



Q2 2021 Investor Presentation

As of 11 August 2021



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Faisal Al Nassar

Chief Financial Officer



Haitham Al Shathri

Head of Investor Relations



AGENDA

Growth Strategy

How we performed

Spotlight

Technology and medical excellence

Appendix #1

About HMG

Appendix #2

Summarized financials



Growth Strategy

Equity story and strategy

A well-defined strategy enhanced by our core values

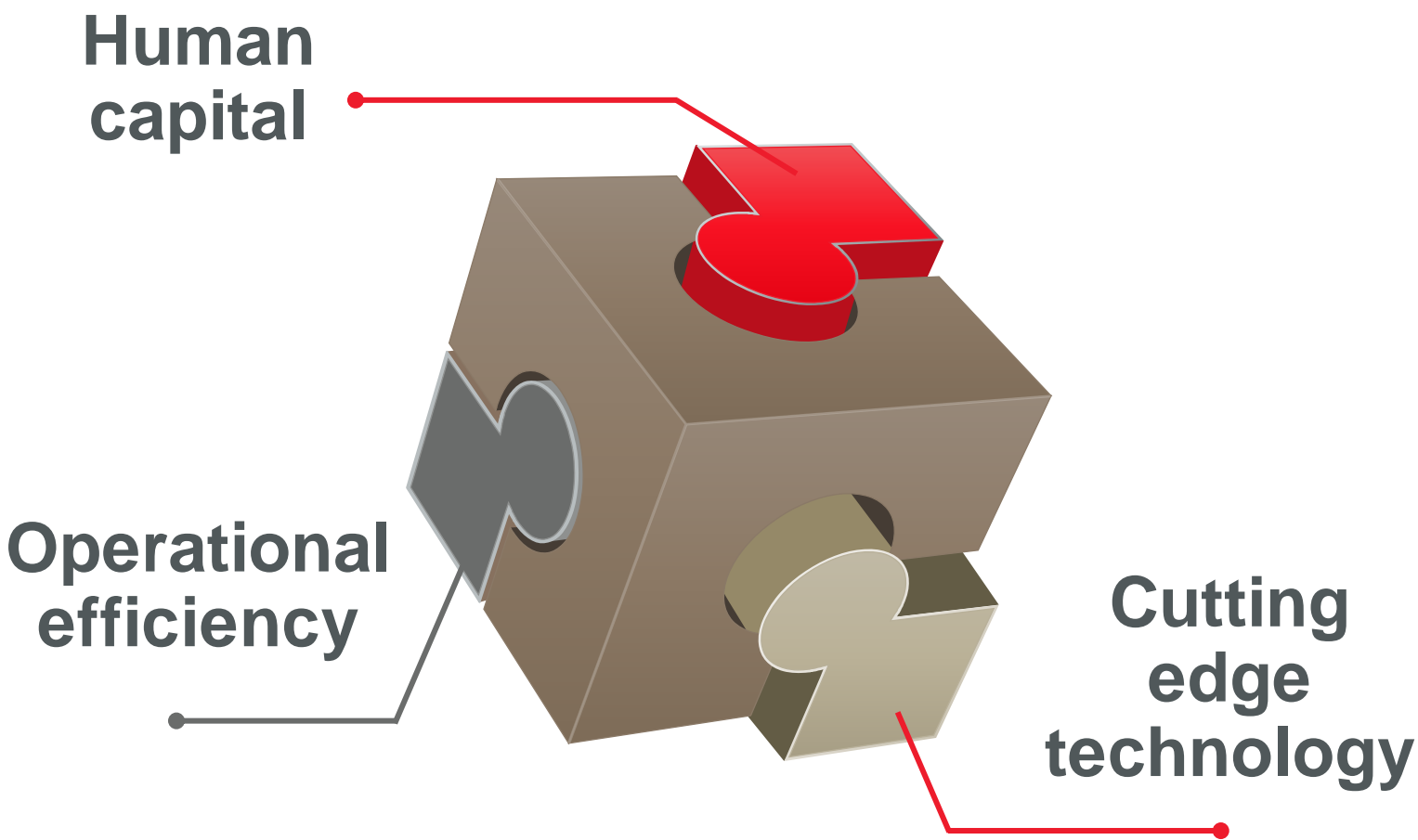
Vision

To be the most trusted healthcare provider in medical excellence and patient experience globally

Mission

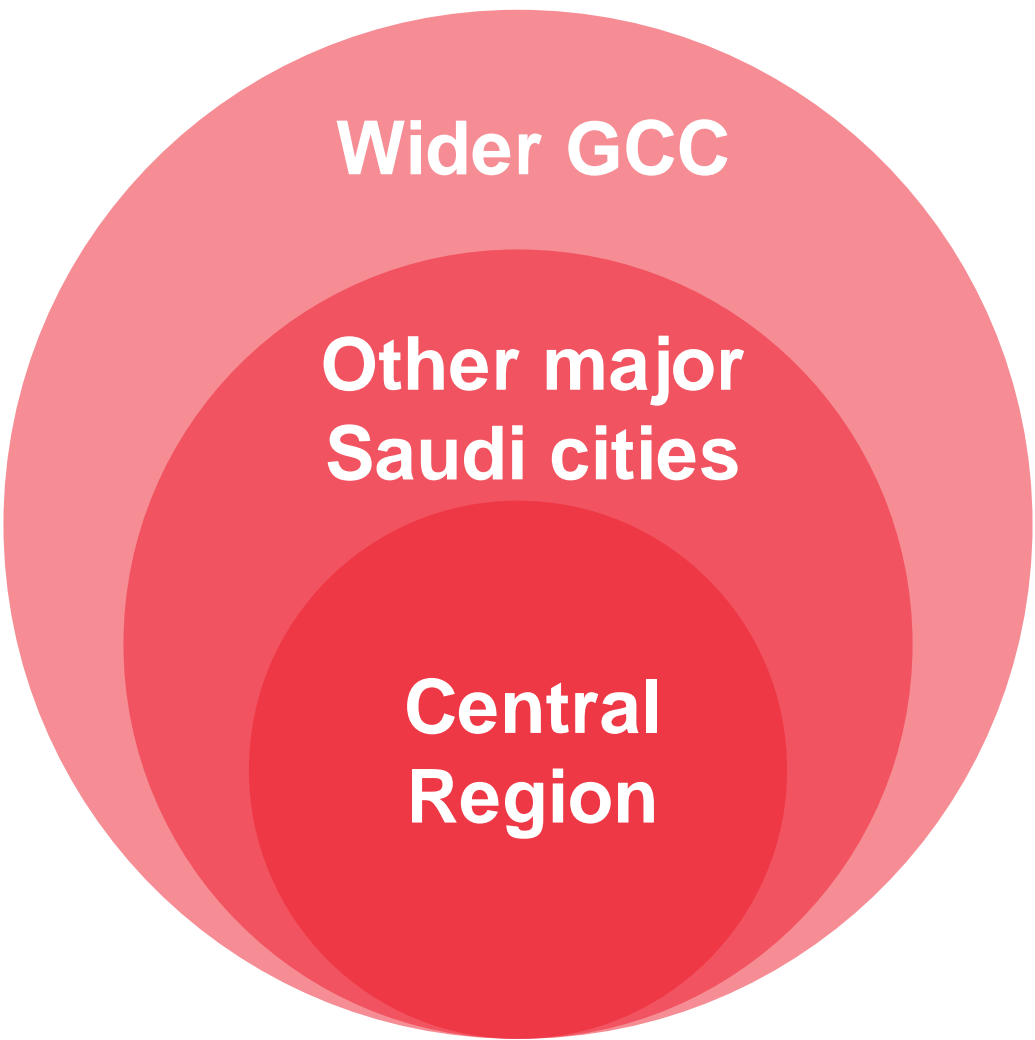
To develop and operate state of the art medical facilities and provide innovative healthcare services to create value for people

