



2017

CFC Project
Ibn Al- Haitham
Hospital

IBNH



Mohammad Sameer Maaytah
mohammadmaaita@yahoo.com

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Health Care
Doctor
Hospital
Pharmacist
Nurse
Dentist
First Aid
Surgeon
Emergency

MEDICAL

MEDICAL

MEDICAL

Health Care

Table of Contents

<i>Table of Figures and Tables</i>	4
<i>Table of Tables</i>	4
<i>List of Acronyms</i>	5
<i>Investment summary:</i>	6
<i>Industry overview:</i>	7
<i>Introduction:</i>	7
<i>Facts and Numbers:</i>	8
<i>Hospital and health care facility:</i>	9
<i>Factors affecting health sector in the region:</i>	9
Key components of well functioning health system:	10
<i>Hospitals profit center:</i>	11
<i>Measuring Supply and demand on health care:</i>	12
<i>Measure service supply:</i>	12
Measuring service demand:	13
<i>Health sector in MENA region:</i>	14
<i>Health and Medicare in Jordan:</i>	16
<i>Distribution of Hospitals and beds in Jordan:</i>	19
<i>Company overview:</i>	24
<i>Competitor in Jordan:</i>	24
<i>SWOT Analysis:</i>	26
<i>Financial analysis:</i>	27
<i>Introduction:</i>	27
<i>Financial ratios:</i>	27
<i>Outlook and valuation:</i>	30
<i>Valuation of IBNH Intrinsic Value per Share:</i>	31
<i>References:</i>	32
<i>Income Statement:</i>	33
<i>Ratio analysis (2012-2018):</i>	35
<i>Global Equity Rating Definition:</i>	36

DU Pont Chart:37

Company Profile:38

Table of Figures and Tables

FIGURE (1): HEALTH EXPENDITURE PER CAPITA (CURRENT US\$)	7
FIGURE (2): WORLD HEALTH EXPENDITURE, PUBLIC (% OF GDP)	8
FIGURE (3): HOSPITAL BEDS (PER 1,000 PEOPLE)	12
FIGURE (4) : POPULATION FOR THE PERIOD 1990 – 2015 FOR WORLD, MENA AND JORDAN.....	13
FIGURE (5) : POPULATION GROWTH RATE FOR WORLD/ MENA AND JORDAN FOR PERIOD 2007-2015 ..	14
FIGURE (6) : MENA HEALTH EXPENDITURE PER CAPITA (CURRENT US\$)	15
FIGURE (7): ARAB REGION HEALTH EXPENDITURE PER CAPITA (CURRENT US\$)	15
FIGURE (8): ARAB REGION/ JORDAN - HEALTH EXPENDITURE PER CAPITA (CURRENT US\$)	16
FIGURE (9): JORDAN HEALTH EXPENDITURE, TOTAL (% OF GDP).....	17
FIGURE (10): NUMBER OF HOSPITALS BEDS / SECTOR.	18
FIGURE (11): NUMBER OF HOSPITALS / SECTOR.	18
FIGURE (12): JORDAN POPULATION FOR THE PERIOD 2014/2015.....	23
FIGURE (13): NUMBER OF HOSPITAL BEDS IN JORDAN FOR THE PERIOD 2014/ 2015	23
FIGURE (14): COMPETITOR HOSPITAL IN AMMAN	25
FIGURE (15): IBNH RETURN IN EQUITY	29
FIGURE(16): IBNH ROA %.....	29
FIGURE (17): IBNH CURRENT RATIO	29
FIGURE (18): IBNH EPS.....	29
FIGURE (19): IBNH GROSS PROFIT MARGIN	29
FIGURE (20) : IBNH NET PROFIT MARGIN	29

Table of Tables

TABLE (1): NUMBER OF HOSPITAL BEDS / SECTOR 2015	20
TABLE (2): NUMBER OF HOSPITAL BEDS / GOVERNORATE 2014	21
TABLE (3): NUMBER OF HOSPITAL BEDS / GOVERNORATE 2015	22

List of Acronyms

IBNH : Ibn Al-Haitham Hospital Company.

MOH: Ministry of Health.

WHO: World Health Organization.

SWOT: Strength, Weaknesses, opportunities, Threats.

CAPM: Capital Asset Pricing Model.

WACC: Weighted Average Cost of Capital.

ASE: Amman Stock Exchange.

Investment summary:

- Ibn Al-Haitham Hospital (IBNH), is one of the big 5 private hospitals in Jordan, with 200 beds capacity, and planned to be 218 beds, and more than JOD 19 million operational revenue in 2015 with increase of 13% comparing to 2014.

Operating expense was represent 67.36% in the year 2014 and decreased in the year 2015 to 66.95% of operating expense, while the net profit margin declined in the year 2015 regarding to increasing in general and administrative expense and increasing in depreciation expense.

- According to the drop in medical tourism in Jordan by 35-40% since 2016 beginning, in addition to increasing in electricity and operational cost for hospitals and the restriction of entrance for certain nationality, which was an important part of medical tourism in Jordan like Libya and Iraq and Yemen and according to development in health sector in neighbor country such as Turkey and Dubai , we expect a slightly decline in operational revenue and gross profit for the next 3 years, therefore we expect also a slightly decline in net profit in the said period.
- We expect increasing in leverage ratio related to increasing in borrowing to cover planned extension in hospital department, and decreasing EPS ratio regarding to expected decline in net profit with stability in number of Subscribed Shares.
- The derived valuation of IBNH shares is JOD 0.66 per share. The stock closed price on Dec-31- 2015 was JOD 1.26 at Amman Stock Exchange Market. So we recommend „SELL“ on IBNH stock according to its Current price levels.

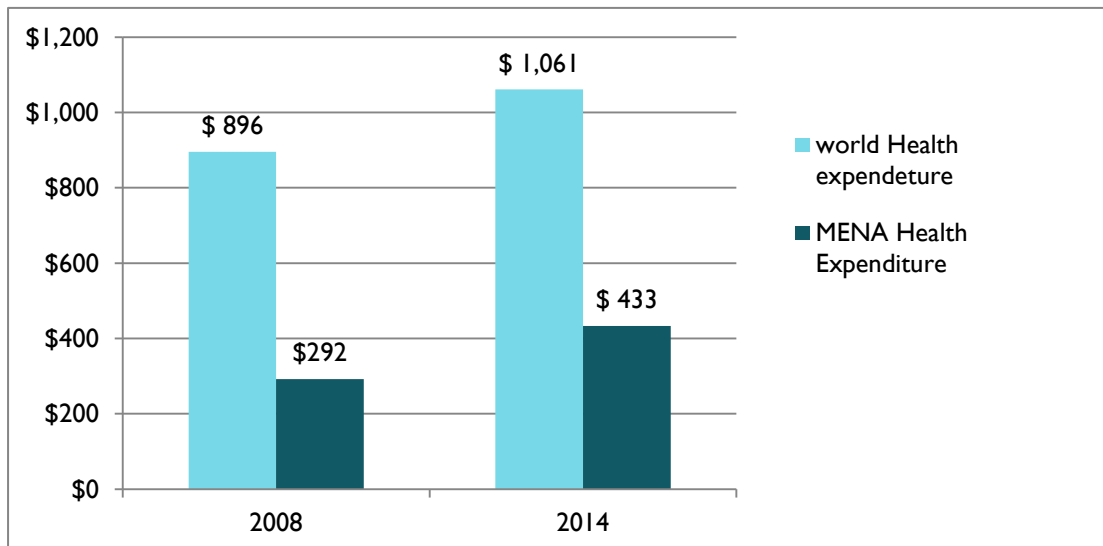
Industry overview:

Introduction:

Health services referring to all services related to treatment and diagnosing the sickness, and/or restoration of health status, the most observed functions of health system is "health service". Its include both services (personal & non-personal)ᵀ .

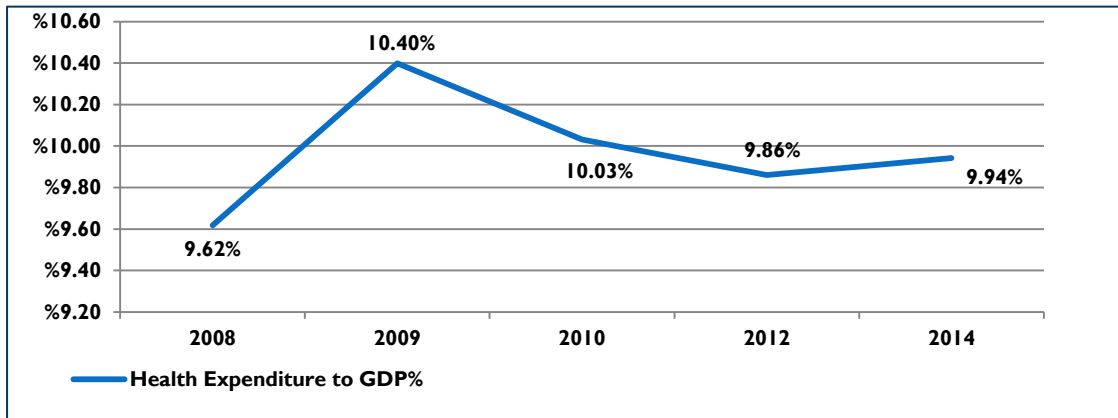
health and Medicare sector play a main role in total economic, In addition to its humanity role, world bank records indicate that annual global health expenditure per capita was \$896 in the year 2008 and grown to \$1,061 in the year 2014 (Figure1) showing a comparison between health expenditure per capita globally and for MENA region, this expenditure represent 9.62% of GDP in the year 2008 and 9.94% of GDP in the year 2014 globally wise as chart below (Figure 2)

Figure (1): Health expenditure per capita (current US\$)



Source: <http://data.worldbank.org>.

