

May 2024



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Earnings Presentation

Q1 2024

Leading Super-Specialty Healthcare
Provider in MENA

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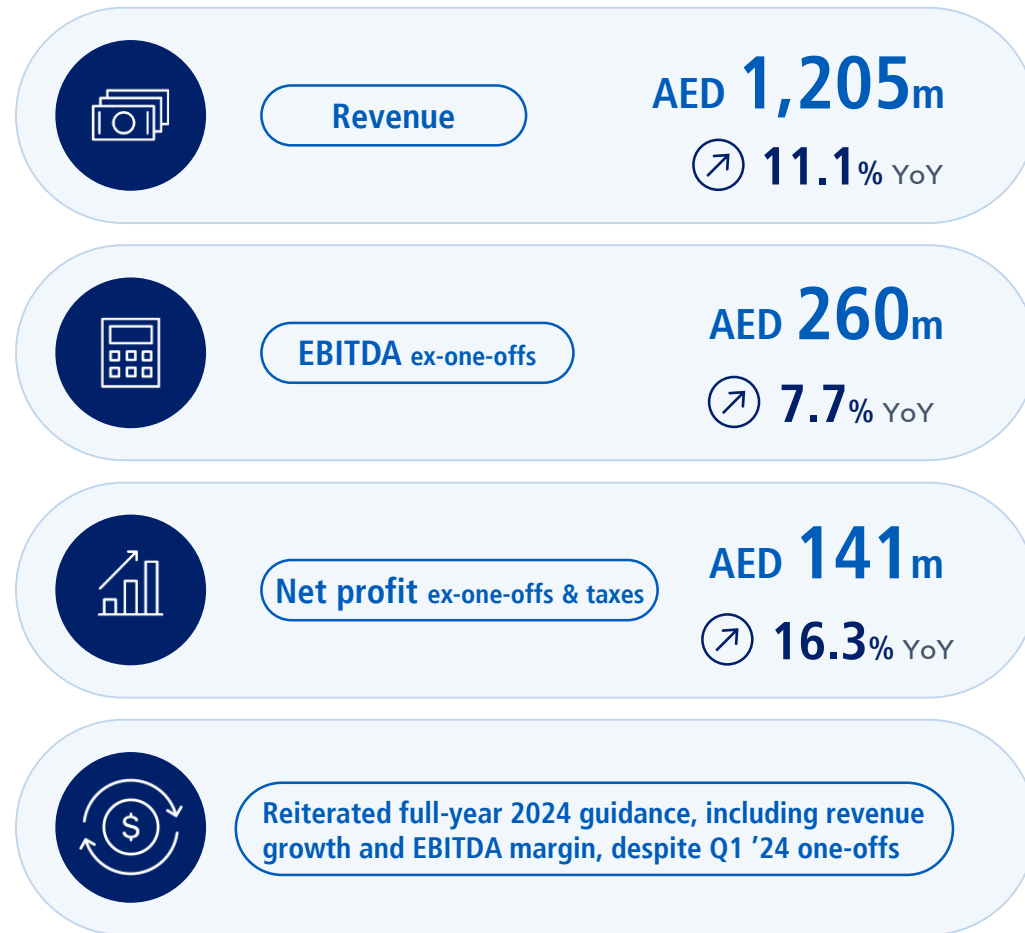


Q1 2024 Highlights

Leading Super-Specialty Healthcare Provider in MENA


Q1 2024 Highlights

Group Highlights




Recent Business Developments

- 

Accelerated Patient Footfall Growth in Pre-Ramadan Period & Increased Bed Occupancy
Patient volume growth in pre-Ramadan period accelerated in comparison with Q4 '23. Bed occupancy rose by 4 p.p. YoY to 64% in Q1 '24.
- 

First Liver Transplants Performed
BMC successfully performed its first two liver transplants during Ramadan, reflecting enhanced patient trust in Burjeel and the region's strong demand for complex care.
- 

Diagnostic Capabilities Enhanced
OncoHelix-CoLab, a first-of-its-kind laboratory in the UAE with comprehensive capabilities in molecular and cellular immunology as well as transplant diagnostics, was launched.
- 

Ongoing PhysioTherapia Expansion in KSA
Five new PhysioTherapia centers opened, bringing the total to 17 centers across Riyadh, Madina, Jeddah, Dammam, Al Khobar and Yanbu. In addition to Tawuniya, insurance partnerships expanded further with Takaful Alarabia.

Note: Hereinafter, one-off expenses include employee performance bonuses for FY '23 financial results (paid in Q1 '24) and losses from the changes in the fair value of investments in tradable financial securities. Net profit ex-one-offs & taxes excludes tax provisions.



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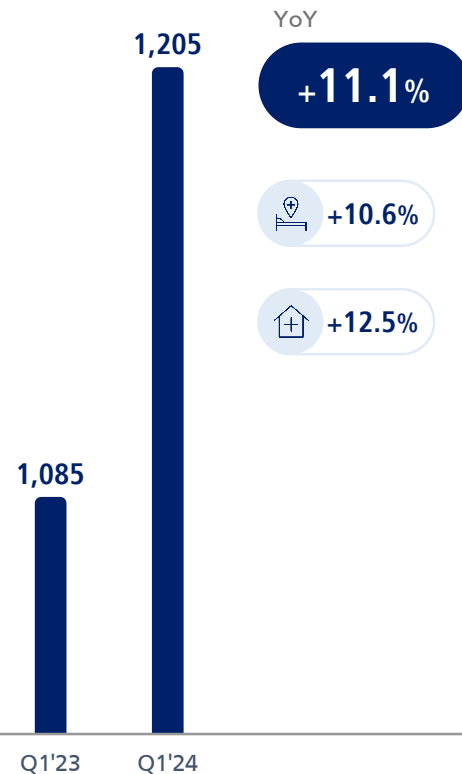


