

رعاية الطبية
CARE MEDICAL



Earnings Presentation

FY 2023

27 February, 2024 | Riyadh, KSA



Performance Highlights and Strategy



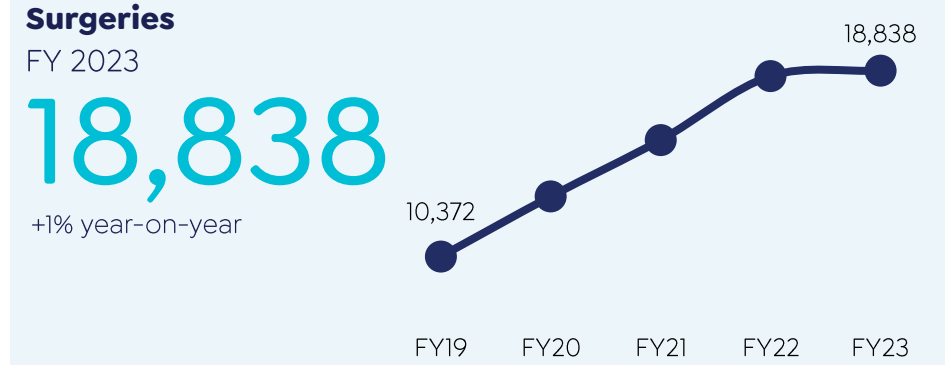
Operating¹ and Financial Performance Highlights

Solid operational efficiency paired with rapidly improving financial outcomes

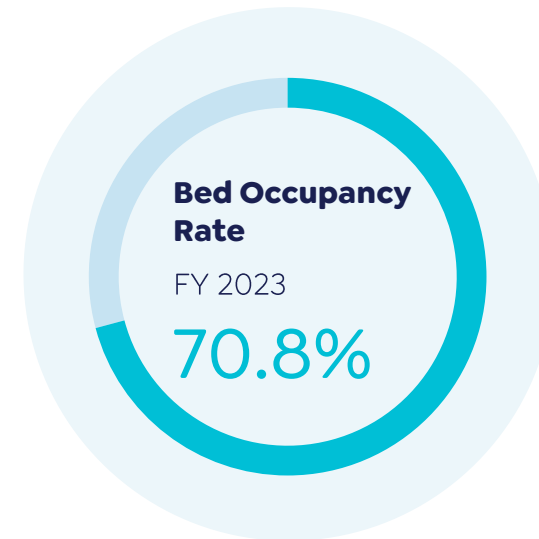
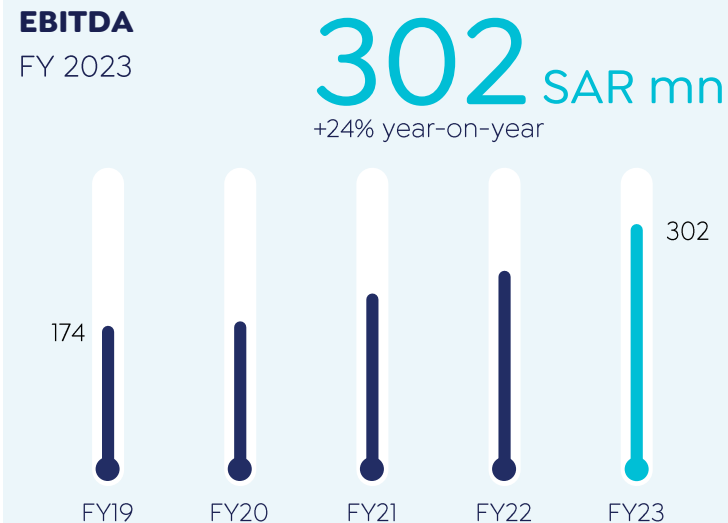


651.2
thousand
Total patients in FY 2023
+2% year-on-year

21.3
thousand
Inpatient admissions in FY 2023
+1% year-on-year



Cash Flow From Operations
FY 2023



Number of Available Beds
31 December, 2023
655

Average length of stay
FY 2023
7.9 days
-11% year-on-year

¹ 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).

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 300-bed 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 Trends¹

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

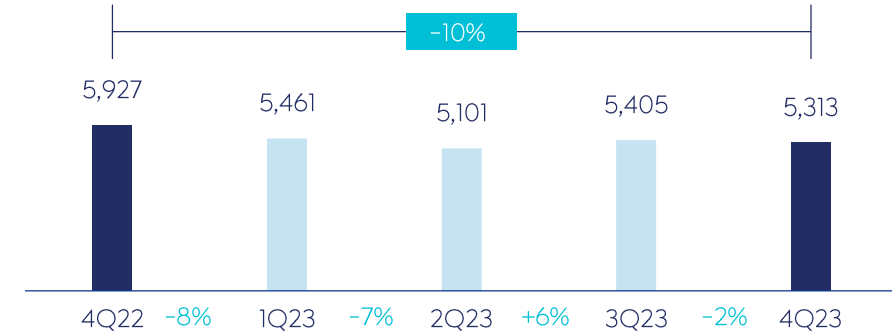


Operational Highlights

SAR mn	4Q2023	4Q2022	Δ%	FY2023	FY2022	Δ%
Inpatient admissions	5,313	5,927	-10%	21,280	21,172	+1%
Outpatient visits	169,752	172,784	-2%	629,930	617,495	+2%
Total patients	175,065	178,711	-2%	651,210	638,667	+2%
Inpatient days	40,821	51,558	-21%	169,016	188,733	-10%
Bed capacity	655	655	-	655	655	-
Bed occupancy rate (%)	67.8%	86.1%	-18.3 ppts	70.8%	79.2%	-8.4 ppts
Average length of stay (days)	7.7	8.7	-12%	7.9	8.9	-11%
Number of surgeries	4,501	5,303	-15%	18,838	18,588	+1%

