



CLEOPATRA HOSPITALS
GROUP

Cleopatra Hospital Company

Investor Presentation 3Q19

Disclaimer



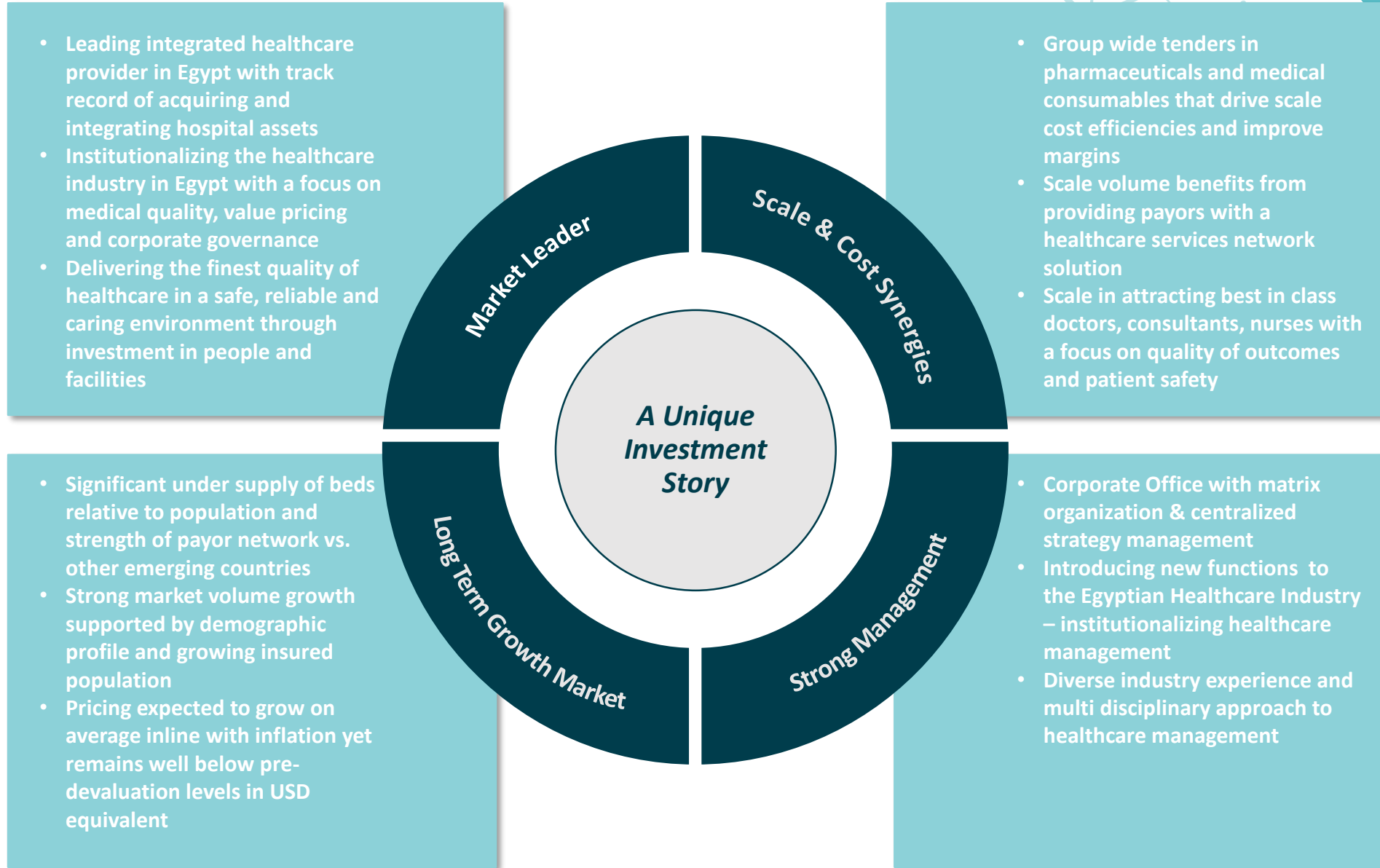
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A Unique Investment Story



CHG financial highlights

In 2018, CHG reported solid year-on-year growth in both its top and bottom line, with the Group generating revenue growth from **all its operating facilities**

In 2019 revenues are **expected to continue delivering strong growth** as the Group's expansion efforts begin to bear fruit over the coming quarters.



EGP **347.4** mn
EBITDA¹ in 9M19 with a
27% Margin



EGP **1,287.1** mn
Consolidated revenues in 9M19 with
21% growth y-o-y

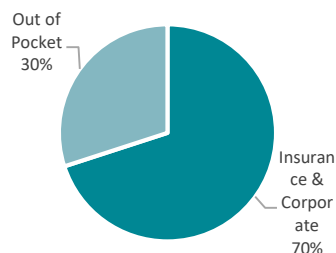


24%
Gross profit growth
EGP 451.9mn in 9M19
35% Margin



23%
EBITDA¹ growth y-o-y

Revenue by
Payor
Source



725,541²
Cases served in 9M19



↑8%
y-o-y growth in cases served
in 9M19

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

² 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)



4 (2018) + 2 (2019¹)

Operational hospitals across our platform



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 Seuf¹)

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



1,000

Consultant Physicians attracted from the top 2 Medical Universities



+2,400

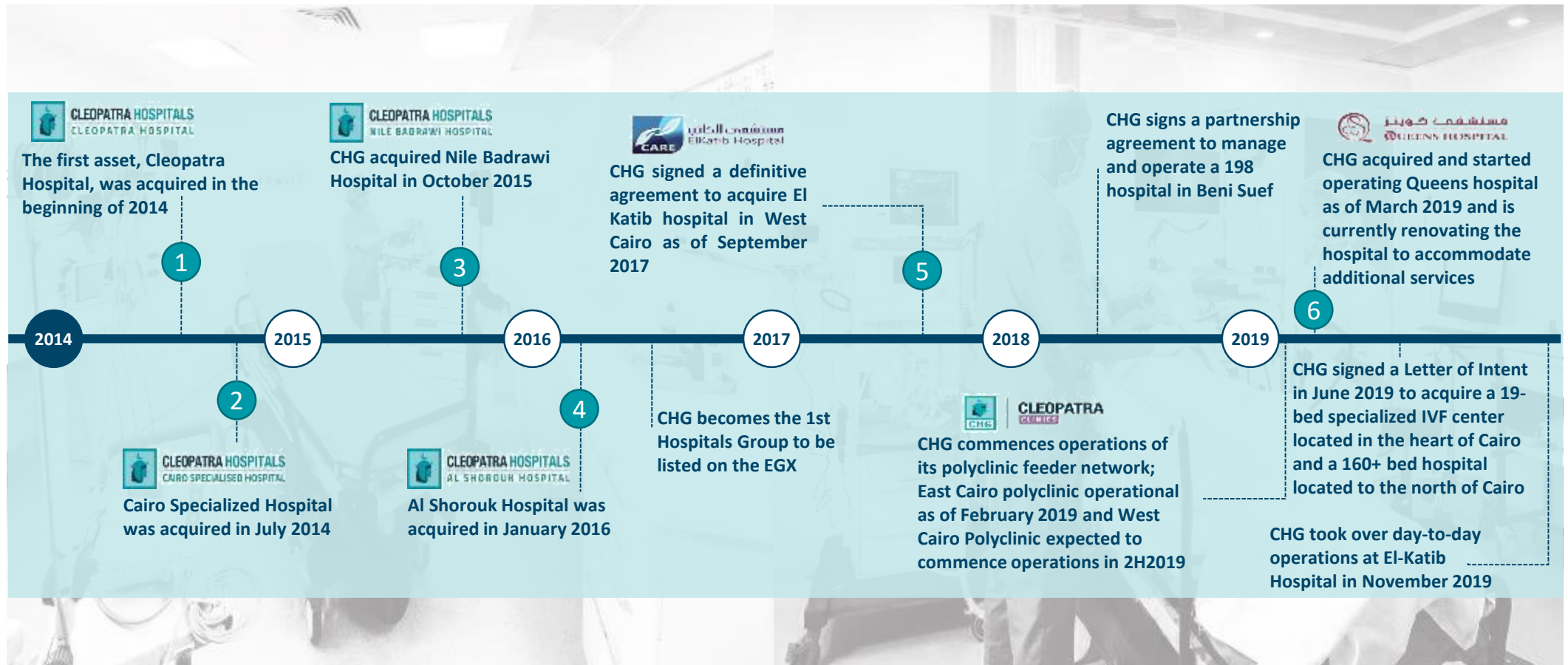
Total medical staff including c. 850 resident doctors and c. 1000 nursing staff

