burjeel
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Burjeel Holdings

FY 2022 EARNINGS PRESENTATION

21 February 2023

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Agenda and Presenters

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03 Strategy Overview

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06 Strategic Priorities

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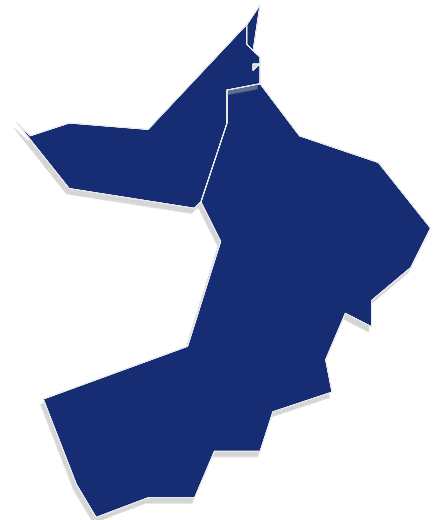
Business Overview

A full Healthcare Services ecosystem with a comprehensive offering across the entire patient journey, delivered through a portfolio of targeted brands

16	15	8	15	7
Hospitals	Polyclinics	Specialty Centres	Pharmacies	Other

23 Medical Centers (Polyclinics and Specialty Centres)



Portfolio of brands, each targeted at distinct patient demographics

Our Brands

- برجيل burjeel – a burjeel holdings company
- ميديور Medeor Hospital
- مستشفى ال ال اتش LLH HOSPITAL
- مستشفى لايف كير LIFECARE Hospital – a burjeel holdings company
- تجميل TAJMEEL – a burjeel holdings company

Key FY 2022 Highlights

Strong growth in top and bottom-line

- Revenue of AED 3,924 million, **up 17%** YoY
- Net profit of AED 355 million, **up 52%** YoY
- BMC continued to rapidly scale revenue; **up 125%** YoY

Successful IPO on ADX

- Successfully **listed on ADX** in October 2022
- **~65% decrease** in net debt to AED 1,113 million or 1.5x Net Debt/EBITDA[1]
- **Well positioned** to act on expansion opportunities as they arise

Patient footfall increasing

- Utilization elevated through a **broadening of our service mix and strong referral** base
- Overall patient footfall **increased by 15%**
  - In-patient footfall **increased by 17%**
  - Out-patient footfall **increased by 15%**
- Overall **bed occupancy at 56%;** significant headroom remaining

Sizable efficiency gains

- Burjeel's centralized functions **scaled up operations**
- Recruitment **of highly-specialized surgeons and physicians** to drive future margin expansion and ARR gains

[1] Calculated using pre-IFRS 16 EBITDA as EBITDA less Annual Lease Rental Payments

Focused Strategy, Clear Delivery

Ramp Up Of Growth Assets

Young asset fleet, with growth to be driven by utilisation ramp-up

Increasing Patient Yield

Elevate the delivery of high-value complex care, including oncology and transplants

Operational Excellence

Centralization and digitization to ensure Group synergies are captured

Geographic Expansion

Deliver on our KSA entry and explore suitable, capex-lite opportunities in other markets

Delivered by a highly experienced management team with a strong regional track record

Strategic and Operational Highlights

Pursuing a cross-border growth strategy - Signed a Memorandum of Understanding (MoU) to create a joint venture with Leejam Sports Company JSC

Positioning the UAE as a medical hub and performing complicated medical procedures - Successfully performed a bone marrow transplant on a nine-month-old baby & BMC's first kidney transplant

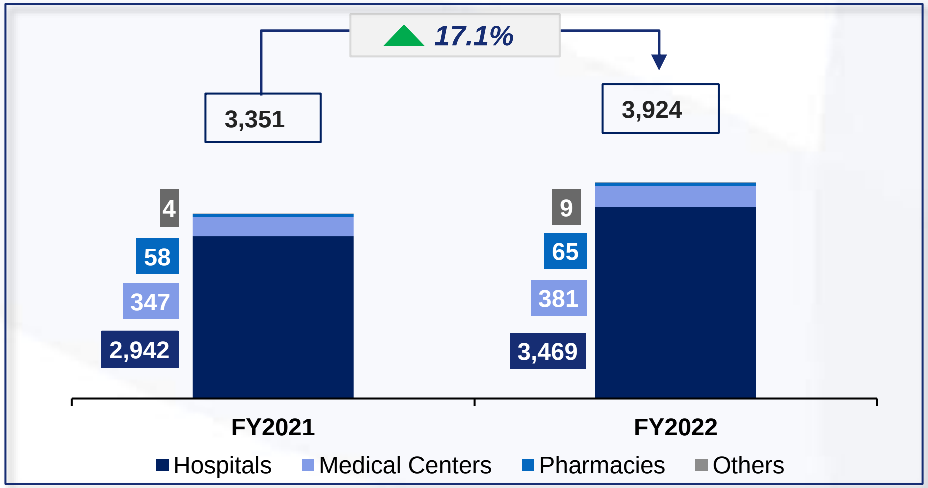
Forging Strategic Alliances - Joined hands with France's IFEM Endo to provide specialized care to women. Other alliances - MoU with Abu Dhabi Police, partnership with UAE Ministry of Industry and Advanced Technology

Investing in Our People - Certified as a 'great place to work' based on a survey conducted by a leading management consultancy; increased our workforce by ~1,400 employees, with a focus on highly skilled physicians and surgeons.

