

Burjeel Holdings' H1 2023 Net Profit up 47%; Confirms Debut Interim Dividend of AED 95 Million

Abu Dhabi, United Arab Emirates, 4 August 2023: Burjeel Holdings PLC (“Burjeel” or “the Group”), a leading Healthcare Services Provider in the UAE and MENA listed on the Abu Dhabi Securities Exchange (“ADX”) (SYMBOL: **BURJEEL**; ISIN: **AEE01119B224**), today announced its financial results in accordance with International Financial Reporting Standards (IFRS) for the three-month and six-month period ended 30 June 2023.

Half-Year Highlights

Revenue of AED 2.2 billion, up 13.9% y-o-y, driven by higher inpatient footfall coupled with expansion in patient yield; *Q2 revenue growth accelerated to 16.3% y-o-y delivering AED 1.1 billion.*

EBITDA of AED 467 million, up 12.7% y-o-y; *Q2 EBITDA up 12.0% y-o-y to AED 225 million.*

Net Profit of AED 225 million up 47.0% y-o-y, attributable to robust topline growth and significantly lower finance costs; *Q2 net profit up 51.4% y-o-y to AED 103 million.*

Outpatient footfall and **inpatient footfall** increased by 11.1% and 20.2%, respectively, primarily due to the Group's investment in new specialties and services; Total 2.9 million patients seen in H1.

Burjeel Medical City saw strong footfall growth which drove revenue growth of 34.5% and EBITDA growth of 91.1%.

Leverage reduced further to 1.2x at the end of the period, reflecting continued operational excellence and cost management.

Debut interim dividend payment confirmed by Board of Directors, totaling approximately AED 95 million or AED 0.02 per share. This interim dividend represents 42% of net profit for H1 2023.

Promising opportunities pave the way for robust growth trajectory and positive outlook

Burjeel Holdings continues to deliver on its clear growth strategy of elevating utilization and patient yield while investing in expansion opportunities across MENA. In line with its preferred capex-lite approach to network expansion, Burjeel recently agreed to operate and manage Abu Dhabi National Oil Company's (ADNOC) largest healthcare facility in the Al Dhafra region, Al Dhannah Hospital.

The contract to operate the 122-bed hospital will also create incremental opportunities for Burjeel's broader network, particularly Burjeel Medical City, in the event Al Dhannah patients require more complex treatments outside of the scope of its services. The agreement will commence in early Q4.

The Group also put the final touches on the first of its *PhysioTherabia* clinics in KSA – the joint-venture network of sports medicine and rehabilitation centers established with KSA-listed Leejam Sports Company JSC. *PhysioTherabia* expects to open 60+ clinics over the next 24 months, leveraging Leejam's network of prime-location fitness centers and loyal member base.

Looking ahead, Burjeel Holdings remains well-positioned to capitalize on a robust pipeline of growth opportunities in the MENA region, with several capex-lite opportunities under advanced discussion.

John Sunil, Chief Executive Officer of Burjeel Holdings, said:

"Burjeel Holdings has performed remarkably well in the first half of 2023, achieving robust top-line and bottom-line growth while making significant strides in operational and strategic advancements. Group half-year revenue increased by 13.9% while net profit was up 47.0% y-o-y. Burjeel Medical City, our flagship facility, continues to deliver remarkable growth, registering an impressive 34.5% revenue increase driven by substantial growth in inpatient and outpatient footfall.

"During this period, our expansion plan gained substantial traction, preparing our first centers for opening in the Kingdom of Saudi Arabia as part of our partnership with Leejam, a strategic move that reinforces our regional presence. We added more world-class talent to our teams and I'm proud that we secured an operations and maintenance contract with Al Dhannah Hospital, a key piece of infrastructure in an industrial hub of the UAE.

"Our future growth will encompass further strategic geographic expansion, additional strategic alliances in the field of transformative and complex medical care and continuous enhancement of our state-of-the-art infrastructure. As a premier referral hub in the region, our expanding portfolio of services and focus on identifying unique opportunities in healthcare will be key drivers for our future growth.

