

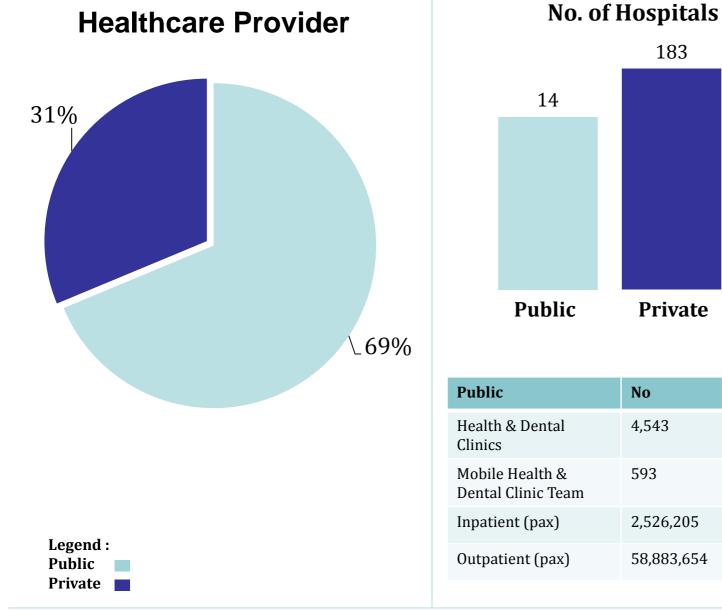
KPJ Healthcare Berhad Investor Relations

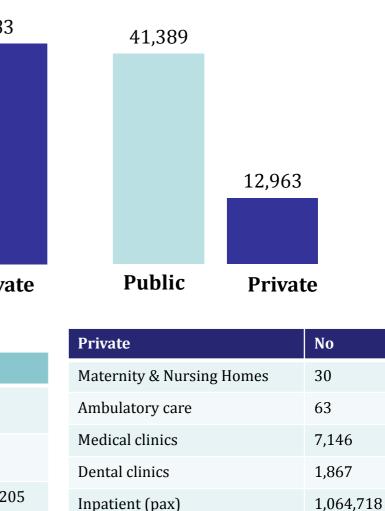


HEALTHCARE INDUSTRY IN MALAYSIA

Malaysia Healthcare System 2015

Source: Official Portal for Ministry of Health





Outpatient (pax)

No of. Beds

4,997,079

HEALTHCARE INDUSTRY IN MALAYSIA

MALAYSIA RANKED

27TH WORLD'S MOST EFFICIENT HEALTHCARE SYSTEM

(ahead of Thailand, Netherlands and US)

Source: Bloomberg Survey 2014

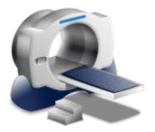
Source: Bloomberg Survey 2014

Hospital facilities

 modern & high international standards
 Accreditation by MSQH (*45 Private Hospitals Nationwide of which 18 are KPJ Hospitals)
 Accreditation by JCI (14 Private Hospitals Nationwide of which 4 are KPJ Hospitals)

Latest Medical Equipment

 -diagnostic and therapeutic resources
 -endoscopic suites, cardiac catheterization, oncology suites and MRI



<u>Cost</u>

-low cost

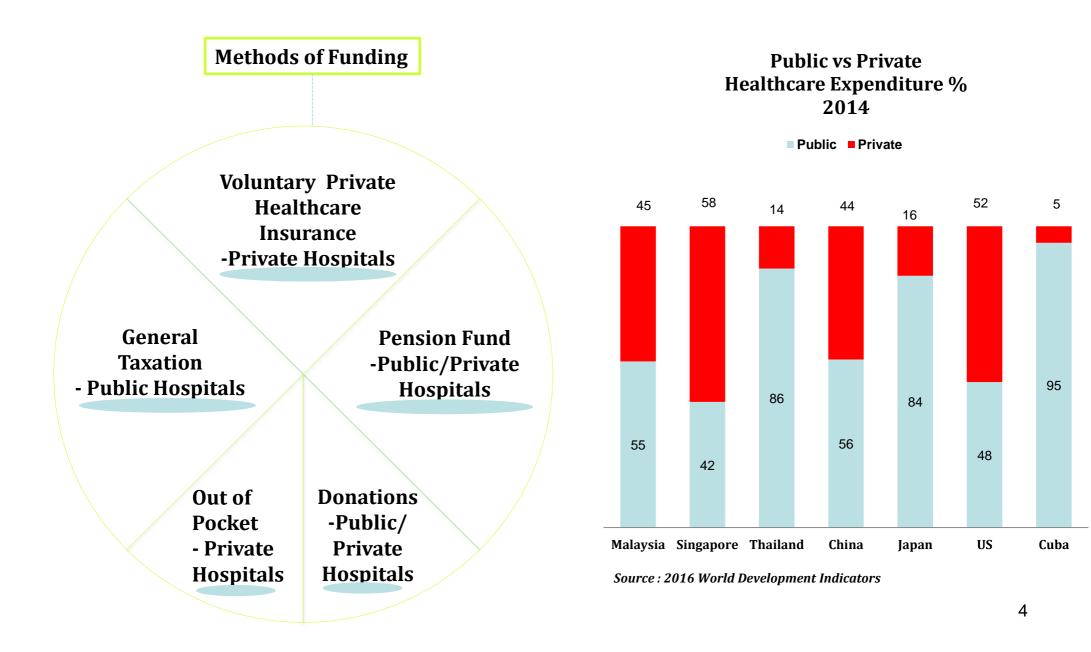
-very competitive pricing-lower than neighboringcountries



