Investor Presentation

May 2016
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Who are NH Today – A Pan-India Multispecialty Hospital Group

2000 Founded by Dr Devi Prasad Shetty

54(1) Healthcare facilities (As of 1st May 2016)

6,651 Capacity Beds (As of 1st May 2016)

2.10 (2) Patients in FY16 (in millions)

30+ Medical specialties

402(2) Daily average surgeries and procedures

13,557(3) Full-time employees

2,632(3) Full-time, consultant and student doctors

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<table>
<thead>
<tr>
<th>Total Revenue(4)</th>
<th>Operational Beds(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ million</td>
<td>Number of beds</td>
</tr>
<tr>
<td>FY13</td>
<td>FY16</td>
</tr>
<tr>
<td>8,507</td>
<td>16,177</td>
</tr>
<tr>
<td>3,815</td>
<td>5,347</td>
</tr>
</tbody>
</table>

CAGR: 23.9%

<table>
<thead>
<tr>
<th>ARPOB(6)</th>
<th>ALOS(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ million</td>
<td>Days</td>
</tr>
<tr>
<td>FY13</td>
<td>FY16</td>
</tr>
<tr>
<td>4.77</td>
<td>6.40</td>
</tr>
<tr>
<td>5.32</td>
<td>4.32</td>
</tr>
</tbody>
</table>

CAGR: 10.3%

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(1) Includes Hospitals, Heart Centres, Clinics and Information centres
(2) Patients includes IP admissions, OP footfalls and OP dialysis for FY16. Daily average calculated on a 366 days basis for FY16
(3) As of 31st March 2016
(4) As per audited consolidated financials of the Company
(5) Includes Managed hospitals, Cayman and our recently commissioned hospital at Kakriyal, Jammu
(6) Excludes MMRHL, Managed Hospitals & Cayman facility
NH’s Business at a Glance

Operational Beds Split

As on May 1, 2016

<table>
<thead>
<tr>
<th>Region</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karnataka</td>
<td>2,026</td>
</tr>
<tr>
<td>East</td>
<td>1,893</td>
</tr>
<tr>
<td>West and Central</td>
<td>871</td>
</tr>
<tr>
<td>North</td>
<td>70</td>
</tr>
</tbody>
</table>

Total Operational Bed Count of 5,347

Regional Distribution

Hospitals in India

4,144

4 Managed Hospitals

716

7 Heart Centres and Clinics

386

1 hospital at Cayman Islands

101

23 Hospitals in India

Operating Revenue Mix (FY16)

93% Hospitals in India

6% Heart Centres

1% Other ancillary businesses including managed hospitals, clinics, learning and development etc.

(1) NH owns the P&L responsibility
(2) Setup as JV between NH and Ascension Health; NH owns 28.6% equity stake in the JV and has invested USD 21.9 mn till 31st March 2016; the hospital achieved a revenue of USD 15.3 mn in FY16 ending March 2016
NH’s Flagship Hospitals

**NICS (NH Health City), Bangalore**
- Commercially operational since July 2000, 706 operational beds (1)
- Cardiac surgeries and cardiology (“Centre of Excellence in Cardiac Sciences”)
- FY16 patient volumes: 21,777 inpatient and 99,746 outpatient (2)

**MSMC (NH Health City), Bangalore**
- Commercially operational since July 2009, 628 operational beds (1)
- Multispecialty tertiary care hospital focused on cancer care, neurosciences and neurosurgery, nephrology, and urology
- Houses one of the largest bone marrow transplant units in India
- FY16 patient volumes: 33,060 inpatient and 388,880 outpatient (2)

**RTIICS, Kolkata**
- Commercially operational since January 2008, 613 operational beds (1)
- Cardiac sciences, renal sciences (including renal transplants), neurosciences, and gastroenterology
- FY16 patient volumes: 29,134 inpatient and 274,558 outpatient (2)

Flagship Hospitals contributed 54% of the Total Operating Revenue in FY 16

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(1) As on May 1, 2016
(2) Outpatients includes OP footfalls and OP dialysis for FY16

