



**Al Hammadi
Holding**

Al Hammadi Holding

Investor Presentation

FY 2023



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About Al Hammadi Holding

Al Hammadi is an integrated healthcare company and premier hospital operator providing world-class healthcare services to hundreds of thousands of local and foreign residents...

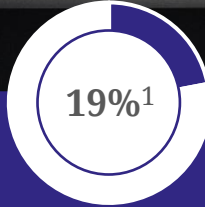
An Integrated Healthcare Company



81%¹

Hospitals

The company currently operates two hospitals in the Saudi Arabian capital, housing more than 600 inpatient rooms and 220 outpatient clinics. In line with the company’s ambitious growth plans and Saudi Arabia’s Vision 2030 strategy, Al Hammadi is aiming to inaugurate three more facilities in Riyadh over the coming seven years, more than doubling its inpatient and outpatient capacity.



19%¹

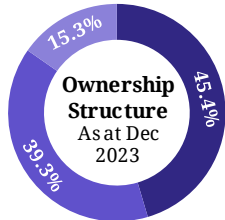
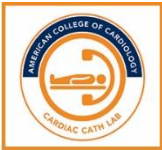
Pharmaceuticals

Al Hammadi also offers pharmacy services through a network of physical stores (currently located within its hospitals) and a growing online presence. The Group is also active in the vaccine import segment through its subsidiary, Pharma Serve.

600	Inpatient Rooms	26	Operating Rooms	220	Outpatient Clinics
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2	In-hospital Pharmacies	5	Retail and Online Stores Planned for 2024
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Our Accreditations



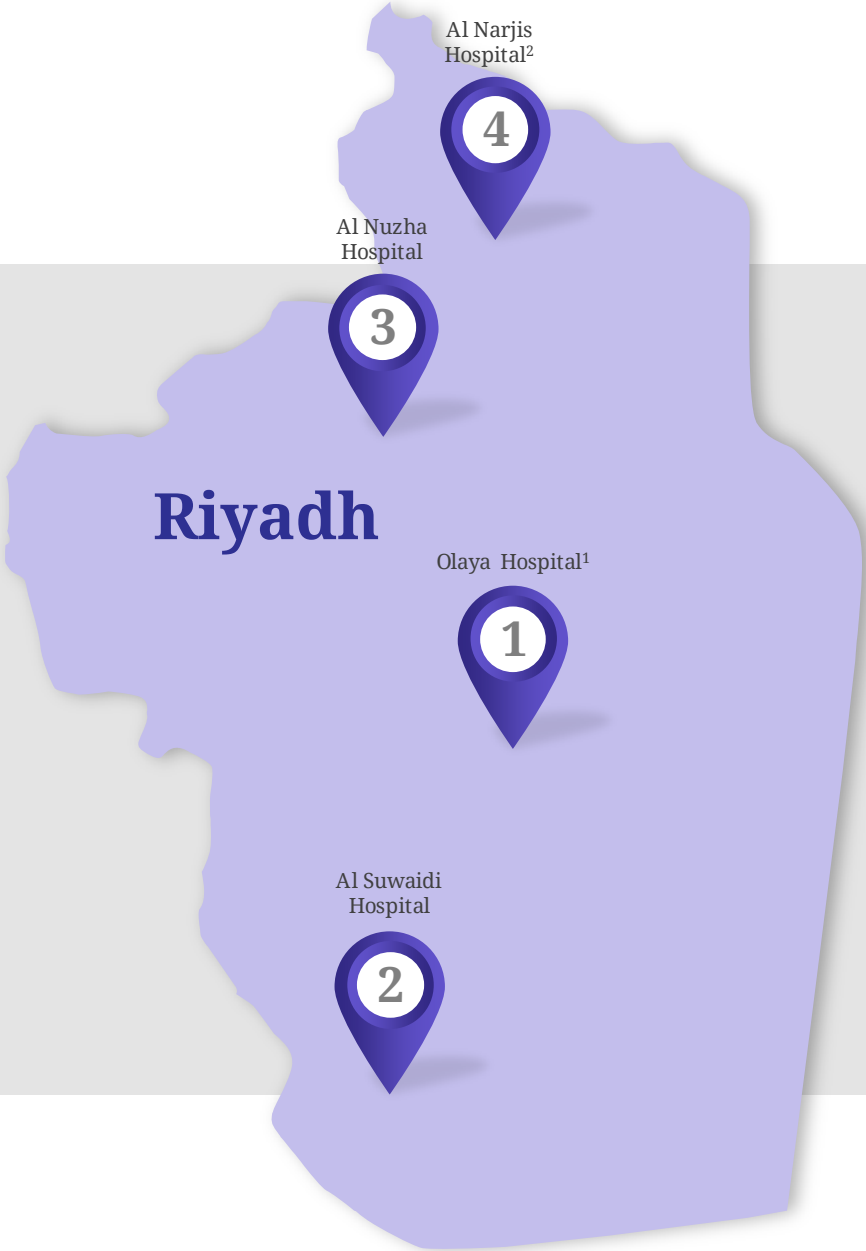
- Al Hammadi Family
- Institutional Investors
- Individual Investors

¹Share of FY 2023 consolidated revenues.

The Company enjoys widespread coverage spanning the entire Saudi capital

Al Hammadi boasts two operational state-of-the-art facilities, Al Nuzha and Al Suwaidi hospitals, strategically located in the heart of Riyadh, with a third hospital, Olaya hospital, temporarily closed for renovations and with a planned reopening date of 2026.

In line with the Group’s strategy to increase presence across Riyadh, and in response to the growing medical demand in the city, Al Hammadi plans to launch its fourth medical facility, Al Narjis Hospital, in 2028 to serve a largely underpenetrated area



1. Temporarily closed for renovations and planned to reopen in 2026
2. Planned launch in 2028

Al Hammadi operates two premier hospitals in the heart of Riyadh providing a wide range of world-class services to thousands of patients

Al Nuzha Hospital

Located in the northeast neighborhood of Riyadh, Al Nuzha Hospital was inaugurated in 2018. The hospital was originally established to cater to middle-upper class patients, with an overall capacity of 600 rooms and 120 outpatient clinics. In 2022, the hospital was converted into 300 rooms as it implemented a premiumization strategy and is equipped to handle a wide range of medical cases because of its state-of-the-art technology and world-class staff.

Patient Class Mix 2023

Class	Percentage
B	53%
B+	30%
A	12%
VIP	5%

300

Inpatient Rooms

120

Outpatient Clinics

13

Operating Rooms

Specializations

- Cardiology
- Endocrinology
- Orthopedics
- Bariatric Surgery

Additional Services

- In-house pharmacy services
- 176.7k Mobile Services Users in 2023 (+27% y-o-y)

Al Suwaidi Hospital

Launched in 2015 and located in southwest Riyadh, Al Suwaidi Hospital boasts 300 rooms and 100 outpatient clinics. Only 200 rooms of the hospital's total capacity are operational, leaving ample room for strategic expansion within the hospital. Al Hammadi plans to leverage this extra capacity to attract more middle-upper class patients who currently opt for cheaper alternatives by introducing discount packages. The hospital is renowned for its stellar service and highly trained medical professionals.

Patient Class Mix 2023

Class	Percentage
B	55%
B+	27%
A	17%
VIP	1%

300

Inpatient Rooms

100

Outpatient Clinics

13

Operating Rooms

Specializations

- Cardiology
- Pediatrics
- Dermatology
- Obstetrics and Gynecology

Additional Services

- In-house pharmacy services
- 74.3k Mobile Services Users in 2023 (+58% y-o-y)

The Group's ambitious growth plans will see it add 400 rooms and 240 clinics by 2028 to capitalize on the city's growing healthcare demand

Al Suwaidi Hospital

Al Hammadi is looking to leverage Al Suwaidi's spare capacity to attract additional patients who currently choose cheaper healthcare alternatives in the area with new discounted packages.

120
Non-operating Rooms
20
New Clinics

Olaya Hospital

Originally launched in 1985, Olaya is Al Hammadi's first hospital consistently delivering high-quality services until its temporary closure in 2021. Following the completion of the planned renovations, the hospital will house two new centers of excellence, with specializations in sports medicine and oncology.

