

# PureHealth Achieves

## Net Profit of AED 491 million in Q1 2024; EBITDA Soars to AED 1.1 billion

<p>Total revenue</p> <p>+52% YoY</p> <p><b>AED 6,115 Mn ▲</b></p>	<p>EBITDA</p> <p>+127% YoY</p> <p><b>AED 1,081 Mn ▲</b></p>	<p>Net profit</p> <p>+124% YoY</p> <p><b>AED 491 Mn ▲</b></p>
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- PureHealth's EBITDA reached AED 1.1 billion in Q1 2024, a 2.3x increase over Q1 2023. The Group has reported EBITDA margin of 17.7% vs 11.9% in Q1 2023 reflecting improved operational efficiencies across all key segments.
- Net profit reached AED 491 million in Q1 2024, up by 124% year-on-year. Net profit margin improved to 8.0% compared to 5.4% in Q1 2023.
- Consolidated revenue increased by 52% to AED 6.1 billion in Q1 2024, led by the Hospital and Other Related Services ("Hospitals") segment, bolstered by organic growth and successful local and international acquisitions.
- During Q1 2024, PureHealth completed 100% acquisition of Circle Health Group, the UK's largest private hospital provider and 100% acquisition of Sheikh Shakhbout Medical City ("SSMC"), UAE's largest tertiary care hospital. The acquisition of Circle Health Group added over 50 hospitals and 8,500 employees, significantly expanding PureHealth's global presence whereas, SSMC comprises of a 732-bed hospital in Abu Dhabi, with over 450 physicians and 1,500 nurses.
- The Hospitals segment, led by Abu Dhabi Health Services Company, recorded an 85% increase in revenues and 2.3x growth in EBITDA, primarily driven by transformative initiatives undertaken by the Group, and strategic acquisitions (SSMC and Circle Health).
- Daman's insurance operations saw a 21% increase in Gross Written Premium to AED 2.7 billion, supported by continued growth in number of members insured.
- PureHealth's, Total Assets have increased to AED 47.3 billion (vs. AED 28.2 billion in Q4 2023 i.e. an increase of c. AED 19 billion) with total cash balance of AED 8.0 billion.
- Overall, PureHealth balance sheet has a Net Cash balance of AED 4.4 billion (excluding lease liabilities) on 31 March 2024, which results in a Net Cash to EBITDA (LTM 31 March 2024) ratio of (1.45x).

**Abu Dhabi, 03 May 2024** – PureHealth delivered a strong performance in the first quarter 2024. Consolidated revenue increased by 52% year-on-year to AED 6.1 billion, primarily driven by the Hospitals segment, which contributed AED 4.8 billion of revenue. This growth was supported by a 10% y-o-y increase in total patient volumes to 1.5 million patients, as well as a 10-percentage point rise in bed occupancy rates

to 71%. Furthermore, this upward trajectory was bolstered by the consolidation of recent 100% acquisitions of SSMC in Abu Dhabi and Circle Health Group in the UK.

Operating expenses increased by 40% to AED 6.1 billion in Q1 2024. However, this was balanced by strong revenue growth in the quarter, resulting in positive operating leverage and the expansion of EBITDA and net income margins. EBITDA in Q1 2024 reached AED 1.1 billion in the quarter, an increase of 2.3x vs Q1 2023. EBITDA margin of 18% (+6 pts vs Q1 2023) also showed healthy growth. Net income totaled AED 491 million, increasing 2.2x compared to Q1 2023 with 8% net income margin (+3 pts year-on-year).

**Shaista Asif, PureHealth Group Chief Executive Officer**, commented on the results: “As PureHealth concludes the first quarter of 2024, we are proud to report that the period has set a strong pace for the year. This quarter has been transformative, marked by the successful integration of recent acquisitions such as Circle Health in the UK and SSMC in Abu Dhabi and our equity investment in Ardent Health in the US. These additions have begun to expand our unique healthcare platform and are expected to add to operational efficiencies, demonstrating our commitment to expanding our reach and improving patient care through innovative solutions.

The integration of technology into our healthcare services continues to be a major driver of our success, enhancing patient care and our financial performance. The advancements we have made this quarter in both B2B and B2C digital health and AI are not just innovations for their own sake; they are transformative tools that improve patient outcomes and streamline our operations.

Looking ahead, we are well positioned to continue this momentum with ongoing expansions through active M&A and further innovations. The first quarter results reflect not only PureHealth’s operational success but also our strategic foresight in navigating the complexities of the global healthcare industry. As we move forward into 2024, our strategic initiatives and robust financial and operational performance are poised to further reinforce PureHealth’s market position and ensure continued growth and value creation for our shareholders.”

**PureHealth is the UAE’s largest healthcare group** (“PureHealth or “the Group”) and the only vertically integrated payor provider platform in the MENA region. The Group comprises of 5 key segments.

1. Hospital and Other Related Services (“Hospitals”)
2. Health Insurance Services
3. Diagnostic Services
4. Procurement and Supply of Medical related products
5. Technology Services and Others

In January 2024, PureHealth successfully completed the 100% strategic acquisition of Circle Health Group, a leading UK hospital operator. This landmark transaction marked a significant milestone in PureHealth’s global expansion strategy, providing the Group with immediate access to the UK’s largest private hospital network into the PureHealth family including over 50 hospitals, 2,000 beds and 8,500 dedicated employees. This development supported the Hospitals segment performance, which delivered a significant 85% year-on-year revenue growth in Q1 2024, underpinned by enhanced domestic pricing strategies and increased patient volumes.

