



HMG Q1 2022 Investor Presentation

As of 16 May 2022



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Faisal Al Nassar

Chief Financial Officer



Ziyad Al Dahami

Head of Investor Relations



AGENDA

Financial Performance

Operational Performance

Appendix #1

Summarized financials

Appendix #2

About HMG



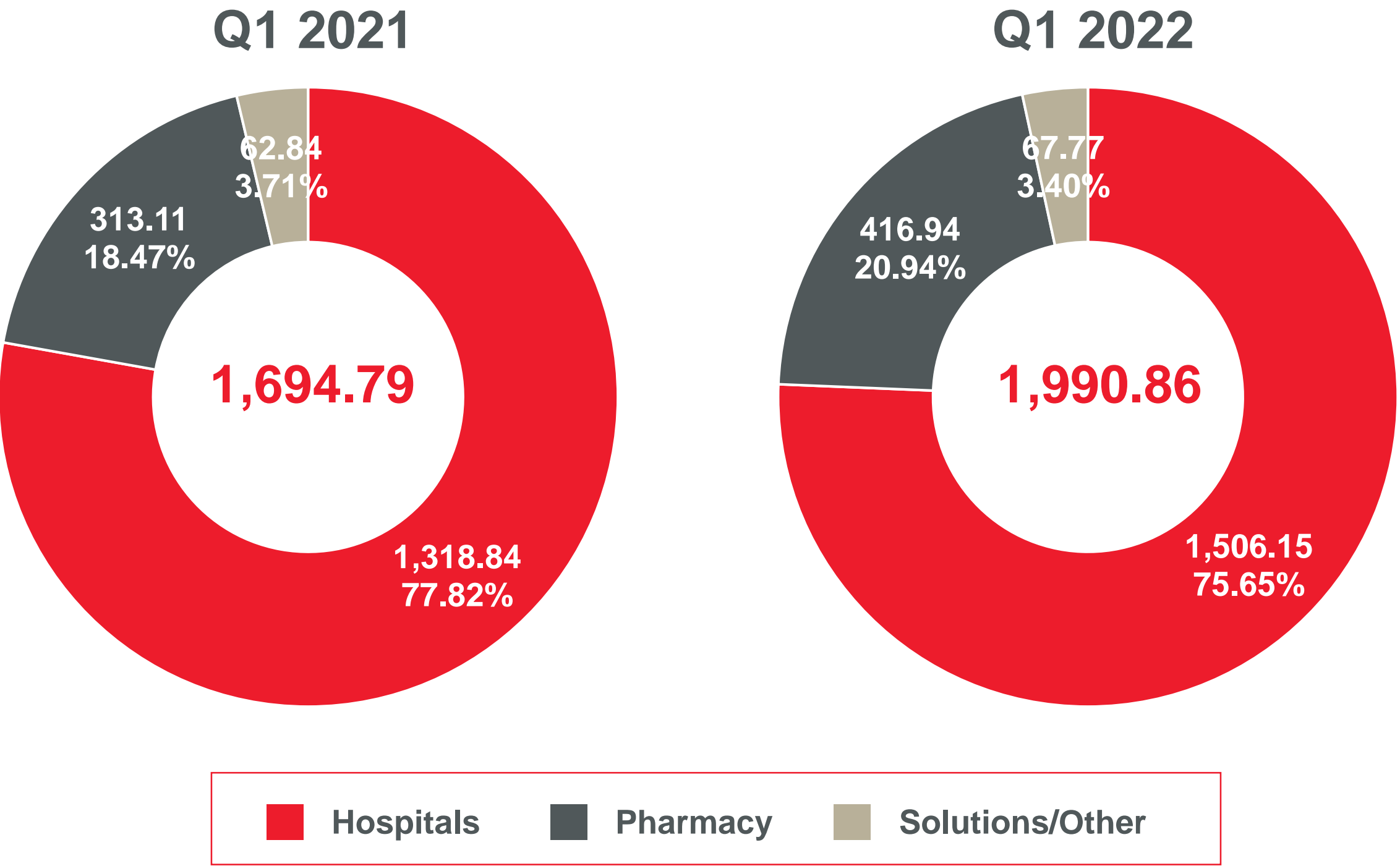
Financial Performance

Key financial highlights

Revenue by segment

SAR million

+17.47%



Gross profit

19.86%

Q1 2022	658.56	▲
Q1 2021	549.42	

SAR (Millions)

Gross profit Margin

Q1 2022	33.08%	▲
Q1 2021	32.42%	

EBITDA

16.74%

Q1 2022	520.52	▲
Q1 2021	445.89	

SAR (Millions)

EBITDA margin

Q1 2022	26.15%	●
Q1 2021	26.31%	

Net income

22.42%

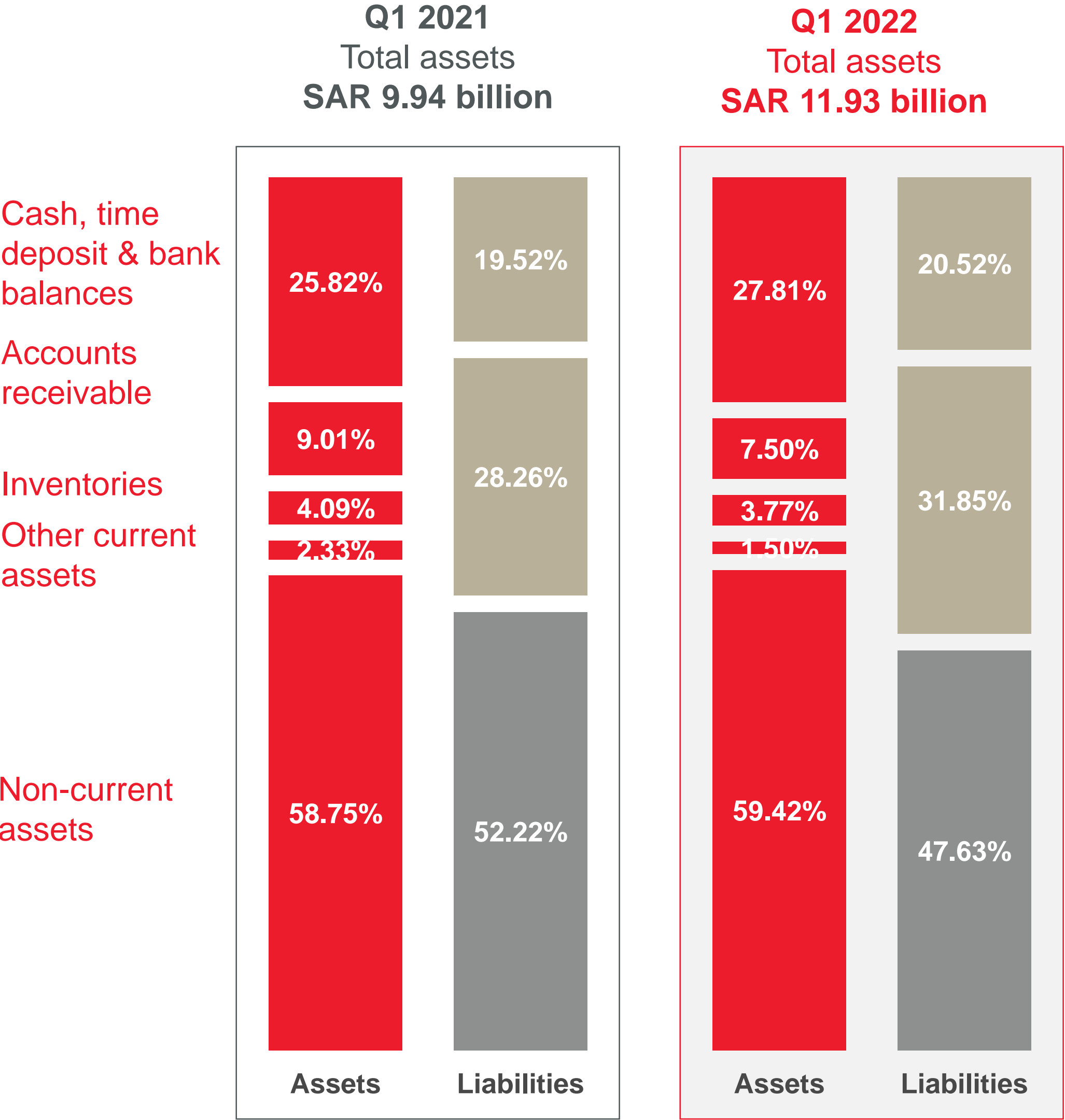
Q1 2022	390.50	▲
Q1 2021	319.00	

SAR (Millions)