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

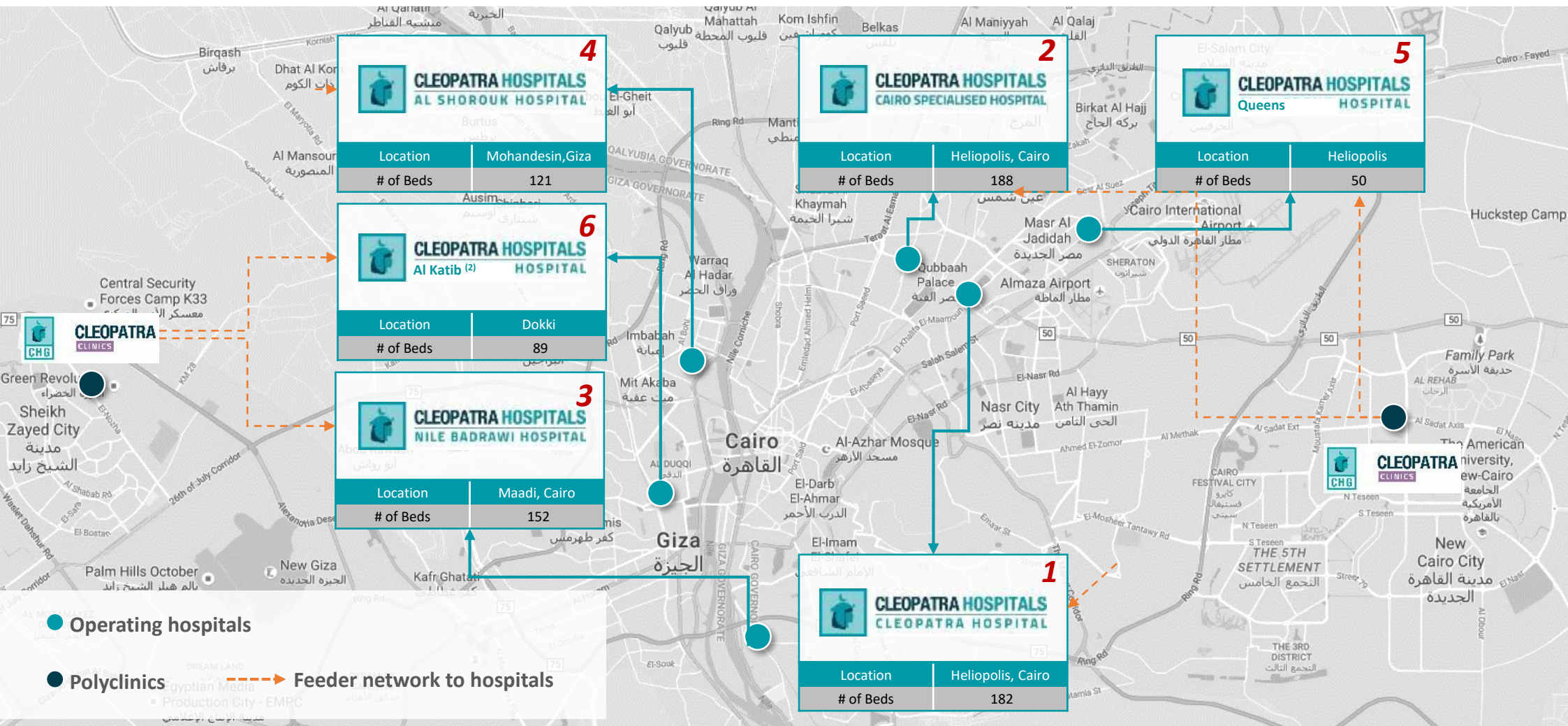
Clearly Defined Core Growth Strategy



A Scalable Platform, with a Track Record of Integrating Acquisitions










A network of hospitals across Greater Cairo



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

Well Defined Integration model

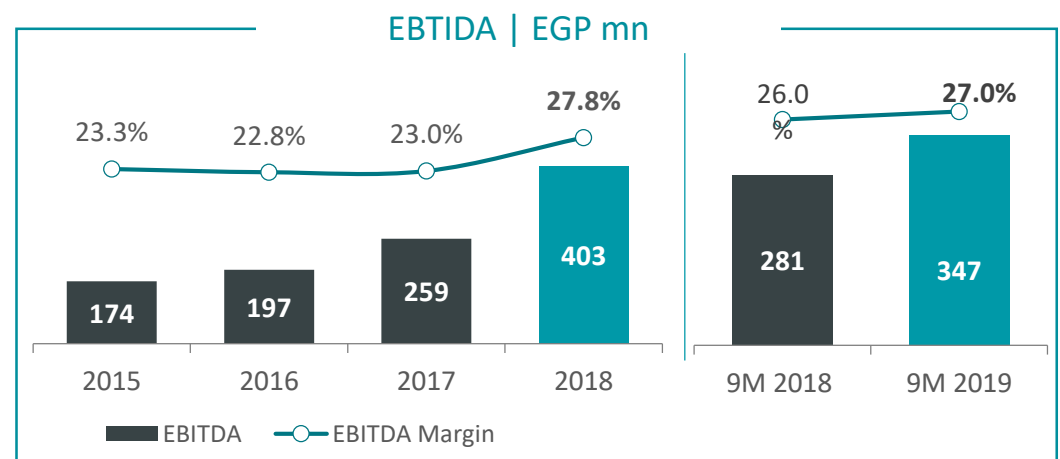
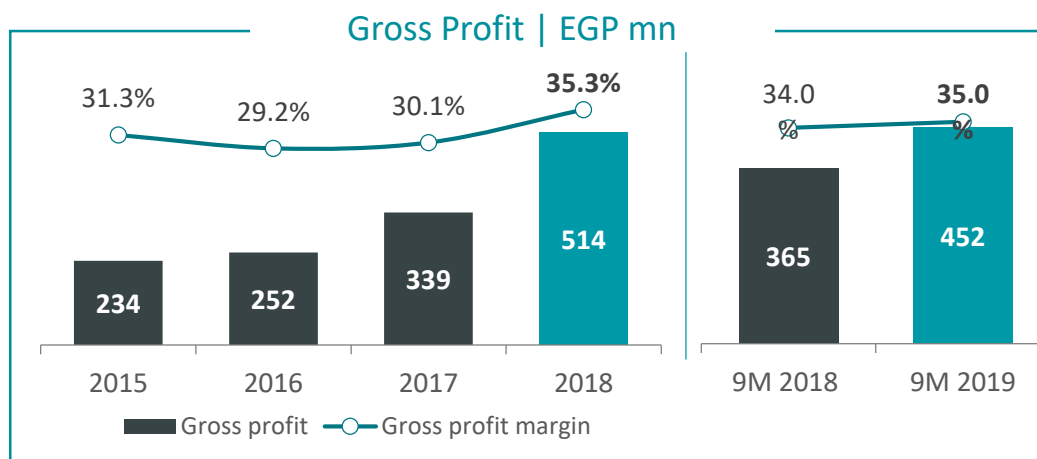
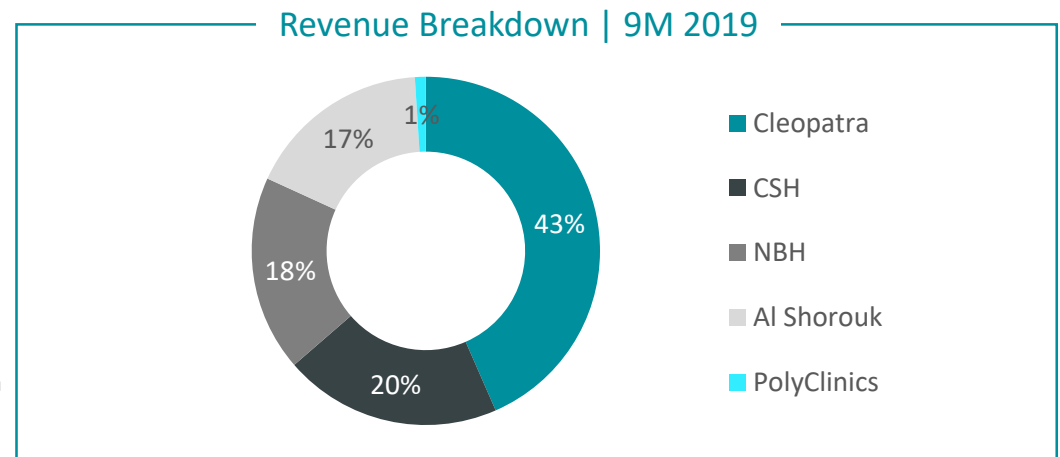
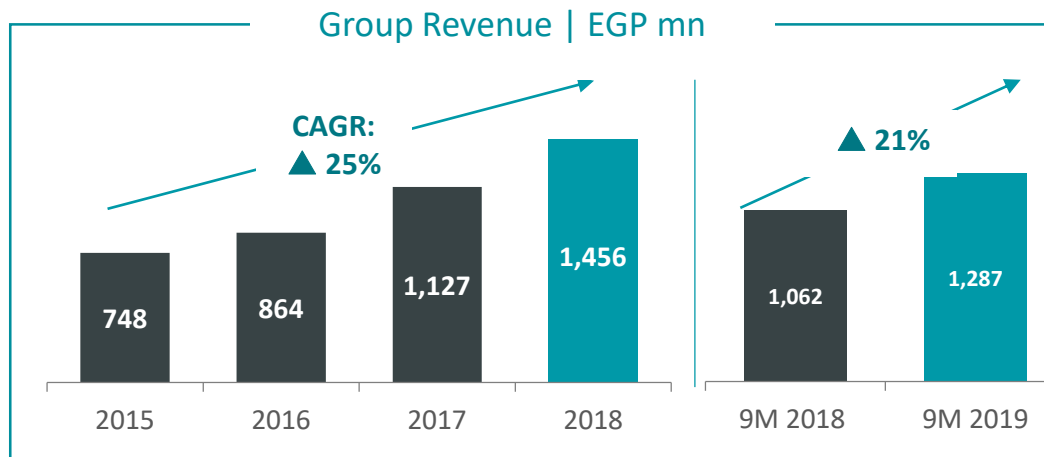


Integration, Optimization of Operations											<div>Effect on CHG</div> <div>Optimize operations and management</div> <div>Standardize and improve quality</div> <div>Enhance margins</div> <div>Stronger bargaining power</div> <div>Establish Partnerships with leading companies</div> <div>Attract high 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



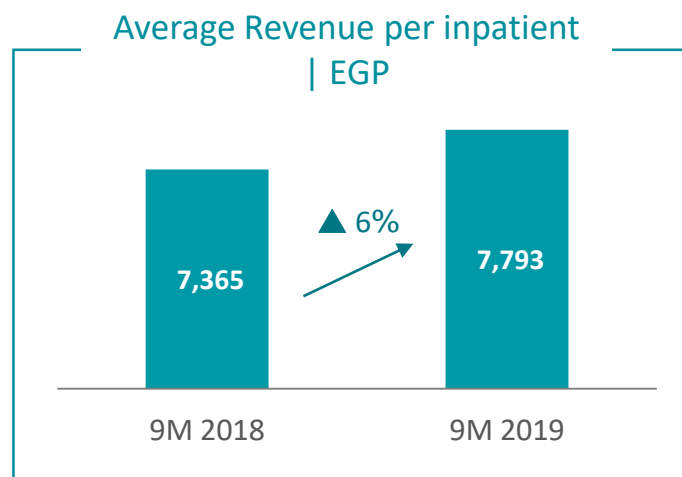
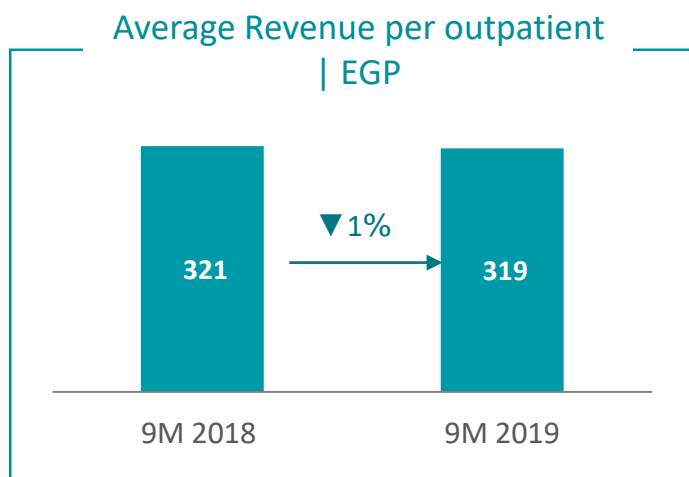
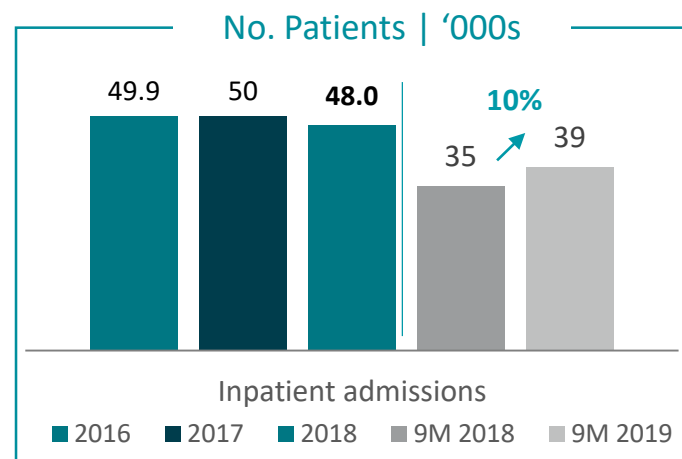
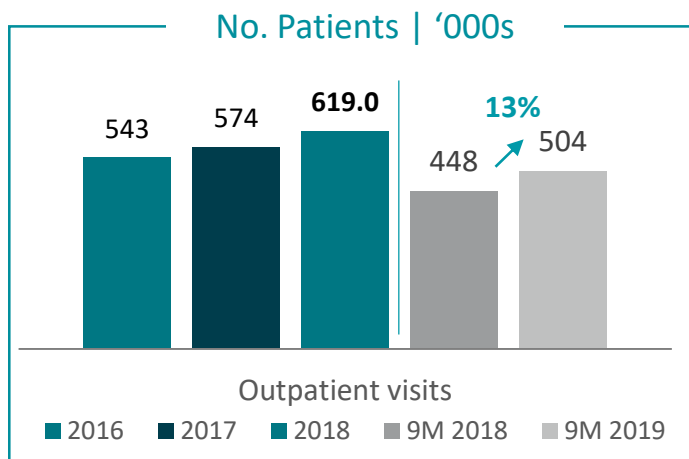
While the group continues its focus on enhancing and maintaining margins organically, performance in 2019 reflected strong margins despite the addition of four newly inaugurated facilities which are currently in the ramp-up or pre-integration phases. The Group's hospitals progressed with growth in the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



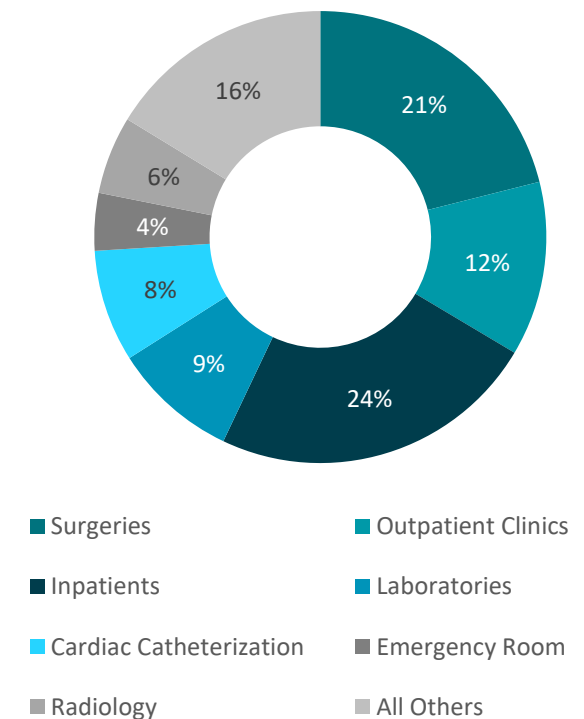
Key Revenue Drivers (i)



Revenue from inpatient admissions and outpatient visits have continued to report solid year-on-year growth, at 10% and 13% respectively, reflecting CHG's volume and case mix enhancement strategy across its revenue streams



Group Revenue Contribution by Segment (9M 2019)

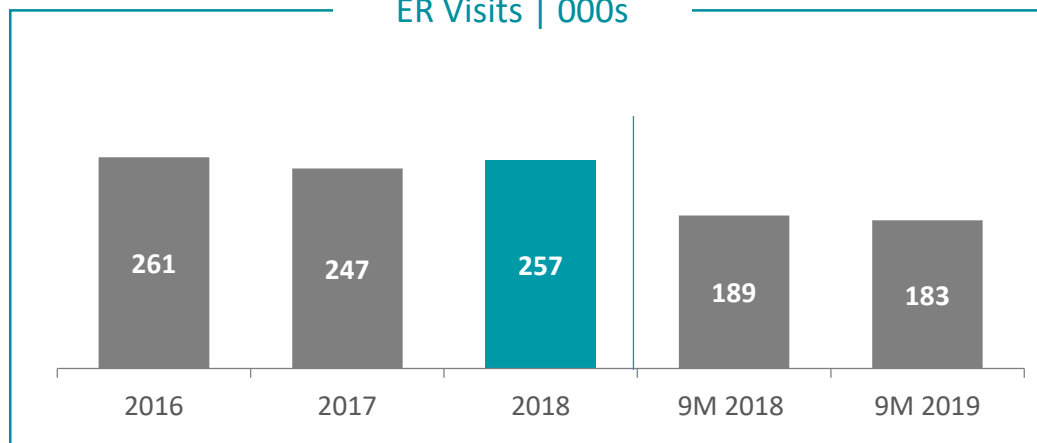


Key Revenue Drivers (ii)

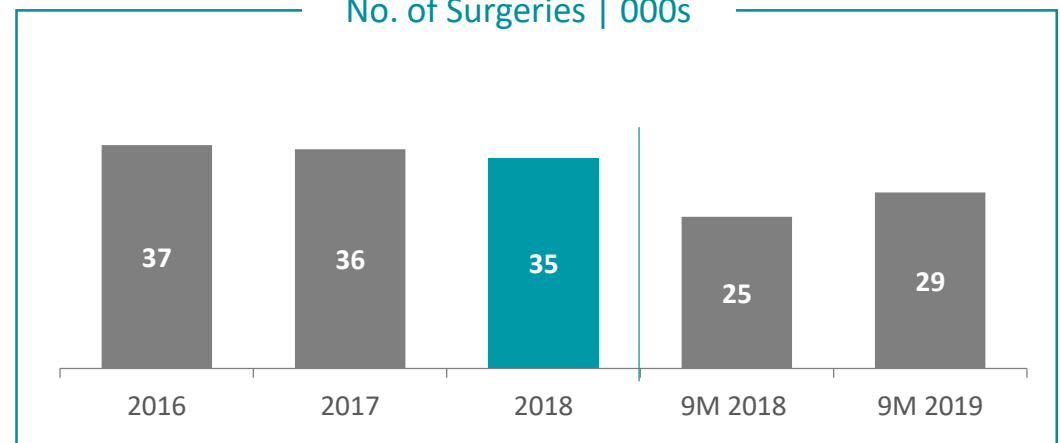


Surgeries and ER visits have also witnessed increasing revenue per visit, which expanded 18% and 13% year-on-year respectively. Overall revenues from both segments have witnessed notable growth

