



Quarterly Presentation – Q2 FY18

November 2017

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Operational and Clinical highlights

- Our superspeciality hospital at Vaishno Devi, Jammu performed its 5,000th dialysis in August 2017 (17th month of operations) cementing the facility's pre-eminence in nephrology in the northern region of the country
- Our hospital in Mumbai performed Extracorporeal Membrane Oxygenation (ECMO) on a little girl suffering from H1N1 and severe hypoxemic respiratory failure, the procedure being first of its kind in a paediatric case in Mumbai
- For the first time in Eastern India, a patient was successfully treated with Flattering Filter-Free Radiotherapy in Narayana Superspeciality Hospital, Howrah bolstering our reputation as a leading player in oncology
- Our hospital in Howrah successfully performed a complicated procedure involving Intra-Cardiac Repair for Tetralogy of Fallot along with a complete chest wall reconstruction on a 2-year-old girl



Awards and Honors

- NH won The Economic Times "The Best Asian Healthcare Brands 2017" award in September 2017
- SRCC Children's Hospital won "The Best Emerging Brand" award at the National Award for Marketing Excellence presented by Times Network in September 2017
- NH won "The Express Healthcare Excellence Award 2017" in Health Tourism category in September 2017
- Narayana Institute of Cardiac Sciences, Bengaluru was listed among "The Most Trusted Hospitals" in Bangalore by Reader's Digest in September 2017
- Dharamshila Narayana Superspeciality Hospital, Delhi was listed among "The Most Trusted Hospitals" for oncology in Delhi by Reader's Digest in September 2017



Financial Performance

- Operating revenue of INR 5,592 mn, an increase of 14.7% YoY
- EBITDA of INR 638 mn, reflecting an EBITDA margin of 11.4%
- Net debt of INR 3,375 mn as on 30th September, 2017, reflecting net debt to equity ratio of 0.34

As on 1st October 2017



50 Healthcare Facilities	Operational beds
20 Owned / Operated Hospitals ⁽¹⁾	4,836 Beds
3 Managed Hospitals ⁽²⁾	587 Beds
7 Heart Centres	351 Beds
19 Primary Healthcare Facilities ⁽³⁾	10 Beds
1 Hospital in Cayman Islands	105 Beds



6,888	Capacity Beds
5,889	Operational Beds
2.8 mn ⁽⁴⁾	Average Effective Capital Cost per Operational Bed



