

# Bupa Arabia

## Earnings Presentation Q3 2024

November 2024



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# Agenda



**01 Bupa Arabia at a Glance**

**02 Financial Performance**

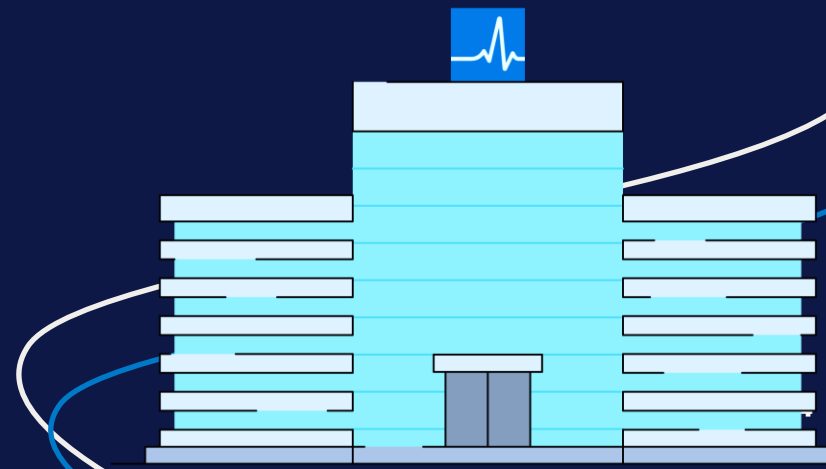
**03 Market Trends**

**04 CareConnect**

**05 Other Highlights**

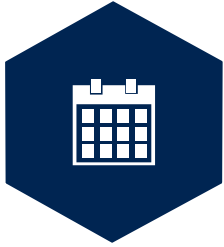
01

# Bupa Arabia at a Glance



# Bupa Arabia at a Glance

Robust profitability growth & significant value creation for shareholders

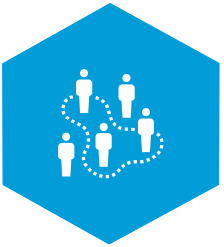


**25+**

Years of experience

**2000+**

Employees

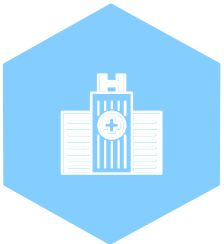


**3.5M+**

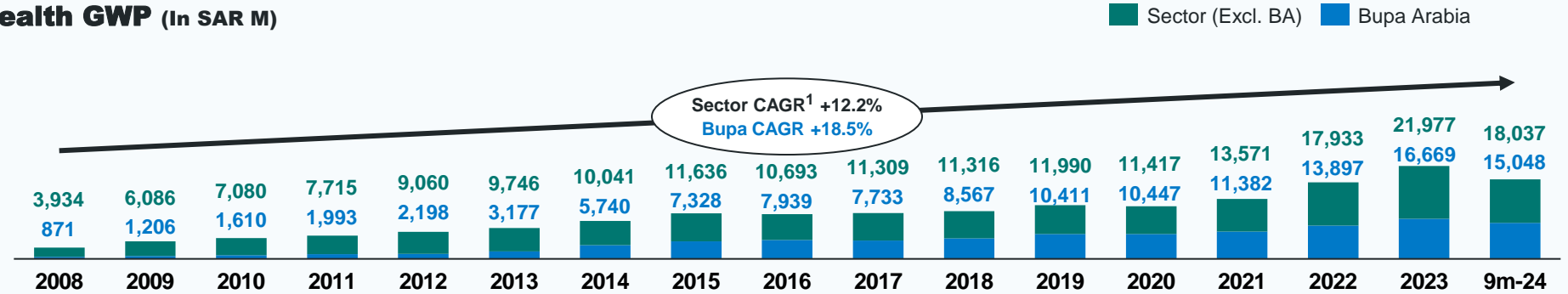
Members

**1450+**

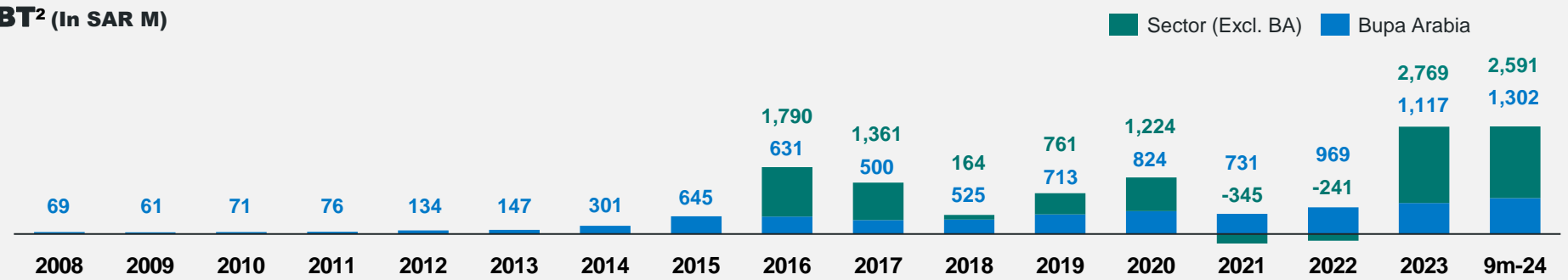
Providers in network



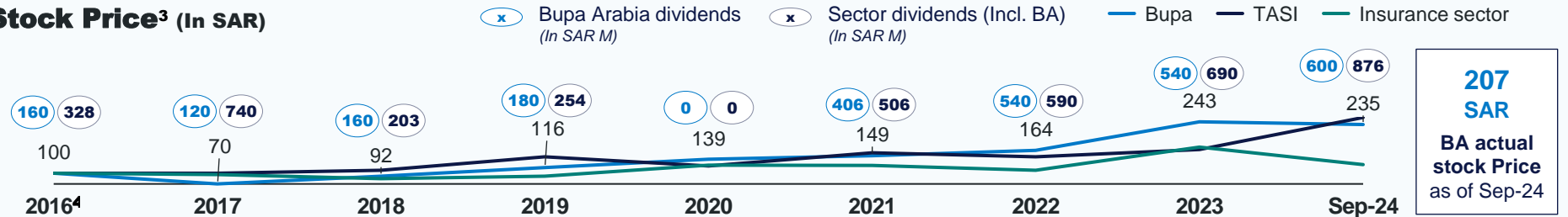
## Health GWP (In SAR M)



## EBT<sup>2</sup> (In SAR M)



## Stock Price<sup>3</sup> (In SAR)



Note(s): (1) Sector's CAGR is calculated based on the sum of sector GWP (incl. BA); (2) Profit fluctuation in 2011 and 2012 is due to BDP treatment in line with interpretation of Article 69, where a BDP provision of SAR 34M was taken in 2011 and BDP recovery of SAR 20M was made in 2012; (3) Stock prices of Bupa Arabia, TASI and Insurance index have been based at 100; (4) Chart begins in 2016 as data for the insurance index prior to 2016 was not available

# Bupa Arabia's 3B strategy

Centered around 3 strategic pathways aiming to transform Bupa Arabia into a healthcare company by 2030



