



Clinics business overview and strategy

Speaker: Giorgi Gordadze, COO



 Clinics | Overview

 Clinics | Performance

 Clinics | Strategy going forward

 Q&A




35 Clinics




- The first point of patient interaction, offering basic outpatient services and, in the cases of complicated procedures, referring patients to the nearest hospital

- Polyclinic and Community Clinics Business is becoming biggest customer acquisition tool at GHG

19 

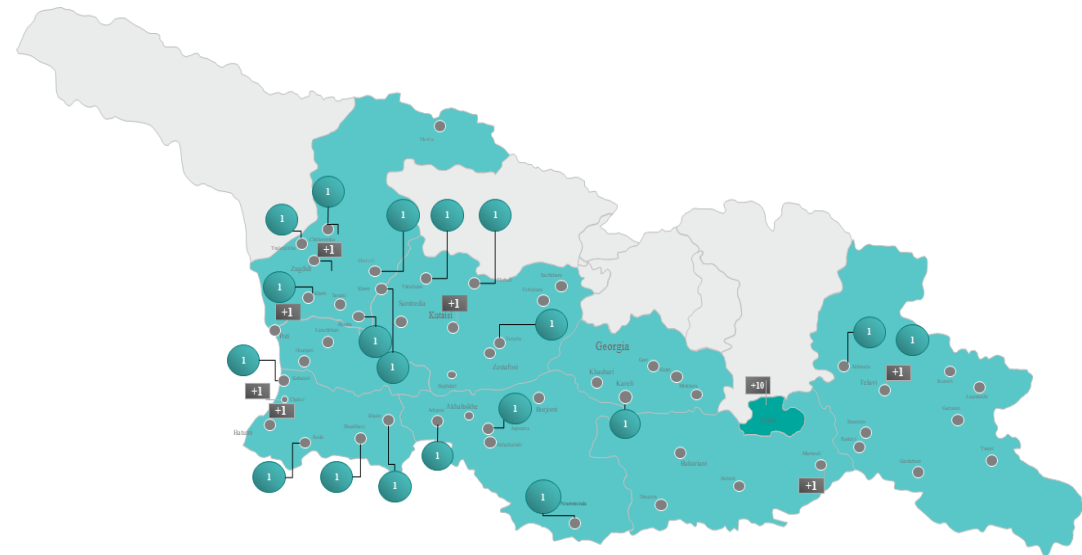
Community Clinics

Outpatient and basic inpatient services in regional towns and municipalities

16 

Polyclinics

Outpatient diagnostic and treatment services in Tbilisi and major regional cities

