

## Georgia Healthcare Group hosts Investor Day in Tbilisi

Georgia Healthcare Group PLC (“GHG” or the “Group”), the only fully integrated healthcare provider in the Caucasus region, is today hosting an Investor Day for analysts and investors in Tbilisi on Wednesday 26<sup>th</sup> June 2019.

As part of the presentations, GHG will update investors on its next 5-year strategic goals which are summarised below. Strategically, the Group will seek to:

- continue to focus on building its presence throughout the Georgian healthcare ecosystem
- manage its customers more effectively on a fully integrated basis
- improve operational performance through: increased utilisation of existing facilities; increased efficiency by automatization of service processes and full roll-out of health information system; and utilise digitalisation to develop a fully integrated healthcare platform
- substantially improve free cash flow generation through delivering: higher earnings, with reduced capital requirements and lower interest expense, and
- developing a pipeline of new market growth portfolios: over the next 5 years to generate potential incremental EBITDA of c.GEL 50 million, from a total initial investment of c.GEL40-50 million

This strategy will be implemented by:

- completing the successful launch and roll-out of the Group’s two flagship hospitals
- improving medical service quality, and filling existing service gaps
- developing service exports to foreign patients (medical tourism)
- increasing the number of polyclinics and registered patients
- further expanding Georgia’s largest retail pharmacy chain
- completing the recent transformation of the medical insurance business, and
- leveraging the recent launch of the largest multi-disciplinary laboratory in the region

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### About Georgia Healthcare Group PLC

Georgia Healthcare Group PLC is a UK incorporated holding company of the largest healthcare services provider in the fast-growing, predominantly privately-owned, Georgian healthcare services market. GHG’s leadership position is underpinned by offering the most comprehensive range of inpatient and outpatient services targeting the mass market segment through its vertically integrated network of 18 hospitals and 35 clinics. GHG is the single largest market participant, accounting for 25% of total hospital bed capacity in the country, as of 31 March 2019. GHG is also the largest pharmaceuticals retailer and wholesaler in Georgia, with approximately 30% market share by revenue. GHG is the second largest provider of medical insurance in Georgia with a 27% market share based on net insurance premiums earned and approximately c.230,000 insurance customers as of now. GHG employed a total of c.16,092 people as at 31 March 2019, including c.3,600 physicians and 3,300 pharmacists.

For further information, please visit [ghg.com.ge](http://ghg.com.ge) or contact:

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From a financial and capital strategy perspective, the Group will discuss the following key metrics:

- investing in new opportunities – already revenue generating assets that deliver a 20%+ marginal Return on Invested Capital (ROIC)
- reducing expected capital expenditures to c.GEL 35 million per annum over the next few years
- enabling, where possible and appropriate, the buyout of existing minority interests
- managing the Group's balance sheet, on an ongoing basis, at an average less than 2.0 times net debt to EBITDA from the end of 2020
- maintaining the Group's recently adopted dividend policy: 20-30% of annual profit attributable to shareholders to be distributed as dividends
- to target an 80%+ EBITDA to cash conversion ratio
- to further improve the Group's cost of funding, and to reduce interest expense

Over the next 5 years, GHG will seek to achieve double-digit compound annual revenue growth; and mid-teens compound annual EBITDA growth. In doing so, this is expected to support the delivery of c.15-17% ROIC.

A full set of the presentation slides can be viewed on the GHG website at [ghg.com.ge](http://ghg.com.ge)

Name of authorised official of issuer responsible for making notification:  
Ketevan Kalandarishvili, Head of Investor Relations

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