



**CLEOPATRA HOSPITALS**  
GROUP

# **Cleopatra Hospital Company**

Investor Presentation 2Q19

# Table of Contents



- 1. At a Glance**
- 2. Key Investment Highlights**
- 3. Recent Business Updates**
- 4. Strategy 2020**
- 5. Expansion Strategy**
- 6. Governance & Shareholder Information**

# Today's Presenters



**Ahmed Badreldin**  
Non-Executive Chairman



**Dr. Ahmed Ezzeldin**  
Chief Executive Officer



**Hassan Fikry**  
Corporate Strategy & Investor  
Relations Director

# At a Glance: Revolutionizing Egypt's healthcare industry



## Mission

Delivering the finest quality of healthcare in a safe, reliable and caring environment, through highly trained healthcare providers, state of the art facilities and the latest medical technology, putting patients and their families' first

## Vision

Become the leading integrated healthcare provider in Egypt through a platform of world class quality medical facilities and services to enhance patients' quality of life

**Integration**

**Efficiencies**

**Patients Quality of Life**



# At a Glance: Revolutionizing Egypt's healthcare industry



**Cleopatra Hospital Group (CHG)** is Egypt's largest private hospital group by number of its hospital beds and operating hospitals.

Over the last five years, the Group has **revolutionized the Egyptian healthcare industry by bringing high quality, integrated healthcare solutions** to a growing number of patients across a constantly expanding geographical footprint.

Since inception, we have been able to consistently evolve and adapt to changing market dynamics to remain at the industry's forefront. **We have expanded our asset base and product offering, integrated our platform to achieve higher efficiencies, all while putting our patients' and their families' needs first** every step of the way.

# At a Glance: 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 **220.0** mn  
EBITDA<sup>1</sup> in 1H19 with a  
**27% Margin**



EGP **825.0** mn  
Consolidated revenues in 1H19 with  
**22% growth y-o-y**



**28%**  
Gross profit growth  
EGP 284.9 mn  
**35% Margin**



**29%**  
EBITDA<sup>1</sup> growth y-o-y



**467,154<sup>2</sup>**  
Cases served in 1H19



**↑7%**  
y-o-y growth in cases served  
in 1H19

<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.

# At a Glance: 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

During the last few months, the Group further expanded adding:

Queens Hospital (part of CHG as of March 2019)

Al Katib Hospital (Acquired Real Estate assets , signed BTA for transfer of operations)

West Cairo Polyclinic (July 2019)

East Cairo Polyclinic (February 2019)



**4** (2018) + **2** (2019<sup>1</sup>)

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<sup>1</sup>) + **198** (Beni Seuf<sup>2</sup>)

Patient beds including c. 420 wards and 125 ICU beds Plan to reach **1,200 beds**



**1,000**

Consultant Physicians attracted from the top 2 Medical Universities



**+2,400**

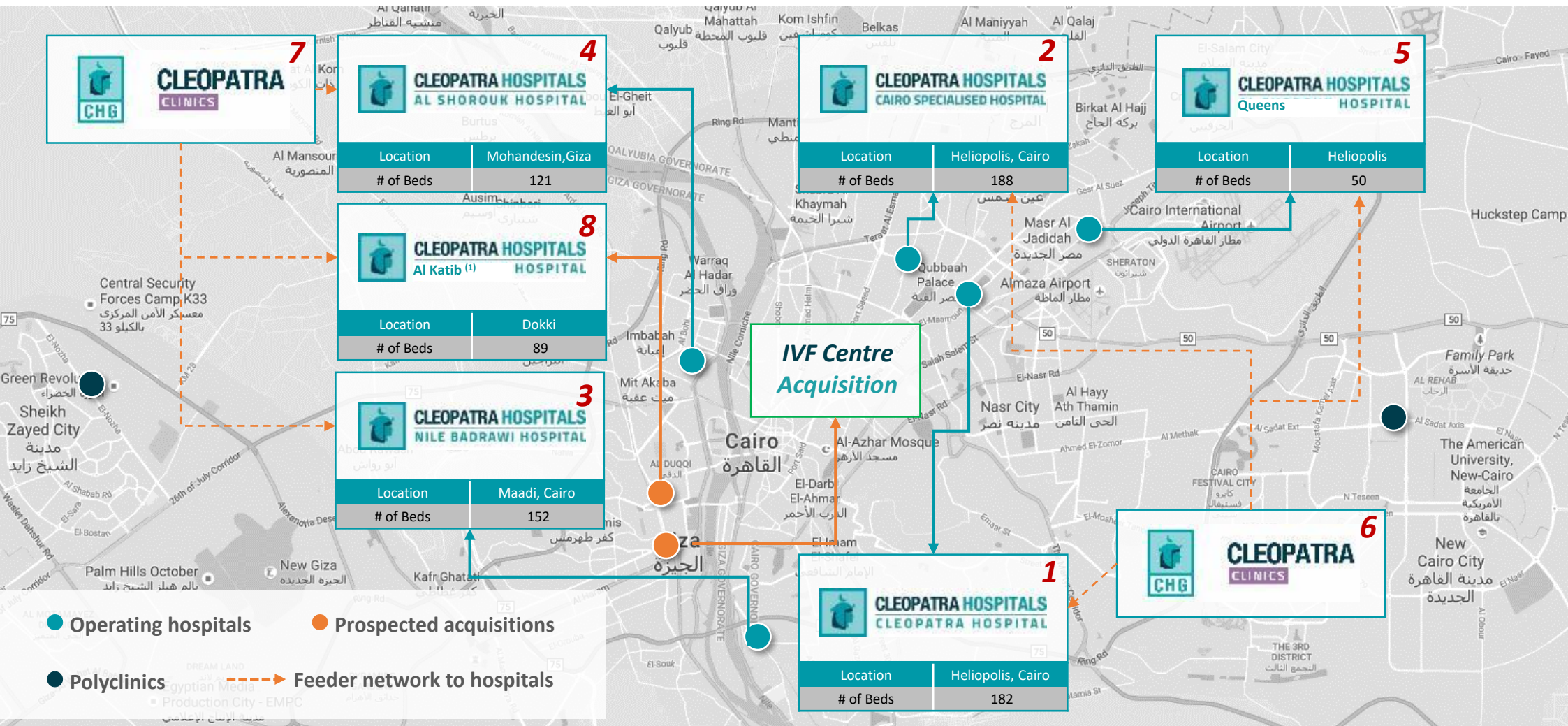
Total medical staff including c. 850 resident doctors and c. 1000 nursing staff

<sup>1</sup> Al Katib hospital acquisition is subject to final closing

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



# At a Glance: A network of hospitals located strategically across greater Cairo



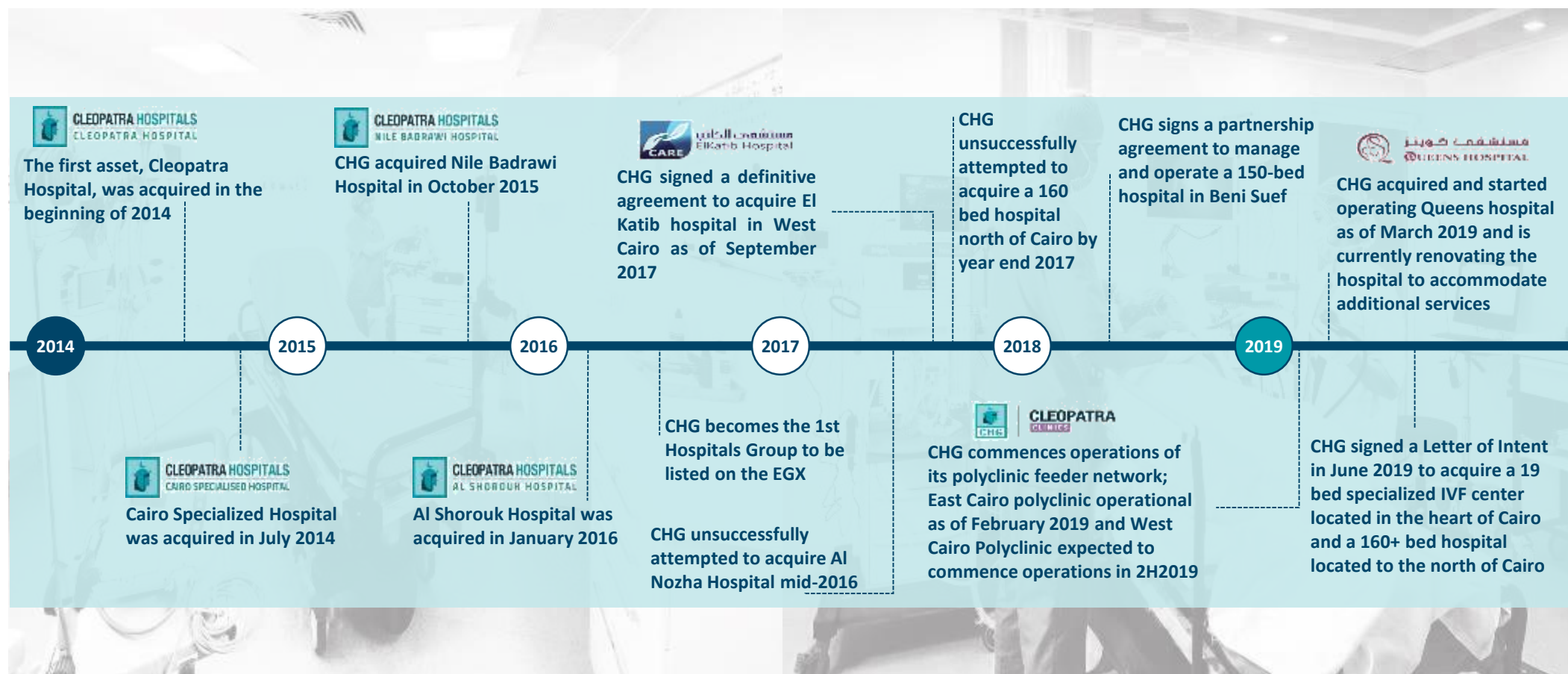
Note (1): Al Katib hospital acquisition is subject to final closing

Note (2): expected to increase to 98 beds post expansion

Note (3): IVF Centre Acquisition subject to final closing and Due Diligence completion



# A Scalable Platform, with a History of Transformational Acquisitions | Six Acquisitions to Date



# Clearly Defined Core Growth Strategy



Our core growth strategy is based on six key pillars:

Integrating the platform to achieve higher efficiencies



Integrated Cleopatra branding, sales and marketing approach



Enhancing utilization and optimizing existing capacity



Leveraging stronger position with credit clients and suppliers



Expanding hospital capacities and patient feeder network



Establish centers of excellence and achieve international accreditation



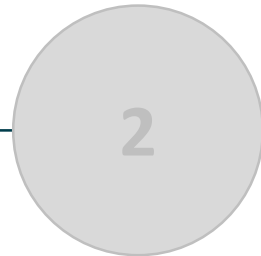
# Key Investment Highlights



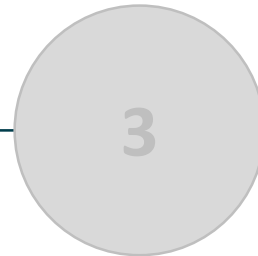
# Key Investment Highlights



Underserved and under-penetrated market with steady demand growth



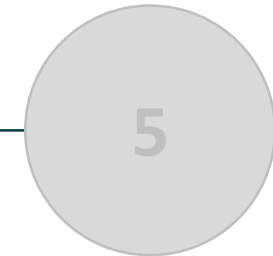
Leading position in a highly fragmented market



Leverage on integrated platform and scale to extract synergies



Solid financial performance with potential for enhanced profitability



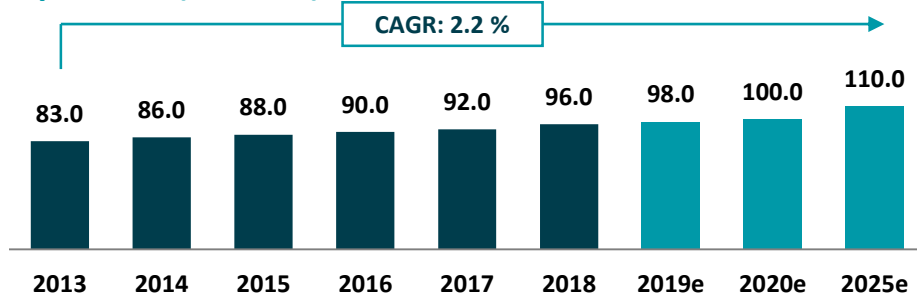
Strong management team with experienced board of directors



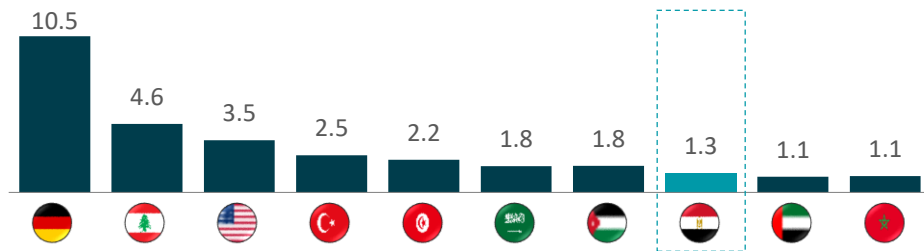
# Underserved and Under-penetrated Market with Steady Demand Growth

