



H1 2016 Results

24 August, 2016

Senior management presenting



Prasanth Manghat
Deputy CEO



Suresh Krishnamoorthy
CFO



Roy Cherry
Head of Strategy & IR

Contents

1. **H1 2016 highlights**
2. Financial performance & analysis
3. Outlook
4. Appendix

H1 2016 highlights – significant progress

- We had a strong start to the year, with H1 2016 performance underpinned by progress across the business and successful execution of our long-term two-stage strategy which has started to deliver significantly improved growth for the Group despite the more moderate UAE macro environment
- Delivered significant growth in revenues, EBITDA and adjusted net profit
 - Reported revenues increased by 46.9% year-on-year to US\$ 578.3m in H1 2016 (compared to US\$ 393.8m in H1 2015)
 - EBITDA increased to US\$ 115.9m (+68.2% YoY), resulting in a Group EBITDA margin of 20.0% (+254bps YoY)
 - Adjusted net profits attributable to shareholders increased to US\$67.8m (+48.2% YoY)
- Our initial focus post-IPO was to organically expand our capacity to absorb market growth driven by population increase, insurance penetration, increased healthcare spend retention, delivery of increased complexity and thus higher value added care within our hospitals to the growing patient population of NMC
- The second stage of our strategy which was initiated at the beginning of 2015 entailed a shift in focus from capacity to capabilities. NMC's objective was to accelerate its expansion into higher medical complexity and thus higher value added specialty healthcare segments
- Today the Group's healthcare asset and brand portfolio is more diversified with significantly enhanced competitive advantages and substantially augmented strategic optionality allowing NMC to expand its growth horizons in what is an increasingly challenging market for static market actors
- The management team will continue to assess potentially attractive and accretive opportunities for further business expansion and diversification

Contents

1. H1 2016 highlights
2. **Financial performance & analysis**
3. Outlook
4. Appendix

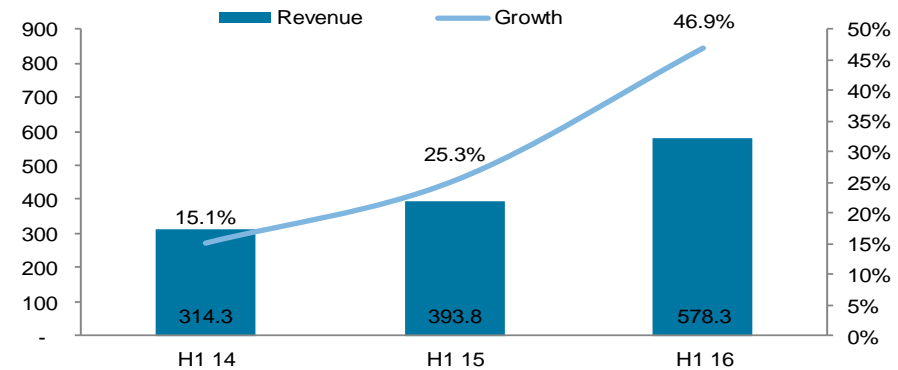
Group EBITDA up 68.2% to US\$ 115.9m in H1 2016

Consolidated overview

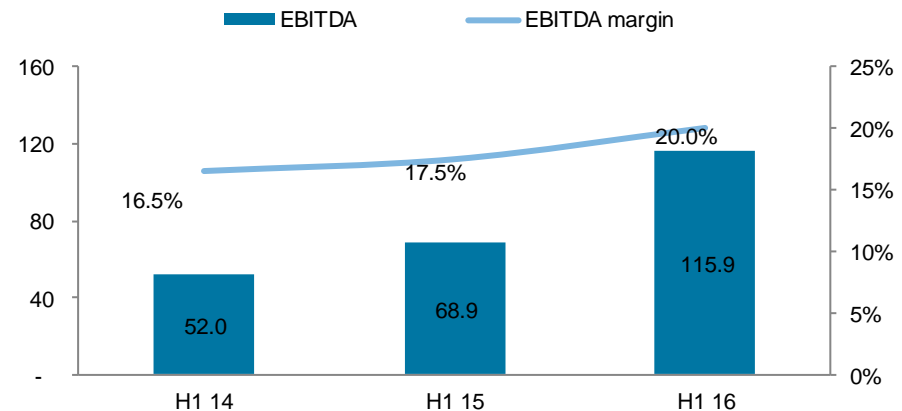
- H1 2016 revenue reached US\$ 578.3m, up 46.9% on H1 2015
- EBITDA increased by 68.2% to US\$ 115.9m
- EBITDA margin reached 20.0%, increase of 254bps YoY
- Net profit was US\$ 70.5m; up 72.6% on H1 2015
- Adjusted net profit US\$75.9m, up 61.7% on H1 2015
- Adjusted EPS 0.36, up 48% on H1 2015

