



Q2 2023 Investor Presentation

As of 23 August 2023

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PRESENTING TEAM



Faisal Al Nassar
Acting CEO



Ziyad Al Dahami
Head of Treasury and Investor Relations

AGENDA



Financial Performance



Operational Highlights



Appendix #1

Summarized Financials



Appendix #2

About HMG



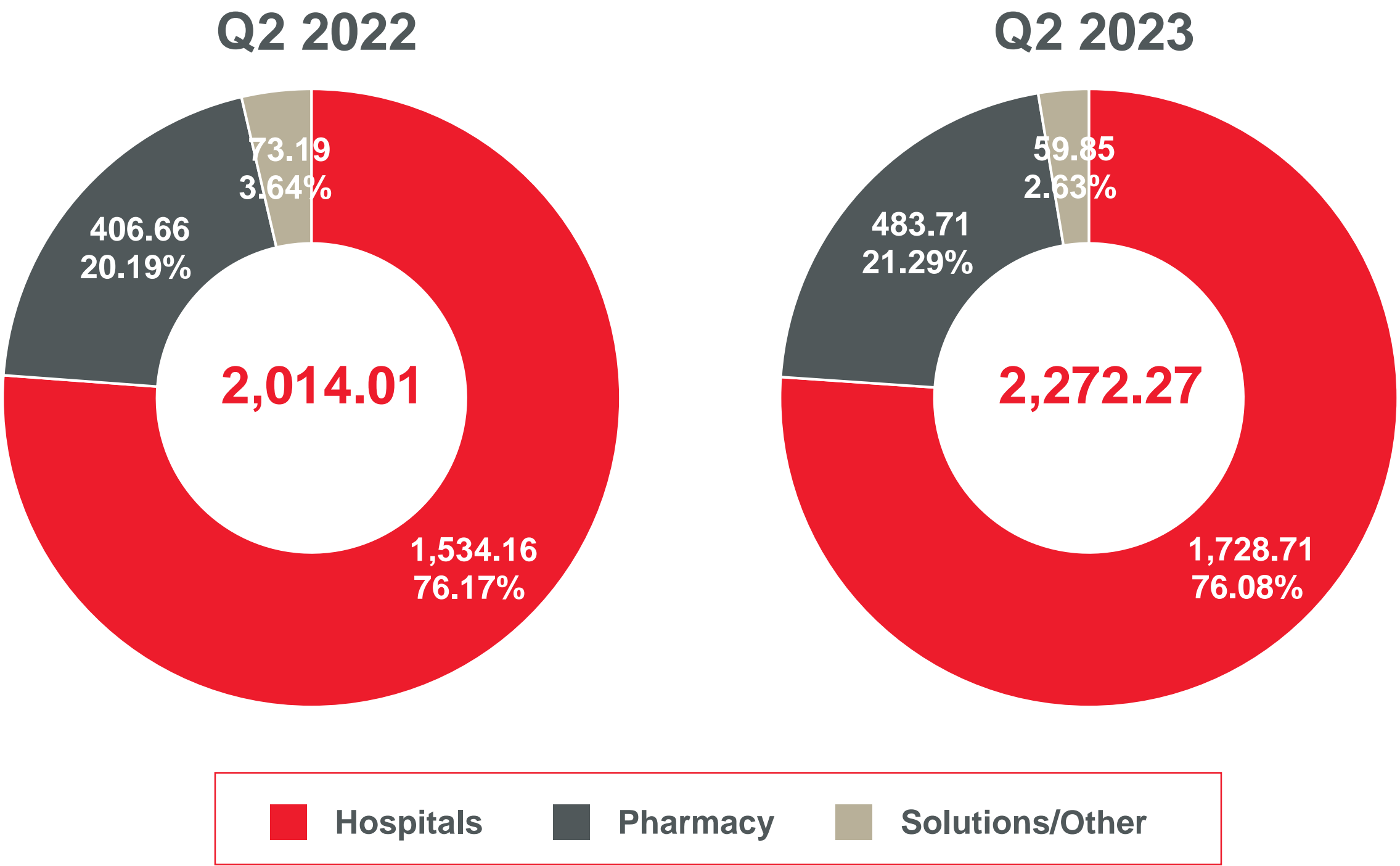
Financial Performance

KEY FINANCIAL HIGHLIGHTS : Q2 2023

Revenue by segment

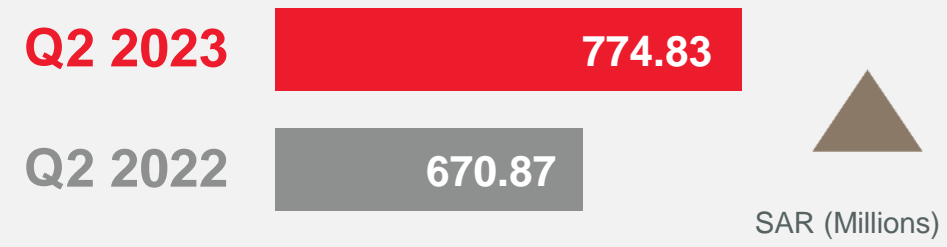
SAR million

+12.82%



Gross profit

15.50%

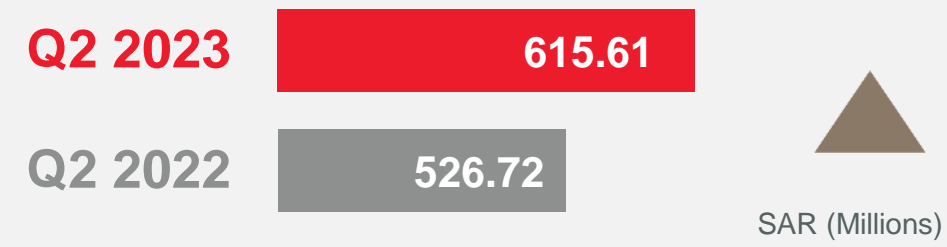


Gross profit Margin



EBITDA

16.88%

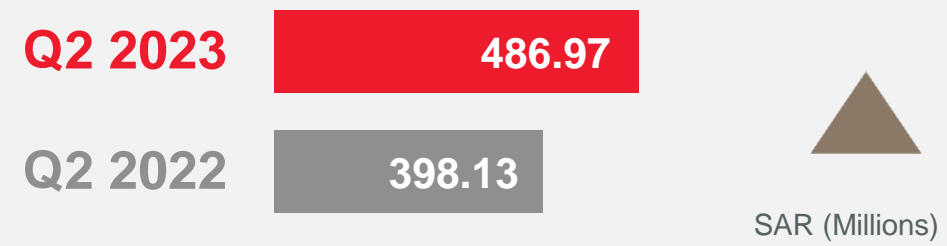


EBITDA margin

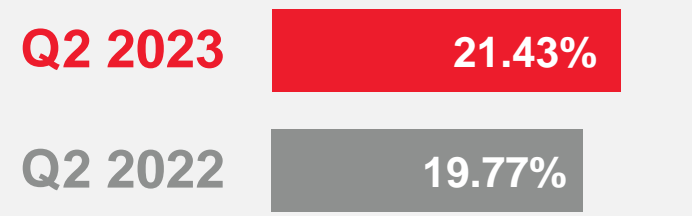


Net income

22.31%



Net income margin

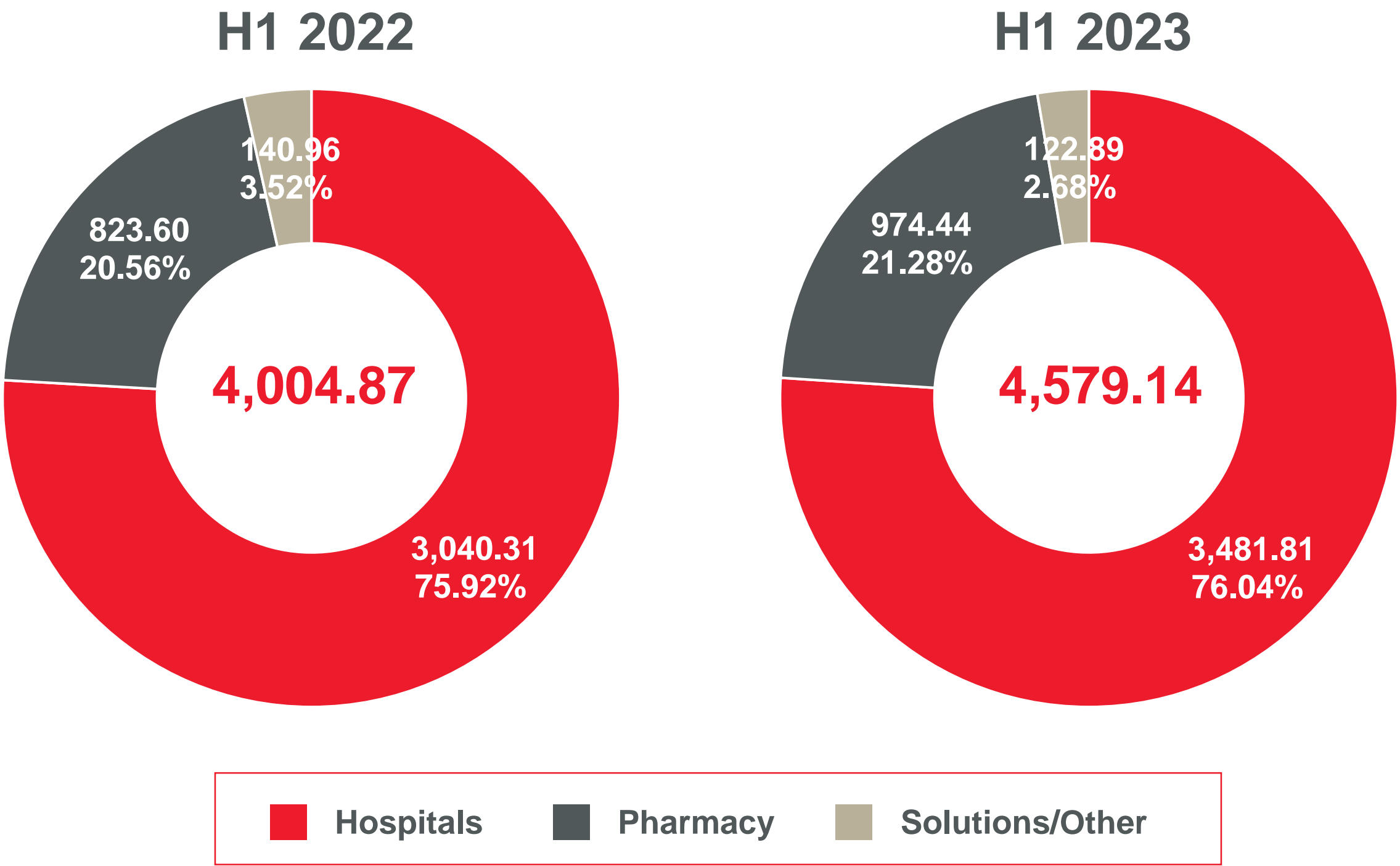


KEY FINANCIAL HIGHLIGHTS : H1 2023

Revenue by segment

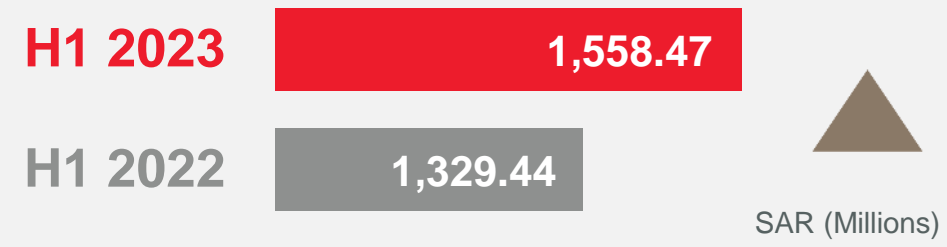
SAR million

+14.34%



Gross profit

17.23%

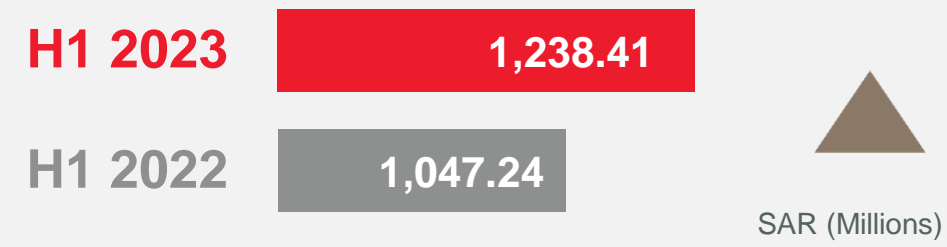


Gross profit Margin



EBITDA

18.26%

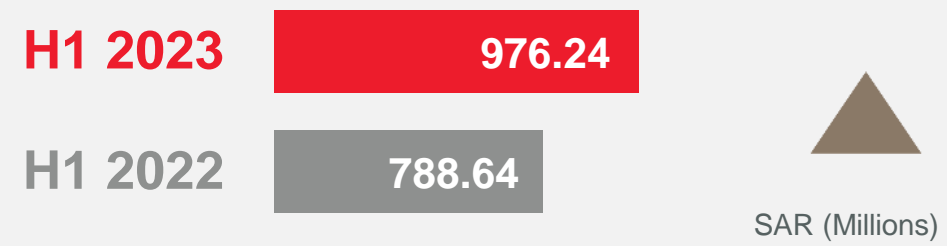


EBITDA margin

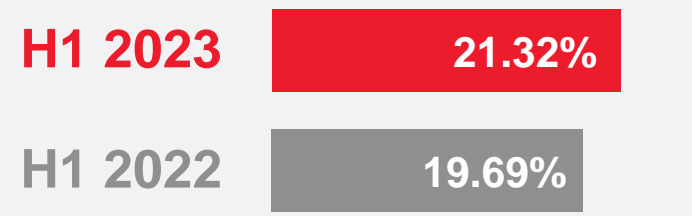


Net income

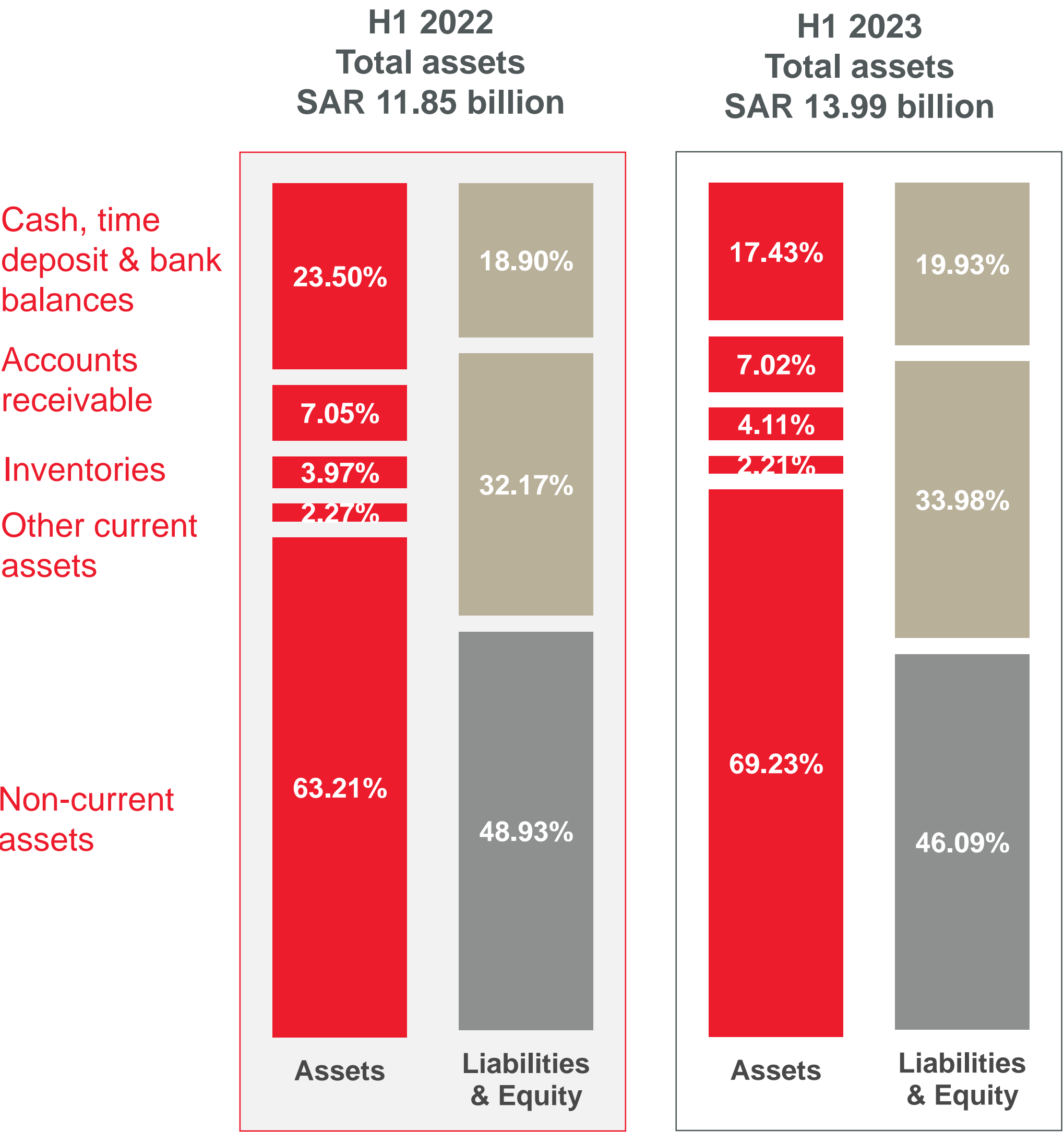
23.79%



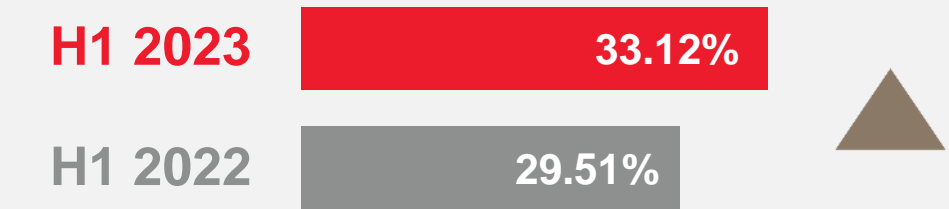
Net income margin



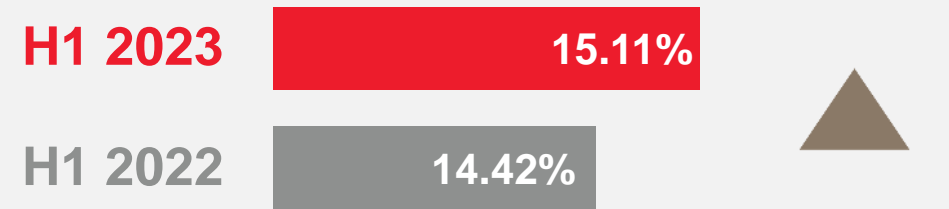
