



 NH Narayana Health



Investor Presentation

November 2022

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As on 1st October 2022



44 Healthcare Facilities	Operational beds
19 Owned / Operated Hospitals ⁽¹⁾	5,489 Beds
2 Managed Hospitals ⁽²⁾	283 Beds
4 Heart Centres	263 Beds
18 Primary Healthcare Facilities ⁽³⁾	0 Beds
1 Hospital in Cayman Islands	110 Beds



6,490 Capacity Beds
6,145 Operational Beds
3.9 mn ⁽⁴⁾ Average Effective Capital Cost per Operational Bed

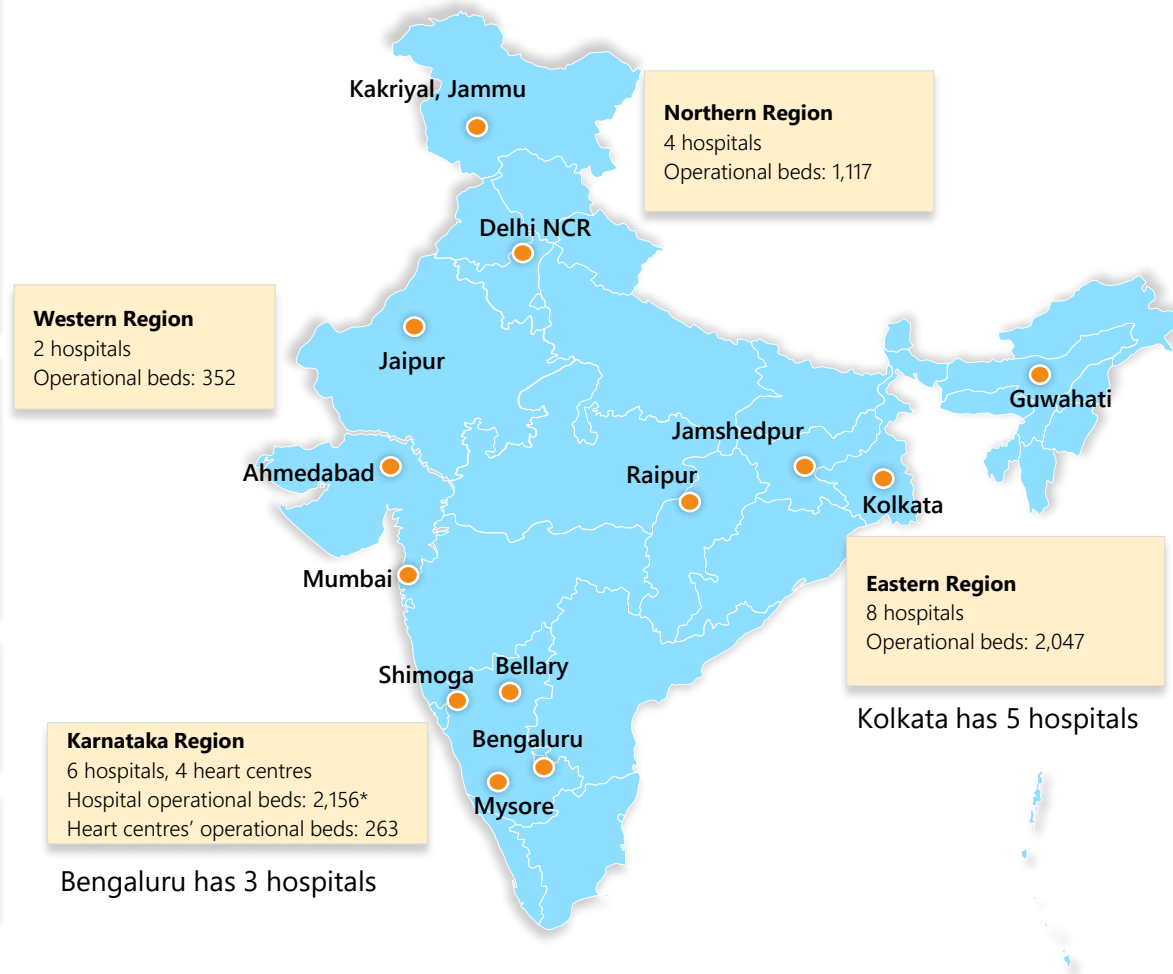


30+ Specialities



17,921 Full-time Employees and Associates including 3,833 doctors

NH's footprint in India



(1) NH owns the P&L responsibility

(2) NH manages 3rd party hospitals for Management Fees; including 1 project at St. Lucia

