



KPJ Healthcare Berhad 3Q2019

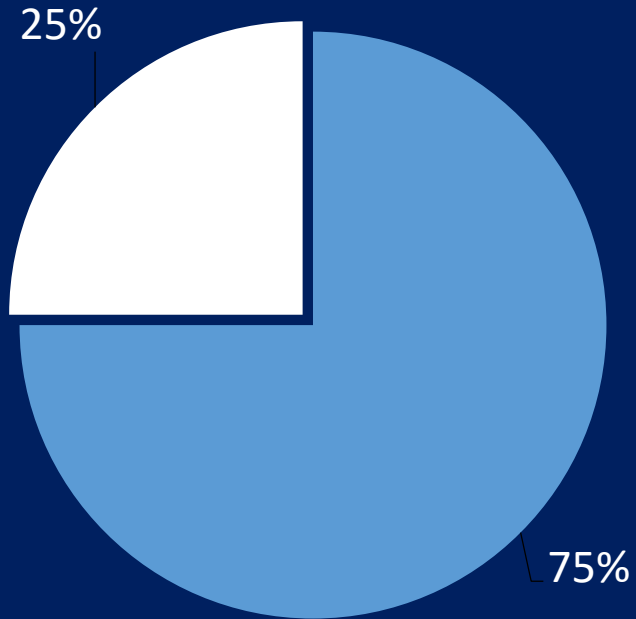


FTSE4Good

Healthcare Industry in Malaysia

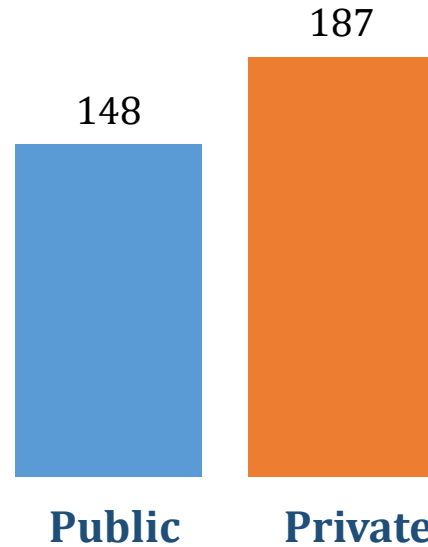
Malaysia Healthcare System 2016

Healthcare Provider

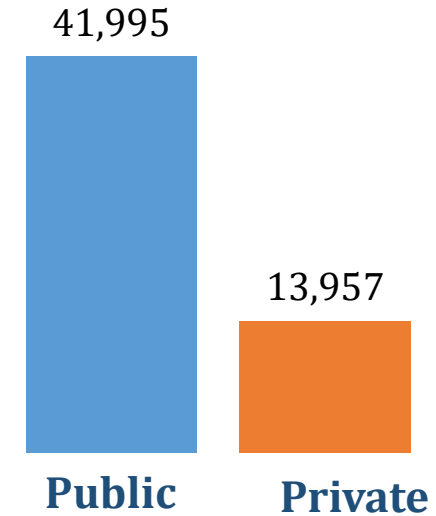


Legend :
Public ■
Private ■

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

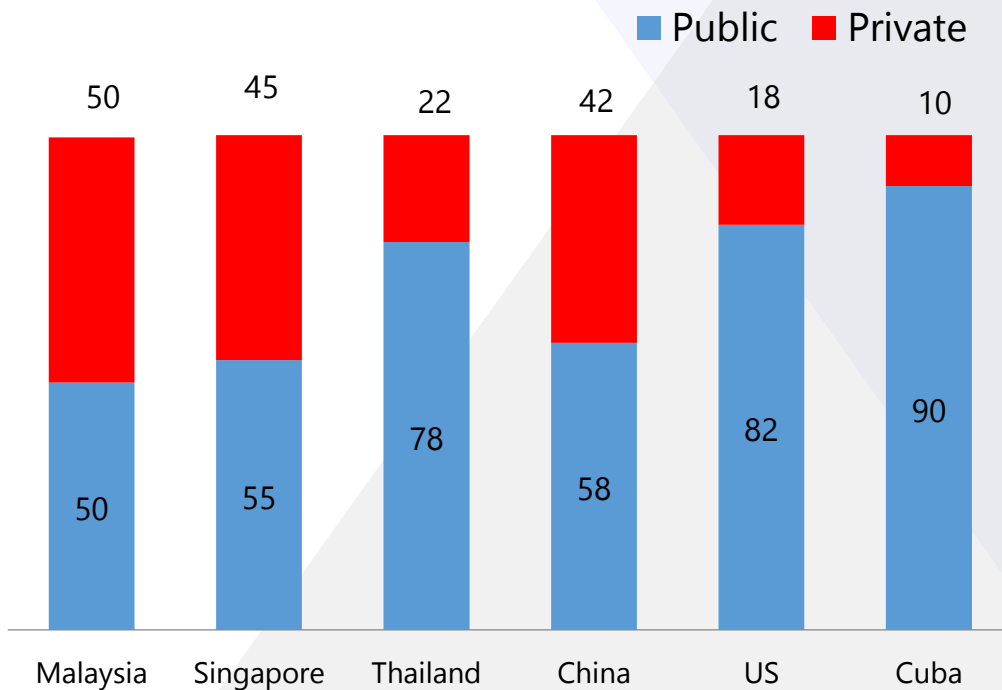


Corporate Clients



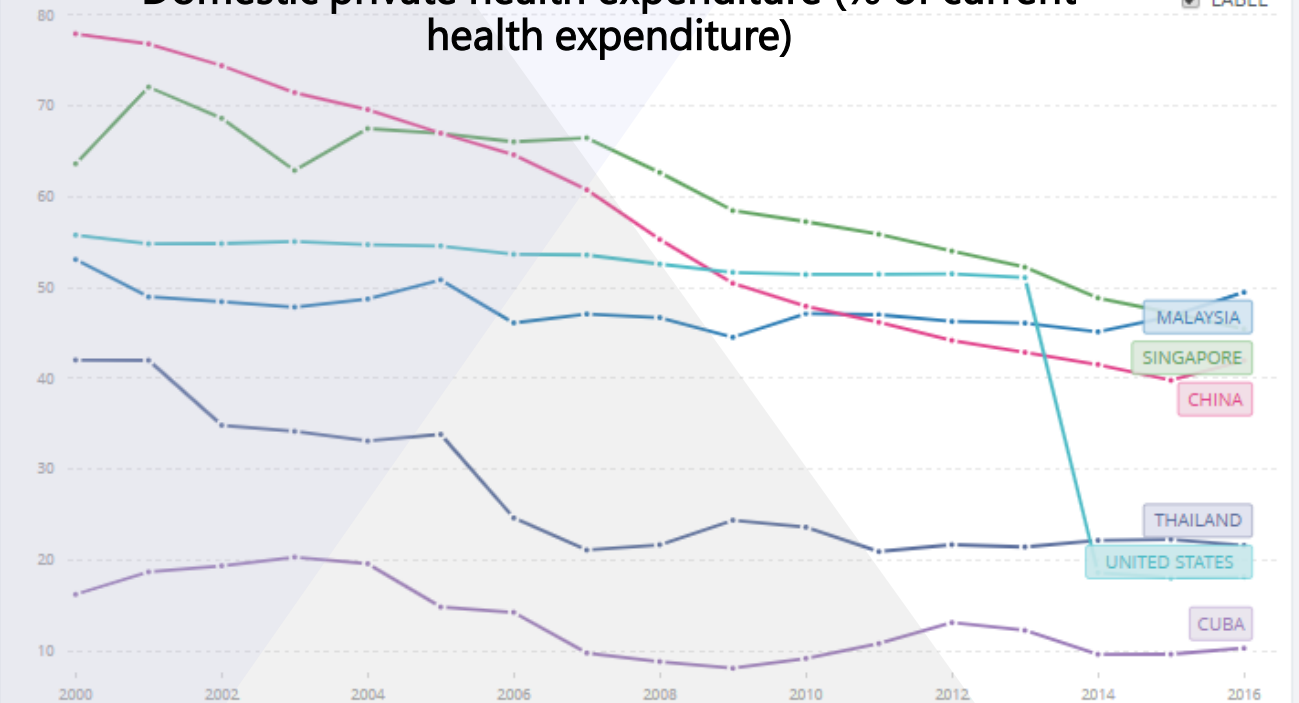
Out of Pocket

Public vs Private
Healthcare Expenditure % 2016

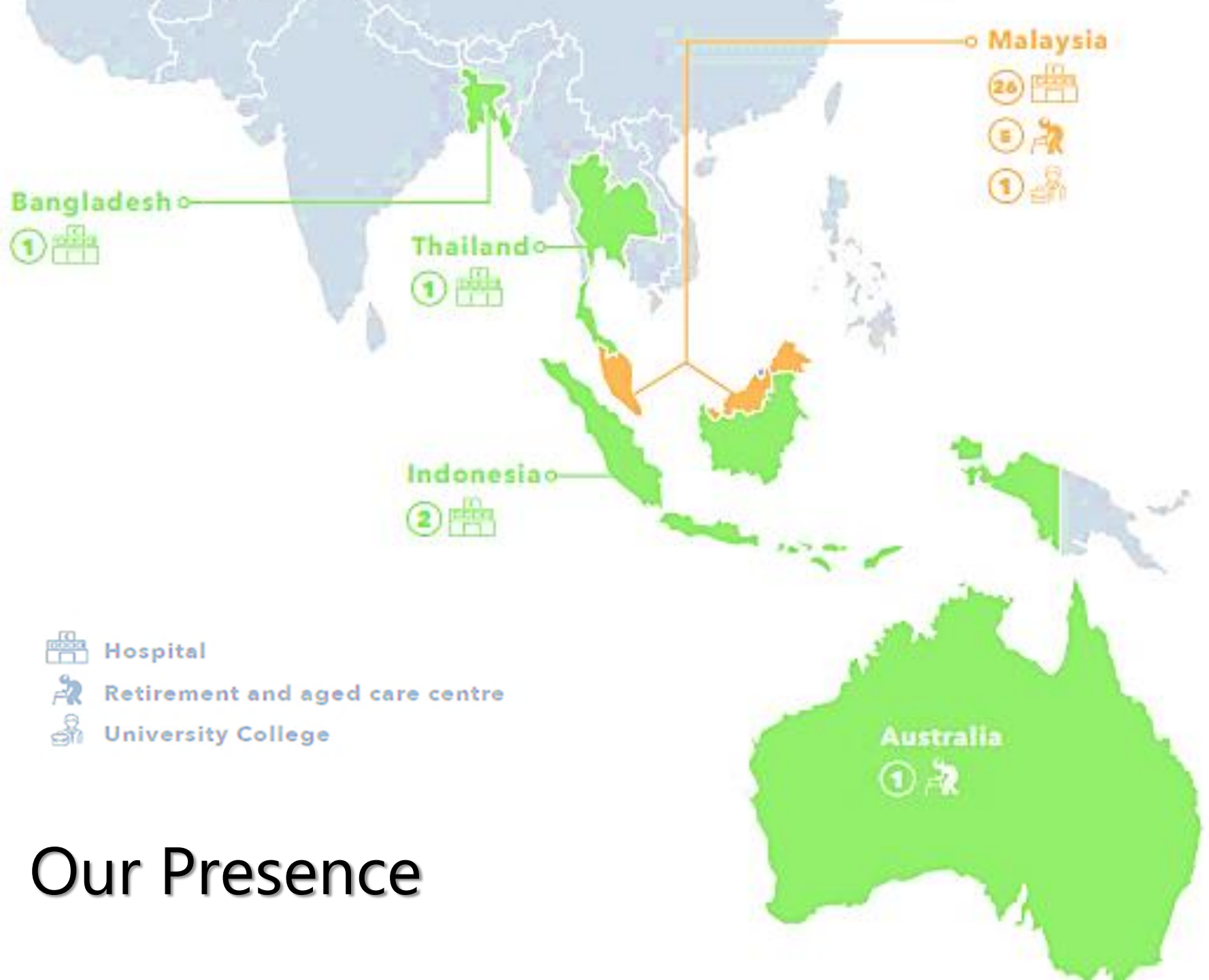


Source : 2018 World Development Indicators

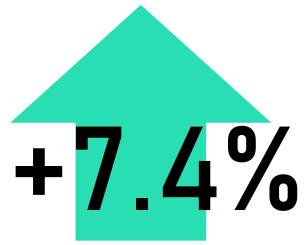
Domestic private health expenditure (% of current health expenditure)



2000 - 2016



