



Quarterly Presentation – Q3 FY17

January 2017

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Clinical and Operational

- Mazumdar Shaw Medical Centre, Bengaluru (MSMC) harvested Bone marrow from an 8 month old infant to donate it to his sister. Harvesting of Bone marrow from such a young patient was done for the first time ever in India
- MSMC achieved the distinction of performing 150 Bone Marrow Transplants (BMT) during 9 months ended December 2016
- Our hospital in Mysore performed a rare complete hip replacement surgery on a 12 year old boy to treat TB of hip
- The Blood Bank at our hospital in Guwahati got accredited by NABH, making it the first ever in the country to achieve this within 18 months of commissioning
- RTIICS, Kolkata launched a comprehensive paediatric neuro clinic. It would address congenital brain, spine anomalies and other complicated brain and spinal diseases



Awards and Honors

- NH won the Healthcare Leadership Award, presented by ABP News, under the category “Best use of Social Media & Digital Marketing” in Nov’16
- NH won “Community Health Organisation of the Year” award at India Health & Wellness Awards 2016 presented by AMUL in Dec’16
- NH won the IHRC (Indian Human Resources Convention) HDM (HR Development & Management) award 2016 for “Excellence in HR through Technology” in Dec’16



Financial Performance

- Operating revenue of INR 4,553 mn in Q3 FY17, an increase of 13.9% YoY
- Robust 21.9% growth YoY in EBITDA to INR 565 mn in Q3 FY17, reflecting an EBITDA margin of 12.4%
- Net debt of INR 1,818 mn as on 31st Dec, 2016, reflecting net debt to equity ratio of 0.19

As on 1st Jan 2017



49 Healthcare Facilities

18	Owned / Operated hospitals ⁽¹⁾	4,369 Beds
4	Managed hospitals ⁽²⁾	720 Beds
7	Heart centres	376 Beds
19	Primary healthcare facilities ⁽³⁾	10 Beds
1	Hospital in Cayman Islands	101 Beds