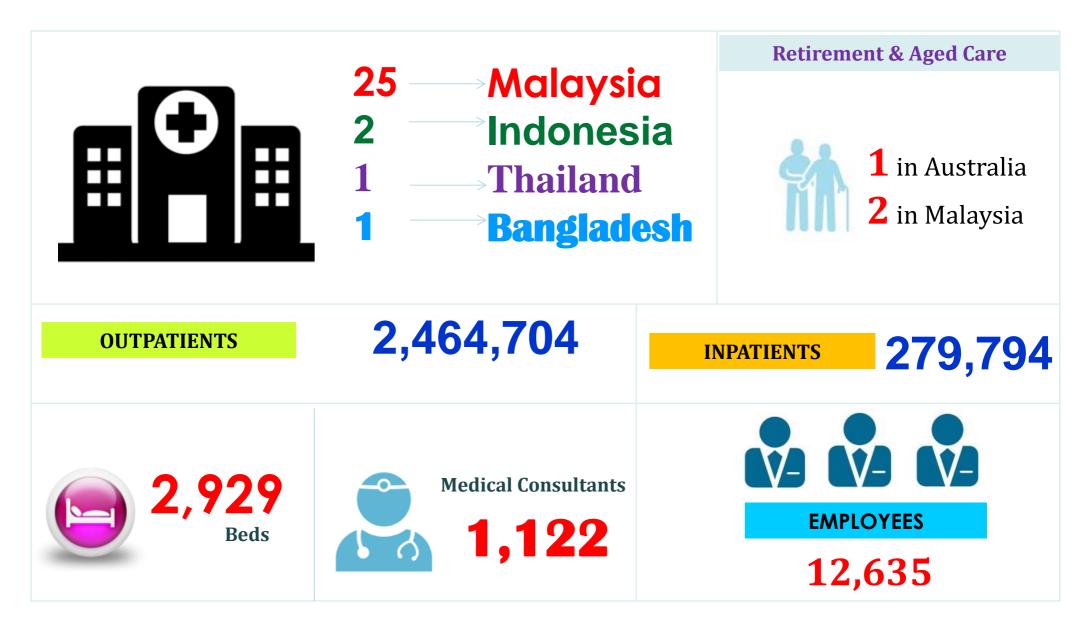
<u>Health Tourism</u>

-among the world's most favored destinations

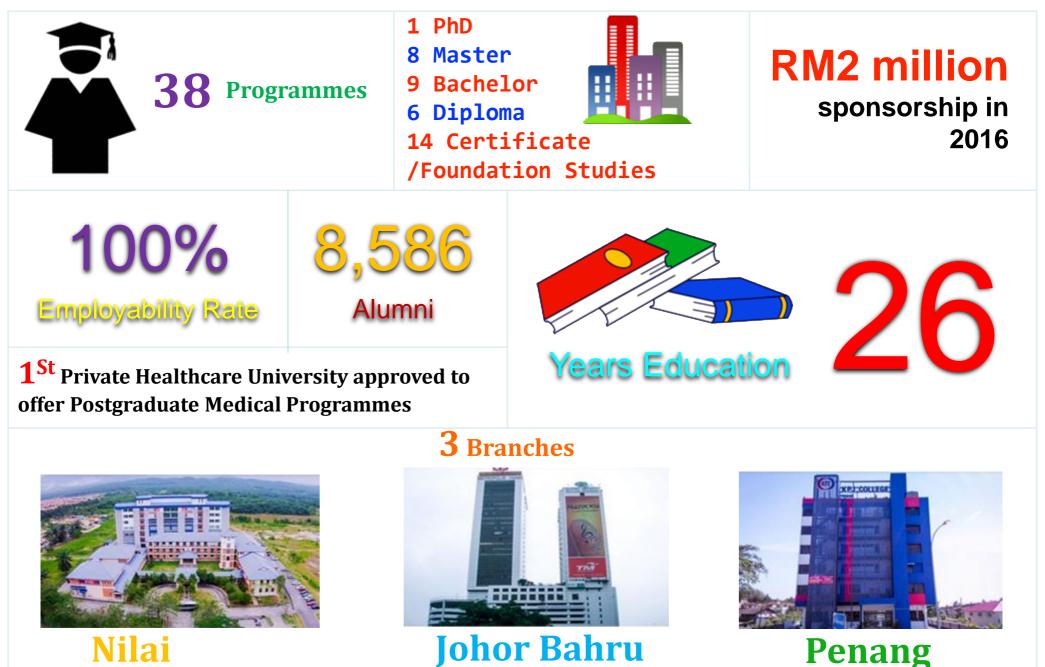
HEALTHCARE INDUSTRY IN MALAYSIA



KPJ At a Glance YE2016

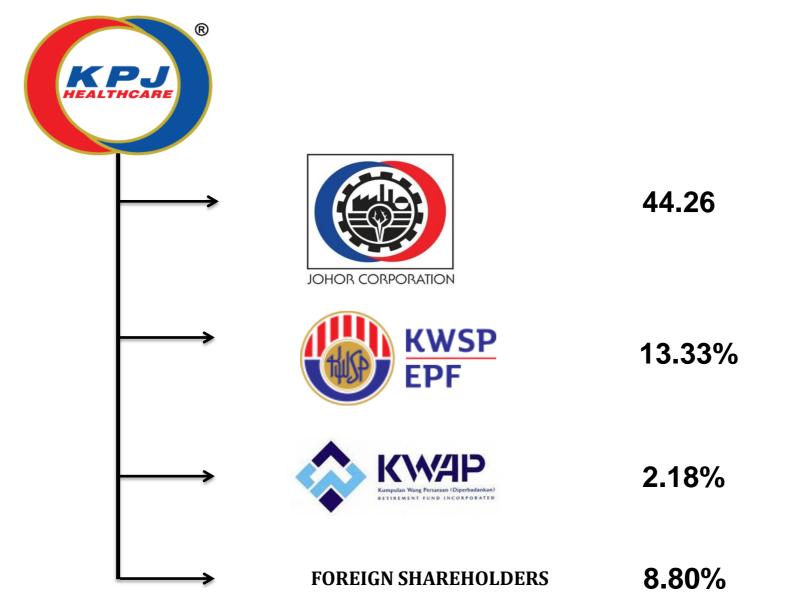


KPJ Healthcare University College



ABOUT KPJ Shareholdings Stats





Bangladesh

>1 Hospital >Low-cost entry >Presence in Indian sub-continent

<u>Thailand</u>

>1 Hospital
>Medical tourism
agenda going
forward
>Focusing upper-mid
tier market segment



>1 Aged Care Centre in Brisbane >Transfer of aged care know-how for Malaysian operations

Malaysia



>1st Hospital Opened in 1981

>1st private Healthcare Group Listed on the Bursa Malaysia

>Market Cap RM 4.4Billion

>25 hospitals & 2 Aged Care Centre

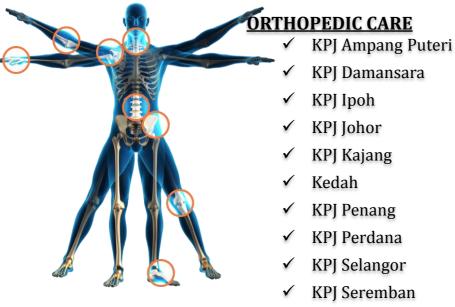
>Target – 2 new hospitals p.a >Accreditation: MSQH – 17 hospitals & JCI – 4 hospitals

<u>Indonesia</u>

>2 hospitals >Promising demographics (growing – middle class)