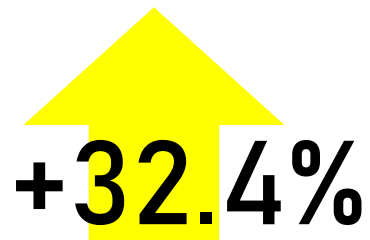
Our Presence



+7.4%

Total revenue
RM2.62 billion
(2018 : RM2.44 billion)

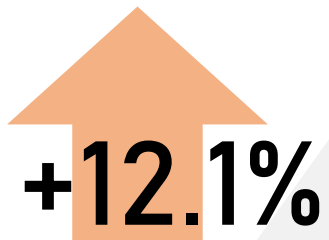
Dividend
1.50 sen
(2018 : 1.50 sen)



+32.4%

EBITDA
RM464.8 million
(2018 : RM 351 million)

Group Financial Highlights 3Q2019



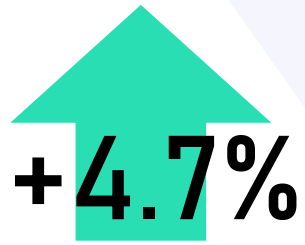
+12.1%

PBT
RM203.4 million
(2018 : RM 181.5 million)

Basic EPS
2.95sen
(2018 : 2.99 sen)

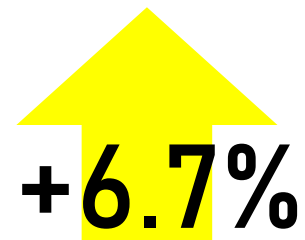


-0.4 sen



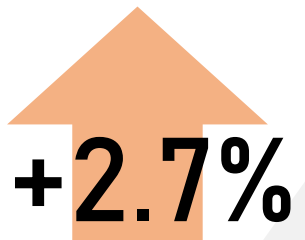
+4.7%

Outpatient
2,157,178
(2018 : 2,059,873)



+6.7%

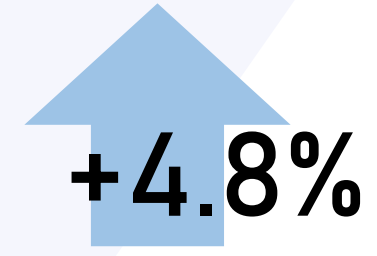
Inpatients
245,563
(2018 : 230,144)



+2.7%

Beds
3,354
(2018 : 3,266)

Consultants
1,231
(2018 : 1,175)