Strengthening the core



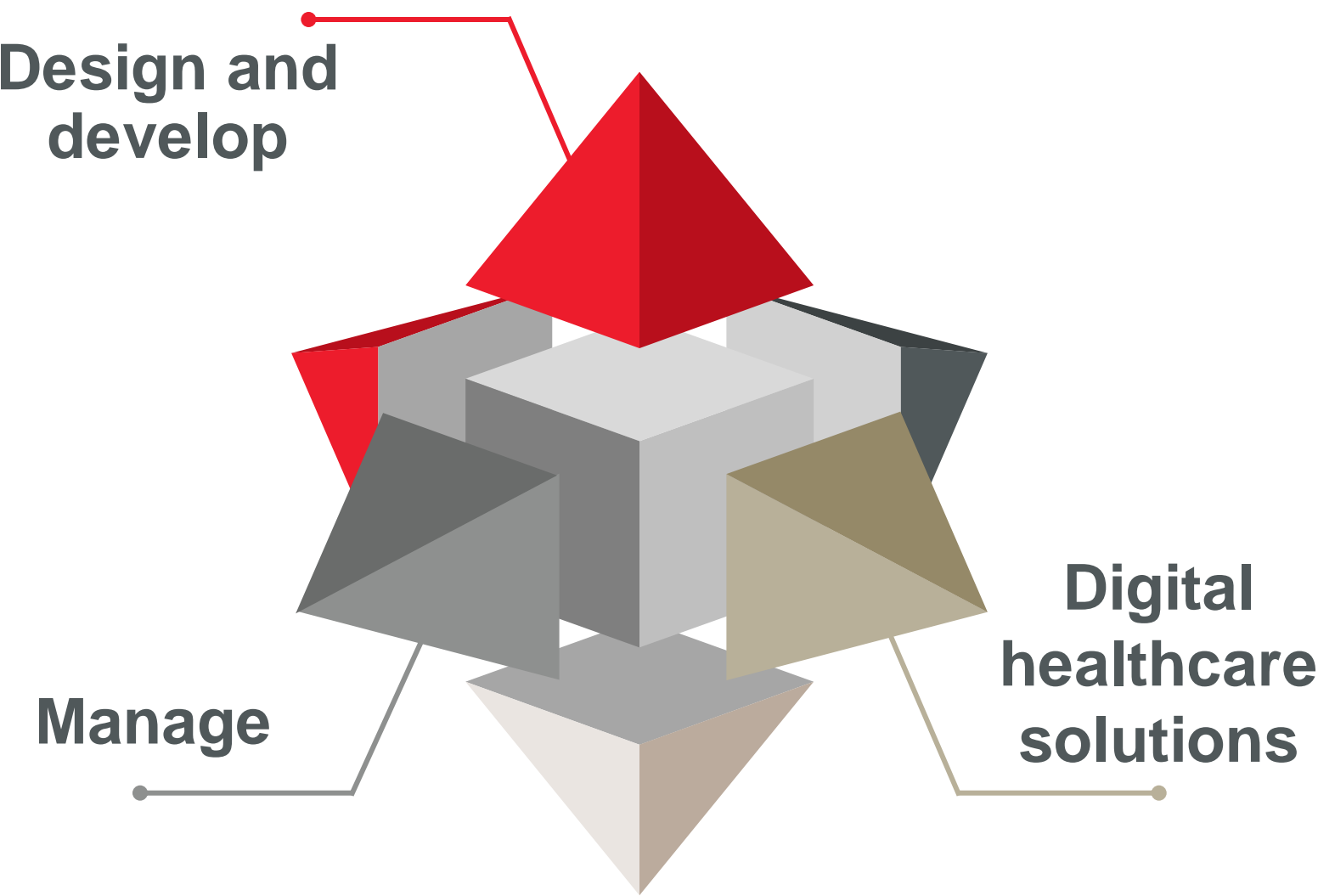
Patient centric healthcare

Expanding the reach



Organic growth while considering inorganic opportunities

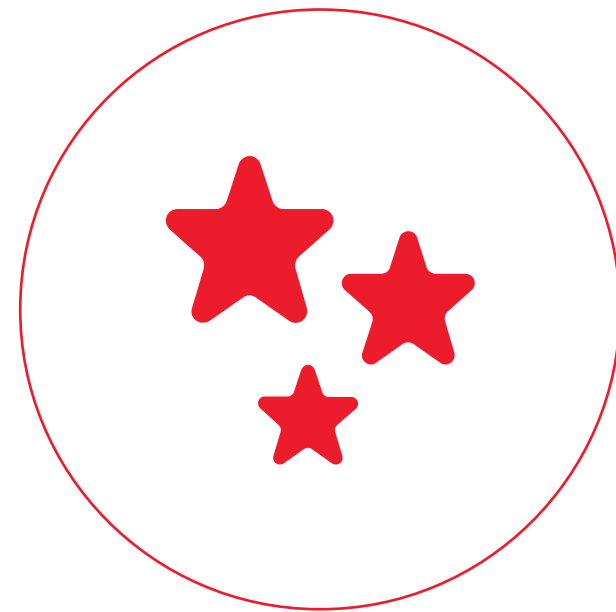
Broadening the service



Creation of new business lines

Key messages

A best-in-class healthcare leader with a **clear growth strategy**



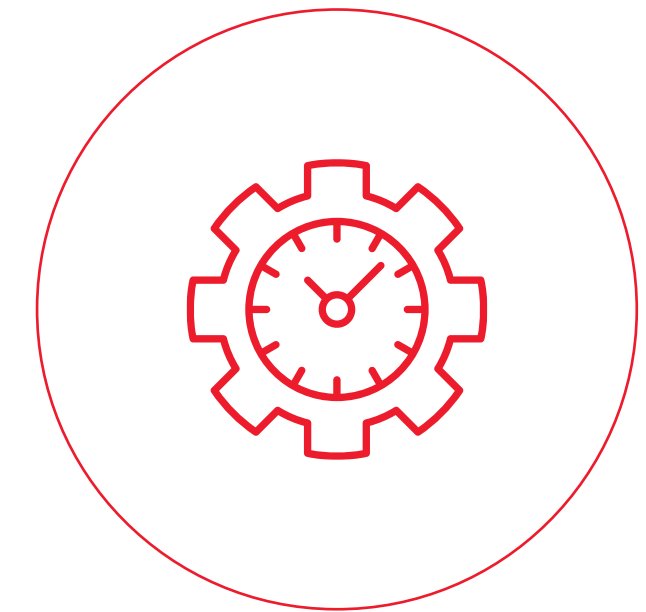
Best-in-class

- Regional integrated healthcare provider with **25+ years track record**
- **Resilient revenues** and **stable gross margins** supported by economies of scale, **strong cash flow management** and healthy balance sheet
- **Defined strategy** to strengthen core, expand reach and broadening the services



Catalysts for value creation

- **Technology:** Pioneer in healthcare technology, award-winning hospital information system (HIS) & other 13 Technology Products.
- **PPP Programs:** 6 MoH ICU locations under management (including Tele ICU) for 139 beds and working to build more in the pipeline
- **Robust expansion plan:** 5 new hospitals under construction and expansion of HMG Solutions

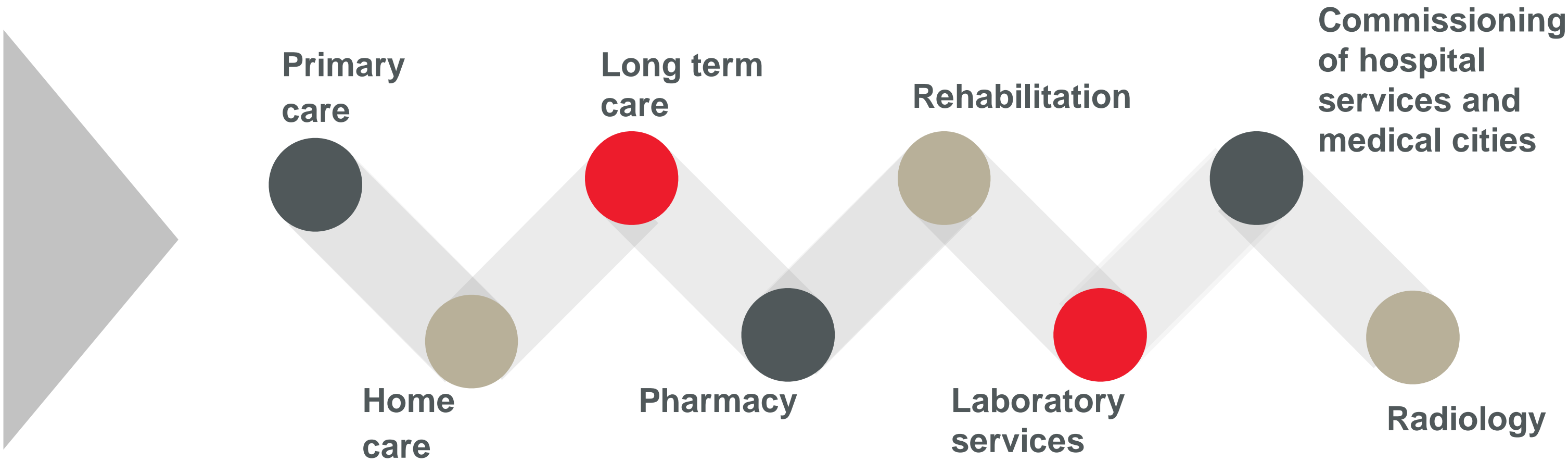


Efficiency drivers

- **Efficient cash conversion cycle:** shortest CCC in the industry, proactive collection process
- **Cost efficiency:** economies of scale and cost efficiency on a growing patient volume base
- **Technology to drive operational efficiency:** best in class HIS, patients and physicians apps and rapidly growing business solutions including special focus on automation of services



Areas of focus for privatization



How has HMG positioned itself to participate?

Intensive Care Units (ICUs)

- Operating ICU beds in 6 MoH hospitals
- Managing the largest Tele-ICU Command Center in the world (Guinness World Record 2019)



Solutions

- Implemented VIDA in 39 MoH hospitals, implementation process in new 4 MoH hospitals and working on 4 potential projects
- Management, operation and maintenance of PACS infrastructure systems in 11 MoH hospitals

Home Healthcare

- Providing home healthcare services to General Department of Medical Services at the Ministry of Interior and Ministry of Health

Business structure

A fully integrated healthcare services provider



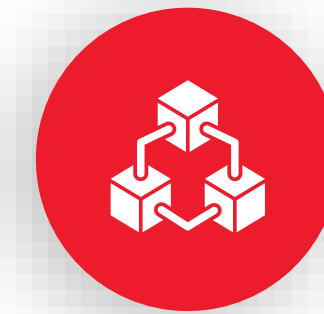
Hospitals

- **7 hospitals** in Saudi Arabia and Dubai
- **1,900+** beds and **1,370+** clinics
- **1 medical center** in Bahrain through management agreement
- **1 Medical Center** in Riyadh's DQ
- **13,000+** staff, **2,750+** physicians



Pharmacies

- Outpatient pharmacies as part of the hospitals
 - **18 pharmacies in Saudi Arabia and Dubai**
 - **440+ employees**
- E-Pharmacy

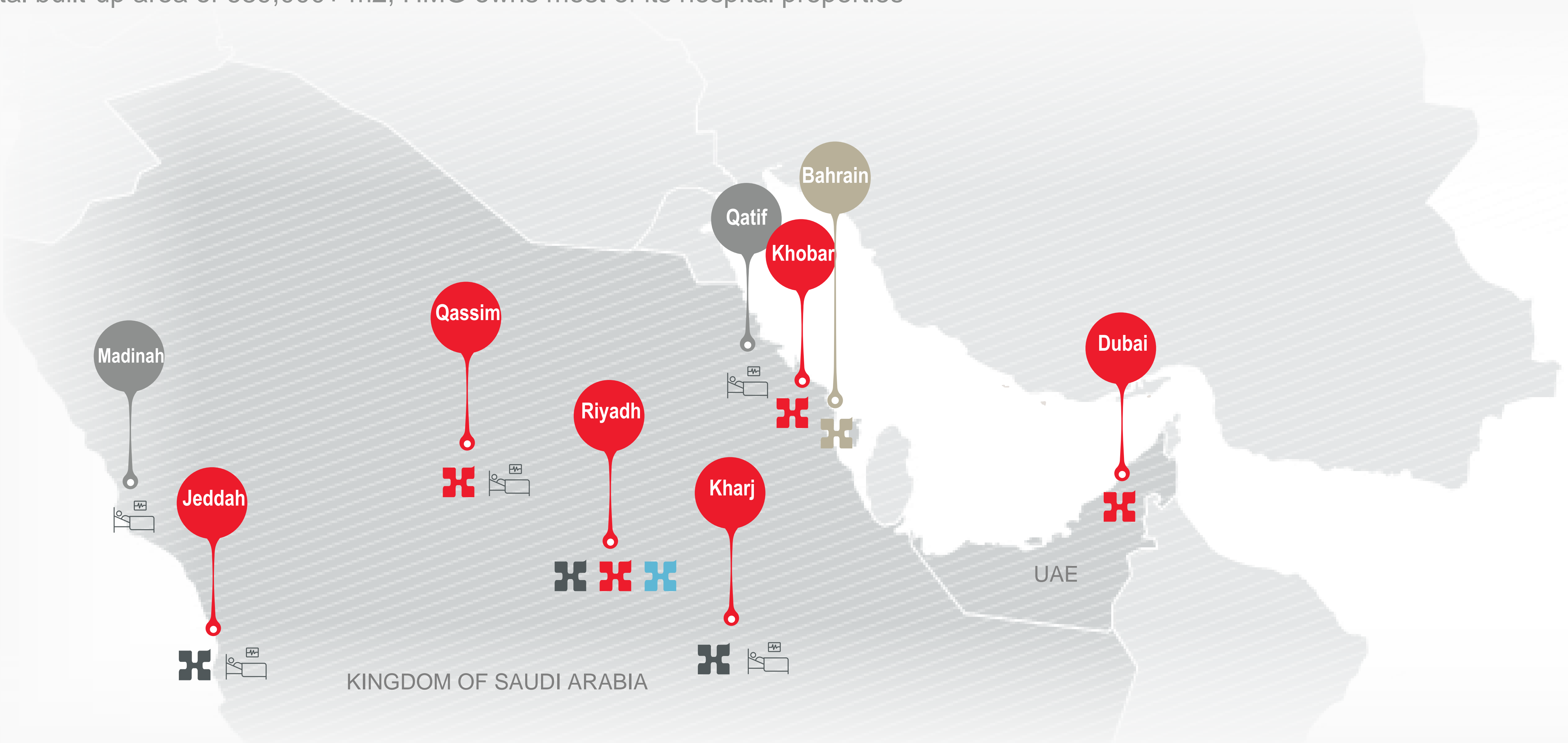







HMG Solutions

- **Cloud Solutions:** technology arm including HIS, e-medicine, mobile app & other Applications
- **PPP Programs:** Operating Intensive Care Units for others
- **Home Healthcare** services
- **MD LAB** for advanced laboratory services

