



Cleopatra Hospitals Group Reports Record 9M2024 Results

Strong nine-months performance across all facilities with Group margin expansion and strong cash conversion despite inflationary environment

3Q2024 Financial & Operational Highlights¹

EGP 1,460 mn Total Revenue (+54% y-o-y)	EGP 544 mn Gross Profit (+70% vs. 3Q23; 37% Margin; +3% margin expansion)
EGP 417 mn Adjusted EBITDA ² (+58% vs. 3Q23; 29% Margin; +1% margin expansion)	EGP 333 mn EBIT (+75% vs. 3Q23; 23% Margin; +3% margin expansion)
EGP 235 mn Net Profit (+78% vs. 3Q23; 16% Margin; +2% margin expansion)	EGP 0.16 Earnings Per Share (+78% vs. 3Q23 EPS)
+15% Outpatient Consultations Volume Growth	+16% Inpatients Volume Growth
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> +348,563 Cases Served³ (+13% y-o-y) </div>	

9M2024 Financial & Operational Highlights¹

EGP 3,832 mn Total Revenue (+51% y-o-y)	EGP 1,408 mn Gross Profit (+67% vs 9M23; 37% Margin; +3% margin expansion)
EGP 1,108 mn Adjusted EBITDA ² (+63% vs 9M23; 29% Margin; +2% margin expansion)	EGP 840 mn EBIT (+81% vs 9M23; 22% Margin; +4% margin expansion)
EGP 602 mn Net Profit (+74% vs 9M23; 16% Margin; +2% margin expansion)	EGP 0.42 Earnings Per Share (+74% vs. 9M23 EPS)
+12% Outpatient Consultations Volume Growth	+11% Inpatients Volume Growth
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> +945,593 Cases Served³ (+10% y-o-y) </div>	

Cairo, 8th of December 2024

Cleopatra Hospital Group S.A.E. (CLHO.CA on the Egyptian Exchange), Egypt's leading private hospital group by number of hospital beds and number of operating hospitals, reported today its consolidated results for the quarter ended 30 September 2024.

9M2024 Performance Highlights:

Cleopatra Hospitals Group Delivers Outstanding 3Q2024 and 9M2024 Performance

- Cleopatra Hospitals Group (CHG) exceeded expectations, reporting record-breaking financial results for both the third quarter and first nine months of 2024. Consolidated revenue reached EGP 1,460mn in 3Q2024, totaling EGP 3,832mn for

¹ Performance includes: CHC, CSH, NBH, & ASH, as well as East and West Cairo Polyclinics, El Katib Hospital, October Hospital, and Bedaya IVF. Queens Hospital performance is recorded as discontinued operations in the consolidated audited financial statement.

² Adjusted EBITDA: Earnings before Interest, Tax, Depreciation and Amortization adjusted for provisions, impairments, LTIP, acquisitions expenses, pre-operating expenses and excluding contributions from other income.

³ Cases served includes number of inpatients, paid outpatient visits and ER visits.



9M2024, reflecting impressive year-over-year growth of 54% and 51%, respectively. This performance was driven by significant increases in patient volumes, strategic pricing adjustments, and case mix optimization across the Group's facilities.

- The exceptional quarterly results were underpinned by strong organic growth, continued expansion, and the addition of new Centers of Excellence. Patient volumes rose substantially, with a 13% increase in cases served during 3Q2024 and a 10% year-to-date growth. Core business segments saw notable growth in 3Q2024, including outpatient visits (+15%), inpatient cases (+16%), and surgical procedures (+13%).
- All CHG facilities demonstrated exceptional revenue growth, averaging approximately 50% year-over-year for both the quarter and the nine-month period. Cairo Specialized Hospital (CSH) and Nile Badrawi Hospital (NBH) were standout performers, achieving revenue growth of 55% and 52% in 3Q2024, and 56% and 55% in 9M2024, respectively. In 3Q2024, CSH recorded a 39% increase in surgical revenue and an 85% surge in inpatient revenue. Similarly, NBH saw a 31% rise in surgical revenue and a 55% increase in inpatient revenue. These results reflect the tangible benefits of CHG's strategic investments, including newly introduced Centers of Excellence for cardiology and oncology at NBH, and advanced radiotherapy, chemotherapy, and nephrology services at CSH.
- Cleopatra October Hospital, CHG's latest flagship facility, continued its successful ramp-up as a specialized musculoskeletal tertiary care hospital. For the third consecutive quarter, it exceeded expectations in revenue and margin performance, achieving a remarkable 49% quarter-on-quarter revenue growth in 3Q2024 to EGP 78mn. Total revenue for 9M2024 reached EGP 176mn, with a gross profit margin of 18% and a positive EBITDA margin of 2%, a significant milestone for its first full year of operation.
- The Group's commitment to cost-efficiency yielded further improvements in key expense ratios with Doctor Fees to Revenue improving to 14% from 16%, and Medical Supplies to Revenue declining to 22% from 23%. Despite wage inflation pressures and a growing workforce to support new facilities in East and West Cairo, the Salaries & Wages ratio to Sales remained stable at 15% through improved productivity and efficiency drives.
- Operational and financial management excellence drove robust growth across key profitability metrics. Gross profit surged by 70% in 3Q2024 and 67% in 9M2024. Adjusted EBITDA increased by 58% and 63% during the same periods, supported by gains in G&A efficiency. Net profit reached EGP 235mn in 3Q2024, a 78% year-over-year increase, and EGP 602mn for 9M2024, up 74%. Margin improvements were significant across all levels, with gross profit margins expanding by 3 percentage points to 37% in 3Q2024. Similarly, EBIT, adjusted EBITDA, and net profit margins rose by 3, 1, and 2 percentage points, respectively, reflecting CHG's strategic focus on sustainable growth, and its operational leverage where margin growth is outpacing revenue growth.