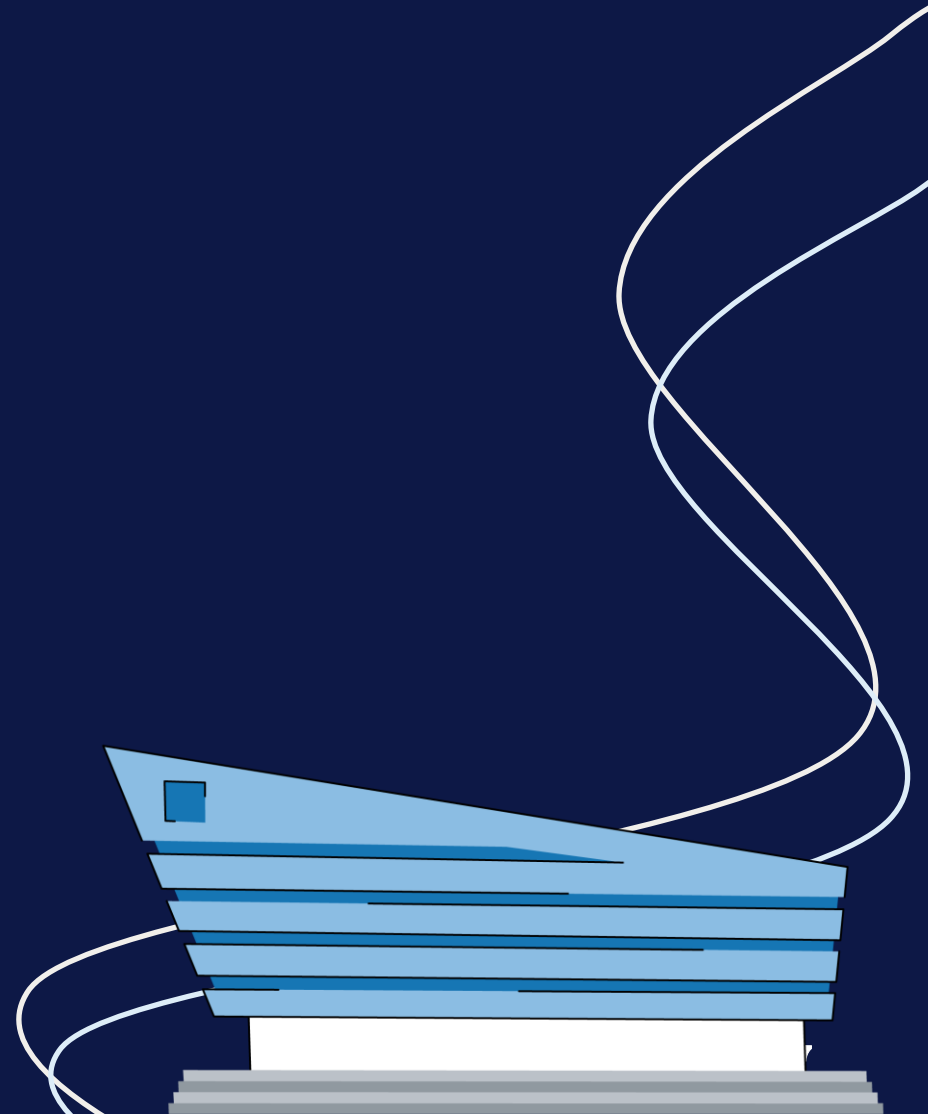
**“The 3B strategy will transform Bupa Arabia from being the most trusted health insurance company to becoming the most trusted healthcare company in the Arab world.”**

– Tal Nazer, Bupa Arabia CEO



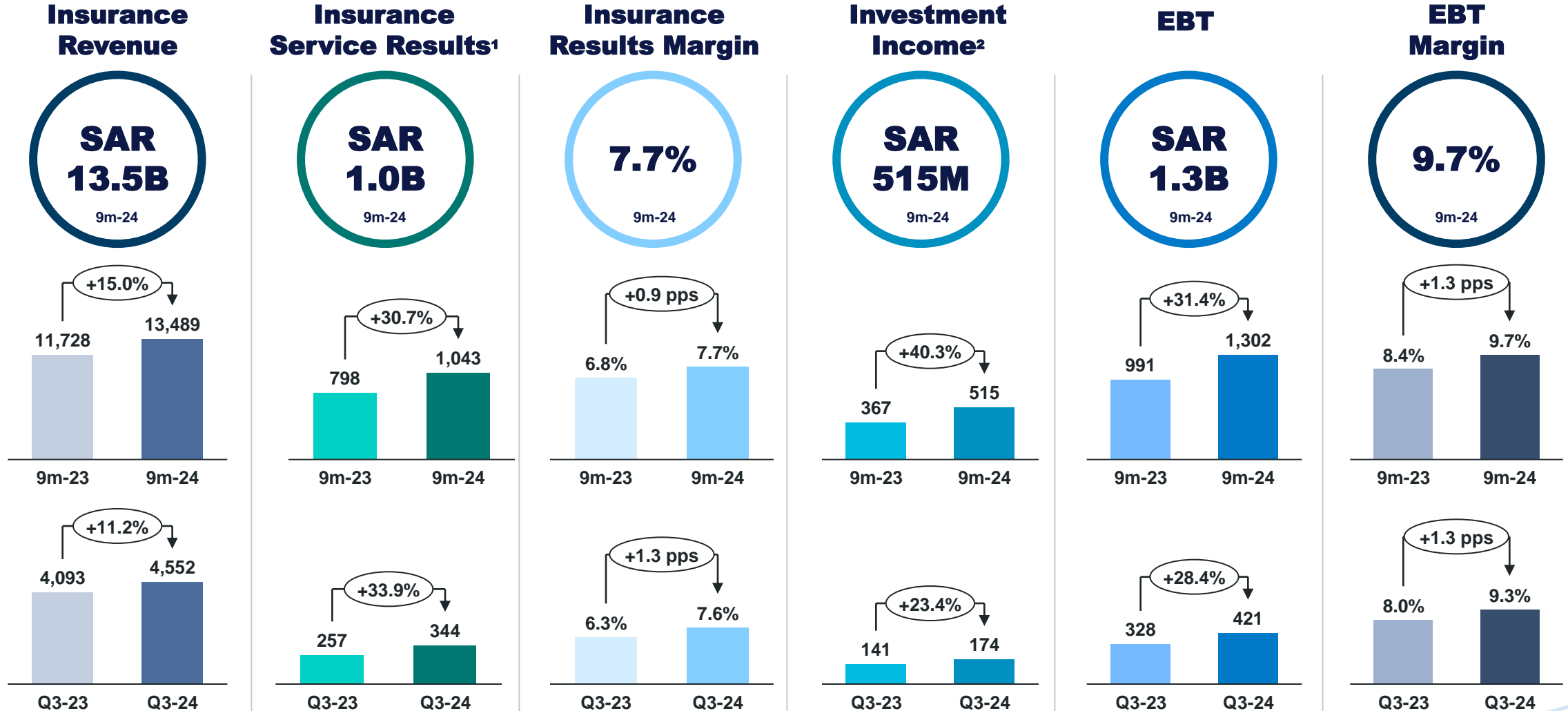
# 02

# Financial Performance



# Financial Highlights

9m-24 EBT increased by ~31% YoY due to favorable business performance and investment income

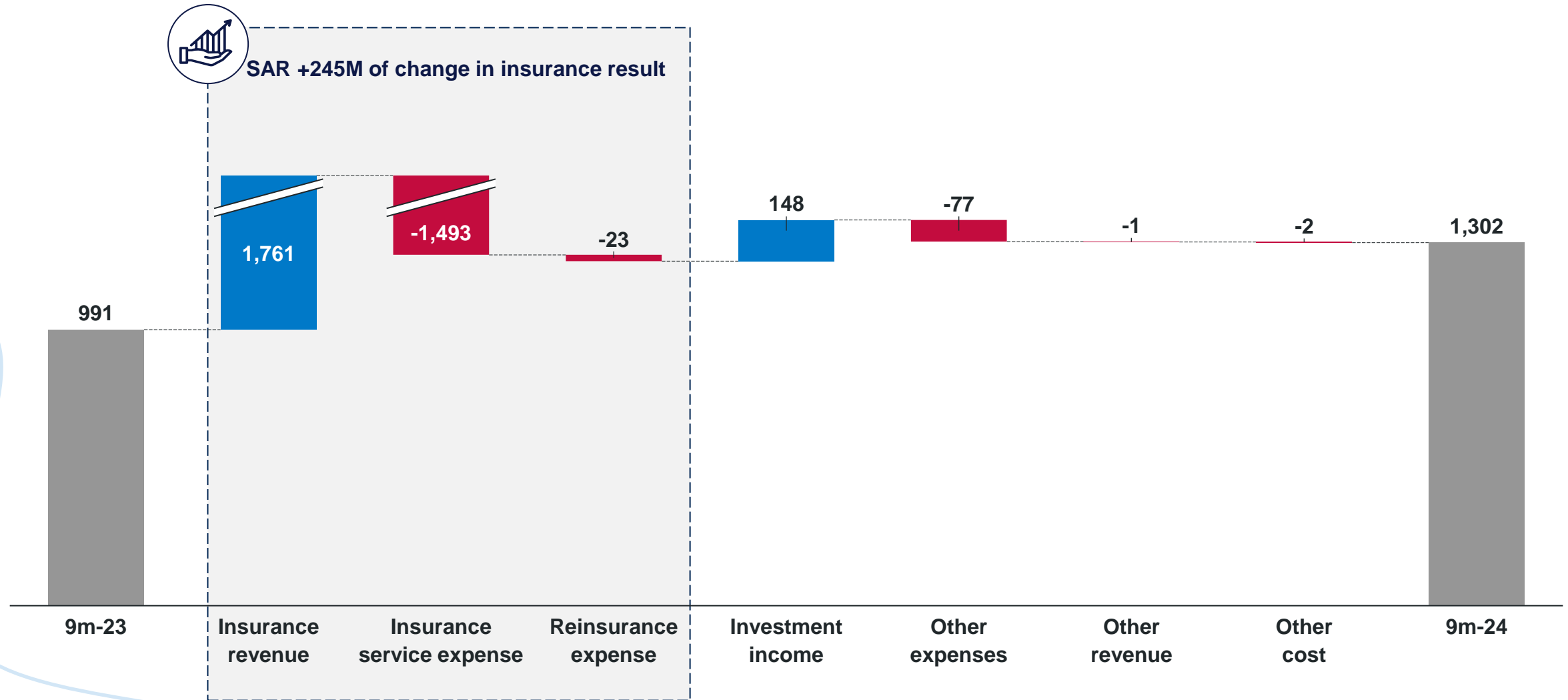


Note(s): (1) Insurance service results are calculated as insurance revenue minus insurance service expense and net expenses from reinsurance contracts held; (2) Investment income is calculated as the sum of investment income on financial assets at amortized cost, Investment income on financial assets at fair value and net impairment loss on financial assets