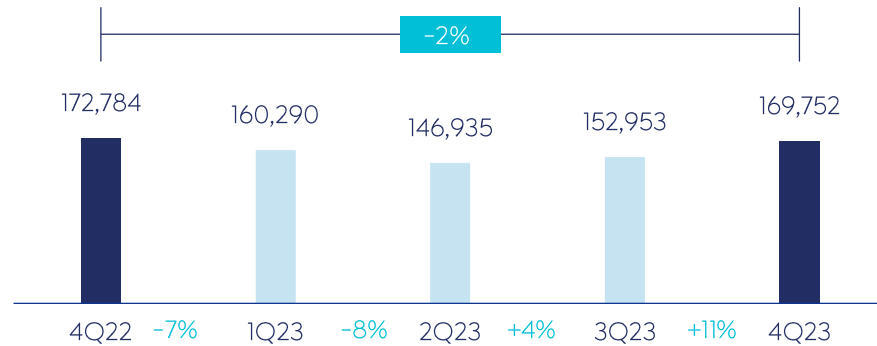
Inpatients Admissions Quarterly Trend

(Admissions)



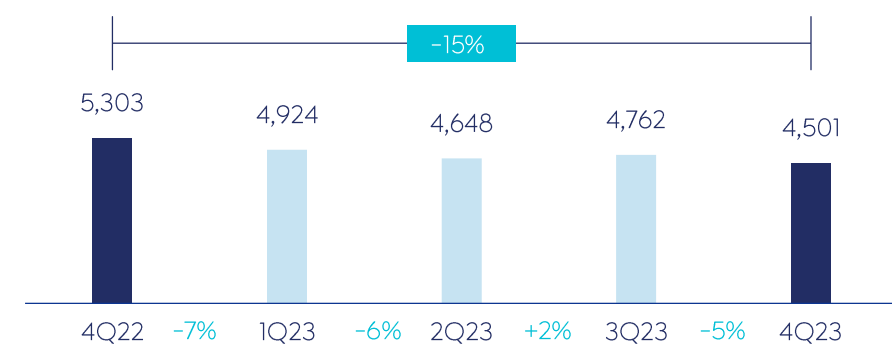
Outpatient Visits Quarterly Trend

(Outpatient visits)



Surgeries Quarterly Trend

(Surgeries)



¹ 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).

Income Statement

FY 2023 profitability improvement driven by steady operations, better pricing, and cost control efforts

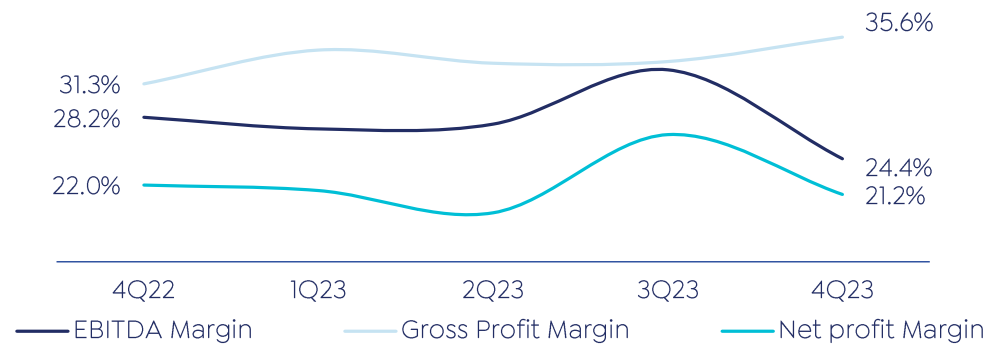


Income Statement Highlights

SAR mn	4Q2023	4Q2022	Δ%	FY2023	FY2022	Δ%
Revenues	300	252	+19%	1,082	918	+18%
Cost of revenues	(193)	(173)	+12%	(712)	(628)	+13%
Gross profit	107	79	+35%	370	290	+28%
Operating expenses	(50)	(19)	+2.6x	(123)	(92)	+33%
Operating profit	57	60	-5%	247	197	+25%
EBITDA	73	71	+3%	302	243	+24%
Net profit	63	55	+14%	241	170	+42%
Gross profit margin	35.6%	31.3%	+4.3 pts	34.2%	31.6%	+2.6 pts
EBITDA margin	24.4%	28.2%	-3.8 pts	27.9%	26.5%	+1.4 pts
Net profit margin	21.2%	22.0%	-0.9 pts	22.3%	18.5%	+3.7 pts

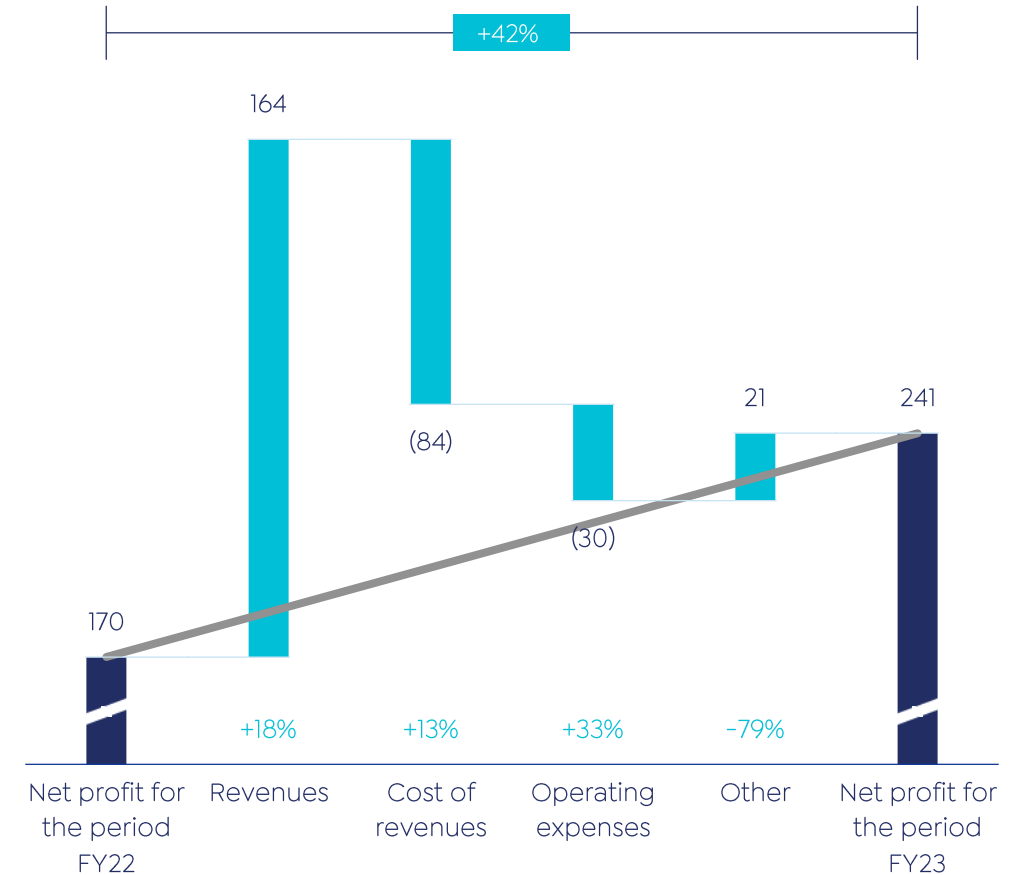
Quarterly Margin Trends

(%)



