

رعاية الطبية  
CARE MEDICAL



# Earnings Presentation

1Q 2024

14 May, 2024 | Riyadh, KSA



# Performance Highlights and Strategy



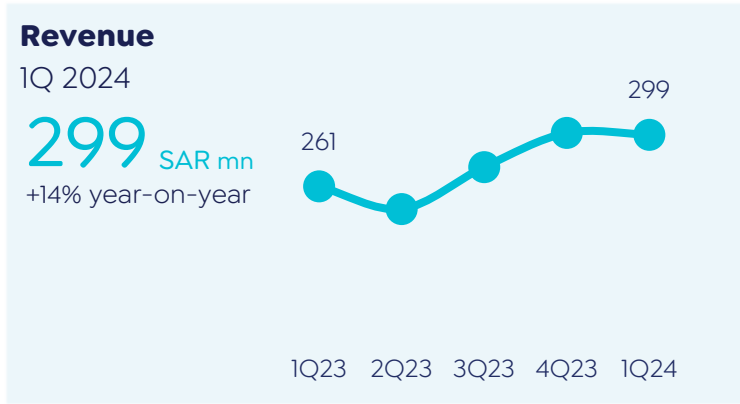
# Operating and Financial Performance Highlights

Consistent operational efficiency and improved financial performance with branch expansion



**165.9**  
thousand  
**Total patients in 1Q 2024**  
flat year-on-year

**4.8**  
thousand  
**Inpatient admissions in 1Q 2024**  
-12% year-on-year



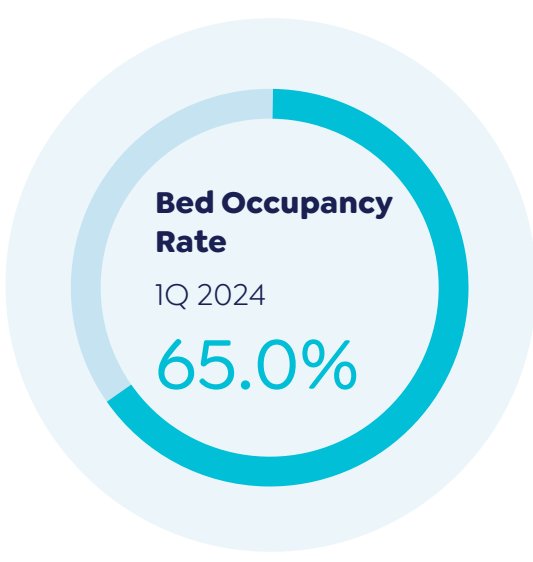
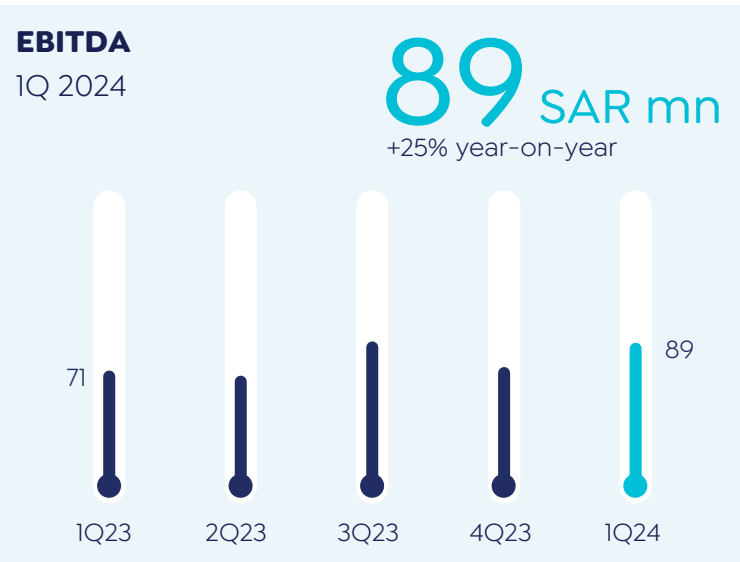
**New branches**

**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



**Number of Available Beds**  
31 March, 2024  
**946**

**Average length of stay**  
1Q 2024  
**11.6 days**  
+25% year-on-year

# 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

### Cross-Business Unit Synergy

Streamlined cross-business unit performance improving internal collaboration

### Employee Value Proposition (EVP)

Strengthened and refined Employee Value Proposition to attract and retain top talent

### Clinical Intel System

Implemented the Intel System to maximize value from patient engagements

### Digital Patient Platform

Initiated a digital platform to optimize patient experiences and care

# Care Growth Strategy: Key Strategic Initiatives Underway

Ongoing initiatives centre around further organic and inorganic business growth



## Expansion

### **Mergers & Acquisitions**

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

### **New Hospital in Riyadh**

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

### **Mental Health Platform / FHCC**

Initiate a platform for mental health; convert the Family Health Care Center into mental health facility



# Operating and Financial Performance



# Operational Trends

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

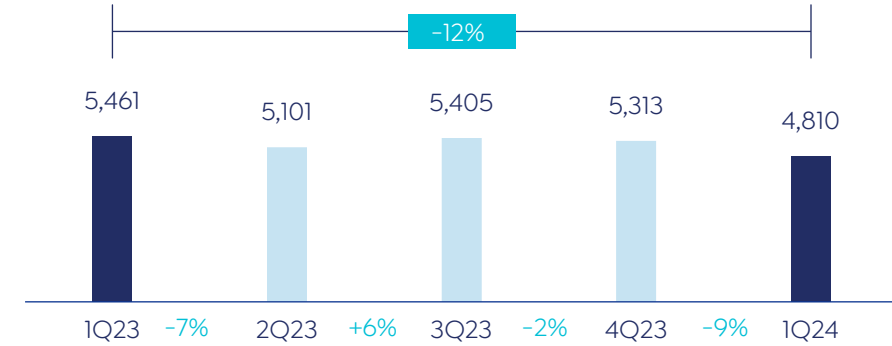


## Operational Highlights<sup>1</sup>

SAR mn	1Q2024	1Q2023	YoY, %	1Q2024 LfL	YoY, %
Inpatient admissions	4,810	5,461	-12%	4,770	-13%
Outpatient visits	161,115	160,290	+1%	156,826	-2%
<b>Total patients</b>	<b>165,925</b>	<b>165,751</b>	<b>+0%</b>	<b>161,596</b>	<b>-3%</b>
Inpatient days	56,032	50,891	+10%	40,609	-20%
Bed capacity	946	655	+44%	717	+9%
Bed occupancy rate (%)	65.0%	87.2%	-22.2 ppts	62.2%	-25.0 ppts
Average length of stay (days)	11.6	9.3	+25%	8.5	-9%
Number of surgeries	4,095	4,924	-17%	4,095	-17%

