



KPJ Healthcare Berhad 1Q2019

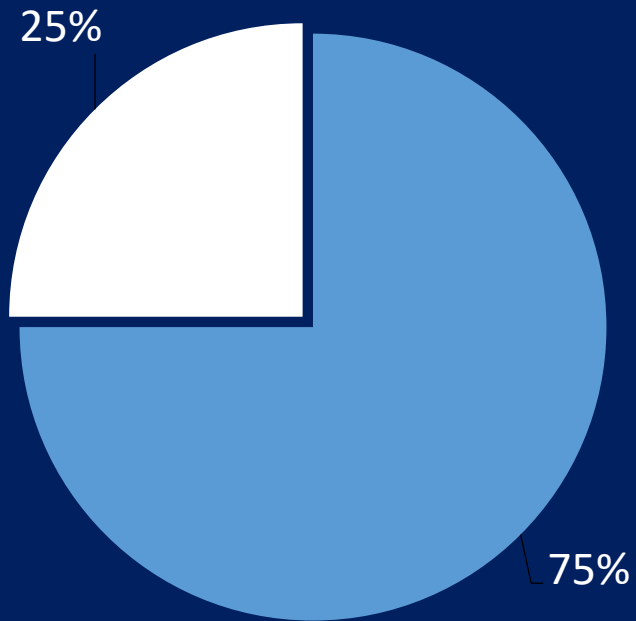


FTSE4Good

Healthcare Industry in Malaysia

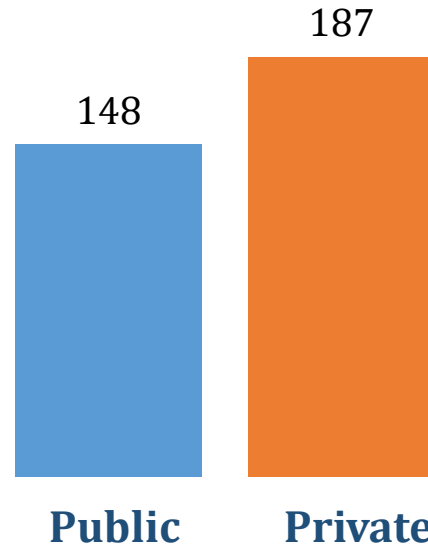
Malaysia Healthcare System 2016

Healthcare Provider

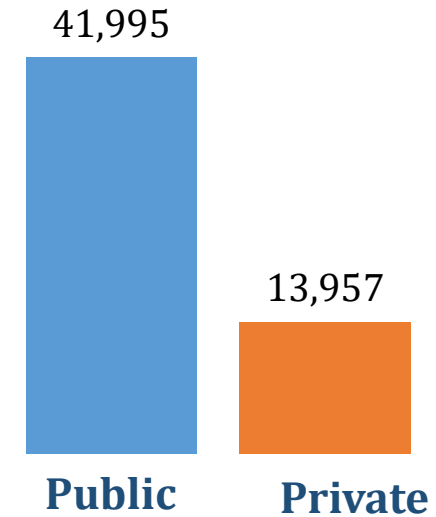


Legend :
Public ■
Private ■

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 (*57 Private Hospitals Nationwide of which 19 are KPJ Hospitals)
- Accreditation by JCI (13 Private Hospitals Nationwide of which 4 are KPJ Hospitals)