BALANCE SHEET HIGHLIGHT



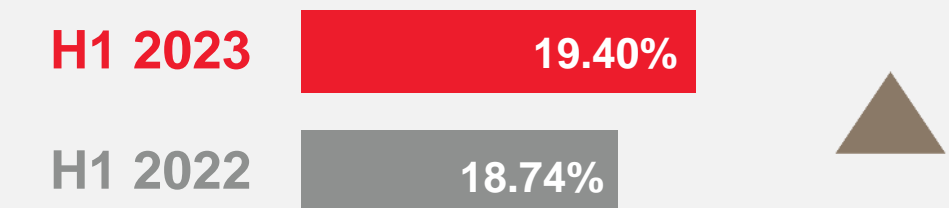
ROE



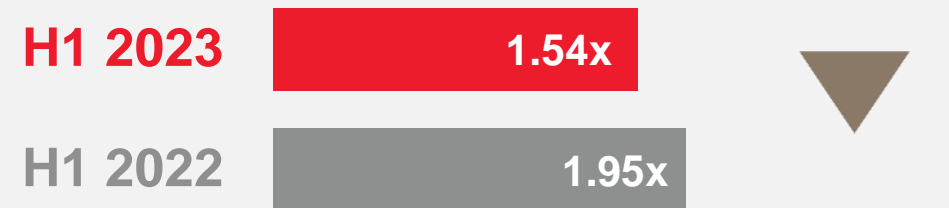
ROA



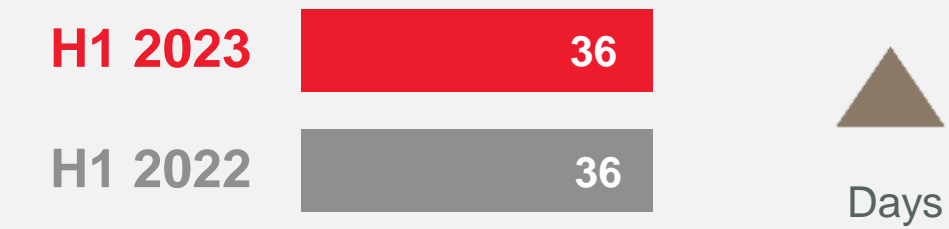
ROCE



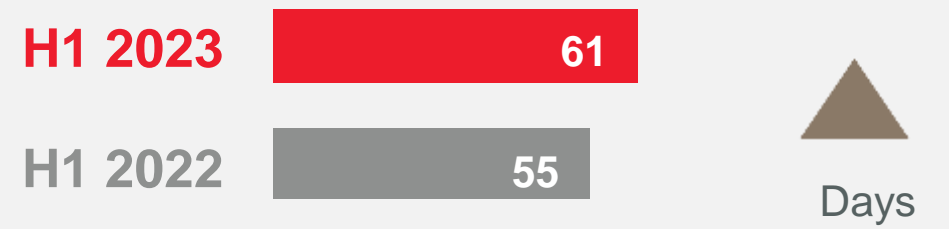
Current Ratio



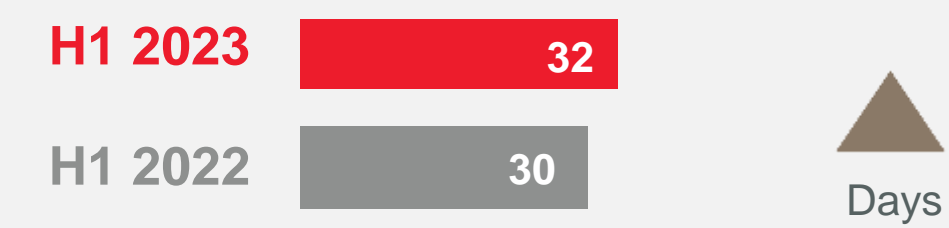
Receivables



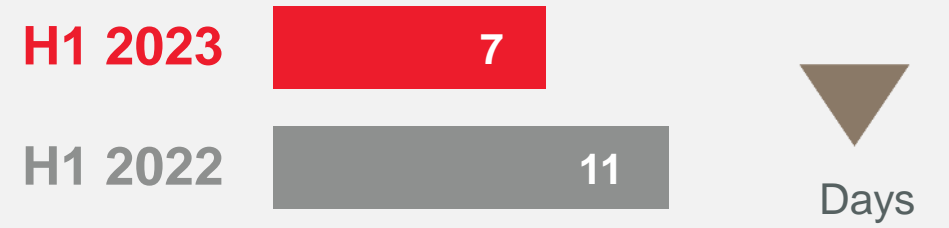
Payables



Inventory

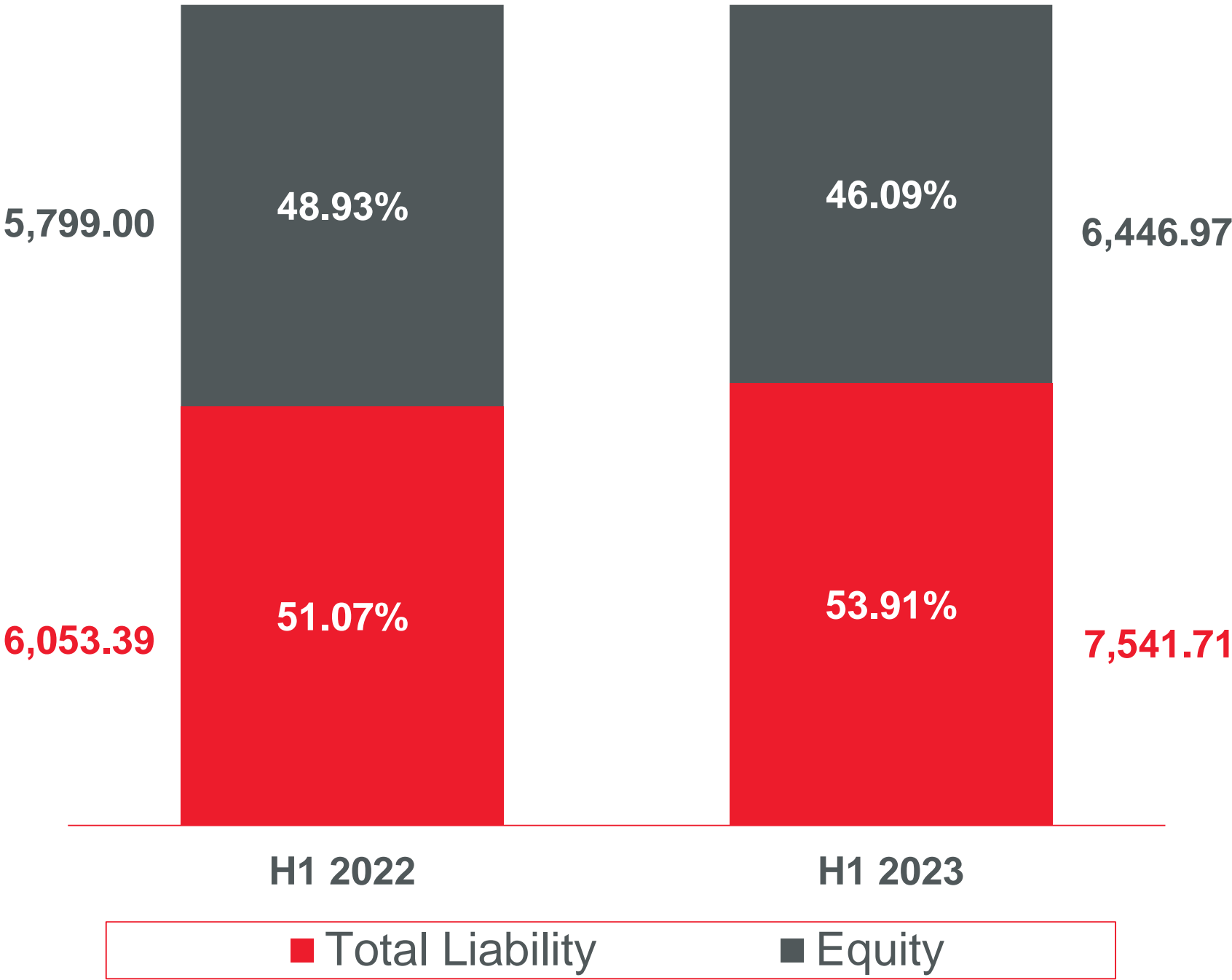


Cash cycle



LOW LEVERAGE LEVELS

Total liabilities and equity SAR million



Total Liabilities/Total Assets

H1 2023	0.54x	▲
H1 2022	0.51x	

Total Liabilities/Equity

H1 2023	1.17x	▲
H1 2022	1.04x	

Debt / Equity

H1 2023	0.66x	▲
H1 2022	0.62x	

Net Debt / EBITDA

H1 2023	0.74x	▲
H1 2022	0.38x	

DSCR

H1 2023	20.30x	▲
H1 2022	6.49x	

Interest Coverage ratio

H1 2023	28.60x	▼
H1 2022	42.18x	

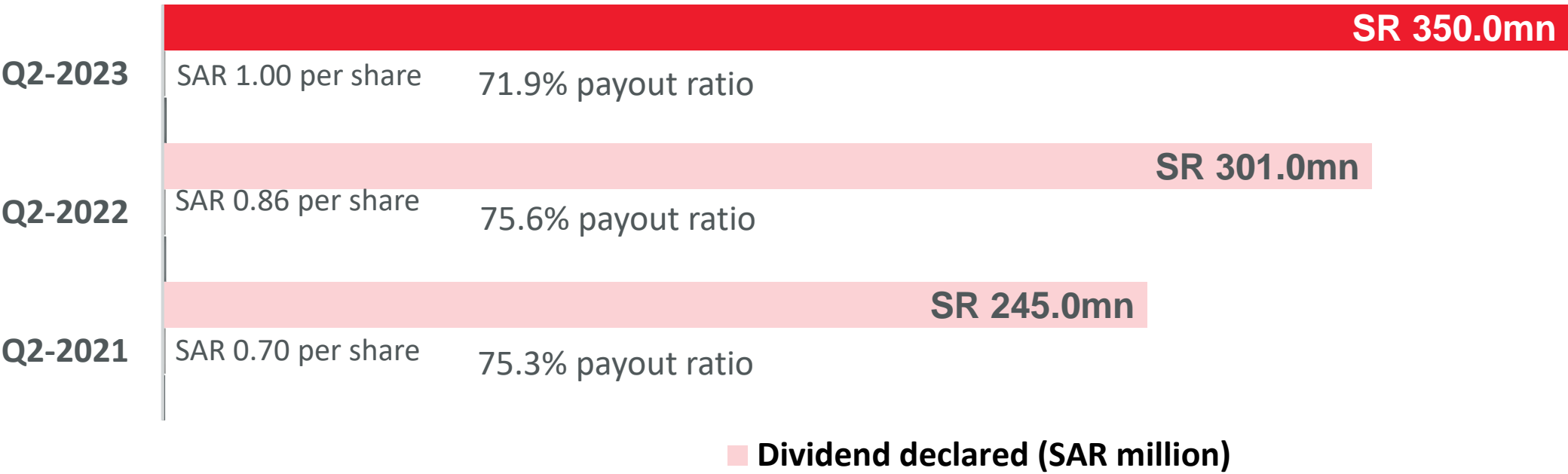
TOTAL CASH DIVIDENDS FOR SHAREHOLDERS

Declared dividends

Q2 2023	SAR 1.00 per share	SR 350.0mn	71.9% Payout
Q1 2023	SAR 1.00 per share	SR 350.0mn	71.5% Payout
Q4 2022	SAR 0.93 per share	SR 325.5mn	73.7% Payout
Q3 2022	SAR 0.86 per share	SR 301.0mn	71.6% Payout
Q2 2022	SAR 0.86 per share	SR 301.0mn	75.6% Payout
Q1 2022	SAR 0.83 per share	SR 290.5mn	74.4% Payout
Q4 2021	SAR 0.70 per share	SR 245.0mn	63.9% Payout
Q3 2021	SAR 0.70 per share	SR 245.0mn	70.3% Payout