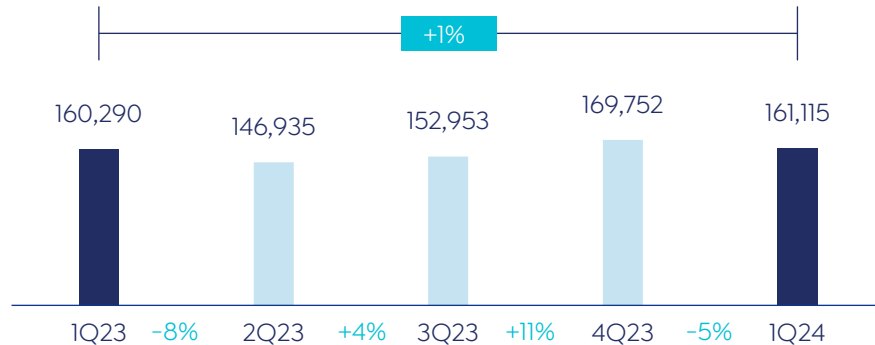
## Inpatients Admissions Quarterly Trend

(Admissions)



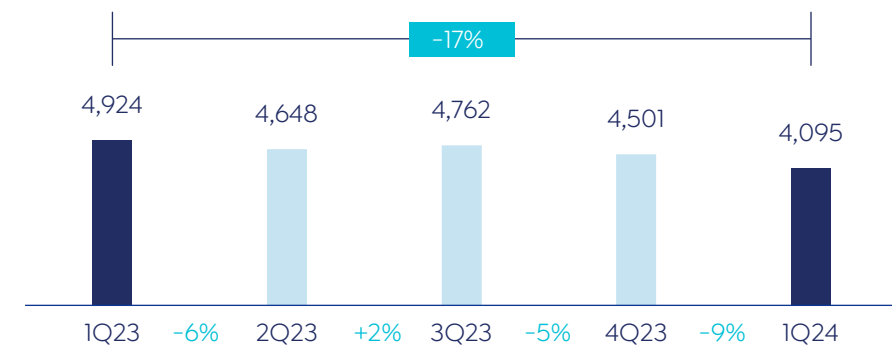
## Outpatient Visits Quarterly Trend

(Outpatient visits)



## Surgeries Quarterly Trend

(Surgeries)



<sup>1</sup> 1Q2024 indicators include the results of Rawabi branch; Malaz branch; Haram branch (Jiwar), launched in December 2023; and AlBalad branch (formerly Chronic Care), acquired in 4Q 2023. 1Q2024 LfL (like-for-like) and 1Q2023 indicators include only the results of Rawabi branch, Malaz branch.



# Income Statement

1Q 2024 profitability improvement driven by steady operations, better pricing, and cost control efforts

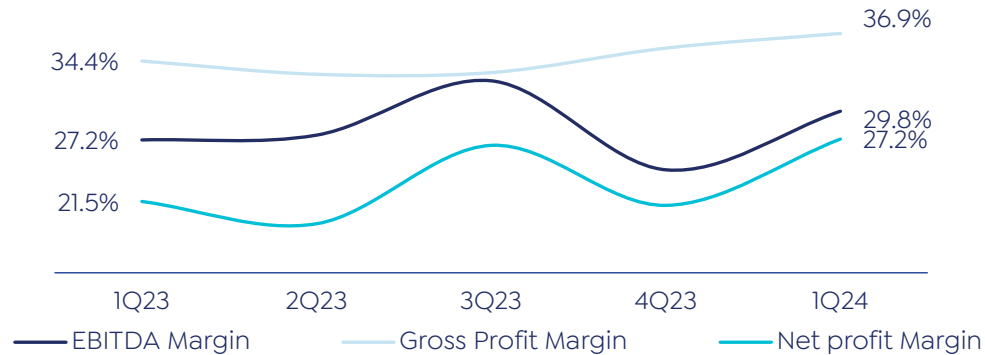


## Income Statement Highlights

SAR mn	1Q2024	1Q2023	YoY, %
Revenues	299	261	+14%
Cost of revenues	(188)	(172)	+10%
<b>Gross profit</b>	<b>110</b>	<b>90</b>	<b>+23%</b>
Operating expenses	(38)	(30)	+26%
<b>Operating profit</b>	<b>72</b>	<b>60</b>	<b>+21%</b>
<b>EBITDA</b>	<b>89</b>	<b>71</b>	<b>+25%</b>
<b>Net profit</b>	<b>81</b>	<b>56</b>	<b>+44%</b>
Gross profit margin	36.9%	34.4%	+2.5 pts
EBITDA margin	29.8%	27.2%	+2.6 pts
Net profit margin	27.2%	21.5%	+5.7 pts