(3) Includes clinics, information centres, etc

(4) Based on (Gross Block for Fixed Assets (adjusted for non-cash government grant provision impact, non-cash financial lease impact for Dharamshila unit, non-cash EPCG license impact) + Capital Work in Progress (CWIP)) / Number of operational beds as of September 30th 2022 but excluding Managed Hospitals and Cayman facility

* Includes operational beds of acquired Orthopedic and Trauma Hospital considered as part of MSMC Unit



Clinical & Operational

- Meridian Medical Research and Hospital Limited (MMRHL), Kolkata commissioned a new Linear accelerator (Varian True Beam) to further fortify its radiation oncology work
- Group continued to witness strong momentum in high-end cardiac sciences work in congenital & adult segments, solid organ transplants, bone marrow transplants (BMT) and robotic procedures across network hospitals
 - Narayana Institute of Cardiac Sciences (NICS), Bengaluru performed 757 cardiac surgical procedures and 1,864 cathlab procedures in September 2022, the highest ever volumes achieved in a month; the unit also performed 28 nos of the complex Transcatheter aortic valve implantation (TAVI) procedures during the period
 - Mazumdar Shaw Medical Centre (MSMC), Bengaluru performed 74 Robotic procedures, conducted 48 BMT and 4 liver transplants
 - SRCC Children’s Hospital, Mumbai successfully reached the milestone of 100 BMT procedures during the quarter



Financial Performance

- Consolidated operating revenues of INR 11,416 mn in Q2 FY23, an increase of 21.4% YoY and 10.5% QoQ
- Consolidated EBITDA of INR 2,749⁽¹⁾ mn in Q2 FY23 translating into EBITDA margin of 24.1% and consolidated PAT of INR 1,689⁽²⁾ mn at a PAT margin of 14.8%
- Consolidated Total Borrowings less Cash & Bank Balance and Current Investments of INR 2,677 mn as on 30th September, 2022 ie net debt to equity ratio of 0.14 (Out of which, debt worth US\$ 26 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 146 mn increase in EBITDA for Q2 FY23 and INR 290 mn increase in H1 FY23

(2) As per the new accounting treatment for leases per IND AS 116 effective 1st April 2019 which resulted in INR 6 mn increase in PAT for Q2 FY23 and INR 8 mn increase in H1 FY23



Digital Initiatives

- Implemented in-house Lab Information System (LIS) in 18 healthcare facilities across eastern and southern regions to improve labs' TAT in result certification and equipment interface
- Implemented drug refill management, pre-consultation assessment and integrated discharge medication orders to enhance overall experience across outpatient pharmacy
- Launched module in our in-house ATHMA HIS to provide real-time granular visualisation of operational KPIs and also started a community platform in our HIS to improve communication and collaboration with HIS end users and product team

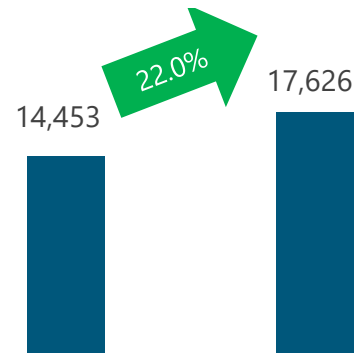
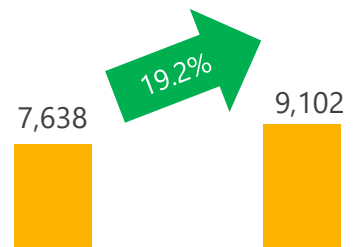


ESG Initiatives

- Achieved a net carbon reduction equivalent of 5,120 tonne through various energy optimization activities like using alternate energy, upgrade/replacement of equipment etc adopted across the network
- Achieved energy savings worth INR 11.5 mn across our units at Health City, Bengaluru and at Mysore through captive alternate energy sourcing channels and worth INR 6.2 mn through upgradation of equipment across Health City at Bengaluru, RTIICS at Kolkata, Dharamshila at Delhi and at Ahmedabad
- Conducted thermography, electrical safety and energy audit across 10 units of the group along with fire safety audits across 7 facilities

Operating Revenues

INR mn



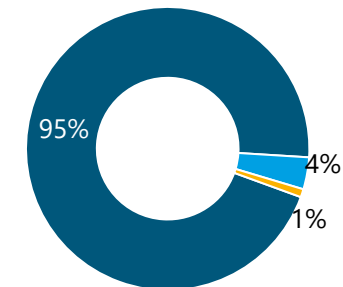
Q2 FY22

Q2 FY23

H1 FY22

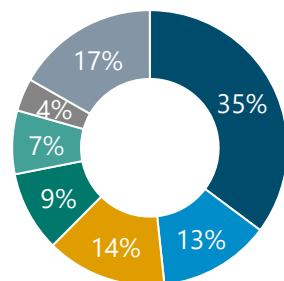
H1 FY23

Business Mix⁽⁶⁾



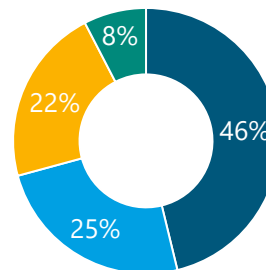
- Owned / Operated Hospitals⁽¹⁾
- Heart Centres
- Other Ancillary Businesses⁽²⁾

