



 NH Narayana Health



Quarterly Presentation - Q1 FY18

August 2017

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Key highlights- Clinical and Operational

- A rare case of a 5 year old boy with fulminant hepatic failure was treated with an emergency liver transplant procedure at Mazumdar Shaw Medical Center, Bengaluru
- Narayana Superspecialty Hospital, Howrah, the leading oncology provider in the eastern region, continued to perform cutting-edge clinical work across multi-speciality domains with complex 'Arterial Switch' paediatric surgery being performed to treat life-threatening heart condition
- Shri Mata Vaishno Devi Narayana Superspecialty Hospital, Jammu celebrated its first anniversary and treated more than 1 lakh patients and performed ~1,800 surgeries within its first year of operations
- Extending advanced clinical programs beyond the metros, a minimal invasive surgery like TAVI was performed at Narayana Multispecialty Hospital, Mysore, first of its kind in the city
- NH commissioned 207 bedded SRCC Narayana Hospital at Haji Ali, Mumbai which is a premier one-of-its kind paediatric facility
- NH acquired a near-complete ~230 bedded hospital in Gurugram which is expected to be commissioned in next 7 months



Awards and Honors

- NH won BW Business World Digital India Award for "Most Innovative Citizen Engagement through Technology" in May 2017
- NH featured in "India's Top 500 Companies 2017" list by Dun & Bradstreet in June 2017
- Narayana Multispecialty Hospital, Raipur was felicitated with an award for its participation in Raipur Smart City Summit



Financial Performance

- Operating revenue of INR 5,211 mn, an increase of 15.3% YoY
- EBITDA of INR 556 mn, reflecting an EBITDA margin of 10.7%
- Net debt of INR 2,839 mn as on 30th June, 2017, reflecting net debt to equity ratio of 0.29

As on 1st July 2017



50 Healthcare Facilities	Operational beds
20 Owned / Operated Hospitals ⁽¹⁾	4,721 Beds
3 Managed Hospitals ⁽²⁾	587 Beds
7 Heart Centres	376 Beds
19 Primary Healthcare Facilities ⁽³⁾	10 Beds
1 Hospital in Cayman Islands	105 Beds



7,000 Capacity Beds
5,799 Operational Beds
2.8 mn ⁽⁴⁾ Average Effective Capital Cost per Operational Bed