Our Presence

KPJ's NICHE SERVICES

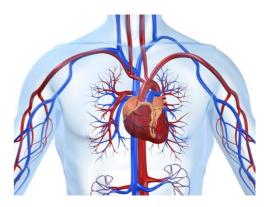


✓ KPJ Tawakkal



CARDIOLOGY

- ✓ KPJ Damansara
- ✓ KPJ Ipoh
- ✓ KPJ Johor



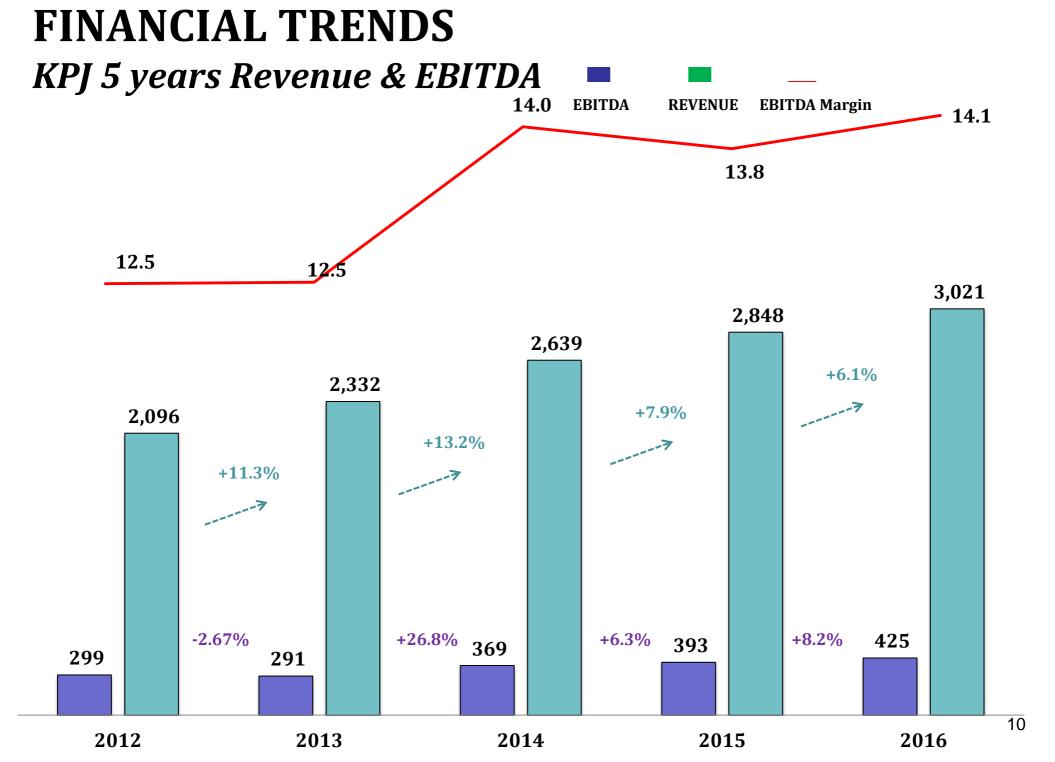
ONCOLOGY (Cancer)

- ✓ KPJ Damansara
- ✓ KPJ Ipoh
- ✓ KPJ Johor
- ✓ KPJ Selangor

RECONSTRUCTIVE & PLASTIC SURGERY



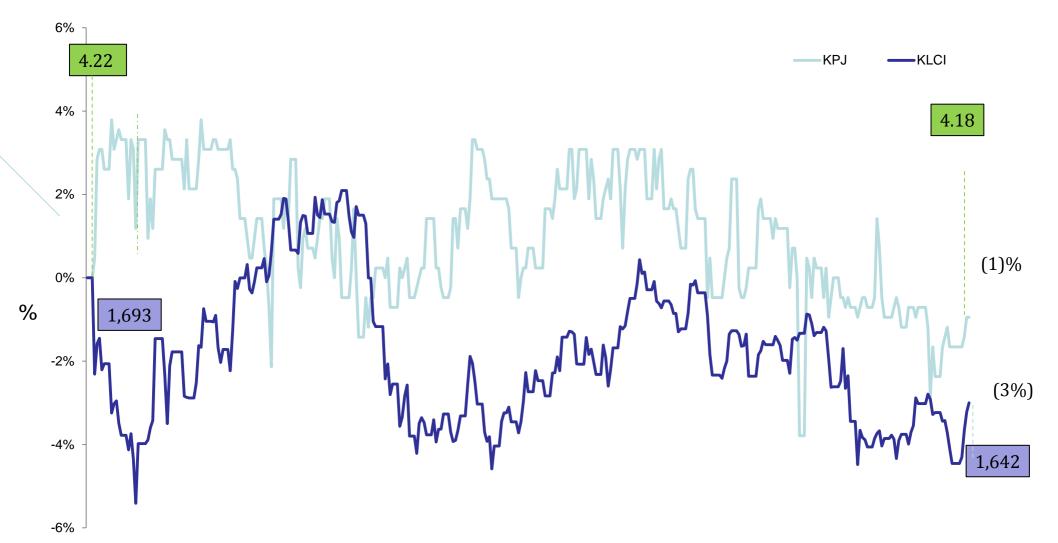
- KPJ Ampang Puteri
- ✓ KPJ Damansara
 - ✓ KPJ Johor



Key Ratios *YEAR END 2016*

	FY2016 %	FY2015 %	Var
Gross Profit (GP) Margin	29.7	29.0	0.7
Profit Before Tax (PBT) Margin	7.0	7.4	(0.4)
EBITDA Margin	14.1	13.8	0.3
Net Profit Margin	5.2	5.1	0.1
Dividend per share	6.55	7.85	(1.3)
Gearing Ratio: Gross Net	0.9 0.7	1.0 0.7	(0.1)
Net assets per share (RM) - at par value RM0.50	1.50	1.40	0.9

