

# SMC Healthcare

Q2 & H1-FY25  
Results Presentation  
August 06, 2025



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# Today's Presenters



**Mr. Bassam  
Chahine**  
Chief Executive Officer

30 Years of Experience  
25 Years at SMC



**Mr. Hani  
Charani**  
Chief Financial Officer

34 Years of Experience  
21 Years at SMC



**Mr. Sadiq Ali Al-Ali**  
Director of Investor  
Relations & Board Secretary

17 Years of Experience  
1 Year at SMC

# Agenda

1

Company Overview

2

Strategic / Operational updates

3

Financial Review (Q2 & H1 2025 results)

4

Expansion Plans

5

Outlook





# Company Overview

**smc**   
اس إم سي للرعاية الصحية SMC Healthcare

# SMC Healthcare is a leading integrated healthcare provider with comprehensive services covering the entire healthcare value chain

SMC Healthcare operates two hospitals with more than 300+ clinics, a range of ancillary services including home healthcare, diagnostics and patient support, all of which are supported by a comprehensive pharmacy network.

## Strong Roots in Riyadh Driving Unmatched Accessibility

2 core hospitals



**SMC 1**  
King Fahd Road,  
Riyadh




**SMC 2**  
King Abdullah Road,  
Riyadh

With more than 300+ clinics

**Doctors**  
**476**









**Nurses**  
**1,078**

**IP | OP Visits**  
**(FY24)**  
**181k | 1.3mn**





## Comprehensive Services Covering the Entire Healthcare Value Chain...

-  **Medicine**
-  **Surgery**
-  **Dentistry**
-  **Supportive Medical Services**
-  **Other Healthcare Services**





### ...with Centers of Excellence in

-  **General & Specialized Surgery**
-  **Laboratory Services**
-  **Urology Services**
-  **Oncology**
-  **IVF and Fertility Center**
-  **Cardiology**
-  **Nephrology**
-  **Ophthalmology**

## Team of Top-Tier Healthcare Professionals and a Seamless Patient Experience Enabled by Advanced Tech Capabilities

-  **AI Radiology Images**
-  **Automated Replies to Insurance Companies**
-  **AI Clinical Recommendations**
-  **AI Interpretation of Medical Results**

### ...including an in-house developed application

-  **Simple Booking**
-  **Online Check In**
-  **Online Payment**
-  **Additional Services**

# SMC at a Glance



**2**  
Hospitals



**578**  
Inpatient Beds  
(Q2 2025)



**307**  
Outpatient Clinics  
(Q2 2025)



**1,439.6 mn**  
Revenue<sup>1</sup> (FY24)



**333.1 mn**  
EBITDA (FY24)



**185.2 mn**  
Net Profit<sup>2</sup> (FY24)

## Accreditations



المركز السعودي لزراعة الأعضاء  
Saudi Center for Organ Transplantation



American  
Heart  
Association.



nphies



Saudi Heart  
Association



الهيئة السعودية للتخصصات الصحية  
Saudi Commission for Health Specialties



ضمان  
مجلس الضمان الصحي  
Council of Health Insurance



Association for the  
Advancement of  
Blood & Biotherapies



1: Calculated as gross revenue minus contractual obligations & NPHIES | 2: Attributable to Parent Company equity holders

# Key Investment Highlights



**Robust Macro Environment and Favorable Demographics** Supported by **KSA's Vision 2030**



**Strong Roots in Riyadh** Driving **Unmatched Accessibility** and **Cementing Market Position**



**Comprehensive Services** Covering the **Entire Healthcare Value Chain**



Team of **Top-Tier Healthcare Professionals** and a **Seamless Patient Experience** Enabled by **Advanced Tech Capabilities**



**Long-Serving and Distinguished Team** Supported by a **Reputed Board of Directors**



Consistently Improving Financial Performance; **Growing Revenues, Expanding Margins** and a **Healthy Balance Sheet**



**Clearly Defined & Actionable Growth Plans** Set to Solidify Market Presence





# SMC 1 is our inaugural hospital, centrally located in Riyadh, and serving as our hub since 1999



## SMC 1

### King Fahad Road

- **Established** 1999
- **Facilities** 6 Buildings (Including 3 towers); 72,172 sq.m
- **Capacity**
  - 390 Beds
  - 191 Clinics
  - 8 Operating rooms
  - 7 Delivery rooms

+26  
Years

### Key Highlights



Serves as  
the hub for SMC



Centrally located in  
Riyadh



Positioned at the  
crossroads of South,  
West, and Central  
Riyadh

### Key Services



Cardiology &  
Cardiac Surgery



Nephrology  
(incl. dialysis, transplants)



Ophthalmology  
(corneal transplants)



Oncology &  
Hematology



Orthopedics &  
Spinal Surgery



Embryology  
(egg freezing, infertility)

## Key Stats

Q2 2025



206K Clinic patients



23K Emergency cases



52K Radiology procedures



8K Inpatients (24k nights)



4K Surgeries



556 Deliveries



277K Lab tests

# SMC expanded capacity with the launch of our second hospital in 2020, delivering enhanced efficiency and patient experience



## SMC 2

### King Abdullah Road

Established

2020

Facilities

72,788 sq.m on 9,579 sq.m of land

Capacity

188 Beds

116 Clinics

7 Operating rooms

9 Delivery rooms

+5

Years

## Key Highlights

Outpatient-oriented<sup>1</sup> and a relatively newer facility, higher efficiency

The only facility in KSA launched during COVID-19, demonstrating ARTAR's capabilities to deliver on time and at no additional cost

