



July 29, 2020

**National Stock Exchange of India Limited,**  
Compliance Department,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051,  
Maharashtra, India

**BSE Limited,**  
Compliance Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001,  
Maharashtra, India

Dear Sir/Madam,

**Subject : Investor Presentation**  
**Stock Code : BSE – 539787, NSE – HCG**

We wish to inform you that the Board of Directors of the Company, at their meeting held on July 28, 2020, *inter alia*, has approved the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended March 31, 2020.

In this respect, we enclose herewith the Presentation on the Financial Results of the Company for the quarter and year ended March 31, 2020.

Request you to take this on record.

Thanking you,

For **HealthCare Global Enterprises Limited**



**Sunu Manuel**  
**Company Secretary & Compliance Officer**

**Encl: a/a.**



# HealthCare Global Enterprises Limited

## Investor Presentation Q4-FY20



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# Leadership in specialty healthcare



# Hope

For cancer patients



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**Overview**



**Financial Highlights**



**Appendix**

## Snapshot of the Business

- Specialty healthcare provider with a focus on cancer and fertility
- Largest<sup>1</sup> provider of cancer care in India under the “HCG” brand
- Leading provider of fertility treatment under the “Milann”<sup>2</sup> brand
- Leading precision medicine platform in India with leadership in bioinformatics and specialized clinical diagnostics
- NABH, ISO 9001, NABL and CAP accredited<sup>5</sup>



### Cancer Care

- Comprehensive cancer diagnosis and treatment services (through radiation therapy, medical oncology and surgery)
- 22<sup>6</sup> comprehensive cancer centers, 3 freestanding diagnostic centers as of March 31<sup>st</sup>, 2020 (including Kenya center)



### Fertility Treatment

- Comprehensive reproductive medicine services including assisted reproduction, gynecological endoscopy and fertility preservation
- 5 fertility centers in Bengaluru, 1 in Delhi, 1 in Chandigarh and 1 in Ahmedabad as of March. 31<sup>st</sup>, 2020



## Future Outlook

- Consolidation of HCG centers and launch of 2 new comprehensive cancer centers under development across India
- Consolidation of Milann fertility centers across Bengaluru and North India
- Growth of cancer center in Kenya and other regions in Africa in partnership with CDC, UK



### Precision Medicine

- Integrated platform for next generation precision medicine
- Leading provider of bioinformatics, research services and specialised clinical diagnostics offering comprehensive menu of tests with network of labs across India