9M2024 Strategic Updates:

- **Cleopatra October Hospital**, the Group's flagship facility in West Cairo, continues to progress steadily in its ramp-up phase, contributing 5% to CHG's revenue in 3Q2024. The hospital is focused on establishing itself as a premier musculoskeletal tertiary care facility by leveraging its advanced treatment and rehabilitation facilities. Efforts to enhance surgical and physiotherapy capabilities have strengthened its ability to manage complex cases, further supporting its Orthopedic and Neurology Centers of Excellence. Strong patient volumes and rapid operational scaling throughout 2024 underscore the hospital's strategic significance and robust demand. Plans are underway to expand its capacity to 300 beds, significantly enhancing service delivery in the near future.
- **Cleopatra Tagamoa (Sky) Hospital**, CHG's flagship in East Cairo, is on track for a soft launch in mid 1Q2025. The facility will initially operate with 100 beds, with a phased expansion to 240 beds by year-end. As operations scale, the hospital is expected to achieve optimal efficiency and substantial growth, positioning it as a key driver of profitability within the Group.
- **Cleopatra (CHC), Cairo Specialized (CSH), and Nile Badrawi (NBH)** hospitals delivered exceptional top-line growth exceeding 40% during the first nine months of 2024. This record-breaking performance was supported by increasing patient volumes and improved case mix optimization. CSH led the core facilities with strong double-digit growth across key



metrics, achieving the highest revenue growth rate within the Group and a 3-percentage point improvement in EBITDA margin for 9M2024 compared to the same period in 2023.

- **Strategic investments in Centers of Excellence** remain a focal point for CHG. The Nephrology Center of Excellence has been expanded, along with the Group's dialysis capabilities, to meet growing patient needs. Concurrently, NBH has completed a comprehensive upgrade of its Oncology Center of Excellence, adding advanced radiotherapy and chemotherapy facilities. These enhancements are designed to capture more treatment cycles, further refining the hospital's case mix and increasing its value to patients and the broader healthcare sector.

Management Comment

I am thrilled to share a year of exceptional growth and achievement, marking a significant milestone in our journey. Our Group has demonstrated remarkable resilience and success, surpassing EGP 3.8 billion in revenue – our highest since inception – driven by strategic investments, an expanded facility network, and the continuous enhancement of our service offerings. This year has truly been a turnaround story for Cleopatra Hospitals Group. We have successfully added two new flagship facilities and are on track to expand our bed capacity by nearly 50%, reinforcing our position as a leading healthcare provider in Egypt.

I am particularly proud of the significant expansion of our footprint with the addition of two flagship hospitals – one in the East and one in the West of Cairo. These state-of-the-art facilities strengthen our presence in key geographical areas, enabling us to reach a broader patient base and offer a comprehensive range of high-quality medical services.

A standout highlight of this year is the impressive performance of Cleopatra October Hospital. Fully transformed into a tertiary musculoskeletal hospital, it is rapidly ramping up its operations and has become an integral part of our healthcare network. This achievement reflects our unwavering commitment to providing advanced, patient-centered care.

Our growth strategy also includes the launch of new Centers of Excellence, where we now offer specialized services in Nephrology, Rehabilitation, Long-Term Care, and Bone Marrow Transplantation. Significant strides have been made in advancing our Neurology, Orthopedics, Cardiology, Oncology, and Robotic Surgery departments, further enhancing our ability to provide comprehensive, world-class care. This ongoing expansion of services and specialties underscores our dedication to delivering holistic healthcare solutions that meet the evolving needs of our patients.

As we look ahead, I remain focused on advancing our digital transformation, optimizing our network, and further enhancing the patient experience. With the steadfast support of our dedicated team and strategic partners, I am confident in our ability to sustain our growth trajectory and make an even greater impact on the healthcare landscape in Egypt.

Dr. Ahmed Ezzeldin
Group CEO



Strategy Overview

In the third quarter of 2024, CHG continues its impressive turnaround journey, solidifying its position as a leading healthcare provider. The Group is on track to more than double its capacity, with the full ramp-up of its two new flagship hospitals, Cleopatra October and Cleopatra Tagamoa (Sky), marking a key milestone in its growth. These hospitals, strategically located in East and West Cairo, highlight CHG’s successful asset-light expansion model and commitment to operational excellence.

CHG is also expanding its Centers of Excellence with new specialized care in Orthopedics, Neurology, Rehabilitation, and Long-Term Care, with a focus on Physiotherapy. This broadens the Group’s service offerings and strengthens its position as a high-value healthcare provider in Egypt’s evolving market.

The Group’s growth strategy – focused on scaling operations, expanding services, and entering new markets – positions CHG for continued success in Egypt and the Middle East.

Cleopatra October Hospital, Driving Growth and Transformation in West Cairo’s Musculoskeletal Care and Medical Services

Cleopatra October Hospital is CHG’s flagship in West Cairo, playing a pivotal role in expanding the group’s healthcare network. Joining the group in late 2022, the hospital was initially a rehabilitation and long-term care center. After acquiring the license to operate as a general hospital, CHG has successfully transformed it into a fully comprehensive musculoskeletal tertiary care facility. Currently in its ramp-up phase, Cleopatra October is on track to reach a long-term potential of 300 beds post full ramp-up, with a capacity of 70 beds expected by the first half of 2025.