Figure (2): World Health expenditure, public (% of GDP)



Source: www.worldbank.com.

Facts and Numbers:

Health spending is keep increasing faster than the total economy, as figure (2) shown the increasing of health expenditure per capita along the period 2008-2014.

In MENA region, since 1995, health care sector spending grown at an average rate of 9.5% annually, or about 1.43 percentage points over GDP.²

Recently, the growth rates of health spending and GDP have slowed, but remain the health expenditure growth, above GDP growth. As a share of the economy, health care has risen from 8.5% of GDP in 1995 to more than 9.9 % of GDP in 2014, this increasing may related to more awareness of health by both governments and people itself which came as a result of campaigns that concerned organization held's, and so related to globally governmental support for health subjects, the fact that preventive action is lower cost than corrective push health concerned organization to work together in order to support this sector, and facilitate delivery for health care and medicine around world.

Regarding to this support, health sector is continuing improving the level of services equipments and devices used in hospitals.

Hospital and health care facility:

Regarding to info mentioned above, health sector is a one of economic component around the world, working under supervision of ministry of health, and other organization such as world health organization, this sector keep growing in Arab world and MENA region as a total expenditure to GDP percent, and the number of Hospital and health care provider still increase.

It is hard to know how many exactly hospitals exist in the world, because of hospitals may close or merging with other hospitals at any time. But we can know exactly how many hospital beds exist.

Number of hospital beds is one of health care indicator, anyhow health sector are serving about 7.5 billion of population, the population growth percent are expected to reduce during to regulation and death and other factors around world such as war, which expect to affect the health sector.

Factors affecting health sector in the region:

In MENA region, running war in Syria and Yemen, And unstable circumstances in Iraq and Egypt causing more pressure in health sector, which require more support and financing for their neighboring countries like Jordan, which treating most of those nationalities in its own hospital along with treating their own citizen.

WHO aimed to identify the functionality of health system and determine the key components of well functioning health system so they set the key components as a target goal to be achieved by those who concern in health sector.

Key components of well functioning health system:

World health organization referred that the “Key components of a well functioning health system” is:

- improving the health status of individuals, families and communities
- defending the population against what threatens its health
- protecting people against the financial consequences of ill-health

these components do not inconsistent with the goal of private sector hospitals which is seeking to gain profit as well as community service, that’s why the serving departments for patient is the same profit center for hospitals.

Hospitals profit center:

The main department in hospitals represents the main services provided by them, there are for example:

- Accident and emergency (A&E)
- Cardiology
- Critical care
- Diagnostic imaging, formerly known as X-ray
- Elderly services department
- Hematology
- Laboratory
- Pharmacy

Each department is a profit center for the hospital , where the patients are getting treat they also pay for the treatment and medicine, which causing increase in health expenditure per capita and the share of health sector in total economy.

Measuring Supply and demand on health care:

Measure service supply:

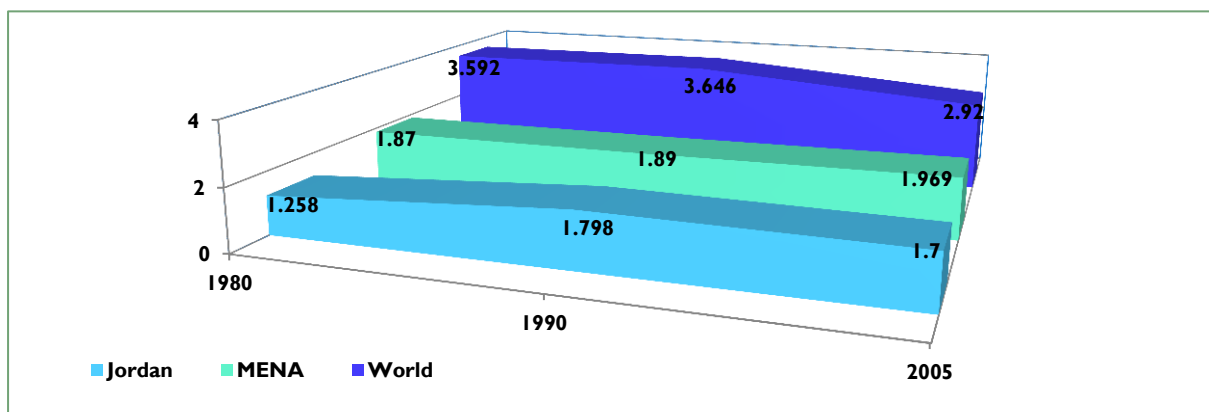
- 1- Staffing.
- 2- Availability of beds.
- 3- Waiting time for patient.

And it also could measure by combine factors to each other like:

- Number of nurse/ beds available
- Consultant / operation

In our research we depend on availability of beds as a service supply measurement.

Figure (3): Hospital beds (per 1,000 people)



Source : WorldBank.com

Number of beds per 1,000 of population reflects the supply of health care services, figure (3) show decline in hospital beds in the period “1990-2005” in both Jordan and globally while MENA region its keep growing since 1980 till 2005.

Since health expenditure is keep increasing while the figure above shown decreasing in number of beds per (1,000 people), we suggest that health sector may need more

facility to cover health demand in especially in certain areas which have unfair distribution of health demand like Jordan.

Measuring service demand:

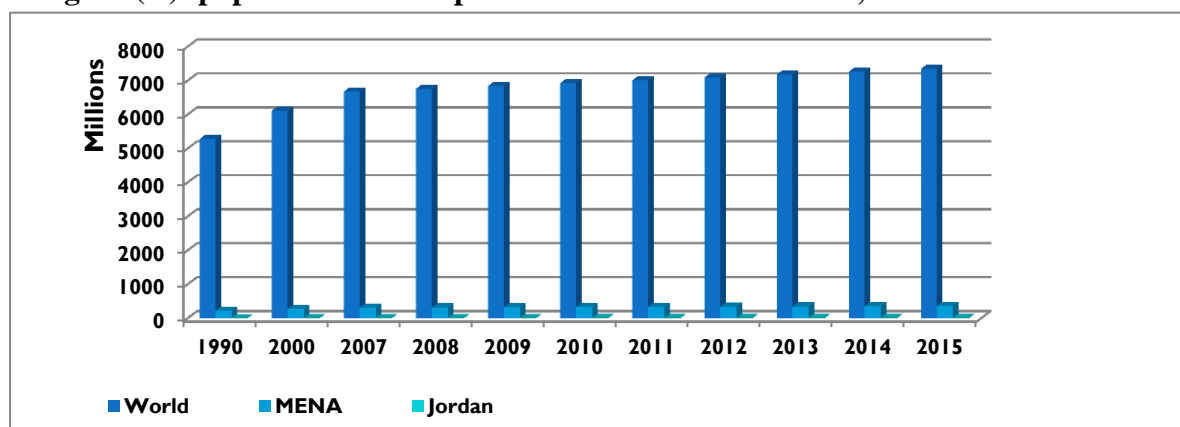
Service demand can be measured by:

- 1- Population.
- 2- Average length of stay.
- 3- Number of admission.
- 4- Waiting time for patient.
- 5- Occupancy percentage.

Waiting time are used as a double measurement, so incensement in waiting time reflecting more demand with constant of supply or decreasing supply in face of constant demand.

In our research we consider population as a main factor of demand on health services, and availability of beds as a main factor to measure the supply of service.

Figure (4) : population for the period 1990 – 2015 for World, MENA and Jordan



Source: World bank.

Figure (5) : Population growth rate for World/ MENA and Jordan for period

2007-2015

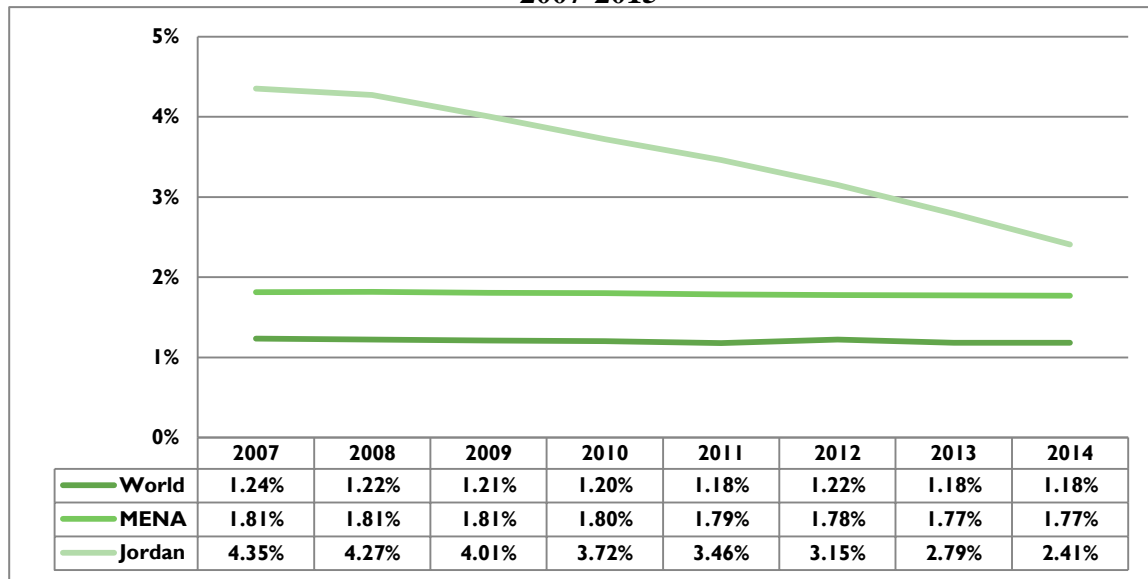


Figure (5) shows how population growth in Jordan and MENA region is above the population growth for the World.