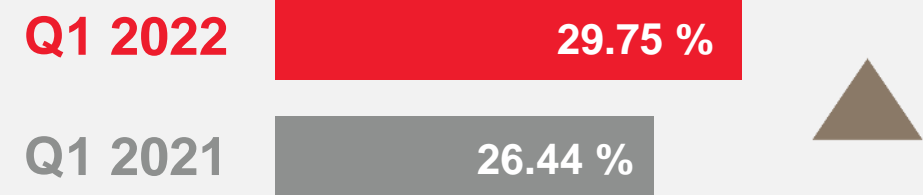
Net income margin

Q1 2022	19.61%	▲
Q1 2021	18.82%	

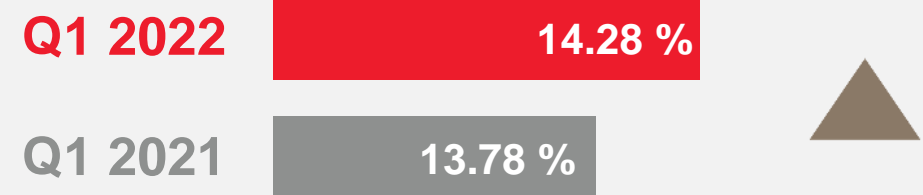
Healthy balance sheet



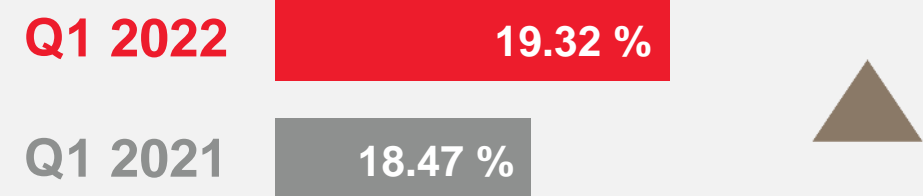
ROE



ROA



ROCE



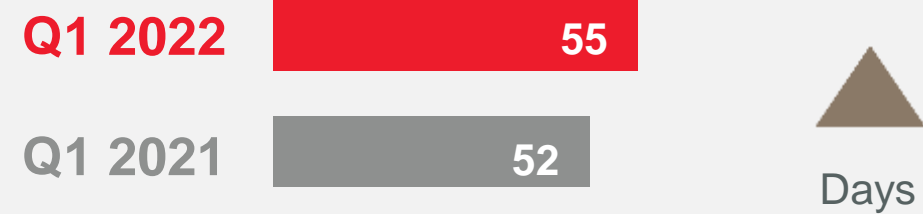
Current Ratio



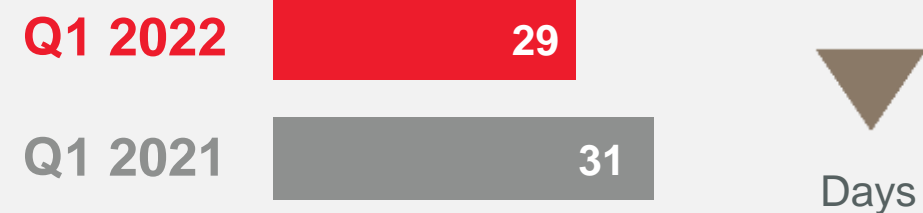
Receivables



Payables



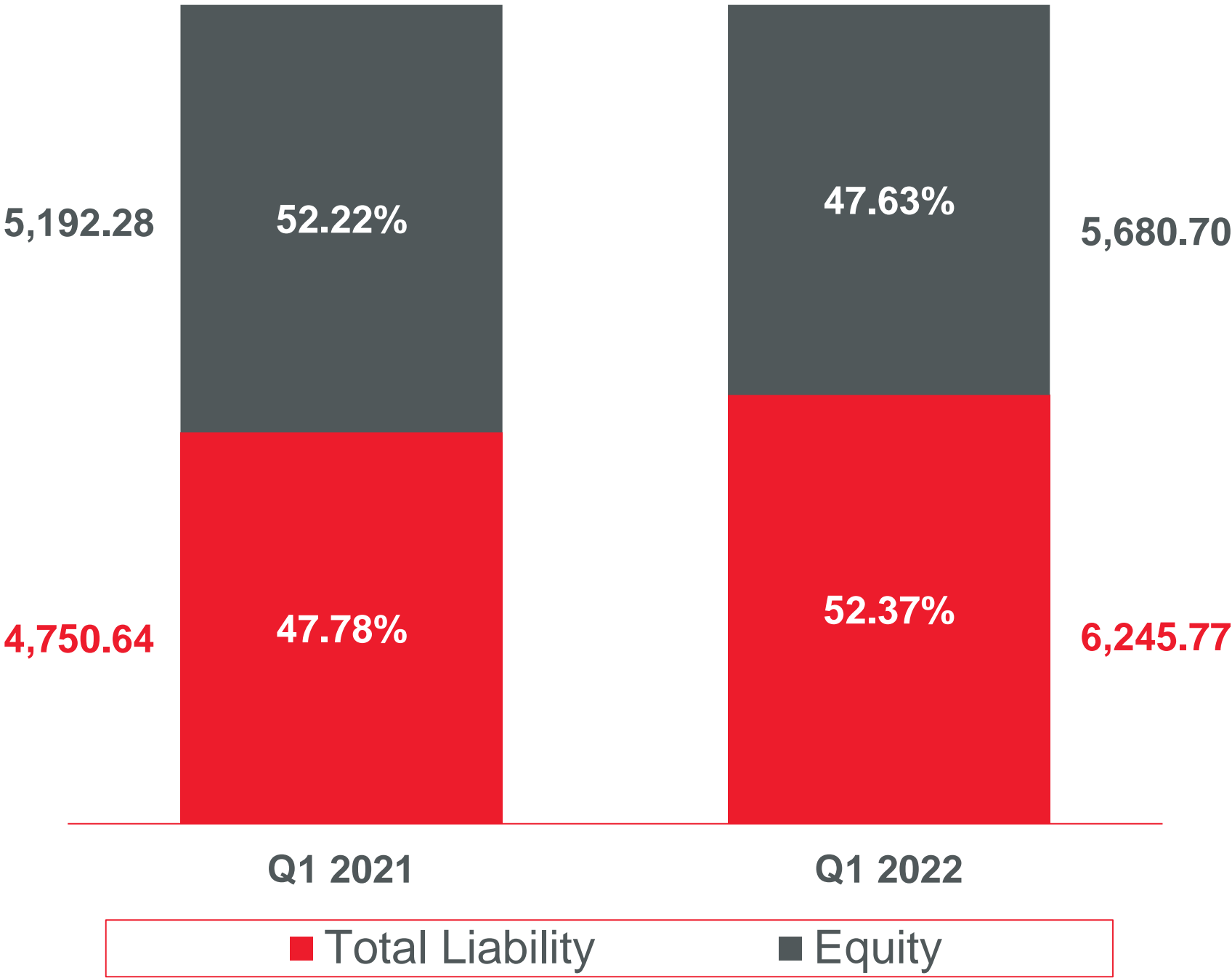
Inventory



Cash cycle



Total liabilities and equity SAR million



Total Liabilities/Total Assets

Q1 2022	0.52x	▲
Q1 2021	0.48x	

Total Liabilities/Equity

Q1 2022	1.10x	▲
Q1 2021	0.91x	

Net Debt / EBITDA

Q1 2022	0.14x	▲
Q1 2021	0.10x	

Net Debt / Equity

Q1 2022	0.05x	●
Q1 2021	0.04x	

DSCR

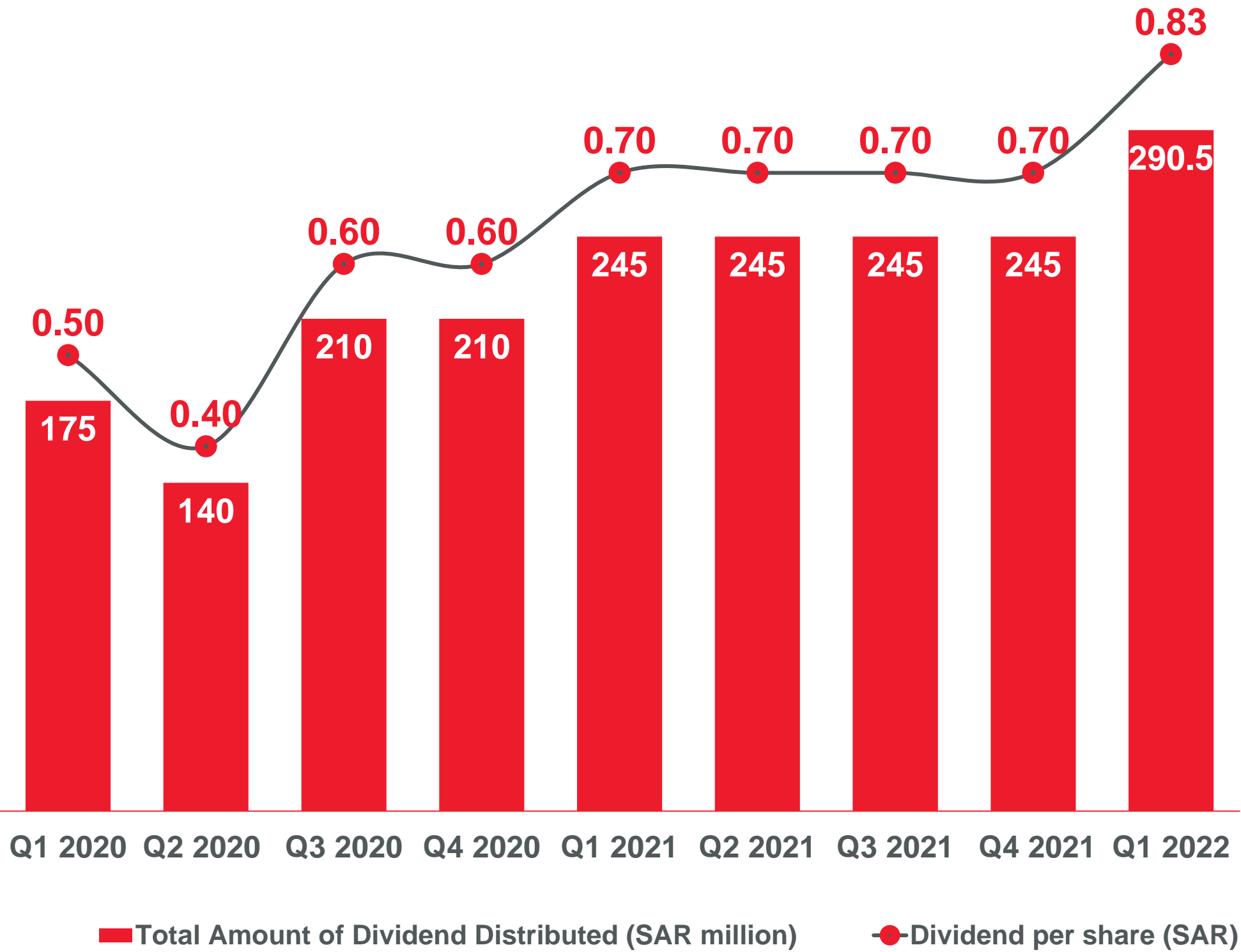
Q1 2022	6.21x	▲
Q1 2021	4.59x	

Interest Coverage ratio

Q1 2022	46.51x	▲
Q1 2021	29.17x	

Total cash dividends for shareholders

Declared dividends



Declared cash dividends / Q1 2022

Total distributed dividends	SAR 290.50 million
% of capital	8.3% (equivalent to SAR 0.83 per share)
Eligibility date	Close of trading on Thursday, 28 April 2022
Date of distribution	Tuesday, 17 May 2022



Operational Performance

Key operational highlights

Operational

- HMG announced new best-in-class hospitals to be built in Al Madinah and Tabuk cities.
- HMG signed memorandum of understanding (MoU) with the Ministry of Health and Direct Investment Fund of the Republic of Uzbekistan. The MoU outlines paths for collaboration in hospital management and operation, digital health, and health education and training.
- HMG acquired 25% of Tamkeen Human Resources Company, one of leading employment service provider in the Kingdom.
- HMG and Dubai Corporation for Ambulances Partner to Advance Medical Emergency Services
