



Investor Presentation – H1 2014 Results Call

19 August, 2014

Management presenting



Dr. B.R. Shetty, CEO



Binay Shetty, COO



Prasanth Manghat, CFO



Roy Cherry, Head of Strategy & IR

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H1 2014 highlights

- In H1 2014 NMC Health achieved good growth across the business, supported by strong growth in the UAE economy, clear vision and dedicated management efforts to execute the strategy
- We delivered double digit growth in revenues, EBITDA and net profits
- Divisional EBITDA margins were sustained
- Healthcare Division reported; strong growth in patient visits, improved occupancy levels, and a moderate revenue per patient growth
- Preparations for the opening of Brightpoint and DIP hospitals were successfully finalised during the period with both assets commencing initial operations in July 2014
- Fit-out of our Al Ain Medical Centre is ongoing and we expect to open in H2 2014
- Steady progress was achieved at our Khalifa City Hospital project in preparation for its opening in H1 2015
- Distribution Division continued to exceed expectations during the first half of the year
- Substantial additions to our product line-up in the distribution business were made, some of which had direct and material market impact

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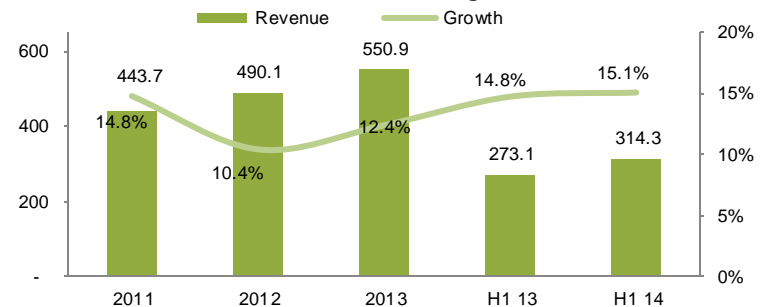
Group EBITDA grows by 12.7% in H1 2014

Consolidated overview

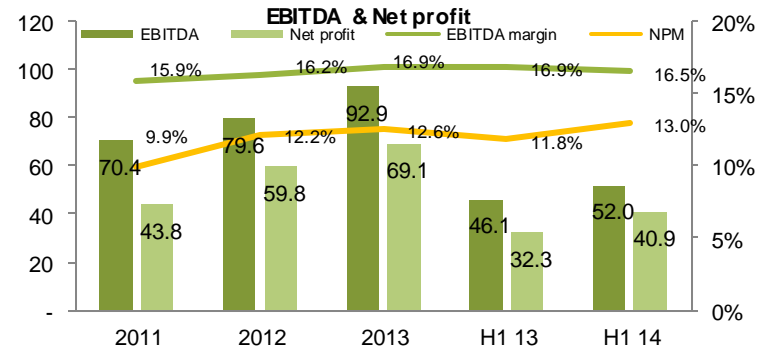
- H1 2014 revenue reached US\$ 314.3m, a 15.1% YoY growth
- EBITDA increased by 12.7% to US\$ 52.0m
- EBITDA margin reached 16.5%, a decline of 35bps YoY
- Net profit was US\$ 40.9m, a 26.6% YoY growth
- Net profit margin expanded by 118bps YoY to 13.0%

Performance

Revenue US\$m and annual growth



EBITDA & Net profit



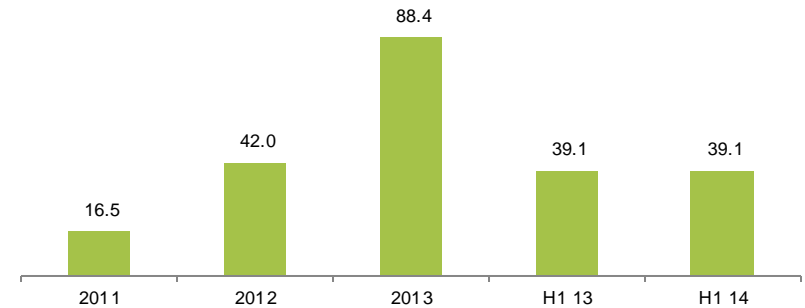
Operating cash flows consistent and working to sales improved

