



## **2015 Interim Results Presentation**

26 August, 2015

## Senior management presenting

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**Prasanth Manghat**  
Deputy CEO



**Suresh Krishnamoorthy**  
CFO



**Roy Cherry**  
Head of Strategy & IR

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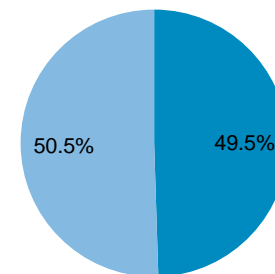
# NMC Health overview

## 1. NMC is the leading UAE private healthcare company

### Overview

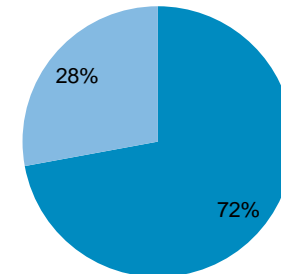
- Largest UAE private healthcare network with operations in the three key emirates
- Substantial presence in Abu Dhabi, Dubai and Sharjah. Dubai rolling-out mandatory insurance (Abu Dhabi in 2007), Sharjah expected to follow
- Top-three product distributor/wholesaler in the UAE (98% exclusive brands)
- 2.4m patients (+15.6% YoY) and 470 licensed beds in 2014. Reach 855 beds in 2015
- 2014 Revenue: US\$643.9m (+16.9% YoY), like for like EBITDA: US\$108.3m (+16.5% YoY). Like for like EBITDA margin: Health 29.1%, Dist.10.1%, Consolidated 17.1%
- Acquired four targets in 2015. Total 2014 EBITDA US\$ 38.6m, 0.4m patients, 120 beds
- LSE premium listing (FTSE 250). Mcap ~US\$ 2bn. Free float 33%, founders 67%

### Revenue



■ Healthcare ■ Distribution

### EBITDA



Source: NMC Health FY 2014 before impact of recent acquisitions

## 2. Business details

### Hospitals & Medical Centers

- Total: 20 assets, 855 licensed beds. Abu Dhabi, Al Ain, Dubai and Sharjah
- Umm Al Quwain : 1 Hospital (under O&M, 205 beds)

### Pharmacies

- 15 units in or around our healthcare assets

### Distribution

- Exclusive agency
- 8 warehouses & offices
- 214 delivery vehicles
- Exclusive agent for NIVEA

### Senior Management

**Dr. BR Shetty**  
CEO & Founder

**Mr. Prasanth Manghat**  
Deputy CEO

**Mr. Roy Cherry**  
Head of Strategy & IR

**Mr. Suresh Krishnamoorthy**  
CFO

## 3. Use of IPO proceeds (US\$ 180m net): Add 410 new beds in 2014 & 2015 (+132%)

Detail	Brightpoint	DIP	Al Ain	Khalifa City	Total
Opening (expected)	Opened July 2014	Opened July 2014	Opened Dec 2014	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	Womens Hospital	General Hospital	Medical Centre	Specialty Hospital	
Capex (US\$m)	70	30	7	200	307
New assets	1	1	1	1	4
<b>Capacity</b>					
Licensed beds	100	60	-	250	410
Starting inpatient services	60 beds in H1 2015	30 beds in H1 2015	-	75	165
Beds phased over future periods	40	30	-	175	245

# Nation-wide network in the UAE and a top global provider of fertility treatments through its Spanish subsidiary Clinica Eugin