Performance Review

Leading Super-Specialty Healthcare Provider in MENA

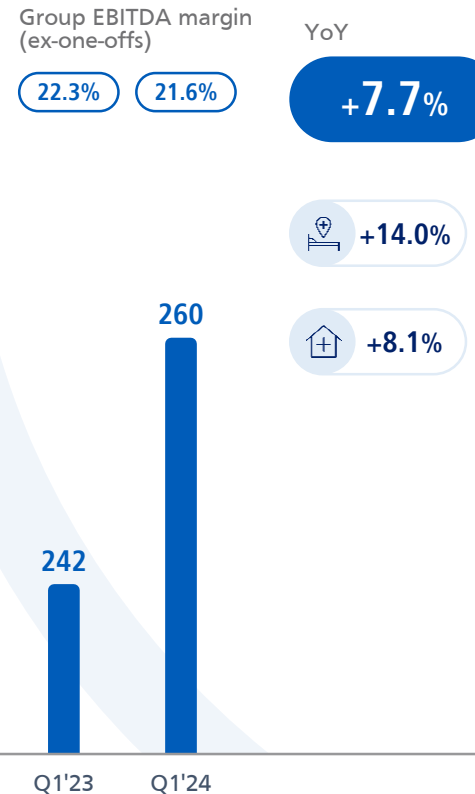
Robust Revenue & EBITDA Growth Across Key Business Segments

Group revenue, AED m



- **The Group delivered continued top-line growth** in Q1 '24 despite YoY slowdown in March revenue due to Ramadan (10 March to 9 April 2024 vs. 22 March to 20 April 2023).
- **Group revenue growth in pre-Ramadan period was in line with growth anticipated in FY '24 guidance**, driven by strong patient footfall growth and improvement in patient yield.
- **Hospitals revenue** excl. Al Shahama center grew by 10.6% YoY in Q1 '24, driven by higher inpatient volumes, coupled with robust top-line growth at Burjeel Medical City (BMC), as well as other high-growth assets.
- **Medical Centers revenue** incl. Al Shahama center rose by 12.5% YoY to AED 120 million in Q1 '24 on the back of an improved service mix toward high-yield specialties.

Group EBITDA, AED m



- **Group-level EBITDA ex-one-offs¹** grew by 7.7% YoY to AED 260 million in Q1 '24 despite the Ramadan impact and ongoing investments in complex care.
- **Hospitals EBITDA** excl. Al Shahama center increased by 14.0% YoY, amounting to AED 246 million in Q1 '24, driven by improved operational efficiencies.
- **Hospitals EBITDA margin** excl. Al Shahama center improved from 22.5% in Q1 '23 to 23.2% in Q1 '24, reflecting the change in service mix toward complex and super-specialty care, as well as the ramp-up of growth assets.
- **Medical Centers EBITDA** incl. Al Shahama center grew by 8.1% YoY, amounting to AED 33 million despite the impact of the ramp-up of PhysioTherabia centers (losses of AED 3 million).

Segment performance*, %:



Hospitals



Medical Centers

*Based on reported financial results and before the transformation of Burjeel Medical Center Al Shahama into Advanced Day Surgery Center (Hospitals segment), completed in Dec '23.

Accelerated Patient Footfall Growth in Pre-Ramadan Period & Increased Bed Occupancy

Group inpatient footfall, k

% bed occupancy

60% 64%

35

Q1'23

+11.0%

38

Q1'24

- The Group achieved robust inpatient footfall growth in Q1 '24 despite the early start of Ramadan on 10 March. This drove increased inpatient utilization, which reached 64%.
- Inpatient footfall in Jan-Feb '24 contributed 88% of incremental growth for Q1 '24, supported by the continued ramp-up of growth assets and strong demand for super-specialty services.
- Growth in inpatient footfall was further driven by Burjeel Medical City, Burjeel Hospital Abu Dhabi, Medeor Hospital Abu Dhabi and Burjeel Royal Hospital Al Ain.



Group outpatient footfall, k

% OP utilization

73% 68%

1,487

Q1'23

+1.6%

1,511

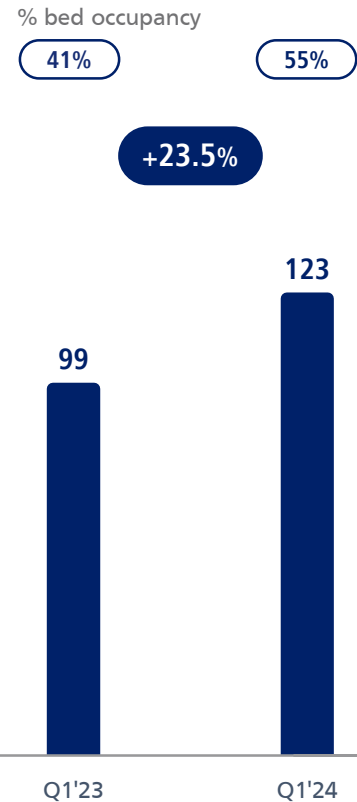
Q1'24

- Group outpatient footfall and utilization rates in Q1 '24 were substantially impacted by the postponement of visits falling during Ramadan, which started on 10 March, until after Eid. As a result, outpatient volume incl. Al Shahama increased by 1.6%, with outpatient capacity utilization declining.
- Outpatient volume growth in the pre-Ramadan period accelerated compared with Q4 '23 due to the introduction and rapid ramp-up of new services and effective cross-group referral capabilities.
- Growth in outpatient footfall was further driven by Burjeel Medical City, LLH Salalah, Burjeel Day Surgery Center Al Reem and Burjeel Royal Hospital Al Ain.