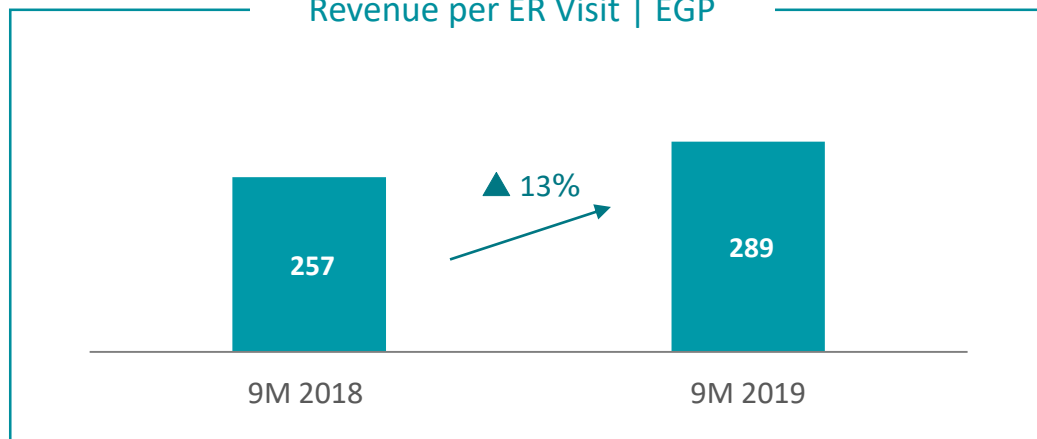
ER Visits | 000s



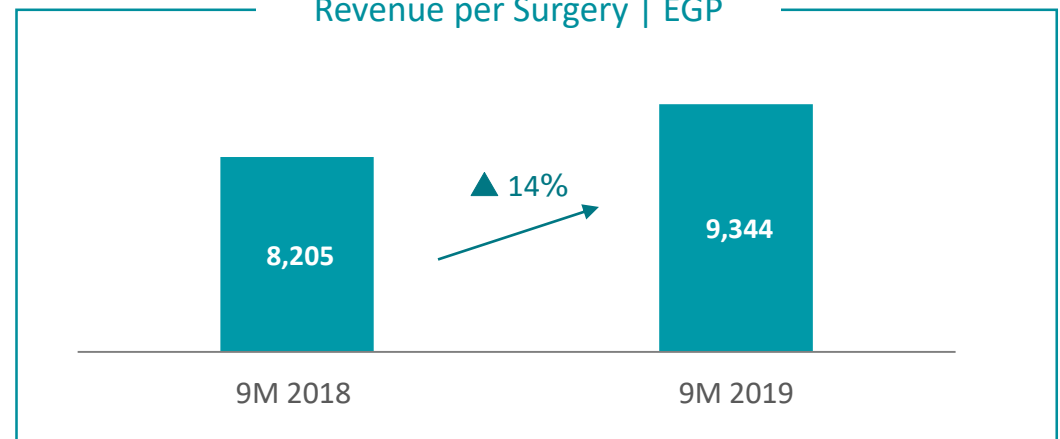
No. of Surgeries | 000s



Revenue per ER Visit | EGP



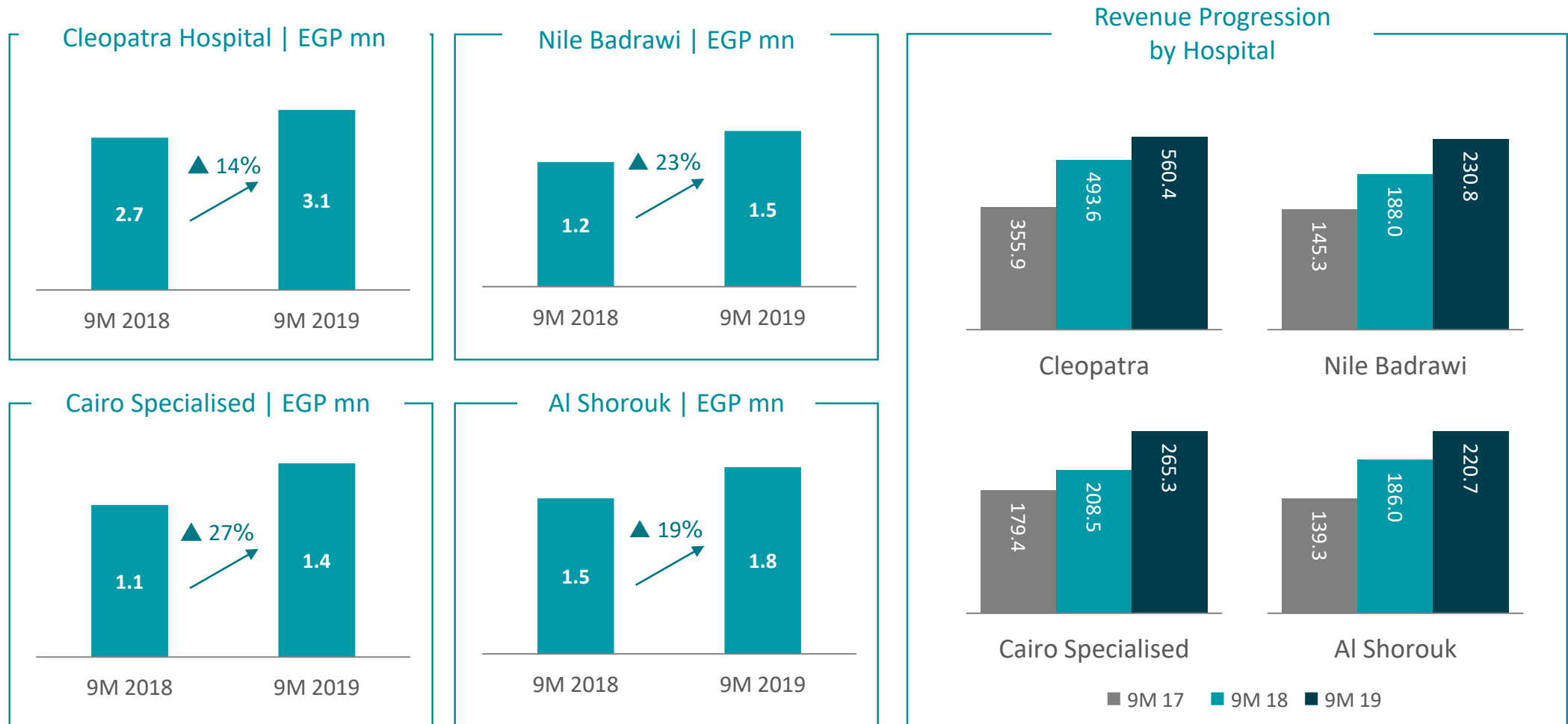
Revenue per Surgery | EGP



Key Revenue Drivers (iii)



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



Recent Business Updates

The background of the slide is a photograph of a medical CT scanner in a clinical setting. Overlaid on this image is a network of white lines connecting various circular icons. These icons include a cloud, a Wi-Fi symbol, a person silhouette, a medical bag with a cross, a heart rate monitor, and a shield. The overall color scheme is a dark teal or blue, giving it a high-tech, digital feel.

Recent Business Updates

Renovations & Upgrades



Nile Badrawy Hospital Renovations

- Façade facelift
- Inpatient Wards Renovations (2 floors)
- Started Electromechanical upgrades
- Upgraded all medical equipment
- ICU/CCU Renovation & Upgrade
- Operating Rooms Renovations & Upgrade
- Outpatient Clinics Renovations & Upgrade

Recent Business Updates

Renovations & Upgrades



Cairo Specialized Hospital Renovations

- Façade facelift
- Inpatient Wards Renovations Started Electromechanical upgrades
- Upgraded all medical equipment
- ICU/CCU Renovation & Upgrade
- Operating Rooms Renovations & Upgrade
- Radiology Department Upgrade to become COE for east Cairo

Recent Business Updates

Renovations & Upgrades



Al Shorouk Hospital Renovations

- New Clinics Building, availing space for 20 more inpatient during 2020
- Inpatient Wards Renovations Started Electromechanical upgrades
- Upgraded all medical equipment
- ICU/CCU Renovation & Upgrade
- Operating Rooms Renovations & Upgrade
- Introduced Cath-Lab Department

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



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

Expansion Strategy

The background of the slide is a photograph of a medical scanner, possibly an MRI or CT machine, 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 shield, a heart, and a medical bag with a cross. The overall color scheme is a mix of teal, blue, and white.

Expansion strategy



Creating Feeder
networks



Building Additional
Capacities in Existing
facilities



Strategic Acquisitions
of Operating Hospitals



Brownfield/Greenfield
Expansions



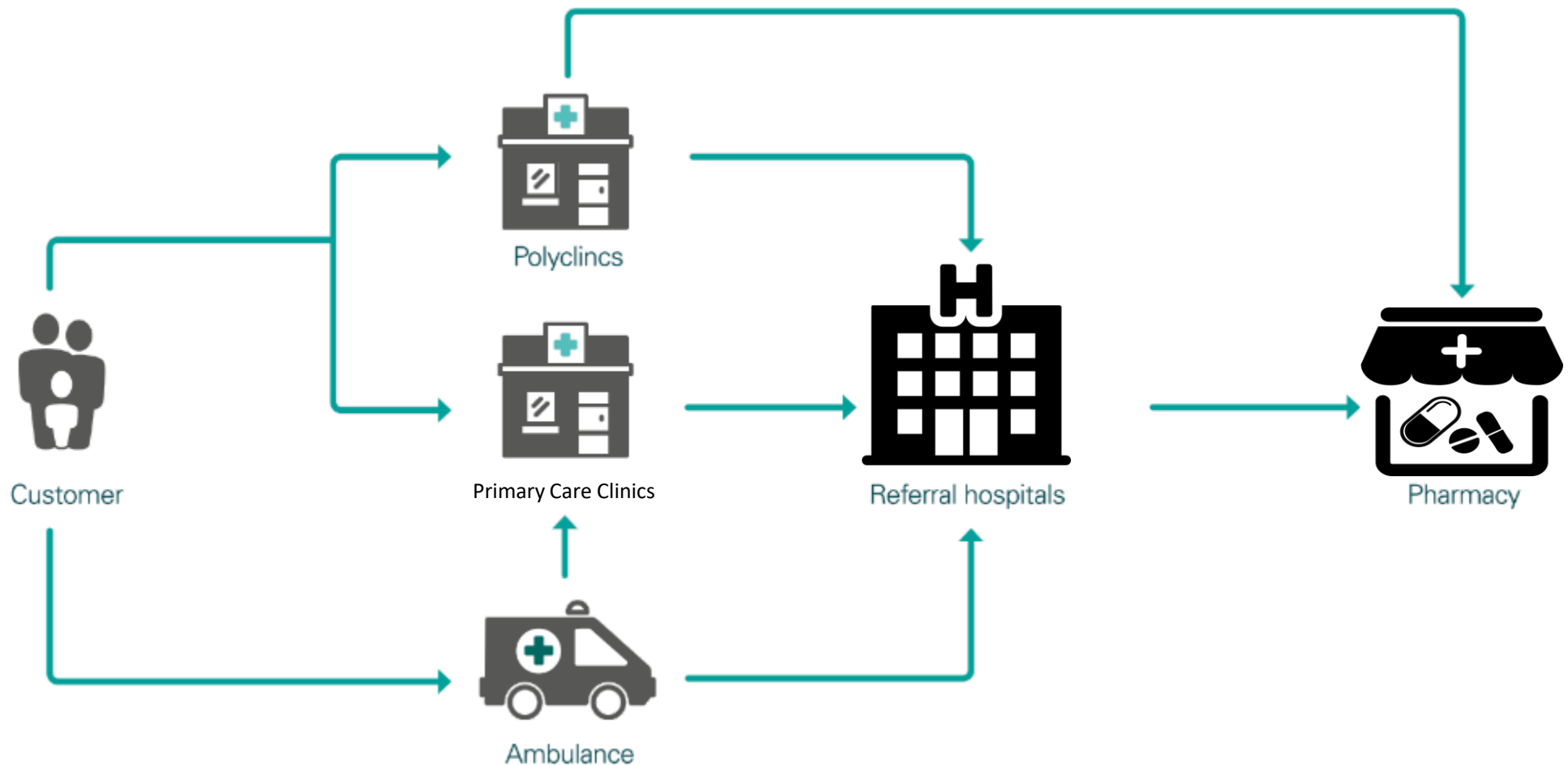
Expanding reach
beyond Greater Cairo



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

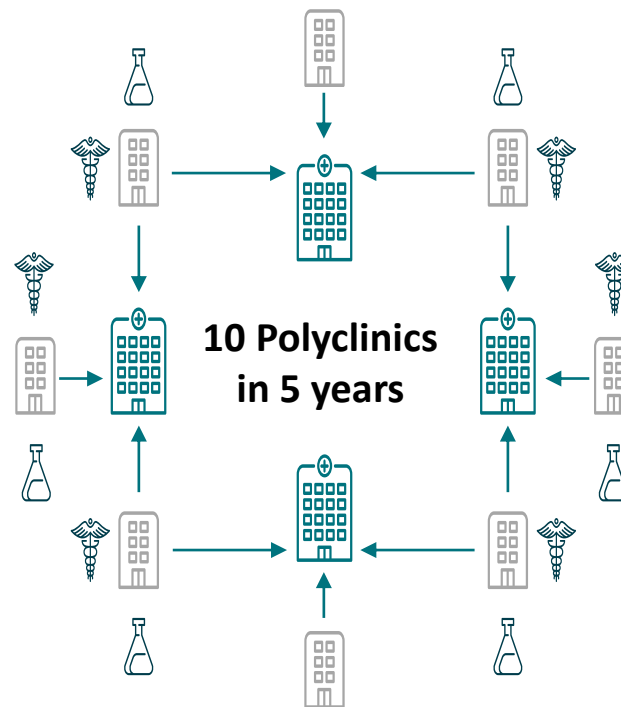
Increase number of registered patients through increasing the outpatient network, while a focus on patient pathway capture results in increased network revenue from the core payors.