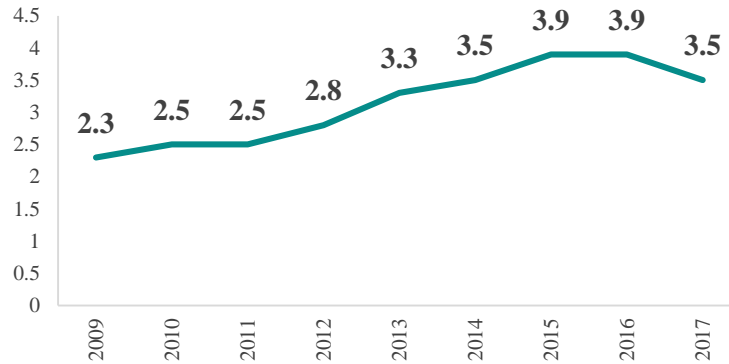




Rapidly growing outpatient market

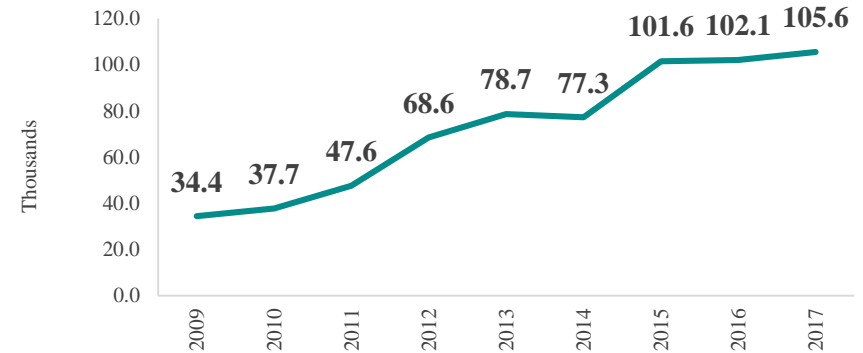
Growing demand

Outpatient encounters per capita, Georgia



Source: NCDC

Number of surgical operations at polyclinics, Georgia

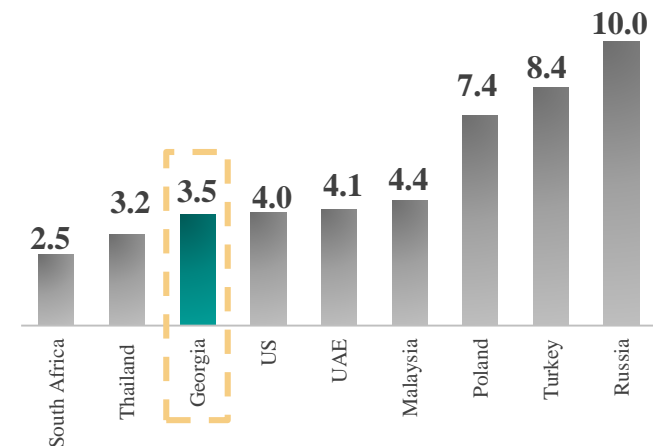


Source: NCDC

Still room to grow

- Despite the increasing trends, Georgia still lags behind most of the developed countries in terms of the number of outpatient visits per capita
- Only c.7% of Universal Healthcare expenses are spent in outpatient clinics
- Government is aiming to pay more attention to this segment

Outpatient encounters per capita, Georgia VS other countries

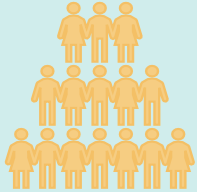


Source: Frost and Sullivan Analysis 2017



Polyclinics

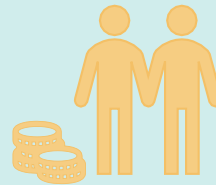
Registered Patients



Insurance Companies



Free Flow



Community Clinics



Sole service providers in respective regions

Small size polyclinics & 3 chains:

Medison - 3 clinics in Tbilisi; Medium format; Multi-profile

Medalpha - 1 clinics in Tbilisi and 5 clinics in Region; Medium format; Multi-profile

Medcapital - 4 clinics in Tbilisi; Medium format; Multi-profile

Private insurance provider outpatients:

Cito - 2 clinics in Tbilisi; Medium format; Multi-profile

Mrcheveli - 4 clinics in Tbilisi 2 in Region; Medium format; Multi-profile

Curatsio - 1 clinic in Tbilisi 1 in Western Georgia; Medium Format; Multi-profile
Affiliated with GPIH

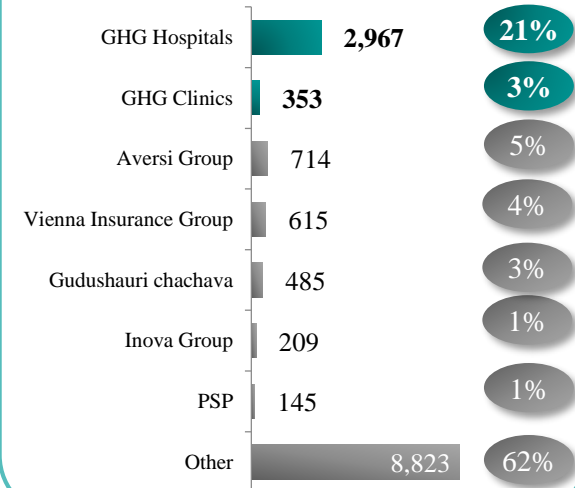
Tatishvili - 2 clinics in Tbilisi; Medium format; Multi-profile