** As at January 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

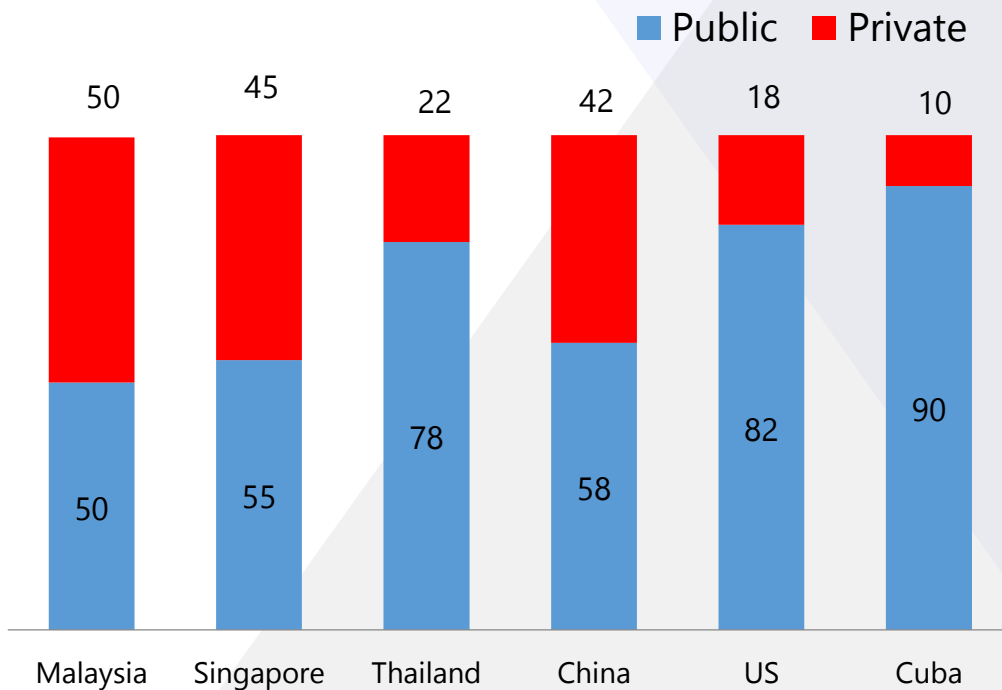


Corporate Clients



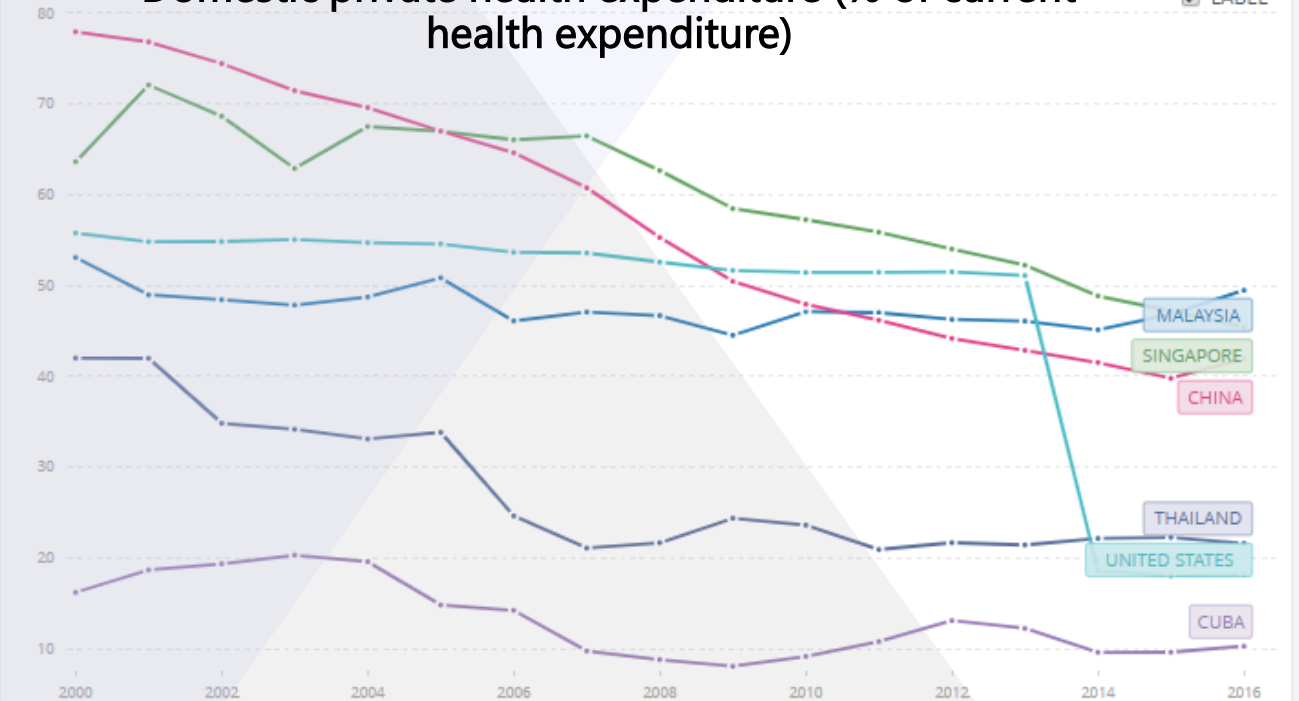
Out of Pocket

Public vs Private
Healthcare Expenditure % 2016

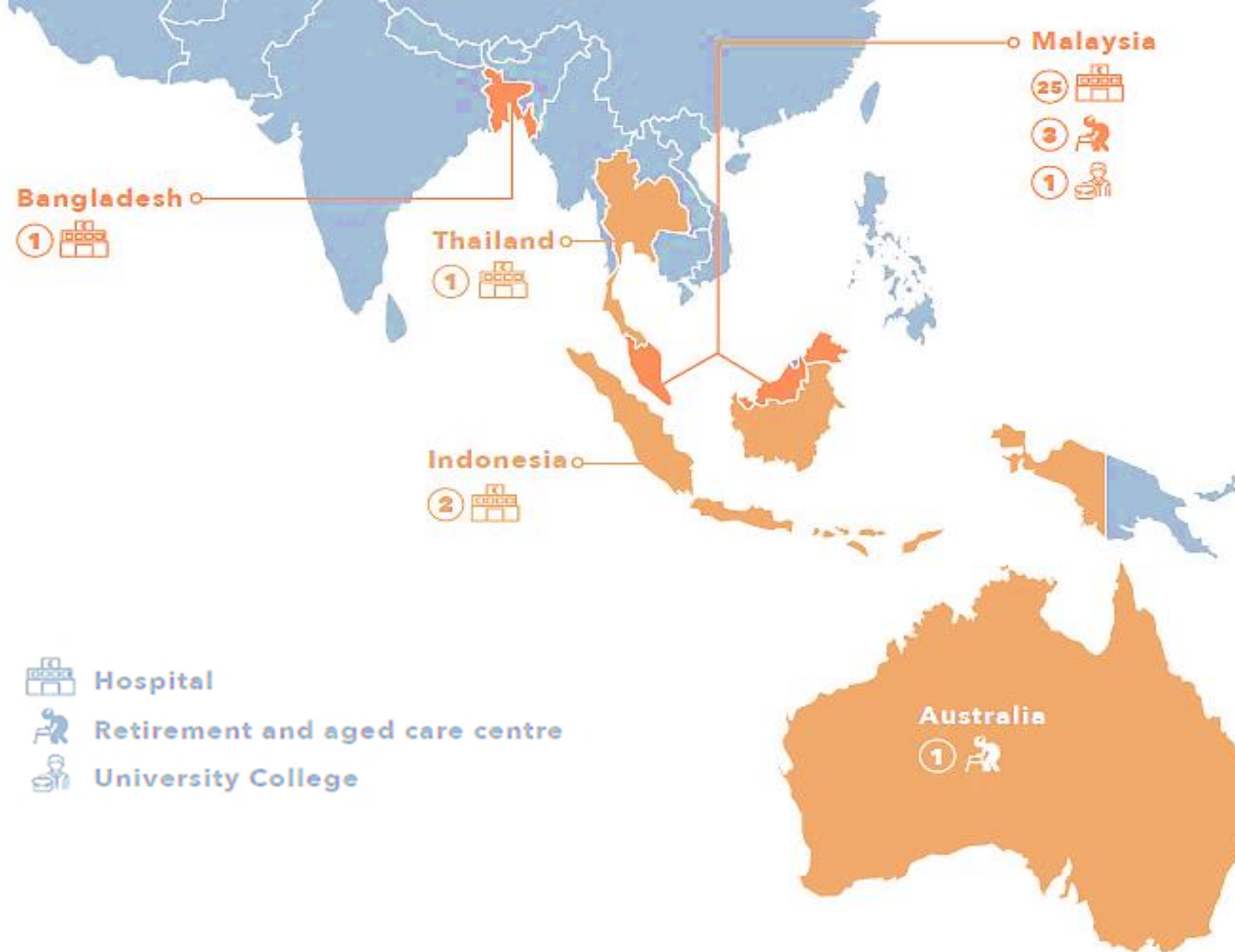


Source : 2018 World Development Indicators

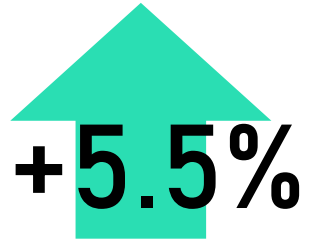
Domestic private health expenditure (% of current health expenditure)



2000 - 2016



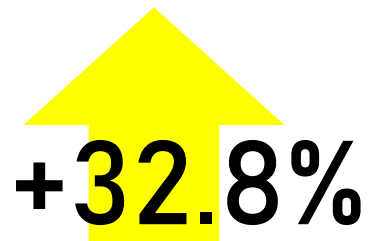
Our Presence



+5.5%

Total revenue
RM868.1 million
(2018 : RM 822.9 million)

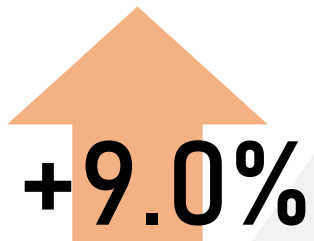
Dividend
0.50 sen
(2018 : 0.50 sen)



+32.8%

EBITDA
RM154.9 million
(2018 : RM 116.6 million)

Group Financial Highlights 1Q2019



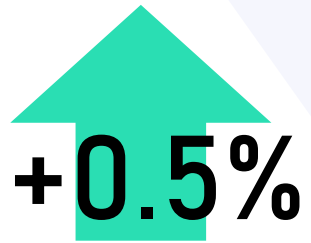
+9.0%

PBZT
RM66.4 million
(2018 : RM 60.9 million)

Basic EPS
0.90sen
(2018 : 1.01 sen)



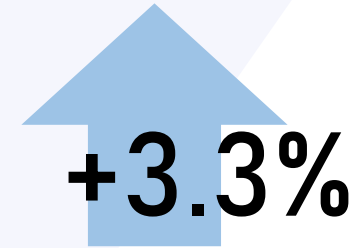
-0.11 sen



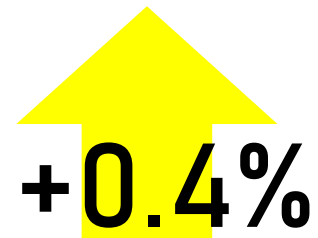
+0.5%

Outpatient
708,542
(2018 : 704,920)

Consultants
1,191
(2018 : 1,153)