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

Polyclinics act as feeder networks for patient referral for the group hospitals. Specialized across different specialties including internal medicine, dentistry, radiology, ENT, cardiology, orthopedic, gynecology and procedures room

5th Settlement Polyclinic (East Cairo)	
	12 Clinics
	+300 slots
	X-Ray / Ultrasound
	ER / Pharmacy / Ambulance
	Hot Lab



Majjarah Polyclinic (West Cairo)	
	15 Clinics
	+350 slots
	X-Ray / Ultrasound
	ER / Pharmacy / Ambulance
	Hot Lab

Feeder networks expansion in 2019 compose 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

West and East Cairo Polyclinics – The Group's First Two Facilities Launched in 2019



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



New Extension for Al-Shorouk Hospital



Al Shorouk hospital expansion

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



Strategic Acquisitions of Operating Hospitals (i)



El Katib Hospital (Dokki, Giza)⁽¹⁾

During September 2017, CHG signed definitive agreements to acquire the real estate assets and the operational assets of a new hospital in West Cairo



89 Hospital Beds



Kidney Specialist
offering a complementary service

The hospital is also undergoing an additional expansion in order to reach 108 beds, as is expected to contribute around EGP 25-30mn⁽²⁾ of EBITDA to CHG over the coming period

Note (1): Based on management accounts, and is subject to diligence and audit, and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially

Strategic Acquisitions of Operating Hospitals (ii)



Queens Hospital (Heliopolis, East Cairo)

CHG has finalized and started operating Queens hospital as of March 2019

50 Hospital Beds in Heliopolis (Segment A area)

Hospital current focus is on gynecology and pediatrics specialties.

CHG in process to expand its services to include other general services and a Cardiology COE and upgrade the infrastructure

Cleopatra staff has started handover of operations and implementing business plan for 2020



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

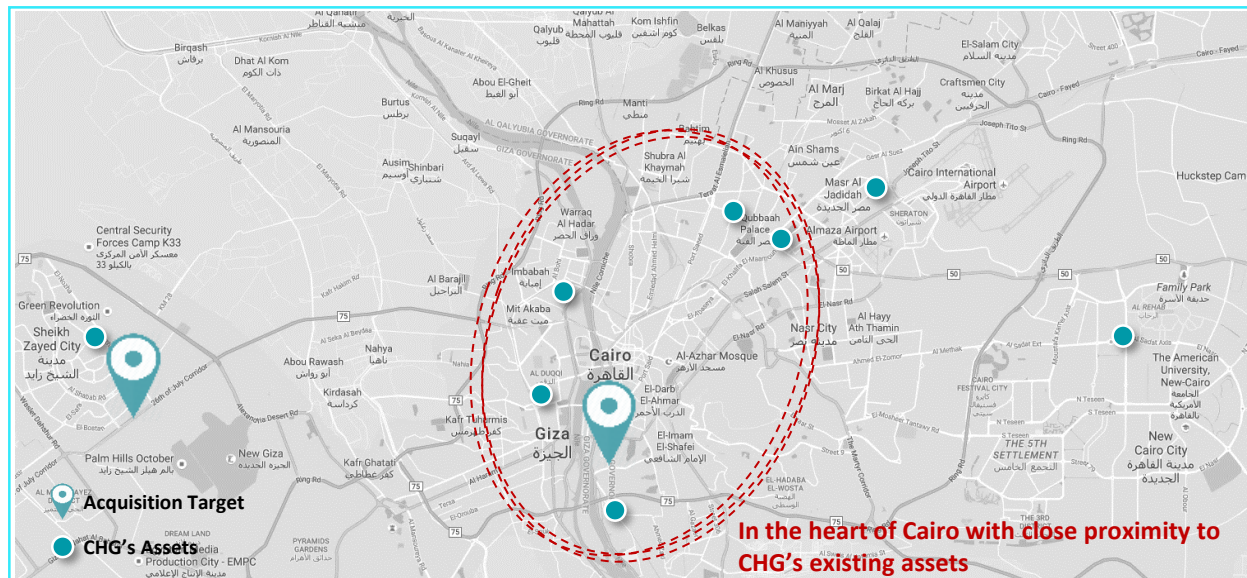


3
Operating
Theaters

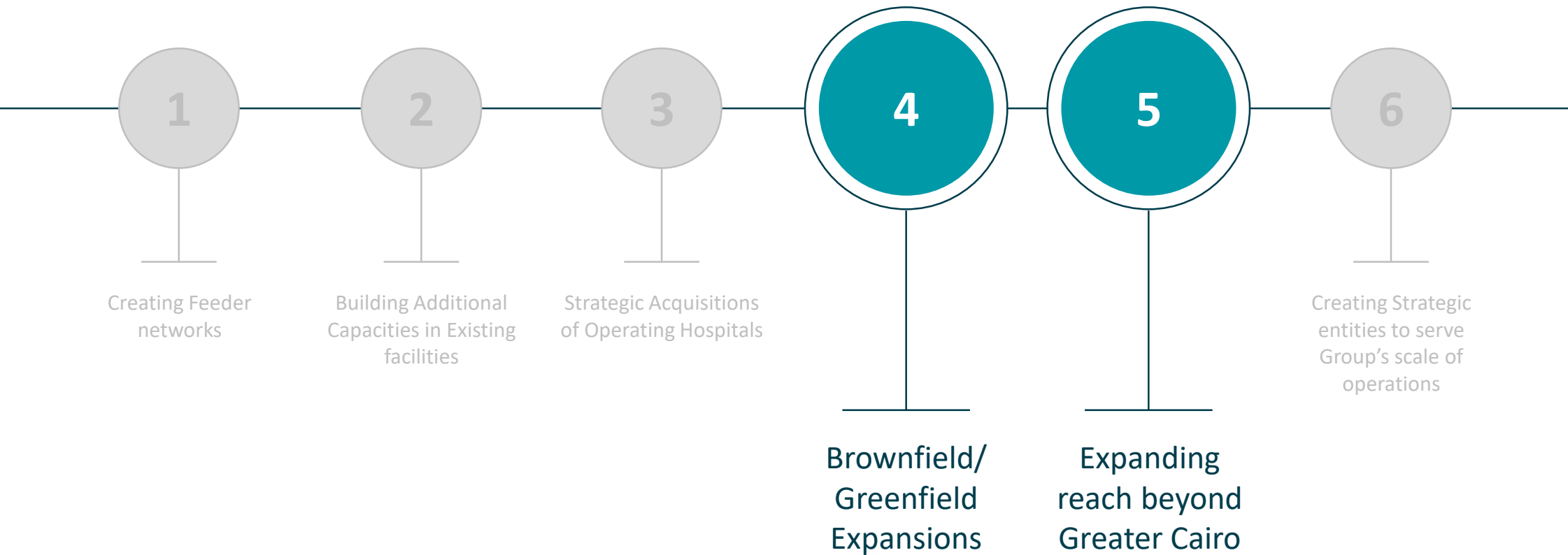


1
Embryo
Freezing Lab

**Services
Offered**



Expansion strategy



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



Brownfield / Greenfield expansion

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



7 operating room



Cath lab



20 Outpatient clinics

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

Status



Hospital Facility Leased

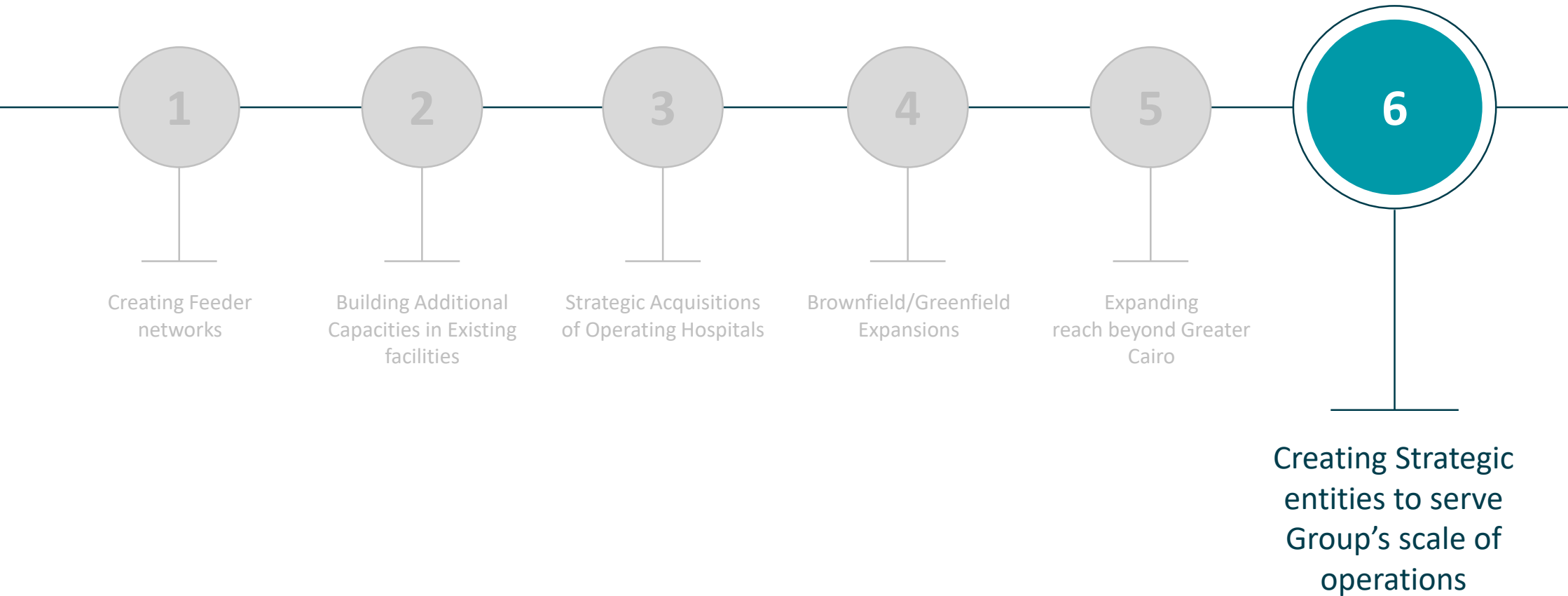


Capex Budget Finalized



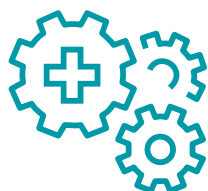
Business Plan Completed

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

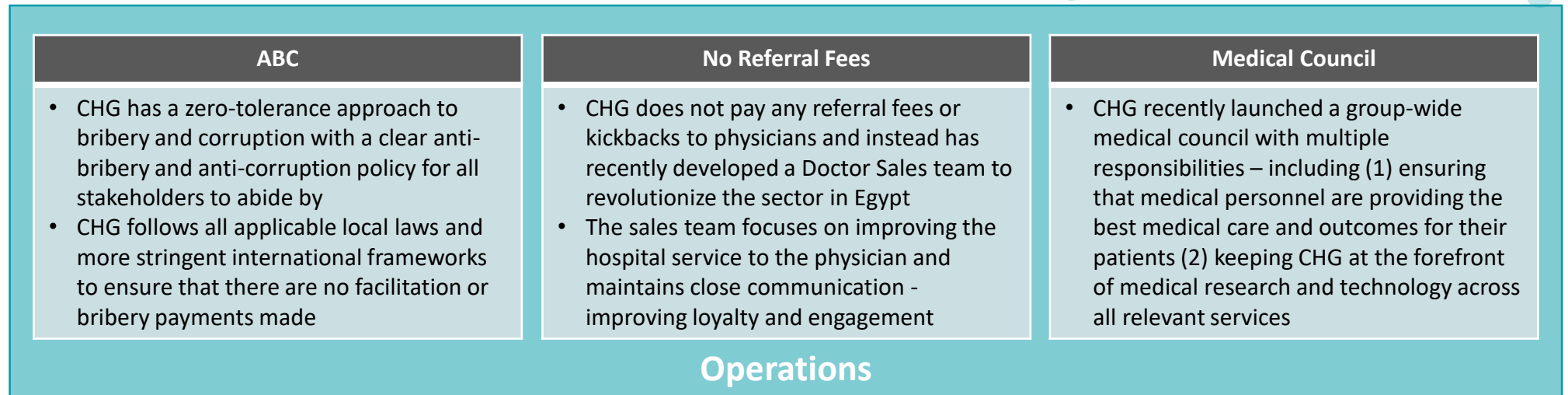


**General Omar
Kinawy**
Former Deputy Head
of Intelligence

Board Committees

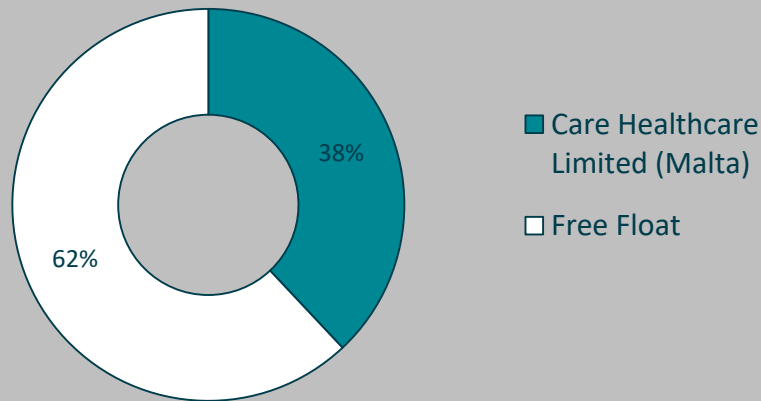
- Audit committee – recommends the financial statements to the Board, and matters such as internal and external audits, financial and non-financial risk
- Remuneration committee – determines and recommends to the Board matters regarding the framework for senior management remuneration
- Clinical quality 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

