



Investor Presentation – FY 2013 Results Call

25 February, 2014

Management presenting



Dr. B.R. Shetty, CEO



Binay Shetty, COO



Prasanth Manghat, CFO



Roy Cherry, Head of Strategy & IR

Contents

1. **FY 2013 highlights**
2. Financial performance & analysis
3. Projects under development
4. Outlook
5. Appendix

FY 2013 highlights

- A positive UAE macro environment, clear strategy and dedicated management efforts meant strong progress across both our business divisions during 2013.
- FY 2013 was another strong year for NMC Health with double digit growth in revenues, EBITDA and net profits
- Profitability margins of both our divisions continued to improve
- In the Healthcare division we achieved increased patient numbers, occupancy levels, and revenue per patient
- NMC Day Surgery opened in July 2013 in Mohamad Bin Zayed City, a fast growing suburb in Abu Dhabi
- Signed the MOU with Oxford Fertility Unit as part of the preparation for the opening of our Brightpoint Womens Hospital
- Our Distribution division continued to deliver excellent results, with positive growth across its increased range of products.

Contents

1. FY 2013 highlights
- 2. Financial performance & analysis**
3. Projects under development
4. Outlook
5. Appendix

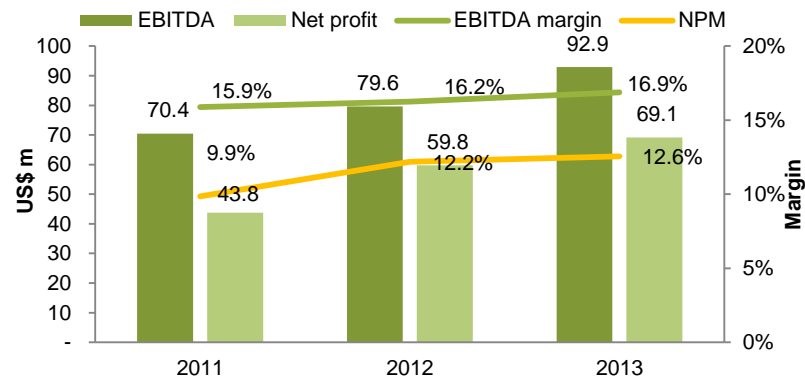
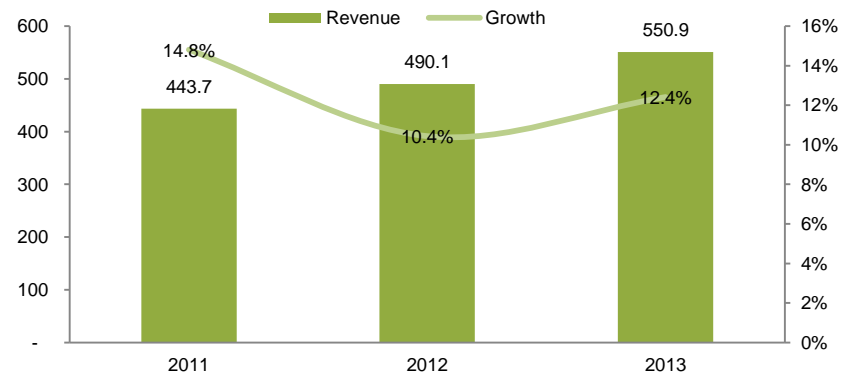
FY 2013 is another strong year for NMC Health

Consolidated overview

- FY 2013 revenue reached US\$ 550.9m, 12.4% YoY growth
- EBITDA increased by 16.7% to US\$ 92.9m
- EBITDA margin reached 16.9%, improvement of 62bps YoY
- Net profit reached US\$ 69.1m, a 15.7% YoY growth
- Net profit margin was 15.7%, 36bps higher YoY.
- Excluding the one-off expense on fees relates to the replacement of loans with a new JPM facility, NMC Health net profit would be US\$ 72.5m with a net margin of 13.2%

