



**Al Hammadi
Holding**

Al Hammadi Holding

Results Presentation

9M 2024



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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...

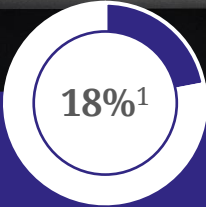
An Integrated Healthcare Company



82%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 four years, more than doubling its inpatient and outpatient capacity.



18%¹

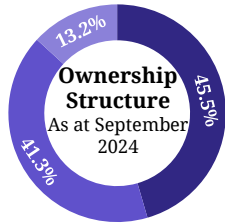
Pharmaceuticals

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, and in the pharmaceutical manufacturing space through Sudair Pharma Company (SPC), in which Al Hammadi holds a 35% stake.

 600 Inpatient Rooms	 26 Operating Rooms	 220 Outpatient Clinics
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 2 In-hospital Pharmacies	 2 Pharmaceutical Production Lines (insulin and respiratory medicines) at SPC
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Our Accreditations



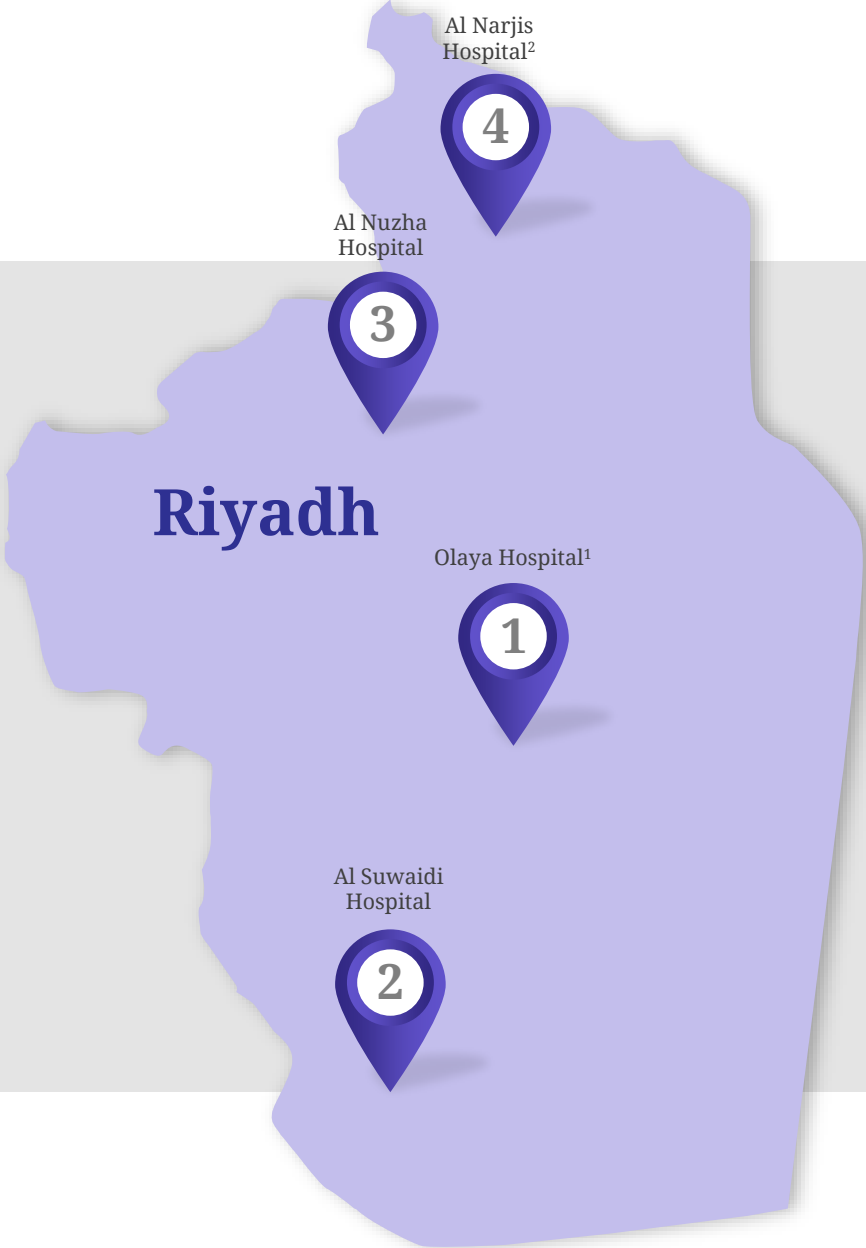
- Al Hammadi Family
- Institutional Investors
- Individual Investors

¹Share of 9M 2024 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.

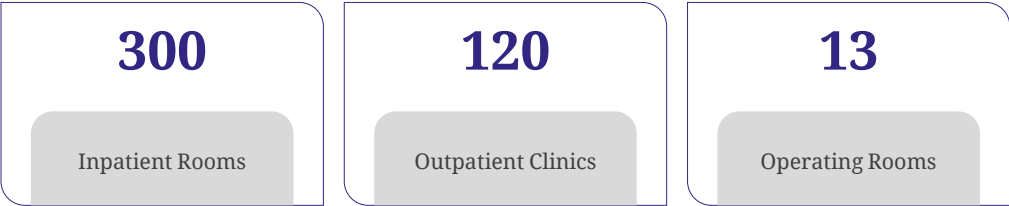


1. Temporarily closed for renovations and planned to reopen in 2026
2. Planned launch in 2028

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.



Specializations

Cardiology	Endocrinology
Orthopedics	Bariatric Surgery

Additional Services

In-house pharmacy services
176.7 k Mobile Services Users in FY 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.



Specializations

Cardiology	Dermatology
Pediatrics	Obstetrics and Gynecology

Additional Services

In-house pharmacy services
74.3 k Mobile Services Users in FY 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 (Scheduled for roll out in December 2024)

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



Market Overview

Guided by the Health Sector Transformation Plan, Saudi Arabia is developing a healthcare sector that is more comprehensive, effective, and integrated

Some of Vision 2030 key healthcare targets



Boost access to healthcare and insurance



Increase life expectancy



Localize medical and pharmaceutical supply chains



Digitize healthcare

The government is looking to shift provision of healthcare increasingly to the private sector

The private sector is being called to **help bridge the existing supply gap**, drive innovation, and support care quality enhancements. As part of the government’s **privatization** strategy, PPPs are becoming an increasingly popular operating model across the healthcare sector.

SAR **145** Billion

Estimated private sector healthcare contribution in 2030 (vs. SAR 72 billion in 2020)

50%

Targeted private sector participation in healthcare (vs. 20% currently)

Strong focus on accelerating growth in insured lives

Private health insurance is set to achieve a fivefold increase in the coming years, driven by population growth, better employment trends (Saudization, job creation, etc.) and other supporting factors (holders of premium residency, higher number of tourists, etc.).

5x

Growth in private health insurance

54%

Of population covered by health insurance by 2030 (vs. 32% in 2023)

Locally producing critical pharmaceuticals and medical supplies is a key target

As part of its manufacturing localization strategy, the government **has identified pharmaceuticals and medical supplies as two of its nine key sectors of focus and high potential.**

40%

Targeted localization of pharmaceutical manufacturing by 2030

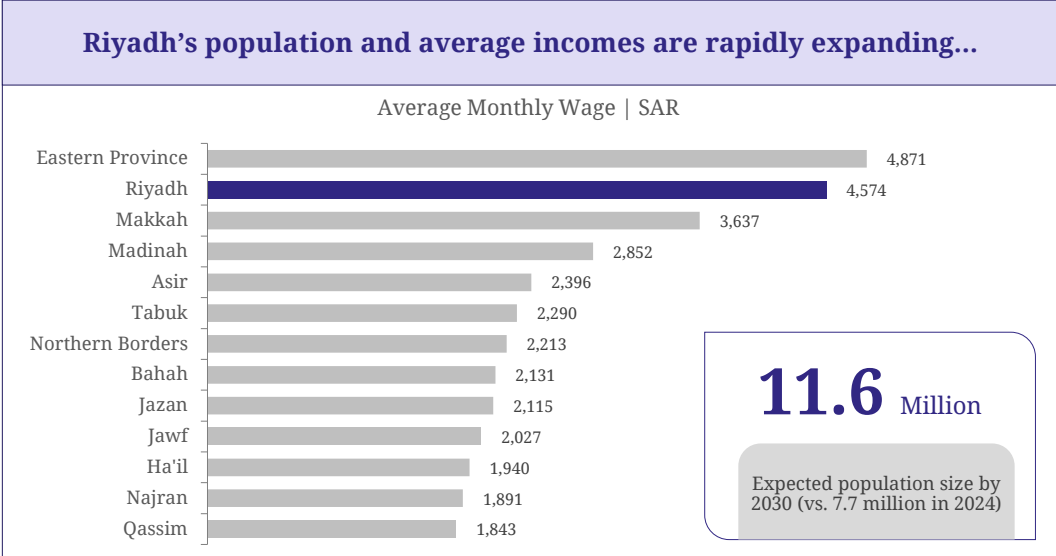
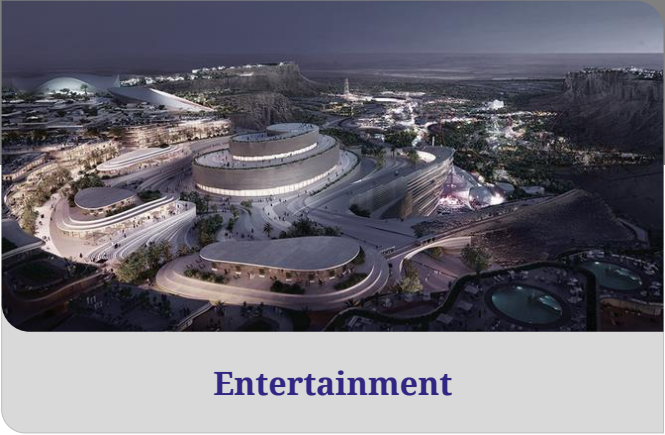
15%

Targeted localization of medical supplies manufacturing by 2030

Sources: Saudi Vision 2030, Saudi Arabia’s Ministry of Health, Saudi Arabia Council for Health Insurance, National Industrial Development and Logistics Program (NIDLP), Jadwa Investment, and EFG Hermes

Riyadh stands at the center of Vision 2030 as the city works to become a regional hub of business, culture and entertainment...