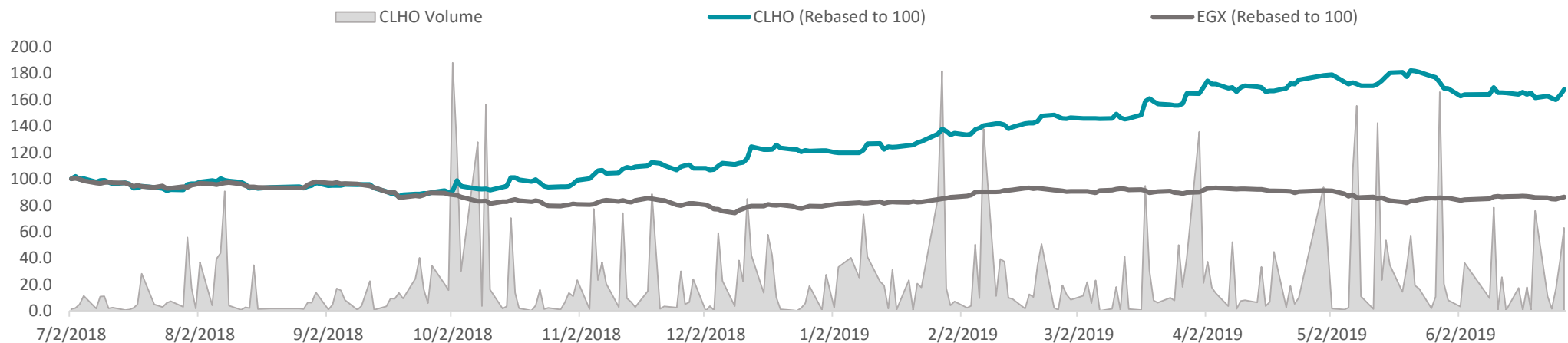


A Development Financial Institution partly owned by Agence Française de Développement (AFD), which promotes private investment in developing countries to reach the Millennium Development Goals



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

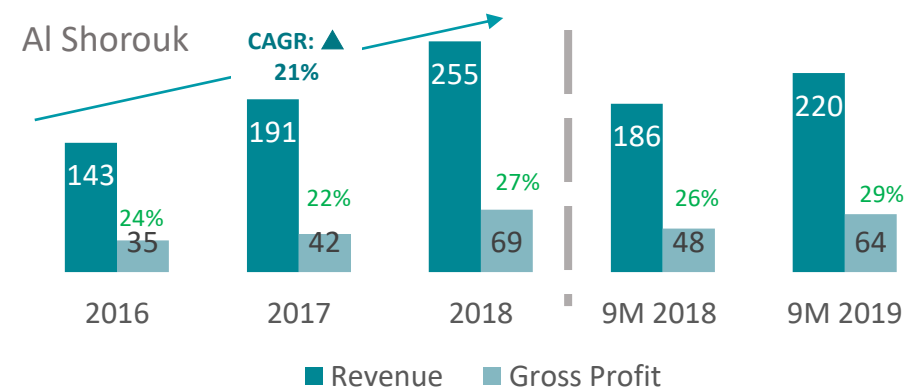
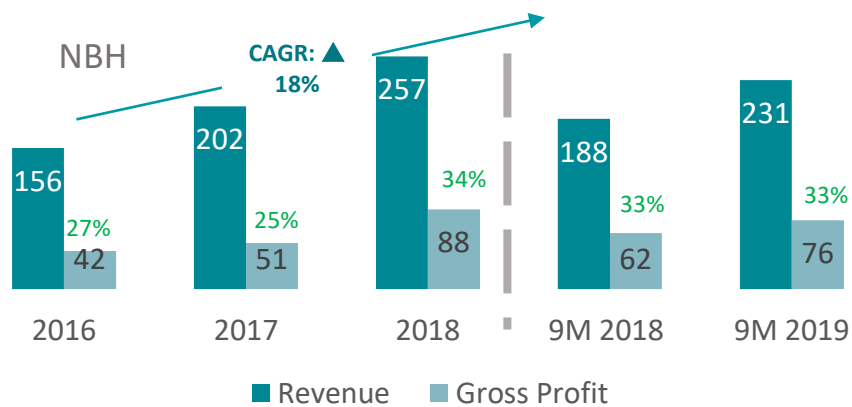
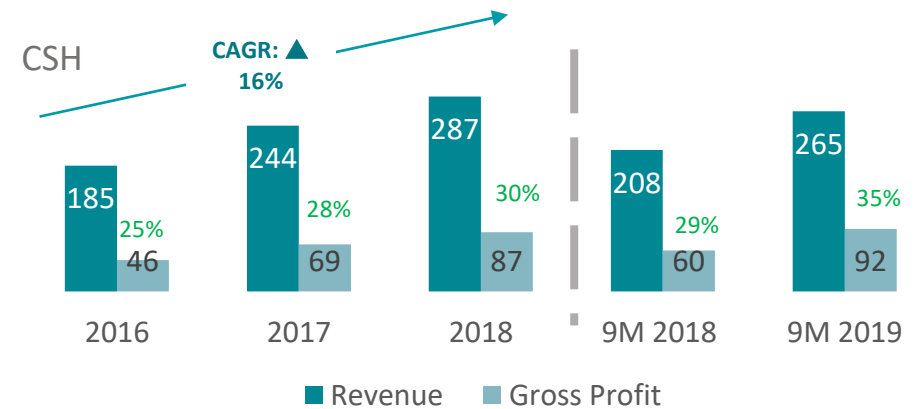
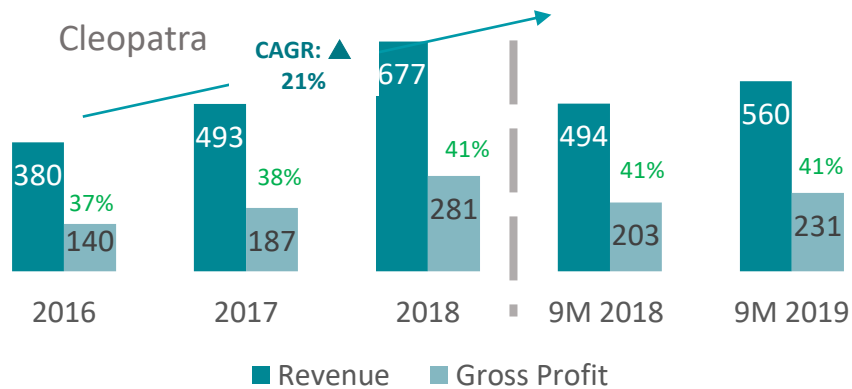


Source : Mubasher



Appendix : Q3 2019 Additional Disclosure







Per Hospital Performance



Expansion KPIs

Polyclinics – East









5th Settlement Polyclinic (East Cairo)	Initial Investment	Volumes Ramp Up	Performance Outlook
 12 General Clinics + 3 Specialty Clinics	<u>Real Estate ;</u> <ul style="list-style-type: none"> 20 Year rental contract (EGP 400k per month) 	<u>2019 Utilization ;</u> <ul style="list-style-type: none"> ~50% 200-300 patient per day 	<u>Revenues</u> <ul style="list-style-type: none"> 2019 Monthly ramp up reach EGP 3-3.5k /Month 2020 Outlook ; EGP 40-45mn
 +300 slots	<u>Capex ;</u> <ul style="list-style-type: none"> Medical & Civil Capex ; ~EGP 30mn 	<u>2020-2023 Utilization ;</u> <ul style="list-style-type: none"> ~60-100% utilization 500 patients per day 	<u>Margins outlook</u> <ul style="list-style-type: none"> GP positive in 2020 ; ~ 20-25% EBITDA Positive after 1st year of operations
 X-Ray / Ultrasound	<u>IRR & Payback Period</u> <ul style="list-style-type: none"> IRR 20% Payback 4 Years 		
 ER / Pharmacy / Ambulance			
 Hot Lab			
 Operational Date ; February 2019			

Expansion KPIs

Polyclinics – West





Majjarah Polyclinic (West Cairo)		Initial Investment	Volumes Ramp Up	Performance Outlook
	15 Clinics	<u>Real Estate ;</u> <ul style="list-style-type: none"> Part of High End Commercial Complex 20 Year rental contract (EGP 400k per month) <u>Capex ;</u> <ul style="list-style-type: none"> Medical & Civil Capex ; ~EGP 30mn <u>IRR & Payback Period</u> <ul style="list-style-type: none"> IRR 20% Payback 4 Years 	<u>2019 Utilization ;</u> <ul style="list-style-type: none"> ~10% 50-100 Patients per day <u>2020-2023 Utilization ;</u> <ul style="list-style-type: none"> ~40-100% utilization 2020 utilization similar to East Cairo 2019 Performance 500 patients per day at full utilization 	<u>Revenues</u> <ul style="list-style-type: none"> 2020 Monthly ramp up reach EGP 2 /Month 2020 Outlook ; EGP 20-25mn <u>Margins outlook</u> <ul style="list-style-type: none"> GP positive in 2020 ; ~ 10% EBITDA Positive after 1st year of operations
	+350 slots			
	X-Ray / Ultrasound			
	ER / Pharmacy / Ambulance			
	Hot Lab			
	Operational Date ; August 2019			

Expansion KPIs

Queens Hospital



Queens Hospital – East Cairo	Investment	Scope	Performance Outlook
 <div>  <p>Joining Date ; March 2019</p> </div>	<p><u>Real Estate ;</u></p> <ul style="list-style-type: none"> 25 Year rental contract (EGP 300k per month + EGP 5mn one off payment) <p><u>Business Transfer Agreement for previous operators (BTA) ;</u></p> <ul style="list-style-type: none"> EGP 25mn for assets and business transfer <p><u>IRR & Payback Period</u></p> <ul style="list-style-type: none"> IRR 20% 	<p><u>Status Quo Scope</u></p> <ul style="list-style-type: none"> 50 Bed Hospital Maternity Hospital with limited scope Outsourced Diagnostics <p><u>2020 Onwards ;</u></p> <ul style="list-style-type: none"> Expand Hospital Services (include ICUs , ER , Rad etc) One Day Surgery (Orthopedic & General) Full Fledged Diagnostics 	<p><u>2019/2020</u></p> <ul style="list-style-type: none"> Ongoing Renovations and refurbishments to enhance hospital scope Medical & Non Medical Capex Investments ; EGP 70mn <p><u>Performance Outlook</u></p> <ul style="list-style-type: none"> Revenues EGP 50mn in 2020 ramping up to 125mn in 3 years GP Margin 25% after 1st year of full operations

Expansion KPIs

EL Katib Hospital







El Katib Hospital	Investment	Scope	Performance Outlook
   <div>  <p>Joining Date ; November 2019</p> </div>	<p><u>Real Estate ;</u></p> <ul style="list-style-type: none"> EGP 143mn (December 2018) <p><u>Business Transfer Agreement for previous operators (BTA) ;</u></p> <ul style="list-style-type: none"> EGP 135mn for assets and business transfer <p><u>IRR & Payback Period</u></p> <ul style="list-style-type: none"> EV/EBITDA 10x IFA Valuation ; EGP 266mn IRR 20% 	<p><u>Existing Scope</u></p> <ul style="list-style-type: none"> 89 Bed General Hospital Urology Centre of Excellence <p><u>2020 Onwards ;</u></p> <ul style="list-style-type: none"> CHG Integration Cross referrals from West Cairo hospitals Pricing & client enhancement Capex ; EGP 30mn in 2020 	<p><u>2019/2020 Revenue</u></p> <ul style="list-style-type: none"> Q4 (November & December) EGP 14-15mn in Revenues 2020 ; EGP 130-150mn Revenues <p><u>Margins</u></p> <ul style="list-style-type: none"> GP Margin 30% EBITDA Margin 20% Ramp up to group margin levels

Expansion KPIs

Bani Suef Brownfield



Bani Suef Hospital	Investment	Scope	Performance Outlook
    <p>JV Signed – August 2019</p>	<p><u>JV Agreement ;</u></p> <ul style="list-style-type: none"> 90% CHG and 10% Taaleem <p><u>Real Estate ;</u></p> <ul style="list-style-type: none"> Secured long term rent of brownfield facility (EGP 850k per year) <p><u>Investment 2020-2021 ;</u></p> <ul style="list-style-type: none"> Total investment EGP 360mn (EGP 320mn CHG share) <p><u>IRR & Payback Period</u></p> <ul style="list-style-type: none"> IRR 20% 	<p><u>Medical Scope ;</u></p> <ul style="list-style-type: none"> General Hospital with 198 Beds Partially used as Teaching Hospital (20 beds) <p><u>Timeline ;</u></p> <ul style="list-style-type: none"> Civil Work ; beginning of 2020 Partial Operations end of 2020 -50 beds Full operations by end of 2021 	<p><u>2020-2021</u></p> <ul style="list-style-type: none"> Average Revenue Per bed – 25% to 30% below group average Margins 5% lower than group average

Balance Sheet and Leverage



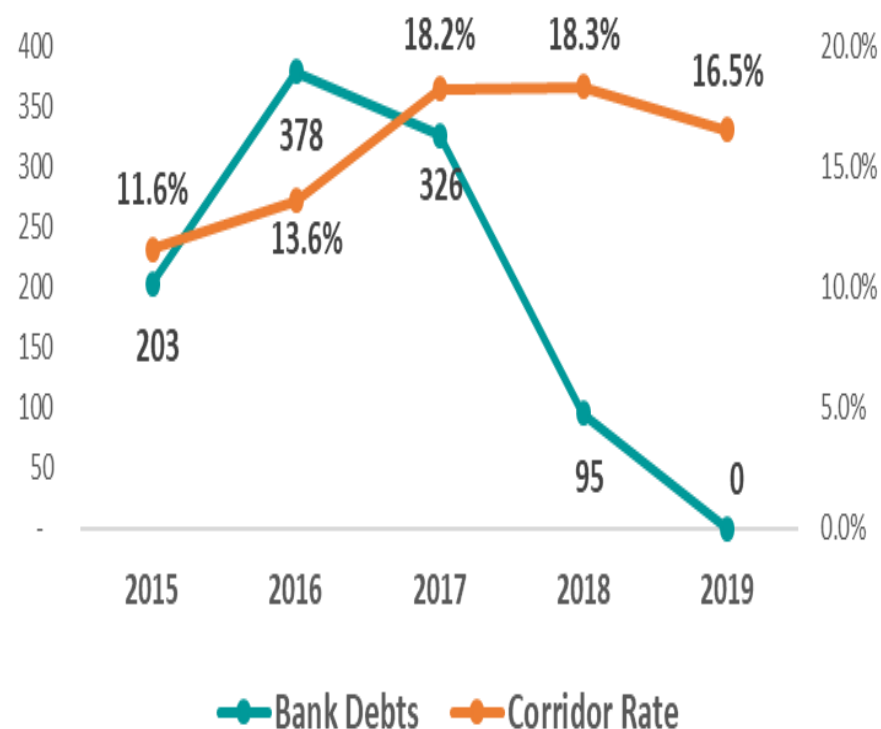
Balance Sheet Summary

EGP 000

Balance Sheet Summary	Dec-18	Sep-19
Cash	953	592
Inventory	41	47
Debtors & other Debt balance	358	603
Current Assets	1,353	1,242
Intangible Assets	241	255
Non-Current Assets	704	943
Total Assets	2,298	2,440
Overdraft & Short Term Loan	27	9
Creditors & other Credit balance	457	545
Current Liabilities	485	554
Non-Current Liabilities	135	70
Total Liabilities	619	624
Net Assets	1,679	1,817
Total Equity	1,679	1,817