KPJ Share Price vs FBMKLCI 2016



Group Financials 2016 4*Q2016 vs 4Q2015*

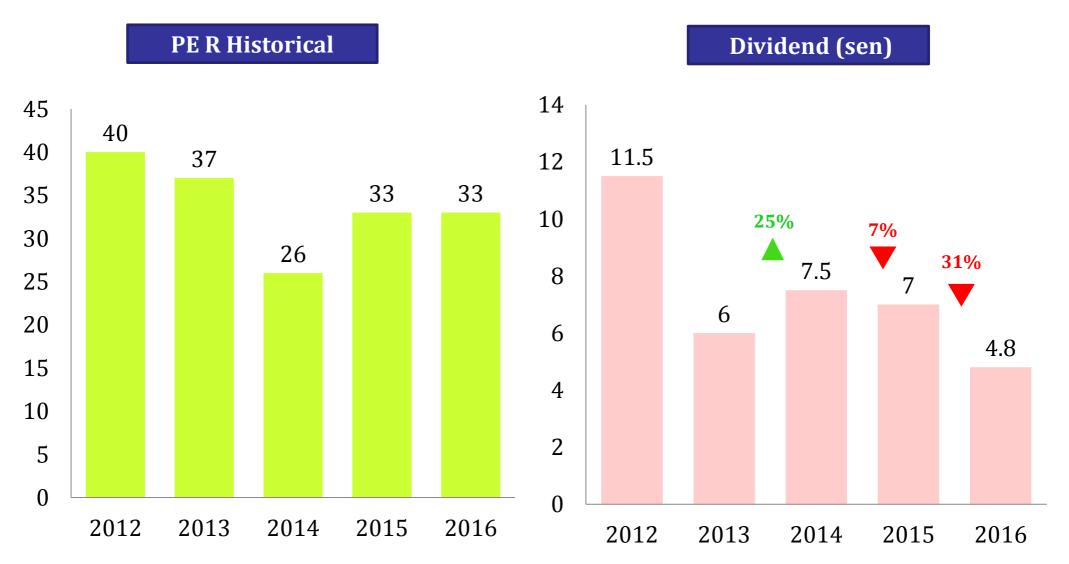


	4M FY16 vs 4M FY15			12M FY16 vs 12M FY15		
RM'000	4M FY16	4M FY15	Var (%)	12M FY16	12M FY15	Var (%)
Revenue	744,985	701,595	6.2	3,021,094	2,847,593	6.1
Gross Profit	213,103	156,400	1.4	898,032	826,371	8.7
Profit from Operations	79,012	47,259	67.2	243,363	220,836	10.2
Finance Income	5,930	5,026	17.9	16,298	13,731	18.7
Finance Cost	(27,861)	(15,835)	(75.9)	(83,137)	(64,157)	(29.6)
Share of Results from associates	6,500	11,646	(44.2)	33,647	39,198	(14.2)
Profit before zakat and tax	63,581	48,096	32.2	210,170	209,608	0.3
Zakat	(2,097)	(570)	267.9	(3,807)	(2,280)	67.0
Taxation	(7,978)	(17,937)	55.5	(50,489)	(62,199)	18.8
Profit after zakat and tax	53,506	29,589	80.8	155,875	145,129	7.4
Equity holders of company	52,191	27,285	91.3	149,195	135,330	10.3
Non-controlling interest	1,315	2,304	(42.9)	6,680	9,799	(31.8)
Net profit attributable to shareholders	53,506	29,589	48.6	155,875	145,129	0.8
Basic EPS (sen)	4.60	2.59		13.69	13.04	

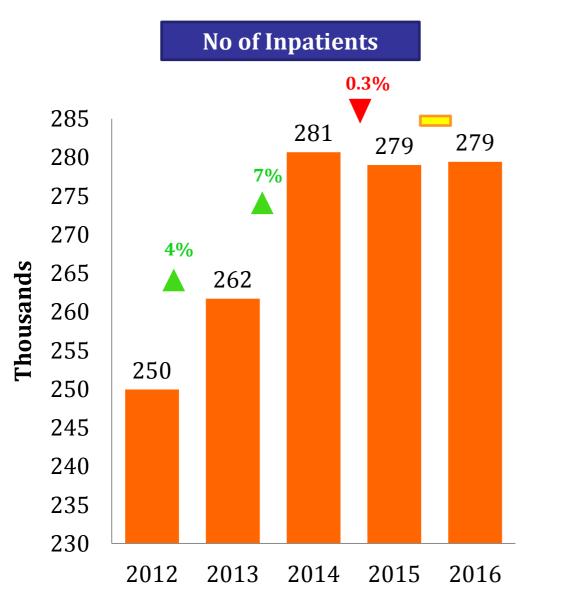
Segmental FY2016 vs FY2015

HOSPITALS		2016 (RM'000)	2015 (RM'000)	Var (%)
	Revenue	2,855,588	2,711,897	5.3
MALAYSIA	PBT	214,243	213,340	0.4
	EBITDA	411,729	381,502	7.8
	Revenue	59,561	52,032	14.5
INDONESIA	PBT	7,692	3,039	153.1
	EBITDA	15,097	4,299	251.2
	Revenue	51,491	40,258	27.9
AUSTRALIA	PBT	(10,527)	(16,602)	36.6
	EBITDA	(4,833)	(12,550)	61.5
	Revenue	54,454	43,406	25.4
OTHERS	PBT	(1,237)	9,831	(87.4)
	EBITDA	3,334	19,227	(82.6)

KEY FINANCIAL HIGHLIGHTS *FY2012-FY2016*



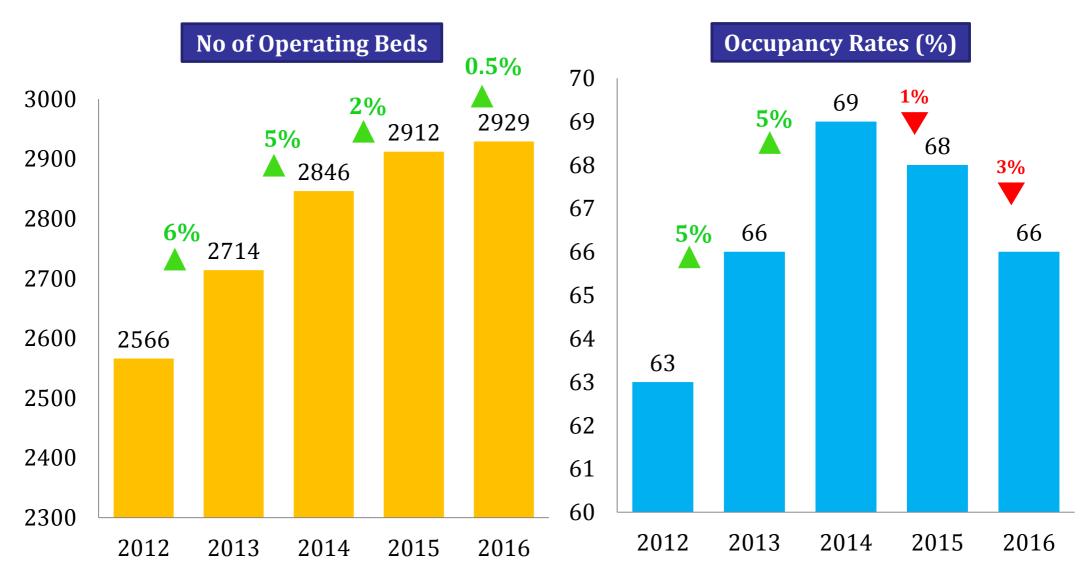
Key Operational Highlights FY2012-FY2016



No of Outpatients 2560 2,534 1% 2540 2% 2520 0.5 2% 2500 **Fhousands** 2,476 2,475 2480 2,465 2,388 2460 2440 2420 2400 2380 2012 2013 2014 2015 2016