Where we operate

With total built-up area of 689,000+ m2, HMG owns most of its hospital properties



-  Owned facility
-  Medical Center
-  Under constructions
-  Operated hospital (through management agreement)
-  Operated ICU

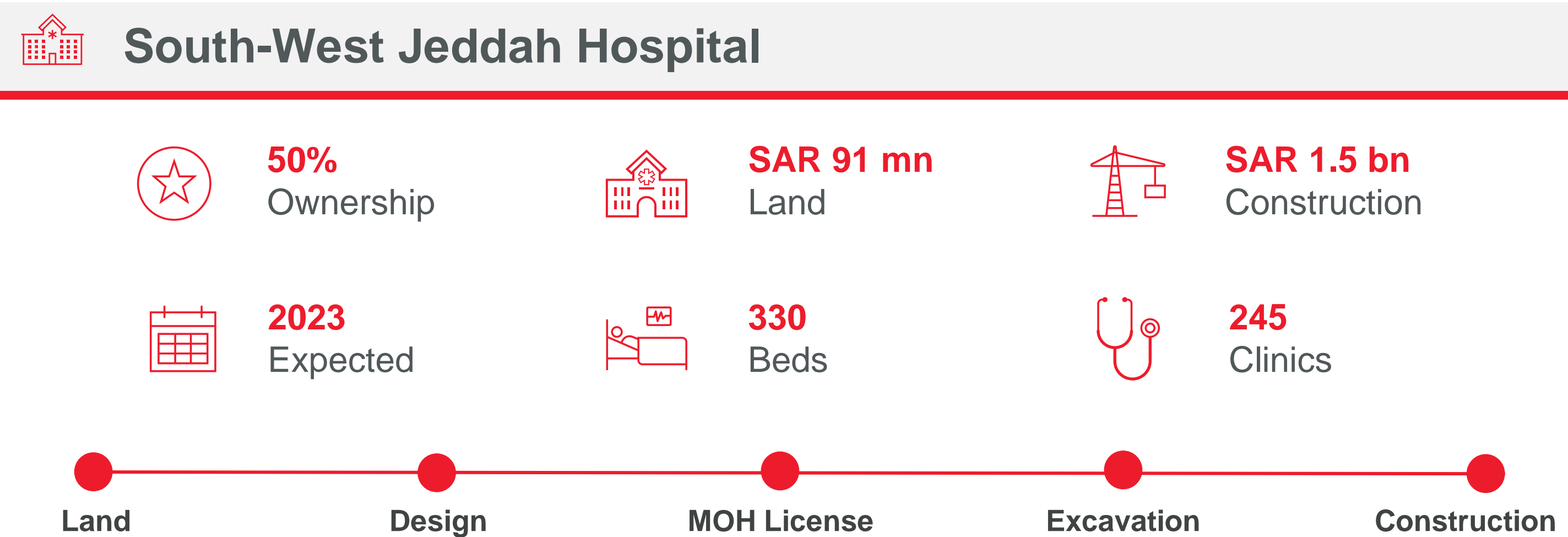
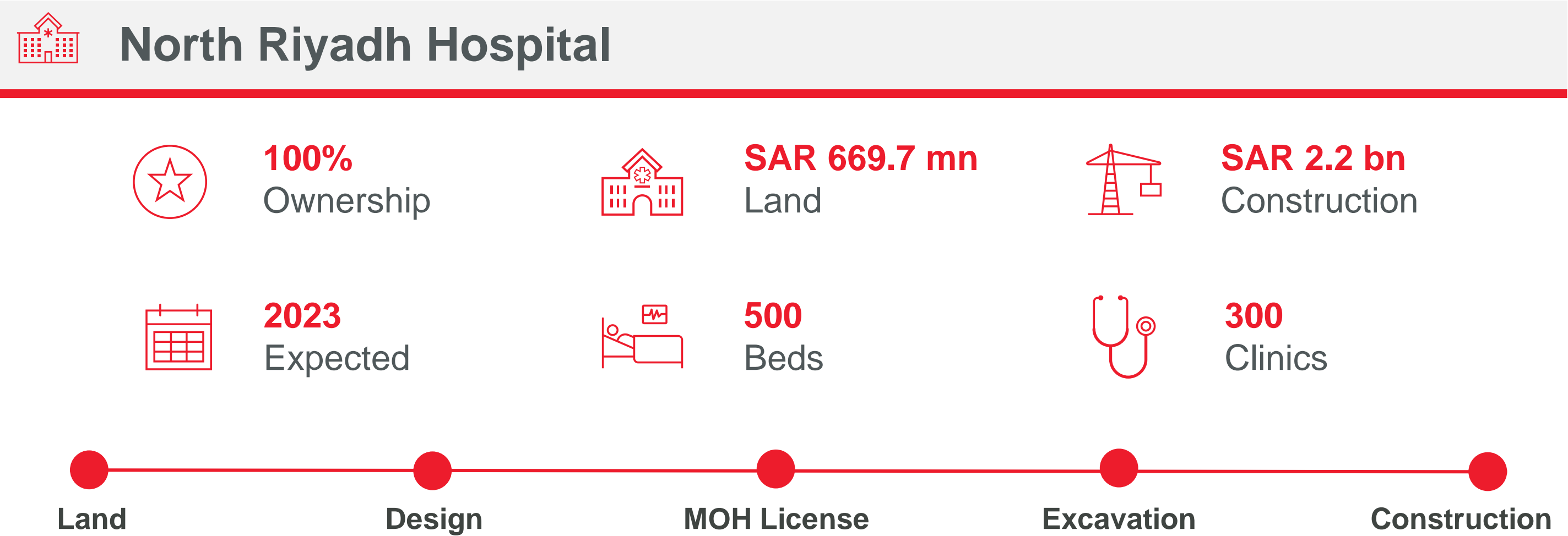


The background image shows a hand placing a vial into one of the wells of a multi-well plate. The plate is being held by a robotic arm or a similar device. The plate has several wells, each containing a small vial. The device is labeled 'Thermo SCIENTIFIC' and 'IX-200'. The text 'max. 5 500 rpm' is also visible. The device has a green button labeled 'PUSH' and 'Auto-Lock to unlock rotor'. The text '75003658' is printed on the device.

How we performed

Projects update

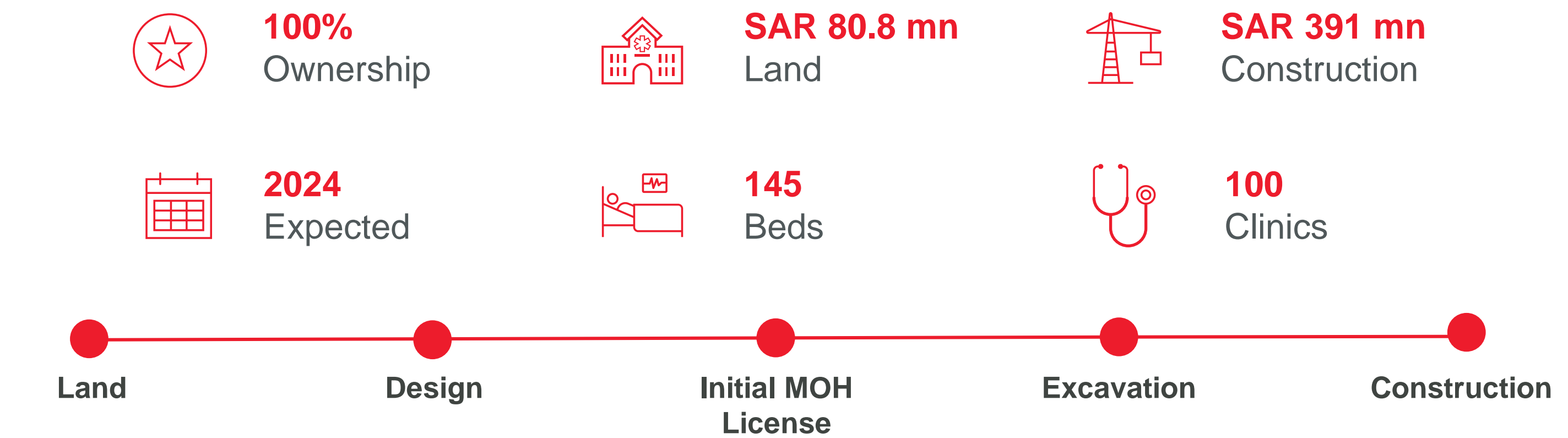
Solidifying our market leadership through robust expansion plan



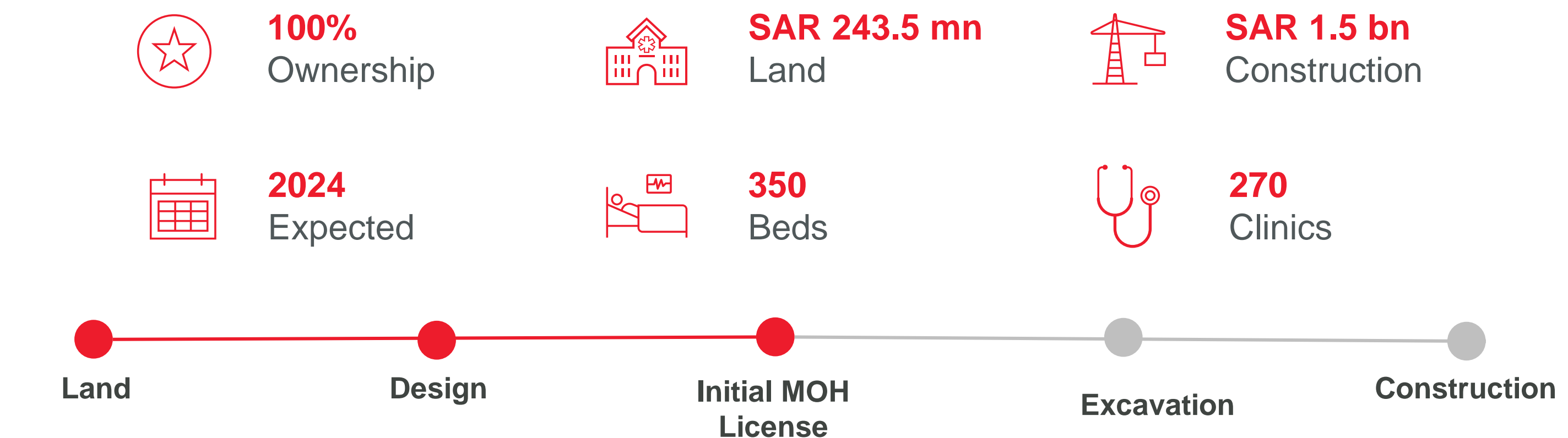
Projects update

Solidifying our market leadership through robust expansion plan

Maternity and Pediatric Hospital (New Takhassusi Expansion)