30+ Specialities

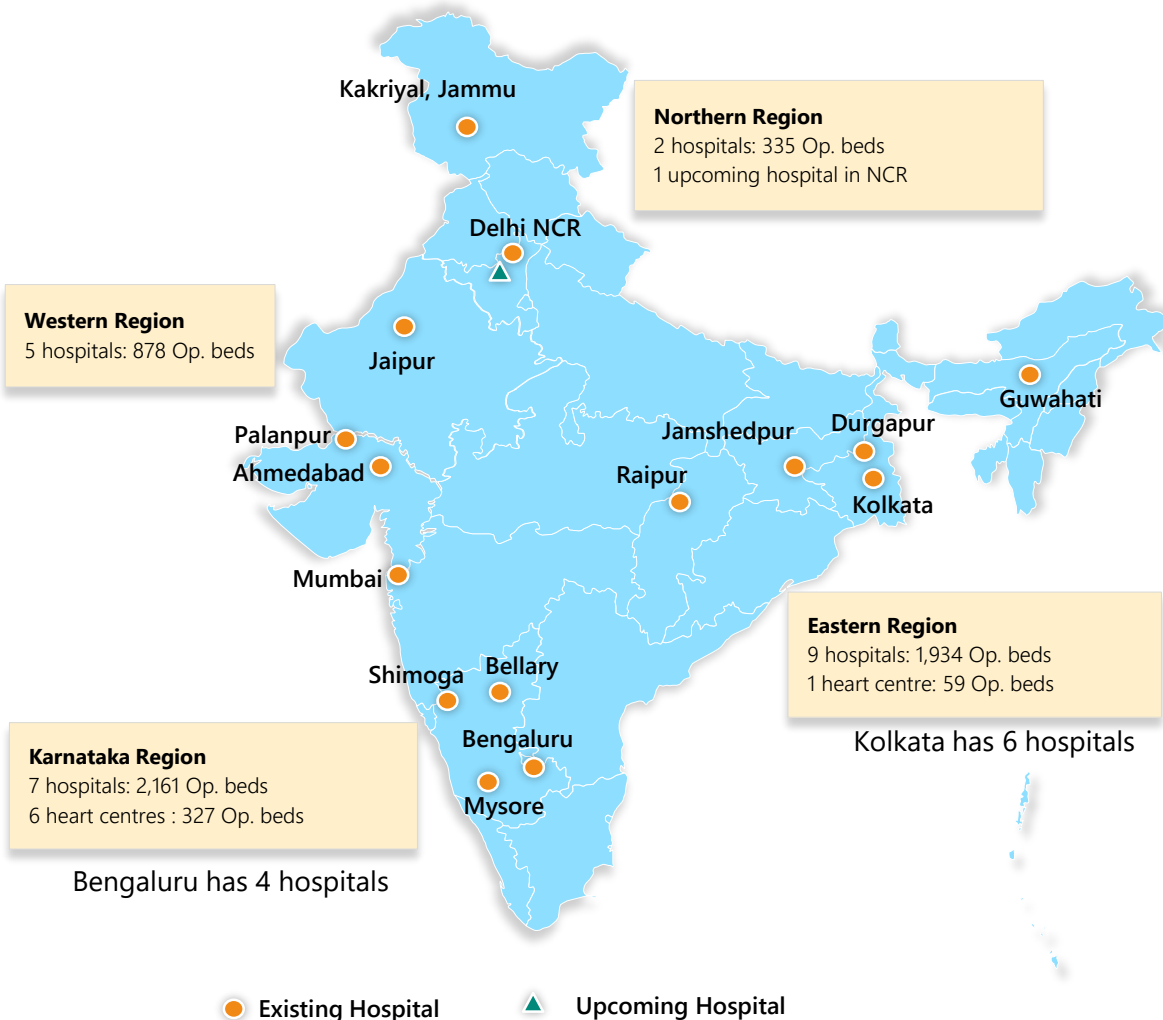


330⁽⁵⁾ Daily Average Surgeries and Procedures



14,601 Full-time Employees and Associates including 3,083 doctors

NH's footprint in India



(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 and non-cash lease provision) + Capital Work in Progress (CWIP, excluding New Rise)) / Number of operational beds as of 30th June 2017. excludes Managed Hospitals and Cayman facility

(5) Daily average calculated on a 91 days basis for Q1 FY18; excludes Vaishno Devi unit

Operating Revenue

INR mn



4,520



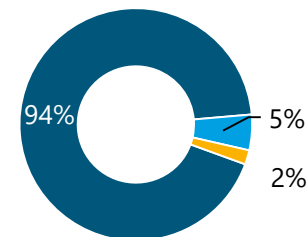
Q1 FY17

5,211



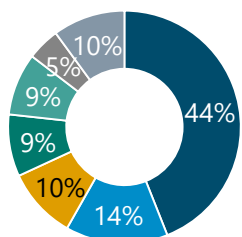
Q1 FY18

Business Mix⁽⁸⁾



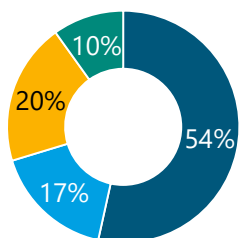
- Owned / Operated Hospitals⁽¹⁾
- Heart Centres
- Other Ancillary Businesses⁽²⁾

Speciality-Profile^(7,8)



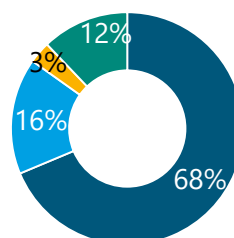
- Cardiac Sciences
- Gastro Sciences
- Oncology
- Renal Sciences
- Neuro Sciences
- Orthopaedics
- Others

Payee-Profile^(3,8)



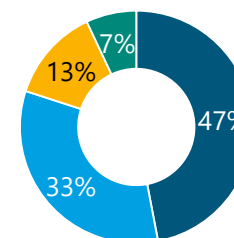
- Walk-in patients
- Schemes
- Insured Patients⁽⁴⁾
- International patients

Maturity-Wise^(5,8)



- Over 5 years
- 3 to 5 years
- Less than 3 years
- Acquired facilities

Cluster-Wise^(5,6)



- Karnataka
- East
- West
- North

(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 excluding Dharamshila and clinics: Schemes include CGHS, ESIS, other state government schemes

