



11 June 2018

NMC Health plc
(the “Company” or “NMC”)

NMC enters into a transformational partnership with Hassana Investment Company to create a new healthcare platform in Kingdom of Saudi Arabia

NMC Health plc (LSE: NMC), the leading United Arab Emirates private healthcare operator with international operations across 13 countries, is pleased to announce the signing of a non-binding agreement to form a joint-venture healthcare platform with Hassana Investment Company (“Hassana”), the investment arm of the General Organization for Social Insurance (“GOSI”), which is the largest pension fund in Kingdom of Saudi Arabia (“KSA”).

- **Proposed formation of a new national healthcare company, pursuing a unique strategy in KSA**
- **JV to be formed through contribution of existing assets by both NMC and GOSI’s investment in Tadawul-listed National Medical Care Company (“CARE”)**
- **At inception, the platform would be one of the largest private healthcare operator in KSA by beds capacity**
- **NMC and Hassana have ambitious plans to expand and benefit from the strong growth potential of the healthcare sector in KSA through the proposed entity**
- **GOSI would continue to own a significant indirect stake in CARE through this proposed JV**
- **The proposed partnership would drive NMC’s strong expansion in the KSA healthcare market**

Larger platform to deliver more efficient deployment of capital in KSA

The proposed JV would create one of the largest private healthcare platforms operating in KSA today. The JV would have a strategically unique position in the country, with a strong foothold in Riyadh, the single largest healthcare market in KSA, as well as in multiple smaller, underserved cities. The enlarged organization is expected to benefit from economies of scale, allowing more efficient deployment of capital, increasing patient choice and optimizing returns across multiple assets. Furthermore, in-line with NMC’s existing strategy, the proposed JV platform would continue to build a strong pan-KSA presence, unlocking considerable synergies across its facilities in the process. These are expected to cover business segments such as revenue cycle management, procurement, HR and IT systems among others.

Key terms of the agreement

- GOSI/ Hassana will transfer their 38.9% stake in CARE at a price of SAR 70/share, implying an attractive 2018E EV/EBITDA multiple of less than 15x
- NMC will contribute all of its existing KSA-based assets as part of the formation of the JV platform
- Under the terms of the agreement, there will be revaluation of NMC’s assets, representing considerable value accretion at the joint-venture as well as NMC Health plc level
- The JV will have a combined bed capacity of 1,489 (664 beds contributed by NMC and 825 by CARE)
- Formation of the JV is subject to regulatory approvals and signing of definitive agreements after completion of necessary due diligence by both the parties

- For the year ended 31 December 2017, NMC reported gross assets of US\$3.0 billion and profits before tax of US\$210.4 million. For the same period, CARE reported gross assets of US\$380.0 million and profits before tax of US\$26.7 million

NMC will retain a majority stake, as well as operational control, in the JV

NMC will hold a voting majority in the proposed JV, with the exact stake subject to final terms. Consequently, NMC will fully consolidate the JV financials. NMC will also retain operational and management control of the assets held by the JV.

The proposed JV platform will serve as the main vehicle of future expansion for NMC in KSA. The proposed JV will seek to take majority, as well as minority, stakes in KSA-based healthcare operators (organic and inorganic investments), along with acquiring O&M contracts to manage private and government sector hospitals in the country.

The JV platform is expected to benefit significantly from NMC’s operational expertise in the healthcare sector, as well as Hassana’s local market knowledge and strategic position as a long term financial investor. The formation of this platform represents the strong commitment by both NMC and Hassana towards the KSA healthcare market.

Prasanth Manghat, Chief Executive Officer of NMC, commented:

“We identified KSA as a key strategic priority for NMC and the proposed partnership between NMC and GOSI/ Hassana would offer a tremendous opportunity for both the companies to better serve the KSA healthcare market. The Saudi government’s forward looking and investor friendly policies make the Kingdom one of the most attractive destinations in the region for investment in the healthcare sector. Moreover, Hassana’s strong commitment to the sector, particularly in the form of strategic investments, remains a vital means of attracting and developing healthcare expertise in the country. NMC has been the most progressive foreign entrant in the Saudi healthcare market, and the proposed partnership with Hassana would accelerate the process of bringing international best practices to KSA. In addition to being ideally positioned to participate in the highly anticipated privatization program in KSA, the proposed JV platform will continue to fill service gaps in the market. This is expected to be achieved through a wide range of means, be it through the development of IVF, long-term care and cosmetics segments or the introduction of pediatric centers of excellence and state-of-the-art cancer centers.”

Saad bin Abdulmohsen Al-Fadly, Chief Executive Officer of Hassana, commented:

“The proposed partnership between Hassana and NMC is driven by our view that healthcare in Saudi Arabia is one of the most attractive markets for strong long-term growth. The proposed JV has ambitious growth plans across different healthcare sub-sectors, with both partners committed to compounding returns over the long-term, whilst providing best-of-class services to patients. Benefiting from Hassana’s role as a strong long term financial and strategic investor and NMC’s expertise as a sophisticated and successful healthcare expert in the region, the JV platform would be well-positioned to become one of the most dominant healthcare players in Saudi Arabia and is ideally positioned to capitalize on the health care privatization program in Saudi Arabia in line with the country’s Vision 2030 initiatives.”

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About NMC Health

The NMC group (the “**Group**”) is the leading United Arab Emirates private healthcare operator with an international network of hospitals and operations. The Group currently operates or manages over 150 assets across 13 countries. NMC is also ranked as one of the top 3 in-vitro fertilisation (“**IVF**”) operators globally. The Group is also a leading provider of long-term medical care in the UAE through its subsidiary ProVita. Pursuing an aggressive international expansion program from 2016, the company now has 35% of its licensed bed capacity in the Kingdom of Saudi Arabia (KSA), where the company has introduced long-term and multi-specialty care services. The enlarged company received over 5.7 million patients in 2017. The Group is also a leading UAE supplier of products and consumables across several key market segments, with the major contribution coming from healthcare related products. The Group reported revenues of US\$1.6 billion for the year ended 31 December 2017.

In April 2012 NMC was listed on the Premium Segment of the London Stock Exchange. NMC is a constituent of the FTSE 100 Index and MSCI Global Standard Index.

About General Organization for Social Insurance / Hassana Investment Company

General Organization for Social Insurance (“**GOSI**”) is one of the largest pension funds in the world by assets under management. It is a government administered pension fund covering private sector employees in Saudi Arabia. Hassana Investment Company is the investment arm of GOSI, managing all investments on behalf of the pension fund across all asset classes.