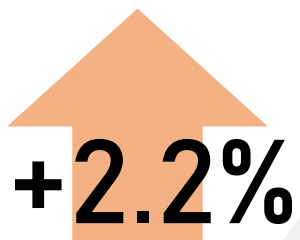


+3.3%



+0.4%

Inpatients
79,797
(2018 : 79,477)



+2.2%

Beds
3,354
(2018 : 3,281)

Group Operational Highlights 1Q2019

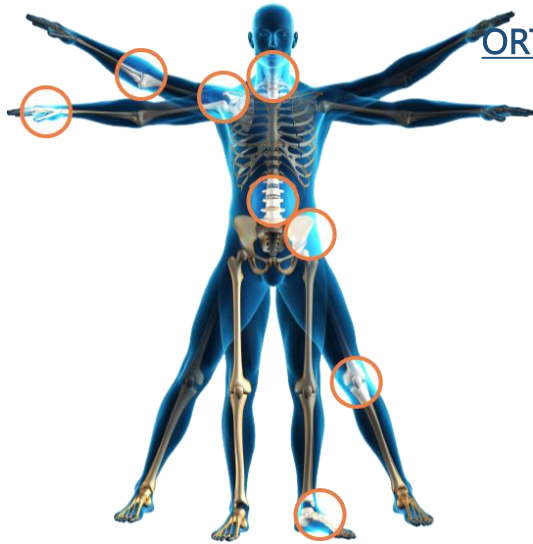
Occupancy Rates
Malaysia 68%
Indonesia 69%
Dhaka 78%

