



African Medical Investments plc



Company Presentation

November 2011



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AMI's objective is to create the largest private hospital network in Africa.





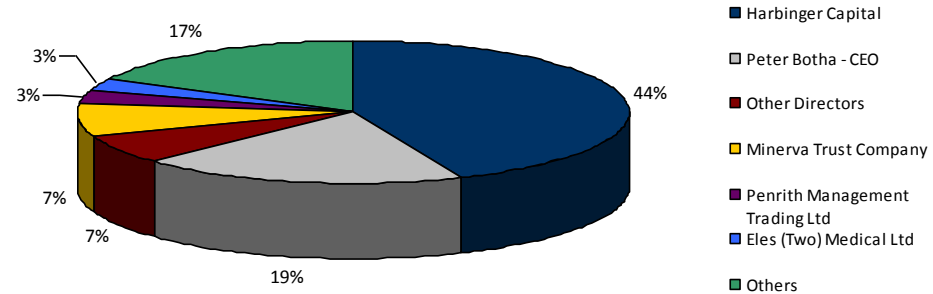
Overview

- London listed AMI aims to become a leading provider of private specialist hospitals across Africa offering high quality in and out patient services
- Strategy centred on capitalising on the continent's demand for quality international standard healthcare, particularly from the emerging middle classes, overseas business investors, Governments and health insurers
- Expertise in planning, commissioning, implementing and managing specialist hospitals
- Three operational private specialist hospitals in; Maputo, Mozambique Dar es Salaam, Tanzania and Harare, Zimbabwe in addition to a dedicated air ambulance service
- New executive team implementing a defined development plan to expand through new services in existing markets and expanding through construction, acquisition or investment in private hospitals in new markets



Key Data

Market	AIM
Ticker	AMEI
Share price	3.875p
12 month high low	12.75p 1.5p
Market capitalisation	£12.5 million
Listing date	27 June 2008
Shares in issue	322,233,871
Nominated Advisor	Seymour Pierce Limited





The Board

Phil Edmonds <i>Chairman</i>	Mr. Edmonds is a director of a number of public and private companies and has considerable experience of introducing African focussed companies to AIM. He holds an honours degree in land economy from Cambridge University. He was born in Lusaka, Zambia, educated in Zambia and England and played cricket for England and Middlesex from 1974 to 1987.
Peter Botha <i>Chief Executive</i>	Mr. Botha joins AMI with a wealth of experience in the African healthcare market, having led South African health solutions provider Liberty Health as its CEO, and previously leading Momentum Health, one of the largest health insurers in South Africa, as CEO. Mr. Botha has established health businesses in over 12 countries on the African continent.
Andrew Groves <i>Non Executive</i>	Mr. Groves has significant experience in operations management in southern and central Africa and is a director of a number of private companies, including companies in Zambia and Zimbabwe. Mr. Groves also has experience of introducing several African focussed companies to AIM. He was born in Harare, Zimbabwe and educated in Zimbabwe and South Africa.
Joseph Cleverdon <i>Non Executive</i>	Mr. Cleverdon is the Vice President & Director of Investments at Harbinger Capital Partners. Before joining the investment team, he was a Vice President in the Financial Restructuring Group of Houlihan, Lokey, Howard & Zukin, where he worked for seven years in the firm's New York, London and Frankfurt offices. He also was a founding officer of Houlihan Lokey's Frankfurt office.