Accreditation of National Accreditation Board for Hospitals and Healthcare Providers (NABH)
Accreditation of Joint Commission International (JCI)
Indian Healthcare Services – A Large, Underpenetrated Market Opportunity

- Population expected to grow from 1.2 billion\(^{(1)}\) to **1.4 billion\(^{(1)}\)** by 2026
- **3.4 billion\(^{(1)}\)** treatments annually
- **9.8 million\(^{(2)}\)** deaths annually
- Large unaddressed market with 7 beds per 10,000 people\(^{(3)}\)
- Rising income levels and life expectancy to increase demand for healthcare services
- Increasing healthcare insurance coverage, currently 17% of population (216 million people)\(^{(4)}\)

### Healthcare Delivery Market in India\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Inpatient (IPD)</th>
<th>Outpatient (OPD)</th>
<th>INR trillion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2015</td>
<td>3.1</td>
<td>0.7</td>
<td>3.8</td>
</tr>
<tr>
<td>2019-2020E</td>
<td>5.7</td>
<td>1.1</td>
<td>6.8</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Source: Crisil Report
\(^{(2)}\) Source: WHO Estimates
\(^{(3)}\) Source: WHO - World Health Statistics, 2014
\(^{(4)}\) Source: IRDA

### Hospital Bed Density (2012)\(^{(3)}\)

<table>
<thead>
<tr>
<th>Country</th>
<th>Hospital beds per 10,000 people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>38</td>
</tr>
<tr>
<td>China</td>
<td>23</td>
</tr>
<tr>
<td>Brazil</td>
<td>9</td>
</tr>
<tr>
<td>Indonesia</td>
<td>7</td>
</tr>
</tbody>
</table>

Global Median: 27
Demand Geared Towards Affordable Treatment of Non-Communicable Diseases

Affordability of Quality Healthcare is Critical, Given the Income Distribution in India

Income Demographics in India (2013-2014E)(1)

- Below Rs 0.2 million: 8%
- Rs 0.2 million to Rs 0.5 million: 5%
- Rs 0.5 million to Rs 1 million: 28%
- Rs 1 million and above: 59%

Growing Prevalence of Non-communicable Diseases, Including Cardiovascular Diseases

Causes of Death in India (2015E)(2)

- 2008: Cardiovascular Diseases: 32%, Cancer: 19%, Other Non-communicable Diseases: 28%, Communicable Diseases: 9%
- 2015E: Cardiovascular Diseases: 25%, Cancer: 21%, Other Non-communicable Diseases: 31%, Communicable Diseases: 11%
- 2030E: Cardiovascular Diseases: 24%, Cancer: 15%, Other Non-communicable Diseases: 35%, Communicable Diseases: 14%

Affordability of Quality Healthcare is Critical, Given the Income Distribution in India

Growing Prevalence of Non-communicable Diseases, Including Cardiovascular Diseases

(1) Source: NCAER
(2) Source: WHO Estimates
The NH Case
What differentiates NH?

1. Unique business model aligned with industry dynamics
   Affordable healthcare at highest clinical standards

2. Recognised brand for clinical excellence
   Strong brand equity and goodwill among patients and healthcare professionals

3. Professional Management Team
   Proven execution track-record and distinctive operating culture

4. High growth & multiple layers of growth and profitability drivers
   Track-record of robust operational and financial performance
Unique Business Model Aligned With Industry Dynamics

- Pan-India Network of Healthcare Facilities
- Delivering Quality Healthcare at Affordable Prices
- Pre-eminence in Cardiac and Renal Sciences
- “Asset-right” Capital Deployment Model
Established presence and strong brand recognition in two geographical clusters in the southern state of Karnataka and eastern India

Emerging presence in western and central India, leveraging brand image and operational experience

23 multispecialty and superspecialty facilities with 4,860 operational beds providing tertiary care

7 superspecialty heart centres with 376 operational beds contained within third-party hospitals

