



# PUREHEALTH<sup>★</sup>

Earnings Presentation

1H 2024

August 2024

1H 2024

# CEO Review

Shaista Asif, CEO

# Strong 1H 2024 performance driven by organic growth and strategic acquisitions ✨

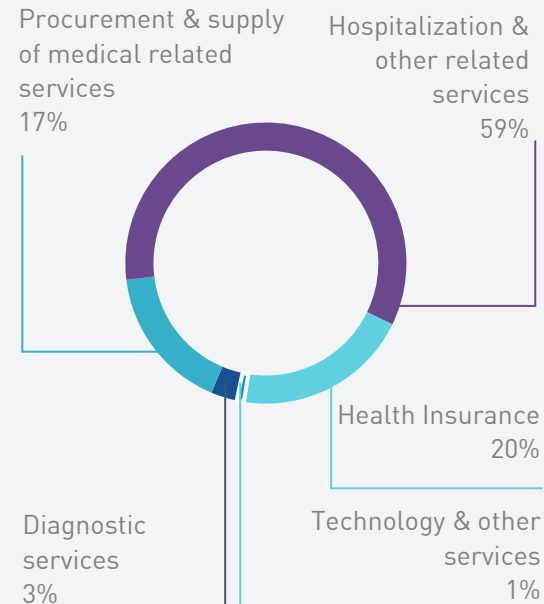
## Financial highlights

- 53% year-on-year increase in revenue to AED 12.5 billion, driven by solid performance across key business segments
- EBITDA increased by 15% year-on-year to AED 2.2 billion with EBITDA margin at 17.2%
- Net profit amounting to AED 1.0 billion with Net profit margin at 8.0%
- Total assets grew by 69% in 1H 2024 to AED 47.6 billion
- Successful acquisition of Circle Health Group and SSMC in 1Q 2024
- PureHealth disposed 100% equity interest in ADSCC/YCG in 2Q 2024
- Ardent Health has filed for an IPO on the NY Stock Exchange with total gross proceeds of approximately \$192 million

## Total Revenue 1H 2024

12,504

AED Million +53% YoY



## EBITDA 1H 2024

2,156

AED Million

▲ +15% year-on-year

## EBITDA Margin 1H 2024

17.2%

▼ -5.7ppts year-on-year

## Net Profit 1H 2024

1,004

AED Million

▼ -26% year-on-year

## Net Profit Margin 1H 2024

8.0%

▼ -8.6ppts year-on-year

# In 1Q 2024, PureHealth used IPO proceeds to expand its global footprint



Cash paid for acquisition

3.5

AED Billion



50+ Hospitals



2,000+ Beds



8,500 Employees



#1 Private provider in the UK, provides access to attractive and growing UK healthcare market

47% of Circle Health Group acquisition was paid using PureHealth IPO proceeds with the balance being debt finance (AED 1.845bn)

Significant scope for value creation, medical tourism development, sharing of best-practices and digital platforms as well as cost synergies





# In 1Q 2024 PureHealth completed the 100% acquisition of Sheikh Shakhbout Medical City (SSMC)

**ssmc** مدينة الشيخ شخبوط الطبية  
Sheikh Shakhbout Medical City

The largest tertiary care hospital in UAE

SSMC was established as part of Abu Dhabi's Economic Vision 2030



Comprehensive and interdisciplinary care including obstetrics and gynaecology, paediatrics, radiation therapy, critical care and emergency medicine



**700+** Beds



**230 K+** Patient interactions in 1H 2024



**3,000+** Employees

Fair Value of SSMC

**2.1**

AED Billion

Amount used from IPO

**0.55**

AED Billion



# Sheikh Tahnoon Bin Mohammed Medical City (STMC) started operation in 2H2023



مدينة الشيخ  
طحنون بن محمد الطبية  
SEHA  
SHEIKH TAHNOON BIN  
MOHAMMED MEDICAL CITY

Incremental Outpatient Volume  
in Al Ain region in 1H 2024

27

Thousand outpatients



A brand-new, state-of-the-art, multi-specialty tertiary care facility in the Al Ain region has gradually started ramping up its outpatient and rehab services

The facility is expected to begin offering inpatient and emergency services in 3Q 2024



# The offload of ADSCC and Yas Clinic Group in 2Q 2024 streamlined resources to focus on specialized health services



**ADSCC**  
مركز أبو ظبي للخلايا الجذعية  
ABU DHABI STEM CELLS CENTER

ياس | YAS  
كلينيك | CLINIC



Total amount

40.2

AED Million

The transaction has been undertaken with related parties in accordance with applicable regulations and within the limits of permissible percentages