## Healthcare

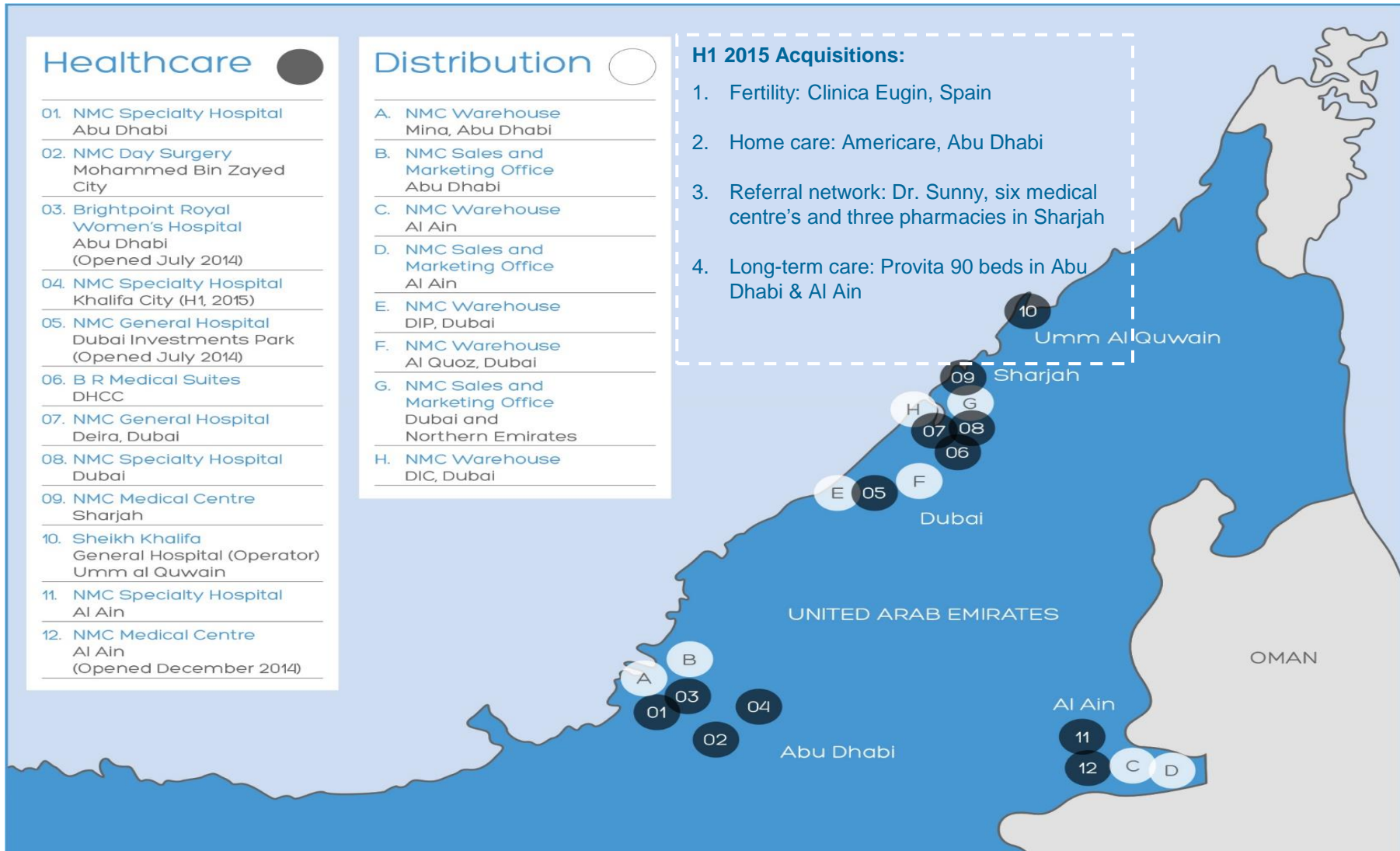
01. NMC Specialty Hospital Abu Dhabi
02. NMC Day Surgery Mohammed Bin Zayed City
03. Brightpoint Royal Women's Hospital Abu Dhabi (Opened July 2014)
04. NMC Specialty Hospital Khalifa City (H1, 2015)
05. NMC General Hospital Dubai Investments Park (Opened July 2014)
06. B R Medical Suites DHCC
07. NMC General Hospital Deira, Dubai
08. NMC Specialty Hospital Dubai
09. NMC Medical Centre Sharjah
10. Sheikh Khalifa General Hospital (Operator) Umm al Quwain
11. NMC Specialty Hospital Al Ain
12. NMC Medical Centre Al Ain (Opened December 2014)

## Distribution

- A. NMC Warehouse Mina, Abu Dhabi
- B. NMC Sales and Marketing Office Abu Dhabi
- C. NMC Warehouse Al Ain
- D. NMC Sales and Marketing Office Al Ain
- E. NMC Warehouse DIP, Dubai
- F. NMC Warehouse Al Quoz, Dubai
- G. NMC Sales and Marketing Office Dubai and Northern Emirates
- H. NMC Warehouse DIC, Dubai

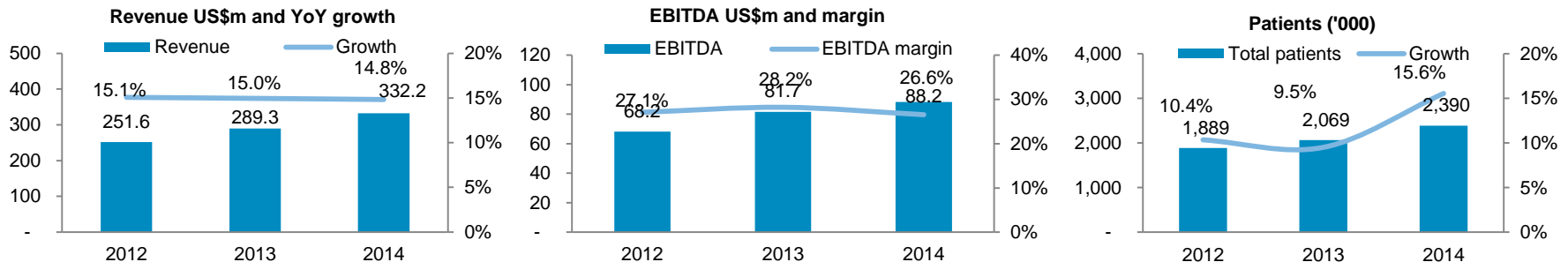
## H1 2015 Acquisitions:

1. Fertility: Clinica Eugin, Spain
2. Home care: Americare, Abu Dhabi
3. Referral network: Dr. Sunny, six medical centre's and three pharmacies in Sharjah
4. Long-term care: Provita 90 beds in Abu Dhabi & Al Ain

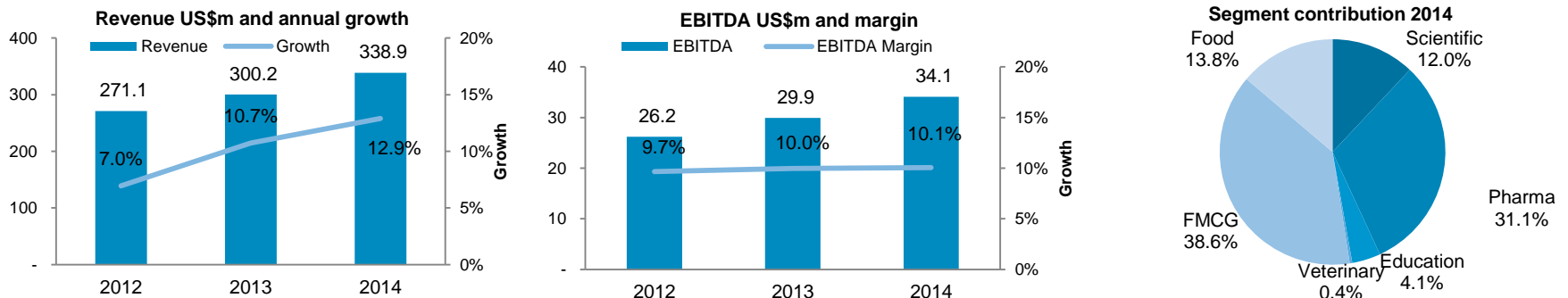


# NMC continues to deliver strong growth and high margins (LFY)

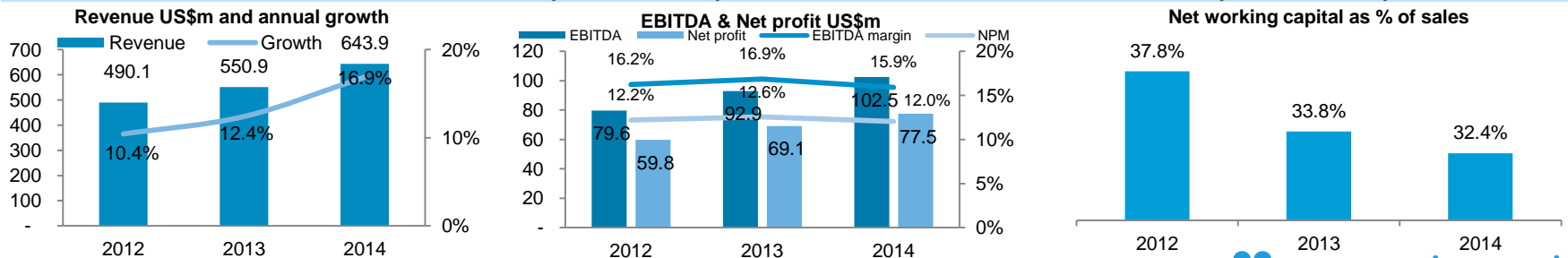
## 1. Healthcare – Revenues up 14.8% on 2.4m patients (+15.6% YoY), like for like EBITDA margin increased to 29.1%



## 2. Distribution – Revenues up 12.9%, SKU's at 83.6k and EBITDA margin improved to 10.1%



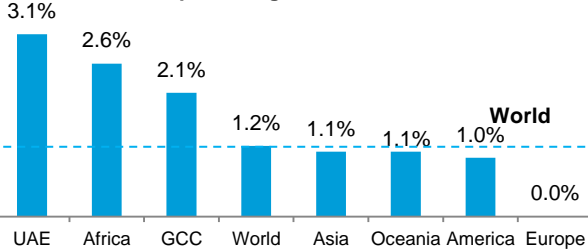
## 3. Consolidated EBITDA at US\$102.5m (+10.2% YoY), like for like EBITDA at US\$ 108.3m (+16.5% YoY)



# UAE market and expansion rationale

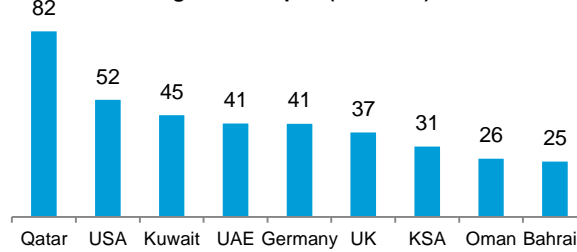
## 1. Strong Macro Indicators

Population growth in UAE

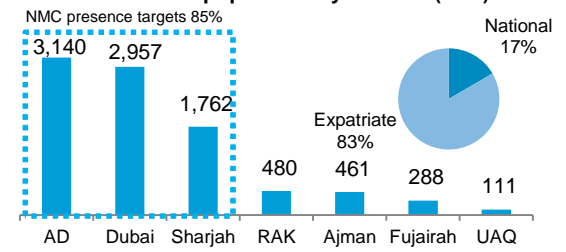


Source: World Bank, UAE Stats, Banks

High GDP/Capita (US\$ '000)