Avg Length of Stay (days)
Malaysia 2.5
Indonesia 3.3
Dhaka 3.1

ABOUT KPJ Shareholdings Stats

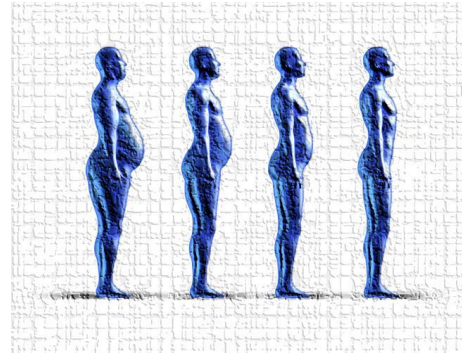


KPJ's Niche Services



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

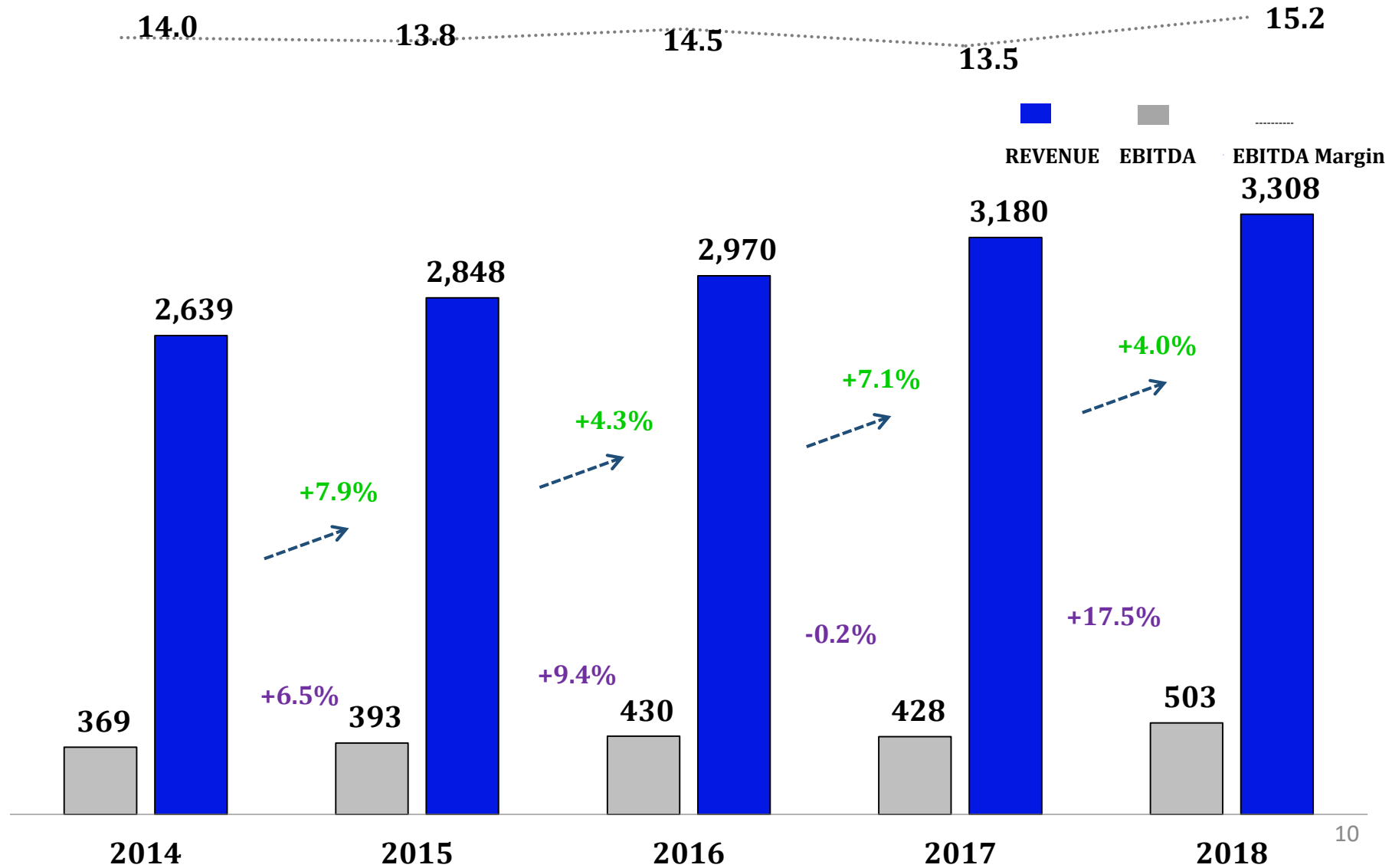
RECONSTRUCTIVE & PLASTIC SURGERY

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

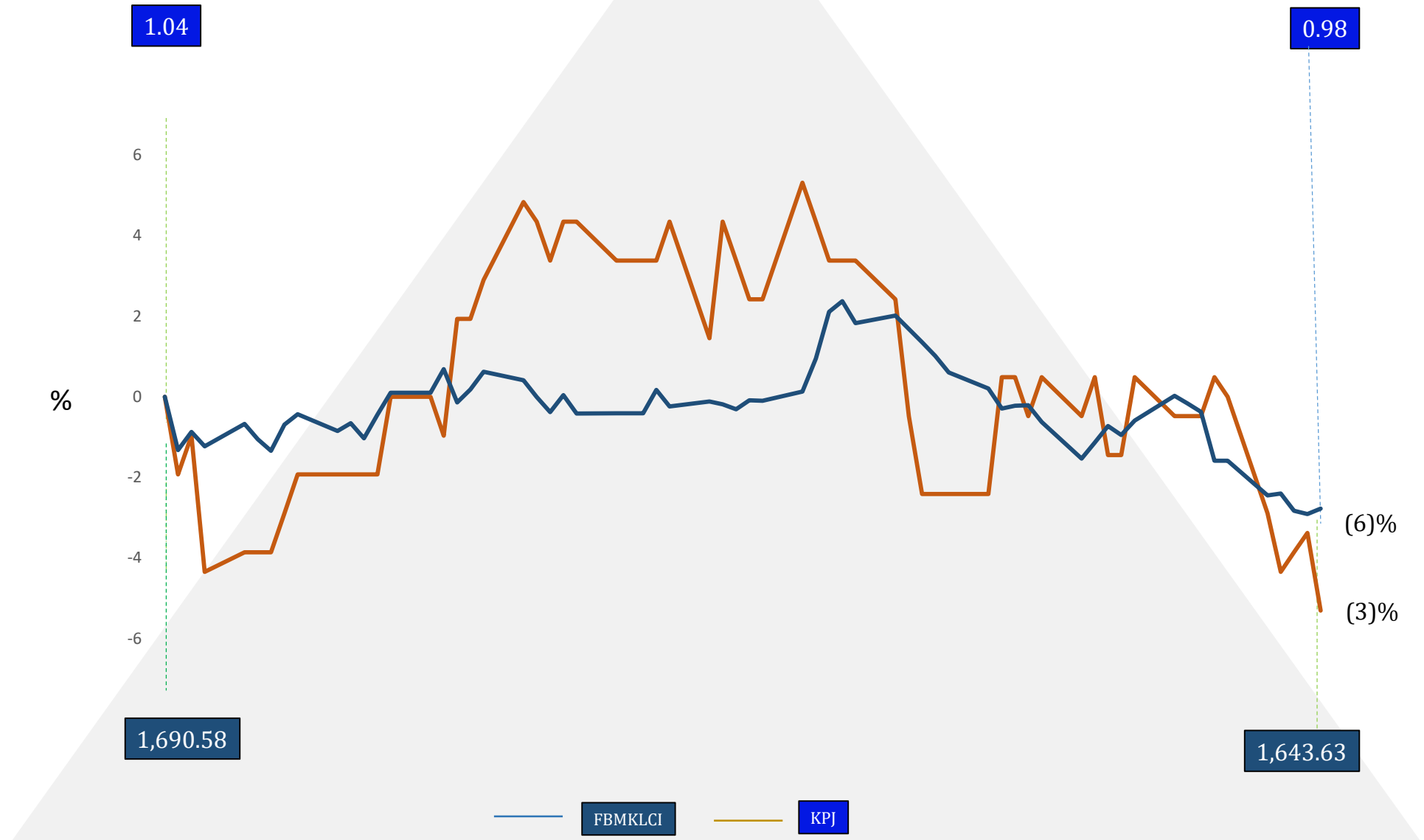


FINANCIAL TRENDS

KPJ 5 years Revenue & EBITDA



KPJ Share Price vs FBMKLCI as at 31 March 2019



Group Financials 3 months ended – 31 March 2019

	1Q/2019	4Q/2018	1Q/2018	Sequential	Y-o-Y
RM'000	RM ('000)	RM ('000)	RM ('000)	Var (%)	Var (%)
Revenue	868,129	863,345	822,883	0.6	5.5
Gross Profit	270,070	269,835	250,773	0.1	7.7
Profit from Operations	96,439	85,791	70,802	12.4	36.2
Finance Income	1,726	2,330	1,020	(25.9)	69.2
Finance Cost	(40,659)	(25,041)	(20,267)	62.4	100.6
Share of Results from associates	8,897	18,188	9,331	(51.1)	(4.7)
Profit before zakat & tax	66,403	81,268	60,886	(18.3)	9.1
Zakat	(319)	(217)	(1,075)	47.0	(70.3)
Taxation	(20,686)	(22,873)	(14,805)	(9.6)	39.7
Profit after zakat & tax	45,398	58,178	45,006	(22.0)	0.9
(Loss)/Profit from discontinuing	(2,074)	(3,142)	480	(34.0)	(532.1)
Net profit for the year	43,324	55,036	45,486	(21.3)	(4.8)
Equity holders of company	39,126	53,324	42,483	(26.6)	(7.9)
Non-controlling interest	4,198	1,712	3,003	145.2	39.8
Net profit attributable to shareholders	43,324	55,036	45,486	(21.3)	(4.8)
Basic EPS (sen)	0.90	1.24	1.01		

Key Ratios 3 months ended – 31 December 2018

	1Q2019 %	4Q/2018 %	1Q2018 %	Sequential Var	Y-o-Y Var
Gross Profit (GP) Margin	31.1	31.3	30.5	(0.2)	0.6
Profit Before Zakat Tax (PBZT) Margin	7.6	9.4	7.4	(1.8)	0.2
Net Profit Margin	5.0	6.4	5.5	(1.4)	(0.5)
EBITDA Margin	17.8	17.2	14.2	0.6	3.6
PATAMI Margin	4.6	6.4	5.1	(1.8)	(0.5)