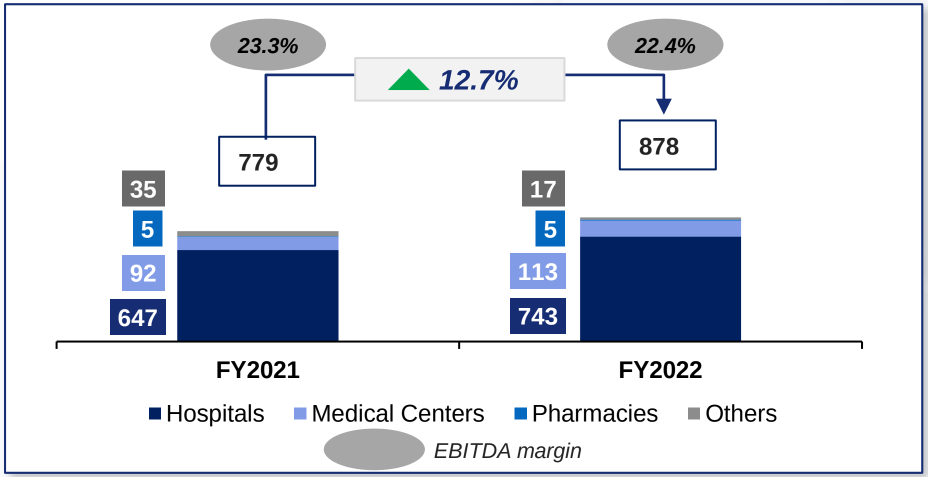
Group Financial Review

Revenue and EBITDA

Revenues (AEDm)[1]



EBITDA (AEDm)



Commentary

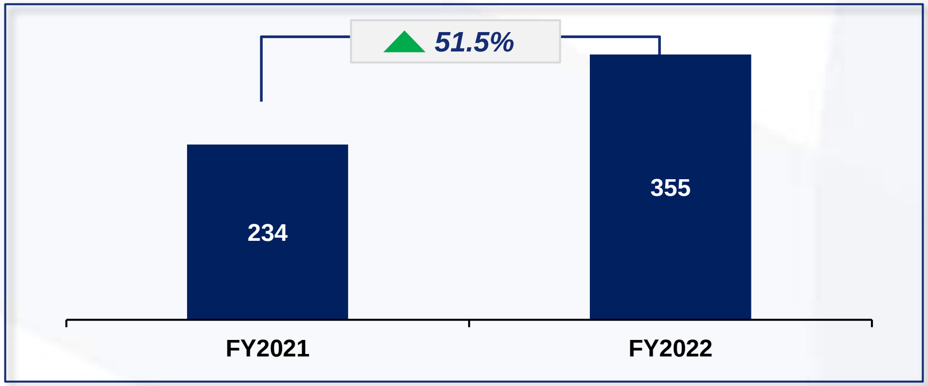
- Group revenue increased by ~ 17.1% primarily driven by the hospitals segment on the back of ramp-up of Burjeel Medical City as well as increase in revenue of other hospitals in growth phase
- Hospital segment has contributed 88.4%, vis-à-vis 87.7% last year
- Medical Center segment's contribution to group Revenue has remained stable at 10%, which indicates the primary segment has expanded its foot print without affecting the hospital segment growth
- Pharmacy segment also grown, especially after the Covid-19 pandemic, when foot fall increased in respective malls

- Group EBITDA increased by ~12.7%, primarily as a result of BMC turning EBITDA positive in the current year.
- The marginal decline of 0.9% in EBITDA margin, from 23.3% to 22.4%, can primarily be attributed to increase in direct cost and change in service mix, increase in manpower cost from 41.0% of revenue to 43.4%
- The increase in manpower cost were due to ramp up on BMC, where we added super speciality doctors

Notes: [1] Revenues post-intersegment eliminations

Net profit

Net Profit (AEDm)



Group	FY2021	FY2022	Change
Inventories Consumed	**763**	**900**	**18.0%**
% of Revenue	*22.8%*	*22.9%*	
Doctors' and other employees'	**1,373**	**1,701**	**23.9%**
% of Revenue	*41.0%*	*43.4%*	
Provision for ECL	**113**	**65**	**-42.3%**
% of Revenue	*3.4%*	*1.7%*	
Other Expenses[2]	**345**	**401**	**16.3%**
% of Revenue	*10.3%*	*10.2%*	
Total OPEX ex. D&A[3]	**2,593**	**3,067**	**18.3%**
% of Revenue	*77.4%*	*78.2%*	
Share of profit from associates	**21**	**21**	**-0.4%**
EBITDA	**779**	**878**	**12.7%**
% of Revenue	*23.3%*	*22.4%*	
Finance costs	**209**	**211**	**0.8%**
Depreciation & Amortization	**394**	**354**	**-10.1%**
Interest income from related parties	**(58)**	**(42)**	**-27.8%**
Net Profit/(Loss)	**234**	**355**	**51.5%**

