

September 2023



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Investor Presentation

# Burjeel Holdings

Leading Super-Specialty Healthcare  
Provider in the MENA

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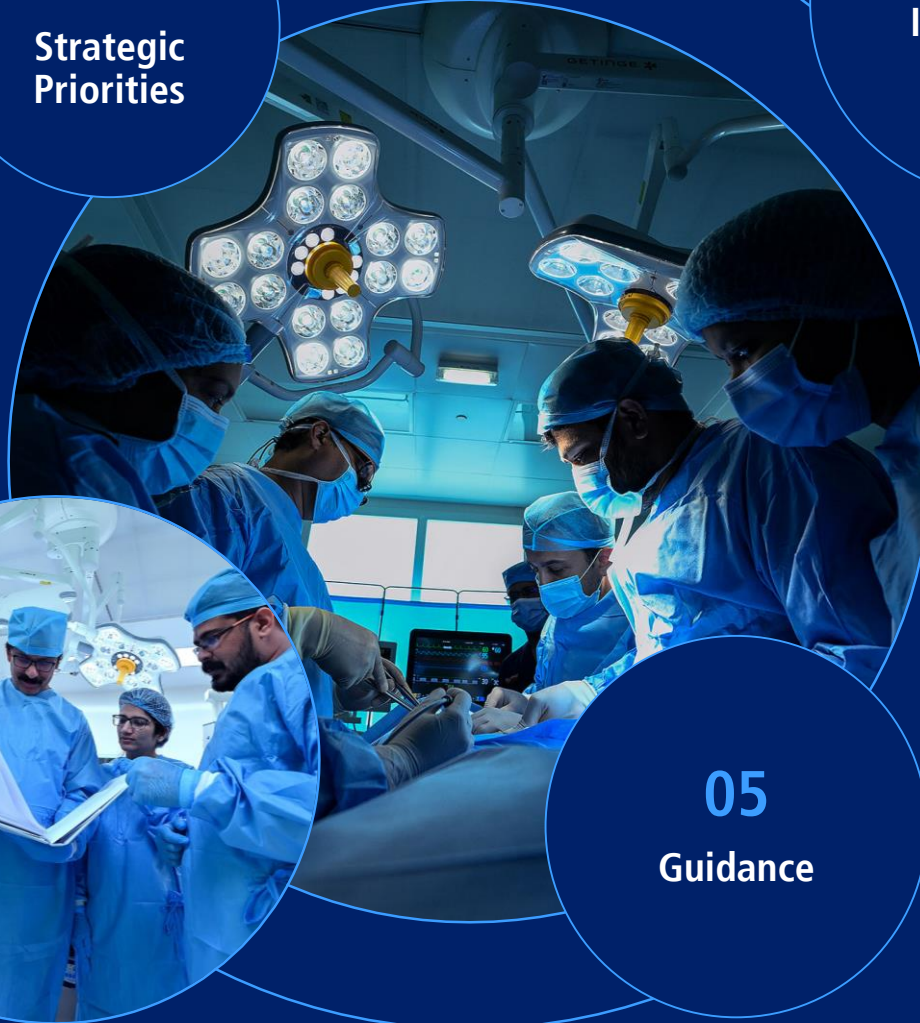
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01

# Burjeel Holdings at a Glance

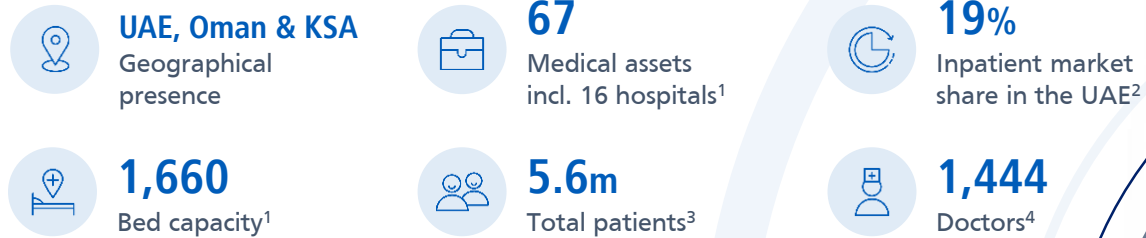


Leading Super-Specialty Healthcare Provider in the MENA

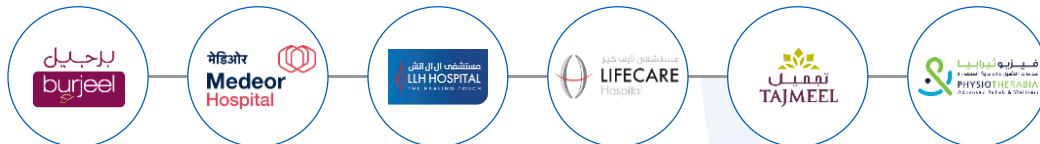


# Leading Integrated Healthcare Network in the MENA

## Significant scale and market presence



## Diversified portfolio of brands



## Strong financial performance, FY 2022



**>30%**  
Revenue from complex specialty care<sup>5</sup>

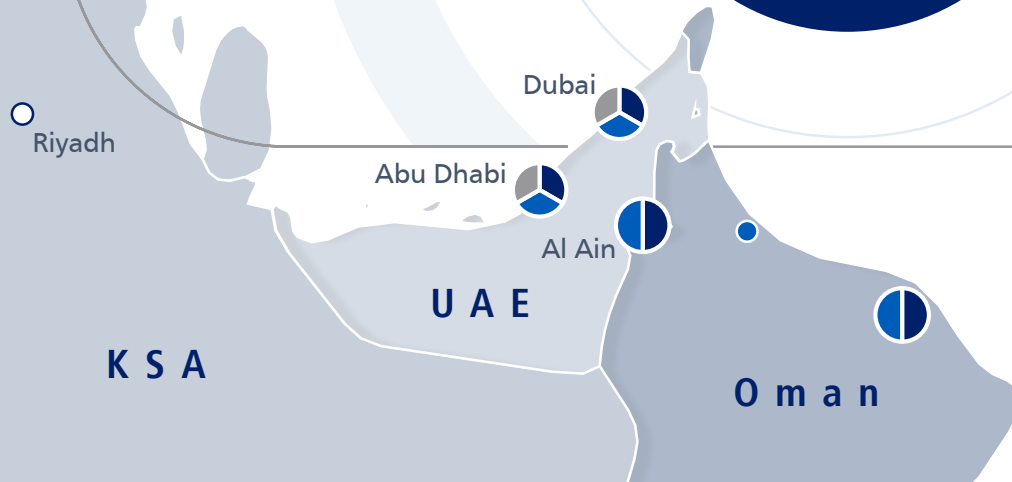
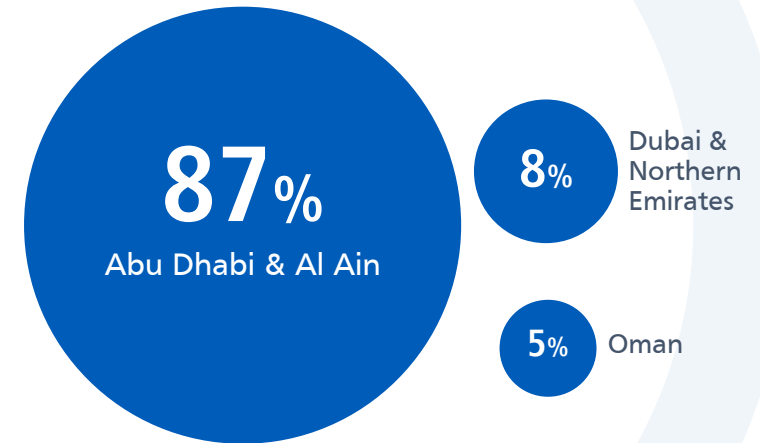
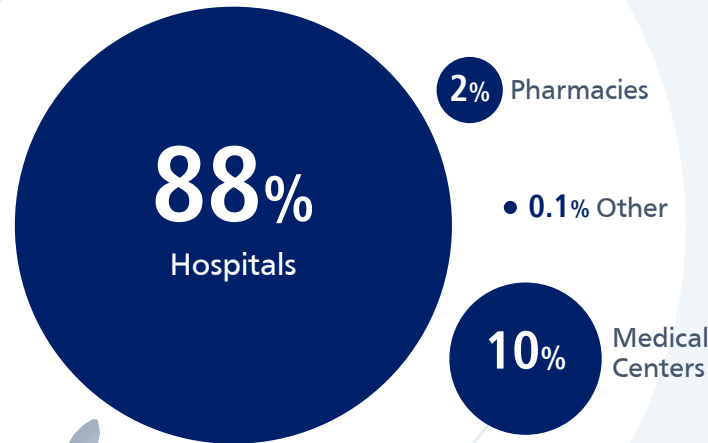
Notes: (1) As at 19 September 2023. Including physiotherapy centers in Riyadh, which are expected to be launched in Sept - Oct 2023. (2) Inpatient share of private market in the UAE based on data shared by Burjeel's management and JLL Healthcare research and analysis. (3) Based on FY 2022. (4) As at 30 June 2023. (5) Oncology, Orthopaedics and Spine, Women's Care, Paediatrics, NeuroSurgery & Neurology, Cardiac Sciences.

# High Quality, Large-scale Portfolio of Assets Across Geographies

## Segmental revenue contribution (2022)

## Geographic revenue contribution (2022)

- Polyclinic
- Hospital
- Specialty Clinic
- Physiotherapy and wellness centers<sup>1</sup>



## Number of facilities



Note: (1) The first three centers are expected to be launched in September-October 2023.

# Creating Differentiating Healthcare System







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02



# Strategic Priorities

Leading Super-Specialty Healthcare Provider in the MENA



# Unique Vision with Multiple Growth Levers



## 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



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03



# Investment Case

Leading Super-Specialty Healthcare Provider in the MENA

1

**Established leader**

in large, growing and resilient addressable market

2

**Well-invested multi-brand network**

covering the full socio-economic spectrum

3

**World-class super-specialty care**

proposition enabling patient yield growth

4

**High-growth asset mix**

with significant utilization runway

**Expanding geographically**

through high-return and low-CAPEX opportunities

5

**Accelerating digitization**

to drive operational and medical excellence

6

**Cash-generative business model**

committed to delivering consistent shareholder return

7

**Seasoned leadership team**

enabling aspirational ESG improvements

8

*Super-Specialty Healthcare Provider of Choice*



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# UAE Market Leader with a Prominent Position Across Segments

#1 inpatient platform in the UAE by private market volumes

Focus on specialised and complex care resulting in growing market share

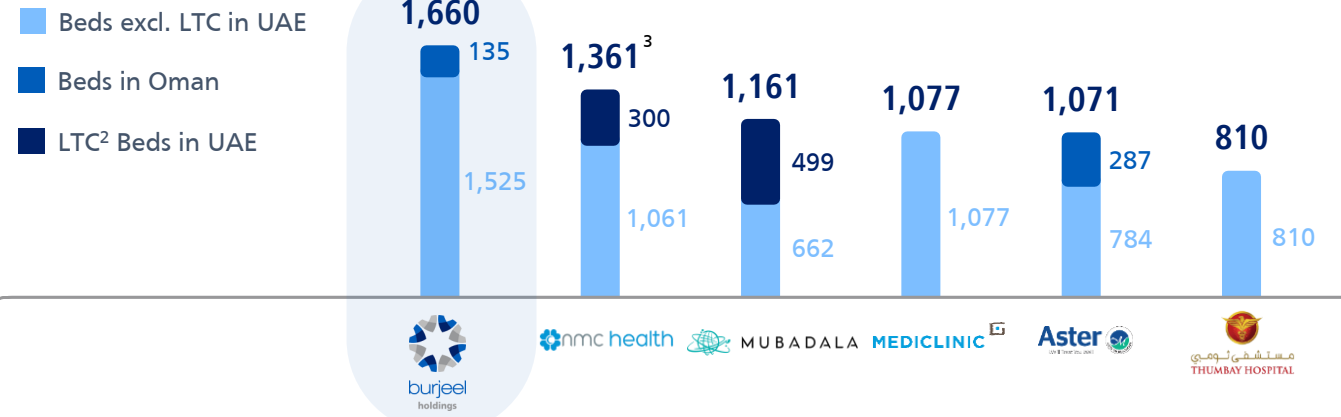
Excellent reputation and capabilities resulting in strong positioning to benefit from increasing medical tourism