200
New Rooms
120
New Clinics
2
Centers of Excellence

Al Narjis Hospital

The Group plans to open its fourth portfolio hospital in 2028, located in the Al Narjis area of Riyadh, and housing two centers of excellence focused on rehabilitation and plastic surgery.

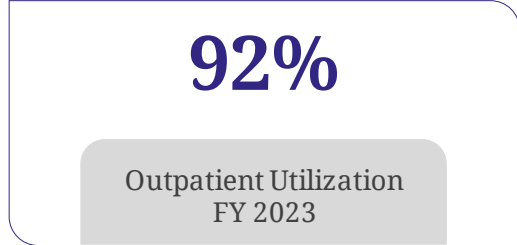
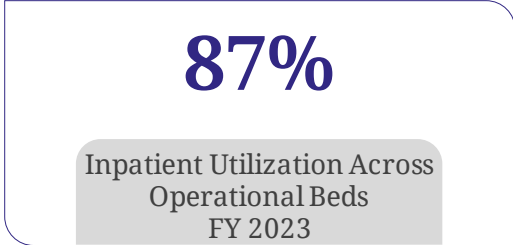
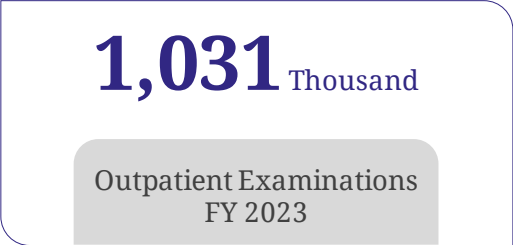
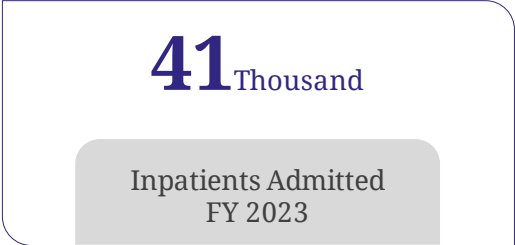
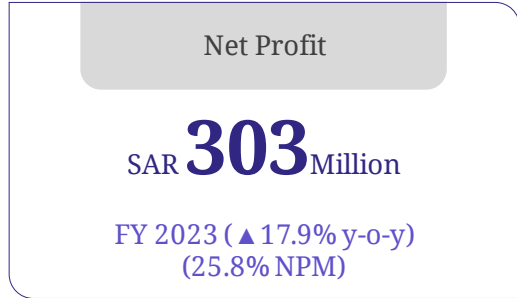
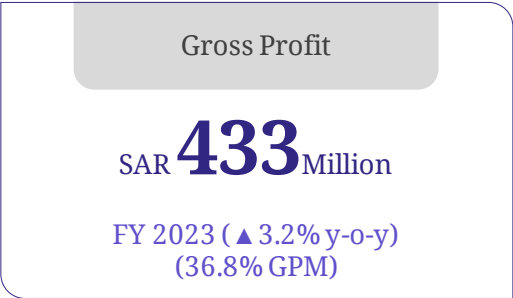
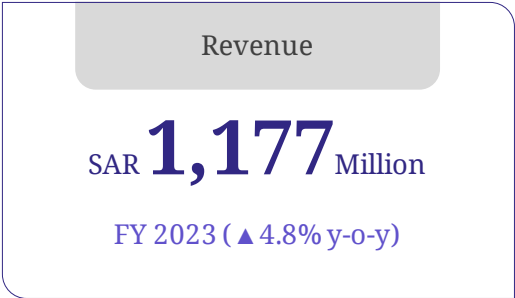
200
New Rooms
120
New Clinics
2
Centers of Excellence



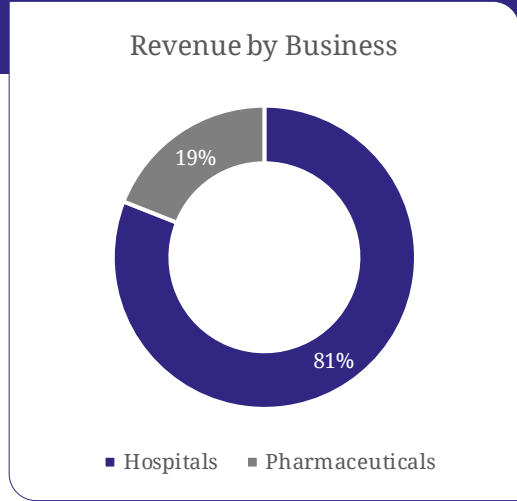
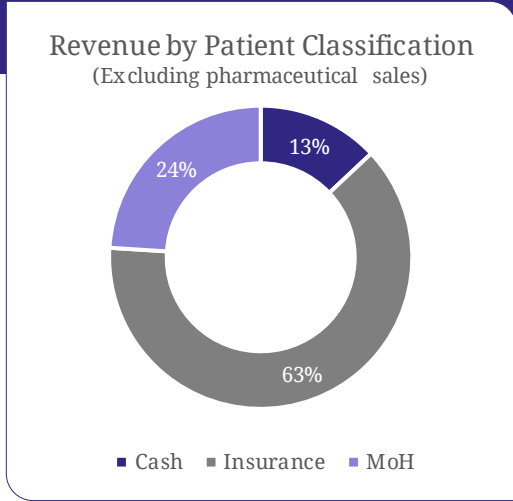
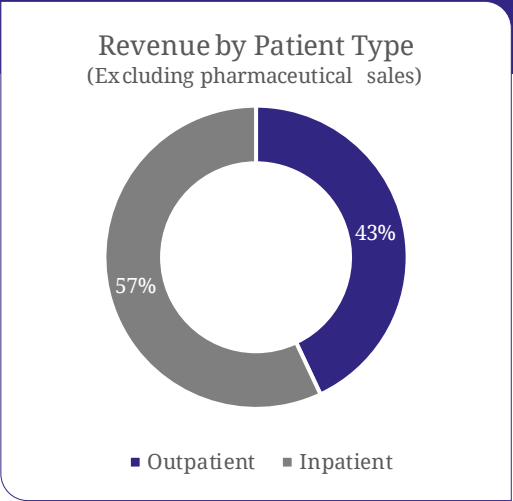
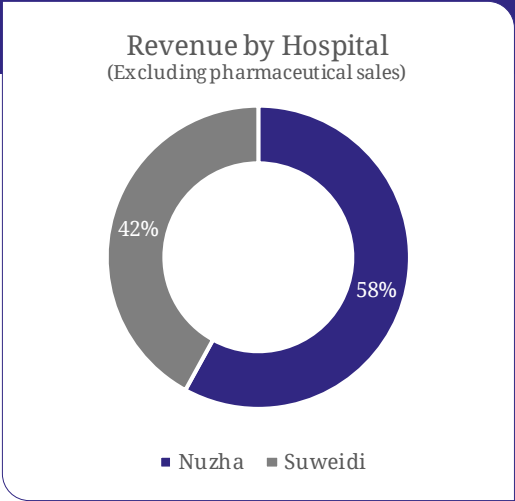
FY 2023 Results Overview

FY 2023 Results Snapshot

Al Hammadi delivered strong financial results throughout 2023 driven by solid revenue growth and efficient cost management strategies