Dividend per share (sen)	0.5	0.5	0.5	-	-
Debt Equity Ratio	0.9	0.8	0.8	0.1	0.1
Net assets per share (RM)	0.4	0.5	0.4	(0.1)	-

Segmental Financial Highlights

	1Q2019	1Q2018	Var (%)
Revenue	RM ('000)	RM ('000)	
Malaysia	839,310	797,446	5.2
Indonesia	14,716	10,675	37.9
Australia	12,859	14,919	(13.8)
PBZT			
Malaysia	69,637	62,358	11.7
Indonesia	1,351	(693)	294.9
Australia	(2,074)	480	(532.1)
EBITDA			
Malaysia	151,104	114,872	31.5
Indonesia	3,997	2,879	38.8
Australia	(1,440)	1,545	(193.2)

Segmental Operational Highlights

	1Q2019	1Q2018	Var (%)
Outpatients			
Malaysia	643,307	645,618	(0.4)
Indonesia – RS PH	14,503	13,614	6.5
Indonesia – RS BSD	19,975	18,202	9.7
Dhaka -SFMMK	30,757	27,486	11.9
Inpatients			
Malaysia	75,745	76,538	(1.0)
Indonesia – RS PH	1,670	1,260	32.5
Indonesia – RS BSD	1,238	737	68.0
Dhaka -SFMMK	1,144	942	21.4
Consultants			
Malaysia	1,051	1,022	2.8
Indonesia – RS PH	63	58	8.6
Indonesia – RS BSD	45	42	7.1
Dhaka -SFMMK	32	31	3.2

Segmental Operational Highlights

	1Q2019	1Q2018	Var (%)
No of Beds			
Malaysia	3,144	3,087	1.8
Indonesia – RS PH	88	88	0.0
Indonesia – RS BSD	72	56	28.6
Dhaka -SFMMK	50	50	0.0
Occupancy Rates %			
Malaysia	68	69	(2.2)
Indonesia – RS PH	79	54	46.3
Indonesia – RS BSD	59	37	59.5
Dhaka -SFMMK	78.3	69.3	13.0
Average length of Stay			
Malaysia	2.5	2.5	0.0
Indonesia – RS PH	3.7	3.4	8.8
Indonesia – RS BSD	2.9	2.6	11.5
Dhaka -SFMMK	3.1	3.3	(6.7)

Segmental Average Revenue Highlights

	1Q2019	1Q2018	Var (%)
Average Revenue – per beds			
Malaysia	189,878	178,167	6.6
Indonesia	61,230	45,655	34.1
Dhaka -SFMMK	36,767	29,418	25.0
Average Revenue – per outpatient			
Malaysia	343	338	1.5
Indonesia	160	128	25.0
Dhaka -SFMMK	78	67	16.4
Average Revenue – per inpatient			
Malaysia	7,881	7,186	9.7
Indonesia	3,369	3,292	2.3
Dhaka -SFMMK	1,607	1,563	2.8