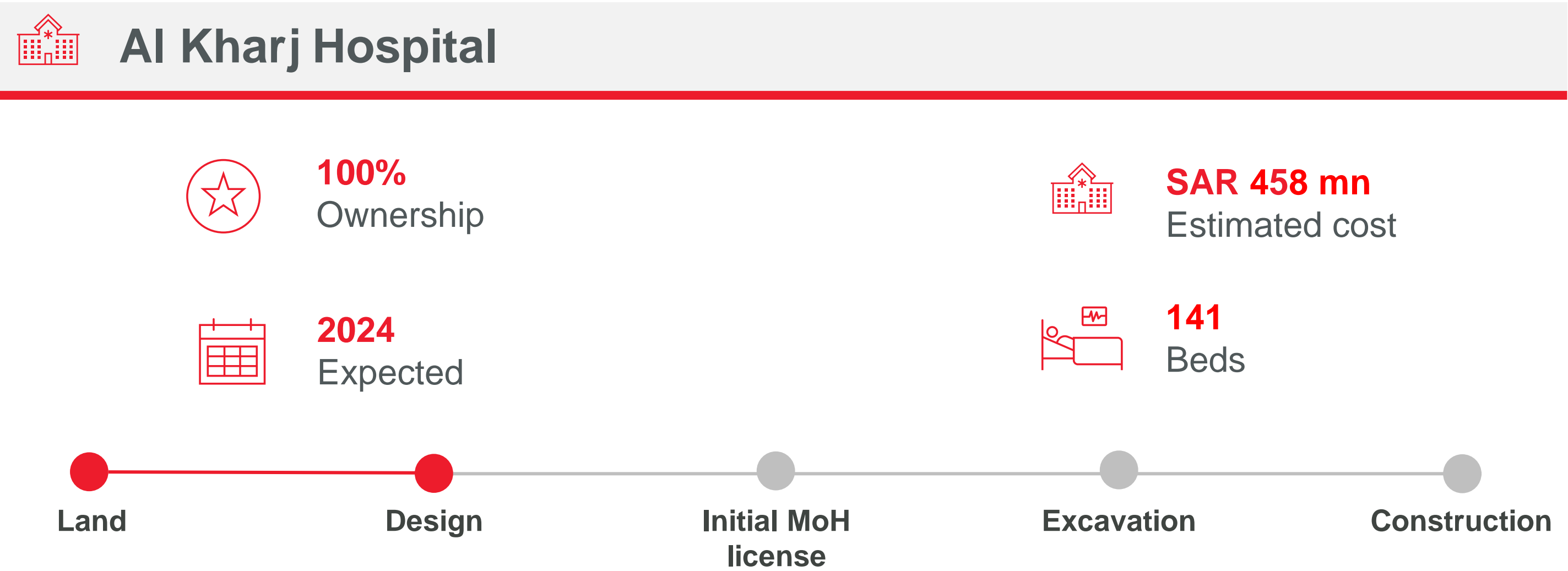


North Jeddah Hospital



Projects update

Solidifying our market leadership through robust expansion plan



Location
Al Kharj Governate, Saudi Arabia.

-
- Project Details**
 - Land Area: **44,303 square meters**
 - Built-up Area: **79,040 Square Meters**

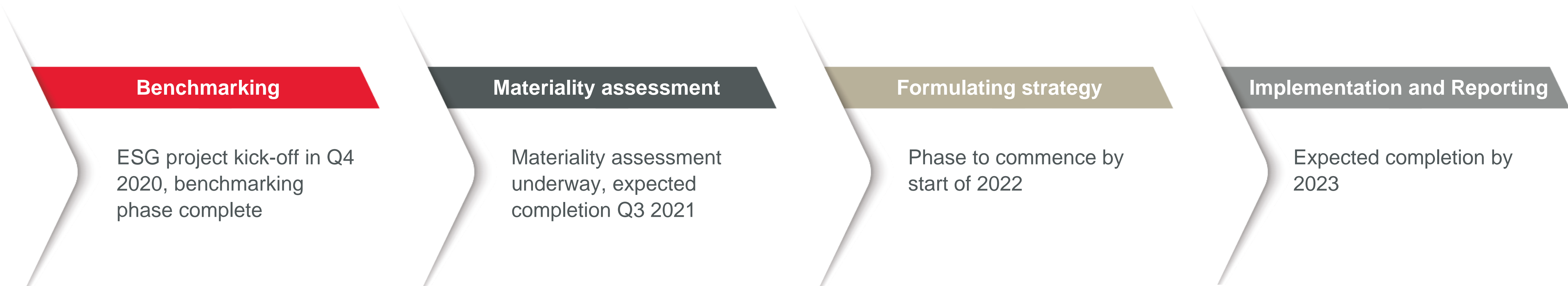
-
- Project Financing**
 - The estimated total cost of the project is SAR 458 million.
 - The project will be funded by the **Group’s internal resources** and by **long-term Shariah-compliant facilities** from local banks

Committed to the well-being of the communities, we serve and take a broader approach to value creation by looking beyond our own facilities

Overview

In line with Saudi Ambitious Vision 2030, HMG is committed to fulfil its social responsibility by setting various initiatives

- HMG is currently undertaking a four-phase exercise to start integrating ESG into its business practices and to measure and report on its ESG performance.
- Launch of Himma Leadership Program aiming to explore leadership talent through specific criteria, providing these employees the necessary skills, leadership capabilities and experiences to be prepared for future leadership roles in the Group. Around 100 employees have benefited from this program since its launch.
- Four-phases program looks to formulate an ESG strategy that sets clear targets to achieve our sustainable development ambitions and integrates our existing sustainability efforts
- Aimed at supporting young individuals entering the workforce, HMG sponsors the Human Resources Development Fund "Hada" to train 398 graduates across various segments and to also provide them efficient skills to enter the workforce. So far, 191 were employed since the launch of this program.



Operations

- First Open-Heart Surgery Utilizing Robotic Technology Successfully Performed at HMG's Dubai Hospital
- HMG's Medical Complex at Al-Olaya Opens the Middle East's Largest and Most Advanced Neurosurgery and Spinal Treatment Center
- HMG Contributed to Set the Investor Relations Essentials Through a Series of Webinars to Promote The IR Best Practices
- Successful Gastric Sleeve Weight Loss Surgery Conducted on an Individual Weighing in Excess of 270 kg at HMG's Al-Takhassusi Hospital
- HMG and Saudi Commission for Health Specialties signed training cooperation agreement
- HMG Launches the Third Batch of Dental Assistant Program in Cooperation with Saudi Commission for Health Specialties
- Home Healthcare Visits have increased by 67% in 2021.

HMG App and Services

Booked Appointments via App
470 k appointments

Transactions
109 mn+ transactions

E-Pharmacy
8,400+ transactions

Habib Live Care
17 k+ transactions

Home Health care
3,470 transactions

Comprehensive Medical Check-up
4,500+ requests

4.4 mn+ incoming calls to Call Center



Highlights: Q2 2021

Medical Excellence



Post-Graduate Program

Deliver optimum training activities

The **1st ICU residency program** in the private sector in KSA

17 Residency & Fellowship programs accredited by SCFHS

88 enrolled trainees, an increase of 60% compared to 2020

Participated in workshop held by SCFHS about **Train of the Trainers (TOT)**

Under-Graduate Program

Affiliation agreement with governmental and private universities / colleges



460
Undergraduate and interns



13
Governmental and Private Universities

CPR

Provide all basic and advanced life support courses



230+
courses



1300+
Trainees

CME

Responsible for all symposia, workshops, courses & conferences



50+
activities



114
hours



1200+
participant



89
speakers

Research Center

Oversees all research activities within HMG

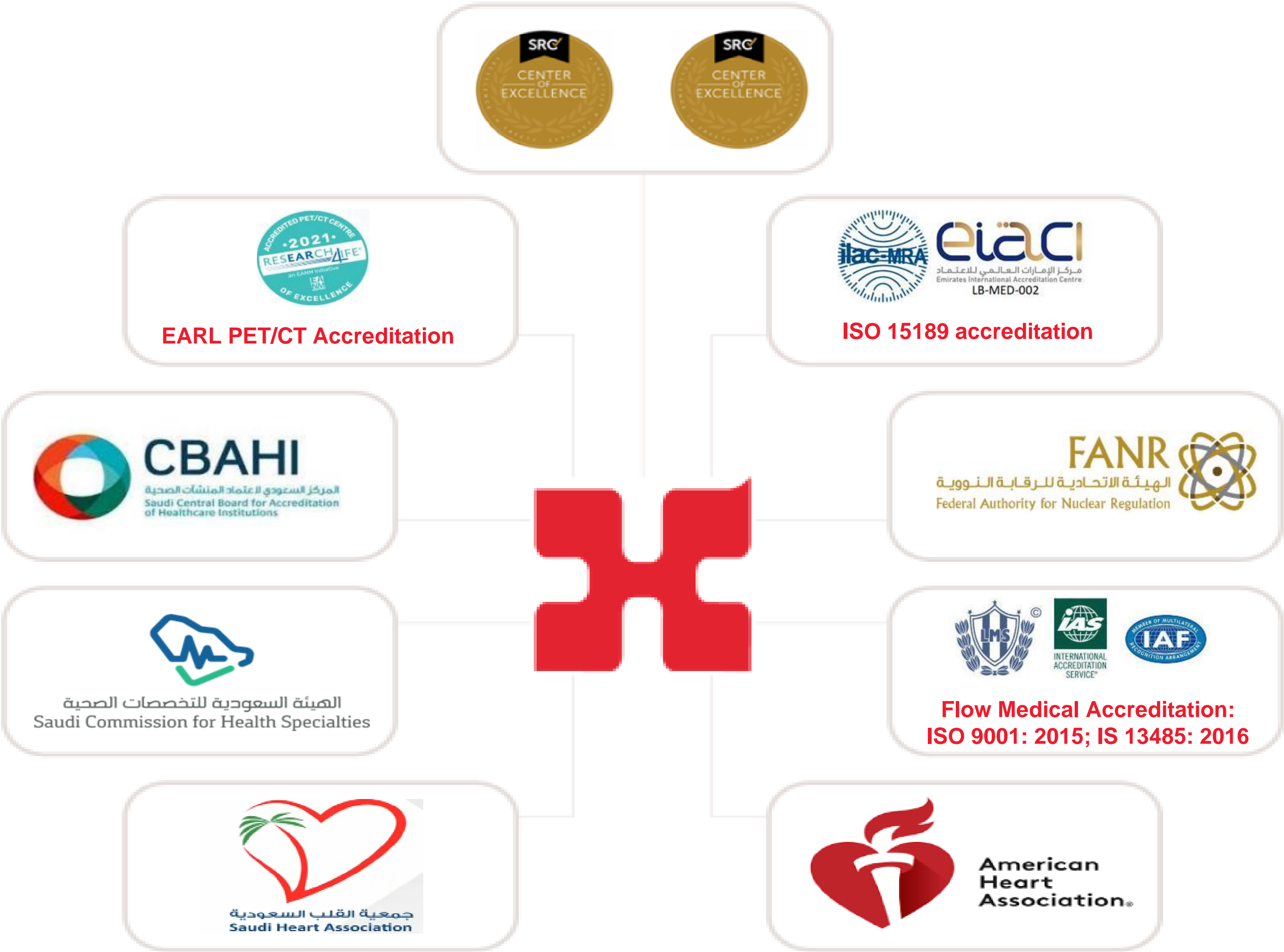
Published 10
research articles

Reviewed **10 Research proposals** through the IRB committee

Dr. Sulaiman Al Habib Medical Journal, which is the official publication of the Group, is the **first and only of kind in all private health sector around the region**