# PureHealth is the UAE's largest healthcare provider



**100+** Hospitals  
**c.300** Clinics  
**143** Laboratories



**c.4,800+** Beds



**4.5 Mn**  
Total patient  
Interactions in 1H24



**56,000+**  
Employees



**25 Mn+**  
Claims processed  
in 1H24



**3 Mn+**  
Members insured



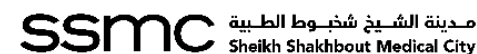
**12.7 Mn+**  
Lab tests in 1H24



**60**  
Pharmacies

## PureHealth Portfolio

### Hospitals



### Health Insurance



### Procurement



### Diagnostics

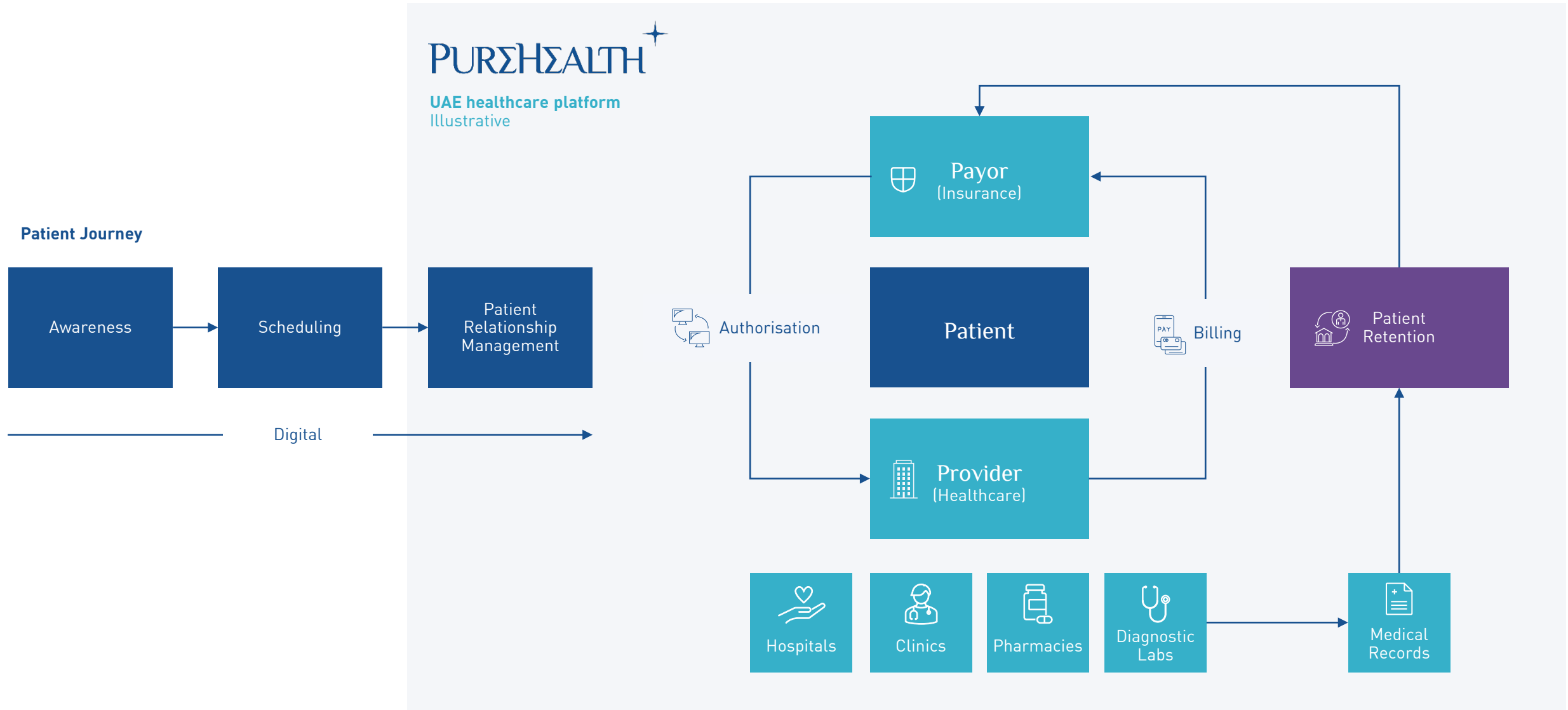


### Technology





# PureHealth operates a uniquely integrated payor-provider healthcare platform



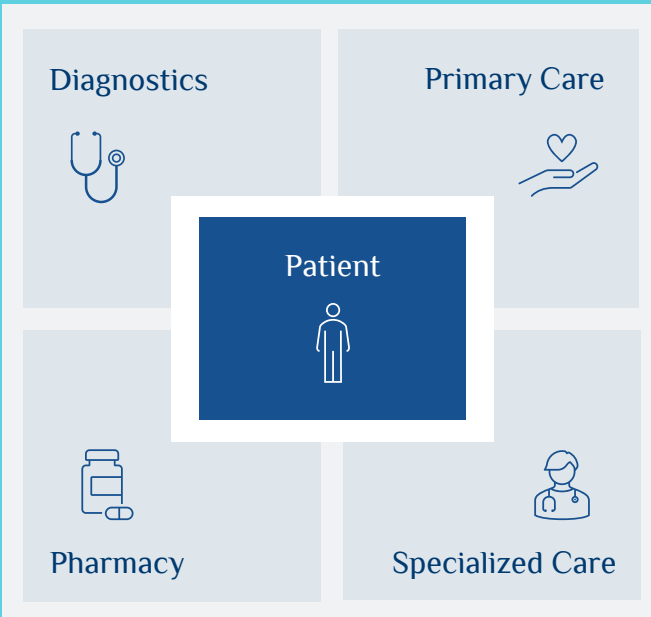
# Patient-centric integrated ecosystem enabled by digital innovation at every step of the value chain



...enabled by digital solutions at every step...

...through an integrated B2B ecosystem...

...addressing all patient needs...



Insurance

Distribution & Procurement

Digital Services

## Developing dynamics

- New medicine & technology
- Life-long health & medical record
- Revenue Cycle & Insurance coverage
- Population growth
- Longevity

## Immediate dynamics

- Improving quality of care outcomes
- Lifestyle diseases or chronic condition management
- Capacity management
- Cost control



# PureHealth’s aim is to become a global healthcare leader with assets across multiple jurisdictions through a number of already implemented initiatives...

## Strategic Priorities

- **Position** for both domestic and international expansion.
- **Capitalize** on the growing demand for high-quality integrated healthcare services.
- **Focus** investments on technology and human capital.
- **Enhance** healthcare services and improve patient outcomes.

## Realized initiatives

### Circle Acquisition



### SSMC Integration



### STMC Services Activation



### SEHA Rebranding



### Planetree Partnership

### Increased Clinical Hours

### Dawak Launch

### Cincinnati Partnership

...as well as through initiatives awaiting implementation in the near future



## Strategic Priorities

- **Position** for both domestic and international expansion.
- **Capitalize** on the growing demand for high-quality integrated healthcare services.
- **Focus** investments on technology and human capital.
- **Enhance** healthcare services and improve patient outcomes.

## Forward Looking Initiatives

**First Longevity Clinic**

**Central Reference Laboratory**

**Sakina for Children**

**Capacity Enhancement**  
in various verticals incl. IVF, Operating theatres,  
Bed capacity, Long-term care

**Mineral-omics Lab**

**Pura**  
**AI-enabled Health Coach**

# Medium-term financial outlook and operational objectives



## Financial metrics

	FY 2023	1H 2024	Achievement	Medium-Term Target*
<b>Revenue growth</b>	+31%	+53%	✓	Mid- to High-teens
<b>International business as % of Revenue</b>	0%	18.3%	✓	c.50%
<b>EBITDA margin</b>	14.9%	17.2%	✓	Low 20s
<b>CAPEX as % of Revenue</b>	<2%	4.2%	✓	<5% in 2024E <2.5% avg. maintenance CAPEX
<b>Net Cash** / Pre IFRS-16 EBITDA</b>	4.5x	2.6x	✓	(3.0)x***



## Operational metrics

<b>Number of hospitals</b>	53	100+
<b>Bed Occupancy</b>	61%	72%
<b>Members insured</b>	3.0Mn	3.1Mn
<b>Gross Written Premium, AED</b>	5.6Bn (1H 2023)	3.8Bn
<b>Lab Tests Performed (Non-Covid only)</b>	11.4Mn (1H 2023)	12.7Mn