Riyadh stands as Vision 2030's poster child, aiming to become a regional hub for



...supported by a wide range of public and private sector initiatives

HQ Relocation

With international companies having to relocate regional headquarters to the Kingdom, many are choosing Riyadh as their new home.

Megaprojects

10 mega projects have been announced in Riyadh which over the coming years are expected to boost the city's economy, employment, and ultimately tourism.

Expo 2030

Riyadh is gearing up to host Expo 2030 which is expected to attract more than 40 million visitors in the space of six months.

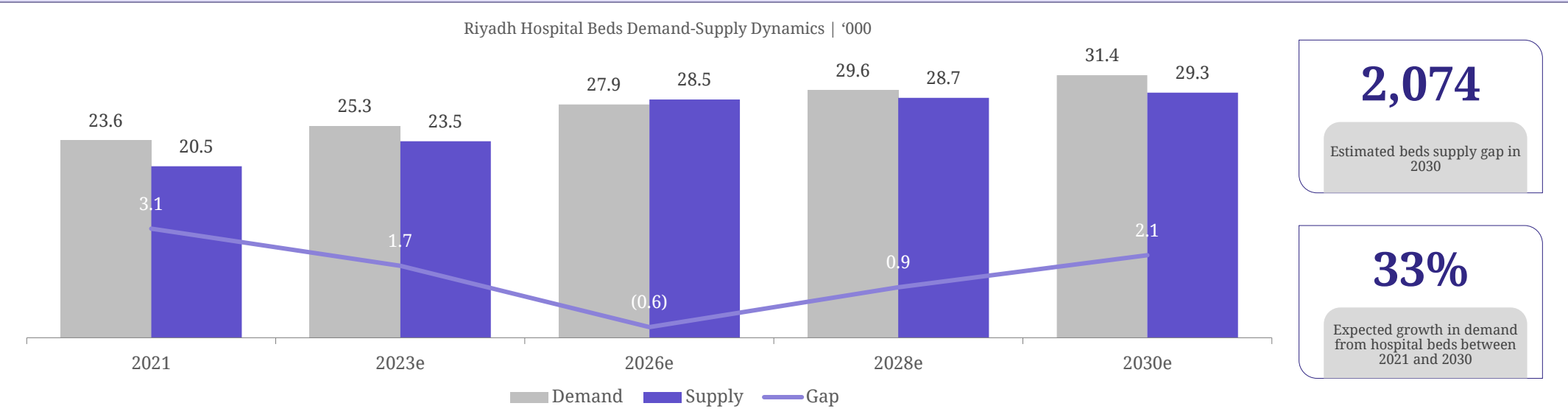
Residency Schemes

Multiple new residency schemes have been launched to attract expatriates to Saudi Arabia and particularly Riyadh.

Sources: Saudi Vision 2030 and the General Authority for Small and Medium Enterprises: Business Atlas 2024

Rapid movement of people and capital to the city is driving up demand for high-quality healthcare, opening up the door to vast growth opportunities for the private sector

Rising population, income, insurance penetration levels is putting pressure on healthcare providers with the supply gap for hospital beds widening as we head towards 2030



Supply gap to persist despite large investment commitments from major private players in the city

Dr. Sulaiman Al Habib Group

The Group has planned major expansions in Riyadh. This will include the upgrading of one facility, Al Hamra Hospital, and the opening of four new facilities, with Shamal Al Riyadh being its largest project (500-bed capacity).

Al Hammadi Holding

Is looking to inaugurate two new facilities adding more than 400 beds to its existing capacity. The two hospitals will also house 240 new outpatient clinics.

Dallah Healthcare

Will launch a new hospital with a planned capacity of 250 beds and expand two existing ones to add a total of around 350 beds to its existing portfolio.

Fakeeh Care Group

Has recently inaugurated a new 200-bed facility in the capital city.

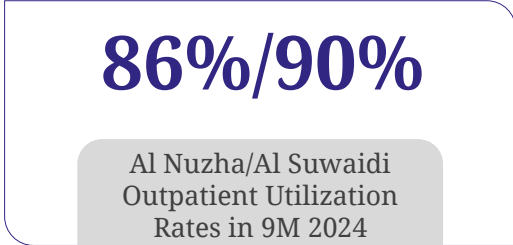
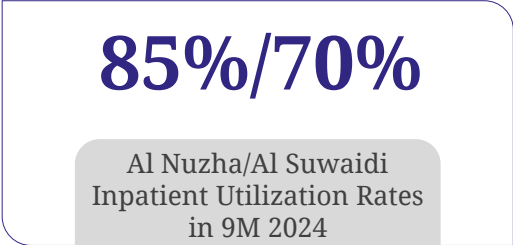
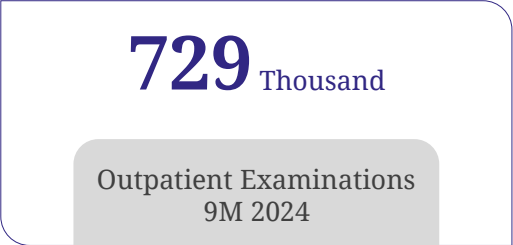
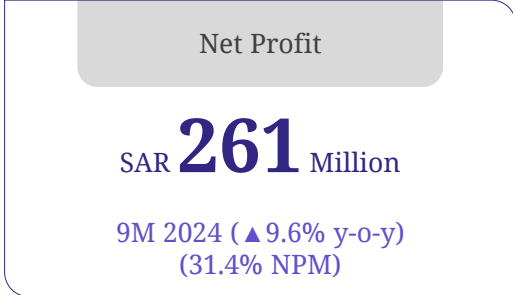
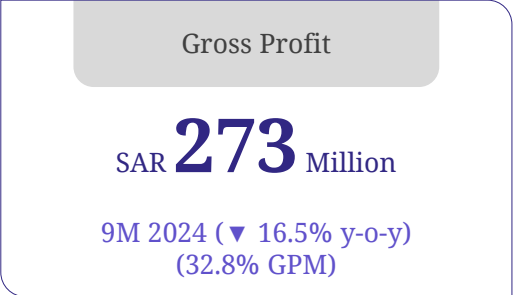
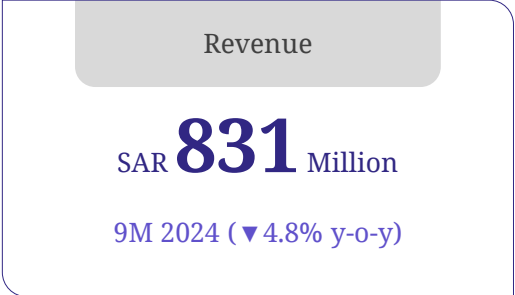
Sources: Saudi Arabia's Ministry of Health (MoH), MEED, Company Annual Reports, JLL Healthcare Analysis



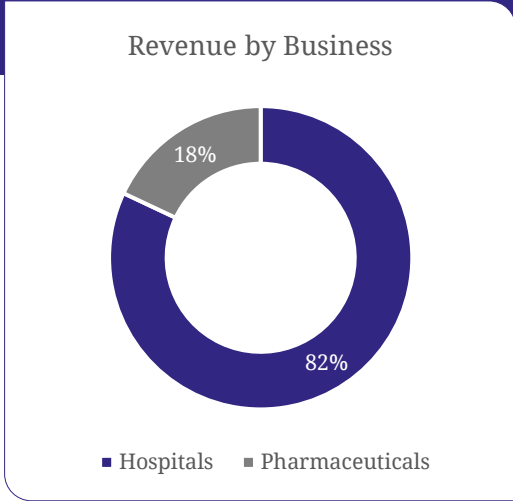
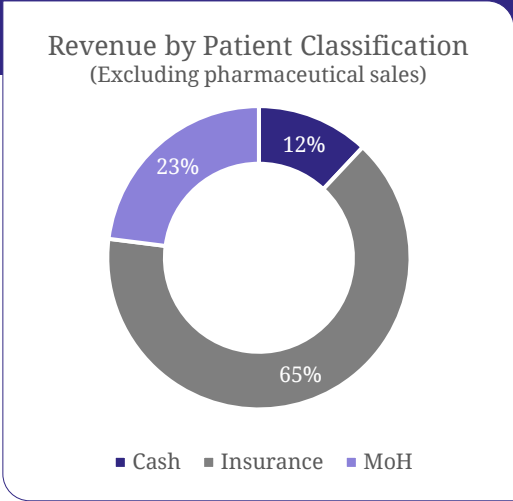
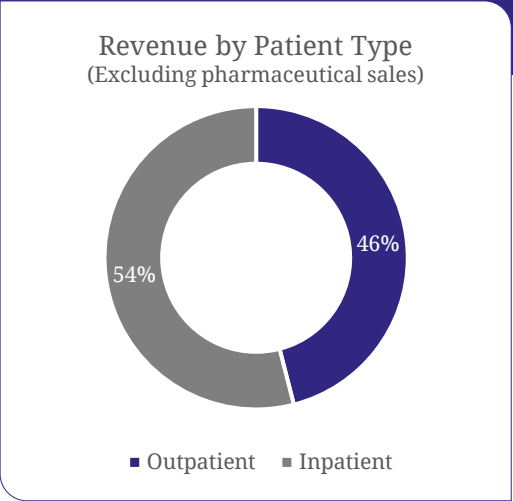
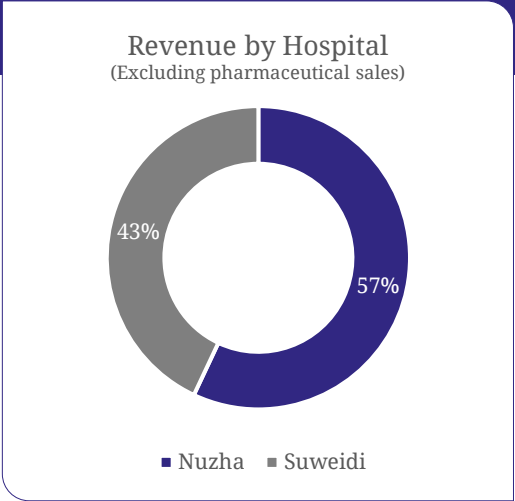
9M 2024 Results Overview

9M 2024 Results Snapshot

Al Hammadi reported improving financial and operational performance in 9M 2024, supported by a robust third quarter which saw significant improvements in patient volumes following the strategic price adjustments rolled out at the start of the year.

