



## **HY 2018 Results Presentation**

20 August, 2018

# Safe Harbour statement

## Important information: forward-looking statements

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## Senior management presenting

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**Prasanth Manghat**  
CEO



**Prashanth Shenoy**  
CFO



**Asjad Yahya**  
Investor Relations

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1. HY 2018 highlights
2. Financial performance & analysis

# HY 2018: Delivering against strategy, margin growth outpacing revenue growth



## Underlying trends positive

- Strong growth trend sustained in HY 2018, laying the foundation for a solid outlook



## Organic growth

- The Healthcare division remains the main driver of growth; existing facilities ramping up strongly and integration of new acquisitions progressing well



## Strategic initiatives

- Significant progress made against all facets of strategic update outlined in December 2017



## Geographic expansion

- NMC's geographic footprint continues to expand; new O&M contract deepens reach into wider Emerging Markets



## Balance sheet strength

- Strength of balance sheet remains a vital focal point. Realigning the balance sheet to reflect NMC's status as a member of the large cap FTSE-100 index



## Outlook

- Solid underlying growth, complemented by recent bolt-on acquisitions, suggests better outlook for the year than previously guided. Revised guidance expected to be shared during Capital Markets Day

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1. HY 2018 highlights
2. **Financial performance & analysis**

## Strong financial performance on the top and bottom line

Consolidated overview				
6 months ended 30 June	HY 2018	HY 2017	% Variance YoY	
Revenue	US\$ 932.0m	US\$ 775.2m	+20.2%	
EBITDA	US\$ 225.5m	US\$ 170.7m	+32.1%	
<i>EBITDA Margin %</i>	24.2%	22.0%	+220bps	
Adjusted Net Profit	US\$ 141.1m	US\$ 115.8m	+22.1%	
Adjusted EPS	US\$ 0.669	US\$ 0.514	+30.2%	

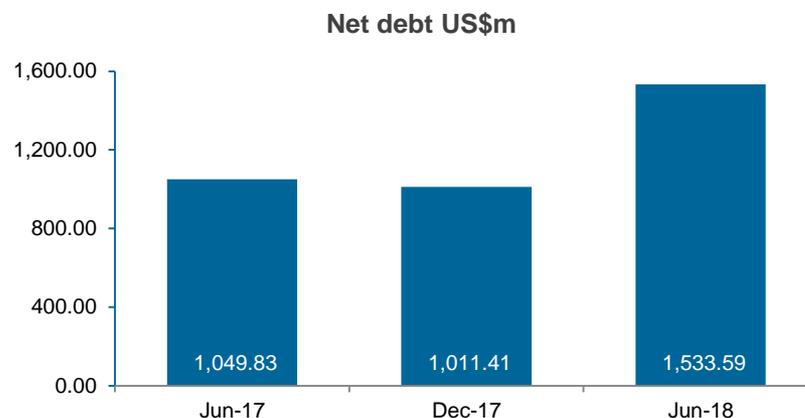
- Solid growth across all business verticals
  - Organic growth accounted for 13.4% of this growth
- Strong ramp-up at facilities opened in recent years and effective integrations of acquired entities main source of continued growth
  - Healthcare business accounted for 73% of Group revenues and 88% of Group EBITDA for the year
- Adjusted EPS up 30.2% on HY 2017, impacted by new shares issued for partial payment of outstanding minorities in Fakh IVF and exercise of options in H1 2018