1H 2024

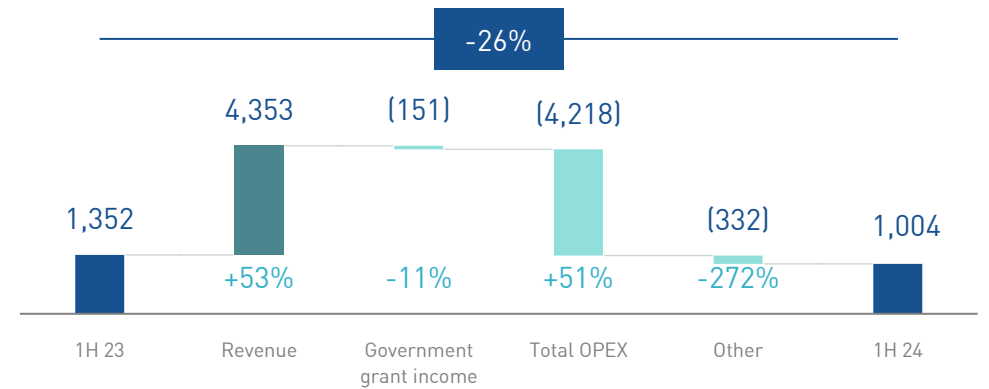
Financial Review

# Financial performance was positively impacted by expansion of all business lines

AED Mn	1H 2024	1H 2023	Δ%	2Q 2024	2Q 2023	Δ%
Revenue	12,504	8,150	+53%	6,388	4,130	+55%
Cost of sales	(9,674)	(6,837)	+42%	(5,008)	(3,530)	+42%
General & administrative expenses, incl. selling & distribution	(2,890)	(1,510)	+91%	(1,419)	(439)	+223%
Government grant income	1,275	1,425	-11%	665	886	-25%
Other operating income / expense	(159)	122	-230%	(89)	86	-204%
Profit before tax	1,056	1,352	-22%	537	1,133	-53%
Income tax expense	(51)	0		(23)	0	
<b>Profit for the year</b>	<b>1,004</b>	<b>1,352</b>	<b>-26%</b>	<b>514</b>	<b>1,133</b>	<b>-55%</b>
EBITDA	2,156	1,867	15%	1,076	1,391	-23%

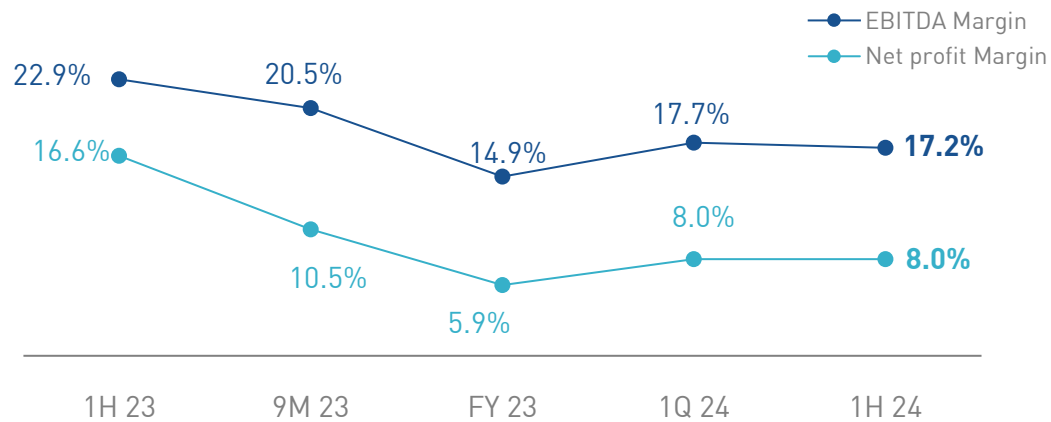
## Net Profit Movement YoY (AED Mn)

1H 2024



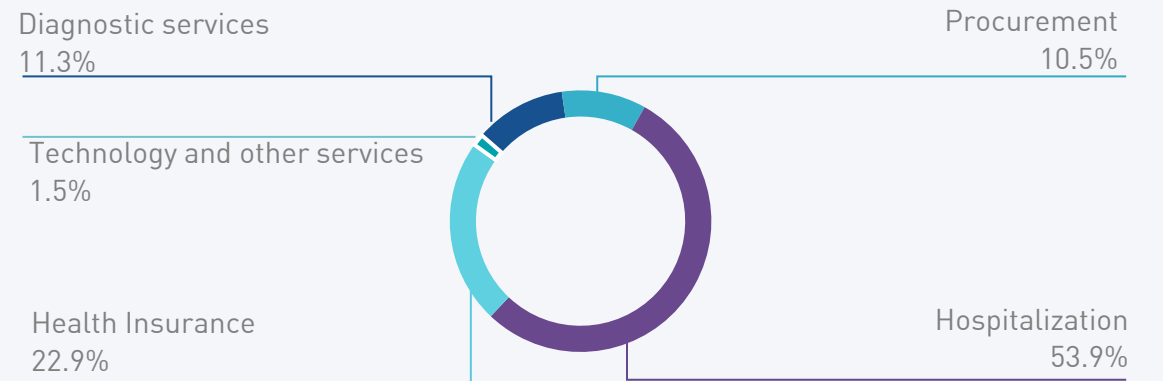
## Margin (%)

1H 2024



## Total Net Profit (Before Adjustment & Eliminations) Composition

1H 2024

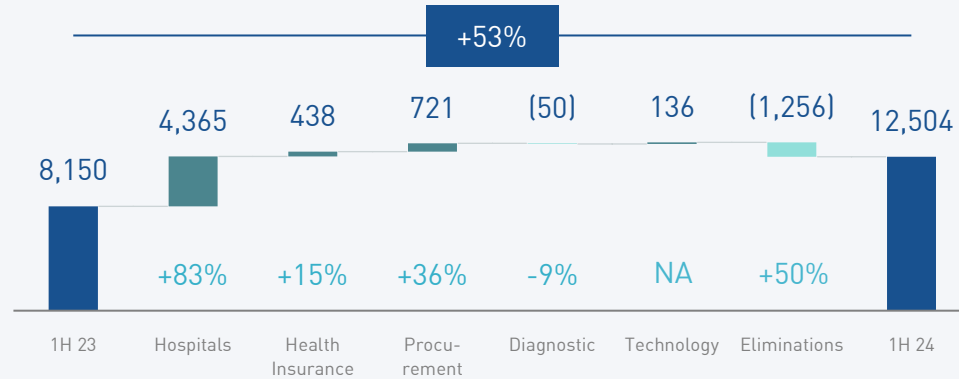


# Revenue growth of 53% driven by solid performance across business segments



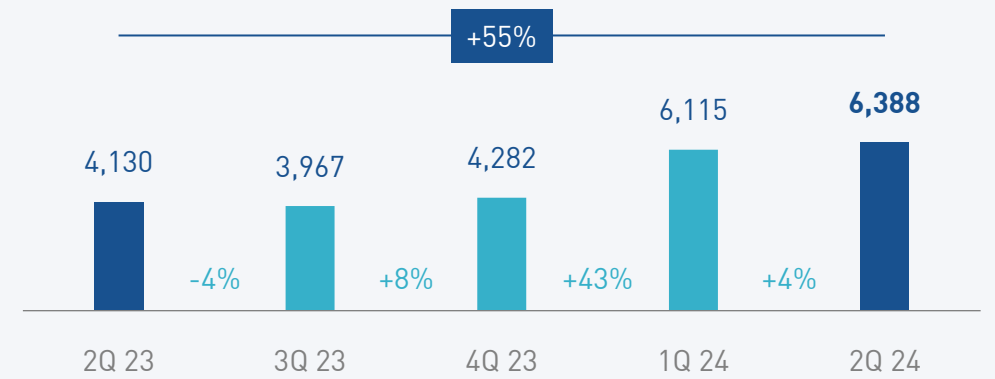
Total Revenue Movement YoY (AED Mn)

