



Burjeel Holdings delivers record FY22 results with net profit up 52% to AED 355 million

- IPO proceeds of AED2.2bn drives net debt reduction to AED1.1bn
- Revenue of AED 3.92 billion up 17% y-o-y with EBITDA of AED 878 million up 13%
- Strong financial position with Net Debt/EBITDA* at 1.5x at the end of the period
- Delivering on our strategy to grow patient yields and drive utilization across our network
- Entry into Saudi Arabia underway through joint venture with Leejam Sports
- Expected to deliver robust growth in 2023 with group revenue expected to grow organically in the high-teens and EBITDA margins to improve to at least 2021 levels
- Various strategic growth opportunities, including M&A, under consideration

Abu Dhabi, United Arab Emirates, 10 February 2023: Burjeel Holdings PJSC (“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 **preliminary financial results** for the twelve-month and three-month period ended 31 December 2022.

FY 2022 Highlights

Net Profit of AED 355 million up 52% from the prior year, demonstrating the Group’s ability to deliver on its yield enhancement strategy

Revenue of AED 3.92 billion, up 17% YoY, driven by 125% growth at our flagship hospital Burjeel Medical City (BMC)

EBITDA of AED 878 million, up 13% YoY, with EBITDA margin stable at 22%. Benefitted from strong BMC EBITDA growth

Hospital patient footfall increased by 15%, reflecting the Group’s ability to execute on its strategy of elevating asset utilization. Outpatient visits totaled more than 5.4 million in the FY 2022 period

Burjeel Medical City ramp up continued, with revenue increasing by 125%, driven by increased utilization with total patients nearly tripling and complex specialties elevating average realized revenue (ARR)

Improved financial position with Net Debt/EBITDA* of 1.5x at the end of the period, following landmark IPO on ADX

Dr Shamsheer Vayalil, Chairman of Burjeel Holdings, commented:

“Our full year results are a testament to the dedication of our people and their commitment to our vision of ensuring quality healthcare across UAE and Oman. 2022 was a milestone year for Burjeel Holdings, having welcomed new shareholders through our listing on ADX and expanded our offering, particularly in the provision of highly specialized and complex care in our core markets. This momentum continued in 2023, with the announcement of our joint venture with Leejam Sports to jointly establish and operate a network of physiotherapy, rehabilitation and wellness centers in Leejam clubs across KSA. With record earnings and a robust balance sheet in place following our IPO, the Group is well positioned to accelerate growth, by deepening expertise in complex care, driving expansion into new markets and elevating utilization and patient yield.”



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

"I'm immensely proud of our performance in 2022 and our continued focus on delivering advanced, yield-enhancing super specialty medicine, and robust utilization improvement across our network. We continued to invest in our ability to deliver complex care and cemented our position as a referral hub in the UAE, as we added world-class talent to our teams, particularly at Burjeel Medical City, our flagship and rapidly growing asset. Our focus on the provision of high-quality complex care is a crucial part of the strategy we presented during our IPO to propel growth by increasing patient yields and drive utilization. The positive performance we delivered in 2022 reflects the successful execution of this strategy and we expect to maintain this momentum in 2023 with strong revenue and margin growth."

Record Group Revenue, EBITDA; Net Profit up 52%

Burjeel Holdings reported a record performance in FY 2022. **Revenue for FY 2022 was AED 3.92 billion, an increase of 17% year-on-year**, driven by utilization gains and improved patient yields which were enabled by the Group's focus on providing high-value complex care in both the Hospitals and Medical Centers segments, where revenues increased by 18% and 10% respectively.

Group EBITDA increased by 13% year-on-year to AED 878 million in FY 2022, delivered at a stable margin of 22.4%. Significant efficiency gains were delivered through the continued ramp up of Burjeel's centralized laboratory, offset by a proportional increase in manpower costs due to investment made in the recruitment of highly-specialized surgeons and physicians, particularly at Burjeel Medical City, to roll out new services and offerings. These additions greatly enhance Burjeel's capabilities and will drive further expansion of patient yields and margin improvement as volumes ramp up.

Net Profit in FY 2022 increased by 52% to AED 355 million year-on-year, as a result of the Group's focus on providing highly specialized complex procedures supporting higher Average Realized Revenue (ARR). ARR, which increases with the complexity of care provided, represents the average revenue per patient and is a major contributor to patient yield.

Overall Group patient footfall increased by 15%. Hospital inpatient footfall increased by 17%, outpacing outpatient footfall growth of 15%, reflecting the Group's strategic focus on complex inpatient treatments. Both inpatient and outpatient growth was driven by the ramp up of growth assets and the addition of new services.

