



 **NH** Narayana Health



Investor Presentation

August 2021

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As on 30th June 2021



| 46 Healthcare Facilities | Operational beds |
|---|------------------|
| 20 Owned / Operated Hospitals ⁽¹⁾ | 5,442 Beds |
| 1 Managed Hospital ⁽²⁾ | 112 Beds |
| 5 Heart Centres ⁽³⁾ | 318 Beds |
| 19 Primary Healthcare Facilities ⁽⁴⁾ | 10 Beds |
| 1 Hospital in Cayman Islands | 110 Beds |



| |
|--|
| 6,725 Capacity Beds |
| 5,992 ⁽⁵⁾ Operational Beds |
| 3.2 mn ⁽⁶⁾ Average Effective Capital Cost per Operational Bed |

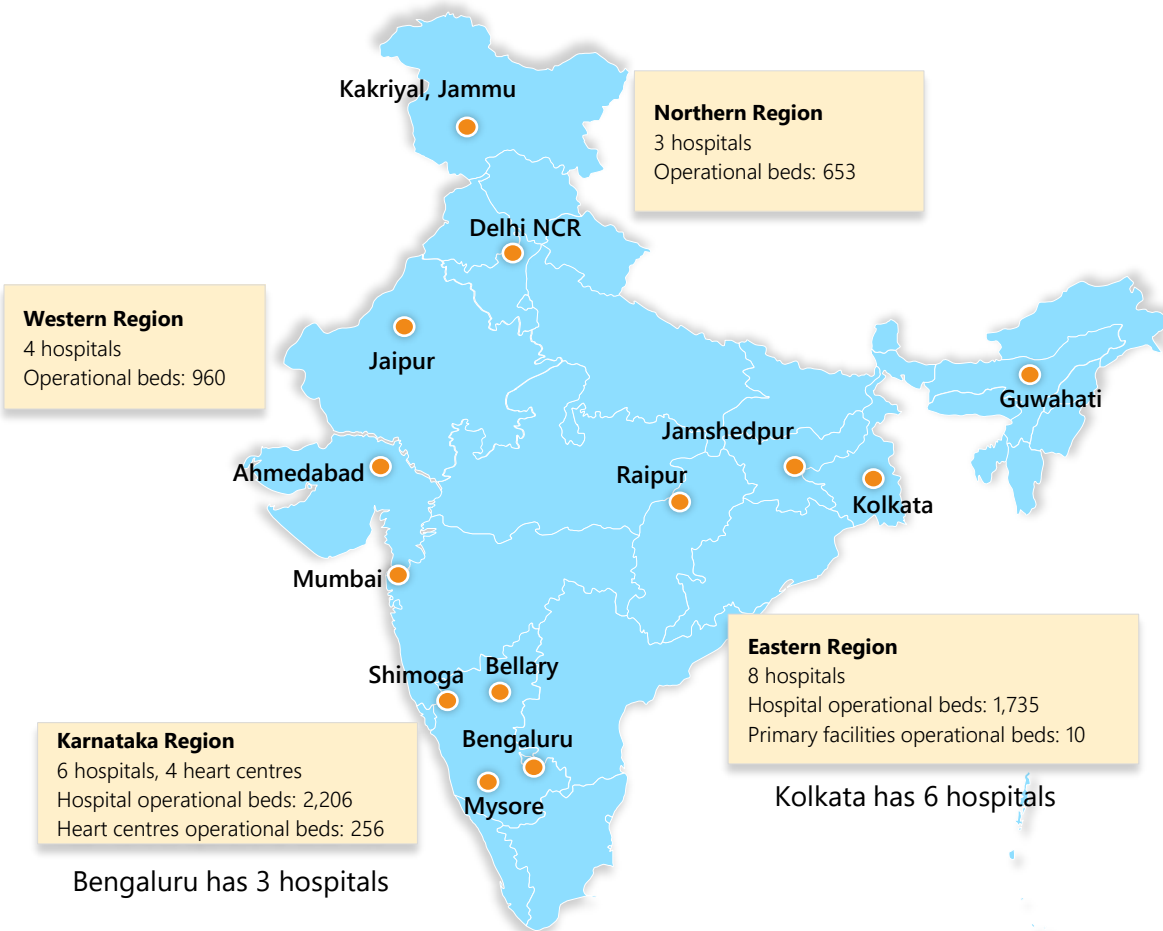


30+ Specialities



17,003 Full-time Employees and Associates including 3,589 doctors

NH's footprint in India



(1) NH owns the P&L responsibility

(2) NH manages 3rd party hospital for Management Fees

(3) Including 1 heart centre in Chittagong, Bangladesh

(4) Includes clinics, information centres, etc

(5) In FY21, exited operations at CNH Heart Centre (39 operational beds) wef 1st April 2020 and St Marthas (27 operational beds) in December 2020