In addition, effective 01 Feb 2024, PureHealth acquired 100% shareholding of SSMC, which was valued at USD 600 million. SSMC was established as part of Abu Dhabi’s Economic Vision 2030 and further positions PureHealth at the forefront of the regions healthcare industry and aligns with its goal to establish Abu Dhabi as a major destination in global healthcare. This landmark acquisition brings the UAE’s largest healthcare facility, with a built-up area of over 312,000 square meters and an overall capacity of 732 beds into the

Group. SSMC accommodates over 50,000 patient interactions, encompasses 46 service lines within 12 clinical departments, and employs over 450 physicians and 1,500 nurses.

In the Insurance segment, Daman's Gross Written Premium rose to AED 2.7 billion, marking a 21% increase from Q1 of the previous year. This growth was complemented by higher premiums arising from an improved value proposition that helped retain key accounts at higher rates.

The Diagnostic segment reported a 7% year-on-year non-Covid revenue growth in Q1 2024 compared to Q1 2023, demonstrating continued core business strength. However, total revenue decreased by 21% due to a decline in Covid volumes.

The Procurement segment posted a 4% increase in revenue, underscoring PureHealth's effective supply chain management and operational efficiency across its extensive healthcare network.

The Group's total assets in Q1 2024 grew 68% year-to-date to AED 47.3 billion, while liabilities saw a substantial increase to AED 29.2 billion (+2.4x vs 2023 year-end), largely due to recent acquisitions. Inorganic expansion resulted in an increase in total bank debt to AED 2.1 billion. Nonetheless, PureHealth maintained a robust net cash position, ending the quarter at AED 4.4 billion (excluding lease liabilities).

## Strategic Initiatives and Outlook

### Global Expansion and Operational Synergies

PureHealth's growth strategy has been reinforced in Q1 2024 through strategic acquisitions designed to extend the Group's reach and reinforce its presence in international target markets. The investment of Ardent Health and acquisition of Circle Health into its operations have not only broadened its geographical footprint but also deepened its capabilities in delivering comprehensive healthcare services that meet the diverse needs of patients worldwide.

### Innovation in Healthcare Delivery

Innovation remains at the core of PureHealth's strategic initiatives. Investments in AI and digital health technologies are transforming how the Group engages with patients and manages treatments. PureHealth's digital network and expanded telemedicine services are examples of its commitment to redefine healthcare delivery, making it more accessible and efficient for patients.

### Enhancing Operational Efficiency

PureHealth continues to focus on optimizing costs and enhancing operational efficiencies. Streamlined procurement processes and the integration of health insurance operations are pivotal in reducing overheads while improving patient access to necessary care. These measures are crucial as PureHealth aims to enhance profitability and ensure sustainable growth.

### Sustainability and Societal Contributions

Aligned with its commitment to sustainability, PureHealth has actively participated in the Race to Zero campaign, underscoring its dedication to environmental stewardship. The Group's initiatives focus on

reducing the carbon footprint of its operations and enhancing the health outcomes of the communities it serves.

### Strategic Priorities for 2024

Looking ahead, PureHealth is strategically positioned to continue its expansion both domestically and internationally. The Group is set to capitalize on the growing demand for high-quality integrated healthcare services. Ongoing investments in technology and human capital are geared towards not only enhancing service delivery but also attracting and retaining top-tier talent to supporting our ambitious growth plans. Furthermore, PureHealth is expanding its healthcare services to include preventive care and chronic disease management, addressing the increasing demand for comprehensive healthcare solutions that cater to all stages of life. The Group's commitment to maintaining strict regulatory compliance and fostering strategic partnerships will further enable it to enhance healthcare accessibility and affordability.

### Medium-term Financial and Operational Targets

In the medium-term the Group is set to solidify its market presence with key financial targets:

**Revenue and Profitability:** Aiming for mid- to high-teens revenue growth in the mid-term, PureHealth is focused on achieving an EBITDA margin in the low 20s over the medium-term period.

**International Expansion:** The Group is strategically focused to at least 50% of its revenue generated from international business in the medium term, driven by organic growth and a proactive M&A strategy.

**Capital Efficiency:** The Group upholds an asset-light approach with a capex of less than 2.5% of revenue in the medium term.

### Long-Term Vision

PureHealth's vision for the future is shaped by global health challenges such as the increased prevalence of chronic diseases. By investing in robust healthcare infrastructure and groundbreaking research, PureHealth is poised to lead in addressing these challenges, ensuring long-term sustainability and community well-being.

Through these strategic initiatives, PureHealth is not just preparing for the future; it is actively shaping it, ensuring that the Group continues to deliver exceptional value to its stakeholders and superior care to its patients.

### Long-Term Plan

PureHealth's vision is to become a global healthcare player, with healthcare assets across multiple jurisdictions. By investing in robust healthcare infrastructure and groundbreaking research, PureHealth is poised to lead in addressing these challenges, ensuring long-term sustainability and community well-being.