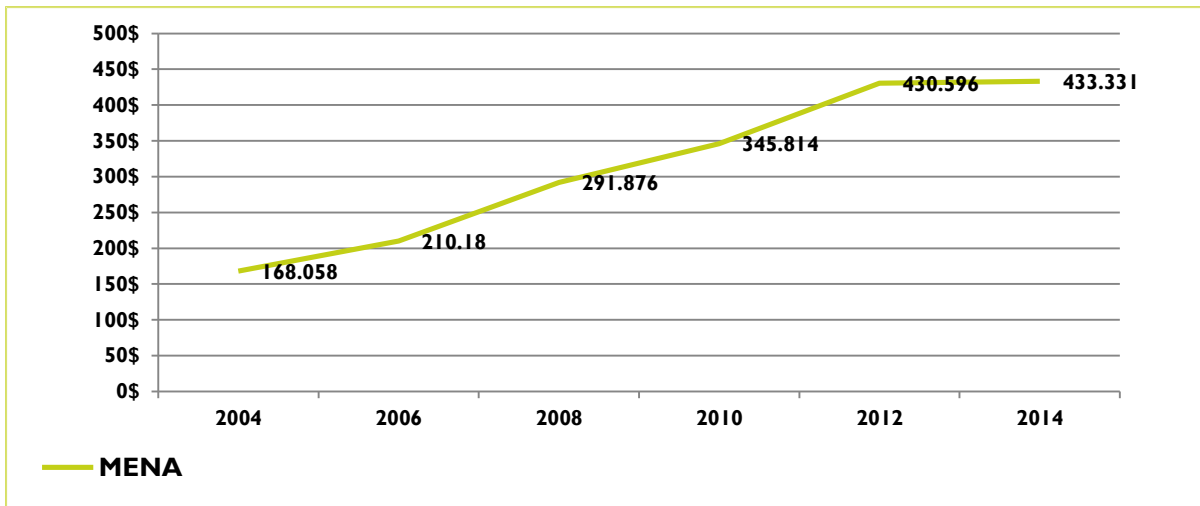
It's clearly observed that Jordan has the biggest growth rate of population in the selected region, higher population growth mean increasing on health demand as the population is one of health demand indicators.

Health sector in MENA region:

Health expenditure per capita in MENA region are increased from \$149.75 in the year 2002 to \$433.33 in the year 2014 by growth rate of 189% for the period.

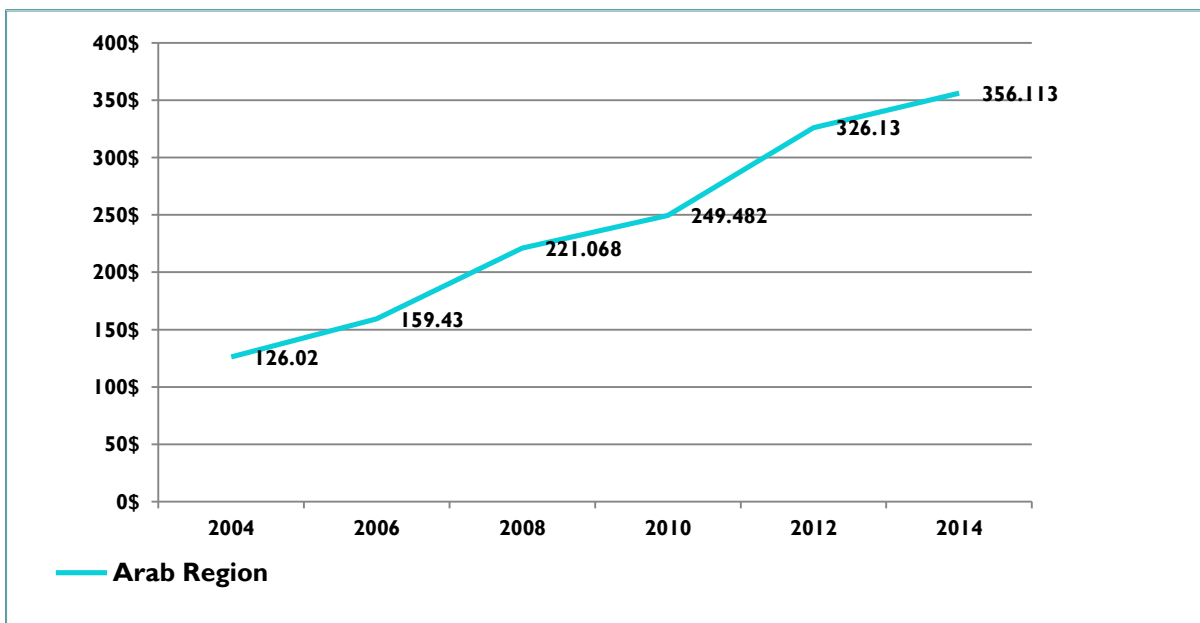
in Arab region health expenditure per capita was \$118.73 in the year 2002 and reached \$ 356.11 in the year 2014 , and expected to keep increasing , while Population annual percent growth is going down (1.334% in the year 2000 to 1.182% in the year 2015)

Figure (6) : MENA Health expenditure per capita (current US\$)



Source: World Bank

Figure (7): ARAB Region Health expenditure per capita (current US\$)



Source : www.worldbank.org.

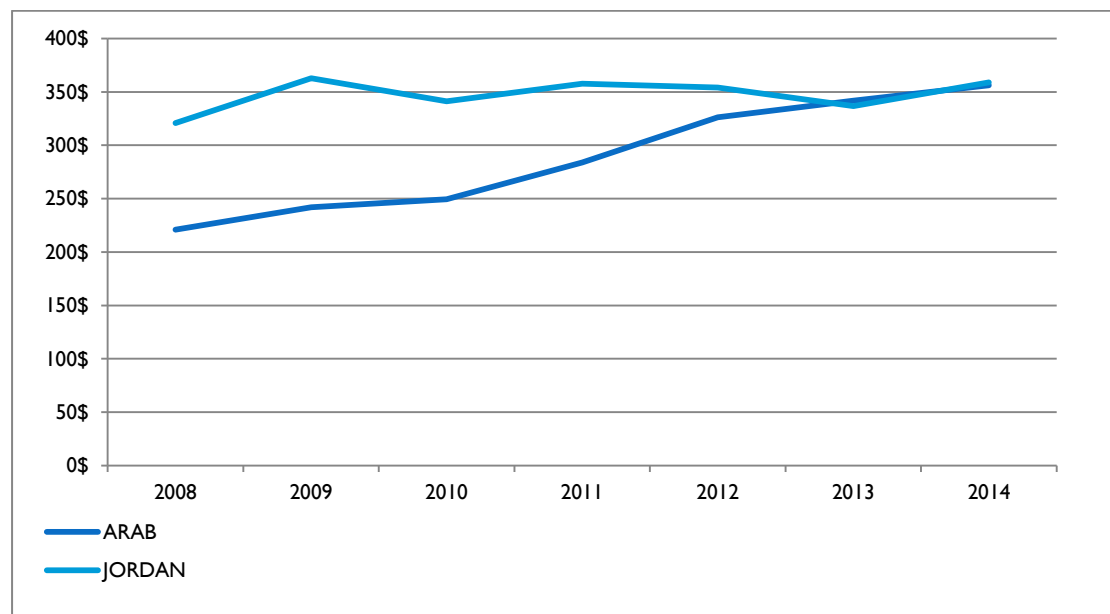
Measured to GDP, health sector represent 5.32% of GDP in MENA region this percent was 4.19% in the year 2008, in Arab region also there is growth in health expenditure to GDP percent as it was 3.53% in the year 2008 and increased in 2014 to reach 4.87% of GDP.

Health and Medicare in Jordan:

Healthcare sector in Jordan is well-known because of high quality healthcare services.

Regionally and internationally recognized Jordanian health sector due to the number of high qualified doctors and accredited hospital in Jordan and due to level of equipping hospital by latest machinery and equipment⁴, which lead to shorten waiting time for treatment.