# Realigning capital structure to reflect the enlarged Group

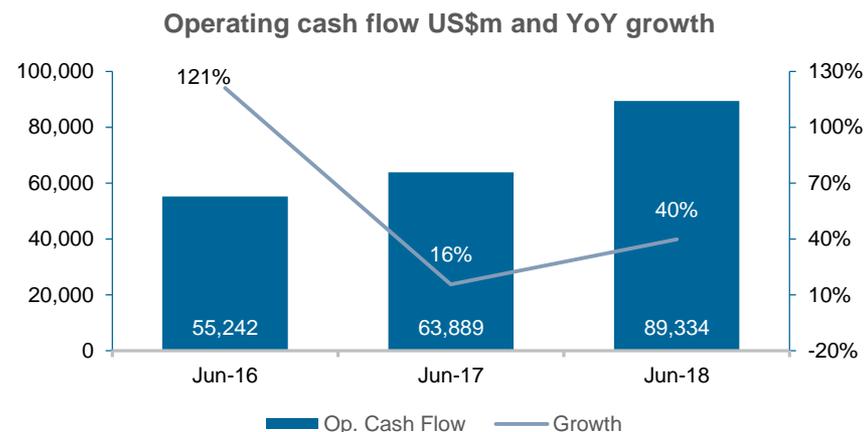
## Consolidated overview

- A revised capital structure is being introduced to match the requirements emanating from NMC's considerable growth in recent years
  - A major portion of existing debt was refinanced with a syndicated facility
- US\$ 450m convertible bond issued in April 2018 the first step in realigning the Group's balance sheet
- Net debt (excluding liability portion of convertible bond) increased to US \$1,152.5m
  - Net debt-to-EBITDA remains at comfortable levels, in line with management expectations
- Increase in Group receivable days to 107 mainly resulted from slower collection at Distribution division due to extended holidays towards end of H1 2018
  - Healthcare receivables declined slightly to 102 in H1 2018

## Debt level remains in line with expectations



## Cash flow generation remains strong



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**Financial performance & Analysis**

**Healthcare Division HY 2018**

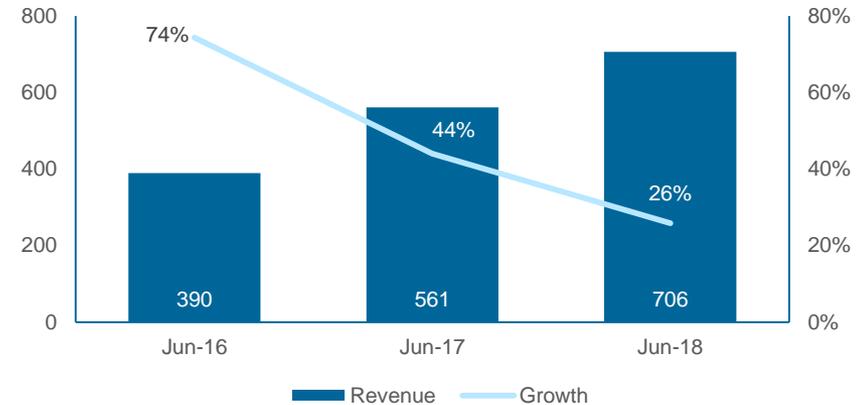
# Healthcare: Benefiting from organic and inorganic growth

## Performance

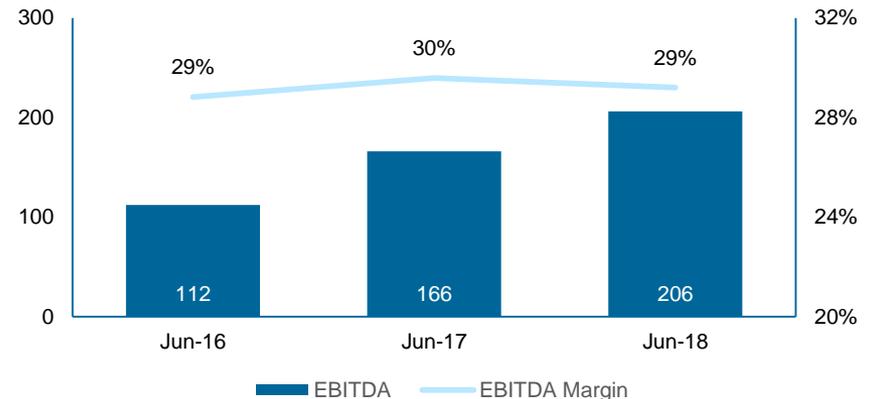
- Healthcare revenues increased 25.8% YoY to US\$ 706.0m on back of organic and inorganic expansion
- EBITDA for the division stood at US\$ 226.8m, up 34.0% on HY 2017
- EBITDA margin increased by 190bps YoY to 32.1%
- Both NMC Royal and Al Zahra, two of our largest facilities, continue to perform very well.
  - NMC Royal reached 225 operational beds
  - Al Zahra benefiting from introduction of long-term care beds and well as the recent opening of a CosmeSurge clinic
- Total number of patients increased 19.7% YoY to 3.45m
- Revenue per patient continues to rise as complexity of services increases
  - Revenue per patient for the Multi-Specialty vertical increased 8% YoY to US \$146.2
  - Maternity & Fertility witnessed a 14% YoY increase in revenue per patient
  - The Long-term & Home Care vertical recorded 5% YoY increase in revenue per patient to US \$19,957