Consolidated overview

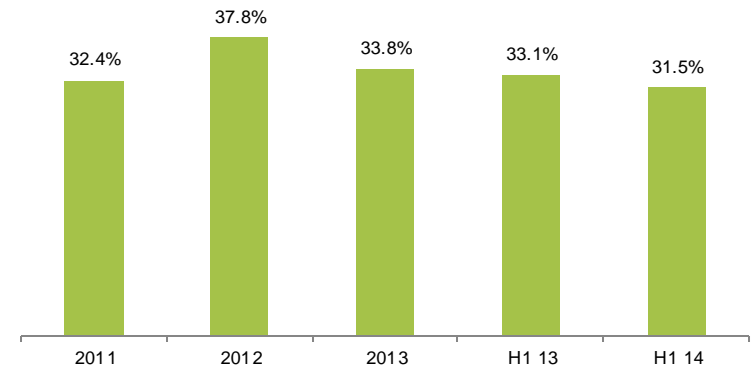
- Adjusted operating cash flow for the Group amounted to US\$39.1m in H1 2014, in-line with the corresponding period in 2013
- More effective management of working capital reduced the net working capital to sales ratio by 161bps YoY to 31.5% in H1 2014
- Net debt was at US\$ 99.6m, compared to US\$54.0m in H1 2013
- Book value increased by 18% to US\$ 413m in H1 2014

Performance

Adjusted operating cash flow US\$m



Net working capital as % of sales



Summary financial statements

Income statement					Balance sheet				
Details (US\$ '000)	2012	2013	H1 13	H1 14	Details (US\$ '000)	2012	2013	H1 13	H1 14
Healthcare	251,649	289,294	143,253	160,869	Assets				
Distribution	271,074	300,176	147,105	165,224	Property & Equipment	201,653	273,791	230,583	328,660
Elimination	(32,669)	(38,592)	(17,264)	(11,779)	Investments in subsidiaries	-	-	-	-
Revenue	490,054	550,878	273,094	314,314	Intangible Assets (Goodwill)	1,016	1,016	1,016	1,016
Growth	10.4%	12.4%	14.8%	15.1%	Non Current Assets	202,663	274,808	231,599	329,676
Change		198bps	634bps	34bps	Inventories	72,458	94,123	77,654	91,968
Direct costs	(329,800)	(365,336)	(182,802)	(211,972)	Receivables & prepayments	181,402	168,382	187,540	187,184
Gross profit	160,254	185,542	90,292	102,342	Due from other related parties	1,602	9,254	6,234	7,125
GPM	32.7%	33.7%	33.1%	32.6%	Bank deposits	233,703	193,366	199,173	167,167
Change		175bps	98bps	120bps	Bank balances & cash	23,747	75,329	49,441	60,316
G&A, Net Off Other Incomes	(80,635)	(92,602)	(44,186)	(50,382)	Current Assets	512,911	540,455	520,042	513,760
% of rev	16.5%	16.8%	16.2%	16.0%	Total assets	715,580	815,262	751,641	843,436
Change		138bps	36bps	101bps	Shareholders equity	329,669	386,236	349,867	412,717
EBITDA					Minority interest	1,934	2,915	2,419	3,457
Healthcare	68,189	81,668	40,455	45,502	Total equity	331,603	389,151	352,286	416,174
Distribution	26,208	29,907	14,516	16,507	Term loans	118,428	161,845	172,481	139,021
HQ	(14,778)	(18,635)	(8,865)	(10,049)	EOSB	8,634	10,036	11,303	10,902
Adjusted EBITDA	79,619	92,940	46,106	51,961	Other payables	1,225	408	817	-
Growth	13.0%	16.7%	16.1%	12.7%	Non-current liabilities	128,287	172,289	184,601	149,923
Change		372bps	614bps	-336bps	Accts. payables & accruals	68,613	76,087	84,590	81,421
EBITDA margin					Due to related parties	123	5,079	61	5,566
Healthcare	27.1%	28.2%	28.2%	28.3%	Short term borrowings	80,668	82,238	67,103	92,725
Change		138bps	113bps	71bps	Term loans	104,54C	88,355	63,000	95,339
Distribution	9.7%	10.0%	9.9%	10.0%	EOSB	1,746	2,063	-	2,288
Change		-9bps	29bps	-1bps	Current Liabilities	255,69C	253,822	214,754	277,339
Consolidated EBITDA margin	16.2%	16.9%	16.9%	16.5%	Total Liabilities	383,977	426,111	399,355	427,262
Change		37bps	62bps	19bps	Total Equity & Liabilities	715,580	815,262	751,641	843,436
Finance charges	(13,738)	(14,344)	(7,889)	(7,424)					
Finance income	4,324	3,814	1,963	1,915					
Depreciation	(7,038)	(9,663)	(4,504)	(5,583)					
Unamortised finance fees (write-off)	-	(3,394)	(3,394)	-					
Others	(3,402)	(210)	-	-					
Floatation costs	-	-	-	-					
Tax	-	-	-	-					
Net profit	59,766	69,143	32,282	40,869					
Growth	36.5%	15.7%	17.3%	26.6%					
NPM	12.2%	12.6%	11.8%	13.0%					
Change		233bps	36bps	26bps					
Minority interest	(875)	(978)	(485)	(542)					
Attributable to shareholders	58,891	68,165	31,797	40,327					

