

Earnings Presentation

9M 2023

6 November, 2023 | Riyadh, KSA

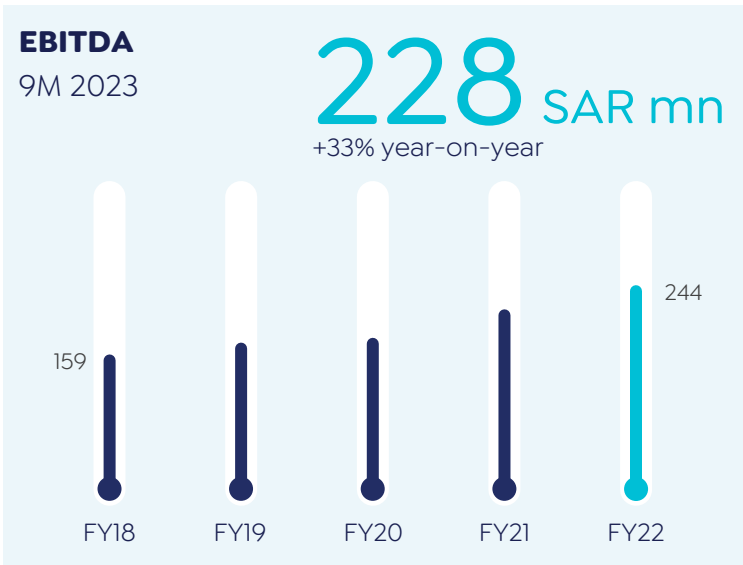
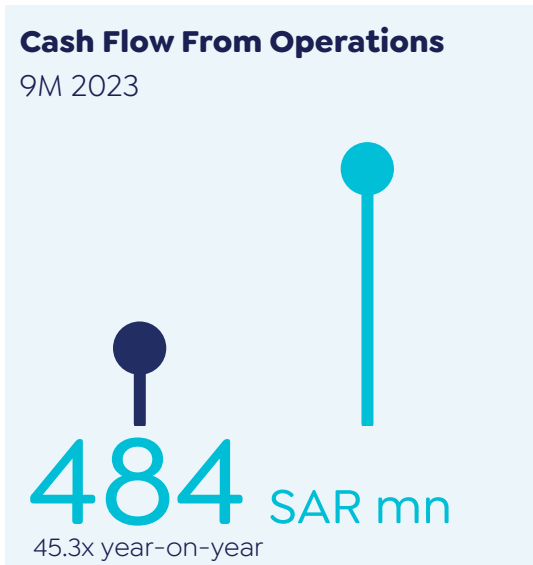
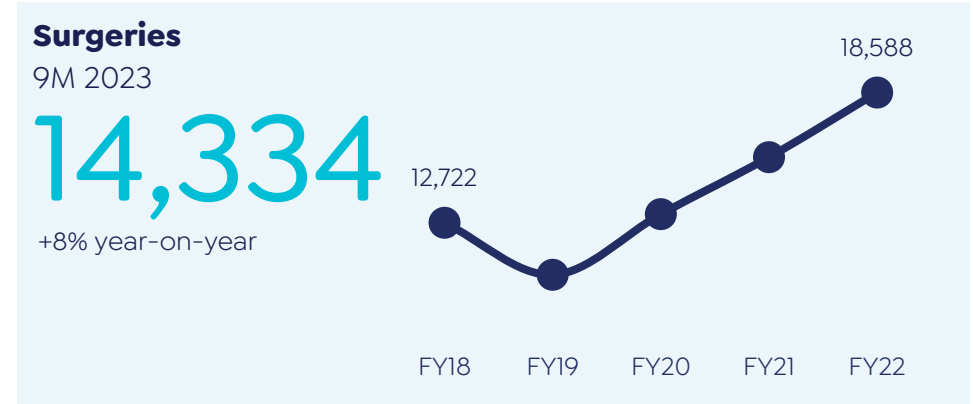


Performance Highlights and Strategy



Operating and Financial Performance Highlights

Solid operational efficiency paired with rapidly improving financial outcomes



Care Growth Strategy

Strategy stands to reshape the organization, boost Company's performance and transform patient care



Strategic Objectives

Extend

Extend health service offering in Riyadh

Serve

Serve new population segments and geographies

Deliver

Deliver exceptional value to patients and partners

Realize

Realize potential of value networks across business units

A set of carefully designed initiatives underpins Care's strategy

Strategic Focus Areas

Performance

- **Grow** sustainably and outperform the market
- **Improve** profit margins
- **Diversify** sources of revenue



People & Organization

- **High** employee satisfaction
- **Enhanced** market positioning
- **Integrated** organization structure



Patients & Partners

- **Better** healthcare outcomes
- **Highly satisfied** patients
- **Partner of choice** for the government sector



Care Growth Strategy: Completed Strategic Initiatives

Finalized initiatives boost revenue, broaden segments, and strengthen patient and partner ties



Expansion

Home Healthcare Services

Launched Home Healthcare Services to enhance client satisfaction and create a new revenue stream, enriching patient comfort and holistic care

Executive Health Check

Introduced an executive health check offering to drive up cash patient revenue, catering to premium healthcare needs and targeting proactive health-conscious individuals

Operations Improvement

Centres of Excellence

Established Centres of Excellence at the Rawabi and Malaz branches focusing on the key therapeutic areas

Positioning and Brand

Unveiled Care's refreshed brand aligned with enhanced positioning; crafted a unique marketing strategy

New Operating Model

Transitioned towards the target operating model at the head office for maximum operational efficiency

Patients & Partners

Patient Experience

Set up dedicated capabilities to improve patient experience and satisfaction levels, and ensure effective complaint resolution

Cross-Business Unit Synergy

Streamlined cross-business unit performance to boost referrals and enhance internal collaboration

Employee Value Proposition

Strengthened and refined Care's Employee Value Proposition to attract, retain, and inspire top-tier talent

Care Growth Strategy: Key Strategic Initiatives Underway

Ongoing initiatives prioritize further business growth, operational refinement, and stronger relationships



Expansion

Mergers & Acquisitions

Utilize merger and acquisition opportunities to bolster business growth in Saudi Arabia

New Hospital in Riyadh

Set up a cutting-edge 300-bed general hospital in Riyadh for comprehensive healthcare

Mental Health Platform / FHCC

Initiate comprehensive platform for mental health; convert the Family Health Care Center (FHCC) into mental health facility

