



KPJ Healthcare Berhad

Q4 2021 PERFORMANCE BRIEFING

Re-energizing KPJ



Quarterly Highlights

Part 1: Financial and Operational Highlights



Part 2: Industry Outlook








Part 3: Key Investment Highlights





Part 1:
**FINANCIAL &
OPERATIONAL
PERFORMANCE
DASHBOARD**









Financial Highlights Q42021 VS Q42020

	Q4 2021	Q4 2020	
REVENUE	RM 689.12 mil	RM 622.34 mil	 +10.7%
PBT	RM 37.83 mil	RM 20.62 mil	 +83.5%
EBITDA	RM 138.9 mil	RM 121.65 mil	 +14.2%
DIVIDEND	0.30 sen	0.40 sen	 -0.10 sen
BASIC EPS	0.43 sen	0.59 sen	 -0.16 sen

AVE : AVERAGE
REV: REVENUE
BOR : BED OCCUPANCY RATE
PBT: PROFIT BEFORE TAX



Operational Highlights Q42021 VS Q42020

	Q4 2021	Q4 2020	
OUTPATIENT	730,992	707,177	 +3%
INPATIENT	71,007	57,722	 +23%
BOR (%)	46%	48%	 -2%
AVE. OUTPATIENT REV.	505	262	 +93%
AVE. INPATIENT REV.	6,137	6,980	 -12%
BEDS	3,479	3,500	 -1%
SURGERIES	25,171	21,576	 +17%
DELIVERIES	4,428	3,229	 +37%

**AVE : AVERAGE
REV: REVENUE**











Group Financial Highlights 2021 VS 2020

	YTD 2021	YTD 2020	
REVENUE	RM2.63 bil	RM2.40 bil	 +9.6%
PBT	RM 115.6 mil	RM 150.8 mil	 -23.3%
EBITDA	RM 529.5 mil	RM 538.9 mil	 -1.7%
DIVIDEND	0.55 sen	1.20 sen	 -0.65 sen
BASIC EPS	1.19 sen	2.58 sen	 -1.39 sen

AVE : AVERAGE
 REV: REVENUE
 BOR : BED OCCUPANCY RATE
 PBT: PROFIT BEFORE TAX



Operational Highlights 2021 VS 2020

	YTD 2021	YTD 2020		
OUTPATIENT	2,821,701	2,629,909		+7%
INPATIENT	234,206	246,529		- 5%
BOR (%)	43%	47%		- 4%
AVE. OUTPATIENT REV.	330	249		+ 32%
AVE. INPATIENT REV.	6,906	6,227		+ 11%
BEDS	3,479⁷	3,500		-1%
SURGERIES	87,051	81,352		+ 7%
DELIVERIES	15,802	12,057		+ 31%

AVE : AVERAGE
REV: REVENUE
BOR : BED OCCUPANCY RATE
PBT: PROFIT BEFORE TAX



Key Ratios Q12021 until Q42021

Margin/Quarter	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Gross profit (%)	36.5	35.6	35.2	35.9
Profit Before Tax (%)	3.3	2.2	6.2	5.5
Net profit(%)	2.5	1.4	2.6	3.4
EBITDA(%)	20.8	⁸ 18.5	21.2	20.14
PATAMI(%)	2.1	1.1	1.8	2.7



Key Ratios Q42021 VS Q42020

Margin/Quarter	Q4 2021	Q4 2020		Variance
Gross profit (%)	35.9	36.8	↓	-0.9%
Profit Before Tax (%)	5.5	3.3	↑	+2.2%
Net profit (%)	3.4	3.8	↑	-0.4%
EBITDA (%)	20.1	19.5	↑	+0.6%
PATAMI (%)	2.7	4.1	↓	-1.4%



KPJ Sukuk Wakalah Programme

RM3.0 Billion Perpetual Sukuk Wakalah Programme



The Sukuk Proceeds will be utilised for :

- Future expansion for KPJ, expected to add 1000 beds by 2025
- Working capital requirements and iii) general corporate purposes of the KPJ group's healthcare and healthcare related businesses (including to finance/ refinance (in whole or in part), any existing borrowings/ financings/ corporate bonds/ Sukuk issues and/or future Sukuk issues/Shariah-compliant financings incurred in relation thereto





Part 2:

INDUSTRY OUTLOOK

GLOBAL HEALTHCARE OUTLOOK: 2022

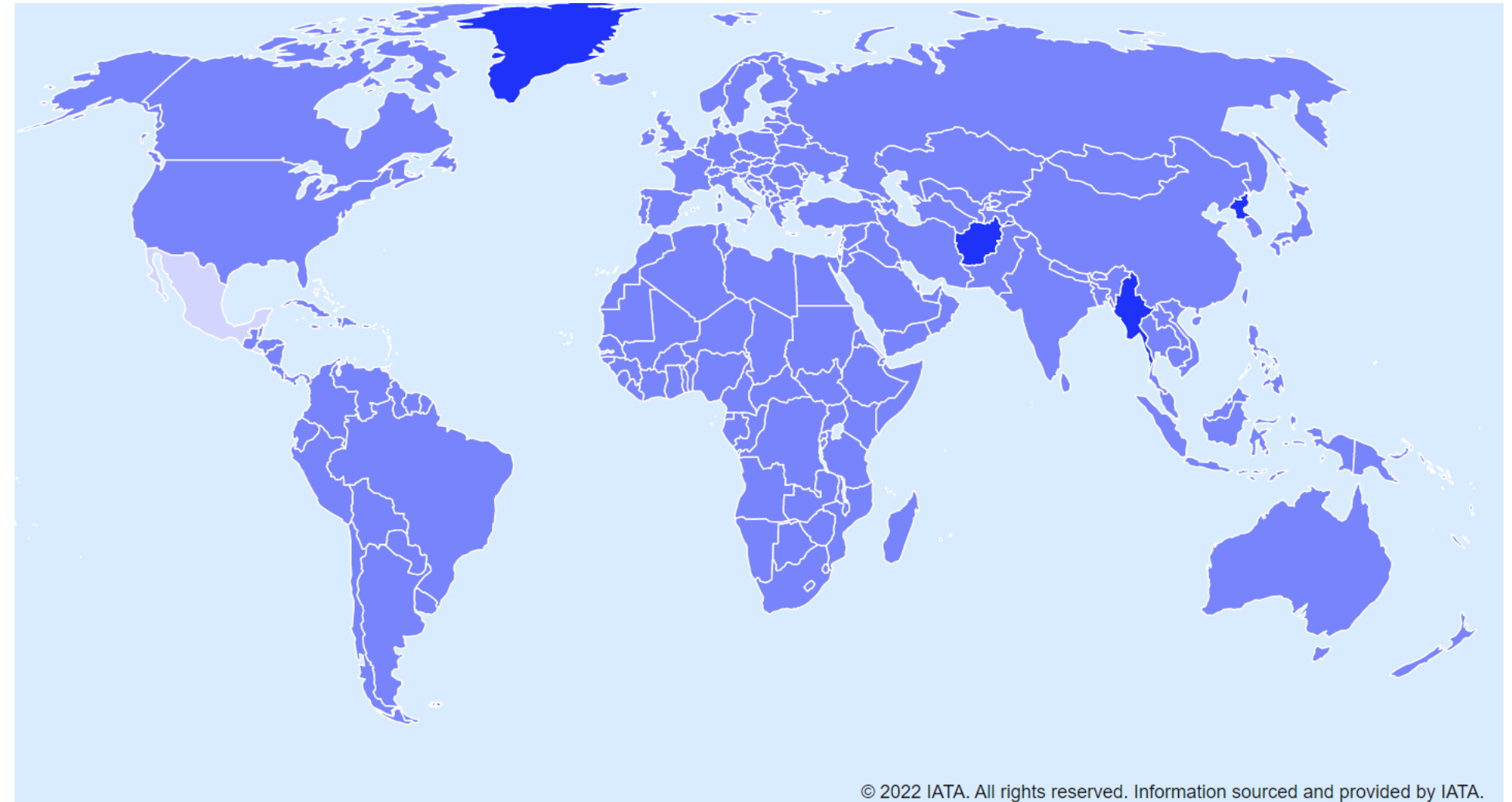
World in recovery

More than half (54%) of the world's population is now vaccinated, according to Our World in Data.

According to the World Health Organization, Covid-19 cases hit a new peak worldwide in late January, with more than 4 million cases registered in a single day.

However, more countries have opted to re-open their borders to travelers, signaling a big shift in pandemic thinking

Approval of medicines (anti-viral medications) that will reduce Covid-19 hospitalization and improve recovery led by UK (MHRA) FDA and WHO



- Totally Restrictive
- Partially Restrictive
- Not Restrictive
- Latest updates currently under review

GLOBAL HEALTHCARE THEMES IN 2022



Potentials of Metaverse in Healthcare

The idea of Metaverse has incredible potential, providing a completely new approach to human interaction and connection is a rising trend in healthcare

Telemedicine & teleconsultation

- Telemedicine and teleconsultation services are massively growing all over the world, metaverse will change the old culture of physical visits.
- Metaverse is going to augment these visits with a virtual office, where patients and physicians can meet in a 3D clinic or any other location, it's expected to give a much better user experience when it comes to teleconsultation services.
- Telemedicine and teleconsultation would be more convenient and safer for patients

Metaverse Surgeries

- Metaverse will transform surgery, with robot-assisted surgery system moving to virtual reality
- Surgeons able to meet in a virtual operating theatre and they can collaborate together in surgery with assistance from other consultants and experts.
- Surgeon can see above patient's vitals, images, history and can navigate easily among multiple patient data.