Speciality-Profile^(3,6)



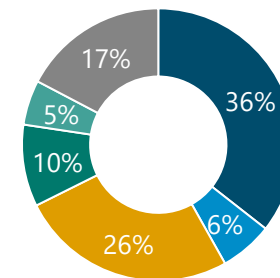
- Cardiac Sciences
- Gastro Sciences
- Oncology
- Renal Sciences
- Neuro Sciences
- Orthopaedics
- Others

Payee-Profile^(3,6)



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

Cluster-Wise^(5,6)



- Bangalore
- Southern Peripheral
- Kolkata
- Eastern Peripheral
- Western
- Northern

(1) NH owns the P&L responsibility

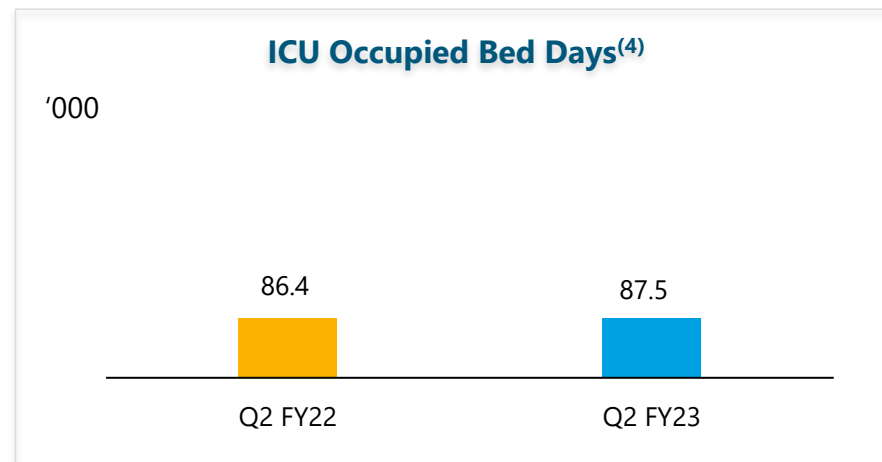
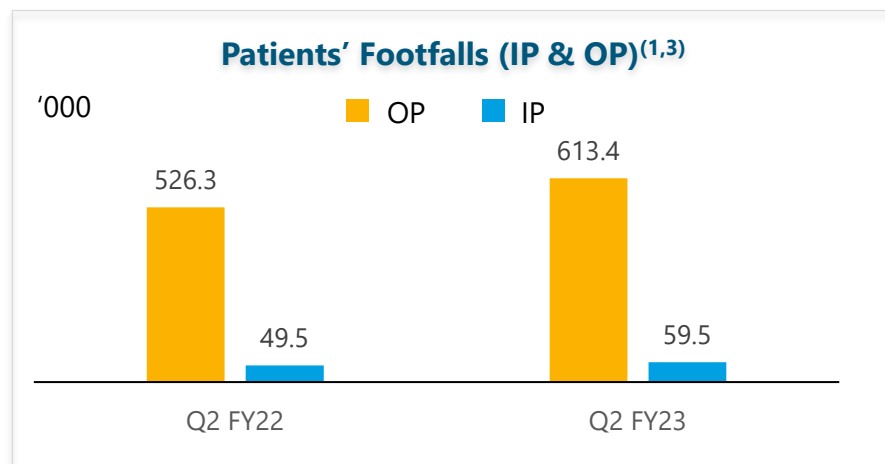
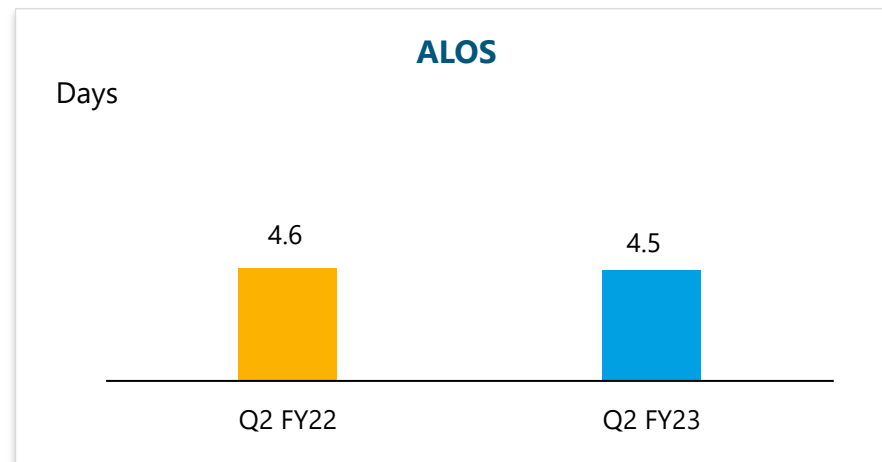
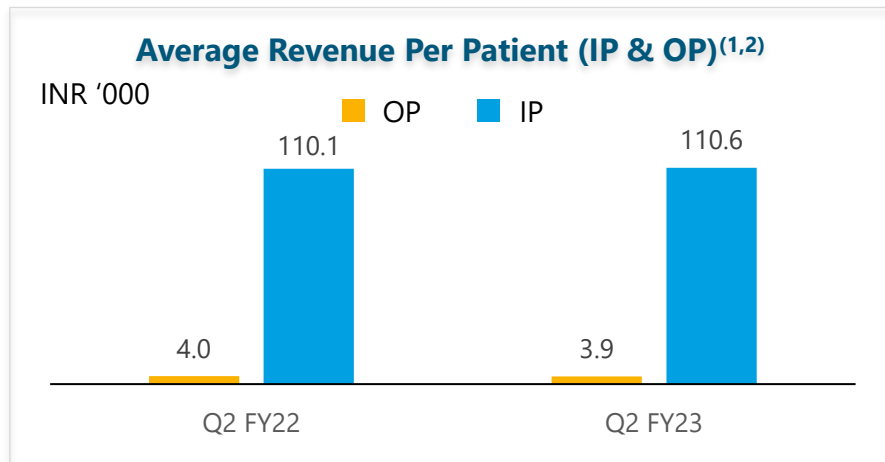
(2) Includes managed hospital, clinics, learning and development, teleradiology, etc