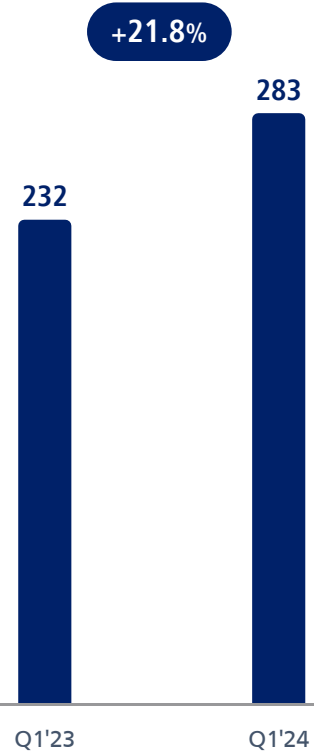


Burjeel Medical City Performance

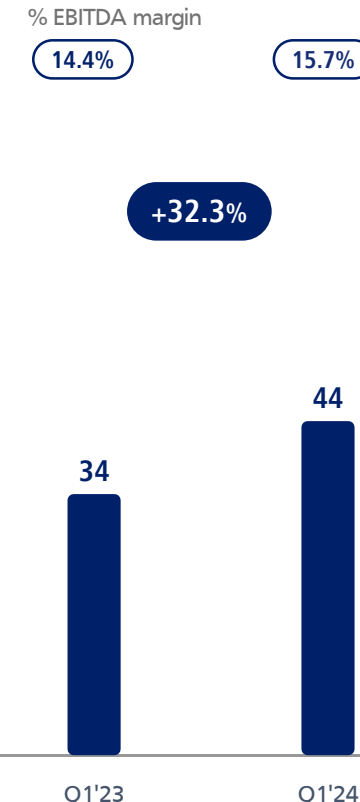
Total patients, k



Revenue, AED m¹



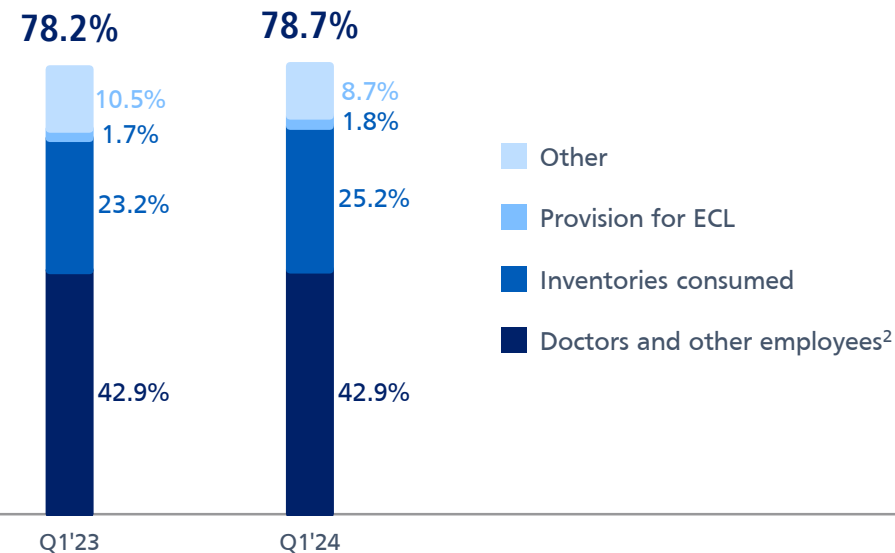
EBITDA, AED m¹



Burjeel Medical City is a key driver of our wider ambition and of our ability to deliver increasingly complex care and high-yield services. **BMC's strong growth** was driven by a robust increase in inpatient and outpatient footfall and the introduction and rapid ramp-up of new services. **BMC's EBITDA margin** grew despite ongoing investments in manpower (+30% YoY), which reflects a significant growth opportunity as capacity utilization fully ramps up.

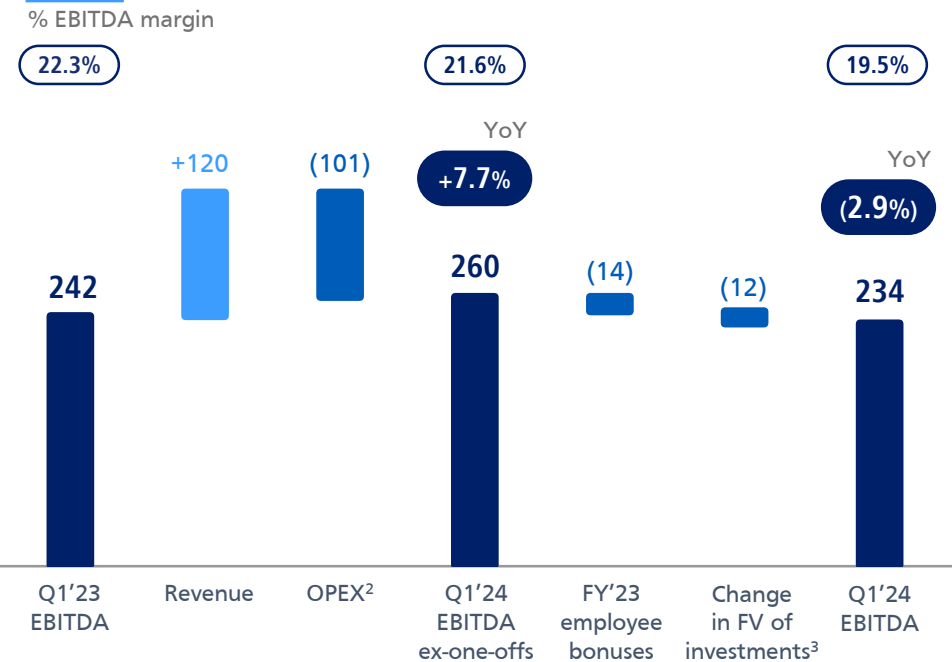
OPEX Investments Set to Drive High-Yield Care, Operational EBITDA Remained Strong