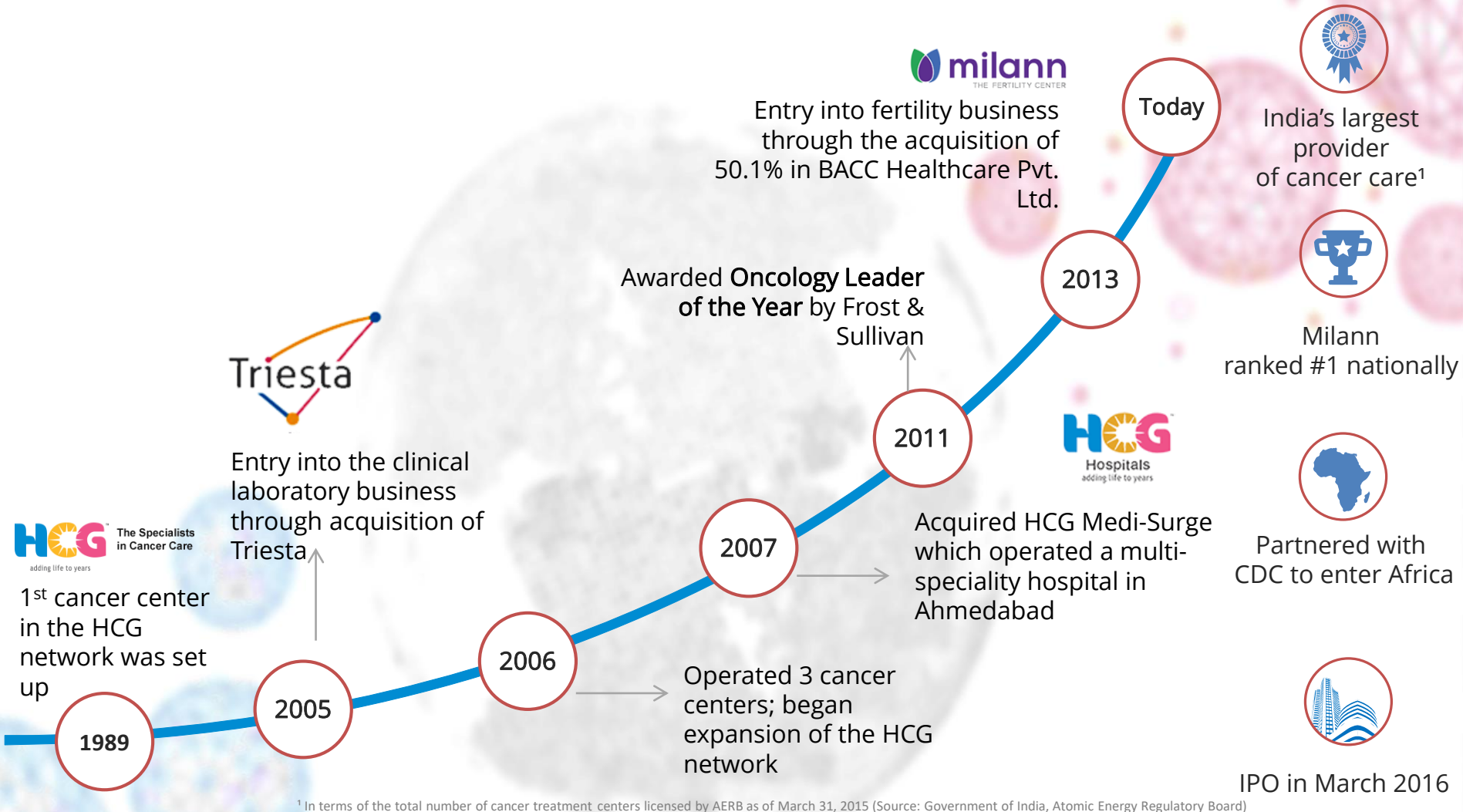
### Multi-specialty Hospital

- 4<sup>7</sup> multispecialty hospitals in Ahmedabad, Bhavnagar, Rajkot and Hubli as at of March 31<sup>st</sup>, 2020






<sup>1</sup> In terms of the total number of cancer treatment centers licensed by AERB as of March 31, 2015 (Source: Government of India, Atomic Energy Regulatory Board); <sup>2</sup> Through 50.1% equity interest in BACC Healthcare acquired in 2013 and its wholly owned subsidiary DKR Healthcare; <sup>3</sup> Discontinued operations <sup>4</sup> Post minority Interest <sup>5</sup> NABH accreditation for HCC Bengaluru, HMS Ahmedabad; ISO 9001 certification for pathology laboratory at HMS; NABL and CAP accreditations for Strand; <sup>6</sup> Includes center in Kenya; Bhavnagar multispecialty also includes comprehensive cancer services hence included in CCC count; <sup>7</sup> Suchiaryu, Hubli hospital managed under Operations and Management contract, not branded as HCG Hospital

# Overview of HCG



# HCG's Cancer Care Network

## Network of Existing and Under Development Cancer Care centers

	Center of Excellence (CoE) <sup>1</sup>
	Comprehensive Cancer center (22) <sup>2</sup>
	Freestanding Diagnostic center (3) <sup>2</sup>
	Day Care Chemotherapy center (1)
	Cancer centers Under Development (2)



## HCG Network



2,071<sup>1</sup>  
BEDS



+28  
LINEAR  
ACCELERATORS



+17  
PET-CT  
SCANNERS



300+  
ONCOLOGISTS



+56  
OPERATION THEATRES

## Regional Penetration<sup>1</sup>

	No. of Centers <sup>2</sup>	Estimated Beds
Karnataka	7	~615
Gujarat	5	~508
Maharashtra	4	~368
East India	3	~280
North India	2	~150

<sup>1</sup> Includes Multi-specialty beds  
<sup>2</sup> Existing and planned

<sup>1</sup> Includes 2 centers, KR & DR; <sup>2</sup> As on 31<sup>st</sup> Dec<sup>r</sup> 2018, includes COE & center in Kenya, Bhavnagar multispecialty also includes comprehensive cancer services hence included in CCC count



# Contents



Overview



Financial Highlights



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# Financial Highlights: Q4-FY20

INR million except earnings per share

Period Ended Mar 31	Q4-FY20 As per AS 116	Q4-FY19	Growth (y-o-y)	Q4-FY20 w/o AS 116	Growth (y-o-y)
<b>Income from Operations</b>	<b>2,704</b>	<b>2,579</b>	<b>4.8%</b>	<b>2,704</b>	<b>4.8%</b>
Other Income	17	32		17	
<b>EBITDA<sup>(1)</sup></b>	<b>377</b>	<b>354</b>	<b>6.5%</b>	<b>233</b>	<b>-34.3%</b>
EBITDA Margin (%)	13.9%	13.6%		8.5%	
<b>Operating EBITDA<sup>(2)</sup></b>	<b>360</b>	<b>322</b>	<b>11.9%</b>	<b>216</b>	<b>-33.0%</b>
EBITDA Margin (%)	13.3%	12.5%		8.0%	
<b>PBT<sup>(3)</sup></b>	<b>(417)</b>	<b>(82)</b>	<b>NM</b>	<b>(320)</b>	<b>NM</b>
PBT Margin (%)	-15.4%	-3.2%		-11.8%	
<b>PAT<sup>(4)</sup></b>	<b>(436)</b>	<b>(87)</b>	<b>NM</b>	<b>(290)</b>	<b>NM</b>
PAT Margin (%)	-16.1%	-3.4%		-10.7%	
<b>Earnings Per Share</b>	<b>(4.92)</b>	<b>(0.99)</b>	<b>NM</b>	<b>(3.27)</b>	<b>NM</b>

- 1) Profit before depreciation/amortization, finance costs, exceptional items and taxes
- 2) EBITDA excluding other Income
- 3) Profit / (Loss) before tax and after share of profit / (loss) of equity accounted investee
- 4) Profit / (Loss) for the period after share of profit / (loss) of equity accounted investee, taxes and minority interests

- **Q4'20 Revenue grew 4.8% y-o-y**
  - HCG<sup>(1)</sup> centers: **+5.2%**
  - Milann<sup>(2)</sup> centers: **-1.2%**
- **Q4'20 Operating EBITDA**
  - Existing centers<sup>(3)(4)</sup>: **INR 369 Mn (16.1% margin vs 17.4% margin in Q4-FY19)**
  - New centers<sup>(5)</sup>: **Loss of INR (153) Mn (vs. loss of INR (70) Mn in Q4-FY19)**