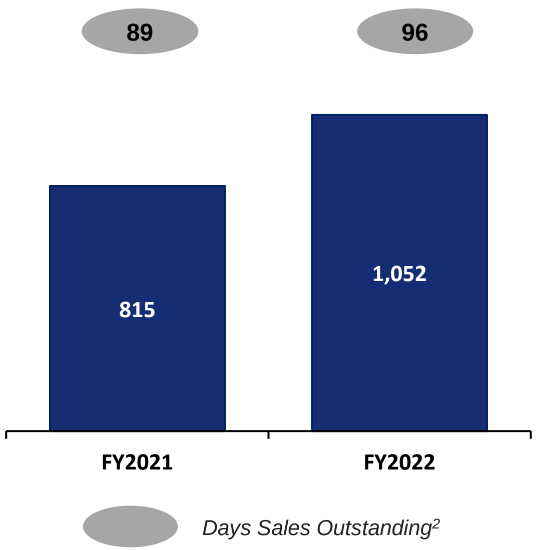
Commentary

- Net profit increased by 51.5%, primarily due to the growth in revenue, increase in operational efficiencies and a reduction in depreciation and amortisation as compared to last year
- The hospital and medical centre segments were the major drivers of growth in net profit

- Inventory consumption as a percentage of revenue was maintained at the same level as prior year
- Manpower costs increased slightly as a percentage of revenue compared to prior year due to ramp up of BMC and hiring of doctors in other entities that are in the ramping up stage
- RCM has played a major role in claim processing enabling us to control the rejection rate
- Other G&A as a percentage of revenue was maintained at the same level as last year

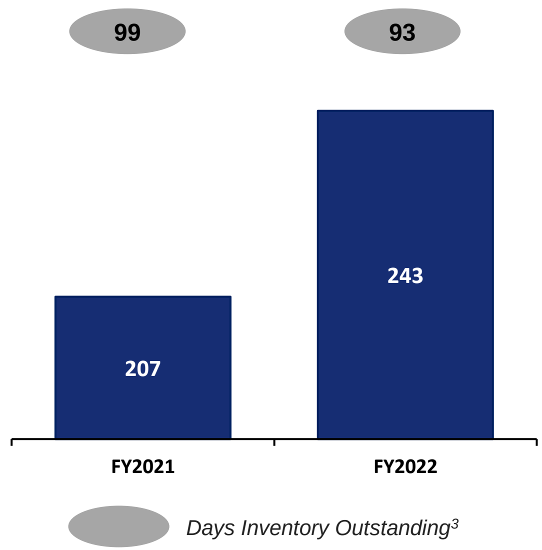
Group net working capital analysis

Trade receivables (AEDm)[1]



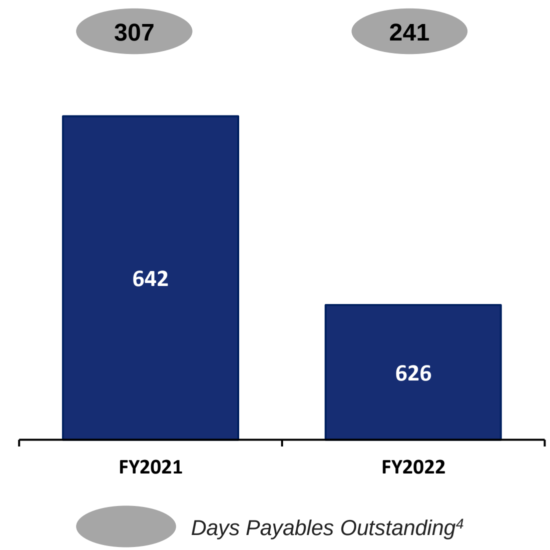
- *Receivable days remained stable despite a significant increase in operating activity, showing the strength of the collections infrastructure established*

Inventory (AEDm)



- *Continued to reduce inventory days on the back of centralized warehousing and improving inventory management procedures*

Trade Account Payable (AEDm)



- *Reduced payable days as management continues to operate towards reaching its target working capital days*

Notes: [1]Net of provision for expected credit losses [2]Days Sales Outstanding calculated using (Trade Receivables, net of provision for ECL / Revenue)*360; [3]Days Inventory Outstanding calculated using Inventory / Inventories Consumed*360; [4]Days Payables Outstanding calculated using (Trade Payables / Inventories Consumed)*360

Group capital structure

Group Debt

	FY2021	FY2022
Bank Balances and Cash	***134***	***148***
1 Interest bearing loans and borrowings	3,208	1,261
Bank overdraft	*91*	*0*
Bank Debt[1]	**3,299**	**1,261**
2 **Net Debt**	***3,165***	***1,113***
Lease Liabilities[2]	1,281	1,168
Net Debt including Lease Liabilites[3]	***4,447***	***2,281***
3 Amounts Due From Related Parties	1,596	27
Amounts Due To Related Parties	*54*	*35*
KPIs:		
Net Debt including Lease Liabilities[3] / EBITDA	***5.7x***	***2.6x***
Net Debt / Pre-IFRS 16 EBITDA[4]	**4.9x**	**1.5x**
Total Group Equity	**381.2**	**1117.8**
Divided mainly into:-		
4 Share capital	*0.7*	*520.5*
Shareholders' account	533.0	0.0
Share Premium	0	366.8
Retained earnings (incl NCI)	-175.1	224.0

