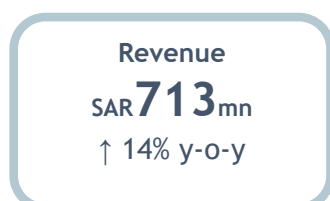




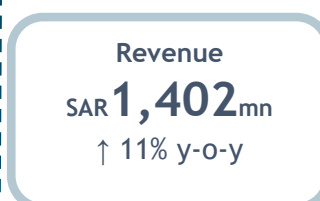
Middle East Healthcare Company “MEAHCO”

Earnings Release

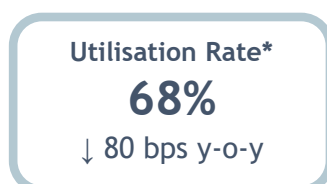
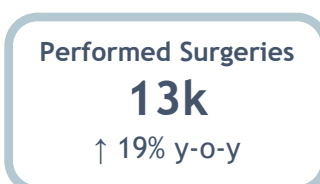
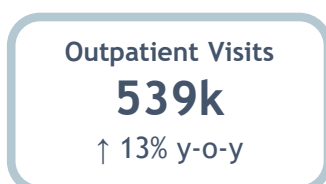
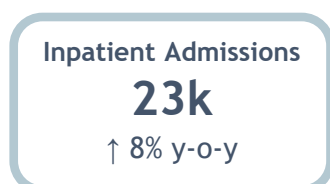
2Q 2024 Financial Highlights



1H 2024 Financial Highlights



2Q 2024 Operational Highlights



Jeddah, Saudi Arabia, 4 August 2024

Middle East Healthcare Company (MEHACO), Saudi Arabia’s most geographically diversified healthcare player, reported today its consolidated financial results for 2Q 2024, ending 30 June 2024.

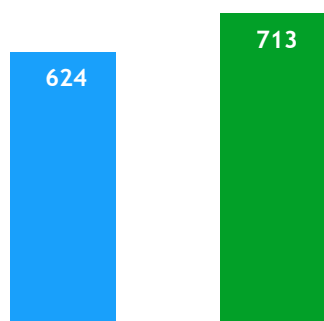
Key highlights

- **Consolidated revenue** grew by 14% y-o-y to SAR713 million in 2Q 2024
- **Total number of served patients** reached 562k patients across the Group’s network of hospitals in 2Q 2024, with an increase of 13% vs. 2Q 2023
- **Insurance contribution to total revenue** stood at 52%, followed by Ministry of Health at 28%, cash at 20% and others at 3%
- **SGH Makkah** successfully obtained the **AABB** accreditation in 2Q 2024. The Group attained the **ICHOM** accreditation in Riyadh, Jeddah and Aseer.
- **EBITDA** grew by 35% y-o-y to SAR159 million in 2Q 2024, implying an **EBITDA margin** of 22.3%
- **Net profit after zakat and minority interest** recorded SAR61 million in 2Q 2024, marking an increase of 52% y-o-y vs. 2Q 2023