- (1) 22 comprehensive cancer centers, 3 multispecialty hospitals, 3 diagnostic centers and 1 multispecialty hospital managed by HCG. Trichy is no longer included as HCG center
- (2) 8 fertility centers operated under "Milann" brand
- (3) Existing centers now include HCG centers in Gulbarga, Vizag, Bhavnagar and Baroda as well as Milann center in MSR Bangalore
- (4) Corporate cost allocated between existing and new centers in proportion to gross block
- (5) 8 HCG centers and 4 Milann centers that commenced operation after April 1, 2016

Note: Effective 1 April 2019, the Company has adopted IND AS 116 'Leases' standards, applied to lease contracts existing on 1 April 2019. The effect of this adoption for the year ended 31 March 2019 have not been retrospectively adjusted. Unless specified, the EBITDA numbers exclude IND AS 116 adjustments.

# Financial Highlights: FY20

INR million except earnings per share

Period Ended Mar 31	FY20 As per AS 116	FY19	Growth (y-o-y)	FY20 w/o AS 116	Growth (y-o-y)
<b>Income from Operations</b>	<b>10,956</b>	<b>9,787</b>	<b>12.0%</b>	<b>10,956</b>	<b>12.0%</b>
Other Income	70	74		70	
<b>EBITDA<sup>(1)</sup></b>	<b>1,792</b>	<b>1,326</b>	<b>35.1%</b>	<b>1,215</b>	<b>-8.4%</b>
EBITDA Margin (%)	16.2%	13.4%		11.0%	
<b>Operating EBITDA<sup>(2)</sup></b>	<b>1,722</b>	<b>1,252</b>	<b>37.5%</b>	<b>1,145</b>	<b>-8.5%</b>
EBITDA Margin (%)	15.7%	12.8%		10.5%	
<b>PBT<sup>(3)</sup></b>	<b>(1193)</b>	<b>(334)</b>	<b>NM</b>	<b>(813)</b>	<b>NM</b>
PBT Margin (%)	-10.9%	-3.4%		-7.4%	
<b>PAT<sup>(4)</sup></b>	<b>(1067)</b>	<b>(248)</b>	<b>NM</b>	<b>(718)</b>	<b>NM</b>
PAT Margin (%)	-9.7%	-2.5%		-6.5%	
<b>Earnings Per Share</b>	<b>(12.05)</b>	<b>(2.82)</b>	<b>NM</b>	<b>(8.10)</b>	<b>NM</b>

- 1) Profit before depreciation/amortization, finance costs, exceptional items and taxes
- 2) EBITDA excluding other Income
- 3) Profit / (Loss) before tax and after share of profit / (loss) of equity accounted investee
- 4) Profit / (Loss) for the period after share of profit / (loss) of equity accounted investee, taxes and minority interests

- **FY'20 Revenue grew 12.0% y-o-y**
  - HCG<sup>(1)</sup> centers: **+12.2%**
  - Milann<sup>(2)</sup> centers: **+9.0%**
- **FY'20 Operating EBITDA**
  - Existing centers<sup>(3)(4)</sup>: INR **1,599 Mn** (**17.2%** margin vs 17.6% margin in FY19)
  - New centers<sup>(5)</sup>: Loss of INR **(455) Mn** (vs. loss of INR (295) Mn in FY19)

- (1) 22 comprehensive cancer centers, 3 multispecialty hospitals, 3 diagnostic centers and 1 multispecialty hospital managed by HCG. Trichy is no longer included as HCG center
- (2) 8 fertility centers operated under "Milann" brand
- (3) Existing centers now include HCG centers in Gulbarga, Vizag, Bhavnagar and Baroda as well as Milann center in MSR Bangalore
- (4) Corporate cost allocated between existing and new centers in proportion to gross block
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Note: Effective 1 April 2019, the Company has adopted IND AS 116 'Leases' standards, applied to lease contracts existing on 1 April 2019. The effect of this adoption for the year ended 31 March 2019 have not been retrospectively adjusted. Unless specified, the EBITDA numbers exclude IND AS 116 adjustments.

# Revenue Mix: FY20

**Revenue:**  
INR 10,956 Mn



HCG (1)  
centers  
**94%**  
(93%)<sup>1</sup>



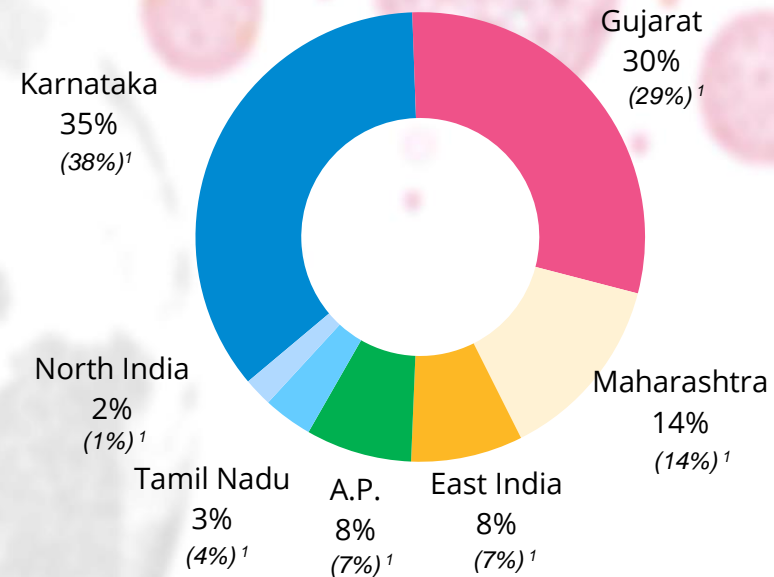
Fertility<sup>(2)</sup>  
centers  
**6%**  
(7%)<sup>1</sup>