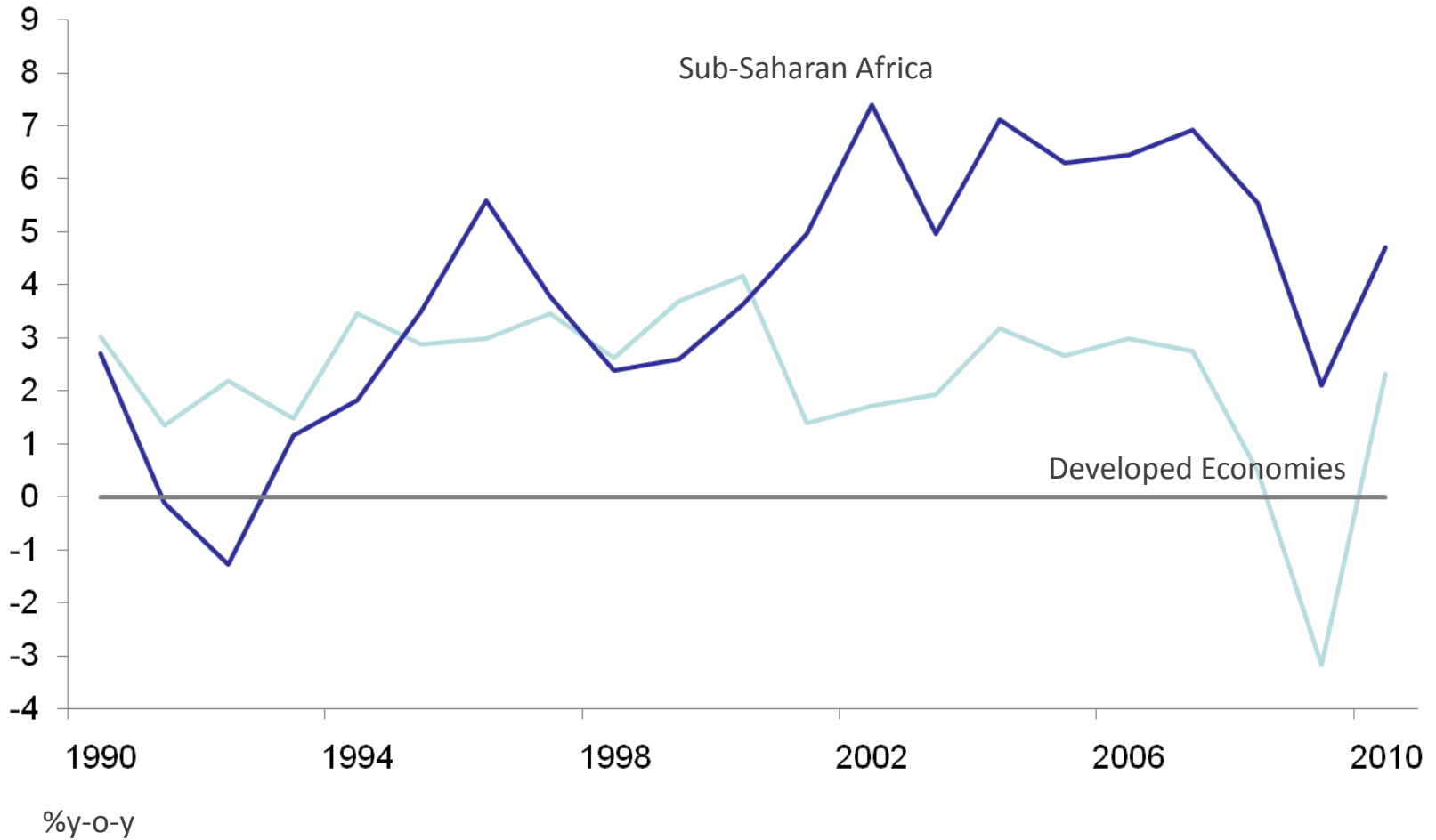


The Private Healthcare Proposition

- Fills a crucial and unique niche for the emerging African middle classes as well as multinational corporations, embassies and NGOs designing contingency plans for their executives, workers and expatriate families
- Provides specialist hospital benefits for health insurance members
- Playing an important role in improving overall healthcare by providing a template for top quality, efficient and affordable hospital care
- The market leadership position of AMI can be achieved due to the management team's expertise in planning, construction, commissioning and management of private hospitals
- With wider availability of world class healthcare in Africa, multinational companies are more willing to expand and invest in the continent, so AMI is a pioneer in spurring direct foreign investment



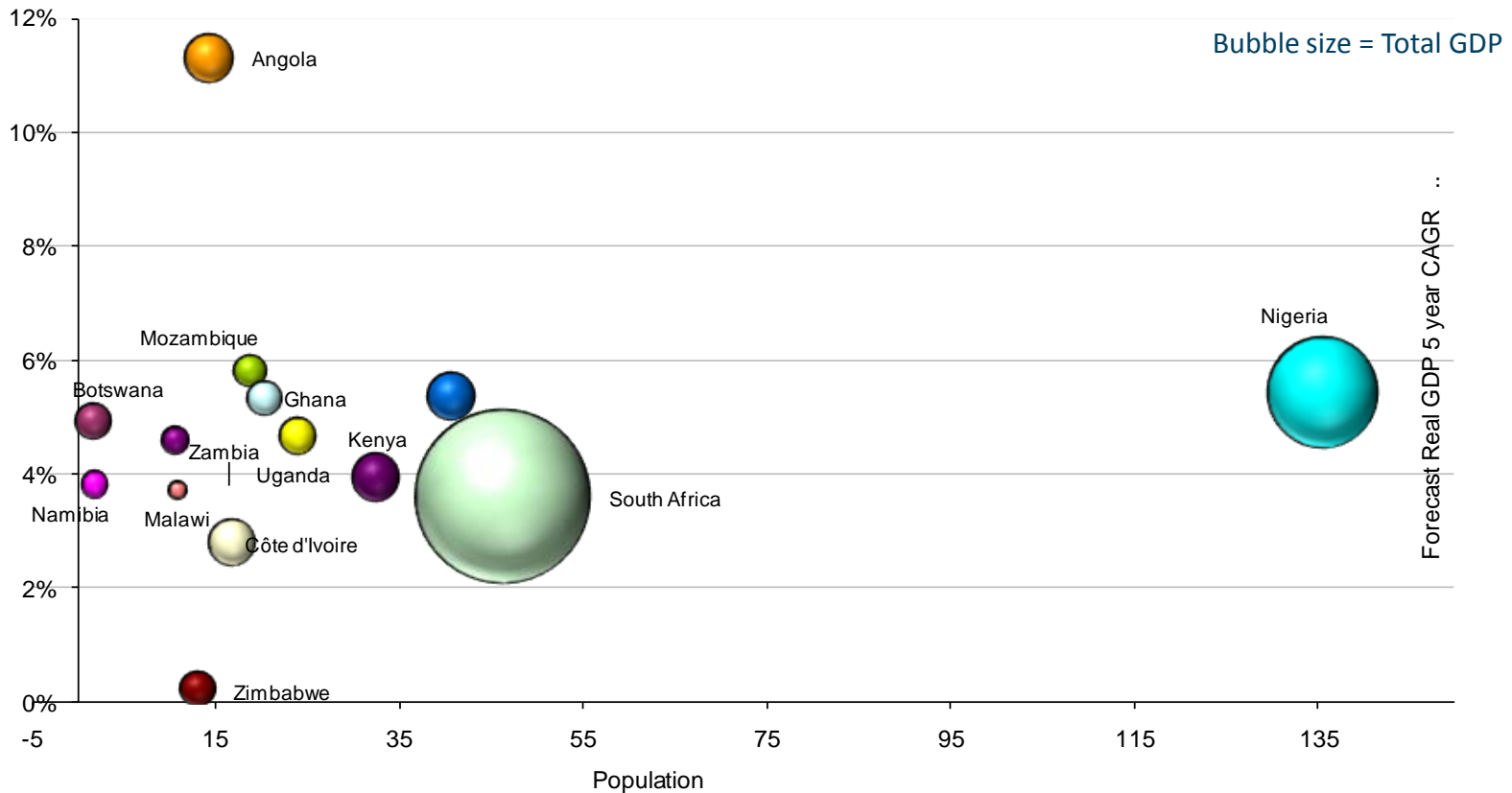
The Opportunity Map – GDP Comparison





The Growth Potential of sub-Saharan Africa

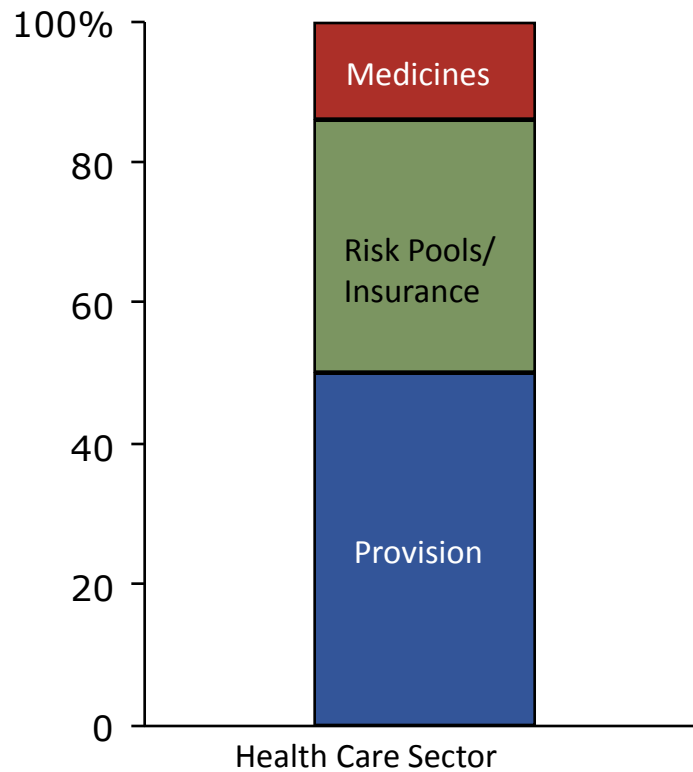
The expanding purchasing power of the African middle class, and surge in foreign investment, increases the demand for private healthcare