Net Profit Development

(SAR mn)



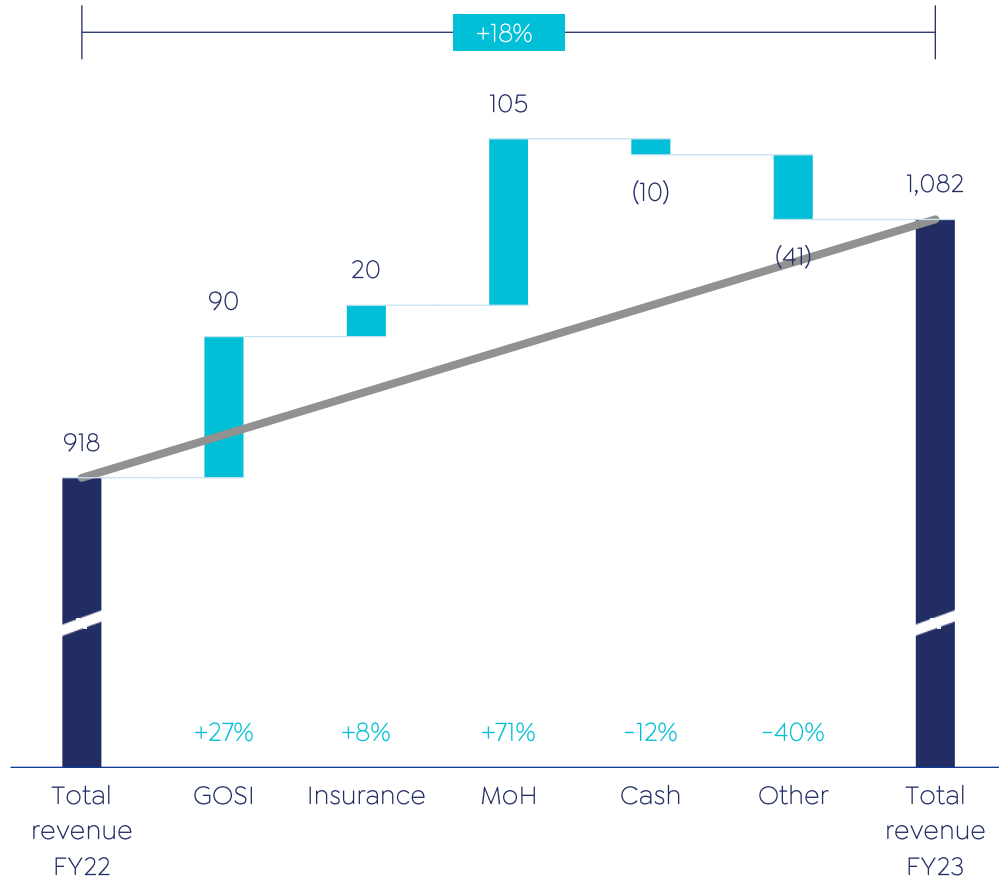
Revenue Trends

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



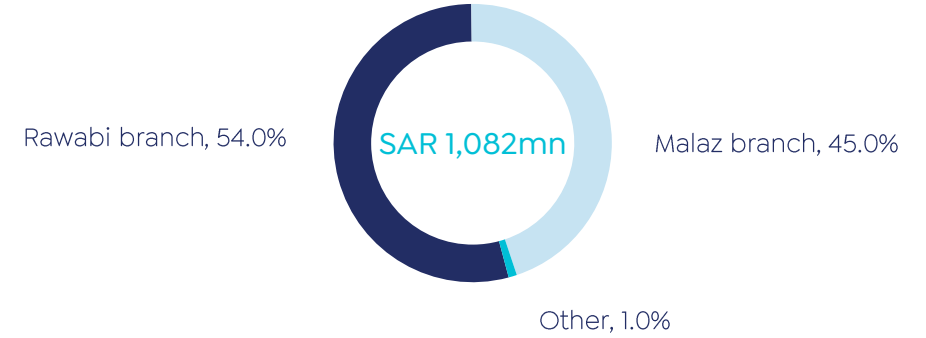
Revenue Development

(SAR mn)



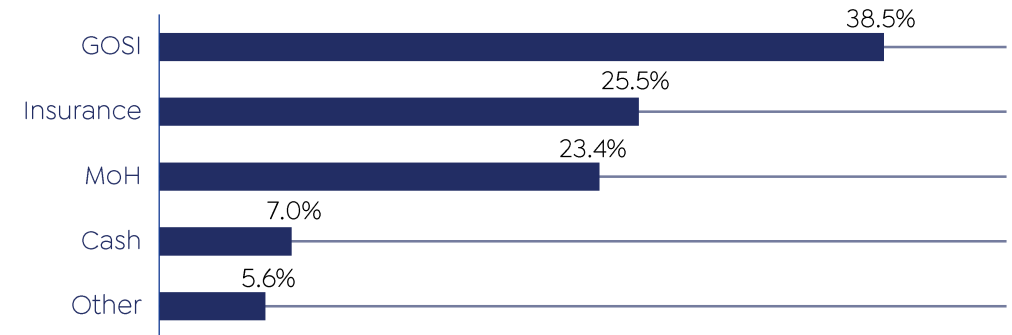
Revenue by Business Unit (FY 2023)

(SAR mn)



Revenue by Payer (FY 2023)

(SAR mn)