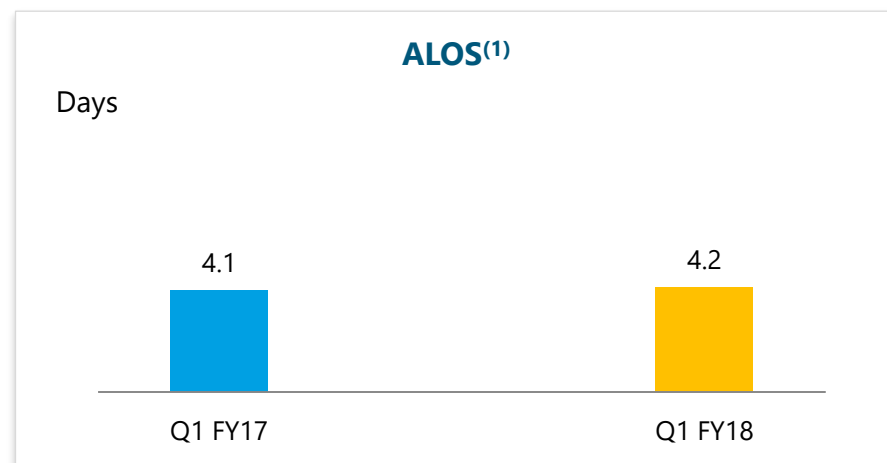
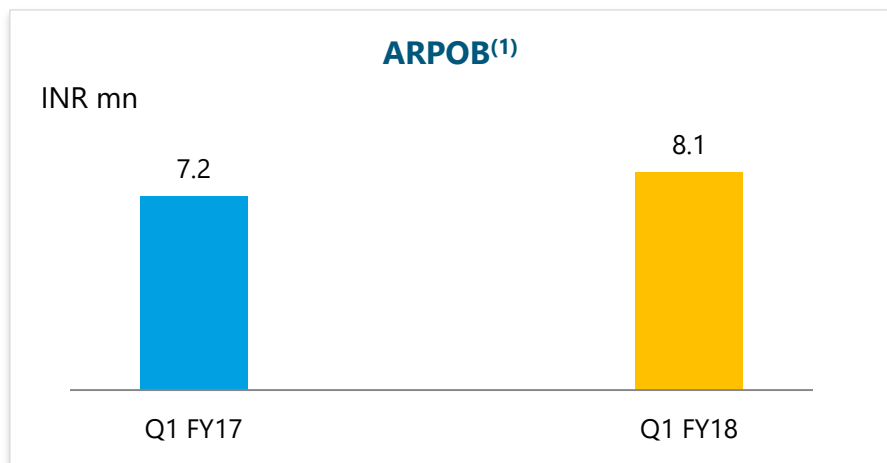
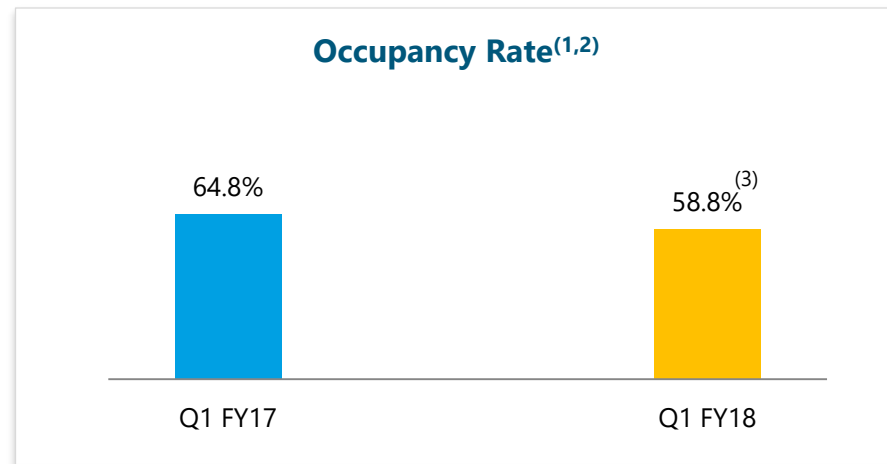
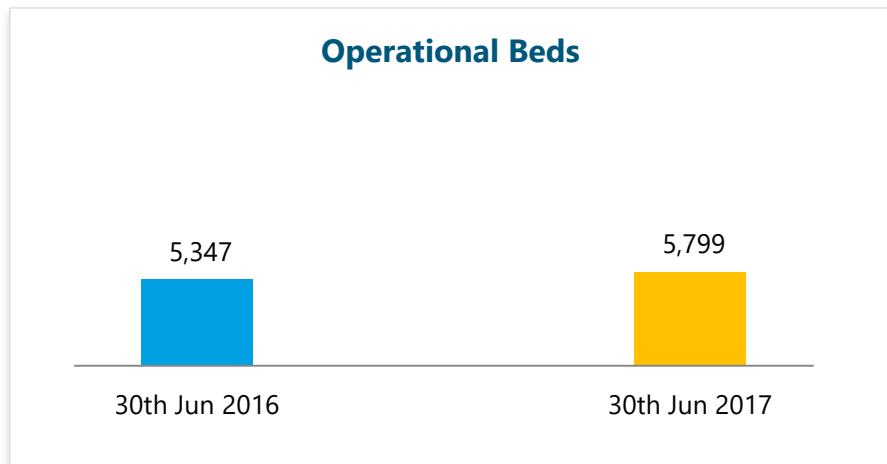
(4) Includes Insurance-covered patients, corporate patients (including public sector undertakings)