* Inpatient utilisation rate based on operational beds



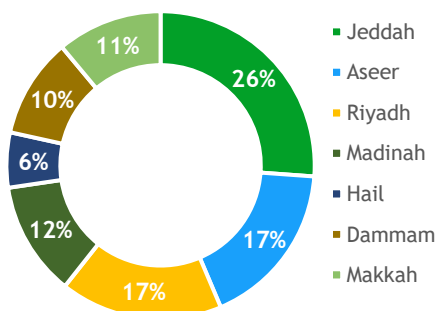
Consolidated Revenue
SAR mn



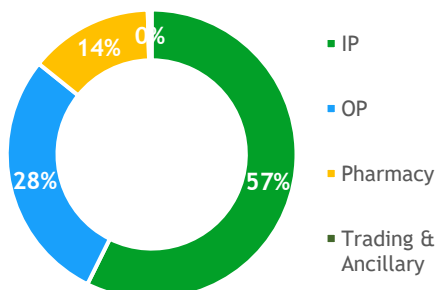
2Q 2023

2Q 2024

Revenue by Region*
2Q 2024



Revenue by Segment
2Q 2024



* Jeddah includes Management Fees

Financial Performance

(In SAR mn)	2Q24	2Q23	y-o-y	1H24	1H23	y-o-y
Revenue	713	624	14%	1,402	1,262	11%
CoGS	(434)	(396)		(863)	(808)	
Gross Profit	279	229	22%	539	454	19%
Gross Profit Margin	39.2%	36.6%		38.4%	36.0%	
Operating Profit	106	69	53%	223	145	54%
Operating Margin	14.8%	11.1%		15.9%	11.5%	
Net Profit	61	40	52%	113	90	25%
Net Profit Margin	8.6%	6.4%		8.1%	7.2%	

Middle East Healthcare Company (MEAHCO) reported total revenues of SAR713 million in 2Q 2024, with an increase of 14% y-o-y, delivering a solid double-digit y-o-y revenue growth for the seventh consecutive quarter. Ongoing operational improvement across the majority of the Group's facilities, driven by added capacities, increased census, and optimized case mix, remained the key drivers for growth.

The Group's diverse footprint played a key role in capitalizing on the surge in footfall in the two holy cities, Madinah and Makkah, during the Hajj season. Our facilities in both cities, along with Jeddah, were the main assets driving the Group's revenue growth during the quarter.

On a Group level, growth was a function of increased census across all business lines, and overall higher blended average charge per visit. Total number of inpatients increased by 8% y-o-y to 23k patients, while total number of outpatients was up 13% y-o-y to 539k patients. Inpatient revenues were up 11% y-o-y and outpatient revenues grew 17% y-o-y to record SAR408 million and SAR203 million, respectively.

Makkah, Madinah and Jeddah delivered the highest growth in revenues, respectively, in absolute and relative terms. The growth in the two holy cities was primarily insurance driven, while increased MoH referrals and insurance business were the driving force in Jeddah.

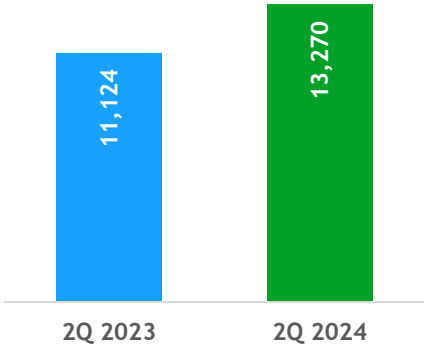
A number of targeted marketing campaigns took place during the quarter to promote new services and cash promotions across the Group, yielding a significant surge of 34% y-o-y in cash sales.

Nonetheless, insurance business remains the most contributor to top line with 50% contribution, followed by MoH at 27% and cash at 20%. Total insurance revenues increased 11% y-o-y in 2Q 2024.

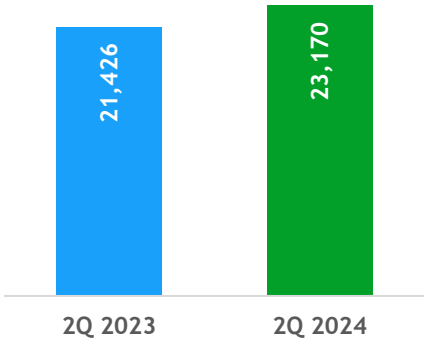


Operational Performance

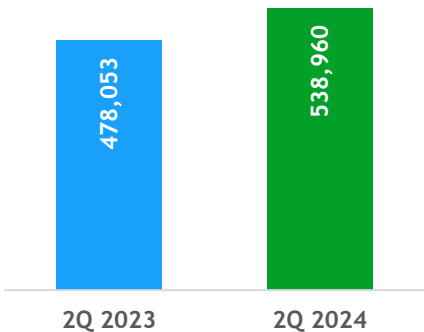
Performed Surgeries



Number of Inpatients



Number of Outpatients



The Group reported another solid set of results, delivering sustained y-o-y growth across all lines of businesses in terms of number of served patients on added capacities and higher utilisation of existing facilities.

Total number of served patients across the Group’s network of hospitals reached 562k patients in 2Q 2024, an increase of 13% y-o-y, while number of performed surgeries grew 19% y-o-y to 13k surgeries.

