



21 October 2019

NMC Health plc
(the “Company” or “NMC”)

Capital Markets Day Update

Reiterate 2019 guidance; expect double-digit organic growth to continue in 2020; announce further commitments to enhance governance

In advance of its Capital Markets Day this morning, NMC Health plc (“NMC” or the “Company”), the leading private healthcare operator in the Gulf Cooperation Council (GCC) with international services across 19 countries, is pleased to confirm that business performance in the second half of 2019 is building on the strong trends seen in H1 2019. As a result, management expects the second half of the year to be stronger than the first and reiterates full year guidance across revenues, EBITDA, net income, leverage and cash flow conversion. Furthermore, NMC’s strategy continues to offer substantial advantage over competitors in all key markets the Company operates in. Consequently, FY 2020 is anticipated to deliver double digit top and bottom line growth.

Reiterating 2019 guidance

Continued strong operational performance in H2 2019 provides NMC’s management confidence in the full year guidance, which is provided in the table below

(US\$m)	Post-IFRS 16	Pre-IFRS 16
Revenues	2,500 - 2,540	2,500 - 2,540
EBITDA	665 – 675	575 - 585
Net income to equity holders	297 – 305	320 - 330
IFRS 16 lease liabilities	690 – 695	-
Net debt - to – EBITDA	Below 3.4	-

Capital expenditure guidance for 2019 remains at c. US\$100m and maintenance capex at 3% of revenues.

Strong organic growth to continue in 2020

NMC provides guidance for 2020, anticipating strong double-digit organic revenue and EBITDA growth, which is summarised in the table below.

FY2020 post-IFRS 16 guidance

(US\$m)	Existing	New Projects	Combined
Revenues	2,800 - 2,860	45 – 55	2,845 - 2,915
EBITDA	750 – 780*	(18) - (20)	730 – 760

*: Expected lease rental for FY 2020 at US\$105-110m, including rental for new facilities opening in 2020

Management expect to open 4 new hospitals: two in Oman (in Al Hail and Al Khoud areas) and two in the UAE (Dubai Specialty expansion and a mid-income focused hospital in Sharjah). These facilities will add total capacity of up to 380 beds. Furthermore, a 10-bed cosmetics hospital is scheduled for opening in Dubai towards the end of 2019, along with the addition of number of clinics across multispecialty, cosmetics and IVF segments in the UAE and KSA during Q4 2019 and 2020

The aforementioned facilities are expected to contribute US\$45m-55m of revenue in 2020 and, as a result of being in early ramp-up phase, record a loss of US\$18-20m at the EBITDA level (post IFRS 16), which is already included in the guidance for the year. During the 2019 Capital Markets Day scheduled for later today, management will provide guideline for the long-term earning potential of these new assets expected to join the portfolio in 2020.

In terms of capital expenditure for 2020, growth capex is projected at US\$90-100m, while maintenance capex will continue at 3% of revenues for the year.

Up to US\$100m debt repayment planned for H2 2019

Given the combination of a rising cash balance and management's decision to focus on the integration of previously acquired assets during 2019, the Company will reduce debt by up to US\$100m during H2 2019. This accelerated repayment will be separate from any scheduled amortization of long-term debt.

The Company is also in process of attaining regulatory approvals for the up to US\$200m, opportunistic buy-back program announced earlier this year.

Further strengthening governance structures at NMC

NMC continues to invest in and promote high standards of corporate governance as it continues its journey from a family-owned business to that of a company consistent with its size and scale in the FTSE-100. NMC's management has created a chief compliance officer role, established two new oversight committees and makes further commitments to equality.

Formation of new Group Compliance Officer role

NMC has introduced a Group Compliance Officer role to enhance oversight of the business. The Group Compliance Officer will be responsible for planning, implementing and monitoring the Group Compliance Program. The Company is in process hiring the new Compliance Officer.

Related party committee update

The related party committee formed earlier this year has engaged a third-party advisor to support oversight of NMC's related party transactions. A key ongoing exercise being conducted by the committee is enhancing the robustness of identification of NMC's related parties.

Formation of new disclosure committee

The Company is in process of setting up a new Disclosure Committee to enhance the quality of financial disclosures. The committee will be entirely independent, with members having no current or past relations to NMC or the Company's auditor. The Disclosure Committee will provide its views and recommendations on all financial disclosures by NMC to its Board of Directors and management. The Company is in the process of identifying members of the Disclosure Committee.

Commitment to gender diversity

Recognizing the benefits of gender diversity in the work place, NMC has committed to enhancing the role of women in its management team as well as in its Board of Directors. The Company is in process of setting internal targets in terms of gender diversity and will subsequently formally implement steps to achieve these goals.

2019 Capital Markets Day

NMC is hosting its 2019 Capital Markets Day on 21 October 2019. Management will provide insight into the operations of the Company, along with further details on guidance for 2019 and 2020. For webcast details please contact FTI Consulting on NMCHealth@fticonsulting.com. Presentations for the Capital Markets Day will be made available on <https://nmc.ae/investor-relations> at 10am UK time on 21 October 2019.

Prasanth Manghat, Chief Executive Officer of NMC Health, commented;

"We continue to scale the business to ensure that we have the structures and governance frameworks in place to support our growth aspirations. I am pleased with the progress we have made, establishing further controls and procedures. We have delivered a strong financial performance in H1 2019, which we have continued to build on and accelerate so far during H2 2019 and today I am delighted to reiterate our full year guidance. This growth is underpinned by market share wins, increased capacity utilisation and selected expansion projects. For the first time we provide guidance for 2020, which we will refine over the course of next year. During 2020, we anticipate opening almost 400 new beds across four hospitals, along with several new clinics across various segments, delivering double-digit revenue and continued EBITDA growth."

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About NMC Health

NMC is the leading private healthcare operator in the GCC with an international network of healthcare facilities across 19 countries. NMC ranks as one of the top two in-vitro fertilisation ("IVF") operators globally. The Group is recognised as a leading provider of long-term medical care in the UAE through its subsidiary ProVita. Pursuing a selective international expansion program since 2016, the company now has total capacity of 3,109 beds across its network with 48% of this capacity in the Kingdom of Saudi Arabia (KSA), where the company has introduced long-term and multi-specialty care services. Moreover, the recent formation of a joint venture with GOSI/Hassana Investment Company provides a solid platform for continued growth in the GCC region's largest healthcare market. NMC treated over 7.5m patients in 2018. The Group is also a leading UAE supplier of products and consumables across several key market segments, with the major contribution coming from healthcare related products. The Group reported revenues of US\$2.1 billion for the year ended 31 December 2018.

In April 2012 NMC was listed on the Premium Segment of the London Stock Exchange. NMC is a constituent of the FTSE 100 Index.