FY 2016 Results Presentation

8 March, 2017

Today's presenters

Prasanth Manghat – Chief Executive Officer

- CEO since March 2017
- 20 years of experience including 12 years at NMC-related businesses with 5 years as Chief Financial Officer and 2 years as Deputy CEO of NMC Health

Suresh Krishnamoorthy – Chief Financial Officer

- Joined NMC in December 2000 and became Deputy CFO in 2014 and as of January 2015 CFO
- 16 years of accounting and audit experience

Roy Cherry – Head of Strategy & IR

- Joined NMC in 2013
- 13 years of experience in financial services and healthcare

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2016 highlights – significant progress

- 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

- 2016 is the first full year reflection of both these strategic stages. The successful execution of our long-term two-stage strategy has started to deliver significantly improved growth for the Group:

    - Revenues increased by 39% year-on-year (YoY) to US$ 1.22bn in 2016 (compared to US$ 881m in 2015) .
    - EBITDA increased by 64% to US$ 246m, resulting in a Group EBITDA margin of 20.2% (+309bps YoY).
    - Adjusted net profits increased by 69% to US$165.2m

- Since the start of 2015, when NMC initiated the second stage, the Group has delivered:

    - 54% increase in revenue per patient, from US$ 115 in 2014 to US$ 176 in 2016. Achieved by entering into higher complexity and value added services
    - 53% increase in Return on Average Equity (excluding Dec-2016 cash placement), through improved performance and a more optimal capital structure
    - 27% rise in consolidated EBITDA margin, from 15.9% in 2014 to 20.2% in 2016, by investing in higher complexity healthcare while diluting the proportional contribution from the distribution division

- 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

- We therefore remain highly positive in our outlook and continue to see substantial opportunities for growth in our region

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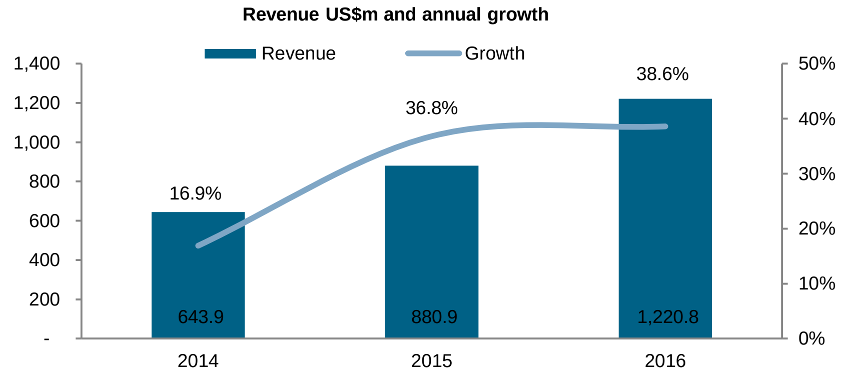
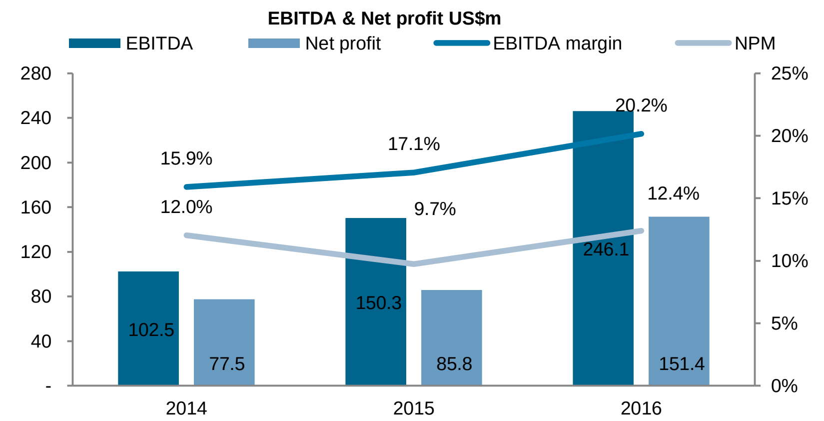
Group EBITDA increased by 64% to US$ 246.1m in 2016

