

Strategy

As a trailblazer and innovator in the Kingdom of Saudi Arabia’s healthcare sector, HMG actively seeks and invests in opportunities that align with the goals of Saudi Vision 2030. With our expanding operations and scale as the Kingdom’s largest private healthcare provider, we strategically support and contribute to the nation’s ambitions and achievements across various key sectors.

HMG Alignment with Vision 2030



Improve living standards and safety



Ensure sustainability of vital resources



Empower society



Enable private sector development



Transform healthcare



Enhance labor market accessibility and attractiveness



Develop the tourism and national heritage sectors

How we Contribute

We continuously raise the standards of care and deliver best-in-class healthcare services to greater numbers of people across the Kingdom to elevate the health and well-being of citizens, residents and visitors, while ensuring that our workforce is safe, secure and enjoying a high standard of living.

We are working to become a benchmark for environmental, social and corporate governance (ESG) in the region, applying our reach, relationships and resources to advance sustainability across our business, our industry and our markets, while ensuring we act with due care and consideration to reduce our environmental footprint through the responsible use and reduction of medical waste, energy and other resources.

We are supporting communities, organizations and individuals across our geographic footprint to empower social progress and inspire positive change, both at a grassroots level and through partnerships with government and other leading organizations across Saudi Arabia and beyond.

We are working in close collaboration to advise and support both public and private sector entities in the Kingdom, while actively pursuing participation in Public Private Partnerships (PPP), including the development of the mega projects.

We are recognized as Saudi Arabia’s pioneer in digital health innovations, building and bringing expertise, capabilities and technologies from across the Kingdom and the world to accelerate towards a new vision for Saudi healthcare. With our investment in medical centers, we work to achieve the Vision 2030 goal of having a “primary care physician for each citizen”.

We are a proudly Saudi-owned and operated Group and a pioneer in Saudization in our sector, which has always recognized our responsibility in attracting, developing, engaging the best and brightest in our sector – both Saudis and expats – through employment, training in our HMG Academy, university partnerships and medical research. In 2024, we achieved a Saudization rate of 36% across our Group.

We are a key organization in delivering the Kingdom’s healthcare vision, which is vital to enhancing the reputation and attractiveness of Saudi Arabia as a leading regional hub for healthcare tourism; while also providing peace of mind to tourists that world-class care is always available through our exclusive sponsorship of Riyadh Season and our provision of comprehensive healthcare services across the Kingdom.

Strategy (Continued)

Our Growth Strategy

Our forward-thinking corporate strategy creates sustainable value for our shareholders and stakeholders by focusing on well-defined strategic pillars, priorities and objectives, all aimed at achieving measurable outcomes that are closely aligned with our vision, mission and values.



Strategic Pillars and Drivers

Our Values

 Care for patients and communities	 Attract and invest in the best people	 Accountability
 Safety and security	 Excellence and quality	 Innovate, simplify and always improve
 Integrity and trust	 One team	 Think big and act fast

Our Priorities

 Attract, develop and empower our people	 Provide best-in-class services	 Expand to new locations	 Meet demand in growing sectors and diversify income sources
 Care about patients, communities and the environment	 Offer the utmost digital user experience	 Increase operational efficiency	 Maintain position as leading brand in the market

Our Pillars

Strengthening the Core

- Drivers**
- Rigorous quality and safety standards
 - Top-notch empowered employees
 - Cutting-edge technology
 - Operational efficiency
 - Sustainability

- Outcomes**
- Patient and customer-centric value service delivery
 - Best outcomes and experience

Expanding the Reach

- Drivers**
- In and out of hospital care; physical and virtual services
 - Local, regional and global growth
 - Care for communities

- Outcomes**
- Organic growth while considering inorganic opportunities

Broadening the Service

- Drivers**
- Entrepreneurship in new services areas
 - Innovation in data and digital solutions
 - National and international partnerships





- Outcomes**
- Creation of new business lines
 - Revenue diversification
 - Security in delivery value chain





Strategy (Continued)

Our Strategic Objectives

Our strategic priorities guide the allocation of our financial and human resources to maximize impact. Our mission to develop and operate best-in-class medical facilities across the Kingdom and beyond, delivering exceptional care and patient experiences, depends on achieving these priorities. We diligently measure, monitor and manage success factors and risks, fostering a culture of accountability and strong governance that drives sustainable growth and value for our business, people, patients and the Kingdom.