Costs Overview



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

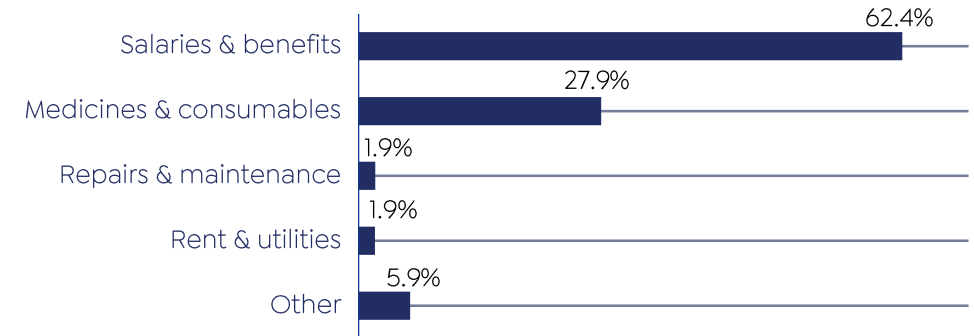
Total Expenses Breakdown (FY 2023)

(SAR mn)



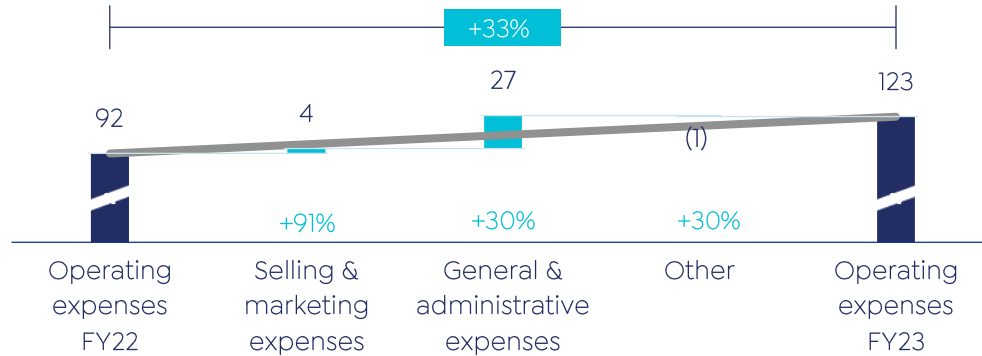
Cost of Revenues Breakdown (FY 2023)

(SAR mn)



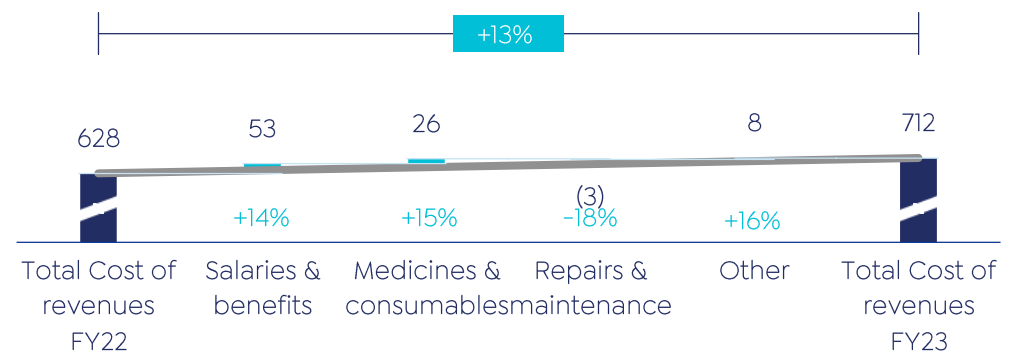
Operating Expenses Development

(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

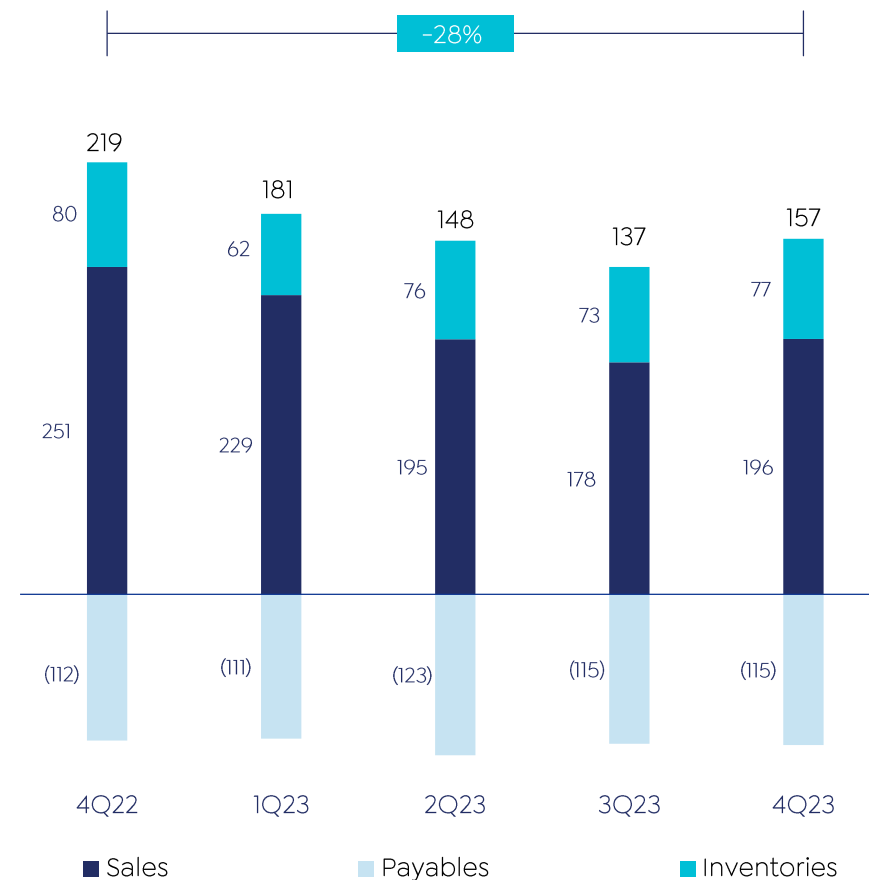


Balance Sheet Highlights

SAR mn	4Q2023	4Q2022	Δ%	3Q2023	Δ%
Total Non-Current Assets	936	657	+43%	754	+24%
Total Current Assets	1,278	1,056	+21%	1,157	+10%
Total Assets	2,214	1,713	+29%	1,911	+16%
Total Shareholders' Equity	1,453	1,264	+15%	1,396	+4%
Total Non-Current Liabilities	413	163	+2.5x	184	+2.2x
Total Current Liabilities	348	286	+22%	331	+5%
Total Liabilities	761	449	+69%	515	+48%
Cash & cash equivalents	309	329	-6%	270	+14%
Net Debt ²	(319)	(246)	+30%	(608)	-48%

