10 December 2018

NMC Health plc

(the "**Company**" or "**NMC**")

Trading Update: Reiterating 2018 & 2019 financial guidance; delivering further positive operational progress

Strong growth is underpinned by NMC's strategy of focusing on business segments well beyond multi-specialty, a wide geographic footprint in its target markets and offering healthcare for all segments

H2 cash flow improved as actions taken to normalize receivables continue to yield results

KPIs for management LTIP revised to better align with shareholder value creation

NMC Health plc (LSE: NMC), the leading private healthcare operator in the Gulf Cooperation Council (GCC) with international services across 17 countries, maintains its positive outlook for the remainder of 2018, as well as 2019.

Management remains comfortable with and reiterates guidance for 2018 and 2019

Given the combination of NMC's strategy, supportive underlying industry dynamics and continued positive operational developments, management remains comfortable with the financial guidance it provided for 2018 and 2019 at its recent Capital Markets Day. Of particular note is the continued roll out of insurance coverage in NMC's core markets, including the completion of the mandatory insurance program last year in Dubai. Guidance remains as follows:

FY 2018 Guidance:

- +24% YoY revenue growth
- Organic revenue growth approximately 15% for the year
- +36% YoY growth in EBITDA to USD 480m
- Year-end net-debt to EBITDA to stand at c. 3.0x

FY 2019 Guidance:

- +22-24% YoY revenue growth
- +18-20% YoY EBITDA growth
- Excluding impact of acquisitions completed in 2018, FY 2019 revenue growth is anticipated to be 12-13% YoY and EBITDA growth approximately 15% YoY
- Year-end net-debt to EBITDA to further reduce to 2.2-2.4x
- 2019 guidance does not include impact of IFRS 16 implementation or the anticipated consolidation of National Medical Care Co.

Receivables collection normalizing in H2 2018, positively impacting cash flows

As highlighted in the half-year results announcement, H1 2018 witnessed slight extension of receivable days outstanding due to slower receivables collection for the Distribution business as a result of extended holidays towards the end of the first half. As anticipated, receivables collection continues to normalize in the second half of the year, with a decline in receivable days outstanding in H2 2018. This continues to positively impact NMC's cash flow generation for the year.

KSA joint-venture progressing well, final agreement expected to be signed in early Q1 2019

Discussions with GOSI/Hassana for the finalization of the KSA JV continue to progress well, with the final agreement expected to be signed in early Q1 2019. The joint-venture was also showcased at the recently held Future Investment Initiative conference as one of the most prominent ongoing developments in the healthcare sector in KSA. As highlighted in our Capital Markets Day, the JV intends to double its initial bed capacity of c. 1,500 beds to approximately 3,000 in 3-5 years, followed by a further doubling of capacity to around 6,000 beds in 5-10 years.

Operations & Management (O&M) vertical continues to expand with signing of new contracts

NMC has signed a new O&M contract with the UAE Ministry of Presidential Affairs (MOPA) to manage a hospital in Seychelles. In addition, the Company continues to add a number of smaller, but strategic, O&M contracts in the UAE, which significantly support NMC's profile and visibility. A key recent example includes the signing of a contract to manage the medical clinic in Louvre Museum, Abu Dhabi. The Company similarly manages clinics in prominent locations such as the Grand Mosque in Abu Dhabi and the Court of the Crown Prince.

As highlighted earlier, in addition to providing some of the highest margin revenues, O&M contracts offer NMC the opportunity to gain experience in new market segments and geographies without risking its own capital. O&M contracts are now supporting business activity in other verticals as well. For example, both the Yemen and Kenya O&M contracts have become important sources of high-complexity patient referral to NMC Royal.

KPIs for management LTIP revised for better alignment with shareholder value creation

Based on the feedback received from key independent, institutional shareholders during recent meetings, NMC has opted to revise KPIs for management LTIP to better align with shareholder value creation. Consequently, the Remuneration Committee has determined to:

- Increase the EBITDA growth performance requirement for 2019 LTIP awards from 5% - 15% to 10% to 18% (CAGR) at threshold and maximum respectively.

- Introduce an additional underpin capturing the conversion of EBITDA to net income, to provide shareholders with an aggregate view on earnings, cash flow, and capital efficiency. Failure to meet the underpin will reduce the proportion of 2019 LTIP awards vesting by 50%.

The Remuneration Committee re-iterates that STIP and LTIP incentive targets are adjusted for acquisitions and other corporate activity on a case by case basis. Full disclosure of target adjustments will be provided in the 2018 Directors' Remuneration Report.

Mr Prasanth Manghat, Chief Executive Officer, commented:
"I am pleased that NMC's operations continue to perform very strongly, as reflected by our confidence in the reiterated financial guidance we have provided for 2018 and 2019. NMC's sustained growth is driven by a combination of 1) our strategy of offering complex, high value services well beyond simple multi-specialty, 2) maintaining an expansive footprint in our target markets, particular in the UAE where we are the only private player present in 6 of the 7 emirates and 3) offering healthcare for all, with no specific focus on one economic segment of patients. We continue to capitalize on new opportunities, as evidenced by the newly signed O&M contract with MOPA to manage a hospital in Seychelles. Furthermore, the importance NMC gives to views expressed by its owners is demonstrated by the revision of KPIs for management to bring them more in line with shareholder value creation. This was done in response to feedback we recently received from key independent shareholders."

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About NMC Health

NMC the leading private healthcare operator in the GCC with an international network of hospitals across 17 countries. NMC also ranks as one of the top 3 in-vitro fertilisation ("**IVF**") operators globally. The Group is also a leading provider of long-term medical care in the UAE through its subsidiary ProVita. Pursing an aggressive international expansion program from 2016, the company now has over 34% of its licensed bed 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 is set to substantially boost the Group's bed capacity in KSA, with the JV expected to be the second largest healthcare operator in the Kingdom in terms of number of beds. NMC received over 5.7m patients in 2017. 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$1.6 billion for the year ended 31 December 2017.

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