



## SUSTAINABLE HEALTHCARE

*KPJ Healthcare is the leading provider of private healthcare services in Malaysia. We deliver high standards of care to our patients, with integrity and compassion.*



KPJ HEALTHCARE BERHAD



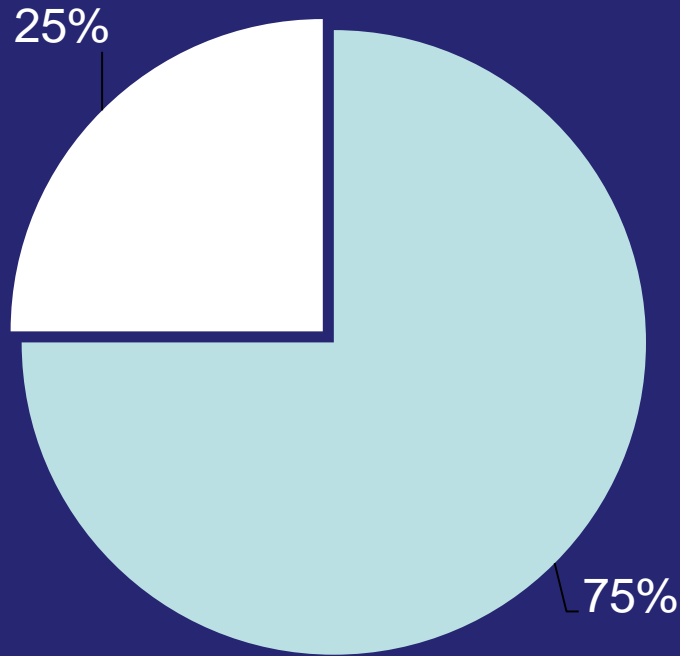
# KPJ HEALTHCARE BERHAD

## 4Q2018

# Healthcare Industry in Malaysia

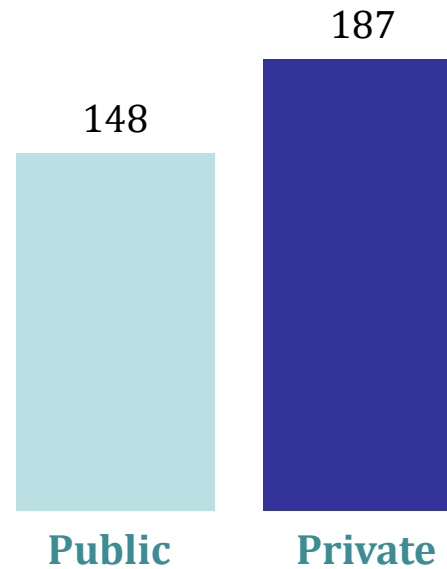
Malaysia Healthcare System 2016

## Healthcare Provider

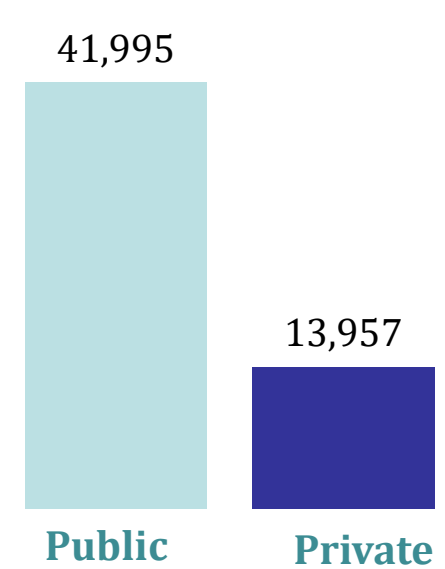


Legend :  
Public ■  
Private ■

## 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

KPJ Is mindful of the various ways through which treatment is funded for our patient



