

رعاية الطبية  
CARE MEDICAL



# Earnings Presentation

9M 2024

21 October, 2024



# Performance Highlights and Strategy



# Improved Operational Efficiency and Financial Performance in 9M 2024

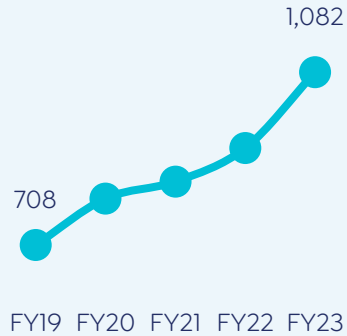


## Operating and financial performance highlights

### Revenue

9M 2024

**921** SAR mn  
+18% year-on-year



**504.0**  
thousand

### Total patients

9M 2024  
+6% year-on-year

**489.0**  
thousand

### Outpatients<sup>1</sup>

9M 2024  
+6% year-on-year

**15.0**  
thousand

### Inpatients<sup>2</sup>

9M 2024  
-6% year-on-year

### New branches

#### AlBalad

- Jeddah, KSA
- Long-term nursing, hospice, and palliative care
- 169 beds
- 16 intensive care units
- 8 hemodialysis beds

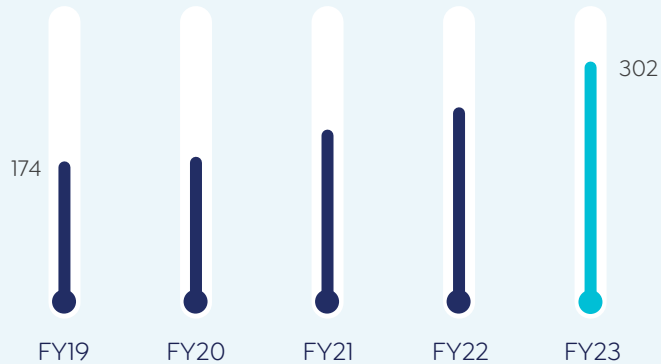
#### Haram

- Mecca, KSA
- Emergency department in the Grand Mosque area
- 54 beds
- 34 critical care units
- 16 ER practitioners

### EBITDA

9M 2024

**260** SAR mn  
+14% year-on-year



### Net Profit

9M 2024

**211** SAR mn

+19% year-on-year

### Bed Occupancy Rate

9M 2024

**66.8%**

### Number of Available Beds

30 September, 2024

**1,008**

### Average length of stay

9M 2024

**12.3 days**

+54% year-on-year

<sup>1</sup> Outpatient visits

<sup>2</sup> Inpatient admissions

# Strategic Focus: Expansion, New Services, Efficiency, and Automation



## Overview of strategic initiatives

### New Services

#### Home Healthcare Services

Started Home Healthcare Services to increase patient satisfaction and drive new revenue

#### Executive Health Check

Launched executive health check to raise cash revenue, targeting health-conscious individuals

#### Rawdah Mental Health Center

Introduced mental health services to drive revenue, targeting wellness-focused clients

### Expansion

#### Riyadh New Hospital

General hospital in Riyadh by 2028

#### Jeddah Al Balad

LT care facility acquired in 4Q 2023

#### Mecca Al Haram

Emergency facility launched in 4Q 2023

#### Riyadh Al Salam

General hospital acquired in 4Q 2024

#### Further Projects

- M&A pipeline
- Mental Health Platform
- Potential bed capacity increase

### Efficiency Improvement

#### Centres of Excellence

Established CoE at Rawabi and Malaz

#### Positioning and Brand

Unveiled Care's refreshed brand

#### New Operating Model

Maximized operational efficiency

#### Patient Experience

Improved patient experience

#### Cross-Business Unit Synergy

Enhanced internal collaboration

#### Staff Value Proposition

Improved value to attract talent

### Digital Automation

#### Clinical Intelligence System

Implemented the Intel System to maximize value from every patient engagement

#### Digital Patient Platform

Launched a digital platform to optimize patient experiences and personalize care

#### Further Projects

- Integrate ERP for economies of scale
- Ensure digital compliance for MOH



# Operating and Financial Performance



# Operational Trends

Growing patient numbers supported by new branches, offset by the completion of a significant contract

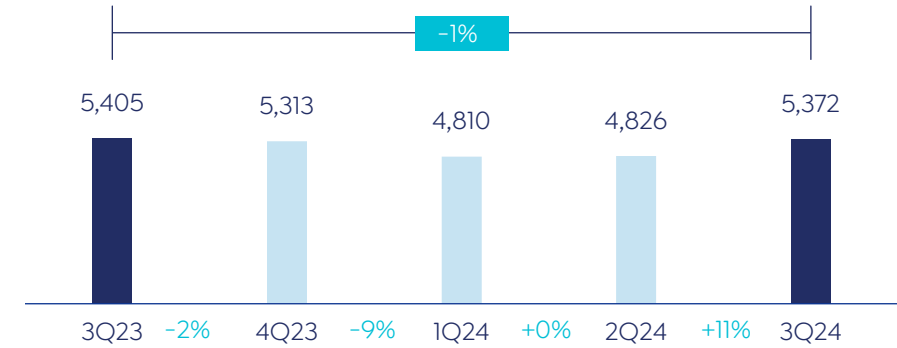


## Operational Highlights<sup>1,2</sup>

SAR mn	9M2024	9M2023	YoY, %	9M2024 LfL	YoY, %
Inpatient admissions	15,008	15,967	-6%	14,867	-7%
Outpatient visits	488,986	460,178	+6%	476,228	+3%
<b>Total patients</b>	<b>503,994</b>	<b>476,145</b>	<b>+6%</b>	<b>491,095</b>	<b>+3%</b>
Inpatient days	185,227	127,613	+45%	138,232	+8%
Bed capacity	1,008	655	+54%	779	+19%
Bed occupancy rate (%)	66.8%	71.8%	-5.0 ppts	64.7%	-7.1 ppts
ALOS, Total (days)	12.3	8.0	+54%	9.3	+16%
Number of surgeries	13,709	14,334	-4%	13,709	-4%