Private sector operator holding 4 hospitals with license for Emergency and Trauma

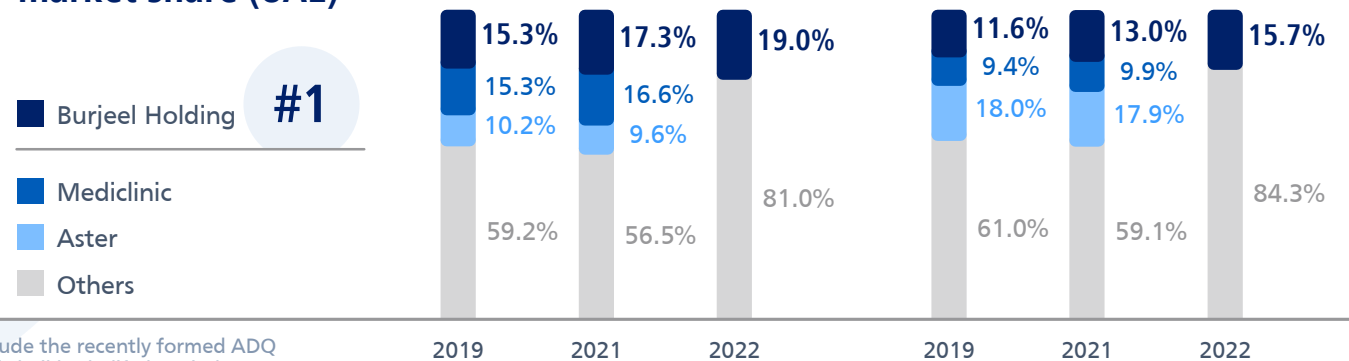
Unique positioning and offering of BMC as the largest hospital in the UAE with specialised oncology offering

Leading cancer research center in the UAE

Number of beds by key players<sup>1</sup>, as of December 2022

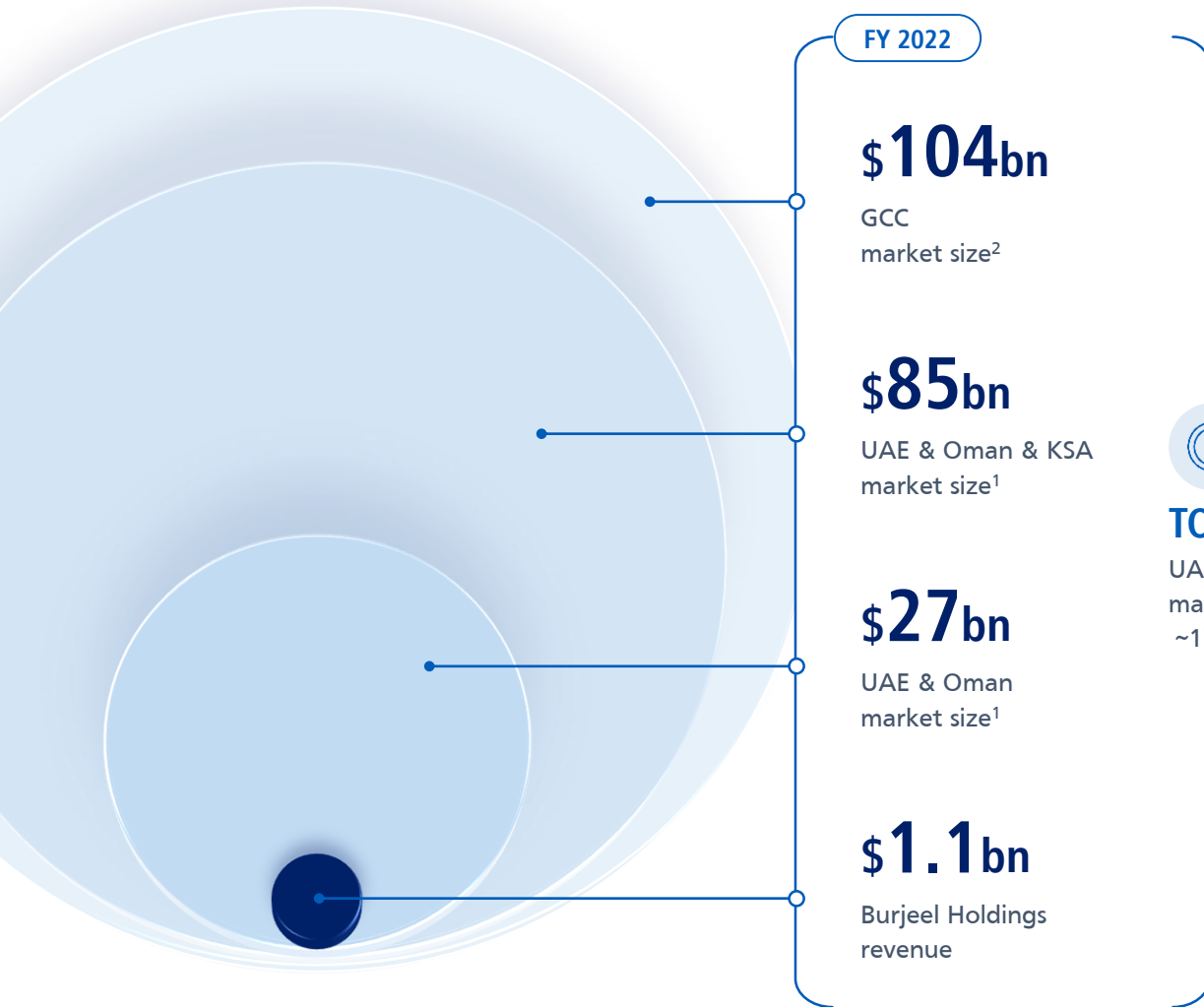


Estimated private market share (UAE)<sup>4</sup>



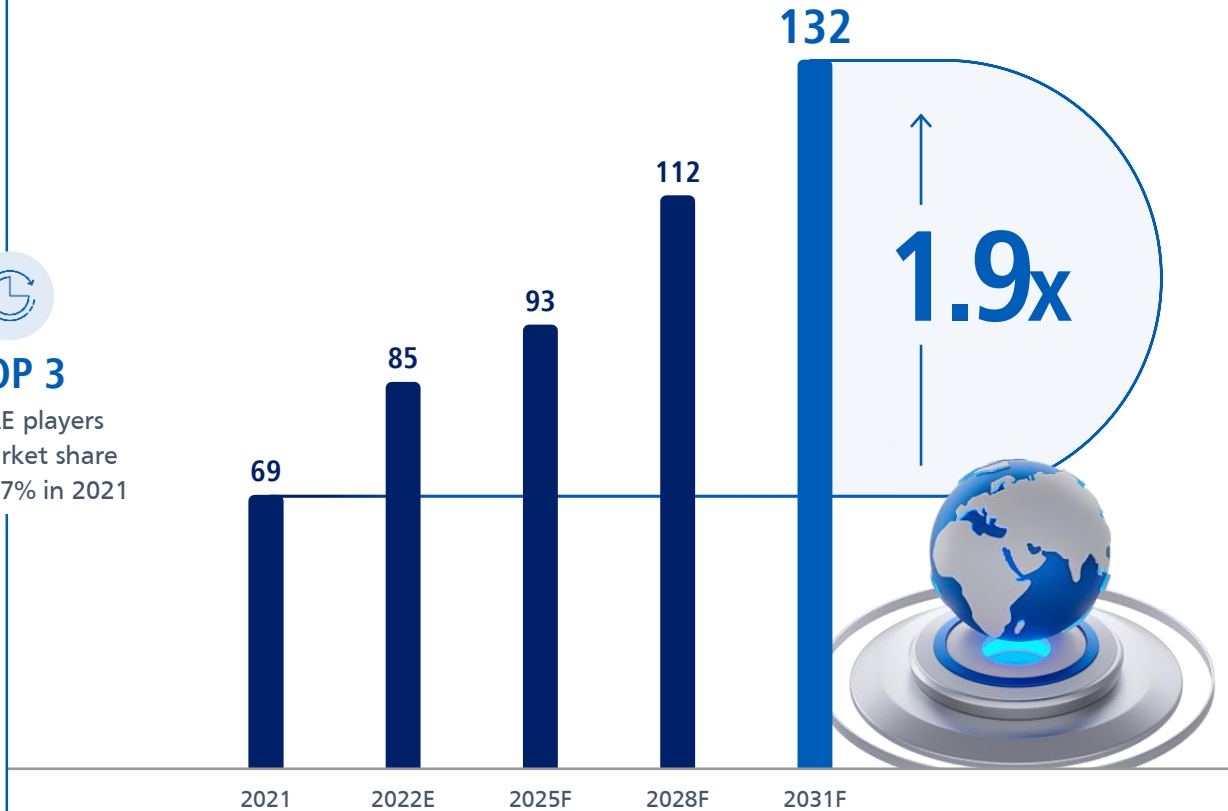
Notes: (1) Based on Company data, public sources and JLL research and analysis. Does not include the recently formed ADQ backed Pure Health healthcare platform. (2) LTC – Long term care. (3) Excluding O&M beds of Sheikh Khalifa hospital. (4) Based on Company data, Industry report from IPO Prospectus and JLL Healthcare research and analysis.

# Large, Growing and Resilient Addressable Market



## UAE & Oman & KSA market size<sup>1</sup>

Total healthcare expenditure (USD bn)

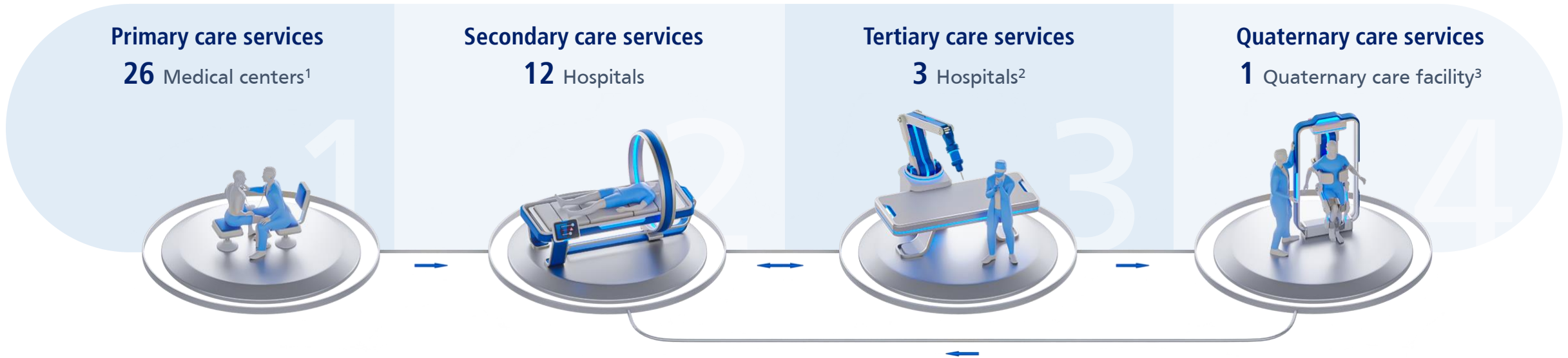


Notes: (1) Based on Company data and JLL Healthcare research and analysis. (2) Based on Alpen Capital GCC Healthcare Industry Report, March 2023.

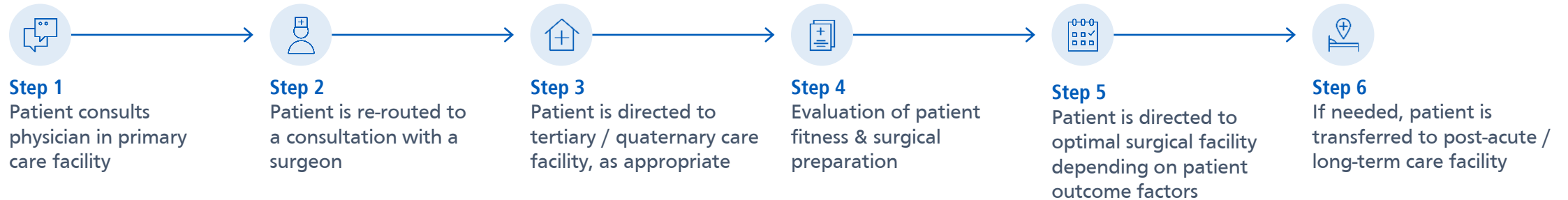
# Unique Business Model Leveraging Multiple Touchpoints


 CAPEX spent from inception to 2022 **AED 4.3bn**

Well-invested and a full-scale hub-and-spoke model enables the Group to capture value across the entire patient pathway through multiple touchpoints – driving revenue, brand engagement and Group loyalty.