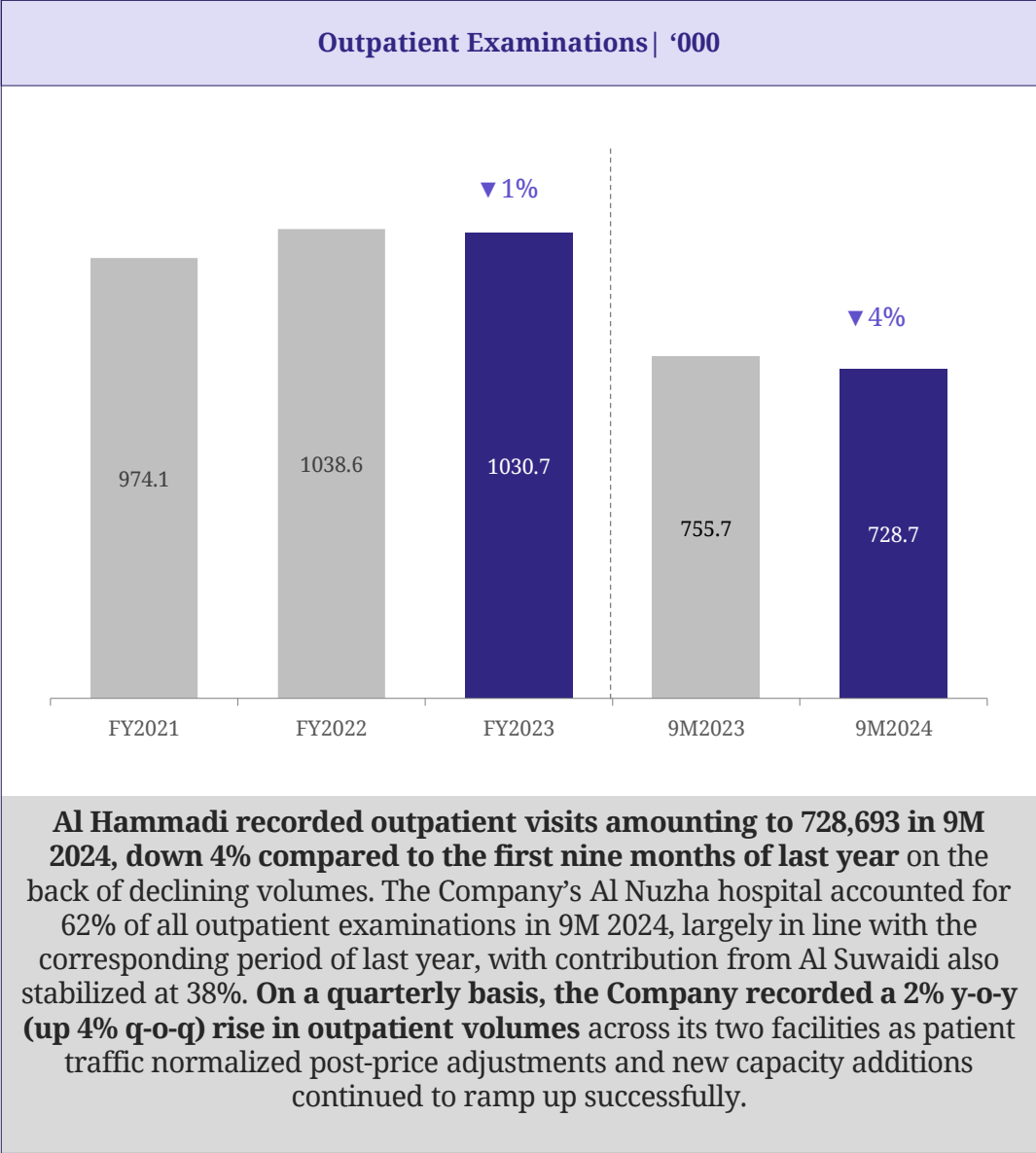
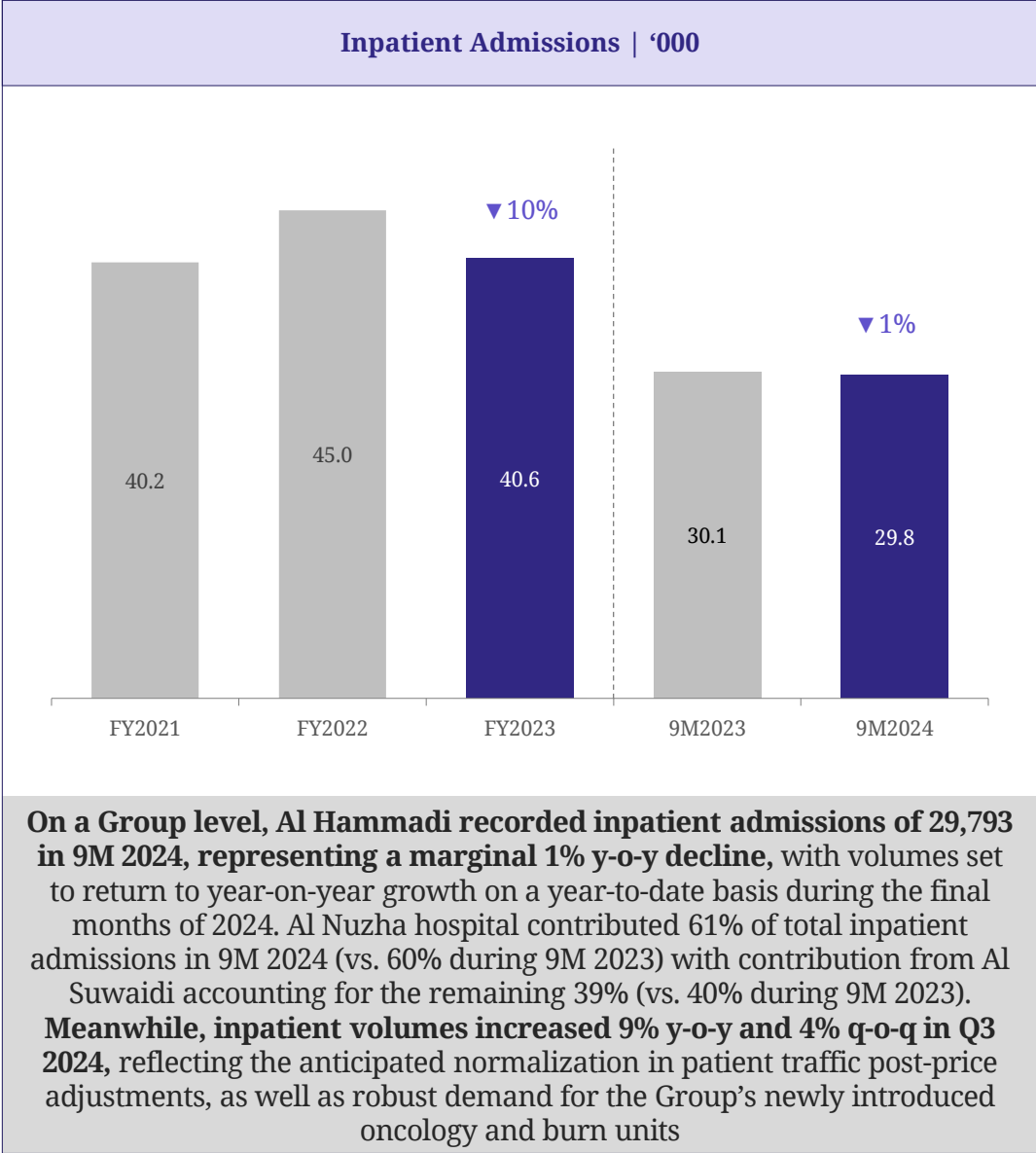


Revenue Contribution Breakup



9M 2024 Operational Review

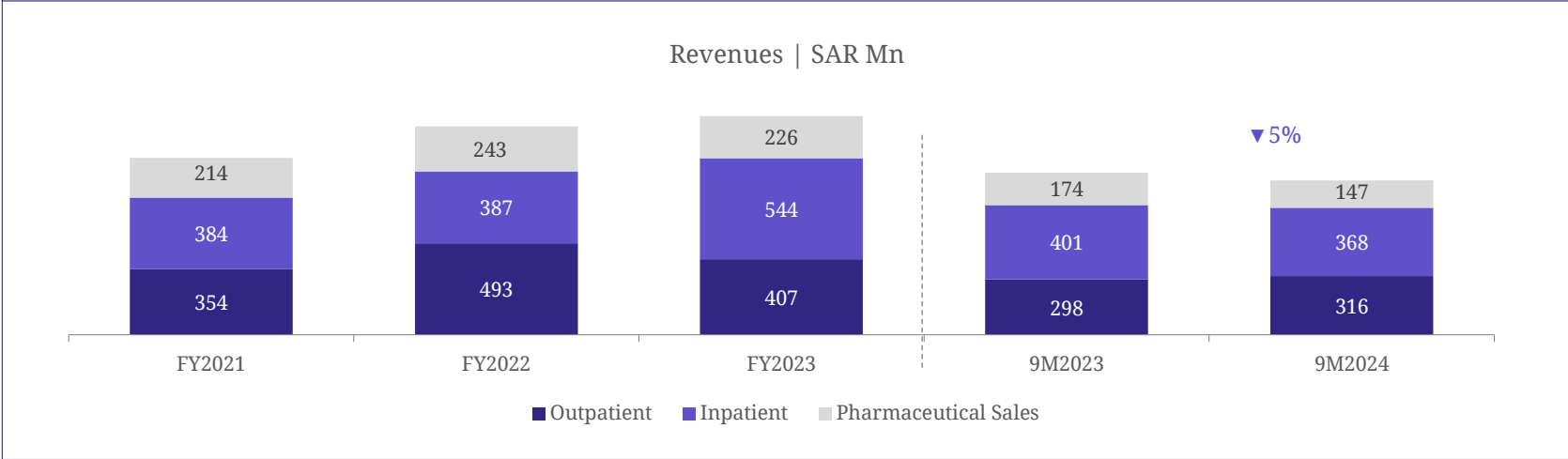
Despite the year-on-year decline in patient volumes booked in 9M 2024, both inpatient and outpatient volumes have shown steady year-on-year and quarter-on-quarter growth during the third quarter of the year, showcasing strong underlying demand for the Group’s offering.



