First Look Note | 3Q26

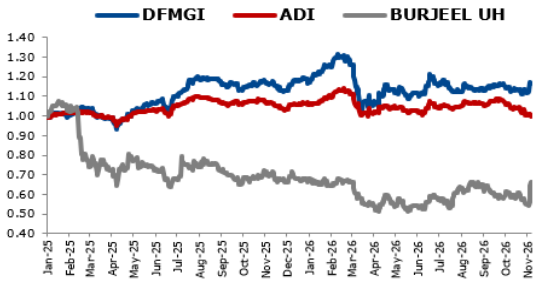
UAE Equity Research | Sector: Healthcare | Market: ADX

Burjeel Holdings PLC

Patient recovery and higher utilization drove profitability

Current Price	Target Price	Upside/Downside (%)	Rating
AED 1.34	AED 1.70	+27%	BUY

- Patient volumes increased 13.2% YOY to 5.8 Mn in 9M26, with growth accelerating to 19.3% YOY to 2.0 Mn in 3Q26.
- The Company performed more than 71,500 surgeries and over 5,800 oncology procedures during 9M26.
- The Company plans to expand the affordable healthcare footprint with a 75 bed LLH Hospital in Jebel Ali and more than 10 additional clinics across the UAE.
- Burjeel reiterated medium-term look targeting a low double-digit revenue CAGR, EBITDA margin expansion at low-20s range, and dividend payout ratio of 40%-70% of net income.



Stock Information	
Market Cap (AED, Mn)	6,974.88
Paid Up Capital (Mn)	520.51
52 Week High	1.42
52 Week Low	1.00
3M Avg. daily value (AED)	3,924,790

3Q26 Result Review (AED, Mn)	
Total Assets	6,959
Total Liabilities	4,550
Total Equity	2,409
EBITDA	373
Net Profit	174

Financial Ratios	
Dividend Yield (12m)	1.49
Dividend Pay-out (%)	21.90
Price-Earnings Ratio(x)	14.40
Price-to-Book Ratio (x)	2.98
Book Value (AED)	0.45
Return-on Equity (%)	22.76

Stock Performance	
5 Days	6.35%
1 Months	16.52%
3 Months	4.69%
6 Months	25.23%
1 Year	-3.60%
Month to Date (MTD%)	24.07%
Quarter to Date (QTD%)	15.52%
Year to Date (YTD%)	0.75%

3Q26 Net Profit lower than our estimate

Burjeel Holdings PLC (Burjeel/the Company)'s net profit attributable to shareholders increased 5.0% YOY to AED 174 Mn in 3Q26, lower than our estimate of AED 185 Mn. The growth was driven by increase in revenue and share of profit from associates coupled with decline in inventory consumed partially offset by increase in Doctors and other employees salaries and benefits, Depreciation and Amortization expenses, impairments of assets, provision for doubtful debts, other expenses, finance costs, income tax expenses and non-controlling interest.

P&L Highlights

Burjeel Holdings PLC's revenue increased 7.9% YOY to AED 1,535 Mn in 3Q26, supported by a strong recovery in patient demand, higher patient visits and increased surgical activity. Outpatient revenue increased 7.9% YOY to AED 946 Mn in 3Q26, driven by growth in outpatient volumes from 1.7 Mn in 3Q25 to 2.0 Mn in 3Q26. The increase was supported by a recovery in demand following regional headwinds in previous quarters and the ramp-up of recently commissioned facilities. Inpatient revenue increased 18.0% YOY to AED 539 Mn in 3Q26. The inpatient volume increased 17.3% YOY to 54K in 3Q26. Also, the bed occupancy reached 76% in 3Q26 from 67.9% in 3Q25. Revenue from the Pharmacies segment increased 22.7% YOY to AED 15 Mn in 3Q26, while revenue from the Others segment decreased from AED 77 Mn in 3Q25 to AED 33 Mn in 3Q26. Doctors and other employees salaries increased 5.9% YOY to AED 625 Mn in 3Q26. Inventories consumed declined 1.1% YOY to AED 308 Mn in 3Q26, reflecting tighter procurement controls and optimized vendor agreements. Consequently, inventory costs as a share of revenue declined by 1.8 ppt YOY in 3Q26. Depreciation & Amortization expenses increased 13.9% YOY to AED 102 Mn in 3Q26. The Company recognized impairment charges of AED 1 Mn in 3Q26, compared to nil