(3) As percentage of IP and OP revenue, excludes Jammu VGF, clinics, other ancillary business

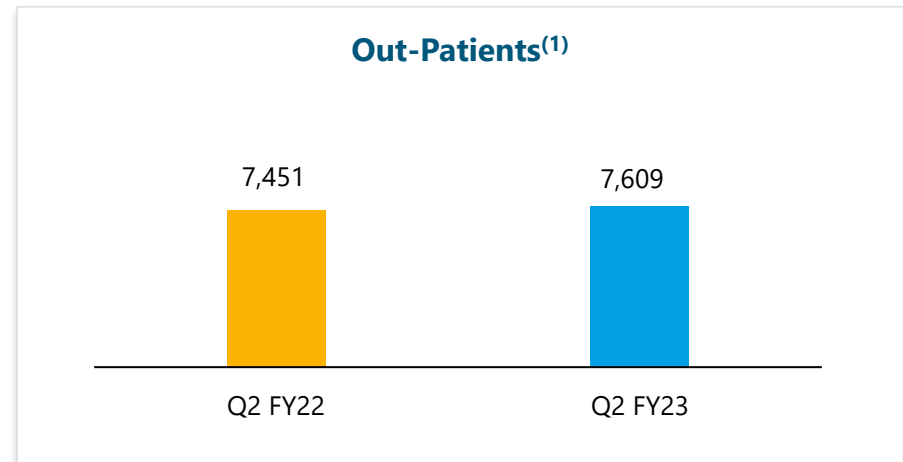
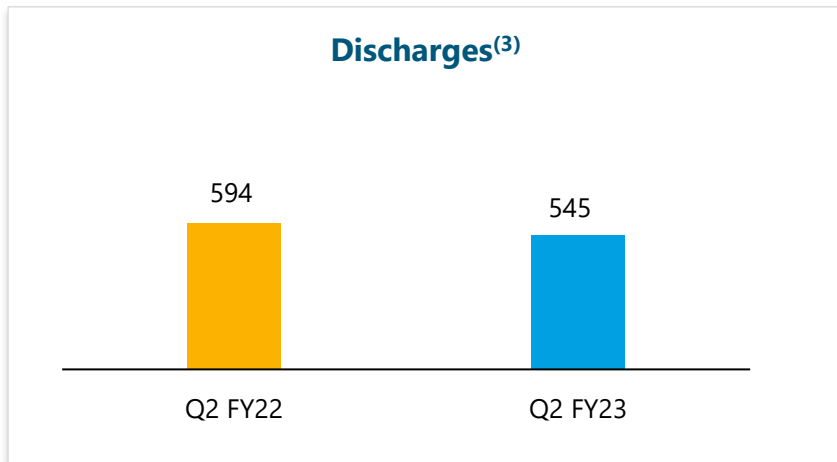
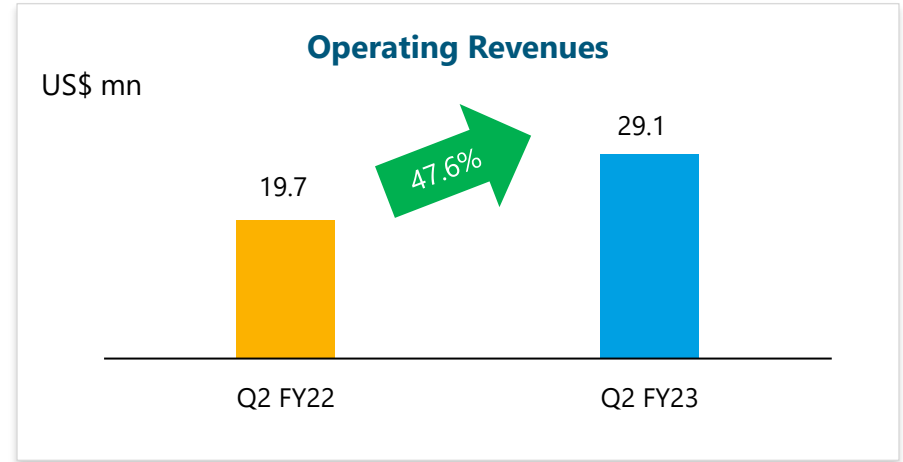
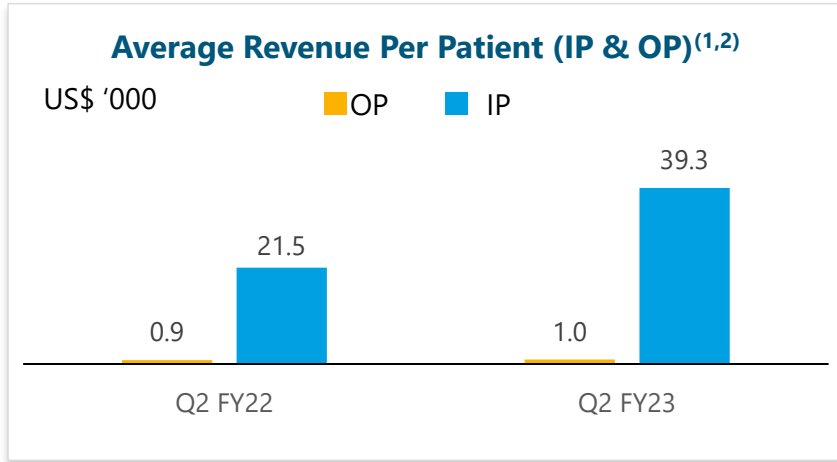
(4) Insured Patients include Insurance-covered patients, corporate patients (including public sector undertakings); Schemes include CGHS, ESIS, other state government schemes

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

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



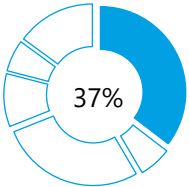
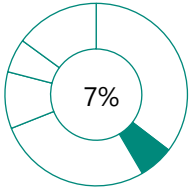
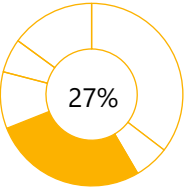
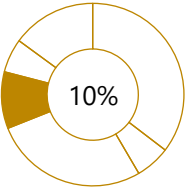
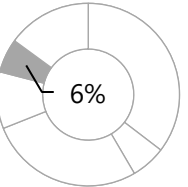
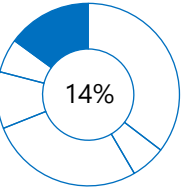