Group OPEX breakdown,¹ as % of revenue



- **Group OPEX** grew as a share of revenue, primarily due to a rise in inventories consumed, reflecting investments in complex care (incl. the oncology segment, which rose 60% YoY in Q1 '24) to unlock additional higher-yield inpatient footfall.
- **Salaries and benefits costs** remained essentially flat as a percentage of revenue despite ongoing investments in physician headcount (33 doctors added in Jan-Mar '24).
- **Other overhead expenses** as a share of revenue decreased thanks to efficient management of costs despite rising inflation and ongoing business expansion.

Group EBITDA analysis, AED m

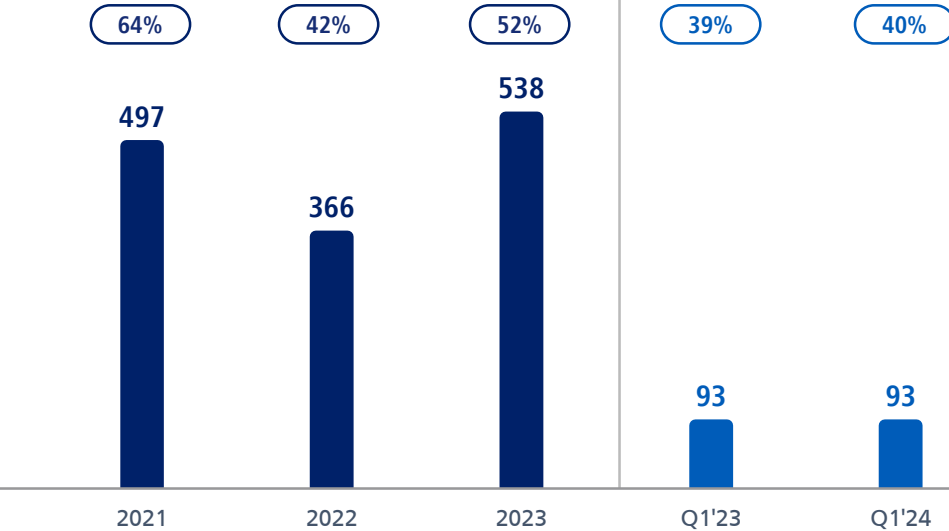


- **Group EBITDA ex-one-offs** increased by 7.7% YoY. EBITDA ex-one-offs reflects ongoing business performance and excludes one-off factors like the change in the fair value of investments in tradable financial securities and annual employee bonuses for strong financial results achieved in FY '23, which were paid in Q1 '24.
- **The Group expects the Board to approve an LTI program by Q3 '24.** The LTI program will make bonus accruals more predictable across reporting periods and aims to further align management interests with shareholders' by awarding long-term value creation and achievement of the Group's strategic targets.

Free Cash Flow & Operating Cash Flow Performance

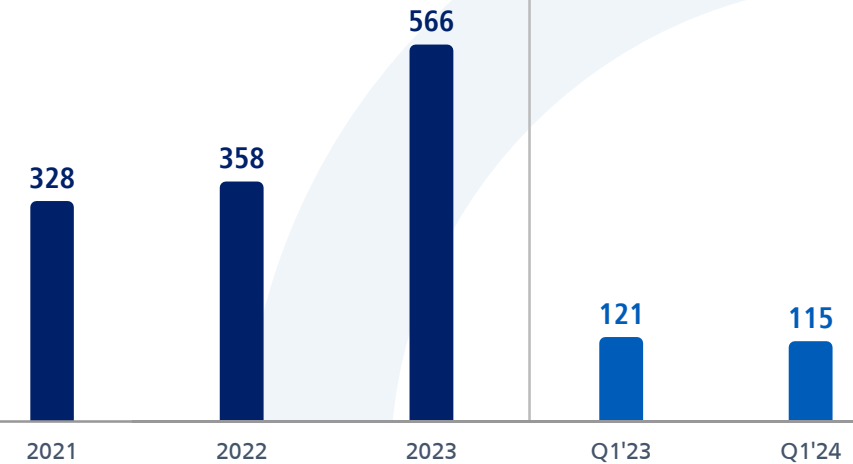
Free cash flow,¹ AED m

% FCF conversion²



AED m	2021	2022	2023	Q1 '23	Q1 '24
EBITDA	779	878	1,033	242	234
Change in NWC	(196)	(429)	(382)	(123)	(112)
Maintenance CAPEX	(86)	(83)	(113)	(26)	(30)

