



Key Investment Highlights:

We initiate coverage on **Pure Health Holding PJSC** (“Pure Health” or “The Company”) with a valuation of **AED 6.05 per share**. Pure Health is the UAE’s leading Healthcare group in Abu Dhabi since 2006 with the majority ownership held by the Abu Dhabi Sovereign Wealth Fund (ADQ). The Company is the largest provider of healthcare services and further extends its vertically integrated operation across various operational and digital domains, both locally and internationally. The Company’s revenue stood at AED 16.4 Bn as of FY2023.

Our investment view is supported by:

- Pure Health is the Largest Vertically Integrated Healthcare Group in the UAE
- Mandatory Healthcare Insurance in Northern Emirates Enhances Growth
- Pure Health's Expansion in Hospital and Other Related Services
- International and Domestic Expansion Solidifies Future Growth Avenues

Pure Health is the Largest Vertically Integrated Healthcare Group in the UAE

Pure Health is the UAE's largest vertically integrated healthcare network. It benefits from a comprehensive range of services across the healthcare value chain that is beneficial to its customers and, at the same time makes its operations highly efficient. The Company’s vertically integrated healthcare ecosystem includes 1) Hospital & other related services 2) Procurement & supply of medical-related products, 3) Diagnostic Services, 4) Health Insurance Services, and 5) Technology Services & Others. Pure Health covers a network of 100+ hospitals (local & international), 300+ clinics, 143+ labs, 56K+ employees, processed 50+ Mn claims, and 3+ Mn insured members in UAE.

Mandatory Healthcare Insurance in Northern Emirates Enhances Growth Avenues

Health insurance is currently mandatory only in Dubai and Abu Dhabi and is regulated by the Dubai Health Authority (“DHA”) and the Department of Health, Abu Dhabi (“DoH”) respectively. The new upcoming reform would require employers in the Northern Emirates to necessarily obtain health insurance coverage for their employees. The new government regulations of mandatory insurance schemes across the Northern Emirates are expected to come into effect soon, and the UAE cabinet authorized the Ministry of Human Resources and Emiratization (“MoHRE”) to adhere to the new obligation. Under the new terms, employers are responsible for providing health insurance coverage for their workers when issuing or renewing visas. Pure Health’s Hospital, Diagnostic Services, and Health Insurance Segment are projected to witness healthy growth once mandatory insurance is implemented in the Northern Emirates.

Pure Health's Expansion in Hospitals and Other Related Services drives growth

Hospital and Other Related Services segment is the largest operational arm of the Company and contributed 59.1% of the Company's total revenue in 1H24. Pure Health recently completed the acquisition of Circle Health and Sheikh Shakhbout Medical City LLC (SSMC) in 1Q24. It also completed the acquisition of Abu Dhabi Stem Cells Center (ADSCC), Tamouh Healthcare LLC, and Yas Clinic Group on 1 January 2022, however, ADSCC and Yas Clinic Group were disposed of in Q2'24 and the impact of the disposal is immaterial. In addition, Pure Health acquired SEHA ((including AHS) on 01 October 2022 for a consideration of AED 4.6 Bn. The acquisition of SEHA marked a significant growth in the Hospital and Other Related Service segments’ operations since October 2022 as the revenue contribution rose from 45.3% in FY2022 to 48.7% in FY2023. Additionally, The Life Corner LLC was carved out from SEHA effective from 01 November 2022.

International and Domestic Expansion Solidifies Future Growth Avenues

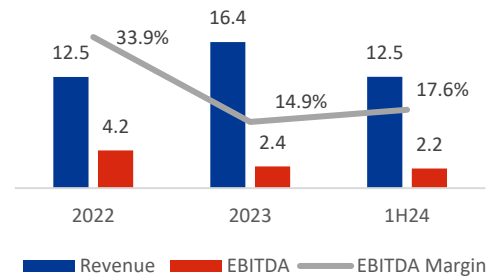
The Company plans to expand its healthcare platform as it acquired a significant minority stake in the USA’s Ardent Health Services and the UK’s Circle Health Group. Pure Health acquired Circle Health for a cash consideration of GBP 742 Mn. Circle Health immediately provided Pure Health access to over 50 Hospitals, 2,000 Beds, 8,500+ Employees, and 150 Operating Rooms in the UK. The Company anticipates Circle Group revenue to grow by the mid-teens in the medium term. The revenue for the domestic portfolio is expected to grow at a CAGR of high teens in the mid-term, excluding any new acquisitions. Pure Health further anticipates EBITDA margin to reach the early 20s for the entire company over the medium term. In addition, the overall maintenance and growth capex is anticipated to be less than 5% of revenue in FY2024 while over the mid-term, the total capex is expected to remain on an average below 2.5% of total revenue.

Initiating Coverage Sector: Healthcare

Analyst Name: Ahmad Banihani

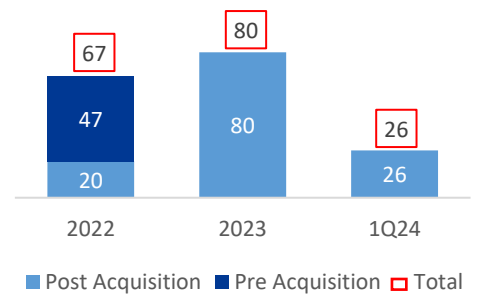
Rating	BUY
Current Market Price (AED)	3.76
Target Price (AED)	6.05
Upside/(Downside)	+61%
Market Cap (AED, Bn)	41.77

Pure Health's Revenue (AED, Bn)



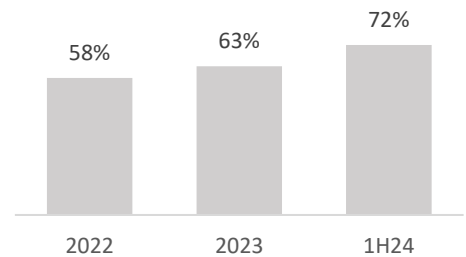
Source: Company Information

Non-Covid In-Patient Volumes (000')



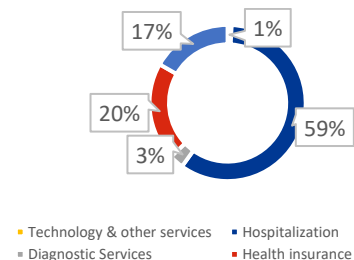
Source: Company Information

Bed Occupancy for Hospital Segment (%)



Source: Company Information

Breakdown of Revenue¹ by Segment 1H24



Source: Company Information, ¹Before adjustment & eliminations

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Introduction to Pure Health

Pure Health Emerges as the Largest Vertically Integrated Healthcare Provider in the UAE

Pure Health – Company Introduction

PureHealth is UAE’s largest vertically integrated healthcare group in the UAE region and expanded its footprint to the USA and UK

PureHealth is the UAE’s leading Healthcare group in Abu Dhabi which was established in 2006 with the majority ownership now held by the Abu Dhabi Sovereign Wealth Fund (ADQ). The Company is the largest provider of healthcare services and further extends its vertically integrated operation across various operational and digital domains, both locally and internationally. The Company’s cross category ecosystem includes hospitals, clinics, diagnostics, insurance, pharmacies, research, health tech, and procurement along with an international footprint in the United States and the United Kingdom. It operates a diverse portfolio (both locally and internationally) over 100+ hospitals, 300+ clinics, health insurance, and 143+ laboratories across its domestic and international portfolio of assets. The Company was publicly listed on the Abu Dhabi Securities Exchange in December 2023. Pure Health extends its services through five key segments and holds a portfolio of over 15 companies across the UAE with an international presence in the US and UK. Pure Health acquired a 26.05% stake in Ardent Health Services (‘Ardent’) in the US with 30 hospitals and more than 200 sites of care across six states. Ardent completed the initial public offering on the New York Stock Exchange on 18 July 2024. In addition, the Company also acquired 100% ownership in Circle Health Group (‘Circle’) in January 2024 in the UK and operates over 50 hospitals, 150 theaters and 8,000+ employees.

Pure Health exhibits a diverse ownership structure, with Q Health LLC (ADQ) holding the majority share at 40.5%, followed by Alpha Dhabi Holdings at 24.9%, the International Holding Company at 6.5%, AH Capital at 5.6%, and others at 22.5%. Notably, the government and related entities own the majority 65.4% of the shareholding, reflecting a strategic alignment with the UAE government initiatives. Pure Health exemplifies a proven track record in diverse operational performance by managing 100+ Hospitals, 300+ Clinics, and 143+ Labs with an overall 56K+ Employees in the region.

Pure Health generated revenues from five segments including Hospital and Other Related Services (59.1%), Health Insurance Services (20.3%), Procurement and Supply of Medical Related Products (16.8%), Diagnostic Services (3.0%), and Technology Services and Others (0.8%) before adjustments & eliminations as of 1H24.

Figure 01: Pure Health’s operational KPIs



Source: Company Information

Pure Health's Hospital segment recorded a significant revenue growth of 56.5% to AED 10.5 Bn (excluding adjustment & eliminations) and EBITDA of AED 1.8 Bn in FY2023

Pure Health is a comprehensive provider of diversified services across various five verticals

1) Hospital and Other Related Services (Hospitals)

Through this segment of the business, Pure Health provides Hospital and Other Related Services (Hospitals) offering a range of general healthcare-related operations, including hospitalization, clinical, isolation/quarantine, vaccinations, and other healthcare-related services. The segment holds a diversified portfolio of healthcare providers including,

Domestic:

- Abu Dhabi Health Services Company (SEHA),
- Sheikh Shakhbout Medical City (SSMC),
- Ambulatory Healthcare Services (AHS),
- The Medical Office ("TMO"),
- The Life Corner (TLC),
- Dawak
- National Rehabilitation Services (NRC), and
- Tamouh Healthcare

International:

- Ardent Health Services (Ardent), and
- Circle Health Group (Circle)

The segment accounted for the majority 59.1% of the total revenue as of 1H24. Pure Health's Hospital segment revenue rose 83.2% YOY to AED 9.6 Bn (before adjustments & eliminations) in 1H24 mainly driven by the strategic acquisitions of Circle Health and SSMC coupled with the addition of NRC and Fujairah Hospital to the TMO portfolio. On a like-for-like basis, revenue rose 10% YOY in 1H24 excluding the impact of acquisitions. The segment's EBITDA declined from AED 2,016 Mn in FY2022 to AED 1,678 Mn in FY2023 with an EBITDA margin of 15.9% owing to a decline in COVID volumes. While the segment's EBITDA rose from AED 1,452 Mn in 1H23 to AED 1,580 Mn in 1H24 due to the consolidation of SSMC and Circle Health, and transformative initiatives undertaken by PureHealth. In addition, Pure Health's operational efficiencies and strategic expansions played a crucial role in driving the positive top-line growth for this segment.

Meanwhile, the Hospital Segment experienced a rise in both non-covid outpatient and inpatient volume following the strategic acquisitions of SEHA. The non-covid outpatient volumes increased from 4.40 Mn where 1.28 Mn volumes were recorded post the strategic acquisitions in FY2022 to 4.84 Mn in FY2023. The inpatient volumes also grew from c. 67,000 (including c. 20,000 after the acquisitions) in FY2022 to c. 80,000 in FY2023. The non-covid ED (Emergency Department) volumes also increased from c. 456,000 (including c. 138,000 post acquisitions) in FY2022 to c. 502,000 in FY2023. Bed occupancy improved by 600 bps to c. 63% increase in FY2023. Moreover, the Company acquired a 100% stake in Sheikh Shakhbout Medical City (SSMC) in February 2024, the largest healthcare facility comprising a total of 732 beds in Abu Dhabi, over 500,000 patient interactions, 46 service lines within 12 clinical departments, over 450 physicians and 1,500 nurses. Out of a 100% stake in SSMC, 25% was acquired from Mayo Clinic for USD 150 Mn and the remaining 75% from ADQ without any consideration. Ardent Health Services, a hospital operator in the USA with 30 hospitals and

over 200 care sites was acquired in FY2023. It also acquired a 100% stake in Circle Health Group in January 2024. The strategic expansion in the Hospital Segment further aims to support the top-line growth in the future, whilst also providing a diversity of revenues and exchange of best-in-class health care research, technology and physicians across the wider network.

Figure 02: Outpatient Volumes (Mn)

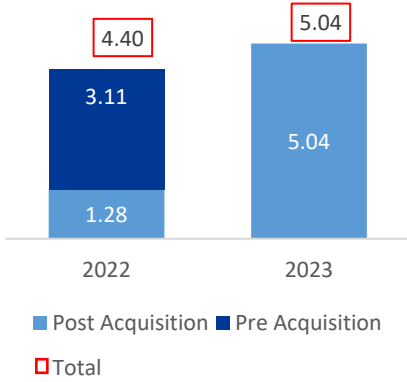


Figure 03: Inpatient Volume ('000)

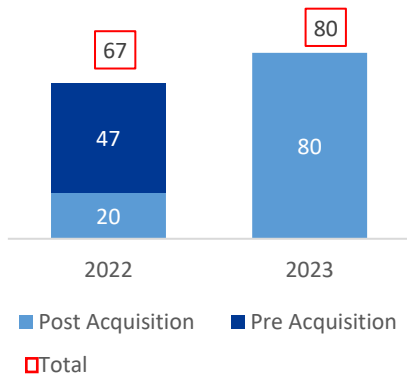
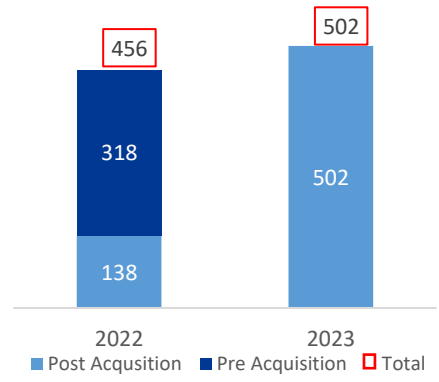


Figure 04: Emergence Department('000)



Source: Company Information

Pure Health took the ownership of SEHA in October 2022, the largest integrated healthcare service provider in the UAE

- Abu Dhabi Health Services Company (SEHA):** SEHA is one of the largest integrated healthcare service providers in the UAE and operates a total of 14 hospitals, 2,050 operating beds, and c. 10,000 employees. SEHA encompasses an extensive network of public hospitals, primary healthcare facilities, and ambulatory care clinics in the UAE. As the largest network of outpatient and inpatient facilities in the UAE, SEHA manages key hospitals such as Al Ain Hospital, Tawam Hospital, Corniche Hospital, Al Dhafra Hospital, and many more serving the healthcare needs of Abu Dhabi and UAE residents. Pure Health acquired complete ownership of SEHA in October 2022 marking a significant transition in the organization's operations. SEHA contributed a total of AED 1,866 Mn of revenue in FY2022, and if the acquisitions had occurred at the start of the year, SEHA would have amounted to AED 7,052 Mn in FY2022. SHEA's Outpatient (OP) volumes increased 17% YOY in 1H24, In-Patient (IP) rose 43.4% YOY, and ED volumes grew 42.8% YOY. SSMC contributed 31% and 27% towards IP and ED growth respectively during 1H24. In addition, the bed occupancy for the Hospitals segment also rose from 61% in 1H23 to 72% in 1H24. Surgeries in SEHA increased significantly from c. 16,700 in 1H23 to SEHA's c. 26,000 in 1H24 driven by increasing patient volumes in SSMC, SKMC, Tawam, and Corniche hospitals. SEHA's operations are diverse across three key segments including, patient healthcare services, funded mandate programs (including Activity Based Mandates and Non-Activity Based Mandates), and non-patient-related ancillary services.

