0	(2.8)
PATAMI margin	1.8	5.4	(3.6)

Key Ratios 9M 2021 vs 9M 2020



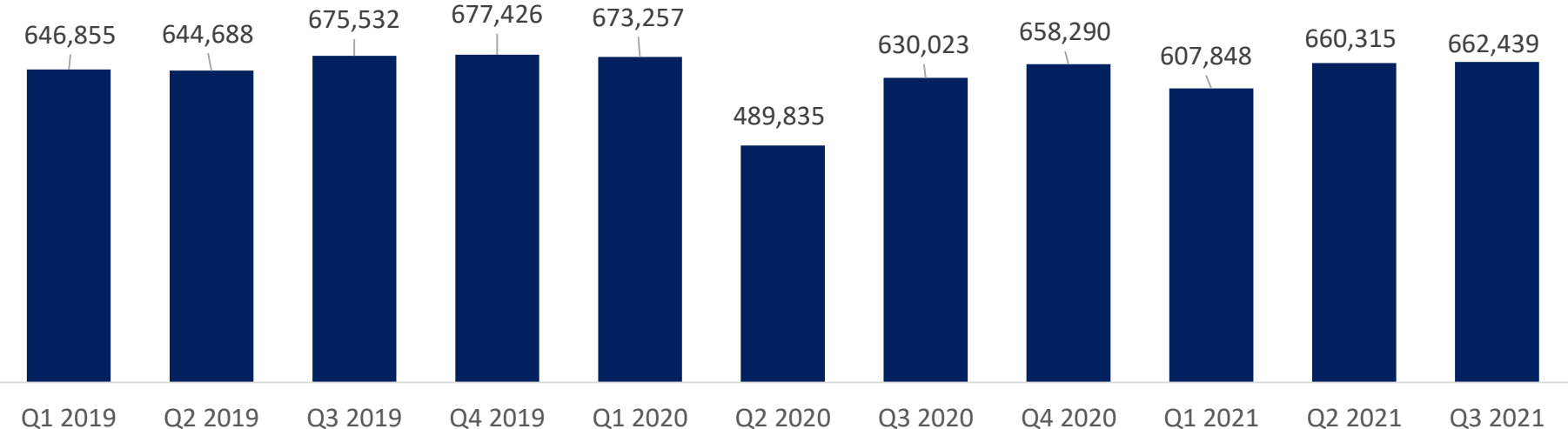
	Sept 2021	Sept 2020	Var
Gross profit margin	35.7	37.9	(2.2)
Profit before tax margin	4.0	7.3	(3.3)
Net profit margin	2.2	4.9	(2.7)
EBITDA Margin	20.2	23.5	(3.3)
PATAMI margin	1.7	4.8	(3.1)