## Supply Gap in Egyptian Healthcare Industry

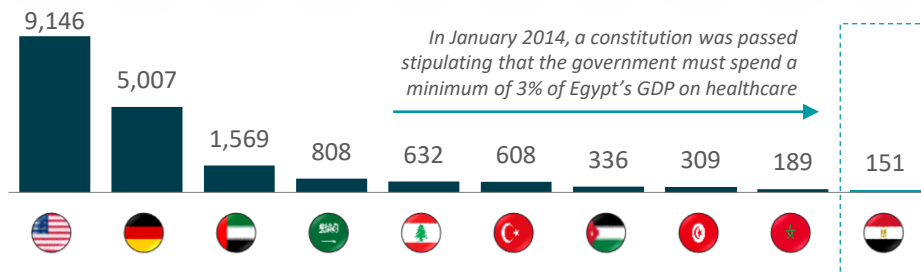
### Population (millions)



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



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

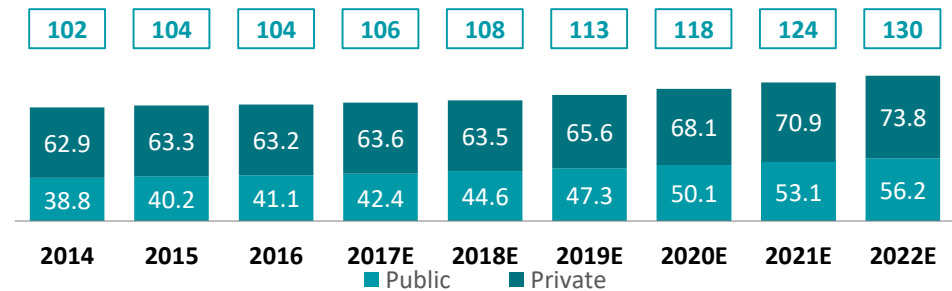


Sources: World bank, Business Monitor International (BMI), CAPMAS, FROST & SULLIVAN



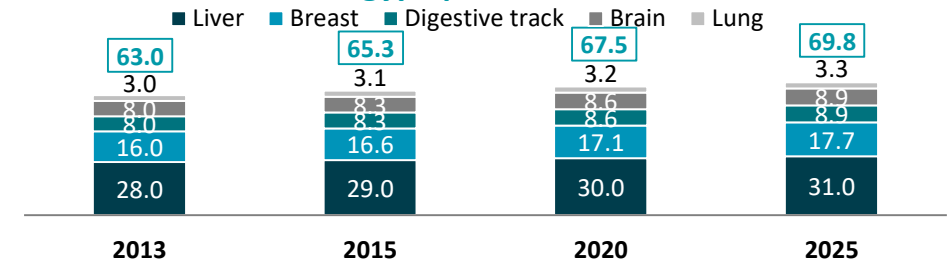
## Healthcare Expenditure in Egypt

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

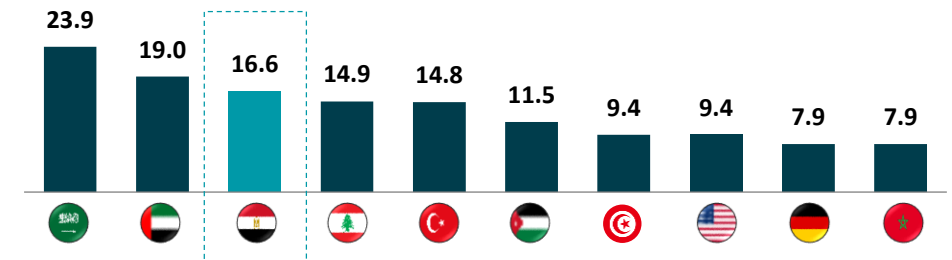


## Lifestyle Disease Profile in Egypt

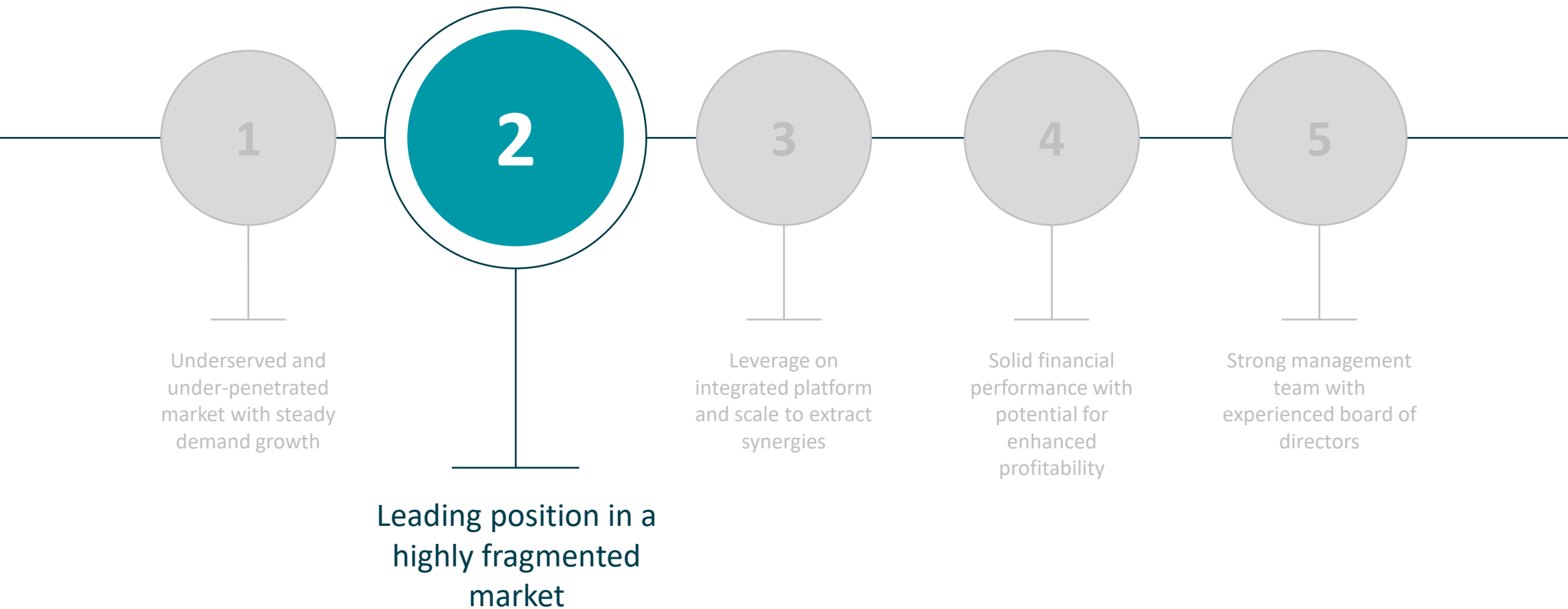
### Cancer Prevalence in Egypt | 000 cases



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

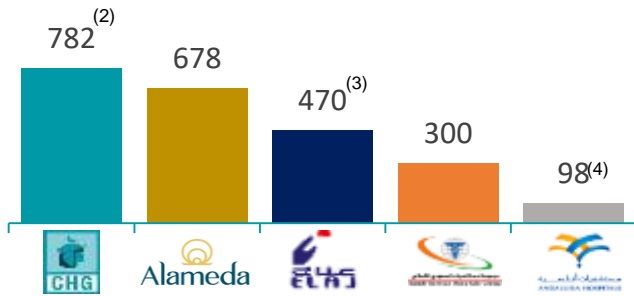


# Key Investment Highlights

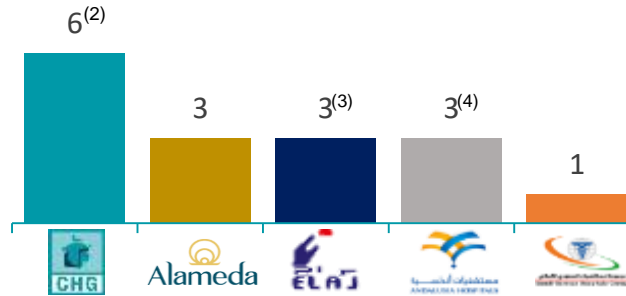


# Leading Position in a Market with High Barriers to Entry

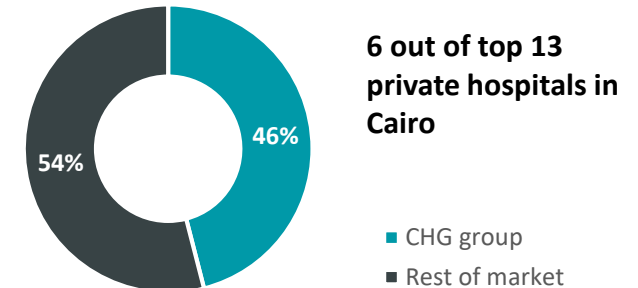
Largest institutional hospital group in Egypt by number of beds<sup>(1)</sup>.....



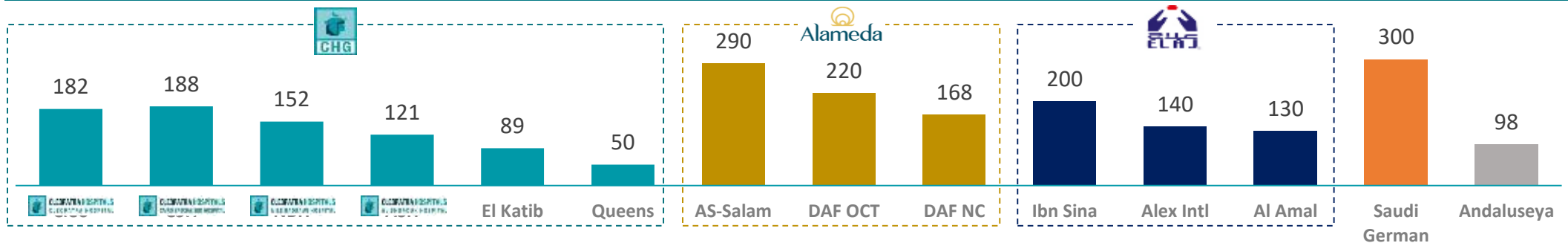
...And by number of hospitals<sup>(2)</sup>....



...Capturing the largest share of the top 15 large private hospitals in Cairo



Top Private Hospitals in Cairo - Existing Number of Beds (2018)

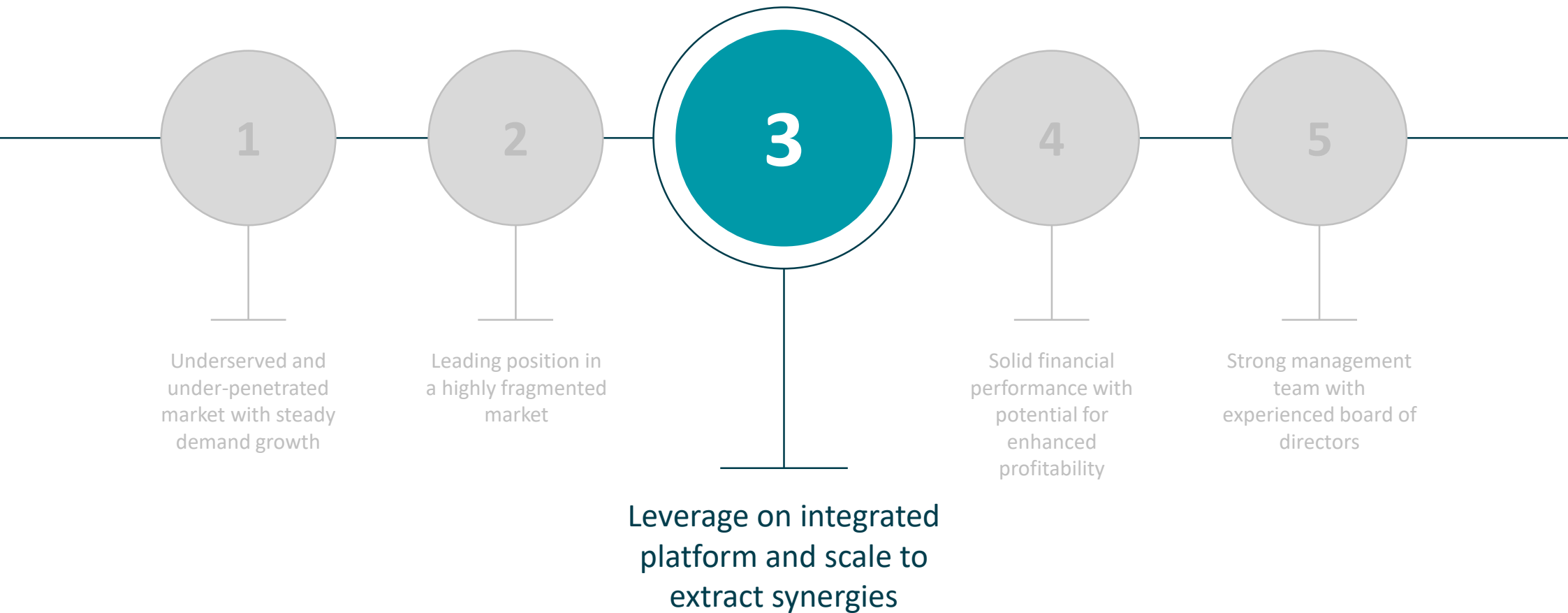


- Integration advantage over other group's hospitals
- Reputable institutional brands , capturing largest share of the top hospitals
- Geographical spread & comprehensive service offerings.