Source(s): Bupa Arabia Financials Q3 2024



Overall increase in insurance results by SAR 245M due to favorable business performance



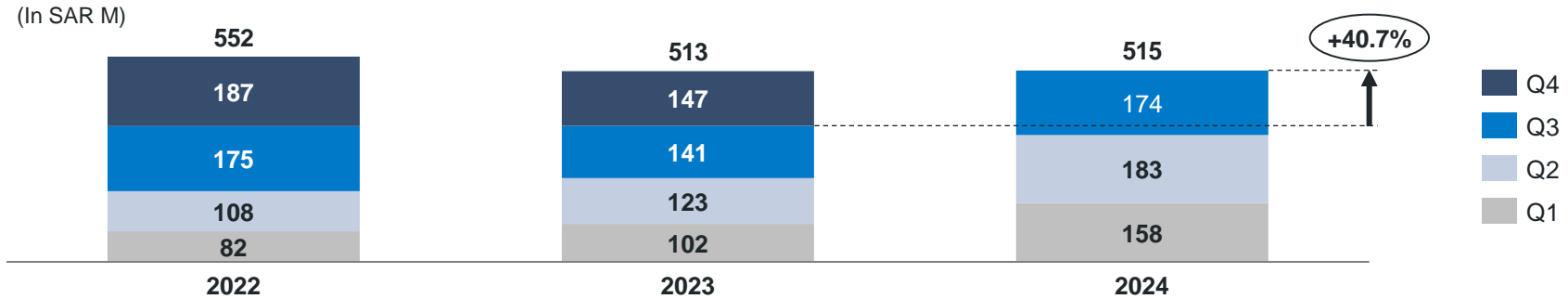
Source(s): Bupa Arabia Financials Q3 2024

# Investment Portfolio & Results

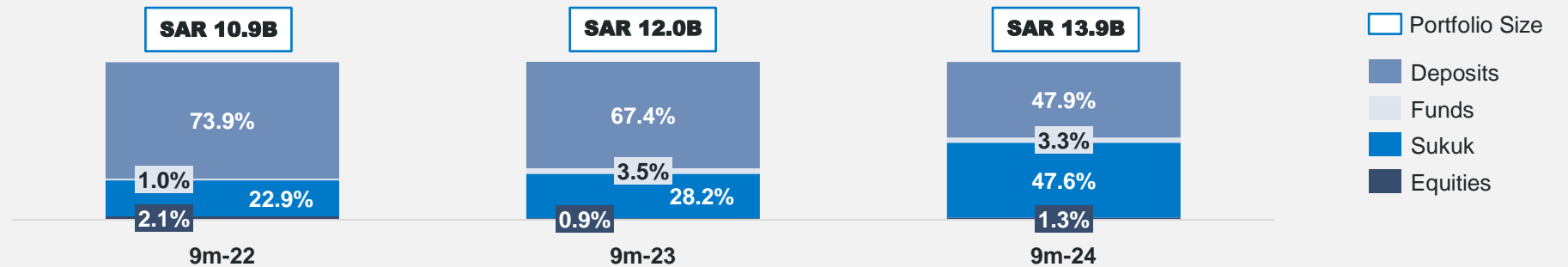
Resilient investment income given favorable interest rates, increased duration, & larger portfolio size



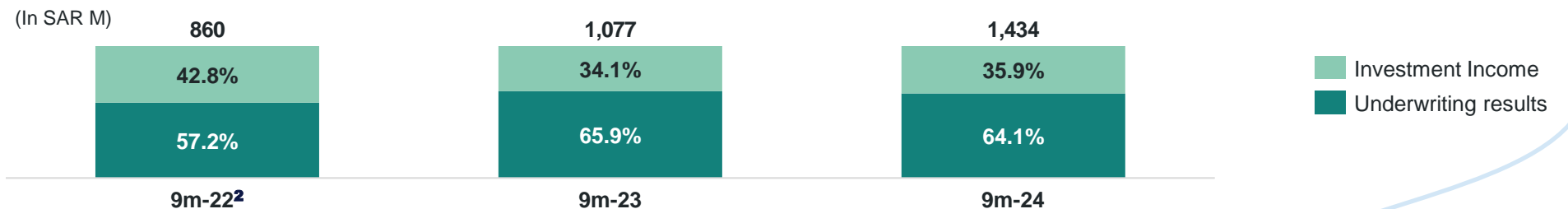
**Investment income shows an increase of 41% in 9m-24**



**Portfolio size increased YoY by 16% across different asset allocations**



**Income breakdown<sup>1</sup> shows increase of 33% in 9m-24**



Note(s): (1) Underwriting results include pre-tax income attributed to the shareholders and policyholders; (2) Restated numbers for 2022

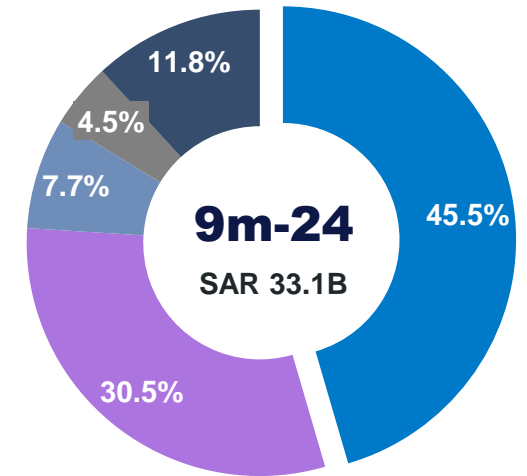
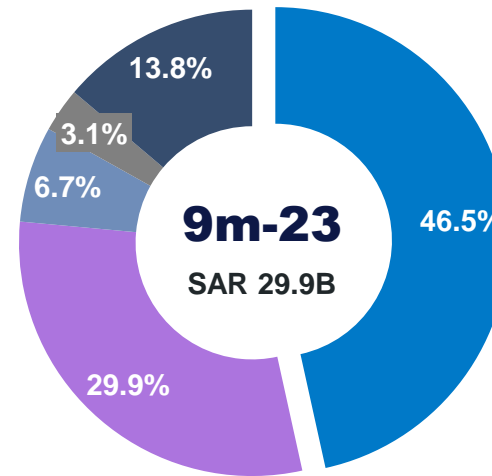
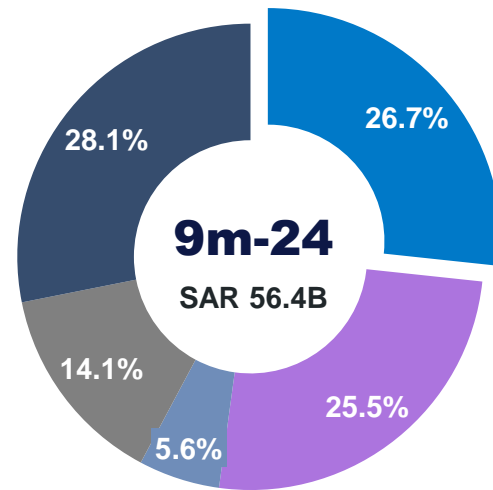
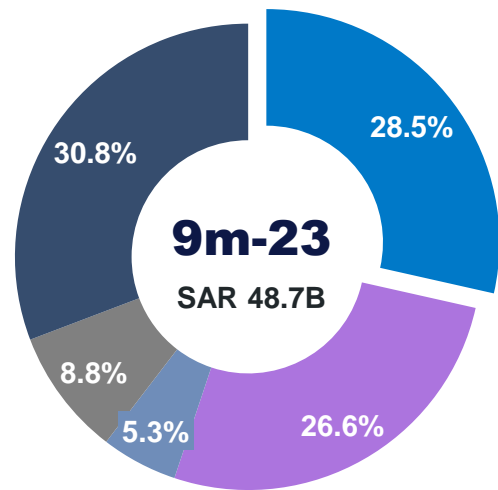
# Market Share & Positioning

Bupa Arabia maintains leadership of the overall insurance market and the health insurance market



**Total Insurance Market Share** GWP basis

**Health Insurance Market Share** GWP basis



■ Bupa Arabia 
 ■ Tawuniya 
 ■ Medgulf 
 ■ Al Rajhi Takaful 
 ■ Others

Note(s): Calculation of total insurance market and health insurance market excludes GWP from Saudi Reinsurance Company.  
 Source(s): Respective insurance companies' filings.