Consolidated overview

- 2016 revenue reached US$ 1,221m, up 39% on 2015
- EBITDA increased by 64% to US$ 246.1m
- EBITDA margin reached 20.2%, increase of 309bps YoY
- Net profit was US$ 151.4m; up 77% on 2015
- Adjusted net profit US$165.2m, up 69% on 2015
- Attributable net profit was US$ 132.7m and Adjusted attributable net profit was US$ 146.5m

Performance



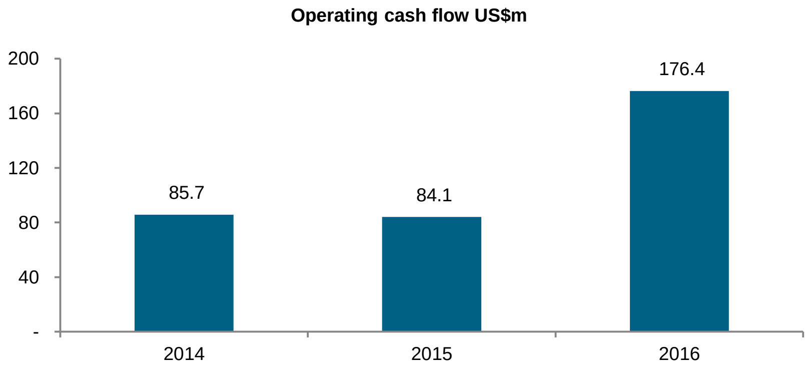


Operating cash flows and working capital management improved

Consolidated overview

- Net operating cash flow for the Group amounted to US$ 176.4m in 2016
- More effective management of working capital reduced the net working capital to sales ratio by 386bps YoY to 29.5% in 2016
- Net debt was at US$ 431m at year end 2016, compared to US$ 552.9m in Dec 2015
- Net debt to EBITDA was 1.75x, this will increase post the expected completion of Al Zahra in March 2017
- Total capital expenditure decreased by 24.9% to US$ 59.6m in 2016 from US$ 79.3m in 2016
- Book value increased by 90% to US$ 949m in 2016

Performance



Summary financial statements

Income statement

Details	2015	2016
Audited, USD '000		
Healthcare	517,116	823,315
Distribution	393,416	431,927
Elimination	(29,662)	(34,407)
Revenue	**880,870**	**1,220,835**
Growth	*36.8%*	*38.6%*
Change	*1990bps*	*180bps*
Direct costs	(575,926)	(753,325)
Gross profit	**304,944**	**467,510**
GPM	*34.6%*	*38.3%*
Change	*213bps*	*368bps*
G&A, Net Off Other Incomes	**(154,599)**	**(221,429)**
% of rev	*17.6%*	*18.1%*
Change	*97bps*	*59bps*
EBITDA		
Healthcare	140,075	241,115
Distribution	43,498	47,113
HQ	(33,228)	(42,147)
Adjusted EBITDA	**150,346**	**246,081**
Growth	46.7%	63.7%
EBITDA margin		
Healthcare	27.1%	29.3%
Change	*25bps*	*220bps*
Distribution	11.1%	10.9%
Change	*90bps*	*-15bps*
Consolidated EBITDA margin	*17.1%*	*20.2%*
Change	*116bps*	*309bps*
Finance charges	(22,645)	(42,933)
Finance income	925	9,157
Depreciation & Amortisation	(35,326)	(55,999)
Unamortised finance fees (write-off)/ Others	(7,943)	-
Others	-	(4,731)
Floatation costs	-	
Tax	403	(174)
Incremantal PF		
Net profit	**85,760**	**151,402**
Growth	*10.6%*	*76.5%*
NPM	*9.7%*	*12.4%*
Change	*-230bps*	*267bps*
Minority interest	(3,545)	(18,713)
Attributable to shareholders	82,215	132,688
Clean Net profit	**97,498**	**165,200**
Margin	11.1%	13.5%