1H 2024



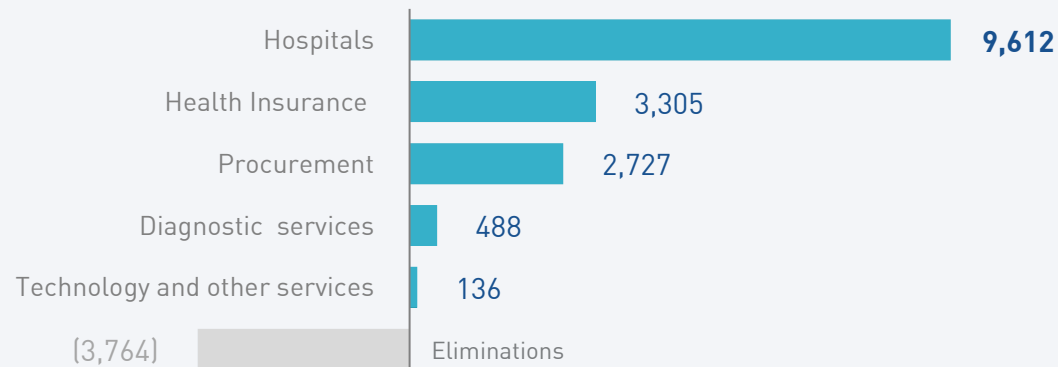
Revenue (AED Mn)

2Q 2024



Revenue by segment (AED Mn)

1H 2024



Total Revenue (Before Adjustment & Eliminations) Composition

1H 2024



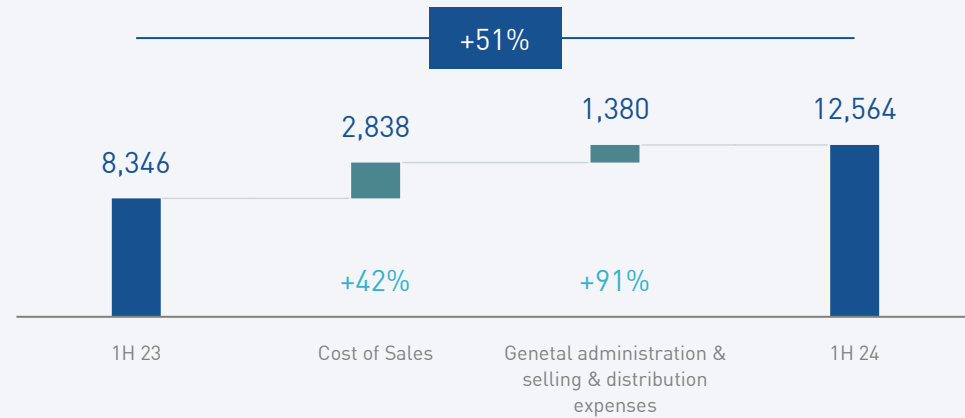




# OPEX rose 51% due to recent acquisitions and organic growth

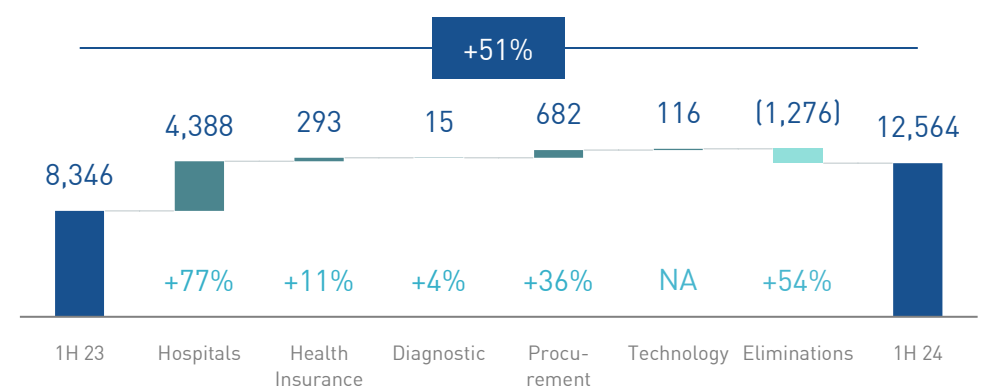
### Total OPEX Movement YoY (AED Mn)

1H 2024



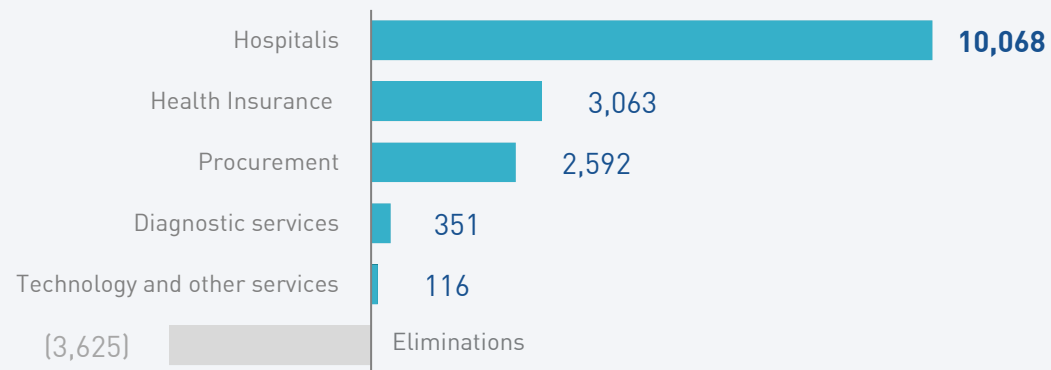
### Total OPEX Movement by segments YoY (AED Mn)