(1) 22 comprehensive cancer centers, 3 multispecialty hospitals, 3 diagnostic centers and 1 multispecialty hospital managed by HCG, as at March 31<sup>st</sup> 2020

(2) 8 fertility centers operated under “Milann” brand

**HCG Centers:**  
INR 10,255 Mn



<sup>1</sup>(FY19)



# HCG Centers: Q4 and FY20 Revenues

INR million

Period Ended Mar31	Q4-FY20	Q4-FY19	Growth (y-o-y)	FY20	FY19	Growth (y-o-y)
Karnataka	934	907	3.0%	3,645	3,490	4.4%
Gujarat	723	734	-1.4%	3,037	2,668	13.8%
Maharashtra	346	316	9.5%	1,390	1,239	12.2%
East India	222	171	30.3%	826	642	28.7%
Andhra Pradesh	198	153	29.3%	782	674	16.1%
Tamil Nadu	79	87	-8.8%	364	330	10.2%
North India	39	48	-18.3%	211	100	110.4%
	<b>2,542</b>	<b>2,416</b>	<b>5.2%</b>	<b>10,255</b>	<b>9,143</b>	<b>12.2%</b>

- Strong growth continues at several existing and new centers in Q4-FY20
  - Vizag: +33.4% y-o-y
  - Borivali: +29.0% y-o-y
  - Gulbarga: +23.0% y-o-y
  - Cuttack: +18.8% y-o-y
- Revenue from New centers
  - INR 368 Mn in Q4-FY20 vs 305 Mn in Q4-FY19
  - INR 1,490 Mn in FY20 vs 956 Mn in FY19
- Existing centers revenue growth
  - 3% in Q4-FY20 (y-o-y)
  - 7% in FY20 on (y-o-y)

# HCG Centers: FY20 Operating Metrics

## No. of Centers

FY20:  
**25**

FY19:  
24

## Beds

FY20:  
**2,071**

FY19:  
1,872

## Avg. Occupancy Rate

FY20:  
**42.9%**

FY19:  
43.7%

↓ 81 bps

## ALOS (Days)

FY20:  
**2.27**

FY19:  
2.25

↓ 2 bps

## ARPOB (INR / Day)

FY20:  
**32,767**

FY19:  
31,423

↑ 4.3%

## Revenue (INR mn)

FY20:  
**10,255**

FY19:  
9,143

↑ 12.2%

## Operating EBITDA Margin

FY20:  
**14.8%**

FY19:  
17.6%

↓ 272 bps

- ARPOB for existing centers at INR 33,225 against INR 31,171 in FY19
- ALOS at 2.27 on account of trend towards day care procedures and changing patient profile
- Operating EBITDA margins impacted with scale-up and losses of new centers
- Existing centers operating EBITDA margin declined by 73 bps to 21.1% in FY20 from 21.8% in FY19

### Notes:

- (1) No. of Centers includes Cancer and Multispecialty hospitals operated under HCG brand and managed by HCG
- (2) Number of beds in operation as at the last day of the period
- (3) Occupied Bed Days calculated based on mid-day census
- (4) Average Occupancy Rate ("AOR") calculated as Occupied Bed Days divided by available bed days in the period
- (5) Average Revenue per Occupied Bed ("ARPOB") calculated as Revenue (gross for the hospital) divided by Occupied Bed Days
- (6) Average Length of Stay ("ALOS") calculated as Occupied Bed Days divided by number of admissions (including day care admissions)
- (7) Operating EBITDA margin before corporate expenses

Note: Effective 1 April 2019, the Company has adopted IND AS 116 'Leases' standards, applied to lease contracts existing on 1 April 2019. The effect of this adoption for the year ended 31 March 2019 have not been retrospectively adjusted. Unless specified, the EBITDA numbers exclude IND AS 116 adjustments.

# HCG Centers: FY20 Regional Highlights



- New centers
- Existing centers

Centers	Beds	AOR	ARPOB (INR/Day)	Revenue (INR MN)	Operating EBITDA %
Karnataka					
7	615	45.9%	36.4K	3,645	23.8%
		↑ +3.1%(1)	↑ +4.7%	↑ +4.1%	
Gujarat					
5	508	47.6%	35.4K	3,038	14.9%
		↑ +15.0%(1)	↓ -1.0%	↑ +13.9%	
Maharashtra					
4	368	38.8%	27.9K	1,390	NM
		↑ +8.1%(1)	↑ +4.2%	↑ +12.2%	
Andhra Pradesh					
3	177	36.8%	32.8K	782	21.5%
		↓ -12.2%(1)	↑ +32.2%	↑ +16.1%	
East India					
3	288	47.1 %	17.5K	825	13.1%
		↑ +14.6%(1)	↑ +12.3%	↑ +28.7%	

Note: Effective 1 April 2019, the Company has adopted IND AS 116 'Leases' standards, applied to lease contracts existing on 1 April 2019. The effect of this adoption for the year ended 31 March 2019 have not been retrospectively adjusted. Unless specified, the EBITDA numbers exclude IND AS 116 adjustments.