Balance sheet

Details	2015	2016
Audited, USD '000		
Assets		
Property & Equipment	433,524	459,338
Deferred Tax Assets/Other Receivables	1,316	2,969
Advance Paid for Acquisition		1,614
Other Receivables		43,053
Loan Receivables	1,725	9,129
Intangible Assets and Goodwill	413,059	652,983
Non Current Assets	849,624	1,169,087
Inventories	134,788	144,387
Receivables & prepayments	282,475	374,456
Advance Paid for Acquisition/ Loan Receivables	5,481	7,595
Due from other related parties	4,116	3,628
Bank deposits	58,886	137,900
Bank balances & cash	118,511	479,940
Current Assets	604,256	1,147,907
Total assets	**1,453,880**	**2,316,993**
Share capital	29,566	31,910
Reserve		
Share Premium	179,152	491,778
Group Restructuring Reserve	(10,001)	(10,001)
Shareholders' account		
Retained Earning	318,092	414,444
Other Reserves	(29,112)	(21,262)
Shareholders equity	**487,697**	**906,868**
Minority interest	11,968	42,002
Total equity	499,665	948,870
Term loans	483,725	594,780
EOSB	19,284	26,648
Option Red Liab/ Other payables	48,594	86,537
Non-current liabilities	551,878	707,965
Accts. payables & accurals	123,511	158,813
Other Current Liability	11,618	28,539
Due to Other related parties	17,419	14,876
Short term borrowings	154,962	219,851
Term loans	91,621	234,519
EOSB	3,206	3,561
Current Liabilities	402,337	660,158
Total Liabilities	954,215	1,368,123
Total Equity & Liabilities	**1,453,880**	**2,316,993**

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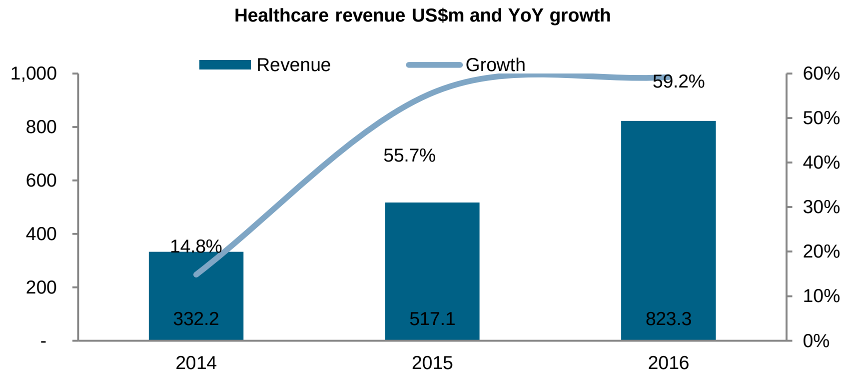
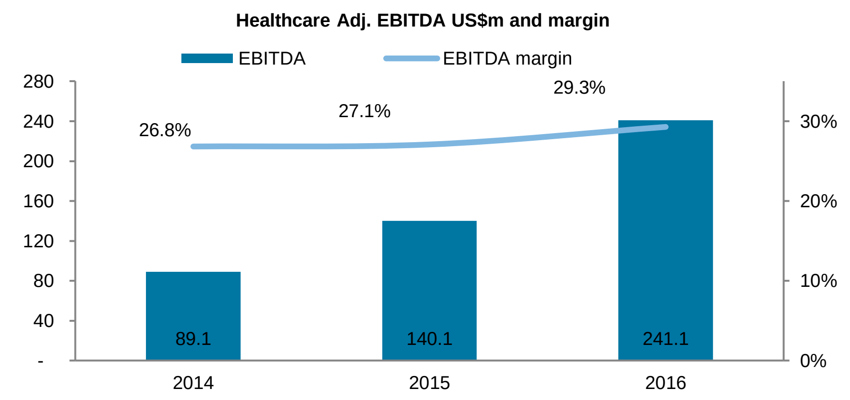
Healthcare revenues increased by 59.2% to US$ 823.3m in 2016