23 primary care facilities, including clinics and information centres

3 new hospitals being commissioned in India

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(1) Kolkata has six Hospitals (Three are acquired)
(2) Bangalore has four Hospitals
(3) Project at Bhubaneshwar is pending acceptance of request from Govt of Odisha for alternate land parcel
Significant growth potential from under-penetrated and fast growing cities and towns

FY16 key performance statistics per regional cluster:

<table>
<thead>
<tr>
<th>Regional Cluster</th>
<th>Hospitals&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>% of Hospital Revenue&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>% of Hospital Operational Beds&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>ARPOB (in ₹ million)&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karnataka cluster</td>
<td>7&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>47%</td>
<td>21%</td>
<td>6.6</td>
</tr>
<tr>
<td>Eastern cluster</td>
<td>10&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>37%</td>
<td>30%</td>
<td>6.7</td>
</tr>
<tr>
<td>Others&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>6&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>16%</td>
<td>27%</td>
<td>5.5</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Excludes Cayman, includes Managed Hospitals and hospital at Hyderabad which was operational in FY16 but ceased to exist in April 2016

<sup>(2)</sup> Excludes Managed Hospitals, Cayman and MMRHL

<sup>(3)</sup> Karnataka and Eastern clusters include 1 managed hospital each while Western and Central cluster includes 2 managed hospitals

<sup>(4)</sup> Others comprise of Western India, Central India and Hyderabad
**Models** used to expand presence while maximising the efficiency of capital deployment.

**Average effective capital cost** per bed of ₹2.6 million\(^{(1)}\)

**“Asset-Right Model”** – partners own the fixed assets and NH owns the medical equipment and operates and manages the hospital.

**Organic and inorganic** expansion; since 1st April 2012:
- 10 hospitals + 3 heart centres (2,468 capacity beds)\(^{(2)}\)
- 4 acquired facilities (644 capacity beds)

**Preferred partner** owing to scale, track-record, and ethos of high quality affordable care

Invest in offering high quality, efficient care and **expanding the range** of healthcare service

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**NH Model for 23 Multi and Superspecialty Facilities**

<table>
<thead>
<tr>
<th>Model</th>
<th>No. of Facilities</th>
<th>No. of Operational Beds</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned and Operated</td>
<td>4</td>
<td>1,628</td>
<td>Owned on freehold basis and operated by NH</td>
</tr>
<tr>
<td>Leased &amp; Operated</td>
<td>7(^{(3)})</td>
<td>1,073</td>
<td>NH operates on a lease or licence basis</td>
</tr>
<tr>
<td>Revenue Share</td>
<td>6</td>
<td>1,253</td>
<td>NH operates and pays a revenue share to owner of the hospital premises</td>
</tr>
<tr>
<td>PPP(^{(4)})</td>
<td>2</td>
<td>190</td>
<td>NH operates with nominal investment in partnership with public entities</td>
</tr>
<tr>
<td>Managed</td>
<td>4</td>
<td>716</td>
<td>NH provides to third parties for a management fee</td>
</tr>
</tbody>
</table>

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\(^{(1)}\) Based on (Gross Block for Fixed Assets + Capital Work in Progress (CWIP)) / Number of operational beds as of 31 March 2016. Excludes Managed Hospitals and Cayman facility

\(^{(2)}\) Excluding Cayman facility, clinics, Kuppam and Suguna facility which ceased operation in FY16 and April 2016 respectively

\(^{(3)}\) Includes units on long term/perpetual lease basis from State Governments viz. Ahmedabad, Jaipur, Mysore, MMRHL etc.