Q2 2021	SAR 0.70 per share	SR 245.0mn	75.3% Payout
Q1 2021	SAR 0.70 per share	SR 245.0mn	76.8% Payout
Q4 2020	SAR 0.60 per share	SR 210.0mn	66.1% Payout
Q3 2020	SAR 0.60 per share	SR 210.0mn	70.3% Payout
Q2 2020	SAR 0.40 per share	SR 140.0mn	72.8% Payout
Q1 2020	SAR 0.50 per share	SR 175.0mn	71.0% Payout

Declared Cash dividends / Q2 2023

Total distributed dividends	SAR 350.00 million
% of capital	10% (equivalent to SAR 1.00 per share)
Eligibility date	Close of trading on Thursday, 10 th August 2023
Date of distribution	Monday, 28 th August 2023

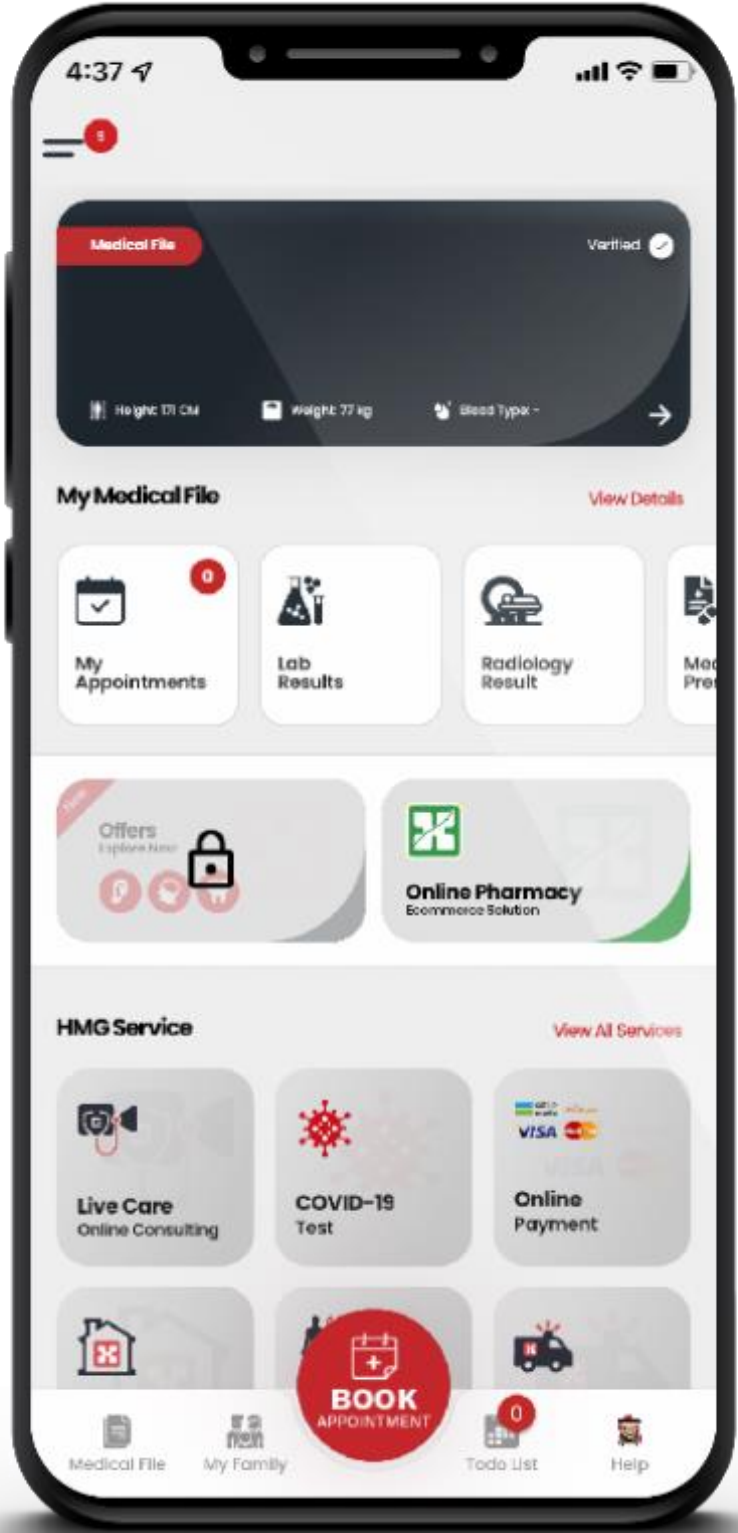


Operational Highlights

Key Highlights

- ✚ Signed conditional investment agreement with the Royal Commission for Jubail and Yanbu to allocate land in Jubail Industrial City to construct and operate a hospital.
- ✚ Signed cooperation agreement with Prince Sultan bin Abdulaziz College
- ✚ Enrolled first batch of doctors in Canadian and Australian universities as part of external scholarship program.
- ✚ HMG sponsored 5th Sports Championship for People with Disabilities.

HMG Mobile Application



Interaction
130 mn+

Booked Appointments
940 k+ appointments

Active users
378 k+

Habib Live Care
53 k+ transactions



E-Pharmacy
44 k+ transactions

Home Health care
5 k+ transactions

Q2 2023 HIGHLIGHTS

Recognitions & Accreditations

HMG continues to receive recognitions and accreditations from organizations around the world in recognition of our service quality and standards.

-  HMG received Excellence Award from Saudi Arabian Cardiac Interventional Society (SACIS). HMG was awarded the Excellence in Medical Services prize for the remarkable successes of our "NABAD" program in remote tele-cardiology treatment for heart thrombosis
-  Joint Commission International (JCI) Accreditation for HMG's Hospital after a thorough assessment based on the seventh edition of the JCI Standards.
-  HMG's "Person-Centered Care Patient Experience Standards" was accredited by the International Society for Quality in Health Care (ISQua) External Evaluation Association (EEA) from Ireland. HMG is the first Saudi Private Healthcare Organization to receive this prestigious accreditation.
-  All of HMG's facilities in Saudi Arabia and Bahrain are recognized by the World Health Organization (WHO) Patient Safety Friendly Hospital Framework Assessment. HMG is the first healthcare group in the region to receive this honor and will continue to prioritize the safety and well-being of those in our care.
-  HMG is the number one healthcare provider in the Middle East according to Forbes 2023 classification.