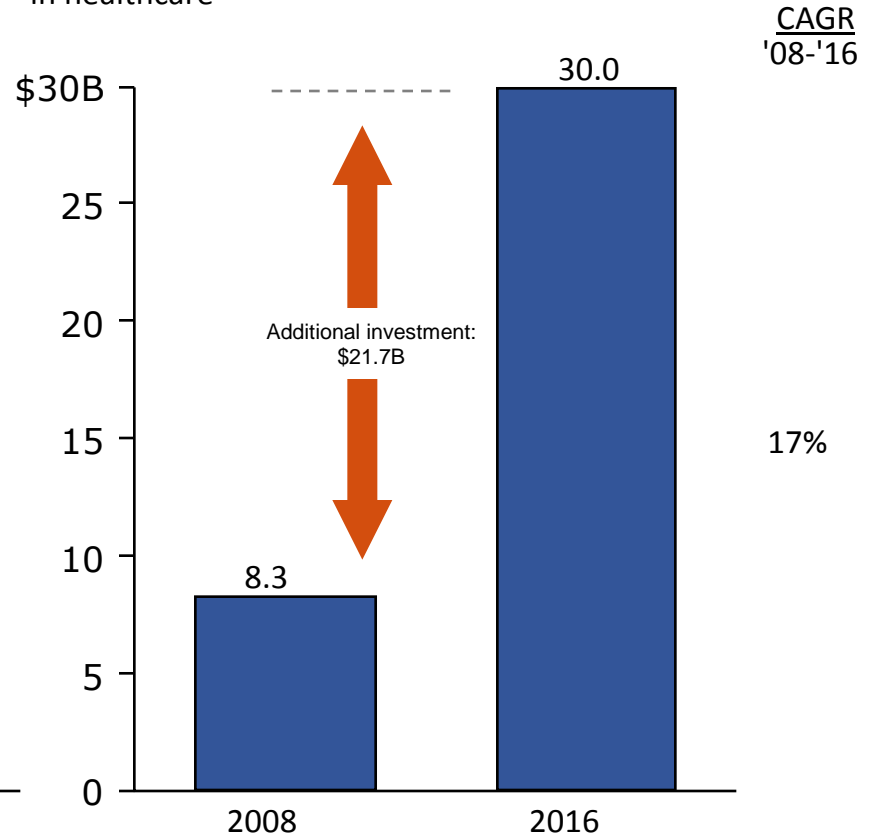


Private Investment in African Healthcare

Proportion of investment



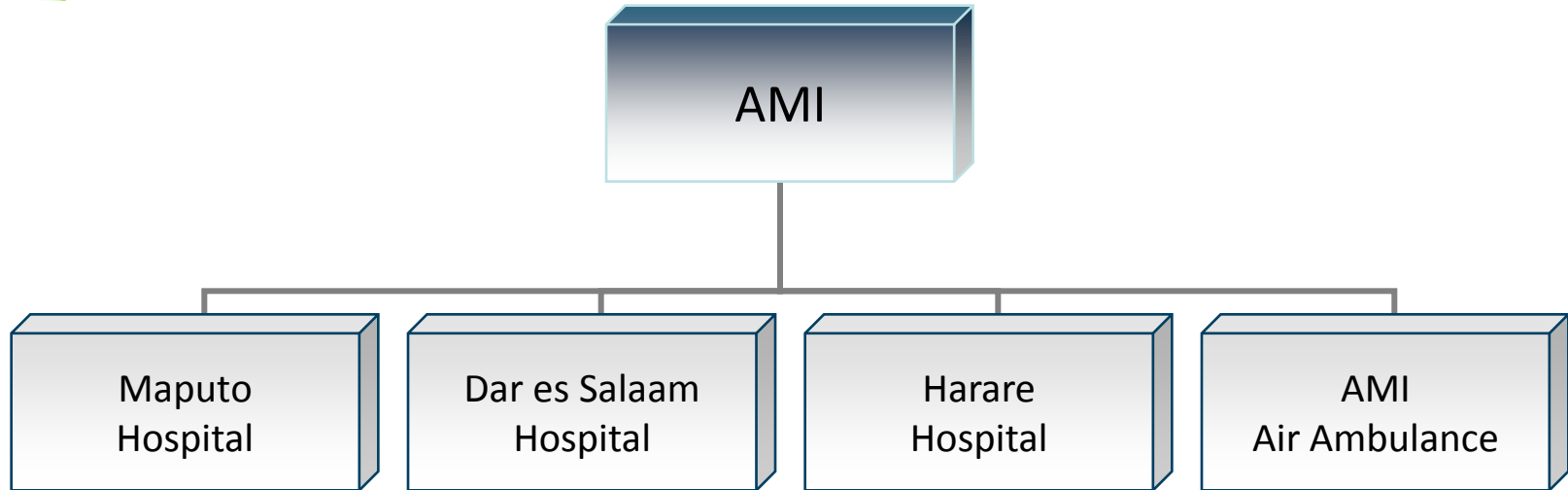
Private investment in healthcare



Source: McKinsey study of sub Saharan Africa's healthcare sector. 10 year forecast