## Case in point | Patient journey for surgical treatment



Notes: (1) Excl Physiotherbia. (2) Hospitals – Burjeel Abu Dhabi, Burjeel Hospital Muscat, Lifecare Musaffah. (3) Burjeel Medical City.

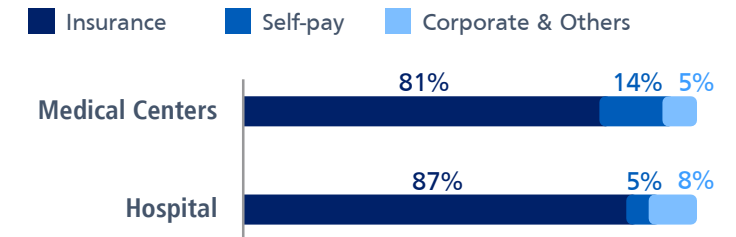


# Leading Brand Portfolio Serving Entire Socioeconomic Spectrum

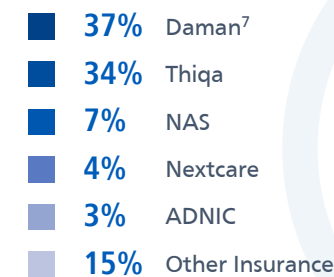
Brands				
Assets <sup>1</sup>	8 Hospitals <sup>2</sup> 7 Medical centers 1 Homecare services center	2 Hospitals	4 Hospitals 7 Medical centers	2 Hospitals 4 Medical centers
Target population <sup>3</sup>	High income population 42% Emirati patients	Middle class expat population 97% Expat	Mid to low-income population 100% Expat	Industrial workers 100% Expat
Revenue contribution <sup>4, 5</sup> Normalized EBITDA margin	70% 25%-29%	10% 25%-29%	12% 25%-29%	6% 25%-29%
Key UAE competitors		 		
Bed occupancy	53%	68%	58%	56%

Diverse brand portfolio and network creates favourable negotiating position with insurance payers

Insurance payers are the largest revenue contributor



Diversified insurance payer portfolio<sup>6</sup>

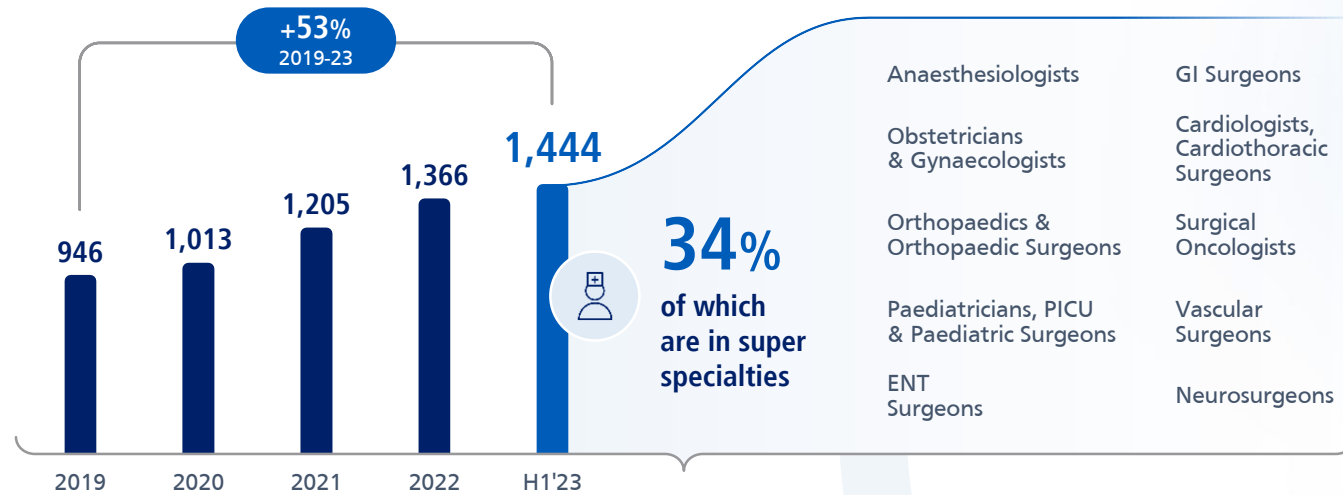


One-stop-shop for insurance companies

Notes: All numbers are based on FY 2022. (1) As at 19 September 2023. (2) Includes Medeor Al Ain which is rebranded to Burjeel Farha in 2022. (3) Excluding retail pharmacies. (4) Post-intersegmental eliminations. (5) The remaining 2% of revenue contribution comes from Tajmeel assets, Retail Pharmacies and the Group's Other segment. (6) Includes only medical centers and hospitals. (7) Includes Daman Enhanced and Basic products which are administered by Daman. Out of 37% Daman, 54% is Basic.

# Robust Talent Investments Powering Super Speciality Offering

Highly skilled and growing talent pool, number of doctors



**1,749**  
Bariatric Surgeries  
⬆️ 71% YoY

**1,059**  
ACL surgeries  
⬆️ 35% YoY

**1,022**  
Neurosurgeries  
⬆️ 3% YoY

**643**  
Knee Replacement  
⬆️ 29% YoY

**378**  
Cardiac Surgeries  
⬆️ 26% YoY

**147**  
Hip Replacements  
⬆️ 34% YoY

The Group performed **57,866** surgeries, including **4,998** complex procedures, in 2022

Note: (1) As of the end of August 2023, since its inception in 2022.

# Super-Specialty Care Offering Driving Patient Yields

Burjeel Medical City – the UAE leader in complex care

First mover in UAE in several advanced areas...

...drive high ARR (AED)



- Level I trauma center** State-of-the-art emergency and trauma center
- Level IV PICU** Comprehensive PICU<sup>1</sup> services, including paediatric ECMO<sup>2</sup>
- Level III tertiary NICU** Covers babies of all gestational ages, including premature babies born at 23 weeks
- Paediatric surgery** UAE's leading comprehensive center for paediatric surgeries<sup>3</sup>
- Multi-organ transplant center** UAE's leading comprehensive multi-organ transplant center<sup>3</sup>
- ESMO accreditation** Only cancer center in the UAE to be accredited by ESMO<sup>4</sup> as an Integrated Oncology and Palliative Care Center

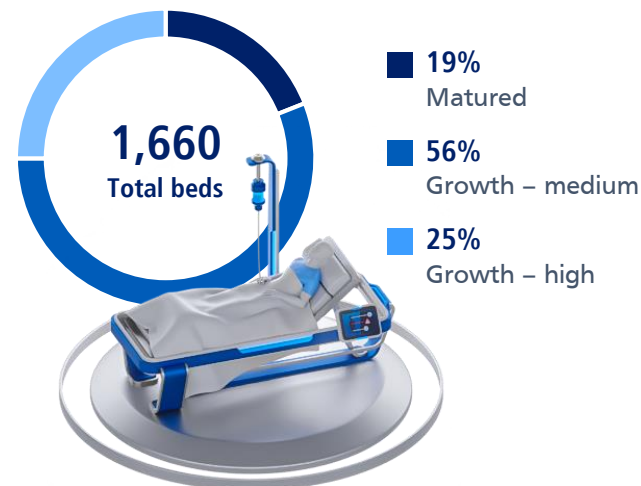
	<b>Comprehensive Adult &amp; Paediatric Bone Marrow Transplant Center</b>		Group total ARR growth 19-22 <sup>5</sup> <b>+30%</b>
	<b>Stem Cell Cryopreservation</b>		<b>Bone marrow transplant 200,000 – 250,000</b>
	<b>Comprehensive Fetal Medicine and Therapy Center</b>		<b>Fetal medicine 200,000 – 300,000</b>
	<b>Integrated Center for Research for Rare Diseases and Cancer</b>		<b>Medical oncology 20,000 – 80,000</b>
	<b>MRI for Neuro-oncology Surgeries</b>		<b>Surgical oncology 12,000 – 33,000</b>

Notes: (1) PICU = paediatric intensive care unit. (2) ECMO = extracorporeal membrane oxygenation. (3) Company information. (4) ESMO = European Society for Medical Oncology. (5) Growth is due to the focus on complex care.



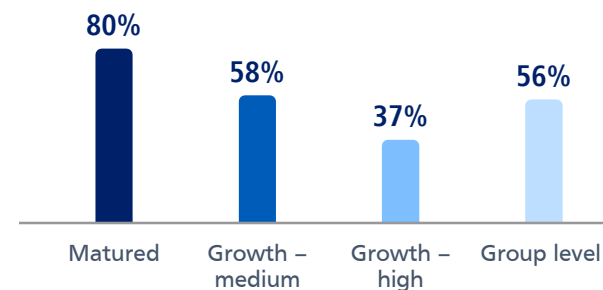
# High-Growth Asset Mix with Significant Utilization Runway

## Asset maturity split for hospitals<sup>1</sup>



## Significant utilization runway

% inpatient bed occupancy (FY 2022)<sup>2</sup>



## Burjeel Medical City – significant opportunity to ramp up utilization with superior patient yields



FY 2022	Mature	Burjeel Hospital, Abu Dhabi	High-Growth	Burjeel Medical City, Abu Dhabi
Overview		<ul style="list-style-type: none"> <li>The largest EBITDA contributor, located in a highly populated area in the center of Abu Dhabi city</li> <li>30 key specialities incl. Neuro and Cardiac Surgery, Orthopaedics and Paediatrics</li> <li>Caters to premium clientele</li> </ul>		<ul style="list-style-type: none"> <li>The largest private medical healthcare facility in the UAE: quaternary, long term and palliative care</li> <li>60+ key specialities incl. haematology, oncology, bone marrow and multi-organ transplantation</li> <li>Caters to ultra-premium clientele</li> </ul>
Year established		2012		Q4 2020
Doctors <sup>3</sup> / Beds / Size		208 d. / 290 b. / 77 k sq m		230 d. / 400 b. / 112 k sq m
Revenue		AED 1,005m (+13% YoY), 25% of Total		AED 741m (+115% YoY), 19% of Total
EBITDA margin		29%		7%
Number of patients		719k		273k
Inpatient occupancy		80%		34%
Total ARR <sup>4</sup>		AED 1,393		AED 2,139

Notes: (1) Hospitals: bed occupancy ≥70% = Matured, ≥55% and <70% = Growth - medium and <55% = Growth - high. (2) Based on occupied beds divided by operational beds. (3) Revenue and Non-revenue generating doctors. (4) ARR = revenue / # of patients. Brand ARRs based on average ARR of each facility in each brand.

# Multi-Pronged Expansion Strategy to Unlock Solid Growth Potential

Key region of focus – KSA

Expansion strategy pillars



KSA to drive our geographic expansion



Zero-capex expansion into Africa, through O&M contracts



1

Expanding UAE Healthcare infrastructure

2

Entering high potential KSA market by launching premier Physiotherapy centers

3

Leveraging solid pipeline of O&M opportunities in UAE and MENA

# Expanding Our UAE Healthcare Infrastructure

Launch of 5 new medical centers in FY2023



The planned launch of five new medical centers by FY2023 will allow the group to tap into new markets and attract more patients, 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.

