



Care for Life



# KPJ Healthcare Berhad 1Q2020



KPJ HEALTHCARE BERHAD

PASSION.  
INNOVATION.  
TRUST.

FINANCIAL REPORT 2019

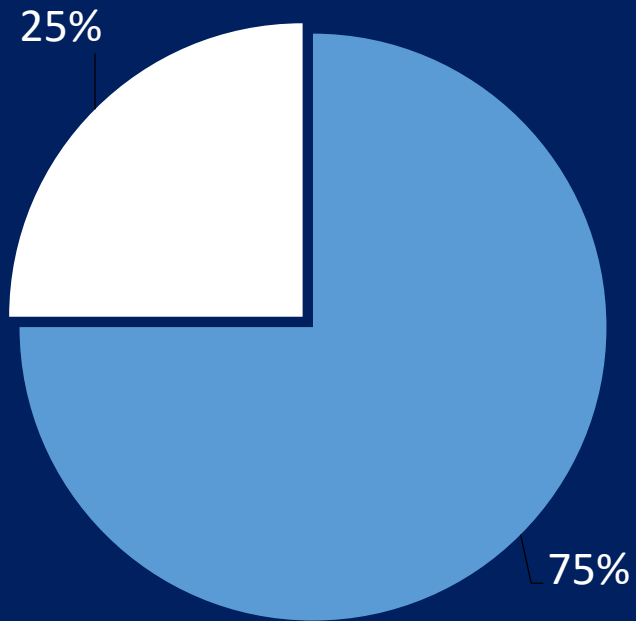


FTSE4Good

# Healthcare Industry in Malaysia

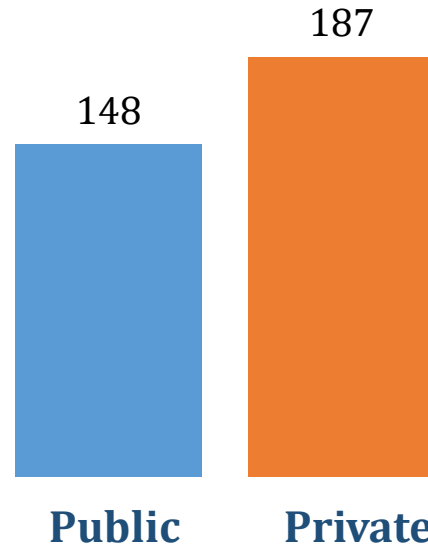
Malaysia Healthcare System 2016

## Healthcare Provider

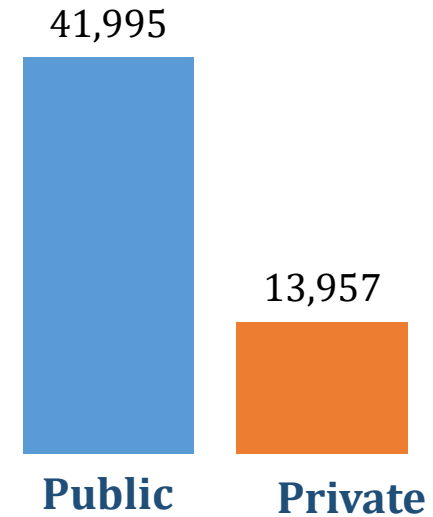


Legend :  
Public ■  
Private ■

## 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

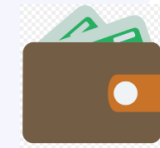
Treatment Funding



Healthcare Insurance

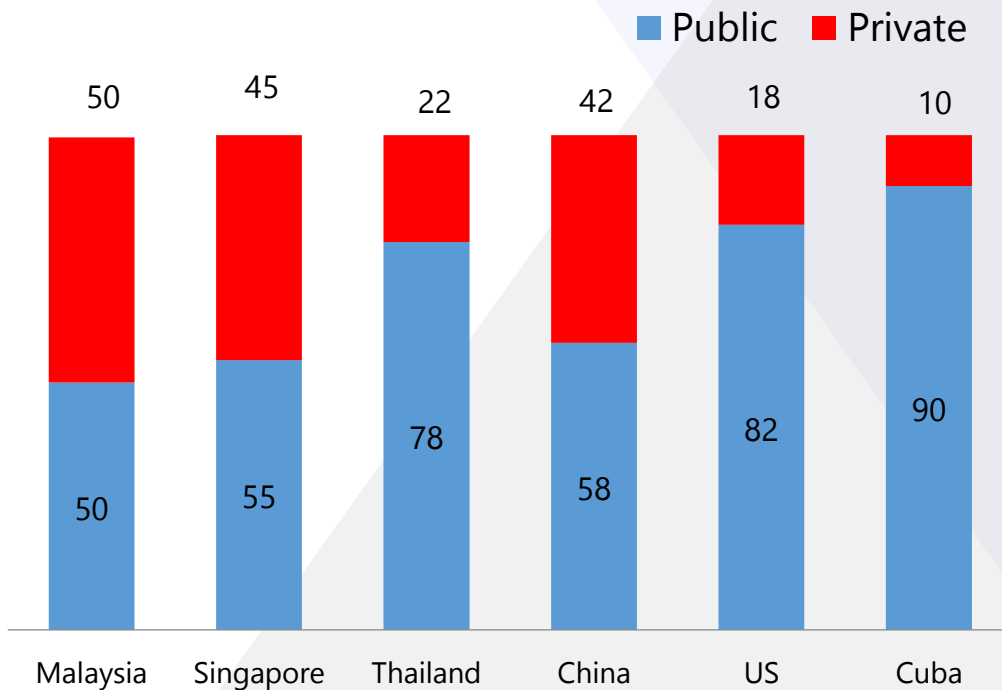


Corporate Clients



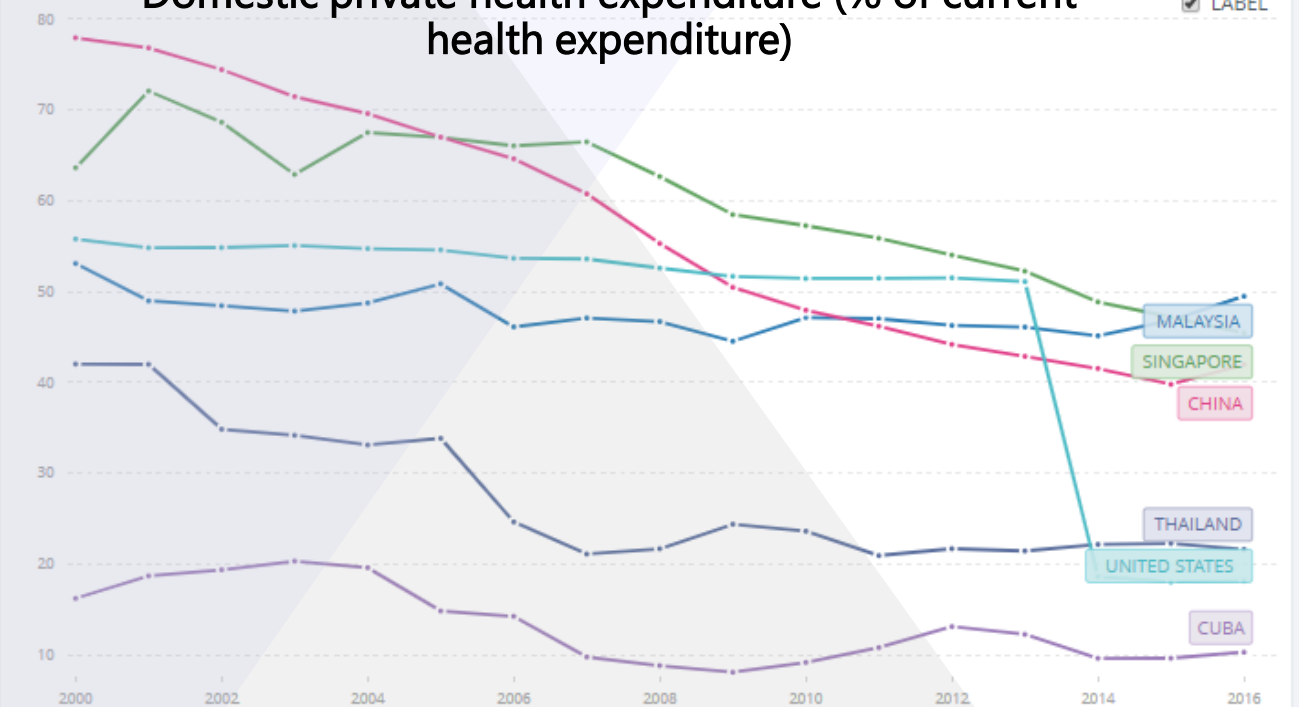
Out of Pocket

Public vs Private  
Healthcare Expenditure % 2016

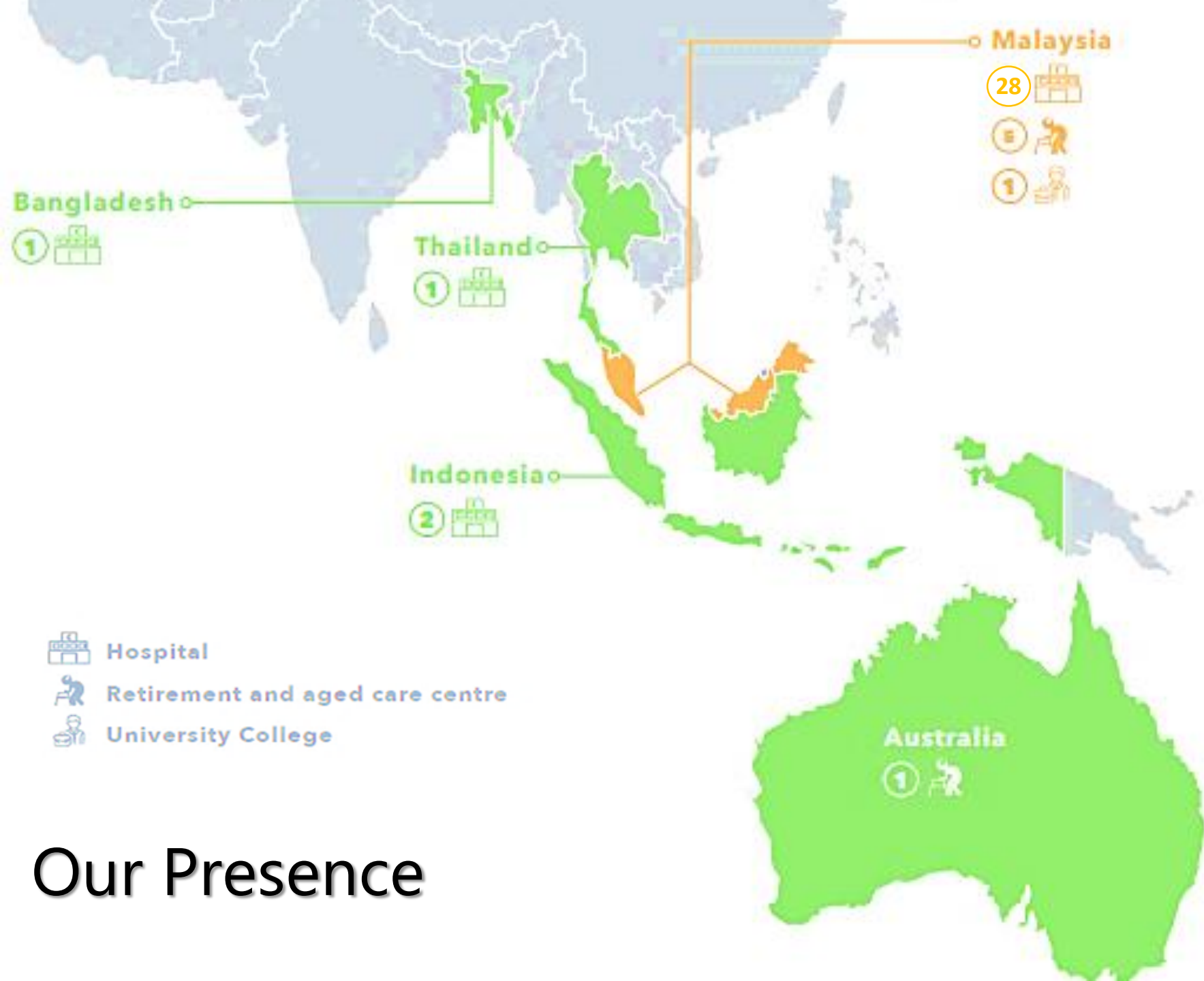


Source : 2018 World Development Indicators

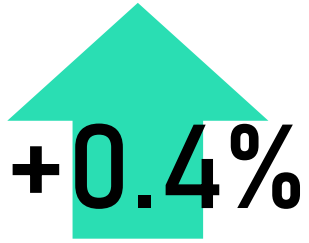
Domestic private health expenditure (% of current health expenditure)



2000 - 2016



