



Financial Conduct Authority

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Collapsed hospital operator NMC Health misled markets over £3.2bn of debt, says watchdog

FCA censures former FTSE 100 company but stops short of a fine as no funds are expected to be left

PA Media

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The financial watchdog has found that collapsed hospital operator NMC Health committed market abuse by understating its debts by as much as \$4bn (£3.2bn).

The **Financial Conduct Authority** (FCA) censured the former FTSE 100 company on Friday for misleading the market but stopped short of fining it as no funds are expected to be left at the business once outstanding debts to creditors are paid out.

NMC Health was a London-listed healthcare operator, primarily running hospitals in the Middle East. It entered the FTSE 100 in 2017 after rapid growth and was valued at £8.6bn at its peak in 2018.

However, in late 2019 the shortseller Muddy Waters published a report raising questions over NMC's financial reporting. In early 2020, the company fired its chief executive and confirmed financial discrepancies, before ultimately **being forced into administration in April that year**.

The FCA said the company "published a series of financial statements and several clarification announcements, which contained materially inaccurate information about its debt position" between March 2019 and February 2020.

"The financial statements disclosed publicly misled investors by understating its debts by as much as \$4bn," the watchdog said.

It added that its investigation found that the company had been "operating dual sets of accounting records".

Steve Smart, the joint executive director of enforcement and market oversight, said: "The concealment of NMC's debt position and subsequent collapse has left creditors, including investors, out of pocket.

"While the administrator has sought to recover any value and distribute to creditors, the FCA has sought, through the public censure, to explain how and why investors were misled to ensure that lessons are learned.

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"We have engaged with law enforcement agencies abroad and will continue to provide any further support they may request to help combat financial crime."

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