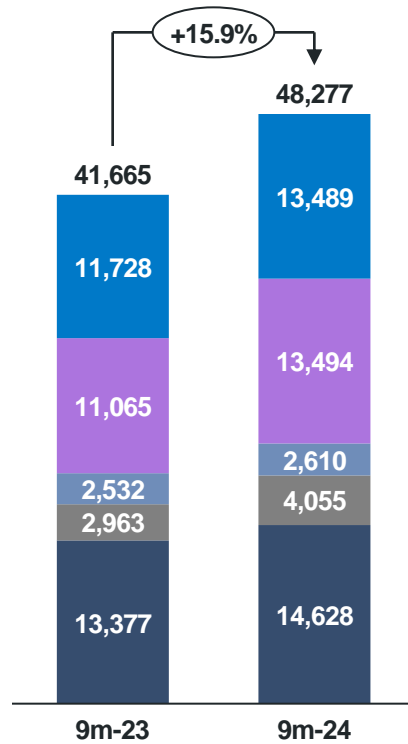
# Total Insurance Market

Sustained favorable pricing, business growth, & loss ratio improvement continue to deliver healthy results

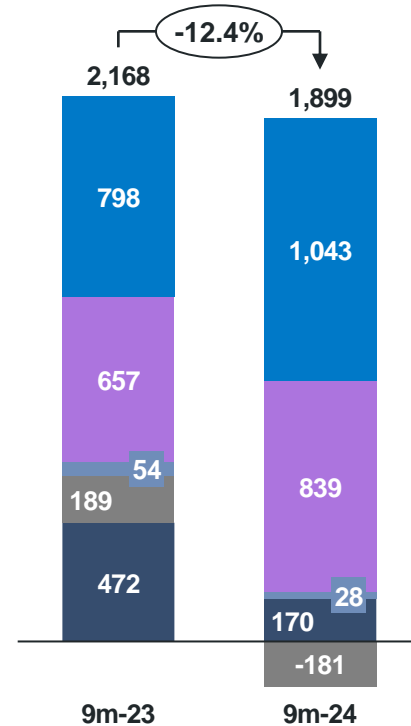


(All in SAR M)

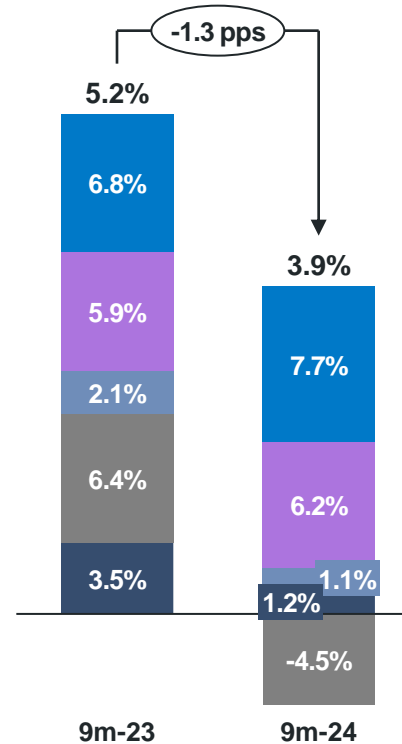
## Insurance revenue



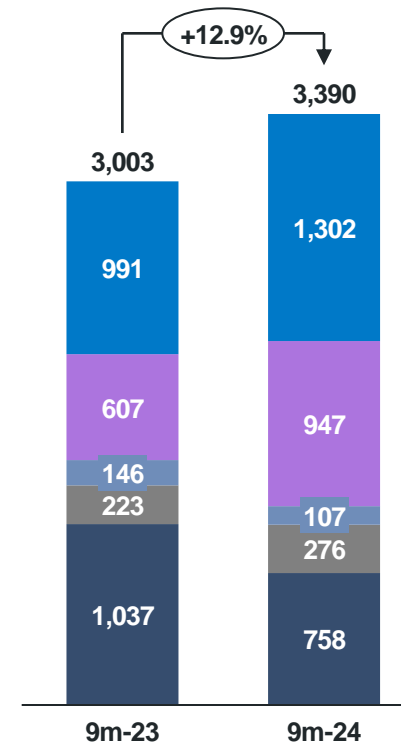
## Insurance Service results



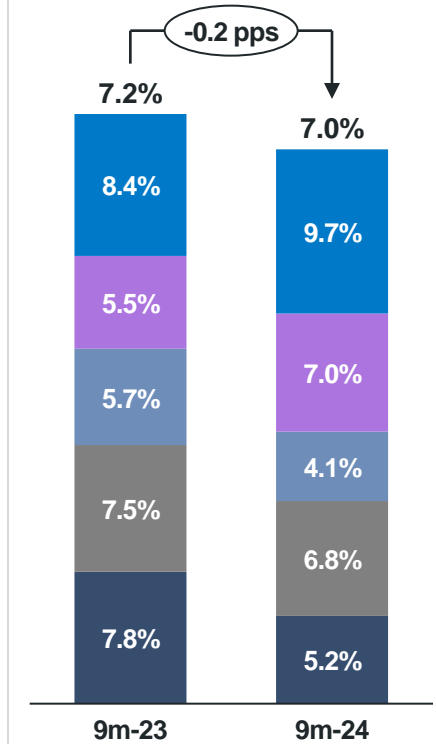
## Insurance results margin



## EBT



## EBT margin



■ Bupa Arabia ■ Tawuniya ■ Medgulf ■ Al Rajhi Takaful ■ Others

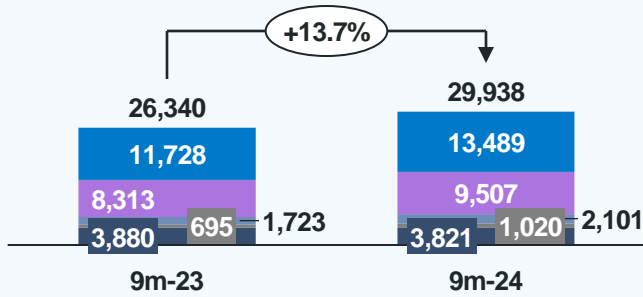
Note(s): Calculation of total insurance market excludes Saudi Reinsurance Company.  
Source(s): Respective insurance companies' filings.

# Health Insurance Market

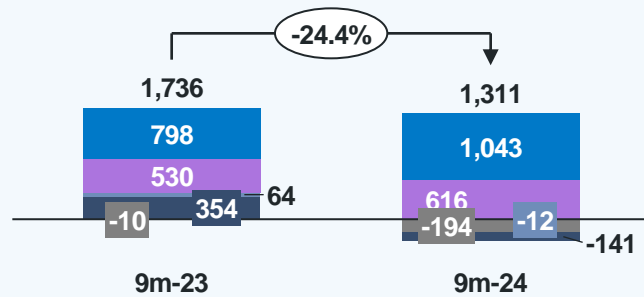
Growth observed across GWP segments as Bupa Arabia maintains leadership in corporates and SMEs



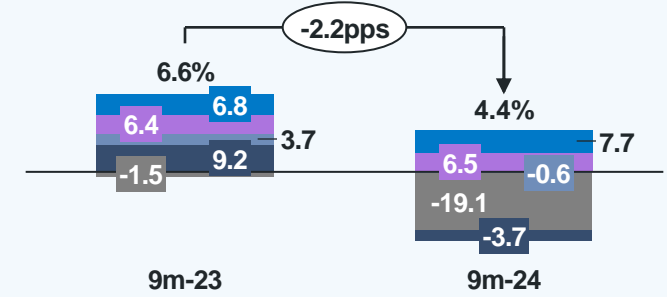
**Insurance revenue<sup>1</sup>** (In SAR M)