- HMG held the Sixth International Conference on Critical Care and introduced the first wireless and portable ultrasound machine, a state-of-the-art technology developed by General Electric (GE) healthcare and Flow Medical Solutions (HMG’s subsidiary)

Mobile application

- | | |
|--|--|
| Interaction
135m+ Interactions | Booked Appointments
730k+ appointments |
| Active users
760k+ | Habib Live Care
32,500+ transactions |
| Home Health care
4,900+ transactions | E-Pharmacy
16,000+ transactions |



Recognitions and Accreditations



Launched new initiatives to create value and positively impact our stakeholders

ESG & Sustainability

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.



Benchmarking

ESG project kick-off in Q4 2020, benchmarking phase **COMPLETE**



Materiality assessment

Stakeholder mapping and materiality assessment phase **COMPLETE**



Formulating strategy

Sustainability Strategy Phase **TO BE DELIVERED**



Implementation and Reporting

Sustainability Report, **EXPECTED COMPLETION 2024**

Corporate Social Responsibility

HMG launched the largest scholarship program in the private sector for physicians in the Kingdom.

HMG signed an agreement with George Washington University and University of Sharjah.

HMG launched the Himma Engineering program to qualify and employ newly graduated engineers.

HMG organized International Conference on various field as such: Anesthesia, Diabetes and Critical Care.

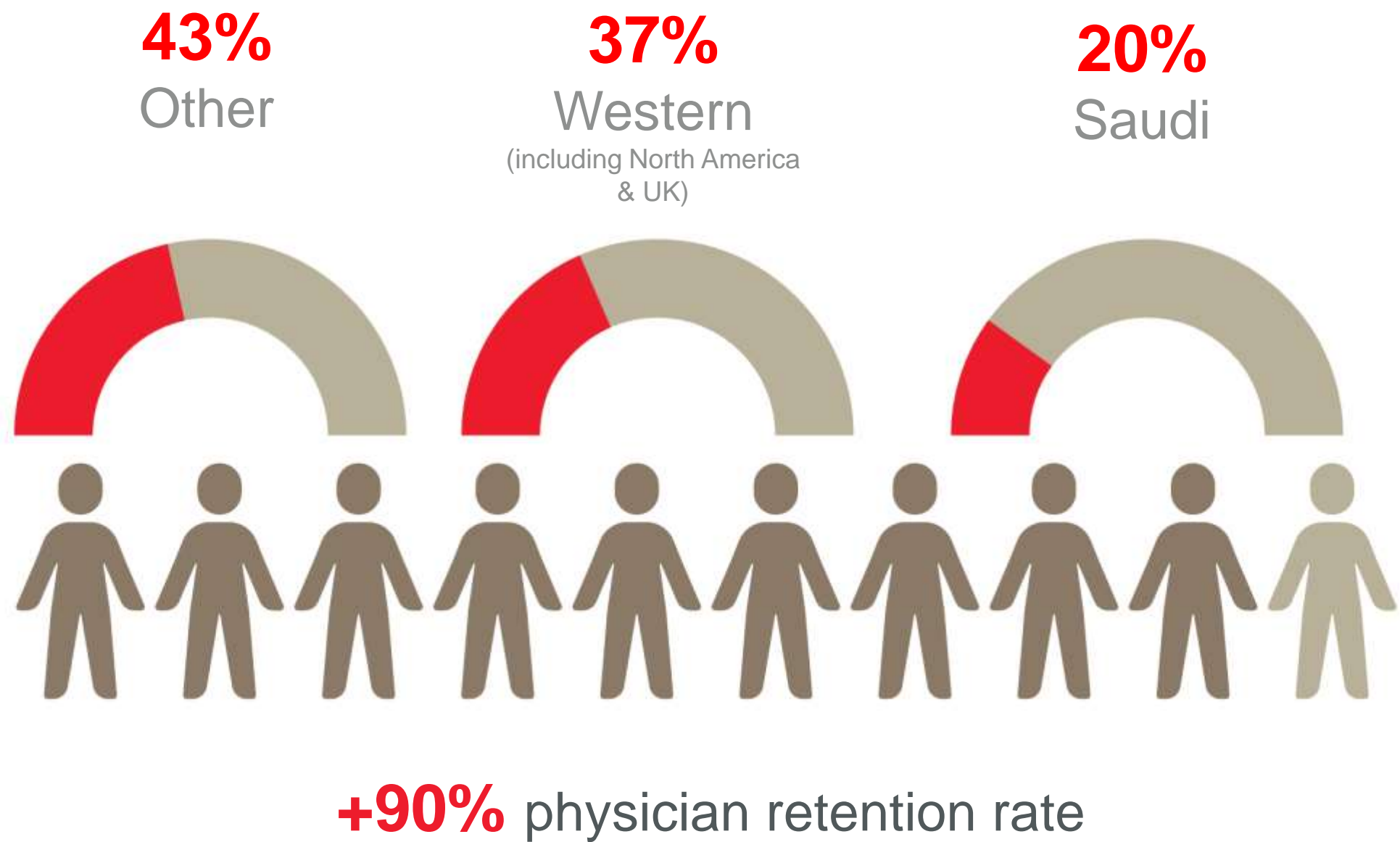
HMG celebrated the graduation of the 2nd batch of the Dental Assistant Program and 2nd batch of FLOW &GROW Program.

HMG's Academic Affairs department celebrated the 1st Academic Excellence Day with the introduction of its flagship awards for trainees and students.