Commentary

1. Interest bearing loans and borrowings decreased by AED 1,947 million between Dec'21 to Dec'22, mainly as a result of the one-time settlement of loan liabilities amounting to AED 2,007 million, with other net movement in borrowings amounting to AED 60 million in FY2022

2. Ended FY2022 with Group Net Debt of AED 1.11 billion or 1.5x Net Debt/EBITDA[4], placing the group in a strong position to capitalize on potential growth opportunities

3. Amounts due from related parties decreased by AED 1,569 million during FY2022, mainly on account of settlement of the inter-company balance of VPS healthcare LLC

4. The Company's share capital is AED 520.5 million as at Dec-22, following listing on ADX in Oct-2022

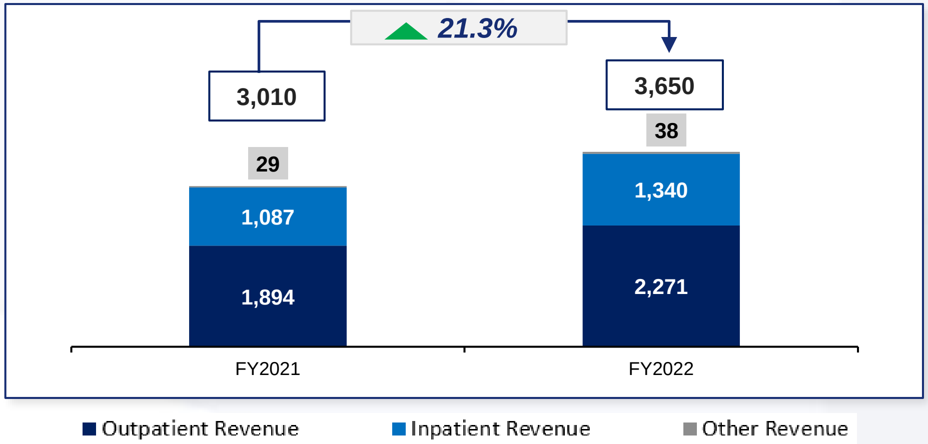
Notes: [1] Includes Interest Bearing Loans and Borrowings and Bank Overdraft [2] Includes Current and Non-Current portion of Lease Liabilities [3] Includes Net Debt and Lease Liabilities [4] Pre-IFRS 16 EBITDA calculated as EBITDA less Annual Lease Rental Payments and Net Debt is calculated as Bank Debt less Cash and bank balance

Segmental Review

Hospitals

Hospitals Segment | Financial Performance Update

Revenues (AEDm)[1]



EBITDA (AEDm)

Hospitals Segment	FY2021	FY2022	Change
Inventories Consumed	**724**	**957**	**32.2%**
% of Revenue	*24.0%*	*26.2%*	
Doctors' and other employees' salaries and emoluments	**1,191**	**1,487**	**24.9%**
% of Revenue	*39.6%*	*40.8%*	
Provision for ECL	**103**	**58**	**-44.0%**
% of Revenue	*3.4%*	*1.6%*	
Other Expenses[2]	**345**	**405**	**17.3%**
% of Revenue	*11.5%*	*11.1%*	
Total OPEX ex. D&A[3]	**2,363**	**2,907**	**23.0%**
% of Revenue	*78.5%*	*79.7%*	
EBITDA	**647**	**743**	**14.8%**
% EBITDA Margin including BMC	*21.5%*	*20.3%*	
% EBITDA Margin excluding BMC	*24.3%*	*23.7%*	

Commentary

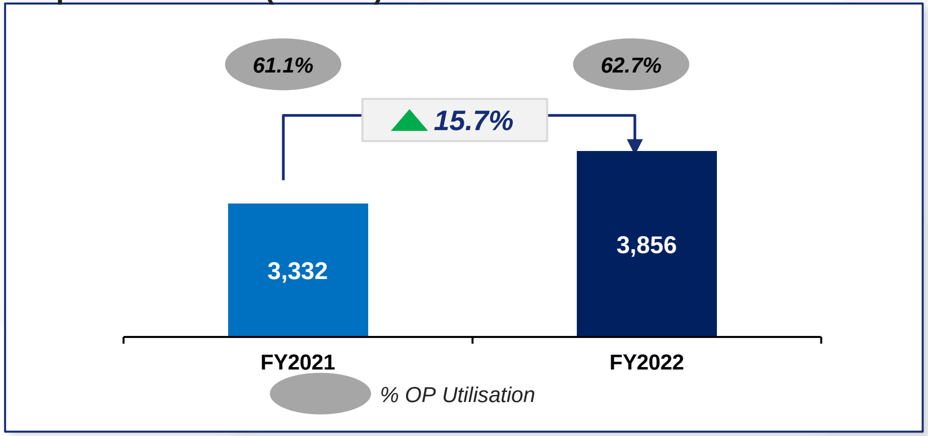
- Hospitals segment contributed 88.4% to Group revenue for the period ended Dec-22 , as compared to 87.8% from the previous year
- Revenue growth of 21.3% was largely driven by Burjeel Medical City, Burjeel Hospital Abu Dhabi, Burjeel Day Surgery centre, Burjeel Royal Hospital Al Ain and Medeor Hospital Abu Dhabi
- Revenue growth was also supported by the Group's focus on super specialty treatment and complex cases