Prime location at East of Central Riyadh

Enhanced patient experience with over four floors of parking spaces

## Key Services

Women's Health

Cosmetic Surgeries

Day Surgeries

24/7 Emergency Units

Intensive Care Units

Advanced Radiology

Molecular & Virology Labs

## Key Stats

Q2 2025

138K

Clinic patients

31K

Emergency cases

36K

Radiology procedures

6K

Inpatients (24k nights)

3K

Surgeries

705

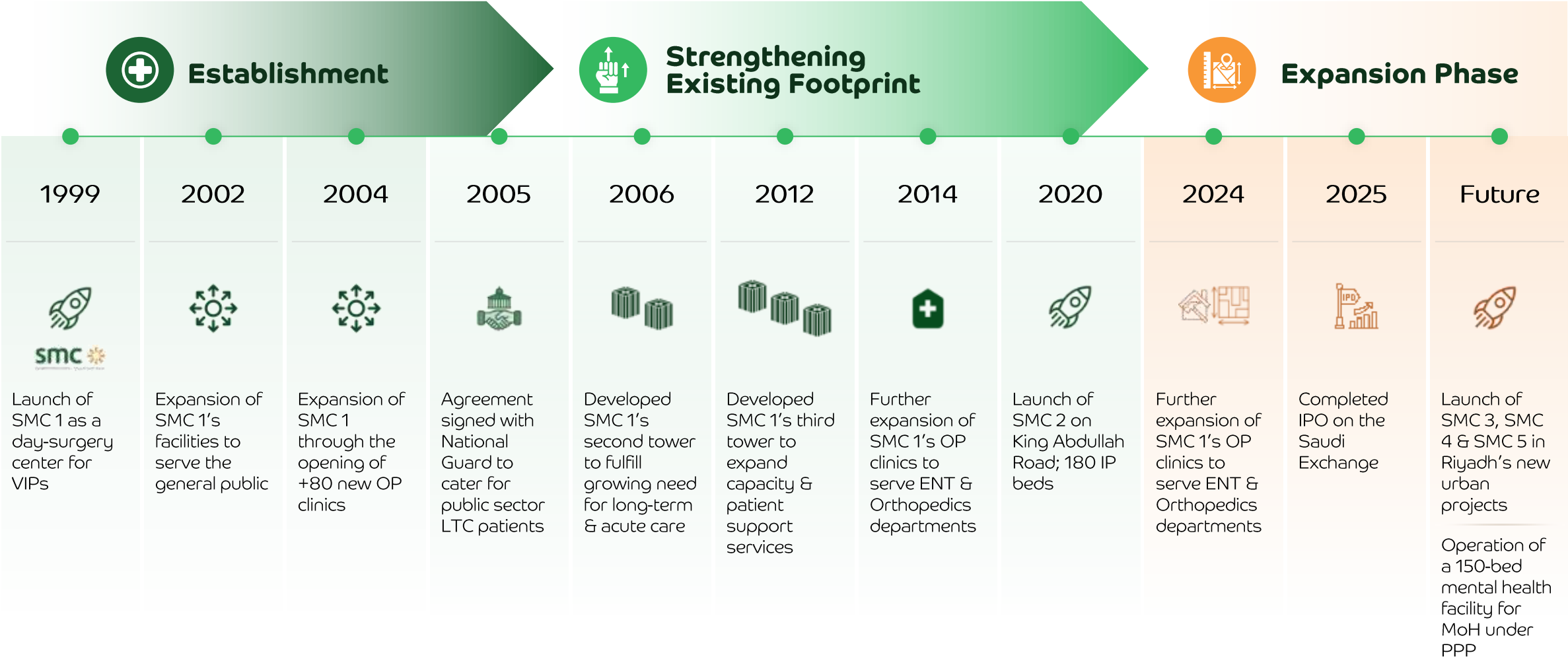
Deliveries

184K

Lab tests

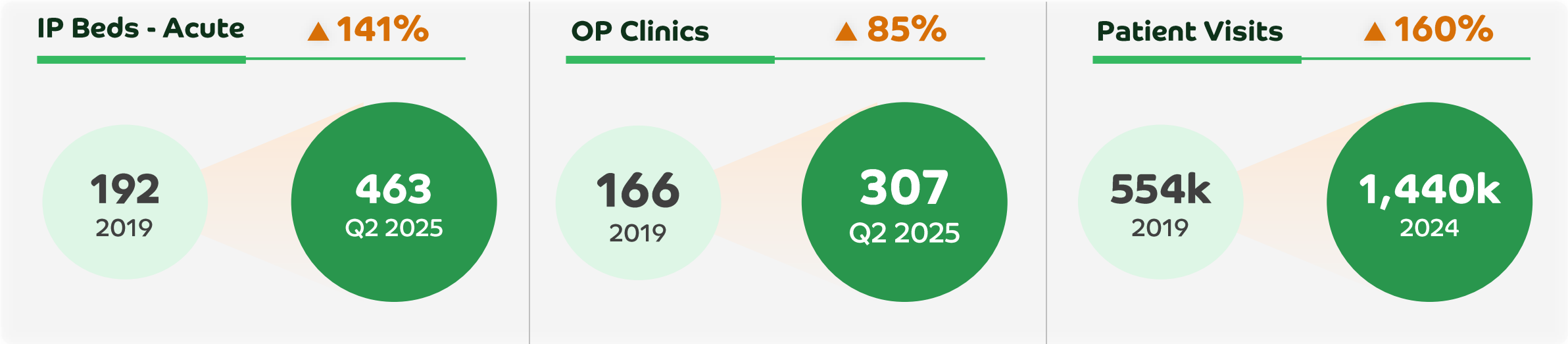
1: Outpatient services exclude the pharmacy business segment