9M 2024 Consolidated Financial Performance (I/III)

Despite seeing consolidated revenue declining marginally year-on-year, Al Hammadi’s performance highlighted several positive trends. It is especially important to highlight that excluding MoH patients, the Group posted a solid 2% y-o-y expansion in revenue from medical services supported by recovering volumes and strategic price adjustments.

Lower inpatient revenue came on the back of a decline in MoH-related revenue following a tightening in regulations around patient isolation. Lower pharmaceutical sales partially reflected lower patient traffic across Al Hammadi’s hospitals.

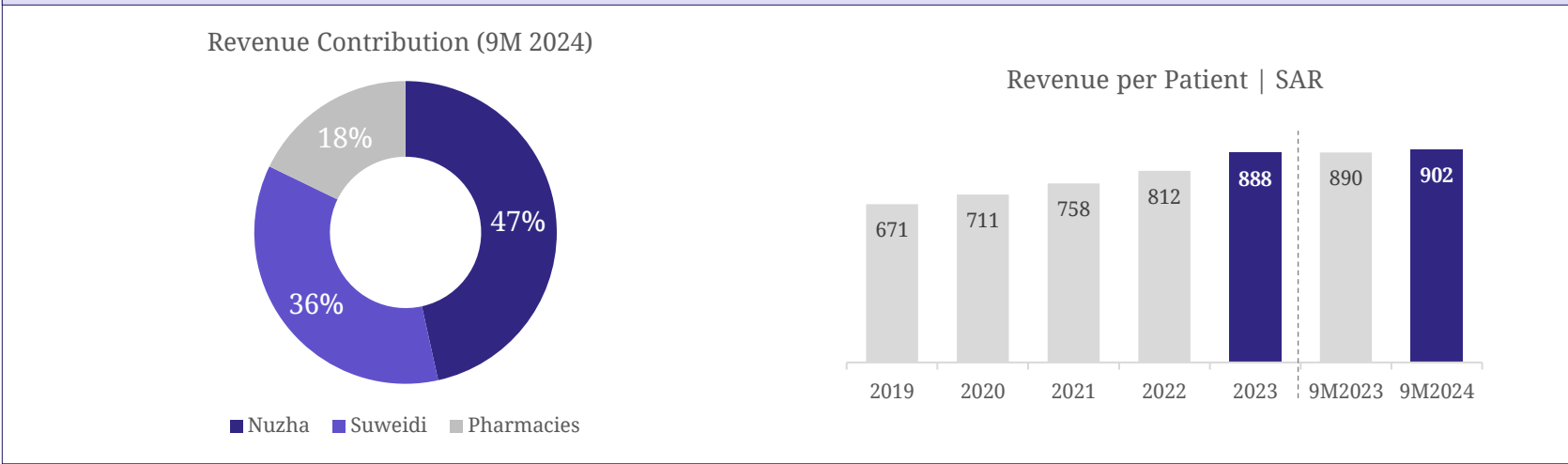


Average Revenue per Inpatient

SAR 12,346

(9M 2024)

In line with Al Hammadi’s long-term growth strategy, average revenue per patient continues to rise allowing the Group to deliver on its premiumization strategy and secure a higher multiplier under the new DRG system come 2027.



Average Revenue per Outpatient Visit

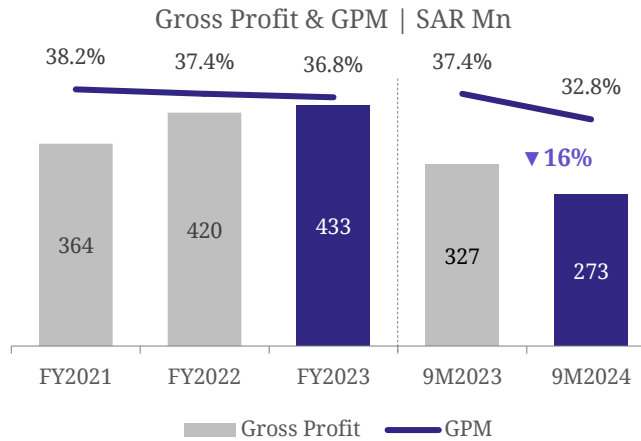
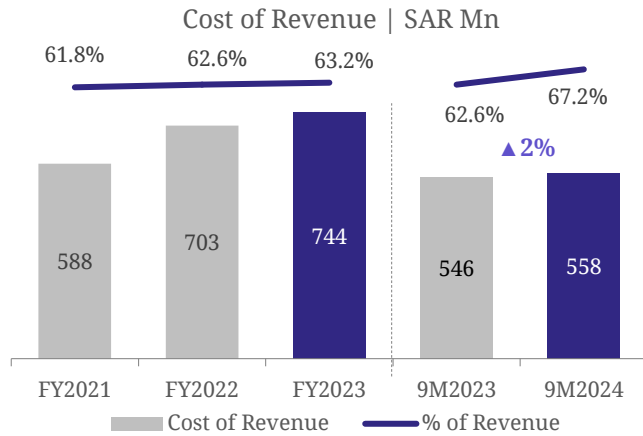
SAR 434

(9M 2024)

9M 2024 Consolidated Financial Performance (II/III)

The Group recorded operating margin improvements supported by a decline in SG&A expenses as the Group-wide efforts to optimise costs continue to deliver the desired results.

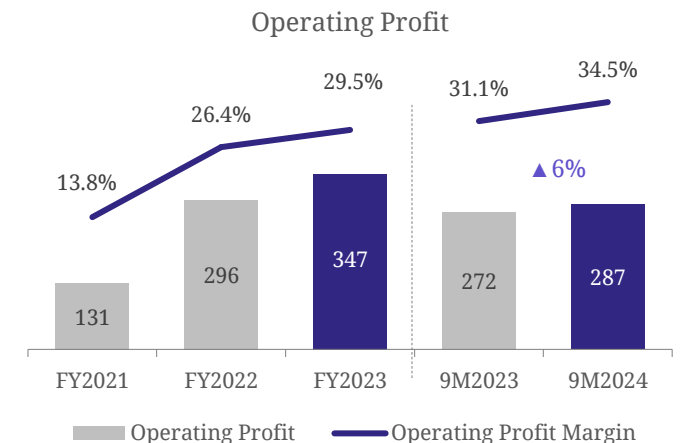
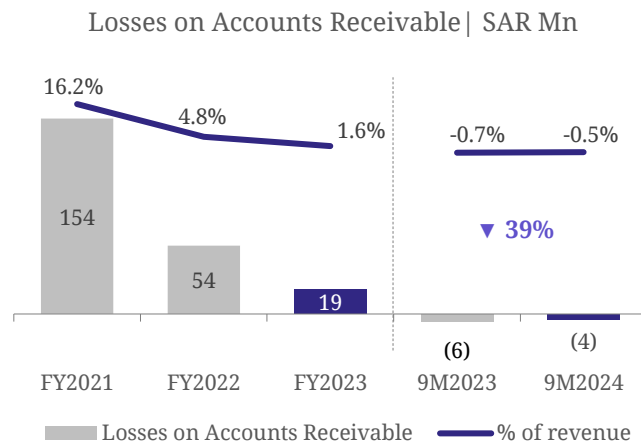
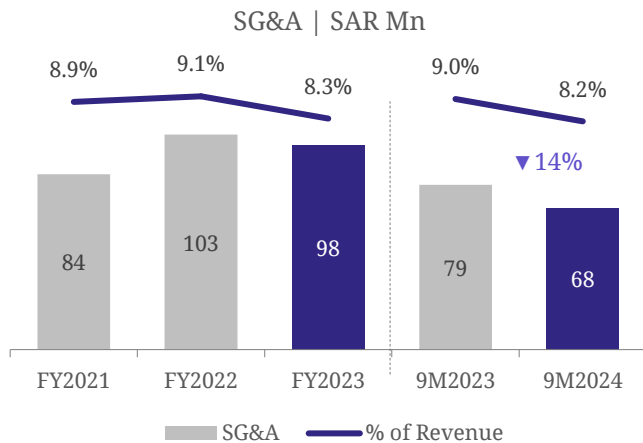
The increase in cost of revenue reflects increased medical staff salaries, prompted by planned compensation adjustments as part of Al Hammadi's staff retention strategy as well as the acquisition of new talent for Al Suwaidi's new 20 outpatient clinics, set to be launched later in December 2024.



Gross profit for the first nine months of the year recorded SAR 273 million, a 16% y-o-y decline from 9M 2023. Gross profit margin (GPM) recorded 33% in 9M 2024 versus 37% in the same nine months of last year.

