

Burjeel Holdings' FY'23: Revenue Up by 16%, EBITDA Increases 18%

Abu Dhabi, United Arab Emirates, 6 March 2024: Burjeel Holdings PLC ("Burjeel" or "the Group"), a leading super-specialty healthcare services provider in 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 twelve-month period ended 31 December 2023.

Financial & Operational Highlights

Revenue

+16%

Revenue grew by 15.6% to AED 4.5 billion, driven by higher patient footfall coupled with stronger patient yield.

EBITDA

+18%

EBITDA¹ reached AED 1.0 billion, an increase of 17.7%, reflecting the ramp-up of growth assets.

Net profit

+52%

Net profit rose by 52.4% to AED 540 million, reflecting robust top-line growth and finance costs optimization.

Patient footfall

6+ million

Inpatient & Outpatient footfall increased by 17.5% and 8.3%, respectively, reflecting the enhancing advanced services.

BMC Revenue

+37%

Continued ramp-up of BMC – Burjeel Medical City drove robust revenue and EBITDA growth of 37.4% and 190.6%, respectively.

Leverage

1.1x

Leverage² further improved to 1.1x as of 31 December 2023, demonstrating the strength of the balance sheet.

Strong Momentum on Strategic Priorities

Burjeel Holdings saw remarkable progress on its strategic ambitions to ramp-up the Group's high-growth assets, expand its healthcare infrastructure and drive patient yield through the provision of highly specialized complex care.

(1) EBITDA is calculated as profit for the period before income tax expense, finance costs, depreciation and amortization, interest income from related parties.

(2) Leverage represents Net debt / Pre-IFRS 16 EBITDA calculated as EBITDA less Annual Lease Rental Payments and Net debt is calculated as Bank debt less Cash and Bank balance.

The Group maintains its focus on the expansion of its medical network and enhancing operational efficiency through economies of scale and continued digitization. Over the next two years, Burjeel plans to open one hospital in Dubai, day surgery centers in Al Ain and Al Dhafra regions, as well as one medical center in Abu Dhabi.

The Group continued to deliver on its geographical expansion strategy, with the launch of PhysioTherabia rehabilitation network in Saudi Arabia. In addition to four premier physiotherapy centers opened in Riyadh in 2023, Burjeel in March 2024 launched eight new centers in Riyadh, Jeddah, Dammam, Al Khobar and Yanbu, significantly scaling its geographical footprint across the Kingdom. Burjeel plans to grow its PhysioTherabia offering with a target to open 60 centers by the end of 2025. Burjeel's expansion plan over the next two years also includes the launch of two specialized day surgery centers in Riyadh, which will be expanded across the Kingdom to tap into the increasing demand for world-class medical care among resident and tourist populations in KSA.

Dr Shamsheer Vayalil, Founder and Non-Executive Chairman of Burjeel Holdings, commented:

"Burjeel is playing an increasing role in these improvements by providing world-class healthcare for the Gulf. During the year, we continued to form and nurture enduring partnerships with the world's leading institutions, research organizations, and medical practitioners. These partnerships are vital in accelerating the development of complex healthcare in fields such as oncology, transplants, genetics, fetal medicine, neuroscience, sports medicine and advanced rehab. We cared for more than six million patients and achieved high patient satisfaction scores across our facilities.

Burjeel's recent investment in state-of-the-art Da Vinci robotic surgical system and Novalis accreditation for its radiation oncology practice are just two examples of our progress in innovation. And our partnership agreement with Oracle is another leap forward in our digital healthcare capabilities. Moreover, Burjeel life-science research ran at a fast pace, one of many groundbreaking initiatives being the start of clinical trials of a new drug, Mitapivat, offering new hope to thalassemia patients across the world.

Burjeel has invested in an innovative system and is set to grow going forward, advancing healthcare across the region with world-class experts, practitioners and technology. Our specialized healthcare segment in the KSA market is strategically pivotal and I expect considerable growth in the Kingdom. We will grow our position as the most trusted and respected healthcare services provider in MENA and continue delivering exemplary innovation and research, which will help us fully leverage high-yield O&M capabilities.

I am fully confident that our geographic expansion strategy and focus on complex and super-specialty care, supported by our growing referral network, will yield improved asset utilization and lead to revenue and margin growth, providing greater appeal to investors."

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

"2023 has been another remarkable year of progress for Burjeel Holdings. Our robust top-line and bottom-line growth, as well as our impressive operational performance, demonstrated the success of our strategy.