Note: 'DAF' refers to Dar El Fouad and 'Alex Intl' refers to Alexandria International Hospital

Note (1): The hospital groups shown above represent the hospitals with the highest number of beds; Note (2): Includes Al Katib hospital which is subject to closing; Note (3): ELAS Group targets lower class segments; Note (4): Andalusia group has 3 hospitals that are all less than 100 beds each, two of which are in Alexandria and 1 in Cairo








# Key Investment Highlights



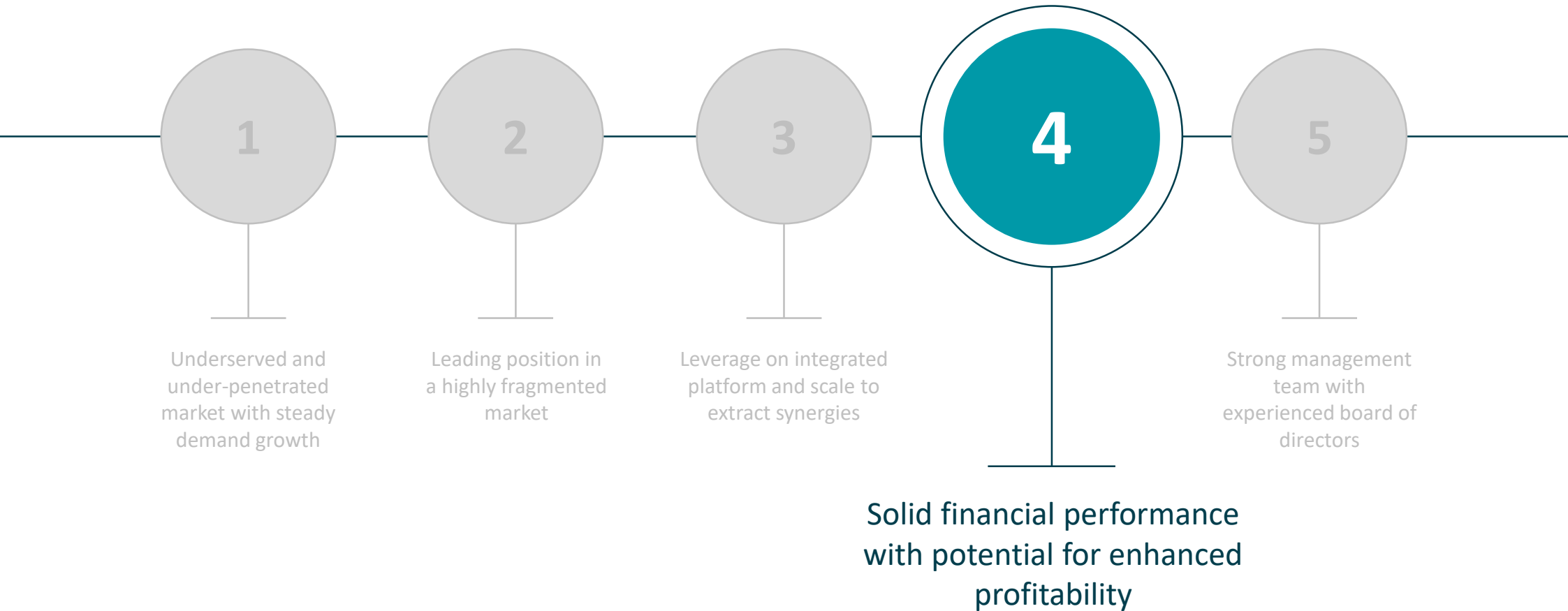


# CHG's Integration model



Integration, Optimization of Operations											Effect on CHG
	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		Optimize operations and management
	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		Standardize and improve quality
	Supply Chain & Synergies	Group Wide Tenders	Item Unification		Consumables Unification	Standard Warehousing	Medical Capex Across Group	Medication Tendering And Management	Material Planning		Enhance margins
	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	Stronger bargaining power
	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	Establish Partnerships with leading companies
	Quality	CHG Medical Council	JCI Roadmap	Unified Sops & Hospital Manuals		Standardized Quality Kpis	Catering & Kitchen Upgrades	Specialty Club Meetings	Nurse & Medical Teams Training Programs		Attract high qualified medical staff
	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		Establish Centers of Excellence
											Shared cost benefits
											Improve collection / billing

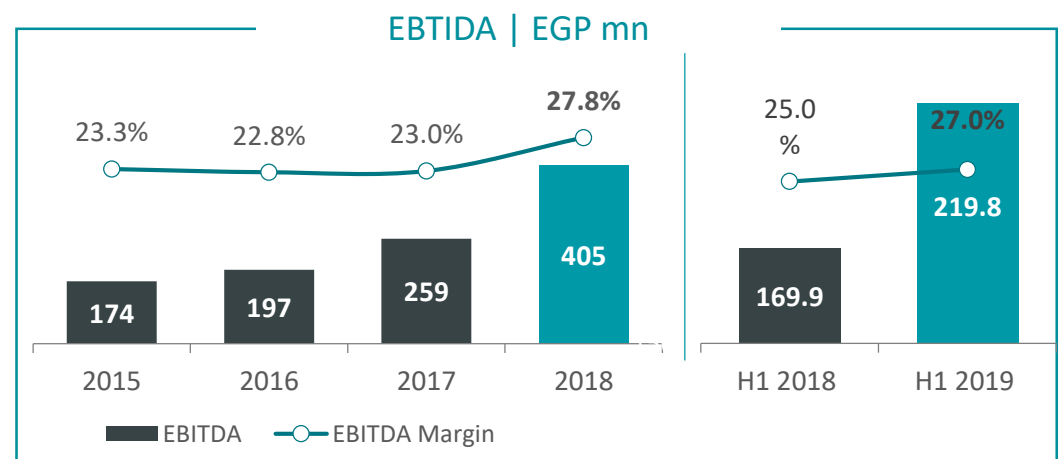
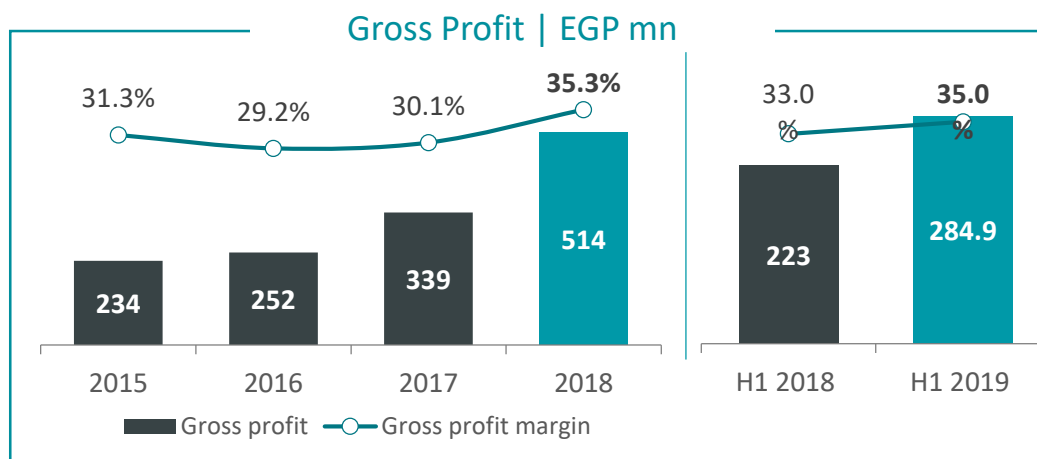
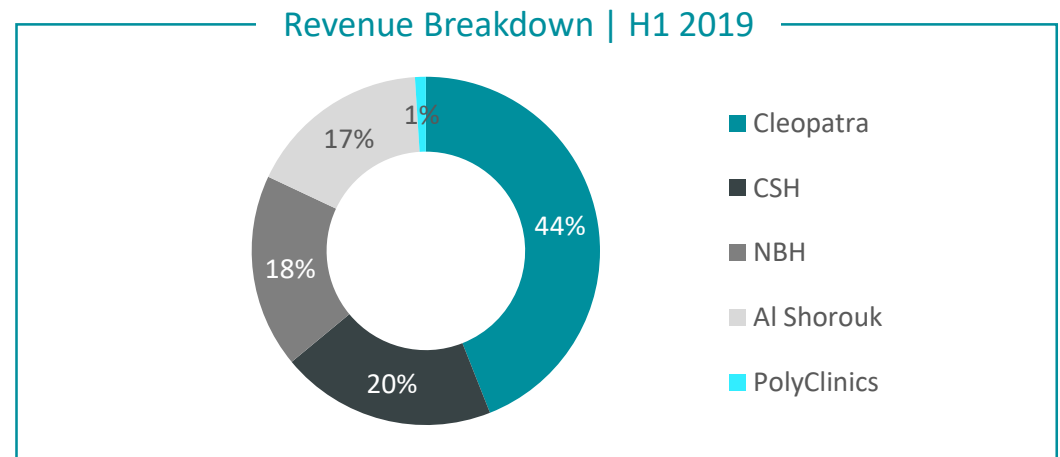
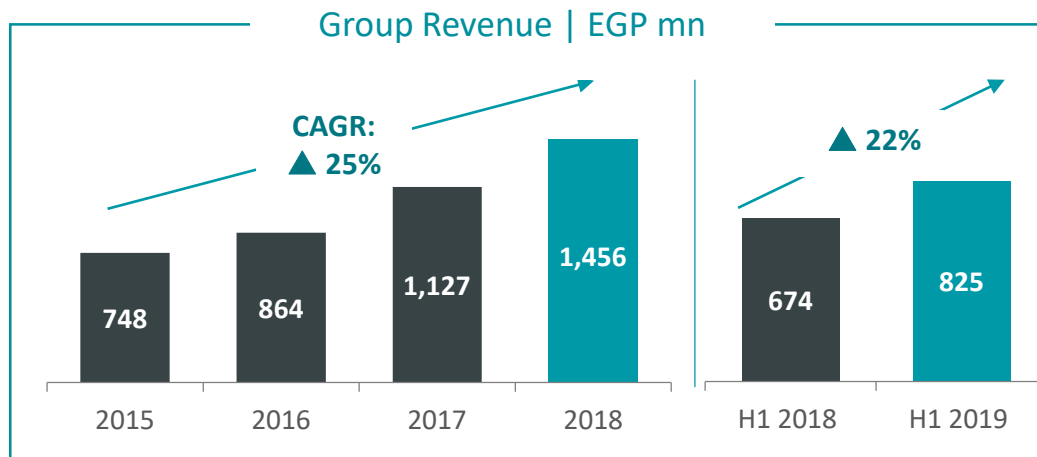
# Key Investment Highlights