Continued to attract and retain top talent in the Kingdom

Physician Qualifications

-  **3,000+** physicians
-  **15+** average years of experience
-  **120+** recruiting offices across the globe
-  **21** Residency and fellowship programs



Our People



35% Saudization across the Group



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



60+ nationalities



20+ Agreements with vendors to offer discounts to HMG's staff during Q1 2022

Sustained medical excellence through our training and educational programs

Post-Graduate Program

Deliver optimum training activities

21 Residency & Fellowship programs accredited by SCFHS

130 participants

300+ enrolled across 5 SCFHS accredited diploma

Under-Graduate Program

Affiliation agreement with governmental and private universities / colleges

530 Undergraduate and interns

20 Governmental and Private Universities

CPR

Provide all basic and advanced life support courses

270+ courses

1440+ participants

Accredited by Saudi Heart Association (SHA) and American Heart Association (AHA)

Continuous Medical Education (CME)

Responsible for all symposia, workshops, courses & conferences

80+ activities

170+ hours

3980 participants

290+ speakers

Research Center

Oversees all research activities within HMG

1 Journal

25+ Research papers published

25+ research proposal submissions to Institutional review Board

Training center

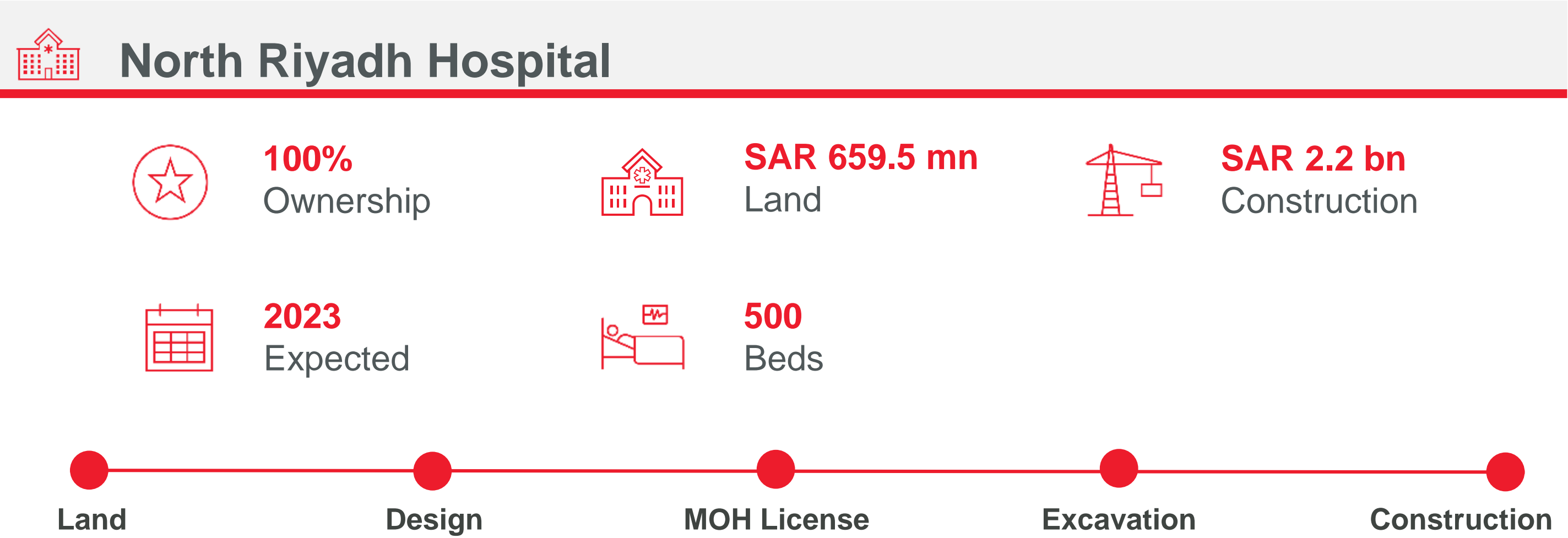
Provides courses for employees to cultivate and promote knowledge

6 training programs

970 employees

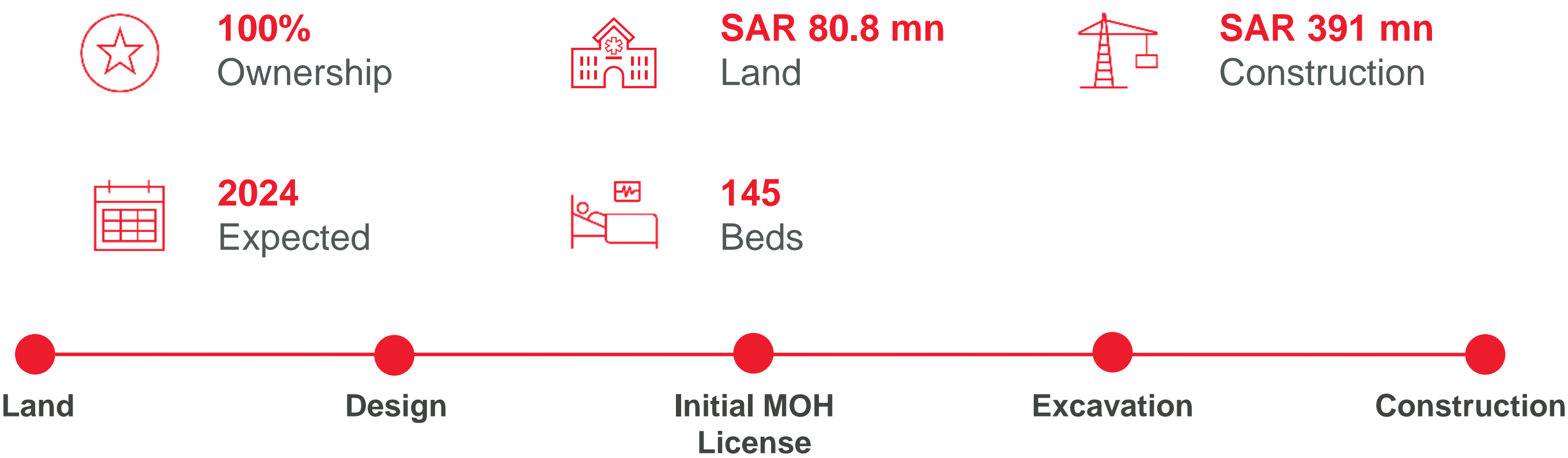
85+ total hours

Solidified our market leadership through robust expansion plans and progressing our projects

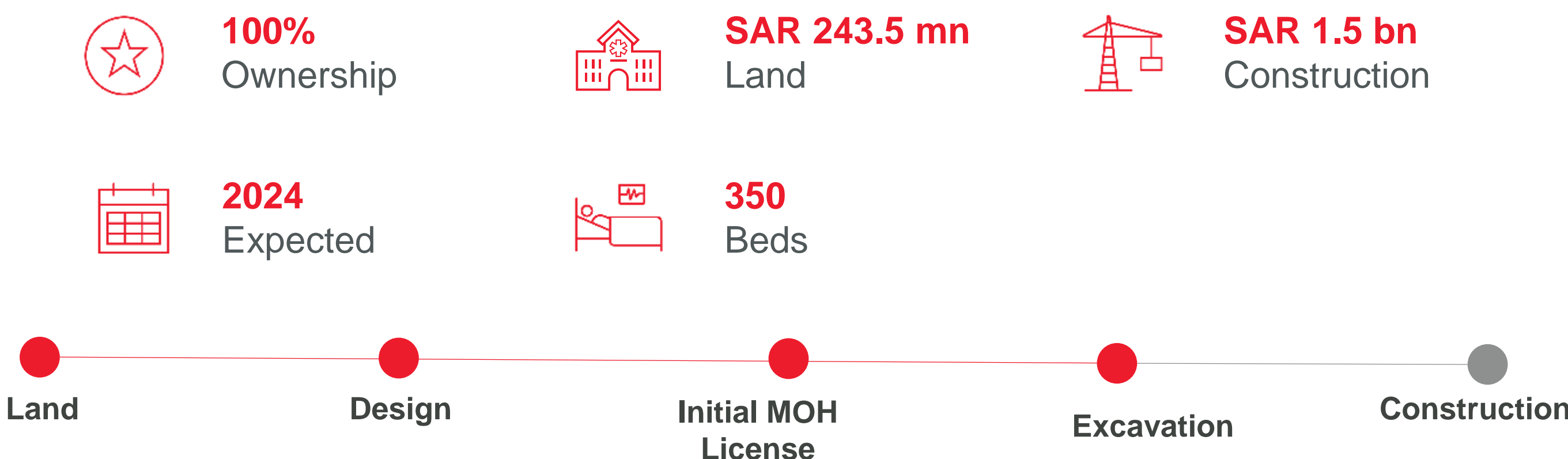


Solidified our market leadership through robust expansion plans and progressing our projects – contd.

Maternity and Pediatric Hospital (New Takhassusi Expansion)

