



**CLEOPATRA HOSPITALS**  
GROUP

# **Cleopatra Hospital Company**

Investor Presentation FY19

# Disclaimer



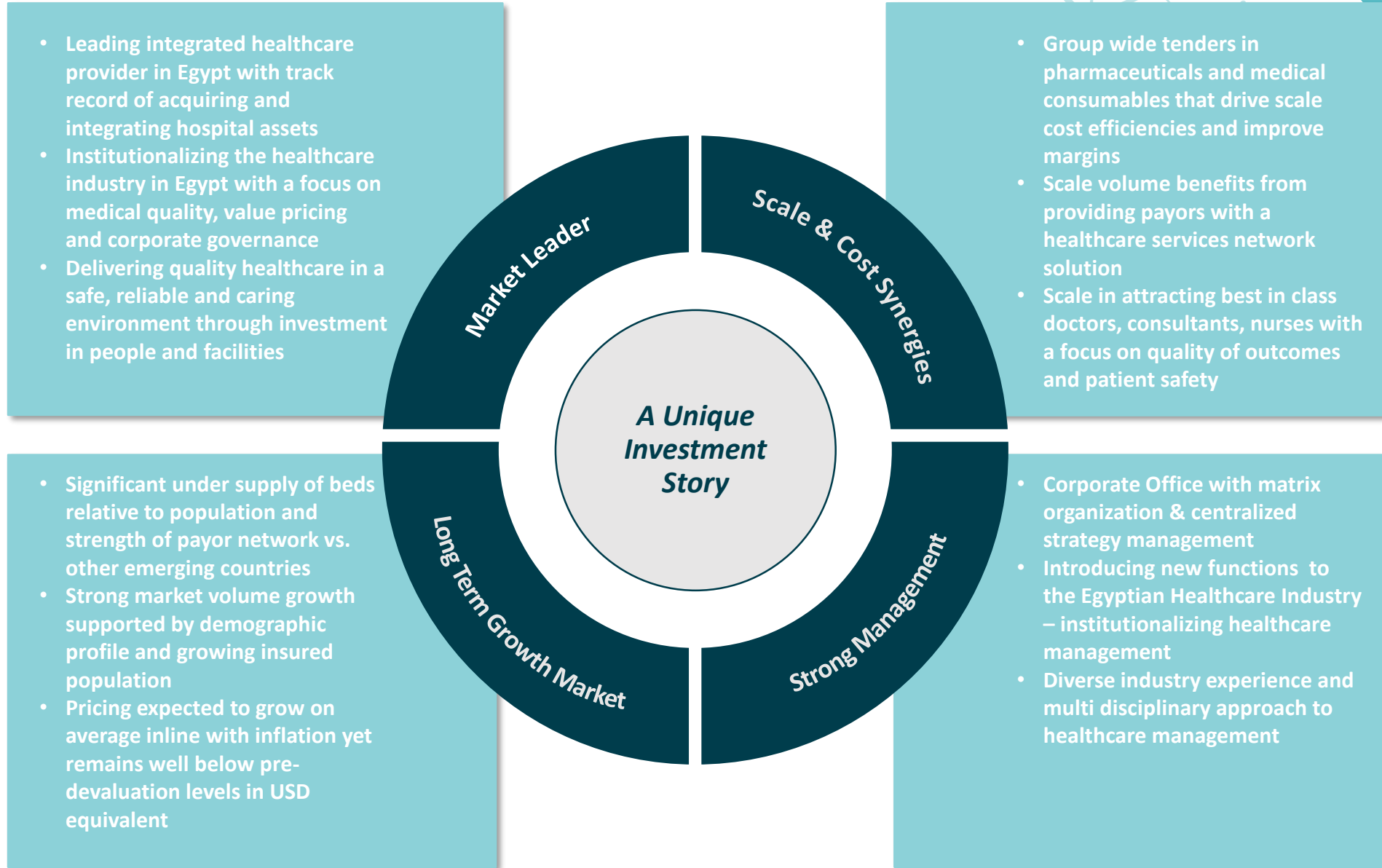
This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Cleopatra Hospitals Group believes that the expectations and opinions reflected in such forward looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: business integration risk; compliance risk; recruitment and retention of skilled medical practitioners risk; clinical risk; concentration of revenue; currency and macroeconomic; information technology and operational risk; regional tensions and political risk; and other key factors that we have indicated could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Cleopatra Hospital Group or any other entity and must not be relied upon in any way in connection with any investment decision. Cleopatra Hospital Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast

# Table of Contents

1. Unique Investment Story
2. Recent Business Updates
3. Expansion Strategy
4. Governance & Shareholder Information



# A Unique Investment Story



# CHG financial highlights

In **2019**, CHG reported strong top-line growth and solid profitability, with fourth quarter margins in line with CHG's all-time highs.

The Group enters **2020** ideally positioned to continue delivering growth at an organic level while executing on its expansion strategy.

2020 performance is set to be further supported by the four newly added facilities which are continuing their ramp up phase.



EGP **501.1** mn  
EBITDA<sup>1</sup> in FY19 with a  
**28% Margin**



EGP **1,798.1** mn  
Consolidated revenues in FY19 with  
**23% growth y-o-y**



**22%**  
Gross profit growth  
EGP 625.5mn in FY19  
**35% Margin**



**24%**  
EBITDA<sup>1</sup> growth y-o-y



**1,015,691<sup>2</sup>**  
Cases served in FY19



**↑10%**  
y-o-y growth in cases served  
in FY19

<sup>1</sup> EBITDA, Earnings before Interest, Tax, Depreciation and Amortization adjusted for provisions, impairments, LTIP, acquisitions expenses, pre-operating expenses and excluding contributions from other income.

<sup>2</sup> Cases served includes number of in-patients, outpatient visits and ER visits.

# CHG facilities and staff

Cleopatra Hospital Company, is the largest private hospital group in Egypt and consists of **four operational hospitals all in Cairo (2018)**, namely:

**Cleopatra Hospital**

**Cairo Specialized Hospital**

**Nile Badrawi Hospital**

**Al Shorouk Hospital**

Throughout 2019, the Group further expanded adding:

**Queens Hospital (part of CHG as of March 2019)**

**Al Katib Hospital (Operations part of CHG as of November 2019)**

**West Cairo Polyclinic (July 2019)**

**East Cairo Polyclinic (February 2019)**



**6**

Operational hospitals across our platform  
With two additions during 2019 (Queens in March & EL Katib in November)



**2 Polyclinics**

East Cairo Polyclinic is operational as of February 2019.  
West Cairo Polyclinic is operational as of July 2019.



**643** (4 hospitals) + **50** (Queens) + **89** (Al Katib) + **198** (Beni Seuf<sup>1</sup>)

Patient beds including c. 420 wards and around 150 ICU beds Plan to reach **1,200 Operational beds by 2021**



**1,000**

Consultant Physicians attracted from the top 2 Medical Universities



**+2,400**

Total medical staff including c. 850 resident doctors and c. 1000 nursing staff

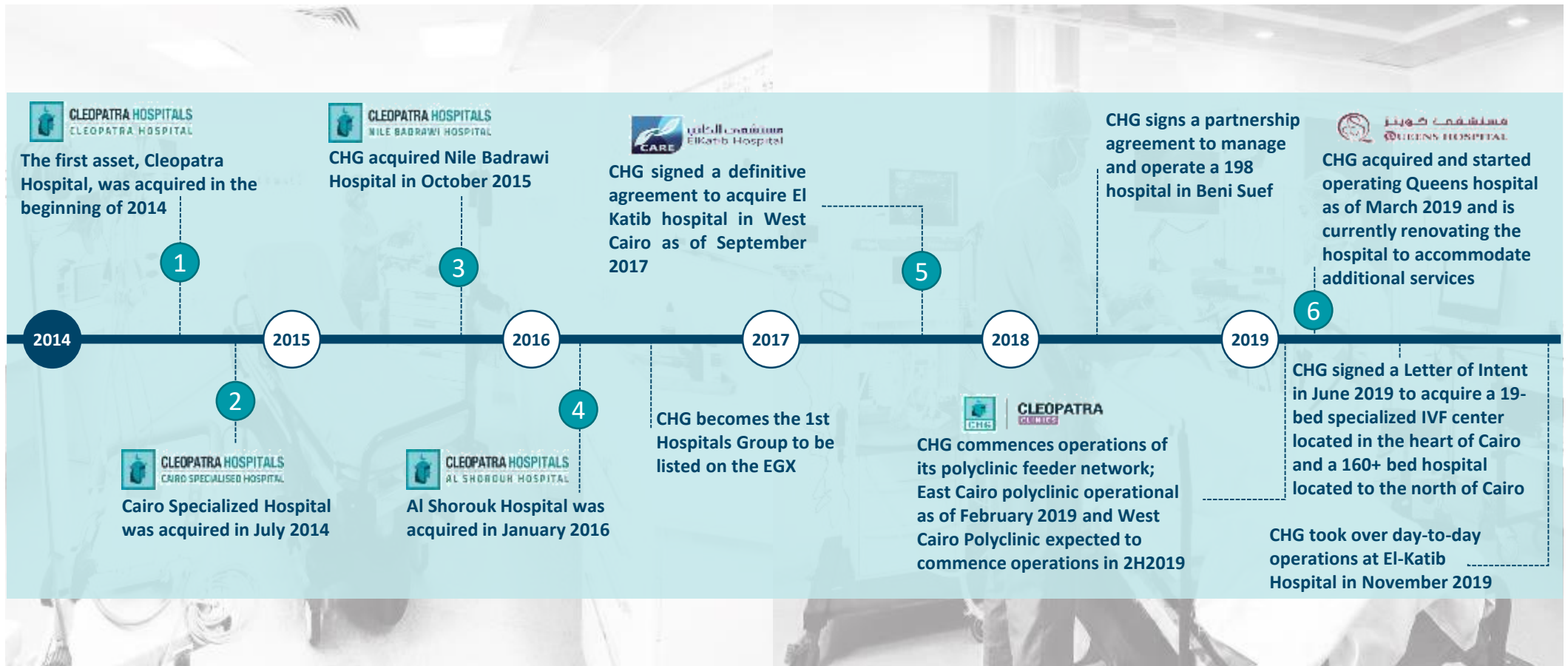
<sup>2</sup>In August 2019, CHG signed a SHA with Nahda University to develop a 198-bed hospital in Beni Suef