Figure (8): ARAB Region/ Jordan - Health expenditure per capita (current US\$)



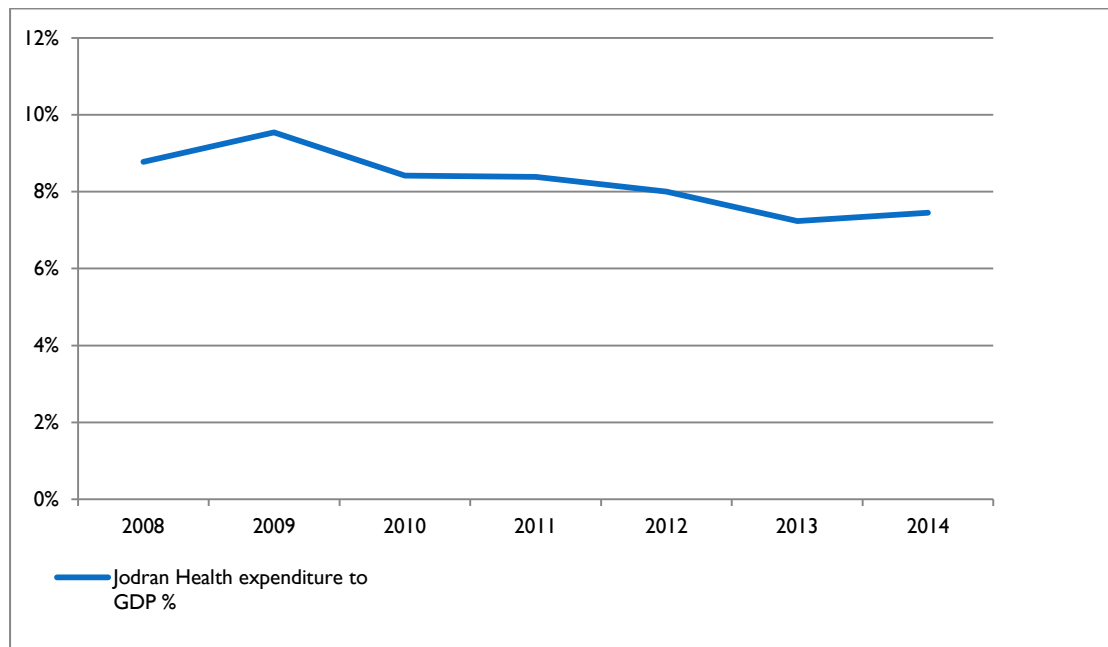
Source : <http://data.worldbank.org>.

In Jordan spending for health care per capita increased from \$320.9 in the year 2008 to \$358.91 in the year 2014, exceeding Arab region expenditure which was \$221.06 in the year 2008 and reached \$356.11 in the year 2014, this incensement of spending may lead to a high quality of health service, and equipment, and it may causing more demand in this sector and make it more attractive for both local and international patient.

Therapeutic tourism is a main part of Jordan health sector, and generates more than \$1.2 billion annual revenue, by 250,000 patient travels to Jordan for health care in the year 2014.

We expect a drop in health sector in Jordan regarding to new regulations which will lead to reduce the number of therapeutic tourist by restricting certain nationality get into its Jordan.

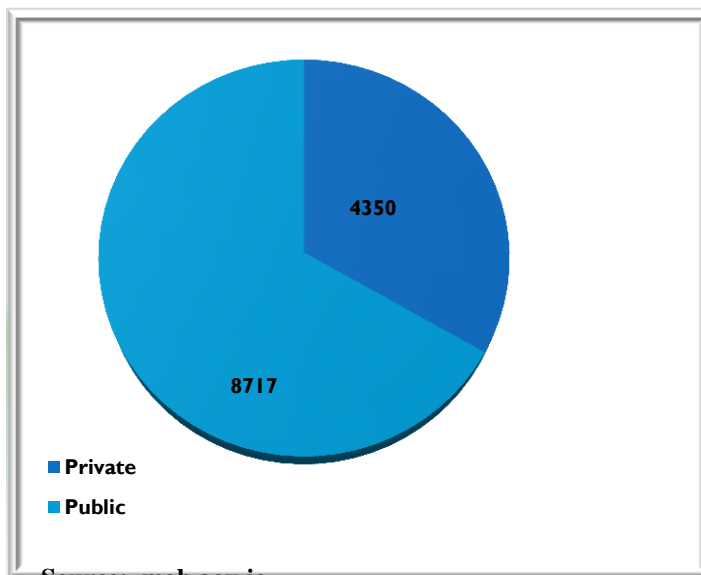
Figure (9): Jordan Health expenditure, total (% of GDP)



Source: Worldbank.org

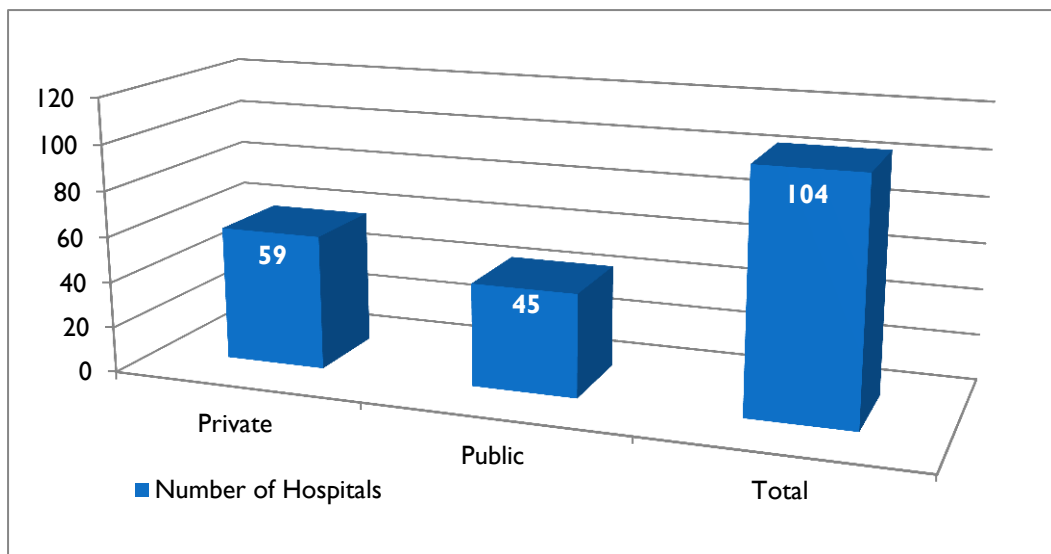
The decreasing in the percent of health spending to GDP, (8.78% in the year 2008 To 7.45% in the year 2014) may referring to increasing in other sector over than health sector, which require more support and development of health sector as Jordan already well known in the field of health and treatment and ranked 5th in the world in treating international patients.

Figure (10): number of hospitals Beds / sector.



Source: moh.gov.jo

Figure (11): Number of Hospitals / Sector.



source: Moh.gov.jo

In Jordan there is 104 working hospital as 2015 data 5, 59 of them are private sector representing around 57% of total hospitals, with 4,230 beds capacity out of 12,492, representing around 38% of total hospital beds in country distributed into 12 governorate.

Private sector hospital is providing around 38% of total hospital beds in Jordan, this number considered good, but the main factor is the occupation percent of these beds , number of beds is not the main measure to assess the growth of private sector while the occupation percent is.

Distribution of Hospitals and beds in Jordan:

There were 109 hospitals in Jordan in the year 2014; this number has declined to 104 hospitals while, the number of total beds increased as table 1. in other hand and in table 2, the distribution of beds in each governorate and the number of beds per 10.000 population is presented to show the decreasing of number of beds to 10.000 population in the year of 2015 with increasing of total beds provided.

Table (1) below show, that decreasing of 6 private sector hospital is combined with increasing of 361 beds in this sector and, one additional med service center causing in an additional 292 of hospital beds.

Other sector has no additional hospital but have more additional beds by 373 beds with the same facilities.

Table (1): Number of Hospital beds / Sector 2015

Health sector / Year	2014			2015		
	Hospitals	Beds	% to total Beds	Hospitals	Beds	% to total Beds
MOH	31	4,693	39 %	31	5,029	38.5%
Royal Medical Services	11	2,259	18.8 %	12	2,551	19.5 %
Jordan university	1	577	4.8 %	1	599	4.6 %
King Abdullah	1	523	4.3 %	1	538	4.1 %
Private	65	3989	33.1 %	59	4350	33.3 %
Total	109	12,041	100 %	104	13,067	100 %

Source : www.moh.gov.jo.

Table (1), shows how private sector share in total hospital beds are increased from (33.1% to 33.3%) of total hospital beds in Jordan, which mean increasing in demand on private sector services in 2015 than 2014.

Table (2): Number of Hospital beds / Governorate 2014

Governorate	Population	Beds	Beds per sector					Beds to 10.000
			MOH	Royal Medical Services	University of Jordan	King Abdullah	Private	
Mafraq	313,700	243	203	0	0	0	40	8
Tafilah	93,400	106	0	106	0	0	0	11
Irbid	1,188,100	1,959	818	292	0	523	326	16
Amman	2,584,600	6,453	1,584	1,326	577	0	2,966	25
Jarash	200,300	171	159	0	0	0	12	9
Maan	126,900	203	203	0	0	0	0	16
Balqaa	447,200	388	388	0	0	0	0	9
Karak	260,400	432	206	126	0	0	100	17
Aqaba	145,500	263	0	183	0	0	80	18
Madaba	166,900	188	158	0	0	0	30	11
Zarqaa	994,500	940	399	226	0	0	315	9
Ajloun	153,500	130	130	0	0	0	0	8
Total	6,675,000	11476	4,248	2,259	577	523	3,869	17

Source : www.moh.gov.jo.

Table (2) showing the number of hospital beds allocated to each governorate and show the population in each governorate and the share of (10,000 population) in hospital beds which is 17 beds as average in whole country.

The capital Amman has the biggest share by 25 hospital beds per 10,000 populations while each Ajloun and Mafraq has the lowest share.