Operations Improvement

Value-based Contracts

Implement value-based contracts to further establish and position Care as the preferred partner for the government, ensuring a strong, mutually beneficial relationship

Patients & Partners

Clinical Intelligence System

Implement the Care Clinical Intelligence System to maximize value derived from every patient engagement, further enhancing our patient-centered approach

Digital Patient Platform

Initiate a comprehensive digital platform dedicated to optimizing patient experiences and care, ensuring that every interaction is streamlined, efficient, and tailored to individual patient needs



Operating and Financial Performance



Operational Trends

Patient numbers growth driven by more referrals, offset by the completion of a significant contract

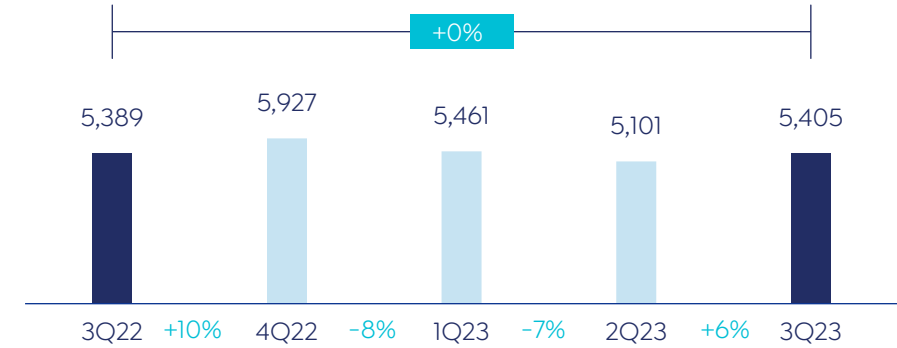


Operational Highlights

SAR mn	3Q2023	3Q2022	Δ%	9M2023	9M2022	Δ%
Inpatient admissions	5,405	5,389	+0%	15,967	15,245	+5%
Outpatient visits	152,953	139,549	+10%	460,178	444,711	+3%
Total patients	158,358	144,938	+9%	476,145	459,956	+4%
Inpatient days	40,078	49,486	-19%	127,613	137,175	-7%
Bed capacity	655	655	-	655	655	-
Bed occupancy rate (%)	66.6%	82.6%	-16.0 ppts	71.8%	76.9%	-5.2 ppts
Average length of stay (days)	7.4	9.2	-19%	8.0	9.0	-11%
Number of surgeries	4,762	4,855	-2%	14,334	13,285	+8%

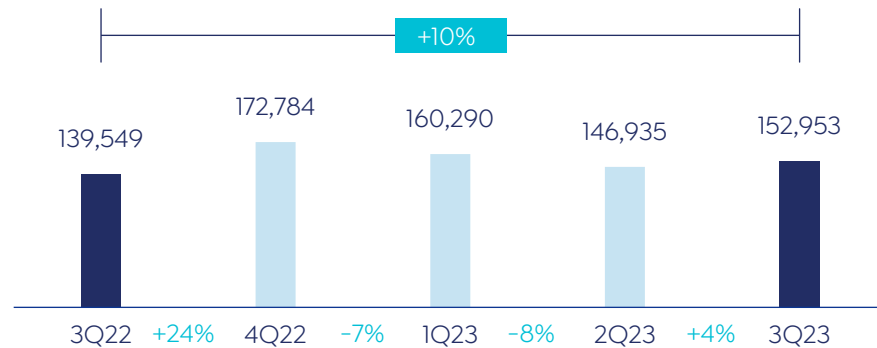
Inpatients Admissions Quarterly Trend

(Admissions)



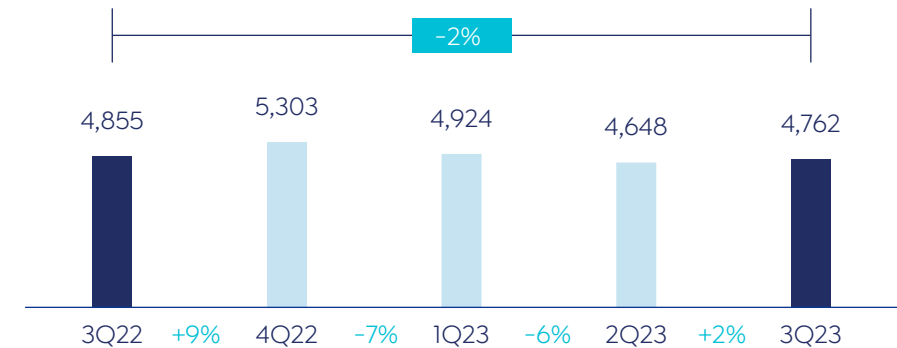
Outpatient Visits Quarterly Trend

(Outpatient visits)



Surgeries Quarterly Trend

(Surgeries)



Income Statement

Strong profitability improvement driven by robust operations, better pricing, and cost control efforts

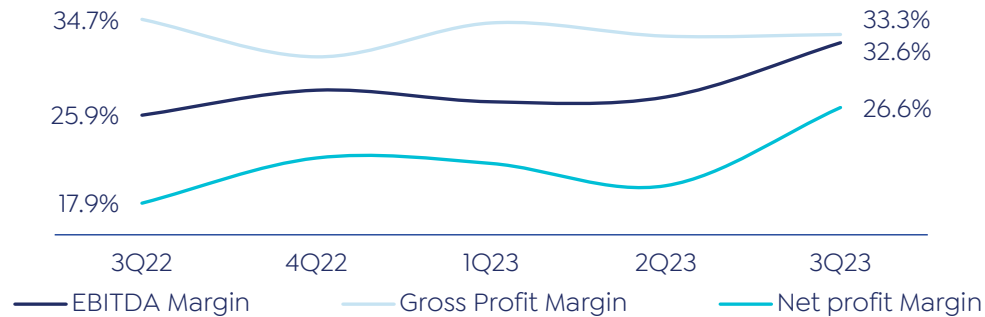


Income Statement Highlights

SAR mn	3Q2023	3Q2022	Δ%	9M2023	9M2022	Δ%
Revenues	275	238	+16%	782	666	+17%
Cost of revenues	(184)	(156)	+18%	(519)	(455)	+14%
Gross profit	92	83	+11%	263	211	+25%
Operating expenses	(17)	(32)	-48%	(73)	(73)	-1%
Operating profit	75	50	+49%	190	137	+38%
EBITDA	90	62	+45%	228	172	+33%
Net profit	73	43	+72%	177	115	+55%
Gross profit margin	33.3%	34.7%	-1.4 pts	33.6%	31.7%	+2.0 pts
EBITDA margin	32.6%	25.9%	+6.6 pts	29.2%	25.8%	+3.4 pts
Net profit margin	26.6%	17.9%	+8.8 pts	22.7%	17.2%	+5.5 pts