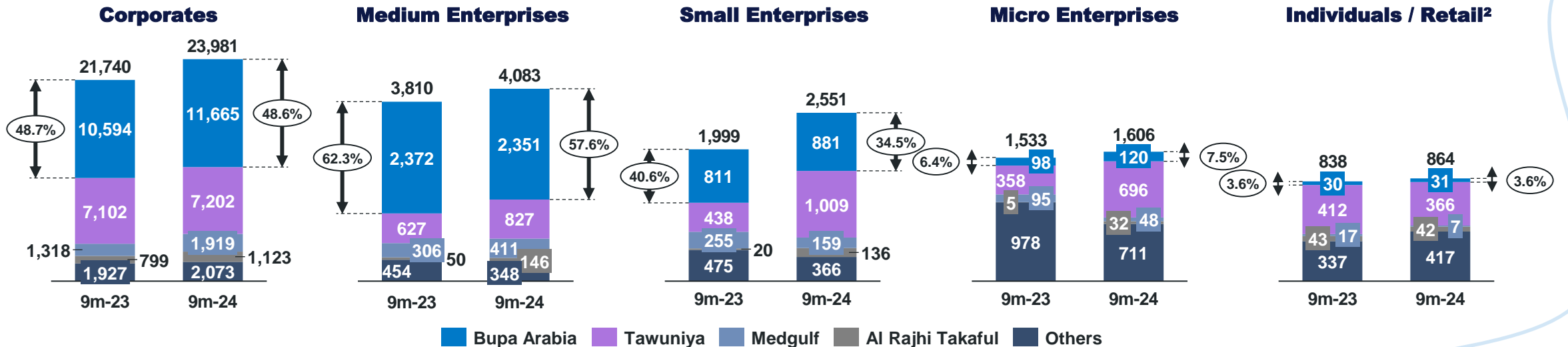
**Insurance service results<sup>1</sup>** (In SAR M)



**Insurance result margin**



**GWP Segmentation** (All in SAR M)



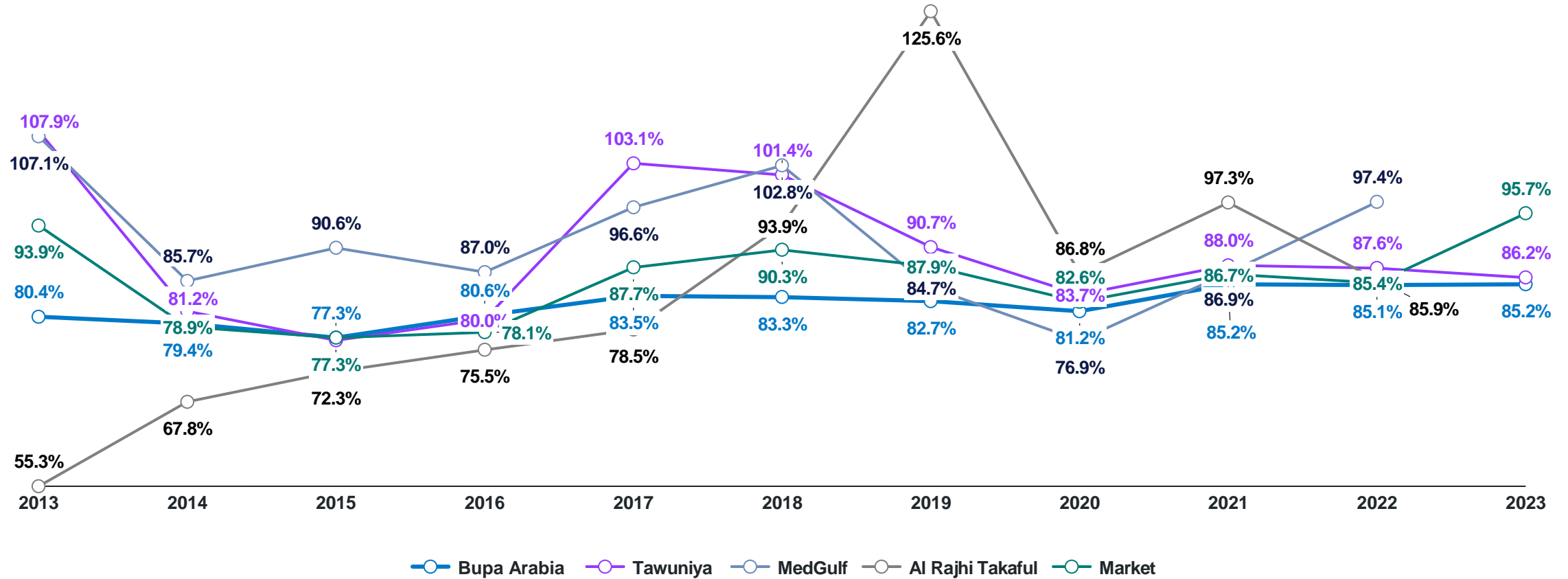
Note(s): Calculation of Health insurance market excludes Saudi Reinsurance Company. (1) Figures for Tawuniya include Medical Umrah insurance; and Aljazira Takaful insurance revenue and service results include a pro-rata assessment based on Q3-24, (2) Individual/Retail figures for Tawuniya include results from Medical Umrah insurance. Source(s): Respective insurance companies' filings.

# Loss Ratio Overview

Bupa Arabia's historical loss ratio trends reflects a consistent and disciplined pricing approach vs. the market



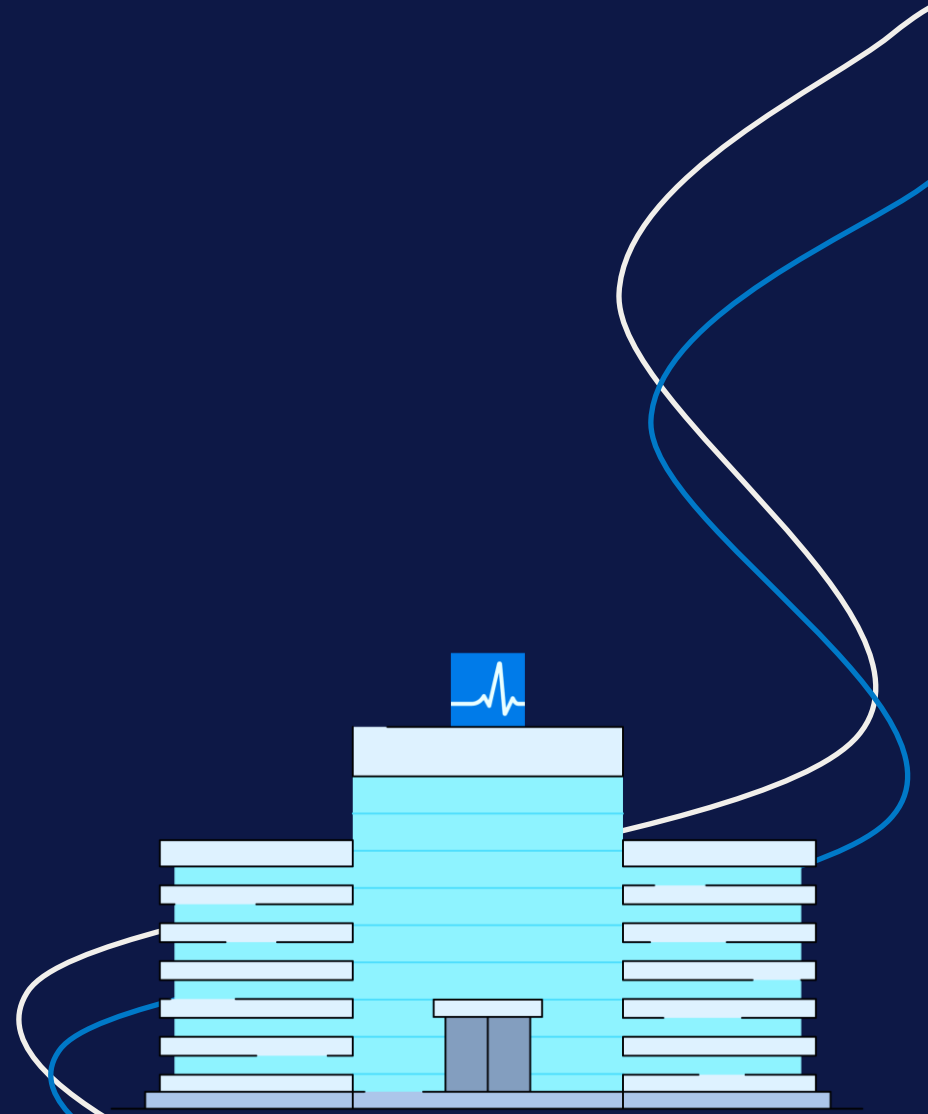
## Loss Ratio – Medical



Note(s): Competitor LR not announced beyond 2022 due to IFRS17 – numbers provided for 2023 are estimates for the market  
 Source(s): GSTAT; GOSI; HRSD; CHI; Bupa Arabia estimates