Center Name	Expected Launch	No. of revenue generating doctors
Al Dhafra Day Surgery Center	Q4 2023	16 doctors
Medical Center Gayathi	Q3 2023	22 doctors
Burjeel Aesthetic & Smart Clinic	Expected launch: Q3 2023	1 doctor
Dubai Satellite Clinic (Al Quoz)	Q3 2023 launched in July 2023	8 doctors
Dubai Satellite Clinic (DIP-2 Mango)	Q4 2023	7 doctors

In FY 2023, we will also be adding ~80 specialized in demand beds across our network of matured facilities

**+17**

Burjeel Hospital, Abu Dhabi

**+12**

Burjeel Medical Center, Deerfield's

**+16**

Burjeel Day Surgery Center, Al Reem

**+8**

LLH Hospital, Abu Dhabi

**+14**

LLH Salah

**+5**

Burjeel Royal Hospital, Al Ain


**+12**

Al Dhafra Day Surgery Center



# 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 offering

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

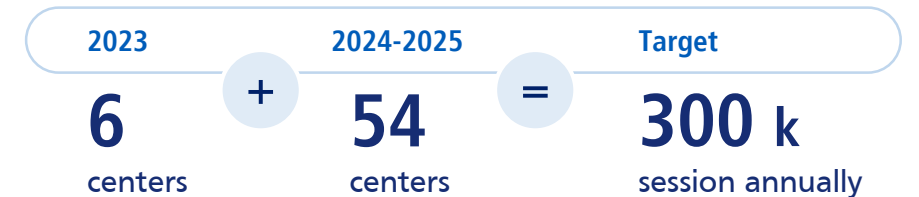


Targets in KSA	Number of centers (2023-2025)	Annual revenue per center	CAPEX per center
Physio & infusion centers	50	SAR 8-10 m	~ SAR 1.2–1.8 m
Flagship centers	10	SAR 10-12 m	~ SAR 2.5–3.5 m
<b>Economics</b>	<b>80%+</b> utilization ramp-up after 24 months. EBITDA breakeven after <b>12 months</b> . <b>30%</b> normalized EBITDA margin.		

## Launch first premier physiotherapy centers



## Centers to be launched



Note: The first three centers are expected to be launched in September-October 2023.



# Expansion through Asset-Light O&M Contracts

## O&M opportunities in the UAE and MENA

### Approach

- Partner with the **Ministry of Health, Department of Health and large public hospitals** to collaborate on O&M / department specific opportunities in the UAE and Africa including:
  - Construction:** procurement, installation of equipment and post construction handover
  - Operation and management:** day to day management of asset or department including systems implementation, staffing and training

### Economics

- Zero Opex & CAPEX investments** generating high ROI
- Benefits from %-based O&M payments**, with strong upside as population and economic activity grows

### Outlook

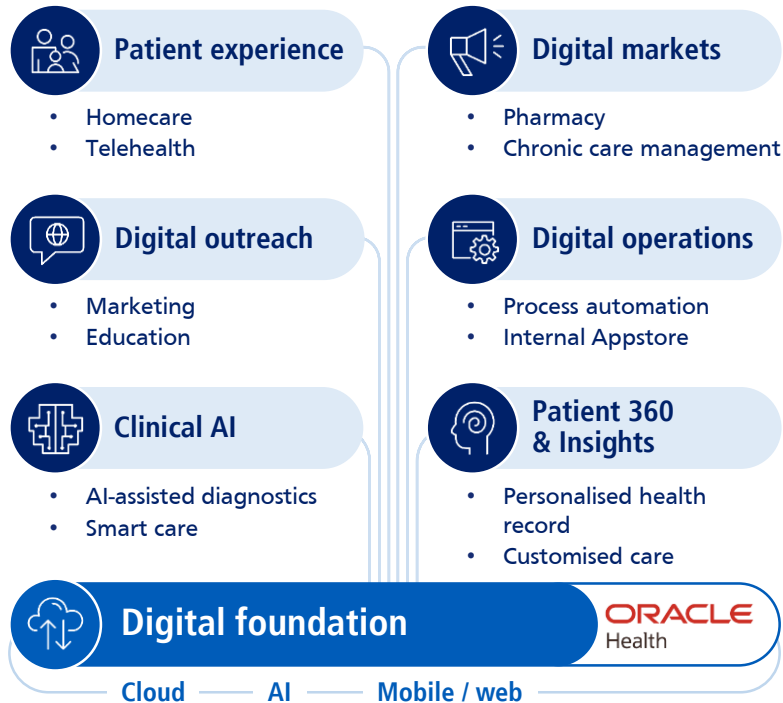
- Solid mid-term contract pipeline** (up to 10 hospitals and medical centers)
- O&M segment is expected to **contribute up to 5% of the Group net profit** in the mid-term

<p><b>Al Dhannah Hospital, Al Dhafra (ADNOC)</b></p>	<ul style="list-style-type: none"> <li>Located in the <b>fast-growing industrial hub</b> of Al Ruwais within the Western region of the UAE</li> <li>Unlocks access to <b>underserved western region</b></li> <li>Al Dhannah Hospital will be a <b>major referral source for BMC</b></li> <li>Significant <b>high-value Thiqa patient population</b></li> </ul>	<p><b>200k+</b> Al Dhafra Region Population</p> <p><b>122 bed</b> Multi-Specialty Hospital</p>
<p><b>Mafraq Hospital, Abu Dhabi</b></p>	<ul style="list-style-type: none"> <li><b>Provided doctors, nurses and paramedics</b>, centralised support functions</li> <li>Deployed <b>biomedical &amp; IT infrastructure</b> and utilised paperless documentation</li> </ul>	<p><b>1,850+</b> Patients</p> <p><b>80</b> ICU beds</p> <p><b>270</b> Acute beds</p> <p><b>16</b> PICU beds</p>
<p><b>Prosthetics &amp; Orthotics Project, Ethiopia</b></p>	<ul style="list-style-type: none"> <li>Includes <b>development of training center</b> for Prosthetic &amp; Orthotic practitioners</li> <li>Long-term vision to convert facility into a <b>rehab hub in Ethiopia</b></li> </ul>	<p><b>6,000+</b> Patients</p> <p><b>~400</b> Assistive devices</p> <p><b>2,000</b> Prosthetic</p>
<p><b>Shabwa &amp; Mocha, Yemen</b></p>	<ul style="list-style-type: none"> <li><b>Deployed highly skilled clinical / admin team</b>, delivered training / education to local staff</li> <li>Focused on <b>high complexity surgery / emergency management</b></li> </ul>	<p><b>12,300</b> Monthly patient footfall</p> <p><b>300</b> Total beds</p> <p><b>2</b> Facilities</p>
<p><b>Liberia Hospital</b></p>	<ul style="list-style-type: none"> <li>Acting as nodal agent <b>on behalf of Government of UAE</b></li> <li><b>Provided experienced team</b> of designers / engineers / technicians</li> </ul>	<p><b>1/3</b> OR/OT rooms</p> <p><b>13</b> Urgent care rooms</p> <p><b>88</b> Beds</p>

# Leveraging Digital Transformation to Enhance Patient Experience and Maximise Operational Efficiency

## Strategic digital initiatives

- Mid-term key investment areas in Digital Health
- Oracle Health information system to be fully implemented across the Group over next 3 years with total capex of AED 125m



## Key digital achievements

- Digital Patient Services** launched with Mobile, WhatsApp and Web Portal
- EMR Cloud adoption** enabling paperless operation at Burjeel Royal Hospital complete; commenced in Northern Emirates Hospitals<sup>1</sup>
- Digital Employee Engagement Portal** launched
- Day in a Life Apps** launched – Digital Concierge, Compliant Mgmt., Unified Agent Portal, Quick Registrations, Unified SMS Service, Digital Tokens

## Patient digital channel

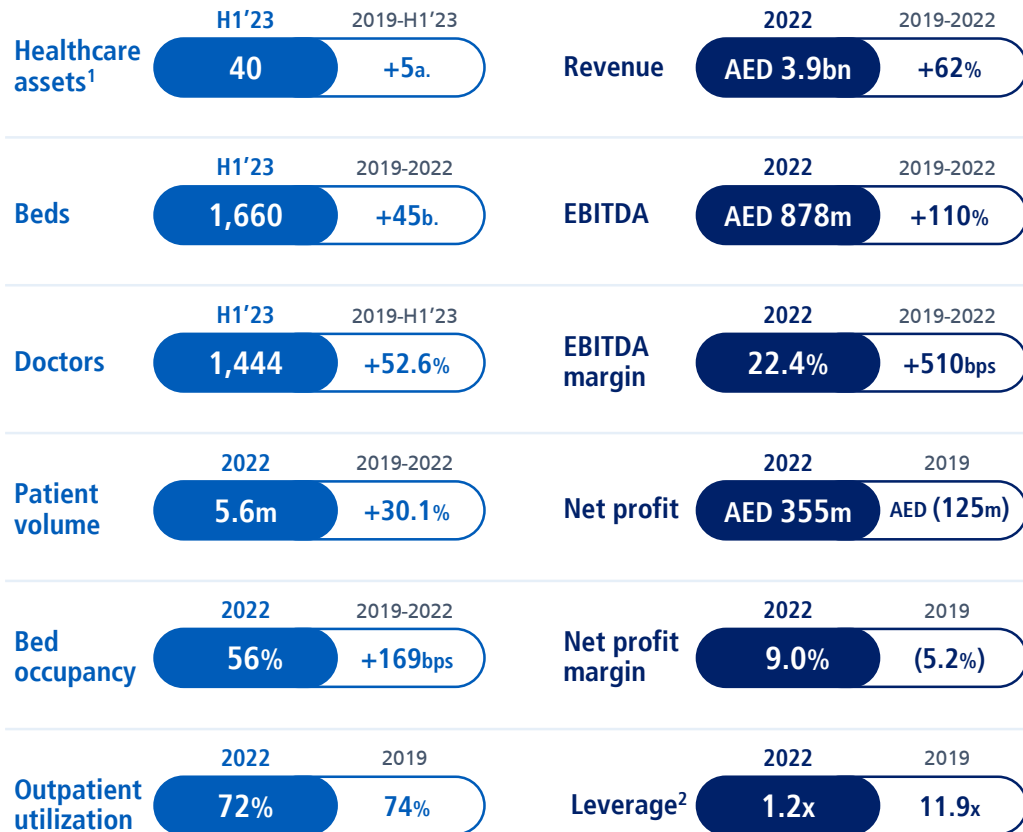
### Mobile application



Note: (1) Includes Medeor Dubai, Burjeel Dubai and Burjeel Sharjah.

# Cash-Generative Business Model Enabling Consistent Shareholder Return

## Financial performance underpinned by operational excellence



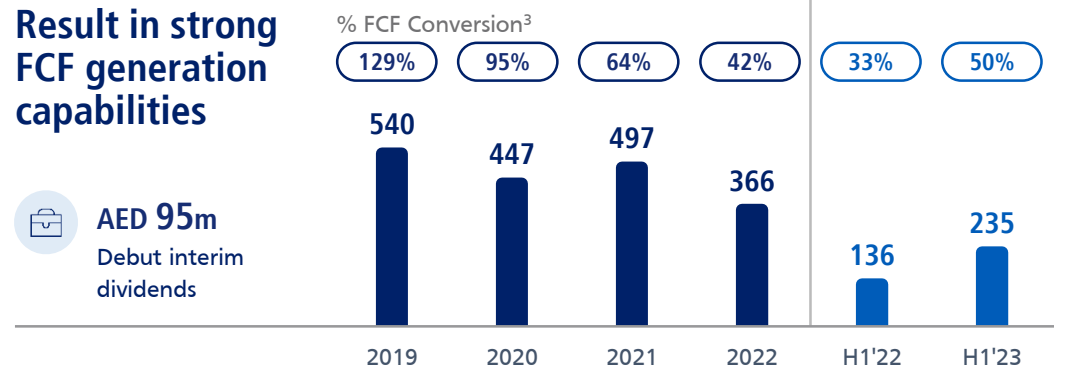
## Robust margin expansion drivers

- Healthy payer-mix with proportion of Thiqa patients increasing across assets
- Significant capacity to ramp-up high growth assets (doctors and beds)
- Geographical expansion in lucrative KSA market through asset-light opportunities
- Strong focus on complex care driving ARR expansion

## Compelling asset economics and strict capital discipline

- 25%-29% normalized EBITDA margin
- 3-5 years for medical centers (maturity period)
- 15%-20% IRR hurdle rate
- 40-70% dividend pay-out ratio
- 80%+ maturity utilization rate
- 5-7 years for hospitals (maturity period)
- <2.5% maintenance CAPEX (of revenue)
- <2.5x net debt/EBITDA

## Result in strong FCF generation capabilities










Notes: (1) Includes hospitals and medical centers. (2) Leverage represents Net debt / Pre IFRS 16 EBITDA calculated as EBITDA LTM less Annual Lease Rental Payments and Net debt is calculated as Bank debt less Cash and Bank balance. (3) 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. (see Recent Financial Results section).

