

## Fakeeh Care Group Reports Double-Digit Revenue & EBITDA Growth in Q1-2024; Maintains Robust Profitability Despite Ramp-up Costs in Riyadh

### Q1 2024 Highlights

<b>Revenues</b> <b>SAR 680.3 MN</b> ▲ 28.5% y-o-y	<b>Gross Profit</b> <b>SAR 188.6 MN</b> ▲ 30.6% y-o-y / 27.7% margin	<b>EBITDA</b> <b>SAR 144.5 MN</b> ▲ 10.7% y-o-y / 21.2% margin
<b>Net Profit</b> <b>SAR 60.7 MN</b> ▲ 0.3% y-o-y / 8.9% margin	<b>Profit to Owners</b> <b>SAR 72.7 MN</b> ▲ 1.0% y-o-y / 10.7% margin	<b>Total Billable Patients Served</b> <b>428.3k</b> ▲ 12.5% y-o-y

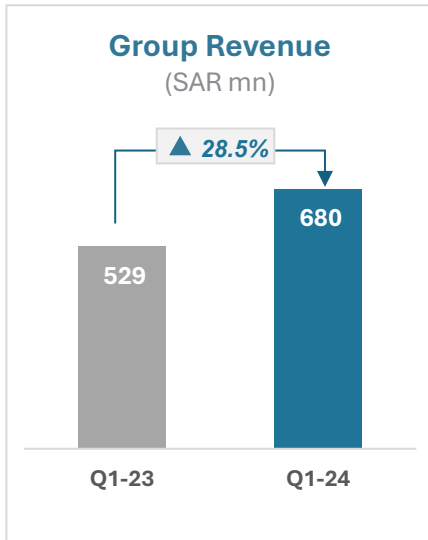
**Jeddah, KSA, 2 July 2024:** Dr Soliman Abdel Kader Fakeeh Hospital Company and its Subsidiaries (“Fakeeh Care Group”, “FCG”, “Fakeeh”, the “Company” or the “Group”), a leading fully integrated academic healthcare provider listed on TASI (SYMBOL: 4017 and ISIN code SA562GSHUOH7), announces today its financial results in accordance with the International Financial Reporting Standards (IFRS) for the three-month period ended 31 March 2024.

### Key Financial & Operational Developments

- **Group revenue** grew by a solid 28.5% year-over-year (y-o-y) to SAR 680.3 million in Q1-2024, driven by growing patient numbers despite the holy month of Ramadan starting earlier in March this year, and further supported by the Group’s NEOM Operate and Manage (O&M) contract. The Group’s medical business contributed the lion’s share of total revenue at 93.5% in Q1-2024, with the education and technology businesses accounting for the balance of 6.5%.
- As of 31 March 2024, **total patients served** (including inpatient admissions and outpatient visits) reached 428.3 thousand billable patients (excluding free follow-up visits), up by 12.5% y-o-y on account of the continued ramp-up of operations at Riyadh Hospital.
- **Gross profit** for the quarter was 188.6 million in Q1-2024, up by 30.6% y-o-y with an expanded gross profit margin of 27.7% compared to 27.3% in Q1-2023. Improved gross profitability reflects the growing contribution from the NEOM O&M contract, improving gross profitability at Riyadh Hospital, as well as FCG’s overall increasing focus on complex care and surgeries.
- **Group EBITDA** grew 10.7% y-o-y to SAR 144.5 million in Q1-2024, reflecting increased operational efficiencies. It’s worth noting that EBITDA in Q1-2023 includes a one-off finance income related to a long-term receivable from FCG’s UAE related party, which was settled as of September 2023.
- Adjusting for the one-off finance income contribution in Q1-2023, the **Group’s adjusted EBITDA** recorded a 21.8% y-o-y increase with a largely stable EBITDA margin at 21.2% despite the ramp-up costs related to the Riyadh Hospital.
- **Net Profit** for the quarter was SAR 60.7 million in Q1-2024, remaining stable y-o-y despite revenue growth on account of higher finance charges, higher depreciation on additional investments, and higher taxes. Adjusting for the one-off finance income in Q1-2023, the Group’s **adjusted net profit** recorded a 24.9% y-o-y growth with a stable adjusted net profit margin at 8.9% despite Riyadh’s ramp-up costs.
- In June 2024, Fakeeh Care Group successfully concluded its **initial public offering (IPO)** on the Tadawul, raising gross proceeds of SAR 2.9 billion (US\$ 764 million) for the Company and the Selling Shareholders, with significant demand from a broad range of institutional investors resulting in a subscription coverage of approximately 119 times the total offered shares.