1H 2024



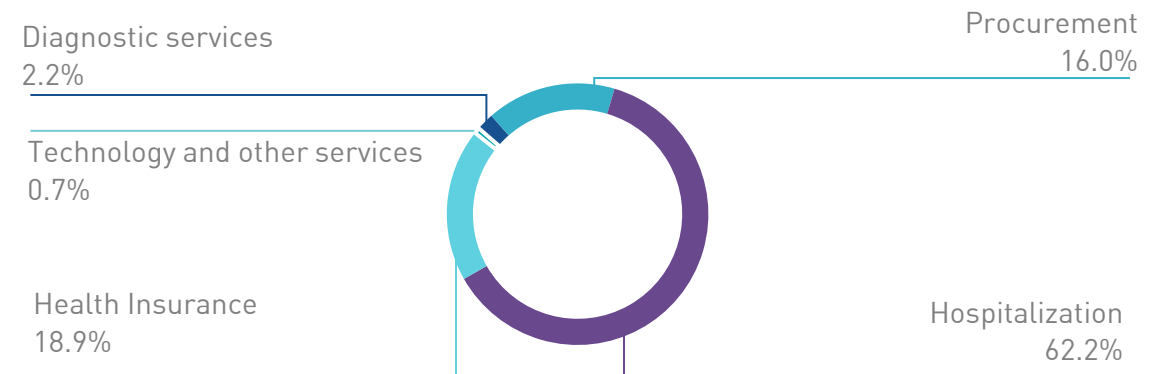
### Operating expenses by segment (AED Mn)

1H 2024



### Total OPEX (Before Eliminations) Composition

1H 2024

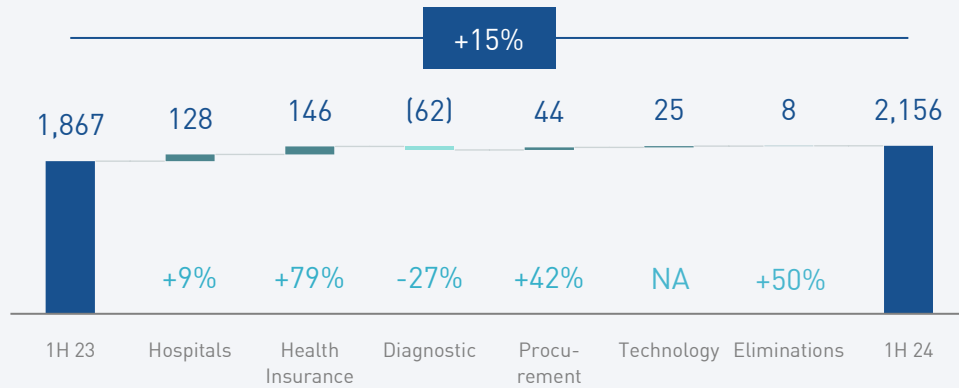


# EBITDA increased 15% YoY to AED 2.2 bn with EBITDA margin at 17%



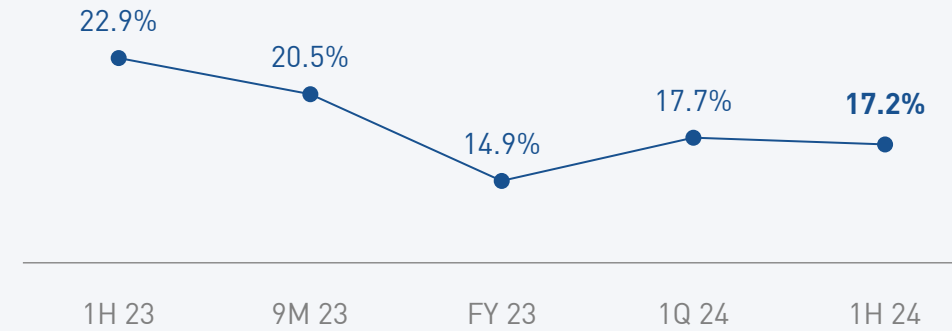
EBITDA Movement by segments (AED Mn)

1H 2024



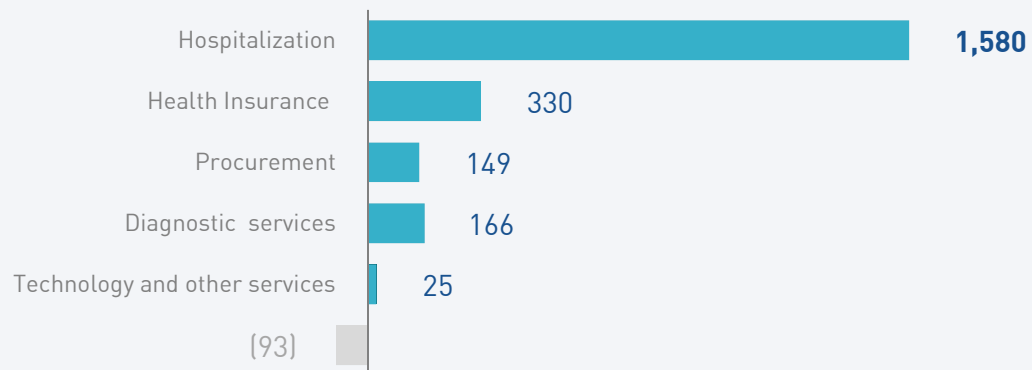
EBITDA Margin (%)

1H 2024



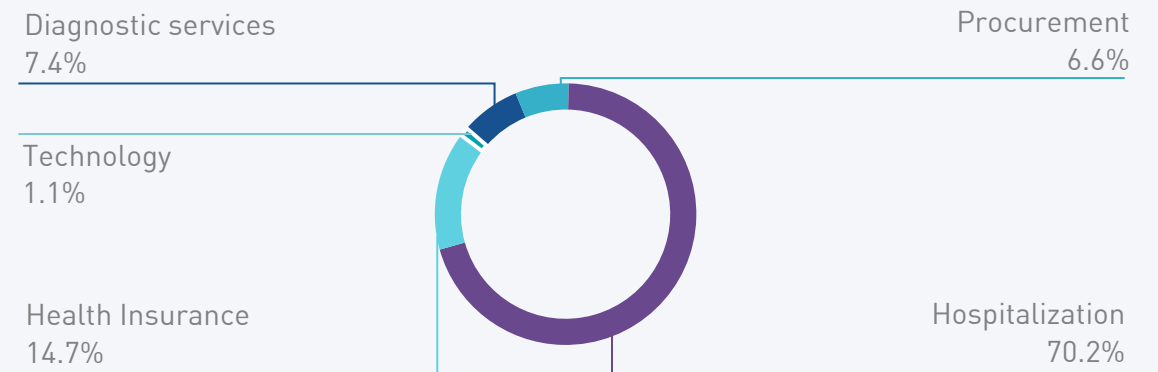
EBITDA by segment (AED Mn)