(6) Based on (Gross Block for Fixed Assets (adjusted for non-cash government grant provision, non-cash financial lease for Dharamshila unit) + Capital Work in Progress (CWIP)) / Number of operational beds as of June 30th 2021 but excluding Managed Hospitals and Cayman facility



Clinical & Operational

- NH SRCC, Mumbai successfully performed its first pre-natal intervention for Twin-to-Twin Transfusion Syndrome (TTTS)
- Mazumdar Shaw Medical Centre, Bengaluru continues to build on its eminence in solid organ transplants and other complex procedures and performed 12 renal transplants, 5 liver transplants and 20 robotic surgeries in the first quarter of the fiscal
- Narayana Multispeciality Hospital, Mysore performed Cytoreductive Surgery + Hyperthermic Intraperitoneal Chemotherapy (CRS+HIPEC) for advanced ovarian cancer, it is the first hospital in the region to perform such a procedure
- Narayana Superspeciality Hospital, Howrah performed the region's first adult heart transplant (previous two heart transplants were done on paediatric patients)
- In the first reported case in India, Narayana Multispeciality Hospital, Ahmedabad performed a rare procedure, Melody in Mitral position on a 2-year-old child suffering from severe mitral regurgitation with single papillary muscle



Financial Performance

- Consolidated operating revenues of INR 8,598 mn in Q1 FY22, an increase of 118.5% YoY
- Consolidated EBITDA of INR 1,404⁽¹⁾ mn in Q1 FY22 translating into EBITDA margin of 16.3% and consolidated PAT of INR 762⁽²⁾ mn at a PAT margin of 8.9%
- Consolidated Total Borrowings less Cash and Bank Balance of INR 4,280 mn as on 30th June 2021, reflecting net debt to equity ratio of 0.36 (Out of which, debt worth US\$ 37.3 mn is foreign currency denominated)

(1) As per the new accounting treatment for leases per IND AS 116 effective 1st April 2019 which resulted in INR 138 mn increase in EBITDA for Q1 FY22

(2) As per the new accounting treatment for leases per IND AS 116 effective 1st April 2019 which resulted in INR 4 mn decrease in PAT for Q1 FY22



Digital Initiatives

- Implemented chat functionality during video consultation and instant refunds to improve patient experience
- Enabled IVR based family communication feature in AADI (Aathma Application for Doctor Insights) Doctor's application to ensure timely communication with patients' families
- Implemented Neuro Imaging Stroke Artificial Intelligence (AI) Platform for Health City Cayman Islands
- Implemented visual item detection of medicines in our consumables pilot program with an aim to reduce errors and improve efficiency
- Implemented patient analytics dashboards for the patient service excellence group to analyze and improve upon waiting periods across consultation, lab and radiology departments
- Implemented AI based chest X-ray anomaly detection pilot program on AADI Doctor's App

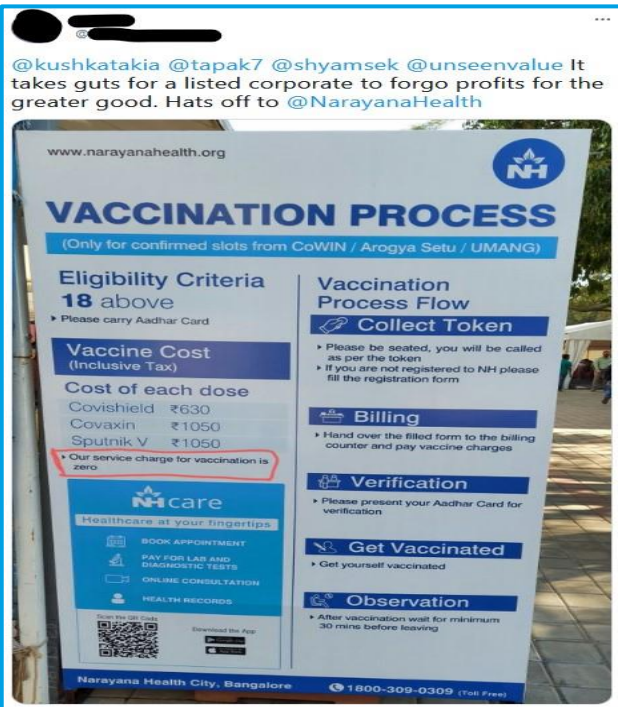


ESG Initiatives

- Achieved energy savings worth INR 9.0 mn at Health City, Bengaluru through captive alternate energy sourcing channels
- Achieved energy savings worth INR 3.2 mn through upgradation of equipment at Health City , RTIICS, Dharamshila and Ahmedabad facilities
- Conducted thermography, electrical safety and energy audit at Health City, Bengaluru

Dr Shetty does not believe that we should make a profit out of vaccinating the nation against COVID-19. As part of our mission to make healthcare accessible to all, our hospitals administer vaccines at the cost of procurement. We have also partnered with several NGOs and global corporates to sponsor free vaccines for the underprivileged.