\(^{(4)}\) Hospitals at Kakriyal, Jammu and Guwahati
Multispecialty Hospital with Strong Presence in Cardiac and Renal Sciences

**Well-positioned** to benefit from growth trends in tertiary care in India
- Specialised in non-communicable diseases
- Strong reputation and clinical capabilities in cardiac and renal sciences
- 50%\(^{(1)}\) of inpatient revenue from cardiology and cardiac surgery and 8%\(^{(1)}\) from renal sciences in FY16

**Continuing expansion** across other high value clinical specialties, particularly Cancer, Neurosciences, Orthopaedics and Gastroenterology
- Six core specialties\(^{(2)}\) account for ~85%\(^{(1)}\) of inpatient revenue in FY16

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### Strong Presence in Cardiac and Renal Sciences

<table>
<thead>
<tr>
<th>Number of Procedures Performed at NH (FY16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiac Surgeries</td>
</tr>
<tr>
<td>14,785</td>
</tr>
</tbody>
</table>

**FY13–16 CAGR**
- Cardiac Surgeries: 9%
- Cardiology: 13%
- Dialysis: 22%

### Continuing Expansion Across Other High Value Clinical Specialties

<table>
<thead>
<tr>
<th>% of Inpatient Revenue from Outside Cardiac/Renal Sciences(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
</tr>
<tr>
<td>32%</td>
</tr>
</tbody>
</table>

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\(^{(1)}\) Excludes Managed Hospitals
\(^{(2)}\) Core specialties comprise cardiac sciences, renal sciences, cancer, neurosciences, orthopedics, and gastroenterology
Economies of scale and competitive prices from suppliers and service providers through centralised purchasing.

Cost efficiencies through supply chain management, sharing of resources and standardising medical and other consumables across the network.

Hospital efficiencies through access to cloud based ERP system and network of telemedicine centres.

Transparent, packaged treatment offerings for patients, covering a suite of consultancy, diagnosis, consumables, medical, operative and post-operative care requirements of patients.

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(1) As percentage of inpatient and outpatient revenues and data does not from heart centres at Durgapur and Kuppam and ancillary businesses, Percentages rounded off to attain 100%

(2) Schemes include CGHS, ESIS, other state government schemes. Include revenues
3 hospitals with international accreditation from Joint Commission International (JCI)

8 hospitals with domestic accreditation from the National Accreditation Board for Hospitals and Healthcare Providers (NABH)

“Narayana Health” brand is widely recognised in India and internationally

20+ Awards and Accreditations received since 2010

Awards from respected institutions such as WHO India, Financial Times, BCG and Frost & Sullivan

Strong brand equity and goodwill among patients & healthcare professionals, positioned NH as a preferred partner of choice

(1) Third highest civilian award in India.
Capable Team In Place To Execute the Vision

- Deep Management Structure
- Professionals with rich and diverse experience
- Track-record of driving organic and acquisition-led growth

Dr. Devi Shetty
Chairman and Executive Director
33 years experience

Dr. Ashutosh Raghuvanshi
CEO and Managing Director
26 years experience

Dr. Ashutosh Raghuvanshi
CEO and Managing Director
26 years experience

Dr. Emmanuel Rupert
Chief of Medical Services
18 years experience

Kesavan Venugopalan
Chief Financial Officer
25 years experience

Ashish Kumar
Group Company Secretary and Compliance Officer
13 years experience

Viren Shetty
SVP, Strategy and Planning
8 years experience

Nagarajan Anantharaman
SVP, Finance
31 years experience

Sumanta Ray
Chief Marketing Officer
18 years experience

Debangshu Sarkar
Head – Investor Relations and M&A
12 years experience

Deepak Venugopalan
Business Head – Tele radiology and Clinics
14 years experience

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Multiple Layers of Growth to Drive Sustained Expansion

Capitalise across dominant regions & accelerate growth in newer geographies

- Leverage upon targeted operational initiatives
- Build niche around focused offerings and foster clinical excellence
- Optimize capital deployment through flexible engagement models
**Karnataka**
- 7 Hospitals
- 800k Patients
- 2,026 Operational Beds