# Through two decades of growth, SMC has emerged as a regional healthcare powerhouse

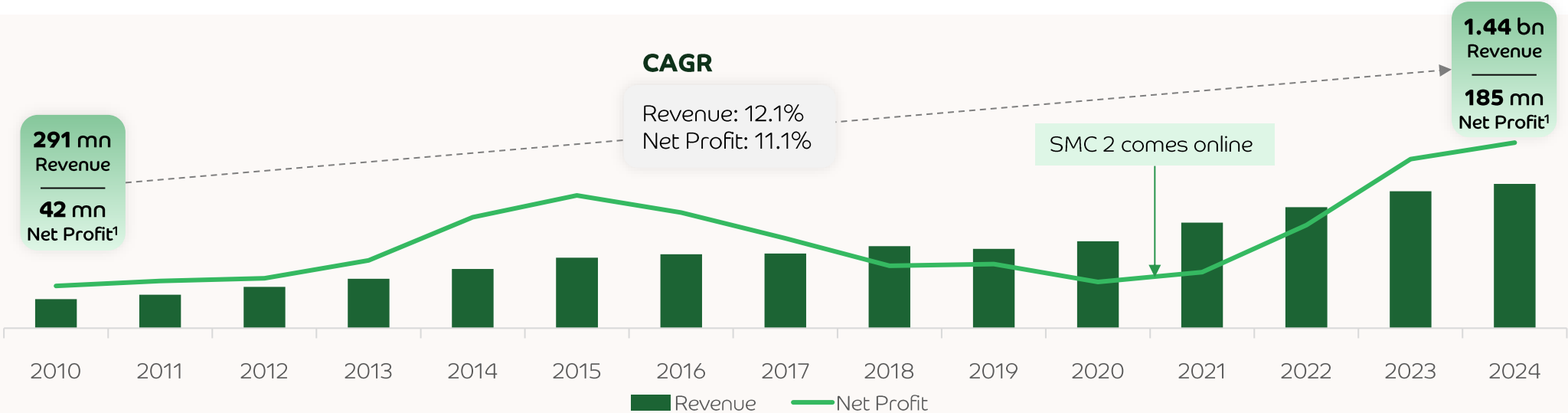




# SMC has a proven track record of delivering exceptional healthcare with consistent growth and profitability



## Stable Revenue and Profitability Growth



<sup>1</sup>: Attributable to Parent Company equity holders

# Business Highlights



# Key highlights – Q2 2025



## Grew inpatient revenues 5% in Q2 2025 YoY

despite phasing out ~150 LTC beds by September 2024. Revenue growth driven by higher margin acute specialties



The rollout of new clinics drove record outpatient<sup>1</sup> visits in May, **leading to 344 thousand (+20%) outpatient<sup>1</sup> clinic visits in Q2 2025**, boosting outpatient<sup>1</sup> revenues by 26% YoY



## Continued strengthening relationships

with key insurance partners to simplify patient access through approval-less insurance



**Successfully listed on the Saudi Exchange on June 25**, marking an important milestone in SMC's growth journey

1: Outpatient services exclude the pharmacy business segment



# Medical services overview

## Inpatient services



Medical services that require patient hospitalization and usually related to surgeries, intensive care and other ancillary services

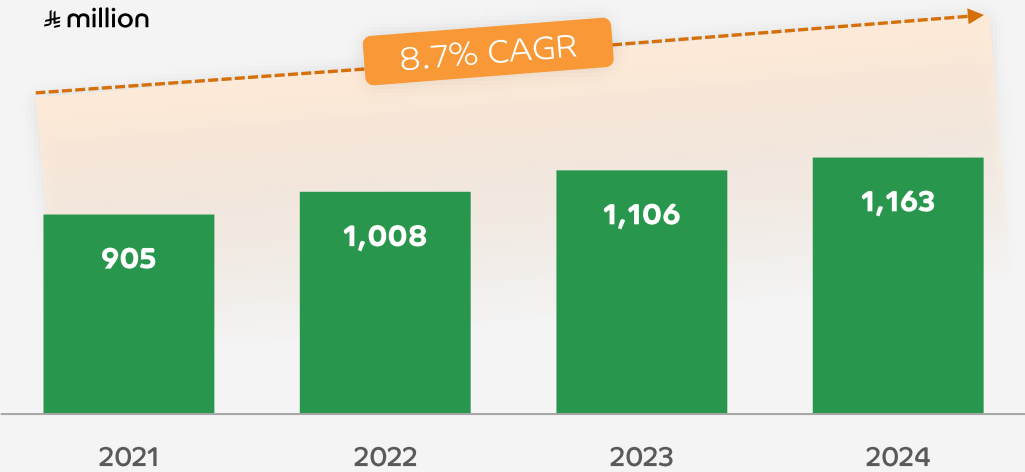
## Outpatient services<sup>1</sup>



Medical treatments, consultations, and procedures that do not require hospitalization, such as routine check-ups, diagnostic tests and minor surgeries