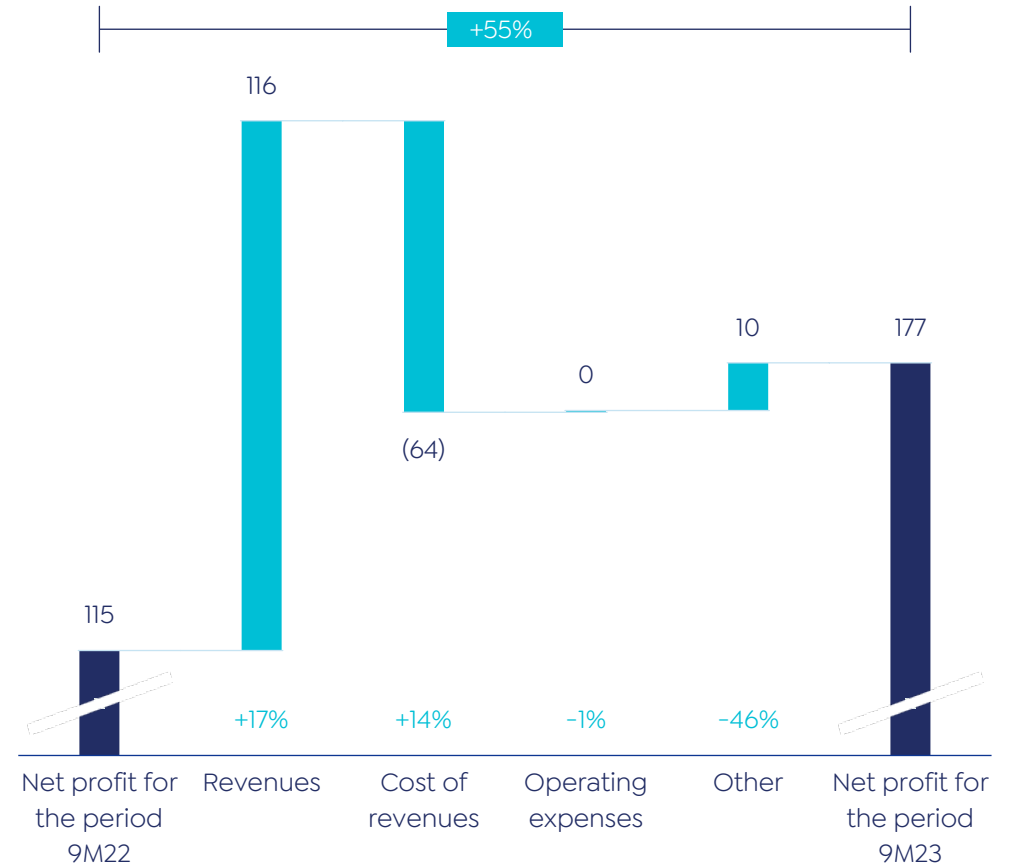
Quarterly Margin Trends

(%)



Net Profit Development

(SAR mn)



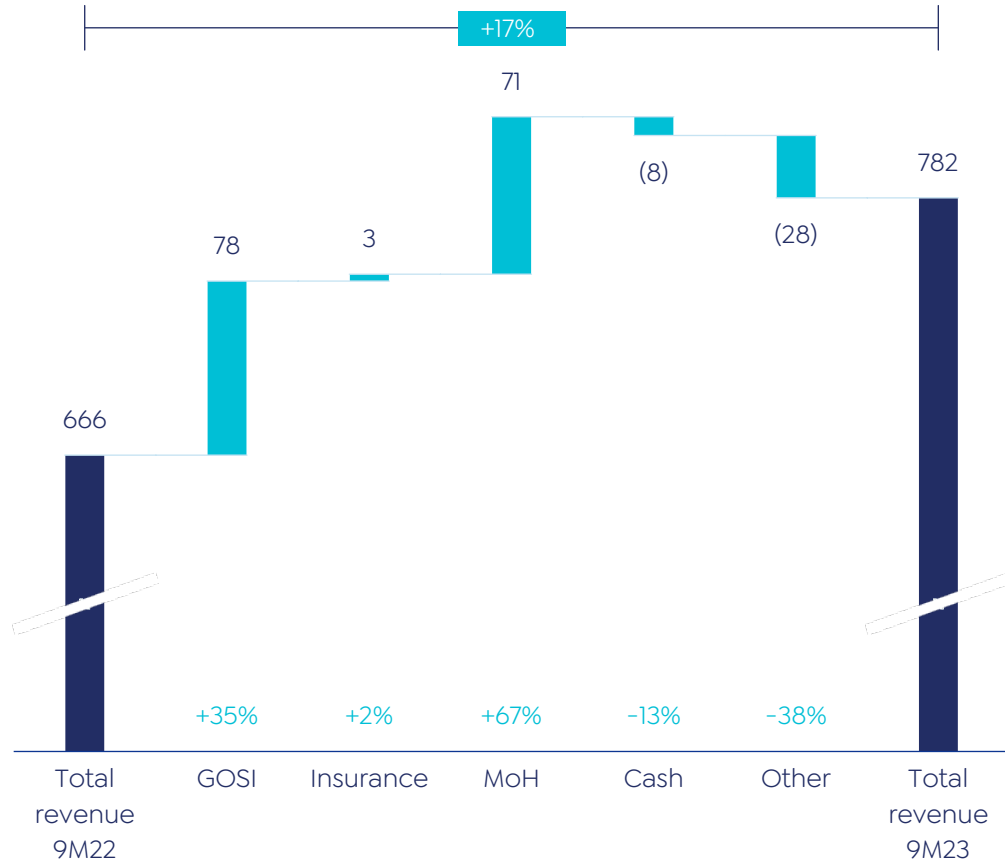
Revenue Trends

Revenue in 9M 2023 fueled by increasing number of referrals from key clients and price hikes



Revenue Development

(SAR mn)



Revenue by Business Unit (9M 2023)

(SAR mn)