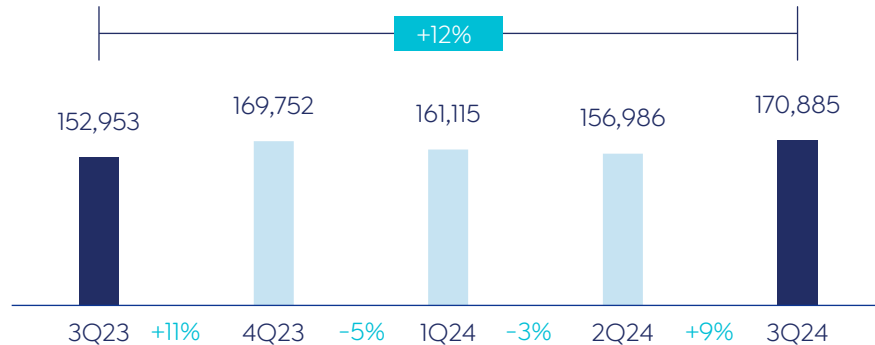
## Inpatients Admissions Quarterly Trend

(Admissions)



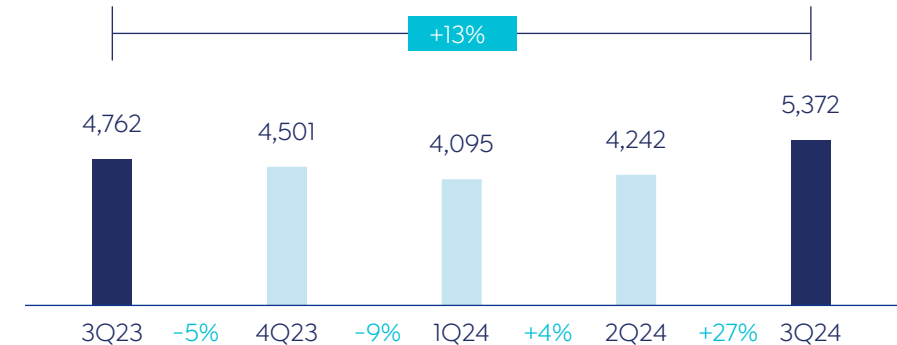
## Outpatient Visits Quarterly Trend

(Outpatient visits)



## Surgeries Quarterly Trend

(Surgeries)



<sup>1</sup>The 3Q 2024 and 9M 2024 indicators include the results of the Rawabi, Malaz, Haram (Jiwar), and AlBalad (formerly Chronic Care) branches. The 3Q 2024 LfL (like-for-like), 9M 2024 LfL, 3Q 2023, and 9M 2023 indicators include only the results of the Rawabi and Malaz branches. <sup>2</sup>"ALOS, Total" – average length of stay for all inpatients.

# Income Statement

9M 2024 profitability improvement driven by expanding operations, and cost control

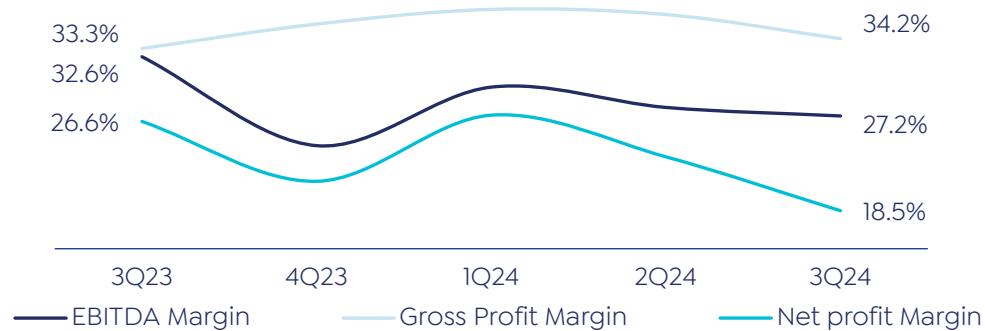


## Income Statement Highlights

SAR mn	3Q2024	3Q2023	YoY, %	9M2024	9M2023	YoY, %
Revenues	326	275	+18%	921	782	+18%
Cost of revenues	(214)	(184)	+17%	(591)	(519)	+14%
<b>Gross profit</b>	<b>112</b>	<b>92</b>	<b>+22%</b>	<b>330</b>	<b>263</b>	<b>+25%</b>
Operating expenses	(41)	(17)	+2.4x	(122)	(73)	+66%
<b>Operating profit</b>	<b>71</b>	<b>75</b>	<b>-5%</b>	<b>208</b>	<b>190</b>	<b>+10%</b>
<b>EBITDA</b>	<b>88</b>	<b>90</b>	<b>-1%</b>	<b>260</b>	<b>228</b>	<b>+14%</b>
<b>Net profit</b>	<b>60</b>	<b>73</b>	<b>-18%</b>	<b>211</b>	<b>177</b>	<b>+19%</b>
Gross profit margin	34.2%	33.3%	+0.9 pts	35.8%	33.6%	+2.2 pts
EBITDA margin	27.2%	32.6%	-5.4 pts	28.3%	29.2%	-0.9 pts
Net profit margin	18.5%	26.6%	-8.2 pts	22.9%	22.7%	+0.2 pts