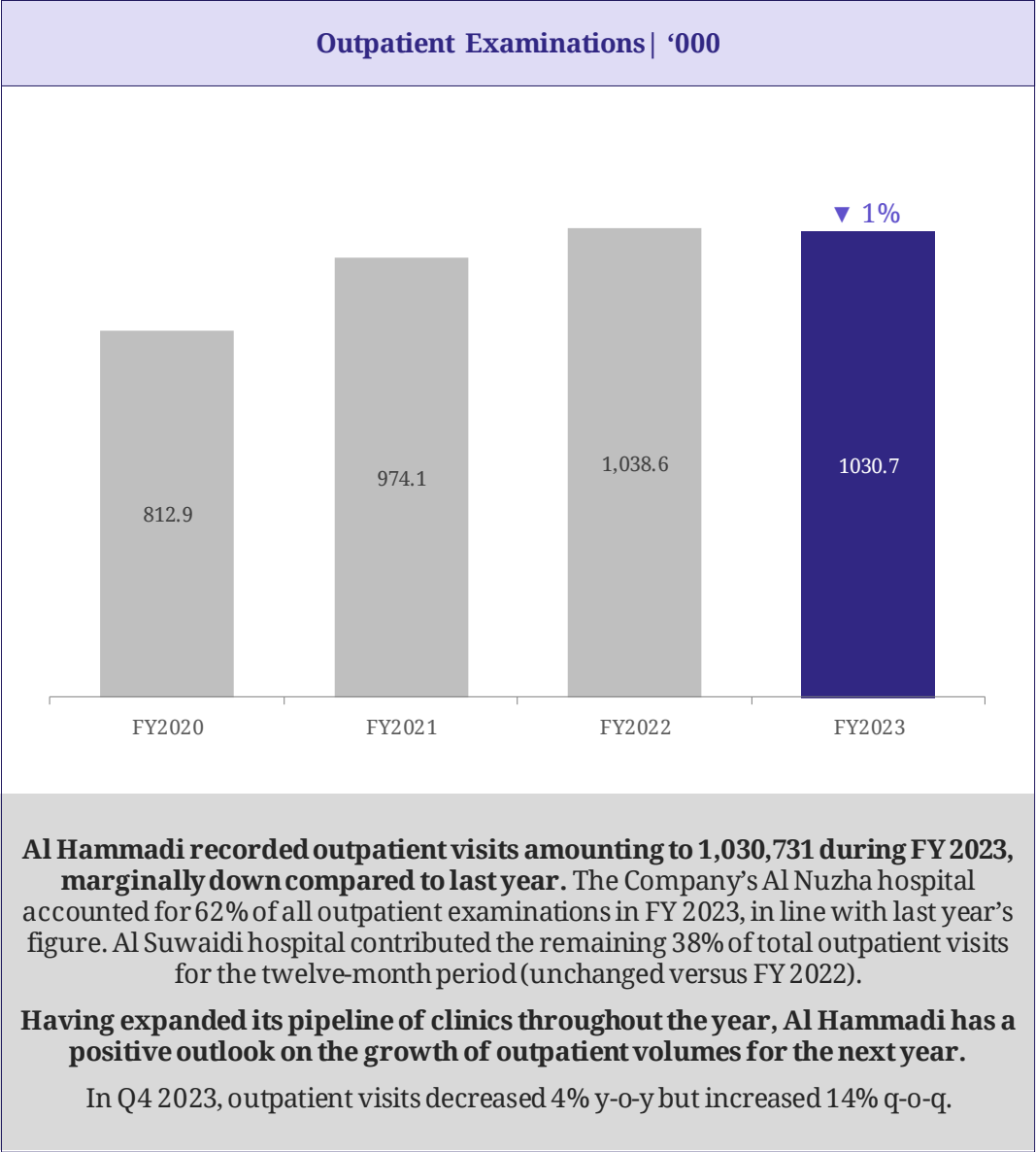
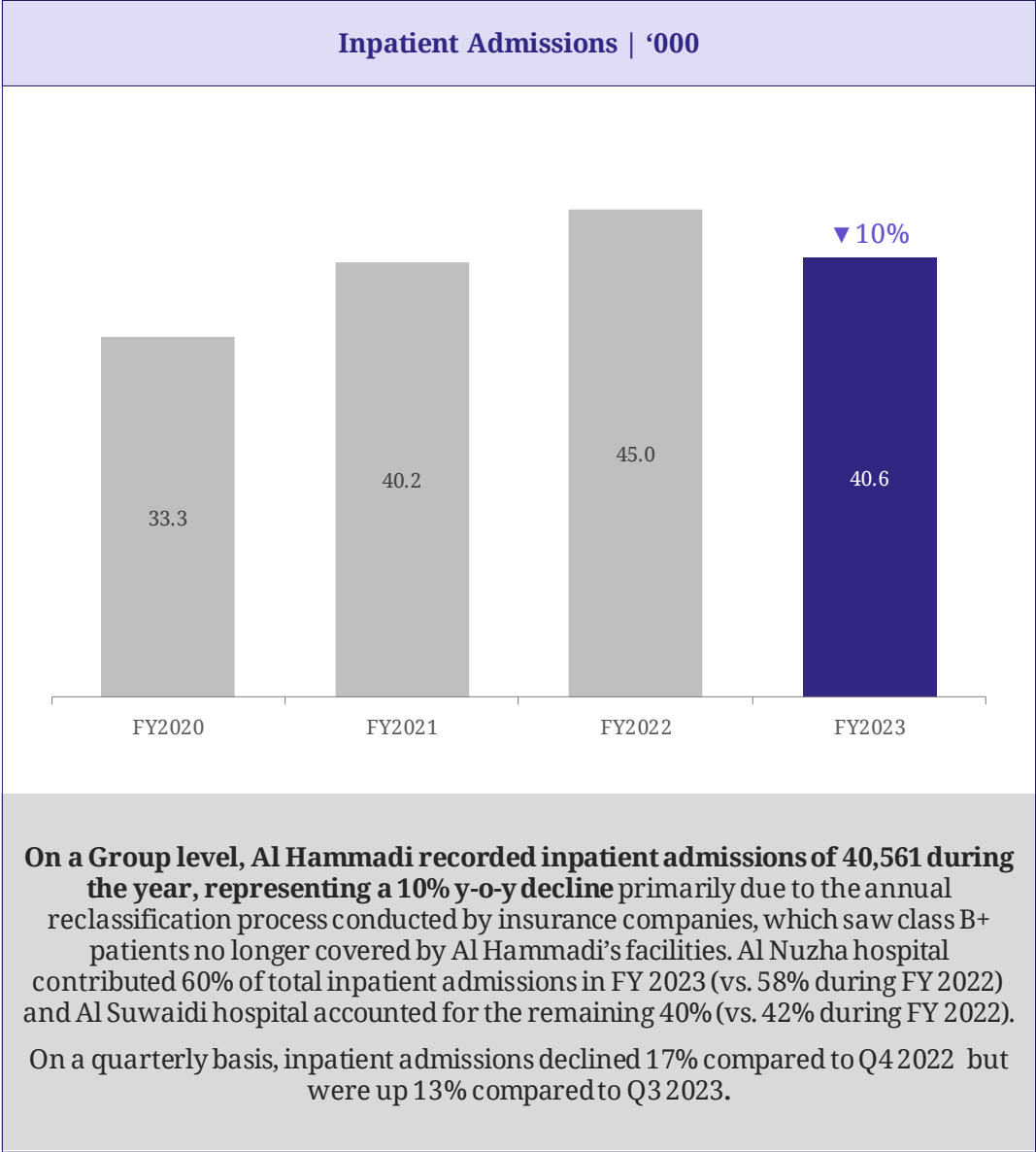