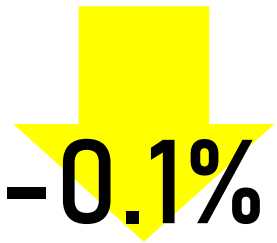
# Our Presence



**+0.4%**

Total revenue  
**RM884.2million**  
(2019 : RM 881.0 million)

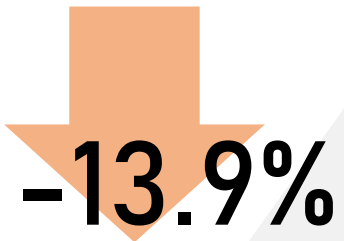
Dividend  
**0.50 sen**  
(2019 : 0.50 sen)



**-0.1%**

EBITDA  
**RM153.0million**  
(2019 : RM 153.1 million)

## Group Financial Highlights 1Q2020

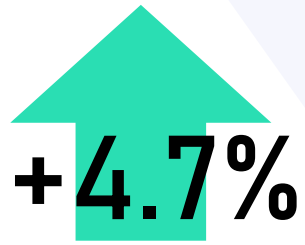


**-13.9%**

PBT  
**RM55.1 million**  
(2019 : RM 64.0 million)

Basic EPS  
**0.90sen**  
(2019 : 0.9 sen)

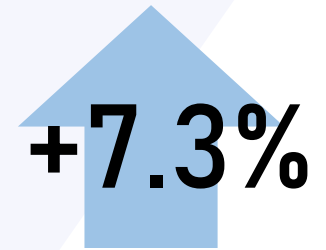




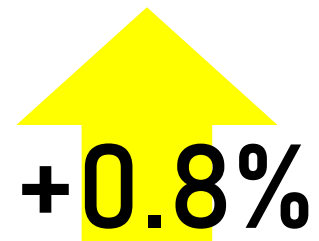
**+4.7%**

Outpatient  
**673,257**  
(2019 : 643,307)

Consultants  
**1,128**  
(2019 : 1,051)

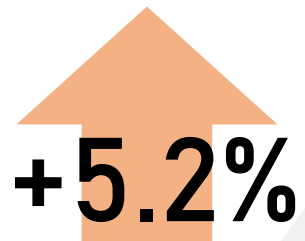


**+7.3%**



**+0.8%**

Inpatients  
**76,335**  
(2019 : 75,745)



**+5.2%**

Beds  
**3,308**  
(2019 : 3,144)

## Group Operational Highlights 1Q2020

Occupancy Rates

Malaysia 65%  
Indonesia 42%  
Dhaka 70%

Avg Length of Stay (days)