Performance

Revenue US\$m and annual growth



EBITDA US\$m and margin



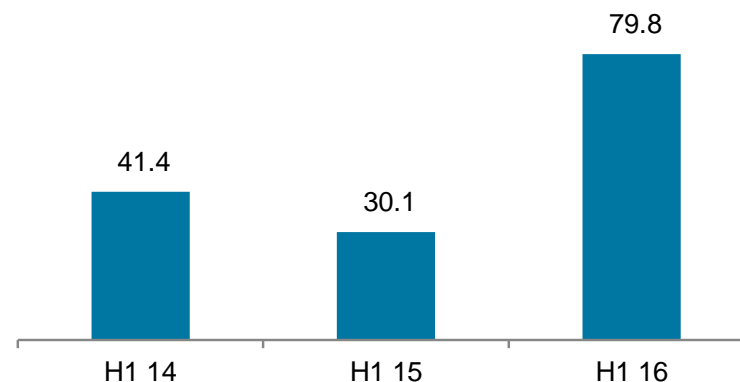
Operating cash flows and working capital management improved

Consolidated overview

- Net operating cash flow for the Group amounted to US\$ 79.8m in H1 2016
- More effective management of working capital reduced the net working capital to sales ratio by 460bps YoY to 28.7% in H1 2016
- Net debt was at US\$ 790.2m, compared to US\$ 552.9m in Dec 2015
- Net debt to 2016 EBITDA is estimated to be 3.3x
- Total capital expenditure was US\$ 40.2m in H1 2016
- Book value increased by 13.9% to US\$ 569.4m in H1 2016

Performance

Operating cash flow US\$m



Summary financial statements

Income statement

Details	Unaudited H1 15	Unaudited H1 16
Audited, USD '000		
Healthcare	223,562	389,757
Distribution	185,619	205,075
Elimination	(15,427)	(16,491)
Revenue	393,754	578,340
<i>Growth</i>	<i>25.3%</i>	<i>46.9%</i>
Change		
Direct costs	(256,126)	(358,971)
Gross profit	137,628	219,369
<i>GPM</i>	<i>35.0%</i>	<i>37.9%</i>
Change	<i>0bps</i>	<i>298bps</i>
G&A, Net Off Other Incomes	(68,753)	(103,518)
<i>% of rev</i>	<i>17.5%</i>	<i>17.9%</i>
<i>Change</i>	<i>144bps</i>	<i>44bps</i>
EBITDA		
Healthcare	63,752	115,311
Distribution	18,646	20,903
HQ	(13,523)	(20,363)
Adjusted EBITDA	68,875	115,851
<i>Growth</i>	<i>32.6%</i>	<i>68.2%</i>
EBITDA margin		
Healthcare	28.5%	29.6%
<i>Change</i>	<i>23bps</i>	<i>107bps</i>
Distribution	10.0%	10.2%
<i>Change</i>	<i>5bps</i>	<i>15bps</i>
<i>Consolidated EBITDA margin</i>	<i>17.5%</i>	<i>20.0%</i>
<i>Change</i>	<i>96bps</i>	<i>254bps</i>
Finance charges	(9,078)	(19,877)
Finance income	724	1,783
Depreciation & Amortisation	(13,164)	(26,342)
Unamortised finance fees (write-off)/ Others	(2,612)	-
Transaction costs in respect of business combination	(3,197)	(242)
Floataion costs	-	-
Tax	(724)	(693)
Incremental PF		
Net profit	40,824	70,480
<i>Growth</i>	<i>-0.1%</i>	<i>72.6%</i>
<i>NPM</i>	<i>10.4%</i>	<i>12.2%</i>
<i>Change</i>	<i>-264bps</i>	<i>182bps</i>
Minority interest	1,192	8,105
Attributable to shareholders	39,632	62,374
Clean Net profit	46,932	70,722
	<i>11.9%</i>	<i>12.2%</i>