1H 2024



Total EBITDA (Before Eliminations) Composition

1H 2024



# Strong balance sheet driven by active growth of assets



**Total Assets (AED Bn)**

# 47.6

▲ +69% year-to-date

**Cash & Bank Balance (AED Bn)**

# 7.4

▼ -30% year-to-date

**Right of Use Assets (AED Bn)**

# 12.2

▲ +765% year-to-date

**Total Liabilities (AED Bn)**

# 29.0

▲ +139% year-to-date

**Total Bank Debt (AED Bn)**

# 1.9

▲ +539% year-to-date

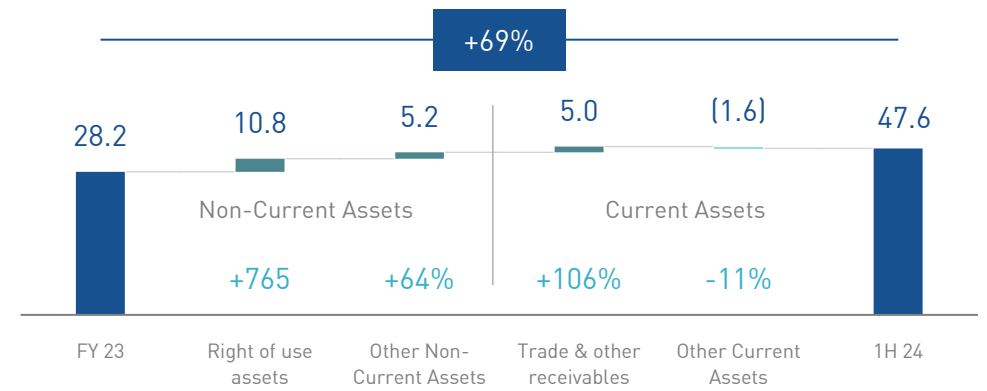
**Total Equity (AED Bn)**

# 18.6

▲ +16% year-to-date

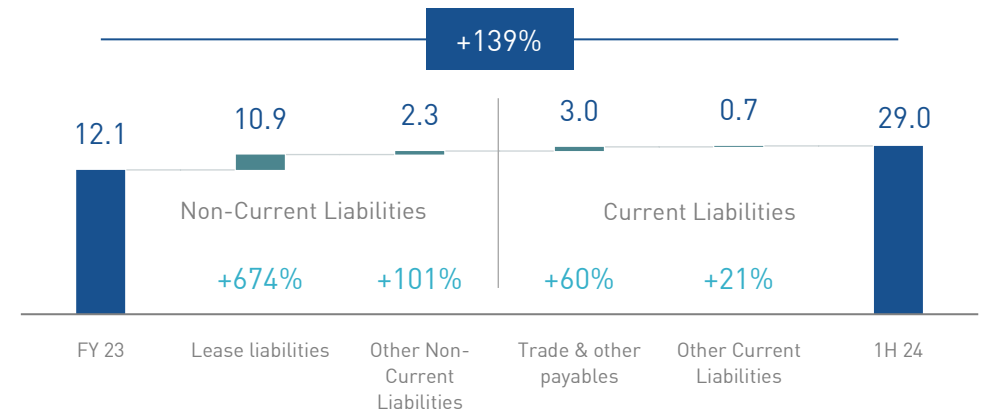
**Total Assets Movement (AED Bn)**

1H 2024

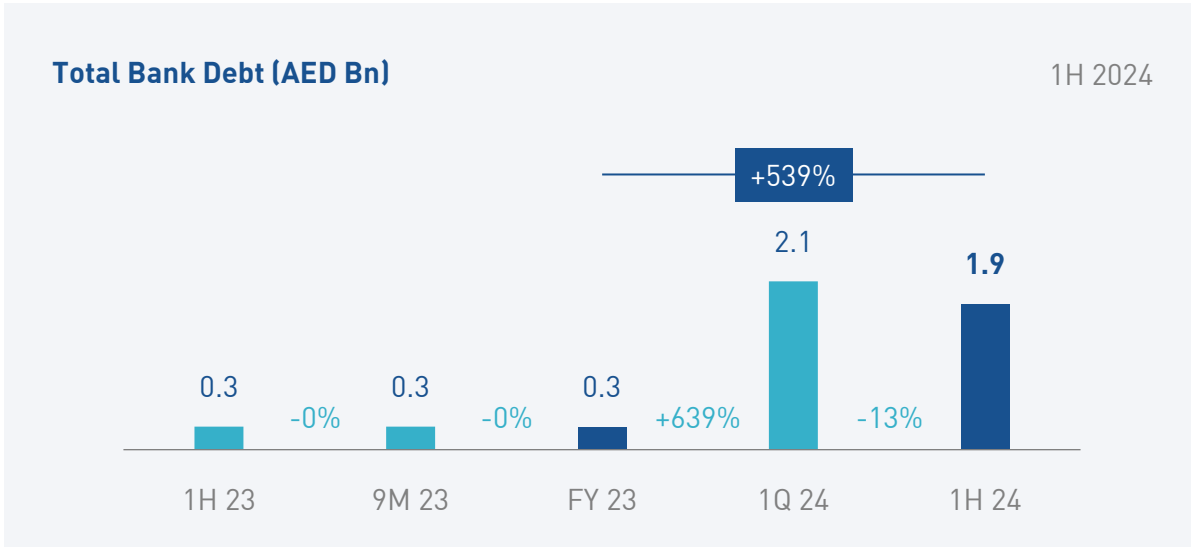


**Total Liabilities Movement (AED Bn)**

1H 2024



# Increase in leverage position mainly driven by increased bank debt...



The amount drawn during 1H 2024 and utilized for the acquisition of Circle Health

# 1,845

AED Million

Maturity: December 2026

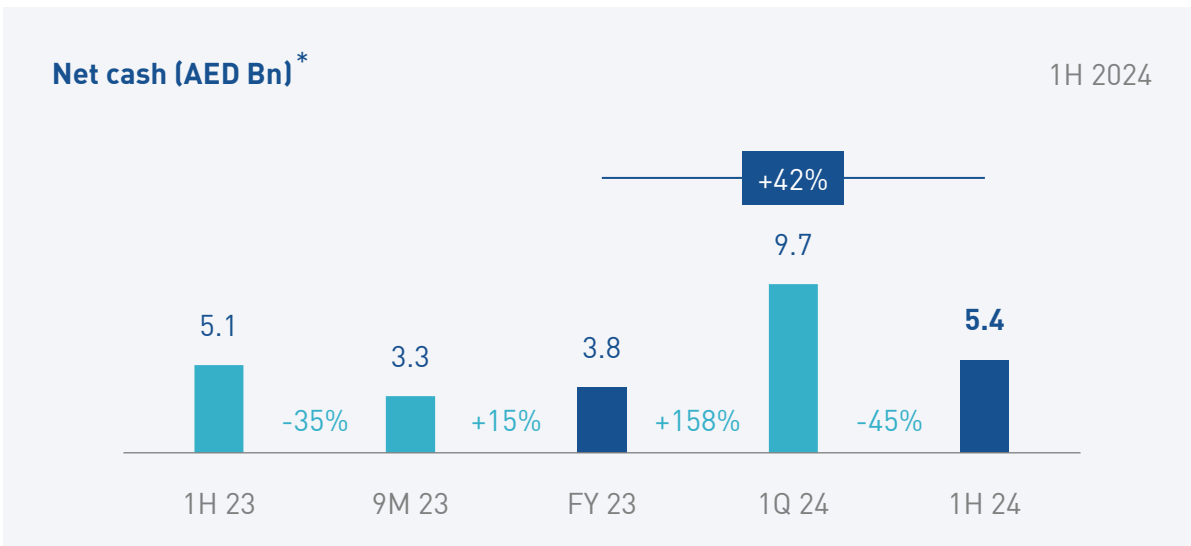
Annual % Rate: 1m EIBOR+1.1% p.a

**Total Bank Debt to Equity**

# 0.1x

1H 2024

▲ Vs 0.02 in 4Q 23



**Net Cash / EBITDA (Pre IFRS 16)**

# 2.6x

1H 2024

**Net Debt / EBITDA Target**

# 3.0x

The debt that can be undertaken to fund future M&A

# ...as well as a rise in lease liabilities due to Circle Health Group acquisition



Increase in leverage position mainly driven by Circle Health lease liabilities.