Performance

Revenue US\$m and annual growth



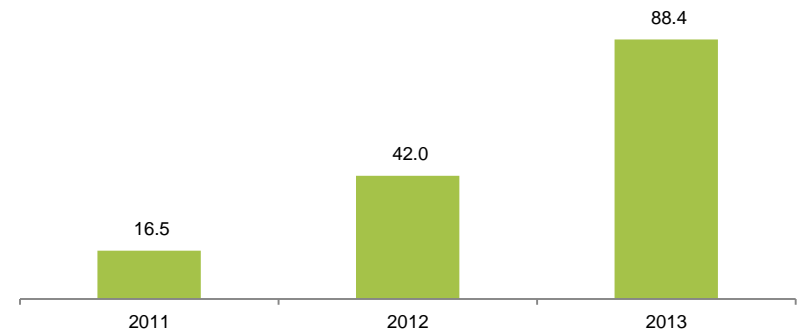
FY 2013 is another strong year for NMC Health (continued)

Consolidated overview

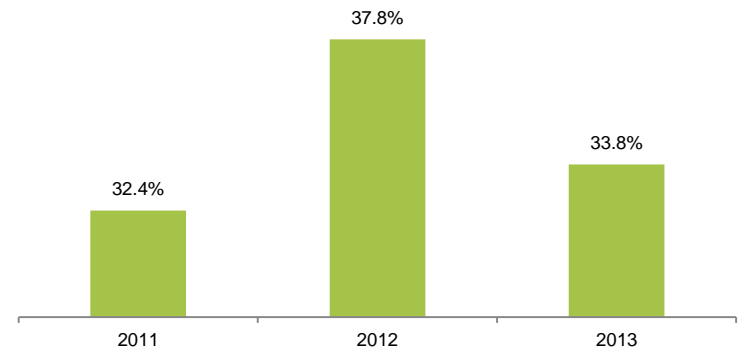
- Adjusted operating cash flow for the Group amounted to US\$88.4m in FY2013, 110.4% higher than FY2012
- Key drivers include higher EBITDA, lower change in net working capital and lower maintenance capex
- More effective management of working capital reduced the net working capital to sales ratio by 396bps in FY2013
- Net debt was at US\$ 63.7m, compared to US\$46.2m in 2012
- Book value increased by 17% to US\$ 386.2m
- Performed loan consolidation and resulting replacement with JP Morgan, which is expected to deliver net savings of US\$ 2m annually for five years – starting from H2 13

Performance

Adjusted operating cash flow US\$m



Net working capital as % of sales



Summary financial statements

Income statement				Balance sheet			
Details	2011	2012	2013	Details	2011	2012	2013
Audited, US\$ '000				Audited, US\$ '000			
Healthcare	218,685	251,649	289,294	Assets			
Distribution	253,425	271,074	300,176	Property & Equipment	94,856	201,653	273,791
Elimination	(28,367)	(32,669)	(38,592)	Investments in subsidiaries		-	-
Revenue	443,744	490,054	550,878	Intangible Assets (Goodwill)		1,016	1,016
<i>Growth</i>		10.4%	12.4%	Non Current Assets	94,856	202,669	274,808
<i>Change</i>			198bps	Inventories	54,178	72,458	94,123
Direct costs	(306,388)	(329,800)	(365,336)	Receivables & prepayments	153,453	181,402	168,382
Gross profit	137,356	160,254	185,542	Due from other related parties	-	1,602	9,254
<i>GPM</i>	31.0%	32.7%	33.7%	Bank deposits	11,072	233,703	193,366
<i>Change</i>		175bps	98bps	Bank balances & cash	43,002	23,747	75,329
G&A	(66,906)	(80,635)	(92,602)	Current Assets	261,704	512,911	540,455
% of rev	15.1%	16.5%	16.8%	Total assets	356,560	715,580	815,262
<i>Change</i>		138bps	36bps	Shareholders equity	99,287	329,669	386,236
EBITDA				Minority interest	1,059	1,934	2,915
Healthcare	56,239	68,189	81,668	Total equity	100,346	331,603	389,151
Distribution	24,733	26,208	29,907	Term loans	35,454	118,428	161,845
HQ	(10,523)	(14,778)	(18,635)	EOSB	7,703	8,634	10,036
Adjusted EBITDA	70,450	79,619	92,940	Other payables	-	1,225	408
<i>Growth</i>		13.0%	16.7%	Non-current liabilities	43,157	128,287	172,289
<i>Change</i>			372bps	Accts. payables & accruals	63,942	68,613	76,087
EBITDA margin				Due to related parties	1,245	123	5,079
Healthcare	25.7%	27.1%	28.2%	Short term borrowings	101,275	80,668	82,238
<i>Change</i>		138bps	113bps	Term loans	45,434	104,540	88,355
Distribution	9.8%	9.7%	10.0%	EOSB	1,161	1,746	2,063
<i>Change</i>		-9bps	29bps	Current Liabilities	213,057	255,690	253,822
Consolidated EBITDA margin	15.9%	16.2%	16.9%	Total Liabilities	256,214	383,977	426,111
<i>Change</i>		37bps	62bps	Total Equity & Liabilities	356,560	715,580	815,262
Net profit	43,772	59,766	69,143				
<i>Growth</i>		36.5%	15.7%				
<i>NPM</i>	9.9%	12.2%	12.6%				
<i>Change</i>		233bps	36bps				
Minority interest	(784)	(875)	(978)				
Attributable to shareholders	42,988	58,891	68,165				