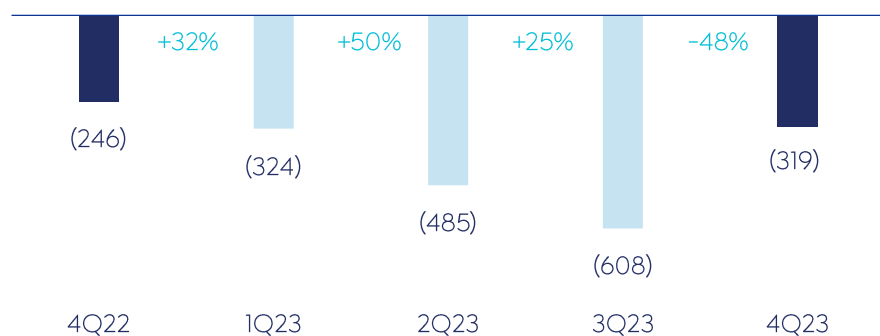
Cash Conversion Cycle¹ Trend

(Days)



Net Debt Trend²

(SAR mn)



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

² Including time deposits in the amount of SAR 385 million as of 31 December 2023.

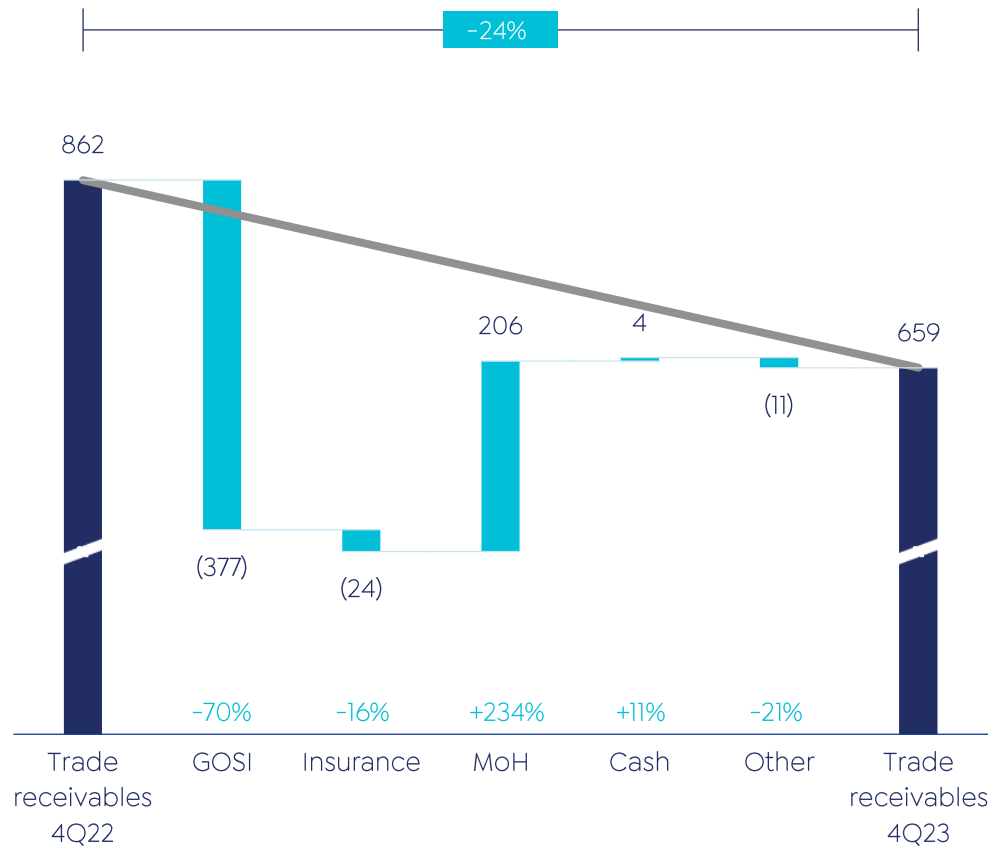
Receivables Management

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



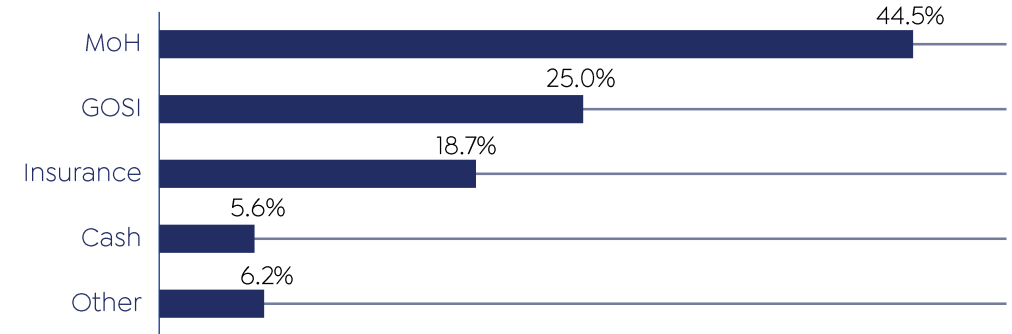
Trade Receivables¹ Development

(SAR mn)



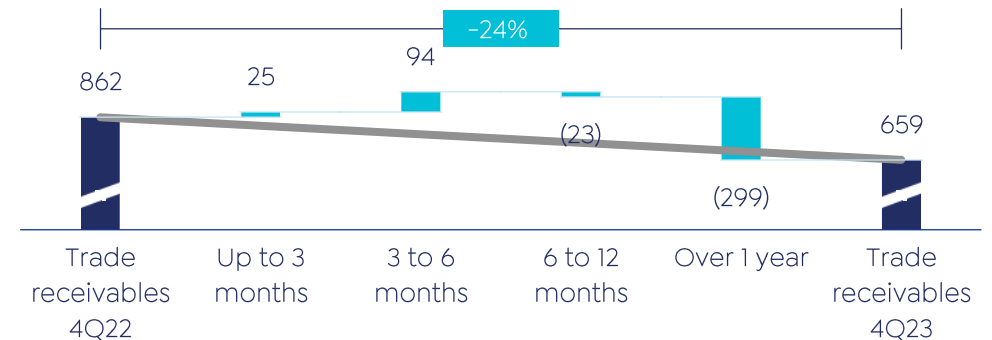
Trade Receivables¹ Structure (end of 4Q 2023)