# Strong Leadership with Well-Established Public Market-Oriented Corporate Governance

## Highly experienced leadership with focus on growing shareholder value

Board of Directors

 <b>Dr. Shamsheer Vayalil</b> Founder and Chairman	 <b>H.E. Ahmed Jasim Yousif Naser Alzaabi</b> Vice Chairman, Non-Exec Director	 <b>H.E. Dr Thani bin Ahmed Al Zeyoudi</b> Non-Exec Director	 <b>Mr. Omran AlKhoori</b> Executive Director	 <b>Dr. Ghuwaya Mohammed Khuwaidem Abdulla AlNeyadi</b> Non-Exec Director
 <b>Dr. Mohan Chellappa</b> Non-Exec Director	 <b>Mr. Mohd Loay T. A Abdelfattah</b> Non-Exec Director	XX – years at Burjeel XX – sector experience, years		

## Strong governance framework

- ✓ BoD of 7 Members
- ✓ 70% Independent Directors
- ✓ 1 Female Board Director
- ✓ Aligned with SCA and ADX Regulations
- ✓ **Committees:**
  - B** Business Development
  - A** Audit
  - N** Nomination and Remuneration

## Management retention program

- ✓ **Annual compensation structure:**
  - 60%** Financial KPIs – Net profit
  - 40%** Functional KPIs – Individual for each role
- ✓ LTIP program to be adopted in Q1 2024

Management

 <b>Mr. John Sunil</b> Chief Executive Officer	 <b>Mr. Muhammed Shihabuddin</b> Chief Finance Officer	 <b>Mr. Safer Ahamed</b> Chief Operating Officer	 <b>Mr. Omran AlKhoori</b> President – Business Development	 <b>Mr. Chetan Dev Sehgal</b> Director – Strategy & Investments
 <b>Dr. Nabil Mahmoud Mohammed Al Debouni</b> Chief Medical Officer	 <b>Mr. Pradeep Shivram Shilige</b> Chief Technical Officer	 <b>Dr. Mangalore Sanjai Kumar</b> Group Head HR	 <b>Mr. Mustasan Jaleel Basharat Mir</b> General Counsel	

## Prominent shareholder base

- |   |                                  |
|---|----------------------------------|
| <b>70.0%</b><br>VPS Healthcare Holdings | <b>5.0%</b><br>SYA Holdings      |
| <b>14.4%</b><br>Quant Lase Lab (IHC)    | <b>10.6%</b><br>Free float (ADX) |



# Focus on ESG evolution

## Key sustainability pillars



### Healthy business

- Ethical business culture and strict patient data protection policies at its core
- Extensive workforce safety and wellbeing programs
- Developing a diverse and inclusive work culture



## Key achievements

- **Extensive workforce safety and wellbeing programs**  
632 programs delivered in 2022
- **Diverse and inclusive work culture**  
54% female employees,  
77 nationalities represented



### Healthy planet

- Dedicated site programs related to greenhouse gas reduction and waste management
- Carbon neutrality by 2030
- Sustainable use and re-use of water by 2030
- Zero waste to landfill by 2030



### Extensive energy saving initiatives

- Energy consumption for lighting reduced by 20-30%
- HVAC energy consumption in select hospitals reduced by 20%



### Healthy people

- Unwavering commitment to enabling access to high-quality care for patients across the entire socio-economic spectrum
- Delivering medical humanitarian aid in the MENA



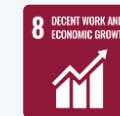
○ **'Healing beyond boundaries' initiative**  
Delivering medical humanitarian aid in the MENA

○ **Academic medicine and training initiative**  
Improve disease prevention and treatment in the MENA

## 2023-2025 ESG initiatives

- 1 Develop & implement long-term ESG strategy
- 2 Onboarding ESG ratings (MSCI, Sustainalytics, CDP etc.)

## Focuses on the UN sustainable development goals





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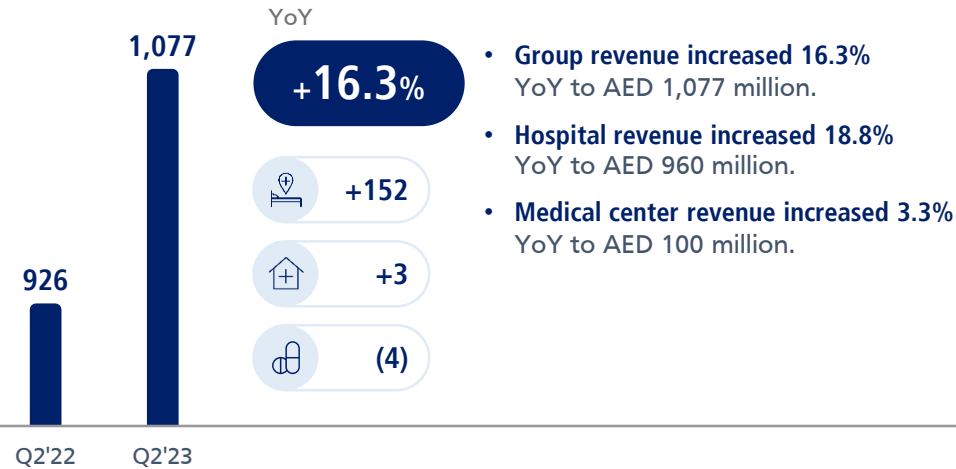


# Performance Update

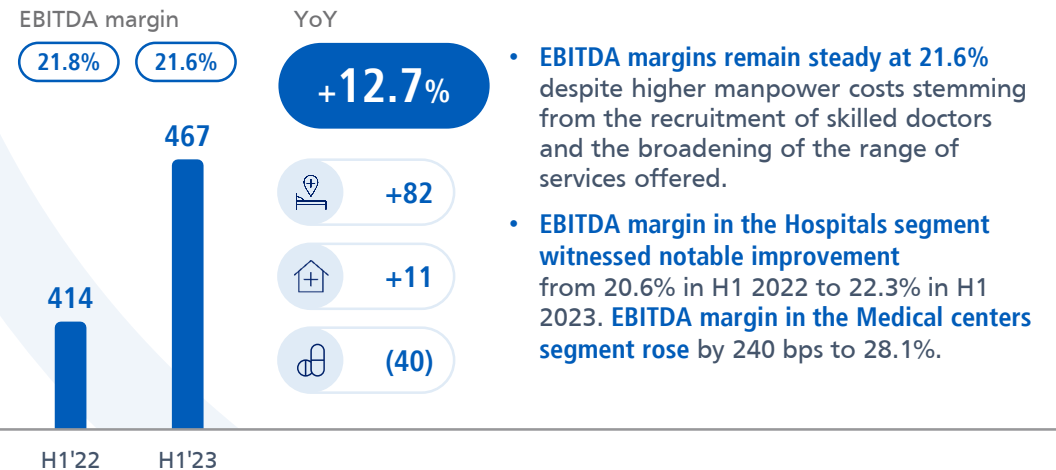
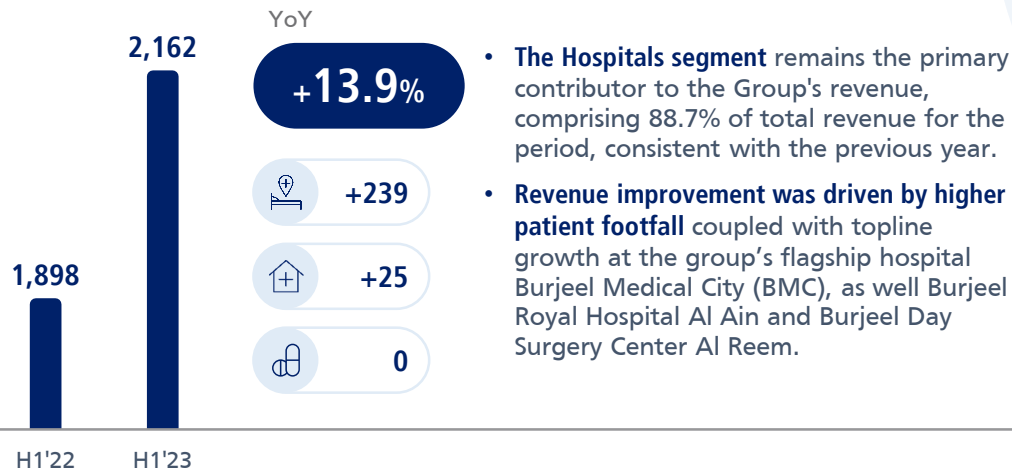
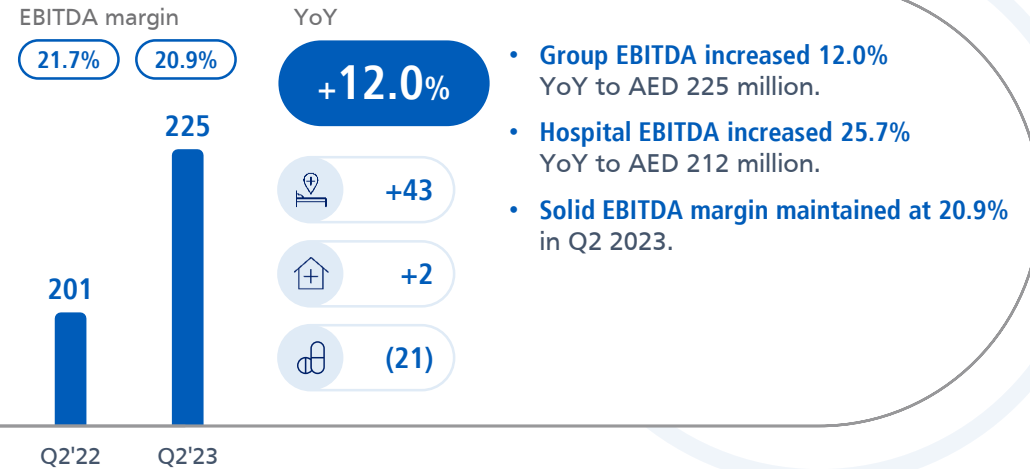
Leading Super-Specialty Healthcare Provider in the MENA

# Accelerated Top-line Growth & Consistently Strong EBITDA Growth

## Group revenue growth, AED m



## Group EBITDA growth, AED m



Breakdown in change, AED m:



Hospitals



Medical centers

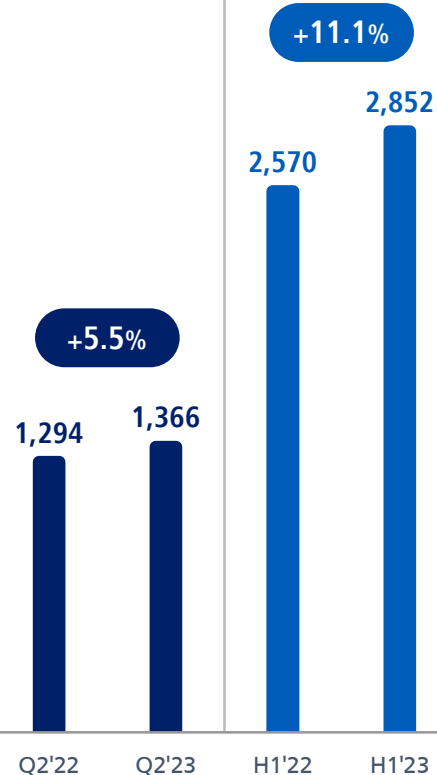


Pharmacies & other

# Increasing Patient Footfall and Bed Occupancy

## Group outpatient footfall, m

% OP utilisation

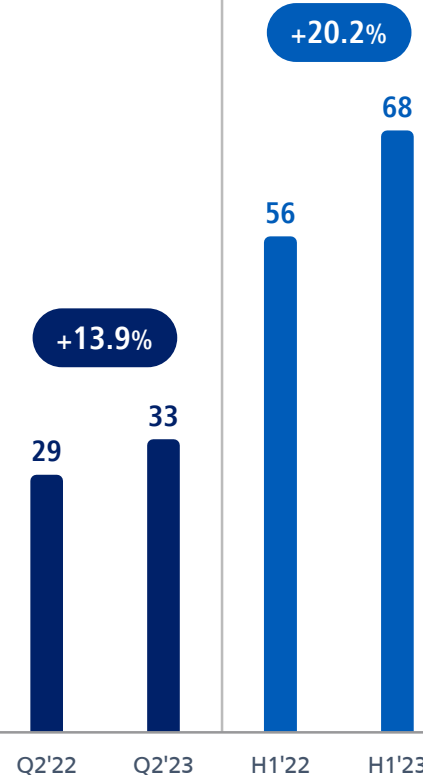


- Hospitals and medical centers contributed to an 11.1% increase in group H1 '23 outpatient footfall, with **cross-group referral** a key pillar of our operating strategy.
- There was a slight drop in outpatient capacity utilization despite an increase in footfall, due to the hiring of new physicians in operating units.