Summary financial statements (continued)

Cash flow

Details	2011	2012	2013
Audited, US\$ '000			
Net cash from operating activities	71,446	35,267	85,071
Net cash (used in) investing activities	22,085	(258,047)	(108,087)
Net cash (used in) from financing activities	(57,368)	280,285	20,287
Increase / (decrease) in cash and cash equivalents	36,163	57,505	(2,729)
Cash and cash equivalents at 1 January	(11,738)	24,425	81,930
Cash and cash equivalents at 31 December	24,425	81,930	79,201

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

Adjusted Net income: Adjusted for non-operating one-off expenses

Adjusted EPS: Calculated on a like for like basis for both periods using the number of shares in issue as at 31 December 2013, based on adjusted net income.

Contents

Financial performance & Analysis

Healthcare division FY 2013

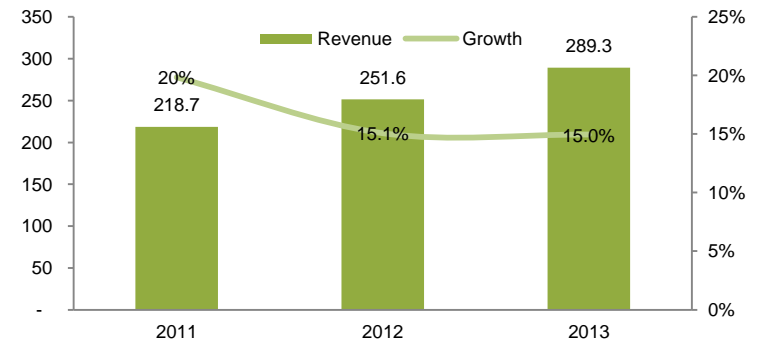
Healthcare division strategy paid off, revenue 15% higher

Performance

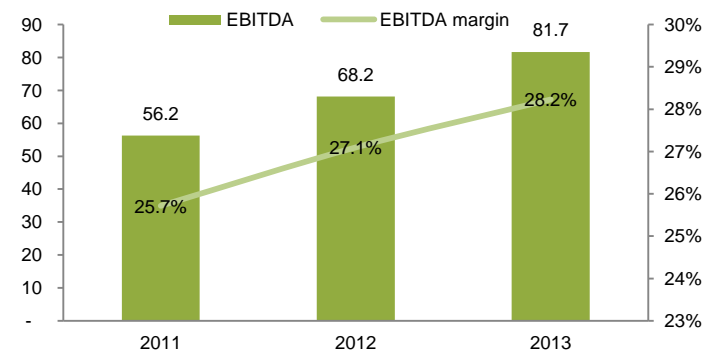
- Healthcare division had a strong year, with FY 2013 revenues amounting to US\$ 289.3m – up a solid 15.0% YoY.
- Division EBITDA reached US\$ 81.7m, gaining 19.8% YoY
- EBITDA margin increased by 113bps to reach 28.2% for the year
- Division revenues accounted for 49% of group top-line before eliminations
- Healthcare contributed 73% of EBITDA