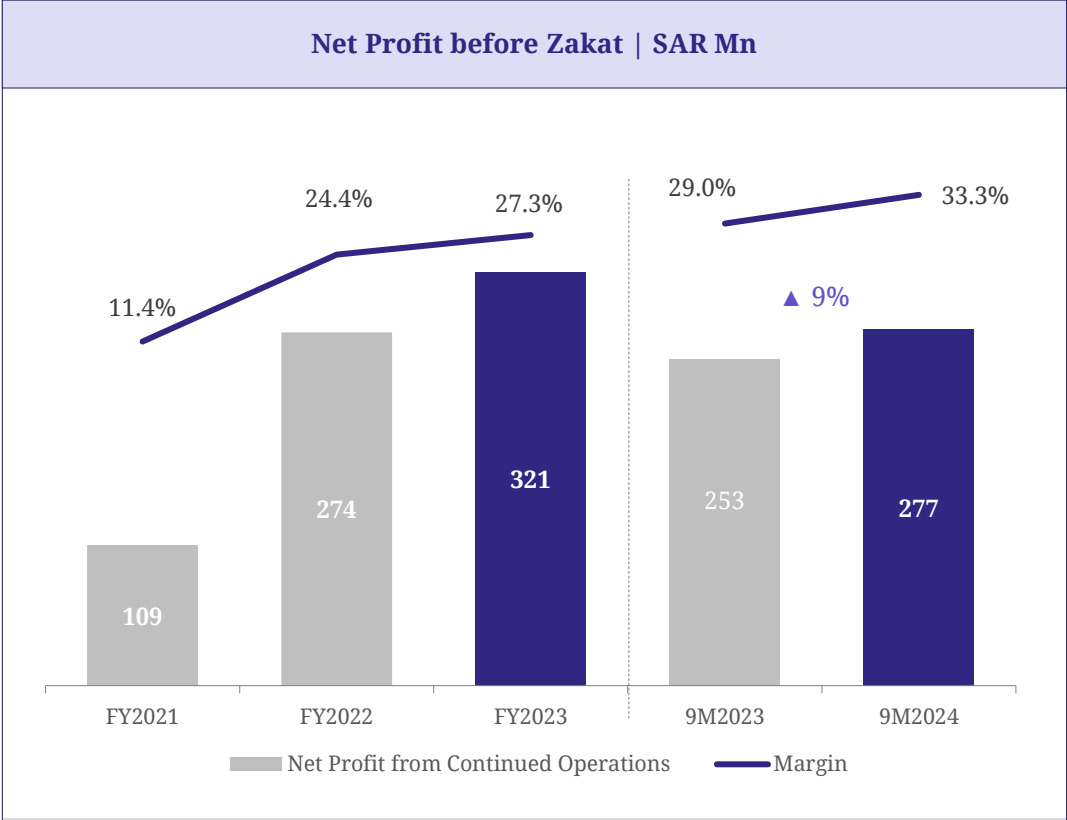
On a quarterly basis, gross profit declined by 15% y-o-y, on the back of lower revenue coupled with higher staff costs. GPM recorded 33% in Q3 2024 versus 38% in Q3 2023.

Improved operating profitability was supported by a significant reduction in SG&A expenses compared to the previous year. Operating profit also captures one-off gains from land sale in Q2 2024. During the period collection rates continued to improve with Al Hammadi booking a provision reversal of SAR 4 million.

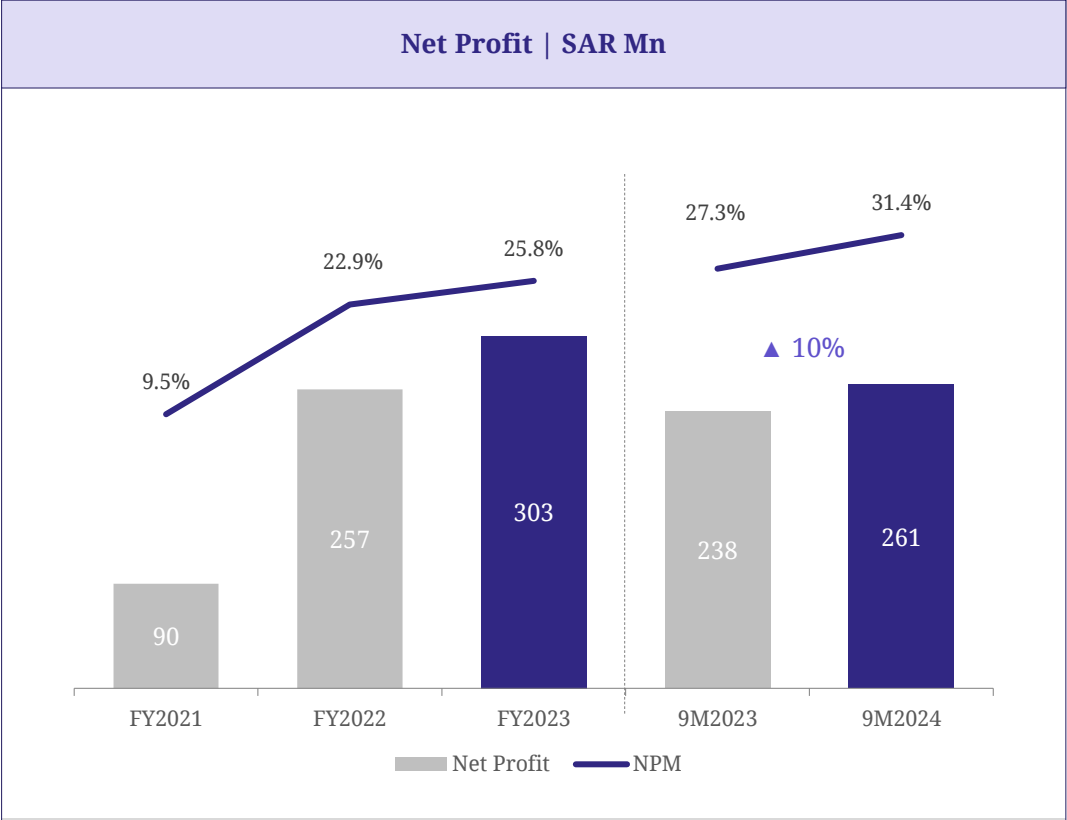


9M 2024 Consolidated Financial Performance (III/III)

Improved operating profitability coupled with higher finance income resulting from an increase in the Group’s cash balances during the third quarter of the year saw net profit post a 10% year-on-year expansion with a four-percentage point rise in net profit margin for 9M 2024.



Al Hammadi’s strong operating profit growth supported an 9% year-on-year expansion in net profit before Zakat for the first nine months of the year.

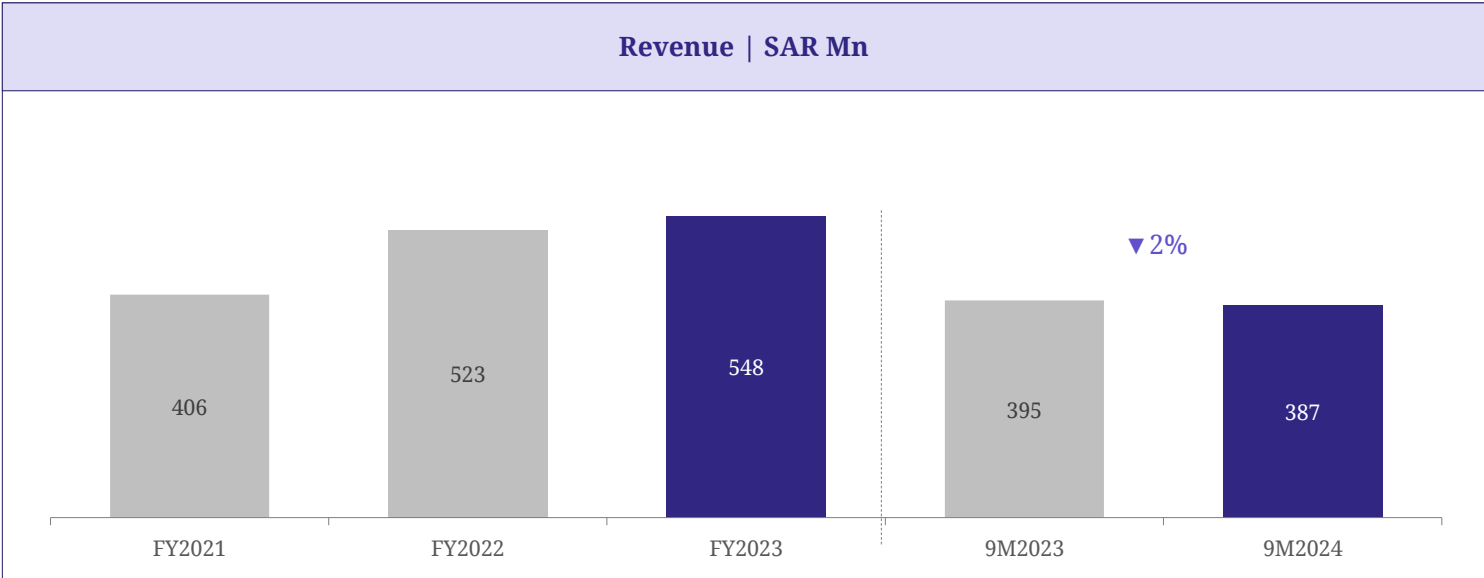
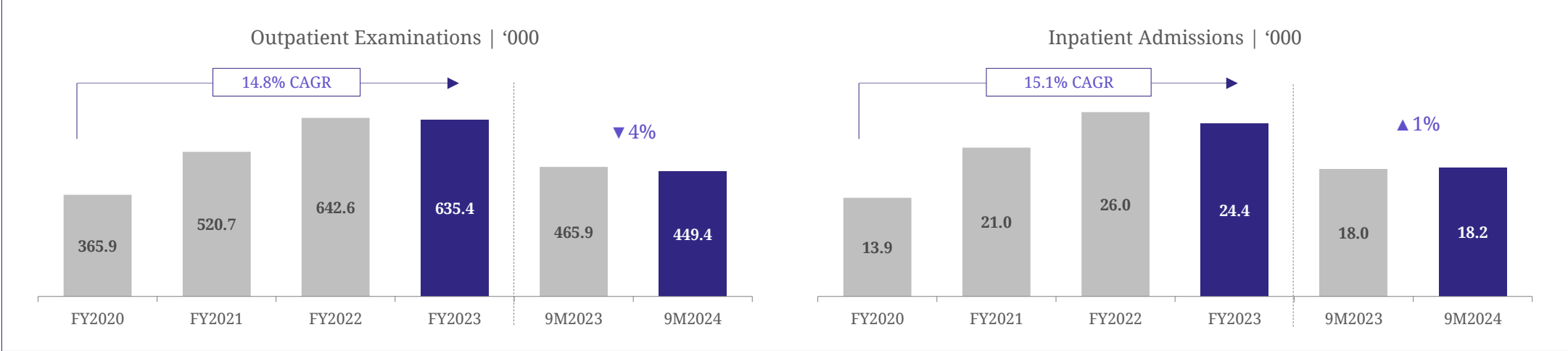


Al Hammadi reported a net profit of SAR 261 million during 9M 2024, up 10% from the same period of 2023. The Company’s net profit margin increased by approximately four percentage points to 31% in 9M 2024 from 27% in 9M 2023. Bottom-line growth came on the back of solid growth in operating profitability, due to lower SG&A expenses, coupled with higher finance income as well as one-off gains resulting from land sale in Q2 2024. During the third quarter, net profit climbed 6% y-o-y to reach SAR 79 million with a NPM of 27% in Q3 2024 vs 25% in Q3 2023, attributable to higher finance income reflecting the Company’s increased cash balance.