Spanning over 30,000 square meters, the hospital now houses three Centers of Excellence, including the largest Physio-Rehab Center in Egypt, and has integrated Polyclinics West to enhance accessibility and referrals across West Cairo. It boasts state-of-the-art surgery and emergency rooms and has recently upgraded its diagnostics and radiology departments. The hospital’s outpatient department has been renovated to attract eminent medical consultants, and its focus on specialized care has made it a key destination for medical tourism. As a result, in the third quarter of 2024, Cleopatra October served over 12,500 inpatient, outpatient and emergency cases, reflecting an increase of more than 55% compared to 2Q2024, bringing the total to 27,000 cases for the first nine months of the year. Over and above, the hospital has inaugurated a renal dialysis unit, further enhancing the patient care experience.



PHYSIO-REHAB
CENTER OF EXCELLENCE



ORTHOPEDIC
CENTER OF EXCELLENCE



NEUROSCIENCE
CENTER OF EXCELLENCE

In 9M2024, Cleopatra October exceeded expectations, recording EGP 176mn in revenues, surpassing the initial FY2024 target, and further indicating a steep ramp-up trajectory. This growth is mainly driven by increasing capacity, operational efficiency, and a growing patient base. Surgical revenues accounted for 6% of total surgery revenues in CHG for 3Q2024. Of all surgeries performed this year, 60% were musculoskeletal focused, including orthopedic and spine surgeries, leading Cleopatra October to achieve the highest average revenue per patient (ARP) among all of the Group’s facilities. Outpatient revenues in 3Q2024 surged by over 75% quarter-on-quarter, reflecting management’s successful efforts to attract top-tier consulting physicians, particularly in key musculoskeletal sub-specialties. Revenue from the diagnostics department grew by more than 60% compared to 2Q2024, driven by the launch of the new top-of-the-line radiology department in early September 2024.

Cleopatra October’s extraordinary rehabilitation and physiotherapy capabilities enabled management to capitalize on these services, driving growth in the physiotherapy division. As a result, 3Q2024 saw a year-on-year increase of approximately 50% in volumes. Leadership is on track to double the segment’s capacity in the first half of 2025, which is expected to drive at least another 50% growth in total volumes for FY2025 compared to FY2024. CHG’s management is currently establishing a fully-fledged a Sports

Medicine Center of Excellence, utilizing the hospital’s existing capabilities. This center will offer a comprehensive suite of services including diagnostics, medical management, injury prevention, surgical services, physiotherapy, rehabilitation, and performance optimization, serving both individuals, athletes, and sports teams.



To meet the growing demand, management plans to expand the hospital's inpatient and ICU capacity with 23 beds and 10 beds, respectively, enhancing its ability to serve a larger patient base and capitalize on its continued growth. By 2025, Cleopatra October is expected to generate double the revenue of FY2024, driven not only by increased capacity but also by improved operational efficiency, seamless integration within the Group, and a growing patient base. Looking ahead, the hospital has the potential to evolve into a medical city marking the beginning of its impressive growth trajectory.

Cleopatra Tagamoa (Sky) Hospital, a Key Milestone in CHG’s East Cairo Expansion with Rapid Ramp-Up and High Growth Potential



 240+ Beds	 7 OR's + 2 Cardiac Cath Labs	 New Onco-Extension with 2 LINAC's
 2,000+ New Jobs Created (once fully operational)	 1 mn Patients Capacity	
 Launch Date Phase 1 (110 beds): Q1 2025	 Launch Date Phase 2 (240 beds): FY2025	

CHG is progressing well with the phased launch of Cleopatra Tagamoa (Sky) Hospital in East Cairo, which is expected to contribute at least 240 beds to the Group’s overall capacity. Initially, the hospital will open with 100 beds in Phase 1 in Q1 2025 and is poised for a rapid ramp-up, with plans to expand to 240 beds by the end of 2025, while operating with maximum operational capacity and positive profitability. Upon full ramp-up, the hospital is expected to mirror the performance and utilization levels of Cleopatra Hospital, contributing a significant average of 30% to the Group's revenue and total bed capacity.

Cleopatra Tagamoa (Sky) Hospital will feature multiple Centers of Excellence, equipped with advanced medical technology, and is designed to offer 360-degree service delivery. It will also feature 7 state-of-the-art operating rooms and 2 cardiac catheterization labs, as well as a dedicated Onco-Extension with two Linear Accelerators for advanced oncology care. This hospital exemplifies CHG's commitment to delivering world-class medical services, with a focus on rapid growth and outstanding patient care.

CHG Makes Significant Progress in the Development of Mumtada Hospital in Saudi Arabia

CHG is expanding its revenue-generating business lines and regional presence with the upcoming launch of Mumtada Hospital in Riyadh, Saudi Arabia. This 200-bed rehabilitation and long-term care facility, scheduled to open in early 2025, will offer comprehensive rehabilitation and LTC services across key specialties such as Neurology, Orthopedics, and Cardiology. CHG is responsible for both pre-operational and operational services under a contract that includes performance-based incentives, ensuring full coverage of costs.

In Q3 2024, the project has seen significant progress. The Business Plan and scope of services have been finalized, and full alignment with all key stakeholders has been achieved, ensuring a well-structured and actionable roadmap for the hospital’s development and operations. The HR team has made considerable strides in the pre-operational phase, with the approval of the



manpower plan and organizational chart, and the recruitment of key roles. Recruitment activities, including job descriptions and HR policies, are finalized, and the team is now in place, ensuring a smooth transition into the operational ramp-up phase. Additionally, key IT infrastructure needs are being addressed, with the implementation of a Health Information System (HIS) well underway.

This expansion not only strengthens CHG's footprint in Saudi Arabia but also positions the Group to offer management services to other healthcare facilities in the region, creating a new revenue stream and enhancing operational efficiency across the industry. The project is currently awaiting final infrastructure readiness as preparations for the hospital's soft launch continue.