Revenue Contribution Breakup



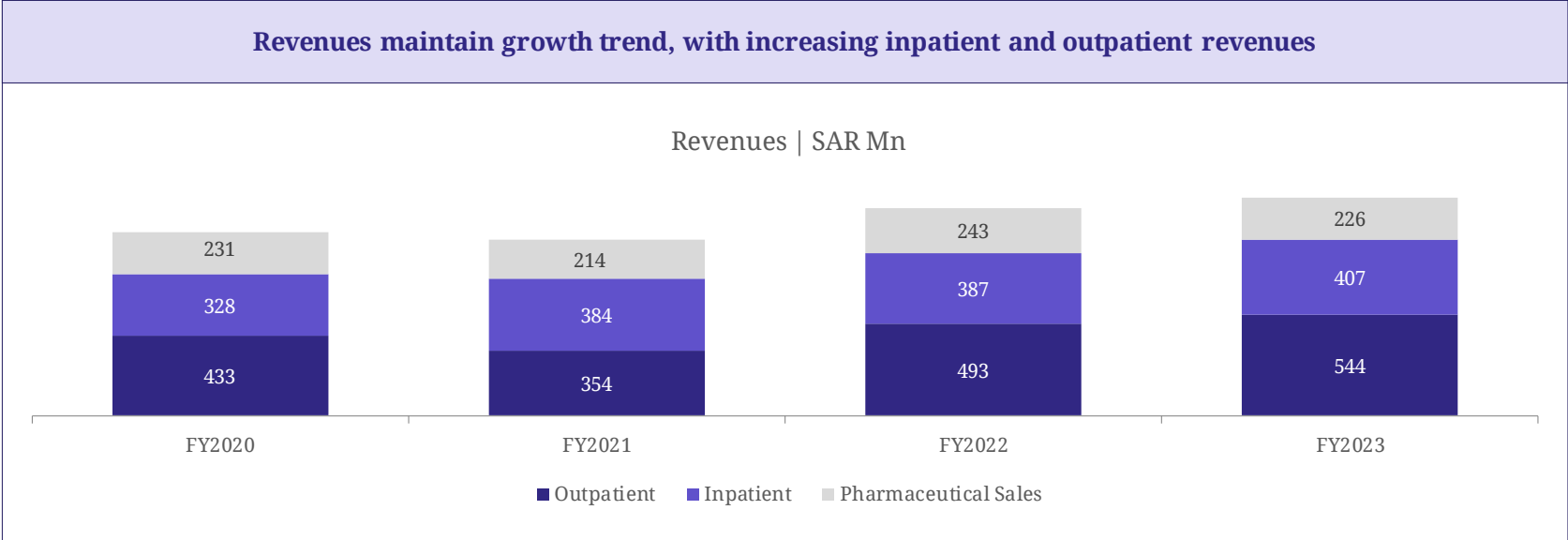
FY 2023 Operational Review

Inpatient volumes declined in 2023 compared to last year and outpatient examination decrease marginally versus the comparable period of 2022



FY 2023 Consolidated Financial Performance (I/III)

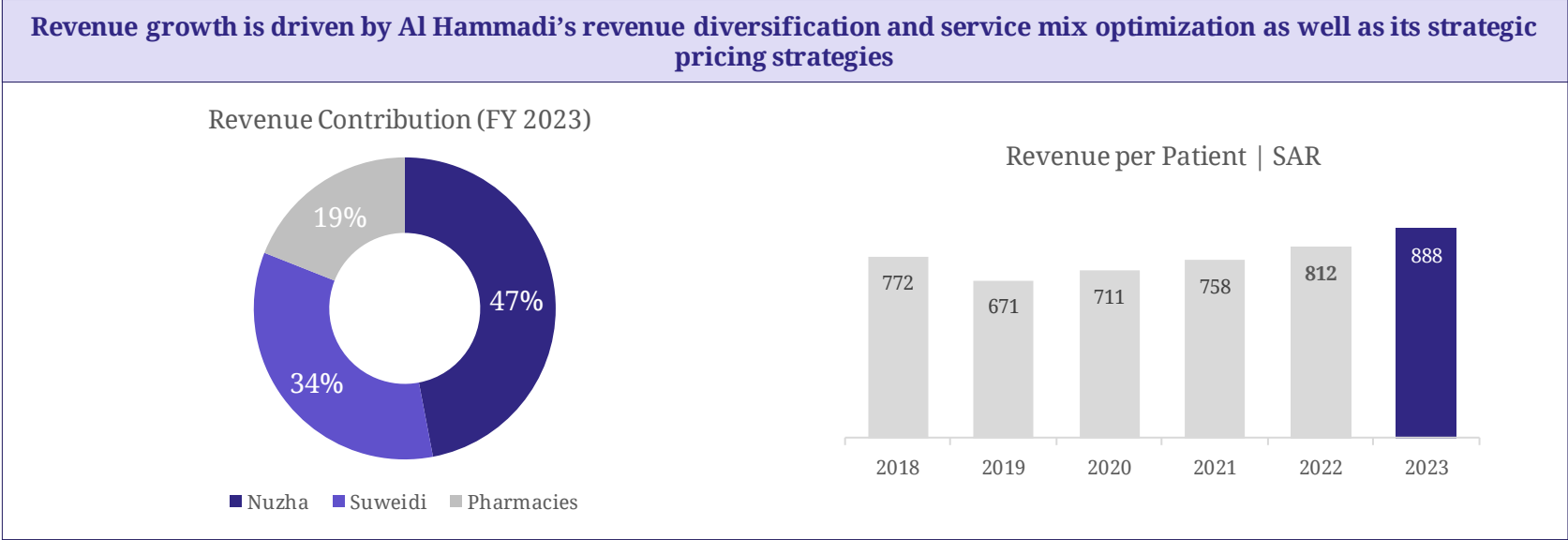
Revenue growth for the year was fueled by strong revenues across Al Hammadi’s medical services and in-house pharmacies



Average Revenue per Inpatient

SAR 13,405

(FY 2023)



Average Revenue per Outpatient Visit

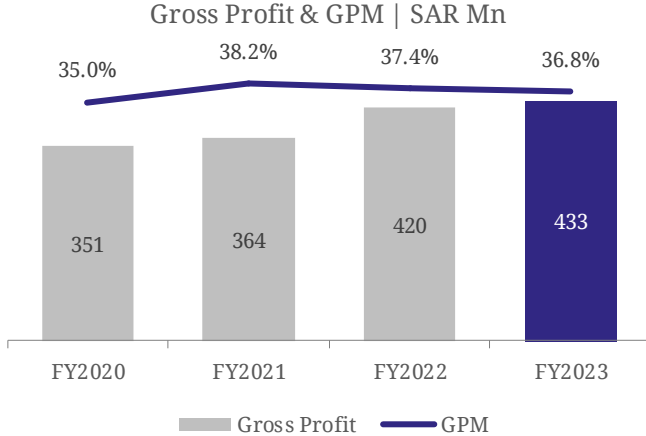
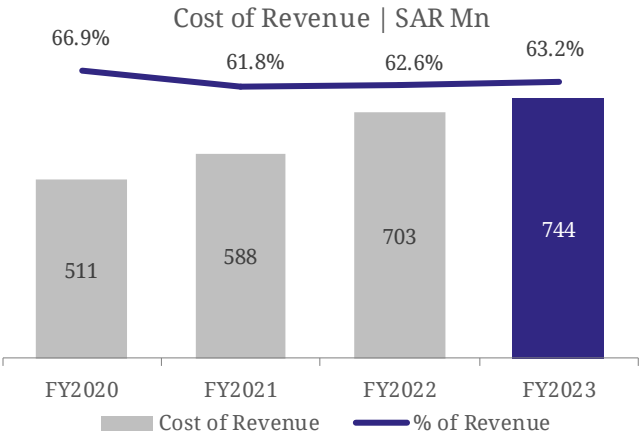
SAR 395

(FY 2023)

FY 2023 Consolidated Financial Performance (II/III)

Bottom-line profitability came on the back of robust top-line growth coupled with a significant decrease in costs at the SG&A level and a notable 65% y-o-y reduction in expected credit loss provisions

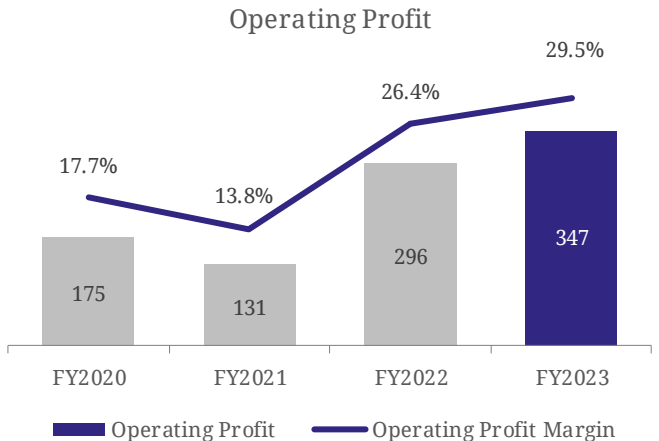
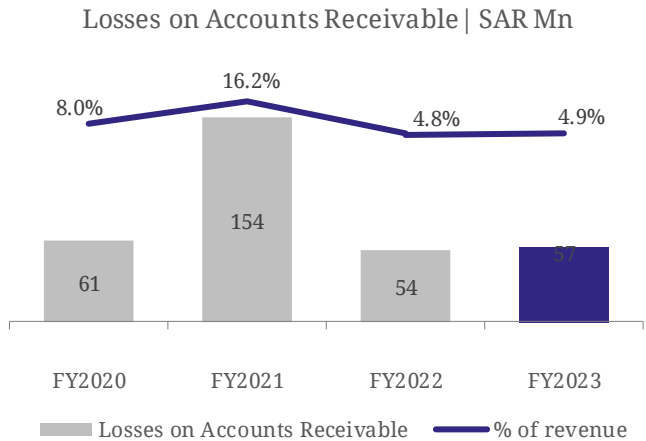
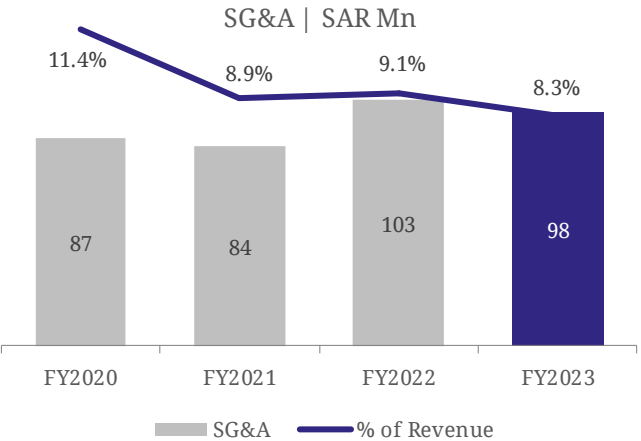
Cost management successfully reduced general and operating expenses as a share of revenues in line with previous year and the Company's historical averages



