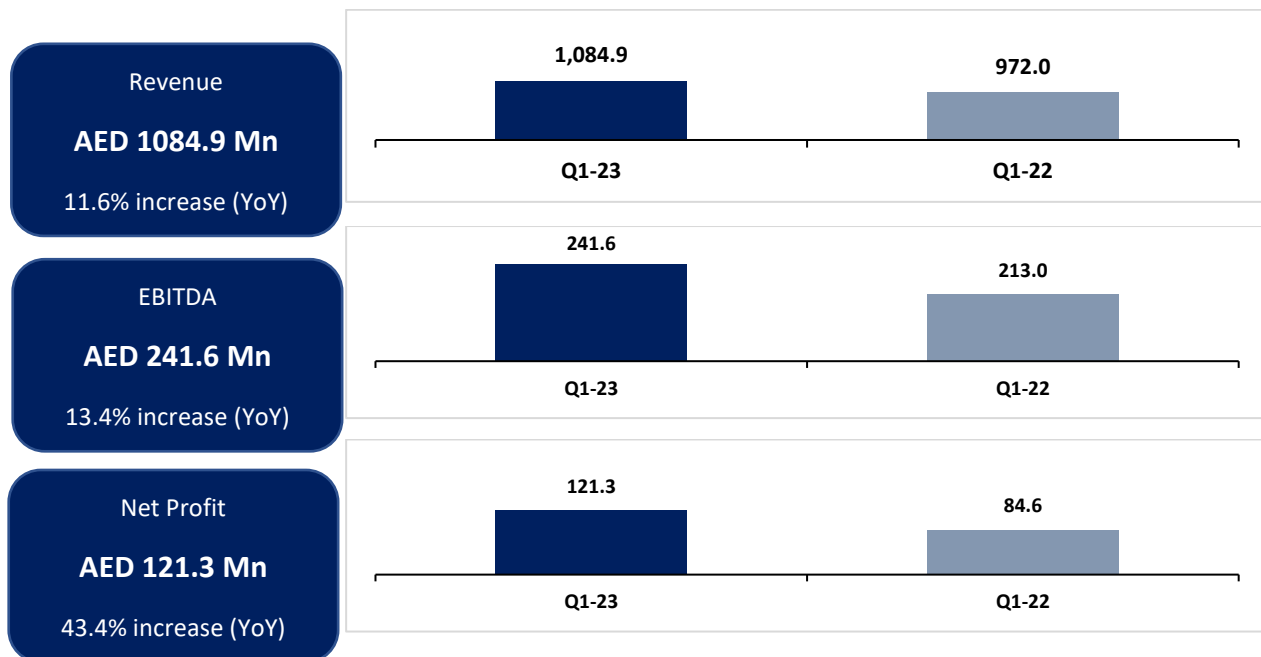


Burjeel Holdings PLC

Management discussion and analysis

For the period ended 31st March 2023

Burjeel Holdings reports a positive performance in the first three months of 2023 with strong growth both in top-line and bottom-line whilst making significant operational and strategic progress. Revenue for YTD March 2023 is AED 1084.9 million, an increase of 11.6% year-on-year basis, driven by utilization gains in the Hospitals and Medical Centers segments,



Key Highlights during the period

- Group revenue was AED 1,084.9 Mn, with a 11.6% YoY increase for the first three months, while the Q1 2022 revenue was AED 972.0 Mn.
- Group EBITDA was AED 241.6 Mn, with a 13.4% on YTD March basis while Q1 2022 EBITDA was AED 213.0 Mn.
- Group net profit at AED 121.3 Mn, up 43.4% till YTD March basis while net profit for Q1 2022 was AED 84.6 Mn.

Management Discussion & Analysis

Burjeel Holdings is pleased to present its report on the performance of the Group for the period ended 31 March 2023. This report should be read in conjunction with the interim condensed consolidated financial statements for the same period. The Company has reported a strong performance primarily led by its hospital segment aided by the Group's continued focus on high-value, super specialty care.