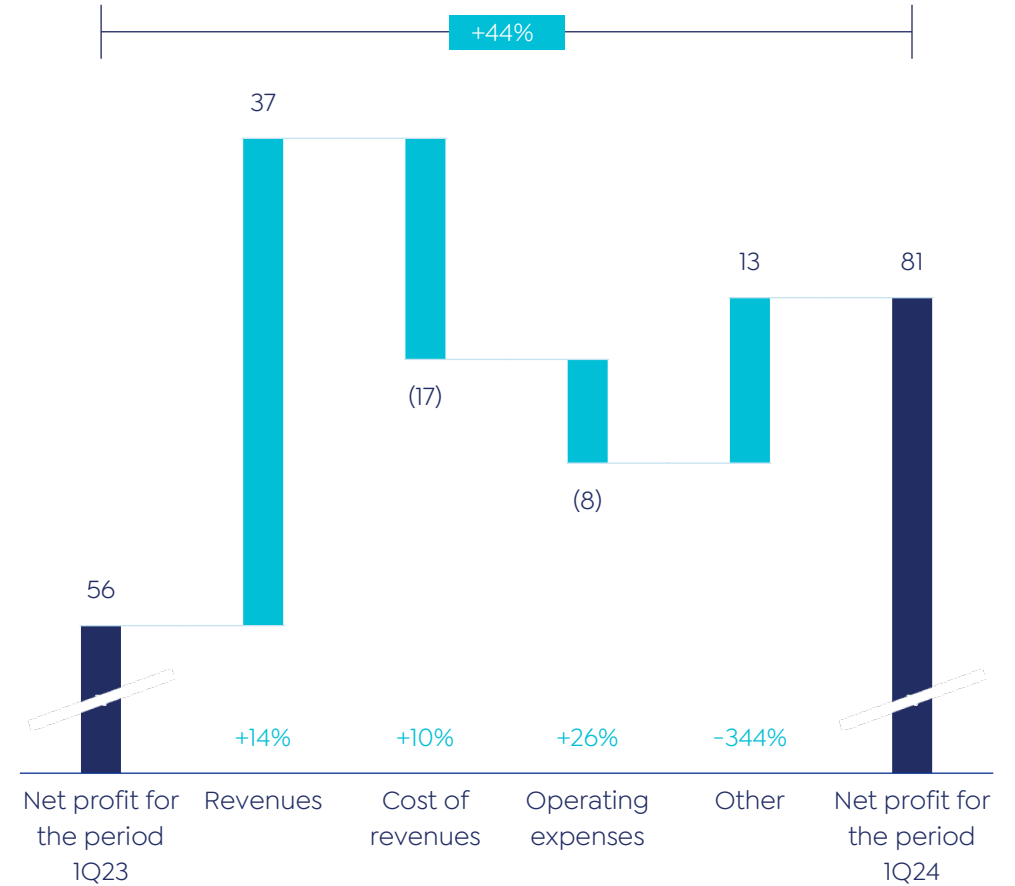
## Quarterly Margin Trends

(%)



## Net Profit Development

(SAR mn)



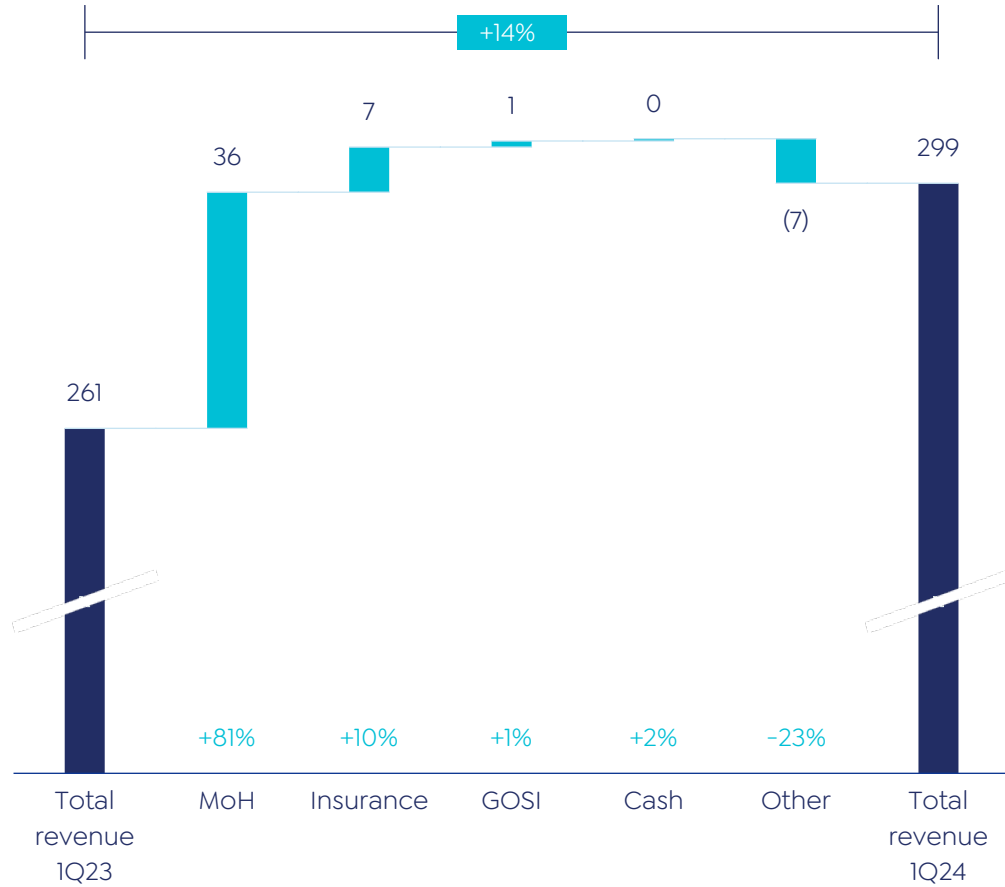
# Revenue Trends

Revenue in 2024 fueled by price hikes and increasing number of referrals from key client



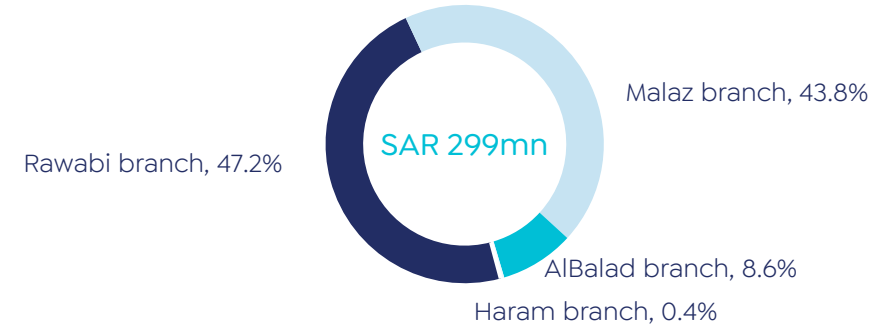
## Revenue Development

(SAR mn)



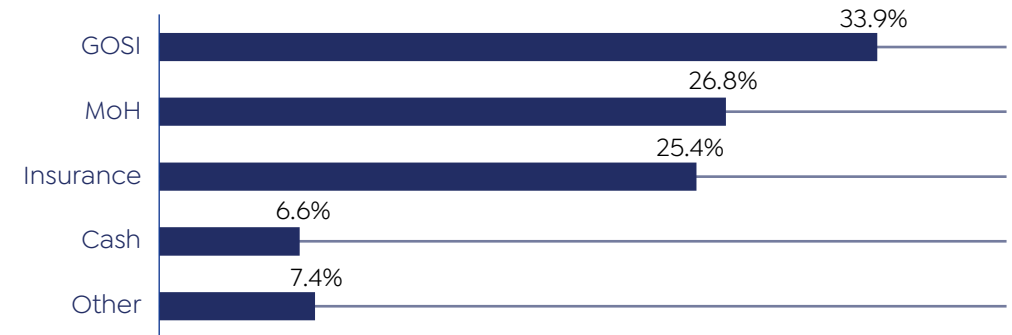
## Revenue by Business Unit (1Q 2024)