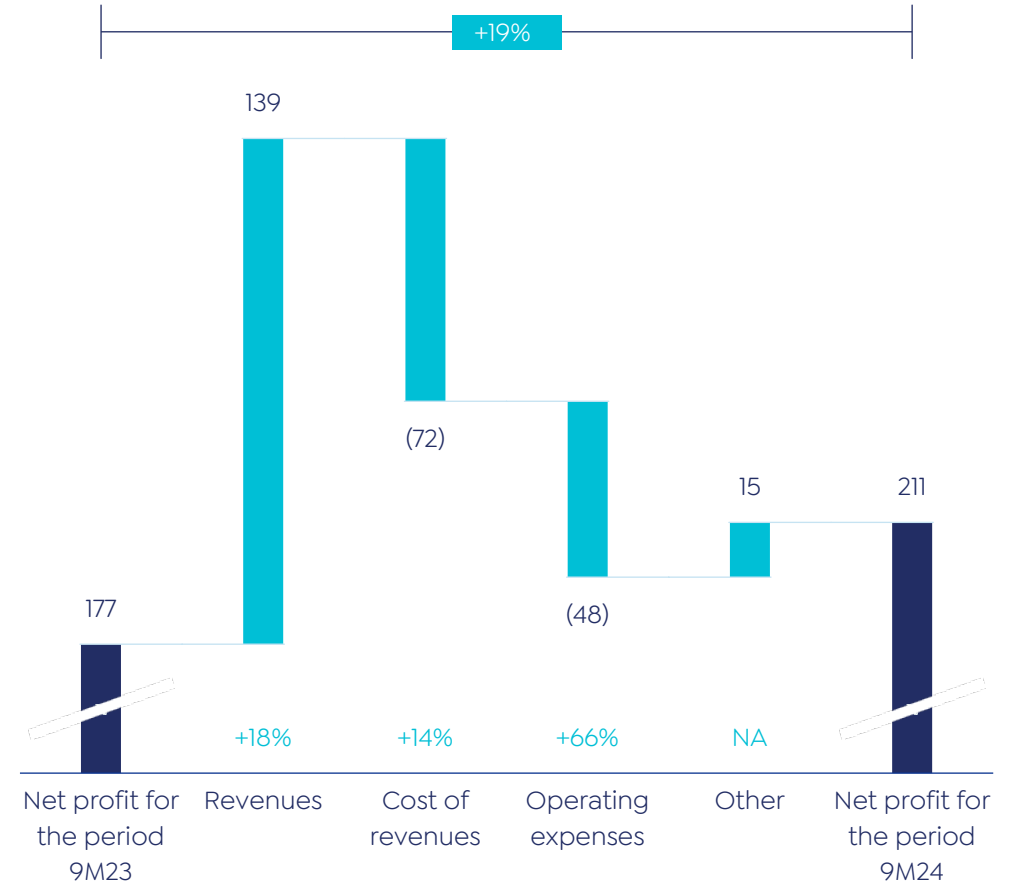
## Quarterly Margin Trends

(%)



## Net Profit Development

(SAR mn)



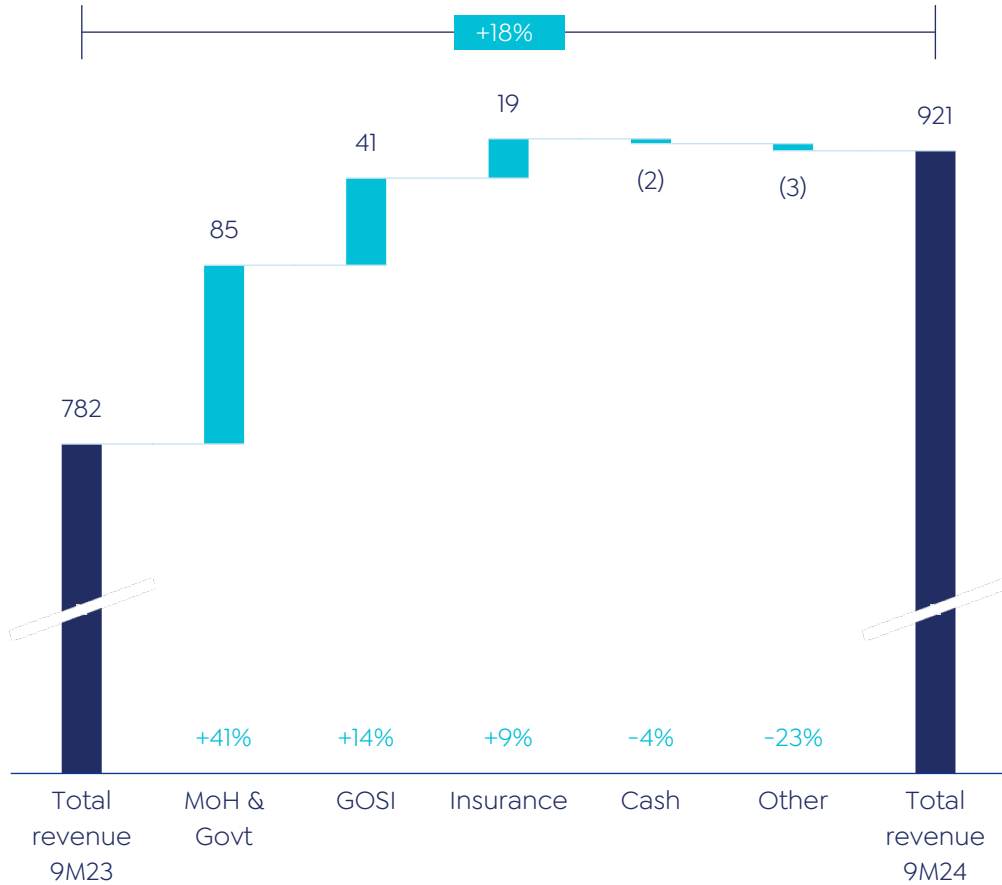
# Revenue Trends

Revenue in 9M 2024 supported by increasing number of referrals from key clients



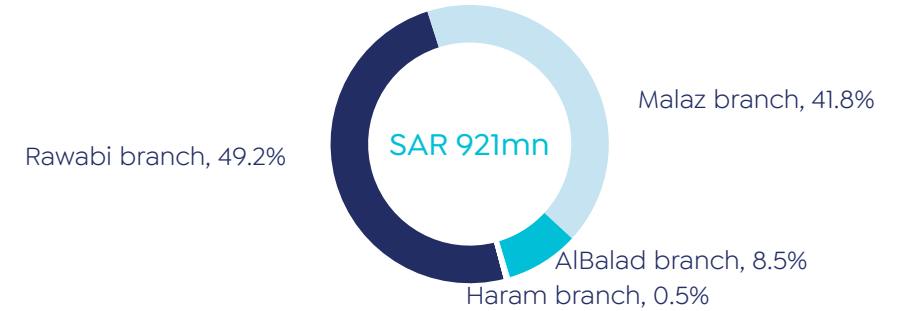
## Revenue Development<sup>1</sup>

(SAR mn)



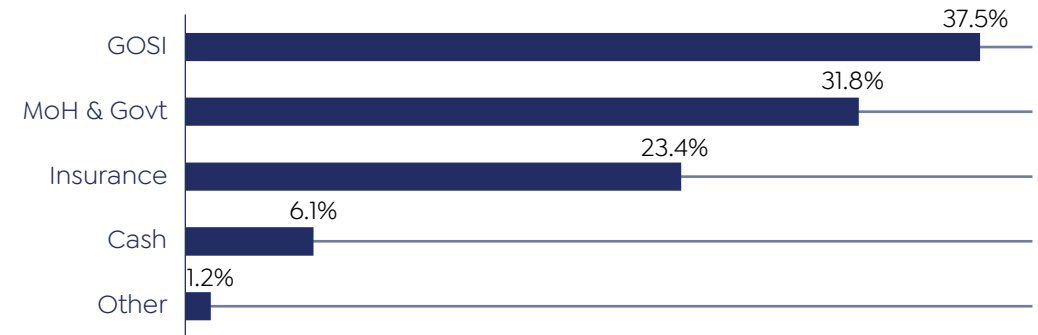
## Revenue by Business Unit (9M 2024)

(SAR mn)



## Revenue by Payer (9M 2024)

(SAR mn)



<sup>1</sup>Based on Net Revenue calculated as follows: Gross Revenue – Discounts – Rejections.