**Commenting on the Group’s performance, FCG’s President Dr. Mazen Soliman Fakeeh said:** “I am very pleased to report on the Group’s solid revenue and profitability performance in the first quarter of 2024. Our strong double-digit revenue growth was driven by growing patient numbers as FCG delivers on its promise of superior quality healthcare services. We have also started to reap the rewards of our expansion drive with the ramp up of operations at our hospital facility in Riyadh, and as we deploy our O&M business model at the NEOM facility. Meanwhile, our efforts to optimize our cost structure have enabled us to deliver solid year-on-year profitability broadly in line with the Group’s revenue growth.”

“I am also pleased to announce that in June 2024 we successfully concluded our initial public offering on the Tadawul Exchange which witnessed strong investor demand with an oversubscription rate of 119x, a testament to the quality of our business and our clearly defined growth strategies. As we join the ranks of publicly listed companies, I look forward to reporting to you here on our financial and strategic performance in the quarters to come, all the while maintaining a strong commitment to the highest corporate governance standards and a continued improvement of our disclosure and transparency directives.”

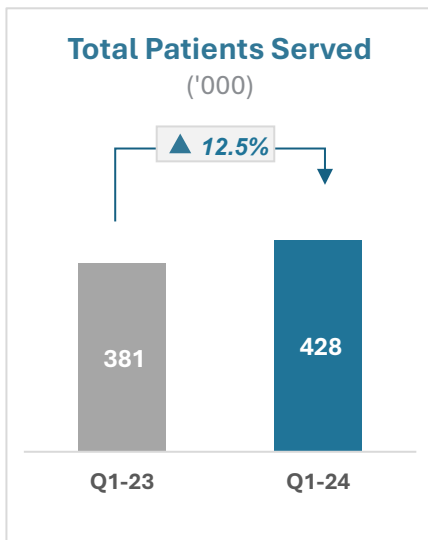


## Financial & Operational Review

### *Solid business growth driven by increasing footfall and ramp-up of Riyadh Hospital and the NEOM O&M contract*

Fakeeh Care Group recorded **total consolidated revenues** of SAR 680.3 million in Q1-2024, up 28.5% y-o-y despite the longer Ramadan period – which started 12 days earlier compared to March 2023 – and its impact on patient footfall and elective surgeries. Group revenue growth was driven primarily by the hospitals in Jeddah and Riyadh and also benefited from the deployment of the NEOM O&M contract.

Furthermore, the Group’s education and technology segments further supported growth, with total revenues of SAR 44.3 million in Q1-2024, up 6.5% y-o-y.

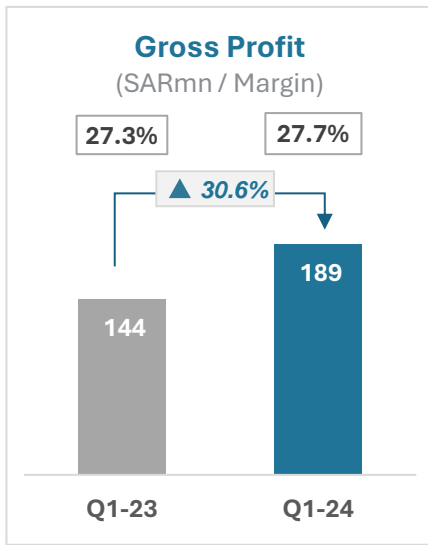


Group **outpatient visits** in Q1-2024 increased by 12.5% y-o-y to 416.9 thousand, of which 37.6 thousand were in Riyadh Hospital. The growth in outpatient visits came despite overall patient footfall being impacted by the postponement of visits falling during Ramadan.