Healthcare Insurance



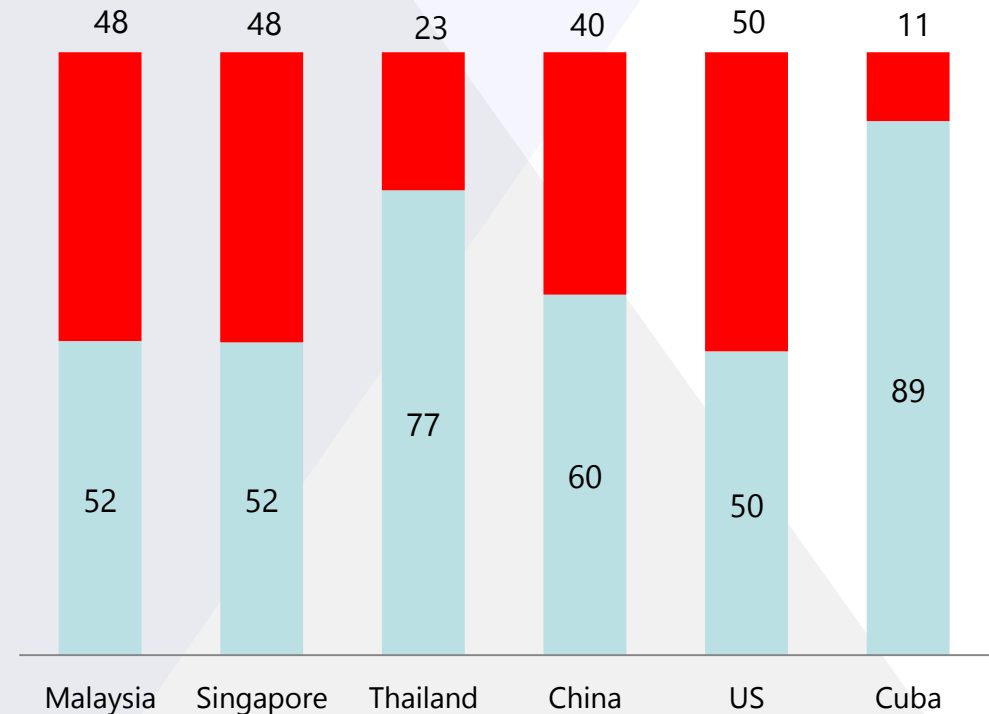
Corporate Clients



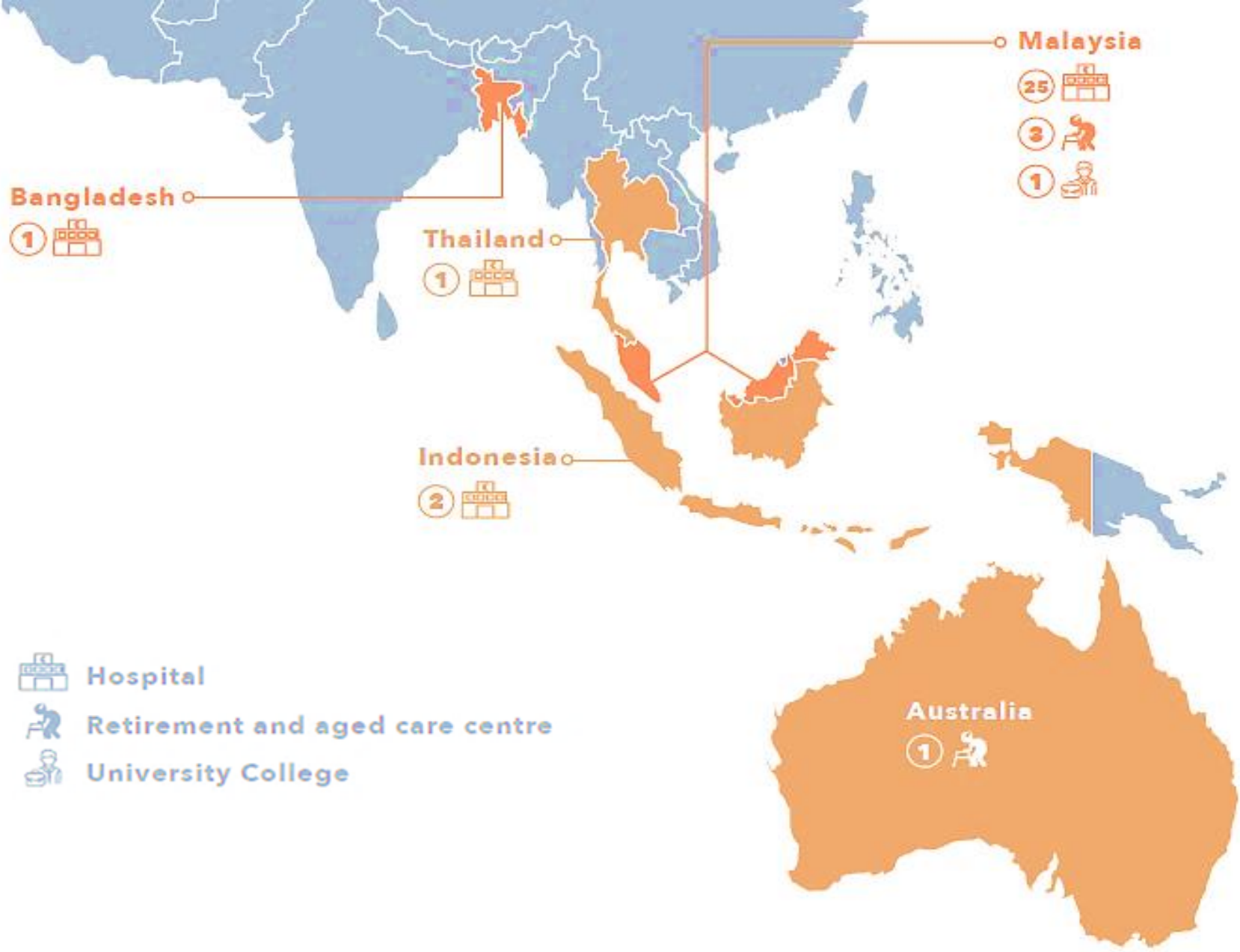
Out of Pocket

Public vs Private  
Healthcare Expenditure %  
2015

Public Private

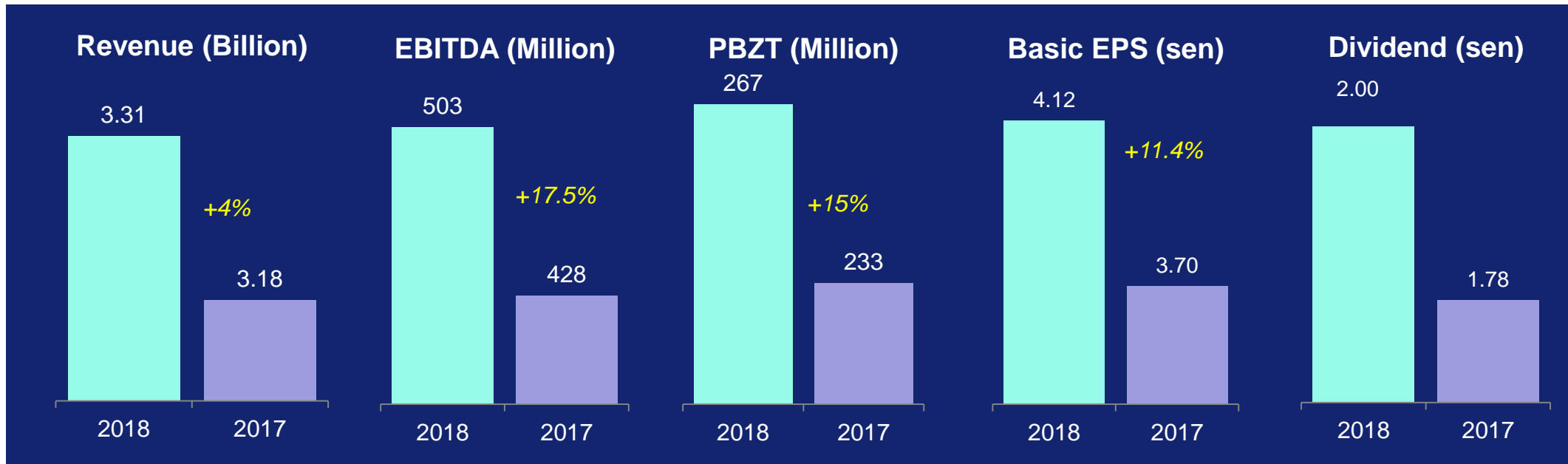


Source : 2018 World Development Indicators



# Our Presence

# 2018 Highlights as at 4Q2018



**+2.7%**

Outpatients

2018 – 2,541,822

2017 – 2,473,851

**+4.6%**

Inpatients

2018 – 299,780

2017 – 286,465

-

Occupancy Rate

2018 – 65%

2017 – 65%

**+1.8%**

No. Operating Beds

2018 – 3,107

2017 – 3,052

-

Avg Length of Stay

2018 – 2.5 days

2017 – 2.5 days

**+1.4%**

Consultants

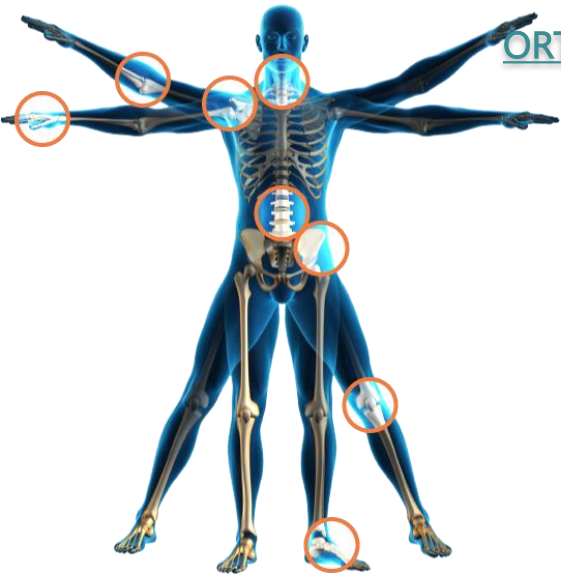
2018 – 1,036

2017 – 1,022

# ABOUT KPJ Shareholdings Stats

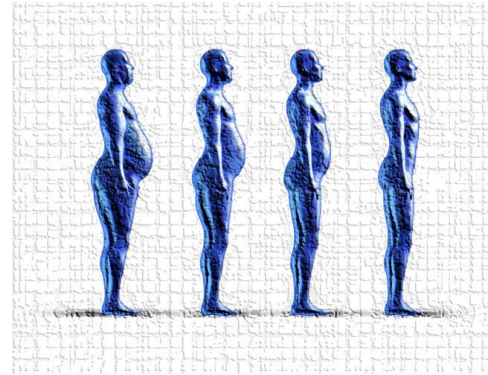


# KPJ's Niche Services



## 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

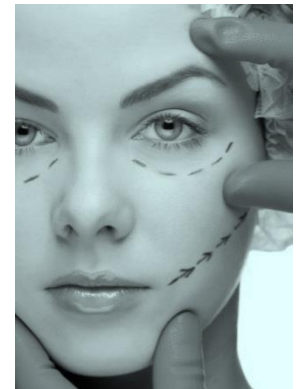


## ONCOLOGY (Cancer)

- ✓ KPJ Damansara
- ✓ KPJ Ipoh
- ✓ KPJ Johor
- ✓ KPJ Selangor
- ✓ KPJ Ampang Puteri
- ✓ KPJ Sabah