Leverages Ratios	Dec-18	Sep-19
Total liabilities / Total Assets	0.27 X	0.26 X
Net bank debt / (cash) / equity	-0.55	-0.32
Debt Service Coverage Ratio	NA	NA

Highlights



Balance Sheet and Returns Overview



ROCE & ROE Ratios

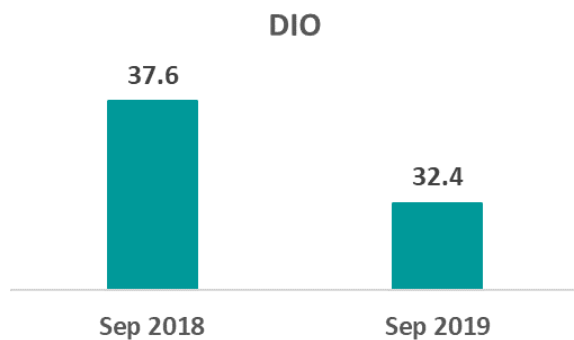
	EGP 000		
Balance Sheet Summary	Dec 2016	Dec 2017	Dec 2018
Capital employed			
Shareholders equity	565,877	1,330,499	1,603,997
plus minority interest	44,620	55,729	74,720
plus deferred taxes	59,993	64,430	66,869
plus interest-bearing liabilities	378,147	351,939	95,104
plus pension and other provisions	24,925	21,580	24,902
plus accumulated goodwill amort.	5,350	10,700	-
plus other long-term liabilities	-	24,821	45,232
less cash and cash equivalents	(439,583)	(1,007,131)	(953,423)
Capital employed	639,329	852,568	957,401
EBIT	145,008	170,317	316,649
ROCE	23%	20%	33%
ROE			
Net income post exceptionals*	162,671	205,966	338,897
Shareholder's equity	610,497	1,386,229	1,678,717
ROE	27%	15%	20%

*Excluding: LTIP, AR impairment, and interest

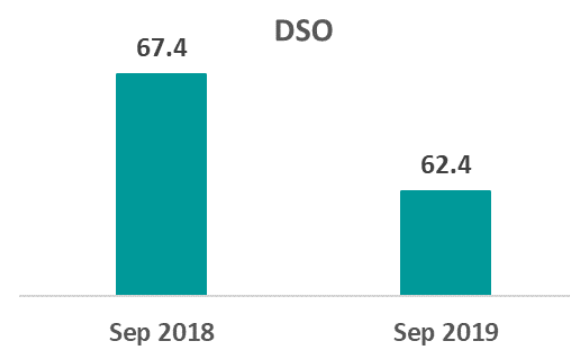
Cash Conversion Cycle



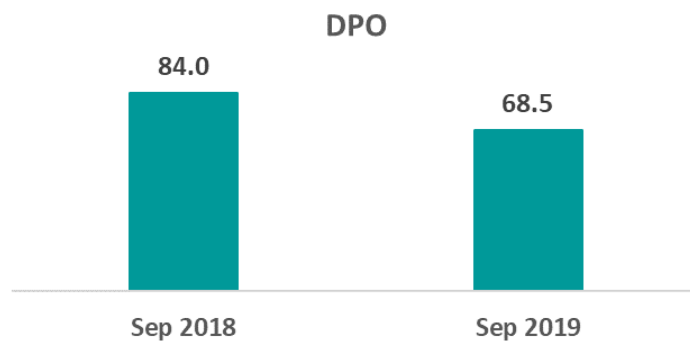
DIO



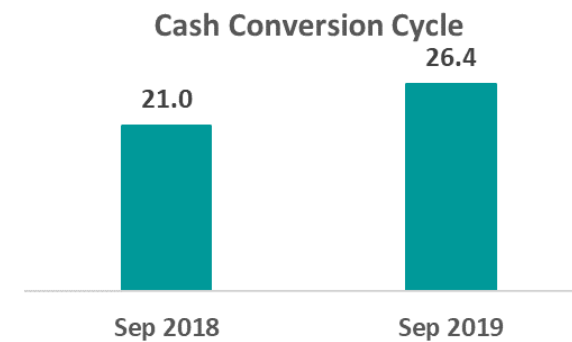
DSO



DPO



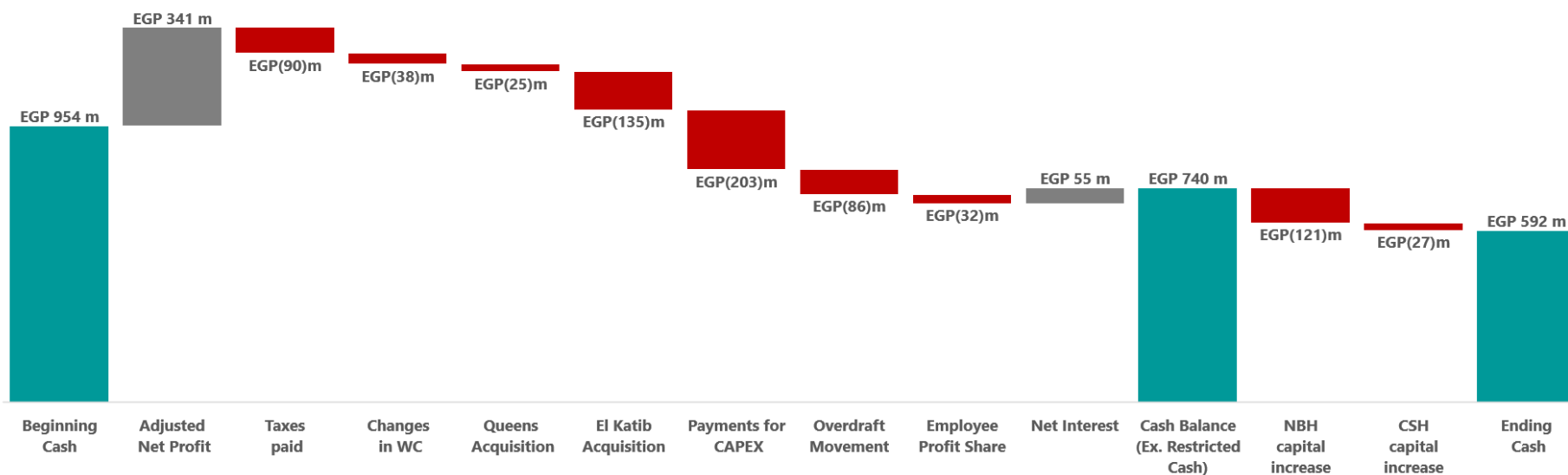
Cash Conversion Cycle



Cash Flow Walkthrough in 2019



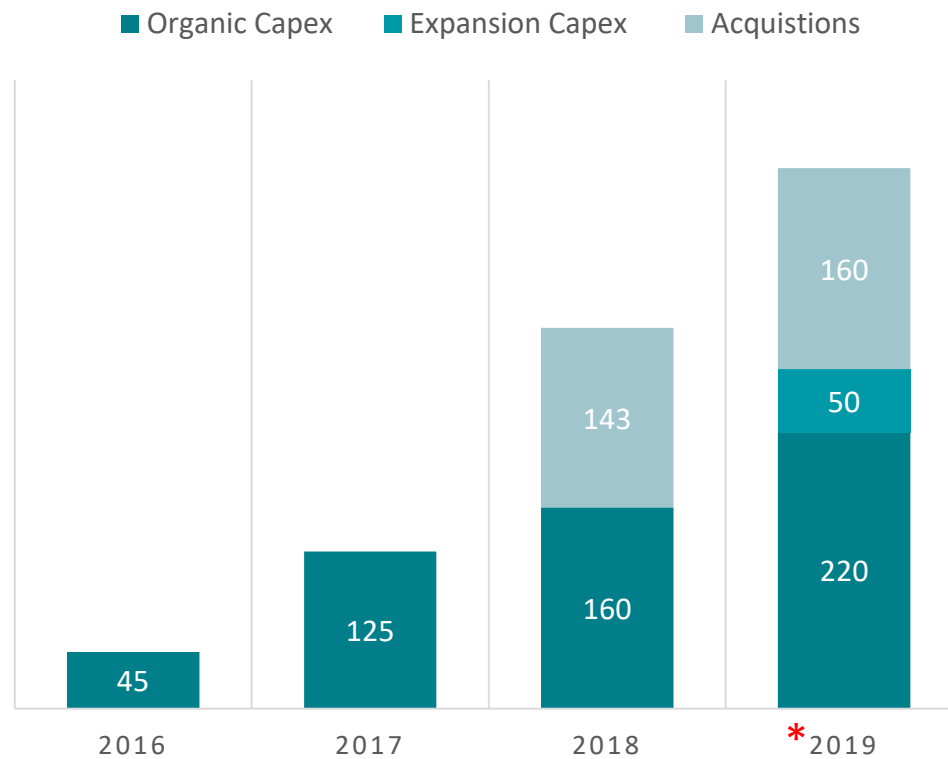
Ending consolidated cash balance amounts to EGP 740m as of Sep 2019, of which EGP 148m is earmarked for NBH and CSH upgrade capital expenditure



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	3Q2019	3Q2018	% change	9M2019	9M2018	% change
Revenues	462.0	388.3	19%	1,287.1	1,062.1	21%
Cost of sales	(295.0)	(246.3)	20%	(835.2)	(697.0)	20%
Gross profit	167.0	142.1	18%	451.9	365.1	24%
<i>Gross Profit Margin</i>	36%	37%		35%	34%	
General & administrative expenses	(83.2)	(48.4)	72%	(273.4)	(137.4)	99%
Cost of acquisition activities	(3.8)	(0.3)	N/A	(4.4)	(4.6)	-3%
Provisions	0.3	0.5	-29%	(1.5)	(3.7)	-60%
Other income	2.4	1.7	40%	6.5	5.6	15%
Pre-Operating Expenses	-	-	N/A	(3.4)	0.0	
EBIT	82.7	95.6	-13%	175.7	225.1	-22%
<i>EBIT Margin</i>	18%	25%		14%	21%	
Interest income	16.5	32.0	-48%	71.9	94.2	-24%
Interest expense	(1.0)	(9.2)	-89%	(5.8)	(31.0)	-81%
Profit before tax	98.2	118.4	-17%	241.7	288.3	-16%
<i>PBT Margin</i>	21%	30%		19%	27%	
Income tax	(23.1)	(24.7)	-6%	(68.7)	(61.7)	11%
Deferred tax	(2.9)	(2.1)	35%	(3.1)	(1.6)	85%
Net profit after tax	72.2	91.6	-21%	170.0	225.0	-24%
<i>Net Profit Margin</i>	16%	24%		13%	21%	
<u>Distributed as follows:</u>						
Shareholders of the company	69.3	86.3	-20%	166.5	210.9	-21%
Minority rights	2.9	5.3	-46%	3.5	14.1	-75%
Profit for the period	72.2	91.6	-21%	170.0	225.0	-24%

Consolidated Balance Sheet



All figures in EGP mn	31 December 2018	30 September 2019
Non-current assets		
Fixed assets	560.5	664.5
Intangible assets	241.0	255.1
Payment under investment	143.9	278.6
Total non-current assets	945.4	1,198.2
Current assets		
Paid under subsidiaries capital increase	-	148.5
Inventory	40.8	47.3
Accounts receivables	302.8	331.1
Other receivables and debit balances	48.5	118.8
Due from related parties	7.1	5.0
Cash	953.4	591.5
Total current assets	1,352.5	1,242.2
Total assets	2,298.0	2,440.4
Equity		
Share capital	800.0	800.0
Reserves	274.2	284.4
Retained earnings	529.8	655.3
Equity attributable to the parent company	1,604.0	1,739.7
Non-controlling interest	74.7	76.9
Total equity	1,678.7	1,816.6
Non-current liabilities		
Long term debt – non-current portion	67.9	-
Deferred tax liability	66.9	69.9
Total non-current liabilities	134.7	69.9
Current liabilities		
Provisions	24.9	19.6
Creditors and other credit balances	317.7	359.1
CPLTD	27.2	8.8
Long term incentive plan	45.2	117.9
Current income tax	69.4	48.5
Total current liabilities	484.5	553.9
Total liabilities	619.3	623.8
Total liabilities & shareholders' equity	2,298.0	2,440.4