(5) Calculated on operating revenue of owned / operated hospitals

(6) Western cluster includes units at Ahmedabad, Jaipur, Raipur, Palanpur and Mumbai and Northern cluster includes units at Jammu and Delhi

(7) Calculated on IP revenue; 6 core specialities (cardiac sciences, renal sciences, oncology, neurosciences, gastroenterology and orthopaedics) account for ~90% of IP revenue in Q1 FY18, excludes Jammu and clinics data

(8) Figures might not add up to 100% due to rounding off



(1) Excludes Managed Hospitals & Cayman facility

(2) Occupancy calculated on census beds

(3) Includes ~ 300 operational beds commissioned across our recently opened Delhi and Mumbai units

Region	Hospitals ⁽¹⁾	% of Hospital Operating Revenue ⁽²⁾	% of Hospital Operational Beds ⁽¹⁾	Operational Parameters ⁽²⁾	
		YoY Growth		ARPOB (INR mn)	Occupancy
Karnataka Region	7 ⁽³⁾	47% ↑ 15%	41%	8.6	61%
Eastern Region	9 ⁽³⁾	33% ↑ 8%	36%	7.1	69%
Western Region	5 ⁽³⁾	13% ↑ 8%	17%	7.4	54%
Northern Region	2	7% ↑ 288% ⁽⁴⁾	6%	10.5	45%

(1) Includes Managed hospitals and excludes Cayman facility

(2) Excludes Managed hospitals and Cayman facility

(3) Karnataka, Eastern and Western clusters include 1 managed hospital each

(4) Dharamshila unit was not there in Q1 FY17

- Karnataka cluster includes NICS, MSMC, units at Shimoga, Mysore, HSR, Whitefield and Bellary
- Eastern cluster includes RTIICS, RNN, NSC, Barasat, Guwahati, 2 units of MMRHI, Jamshedpur and Durgapur
- Western cluster includes units at Ahmedabad, Jaipur, Raipur, Palanpur and Mumbai
- Northern cluster includes units at Jammu and Delhi

Maturity ⁽¹⁾	Hospitals ⁽²⁾	% of Hospital Operating Revenue ^(3,6)	YoY Growth	% of Hospital Operational Beds ⁽²⁾	Key Performance Indicators ⁽³⁾		
					ARPOB (INR mn)	Occupancy ⁽⁵⁾	EBITDAR Margin ⁽⁴⁾
Over 5 years	8	68%	11%	53%	8.2	67%	23.9%
3 to 5 Years	6	16%	13%	18%	7.2	56%	8.6%
Less than 3 years	5	3%	90%	16%	7.9	42%	-42.9%
Acquired Operations	4	12%	62%	13%	7.8	52%	9.0%

(1) Maturity determined as on 31st March'17

(2) Includes Managed hospitals and excludes Cayman facility

(3) Excludes Managed hospitals and Cayman facility

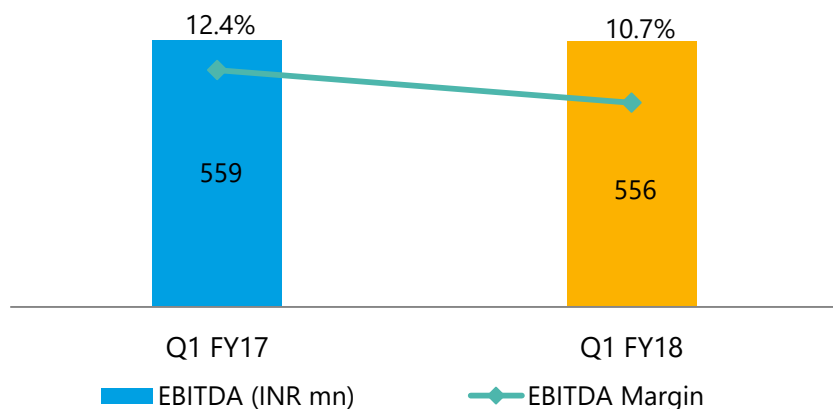
(4) EBITDA before rental/revenue share and before allocation of any corporate expenses