Burjeel Holdings delivered revenue of AED 4.5 billion, up 16% from the previous year, and EBITDA of AED 1 billion, up 18%. Our flagship facility, Burjeel Medical City, recorded an impressive 37% revenue growth, demonstrating our super-specialty segment's strength. The Group's total patient footfall substantially increased by 9%, reflecting our investment in advanced care and our ability to drive cross-group referrals.

Throughout 2023, we have continued unlocking strategic expansion opportunities, opening four advanced PhysioTherabia - physiotherapy, rehabilitation, and wellness centers in Riyadh, and we expect to open 60 centers across the Kingdom by 2025. Burjeel has also commenced several solid international O&M projects under the support of the UAE government, and leveraged global partnerships to revolutionize its research and development capabilities for early diagnosis and treatment for rare diseases in the Gulf region.

Burjeel's expert team has played a crucial role in conducting life-saving surgeries, while we continued to invest in advanced technology and attracting skilled doctors to provide a seamless patient journey and drive clinical efficiency.

Our well-invested state-of-the-art infrastructure with high-growth assets and our capability to onboard highly qualified doctors and world-renowned consultants have enhanced patients' trust in Burjeel Holdings. The Group remains uniquely positioned to deliver on its value-creation strategy of increasing asset utilization, patient yield and operational efficiencies, while extending its brands across the region."

Robust Business Growth Continues

Burjeel Holdings delivered strong revenue growth of 15.6% to AED 4.5 billion in 2023, driven by higher patient volumes and improvements in patient yield. The Hospital segment continued to be the core driver of the Group's performance, delivering 89% of total revenue in 2023, with the highest top-line growth contributed by the Group's flagship hospital, Burjeel Medical City, as well as Burjeel Royal Hospital Al Ain, Burjeel Specialty Hospital Sharjah and Burjeel Day Surgery Center Al Reem. In 2023, the Group's bed occupancy increased to 61%, indicating that Burjeel has sufficient capacity within its existing infrastructure to support organic growth without the need for additional investment.

EBITDA increased by 17.7% to AED 1.0 billion in 2023, with EBITDA margin expanding to 22.8%, reflecting the change in service mix towards complex and super-specialty care, as well as the ramp-up of growth assets.

Net profit rose by 52.4% to AED 540 million in 2023, underpinned by robust revenue growth, increased operational efficiencies and lower finance costs. Net profit margin surged to 11.9%.

Stellar Segmental Performance

Hospital segment revenue and EBITDA increased by 16.0% and 27.2%, respectively, in 2023, driven by robust patient footfall and ramping up of advanced specialty services, including oncology, bone marrow and organ transplantations, fetal medicine, pediatric sub-specialties and orthopedics. Hospitals EBITDA margin increased markedly from 21.5% in 2022 to 23.6% in 2023.

Medical Centers continue to play a significant role as the Group's key referral source. Burjeel Medical Center Al Shamkha, Burjeel Medical Center Deerfields, Burjeel MHPC Marina Mall and Burjeel Medical Center Al Zeina delivered a robust performance, with 15.6% revenue growth and a 17.3% increase in EBITDA in this segment. Medical Centers also experienced a ramp-up in specialty practices such as obstetrics and gynecology, pediatrics, orthopedics, palliative care and post-acute rehab.

Complex Specialty Care Propels BMC Performance

Burjeel's flagship hospital asset, BMC, once again delivered stellar performance, with revenue growth of 37.4% to AED 1.0 billion in 2023. EBITDA rose substantially, up 190.6% to AED 158 million with EBITDA margin improving to 15.6% in 2023 compared to 7.4% in 2022.

BMC's remarkable growth was driven by a significant increase of inpatient volumes and the number of high-value complex procedures performed. Total patient footfall grew by 56.2% in 2023, with bed occupancy reaching 48% in 2023 compared to 34% in 2022.

BMC is a key driver of Burjeel's wider ambition and the Group's ability to deliver increasingly complex care and high-value services. BMC contributed 24% to total hospital segment revenue in 2023. The continued ramp up of BMC towards the end of 2023 drove a sharp increase in inpatient and outpatient footfall, as a result of the introduction and rapid ramp-up of new services. The Hospital still has significant utilization headroom, highlighting its potential to contribute to Burjeel's long-term value-creation plans.

