

أمانات  
AMANAT  
HEALTHCARE & EDUCATION

RESULTS  
PRESENTATION

FY-2020/4Q-2020



# Disclaimer

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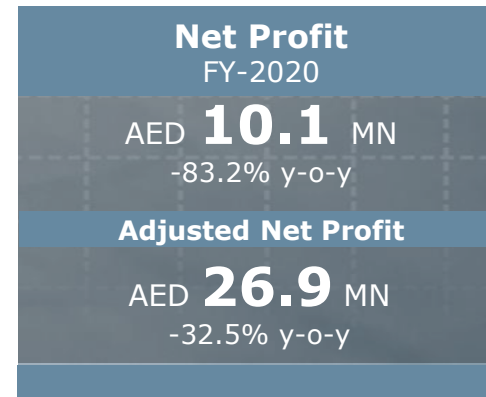
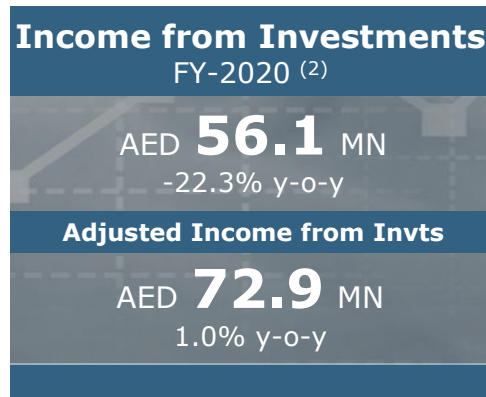
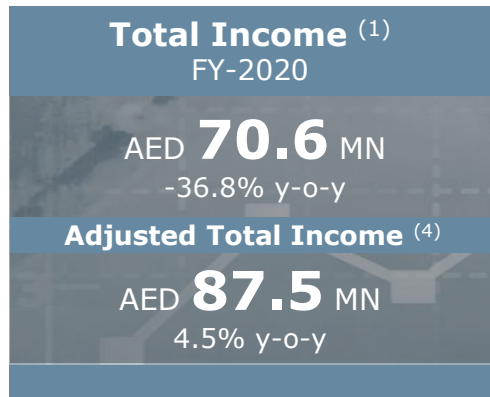
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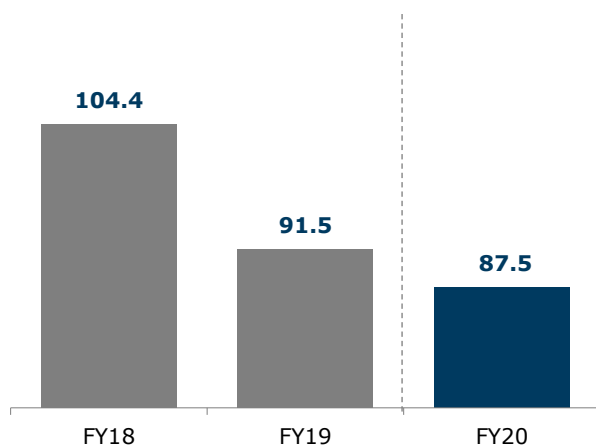
# Results Update FY-2020/4Q-2020



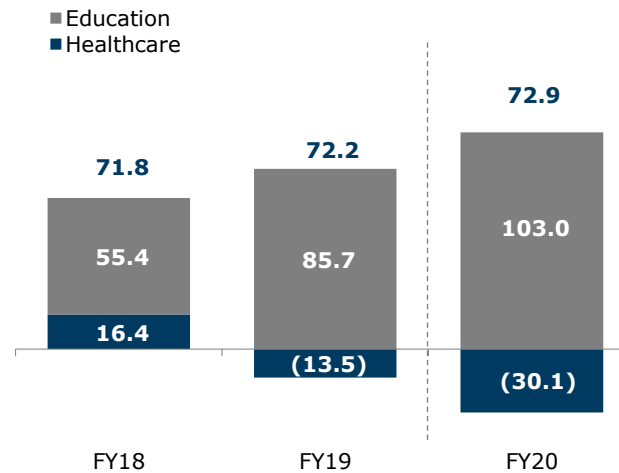
# Performance Highlights FY-2020



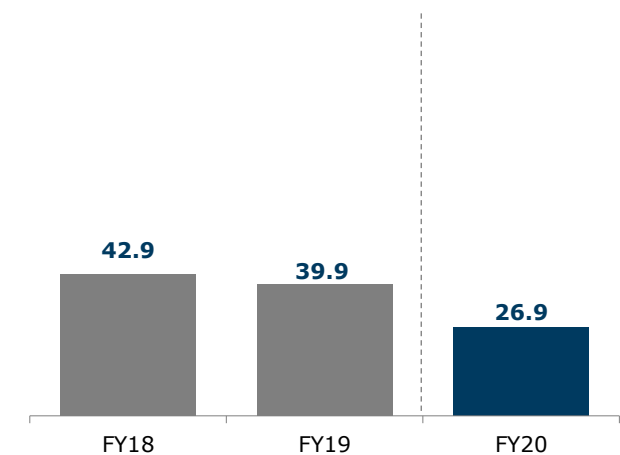
Adjusted Total Income | AED MN



Adjusted Income from Investments | AED MN



Adjusted Net Profit | AED MN



(1) Excluding NCI

(2) Includes share of results from associates (Sukoon, Taaleem, International Medical Center and Abu Dhabi University Holding Company), share of net income from subsidiaries (Middlesex University Dubai and Royal Hospital for Women & Children) and Finance Lease income generated from the real estate assets of North London Collegiate School Dubai less PPA costs.