Cash flow from operating activities, AED m



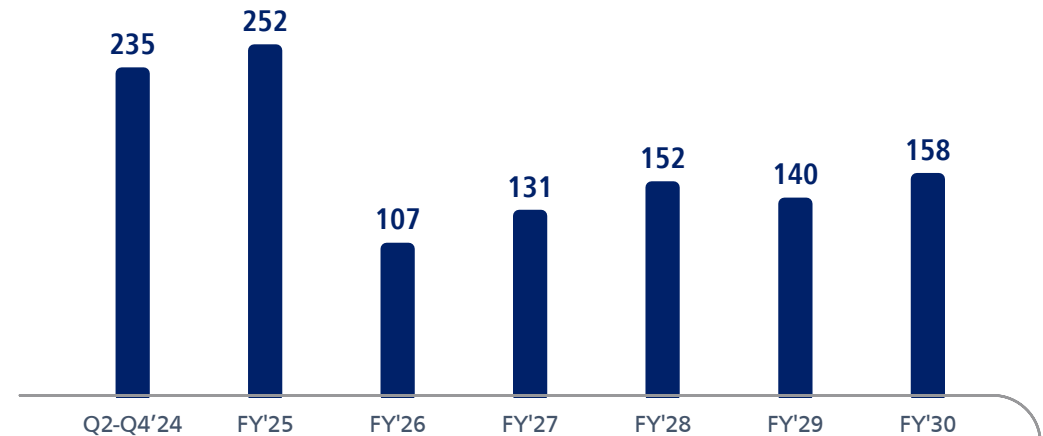
Commentary

- **Operating cash flow** remained essentially flat despite changes in working capital in Q1 '24 as well as the substantial impact of Ramadan and other one-offs on EBITDA growth.
- **Maintenance CAPEX** increased marginally due to the purchase of medical equipment and leasehold improvements.
- **FCF cash conversion** improved to 40%, with an 18% ROCE LTM.

Maintaining a Robust Balance Sheet

AED m	FY 2022	FY 2023	Q1 2024
Bank balances and cash	150	170	226
Interest-bearing loans and borrowings	1,261	1,164	1,176
Bank overdrafts	–	–	–
Bank debt¹	1,261	1,164	1,176
Net debt	1,111	994	950
Lease liabilities ²	1,176	1,170	1,152
Net debt including lease liabilities³	2,286	2,164	2,102
Amounts due from / (to) related parties	(12)	(16)	(36)
KPIs:			
Net debt incl. lease liabilities ³ / LTM EBITDA	2.6x	2.1x	2.0x
Net debt / pre-IFRS 16 LTM EBITDA⁴	1.5x	1.1x	1.1x
Total Group equity			
	1,118	1,557	1,661
Divided mainly into:			
Share capital	521	521	521
Share premium	367	367	367
Retained earnings (incl. NCI)	224	663	767

Debt maturity as of 31 March 2024



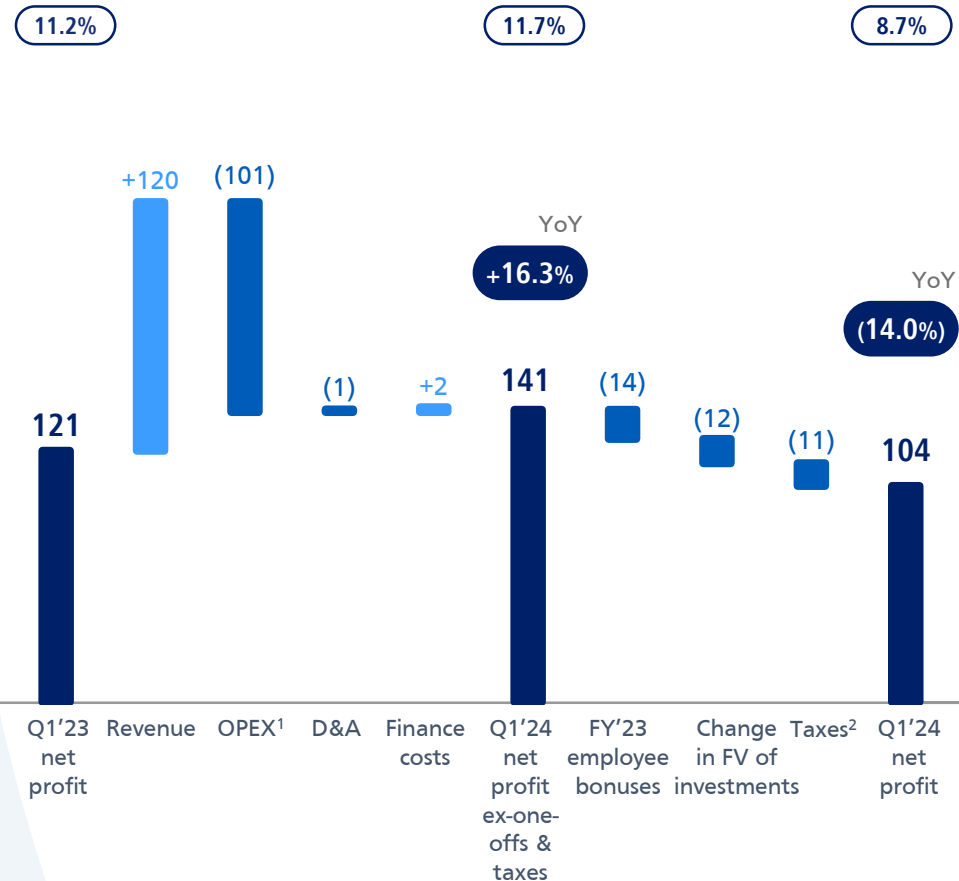
Commitment to a conservative financial policy

- **Net debt / pre-IFRS 16 LTM EBITDA ratio** as of 31 March 2024 was stable at 1.1x. No contingent off-balance-sheet liabilities.
- **Average finance cost rate of 6.6%** (as of 31 March 2024), the majority of which is effectively hedged through 2030.
- **Debt maturing in 2024 and 2025** to be partially paid down and optimized to reduce financing costs and extend tenures, using multiple available instruments.
- **Amounts due from and to related parties** remains low, reflecting Burjeel's strong governance and operational independence.
- **The Company's share capital is AED 521 million** as of 31 March 2024.