Summary financial statements (continued)

Cash flow

Details (US\$ '000)	2012	2013	H1 13	H1 14
Net cash from operating activities	35,267	85,071	34,051	41,428
Net cash (used in) investing activities	(258,047)	(108,087)	(88,996)	21,725
Net cash (used in) from financing activities	280,285	20,287	(8,089)	(43,400)
Increase / (decrease) in cash and cash equivalents	57,505	(2,729)	(63,034)	19,753
Cash and cash equivalents (Opening)	24,425	81,930	81,930	79,201
Cash and cash equivalents (Closing)	81,930	79,201	18,896	98,954

Definitions

Adjusted EBITDA: Non-IFRS item, adjusted for exceptional items like pre-operative expenses

Adjusted operating cash flow: Adjusted EBITDA less: changes in working capital, cash payments for PPE

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Financial performance & Analysis

Healthcare Division H1 2014

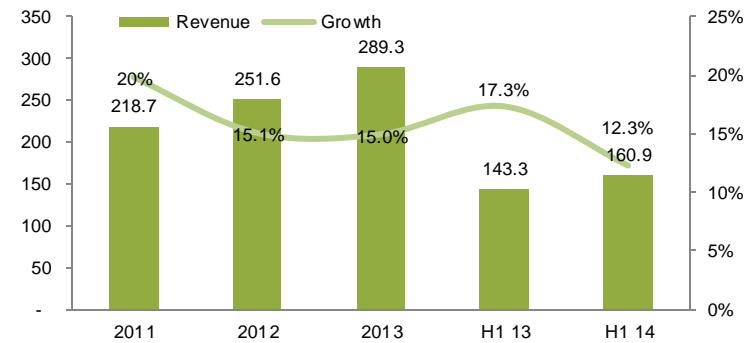
Healthcare revenues gain 12.3% in H1 2014

Performance

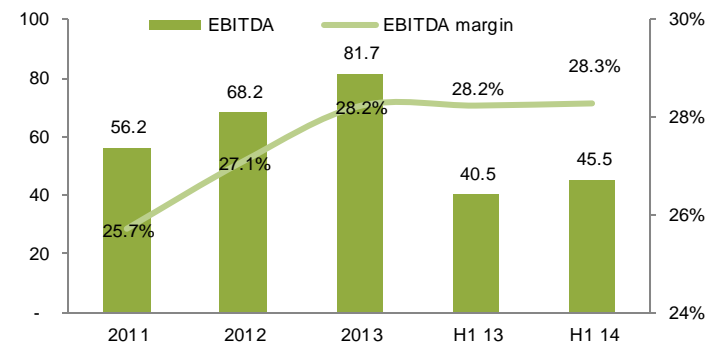
- Healthcare Division revenues expanded by 12.3% YoY in H1 2014, reaching a total of US\$ 161m
- Division EBITDA amounted to US\$ 45.5m, 12.5% higher YoY
- The high EBITDA margins of last year saw further improvement in H1 2014 to 28.3% (+5bps)
- Revenues continued to account for 49% of group revenues before eliminations
- Division contributed 73% of EBITDA