(3) Amanat Holdings. (4) Adjusted Total Income, Adjusted Income from Investments and Adjusted Net Profit excluding one-off items

# Performance Highlights 4Q-2020

## Total Income <sup>(1)</sup> 4Q-2020

AED **43.4** MN  
+18.5% y-o-y

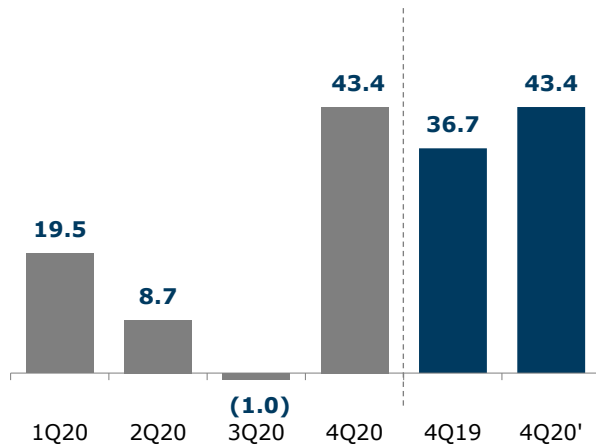
## Income from Investments<sup>(2)</sup> 4Q-2020

AED **39.2** MN  
+95.4% y-o-y

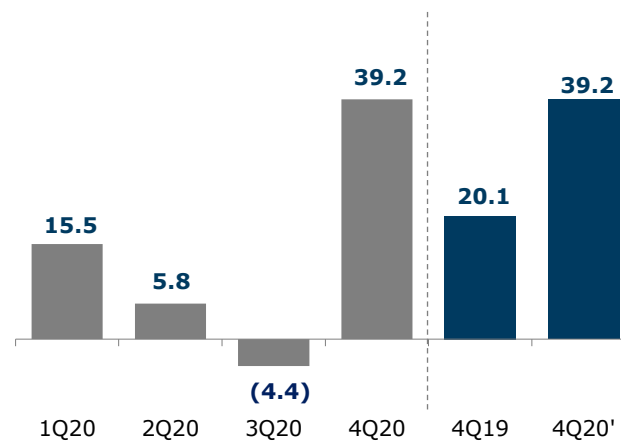
## Net Profit <sup>(3)</sup> 4Q-2020

AED **22.0** MN  
+69.8% y-o-y

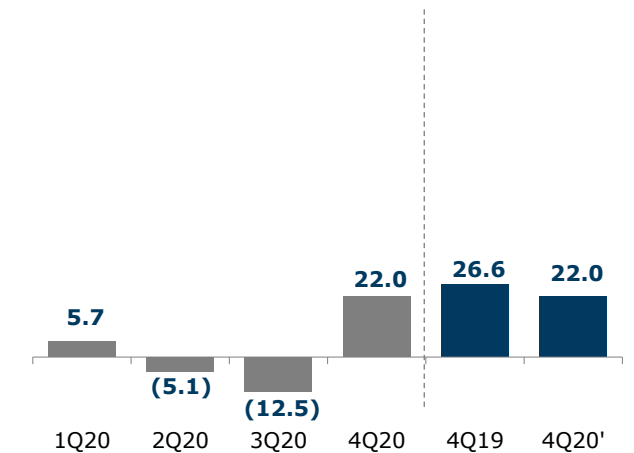
Total Income | AED MN



Income from Investments | AED MN



Net Profit | AED MN



(1) Excluding NCI

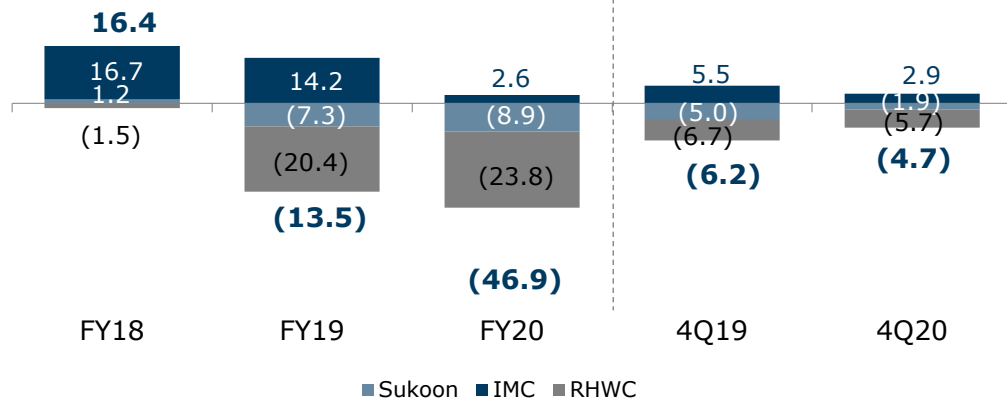
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(3) FY-2019 excludes one-off of AED13.6mn for MDX earnout