- COE ARPOB of INR 56.9k with 27.1% operating EBITDA margin
- FY20 COE ROCE improved from 25.8% to **27.1%**
- Focus on margin and returns optimization across region

- Bhavnagar oncology ramps-up with **25%** revenue growth and **800 bps** EBITDA margin expansion y-o-y
- EBITDA margin of existing centers at **17%** for FY20

- Nashik center absorbing expansion costs; returning to original levels of profitability with **22%** EBITDA margin in Q4 FY20
- Borivali and Nagpur new centers continue to ramp-up with reduction in losses
- Cyberknife procedures commenced at South Mumbai center

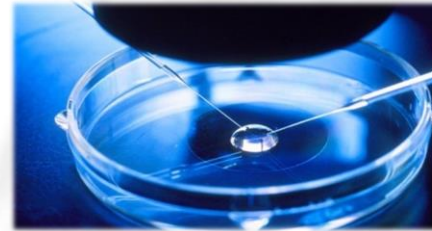
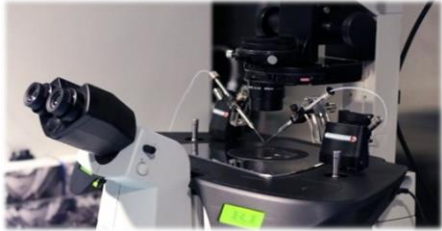
- Vijayawada maintains consistent profitability with EBITDA margin of **25.7%** for FY20
- Center in Vizag continues to ramp up well
- Focus on improving revenue mix through corporate tie-ups

- Existing center EBITDA margin of **26.8%**
- Driving improvements in patient and procedure mix
- Kolkata center offers advanced Bone Marrow Transplant procedures and ramping-up well

## Notes:

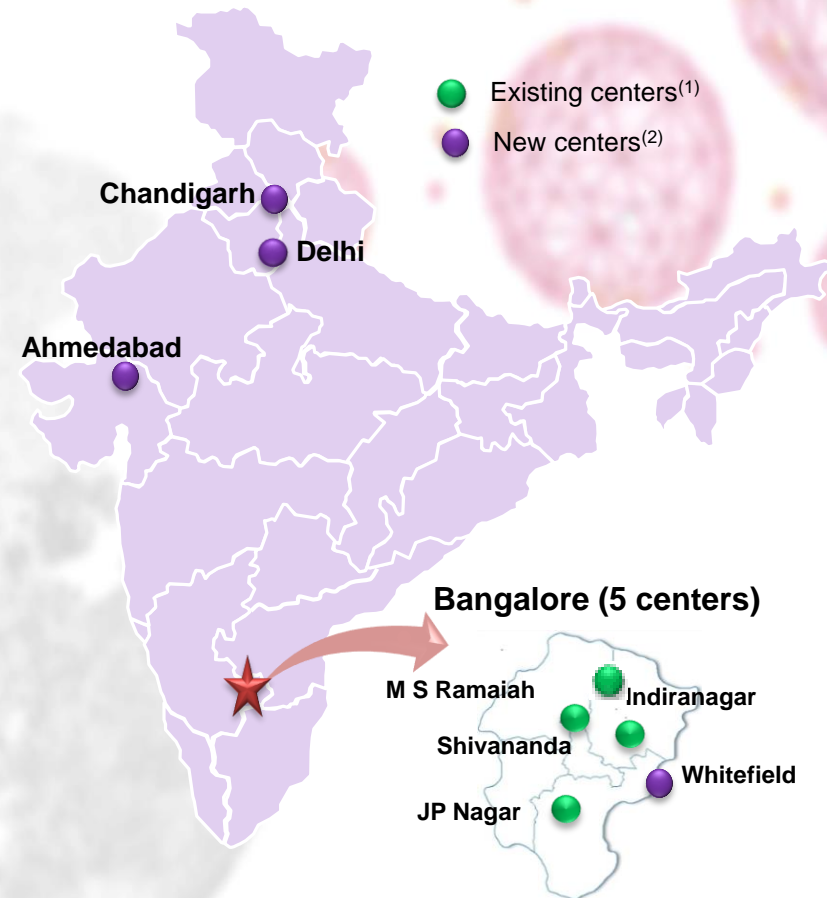
- (1) Increase / (Decrease) in Occupied Bed Days
- (2) Growth numbers are year-on-year basis
- (3) EBITDA before corporate expenses

# Milann: Implementing Strategic Initiatives



	FY20	FY19	Growth
New Registrations	5,481	5,688	-3.6%
IVF Cycles	2,195	2,045	7.3%
Revenue (INR Mn)	701	644	9.0%

- New Registrations declined by 3.6% y-o-y for FY20
- Whitefield center continues to ramp-up well
- Leadership in attractive Bangalore market



(1) Centers in operation prior to April 1, 2016, i.e. Shivananda, JP Nagar and Indiranagar

(2) Mumbai Center exited in Q3-FY19



# Capital Expenditure and Net Debt

## Capital Expenditure

INR Million

	Q4-FY20	FY20	FY19
<b>HCG Centres</b>			
Existing Centres	38	169	301
Expansions	48	366	467
New Centres	58	717	1,330
	<b>144</b>	<b>1,252</b>	<b>2,099</b>
<b>Milann Centres</b>			
Existing Centres	3	12	9
New Centres	-	-	7
	<b>3</b>	<b>12</b>	<b>16</b>
<b>Total Capex</b>	<b>147</b>	<b>1,265</b>	<b>2,115</b>