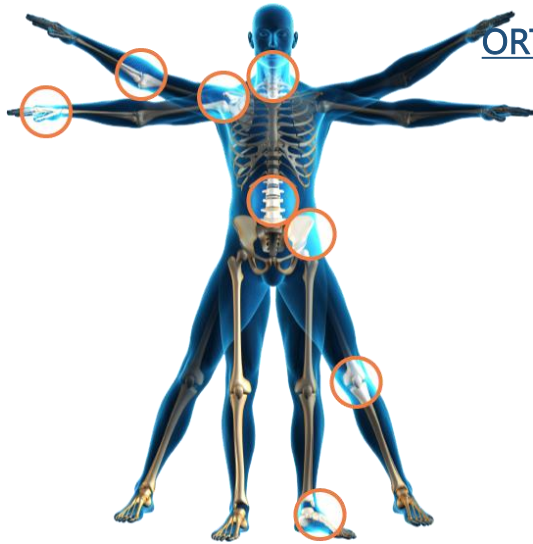
Malaysia 2.5  
Indonesia 2.7  
Dhaka 2.6

# ABOUT KPJ Shareholdings Stats



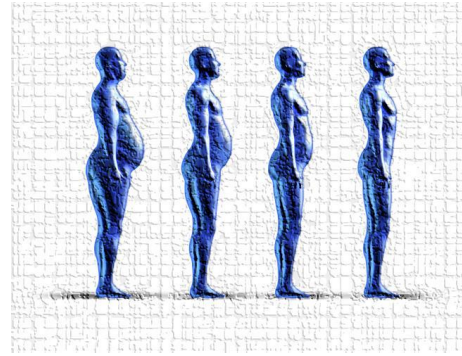


# KPJ's Niche Services



## 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

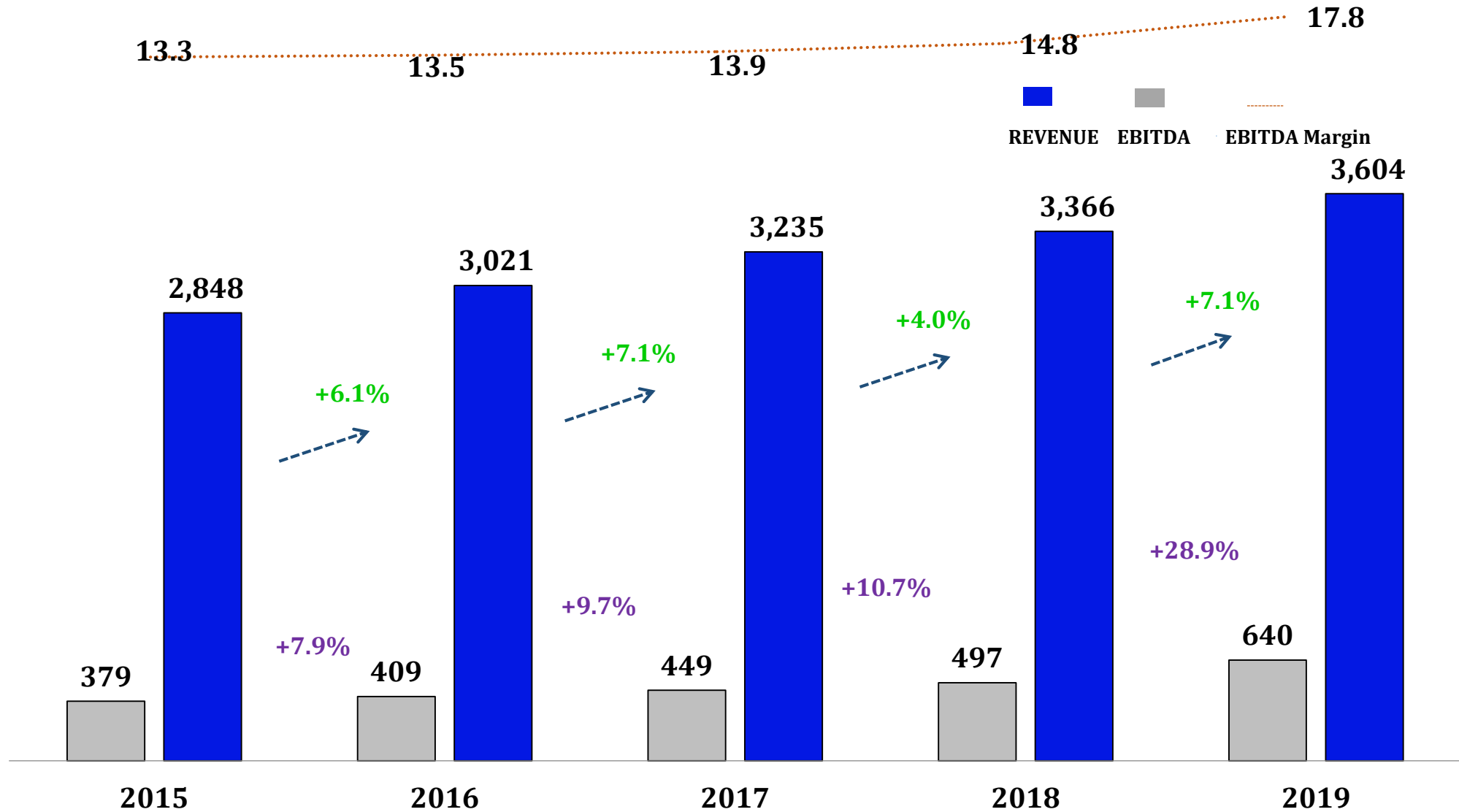
## RECONSTRUCTIVE & PLASTIC SURGERY

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



# FINANCIAL TRENDS

## KPJ 5 years Revenue & EBITDA



# KPJ Share Price vs FBMKLCI as at December 2019



# Group Financials 3 months ended

RM'000	1Q/2020 RM ('000)	4Q/2019 RM ('000)	1Q/2019 RM ('000)	Sequential Var (%)	Y-o-Y Var (%)
Revenue	884,159	944,003	880,988	(6.3)	0.4
<b>Gross Profit</b>	<b>266,510</b>	<b>278,951</b>	<b>273,349</b>	<b>(4.5)</b>	<b>(2.5)</b>
Profit from Operations	87,992	98,944	94,118	(11.1)	(6.5)
Finance Income	2,661	4,513	2,020	(41.0)	31.7
Finance Cost	(43,155)	(41,965)	(41,025)	2.8	5.2
Share of Results from associates	7,589	16,842	8,897	(54.9)	(14.7)
<b>Profit before tax</b>	<b>55,087</b>	<b>78,334</b>	<b>64,010</b>	<b>(29.7)</b>	<b>(13.9)</b>
Taxation	(14,553)	12,454	(20,686)	(216.9)	(29.6)
<b>Profit after tax</b>	<b>40,534</b>	<b>90,788</b>	<b>43,324</b>	<b>(55.4)</b>	<b>(6.4)</b>
<b>Net profit for the year</b>	<b>40,534</b>	<b>90,788</b>	<b>43,324</b>	<b>(55.4)</b>	<b>(6.4)</b>
Equity holders of company	38,533	84,001	39,127	(54.1)	(1.5)
Non-controlling interest	2,001	6,787	4,197	(70.5)	(52.3)
<b>Net profit attributable to shareholders</b>	<b>40,534</b>	<b>90,788</b>	<b>43,324</b>	<b>(55.4)</b>	<b>(6.4)</b>
Basic EPS (sen)	0.90	1.97	0.90		

# Key Ratios 3 months ended

	1Q2020 %	4Q/2019 %	1Q2019 %	Sequential Var	Y-o-Y Var
Gross Profit (GP) Margin	30.1	29.5	31.0	0.6	(0.9)
Profit Before Tax (PBT) Margin	6.2	8.3	7.3	(2.1)	(1.1)
Net Profit Margin	4.6	9.6	4.9	(5.0)	(0.3)
EBITDA Margin	17.3	19.1	17.4	(1.8)	(0.1)
PATAMI Margin	4.4	8.9	4.4	(4.5)	-
Dividend per share (sen)	0.5	0.5	0.5	-	-