Medical Wearables

- Medical wearables empowered patients and physicians in the last few years to produce a lot of insightful health data that are needed by professionals.
- Data visualization is also important to make it easier and meaningful, so professionals can make informed decisions about their patients.
- Metaverse will empower the age of big data by a better visualization and collaboration and making it smarter than anytime before.
- Continuous glucose monitoring (CGM) products is an example of wearables that will move out into mainstream consumer sector being widely available in 2022.

MALAYSIA HEALTHCARE INDUSTRY OUTLOOK

1 Omicron and Variants Remain a Risk

- Sharp rise in number of cases due to Omicron wave.
- Severity of cases, including number of ICU patients lower due to vaccination.
- Government intent to avoid use of lockdowns

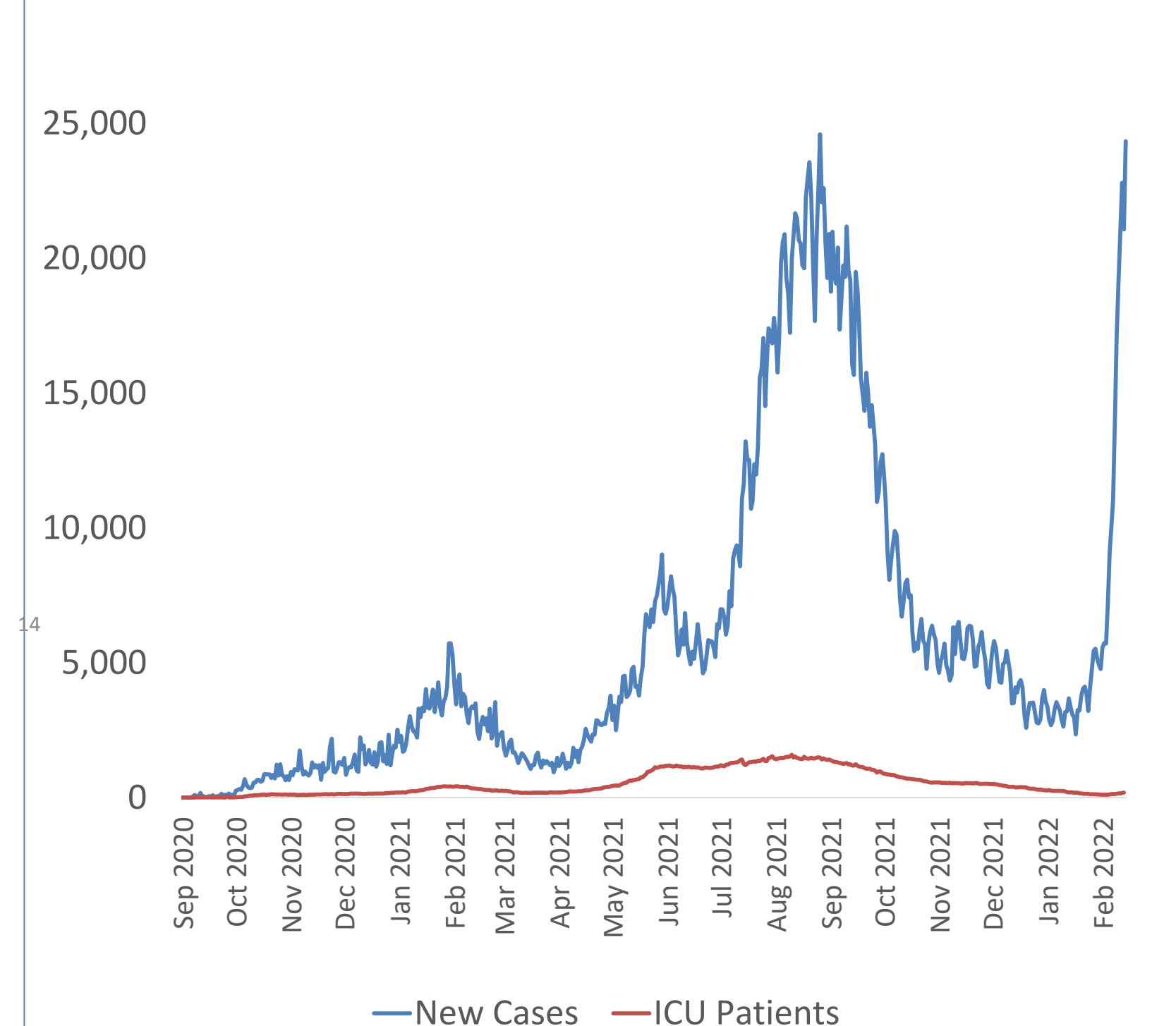
2 Positive Economic Outlook

- Economic activity rebounding in line with the relaxation of containment measures.
- Further momentum in 2022 driven by the expansion in global demand, higher private sector expenditure and continued policy support.