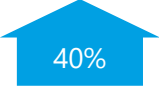


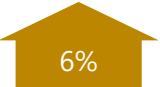
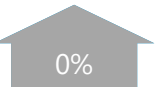
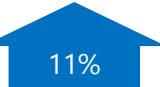
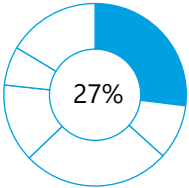
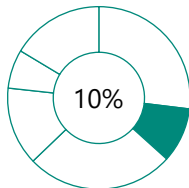
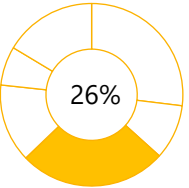
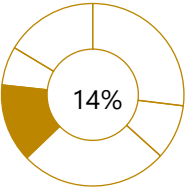
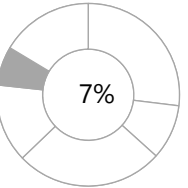
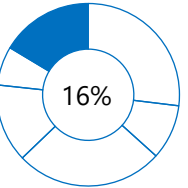
(1) OP figures include day-care business but does not include Vaccine footfalls
 (2) ARPOB for the period Q2 FY23 was INR 12.3 mn as against INR 12.2 mn in Q2 FY 22.
 (3) Footfalls for IP correspond to Discharges
 (4) Includes critical care and step-down care beds



(1) OP figures include day-care business

(2) ARPOB for the period Q2 FY 23 was USD 2.1 mn as compared to USD 1.9 mn in Q2 FY 22.

