



15 June 2015

NMC HEALTH PLC ANNOUNCES THE ACQUISITION OF PROVITA - THE LEADING LONG-TERM CARE OPERATOR IN THE UAE

NMC Health plc (LSE:NMC) ('NMC' or the 'Company'), the leading integrated private healthcare provider operating across the United Arab Emirates ('UAE'), is pleased to announce that it has entered into an agreement to acquire 100% of the issued share capital of ProVita International Medical Center LLC ('ProVita'), the leading provider of long-term medical care in the UAE, for an equity consideration of US\$160.6m to be paid in cash, from TVM Capital Healthcare Partners, the Olayan Group, Al Zarooni Emirates Investment and other minority shareholders (the "Acquisition").

ProVita is a pioneer in the under-supplied long-term care healthcare market segment in the UAE and is one of the largest providers in the country. Currently, ProVita operates a total of 90 long-term care beds in Abu Dhabi and Al Ain, with a further 30 beds expected to become operational in Abu Dhabi by Q3 2015. Consequently, the Acquisition, adds an expected 120 beds to NMC's expected 2015 licensed bed capacity of 720 for a total of 840 beds. All of ProVita's operational assets are Joint Commission International (JCI) accredited.

Dr. B.R. Shetty, Executive Vice-Chairman and Chief Executive Officer of NMC Health, commented:

"The acquisition of ProVita marks the entry of NMC into the strategic and under-supplied UAE long-term care market. It enhances NMC's value proposition as an integrated healthcare service provider by plugging the service gap between acute short-term care provided by NMC's existing facilities and homecare service provided by the recently acquired Americare Group. The acquisition is expected to be accretive within the first year, and reinforces NMC's commitment towards establishing 'Centres of Excellence' across the targeted healthcare service domains."

Encouraged by its success in the UAE and based on the very limited availability of dedicated private long-term care facilities in the Gulf Cooperation Council (GCC) countries, ProVita has been progressing towards entering the key markets of Saudi Arabia and Qatar.

This is in line with NMC's group strategy, which contemplates expansion in the GCC region supported by its growing healthcare services capabilities. It also aligns with NMC's strategy of increased specialisation, founded on the centres of excellence approach, which is delivering growing competitive advantages within highly synergistic yet potentially independently scalable and franchisable areas of

healthcare services. These include Mother Care & Fertility, Cardiology, Orthopaedics, Urology, Ophthalmology, Home Care and now Long-term Care.

The strong and experienced management team at ProVita have agreed to remain at the Company, limiting potential integration risk.

ProVita generated an adjusted¹ EBITDA of US\$11.1m and an adjusted Net Income of US\$9.1m for the financial year ended 31 December 2014 and, based on unaudited management accounts, an adjusted EBITDA of US\$12.7m and an adjusted Net Income of US\$10.7m for the 12 month period to 31 March 2015.

ProVita had a net cash position of US\$1.3m as of 31 March 2015, based on unaudited management accounts.

Dr. Helmut Schuehler, Chairman and CEO of TVM Capital Healthcare Partners, and Chairman of ProVita, commented:

“This acquisition marks a significant milestone in ProVita’s development, enabling the company to become part of an esteemed organization with a deep rooted history in providing quality, patient-centered care in the UAE. We are proud to have helped build ProVita and create the long-term care market in the UAE together.”

The Acquisition

The Acquisition is due to be completed by Q3 2015. It is expected to be firmly accretive to the Company’s EPS and to have a positive effect on margins and ROIC, before taking into account any revenue and cost synergies. Consolidation is planned from 1 April 2015.

ProVita fits into the wider group strategy of positioning NMC as an integrated healthcare provider, establishing centres of excellence across identified healthcare specialties and along the care pathway in its core market.

Additionally, the Acquisition significantly complements NMC’s recent Americare acquisition by providing strong potential for operational and revenue synergies. Together with Americare, NMC expects a seamless integration of ProVita with its existing facilities.