# Clearly Defined Core Growth Strategy

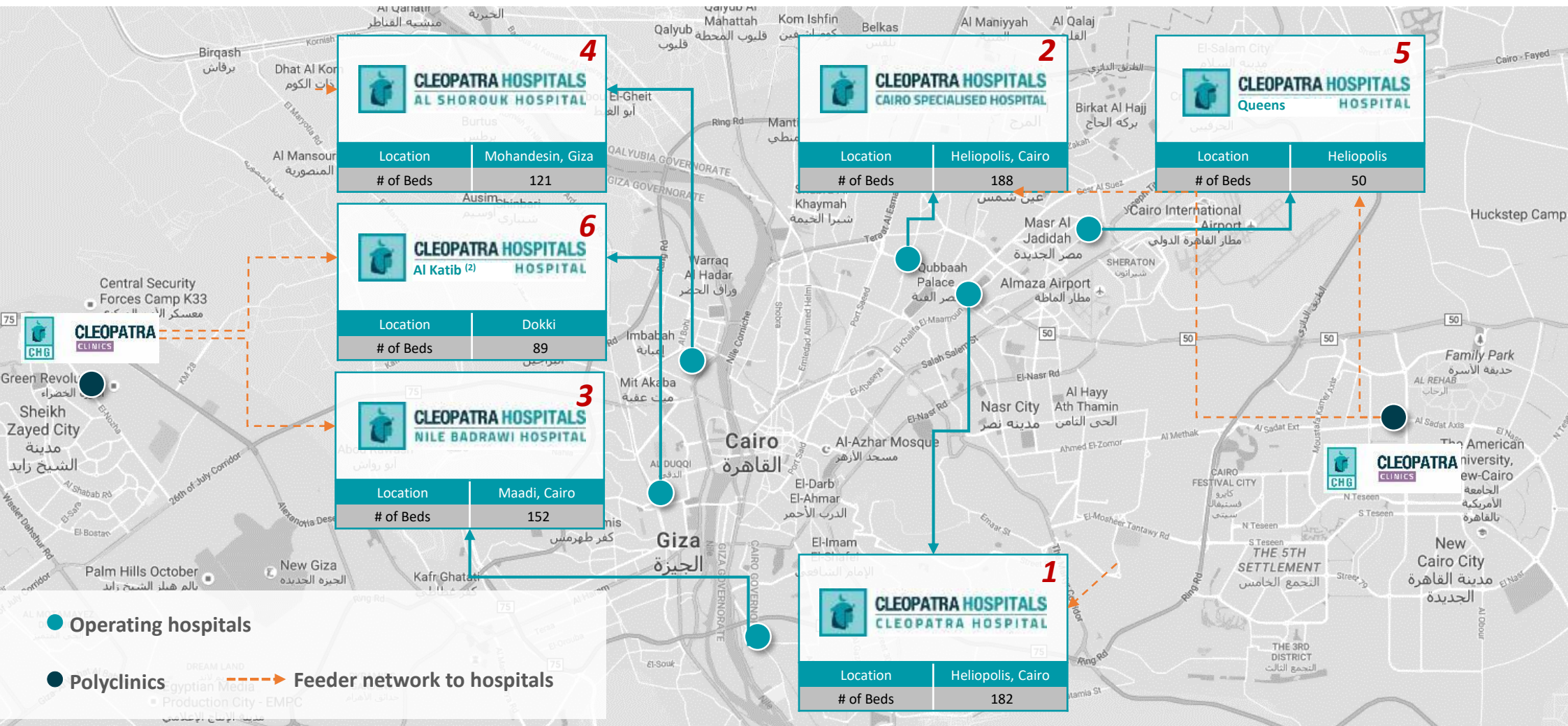


# A Scalable Platform, with a Track Record of Integrating Acquisitions












# A Network of Six Hospitals across Greater Cairo



Note (3): expected to increase to 98 beds post expansion

# Well Defined Integration model

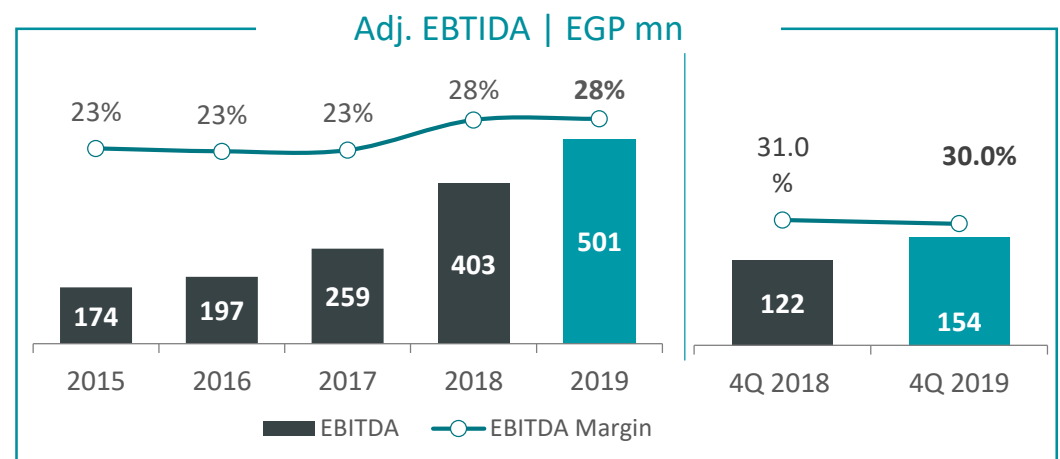
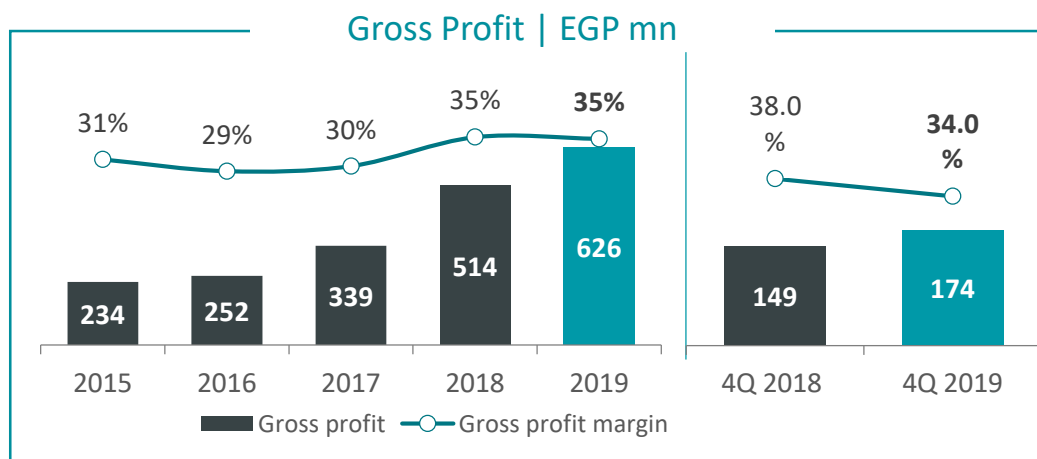
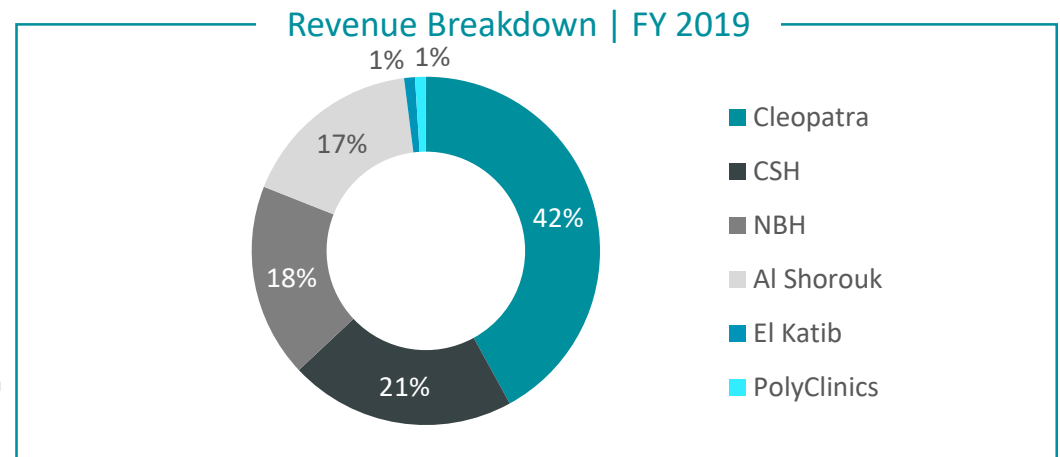
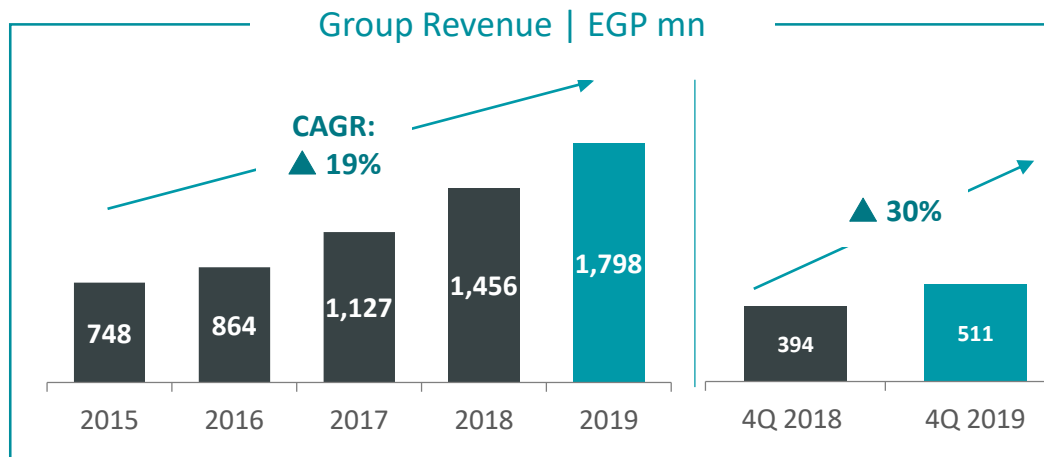


Integration, Optimization of Operations											<div>Effect on CHG</div> <div>Optimize operations and management</div> <div>Standardize and improve quality</div> <div>Enhance margins</div> <div>Stronger bargaining power</div> <div>Establish Partnerships with leading companies</div> <div>Attract high qualified medical staff</div> <div>Establish Centers of Excellence</div> <div>Shared cost benefits</div> <div>Improve collection / billing</div>	
	Institutionalizing the Group	Corporate Governance	Centralized Corporate Office	Unified Authority Matrix	Expansion Strategy	Umbrella Brand Name for Each Individual Group	Unified Pricing & Positioning Strategy	Unified Financial Sops & Reporting	Value Creation Plans			
	Human Resources	Standard Organizational Chart / Matrix Org	Salary Scale Exercise	New Incentive Schemes	Health Insurance Schemes	Training & Development Programs	Employee Satisfaction Surveying	Profit Share Schemes	Appraisal System			
	Supply Chain & Synergies	Group Wide Tenders	Item Unification		Consumables Unification	Standard Warehousing	Medical Capex Across Group	Medication Tendering And Management	Material Planning			
	Infrastructure / Technology Upgrade	HIS/ERP System Roll Out	PACS System	Facelifts	COEs Equipping	OR Renovations	Electromechanical Upgrades	ICU Upgrades And Extensions	Diagnostics & Auxiliary Units Upgrades	New Cath-labs		
	Business Development	One Stop Shop	COEs	Drug Formulary	Cross Asset Referrals	Doctor Engagement & Referrals	Unified Insurance & Corp Deals	Revenue Cycle Management	Surgical Packages	Enhancing Case Mix		
	Quality	CHG Medical Council	JCI Roadmap		Unified Sops & Hospital Manuals	Standardized Quality KPIs	Catering & Kitchen Upgrades	Specialty Club Meetings	Nurse & Medical Teams Training Programs			
	Optimize Capacity and Patient Flow	Centralizing Non-core Functions	Unified Call Centre		Unified & Integrated Ambulance & ER Protocols	Utilization Enhancement Across All Segments	Medical Tourism	OPD Slot Management	ICU Bed Additions			

# Solid Financial Performance



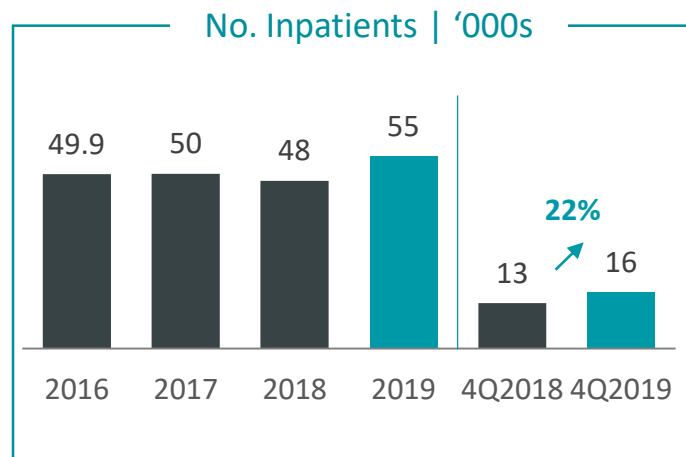
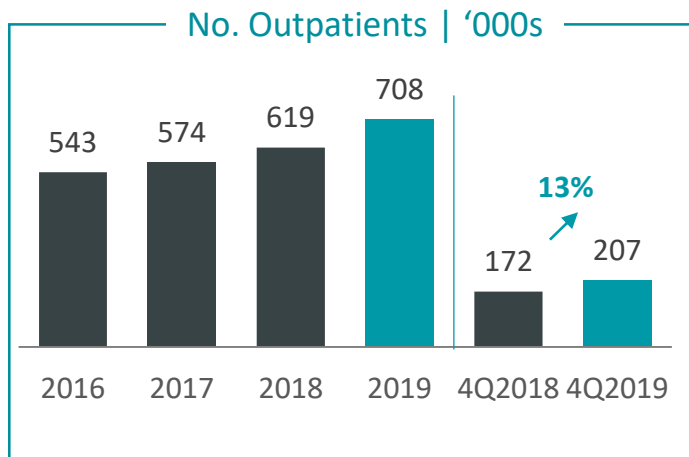
While the group continues its focus on enhancing and maintaining margins organically, performance in 2019 reflected strong margins despite the addition of four newly inaugurated facilities which are currently in the ramp-up or pre-integration phases. The Group's hospitals progressed with growth in the overall group revenues, gross profit and EBITDA.



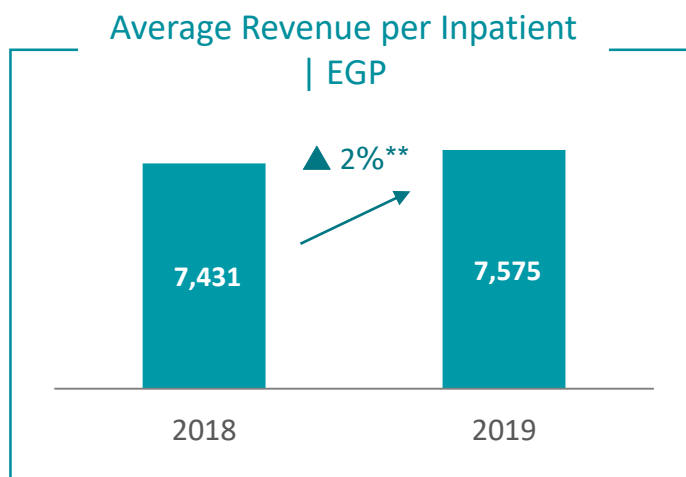
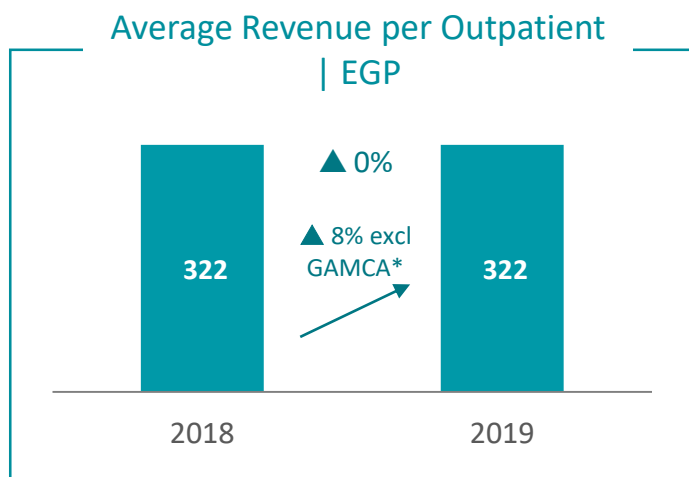
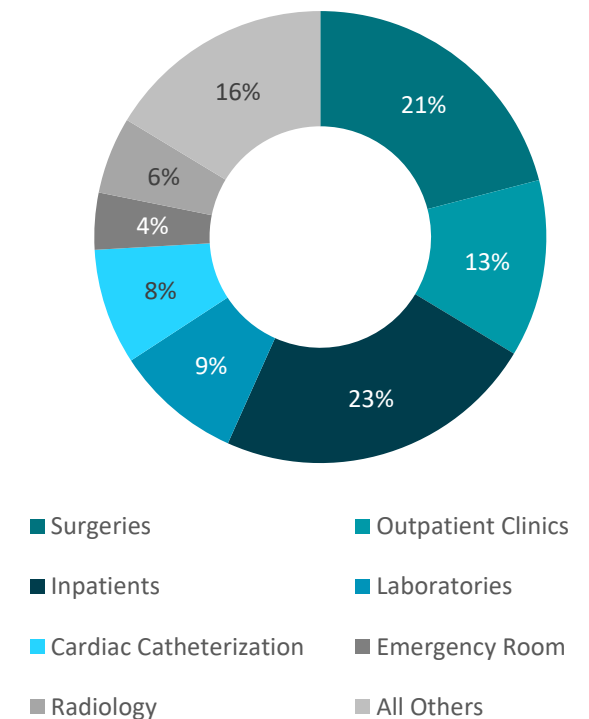
# Key Revenue Drivers (i)



Volumes from both inpatient admissions and outpatient visits continued to report solid year-on-year growth, at 22% and 13% respectively, reflecting CHG's volume enhancement strategy across its revenue streams



**Group Revenue Contribution by Segment ( FY 2019 )**



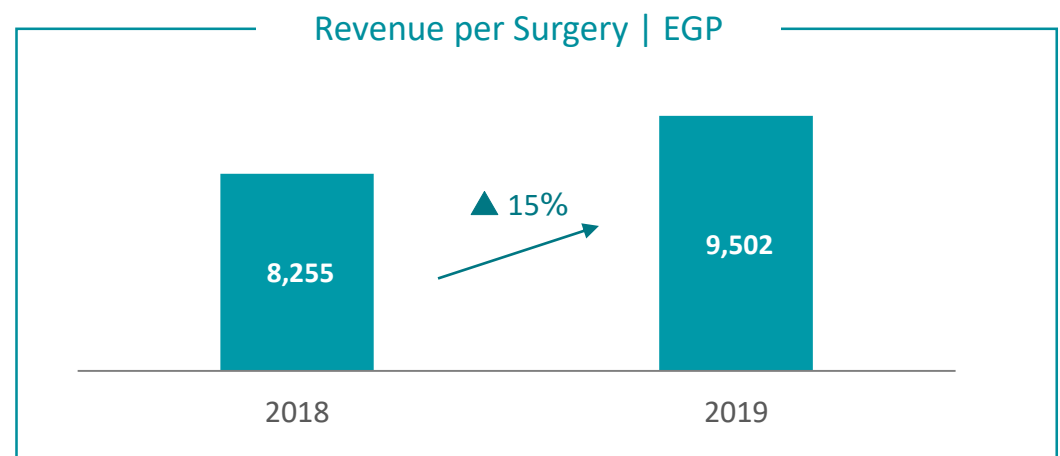
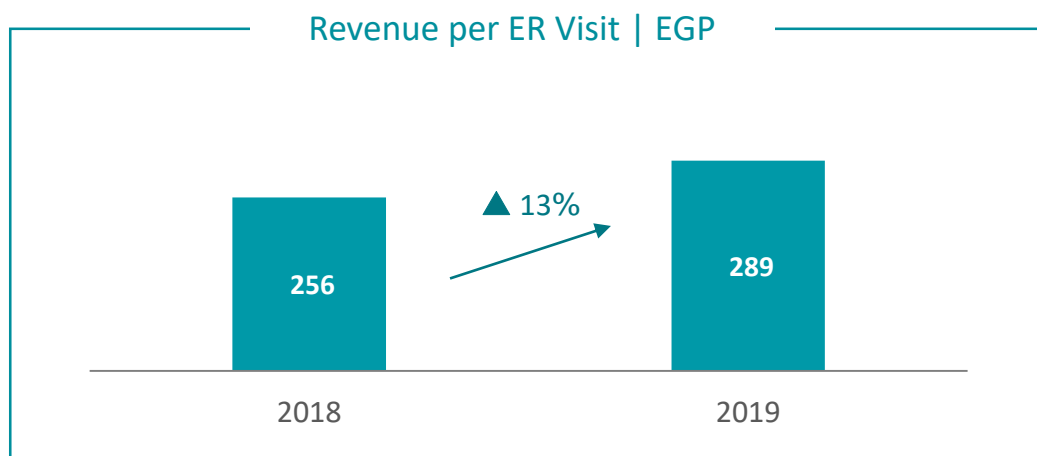
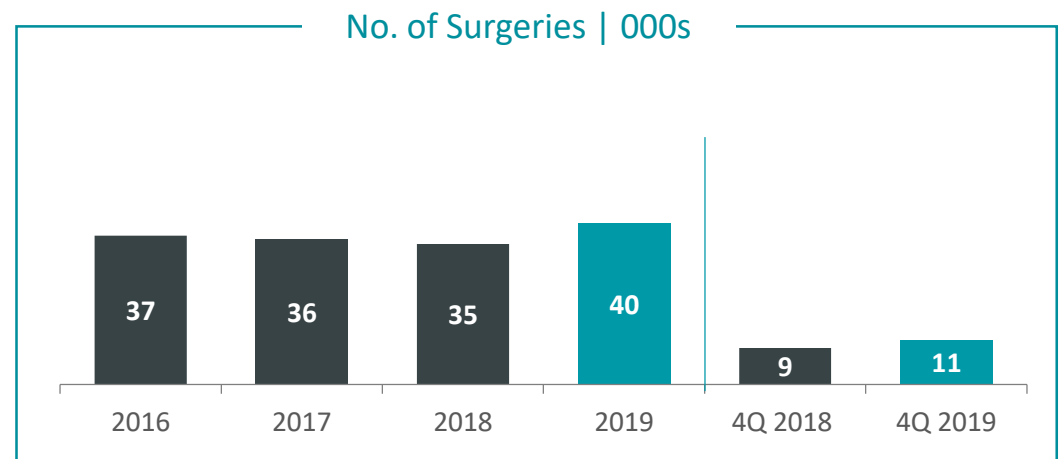
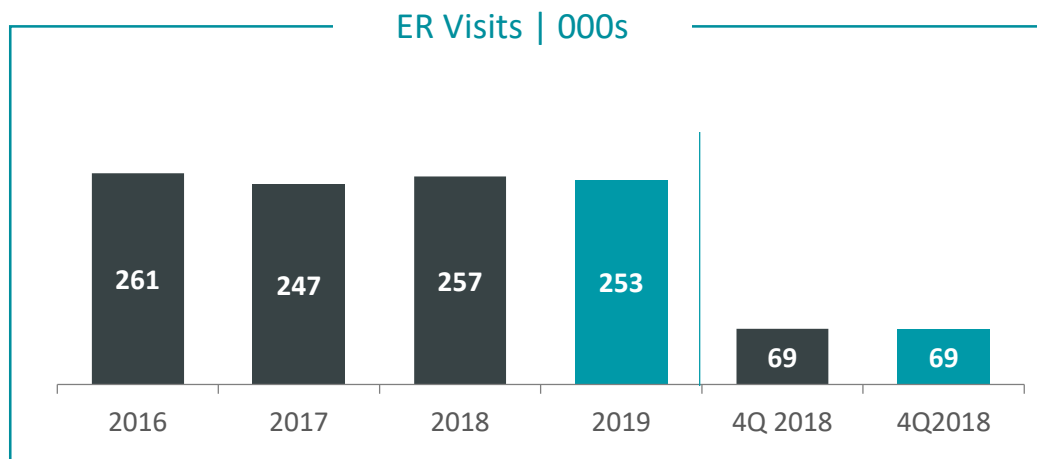
\* ARO Includes effect of high fee per service GAMCA services that were conducted in 2018 and partially paused in 2019. Organic ARO showed around 8% for OPD consultations excluding GAMCA Services