# Segmental Financial Highlights 3 months ended

	1Q2020	1Q2019	Var (%)
Revenue	RM ('000)	RM ('000)	
Malaysia	884,159	880,988	0.4
Indonesia	13,390	14,716	(9.0)
Australia	11,442	12,859	(11.0)
PBT			
Malaysia	55,087	64,010	(13.9)
Indonesia	636	1,371	53.6
Australia	(2,936)	(3,014)	(2.6)
EBITDA			
Malaysia	153,013	153,111	(0.1)
Indonesia	3,682	4,017	(8.3)
Australia	568	429	32.4

# Segmental Operational Highlights

	1Q2020	1Q2019	Var (%)
<b>Outpatients</b>			
Malaysia	673,257	643,307	4.7
Indonesia – RS PH	7,545	14,503	(48.0)
Indonesia – RS BSD	17,853	16,427	8.7
Dhaka -SFMMK	40,235	30,757	30.8
<b>Inpatients</b>			
Malaysia	76,335	75,745	0.8
Indonesia – RS PH	869	1,670	(48.0)
Indonesia – RS BSD	1,195	1,238	(3.5)
Dhaka -SFMMK	1,953	1,144	70.7
<b>Consultants</b>			
Malaysia	1,128	1,051	7.3
Indonesia – RS PH	72	65	10.8
Indonesia – RS BSD	63	45	40.0
Dhaka -SFMMK	35	32	9.4

# Segmental Operational Highlights

	1Q2020	1Q2019	Var (%)
<b>No of Beds</b>			
Malaysia	3,308	3,144	5.2
Indonesia – RS PH	88	88	0.0
Indonesia – RS BSD	72	72	0.0
Dhaka -SFMMK	50	50	0.0
<b>Occupancy Rates %</b>			
Malaysia	65	67	(2.8)
Indonesia – RS PH	30	79	(62.0)
Indonesia – RS BSD	54	59	(8.5)
Dhaka -SFMMK	70.1	78.3	(10.5)
<b>Average length of Stay</b>			
Malaysia	2.5	2.5	0.0
Indonesia – RS PH	2.6	3.7	(29.7)
Indonesia – RS BSD	2.8	2.9	(3.4)
Dhaka -SFMMK	2.6	3.1	(15.6)



# Segmental Average Revenue Highlights

	1Q2020	1Q2019	Var (%)
<b>Average Revenue – per beds</b>			
Malaysia	182,104	189,878	(4.1)
Indonesia	52,708	61,230	(13.9)
Dhaka -SFMMK	54,581	36,767	48.4
<b>Average Revenue – per outpatient</b>			
Malaysia	340	343	(0.9)
Indonesia	223	160	39.4
Dhaka -SFMMK	70	78	(10.3)
<b>Average Revenue – per inpatient</b>			
Malaysia	7,892	7,881	0.1
Indonesia	4,086	3,369	21.3
Dhaka -SFMMK	1,397	1,607	(13.1)

# Senior & Assisted Living Care

Hospitals / Facilities	1Q2020	1Q2019	Var (%)
<b>Australia - Jeta Gardens</b>			
Aged Care Facility (ACF)	178	178	-
Retirement Villas	33	33	-
Apartment Unit	32	32	-
No of Residents	142	157	(9.6)
Occupancy Rate (%) (ACF)	79.8	88.6	(9.9)
<b>Tawakkal Health Centre</b>			
No of Beds	42	42	-
No of Residents	36	29	24.1
Occupancy Rate (%)	86	69	24.6
<b>Sibu Geriatric</b>			
No of Beds	28	28	0.0
No of Residents	25	25	0.0
Occupancy Rate (%)	89.3	89.3	0.0

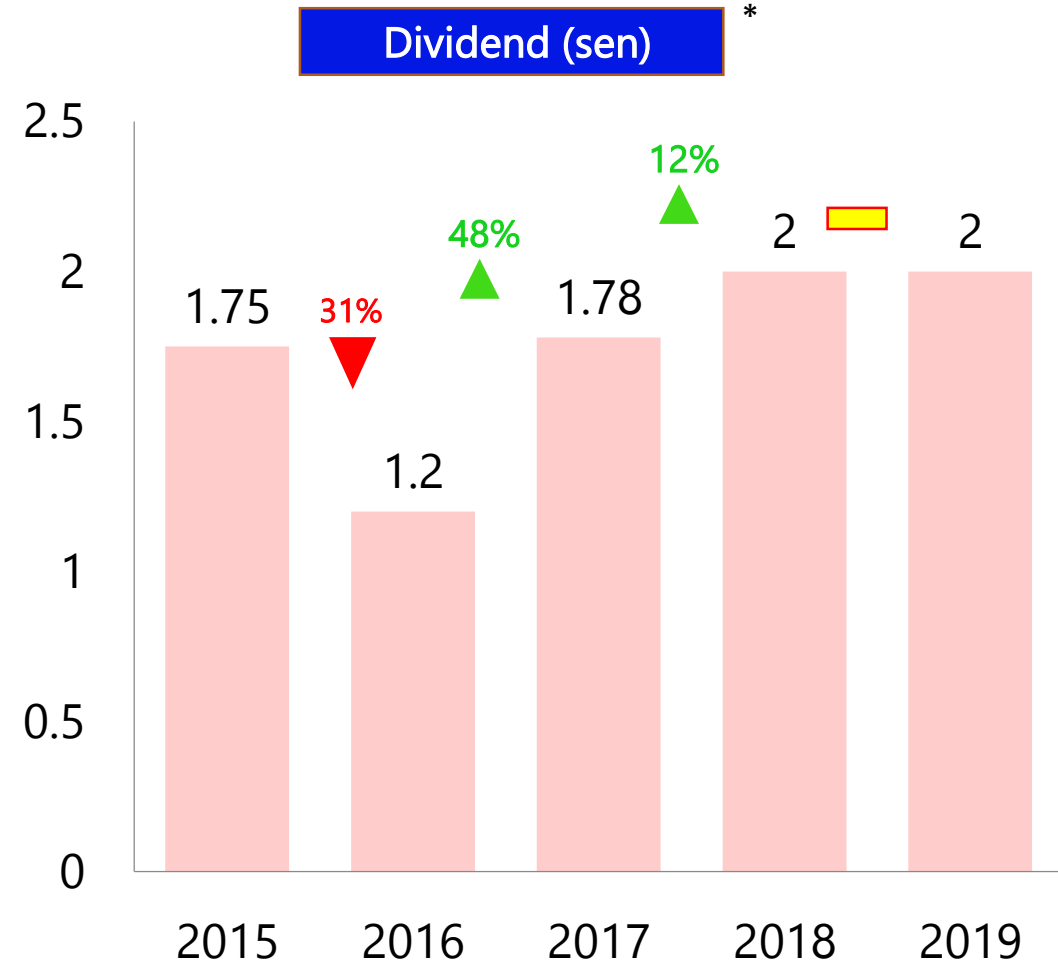
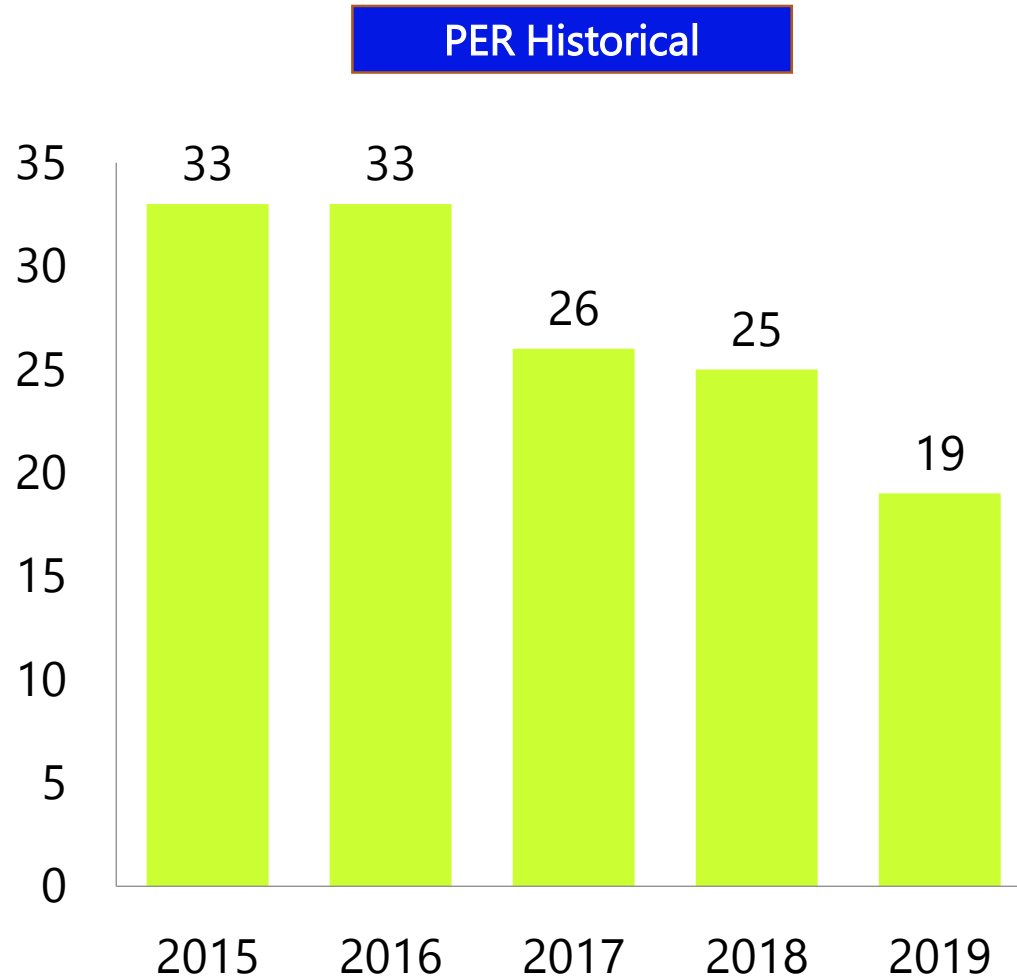
Hospitals / Facilities	1Q2020	1Q2019	Var (%)
<b>Kuantan Health Centre</b>			
No of Beds	20	20	0.0
No of Residents	31	35	(11.4)
Occupancy Rate (%)	60.9	57.4	6.1
<b>Damai Wellness Centre (opened Dec 2018)</b>			
No of Beds	29	21	38.1
No of Residents	65	28	132.1
Occupancy Rate (%)	52	44	18.2