Senior & Assisted Living Care

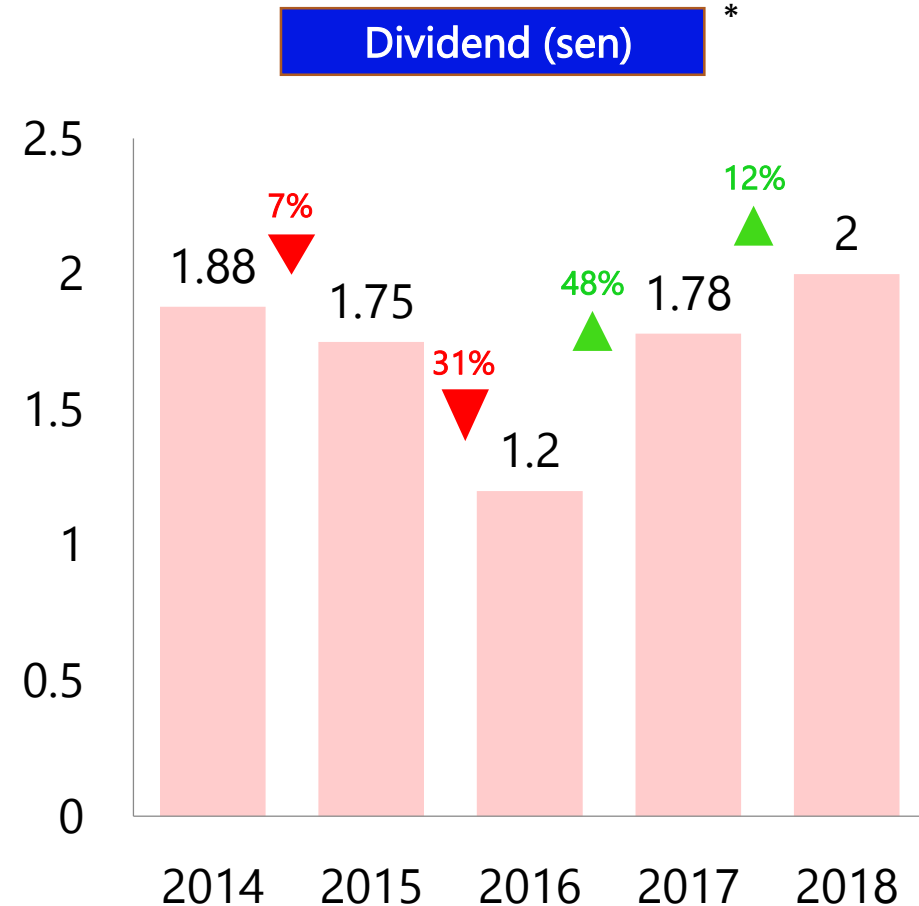
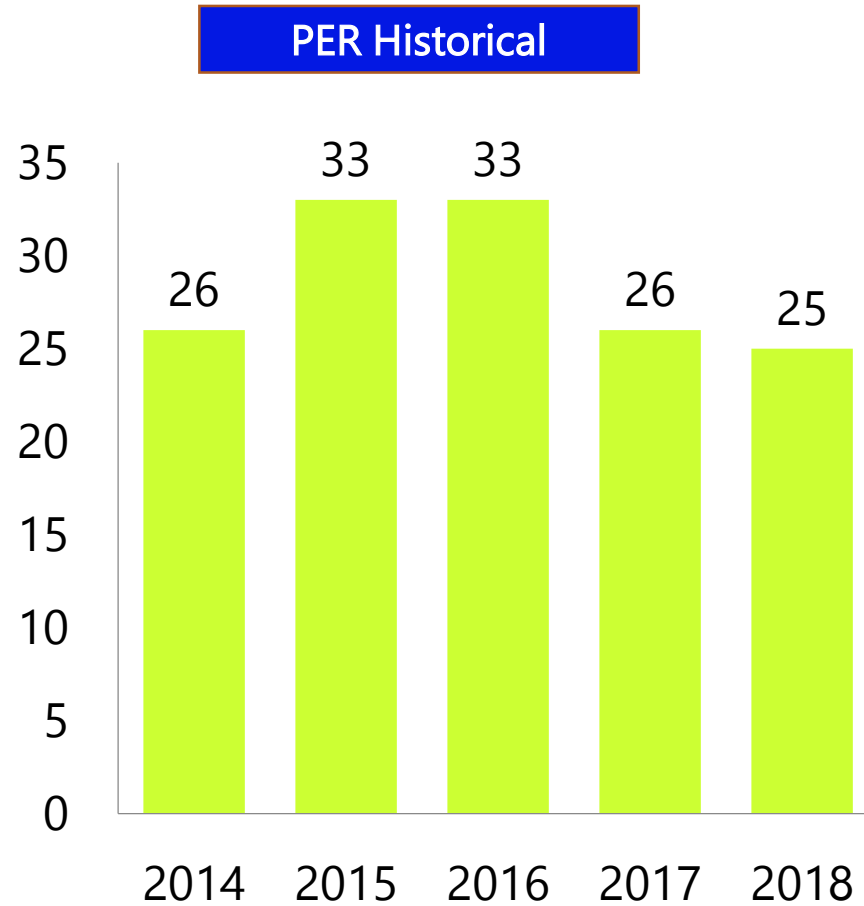
Hospitals / Facilities	1Q2019	1Q2018	Var (%)
Australia - Jeta Gardens			
Aged Care Facility (ACF)	178	178	-
Retirement Villas	33	33	-
Apartment Unit	32	32	-
No of Residents	157	169	(7.1)
Occupancy Rate (%) (ACF)	88.6	95	(6.7)
Tawakkal Health Centre			
No of Beds	42	42	
No of Residents	27	33	(18.2)
Occupancy Rate (%)	64	63	1.6
Sibu Geriatric			
No of Beds	28	28	0.0
No of Residents	25	27	(7.4)
Occupancy Rate (%)	89.29	93	(4.0)
Kuantan Health Centre			
No of Beds	22	22	-
No of Residents	12	13	(7.7)
Occupancy Rate (%)	55	59	(6.8)
Damai Wellness Centre			
No of Beds	21	-	-
No of Residents	9	-	-
Occupancy Rate (%)	42		

Education - KPJ Healthcare University College

Hospitals / Facilitiesc	1Q2019	1Q2018	Var (%)
No of Students	1,438	2,362	(39.1)
<p>Academic Program KPJ offered 33 programmes ranging from the Foundation to PhD levels at all campus.</p>			
<p><u>Faculties</u></p> <ol style="list-style-type: none"> 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 			
<p><u>Courses</u></p> <ol style="list-style-type: none"> 1 PHD 7 Master 9 Bachelor 8 Diploma 8 Certificate / Foundation 			