**Eastern India**
- 10 Hospitals
- 450k Patients
- 1,893 Operational Beds

**Others**
- 6 Hospitals
- 320k Patients
- 941 Operational Beds

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**Domestic**
- Leverage strong brand reputation and operational excellence to enhance presence across Karnataka and East India
- Strengthen the fledgling western and central clusters
  - Commission new facilities in Mumbai and Lucknow
  - Planned addition of 623 beds over the next 24 months
- Expand into newer territories viz. North India
  - Drive synergies across recently commissioned hospital at Vaishno Devi, Jammu

**International**
- Explore foray in select regions across Sub-Saharan Africa, Middle East & SAARC with limited capital exposure

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(1) Hospitals and Operational beds as on 1st May, 2016 excludes Cayman
(2) Outpatients for the 12 months ended FY16
Build niche around focused offerings and foster clinical excellence

**Build niche around focused offerings**

- Emphasize on sub-specialities
  - Cardiac Sciences – TAVI, MitraClip, Electrophysiology, Paediatric focus
  - Neuro Sciences – Parkinson’s, DBS, Epilepsy treatment
  - Gastro Enterology – Advanced laproscopy and minimally invasive surgeries
- Build upon the strength of the renal sciences program
  - Expansion of transplant programs and stand-alone dialysis clinics across the country
- Strengthen critical care offerings through emergencies

**Foster Clinical Excellence**

- Enhance clinical quality across multiple parameters
  - Tumor boards, peer review audits, clinical outcome benchmarking etc
- Underline process optimization through standards and protocols
  - JCI, NABH, NABL accreditations across the network
- Invest in latest equipment, state-of-the-art technology and standardization across all hospitals
  - Encourage innovation and best practice sharing spirit
Optimize capital deployment through flexible engagement models

Continue pursuing “Asset-Right” model

Engagement Framework

- Prefer structures limiting our capital investments to primarily medical equipment
- Continue to be partner-of-choice for various private and public bodies
- Maintain a balanced mix of organic and inorganic growth options to fuel future expansion

Configuration Template

- Focus on adapting to meet the local needs
- 250+ beds hospitals in Tier I cities for complex tertiary and quaternary care
- 150+ beds in other cities targeting secondary and tertiary care

Sustain a scalable and affordable business centred around efficient capital outlay to augment return metrics
Leverage upon targeted operational initiatives

Patient Care

- Institutionalize “Care Companion” program, a unique and effective patient attendant training program
- Nurture a culture of organized learning with specific training for customer-facing functions to ensure seamless service delivery

Technology

- Roll-out Electronic Medical Records (EMR), Business Intelligence (BI) & centralized infrastructure monitoring systems for agile decision making
- Leverage the network’s scale and talent pool to expand the reach and depth of Tele-Radiology services

Service Enablers

- Implement high-precision material fulfillment with a hub-and-spoke model and periodic milk-runs from zonal warehouses
- Continue focus on rationalization of administration costs and explore energy efficient solutions to manage overhead expenses
Attractive Mix of Profitable Mature Hospitals and Scalable Newer Hospitals

- Over time, NH expects the financial metrics of new hospitals to **converge** with those of the more mature hospitals
- **Key performance** statistics as on 31st March 2016 for NH’s 23 multispecialty and superspecialty facilities:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Hospitals(1)</th>
<th>% of Hospital Revenue(1)</th>
<th>% of Hospital Operational Beds(1)</th>
<th>ARPOB (in ₹ mn)(2)</th>
<th>EBITDAR Margin(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 5 Years</td>
<td>8</td>
<td>72%</td>
<td>54%</td>
<td>7.0</td>
<td>23.8%</td>
</tr>
<tr>
<td>3-5 Years</td>
<td>4</td>
<td>13%</td>
<td>15%</td>
<td>4.7</td>
<td>4.1%</td>
</tr>
<tr>
<td>Less Than 3 Years</td>
<td>7</td>
<td>6%</td>
<td>20%</td>
<td>7.8</td>
<td>2.9%</td>
</tr>
<tr>
<td>Acquired Facilities</td>
<td>4</td>
<td>9%</td>
<td>11%</td>
<td>3.3</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

(1) Includes Managed Hospitals and excludes Cayman facility
(2) Excludes MMRHL, Managed Hospitals and Cayman facility
(3) EBITDA before rental/revenue share and before allocation of any corporate expenses
(4) Occupancy is calculated on total operational beds which includes census and non census beds viz. recovery, pre operative, dialysis, emergency, day care etc.