High-end ambulatories:

Todua – 1 clinics in Tbilisi
Modern, Big format , Multy-profile

Mediclub - 1 clinics in Tbilisi
Modern, Big format (7000 sq.m) Multy-profile

353 emergency beds, with ooccupancy rate at only 23% - because of nature of the business





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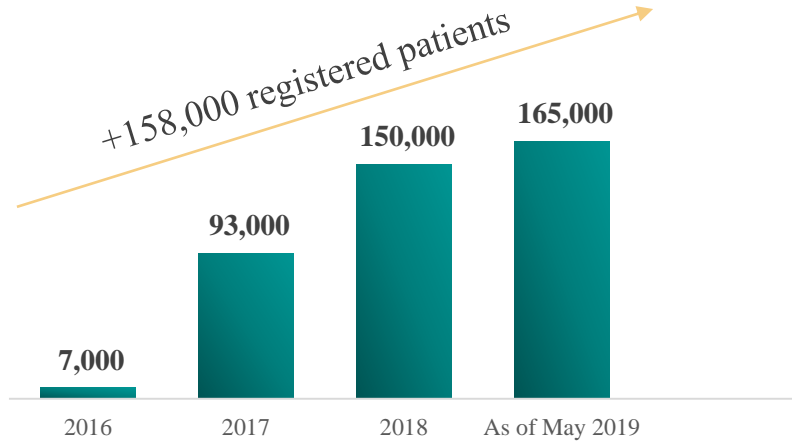
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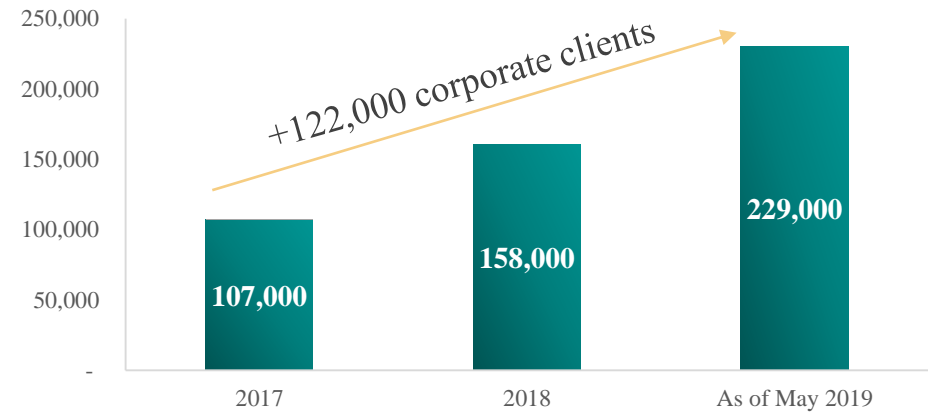