- Cost of consumables increased to 26.2% from 24.0% on account of shift towards more complex cases and the ramp up of new assets like BMC
- Increase in staff costs mainly attributable to BMC (~63.8% of the total increase in staff cost) and addition of new doctors in Medeor Hospital Abu Dhabi, Burjeel Royal Hospital Al Ain, and Burjeel Day Surgery Centre
- Lower EBITDA margin in FY2022 due to the increase in direct cost and manpower cost partly offset by decrease (as a percentage to revenue) in other G&A

Notes: [1]Revenues pre-intersegment eliminations [2] Other expenses include Rent expenses, Utility Charges, and Other expenses [3]Total OPEX ex. D&A – refers to total operating expenses excluding all depreciation and amortisation expenses

Hospitals Segment | Operational Performance Update

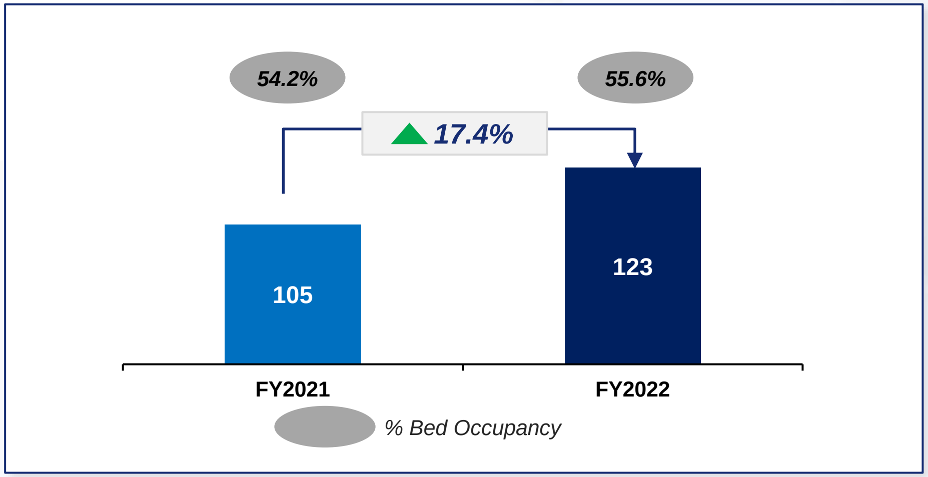
Outpatient footfall (in 000s)



Commentary

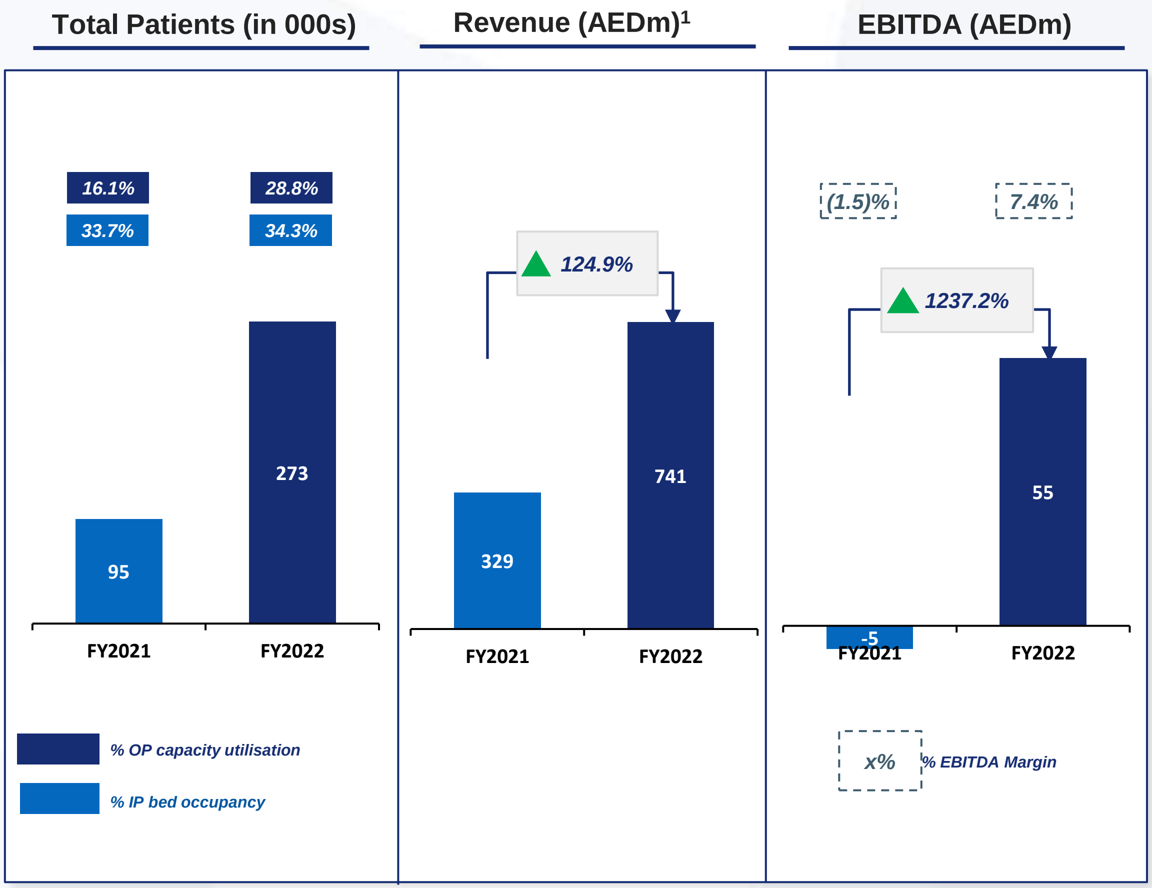
- The ramp up in utilisation of assets, in particular, at BMC, drove the 15.7% increase in outpatient footfall in the hospital segment.
- Also, significant increase in outpatient footfalls at Medeor Hospital Abu Dhabi, Burjeel Royal Hospital Al Ain, Burjeel Specialty hospital Sharjah and Burjeel day surgery centre as a result of continued ramp up of the growth assets and introduction of new services (oncology, cardiology, gastroenterology, etc.)