Financial Review

Revenue Analysis

The Group maintained its upward momentum with its revenues hitting new heights in both the third quarter and the first nine months of 2024. The Group's consolidated revenues reached an all-time high of EGP 1,460mn in 3Q2024, totaling EGP 3,832mn during the first nine months of the year. This represents a significant increase of 54% compared to the same quarter in 2023 and 51% growth in 9M2024 versus 9M2023.

CHG's robust performance is attributed to its ongoing investment in its organic business in all facilities, as well as the addition of new Centers of Excellence, which has enabled the Group to effectively capture patients' entire treatment journeys. The Group's volumes also reflect this strong growth momentum, with a notable 13% increase in cases served in 3Q2024, bringing the total growth to 10% in 9M2024. This growth is primarily driven by substantial year-over-year increases in Inpatient, Outpatient, and Surgical Procedure volumes, with each showing strong growth rates of 16%, 15%, and 13%, respectively in 3Q2024, and 11%, 12%, and 7% respectively in 9M2024.

Quarterly Revenue Progression – in EGP Mn

EGP mn	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Total Revenues	777	808	948	1,063	1,181	1,191	1,460
Y-o-y Growth	22%	34%	43%	49%	52%	47%	54%

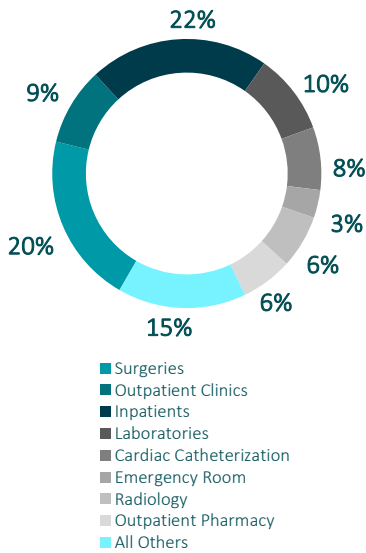
Quarterly Core Business Volumes Progression – Consolidated Volumes

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Surgical Procedures	9,109	8,921	10,856	10,773	9,178	9,376	12,306
Y-o-y Growth	11.0%	2.2%	5.9%	4.0%	0.8%	5.1%	13.4%
Paid Outpatient Visits	219,011	217,799	250,208	255,474	246,222	237,043	286,932
Y-o-y Growth	9.4%	14.8%	16.6%	6.9%	12.4%	8.8%	14.7%
Inpatients	14,067	13,944	16,081	16,230	14,762	15,324	18,646
Y-o-y Growth	13.8%	7.8%	9.1%	7.1%	4.9%	9.9%	16.0%
ER Visits	41,772	40,878	42,647	41,442	40,999	42,680	42,985
Y-o-y Growth	-12.9%	-8.6%	-13.4%	-20.4%	-1.8%	4.4%	0.8%
Catheterizations	1,289	1,240	1,341	1,467	1,325	1,221	1,483
Y-o-y Growth	6.2%	12.4%	34.1%	15.4%	2.8%	-1.5%	10.6%
Physiotherapy	98,793	109,261	121,970	180,461	162,166	123,559	155,122
Y-o-y Growth	112.5%	117.7%	120.9%	93.1%	64.1%	13.1%	27.2%
Dialysis	4,186	4,657	5,802	6,169	6,305	7,383	7,734
Y-o-y Growth	75.4%	89.2%	80.3%	78.9%	50.6%	58.5%	33.3%

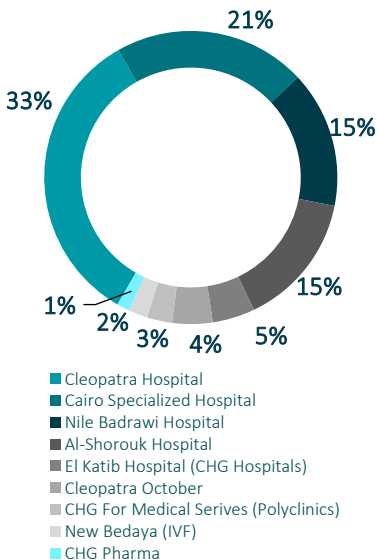
Revenue Breakdown by Segment

CHG's consolidated revenue was substantially driven by its core business growth, with inpatient services, surgical procedures and cardiac catheterization procedures accounting for 50% of the total revenue in 3Q2024 and in 9M2024. This growth was underpinned by strong volume growth and strategic price adjustments that have been in place since January 2024. The inpatient services segment exhibited remarkable growth, with a y-o-y revenue increase of 76% in 3Q2024 compared to 3Q2023, leading to a 9M2024 growth of 79%. This growth was driven by a combination of factors, including volume growth and case mix refinement on the back of the Group's Centers of Excellence, which also led to a surge in the average revenue per patient (ARP) by 62% in 9M2024. The surgical revenue segment also reflected strong growth, reporting 48% growth in 3Q2024 and 43%

Contribution by Segment (9M24)



Revenue by Hospital (9M24)

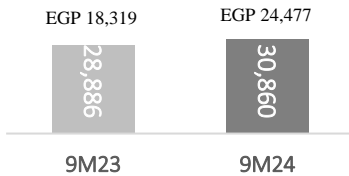


*Polyclinic revenue includes both East and West Cairo Polyclinics (CHG for medical services).