# Education - KPJ Healthcare University College

Hospitals / Facilities	1Q2020	1Q2019	Var (%)
No of Students	1,898	1,438	32%
<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"> <li>1. School of Medicine</li> <li>2. School of Pharmacy</li> <li>3. School of Nursing</li> <li>4. School of Health Sciences</li> <li>5. School of Business &amp; Management</li> <li>6. Centre for Global Professional and Social Development</li> </ol>			
<p><u>Courses</u></p> <ol style="list-style-type: none"> <li>1 PHD</li> <li>7 Master</li> <li>9 Bachelor</li> <li>8 Diploma</li> <li>8 Certificate / Foundation</li> </ol>			

# Key Financial Highlights

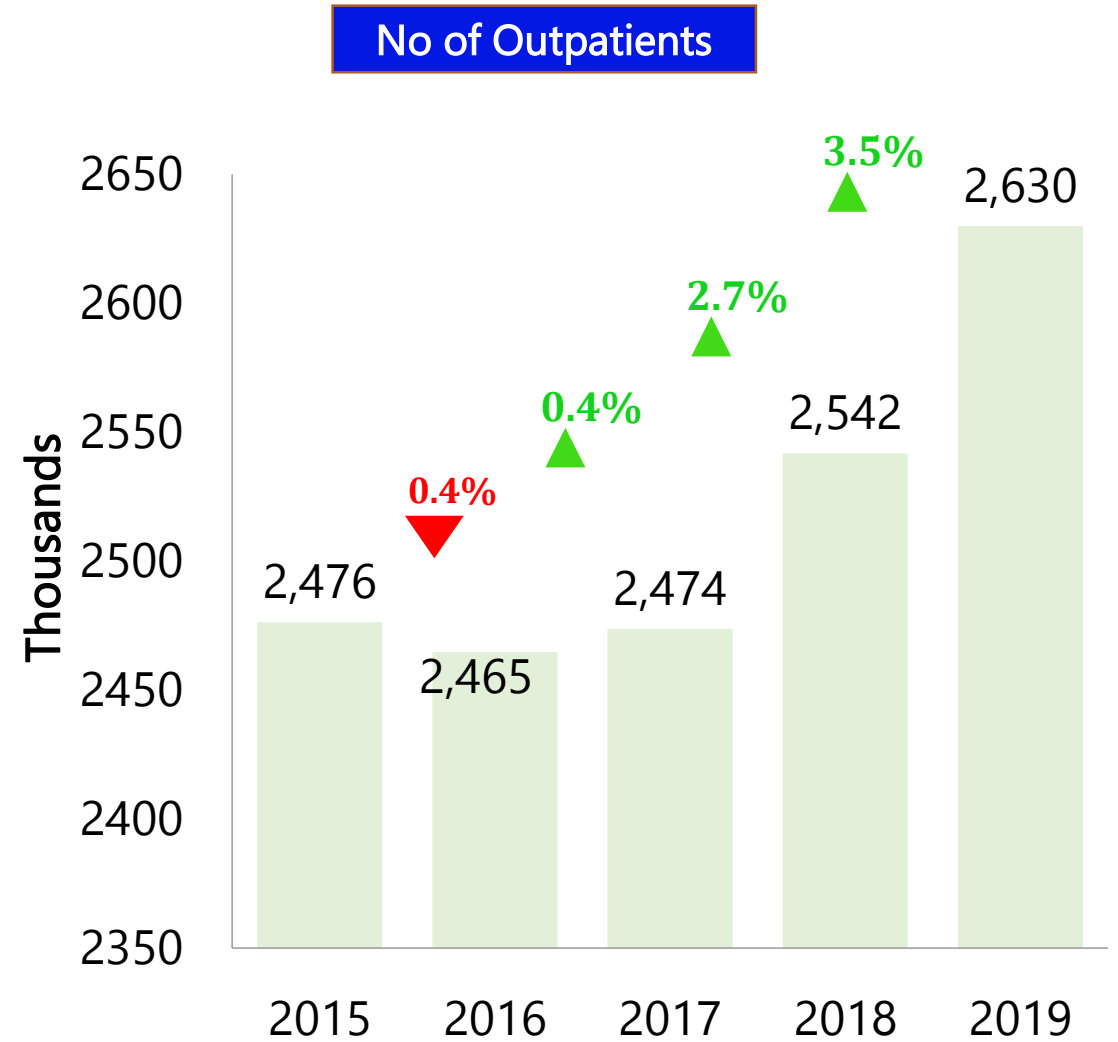
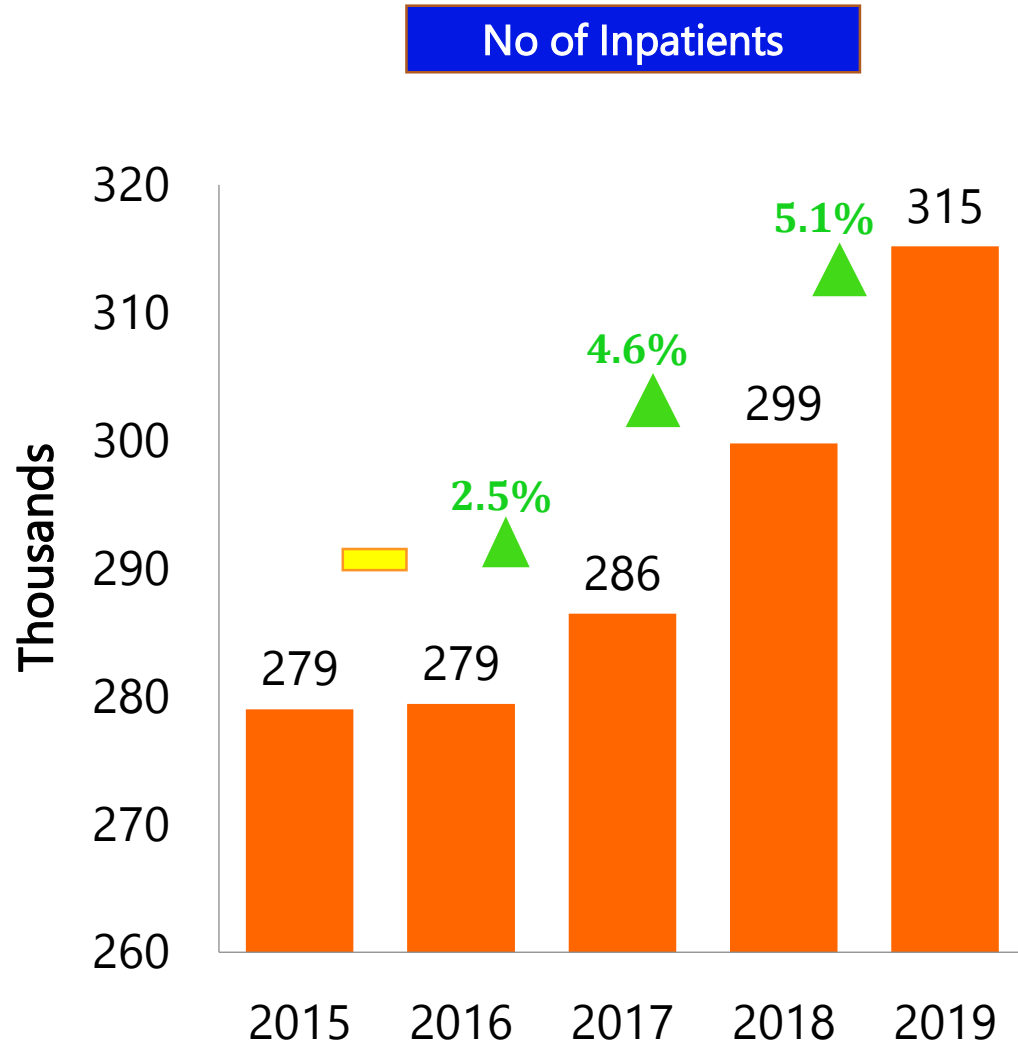
5 Years



