



Burjeel Holdings' Q3 2023 Revenue Accelerates by 24%; EBITDA Increases 34% in Q3 2023

Abu Dhabi, United Arab Emirates, 31 October 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 nine-month periods ended 30 September 2023.

Financial & Operational Highlights

Q3'23 Revenue growth accelerated by 23.8% y-o-y to AED 1.2 billion, driven by higher inpatient footfall coupled with expansion in patient yield; 9M'23 Revenue amounted to AED 3.3 billion, up 17.2% y-o-y.

Q3'23 EBITDA¹ up 34.1% y-o-y to AED 260 million; 9M'23 EBITDA of AED 727 million, up 19.5% y-o-y.

Q3'23 Net profit up 162.6% y-o-y to AED 137 million, attributable to robust top-line growth and finance costs optimization; 9M'23 Net profit of AED 362 million up 76.4% y-o-y.

KSA operations commenced, with the opening of four *PhysioTherabia* physical therapy, rehabilitation and wellness centers in Riyadh.

Outpatient footfall & inpatient footfall increased by 10.4% and 19.7% in 9M'23, respectively, primarily due to the Group's investment in new specialties and services; Total 4.4 million patients seen in 9M'23.

Burjeel Medical City saw strong footfall growth which drove revenue growth of 40.6% and EBITDA growth of 74.8% in 9M'23.

Net debt/pre-IFRS 16 EBITDA² at 1.3x at the end of the period, demonstrating strength of balance sheet.

Strong Momentum on Strategic Priorities

Burjeel Holdings continues to deliver on its strategic priorities of driving growth by elevating patient yield and utilization, capitalizing on the Group's world-class healthcare assets and infrastructure. Burjeel also continues to expand its network of medical centers, which serve as a key referral source for its specialty hospitals. The Group opened one new Lifecare and two LLH medical centers during the first nine months of 2023 and plans to launch two medical centers in Dubai and Abu Dhabi and one Burjeel Day Surgery Center in Al Dhafra over the next 6 months.

Significant strides have been made with Burjeel's regional expansion strategy, with the opening of its first four premier Physio & Rehab centers in Saudi Arabia under the brand PhysioTherabia. The new centers in Riyadh mark a major milestone in the Group's Saudi Arabia expansion strategy, enabling CAPEX light entry into a market with significant long-term growth potential. Burjeel plans to grow its PhysioTherabia offering with a target to open 60 centers by the end of 2025.

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

"Burjeel Holdings delivered another strong set of results during the third quarter of 2023, as we focused on executing our strategy to drive patient yields through the provision of highly specialized complex care delivered by world-class medical professionals as we further ramped up our growth assets. This enabled us to accelerate our growth trajectory with Group revenue increasing 23.8% and EBITDA growing by an impressive 34.1% in the third quarter of 2023, driven by both an increase in patient footfall and the expansion of our complex care offering.

"Our international expansion continues at pace with the opening of our first four PhysioTherabia centers in Saudi Arabia. With ambitious growth plans to open 60 centers by 2025, PhysioTherabia marks the first step of our KSA journey. We continue to explore various additional CAPEX efficient options in Riyadh to tap into the huge potential that Saudi Arabia's healthcare market represents. We are confident that the Kingdom will significantly drive our long-term growth story.

"Looking ahead, Burjeel will continue solidifying its position as the region's leading referral hub for complex and innovative medical care by expanding the breadth of our offering and investing in technology to deliver seamless patient journeys with superior clinical outcomes."

Revenue Growth Accelerates

Burjeel Holdings delivered robust revenue growth of 17.2% to AED 3.3 billion for the first nine months of 2023, driven by a 10.6% increase in total patient footfall to 4.4 million patients. Revenue growth accelerated during the third quarter of 2023, delivering an increase of 23.8% to AED 1.2 billion due to the rising volume of complex medical procedures. Group bed occupancy is at 60% for the nine months of 2023. Thus, Burjeel has enough room within the invested infrastructure to grow organically without any further investment, with significant headroom remaining to ramp up critical growth assets further.

EBITDA for the nine months of 2023 increased by 19.5% to AED 727 million, with EBITDA margin expanding to 21.9%, as the Group focused on providing higher-yielding services. EBITDA for the third quarter of 2023 grew substantially by 34.1% to AED 260 million.

Net profit for the nine months of 2023 rose 76.4% to AED 362 million, enabled by revenue growth, increased operational efficiencies and lower finance costs. Net profit increased by 162.6% to AED 137 million during the third quarter of 2023. As previously indicated, when the growth assets start performing, incremental revenue can be generated with marginal impact on cost, leading to significant bottom-line growth.