1. Includes Security Deposit of INR 52 Mn in FY20 and Security Deposit of INR 82 Mn in FY19.

## Net Debt

INR Million

	31-Mar-20	31-Dec-19	31-Mar-19
<b>Net Debt</b>			
Bank Debt <sup>(1)</sup>	5,682	5,535	4,255
Vendor Finance <sup>(2)</sup>	1,118	1,174	1,481
Capital Leases	555	563	564
Other Debt	54	2	22
Less: Cash and Equivalents <sup>(3)</sup>	(334)	(248)	(252)
Capital Leases - IND AS 116	5,723	6,094	
<b>Net Debt post Ind AS adj.</b>	<b>12,798</b>	<b>13,121</b>	<b>6,071</b>
<b>Net Debt before Ind AS adj.</b>	<b>7,075</b>	<b>7,027</b>	
<b>Debt in New Centres</b>			
Bank Debt	4,318	4,219	3,318
Vendor Finance	589	733	985
Other Debt	-	-	-
	<b>4,907</b>	<b>4,952</b>	<b>4,303</b>
<b>Net Debt (Excl. New Centres)</b>	<b>2,168</b>	<b>2,075</b>	<b>1,768</b>

1. Net of Bank balance held as margin money of INR 185 Mn and investment in fixed deposits of INR 44 Mn as at 31<sup>st</sup> Mar-20, margin money of INR 200 Mn and investment in fixed deposits of INR 31 Mn as at 31<sup>st</sup> Dec-19. The unamortised portion of processing fees amounting to INR 63 Mn as on 31<sup>st</sup> Mar-20 & INR 61 Mn as on 31<sup>st</sup> Dec-19 netted off against Bank Debt.
2. Includes Forex reinstatement of INR 68 Mn as at 31<sup>st</sup> Mar-20 and INR 21 Mn as at 31<sup>st</sup> Dec-19 on account of exchange rate fluctuation
3. Includes investment in mutual funds of INR 14 Mn as at 31<sup>st</sup> Mar-20 and INR 14 Mn as at 31<sup>th</sup> Dec-19.

## Additional 2 new HCG centers in FY2020

Location	Bed Capacity	Project Cost (INR mn)	Start Date
Jaipur, Rajasthan	50	410	Q2-FY19
Bhavnagar, Gujarat	NA	150	Q2-FY19
Nashik Phase II, Maharashtra	92	623	Q2-FY19
Rajkot, Gujarat	120	310	Q1-FY19
Kolkata, West Bengal	80	450	Q1-FY20
South Mumbai, Maharashtra	32	610	Q3-FY20

## 1 new Milann center launched in Q1 FY2019

Location	Start Date
Delhi	Q1-FY17
Chandigarh	Q3-FY17
Ahmedabad	Q4-FY18
Whitefield (Bangalore)	Q1-FY19

- **Existing centers** – HCG KR Road, HCG DR, HCG MSR, HCG Hubli, HCG Gulbarga, HCG MHIO Shimoga, HCC Ahmedabad, HMS Ahmedabad, HCG Bhavnagar, HCG Baroda, HCG Nashik, HCG Chennai, HCG Vijayawada, HCG Ongole, HCG Vizag, HCG Cuttack, HCG Ranchi
- **New centers** – HCG Suchirayu, HCG Rajkot, HCG Borivali, HCG Nagpur, HCG Jaipur, HCG Kolkata, HCG South Mumbai, HCG Africa

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Overview



Financial Highlights



**Appendix**



Industry trends  
and backdrop



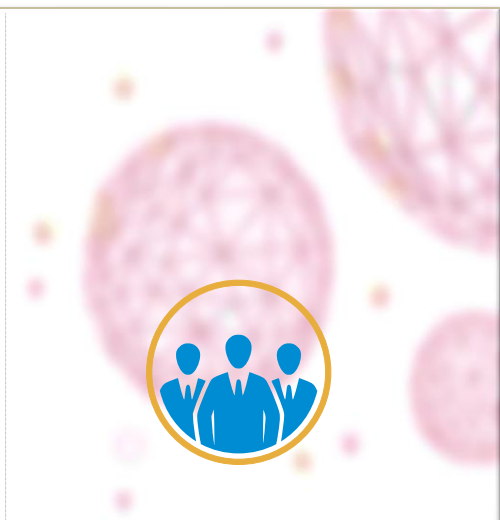
Largest provider of  
cancer care in India with  
a proven track record



High quality care provided  
at a competitive price



Strong management  
team with successful  
track-record



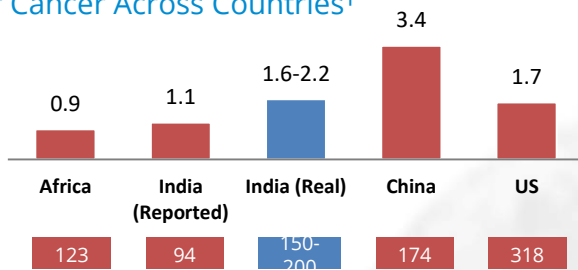


# Industry Trends and Backdrop

## Cancer Incidences in India to Increase

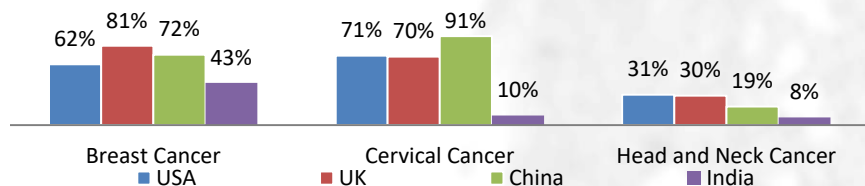
### Incidence of Cancer Across Countries<sup>1</sup>