# Costs Overview

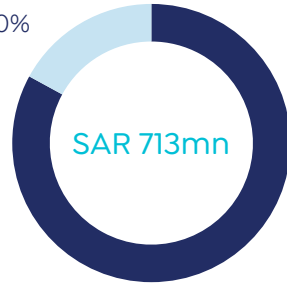


Gross margin benefits from cost of revenues increasing at a slower pace than revenue

## Total Expenses Breakdown (9M 2024)

(SAR mn)

Operating expenses, 17.0%



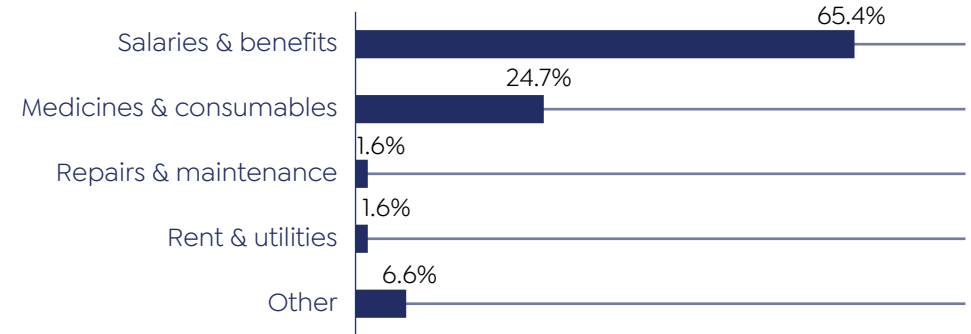
Cost of revenues, 83.0%

+20%

9M 2024 YoY ↑

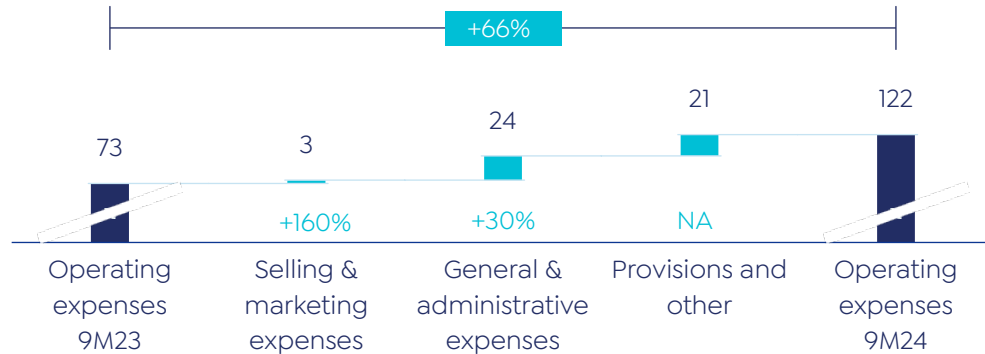
## Cost of Revenues Breakdown (9M 2024)

(SAR mn)



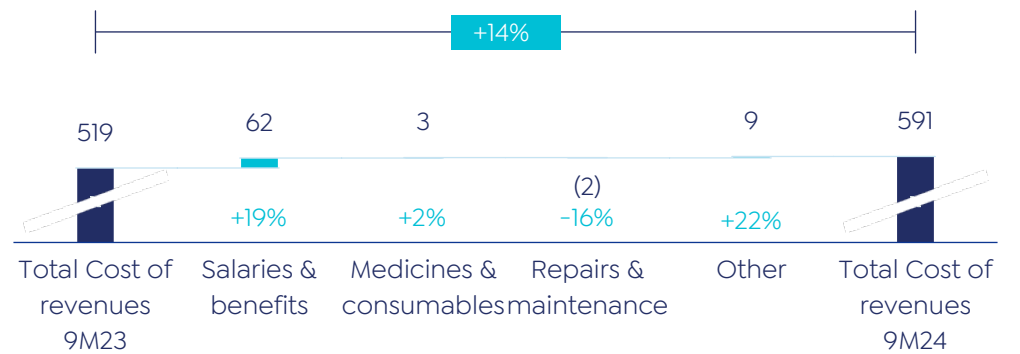
## Operating Expenses Development

(SAR mn)



## Cost of Revenues Development

(SAR mn)



# Balance Sheet Highlights

Strong balance sheet supported by a cash reserve and efficient cash conversion cycle

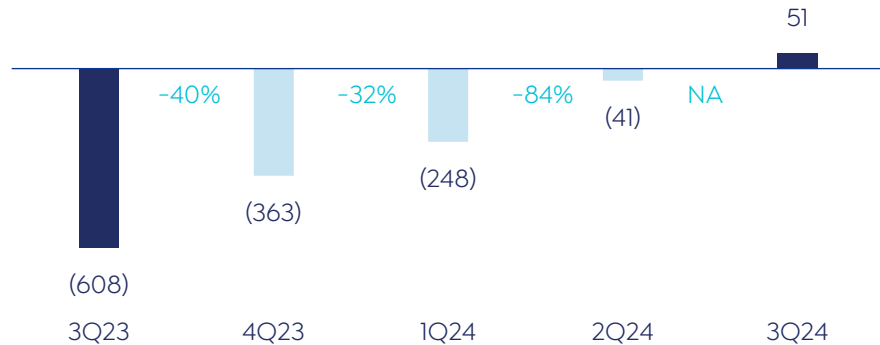


## Balance Sheet Highlights

SAR mn	3Q2024	4Q2023	Ytd, %
Total Non-Current Assets	1,118	936	+19%
Total Current Assets	1,112	1,278	-13%
<b>Total Assets</b>	<b>2,230</b>	<b>2,214</b>	<b>+1%</b>
<b>Total Shareholders' Equity</b>	<b>1,541</b>	<b>1,453</b>	<b>+6%</b>
Total Non-Current Liabilities	382	413	-8%
Total Current Liabilities	307	348	-12%
<b>Total Liabilities</b>	<b>689</b>	<b>761</b>	<b>-9%</b>
Cash, equivalents & time deposits	279	694	-60%
Net Debt <sup>2</sup>	51	(363)	NA