# 03

# Market Trends

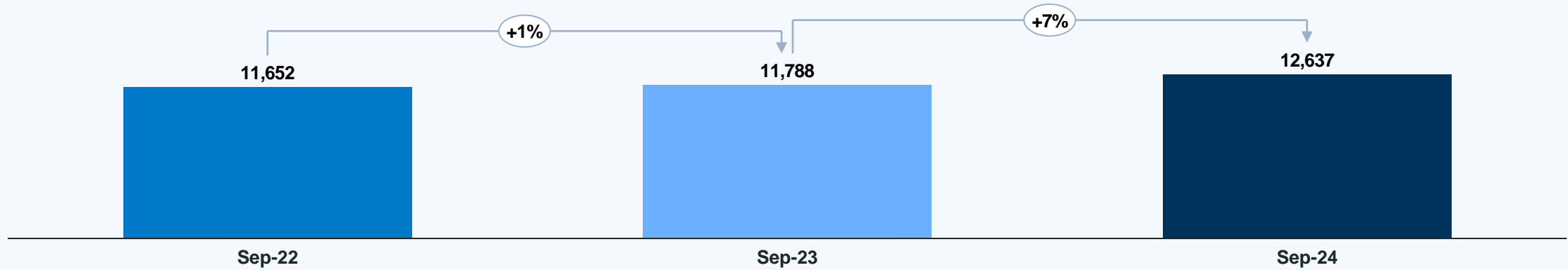


# Saudi Health Insurance Market Trends (1/2)

Growth in 9m-24 mainly driven by increase in expat lives in comparison to the same period in 9m-23

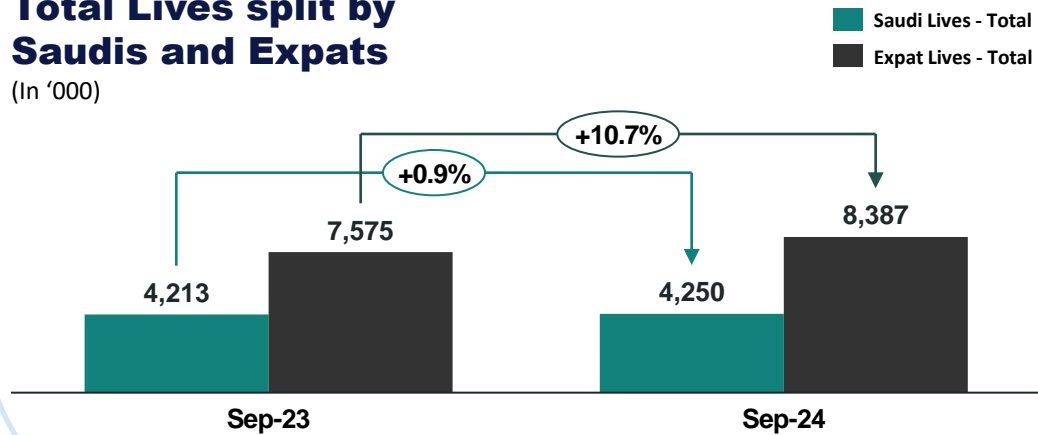


### Total Insured Lives (In '000)



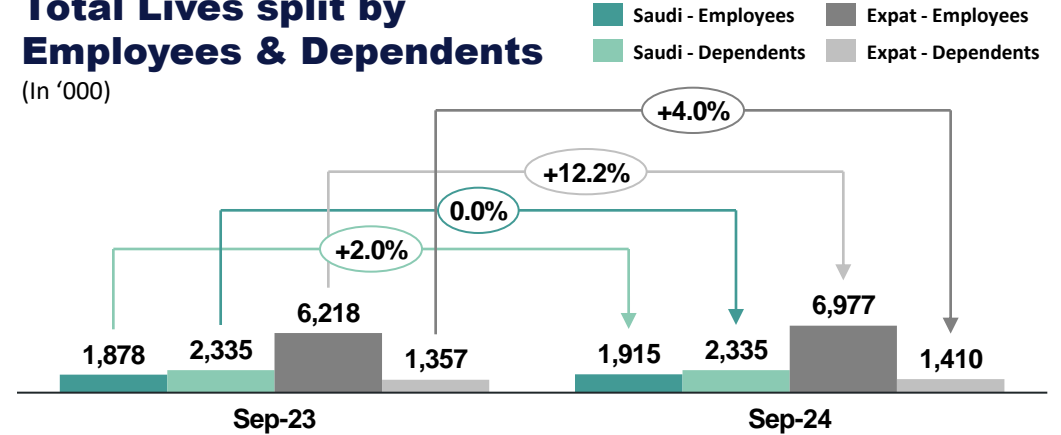
### Total Lives split by Saudis and Expats

(In '000)



### Total Lives split by Employees & Dependents

(In '000)



Source(s): GSTAT; GOSI; HRSD; CHI; Bupa Arabia estimates

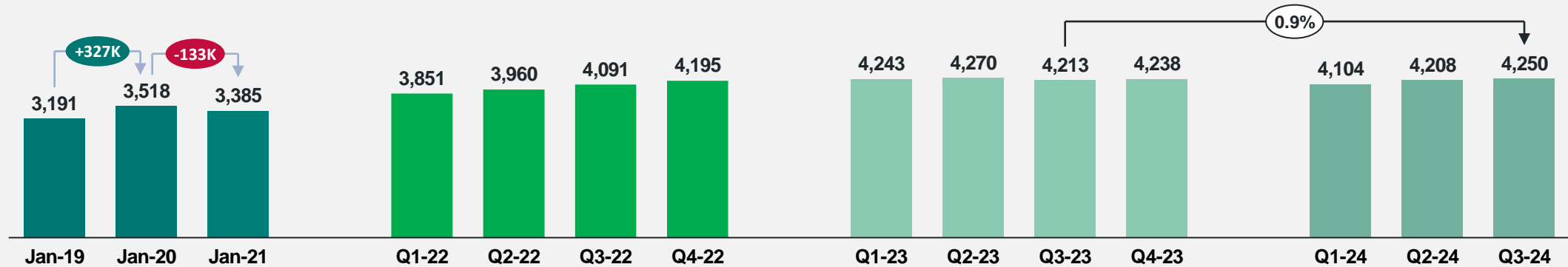


# Saudi Health Insurance Market Trends (2/2)

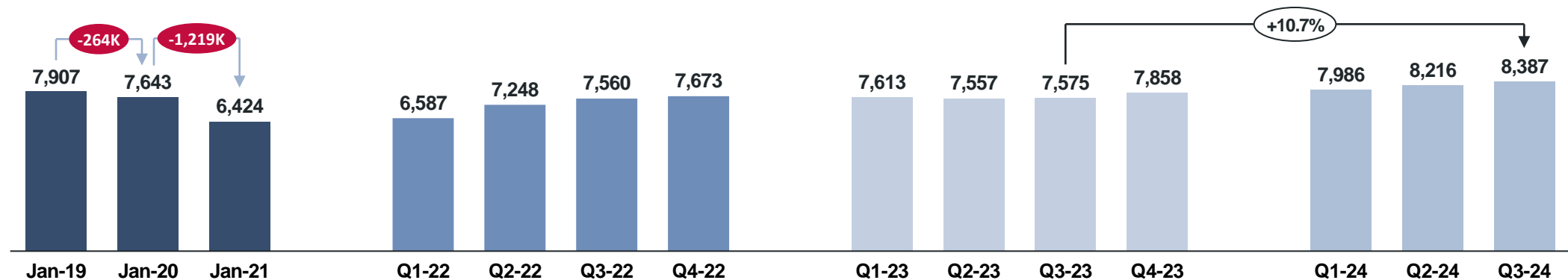
Despite overall growth, slight decline in Saudi lives in Q3-24 mainly due to Saudi dependents