Strong Profitability Outlook With Continued Commitment to Dividends

Group net profit analysis, AED m

% net profit margin



Dividends

- **Asset-light cash-generative model** underpins significant dividend, paying capacity.
- **Dividend policy:** pay cash dividends from 2024 onward, with an expected payout ratio of 40% to 70% of net profit, depending on investments required for additional growth plans.
- In May 2024, the Group paid out AED 65 million as a final dividend for H2 '23.
- **Total dividends for FY '23**, including the interim dividend, amounted to **AED 160 million**.



AED 540m [↗] 52% YoY
FY '23 net profit

30%
Dividend payout ratio for FY '23

AED 160m
Total dividends for FY '23

AED 0.03
Total dividends per share for FY '23

Note: (1) OPEX excludes one-offs: performance-based employee bonuses for FY '23 financial results (paid in Q1 '24). Includes share of profit from associates. (2) The Group should be subject to the provisions of the UAE CT Law with effect from 1 January 2024, and current taxes will be accounted for as appropriate in the consolidated financial statements for the period beginning 1 January 2024.



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Guidance

Leading Super-Specialty Healthcare Provider in MENA

Guidance Reiterated

FY 2024

Mid-term (2025-2027)



Expansion

- UAE Medical center: **+1** & Day Surgery centers: **+2**
- UAE additional beds: **+32**
- KSA PhysioTherabia centers: **+26**

- UAE Hospital: **+1**
- KSA Specialized Day Surgery centers: **+2**
- KSA PhysioTherabia centers: **+30**



Revenue growth

- **Mid-teens Group** revenue growth:
 - **+30% BMC** revenue growth

- **Group** revenue growth to **normalize gradually from the mid-teens to low double-digits** over time as key assets mature, including:
 - **BMC** to continue to ramp up to **reach AED >2bn** revenue p.a.
 - **KSA** expansion projects to **reach AED >1bn** revenue p.a.



EBITDA margin

- **Group** EBITDA margin to improve YoY to **23.5%** vs. 22.8% in 2023
 - **BMC** EBITDA margin expected to improve to **high teens** vs. 15.6% in 2023

- **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



CAPEX

- **Maintenance CAPEX** expected to be **<2.5%** of revenue¹
- **Additional total investment of ~AED 455m** for UAE & KSA expansion² and digital transformation

- **Maintenance CAPEX** expected to be **<2.5%** of revenue¹
- **Additional total investments of ~AED 450m** expected **until 2027** to drive UAE & KSA expansion² and digital transformation



Leverage

- Net leverage³ of **<2.5x** to be maintained
- Net leverage³ of **1.1x** as of December 2023

- Net leverage³ of **<2.5x** to be maintained



Dividends

- **Payout ratio of 40-70%** of net income, dependent on required investment for potential additional growth

- **Payout ratio of 40-70%** of net income, dependent on required investment for potential additional growth



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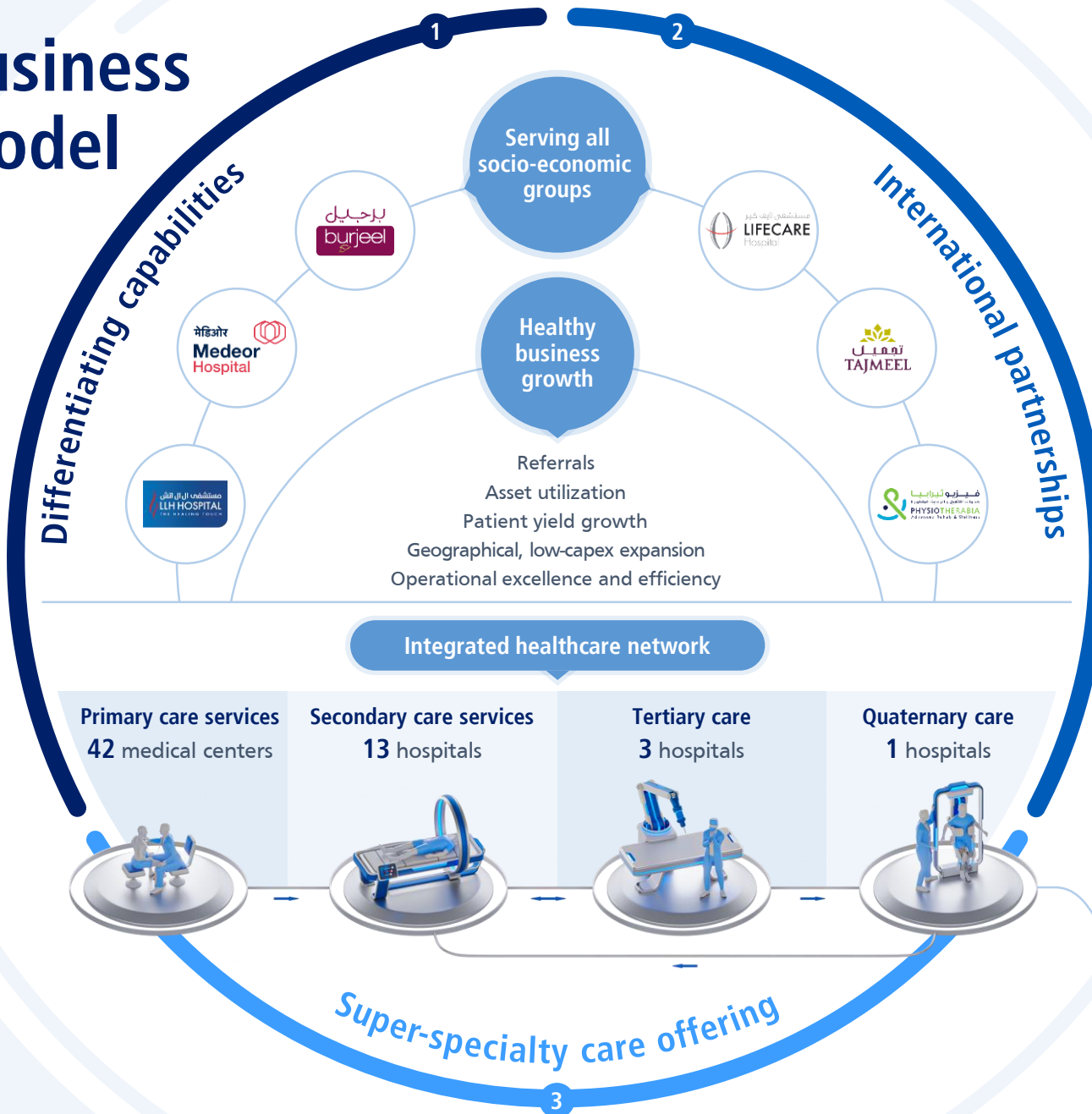