**Inpatient admissions** delivered robust growth of 9.4% to 11.4 thousand in Q1-2024. Inpatient volumes were supported by the continued ramp-up of Riyadh Hospital (1.4 thousand admissions) and strong demand for complex surgeries in Jeddah where occupancy reached 88.3% for the quarter.

### *Top-line growth translated to robust profitability on account of optimized cost structure and favourable business mix*

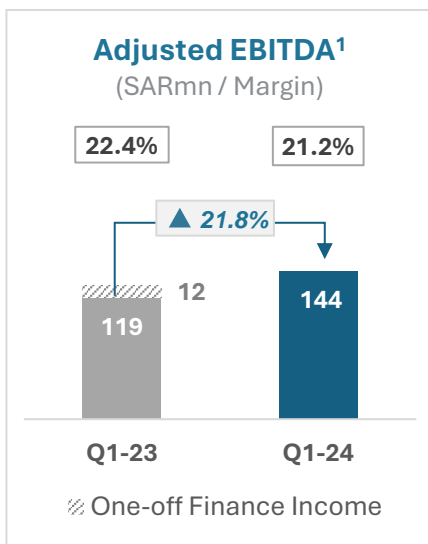
The Group’s **cost of revenue** increased 27.7% y-o-y to SAR 491.8 million in Q1-2024, a slower rate than revenue growth as the Group reaps the rewards of its O&M business model while the Riyadh facility steadily ramps-up and becomes more efficient.



Group **gross profit** grew by 30.6% y-o-y to SAR 188.6 million in Q1-2024 with a gross profit margin of 27.7%, a 44bps expansion compared to the 27.3% recorded in Q1-2023. Improved gross profitability reflects the Group's evolving business mix, including growing contribution from its O&M contract as well increased focus on complex care and surgeries.

**EBITDA** for the quarter grew by 10.7% y-o-y to SAR 144.5 million in Q1-2024, reflecting strong revenue growth and optimized cost structure. It worth noting that EBITDA in Q1-2023 includes a one-off finance income of SAR 11.9 million related to a long-term receivable from FCG's UAE related party, which was settled as of September 2023.

Adjusting for the one-off finance income contribution in Q1-2023, the Group's **adjusted EBITDA** was up 21.8% y-o-y with an adjusted EBITDA margin of 21.2%.

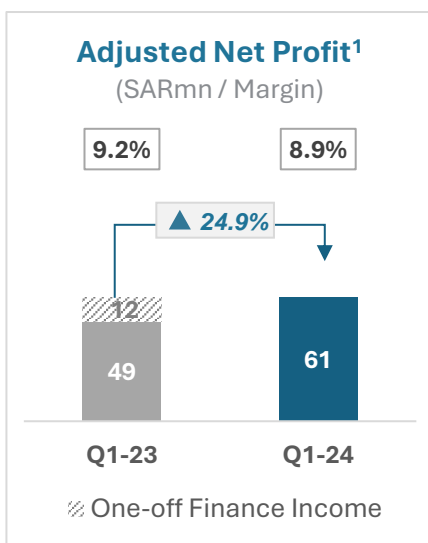


The Group's **net profit** for Q1-2024 remained stable at SAR 60.7 million, as the Group's revenue growth and increased operational efficiencies were partly offset by higher depreciation, finance costs and income taxes. Adjusting for the one-off finance income of SAR 11.9 million recorded in Q1-2023, the Group's net profit would record a strong 24.9% y-o-y increase in Q1-2024, largely in line with top-line growth for the period.

Group **net profit attributable to the owners** reached SAR 72.7 million in Q1-2024, up by 1% y-o-y as Riyadh Hospital continued to record ramp up losses. The EPS for the period reached SAR 0.36 based on 200 million shares, remaining stable year-over-year.