Highlights: Q2 2021

Recognitions and Accreditations



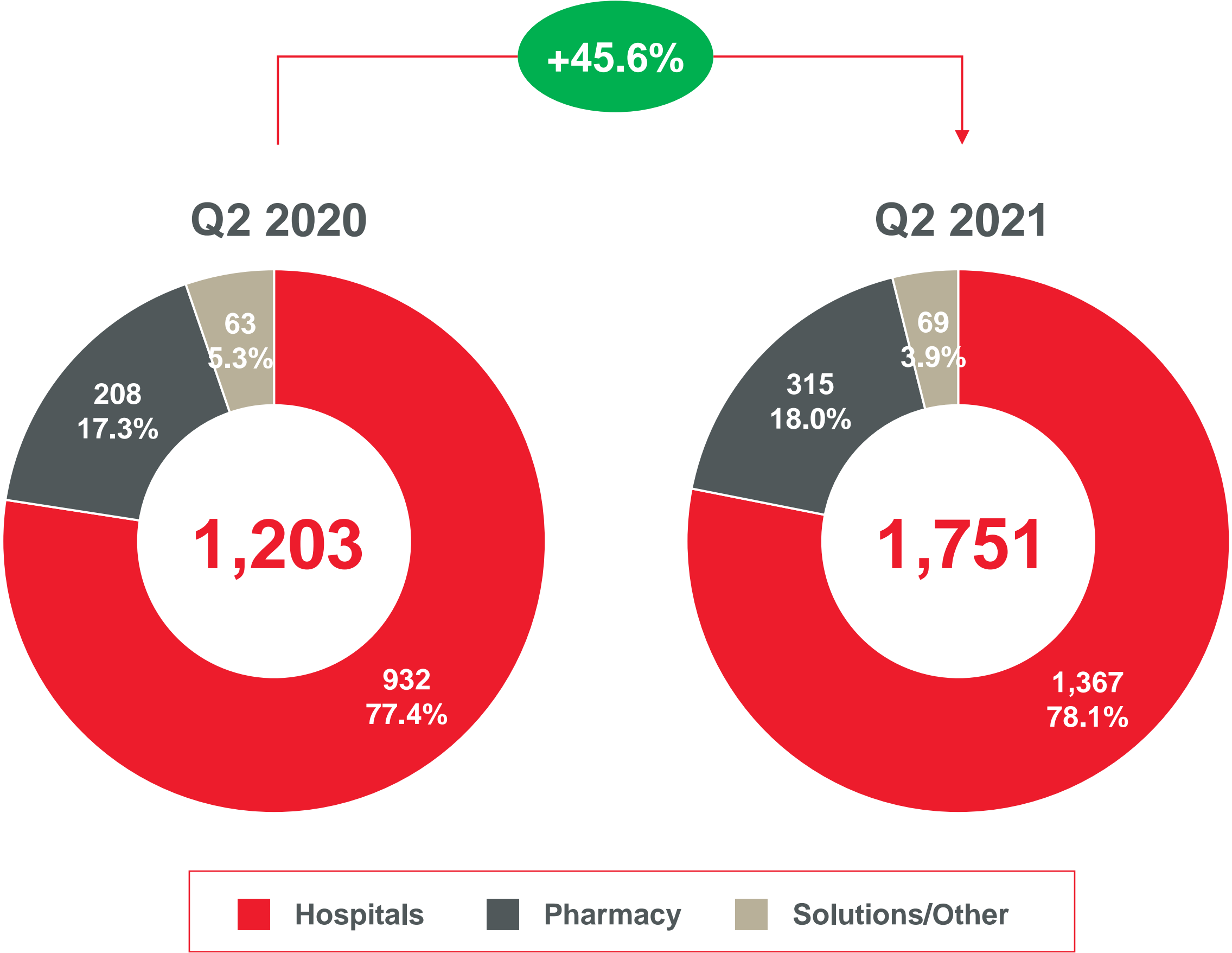
Forbes

In continuation to our strong presence in the region and as the leading healthcare services provider, HMG has ranked 1st by Forbes Middle East as the Top Healthcare Company in the Middle East; maintaining its position for the second year in a row. The Group has strengthened its position among the listed Top 100 companies in the Middle East, ranking 55th; which is 11 rank increase from last year.

Financial highlights: Q2 2021

Revenue by segment

SAR million



Gross profit **53.1%**

Q2 2021	551.0	▲
Q2 2020	359.9	
SAR (Millions)		

Gross profit Margin

Q2 2021	31.5%	▲
Q2 2020	29.9%	

EBITDA **47.6%**

Q2 2021	438.0	▲
Q2 2020	296.7	
SAR (Millions)		

EBITDA margin

Q2 2021	25.0%	●
Q2 2020	24.7%	

Net income **69.3%**

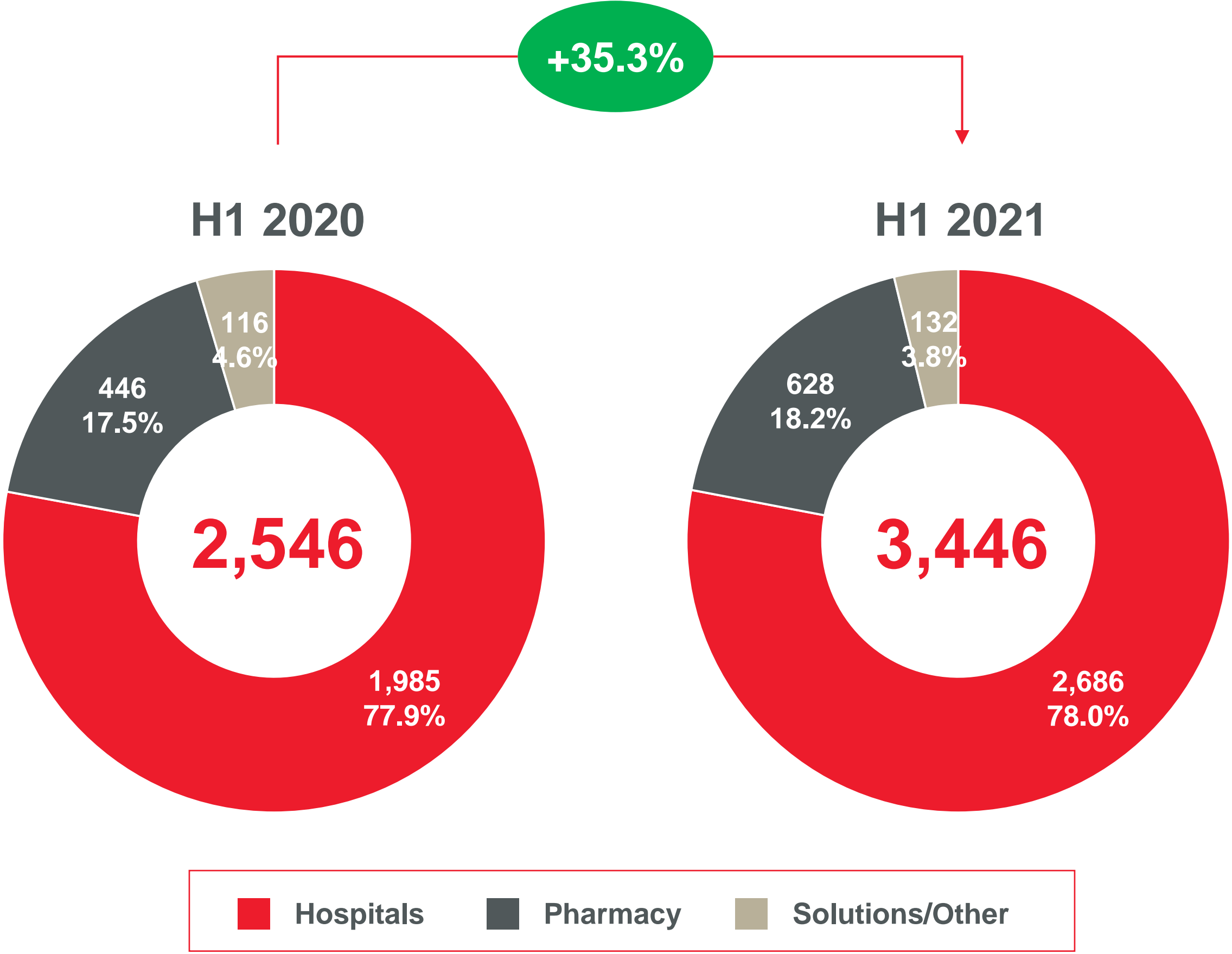
Q2 2021	325.4	▲
Q2 2020	192.3	
SAR (Millions)		

Net income margin

Q2 2021	18.6%	▲
Q2 2020	16.0%	

Revenue by segment

SAR million



Gross profit44.8%

H1 2021	1,100.4	▲
H1 2020	759.8	

SAR (Millions)

Gross profit Margin

H1 2021	31.9%	▲
H1 2020	29.8%	

EBITDA36.0%

H1 2021	883.9	▲
H1 2020	649.9	

SAR (Millions)