30+ Specialities

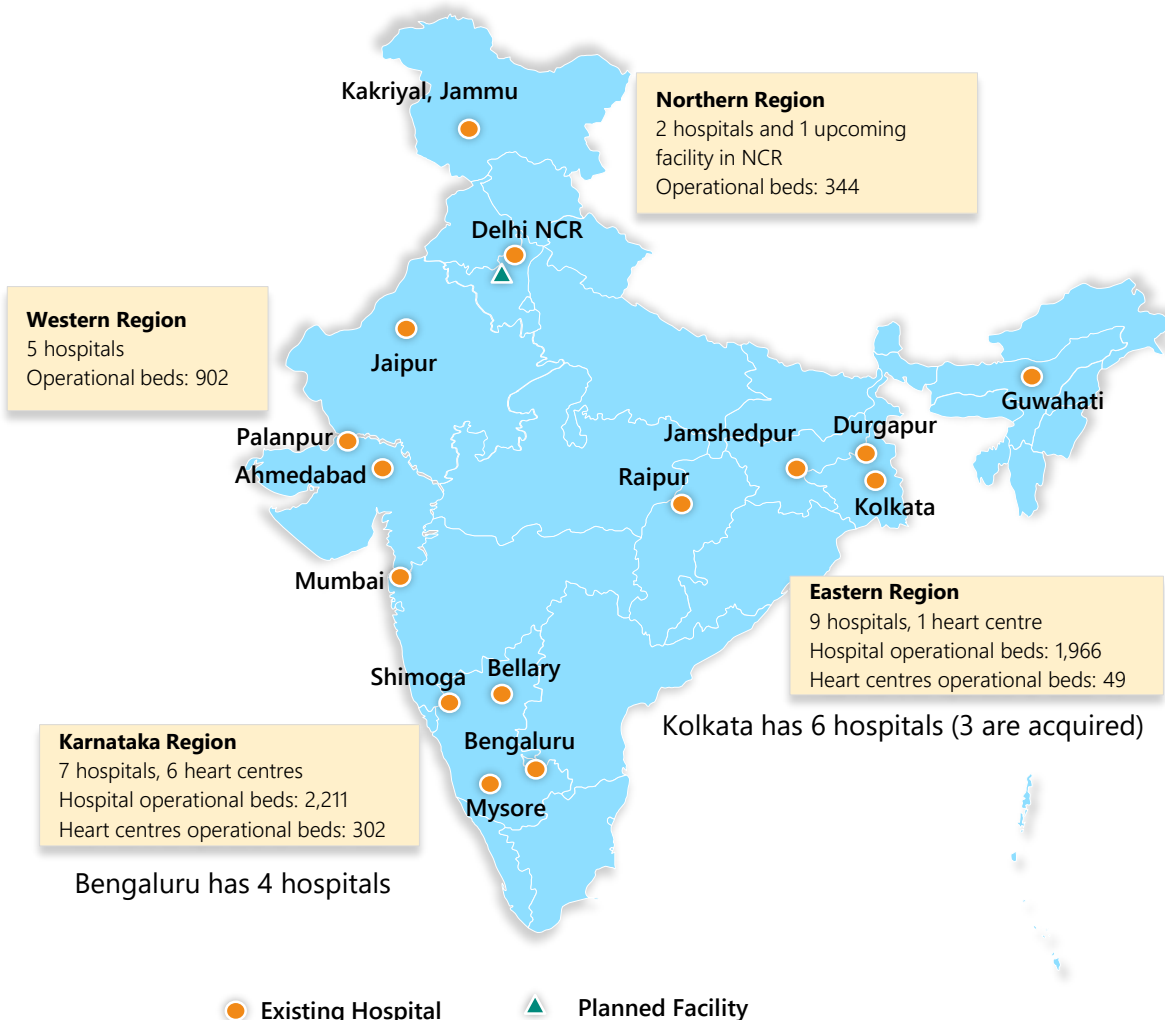


332⁽⁵⁾ Daily Average Surgeries and Procedures



14,953 Full-time Employees and Associates including 3,229 doctors

NH's footprint in India



(1) NH owns the P&L responsibility

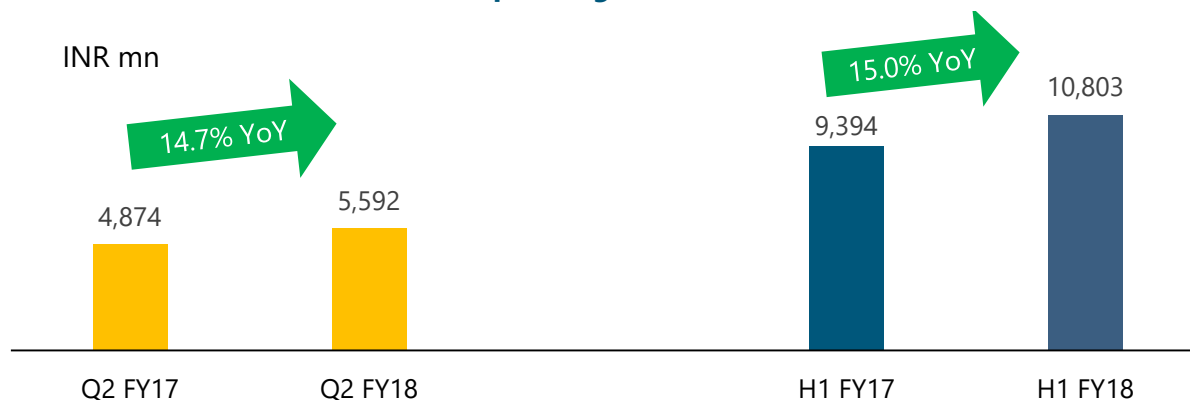
(2) NH manages 3rd party hospitals for Management Fees