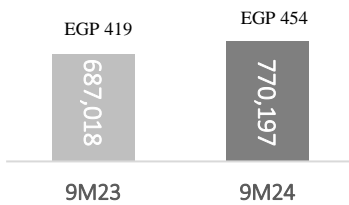
Number of Surgical Procedures

(Rev/Procedure)



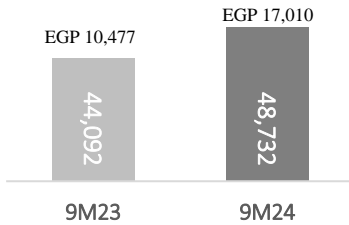
Number of Paid Consultations

(Rev/Visit)



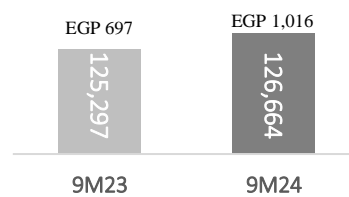
Number of Inpatients

(Rev/Inpatient)



Number of ER Visits

(Rev/visit)



Number of Catheterizations

(Rev/catheterization)



All KPI figures refer to the consolidation of all CHG hospitals as well as the Group's East and West Cairo Polyclinics) and excludes Bedaya while taking into account elimination entries.

growth in 9M2024 relative to the corresponding periods of the prior year. This was coupled with a rise in ARP of 34% in 9M2024. This performance was propelled by volume growth in both quarterly and nine-month periods, supported by the expansion of the Group's Centers of Excellence, which enabled it to perform more complex surgical procedures. In parallel, Catheterization lab revenue rose by 44% in 9M2024, with ARP up by 39% and volume by c. 4%. CHG's core business growth is the main driver behind its record-breaking performance.

CHG's outpatient and emergency departments are fundamental drivers of growth for the Group's inpatient services, surgical procedures, and Cath labs, serving as entry points for potential patients. These segments together accounted for 12% and 13% of overall revenue in 3Q2024 and 9M2024, respectively. In 3Q2024, outpatient and emergency revenues increased 32% and 29% year-over-year, respectively, enforcing their 9-month performances of 22% and 47% growth, respectively. This growth is underpinned by CHG's focus on delivering comprehensive, specialized, and unique services, resulting in a noteworthy 15% growth in outpatient volumes on quarterly basis and a 12% growth in in 9M2024, accompanied with an increase in ARP of 15% and 8%, respectively.

As management further invests in the Group's Centers of Excellence, the physiotherapy department witnessed a tremendous increase in revenues of approximately 128% in 3Q2024 compared to 3Q2023, which led to a contribution of 3% to total Group's revenues in 3Q2024, up from 2% in 3Q2023. Volumes rose by 27% in the third quarter of the year, with a surge in ARP of 80%, while in 9M2024, volumes grew by 34% accompanied with a 48% increase in ARP.

The Group's diagnostic segments, comprising laboratories and radiology, accounted for 9% and 6% of consolidated revenues in 3Q2024 and 10% and 6% in 9M2024, respectively. The Group's commitment to enhancing diagnostic capabilities and associated services within its strongly ramping up Centers of Excellence enabled these segments to achieve impressive revenue growths of 38% and 56% in 3Q2024, and 35% and 48% on a 9-month basis.

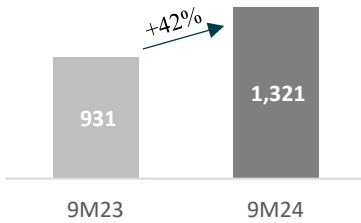
Revenue Breakdown by Facility

Collectively contributing 36% of CHG's consolidated revenue, in 3Q2024 CSH and NBH recorded revenue of EGP 317mn and EGP 226mn, respectively, reflecting 55% and 52% growth, respectively, compared to the same period in 2023. Over 9M2024, CSH's top line expanded by 56%, totalling an unprecedented EGP 839mn, while NBH's total revenue grew by 55% reaching EGP 595mn. The financial performance in 2024 thus far is attributed to the transformation initiatives within CHG facilities. In 9M2024, total cases served significantly rose by 10% and 14% for CSH and NBH, respectively. For CSH, this came on the back of a 15% increase in inpatient volumes and an 11% of outpatient visits, accompanied with a 79% jump in inpatient revenues and a 35% rise in outpatient revenues. Meanwhile, NBH witnessed a spike of 58% in outpatient revenues, with an 15% increase in volumes, while inpatient revenues rose by 60% accompanied with a 7% increase in volumes.

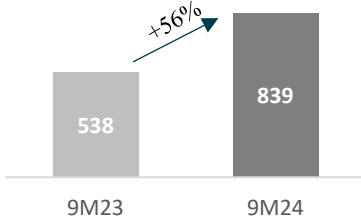
In 3Q2024, Cleopatra October accounted for 5% of total revenues, with the hospital generating EGP 78mn in the quarter, contributing to a total of EGP 176mn for 9M2024. This growth was driven by the successful and rapid ramp-up of the hospital's Centers of Excellence. On a quarterly basis, the hospital's revenues surged by 49% quarter-on-quarter, compared to a 12% increase in 2Q2024. Total cases served rose by 58%, which was mainly attributable to a remarkable quarter-on-quarter growth in inpatient and surgical procedure volumes of 76% and 63%, respectively.