Consolidated Cash Flow Statement



All figures in EGP mn	30 September 2018	30 September 2019
<u>Cash flow from operating activities:</u>		
Profit before tax	288.3	241.7
<u>Adjustments for:</u>		
Depreciation	32.6	45.8
Allowance for impairment of current assets	(3.6)	48.4
Provision	(3.6)	(5.3)
Capital gain/Loss	(0.5)	(0.3)
Credit / Debit Interest	(63.2)	(69.0)
Changes in current tax liability	(26.3)	(89.6)
Share-based payments financial liabilities	16.8	72.7
Operating profits before changes in assets and liabilities	240.4	244.2
<u>Changes in working capital:</u>		
Changes in Inventories	(5.3)	(5.2)
Change in trade receivables , debtors and other debit balances	(114.6)	(83.9)
Changes in Due from related parties	(18.7)	2.1
Change in trade and other payables	66.6	56.0
Net cash flows generated from operating activities	168.5	213.2
<u>Cash flow from investment activities:</u>		
Proceeds from sale of fixed assets	0.6	0.6
Payments for purchase of fixed assets	(47.3)	(52.9)
PUC purchased	(29.6)	(88.6)
Advanced payments for purchase of fixed assets	(12.0)	(62.6)
Payments for acquisition of a subsidiary, net cash acquired	-	(25.0)
Payments under investment	-	(135.1)
Credit interest collected	94.4	72.5
Time deposits with maturity more than 3 months	11.0	-
Paid under subsidiaries capital increase	-	(148.5)
Net cash flow from investment activities	17.3	(439.5)
<u>Cash flow from financing activities:</u>		
Dividends paid	(21.7)	(31.9)
Proceeds from borrowings	-	-
Repayment of borrowings	(130.9)	(95.1)
Cash proceed from overdraft	60.0	62.6
Cash paid to overdraft	(80.6)	(53.9)
Interest paid	(45.2)	(17.9)
Net cash flow from financing activities	(218.3)	(136.1)
Net change in cash & cash equivalents during the period	(32.6)	(362.5)
Cash & cash equivalents at the beginning of the period	996.1	953.4
Cash & Cash equivalent at in acquired subsidiaries at the beg. of the period	-	0.6
Cash & cash equivalents at the end of the period	963.5	591.5

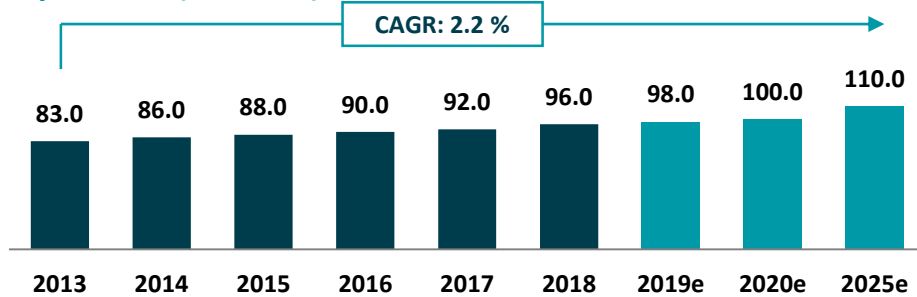


Appendix : Market Overview

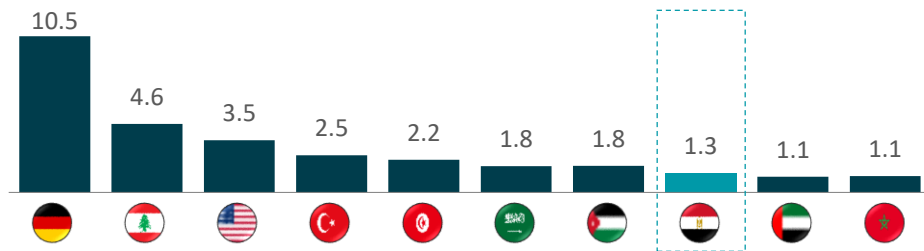
Underserved and Under-penetrated Market with Steady Demand Growth

Supply Gap in Egyptian Healthcare Industry

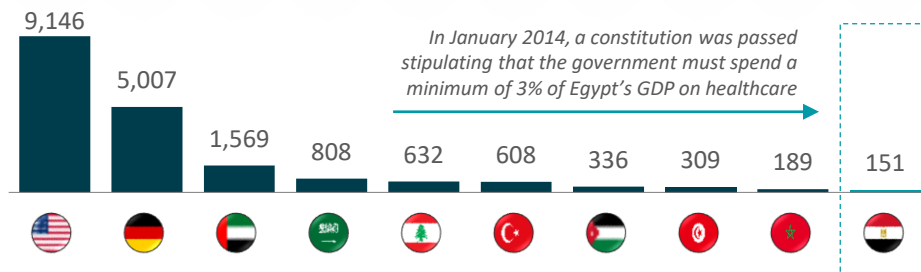
Population (millions)



Hospital Beds (/1,000 people) | 2017



Healthcare Expenditure per Capita (USD) | 2017

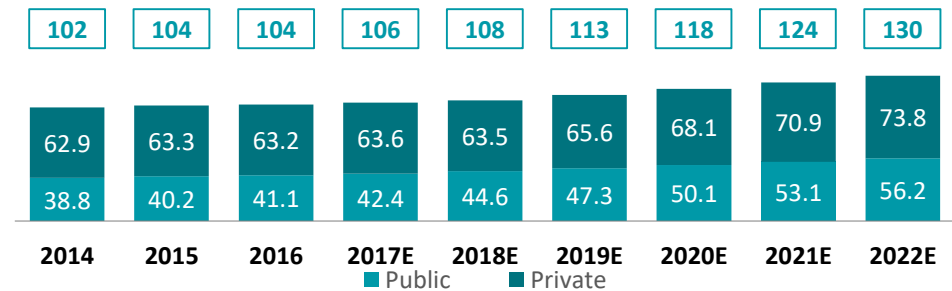


Sources: World bank, Business Monitor International (BMI), CAPMAS, FROST & SULLIVAN



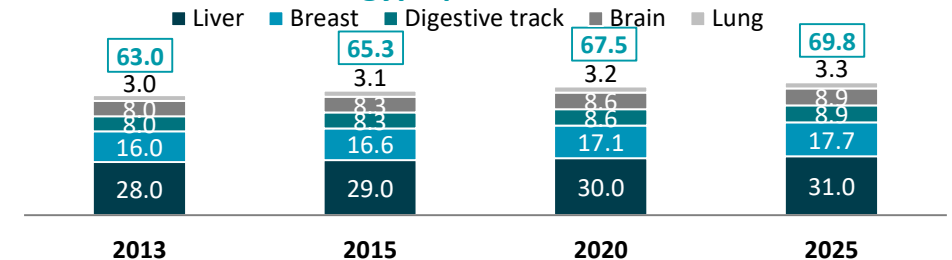
Healthcare Expenditure in Egypt

Public vs. Private Healthcare Expenditure | EGP bn

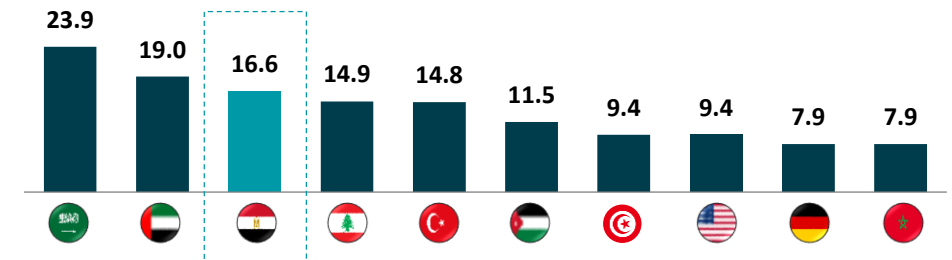


Lifestyle Disease Profile in Egypt

Cancer Prevalence in Egypt | 000 cases

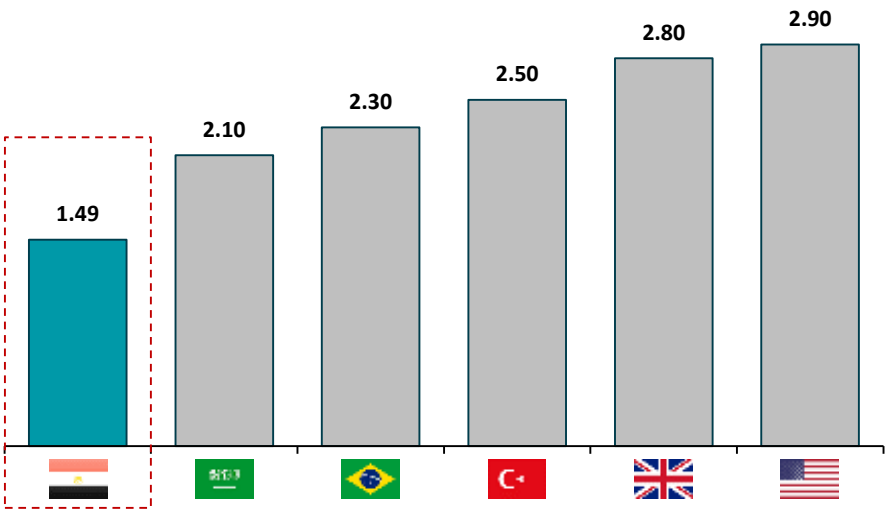


Diabetes Prevalence in the 20-79 Age Group

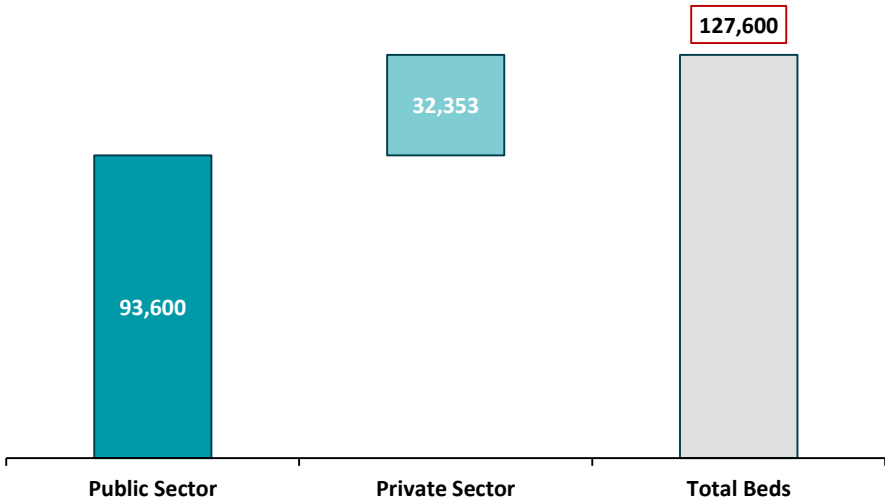


Egypt Total Hospital Beds

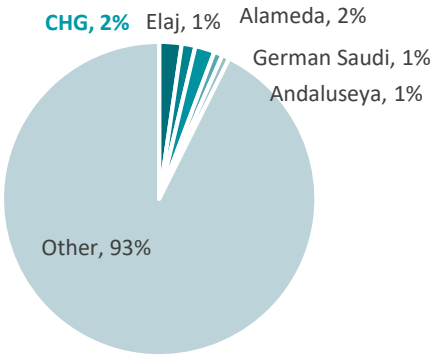
Number of Beds per 1,000 Citizens



Egypt's Number of Beds Breakdown

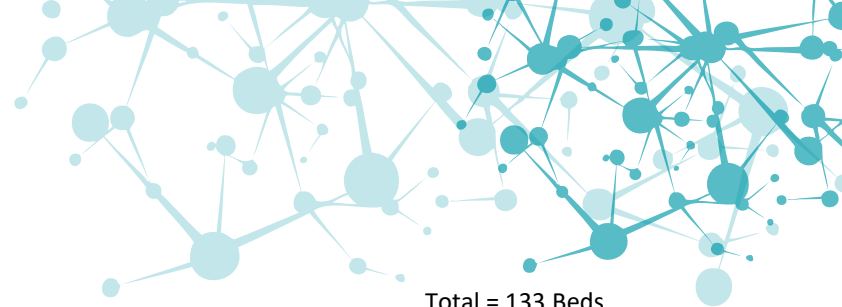


Market Share in Egypt by # of Commercial Beds

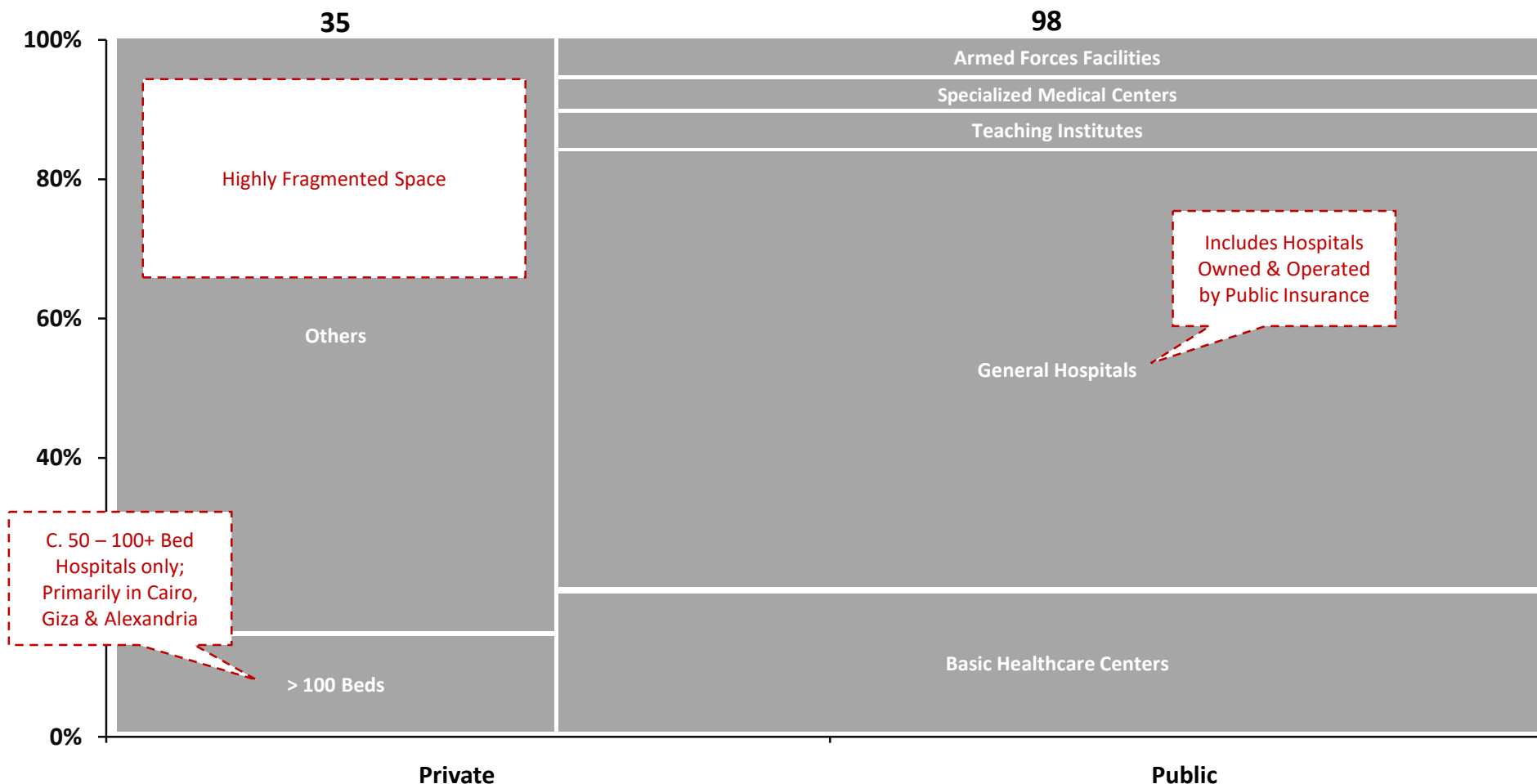


Total c34,000 beds in Egypt*







Egypt Total Hospital Beds (cont'd)