(3) ALOS for the period Q2 FY23 was 9.1 days as compared to 6.6 days in Q2 FY22.

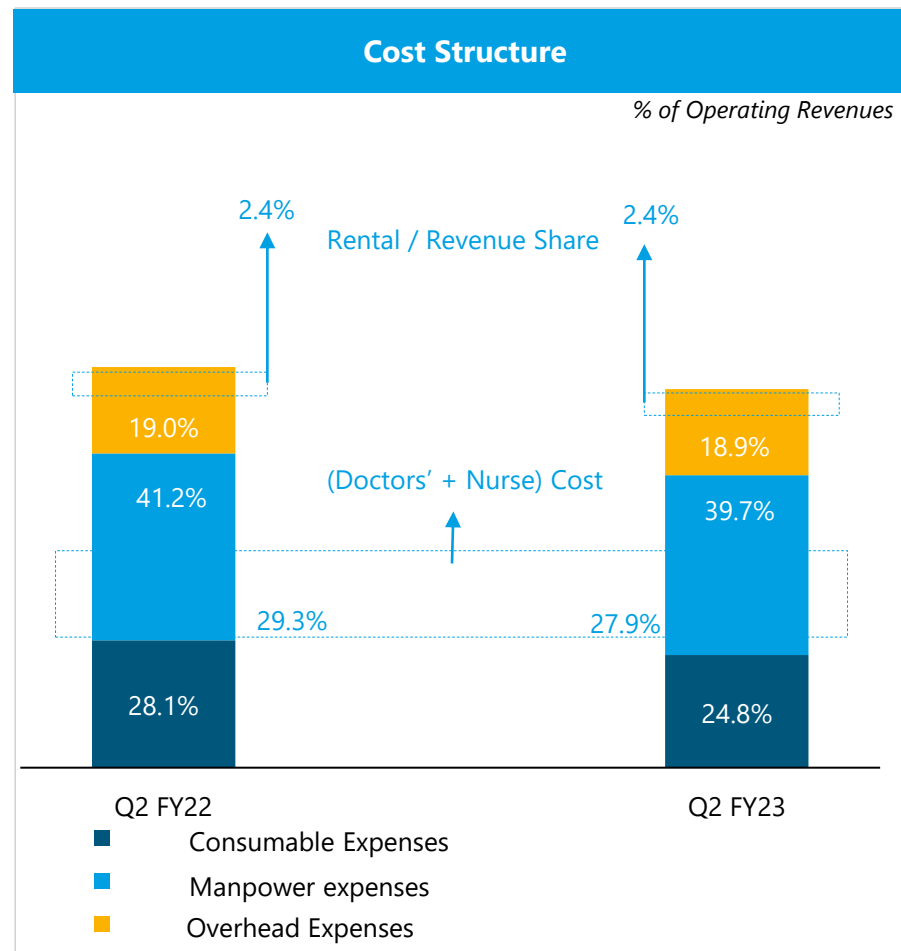
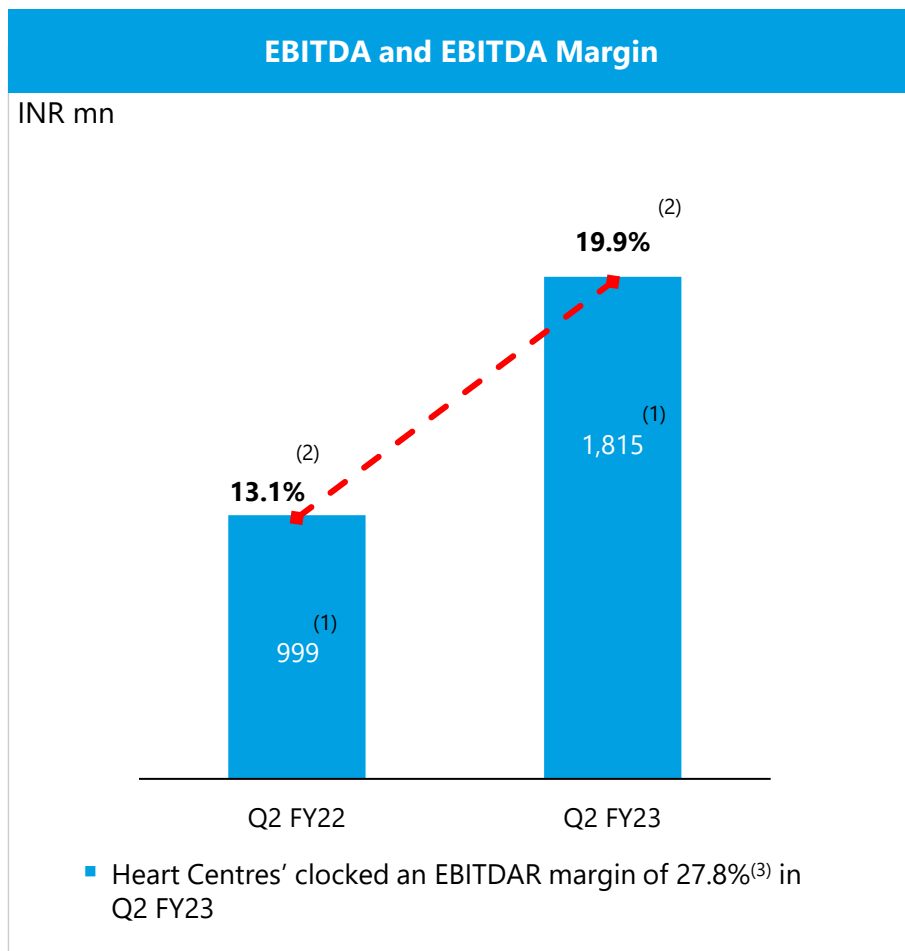
Regions	Bangalore	Southern Peripheral	Kolkata	Eastern Peripheral	Western	Northern
	<ul style="list-style-type: none"> NICS MSMC HSR 	<ul style="list-style-type: none"> Mysore Shimoga 	<ul style="list-style-type: none"> RTIICS Barasat NMH & NSH NSC 	<ul style="list-style-type: none"> Jamshedpur Guwahati Raipur 	<ul style="list-style-type: none"> Mumbai Ahmedabad 	<ul style="list-style-type: none"> Gurugram New Delhi Jaipur
% of Hospital Operating Revenues ⁽²⁾						
YoY Revenue Growth						
% of Hospital Operational Beds						
ARPOB (INR mn)	15.0	9.8	12.0	9.7	10.6	13.7
EBITDAR Margin ⁽³⁾	34.7%	25.4%	26.2%	40.4%*	(1.7%)	12.2%