3 Improvement in Hospital Activities

- Pent up demand from delay of elective cases during Covid-19 period.
- Decanting from MOH to assist with backlog from public system.
- BOR currently tracking 51% in 2022.
- Opening of borders and quarantine restrictions will boost health tourism.

New Covid-19 Cases & ICU Patients Malaysia





Part 3:
**KEY INVESTMENT
HIGHLIGHTS**

Key Investment Highlights

- By 2025, with 1,000 additional beds, KPJ maintains its position as the largest private healthcare operator in the country with 4,479 number of beds
- 24 matured hospitals in the system with only 4 hospitals in gestation periods, expected to be EBITDA positive by year end (excluding DSH₂)¹⁶
- Opening of DSH₂ in second half of 2022
- Proceeds from Sukuk available for future expansion and working capital requirements
- Cost optimization and efficiency gains from Central Procurement and Digitalization Plan



Key Investment Highlights

New Capacity additions in 2022

DAMANSARA SPECIALIST HOSPITAL 2

Progress - Renovation : 85%



Type of Expansion

New Hospital



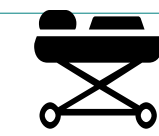
Location

Sg Penchala, Kuala Lumpur



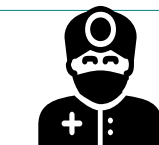
Expected Date to Operationalize

August 2022



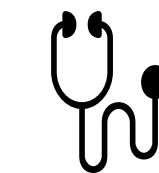
Bed Capacity

Maximum : 297 beds
Phase 1 (2022) : 60 beds



No. of Clinics & OT

54 & 7



Specialty

Centre of Excellence (Surgical)

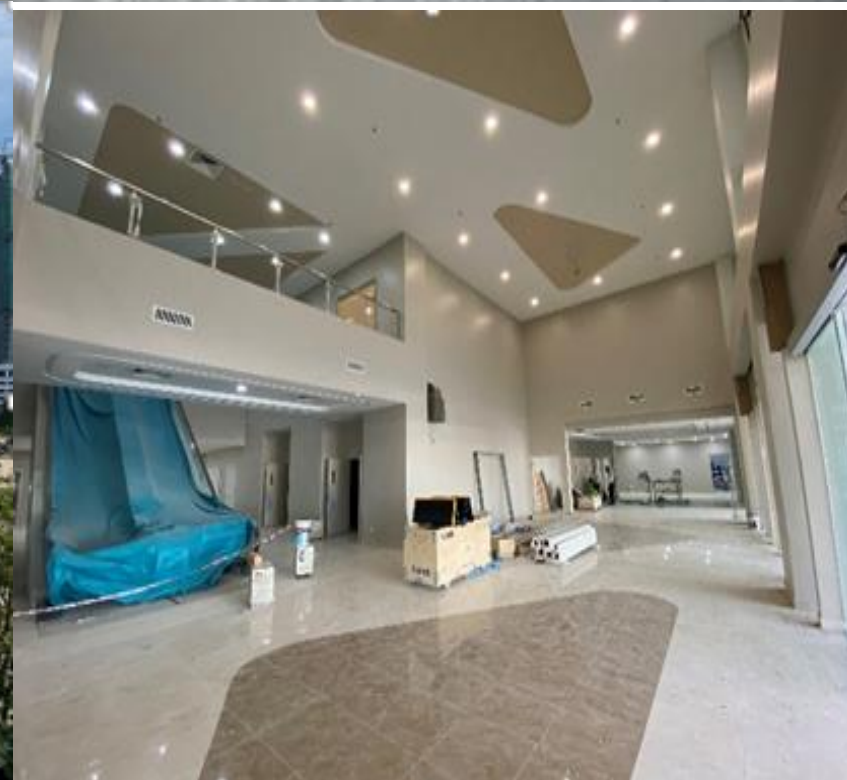
1. Cardiothoracic
2. Neuro
3. Orthopaedic & Spine
4. Urology
5. Breast & Endocrine
6. Endoscopy diagnostic & Therapeutic
7. Oral & Maxillofacial
8. Otorhinolaryngology
9. Ophthalmology
10. Plastic & Reconstructive
11. Obstetrics & Gynaecology
12. Anaesthesiology
13. Interventional Radiology
14. Vascular & Hand Surgery