## Medical Services: Revenue (2021-2024)

¥ million



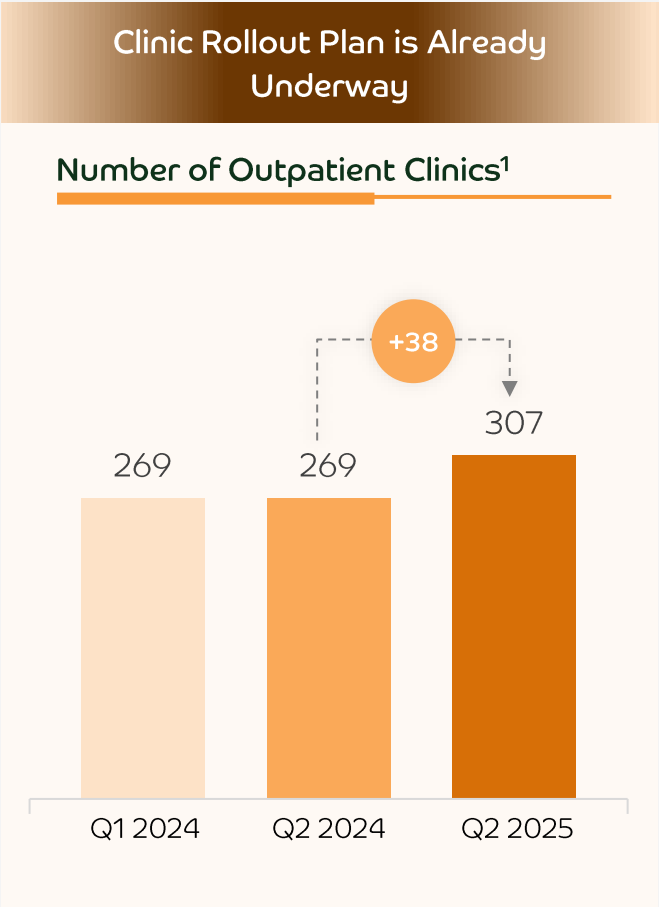
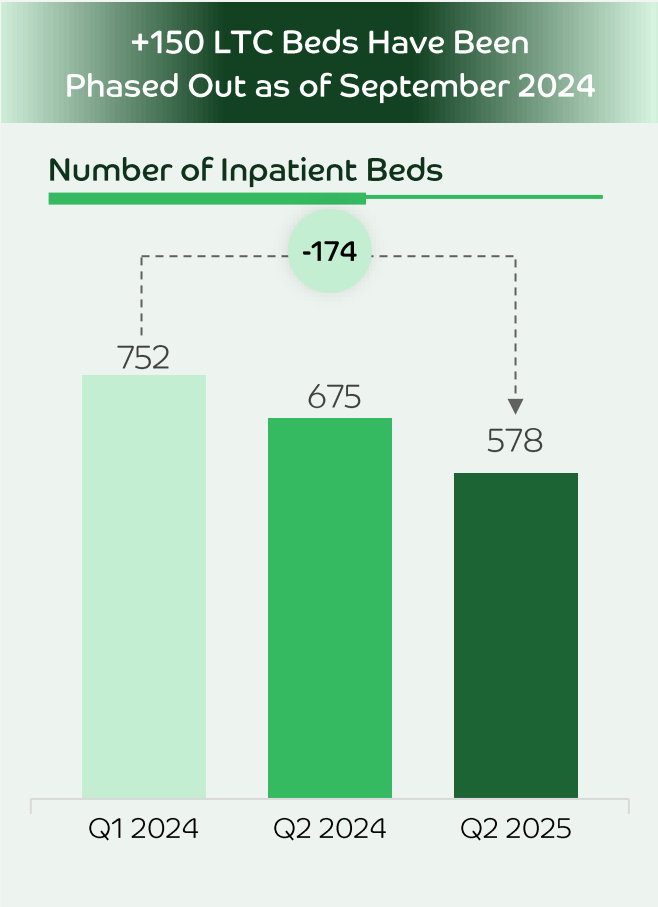
## Strategic shift in revenue mix

SMC is prioritizing outpatient<sup>1</sup> and higher-margin acute services by repurposing space previously dedicated to long-term care beds into more than 60 high-demand outpatient clinics. To support this shift, SMC is running a targeted physician recruitment program and deploying advanced digital triage, appointment-scheduling, and capacity-management tools that streamline patient flow and maximize room utilization. Collectively, these initiatives are expected to lift volumes, enhance case-mix quality, and drive margin accretion in the ensuing months.




<sup>1</sup>: Outpatient services exclude the pharmacy business segment

# Strategic transition into high performing acute services progressing as planned

**+150 LTC Beds Have Been Phased Out;  
More than Half of the New Clinic Capacity is Already Online**



**+60 Clinic Rollout Well Underway with Strong Execution Across Both Facilities**

- A** 20 Clinics at SMC 2 became operational as of February 2025 
- B** 21 Clinics at SMC 1 were operational as of June 2025 
- C** Remaining +19 clinics are set to be phased in and fully operational by the end of 2025 

1: As of year-end 2024 there were 266 operational clinics where 3 clinics were under renovation

# New clinics rolled out supporting growth strategy

## Renovated inpatient floors and new outpatient clinics (SMC1)



- ✓ **41 clinics** became operational at SMC 1 and SMC 2
  - **Opening of 38 new clinics** at SMC 1 and SMC 2
  - **Renovation of 3 clinics** at SMC 1
- ✓ **State-of-the-art layout and design** to ensure first-class experience
- ✓ **Best-in-class healthcare technology** to cater to a growing demand base