Financial Performance 1Q2019 – 3Q2021



Operational Performance 1Q2019 – 3Q2021

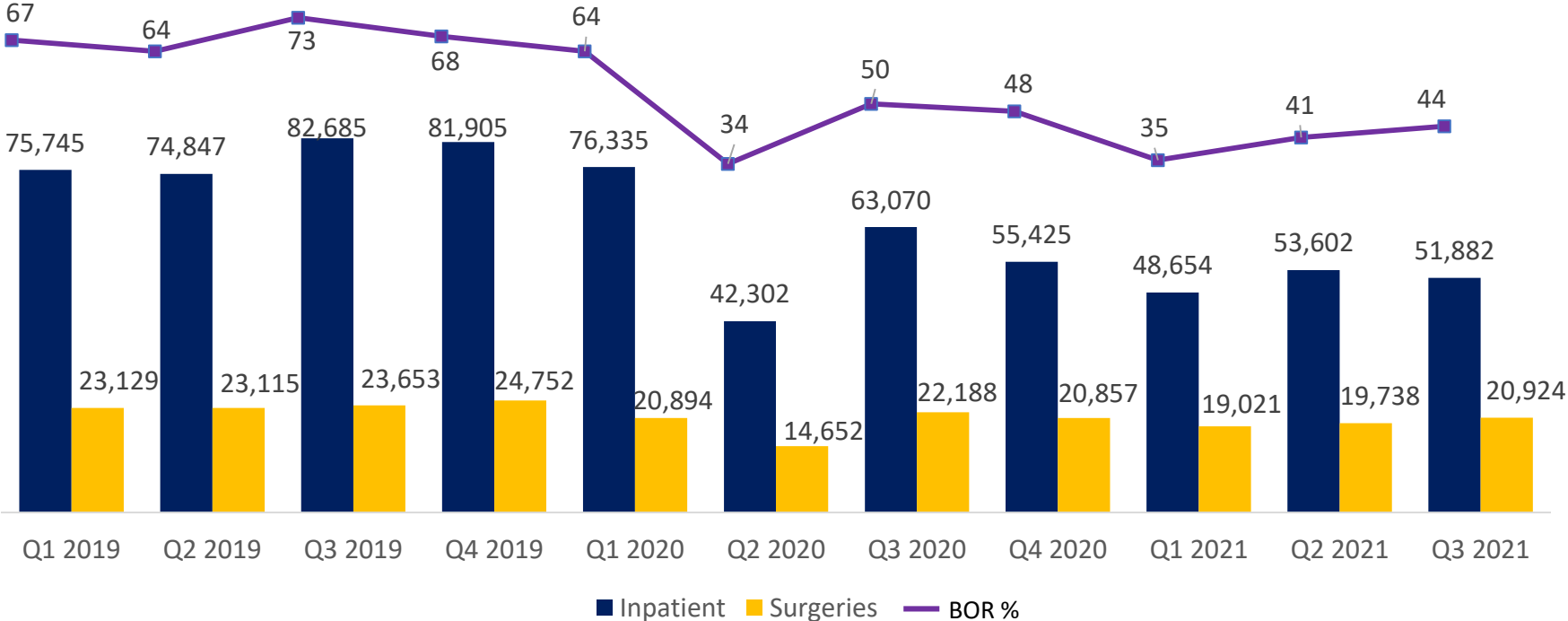
Number of Outpatients



Malaysian hospitals only

Operational Performance 1Q2019 – 3Q2021

Inpatients, Surgeries & BOR



Malaysian hospitals only



Strategy Outlook

Healthcare Outlook - Endemic Phase



The COVID-19 hangover leads to increased utilization

Utilization and spending are expected to increase in 2022 as some care deferred during the pandemic returns; costs to test for, treat and vaccinate against COVID-19 continue; rates of mental health and population health worsen.

1



UTILIZATION & SPENDING

2



DIGITALIZATION

Digital investments to enhance the patient relationship increase utilization

HRI expects providers to accelerate investments in digital tools and analytics capabilities to strengthen the patient relationship, boosting utilization in 2022.

Consumers lean into lower-cost sites of care

The pandemic prompted many consumers to embrace virtual care, retail clinics and other alternative sites of care, some cases in place of a visit to the emergency department.

3



LOWER-COST SITES

4



TECHNOLOGY

Health systems find ways to provide more healthcare for less

The new ways of working forced by the pandemic, including remote workforces, process automation and cloud technology, can help providers lower their cost structure in response to pressure on prices.

Healthcare Outlook - Endemic Phase

The COVID-19 hangover leads to increased utilization

Healthcare spending by employers in 2020 was lower than expected, due to deferral of care as a result of pandemic.

Type of care	Examples	Spending impact		
		2020	2021	2022
Forgone, not coming back	<ul style="list-style-type: none"> Annual preventive care visit Diagnostic lab or imaging that is no longer needed Surgery that has been replaced with a less intensive intervention 	↓	↓	/
Deferred, coming back in the same form	<ul style="list-style-type: none"> Knee surgery Sinus surgery Other non-urgent but necessary procedures 	↓	↑*	↑
Deferred, now requires more intervention	<ul style="list-style-type: none"> Delayed cancer screening that catches stage 3 cancer that could have been caught at stage 1 Prediabetes that worsens into diabetes 	↓	↑*	↑