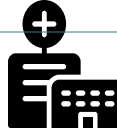




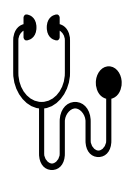
Key Investment Highlights

New Capacity additions in 2022

KPJ PENANG SPECIALIST HOSPITAL

Progress : 97.14 %



	Type of Expansion	Expansion of Existing Hospital	
	Location	Bukit Mertajam, Pulau Pinang	
	Expected Date to Operationalize	July 2022	
	Bed Capacity	Total : 335 beds Existing Block: 184 beds New Block: 151 beds	
	No. of Clinics & OT	Clinic Total : 63 Existing : 31 New : 32	OT Total : 7 Existing : 5 New : 2
	Specialty	<u>Centre of Excellence (Cardiac, Orthopaedic, Paediatric)</u> 1. Clinical Oncology 2. Ophthalmology - glaucoma, Otolaryngology, Hepatobiliary, 3. Hand & Micro Surgery 4. Paediatric Surgery 5. Urology 6. Breast and Endocrine 7. Rheumatology 8. Dermatology 9. Geriatric medicine	

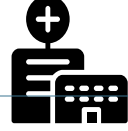

Key Investment Highlights

New Capacity additions in 2022

KPJ PUTERI SPECIALIST HOSPITAL

Progress : 100%



	Type of Expansion	Expansion of Existing Hospital	
	Location	Larkin Jaya, Johor Bahru	
	Expected Date to Operationalize	April 2022	
	Bed Capacity	Total : 241 Existing Block: 74 New Block: 167	
	No. of Clinics & OT	Clinics Total : 40 Existing: 27 New: 13 (relocate 12)	OT Total : 6 OT (1 Adv laparoscopic OT) Existing : 4 New : 2
	Specialty/ Services at New Block	<u>Centre of Excellence : Paediatric, Neurology, Orthopaedic</u> <ol style="list-style-type: none"> 1. Neuro 2. Orthopaedic & Spine 3. Paed Neurology, Paed Surgery, Paediatric Endocrinology, Neonatology, Paed Respiratory 4. Urology 5. Ophthalmology 6. Obstetrics & Gynaecology 7. Interventional Radiology 8. Dermatology 9. Occupational Therapy, Speech Therapy 	

Key Investment Highlights:

Growing Health Tourism Market

HEALTH TOURISM 2022

Countries



- Indonesia
- ASEAN
- MIDDLE EAST

Treatment Focus

- Cancer related
- Cardiac
- Neuro
- Women health related
- Fertility
- Orthopaedic & Trauma
- Medical Evacuation

Health Tourism Facility

1. KPJ AMPANG PUTERI SPECIALIST HOSPITAL
2. KPJ DAMANSARA SPECIALIST HOSPITAL
3. KPJ TAWAKKAL KL SPECIALIST HOSPITAL
4. KPJ JOHOR SPECIALIST HOSPITAL
5. KPJ PUTERI SPECIALIST HOSPITAL
6. KPJ BANDAR DATO ONN SPECIALIST HOSPITAL
7. KPJ KUCHING SPECIALIST HOSPITAL
8. KPJ SABAH SPECIALIST HOSPITAL
9. KPJ PENANG SPECIALIST HOSPITAL
10. KPJ CENTRE FOR SIGHT



KPJ KUCHING SPECIALIST HOSPITAL



KPJ AMPANG PUTERI SPECIALIST HOSPITAL



KPJ BANDAR DATO ONN SPECIALIST HOSPITAL



KPJ JOHOR SPECIALIST HOSPITAL

Key Investment Highlights:

Establishment of more “Centre of Excellence”

Region	Hospitals	COE	Cross Referral Hospital
Central Region	KPJ Ampang Puteri	<input type="checkbox"/> Oncology and Haematology (NEW) <input type="checkbox"/> Cardiac <input type="checkbox"/> Spine	1. KPJ Selangor – Pead Haematology and oncology; 2. KPJ Selangor – Pead Cardiac 3. KPJ Sentosa – Urologist
	KPJ Damansara	<input type="checkbox"/> Women & Children <input type="checkbox"/> IVF <input type="checkbox"/> Oncology <input type="checkbox"/> Stroke	
	KPJ Damansara 2	<input type="checkbox"/> Orthopaedic <input type="checkbox"/> Cardiac <input type="checkbox"/> Neuro	
	KPJ Tawakkal	<input type="checkbox"/> Orthopaedic <input type="checkbox"/> Gastroenterology <input type="checkbox"/> Dental – KPJ Dental Centre <input type="checkbox"/> Renal Transplant (NEW)	
	KPJ Seremban	<input type="checkbox"/> Orthopaedic	
	Centre for Sight	<input type="checkbox"/> Ophthalmologist	
Southern Region	KPJ Johor	<input type="checkbox"/> Oncology <input type="checkbox"/> IVF <input type="checkbox"/> Cardiac <input type="checkbox"/> Molecular Imaging and PET Scan (NEW)	1. KPJ Bandar Maharani – Haematology
	KPJ Puteri	<input type="checkbox"/> Pead Neuro and Surgery <input type="checkbox"/> Orthopaedic	
Southern Region	KPJ Bandar Dato Onn	<input type="checkbox"/> Orthopaedic	
Northern Region	KPJ Penang	<input type="checkbox"/> Cardiac <input type="checkbox"/> Orthopaedic <input type="checkbox"/> Paediatric	Oncology cases – consider to refer to KPJ Ipoh/KPJ Ampang Puteri
East Malaysia	KPJ Kuching	<input type="checkbox"/> Orthopaedic	
	KPJ Sabah	<input type="checkbox"/> Oncology <input type="checkbox"/> Orthopaedic	