Robust Performance Across Segments

The Hospitals segment remains the primary contributor to the Group's revenue, contributing 89% of total Group revenue for the nine months of 2023, consistent with the previous year.

Revenue and EBITDA in the Hospital segment increased by 17.9% and 31.1%, respectively, during the nine months of 2023, driven by higher patient footfall and the Group's continued focus on advanced specialty services. EBITDA margin in the Hospitals segment improved to 22.6% for the nine months of 2023. During the third quarter of 2023, Hospital segment revenue and EBITDA increased by 25.4% and 46.9%, respectively, and EBITDA margin enhanced to 23.2%.

The Medical Centers segment, which plays a significant role as the Group's key referral source, delivered revenue and EBITDA growth of 15.3% and 20.6%, respectively, for the first nine months of 2023, with EBITDA margin increasing to 28.9%. During the third quarter of 2023, revenue and EBITDA increased by 18.2% and 14.5%, respectively, at a stable EBITDA margin of 30.5%.

Complex Specialty Care Propels Burjeel Medical City (BMC) Performance

Burjeel's flagship hospital asset, BMC, delivered stellar performance, with revenue growth of 40.6% to AED 737 million for the first nine months of 2023. EBITDA rose substantially, up 74.8% to AED 108 million with EBITDA margin improving to 14.7% for the first nine months of 2023 compared to 11.8% for the first nine months of 2022.

BMC's outstanding growth was driven by a significant increase in patient volumes and the number of high value complex procedures performed. Total patient footfall grew by 66.8% during the first nine months of 2023, with bed occupancy reaching 46% for the first nine months of 2023 compared to 36% for the first nine months of 2022.

BMC's performance demonstrates its continued success as a critical referral hub providing cutting-edge complex specialities. 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 64.0% during the nine months of 2023, driven by EBITDA growth and optimization of working capital. Additionally, Free Cash Flow (FCF) Conversion¹ grew to 45%, up from 35% in the prior year.

The Group's Net Debt / Pre-IFRS 16 EBITDA decreased from 1.5x as of 31 December 2022 to 1.3x as of 30 September 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 30 September 2023.

Positive Outlook Maintained

The UAE and KSA 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 a solid 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.

Dividend Policy

Burjeel is keen to deliver value to its stakeholders, proven by the payment of interim cash dividends with an expected future pay-out ratio of 40% to 70% of net profit, contingent on investment requirements for additional growth plans. For the first half of 2023, the Group paid ~AED 95 million or ~AED 0.02 per ordinary share as its debut interim dividend. This represents 42% of net profit for the first half of 2023.

(1) 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.

FY2023 Guidance

Group revenue expected to grow in the high-teens

BMC revenue expected to grow more than 50%

EBITDA margin expected to improve to at least 2021 levels (c.23%)

BMC EBITDA margin expected to improve to the mid-high teens

Maintenance CAPEX expected to be approximately 2.5% of revenue

Growth CAPEX of ~AED 85m for digital transformation and UAE & KSA expansion

Net Debt/EBITDA² of less than 2.5x to be maintained

Mid-Term (2024-2027) Guidance

Group revenue growth expected to normalize from the mid-teens to the high-single-digit gradually

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

KSA expansion project to reach beyond AED 600m 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 approximately 2.5% of revenue

Growth CAPEX of ~AED 215m for digital transformation and UAE & KSA expansion

Net Debt/EBITDA² of less than 2.5x to be maintained

Financial Review

(Q3'23 = Three-month period to 30 September 2023)

(9M'23 = Nine-month period to 30 September 2023)

AED millions	Q3'23	Q3'22	Change	9M'23	9M'22	Change
Revenue	1,155	933	23.8%	3,317	2,832	17.2%
Total OPEX ex. D&A ³	(899)	(743)	20.9%	(2,607)	(2,238)	16.5%
EBITDA⁴	260	194	34.1%	727	608	19.5%
<i>EBITDA Margin %</i>	22.5%	20.8%	1.7pp	21.9%	21.5%	0.4pp
Net Profit for the Period	137	52	162.6%	362	205	76.4%
<i>Net Profit Margin %</i>	11.9%	5.6%	6.3pp	10.9%	7.2%	3.7pp

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Conference call information

Date: Tuesday, 31 October 2023

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

(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.



Time: 4:00 pm Gulf Standard Time (GST)

Please find the details of the conference call below.

[Webcast Link](#)

United Arab Emirates: 800 0320690

United Kingdom: +44 203 984 9844

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Access Code: 305568

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 68 assets, including 16 hospitals and 30 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 1,708 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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