Strong Balance Sheet Powering Growth

Cash Flow from Operating Activities increased by 57.9%, driven by EBITDA growth and optimization of net working capital investments. Additionally, Free Cash Flow (FCF) Conversion³ grew to 52%, up from 42% in the prior year.

The Group's Net Debt / Pre-IFRS 16 EBITDA decreased from 1.5x as of 31 December 2022 to 1.1x as of 31 December 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 of 31 December 2023.

Dividends

Management has recommended that the Board distribute a final dividend in the amount of AED 65 million, regardless of aggressive debt reduction and investments in high-yield growth projects.

Total dividends for the full year of 2023, together with the interim dividend already paid, amount to AED 160 million.

Management is keen to deliver value to all stakeholders and meet their expectations. Irrespective of several growth assets in progress, management proposes the dividend in alignment with the Group strategy and market-oriented corporate governance.

(3) 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.

Positive Outlook Maintained

The UAE and KSA, Burjeel's two main markets, continue to experience favourable macro tailwinds, with strong predicted mid-term GDP growth, rapid population growth and increasing demand for added healthcare capacity. Regional aspiration to expand the non-oil-based economy will boost the demand with limited supply in a regulated environment, strongly driving the Group's performance.

Burjeel Holdings continues to see strong demand for its differentiated specialty healthcare offering. With state-of-the-art infrastructure consisting of several high-growth assets and an expansive referral network, Burjeel remains in pole position to deliver on its value-creation strategy of increasing patient yield and utilization while unlocking strategic expansion opportunities. The Group continues to invest in deploying technology to provide a seamless patient journey and drive clinical efficiency.

FY 2024 Guidance

Group revenue expected to grow in the mid-teens

BMC revenue expected to grow more than 30%

EBITDA margin expected to improve to 23.5% vs 22.8% in 2023

BMC EBITDA margin expected to improve to the high teens

Maintenance CAPEX expected to be up to 2.5% of revenue

Growth CAPEX of ~AED 455m for digital transformation and UAE & KSA expansion

Net Debt / EBITDA⁴ of less than 2.5x to be maintained

Mid-Term Guidance (2025-2027)

Group revenue growth expected to normalize from the mid-teens to the low double-digit gradually

BMC to continue to ramp up to reach beyond AED 2bn revenue p.a.

KSA expansion projects to reach beyond AED 1bn revenue p.a.

Group EBITDA margin to gradually expand to high-20s

Driven by ramp-up of growth assets, asset-light international expansion, as well as focus on increasing patient yield and operational excellence

Maintenance CAPEX expected to be up to 2.5% of revenue

Growth CAPEX of AED 450m for digital transformation and UAE & KSA expansion

Net Debt / EBITDA⁴ of less than 2.5x to be maintained

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

Financial Review

FY 2023 = Twelve-month period to 31 December 2023

AED m	FY 2023	FY 2022	Change
Revenue	4,535	3,924	+15.6%
EBITDA	1,033	878	+17.7%
EBITDA margin, %	22.8%	22.4%	+0.4 p.p.
Net profit for the period	540	355	+52.4%
Net profit margin, %	11.9%	9.0%	+2.9 p.p.

Conference call information

Date

Thursday,
7 March 2024

800 0320690

United Arab Emirates

Time

4:00 pm Gulf Standard
Time (GST)

+44 203 984 9844

United Kingdom

+1 718 866 4614

United States

Please find the details
of the conference call below

[Webcast Link](#)

For additional global dial-in numbers,
[please see the full list here](#)

Access Code:
305568

About Burjeel Holdings

Founded in 2007, Burjeel Holdings is one of the leading private providers of world-class healthcare services in the UAE and Oman, operating a growing specialized healthcare segment in Saudi Arabia. With a network of 76 assets, including 16 hospitals and 38 medical centers, as well as 15 pharmacies and other allied services the Group collectively provides a premier offering in the Gulf region.

Burjeel Holdings' brands include Burjeel, Medeor, LLH, Lifecare, PhysioTherabia and Tajmeel. It has 13 JCI-accredited facilities, with a total 1,708 patient beds across its operations in the UAE and Oman and holds a leading position in the UAE.

Contacts



**Investor
Relations**

Sergei Levitskii

Head of Investor Relations

+971 50 380 2383**ir@burjeelholdings.com**

Media

M. Unnikrishnan

Corporate Communications Officer

+971 50 427 5895**krish@burjeelholdings.com**