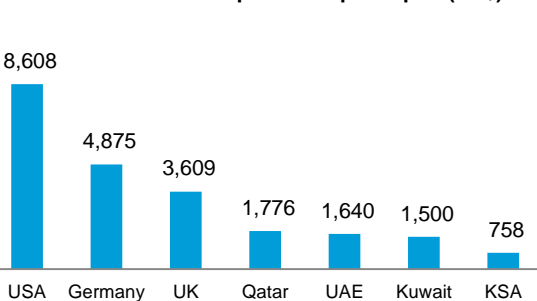


UAE est. population by Emirate ('000)



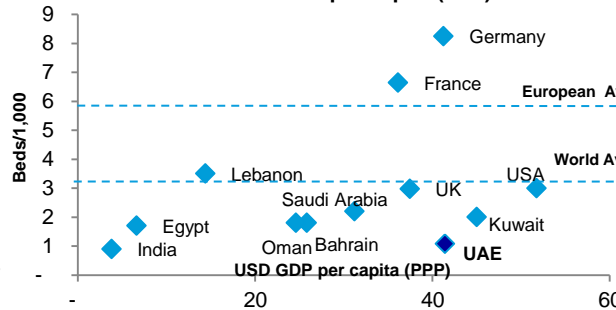
## 2. Growing demand, spending and lagging capacity

UAE healthcare expenditure per capita (US\$)

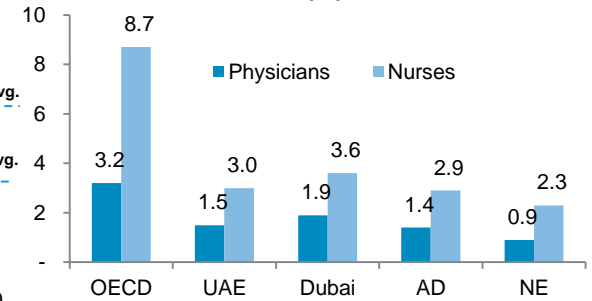


Source: EIU, Booz & Co, IMF, HAAD, DHA, MOH, UAE Stats, Banks

Beds/GDP per capita ('000)

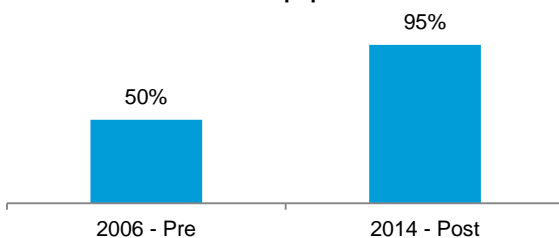


Medical staff/1,000 population



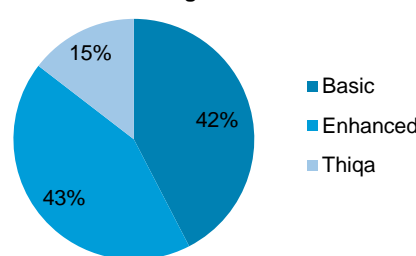
## 3. Mandatory healthcare insurance: Abu Dhabi in 2007, Dubai started in 2014 and Sharjah is expected to be next

Abu Dhabi Est. % of population covered

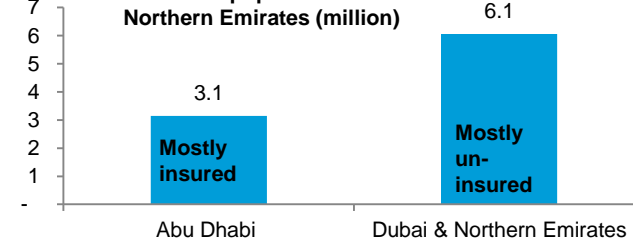


Source: EIU, Booz & Co, IMF, HAAD, DHA, MOH, UAE Stats, Banks

AD insurance categories



Most UAE population resides in Dubai & Northern Emirates (million)



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# H1 2015 highlights – significant progress