Strong growing trend

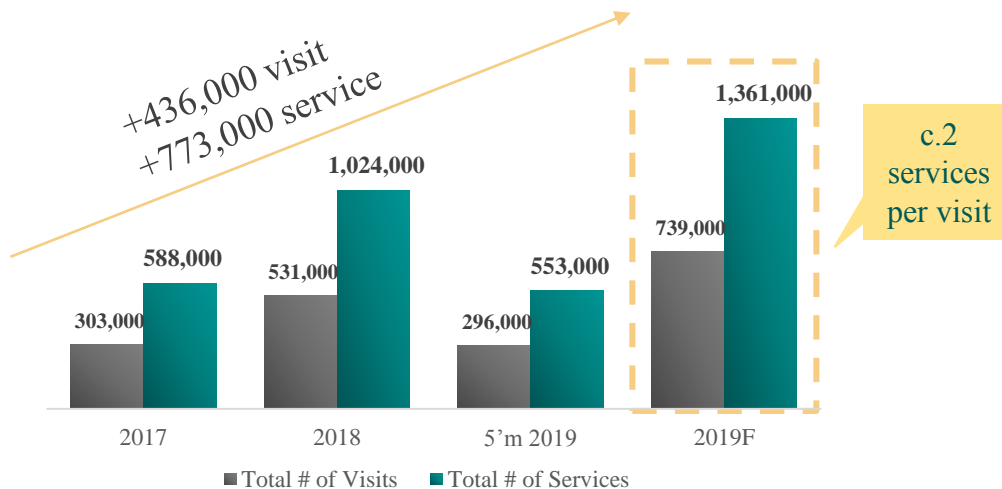
Increasing number of registered patients in Tbilisi



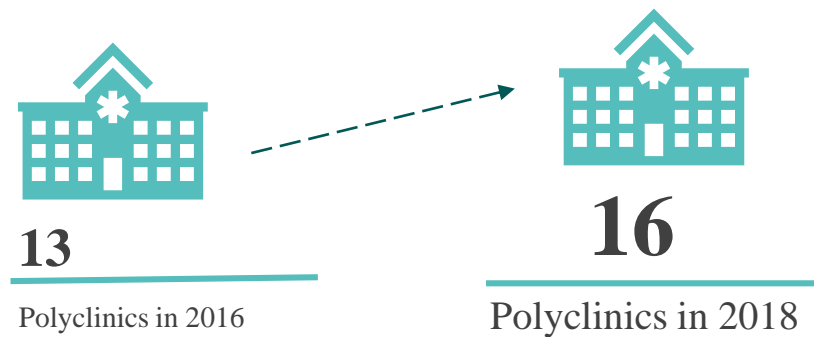
Number of GHG corporate insured clients in Georgia