# Portfolio Highlights

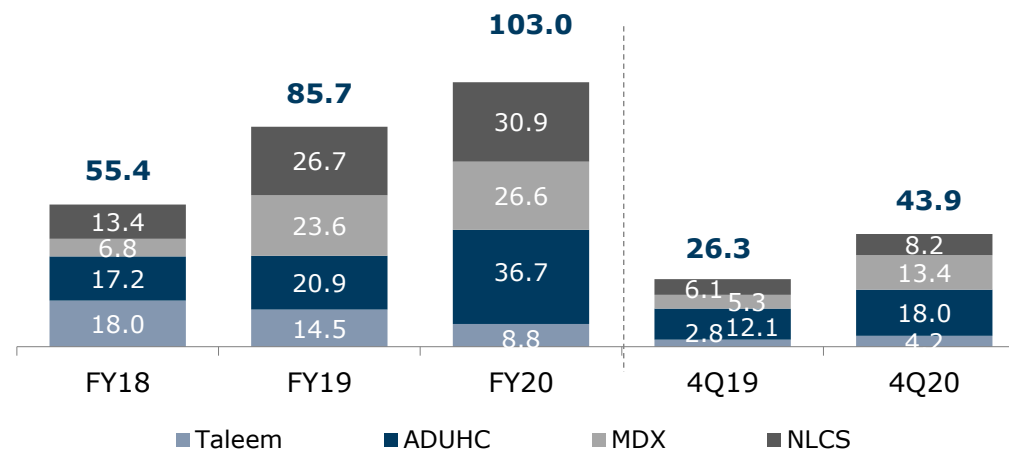
## Healthcare Platform

Income from Investments Build-Up FY-2020 | AED MN <sup>(1)</sup>

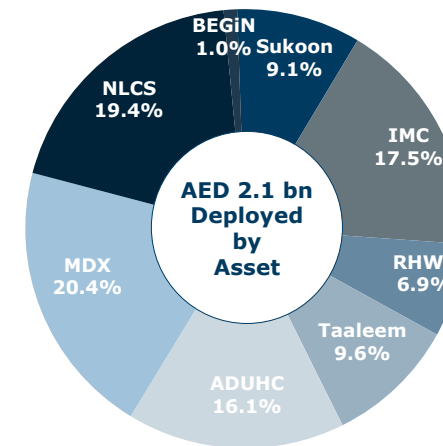
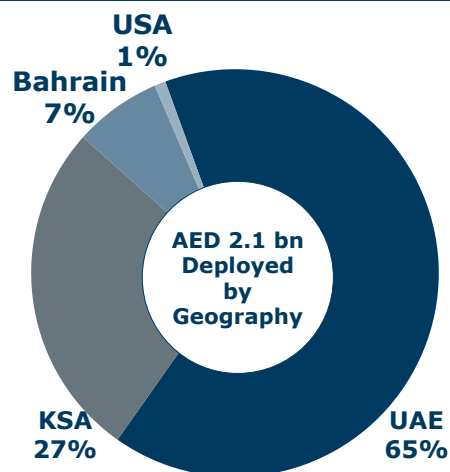
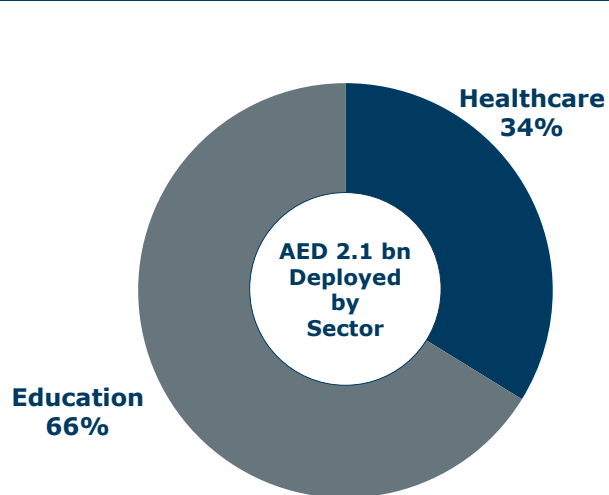


