

## Cleopatra Hospitals Group 3Q2020 Trading Update

*CHG is set to record solid revenue growth on both a quarterly and year-to-date basis in 3Q2020, with margins expected to return to the Group's long-term averages for both periods; Throughout the quarter, CHG pressed on with its growth plans signing multiple key agreements to expand its service offering and venture into new business verticals*

Cairo, Egypt | 29 September 2020

In line with management's expectations, Cleopatra Hospitals Group is set to report solid revenue growth on both a quarterly and year-to-date basis in the third quarter of 2020, supported by recovering patient volumes across the entirety of the Group's service offering. The recovery was supported both by a decline in COVID-19 cases and the gradual lifting of restrictive measures, and by a series of initiatives introduced by the Group aimed at driving up patient volumes. These included the transformation of El Katib and Queens Hospitals into COVID-19-treatment facilities, the launch of several strategic marketing campaigns, and the roll out of multiple new digital and at-home medical services allowing patients who were unwilling or unable to visit CHG's facilities in person to have access to the Group's services from the comfort of their own homes. Throughout the quarter, the Group took important steps forward in its growth plans, signing multiple new agreements to expand its service offering and penetrate into new, fast-growing segments of the healthcare industry. In parallel, the Group also progressed with its renovation and digitalisation plans.

### Key Financial Highlights:

- **Revenue** growth of around 15% y-o-y in 3Q2020 supported by recovering patient volumes, which after a solid month of June and a relatively flat July, recorded a robust recovery throughout August and September. The Group's revenue is set to expand by more than 50% versus the second quarter of the year. In the nine-month period ending 30 September 2020, the Group is looking to record revenue growth upwards of 7% y-o-y with August and September recording year-on-year growth rates in line with the Group's historical trendline growth.
- **Margins** at both the gross profit and EBITDA levels are expected to return to the Group's historical averages supported by revenue growth and management's wide-ranging cost control and reduction efforts.
- Growing **net profit** on both a quarterly and year-to-date basis.

### Key Operational Highlights:

- In early September, CHG announced the signing of a Business Transfer Agreement (BTA) to transfer the assets and operations of Bedaya for Medical Services, Egypt's leading Assisted Reproductive Technology (ART) and fertility centre led by Dr. Ismail Aboul Foutouh, to a joint venture held for 60% by Cleopatra Hospitals Group and for the remaining 40% by Dr. Aboul Foutouh. The transaction not only sees CHG add yet another service to its already wide-ranging roster, but also sets the foundations from which to continue building the Group's Mother and Child vertical.
- The Group also signed an agreement for the formation of a joint venture with Egypt's EFS Facilities Services (EFS) to create the Egyptian Healthcare Facilities Services (EHFS) company, the country's largest healthcare-dedicated facility management business. CHG will outsource its noncore hospitality functions including security, cleaning, laundry, kitchen, and maintenance to EHFS and will own 49% of the new entity, with the remaining 51% controlled by EFS. EHFS, which will be managed by EFS, will also offer its services to third parties with the ultimate goal of becoming the region's largest healthcare-dedicated facilities management services provider.
- In parallel, the Group completed the renovations of Nile Badrawi Hospital's tenth and eleventh floors which now feature 24 modern and fully equipped patient suites.
- On the digital front, the Group has now rolled out its new Clinisys HIS/ERP system at Cleopatra Hospital, Cairo Specialised Hospital, Queens Hospitals, and the Group's East and West Cairo polyclinics. In the third quarter, the Group began work to roll out the system at Al Shorouk and Nile Badrawi Hospitals, with the full transition expected to occur during 2021. The Group also continued to further develop its virtual platform which currently features multiple new offerings, and which has been gaining increasing traction on the back of the ongoing COVID-19 pandemic.

—End—

## 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 six leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital, Al Shorouk Hospital, Queens Hospital, and El Katib Hospital offering a full array of general and emergency healthcare services.

### Shareholder Information

EGX: CLHO.CA

Listed: June 2016

Shares Outstanding: 1,600 million

For further information, please  
contact:

**Cleopatra Hospitals Group S.A.E.**

**Hassan Fikry**

Corporate Strategy & Investor Relations Director

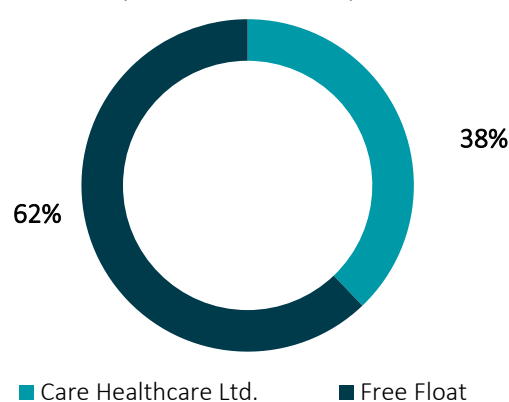
T: +2 (0)2 2241 7471

[hassan.fikry@cleohc.com](mailto:hassan.fikry@cleohc.com)

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

### Shareholder Structure

(as of 30 June 2020)



## 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.