- Over 5 years include NICS, MSMC, RTIICS, units at Hyderabad, Jaipur, Jamshedpur and 2 other units at Kolkata viz. RTSC and RNN
- 3-5 years include units at Raipur, Ahmedabad, Mysore, and Shimoga
- Less than 3 years include 4 managed hospitals and 3 hospitals at Guwahati, Whitefield and HSR
- Acquired facilities include 2 units of MMRHL, Kolkata and units at Barasat (Kolkata) and Berhampore
Strong Execution Track Record and Tangible Expansion Plans

Operational Bed Build-up

<table>
<thead>
<tr>
<th>Number of Beds</th>
<th>Organic</th>
<th>FY13 Addition</th>
<th>651</th>
<th>FY14(1) Addition</th>
<th>186</th>
<th>Organic</th>
<th>463</th>
<th>FY15 Addition</th>
<th>293</th>
<th>Acquired(3)</th>
<th>5,347</th>
<th>(4)</th>
<th>973(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,263</td>
<td></td>
<td>1-Apr-12</td>
<td>552</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Upcoming Facilities

<table>
<thead>
<tr>
<th>Location</th>
<th>Estimated time for Commencement</th>
<th>Type of hospital</th>
<th>No of beds</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mumbai</td>
<td>Within next 12 months</td>
<td>Multispecialty, paediatric</td>
<td>297</td>
<td>Operations and management basis</td>
</tr>
<tr>
<td>Lucknow</td>
<td>Within next 24 months</td>
<td>Multispecialty</td>
<td>326</td>
<td>Operations and management basis</td>
</tr>
<tr>
<td>Bhubaneshwar</td>
<td>NA</td>
<td>Multispecialty</td>
<td>220</td>
<td>Construct and operate hospital on leasehold land (Awaits Govt of Odisha’s acceptance for alternate land parcel)</td>
</tr>
<tr>
<td>Kenya</td>
<td>Within next 48 months</td>
<td>Multispecialty</td>
<td>130</td>
<td>Minority equity stake and management agreement with NH</td>
</tr>
</tbody>
</table>

(1) Excludes Kuppam and Suguna facility which were commissioned in FY14 and ceased operations in FY16 and FY17 with 19 and 26 operational beds respectively
(2) Acquired facilities in FY 14 are located at Barasat and Berhampur
(3) Acquired facilities in FY15 are Narayana Multispecialty Hospital, Howrah and Narayana Superspecialty Hospital, Howrah as operated by MMRHL
(4) Over FY16 and May 2016, Operationalised 70 new beds at Kokriyal, Jammu, decommissioned 195 beds due to closure of hospital at Hyderabad
(5) Project at Bhubaneshwar is pending acceptance of request from Govt of Odisha for alternate land parcel
Financial Overview

Narayana Health
- Narayana has generated strong topline growth at a CAGR of 27.5% from FY11-FY16
- Efficient roll-out of greenfield projects and the execution and integration of acquisitions have been primary driver of revenue growth
- Revenue growth has been supported by highly efficient cost strategies and supply chain management
- Hospitals with >5 years maturity have been the key driver for growth
  - Additional capacity headroom to deliver further growth
- Newer Hospitals to drive future growth and expand margins

![Bar chart showing Total Revenue (INR million) from FY11 to FY16]

(1) As per audited consolidated financials of the Company
(2) Maturity Profile excludes heart centres, Cayman facility and other ancillary businesses
(3) Regional Cluster excludes Cayman facility
**Growth Driven by Capacity Expansion and Improving Operational Efficiency**