(3) Includes clinics, information centres, etc

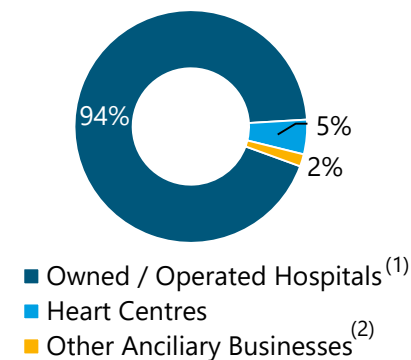
(4) Based on (Gross Block for Fixed Assets (adjusted for non-cash government grant provision, non-cash financial lease for Dharamshila unit) + Capital Work in Progress (CWIP)) / Number of operational beds as of 1st Oct 2017. excludes Managed Hospitals and Cayman facility

(5) Daily average calculated on a 92 days basis

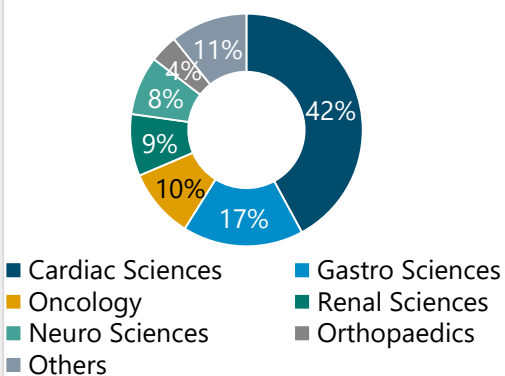
Operating Revenue



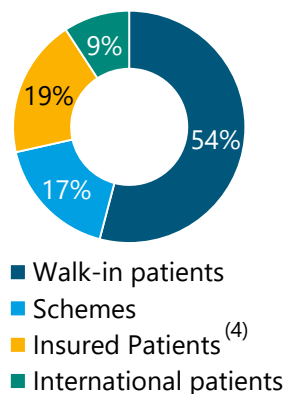
Business Mix⁽⁸⁾



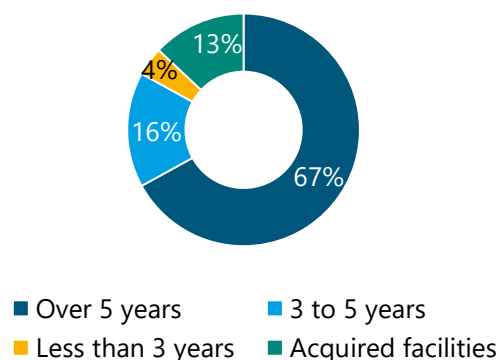
Speciality-Profile^(7,8)



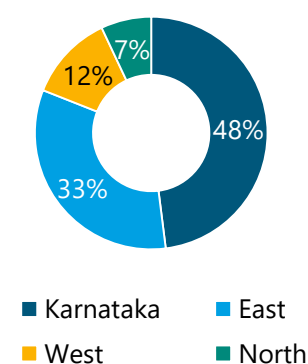
Payee-Profile^(3,8)



Maturity-Wise⁽⁵⁾



Cluster-Wise^(5,6,8)



(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 Jammu, 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

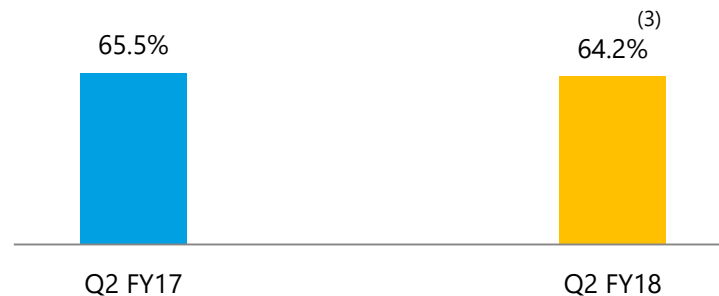
(7) Calculated on IP revenue; 6 core specialities (cardiac sciences, renal sciences, oncology, neurosciences, gastroenterology and orthopaedics) account for ~89% of IP revenue in Q2 FY18, excludes Jammu and clinics data

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

Operational Beds



Occupancy Rate^(1,2)