Inpatient footfall (in 000s)



- The ramp up in utilisation of assets, in particular BMC, drove the 17.4% increase in inpatient footfall
- Growth in inpatient footfall further driven by Burjeel Day Surgery Centre, Al Reem, Burjeel Specialty Hospital Sharjah, Medeor Hospital Abu Dhabi and Burjeel Royal Hospital Al Ain as a result of continued ramp up and introduction of new services
- Increased bed occupancy is the result of the incremental inpatient footfalls

Burjeel Medical City Performance



Commentary

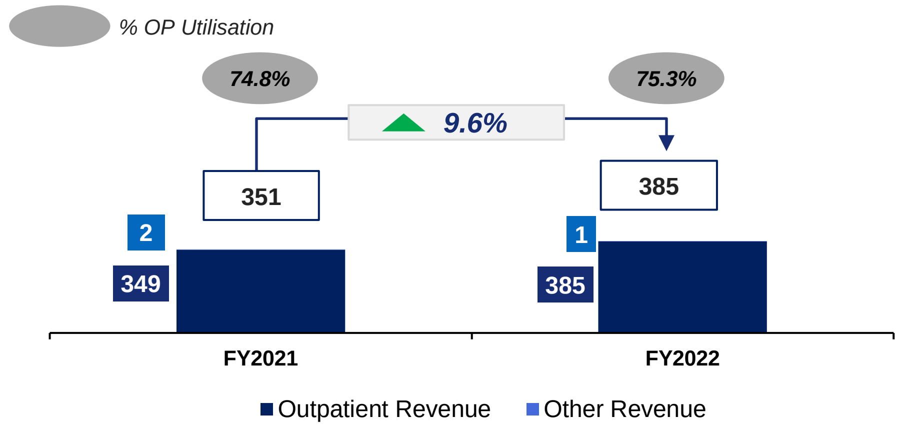
- Delivered 20% contribution to total hospital segment revenue
- Turned EBITDA positive in the current year
- Continued ramp up of BMC in current year, witnessed sharp increase in IP and OP footfalls as a result of the introduction of new services
- A key driver of Burjeel's wider ambition and ability to deliver increasingly complex care and high-value, high-yield services

Segmental Review

Medical Centers

Medical Centers Segment | Financial Performance Update

Revenues (AEDm)[1]



Commentary

- Medical centres under the Burjeel brand continued their robust performance resulting in 12.4% revenue growth
- In this segment, revenue growth is mainly driven by Burjeel Medical Center, Al Shamkha, Burjeel Medical Centre Deerfields, Burjeel Medical Centre Barari, and Tajmeel Kids park medical centre
- Also saw a ramp up in specialties like OBGYN, paediatric, orthopaedics, physiotherapy, and internal medicine

EBITDA (AEDm)

Medical Centers Segment	FY2021	FY2022	Change
Inventories Consumed	**77**	**80**	**4.0%**
% of Revenue	*21.9%*	*20.8%*	
Doctors' and other employees' salaries and emoluments	**137**	**150**	**10.0%**
% of Revenue	*38.9%*	*39.0%*	
Provision for ECL	**9**	**4**	**-54.3%**
% of Revenue	*2.6%*	*1.1%*	
Total Other Expenses[2]	**36**	**38**	**3.6%**
% of Revenue	*10.3%*	*9.7%*	
Total OPEX ex. D&A[3]	**259**	**272**	**5.0%**
% of Revenue	*73.7%*	*70.6%*	
EBITDA	**92**	**113**	**22.4%**
% EBITDA Margin	*26.3%*	*29.4%*	

- EBITDA margin increased on the back of a decline in direct costs, provision for ECL & other G&A as a percentage to revenue
- Manpower Costs as a percentage of revenue has been maintained at the same levels, despite the increase in revenue

Notes: [1]Revenues pre-intersegment eliminations [2]Total Other expenses include Rent expenses, Utility Charges, and Other expenses [3]Total OPEX ex. D&A – refers to total operating expenses excluding all depreciation and amortisation expenses

Strategic Priorities

Focused Strategy, Clear Delivery

Ramp Up Of Growth Assets

Young asset fleet, with growth to be driven by utilisation ramp-up

Increasing Patient Yield

Elevate the delivery of high-value complex care, including oncology and transplants