\*\* ARI , there was a reduction in ALOS; accordingly, revenue/ occupied bed night has increased by around 16% on an organic level (while revenue/ inpatient may not necessarily be indicative)

# Key Revenue Drivers (ii)



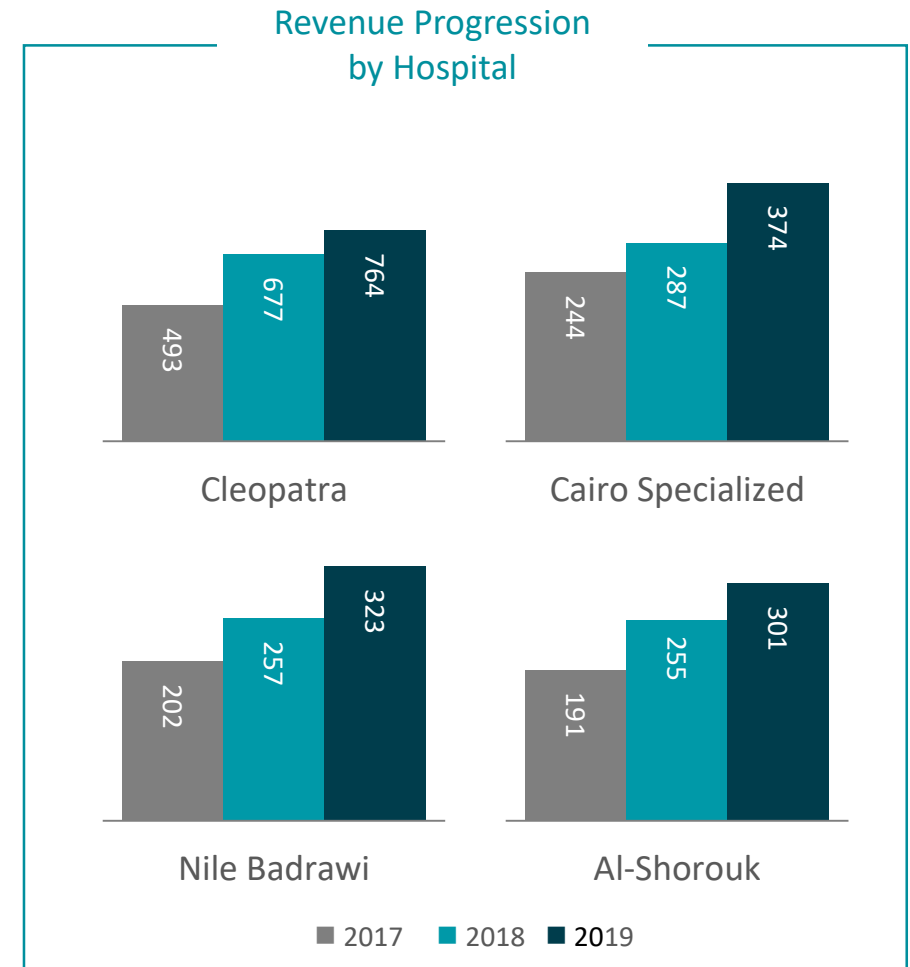
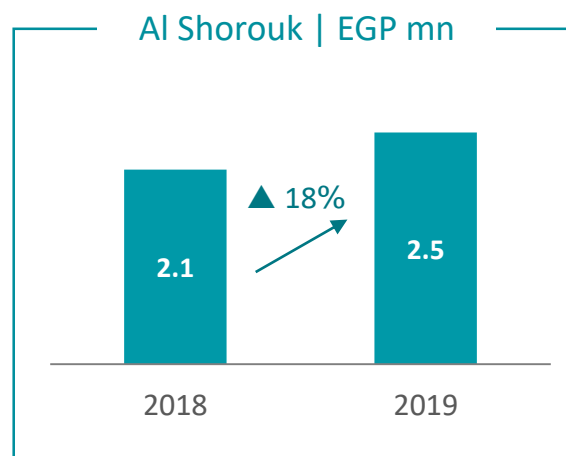
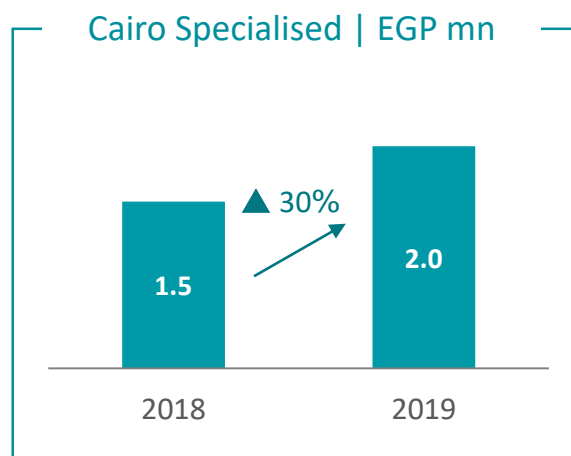
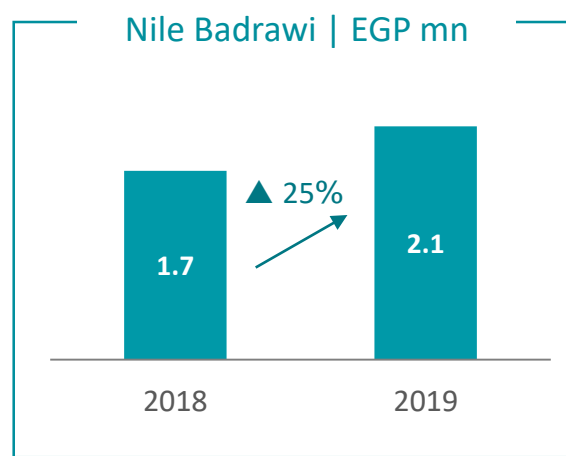
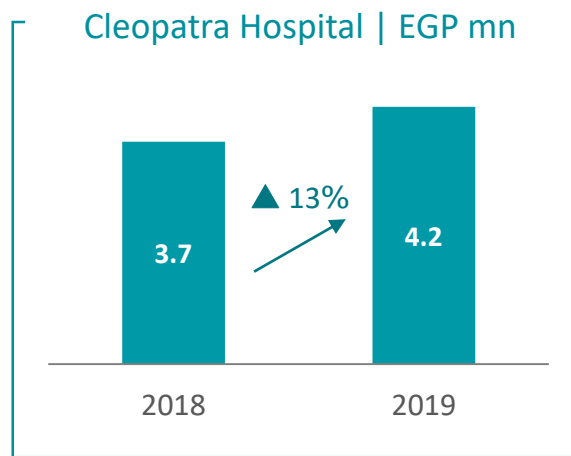
Surgeries and ER visits have also witnessed increasing revenue per visit, which expanded 13% and 15% year-on-year respectively. Overall revenues from both segments have witnessed notable growth over the year.



# Key Revenue Drivers (iii)



Revenue per bed at group organic hospitals have continued to post solid year-on-year growth on the back of management's utilization enhancement and case mix optimization strategy.





# COVID-19 Update



*CHG is closely monitoring, and proactively responding to the developments in Egypt associated with coronavirus (COVID-19) under the guidance of the Egyptian Ministry of Health and Population (MOHP).*

*As the number of reported COVID-19-positive patients in Egypt slowly rises, the Egyptian government and MOHP have been implementing a series of protocols to control the risk of exposure across the general public.*

*In addition to a focused process to ensure quick detection, quarantine and treatment for COVID-19 patients, the government's efforts have also focused on raising public awareness and promoting social distancing and prevention measures.*

*With businesses around the country mobilizing to aid in the government's COVID-19 containment efforts, CHG is implementing a series of additional internal protocols to mitigate the risks that the virus poses for our patients and employees and to safeguard our operations in the midst of these challenging times.*

*In line with MOHP guidelines, CHG does not offer COVID-19 testing or treatment and all potential cases are isolated and reported to MOHP to ensure they receive immediate care at the dedicated government-run facilities.*

*CHG has strict infection control and prevention protocols in place to protect patients, health care workers and visitors to minimise the risk of any infection, including COVID-19.*

# Recent Business Updates

The background of the slide is a photograph of a medical scan machine, possibly a CT or MRI scanner, in a clinical setting. The image is overlaid with a network of white lines and dots, creating a digital or data-driven aesthetic. Several circular icons are scattered across the image, each containing a different symbol: a cloud, a Wi-Fi signal, a person, a medical bag with a cross, a heart, and a monitor displaying a waveform. The overall color scheme is a mix of teal, blue, and white.



# Recent Business Updates

## Renovations & Upgrades



10<sup>th</sup> & 11<sup>th</sup>  
floor  
expansion  
(20 beds)



### Hospital Renovations & Capacity Additions

- Façade facelifts: completed at NBH and Al Shorouk. 2020 planned: Cleopatra.
- Inpatient wards renovations ongoing across all hospitals
- Started electromechanical upgrades
- Upgraded all medical equipment
- ICU/CCU renovation & upgrade
- Operating rooms renovations & upgrade
- Outpatient clinics renovations & upgrade
- Queens Hospital total renovation project
- New Cath labs across NBH, Shorouk and Cleopatra Hospitals
- Facility Management outsourcing rollout
- NBH: 20 new beds (executive floor) to operate in 2020
- Al Shorouk: outpatient services building to operate in 2020

# Recent Business Updates

## Revenue Cycle Management



### Revenue Cycle Management

- Since the beginning of 2019, the group has taken strong steps to introduce a full-fledged Revenue Cycle Management Function
- Restructuring the function will increase efficiency and integration across the group
- Standardization for claims and processing with dedicated claim management teams
- Structured approach to reconcile claims, rejection management and claim audit
- Decreasing bad debts and impairments

# CHG Medical Council



During the third quarter of the year, the Group officially launched its new Medical Council. The new body will be under the direct supervision and guidance of the Board's quality committee and will be composed of renowned specialized consultants from across the Group's hospitals.

## Medical Council Objectives



Improve direct patient care across all Group Hospitals



Develop centres of clinical specialty excellence

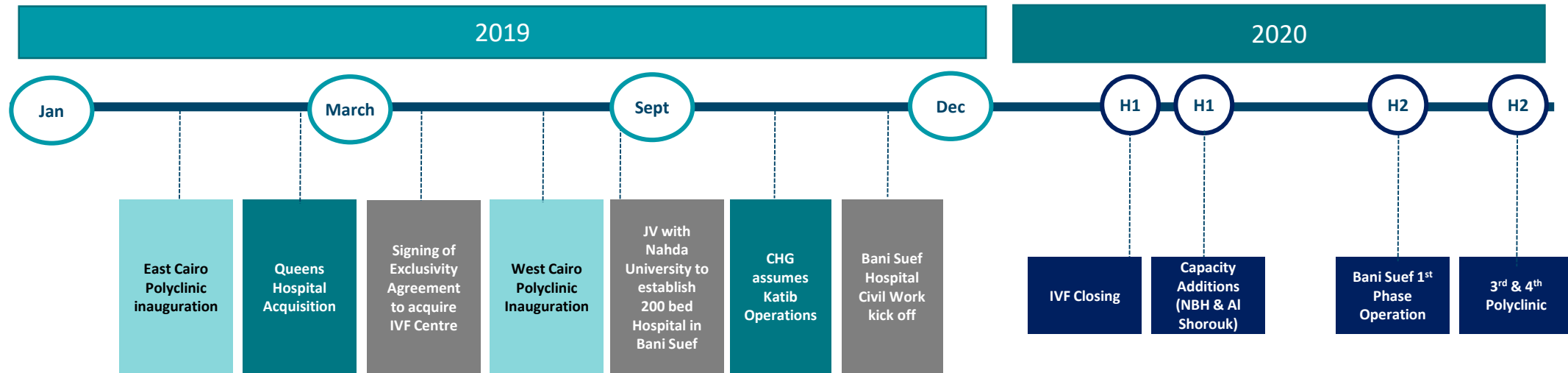


Organize professional development training for all Group staff members



Add new medical services to the Group's service offering

# 2019 Acquisitions



89 Hospital Beds



General Hospital with Kidney Specialized COE

## 2019/2020 Revenue

- Q4 (November & December) EGP 14-15mn
- 2020: EGP 130-150mn

## Margins

- GP Margin 30%
- EBITDA Margin 20%
- Ramp up to group margin levels

## 2020 Integration Outlook

- Detailed integration plan in place
- Strong operations ramp up into 2020 and beyond
- Additional medical equipment for incremental specialties such as cardiology Cath labs
- Continuation of Clinisys rollout with CSH, CHC and Polyclinics completed and remainder by year-end 2020



50 Hospital Beds

## Performance Outlook

- **Revenues** EGP 30-40mn in 2020 ramping up to 125mn in 3 years
- **GP Margin** 25% after 1<sup>st</sup> year of full operations

## 2020 Integration Outlook

- Converting Hospital from limited services ObGyna Hospital into a general hospital with special focus on day case surgeries
- Adding all diagnostic & supplementary services
- Additions of ICU beds to act as extension to East Cairo Facilities
- Undergoing complete renovation expected to launch operations towards mid 2020



# Expansion Strategy

The background of the slide is a photograph of a medical scanner, possibly a CT or MRI machine, in a clinical setting. The image is heavily stylized with a dark teal overlay. A network of white dashed lines connects various circular icons that represent different aspects of healthcare and technology. These icons include a DNA double helix, a cloud, a Wi-Fi signal, a human figure, a medical bag with a cross, a shield, and a line graph. The overall aesthetic is high-tech and futuristic, suggesting a focus on digital health and medical innovation.

# Expansion strategy



Creating Feeder  
Networks



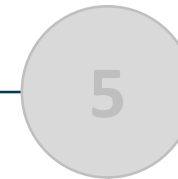
Building Additional  
Capacities in Existing  
Facilities



Strategic Acquisitions  
of Operating Facilities



Brownfield/Greenfield  
Expansions



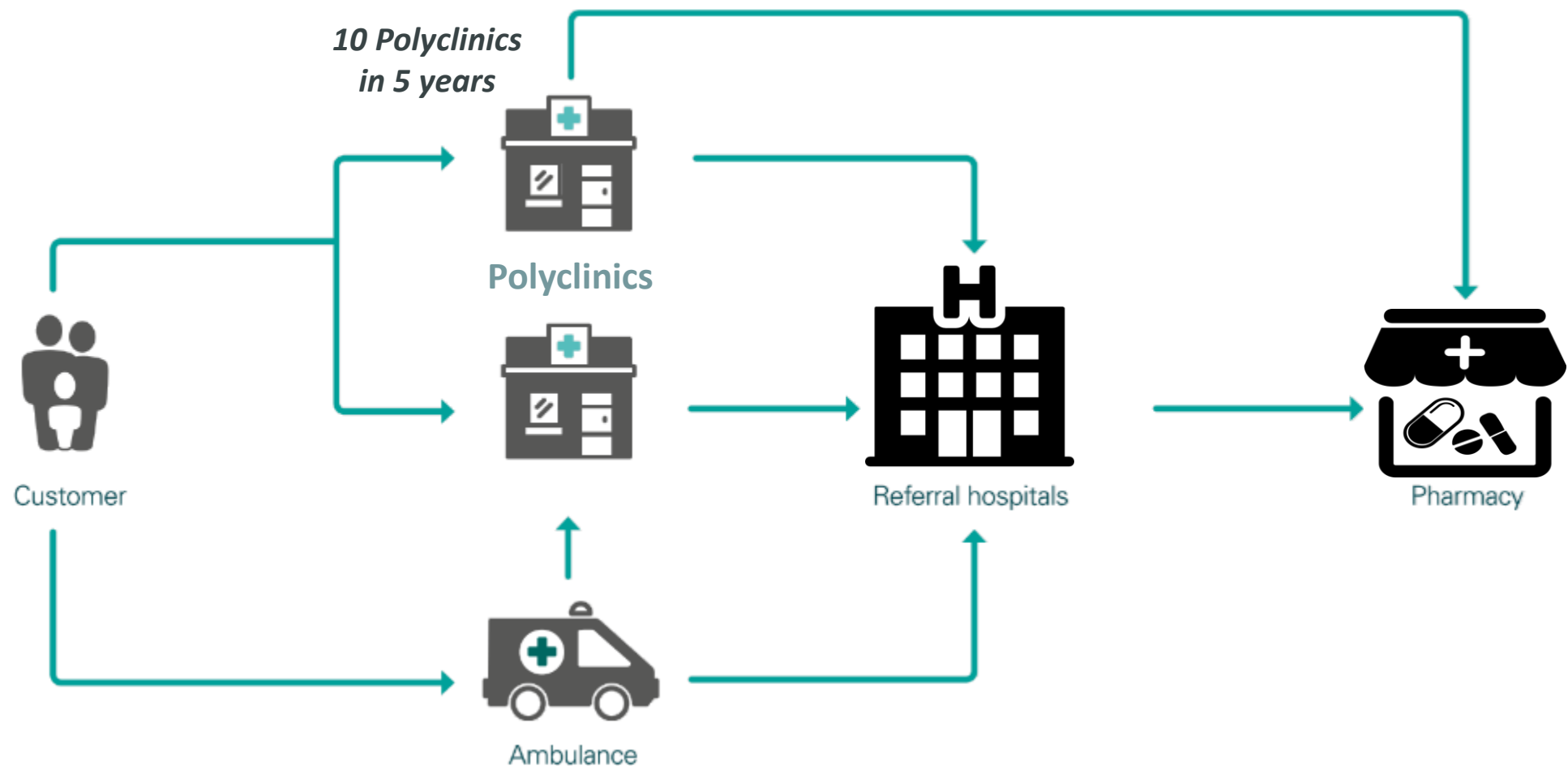
Expanding Reach  
Beyond Greater Cairo



Creating Strategic  
Entities to Serve  
Group's Scale of  
Operations

# Core Theme – Focus on Patient Pathway Capture to Maximize Share of Wallet from Existing Payors

Increase number of registered patients through increasing the outpatient network, while a focus on patient pathway capture results in increased network revenue from the core payors.