On a Group level, blended inpatient and outpatient utilisation rates recorded 68% and 70% in 2Q 2024, respectively, with blended average length of stay (ALOS) of c.3.9 nights. The Group’s current operational beds and clinics’ capacities stand at c.1.4k beds and c.600 clinics, respectively.

Aggregate number of inpatients was up by 8% y-o-y to 23k patients during the quarter, primarily on increased MoH and insurance businesses across the Group. Meanwhile, blended average IP revenue per stay was 3% higher y-o-y.

In terms of footprint, Makkah continued to lead the overall increase in inpatients’ census, driven by organic growth that was further boosted by increased traffic during the Hajj season. Hail and Riyadh were second in line in terms of the Group’s IP volume growth.

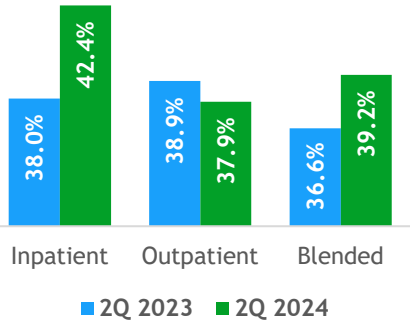
Total number of outpatients increased by 13% y-o-y to 539k patients, predominantly driven by higher insurance and cash patients. Average charge per OP visit recorded a 5% y-o-y increase vs. 2Q 2023. Makkah, Dammam, and Aseer delivered the highest OP growth rates.

The Group is currently working on increasing the number of operational and/or licensed beds in select locations to capitalize on growing and pent-up demand.

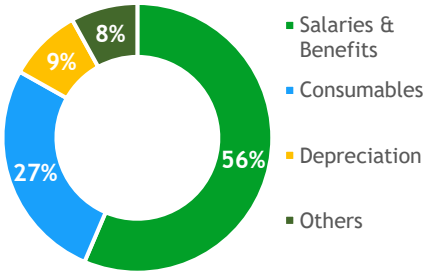
SGH Dammam is mulling to increase the number of licensed beds and clinics to cater for the growing demand in the Eastern province. The Group earlier increased the number of operational beds in Dammam by 50 beds to 150 beds in 1Q 2023, reaching the ceiling of the licensed capacity, and is currently running near full utilization rate.



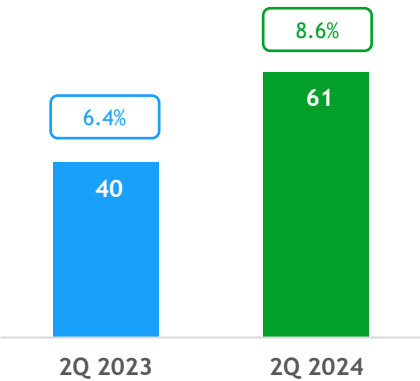
Gross Profit Margin



CoGS Breakdown 2Q 2024



Net Profit (SAR mn, % margin)



Profitability

The Group recorded consolidated gross profit of SAR279 million in 2Q 2024, 22% ahead of the comparable quarter last year, implying a gross profit margin of 39.2% and c.250 bps y-o-y margin enhancement. Improved pricing with select clients, better case-mix, contained OPEX and higher utilisation rates all contributed to drive economies of scale.

Salaries & benefits and consumables remain the key cost components for the business, representing 56% and 27% of total cost of revenue, respectively. Total salaries and benefits increased by 10% y-o-y, reflecting the typical annual merit increase and new hires. The Group’s total number of staff increased to 7.7k staff as of 2Q 2024, up from 7.2k in 2Q 2023.

On segmental performance, IP gross margin recorded 42.4% and OP gross margin recorded 37.9% during the quarter, vs. 38.0% and 38.9% in the comparable quarter last year, respectively.

Despite the increase in people’s cost on new hires in Dammam, Hai Al Jamea, Makkah, and Riyadh, to cater for added capacities, elevated people cost was offset by higher utilisation and improved profitability on scale. The Group recorded an EBITDA for the quarter of SAR159 million, up a solid 35% y-o-y and implying an EBITDA margin of 22.3%.