Operational Excellence

Centralization and digitization to ensure Group synergies are captured

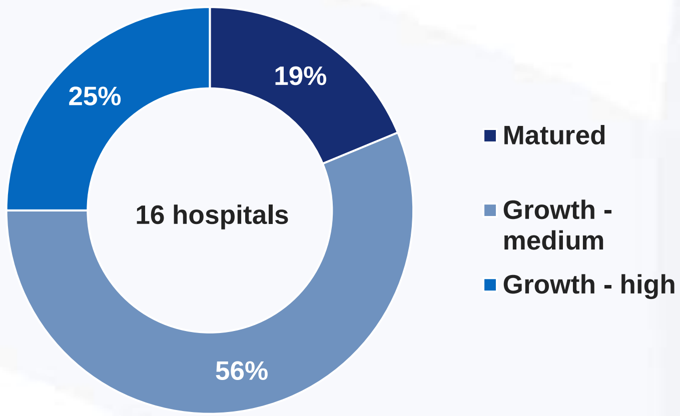
Geographic Expansion

Deliver on our KSA entry and explore suitable, capex-lite opportunities in other markets

- *Scale up clinical capabilities*
- *Increase complex case count*
- *Leverage Burjeel network to drive referrals*
- *Foster strong insurer and partner relationships*

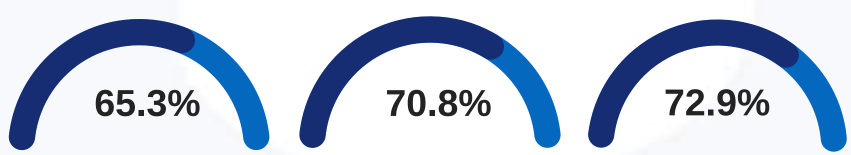
A young asset fleet with growth to be driven by utilisation ramp-up

Asset maturity split for hospitals[1]

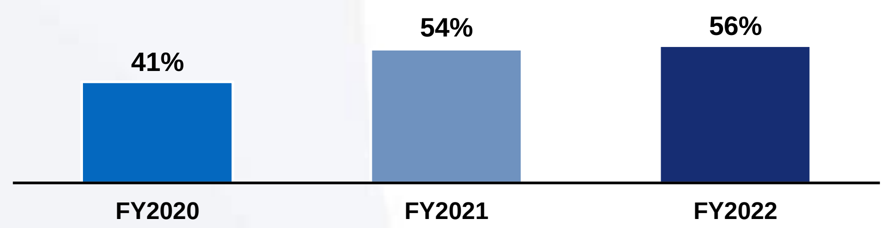


Group Outpatient utilisation

FY2020 | FY2021 | FY2022



Inpatient bed occupancy

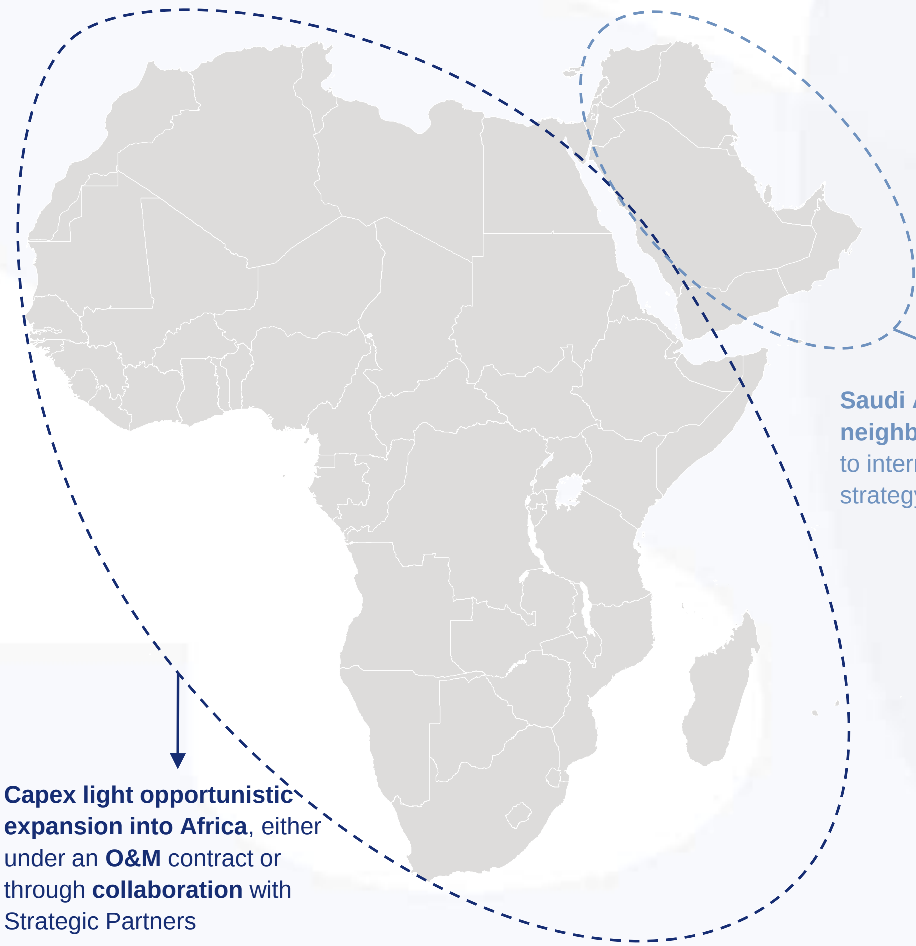


We have significant headroom remaining, which will be utilized with increasingly higher value medical care.