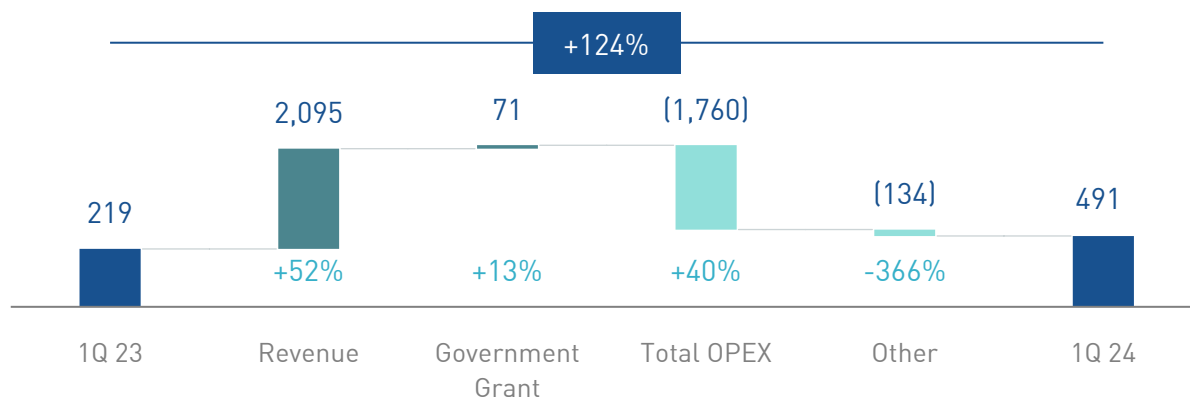
Through these strategic initiatives, PureHealth is not just preparing for the future; it is actively shaping it, ensuring that the company continues to deliver exceptional value to its stakeholders and superior care to its patients.

## Group Operational and Financial Review

### Income Statement Analysis

AED Mn	Q1 2024	Q1 2023	Δ%
Revenue	6,115	4,020	+52%
Cost of sales	(4,666)	(3,307)	+41%
General & administrative expenses <sup>1</sup>	(1,471)	(1,070)	+37%
Government grant income	610	539	+13%
Other operating expenses / income	(69)	37	-286%
<b>Profit before tax</b>	<b>519</b>	<b>219</b>	<b>+137%</b>
Income tax expense	(28)	0	NA
<b>Profit for the period</b>	<b>491</b>	<b>219</b>	<b>+124%</b>
<b>EBITDA</b>	<b>1,081</b>	<b>477</b>	<b>+127%</b>
EBITDA Margin	17.7%	11.9%	+5.8 ppts
Net Profit Margin	8.0%	5.4%	+2.6 ppts

### Net Profit Movement YoY (AED Mn)



PureHealth's consolidated revenue increased in Q1 2024 by 52% year-on-year to AED 6.1 billion, primarily driven by the Hospitals segment. Operating expenses grew by 40% year-on-year to AED 6.1 billion in Q1 2024, resulting in positive operating leverage and the expansion of EBITDA and net income margins. EBITDA in Q1 2024 reached AED 1.1 billion in the quarter, an increase of 2.3x vs Q1 2023. EBITDA margin amounted to 17.7% (+5.8 ppts vs Q1 2023). Net income totaled AED 491 million, increasing 2.2x compared to Q1 2023 with 8.0% net income margin (+2.6 ppts year-on-year).

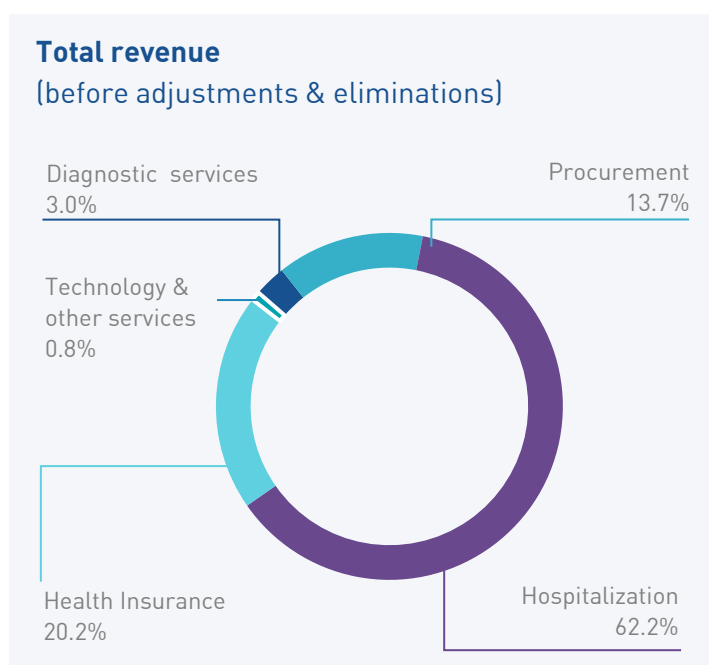
<sup>1</sup> incl. selling & distribution expenses.