# Solid Financial Performance

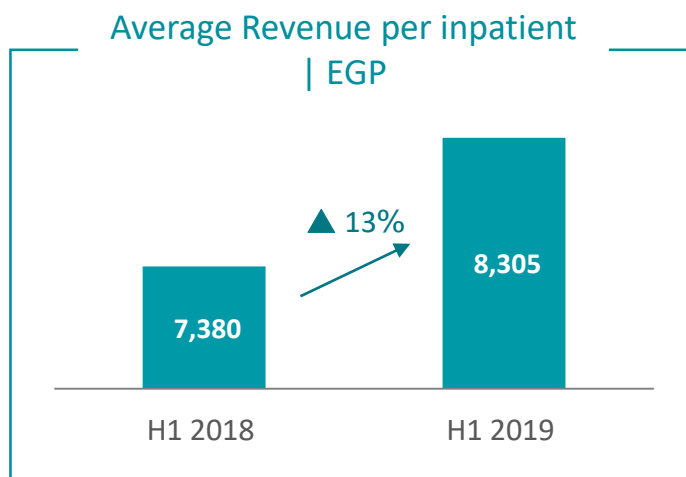
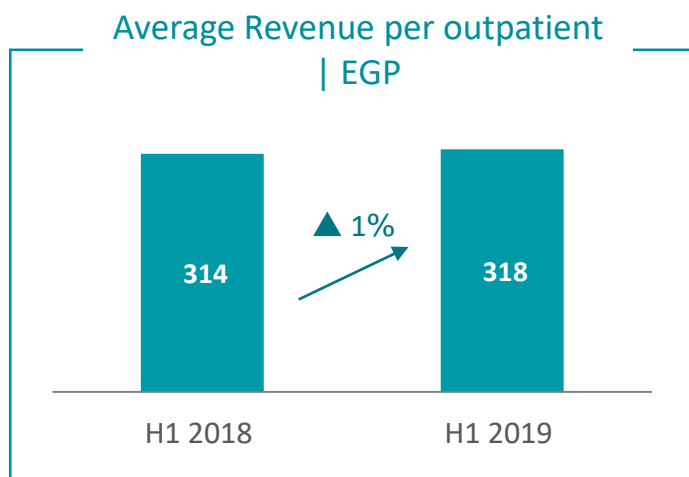
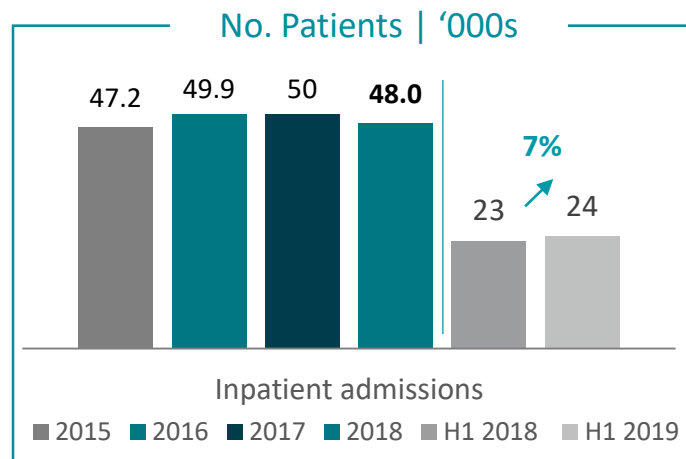
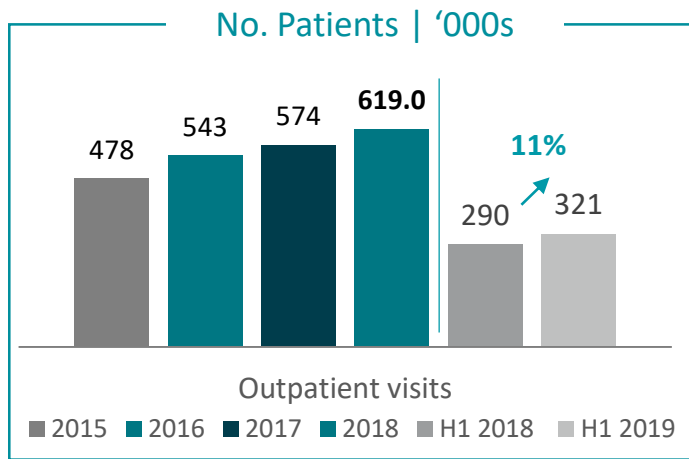


While the group continues its focus on enhancing and maintaining margins organically, performance in 2019 reflected strong margins through additions of newly inaugurated and pre-integration assets. Group hospitals progressed with growth in the overall group revenues, gross profit and EBITDA.

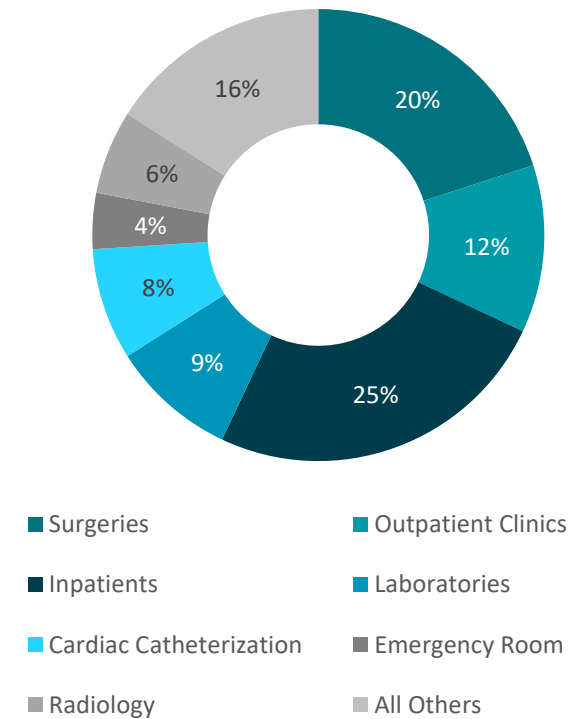


# Key Revenue Drivers

Revenue from inpatient admissions and outpatient visits have demonstrated growth y-o-y, at 7% and 11% respectively which reflects the groups volume and case mix strategy enhancement across its revenue streams



Group Revenue Contribution by Segment ( H1 2019 )



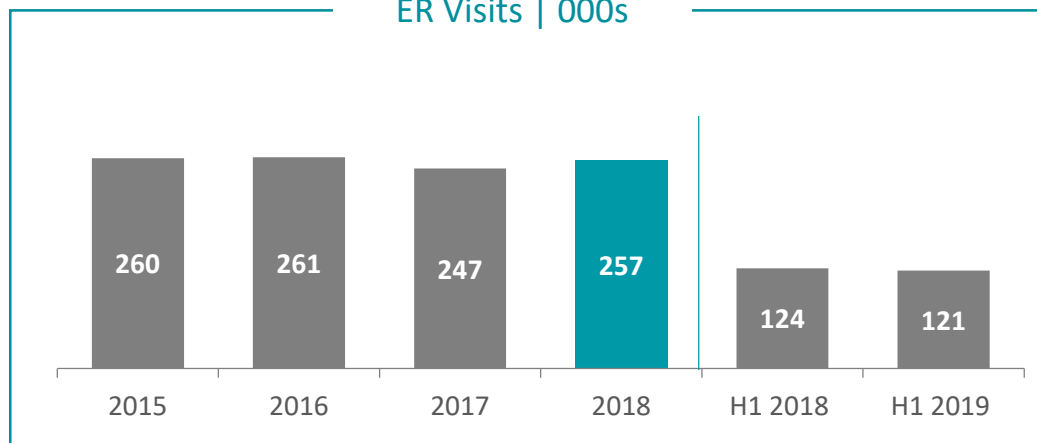


# Key Revenue Drivers

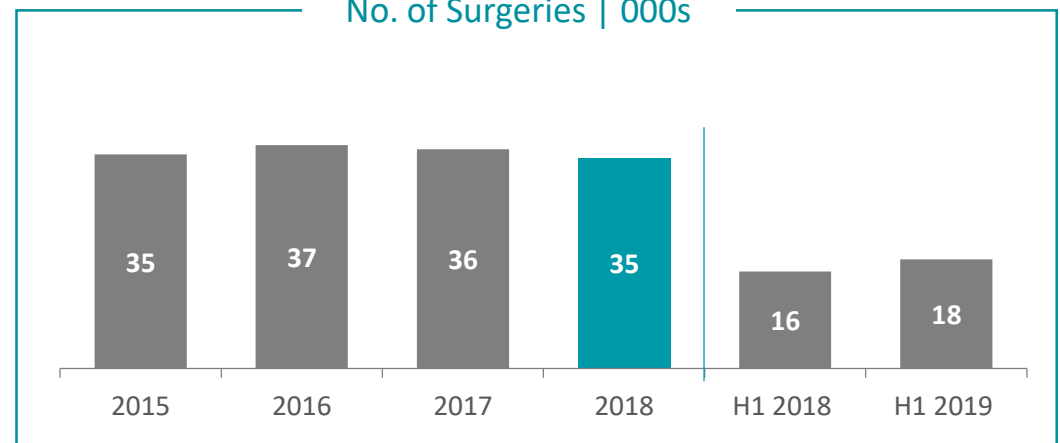


Driven by surgeries and ER visits, and increasing revenue per visit of 18% and 13% respectively, revenues from each of the mentioned segments have witnessed a notable growth

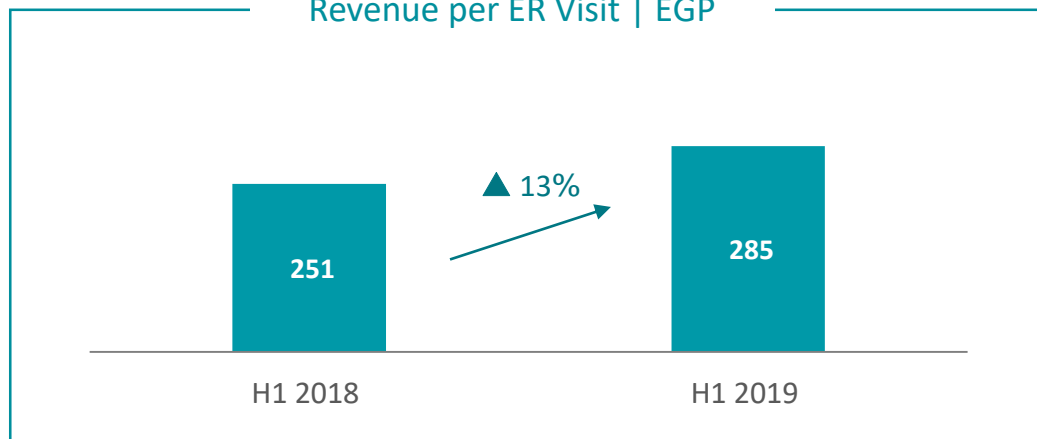
ER Visits | 000s



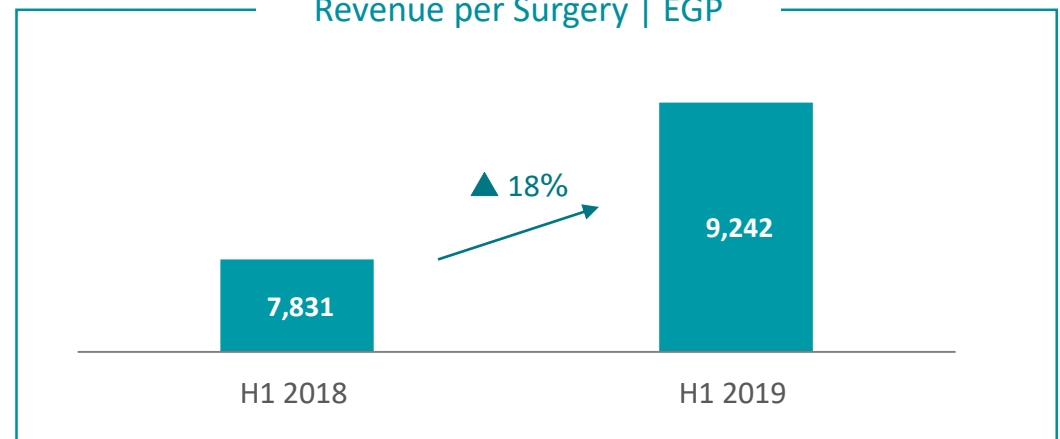
No. of Surgeries | 000s



Revenue per ER Visit | EGP



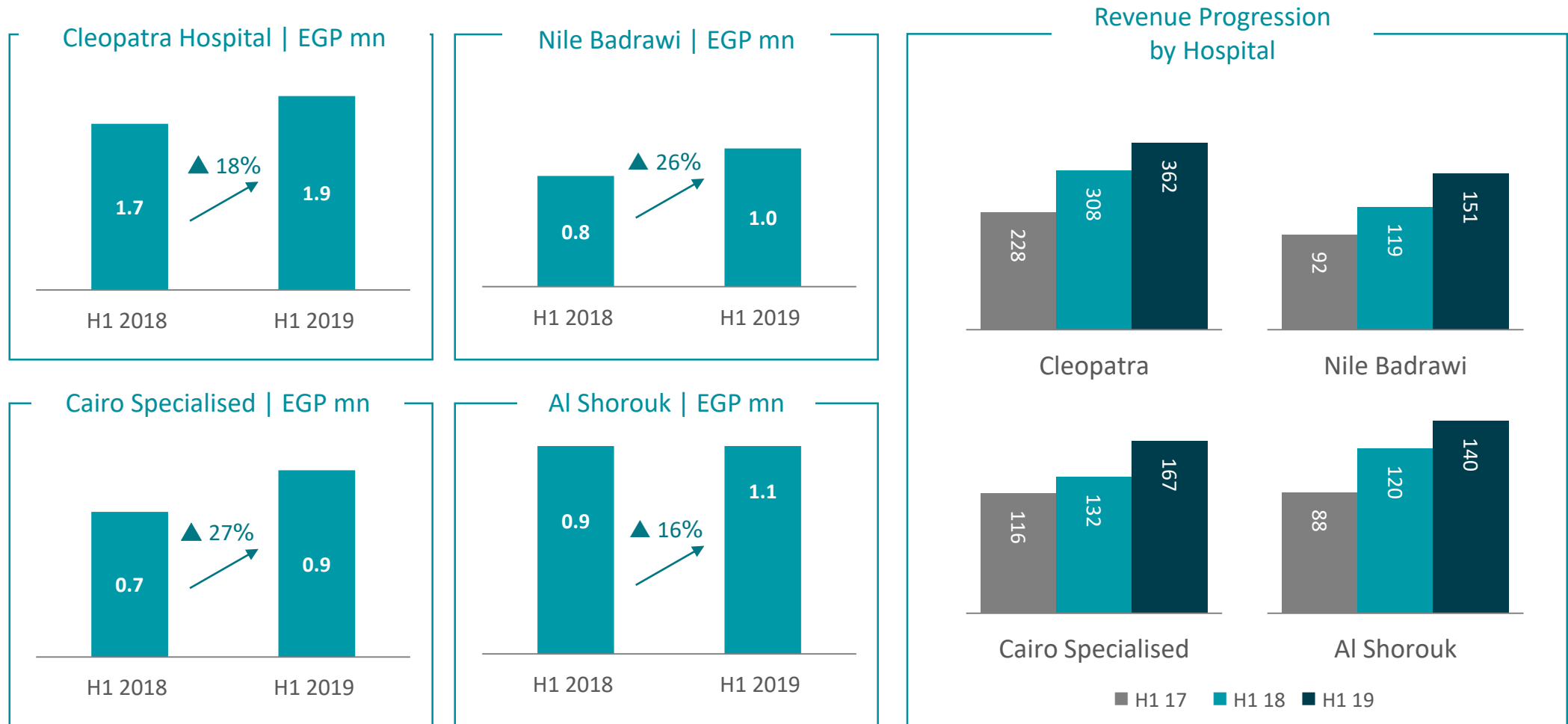
Revenue per Surgery | EGP



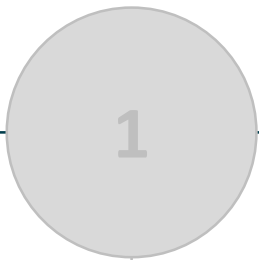
# Key Revenue Drivers



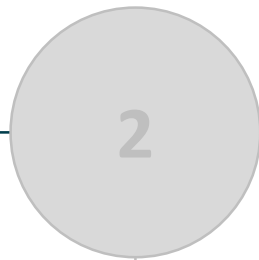
Revenue per bed at group hospitals have demonstrated growth as a result of better utilization and case mix strategy.