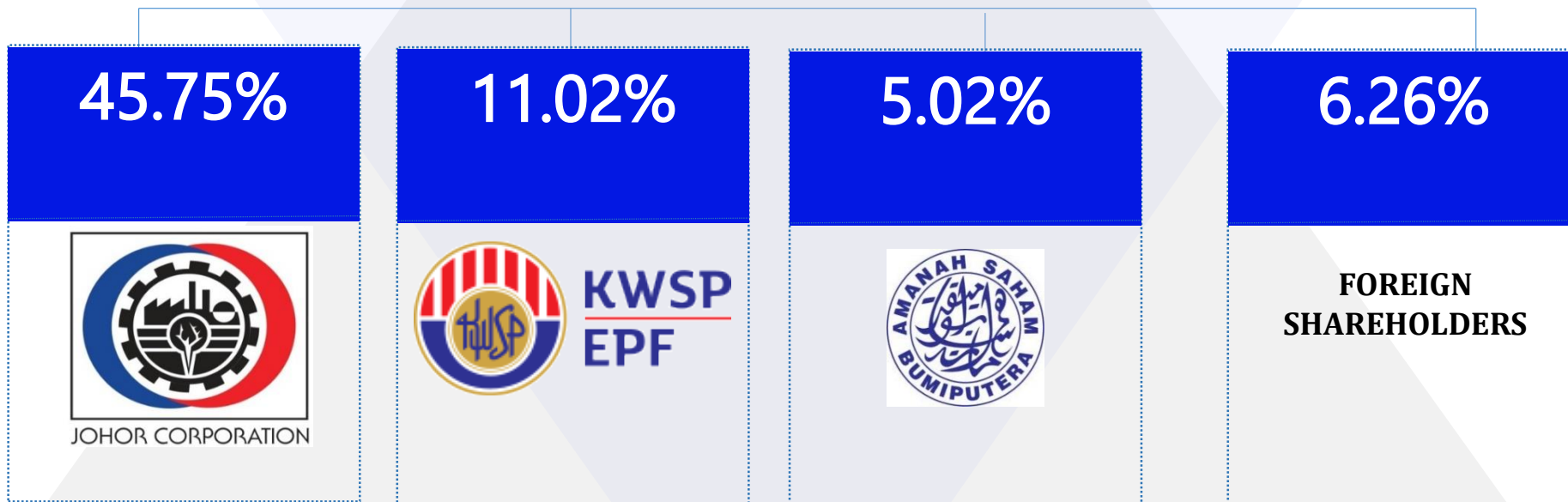
+4.8%

Group Operational Highlights 3Q2019

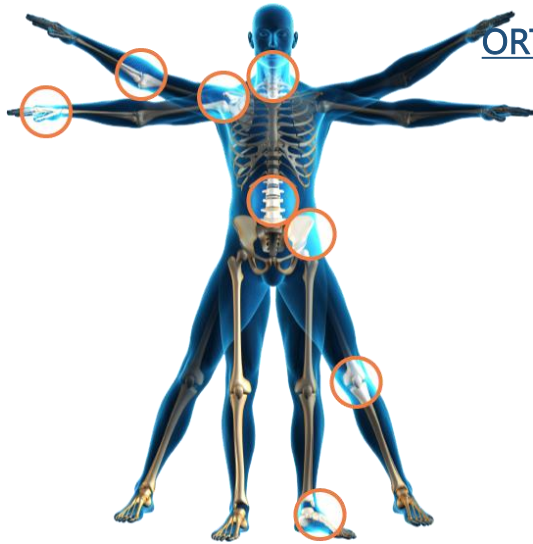
Occupancy Rates
Malaysia 68%
Indonesia 53%
Dhaka 80%