## Education Platform

Income from Investments Build-Up FY-2020 | AED MN <sup>(2)</sup>



## Investments Breakdown



(1) & (2) Amanat Income from Investments excludes one-off items



# Summary Consolidated Income Statement

AED' 000	12M-19	12M-20	Change
<b>Subsidiaries Revenue</b>	<b>142,103</b>	<b>143,565</b>	<b>1.0%</b>
Direct Costs	(69,690)	(80,884)	16.1%
<b>Subsidiaries Gross Profit</b>	<b>72,413</b>	<b>62,681</b>	<b>-13.4%</b>
Subsidiary-related Employee Expenses	(18,695)	(19,705)	5.4%
Other Subsidiaries Income	2,208	830	-62.4%
Other Subsidiaries Expenses	(46,339)	(38,189)	-17.6%
Subsidiaries Interest Income	241	89	-63.1%
Subsidiaries Interest Expense	(5,386)	(5,280)	-2.0%
Other Subsidiaries Expenses	-	-	
<b>Subsidiaries Net Profit</b>	<b>4,442</b>	<b>426</b>	<b>-90.4%</b>
Non controlling Interest Subsidiaries	9,028	10,519	16.5%
Subsidiaries PPA Expenses	(6,233)	(4,500)	-27.8%
Eliminations Interest income	(754)	(1,164)	54.4%
Eliminations Other income	(3,333)	(2,500)	-25.0%
<b>Amanat Share of Subsidiaries' Net Income</b>	<b>3,150</b>	<b>2,781</b>	<b>-11.7%</b>
Share of Associates Results	43,510	22,426.00	-48.5%
Non-Controlling Others	(1,185)	-	-100.0%
<b>Amanat Share of Associates</b>	<b>42,325</b>	<b>22,426</b>	<b>-47.0%</b>
<b>Share of Associates Results Attributable to Equity Holders</b>	<b>45,475</b>	<b>25,207</b>	<b>-44.6%</b>
<b>Finance Lease Income</b>	26,692	30,861	15.6%
<b>Interest Income</b>	15,919	11,083	-30.4%
<b>Other Income</b>	23,626	3,493	-85.2%
<b>Total Income</b>	<b>111,712</b>	<b>70,644</b>	<b>-36.8%</b>
Amanat-related Employee Expenses	(29,209)	(23,248)	-20.4%
Amanat-related General and Admin. Expenses	(16,659)	(21,495)	29.0%
Projects Expenses	(5,820)	(15,820)	171.8%
<b>Total Expenses</b>	<b>(51,688)</b>	<b>(60,562)</b>	<b>17.2%</b>
<b>Net Profit / (Loss) for the Period</b>	<b>60,023</b>	<b>10,082</b>	<b>-83.2%</b>
Net Profit Margin	53.7%	14.3%	-73.4%
<b>Adjusted Net Profit / (Loss) for the Period</b>	<b>39,874</b>	<b>26,899</b>	<b>-32.5%</b>
Adjusted Net Profit Margin	35.7%	31.1%	-13.0%

## Key Highlights

- Subsidiaries comprise MDX and RHWC, both of which were acquired at the end of August 2018.
- Share of Associates Results include IMC, Sukoon, Taaleem and ADUHC while Finance Lease Income represents the real estate assets of NLCS.
- The increase in subsidiary-related expenses was driven by RHWC's ramp up which reflects 12 full months of operations in FY 2020 vs. only 9 months last year given the hospital launched in March 2019
- Interest income in FY-2020 reached AED 11.1 million vs. AED 15.9 million in FY-2019 on account of a significant decline (2% average) in interest rates y-o-y.
- NCI others represents our partners share in IMC which is not applicable in 2020 after shares were directly invested in IMC separately.
- Eliminations of interests and other income has been deducted from the subsidiaries performance and added to the same line item at the corporate level; this is to tally financials with performance at the Holding level.
- Amanat's total income, which includes share of results from associates, net profit from subsidiaries excluding NCI, finance income, interest and other operating income recorded AED 70.6 million in FY-2020, down by 36.8% compared to the AED 111.7 million booked in the same period last year.
- Total holding expenses recorded AED 60.6 million in FY-2020, up by 17.2% y-o-y versus the AED 51.7 million recorded in FY-2019. Amanat recorded a 20.4% decline in staff costs to AED 23.2 million. G&A expenses (excluding one off items) is 6.5% lower to AED 15.6 million.
- Amanat recorded a net profit for FY-2020 of AED 10.1 million compared to a net profit of AED 60.0 million in the same period last year, impacted by lower contributions to income from investments by the healthcare platform companies on account of COVID-19 and further compounded by a one-off provision of AED 16.8 million related to Sukoon. Normalized Net Profit would be AED 26.9 million in FY-2020, down 37.3%.

# Summary Consolidated Balance Sheet

AED' 000	31-Dec-19	31-Dec-20
Property & Equipment	134,933	128,302
Goodwill & Intangible Assets	485,849	481,349
Finance Lease Receivables (NLCS)	336,417	384,529
Investments in Associates	1,107,774	1,069,755
Other Non-Current Assets	40,867	54,674
<b>Total Non-Current Assets</b>	<b>2,105,840</b>	<b>2,118,609</b>
Cash and Cash Balances	571,702	530,555
Other Current Assets	86,915	71,559
<b>Total Current Assets</b>	<b>658,617</b>	<b>602,114</b>
<b>Total Assets</b>	<b>2,764,457</b>	<b>2,720,723</b>
Share Capital	2,500,000	2,500,000
Share Premium	0	523
Treasury Shares	0	-6,702
Reserves	29,144	30,152
Fair Value reserved	(21,033)	(22,390)
Retained Earnings	55,790	10,497
Non-controlling Interests	16,864	6,345
<b>Total Equity</b>	<b>2,580,765</b>	<b>2,518,425</b>
Bank Financing – Long Term	57,152	54,582
Other Long-Term Payables	3,916	3,821
Other Long-Term Liabilities	26,186	36,043
<b>Total Non-Current Liabilities</b>	<b>87,254</b>	<b>94,446</b>
Trade & Other Payables	30,531	57,815
Financial Liability at Fair Value through Profit or Loss	27,850	0
Other Current Liabilities	38,057	50,037
<b>Total Current Liabilities</b>	<b>96,438</b>	<b>107,852</b>
<b>Total Liabilities</b>	<b>183,692</b>	<b>202,298</b>
<b>Total Liabilities &amp; Equity</b>	<b>2,764,457</b>	<b>2,720,723</b>