in 3Q25. Provision for expected credit losses increased 14.0% YOY to AED 57 Mn in 3Q26, while other expenses increased 16.6% YOY to AED 171 Mn in 3Q26. EBITDA increased 16.6% YOY to AED 373 Mn in 3Q26, with the EBITDA margin expanding 181 bps YOY to 24.3% in 3Q26, driven by procurement cost savings, tighter workforce cost controls and improved operating leverage across maturing assets. Operating profit rose 15.4% YOY to AED 271 Mn in 3Q26, with the operating profit margin expanding 114 bps YOY to 17.7% in 3Q26. Finance costs increased from AED 37 Mn in 3Q25 to AED 62 Mn in 3Q26, primarily due to upfront expenses associated with the Sukuk refinancing. The Company recorded share of profit from associates of AED 1 Mn in 3Q26, compared to loss of AED 4 Mn in 3Q25. Income tax expenses increased 40.0% YOY to AED 26 Mn in 3Q26, while profit attributable to non-controlling interests increased 2.8% YOY to AED 10 Mn in 3Q26.

Balance Sheet Highlights

Burjeel Holdings PLC's cash and cash equivalents stood at AED 442 Mn in 3Q26, compared with AED 224 Mn in 2Q26. Free cash flow increased to AED 750 Mn in 9M26 from AED 295 Mn in 9M25, with the free cash flow conversion ratio improving to 87% in 9M26. Cash generated from operating activities increased to AED 775 Mn in 9M26 from AED 244 Mn in 9M25. Net debt decreased to AED 1.4 Bn in 3Q26, compared with AED 1.7 Bn in 2Q26.

Target Price and Rating

We maintain our BUY rating on Burjeel Holdings with a target price of AED 1.70. Burjeel Holdings delivered a stronger operating performance in 3Q26, with revenue growth accelerating to 7.9% YOY to AED 1.5 Bn in 3Q26, supported by a rebound in patient activity and improving utilization across the healthcare network. Outpatient volume increased 19.3% YOY in 3Q26, while inpatient volume rose 17.3% YOY, reflecting higher demand for elective and high-acuity procedures, deepening community engagement and the continued ramp-up of recently commissioned facilities. The outpatient utilization improved by 6.1 ppt YOY to 72% in 9M26, while bed occupancy stood at 73% in 9M26. The Company highlighted half of the hospital capacity is still progressing towards mature utilization levels, providing meaningful potential for further organic growth, alongside planned capacity additions of at least 250 beds. Burjeel Medical City (BMC) continues to offer further operating leverage potential, with occupancy currently at c. 60-65%, indicating scope to improve utilization within its existing infrastructure. Furthermore, BMC completed 31 kidney and liver transplants in 9M26, taking the cumulative number of multi-organ transplants to 98 since inception. The Company performed more than 71,500 surgeries and over 5,800 oncology procedures during 9M26, reflecting continued growth in clinical activity and specialized healthcare services. It continued to broaden the advanced-care capabilities, strengthening the offering across complex procedures and specialized treatment areas. In 3Q26, Burjeel introduced AI-powered cardiac catheterization laboratories in Abu Dhabi and Sharjah, PET/CT service in Sharjah, and first integrated urgent care center in Al Ain. This development is expected to deepen clinical capabilities and support the Company's positioning as a regional referral platform for specialized care. During 9M26, Burjeel also opened seven medical centers and clinics across the UAE and Oman, including four LLH and Lifecare clinics in 3Q26. Furthermore, the Company plans to add 75 bed LLH Hospital in Jebel Ali to the portfolio alongwith more than 10 additional clinics across UAE. This expansion is expected to extend Burjeel's reach into underserved and high-growth communities, particularly around Jebel Ali's industrial workforce and nearby residents. The Company continues to strengthen the affordable healthcare platform by bringing community-based hospitals, medical centers and clinics under a unified leadership, with a focus on improving access, operational efficiency and sustainable growth. The Company plans to add four centers in the UAE and two in Saudi Arabia in the medium term. Furthermore, Burjeel is developing a day-surgery business as a dedicated platform to support the expansion of ambulatory and same-day care across the UAE and Saudi Arabia. The Company's cash generation and balance-sheet metrics also strengthened, with operating cash flow increased from AED 244 Mn in 9M25 to AED 775 Mn in 9M26, supported by improved operating profitability and favourable working-capital movements particularly strong receivables collection. The Company expects surplus cash balances to start generating interest income from 4Q26 or 1Q27, following the repayment of outstanding revolving credit facilities and completion of debt refinancing. Free cash flow increased from 295 Mn in 9M25 to AED 750 Mn in 9M26, with FCF conversion improving to 87% during the period. Days sales outstanding (DSO) improved to 131 days as of 9M26, compared with 141 days in 1H26 and 135 days in FY2025, reflecting stronger collections and improved receivables

