



Amanat Reports Financial Results for 1H 2020

10 August 2020 | Dubai | Amanat Holdings PJSC (**"Amanat"** or the **"Company"**), the GCC's largest healthcare and education investment company, announces its consolidated financial results for the first half ended 30 June 2020, reporting an adjusted total income of AED 43.0 million in 1H-2020, down by 32.6% y-o-y, and adjusted income from investments of AED 37.4 million in 1H-2020, down by 31.4%. Adjusted net profit stood at AED 16.5 million in 1H2020 compared to AED 35.1 million in the same period last year.

Bottom-line profitability was mainly impacted by lower contributions to income from investments by the healthcare portfolio companies on account of the restrictions imposed due to the COVID-19 pandemic and partially offset by a 5.4% y-o-y increase in income from investments attributable to the education portfolio companies. Net income was further impacted by a one-off provision of AED 15.9 million related to aged receivables attributable to Sukoon which resulted in a net profit, including one-off items, of AED 0.6 million.

Commenting on the period's results, Amanat's Chairman H.E. Hamad Alshamsi said: "Favorable fundamentals along with the defensive nature of the education and healthcare sectors allowed Amanat to continue delivering profitability to our shareholders despite the transient challenges brought about by the COVID-19 pandemic. Throughout this challenging period our main priority continues to be protecting the health and safety of our staff, students, patients and the communities where we operate, while fully supporting the mitigation and containment efforts implemented by governments across our geographic footprint. We have also taken this as an opportunity not only to drive key cost cutting and efficiency measures across Amanat's portfolio, but also pivot into alternative mitigants to utilize various revenue streams and offset the financial impact over the six-month period. These measures will not only enable our assets to weather the repercussions but will also unlock stronger profitability down the line when business returns to pre-COVID-19 levels."

"While we are cognizant of the short-term challenges facing global economies and our businesses, management remains confident in the strong underlying fundamentals driving our sectors. Amanat's competitive market positioning, robust balance sheet and funding capacity, as well as its strong team of investment professionals will enable the company to weather these transitory headwinds. We are confident in our ability to adapt to an increasingly competitive environment and also explore the newly presented opportunities for further market consolidation. In parallel, the prevailing conditions will present exciting new avenues to grow our existing platforms and deliver long-term sustainable value to shareholders."

Chief Executive Officer of Amanat, Dr. Mohamad Hamade said: "Across our organization, we have rolled out health, safety and business continuity measures to effectively mitigate and combat the impact of COVID-19. We have also been working closely with management teams across our portfolio companies to assess the risks and adjust strategies accordingly. At our education platform, a seamless shift to distance and online learning for the remainder of the 2020 academic year allowed us to deliver a 5.4% growth in total income from education investments. This comes despite having introduced tuition discounts and recorded lower ancillary revenue due to COVID-19, with performance being supported by strong student enrolment growth and cost optimization initiatives.

"Meanwhile at our healthcare platform, government directives in Saudi Arabia and Bahrain to temporarily suspend all elective treatments and surgeries on account of COVID-19 took a toll on our healthcare assets' income from investments. However, these restrictions were short-term in nature, with elective procedures deemed deferred rather than cancelled. This is particularly evident with the growth in patient numbers



starting June at our Jeddah-based International Medical Center and Bahrain's Royal Hospital for Women and Children. And as with our education platform, the prevailing circumstances have also pushed forward the addition and expansion of new healthcare solutions such as telemedicine and homecare that will serve as a key differentiator amongst healthcare providers post COVID-19," Hamade commented.

"Finally, at the corporate level, we have pushed forward increased efficiency and cost cutting initiatives, including digitizing our workflows and implementing a series of staff restructuring measures while maintaining a tight rein on administrative, travel and marketing costs. This saw us drive down our total expenses for the six-month period by 7.7% and allowed to deliver positive adjusted returns to shareholders, with the full benefit of these initiatives yet to be reflected in our year-end figures," Hamade added.

Total expenses recorded AED 26.5 million in 1H-2020, down by 7.7% y-o-y versus the AED 28.7 million recorded in 1H-2019, supported by a 19.7% decline in staff costs and a 2.9% decline in general and administrative expenses.

"During the second half of the year we will continue to work closely with our portfolio companies to manage the anticipated recovery post COVID-19, which we have already begun witnessing across all our portfolio companies," said Hamade. "We are also actively building resilience and adaptability through the adoption of new technologies to improve their digital capabilities. Our strengthened balance sheet sees us ready to seize special situation opportunities that arise as well as potential to tap further into the digital space, continuing our track record of driving integration, synergy extraction and enhancement of shareholder returns," Hamade concluded.

Amanat has deployed a total of AED 2 billion since inception, utilizing 80% of its AED 2.5 billion paid up capital. With 97% of its revenues following DFM recognized set of rules and requirements guided by the sharia's principles, Amanat is considered a sharia's compliant entity.

- End -

About Amanat Holdings PJSC

Amanat Holdings PJSC is the region's largest integrated healthcare and education investment company with a paid-up capital of AED2.5 billion. Listed on the Dubai Financial Market (DFM) since 2014, Amanat has a mandate to establish, acquire and incorporate companies working in the healthcare and education sectors, and develop, manage and operate these companies within the GCC and beyond. Amanat's healthcare platform includes International Medical Center (IMC), a 300-bed multi-disciplinary hospital based in Jeddah, Saudi Arabia; Sukoon, a provider of acute extended care, critical care and home care medical services in Jeddah, Saudi Arabia; and the Royal Hospital for Women and Children (RHWC), a world-class hospital for women and children located in the Kingdom of Bahrain. Amanat's education platform includes Taaleem, a leading provider of K12 and early education in the UAE; Abu Dhabi University Holding Company, a leading provider of higher education; and Middlesex University Dubai, the first overseas campus of the internationally renowned Middlesex University in London. Amanat also owns the real estate assets of the North London Collegiate School in Dubai, UAE.

Investor Relations Contact

Sara Shadid

Head of Investor Relations

+971 (0) 4 330 9999

investor.relations@amanat.com

For further information visit: www.amanat.com