## RECONSTRUCTIVE & PLASTIC SURGERY

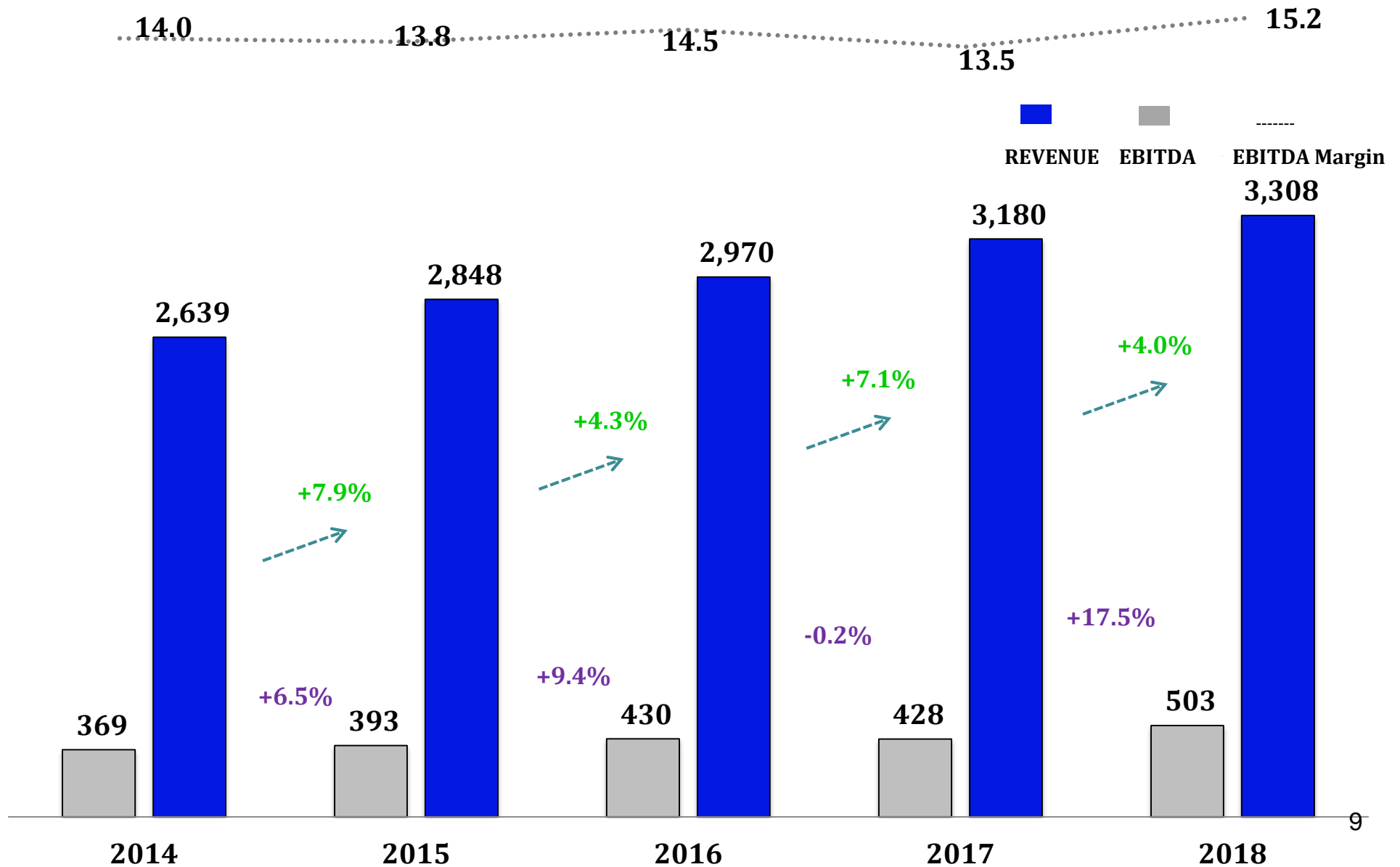
- ✓ KPJ Ampang Puteri
- ✓ KPJ Damansara
- ✓ KPJ Johor