Figure 05: ADSCC and YCG services

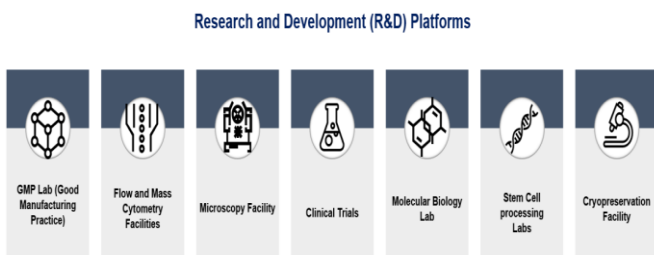


Figure 06: SEHA's largest network of OP/IP facilities in UAE



Source: Company Information

The Life Corner holds significant asset with over 60 pharmaceutical supply stores located across the UAE

Dawak is a digital pharmacy service that currently offers home delivery of pharmaceuticals and retail products to patients in Abu Dhabi and plans to expand its services to other Emirates

THC is a medical service provider and aims to broaden its scope across new business segments like Visa screening, GP clinics, Hospitals and New ventures

- **The Life Corner (TLC):** The Company acquired 100% ownership interest in TLC effective from October 2022. The Life Corner operates as an on-site pharmacy chain strategically positioned alongside SEHA facilities. By utilizing advanced technology solutions, TLC ensures to provide its patients and clientele with access to essential medicines and other retail products. TLC is dedicated to delivering top-notch care and is presently managing outpatient pharmacy outlets within SEHA hospitals in Abu Dhabi. In addition, TLC pharmacies located within SEHA hospitals specialize in the retail of both branded and generic prescription pharmaceuticals, as well as over-the-counter (OTC) products.
- **Dawak:** TLC introduced Dawak, a digital pharmacy service that currently offers home delivery of pharmaceuticals and retail products to patients in Abu Dhabi. We understand through our interaction with management that customers across the UAE place would soon be able to place orders for their medications through Dawak's digital platform. Dawak processed over 8,000 orders in 1Q24. The management intends to optimize the existing infrastructure by dispatching orders from the pharmacy outlets and warehouses utilized by TLC, aiming to improve turnaround times and elevate customer satisfaction.

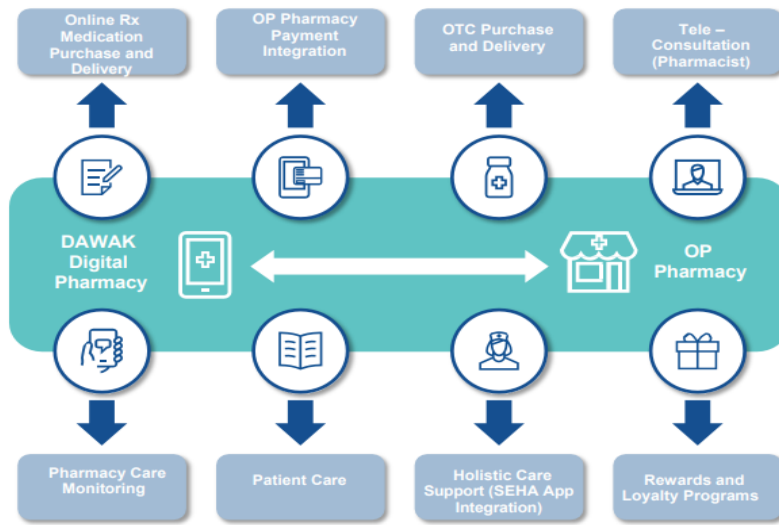
The combined workforce of TLC and Dawak consists of 474 employees. Meanwhile, The Life Corner holds significant assets with over 50 pharmaceutical supply stores located across the UAE.

- **Tamouh Healthcare:** Pure Health acquired a 100% equity interest in Tamouh Healthcare ("THC") a medical service provider in January 2022. THC is mainly responsible for fulfilling UAE Government mandates, such as providing COVID-19 testing services, administering vaccines, managing field hospitals, managing aid to refugees, and procuring medical supplies. Tamouh is actively engaged providing services to UAE Government under different mandates.
- **Hospitals:** Inpatient and outpatient medical care services at American Crescent and Musaffah hospitals.
- **New Ventures:** New revenue-generating contracts in support of healthcare-related government mandates.
- **The Medical Office (TMO),** oversees a network of specialized and general hospitals initiated by H.H. the President of the UAE. These encompass Sheikh Khalifa Hospitals located in the Northern Emirates and the National Rehabilitation Centre (NRC) in Abu Dhabi. In October 2020, Pure Health secured a 15-year renewable contract with the UAE Government to manage and provide services at Sheikh Khalifa Hospitals in the Northern Emirates. The contract allows for renewal and extension upon mutual agreement, however, based on discussion with the management of PureHealth we understand these contracts will extend given the quality of service being provided and the broader PureHealth ecosystem. For the management of hospitals covered under the contract, TMO, under a capitation model, receives a combination of fixed (annual service fee) and variable (revenue sharing) payments. TMO is tasked with overseeing the business operations of healthcare facilities and centers in the Northern Emirates (including SKMCA in Ajman, SKSH in RAK, SKGH in Umm Al Quwain, SKCH in Fujairah and NRC in Abu Dhabi). This responsibility includes various aspects such as medical operations, procurement, human resources, equipment maintenance, and supplies. Once mandatory insurance commences in the Northern Emirates, the incremental revenues from this line of business would be shared in a certain percentage between TMO and the MOPA/Government. The increased revenues and associated profitability from mandatory insurance are set to benefit TMO.

The Medical Office (TMO) overseas a network of specialized and general hospitals under the President of UAE

- TMO’s patient volumes declined from c. 507,000 in FY2022 to c. 482,000 in FY2023 with a bed occupancy rate of 55% in the same period. This decline was primarily due to the higher number of COVID-19 patients in FY2022, which was not the case in FY2023, leading to a decrease in patient count and occupancy. The Company employed c.2,700 employees as part of TMO and NRC. In late FY2023, TMO initiated the phased opening of the largest healthcare facility in Fujairah, featuring 249 beds, 55 outpatient clinics, 2 Endoscopy units, 2 Cath Labs, 2 Hyperbaric Oxygen Therapy (HBOT) Chambers, and 13 Radiology rooms, spanning over an 84,000 SQM built-up area. As operations at the new hospital gain momentum and the anticipated implementation of mandatory insurance in the northern emirate takes place, there is an expected boost in the segment's profitability going forward.

Figure 07: Dawak’s end-to-end digital offerings



Source: Company Information

Figure 08: TMO Patient Volumes (AED, 000)

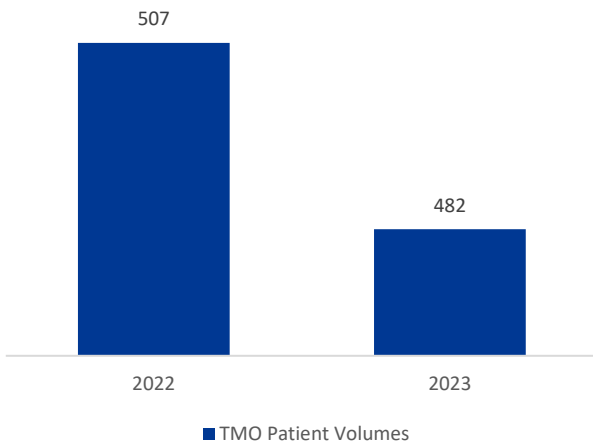
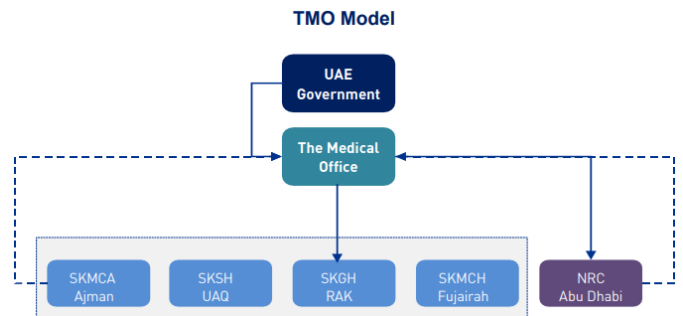


Figure 09: TMO model



Source: Company Information

Pure Health aims to focus on increasing its global footprint to benefit from growing demand for healthcare services

International Expansions: Pure Health focuses on increasing its global footprint and outreach by acquiring healthcare assets.

- **Ardent Health Services (Ardent):** Pure Health acquired a significant minority stake of 26.05% in Ardent Health Services (Ardent) for USD 500 Mn, the fourth largest privately held acute care hospital operator in the USA. Ardent boasts a network of 30 hospitals, over 1,400 aligned providers, and more than 200 care sites across six states. The organization operates with a workforce exceeding 23,000 employees, offering diverse services including acute care hospitals, rehabilitation facilities, a multi-specialty physician group and health plans, specialized centres, and retail pharmacies. Ardent completed the initial public offering on the New York Stock Exchange on 18 July 2024.
- **Circle Health Group (Circle):** Pure Health acquired a 100% equity interest in Circle Health Group for a consideration of GBP 742 Mn in January 2024 after obtaining necessary regulatory approvals. Circle Health Group is the UK's largest private national network and comprises over 50 hospitals, 2,000 beds (with 1,680 operating beds), 8,500 employees, and 150 operating rooms. The group offers more than 500 treatments across more than 60 specialties. Circle specializes in Orthopedics, Gynecology, General Surgery, Dermatology, ENT services, cardiology, Urology, and Ophthalmology, boosting the Company's diversity among various centers.
- **Sheikh Shakhbout Medical City (SSMC):** Pure Health also acquired a 100% shareholding in SSMC in February 2024. PureHealth acquired a 25% stake for a cash consideration of USD 150 Mn (AED 551 Mn) from Mayo Clinic and the remaining 75% from ADQ without paying any consideration (effectively acquiring USD 600 Mn worth of asset for USD 150 Mn). In addition to the inorganic growth, the expansion of the Hospital segment was driven by improvements in both pricing strategies and patient volumes.

Health insurance contributes 27.1% of the total revenue and recorded solid growth in top-line growth of 16% on an annualized basis to AED 5.9 Bn (excluding adjustments & eliminations) in FY2023

2) Health Insurance Services:

Established in 2005, Daman is the UAE's largest Health Insurance provider covering more than 2,000 hospitals and clinics. Pure Health acquired 100% ownership in Daman in October 2022. Daman offers comprehensive health insurance services to more than 3.0 Mn active members in the UAE. In addition to the health insurance offerings, Daman exclusively manages the government's health fund plan (THIQA). Additionally, through Daman, DOH offers a basic insurance plan in Abu Dhabi that targets blue-collar workers and low-income expats. Other government-mandated insurance programs include activity-based mandates ("ABM"), International Patient Care ("IPC") and other healthcare programs for various government and security authorities. It earns third-party administrator fees from providing these services. Daman recorded a solid revenue growth of 16% on an annualized basis in FY2023. Premium written from enhanced portfolio grew by 20% YOY from AED 3.1 Bn in 1H23 to AED 3.8 Bn in 1H24 through improved value proposition resulting in key accounts being retained at higher premiums. The total number of active members increased from 2.96 Mn in 1H23 to 3.09 Mn in 1H24. The segment contributed 20.3% of the total revenue in 1H24 demonstrating a significant EBITDA growth from AED 184 Mn in 1H23 to AED 330 Mn in 1H24 with an EBITDA margin of 10.0% in 1H24. Daman offers diverse services including -

- **Health Fund Management** and administrative services on behalf of the Government of Abu Dhabi. This includes:
 - **Management of the Thiqa program** which is a comprehensive healthcare initiative exclusively managed by Daman, provided by the Government of Abu Dhabi to UAE Nationals and individuals with similar status in other Emirates

- **Abu Dhabi Basic Plan** offers a subsidized standard policy for low-income expatriates based in Abu Dhabi. The plans target blue collared expats and offers essential services. Daman has exclusivity on these services and earns a fee for managing this plan.
- Daman operates as a third-party Administrator for both these services on an exclusive basis and earns an administrative fee.
- **Enhanced Portfolio** – Portfolio of medical insurance plans with varied benefits, geographical coverage and policy limits for individuals and groups. More recently, Daman is working towards obtaining a Property and Casualty license from UAE Central Bank which will include offering various insurance policies such as accident, fire, casualty, marine etc.

In FY2023, Thiqa and basic membership businesses experienced robust growth, rising 7.5% and 5.2%, respectively. Daman provides a range of private insurance products throughout the UAE, offering customizable health insurance plans from low to high-end, as well as top-up and medical travel plans. The company holds contracts with 2,000 healthcare providers for direct billing services across the UAE. With approximately 1,104 employees, Daman actively implements measures to manage claims which are further anticipated to deliver positive results in FY2024.

Figure 10: Health Insurance Services Revenue¹ (AED, Mn)

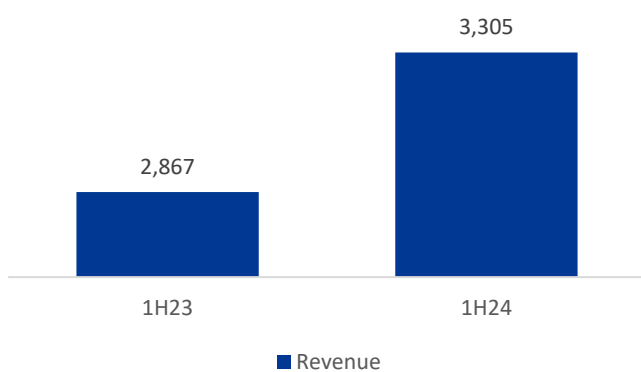
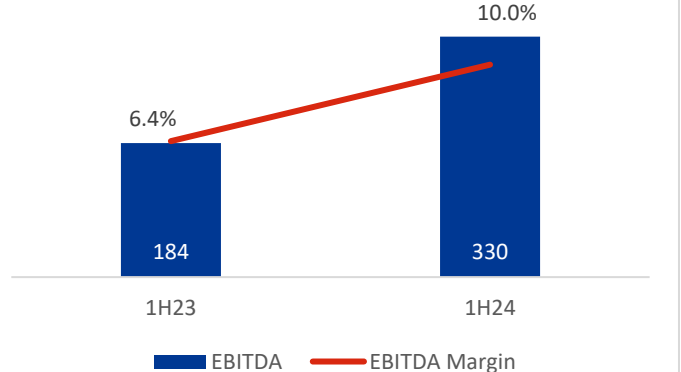


Figure 11: Health Insurance Services EBITDA (AED, Mn)



Source: Company Information, ¹ Excluding adjustments & eliminations

The Diagnostic Services are supported by the largest team of professionals in the UAE with over 50 pathologists and 1,200 skilled technologists

3) Diagnostic Services:

The Diagnostic division operates and manages a network of over 143 ISO-accredited lab across UAE for government authorities. It manages over 143 laboratories throughout the UAE, with c. 1,298 employees, and owns the capacity to perform over 68 Mn tests annually. The Company holds 50 accreditations, with numerous laboratories being ISO, CAP, and AABB-accredited (particularly in the area of blood transfusion services). Additionally, Pure Lab played a crucial role in COVID-19 screening and took the lead in establishing the largest COVID-19 National Screening Program in the UAE. Pure Lab offers a variety of tests and diagnostics which include the following:

- Lab Management services
- Newborn screening
- COVID-19 services
- Preventive medicine
- Residency and

- Visa Screening laboratories

The Diagnostic Services is supported by the largest team of professionals in the UAE, which includes over 50 highly qualified pathologists, 1,200 skilled technologists, and highly specialized esoteric tests. The non-Covid Laboratory volumes rose from 24.2 Mn in FY2022 to 26.5 Mn in FY2023. In addition, the non-covid volumes rose 12% YOY in 1H24 mainly due to incremental footfall through evening and weekend clinics operated by SEHA, post-acquisition by Pure Health coupled with the addition of SSMC. The revenue before adjustments & eliminations declined from AED 3,950 Mn in FY2022 to AED 1,043 Mn in FY2023 mainly due to the decrease in Covid-related testing. In addition, the segment also witnessed a 9.3% decline in revenue from AED 538 Mn in 1H23 to AED 488 Mn in 1H24 due to a decline in COVID volumes. The segment’s EBITDA also declined 82.0% to AED 397 Mn in FY2023 with an EBITDA margin of 38.1% mainly due to a decline in the top-line growth owing to a decline in COVID-related testing. EBITDA in 1H24 declined 27.1% YOY to AED 166 Mn in 1H24 while margins remained declined from 42.3% in 1H23 to 34.0% in 1H24 owing to a decline in COVID revenue. As a result of the decline in COVID-related revenue, net profit also fell from AED 1,867 Mn in FY2022 to AED 149 Mn in FY2023. The business witnessed 9x growth in profitability in FY2023 excluding the COVID-related tests owing to growth in non-Covid test volume on account of the introduction of new comprehensive tests coupled with an increase in overall operational efficiency.

Pure Lab has three primary contracts from the existing business line which are –

- **Outsourced Laboratories Service Contract:** Pure Lab manages government laboratories in the Northern Emirates under a Ministry of Health and Prevention (“MOHAP”) contract. The management expects implementation of mandatory insurance is expected to drive revenue and profitability growth from the lab operations in the Northern Emirates. Similar to the operations of TMO, the current contract with MOHAP is for a fixed amount, however, post the implementation of mandatory insurance in the Northern Emirates, PureLab in addition to the current fixed fee, also entitled to earn variable fee which will be shared terms with MOHAP.
- **Internal contract with SEHA hospitals:** Pure Lab serves 14 SEHA hospitals and over 50 clinics in Abu Dhabi.
- **Internal contract with TMO hospitals:** Pure Lab also caters to the TMO hospitals in the northern emirates, which include SKMCA in Ajman, SKSH in RAK, SKGH in Umm Al Quwain, and SKCH in Fujairah.