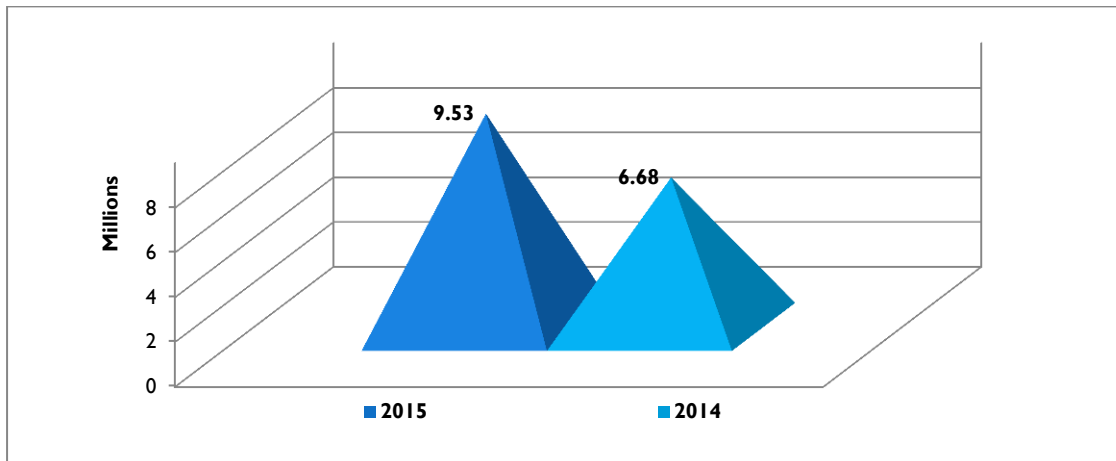
Table (3): Number of Hospital beds / Governorate 2015

governorate	Population	beds	Hospital Beds per sector					Hospital Beds to 10.000 People
			MOH	Royal Medical Services	University of Jordan	King Abdullah	Private	
Mafrq	549,948	253	203	0	0	0	50	5
Tafilah	96,291	94	0	94	0	0	0	10
Irbid	1,770,158	228	818	482	0	538	390	13
Amman	4,007,526	6,765	1,593	1,328	599	0	3245	17
Jarash	237,059	174	159	0	0	0	15	7
Maan	144,082	202	202	0	0	0	0	14
Balqaa	491,709	390	390	0	0	0	0	8
Karak	316,629	471	247	126	0	0	98	15
Aqaba	188,160	282	0	195	0	0	87	15
Madaba	189,192	188	158	0	0	0	30	10
Zarqaa	1,364,878	1,315	674	326	0	0	315	10
Ajloun	176,080	130	130	0	0	0	0	7
Total	9,531,712	12,492	4,574	2,551	599	538	4,230	13

Source: www.moh.gov.jo.

Table (3) show the decreasing in average hospital beds per (10,000 population) in 2015 than 2014, the most governorate affected by this reduction is the capital Amman which was have 25 hospital beds per 10.000 population reduced to 17 in 2015.

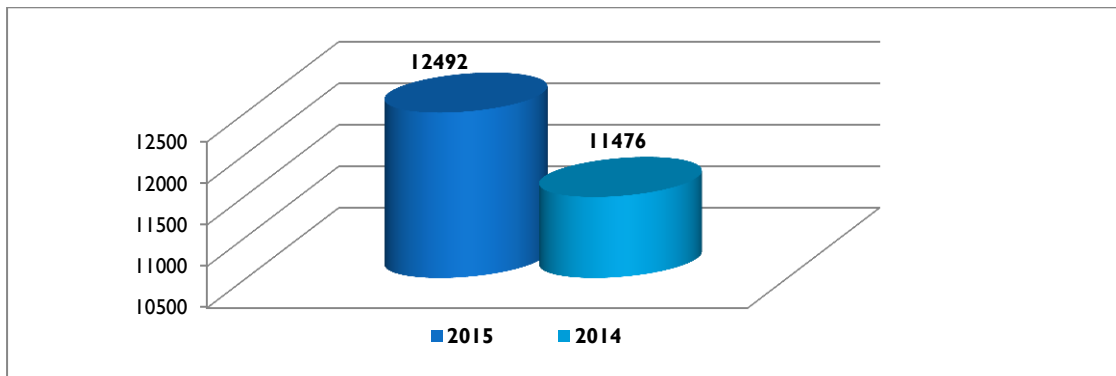
Figure (12): Jordan Population for the period 2014/2015



Source : moh.gov.jo

The figure above shown the huge increasing in population in 2015 compared to 2014 by about (2,850,000 people) and by around 43% growth rate in population.

Figure (13): Number of Hospital Beds in Jordan for The period 2014/ 2015



Source : moh.gov.jo

Figure (13), shown additional hospital beds in Jordan on 2015 compared to 2015, there is 1016 additional hospital beds available in 2015 to cover increasing in population, which is around 2,850,000 people.

The increasing in population is much more the growth of increasing hospital beds which lead to reduce the total average share of 10,000 people of hospital beds.

Company overview:

Ibn Al-Haitam Hospital is a general hospital and one of 59 Hospital working in Jordan , its located in the capital “Amman”, with 200 beds out of 4,230 total beds in Jordan.

Compared to number of beds in the Capital , Ibn Al-Haitham have 200 beds out of 3,245 which represent around 6% of private sector beds in Amman.

Ibn Al-Haitham hospital known as a modern regional center in the major of brain and neuron surgery and surgery of orthopedic – spine and ophthalmology , and its in the 3rd place in treating international patient in the world.

It’s a learning center providing Arab Board certificates in many advanced majors , recently Ibn Al-Haitah has got international quality certificate “Temos” to be the first hospital in middle east region and the 3rd place around the world in treating international patient.

Now it’s seeking to get Britain quality certificate “QHA-Trent” to be the first hospital in the region who has “QHA-Trent” certificate.

In 2015 IBNH net profit has decreased from (JOD 1,132,744 in 2014 to JOD 1,010,523 in 2015) by decline percent of 10% compared to 2014 net profit, due to increase in general and administrative expense.

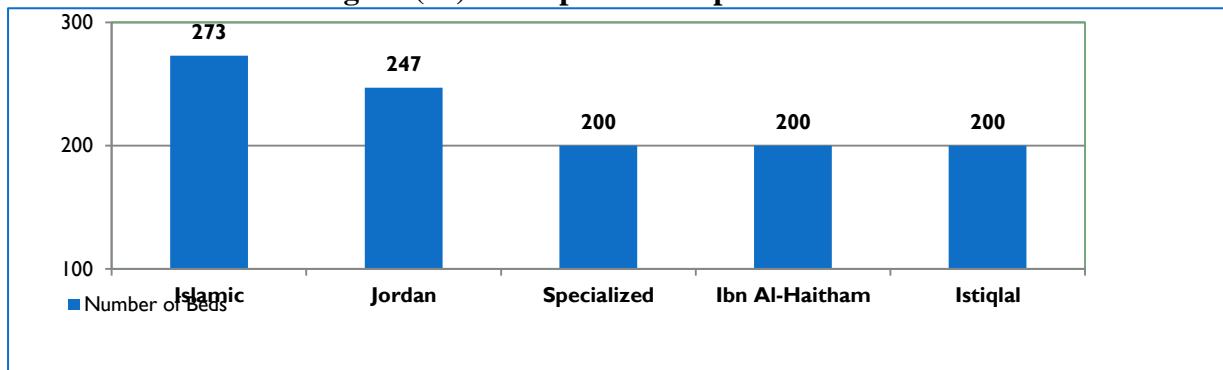
Competitor in Jordan:

There is 59 private sector hospital working in Jordan in addition to 45 governmental hospital and med service center working in Jordan.

Private sector are supporting health care sector by proving 4,350 beds out of 13,067 beds in Jordan, which represent 33.3% of total beds.

There is 40 private sector hospital locating in Amman but only 5 of them who have 200 beds or more while there is no private sector hospital in other governorate have 200 beds or more, so the most competitor for Ibn Al-Haitam hospital are all working in same area, with number of beds equal 200 beds or more and they are as below chart.