Key figures

Healthcare revenue US\$m and YoY growth

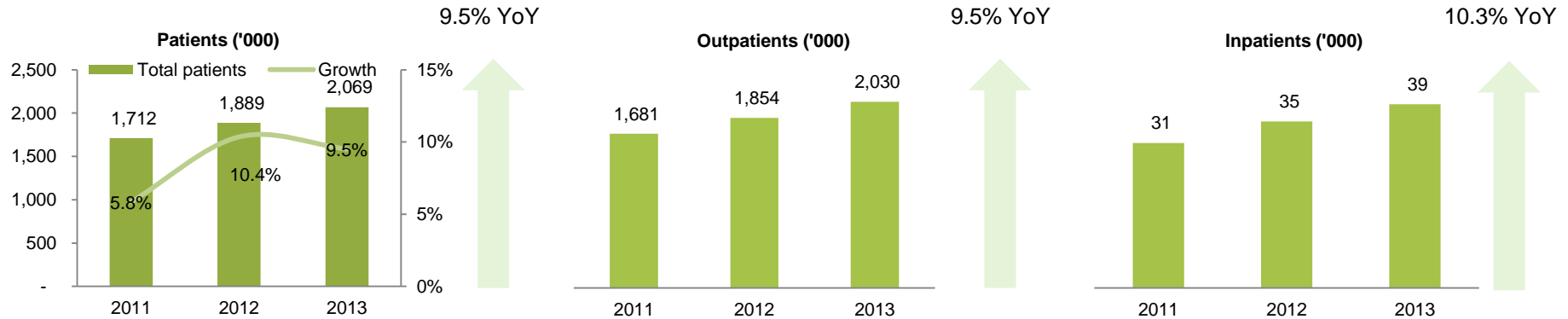


EBITDA US\$m and margin



NMC's Healthcare division strategy paid off (Continued)

Key performance indicators



Overview of NMC Hospitals and Medical Centers

- Abu Dhabi Specialty Hospital continued to expand, with revenues exceeding the US\$ 100m – level for the first time. This asset delivered 12% YoY top-line growth. Occupancy reached a very high 79%, 1060bps higher YoY, demonstrating the potential within markets with mandatory insurance
- Dubai Specialty Hospital's revenues reached US\$56m in 2013 (+16% YoY) and occupancy declined to 54% (-160bps YoY) slightly effected by the increase in operational beds at the facility from 75 to 91 beds (+21% year on year)
- Al Ain Specialty Hospital's revenues increased to US\$48m in 2013 (+21% YoY) and occupancy rose to 60% (+430bps YoY) despite the 33% increase during the year in operational beds
- We increased the number of doctors to 503 by year end 2013 (+19.8% 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	Dubai	Abu Dhabi	N/A
City	Abu Dhabi	Dubai	Al Ain	Dubai	Sharjah	Dubai	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	Leased	Leased	
Category	Specialty Hospital	Specialty Hospital	Specialty Hospital	General Hospital	Medical Centre	Day Surgery	Day surgery	N/A
Accreditation	JCI	JCI	JCI	-	-	-	-	
Revenue (US\$ '000)	100,837	55,947	48,097	12,225	10,290	2,577	906	230,879
Growth, YoY	12%	16%	21%	5%	16%	113%	N/A	15.6%
Revenue/patient	108	164	117	62	67	269	48	112
Growth, YoY	7%	4%	8%	6%	-8%	-17%	N/A	5.6%
Capacity								
Licensed beds	100	100	100	10	-	-	N/A	310
Operational beds	100	91	60	10	-	-	N/A	261
Growth, YoY	0%	21%	33%	0%	N/A	N/A	N/A	13.5%
Spare capacity (beds %)	0%	9%	40%	0%	N/A	N/A	N/A	15.8%
Staff	1,345	709	603	262	173	35	95	3,222
Patients								
Inpatients	20,564	8,648	8,312	1,295	-	n/a	n/a	38,819
Outpatients	916,124	332,538	403,486	196,448	152,487	9,582	19,041	2,029,706
Total	936,688	341,186	411,798	197,743	152,487	9,582	19,041	2,068,525
Growth, YoY	5%	12%	12%	-2%	26%	480%	N/A	9.5%
Bed Occupancy	79%	54%	60%	44%	N/A	N/A	N/A	64.7%
Change, YoY	1060bps	-160bps	430bps	580bps	N/A	N/A	N/A	420bps