## Group inpatients footfall, k

% bed occupancy



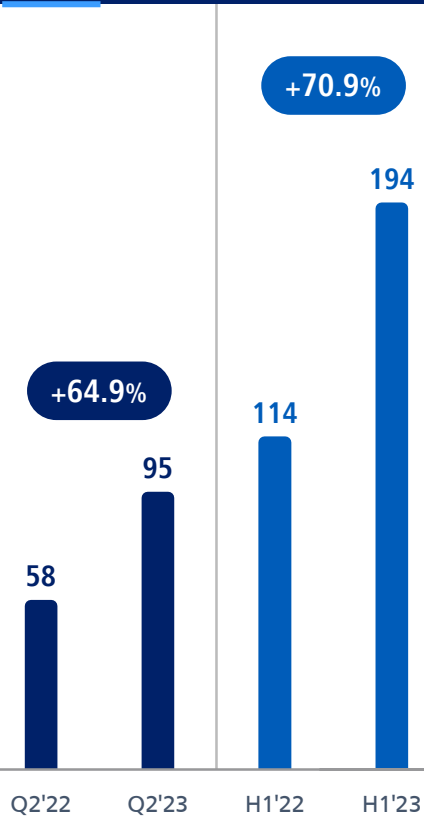
- The 20.2% increase in inpatient footfall in H1 '23 drove increased inpatient utilization to 59%. This was largely driven by BMC.
- 2,355 key complex surgeries completed in H1 '23, comprising six core categories of surgery, an increase of 3% on H1 '22.
- Growth in inpatient footfall was further driven by BMC, Burjeel Hospital Abu Dhabi, LLH Hospital Abu Dhabi and Burjeel Royal Hospital Al Ain, as a result of the continued ramp up and introduction of new services.



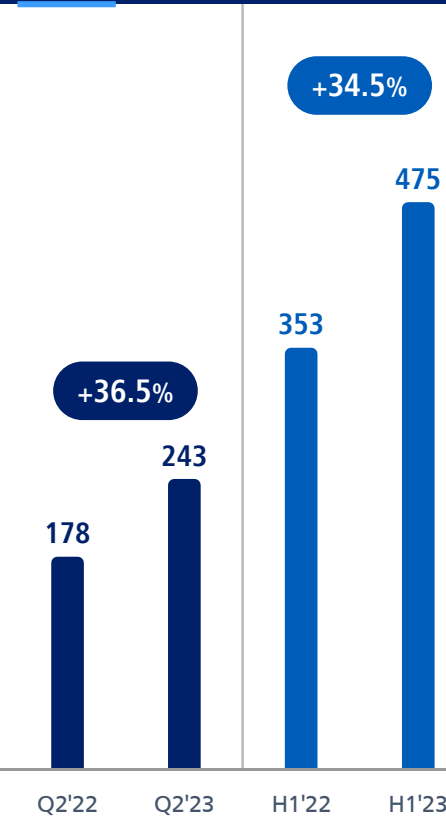


# Burjeel Medical City Performance

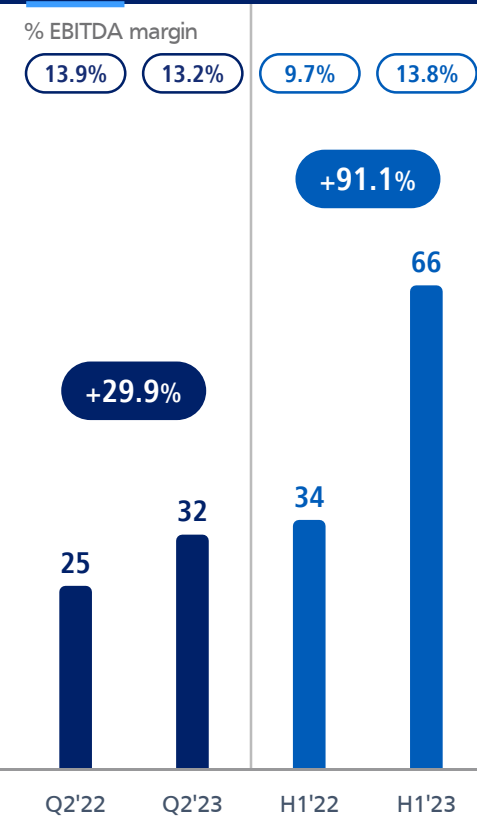
## Total patients, k



## Revenue, AED m<sup>1</sup>



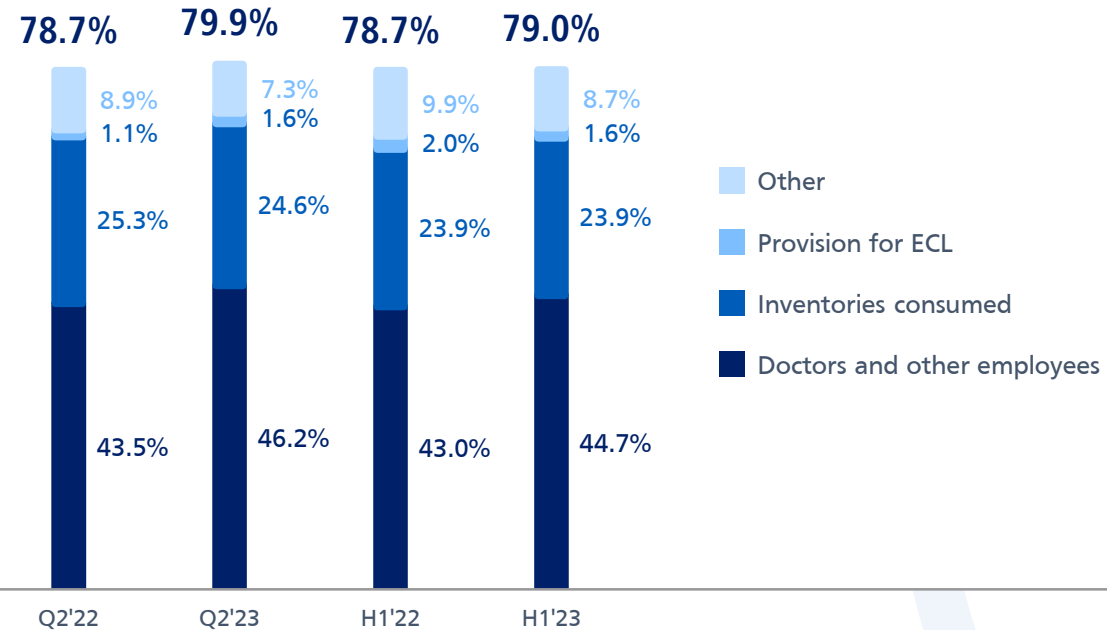
## EBITDA, AED m<sup>1</sup>



Burjeel Medical City (BMC) is a key driver of Burjeel's wider ambition and our ability to deliver increasingly complex care and high-value, high-yield services. BMC contributed 24% to total hospital segment revenue. The continued ramp up of BMC in the current period drove a sharp increase in IP and OP footfalls, as a result of the introduction and rapid ramp-up of new services.

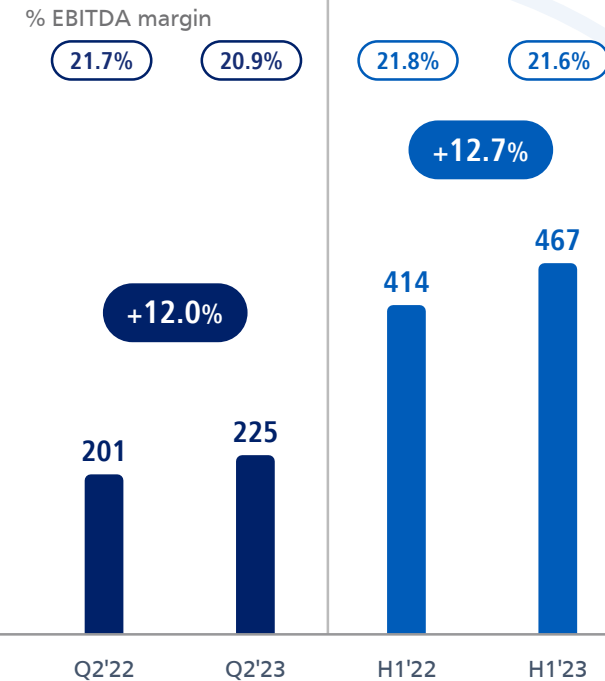
# Manpower Investment to Accelerate Revenue Growth

## Group OPEX breakdown<sup>1</sup>, as % of revenue



- OPEX rose 14.3% in H1 '23, marginally outpacing revenue growth, with minor consumables inflation and recruitment driving this uplift.
- Employee expenses rose as a proportion of revenue as **70 revenue generating doctors were added** between January and June 2023 to **build capability in high value areas** and add to its super specialty service mix.

## EBITDA growth , AED m

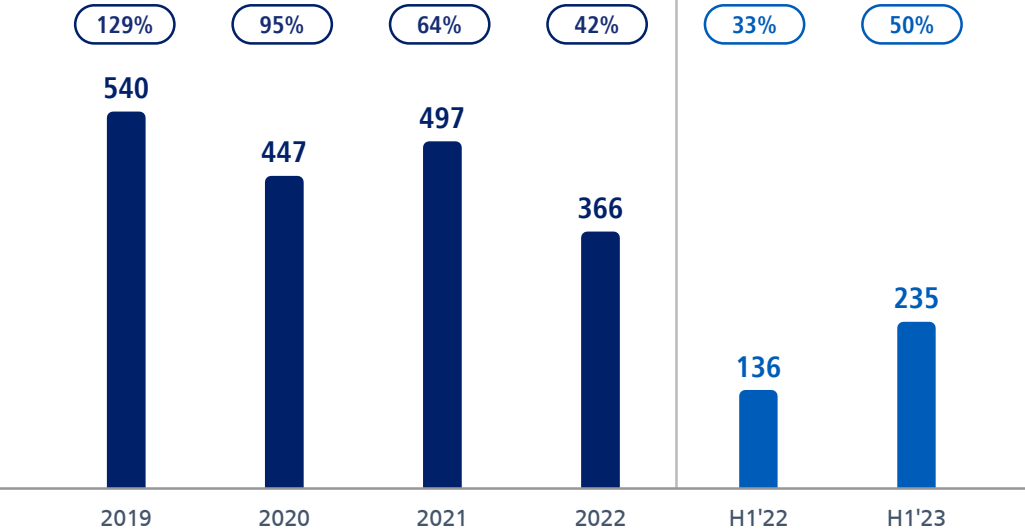


- 12.7% growth in H1 EBITDA enabled by **strong Q2 revenue growth** and the delivery of increasingly high value care.
- EBITDA margin remains stable as the business continues to **enable top line growth through investment in highly-skilled talent** recruitment and training.