(SAR mn)



Trade Receivables¹ Aging (end of 4Q 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

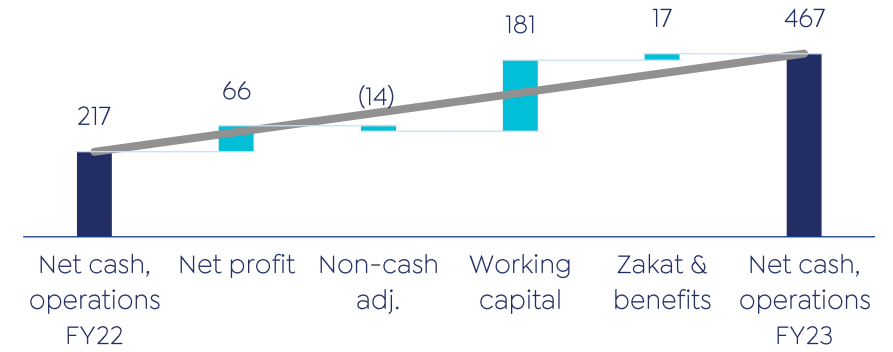


Cash Flow Highlights

SAR mn	4Q2023	4Q2022	Δ%	FY2023	FY2022	Δ%
Net Profit before zakat	62	61	+2%	265	199	+33%
Non-cash adjustments	20	9	+2.1x	54	68	-20%
Working capital changes	(115)	140	NA	158	(23)	NA
Zakat and end-of-service benefits	15	(4)	NA	(10)	(26)	-63%
Net cash, operations	(18)	206	NA	467	217	+2.2x
Capex	(184)	(8)	+22.4x	(240)	(212)	+13%
Net cash, investing activities	(119)	(8)	+14.5x	(625)	(212)	+3.0x
Net cash, financing activities	175	(0)	NA	138	(51)	NA
Net changes in cash	39	198	-80%	(21)	(46)	-55%

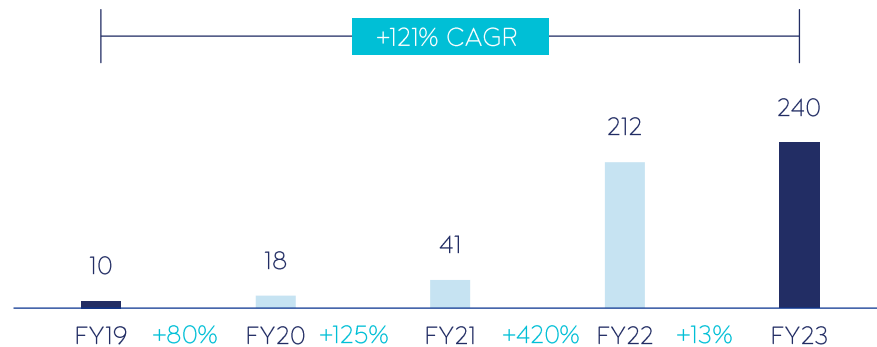
Cash Flow From Operations Development

(SAR mn)



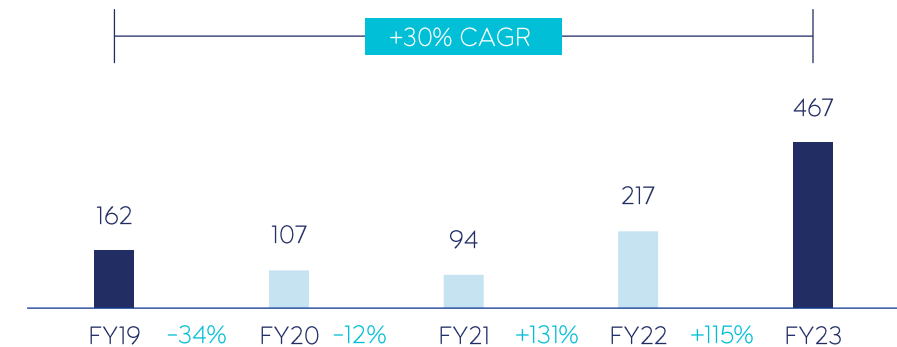
Capex Trend

(SAR mn)



Cash Flow From Operations Trend

(SAR mn)





Q&A Session





Appendix

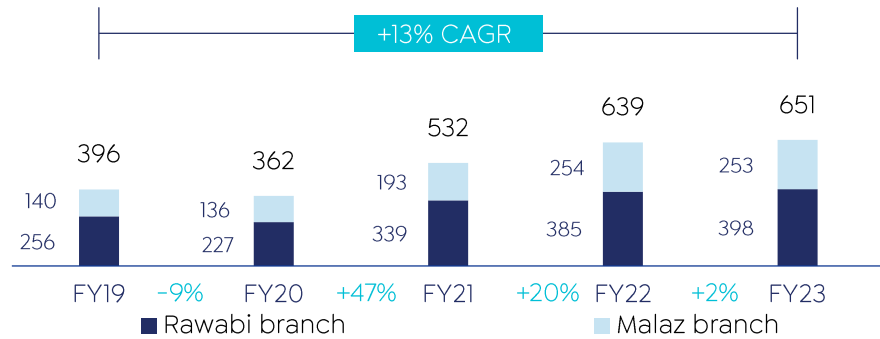


Operating Performance Overview¹ (1/2)



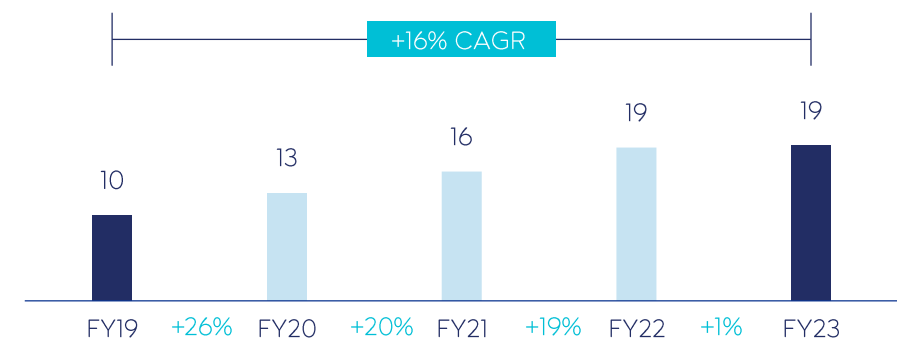
Total Patients Trend

(Thousand patients)