(SAR mn)



## Revenue by Payer (1Q 2024)

(SAR mn)



# Costs Overview

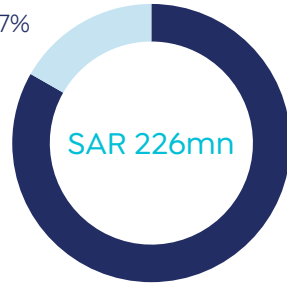


Total expenses growth slower than the rise in revenue, creating a favourable operating leverage effect

## Total Expenses Breakdown (1Q 2024)

(SAR mn)

Operating expenses, 16.7%



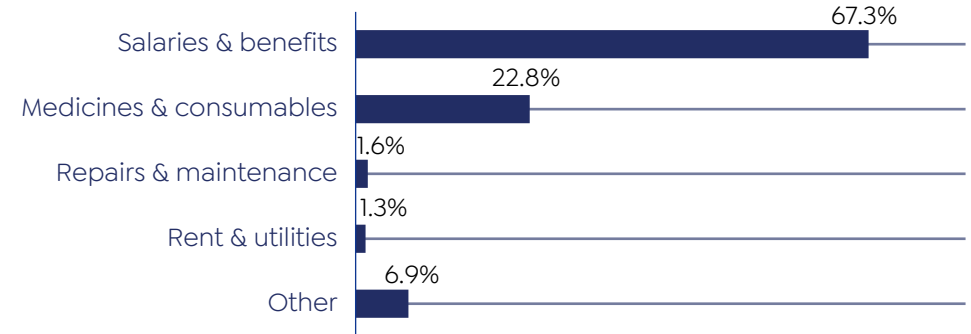
Cost of revenues, 83.3%

+12%

1Q 2024 YoY ↑

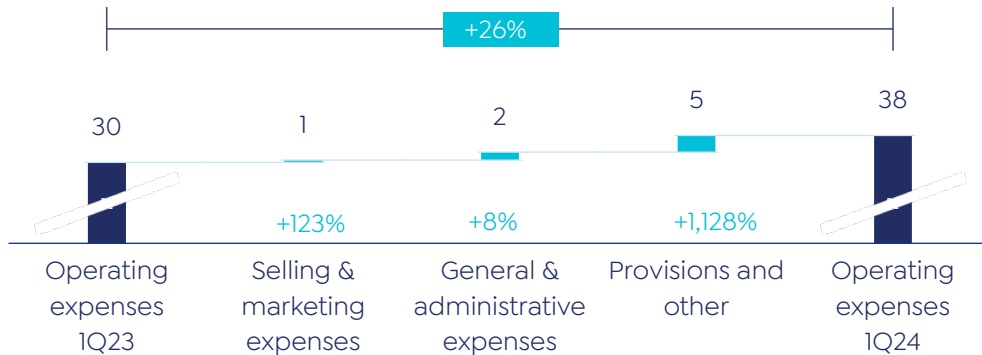
## Cost of Revenues Breakdown (1Q 2024)

(SAR mn)



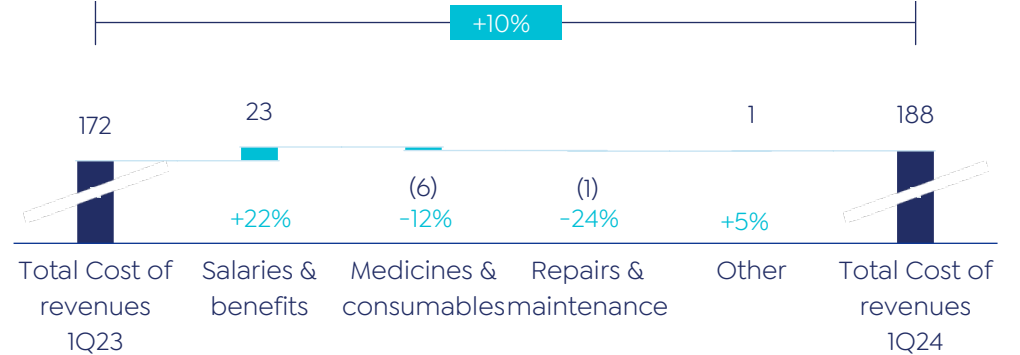
## Operating Expenses Development

(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

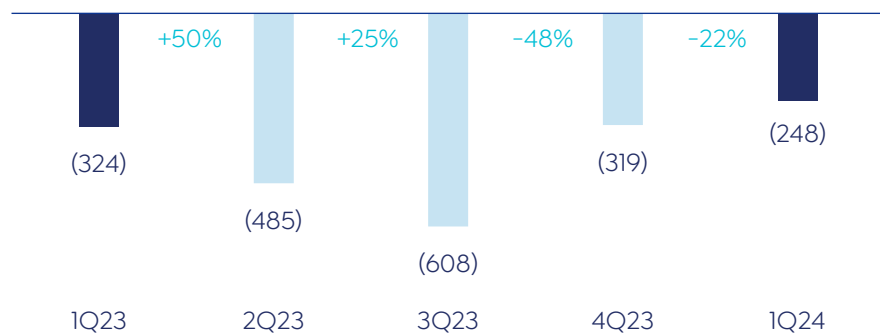


## Balance Sheet Highlights

SAR mn	1Q2024	4Q2023	Ytd, %
Total Non-Current Assets	1,088	936	+16%
Total Current Assets	1,144	1,278	-11%
<b>Total Assets</b>	<b>2,232</b>	<b>2,214</b>	<b>+1%</b>
<b>Total Shareholders' Equity</b>	<b>1,535</b>	<b>1,453</b>	<b>+6%</b>
Total Non-Current Liabilities	411	413	-1%
Total Current Liabilities	286	348	-18%
<b>Total Liabilities</b>	<b>697</b>	<b>761</b>	<b>-8%</b>
Cash & cash equivalents	181	309	-41%
Net Debt <sup>2</sup>	(248)	(319)	-22%

