



Press Release

Financial Results: Period ending 30 June 2021

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Dr. Sulaiman Al Habib Medical Services Group (HMG) reports first half net income growth of 35.5%

Riyadh, Saudi Arabia, 8 August 2021: Dr. Sulaiman Al Habib Medical Services Group (“HMG”, the “Company” or the “Group”), Saudi Arabia’s largest private medical services provider, has announced its financial results for the 6-month period ended 30 June 2021.

The Group’s revenues grew by 45.57% in Q2 21 reaching SAR 1,751.20 million, with an increase of SAR 548.19 million compared to SAR 1,203.01 in the corresponding quarter of the previous year, as a result of the growth in all group segments.

Revenue growth for Q2-21 was mainly driven by the growth in the hospital segment due to the increase in both numbers of patients and in inpatient occupancy in addition to Al Khobar Hospital continued revenue growth. Hospital segment growth was positively reflected in the increase in pharmacy segment revenue as well, in addition to the increase in revenue of HMG solutions segment compared to the corresponding quarter of the previous year.

Revenues grew by 35.33% for the six months period ended 30th June 2021 reaching SAR 3,445.99 million, with an increase of SAR 899.64 million compared to SAR 2,546.35 in the similar period of the previous year, as a result of the growth in all group segments.

EBITDA for Q2-21 has increased by SAR 141.22 million reaching SAR 438.03 million, with an increase of 47.58%, while the group continue to maintain EBITDA margin at 25.01% compared to 24.67% in the corresponding quarter of the previous year.

EBITDA for the six months period ended 30th June 2021 has increased by SAR 233.85 million reaching SAR 883.92 million, with an increase of 35.97%, while the group continues to maintain EBITDA margin at 25.65% compared to 25.53% in the similar period of the previous year.

Net Income for Q2-21 increased by 69.26% to reach SAR 325.40 million, with an improved net income margin reaching 18.58% of revenue compared to 15.98% for the corresponding quarter of the previous year. Net Income improvement was driven by the growth in revenues due to the increase in both the numbers of patients and in inpatient occupancy in addition to the continued acceleration of growth in Al Khobar Hospital during Q2 2021 compared to the corresponding quarter of the previous year.

Net Income for the six months period ended 30th June 2021 increased by 46.84% to reach SAR 644.40 million, with improved net income margin by 1.47 ppts reaching 18.70% of revenue compared to 17.23% for the similar period of the previous year. Net Income improvement was driven by the growth in revenues due to the increase in both the numbers of patients and in inpatient occupancy, in addition to the continued acceleration of growth in Al Khobar Hospital during the six months period ended 30th June 2021 compared to the similar period of the previous year.



Dr. Sulaiman Al Habib, Chairman of the Board of Directors at **HMG**, commented:

“Our commitment to *HMG’s* strategic pillars led us continue delivering strong results in the second quarter and a commendable first half overall. During the H1-21 we achieved milestones where it comes in line with our expansion plans, including the launching of our “Medical Center” *facility in Riyadh’s Diplomatic Quarter*, marking the start of Medical Centres, and the announcement of a SAR 458 million new project at Al Kharj Governorate. These projects reflect our strategy to expand our reach, strengthen our operating model and diversify our services.

Dr. Al Habib added: “During Q2-21, we saw an increase in demand from patients – both inpatients and outpatients – a result of advanced services and subspecialties being rolled out. Our investments in technology continue and we are encouraged by the take up for HMG’s mobile application which was used to facilitate nearly 910 thousand appointments in the first half of the year”.

He continued: “We are also pleased to provide an attractive work environment by launching a number of initiatives to continue to provide the necessary training and education to build Saudi Arabia’s healthcare workforce. During the period, we launched our Future Leaders Initiative ‘*Himma*’ program which aims to provide top-performing employees the necessary skills, leadership training and experience to be prepared for future leadership roles in the Group, along with launching 17 new fellowship programs, 5 diplomas and providing internship programs for almost 1,400 trainees in H1-2021.”