Key figures

Healthcare revenue US\$m and YoY growth

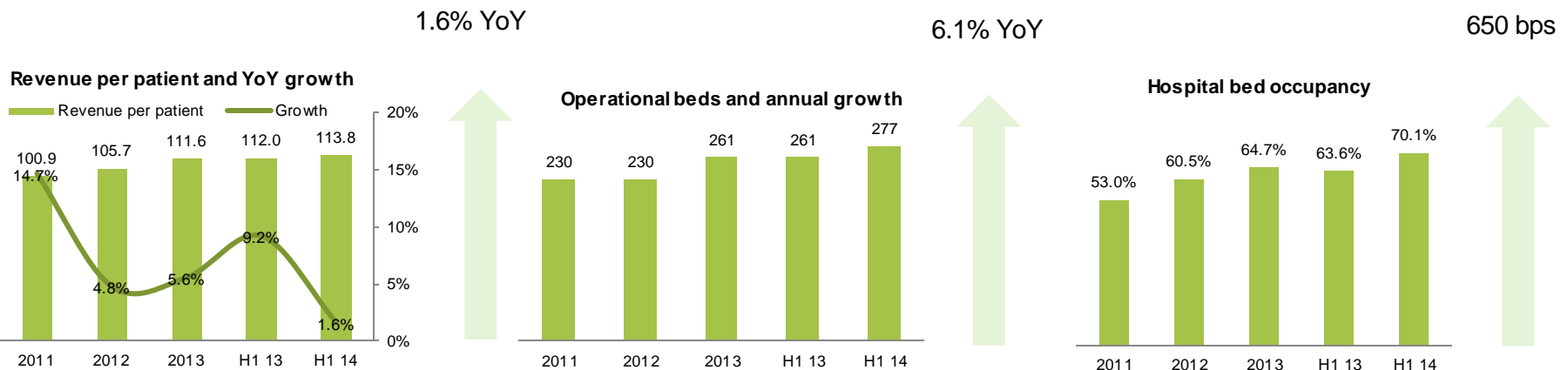
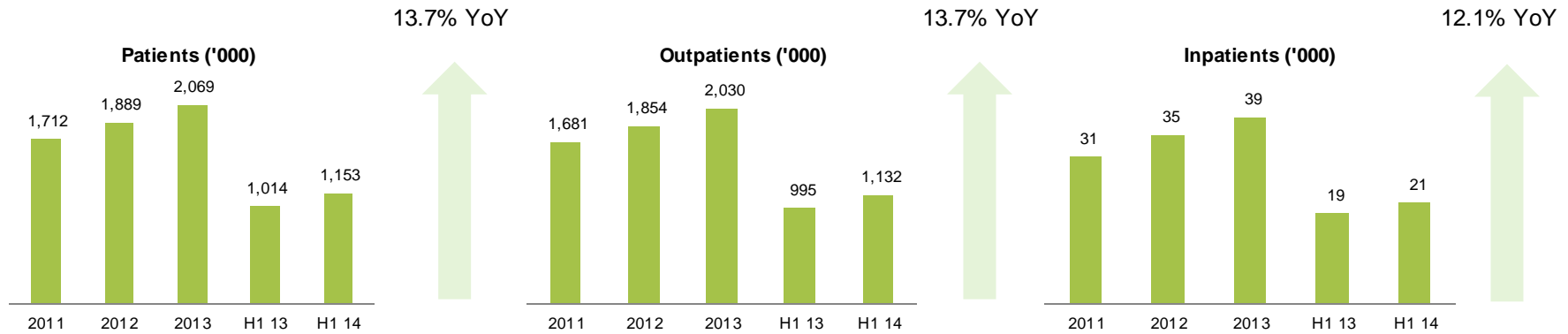