# Strong Cash Flow Conversion

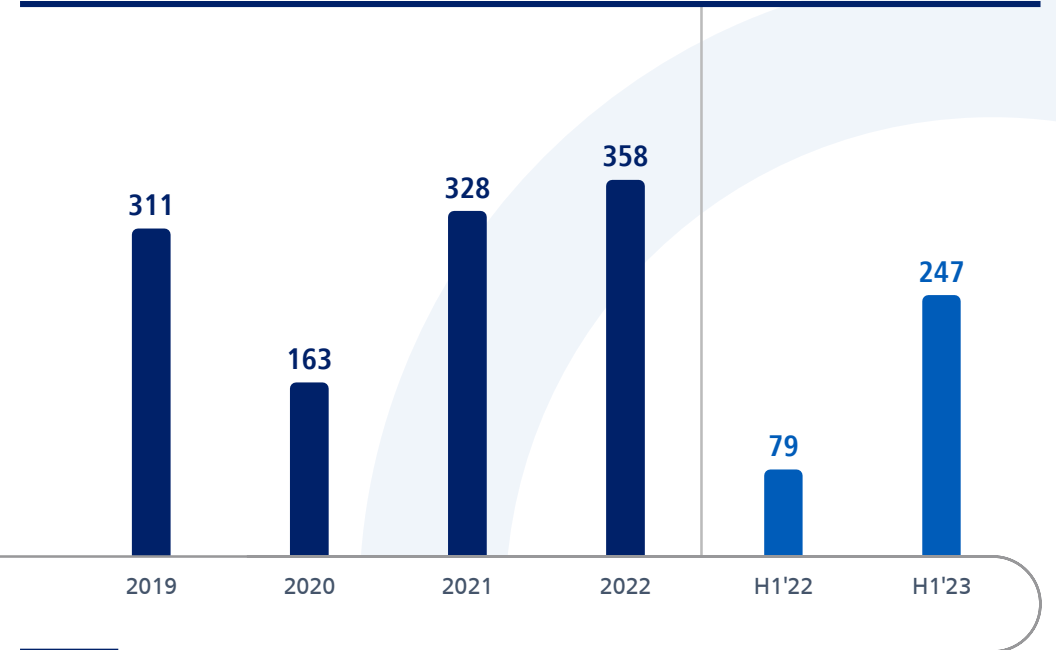
## Free cash flow<sup>1</sup>, AED m

% FCF conversion<sup>2</sup>



	2019	2020	2021	2022	H1 '22	H1 '23
EBITDA	418	470	779	878	414	467
Change in NWC	157	(5)	(196)	(429)	(245)	(175)
Maintenance CAPEX	(35)	(18)	(86)	(83)	(33)	(57)

## Cash flow from operating activities, AED m



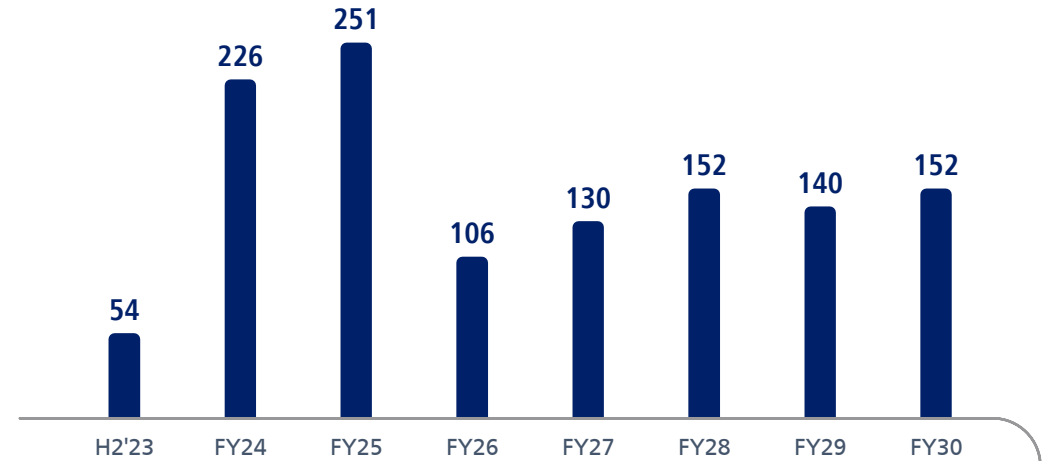
## Commentary

- **Improvement in operating cash flow (+2.1x)** driven by high EBITDA growth and optimised NWC investments in H1 '23.
- **In H1 '23, maintenance CAPEX increased** due to the purchase of medical equipment and leasehold improvements for new facilities, while as % of revenue remained in line with the guidance (2.6%).
- **FCF cash conversion improved** by 170bps with high level of ROCE (17%) in H1 '23.

# Maintaining a Robust Balance Sheet

	FY2021	FY2022	H1 '23
<b>Bank balances and cash</b>	134	150	217
Interest bearing loans and borrowings	3,208	1,261	1,211
Bank overdraft	91	-	-
<b>Bank debt<sup>1</sup></b>	<b>3,299</b>	<b>1,261</b>	<b>1,211</b>
<b>Net debt</b>	<b>3,165</b>	<b>1,111</b>	<b>995</b>
Lease liabilities <sup>2</sup>	1,281	1,176	1,147
<b>Net debt including lease liabilities<sup>3</sup></b>	<b>4,447</b>	<b>2,286</b>	<b>2,141</b>
Amounts due from related parties	1,596	24	23
Amounts due to related parties	54	36	34
<b>Kpis:</b>			
Net debt including lease liabilities <sup>3</sup> / EBITDA	5.7x	2.6x	2.3x
<b>Net debt / pre-IFRS 16 EBITDA<sup>4</sup></b>	<b>4.9x</b>	<b>1.5x</b>	<b>1.2x</b>
<b>Total group equity</b>	<b>381</b>	<b>1,118</b>	<b>1,343</b>
<b>Divided mainly into:</b>			
<b>Share capital</b>	<b>0.7</b>	<b>521</b>	<b>521</b>
Shareholders' account	533	-	-
Share premium	0.0	367	367
Retained earnings (incl NCI)	(175)	224	449

## Debt maturity as of 30 June 2023



## Commitment to a conservative financial policy

- **Net debt / pre-IFRS 16 EBITDA LTM ratio as of 30 June 2023 is 1.2 vs. 1.5x** as of 31 December 2022. Decreased due to IPO proceeds and NWC optimization. No contingent off-balance sheet liabilities.
- **Bank balances and cash increased since FY2022** due to strong profitability through 2023.
- **Effective finance cost rate of 7.3%** (as of H1 '23).
- **Amounts due from and to related parties** remains low, reflecting Burjeel's strong governance and operational independence. **Remains non-material in H1 '23.**
- **The Company's share capital is AED 521 million** as of H1 '23.



# High Net Profit to Deliver Healthy Return to Shareholders

## Net profit evolution, AED m



## Commentary

- **Asset-light cash generative model**  
underpins significant dividend paying capacity
- **Dividend policy:**  
pay cash dividends from 2023 onwards, on the expected basis of a pay-out ratio of 40% to 70% of net profit, dependent on the required investment for additional growth plans
- **The Board of Directors recommended to pay out c. AED 95 million**  
as the debut interim dividend for H1'23
- **Record date:**  
August 14, 2023  
**Payable date:**  
August 31, 2023



**AED 225m**

H1'23 Net profit

**42%**

Dividend pay-out ratio

**AED 95m**

Interim dividends  
for H1'23

**AED 0.02**

Interim dividends  
per share for H1'23



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# Guidance

Leading Super-Specialty Healthcare Provider in the MENA

# Guidance

## FY2023

## Mid-term (2024-2027)



### Expansion

- UAE Burjeel Medical centers: **5**
- UAE Additional beds: **80**
- KSA PhysioTherabia centers: **up to 6**

- KSA PhysioTherabia centers: **54**



### Revenue growth

- **High-teens Group** revenue growth
- **+50% BMC** revenue growth

- **Group** revenue growth to **gradually decline from mid teens to high single-digit** over time as key assets mature, including:
  - **BMC** to continue to ramp up to **reach AED ~2bn** revenue p.a.
  - **KSA expansion** project to **reach AED ~600m** revenue p.a.



### EBITDA margin

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

- **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 patent yield and operational excellence



### CAPEX

- **Maintenance CAPEX** expected to be **<2.5%** of revenue<sup>1</sup>
- **Additional cumulative investment of ~AED 85m** for digital transformation and UAE & KSA expansion<sup>2</sup>

- **Maintenance CAPEX** expected to be **<2.5%** of revenue<sup>1</sup>
- **Additional cumulative investment of ~AED 215m** expected **until 2027** to support digital transformation and KSA expansion<sup>2</sup>



### Leverage

- Net leverage<sup>3</sup> of **<2.5x** to be maintained
- Net leverage<sup>3</sup> of **1.2x** as of June 2023

- Net leverage<sup>3</sup> of **<2.5x** to be maintained



### Dividends

- **Payout ratio of 40-70%** of net income, dependent on required investment for potential additional growth
- **First interim dividend paid** in August 2023 on the basis of H1 2023 net income

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



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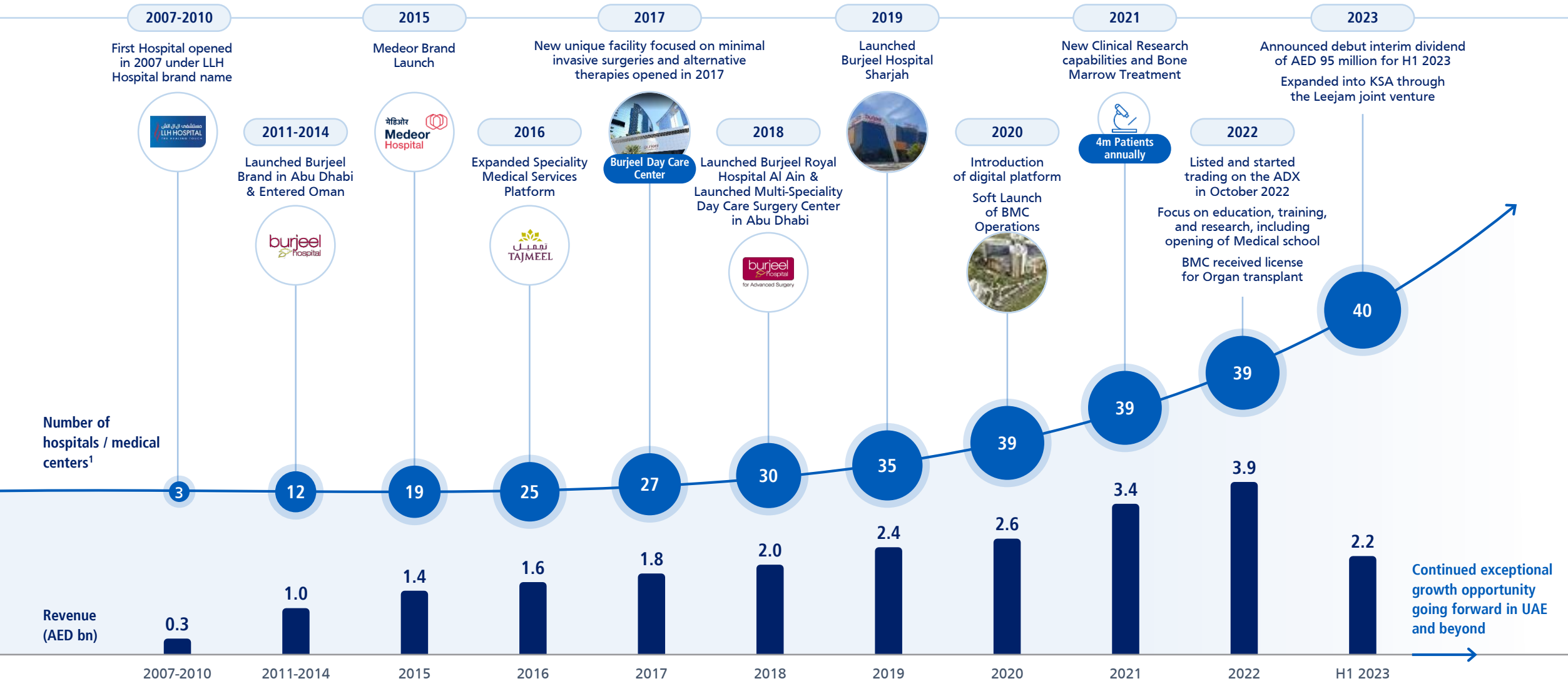


# Appendix

Leading Super-Specialty Healthcare Provider in the MENA



# Track-record of Consistent Growth



Continued exceptional growth opportunity going forward in UAE and beyond

Note: (1) Includes hospitals and medical centers.