Al Nuzha Hospital: 9M 2024 Performance

Al Nuzha reported lower revenues primarily driven by the slowdown in volumes at the outpatient segment. The year-on-year increase in inpatient volumes indicates the anticipated normalization in patient traffic post-price adjustments. It is important to note that lower revenue also reflects a tightening of MoH patient isolation regulations starting November 2024.

Despite the year-on-year decline in the hospital's revenue, Al Nuzha posted solid growth in volumes during Q3 2024, with both inpatients and outpatients increasing 11% y-o-y and 2% y-o-y respectively versus Q3 2023, indicating the anticipated normalization post-price adjustments.



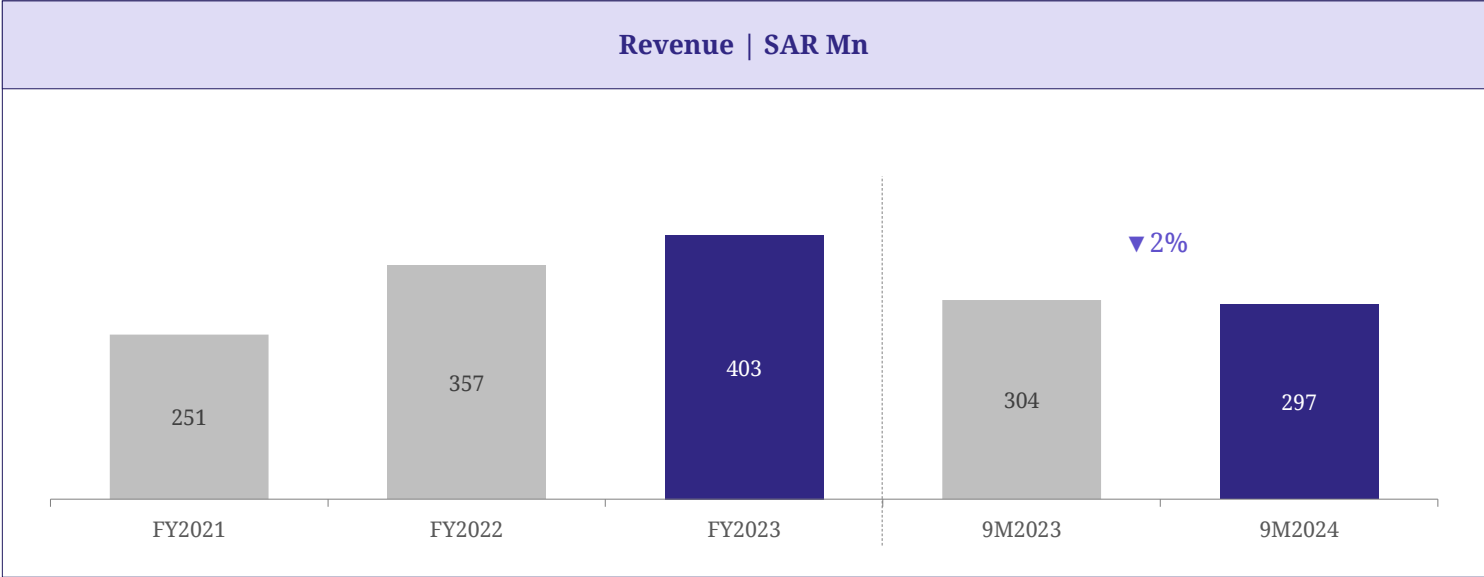
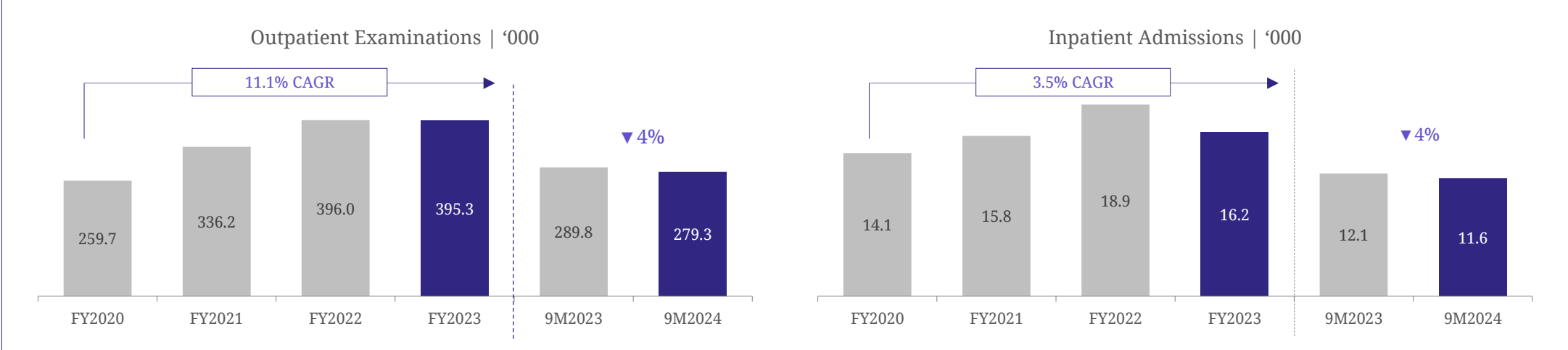
57%

Contribution to total medical services revenue in 9M 2024

Al Suwaidi Hospital: 9M 2024 Performance

Al Suwaidi reported year-on-year decline in revenue during the first nine months of the year, on the back of lower volumes and MoH revenue. It is worth highlighting that the impact of changing MoH regulations is set to begin phasing out in Q4 2024 with volumes across both segments also set to continue picking up as the year progresses.

Despite the y-o-y decline in patient volumes, Al Suwaidi's revenues increased 2% y-o-y in Q3 2024, indicating the anticipated normalization in patient traffic. Outpatient volumes are set to further pick up following the inauguration of an additional 20 outpatient clinics later in December 2024.

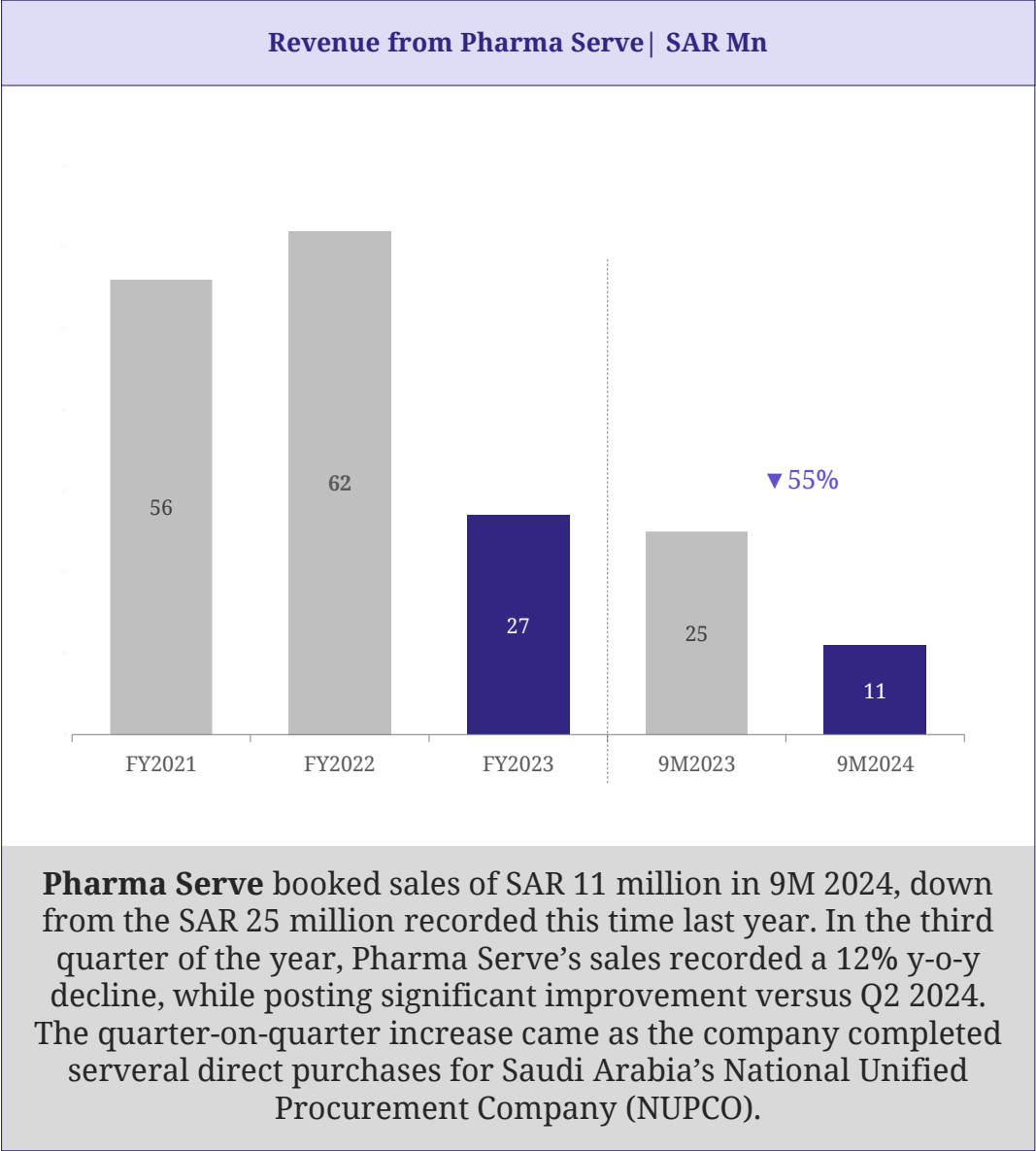
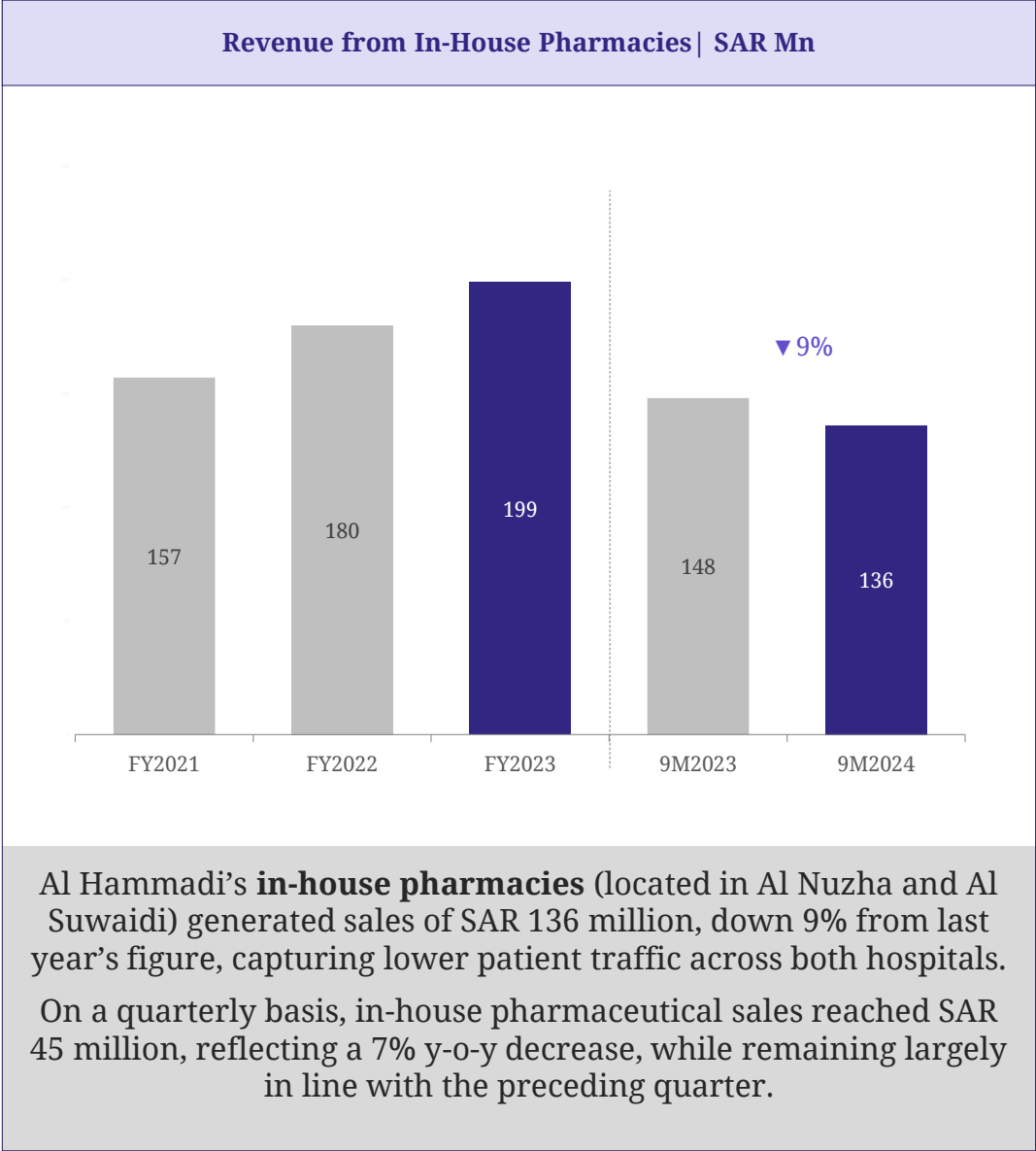