Summary of Financial Results:

<i>Income Statement Summary (AED'Mn)</i>	Q1 23	Q1 22	YOY%
Revenue	1,084.9	972.0	11.6%
EBITDA	241.6	213.0	13.4%
<i>EBITDA Margin</i>	22.3%	21.9%	
Net Profit	121.3	84.6	43.4%
<i>Net Profit Margin</i>	11.2%	8.7%	

<i>Balance Sheet Summary (AED'Mn)</i>	Q1 23	FY 22	
Current Assets	1,731.1	1,602.9	
Total Assets	4,757.3	4,685.1	
Total Equity	1,239.2	1,117.8	
Total Liabilities	3,518.1	3,567.3	
Total Equity & Liabilities	4,757.3	4,685.1	

Income Statement Analysis for the period ending March 2023

Key Variance analysis (AED'Mn)

Particular	YTD Mar-23	YTD Mar-22	Change
Revenue	1,084.9	972.0	11.6%
<i>Inventories Consumed</i>	-251.8	-225.6	11.6%
<i>Doctors' and other employees' salaries and benefits</i>	-469.0	-412.6	13.7%
<i>Provision for expected credit losses</i>	-17.9	-28.0	-36.0%
<i>Other expenses</i>	-109.5	-98.6	11.0%
<i>Share of profit from associates</i>	4.8	5.7	-15.7%
EBITDA FOR THE YEAR	241.6	213.0	13.4%
<i>Finance costs</i>	-35.1	-55.3	-36.4%
<i>Interest income from related parties</i>	0.0	21.0	-100.0%
<i>Depreciation and amortisation</i>	-85.1	-94.0	-9.5%
PROFIT (LOSS) FOR THE YEAR	121.3	84.6	43.4%

- Revenue increased by AED 112.9m (11.6%) mainly due to the growth in clinic revenue by AED 107.4m which represents in-patient and out-patient revenue. Group Revenue growth is the combination of growth in Patient Volume and Improvement in Patient Yield. BMC which is high growth asset in the group focused more on to Super Specialty Segment enhance the over all growth of the group.
- Doctors' and other employees' salaries and benefits increased by AED 56.4m (13.7%), while inventories consumed increased by AED 26.2m (11.6%) in line with growth in operations/increase in revenues compared to prior period. The major impact in Doctors and staff salaries is coming from BMC, BRH and BDSC which in totality increased by AED 36.7m.
- Inventories consumed increased mainly due to growth in revenues across all hospitals and pharmacies while the key increase were noted in BMC, BDSC and BRH

- The depreciation charge decreased by AED 7.4 million (11.2% decrease). This is mainly driven by decrease in depreciation charge in medical equipment compared to prior period in matured hospitals reflecting fully depreciated assets.
- Provision for expected credit losses has decreased by AED 10.1m (36.1% decrease) as compared to prior period. The decrease is driven by improved collections for long outstanding receivables (over 300 days) .
- Other expenses increased by AED 10.7m (11.1%) driven by increase in change in fair value of profit rate swaps (by AED 17.1m), transportation expenses (by AED 2.6m) repair and maintenance cost (by AED 2.5m) and Miscellaneous expenses (by AED 1.8m). Marketing expenses& Other Expenses.

Segment Performance YTD March-23

The Group is organised into segments based on the operating activities & services. All the segments during the period delivered a notable performance.

Segment Information	Hospital	Medical Centre	Pharmacies	Others	Total
Revenue	957.6	107.1	17.7	2.4	1,084.9
<i>% to Total</i>	<i>88%</i>	<i>10%</i>	<i>2%</i>	<i>0%</i>	<i>100%</i>
EBITDA	215.7	30.4	4.0	-8.6	241.6
<i>% to Total</i>	<i>89%</i>	<i>13%</i>	<i>2%</i>	<i>-4%</i>	<i>100%</i>
Net Profit	104.8	21.9	3.9	-9.2	121.3
<i>% to Total</i>	<i>86%</i>	<i>18%</i>	<i>3%</i>	<i>-7%</i>	<i>100%</i>

Balance Sheet Overview

Assets (AED million)