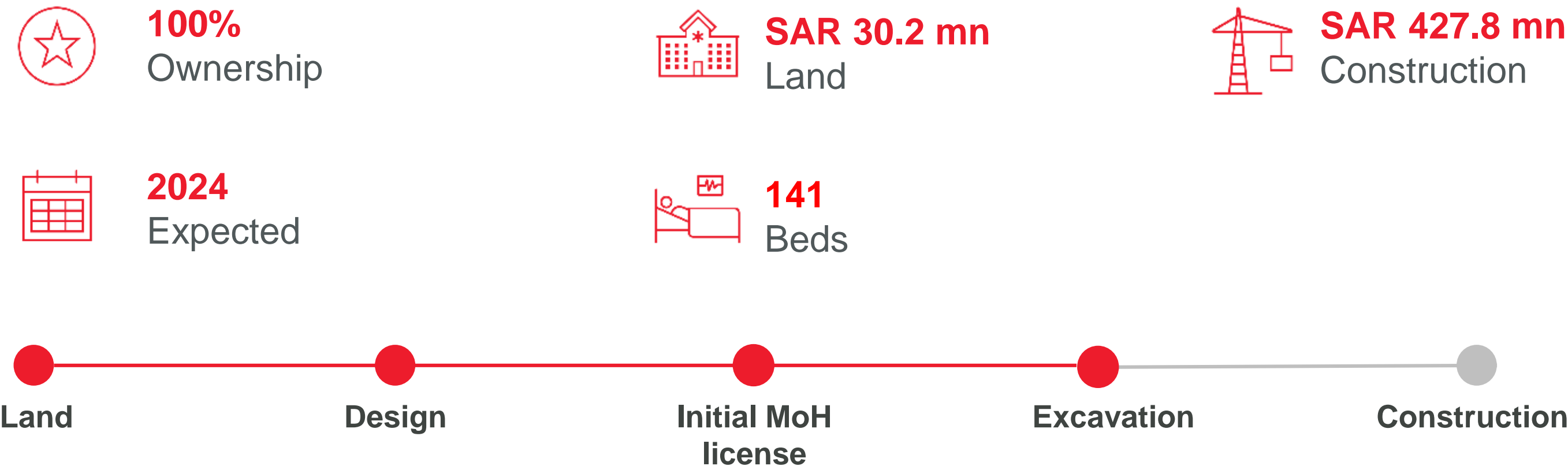


North Jeddah Hospital

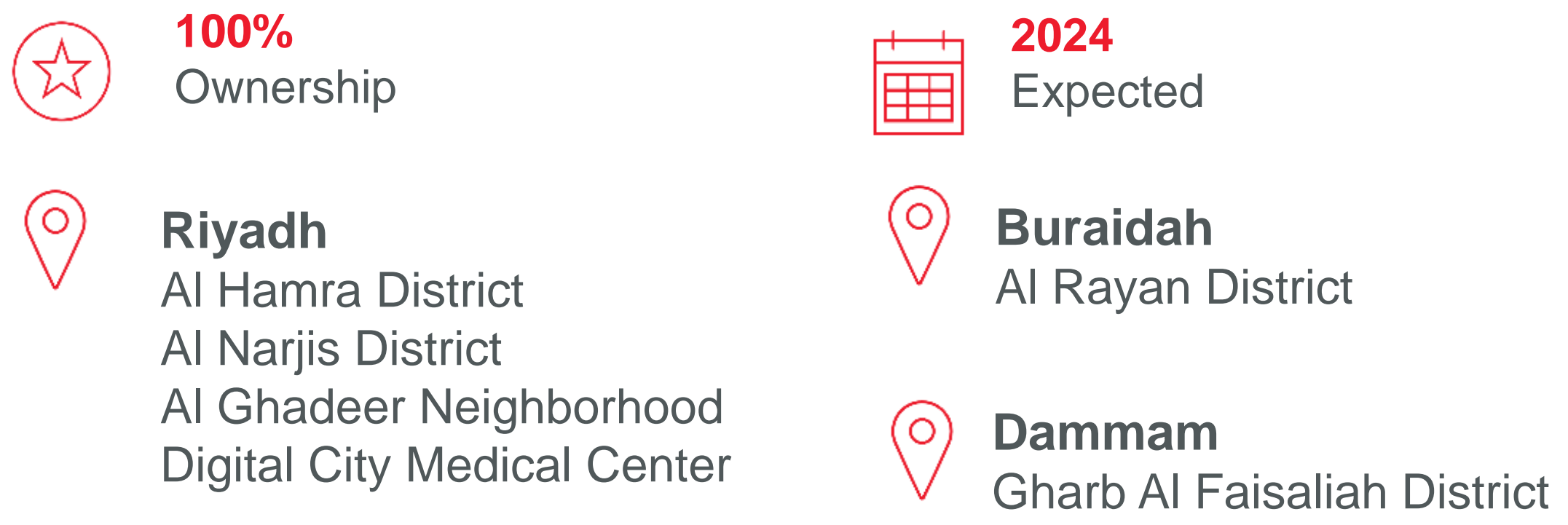


Solidified our market leadership through robust expansion plans and progressing our projects – contd.

Sehat Al Kharj Hospital



Medical Center Services



Newly announced projects





Appendix #1

Summarized financials

Summary: Balance sheet

As of 31 March 2022

SAR million	Q1 2022	Q1 2021
Current Assets	4,840.30	4,101.45
Investment in subsidiaries & Associates	193.19	42.45
Property and Equipment	6,892.98	5,799.03
Total Assets	11,926.47	9,942.93
Current Liabilities	2,447.54	1,941.29
Non-Current Liabilities	3,798.23	2,809.35
Shareholders Equity	5,485.46	5,014.71
Non-controlling interests	195.24	177.58
Total Liabilities and Shareholder Equity	11,926.47	9,942.93

Summary: Income Statement

As of 31 March 2022

SAR million	Q1 2022	Q1 2021	Change %
Revenue	1,990.86	1,694.79	17.47%
Cost of revenue	(1,332.30)	(1,145.37)	16.32%
Gross profit	658.56	549.42	19.86%
Selling and marketing expenses	(82.00)	(46.91)	74.80%
G&A expenses	(154.47)	(152.88)	1.04%
Operating income	422.09	349.63	20.72%
Other income, net	21.83	17.70	23.33%
Share in net income of associates	1.83	2.58	(29.07%)
Finance charges	(9.08)	(11.99)	(24.27%)
EBT and before non-controlling interests	436.67	357.92	22.00%
Zakat	(38.96)	(38.23)	1.91%
Income before non-controlling interests	397.71	319.69	24.40%
Non-controlling interests	(7.21)	(0.69)	944.93%
Net income (Attributable to Equity holders of the Parent)	390.50	319.00	22.42%

Summary: Cash flow statement

As of 31 March 2022

SAR million	Q1 2022	Q1 2021
Net cash from operating activities	660.52	424.67
Net cash used in investing activities	(460.72)	(212.21)
Net cash from (used in) financing activities	473.41	15.06
Cash and cash equivalents at the beginning of the period	2,643.83	2,339.26
Cash and cash equivalents at the end of the period	3,317.04	2,566.78



Appendix #2

About HMG

Diverse board of directors

Our success is driven by our people



2 Non-Executives



Dr. Sulaiman Al Habib
Chairman

- Founder of HMG
- Member of the Board of Trustees of the National Museum
- Chairman of the Board of Managers at Namara Investment Company
- Previously chairman of the Medical Committee in Riyadh Chamber of Commerce



Eng. Saleh Al Habib
Board Member

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

3 Executives



Mr. Nasser Al Huqbani
Board Member and CEO

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



Mr. Faisal Al Nassar
Board Member and CFO

- Member of the Board of Managers and Chairman of the Investment Committee of Al Ramz Real Estate Company
- Member of the Board of Directors of Wethaq Capital Platform Company



Mr. Hesham Al Habib
Board Member and Chief Business Development & Strategy

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

4 Independents



Mr. Mazen Al Rumaih
Vice Chairman

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



Mr. Obaid Al Rasheed
Board Member

- CEO, Arab National Bank
- Vice Chairman, Saudi Chemical Company



Dr. Abdulrahman Al Taraigi
Board Member

- Chairman of Audit Committee of First Milling Company
- Member of the Audit and Risk Committee at Almarai Company



Mr. Rasheed Al Rasheed
Board Member

- Member of the Board of Directors of Saudi District Cooling Company
- Member of the Board of Directors of Al Ramz Real Estate Company

Experienced senior management

Highly experienced, high caliber management



Mr. Nasser Al Huqbani
Chief Executive Officer

Core functions



Dr. Abdulwahab Al Abdulwahab
Chief Operating Officer



Prof. Abdullah Al Herbish
Senior Vice President,
Physicians Affairs



Prof. Sulaiman Al Majid
Senior Vice President,
Medical Affairs



Prof. Awad Al Omari
Chief Medical Officer &
CEO of Critical Care Co.

Corporate functions



Mr. Faisal Al Nassar
Chief Financial Officer



Mr. Hesham Al Habib
Chief Business
Development & Strategy



Mr. Badr Al Rowaily
Vice President,
Human Resources



Mr. Saud Al Arifi
Vice President,
General Counsel of
the Group



Mr. Mustafa Al Amri
Vice President,
Supply Chain



Mr. Amer Al Momen
Vice President,
Digital Business

Independent functions



Dr. Riyadh Al Atiqi
General Director
Pharmacy Company



Eng. Abdullah Al Sudias
CEO of Primary
Healthcare Co. &
Associate COO



Eng. Abdullelah Al Mayman
CEO of Cloud
Solutions



Eng. Feras AlHumayed
CEO of Flow
Medical Solutions



Mr. Riyadh Bajodah
CEO of Tasweyat
Co.