Estimated incidence of cancer in 2015 (mns)



### Under Diagnosis of Cancer in India<sup>1</sup>

Cancer Diagnosis at Early Stages (Stage I or Stage II)



- Cancer prevalence in India estimated to be 3.9mn in 2015
  - Estimated 1.1mn new cancer cases reported in 2015
- Real incidence could be 1.5x to 2.0x times higher than reported incidence
  - Difference between reported and real cancer incidence due to under-diagnosis
  - Reported incidence of cancer in India based on data from the cancer registries, which cover < 10% of the population
  - Late stage disease presentation due to lack of awareness and participation in screening programs
- For example, women<sup>3</sup> participation in breast screening mammograms<sup>4</sup>: USA (65%), China (30%) and India (<1%)

### Key Drivers of Cancer Incidence

#### Demographic Changes

- Cancer incidence increases with age - India's population >50+ years to increase from 228m (2015) to 262mn (2020)
- Demographic factors alone are expected to result in an increase in cancer incidences of 100,000 to 350,000 cases a year

#### Exposure to Risk Factor

- Tobacco use, alcohol consumption, use of processed food and air pollution
- These factors are expected to result in an increase in cancer incidences of 350,000 to 450,000 cases a year

#### Narrowing Diagnosis Gap

- Growing awareness and greater public emphasis on screening and improvements
- Expected to result in increased reported cancer rates

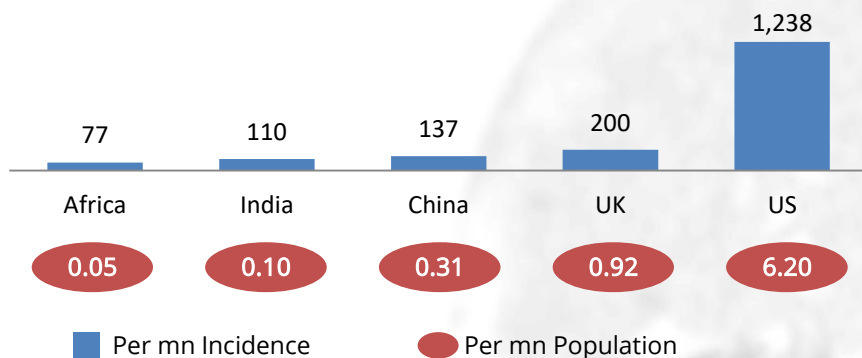
<sup>1</sup> Call for Action: Expanding cancer care in India dated July 2015, published by Ernst & Young; <sup>2</sup> ASR-W is a weighted mean of the age-specific incidence rates. The weights are taken from the population distribution of the 'World Standard Population' defined by WHO, and the estimated incidence rate is expressed per 100,000 population for comparisons between different geographies, as age is a key determinant of cancer incidence; <sup>3</sup> Age Group 40-69 years; <sup>4</sup> Breast screening mammograms once in 24 months

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## Demand Supply Gap and Treatment Landscape

### Existing Demand Supply Gap in Diagnostics...

- Lack of adequate infrastructure and absence of mass screening programs are key barriers to timely diagnosis
- For example, as of 2014, only 30% of cancer centers in India had advanced imaging technologies like PET-CT



### ...and Treatment

- A key requirement for successful radiation therapy is availability of Linear Accelerators (LINACs)

### Availability of LINACs<sup>1</sup>

Region / Country	Number of LINACs (2015)	LINACs per Million Population	Cancer Prevalence per LINAC	Cancer Incidence per LINAC
US	3,818	11.9	1,572	419
UK	323	5.0	3,096	929
China	986	0.7	6,288	3,144
India	342	0.3	7,310	3,216

### Outlook for Treatment Landscape<sup>1</sup>

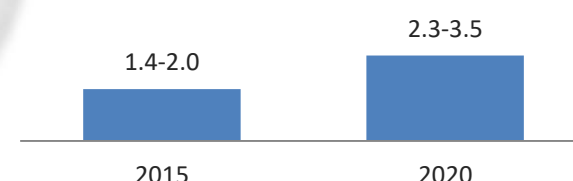
#### Demand for CCCs



#### Demand for LINACs



#### Chemotherapy Cycles (millions)



<sup>1</sup> Call for Action: Expanding cancer care in India dated July 2015, published by Ernst & Young

# Largest Provider of Cancer Care in India

## A Proven Track Record<sup>1</sup>

HCG's market leading position, successful track record and strong reputation in India provides a significant advantage over its competitors



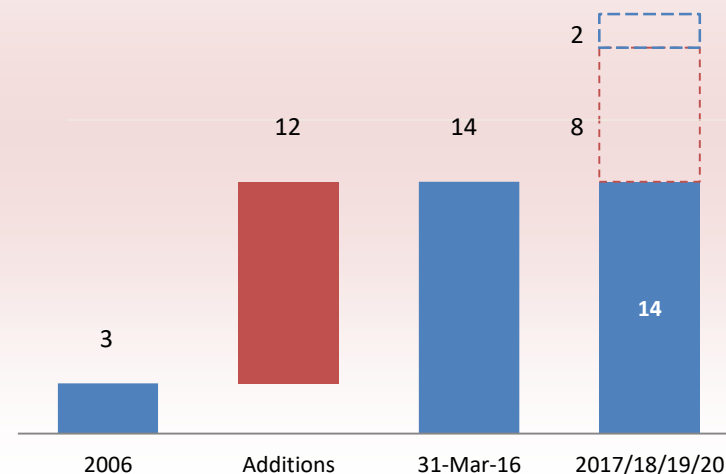
### Largest Cancer Care Provider...