16

Key Operational Highlights *FY2012-FY2016*



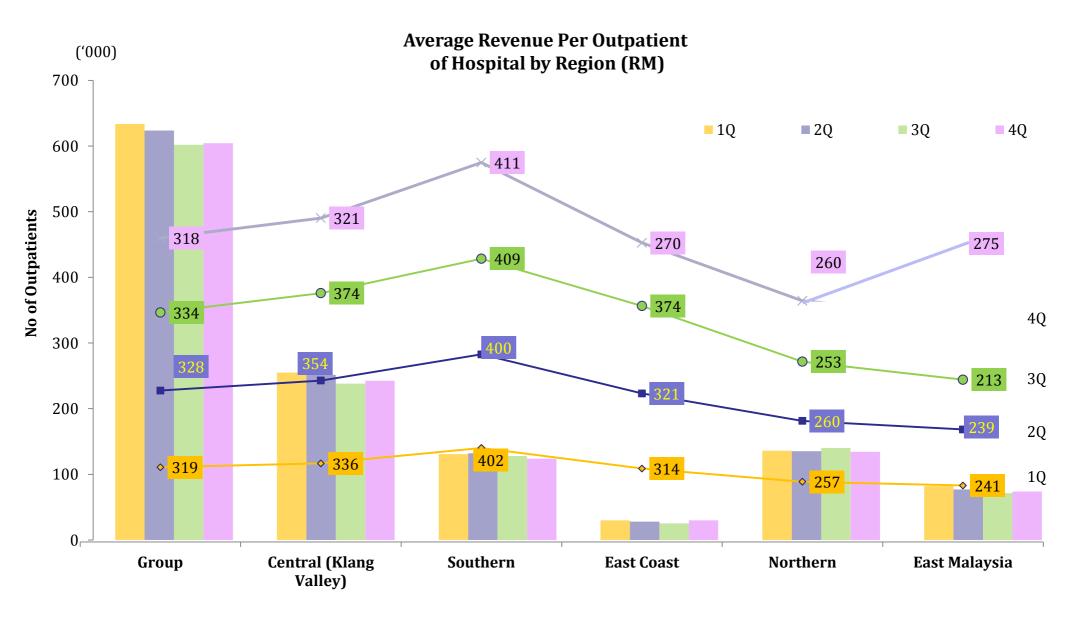
YTD as at 31 December 2016

Hospital Indicators	YTD 4Q2016	YTD 4Q2015	Var (%)
No of Outpatients	2,464,704	2,476,796	(0.5)
No of Inpatients	279,794	279,419	0.1
No. of Operating Beds	2,929	2,912	0.6
Occupancy Rate	66.2	67.8	(2.3)
Avg. Length of Stay	2.53	2.57	1.6

QoQ Performance 2016

Hospital Indicators	1Q	2Q	Var %	3Q	Var %	4Q	Var %
No of Outpatients	633,753	623,632	(1.6)	602,947	(3.3)	604,372	0.2
No of Inpatients	73,602	68,737	(6.6)	69,859	1.6	67,596	(3.2)
No. of Operating Beds	2,903	2,946	1.5	2,924	(0.7)	2,929	0.2
Occupancy Rate	71.5	68.6	(4.1)	67.5	(1.6)	66.2	(1.9)
Avg. Length of Stay	2.57	2.61	(1.6)	2.55	2.3	2.53	0.8

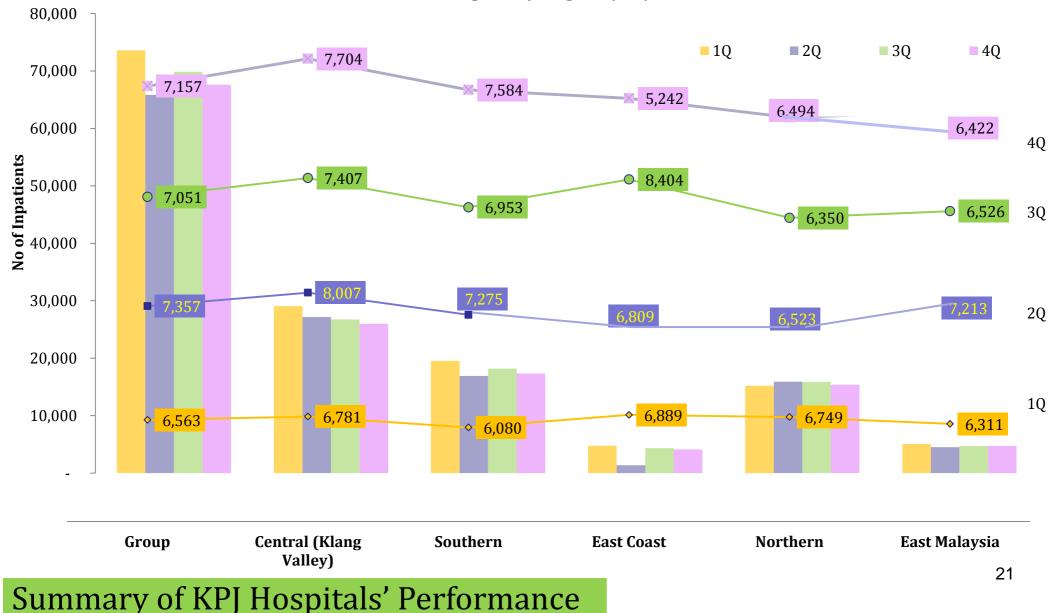
QoQ 2016 AVERAGE REVENUE



Summary of KPJ Hospitals' Performance

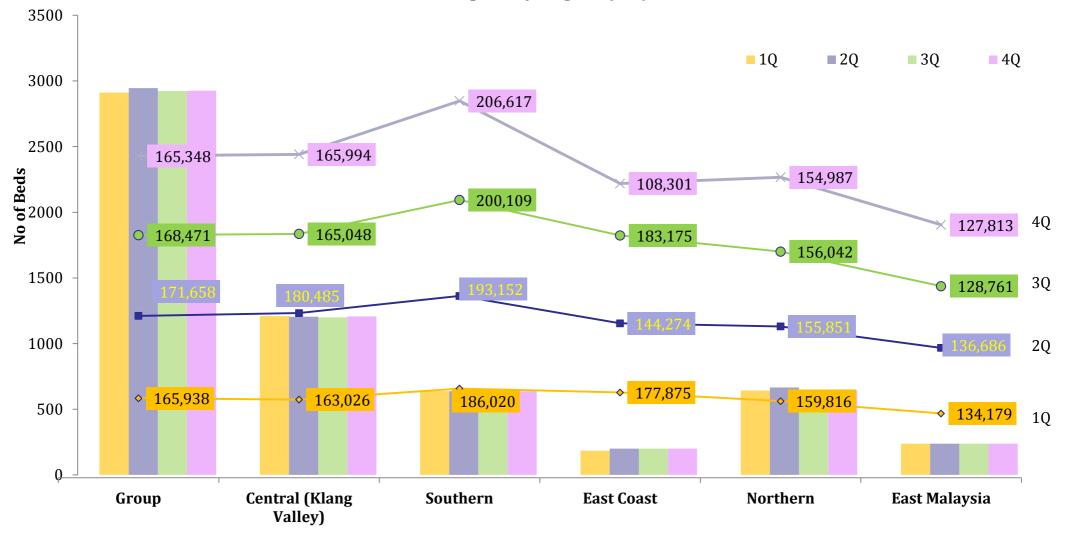
QoQ 2016 AVERAGE REVENUE

Average Revenue Per Inpatient of Hospital by Region (RM)