Q2 2023 HIGHLIGHTS

MEDICAL EXCELLENCE

Creating the medical practitioners of the future
and promoting health and well-being



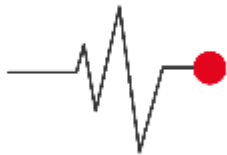
Postgraduate Program

- **24** Residency & Fellowship program accredited by SCFHS
- **190** participant
- **430+** enrolled across **5** SCFHS-accredited diploma



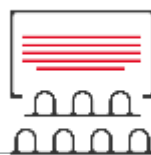
Research Center

- **5** Journals
- **12** Research papers published
- **35** Research proposal submitted to Institutional Review Board



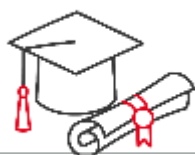
CPR

200+ Courses
1240+ Participant



Continuous Medical Education

40+ Activities
45+ Hours
50+ Speakers
1150+ Participant



Undergraduate Program

480+ Undergraduate and interns
21 Governmental and Private Universities

PROJECTS UPDATE

Solidifying our market leadership through a robust expansion plans and progressing our projects

North Riyadh Hospital



100%
Ownership



2023
Expected



Land Design MoH
license Excavation Construction



South-West Jeddah Hospital



50%
Ownership



2023
Expected



Land Design MoH
license Excavation Construction



Maternity and Pediatric Hospital

(New Takhassusi Expansion)



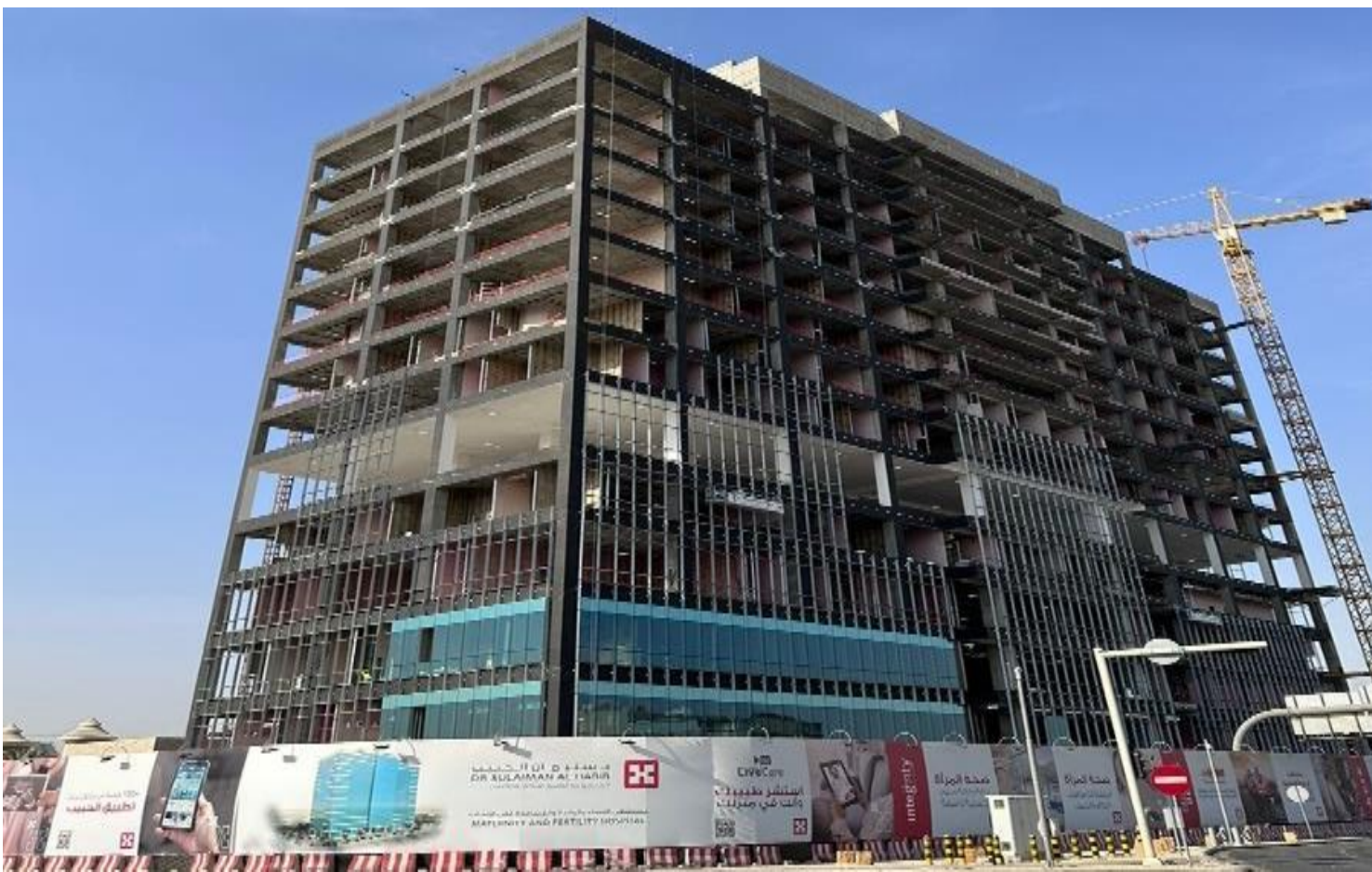
100%
Ownership



2024
Expected

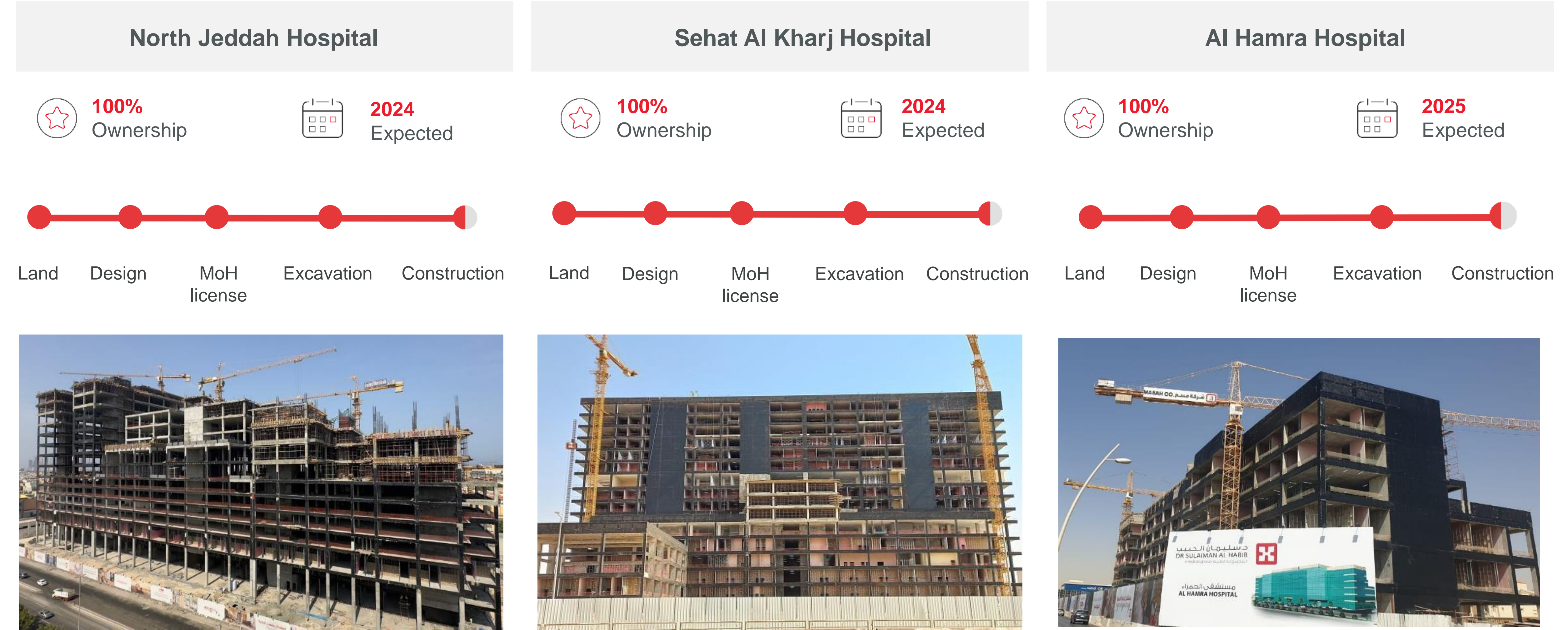


Land Design MoH
license Excavation Construction



PROJECTS UPDATE

Solidifying our market leadership through a robust expansion plans and progressing our projects



PROJECTS UPDATE

Solidifying our market leadership through a robust expansion plans and progressing our projects

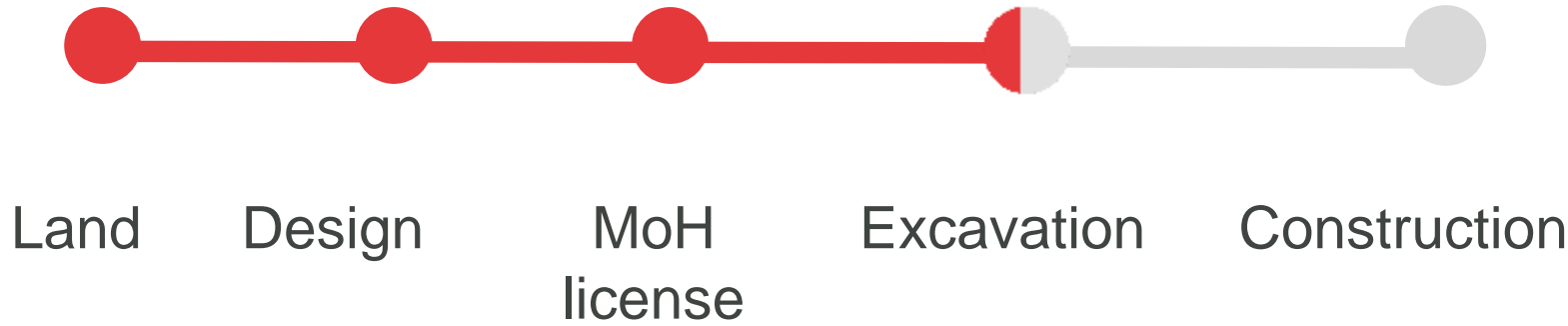
Al Madinah Al Munawwarah Hospital

 **Land**
Leased agreement  **50**
Years



Tabuk Hospital

 **Land**
Leased agreement  **50**
Years



Medical Centers Expansion

 **100%**
Ownership  **2024**
Expected

-  **Riyadh**
▪ Al Narjis
▪ Al Ghadeer
-  **Buraidah**
▪ Al Rayan
-  **Dammam**
▪ Gharb Al Faisaliah