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

About KPJ Shareholdings Stats

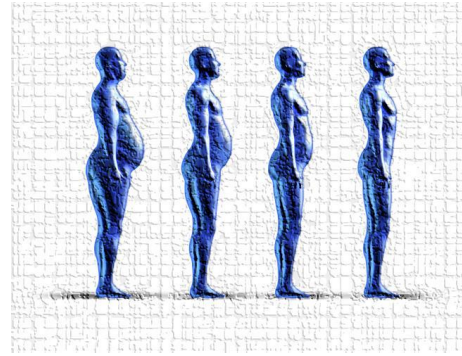


KPJ's Niche Services



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

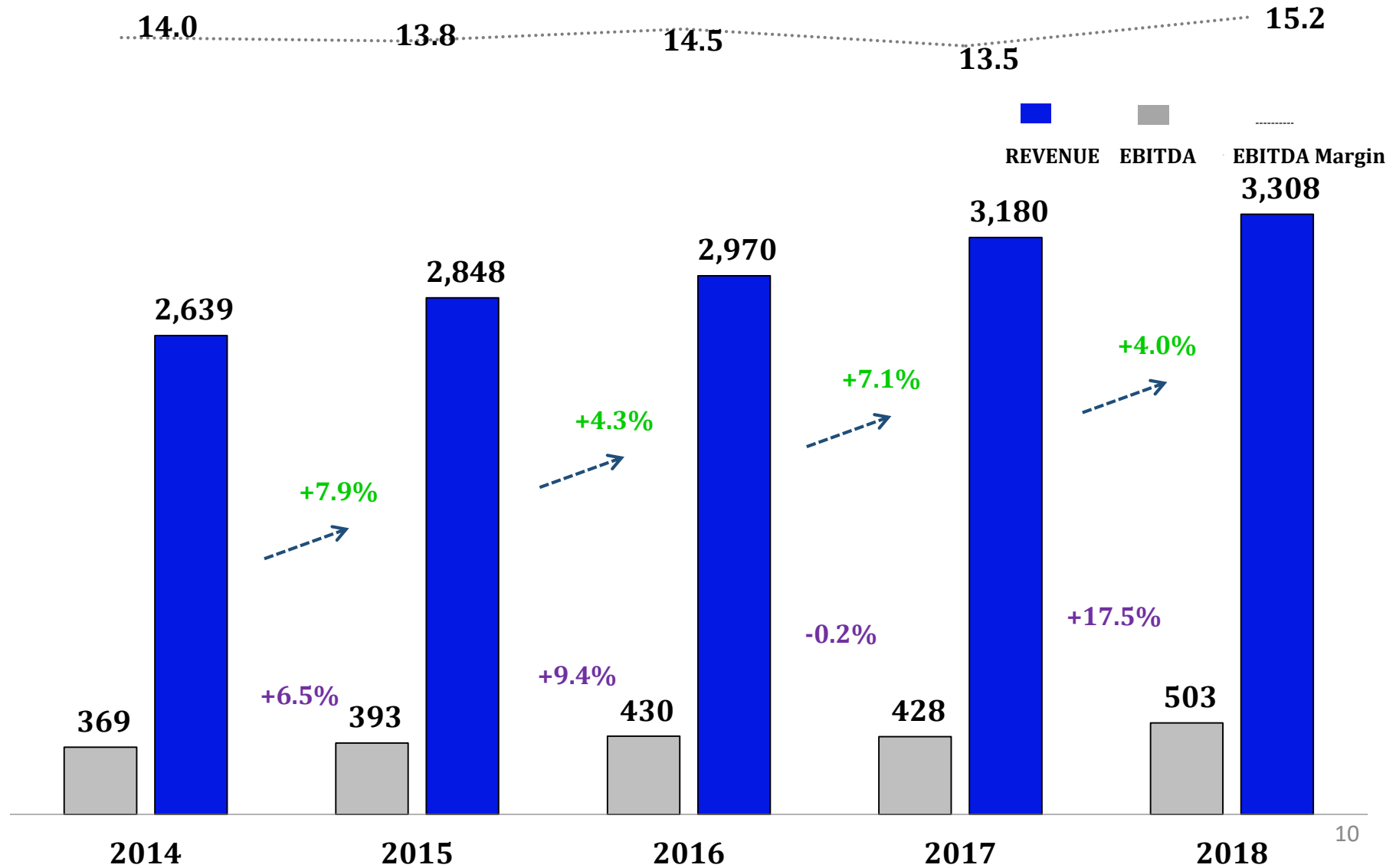
RECONSTRUCTIVE & PLASTIC SURGERY

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

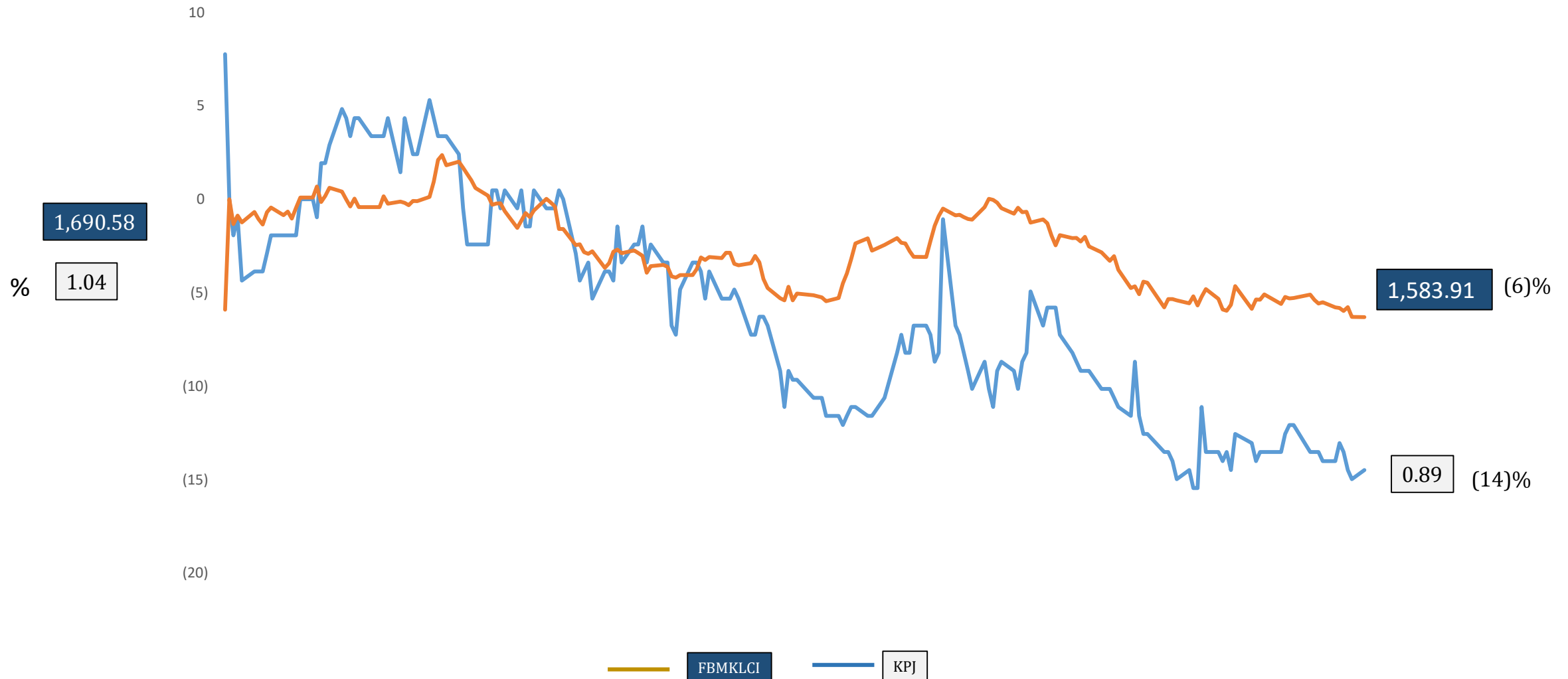


FINANCIAL TRENDS

KPJ 5 years Revenue & EBITDA



KPJ Share Price vs FBMKLCI as at 30 September 2019



Group Financials 3 months ended

	3Q/2019	2Q/2019	3Q/2018	Sequential	Y-o-Y
RM'000	RM ('000)	RM ('000)	RM ('000)	Var (%)	Var (%)
Revenue	906,436	847,311	820,560	7.0	10.5
Gross Profit	297,465	253,839	255,447	17.2	16.4
Profit from Operations	94,902	93,117	74,298	1.9	27.7
Finance Income	4,028	3,064	2,059	31.5	95.6
Finance Cost	(36,987)	(38,868)	(21,820)	(4.8)	69.5
Share of Results from associates	9,937	8,203	7,352	21.1	35.2
Profit before tax	71,880	65,516	61,889	9.7	16.1
Taxation	(20,965)	(19,499)	(20,136)	7.5	4.1
Profit after tax	50,915	46,017	41,753	10.6	21.9
(Loss)/Profit from discontinuing	(2,197)	(2,150)	(666)	2.2	229.9
Net profit for the year	48,718	43,867	41,087	11.1	18.6
Equity holders of company	46,413	41,828	41,301	11.0	12.4
Non-controlling interest	2,305	2,039	(214)	13.0	(1177.1)
Net profit attributable to shareholders	48,718	43,867	41,087	11.1	18.6
Basic EPS (sen)	0.98	0.97	0.98		

Key Ratios 3 months ended

	3Q2019	2Q2019	3Q2018	Sequential	Y-o-Y
	%	%	%	Var	Var
Gross Profit (GP) Margin	32.8	30.0	31.1	2.8	1.7
Profit Before Tax (PBT) Margin	7.9	7.7	7.5	0.2	0.4
Net Profit Margin	5.4	5.2	5.0	0.2	0.4
EBITDA Margin	17.3	18.1	14.4	(0.8)	2.9
PATAMI Margin	5.1	5.1	5.0	-	0.1
Dividend per share (sen)	0.5	-	0.5	0.5	-
Debt Equity Ratio	0.9	-	0.8	0.9	0.1
Net assets per share (RM)	0.4	-	0.5	0.4	(0.1)

Group Financials 9 months ended

RM'000	3Q/2019 RM ('000)	3Q2018 RM ('000)	Y-o-Y Var (%)
Revenue	2,621,876	2,444,772	7.2
Gross Profit	821,374	748,936	9.7
Profit from Operations	284,139	216,399	31.3
Finance Income	8,818	6,240	41.3
Finance Cost	(116,514)	(64,591)	80.4
Share of Results from associates	27,037	23,482	15.1
Profit before tax	203,480	181,530	12.1
Taxation	(61,150)	(49,778)	22.8
Profit after tax	142,330	131,752	8.0
(Loss)/Profit from discontinuing	(6,421)	(603)	964.8
Net profit for the year	135,909	131,149	3.6
Equity holders of company	127,368	126,120	1.0
Non-controlling interest	8,541	5,029	69.8
Net profit attributable to shareholders	135,909	131,149	3.6
Basic EPS (sen)	2.95	2.99	

Key Ratios 9 months ended

	3Q2019	3Q2018	Y-o-Y
	%	%	Var
Gross Profit (GP) Margin	31.3	30.6	0.7
Profit Before Tax (PBT) Margin	7.8	7.4	0.4
Net Profit Margin	5.2	5.4	(0.2)
EBITDA Margin	17.7	14.4	3.3
PATAMI Margin	4.9	5.2	(0.3)
Dividend per share (sen)	1.5	1.5	-
Debt Equity Ratio	0.9	0.8	0.1
Net assets per share (RM)	0.4	0.5	(0.1)