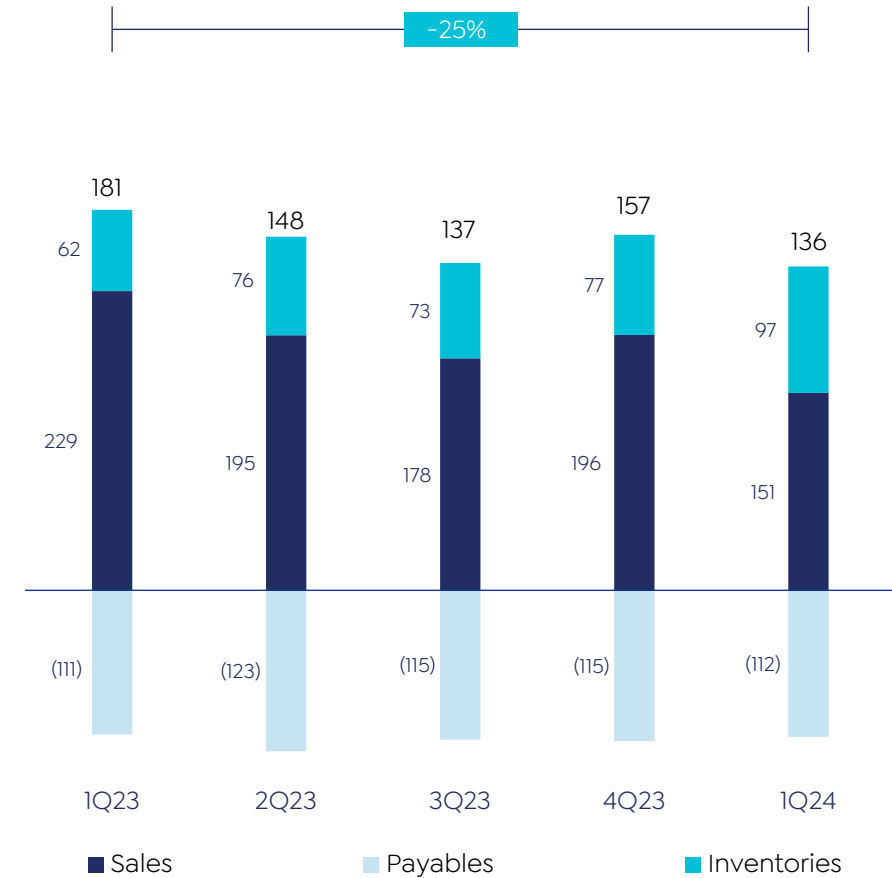
## Net Debt Trend<sup>2</sup>

(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.

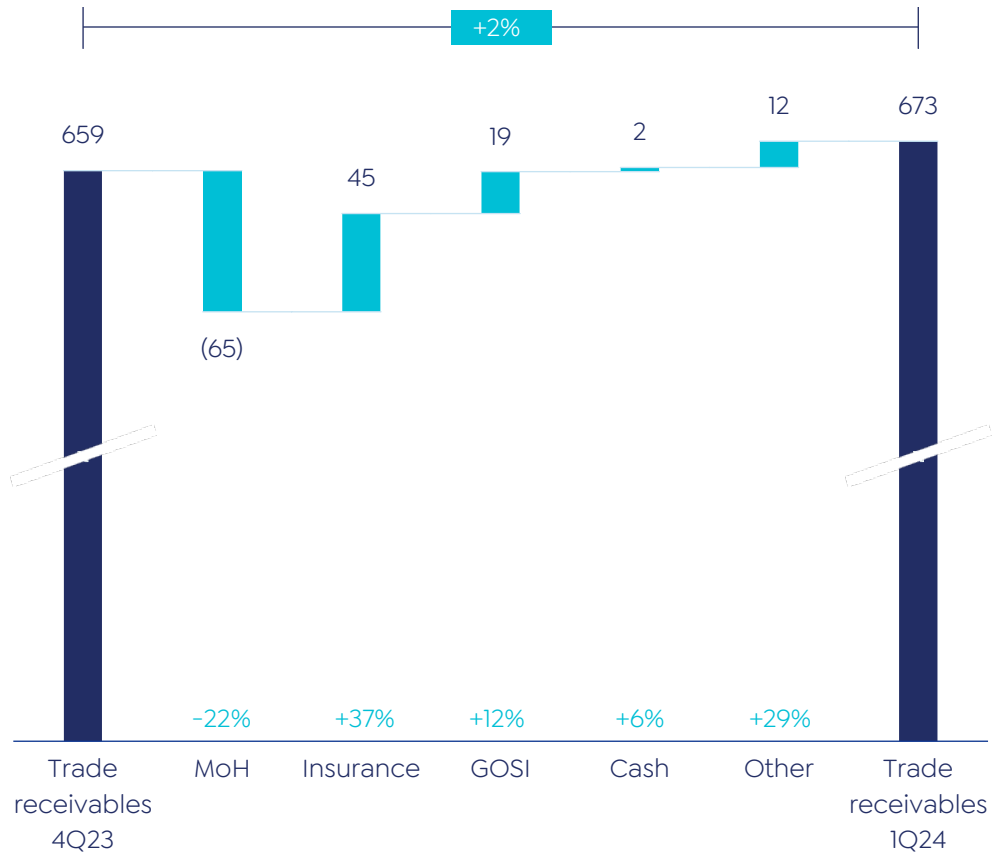
# Receivables Management

Focused receivables management through the efficient clearance of key clients' backlogs



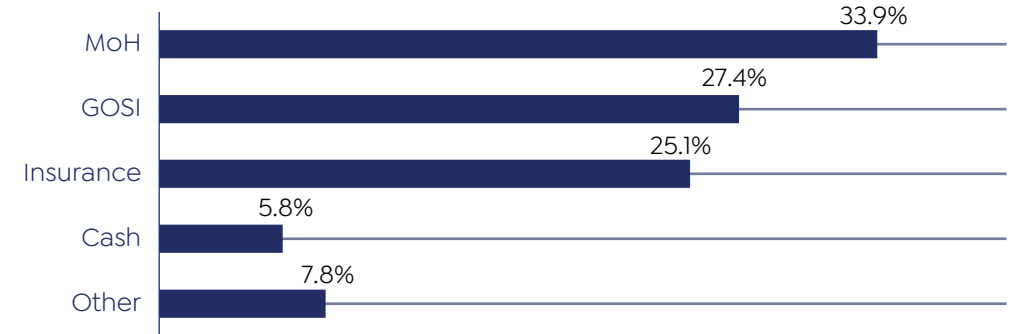
## Trade Receivables<sup>1</sup> Development