43%

Contribution to total medical services revenue in 9M 2024

Pharmaceuticals: 9M 2024 Performance Review

Al Hammadi’s pharmaceutical sales contributed 18% of consolidated revenues, recording SAR 147 million for 9M 2024, a 15% y-o-y decline. The segment’s top-line was weighed down by lower footfall across both hospitals, coupled with lower sales at Pharma Serve.





Appendix

9M 2024 Consolidated Income Statement

SAR mn	Q3 2023	Q3 2024	Y-o-Y Change	9M 2023	9M 2024	Y-o-Y Change
Revenue	297.8	290.6	(2.4%)	873.1	831.1	(4.8%)
Cost of revenue	(184.7)	(194.5)	5.3%	(546.4)	(558.2)	2.2%
Gross Profit	113.1	96.1	(15.1%)	326.7	272.9	(16.5%)
<i>GPM</i>	<i>38.0%</i>	<i>33.1%</i>	<i>-4.9 pts.</i>	<i>37.4%</i>	<i>32.8%</i>	<i>-4.6 pts.</i>
Selling and marketing expenses	(1.2)	(2.2)	73.1%	(5.8)	(4.5)	(21.9%)
Administrative and general expenses	(26.9)	(18.8)	(30.1%)	(73.2)	(63.3)	(13.5%)
Expected credit loss provision	(5.7)	(0.3)	(94.0%)	6.3	3.8	(39.2%)
Impairment loss in intangible assets	-	-	-	-	-	-
Gain (Loss) on disposal of property, plant and equipment	-	0.04	-	(1.4)	55.3	-
Other operating income	7.3	7.1	(2.2%)	18.9	22.8	20.7%
Operating Profit	86.6	81.9	(5.4%)	271.5	287.0	5.7%
<i>Operating profit margin</i>	<i>29.1%</i>	<i>28.2%</i>	<i>-0.9 pts.</i>	<i>31.1%</i>	<i>34.5%</i>	<i>3.4 pts.</i>
Share of profit in subsidiaries	(0.6)	4.4	-	1.3	3.9	205.8%
Finance income	-	3.7	-	-	3.9	-
Finance costs	(6.1)	(5.9)	(2.3%)	(19.7)	(17.8)	(9.6%)
Net profit before Zakat	79.9	84.1	5.3%	253.1	277.0	9.4%
Zakat expenses	(5.0)	(5.0)	-	(15.0)	(16.0)	6.7%
Net profit for the period	74.9	79.1	5.7%	238.1	261.0	9.6%
<i>NPM</i>	<i>25.1%</i>	<i>27.2%</i>	<i>2.1 pts.</i>	<i>27.3%</i>	<i>31.4%</i>	<i>4.1 pts.</i>
	-	-		-	-	
Earnings per share:	0.47	0.49	5.7%	1.49	1.63	9.6%

9M 2024 Consolidated Balance Sheet

SAR mn

31 December 2023

30 September 2024

ASSETS

Non-current assets

Property and equipment	1,658.6	1,539.3
Intangible assets and goodwill	23.7	26.9
Investment in associates	128.4	132.2
Total non-current assets	1,810.7	1,698.4

Current Assets

Inventories	56.6	61.6
Other receivables	9.8	11.1
Prepayments	21.8	21.0
Contract assets	9.5	8.5
Trade receivables	560.8	402.8
Cash and cash equivalents	125.2	429.3
Total current assets	783.7	934.3
TOTAL ASSETS	2,594.4	2,632.7

SHAREHOLDER'S EQUITY AND LIABILITIES

SHAREHOLDER'S EQUITY

Share capital	1,600.0	1,600.0
General reserve	67.4	67.4
Retained earnings	177.5	270.9
TOTAL SHAREHOLDER'S EQUITY	1,844.9	1,938.3

LIABILITIES

Non-current liabilities

Loans	173.9	162.6
Government grants	105.8	99.6
Lease liabilities	107.4	108.8
Employees' terminal benefits	88.2	97.2
Total non-current liabilities	475.3	468.2

Current liabilities

Loans	18.7	20.1
Government grants	9.1	8.5
Lease liabilities	14.2	16.0
Accrued zakat	17.8	15.6
Trade payables	74.9	56.4
Accrued expenses	52.6	47.3
Other payables	28.4	20.9
Contract liabilities	58.5	41.4
Total current liabilities	274.2	226.2
TOTAL LIABILITIES	749.5	694.4
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	2,594.4	2,632.7

9M 2024 Consolidated Statement of Cash Flow

SAR mn	30 September 2023	30 September 2024
OPERATING ACTIVITIES		
Net profit	238.1	261.0
Adjustments to reconcile net profit to cash flow	-	-
Depreciation of property and equipment and right of use assets	72.7	72.6
Amortization of intangible assets	2.7	0.4
Losses on disposals of property and equipment	1.4	(55.3)
Gain on disposals of right of use assets	(0.5)	-
Company share of profits from associate	(1.3)	(3.9)
Impairment loss on trade receivables and other debit balances	(6.3)	(3.8)
Government grants released	(6.8)	(6.8)
Current services cost of employees' terminal benefits	8.9	10.6
Contract liability generated during the period	77.9	23.6
Finance income	-	(3.9)
Finance cost	19.7	17.8
Zakat charge during the period	15.0	16.0
	421.5	328.3
Working capital adjustments		
Inventories	1.2	(5.0)
Other receivables	(2.6)	(1.4)
Prepayments	0.6	0.9
Contract assets	5.3	1.0
Net changes in related parties	(9.1)	(4.0)
Trade receivables	(6.1)	162.0
Trade payables	(9.9)	(14.6)
Accrued expenses	11.1	(5.3)
Other payables	8.4	(6.5)
Contract liability	(55.3)	(40.8)
Employees' terminal benefits paid	(5.9)	(4.5)
Zakat paid	(16.7)	(18.2)
NET CASH GENERATED FROM OPERATING ACTIVITIES	342.5	391.9
INVESTING ACTIVITIES		
Purchase of property and equipment	(47.1)	(18.1)
Cash proceeds from sale of property and equipment	-	124.6
Purchase of intangible assets	(0.03)	(1.7)
Finance income received	-	3.8
NET CASH USED IN INVESTING ACTIVITIES	(47.1)	108.6
FINANCING ACTIVITIES		
Proceeds from bank borrowings	54.1	-
Repayment of bank and government borrowings	(101.5)	(17.3)
Lease liability paid	(7.8)	(9.2)
Finance cost paid	(3.7)	(1.1)
Dividends paid	(111.4)	(168.9)
NET CASH USED IN FINANCING ACTIVITIES	(170.3)	(196.5)
Net change in cash and cash equivalents	125.1	304.0
Cash and cash equivalents at the beginning of the period	60.6	125.2
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	185.7	429.3

Sudair Pharmaceutical Company (SPC) was launched in 2014 with the goal of supporting the government’s ambitions for pharmaceutical and health security

Over the last nine years, SPC has developed a comprehensive offering covering a broad range of therapeutic areas...