EBITDA margin

H1 2021	25.7%	●
H1 2020	25.5%	

Net income46.8%

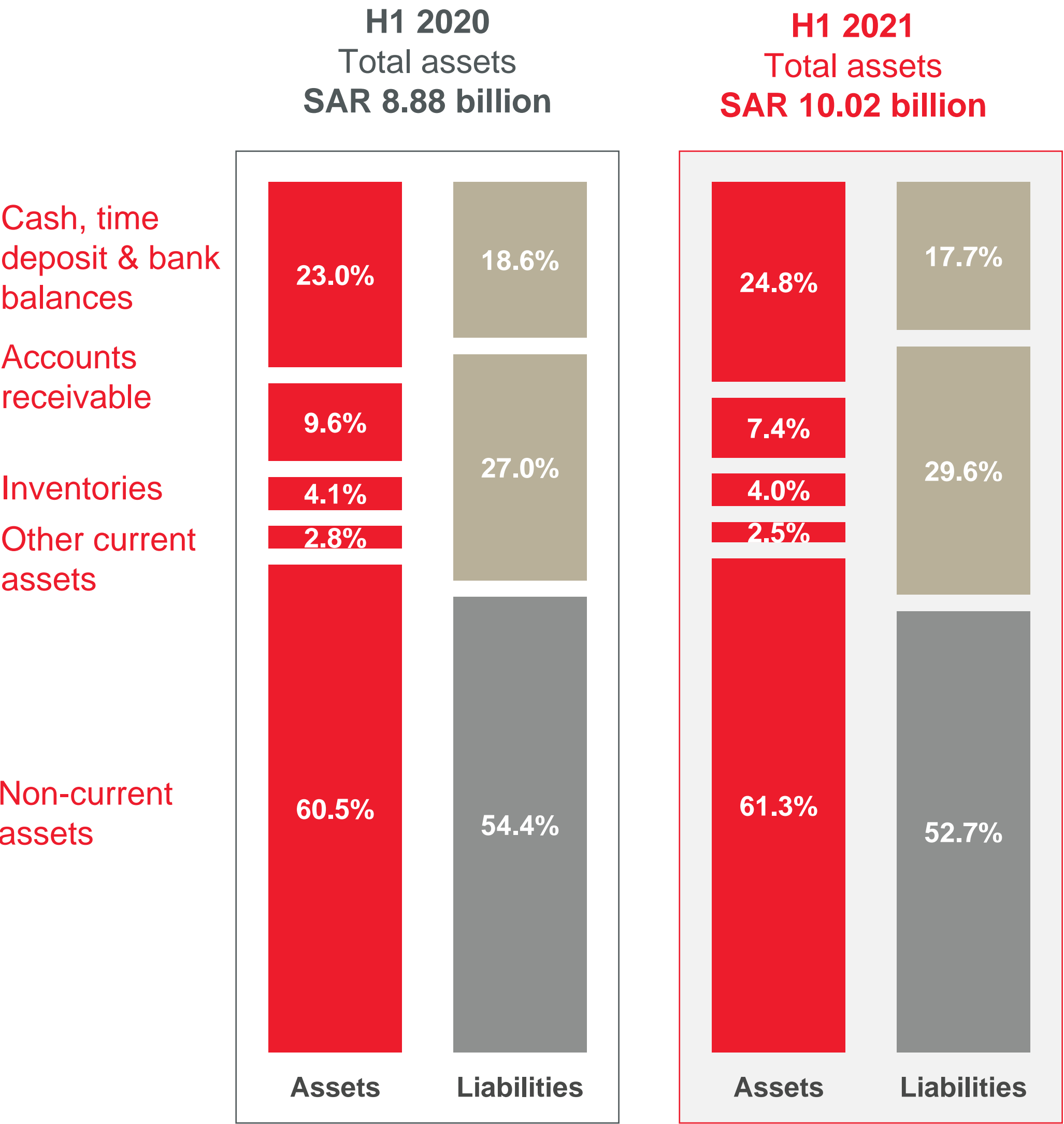
H1 2021	644.4	▲
H1 2020	438.9	

SAR (Millions)

Net income margin

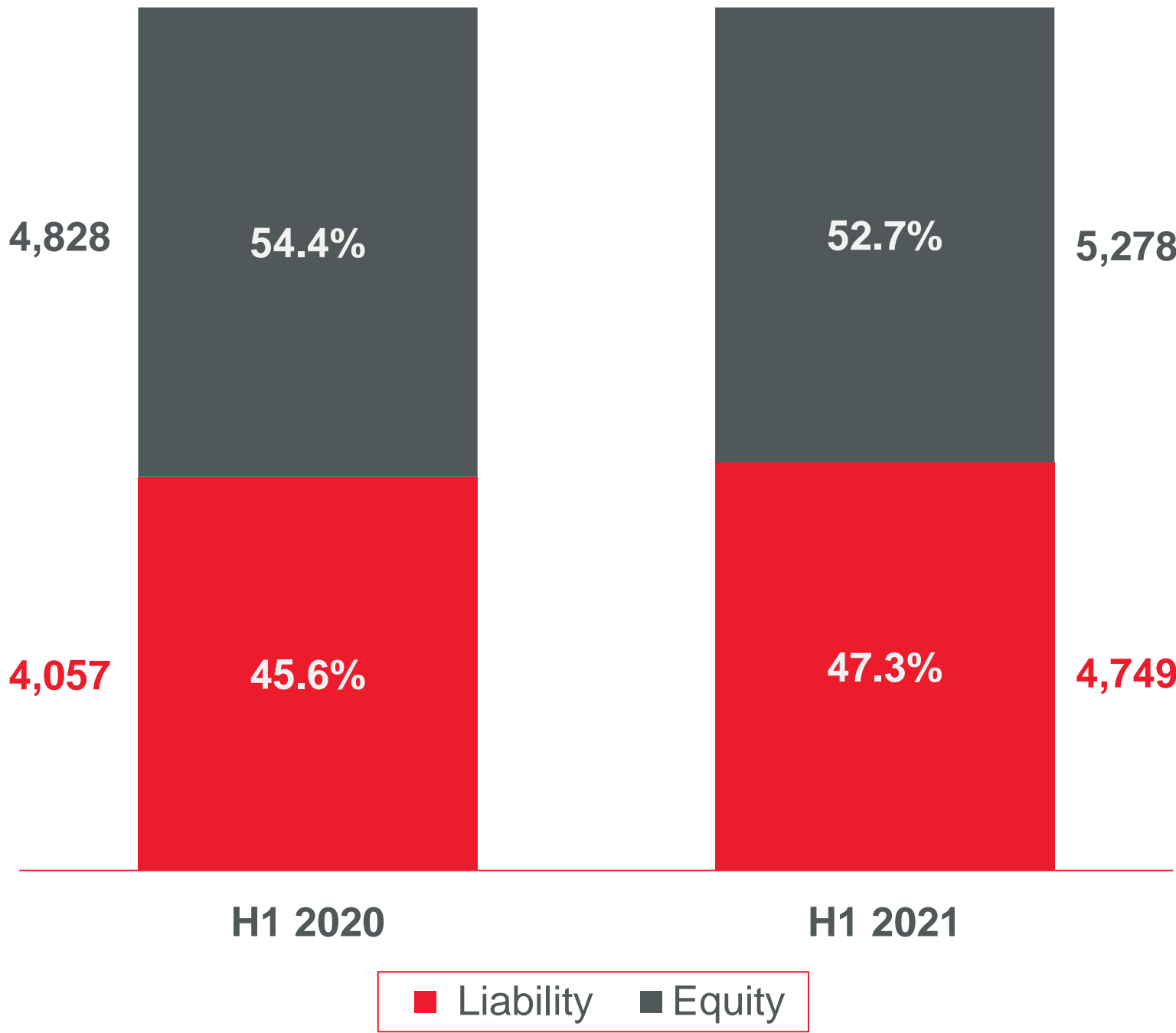
H1 2021	18.7%	▲
H1 2020	17.2%	

Healthy balance sheet / H1 2021



Total liabilities and equity

SAR million



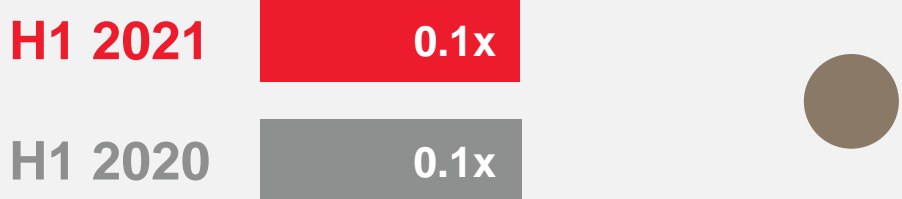
Total Liabilities/Total Assets



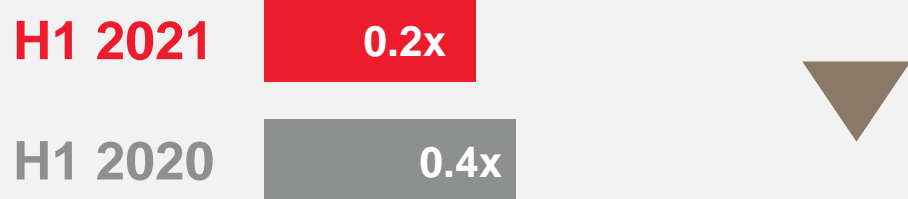
Total Liabilities/Equity



Net Debt / EBITDA



Net Debt / Equity



DSCR

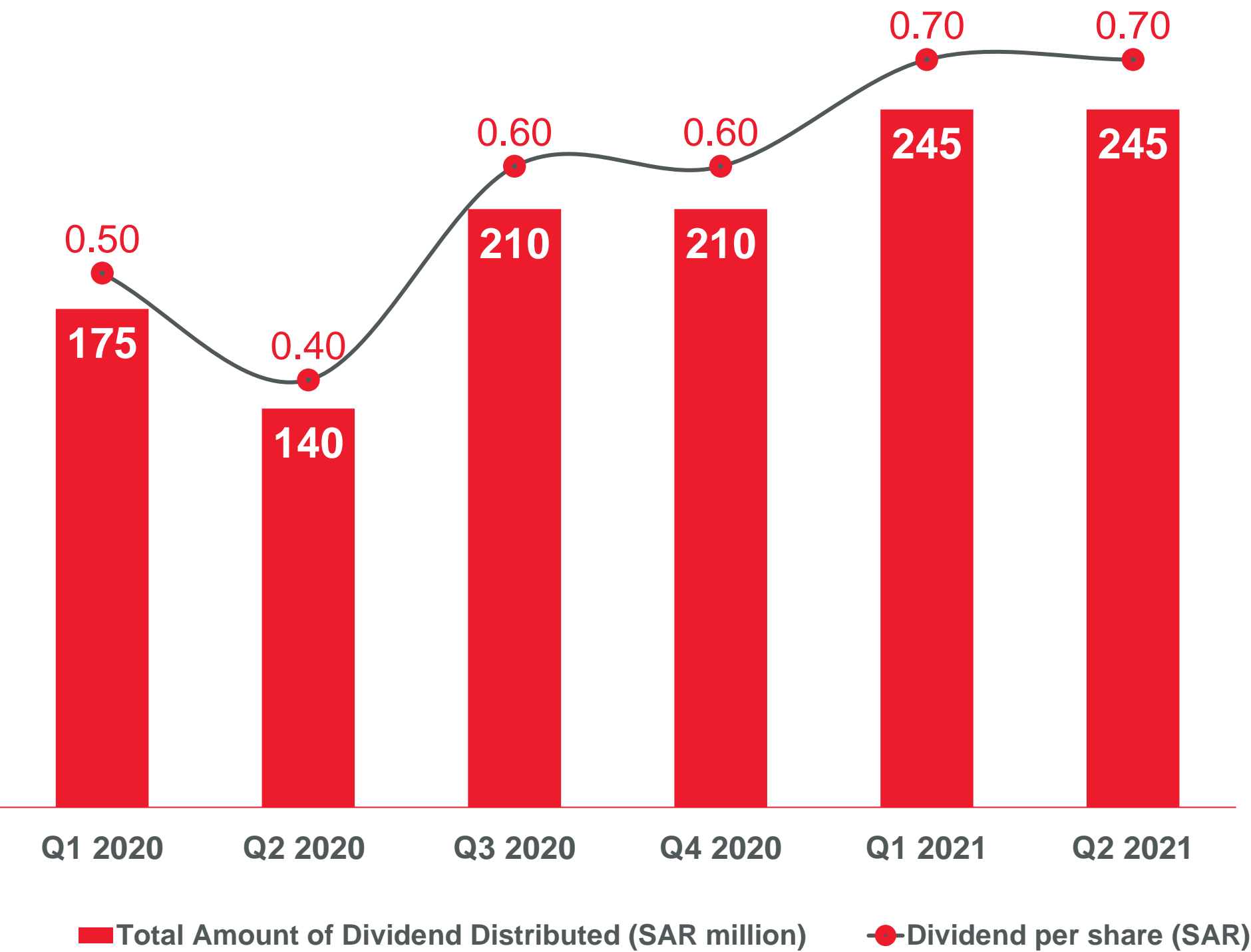


Interest Coverage ratio



Total cash dividends for shareholders: Q2 2021

Declared dividends



Declared Cash dividends / Q2 2021

Total distributed dividends	SAR 245 million
% of capital	7% (equivalent to SAR 0.70 per share)
Eligibility date	12 th August 2021
Date of distribution	30 th August 2021