Figure 12: Non-Covid Laboratory Volumes (AED, Mn)

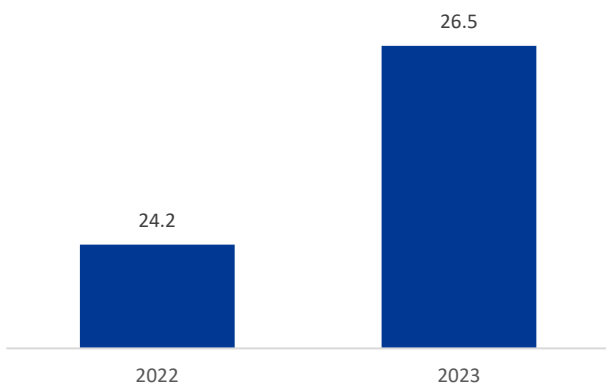
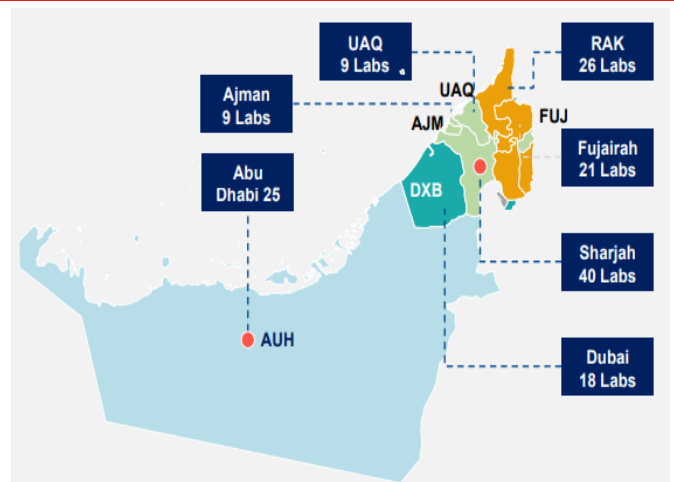


Figure 13: Diagnostic Services in diverse locations



Source: Company Information

Procurement and supply of medical-related products recorded a growth in revenue (excluding adjustments & eliminations) from AED 2,846 Mn in FY2022 to AED 4,099 Mn in FY2023

Pure Health holds complete ownership of Rafed and One Health subsidiaries

4) Procurement and Supply of Medical Related Products:

The Procurement and supply of medical products segment consists of Rafed (UAE’s first healthcare-focused Group Purchasing Organization) and One Health (distributor of leading medical diagnostic brands and largest provider of biomedical services). This segment recorded a rise in revenue (excluding adjustments & eliminations) from AED 2,006 Mn in 1H23 to AED 2,727 Mn in 1H24. The segment’s EBITDA rose from AED 105 Mn in 1H23 to AED 149 Mn in 1H24 with an EBITDA margin of 5.5%. Rafed is the first Group Purchasing Organization (GPO) in the UAE and serves as the preferred supplier for the Abu Dhabi Government. Rafed is specialized in healthcare procurement, including supplier sourcing, contract management, procurement ordering services, warehousing, and distribution, with a workforce of 304 employees. Rafed caters to the needs of hospitals, laboratories, and pharmacies, through diversified revenue streams.

Pure Health holds full ownership of One Health, an authorized distributor for leading brands in the medical and diagnostic devices business. One Health partners with innovators in critical care, patient care, radiology and oncology, laboratory diagnostics, renal, surgical, consumables, and clinical and healthcare IT solutions devices. One Health has a workforce of 314 employees and provides services in In-vitro diagnostics, Life sciences, Medical Devices, Services and Applications, and Turnkey solutions. One Health supports an extensive network of healthcare providers, which encompasses SEHA and Sheikh Khalifa hospitals. Through collaborations with entities like Pure Lab, it contributes to federal initiatives like the Emirati Genome Program by providing necessary equipment and reagents. The Company is set to venture into pharmaceutical trading and the software & AI segments as part of its expansion goals.

Figure 14: Procurement & Supply of Medical-Related Products Revenue Contribution ¹ (AED, Mn)

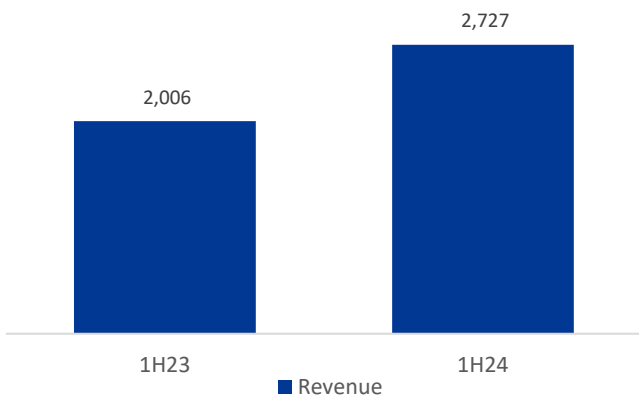
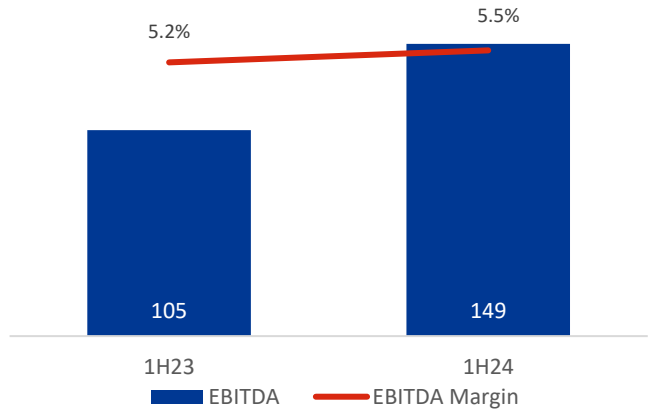


Figure 15: Procurement & Supply of Medical Related Products EBITDA (AED, Mn) and Margins (%)



Source: Company Information, Note: ¹Excluding eliminations

Pure Health acquired PureCS, an IT solution provider in 4Q23

5) Technology Services and Other Segments:

Pure Health acquired PureCS, an IT solutions provider in 4Q23 and recorded a top-line of AED 76 Mn in FY2023. Moreover, the segment recorded revenue of AED 136 Mn in 1H24 while EBITDA stood at AED 25 Mn. PureCS provides a range of services, including IT management and consulting, end-to-end IT services and supplies, cloud services, AI-based information systems, and cybersecurity, with a workforce comprising 278 employees. Furthermore, PureCS also established strategic partnerships with the UAE government to deliver advanced cargo information systems and passenger information systems to UAE authorities. In addition, PureCS has been instrumental in developing strategic initiatives for the Company, including providing cyber security services, establishing UAE’s National Unified Medical Records and developing the technology to support the various software that powers PureLabs, Hospitals, Dawak etc.

Investment Highlights

Pure Health is the Largest Vertically Integrated Healthcare Group in UAE

Pure Health's network of 100+ Hospitals, 300+ Clinics, 147+ Labs, 56K+ Employees, and 50+ Mn claims processed and 3+ Mn insured members created a customer-centric approach across its integrated segments

Vertically integration of healthcare services provides growth visibility

Pure Health is the UAE's largest vertically integrated healthcare network with a cross-category ecosystem covering hospitals, clinics, diagnostics, insurance, pharmacies, research, health tech, procurement along with an international footprint in the United States and the United Kingdom. The Company is backed by the Government of Abu Dhabi and key entities including Abu Dhabi Holding (ADQ), Alpha Dhabi Holding PJSC, and International Holding PJSC. Pure Health also has a significant global footprint with operations spread across the USA and the UK. Pure Health benefits from a comprehensive range of services across the healthcare value chain that is beneficial to its customers and at the same time makes its operations highly efficient. Pure Health manages a global network of 100+ hospitals, 300+ clinics, 143+ labs, 56K+ employees, has processed 50+ Mn claims, and has 3+ Mn insured members as of FY2023. Pure Health's comprehensive range of healthcare verticals makes it a one-of-a-kind entity in the healthcare sector, excelling in UAE and extending its reach globally through various acquisitions. The Company strategically expanded its operations by acquiring entities such as SEHA, Daman, Union71, Rafed, The Life Corner, and SSMC in the UAE, enabling it to capture growth across multiple segments.

Pure Health operates as a holding company for its subsidiaries covering five business verticals, and some of its prominent UAE subsidiaries include SEHA, SSMC, Daman, Ambulatory Healthcare Services, Pure Lab, One Health, Rafed, One Health, The Life Corner Pharmacy and Tamouh Healthcare. The Company's vertical integration among SEHA's extensive network of hospitals, primary healthcare facilities, and ambulatory care clinics coupled with TLC's on-site pharmacy chain located in the SEHA facilities to provide an optimal environment to the patients under one umbrella. The integration thus supports the Company in growing operational profitability and increasing revenue visibility across its segments. In addition, the Laboratory Management services offer operational support to both public and private healthcare markets, thereby enhancing the Company's access to a larger patient base and broadening the patient volume growth. Moreover, Pure Health's 100% acquisition of Circle Health Group in January 2024 provides immediate access to the UK's largest private hospital network, comprising over 50+ hospitals, 2,000 beds, and 8,500 dedicated employees. In addition, the acquisition of SSMC, UAE's largest tertiary care hospital, added 732 beds to Pure Health's capacity in 1Q24, which will further support the Company's bottom line. The acquisition thus expands the Company's reach and provides a wider range of high-quality medical services to its patients in the UK, contributing to the Company's top line and bottom line.

Figure 16: PureHealth’s portfolio across various segments



Source: Company Information

Rising Disposable Income with Unhealthy Lifestyle to Aid Healthcare Sector in UAE

Increase in Government Allocation Supplements Healthcare Infrastructure

The Ministry of Finance approved with a total of AED 64.06 Bn for public spending out of which 8.0% is dedicated to healthcare in the federal budget of FY2024

Healthcare is among the priority sectors in the UAE’s Vision 2040 plan and hence it remains among the top 4-5 sectors in government budgeted spending allocation. The healthcare sector in UAE is regulated at both the Federal and Emirate levels. Public healthcare services are administered by different regulatory authorities, including the Ministry of Health and Prevention (MOHAP), the Health Authority-Abu Dhabi (HAAD), the Dubai Health Authority (DHA), the Department of Health – Abu Dhabi (DOH) and the Emirates Health Authority (EHA).

According to the Ministry of Finance, a total of AED 63.06 Bn was approved for public spending, of which 7.6% is dedicated to healthcare in the FY2023 federal budget. In addition, the FY2024 federal budget amounts to AED 64.06 Bn, and the healthcare sector accounts for 8.0% of the public spending. Thus, the UAE government’s overall objective with these efforts is to build a strong healthcare market offering the highest medical care standard for its residents and expatriates. Thus, due to the growing government spending, Pure Health’s demand for the various services will result in higher revenue visibility in the coming years.

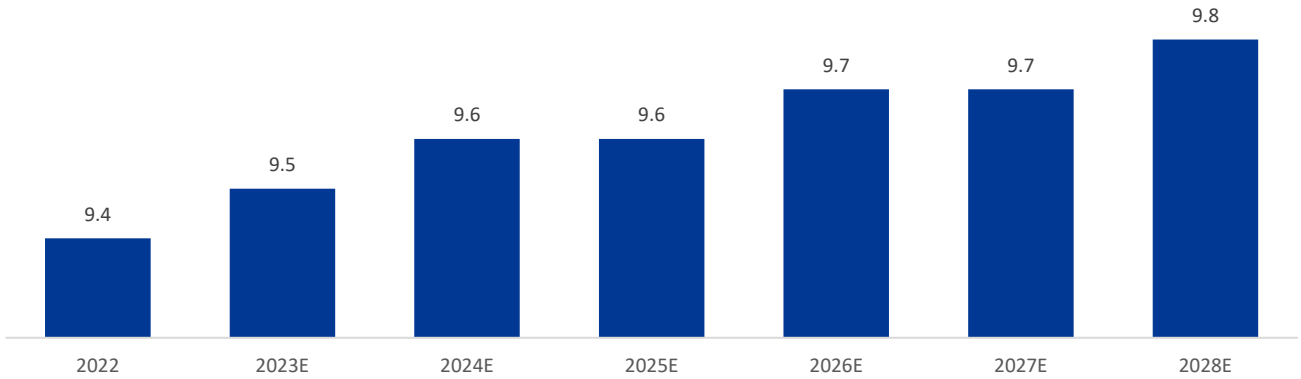
Key demand drivers for the healthcare sector in the UAE

Demographic changes:

According to the UN, the UAE’s total population is expected to grow from 9.5 Mn in FY2023 to 9.7 Mn in FY2027 and 11.1 Mn in 2030

According to the UN, the UAE’s total population is expected to grow from 9.5 Mn in FY2023 to 9.7 Mn in FY2027 and 11.1 Mn in FY2030. The proportion of the population below aged between 19 to 40 years fell slightly from 5.2 Mn in 2021 to 5.1 Mn in 2022. By 2026, the population aged between 19-40 years is expected to account for 52% of the population. Urbanization and the adoption of unhealthy dietary habits are likely to influence high diabetes and obesity prevalence, especially among those aged between 19-40 years. Apart from expanding the UAE’s population is also aging progressively. On the other hand, the proportion of the population aged 60 is expected to grow 20% by FY2050.

Figure 17: Total population growth (AED, Mn)



Source: United Nations

UAE’s per capita disposable income rose from AED 65.5k in FY2021 to AED 70.2k in FY2022. The disposable income per capita is expected to grow to AED 81.3k by FY2026

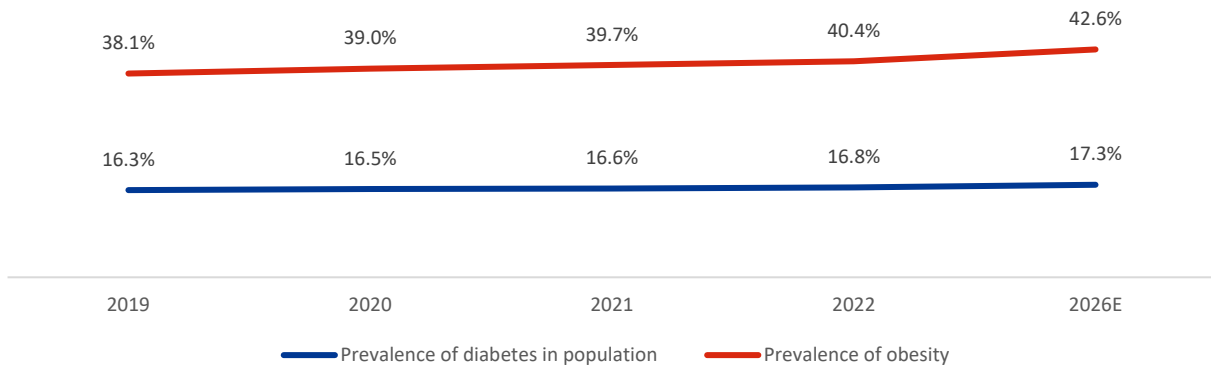
Rising income levels with unhealthy lifestyle:

UAE’s per capita disposable income increased gradually over the years due to rising employment opportunities. UAE’s disposable income per capita rose from AED 65.5k in FY2021 to AED 70.2k in FY2022. The disposable income per capita is expected to grow to AED 81.3k by FY2026. Due to healthy economic conditions in the UAE, the unemployment rate declined from 5.0% in FY2020 to 3.0% in FY2022. The unemployment rate is further expected to decrease to 2.5% by FY2026. The per capita consumer expenditure on health goods & medical services marginally rose from AED 2,203 in FY2021 to AED 2,325 in FY2022. The per capita consumer expenditure on health goods & medical services is expected to grow to AED 2,728 in FY2026. UAE is strengthening its healthcare infrastructure by leveraging information technology to expand telemedicine and digital medicine. Thus, the economic and technological advancements have enhanced households' earning and spending capacity, and also adversely impacted personal well-being. Preference for sophisticated and comfortable living with little physical activity, sedentary work practices, job-related stress, and unhealthy eating habits have led to a significant increase in lifestyle-related diseases like obesity, diabetes, heart stroke, etc. In addition to higher rates of obesity and the prevalence of diabetes among the general population, the ageing of the population is a major factor driving increased consumer spend on health care. The prevalence of diabetes in the population is expected to grow from 16.8% in FY2022 to 17.3% in FY2026. However, the prevalence of obesity rose to 40.4% in FY2022 from 39.7% in FY2021. The prevalence of obesity in the UAE is expected to grow to 42.6% by FY2026.