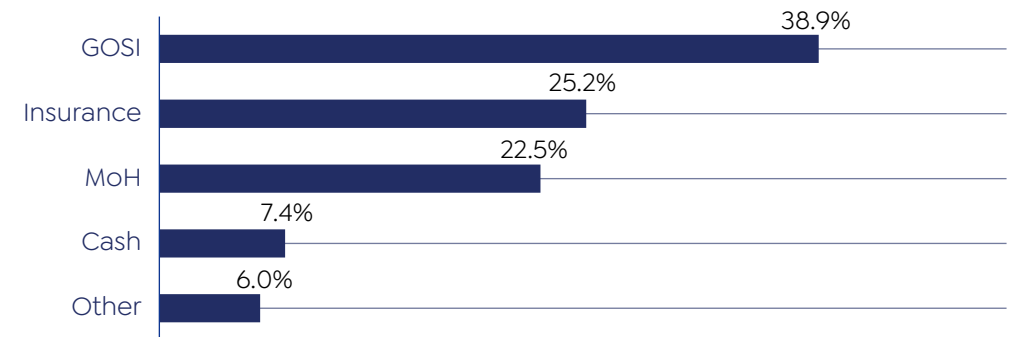
Malaz branch, 45.2%



Rawabi branch, 54.8%

Revenue by Payer (9M 2023)

(SAR mn)



Costs Overview

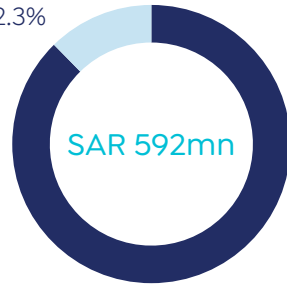


Total expenses growth slower than the rise in revenue, creating a favourable operating leverage effect

Total Expenses Breakdown (9M 2023)

(SAR mn)

Operating expenses, 12.3%



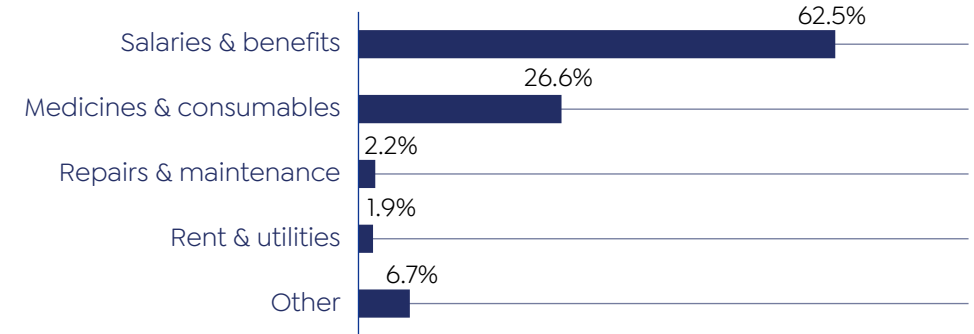
Cost of revenues, 87.7%

+12%

9M 2023 YoY ↑

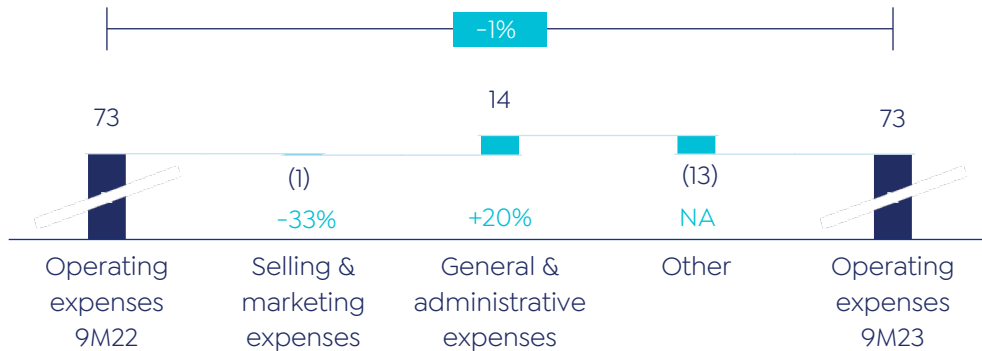
Cost of Revenues Breakdown (9M 2023)

(SAR mn)



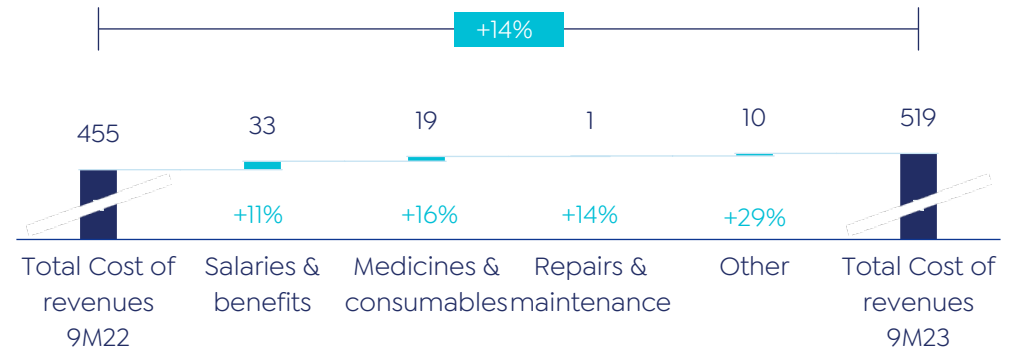
Operating Expenses Development

(SAR mn)



Cost of Revenues Development

(SAR mn)



Balance Sheet Highlights

Solid balance sheet, marked by a significant cash reserve and a more efficient cash conversion cycle

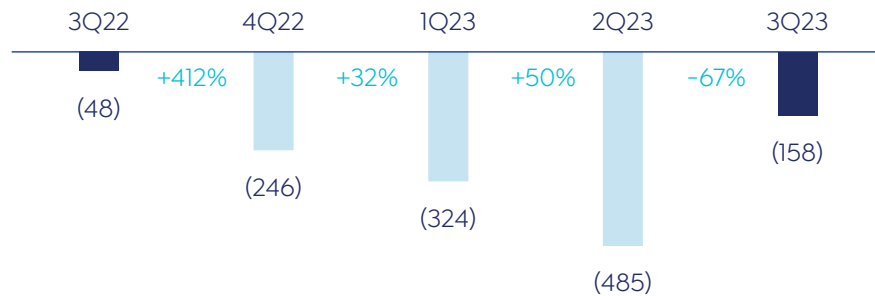


Balance Sheet Highlights

SAR mn	3Q2023	4Q2022	Δ%	3Q2022	Δ%
Total Non-Current Assets	754	657	+15%	660	+14%
Total Current Assets	1,157	1,056	+10%	975	+19%
Total Assets	1,911	1,713	+12%	1,634	+17%
Total Shareholders' Equity	1,396	1,264	+10%	1,194	+17%
Total Non-Current Liabilities	184	163	+13%	178	+4%
Total Current Liabilities	331	286	+16%	263	+26%
Total Liabilities	515	449	+15%	440	+17%
Cash & cash equivalents	270	329	-18%	131	2.1x
Net Debt ²	(158)	(246)	-36%	(48)	3.3x