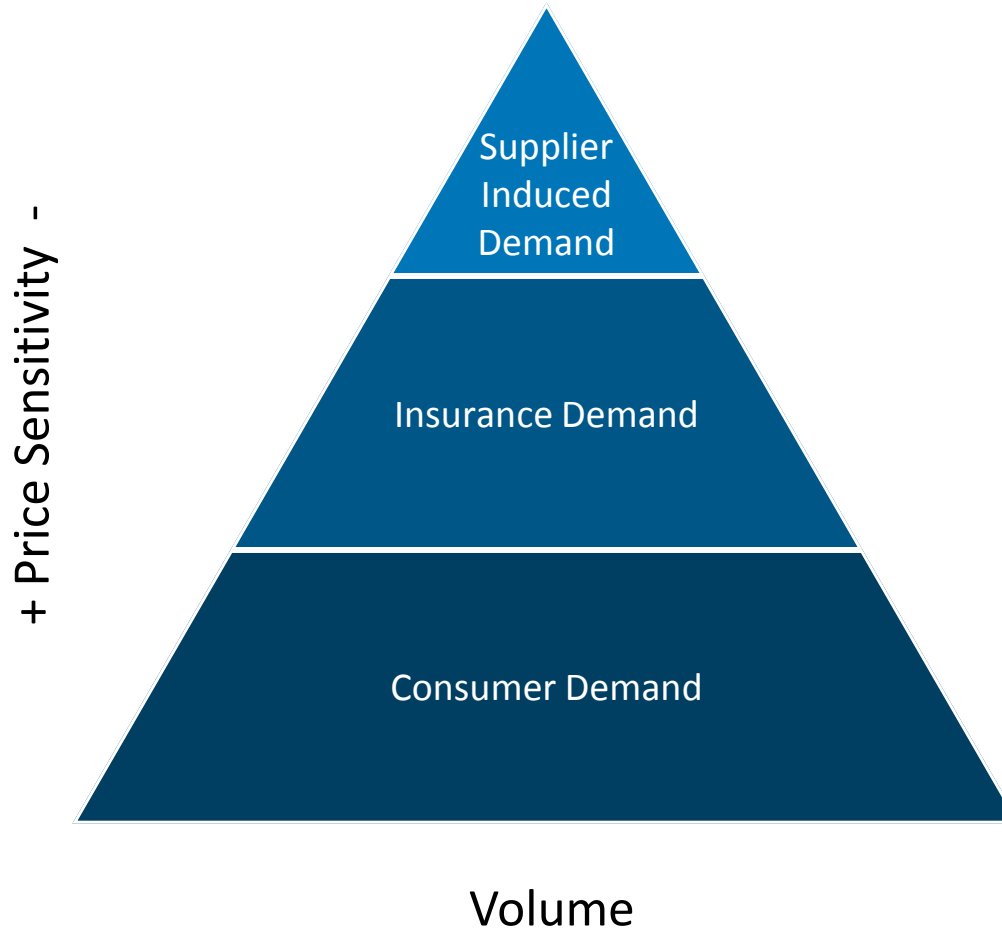


Present Structure





The Revenue Model

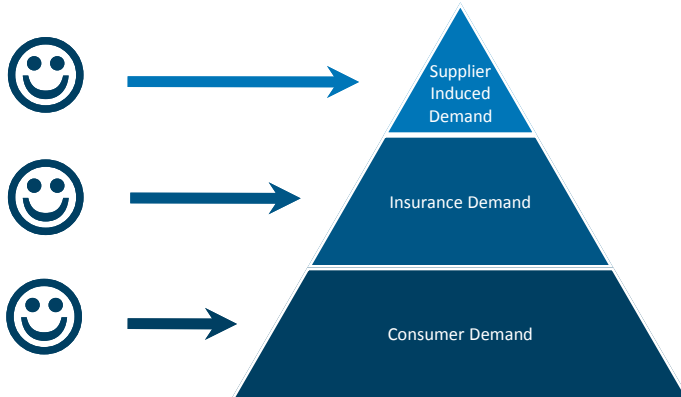
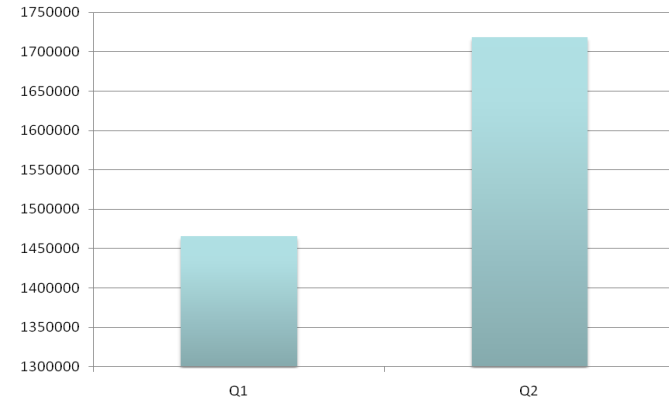




AMI Hospital Maputo

- ❖ 35 bed private hospital in exclusive Polana area – opened to patients in May 2010
- ❖ Achieving robust trading with encouraging patient numbers and interest from local businesses
- ❖ A centre of excellence for paediatrics, gynaecology, surgery, orthopaedics, neurosurgery, internal medicine, haemodialysis & dentistry

Sales



Key Objectives

- ✓ Improve revenue
 - ✓ Case mix optimisation
- ✓ Reduce expenditure
 - Operating expenditure
 - ✓ Cost of sales
- ✓ Cash flow management
 - ✓ Reduce debtors
 - Improve billing process



AMI Hospital Maputo

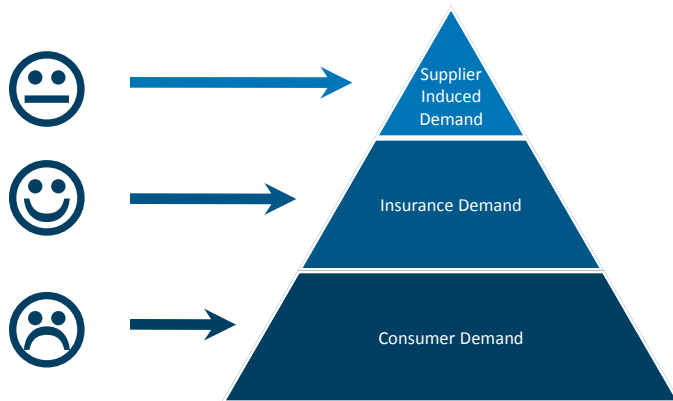
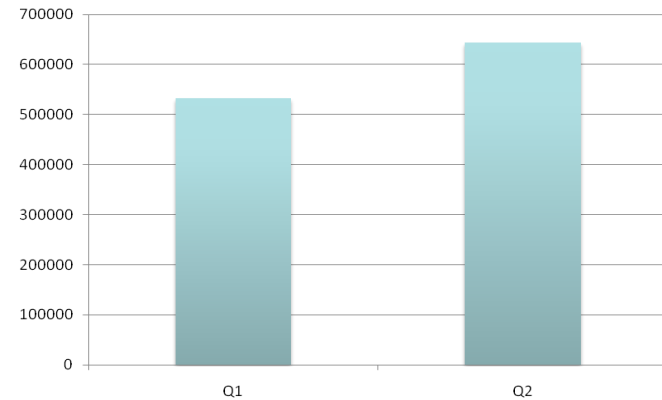




AMI Hospital Dar es Salaam

- ❖ 30 bed private hospital – opened to patients in March 2009
- ❖ Situated in exclusive peninsular area with a large population of NGOs and expatriates
- ❖ Clinic vaccination centre and dedicated pharmacy for patients and local community

Sales



Key Objectives

- Improve revenue
 - Case mix optimisation
- ✓ Reduce expenditure
 - ✓ Operating expenditure
 - ✓ Cost of sales
- ✓ Cash flow management
 - ✓ Reduce debtors
 - ✓ Improve billing process