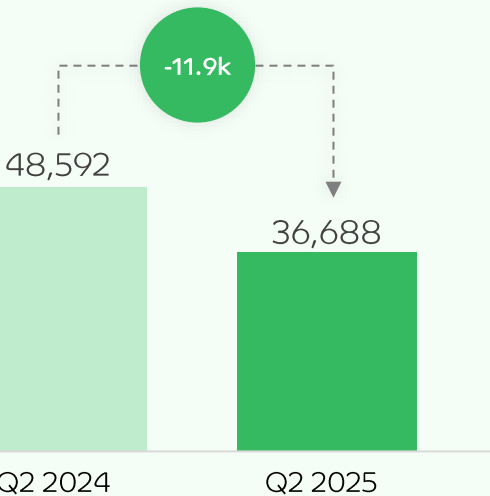
# Outpatient<sup>1</sup> and non-LTC growth offsetting reduced LTC capacity, in line with strategic shift

## Shift to Focusing on High-Performing Acute Specialties and Outpatient<sup>1</sup> Volume Expansion Well Underway

### Inpatient Visits Declining Due to Strategic LTC Bed Phase Out

#### Number of Inpatient Visits

15.4k LTC patient reduction and 3.5k patients gained in other higher margin inpatient services



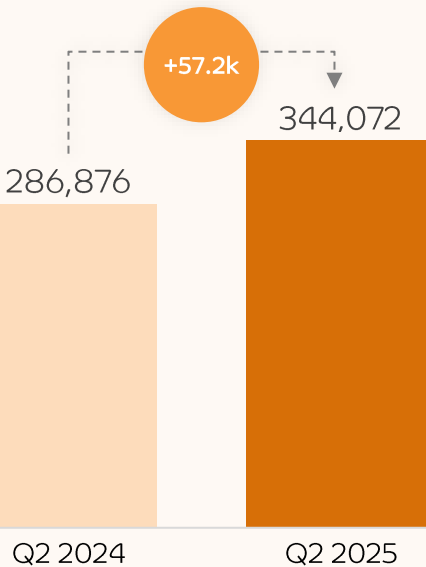
Q2 2024

Q2 2025

### Outpatient Visits Growing as SMC 2 Ramps Up and New Clinics Become Operational

#### Number of Outpatient clinic Visits

19.9% YoY increase in outpatient clinic visits over the period



Q2 2024

Q2 2025

Revenue  
(SAR)

179.0 mn

+5%

188.0 mn

133.4 mn

+26%

168.1 mn

### Progress Update

- 1 May marked a record month with **outpatient<sup>1</sup> visits exceeding 150k**, driven by ramp-up at new SMC 2 clinics
- 2 **Successfully transitioning into higher margin services** as new clinics ramp up to capacity

- ✓ **Inpatient revenue rose 5%**, driven by a 20% increase in other inpatient services
- ✓ **Outpatient<sup>1</sup> revenue** excluding ER **surged 26% YoY**, while ER revenue grew 5%

1: Outpatient services exclude the pharmacy business segment

# Q2 2025 financial summary

## Q2 2025 Highlights



Achieved SAR 380 million in **revenue** driven by growth in both inpatient and outpatient revenue



**EBITDA** declined 15.2% YoY to SAR 74.3 million due to higher costs:

- increased employee salaries and benefits from retaining the majority of LTC clinical staff and hiring experienced physicians (as part of strategic transition from LTC bed to clinics)
- one-off IPO-related and re-branding expenses (SAR 9.8 million in H1 2025)



**Net profit** fell 28.6% YoY to SAR 36.4 million, mainly due to the above-mentioned elevated expenses and one-off costs



H1 2025 net **operating cash flow** was SAR 74.9 million, leading to a SAR 26.7 million free cash flow amid clinic expansion, ongoing renovation, and the new hospital projects



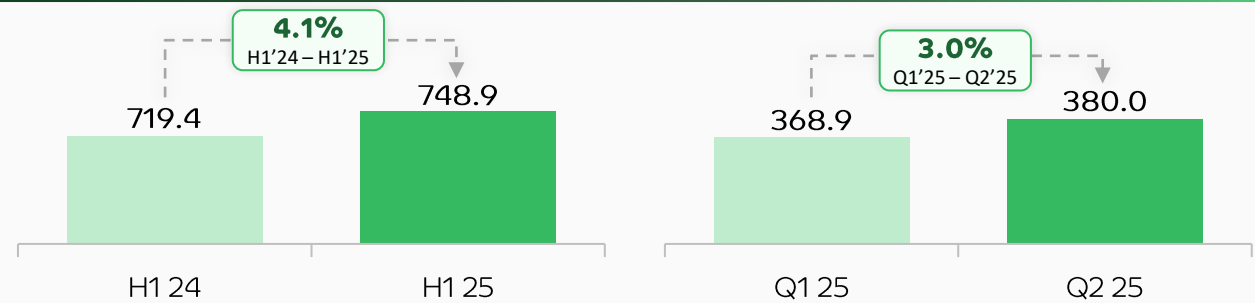
**Net Debt/EBITDA** improved to 2.3x, supported by debt reduction and higher cash reserves

SAR million (unless stated otherwise)	Q2 2025	Q2 2024	Variance (YoY)	H1 2025	H1 2024	Variance (YoY)
Net Revenue	380.0	356.3	+6.6%	748.9	719.4	+4.1%
EBITDA	74.3	87.6	-15.2%	139.9	172.4	-18.8%
EBITDA margin	19.5%	24.6%	-5.0pp	18.7%	24.0%	-5.3pp
Net Profit <sup>1</sup>	36.4	50.9	-28.6%	66.0	100.1	-34.1%
Net profit margin	9.6%	14.3%	-4.7pp	8.8%	13.9%	-5.1pp
EPS (SAR)	0.15	0.20	-28.6%	0.26	0.40	-34.1%
Net Operating Cash Flow	-43.5	29.2	n.m.	74.9	79.8	-6.2%
Capital Expenditures	27.9	26.7	+4.2%	48.1	52.1	-7.6%
Free Cash Flow	-71.4	2.4	n.m.	26.7	27.8	-3.8%
Net Debt	688.5	886.0	-22.3%	688.5	886.0	-22.3%
Net Debt / EBITDA <sup>2</sup>	2.3x	3.0x	-0.7x	2.3x	3.0x	-0.7x