Mr. Vimal Subramanian
Head of
Internal Audit

Hospitals

General Director

Medical Director

Executive Director

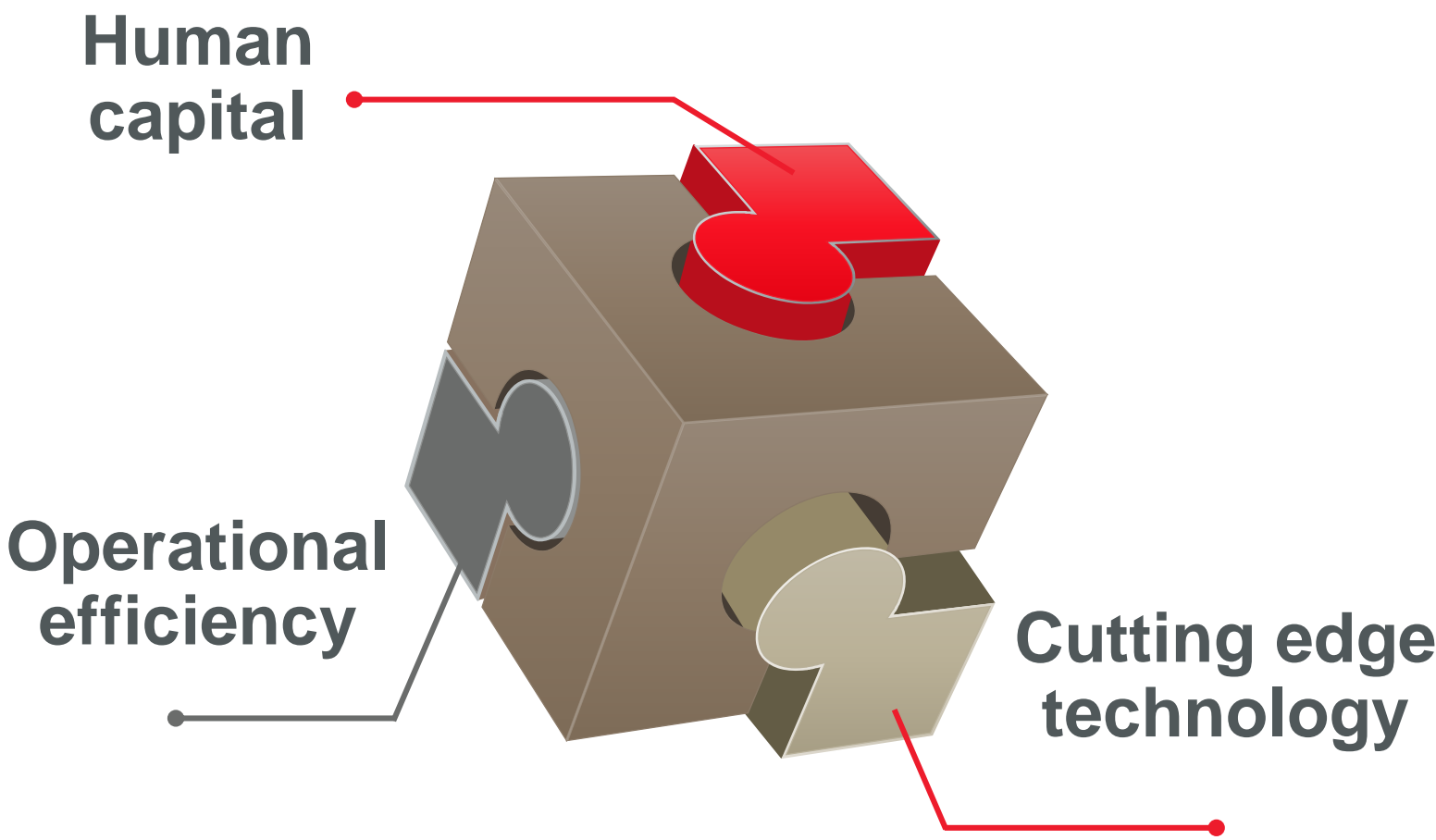
Vision

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

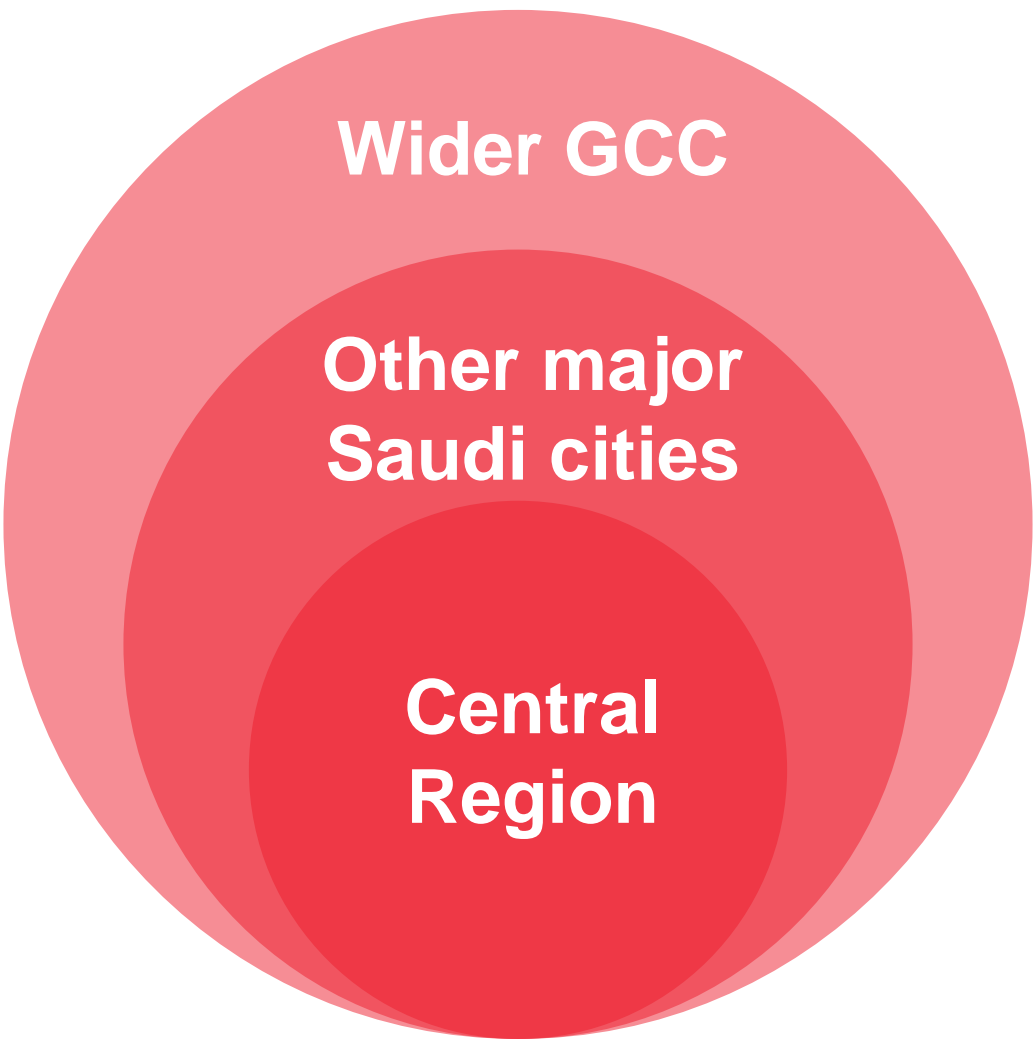
Strengthening the core



Patient centric healthcare

Drivers: Human capital, cutting-edge technology and operational efficiency

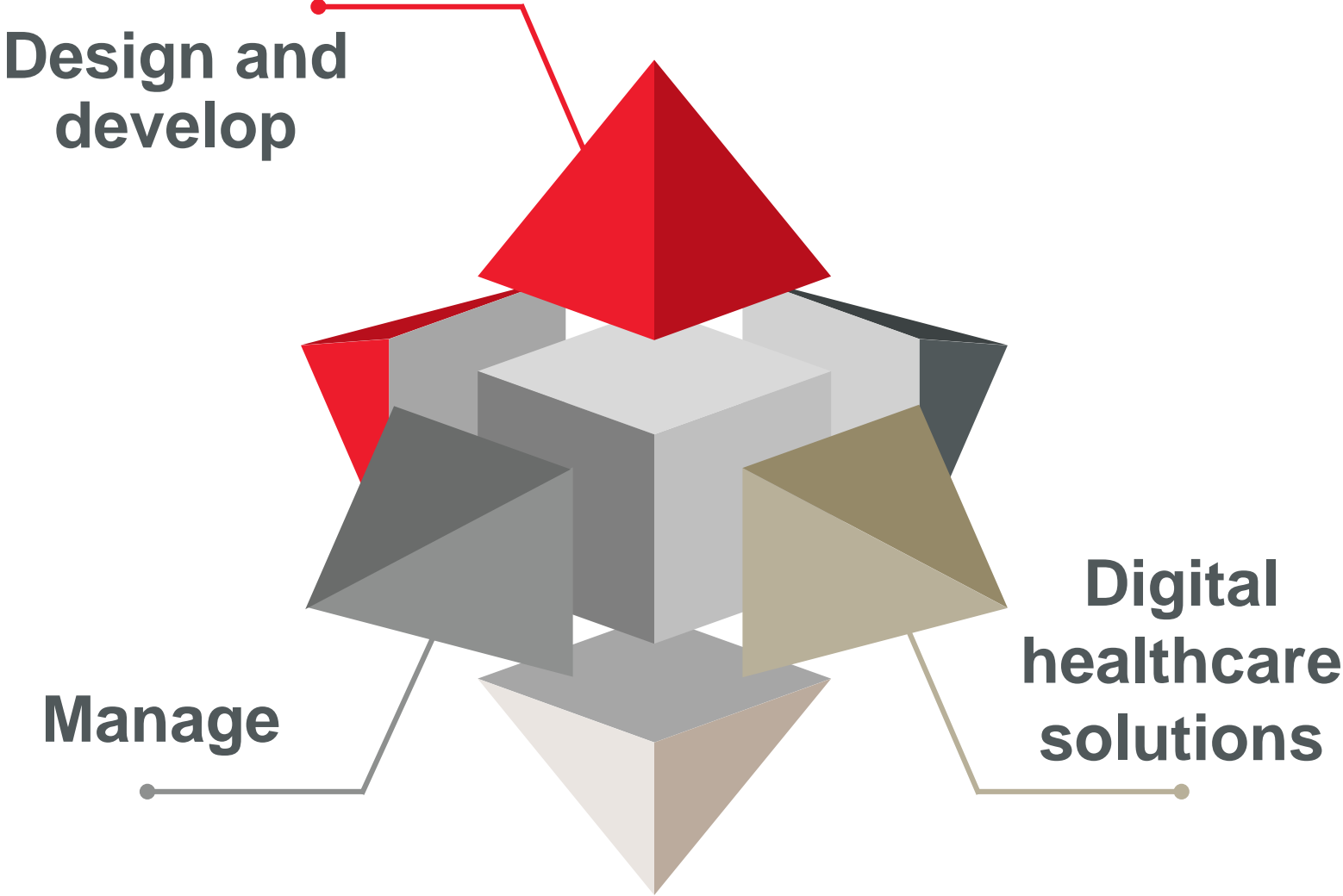
Expanding the reach



Organic growth while considering inorganic opportunities

Drivers: Central region, other major Saudi cities, wider GCC

Broadening the service



Creation of new business lines

Drivers: Design and develop, operate and manage, digital healthcare solutions

Strategic pillars underpin our drive to deliver best-in-class healthcare services



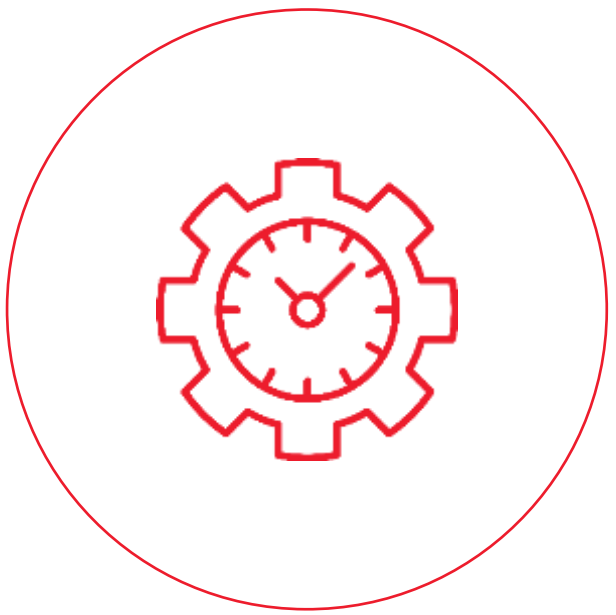
Best-in-class

- Regional integrated healthcare provider with **25+ year 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 15 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:** : 7 new hospitals under construction and expansion. In addition to 6 new Medical Centers to be opened