AMI Hospital Dar es Salaam



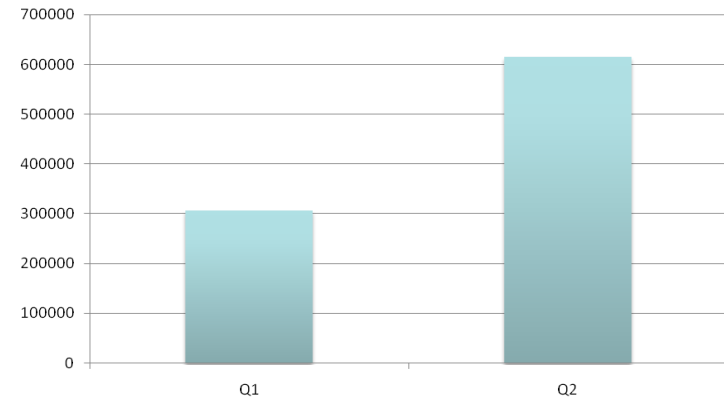


AMI Hospital Harare

Description

- ❖ 20 bed private specialist hospital opened to patients in March 2011
- ❖ Graded as being the highest graded facility in Zimbabwe at Grade A – Premium
- ❖ Achieving encouraging patient numbers and financial performance

Sales



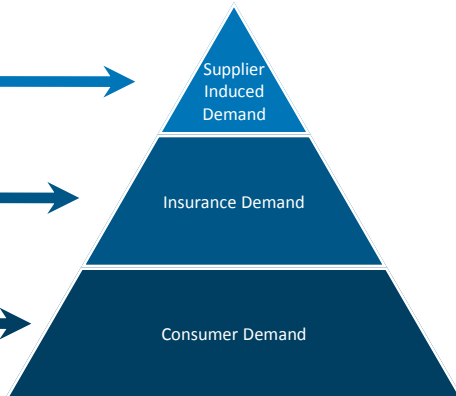
Supplier
Induced
Demand



Insurance Demand



Consumer Demand



Key Objectives

- ✓ Improve revenue
 - Case mix optimisation
- Increase capacity
 - Increase bed numbers



AMI Hospital Harare





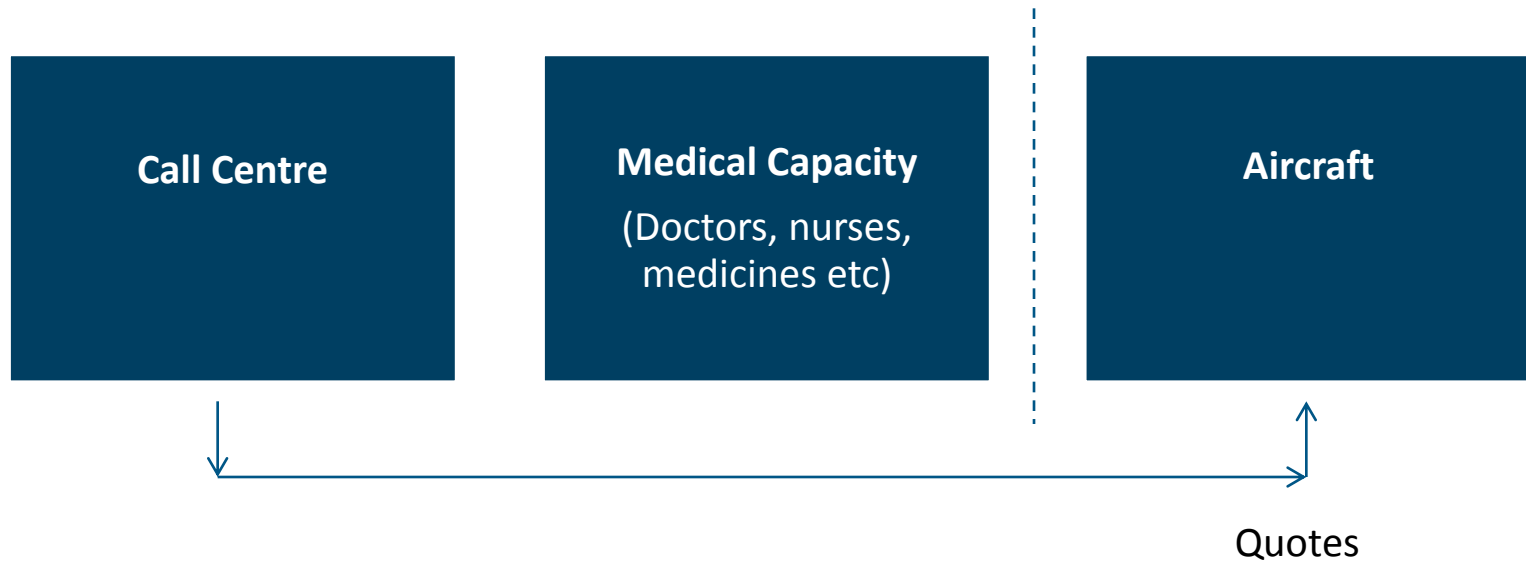
AMI Aviation

- Capitalising on the huge demand from the health insurance, mining, gas/oil, tourist and telecommunication sectors for medical evacuation to emergency and specialist facilities
- Falcon 20 Jet able to cater for medium distances on a charter basis (~4,500km)
- Contract work with high margins
- Increased visibility and reputation as leaders in medium range evacuations





The Evacuation Model





Roll Out Strategy



- Significant potential for rapid expansion across the continent
- Targeting established private medical markets including Uganda, Kenya and Nigeria
- Expansion potential through investments in existing facilities and taking control of the hospital management contracts
 - Due diligence underway to secure a management contract in Lusaka, Zambia
- Working with major resource companies to establish dedicated medical clinics
 - Evaluating the potential to establish a clinic in the booming mining province of Tete, Mozambique



Summary

- Robust strategy of capitalising on the continent's demand for quality international standard healthcare from the emerging middle classes, global multinationals, expats and tourists
- Strong demand fundamentals for healthcare
- Established operations with three operational private specialist hospitals in Dar es Salaam, Tanzania; Maputo, Mozambique and Harare, Zimbabwe, plus air ambulance service
- New plan being implemented to consolidate position and expand proposition
- An early entry into the future of African private hospitalisation
- Market capitalisation is underpinned by net asset value