Particular	31st March 2023	31st December 2022	Change
<u>NON-CURRENT ASSETS:</u>			
<i>Property and equipment</i>	1,966.3	2,001.6	-35.3
<i>Intangible Assets</i>	8.7	7.3	1.4
<i>Right of use assets</i>	991.6	1,018.6	-27.0
<i>Capital work in progress</i>	23.4	23.3	0.1
<i>Amounts due from related parties</i>	0.0	0.0	0.0
<i>Investments in Associates</i>	34.0	29.1	4.9
<i>Long term deposits</i>	2.6	2.6	0.0
Sub Total	3,026.6	3,082.5	-55.9
<u>CURRENT ASSETS:</u>			
<i>Cash and Bank Balance</i>	171.8	150.0	21.8
<i>Accounts receivable and prepayments</i>	1,302.4	1,189.6	112.8
<i>Inventories</i>	235.4	239.9	-4.5
<i>Amounts due from related parties</i>	21.7	23.6	-1.9
Sub Total	1,731.3	1,603.1	128.2
TOTAL ASSETS	4,757.9	4,685.6	72.3

- Property and equipment decreased by AED 35.3m due to the depreciation charge of AED 58.6m, partly negated by additions worth AED 23.3m. Additions comprise of building and leasehold improvements worth AED 2.9m, medical equipment worth AED 7.3m, furniture and fixtures worth AED 2.9m, computer and office equipment worth AED 7.5m and motor vehicles worth AED 2.7m which is in the normal course of business
- Right of use assets decreased by AED 27m mainly due to the depreciation charge of AED 25.6m, remaining decrease is due to remeasurement amounting to AED 1.4m during the period.
- Investment in IKJC and investment in First IVF both increased by AED 2.5m and AED 2.3m due to increase in their profits and respective share of those profits recognized by the Group.
- Accounts receivable and prepayment increased by AED 112.8m. Major impact is coming from trade receivables primarily driven by Burjeel Medical City LLC and Burjeel Hospital LLC which contributed in line with the increase revenues.
- The overall increase in bank balances and cash reflects cash from operations offset mainly by cash outflows on PPE additions and repayments of lease rentals and interest-bearing loans and borrowings in the period

Liabilities and Equity (AED million)

Particular	31st March 2023	31st December 2022	Change
<u>SHARE HOLDERS' EQUITY:</u>			
Share Capital	520.5	520.5	0.0
Shareholder's contribution	3.6	3.6	0.0
Other Reserve	3.1	3.1	0.0
Share Premium	366.9	366.9	0.0
Accumulated Profit	313.5	194.7	118.8
Non-controlling Interests	31.8	29.2	2.6
Total Equity	1,239.4	1,118.0	121.4
<u>LIABILITIES</u>			
<u>NON - CURRENT LIABILITIES:</u>			
Interest bearing loans and borrowings	873.3	903.9	-30.6
Lease liabilities	1,046.6	1,078.0	-31.4
Derivative Liability	42.6	28.4	14.2
Gratuity Payable	131.2	121.5	9.7
Sub Total	2,093.7	2,131.8	-38.1
<u>CURRENT LIABILITIES</u>			
Interest bearing loans and borrowings	358.4	357.0	1.4
Account payable & accruals	931.3	945.5	-14.2
Amounts due to related parties	39.0	35.6	3.4
Lease Liability	96.0	97.7	-1.7
Sub Total	1,424.7	1,435.8	-11.1
TOTAL LIABILITIES AND OWNER EQUITY	4,757.8	4,685.6	72.2

- Interest bearing loans and borrowings had a net decrease of AED 29.1m reflecting re-payment of AED 30.2m which was offset by proceeds from working Capital Loan by AED 1.1m.
- Lease liabilities reported a net decrease of AED 33m due to lease payments of AED 44.3m and remeasurement of AED 1.4m which was offset by interest expenses of AED 12.6m during the period.
- Derivative financial instruments consist of interest rate swap to manage the interest rate risk of Burjeel Hospital LLC. The movement of AED 14.1m relates to the fair value changes as per Mark to Market valuation.
- Accounts payable and accruals decreased by AED 14.2m (1.5%) mainly due to decrease in other payables and settlement of accounts payables which is line with the plan to reach the target working capital days set by management.



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John Sunil
Chief Executive Officer