Decreased utilization and spending



Increased utilization and spending

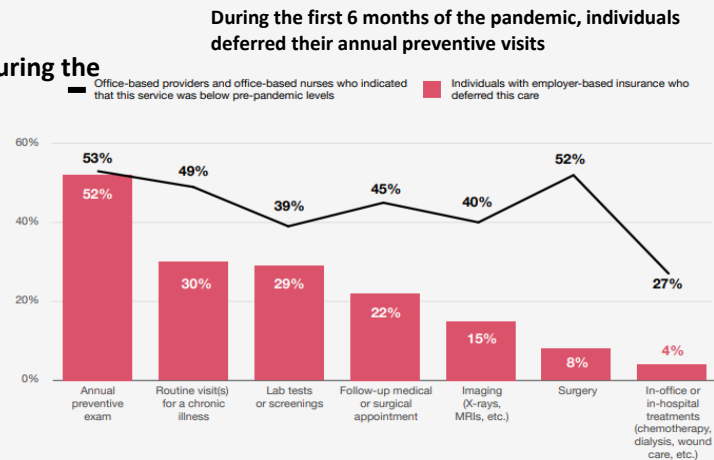


No expected impact

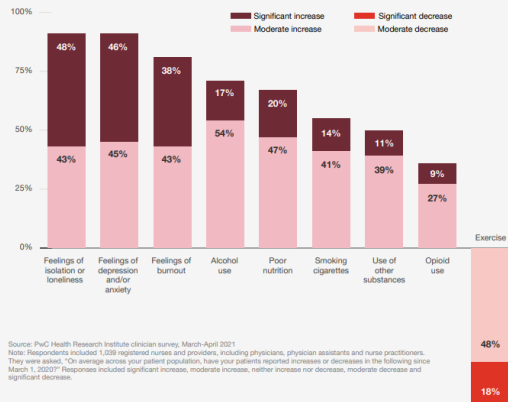
Source: PwC Health Research Institute analysis of interviews with executive at employer coalitions, healthcare coalitions and health plans Feb-May 2021

Some care deferred during the pandemic returns

Consumers were most likely to delay annual preventive visits and delaying routine visits for chronic illnesses, laboratory tests and screenings.



Source: PwC Health Research Institute clinician survey, March-April 2021, and PwC Health Research Institute consumer survey, September 2020.



Source: PwC Health Research Institute clinician survey, March-April 2021
 Note: Respondents included 1,209 registered nurses and providers, including physicians, physician assistants and nurse practitioners. They were asked, "On average across your patient population, have your patients reported increases or decreases in the following since March 1, 2020?" Responses included significant increase, moderate increase, neither increase nor decrease, moderate decrease and significant decrease.

Source: PwC Health Research Institute clinician survey, March-April 2021

Population health worsen during the pandemic


Poor pandemic-era health behaviors such as lack of exercise, poor nutrition, increased substance use and smoking may lead to deterioration in population health and increase healthcare spending.

Healthcare To Go Digital

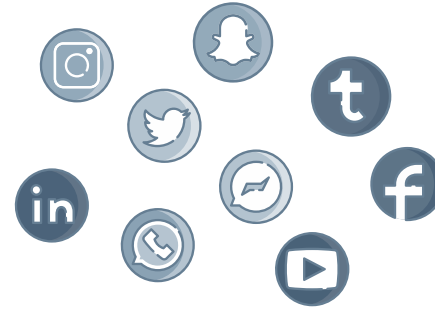


Pervasive growth of digital lifestyles..

 89% Smartphone Penetration Rate in Malaysia

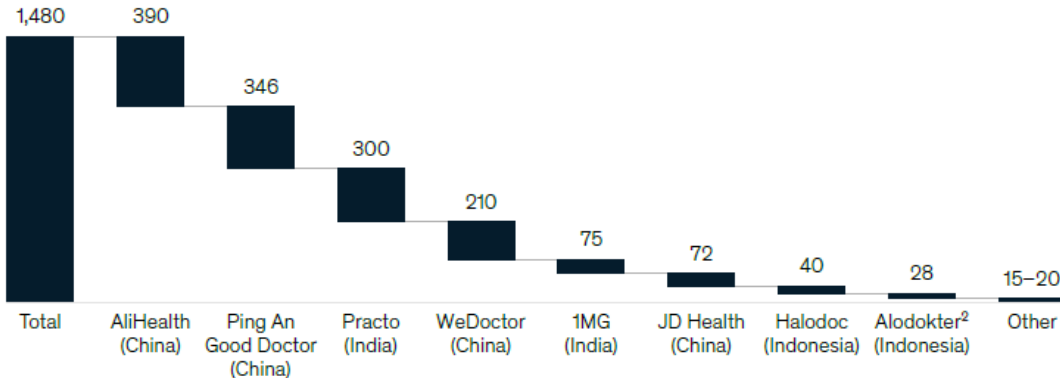
 Average 9.17 hours per day on internet

 3 hours on Social Media Every Day



Digital healthcare systems already emerging across Asia..