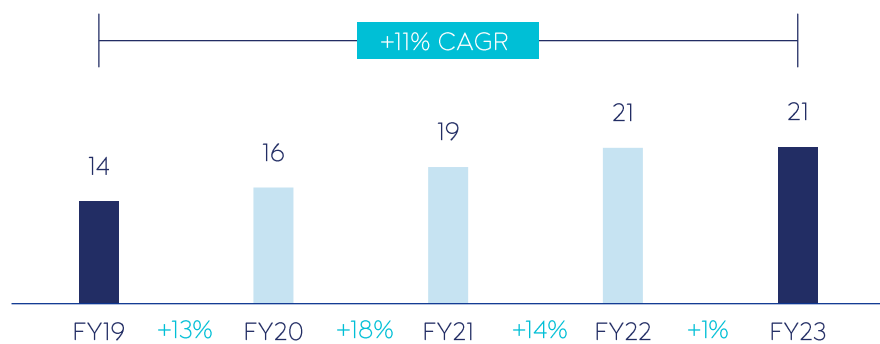
Surgeries Trend

(Thousand surgeries)



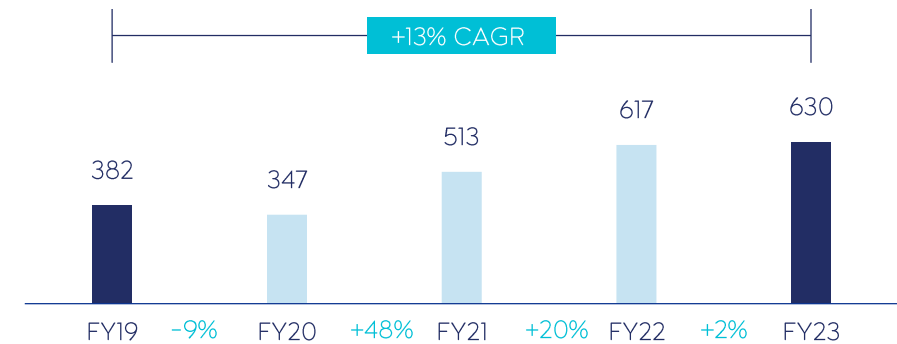
Inpatients Admissions Trend

(Thousand admissions)



Outpatient Visits Trend

(Thousand outpatient visits)



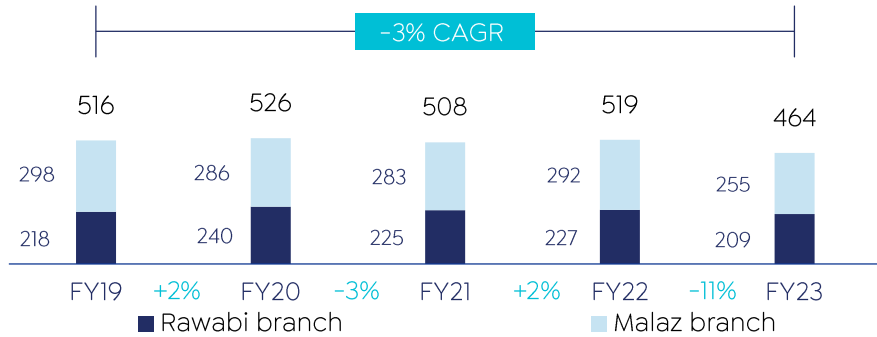
¹ Operating indicators represent data for Rawabi and Malaz branches. Rawabi branch, previously referred as Riyadh Care Hospital (RCH); Malaz branch, previously referred as Care National Hospital (CNH).

Operating Performance Overview¹ (2/2)



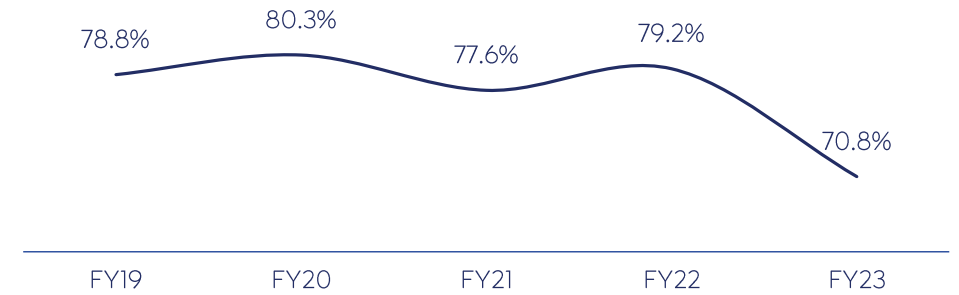
Occupied Beds Trend

(Occupied beds)



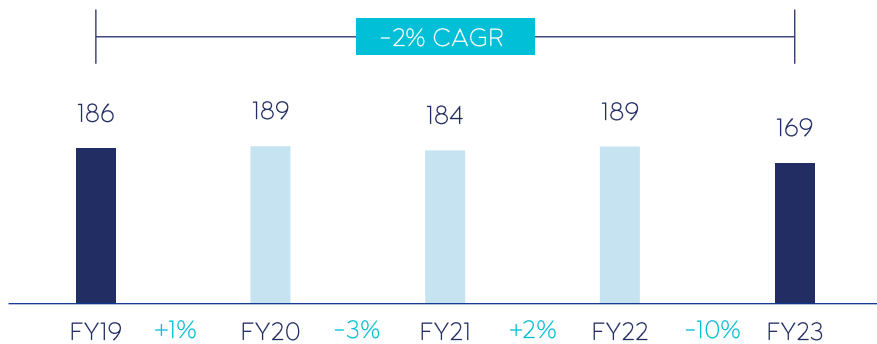
Bed Occupancy Trend

(%)