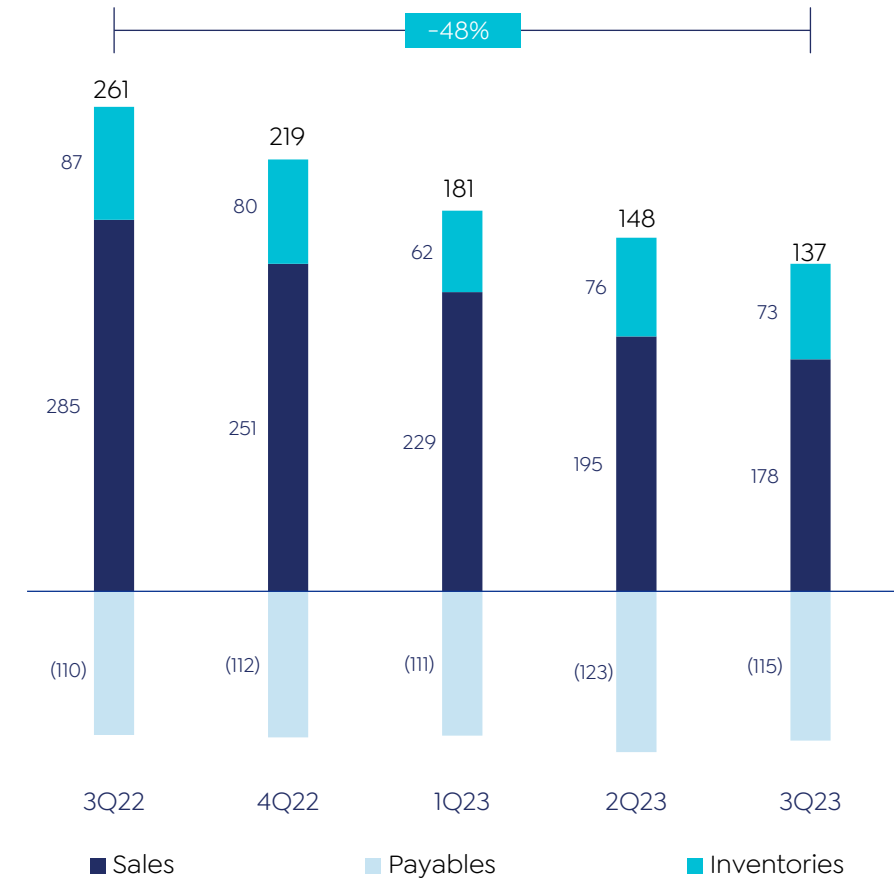
Net Debt Trend²

(SAR mn)



Cash Conversion Cycle¹ Trend

(Days)



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

² Not including time deposits in the amount of SAR 450 million as of 30 September 2023.

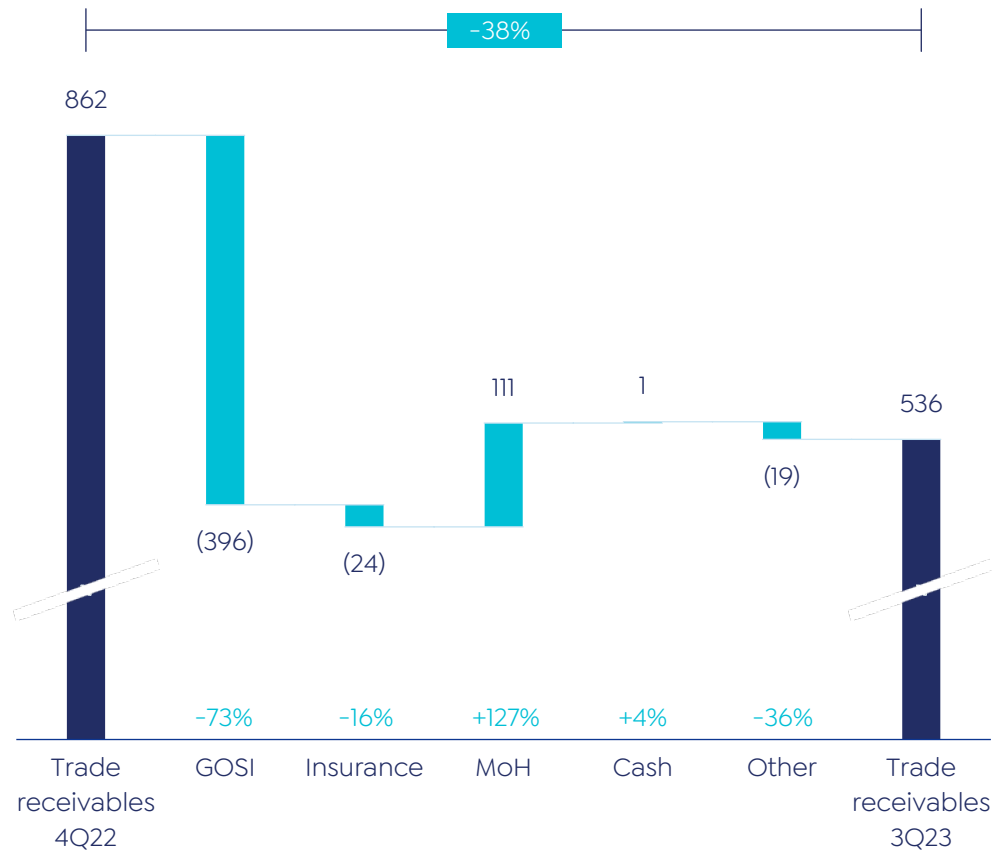
Receivables Management

Better receivables management through the efficient clearance of GOSI's collections backlog