Segmental Financial Highlights 9 months ended

	3Q2019	3Q2018	Var (%)
Revenue	RM ('000)	RM ('000)	
Malaysia	2,536,233	2,369,930	7.0
Indonesia	42,041	31,052	35.4
Australia	38,485	44,289	(13.1)
PBT			
Malaysia	208,718	185,093	12.8
Indonesia	5,643	(1,242)	554.3
Australia	(6,421)	(603)	(964.8)
EBITDA			
Malaysia	452,926	350,100	29.4
Indonesia	10,214	2,782	267.1
Australia	(4,943)	2,488	(298.7)

Segmental Operational Highlights

	3Q2019	3Q2018	Var (%)
Outpatients			
Malaysia	1,956,309	1,888,643	3.6
Indonesia – RS PH	38,550	38,902	(0.9)
Indonesia – RS BSD	58,601	50,561	15.9
Dhaka -SFMMK	103,718	81,767	26.8
Inpatients			
Malaysia	233,364	221,077	5.6
Indonesia – RS PH	4,313	3,846	12.1
Indonesia – RS BSD	3,123	2,084	49.9
Dhaka -SFMMK	4,763	3,137	51.8
Consultants			
Malaysia	1,075	1,030	4.4
Indonesia – RS PH	66	63	4.8
Indonesia – RS BSD	50	43	16.3
Dhaka -SFMMK	40	39	2.6

Segmental Operational Highlights

	3Q2019	3Q2018	Var (%)
No of Beds			
Malaysia	3,118	3,060	1.9
Indonesia – RS PH	88	88	0.0
Indonesia – RS BSD	68	68	0.0
Dhaka -SFMMK	80	50	60.0
Occupancy Rates %			
Malaysia	68	65	4.8
Indonesia – RS PH	66	55	20.0
Indonesia – RS BSD	40	28	42.9
Dhaka -SFMMK	80	71	12.7
Average length of Stay			
Malaysia	2.5	2.5	(0.8)
Indonesia – RS PH	3.6	3.5	2.9
Indonesia – RS BSD	3.0	2.0	50.0
Dhaka -SFMMK	3.3	3.1	6.5

Segmental Average Revenue Highlights

	3Q2019	3Q2018	Var (%)
Average Revenue – per beds			
Malaysia	582,422	541,941	7.5
Indonesia	177,739	125,190	42.0
Dhaka -SFMMK	79,716	95,790	(16.8)
Average Revenue – per outpatient			
Malaysia	342	341	0.3
Indonesia	163	183	(10.9)
Dhaka -SFMMK	72	70	2.9
Average Revenue – per inpatient			
Malaysia	7,782	7,501	3.7
Indonesia	3,729	3,293	13.2
Dhaka -SFMMK	1,339	1,535	(12.8)

Senior & Assisted Living Care

Hospitals / Facilities	3Q2019	3Q2018	Var (%)
Australia - Jeta Gardens			
Aged Care Facility (ACF)	178	180	-
Retirement Villas	33	33	-
Apartment Unit	32	32	-
No of Residents	147	169	(13.0)
Occupancy Rate (%) (ACF)	84	94	(10.6)
Tawakkal Health Centre			
No of Beds	42	42	-
No of Residents	33	33	0.0
Occupancy Rate (%)	79	78	1.3
Sibu Geriatric			
No of Beds	26	28	(7.1)
No of Residents	30	31	(3.2)
Occupancy Rate (%)	93	111	(16.2)

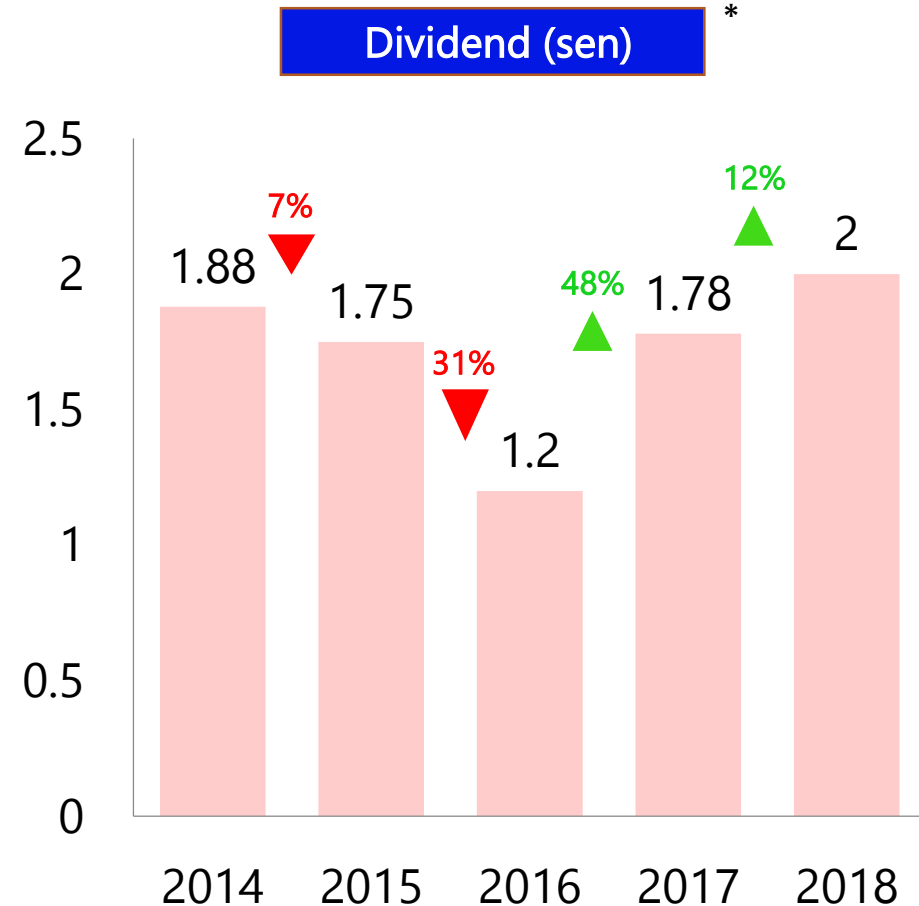
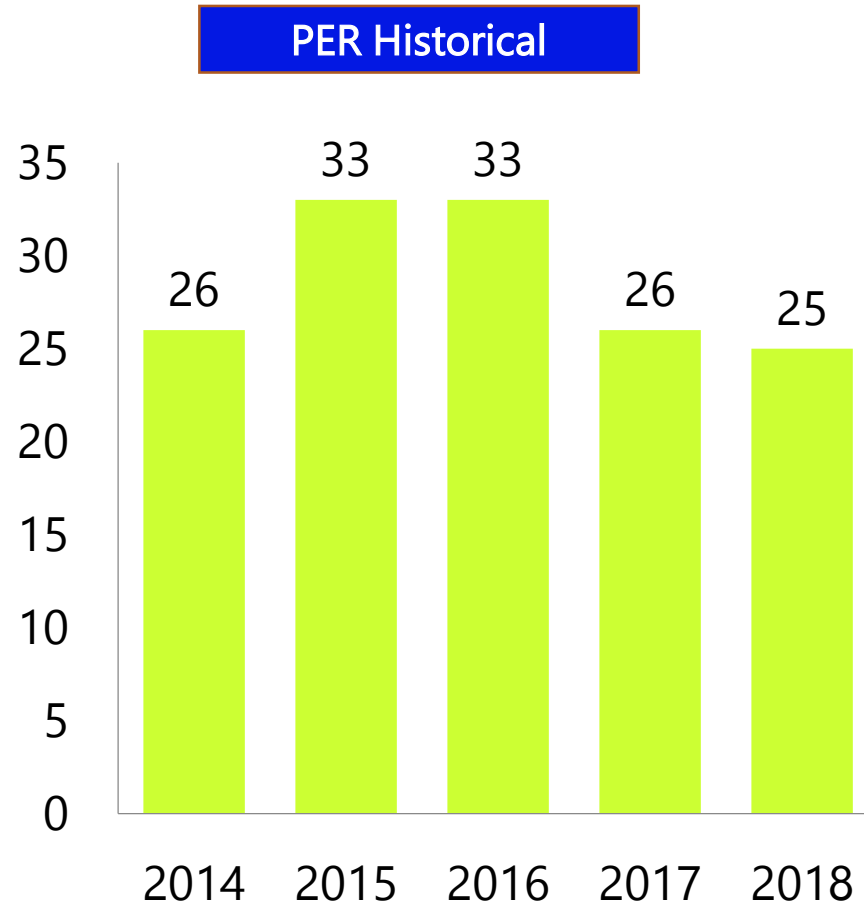
Hospitals / Facilities	3Q2019	3Q2018	Var (%)
Kuantan Health Centre			
No of Beds	21	14	50.0
No of Residents	17	11	54.5
Occupancy Rate (%)	81	66	22.7
Damai Wellness Centre			
No of Beds	21	-	-
No of Residents	10	-	-
Occupancy Rate (%)	49	-	-