Key Financial Highlights

FY2014-FY2018

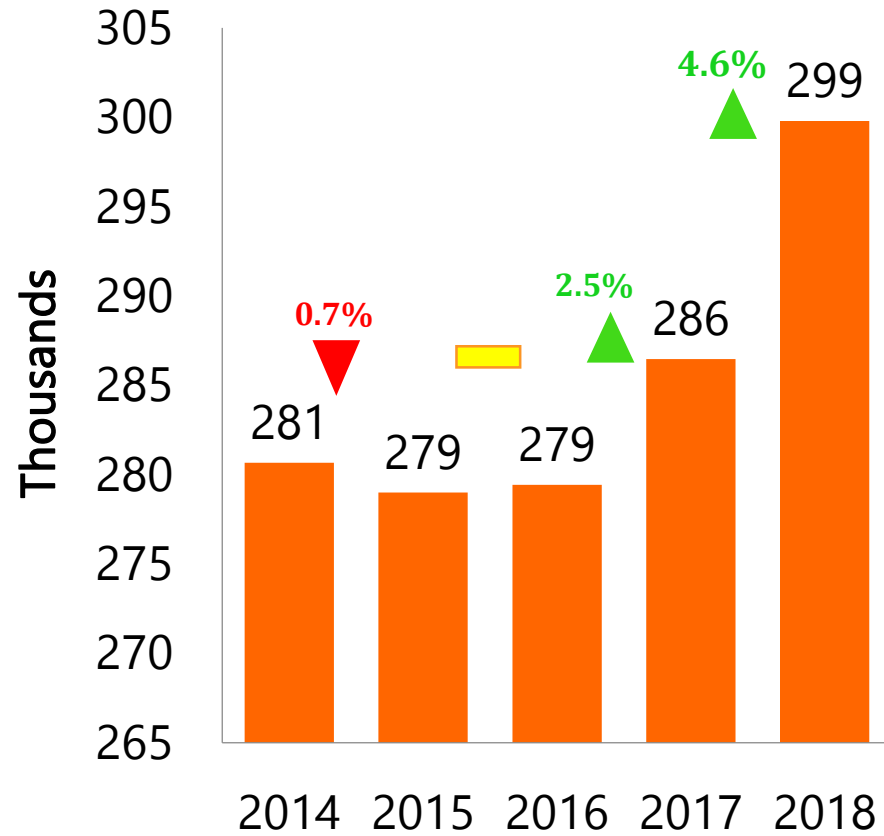


**Dividend per share re-stated to reflect subdivision of shares in Sept 2017*

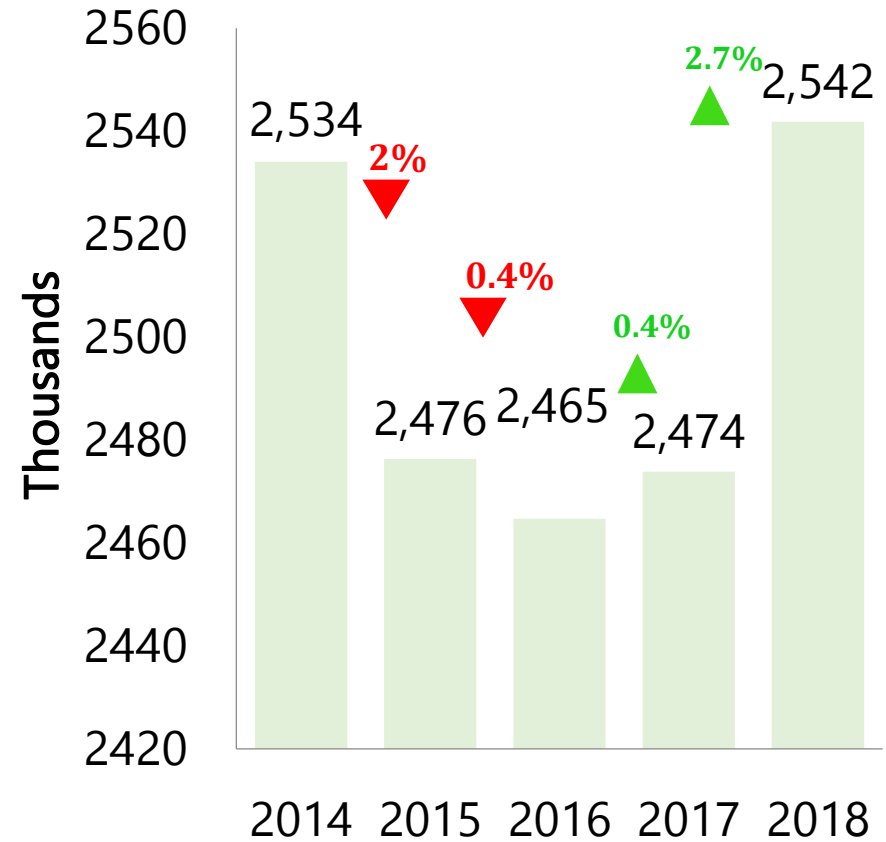
Key Operational Highlights

FY2014-FY2018

No of Inpatients

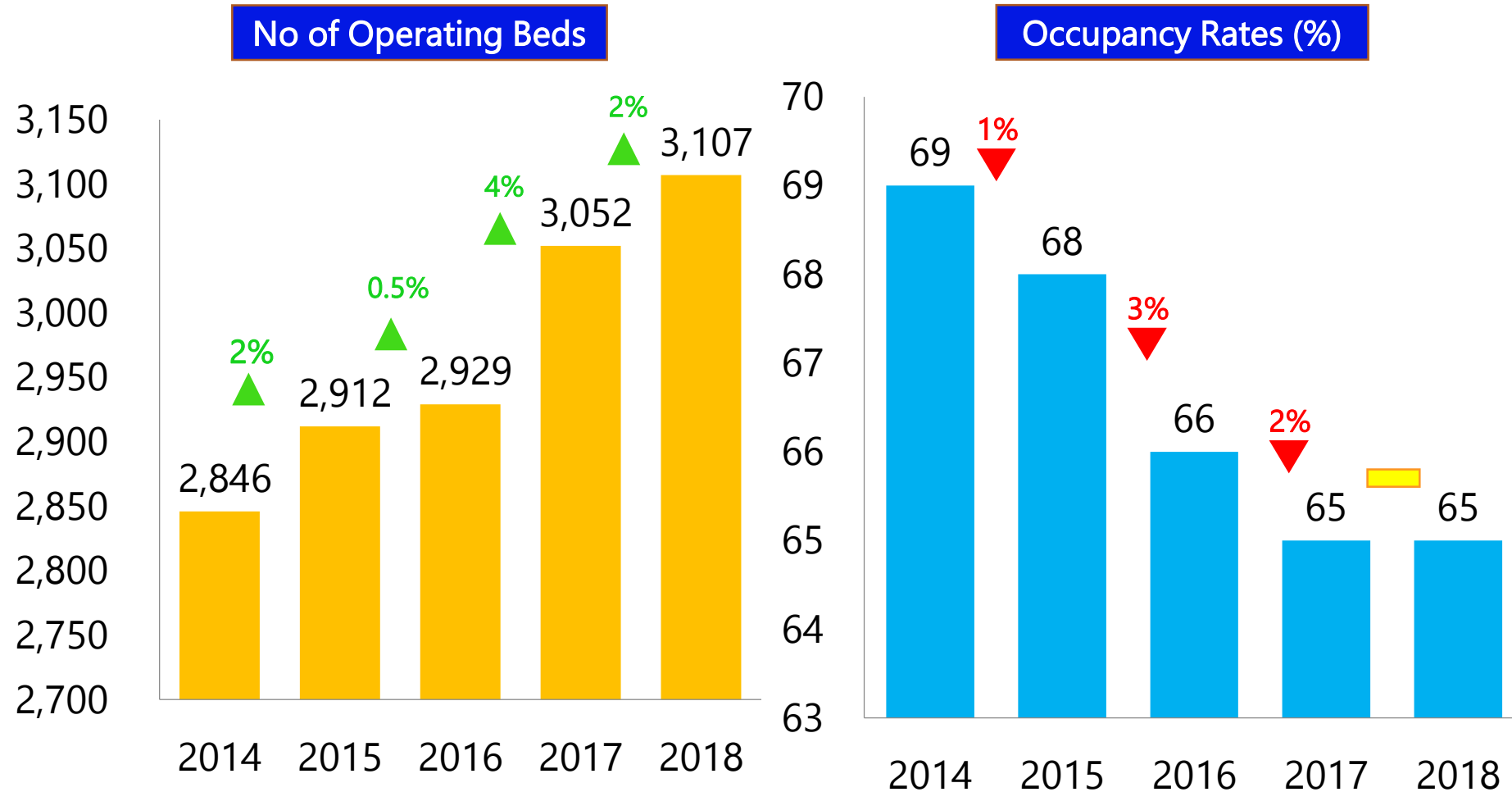


No of Outpatients



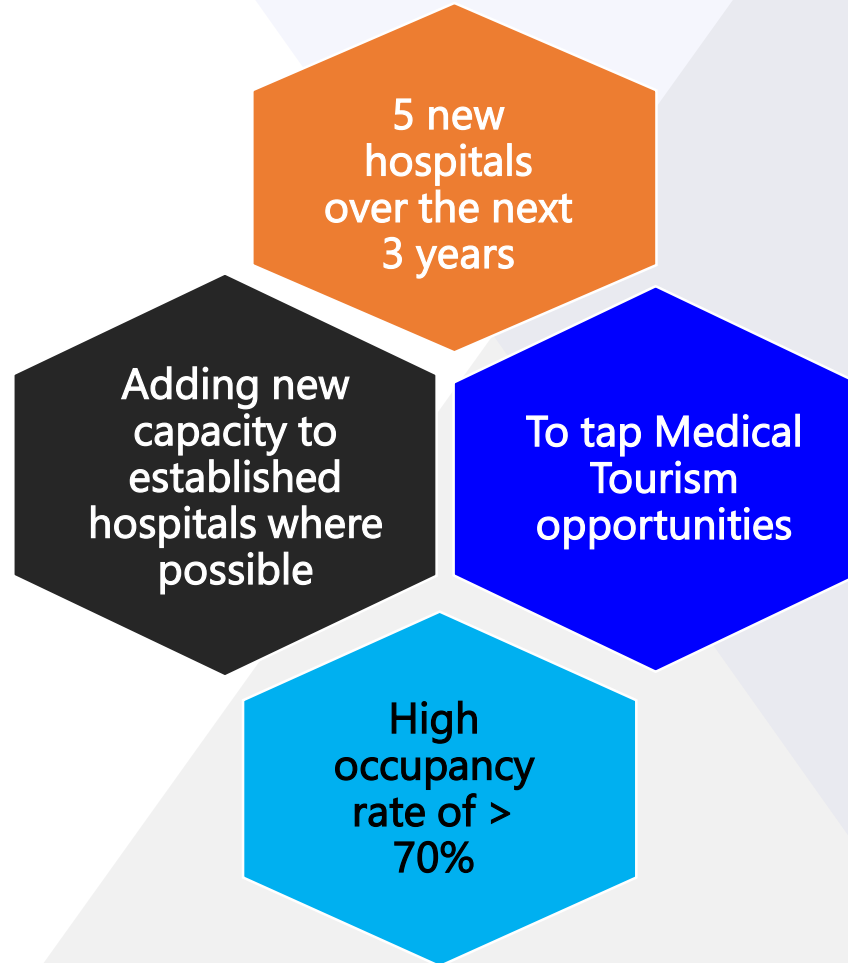
Key Operational Highlights

FY2012-FY2018



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 – ETP, 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))