No. of Hospital Beds in Egypt (K)



Egypt Total Hospital Beds (cont'd)

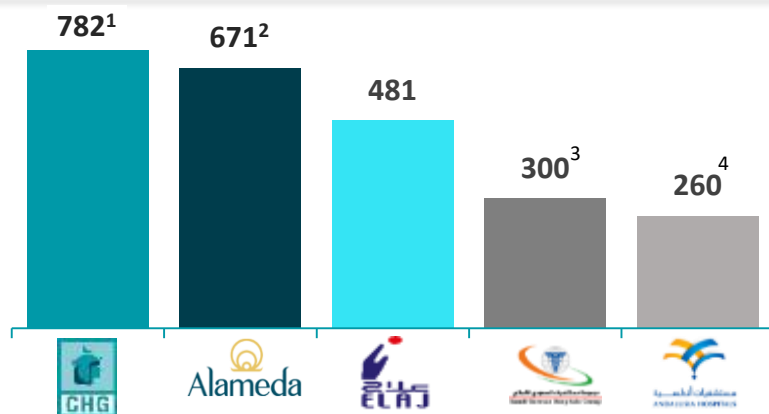
	Basic Healthcare Centers	General Hospitals (Public Insurance)	Specialized Medical Centers	Teaching Institutes / Medical Colleges	Armed Forces Facilities	Private Hospitals (Non-Government)
						
Level of Care	<ul style="list-style-type: none"> First level of public healthcare Access to basic preventive & diagnostic treatment for common diseases & risk factors 	<ul style="list-style-type: none"> Support basic healthcare centers as well as some advanced care / treatment centers Accessible to members of the insurance scheme 	<ul style="list-style-type: none"> One of the highest level of public healthcare Provide advanced. Specialized care across key diseases & intervention 	<ul style="list-style-type: none"> Provide medical education, specialization across levels & fields Facilitate training & research 	<ul style="list-style-type: none"> High-end multi specialty facilities for the armed forces Available for access by paying premium rate 	<ul style="list-style-type: none"> Provide diagnosis, treatment advice, specialist inpatient services, and advanced care Better equipped than public hospitals
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)

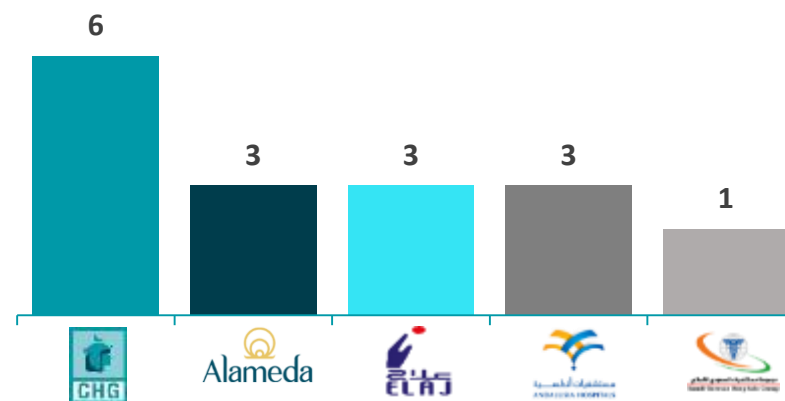
	Large Hospitals (100+ Beds)	Medium Hospitals (50 – 100 Beds)	Small Hospitals (<50 Beds)
Level of Care	<ul style="list-style-type: none"> Large multi super-specialty care centers with ability to do high-complexity cases Coverage across care continuum (potentially emerging tertiary care across key specialties) Potentially include CoEs with focus on 1 – 2 key specialties Comprehensive OP, pharmacy, diagnostic (imaging & pathology), trauma / ER, etc. 	<ul style="list-style-type: none"> Multi-specialty centers focused on mid to basic complexity work - focused up to secondary level care Serve as a feeder network to large hospitals for more complex cases Basic OP, pharmacy, trauma / ER, etc. 	<ul style="list-style-type: none"> Basic centers with beds (average size of 15 – 20 beds) with focus on triage & observations Basic intervention work (e.g. suturing, bone-setting, and IV administration) conducted at such facilities Only basic support amenities available (e.g. portable X-ray, suction machine, and a basic / minor surgery suite)
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

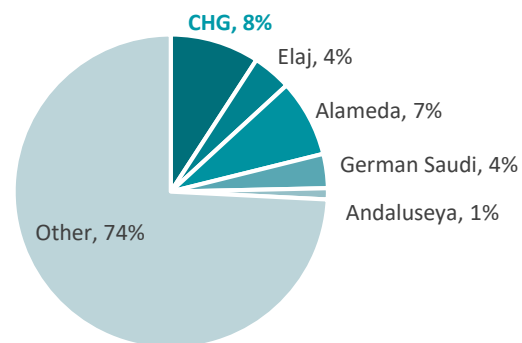
Hospital Groups in Cairo (Operational) – Bed Count



Hospital Groups in Cairo - # of Operational Hospitals



Market Share in Cairo by # of Commercial Beds

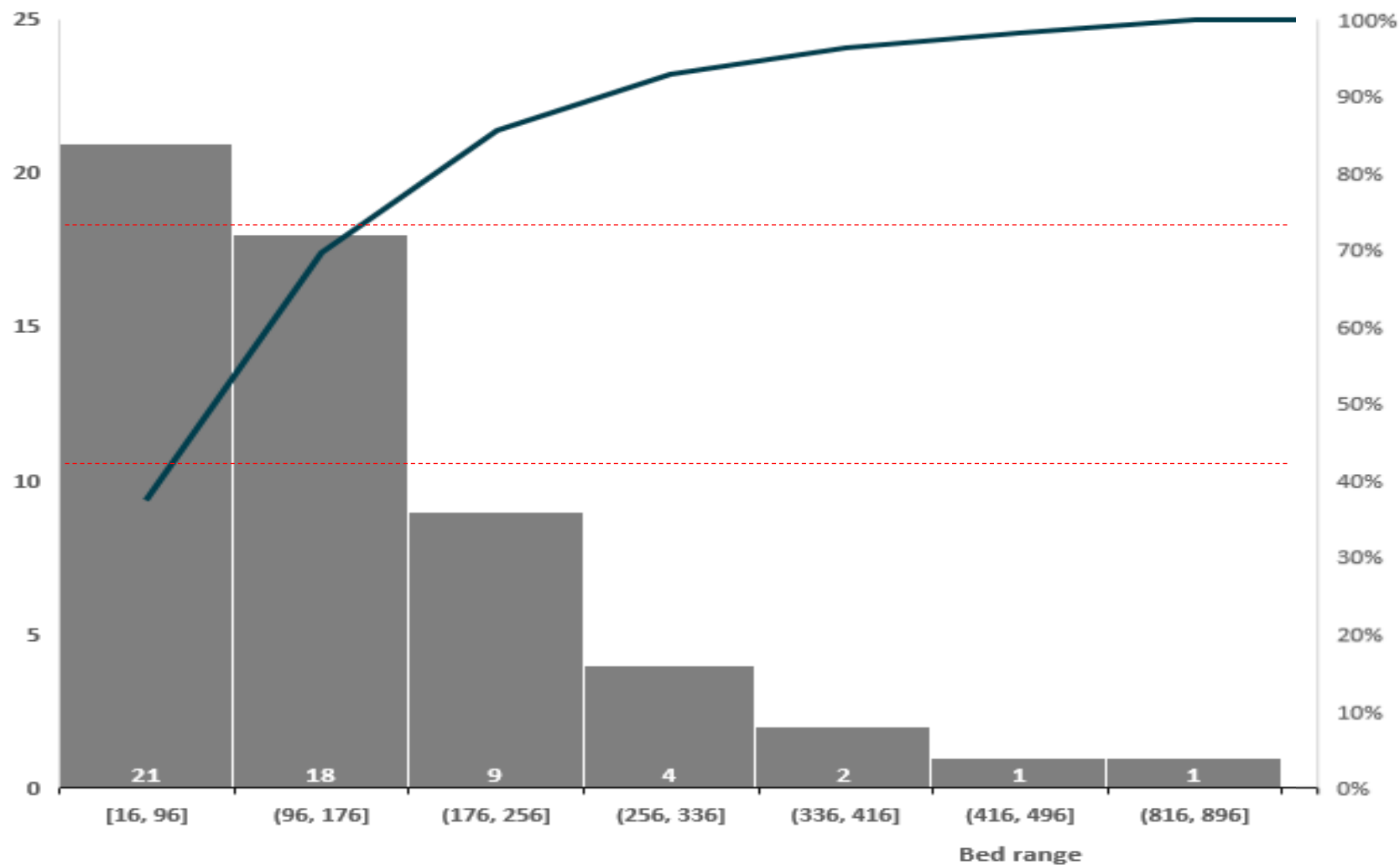


Total 14,000 commercial beds in Cairo of which 8,500+ beds are in '30+ beds' hospitals

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

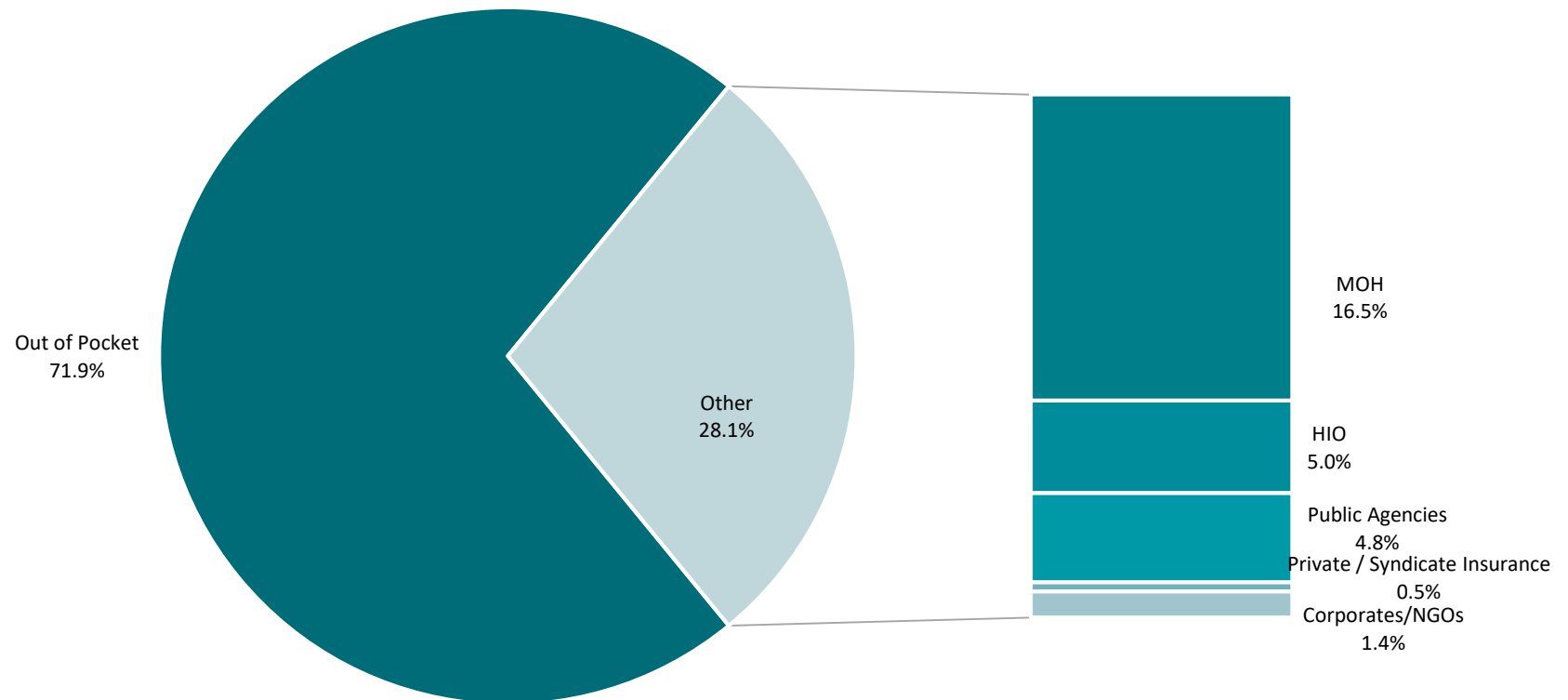
Greater Cairo Distribution of Hospitals by Commercial Beds

Distribution of Hospitals in Greater Cairo by # of Commercial Beds



Egypt Healthcare Market Payor Profile

Egypt Healthcare Market Payor Profile



Thank you

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SHAREHOLDER INFORMATION

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



CLEOPATRA HOSPITALS
GROUP