Contacts

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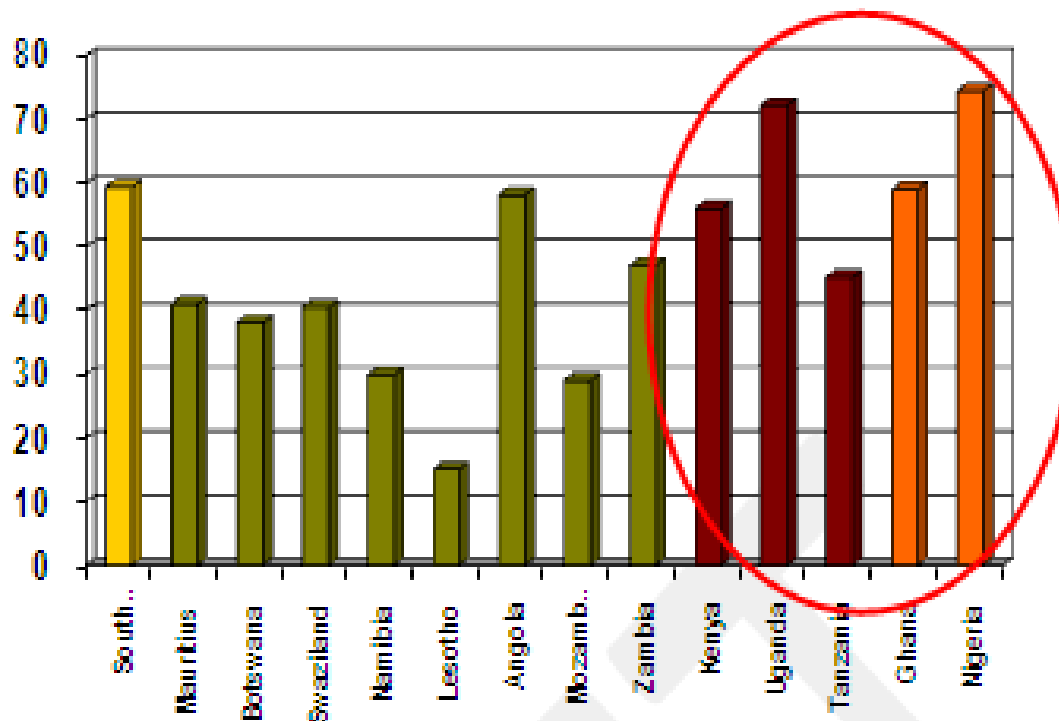
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Appendix

Health economic indicators

Private Expenditure on Health as % of Total Expenditure



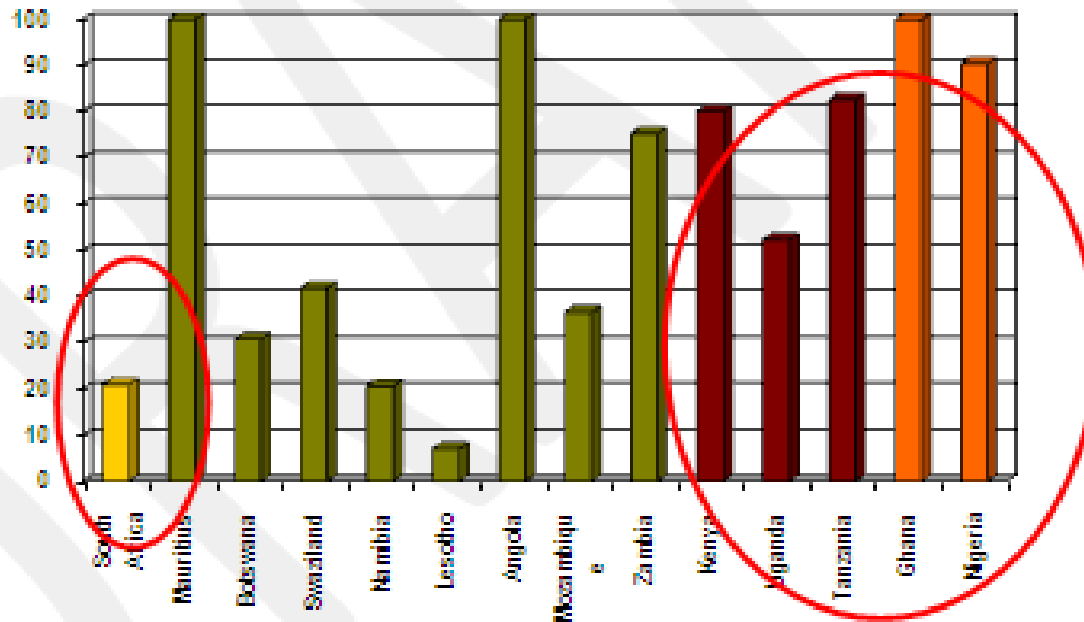
Most countries have large private health markets, most of the spend in these markets is cash based



Appendix

Health economic indicators

Out of Pocket Private Expenditure on Health as % of Total Expenditure

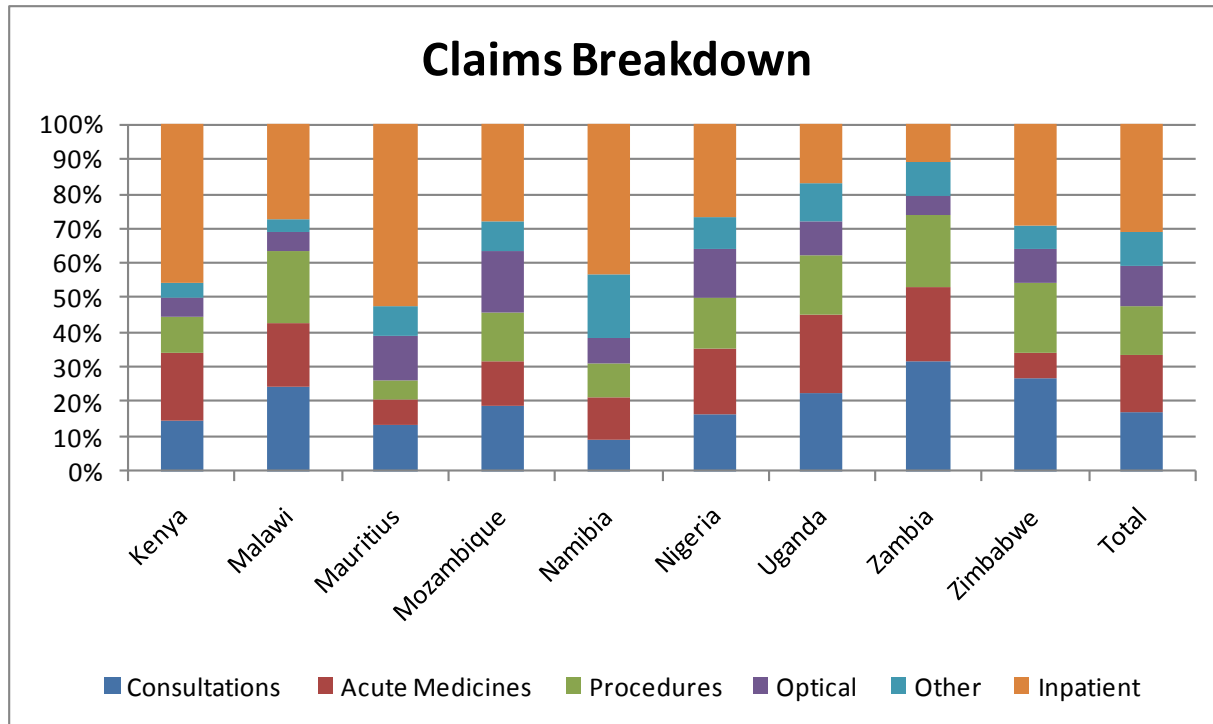


Most countries have large private health markets, most of the spend in these markets is cash based