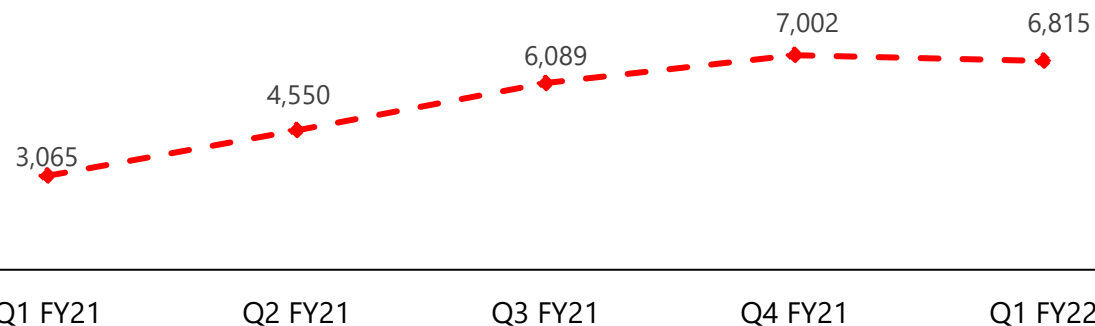
| | | | |
|------------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| Total Vaccines Administered | Total Vaccine Revenues | Vaccine Consumption Cost | Free Vaccines Administered |
| 478,880 | INR 214 mn | INR 179 mn | 12,660⁽¹⁾ |



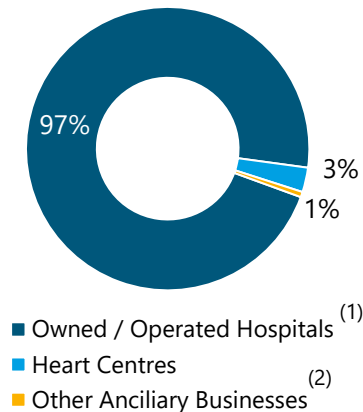
(1) Free vaccination program commenced in mid-May, 2021