Along with the recently announced acquisitions, the Acquisition is in line with several key elements of its Group Strategy:

- **Expand service offering:** Expands NMC’s offering into wider healthcare services by complementing the existing services portfolio (of short-term acute/sub-acute care, home care and ancillary services like pharmacy)

¹ Adjusted for one off and non-recurring items

- **Plug an existing service gap:** Closes a service offering gap between acute/sub-acute short term care and homecare
- **Enhance positioning as integrated healthcare provider:** Positions NMC as a truly integrated healthcare provider in the UAE with presence across key points of specialist care in the “step down care pathway”
- **Access to Thiqa patients:** Further enhances NMC’s penetration into the Thiqa insurance segment which is exclusively comprised of Emirati patients
- **Operational, revenue and cost synergies with NMC’s existing facilities:** The acquisition of ProVita is expected to create synergies with NMC’s existing facilities:
 - Free up NMC’s ICU beds in Abu Dhabi and Al Ain which are currently occupied by long-term acute and sub-acute care patients
 - Potential benefits arising from cross referrals of ProVita’s patients into NMC’s facilities for other medical care / services
 - Optimisation of operational and financial performance and competitive advantages by treating patients at specialist facilities with the most appropriate capabilities for their needs
 - Cross training of staff between NMC and ProVita would help meet urgent staffing requirements in ProVita
 - Potential capex synergies for ProVita through ready access to additional capacity from NMC’s new facilities (particularly at NMC Royal Specialty Hospital in the Khalifa area of Abu Dhabi, located in close proximity to ProVita’s major facility)

UAE long-term care market

Demand for long-term care in the UAE continues to see substantial growth, mostly driven by the following factors:

- a) Elderly (55+) population expected to reach 290,000 by 2020 according to Business Monitor International, representing a CAGR of c.8.3% between 2014 and 2020;
- b) Increased levels of serious injuries requiring specialist long-term care;
- c) Elevated incidences of genetic disorders; and
- d) Saturation of hospital ICUs, running above the optimal occupancy rate according to Health Authority – Abu Dhabi (HAAD).

This is well supported by (i) the increased government spending in the healthcare sector which is expected to reach US\$10 billion by 2018, (ii) mandatory health insurance law and (iii) the government’s focus on local treatment facilities due to the high costs of treatments abroad.

Additionally, dedicated long-term care healthcare facilities in the UAE remain limited. ProVita is the pioneer in providing specialised treatment of severe cases requiring long-term mechanical ventilation. All its current facilities are JCI accredited and the quality of services provided is comparable to western countries such as UK, Germany and US.

Further information on ProVita

Based in the UAE and established in 2011, ProVita is the first of its kind and one of only two pure play providers of long-term medical care in the UAE. It was founded by Christina Shawky-Boehme, who first established ProVita Germany in 1995, when she identified the need for long-term care in the region.

ProVita focuses on chronic ventilator-dependent patients, who require regular medical, nursing and rehabilitative treatments in a non-hospital environment. ProVita has built a strong reputation in the market since its establishment, developing solid relationships with various healthcare facilities and authorities, thereby securing a steady flow of patient referrals.

Around 58% of ProVita's patients are referred from government-owned SEHA hospitals within Abu Dhabi and Al Ain. Approximately 21% are repatriated from abroad while the remaining 21% are referred to ProVita through other hospitals in the UAE.

As of March 2015, 69% were under the severe category of ventilated patients, as defined by Health Authority of Abu Dhabi (HAAD). The management team expects this figure to rise considerably in the coming years as ProVita looks to increasingly focus on catering to the "severe" category of ventilated patients

ProVita is exploring expansion into other markets within the region. Qatar and Saudi Arabia were identified as priority markets due to the increasing healthcare expenditure in both countries, high prevalence of chronic and lifestyle diseases, aging population, lack of dedicated long-term care facilities and a substantial number of patients seeking treatment abroad. This expansion fits well with NMC's strategic growth plans in the GCC region.

As at 31 December 2014 ProVita had gross assets of US\$30.8m and currently employs a total of 383 people.