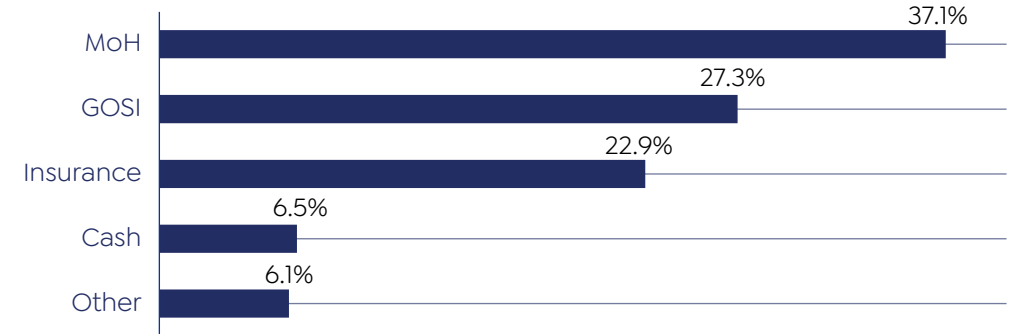
Trade Receivables¹ Development

(SAR mn)



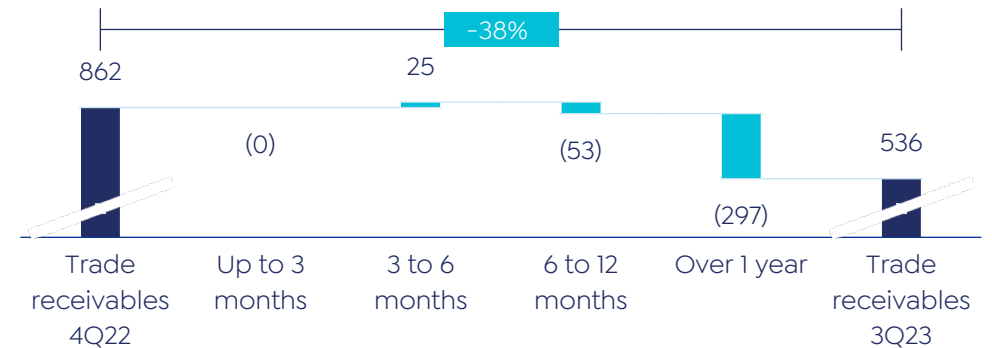
Trade Receivables¹ Structure (end of 3Q 2023)

(SAR mn)



Trade Receivables¹ Aging (end of 3Q 2023)

(SAR mn)



¹ Based on Gross Trade Receivables

Cash Flow Highlights

Cash flow from operations supported by stronger results and improvement in working capital

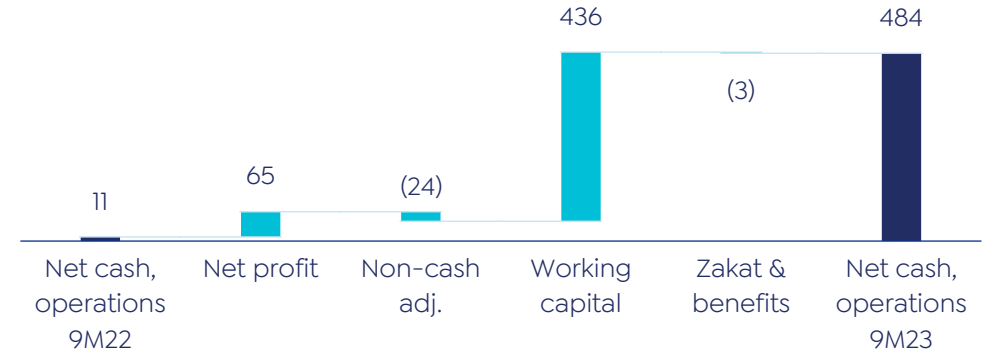


Cash Flow Highlights

SAR mn	3Q2023	3Q2022	Δ%	9M2023	9M2022	Δ%
Net Profit before zakat	82	50	+62%	202	137	+47%
Non-cash adjustments	(2)	24	NA	34	59	-42%
Working capital changes	46	(109)	NA	273	(164)	NA
Zakat and end-of-service benefits	(4)	(3)	+38%	(25)	(22)	+14%
Net cash, operations	122	(37)	NA	484	11	45.3x
Capex	(12)	(8)	+54%	(37)	(204)	-82%
Net cash, investing activities	(462)	(8)	60.8x	(506)	(204)	2.5x
Net cash, financing activities	7	(6)	NA	(38)	(51)	-26%
Net changes in cash	(332)	(51)	6.5x	(59)	(244)	-76%

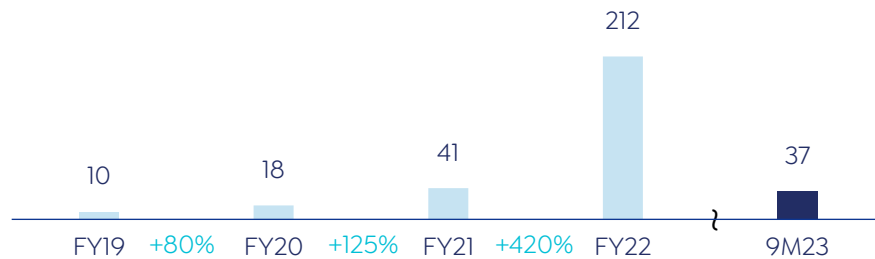
Cash Flow From Operations Development

(SAR mn)



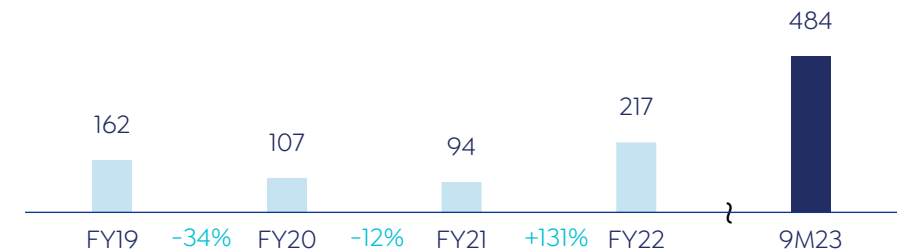
Capex Trend

(SAR mn)



Cash Flow From Operations Trend

(SAR mn)





