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NH at a Glance

As on 30th June 2019

**Healthcare Facilities**

- **Operational beds**
  - 21 Owned / Operated Hospitals: 5,294 Beds
  - 2 Managed Hospitals: 498 Beds
  - 7 Heart Centres: 371 Beds
  - 19 Primary Healthcare Facilities: 10 Beds
  - 1 Hospital in Cayman Islands: 110 Beds

- **Capacity Beds**: 7,155
- **Operational Beds**: 6,283
- **Average Effective Capital Cost per Operational Bed**: 3.0 mn

**Specialities**: 30+

**Full-time Employees and Associates** including 3,638 doctors: 16,762

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**NH’s footprint in India**

- **Western Region**: 4 hospitals, 860 operational beds
- **Eastern Region**: 9 hospitals, 1 heart centre, 2,105 hospital operational beds, 49 heart centres operational beds
- **Karnataka Region**: 7 hospitals, 6 heart centres, 2,213 hospital operational beds, 322 heart centres operational beds

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(1) NH owns the P&L responsibility
(2) NH manages 3rd party hospitals for Management Fees
(3) Includes clinics, information centres, etc.
(4) Based on (Gross Block for Fixed Assets (adjusted for non-cash government grant provision, non-cash financial lease for Dharamshila unit and right to use asset per IND AS 116)+ Capital Work in Progress (CWIP)) / Number of operational beds as of June 30th 2019 but excluding Managed Hospitals and Cayman facility
Key Highlights – Q1 FY20

Clinical & Operational

- Narayana Institute of Cardiac Sciences, Bengaluru successfully performed the world’s first Patent Ductus Arteriosus (PDA) stenting and southern region’s first thoracopagus surgery on a conjoined-twin with a single heart
- In a rare case, a 70-year-old patient suffering from a condition called medial sided knee degeneration was treated through unicondylar knee replacement at Narayana Superspecialty Hospital, Gurugram
- Continuing our impressive track record in harnessing a robust organ transplant program, SRCC Children’s Hospital, Mumbai performed 9 Bone Marrow Transplants (BMT) and Narayana Superspecialty Hospital, Gurugram successfully performed 8 liver transplants during the quarter
- A sickle cell patient having atrophic muscles, fixed joints in a contracted position and thus being bed-ridden for 11 years was successfully treated at Dharamshila Narayana Superspecialty Hospital, Delhi
- Mazumdar Shaw Medical Centre, Bengaluru successfully performed 7 adult liver transplants during the quarter, the highest number ever achieved by the unit in a quarter

Financial Performance

- Consolidated operating revenues of INR 7,774 mn in Q1 FY20, an increase of 19.2% YoY
- Consolidated EBITDA of INR 1,076(1) mn in Q1 FY20, reflecting a YoY growth of 113.5% i.e. an EBITDA margin of 13.8%
- Consolidated net debt of INR 6,691 mn as on 30th June, 2019, reflecting net debt to equity ratio of 0.62 (Out of which, debt worth US$ 52.8 mn is foreign currency denominated)

(1) As per the new accounting treatment for leases per IND AS 116 effective 1st April which resulted in INR 82.3 mn increase in EBITDA and decrease of INR 19.9 mn in PAT for Q1 FY 20 on a like-to-like basis (pre IND AS 116).
Revenue Mix – India Business (Q1 FY20)

Operating Revenues

INR mn

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY19</th>
<th>Q1 FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,771</td>
<td>6,685</td>
</tr>
</tbody>
</table>

15.8% YoY

Business Mix

- 95% Owned / Operated Hospitals
- 4% Heart Centres
- 1% Other Ancillary Businesses

Speciality-Profile

- Cardiac Sciences: 43%
- Gastro Sciences: 13%
- Oncology: 9%
- Neuro Sciences: 9%
- Renal Sciences: 10%
- Orthopaedics: 12%
- Others: 5%

Payee-Profile

- Domestic Walk-in patients: 51%
- Insured Patients: 21%
- Schemes: 17%
- International patients: 11%

Cluster-Wise

- Bangalore: 40%
- Southern Peripheral: 15%
- Eastern Peripheral: 7%
- Kolkata: 5%
- Western: 6%
- Northern: 27%

(1) NH owns the P&L responsibility
(2) Includes managed hospitals, clinics, learning and development, teleradiology, etc
(3) As percentage of IP and OP revenue, excludes Jammu VGF, clinics, other ancillary business
(4) Insured Patients include insurance-covered patients, corporate patients (including public sector undertakings); Schemes include CGHS, ESIS, other state government schemes
(5) Calculated on operating revenue of owned / operated hospitals
(6) Calculated on IP revenue; 6 core specialities (cardiac sciences, renal sciences, oncology, neurosciences, gastroenterology and orthopaedics) account for~88% of IP revenue in Q1 FY20, excludes clinics data, Jammu VGF
(7) Figures might not add up to 100% due to rounding off
Operational Review – India Business