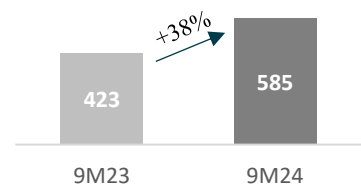
CHC Revenue Growth (EGP mn)



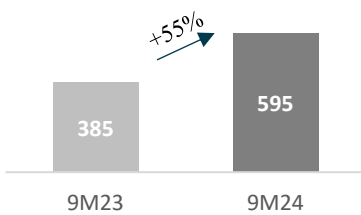
CSH Revenue Growth (EGP mn)



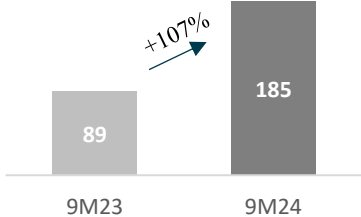
ASH Revenue Growth (EGP mn)



NBH Revenue Growth (EGP mn)



AKH Revenue Growth (EGP mn)



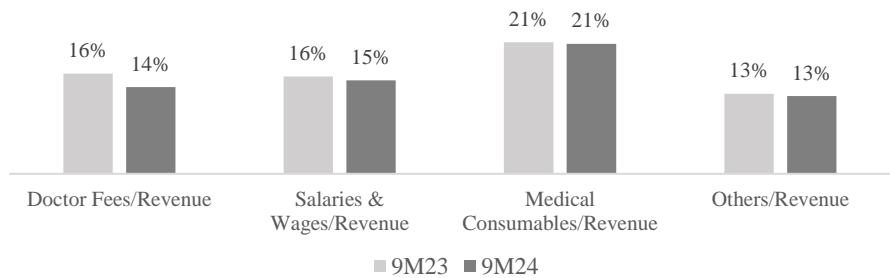
Profitability Analysis

Cost of Goods Sold & Gross Profit

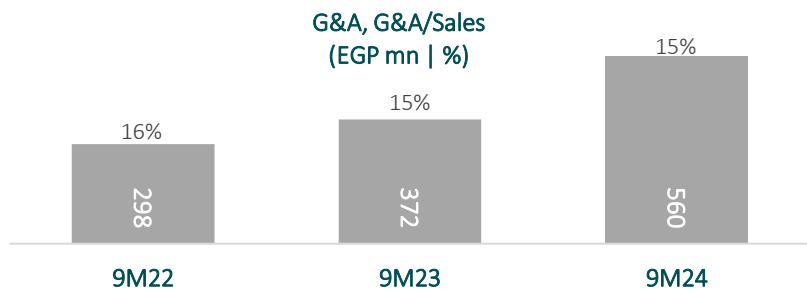
Despite ongoing macroeconomic challenges, the Group demonstrated impressive cost discipline, effectively managing its cost of goods sold (COGS). In 3Q2024 and 9M2024, COGS increased by 46% and 43%, respectively, reaching EGP 916 million and EGP 2,424 million. Notably, the rise in COGS was 8 percentage points lower than the increase in total revenues for both the quarterly and nine-month periods, highlighting strong operational leverage. Management successfully maintained the Group’s COGS/Sales ratio at 63% for both the quarter and the year-to-date period. This strategic approach has helped mitigate the impact of prevailing economic conditions, safeguarding CHG’s profitability. As a result, the Gross profit margins reached 37%, an impressive expansion of 3 percentage points for both 3Q2024 and 9M2024.

As CHG’s comprehensive optimization strategy continues to evolve, management is realizing significant efficiency gains across various cost components. In 9M2024, the Group improved its Salaries & Wages-to-revenue ratio by one percentage point. This efficiency is driven by initiatives such as managing staff replacements and the continuous implementation of the shared services model. Additionally, the Doctors’ Fees-to-revenue ratio improved by two percentage points in 9M2024 compared to 9M2023, thanks to better case mixes across the Group. Conversely, medical supplies remained intact at 21% despite macroeconomics inflationary pressures.

CHG’s experienced supply management and procurement teams worked diligently following the EGP currency series of devaluations in 2023 to secure competitive rates for critical inventory at the Group level, minimizing the impact of anticipated Purchase Price Variances (PPVs) relative to market rates on overall inventory costs. This ability to maintain cost discipline amidst external challenges underscores the Group’s resilience and commitment to sustainable growth.



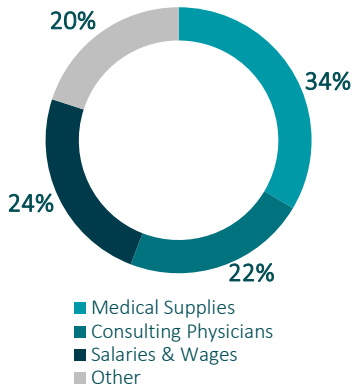
G&A Expenses



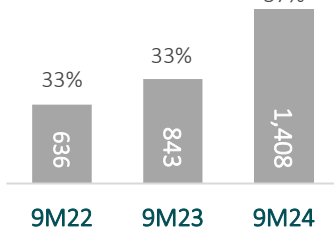
Despite ongoing inflationary pressures, CHG continues to showcase its resilience in effectively managing its General and Administrative (G&A) expenses. In 9M2024, G&A expenses amounted to EGP 560mn, a 51% increase compared to 9M2023. Over the course of the third quarter, the Group reports G&A expenses of EGP 210mn, representing



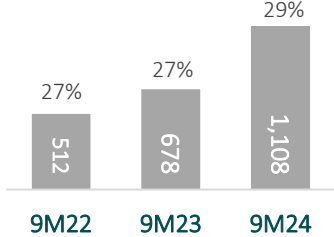
COGS Breakdown (9M24)



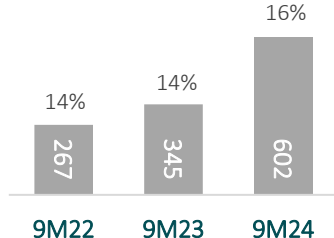
Gross Profit, GPM (EGP mn | %)



EBITDA, Margin (EGP mn | %)



Net Profit, NPM (EGP mn | %)



a 63% increase relative to the same period in 2023. Albeit these increases, the G&A to Sales ratio remained in line with 9M2024 and 3Q2024 amounting to 15% and 14% respectively. This reflects management’s effective cost-cutting strategies, which have effectively counteracted cost pressures, upholding CHG’s financial resilience.