## Key Highlights

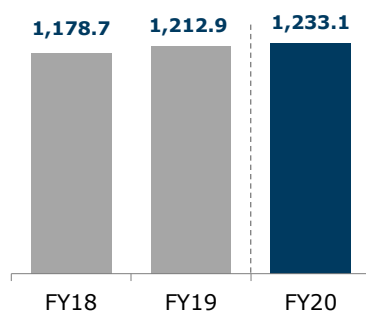
- Property, plant and equipment largely reflects the assets of RHWC.
- Goodwill and intangible assets of AED 481 million is related to the acquisitions of Middlesex and RHWC
- Investments in associates (Sukoon, Taaleem, IMC & ADUHC) stood at AED 1,070 million on 31 December 2020 compared to AED 1,108 million on 31 December 2019.
- Total cash and bank balances stood at AED 505.8 million on 31 December 2020, down from AED 572 million on 31 December 2019 and representing 18.6% of Amanat's total assets.
- Cash balances held at Amanat Holdings on 31 December 2020 stood at AED 456.6 million, down from AED 522.7 million at year-end 2019.
- The decline in cash and bank balances was mainly attributed to the AED 32.7 million draw-down from NLCS for the campus expansion as well as the distribution of dividends for the year 2019 and the AED 18.4 million investment in BEGiN.
- Share premium of AED 523 thousand accounts for profit from the liquidity provision contract Amanat entered into in November 2019.



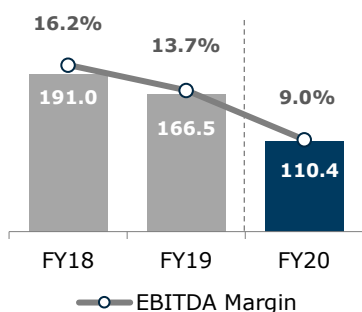
# Healthcare Platform | IMC

Financial and Operational Review | Twelve-months ended 31<sup>st</sup> December

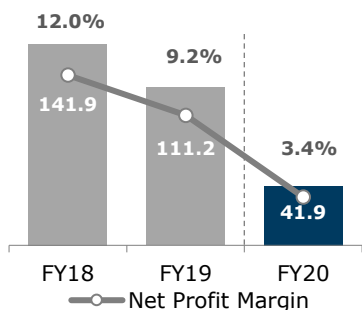
## Revenue | SAR MN



## EBITDA | SAR MN



## Net Profit | SAR MN



## Financial Performance

- Increase in revenues by 2%, despite Covid-19 impact affecting months of March to May, due to Management revenue initiatives and full-year impact of North Jeddah acquisition
- Decline in EBITDA by 33% was driven:
  - Covid related protective equipment purchases
  - Higher bad debts provisioning for government referred patients to account for Covid economic climate
  - Hiring of a transformation team to drive newly developed growth strategy

**SAR (255.5) MN <sup>(1)</sup>**

Net Debt (Cash)  
Including Lease Liabilities  
SAR 200.4 MN  
31 Dec 2020

## Action Plan

✓ Completed Initiative

⊕ Ongoing Initiative



### Corporate Strategy

- ✓ Revenue initiatives successfully implemented including expansion of Homecare, Telemedicine and ER services
- ✓ Operational integration of recent North Jeddah acquisition complete, with day-time utilization expanded and day case surgeries ramped up
- ⊕ Approved growth plans including tower expansion of existing facility expected to result in 50% additional capacity, expansion of mother and child services, widening of hub-and-spoke network via addition of new clinics across KSA
- ✓ Finalized 5-year growth strategy & hired transformation team to drive strategy execution
- ⊕ Implementing cost productivity initiatives



### Corporate Finance

- ⊕ Evaluating optimal capital structure and funding options for expansion plans



### Corporate Governance

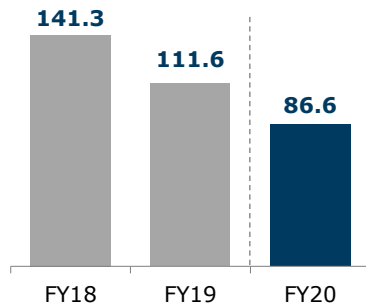
- ✓ Completed the implementation of ERP system with full IFRS compliance and undergoing the upgrade of the HIS systems
- ✓ Fortified management capabilities with a full C-suite now in place

(1) Includes: Cash of SAR 240.5 mn and Lease Liabilities of SAR 57.1 mn

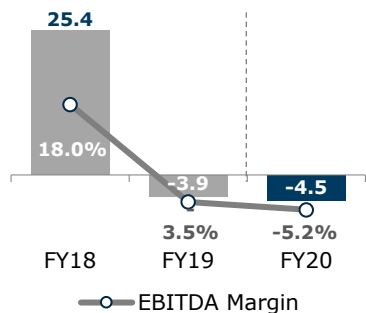
# Healthcare Platform | Sukoon

Financial and Operational Review | Twelve-months ended 31<sup>st</sup> December

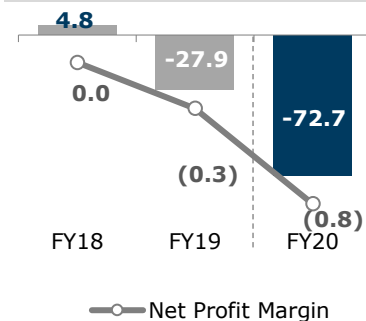
## Revenue | SAR MN



## EBITDA | SAR MN



## Net Profit | SAR MN (2)



## Financial Performance

Sukoon's revenues declined 22% y-o-y driven by revised patient classification resulting in lower pricing. This was offset by a 5% increase in patient count, indicative of Sukoon's resiliency during the Covid climate.