management. It expects continued improvement in collections, although DSO may fluctuate depending on payment cycles and settlement timings. Also, in July 2026 Burjeel successfully issued USD 500 Mn senior unsecured Sukuk issued primarily to refinanced bank term-loan facilities. Finance costs are expected to normalise to AED 40-45 Mn in coming quarters. Burjeel expects revenue to grow at a low double-digit CAGR, with BMC revenue targeted to reach AED 1.7 Bn per annum. Expansion projects are expected to generate AED 1.5 Bn per annum, while the Company's EBITDA margin is expected to expand to the low-20s range on a blended basis, driven by asset ramp-up, scale benefits, and patient yield optimization. The Company expects growth capex of AED 200-250 Mn in FY2026. Maintenance Capex is expected to remain up to 2.5% of revenue, while AED 1.0 Bn of growth Capex has been earmarked for expansion in the UAE and KSA, as well as digital transformation. Burjeel also aims to maintain net debt/pre-IFRS 16 EBITDA below 2.5x and a dividend payout ratio of 40%-70% of net income, subject to funding requirements for growth opportunities. Thus, based on our analysis, we maintain our BUY rating on the stock.

Burjeel Holdings PLC - Relative valuation

(at CMP)	2023	2024	2025	2026F
PE	12.7	18.9	13.8	12.6
PB	4.3	3.7	3.1	2.6
EV/EBITDA	8.4	9.9	8.9	8.3
BVPS	0.290	0.344	0.403	0.480
EPS	0.099	0.067	0.091	0.100
DPS	0.031	0.033	0.023	0.040
Dividend Yield	2.3%	2.5%	1.7%	3.0%

*FABS Estimates & Co Data, *The Company was listed in October 2022, so prior period multiples are not available*

Burjeel Holdings PLC- P&L

AED Mn	3Q25	2Q26	3Q26	3Q26F	Var	YOY Ch	QOQ Ch	2025	2026F	Change
Revenue	1,422	1,455	1,535	1,522	0.8%	7.9%	5.5%	5,486	5,843	6.5%
Doctors and other employees salaries and benefits	-590	-635	-625	-653	-4.2%	5.9%	-1.5%	-2,403	-2,536	5.5%
Inventories Consumed	-312	-290	-308	-301	2.2%	-1.1%	6.1%	-1,261	-1,169	-7.4%
Depreciation & Amortization expenses	-89	-98	-102	-98	3.8%	13.9%	3.8%	-386	-402	4.2%
Impairment of assets	0	-29	-1	0	NM	NM	NM	0	-30	NM
Provision for doubtful debts	-50	-48	-57	-53	6.7%	14.0%	17.0%	-179	-213	19.3%
Other expenses	-147	-164	-171	-160	6.9%	16.6%	4.3%	-625	-719	15.0%
EBITDA	**320**	**291**	**373**	**362**	**3.3%**	**16.6%**	**28.2%**	**1,089**	**1,179**	**8.2%**
EBIT	**235**	**191**	**271**	**258**	**5.2%**	**15.4%**	**42.0%**	**633**	**774**	**22.3%**
Financing cost	-37	-31	-62	-48	28.7%	NM	NM	-162	-166	2.1%
Gain on termination of a lease agreement	0	4	0	0	NM	NM	NM	0	4	NM
Share of profit from associates	-4	-2	1	6	NM	NM	NM	-3	2	NM
Profit Before Tax	**194**	**162**	**210**	**216**	**-2.6%**	**8.3%**	**29.6%**	**541**	**615**	**13.7%**
Income tax expenses	-19	-16	-26	-22	22.1%	40.0%	NM	-38	-61	NM
Profit Before NCI	**175**	**146**	**184**	**194**	**-5.3%**	**4.9%**	**26.2%**	**503**	**553**	**10.1%**
Non-controlling interest	10	3	10	10	3.6%	2.8%	NM	27	33	21.3%
Net profit attributable to shareholders	**166**	**142**	**174**	**185**	**-5.8%**	**5.0%**	**22.2%**	**475**	**520**	**9.4%**