Q&A

Appendix

Leading Super-Specialty Healthcare Provider in MENA

Business model



1 Differentiating capabilities

- Level I & II Trauma Center
- Level III Tertiary NICU
- Physio & Rehab Care
- Intraoperative MRI
- Da Vinci Xi robotic system
- Echmo-Pediatric and Adult
- Pediatric Intensive Care Unit
- Pediatric Surgery
- Centralised Lab
- Nuclear Medicine
- Department of Thalassemia
- Advanced Center for Research
- Digital Health & Oracle Health EMR
- Ambulatory Services
- ESMO & Novalis Accreditations

2 International partnerships

- Advanced Gynecology Institute to Offer Complex Care Solutions for Women
- Center of Excellence for Endometriosis (Renowned French IFEM Endo)
- First-of-its-kind Fetal Medicine & Therapy Center in the UAE
- Renowned Limb Lengthening Expert Dr. Dror Paley Opens First Clinic in Middle East
- Advanced Molecular Genetics and Immune Profile Testing Laboratory
- Dr. Najjar Advanced Neuroscience Institute (Partnership with Northwell Health)

3 Super-specialty care offering

- Bone Marrow Transplant
- Oncology
- Organ Transplant
- Orthopaedics and Spine
- Advanced Woman Care
- Fetal Medicine
- Paediatrics
- Neuroscience


Centralized back-up functions

- Procurement
- Warehouse
- Diagnostics & Radiology
- Claims Management
- OR function
- Shared Employee Pool

Note: Number of facilities as at 8 May 2024.

PhysioTherabia – Entering High Potential KSA Market

Highly attractive entry proposition



60+ Physical therapy, rehabilitation and wellness **centers in 12 KSA cities** in a joint venture (50:50) with Leejam Company

PhysioTherabia centers unlock significant value creation

Leejam’s extensive network of fitness centers across KSA, enables an **Asset-light low-CAPEX model**, with high EBITDA margins and ROI

Unlocks **access to Leejam’s well-established 300k+ member base**, with complementary service offerings

Provides **strong foundation for further KSA expansion opportunities**, through a limited risk proposition



Physiotherapy



Musculoskeletal rehabilitation



Injury and surgical rehabilitation



Pre- and postnatal care



Hyperbaric oxygen therapy

PhysioTherabia profile

~SAR 8-10m
Revenue per center p.a.

30 / 12 months
Ramp-up / EBITDA breakeven period

~SAR 2.5m
CAPEX per center

~70 sessions
Daily sessions per center

Performance update (Dec-23)

20 sessions
Daily sessions per center²

100%
Share self-pay in revenue

SAR 250k
Monthly revenue per center²

Tawuniya & Al Arabia Takaful
Onboarded insurance contracts (Feb/Apr-24)

Launched first premier physiotherapy centers



Centers to be launched

2023	2024	2025	Mid-term target (2027) ³				
4	+	26	+	30	=	SAR 600m	30%
Centers		Centers		Centers		Revenue p.a.	EBITDA margin

Note: (1) As at 8 May 2024, since its inception in Q4 2023. Presence in Riyadh, Madina, Jeddah, Dammam, Al Khobar and Yanbu. (2) Based on the performance of the first opened flagship center, operationally launched in September 2023. The full-fledged launch of the remaining three centers was at the end of 2023.

(3) Burjeel Holdings has a consolidation right for PhysioTherabia financials. The CAPEX and net profit will be shared with Leejam Company (50:50).