OUR PEOPLE

Continued to attract and retain
top talent in the Kingdom



PEOPLE

14,000+
Employees

57% female
43% male
Staff ratio

36%
Saudization

75+
Nationalities

120+
Recruiting offices
across the globe

In-house HMG training center:

- **370** trainings conducted
- **1000+** employees participated
- **960+** training hours



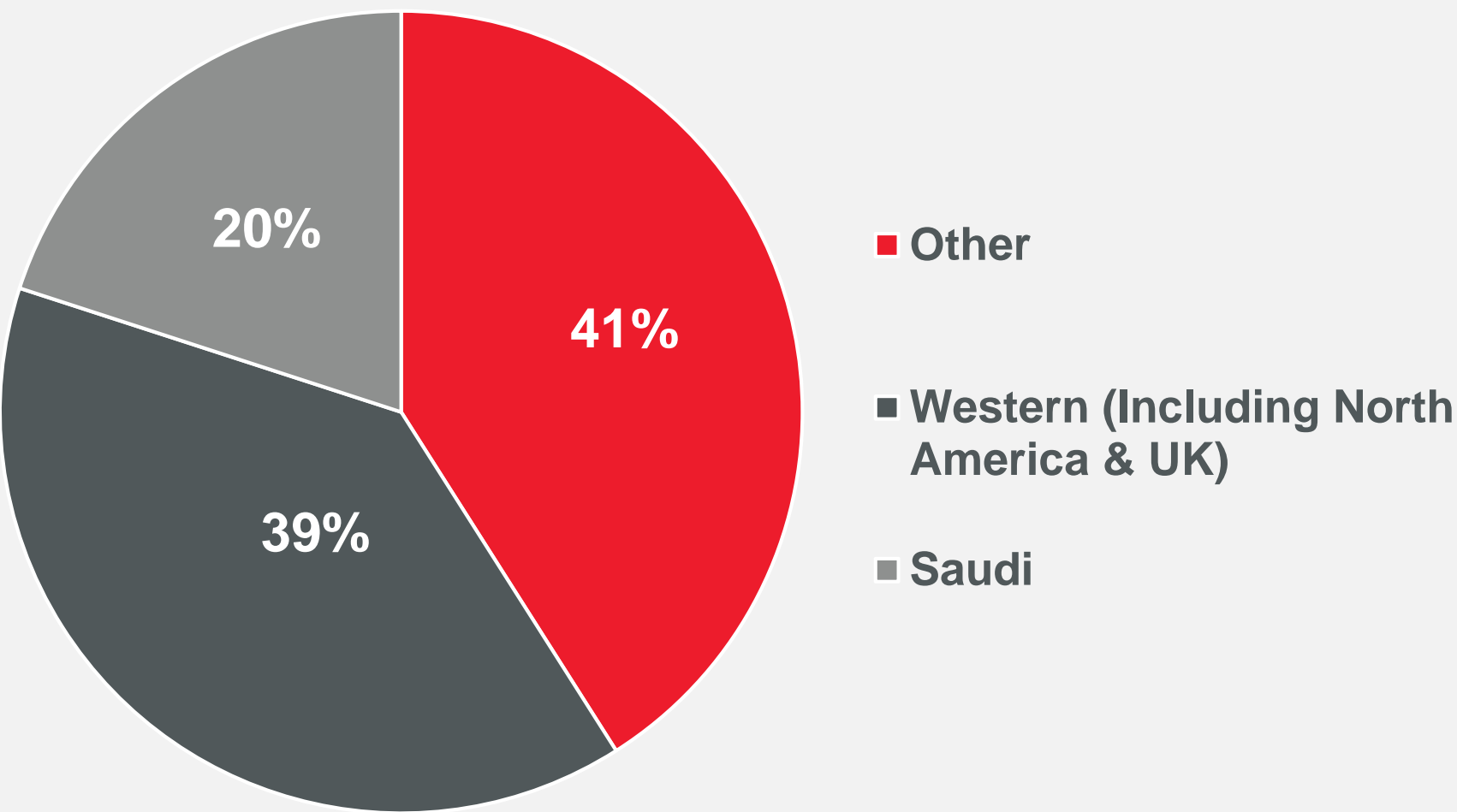
PHYSICIANS

3,200+
Physicians

+90%
Retention Rate

15+ average years
Experience

Physician Qualifications



ESG & SUSTAINABILITY

The Group's ESG structures and targets aim to maximize the benefits we deliver in terms of patient health, the broader contexts of social and human development, and responsible environmental stewardship

ESG Roadmap

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.

Phase 1 Benchmarking

ESG benchmarking and traffic light assessment of existing key problem areas

COMPLETED

Phase 2 Materiality Assessment

Stakeholder mapping and materiality assessment

COMPLETED

Phase 3 Formulating Strategy

Development of a Sustainability Strategy to serve as a Vision document

IN PROGRESS

Phase 4 Implementation and Reporting

Upon completion of Phases 1,2 and 3 a comprehensive ESG report will be developed.

EXPECTED COMPLETION
2024



Appendix #1

Summarized Financials

SUMMARY: BALANCE SHEET

As of 30 June 2023

SAR million	H1 2023	H1 2022
Current Assets	4,304.03	4,360.13
Investment in Associates	185.93	178.08
Investments in equity instruments – Sukuk	300.00	150.00
Property and Equipment	9,198.72	7,164.18
Total Assets	13,988.68	11,852.39
Current Liabilities	2,788.51	2,240.32
Non-Current Liabilities	4,753.20	3,813.07
Equity attributable to equity holders of the parent	6,197.07	5,593.87
Non-controlling interests	249.90	205.13
Total Liabilities and Equity	13,988.68	11,852.39

SUMMARY: INCOME STATEMENT

As of 30 June 2023

SAR million	H1 2023	H1 2022	Change %
Revenue	4,579.14	4,004.87	14.34%
Cost of revenue	(3,020.67)	(2,675.43)	12.90%
Gross profit	1,558.47	1,329.44	17.23%
Selling and marketing expenses	(184.84)	(162.30)	13.89%
General and administrative expenses	(364.25)	(330.30)	10.28%
Operating income	1,009.38	836.84	20.62%
Other income	72.96	56.13	29.98%
Share of income of associates	9.81	10.69	(8.23%)
Finance costs	(35.30)	(19.84)	77.92%
EBT and before non-controlling interests	1,056.85	883.82	19.58%
Zakat	(57.49)	(78.09)	(26.38%)
Income before non-controlling interests	999.36	805.73	24.03%
Non-controlling interests	(23.12)	(17.09)	35.28%
Net income (Attributable to Equity holders of the Parent)	976.24	788.64	23.79%

SUMMARY: CASH FLOW STATEMENT

As of 30 June 2023

SAR million	H1 2023	H1 2022
Net cash from operating activities	1,119.70	1,174.06
Net cash used in investing activities	(1,392.19)	(911.04)
Net cash used in financing activities	(35.65)	(121.05)
Cash and cash equivalents at the beginning of the year	2,746.99	2,643.83
Cash and cash equivalents at the end of the year	2,438.85	2,785.80



Appendix #2

About HMG

DIVERSE BOARD OF DIRECTORS

Our success is driven by our people

2 NON-EXECUTIVES



Dr. Sulaiman Al Habib
Chairman



Eng. Saleh Al Habib
Board Member

2 EXECUTIVES



Mr. Faisal Al Nassar
Board Member,
Acting CEO & CFO



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

4 INDEPENDENTS



Mr. Mazen Al Rumaih
Vice Chairman



Mr. Obaid Al Rasheed
Board Member



Dr. Abdulrahman Al Taraigi
Board Member



Mr. Rasheed Al Rasheed
Board Member

HMG's COMMITTEES

Our success is driven by our people

AUDIT COMMITTEE



Dr. Abdulrahman Al Turaigi
Chairman



Mr. Rasheed Al Rasheed
Member



Mr. Turki Al Luhaid
Member

NOMINATION & RENUMERATION COMMITTEE



Mr. Obaid Al Rasheed
Chairman



Eng. Saleh Al Habib
Member



Mr. Ahmad Al Sudais
Member

EXECUTIVE COMMITTEE



Mr. Mazen Al Rumaih
Chairman



Eng. Saleh Al Habib
Member



Mr. Faisal Al Nassar
Member



Mr. Hesham Al Habib
Member

PATIENT SAFETY & QUALITY OF CARE COMMITTEE



Prof. Mahmoud Al Ahwal
Chairman



Dr. Abdulelah Al Hawsawi
Member



Prof. Abdullah Al Herbish
Member

EXPERIENCED SENIOR MANAGEMENT

Highly experienced, high caliber management



Mr. Faisal Al Nassar
Acting CEO & CFO

CORE FUNCTIONS



Dr. Abdulwahab Al Abdulwahab
Chief Operating Officer



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



Prof. Abdullah Al Herbish
Senior Vice President,
Physicians Affairs



Prof. Sulaiman Al Majed
Senior Vice President,
Medical Affairs

CORPORATE FUNCTIONS



Mr. Hesham Al Habib
Chief Business
Development & Strategy



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



Mr. Mustapha Al Aoui
Vice President,
Supply Chain



Mr. Badr Al Rowaili
Vice President,
Human Resources



Ms. Emmeline Roodenburg
Vice President,
Strategy



Dr. Riyadh Al Atiqi
General Director
Pharmacy Company



Eng. Abdulelah Al Mayman
CEO of Cloud
Solutions



Mr. Riyadh Bajodah
CEO of Taswyat Co.