**# of Beds & Patient Volumes**

<table>
<thead>
<tr>
<th>FY13 – May 1,2016</th>
<th>CAGR 2013-16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operational Beds Added</strong> (3)</td>
<td>1,532</td>
</tr>
<tr>
<td><strong>Volume Outpatients</strong> (3)</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Volume Inpatients</strong></td>
<td>19%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,815</td>
<td>4,678</td>
<td>5,434</td>
<td>5,347 (2)</td>
</tr>
<tr>
<td>1,095,096</td>
<td>1,481,261</td>
<td>1,778,252</td>
<td>1,907,677</td>
</tr>
</tbody>
</table>

(1) Excludes Managed Hospitals, MMRHL, and Cayman Facility
(2) Operational beds as on May 1st, 2016; Over FY 16 and April 2016, ceased operations at the hospital at Hyderabad and heart centres across Kuppam and Suguna and commissioned a new hospital at Kakriyal, Jammu
(3) Outpatients include OP footfalls and OP dialysis
(4) Occupancy is calculated on total operational beds which includes census and non census beds viz. recovery, pre operative, dialysis, emergency, day care etc

**Improving Operational Efficiency (1)**

<table>
<thead>
<tr>
<th>ALOS (Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3</td>
</tr>
<tr>
<td>4.9</td>
</tr>
<tr>
<td>4.5</td>
</tr>
<tr>
<td>4.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARPOB (₹ million)</th>
<th>Occupancy Rate (%) (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ 4.8m</td>
<td>44.8%</td>
</tr>
<tr>
<td>₹ 5.2m</td>
<td>48.0%</td>
</tr>
<tr>
<td>₹ 5.8m</td>
<td>52.8%</td>
</tr>
<tr>
<td>₹ 6.4m</td>
<td>54.2%</td>
</tr>
</tbody>
</table>
Operating Leverage Underpins Scope for Margin Expansion

**EBITDA and EBITDA Margin**

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>888</td>
<td>1,119</td>
<td>1,298</td>
<td>1,868</td>
</tr>
</tbody>
</table>

- 10.6% EBITDA Margin
- 10.3% EBITDA Margin
- 9.5% EBITDA Margin
- 11.6% EBITDA Margin

**Cost Structure**

<table>
<thead>
<tr>
<th>% of Total Operating Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>Rental / Revenue Share</td>
</tr>
<tr>
<td>89%</td>
</tr>
<tr>
<td>23%</td>
</tr>
<tr>
<td>28%</td>
</tr>
</tbody>
</table>

**Notes:**

1. As per audited consolidated financials of the Company
2. EBITDA before rental/revenue share and before allocation of any corporate expenses
3. 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; Employee Benefits and Prof. Fees Paid to Doctors = Employee benefits + Professional fees to doctors; Others = all other expenses

FY13 and FY 14 EBITDA adjusted for non-recurring income from sale of dental business and fixed assets
FY15 EBITDA includes one-time expenses incurred towards acquisitions and corporate expenses etc
15.9% EBITDAR margins for Heart Centres
### Profit and Loss Statement

<table>
<thead>
<tr>
<th>Particulars (INR mn)</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>8,507</td>
<td>11,158</td>
<td>13,716</td>
<td>16,177</td>
</tr>
<tr>
<td>Purchase of medical consumables, drugs and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>surgical equipment</td>
<td>2,328</td>
<td>2,807</td>
<td>3,407</td>
<td>3,871</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>1,572</td>
<td>2,018</td>
<td>2,769</td>
<td>3,350</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3,591</td>
<td>5,047</td>
<td>6,242</td>
<td>7,088</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>7,491</td>
<td>9,872</td>
<td>12,418</td>
<td>14,309</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,016</td>
<td>1,286</td>
<td>1,298</td>
<td>1,868</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>443</td>
<td>552</td>
<td>684</td>
<td>752</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>166</td>
<td>284</td>
<td>409</td>
<td>294</td>
</tr>
<tr>
<td>Profit Before Tax After Exceptional Items</td>
<td>407</td>
<td>450</td>
<td>206</td>
<td>711</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>139</td>
<td>201</td>
<td>146</td>
<td>306</td>
</tr>
<tr>
<td>Profit after tax before MI and associates</td>
<td>269</td>
<td>249</td>
<td>59</td>
<td>404</td>
</tr>
<tr>
<td>Share in (loss)/profit of associate</td>
<td>(251)</td>
<td></td>
<td>(217)</td>
<td></td>
</tr>
<tr>
<td>Share in loss attributable to minority interest</td>
<td>7</td>
<td>22</td>
<td>24</td>
<td>4</td>
</tr>
<tr>
<td>Net Profit</td>
<td>276</td>
<td>271</td>
<td>(167)</td>
<td>191</td>
</tr>
</tbody>
</table>