EBIT & EBITDA

Operational excellence was the key driver behind CHG’s record performance, with all CHG facilities reporting efficiencies in their margins in 9M2024 and 3Q2024. Over the first nine months of the year, the Group achieved an EBIT of EGP 840mn, marking an 81% increase and an expanded margin of 22% compared to 9M2023. In the third quarter of 2024, CHG reported an EBIT of EGP 333mn, reflecting a remarkable 75% growth and a 3% improvement in margins compared to 3Q2023.

Similarly, For the full nine months of 2024, CHG reported a record Adjusted EBITDA of EGP 1,108mn, a 63% year-on-year increase, accompanied by an EBITDA margin of 29%, which represents a 200-basis points improvement over the same period in 2023. The Group’s Adjusted EBITDA for 3Q2024 reached EGP 417mn, up 58% from 3Q2023, with a margin of 29%. The Group’s newest flagship addition, Cleopatra October Hospital, recorded a positive EBITDA of 2% in 9M2024 and is on track to exceed expectations with positive margins by FY2024.

Net Profits

CHG’s consolidated net profit for 9M2024 amounted to EGP 602mn, representing growth of 74% compared to the same period in 2023. Efficiency continued to trickle down to net profit margins, as CHG reported a 2% expansion, reaching 16% in 9M2024 compared to 9M2023. On a quarter year basis, CHG recorded Net Profit of EGP 235mn growing by an impressive 78% compared to the third quarter of 2023.

CAPEX & Financing

The Group has made significant investments in expanding and upgrading its network with total CAPEX expenditures reaching approximately EGP 2.1bn in 9M2024. The majority of this CAPEX, around EGP 1.5bn, has been allocated to Cleopatra Tagamoa (Sky) Hospital.

As of September 2024, the Group’s reported net financial debt stood at EGP 1.7bn, a notable increase from EGP 516mn in FY2023. This rise is consistent with the Group’s ongoing expansion efforts, including investments in its new East Cairo flagship, Cleopatra Tagamoa (Sky) Hospital, as well as the ramp-up of Cleopatra October. Additionally, significant renovations have been undertaken at Cleopatra Hospital, CSH, NBH, and AKH. The net debt comprises EGP 1.5bn in non-current borrowings and EGP 490mn in current borrowings, partially offset by EGP 396mn in cash and cash equivalents. The application of IFRS 16 to leases added EGP 116mn to net financial debt as of 30 September 2024, with EGP 75mn attributed to non-current lease debt and EGP 41mn to current lease debt. These lease obligations relate to CHG’s management and Polyclinic buildings.

–Ends–



ABOUT CLEOPATRA HOSPITALS GROUP S.A.E.

The Group is the largest private hospital group in Egypt by number of hospital beds and number of operating hospitals. The company holds majority stakes and operates seven leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital, Al Sherouk Hospital, El Katib Hospital, Cleopatra Tagamoa (Sky) Hospital, and Cleopatra October Hospital offering a full array of general, emergency healthcare services and rehabilitation services. The Group also operates two polyclinics located in strategic neighbourhoods of East and West Cairo and holds a majority stake in Bedaya for Medical Services, Egypt’s leading IVF and Fertility Centre.

Shareholder Information

EGX: CLHO.CA

Listed: June 2016

Shares Outstanding: 1,445 million

For further information, please contact:

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Corporate Strategy and IR Manager

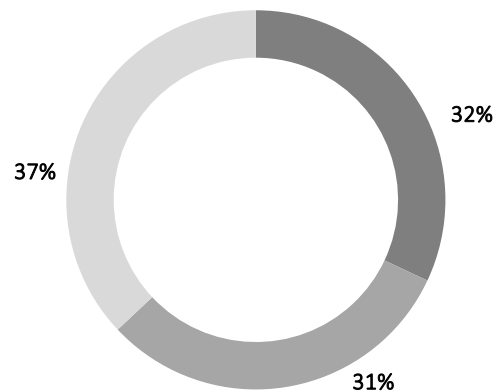
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Shareholder Structure

(as of September 2024)



■ Care Healthcare Ltd. ■ MCI Healthcare Partners ■ Free float

Forward-Looking Statements

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

Forward-looking statements reflect our management’s (“Management”) current views of future events, are based on Management’s assumptions, and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate, or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal, or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations, and Management’s ability to timely and accurately identify future risks to our business and manage the risks mentioned above. Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.

Consolidated Statement of Income

All figures in EGP mn	3Q2023	3Q2024	% Change	9M2023	9M2024	% Change
Revenues	947.5	1,459.7	54.1%	2532.0	3832.1	51.3%
Cost of sales	(626.5)	(915.5)	46.1%	(1689.3)	(2424.1)	43.5%
Gross profit	321.0	544.2	69.6%	842.7	1408.1	67.1%
<i>Gross Profit Margin</i>	33.9%	37.3%		33.3%	36.7%	
General & administrative expenses	(129.0)	(210.5)	63.1%	(371.8)	(560.1)	50.7%
Cost of acquisition activities	-	-		(0.6)	-	-100.0%
Provisions	(2.7)	(4.5)	68.5%	(9.2)	(16.9)	83.6%
Other income	0.6	3.7	489.0%	3.3	8.8	164.8%
Intangible Assets Write Off	-	-		(14.1)	-	-100.0%
Discontinued Operations	-	-		12.7	-	-100.0%
EBIT	189.9	333.0	75.3%	463.0	839.9	81.4%
<i>EBIT Margin</i>	20.0%	22.8%		18.3%	21.9%	
Interest income	4.1	5.7	37.9%	21.3	28.8	35.2%
Interest expense	(19.6)	(31.6)	60.9%	(51.1)	(80.2)	56.9%
Profit before tax	174.4	307.1	76.1%	433.2	788.5	82.0%
<i>PBT Margin</i>	18.4%	21.0%		17.1%	20.6%	
Income tax	(41.0)	(72.8)	77.5%	(84.6)	(179.3)	111.9%
Deferred tax	(1.1)	0.7	-163.4%	(3.6)	(7.4)	105.0%
Net profit after tax	132.3	235.0	77.6%	345.0	601.8	74.5%
<i>Net Profit Margin</i>	14.0%	16.1%		13.6%	15.7%	
<u>Distributed as follows:</u>						
Shareholders of the company	119.7	207.2	73.1%	311.0	532.4	71.2%
Minority rights	12.6	27.8	120.9%	34.0	69.4	104.1%
Profit for the period	132.3	235.0	77.6%	345.0	601.8	74.5%