Millions of registered users in 2020 across emerging health platforms



Source: McKinsey & Company

Consumer-centric digital health business in Asia is expected to worth \$100 billion by 2025, growing by 22 percent per annum.

Building KPJ's Digital Healthcare Ecosystem



2022 Journey

Circle 1:

Create synergies across KPJ group of businesses

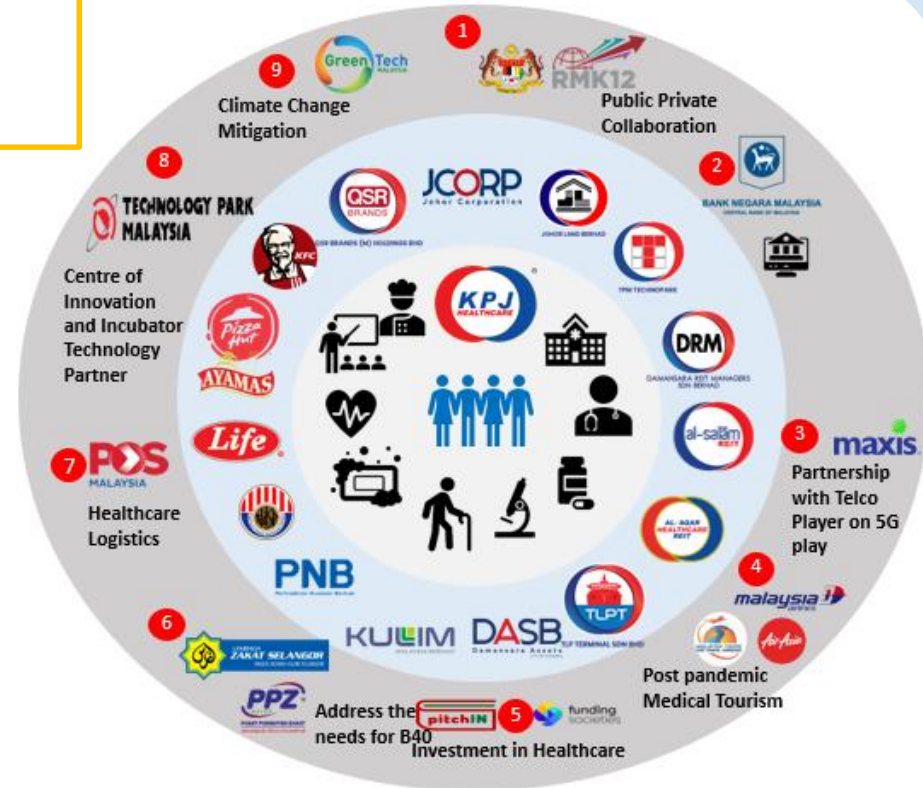
- Smart Hospital
- Mobile App

Circle 2: Create synergies with the shareholders. Drive an ecosystem in and beyond healthcare

- Employee Empanelment Program
- Managed Care Services
- Marketplace

Circle 3: Multisectoral Collaboration in revitalising the healthcare system

- Employee Empanelment Program
- Managed Care Services
- Marketplace
- Private-Public, Private-Private Partnership



Easing burden of accessing care outside of traditional hospital system...



KPJ ACC Kinrara



First ACC under KPJ Ambulatory Care Sdn Bhd and is expected to launch in December 2021



Smaller outpatient setup to cater to patient concern on time and budget.



Strategically located in Bandar Kinrara, Puchong and operating daily from 9am to 10pm.



Facilities included, Operation Theatre, Laboratory, Ultrasound, Xray, Endoscope, Pharmacy, Dayward



Focused to provide the needs of the community with family specialist medicine, ophthalmology ENT physicians, dental surgeons, gastroenterologists, and supported by certified medical officer.



Continued Demand for Pathology...



Lablink will continue to provide Covid testing options while broadening and strengthening its specialized test offering.