## Segment Performance

The 5 key segments with the underlying entities are as follows:

<b>Hospital and Other Related Services (“Hospitals”)</b>	<u>Domestic:</u> <ul style="list-style-type: none"> <li>- Abu Dhabi Health Services Company (“SEHA”)</li> <li>- Ambulatory Healthcare Services</li> <li>- Sheikh Shakhbout Medical City (“SSMC”)</li> <li>- The Medical Office (“TMO”)</li> <li>- National Rehabilitation Services (“NRC”)</li> <li>- Yas Clinic Group</li> <li>- Abu Dhabi Stem Cell Center</li> <li>- Tamouh Healthcare</li> <li>- The Life Corner</li> <li>- Dawak</li> </ul> <u>International:</u> <ul style="list-style-type: none"> <li>- Ardent Health</li> <li>- Circle Health Group</li> </ul>
<b>Health Insurance Services</b>	<ul style="list-style-type: none"> <li>- National Health Insurance Company PJSC (“Daman”)</li> </ul>
<b>Diagnostic Services</b>	<ul style="list-style-type: none"> <li>- Pure Lab</li> </ul>
<b>Procurement and Supply of Medical related products</b>	<ul style="list-style-type: none"> <li>- Rafed</li> <li>- One Health</li> </ul>
<b>Technology Services and Others:</b>	<ul style="list-style-type: none"> <li>- Pure CS</li> </ul>

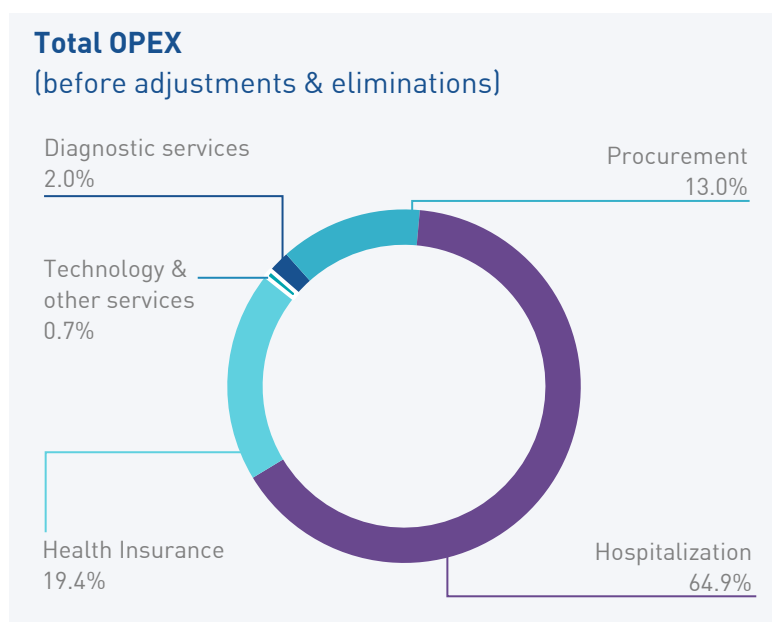
Segment Revenue			
AED Mn	Q1 2024	Q1 2023	Δ%
Hospitals	4,819	2,605	+85%
Health Insurance	1,567	1,382	+13%
Procurement & supply of medical related services	1,065	1,024	+4%
Diagnostic services	230	291	-21%
Technology & other services	66	0	NA
Adjustment & Eliminations	(1,632)	(1,282)	27%
<b>Total revenue</b>	<b>6,115</b>	<b>4,020</b>	<b>+52%</b>



In Q1 2024 PureHealth recorded total **revenue** of AED 6,115 million, an increase of 52% from AED 4,020 million in Q1 2023. This increase was driven by growth in revenue across all business segments, with Hospitals standing as the main contributor with 85% revenue growth in Q1 2024. This growth has come on the back of recent acquisitions (Circle Health and SSMC) coupled with higher inpatient and outpatient traffic and rising bed occupancy rates. Moreover, PureHealth's top-line performance benefited from growth in the Insurance segment, which delivered a 13% year-on-year increase in revenue to AED 1,567 million in Q1 2024 driven by a significant rise in Net Earned Premiums.

On a like-for-like basis (excluding the acquisitions made after Q1 2023) revenue in Q1 2024 grew by 3%.

Segment Operating Expenses			
AED Mn	Q1 2024	Q1 2023	Δ%
Hospitals	5,000	3,040	+64%
Health Insurance	1,491	1,354	+10%
Procurement & supply of medical related services	1,004	984	+2%
Diagnostic services	155	193	-20%
Technology & other services	54	0	NA
Adjustment & Eliminations	(1,567)	(1,194)	31%
<b>Total Operating expenses</b>	<b>6,137</b>	<b>4,377</b>	<b>+40%</b>



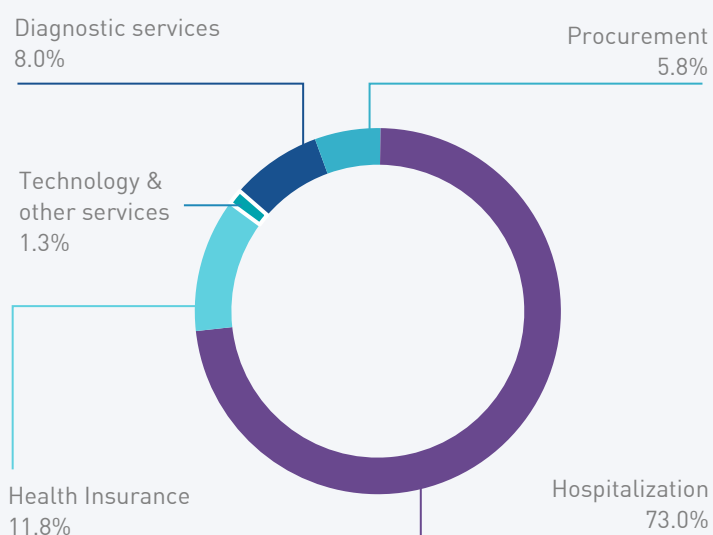
The Group's **total operating expenses** – comprising cost of sales and general and administrative expenses, including selling and distribution expenses – rose to AED 6,137 million, up by 40% year-on-year due to business expansion. The main contributor is the Hospitals segment with 64% growth compared to Q1 2023. Total operating expenses of the Insurance segment grew by 10%. Cost growth has been in line with revenue growth across all segments. The decrease in Diagnostic services costs is attributed to lower consumption costs relating to reduced Covid-related business (also mirrored

in lower Q1 2024 revenues vs. Q1 2023). PureHealth is actively integrating facilities and optimizing costs across the group, focusing on centralizing services and functions to enhance operational efficiency.