- Significant progress in strategy to expand capabilities in specialty health services through partnerships and acquisitions
- Completed four strategic acquisitions; Clinica Eugin, ProVita, Americare Group and Dr. Sunny Healthcare Group
- Achieved robust growth across the business, following a strong performance across all our major medical facilities
- Delivered double digit growth in revenues, EBITDA and adjusted net profit
  - Reported revenues increased by 25.3% year-on-year to US\$ 393.8m in H1 2015
  - Pro forma Group revenues increased by 37.1% to US\$ 431.0m
  - EBITDA increased to US\$ 68.9 (+32.6% YoY), resulting in a Group EBITDA margin of 17.5%. Pro forma EBITDA US\$79.2m with 18.4% margin
  - Adjusted EPS reported at US\$ 0.25, pro forma adjusted EPS US\$ 0.29
- Neared completion of organic, capacity expansion program and hub-and-spoke platform
  - Outpatient services will open at NMC Royal Hospital in the Khalifa area of Abu Dhabi (+250 beds) on 1 September 2015, inpatient services expected to commence by the end of 2015
  - Newly opened facilities in Abu Dhabi and Dubai performed above expectations, including Brightpoint Royal Women's Hospital, DIP General Hospital, Al Ain Medical Centre and MBZC Day surgery
- Dubai mandatory insurance gained traction with record growth at Dubai Specialty Hospital
- Operation and optimisation program to produce 15 bed (+15%) increase at Abu Dhabi Specialty Hospital in H2 2015
- Distribution Division continued to perform well during the period, expanding its product range and entering new agreements for leading, internationally-recognised products
- Secured a new \$825m financing facility to improve the Company's funding efficiency and strategic capabilities

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# Executing strategy as planned

1

- Creating a hub-and-spoke healthcare platform and establishing Centres of Excellence for best-in-class medical treatment and services



2

- Optimise existing assets to generate more revenue per patient/ per square metre with the introduction of higher acuity services



3

- Increasing participation in the rapidly growing medical tourism industry within the UAE by establishing its facilities as a destination of choice for medical tourists

Ongoing

4

- Growing medical specialty offering and clinic network within the UAE and maximising operational synergies in the region



5

- Selectively establishing a strategic presence outside the UAE via acquisitions of, or collaborations with, leading global medical institutions



6

- Increasing its footprint in Saudi Arabia and the broader GCC region via organic initiatives and acquisitions

Ongoing

# Expanding capabilities through strategic acquisitions and partnerships



- Leading global provider of fertility treatments, based in Barcelona and founded in 1999
- Brings leading global expertise and technologies in fertility services to NMC's UAE network and strongly complements existing NMC women's health services
- Accelerates the development of NMC into a centre of clinical excellence for women's health and allows NMC to establish a foothold in the UAE medical tourism market
- Significant potential for revenue synergies from growing franchise in the UAE and GCC/MENA region
- Expected to be significantly accretive in Year 1 with positive effect on margins and attractive ROIC
- 2014 revenues of €34.3m, EBITDA of €14.0m and EBITDA margins of 41



- Leading UAE provider of in-home healthcare services in the UAE
- Operates a community-based physician practice providing medical care in patient's homes for a variety of conditions and across all ages.
- Complements existing in hospital healthcare services, extending NMC's service offering along the care pathway
- Majority of Americare's patients insured by the Thiqa programme, Abu Dhabi's health care scheme for UAE nationals,
- Includes a medical centre with on-site pharmacy located in Abu Dhabi City



- Well-established and respected group of medical centres and pharmacies in the Emirate of Sharjah
- Expands NMC's existing Sharjah operations with the addition of six medical centres and three pharmacies.
- Expands the geographical footprint, addressable market and patient cross-referral capabilities of NMC's nationwide and multi-specialty hub-and-spoke healthcare services network.
- Sharjah expected to adopt mandatory healthcare insurance in the near future

# Expanding capabilities through strategic acquisitions and partnerships



- Leading UAE supplier of the under-supplied long-term care healthcare market segment
- Operate 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.
- Focuses on chronic ventilator-dependent patients, who require regular medical, nursing and rehabilitative treatments in a non-hospital environment.
- Positions NMC as an integrated healthcare provider, establishing centres of excellence across identified healthcare specialties and along the care pathway in our core markets.
- Increases NMC's 2015 licensed bed capacity by an expected 120 beds bringing the total to 840 beds.
- Complements Americare acquisition by providing strong potential for operational and revenue synergies
- Creates synergies with NMC's existing facilities:



- Leading UK University
- Partnership to bring world-class oncology treatment capabilities to the UAE