(SAR mn)



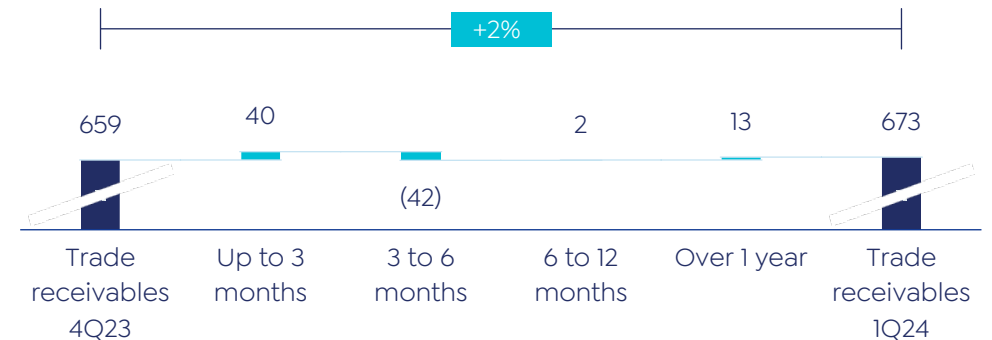
## Trade Receivables<sup>1</sup> Structure (end of 1Q 2024)

(SAR mn)



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

(SAR mn)



<sup>1</sup> Based on Gross Trade Receivables

# Cash Flow Highlights

Cash flow from operations supported by stronger results, counterbalanced by higher working capital

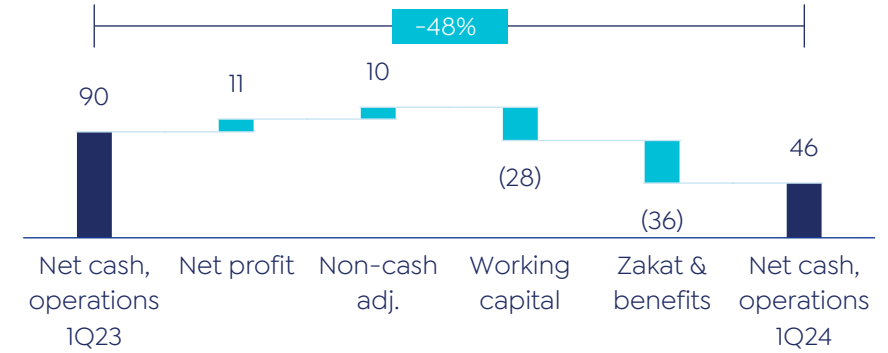


## Cash Flow Highlights

SAR mn	1Q2024	1Q2023	YoY, %
<b>Net Profit before zakat</b>	<b>74</b>	<b>63</b>	<b>+17%</b>
Non-cash adjustments	28	18	+54%
Working capital changes	(16)	12	NA
Zakat and end-of-service benefits	(40)	(4)	+10.8x
<b>Net cash, operations</b>	<b>46</b>	<b>90</b>	<b>-48%</b>
Capex	(168)	(12)	+13.9x
<b>Net cash, investing activities</b>	<b>(168)</b>	<b>(12)</b>	<b>+13.9x</b>
<b>Net cash, financing activities</b>	<b>(6)</b>	<b>0</b>	<b>NA</b>
<b>Net changes in cash</b>	<b>(128)</b>	<b>78</b>	<b>NA</b>

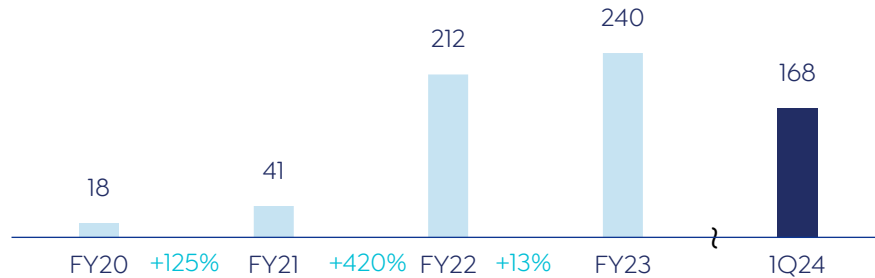
## Cash Flow From Operations Development

(SAR mn)



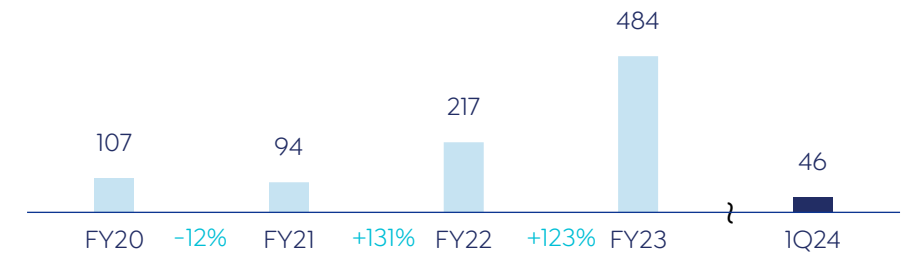
## Capex Trend

(SAR mn)



## Cash Flow From Operations Trend

(SAR mn)