(1) Jammu facility reported operational revenues of INR 306 mn and EBITDA of INR 19 mn in Q2 FY 23

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

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

* Includes one-time other income benefit of INR 159 mn adjusted for which EBITDAR margin of group stood at 21.6%



(1) Denotes EBITDA for entire India business

(2) Denotes EBITDA margin for entire India business

(3) 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 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)	Q2 FY23	H1 FY23
Total Operating Revenue	11,416	21,750
Consumption	2,572	4,991
Doctors Expenses	2,167	4,280
Employee (Excluding Doctors) Expenses	1,926	3,836
Other Admin Expenses	2,315	4,287
Total Expenses	8,979	17,394
Other Income	312	392
EBITDA	2,749⁽⁴⁾	4,749⁽⁴⁾
Depreciation and Amortization	489	964
Finance Costs	151	301
Share of (loss)/profit of equity accounted investees	(0)	(2)
PBT	2,109	3,482
Tax Expense	420	687
PAT	1,689	2,795
Total Comprehensive Income	1,953	3,316

Key Balance Sheet Items⁽¹⁾

Particulars	30 th September 2022
Shareholder Equity	18,000
Total Borrowings	7,246
Lease Liability	1,334
Net Block + CWIP	19,548⁽²⁾
Goodwill	581
Right to Use Assets	1,414
Net Receivables	3,864
Current Investments	1,625
Cash and Bank Balance	2,944

As on September 30th, 2022, the Total Borrowings less Cash & Bank Balance and Current Investments was INR 2,677 mn representing a net debt to equity ratio of 0.14 (Out of which, borrowings worth US\$ 26 mn is foreign currency denominated)