FABS estimate & Co Data

Burjeel Holdings PLC - Margins

	3Q25	2Q26	3Q26	YOY Ch	QOQ Ch	2025	2026F	Change
EBITDA	22.5%	20.0%	24.3%	181	431	19.8%	20.2%	33
Operating Profit	16.5%	13.1%	17.7%	114	454	11.5%	13.3%	171
Net Profit	11.6%	9.8%	11.3%	-31	155	8.7%	8.9%	24

FABS estimate & Co Data

Key Developments:

- **20 January 2026:** Burjeel Holdings announced an AED 15 Mn financial recognition fund for frontline employees, benefiting nearly 10,000 staff, equivalent to c. half to one month of basic salary.
- **04 February 2026:** Burjeel Holdings launched the Burjeel Eye Institute at Burjeel Medical City, offering specialized ophthalmic services across cataract surgery, retinal diseases, glaucoma, corneal disorders, pediatric ophthalmology, and oculoplastic surgery. The Institute also signed an MoU with Spain-based Oftalvist to strengthen specialized eye care and clinical collaboration.
- **14 February 2026:** Burjeel Medical City launched the Sarcoma & Bone Center at Burjeel Cancer Institute in collaboration with the Burjeel Orthopaedic Institute, integrating oncology, orthopedic surgery, advanced diagnostics, and rehabilitation to strengthen specialized care for rare and complex bone and soft tissue cancers.
- **24 March 2026:** Burjeel Holdings opened a new medical center at Silicon Central Mall in Dubai Silicon Oasis, expanding its community-based healthcare network. The Company also announced an AED 1 Mn community health initiative, providing 1,000 residents with AED 1,000 health credits for consultations, diagnostics, and wellness programs.
- **02 April 2026:** Burjeel Holdings' Tajmeel Clinic launched its flagship clinic in Jumeirah, offering 30+ specialized procedures across advanced aesthetics, dentistry, surgical care, and regenerative medicine, further expanding its presence in Dubai.
- **14 April 2026:** Burjeel Hospital Abu Dhabi launched the Korean Pavilion to provide access to Korean medical expertise across orthopedic, neuro and spine, rehabilitation, urology, ENT, internal medicine, and dental care. The initiative also includes an MoU with Korea University Anam Hospital to strengthen clinical collaboration and expertise exchange.
- **23 April 2026:** Burjeel Medical City performed the UAE's first uniportal robotic lobectomy, removing part of a lung through a single 3 cm incision using the da Vinci Xi system. The minimally invasive procedure enabled the 37-year-old stage-one lung cancer patient to be discharged after two days and return to work within one month.
- **11 June 2026:** Burjeel Holdings' Lifecare Hospital, Musaffah launched a Seasonal Illness Clinic in Abu Dhabi to strengthen prevention, early detection, and treatment of respiratory, gastrointestinal, and skin infections. The clinic will provide diagnostic, treatment, screening, and consultation services, with a focus on supporting workers, employers, and surrounding communities.
- **02 July 2026:** Burjeel Holdings completed the inaugural USD 500 Mn five-year senior unsecured Sukuk issuance, carrying a 7.0% profit rate and priced at a yield of 7.125%. The proceeds will be used primarily to refinance existing bank facilities and support the Company's strategic priorities.
- **01 October 2026:** Burjeel Holdings established a dedicated day-surgery platform by bringing four UAE centers under a common clinical and operational framework. The platform is expected to support expansion in ambulatory and same-day care, with plans to add four centers in the UAE and two in Saudi Arabia.