**Operational Beds**
- 30th June 2018: 6,037
- 30th June 2019: 6,173

**Discharges**
- Q1 FY19: 55,382
- Q1 FY20: 66,535

**ARPOB**
- Q1 FY19: 8.6
- Q1 FY20: 9.7

**ALOS**
- Q1 FY19: 4.2
- Q1 FY20: 3.6

(1) Includes Managed Hospitals
(2) Excludes Managed Hospitals
Operating Revenues

US$ mn

Q1 FY19 | Q1 FY20
---|---
11.2 | 15.6

39.4% YoY

Profitability

US$ mn

Q1 FY19 | Q1 FY20
---|---
EBITDA | 6.6% | 3.5%
EBITDA Margin (%) | 22.3% | 0.7%
Regional Split – India Business (Q1 FY20)

This considers owned/operated hospitals in India (excl. Jammu)

<table>
<thead>
<tr>
<th>Regions</th>
<th>Bangalore</th>
<th>Southern Peripheral</th>
<th>Kolkata</th>
<th>Eastern Peripheral</th>
<th>Western</th>
<th>Delhi NCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Hospital</td>
<td>40%</td>
<td>6%</td>
<td>27%</td>
<td>5%</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YoY Revenue</td>
<td>14%</td>
<td>3%</td>
<td>10%</td>
<td>28%</td>
<td>26%</td>
<td>57%</td>
</tr>
<tr>
<td>Growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Hospital</td>
<td>32%</td>
<td>10%</td>
<td>26%</td>
<td>7%</td>
<td>17%</td>
<td>8%</td>
</tr>
<tr>
<td>Hospital Operational</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARPOB (INR mn)</td>
<td>11.7</td>
<td>7.1</td>
<td>9.0</td>
<td>6.7</td>
<td>8.5</td>
<td>14.3</td>
</tr>
<tr>
<td>EBITDAR Margin</td>
<td>32.1%</td>
<td>14.8%</td>
<td>20.9%</td>
<td>10.1%</td>
<td>3.3%</td>
<td>-24.5%</td>
</tr>
</tbody>
</table>

Bangalore - NICS, MSMC, HSR, Whitefield
Southern Peripheral - Mysore, Shimoga
Kolkata - RTIICS, Barasat, NMH & NSH (Howrah), RNN, NSC
Eastern Peripheral - Jamshedpur, Guwahati
Western - Mumbai, Ahmedabad, Jaipur, Raipur
Delhi NCR - Gurugram, New Delhi
### Maturity Profile – India Business (Q1 FY20)

This considers owned/operated hospitals in India (excl. Jammu)

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Hospitals (Exc. Managed Hospitals &amp; Jammu)</th>
<th>Hospital Operating Revenues</th>
<th>% of Hospital Operational Beds</th>
<th>Key Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing</td>
<td>17</td>
<td>% of Total 91% YoY Growth 14%</td>
<td>90%</td>
<td>ARPOB (INR mn) 9.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Discharges 57,098</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EBITDAR Margin -26.5%</td>
</tr>
<tr>
<td>New</td>
<td>3</td>
<td>% of Total 9% YoY Growth 57%</td>
<td>10%</td>
<td>ARPOB (INR mn) 12.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Discharges 7,098</td>
</tr>
</tbody>
</table>

**New: Mumbai, Delhi and Gurugram**

(1) EBITDA before rental/revenue share and before allocation of any corporate expenses

(2) ALOS of matured set is 3.8 days and new units is 2.4 days
**Profitability Snapshot – India Business**

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**EBITDA and EBITDA Margin**

<table>
<thead>
<tr>
<th>INR mn</th>
<th>Movement across 3 New Hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 FY19</td>
</tr>
<tr>
<td></td>
<td>Losses</td>
</tr>
<tr>
<td>Total</td>
<td>196</td>
</tr>
</tbody>
</table>

With the above, the adjusted EBITDA margins are as follows

- Heart Centres clocked an EBITDAR margin of 15.6%\(^{(1)}\) in Q1 FY20

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**Cost Structure**

<table>
<thead>
<tr>
<th>% of Operating Revenues</th>
<th>Q1 FY19</th>
<th>Q1 FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental / Revenue Share</td>
<td>92.8%</td>
<td>88.2%</td>
</tr>
<tr>
<td>Doctors’ Cost</td>
<td>44.1%</td>
<td>42.2%</td>
</tr>
<tr>
<td>Overhead Expenses</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Categories have been calculated as:

- **Consumable Expenses** = Purchase of medical consumables, drugs and surgical equipment net of changes in inventories of medical consumables, drugs and surgical equipment;
- **Manpower (Employees and Doctors) expenses** = Employee benefits + Professional fees to doctors;
- **Overhead expenses** = all other expenses