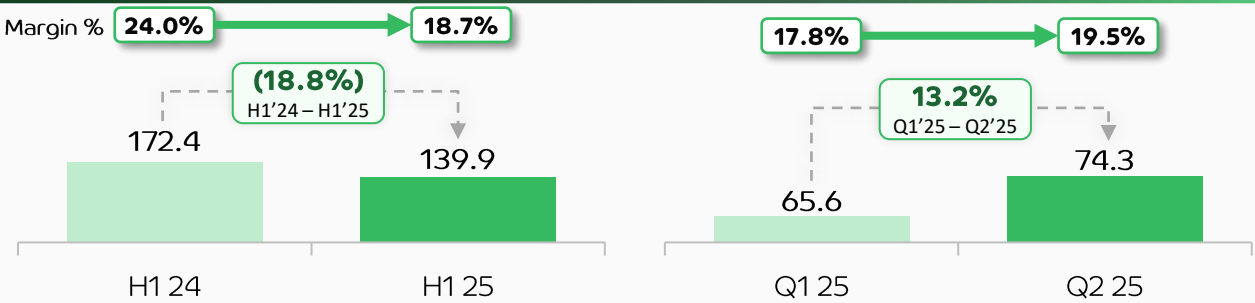
<sup>1</sup>: Attributable to equity holders of SMC | <sup>2</sup>: Annualized using TTM | Numbers presented may not add up precisely to the totals provided due to rounding

# Strong Q2 recovery validates strategic shift and positions SMC to meet 2025 targets

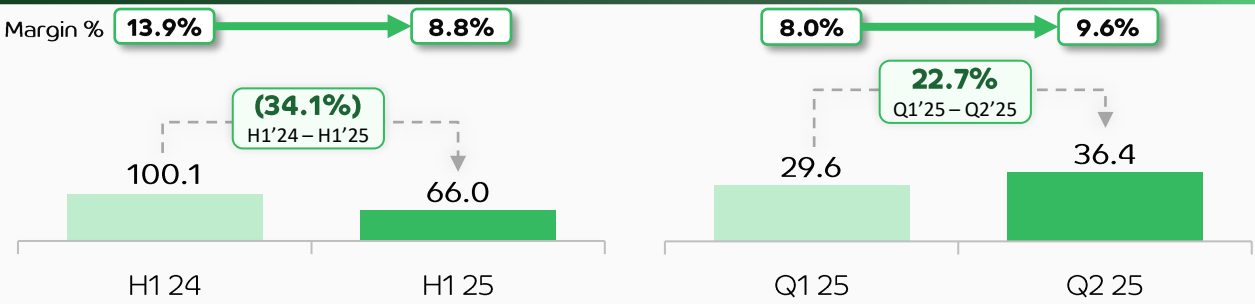
Net Revenue (SAR mn)



EBITDA (SAR mn) and Margin



Net Profit (SAR mn) and Margin



H1 2025 Operational Highlights

Revenue Uplift Reflecting Operational Ramp-Up



Revenue grew 4.1% YoY in H1 2025 (3.0% QoQ in Q2), while fully offsetting the impact of phasing out 150 LTC beds, and reflects continued operational ramp-up in outpatient services and SMC 2

Margins Trending Upward, On Track for H2 Targets



EBITDA was impacted between Q4 2024 and Q1 2025 due to retention of LTC staff and fixed pre-operating expenses, corporate rebranding exercise and IPO-related costs

H1 margins reflect transitional costs from operational restructuring and one-off items; margins expected to normalize in H2, unlocking stronger profitability and supporting full-year guidance



# Balance Sheet strength enabling growth



**2.3x**

Net Debt / EBITDA

▼ 0.7x YoY



**71.0%**

Debt / Equity

▼ 13.9pp YoY



**128**

Receivables Days

vs 136 days in H1 2024



**68**

Payables Days

vs 37 days in H1 2024

## Q2 2025 Highlights



Leverage **decreased to 2.3x from 3.0x** as of Q2 2024



Reduction of 5% in outstanding debt coupled with a **187% surge in cash and cash equivalents**

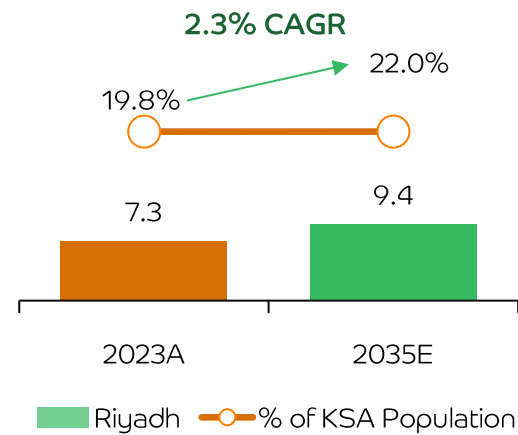


Capital expenditure totaled **SAR 27.9 million** due to the fit-out of new outpatient clinics and ongoing renovation