Increasing number of services/visits in Tbilisi



Increasing number of polyclinics in Georgia





Huge potential of up-selling dental services on existing customers

c.20% of Georgian population

Tbilisi

5 Locations are opened; 1 Location will be open in 3Q19

Regions

3 Locations are opened; 1 Location will be open in 3Q19



Advantages

Served c. **1000** unique customer

Month over month – **x2** Unique customers

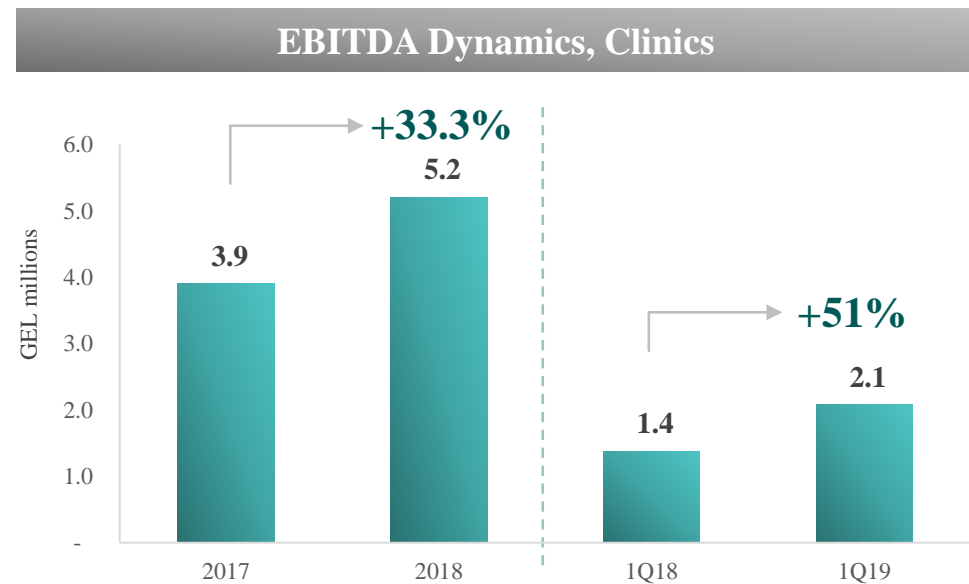
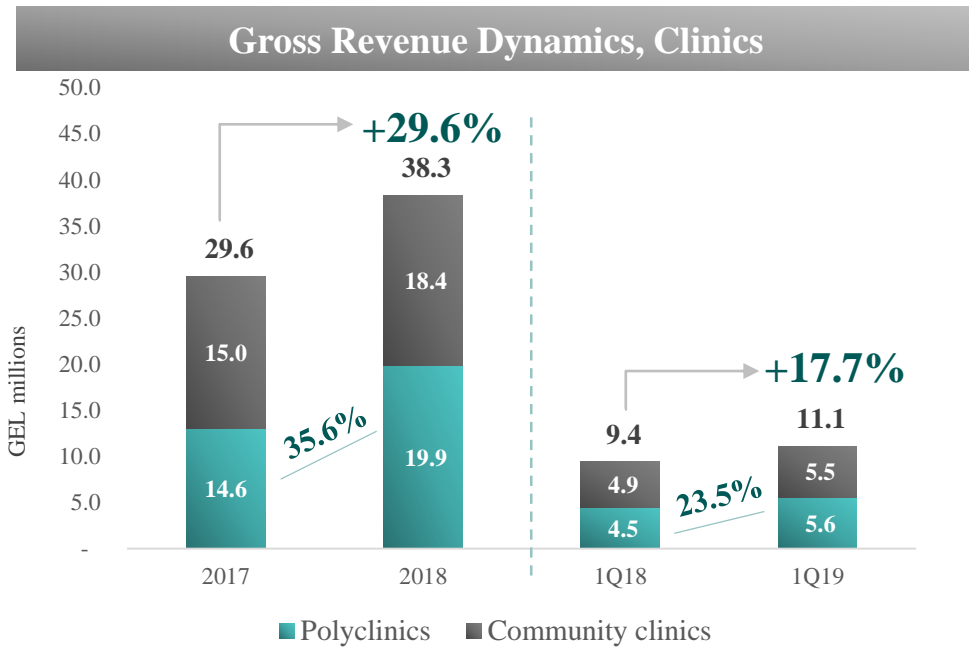
Provider of **3** insurance companies

Advantages:

- Largest Chain
- All types of dental services
- Modern infrastructure
- Penetration
- Regional Development
- Access to largest postgrad platform in dental
- Experienced Partner



Revenue and EBITDA dynamics





1 Patient Journey Improvement

To serve growing number of customers we initiated lean project.

As a result average waiting time reduced by

50%

2 EMR Implementation

Within 1 month achieved the following results:

91%

of doctors in Tbilisi work in EMR

86%

of medical services done in EMR

Result of both projects:

Direct cost saving annually: c. 500 K Gel

Increased throughput of medical staff & registry: c. 40%



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Key focus areas in medium and long term

1 Increasing number of customers

2 Group referrals

3 Sustainable growth of clinical & service quality

4 Adding new services

5 Digitalisation



Increasing the number of registered patients

Registered patient

New target **2021**

Currently

- c.165,000 in Tbilisi
- c.430,000 in Georgia



Registered Patient

Tbilisi

c.300,000

Georgia

c.600,000

▶ Increase product to customer ratio from **2** services to **3**

▶ Increase cross-sell within GHG hospitals and pharma



Corporate insured clients

1

Capitalising on the Group scale

- Sharing part of GHG group synergy effect with corporate insurance segment

2

Convenience & Quality

- Broad Geographic coverage
- Growing number of services
- Improved quality

2018 Revenue from Insurance

5,000 K Gel

Target for further growth - 2021

x2 Revenue



1 Main focus areas for clinical service improvement



- Screening for major diseases
- Monitoring results and follow up
- Patient education
- Triage criteria for Referral
- Reinforcing compliance