The prevalence of diabetes in the population is expected to grow from 16.8% in FY2022 to 17.3% in FY2026

Thus, the healthcare sector in the UAE is primarily driven by the growing economy, use of high-end technology, increasing per capita consumer expenditure, growing government spending and implementation of comprehensive medical insurance in key Emirates. In addition, the Ministry of Health continues to modernize hospitals in the country, thus increasing the number of total hospitals, healthcare centers, and clinics. The UAE boasts a total of 166 hospitals with 18,363 beds and 5,301 clinics and healthcare centers in FY2021. Thus, due to increased demand for healthcare goods and services, the needs of the ageing population, coupled with the rise in per capita consumer expenditure on health goods and medical services will benefit Pure Health to increase its profitability and revenue visibility in the upcoming years.

Figure 18: Lifestyle changes are likely to lead to increased cases of certain health disorders



Source: Jamjoom Pharma Prospectus

Mandatory Healthcare Insurance in Northern Emirates Enhances Growth Avenues

Northern Emirates Plan to Implement Mandatory Health Insurance from January 2025

Pure Health expects the new government regulations of Mandatory Health Insurance across the northern Emirates to be implemented in the next few year

The healthcare industry in UAE is undergoing a phase of growth and transformation as healthcare reforms aim to meet the increasing demands for healthcare services. Health insurance is mandatory only in Dubai and Abu Dhabi and is regulated by the Dubai Health Authority (“DHA”) and the Department of Health, Abu Dhabi (“DoH”) respectively. However, the new reform would require employers in other emirates namely Sharjah, Ras Al Khaimah, Umm Al Quwain, Ajman, and Fujairah to necessarily obtain health insurance coverage for their employees. The new government regulations of mandatory insurance schemes across the northern emirates will be effective soon, and the UAE cabinet authorized the Ministry of Human Resources and Emiratization (“MoHRE”) to adhere to the new obligation. Under the new terms, employers specifically who employ private-sector employees and domestic workers are responsible for providing health insurance coverage for their workers when issuing or renewing visas. According to the UN, the UAE’s total population is expected to grow from 9.5 Mn in FY2023 to 9.8 Mn in FY2027 and 11.1 Mn in FY2030. Thus, the region’s rising population, coupled with the implementation of mandatory health insurance is expected to drive strong growth in the health insurance market.

Pure Health’s Hospital, Diagnostic Services, and Health Insurance Segment are projected to witness healthy growth once mandatory insurance is implemented in the Northern Emirates. Mandatory Insurance (MI) will lead to a change in the patient mix, as the Company will experience an increase in the number of insured populations thus, driving the potential patient volume growth within the integrated segments. Implementation of Mandatory Health Insurance schemes will help the customers to reduce the out-of-pocket expenditure on medical services. At the same time, health insurance coverage will likely boost overall healthcare spending, thus improving Pure Health’s profitability and margins among the different segments over the medium term in the upcoming years.

Government’s health insurance coverage to boost the Company’s profitability and margins across various segments

Pure Health’s strategic acquisition of National Health Insurance Company PJSC (“Daman”) in 2022, the UAE’s largest Health Insurance provider, will benefit the Company through exclusive government contracts to manage Abu Dhabi’s health fund, and basic insurance program for low-income workers. In addition, the Company’s Hospital segment will further benefit from the rise in patient volume growth leading to an increase in the volume of tests performed by the Laboratory Management Services segment. This will further boost the Company’s top-line and bottom-line.

Pure Health’s International Expansions Support Growth

Pure Health expands its presence in the USA by acquiring a minority stake in Ardent Health Services in May 2023

Pure Health expands its footprint through the acquisition of a significant minority stake in Ardent Health Services in the US

Pure Health plans to expand its healthcare platform further by strategically acquiring companies in local and international markets across its business. The Company recently announced the successful completion of its acquisitions of the two largest healthcare platforms across the USA and UK.

Ardent Health Services - Pure Health along with its subsidiaries, acquired a significant minority stake in Ardent Health Services for AED 1.8 Bn in May 2023. Ardent is positioned as the fourth largest privately owned acute care hospital operator in the USA offering an array of healthcare services such as acute care, behavioral health, and ambulatory care. Ardent network spans over 30 hospitals, and more than 200 care sites, and collaborates with over 1,400 providers. Ardent offers diverse healthcare services like-




- **Acute Care Hospitals:** Offering emergency, surgical, imaging, and specialized services, including long-term acute care units and heart hospitals.
- **Rehabilitation Facilities:** the rehabilitation centers provide physical, occupational, and speech therapy to facilitate patients' recovery
- **Physician Groups and Health plans:** Ardent partners with various physician groups and delivers comprehensive health plans to improve patient care and cost-effectiveness
- **Specialized Centers:** Providing specialized services such as cardiac care, orthopedics, and operating cancer centers for cancer patients.
- **Retail Pharmacies:** Ardent operates retail pharmacies and supplying prescription medications and healthcare products.

Thus, through Ardent’s diverse healthcare services, Pure Health will be able to integrate the best-in-class healthcare procedures and research ensuring premier levels of care in the UAE.

Ardent completed the initial public offering on the New York Stock Exchange on 18 July 2024. Ardent concluded the offering of 12 Mn shares at the IPO price of USD 16 per share Pure Health’s stake in Ardent Health Services will dilute to approximately 21.5% post IPO however the Company’s investment value will boost from USD 500 Mn to USD 545 Mn considering the closing price as of 01 August 2024.

Figure 19: Ardent Health Services Operational Metrics

Ardent Health Services- Metrics

		
30 Hospitals	200+ Sites of Care	23,000+ Employees

Source: Company Information







Pure Health expanding its international markets by acquiring Circle Health Group in 2024

Circle’s 500+ different treatments across more than 60 specialties boost Pure Health’s patient base and expand its reach in the UK

After completing Ardent Health Services transaction in 2023, the Company announced a second international acquisition of Circle Health Group (Circle Health) in August 2023. Pure Health acquired 100% ownership in Circle Health the UK’s largest independent hospital operator in January 2024. The acquisition was completed for a cash consideration of GBP 742 Mn. Circle Health immediately provided Pure Health access to over 50 Hospitals, 2,000 Beds (with 1,680 operating beds), 8,200+ Employees, and 150 Operating Rooms. Circle Health offers various healthcare services, including acute care, elective surgery, diagnostics, spinal, orthopedic, neuro, cardiac, and cancer care. Thus, with 500+ different treatments across more than 60 specialities, Pure Health taps into the significant patient base. Circle Health records over 2 Mn annual patient visits and generates c. GBP 1.0 Bn in revenue annually. Circle Health provides general and specialized medical services to many patients, including privately insured, self-pay and National Health Services (NHS) funded patients at its facilities. Pure Health expects Circle Health to be an important addition to its portfolio, expected to add significant value and solidify its presence in the attractive UK healthcare market. The management of Pure Health expects Circle Health top-line to record healthy growth in the medium term on account of growth in self-paying and private medical insurance patients driven by the significant increase in NHS waitlists. The shift in the mix from NHS towards private pay will also increase the average revenue per case. The acquisition is also expected to help Pure Health in the valuable exchange of knowledge and information between the two companies. The Company will also be able to adopt the established practices and clinical care of Circle Health, which will enhance the delivery of services to the network of hospitals run in UAE.

Figure 20: Circle Health Services Operational Performance Metrics

Circle Health - UK Metrics

					
52 Hospitals	60 Specialities	6,500 Consultants	8,200+ Employees	150 Theatres (Operating Rooms)	2 M+ Visits

Source: Company Information

Pure Health's Expansion in Hospital and Other Related Services Drives Growth

Pure Health's full ownership of SEHA resulted in substantial expansion within the Company's Hospital segment encompassing a total of 14 hospitals, 2,050 beds, and c. 10,000 employees

Pure Health benefits from SEHA's ownership due to its extensive network and robust services in the Hospital Segment

Hospital and Other Related Services segment is the largest operational arm for the Company which contributed a majority of 59.1% of the Company's total revenue in 1H24. Pure Health completed the acquisition of Abu Dhabi Stem Cells Center (ADSCC), Tamouh Healthcare LLC and Yas Clinic Group On 1 January 2022. After that, it completed the acquisition of SEHA and The Life Corner LLC on 01 October 2022 for a consideration of AED 4.6 Bn. Pure Health disposed of ADSCC and Yas Clinic in 2Q24. The acquisition of SEHA marked a significant growth in the Hospital and Other Related Service segments' operations since October 2022 as the revenue contribution rose from 45.3% in FY2022 to 48.7% in FY2023. Thus, Pure Health benefits from SEHA's ownership due to the wide-ranging network and expanded services that it offers. SEHA's operations are diversified among three key segments: patient healthcare services, funded mandate programs (including Activity-Based Mandates and Non-Activity-Based Mandates), and non-patient-related ancillary services. SEHA operates a total of 14 hospitals with 2,050 operating beds, c. 10,000 employees, 63% of occupancy rate in FY2023 (later rose to 72% in 1H24 including SSMC), and it further encompasses an extensive network of public hospitals, primary healthcare facilities, and ambulatory care clinics in the UAE. UAE boasts a total of 166 hospitals with 18,363 beds and 5,301 clinics in FY2021. This extensive SEHA network provides Pure Health with a platform to expand its presence and reach in the healthcare sector.

In addition, the inauguration of Sheikh Tahnoon Bin Mohammed Medical City (STMC) a multispecialty facility in Al Ain (Abu Dhabi) encompasses 867 beds (including 149 Rehabilitation beds) and enables Pure Health to expand into various other tertiary care specialties such as Cardiology, Neurosciences, Surgical Oncology services, Orthopedics, Interventional Radiology, Nephrology, and Bariatrics. STMC gains access to SEHA's resources, expertise, and specialty services. STMC's specialties include Bariatrics, Neurosciences, Robotics, Rehabilitation, and Cardiac Surgery which help the Company expand its Patient Volume through a wider range of service offerings. Pure Health's integration with multiple facilities boosts its Hospital segment's expansion and financial visibility. It's worth mentioning, that Pure Health acquired STMC on a 'turn key' basis from the UAE Government and no capex has been deployed towards that facility.

Pure Health's inauguration of Sheikh Tahnoon Bin Mohammed Medical City (STMC) facility increases the demand for healthcare services, which is further expected to boost the top-line

Pure Health's largest healthcare facilities like STMC and Al Tawam in Al Ain play a crucial role in providing both general and specialized services in the region by enhancing the Company's operational performance. It also reactivated and expanded its clinical services at Al Rahba and Al Ain hospitals, resulting in increased patient volume. In addition, PureHealth has increased the number of LTC beds within SEHA to meet the rising demand of patients. The expansion of LTC services resulted in the allocation of more than 200 beds in FY2023. The Hospital segment also launched Disease Prevention and Screening centers in Strategic locations across Abu Dhabi and Al Ain region, thereby increasing the visa screening capacity. As a result, visits for IFHAS Screening (a comprehensive health screening program in AuH) grew by 58% YOY, leading to higher revenue growth for the company. Thus, the growing demand for healthcare services further boosted other segments of the Company, such as Pharmacy, Laboratories, and diagnostics, leading to increased profitability growth across verticals.

Figure 21: SEHA's Major Hospitals and its Operational Performance

Assets	Key Statistics		Overview
	Operational Beds ¹	Headcounts	
<i>Al Ain Hospital</i>	261	683	Al Ain Hospital is a new multi-specialty hospital in Al Ain with over licensed 400 beds, managed and operated by SEHA
<i>Tawam Hospital</i>	540	3,214	This center offers services in specialties including oncology, neonatal care, emergency medicine, intensive care, surgery, urology, amongst others
<i>Corniche Hospital</i>	170	822	Corniche stands as the UAE's leading tertiary Women & Newborn hospital
<i>Al Dhafra Hospital</i>	229	1,373	The facility provides medical services in 16 different specialties, catering to both inpatients and outpatients
<i>SEHA Kidney Care (SKC)</i>		345	This center offers medical services to patients suffering from chronic kidney diseases and is the exclusive provider of kidney care under the ABM program
<i>Sheikh Khaifa Medical City</i>	431	2,648	SKMC specializes in cardiac and pediatric services
<i>Salma Rehabilitation Hospital</i>	333	875	It is a leading Long-Term Care private hospital in the UAE
<i>Al Rahba Hospital</i>	70	590	It offers healthcare services in fields such as Anesthesiology, Dentistry, Family Medicine, Dermatology, Emergency Medicine and more

Source: Company Information, 1 As of 30 June 2024

Pure Health Strengthens its Hospitals Segment through SSMC acquisition

Pure Health acquired 100% equity stake in Sheikh Shakhbout Medical City (SSMC) through its wholly-owned subsidiary, SEHA at a valuation of c. USD 600 Mn

Amid strategic global expansion across the US and UK, Pure Health solidifies its growth domestically by acquiring a 100% equity stake in Sheikh Shakhbout Medical City (SSMC). It acquired a 25% stake from Mayo Clinic at the valuation of USD 150 Mn and the remaining 75% stake from ADQ without paying any consideration. It acquired a stake in SSMC through its wholly-owned subsidiary SEHA in 1Q24. As a result, the effective purchase consideration stood at USD 150 Mn for the asset worth USD 600 Mn. SSMC is one of the largest healthcare facilities in the UAE, and it is spread across 312,000 SQM, with an overall 732 beds. It provides over 500,000 patient interactions across 46 service lines within 12 clinical departments. In addition, SSMC consists of over 450 physicians and 1,500 nurses thereby boosting Pure Health's Hospital and Other Related Segment's operational performance. SSMC strengthens Pure Health's position in the healthcare segment, leading to expansion of its presence and growth within the domestic market. Moreover, SSMC's integration and its expansive facilities and skilled workforce enhance Pure Health's capacity to deliver high-quality healthcare services to a wider patient base. Furthermore, by leveraging SSMC's specialties and SEHA's network, Pure Health aims to offer a more comprehensive range of healthcare services across the UAE. SSMC's diversification across multiple healthcare verticals within the Hospital segment enhances Pure Health's profitability by providing future growth avenues.

Before Pure Health's acquisition, SSMC recorded robust revenue of AED 2.15 Bn with an EBITDA of AED 111.9 Mn and a net profit of AED 14.7 Mn in FY2023 thus contributing positively to the Company's financial performance. It is worth highlighting that the FY2023 financials for SSMC do not include the impact of any synergies which will be extracted by the wider Group including the provision of GPO services, consolidating the lab tests etc. The consolidation of the financial results between SEHA and SSMC started in 1Q24, further solidifying Pure Health's financial strength and potential. Pure Health and SSMC are actively upgrading their facilities, equipment, and information technology systems to improve the patient experience and enhance clinical capabilities. Thus, SSMC's expertise and financial performance significantly elevate Pure Health's prominent position in the healthcare segment.