COVID-19 testing surges

The demand for RT-PCR test continues to increase due to:

- General testing,
- Travelling and pre-admission requirements



Specialized Test

- Continued efforts in specialized test offering with focus on Molecular and Microbiology test
- B2B testing expansion (both Public and Private)
- Specialists and GPs



Cost Optimisation

Profit Margins expansion led by:

- Focused cost management and economies of scale
- Optimum staff planning and utilisation



High percentage of Covid 19 patients have lingering long covid symptoms...



LONG COVID CASES

According to Health director-general of MOH, as of Oct 30, a total of 5,193 patients have undergone treatment and monitoring rehabilitation programmes to address long Covid symptoms nationwide.

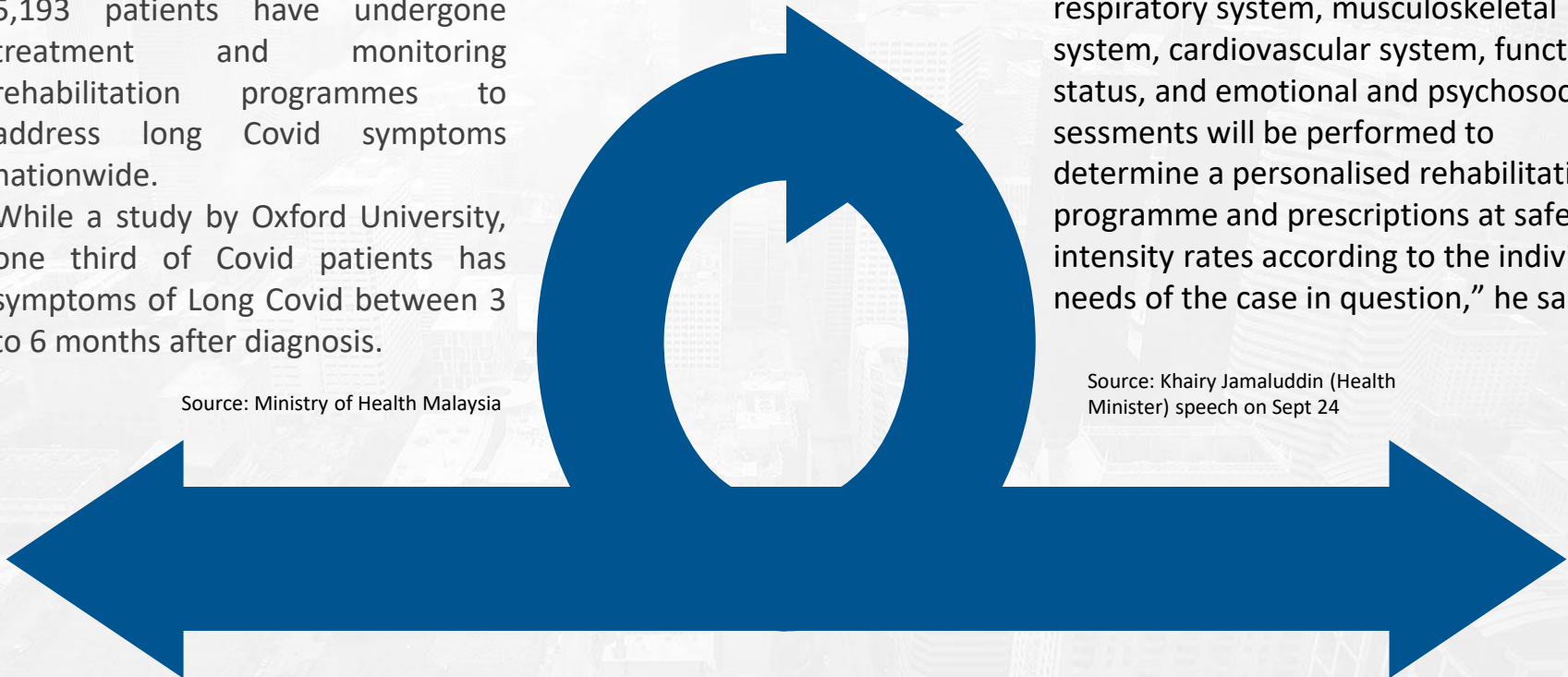
While a study by Oxford University, one third of Covid patients has symptoms of Long Covid between 3 to 6 months after diagnosis.