- Despite the decline in revenues, Sukoon achieved the same EBITDA as in FY19 due to a lower cost base owing to the business optimization initiatives implemented over the period
- In fact, EBITDA of core operations was positive during Q4 2020
- As part of the restructuring exercise, management has provided for c. SAR 54 million of aged receivables which affected bottom line in FY20 and resulted in a net loss of c. SAR 73 million.




SAR **(113)** MN <sup>(1)</sup>

Net Debt (Cash)  
31 December 2020

## Action Plan

✓ Completed Initiative

⊕ Ongoing Initiative

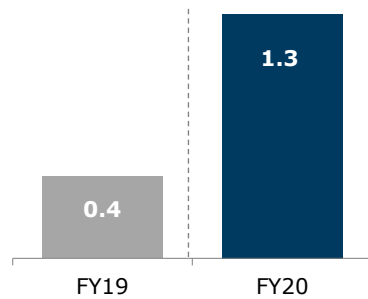
 <p><b>Corporate Strategy</b></p>	<ul style="list-style-type: none"> <li>✓ Defined turnaround strategy &amp; identified new revenue streams</li> <li>⊕ Completed facility redesign &amp; renovation is underway to improve patient flow &amp; increase capacity</li> <li>✓ Diversifying client base away from the concentration of the Ministry of Health</li> <li>✓ Improving revenue cycle management</li> <li>✓ Business optimization initiatives executed, resulting in SAR 16 mn of savings in FY20</li> </ul>
 <p><b>Corporate Finance</b></p>	<ul style="list-style-type: none"> <li>✓ Optimized the company's capital structure and approved the capital reduction of SAR 83 mn, with SAR 60 mn refunded to the shareholders in FY20</li> <li>✓ Growth plans expected to be completely financed by internal funds</li> <li>✓ Improved recoverability of receivables</li> </ul>
 <p><b>Corporate Governance</b></p>	<ul style="list-style-type: none"> <li>✓ Full C-suite team in place</li> <li>✓ Enhanced controls through the development board committee charters, establishment of an Internal Audit function and improving current policies &amp; procedures</li> <li>⊕ Maintaining CBAHI and JCI accreditation</li> </ul>

(1) Includes: Cash of SAR 177.0 mn and Lease Liabilities of SAR 2.5 mn (2) Excludes one-off items of SAR 53.0 mn in FY20

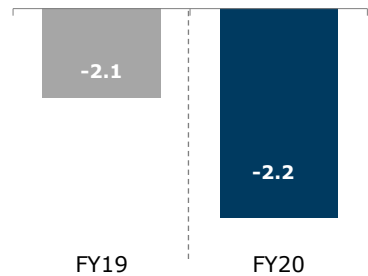
# Healthcare Platform | RHWC

Financial and Operational Review | Twelve-months ended 31<sup>st</sup> December

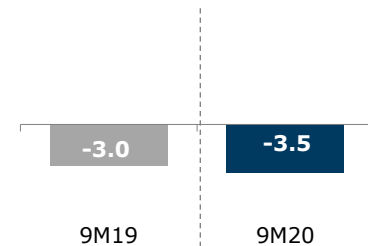
## Revenue | BHD MN



## EBITDA | BHD MN



## Net Profit | BHD MN



## Financial Performance

- FY 2020 Revenue reached BHD 1.3 million, driven by: Increased volumes and utilization across IP and OP attributable to activation of new departments and physician hiring; Revenue ramp-up was adversely affected in Q1 and Q2 as a result of Covid lockdown & suspension of elective procedures across Bahrain
- EBITDA and Net losses widened as a result of an increased cost base attributable to physician and support staff hiring completed to drive performance growth. Magnitude of loss was adversely impacted by Covid 19, and countered by cost savings initiatives implemented by the management team