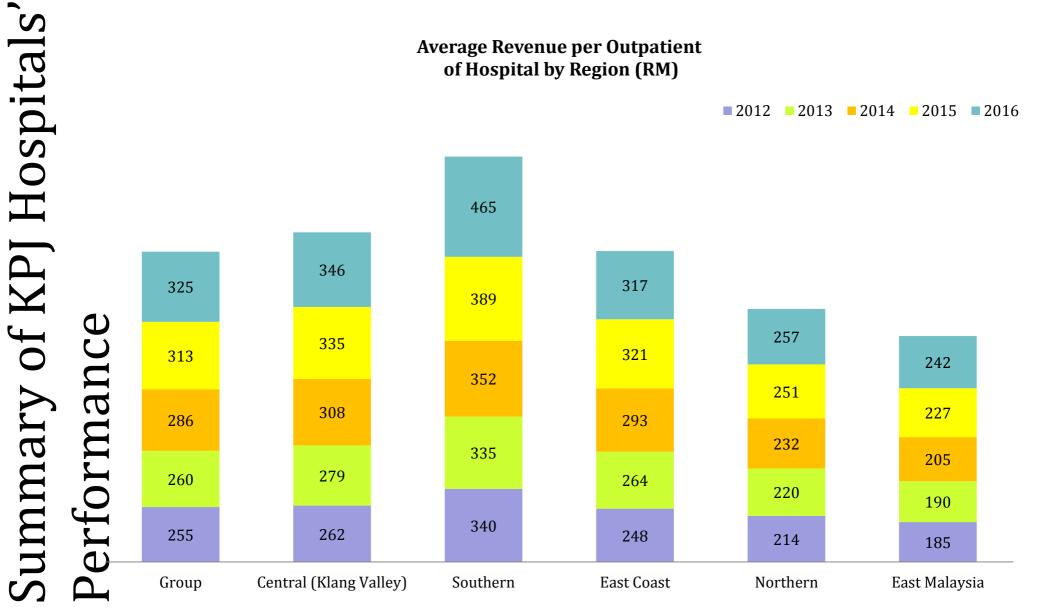
QoQ 2016 AVERAGE REVENUE

Average Revenue Per Bed of Hospital by Region (RM)



Summary of KPJ Hospitals' Performance

AVERAGE REVENUE – 5 YEARS HISTORICAL



AVERAGE REVENUE – 5 YEARS HISTORICAL

Summary of KPJ Hospitals

Performance

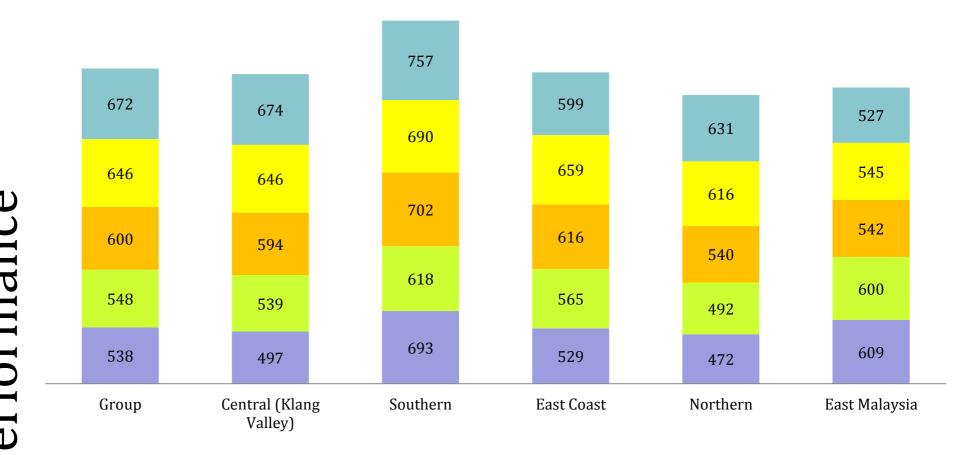
Average Revenue per Inpatient of Hospital by Region (RM)



2012 2013 2014 2015 2016

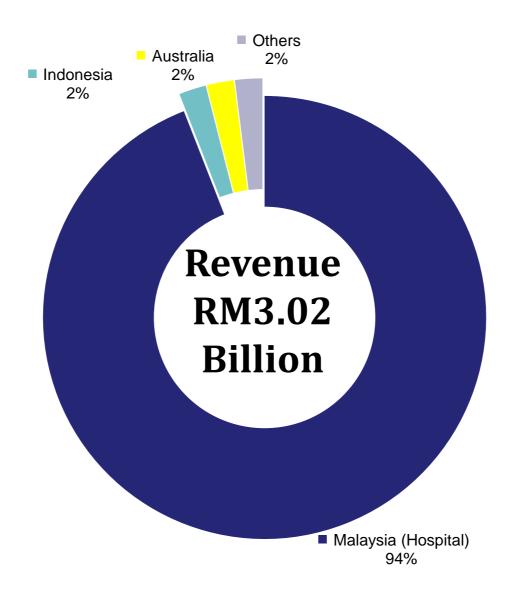
AVERAGE REVENUE – 5 YEARS HISTORICAL

Average Revenue Per Bed by Hospital by Region (RM'000)



Summary of KPJ Hospitals Performance

Revenue Contributions YTD 4Q 2016



Jeta Gardens – Brisbane, Australia Senior Living Care

Financials	12M FY 2016 (RM'000)	12M FY 2015 (RM'000)	Var (%)
Revenue	51,491	40,258	27.9
Profit/(Loss) Before Tax	(10,527)	(16,602)	36.6
Facilities	2016	2015	2014
Aged-Care Facility	180	180	108
Retirement Villas	33	33	33
Apartments Unit	32	32	32
Occupancy Rate	88%	70%	98%