# Feeder Network Expansion Began with the Launch of CHG's First Two Polyclinics Located in East and West Cairo – The Group Has Recorded Growing Demand at both Facilities

From a strategic point of view, Polyclinics act as feeder networks for patient referral for the group hospitals. Comprehensive outpatient offering focusing on convenience and private medical insurance coverage.

## 5th Settlement Polyclinic (East Cairo)



## Majjarah Polyclinic (West Cairo)



### Initial Investment

#### Real Estate ;

- 20 Year rental contract (EGP 400k per month) Per Site

#### Capex Investments

- Medical & Civil outlay ; ~EGP 25-30mn per site

#### IRR & Payback Period

- IRR 20%
- Payback 4 Years

### Utilization Ramp Up

#### East Cairo

- 2019 Reached ~50% utilization with 200-300 visits/day

#### West Cairo

- 2019 Reached ~10-20% utilization 50-100 visits/day

#### 2020-2023 Utilization

- ~50-100% utilization
- 500 visits/day

### Performance Outlook

#### East Cairo

- Outlook 2020 Rev ; EGP 3.5-4mn/Month
- Outlook GP ~20-25%

#### West Cairo

- Outlook 2020 Rev reaching EGP 2mn/Month
- Outlook GP ~10% in 2020



12 – 15 Clinics per site

+300 slots

X-Ray / Ultrasound

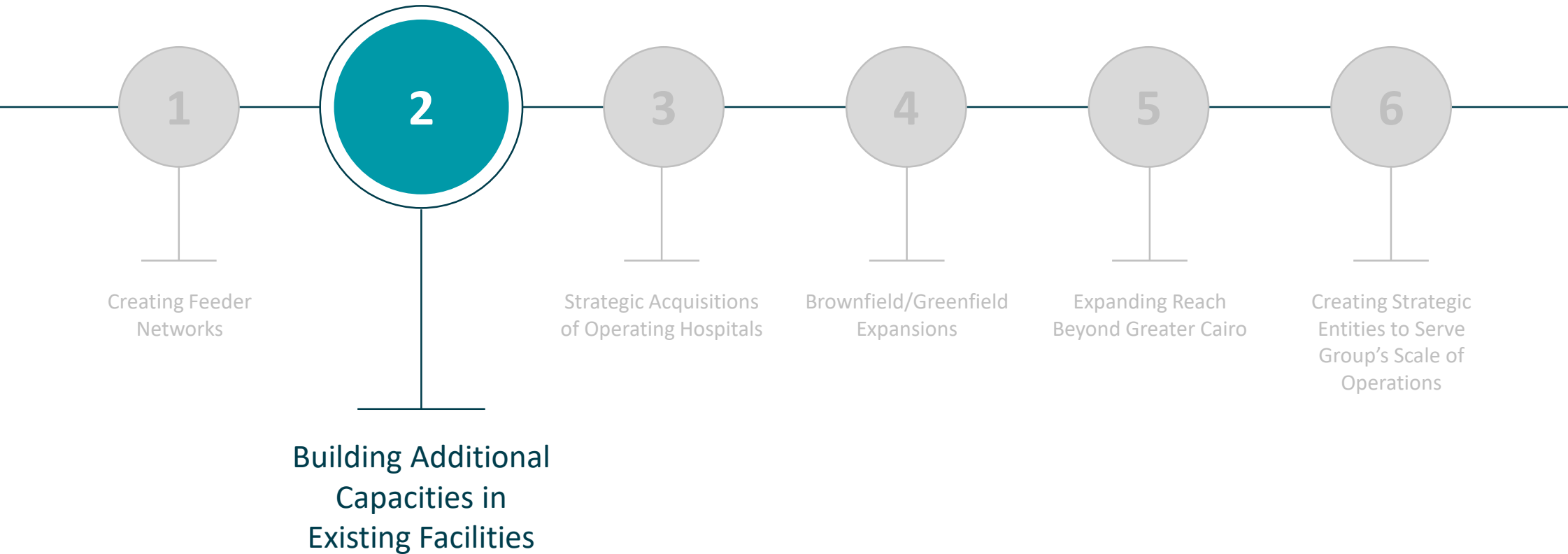
ER / Pharmacy / Ambulance

Laboratory

24 Hours Home visits

Feeder networks expansion in 2019 saw addition of two polyclinics (East and West Cairo). East Cairo Polyclinic is operational as of February 2019, while West Cairo Polyclinic is operational as of July 2019.

# Expansion strategy





# Building Additional Capacities in Existing Hospitals



## Al Shorouk hospital Extension Building

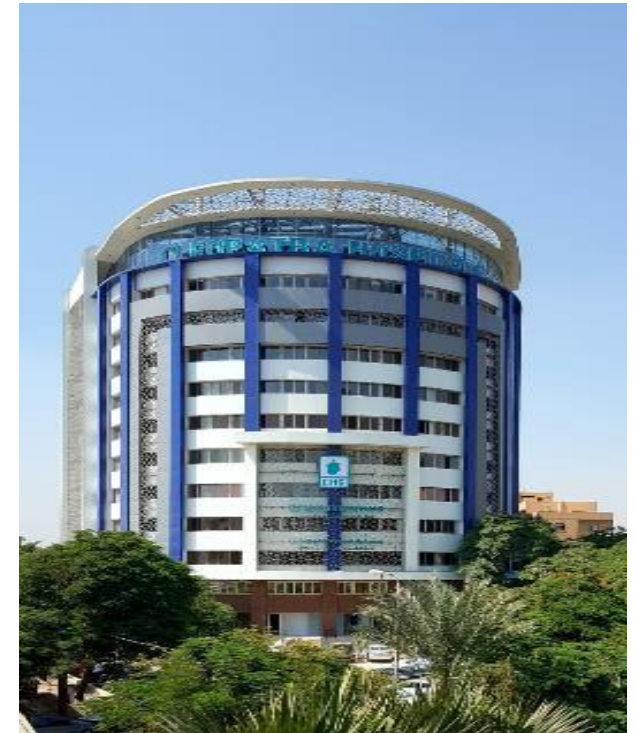
In Q2 2018, the group signed Vital Konzept, a leading Engineering & Consultancy Firm to start the process of Drawings for the extension in preparation for releasing the project for tendering with expected timeline of completion 18 months.

### The renovation and capacity increase is expected to

Add 40 beds to the hospital capacity

Total renovation of existing facility

Facelift development for the facility



## Al Shorouk hospital Outpatient Centre

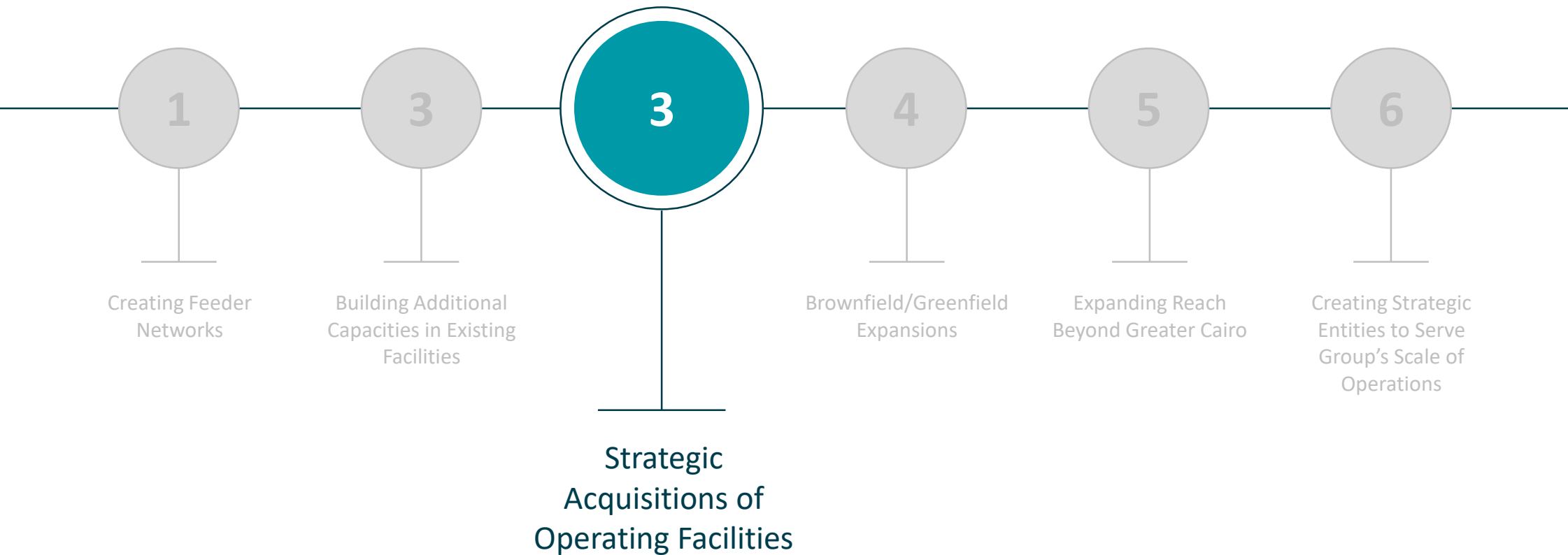
Al Shorouk Hospital Acquired space in an adjacent building to reallocate all OPD services from main building. Space availed in the main building will be converted to around 20 additional beds that can offset renovation partial closures within 2020.

## NBH Executive Floors

Adding 20 new additional beds in NBH last 2 floors – repurposed from admin offices that were occupied by selling shareholders.  
Operational by H1 2020



# Expansion strategy



# Strategic Entry into IVF Segment

- CHG signed a Letter of Intent “LOI” to acquire majority control of an IVF center located in the heart of Cairo – CHG is now finalizing the DD process
- A highly scalable specialized center that can generate substantial referrals to CHG’s network of hospitals and can be easily replicated across the Group through “branchizing”
- The target is considered as one of Egypt’s leading fertility clinics, providing a wide variety of fertility treatments for both women and men, ranging from basic infertility care to the most advanced procedures in Vitro Fertilization IVF technology
- In 2018, the center has performed over 9,100 consultations, 6,480 procedures, 2,400 ICSI cycles, 75 PGD, 205 sex selection, 25,500 investigations, and 771 embryo freezing & transfer cycles with a 45% success rate



**19**  
Beds



**8**  
Outpatient  
Clinics



**West Cairo**  
Upcoming Expansion  
Facility



**+45%**  
Success Rate



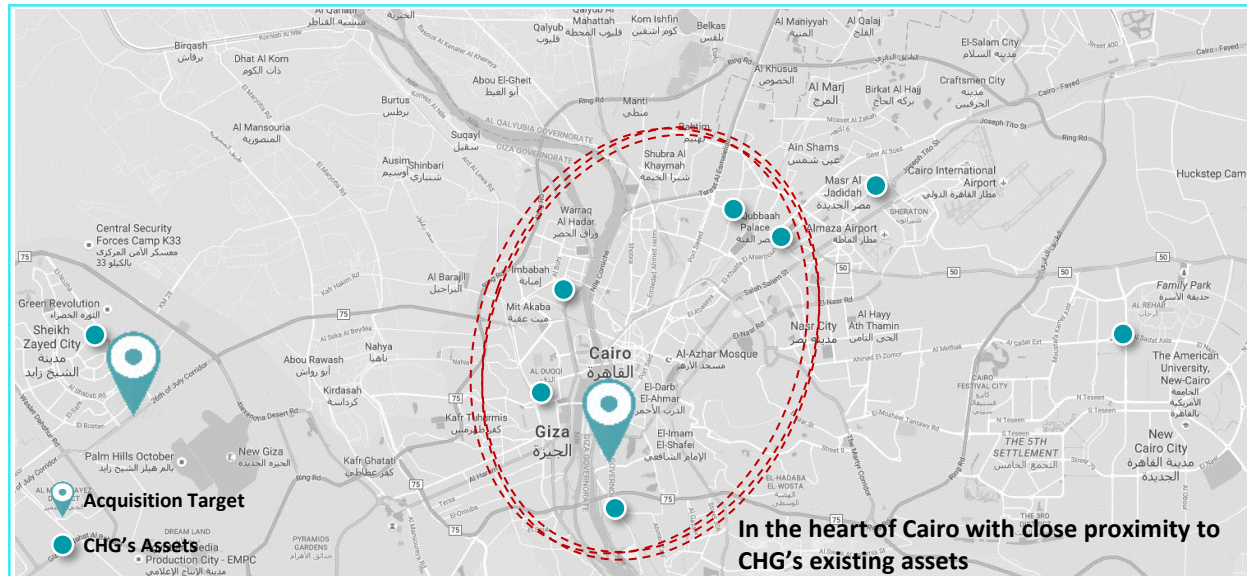
**3**  
Operating  
Theaters



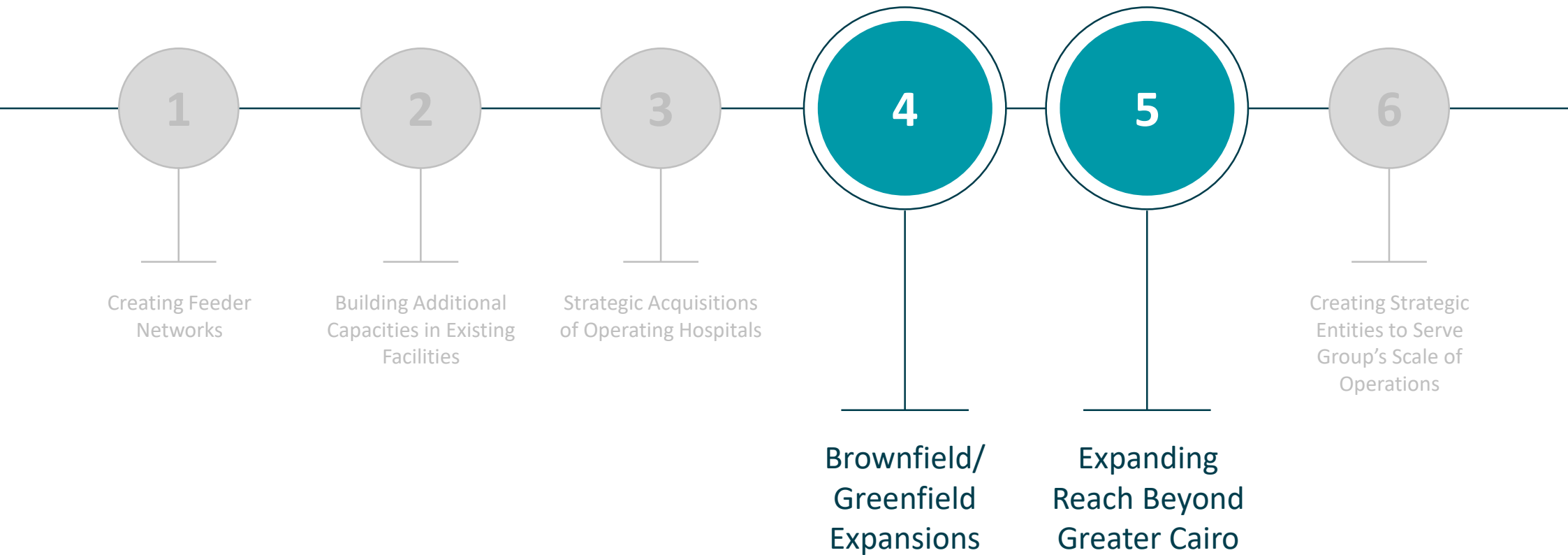
**1**  
Embryo  
Freezing Lab

**Services  
Offered**

- |   |  |   |                                |                               |                   |
|---|--|---|--------------------------------|-------------------------------|-------------------|
| Obstetrics,<br>Gynecology,<br>& Infertility | <b>2</b>   | Dermatology,<br>Reproductive, &<br>Laser Treatments | <b>4</b>                       | Psychology &<br>Family Health | <b>6</b>          |
| <b>1</b>                                    | Andrology,<br>Infertility, &<br>Erectile Dysfunction | <b>3</b>  | Nutrition & Health<br>Coaching | <b>5</b>                      | Fetal<br>Medicine |



# Expansion strategy



# CHG Is Working on Expansions in Brownfield Hospitals in and around Greater Cairo

## Expanding reach beyond greater Cairo

In Bani Suef governorate (Upper Egypt) an underserved governorate with one of the lowest healthcare service quality provided in Egypt

CHG entered into a JV with Taaleem (Al Nahda Universities) to complete and finish a 200-bed hospital in Upper Egypt – design mostly completed and construction started

Footprint expansion to Upper Egypt and tapping into a different segment of patients through a low-cost model teaching hospital



### 2020-2021 Outlook

- Partial Opening by end of 2020 (70-90 beds)
- Average Revenue Per bed – 25% to 30% below group average
- Margins 5% lower than group average



**Hospital Facility Leased (long term contract EGP 850k/Year)**



**Total Investment 2020-2021 EGP 360mn**  
**IRR 20%**



**Civil Work & Fitting started as of Dec 2019**

## Brownfield Pipeline

The group is currently assessing and shortlisting potential Brownfield acquisitions in areas where the group does not have presence or in areas that are underserved.