### Balance Sheet Statement

<table>
<thead>
<tr>
<th>Particulars (INR mn)</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Shareholders' Equity</td>
<td>5,560</td>
<td>5,852</td>
<td>7,684</td>
<td>8,868</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>50</td>
<td>28</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Term Debt</td>
<td>1,873</td>
<td>2,788</td>
<td>2,066</td>
<td>1,876</td>
</tr>
<tr>
<td>Other Non-Current Liabilities</td>
<td>329</td>
<td>387</td>
<td>511</td>
<td>411</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short Term Debt</td>
<td>245</td>
<td>522</td>
<td>985</td>
<td>446</td>
</tr>
<tr>
<td>Current Portion of Long Term Debt</td>
<td>373</td>
<td>536</td>
<td>569</td>
<td>254</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>1,288</td>
<td>2,137</td>
<td>1,881</td>
<td>2,450</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>9,718</td>
<td>12,249</td>
<td>13,702</td>
<td>14,308</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>6,887</td>
<td>8,749</td>
<td>8,694</td>
<td>8,734</td>
</tr>
<tr>
<td>Goodwill</td>
<td>15</td>
<td>24</td>
<td>642</td>
<td>750</td>
</tr>
<tr>
<td>Non-Current Investments</td>
<td>3</td>
<td>522</td>
<td>872</td>
<td></td>
</tr>
<tr>
<td>Long Term Loans and Advances</td>
<td>862</td>
<td>965</td>
<td>1,228</td>
<td>1,101</td>
</tr>
<tr>
<td>Other Non-Current Assets</td>
<td>13</td>
<td>14</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Current Assets</td>
<td>1,940</td>
<td>2,494</td>
<td>2,604</td>
<td>2,849</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>192</td>
<td>313</td>
<td>295</td>
<td>241</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>1,748</td>
<td>2,181</td>
<td>2,309</td>
<td>2,608</td>
</tr>
<tr>
<td>Total Assets</td>
<td>9,718</td>
<td>12,249</td>
<td>13,702</td>
<td>14,308</td>
</tr>
</tbody>
</table>

As on 31st March, 2016, the consolidated net debt was Rs 2,335 mn, representing a net debt to equity ratio of 0.26.
Ownership Structure

Shareholding as on 31st March 2016

<table>
<thead>
<tr>
<th>Shareholding Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoter Group</td>
<td>64.9%</td>
</tr>
<tr>
<td>PE Investors</td>
<td>19.8%</td>
</tr>
<tr>
<td>ESOP Trust</td>
<td>1.0%</td>
</tr>
<tr>
<td>Others</td>
<td>2.3%</td>
</tr>
<tr>
<td>FII/II/OMF/Mutual Funds and Retail</td>
<td>12.0%</td>
</tr>
<tr>
<td>Mutural Funds</td>
<td>5.5%</td>
</tr>
<tr>
<td>FII/II/OMF</td>
<td>3.3%</td>
</tr>
<tr>
<td>FPI/II/OMF</td>
<td>1.1%</td>
</tr>
<tr>
<td>Others</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Total Number of Shares: 204,360,804

(1) Includes 2.8% held by NHAPL (Narayana Health Academy Private Limited)
(2) PE investors include CDC, Asia Growth Capital and JP Morgan who have been shareholders prior to the IPO
THANK YOU

www.narayanahealth.org