## Saudis (In '000)



## Expats (In '000)



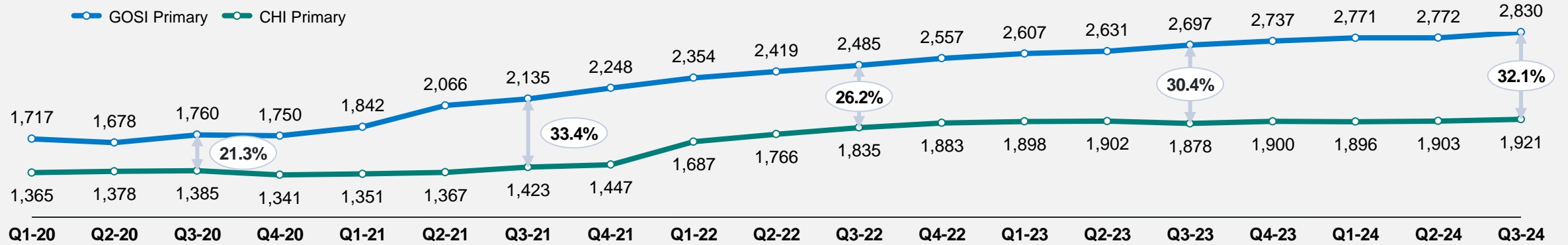
Source(s): GSTAT; GOSI; HRSD; CHI; Bupa Arabia estimates

# Gap & Enforcement Explained

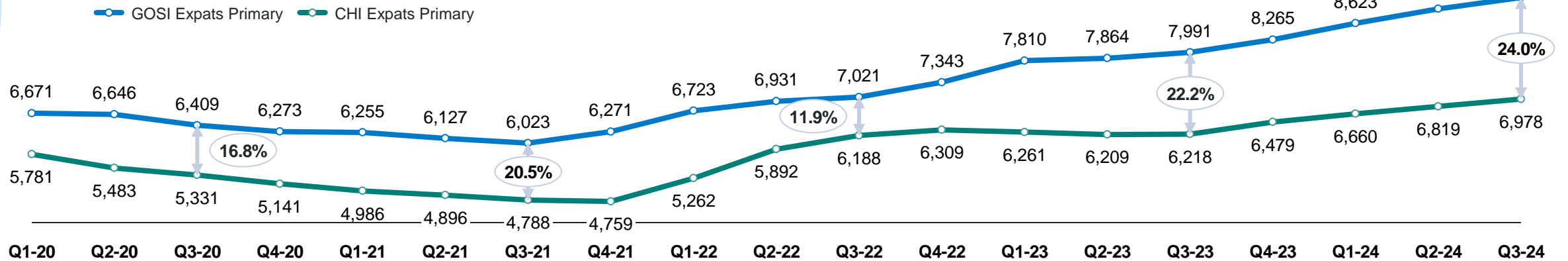
Enforcement gap remains within private sector with 909K Saudis & 2.2M Expats without Medical Insurance



## Saudis (In '000)



## Expats (In '000)



Source(s): GSTAT; GOSI; HRSD; CHI; Bupa Arabia estimates

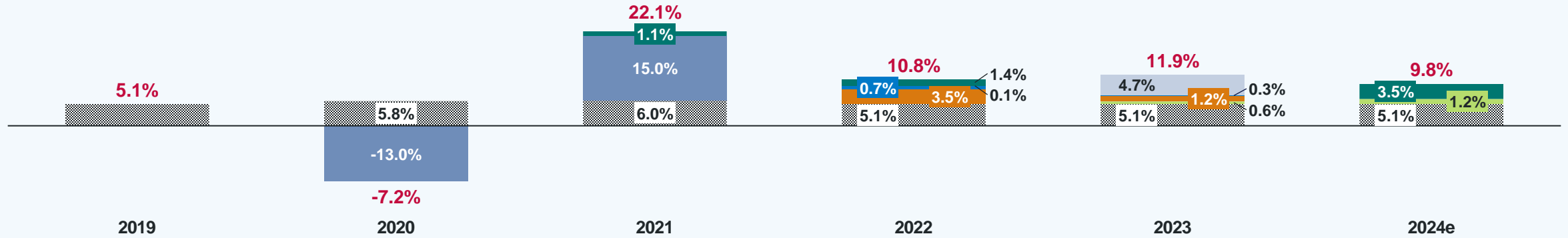
# PMI Market Challenges

High inflation is expected in 2024, mainly driven by Article-11 claims



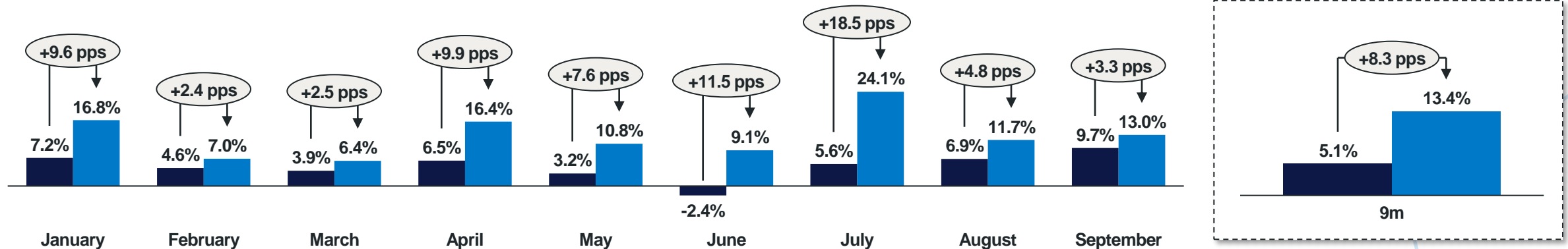
## Medical Inflation Overview

Article 11\*\* CHI ToB\*\*\* NPHIES Deferred claims New Norm, Flu, COVID-19 Duplicates Loading Base inflation



## Inflation Breakdown (9m-24)

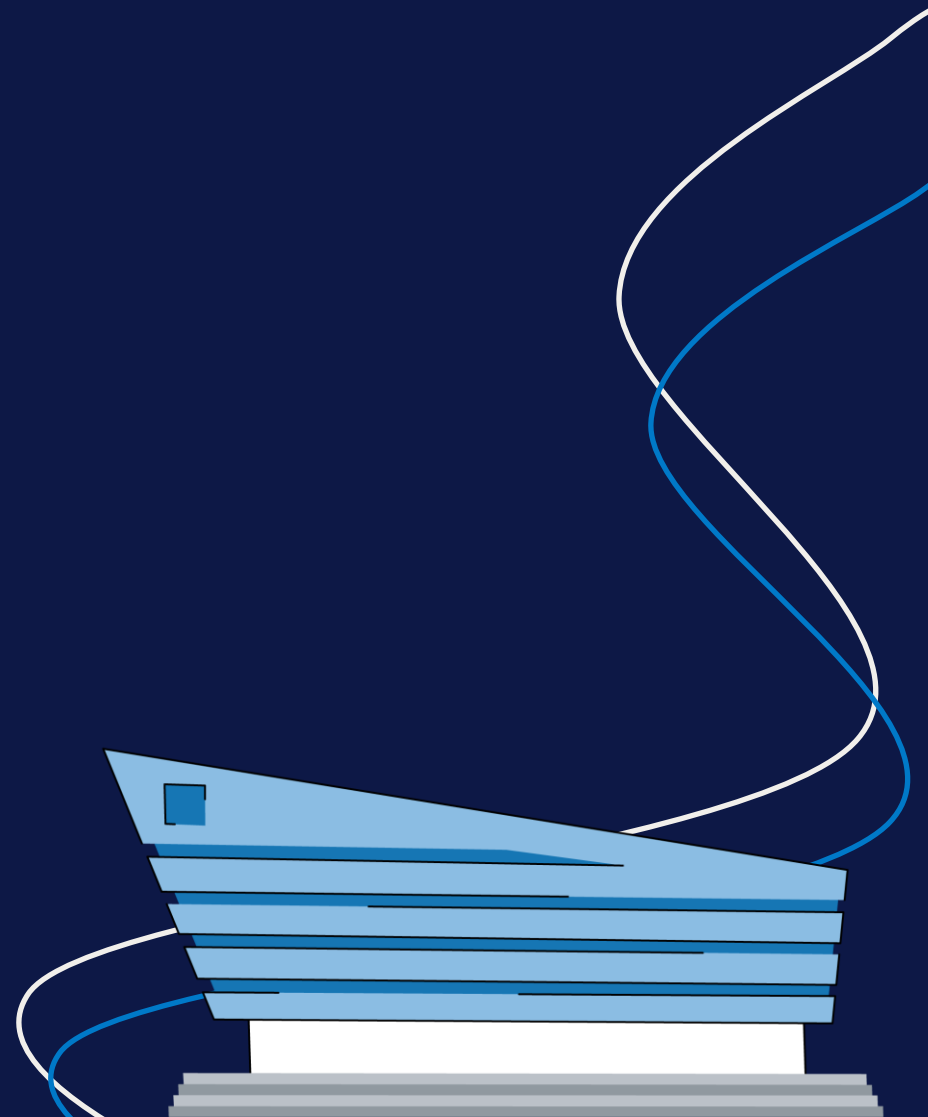
2019 2024



Source(s): Bupa Arabia Analysis

04

# CareConnect



# Integrated Care Model

BCC witnessed successful outcomes across various metrics in Q3-24, with optimistic future plans



## 3Beyond PMI

**Beyond PMI** focuses on expanding Bupa Arabia's value proposition through **vertical integration**, primarily through **Bupa CareConnect**. It is set up to deliver a scalable value-based care through a digital-first integrated care model elevating our member experience with a one-stop outpatient experience, coupled with the physical smart clinics (ICCs).