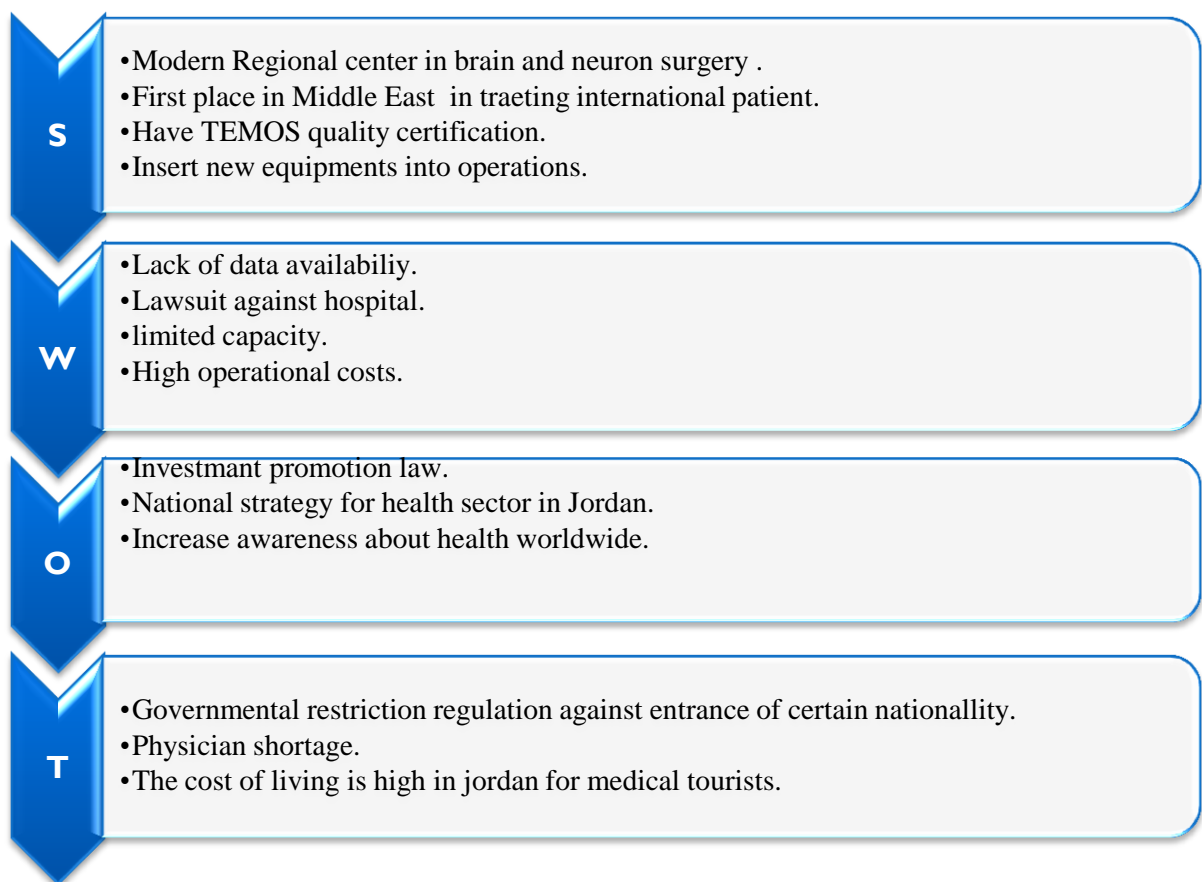
Figure (14): Competitor Hospital in Amman



Source: Moh.gov.jo

SWOT Analysis:

SWOT analysis is a tool that identifies the strengths, weaknesses, threats and opportunities of an organization. SWOT is a basic, analytical framework allowing to assesses what an organization can or cannot do, as well as its potential opportunities and threats. A SWOT analysis takes information from both internal and external sources that internal sources can provide you with both strengths and weaknesses, while external sources proving opportunities and threats.



Financial analysis:

Introduction:

Financial analysis is an assessment of profitability and stability and the viability, of company by extracting relation between numbers in the financial statements, or measure the growth (variance) for each element of financial statements.

This analysis is performed by professional people and presented to top management to make decision based on their reports which contain financial ratios, and professionals notes on given ratios, these reports may determine if business will continue or stop the main operation or at least a part of it and it may determine other important decision related to business activity such as lending / investment or acquiring certain assets.

Financial ratios:

Regarding to our expectation that there will be drop in health sector in Jordan regarding to reduction in Therapeutic tourism by around 30% and issuance of restrictive regulation against certain nationality to entrance Jordan, and after analyzing the growth rate of financial statements elements, we suggest decreasing in operating revenue by 2% with decreasing in gross profit by 7% for coming three years.

IBNH Return on Assets keep decreased since 2012, it was 4.51% in 2012 and became 2.87% in 2015, Return on assets ratio are measuring the efficiency of operation and how company are utilize its assets to generating profit, a decreasing of this ratio mean the company do not operating its assets in efficient way.

ROE has decreased from 7% in 2012 to 3.9% in 2014 with decline rate of 55%, which mean inefficient employ of capital in the company.

EPS ratio has decreased from JOD0.08 in 2012 to JOD0.051 in 2015, this decline refer to decreasing in shareholder returns, shareholders seeking to maximize their profit by investing in company who provide them with maximum earning on their shares.

Current ratio is declined from 0.80:1 in 2012 to 0.76:1 in 2015 the decrease in this ratio refer that company have current liabilities exceeding its own current assets which lead to delaying in payback its liabilities on time.

Gross profit margin in decreased which mean less profitability than previous period, the company has to find new market by targeting new governorate foe example or increasing services price or reducing its operating expense.

Decreasing in net profit margin recorded, it was 7.47% in 2012 and in 2015 goes down to be 5.11% and referring to decreasing in profitability.

Finally we conclude that IBNH ratios which mentioned above will continue declining within the next period 2016-2018 based on the expected decreasing in operating revenue and gross profit margin, IBNH have to increase profitability by reducing operating expense and try to restudy service prices and do the best in order to increase assets turnover.

The following figures are expected Ratios for coming period (2016-2018) for IBNH Company:

Figure(16): IBNH ROA %

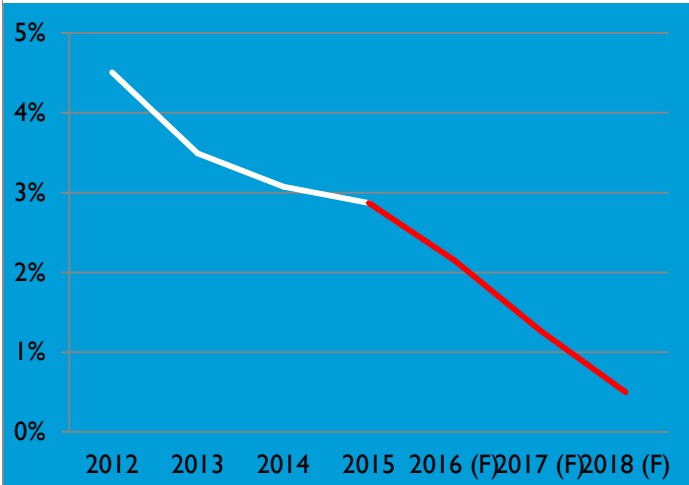


Figure (15): IBNH Return in Equity

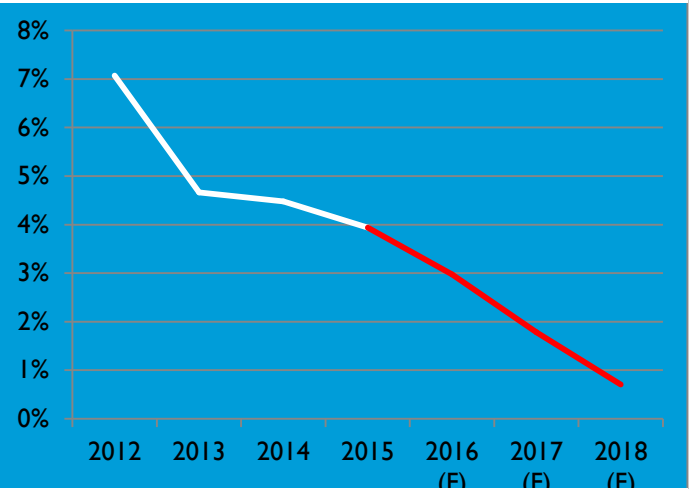


Figure (18): IBNH EPS

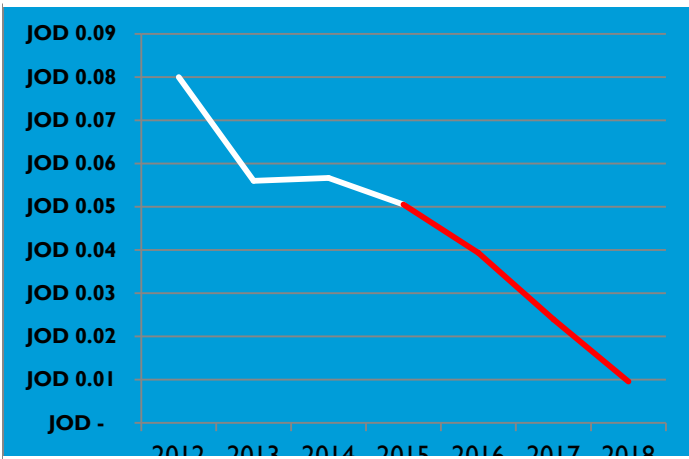


Figure (17): IBNH Current Ratio

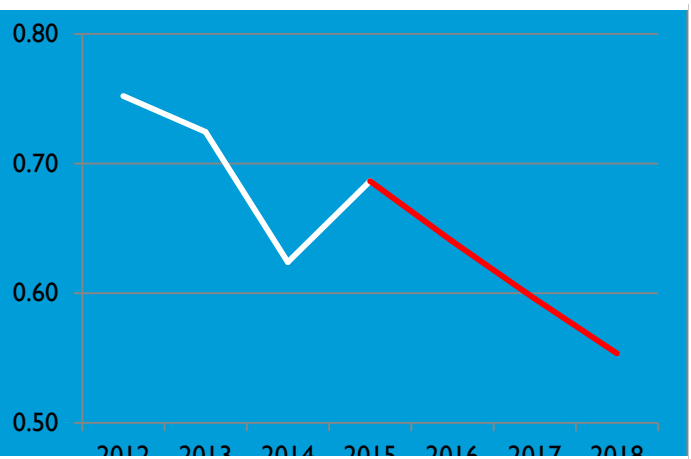


Figure (19): IBNH Gross Profit Margin

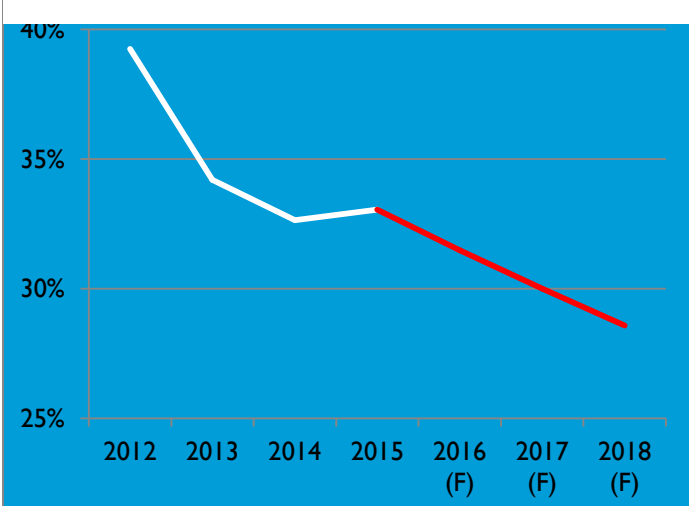
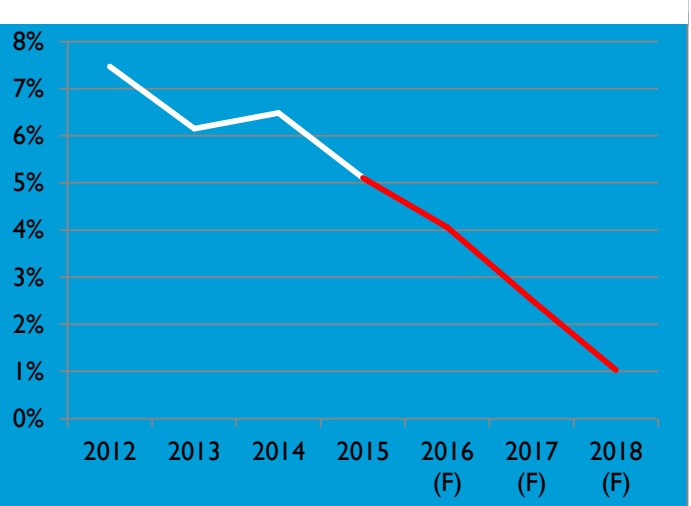


Figure (20): IBNH Net Profit Margin



Source: Amman Stock Exchange

Outlook and valuation:

Capital Asset Pricing Model (CAPM), are used to extract the cost of equity for IBNH company.

We assume the following to reach intrinsic value of IBNH:

- 1- Risk free rate = 3.5%.
- 2- Return on the market index = 0.002%.
- 3- Beta = 6.2114%
- 4- CAPM = 3.28% (RF+Beta*(RM-RF)).
- 5- Cost of debt = 18.68%.
- 6- Tax rate = 14.2%.
- 7- Weight of equity = 89.4%.
- 8- Weight of debt = 10.6%.
- 9- Based on extracted number above, the Weighted Average Cost of Capital = 4.6% (WACC).
- 10- Cash Flow constant growth = 0%.

FCF Valuation (JOD)	2012	2013	2014	2015	2016 (F)	2017 (F)	2018 (F)
EBIT	2,417,309	1,510,439	1,592,750	1,769,886	1,384,923	1,025,760	690,536
Tax Rate	0.22582918	0.021406017	0.121211745	0.164565658	0.142888702	0.142888702	0.142888702
NOPAT	1,871,410	1,478,107	1,399,690	1,478,624	1,187,033	879,190	591,866
Net operating working capital	3,203,834	1,996,221	3,332,254	2,509,079	2,394,492	2,286,952	2,186,011
net fixed assets	20,341,129	19,341,202	21,492,078	21,132,913	21,335,629	21,540,289	21,746,912
Total operating capital	23,544,963	21,337,423	24,824,332	23,641,992	23,730,121	23,827,241	23,932,923
net operating capital		2,207,540-	3,486,909	1,182,340-	88,129	97,120	105,682
free cash flow (FCF)		3,685,647	(2,087,219)	2,660,964	1,098,904	782,070	486,184
accrued expenses	0	0	0	0	0	0	0

Valuation of IBNH Intrinsic Value per Share:

- ❖ Based on our forecasting and above mentioned assumption ; the value of IBNH share could be JOD 0.66 as calculated below:

assumptions	
WACC	4.64%
Cash flow constant Growth rate	0.00%
value of operation at the end of 2015	10,482,028
add: value of non- operating assets	7,362,666
total corporate value	17,844,694
less : value of interest . Bearing debt	4,570,631
intrinsic value of the firms equity	13,274,063
number of shares outstanding	20,000,000
intrinsic value per share	0.663703161

- ❖ The stock closing price on 31-Dec-2015 was JOD 1.26, as Amman Stock Exchange data.

We recommend to **“SELL”** IBNH stock.

References:

- 1- www.who.org.
- 2- www.worldbank.org.
- 3- www.moh.gov.jo.
- 4- http://2016.export.gov/industry/health/healthcareresourceguide/eg_main_092005.asp.
- 5- www.ase.com.jo.
- 6- www.jic.gov.jo.

Income Statement:

IBNH Income Statement (JD)	2012	2013	2014	2015	2016 (F)	2017 (F)	2018 (F)
Operating Revenues	21,424,395	18,209,862	17,468,427	19,782,604	19,398,299	19,021,460	18,651,941
Operating Expenses	13,016,594-	11,982,343-	11,767,517-	13,245,367-	13,290,728-	13,315,314-	13,320,837-
Gross Profit	8,407,801	6,227,519	5,700,910	6,537,237	6,107,572	5,706,146	5,331,105
General and Administrative Expenses	4,041,922-	4,339,725-	4,189,820-	4,674,216-	4,583,413-	4,494,374-	4,407,064-
Selling and Distribution Expenses	0	0	0	0	0	0	0
Depreciation (period)	879,787-	895,286-	556,322-	917,158-	947,251-	978,331-	1,010,431-
Other Operating Expenses	0	0	0	0	0	0	0
Net Operating Income	3,486,092	992,508	954,768	945,863	1,524,159	1,211,773	924,041
Other Revenues	452,199	647,931	767,982	954,023	935,490	917,317	899,496
Other Expenses	1,520,982-	130,000-	130,000-	130,000-	127,475-	124,998-	122,570-
Income Before Interest & Tax	2,417,309	1,510,439	1,592,750	1,769,886	1,384,923	1,025,760	690,536
Interest Expenses	350,809-	365,901-	303,766-	560,308-	466,921-	466,921-	466,921-
Net Income before Tax	2,066,500	1,144,538	1,288,984	1,209,578	918,003	558,839	223,616
Income Tax (Period)	466,676-	24,500-	156,240-	199,055-	131,172-	79,852-	31,952-
Income Tax (Previous Years)	0	0	0	0	0	0	0
Universities and Research Train Fees	0	0	0	0	0	0	0
Board of Directors Remuneration	0	0	0	0	0	0	0
Net Income	1,599,824	1,120,038	1,132,744	1,010,523	786,830	478,988	191,663

Source: Amman Stock Exchange.

Balance Sheet:

IBNH Balance Sheet	2012	2013	2014	2015	2016 (F)	2017 (F)	2018 (F)
Assets (JD)							
overdraft	0	0	0	0	630,755	947,942	973,748
Cash on Hand & at Banks	226,689	211,288	1,128,542	213,359	215,660	217,986	220,337
Account Receivables, Net	8,747,528	4,845,282	5,134,009	5,459,265	5,353,211	5,249,217	5,147,244
Notes Receivable	0	0	0	0	0	0	0
Post Dated Cheques	0	17,592	129,492	182,956	184,648	186,356	188,079
Short Term Investments	0	0	0	0	0	0	0
Inventory	1,357,346	1,513,786	1,607,556	1,407,086	1,411,905	1,414,517	1,415,103
Spare Parts	0	0	0	0	0	0	0
Total Current Assets	10,331,563	6,587,948	7,999,599	7,262,666	7,796,179	8,016,018	7,944,511
Long Term Investments	4,807,552	6,127,646	7,347,507	6,719,829	7,306,624	7,944,660	8,638,412
Fixed Assets, Net	20,341,129	19,341,202	21,492,078	21,132,913	21,335,629	21,540,289	21,746,912
Lands	0	0	0	0	0	0	0
Projects in Progress	0	0	0	100,000	100,505	101,014	101,524
Total Fixed Assets	25,148,681	25,468,848	28,839,585	27,952,742	28,742,758	29,585,963	30,486,848
Other Assets	0	0	0	0	0	0	0
Total Assets	35,480,244	32,056,796	36,839,184	35,215,408	36,538,937	37,601,981	38,431,359
Liabilities & Owners Equity							
Liabilities (JD)							
Accounts and Notes Payable	7,127,729	4,574,135	4,537,853	4,570,631	4,586,284	4,594,768	4,596,674
Credit Banks	4,992,730	3,475,436	4,992,777	1,984,492	2,183,566	2,402,611	2,643,629
Short Term Loans	714,033	0	1,999,970	3,000,000	3,321,972	3,678,499	4,073,291
Accrued Part of Long Term Loans	0	0	0	0	0	0	0
Total Current Liabilities	12,834,492	8,049,571	11,530,600	9,555,123	10,091,822	10,675,878	11,313,593
Long Term Loans & Notes Payable	18,251	0	0	0	0	0	0
Corporate Bonds	0	0	0	0	0	0	0
Other Liabilities	0	0	0	0	0	0	0
Total Liabilities	12,852,743	8,049,571	11,530,600	9,555,123	10,091,822	10,675,878	11,313,593
Shareholders Equity (JD)							
Authorized Capital	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Subscribed Capital	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Paid-in Capital	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Compulsory Reserves	621,257	739,211	871,609	992,567	1,115,917	1,254,597	1,410,510
Voluntary Reserve	78,853	78,853	78,853	78,853	78,853	78,853	78,853
Other Reserves	0	0	0	0	0	0	0
Issuance Premium	1,911,328	1,911,328	1,911,328	1,911,328	1,911,328	1,911,328	1,911,328
Issuance Discount	0	0	0	0	0	0	0
Treasury Stocks	0	0	0	0	0	0	0
Proposed Cash Dividends	1,000,000	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000
Proposed Stock Dividends	0	0	0	0	0	0	0
Accumulated Change in Fair Value	-1,036,889	222,797	1,405,373	744,692	744,692	744,692	744,692
Retained Earnings	1,052,952	1,055,036	1,041,421	1,932,845	2,596,325	2,936,633	2,972,383
Total Shareholders Equity	22,627,501	24,007,225	25,308,584	25,660,285	26,447,115	26,926,103	27,117,766
Minority Interest	0	0	0	0	0	0	0
Total Liabilities & Shareholders Equity	35,480,244	32,056,796	36,839,184	35,215,408	36,538,937	37,601,981	38,431,359

Source: Amman Stock Exchange.