Education - KPJ Healthcare University College

Hospitals / Facilities ^c	3Q2019	3Q2018	Var (%)
No of Students	2,361	2,469	(4.4)
<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

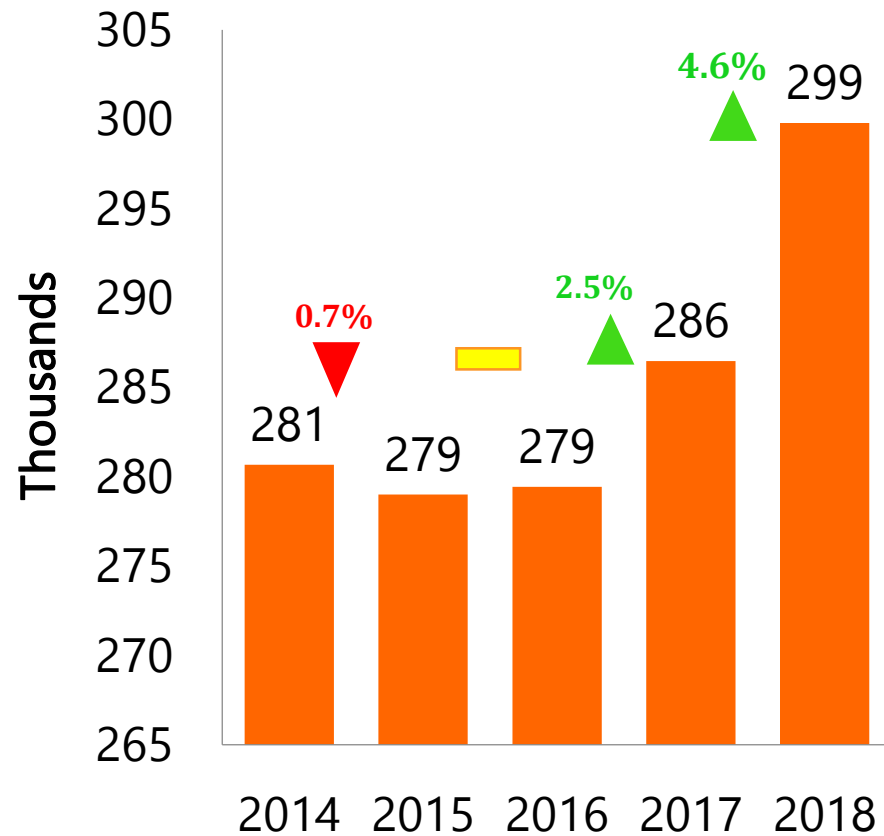


**Dividend per share re-stated to reflect subdivision of shares in Sept 2017*

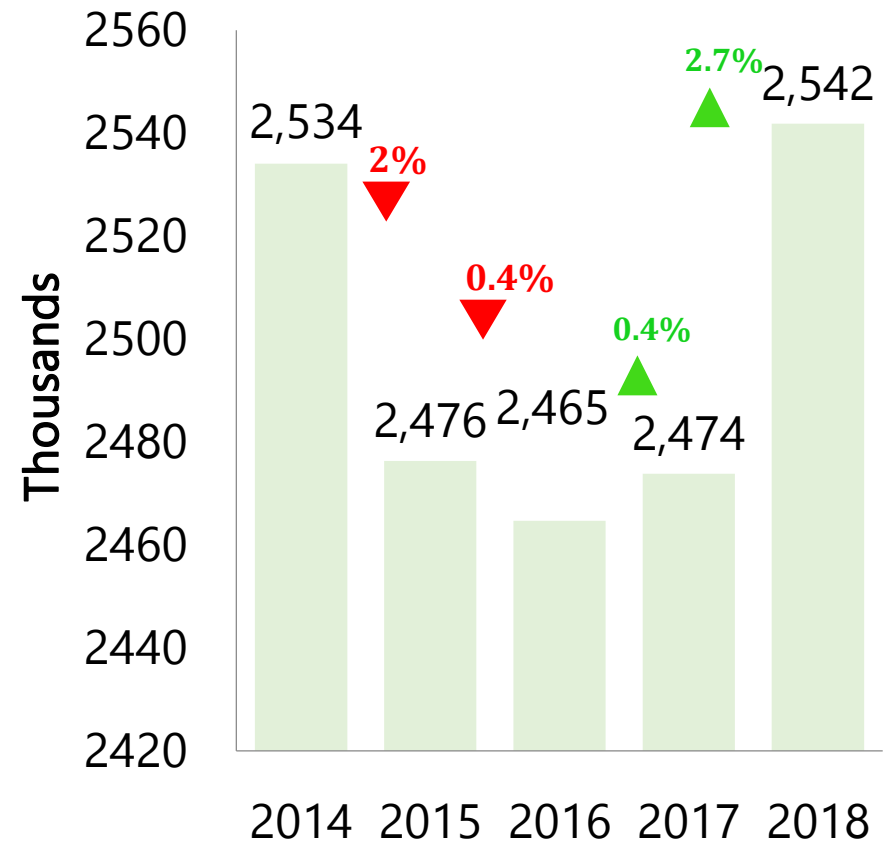