Potential hospital is named “New Cairo brownfield hospital” and is expected to operate at Cleopatra segment with the following capacities:

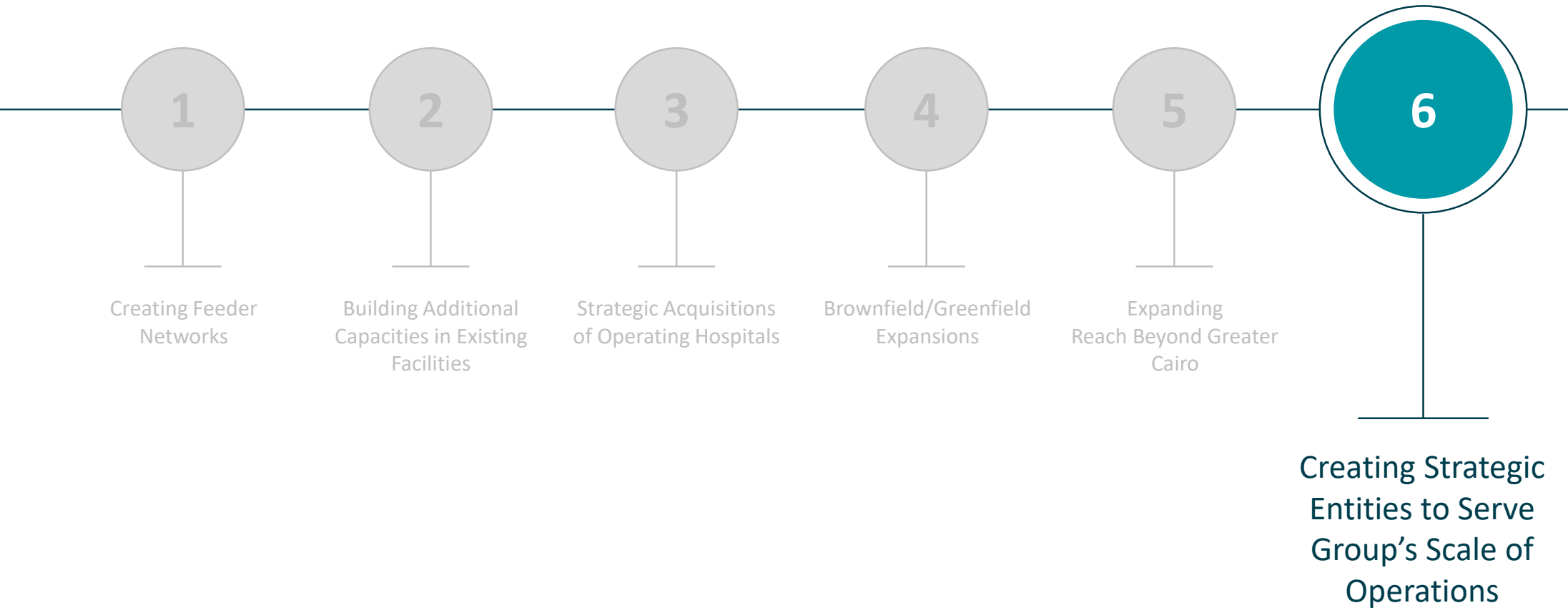


**21,000 sqm BUA**



**200 bed capacity**

# Expansion strategy



# Strategic Initiatives and Entities Created by CHG to Enhance Efficiencies in Operation

As part of the group's strategy to leverage synergies and expand its service offerings, CHG is now in the process of creating business operation entities:



## Cleopatra entity for importing consumables

Aims to serve groups scale of consumables and medical devices demand and create further efficiencies in group purchasing



## Pharmaceutical management entity

Aims to serve groups pharmacies and pharmaceutical procurement needs either at Polyclinics or at across different hospitals



## Cleopatra Academy for Training

The academy is supporting the National Health Insurance program by providing training for the public sector as well as meeting internal training needs





# **Governance & Shareholder Information**

# Governance (I)

The Board is composed of majority independent directors.

## Non-Executive Board Members



**Ahmed Badreldin**  
Chairman



**Dr. Tarek Zahed**  
Vice Chairman



**Omar Ezz Al Arab**  
Director



**Samia El Baroudy**  
Director

## Executive Board Members



**Dr. Ahmed Ezzeldin**  
Executive Member &  
Group CEO

## Independent Board Members



**Tarek Kabil**  
Former Minister of  
Trade and Industry



**Dr. Mohamed Awad  
Tag El Din**  
Former Minister of  
Health



**Nabil Kamhawwy**  
Former Head of Ernst  
& Young Egypt



**Lobna El Dessouky**  
Director



**Sameh Mohsen**  
Founder / Previous  
CEO Cleopatra  
Hospital

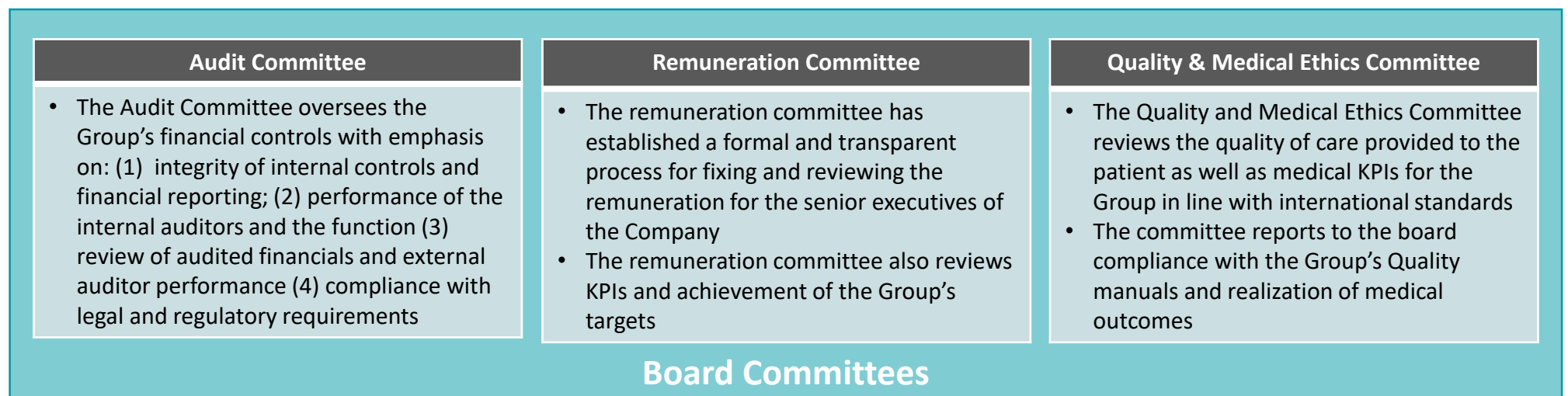
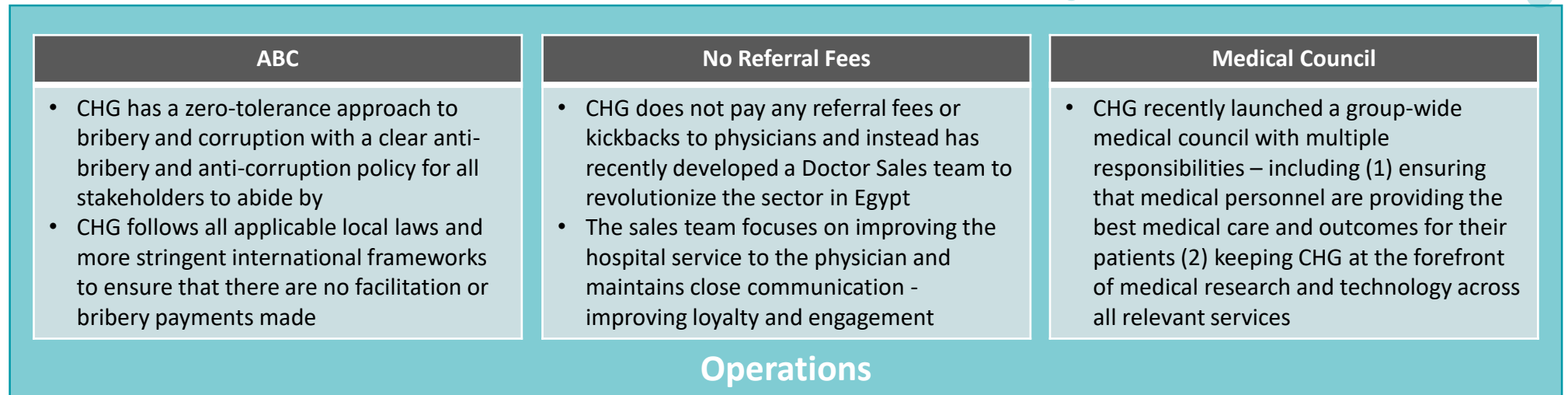


**General Omar  
Kinawy**  
Former Deputy Head  
of Intelligence

## Board Committees

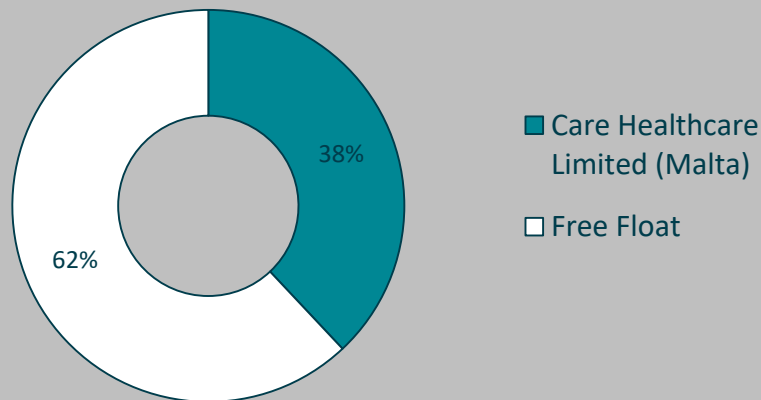
- Audit committee – recommends the financial statements to the Board, and matters such as internal and external audits, financial and non-financial risk
- Remuneration committee – determines and recommends to the Board matters regarding the framework for senior management remuneration
- Clinical quality and safety committee – monitors non-financial risks, including clinical performance, health and safety and facilities

# Governance (II)



# Key Investor Information

## Cleopatra Hospitals Company's Shareholder Structure



## Care Healthcare Limited's DFI Shareholders



DEG, the German Investment and Development Corporation, is a subsidiary of KFW, aiming at promoting business initiative in developing and emerging market countries as a contribution to sustainable growth and improved living conditions of the local population

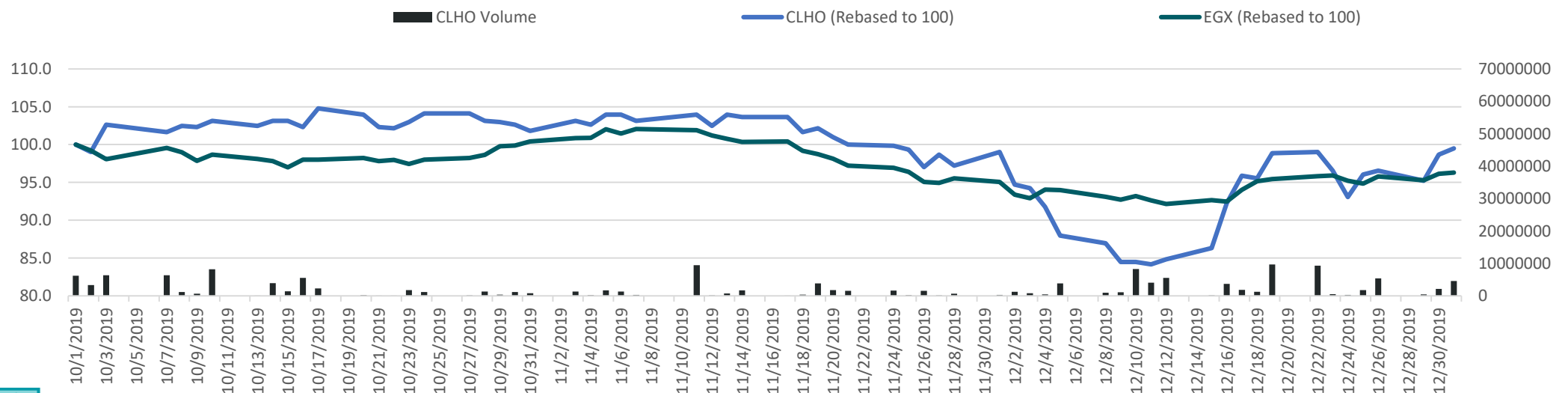


A Development Financial Institution partly owned by Agence Française de Développement (AFD), which promotes private investment in developing countries to reach the Millennium Development Goals



An international financial institution, which uses investment as a tool to build market economies, supporting the development in 30 countries from central Europe to central Asia

## Cleopatra Hospitals Company Stock Performance







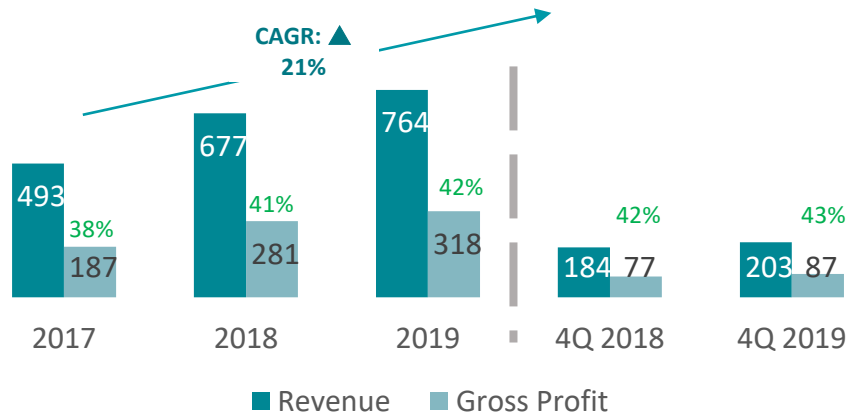
# **Appendix :** Q4 2019 Additional Disclosure