Gross profit for the year recorded SAR 433 million, a 3% y-o-y increase from FY 2022. Gross profit margin (GPM) recorded 37% in FY 2023 at par with last year's figure.

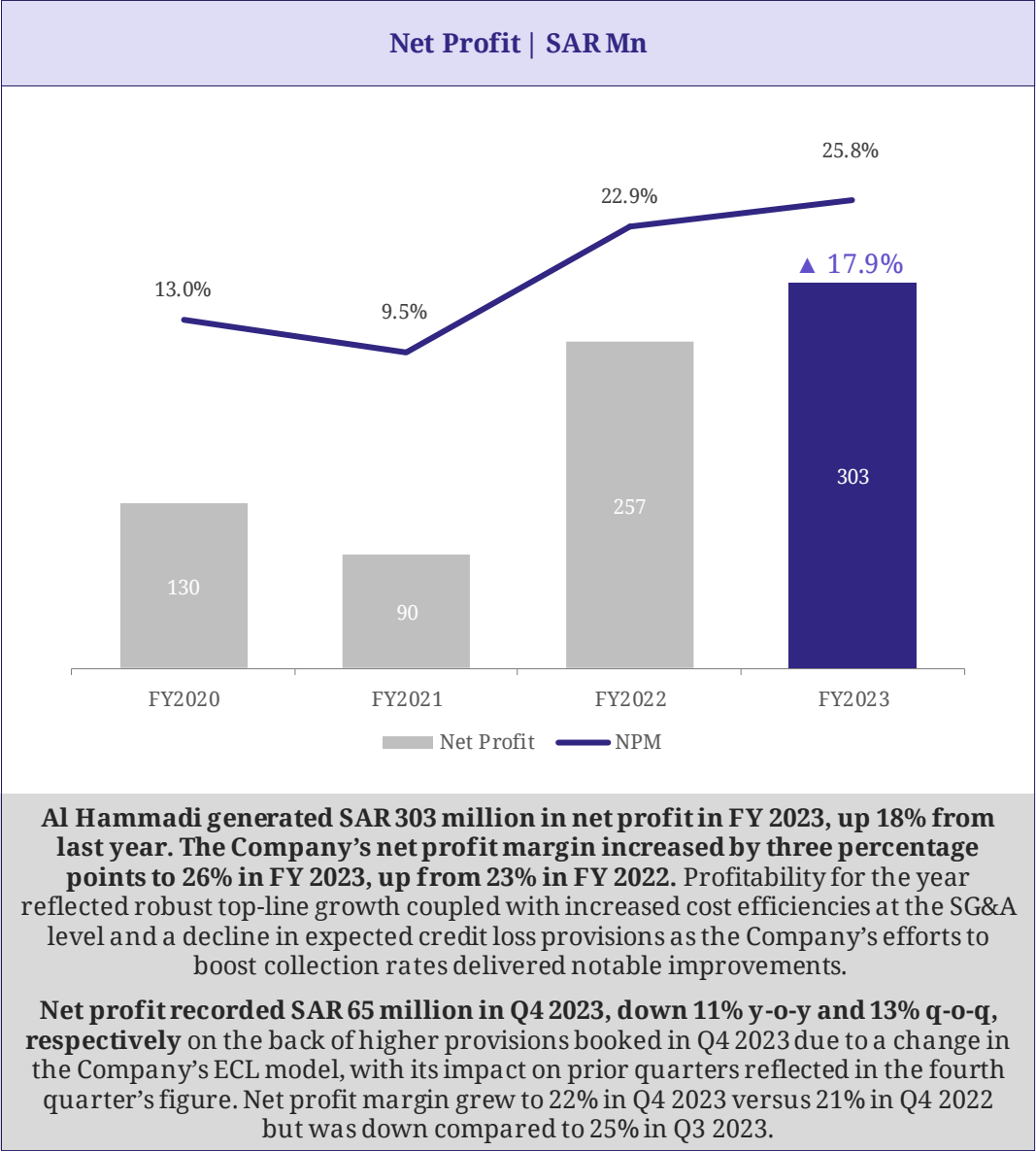
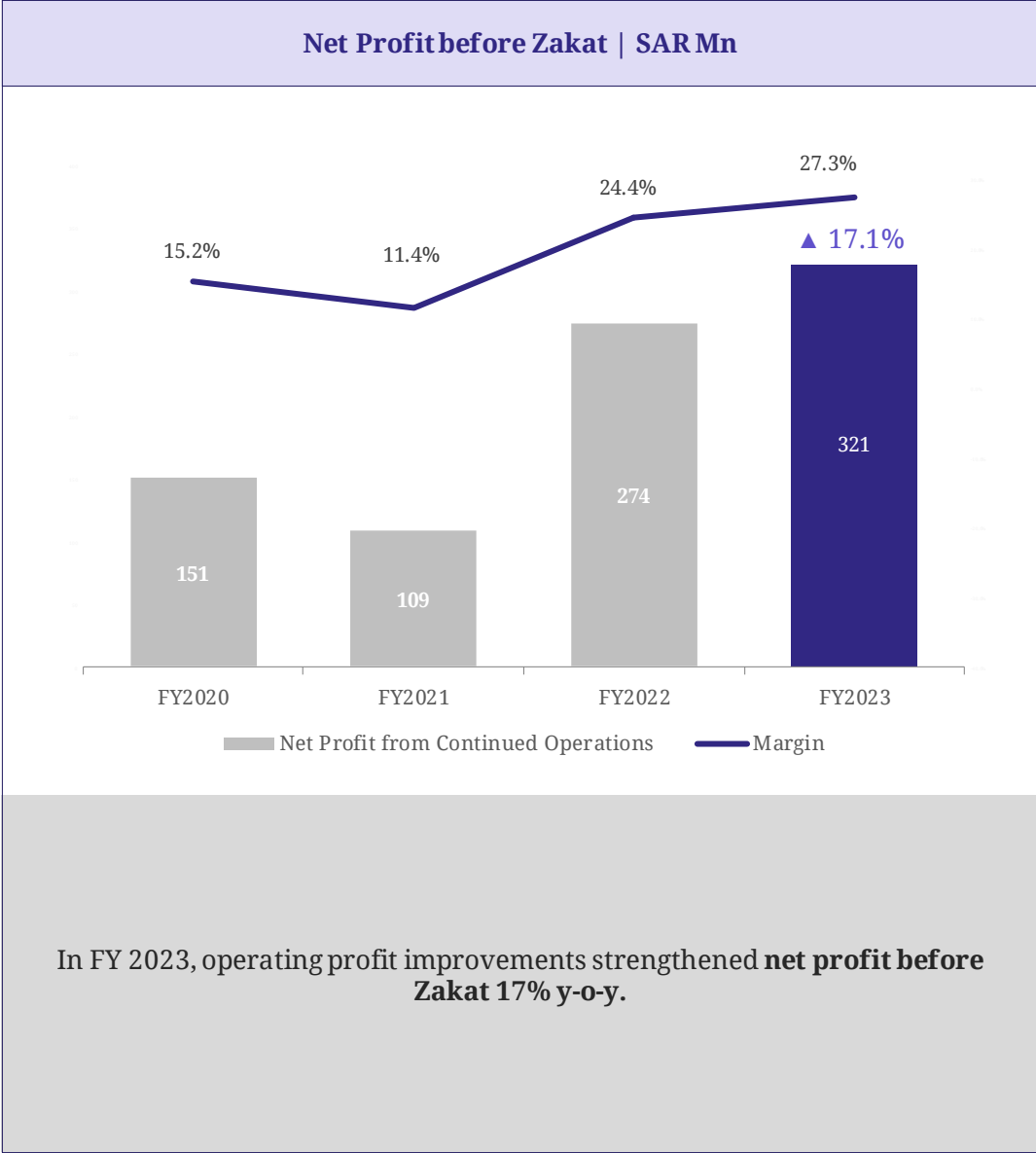
On a quarterly basis, gross profit recorded a 17% y-o-y and 6% q-o-q decline, while GPM recorded 35% in Q4 2023 versus 37% in Q4 2022 and 38% in Q3 2023.