Key Operational Highlights

FY2014-FY2018

No of Inpatients

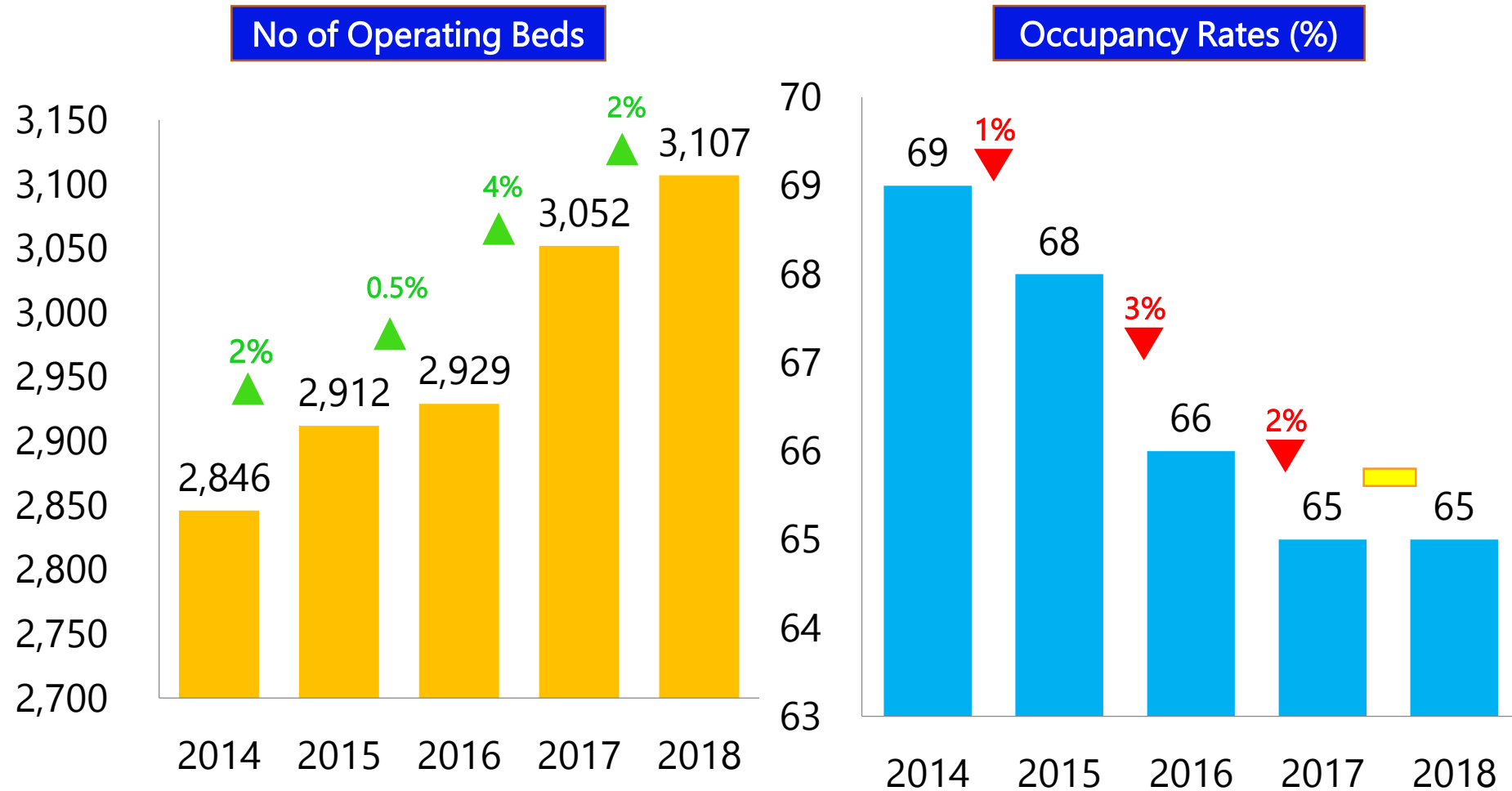


No of Outpatients



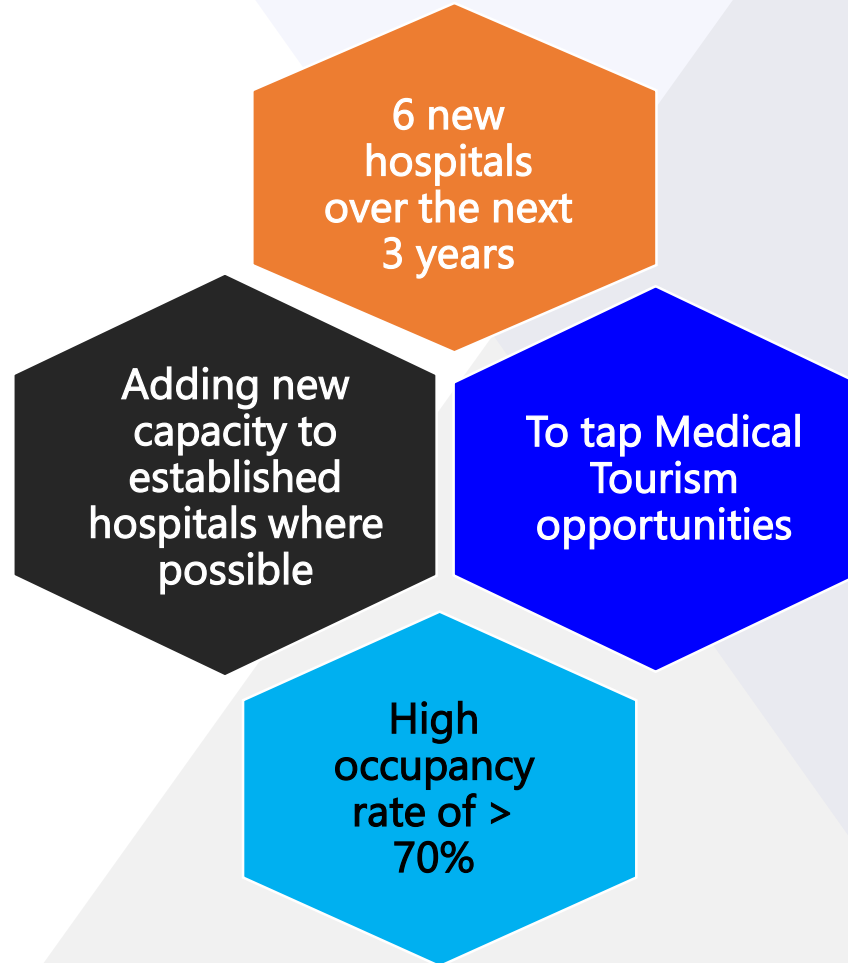
Key Operational Highlights

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 – 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