**Net Debt, incl. Lease Liabilities (AED Bn)**

# 7.3

AED Billion

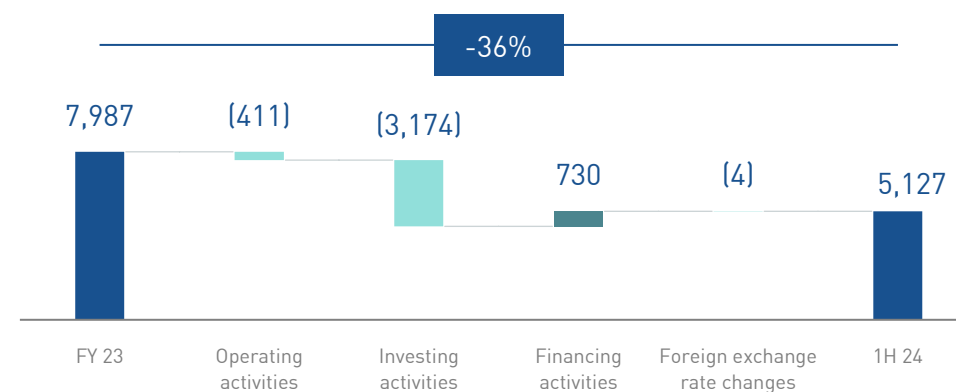
# Investments and financing activities drive cash movements in 1H 2024



AED Mn	1H 2024	1H 2023	Δ%
Net Profit for the period before tax	1,056	1,352	-22%
Non-cash Adjustments	1,119	518	+117%
Working Capital Changes	(2,763)*	(2,263)*	+4%
Employees' end of service benefits paid net	(86)	(124)	-31%
Other	263	0	NA
Net cash, operating activities	(411)	(517)	-20%
Net cash, investing activities	(3,174)	(1,997)	+59%
Net cash, financing activities	730	(332)	-319%
Net changes in cash & cash equivalents during the period	(2,855)	(2,846)	+0%
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>5,127</b>	<b>1,953</b>	<b>+163%</b>

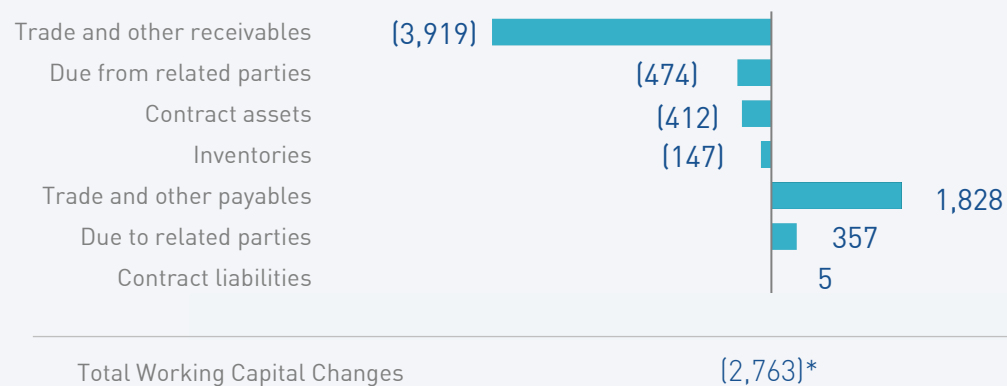
## Cash & Cash Equivalents Movement (AED Mn)

1H 2024



## Working Capital Changes (AED Mn)

1H 2024



## Net cash, investing activities (AED Mn)

1H 2024





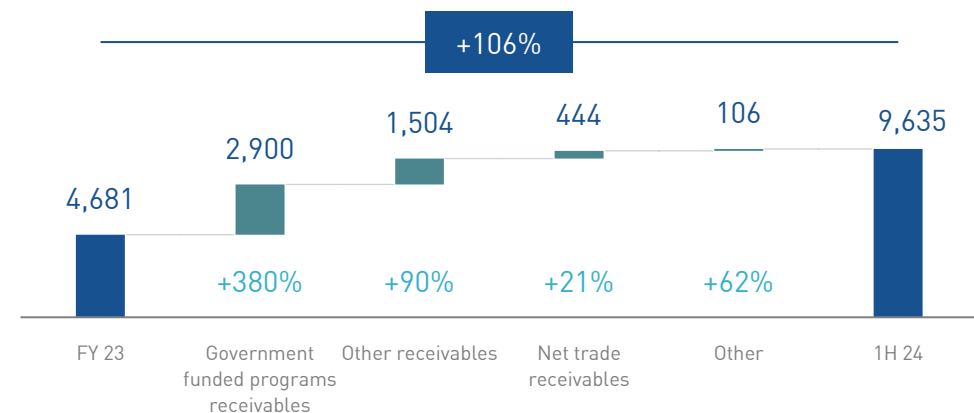
# Significant increase in net cash used in investing activities due to acquisitions

AED Mn	1H 2024	1H 2023
EBITDA	2,156	1,867
Change in Net Working Capital*	(2,763)	(2,263)
Other operating activities	196	(120)
Maintenance CAPEX	(401)	(164)
Growth CAPEX	(114)	(14)
Adj. Free Cash Flow**	(926)	(694)

Adj. Free Cash Flow to EBITDA	-43%	-37%
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Trade and Other Receivables Movement (AED Mn)