(5) Occupancy is calculated on Census beds

(6) Percentages in pie might not add up to 100% due to rounding off

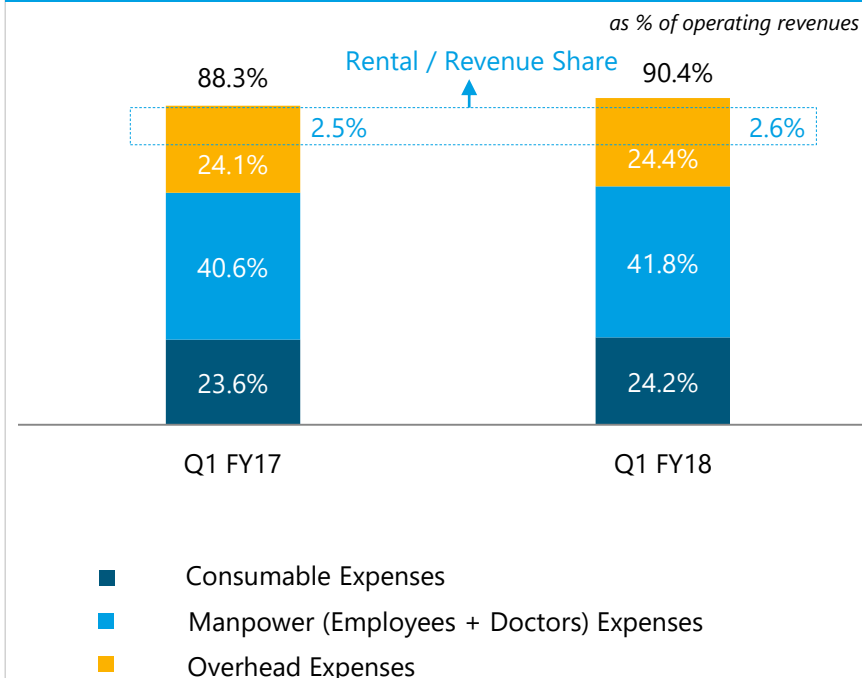
- Over 5 years include NICS,MSMC, RTIICS, units at Jaipur, Raipur, Jamshedpur and 2 other units at Kolkata viz. RTSC, RNN
 - 3-5 years include units at, Ahmedabad, Mysore, Shimoga, HSR, Whitefield and Guwahati
 - Less than 3 years include 3 managed hospitals and 2 units at Kakriyal and Mumbai
 - Acquired facilities include 2 units of MMRHL, Kolkata, units at Barasat (Kolkata) and Dharamshila

EBITDA and EBITDA Margin



- Heart Centres clocked an EBITDAR margin of 7.9%⁽¹⁾ in Q1 FY18
- Hospital at Cayman Islands achieved operating revenue of USD 9.7 mn and EBITDA of USD 0.7 mn in Q1 FY18

Cost Structure⁽²⁾



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

(2) 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

Profit and Loss Statement⁽¹⁾

Particulars (INR mn)	Q1 FY18	Q1 FY17
Total Operating Revenue	5,211	4,520
Purchase of Medical Consumables, Drugs and Surgical Equipment	1,261	1,067
Employee (Excluding Doctors) Expenses	999	828
Doctors Expenses	1,178	1,007
Other Admin Expenses	1,269	1,089
Total Expenses	4,707	3,991
Other Income	52	31
EBITDA	556	559
Depreciation and Amortization	218	190
Finance Costs	103	55
Profit before share of loss of equity accounted investees and income tax	235	315
Share of loss of equity accounted investees (Share in loss of associates and MI)	25	24
Profit before Tax	210	291
Tax Expense	100	118
PAT after MI and share of associate	109	172
Total Comprehensive Income, net of tax	111	182