Segment EBITDA			
AED Mn	Q1 2024	Q1 2023	Δ%
Hospitals	800	317	+152%
Health Insurance	129	56	+130%
Procurement & supply of medical related services	64	44	+45%
Diagnostic services	88	112	-21%
Technology & other services	14	0	NA
Adjustment & Eliminations	(14)	(52)	-73%
<b>Total EBITDA</b>	<b>1,081</b>	<b>477</b>	<b>+127%</b>

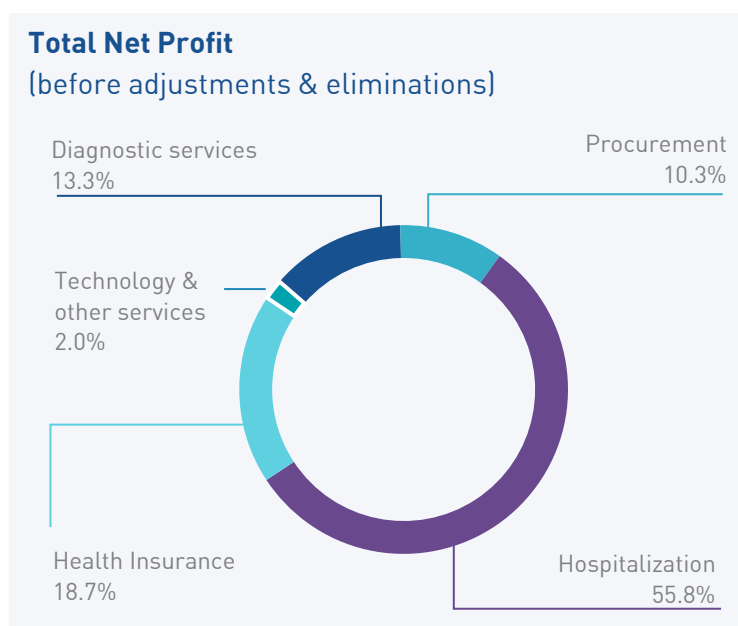
**Total EBITDA**  
(before adjustments & eliminations)



**EBITDA** for Q1 2024 reached AED 1,081 million, showing a solid 127% increase from the previous year, indicative of PureHealth’s operational effectiveness. EBITDA margin in Q1 2024 reached 17.7%, which is 5.8 pts higher compared to Q1 2023 on account of operating leverage and ongoing transformations across all segments. On a like-for-like basis (i.e. excl. acquisitions made after Q1 2023), EBITDA grew by 42% year-on-year. This growth in EBITDA is attributable to the addition of National Rehabilitation Center (NRC) and Sheikh Khalifa Hospital Fujairah within the Hospitals segment.

Additionally, the like-for-like performance has been positively impacted by the Insurance segment resulting from lower combined ratio and higher investment income in Q1 2024 in comparison to Q1 2023.

Segment Net Profit			
AED Mn	Q1 2024	Q1 2023	Δ%
Hospitals	302	173	+75%
Health Insurance	101	36	+181%
Procurement & supply of medical related services	55	40	+38%
Diagnostic services	72	106	-32%
Technology & other services	11	0	NA
Adjustment & Eliminations	(51)	(136)	-63%
<b>Total Net profit</b>	<b>491</b>	<b>219</b>	<b>+124%</b>



**Net profit** for Q1 2024 improved by 124% year-on-year amounting to AED 491 million. Net profit margin totalled 8.0%, up 2.6 pts vs Q1 2023.

## Detailed Segment Performance

<b>Hospitals</b>			
<b>AED Mn</b>	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Δ%</b>
Revenue	4,819	2,605	+85%
Government Grant Income	634	588	+8%
Total Operating Expenses	(5,000)	(3,040)	+64%
<b>EBITDA</b>	<b>800</b>	<b>317</b>	<b>+152%</b>
<i>EBITDA margin</i>	<i>16.6%</i>	<i>12.2%</i>	<i>+4.4 pts</i>
<b>Net Profit</b>	<b>302</b>	<b>173</b>	<b>+75%</b>
<i>Net Profit margin</i>	<i>6.3%</i>	<i>6.6%</i>	<i>-0.3 pts</i>

The **Hospitals** segment, led by SEHA, remained the primary driver of profitability, with segment revenues in Q1 2024 increasing 85% year-on-year to AED 4,819 million (11% on a like-for-like basis excluding Circle and SSMC from Q1 2024 when compared with Q1 2023).