**BHD 9.1 MN** <sup>(1)</sup>

Net Debt (Cash)  
31 December 2020

## Action Plan

✓ Completed Initiative

⊕ Ongoing Initiative

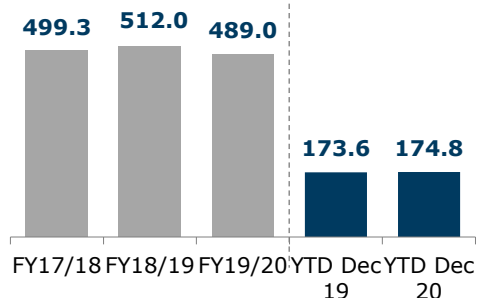
 <p><b>Corporate Strategy</b></p>	<ul style="list-style-type: none"> <li>✓ Completed the launch of the IVF, Cosmetology and Bariatrics departments</li> <li>⊕ Exploring tie-ups with US-based physicians to perform procedures at RHWC on a visiting basis</li> <li>✓ In-house laboratory service established to improve lab referral volume and overall patient experience</li> <li>⊕ Exploring M&amp;A opportunities for the creation of a regional Mother &amp; Child platform</li> <li>⊕ Exploring potential to add an additional 30 beds by expanding the hospital into the unutilized portion of the land</li> </ul>
 <p><b>Corporate Finance</b></p>	<ul style="list-style-type: none"> <li>✓ Completed funding requirements to fund operations and growth capex</li> </ul>
 <p><b>Corporate Governance</b></p>	<ul style="list-style-type: none"> <li>✓ Hired an independent management team to drive the Company through the next phase of growth</li> <li>✓ Implemented financial and operational KPIs to track department-wise performance</li> <li>✓ Defined authority matrix and circulated to all department heads</li> <li>✓ Developed company organization structure, roles, responsibilities, and KPIs</li> </ul>

(1) Includes: Cash includes BHD 400k of DSRA account

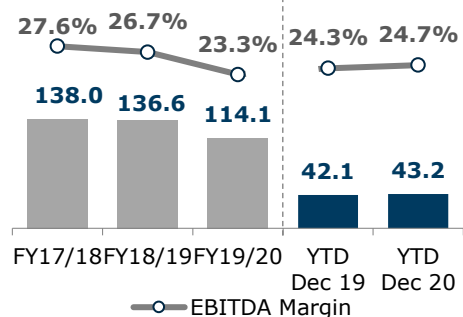
# Education Platform | Taaleem

## Financial and Operational Review | Four-months ended 31<sup>st</sup> December 2020

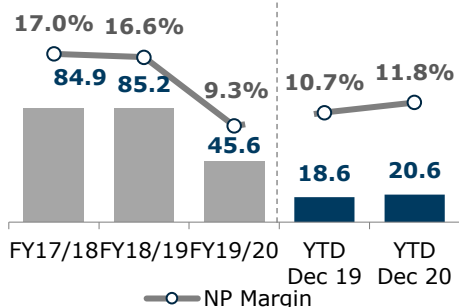
### Revenue | AED MN



### EBITDA | AED MN



### Net Profit | AED MN



### Financial Performance <sup>(1)</sup>

- Revenue grew 1% YoY driven by strong enrolment figures
- YTD EBITDA of AED 43 million is slightly higher than last year as increased revenue and improved staff efficiency measures were partially offset by expenses related to Covid compliance as well as timing of certain other expenses

**AED (28.0) MN**

Net Debt (Cash)  
31 Dec 20

Excluding lease liability of  
AED 148 mn and tuition fees  
received in advance of AED  
148 mn

### Action Plan

✓ Completed Initiative

⊕ Ongoing Initiative



#### Corporate Strategy

- ✓ Transitioned to distance learning
- ✓ Developed expansion strategy for execution (organic/in-organic)
- ✓ Launched the new Al Raha International School two in Abu Dhabi (Sept 2021)
- ✓ Implemented effective recruitment efforts for AY 2021
- ✓ DBS Jumeirah Park improved its KHDA rating to 'Very Good'
- ⊕ Developing school by school plan to drive improved academic quality and ratings
- ⊕ Revamping marketing and admissions plans to accelerate enrolment growth



#### Corporate Finance

- ⊕ Evaluating optimal capital structure to fund growth initiatives, including avenues for leveraging Taaleem's strong balance sheet
- ⊕ Exploring the potential path towards listing the company at the right time
- ⊕ Exploring potential acquisitions and greenfield opportunities to drive growth going forward



#### Corporate Governance

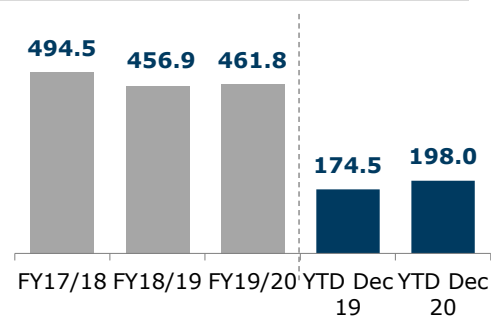
- ✓ Hired a new CEO
- ✓ Enhanced the marketing and admissions functions
- ⊕ Strengthening technology and IT systems

(1) FY figures represent fiscal year August | YTD figures represent the four months from September-December

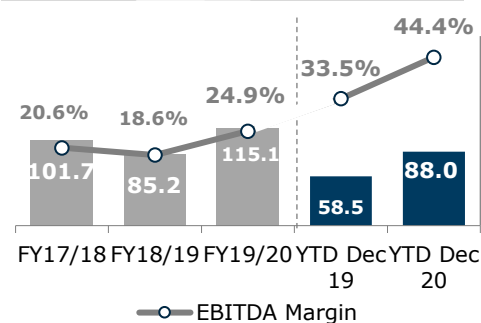
# Education Platform | ADUHC

Financial and Operational Review | Four-months ended 31<sup>st</sup> December 2020