Eng. Abdullah Al Sudais
CEO of Primary
Healthcare Co.



Eng. Feras Al Humayed
CEO of Flow
Medical Solutions



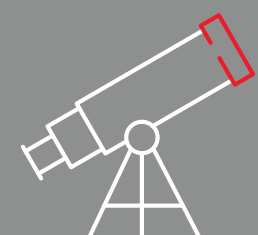
Mr. Vimal Subramanian
Head of Internal
Audit

A FULLY INTEGRATED HEALTHCARE SERVICES PROVIDER



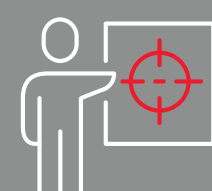
Dr. Sulaiman Al Habib Medical Services Group Company (HMG) is a diversified healthcare leader in the Middle East, recognized for comprehensive healthcare services, forward-thinking innovation and the superior patient experience in the region.

OUR VISION



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

OUR MISSION



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



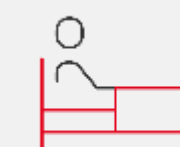
22
Medical Facilities



60+
Sub-specialties



22
Pharmacies



1,900+
Beds



3,200+
Physicians



14,000+
Staff



Upcoming Projects:
8 Hospitals
4 Medical Centers

OUR STRATEGY

Our well-defined growth strategy
enhanced by our core values

Our Value



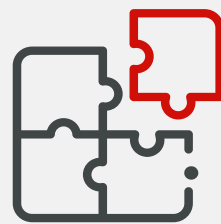
Integrity



Care for Patients



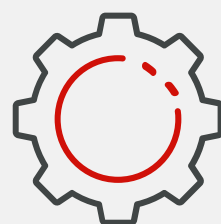
Safety



Excellence
and Quality



Teamwork



Effectiveness

Our Pillar

Strengthening our core

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

Outcomes: Patient centric healthcare

Expanding our reach

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

Outcomes: Organic growth while considering inorganic opportunities

Broadening our services

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

Outcomes: Creation of new business lines

Our Priorities



Provide integrated
healthcare services



Maintain position as
leading brand in the market



Meet demand in growing
sectors and diversify
income sources



Increase operational
efficiency



Expand to new
locations



Attract and retain highly
qualified physicians,
healthcare practitioners &
administrative staff

KEY MESSAGE

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
- **Robust expansion plan:** 8 new hospitals under construction and expansion. In addition to 4 new Medical Centers to be opened
- **Supporting medical community:** Heavily invested in creating an enabling environment conducive to research, innovation and scientific creativity in the Kingdom, in line with the objectives of the 2030 Vision



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

BUSINESS MODEL

Through our vertically integrated business model, we are committed to create sustainable value for our stakeholders

OUR KEY STRENGTHS

Cutting-edge Technology

Leading Brand in Prime Locations

Strategic Relationships and In-house Expertise

Experienced Management and Qualified Health Practitioners

Reputation for Medical Excellence

WHAT WE DO



Facilities and services



Digital healthcare solutions



Design, develop and operate

HOW WE MAXIMISE VALUE

01 Patient-centric approach

02 Continuum of care

03 Value engineering

04 Sound risk management

05 Adapting to change

BUSINESS STRUCTURE

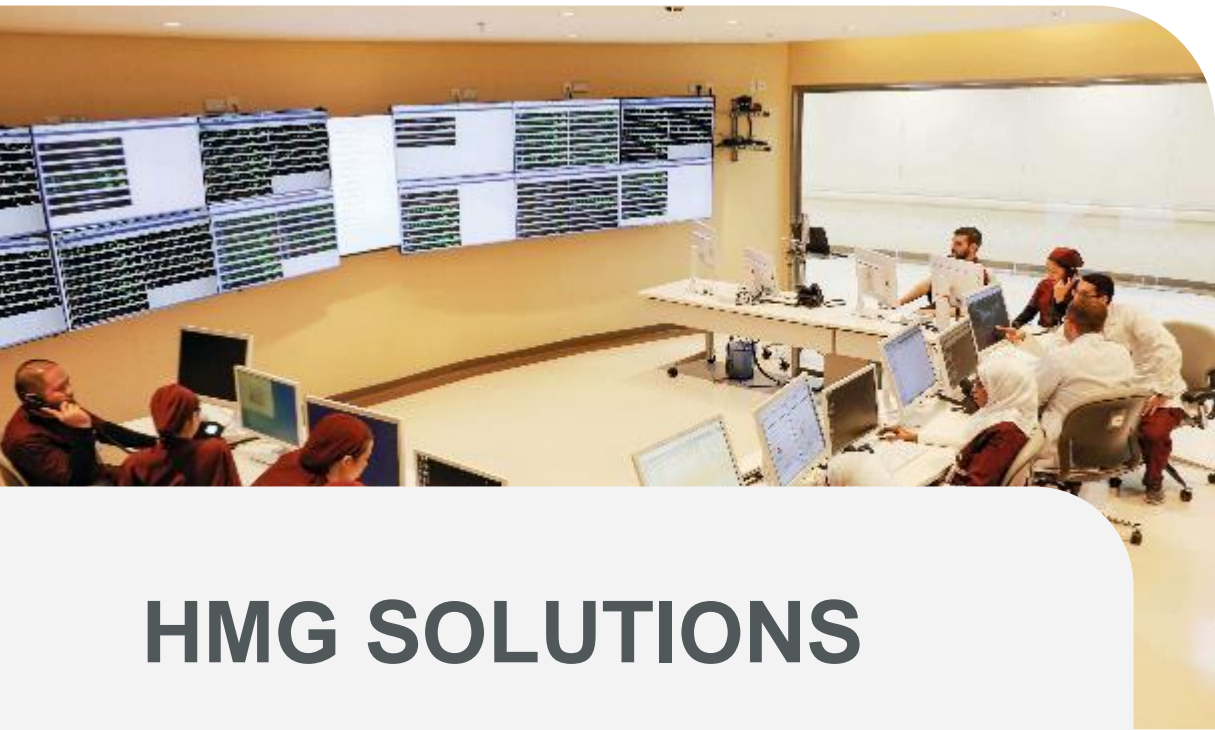
A fully integrated healthcare services provider



HOSPITALS & HEALTHCARE FACILITIES



PHARMACIES



HMG SOLUTIONS

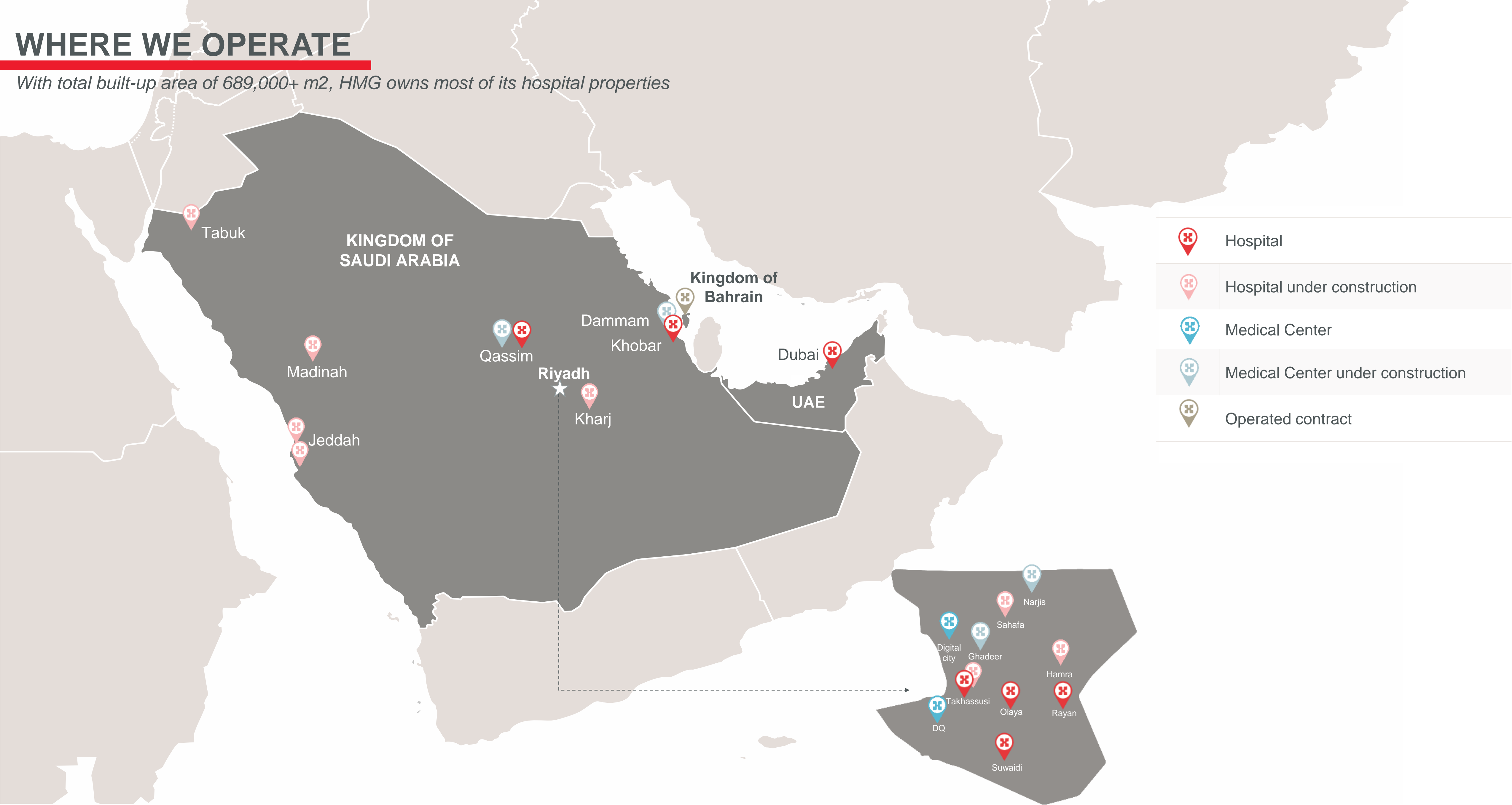
22	Medical facilities
5.3m+	Patients
8	Future hospitals
4	Future Medical Centers
1900+	Beds