Profitability for the period was boosted by a solid top-line and cost efficiency measures, coupled with a decline in expected credit loss provisions on the back of improved collection rates



FY 2023 Consolidated Financial Performance (III/III)

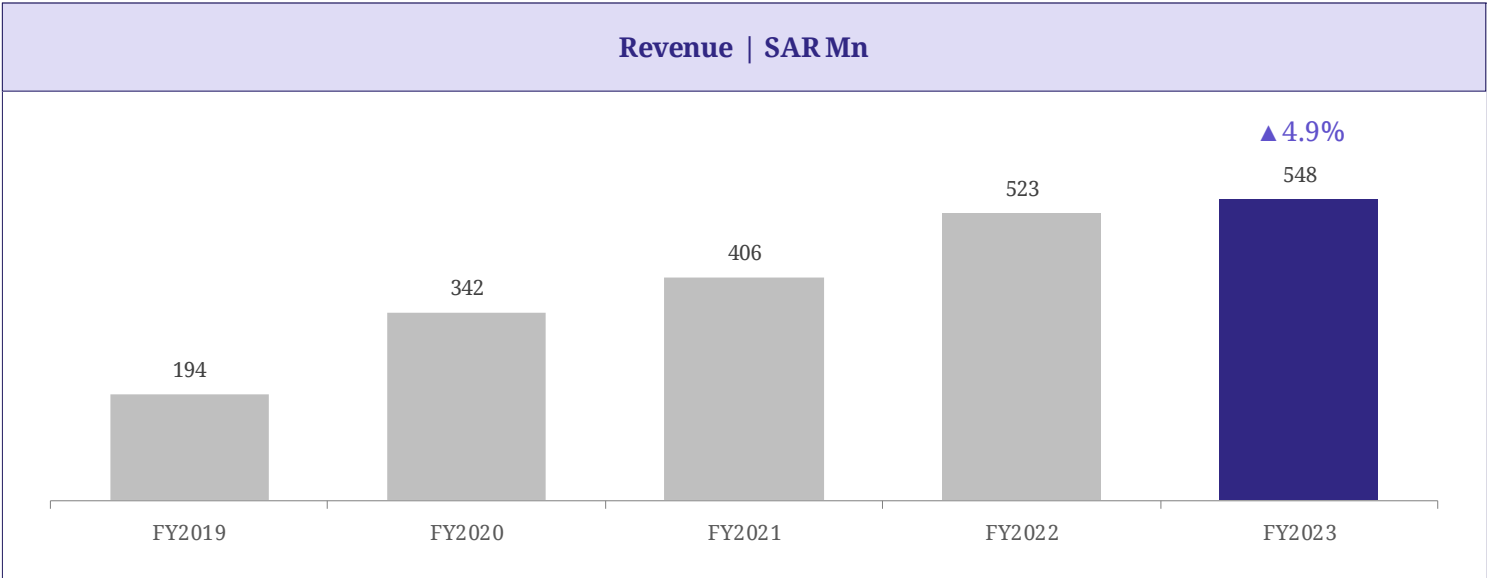
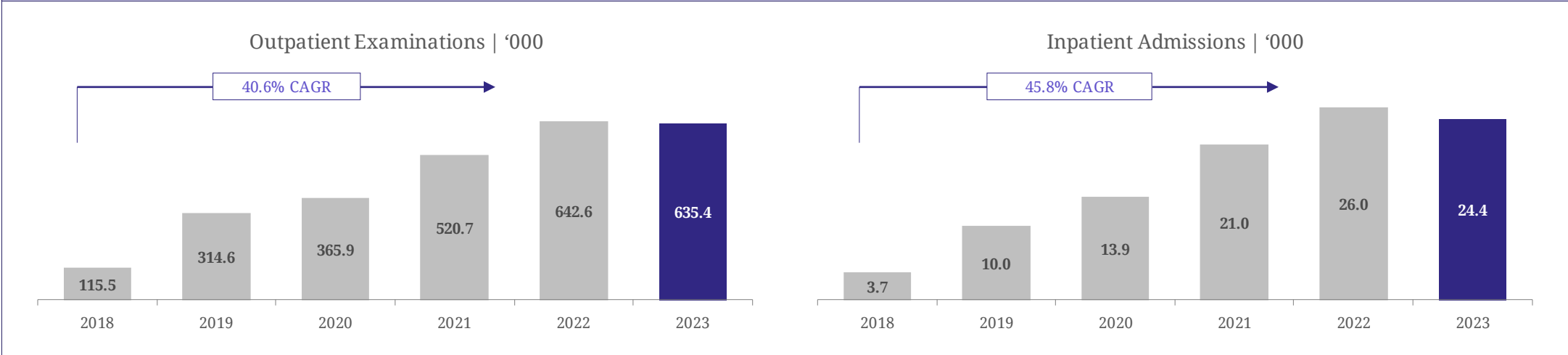
Robust revenues filtered down to the net profit level, which grew 18% y-o-y in 2023



Al Nuzha Hospital: FY 2023 Performance

Continued top-line growth reported despite lower patient volumes in 2023 as the company admitted a higher volume of complex cases throughout the year

Patient volumes slightly affected due to the reclassification of Al Hammadi's facilities with insurance companies



58%

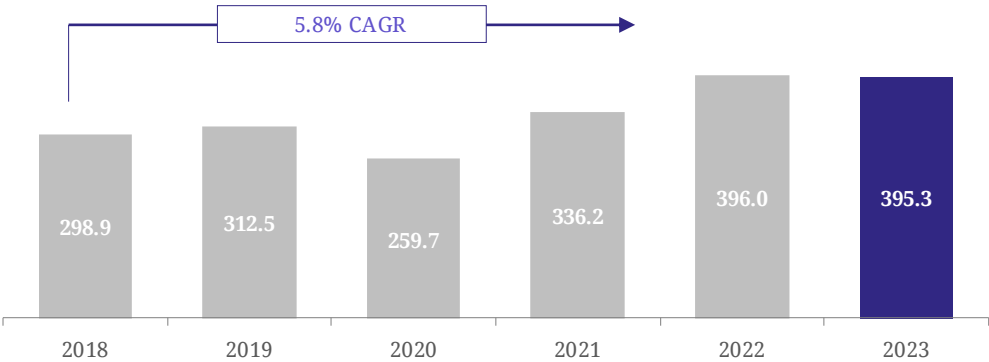
Contribution to total medical services revenue in FY 2023

Al Suwaidi Hospital: FY 2023 Performance

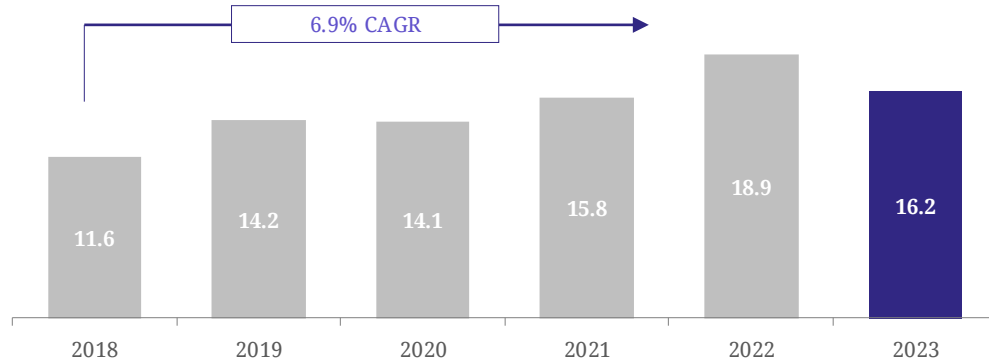
Al- Suwaidi's top-line grew despite lower volumes in 2023