Healthcare EBITDA US\$m and margin



Healthcare revenues gain 12.3% in H1 2014 (Continued)

Key performance indicators



Overview of NMC Hospitals and Medical Centers as of H1 2014 end

- Abu Dhabi Specialty Hospital contributed US\$ 54.1m in H1 2014 revenues (+12% YoY). Occupancy increased by 50 bps YoY to 77%
- Dubai Specialty Hospital's revenues reached US\$32.2m in H1 2014 (+17% YoY) and occupancy increased to 69% (+1110bps YoY) despite the increase in operational beds at the facility from 91 to 94 beds (+3% YoY)
- Al Ain Specialty Hospital's revenues amounted to US\$28.5m in H1 2014 (+19% YoY) and occupancy rose to 65% (+1020bps YoY) despite the 22% increase during the year in operational beds
- We increased the number of doctors to 542 in H1 2014 (+23.2% YoY)

Detail	NMC Abu Dhabi	NMC Sp. Dubai	NMC Al Ain	NMC Dubai	NMC Sharjah	BR Med.	MBZC	Total
Established	1975	2004	2008	1999	1996	2011	2013	N/A
Emirate	Abu Dhabi	Dubai	Abu Dhabi	Dubai	Sharjah	Duba	Abu Dhabi	N/A
City	Abu Dhabi	Dubai	Al Ain	Dubai	Sharjah	Duba	Abu Dhabi	N/A
Location	City centre	Al Nahda	City Centre	Deira	City Centre	DHCC	MBZC	N/A
Owned/Leased	Leased	Owned	Leased	Leased	Leased	Leasec	Leased	
Category	Specialty Hospital	Specialty Hospital	Specialty Hospital	General Hospital	Medical Centre	Day Surgery	Day Surgery	N/A
Accreditation	JCI	JCI	JCI	-	-	-	-	
Revenue (USD'000)	54,125	32,241	28,455	6,766	6,249	1,619	1,761	131,216
Grow th, YoY	12%	17%	19%	10%	14%	-23%	N/A	15.6%
Revenue/patient	108	171	123	63	74	219	56	114
Grow th, YoY	3%	3%	7%	5%	-1%	-16%	N/A	1.6%
Capacity								
Licensed beds	100	100	100	10	N/A	N/A	N/A	310
Operational beds	100	94	73	10	N/A	N/A	N/A	277
Grow th, YoY	0%	3%	22%	0%	N/A	N/A	N/A	6.1%
Spare capacity (beds %)	0%	6%	27%	0%	N/A	N/A	N/A	10.6%
Staff	1,429	839	701	281	171	45	171	3,637
Patients								
Inpatients	10,192	5,219	4,916	720	n/a	n/a	n/a	21,047
Outpatients	491,574	183,207	227,213	106,386	84,422	7,411	31,324	1,131,537
Total	501,766	188,426	232,129	107,106	84,422	7,411	31,324	1,152,584
Grow th, YoY	9%	13%	12%	5%	16%	94%	N/A	13.7%
Bed Occupancy	77%	69%	65%	48%	N/A	N/A	N/A	70.1%
Change, YoY	50bps	1110bps	1020bps	670bps	N/A	N/A	N/A	650bps

Healthcare expansion program

- Our expansion program at the time of the IPO in 2012 included three hospitals (410 licensed beds) and two day surgeries. In 2013 we also announced plans to open a medical center in Al Ain
- As of H1 2014 end we had acquired BR Medical Suites (July 2012), a day surgery in Dubai, and opened the NMC Day Surgery in Mohammad Bin Zayed City in Abu Dhabi (July 2013)
- Starting in July 2014 (H2 2014) we opened and commenced initial operations in Brightpoint Women's Hospital (Abu Dhabi, 100 licensed beds) and DIP General Hospital (Dubai, 60 licensed beds).
- Al Ain Medical Center is on-track for completion of fit-out work, with the opening of the facility due in H2 14
- Khalifa City Specialty Hospital (Abu Dhabi, 250 licensed beds) is progressing well with the external structure including façade almost complete. We expect to open in H1 2015