~Pharmacy outlets~

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

~Ambulatory Care Centre~

4 Projects' locations: BB Bangi, Taman Maluri, Bandar Kinrara, Bukit Jalil

Medical Tourism

KPJ's Involvement

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

Marketing agents in target market

- INDONESIA
- MENA Countries
- CHINA
- PACIFIC ISLAND

Opportunities

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

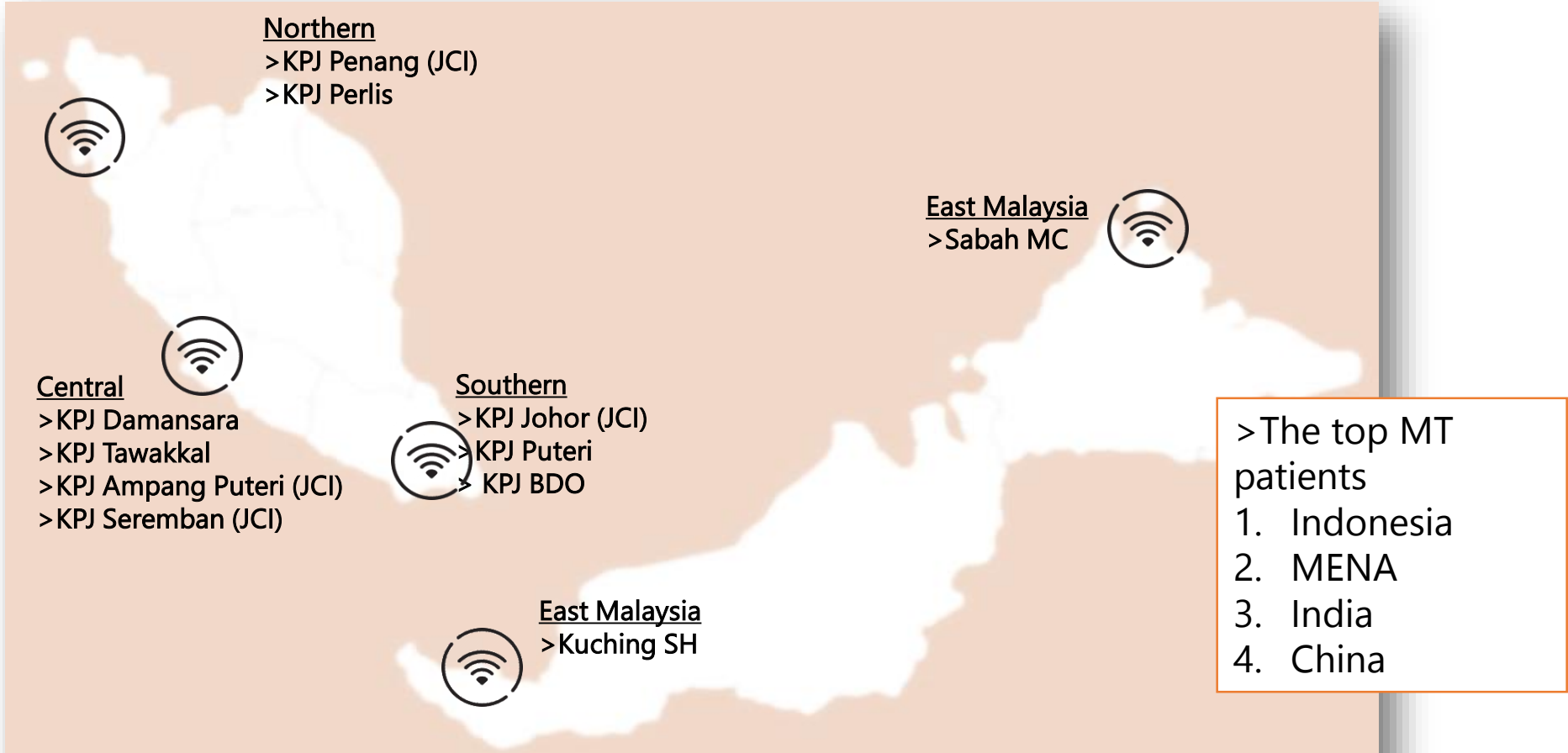


Limitations

- 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

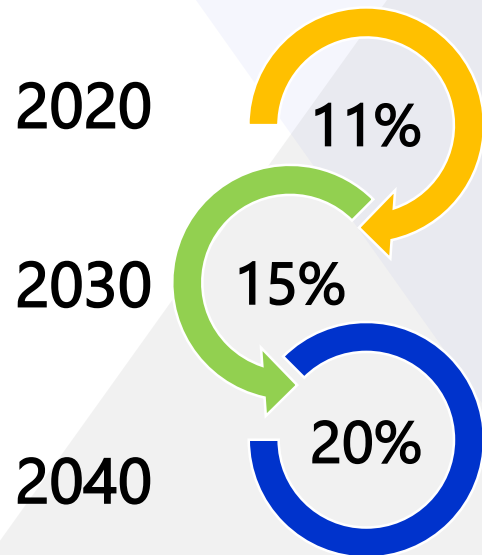
Source:
 Malaysia Health Travel Council

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.

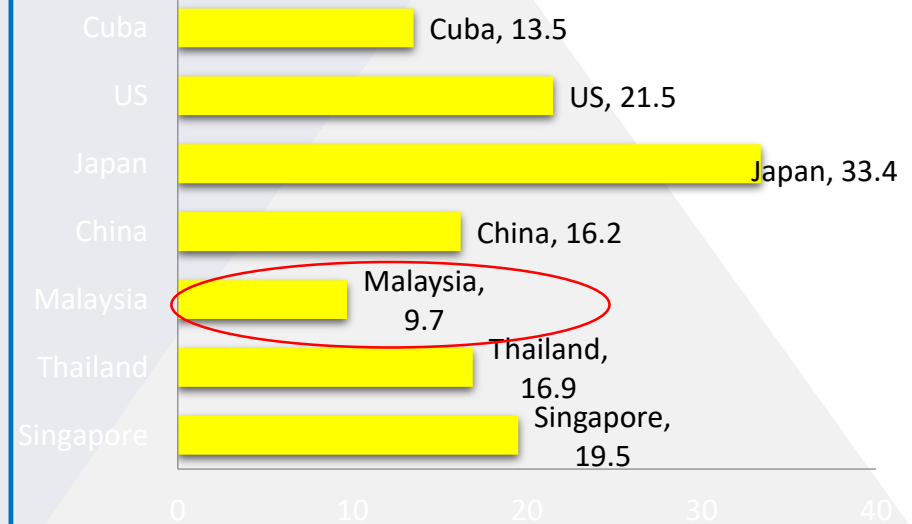


Challenges

- . 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*

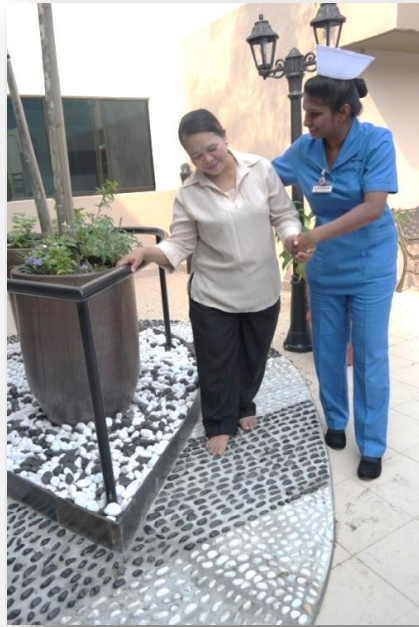
^ *Opened in Feb 2018*

^^ *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
Miri	Sarawak	96	60	2Q2019	3Q2029
Kuching	Sarawak	150	114	3Q2019	4Q2019
UTM	Johor	150	90	TBA	TBA
K/Bayuemas	Selangor	90	90	TBA	TBA
Melaka	Melaka	150	60	TBA	TBA

Total Beds

636

414

Network Expansion - New Hospitals 2018

KPJ Perlis – Opened on 17 May 2018

**KPJ PERLIS OPENS
IN THE NATION'S NORTHERN-MOST STATE**



**Official Launch of KPJ
Perlis Specialist Hospital**

1st November 2018



Network Expansion - New Hospitals 2018

KPJ Perlis – Opened on 17 May 2018



KPJ Perlis Specialist Hospital



Beds Capacity : 90
First phase : **21 beds**



**9 Specialist
Consultants**

6 Services :

ENT
General Surgery
Obstetric & Gynaecology
Anaesthesiology
Orthopaedic
Radiology



Network Expansion - New Hospitals

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



Network Expansion - New Hospitals

KPJ Bandar Dato' Onn Specialist Hospital, Johor Bahru



KPJ Bandar Dato' Onn Specialist Hospital



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



**32 Specialist
Consultants**

9 Services:

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



Network Expansion – New Hospitals 2019

BDC Kuching Specialist Hospital, Kuching



Network Expansion – New Hospitals 2019

KPJ Miri Specialist Hospital, Miri



Network Expansion – New Hospitals beyond 2019

KPJ UTM



KPJ Melaka



KPJ Kota Bayuemas



Network Expansion *New Hospitals- lease*

PROJECT	LOCATION	TOTAL CAPACITY (Beds)	OPERATING BEDS	COMPLETION	OPENING	LEASE PERIOD
KPJ Batu Pahat	Batu Pahat	90	60	2Q2019	3Q2019	30 years (6+3yrs up to 30 years)
Kluang Specialist	Kluang	90	90	2Q2019	3Q2019	30 years (15+15yrs)
KPJ Damansara	Sg Penchala	300	120	2020	TBA	30 years (15+15yrs)

Total Beds	480	270
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Network Expansion- New hospital-lease

KPJ Batu Pahat Specialist Hospital
Batu Pahat



Kluang Specialist Hospital
Kluang



KPJ Damansara Empire
Specialist Hospital
Kuala Lumpur

Network Expansion *Hospital Expansion*

HOSPITALS	DESCRIPTION		COMPLETION	OPENING
	Beds	Clinics		
KPJ Seremban	87	30	1Q2017*	3Q2019
KPJ Ampang	87	24	2Q2019	3Q2019
KPJ Klang	40	14	2Q2019	3Q2019
Sri Manjung	30	14	3Q2019	4Q2019
KPJ Perdana	45	24	4Q2019	1Q2020
KPJ Puteri	101	20	4Q2019	1Q2020
Taiping	20	16	2Q2020	3Q2020
KPJ Penang	170	32	4Q2020	1Q2021
KPJ Tawakkal	120	24	2022	2022

Total Beds	700
Total Clinics	198

** Completed*

Network Expansion – Existing hospitals 2018

KPJ Johor Specialist Hospital



KPJ Seremban Specialist Hospital



Taiping Medical Centre



KPJ Ampang Puteri Specialist Hospital



KPJ CHALLENGES



➤ ***Cost of Healthcare Services***



➤ ***Quality of Service Standards***



➤ ***Managing and Retaining Talent***

➤ ***Funders of Healthcare Services***

➤ ***Government Regulations***