### Strong cash and financial position prior to the Group's IPO

Total **cash balances** as of 31 March 2024 stood at SAR 242.4 million compared to SAR 214.3 million as of December 2023. It worth noting that this excludes the SAR 1.7 billion in IPO proceeds booked during Q2-2024.



**Inventories and accounts and other receivables** increased to SAR 198.8 million (SAR 163.1 million as of December 2023) and to SAR 774.3 million (SAR 745.7 million as of December 2023), respectively as of 31 March 2024, in line with the Group's revenue expansion.

The Group's **net debt** stood at SAR 1,506 million (SAR 2,025 million including Leases) as of 31 March 2024, down from SAR 1,507 million (SAR 2,050 million including leases) as of 31 December 2023 despite the quarter-on-quarter growth in revenues and working capital.

Fakeeh's **net debt / EBITDA** stood at 2.8x (or 3.7x including Leases) as of 31 March 2024, however, it is worth noting that the Group will partly utilize the IPO proceeds of SAR 1.7 billion to significantly reduce its debt position and will thus have a net cash balance excluding leases. The strength of the Group's balance sheet provides adequate financial flexibility to pursue growth opportunities going forward.

<sup>1</sup> Adjusted for SAR 11.9 million in one-off finance income recorded in Q1-2023.

## Outlook & Guidance

*Management maintains a positive outlook as the Group continues to deliver on its strategic priorities, and underlined by favourable macro and market environment*

Fakeeh Care Group continued to progress on its strategic ambitions to ramp up the company's high-growth assets and O&M contracts; expand its home healthcare presence in more cities; and continued improvement of patient yields through the delivery of highly specialized complex care of the best quality.

As such, Fakeeh Care Group management maintains a positive outlook for its mid- and long-term growth, further underpinned by the favorable macro-outlook in KSA, including rapid population growth and increasing demand for added healthcare capacity.

– Ends –

## About Fakeeh Care Group

Established in 1978 by the late Dr. Soliman Fakeeh, the Fakeeh Care Group stands as a pioneer in integrated healthcare services in Saudi Arabia. Our comprehensive healthcare offering includes our core healthcare services ranging from ambulatory care to secondary and tertiary care, supported by Emergency Medical Services and Fakeeh Home Healthcare. Additionally, our offerings are enhanced by our industry-leading academic healthcare programs. In 2022, after a period of significant growth in our home city of Jeddah, the Group embarked on a Kingdom-wide expansion strategy to bring our well proven hub-and-spoke model and medical support services to major cities across Saudi Arabia.

In June 2024, Fakeeh Care Group successfully concluded its **initial public offering (IPO)** on the Tadawul. The IPO raised gross proceeds of SAR 2.9 billion (US\$ 764 million) for the Company and the Selling Shareholders of which SAR 1.7 billion will be used to support and accelerate the Group's growth strategy.

### For further information, please contact:

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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", "anticipates", "assumes", "believes", "could", "estimates", "expects", "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 that 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 the Company's business and management, its future growth or profitability and general economic and regulatory conditions and other matters affecting it.

These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and its investments, including, among other things, the development of its business, financial condition, prospects, growth, strategies, as well as the trends in the industry and macroeconomic developments in the Kingdom of Saudi Arabia. Many of these risks and uncertainties relate to factors that are beyond the Company's control or accurate estimation, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and any changes in applicable laws or regulations or government policies. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not otherwise occur and past performance shall not be taken as a guarantee of future results. No representation or warranty is made pertaining to any forward-looking statement made by the Company. The Company does not intend to update, supplement, amend or revise any such forward-looking statement whether as a result of new information, future events or otherwise. Nothing in the Information shall be construed as a profit forecast.

The Information may include financial information that are not defined or recognized under the International Financial Reporting Standards (IFRS). These measures are derived from the Company's consolidated financial statements and provided as additional information to complement IFRS measures. Any financial information provided by the Company should not be considered in isolation or as a substitute for analysis of the Company's financial information as reported under the IFRS.