Note: [1] Hospitals: bed occupancy ≥70% = Matured, ≥55% and <70% = Growth – medium and <55% = Growth – high based on FY2022 Occupancy. [2] Based on occupied beds divided by operational beds. [3] Based on OP footfalls divided by maximum possible consults in a year

Middle East & Africa key regions; Saudi Arabia core to growth strategy

Key region of focus – Middle East & Africa



Saudi Arabia (and other UAE neighbouring countries) core to international expansion strategy over the next 5 years

Capex light opportunistic expansion into Africa, either under an **O&M** contract or through **collaboration** with Strategic Partners

Expansion strategy – three key pillars

1 Primary care

- Focus on **diagnostics / consultations**
- Well-supported with **digital solutions**

2 Tertiary care

- **Focus on complex care** leveraging existing strengths (e.g. oncology)

3 Support functions

- Focus on developing **support ecosystems for hospitals**
- Areas of focus to include **call centres / supply chain solutions / EMRs**[1]

Note: [1] EMR = Electronic medical records

Network of Physiotherapy and Wellness centers across KSA

Burjeel Holdings has entered into an agreement with Leejam Sports Company, the largest owner and operator of fitness centers in the GCC, to create a 50-50 Joint Venture Company that will establish and operate physiotherapy, rehabilitation and wellness centers inside Leejam's existing fitness clubs. The newly created joint venture will initially open six centers in the next quarter in Riyadh city, expanding its services across the Leejam network in KSA over the next 18-24 months. This is a unique offering that combine fitness with physiotherapy and wellness.

Key Service Offerings in Physio & Infusion Centres:

Physiotherapy | Chiropractor | Vitamin infusions

Cardio and Hydro-Therapy | Sports Massage | Ayurveda Massage

Model	Pilot Phase	Target Centres across KSA (next 18-24 months)	Potential Annual Revenue per Centre	Estimated Capex per Centre
Physio & Infusion Centres	4	60	SAR 4-6 Mn	~ SAR 1.2 – 1.8 Mn
Flagship Centres	2	10	SAR 10-12 Mn	~ SAR 2.5 – 3.5 Mn
Comprehensive Rehab Centre	-	2-3	TBD	TBD

Key Highlights of the Project

- **Asset-light low-capex model, with high EBITDA margin and high ROI**
- **Strong partner, with a well-established network. Offers quick access and penetration across KSA**
- **Complimentary service for the well-established 300k+ member base of Leejam**
- **Uniquely positioned offering in the fast-growing sports and wellness segment in KSA**
- **A de-risked model and platform to understand the local KSA market dynamics and plan future expansion**

Note: We are in the process of obtaining licensing and approval from various authorities for the venture and the plan set out above is subject to timing and conditions attached to the licensing requirements in KSA

Outlook

FY 2023 Outlook

REVENUE GROWTH

- **Group revenue** is expected to grow organically in the high-teens
- **BMC revenue** expected to grow more than 1.5x

EBITDA MARGIN

- **EBITDA margin** expected to improve to at least 2021 levels
- **BMC EBITDA margin** expected to improve to mid-high teens

MAINTENANCE CAPEX

- **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[1]** of less than 2.5x to be maintained

As stated at the time of our 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.

[1] Calculated using pre-IFRS 16 EBITDA as EBITDA less Annual Lease Rental Payments

Q&A

Appendix

Financial summary FY 2021 & FY 2022

Group Financial Summary

AED Million	FY22	FY21	YoY %
Revenue	3,924	3,351	17%
Opex[1]	-3,046	-2,572	18%
EBITDA[2]	**878**	**779**	**13%**
Net Profit	**355**	**234**	**51%**
EBITDA Margin	22%	23%	
Net Profit Margin	9%	7%	
Total Equity	1,118	381	193%
Net debt[3]	1,113	3,165	-65%
Earnings per Share (AED)	0.06	0.04	51%
Net Asset	3,249	4,272	-24%
Return on capital employed	16%	9%	
Net debt to EBITDA[4]	1.3	4.1	
Leverage ratio (Debt/Equity)	1.1	8.7	
Return on equity	32%	61%	

Notes:

(1) Opex includes G&A expenses and ECL.

(2) EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortization

(3) Interest bearing liabilities less cash and cash equivalents

(4) Bank debt less Cash and bank balance divided by overall EBITDA

Segmental Financial Summary

AED Millions	FY22	FY21	YoY %
Revenue	**3,924**	**3,351**	**17%**
Hospitals	3,469	2,942	18%
Medical Centers	381	347	10%
Pharmacies	65	58	11%
Others	9	4	129%
EBITDA	**878**	**779**	**13%**
Hospitals	743	647	15%
Medical Centers	113	92	22%
Pharmacies	5	5	8%
Others	17	35	-52%
Net Profit	**355**	**234**	**51%**
Hospitals	262	154	69%
Medical Centers	74	45	66%
Pharmacies	5	4	27%
Others	15	32	-54%

Burjeel Holdings

FY 2022 EARNINGS PRESENTATION

21 February 2023