Appendix

Hospital Economics

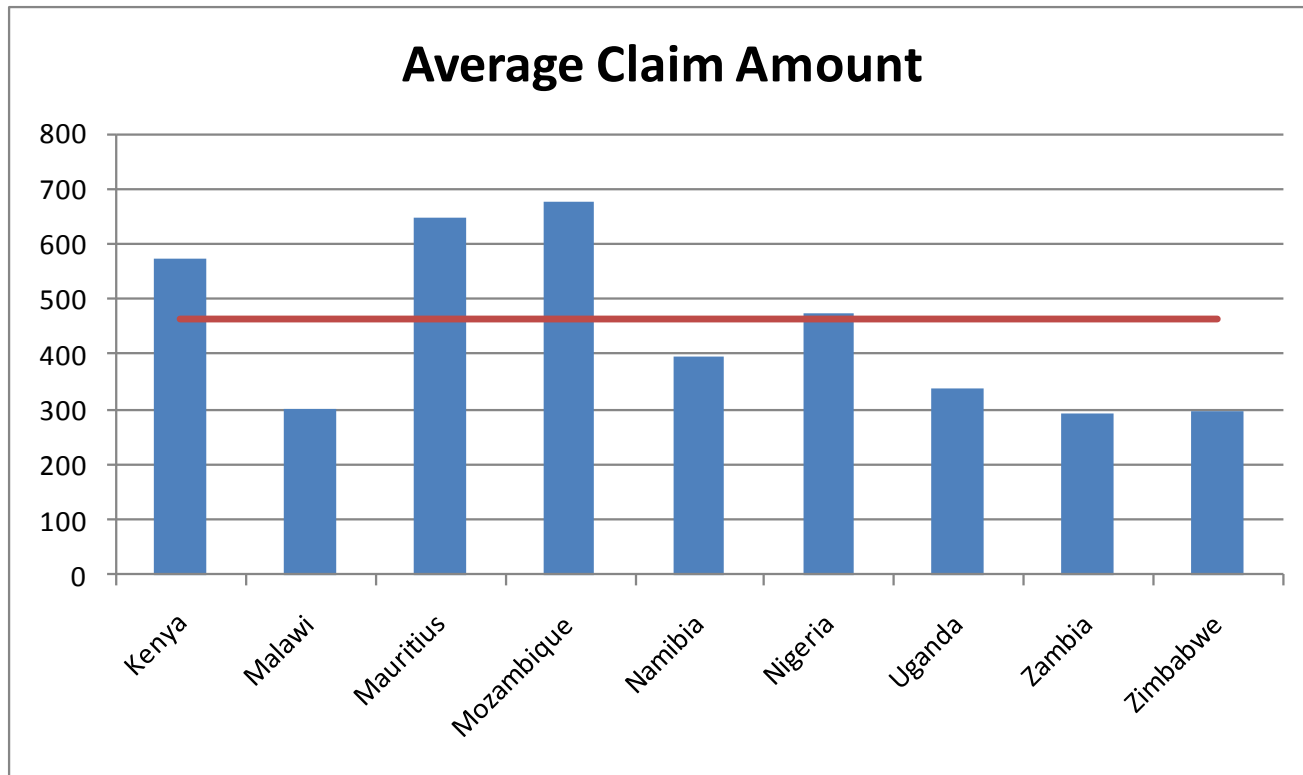


Hospital claims account for 10% - 45%



Appendix

In-Patient Hospital Claims

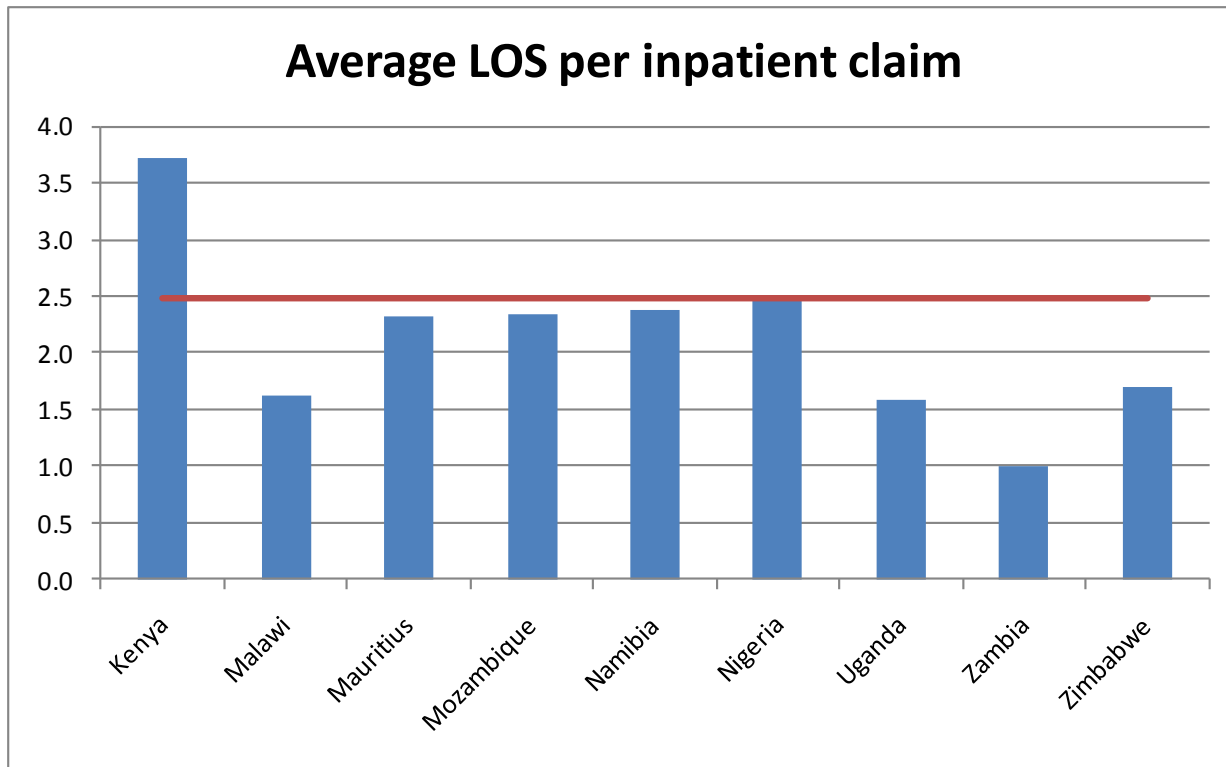


Cost of care varies from country to country



Appendix

Average Length of Stay

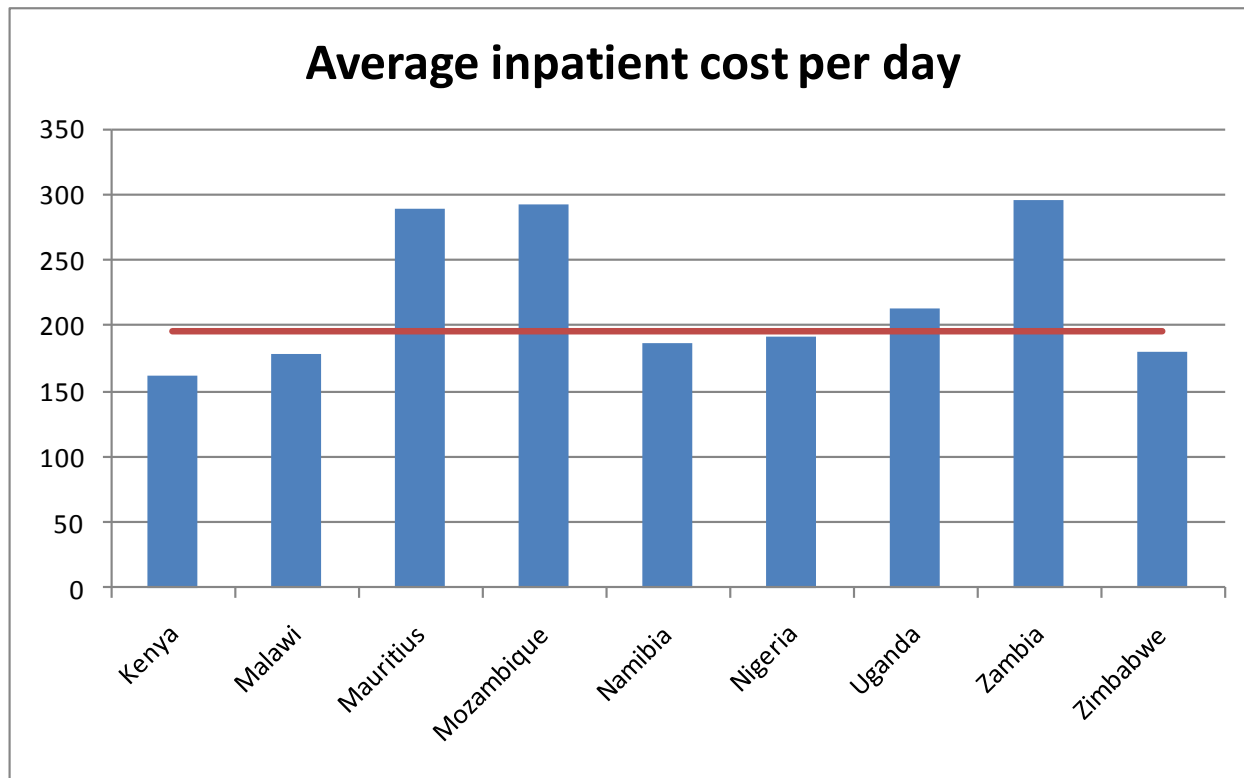


Length of stay is related to the case mix and size of hospital



Appendix

Average Cost of Stay





Appendix

AMI Maputo Strategic Objectives 1h	
Increase Revenue -Case mix optimisation -Contracts with Insurers	✓ ✓ ✓
Improve Cost of Sales -Implement inventory system -Appoint Chief Pharmacist -Establish Pharmaco to import medicine	✓ ✓ ✓ ✓
Reduce Opex -Admin. Restructure, outsource non-essential services -Clinical. Release non performing doctors -Outsource laboratory to Lancet -Disposal of Aesthetics business	→ → ✓ ✓ →
Governance -Establish new Board of Directors -Appoint new financial manager	✓ ✓ ✓
Growth - Increase number of beds	✓ ✓
Financial -Reduce debtors -Improve billing process -Capital management plan	→ → ✓ ✓



Appendix

AMI Harare Strategic Objectives 1h	
Increase Revenue -Case mix optimisation -Contracts with Insurers	✓ → ✓
Improve Cost of Sales -Implement inventory system	✓ ✓
Reduce Opex -Maintain unit cost	✓ ✓
Governance -Establish new Board of Directors	✓ ✓
Growth - Increase number of beds	→ →