Q&A Session





Appendix

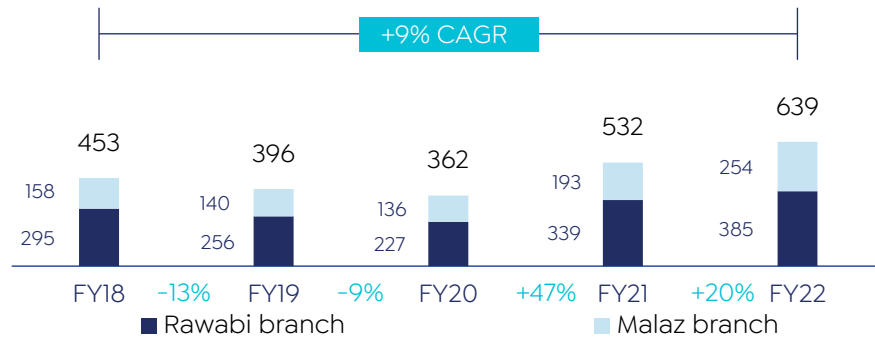


Operating Performance Overview (1/2)



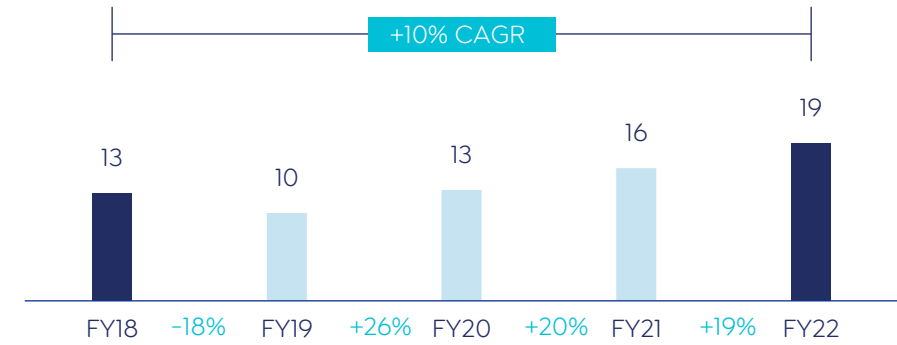
Total Patients Trend

(Thousand patients)



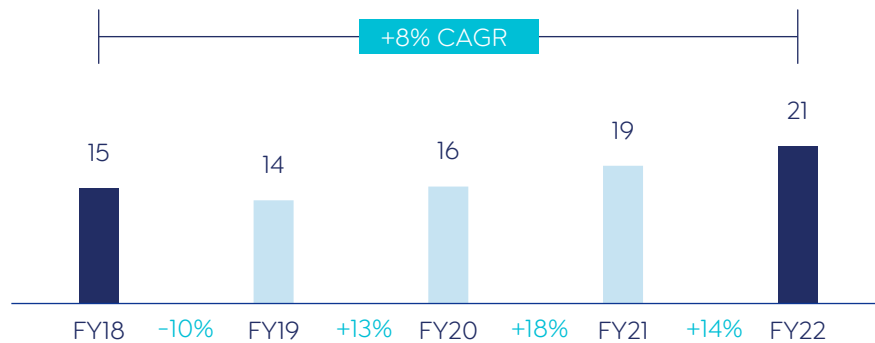
Surgeries Trend

(Thousand surgeries)



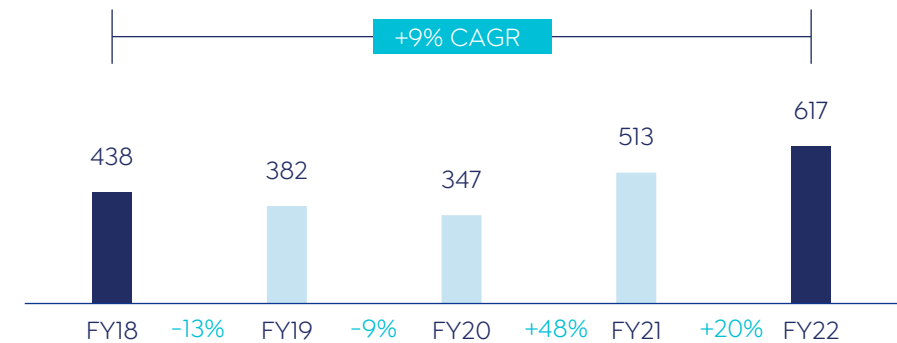
Inpatients Admissions Trend

(Thousand admissions)



Outpatient Visits Trend

(Thousand outpatient visits)

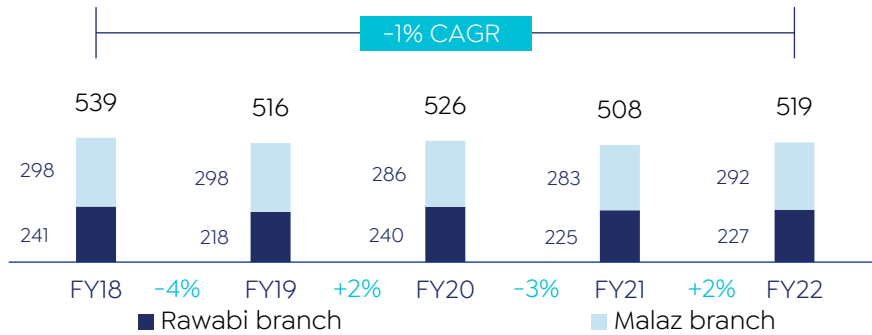


Operating Performance Overview (2/2)



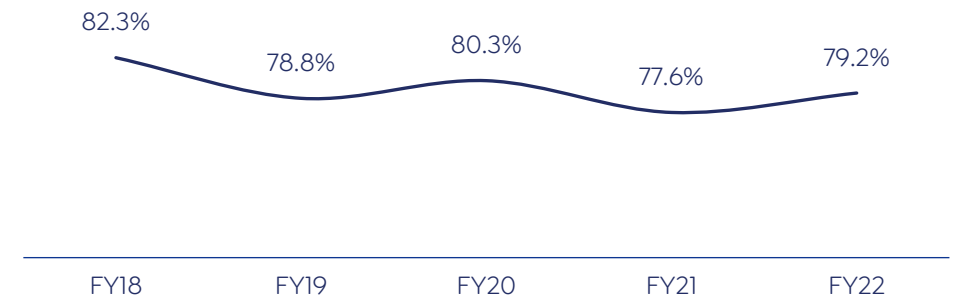
Occupied Beds Trend

(Occupied beds)