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

# Key Operational Highlights

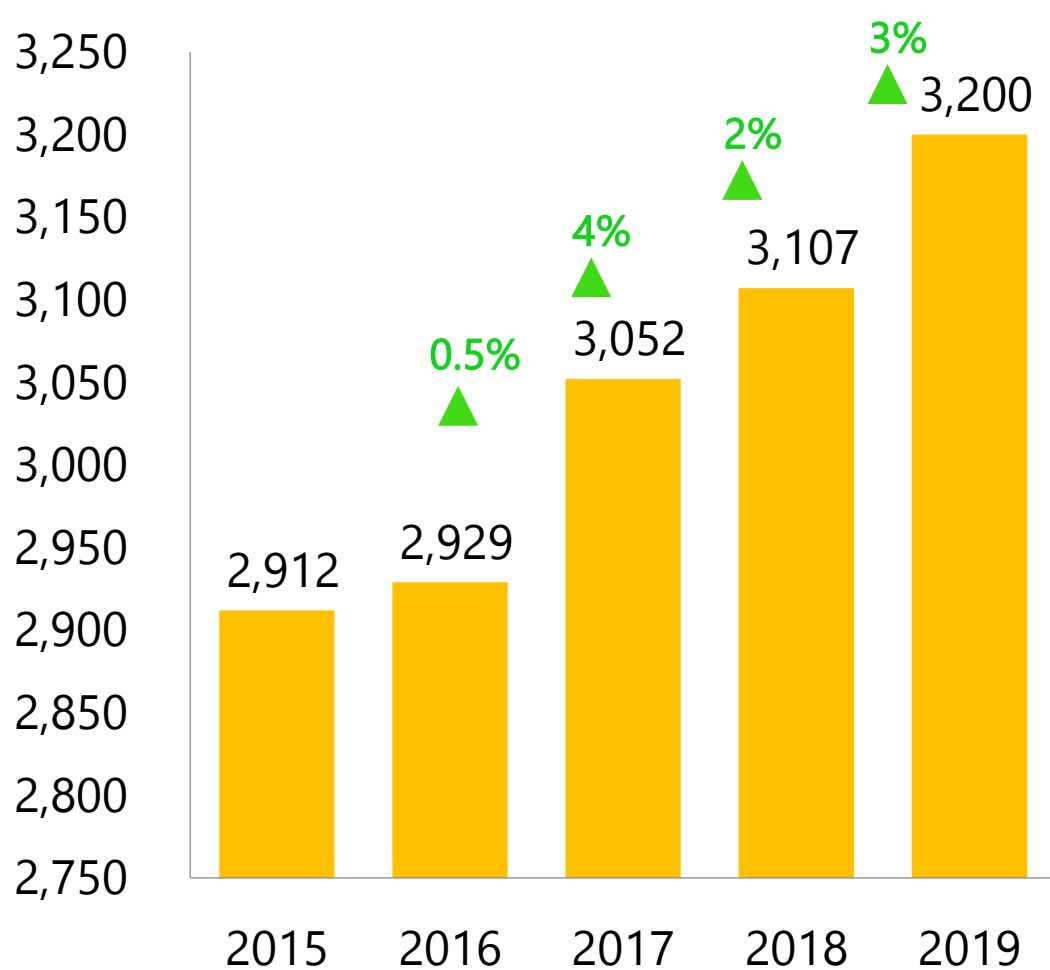
5 Years



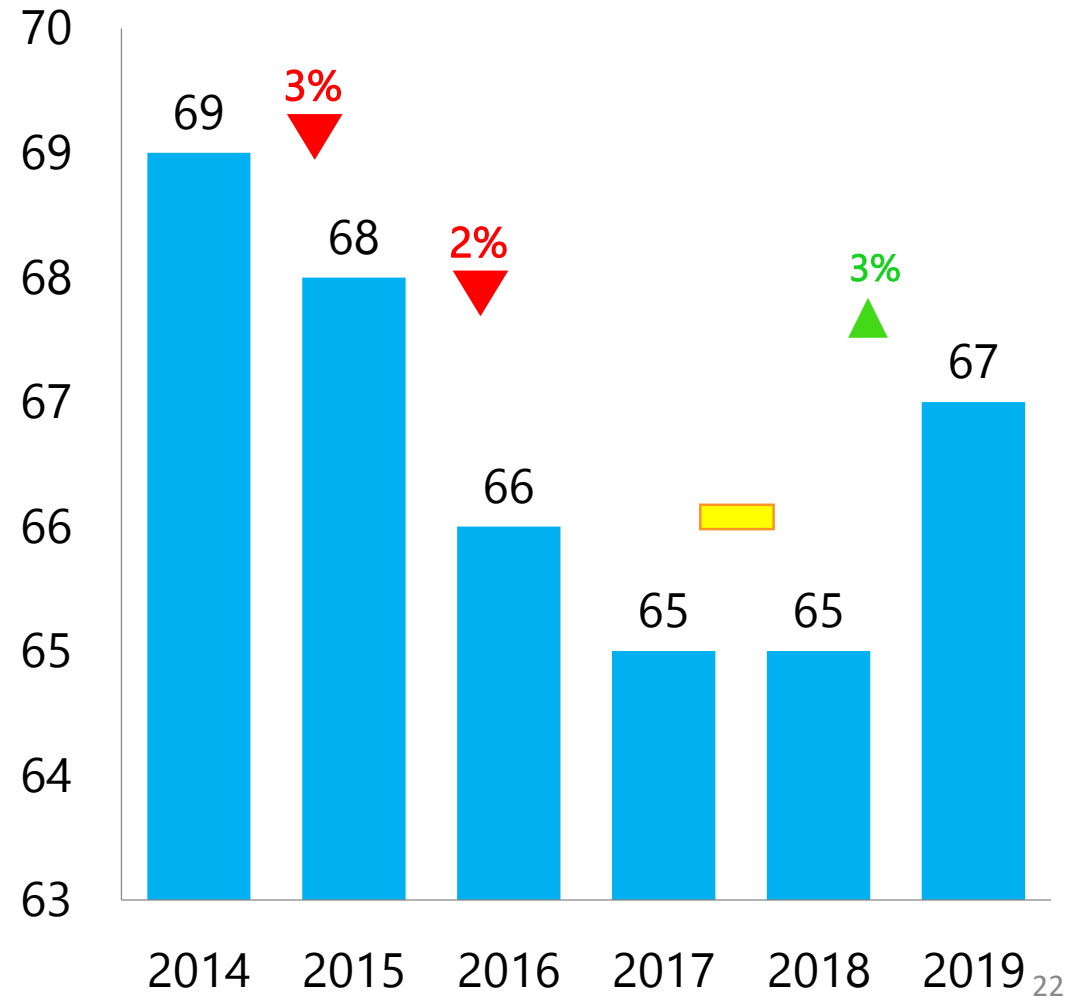
# Key Operational Highlights

5 Years

No of Operating Beds

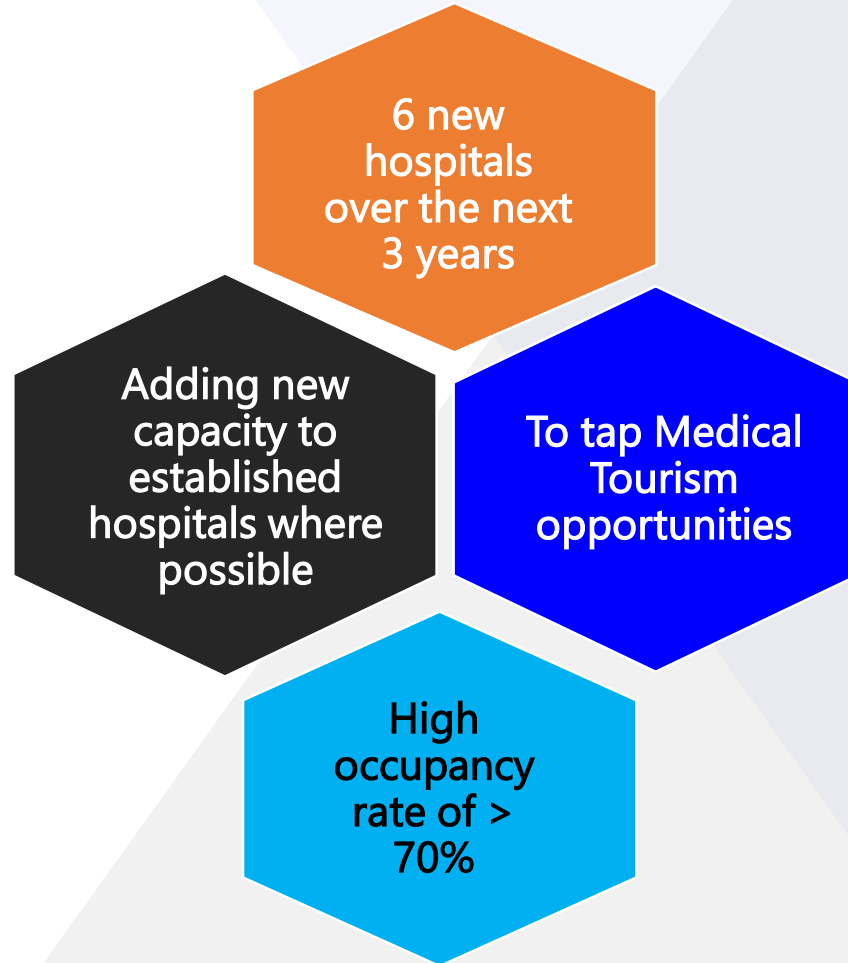


Occupancy Rates (%)