2 Main pillars for customer experience improvement



Improved medical & service quality for customer trust and loyalty



1 Improving service coverage

Cross sell opportunity for targeted growing number of registered and insured patients

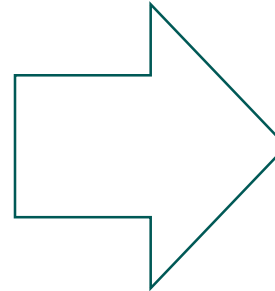
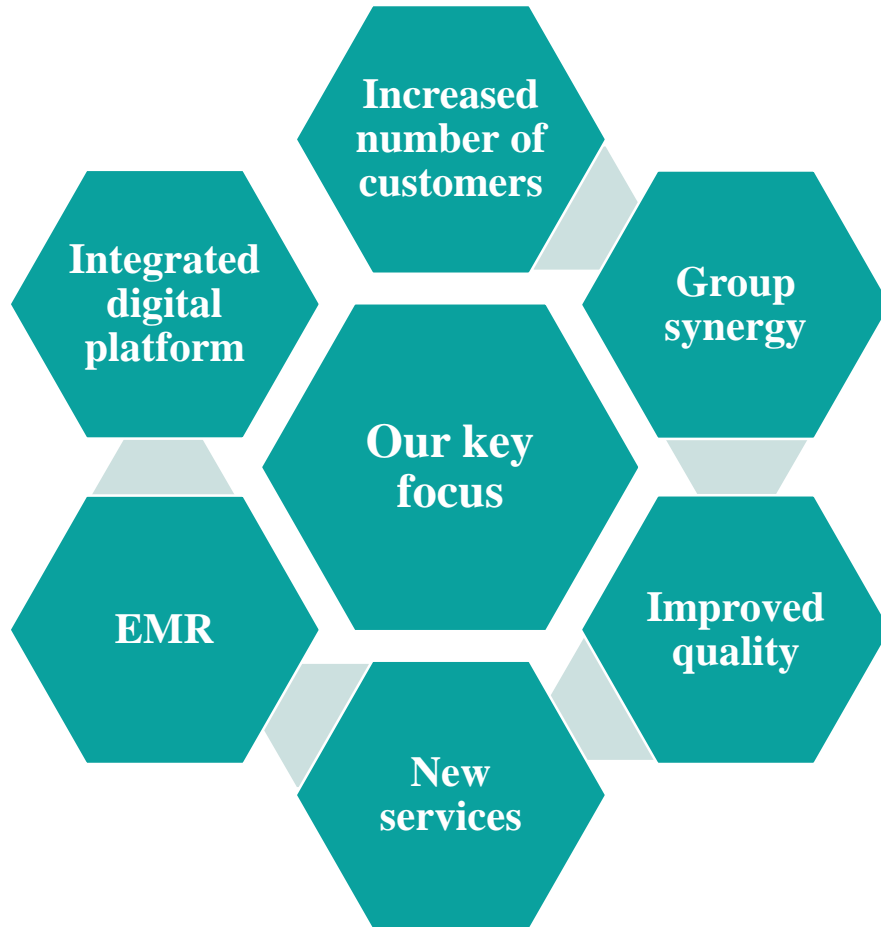


2 Digitalisation





Key focus areas in long term



SMART Goals for Next 5 Years

Increased number of unique customers in polyclinics and community clinics:

1 000 000 +

Polyclinics and Community Clinics CAGR **20% +**

Gradually Improved Margins:

EBITDA – 25% +

QUESTIONS?

GHG Investor Day

Tbilisi, Georgia | June 2019

ghg.com.ge



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