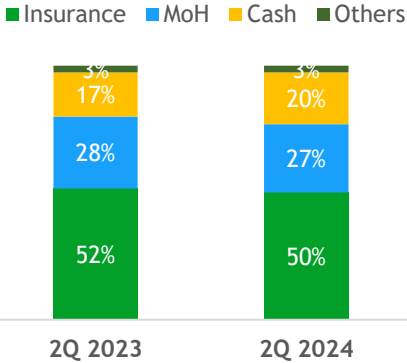
Net finance costs was c.2.5x higher y-o-y at SAR62 million in 2Q 2024 on higher leverage and increased interest rates but came in lower sequentially by 10%.

Net profit after zakat and minority interest was up a solid 52% y-o-y to reach SAR61 million in 2Q 2024, boosted by one-off capital gain of SAR19.6 million related to the sale of an unutilized plot of land in Riyadh. Normalized net profit, excluding the capital gain, was up a milder 3% y-o-y, predominantly on higher financing cost.

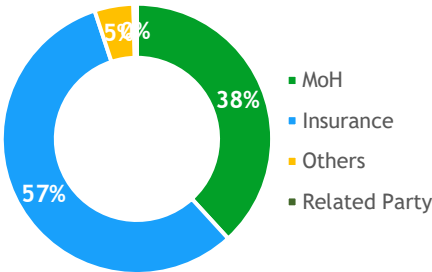
Hai Al Jamea, Makkah hospital, and Abha clinics, remained loss-making, in line with management expectations on typical initial high OPEX associated with the start of operations. The three facilities generated combined net losses of SAR8 million during the quarter, significantly lower than the SAR18 million loss recorded in 2Q 2023.



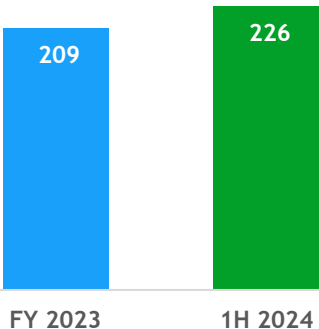
Revenue by Clientele



Receivables by Clientele 1H 2024



Cash Conversion Cycle Days on Hand (DoH)



Cash Management

Outstanding receivables stood at SAR2.3 billion as of June 2024, down 2% from December 2023, despite the growth in the size of the business, on improved collection. Management remains focused on enhancing balance sheet quality through reaching a more optimized sales mix and continuously working on enhancing revenue cycle management.

The pace of collection from MoH and select insurance clients witnessed significant improvement that was utilized to paydown key suppliers' dues, bringing down trade payables a significant 27%. With that, overall cash conversion cycle stood at 226 days in 1H 2024 vs. 209 in FY 2023 despite the improvement in receivables days-on-hand.

Breakdown of receivables remained largely unchanged, with the bulk of receivables associated with the insurance business (c.57% of total), followed by MoH (c.38% of total).

Insurance contributed the lion's share of the Group's business in 2Q 2024, with 50% contribution to revenue, with a solid growth of 11% compared to 2Q 2023. Meanwhile, cash business showed a significant growth of 34% y-o-y on the back of a number of successful marketing campaigns that took place during the quarter to promote new services and cash promotions across the Group.

MoH contribution declined to 27%, down from 28%, diluted by the growth in insurance and cash businesses, despite obtained accreditations in select branches and the opening of SGH Makkak.

Proceeds raised from Sukuk issuance were fully utilized to restructure the Group's debt and extend overall debt profile's maturity. Net debt-to-equity, including Sukuk, declined to 1.4x from 1.5x in FY 2023.

Total capex spent during 1H 2024 amounted to SAR137 million, mostly payments related to previous expansions as several milestone projects took place during 2022-23, including SGH Makkah Hospital, Hai Al Jamea Hospital, Abha Clinics and Riyadh expansion.

The company is planning a c.SAR400 million brownfield expansion and renovation work in SGH Jeddah that will add 194 beds and 22 clinics. The planned expansion will nearly double the number of beds of the Group's flagship hospital, which started operations in 1988.