Patient volumes slightly down due to the reclassification of Al Hammadi's facilities with insurance companies

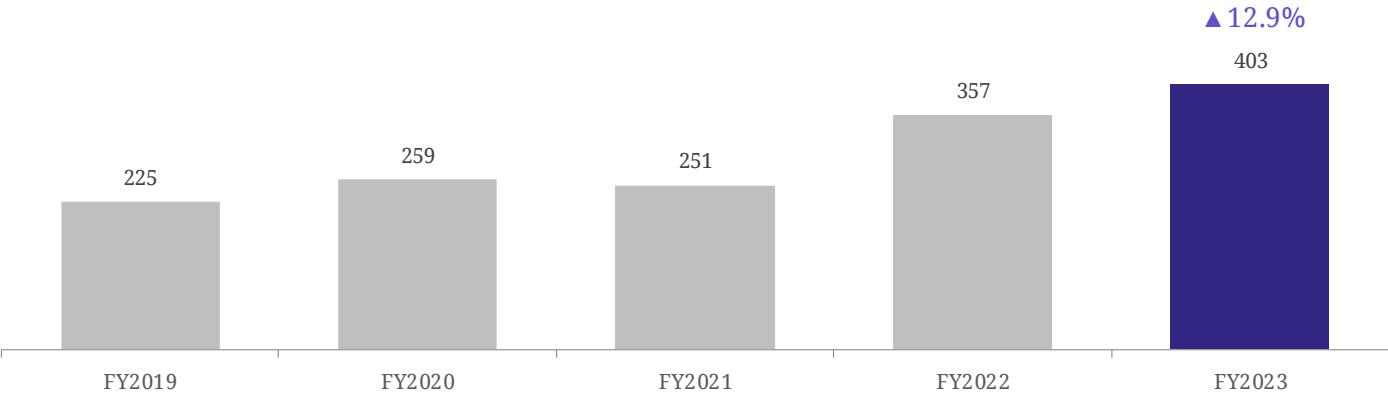
Outpatient Examinations | '000



Inpatient Admissions | '000



Revenue | SARMn

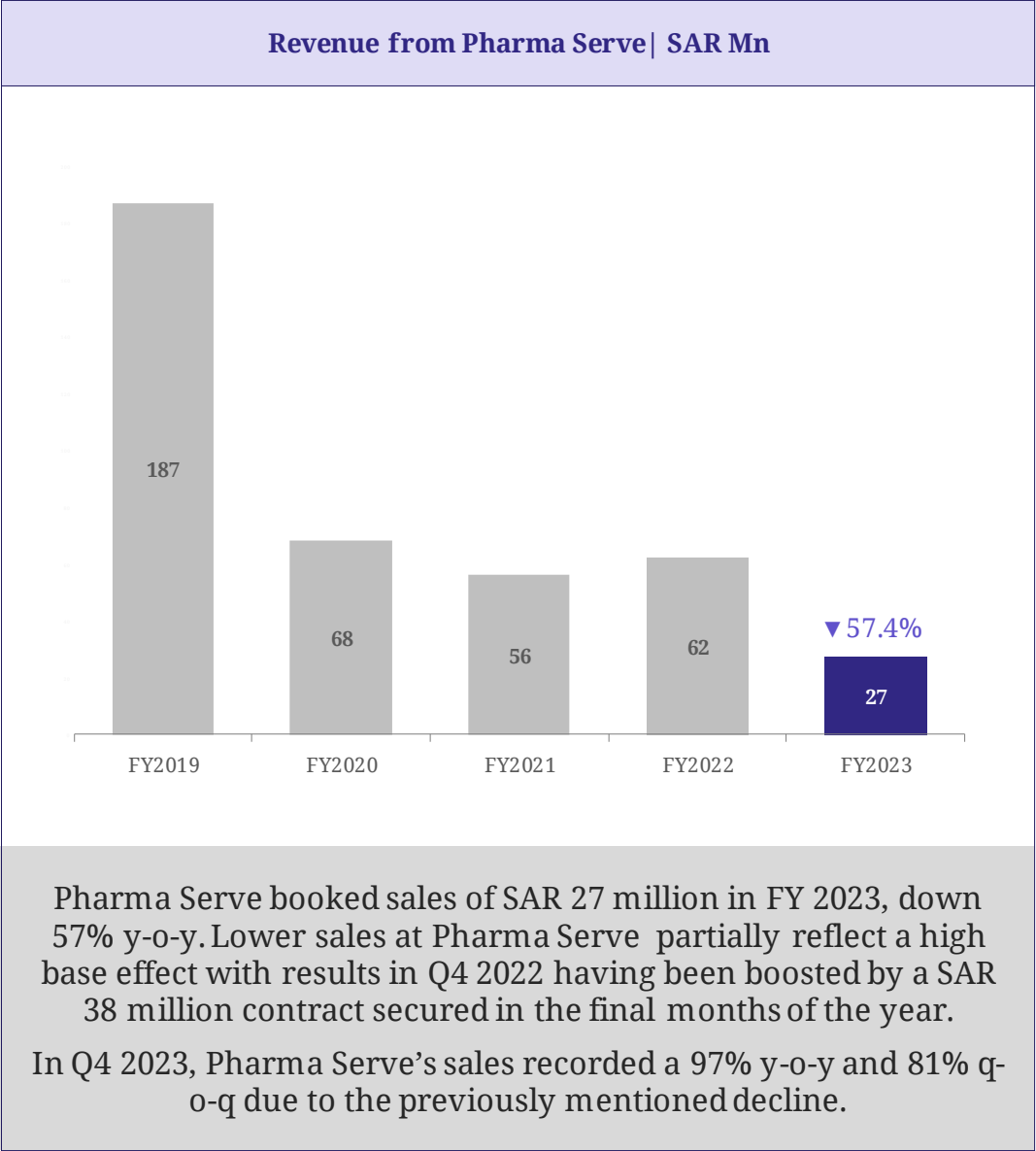
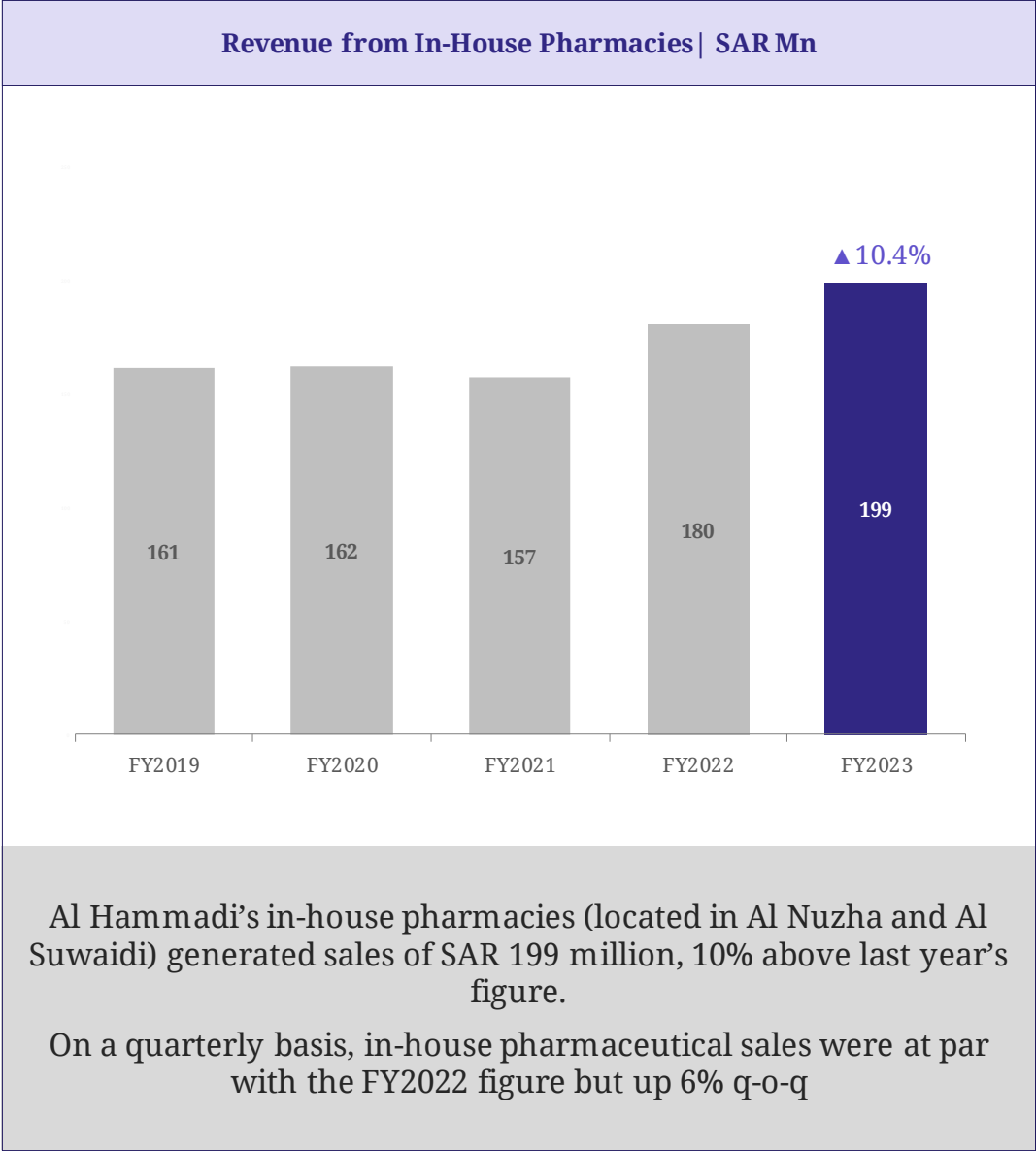