<p>Oncology and Hematology</p> <p>2016</p>	<p>General Formulation</p> <p>2021</p>
<p>Respiratory</p> <p>2023</p>	<p>Insulin</p> <p>2024</p>

In the next two years, SPC plans to launch multiple new products across several new and existing therapeutic areas

...all produced out of SPC’s state-of-the-art manufacturing facility

SPC’s plant houses multiple production lines with a cumulative capacity of:

447 mn Tablets	104 mn Capsules	3.5 mn Liquid Sterile Vials	3.1 mn Lyophilized Vials
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All products are produced in full-alignment with international players and standards

All manufacturing machinery is provided by leading global suppliers

Saudi Arabia has embarked on a transformative journey setting the foundations for a stronger, more sustainable nation...

Saudi Vision 2030 is predicated on three key pillars and sets out ambitious targets for the Kingdom



A Vibrant Society...

- With strong roots
- With full-filling lives
- With strong foundations



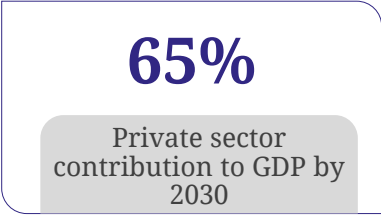
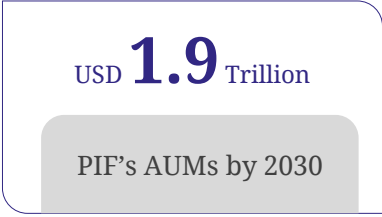
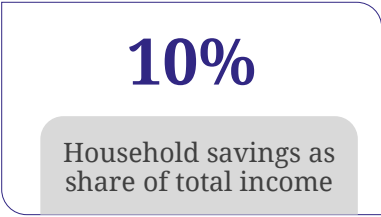
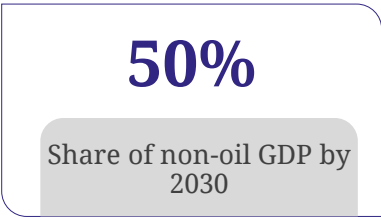
A Thriving Economy...

- With rewarding opportunities
- Investing in the long-term
- Open for business
- Leveraging its unique position



An Ambitious Nation...

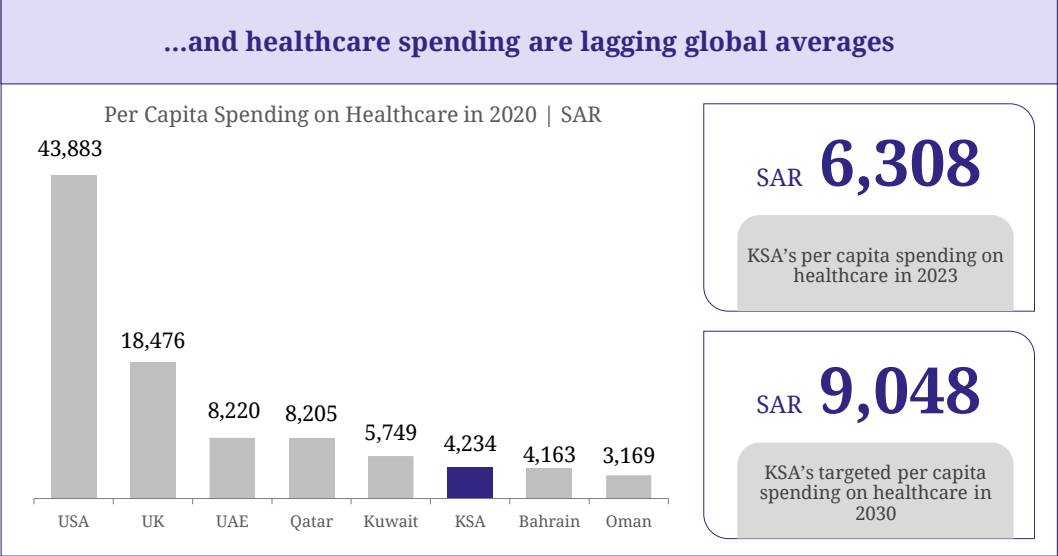
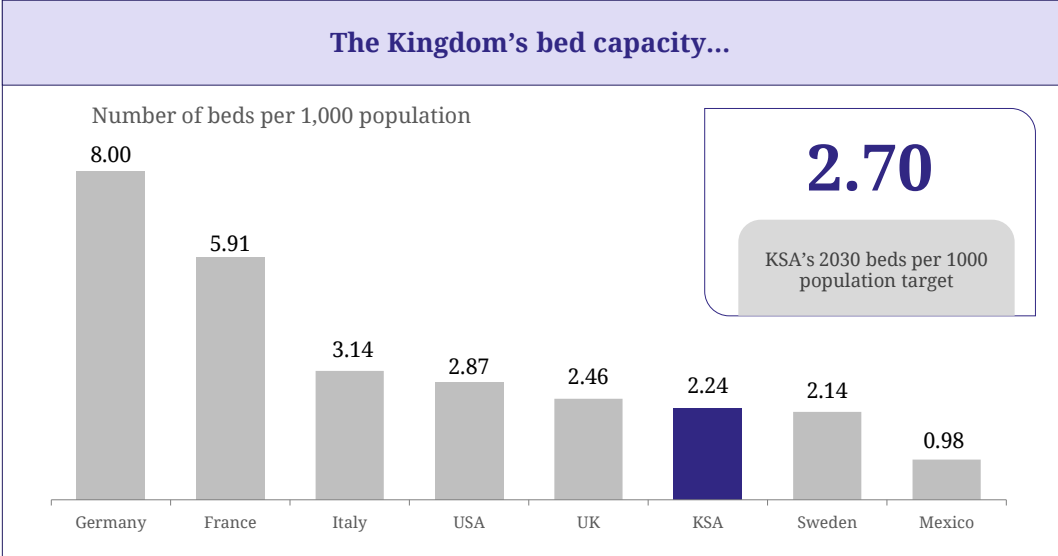
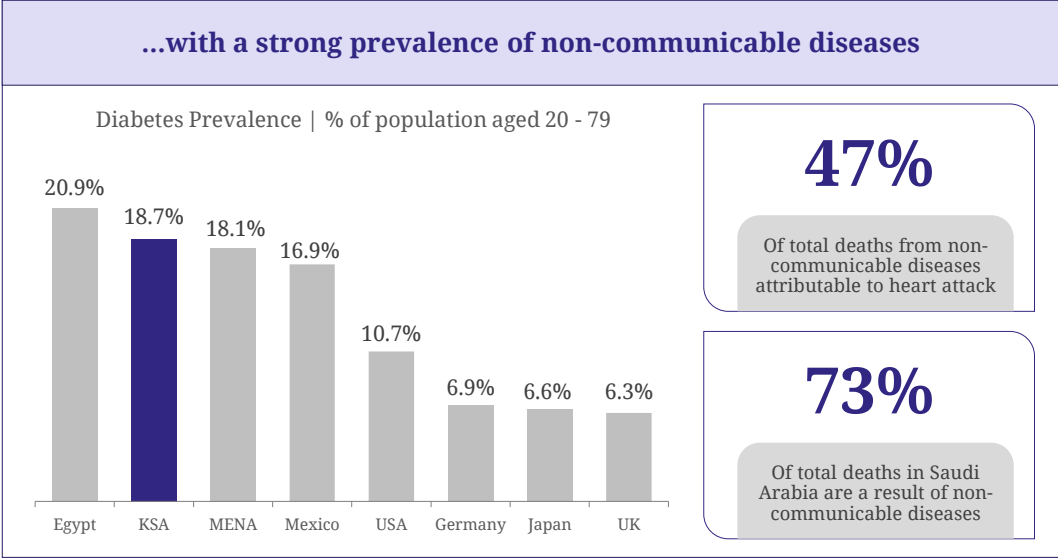
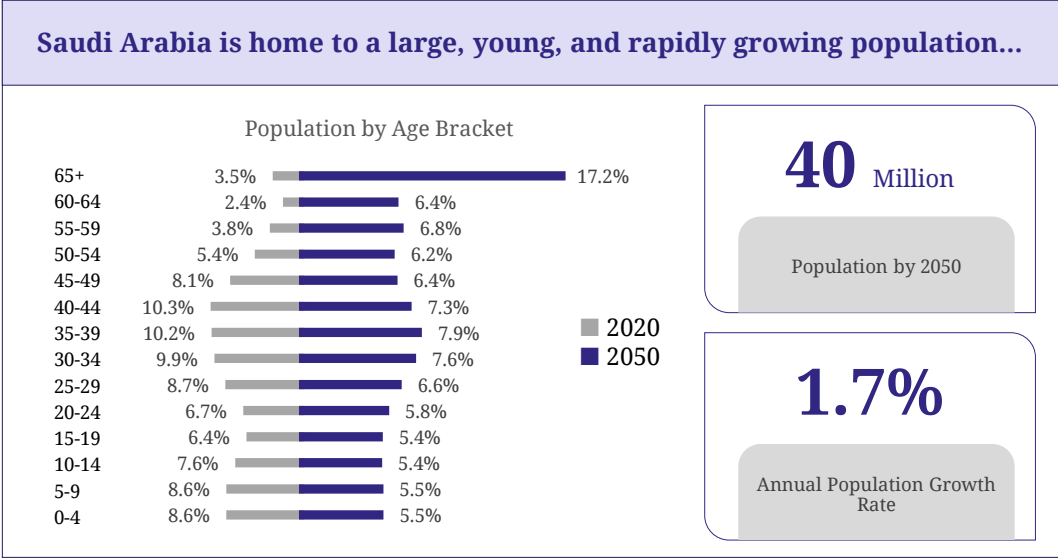
- Effectively governed
- Responsibly enabled



At the halfway mark, the country stands on solid footing with 87% of its initiatives currently completed or on track, and with a clear roadmap to deliver on its vision

Sources: Saudi Vision 2030, Argaam News

Transforming the country's healthcare sector is at the heart of Vision 2030 to ensure the country is ready to accommodate changing demand patterns and a shifting demographic profile...



Sources: World Bank, World Health Organization, JLL Healthcare Analysis, International Diabetes Federation, Saudi Vision 2030, Saudi Arabia's Ministry of Health, Oxford Economics