Overall SEHA's patient revenues grew by 16% in Q1-2024 versus Q1-2023. This growth was driven through increase in both Outpatient ("OP") and In-Patient ("IP") revenues. OP revenues contributed to 7% of patient revenue growth driven by an incremental footfall of +40k encounters. This growth in volume was contributed through various recently introduced initiatives including:

- Introduction of evening and weekend clinics,
- optimizing patient journey through effective timeslot management
- increased mix of private insurance patients; and
- introduction of patient experience enhancements such as infrastructural improvement, improved patient hospitality protocols, technology-oriented patient access channels etc.

Similarly, Inpatient ("IP") revenues contributed to 7% of patient revenue growth. Overall, bed occupancy has increased to 71% in Q1 2024 vs. 61% in Q1 2023.

### New UAE Facilities

#### Sheikh Tahnoon Bin Mohammed Medical City

Sheikh Tahnoon Bin Mohammed Medical City ("STMC"), a brand-new tertiary care, state-of-the art, multi-specialty facility with a capacity of 867 beds (including 149 rehabilitation beds), covering a built-up area of more than 340,000 square meters, was recently inaugurated in late 2023 and has commenced operations in phases. The initial phases included operationalization of comprehensive rehabilitative and outpatient services in 2023. This facility is the largest tertiary care facility in the Al Ain region and one of the largest in the UAE.

#### Sheikh Khalifa Hospital Fujairah

Sheikh Khalifa Hospital Fujairah, a brand-new facility, was inaugurated in the latter half of 2023 and has a built-up area of over 84,000 square meters. Currently, operations are being ramped up, which will result in

increased profitability. At full capacity, the facility is expected to operate with 249 beds, 55 outpatient clinics. This is the largest tertiary care facility in Fujairah and its neighboring areas.

### **NRC**

The National Rehabilitation Center (NRC) was established upon the insightful directives of the late Sheikh Zayed Bin Sultan Al Nahyan in 2002 to serve and provide a glimpse of hope for all drug addicts. The NRC came under Pure Health network in 2023 and no other healthcare group in UAE is able to provide such services within their network. The Group has benefited from the transformation and optimization initiatives that were put in place within the NRC's operations. This has resulted in incremental profitability in Q1 2024.

In addition to the various initiatives, the surge in overall EBITDA is also supported by a series of acquisitions.

## **Recent International Acquisitions**

### **Circle Health**

In January 2024, PureHealth successfully completed the 100% strategic acquisition of Circle Health Group, a leading UK hospital operator. This landmark transaction marked a significant milestone in PureHealth's global expansion strategy, providing the Group with immediate access to the UK's largest private hospital network, which includes over 50 hospitals, 2,000 beds, and 8,500 dedicated employees.

### **SSMC**

In addition, in February 2024, PureHealth acquired 100% shareholding in SSMC which has also positively contributed to the top and bottom line. In addition to this inorganic growth, the expansion of the Hospital segment was driven by improvements in both pricing strategies and patient volumes, reflecting PureHealth's best in class healthcare offering.

### **Ardent Health**

The acquisition of a 26% stake in Ardent Health Services in May 2023, the fourth largest privately held acute care hospital operator in the United States, further strengthens the Group's reach and service offerings. Ardent brings 30 hospitals, over 200 care sites, and a diverse range of acute, behavioral, and ambulatory care services operating across six states in the United States. The share of profit relating to Ardent Health Services is reported in the EBITDA for the Hospitals segment for Q1 2024.

The growing demand for healthcare services has in turn translated into a higher demand for drugs and pharmaceuticals which has benefitted the pharmacy business – a part of the Hospital segment.

Going forward the Group will increase its focus on niche healthcare segments including mental health, IVF amongst others which are expected to contribute significantly to future profitability. Overall, the EBITDA margin reached 16.6%, an improvement of 4.4 ppts when compared with Q1 2023. The overall increase in performance has resulted in the Net Profit for the Hospital segment to grow by 75% on a year-on-year basis to AED 302 million.

Health Insurance			
AED Mn	Q1 2024	Q1 2023	Δ%
Revenue	1,567	1,382	+13%
Total Operating Expenses	(1,491)	(1,354)	+10%
<b>EBITDA</b>	<b>129</b>	<b>56</b>	<b>+130%</b>
<i>EBITDA margin</i>	8.2%	4.1%	+4.1 pts
<b>Net Profit</b>	<b>101</b>	<b>36</b>	<b>+181%</b>
<i>Net Profit margin</i>	6.4%	2.6%	+3.8 pts

The **Insurance** segment includes Daman, the UAE's largest health insurance provider covering over 2,000 hospitals and clinics across the UAE.

Gross Written Premium (GWP) grew by 21% (AED 2.7 billion vs AED 2.2 billion) through improved value proposition resulting in key accounts being retained at higher premiums. Total number of active members increased from 2.94 million in Q1 2023 to 3.04 million in Q1 2024.

Additionally, the Health Fund management operations gained from an increased enrolment of Thiqa and Basic members which grew by 7% and 5% respectively from the comparable period last year. In addition, increased investment income, driven by higher locked-in interest rates and favorable market performance, also contributed to the segment's profitability, with net profit increasing by 181% on a year-on-year basis to AED 101 million.