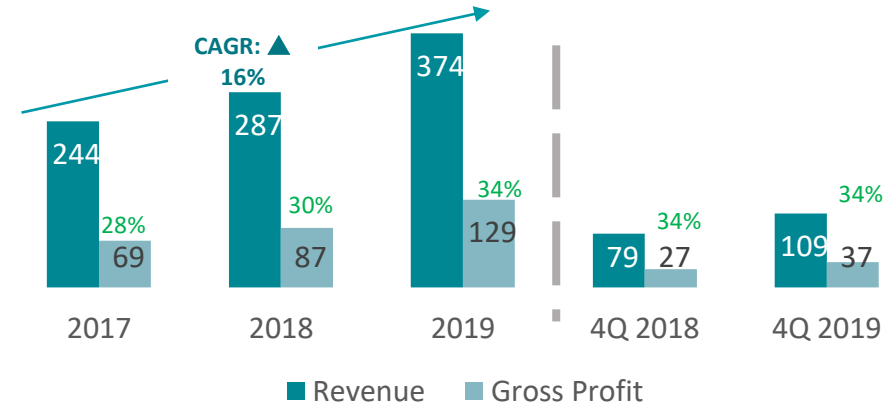
# Financial Performance by Hospital



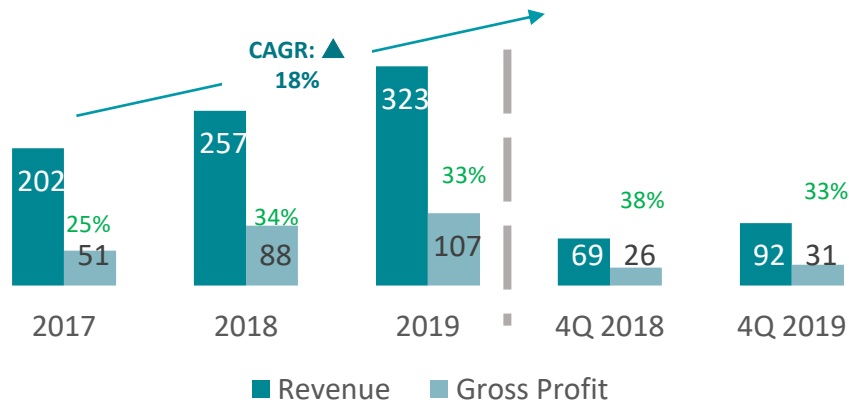
Cleopatra Hospital



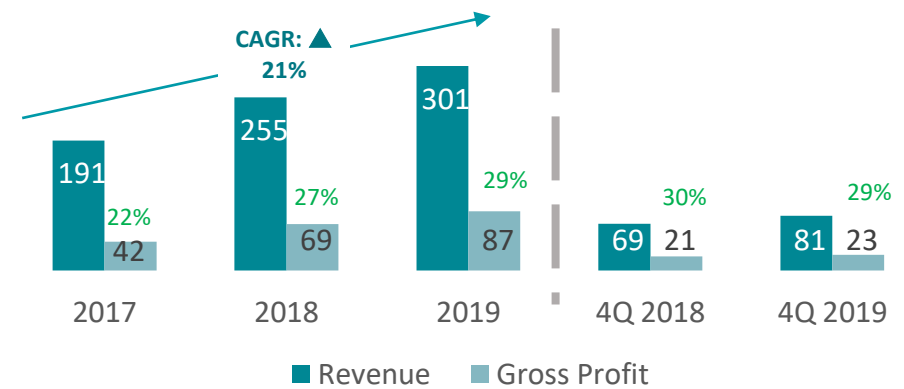
Cairo Specialised Hospital (CSH)



Nile Badrawi Hospital



Al Shorouk Hospital



# Balance Sheet and Leverage



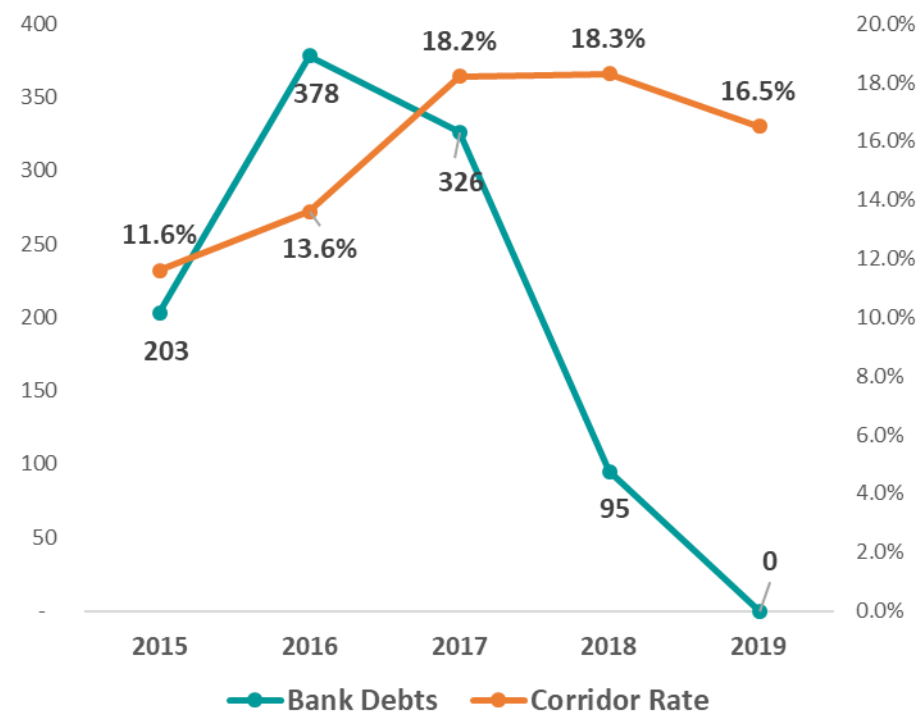
## Balance Sheet Summary

EGP 000	Dec-18	Dec-19
Cash	953	841
Inventory	41	49
Debtors & other Debt balance	358	444
<b>Current Assets</b>	<b>1,353</b>	<b>1,335</b>
Intangible Assets	241	414
Non-Current Assets	704	919
<b>Total Assets</b>	<b>2,298</b>	<b>2,668</b>
Overdraft & Short Term Loan	27	0
Creditors & other Credit balance	457	653
<b>Current Liabilities</b>	<b>485</b>	<b>653</b>
Non-Current Liabilities	135	81
<b>Total Liabilities</b>	<b>619</b>	<b>734</b>
Net Assets	<b>1,679</b>	<b>1,934</b>
<b>Total Equity</b>	<b>1,679</b>	<b>1,934</b>

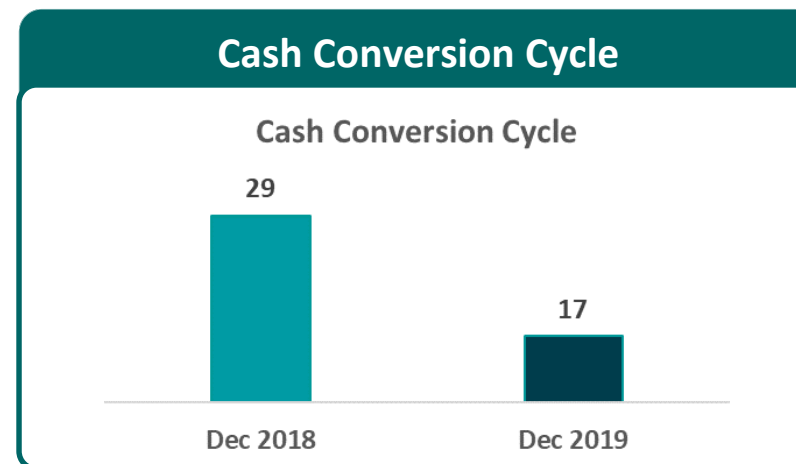
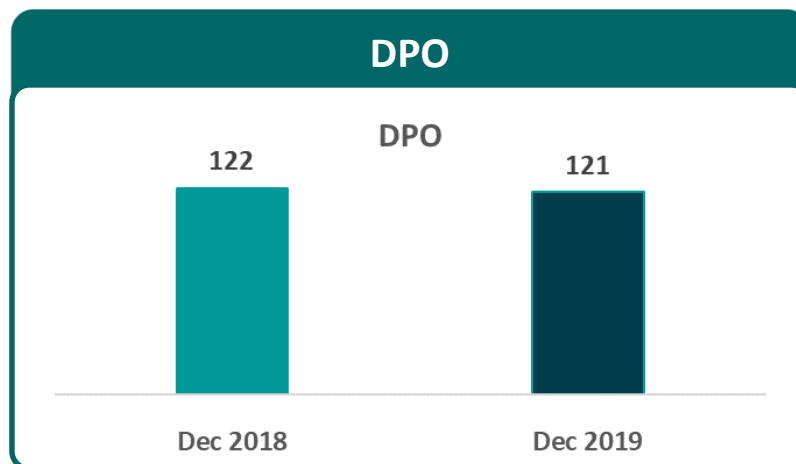
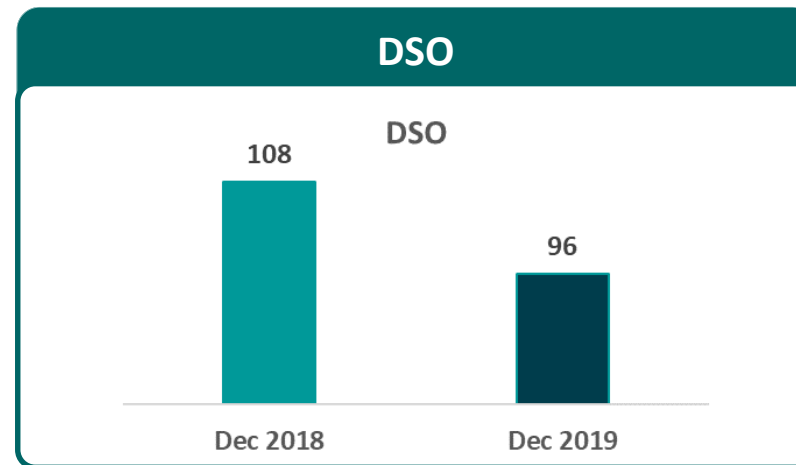
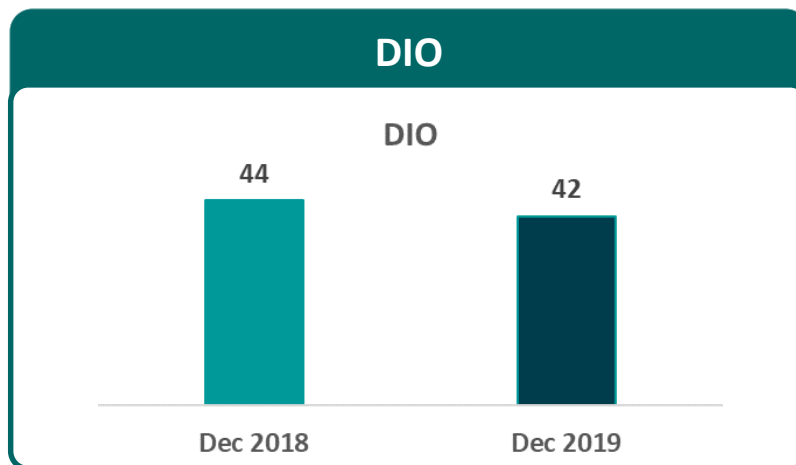
  

Leverages Ratios	Dec-18	Sep-19
Total Liabilities / Total Assets	0.27 X	0.28 X
Net bank debt / equity	-0.55	-0.44
Debt Service Coverage Ratio	NA	NA
ROE (post eceptional)	20%	22%

## Bank Debts Trend (EGP m)



# Cash Conversion Cycle

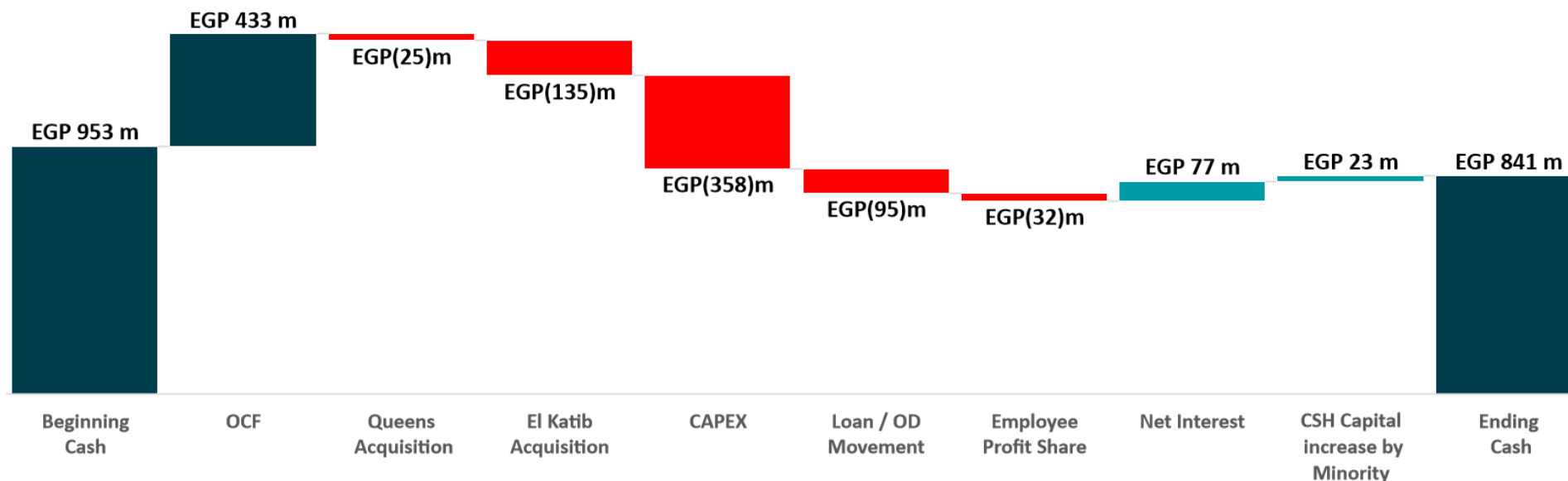


# Cash Flow Walkthrough in 2019



Ending consolidated cash balance amounts to EGP 841m as of Dec 2019, out of which EGP 50m in Treasury Bills and EGP 177m time deposits

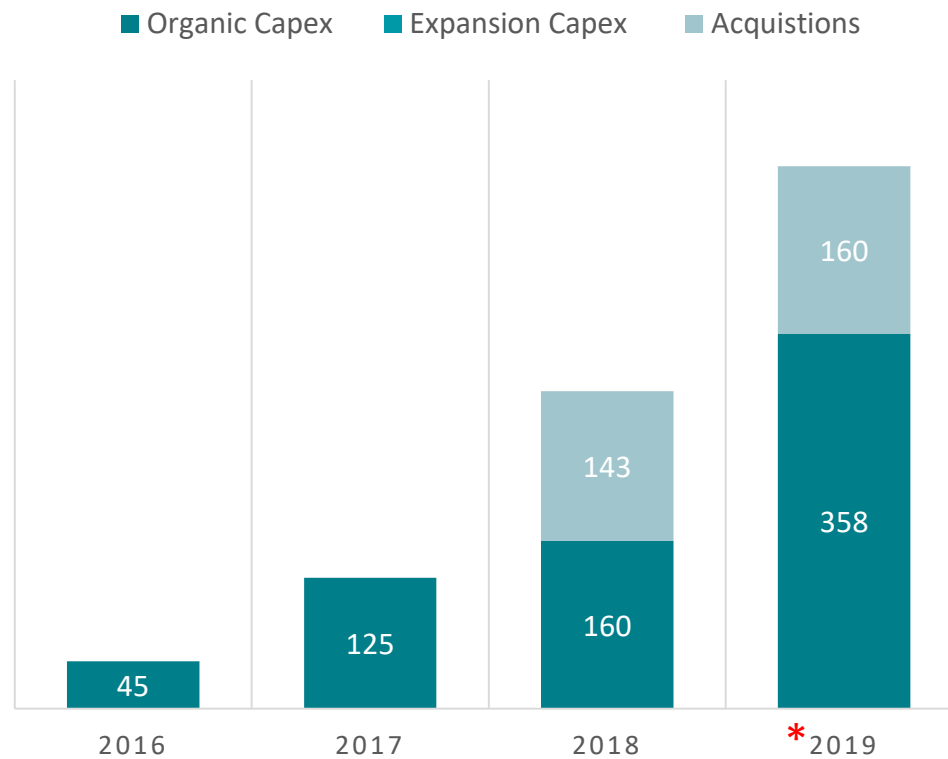
Cash Flow Bridge



# Capex Profile



## CAPEX INVESTMENTS



### Acquisitions

Acquisition Investments ;

- Katib (143mn Propco & 135mn Opco)
- Queens (25mn Opco)
- IVF (2020) EGP 250mn

### Expansion Capex

Medical & Renovation Capex Investments need to refurbish/enhance recently added facilities (Queens EGP 70mn in 2020 , Katib EGP 30mn in 2020 & Polyclinics EGP 30mn per site Bani Suef EGP 320mn 2020-2021)

### Organic Capex

Medical & Renovation Capex Investments Across the 4 Organic Hospitals

\*2019 preliminary figures subject to closing





# **Appendix :** Financial Statements

# Consolidated Income Statement



All figures in EGP mn	FY2019	FY2018	% change	4Q2019	4Q2018	% change
Revenues	1798.1	1456.1	23%	511.1	394.0	30%
Cost of sales	(1172.7)	(942.5)	24%	(337.5)	(245.5)	37%
<b>Gross profit</b>	<b>625.5</b>	<b>513.6</b>	22%	<b>173.6</b>	<b>148.6</b>	17%
<i>Gross Profit Margin</i>	35%	35%		34%	38%	
General & administrative expenses	(338.0)	(183.1)	85%	(64.6)	(45.7)	41%
Cost of acquisition activities	(6.3)	(4.6)	37%	(1.8)	(0.0)	0%
Provisions	(7.4)	(17.2)	-57%	(6.0)	(13.5)	-56%
Other income	10.7	7.9	36%	4.3	2.3	86%
Pre-Operating Expenses	(3.4)	0.0	-	0.0	0.0	-
<b>EBIT</b>	<b>281.1</b>	<b>316.6</b>	-11%	<b>105.4</b>	<b>91.6</b>	15%
<i>EBIT Margin</i>	16%	22%		21%	23%	
Interest income	93.3	129.4	-28%	21.4	35.2	-39%
Interest expense	(6.9)	(38.0)	-82%	(1.1)	(7.0)	-85%
<b>Profit before tax</b>	<b>367.5</b>	<b>408.0</b>	-10%	<b>125.8</b>	<b>119.7</b>	5%
<i>PBT Margin</i>	20%	28%		25%	30%	
Income tax	(94.3)	(90.4)	4%	(25.5)	(28.7)	-11%
Deferred tax	(7.9)	(2.4)	225%	(4.9)	(0.8)	0%
<b>Net profit after tax</b>	<b>265.4</b>	<b>315.2</b>	-16%	<b>95.4</b>	<b>90.2</b>	6%
<i>Net Profit Margin</i>	15%	22%		19%	23%	
<u>Distributed as follows:</u>						
Shareholders of the company	257.4	294.9	-13%	90.9	84.0	8%
Minority rights	8.0	20.3	-61%	4.5	6.2	-28%
<b>Profit for the period</b>	<b>265.4</b>	<b>315.2</b>	-16%	<b>95.4</b>	<b>90.2</b>	6%