## Fakeeh Consolidated Financial Review

SAR	Q1 2024 (unaudited)	Q1 2023 (unaudited)	Change
<b>Revenue</b>	<b>680,333,920</b>	<b>529,405,652</b>	<b>28.5%</b>
Costs of revenue	(491,750,553)	(385,009,641)	27.7%
<b>Gross profit</b>	<b>188,583,367</b>	<b>144,396,011</b>	<b>30.6%</b>
<i>Gross profit margin</i>	27.7%	27.3%	
Other income	3,854,041	5,746,098	-32.9%
Administrative expenses	(69,115,264)	(51,586,584)	34.0%
Selling and distribution expense	(13,494,558)	(10,331,362)	30.6%
Expected credit loss on accounts receivables	(2,826,009)	(4,035,000)	-30.0%
<b>Operating profit</b>	<b>107,001,578</b>	<b>84,189,164</b>	<b>27.1%</b>
<b>Operating Profit margin</b>	<b>15.7%</b>	<b>15.9%</b>	
Finance income	-	11,918,966	-100.0%
Finance cost	(39,280,401)	(30,593,414)	28.4%
<b>Profit before Zakat</b>	<b>67,721,177</b>	<b>65,514,716</b>	<b>3.4%</b>
Zakat	(7,023,151)	(4,991,002)	40.7%
<b>Profit after Zakat</b>	<b>60,698,026</b>	<b>60,523,714</b>	<b>0.3%</b>
Profit margin	8.9%	11.4%	
<b>Profit for the year attributable to:</b>			
<b>Owners' equity</b>	<b>72,722,678</b>	<b>72,038,041</b>	<b>1.0%</b>
Minority interest	(12,024,652)	(11,514,327)	4.4%
	<b>60,698,026</b>	<b>60,523,714</b>	<b>0.3%</b>
<b>EPS</b>	<b>0.36</b>	<b>0.36</b>	<b>1.0%</b>
<b>EBITDA</b>	<b>144,497,856</b>	<b>130,581,936</b>	<b>10.7%</b>
EBITDA margin	21.2%	24.7%	
<b>Adjusted EBITDA (one off item)</b>	<b>144,497,856</b>	<b>118,662,970</b>	<b>21.8%</b>
EBITDA margin	21.2%	22.4%	

## Fakeeh Consolidated Financial Review

SAR	31-Mar-24 (Unaudited)	31-Dec-23 (Audited)
<b>ASSETS</b>		
Non-current assets	2,861,728,054	2,843,684,020
Cash and cash equivalents	242,427,204	214,295,756
Current assets excluding cash equivalents	1,273,823,753	1,174,121,534
<b>Total Assets</b>	<b>4,377,979,011</b>	<b>4,232,101,310</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	200,000,000	200,000,000
Retained earnings	892,977,708	820,255,030
<b>Equity attributable to owners of the Company</b>	<b>1,092,977,708</b>	<b>1,020,255,030</b>
Non-controlling interests	230,293,772	235,219,964
<b>Total equity</b>	<b>1,323,271,480</b>	<b>1,255,474,994</b>
<b>Liabilities</b>		
Non-current liabilities	1,955,356,706	1,911,325,050
Current liabilities	1,099,350,825	1,065,301,266
<b>Total liabilities</b>	<b>3,054,707,531</b>	<b>2,976,626,316</b>
<b>Total Equity and Liabilities</b>	<b>4,377,979,011</b>	<b>4,232,101,310</b>
<b>Additional information:</b>		
Loans less cash	1,505,928,489	1,506,629,937
Lease liabilities	519,096,759	542,963,009
<b>Debt &amp; Leases</b>	<b>2,025,025,248</b>	<b>2,049,592,946</b>
Net Debt / Equity	114%	120%
Total Debt/Equity	153%	163%
12 months rolling EBITDA	540,217,431	526,301,511
Net Debt / EBITDA	2.79	2.86
Total Debt / EBITDA	3.75	3.89