"We're also pleased to have confirmed our first interim dividend payment, with an intention to return approximately 95 million dirhams to shareholders in August 2023."

Robust revenue growth drives significant bottom line improvement

Burjeel Holdings delivered robust growth in H1 2023, with **revenue** reaching AED 2.2 billion, a 13.9% y-o-y increase. This increase was attributable to an 11.2% rise in **total patient footfall**, with more than 2.9 million patients seen in the half-year period. This saw **inpatient bed occupancy** increase to 59% in H1 2023, with significant headroom remaining to further ramp-up key growth assets.

EBITDA increased by 12.7% year-on-year to AED 467 million in H1 2023. Burjeel Holdings maintained a steady EBITDA margin of 21.6%.

Net profit in H1 2023 saw impressive year-on-year growth of 47.0% to AED 225 million, due to a combination of higher revenues, increased operational efficiencies and lower finance costs stemming from ongoing debt reduction.

The Group remains focused on increasing the proportion of high-yielding complex care and complex surgeries in its overall service mix, delivering a significant impact on the Group's topline and medium-term margin expansion. Burjeel continues to increase and broaden the mix of complex surgeries performed.

Key segments deliver strong margin expansion

The **Hospitals segment** remains the primary contributor to the Group's revenue, comprising 88.7% of total Group revenue for the period, consistent with the previous year.

Revenue and EBITDA in the Hospital segment increased by 14.2% and 23.6% respectively, driven by higher patient footfall, and the Group's continued focus on advanced specialty services. EBITDA margin in the Hospitals segment witnessed notable improvement from 20.6% in H1 2022 to 22.3% in H1 2023.

EBITDA in the **Medical Centers segment** rose by 24.5%, outpacing revenue growth of 13.7%. EBITDA margin increased from 25.6% in H1 2022 to 28.1% in H1 2023.

Burjeel Medical City (BMC) continues to be a significant growth enabler with a focus on high-potential complex care services

In H1 2023, Burjeel's flagship hospital asset, BMC, achieved robust growth, witnessing a 34.5% increase in revenue to AED 475 million. The hospital recorded an impressive 70.9% growth in total patient footfall during the same period. Inpatient bed occupancy grew from 29.7% in H1 2022 to 43.5% in H1 2023, with outpatient capacity utilization rising from 31.8% to 38.9% over the same period.

Cementing key international partnerships and expanding complex services

Burjeel Holdings forged several partnerships during H1 2023. The Group partnered with Northwell Health, the largest healthcare provider in New York State, to launch a highly advanced Neuroscience Institute in Abu Dhabi.

Burjeel Holdings also partnered with BridgeBio Pharma, Inc., a commercial-stage biopharmaceutical company focused on genetic diseases and cancers, for early diagnosis and treatment of rare diseases or disorders in the region.

The Group also launched the Advanced Gynecology Institute at BMC, which offers advanced and comprehensive care including gynecological surgeries, minimally invasive procedures, and complex gynecology care for a wide range of conditions, including menorrhagia, fibroids, and benign ovarian masses.

These strategic alliances fortify Burjeel Holdings' pursuit of medical excellence, while also helping to elevate the Burjeel brand in international medical communities.

Strong balance sheet enables future growth

The Group's Net Debt / Pre-IFRS 16 EBITDA decreased from 1.5x as of 31 December 2022 to 1.2x as of 30 June 2023. The strength of the group's balance sheet provides adequate financial flexibility to pursue growth opportunities going forward. The Group's share capital was AED 521 million as at H1 2023.

In H1 2023, the Group achieved a remarkable 212.7% growth in Cash Flow from Operating Activities, propelled by substantial EBITDA growth and optimization of working capital. Additionally, H1 2023 Free Cash Flow (FCF) Conversion¹ increased to 50%, up from 33% in the prior year.