# Consolidated Balance Sheet



All figures in EGP mn	31 December 2019	31 December 2018
<b>Non-current Assets</b>		
Fixed assets	560.5	908.5
Intangible assets	241.0	413.6
Right Of Use	-	10.2
Payment under investment	143.9	-
<b>Total non-current assets</b>	<b>945.4</b>	<b>1,332.4</b>
<b>Current assets</b>		
Paid Under Subsidiaries Capital Increase	-	-
Inventory	40.8	49.3
Trade receivables	302.8	337.2
Debtors and other debit balances	48.5	105.2
Due From Related Parties	7.1	2.0
Treasury Bills	-	50.1
Cash on hand and at banks	953.4	791.3
<b>Total current assets</b>	<b>1,352.5</b>	<b>1,335.0</b>
<b>Total assets</b>	<b>2,298.0</b>	<b>2,667.4</b>
<b>Equity</b>		
Share capital	800.0	800.0
Reserves	274.2	284.4
Retained earnings	529.8	746.2
<b>Equity attributable to the parent company</b>	<b>1,604.0</b>	<b>1,830.6</b>
Minority interests/ non-controlling interests	74.7	103.9
<b>Total equity</b>	<b>1,678.7</b>	<b>1,934.5</b>
<b>Non-current liabilities</b>		
Non-current portion of borrowings	67.9	-
Creditors and other credit balances - non-current portion	-	-
Due to related parties	-	-
Non-Current portion of lease liability	-	5.8
Deferred tax liabilities	66.9	74.8
<b>Total non-current liabilities</b>	<b>134.7</b>	<b>80.6</b>
<b>Current liabilities</b>		
Provisions	24.9	15.6
Creditors and other credit balances	317.7	442.3
Due To Related Parties	-	-
Current portion of borrowings	27.2	-
Current portion of lease liability	-	2.7
Share Base payment	45.2	129.1
Current income tax	69.4	62.6
<b>Total current liabilities</b>	<b>484.5</b>	<b>652.3</b>
<b>Total liabilities</b>	<b>619.3</b>	<b>732.9</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>2,298.0</b>	<b>2,667.4</b>

# Consolidated Cash Flow Statement



All figures in EGP mn	31 December 2019	31 December 2018
<b><u>Cash flows from operating activities</u></b>		
Net (Loss) / Profit before tax for the period / year	367.5	408.0
<b>Adjusted for :</b>		
Depreciation	65.0	46.8
Allowance for impairment of current assets	57.5	(4.4)
Provision	(9.3)	3.3
Capital gain/Loss	(1.0)	(1.0)
Credit / Debit Interest	(89.6)	(91.3)
Changes in current tax liability	(101.0)	(32.9)
Share-based payments financial liabilities	83.8	20.4
<b>Operating profits before changes in assets and liabilities</b>	<b>372.9</b>	<b>348.9</b>
<b>Changes in working capital</b>		
Changes in Inventories	(7.1)	(10.5)
Change in trade receivables , debtors and other debit balances	(86.6)	(115.0)
Changes in Due from related parties	5.1	(1.6)
Change in trade and other payables	149.0	78.0
<b>Net cash flows generated from operating activities</b>	<b>433.2</b>	<b>299.8</b>
<b><u>Cash flows from investing activities</u></b>		
Proceeds from sale of fixed assets	1.6	1.2
Fixed assets purchased	(101.1)	(86.6)
PUC purchased	(194.1)	(48.4)
Advance payment for purchase of fixed assets	(64.8)	(24.6)
Payments to acquisition of a subsidiary, net cash acquired	(160.1)	-
Payments under investment	-	(0.4)
Credit Interest Collected	97.2	129.3
Deposits with a maturity of more than 3 months from the date of placement	(50.1)	11.0
<b>Net cash flows used in investing activities</b>	<b>(471.4)</b>	<b>(18.4)</b>
<b><u>Cash flows from financing activities</u></b>		
Paid to increase share capital	22.5	
Dividends paid out	(31.9)	(21.7)
Repayment of borrowings	(95.1)	(230.9)
Cash Proceed From Overdraft	85.2	106.6
Cash Paid to Overdraft	(85.2)	(132.6)
Interest paid	(20.0)	(45.5)
<b>Net cash generated (used) from financing activities</b>	<b>(124.6)</b>	<b>(324.1)</b>
<b>Change in cash and cash equivalents during the period</b>	<b>(162.7)</b>	<b>(42.7)</b>
Cash and cash equivalents at the beginning of the period	<b>953.4</b>	<b>996.1</b>
Cash And Cash /equivalent In Acquired Subsidiaries at Beg. Of The Period	0.6	-
<b>Cash and cash equivalents at the end of the period</b>	<b>791.3</b>	<b>953.4</b>



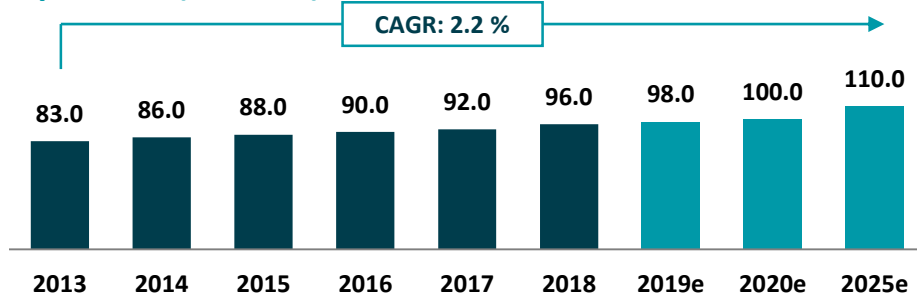
# **Appendix :** Market Overview



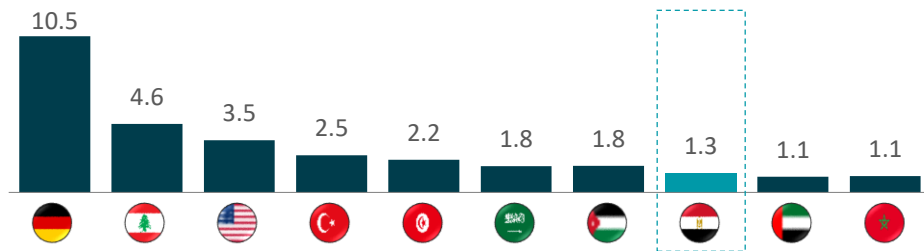
# Underserved and Under-penetrated Market with Steady Demand Growth

## Supply Gap in Egyptian Healthcare Industry

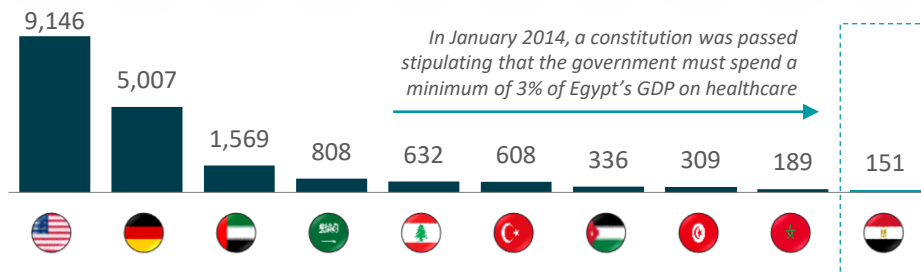
### Population (millions)



### Hospital Beds (/1,000 people) | 2017



### Healthcare Expenditure per Capita (USD) | 2017

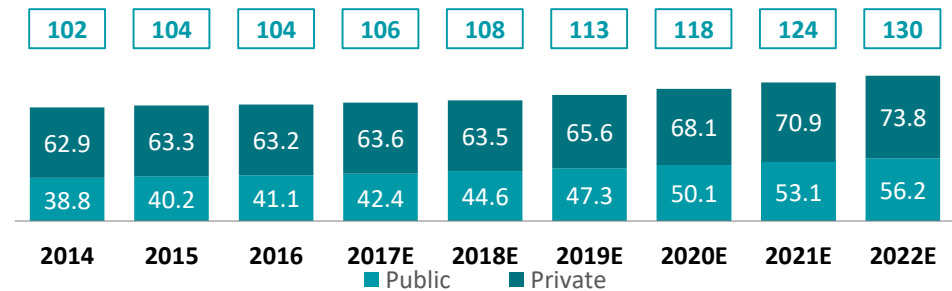


Sources: World bank, Business Monitor International (BMI), CAPMAS, FROST & SULLIVAN



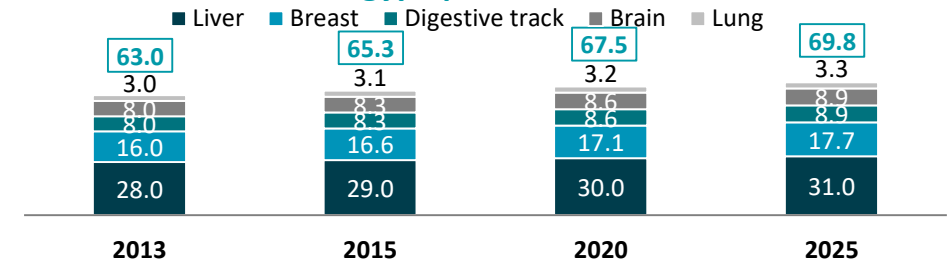
## Healthcare Expenditure in Egypt

### Public vs. Private Healthcare Expenditure | EGP bn

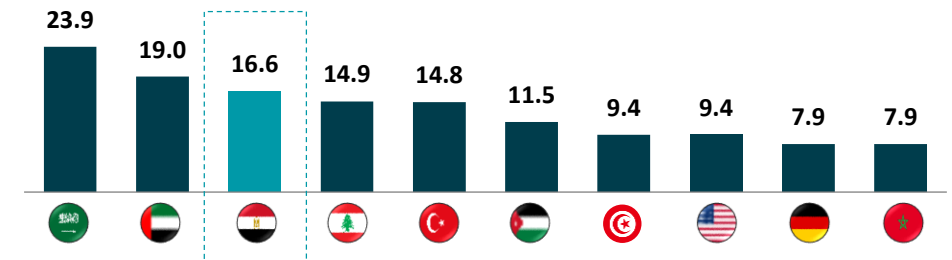


## Lifestyle Disease Profile in Egypt

### Cancer Prevalence in Egypt | 000 cases

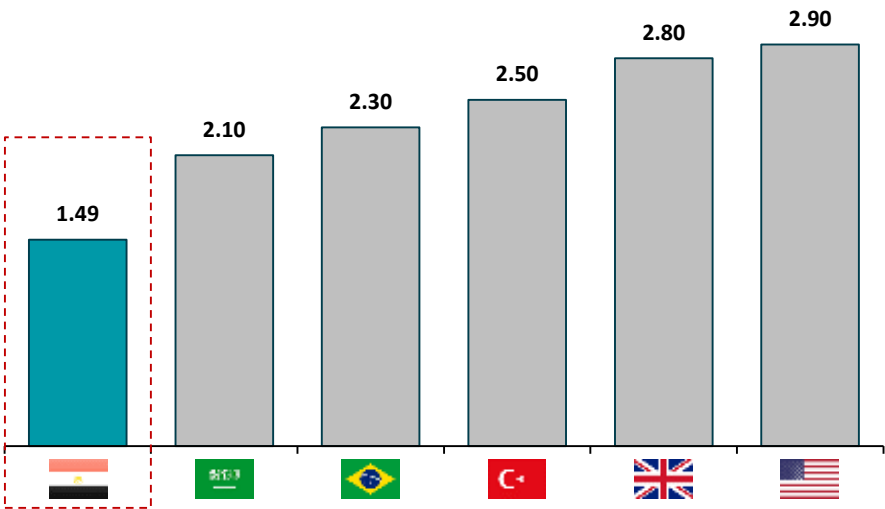


### Diabetes Prevalence in the 20-79 Age Group

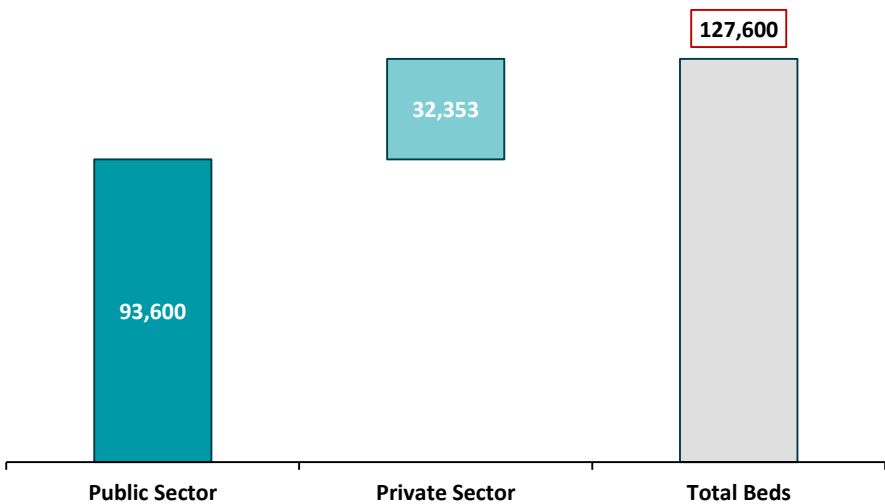


# Egypt Total Hospital Beds

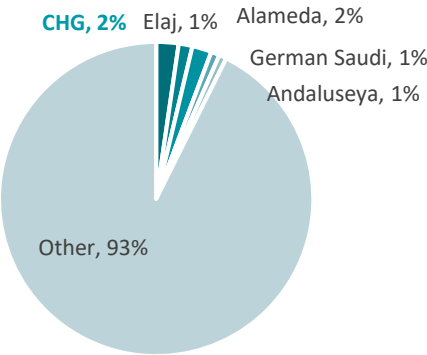
Number of Beds per 1,000 Citizens



Egypt's Number of Beds Breakdown

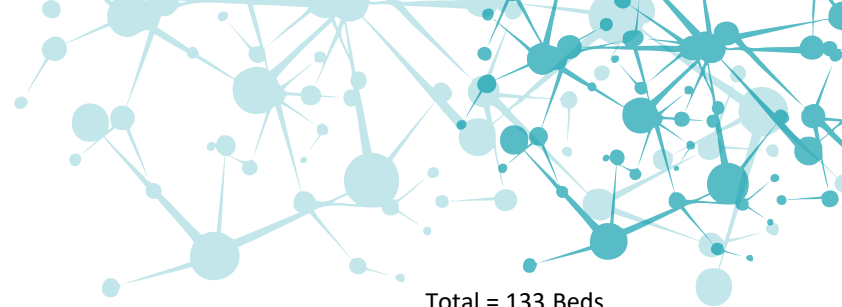


Market Share in Egypt by # of Commercial Beds

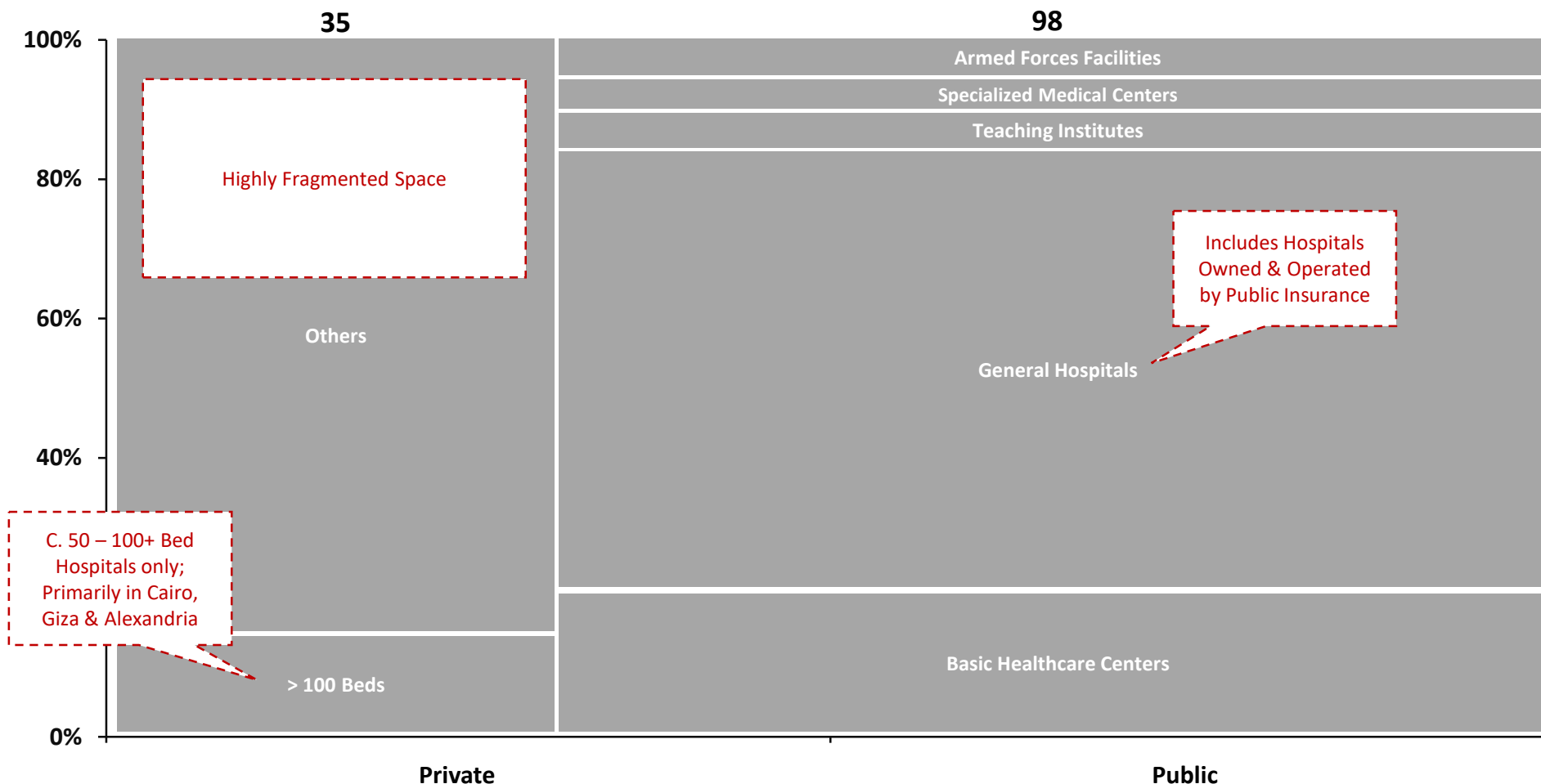


Total c34,000 beds in Egypt\*







# Egypt Total Hospital Beds (cont'd)



No. of Hospital Beds in Egypt (K)