Pure Health's increasing Market Presence solidifies its Mid-term Growth Avenues

Pure Health's extended mid-term growth strategies across its integrated sectors contribute to the overall revenue growth and cost efficiency

The implementation of the mandatory insurance policy will benefit Hospital Services, and Diagnostic services due to a rise in the number of insured individuals

Pure Health's Revenue Visibility Across Its Integrated Segments

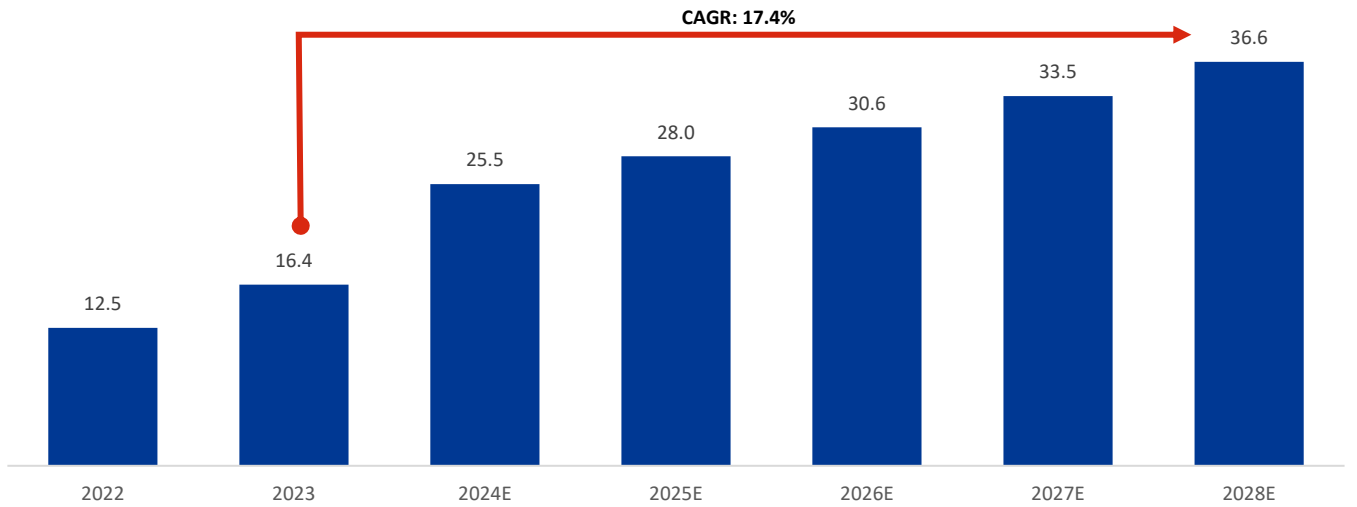
As part of its strategic growth plans, Pure Health outlined a comprehensive study to expand its operations and market presence in the upcoming period. Upon the successful completion of the two landmark acquisitions namely Circle Health Group (Circle) and Sheikh Shakhbout Medical City (SSMC), Pure Health strategically expanded its presence in regional and international markets and further strengthened its market position. The Company is focusing on diversifying growth plans across its vertically integrated segments, aiming to penetrate new markets and improve its service offerings across international and domestic portfolios:

- **International Portfolio** is growing mainly due to the acquisition of Circle Health Services in 1Q24. The management expects the top line of Circle Health to grow in the mid-teens primarily driven by an increase in the acuity mix as the subsidiary looks to focus more on private paying patients followed by those with private medical insurance. In the UK, the waitlist of NHS patients continues to grow, leading to more patients opting for self-funded care and insurance coverage. In addition, the average revenue per case is expected to increase as a result of price growth and a change in acuity mix.
- **Domestic portfolio** revenue is expected to achieve a CAGR growth in the high teens over the mid-term period mainly due to the strong anticipated growth in the Company's integrated segments and new assets, including SSMD, STMC along with an upside in revenues from mandatory insurance. Pure Health expects its various segments in the mid-term to grow as follows:

The **Hospital and Other Related Segment** (Hospitals) anticipates robust growth primarily due to the full operationalization of STMC and diversified service offerings, which will enable the Company to serve a broader range of patient volumes across inpatient and outpatient services. The segment continuously aims to improve the patient experience to attract and retain patients and introduce additional services in new business areas that will augment the top line going forward. It also plans to realize synergies from the new acquisition (i.e. Circle and SSMD) which will contribute in terms of revenue and resource optimization. The Company plans to increase its capacity and geographical reach by optimizing the Sheikh Khalifa Hospital in Fujairah. In addition, the implementation of Mandatory Insurance is expected to further increase the number of insured individuals, thereby driving potential growth in patient volumes and consequently increasing the top-line growth for the segment. The expanded growth plans contribute to the company's higher segmental revenue and profitability. The **Health Insurance Services Segment** is expected to achieve single-digit growth in the Gross Written Premiums (GWP) over the mid-term driven by the active optimization of existing insurance offerings and plans to offer new products to meet the evolving requirements of the customers.

Furthermore, **Diagnostic Services** anticipates strong growth in revenue, with a CAGR in the lower teens over the mid-term period, primarily attributable to the Mandatory Insurance policies and setting up of the new central laboratory. This expansion is expected to enhance increasing patient access to specialized tests and a broader range of services. Additionally, the Segment aims to establish a Central Laboratory to enhance profitability growth due to increased volumes and provisions of complex tests catering to UAE private entities. Pure Health strategically expands its product range to optimize distribution and **Pharmacy management**, aiming to reduce prescription leakages. This involves the development of the online pharmacy platform, Dawak.

Figure 22: Pure Health's Revenue (AED, Mn)



Source: Company Information

Comprehensive growth plans further capitalize Pure Health's financial performance

Pure Health anticipates maintaining robust financial performance with a high 20s CAGR for EBITDA and aiming for an improvement in EBITDA margin to reach the low 20s by the end of the mid-term period

Pure Health's anticipated revenue growth in the high teens for the domestic portfolio, coupled with mid-single-digit CAGR growth expected in the international segment (excluding any new acquisitions), reflects the Company's diversifying revenue streams and its plans to expand its market reach. Thus, this expansion strategy aligns with the Company's aim to enhance its operational efficiency and profitability across its operations ensuring long-term stability.

Pure Health anticipates maintaining a robust financial performance and expects EBITDA to grow at a CAGR of the high 20s in the mid-term. It also expects EBITDA margin to reach the early 20s by the end of the mid-term period. The projected growth is owing to the following factors-

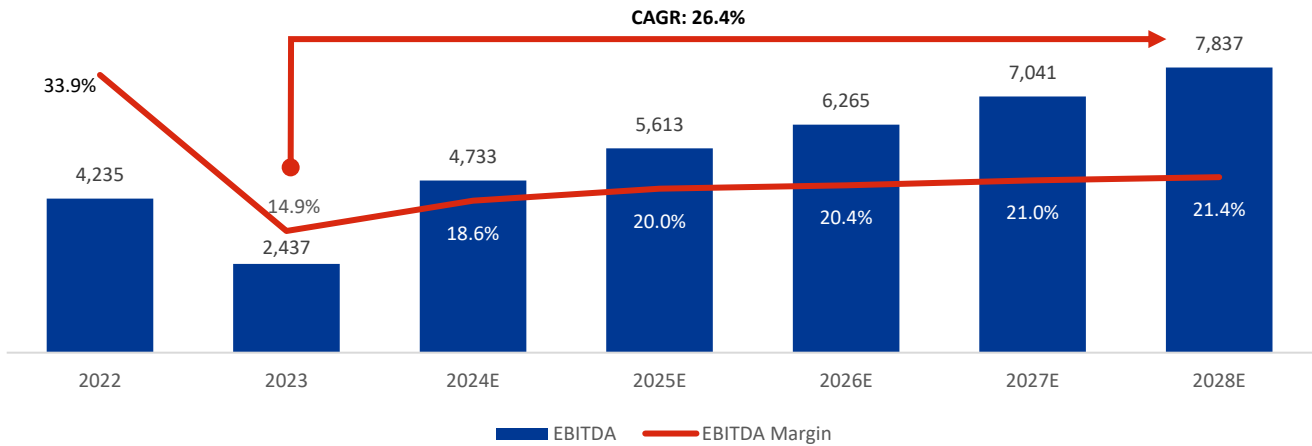
- **Price Increase:** The growth strategy is further aligned by target price increases in the selected healthcare services where market condition supports such adjustments as well optimizing current operations across the hospital, diagnostic, insurance and technology services segment.
- **Enhanced revenue growth:** The reduction of denial rates at SEHA hospitals, and minimizing revenue leakages through improved billing practices and claims management processes. In addition, the diagnostic segment will benefit from the establishment of a fully integrated Central Laboratory and a broadening of the current service being offered resulting in increased patient volumes.
- **Operational Excellence:** The Company also focuses on cost optimization through resource utilization in evening and weekend clinics to drive operational efficiency and profitability
- **Profitable Specialty Expansion:** Pure Health plans to further expand its reach and increase the market share in high-profitability segments that offer attractive growth potential
- **Elective Surgery Growth:** The Company focuses on increasing the share of profitable elective surgeries within the surgical mix to optimize revenue and profitability

Additionally, the Company expects the overall Capex to be less than 5% of revenue in FY2024 and c. 2.5% of revenue on average over the mid-term

Additionally, the Company expects the overall Capex to be less than 5% of revenue in FY2024 and on average c. 2.5% of revenue over the mid-term ensuring robust resource allocation while maintaining financial stability. The total capex for FY2024 is classified into growth capex, which is estimated to be less than 3% of revenue, while maintenance capex is anticipated to be below

2.5% of revenue. Moreover, the growth of Capex in FY2024, the majority of 91%, will be allocated to Hospital and Other Services. Thus, the Company further aims to enhance its capacity to serve a broader patient base and introduce new service offerings in the Hospital and Other Services segment. Additionally, the Insurance segment is expected to receive 6% of the growth capex, followed by Procurement and Supply of Medical Products at 3%, and Laboratory Management Services at 1%.

Figure 23: Pure Health's EBITDA (AED, Mn)



Source: Company Information

Pure Health's Acquisition in the UK Healthcare Market Drives Growth in the Hospitality Segment

UK citizens are entitled to free of cost healthcare services through government-sponsored NHS system

The UK healthcare sector expanded to meet the evolving needs of the UK's population. According to the Office for National Statistics, the total UK healthcare market is worth an estimated EUR 282 Bn in 2022, divided into public and private sectors. The UK's government-sponsored public healthcare system is mainly served by the NHS, which was founded in 1948, and is the central body administering the provision of health services. NHS England is supervised by the Department of Health and funded through taxation and national insurance contributions. UK citizens are entitled to free of cost healthcare services under this system but due to long waitlist led to a shift towards the private healthcare market as well. According to the Institute for Fiscal Studies, in February 2024, the NHS waitlist reached 7.6 Mn in December 2023 compared to 4.6 Mn in December 2019. Thus, there has even been a surge in the sale of private health insurance due to this ongoing crisis facing the NHS waitlist. The UK's private acute healthcare sector is funded through three main routes, PMI, NHS and self-pay.

PMI is provided as a benefits package to employees through the employer ('Corporate PMI'), or purchased directly by the public ('Individual PMI'). The private sector patients can also be treated in NHS hospitals and is designated PPU and private beds wherein the funding derives from either PMI or **self-pay**. Separately, patients can also pay directly for private healthcare.

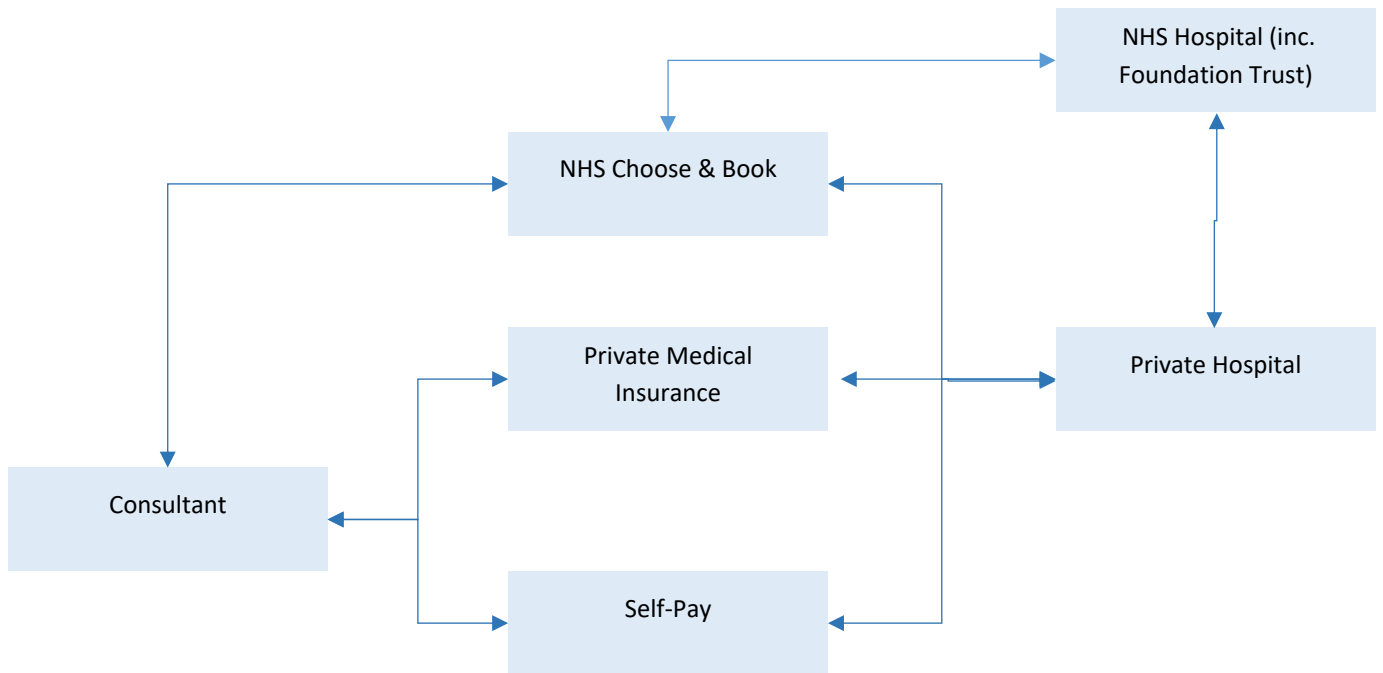
In addition, the demographic shifts are driving the growth of the UK's healthcare sector as the population size is slowly aging. The UK's population stood at 67.5 Mn in FY2023 and is expected to grow to 69.1 Mn by FY2030. At the same time, demographic pressures are expected to result in rising demand for healthcare services. UK's median population age increased from 39.6 years in FY2011 to 40.7 years in mid-2022. As the population ages, the incidence of long-term and chronic conditions is also expected to rise, increasing pressure on NHS budgets as the NHS is the main provider of treatment for chronic conditions.

Although technological advances including new developments in robotics, bio-pharmaceutical research and genetics, are being used to help improve patient outcomes thus, by reducing the average length of stay for patients, NHS waitlist continues to grow.

Pure Health recorded 83.2% YOY revenue growth in Hospital and Other Healthcare related Services Segment post Circle Health Group acquisition in 1H24

The long waiting NHS list help patients to move towards the private healthcare systems. Post-acquisition of Circle Health Group in 1Q24, the Company added over 50 hospitals, 2,000 beds (with 1,680 operating beds), and 8,500 employees, expanding its international presence in the UK. Circle Health Group offers UK's largest national network of private hospitals. The Company further benefits by expanding its development in the hospital segment and reported 83.2% YOY revenue growth in 1H24. The Company actively plans to continue to strategically expand both domestically and internationally by capitalizing on the growing demand for integrated healthcare services.