# 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



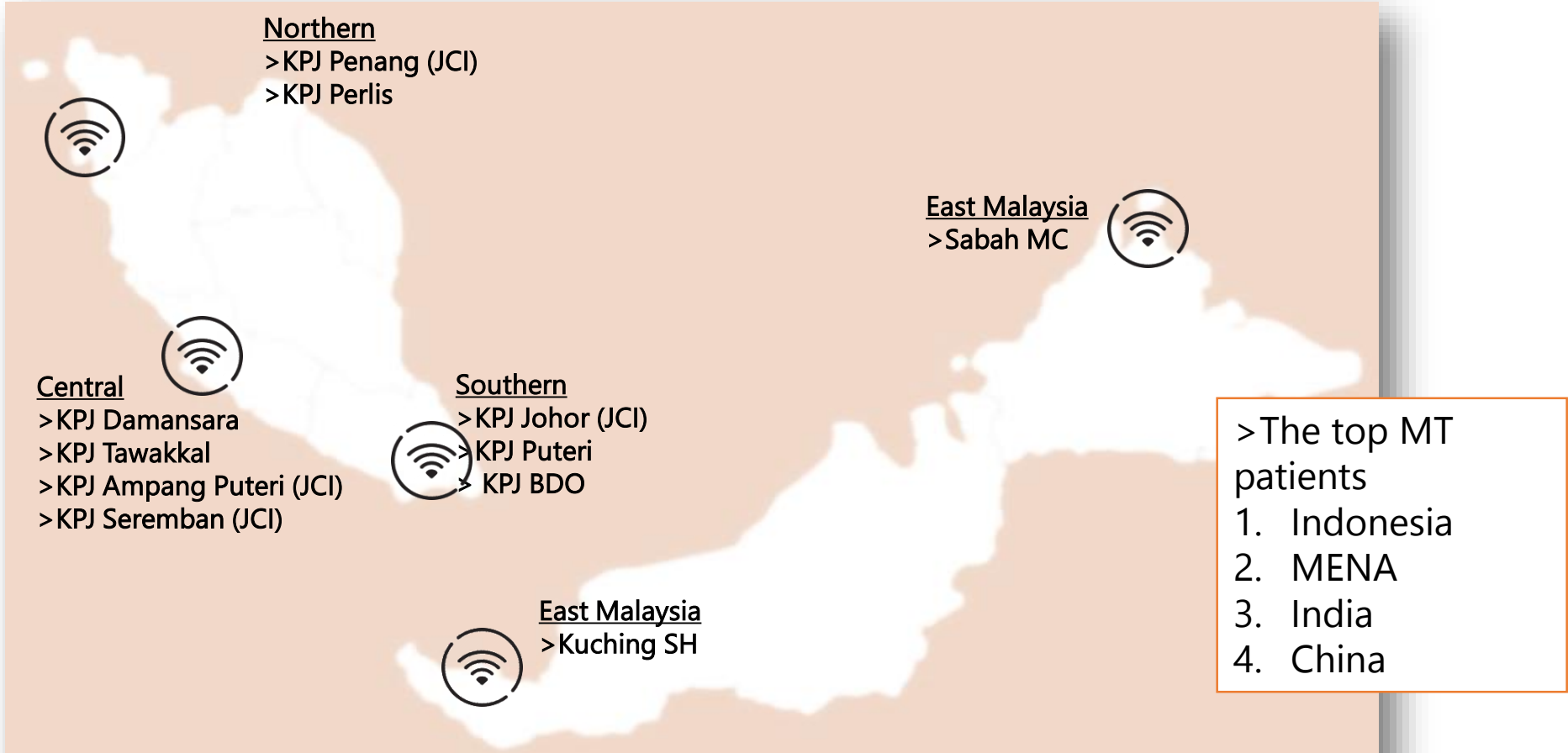
## Limitations

- 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

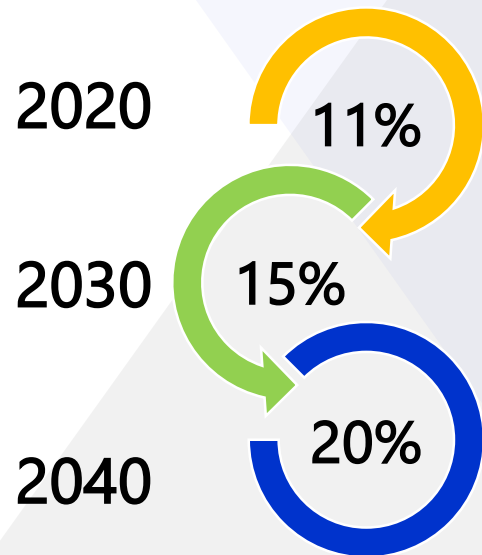
Source:  
 Malaysia Health Travel Council

# 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.

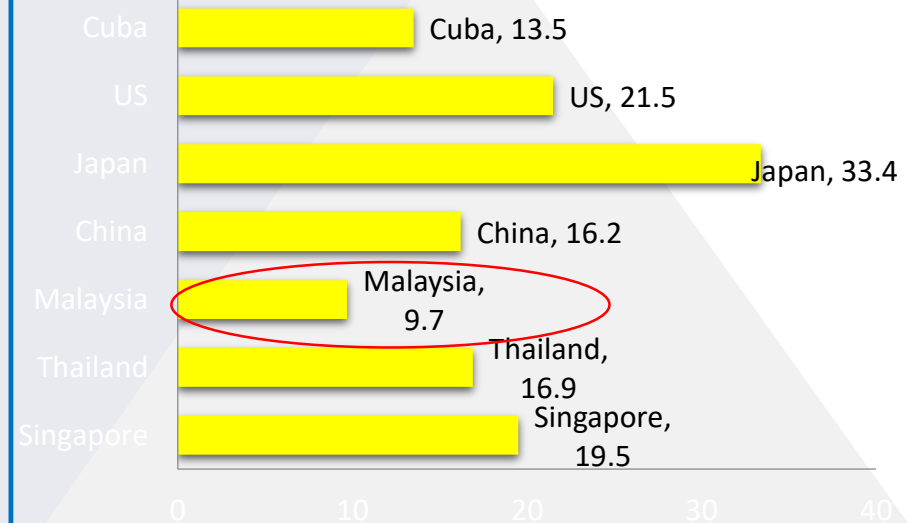


### Challenges

- . 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
Kuching	Sarawak	150	70	4Q2019	2Q2020
UTM	Johor	150	60	Q42022	Q12023
K/Bayuemas	Selangor	90	60	Q32023	Q32023
Melaka	Melaka	150	60	Q12023	Q32023

**Total Beds**

**540**

**250**

# Network Expansion *New Hospitals- lease*

PROJECT	LOCATION	TOTAL CAPACITY (Beds)	OPERATING BEDS	COMPLETION	OPENING	LEASE PERIOD
Kluang Specialist	Kluang	90	90	3Q2019	2Q2020	30 years (15+15yrs)
KPJ Damansara	Sg Penchala	390	120	Q12021	Q12021	30 years (15+15yrs)

**Total Beds                    480                    210**



# Network Expansion *Hospital Expansion*

HOSPITALS	DESCRIPTION		COMPLETION	OPENING
	Beds	Clinics		
KPJ Ampang Puteri	88	24	3Q2019*	1Q2020
Taiping Medical Centre	5	16	2Q2020	3Q2020
Sri Manjung	30	13	2Q2020	3Q2020
KPJ Puteri	101	20	4Q2020	1Q2021
KPJ Perdana	45	35	4Q2021	1Q2022
KPJ Penang	155	32	4Q2020	2Q2021
KPJ Tawakkal	120	24	3Q2026	4Q2026

**Total Beds**  
**Total Clinics**

**544**

**164**

*\* Completed*

# Network Expansion 2019 New Hospitals

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



**Beds** Capacity :  
150  
First phase : **90**  
**beds**



**33**  
**Specialist**  
**Consultants**  
(residents: 18)

**13 Services:**

Anaesthesiology  
Ear Nose Throat  
General Internal Medicine  
General Surgeon  
Geriatrics  
Gynaecology  
Internal Medicine & Geriatrics  
Internal Medicine & Cardiology  
Neurology  
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 : **57**  
**beds**



**17**  
**Specialist**  
**Consultants**  
(residents: 11)

**12 Services:**

Anaesthesiology  
Ear Nose Throat  
General Internal Medicine  
General Surgeon  
Internal Medicine & Cardiology  
Obstetrics & Gynaecology  
Orthopaedic  
Otorhinolaryngology  
Paediatrics  
Physician  
Psychiatrist  
Radiology