Latest Developments



The Group has been steadily moving forward with its strategy to focus on accreditations across its entire network of hospitals to enhance the level of offered services and improve the customers' perception of Saudi German Health brand.



On that front, the Group achieved a key milestone by becoming the first-ever healthcare provider in the Kingdom of Saudi Arabia to attain the prestigious ICHOM accreditation, which is a testament of the Group's advancement among industry peers in implementing value-based healthcare practices. ICHOM is an international organization that assesses and accredits health organizations that successfully put value-based healthcare principles into practice.



SGH Makkah has successfully obtained the AABB accreditation in 2Q 2024. The hospital has already obtained the CAP accreditation and the CBAHI accreditation in 4Q 2023. Meanwhile, SGH Dammam is working on the Healthcare Information and Management Systems (HIMSS) certificate with a target to be accredited by the MoH during 2024.



The Group received assessment from the Zakat, Tax and Customs Authority (ZATCA), claiming additional Zakat and withholding tax liabilities of SAR111.5 million in respect of the assessment for the years from 2015 to 2018, and SAR68 million related to the years from 2019 to 2020.



The Group has filed appeals against ZATCA's assessments with the Committee for Resolution of Tax Violation and Dispute (CRTVD) and with the Appellate Committee for Tax, and Customs Violations and Disputes (ACTVD) but were rejected. The Group filed pleas for reconsideration against the decisions taken by ACTVD in respect of both assessments, which are still under study.



The Company paid its second contribution for its 24.6% share in Sobhi Abdel Jalil Batterjee Medical Hospital ("SAJB Medical Hospital") in 2Q 2024, raising total investments to SAR40 million. SAJB Medical Hospital is a 300 beds and 80 outpatient clinics facility containing all medical specialties in addition to the patient admission department, the radiology department, laboratories and all other support departments.



Financial Statements

Income Statement

(In SAR mn)	2Q 2024	2Q 2023	Change	1H 2024	1H 2023	Change
Revenue	713	624	14%	1,402	1,262	11%
Cost of Revenue	(434)	(396)		(863)	(808)	
Gross Profit	279	229	22%	539	454	19%
<i>Gross Profit Margin</i>	<i>39.2%</i>	<i>36.6%</i>		<i>38.4%</i>	<i>36.0%</i>	
Selling & marketing Expenses	(17)	(10)		(35)	(20)	
General & Admin Expenses	(156)	(150)		(281)	(289)	
Operating Profit	106	69	53%	223	145	54%
<i>Operating Profit Margin</i>	<i>14.8%</i>	<i>11.1%</i>		<i>15.9%</i>	<i>11.5%</i>	
Other Income	24	3		32	7	
Finance Cost	(62)	(25)		(128)	(49)	
Profit before Zakat	67	47	44%	127	103	23%
Zakat	(7)	(5)		(14)	(9)	
Net Profit	60	42	43%	112	94	19%
<i>Net Profit Margin</i>	<i>8.4%</i>	<i>6.7%</i>		<i>8.0%</i>	<i>7.4%</i>	
<i>Distributed as:</i>						
Parent Company	61	40	52%	113	90	25%
Non-Controlling Interest	(1)	2		(1)	4	



Financial Statements

Balance Sheet

(In SAR mn)

	Jun 2024	Dec 2023
Property and Equipment	2,503	2,502
Right of Use Assets	85	55
Intangible Assets	41	31
Investment in Subsidiary / Associated Company	40	10
Total Non-Current Assets	2,668	2,598
Inventories	82	75
Account Receivable	2,264	2,301
Prepayments and Others	165	155
Cash and Bank Balances	72	44
Total Current Assets	2,584	2,575
Total Assets	5,252	5,171
Share Capital	920	920
Statutory & FX Reserves	226	221
Retained Earnings	491	377
Equity Attributable to Shareholders	1,637	1,519
Non-Controlling Interests	45	46
Total Equity	1,681	1,565
Term Loans	1,055	1,310
Lease Obligations	71	46
Sukuk	988	0
Deferred Income	8	9
Employees' End of Service Benefits	253	240
Total Non-Current Liabilities	2,375	1,606
Short-Term Borrowings	415	1,116
Other Non-Current Liabilities	1	6
Lease Obligations	15	13
Accounts Payable	407	559
Accrued Expenses and Others	343	291
Zakat Payable	14	18
Total Current Liabilities	1,196	2,003
Total Liabilities	3,571	3,608
Total Liabilities and Equity	5,252	5,173