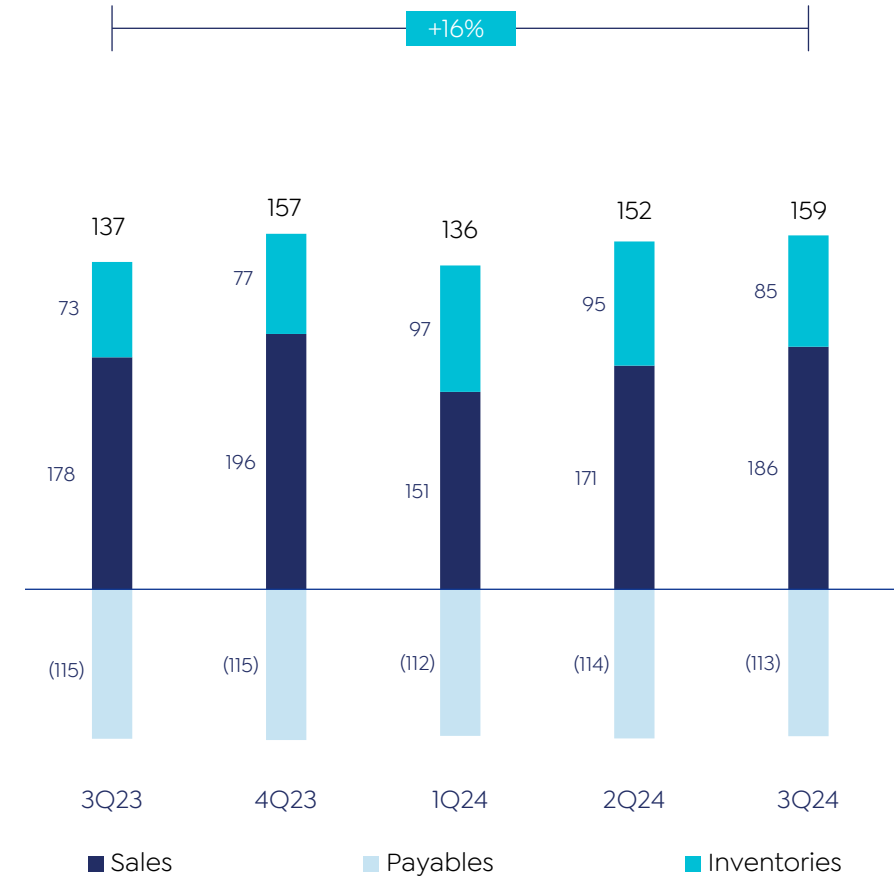
## Net Debt Trend<sup>2</sup>

(SAR mn)



## Cash Conversion Cycle<sup>1</sup> Trend

(Days)



<sup>1</sup> Based on YTD indicators. DPO, DSO, and DIO are calculated based on Care methodology.

<sup>2</sup> Including time deposits.

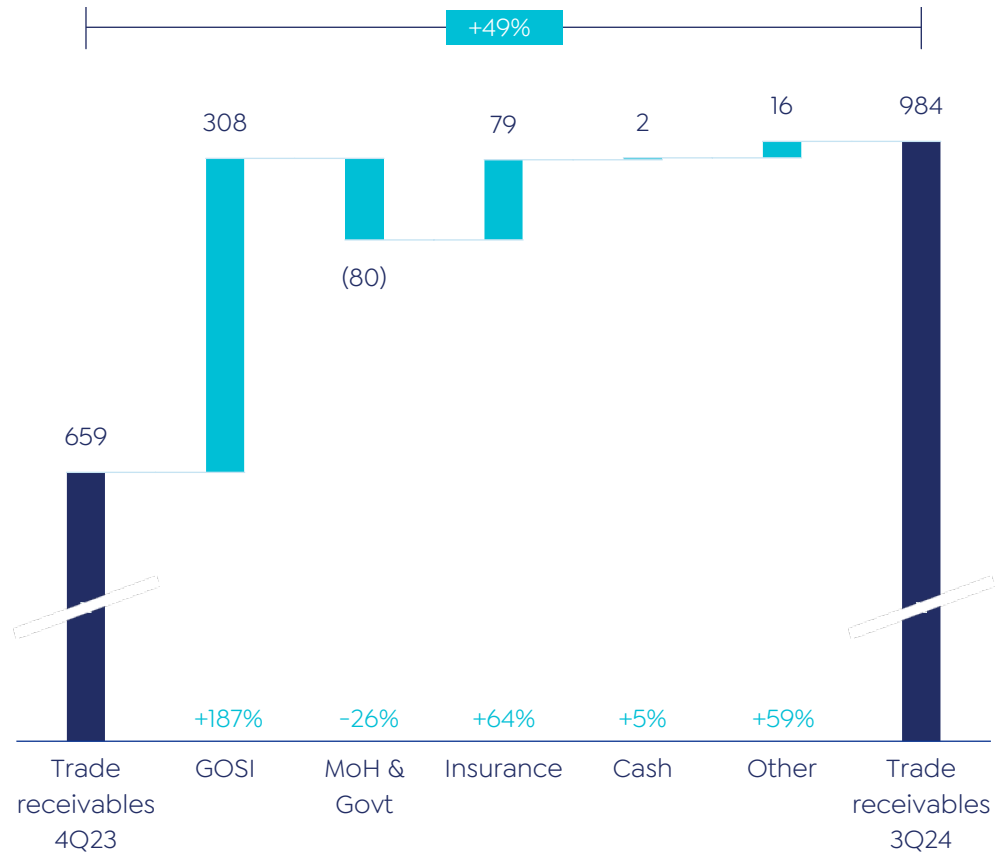
# Receivables Management

Growing receivables driven by higher number of referrals from key clients



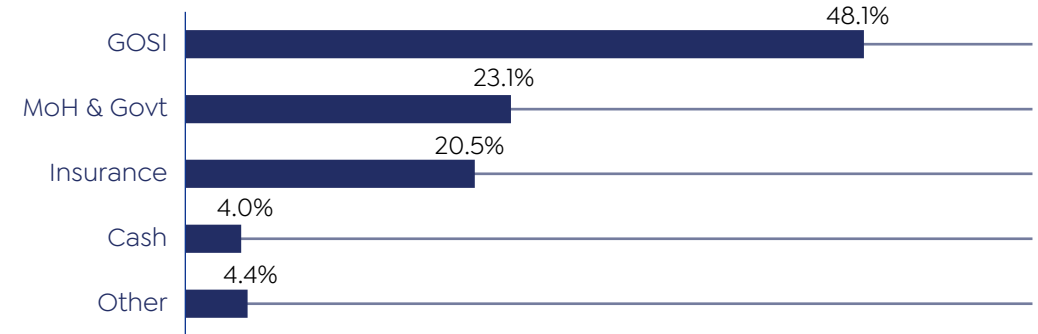
## Trade Receivables<sup>1</sup> Development