42%

Contribution to total medical services revenue in FY 2023

Pharmaceuticals: FY 2023 Performance Review

Al Hammadi’s pharmaceutical sales contributed 19% of consolidated revenues, recording SAR 226 million for in 2023





Appendix

FY 2023 Consolidated Income Statement

SAR mn	Q4 2022	Q4 2023	Y-o-Y Change	FY 2022	FY 2023	Y-o-Y Change
Revenue	342.6	303.7	-11.4%	1,122.4	1,176.8	4.8%
Cost of revenue	(214.6)	(197.2)	-8.1%	(702.7)	(743.6)	5.8%
Gross Profit	128.0	106.4	-16.8%	419.7	433.1	3.2%
<i>GPM</i>	37.4%	35.1%	2.3pts	37.4%	36.8%	-0.6pts
Selling and marketing expenses	(4.9)	(3.5)	-29.2%	(10.2)	(9.3)	-9.4%
Administrative and general expenses	(29.1)	(15.5)	-46.8%	(92.3)	(88.6)	-4.0%
Expected credit loss provision	(18.7)	(25.4)	35.4%	(54.3)	(19.0)	-65.0%
Impairment loss on investment in subsidiaries	-	(3.1)	-	-	(3.1)	-
Other operating income	6.3	12.0	89.1%	29.0	29.4	1.5%
Share of profit in subsidiaries	0.5	2.9	-	4.1	4.2	2.7%
Operating Profit	82.1	74.0	-10.0%	295.9	346.8	17.2%
<i>Operating profit margin</i>	24.0%	24.4%	0.4pts	26.4%	29.5%	3.1pts
Finance costs	(7.2)	(6.1)	-14.1%	(21.7)	(25.8)	18.9%
Net profit before Zakat	75.0	67.8	-9.6%	274.2	321.0	17.1%
Zakat expenses	(1.8)	(2.6)	-	(16.8)	(17.6)	-
Net profit for the period	73.2	65.2	-10.9%	257.3	303.3	17.9%
<i>NPM</i>	21.4%	21.5%	0.1pts	22.9%	25.8%	2.8%
Earnings per share:	0.46	0.41	-10.9%	1.61	1.90	17.9%

FY 2023 Consolidated Balance Sheet

SAR mn

31 December 2022

31 December 2023

ASSETS	31 December 2022	31 December 2023
Non-current assets		
Property and equipment	1,606.2	1,658.6
Advance payments for acquisition of property and equipment	95.8	-
Intangible assets and goodwill	28.5	23.7
Investment in associates	124.2	128.4
Total non-current assets	1,854.8	1,810.7
Current Assets		
Inventories	56.2	56.6
Other receivables	7.2	9.8
Prepayments	14.8	21.8
Contract assets	7.3	9.5
Trade receivables	481.1	560.8
Cash and cash equivalents	60.6	125.2
Total current assets	627.1	783.8
TOTAL ASSETS	2,481.8	2,594.4
SHAREHOLDER'S EQUITY AND LIABILITIES		
SHAREHOLDER'S EQUITY		
Share capital	1,600.0	1,600.0
Statutory reserve	37.0	67.4
Retained earnings	73.5	177.6
TOTAL SHAREHOLDER'S EQUITY	1,710.6	1,844.9
LIABILITIES		
Non-current liabilities		
Loans	203.0	163.8
Government grants	114.9	105.8
Lease liabilities	114.5	108.0
Employees' terminal benefits	78.8	88.2
Total non-current liabilities	511.2	465.9
Current liabilities		
Loans	29.2	28.7
Government grants	9.1	9.1
Lease liabilities	14.5	13.5
Accrued zakat	16.9	17.8
Trade payables	87.0	74.9
Accrued expenses	35.5	52.6
Other payables	25.0	28.3
Contract liabilities	42.8	58.5
Total current liabilities	260.1	283.6
TOTAL LIABILITIES	771.3	749.5
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	2,481.8	2,594.4

FY 2023 Consolidated Statement of Cash Flow

SAR mn	31 December 2022	31 December 2023
OPERATING ACTIVITIES		
Net profit	257.3	303.3
Adjustments to reconcile net profit to cash flow	-	-
Depreciation of property and equipment and right of use assets	96.7	97.0
Amortization of intangible assets	3.7	3.1
Losses on disposals from discontinued operations	-	-
Losses on disposals of property and equipment	-	1.5
Gain on disposals of right of use assets	-	(0.5)
Impairment losses of goodwill	-	3.1
Company share of profits from associate	(4.1)	(4.2)
Provision from slow-moving inventory	0.9	0.1
Impairment loss on trade receivables and other debit balances	54.3	19.0
Patient deposits	-	(6.5)
Government grants released	(17.4)	(9.1)
Current services cost of employees' terminal benefits	11.9	11.8
Reverse of legal provision	-	-
Contract liability generated during the period	45.5	47.4
Finance expenses	21.7	25.8
Zakat charge during the period	16.8	17.6
	487.4	509.6
Working capital adjustments	-	-
Inventories	(3.5)	(0.5)
Other receivables	(3.3)	(2.6)
Prepayments	(3.5)	(8.3)
Contract assets	(8.5)	6.4
Net changes in related parties	2.7	(8.6)
Trade receivables	(162.3)	(107.3)
Trade payables	17.5	(7.6)
Accrued expenses	12.8	17.1
Other payables	(4.3)	8.9
Contract liability	(55.0)	(31.7)
Employees' terminal benefits paid	(8.5)	(7.8)
Zakat paid	(18.2)	(16.7)
NET CASH GENERATED FROM OPERATING ACTIVITIES	253.3	351.0
INVESTING ACTIVITIES		
Purchase of property and equipment	(16.7)	(53.5)
Advance payments for acquisition of property and equipment	(95.8)	-
Cash proceeds from sale of property and equipment	-	-
Purchase of intangible assets	(0.1)	(1.3)
Investment in associate	-	-
NET CASH USED IN INVESTING ACTIVITIES	(112.6)	(54.8)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	146.2	54.1
Repayment of bank and government borrowings	(135.0)	(102.8)
Lease liability paid	(8.2)	(11.7)
Finance cost paid	(5.1)	(4.0)
Dividends paid	(199.0)	(167.1)
NET CASH USED IN FINANCING ACTIVITIES	(201.0)	(231.5)
Net change in cash and cash equivalents	(60.3)	64.6
Cash and cash equivalents at the beginning of the period	120.9	60.6
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	60.6	125.2