Source: Ministry of Health Malaysia

POST COVID SYNDROME

“Comprehensive assessments involving key functional domains namely the respiratory system, musculoskeletal system, cardiovascular system, functional status, and emotional and psychosocial assessments will be performed to determine a personalised rehabilitation programme and prescriptions at safe intensity rates according to the individual needs of the case in question,” he said.

Source: Khairy Jamaluddin (Health Minister) speech on Sept 24



Demand for screening and rehabilitation treatment will continue in 2022



Price

RM348

Enjoy a when you book for 50 pax or more

Post COVID-19 Screening 1st Sept till 31st Dec 2021;

- ✓ Physical Examination by Health Screening Doctor (Height, Weight, Blood Pressure, Body Mass Index, Visual Acuity)
- ✓ Chest X-ray
- ✓ Resting Electrocardiogram (ECG)
- ✓ Lung Function Test (LFT)
- ✓ Blood & Urine Test (Full Blood Count, Liver Function Test, Renal Profile with Urine FEME, CReaction Protein Test (CRP), Erythrocyte Sedimentation Rate (ESR))

Comprehensive Post COVID-19 Care

Proposed packages & treatments:

- Respiratory Recovery Package; improve respiratory function
- Neurocognitive and Psychological Package; follow-up treatment either with a neurologist or a psychiatrist.





Q&A Session



Appendices



Quarterly Performance 2020



	Quarter 1 RM'000	Quarter 2 RM'000	Quarter 3 RM'000	Quarter 4 RM'000	Total RM'000
Revenue	665,816	633,438	475,849	622,340	2,397,443
Cost of sales	(411,141)	(328,596)	(385,935)	(369,216)	(1,494,888)
Gross profit	266,510	159,088	259,339	217,618	902,555
EBITDA	153,013	112,023	152,189	121,653	538,878
Net profit	40,534	10,933	35,577	23,768	110,812
Gross profit margin	39.3%	32.6%	40.2%	37.1%	37.6%
EBITDA margin	22.6%	23.0%	23.6%	20.7%	22.5%
Net profit margin	6.0%	2.2%	5.5%	4.1%	4.6%

Note : Revenue and COS net of consultants fees

Quarterly Performance 2020



	Quarter 1 RM'000	Quarter 2 RM'000	Quarter 3 RM'000	Quarter 4 RM'000	Total RM'000
Revenue	668,625	654,183	697,185	717,926	2,737,919
Cost of sales	(395,276)	(396,888)	(396,526)	(438,975)	(1,627,665)
Gross profit	273,349	257,295	300,659	278,951	1,110,254
EBITDA	153,111	152,119	154,659	180,723	640,612
Net profit	43,324	43,867	48,718	90,788	226,697
Gross profit margin	40.90%	39.30%	43.10%	38.90%	40.60%
EBITDA margin	22.90%	23.30%	22.20%	25.20%	23.40%
Net profit margin	6.50%	6.70%	7.00%	12.60%	8.30%

Note : Revenue and COS net of consultants fees

Segmental Operational Highlights



	9M 2021	9M 2020	
Outpatients			
Malaysia	1,930,602	1,793,115	8%
Indonesia	54,838	33,636	63%
Bangladesh– SFMMK	105,269	84,166	25%
Average Revenue Per Outpatient (RM)			
Malaysia	284	359	-21%
Indonesia	182	235	-23%
Bangladesh– SFMMK	49	76	-36%
Inpatients			
Malaysia	154,138	181,707	-15%
Indonesia	3,273	3,224	2%
Bangladesh– SFMMK	5,788	3,876	49%
Average Revenue Per Inpatient (RM)			
Malaysia	7,466	8,608	-13%
Indonesia	6684	3864	73%
Bangladesh– SFMMK	1,536	1,546	-1%

Segmental Operational Highlights



	9M 2021	9M 2020	
No. of Beds			
Malaysia	3,236	3,205	1%
Indonesia	210	156	35%
Bangladesh– SFMMK	80	80	-
Occupancy Rates			
Malaysia	42%	50%	- 8ppt
Indonesia	22%	25%	- 3ppt
Bangladesh– SFMMK	70%	47%	+23ppt
Average Length of Stay			
Malaysia	2.38	2.4	-1%
Indonesia	3.87	2.5	55%
Bangladesh– SFMMK	2.65	2.7	-1%