KPJ's Indonesian Hospitals

Financials Group Indonesia Hospitals	12M FY 2016 (RM'000)	12M FY 2015 (RM'000)	Var (%)
		(1000)	
Revenue	59,561	52,032	14.5
Profit/(Loss) Before Tax	7,692	3,039	153.1
RS Permata Hijau	12M FY 2016	12M FY 2015	Var (%)
No. of Bed	92	92	-
Occupancy rate (%)	47.4%	41.2%	
Outpatients	62,158	61,035	1.8
Inpatients	5,055	4,687	7.9
RS Bumi Serpong Damai	12M FY 2016	12M FY 2015	Var (%)
No. of Bed	75	75	-
Occupancy rate (%)	46.0%	38.0%	21%
Outpatients	56,793	52,124	9.0
Inpatients	4,036	3,911	3.2

KPJ Investment in Thailand – Vejthani Hospital, Bangkok

Financials	12M FY 2016 (RM'000)	12M FY 2015 (RM'000)	Var (%)
Revenue	207,653	219,392	(5.4)
Net Profit	13,682	17,394	(21.3)
Outpatient	273,118	300,349	(9.1)
Inpatient	8,422	8,914	(5.5)

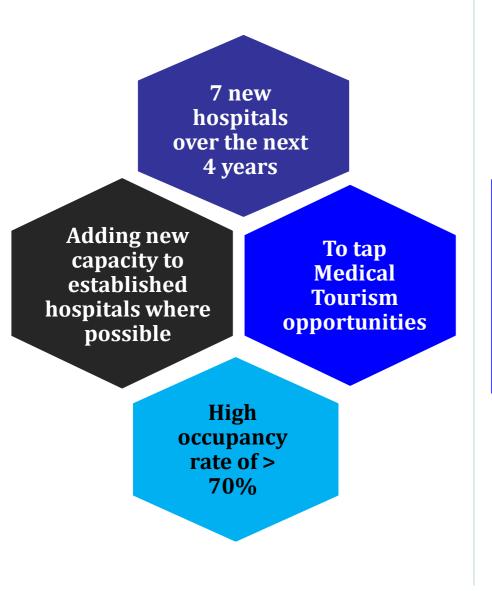
Education – KPJ Healthcare University College

Financials	12M FY 2016 (RM'000)	12M FY 2015 (RM'000)	Var (%)
Revenue	43,472	40,002	8.7
PBT	1,779	12,145	(85.3)
Students	2,536	2,298	10.0

Academic Program KPJ offered 38 programmes ranging from the Foundation to PhD levels at all campus.	Current Program
	1 PHD
1. School of Medicine	8 Master
2. School of Pharmacy	9 Bachelor
3. School of Nursing	6 Diploma
4. School of Health Sciences	14 Certificate / Foundation
5. School of Business & Management	
6. School of Behavioral Science and Humanity	

GROWTH & STRENGHTENING CAPACITY

Expanding Network



Growth Strategies

Focus on Quality Medical Care

Compliance with > Clinical Governance guidelines >Quality / Accreditation standards >17 hospitals with MSQH accreditation >4 hospitals with JCI accreditation

Medical Tourism

- Strong cooperation with Malaysian Govt – ETP, MHTC, MOH & Tourism Malaysia

-Targeting tourists arrivals from Indonesia, China, Middle East, East Africa & Indochina

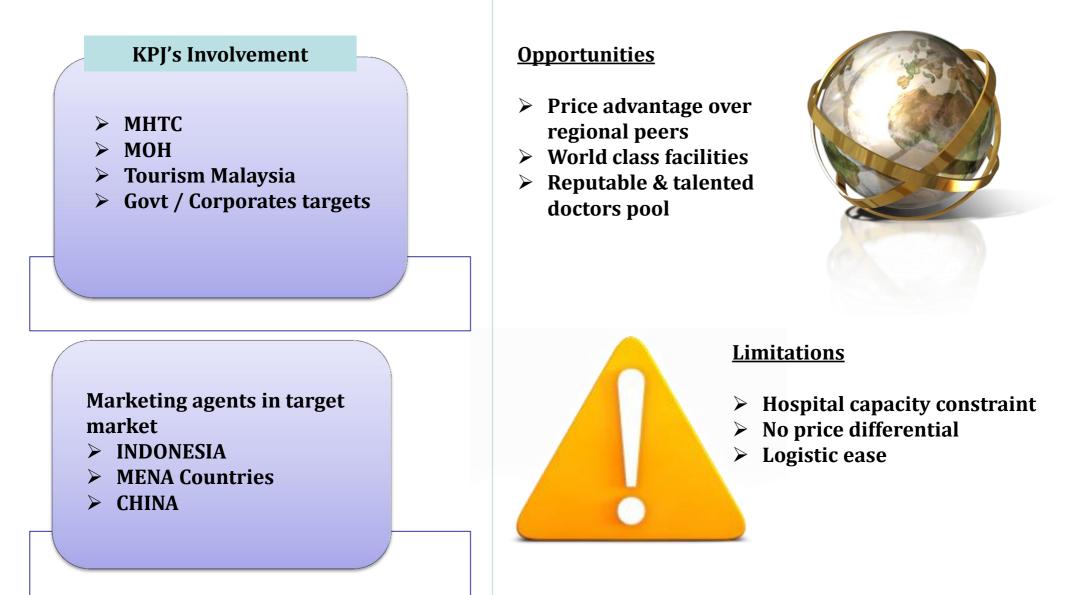
Explore niche market such as Aged / Senior Living <u>Care</u>