1H 2024



## Inventory

1.1

AED Billion

▲ +49% year-to-date

## Trade Receivables

9.6

AED Billion

▲ +106% year-to-date

## Trade Accounts Payable

7.9

AED Billion

▲ +60% year-to-date

## Net Working Capital to Revenue

16%

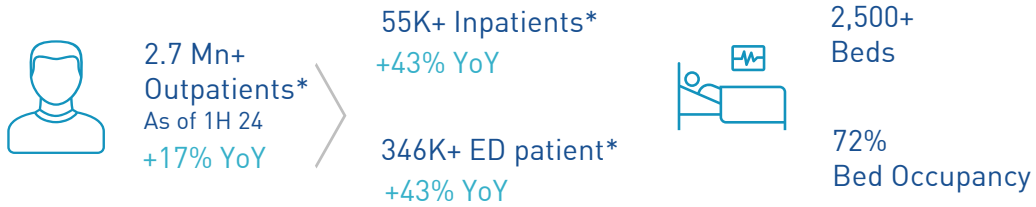
1H 2024

vs 18% in 1H 2023  
and 4% in FY 2023

# Hospitals segment: a diverse portfolio of healthcare providers with a global expansion strategy



SEHA Hospitals:



**ssmc** مدينة الشيخ شخبوط الطبية  
Sheikh Shakhbout Medical City



**Ardent**<sup>SM</sup>  
HEALTH SERVICES



**SEHA** صحة  
شركة أبوظبي للخدمات الصحية  
Abu Dhabi Health Services Co. PJSC

**THE MEDICAL OFFICE**



50+ hospitals



1.2Mn outpatients  
In 1H 2024



8,500+ employees

**HealthInvestor Awards 2024**

Revenue (AED Mn)

9,612

▲ +83% year-on-year

OPEX (AED Mn)\*\*

8,748

▲ +110% year-on-year

EBITDA (AED Mn)

1,580

16.4% EBITDA margin

▲ +9% year-on-year

Net Profit (AED Mn)

635

6.6% Net Profit margin

▼ -45% year-on-year

\* For SEHA hospitals with SSMC, excluding Covid patients

\*\* OPEX net off government grant. Total OPEX before adjustments amounted to AED 10,068 Mn (+77% year-on-year)



# Health Insurance segment: Daman is the largest health insurance provider in the UAE



AED 3.8 Bn for  
Enhanced Portfolio  
+20% YoY

Revenue (AED Mn)

3,305

▲ +15% year-on-year

OPEX (AED Mn)

3,063

▲ +11% year-on-year



3.1 Mn  
active members  
+4% YoY



25.3+ Mn  
claims processed  
in 1H 24  
+2% YoY



94%  
Combined Ratio



95%  
Net Loss Ratio

EBITDA (AED Mn)

330

10.0%  
EBITDA  
margin

▲ +79% year-on-year

Net Profit (AED Mn)

270

8.2%  
Net Profit  
margin

▲ +88 year-on-year

# Procurement segment: supporting the Group's core business operations



 800+ Delivery points  
 AED 2,254Mn Total Procurement Spend  
 +40% YoY

Revenue (AED Mn)

**2,727**

▲ +36% year-on-year

OPEX (AED Mn)

**2,592**

▲ +36% year-on-year



Business Partnerships

EBITDA (AED Mn)

**149**

5.5% EBITDA margin

▲ +42% year-on-year

Net Profit (AED Mn)

**123**

4.5% Net Profit margin

▲ +28% year-on-year

# Diagnostic segment: building a hub-and-spoke network with a reference lab



143 ISO-accredited laboratories



50 pathologists and 1,200 skilled technologists

Revenue (AED Mn)

488

▼ -9% year-on-year

OPEX (AED Mn)

351

▲ +4% year-on-year



12.7 Mn Lab Tests\* in 1H 24  
+12% YoY



100% Quality Standard Compliance

EBITDA (AED Mn)

166

34.0% EBITDA margin

▼ -27% year-on-year

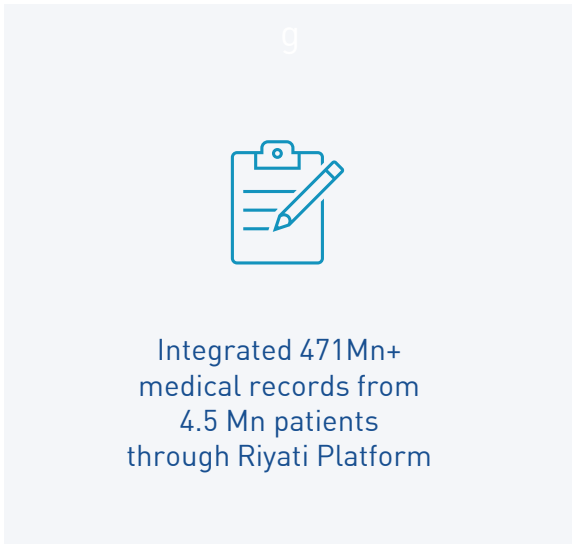
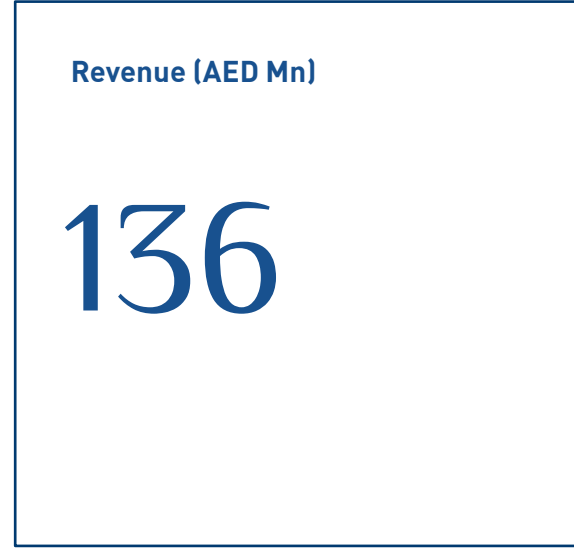
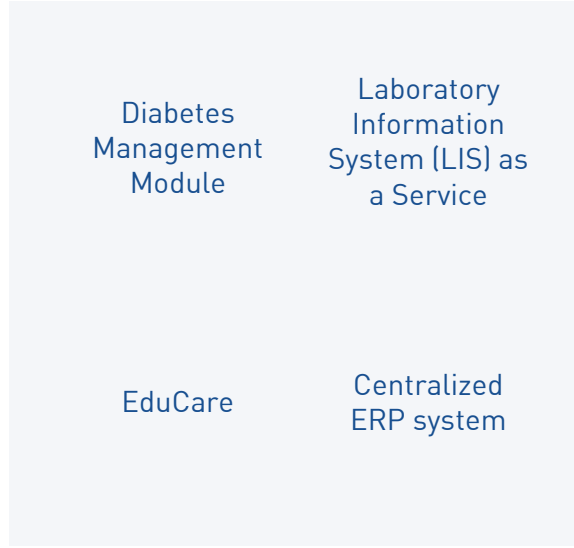
Net Profit (AED Mn)

133

27.3% Net Profit margin

▼ -38% year-on-year

# Technology and other services: enhances the Group's digital transformation by integrating services across its ecosystem





Thank you for attending, should you have any questions or queries, please reach us on [ir@purehealth.ae](mailto:ir@purehealth.ae)

# PureHealth Investor Relations

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