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\(^{(1)}\) EBITDA before rental/revenue share and before allocation of any corporate expenses

\(^{(2)}\) As per the new accounting treatment for leases per IND AS 116 effective 1st April which resulted in INR 82.3 mn decrease in rental expenses on a like-to-like basis (pre IND AS 116).
Consolidated Financial Performance

Figures in INR mn, unless stated otherwise

**Profit and Loss Statement**

<table>
<thead>
<tr>
<th>Particulars (INR mn)</th>
<th>Q1 FY19</th>
<th>Q1 FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Revenue</td>
<td>6,523</td>
<td>7,774</td>
</tr>
<tr>
<td>Purchase of Medical Consumables, Drugs and Surgical Equipment</td>
<td>1,563</td>
<td>1,903</td>
</tr>
<tr>
<td>Doctors Expenses</td>
<td>1,457</td>
<td>1,762</td>
</tr>
<tr>
<td>Employee (Excluding Doctors) Expenses</td>
<td>1,421</td>
<td>1,446</td>
</tr>
<tr>
<td>Other Admin Expenses</td>
<td>1,608</td>
<td>1,634</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>6,049</strong></td>
<td><strong>6,746</strong></td>
</tr>
<tr>
<td>Other Income</td>
<td>30</td>
<td>48</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>504</strong></td>
<td><strong>1,076</strong></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>326</td>
<td>414</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>172</td>
<td>222</td>
</tr>
<tr>
<td>Exceptional Items</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit before share of loss of equity accounted investees and income tax</strong></td>
<td><strong>6</strong></td>
<td><strong>440</strong></td>
</tr>
<tr>
<td>Share of loss of equity accounted investees</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td><strong>(11)</strong></td>
<td><strong>433</strong></td>
</tr>
<tr>
<td>Tax Expense</td>
<td>30</td>
<td>130</td>
</tr>
<tr>
<td><strong>PAT for the period</strong></td>
<td><strong>(41)</strong></td>
<td><strong>302</strong></td>
</tr>
<tr>
<td>Total Comprehensive Income, net of tax</td>
<td>47</td>
<td>244</td>
</tr>
</tbody>
</table>

**Key Balance Sheet Items**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>30th June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder Equity</td>
<td>10,879</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td><strong>7,825</strong></td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>7,818</td>
</tr>
<tr>
<td>Short-Term Debt</td>
<td>7</td>
</tr>
<tr>
<td><strong>Net Block</strong></td>
<td><strong>17,151</strong>(2)</td>
</tr>
<tr>
<td>CWIP</td>
<td>150</td>
</tr>
<tr>
<td>Goodwill</td>
<td>660</td>
</tr>
<tr>
<td>Non-Current Investment</td>
<td>28</td>
</tr>
<tr>
<td>Net Receivables</td>
<td>3,126</td>
</tr>
<tr>
<td><strong>Current Investment</strong></td>
<td><strong>595</strong></td>
</tr>
<tr>
<td><strong>Cash and Bank Balance</strong></td>
<td><strong>1,134</strong></td>
</tr>
</tbody>
</table>

As on June 30th, 2019, the consolidated net debt was Rs 6,691 mn, representing a net debt to equity ratio of 0.62 (Out of which, debt worth US$ 52.8 mn is foreign currency denominated).

(1) Figures might not equal the reported numbers due to rounding off
(2) Net Block includes non-cash government grant provision of Rs 1,255 mn and lease provision of Rs 1,032 mn
(3) As per the new accounting treatment for leases per IND AS 116 effective 1st April which resulted in INR 69 mn increase in depreciation, INR 41 mn increase in finance cost for Q1 FY 20 on a like-to-like basis (pre IND AS 116) being matched by corresponding creation of Lease liability net of decrease in Retained Earnings etc on the Liabilities side
(4) As per the new accounting treatment for leases per IND AS 116 effective 1st April which has resulted in INR 1,589 mn increase in Balance Sheet with creation of Right to use asset net of decrease in Prepaid Rent in the Assets side etc

Figures in INR mn, unless stated otherwise
Shareholding Pattern

Shareholding as on 30th June 2019

- **Promoter Group**: 63.9%
- **FIIs / DIIs and Retail**: 19.0%
- **PE Investors**: 13.1%
- **Others**: 3.3%
- **ESOP Trust**: 0.8%

**Total Number of Shares**: 204,360,804

- CDC - 7.9%
- Asia Growth Capital - 5.2%
- FIIs - 10.6%
- DIIs - 4.8%
- Retail/Others - 3.7%

(1) Percentages might not add up to 100% due to rounding off
(2) Includes 2.8% held by NHAPL (Narayana Health Academy Private Limited)
(3) PE investors have been shareholders prior to the IPO