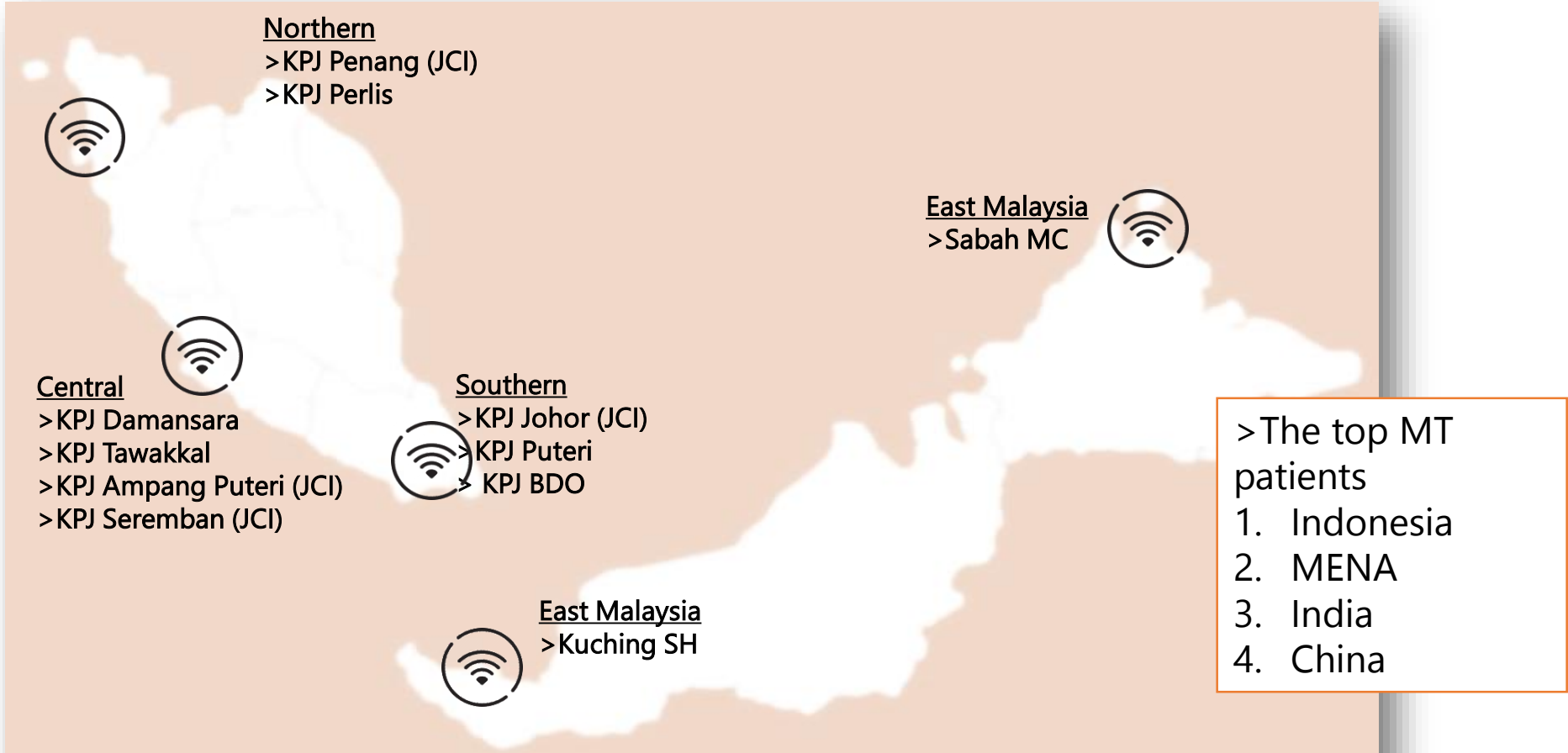


Limitations

- 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

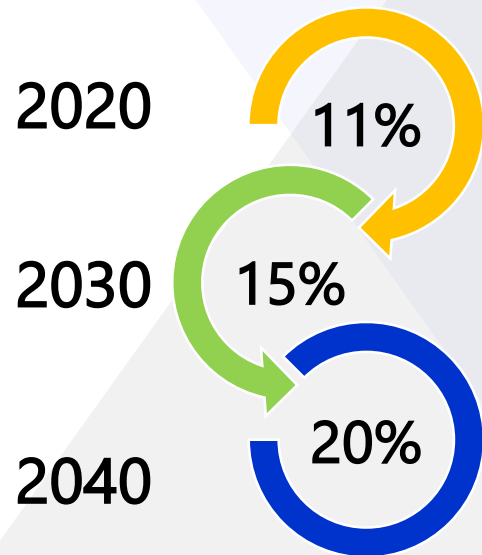
Source:
 Malaysia Health Travel Council

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.

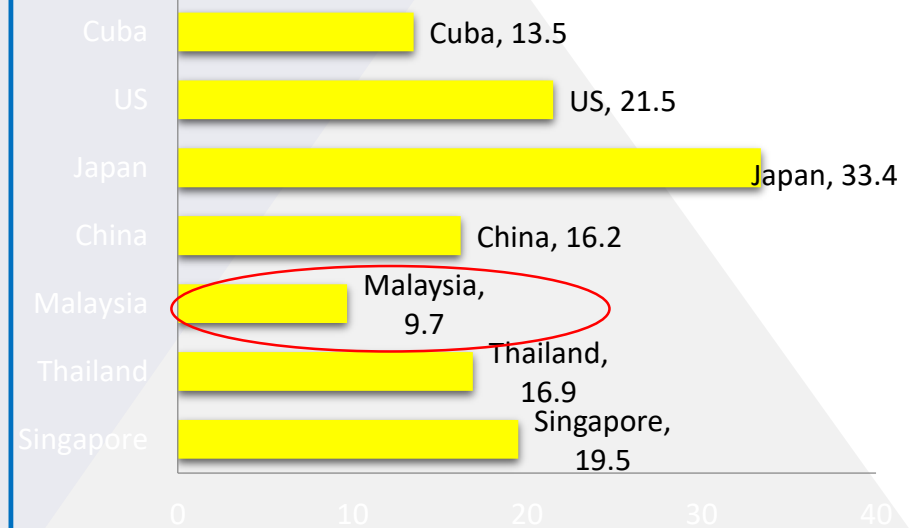


Challenges

- . 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



The longest ALOS : 4 years, 11 months

KPJ Kuantan Health Centre *Senior Living Care*



Opened in
Feb 2018



The longest ALOS 1 year, 10 months

MOVING HEALTHCARE OUTSIDE HOSPITAL WALLS

Senior & Assisted Living Care – Damai Wellness Centre



**Opened in
Dec 2018**



The longest ALOS : 11 months

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	1Q2020
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	1Q2020	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	4Q2019	1Q2020
KPJ Perdana	45	35	1Q2020	2Q2020
KPJ Penang	155	32	2Q2021	3Q2021
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
- Internal Medicine & Geriatrics
- Internal Medicine & Cardiology
- Gynaecology
- 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
- General Internal Medicine
- Internal Medicine & Cardiology
- General Surgeon
- Obstetrics & Gynaecology
- Orthopaedic
- Paediatrics
- Radiology
- Ear Nose Throat

Network Expansion 2019 New Hospitals

KPJ Miri - *greenfield*



Beds Capacity : 96
Operating **Beds**: 26

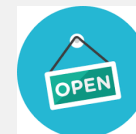


4Q2019

BDC Kuching - *relocation*



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



4Q2019

Network Expansion 2019/2020 New Hospitals - Lease

KPJ Kluang - Relocation



Beds Capacity : 90
Operating Beds: 90

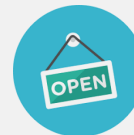


4Q2019

KPJ Damansara II - Relocation



Beds Capacity : 300
First phase : 30 beds



2Q2020

Network Expansion 2019/2020

Brownfield Hospitals



KPJ Seremban



Additional Clinics: **30**



Additional Beds: **87**



3Q2019



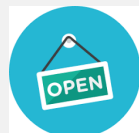
KPJ Klang



Additional Clinics: **14**



Additional Beds: **40**



4Q2019



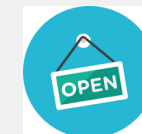
KPJ Ampang Puteri



Additional Clinics: **24**



Additional Beds: **88**



1Q2020

Network Expansion 2019/ 2020 Brownfield Hospitals



KPJ Taiping



Additional Clinics: **16**



Additional Beds: **20**



1Q2020

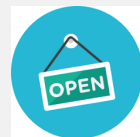
KPJ Puteri



Additional Clinics: **20**



Additional Beds: **101**



1Q2020

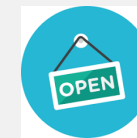
KPJ Sri Manjung



Additional Clinics: **13**



Additional Beds: **30**



1Q2020

Network Expansion 2020 & beyond

Brownfield Hospitals



KPJ Perdana



Additional Clinics: **35**



Additional Beds: **45**



2Q2020



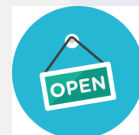
KPJ Penang



Additional Clinics: **32**



Additional Beds: **155**



3Q2021



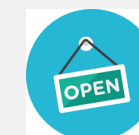
KPJ Tawakkal - Annex



Additional Clinics: **24**



Additional Beds: **120**



TBA

KPJ CHALLENGES



- ***Cost of Healthcare Services***



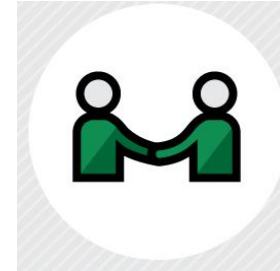
- ***Quality of Service Standards***



- ***Managing and Retaining Talent***

- ***Funders of Healthcare Services***

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





Thank You



FTSE4Good