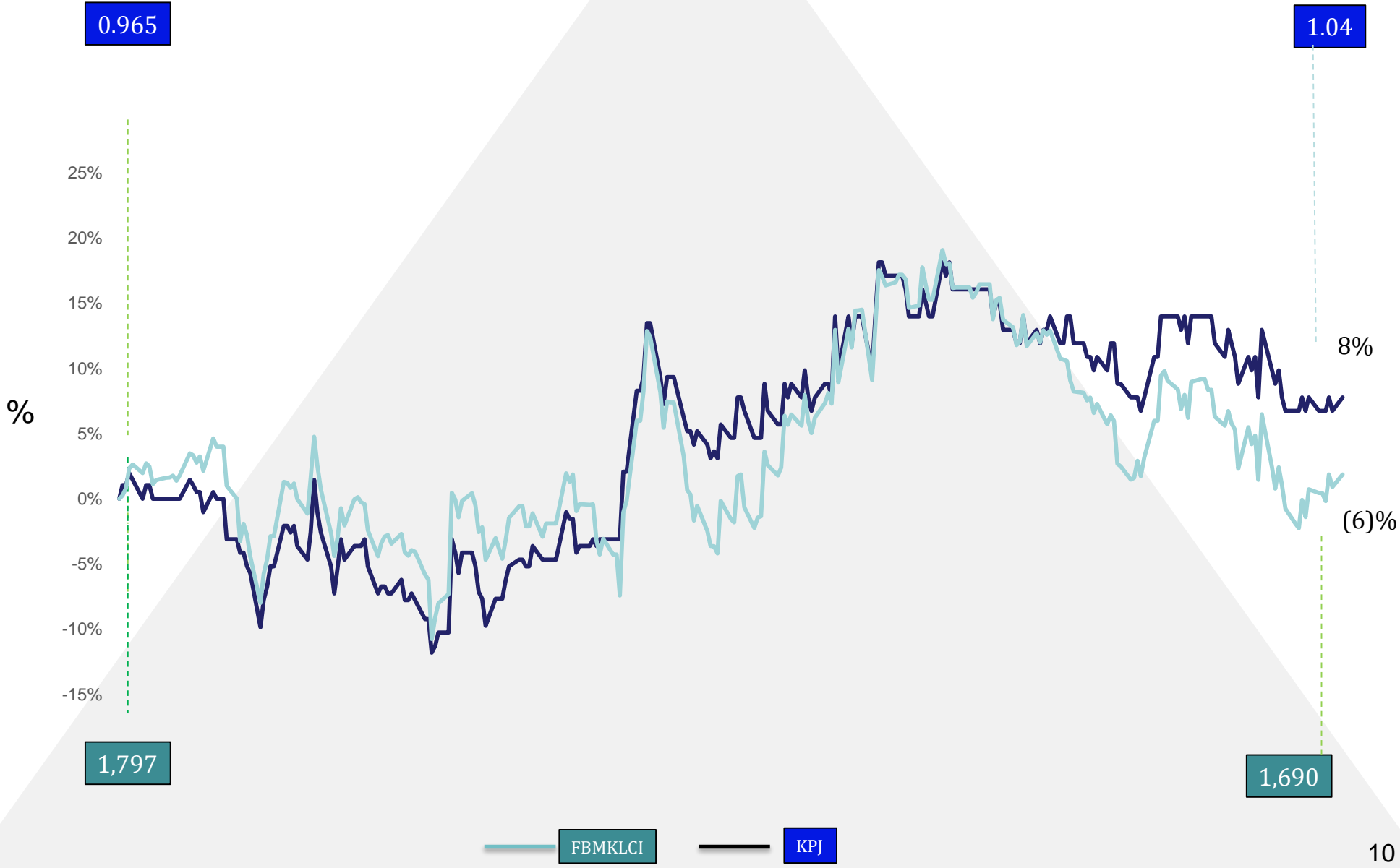


# FINANCIAL TRENDS

## KPJ 5 years Revenue & EBITDA



# KPJ Share Price vs FBMKLCI as at 31 December 2018



# Group Financials 3 months ended – 31 December 2018

	4Q/2018	3Q/2018	4Q/2017	Sequential	Y-o-Y
RM'000	RM ('000)	RM ('000)	RM ('000)	Var (%)	Var (%)
Revenue	863,345	820,560	833,728	5.2	3.6
<b>Gross Profit</b>	<b>269,835</b>	<b>255,447</b>	<b>267,613</b>	<b>5.6</b>	<b>0.8</b>
Profit from Operations	85,791	75,347	79,657	13.9	7.7
Finance Income	2,330	2,059	3,851	13.2	(39.5)
Finance Cost	(25,041)	(21,820)	(22,496)	14.8	11.3
Share of Results from associates	18,188	7,352	16,091	147.4	13.0
<b>Profit before zakat and tax</b>	<b>81,268</b>	<b>62,938</b>	<b>77,103</b>	<b>29.1</b>	<b>5.4</b>
Zakat	(217)	(1,049)	(973)	(79.3)	(77.7)
Taxation	(22,873)	(20,136)	(13,125)	13.6	74.3
<b>Profit after zakat and tax</b>	<b>58,178</b>	<b>41,753</b>	<b>63,005</b>	<b>39.3</b>	<b>(7.7)</b>
(Loss)/Profit from discontinuing	(3,142)	(666)	(692)	371.8	354.0
<b>Net profit for the year</b>	<b>55,036</b>	<b>41,087</b>	<b>62,313</b>	<b>33.9</b>	<b>(11.7)</b>
Equity holders of company	53,324	41,301	60,923	29.1	(12.5)
Non-controlling interest	1,712	(214)	1,390	(900.0)	23.2
<b>Net profit attributable to shareholders</b>	<b>55,036</b>	<b>41,087</b>	<b>62,313</b>	<b>33.9</b>	<b>(11.7)</b>
Basic EPS (sen)	1.24	0.96	1.39		

# Group Financials 12 months ended – 31 December 2018

RM'000	4Q/2018 RM ('000)	4Q/2017 RM ('000)	Y-o-Y Var (%)
Revenue	3,308,117	3,179,998	4.0
<b>Gross Profit</b>	<b>1,018,771</b>	<b>965,345</b>	<b>5.5</b>
Profit from Operations	305,903	260,099	17.6
Finance Income	8,570	13,637	(37.2)
Finance Cost	(89,632)	(79,950)	12.1
Share of Results from associates	41,670	39,540	5.4
<b>Profit before zakat and tax</b>	<b>266,511</b>	<b>233,326</b>	<b>14.2</b>
Zakat	(3,930)	(3,910)	0.5
Taxation	(72,651)	(56,120)	29.5
<b>Profit after zakat and tax</b>	<b>189,930</b>	<b>173,296</b>	<b>9.6</b>
(Loss)/Profit from discontinuing	(3,745)	(6,386)	(41.4)
<b>Net profit for the year</b>	<b>186,185</b>	<b>166,910</b>	<b>11.5</b>
Equity holders of company	179,444	161,914	10.8
Non-controlling interest	6,741	4,996	34.9
<b>Net profit attributable to shareholders</b>	<b>186,185</b>	<b>166,910</b>	<b>11.5</b>
Basic EPS (sen)	4.12	3.70	

# Key Ratios 3 months ended – 31 December 2018

	4Q/2018	3Q/2018	4Q/2017	Sequential	Y-o-Y
	%	%	%	Var	Var
Gross Profit (GP) Margin	31.3	31.1	32.1	0.2	(0.8)
Profit Before Zakat Tax (PBZT) Margin	9.4	7.7	9.2	1.7	0.2
Net Profit Margin	6.4	5.1	7.6	1.3	(1.2)
EBITDA Margin	17.2	14.5	14.9	2.7	2.3
PATAMI Margin	6.4	5.1	7.4	1.3	(1.0)
Dividend per share (sen)	0.5	0.5	0.4	-	0.1
Debt Equity Ratio	0.8	0.8	0.9	-	(0.1)
Net assets per share (RM)	0.5	0.4	0.4	25.0	0.1

# Key Ratios 12 months ended – 31 December 2018

	4Q/2018	4Q/2017	Y-o-Y
	%	%	Var
Gross Profit (GP) Margin	30.8	30.4	0.40
Profit Before Zakat Tax (PBZT) Margin	8.1	7.3	0.80
Net Profit Margin	5.6	5.4	0.20
EBITDA Margin	15.2	13.9	1.30
PATAMI Margin	5.5	5.2	0.30
Dividend per share (sen)	2.0	1.8	0.22
Debt Equity Ratio	0.8	0.9	(0.10)
Net assets per share (RM)	0.5	0.4	0.10

# Segmental Financial Highlights

	YE2018	YE2017	Var (%)
<b>Revenue</b>	<b>RM ('000)</b>	<b>RM ('000)</b>	
Malaysia	3,205,783	3,071,351	4.4
Indonesia	43,452	48,811	(11.0)
Australia	57,491	54,816	4.9
<b>PBT</b>			
Malaysia	278,202	249,206	11.6
Indonesia	(6,968)	(7,709)	(9.6)
Australia	(4,524)	(8,050)	43.8
<b>EBITDA</b>			
Malaysia	503,355	434,495	15.8
Indonesia	1,274	(825)	254.4
Australia	(2,162)	(3,441)	37.2

# Segmental Operational Highlights

	YE2018	YE2017	Var (%)
<b>Outpatients</b>			
Malaysia	2,541,822	2,473,851	2.7
Indonesia – RS PH	51,892	47,671	8.9
Indonesia – RS BSD	67,924	75,301	(9.8)
Dhaka -SFMMK	110,567	91,304	21.1
<b>Inpatients</b>			
Malaysia	299,780	286,465	4.6
Indonesia – RS PH	5,047	4,482	12.6
Indonesia – RS BSD	2,993	3,812	(21.5)
Dhaka -SFMMK	4,257	3,298	29.1
<b>Consultants</b>			
Malaysia	1,036	1,015	2.1
Indonesia – RS PH	67	63	6.3
Indonesia – RS BSD	42	42	0
Dhaka -SFMMK	42	32	31.3



# Segmental Operational Highlights

	YE2018	YE2017	Var (%)
<b>No of Beds</b>			
Malaysia	3,107	3,052	1.8
Indonesia – RS PH	88	88	0.0
Indonesia – RS BSD	68	56	21.4
Dhaka -SFMMK	50	50	-
<b>Occupancy Rates %</b>			
Malaysia	65	65	-
Indonesia – RS PH	55	38	44.7
Indonesia – RS BSD	34	37	(8.1)
Dhaka -SFMMK	74	59	25.4
<b>Average length of Stay</b>			
Malaysia	2.5	2.5	-
Indonesia – RS PH	3.9	3.1	26.8
Indonesia – RS BSD	2.6	2.1	21.7
Dhaka -SFMMK	3.2	3.0	6.0

# Segmental Average Revenue Highlights

	YE2018	YE2017	Var (%)
<b>Average Revenue – per bed</b>			
Malaysia	701,802	673,958	4.13
Indonesia	175,728	223,564	(21.40)
Dhaka -SFMMK	134,868	94,051	43.40
<b>Average Revenue – per outpatient</b>			
Malaysia	328	329	(0.30)
Indonesia	145	145	0.00
Dhaka -SFMMK	74	71	4.23
<b>Average Revenue – per inpatient</b>			
Malaysia	7,274	7,180	1.31
Indonesia	3,410	3,882	(12.16)
Dhaka -SFMMK	1,584	1,426	11.08