- **12 October 2026:** Burjeel Holdings established a dedicated affordable healthcare platform, integrating primary care clinics, medical centers and multispecialty hospitals across the UAE. The is expected to improve operational coordination, capacity utilization and patient referral pathways. The Company plans to expand affordable healthcare footprint through a 75-bed LLH Hospital in Jebel Ali and over 10 additional clinics across the UAE, strengthening access to care in underserved communities and industrial hubs.

Valuation:

We use Discounted Free Cash Flow (DCF), Relative Valuation (RV) and Price to Earnings (PE) to value Burjeel Holdings PJSC. We have assigned 70% weight to DCF, 15% to RV and 15% to PE.

Valuation Method	Target	Weight	Weighted Value
DCF Method	1.81	70.0%	1.27
Relative Valuation (RV)	1.63	15.0%	0.25
PE	1.25	15.0%	0.19
Weighted Average Valuation (AED)			**1.70**
Current market price (AED)			1.34
Upside/Downside (%)			+27%

1) DCF Method:

Burjeel Holding is valued using free cash flow to equity. We have discounted the cash flow using the cost of equity of 9.8%. The cost of equity is calculated using a 10-year government bond yield of 4.8%, a beta of 1.0, and an equity risk premium of 4.4%. Government bond yield is calculated after adding Abu Dhabi's 10- year spread over 10-year US risk-free rate. Also, assumed a terminal growth rate of 2.0%.

Sum of PV (AED, Mn)	2,085
Terminal value (AED, Mn)	8,859
Net Debt as of Sep 2026	-1,511
FV to Common shareholders (AED, Mn)	**9,433**
No. of share (Mn)	5,205
Current Market Price (AED)	1.34
Fair Value per share (AED)	**1.81**

DCF Method

(All Figures in AED Mn)	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Net Income	697	690	837	1,053	1,307	1,466
D&A	402	410	452	484	477	466
(-) Capex	-652	-457	-371	-197	-223	-242
Change in working capital	-473	-194	-337	-522	-660	-604
Net change in debt	-184	-189	-190	-187	-188	-190
Free Cash Flow to Firm (FCFF)	**-210**	**260**	**392**	**630**	**713**	**897**
Discounting Factor	*0.99*	*0.91*	*0.84*	*0.77*	*0.71*	*0.65*
Discounted FCFF	**-52[1]**	**236**	**328**	**485**	**504**	**584**

Source: FAB Securities, [1]Adjusted for partial year

2) Relative Valuation:

We have used regional and global peers to value Burjeel Holding, which is valued using the EV/EBITDA and PE multiple. It is valued at 2027F EV/EBITDA multiple of 9.8x and 2027F P/E of 12.4x in line with peers.

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F
Al Hammadi Holding Company	916	10.7x	9.6x	13.9x	12.4x
Pure Health	7,381	7.8x	7.2x	12.1x	10.6x
Dallah Healthcare	1,916	11.7x	11.7x	11.3x	13.6x
Mouwasat Medical Services Company	2,909	10.5x	9.8x	13.0x	12.3x
Middle East Healthcare Company	567	NA	NA	17.8x	NA
Dr Sulaiman Al Habib Medical	19,899	21.9x	18.8x	29.1x	24.6x
Gulf Medical Projects	440	NA	NA	NA	NA
Average		**12.5x**	**11.4x**	**16.2x**	**14.7x**
Median		**10.7x**	**9.8x**	**13.4x**	**12.4x**
Max		**11.7x**	**11.7x**	**16.8x**	**13.6x**
Min		**10.5x**	**9.6x**	**12.3x**	**12.3x**

Source: FAB Securities

Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

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