Financial Statements

Cash Flow

(In SAR mn)

1H 2024

1H 2023

Cash Flows From Operating Activities

Profit before Zakat	127	103
Depreciation	90	87
Amortization of Intangible Assets	5	1
Depreciation of Right of Use Assets	10	7
Allowance for Expected Credit Losses	(33)	0
Unwinding Impact of Other Financial Liabilities	0	0
Provisions for Slow Moving and Obsolete Inventories	3	1
Amortization of Deferred Income	(1)	1
Finance Charges Related to Lease Obligations	4	2
Finance Charges Related to Borrowings	124	47
Loss on Disposal of Property & Equipment	(19)	1
Provisions for Employees' End of Service Benefits	25	21
Operating Cash before Changes in Working Capital	336	270
Accounts Receivable	69	(241)
Inventories	(9)	34
Prepayments & Other Current Assets	(11)	19
Accounts Payable	(151)	140
Accrued Expenses & Other Current Liabilities	41	45
Other Financial Liabilities	(5)	(4)
Cash Flow from Operating Activities	269	264
Employees' End of Service Paid	(11)	(20)
Zakat Paid	(18)	(9)
Net Cash Flow from Operating Activities	240	235

Cash Flow from Investing Activities

Additions to Property & Equipment & Intangible Assets, Net	(137)	(150)
Proceeds from Disposal of Property & Equipment	22	0
Net Cash Flow from Investing Activities	(115)	(150)

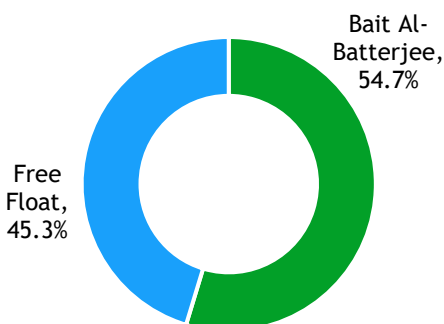
Cash Flow from Financing Activities

Lease Obligations, Net	(17)	(11)
Loans and Borrowings, Net	(952)	86
Proceeds from Sukuk, Net	988	0
Financial Charges Paid	(115)	(78)
Net Cash Flow from Financing Activities	(97)	(3)

Net Change in Cash and Cash Equivalent	28	82
Cash and Cash Equivalent at the Beginning of the Period	44	16
Cash and Cash Equivalent at the End of the Period	72	98



Shareholder Structure



Share Information

Reuters / Bloomberg
2009.SE / MEH AB

Shares Outstanding
92,040,000

Free Float
45.3%

About Middle East Healthcare Company

Middle East Healthcare Company, publicly known as Saudi German Health, is a leading healthcare provider in Saudi Arabia with operations spanning across seven cities in the Kingdom. Building on a long family legacy as medical pioneers in the Kingdom, Saudi German Health was founded by the Batterjee family 35 years ago to relieve people's suffering and have a positive impact on their health.

In 1988, Eng. Sobhi Batterjee, Chairman of Saudi German Health, and Dr. Khalid Batterjee, Vice President of Saudi German Health, established the first hospital in Jeddah and collaborated with German University Hospitals to bring advanced German healthcare standards and expertise to the local community for the first time in the Kingdom of Saudi Arabia. These associations inspired the 'German' in our name.

Since then, MEAHCO has been expanding and growing its presence organically on firm footing. MEHACO is the most geographically diverse healthcare player in Saudi Arabia with a comprehensive network of 8 full-fledged hospitals in Jeddah, Aseer, Riyadh, Madinah, Hail, Dammam, and Makkah, enabling it to access ~90% of the Kingdom's population.

The Group has a total licensed capacity of c.1.8k beds and operational capacity of c.1.3k beds.

Learn more at: www.saudigermanhealth.com

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Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “aims”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of the Company’s management (“Management”) on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company’s actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company’s business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.