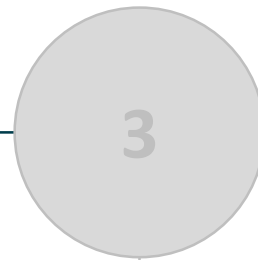
# Key Investment Highlights



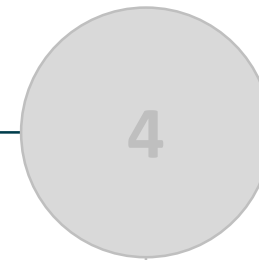
Underserved and under-penetrated market with steady demand growth



Leading position in a highly fragmented market



Leverage on integrated platform and scale to extract synergies



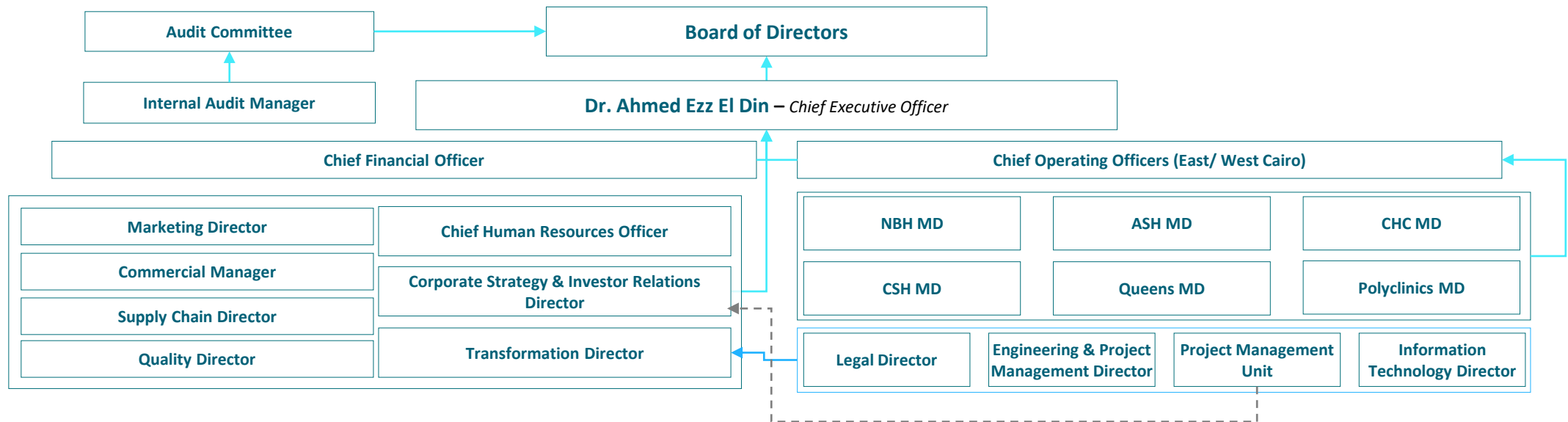
Solid financial performance with potential for enhanced profitability



Strong management team with experienced board of directors

# Matrix Organizational Structure

CHG has adopted a matrix organizational structure optimizing its operations and managing the employees effectively.



Building the foundation

2015

- CEO
- CFO ,
- HR Officer
- Corp Strategy

2016

- Supply Chain
- IT
- Hospital MDs
- Legal
- Investor Relations
- Internal Audit
- Commercial
- Quality

2017

- Marketing
- Engineering Project Management
- Patient Experience
- Operating Officers
- Polyclinics

2018

2019

- Project Management
- Revenue Cycle Management
- Sales
- Transformation



# 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



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

### 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 beds by YE 2019
- 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

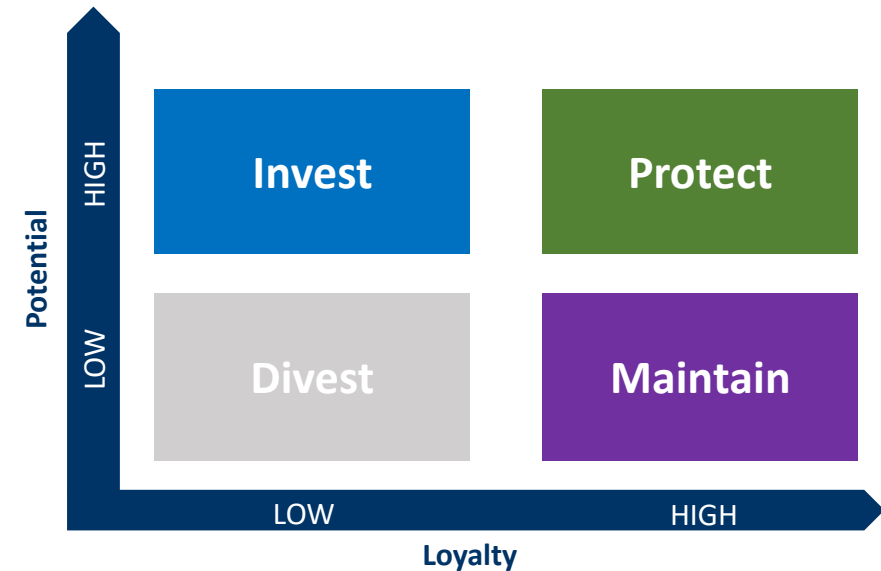
- Since the beginning of 2019 , the group has taken strong steps to introduce a full-fledged Revenue Cycle Management Function
- Restructuring the function will increase efficiency and integration across the group
- Standardization for claims and processing with dedicated claim management teams
- Structured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

# Recent Business Updates

## Business Development - Private Sales Function

### Sales Team Objectives

- Establishing per medical specialty sales teams with an objective to target more volumes, better case mix and higher referrals
- Roadmap starting with role profiles creation, medical training with tailored messages.
- Sales force effectiveness strategy



### Close Monitoring & Enhancement Initiatives

- Package Surgery Bundles
- Credit Payers Management
- Case Mix Management
- Sales teams targeting “Specialty Surgeries”
- Outpatient Ushers
- Cleopatra Lab, Pharma, Radiology
- One to one Communication on monthly basis with Sales Department

### Segmentation of Consultants

**Protect** : Consultants within the top volumes of the Top Specialties with surgical/inpatient Referrals

**Invest** : Consultants with high potential for volumes and Surgical/Inpatient referral

**Maintain** : Consultants with mid exposure to OPD slots and average referral rate

**Divest** : Consultants with low OPD volumes and low referral rate



# Business Updates -

## Port Said Skills Enhancement Program



### Project Description

SEP is a project designed by CHG in accordance with the Health Insurance Program designed by the Egyptian Government to be launched in June 2019 to provide programs for staff working in medical services in governmental sector as a learning platform to enhance their technical and managerial skills required to increase the quality of service provided in these hospitals.

### Project Phases

**The Project consists of 5 cycles/phases:**

1. Designing and Scheduling the training courses of Port Said Hospitals medical and nonmedical staff.
2. Implementation of trainings.
3. Implementation of Observership program between Cleopatra Hospitals and Staff Heads at Port Said hospitals.
4. Standardizing Process and Procedures for the 3 hospitals through the development of operational manuals and departmental KPIs.
5. Monitoring and Evaluation and Graduation of the first Batch of the program.

### Initiating Cleopatra's Operate and Manage Program

# Business Updates -

## Port Said Skills Enhancement Program



### **Trained 500+ employee**

*On the fundamentals of Medical and Nonmedical Functions*



### **Initiated the 1<sup>st</sup> Orthopedic Surgery**

*In Tadamon Hospital in the past 10 years*



### **Trained Medical Staff**

*On the CHG Medical Forms for efficient operations*



### **Designed Hospital Organizational Structure**

*to be rolled out across all National Healthcare Act Hospitals*



### **Standardizing the Procedures**

*In all functions across the three hospitals through implementation of SOPs and KPIs*



### **Implemented the 1<sup>st</sup> Attendance System in Public Hospitals**

*Using fingerprint to track attendance of staff across Port Said Hospitals*

# Partnership with MOH - Skills Enhancement Program



*Skills Enhancement Program Partnership signing with Minister of Health and the Egyptian Prime Minister*