Diagnostic services			
AED Mn	Q1 2024	Q1 2023	Δ%
Revenue	230	291	-21%
Total Operating Expenses	(155)	(193)	-20%
<b>EBITDA</b>	<b>88</b>	<b>112</b>	<b>-21%</b>
<i>EBITDA margin</i>	38.3%	38.5%	-0.2 pts
<b>Net Profit</b>	<b>72</b>	<b>106</b>	<b>-32%</b>
<i>Net Profit margin</i>	31.3%	36.4%	-5.1 pts

The **Diagnostic** services segment stands as the undisputed market leader for medical diagnostics across the UAE. With an unmatched network of over 147 ISO-accredited laboratories, we serve communities nationwide. Our strength lies in the UAE's largest team of dedicated professionals, with over 50 highly qualified pathologists and 1,200 skilled technologists. This expertise allows us to offer the most extensive test menu in the UAE, including highly specialized esoteric testing.

Non-Covid test volumes saw a 5% increase in Q1 2024 compared to Q1 2023. This surge in volume is mainly driven by incremental footfall through evening and weekend clinics being operated by SEHA. The resultant non-Covid revenues grew by 6.6% in Q1 2024 compared to Q1 2023, demonstrating continued core business strength. The corresponding average revenue per test remained in line with last year, registering steady

growth of 1%. However, total revenue decreased by 21% due to a decline in Covid volumes, with total operating expenses also decreasing by 20%.

The resultant EBITDA decreased by 21% to AED 88 million, while EBITDA margin remained stable at 38%. Net profit followed the downward trend, decreasing by 32% to AED 72 million, with the net profit margin narrowing to 31% from 36% in Q1 2023, mainly attributable to a decline in Covid related revenues in Q1 2024.

The segment is in the process of securing strategic laboratory management partnerships with top healthcare providers within UAE and is targeting to expand network across GCC. It is also worth highlighting that the Transplant Immunology Lab received recognition for outstanding work in organ donation and transplantation by the Hayat International Excellence Framework in January 2024.

<b>Procurement &amp; supply of medical related services</b>			
<b>AED Mn</b>	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Δ%</b>
Revenue	1,065	1,024	+4%
Total Operating Expenses	(1,004)	(984)	+2%
<b>EBITDA</b>	<b>64</b>	<b>44</b>	<b>+45%</b>
<i>EBITDA margin</i>	6.0%	4.3%	1.7%
<b>Net Profit</b>	<b>55</b>	<b>40</b>	<b>+38%</b>
<i>Net Profit margin</i>	5.2%	3.9%	1.3%

Supporting the core business operations, the **Procurement** segment experienced a 4% revenue increase in Q1 2024 year-on-year, supported by the strong performance across the Group's entities including strengthening leadership in medical maintenance and genomics, strategic expansion in diagnostics and medical devices, and initiating expansion efforts in the pharmaceutical and diabetes division. This segment's success underscores PureHealth's capability in maintaining a streamlined supply chain that enhances overall operational efficiency across a diverse client base ranging from hospitals to labs and clinics.

The segment's EBITDA rose to AED 64 million, marking a 45% improvement from the previous year, and EBITDA margin expanded to 6% (+1.7 pts year-on-year), evidencing enhanced operational efficiency. Net profit amounted to AED 55 million in Q1 2024, up 38% vs Q1 2023.

<b>Technology and other services</b>			
<b>AED Mn</b>	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Δ%</b>
Revenue	66	-	-
Total Operating Expenses	(54)	-	-
<b>EBITDA</b>	<b>14</b>	-	-
<i>EBITDA margin</i>	21.2%	-	-
<b>Net Profit</b>	<b>11</b>	-	-
<i>Net Profit margin</i>	16.7%	-	-

In Q1 2024, the Technology segment achieved AED 66 million in revenue. The newly formed Technology segment, predominately comprising PureCS (which was 100% acquired in Oct '23) is at the forefront of PureHealth's digital transformation, streamlining services within its ecosystem.

PureCS is engaged in centralizing IT procurement, IT operation, data and cybersecurity services, optimizing infrastructure, and transitioning the Group's healthcare services to its inhouse custom built Healthcare Cloud – PureNet.

Additionally, PureCS has made significant progress in Q1 2024, including:

- Digitizing the clinical flow of sending and receiving lab orders to increase the operational efficiency and integrating over 100 lab analyzers and onboarding 3rd party labs as part of Groups Reference Lab strategy.
- PureCS has also established a state-of-the-art overarching cybersecurity centre for PureHealth Group, offering a range of services aimed at enhancing the cybersecurity posture and responding to security incidents effectively. Successfully integrated with the UAE's National SOC, this collaboration aims to enhance cybersecurity resilience and protect sensitive clinical and patient data within the UAE's healthcare sector.
- Launched the first release of Pura -The Digital Front Door to all healthcare needs of an individual to improve their overall well-being.
- PureCS has also deployed the first set of PureNet services and established the foundations for all SEHA and other health care facilities.
- Implementation of a virtual pharmacy platform called Dawak to provide an end-to-end home delivery journey for medicine.
- PureCS has successfully obtained ISO/IEC 27001:2013 certification for Information Security Management Systems, highlighting our steadfast dedication to information security, safeguarding sensitive data, and adherence to industry-recognised information protection standards.

In addition, the Group also generates revenues through undertaking external projects for the UAE Government. The EBITDA for the segment stood at AED 14 million, translating to an EBITDA margin of 21%, and a Net Profit of AED 11 million.

This strategic consolidation of PureCS with PureHealth is enhancing technological efficiency and driving cost savings across the Group.