ARPOB⁽¹⁾

INR mn



ALOS⁽¹⁾

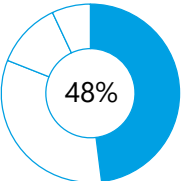
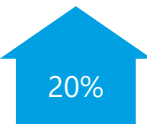
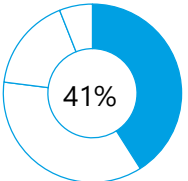
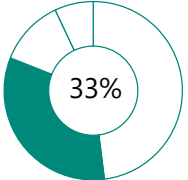
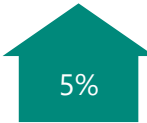
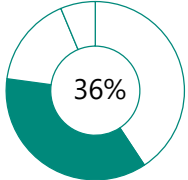
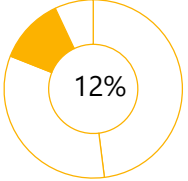
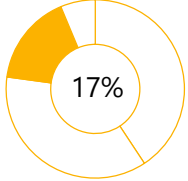
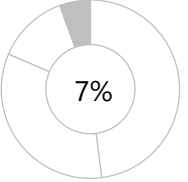
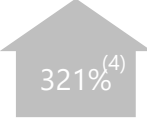
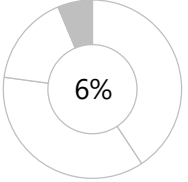
Days



⁽¹⁾ Excludes Managed Hospitals & Cayman facility

⁽²⁾ Occupancy calculated on census beds

⁽³⁾ Includes recently commissioned units in Delhi and Mumbai which are currently running at ~30% occupancy

Region	Hospitals ⁽¹⁾	% of Hospital Operating Revenue ^(2,5)	% of Hospital Operational Beds ⁽¹⁾	Operational Parameters ⁽²⁾	
				ARPOB (INR mn)	Occupancy
Karnataka Region	7 ⁽³⁾	 YoY Growth 		7.8	69%
Eastern Region	9 ⁽³⁾	 		7.1	72%
Western Region	5 ⁽³⁾	 		7.4	52%
Northern Region	2	 		10.2	49%

(1) Includes Managed hospitals and excludes Cayman facility

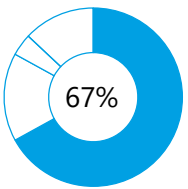
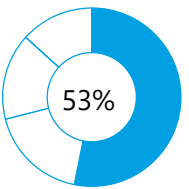
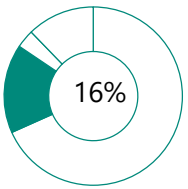
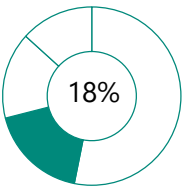
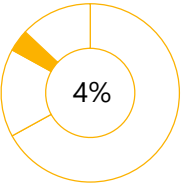
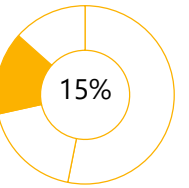
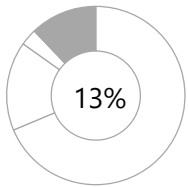
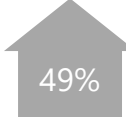
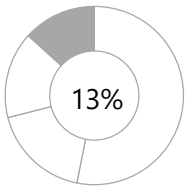
(2) Excludes Managed hospitals and Cayman facility

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

(4) Dharamshila unit was not there in Q2 FY17

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

- 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⁾	YoY Growth	% of Hospital Operational Beds ^(2,6)	Key Performance Indicators ⁽³⁾		
					ARPOB (INR mn)	Occupancy ⁽⁵⁾	EBITDAR Margin ⁽⁴⁾
Over 5 years	8	 67%	 12%	 53%	8.0	70%	24.7%
3 to 5 Years	6	 16%	 12%	 18%	6.4	63%	11.0%
Less than 3 years	5	 4%	 96%	 15%	7.4	56%	-37.1%
Acquired Operations	4	 13%	 49%	 13%	7.5	58%	11.8%