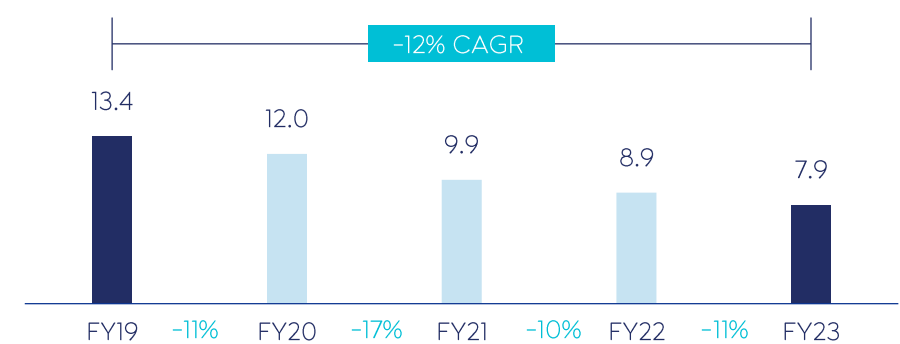
Inpatient Days Trend

(Thousand inpatient days)



Average Length of Stay Trend

(Days per stay)



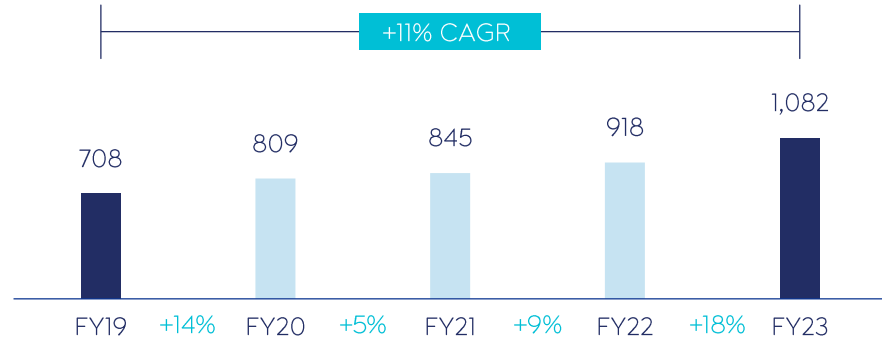
¹ Operating indicators represent data for Rawabi and Malaz branches. Rawabi branch, previously referred as Riyadh Care Hospital (RCH); Malaz branch, previously referred as Care National Hospital (CNH).

Financial Performance Overview



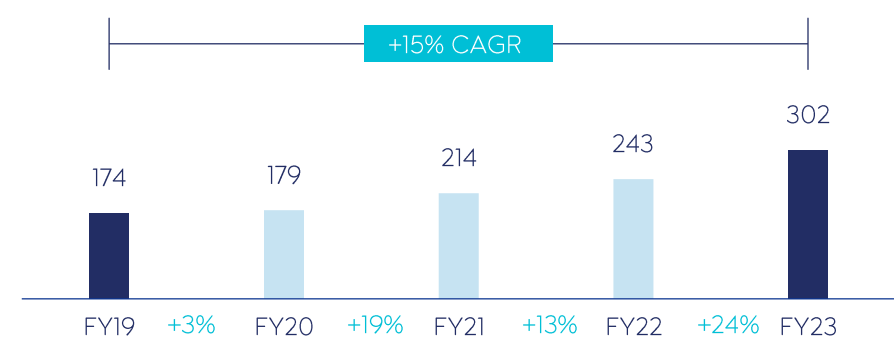
Total Revenue Trend

(SAR mn)



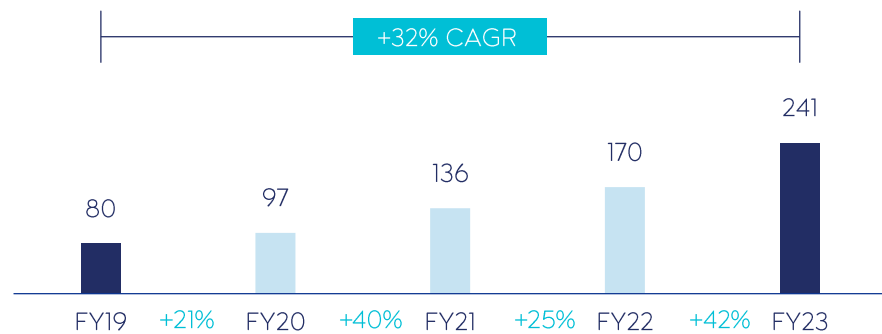
EBITDA Trend

(SAR mn)



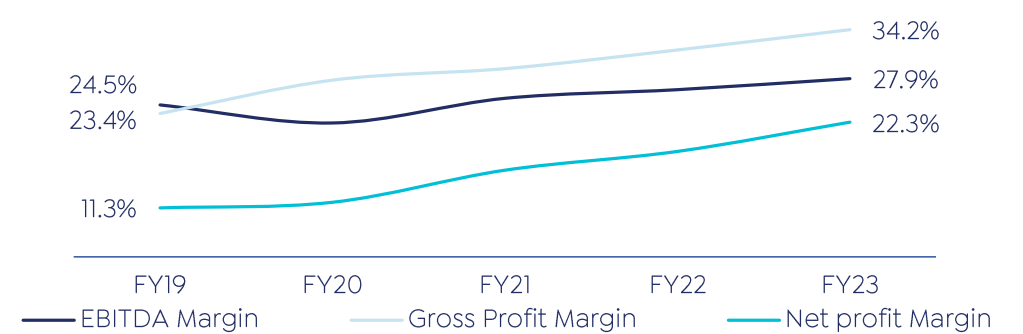
Net Profit Trend

(SAR mn)



Margins Trend

(%)





Contacts

Institutional investor contact

Care Investor Relations
Care.IR@care.med.sa
+966-11-493-1881 ext. 123 & 135

Disclaimer



All information included in this document is for general use only and has not been independently verified, nor does it constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation or recommendation to buy or subscribe for any securities in the Kingdom of Saudi Arabia, or an offer or invitation or recommendation in respect of buying, holding or selling any securities of CARE.

CARE does not warranty, express or implied, is made, and no reliance should be placed by any person or any legal entity for any purpose on the information and opinions contained in this document, or its fairness, accuracy, completeness or correctness.

This document may include statements that are, or may be deemed to be, “forward-looking statements” with respect to the Company’s financial position, results of operations and business. Information on the Company’s plans, intentions, expectations, assumptions, goals and beliefs are for general update only and do not constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation or recommendation to buy or subscribe for any securities in any jurisdiction, or an offer or invitation or recommendation in respect of buying, holding or selling any securities of CARE.