6,647 Capacity Beds

5,576 Operational Beds

2.7 mn ⁽⁴⁾ Average effective capital cost per operational bed



30+ Specialities

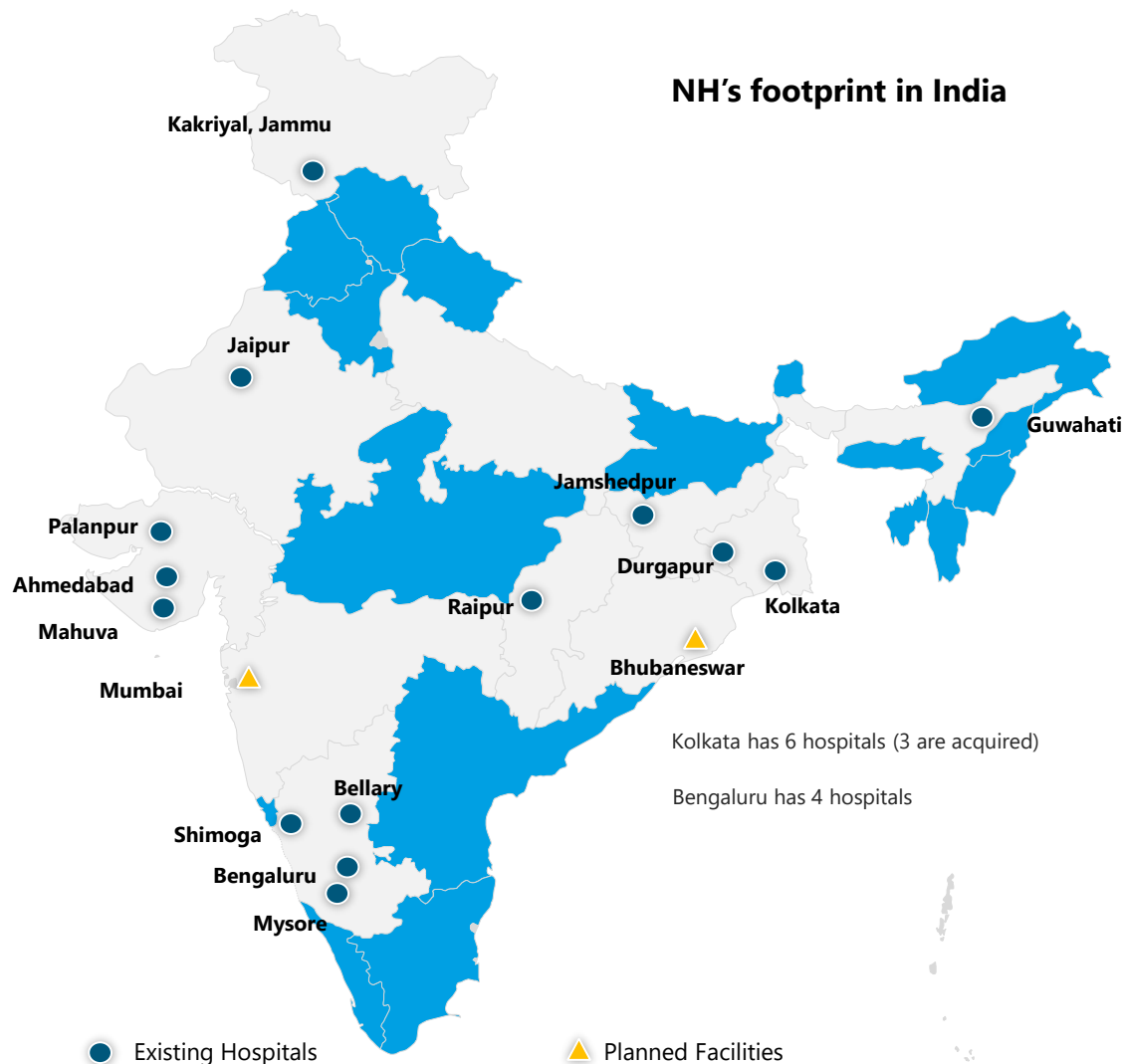


309 ⁽⁵⁾ Daily Average Surgeries and Procedures



14,074 Full-time employees and associates including 2,915 doctors

NH's footprint in India



(1) NH owns the P&L responsibility

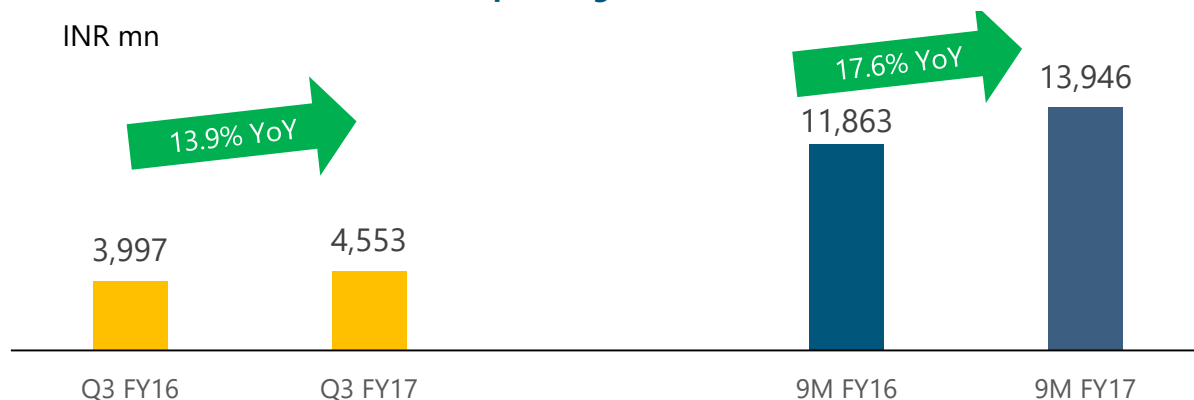
(2) NH manages 3rd party hospitals for Management Fees

(3) Includes clinics, information centres, etc

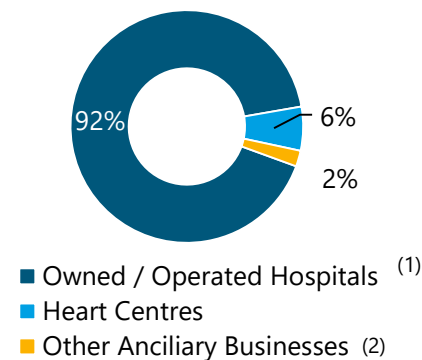
(4) Based on (Gross Block for Fixed Assets (adjusted for non-cash government grant provision) + Capital Work in Progress (CWIP)) / Number of operational beds as of 31st Dec 2016. excludes Managed Hospitals and Cayman facility