Operating Revenues

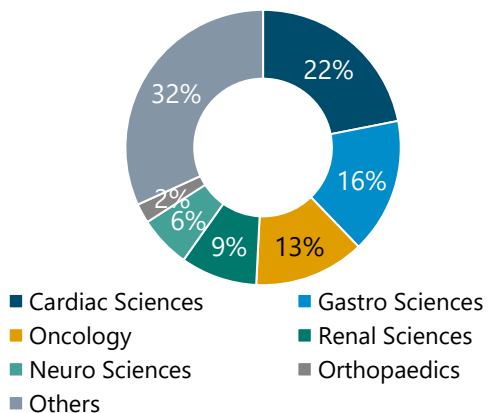
INR mn



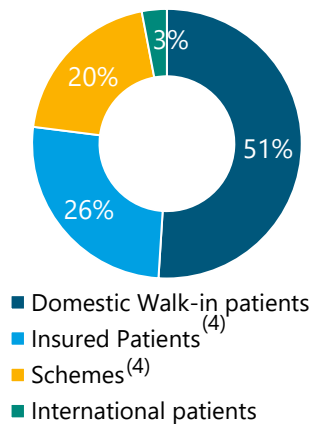
Business Mix⁽⁶⁾



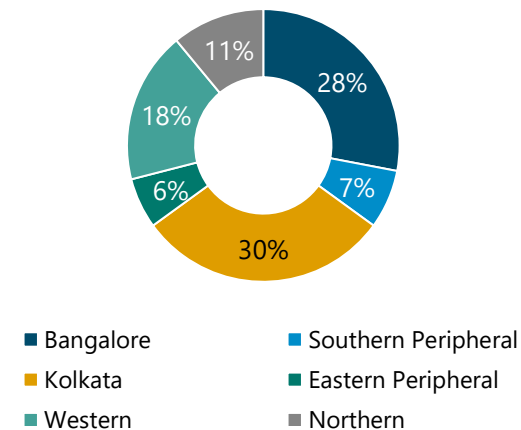
Speciality-Profile⁽³⁾



Payee-Profile⁽³⁾



Cluster-Wise⁽⁵⁾



(1) NH owns the P&L responsibility

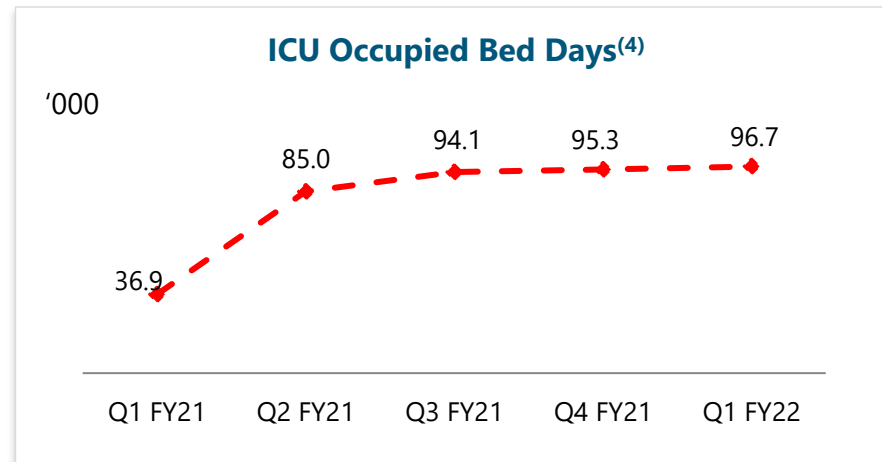
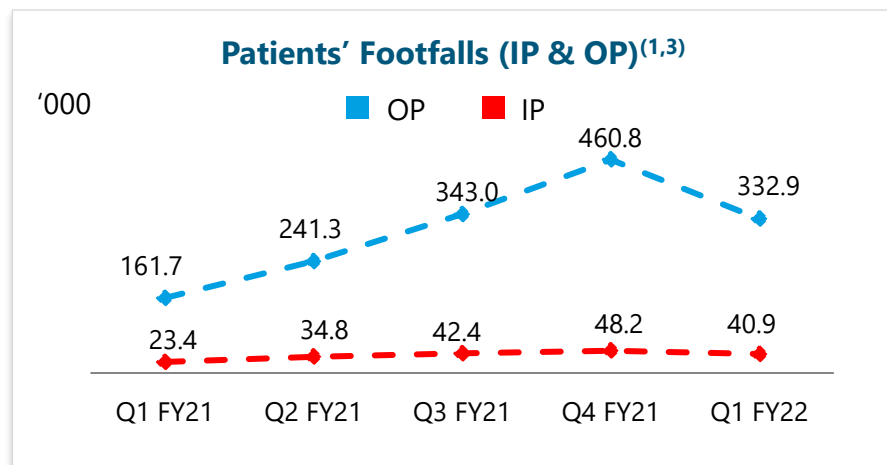
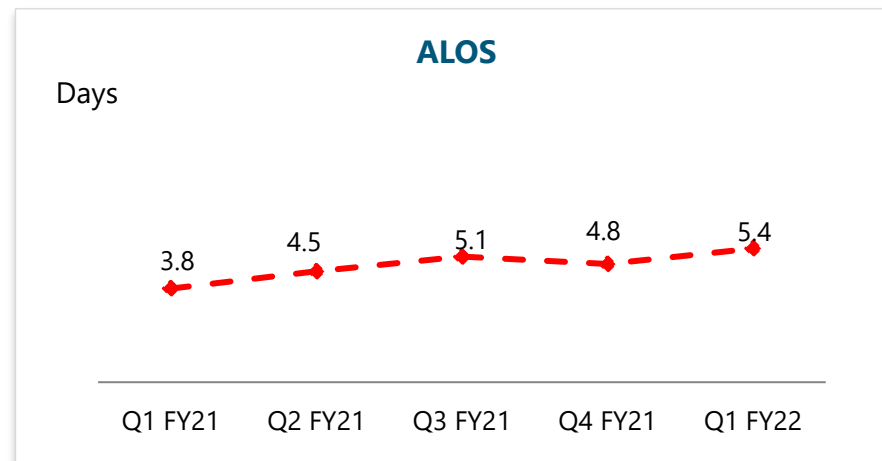
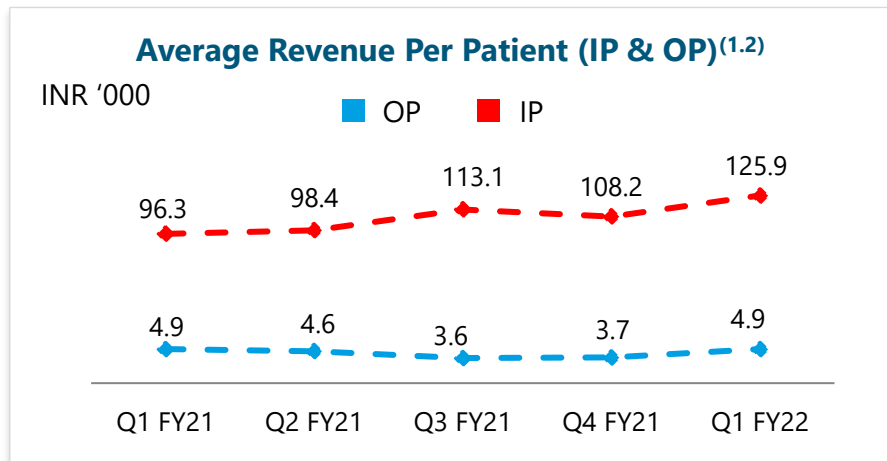
(2) Includes managed hospital, clinics, learning and development, teleradiology, etc