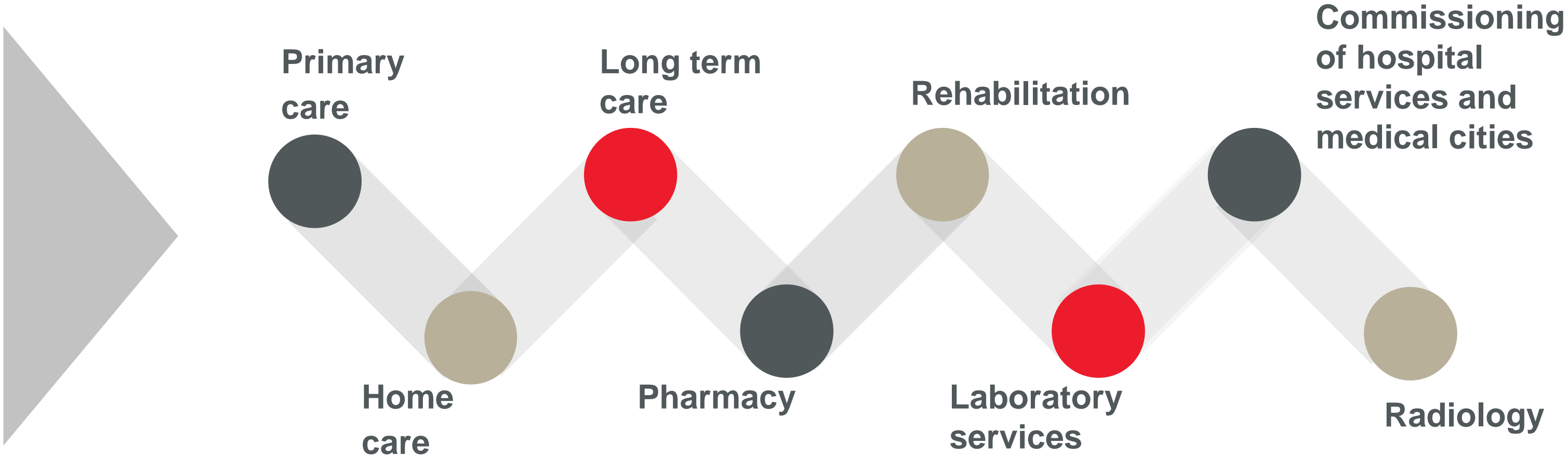


Efficiency drivers

- **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)	Solutions	Home Healthcare
<ul style="list-style-type: none">Operating ICU beds in 6 MoH hospitalsManaging one of the largest Tele-ICU Command Center in the world	<ul style="list-style-type: none">Implemented VIDA in 40+ MoH facilities, implementation on-process in 3 MoH facilities/university hospital.Management, operation and maintenance of PACS infrastructure systems in 11 MoH hospitals	<ul style="list-style-type: none">Providing home healthcare services to General Department of Medical Services at the Ministry of Interior.

A fully integrated healthcare services provider



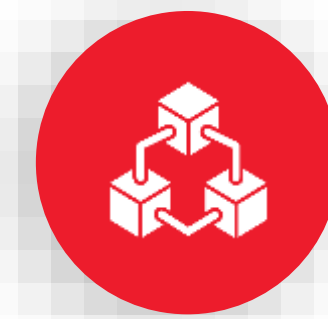
Hospitals and Healthcare Facilities

- **22+ medical facilities** in Saudi Arabia and Dubai
- **1,900+** beds
- **1 Medical center** in Bahrain through management agreement
- **1 Medical center** in Diplomatic Quarter
- **13,500+** staff, **3,000+** physicians



Pharmacies

- Outpatient pharmacies as part of the hospitals
- **17 Pharmacies** in Saudi Arabia and Dubai
- E-Pharmacy services