(5) Daily average calculated on a 92 days basis for Q3 FY17; excludes Vaishno Devi unit

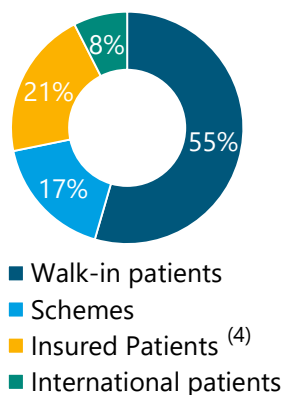
Operating Revenue



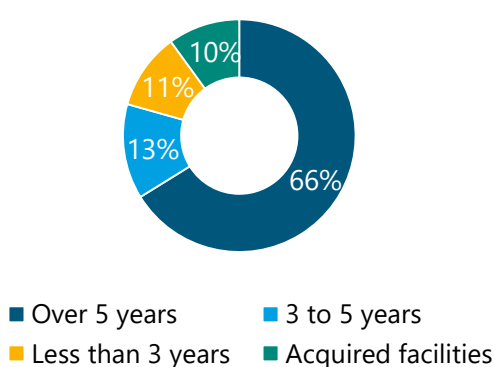
Business Mix



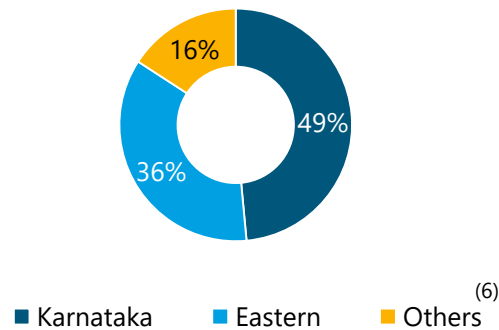
Payee-Profile^(3,8)



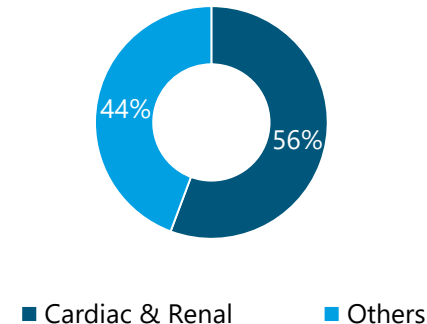
Maturity-Wise⁽⁵⁾



Cluster-Wise^(5,8)



Speciality-Profile⁽⁷⁾



(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: Schemes include CGHS, ESIS, other state government schemes. Excludes E City, Sarjapur, Hosur, HSR clinics and Berhampore unit

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

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

(6) Others include hospitals at Jaipur, Raipur, Ahmedabad and newly commissioned facility at Kakriyal, Jammu

(7) Calculated on IP revenue; 6 core specialities (cardiac sciences, renal sciences, oncology, neurosciences, gastroenterology and orthopaedics) account for ~90% of IP revenue in Q3 FY17 (excludes Vaishno Devi unit)

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

Operational Beds

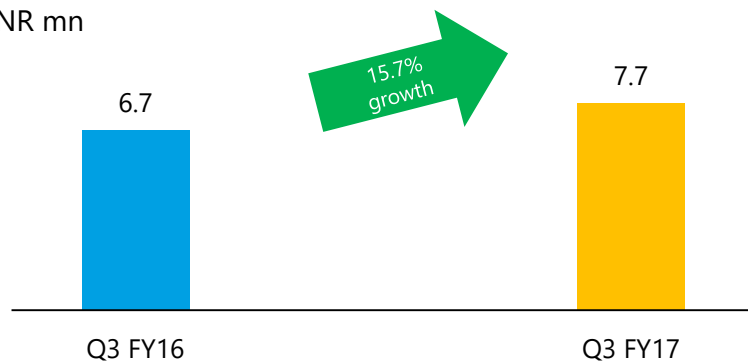


Occupancy Rate^(1,2)