# Network Expansion 2019 New Hospitals

KPJ Miri Specialist Hospital - opened 21 December 2019

KPJ Miri- *greenfield*



**Beds** Capacity : 96  
First phase : **61**  
**beds**

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

**10 Services:**

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

# Network Expansion 2020

## New Hospitals - Lease

BDC Kuching - *relocation*



KPJ Kluang - *Relocation*



KPJ Damansara II - *Relocation*



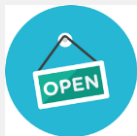
**Beds** Capacity : 150  
Operating **Beds** : 114



**2Q2020**



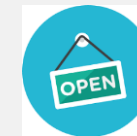
**Beds** Capacity : 90  
Operating **Beds** : 90



**2Q2020**



**Beds** Capacity : 390  
First phase : **120 beds**



**1Q2021**

# Network Expansion 2019/2020

## Brownfield Hospitals



KPJ Seremban



Additional **Clinics** : 30



Additional **Beds** : 90



3Q2019



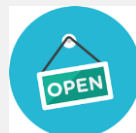
KPJ Klang



Additional **Clinics** : 14



Additional **Beds** : 40



4Q2019



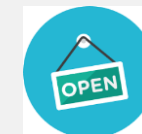
KPJ Ampang Puteri



Additional **Clinics** : 24



Additional **Beds** : 88



1Q2020

# Network Expansion 2019/ 2020 Brownfield Hospitals



## Taiping



Additional **Clinics** : 16



Additional **Beds** : 5  
(day wards)



3Q2020

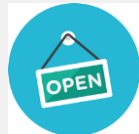
## KPJ Puteri



Additional **Clinics** : 20



Additional **Beds** : 101



1Q2021

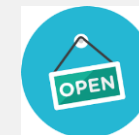
## KPJ Sri Manjung



Additional **Clinics** : 13



Additional **Beds** : 30



3Q2020

# Network Expansion 2020 & beyond

# Brownfield Hospital



KPJ Perdana

KPJ Penang

KPJ Tawakkal - Annex



Additional **Clinics** : 35



Additional **Clinics** : 32



Additional **Clinics** : 24



Additional **Beds** : 45



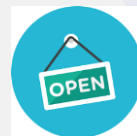
Additional **Beds** : 155



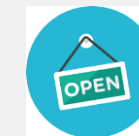
Additional **Beds** : 136



3Q2020



2Q2021



3Q2026



# KPJ CHALLENGES



- ***Cost of Healthcare Services***



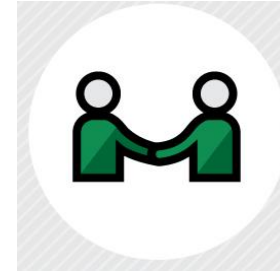
- ***Quality of Service Standards***



- ***Managing and Retaining Talent***

- ***Funders of Healthcare Services***

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





**Thank You**



FTSE4Good