Financial -Reduce debtors -Improve billing process -Capital management plan	✓ ✓ ✓ ✓



Appendix

AMI DES Strategic Objectives 1h	
Increase Revenue -Change case mix from casualty base to specialist base -Recruit specialist -Contracts with Insurers	✓ ✓ ✓
Improve Cost of Sales -Implement inventory system from manual	✓ →
Reduce Opex -Restructure of hospital operations -Restructure of facility -Outsource radiology -Disposal of Aesthetics	✓ ✓ ✓ ✓ →
Governance -Establish new Board of Directors	✓ ✓
Growth - Establish day theatre	✓ ✓
Financial -Reduce debtors -Improve billing process -Cash management plan	✓ ✓ ✓ ✓



Appendix

AMI Aviation Strategic Objectives 1h	
Increase Revenue -Sign access agreements -Product agreement with ER24 -Lease short range plane (Citation) to compliment falcon 20	→ → ✓ ✓
Upgrades -Complete all upgrades required by CAA	✓ ✓
Reduce Opex -Restructure operation to optimise capacity on the ground	✓ ✓
Governance -Establish new Board of Directors	✓ ✓
Financial -Reduce debtors -Improve billing process -Capital management plan	✓ ✓ ✓ ✓



Appendix

AMI Group Strategic Objectives 1h	
Reduce Group Cost -Renegotiate all London based contracts	→ →
Group Procurement -Pharmaceuticals -Equipment -Recruitment	✓ ✓ ✓ ✓
Website and marketing -Revamp web site -Group wide newsletters and updates	✓ ✓ ✓
Asset review -Dispose of unused equipment -Dispose of Aesthetics equipment	✓ ✓ ✓