Total declared cash dividends for shareholders / H1 2021

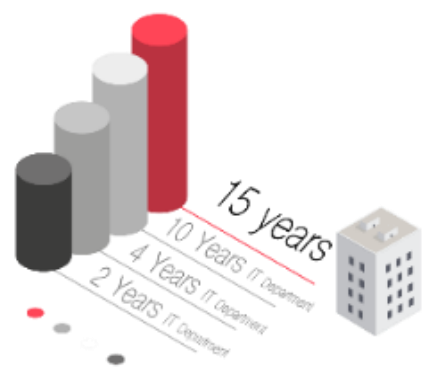
Total distributed dividends	SAR 490 million
% of capital	14% (equivalent to SAR 1.40 per share)

Spotlight

Technology and medical excellence

Developing cutting edge technology

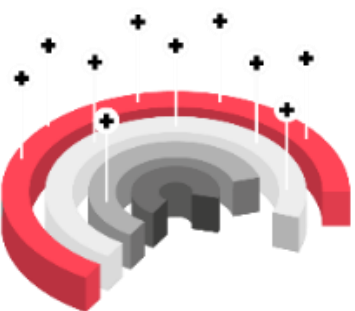
Pioneer in award-winning hospital information system and applications in the MENA region



15+ Years of experience in deploying technology solutions in healthcare domain



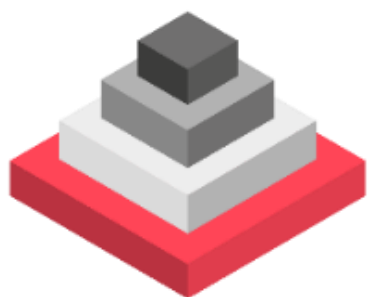
13 Products



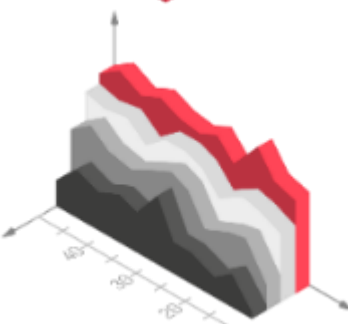
49 Digital hospitals



16 Clients



26+ International partnerships



16 University student internships

Cloud Solutions' footprint



Pioneer in healthcare technology

Better medical outcomes, exceptional patient experience, and advanced operational practices



E-medicine

Tele-Cardio

- Designed to treat heart attacks remotely

Tele-ICU

- The largest in the world (Guinness World Record), with **796** beds.
- First in MENA working **24/7**.
- Scalable to manage **1,000+** beds.

Tele-radiology:

- Improving efficiency and quality of care.
- Central reporting **24/7**.

Tele-medicine

- Enabling second opinion through robotics.

Tele-health

- Enabling home healthcare and tele-health, fully integrated with medical equipment.



HIS (VIDA)

First-of-its-kind electronic portal

- Helps in storing and managing medical procedures, diagnostics, and analysis.

Integrates healthcare provision stages in a paperless environment.

Web-based (Cloud-based).

Built using the industry's best practices and healthcare standards such as HL 7, ICD 10, CPT.

Achieved HIMSS stage 7 accreditation.

Implemented in **39 MoH Hospitals**.



Mobile application

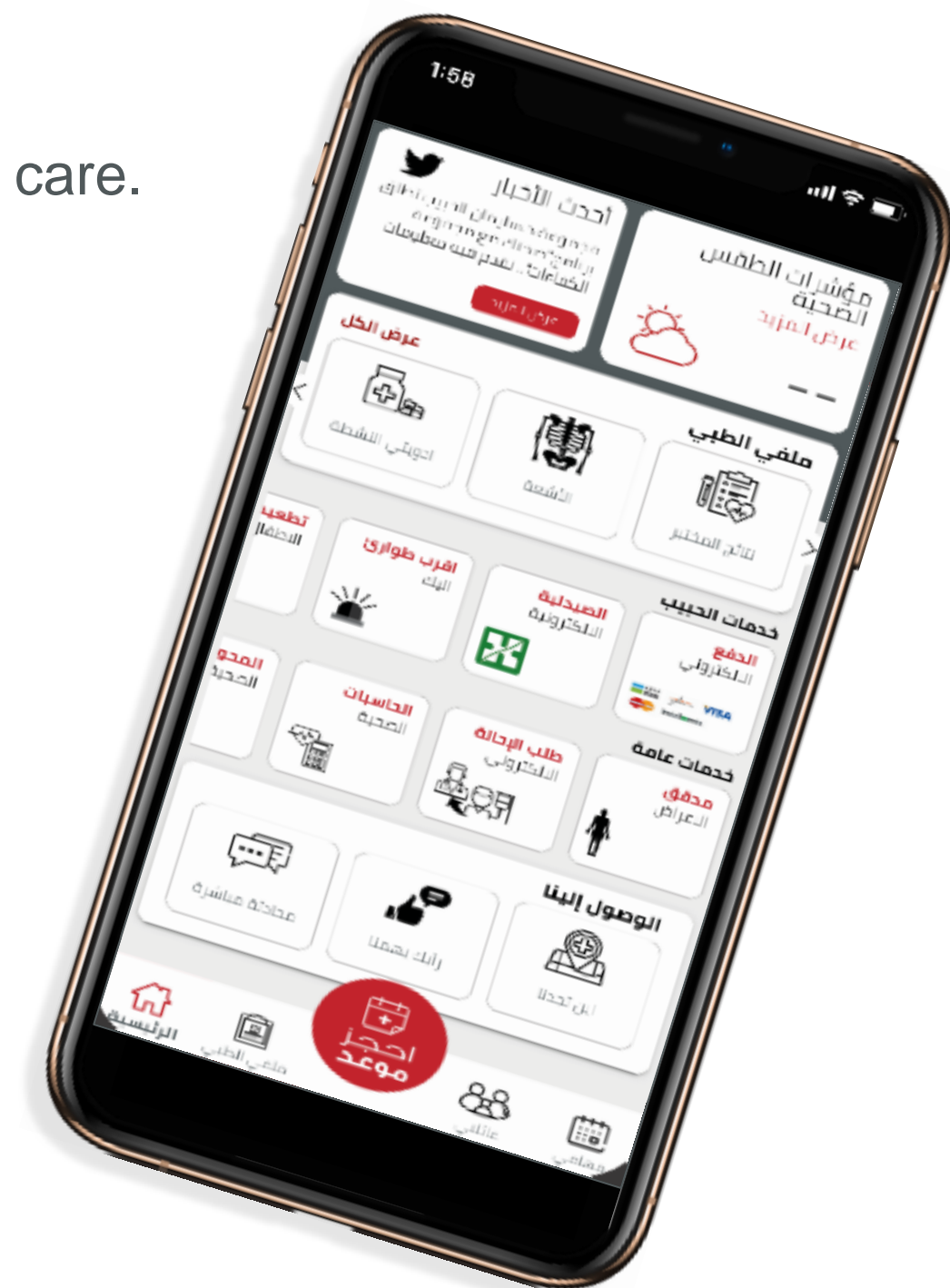
Medical record anywhere anytime

Patients

- Unique patient experience.
- Built using the latest Technologies.

Physicians

- Continuity of care.



Pioneer in healthcare technology

Adapting services to meet patient needs



Knee replacement technology

Innovative minimally invasive knee replacement offer for quick return to normal life



Siemens Healthineers partnership

Nuclear service center expanded oncology and radiology service at Al Khobar through first-of-its-kind Biograph Vision PET-CT



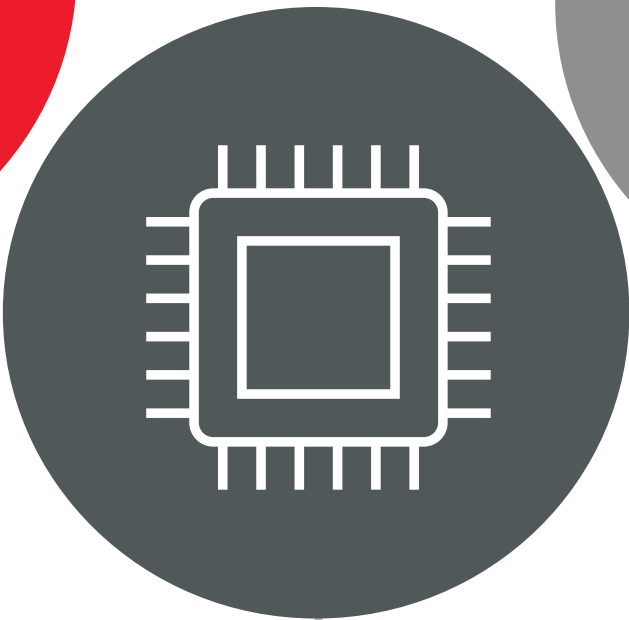
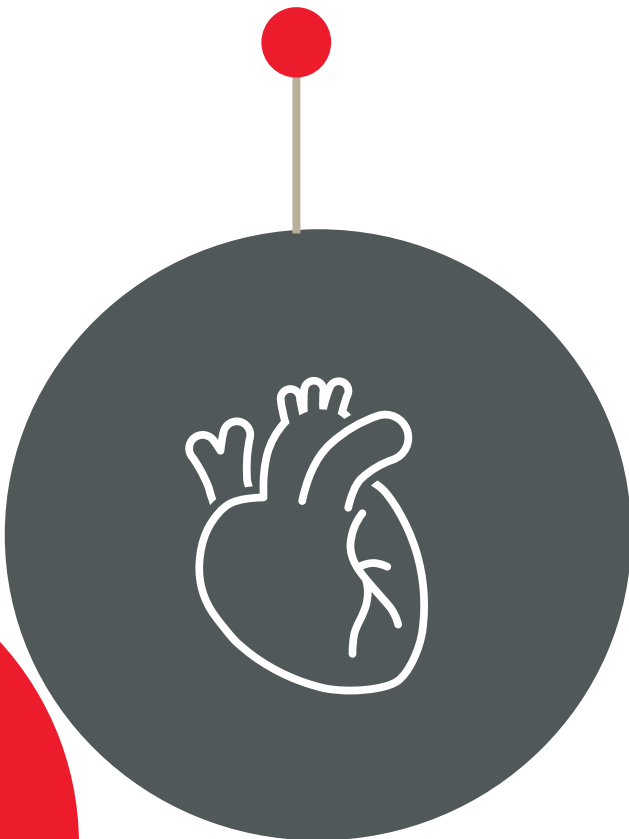
CSSD

Centralized Sterilization Supply Department implemented latest tracking technology for instruments and machines



MICS Program

Minimally invasive cardiac surgery program – first and only Saudi healthcare provider offering service. 10+ procedures in 2020



Radiology RIS/PACS System

RIS/PACS system implemented at 11 MoH Hospitals to improve radiology workflow



VIDA-MOH

VIDA electronic medical record proof of concept projects implemented at several hospitals



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Appendix #1

About HMG

Diverse board of directors

Our success is driven by our people

3 Non-Executives



Dr. Sulaiman Al Habib
Chairman

- Founder of HMG
- Previously chairman of the Medical Committee in Riyadh Chamber of Commerce



Saleh Al Habib
Board Member

- Board member, Al-Andalus Real Estate Company
- Board member, Hamat Holding Company



Nabeel AlAmoudi
Board Member

- Board member, Saudi Aramco
- Previously, Minister of Transport of the Kingdom and Chairman of the Board of Directors of the General Authority of Civil Aviation, Public Transport Authority, Saudi Ports Authority, Saudi Railways Organization and Saudi Railways

3 Executives



Nasser Al Huqbani
Board Member and CEO

- Board member, Saudi Patient Safety Center (SPSC)
- Member of the Board of Trustees of the Saudi Commission for Health Specialties



Faisal Al Nassar
Board Member and CFO

- Board member in all subsidiaries of the Group
- Previously CFO at ACWA Power Holding



Hesham Al Habib
Board Member and VP, Business Dev.