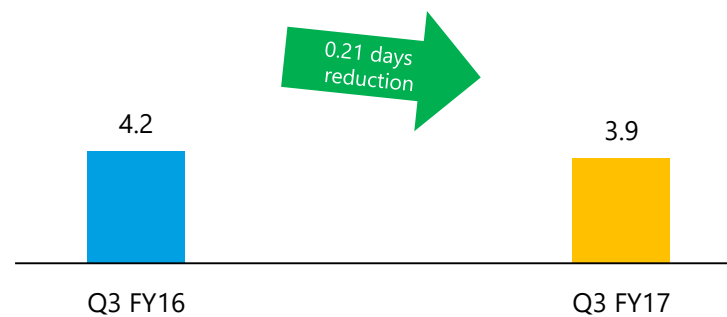
Improvement in ARPOB⁽¹⁾

INR mn



Reduction in ALOS⁽¹⁾

Days



(1) Excludes Managed Hospitals, Berhampore & Cayman facility for Q3 FY17 and excludes Managed Hospitals, MMRHL & Cayman facility for Q3 FY16

(2) Occupancy rate is calculated on total Census beds (Census beds exclude recovery, pre operative, dialysis, emergency, day care, etc); Occupancy of 48.7% on total operational beds in Q3 FY 17 as against 51.7% in Q3 FY 16

Regional Cluster	Hospitals ⁽¹⁾	% of Hospital Operating Revenue ^(2,5)	% of Hospital Operational Beds ^(1,5)	Operational Parameters ⁽²⁾	
Karnataka Cluster	7 ⁽³⁾	<div> <div>49%</div> <div>YoY Growth</div> <div>18%</div> </div>	<div> <div>42%</div> </div>	ARPOB (INR mn) 8.3	Occupancy ⁽⁴⁾ 54%
Eastern Cluster ⁽⁶⁾	9 ⁽³⁾	<div> <div>36%</div> <div>10%</div> </div>	<div> <div>37%</div> </div>	6.9	67%
Others ⁽⁷⁾	6 ⁽³⁾	<div> <div>16%</div> <div>36%</div> </div>	<div> <div>20%</div> </div>	6.6	55%

(1) Includes Managed hospitals and excludes Cayman facility

(2) Excludes Managed hospitals and Cayman facility

(3) Karnataka and Eastern clusters include 1 managed hospital each while Others include 2 managed hospitals

(4) Occupancy is calculated on Census beds; Occupancy of 48% for Karnataka cluster, 56% for Eastern cluster and 45% for Others respectively on total operational beds

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

(6) Does not include Berhampore hospital data as NH exited from it in November 2016

(7) Does not include Hyderabad hospital data as NH exited from it in April 2016

Maturity ⁽¹⁾	Hospitals ⁽²⁾	% of Hospital Operating Revenue ⁽³⁾	% of Hospital Operational Beds ⁽²⁾	Key Performance Indicators ⁽³⁾		
			YoY Growth		ARPOB (INR mn)	Occupancy ⁽⁵⁾ EBITDAR Margin ⁽⁴⁾
Over 5 years	7	66%	11%	51%	8.1	60% 23.7%
3 to 5 Years	4	13%	15%	16%	6.0	51% 9.7%
Less than 3 years	8	11%	74%	23%	8.2	55% 6.2%
Acquired Facilities	3	10%	25%	10%	5.8	68% 7.9%

(1) Maturity determined as on 31st March'16 except Jammu, commissioned on 8th April'16, Hyderabad and Berhampore excluded

(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; Occupancy of 52% for > 5 years bucket, 43% for 3-5 years, 43% for < 3 years, 58% for acquired units respectively on total operational beds

- Over 5 years include NICS,MSMC, RTIICS, units at Jaipur, Jamshedpur and 2 other units at Kolkata viz. RTSC, RNN

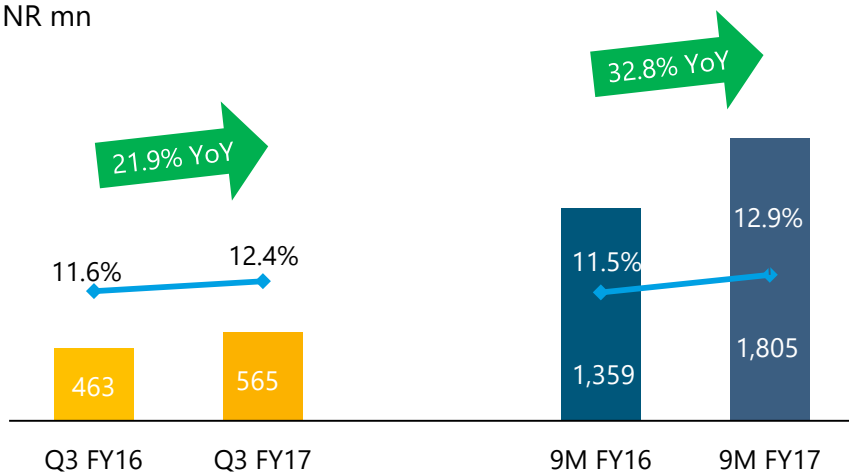
- 3-5 years include units at Raipur, Ahmedabad, Mysore, and Shimoga