Figure 24: Patient's Potential Journey through Private Healthcare System



Source: Spire Healthcare Group Prospectus

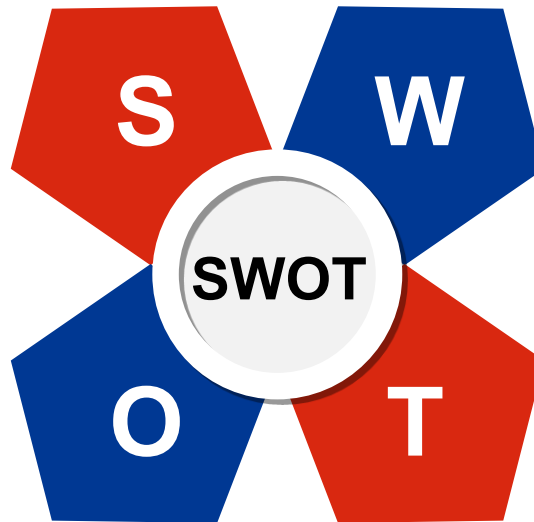
SWOT Analysis

STRENGTH

- **Backed by the Government** of Abu Dhabi and its key entities which provides strong support
- **Vertically integrated** operations with presence across multiple healthcare ecosystems such as hospitals, clinics, diagnostics, insurance, pharmacies, health tech, procurement and more
- **Strong brand reputation** in healthcare and insurance services (SEHA was awarded the most valuable healthcare brand in 2024 and Daman was assessed the fourth strongest brand in the UAE across all the sectors)
- **Extensive network** of healthcare facilities and services
- **High-quality standards** and accreditation from recognized bodies
- **Robust financial** performance with consistent revenue growth

WEAKNESS

- **Delay in implementation of the mandatory insurance** could negatively impact revenue and associated profitability
- If there is any **delay in the collection** of receivables from the government might impact the financial health of the Company in the future
- Pure Health generated 76.2% of the total revenue from the UAE in 1H24 and the remaining from the international market. The revenue concentration from a **limited geographic** market, primarily within the UAE
- **Limited international** presence and brand recognition outside the Middle East



OPPORTUNITIES

- Recently it **expanded into international markets** such as UK and US by completing acquisition of Circle Health and Ardent Health Services
- **Healthy financial** position will provide headroom to pursue inorganic growth in UAE and beyond
- **Rollout of Dawak** services across UAE will boost revenue from Pharmacy
- **Technological advancements** in healthcare and telemedicine, such as increased enrollment of users who are on the PURA platform
- **Potential for partnerships** with international healthcare providers
- **Increasing demand** for specialized healthcare services in the region

THREATS

- **Regulatory changes** and compliance issues in different regions
- **Economic fluctuations** that could impact patient spending and healthcare funding
- Potential for **cybersecurity threats** in healthcare data management
- **Global health crises** impacting service delivery and patient influx

Valuation Methodology

Target Fair Value Analysis

We arrive at Pure Health's fair value of AED 6.05 per share based on a mix of valuation methods

DCF AND SOTP VALUATION

We have used a blend of Discounted Cash Flow (DCF) and Sum-of-the-parts (SOTP) valuation methods to arrive at Pure Health's fair value. In SOTP valuation, we have used the Comparable Company Method (CCM) (EV/EBITDA and PB) to value the firm. Pure Health is the UAE's leading Healthcare group in Abu Dhabi established in 2006 and the largest provider of healthcare services with the majority ownership held by the Abu Dhabi Sovereign Wealth Fund (ADQ). The Company further extends its vertically integrated operation across various digital and operational domains. The verticals encompass pharmacy chains, digital pharmacy dispensing solutions, diagnostics, healthcare technologies, health insurance and supply chains. Additionally, the Company expanded its strategic reach by establishing an international presence in the US and UK. Pure Health generates revenues from five segments including Hospital and Other Healthcare Related Services, Health Insurance Services, Procurement and Supply of Medical Related Products, Diagnostic Services, and Technology Services & Others as of 2Q24. We have assigned 70% weight to DCF and 30% weight to CCM valuation. The DCF is assigned a higher weight considering this valuation technique captures future cash flow projections over multiple periods. In the CCM, we have used both EV/EBITDA and P/Book multiple to value Pure Health. The Health Insurance Services Segment is valued using PB multiple and other segments are valued using EV/EBITDA multiple because it allows us to compare companies of various sizes with different capital structures.

CONSOLIDATED VALUATION Pure Health Holdings PJSC

	Valuation (AED, Mn)	Weight (%)	Total Valuation (AED, Mn)
Valuation of the Pure Health based on -			
Discounted Cash Flow	70,119	70.0%	49,083
SOTP Relative Valuation	60,603	30.0%	18,181
Total Valuation (AED, Mn)			67,264
Value per share (AED)			6.05

The performance of Pure Health is analyzed in detail to arrive at fair value estimates. We took a fair estimate across the income statement and financial position to arrive at its valuation. The valuation brought forward a target value of AED 6.05 per share.

1) Discounted Cash Flow Valuation

We relied upon the guidance provided by the Company management for midterm to arrive at the valuation through the DCF methodology. Our forecasting period starts in FY2024 and ends in FY2030 to arrive at the valuation through the DCF methodology. Using the Gordon Model, we derived the Company's Terminal Value and extrapolated last year's adjusted free cash flows at a terminal growth rate of 3.0% to perpetuity. To arrive at Ke (Cost of Equity), we have used the 10-year government bond yield of 4.9%, Country risk premium of 5.3%, and Beta of 1.00. After applying all these, we arrived at the cost of equity of 10.1%. We have used a 10-year US

We arrive at a value of AED 6.31 per share using DCF valuation

Government Yield and added an average 10-year CDS Spread of the Abu Dhabi Government to arrive at an appropriate risk-free rate.

Pure Health raised funding of AED 2.4 Bn from a local bank in 1Q24 and utilized AED 1.8 Bn for the acquisition of Circle Health. The facility is repayable in one bullet payment on maturity and carries an interest rate of one-month EIBOR plus 1.1% per annum. We have used free cash flow to the firm to arrive at the valuation using the DCF methodology. The same is discounted using the weighted average cost of capital. We assumed the cost of debt of 6.8% and adjusted it for the tax rate to arrive after the tax-adjusted cost of debt of 6.2%. We used a debt-to-equity ratio of 0.04x for the valuation.

I. DCF Valuation of PURE HEALTH HOLDINGS PJSC

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
All figures in AED Mn, unless stated							
NOPAT	2,794	3,435	4,030	4,749	5,425	6,083	6,726
(+/-) Depreciation & amortization	1,584	1,788	1,723	1,682	1,662	1,657	1,666
(+/-) CAPEX	-1,224	-700	-766	-837	-914	-985	-1,062
(+/-) Working Capital	-5,604	-204	-216	-132	-537	-488	-506
Free Cash flow to Firm	-2,450	4,318	4,771	5,462	5,635	6,266	6,824
Discount factor	0.96	0.88	0.80	0.72	0.66	0.60	0.55
Present Value of FCFE	-2,360	3,783	3,801	3,958	3,713	3,756	3,720
Total Present value of FCFE							20,371
Terminal Value							55,098
Terminal growth rate							3.0%
Weighted average cost of capital (WACC)							10.0%
Enterprise Value							75,469
Cash/ (Net Debt)							-7,329
Valuation of JVs							1,999
Minority Interest							-20
Equity Value							70,119

Source: FAB Securities Research

Sensitivity analysis generates the highest valuation of AED 8.88 per share and the lowest valuation of AED 4.88 per share

a) Sensitivity of DCF to Key Assumptions

Our DCF valuation is based on a weighted average cost of capital (WACC) of 10.0%. A sensitivity analysis shows that a change of +/- 0.5% in the weighted average cost of capital and terminal growth rate will provide a valuation range of AED 8.88 per share to AED 4.88 per share. The table below shows the sensitivity between the change in terminal growth rate and the weighted average cost of capital.

1. DCF Sensitivity to Terminal Growth Rate and WACC

		Terminal growth				
		9.0%	9.5%	10.0%	10.5%	11.0%
WACC	2.0%	6.63	6.10	5.65	5.24	4.88
	2.5%	7.06	6.47	5.96	5.51	5.11
	3.0%	7.57	6.89	6.31	5.81	5.37
	3.5%	8.16	7.38	6.72	6.16	5.67
	4.0%	8.88	7.96	7.20	6.56	6.01

We are using EV/EBITDA and PB multiple in SOTP valuation to value the firm

2) Sum-of-the-parts (SOTP) Valuation

In the SOTP valuation, we have used PB multiple to value the Health Insurance Services segment and EV/EBITDA to value other segments of the Company. The EV/EBITDA multiple allows us to compare companies of various sizes with different capital structures. Since the Company operates into multiple segments, each segment is valued separately using the peers of the segment. The value of all segments is summed up to arrive at the total enterprise value of the firm and, after that included the value of net debt, valuation of JVs, and value of non-controlling interest to arrive at the value of equity.

II. Consolidated Relative Valuation of Pure Health Holdings PJSC

(All Figures in Million AED)		
1. Hospital and other healthcare-related services	EV/EBITDA	53,788
2. Diagnostic Services	EV/EBITDA	2,144
3. Health insurance services	PB	8,510
4. Procurement and supply of medical-related products	EV/EBITDA	3,644
5. Technology services and others	EV/EBITDA	899
Adjustments & eliminations		-3,033
Enterprise Value		65,952
Net (Debt)/Cash		-7,329
Valuation of JVs		1,999
Minority Interest		-20
Equity Value		60,603

Source: Company Information, FAB Securities Research

Relative Valuation of Hospital and other healthcare related services

(All Figures in Million AED, unless stated)	
Based on EV/EBITDA Multiple	
EBITDA of FY2024	3,802
Peer Average Valuation (x)	14.1
Enterprise Value	53,788

Relative Valuation of Diagnostic Services

(All Figures in Million AED, unless stated)	
Based on EV/EBITDA Multiple	
EBITDA of FY2024	200
Peer Average Valuation (x)	10.7
Enterprise Value	2,144

Relative Valuation of Health Insurance Services

(All Figures in Million AED, unless stated)

Based on PB Multiple

Book Value of 2Q24	2,518
Peer Average Valuation (x)	3.4

Enterprise Value **8,510**

Relative Valuation of Procurement and supply of medical related products

(All Figures in Million AED, unless stated)

Based on EV/EBITDA Multiple

EBITDA of FY2024	307
Peer Average Valuation (x)	11.9

Enterprise Value **3,644**

Relative Valuation of Technology services and others

(All Figures in Million AED, unless stated)

Based on EV/EBITDA Multiple

EBITDA of FY2024	60
Peer Average Valuation (x)	14.9

Enterprise Value **899**

Peers Multiples

Company. Name	Market Cap (USD, mn)	EV/EBITDA (x)	
		2024	2025
Hospital and other healthcare related services			
IHH Healthcare Berhad	11,727	13.3x	12.4x
Al Hammadi Holding Company	2,188	18.1x	16.5x
Burjeel Holdings PLC	3,869	12.4x	10.9x
Ramsay Health	7,390	8.5x	7.6x
Mouwasat Medical Services Company	6,250	20.2x	17.8x
Middle East Healthcare Company	1,963	15.0x	13.7x
Dr Sulaiman Al Habib Medical	26,587	36.9x	30.2x
Nahdi Medical Co	4,560	11.2x	10.6x
Average		16.9x	15.0x
Median		14.1x	13.0x
Max¹ (Quartile 3)		18.6x	16.8x
Min² (Quartile 1)		12.1x	10.8x

Source: Bloomberg, ¹ Values correspond to Quartile 3, ² Values correspond to Quartile 1

Company. Name	Market Cap (USD, mn)	EV/EBITDA (x)	
		2024	2025
Diagnostic Services			
Labcorp Holdings Inc	17,960	10.7x	10.1x
Quest Diagnostics Inc	15,906	11.0x	10.0x
Guangzhou Kingmed Diagnost-A	1,890	8.6x	6.7x
Sonic Healthcare Ltd	8,631	10.1x	9.4x
Hangzhou Tigermed Consulti-A	5,972	17.0x	14.7x
Radnet Inc	4,409	20.4x	18.4x
Synlab AG	2,651	7.7x	7.2x
Meinian Onehealth Healthca-A	1,988	8.3x	6.7x
Metropolis Healthcare Ltd	1,297	38.1x	31.6x
Average		14.7x	12.8x
Median		10.7x	10.0x
Max¹ (Quartile 3)		17.0x	14.7x
Min² (Quartile 1)		8.6x	7.2x

Source: Bloomberg, ¹ Values correspond to Quartile 3, ² Values correspond to Quartile 1

Company. Name	Market Cap (USD, mn)	PB (x)	
		Current	2024
Health Insurance services			
Bupa Arabia for Cooperative Insurance Company	9,178	6.9x	5.9x
The Company for Cooperative Insurance	5,687	5.6x	5.0x
Abu Dhabi National Insurance Company PJSC	885	1.2x	1.1x
Islamic Arab Insurance Co. (Salama) PJSC	97	0.6x	0.7x
Average		3.6x	3.2x
Median		3.4x	3.0x
Max¹ (Quartile 3)		5.9x	5.2x
Min² (Quartile 1)		1.0x	1.0x

Source: Bloomberg, ¹ Values correspond to Quartile 3, ² Values correspond to Quartile 1

Company. Name	Market Cap (USD, mn)	EV/EBITDA (x)	
		2024	2025
Technology services and others			
Al Moammar Information Systems Company	1,145	27.4x	NA
Arabian Internet and Communication Services Company	8,950	16.2x	13.6x
Accenture	189,000	14.9x	13.5x
Wipro limited	29,150	11.5x	10.1x
Infosys Limited	73,050	14.9x	13.3x
IBM	157,000	12.7x	11.6x
Average		16.3x	12.4x
Median		14.9x	13.3x
Max¹ (Quartile 3)		15.9x	13.5x
Min² (Quartile 1)		13.3x	11.6x

Source: Bloomberg, ¹ Values correspond to Quartile 3, ² Values correspond to Quartile 1

Company. Name	Market Cap (USD, mn)	EV/EBITDA (x)	
		2024	2025
Procurement and supply of medical related products			
Mckesson Corp	79,087	15.5x	14.1x
Cencora Inc	45,496	11.8x	10.7x
Cardinal Health Inc	24,420	9.1x	8.7x
Henry Schein Inc	9,276	11.9x	11.0x
Amplifon SPA	6,985	12.9x	11.7x
Galenica AG	4,347	14.3x	13.6x
Shanghai Pharmaceuticals-A	8,855	7.9x	7.2x
Owens & Minor Inc	1,186	6.0x	5.4x
Average		11.2x	10.3x
Median		11.9x	10.9x
Max¹ (Quartile 3)		13.3x	12.1x
Min² (Quartile 1)		8.8x	8.3x

Source: Bloomberg, ¹ Values correspond to Quartile 3, ² Values correspond to Quartile 1

Key Financial Metrics

We expect consolidated revenue to grow at a CAGR of 17.4% from AED 16.4 Bn in FY2023 to AED 36.6 Bn in FY2028

Financials

REVENUE

Pure Health was founded in 2006 and grew to become the UAE's leading Healthcare group in Abu Dhabi and the largest provider of healthcare services with the majority ownership held by the Abu Dhabi Sovereign Wealth Fund (ADQ). The Company further extends its vertically integrated operation across various digital and operational domains. The verticals encompass pharmacy chains, digital pharmacy dispensing solutions, diagnostics, healthcare technologies, health insurance and supply chains. It operates a diverse portfolio including over 100 hospitals, 300 clinics, health insurance, and 143 laboratories. Additionally, the Company expanded its strategic reach by establishing an international presence in the US and UK. Pure Health generated revenues from five segments including Hospital and Other Healthcare Related Services, Health Insurance Services, Procurement and Supply of Medical Related Products, Diagnostic Services, and Technology Services & Others in 1H24. The acquisition of Circle Health in the UK further boosted the Company's top line in 1H24. Pure Health revenue grew 31.3% to AED 16.4 Bn in FY2023 driven by solid performance across all segments except Diagnostics Services coupled with acquisitions made in 4Q22. Revenue from the Hospital and Other Healthcare Related Services Segment which accounts for 48.7% of revenue in FY2023 recorded robust growth of 56.5% to AED 10.5 Bn in FY2023 mainly driven by diversification of services, strategic expansions, and exceptional patient care which resulted in higher patient footfall and increased bed occupancy. In addition, the full-year revenue contribution from the SEHA acquisition was recorded in FY2023 compared to only a three-month revenue contribution in FY2022. The non-covid out-patient (OP) volume including pre- and post-acquisition of SEHA in the Hospital and Other Related Services Segment increased from 4.40 Mn in FY2022 to 4.8 Mn in FY2023 while non-covid in-patient (IP) volume including pre- and post-acquisition of SEHA rose from 67 thousand in FY2022 to 80 thousand in FY2023. Similarly, non-covid Emergency Department (ED) volumes including pre- and post-acquisition of SEHA increased from 456 thousand in FY2022 to 502 thousand in FY2023. Moreover, the Hospital and Other Related Services Segment's overall bed occupancy improved from 58% in FY2022 to 63% in FY2023. The Company's Health Insurance Services Segment revenue grew from AED 1.3 Bn in FY2022 to AED 5.9 Bn in FY2023 contributing 27.1% of total revenue owing to the full-year revenue contribution in FY2023 compared to three-month contribution in FY2022. Health Insurance Services Segment revenue rose 16% on an annualized basis in FY2023 attributable to Daman's aggressive expansion strategy and proactive claims management in addition to healthy growth in Thiqa and Basic memberships under the Health Fund Management business. The Procurement and Supply of Medical Related Products Segment which contributed 19.0% of total revenue in FY2023 recorded a solid growth in revenue of 44.0% to AED 4.1 Bn. The strong growth in the Procurement and Supply of Medical Related Products Segment is driven by an increase in demand for medical supplies owing to a rise in patient volumes while the expansion in the offering of pharmaceutical products led to an additional revenue stream for the segment. Simultaneously, the onboarding of new customers and solid retention also supported revenue growth. Furthermore, Diagnostic Services Segment revenue dropped significantly from AED 4.0 Bn in FY2022 to AED 1.0 Bn in FY2023 owing to a decline in COVID-related testing. However, the segment witnessed an increase in non-COVID test volumes in FY2023. Pure Health acquired PureCS in 4Q23, offering end-to-end IT services, cloud services, cyber security, and AI-based information. Technology Services and Others contributed to AED 76 Mn in revenue in FY2023. Adjustments and eliminations stood negative at AED 5.2 Bn during FY2023 compared to negative AED 2.4 Bn in FY2022 mainly driven by a substantial rise in inter-segmental sales within

Diagnostic Services, Procurement and Supply of Medical Related Products Segment, and Hospitalization and Other Related Services Segment.