(SAR mn)



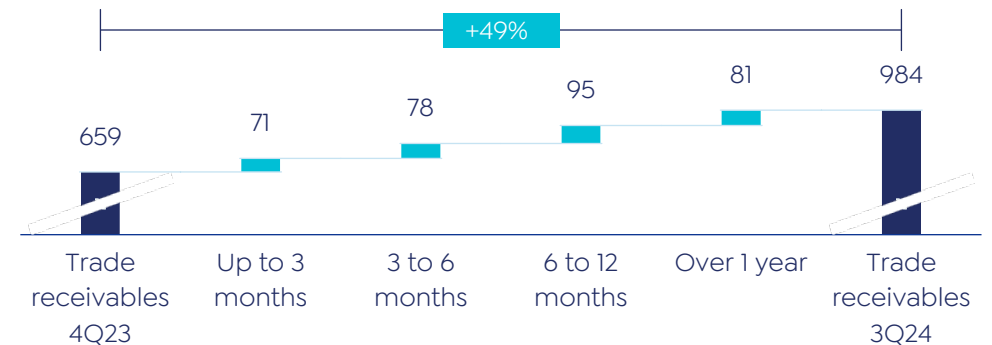
## Trade Receivables<sup>1</sup> Structure (end of 3Q 2024)

(SAR mn)



## Trade Receivables<sup>1</sup> Aging (end of 3Q 2024)

(SAR mn)



<sup>1</sup> Based on Gross Trade Receivables, excluding any deductions for provisions held against them

# Cash Flow Highlights

Stronger results support cash flow, counterbalanced by working capital increase

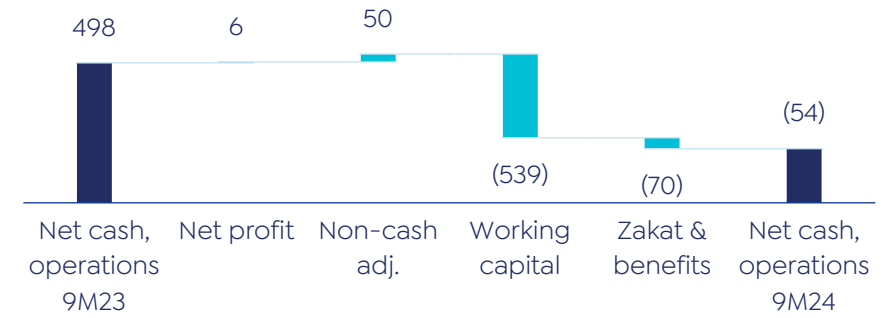


## Cash Flow Highlights

SAR mn	3Q2024	3Q2023	YoY, %	9M2024	9M2023	YoY, %
<b>Net Profit before zakat</b>	<b>69</b>	<b>82</b>	<b>-15%</b>	<b>209</b>	<b>202</b>	<b>+3%</b>
Non-cash adjustments	30	(2)	NA	85	34	+2.5x
Working capital changes	(122)	46	NA	(266)	273	NA
Zakat, fin. income, empl. benefits <sup>1</sup>	(14)	9	NA	(81)	(12)	+7.1x
<b>Net cash, operations</b>	<b>(37)</b>	<b>136</b>	<b>NA</b>	<b>(54)</b>	<b>498</b>	<b>NA</b>
Capex	(26)	(12)	+2.3x	(219)	(56)	+3.9x
<b>Net cash, investing activities</b>	<b>(226)</b>	<b>(462)</b>	<b>-51%</b>	<b>(34)</b>	<b>(506)</b>	<b>-93%</b>
<b>Net cash, financing activities</b>	<b>(37)</b>	<b>(6)</b>	<b>+6.2x</b>	<b>(141)</b>	<b>(51)</b>	<b>+2.8x</b>
<b>Net changes in cash</b>	<b>(300)</b>	<b>(332)</b>	<b>-10%</b>	<b>(230)</b>	<b>(59)</b>	<b>+3.9x</b>

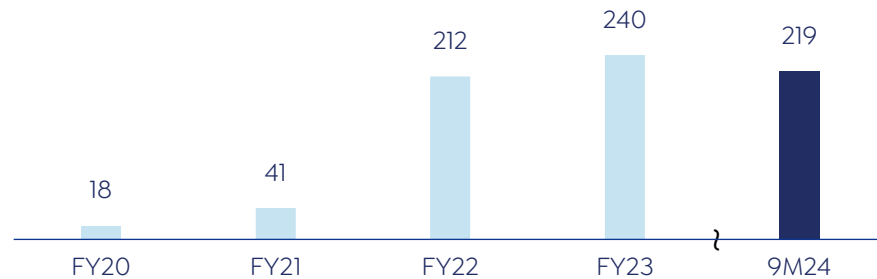
## Cash Flow From Operations Development

(SAR mn)



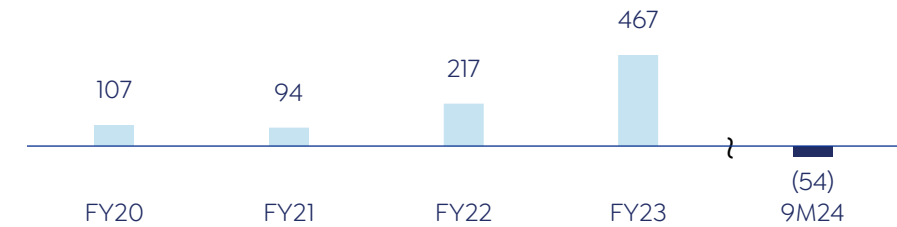
## Capex Trend

(SAR mn)



## Cash Flow From Operations Trend

(SAR mn)



<sup>1</sup> Zakat, finance income (net), and end-of-service benefits.