Key Investment Highlights:

Positive reception to KPJ's first Ambulatory Care Centre



Insurance Companies

Allianz Life Insurance Malaysia Berhad

Etiqa Family Takaful Berhad

Third Party Administrators (TPAs)

Asp Medical Group

Asia Assistance Network

Cuepacscare4u Solutions Sdn Bhd

Compumed Services Sdn Bhd

Health Connect Sdn Bhd

Healthmetrics Sdn Bh

Mediexpress(M) Sdn. Bhd.

Medilink-global (M) Sdn. Bhd.

Micare

Selecare

International Sos (Malaysia) Sdn. Bhd.

Integrated Health Plans (Ihp)

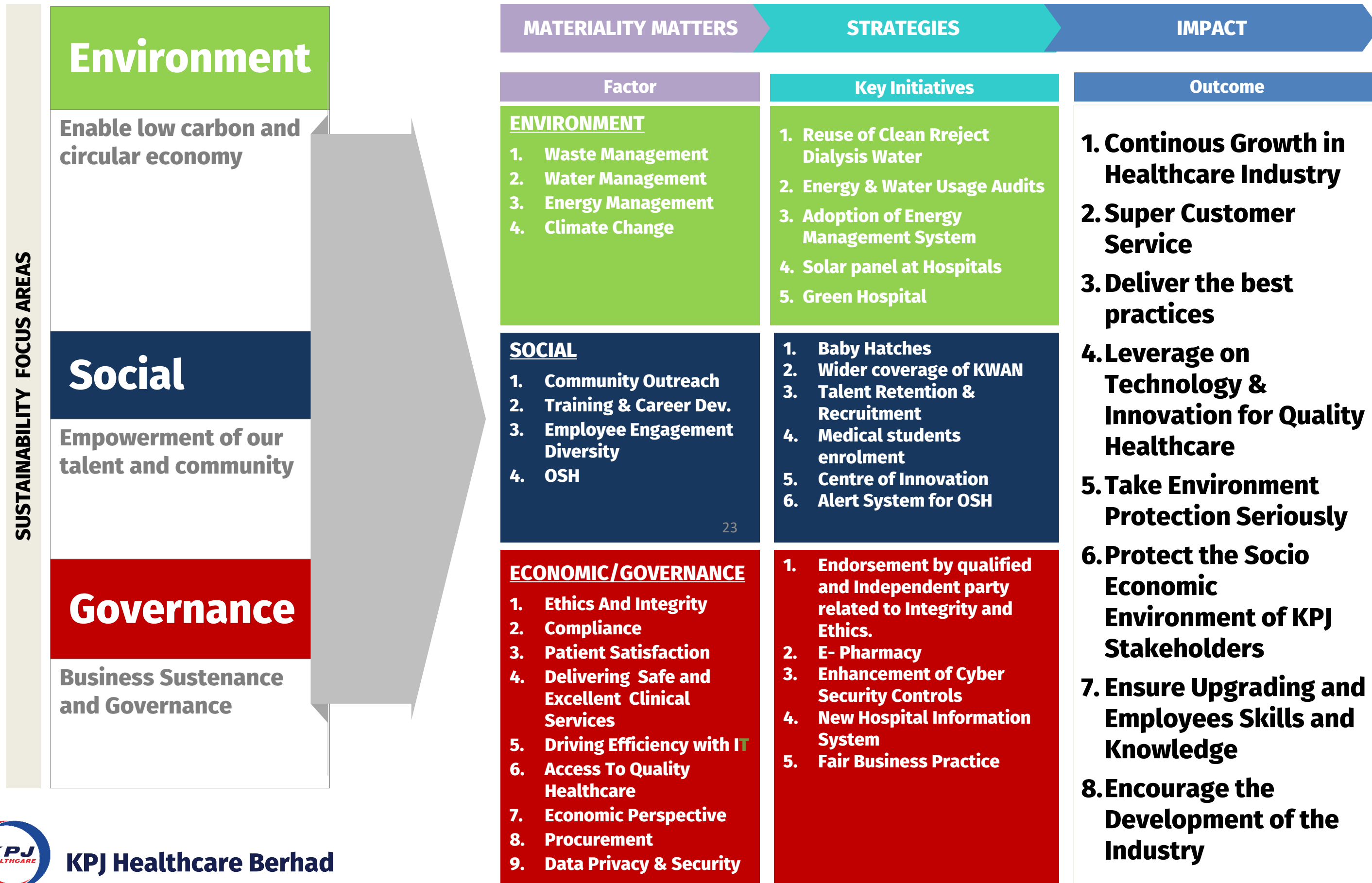
Pmcare Sdn. Bhd.