Debut interim dividend confirmed

In line with our dividend policy, we aim to pay cash dividends from 2023 onwards, on the expected basis of a pay-out ratio of 40% to 70% of net profit, dependent on investment requirements for additional growth plans.

Burjeel Holdings' Board of Directors have recommended a pay out of ~AED 95 million or ~AED 0.02 per ordinary share as the debut interim dividend for H1 2023. This represents 42% of net profit for H1 2023. The record date for dividend is set for 13 August 2023 and the payable date is up to 1 September 2023.

Positive on outlook and long-term value creation

Burjeel Holdings maintains a positive outlook underpinned by its differentiated business model, state-of-the-art infrastructure, and strategy to increase asset utilization and patient yield. With significant scope to ramp up its existing assets, and the addition of an expected c. 80 specialty beds across existing facilities,

(2) FCF = EBITDA – Maintenance Capex – Change in Working Capital. Working Capital = Inventory + Receivables – Payables (including accruals). Change in working capital calculated as working capital balance in prior period less working capital balance in current period. FCF conversion = Free cash flow / EBITDA.

Burjeel is uniquely positioned to deliver growth with a limited requirement for additional capital expenditure. The Group continues to explore O&M and acquisition opportunities in the MENA region.

Detailed guidance

Group revenue is expected to grow organically in the high teens	EBITDA margin expected to improve to at least 2021 levels	Maintenance CAPEX expected to be approximately 2.5% of revenue	Net Debt/EBITDA² of less than 2.5x to be maintained
BMC revenue expected to grow more than 1.5x	BMC EBITDA margin expected to improve to mid-high teens	The Group may deploy Growth CAPEX (including M&A) funded through a mix of debt and equity.	

FINANCIAL OVERVIEW

(Q2 2023 = Three-month period to 30 June 2023)
(H1 2023 = Six-month period to 30 June 2023)

AED millions	Q2 2023	Q2 2022	% Change	H1 2023	H1 2022	% Change
Revenue	1,077	926	16.3%	2,162	1,898	13.9%
Total OPEX ex. D&A ³	(860)	(729)	17.9%	(1,708)	(1,494)	14.3%
EBITDA⁴	225	201	12.0%	467	414	12.7%
<i>EBITDA Margin %</i>	<i>20.9%</i>	<i>21.7%</i>	<i>(0.8pp)</i>	<i>21.6%</i>	<i>21.8%</i>	<i>(0.2pp)</i>
Net Profit for the Period	103	68	51.4%	225	153	47.0%
<i>Net Profit Margin %</i>	<i>9.6%</i>	<i>7.4%</i>	<i>2.2pp</i>	<i>10.4%</i>	<i>8.1%</i>	<i>2.3pp</i>

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Conference call information

Date: Friday, 4 August 2023

Time: 3:00 pm Gulf Standard Time (GST)

Please find the details of the conference call below.

[Webcast Link](#)

United Kingdom (Local): +44 20 3936 2999

United States (Local): +1 646 664 1960

United Arab Emirates (Toll-free): +971 800 035704553

[Global Dial-In Numbers](#)

Access Code: 190992

(2) Calculated using pre-IFRS 16 EBITDA as EBITDA less Annual Lease Rental Payments.

(3) Total OPEX ex. D&A – refers to total operating expenses excluding all depreciation and amortisation expenses.

(4) EBITDA includes Share of profit from associates.



About Burjeel Holdings

Founded in 2007, Burjeel Holdings is one of the leading private healthcare services providers in the MENA region. With a network of 62 assets, including 16 hospitals and 24 medical centers, as well as pharmacies and other allied services, the group provides the highest standard of patient care in the region. Burjeel Holdings' brands include Burjeel Hospitals, Medeor Hospitals, LLH Hospitals, Lifecare Hospitals, and Tajmeel. It has 12 JCI-accredited facilities, with a total 1,660 patient beds across its operations in the UAE and Oman, and holds a leading position in the UAE. The Group has comprehensive cancer care facilities in the UAE and is the country's leading mother and childcare provider.

Contacts

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