Key Balance Sheet Items⁽¹⁾

Particulars (INR mn)	30 th June 2017
Shareholder Equity	9,759
Total Debt	3,197
Long-Term Debt	2,767
Short-Term Debt	430
Net Block	11,632⁽²⁾
Goodwill	581
Non-Current Investment	925
Net Receivables	1,760
Cash and Cash Equivalents	357

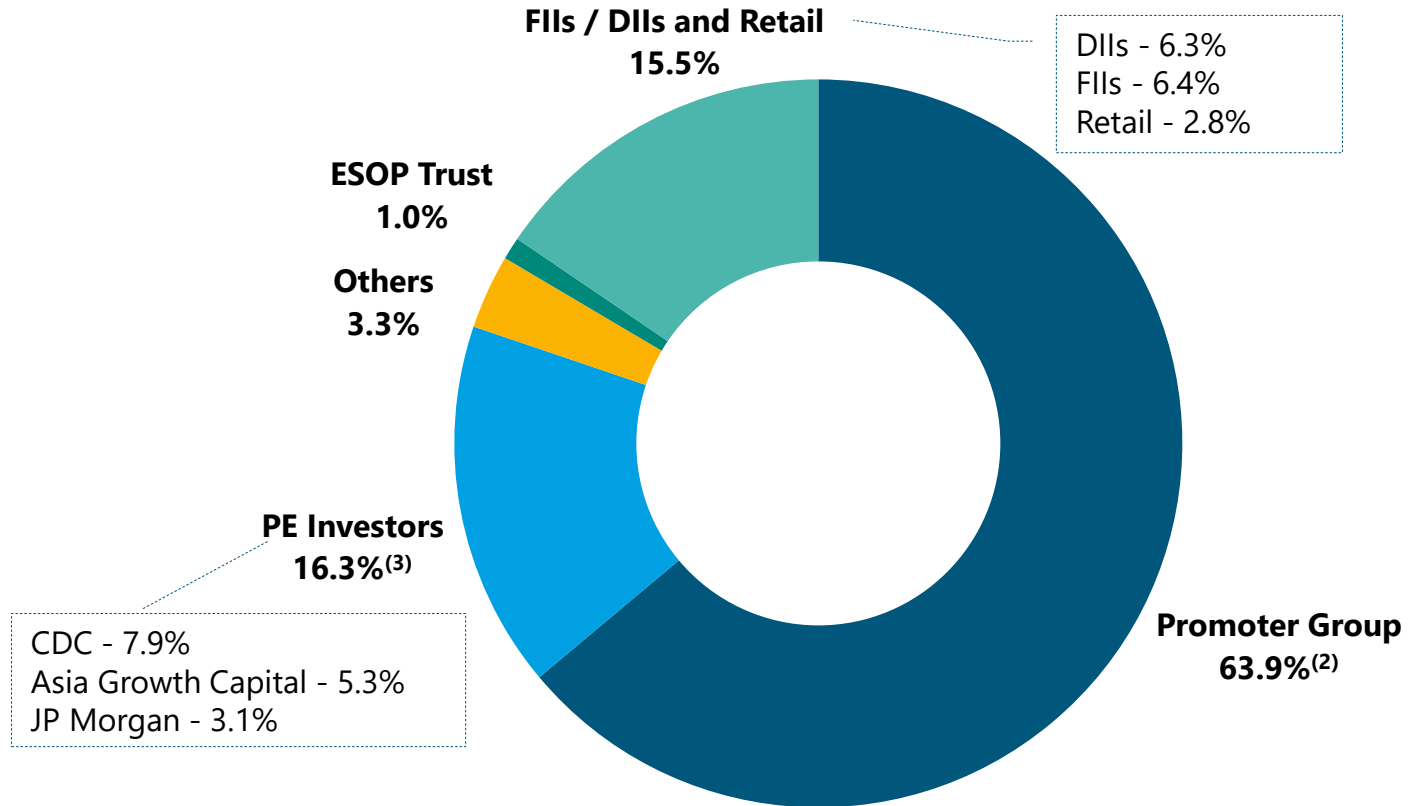
As on 30th June 2017, the consolidated net debt was INR 2,839 mn, representing a net debt to equity ratio of 0.29

(1) Figures might not equal the reported numbers due to rounding off

(2) Net Block includes non-cash government grant provision of Rs 1,448 mn and non-cash lease provision of Rs 519 mn

Total Number of Shares
204,360,804

Shareholding as on 30th June 2017⁽¹⁾



⁽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