(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) Percentages might not add upto 100% due to rounding off

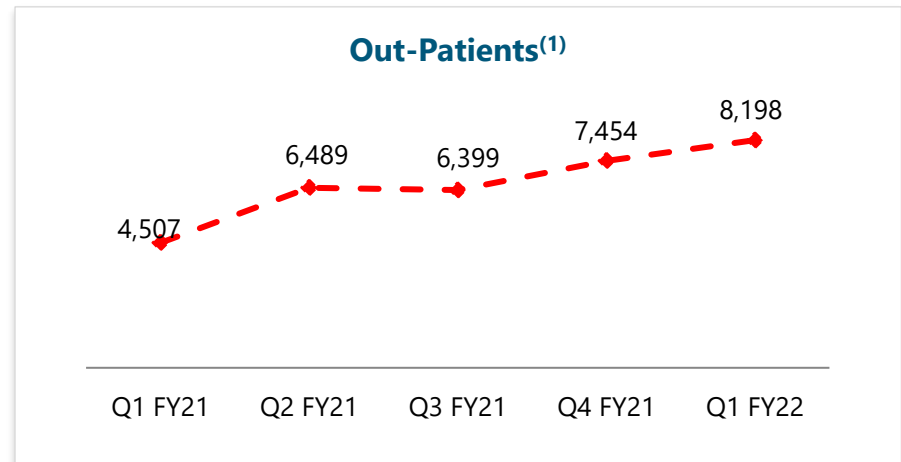
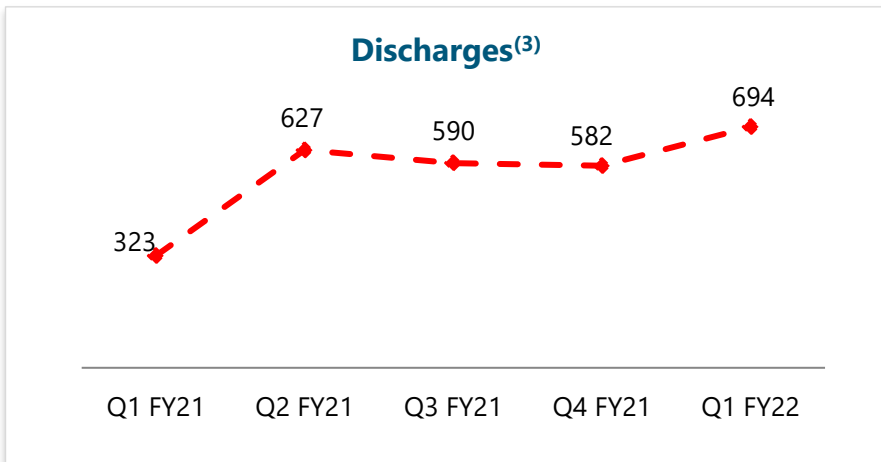
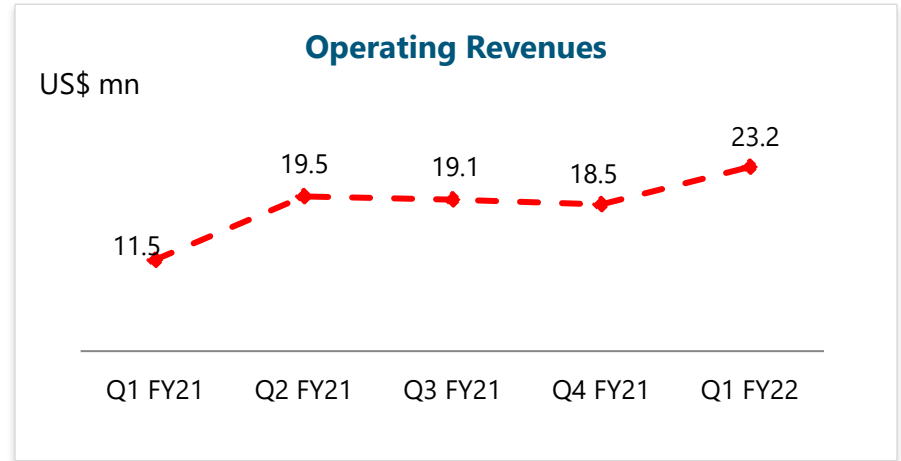
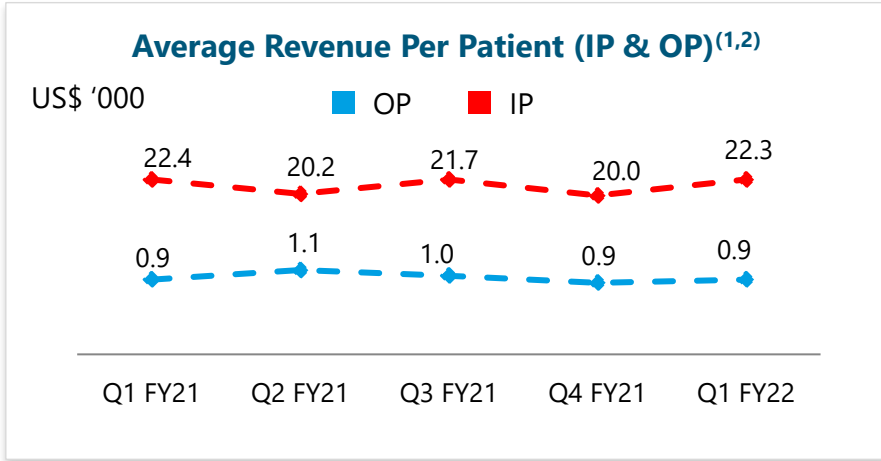