# Partnership with MOH – Three Hospitals Under CHG's Brand



# Partnership with MOH – Three Hospitals Under CHG's Brand



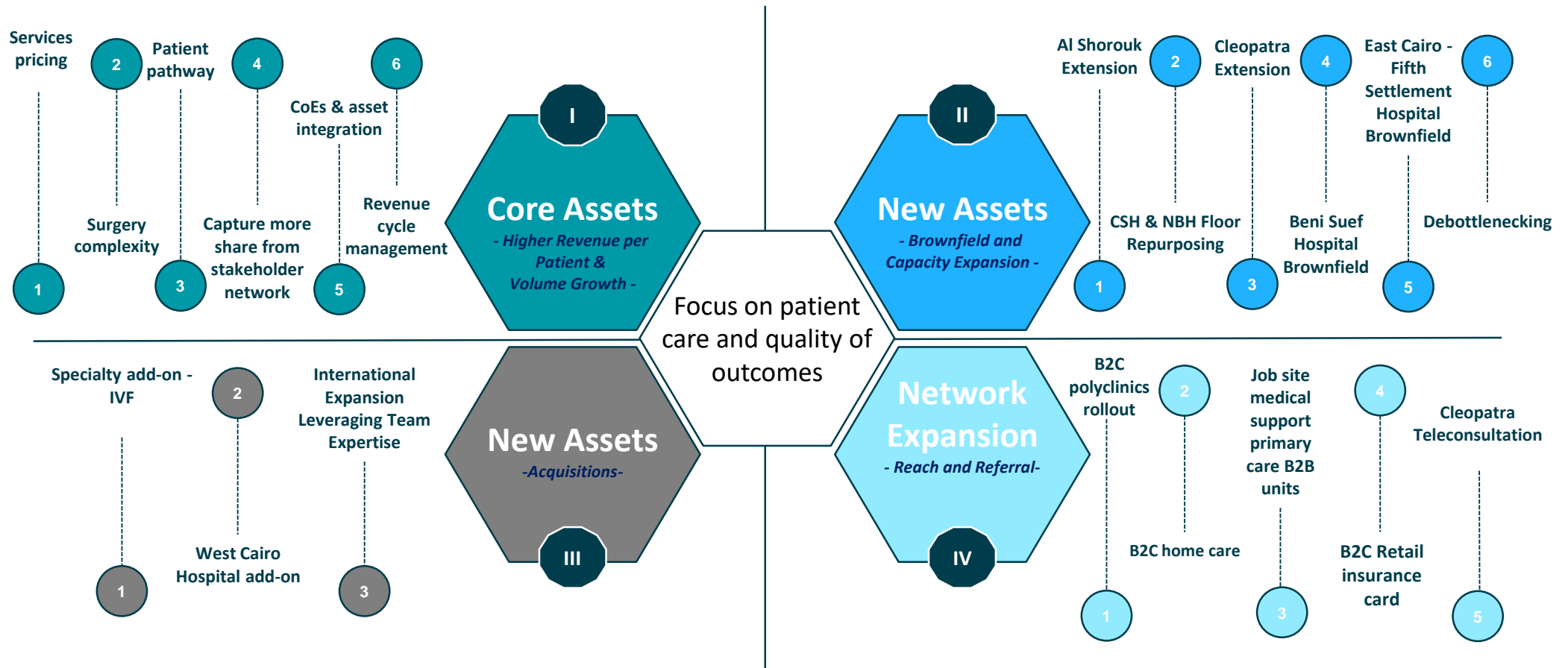


# Strategy 2020

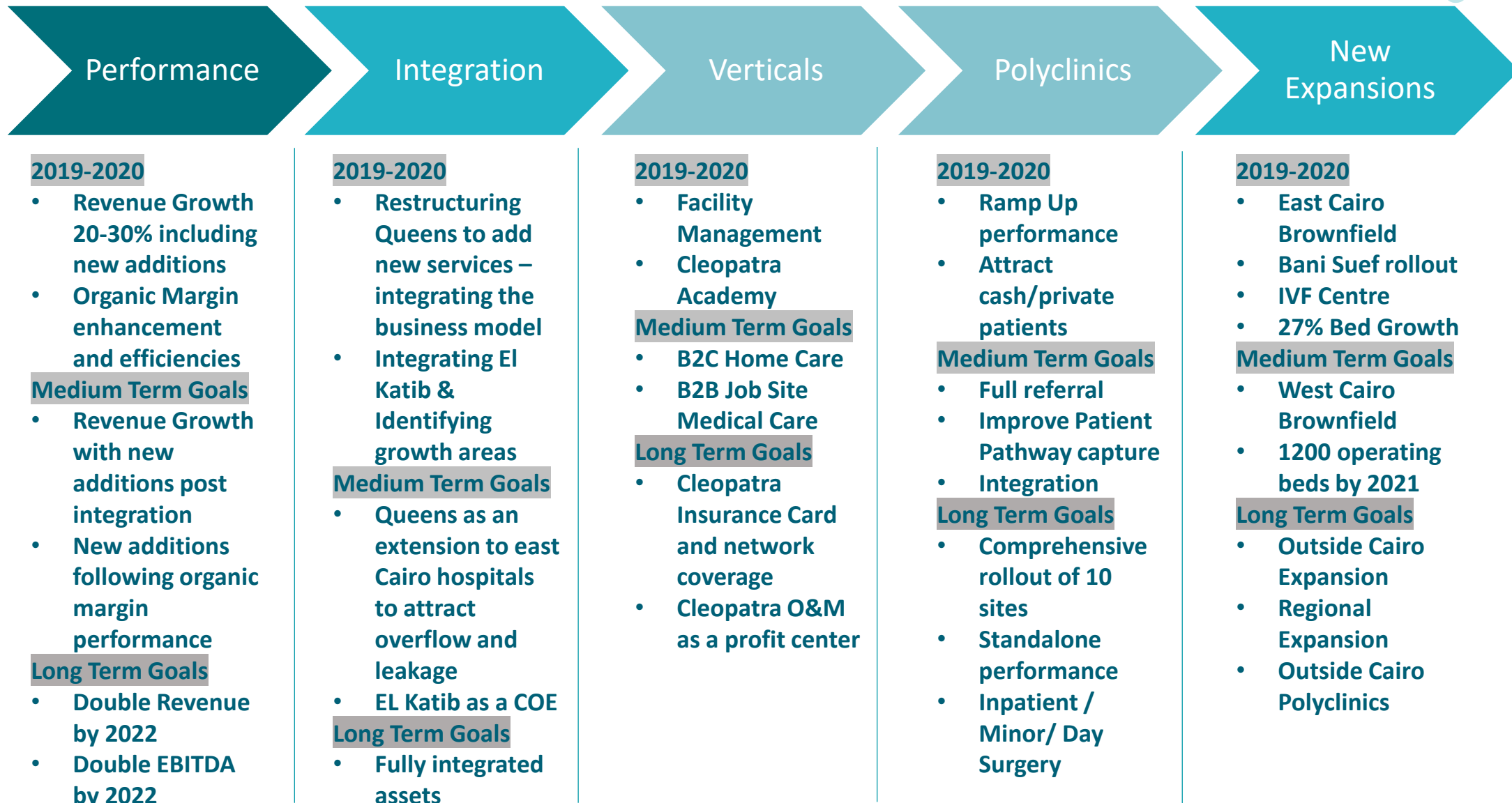
The background of the slide is a photograph of a medical imaging machine, likely a CT scanner, in a clinical setting. The image is overlaid with a network of white lines and dots, creating a digital or data-driven aesthetic. Several circular icons are scattered across the image, each containing a different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