NMC Health's ongoing projects

Detail	Brightpoint	DIP	Al Ain	Khalifa City	Total
Status	Opened July 2014	Opened July 2014	Opening H2 2014	Opening H1 2015	
Emirate	Abu Dhabi	Dubai	Abu Dhabi	Abu Dhabi	
City	Abu Dhabi	Dubai	Al Ain	Abu Dhabi	
Location	City Centre	Dubai Invest. Park	Industrial Area	AD Suburb	
Owned/Leased	Leased	Leased	Leased	Owned	
Category	Women's Hospital	General Hospital	Medical Centre	Specialty Hospital	
Capacity					
Licensed beds	100	60	-	250	410
Starting beds	60	30	-	75	165
Beds phased over future periods	40	30	-	175	245

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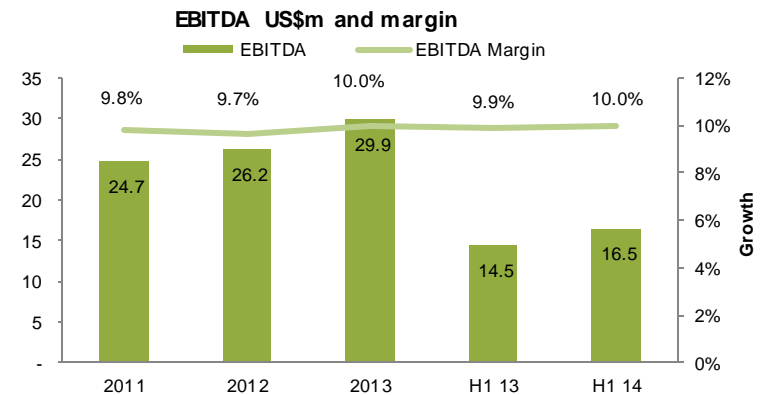
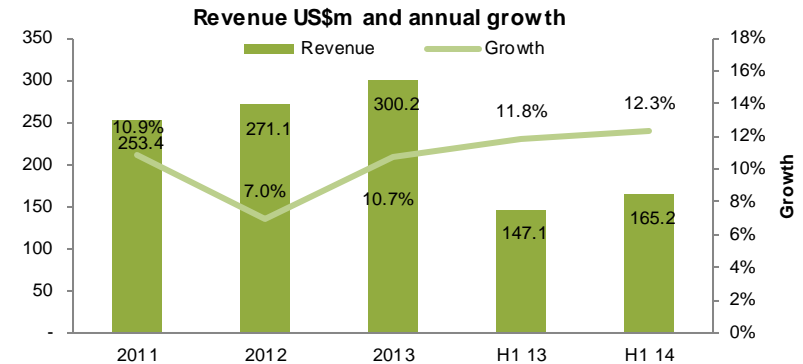
Distribution Division H1 2014