### 2028 Strategic Vision



**Touching over 20 Million**  
Cumulatively (5 years)



**The largest virtual care provider**  
in the middle east



**Seven major primary care hubs**  
across the kingdom

### Strategic Initiatives



Family Medicine Network



Scaling Tele-medicine



Digital Pharmacy



Labs Network Expansion



Flagship Smart Clinics

### Operational Effectiveness

**1.22M**

Total Members Enrolled  
In CareConnect Services

**6**

Providers Onboarded in  
Value Based Healthcare

**40+**

Full Time  
Saudi Doctors

**450+**

Employees

**71**

Bupa  
Doctors NPS

**65K**

# of Completed  
Teleconsultations

**29**

SLA Signed  
with Providers

**71**

Bupa CareConnect  
Services NPS

**73M**

Health Cost Optimization  
YTD

**Home HealthCare**

Licensed and Live

**Planned in 2025**

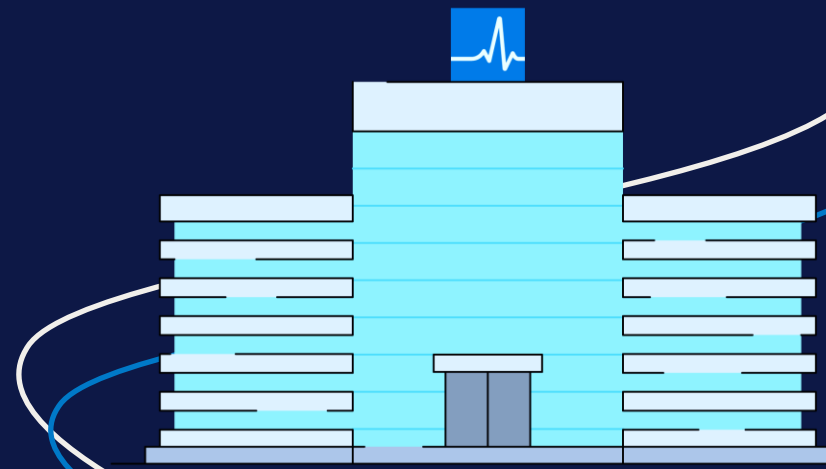
2 Smart Clinics  
(Provision)

**Live**

Preauth-Less  
Experience

05

# Other Highlights



# Key approvals obtained for Bupa Arabia, along with several developments & contract awards



Bupa Arabia for Cooperative Insurance Co. received the final approval of the Insurance Authority to promote and sell its new insurance product “Bupa Sports”.



Bupa Arabia for Cooperative Insurance Co. shareholders approve to distribute cash dividend of 40% of capital for 2023.



Bupa Arabia for Cooperative Insurance Co. completed the targeted share buyback process allocated for its employee stock incentive program (ESIP), based on the approval of the extraordinary general meeting (EGM) held on June 30, 2024.



Bupa Arabia for Cooperative Insurance Co. issues first suitability report in June 2024, unveiling key sustainability milestones reached in 2023.



Bupa Arabia for Cooperative Insurance Co. renews medical insurance contract with SABIC (June 12 2024).



Bupa Arabia for Cooperative Insurance Co. received on June 4 the approval of the Insurance Authority (IA) to market and sell a product for upgrading medical service provider networks, aimed at individual customers in Saudi Arabia.



## Bupa Arabia Highlights

# Continuous reforms across Saudi Health Sector and Health Insurance Sector in alignment with Vision 2030



Saudi Arabia's Ministry of Human Resources and Social Development (HRSD), in cooperation with the (IA), launched an insurance product to cover the dues of expatriate workers employed in private sector firms facing financial difficulties. ★



CHI announced the start of mandatory insurance for registered domestic workers with their employers (if their number exceeds four individuals).



## Regulatory Highlights



Insurance Authority (IA) issued decision to localize all sales positions in insurance products starting from April 15, 2024.



Insurance Authority (IA) announced transferring Health Insurance responsibilities from the Council of Health Insurance (CHI) to the Insurance Authority.



Insurance Authority (IA) held first meeting with the CEOs of insurance companies on 3<sup>rd</sup> of December 2023. This meeting emphasized the need to unify efforts and work as partners to build and develop the insurance sector.



Insurance Authority commences operations as the authorized regulator of the insurance industry in KSA, as of 23<sup>rd</sup> of November 2023.



# We continue to progress on our ESG objectives that were announced in the Bupa Arabia 2023 Sustainability Report



## Strategic Objectives



**Champion for Female Empowerment**



**Society Well-being**



**Talent Development**



**Governance & Business Ethics**



**Trusted in Data Privacy**



**Caring in the Environment**



## Vision

**Be a role model for sustainability and ESG within Saudi private sector**

- Directed **84% of procurement budget** to local suppliers
- Won **CHI Excellence Award** for Digital Excellence
- Launched **Data Management Project**
- **Zero Critical incidents** related to data breaches, thefts, leaks, or losses

**Governance**



**Achieved Sustainability Objectives**



**Environmental**

- Launched **Tree planting initiative**
- Developed **Carbon Reduction Plan**
- **GHG emission calculation** exercise
- **39% female representation** in our workforce
- **81% Saudization** rate
- Reported **zero cases of discrimination**

**Social**



## On-going projects

**1**

**E-learning platform**

**2**

**Sustainability report 2024**

**3**

**Recycling Initiative**

**4**

**MEWA Engagement**

**5**

**Carbon Reduction Plan**

**6**

**Travel Policies**



- Best Insurer of the year
- Best Insurance Brand

**2024**



- Top 100 CEOs
- #1 in insurance Tal Nazer

**2024**

**KANTAR**

- #1 Most Valuable Insurance Brand (KSA)
- #6 Most Valuable Brand (KSA)

**2024**

**CIPD**

- Best Talent Management Initiative

**2024**



- Best customer experience
- Health insurer of the year

**2023**



- 1st place - Excellence in Health & Wellbeing
- 2nd place - Talent Acquisition & Retention

**2023**



- Best Investor Relations Program Award

**2023**



- Best Digital Campaign
- Regional Excellence Healthcare

**2023**



# Trusted brand Notable Awards

# Diverse client mix across multiple sectors



## Government Sector



## Natural Resources Sector



## Trade & Contracting Sector



## Banking & Financial Sector



## Other Sectors



**Bupa  
Arabia  
Clients  
portfolio**

# Thank you



*With you for better health*

# Appendix

# Board of Directors & Chief Executive Team

# Board of Directors



**Eng. Loay Hisham Nazer**  
Chairman



**David Martin Fletcher**  
Vice-Chairman



**Martin Houston**  
Board Member



**Dr. Abdulla Elyas**  
Board Member -  
Independent



**Huda M. Bin Ghoson**  
Board Member -  
Independent



**Osama Shaker**  
Board Member -  
Independent



**Nigel Sullivan**  
Board Member



**Tal Hisham Nazer**  
Board Member



**Nader Ashoor**  
Board Member

# Chief Executive Team



**Tal Hisham Nazer**  
Chief Executive  
Officer



**Mohamed El Missaoui**  
Chief Executive Officer  
CareConnect



**Ali Sheneamer**  
Chief Business  
Development Officer



**Hatim Jamal**  
Chief Financial  
Officer



**Ahmed Bajunaid**  
Chief Investment  
Officer



**Tariq Alamoudi**  
Chief Human  
Resources Officer



**Atef Mufti**  
Chief Growth  
Officer



**Ryyan Tarabzoni**  
Chief Operations  
Officer



**Amro Shawli**  
Chief Governance,  
Risk & Control Officer





*With you for better health*