# CHG's Equity Story Pillars | 2019 - 2020

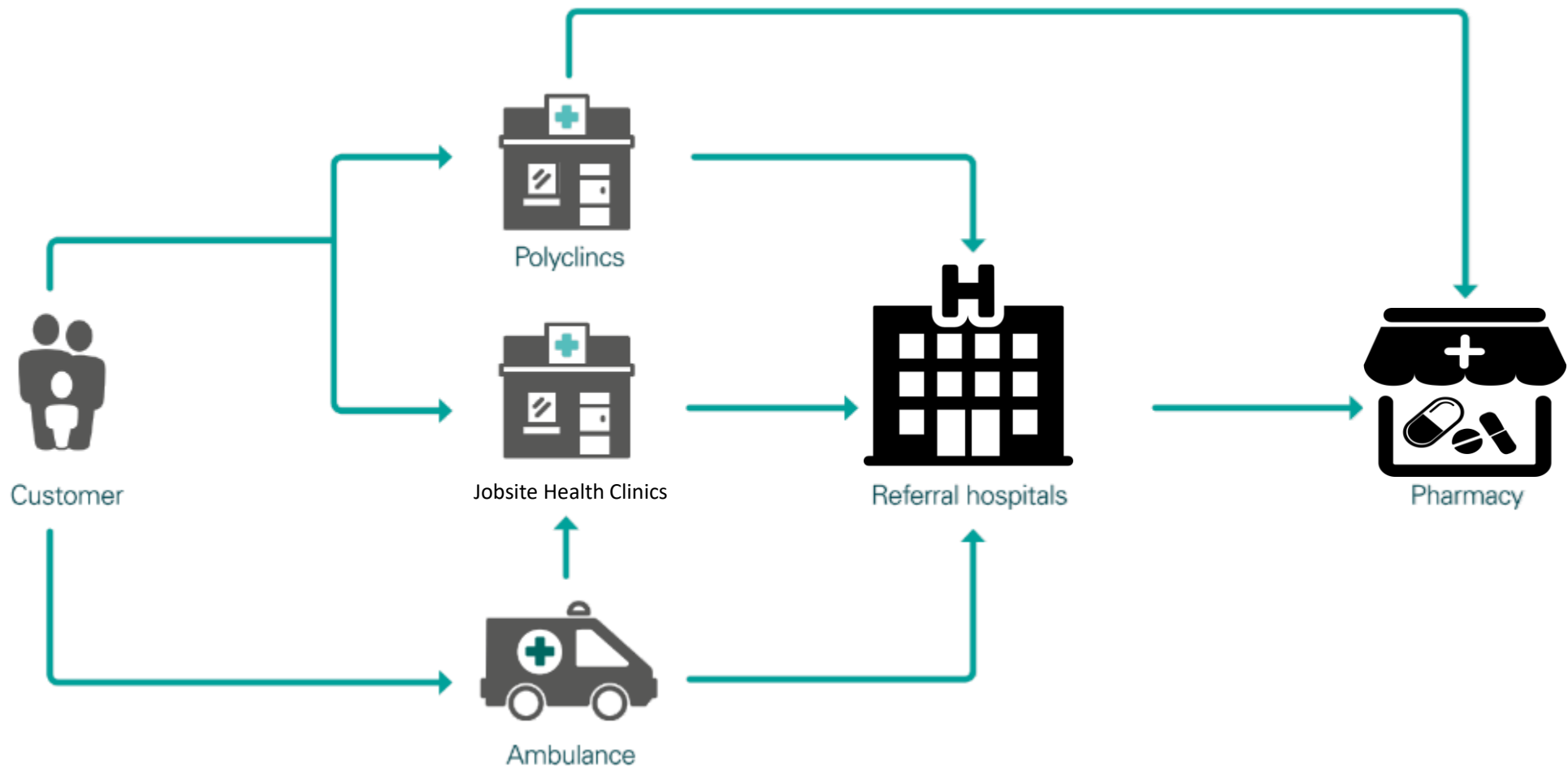


# 2020 and Beyond Strategy

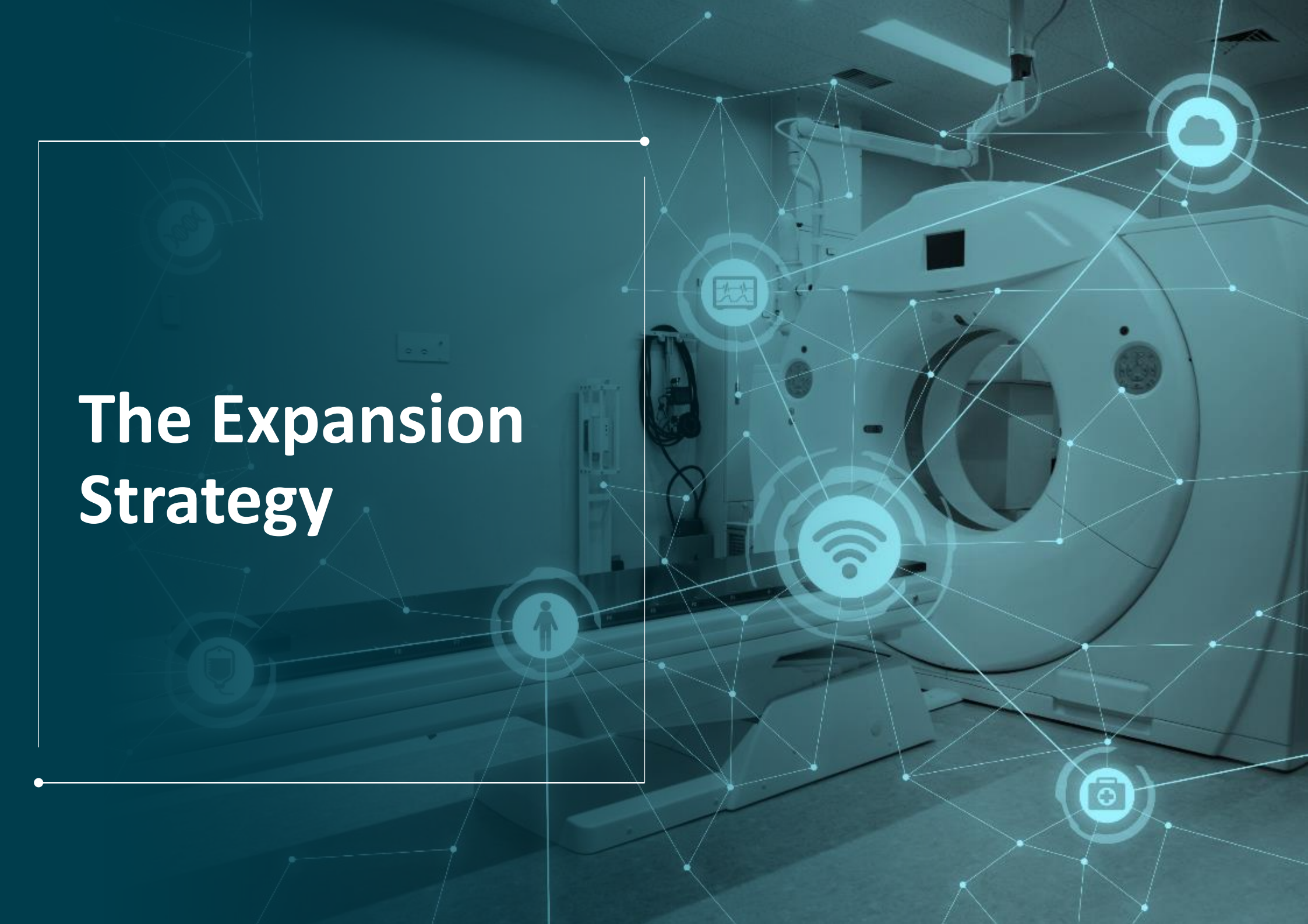


# Core Theme - Focus on Patient Pathway Capture to Maximize Share of Wallet

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



# The Expansion Strategy



# Expansion strategy



Creating Feeder  
networks



Building Additional  
Capacities in Existing  
facilities



Strategic Acquisitions  
of Operating Hospitals



Brownfield/Greenfield  
Expansions








Expanding reach  
beyond Greater Cairo

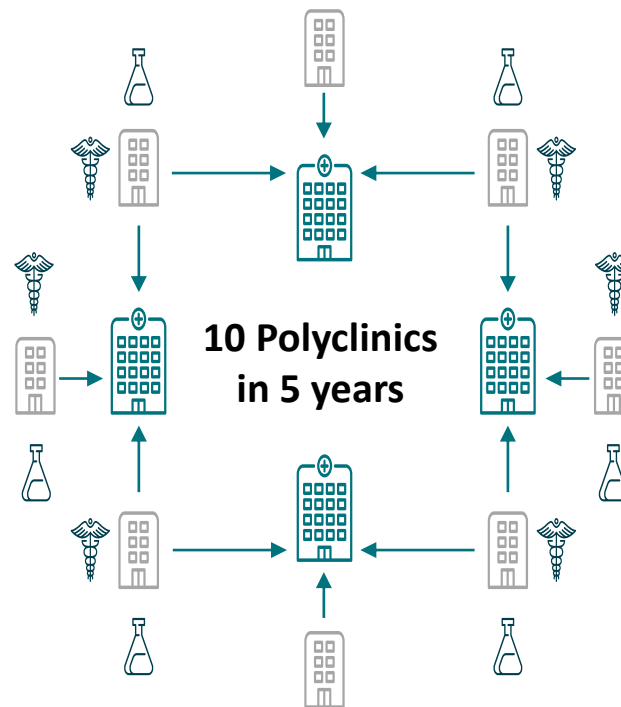







Creating Strategic  
entities to serve  
Group's scale of  
operations

# 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



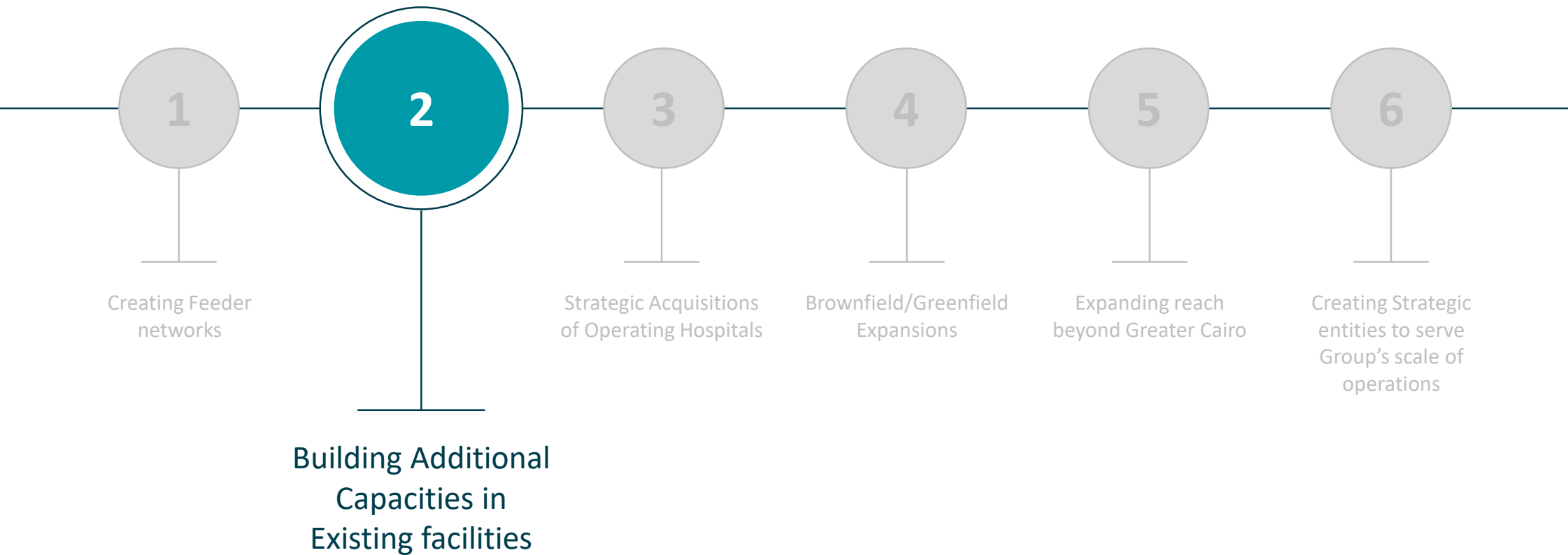
# West and East Cairo Polyclinics – The Group's First Two Facilities Launched in 2019



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



# Expansion strategy



# 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

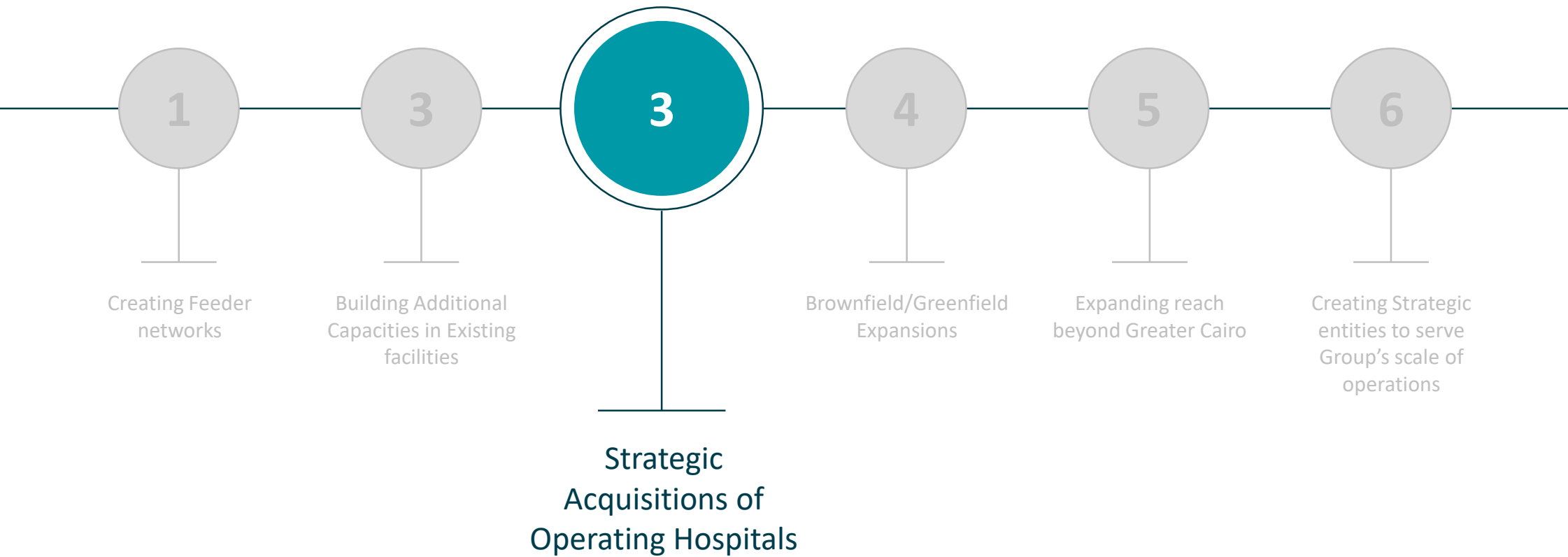
Add 40 beds to the hospital capacity

Total renovation of existing facility

Facelift development for the facility



# Expansion strategy





# Strategic Acquisitions of Operating Hospitals



## El Katib Hospital (Dokki, Giza)<sup>(1)</sup>

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 35mn<sup>(2)</sup> of EBITDA to CHG over the coming period

**Status:** : OGM Approved Real-estate acquisition , Real-Estate fully acquired as of December 2018 pending completion of business transfer agreement with current operators.

Note (1): This total acquisition and transfer of operations is still pending the completion of certain condition precedents

Note (2): 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



## Queens Hospital (Heliopolis, East Cairo)

Given OGM approval, 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 plans to expand its services to include other general services and a Cardiology COE

Expected to contribute around EGP 5 of EBITDA to CHG over the coming period

Cleopatra staff has started handover of operations and implementing business plan for 2019



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



# Transformational Growth Pipeline | Cementing CHG's Superior Service Offering

## A Leading IVF Center Acquisition

- CHG signed a Letter of Intent "LOI" to acquire an IVF center located in the heart of Cairo
- A highly scalable specialized center that can generate substantial referrals to CHG's network of hospitals and can be easily replicated across the Group
- 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
- The target is currently undergoing an expansion plan with the aim of penetrating the affluent area of West Cairo and expanding the target's reach. The expansion is expected to add 3 operating theaters, doubling the center's existing capacity