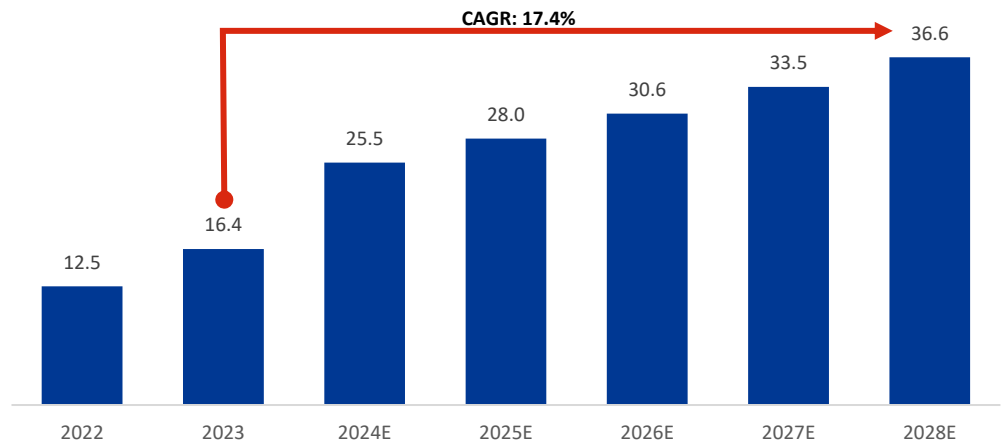
Pure Health's revenue grew 53.4% YOY to AED 12.5 Bn in 1H24 owing to growth across all segments except the Diagnostics Services Segment coupled with the consolidation of Circle Health and SSMC acquisition. Further supported by growth in patient volume across outpatient, inpatient and emergency services including addition of NRC and Fujairah Hospital to the TMO portfolio. Hospital and Other Related Services revenue rose 83% YOY to AED 9.6 Bn in 1H24 mainly due to consolidation of the acquisition of Circle Health and SEHA coupled with a growth in patient volume. Hospital and Other Related Services like-for-like revenue excluding the impact of COVID-19, acquisition of Circle Health & SSMC and addition of NRC and Fujairah Hospital to the TMO portfolio grew 10% YOY in 1H24. Health Insurance segment revenue increased 15% YOY to AED 3.3 Bn in 1H24 owing to 20% growth in gross written premium and 4% YOY growth in active members. Moreover, Diagnostic Services segment revenue declined 9% YOY to AED 488 Mn in 1H24 due to a decline in COVID volumes. Procurement and Supply of Medical Related Services revenue increased 36% YOY to AED 2.7 Bn in 1H24 owing to the addition of new customers and strengthening business partnership. Technology and Other Services stood at AED 136 Mn in 1H24. Adjustments and Eliminations increased 50% YOY to negative AED 3.8 Bn in 1H24.

We anticipate Pure Health's revenue to grow at a CAGR of 17.4% from AED 16.4 Bn in FY2023 to AED 36.6 Bn in FY2028 mainly driven by the consolidation of the acquisition of Circle Health, SSMC and commencement of full-fledged operation at STMC coupled with steady revenue growth in Health Insurance Services and Procurement & Supply of Medical Products segment. Pure Health's international portfolio is expected to record a mid-teens growth in revenue owing to a long NHS waiting list resulting in patients opting for self-funded treatments. On the other hand, the domestic portfolio is anticipated to witness revenue growth of high-teens driven by acquisition synergies from international acquisitions, the addition of new services across business lines and the augmenting of existing facilities.

Segments Revenue (AED, Mn)	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Hospital & Other Healthcare Related Services	6,729	10,528	20,105	22,273	24,563	27,099	29,950
Diagnostic Services	3,950	1,043	916	948	958	990	1,023
Health Insurance Services	1,344	5,853	6,438	6,953	7,371	7,739	8,126
Procurement & Supply of Medical Related Products	2,846	4,099	4,345	4,606	4,882	5,077	5,280
Technology Services and Others	0	76	267	280	294	309	325
Adjustments & Eliminations	-2,383	-5,201	-6,575	-7,047	-7,423	-7,748	-8,136
Total Revenue	12,486	16,399	25,497	28,014	30,645	33,466	36,569

Source: Company Information, FAB Securities research (FY2024-28)

Figure 25: Total Revenue (AED, Bn)



Source: Company Information, FAB Securities research (FY2024-28)

EBITDA

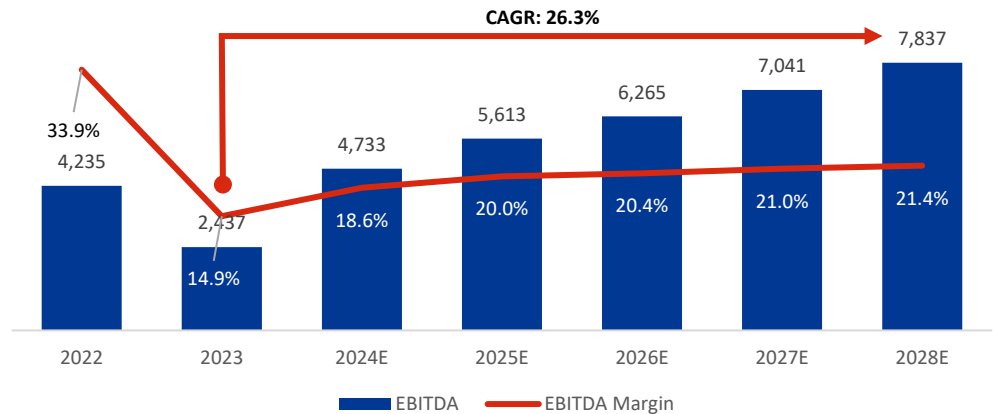
Pure Health's EBITDA is expected to grow at a CAGR of 26.3% from AED 2.4 Bn in FY2023 to AED 7.8 Bn in FY2028

Pure Health's EBITDA declined 42.5% YoY to AED 2.4 Bn in FY2023 whereas the EBITDA margin fell from 33.9% in FY2022 to 14.9% in FY2023. Adjusting for the Covid-19 effect, the Company's EBITDA stood at AED 243 Mn in FY2022 compared to the reported EBITDA of AED 4.2 Bn. The segment financials are restated for change in the segments under which Hospitalization & Other Related Services and Hospital Management Service are merged into a single segment. Diagnostic Services EBITDA declined significantly from AED 2.2 Bn in FY2022 to AED 397 Mn in FY2023 owing to a decline in Covid-19 test volumes. The EBITDA margin for the Diagnostic Services Segment fell from 54.7% in FY2022 to 38.1% in FY2023. However, Procurement and Supply of Medical Related business recorded a 57.9% increase in EBITDA to AED 206 Mn in FY2023 with a 40 bps YOY decline in EBITDA margin to 4.6%. Moreover, EBITDA of Hospital and Other Related Services fell 16.8% YoY to AED 1.7 Bn in FY2023 with a decline in EBITDA margin from 30.0% in FY2022 to 15.9% in FY2023. Health Insurance Services EBITDA rose from AED 82 Mn in FY2022 to AED 389 Mn in FY2023. The EBITDA margin of the Insurance business rose from 6.1% in FY2022 to AED 6.6% in FY2023. Technology Services and Others recorded an EBITDA of AED 7.6 Mn in FY2023.

Pure Health's EBITDA rose from AED 1,867 Mn in 1H23 to AED 2,156 Mn in 1H24 owing to the consolidation of the acquisition of Circle Health and SSMC and operational efficiency across all segments. On a like-for-like (excluding the effect of acquisition made after 1H23) basis, EBITDA grew 26% YOY in 1H24. Hospital segment EBITDA recorded a robust growth from AED 1,452 Mn in 1H23 to AED 1,580 Mn in 1H24. Diagnostic Services EBITDA declined 27% YOY to AED 166 Mn in 1H24 while Health Insurance Services EBITDA rose 79% YOY from AED 184 Mn in 1H23 to AED 330 Mn in 1H24. Procurement and Supply of Medical Related Products EBITDA grew 42% YOY to AED 149 Mn in 1H24 while Technology Services & Others EBITDA stood at AED 25 Mn. Adjustments and Eliminations EBITDA stood at negative AED 93 Mn in 1H24 compared to negative AED 101 Mn in 1H23.

We anticipate Pure Health's EBITDA to grow at a CAGR of 26.3% from AED 2.4 Bn in FY2023 to AED 7.8 Bn in FY2028 owing to the consolidation of acquisition. In addition, we expect EBITDA margin to average at 20.3% from FY2024-28 driven by operational efficiency across segments. Hospital and Other Related Services EBITDA is anticipated to increase from AED 1.8 Bn in FY2023 to AED 6.7 Bn in FY2028 recording a CAGR growth of 30.6%. Procurement of Supply of Medical and Related Products EBITDA is expected to grow at a CAGR of 7.0% from AED 280 Mn in FY2023 to AED 393 Mn in FY2028.

Figure 26: EBITDA (AED, Mn) and Margin



Source: Company Information, FAB Securities research (FY2024-28)

Net Income

Net profit is expected to grow at a CAGR of 39.6% during FY2023-28

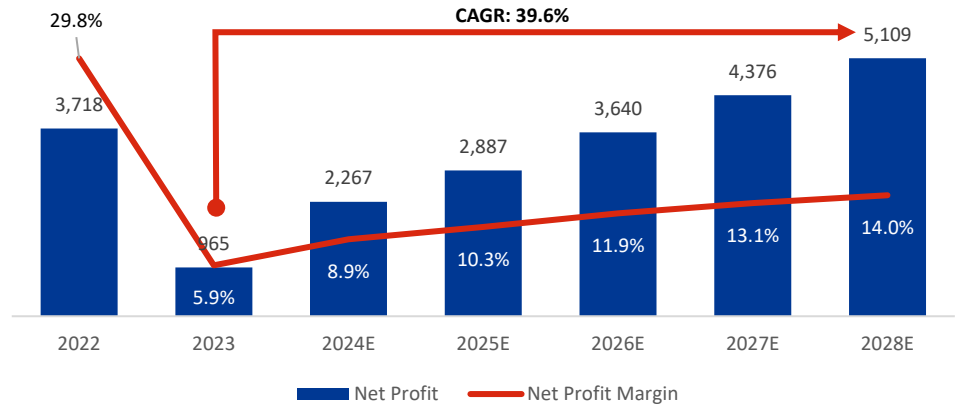
Pure Health's net profit declined 77.5% YoY to AED 965 Mn in FY2023 mainly driven by a decline in COVID-19 business. Normalized net profit excluding the effect of COVID-19 business stood at AED 293 Mn in FY2022. The segment financials are restated for change in the segments under which Hospitalization & Other Related Services and Hospital Management Service are merged into a single segment.

The Hospital and Other Related Services and Diagnostic Services Segment witnessed the largest decline in net profit during FY2023 owing to a decline in COVID-19 business. Diagnostic Service Segment's net profit margin declined from 53.8% in FY2022 to 35.1% in FY2023 and the Hospital and Other Related Services Segment's margins fell from 27.0% in FY2022 to 9.9% in FY2023. Diagnostic Services net profit declined significantly from AED 2.1 Bn in FY2022 to AED 366 Mn in FY2023. Excluding the impact of COVID-19 the segment reported a normalized net loss of AED 19 Mn compared to a profit of AED 2.1 Bn in FY2022.

Procurement and Supply of Medical Related Products Segment witnessed a 63.4% rise in net profit to AED 197 Mn in FY2023 with a 50 bps decline in net profit margin to 4.8%. The normalized net profit excluding the impact of COVID-19 stood at AED 139 Mn compared to a reported net profit of AED 121 Mn in FY2022. On the other hand, net profit from Hospital and Other Related Services declined 42.5% YoY to AED 1,045 Mn in FY2023. Furthermore, Health Insurance Services recorded solid growth in net profit from AED 47 Mn in FY2022 to AED 310 Mn in FY2023 with a 180 bps expansion in net profit margin to 5.3% in FY2023. Technology Services & Others witnessed a net income of AED 3.6 Mn in FY2023. Pure Health's net profit declined 26% YOY to AED 1.0 Bn in 1H23 mainly attributable to accounting for leases under IFRS 16, higher cost owing to acquisition of Circle Health and income tax charge.

We estimate Pure Health's net profit to increase at a CAGR of 39.6% from AED 965 Mn in FY2023 to AED 5.1 Bn in FY2028 mainly driven by a solid growth in top-line and operational efficiency partially offset by an increase in finance cost and introduction of corporate tax in UAE in FY2024.

Figure 27: Net Income (AED, Mn) and Margin



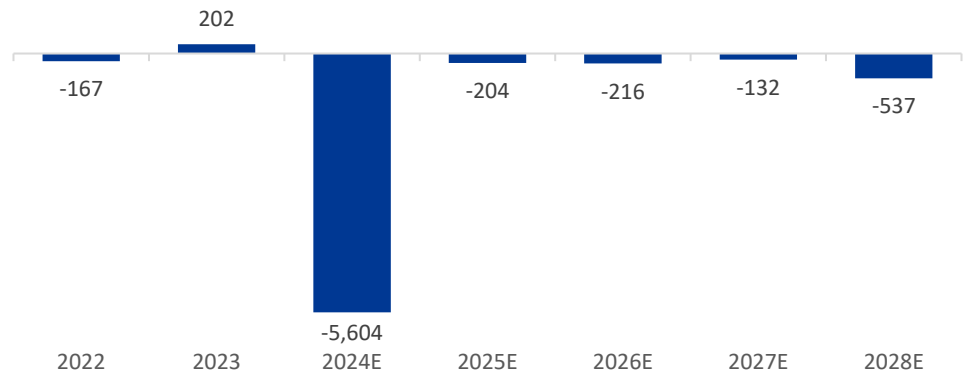
Source: Company Information, FAB Securities research (FY2024-28)

Working Capital

We estimate a cumulative investment in working capital of AED 6.7 Bn during FY2024-28

Pure Health’s working capital consists of inventories, due to/from related parties, trade receivables & payables, contract assets & liabilities, reinsurance contract assets, insurance contract liabilities, other liabilities, and restricted cash. The Company’s recorded investment in working capital of AED 167 Mn in FY2022 compared to an inflow of AED 202 Mn in FY2023 owing to better working capital management. In addition, the Company collected a significant portion of the receivables at the end of FY2023. We estimate a cumulative investment in working capital of AED 6.7 Bn during FY2024-28 owing to the consolidation of new entities.

Figure 28: Change in Working Capital (AED, Mn)



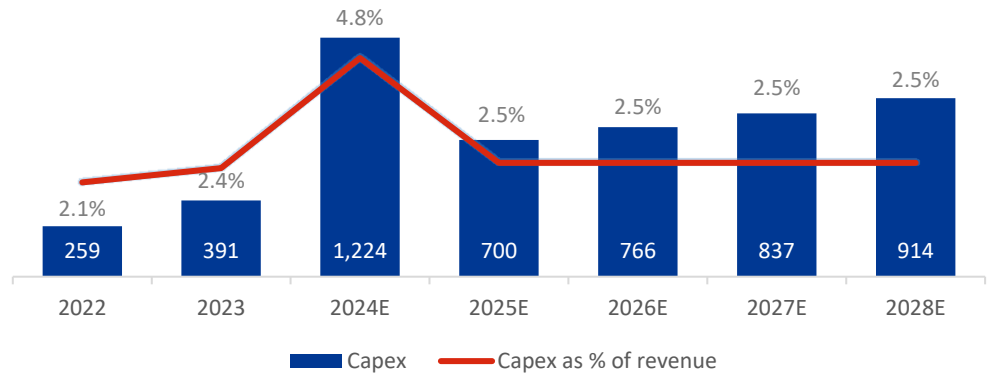
Source: Company Information, FAB Securities research (FY2024-28)

CAPEX

Pure Health is expected to incur a capex of AED 1.2 Bn in FY2024 and a cumulative Capex of AED 4.4 Bn during FY2024-28

Pure Health incurred a capex of AED 259 Mn in FY2022 and AED 391 Mn in FY2023 mainly spent on growth. We estimate the Company to incur a capex of AED 1.2 Bn in FY2024 predominantly spent on medical equipment, leasehold improvement, and IT infrastructure. It plans to incur a cumulative capex of AED 4.4 Bn on capex during the mid-term (FY2024-28).