# Expansion Plans

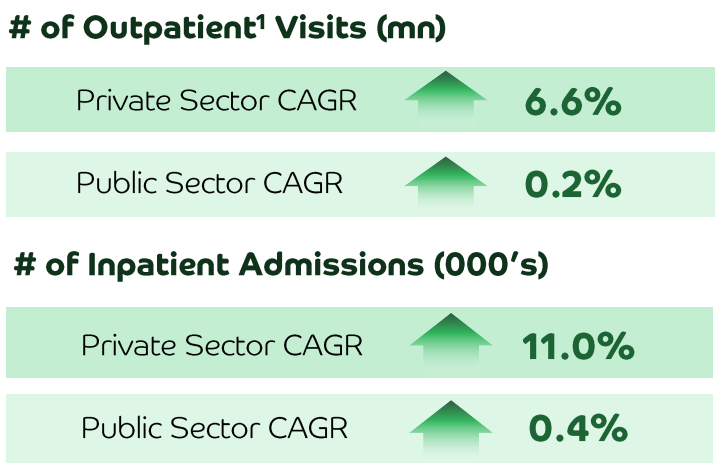
# Riyadh is the backbone of KSA's healthcare infrastructure

## Largest Share of the Population in KSA



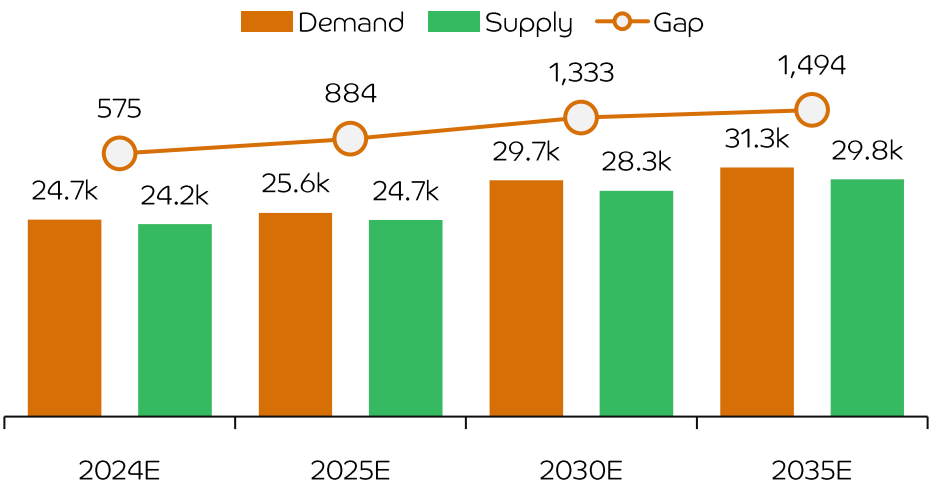
Source: JLL Market Study; Public Sources.

## Private Sector Outpatient<sup>1</sup> and Inpatient Activity Outpacing Public Sector Growth



Source: Management Information; JLL Market Study; Public Sources.

## Despite Ongoing Expansion, Riyadh's Hospital Bed Shortage Is Projected to Widen as Demand Outpaces Supply<sup>(1)</sup>



Source: Company Information; JLL Market Study; Public Sources | Notes: (1) The demand and supply figures presented refer to the Riyadh Province as a whole, not just the city of Riyadh alone.

## Riyadh's urban core is shifting northward



North Riyadh Master Plan

- Riyadh's urban core is steadily shifting northward, driven by major developments reshaping the city's landscape
- These transformative projects are redefining the city center and positioning the northern districts as key hubs for economic and cultural growth



**+1.25mn**  
Expected Residents



**USD 2.1bn**  
Investment in Major Road



**7.2mn**  
Sq.m of Entertainment Space



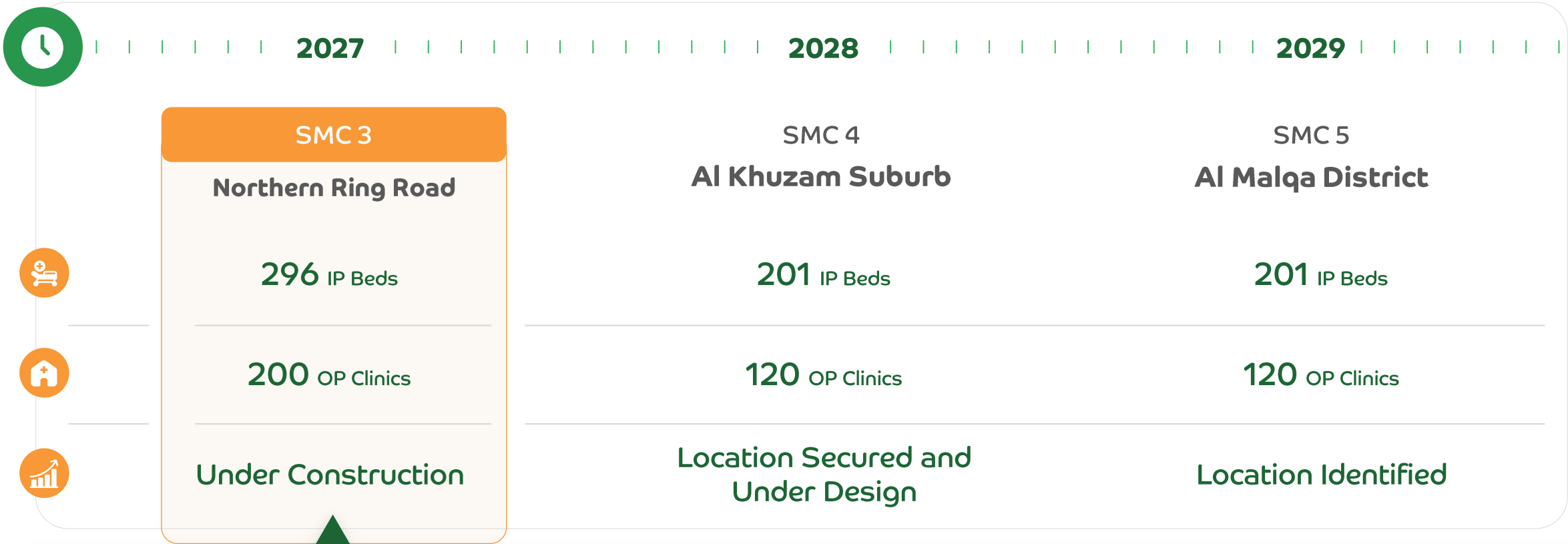
**+15**  
Government and Service Entities Coming Online