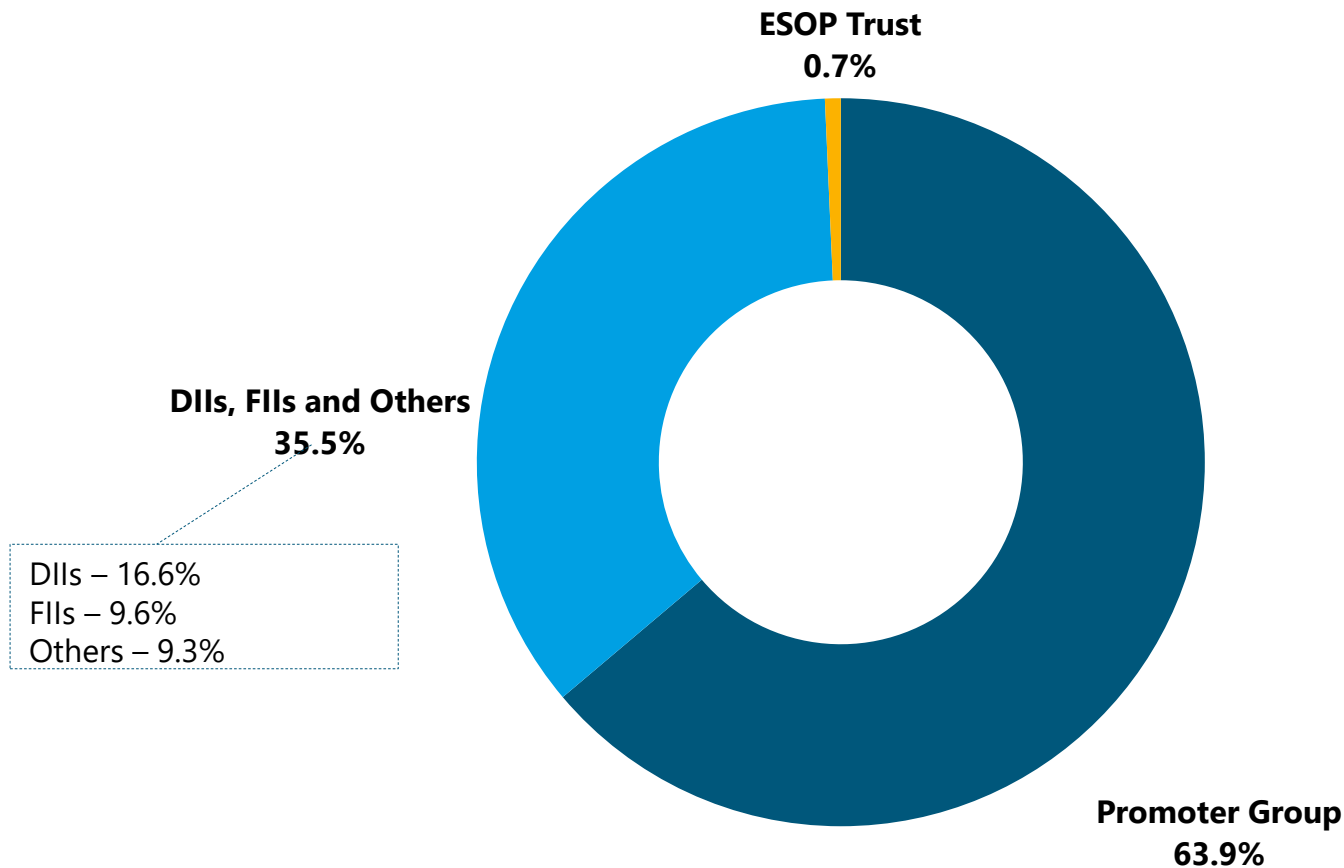
(1) Figures might not equal the reported numbers due to rounding off

(2) Net Block includes non-cash government grant impact of INR 1,141 mn, non-cash financial lease impact of INR 779 mn and non-cash EPCG license impact of INR 46 mn

(3) As per the new accounting treatment for leases per IND AS 116 effective 1st April 2019 which resulted in INR 108 mn increase in depreciation, INR 32 mn increase in finance cost resulting in increase of INR 6 mn in PAT for Q2 FY 23 and INR 215 mn increase in depreciation, INR 68 mn increase in finance cost resulting in increase of INR 8 mn in PAT for H1 FY 23 on pre-IND AS 116 basis

(4) Hospital project management in St. Lucia incurred an EBITDA loss of INR 85 mn in Q2 FY23 and loss of INR 95 mn in H1 FY23 while it had generated an operational profit of INR 215 mn in Q2 FY 22 and profit of INR 261 mn in H1 FY22

As on 30th September 2022⁽¹⁾



Total Number of Shares

204,360,804

Key DIIs

Axis Asset Management

SBI Asset Management

Nippon Life India Asset Management

ICICI Prudential Life Insurance

UTI Asset Management

Key FIIs

Wellington Asset Management

Vanguard Index Fund

Simcah Partners

Mirae Asset Management

Kuwait Investment Authority

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