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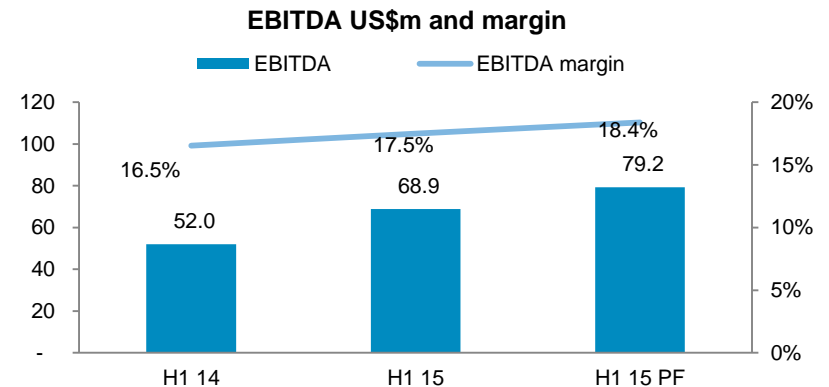
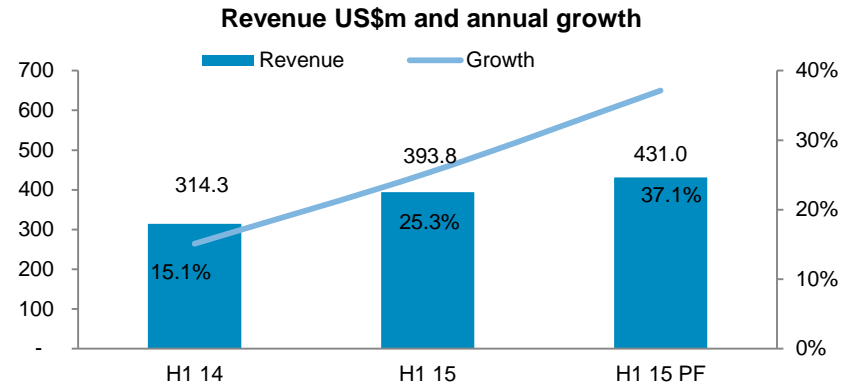
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# Group EBITDA up 32.6% to US\$ 68.9m in H1 2015 Pro Forma Group EBITDA up 52.5%

## Consolidated overview

- H1 revenue reached US\$ 393.8m, up 25.3% on H1 2014; *Pro forma Group revenues US\$431m, 37.1% increase*
- EBITDA increased by 32.6% to US\$ 68.9m; *Pro forma Group EBITDA US\$79.2m, up 52.5% on H1 2014*
- EBITDA margin reached 17.5%, increase of 100bps YoY; *Pro forma EBITDA margin 18.4%*
- Net profit was US\$ 40.8m; no change on H1 2014 *Pro forma net profit US\$49.9, increase 22.1% on H1 2014*
- Adjusted net profit US\$46.9m, up 14.7% on H1 2014 *Pro forma adjusted net profit US\$56.0m, up 37%*
- Adjusted EPS 0.25, up 13% on H1 2014 *Pro forma adjusted EPS 0.29, up 35.9%*

## Performance

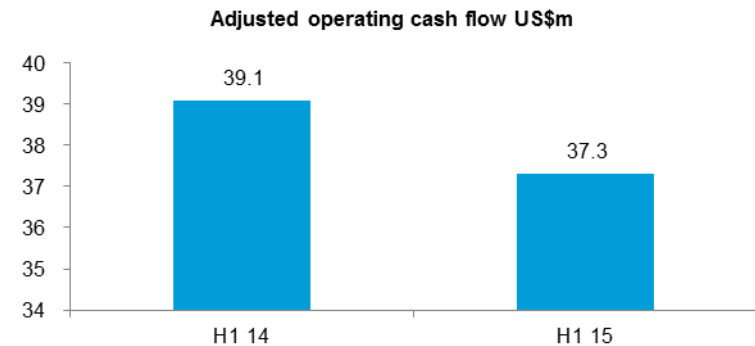


# Operating cash flows stable, considering new asset openings

## Consolidated overview

- Adjusted operating cash flow for the Group amounted to US\$ 37.3m in H1 2015.
- More effective management of working capital reduced the net working capital to sales ratio by 189bps compared to December 2014
- Net debt was at US\$ 409.3m, compared to US\$113.0m in December 2014
- Total capital expenditure was US\$ 52.5m in H1 2015
- Adjusted Book value increased by 5.2% to US\$ 476.5m in H1 2015

## Performance





# Summary financial statements

Income statement			
Details	H1 14	H1 15	H1 15 Proforma
<b>USD '000</b>			
Healthcare	160,869	223,562	260,858
Distribution	165,224	185,619	185,619
Elimination	(11,779)	(15,427)	(15,427)
<b>Revenue</b>	<b>314,314</b>	<b>393,754</b>	<b>431,049</b>
Growth	15.1%	25.3%	37.1%
Change	34bps		
<b>Direct costs</b>	<b>(211,972)</b>	<b>(256,126)</b>	<b>(277,864)</b>
<b>Gross profit</b>	<b>102,342</b>	<b>137,628</b>	<b>153,186</b>
GPM	32.6%	35.0%	35.5%
Change	-50bps	0bps	298bps
<b>G&amp;A, Net Off Other Incomes</b>	<b>(50,367)</b>	<b>(68,753)</b>	<b>(68,753)</b>
% of rev	16.0%	17.5%	16.0%
Change	-16bps	144bps	-7bps
<b>EBITDA</b>			
Healthcare	45,502	63,665	74,026
Distribution	16,507	18,997	18,997
HQ	(10,049)	(13,788)	(13,788)
<b>Adjusted EBITDA</b>	<b>51,961</b>	<b>68,875</b>	<b>79,235</b>
Growth	12.7%	32.6%	52.5%
Change	-336bps	0bps	3979bps