# Q&A Session





# Appendix

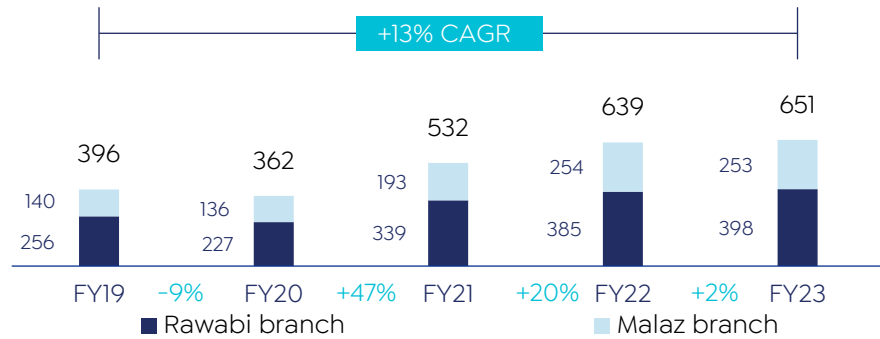


# Operating Performance Overview<sup>1</sup> (1/2)



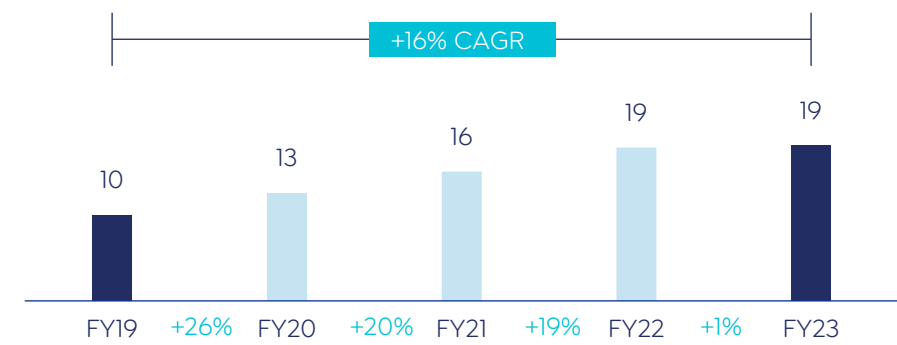
## Total Patients Trend

(Thousand patients)



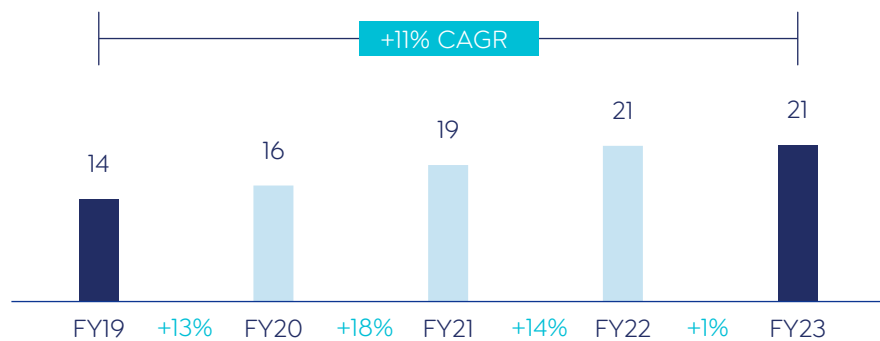
## Surgeries Trend

(Thousand surgeries)



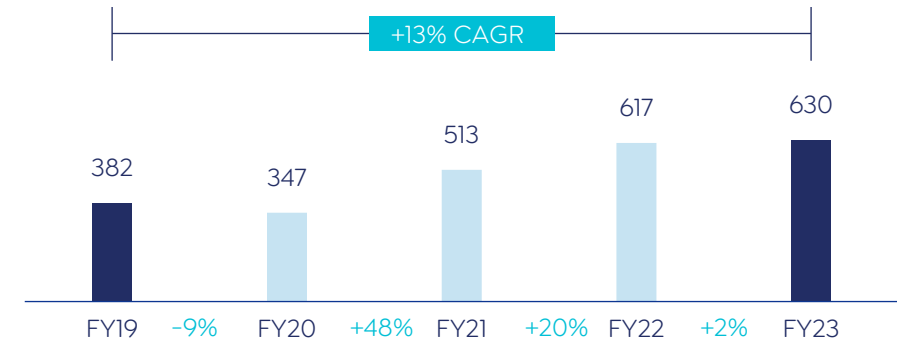
## Inpatients Admissions Trend

(Thousand admissions)



## Outpatient Visits Trend

(Thousand outpatient visits)



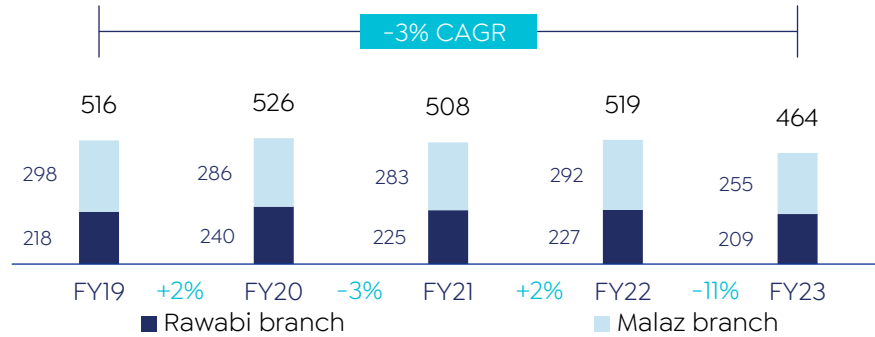
<sup>1</sup> Operating indicators represent data for Rawabi and Malaz branches. Rawabi branch, previously referred as Riyadh Care Hospital (RCH); Malaz branch, previously referred as Care National Hospital (CNH).

# Operating Performance Overview<sup>1</sup> (2/2)



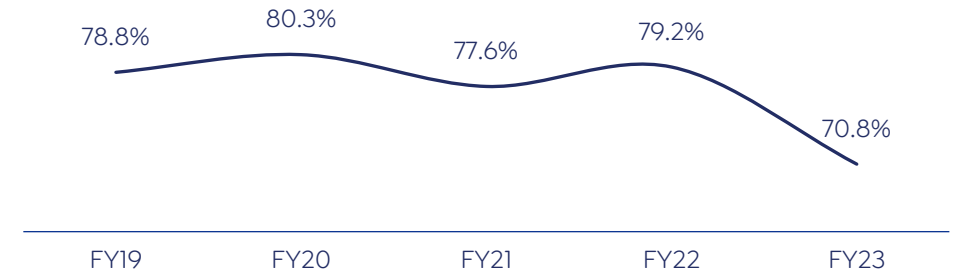
## Occupied Beds Trend

(Occupied beds)