Dr. Al Habib concluded: “Our ambitions toward healthcare excellence driven us to be the most trusted healthcare provider and the best patient experience. During H1-2021 we expanded our Rapid Response Team services and introduced new programs such as our Tele-Cardiology Program and *ECMO “Artificial Heart-Lung Pump”*. We are committed to develop and operate state-of-the-art medical facilities and provide innovative healthcare services to create value for patients and other stakeholders.”

Financial and operating highlights: Period ending 30 June 2021

Financials

- H1-21 revenue grew by 35.33%% year-on-year, reaching SAR 3,445.99 million
- EBITDA grew by 35.97% reaching SAR 883.92 million, at a margin of 25.65%
- Net Income grew by 46.84% year-on-year, to SAR 644.40 million, at a margin of 18.70%.

Operations

- HMG ranked Top Healthcare Company by Forbes Middle East
- Announcement of Al Kharj Governorate project with capacity of 141 beds and investment of SAR 458 million
- HMG purchased 12 plots of land valued SAR 69 million at King Abdullah Road in Riyadh, to support the strategic plans of the Group.
- HMG App downloads exceeded more than 1.2 million times.
- Total VIDA implemented in 39 MOH hospitals with 4 more projects underway
- SCR accreditation obtained by Al Olaya Medical Complex, Al Takhassusi and Al Khobar Hospitals



Financials (6-months ended 30 June 2021)

BALANCE SHEET (SAR million)	As of 30 June 2021	As of 30 June 2020
Current Assets	3,877.4	3,511.6
Investments	42.4	34.6
Fixed Assets	6,107.3	5,338.3
Total Assets	10,027.1	8,884.5
Current Liabilities	1,778.3	1,654.5
Non-Current Liabilities	2,970.9	2,402.1
Shareholders' Equity	5,096.8	4,650.4
Minority Interests	181.1	177.5
Total Liabilities and Shareholder Equity	10,027.1	8,884.5
INCOME STATEMENT (SAR million)	30 June 2021 (Six months)	30 June 2020 (Six months)
Revenue	3,446.0	2,546.3
Cost of revenue	(2,345.6)	(1,786.6)
Gross profit	1,100.4	759.7
Selling and marketing expenses	(100.6)	(75.7)
G&A expenses	(310.5)	(222.1)
Operating income	689.3	461.9
Other income, net	37.2	30.2
Share in net income of associates	5.6	(4.4)
Finance charges	(19.4)	(27.0)
EBT and before minority interest	712.7	460.7
Minority interest	(4.1)	19.5
EBT	708.6	480.2
Zakat	(64.2)	(41.3)
Net income (Attributable to Equity holders of the Parent)	644.4	438.9
CASH FLOW STATEMENT (SAR million)	30 June 2021 (Six months)	30 June 2020 (Six months)
Net cash from operating activities	1,102.9	1,167.1
Net cash used in investing activities	(587.4)	(353.0)
Net cash from (used in) financing activities	(367.7)	35.6
Cash and cash equivalents at the beginning of the period	2,339.3	1,196.7
Cash and cash equivalents at the end of the period	2,487.1	2,046.4

-Ends-



About HMG

Dr. Sulaiman Al Habib Medical Services Group (HMG) is a private integrated healthcare provider with a 25+year track record for developing and operating healthcare facilities, pharmacies and associated services in Saudi Arabia and the GCC. The Group's portfolio includes 7 hospitals in Saudi Arabia and the UAE, more than 1,900 beds and more than 1,370 clinics, one Medical Centre in Riyadh's Diplomatic Quarter, and managing 1 medical centre in Bahrain.

HMG is a GCC leader in healthcare solutions, technology and systems. The Group offers comprehensive healthcare that is patient centric and supported by investment in first-class human capital and medical research. HMG consistently achieves industry-leading satisfaction rates across its primary, secondary and tertiary services.

HMG is listed on Saudi Stock Exchange "Tadawul" (Symbol: SULAIMAN ALHABIB: 4013), and is Saudi Arabia's leading private healthcare provider.

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