Strategic Priorities	Strategy	Measures	Associated Risks
 Attract, develop and empower our people	<ul style="list-style-type: none"> Support the needs of all employees, invest in human capital, foster learning through national and international training programs, and provide a safe and engaging working environment to be recognized as an employer of choice and a provider of rewarding career pathways for our people. 	<ul style="list-style-type: none"> 17,800+ certificates of completion issued to employees via the Virtual Academy 80,000+ learning components in Virtual Academy platform Partnerships with national and international universities 	Risks 1 and 8
 Care about patients, communities and the environment	<ul style="list-style-type: none"> Genuinely care about the well-being of our patients by continuously professionalizing patient experience. Deliver care "closer to home" and give back to our communities. Create sustainable growth through a developed ESG agenda. 	<ul style="list-style-type: none"> Field medicine and RRT Continuous enhancement of HMG app and e-Pharmacy Corporate social responsibility (CSR) initiatives 	Risks 4 and 5
 Provide comprehensive, best-in-class services	<ul style="list-style-type: none"> Provide customer and patient-centric, integrated physical and virtual services and solutions. Maintaining the highest quality and safety standards, delivering the best possible results and experiences. Continuous innovation and expansion of services and solutions, always increasing and setting the standards of care in Saudi Arabia, the Middle East and the world. 	<ul style="list-style-type: none"> 7.4m+ patients served 60+ sub-specialties First private healthcare provider to integrate AI radiology in the Kingdom First Tele-EEG center in the Middle East 	Risks 2, 5, 7 and 10
 Offer the utmost digital user experience	<ul style="list-style-type: none"> Reinforce market leadership and reputation as a trailblazer in the Kingdom for digital patient experience, building capabilities and technologies to provide better and faster care at every step of the patient journey, within and outside the walls of our facilities, through continuous innovation and improvement. 	<ul style="list-style-type: none"> Implemented VIDA health information system in 65+ healthcare facilities 683.5m+ interactions on HMG app HIMMS Stage 7 accreditation 	Risks 3 and 7

Strategic Priorities	Strategy	Measures	Associated Risks
 Expand to new locations	<ul style="list-style-type: none"> Increase our global and regional footprint through organic growth while considering inorganic opportunities. Utilize land bank to establish and operate medical facilities across the GCC. The Group aims to build on the increasing scale of its operations to achieve economies of scale. 	<ul style="list-style-type: none"> 5 upcoming healthcare facilities 	Risks 2, 3 and 9
 Increase operational efficiency	<ul style="list-style-type: none"> Increase effectiveness of health practitioners and continue to implement a value engineering approach with technology-led operational efficiencies. This will improve performance and benefit a large number of patients across the Group's facilities. 	<ul style="list-style-type: none"> EBITDA margin of 26.57% Cash conversion cycle of negative 12 days 	Risks 1, 6 and 8
 Meet demand in growing sectors and diversify income sources	<ul style="list-style-type: none"> Broaden our current medical services while exploring new business avenues through HMG Solutions and strategic partnerships with national and international companies to offer a wide range of healthcare digital solutions, across the full value chain. 	Revenue by segment: <ul style="list-style-type: none"> 76.4% hospitals 21.0% pharmacies 2.6% HMG Solutions Innovative services: <ul style="list-style-type: none"> Cloud Solutions Company Flow Medical Company Taswyat company 	Risks 1 and 7
 Maintain position as leading brand in the market	<ul style="list-style-type: none"> Stand out as the largest provider of medical services in the Middle East. Continuing to be a leading brand by expanding in-house capabilities, investing in the latest cutting-edge medical technologies, engaging highly competent healthcare practitioners and focusing on the full continuum of care to reinforce the Group's market position. 	<ul style="list-style-type: none"> 3,300+ beds 25+ medical facilities Receive recognitions from national and international organizations. 	Risks 4, 5, 7 and 10

Strategy (Continued)

Key Performance Indicators

To ensure steady progress toward our Vision and Strategic Priorities, we rigorously track our performance using key performance indicators. In 2024, our significant achievements and growth are clearly demonstrated by these metrics, showcasing our strong performance throughout the year.

