

NMC Health CEO Confirms Minimum 51% Stake In The New JV With GOSI

NMC Health, a FTSE 100 company listed in the London stock exchange, will take 51% stake in the newly formed healthcare JV upon signing a non-binding share swap agreement with General Organization of Social Insurance (GOSI).

This in turn will make the healthcare giant the major shareholder in the new JV, NMC Health CEO Prashant Manghat confirmed in a phone interview with *Forbes Middle East*.

“In this entire transaction NMC Health has not put a single dollar in order to achieve this particular position,” said Manghat.

Upon formation, the new JV—the name of which has not been decided yet—will have to pay a fee to NMC Health to manage all its assets that the U.A.E.-based healthcare provider has contributed through its Saudi Arabia operations along with the assets contributed by GOSI too.

As per the agreement, GOSI will transfer their 39% stake in National Medica CARE at a price of SAR 70 per share. The remaining 61% is owned by multiple shareholders with small and tiny shareholding. Hence, NMC Health which will be the major shareholder in the new JV will control it too.

Manghat describes the deal as one-of-a-kind in the region, where a healthcare provider has joined hands with a financial governmental body in the Kingdom.

After the proposed JV, NMC will become the second largest healthcare provider in the Kingdom after the Dr. Sulaiman Al Habib Medical Group.

“We are supporting the transformation of the Kingdom’s healthcare by joining hands with GOSI and the JV platform will be well-positioned in line with the Kingdom’s Vision 2030,” Manghat said.

In Saudi Arabia, NMC Health has operations in Jeddah, Riyadh, Al Khobar, Hail and Ajlan and the new JV will be based in Riyadh. The healthcare provider is bullish about Saudi Arabia and eyes expansion in the country along with U.A.E. and other GCC countries.

NMC Health entered Saudi Arabia in August 2016 by buying a 70% stake in As Salama Hospital in Al Khobar for \$28 million and later in January 2018 bought the remaining 30% for \$45 million.

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