(1) OP figures include day-care business but does not include Vaccine footfalls (Double line graphs are not to scale)

(2) ARPOB for the period Q1 FY21 was INR 10.5 mn and INR 11.2 mn for Q1 FY22

(3) Footfalls for IP correspond to Discharges

(4) Includes critical care and step-down care beds



(1) OP figures include day-care business (Double line graph is not to scale)
 (2) ARPOB for the period Q1 FY21 was USD 1.6 mn and USD 1.9 mn for Q1 FY22
 (3) ALOS for the period Q1 FY21 was 8.0 days and 6.6 days for Q1 FY22

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

| Regions | Bangalore | Southern Peripheral | Kolkata | Eastern Peripheral | Western | Delhi NCR |
|----------------------------------|---|---|--|--|---|---|
| | <ul style="list-style-type: none"> NICS MSMC HSR | <ul style="list-style-type: none"> Mysore Shimoga | <ul style="list-style-type: none"> RTIICS Barasat NMH & NSH RNN NSC | <ul style="list-style-type: none"> Jamshedpur Guwahati | <ul style="list-style-type: none"> Mumbai Ahmedabad Jaipur Raipur | <ul style="list-style-type: none"> Gurugram New Delhi |
| % of Hospital Operating Revenues | 28% | 7% | 30% | 6% | 18% | 11% |
| YoY Revenue Growth | 130% | 50% | 203% | 67% | 118% | 136% |
| % of Hospital Operational Beds | 30% | 10% | 26% | 8% | 18% | 9% |
| ARPOB (INR mn) | 12.6 | 8.9 | 10.6 | 8.5 | 11.0 | 14.9 |
| EBITDAR Margin | 9.7% | 22.8% | 18.6% | 16.2% | 8.0% | 5.8% |

This considers owned/operated hospitals in India (excl. Jammu)⁽¹⁾

| Maturity | Hospitals (Exc. Managed Hospital & Jammu) | Hospital Operating Revenues | | % of Hospital Operational Beds | Key Performance Indicators | | |
|----------|---|-----------------------------|------------|--------------------------------|----------------------------|---------------------------|-------------------------------|
| | | % of Total | YoY Growth | | ARPOB (INR mn) | Discharges ⁽²⁾ | EBITDAR Margin ⁽³⁾ |
| Existing | 16 | 86% | 129% | 89% | 10.8 | 32,654 | 15.1% |
| New | 3 | 14% | 143% | 11% | 14.3 | 3,791 | -0.5% |

New: Mumbai, Delhi and Gurugram units

(1) Jammu facility reported operational revenues of INR 277 mn

(2) ALOS of matured set is 5.6 days and new units is 6.0 days

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

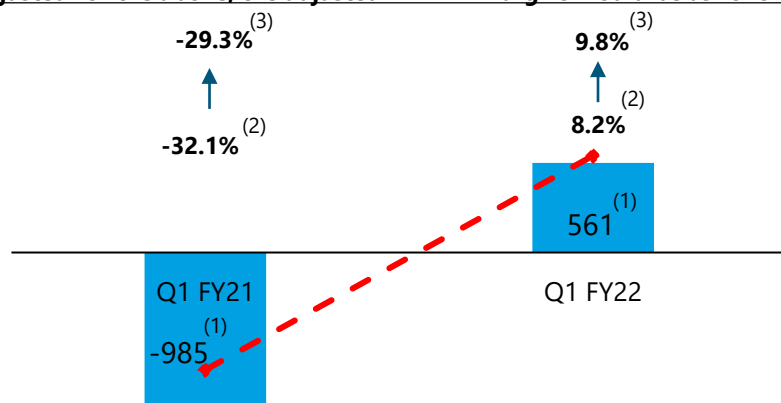
EBITDA and EBITDA Margin

INR mn

Movement across New Hospitals

| Q1 FY21 | | | Q1 FY22 | | |
|---------|-------------|----------|---------|-------------|----------|
| | Loss/Profit | Revenues | | Loss/Profit | Revenues |
| Total | (193) | 364 | Total | (17) | 886 |