Contents

Financial performance & Analysis

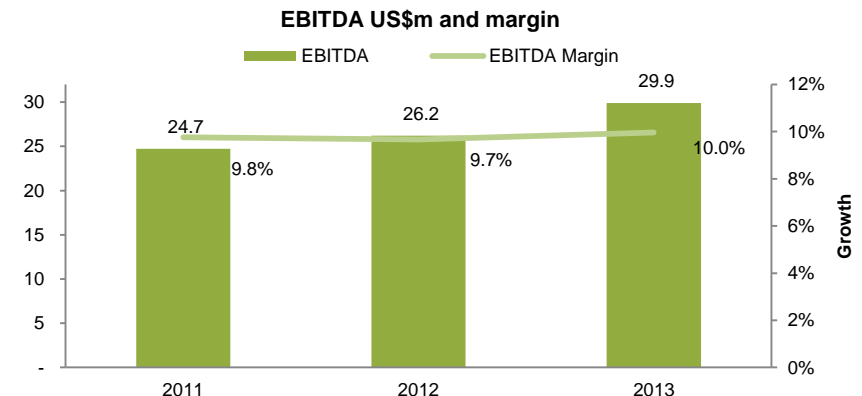
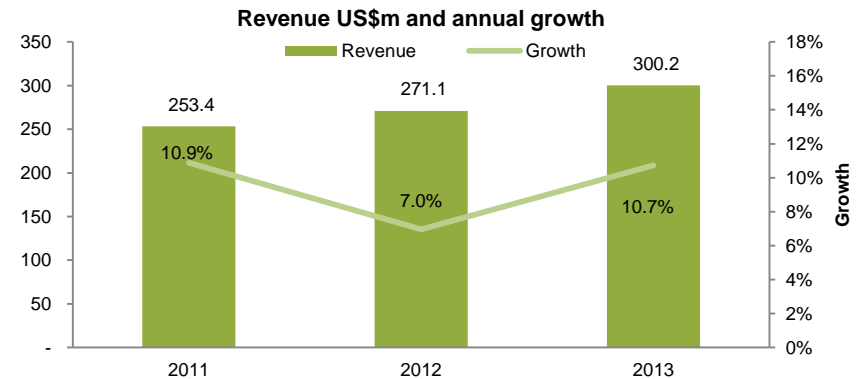
Distribution division FY 2013

Distribution division records 10.7% YoY top-line growth

Distribution

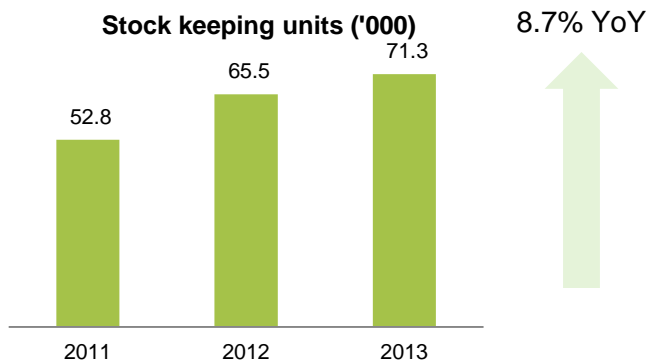
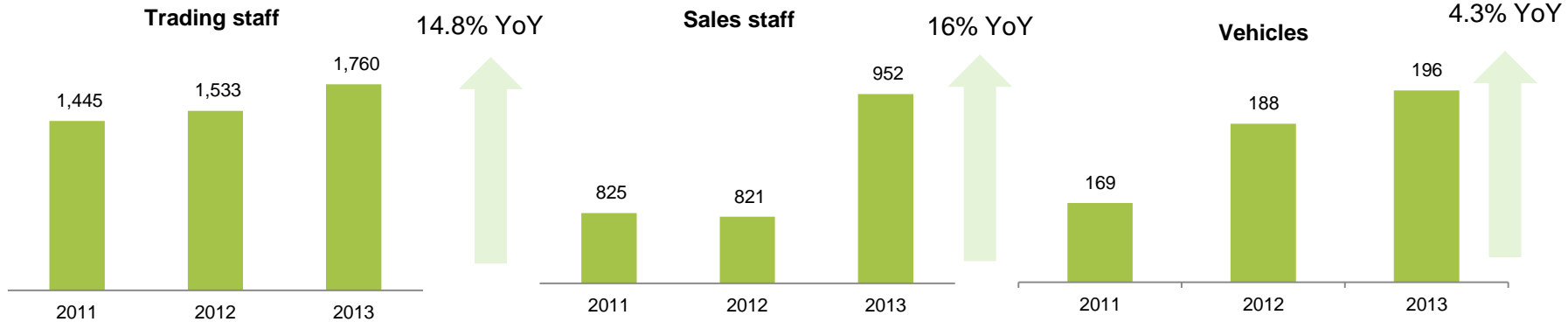
- Distribution achieved 10.7% YoY revenue growth in FY 2013, reaching US\$ 300.2m
- Division EBITDA reached US\$ 29.9m, gaining 14.1% YoY
- EBITDA margin increased by 29bps in FY 2013 to reach 10.0%
- Our performance improvement was mainly driven by:
 - Strong growth in the UAE economy
 - Increased sales effort backed by a 16% rise in sales and merchandising staff
 - Successfully signing up new brands, including AVICO, Zynex, Wallach and Purple Surgical
- Accounted for 51% of the top-line and 27% of EBITDA