**19**  
Beds



**8**  
Outpatient  
Clinics



**West Cairo**  
Upcoming Expansion  
Facility



**+45%**  
Success Rate

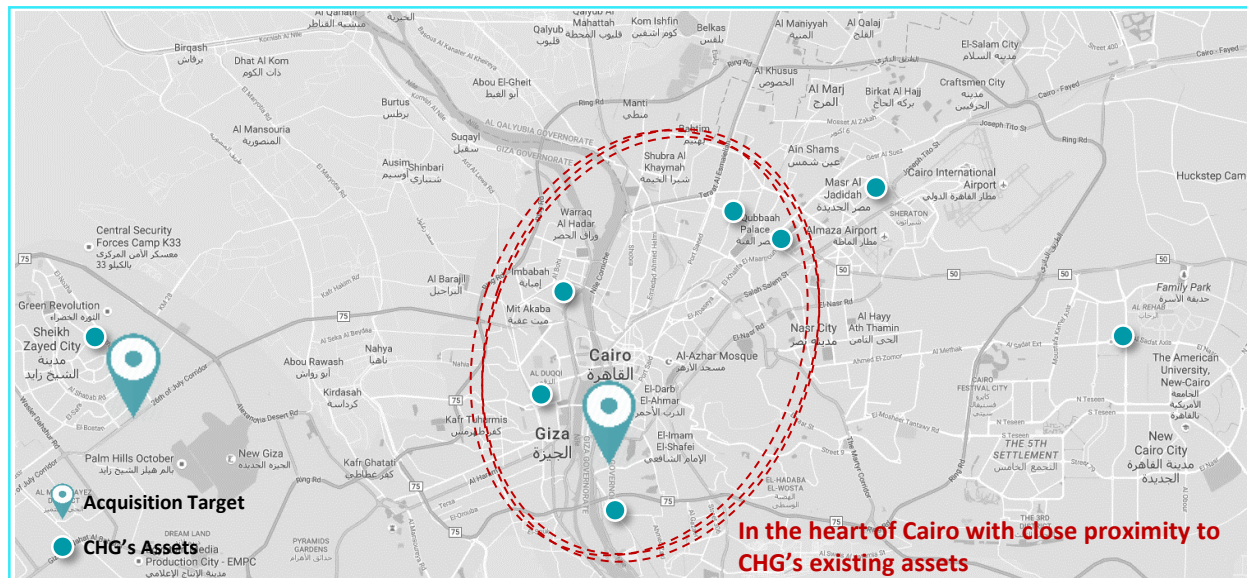


**3**  
Operating  
Theaters

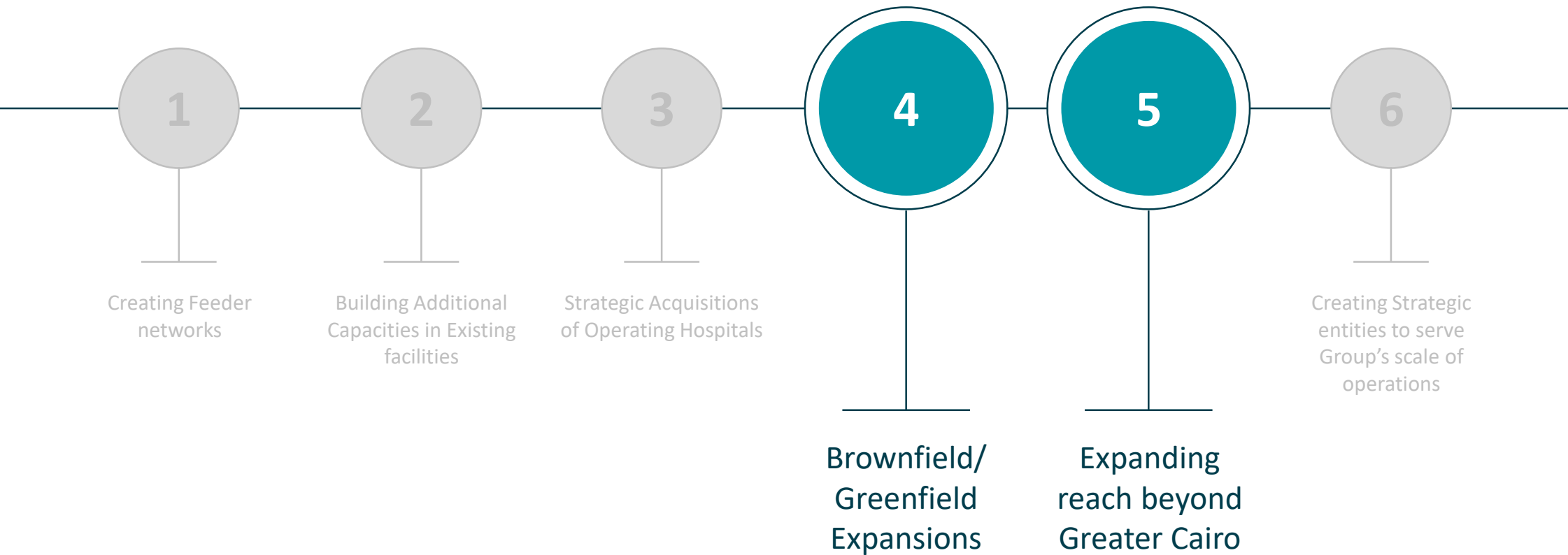


**1**  
Embryo  
Freezing Lab

### 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

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

## Status



Hospital Facility Leased

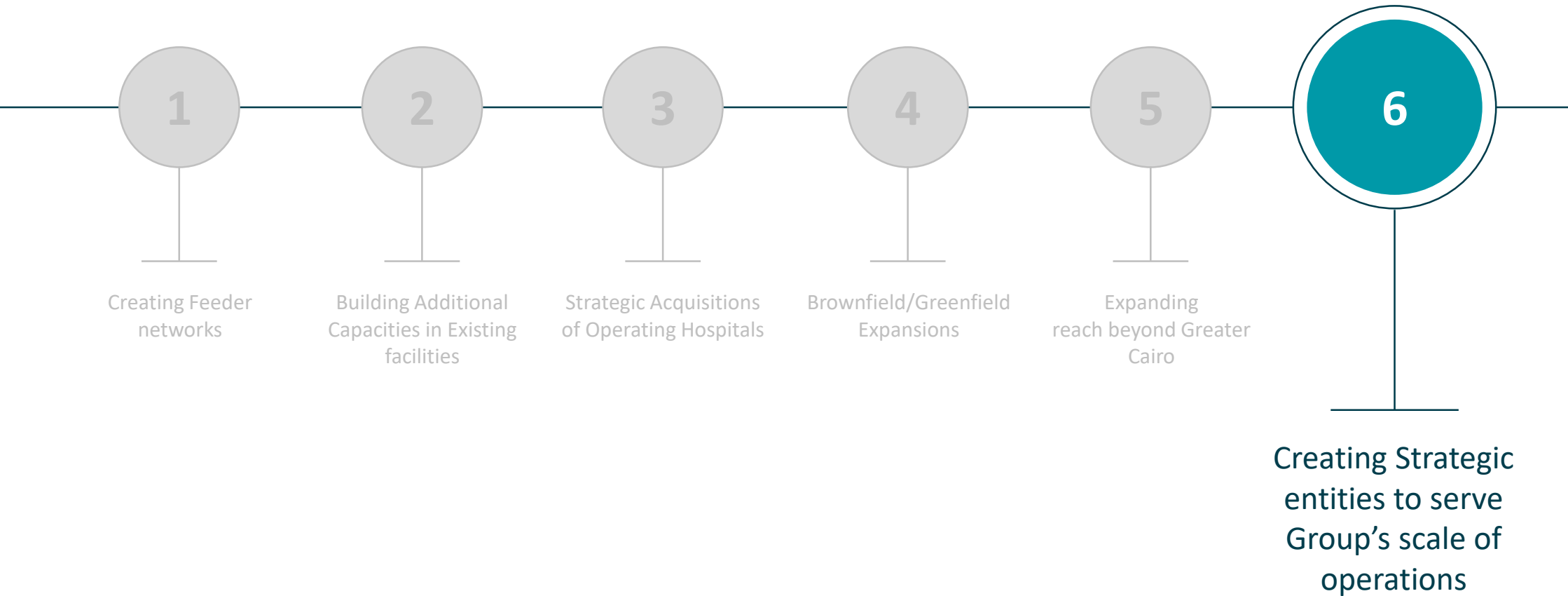


Capex Budget Finalized



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**

# CHG is lead by a Diversified and Experienced Board of Directors



## Healthcare Experts



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



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



**Dr. Tarek Zahed**  
Vice Chairman



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

## Active Board Committees

Audit  
**Nabil Kamhawy,**  
Chairman

Remuneration  
**Ahmed Badreldin,**  
Chairman

Medical Ethics & Quality  
**Dr. Mohamed Awad Tag El Din,**  
Chairman

## Financial and Investment Experts



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



**Omar Ezz Al Arab**  
Director



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



**Samia El Baroudy**  
Director



**Ahmed Badreldin**  
Chairman



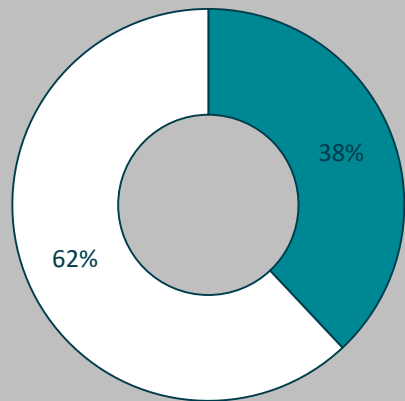
**Lobna El Dessouky**  
Director



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

# Key Investor Information

## Cleopatra Hospitals Company's Shareholder Structure



■ Care Healthcare Limited (Malta)

□ Free Float

## Care Health Limited's Key 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



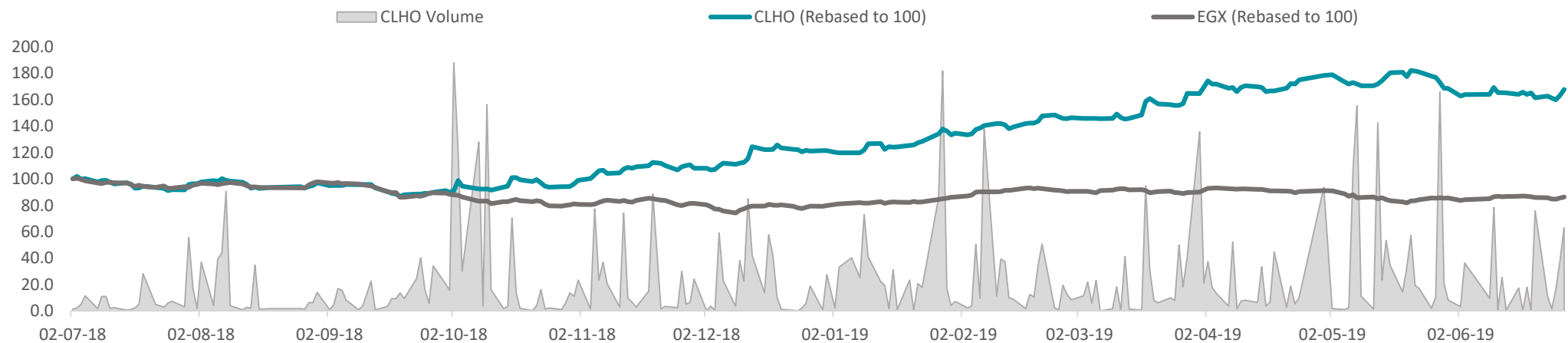
A Development Financial Institution partly owned by Agence Française de Développement (AFD), which promotes private investment in developing countries to reach the Millennium Development Goals



European Bank  
for Reconstruction and Development

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 :** Financial Statements



# Consolidated Income Statement



All figures in EGP mn	2Q2019	2Q2018	% change	1H2019	1H2018	% change
Revenues	409.1	326.6	25%	825.0	673.8	22%
Cost of sales	(278.4)	(221.0)	26%	(540.2)	(450.8)	20%
<b>Gross profit</b>	<b>130.7</b>	<b>105.7</b>	<b>24%</b>	<b>284.9</b>	<b>223.0</b>	<b>28%</b>
<i>Gross Profit Margin</i>	32%	32%		35%	33%	
General & administrative expenses	(91.5)	(34.6)	165%	(190.2)	(89.0)	114%
Cost of acquisition activities	(0.1)	(1.7)	-95%	(0.6)	(4.3)	-86%
Provisions	0.9	2.1	-59%	(1.8)	(4.2)	-56%
Other income	2.1	0.9	127%	4.1	3.9	4%
Pre-Operating Expenses	(3.4)	-		(3.4)	-	
<b>EBIT</b>	<b>38.6</b>	<b>72.3</b>	<b>-47%</b>	<b>92.9</b>	<b>129.5</b>	<b>-28%</b>
<i>EBIT Margin</i>	9%	22%		11%	19%	
Interest income	26.0	32.1	-19%	55.4	62.2	-11%
Interest expense	(1.7)	(9.8)	-83%	(4.8)	(21.7)	-78%
<b>Profit before tax</b>	<b>63.0</b>	<b>94.7</b>	<b>-33%</b>	<b>143.5</b>	<b>170.0</b>	<b>-16%</b>
<i>PBT Margin</i>	15%	29%		17%	25%	
Income tax	(19.3)	(17.6)	10%	(45.6)	(37.1)	23%
Deferred tax	(1.0)	(0.9)	20%	(0.2)	0.5	N/A
<b>Net profit after tax</b>	<b>42.6</b>	<b>76.2</b>	<b>-44%</b>	<b>97.7</b>	<b>133.4</b>	<b>-27%</b>
<i>Net Profit Margin</i>	10%	23%		12%	20%	
<u>Distributed as follows:</u>						
Shareholders of the company	43.7	71.3	-39%	97.2	124.6	-22%
Minority rights	(1.1)	4.9		0.6	8.8	-93%
<b>Profit for the period</b>	<b>42.6</b>	<b>76.2</b>	<b>-44%</b>	<b>97.7</b>	<b>133.4</b>	<b>-27%</b>

# Consolidated Balance Sheet



All figures in EGP mn	31 December 2018	30 June 2019
<b><i>Non-current assets</i></b>		
Fixed assets	560.5	635.4
Intangible assets	241.0	255.1
Payment under investment	143.9	143.6
<b>Total non-current assets</b>	<b>945.4</b>	<b>1,034.1</b>
<b><i>Current assets</i></b>		
Inventory	40.8	46.7
Accounts receivables	302.8	353.6
Other receivables and debit balances	48.5	112.7
Due from related parties	7.1	5.4
Cash	953.4	752.0
<b>Total current assets</b>	<b>1,352.5</b>	<b>1,270.4</b>
<b>Total assets</b>	<b>2,298.0</b>	<b>2,304.4</b>
<b><i>Equity</i></b>		
Share capital	800.0	800.0
Reserves	274.2	284.4
Retained earnings	529.8	585.9
Equity attributable to the parent company	1,604.0	1,670.3
Non-controlling interest	74.7	74.0
<b>Total equity</b>	<b>1,678.7</b>	<b>1,744.4</b>
<b><i>Non-current liabilities</i></b>		
Long term debt – non-current portion	67.9	-
Deferred tax liability	66.9	67.0
<b>Total non-current liabilities</b>	<b>134.7</b>	<b>67.0</b>
<b><i>Current liabilities</i></b>		
Provisions	24.9	22.5
Creditors and other credit balances	317.7	331.0
CPLTD	27.2	10.0
Long term incentive plan	45.2	98.6
Current income tax	69.4	31.0
<b>Total current liabilities</b>	<b>484.5</b>	<b>493.1</b>
<b>Total liabilities</b>	<b>619.3</b>	<b>560.1</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>2,298.0</b>	<b>2,304.4</b>

# Consolidated Cash Flow Statement



All figures in EGP mn	30 June 2018	30 June 2019
<b><u>Cash flow from operating activities:</u></b>		
Profit before tax	170.0	143.5
<b><u>Adjustments for:</u></b>		
Depreciation	21.0	29.7
Amortization of intangible assets	-	-
Allowance for impairments of current assets	(6.2)	40.9
Provisions	1.7	(2.4)
Capital gain (loss)	(0.2)	(0.3)
Credit/Debit interest	(40.4)	(52.7)
Changes in current tax liability	(19.0)	(84.0)
Fixed assets write off	-	-
Long term incentive plan	14.6	53.3
<b>Operating profits before changes in working capital</b>	<b>141.5</b>	<b>128.0</b>
<b><u>Changes in working capital:</u></b>		
Change in inventory	(6.5)	(4.6)
Change in trade receivables, debtors and other debit balances	(62.7)	(84.9)
Change in due from related parties	(10.2)	1.7
Change in trade payables and other credit balances	11.8	25.5
<b>Net cash flow from operating activities</b>	<b>73.8</b>	<b>65.8</b>
<b><u>Cash flow from investment activities:</u></b>		
Proceeds from sale of fixed assets	0.2	0.6
Payments for purchase of fixed assets	(24.2)	(29.7)
PUC purchased	(8.5)	(66.6)
Advanced payments for purchase of fixed assets	(6.1)	(70.2)
Payments for acquisition of a subsidiary, net cash acquired	-	(25.0)
Payments under investment	-	-
Credit interest collected	58.4	55.6
Time deposits with maturity more than 3 months	11.0	-
<b>Net cash flow from investment activities</b>	<b>14.1</b>	<b>(135.4)</b>
<b><u>Cash flow from financing activities:</u></b>		
Dividends paid	(21.6)	(31.9)
Proceeds from borrowings	-	-
Repayment of borrowings	(126.3)	(95.1)
Cash proceed from overdraft	57.5	53.9
Cash paid to overdraft	(60.5)	(43.9)
Interest paid	(26.5)	(15.4)
<b>Net cash flow from financing activities</b>	<b>(177.5)</b>	<b>(132.4)</b>
<b>Net change in cash &amp; cash equivalents during the period</b>	<b>(89.5)</b>	<b>(140.4)</b>
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
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>906.6</b>	<b>752.0</b>

# Thank you

## INVESTOR RELATIONS CONTACTS

Telephone: +2 02 23103771  
E-mail: [ir@cleopatrahospitals.com](mailto:ir@cleopatrahospitals.com)  
[investors.cleopatrahospitals.com](http://investors.cleopatrahospitals.com)

## SHAREHOLDER INFORMATION

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



**CLEOPATRA HOSPITALS**  
GROUP