Balance sheet

Details	Audited FY 2015	Unaudited H1 16
Audited, USD '000		
Assets		
Property & Equipment	433,524	456,676
Deferred Tax Assets/Others	1,316	42,041
Loan Receivables	1,725	9,941
Intangible Assets and Goodwill	413,059	658,204
Non Current Assets	849,624	1,166,861
Inventories	134,788	127,365
Receivables & prepayments	282,475	354,889
Advance Paid for Acquisition/ Others	5,481	2,832
Due from other related parties	4,116	3,822
Bank deposits	58,886	96,422
Bank balances & cash	118,511	108,346
Current Assets	604,256	693,677
Total assets	1,453,880	1,860,538
Share capital	29,566	29,566
Reserve		
Share Premium	179,152	179,152
Group Restructuring Reserve	(10,001)	(10,001)
Shareholders' account		
Retained Earning	318,092	345,989
Other Reserves	(29,112)	(7,248)
Shareholders equity	487,697	537,457
Minority interest	11,968	31,908
Total equity	499,665	569,366
Term loans	483,725	607,001
EOSB	19,284	23,649
Option Red Liab/ Other payables	48,594	83,001
Non-current liabilities	551,878	713,650
Accts. payables & accruals	123,511	149,736
Other Current Liability	11,618	25,338
Due to Other related parties	17,419	11,347
Short term borrowings	154,962	200,281
Term loans	91,621	187,683
EOSB	3,206	3,136
Current Liabilities	402,337	577,522
Total Liabilities	954,215	1,291,172
Total Equity & Liabilities	1,453,880	1,860,538

Contents

Financial performance & Analysis

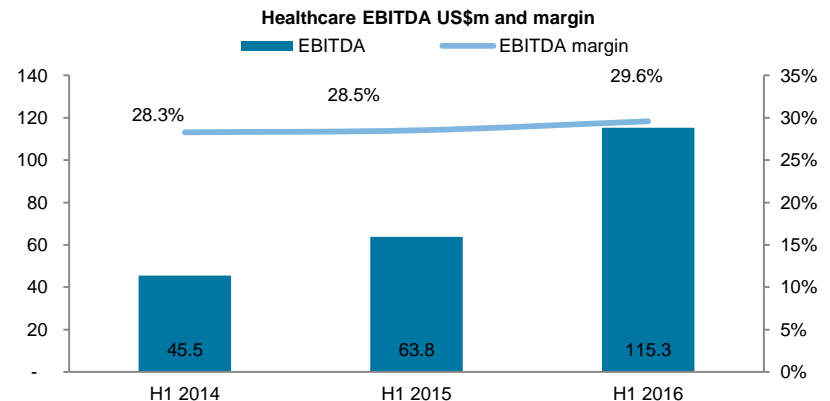
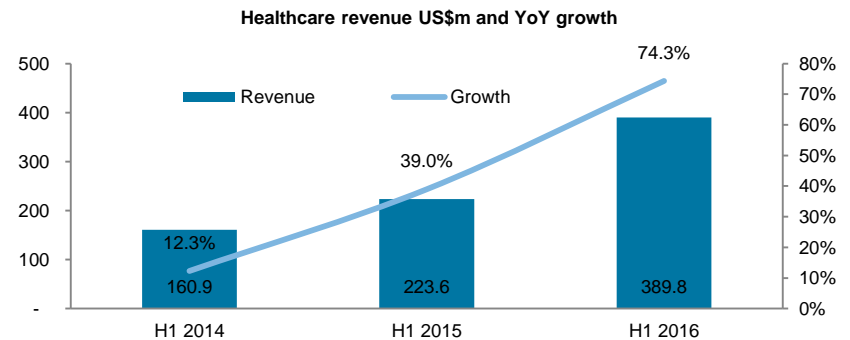
Healthcare Division H1 2016