(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

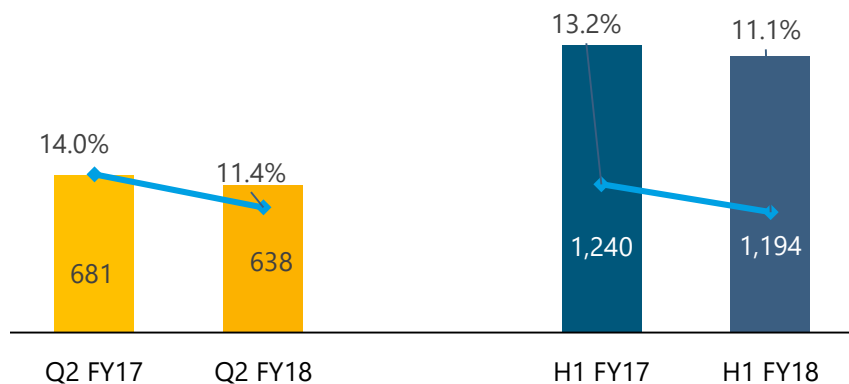
(5) Occupancy is calculated on Census beds

(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

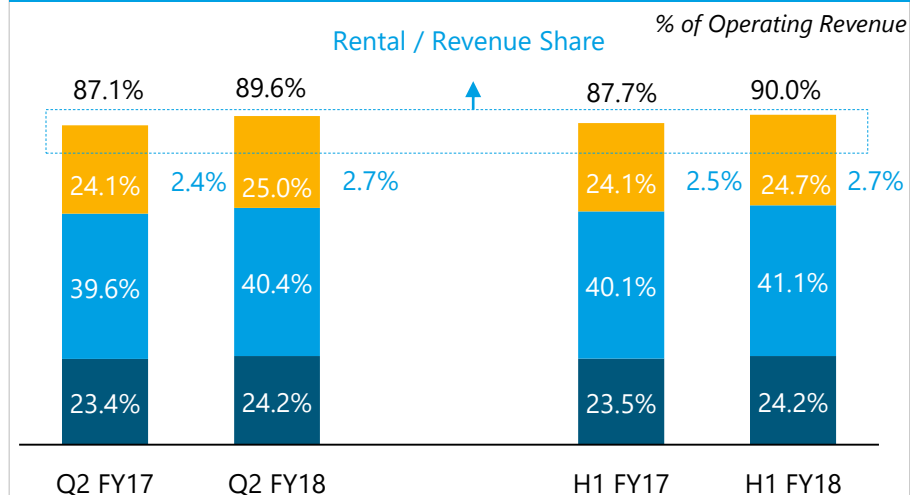
EBITDA and EBITDA Margin

INR mn



- Heart Centres clocked an EBITDAR margin of 8.4%⁽¹⁾ in Q2 FY18
- Hospital at Cayman Islands achieved operating revenue of USD 11.6 mn and EBITDA of USD 1.8 mn in Q2 FY18, reflecting a margin of 15.9%

Cost Structure⁽²⁾



- Consumable Expenses
- Manpower (Employees+ Doctors) expenses
- Overhead Expenses

(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

Figures in INR mn, unless stated otherwise

Profit and Loss Statement⁽¹⁾

Particulars (INR mn)	Q2 FY18	H1 FY18
Total Operating Revenue	5,592	10,803
Purchase of Medical Consumables, Drugs and Surgical Equipment	1,355	2,615
Employee (Excluding Doctors) Expenses	1,012	2,011
Doctors Expenses	1,247	2,426
Other Admin Expenses	1,396	2,665
Total Expenses	5,011	9,718
Other Income	57	109
EBITDA	638	1,194
Depreciation and Amortization	285	504
Finance Costs	78	181
Profit before share of loss of equity accounted investees and income tax	264	499
Share of loss of equity accounted investees (Share in loss of associates and MI)	2	27
Profit before Tax	262	472
Tax Expense	97	197
PAT after MI and share of associate	165	275
Total Comprehensive Income, net of tax	162	273

Key Balance Sheet Items⁽¹⁾

Particulars	30 th Sept 2017
Shareholder Equity	9,943
Total Debt	3,645
Long-Term Debt	3,171
Short-Term Debt	474
Net Block	11,167⁽²⁾
Goodwill	581
Non-Current Investment	958
Net Receivables	2,040
Cash and Cash Equivalents	270