## Key figures

Healthcare revenue US\$m and YoY growth



Healthcare EBITDA US\$m & margins



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**Financial performance & Analysis**

**Distribution Division HY 2018**

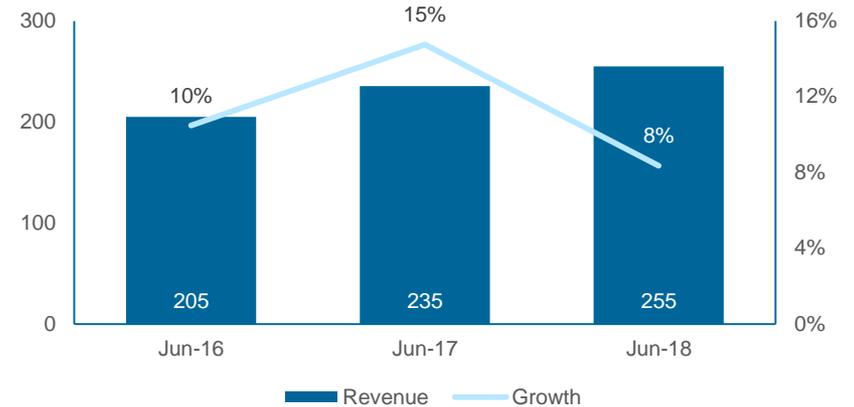
# Reinforcing dominant position in the UAE

## Performance

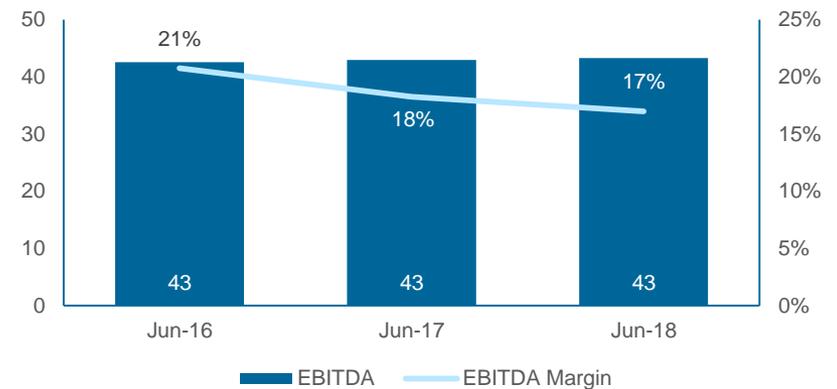
- Revenues increased 8.4% YoY to reach US \$255.0m in HY 2018, in line with management expectations
- Stock Keeping Units (SKUs) reached 113,500 compared to 108,900 as at 31 December 2017
- Division EBITDA recorded 18.8% YoY growth to reach US\$ 30.3m
- EBITDA margin increased 110bps to stand at 11.9%
- Distribution accounted for 27% of the Group's top-line and 12% of EBITDA

## Key figures

Distribution revenue US\$m and YoY growth



Distribution EBITDA US\$m & Margins



## Q&A