# Senior Living Care

Hospitals / Facilities	YE2018	YE2017	Var (%)
<b>Australia - Jeta Gardens</b>			
Aged Care Facility(ACF)	180	180	-
Retirement Villas	33	33	-
Apartment Unit	32	32	-
No of Residents	162	174	(6.9)
Occupancy Rate (ACF)(%)	91	98	(7.1)
<b>Tawakkal Health Centre</b>			
No of Beds	42	42	-
No of Residents	33	22	50.0
Occupancy Rate (%)	79	52	51.9
<b>Sibu Geriatric</b>			
No of Beds	28	28	0.0
No of Residents	28	26	7.7
Occupancy Rate (%)	100	93	7.5
<b>Kuantan Health Centre</b>			
No of Beds	20	-	-
No of Residents	14	-	-
Occupancy Rate (%)	57	-	-
<b>Damai Wellness Centre</b>			
No of Beds	21	-	-
No of Residents	8	-	-
Occupancy Rate (%)	53		

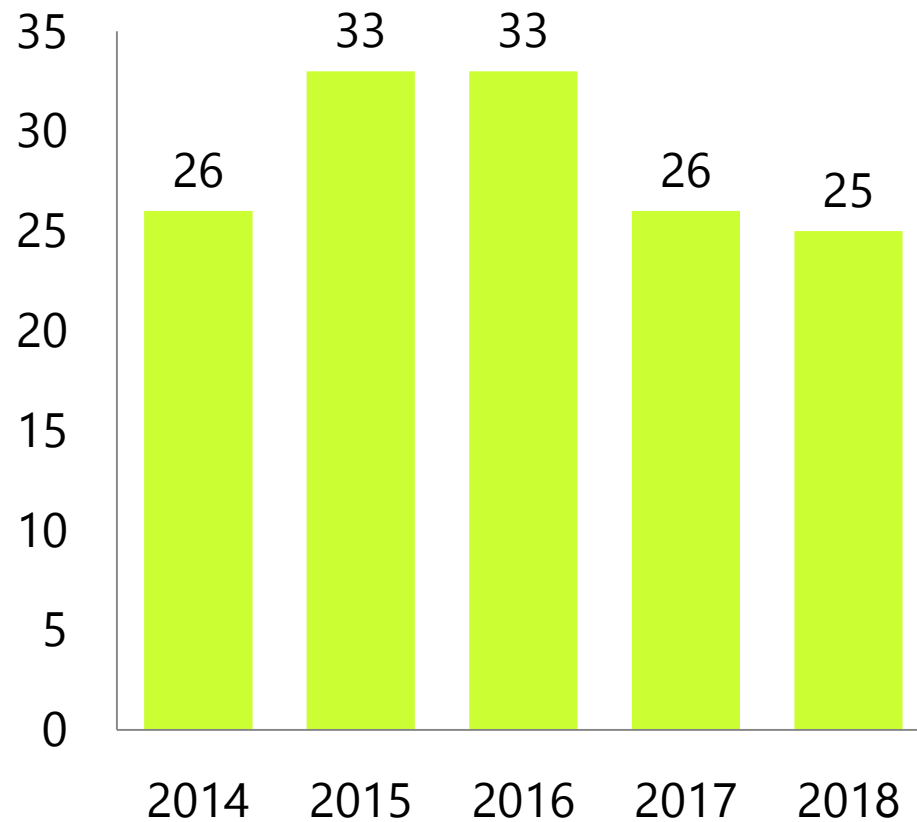
# Education - KPJ Healthcare University College

Hospitals / Facilities	YE2018	YE2017	Var (%)
No of Students	2,051	2,515	(18.5)
<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>			