1: Only refers to outpatient clinic patient visits

# Core growth strategy centered around the expanding northern Riyadh region with three new hospitals

## Long Term Strategy

New Healthcare Facilities (~ SAR 3 bn in CAPEX) to be Financed through a Combination of Debt and Internal Cash Flows









The Royal Commission for Riyadh City (RCRC) is in the final stages of granting an exceptional permit for SMC 3

The Company’s upcoming three hospitals in northern Riyadh, SMC 3, SMC 4 and SMC 5, are expected to be operational by 2029, with inpatient and outpatient<sup>1</sup> capacity expected to nearly triple, positioning SMC at the heart of Riyadh’s growing northern district

1: Outpatient services exclude the pharmacy business segment



# Scaling a resilient healthcare platform by digitizing the core, lifting margins, adding capacity and monetizing adjacencies

 STRATEGIC PILLAR	Operational excellence & digital reach	Outpatient <sup>1</sup> growth & margin optimization via service-mix	Expand Riyadh hospital cluster	Diversified growth adjacencies
 OBJECTIVE	<ul style="list-style-type: none"> <li>Embed best-in-class Revenue-Cycle Management (RCM) spanning the full claim life-cycle</li> <li>Embed DRG-based pricing, mapped to ACHI codes</li> <li>SMC platform app &amp; AI triage roll-out optimization</li> <li>Broader insurance-network accreditation to capture additional tiers and network payers</li> </ul>	<ul style="list-style-type: none"> <li>Convert under-utilized LTC floors in SMC 1 and SMC 2 into +60 new clinics</li> <li>Shift inpatient mix towards high-margin acute specialties</li> <li>Maximize clinic productivity through optimized working hours &amp; technology integration</li> </ul>	<ul style="list-style-type: none"> <li>Build three new hospitals in Northern Riyadh (SMC 3, 4, 5)</li> <li>Capture +25% share of beds in fast-growing districts near giga projects</li> </ul>	<ul style="list-style-type: none"> <li>Add capex-light, high-return opportunities that deepen payer mix and generate stable fee income</li> <li>Develop value-add offerings complimenting the core</li> </ul>
 ACTION	<ul style="list-style-type: none"> <li><b>381 thousand patient visits in Q2 2025</b></li> <li><b>AI-powered radiology image marking, clinical recommendations, interpretation of lab results, and automated replies to insurance companies</b></li> </ul>	<ul style="list-style-type: none"> <li><b>+60 clinics operational by FY25. OP visit per clinic ramping up</b></li> <li><b>Total number of clinics operational by June 2025 reaching 307</b></li> <li><b>Acute specialties' share of IP revenue rising</b></li> </ul>	<ul style="list-style-type: none"> <li><b>SMC 3 under construction (296 beds / 200 clinics)</b></li> <li><b>SMC 4 site secured (201 beds / 120 clinics)</b></li> <li><b>SMC 5 site identified with similar scale</b></li> </ul>	<ul style="list-style-type: none"> <li>Operate <b>150-bed mental health Facility</b> for MoH under PPP <b>Operations start 2026</b></li> <li>Develop <b>Wadi Fund 5-star hotel &amp; Serviced</b> apartments beside SMC 3 <b>Opening 2027</b></li> </ul>
 ENABLERS	<div>  <b>Disciplined funding</b> <ul style="list-style-type: none"> <li>SAR 3.6bn facilities, ~80% undrawn</li> <li>Net Debt / EBITDA &lt;3x</li> </ul> </div>		<div>  <b>Proven delivery Partner</b> <ul style="list-style-type: none"> <li>Artar built SMC 2 ahead of schedule</li> <li>Breakeven in 30 months</li> </ul> </div>	

1: Outpatient services exclude the pharmacy business segment

# Outlook



# FY 2025 Guidance | Execution on track to deliver full-year targets

## FY 2025 Guidance

### Operations

578



Beds

326



Clinics

### Financials

SAR 1.6bn - 1.8bn



Net Revenue

c. 23% - 26%



EBITDA Margin

c. 17.5% - 19%



Net Income Margin<sup>(1)</sup>

c. 2.3x - 2.5x



Net Debt / EBITDA



SMC reiterates the financial and operational guidance set at IPO, supported by solid H1 results and robust progress across its strategic initiatives

1: Includes 57mn Sale of Land related to Wadi Fund Project



The image shows two modern, multi-story buildings with large glass facades, identified by signs as SMC Hospital. The buildings are situated in an urban environment, with a dense cityscape visible in the background. The sky is clear and blue. The text "Thank You" is overlaid in a large, white, sans-serif font, with a horizontal line underneath it.

# Thank You



Q&A

smc   
اسم سي للرعاية الصحية SMC Healthcare