BMC posts triple-digit growth; drives Hospital segment growth

Revenue from the Hospitals segment, which made up 88% of the Group's total revenue in the period, increased 18% YoY to AED 3.47 billion driven by strong growth at Burjeel Medical City and the Group's other larger Burjeel-branded hospitals, as they enhanced their specialty service mix and delivered high-value surgeries including bone marrow and kidney transplants. **EBITDA in the Hospitals segment increased by 15% to AED 743 million**, with margin declining slightly to 21% (FY2021: 22%), as the Group continue to investment in new service offerings through the hiring of industry leading practitioners in its Complex Cases unit at Burjeel Medical City (BMC). Investment in specialist talent is enabling the unit's expansion and is expected to drive sustained margin improvement. **Excluding BMC, EBITDA margin was stable at 24%**



Burjeel's flagship hospital asset, Burjeel Medical City (BMC), delivered exceptionally strong growth in the FY 2022 period, with revenue increasing by 125% to AED 741 million, as total patients treated nearly tripled YoY. Inpatient bed occupancy at BMC remained stable at 34% and outpatient capacity utilization increased to 29% from 16%. Boasting more than 50 specialities across 1.2 million square feet and now the largest private hospital in the UAE, BMC contributed 20% of the Group's total Hospitals segment revenue in the full year period.

Operationally, BMC remains focused on super specialty care, including oncology, organ transplants and paediatrics. Complex life-changing and life-saving surgeries provide significant yield for the Group while also positioning the Group to benefit from regional and international inbound medical tourism.

The **Medical Centers segment**, which accounted for 10% of the Group's revenues during the period, increased to AED 381 million (FY2021: AED 347 million), reflecting increasing footfall across the Group's primary care network. Burjeel Holding's group structure enables effective resource allocation across each of its locations, enabling it to capture patient volume and enable utilization growth. Consequently, EBITDA in the segment during the year increased 22% to AED 113 million, with robust cost management supporting EBITDA margin expansion from 27% in 2021 to 30% in 2022.

Robust balance sheet following IPO

In a year of historic milestones, Burjeel Holdings completed a landmark IPO on the Abu Dhabi Securities Exchange (ADX) in 2022, which saw AED 2.2 billion of liquidity injected into the business, which has significantly deleveraged the balance sheet and unlocked an exciting new pathway for strategic development across new markets, new technologies and new speciality patient provision.

Burjeel ended FY 2022 with Group Net Debt of AED 1.11 billion or 1.5x Net Debt/EBITDA*, placing the group in a strong position and giving it the ability to capitalize on potential growth opportunities, including its recently announced move into KSA.

Expansion into KSA and robust UAE growth

Post-period, on 6 February, 2023, Burjeel announced the formation of a joint venture with Leejam Sports Company JSC, the owner and operator of 'Fitness Time' branded fitness centers in KSA and MENA and the largest operator of fitness centers in the GCC region. The MoU will see Burjeel Holdings and Leejam jointly establish and operate a network of physiotherapy, rehabilitation and wellness centers in Leejam clubs across KSA. The venture follows Burjeel's signing of a Memorandum of Understanding with the Kingdom of Saudi Arabia's Ministry of Investments which will see Burjeel seek opportunities to invest up to \$1 billion in KSA by 2030.

Outlook and dividend

Burjeel expects to continue to deliver robust growth as it executes on the strategy communicated during its IPO. The Group is focused on delivering organic growth by leveraging its high-quality asset base, consisting largely of growth assets with significant utilization headroom. Delivering higher average patient yields through continued investment in complex care remains a priority. The Group's outlook is bolstered by strong economic growth and supportive demographic trends in its key markets.

* Calculated using pre-IFRS 16 EBITDA as EBITDA less Annual Lease Rental Payments



The Group continues to actively explore expansion opportunities in the GCC and Africa regions, specialty medical partnerships within its existing asset base and capex-lite operations and management opportunities. With a significantly deleveraged balance sheet and ample liquidity, the group is in a strong position to capitalize on potential acquisition opportunities that are supportive of the group's overall strategy.

2023 Guidance

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

Dividend

As stated at the time of its IPO, Burjeel Holdings intends to pay cash dividends from 2023 onwards, on the expected basis of a pay-out ratio of 40% to 70% of net income, dependent on the required investment for additional growth plans.

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PRELIMINARY FINANCIAL RESULTS OVERVIEW

(FY 2022 = 12 months to 31 December 2022)

<u>AED millions</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>Change%</u>
Revenue	3,924	3,351	17
EBITDA	878	779	13
<i>EBITDA Margin %</i>	22.4	23.3	(0.9)bp
Net Profit for the Period	355	234	52
<i>Net Profit Margin %</i>	9.0	7.0	2.0bp
<u>AED millions</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>Change%</u>
Interest Bearing Loans and Borrowings	1,261	3,299	(62)
Net Debt	1,113	3,165	(65)

* Calculated using pre-IFRS 16 EBITDA as EBITDA less Annual Lease Rental Payments



Results by Operating Segments

Revenue (AED millions)	FY 2022	FY 2021	Change%
Hospitals	3,469	2,942	18
Medical Centers	381	347	10
Pharmacies	65	58	12
Other	9	4	129
Total Revenue	3,942	3,351	17

EBITDA (AED millions)	FY 2022	FY 2021	Change%
Hospitals	743	647	15
Medical Centers	113	92	22
Pharmacies	5	5	8
Other	17	35	(52)
Total EBITDA	878	779	13

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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 61 assets, including 16 hospitals and 23 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 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 child care provider.

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