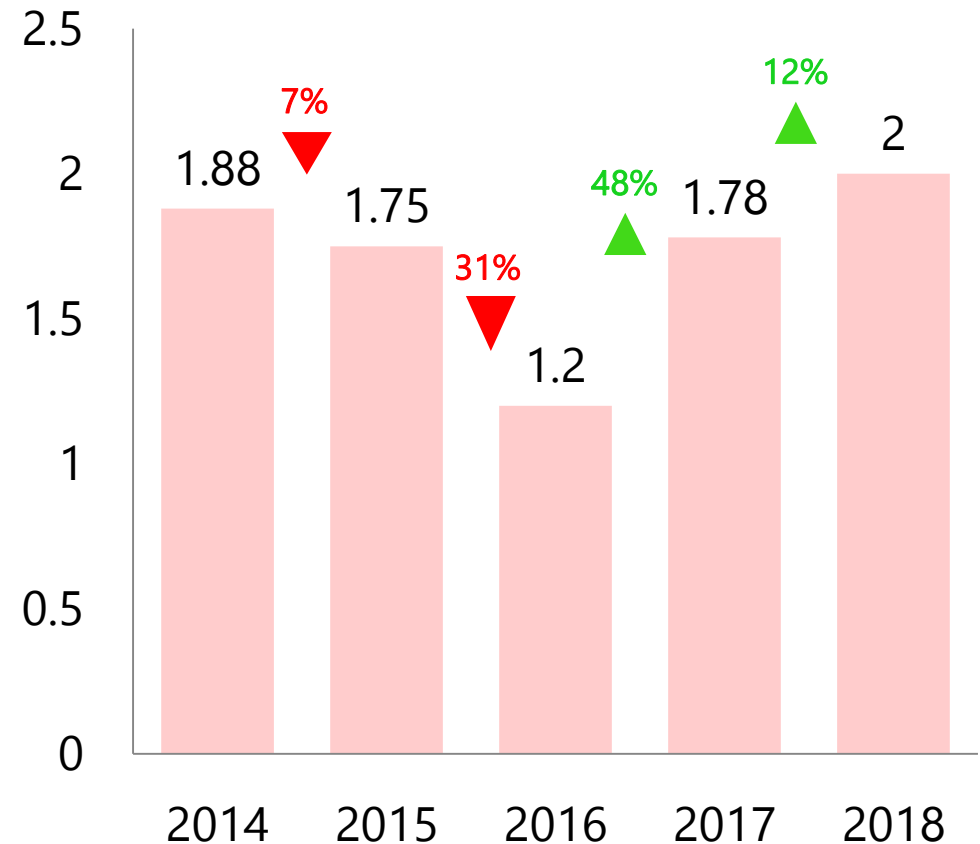
# Key Financial Highlights

*FY2014-FY2018*

PER Historical



Dividend (sen) \*

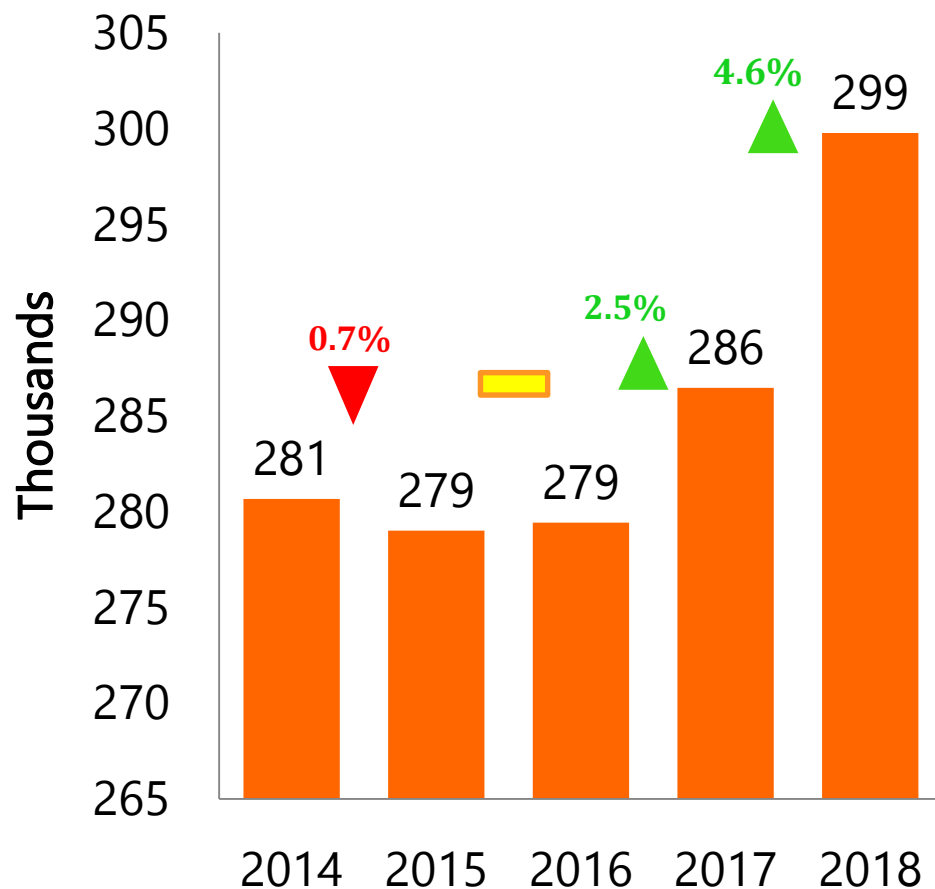


*\*Dividend per share re-stated to reflect subdivision of shares in Sept 2017*

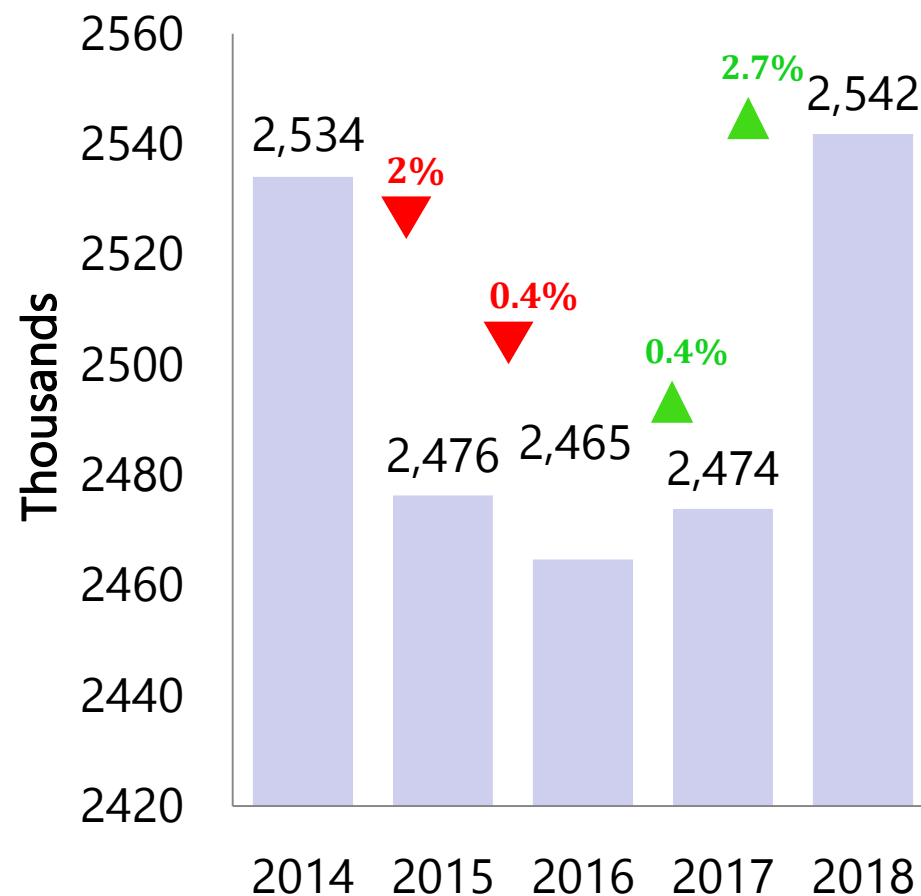
# Key Operational Highlights

*FY2014-FY2018*

No of Inpatients



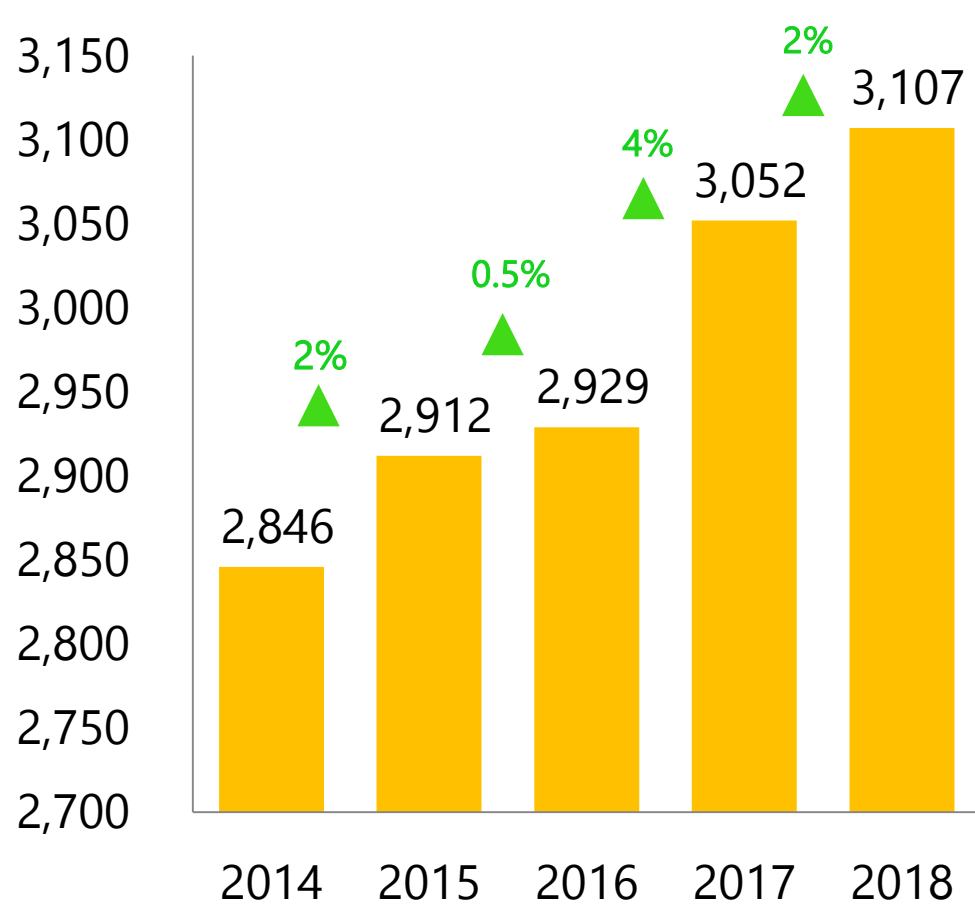
No of Outpatients



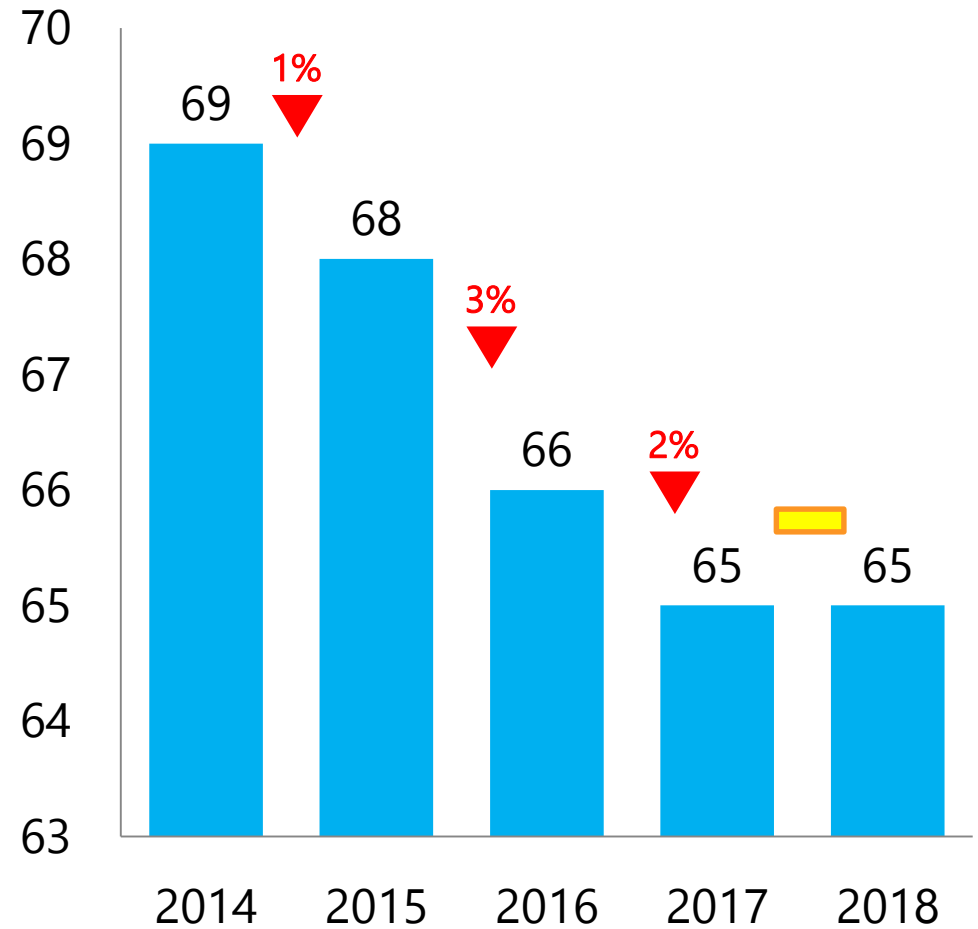