- Largest provider of cancer care in India in terms of number of cancer treatment centers listed by AERB as of 31-Mar-2015<sup>1</sup>
- HCG network spans 18 cities and towns across eight states in India
- Through the extensive network, HCG is able to provide cancer care beyond just the metropolitan cities
- HCG believes, it has a strong reputation within the medical community, driven by
  - Use of advanced technologies
  - Successful clinical outcomes
  - Extensive clinical experience of specialist physicians

### ...With a Strong Track Record

Growth in No. of Comprehensive Cancer Care Centers...

Under Development<sup>2</sup>



<sup>1</sup> As per AERB as of March 31, 2015. (Source: Government of India, Atomic Energy Regulatory Board)

<sup>2</sup> Expected to commence operation during FY2018 and FY2019

# High Quality Care Provided at Competitive Price

Ability to provide high quality care driven by a multidisciplinary and technology focused approach

## Approach to Providing High Quality Care...

- Multidisciplinary approach to cancer care - specialist physicians from various disciplines collaborate to provide the best course of treatment
- Focus on identifying and adopting appropriate technology
  - Among first cancer care providers in India to standardise molecular diagnostics technologies
  - First healthcare provider in India to perform computer assisted tumor navigation surgery
- Standardized clinical protocols for diagnosis and treatment

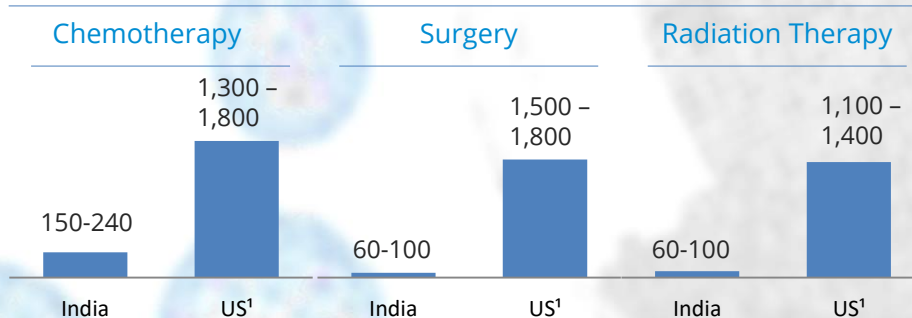


## ...Results in Successful Clinical Outcomes...

- Ability to manage the large volume of patients across the network while maintaining quality of clinical outcomes
- For example, the five year survival rate for breast cancer patients at HCG's network is comparable to U.S. benchmarks<sup>4</sup>

## ...At a Competitive Price

Cost of Cancer Treatment in India is lower (INR `000)



Source: Call for Action: Expanding cancer care in India dated July 2015, published by Ernst & Young

1 PPP adjusted 510-720; 2 PPP adjusted 600-720; 3 PPP adjusted 420-540; 4 Vijay Govindarajan and Ravi Ramamurti, Harvard Business Review, "Delivering world-class health Care, Affordably", November 2013

Drivers of HCG's Cost Competitiveness

- Economies of scale arising out of expansive network
  - Optimal utilization of equipment
  - Centralized drug and consumables formulary
  - Large network gives competitive advantage in terms of favourable economic terms of purchase and financing of medical equipment



## Unique and Successful Business Model



HARVARD | BUSINESS | SCHOOL

N9-313-030  
JULY 27, 2012

REGINA HERZLINGER  
AMIT GHORAWAT  
MEERA KRISHNAN  
NAIYYA SAGGI

### Hub and Spoke, Health Care Global, and Additional Focused Factory Models for Cancer Care

#### Introduction

Dr. Ajaikumar, chairman and CEO of Health Care Global (HCG), a network of cancer care centers in India, was awakened by the flight crew serving breakfast on his long journey from Africa to India. As he sipped his tepid lemon tea, he reviewed the short notes on Africa his team had prepared. (See Exhibit 1 for the notes and Exhibit 2 for Dr. Kumar's biography.)

## Comparable outcomes at fraction of cost

### Survival Rate

Indian Hospitals' High Quality



SURVIVAL RATES  
Breast Cancer  
**86.9%**  
HCG ONCOLOGY

**89.2%**  
U.S. AVERAGE

SOURCE: HCG AND SEER DATABASE  
5-YEAR SURVIVAL RATE FOR BREAST CANCER,  
STAGES 1-3 COMBINED

### Cost

Indian Hospitals' Ultralow Costs



Cancer Treatment  
**\$2,900**  
HCG ONCOLOGY

**\$22,000**  
U.S. AVERAGE

SOURCE: HCG; COSTS ARE FOR A FULL SET OF INTENSITY-MODULATED RADIATION TREATMENTS

Govindarajan et. al. *Harvard Business Review*, November 2012, "Delivering World Class Health Care Affordably, Innovative hospitals in India are pointing the way" G

# THANK YOU

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For updates and specific queries, please visit [www.hcgel.com](http://www.hcgel.com)  
or feel free to contact [investors@hcgoncology.com](mailto:investors@hcgoncology.com)

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