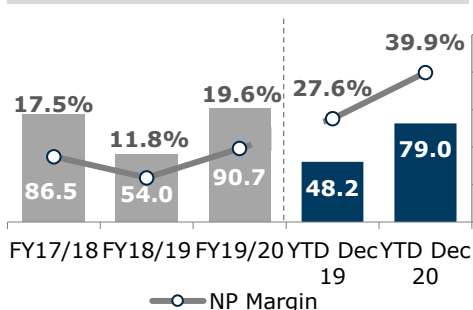
## Revenue | AED MN



## EBITDA | AED MN



## Net Profit | AED MN



## Financial Performance<sup>(1)</sup>

- Revenue is up by c. 13% YoY, driven by strong student intake in the Fall semester and higher training revenue
- EBITDA is c. 50% higher YoY, due to positive operating leverage from better cost management across both direct cost and SG&A
- Net Income is up c. 66% YoY, with improved financial control and lower interest rates further contributing to improvement in net margin

**AED 263.8 MN**

Net Debt (Cash)  
31 Dec 20

## Action Plan

✓ Completed Initiative

⊕ Ongoing Initiative



### Corporate Strategy

- ✓ Launched the College of Health Sciences
- ✓ Executed cost optimization strategy
- ✓ Introduced additional co-ed programs to improve efficiency
- ✓ Completed construction of the new Al Ain campus
- ⊕ Screening suitable acquisition targets in new geographies
- ⊕ Introducing new programs/courses
- ⊕ Developing an online learning and digitization strategy
- ⊕ Developing marketing strategy to increase international student acquisition



### Corporate Finance

- ✓ Implemented cash management initiative
- ⊕ Evaluating optimal capital structure to fund growth initiatives



### Corporate Governance

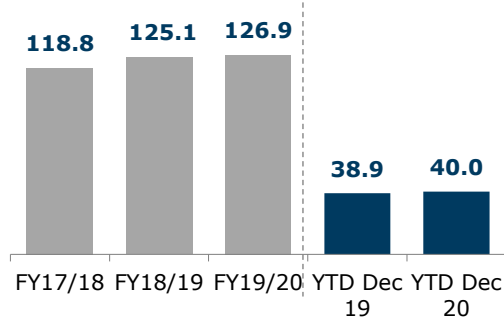
- ⊕ Optimizing organizational structure and human capital
- ⊕ Focusing on obtaining further academic excellence and recognition
- ⊕ Developing a revised legal structure

(1) FY figures represent fiscal year August | YTD figures represent the four months from September-December

# Education Platform | Middlesex

Financial and Operational Review | Four-months ended 31<sup>st</sup> December 2020

## Revenue | AED MN



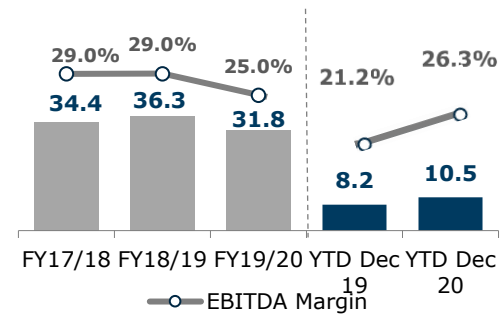
## Financial Performance <sup>(1)</sup>

- FY 2020/21 YTD revenue is c. 3% higher than last year, driven by the higher student enrolment figures relative to last year
- YTD EBITDA is c. AED 2.3mn higher than the same period last year, with savings SG&A more than offsetting the drop in non-tuition ancillary income due to the impact of Covid-19

**AED (42.3) MN**

Net Debt (Cash)  
31 Dec 20

## EBITDA | AED MN



## Action Plan

✓ Completed Initiative

⊕ Ongoing Initiative



### Corporate Strategy

- ✓ Achieved a 3% enrolment growth against the backdrop of a challenging macro environment and highly competitive Dubai higher education market
- ✓ Developed, enhanced & tailored international student admissions & marketing plan
- ✓ Launched a host of new virtual events and other recruitment initiatives
- ✓ Awarded a 5-star rating from the KHDA
- ✓ Implementing hybrid course offering for FY 2021
- ⊕ Identifying cost saving initiatives for FY 2021
- ⊕ Continuing assessment of expansion as well as domestic business development opportunities



### Corporate Finance

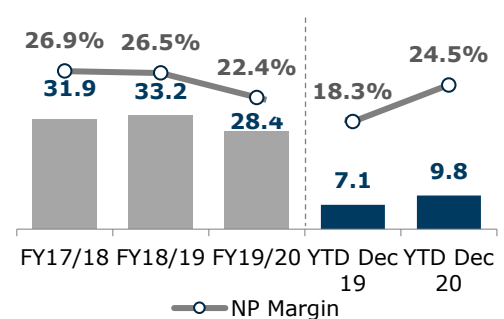
- ✓ Distributed a AED 38 mn dividend in June 2020
- ⊕ Optimizing capital structure to fund growth initiatives



### Corporate Governance

- ✓ Completed review and audit of the financial policies and procedures
- ✓ Initiated a risk assessment of all functions within the organization to develop a 3-year audit plan
- ⊕ Reviewing organization structure design
- ⊕ Enhancing ERP system

## Net Profit | AED MN



(1) FY figures represent fiscal year August | YTD figures represent the four months from September-December



## Investor Relations Contact

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