# Key Operational Highlights

*FY2012-FY2018*

No of Operating Beds

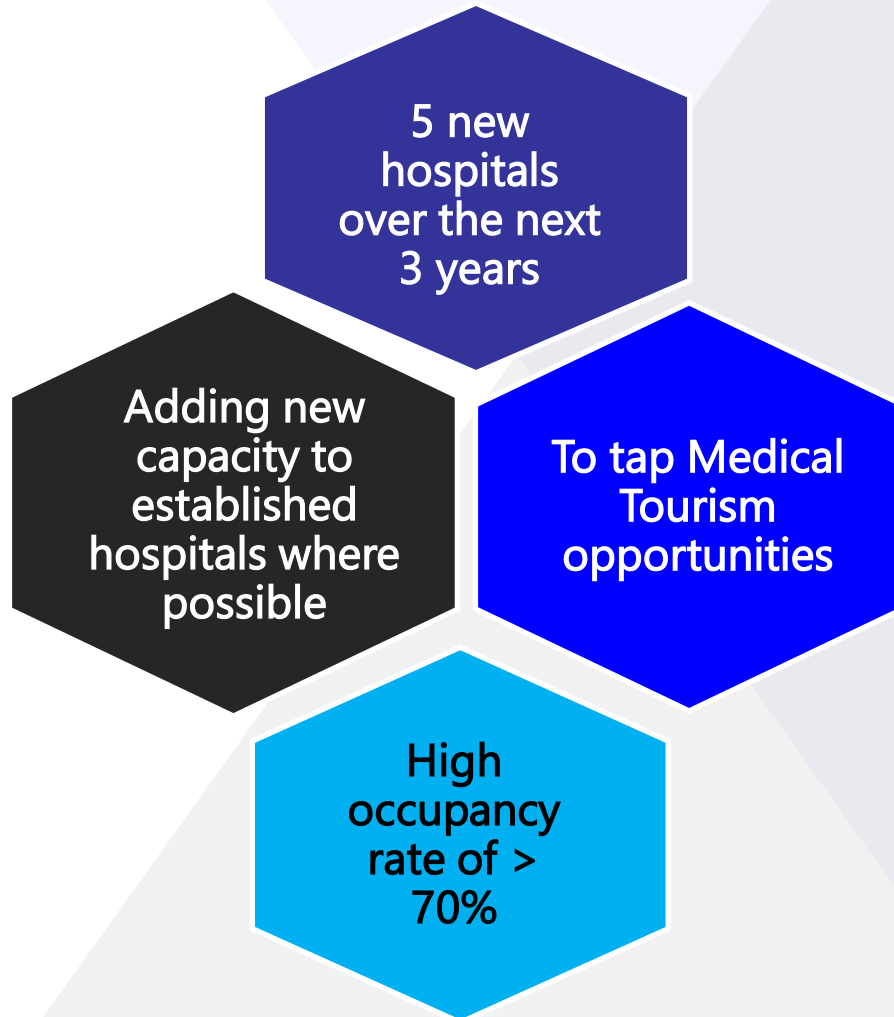


Occupancy Rates (%)



# 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 – ETP, MHTC, MOH & Tourism Malaysia (targeting tourists arrivals from Indonesia, China, Middle East, East Africa & Indochina)

### > *Explore Niche Market*

~Ageing population – Senior 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)