Performance

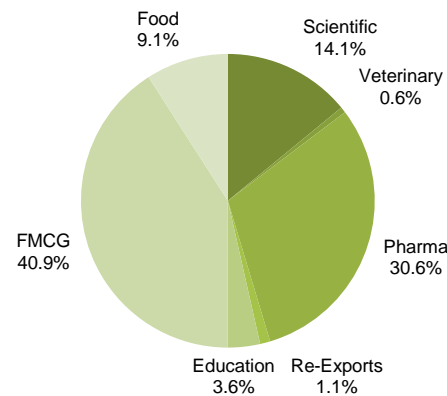


Distribution snapshot

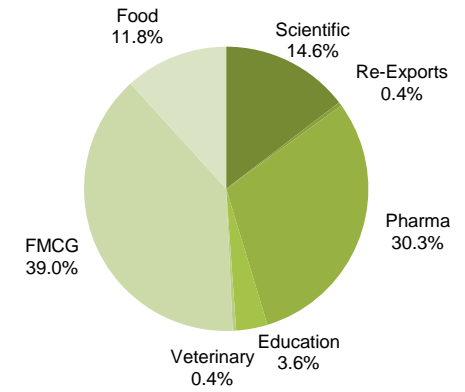
Key performance indicators



Segment contribution 2012



Segment contribution 2013



Contents

1. FY 2013 highlights
2. Financial performance & analysis
- 3. Projects under development**
4. Outlook
5. Appendix

Projects under development

- Our expansion program at the time of the IPO in 2012 included three hospitals and two day surgeries
- To date we have acquired BR Medical Suites (July 2012), a day surgery in Dubai, and opened the NMC Day Surgery in Mohamad Bin Zayed City in Abu Dhabi (July 2013).
- In 2013 we also announced plans to open a medical centre in Al Ain.
- We faced certain challenges in two of our projects, Brightpoint and DIP. We now expect to commence operations in these facilities in H1 2014
- Khalifa City Specialty Hospital is expected to open in H1 2015

NMC Health's ongoing projects

Detail	Brightpoint	DIP	Al Ain	Khalifa City	Total
Opening	H1 2014	H1 2014	H2 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
Capacity					
Licensed beds	100	60	-	250	410
Starting beds	60	30	-	75	165
Beds phased over future periods	40	30	-	175	245

Contents

1. FY 2013 highlights
2. Financial performance & analysis
3. Projects under development
- 4. Outlook**
5. Appendix

Positive outlook

- UAE macro-economic outlook for 2014 remains very positive with the anticipated GDP and population growth expected to support the advance of both our business divisions
- Our expansion strategy in the Healthcare division, through the addition of a total of three new hospitals and a medical centre in 2014 and 2015, has been reinforced by the recent adoption of mandatory healthcare insurance in Dubai
- Dubai Health Authority (DHA) estimates around 66% of the Emirate's residents are without healthcare insurance. Dubai is estimated to have around 3m inhabitants – implying a potential growth of 200% in members over the coming years
- Roll-out is expected to begin this year in Dubai through a phased approach. Companies with over 1,000 employees should start insuring all their employees by October 2014, according to the DHA
- NMC operates three healthcare assets in Dubai and a fourth is due to open in early H1 14 (DIP General Hospital)
- Distribution division is expected to see addition of important product lines and eventually also benefit from Dubai's insurance decision through its pharmaceutical segment (30.3% of revenue in FY 2013)
- Consequently, we expect 2014 to be another rewarding year for NMC Health and its shareholders

Contents

Q&A

Contents

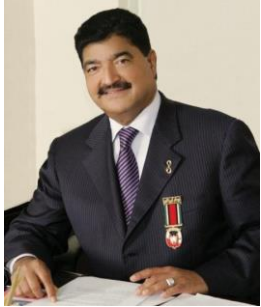
1. FY 2013 highlights
2. Financial performance & analysis
3. Projects under development
4. Outlook
5. **Appendix**

Contents

Appendix

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.