# Q&A Session





# Appendix



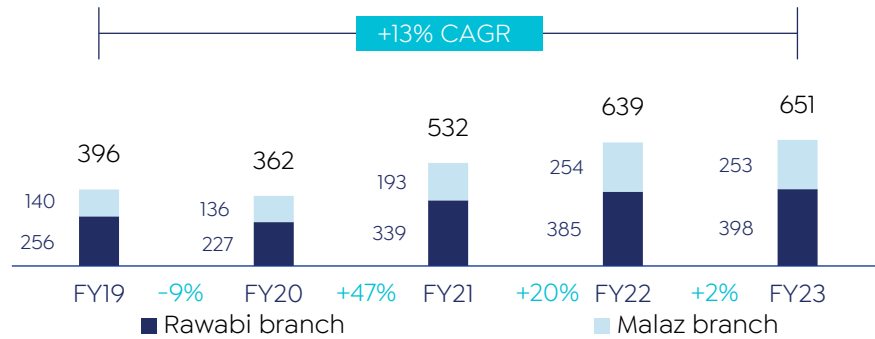


# Operating Performance Overview<sup>1</sup> (1/2)



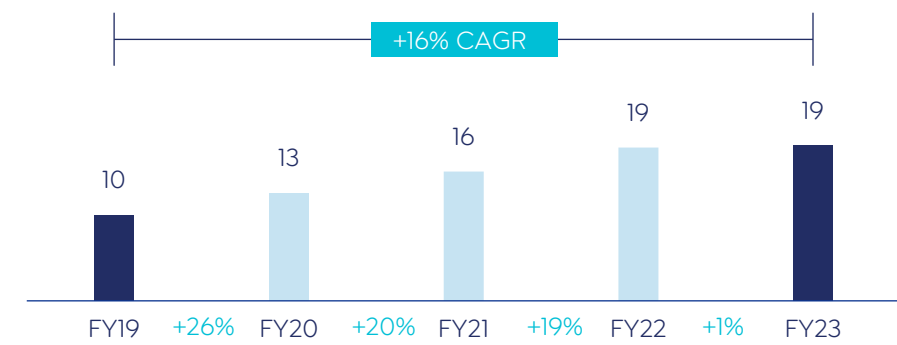
## Total Patients Trend

(Thousand patients)



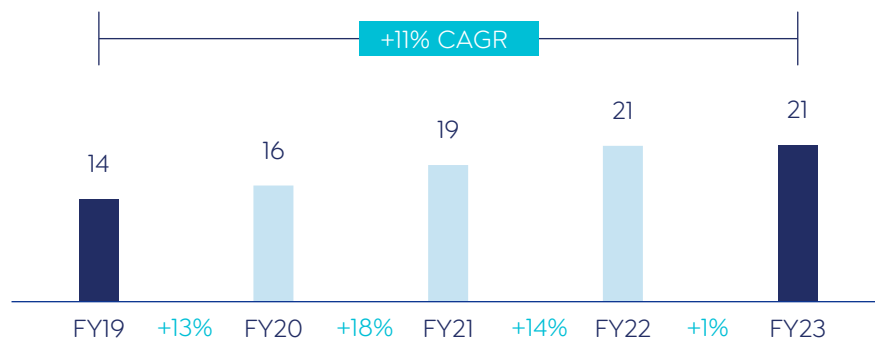
## Surgeries Trend

(Thousand surgeries)



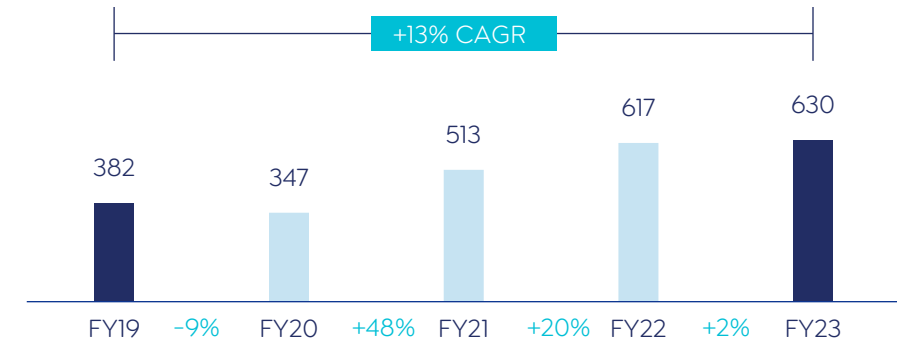
## Inpatients Admissions Trend

(Thousand admissions)



## Outpatient Visits Trend

(Thousand outpatient visits)



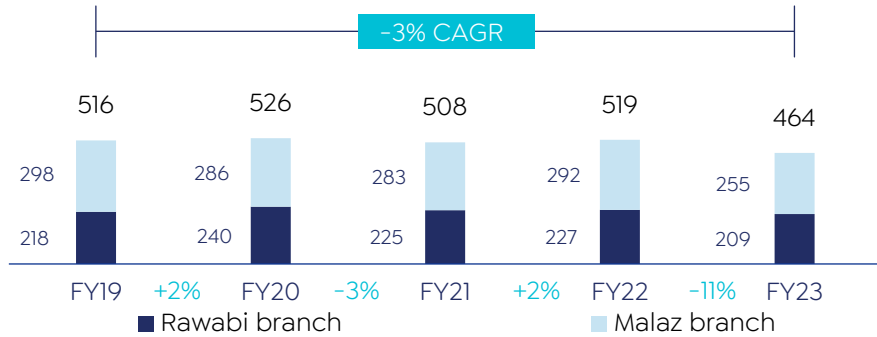
<sup>1</sup> Operating indicators represent data for Rawabi and Malaz branches. Rawabi branch, previously referred as Riyadh Care Hospital (RCH); Malaz branch, previously referred as Care National Hospital (CNH).

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



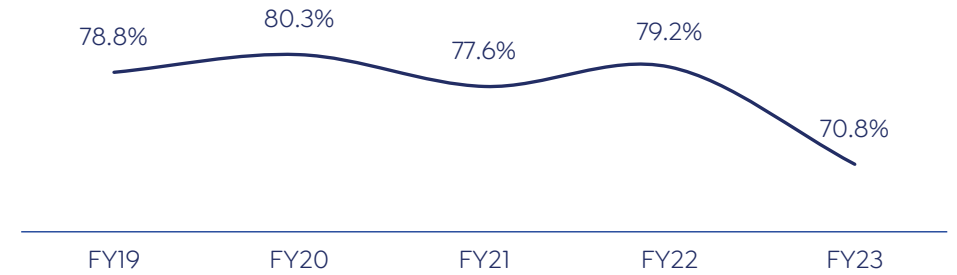
## Occupied Beds Trend

(Occupied beds)