Consolidated Statement of Comprehensive Income

All figures in EGP mn	3Q2023	3Q2024	% Change	9M2023	9M2024	% Change
Net Profit	132.3	235.0	77.6%	345.0	601.8	74.5%
Other comprehensive income	-	-		-	-	
Total comprehensive income for the year	132.3	235.0	77.6%	345.0	601.8	74.5%
<u>Total comprehensive income attributable to:</u>						
Owners of the company	119.7	207.2	73.1%	311.0	532.4	71.2%
Non-controlling interest	12.6	27.8	120.9%	34.0	69.4	104.1%
Total comprehensive income for the year	132.3	235.0	77.6%	345.0	601.8	74.5%

Consolidated Statement of Financial Position

All figures in EGP mn	31 December 2023	30 September 2024
Non-current assets		
Fixed assets	2,176.6	3,416.0
Intangible assets	407.3	405.8
Right of use	133.2	138.5
Payment under investment	-	-
Investment in associates	3.8	3.8
Total non-current assets	2,720.9	3,964.1
Current assets		
Inventory	292.0	290.6
Accounts receivables	648.5	1,003.9
Other receivables and debit balances	468.3	1,186.8
Due from related parties	0.5	0.3
Treasury bills	-	-
Cash	357.9	396.0
Total current assets	1,767.1	2,877.6
Total assets	4,488.0	6,841.7
Equity		
Share capital	722.7	722.7
Treasury Shares	(5.1)	(39.8)
Reserves	80.4	93.5
Retained earnings	1,435.6	1,857.8
Long term incentive plan	16.1	57.5
Equity attributable to the parent company	2,249.8	2,691.7
Non-controlling interest	196.5	254.0
Total equity	2,446.3	2,945.7
Non-current liabilities		
Non-current portion of borrowings	423.0	1,477.6
Creditors and other credit balances - non-current portion	-	-
Non-current portion of lease liability	85.9	75.3
Deferred tax liabilities	101.8	109.2
Total non-current liabilities	610.7	1,662.1
Current liabilities		
Provisions	20.3	21.4
Creditors and other credit balances	928.1	1,497.1
Current Portion of Borrowings	318.9	490.1
Current portion of lease liability	45.7	40.5
Other Liabilities	42.5	42.5
Current income tax	75.6	142.4
Total current liabilities	1,431.1	2,233.9
Total liabilities	2,041.8	3,896.0
Total liabilities & shareholders' equity	4,488.0	6,841.7

Consolidated Statement of Cash Flow

All figures in EGP mn	30 September 2023	30 September 2024
Cash flow from operating activities:		
Profit before tax	433.2	788.5
<u>Adjustments for:</u>		
Depreciation	110.8	133.9
Right of use depreciation	-	-
Amortization of intangible assets	11.9	1.6
Allowance for impairment of current assets	35.2	36.1
Provision	(8.7)	1.1
Capital gain/Loss	4.4	(1.8)
Credit / Debit Interest	35.9	54.5
Changes in current tax liability	(74.4)	(108.4)
Loss In Investments in subsidiaries	-	-
Share-based payments financial liabilities	12.3	41.4
Lease Write Off	(21.7)	-
Intangible Assets Write off	14.1	-
Operating profits before changes in assets and liabilities	552.9	946.8
<u>Changes in working capital:</u>		
Changes in Inventories	(128.1)	0.8
Change in trade receivables, debtors and other debit balances	(273.6)	(431.2)
Changes in Due from related parties	(2.1)	0.2
Change in trade and other payables	227.3	569.0
Employee Incentive Plan	-	-
Change in lease	(8.6)	(7.9)
Net cash flows generated from operating activities	367.3	1,077.7
Cash flow from investment activities:		
Proceeds from sale of fixed assets	1.5	2.1
Fixed assets purchased	(119.0)	(146.2)
PUC purchased	(370.8)	(1,227.4)
Advance payment for purchase of fixed assets	(37.9)	(702.7)
Fixed assets Suppliers	-	-
Payments under investment	-	-
Credit Interest Collected	18.1	25.7
Paid for Investment Associates	-	-
Net cash flows used in investing activities	(508.1)	(2,048.4)
Cash flow from financing activities:		
Treasury Shares	-	(34.8)
Dividends paid out	(64.9)	(113.2)
Cash Proceed from Overdraft	626.0	1,089.8
Cash Paid to Overdraft	(608.4)	(1,015.1)
Interest paid	(36.3)	(69.4)
Receipts from borrowings	214.6	1200.5
Repayment of Borrowings	-	(49.4)
Net cash flow from financing activities	131.1	1,008.5
Net change in cash & cash equivalents during the year	(9.8)	37.7
Cash and cash equivalents at the beginning of the year	347.4	362.5
Cash And Cash /equivalent In Acquired Subsidiaries at Beg. Of The Period	-	-
Cash & cash equivalents at the end of the year	338.1	400.2