

## Krupa Global Investments announces position in NMC Health; Sees NMC shares deeply undervalued

*15th January, 2020, Prague, Czech Republic*

Krupa Global Investments (KGI) bought 1,000,000 shares of NMC Health (NMC), UAE-based hospital and health care provider and FTSE 100 company which has been under fire from short seller hedge fund Muddy Waters (MW).

KGI has been monitoring situation around NMC for quite some time since Muddy Waters published report which took down more than 70% of NMC value. **KGI suggests that 'facts' in MW report might be relevant but not significant enough that NMC should go bankrupt or go out of the business based on this information.** KGI has analysed report from Muddy Waters and NMC valuation closely and we believe that shares of NMC are deeply undervalued at these levels even in situation that everything mentioned in MW report is true which is highly unlikely. **In our opinion, shares would be fairly valued around 2000 GBP per share relative to peers.** NMC is dominant health care provider in UAE and their expansion plans into other Middle East countries will enhance their growth and bring valuation much higher when MW report crisis fades away.

Another reason for undervalued NMC shares is sale of significant stake by biggest shareholders. **KGI claims event that happened in recent days when two biggest shareholders sold significant stake in NMC for price of 1200 GBP per share was intentional and not due to the reasons they mentioned. Shares of NMC were significantly higher just couple of weeks before the announced sale with trading volume exceeding average. These shareholders could sell their stakes at higher price in market, in our opinion, if the main motivation would be to get cash a pay down their debt in other ventures and businesses. KGI thinks that this kind of action from biggest shareholders might be intentional to secure lower price for certain time and open door for other potential investors.** Process of sale takes several weeks and months to execute via advisors and banks, it's not one day process which leave us suspicious as well.

We have seen this happening in August 2019 when MW started their campaign. Shares of NMC plummeted on the news, but few days later several Chinese investors including Fosun Group were interested in buying huge stake in company and shares rose back to the levels before MW report. KGI suggests that similar situation can occur now.

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Krupa Global Investments is a spin-off from private equity group Arca Capital with AUM of €2bn. Our opportunistic business utilizes an activist investment approach in order to improve management practices, increase returns, and protect the interests of small shareholders. To further our objectives, we enlist the support of key partners when needed. For example, we invited Carl Icahn to involve himself and help increase the price on a problematic buyout transaction involving AmTrust Financial Services.

<https://www.reuters.com/article/us-amtrust-fin-serv-stake-icahn/carl-icahn-files-lawsuit-against-amtrust-controlling-family-idUSKCN1I1UJ>

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