# GCC Healthcare Market Growth Drivers

## 1 Strong economic growth

CAGR '22-31E of GDP<sup>1</sup>

**+4%**  
UAE

**+3%**  
Oman

**+3%**  
KSA

## 2 Under-penetration of healthcare expenditure vs developed countries

Healthcare expenditure as % of GDP<sup>1</sup>

**4-5%**  
UAE, Oman, KSA

**12%**  
UK

**19%**  
USA

## 3 Favorable demographic trends

**+1.9%**  
CAGR '22-27E  
of GCC population<sup>2</sup>

**+31.9%**  
CAGR '22-27E of GCC  
people aged over 50<sup>2</sup>

## 4 High prevalence of non-communicable diseases

**25%**  
Prevalence of  
**diabetes** in adults  
of the total GCC  
population<sup>2</sup>

**34%**  
Prevalence of  
**obesity** in adults  
within the total  
GCC population<sup>2</sup>

**79%**  
NCD-related  
**mortality rate**  
of the total  
GCC deaths<sup>2</sup>

## 5 Increasing demand for specialized and complex care

- **Specialised tertiary care services** in the private sector are a key area of growth
- High demand for **preventive wellness and care**

## 6 Roll-out of mandatory health insurance coverage

- **Implementation of mandatory health insurance schemes** leading to an increase in % of insured population / greater service utilisation

## 7 Growth in medical tourism

**+17%**  
CAGR '21-25E  
of **UAE Medical  
Tourism**<sup>2</sup>

**TOP**  
UAE recognised as **one  
of the best** medical  
tourism destinations

## 8 Telemedicine / digitalisation of services

- Operators expected to further **invest in digital technology / data solutions** after witnessing its value during the pandemic
- **EMR / EHR** widely acted in GCC as a centralized system for digitization and distribution of medical records

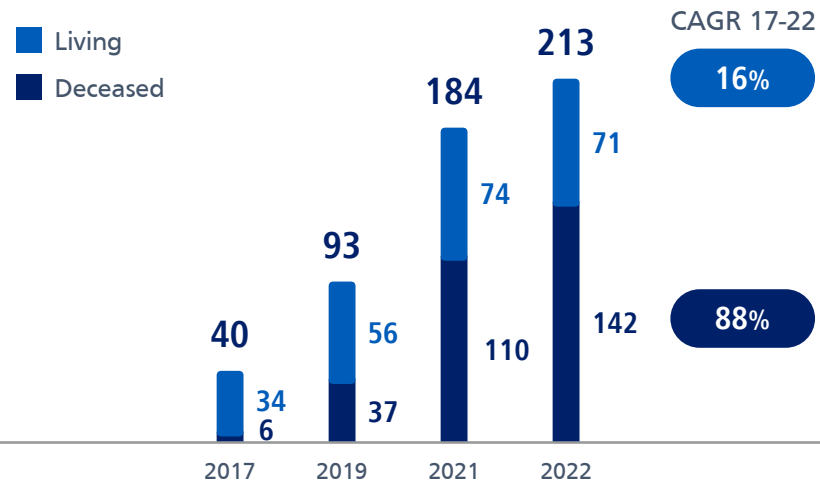
## 9 Private operators gaining share from public sector

- **Initiatives to boost private sector** participation (e.g. PPP initiatives / liberalisation of foreign investment policies)
- The Saudi government aims to **increase private sector contribution** from 40% to 65% by 2030

# Main Trends in Organ Transplant and Oncology Specialties in the UAE

## Organ transplant

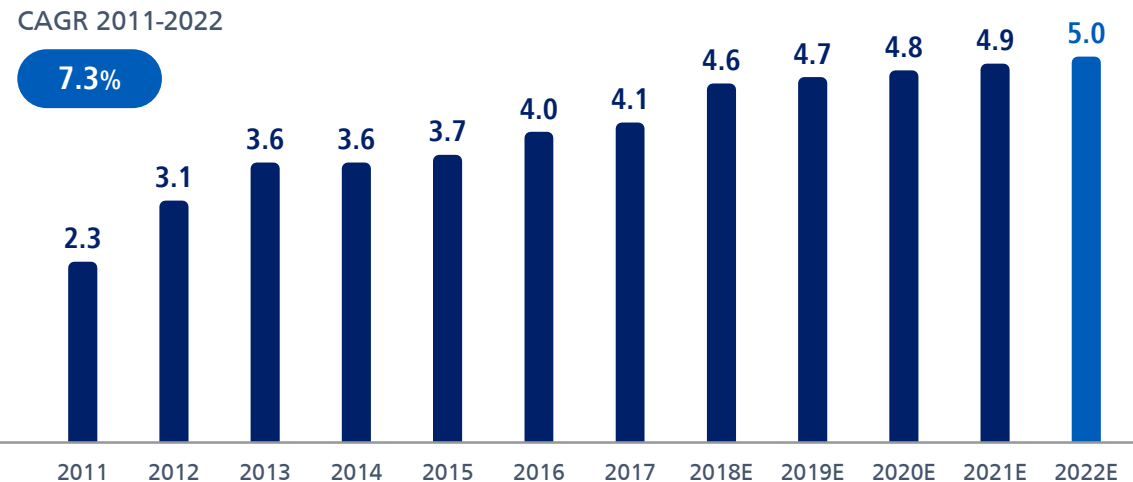
Total number of organ transplants performed in the UAE



- ✓ **Domestic organ transplant program** as a priority in the governments' agenda to preserve and elevate the quality of life of the population
- ✓ **Reforms in 2017** (allowing transplants from deceased donors) aided the rapid growth of the number of organ transplants done in the UAE
- ✓ **As of 2022, higher number of transplants performed** were of Kidney (70%), Liver (27%), Lung (3%) and Pancreas (0.5%).
- ✓ **A nationwide donor registry and a coordinated transplant list** that will connect donors, health care facilities and patients across country will further aid in the growth of organ transplants in the UAE
- ✓ **Expected shift to more complex procedures** as hospitals gain licenses and capabilities in the field

## Oncology

Total number of malignant cancer cases in UAE (k)



- ✓ **High rates of smoking and obesity** in the country are key risk factors for various cancers, in addition to environmental factor such as sun exposure
- ✓ **Poor primary care offerings** and limited awareness campaigns, leading to late referrals and diagnosis
- ✓ **Shortage of comprehensive neoplasm** related offerings, disrupting the patient pathway
- ✓ **BMC is the only private hospital in Abu Dhabi** which provides comprehensive cancer services through a center of excellence
- ✓ **BMC acts as a hub for cancer care across the region** including referrals from other Burjeel Holdings facilities in Dubai, Sharjah, and Oman

# Healthcare is a Key Focus for GCC Governments

## UAE initiatives



### UAE Vision 2021

Providing world-class healthcare is one of the six pillars of the National Agenda in line with Vision 2021



### Abu Dhabi Healthcare Strategic Plan

#### Key priorities of the program:

- Reducing capacity gaps
- Improving the quality of healthcare services, patient safety and experience



#### Certificate of Need ("CoN")

- New additions of hospital beds subject to obtaining a CoN from the DOH<sup>1</sup>
- Based on current and estimated demand and supply gap in the market

### Dubai Health Strategy 2021

#### Key priorities of the program:

- Ensuring a healthy and safe environment for Dubai's people
- Ensuring the provision of a high quality comprehensive and integrated health service system
- Improving efficiency in providing healthcare



## Oman Health Vision 2050



To achieve sustainable funding for health research by ensuring national and international collaborations with research funding agencies



### Primary Healthcare Centers ("PHC")

- Strengthen PHC as main entry point for healthcare system
- Introduce specialty care and geriatric care in PHCs

### Tertiary Care Services

- Establish state-of-the-art tertiary care through medical cities

### Types of Healthcare Facilities

- Redefine types and construction plan of healthcare facilities (e.g. PHC with and without beds, and hospitals based on # of beds)

### Universal Coverage

- Expand the umbrella of health facilities to parallel population growth
- Health Centers to act as PHCs
- Hospitals to provide secondary and tertiary care services

## KSA Vision 2030



Some of the key initiatives in the healthcare spectrum:



High focus on **privatisation and/or PPP**



Facilitate Access to **health services**



Improve **value and quality** of health services



Promote **health risk prevention**



Enhance **traffic safety**



Increase in **medical insurance penetration**

# Group and Segment Summary

## FY 2021 & FY 2022

### Group financial summary

AED millions	FY22	FY21	YoY %
Revenue	3,924	3,351	17%
OPEX <sup>1</sup>	(3,046)	(2,572)	18%
<b>EBITDA<sup>2</sup></b>	<b>878</b>	<b>779</b>	<b>13%</b>
<b>Net profit</b>	<b>355</b>	<b>234</b>	<b>51%</b>
EBITDA margin	22%	23%	-
Net profit margin	9%	7%	-
Growth CAPEX	-	53	-
Maintenance CAPEX	83	32	160%
Total equity	1,118	381	193%
Net debt <sup>3</sup>	1,111	3,165	(65%)
Earnings per share (AED)	0.06	0.04	51%
Net asset	3,249	4,347	(25%)
Return on capital employed	16%	9%	-
Net debt to EBITDA <sup>4</sup>	1.3	4.1	-
Leverage ratio (debt/equity)	1.1	8.7	-
Return on equity	32%	61%	-

### Segmental financial summary

AED millions	FY22	FY21	YoY %
<b>Revenue</b>	<b>3,924</b>	<b>3,351</b>	<b>17%</b>
Hospitals	3,472	2,942	18%
Medical centers	381	347	10%
Pharmacies	65	58	11%
Others	6	4	49%
<b>EBITDA</b>	<b>878</b>	<b>779</b>	<b>13%</b>
Hospitals	746	647	15%
Medical centers	113	92	22%
Pharmacies	5	5	8%
Others	14	35	(61%)
<b>Net profit</b>	<b>355</b>	<b>234</b>	<b>51%</b>
Hospitals	265	154	71%
Medical centers	74	45	66%
Pharmacies	5	4	27%
Others	11	32	(64%)

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.



# Burjeel Medical City – the UAE Leader in Complex Care

## Overview and complex care specialties

~19%  
Revenue contribution



60+  
Specialties

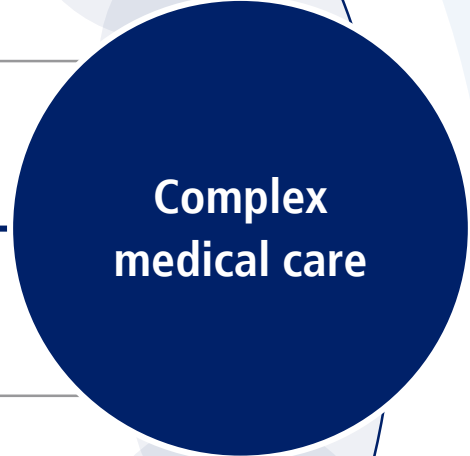
400  
Beds

230  
Doctors



Burjeel Medical City is the only ESMO in the UAE and Novalis Certified accredited center in the GCC

- 1 **Oncology**  
Only advanced cancer center in Abu Dhabi to be accredited by the European Society for Medical Oncology
- 2 **Trauma**  
Level 1 Trauma Center; First private hospital in UAE to be equipped with helipad for emergency transfers
- 3 **Fetal**  
First comprehensive center for Fetal Medicine and Therapy in the UAE, set up in collaboration with Kypros Nicolaides
- 4 **Cross Specialty Innovation**  
Stem Cell Cryopreservation, Integrated Center for Research for Rare Diseases, MRI for Neuro-Oncology Surgeries, State of the art centralized laboratories, radiotherapy and diagnostics services
- 5 **Pediatrics**  
Level III Tertiary NICU and Level IV PICU including ECMO; Offers a comprehensive paediatrics program
- 6 **Long-term Acute Care/Dedicated Rehab**  
UAE's largest long term acute care and rehab center; Hosts Burjeel Darak, an integrated center for long term care and rehabilitation
- 7 **Transplant**  
UAE's leading multi-organ transplant center; First private hospital in the UAE to receive a license to provide organ transplants services



# Investor Relations

September 2023



**Sergei Levitskii**

Head – Investor Relations

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[Investor Calendar](#)



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