Distribution records 12.3% YoY top-line growth

Distribution

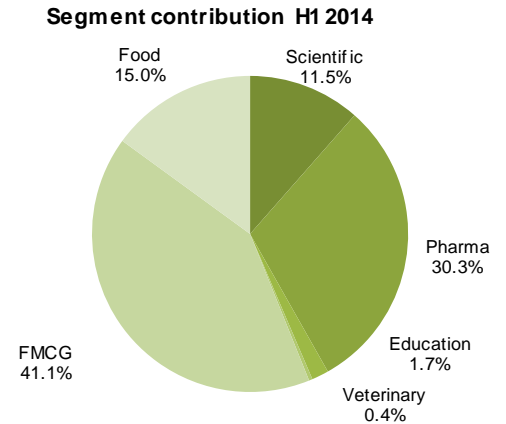
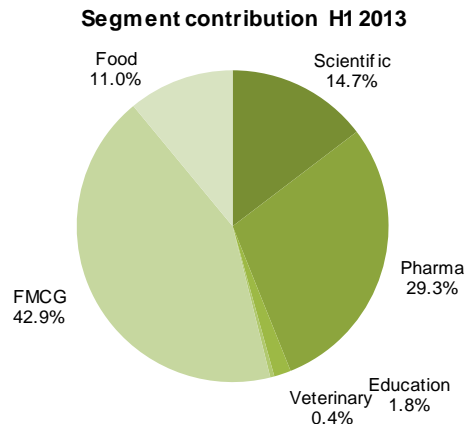
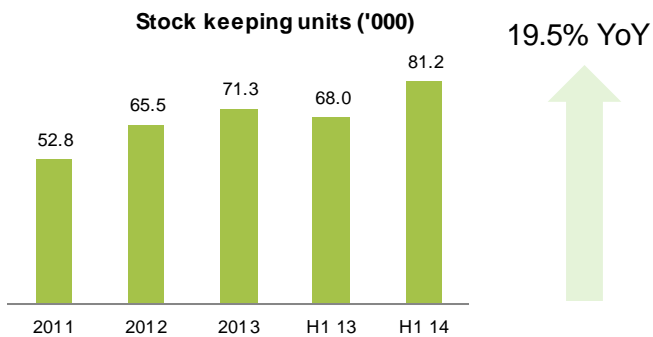
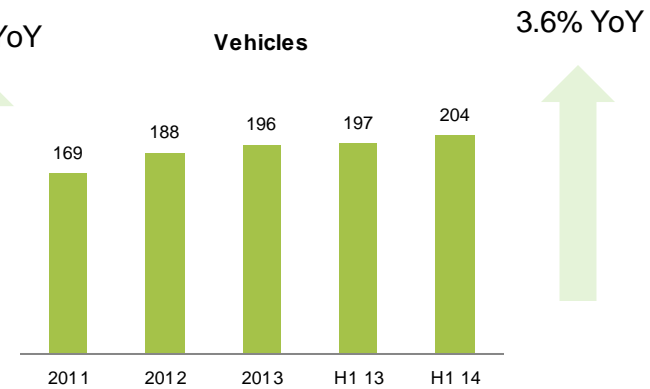
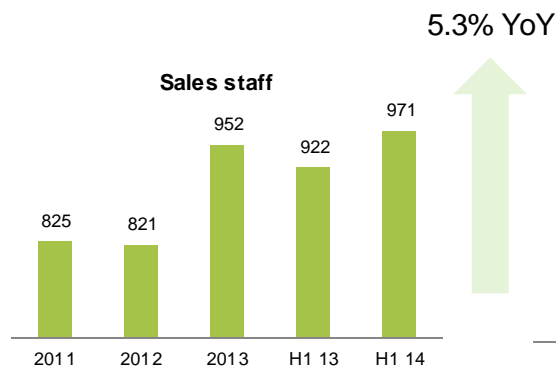
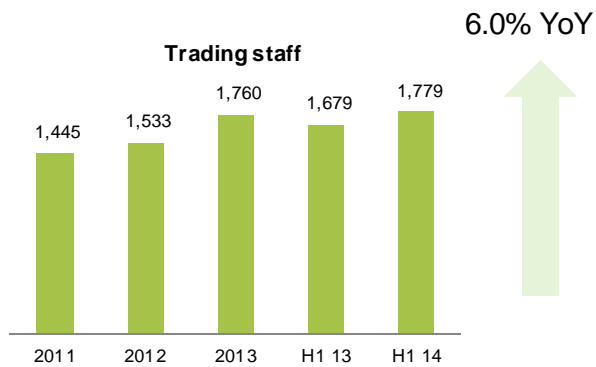
- Distribution revenue increased by 12.3% YoY in H1 2014, to reach US\$ 165.2m
- Division EBITDA recorded a 13.7% growth YoY and amounted to US\$ 16.5m
- EBITDA margin increased by 12bps in H1 2014 to reach 10.0%
- Our performance improvement is mainly driven by:
 - Sustained strong growth in the UAE economy
 - Addition of new brands, some with already established demand allowing for faster roll-out
- Distribution accounted for 51% of the Group's top-line and 27% of EBITDA

Performance



Distribution records 12.3% YoY top-line growth (continued)