Income statement			
Details	H1 14	H1 15	H1 15 Proforma
<b>EBITDA margin</b>			
Healthcare	28.3%	28.5%	28.4%
Change	5bps	19bps	9bps
Distribution	10.0%	10.2%	10.2%
Change	12bps	24bps	24bps
<b>Consolidated EBITDA margin</b>	<b>16.5%</b>	<b>17.5%</b>	<b>18.4%</b>
Change	-35bps	96bps	185bps
Finance charges	(7,424)	(9,078)	(9,078)
Finance income	1,915	724	724
Depreciation	(5,583)	(13,164)	(13,164)
Unamortised finance fees (write-off)	-	(2,612)	(2,612)
Others	-	(3,197)	(3,197)
Floatation costs	-	-	-
Tax	-	(724)	(724)
<b>Net profit</b>	<b>40,870</b>	<b>40,824</b>	<b>49,896</b>
Growth	26.6%	-0.1%	22.1%
NPM	13.0%	10.4%	11.6%
Change	118bps	-264bps	-143bps
Minority interest	(542)	1,192	1,192
Attributable to shareholders	40,328	39,632	48,705
<b>Clean Net profit</b>	<b>40,870</b>	<b>46,932</b>	<b>55,705</b>
	13.0%	11.9%	12.9%

# Summary financial statements (continued)

Balance sheet		
Detail	2014	H1 15
<b>USD '000</b>		
<b>Assets</b>		
Property & Equipment	368,357	410,501
Derivative financial instruments		5
Deferred Tax Assets		558
Investments in subsidiaries( Dr Sunny)	-	64,040
Intangible Assets (Goodwill)	4,236	201,367
<b>Non Current Assets</b>	<b>372,593</b>	<b>676,471</b>
Inventories	110,209	107,273
Receivables & prepayments	196,569	254,060
Advance Paid for Acquisition		-
Due from other related parties	7,985	5,725
Bank deposits	183,577	59,212
Bank balances & cash	79,592	195,353
<b>Current Assets</b>	<b>577,932</b>	<b>621,622</b>
<b>Total assets</b>	<b>950,525</b>	<b>1,298,094</b>
<b>Shareholders equity</b>		
Minority interest	4,004	5,493
<b>Total equity</b>	<b>453,027</b>	<b>451,989</b>
Term loans	114,457	513,050
EOSB	12,450	13,869
Other payables	21	37,583
<b>Non-current liabilities</b>	<b>126,928</b>	<b>564,502</b>
Accts. payables & accruals	98,044	114,908
Due to related parties	8,380	13,107
Short term borrowings	169,607	103,565
Term loans	92,055	47,288
EOSB	2,484	2,734
<b>Current Liabilities</b>	<b>370,570</b>	<b>281,602</b>
<b>Total Liabilities</b>	<b>497,498</b>	<b>846,105</b>
<b>Total Equity &amp; Liabilities</b>	<b>950,525</b>	<b>1,298,094</b>

## Financial performance & Analysis

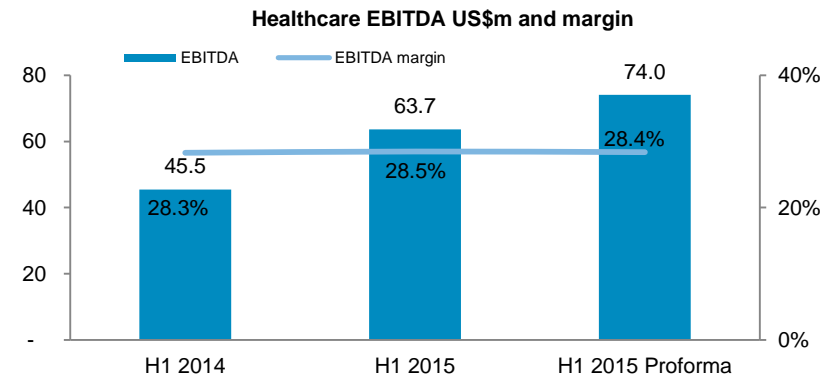
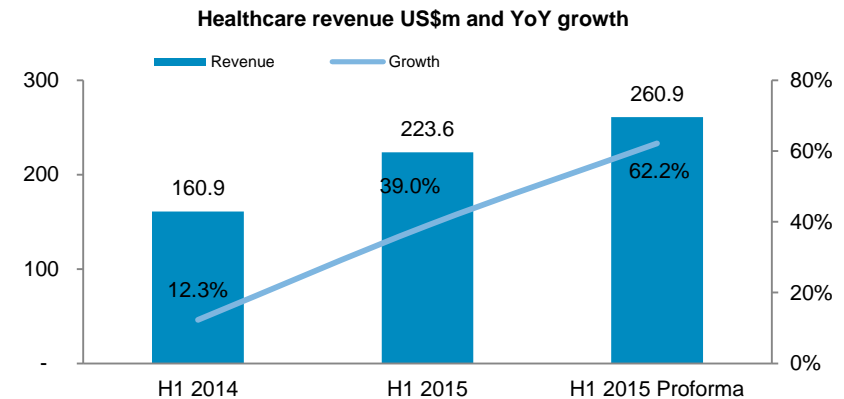
### Healthcare Division H1 2015