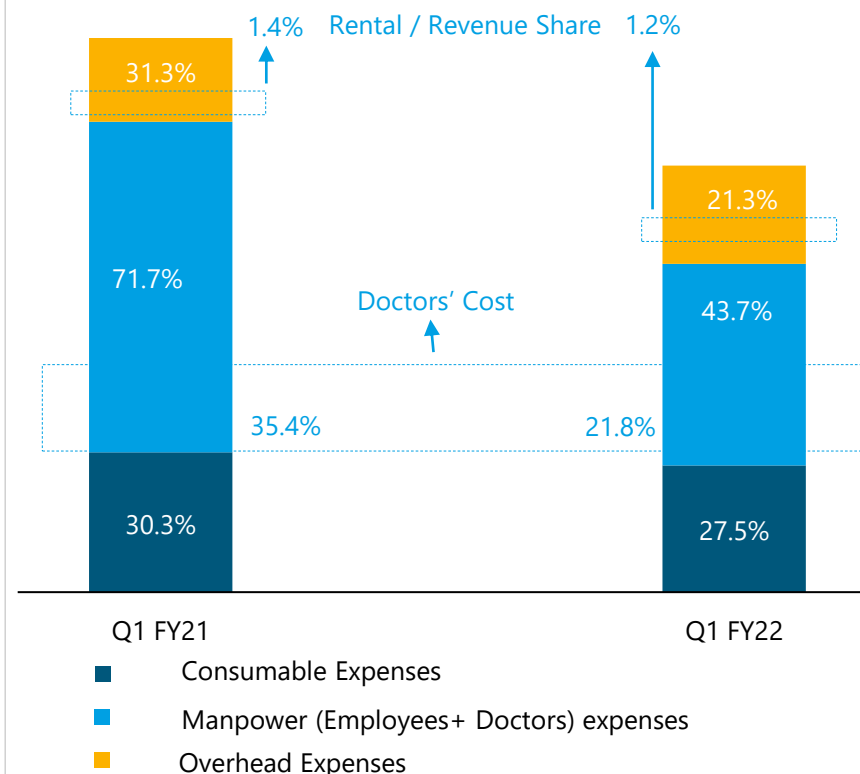
Adjusted for the above, the adjusted EBITDA margins would be as follows



- Heart Centres clocked an EBITDAR margin of 12.5%⁽⁴⁾ in Q1 FY22

Cost Structure

% of Operating Revenues



(1) Denotes EBITDA for India business

(2) Denotes EBITDA margin for India business

(3) Denotes EBITDA margin for India business adjusted for new centres

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

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

Figures in INR mn, unless stated otherwise

Profit and Loss Statement^(1,3)

| Particulars (INR mn) | Q1 FY21 | Q1 FY22 |
|--|----------------------------|----------------------------|
| Total Operating Revenue | 3,935 | 8,598 |
| Consumption | 1,105 | 2,154 |
| Doctors Expenses | 1,165 | 1,708 |
| Employee (Excluding Doctors) Expenses | 1,396 | 1,690 |
| Other Admin Expenses | 1,179 | 1,709 |
| Total Expenses | 4,845 | 7,261 |
| Other Income | 47 | 67 |
| EBITDA | (863)⁽⁴⁾ | 1,404⁽⁴⁾ |
| Depreciation and Amortization | 464 | 447 |
| Finance Costs | 197 | 171 |
| Share of (loss)/profit of equity accounted investees | (10) | (14) |
| PBT | (1,534) | 771 |
| Tax Expense | (337) | 9 |
| PAT | (1,198) | 762 |
| Total Comprehensive Income | (1,199) | 795 |

Key Balance Sheet Items⁽¹⁾

| Particulars | 30 th June 2021 |
|------------------------------|-----------------------------|
| Shareholder Equity | 11,998 |
| Total Borrowings | 5,812 |
| Lease Liability | 2,014 |
| Net Block + CWIP | 16,611⁽²⁾ |
| Goodwill | 581 |
| Right to Use Assets | 1,931 |
| Net Receivables | 3,177 |
| Current Investment | 1,527 |
| Cash and Bank Balance | 1,532 |

As on June 30th, 2021, Total Borrowings less Cash and Bank Balance was Rs 4,280 mn, representing a net debt to equity ratio of 0.36 (Out of which, debt worth US\$ 37.3 mn is foreign currency denominated)