# 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

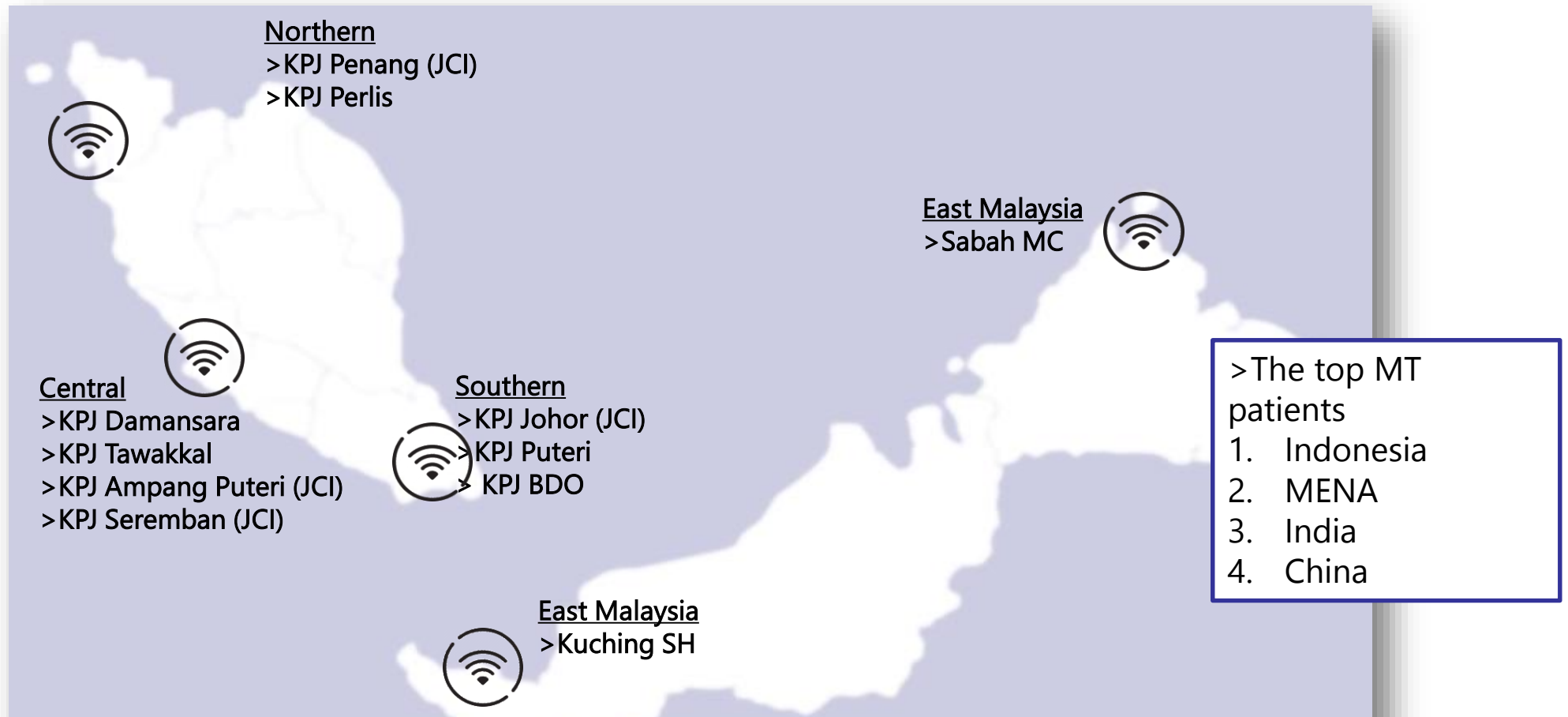


## Limitations

- Hospital capacity constraint
- No price differential
- Logistic ease



# Medical Tourism KPJ MT Hub



Comparison of Healthcare Travelers to Malaysia between 2011-2017

Year	2011	2012	2013	2014	2015	2016	2017
No. of Healthcare Travellers	641,000	728,800	881,000	882,000	850,000	921,000	1,050,000

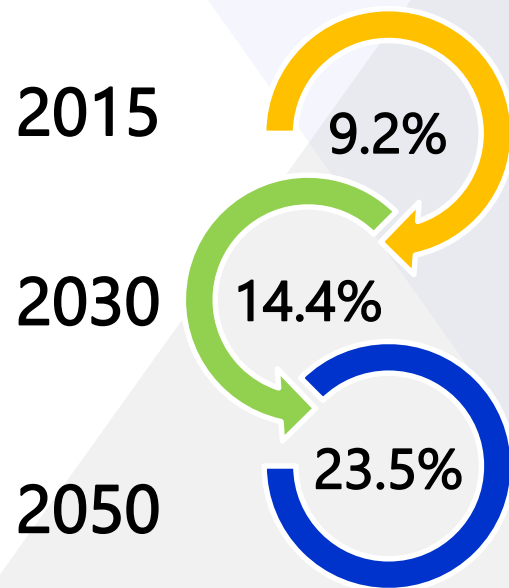
Source:  
 Malaysia Health Travel Council

# 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 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)

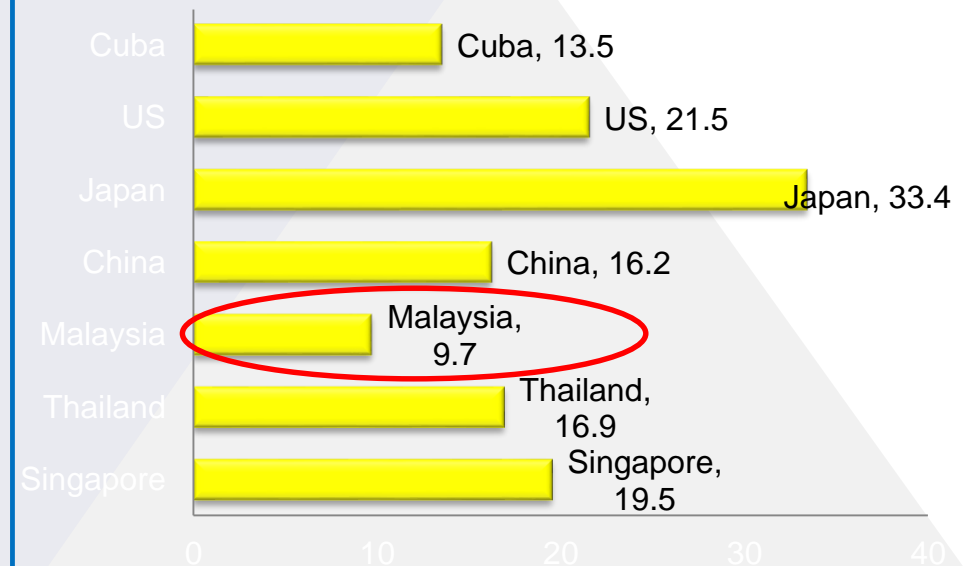
> Global Age Watch Index 2015

### Challenges

- . Culture
- . Legal framework
- . Funding mechanism



### % Population & Aged > 60 years 2017



Source : United Nations, World Population Ageing 2017 Highlights

# Aged Care & KPJ Business of the future

## Facilities

- MALAYSIA – Senior Living Care
  - Tawakkal Health Centre (pilot)
  - Sibü Geriatric
  - KPJ Kuantan Wellness



## > 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 *KPJ BDO *KPJ Puteri *KPJ Johor
Sarawak	9%	Sibü Geriatric
Kuala Lumpur	6%	Tawakkal Health Centre
Pahang	6%	^ KPJ Kuantan Wellness

\* Planning

^ Opened in Feb 2018

# 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	4Q2019	1Q2020
Kuching	Sarawak	150	114	4Q2019	1Q2020
UTM	Johor	150	60	TBA	TBA
K/Bayuemas	Selangor	90	90	TBA	TBA
Melaka	Melaka	150	60	TBA	TBA

**Total Beds**

**636**

**384**



# 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**

**1<sup>st</sup> 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**

**6 Services :**

ENT  
General Surgery  
Obstetric & Gynaecology  
Anaesthesiology  
Orthopaedic  
Radiology



**9 Specialist  
Consultants**

# 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



## KPJ Miri Specialist Hospital, Miri



# Network Expansion *New Hospitals- lease*

PROJECT	LOCATION	TOTAL CAPACITY (Beds)	OPERATING BEDS	COMPLETION	OPENING	LEASE PERIOD
KPJ Batu Pahat	Batu Pahat	90	60	3Q2019	4Q2019	30 years (6+3yrs up to 30 years)
Kluang Specialist	Kluang	90	90	43Q2019	1Q2020	30 years (15+15yrs)
KPJ Damansara	Sg Penchala	300	120	2020	TBA	30 years (15+15yrs)

<b>Total Beds</b>	<b>480</b>	<b>270</b>
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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	Clinic		
KPJ Seremban	87	30	1Q2017*	3Q2019
KPJ Ampang	87	24	2Q2019	3Q2019
Sri Manjung	30	14	2Q2019	4Q2019
KPJ Perdana	45	35	3Q2019	4Q2019
KPJ Puteri	101	20	4Q2019	1Q2020
Taiping	20	16	4Q2019	2Q2020
KPJ Klang	40	14	4Q2019	1Q2020
KPJ Penang	155	32	4Q2020	1Q2021
KPJ Tawakkal	120	24	2022	2022

<b>Total Beds</b>	<b>685</b>
<b>Total Clinics</b>	<b>209</b>

\* Completed  
# Opened

# 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***



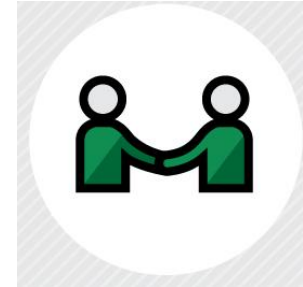
➤ ***Quality of Service Standards***



➤ ***Managing and Retaining Talent***

➤ ***Funders of Healthcare Services***

➤ ***Government Regulations***



THANK YOU