# Egypt Total Hospital Beds (cont'd)

	Basic Healthcare Centers	General Hospitals (Public Insurance)	Specialized Medical Centers	Teaching Institutes / Medical Colleges	Armed Forces Facilities	Private Hospitals (Non-Government)
						
Level of Care	<ul style="list-style-type: none"> <li>First level of public healthcare</li> <li>Access to basic preventive &amp; diagnostic treatment for common diseases &amp; risk factors</li> </ul>	<ul style="list-style-type: none"> <li>Support basic healthcare centers as well as some advanced care / treatment centers</li> <li>Accessible to members of the insurance scheme</li> </ul>	<ul style="list-style-type: none"> <li>One of the highest level of public healthcare</li> <li>Provide advanced. Specialized care across key diseases &amp; intervention</li> </ul>	<ul style="list-style-type: none"> <li>Provide medical education, specialization across levels &amp; fields</li> <li>Facilitate training &amp; research</li> </ul>	<ul style="list-style-type: none"> <li>High-end multi specialty facilities for the armed forces</li> <li>Available for access by paying premium rate</li> </ul>	<ul style="list-style-type: none"> <li>Provide diagnosis, treatment advice, specialist inpatient services, and advanced care</li> <li>Better equipped than public hospitals</li> </ul>
Number of Units	153	420	42	19	20	1,484
Number of Beds	C. 18,000	C. 50,000	C. 1,500	C. 5,000	5000+	> 34,000
Level of Technical Facilities	Basic	Low	Mid to High	Medium	Extremely High	Mid to High (Depending on Location)
Presence / Location	Across Egypt – national network	Located in all key cities / towns for each governorates	Concentrated in metro & tier 1 cities	Concentrated in metro & tier 1 cities	Located in key governorates / cities	Across Egypt – concentrated in metro & tier 1 cities
Client Type	All	All Egyptians with HIO / COO cover	All – primarily referrals for specialized care	All	Armed forces (free) private by paying	Mid to higher income segment
Price	Negligible	Low	Low to Mid	Low	High	Mid to High Focus of Next Slide

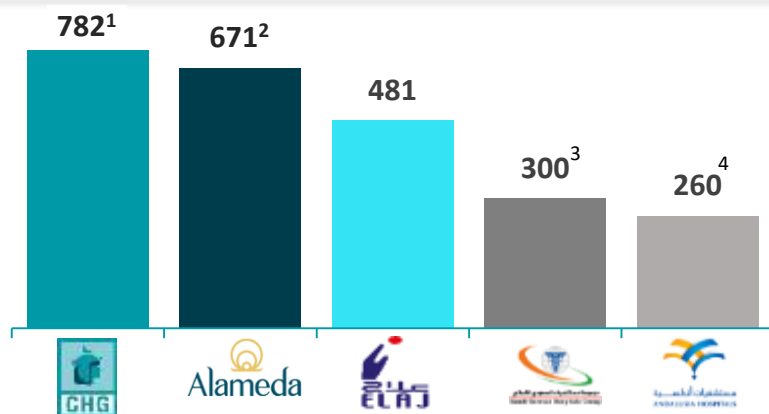
# Egypt Total Hospital Beds (cont'd)

	Large Hospitals (100+ Beds)	Medium Hospitals (50 – 100 Beds)	Small Hospitals (<50 Beds)
Level of Care	<ul style="list-style-type: none"> <li>Large multi super-specialty care centers with ability to do high-complexity cases</li> <li>Coverage across care continuum (potentially emerging tertiary care across key specialties)</li> <li>Potentially include CoEs with focus on 1 – 2 key specialties</li> <li>Comprehensive OP, pharmacy, diagnostic (imaging &amp; pathology), trauma / ER, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Multi-specialty centers focused on mid to basic complexity work - focused up to secondary level care</li> <li>Serve as a feeder network to large hospitals for more complex cases</li> <li>Basic OP, pharmacy, trauma / ER, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Basic centers with beds (average size of 15 – 20 beds) with focus on triage &amp; observations</li> <li>Basic intervention work (e.g. suturing, bone-setting, and IV administration) conducted at such facilities</li> <li>Only basic support amenities available (e.g. portable X-ray, suction machine, and a basic / minor surgery suite)</li> </ul>
Number of Unites	40 – 50	50 – 100	C. 1,300
Number of Beds	C. 5,000	C. 2,000 – 3,000	> 27,000
Level of Technical Facilities	Mid to High (Depending on level of care)	Mid – Low (As required for basic secondary care)	Low
Presence / Location	All located in Cairo, Giza or Alexandria	Majority concentrated in metro & tier 1 cities	Across Egypt
Client Type	High to mid income individuals / families with high payor coverage	High to mid income individuals / families with low probability of any form of payor coverage	Mid to low income individuals & families with limited to no cover
Price	High	Mid to High	Mid to Low
	Focus of Next Slide		

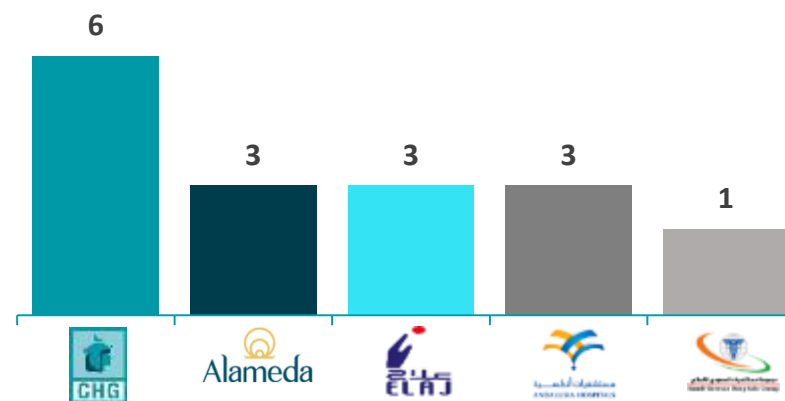


# Greater Cairo Hospital Groups by Commercial Bed Count

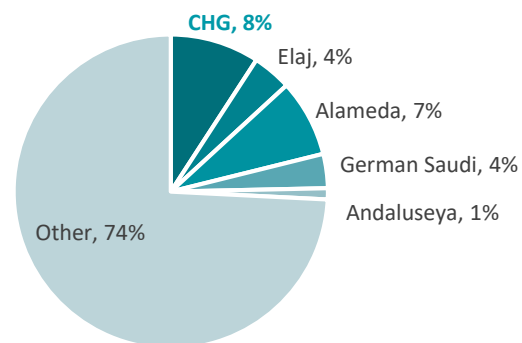
Hospital Groups in Cairo (Operational) – Bed Count



Hospital Groups in Cairo - # of Operational Hospitals



Market Share in Cairo by # of Commercial Beds

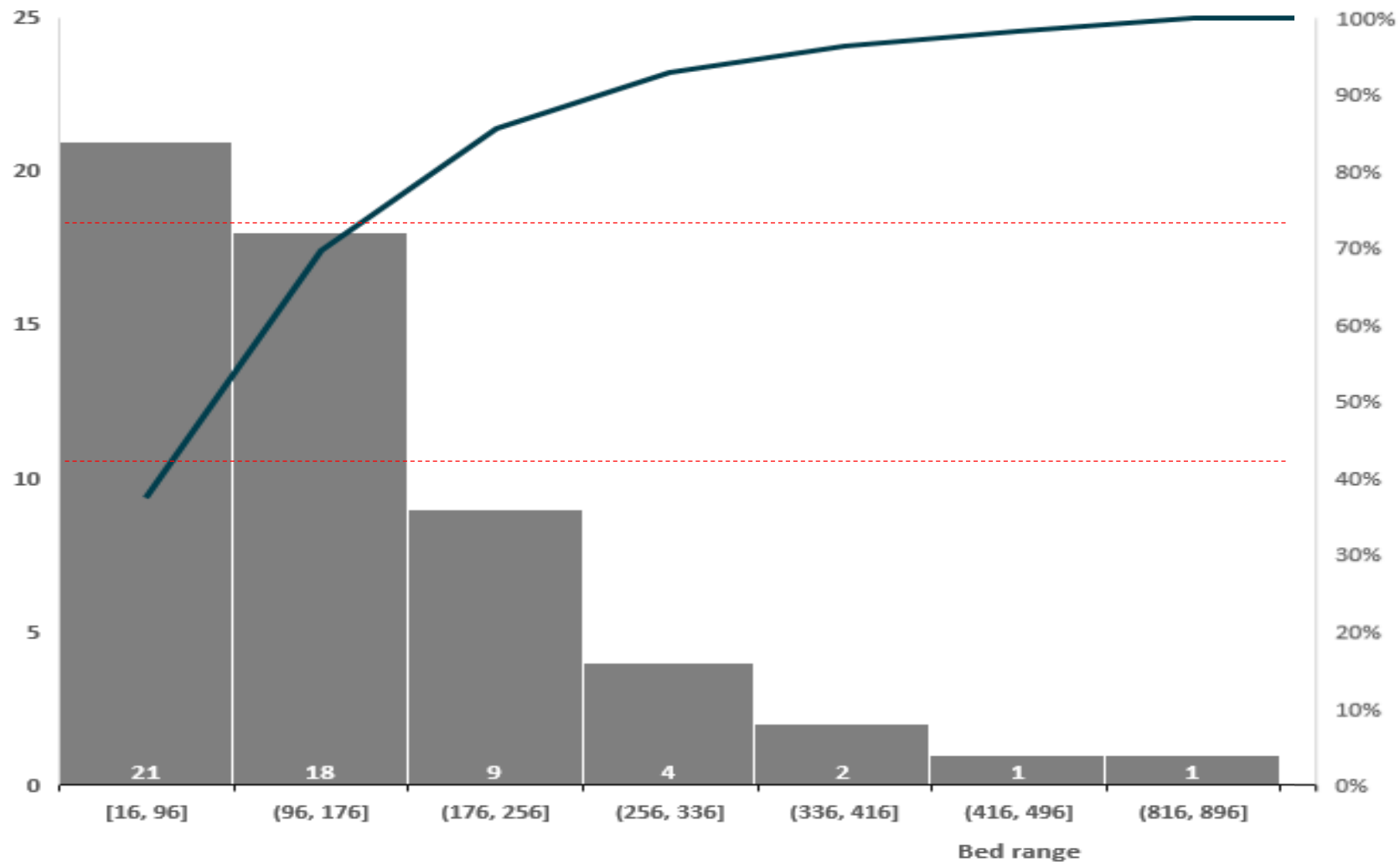


Total 14,000 commercial beds in Cairo of which 8,500+ beds are in '30+ beds' hospitals

1. Building new capacity to reach c1,000 beds
2. Building new capacity to reach c900 beds
3. Building new capacity to reach c600 beds
4. Building new capacity to reach c500 beds

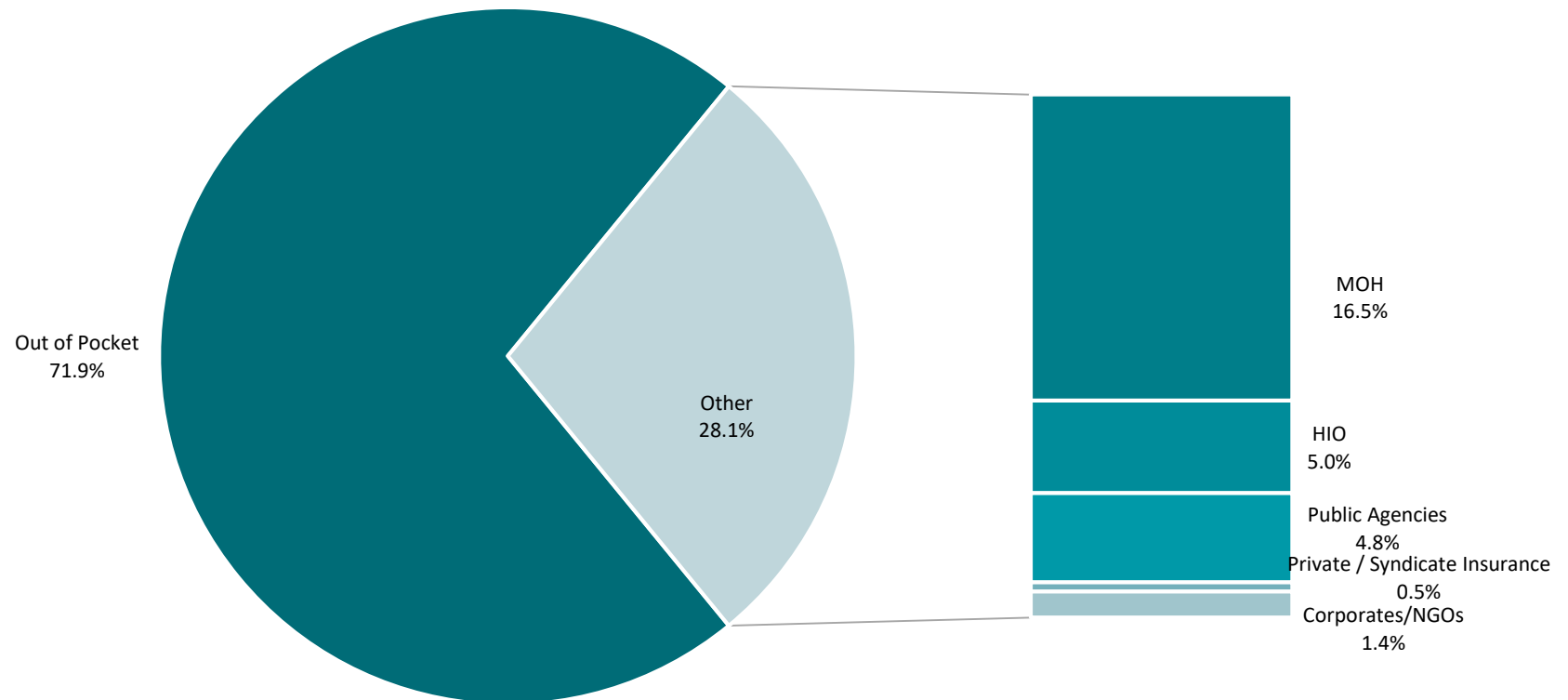
# Greater Cairo Distribution of Hospitals by Commercial Beds

Distribution of Hospitals in Greater Cairo by # of Commercial Beds



# Egypt Healthcare Market Payor Profile

Egypt Healthcare Market Payor Profile



# Thank you

## INVESTOR RELATIONS CONTACTS

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[investors.cleopatrahospitals.com](http://investors.cleopatrahospitals.com)

## SHAREHOLDER INFORMATION

EGX: CLHO.CA  
Listed: June 2016  
Shares Outstanding: 1.6 billion



**CLEOPATRA HOSPITALS**  
GROUP