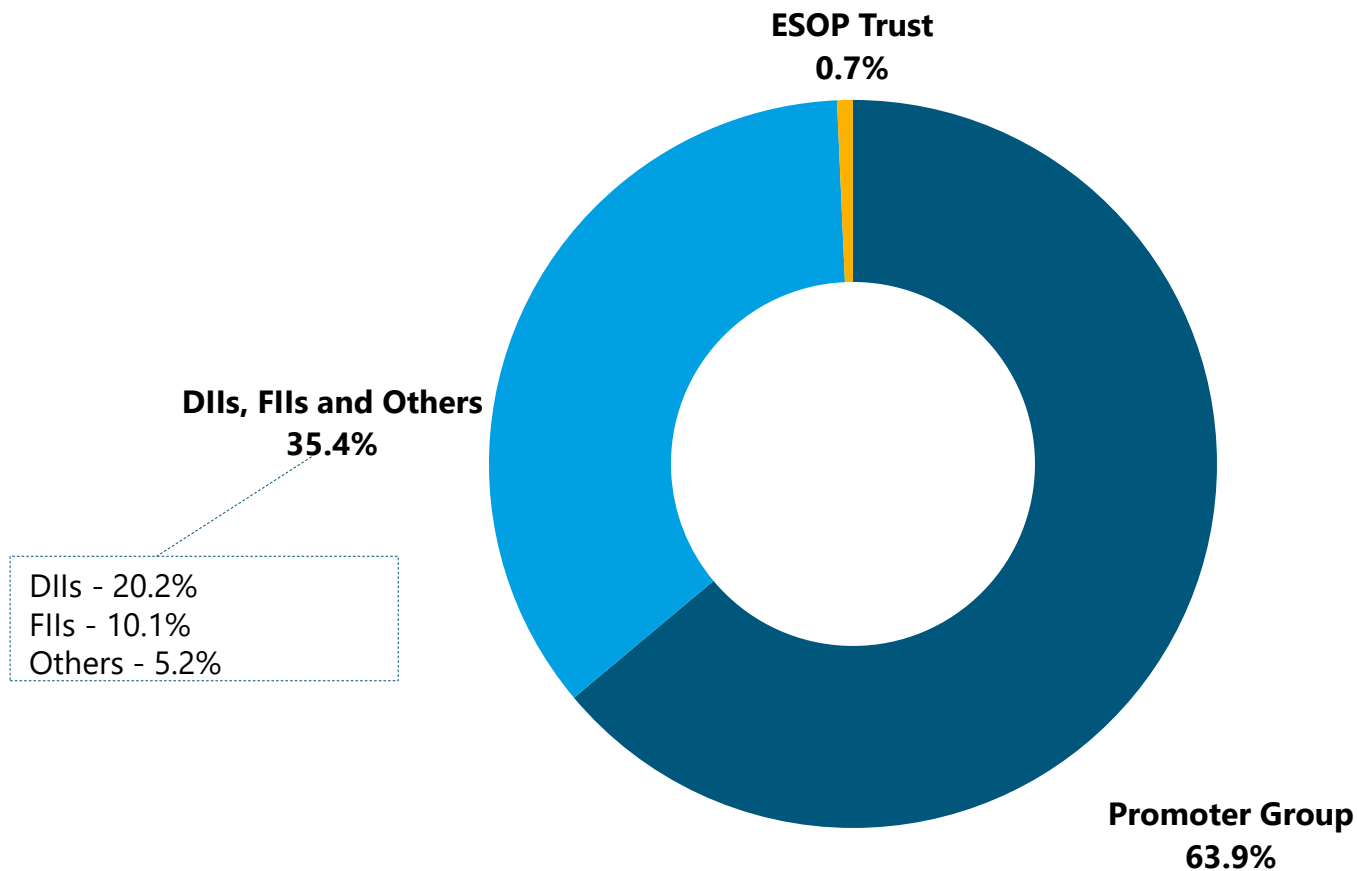
(1) Figures might not equal the reported numbers due to rounding off

(2) Net Block includes non-cash government grant impact of INR 1,221 mn and non-cash financial lease impact of INR 891 mn

(3) As per the new accounting treatment for leases per IND AS 116 effective 1st April 2019 which resulted in INR 102 mn increase in depreciation, INR 41 mn increase in finance cost resulting in decrease of INR 4 mn in PAT for Q1 FY 22 on a like-to-like basis (pre-IND AS 116)

(4) Heart centre at Chittagong incurred an operational loss of INR 12 mn, Hospital Management project in St. Lucia generated an operational profit of INR 46 mn and Software Development project in North America generated an operational profit of INR 1 mn in Q1 FY22 while Chittagong heart centre incurred loss of INR 5 mn while St.Lucia and North America project had not commenced in Q1 FY21

As on 30th June 2021⁽¹⁾



Total Number of Shares

204,360,804

Key DIIs

SBI Asset Management

Axis Asset Management

Nippon Life India Asset Management

UTI Asset Management

DSP Investment Management

Key FIs

Wellington Asset Management

Kuwait Investment Authority

Vanguard Index Fund

Mirae Asset Management

Franklin Templeton Asset Management

(1) Percentages might not add up to 100% due to rounding off