Healthcare revenues increased by 74.3% in H1 2016

Performance

- Healthcare Division revenues increased by 74.3% on H1 2015 to reach a total of US\$ 389.8m in H1 2016
- Division reported EBITDA US\$ 115.3m, up 80.8% on H1 2015
- EBITDA margin increased by 107bps to 29.6%
- Healthcare accounted for 66% of group revenues before eliminations and contributed 85% of group EBITDA
- Total patient increased by 42.6% YoY to 2.11m in H1 2016
- Revenue per patient increased by 35% to reach US\$ 170
- Total number of licensed beds stand at 875 (+405 beds YoY), with 653 beds (+276 beds) being operational

Key figures



Contents

Financial performance & Analysis

Distribution Division H1 2016

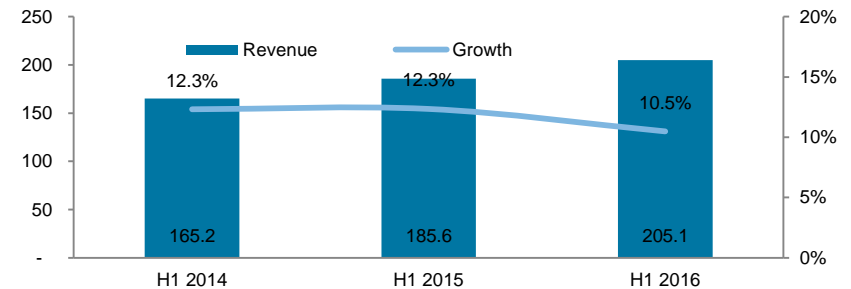
Distribution revenue increased by 10.5% to US\$205.1m

Distribution

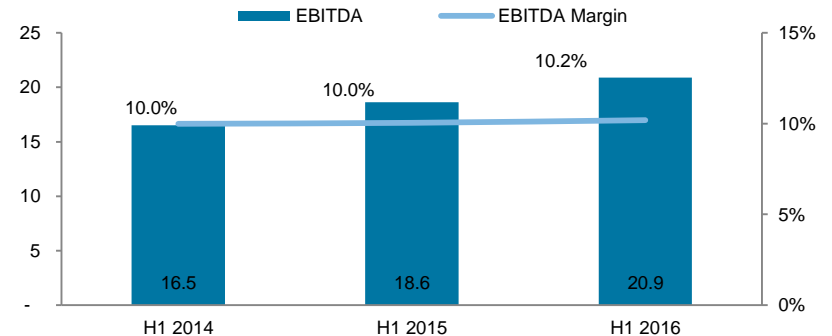
- Distribution revenue increased by 10.5% on H1 2014, to reach US\$ 205.1m
- Division EBITDA recorded a 12.1% growth on H1 2015 of US\$ 20.9m
- EBITDA margin remained the same at 10%
- Performance improvement is mainly driven by:
 - Sustained strong growth in the UAE economy
 - Addition of new brands and growing demand in Dubai following the roll-out of mandatory healthcare insurance
 - Exclusive UAE pharmacy distribution agreement with Nestle for its well-established infant product range
- Number of sales staff expanded by 12% YoY to 1.163
- Added 25 new distribution vehicles (+11.7% YoY)
- Distribution accounted for 34% of the Group's top-line and 15% of EBITDA

Performance

Distribution revenue US\$m and YoY growth



Distribution EBITDA US\$m and margin



Contents

1. H1 2016 highlights
2. Financial performance & analysis
3. Outlook
4. Appendix

Positive outlook – Business focused on regional and international expansion

- UAE general macro-economic outlook remains stable with moderate GDP growth expected
- IMF forecasts a real GDP growth of 2.3% and 2.5% in 2016 and 2017 respectively
- Ongoing insurance reform in Dubai continues to increase medical insurance penetration rates to expand the UAE healthcare services and pharmaceuticals market size and thus the prospects for NMC Health
- NMC reiterates Group EBITDA guidance for 2016 of around US\$ 240m and for 2017 of around US\$ 290m
- The management team will continue to assess potentially attractive and accretive opportunities for further business expansion and diversification
- We view the outlook for the remainder of FY 2016, and FY 2017, with confidence.