Healthcare

- Healthcare Division revenues increased by 59.2% on 2015 to reach a total of US$ 823m in 2016
- Division reported EBITDA US$ 241.1m, up 71% compared to 2015
- EBITDA margin increased by 220bps to 29.3%
- Healthcare accounted for 66% of group revenues before eliminations and contributed 84% of group EBITDA in 2016
- Total patients increased by 34.5% YoY to 4.32m in 2016
- Revenue per patient increased by 28.3% to reach US$ 176.3
- Doctors' employed reached 1042, an increase of 27.5%
- Hospital bed occupancy rates reached 74.3%, an improvement of 80bps
- As of 2016 end, the total number of licensed beds stand at 875 (+270 beds YoY), with 679 beds (+142 beds) being operational
- Including the Saudi expansion which completed in 2017 and the expected completion of the Al Zahra acquisition in March 2017, the total Group licensed beds capacity would increase to 1,289

Performance





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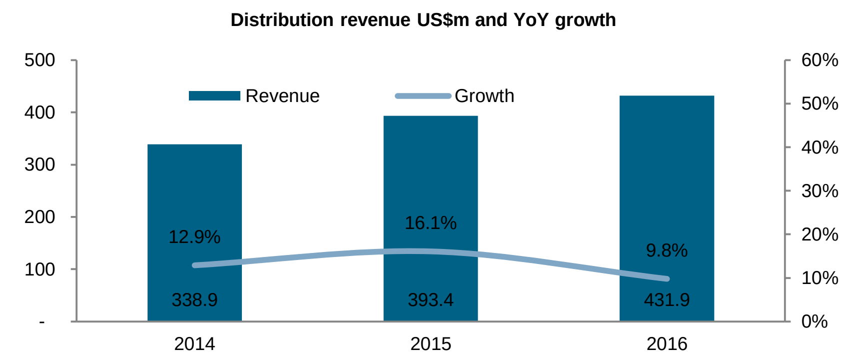
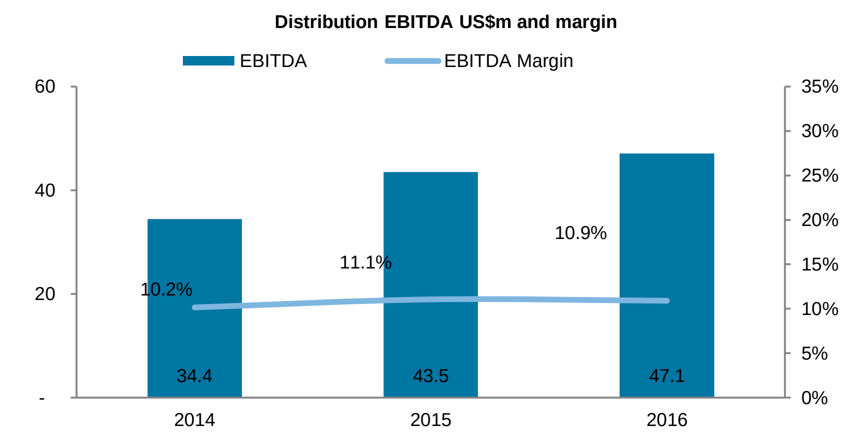
Distribution revenue increased by 9.8% to US$431.9m in 2016

Distribution

- Distribution revenue increased by 9.8% on 2015, to reach US$ 431.9m
- Division EBITDA recorded a 8% growth on 2015, resulting in US$ 47.1m
- EBITDA margin decreased slightly YoY to 10.9%
- Distribution division increased its product portfolio by 9.3% to 97,600 stock keeping units (SKUs)
- Number of sales staff expanded by 6.7% YoY to 1,152
- Net addition of 9 new distribution vehicles (+4.1% YoY)
- Distribution accounted for 34% of the Group's top-line and 16% of EBITDA

Performance





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