> Jeta Garden, Australia

> Sibu

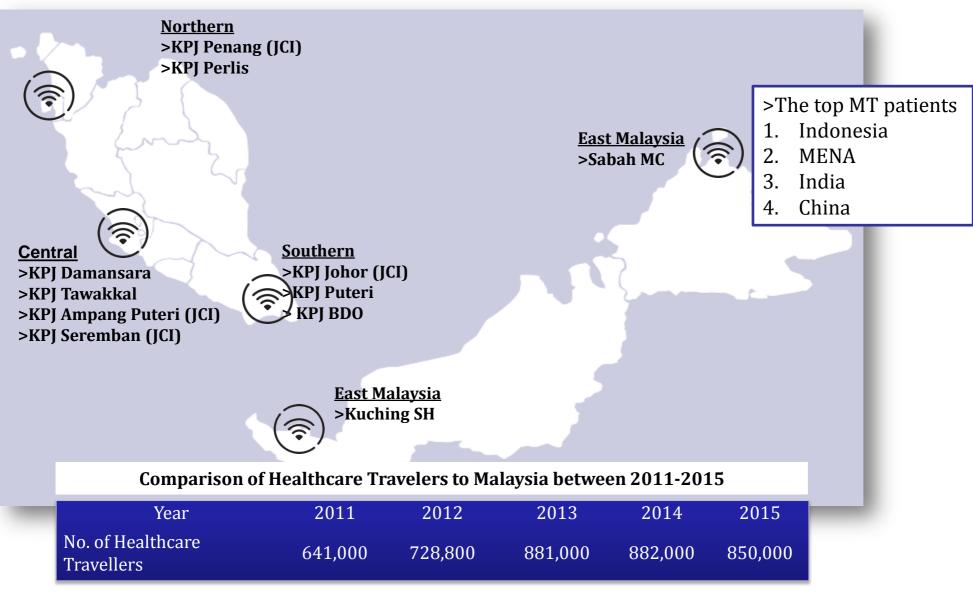
>Tawakkal Health Centre

Medical Tourism



Medical Tourism

KPJ MT Hub

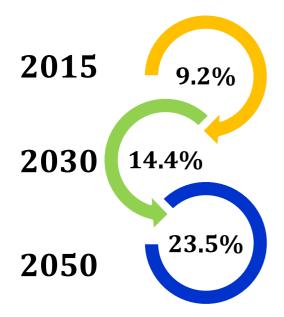


Aged Care Projection of Elderly Population

Malaysia is in the Top 5 for The World Best Places to Retire in 2016

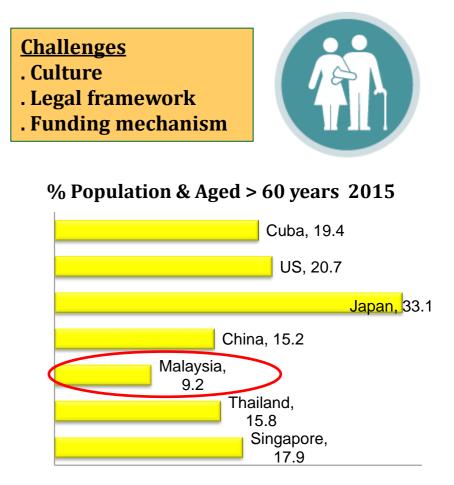
Global Retirement Index 2016 (http://internationalliving.com)

> By 2050, 20% of Malaysian population will be over 60 years old.



Source :

 >MOH (Overview Of Development Of Malaysia Healthcare Towards Medical Tourism, 15 June 2015)
 >Global Age Watch Index 2015



Source : United Nations, Department of Economic and Social Affairs, Population Division (2015.)

Aged Care & KPJ *Business of the future*

Facilities

- AUSTRALIA Jeta Garden, Queensland
 - 64-acre retirement village
 - Independent & dependent living facilities

> MALAYSIA

- -Tawakkal Health Centre (pilot)
- Senior Living Care
- Sibu Geriatric



> KPJ Presence in Aged Care Segment Distribution of elderly population (above 60) by state (2020 projection)

State	% elder population	Remarks
Selangor	16%	*KPJ Ampang *KPJ Damansara
Johor	12%	*Coronation Square *BDO *KPJ Puteri *KPJ Johor
Sarawak	9%	Sibu Geriatric
Kuala Lumpur	6%	Tawakkal Health Centre
Pahang	6%	*KPJ Pahang

* Planning

Jeta Gardens – Brisbane, Australia









KPJ Tawakkal Health Centre Senior Living Care







2016	1Q	2Q	3Q	4Q
Beds	42	42	42	42
Occupancy Rate (%)	74	64	70	68
ALOS	32.3	31.1	28.7	25

Network Expansion

New Hospitals



PROJECT	LOCATION	TOTAL CAPACITY (Beds)	OPERATING BEDS	COMPLETION	OPENING
*Tg Lumpur	Pahang	190	88	4Q2015	May 2016
Perlis	Perlis	90	60	1Q2017	2Q2017
Kuching	Sarawak	150	114	4Q2017	1Q2018
BDO	Johor	150	90	4Q2017	1Q2018
Miri	Sarawak	96	61	1Q2018	2Q2018
UTM	Johor	150	90	TBA	TBA
K/Bayuemas	Selangor	90	90	TBA	TBA
Nilai	Negeri Sembilan	96	61	TBA	TBA

Total Beds	1,012	654	

Network Expansion

REALTHCARE 8

New Hospitals-lease

PROJECT	LOCATION	TOTAL CAPACITY (Beds)	OPERATING BEDS	COMPLETION	OPENING	LEASE PERIOD
KPJ Batu Pahat	Batu Pahat	240	90	2018	TBA	30 years (6+3yrs up to 30 years)
Kluang Specialist	Kluang	90	90	2019	TBA	30 years (15+15yrs)
KPJ Damansara	Sg Penchala	300	150	2019	TBA	30 years (15+15yrs)
Tota	l Beds	630	330			

Network Expansion Hospital Expansion

HOSPITALS	DESCRIPTION	CAPACITY	COMPLETION	OPENING
*KPJ Selangor	Clinics	54	Oct 2016	1Q2017
KPJ Seremban	Beds	90	1Q2017	2Q2017
Taiping	Clinics	16	3Q2017	4Q2017
Sri Manjung	Beds	30	3Q2017	4Q2017
KPJ Johor	Beds	53	3Q2017	4Q2017
KPJ Ampang	Beds	150	402017	1Q2018
	Clinics	33	- 4Q2017	
KPJ Puteri	Beds	66	tba	tba
KPJ Penang	Beds	138	tba	tba

Total Beds	527
Total Clinics	103

New Hospitals in 2015 & beyond KPJ Pahang Specialist Hospital – Opened 23rd May 2016









New Hospitals

Bandar Dato' Onn Specialist Hospital





BDC Specialist Hospital





Hospital Expansion KPJ Selangor Specialist Hospital





KPJ Seremban Specialist Hospital





Hospital Expansion-lease

KPJ Batu Pahat Specialist Hospital



Kluang Specialist Hospital





KPJ Damansara Empire Specialist Hospital

<u>3. Keeping new</u> <u>hospital development</u> <u>on track</u> > costs & timeline 4. Managing bottom line during gestation period of greenfield projects > between 3 to 5 yrs

2. Highly regulated industry

>Lower margin compared to regional peers

> High compliance cost

1. Limited pool of healthcare professionals for sub-specialty

– potential high cost

KPJ



<u>5. Potential</u> <u>structural</u> <u>changes</u> >1 Care, AEC, AFTA

<u>6. Competition</u>
>from other players & government hospitals

Current Issues

GST Impact on cost of living RMWeakness





Conclusion

- Despite all the challenges, the healthcare industry in which the Group operates is forecasted to enjoy steady growth due to the increase of the world's ageing population and rapid growth of the middle income group.
- The Group sees this as a growth opportunity to further strengthen its presence in Malaysia and Asia via expansion of existing hospitals as well as the building of new hospitals and acquisition of brownfield hospitals.



"Future Proof Our Network Today, To Ensure Sustainable Growth Tomorrow"

THANK YOU