Specialized Day Surgery Centers – Disruptive Innovation in Saudi Healthcare Market

Strong rationale for expansion in KSA

- **Promising macro and demographic trends**
 - GDP growth of c.5.5% p.a.
 - Riyadh's population forecast to double to c.15m by 2030
- **Rising preference for specialized healthcare services**
 - 3-6 months waiting lists for the majority of surgeries
 - High prevalence of lifestyle diseases
- **Highly underpenetrated addressable market**
 - Low private bed density of 0.6 per 1,000 capita
 - High fragmentation in primary care segment (70% of outpatients currently treated in hospitals)
- **Growing adoption of minimally invasive procedures**
 - 60% of surgeries could be carried out in day-care settings
- **Ongoing expansion of private medical insurance across Saudi** (beneficiaries set to double to c.25m by 2030)
 - Drive to minimize burn ratio will support demand for day-care model



Compelling opportunity to build innovative healthcare proposition in KSA

Expansion

- Launch **first 2 Specialized Day Surgery Centers** in Riyadh by 2025
- Subject to outcome of the initial stage, **plan to expand the network across the Kingdom**

Center profile

- **Key specialties:** Oncology, Advanced Gynecology, Orthopedics and Neurology
- **SAR 200m** revenue per center with **~30% normalized EBITDA margin**

CAPEX & return

- **USD 30-40m** CAPEX per center with **IRR 20%**
- **USD 10-15m** working capital investments per center

Benefits of Burjeel's Day Surgery Model

- **Generally faster time to treatment** and more convenient access to modern, less crowded infrastructure
- **Attractive clinician proposition** (day-only, no emergency)
- **Cost-effective solution** for public, insurance and cash payers
- **Access to world-renowned specialists** (Dr. Paley and Dr. Najjar) and the most advanced robotics solutions (Da Vinci Xi)
- **Strong alignment with Saudi Vision 2030** goals makes it possible to attract MoH referrals
- **Leveraging Burjeel's existing expertise** in day surgery care

Burjeel Day Surgery Center Al Reem – proven CAPEX-light concept with high ROI

FY 2023

Year established	2017
Doctors / Beds	57 d. / 24 b.
Revenue	AED 253m (+22% YoY)
EBITDA margin	31%
Number of patients	330k
Outpatient utilization	84%
Bed occupancy	62%











Expanding Our UAE Healthcare Infrastructure

Launch of 1 hospital, 2 day surgery centers and 1 medical center in 2024-2025



In 2024-2025, the planned launch of one hospital, two day surgery and one medical center will enable the Group to tap into new markets, attract more patients and release hospital utilization capacity for complex cases, resulting in increased revenue streams and improved profitability. Burjeel will also benefit from economies of scale and greater operational efficiencies, as we can leverage our existing infrastructure and resources across multiple locations.

 **AED 250m**
CAPEX (2024-25)

							
Medical Center Tasneem	Medical Center Gayathi	Dubai Satellite Clinic (Al Quoz)	Burjeel Smart Clinic ¹	Medical Center Gayathi	Al Dhafra Day Surgery Center	Al Ain Day Surgery Center	DIP Hospital (Dubai)
2023 <small>Launched</small>	2023 <small>Launched</small>	2023 <small>Launched</small>	2023 <small>Launched</small>	2024	2024	2024	2025

~80 specialized in demand beds across matured facilities:

48 beds launched in 2023

32 beds to be added in 2024

+13 Launched

Burjeel Hospital, Abu Dhabi

+12 Launched

Burjeel Medical Center, Deerfield's

+7 Launched

LLH Salalah

+16 Launched

Burjeel Royal Hospital, Al Ain

+12
Burjeel Day Surgery Center, Al Reem

+8
LLH Hospital, Abu Dhabi

+12
Al Dhafra Day Surgery Center



Note: (1) Clinic under ADNOC, managed by Burjeel Holdings.

Group & Segment Summary

Group financial summary

AED millions	Q1 '24	Q1 '23
Revenue	1,205	1,085
Inventories consumed	(304)	(252)
Doctors' and other employees' salaries	(517)	(465)
Provision for expected credit losses	(22)	(18)
Other general and admin expenses	(105)	(114)
Share of profit from associates	4	5
EBITDA ex-one-offs¹	260	242
Change in fair value of financial assets carried at fair value through profit and loss	(12)	—
Annual employee bonuses	(14)	—
EBITDA	234	242
Finance costs	(33)	(35)
Depreciation & amortization	(86)	(85)
Provision for taxes	(11)	—
Net profit	104	121
Net profit ex-one-offs & taxes¹	141	121

Segmental financial summary²

AED millions	Q1 '24	Q1 '23
Revenue	1,205	1,085
Hospitals ³	1,087	958
Medical Centers ³	92	107
Pharmacies ³	16	18
Others ⁴	10	2
EBITDA	234	242
Hospitals	257	216
Medical Centers	22	30
Pharmacies	2	4
Others	(46)	(9)
Net profit	104	121
Hospitals	137	105
Medical Centers	13	22
Pharmacies	2	4
Others	(47)	(9)

Notes: (1) EBITDA and net profit ex-one-offs exclude performance-based employee bonuses for FY '23 financial results (paid in Q1 '24) and movement from the change in fair value of investments in tradable financial securities. Net profit ex-one-offs & taxes also excludes tax provisions. (2) Financial performance by segment is based on reported EBITDA and net profit. Q1 '24 net profit includes tax provisions. (3) Includes other operating income and other revenue represents the non-clinical revenue in the Hospitals, Medical Centers and Pharmacies segments, which mainly include an O&M fee, a fee for manpower supply contracts, and several other items. (4) Others contains revenue from entities that mainly provide services to the Group's hospitals, medical centers and pharmacies and also includes centralized purchasing, claim care and valet parking. Other revenue also includes annual employee bonuses and losses from the change in fair value of investments in tradable financial securities.

Investor Relations

May 2024



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