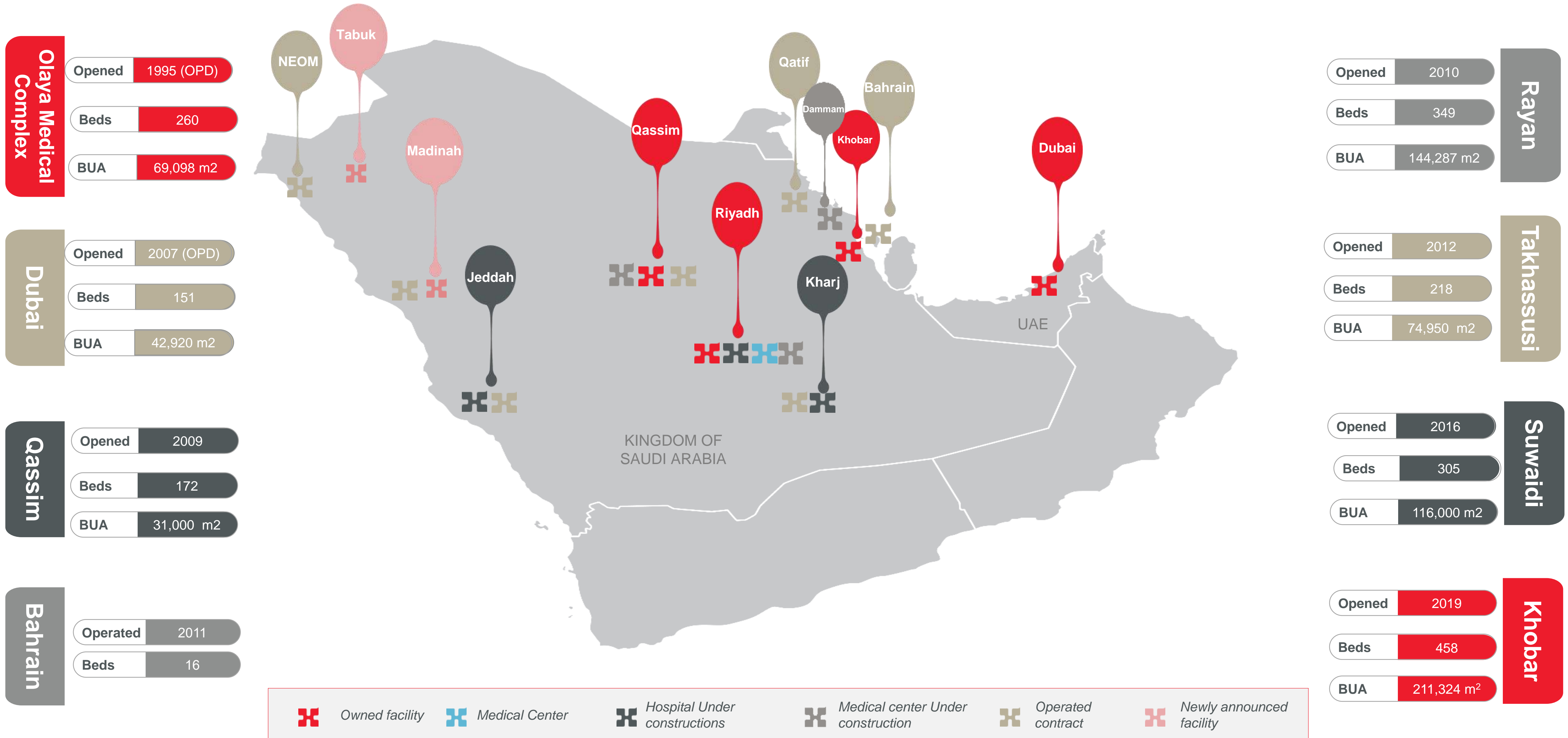


HMG Solutions

- **Cloud Solutions:** technology arm including HIS, e-medicine, mobile app & other Applications
- **Public-Private Partnership (PPP):** Operating Intensive Care Units for others
- **Home Healthcare** services
- **MD LAB** for advanced laboratory services
- **Flow Medical Solutions:** maintenance of medical equipment
- **Tasweyat Co:** Revenue cycle management
- **Rawabet Medical:** Tele-medicine services

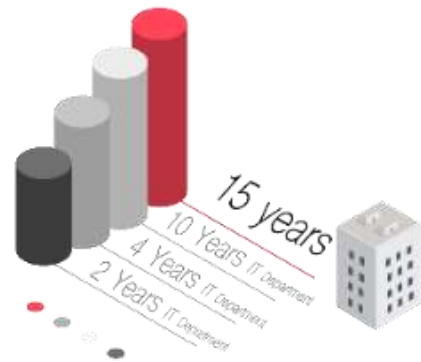
Where we operate

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



Developing cutting edge technology

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



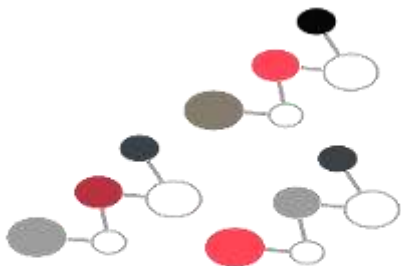
15+ Years of experience in deploying technology solutions in healthcare domain



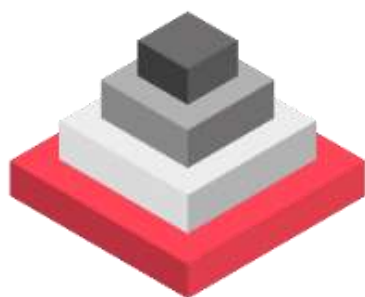
15 Products



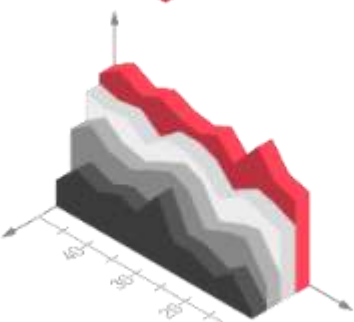
50+ Digital hospitals



19 Clients

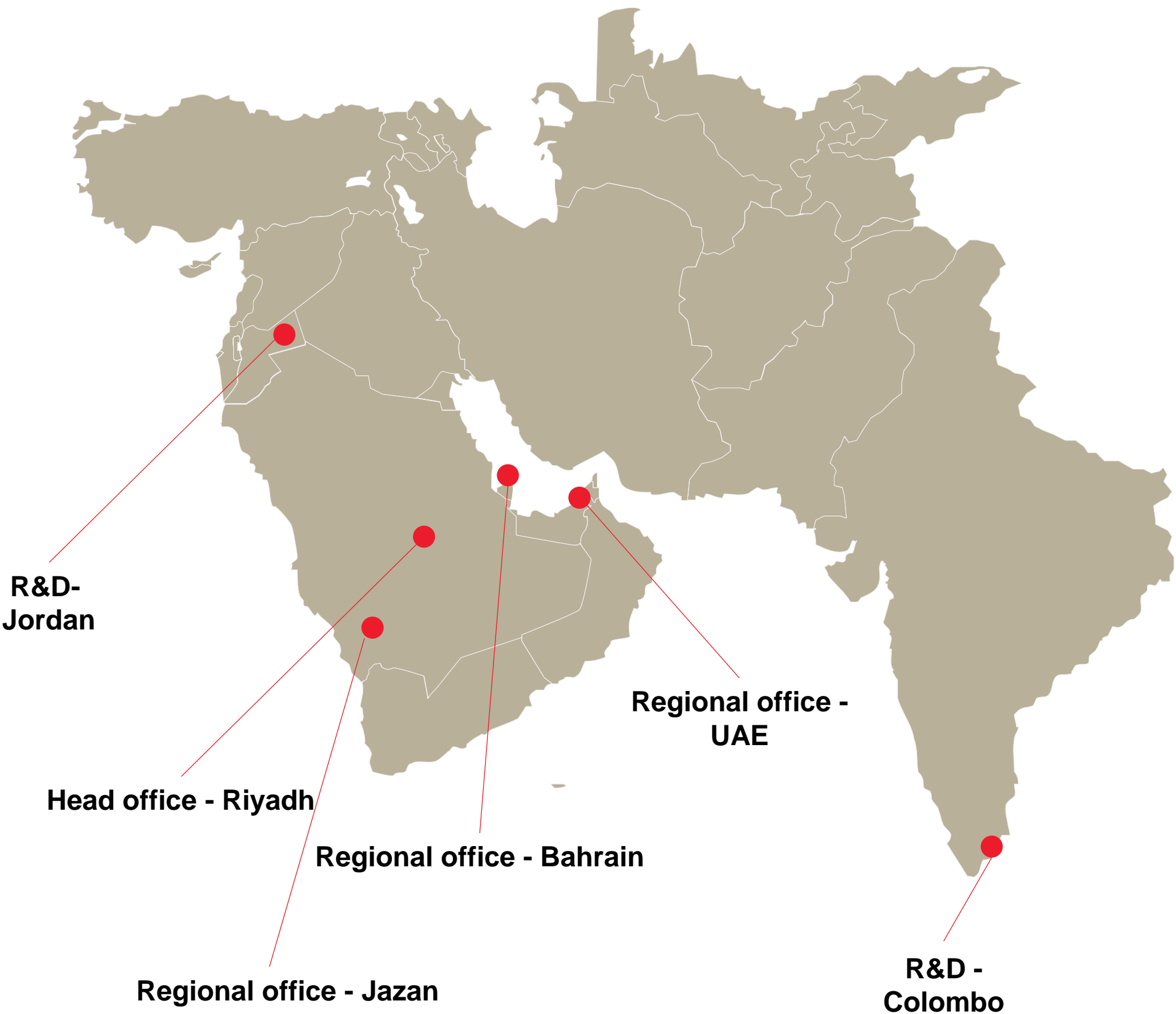


30 International partnerships



25 University student internships

Cloud Solutions' footprint



Pioneer in healthcare technology

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



Tele-medicine

Tele-Cardiology (Nabad 24 program)

- Designed to treat heart attacks remotely

Tele-ICU Center

- World record-breaking, working 24/7
- Provide continuous real-time monitoring of ICUs

Tele-stroke

- First facility in the region to use tele-medicine technology to rapidly diagnose and react to stroke remotely

Tele-radiology

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

Tele-ER

- Provide audio and visual communication
- Support real-time emergency care



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 in all HMG's hospitals in KSA**
- Implemented VIDA in **40+ 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

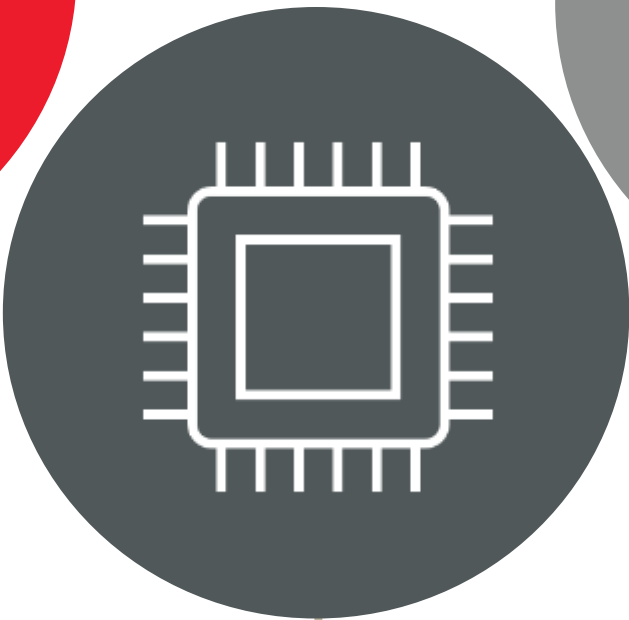
Knee replacement technology

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



Radiology RIS/PACS System

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

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



VIDA-MOH

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

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