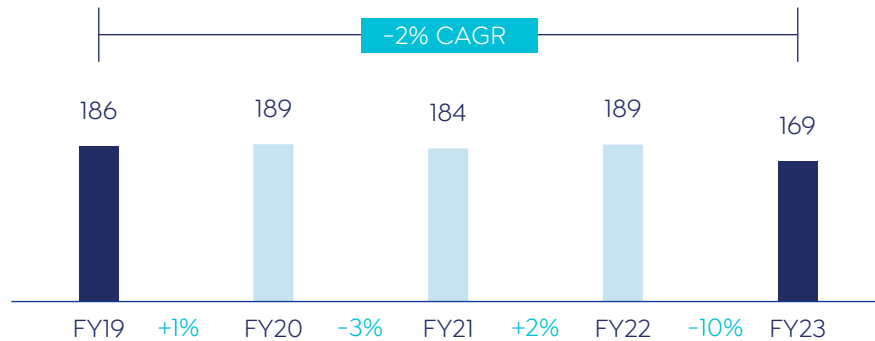
## Bed Occupancy Trend

(%)



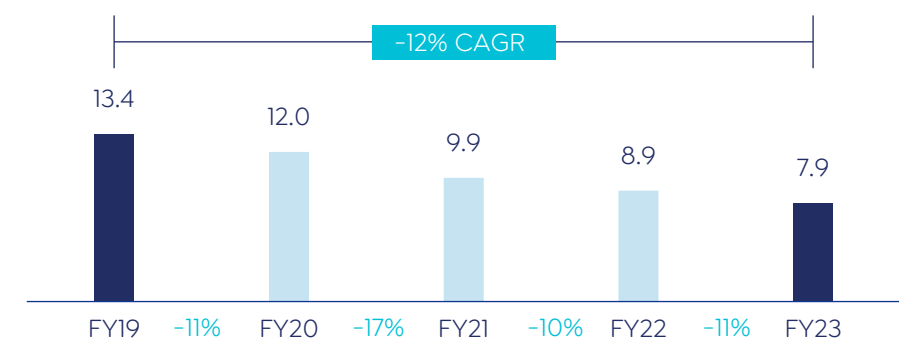
## Inpatient Days Trend

(Thousand inpatient days)



## Average Length of Stay Trend

(Days per stay)



<sup>1</sup> Operating indicators represent data for Rawabi and Malaz branches. Rawabi branch, previously referred as Riyadh Care Hospital (RCH); Malaz branch, previously referred as Care National Hospital (CNH).

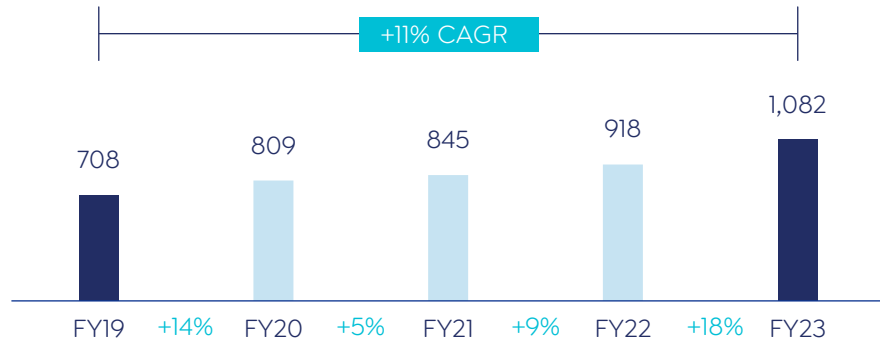


# Financial Performance Overview



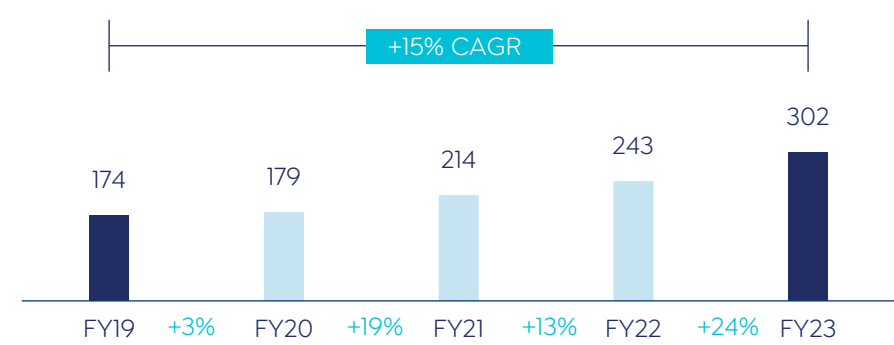
## Total Revenue Trend

(SAR mn)



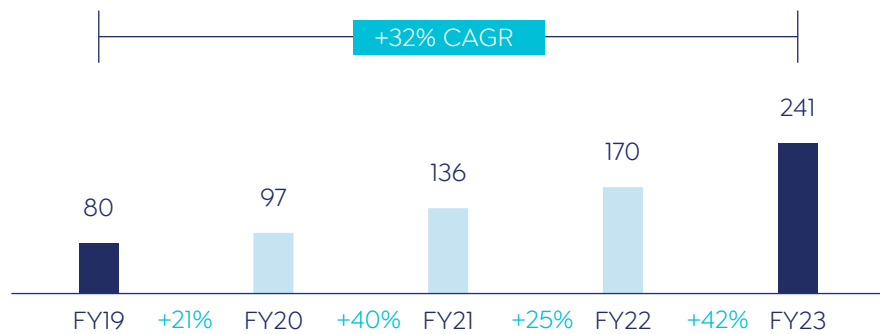
## EBITDA Trend

(SAR mn)



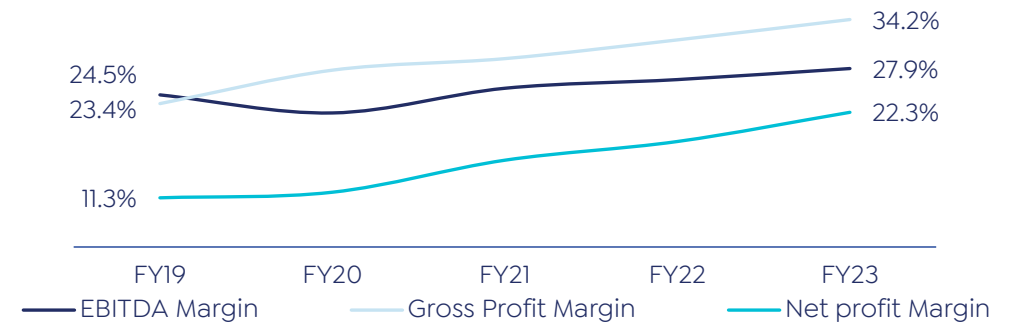
## Net Profit Trend

(SAR mn)



## Margins Trend

(%)



# Contacts

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