Key performance indicators



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Positive outlook

- UAE macro-economic outlook for the remainder of 2014 and into 2015 is positive with the anticipated GDP and population growth expected to support our growth
- We are particularly excited about the roll-out of our services in the recently opened Brightpoint and DIP Hospitals and subsequently the opening of Al Ain Medical Centre in H2 2014 and Khalifa City Hospital in H1 2015
- The roll-out of mandatory medical insurance through a phased approach is expected to start in Dubai before the end of this year with material effects on our business expected from late 2015 onwards
- Dubai Health Authority (DHA) estimates around 66% of the Emirate's residents are without healthcare insurance. Dubai is estimated to have around 3m inhabitants
- Distribution division is expected to see addition of important product lines and eventually also benefit from Dubai insurance decision through its pharmaceutical segment (~ 30% of revenue in H1 2014)
- We expect 2014 to be another rewarding year for NMC Health and its shareholders

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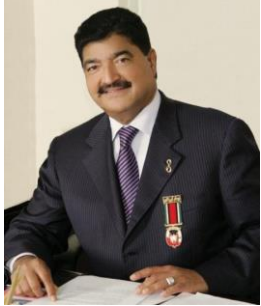
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Management presenting

Management presenting



Dr. B R Shetty

CEO, MD and Founder

Graduate in Pharmacy , Owner/President Management Program (OPM), Harvard Business School

Dr. Shetty is the founding partner of NMC and has led the group for over three decades. Under his leadership, NMCH has witnessed consistent high growth, transforming itself from a one room clinic in 1975 to become one of the largest hospital chains in the Middle East and establishing its distribution business as one of the top three distribution businesses in the UAE.

Dr. Shetty has business interests across a range of diversified industries outside the NMC Health perimeter including Neopharma (pharmaceuticals) and UAE Exchange Centre, which is one of the largest money exchange houses in the world.

Dr. Shetty is a member of numerous Committees and Boards including the Advisory Board of Health Sector Strategy Committee of Abu Dhabi, the Executive Panel of Dubai's Pharmaceutical & Health Equipment Trading Business Group and Advisory Board of Pharmaceutical Committee, UAE.

Dr. Shetty's contribution to the UAE has led to him becoming one of the first people to receive the 'Order of Abu Dhabi' for contribution to the development of the community and the cause of the Emirate in 2005. In addition he was awarded the Padma Shri award by the Govt. of India for Outstanding Achievements in Trade and Business (2009). Dr. Shetty was conferred a doctorate from Georgia State University, Atlanta (USA)

Management presenting (continued)



Mr. Prasanth Manghat

CFO

Fellow member of the Institute of Chartered Accountants of India (FCA), Bachelor of Science (1995), MG University, Kerala, India, CIA, ACCA from UK (2004), pursuing CA (Institute of Chartered Accountants of England and Wales)

12 years of experience in management of treasury and banking functions, corporate finance, accounting and financial reporting activities. Prior to joining NMCH, he has worked as Credit & Operations Head with Kotak Mahindra Finance, one of the leading non-banking financial institutions in India

10 years at NMC



Mr. Binay Shetty

COO

BSBA (Bachelor of Science in Business Administration from Boston University, USA (2004) with specialisations in Finance and Entrepreneurship.

Prior to being elevated to the post of COO of NMC Health, he has held the position of COO of the Healthcare Division, Executive Director, planning and governance, Corporate performance review and new projects management.

9 years at NMC

Management presenting (continued)



Mr. Roy Cherry

Head of Strategy & Investor Relations

Roy Cherry works closely with the CEO and the Executive Vice Chairman on NMC Health's strategy. He also leads the investor relations efforts.

Roy's career includes PwC transaction services where he advised on feasibilities and M&As with a combined transaction value exceeding US\$10bn across a variety of sectors including healthcare. He previously headed the Equity Research Department at SHUAA Capital in Dubai, one of the region's first and most acclaimed. Roy played an important role on several regional IPOs including, Saudi Catering, NMC Health, Deyaar, DP World and Royal Jordanian Airlines.

Prior to joining NMC Health Plc, Roy was with Saudi Fransi Capital, where he was the Head of Research & Advisory Department. He holds a BSc in Management from the University of London. In addition to English, he is a fluent speaker of both Arabic and Swedish.