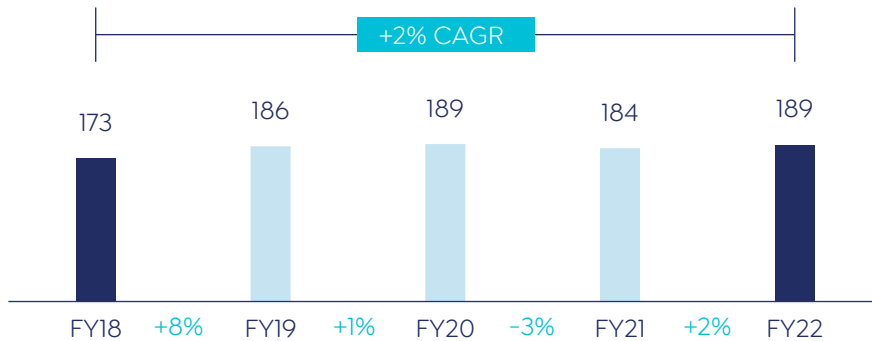
Bed Occupancy Trend

(%)



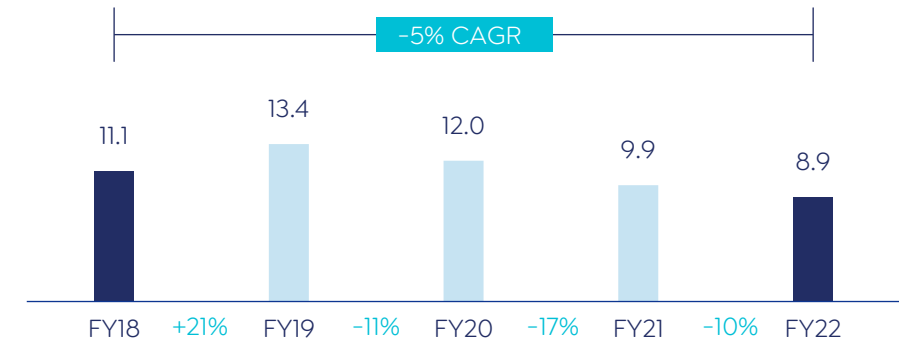
Inpatient Days Trend

(Thousand inpatient days)



Average Length of Stay Trend

(Days per stay)

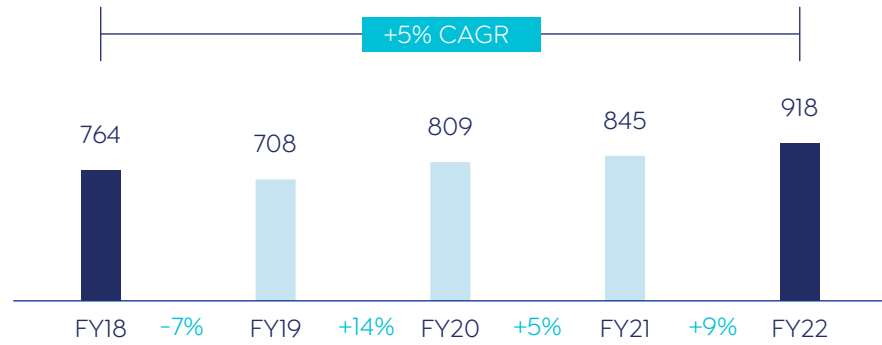


Financial Performance Overview



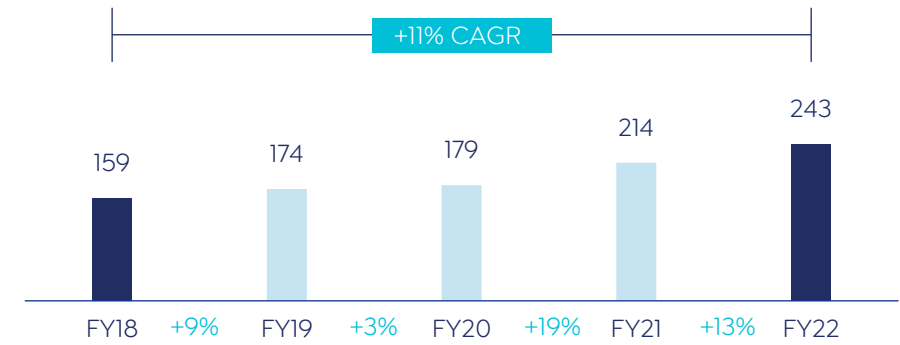
Total Revenue Trend

(SAR mn)



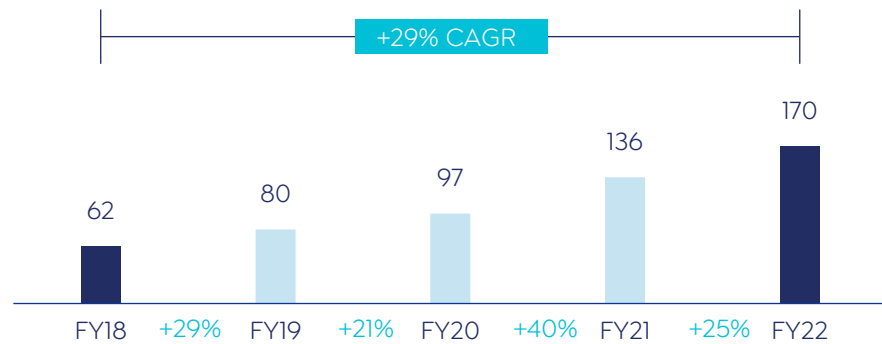
EBITDA Trend

(SAR mn)



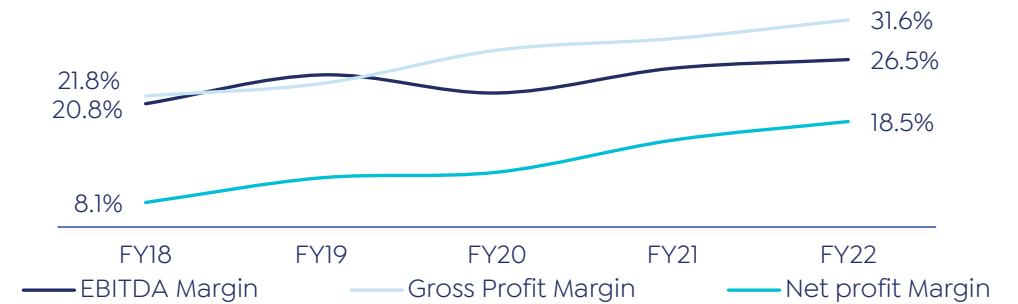
Net Profit Trend

(SAR mn)



Margins Trend

(%)





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