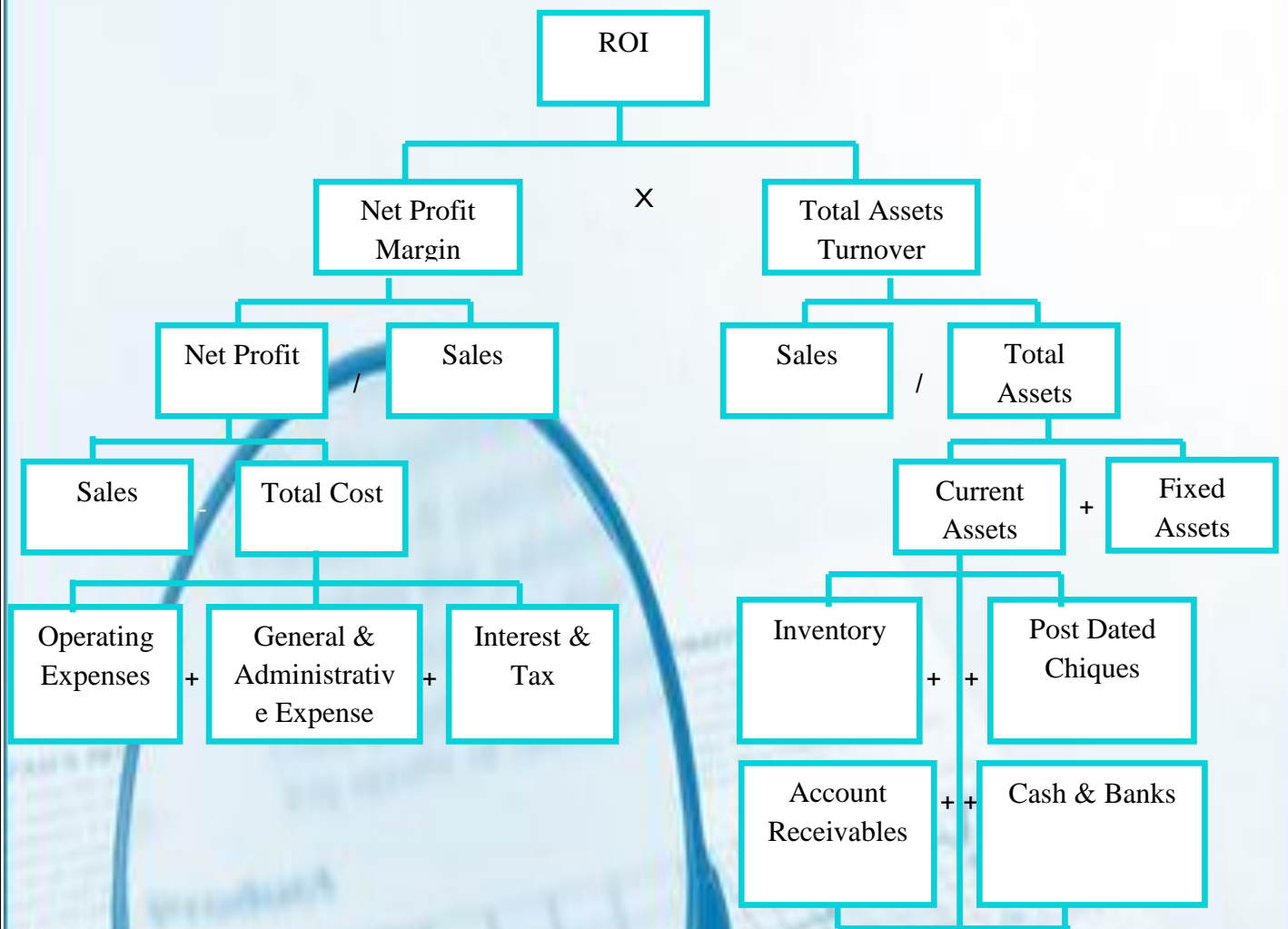
Ratio analysis (2012-2018):

DuPont Analysis	2012	2013	2014	2015	2016 (F)	2017 (F)	2018 (F)
DuPont Analysis	4.51%	3.49%	3.07%	2.87%	2.15%	1.27%	0.50%
Net Profit Margin	7.47%	6.15%	6.48%	5.11%	4.06%	2.52%	1.03%
Asset Turnover Ratio	0.603840126	0.56804997	0.474180617	0.561759898	0.530893905	0.505863245	0.485331299
Leverage Ratio	36.23%	25.11%	31.30%	27.13%	27.62%	28.39%	29.44%
Return On Investment	0.0032	0.0016	0.0014	0.0011	0.0006	0.0002	0.0000
Liquidity Ratio	2012	2013	2014	2015	2016 (F)	2017 (F)	2018 (F)
current ratio	75.21%	72.44%	62.41%	68.65%	64.01%	59.58%	55.36%
quick ratio	69.92%	63.04%	55.44%	61.28%	63.26%	61.84%	57.71%
absolute quick ratio	1.77%	2.62%	9.79%	2.23%	2.14%	2.04%	1.95%
Profitability Ratios	2012	2013	2014	2015	2016 (F)	2017 (F)	2018 (F)
Gross Profit Margin	39.24%	34.20%	32.64%	33.05%	31.49%	30.00%	28.58%
Operating Profit Margin	16.27%	5.45%	5.47%	4.78%	7.86%	6.37%	4.95%
Net Profit Margin	7.47%	6.15%	6.48%	5.11%	4.06%	2.52%	1.03%
Return on Assets	4.51%	3.49%	3.07%	2.87%	2.15%	1.27%	0.50%
Return on Equity	7.07%	4.67%	4.48%	3.94%	2.98%	1.78%	0.71%
EBDITA Margin	11.28%	8.29%	9.12%	8.95%	7.14%	5.39%	3.70%
EPS	0.080	0.056	0.057	0.051	0.039	0.024	0.010
Leverage Ratios	2012	2013	2014	2015	2016 (F)	2017 (F)	2018 (F)
Total Debt Ratio	36.23%	25.11%	31.30%	27.13%	27.62%	28.39%	29.44%
times interest earned	993.73%	271.25%	314.31%	168.81%	326.43%	259.52%	197.90%
Total Debt to Equity Ratio	56.80%	33.53%	45.56%	37.24%	38.16%	39.65%	41.72%
Asset Management Ratios	2012	2013	2014	2015	2016 (F)	2017 (F)	2018 (F)
account receivable turnover	2.449194218	3.758266702	3.402492477	3.623675348	3.623675348	3.623675348	3.623675348
inventory turnover	9.589739094	7.915480127	7.320128817	9.413331523	9.413331523	9.413331523	9.413331523
Asset Turnover	0.603840126	0.56804997	0.474180617	0.561759898	0.530893905	0.505863245	0.485331299
days sales outstanding	149.0286059	97.11923847	107.2743004	100.7264628	100.7264628	100.7264628	100.7264628
liquidity ratio	2012	2013	2014	2015	2016 (F)	2017 (F)	2018 (F)
current ratio	0.804984179	0.818422249	0.693771269	0.760080849	0.772524417	0.750853291	0.702209402
absolute liquid ratio	0.045403817	0.060794674	0.22603493	0.107513157	0.098765086	0.090728823	0.083346451

Global Equity Rating Definition:

Global Rating	Definition
Buy	Fair value of the stock is >10% from the current market price
Hold	Fair value of the stock is between +10% and -10% from the current m
Reduce	Fair value of the stock is between -10% and -20% from the current m
Sell	Fair value of the stock is < -20% from the current market price

DU Pont Chart:



Company Profile:

Company Code :	131279
Reture Code	IBNH
Address	Telaa Al-Ali – Amman- Jordan
Telephone	+966 5205555
P.O. BOX	940614 Amman 11194
Fax	+99 5516823
Website	www.ibn-alhaytham-hospital.com
Establish Date	26/3/1996
Number of Employee	750
Main Activity	<ul style="list-style-type: none">- Invest in medical and trademarks.- Trade in medical equipments.- Participate in bids and auctions.- Invest in other companies.
General Manager	Dr. Ahmad Abu- Khadijah