Figure 29: Capex (AED, Mn)



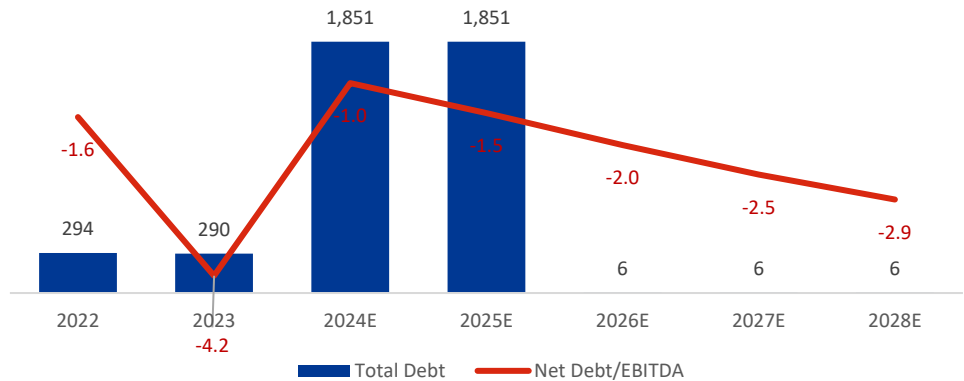
Source: Company Information, FAB Securities research (FY2024-28)

Financial Leverage

Pure Health raised additional debt of AED 1.8 Bn for the acquisition of Circle Health

Pure Health’s total debt marginally declined from AED 294 Mn in FY2022 to AED 290 Mn in FY2023. Pure Health also raised funding of AED 2.4 Bn from a local bank in 1Q24 and utilized AED 1.8 Bn for the acquisition of Circle Health. The loan facility is repayable in one bullet payment on maturity and carries an interest rate of one-month EIBOR plus 1.1% per annum. Pure Health’s net cash will grow from AED 10.3 Bn in FY2023 to AED 23.1 Bn in FY2028. Net cash (includes borrowings and cash excludes lease liability and end-of-service benefits) to EBITDA ratio will decline from negative 4.2x in FY2023 to 2.9x in FY2028. We expect the Company to pay the debt drawn for the acquisition of Circle Health on maturity. Pure Health has significant headroom to borrow additional funds should it require any fund additional for M&A, over and above its current cash reserves.

Figure 30: Total Debt (AED, Mn)



Source: Company Information, FAB Securities research (FY2024-28)

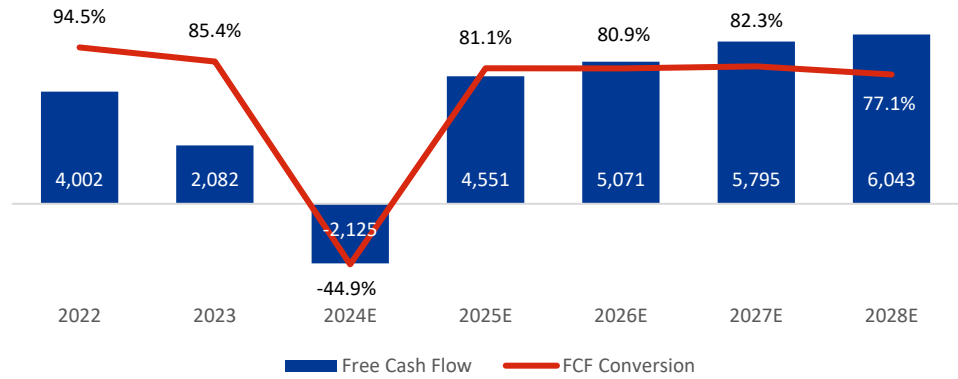
Cash Flow

Pure Health is expected to generate a cumulative free cash flow of AED 19.3 Bn during FY2024-28

The Company’s net cash flow from operating activities fell from AED 4.3 Bn in FY2022 to AED 2.5 Bn in FY2023 mainly due to lower profitability partially offset by an inflow of AED 202 Mn from the working capital in FY2023 compared to an outflow of AED 167 Mn in working capital in FY2022. Moreover, cash flow from investing activities stood negative at AED 2.5 Bn in FY2023 owing to the acquisition of a stake in Ardent Health. Furthermore, cash flow from financing activities increased from negative AED 3.1 Bn in FY2022 to positive AED 3.1 Bn in FY2023 due to the receipt of IPO proceeds in FY2023 and payment of AED 3.1 Bn in dividends in FY2022. Pure Health paid a dividend of AED 300 Mn in FY2023.

Pure Health generated free cash flow of AED 4.0 Bn and AED 2.1 Bn excluding the effect of acquisition during FY2022 and FY2023, respectively. Going forward, we expect Pure Health to incur a cumulative capex of AED 4.4 Bn from FY2024-28. We anticipate the company to generate a cumulative free cash flow of AED 19.3 Bn during FY2024-28.

Figure 31: Free Cash Flow (AED, Mn) and FCF Conversion (%)



Source: Company Information, FAB Securities research (FY2024-28)

Financial Statements:

Income Statement, (AED, Mn)

	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Revenue	12,486	16,399	25,497	28,014	30,645	33,466	36,569
Cost of sales	-7,656	-13,840	-19,419	-21,035	-22,693	-24,402	-26,235
Gross Profit	4,830	2,559	6,078	6,978	7,952	9,064	10,333
G&A expense	-2,300	-3,732	-5,970	-6,464	-6,883	-7,333	-7,800
S&D Expense	-27	-44	-72	-79	-84	-89	-95
Government Grant Income	1,215	2,296	2,559	2,774	2,878	2,970	2,913
Other Income	137	397	554	615	678	746	823
Gain on bargain purchase	475	0	0	0	0	0	0
EBITDA	4,235	2,437	4,733	5,613	6,265	7,041	7,837
Finance cost	-45	-117	-742	-740	-631	-641	-651
Share of profit from JVs	0	25	89	93	98	100	102
PBT	4,286	1,384	2,496	3,179	4,008	4,818	5,625
Income tax	0	-419	-225	-286	-361	-434	-506
Profit for the year	4,286	965	2,272	2,893	3,647	4,384	5,119
Non-controlling interest	567	0	5	6	7	9	10
Profit attributable to owners	3,718	965	2,267	2,887	3,640	4,376	5,109
EPS	0.38	0.10	0.20	0.26	0.33	0.39	0.46

Source: Company Information, FAB Securities research (2024-28E)

Key Ratios:

	2022A	2023A	2024E	2025E	2026E	2027E	2028E
YoY % Change							
Revenue	-	31.3%	55.5%	9.9%	9.4%	9.2%	9.3%
Gross Profit	-	-47.0%	137.5%	14.8%	13.9%	14.0%	14.0%
EBITDA	-	-42.5%	94.2%	18.6%	11.6%	12.4%	11.3%
Net profit	-	-74.1%	135.0%	27.3%	26.1%	20.2%	16.8%
% Margin							
Gross Margin	38.7%	15.6%	23.8%	24.9%	25.9%	27.1%	28.3%
EBITDA margin	33.9%	14.9%	18.6%	20.0%	20.4%	21.0%	21.4%
EBIT margin	30.9%	9.0%	12.4%	13.7%	14.8%	16.0%	16.9%
Net profit margin	29.8%	5.9%	8.9%	10.3%	11.9%	13.1%	14.0%
Leverage							
Total Debt/EBITDA	0.07	0.12	0.39	0.33	0.00	0.00	0.00
Net Debt/EBITDA	-1.58	-4.21	-1.02	-1.52	-2.05	-2.54	-2.95
Total Debt/total Equity	0.03	0.02	0.09	0.08	0.00	0.00	0.00
Return ratios							
ROE	32.8%	6.0%	11.4%	12.7%	13.8%	14.2%	14.2%
ROA	15.4%	3.4%	4.8%	5.7%	6.8%	7.4%	7.8%
Free Cash Flow							
Free cash flow (FCF)	4,002	2,082	-2,125	4,551	5,071	5,795	6,043
FCF Conversion	94.5%	85.4%	-44.9%	81.1%	80.9%	82.3%	77.1%

Source: Company Information, FAB Securities research (2024-28E)

Balance Sheet (AED, Mn)

	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Assets							
Non-Current Assets							
Property and equipment	1,830	1,662	3,259	3,061	2,951	2,913	2,937
Investment property	3	3	3	3	3	3	3
Right of use assets	1,534	1,408	12,056	11,604	11,205	10,857	10,561
Intangible assets	4,521	4,383	7,043	6,885	6,743	6,618	6,509
Sub-lease receivables	3	1	1	1	1	1	1
Investment in associates and JVs	46	1,865	1,955	2,048	2,146	2,245	2,347
Investment at fair value through other comprehensive income	226	266	266	266	266	266	266
Long term deposits	2	2	2	2	2	2	2
Total Non-current Assets	8,165	9,590	24,668	23,954	23,401	22,990	22,709
Current Assets							
Inventories	600	741	1,064	1,153	1,243	1,337	1,438
Due from related parties	300	262	312	312	312	312	312
Trade and other receivables	5,947	4,681	11,177	11,666	12,174	12,607	13,475
Derivative financial instruments	0	25	0	0	0	0	0
Investment at fair value through profit or loss	360	351	351	351	351	351	351
Reinsurance contract assets	1,274	1,331	1,745	2,172	2,612	3,064	3,531
Contract assets	457	633	936	936	936	936	936
Cash and bank balances	7,003	10,560	6,687	10,372	12,838	17,863	23,123
Total Current Assets	15,940	18,584	22,273	26,962	30,467	36,471	43,166
Total assets	24,105	28,175	46,940	50,916	53,868	59,461	65,875
Equities and Liabilities							
Equity							
Share capital	500	11,111	11,111	11,111	11,111	11,111	11,111
Share premium	11,215	2,508	2,508	2,508	2,508	2,508	2,508
Statutory reserve	109	203	203	203	203	203	203
Fair value reserve	16	50	50	50	50	50	50
Cash flow hedge reserve	0	25	0	0	0	0	0
Currency translation reserve	0	0	48	48	48	48	48
Merger and other reserves	-1,896	6	1,571	1,571	1,571	1,571	1,571
Retained earnings	1,383	2,150	4,417	7,304	10,944	15,319	20,428
Equity attributable to the owners of the company	11,327	16,053	19,908	22,794	26,434	30,810	35,918
Non-controlling interests	4	4	9	15	22	31	41
Total Equity	11,331	16,057	19,916	22,809	26,456	30,840	35,959
Liabilities							
Non-current Liabilities							
Borrowings	290	285	1,841	1,841	6	6	6
Lease liabilities	1,460	1,620	12,424	12,574	12,748	12,947	13,174
Deferred tax liabilities	0	419	419	419	419	419	419
Employees end of service benefits	1,542	1,413	1,467	1,534	1,609	1,693	1,784
Deferred government grant	42	93	93	93	93	93	93
Other liabilities	79	61	61	61	61	61	61
Total Non-current Liabilities	3,412	3,892	16,306	16,523	14,936	15,219	15,538

Current Liabilities							
Borrowings	5	5	10	10	0	0	0
Trade and other payables	5,841	4,964	6,650	7,204	7,772	8,357	8,985
Contract liabilities	0	39	39	39	39	39	39
Insurance contract liabilities	2,319	2,564	2,804	3,051	3,305	3,567	3,837
Lease liabilities	149	46	351	356	361	366	373
Due to related parties	1,049	608	608	608	608	608	608
Total Current Liabilities	9,362	8,226	10,718	11,584	12,476	13,402	14,378
Total Liabilities	12,774	12,118	27,024	28,107	27,412	28,621	29,916
Total Equity and liabilities	24,105	28,175	46,940	50,916	53,868	59,461	65,875

Source: Company Information, FAB Securities research (2024-28E)

Cash Flow Statement (AED, Mn)

	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Cash flow from operating activities							
Profit for the period	4,286	1,384	2,496	3,179	4,008	4,818	5,625
Adjustments for:							
Depreciation of property and equipment	191	564	746	814	784	774	781
Depreciation of investment property	0	1	0	0	0	0	0
Depreciation of right-of-use assets	74	196	586	732	705	682	662
Amortization of intangible assets	115	204	252	242	233	226	219
Impairment of intangible assets	1	0	0	0	0	0	0
Allowance for slow moving inventories	3	5	0	0	0	0	0
Allowance for expected credit loss of trade receivables	10	100	0	0	0	0	0
(Reversal) / allowance for expected credit loss of other receivables	171	-91	0	0	0	0	0
Allowance for expected credit losses of bank balances	5	6	0	0	0	0	0
Allowance for expected credit losses of government funded programs receivables	0	14	0	0	0	0	0
Allowance for expected credit loss of contract assets	0	55	0	0	0	0	0
Share of profit of equity accounted investees	0	-25	-89	-93	-98	-100	-102
Loss on disposal of property and equipment	19	2	0	0	0	0	0
Loss on write-off of intangible assets	6	0	0	0	0	0	0
Gain on bargain purchase	-475	0	0	0	0	0	0
Gain on disposal of subsidiary	0	-1	0	0	0	0	0
Grant income	-8	-4	0	0	0	0	0
Provision for employees' end of service benefits, net	69	153	245	265	282	301	320
Fair value loss / (gain) on investment carried at fair value through profit or loss	-5	9	0	0	0	0	0
Dividend income	0	-19	0	0	0	0	0
Finance income	-17	-130	0	0	0	0	0
Finance costs	45	117	742	740	631	641	651
Income Tax	0	0	-225	-286	-286	-361	-434
Operating cash flows before changes in working capital	4,489	2,538	4,978	5,653	6,261	6,981	7,723
Working capital changes:							
Inventories	65	-147	-323	-89	-91	-94	-100
Due from related parties	397	55	-50	0	0	0	0
Trade and other receivables	2,301	1,346	-6,496	-489	-508	-433	-868
Reinsurance contract assets	0	-57	-414	-427	-440	-453	-466
Contract assets	-412	-210	-303	0	0	0	0
Other liabilities	51	-18	31	0	0	0	0
Restricted cash	-572	53	0	0	0	0	0
Due to related parties	-1,130	-149	0	0	0	0	0
Insurance contract liabilities	344	284	240	247	254	262	270
Trade and other payables	-1,212	-956	1,686	553	568	585	628
Cash generated from operations	4,322	2,740	-626	5,449	6,044	6,849	7,186
Employees' end of service benefit paid	-61	-209	-191	-198	-207	-217	-229
Deferred tax assets	0	0	-84	0	0	0	0
Net cash flow from operating activities	4,261	2,531	-901	5,251	5,837	6,631	6,957
Cash flows from investing activities							
Proceeds from disposal of property and equipment	0	0	0	0	0	0	0
Purchase of property and equipment	-231	-332	-1,147	-616	-674	-736	-805
Purchase of property and equipment - grant related	0	-58	0	0	0	0	0
Purchase of intangible assets	-27	-59	-76	-84	-92	-100	-110

Purchase of investments	-19	-30	0	0	0	0	0
Proceeds from sale of investments	6	27	0	0	0	0	0
Investment in associate	0	-1,844	0	0	0	0	0
Disposal of joint venture	0	47	0	0	0	0	0
Sub-lease receivables	3	1	0	0	0	0	0
Movement in term deposits with original maturities greater than 3 months	-1,625	-427	0	0	0	0	0
Dividends income	0	19	0	0	0	0	0
Interest income	17	130	0	0	0	0	0
Disposal of subsidiary, net of cash	0	-1	0	0	0	0	0
Acquisition of subsidiary - net of cash acquired	5,556	45	-2,730	0	0	0	0
Net cash used in investing activities	3,679	-2,482	-3,954	-700	-766	-837	-914
Cash flow from financing activities							
Issue of share capital	0	3,619	0	0	0	0	0
Repayment of borrowings	-6	-5	-724	0	-1,845	0	0
Repayment of related party loan	0	-110	0	0	0	0	0
Grant funding from the government	50	58	0	0	0	0	0
Lease liabilities payments	-34	-85	-741	-749	-759	-770	-783
Finance cost paid	-19	-38	-126	-117	0	0	0
Dividends paid	-3,058	-300	0	0	0	0	0
Net cash used in financing activities	-3,066	3,139	982	-866	-2,604	-770	-783
Net (decrease)/ increase in cash and cash equivalents	4,874	3,188	-3,873	3,685	2,467	5,024	5,260
Cash and cash equivalents at the beginning of the year		4,799	10,560	6,687	10,372	12,838	17,863
Cash and cash equivalents at the end of the year	4,874	7,987	6,687	10,372	12,838	17,863	23,123

Source: Company Information, FAB Securities research (2024-28E)

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