Q&A

Contents

1. H1 2016 highlights
2. Financial review
3. Outlook
4. Appendix

Appendix

Senior management presenting

Senior management presenting



Mr. Prasanth Manghat
Deputy CEO

Mr Manghat has had a number of roles within NMC related businesses for the last 12 years including, prior to his current role, as Chief Financial Officer of NMC Health for 5 years. As CFO, he was primarily responsible for running the Company's finance function including treasury, corporate finance and accounting.

Mr Manghat spearheaded NMC Healthcare's successful listing on the Premium Segment of the London Stock Exchange (LSE) in April 2012. This was a landmark transaction in many ways, being the first UAE company to list on the LSE and raising US\$187 million in the process. Mr Manghat has played a major role in the growth of the NMC businesses both prior to and since the IPO.

Mr Manghat was honoured with the "CFO of the Year" award – 2012 by ICAEW, Middle-East. He was also conferred with the prestigious award for "Excellence in Finance" by the Institute of Chartered Accountants of India, Abu Dhabi Chapter in Nov, 2012 and "Professional Excellence Award in the Healthcare Sector" by ICAI UAE (Dubai) Chapter in May 2013.

Prior to joining NMC, Mr Manghat has worked as Credit and Operations Head with Kotak Mahindra Finance, one of the leading non-banking financial institutions in India. A Fellow member of the Institute of Chartered Accountants of India (FCA), Bachelor of Science (1995), MG University, Kerala, India, CIA, ACCA from UK (2004) and pursuing CA (Institute of Chartered Accountants of England and Wales), he has 14 years of experience in management of treasury and banking functions, corporate finance, accounting and financial reporting activities.

Mr Manghat assumed the role of Deputy Chief Executive Officer of NMC Health plc with effect from 1 January 2015. In his new role, Mr Manghat's responsibility will extend to cover strategic matters and to support the Chief Executive Officer with planning and strategy execution across both of NMC's Divisions.

Senior management presenting (continued)



Mr. Suresh Krishnamoorthy
CFO

Mr Krishnamoorthy was appointed Chief Financial Officer of the Company with effect from 1 January 2015.

He joined NMC in December 2000 as an Internal Audit Manager and he continued in this role until March 2011. Since April 2011 Mr Krishnamoorthy has worked as a senior member of NMC's finance team, having significant involvement in the Company's IPO and in the Company's major fund raising initiatives. Prior to be appointed as Deputy Chief Financial Officer in July 2014, he was responsible for the MIS and Corporate Planning portfolio including close involvement in the Group's internal and external audits and other Audit Committee activities since its inception following IPO.

Prior to joining NMC, he worked as Assistant Finance Manager in Kerala Industrial Infrastructure Corporation (KINFRA), a Government agency involved in the development of infrastructure in the State of Kerala.

Mr Krishnamoorthy qualified as a Chartered Accountant from the Institute of Chartered Accountants of India in Nov 1998. He has 16 years of experience in the field of audits, corporate finance, accounting and financial reporting activities.

Senior management presenting (continued)



Mr. Roy Cherry

Head of Strategy & Investor Relations

Mr Cherry works closely with the Executive Vice Chairman & CEO and Deputy CEO on NMC Health's strategy.

He also leads the Group's investor relations efforts. Mr Cherry played an instrumental role in the re-rating of NMC's shares by investors and analysts, with the company's shares being among the top-10 best performing on the London Stock Exchange in 2013.

His career includes PwC Transaction Services where he advised on feasibilities and M&A transactions 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 equity research teams. Mr Cherry played an important role on several regional IPOs including, Saudi Catering, NMC Health, Deyaar, DP World and Royal Jordanian Airlines.

Immediately prior to joining NMC Health, Mr Cherry 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.