# Healthcare revenues increased by 39% in H1 2015, Pro forma up 62%

## Performance

- Healthcare Division revenues increased by 39% on H1 2014 to reach a total of US\$ 223.6m in H1 2015 . *Pro forma revenues increased 62.2% to US\$ 260.9m*
- Division reported EBITDA US\$ 63.7m, up 39.9% on H1 2014. *Pro forma EBITDA increased 62.7% to US\$74m*
- EBITDA margin increased by 19bps to 28.5% *Pro forma EBITDA margin increased 9bps to 28.4%*
- Healthcare accounted for 55% of group revenues before eliminations and contributed 77% of EBITDA

## Key figures



**Financial performance & Analysis**

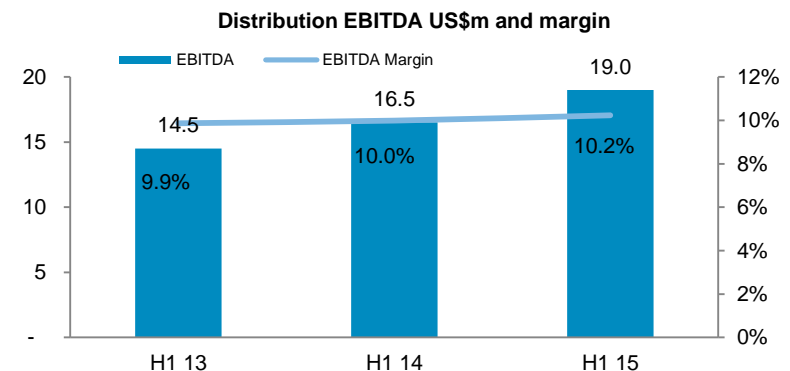
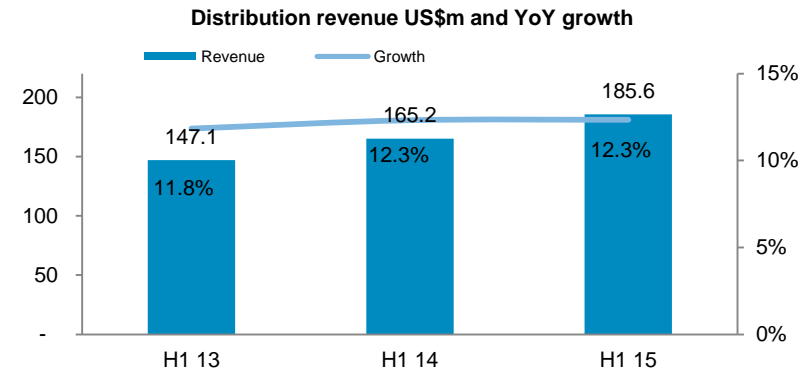
**Distribution Division H1 2015**

# Distribution revenue increased by 12.3% to US\$185.6m

## Distribution

- Distribution revenue increased by 12.3% YoY, to reach US\$ 185.6m
- Division EBITDA reported at US\$ 19.0m (+15.1% YoY)
- EBITDA margin increased by 24bps to 10.2%
- 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 7% YoY to 1.036
- Added 10 new distribution vehicles (+5% YoY)
- Distribution accounted for 45% of the Group's top-line and 23% of EBITDA

## Performance



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# Positive outlook – Business focused on regional and international expansion

- UAE macro-economic outlook for 2015 is positive with the anticipated GDP and population growth expected to support our expansion
- Recently opened facilities performing above expectations following the opening of inpatient services
- Accelerated ramp-up expected at NMC Super Specialty Hospital in the Khalifa area of Abu Dhabi following forthcoming launch of outpatient services, with inpatient services expected to commence by the end of the year
- Mandatory medical insurance in Dubai gained strong traction in the first half of 2015, and this trend is expected to continue having positive effects on the healthcare market. We also hear increasing talk about prospective medical insurance reforms in other Emirates
- Good progress made on establishing a Clinica Eugin hub in Abu Dhabi
- Continued expansion of hub-and-spoke healthcare platform, culminating with the planned opening of the 250 bed NMC Royal Super Specialty Hospital in the Khalifa area of Abu Dhabi city on 1 Sep 2015
- Uniquely positioned to establish centres of excellence within existing hospital network and expand footprint in the UAE and wider golf region
- Continue to access complementary opportunities to maximize operational synergies and further expand the business
- Finally, we reiterate our positive outlook and guidance for the year



## Q&A

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## 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.