KPJ Healthcare Berhad

Key Investment Highlights:

Champion on Sustainability in Healthcare : KPJ's Sustainability Framework



Thank you

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Appendices

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Key Investment Highlights:

Environmental Social Governance

Champion on Sustainability in Healthcare : KPJ's Sustainability Framework

Planned Initiatives in the Pipeline for Climate Change Adaptation



Waste Management

Medical care services produce large amount of general and hazardous waste, and improper management of hospital waste will lead to a potential spread of disease in addition to an increased environmental footprint.

Water Management

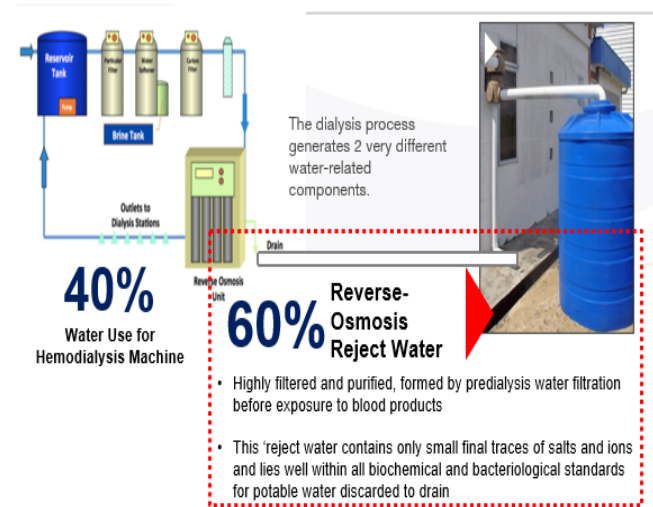
Adequate supply of safe and clean water is a crucial component in providing high quality and efficient healthcare services.

Energy Efficiency

Hospital operations are energy intensive as the buildings are large and outfitted with high-energy intensive equipment eg medical equipment and high-energy Heating, Ventilation and Air Conditioning (“HVAC”) systems



- Biomass
- Fertilizer



Reusing Reject Clean Water Program from Dialysis Centre



- Solar Panel
- EV Charger

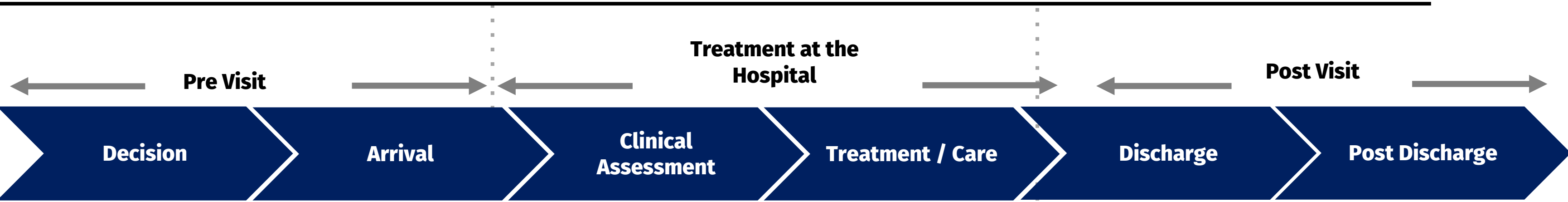


Key Investment Highlights:

Champion on Sustainability in Healthcare : KPJ's Sustainability Framework

Environmental Social Governance

Empowering Patients to Co-Create a Sustainable Healthcare



Embedding Sustainability in a Patient's Journey

Digital Sustainability

- Digitalising the on-boarding processes

Renewable Energy

- Electric vehicle charging stations at hospitals' carpark

Water & Waste Management

- Reuse of Clean Reject Dialysis Water
- Composting food and Plate waste into fertiliser or biomass energy

Energy Efficiency

- Solar panel at Hospital premises (rooftop / carpark)
- Green building index

Digital Sustainability

- Access to Physio Exercise Program using QR Code

Excellent Patients Experience

- Discharge process via online bill approval

Digital Sustainability

- Paperless campaign via e-Billing
- Online feedback / complaint platform
- Encrypted bill via email

Key Investment Highlights:

Champion on Sustainability in Healthcare: KPJ's Sustainability Framework

Environmental Social Governance



Green Building Index ("GBI")
Provisional Design Assessment
certification with Silver rating

For intended recipient only

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Key Investment Highlights:

Champion on Sustainability in Healthcare : KPJ's Sustainability Framework

Environmental Social Governance

KPJ's Community Outreach Programs

	Event	Date & Venue	Program Detail / Outcome
KWAN OUTREACH COVID-19 VACCINATION PROGRAM	1. KWAN with Prihatin Johor	Launched on 18 July 2021 @ PPR Sri Stulang, JB and program completed on 16 October 2021 @ Dewan Serbaguna Felda Kahang Barat, Kluang	Total of 11,670 vaccines has been vaccinated and acknowledged by PK Daerah Kluang, Batu Pahat, Pontian, Kota Tinggi and Johor Bahru
	2. KWAN Lembaga Zakat Kedah & Pejabat Kesihatan Kedah	25 July 2021 & 15 August 2021 @ Madrasah Miftahul Al Falah 26 July 2021 & 16 August 2021 @ Pondok Ustaz Bakar, Parit Panjang	Mobile Clinic converted to Vaccination unit to inoculate elderly and disabled person at village and mosque areas in Kedah.
CIRCUMCISION PROGRAM	3. Program Berkhatan	In collaboration with NGO – Majlis Agama Islam Negeri @ KWAN USJ on 11 December 2021 KWAN Mobile – KPJ Kajang – Waqaf Selangor Muamalat on 11 December 2021	Collaboration 3 rd Parties to provide assistance to ASNAF.
MOBILE CLINIC	4. Medical Screening Program	1. Pertubuhan Rumah Amal Cahaya Tengku Ampuan Rahimah (RACTAR) @ 20 November 2021 2. PPR Sri Stulang Johor Bahru @13 October 2021 3. Majlis Pelancaran Program Bumi Hijau Johor 4. PPR Kg Baru Hicom, Puchong	1. Screening 34 people ages from 5-20 years 4. Treated 50 Flood victims daily with free medication and consultation.
BRIGED WAKAF	5. Flood Relief Mission	Shah Alam, Hulu Langat, Puchong, Kuala Selangor, Banting and Klang : Phase 1 on 21-23 December 2021 & Phase 2 on 27-29 December 2021	1. Medical Checkup and In-kind and Food Distribution to affected people 2. Cleaning up Flood aftermath
	6. Vaccine Outreach Program	In Collaboration with Mercy Malaysia at Gelang Patah and Kg Kong-Kong , Johor in October 2021	Mobile Vaccination Program

KPJ's Community Outreach Programs

Environmental Social Governance

BRIGED WAQAF (BW) Flood Relief Mission



KWAN OUTREACH COVID-19 VACCINATION PROGRAM Mobile Clinic



PPV Outreach in collaboration with MERCY Malaysia



KPJ's Community Outreach Programs

Environmental Social Governance

Program Berkhatan Beramai-ramai in Collaboration Masjid Al -Faizin



KWAN PPV Outreach with Prihatin Johor



Medical Screening Programme Pertubuhan Rumah Amal Cahaya Tengku Ampuan Rahimah (RACTAR)



Key Investment Highlights:

Environmental Social Governance

Champion on Sustainability in Healthcare : KPJ's Sustainability Framework

Sustainability within Supply Chain Management

The KPJ Supplier Code of Conduct is to incorporate good business governance across the value chain

Environment

Environment

“The supplier shall comply with all applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment.

We encourage our suppliers to support KPJ Healthcare’s efforts to protect the environment and operate in an environmentally responsible manner through the products and services they deliver. In this regard, we also encourage our suppliers to develop policies on:

- a) Responsible use of resources including water and energy;**
- b) Waste reduction;**
- c) Pollution prevention;**
- d) Biodiversity impacts;**
- e) Climate Change impact including CO2/GHG Emissions.”**

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Social

Child labour

“The supplier employs no children under the age of 15. If national laws or regulations allow children between the ages of 13 and 15 to perform light work, such work is not permitted under any circumstances if it would hinder a minor from the completion of compulsory schooling or training, or if the employment would be harmful to their health or development (reference: International Labour Convention 138(7)).”

Forced Labour

“The supplier shall make no use of forced or compulsory labour.”

Discrimination

“The supplier does not discriminate on the basis of race, religion, disability, age or gender.”

Compensation and Working Hours

“The supplier shall comply with the respective national laws and regulations regarding working hours, wages and benefits.”

Health and safety

“We expect our suppliers to strive to implement the standards of occupational health and safety at a high level. The supplier complies with applicable occupational health and safety regulations and provides a work environment that is safe and conducive to good health, in order to preserve the health of employees and prevent accidents, injuries and work related illnesses.”