## Balance Sheet Analysis

AED Mn	Mar 31 2024	Dec 31 2023	Δ%
<b>Total Non-Current Assets, incl.:</b>	<b>25,768</b>	<b>9,590</b>	<b>+169%</b>
<i>Right of use assets</i>	12,120	1,408	+761%
<i>Intangible Assets</i>	7,529	4,383	+72%
<i>Property &amp; equipment</i>	3,832	1,662	+131%
<b>Total Current Assets, incl.:</b>	<b>21,524</b>	<b>18,585</b>	<b>+16%</b>
<i>Trade &amp; other receivables</i>	9,333	4,681	+99%
<i>Cash &amp; Bank Balance</i>	8,049	10,560	-24%
<i>Reinsurance contract assets</i>	1,655	1,331	+24%
<b>Total Assets</b>	<b>47,292</b>	<b>28,175</b>	<b>+68%</b>
<b>Total Non-Current Liabilities, incl.:</b>	<b>17,088</b>	<b>3,892</b>	<b>+339%</b>
<i>Lease liabilities</i>	12,316	1,620	+660%
<i>Borrowings</i>	2,012	285	+607%
<i>Employees' end of service benefits</i>	1,514	1,413	7%
<b>Total Current Liabilities, incl.:</b>	<b>12,113</b>	<b>8,226</b>	<b>+47%</b>
<i>Trade &amp; other payables</i>	8,363	4,964	+68%
<i>Borrowings</i>	127	5	NA
<b>Total Liabilities</b>	<b>29,201</b>	<b>12,118</b>	<b>+141%</b>
<b>Total Equity</b>	<b>18,091</b>	<b>16,057</b>	<b>+13%</b>
Total Bank Debt	2,139	290	+638%
Bank Debt to Equity	0.12x	0.02x	+0.10x
Cash & Bank Balance	8,049	10,560	-24%
Net Cash / (Net Debt) excl. lease liabilities	4,396	8,857	-50%
Total Lease Liabilities	12,517	1,666	+651%

As of March 31, 2024, total assets expanded to AED 47,292 million, a 68% increase from the 2023 year-end, mainly due to successful completion of the strategic acquisition of Circle Health and SSMC. In Q1 2024, total liabilities grew by 141% on account of consolidating the Lease liabilities held by Circle Health of AED 10.8 billion.

In January 2024, the Group acquired 100% shareholding in Circle Health Group for a consideration of GBP 742 million, which was partly financed using IPO proceeds with the balance being debt financed (AED 1.845 billion). The leverage, measured by the Total Bank Debt to Equity ratio, increased to 0.12x by the end of Q1 2024, comparing to 0.02x by the end of 2023.

On 1 February 2024, the Group acquired 100% equity interest in SSMC for a consideration of USD 150m (AED 551m) which was fully funded through equity.



## Cash Flow Analysis

<i>AED Mn</i>	<i>Q1 2024</i>	<i>Q1 2023</i>	<i>Δ%</i>
Net Profit for the period before tax	519	219	+137%
Non-cash Adjustments	562	381	+48%
Working Capital Changes	(1,697)	(1,481)	+15%
Employees' end of service benefits paid net	(41)	(87)	-53%
<b>Net cash, operating activities</b>	<b>(657)</b>	<b>(968)</b>	<b>-32%</b>
<b>Net cash, investing activities</b>	<b>(4,772)</b>	<b>27</b>	<b>NA</b>
<b>Net cash, financing activities</b>	<b>935</b>	<b>5</b>	<b>NA</b>
Net changes in cash & equivalents during the period	(4,494)	(936)	+380%
Cash & cash equivalents at the beginning of the period	7,987	4,799	+66%
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>3,487</b>	<b>3,863</b>	<b>-10%</b>

In Q1 2024 the cash flow used in operating activities decreased by 32% year-on-year and reached AED 657 million in Q1 2024. This change has been attributed to a higher Net Profit in Q1 2024.

### Working Capital

The overall working capital of the Group has increased by 15% on account of an increase in receivable balances following the consolidation of new entities. The change in working capital between December 2023 and Q1 2024 is primarily the result of the Group collecting a substantial portion of UAE Government related receivables in December 2023, which resulted in a lower balance at December 2023. The increase in receivable balance is partially offset by an increase in payables in Daman, related to government-funded programs settled throughout the year.

### Capital Expenditure

Major fixed asset additions in Q1 2024 related to purchase of new medical equipment, lease hold improvements for SEHA assets and upgrading equipment in certain hospitals that are part of the Circle Health Group.

## About PureHealth

PureHealth (PureHealth Holding PJSC, listed on the Abu Dhabi Securities Exchange: PHH) is the largest healthcare provider in the United Arab Emirates and a leader in the healthcare sector across the MENA region. The Group operates a diverse portfolio that includes over 100 hospitals, 300 clinics, health insurance, and 147 laboratories. With its headquarters in Abu Dhabi, PureHealth employs a global team of over 56,000 healthcare practitioners, administrators, and support staff. In 2023, PureHealth catered to more than 3 million insured members and processed over 50 million annual claims. The Group achieved a revenue of AED 16.4 billion in FY 2023, marking a 31% increase year-on-year. Its EBITDA stood at AED 2.4 billion, reflecting a healthy 15% margin, and it reported a net income of AED 965 million. As the region's only vertically integrated healthcare platform, PureHealth is committed to transforming healthcare delivery through continuous innovation, operational excellence, and sustainable practices to enhance the well-being of the communities it serves.

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