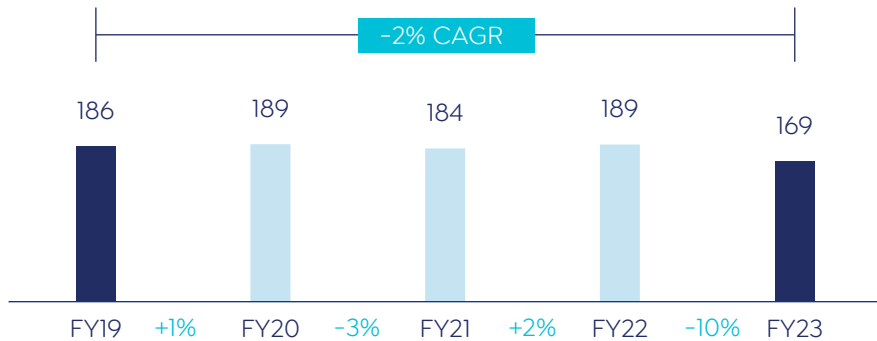
## Bed Occupancy Trend

(%)



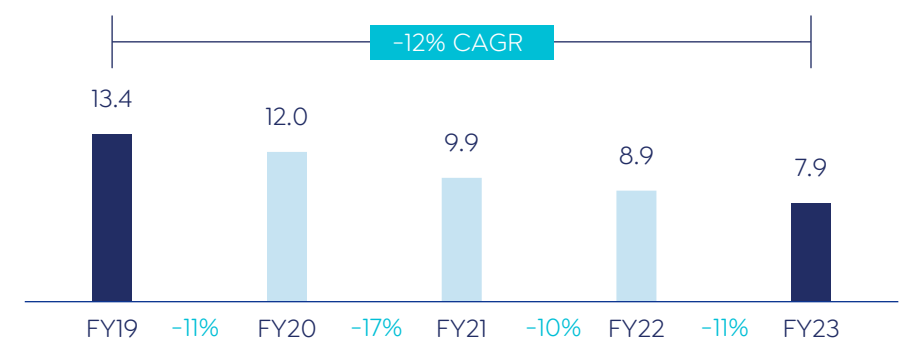
## Inpatient Days Trend

(Thousand inpatient days)



## Average Length of Stay Trend

(Days per stay)



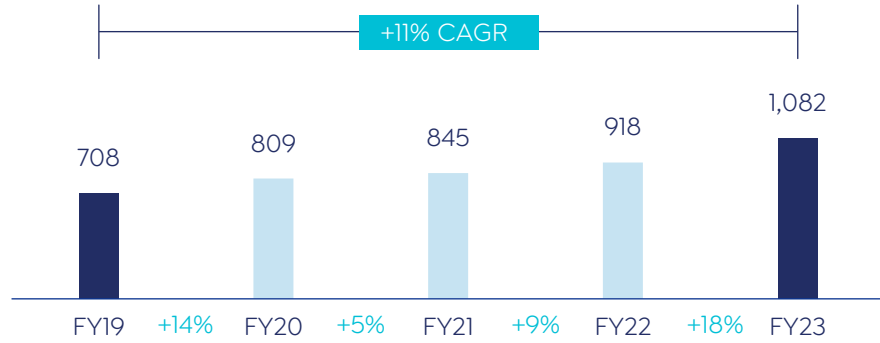
<sup>1</sup> Operating indicators represent data for Rawabi and Malaz branches. Rawabi branch, previously referred as Riyadh Care Hospital (RCH); Malaz branch, previously referred as Care National Hospital (CNH).

# Financial Performance Overview



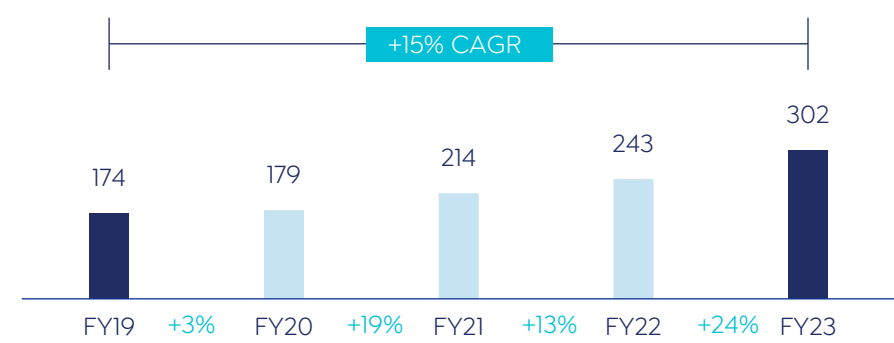
## Total Revenue Trend

(SAR mn)



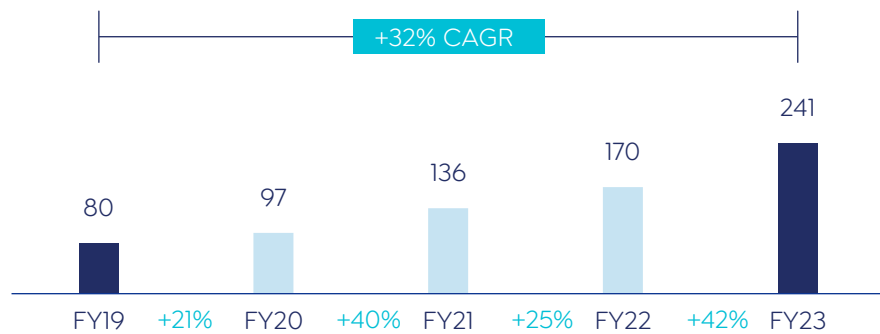
## EBITDA Trend

(SAR mn)



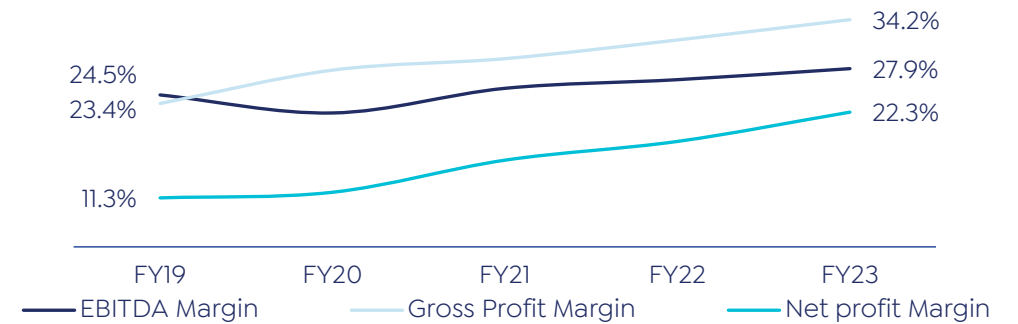
## Net Profit Trend

(SAR mn)



## Margins Trend

(%)





# Contacts

## Institutional investor contact

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