Strategic Priorities

-  **Attract, develop and empower our people**
-  **Care about patients, communities and the environment**
-  **Provide best-in-class services**
-  **Offer the utmost digital user experience**
-  **Expand to new locations**
-  **Increase operational efficiency**
-  **Meet demand in growing sectors and diversify income sources**
-  **Maintain position as leading brand in the market**

Financial KPIs

EBITDA Margin

EBITDA margin represents the Group's reported EBITDA as a percentage of its total revenue.



2024 performance

The Group maintained its EBITDA margin, reflecting the Group's ability to achieve high-cost efficiency, while continuing to expand its market share.



Debt/Equity (D/E)

The D/E ratio indicates the relative proportion of debt and shareholders' equity used to finance the Group's assets.



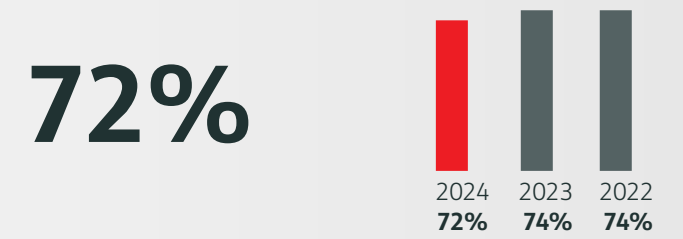
2024 performance

The Group's leverage ratio is healthy and comparable to the industry's average and reflects a balanced financing structure. It increased due to the growth and expansion of the business, financed partly through loans.



Dividend Payout

The dividend payout ratio represents the percentage of net income distributed to shareholders as dividends.



2024 performance

The Group has a history of maintaining a healthy dividend payout ratio for its shareholders correlated with the growth in the bottom line.



Cash Conversion Cycle (CCC)

CCC represents the number of days the Group takes to convert its resource inputs into cash.



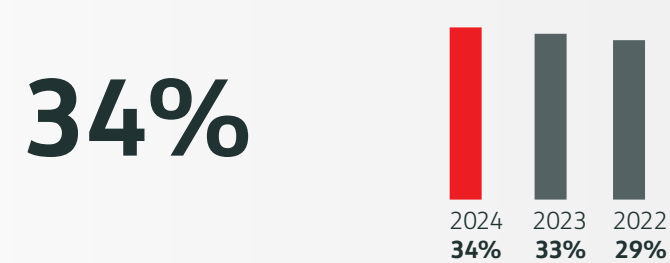
2024 performance

The Group significantly improved the cash conversion cycle for the year 2024, reaching negative (12) days, reflecting efficient receivables and payables management offsetting inventory days.



Return on Equity (ROE)

ROE is calculated by dividing the fiscal year's net income by shareholders' equity and expressing the result as a percentage.



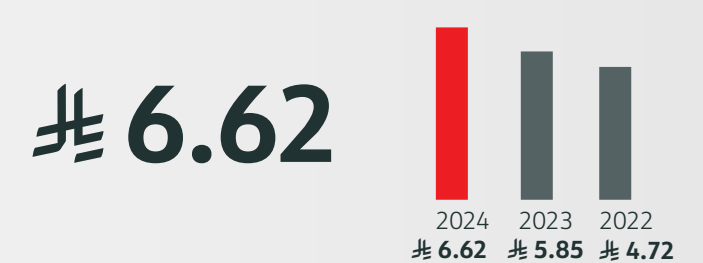
2024 performance

ROE improved due to an expanded patient base, driven by strong demand for the Group's innovative and high-quality healthcare services. This growth, coupled with a balanced financing structure, contributed to higher profitability and enhanced returns.



Earnings per Share (EPS) in ₪

EPS is calculated by dividing the net income by the weighted average number of ordinary shares outstanding during the year.



2024 performance

The 13.16% increase in EPS was primarily driven by operating profit growth during the year.