- Board member and member of the Audit Committee, Kingdom Holding Company
- Board member, Hamat Holding Company

3 Independents



Mazen Al Rumaih
Vice Chairman

- Chairman, Saudi Fransi Bank
- Previously Chairman, Saudi Fransi Capital



Obaid Al Rasheed
Board Member

- Chief Executive Officer, Arab National Bank
- Vice Chairman, Saudi Chemical Company



Ziyad Al Saleh
Board Member

- Board member, JP Morgan Saudi Arabia
- Board member, Riyadh Cables Company

Experienced senior management

Highly experienced, high caliber management



Nasser Al Huqbani
Chief Executive Officer

Core functions



Abdulwahab Al Abdulwahab
Chief Operating Officer



Sulaiman Al Majid
Vice President, Medical and Nursing Affairs



Abdullah Al Herbish
Vice President, Physicians Affairs

Corporate functions



Faisal Al Nassar
Chief Financial Officer



Mustafa Al Amri
Vice President, Supply Chain



Hesham Al Habib
Vice President, Business Development



Abdulkarim Al Rasheed
Vice President, Human Resources



Saud Al Arifi
Vice President, General Counsel of the Group



Amer Al Momen
Vice President, Digital Business

Independent functions



Riyadh Al Atiqi
Director Pharmaceutical Facilities



Abdullelah Al Mayman
Chief Executive Officer of Cloud Solutions



Vimal Subramanian
Head of Internal Audit

Hospitals

General Director

Medical Director

Executive Director

Strong track record in construction and ramp-up

On average, opening a new hospital every 29 months, completing construction in 33 months and ramping-up in 16 months

Hospital		Beginning of construction	Completion of construction	Positive EBITDA
Olaya Medical Center		1993	1995	24 months
Dubai outpatient		2005	2007	22 months
Maternity		2006	2008	14 months
Qassim		2006	2009	16 months
Al Rayyan		2006	2010	10 months
Takhassusi		2007	2012	10 months
Spinal		2007	2010	12 months
Dubai inpatient		2012	2015	10 months
Suwaidi		2013	2016	22 months
Khobar		2016	2019	Opened in Q2 2019
Medical Center at Riyadh's DQ		2020	2021	Opened in Q1 2021

Attracting and retaining top talent

Our employees are our most valuable assets

Physician qualifications



15+ years average years of experience



88% physician retention rate



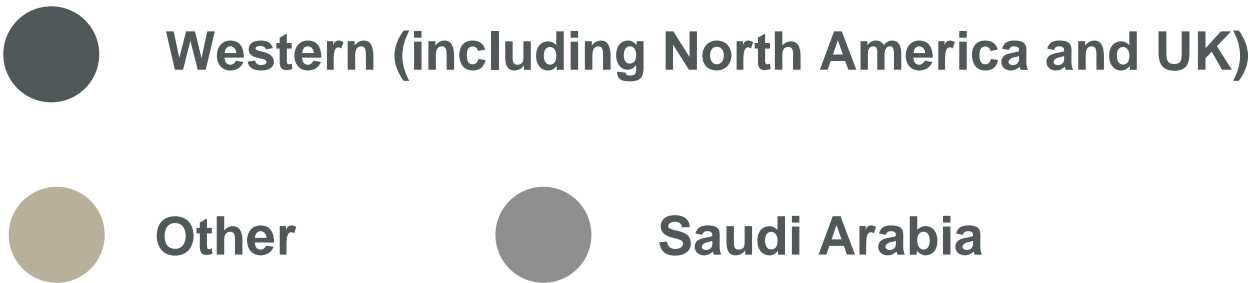
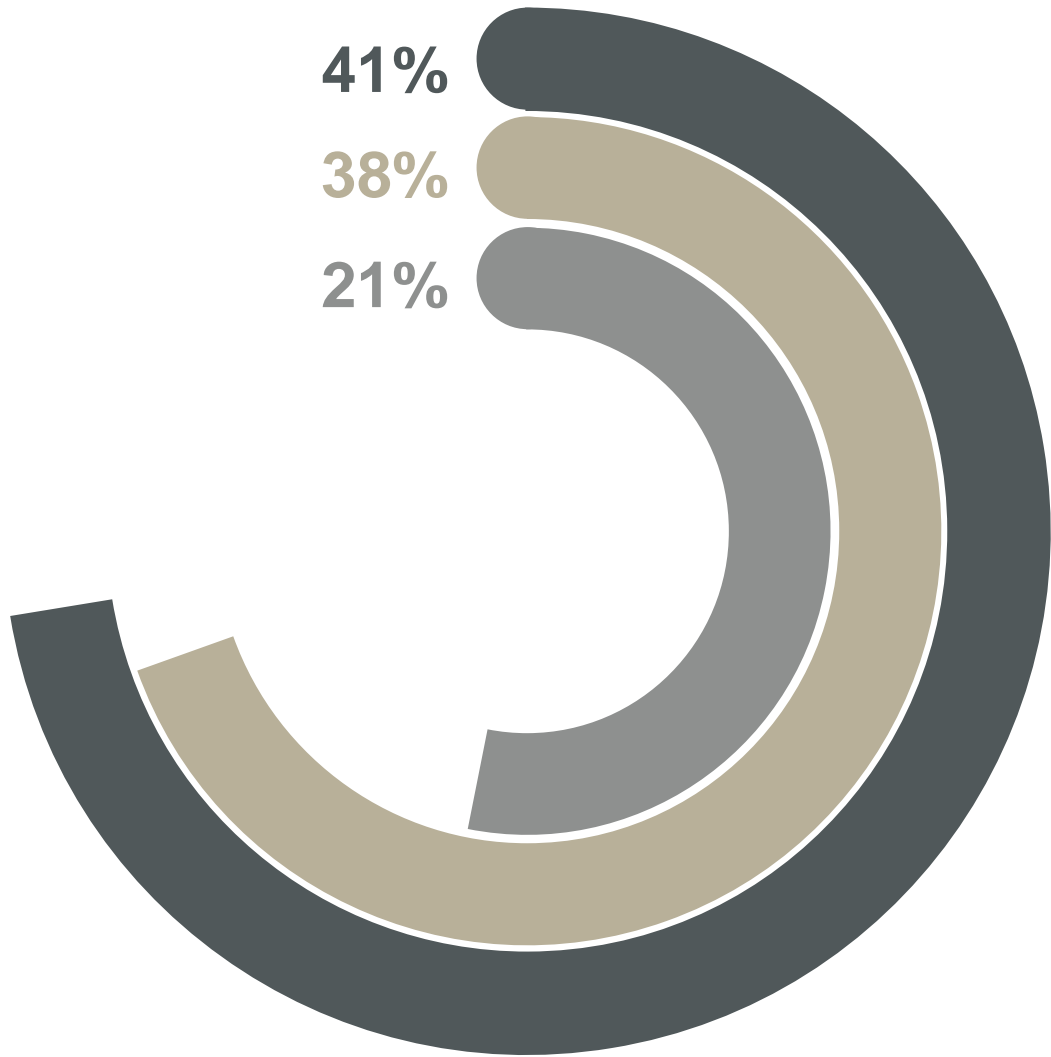
100+ recruiting offices across the globe



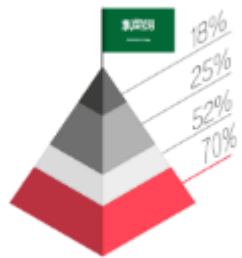
45+ nationalities



17 Residency and fellowship programs



Our People



33% Saudization across the Group



Staff Ratio
63% female : **37%** male



10,000 requests for Mowadhafi Program in Q2 2021



30+ Agreement with other companies to offer discount for HMG's staff + recreational activities



Develop career path and update salary scales for some functions/subsidiaries to increase the attraction and retention ratio



Appendix #2

Summarized financials

Summary: Balance sheet

As of 30 June 2021

SAR million	As of 30 June 2021	As of 30 June 2020	Change %
Current Assets	3,877.4	3,511.6	10.4%
Investments	42.4	34.6	22.5%
Fixed Assets	6,107.3	5,338.3	14.4%
Total Assets	10,027.1	8,884.5	12.9%
Current Liabilities	1,778.3	1,654.5	7.5%
Non-Current Liabilities	2,970.9	2,402.1	23.7%
Shareholders' Equity	5,096.8	4,650.4	9.6%
Minority Interests	181.1	177.5	2.0%
Total Liabilities and Shareholder Equity	10,027.1	8,884.5	12.9%

Summary: Balance sheet

As of 30 June 2021

SAR million	30 June 2021 (Six months)	30 June 20200 (Six months)	Change %
Revenue	3,446.0	2,546.3	35.3%
Cost of revenue	(2,345.6)	(1,786.6)	31.3%
Gross profit	1,100.4	759.7	44.8%
Selling and marketing expenses	(100.6)	(75.7)	32.9%
G&A expenses	(310.5)	(222.1)	39.8%
Operating income	689.3	461.9	49.2%
Other income, net	37.2	30.2	23.2%
Share in net income of associates	5.6	(4.4)	(227.3%)
Finance charges	(19.4)	(27.0)	(28.1%)
EBT and before minority interest	712.7	460.7	54.7%
Minority interest	(4.1)	19.5	55.4%
EBT	708.6	480.2	54.6%
Zakat	(64.2)	(41.3)	(121.0%)
Net income (Attributable to Equity holders of the Parent)	644.4	438.9	46.8%

Summary: Cash flow statement

As of 30 June 2021

SAR million	30 June 2021 (Six months)	30 June 20200 (Six months)	Change %
Net cash from operating activities	1,102.9	1,167.1	(5.5%)
Net cash used in investing activities	(587.4)	(353.0)	66.4%
Net cash from (used in) financing activities	(367.7)	35.6	(1132.9%)
Cash and cash equivalents at the beginning of the period	2,339.3	1,196.7	95.5%
Cash and cash equivalents at the end of the period	2,487.1	2,046.4	21.5%



Q&A

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