As on September 30th, 2017, the consolidated net debt was Rs 3,375 mn, representing a net debt to equity ratio of 0.34

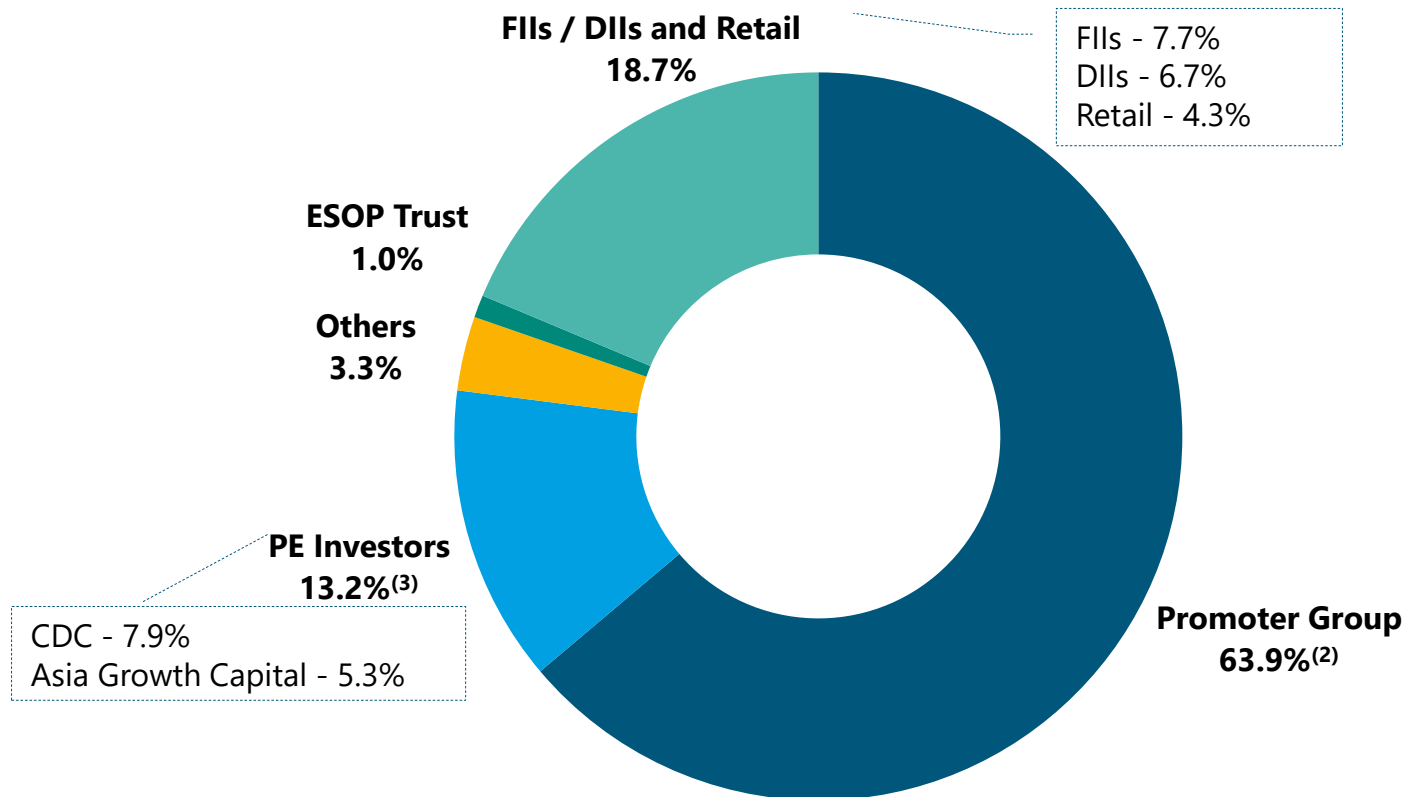
(1) Figures might not equal the reported numbers due to rounding off

(2) Net Block includes non-cash government grant provision of Rs 1,436 mn and non-cash lease provision of Rs 342 mn

Shareholding as on 30th September 2017⁽¹⁾

Total Number of Shares

204,360,804



(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