Outpatient pharmacies as part of the hospitals
22 Pharmacies in Saudi Arabia and Dubai
E- pharmacy services

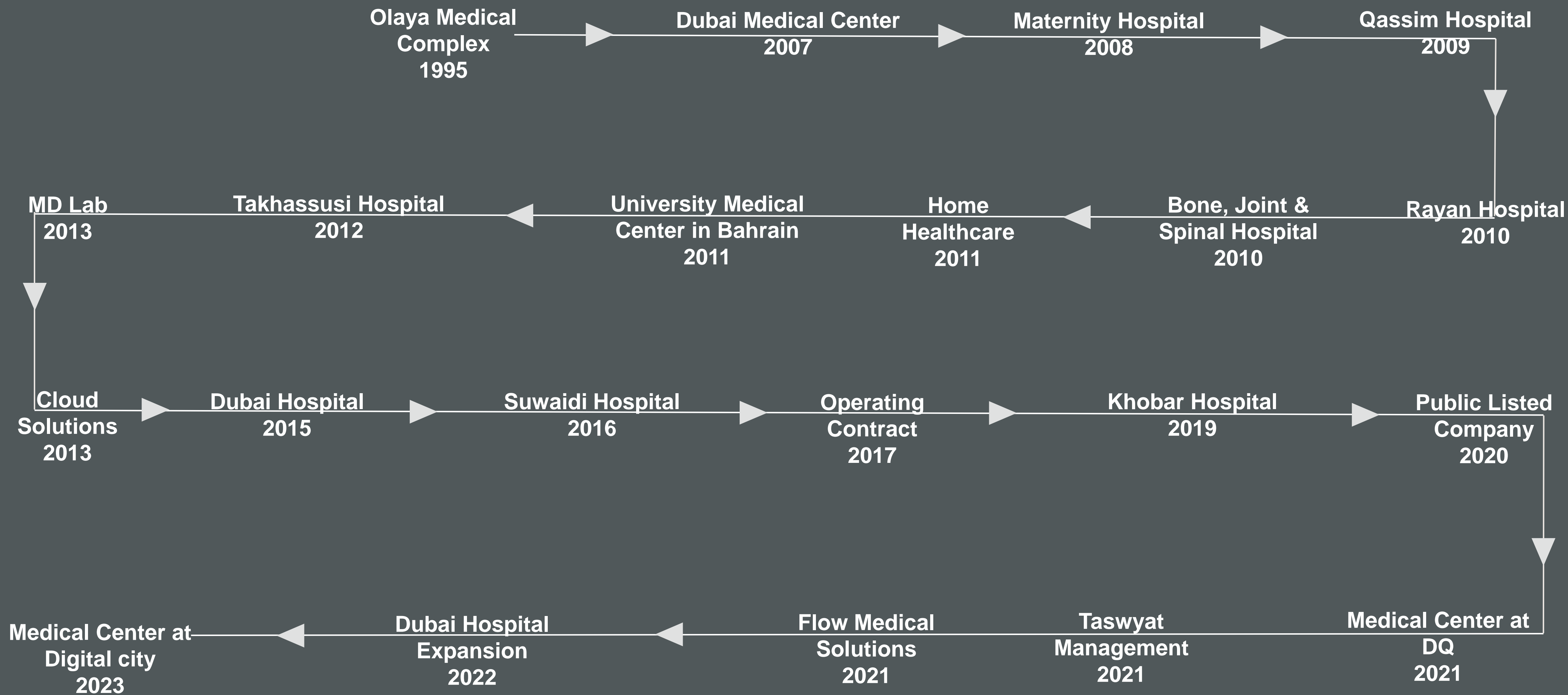
Cloud Solutions	Providing leading-edge technological solutions to boost healthcare quality and patient experience
MD Lab	Offering advanced laboratory testing services
Home Healthcare	Delivers convenience of care at comfort of home
FLOW Medical Solutions	A 360-degree integrated healthcare technology and technical solutions provider managing medical equipment
Taswyat	Provides complete end-to-end healthcare Revenue Cycle Management (RCM) services

WHERE WE OPERATE

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



OUR STORY



MEDICAL EXCELLENCE

Medical Operation Strategic Pillars

Patient Safety

HMG artificial heart and lung program is one of many sophisticated services that increases our confidence in the advanced quality care we provide to our patients.

Patient Experience

Introducing new services, such as fast track clinic for patients who need intravenous medications, has received wide acclaim from our patients

Performance & Efficiency

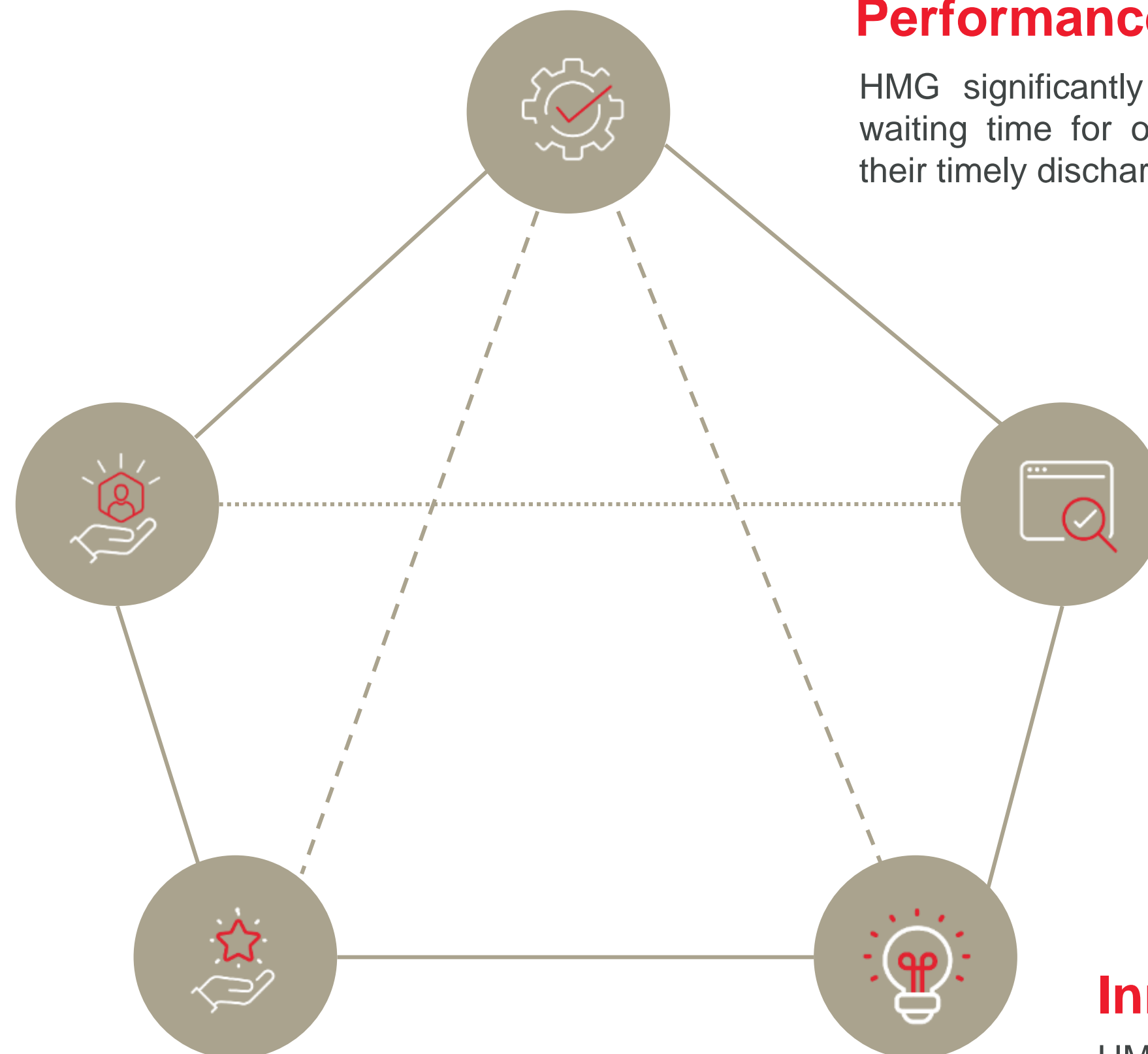
HMG significantly reduced the admission waiting time for our patients and ensured their timely discharge from our hospitals.

Standardization

HMG works tirelessly to ensure that all services provided by HMG are standardized by meeting widely acceptable international standards.

Innovation

HMG remains focused on providing seamless, integrated medical experiences for our patients through procuring and implementing cutting edge innovative technology to provide optimum quality of care.



PIONEER IN HEALTHCARE TECHNOLOGY

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

E-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)



Pioneer in healthcare technology, award-winning hospital information system (HIS) marked under VIDA brand.

- **VIDA is first-of-its-kind electronic portal** that 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 hospital in KSA.
- Implemented VIDA in **40+ MoH facilities**

Developing cutting edge technology



10 Digital hospitals

15 Products

20+ Clients

30 International partnerships

40 University student internships

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

Thank you

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