TVM Capital Healthcare Partners invested in ProVita in 2010 after identifying an unmet need for specialist long-term care in the United Arab Emirates. TVM Capital Healthcare Partners is focused on making highly specialized growth capital and small buyout investments in healthcare companies in the Middle East and North Africa (MENA) region and India that are or target to become leaders in their regional markets. Since 2009, the company has led investments of close to US\$110m in five companies in the field of long-term care, rehabilitation, home care, fertility treatment and medical devices in the region.

Additional Information on the Acquisition

The Acquisition is subject to customary terms and conditions and is expected to close by Q3 2015.

The Company will finance the Acquisition using existing cash and credit facilities and expects to retain post completion, a net debt to EBITDA level which provides flexibility for future growth initiatives.

HSBC is acting as Sole Financial Advisor to the Company in relation to the Acquisition.

In addition, NMC is also being advised by Clyde & Co. who are acting as their legal advisor and Deloitte who are acting as the financial due diligence advisor.

NMC Health plc will host a conference call presentation for investors and analysts today, Monday 15 June, at 14.00 UK time.

The call will be hosted by:

Mr Prasanth Manghat, Deputy CEO

Mr Suresh Krishnamoorthy, Chief Financial Officer

Mr Roy Cherry, Head of Strategy & IR

- ends -

Enquiries:

NMC Health plc

Prasanth Manghat, Deputy Chief Executive Officer

+971 (0)50 522 5648

Suresh Krishnamoorthy, Chief Financial Officer

+971 (0)50 5915365

Roy Cherry, Head of Strategy & IR

+971 (0)50 667 0184

HSBC

Rahul Khanna

+971 (0)4 423 5169

Guy Slimmon

+44 (0) 207 992 2570

Stuart Dickson

+44 (0) 207 991 1506

Media:

FTI Consulting, London

Matthew Cole

+44 (0)20 3727 1101

FTI Consulting, Gulf

Shane Dolan

+971 (0)4 437 2100

About NMC

NMC Health plc group is the leading private sector healthcare operator in the United Arab Emirates, with a nation-wide network of hospitals and operations in the country since 1975. The Healthcare Division currently operates or manages seven hospitals, two day-care patient centres, nine medical centres and fifteen pharmacies. In addition, the Group owns and operates Clinica Eugin in Barcelona, Spain – one of the leading fertility treatment centres globally. The enlarged company received almost 2.8m patients in 2014. The group also operates a significant UAE wide Distribution business supplying product lines across several key market segments, including: Pharmaceutical, FMCG, Food and Scientific and Medical Equipment. NMC Health plc group reported revenues of US\$ 644m in 2014.

In April 2012 NMC Health plc was listed on the Premium Segment of the London Stock Exchange. At the time of its IPO, the group raised funds to enable it to pursue a further growth plan with a number of capital projects for new healthcare facilities in Abu Dhabi and Dubai. NMC Health plc is a constituent of the FTSE 250 Index.

Disclaimer

This document does not constitute, or form part, of any offer or invitation to sell, allot or issue or any solicitation of any offer to purchase or subscribe for any securities, nor shall it (or any part of it) form the basis of, or be relied on in connection with, or act as any inducement to enter into, any contract or commitment for securities.

Forward Looking Statements

Certain information contained in this document constitutes "forward-looking statements," which can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Such statements express the intentions, opinions, or current expectations of NMC with respect to possible future events and are based on current plans, estimates and forecasts which NMC has made to the best of its knowledge, but which do not claim to be correct in the future. Due to various risks and uncertainties, actual events or results or actual performance of NMC may differ materially from those reflected or contemplated in such forward-looking statements. No assurances can be given that the forward-looking statements in this announcement will be realised. As a result, recipients should not rely on such forward-looking statements. Subject to compliance with applicable law and regulations, NMC undertakes no obligation to update these forward-looking statements. No representation or warranty is made as to the reasonableness of such forward-looking statements. No statement in this document is intended to be nor may be construed as a profit forecast

HSBC

HSBC Bank Middle East Limited authorised and regulated by the Jersey Financial Services Commission and by the Central Bank of the United Arab Emirates, is acting as financial adviser exclusively for NMC and no one else in connection with the Transaction and will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than NMC for providing the protections afforded to clients of HSBC Bank Middle East Limited, nor for providing advice in relation to the matters referred to in this announcement