- Less than 3 years include 4 managed hospitals and 4 units at Whitefield, HSR, Guwahati and Kakriyal

- Acquired facilities include 2 units of MMRHL, Kolkata and unit at Barasat (Kolkata)

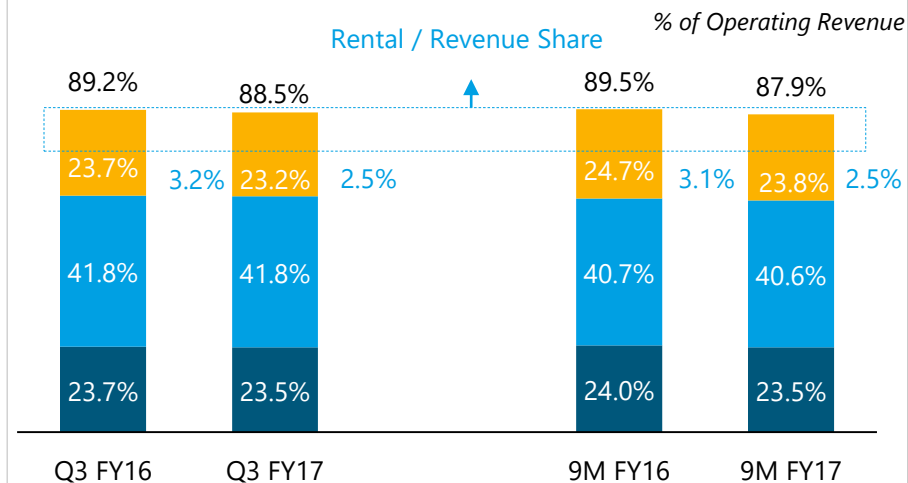
EBITDA and EBITDA Margin

INR mn



- 9 months FY17 EBITDA grew by 32.8% YoY, reflecting an improvement of 148 bps in margin
- Heart centres clocked an EBITDAR margin of 19.6%⁽¹⁾ in Q3 FY17
- Hospital at Cayman Islands achieved operating revenue of USD 8.4 mn and EBITDA of USD 0.8 mn in Q3 FY17

Cost Structure⁽²⁾



- Consumable Expenses
- Employee (excluding doctors) Benefits + Doctors expenses
- Other 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; Employee (exc. Doctors) Benefits and Doctors expenses = Employee benefits + Professional fees to doctors; Others = all other expenses

Figures in INR mn, unless stated otherwise

Profit and Loss Statement⁽¹⁾

Particulars	Q3 FY17	9M FY17
Total Operating Revenue	4,553	13,946
Purchase of medical consumables, drugs and surgical equipment- Net of change in Inventory	1,068	3,275
Employee (Excluding Doctors) Expenses	879	2,588
Doctors Expenses	1,023	3,079
Other Admin Expenses	1,056	3,317
Total Expenses	4,027	12,259
Other Income	39	118
EBITDA	565	1,805
Depreciation and Amortization	200	587
Finance Costs	55	162
Profit Before Tax & Exceptional Items	309	1,055
Exceptional Items	13	13
Tax Expense	109	374
PAT before MI and share of loss of associates	187	669
Share in (loss) of associates and MI	(16)	(61)
PAT after MI and share of loss of associates	170	608
Total Comprehensive Income, net of tax	167	610

Key Balance Sheet Items⁽¹⁾

Particulars	31 st Dec 2016
Shareholder Equity	9,445
Total Debt	2,107
Long term debt including current maturities	1,964
Short term debt	143
Net Block	10,023⁽²⁾
Goodwill	581
Non Current Investment	981
Net receivables	1,822
Cash and cash equivalents	289

As on December 31st, 2016, the consolidated net debt was Rs 1,818 mn representing a net debt to equity ratio 0.19

(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

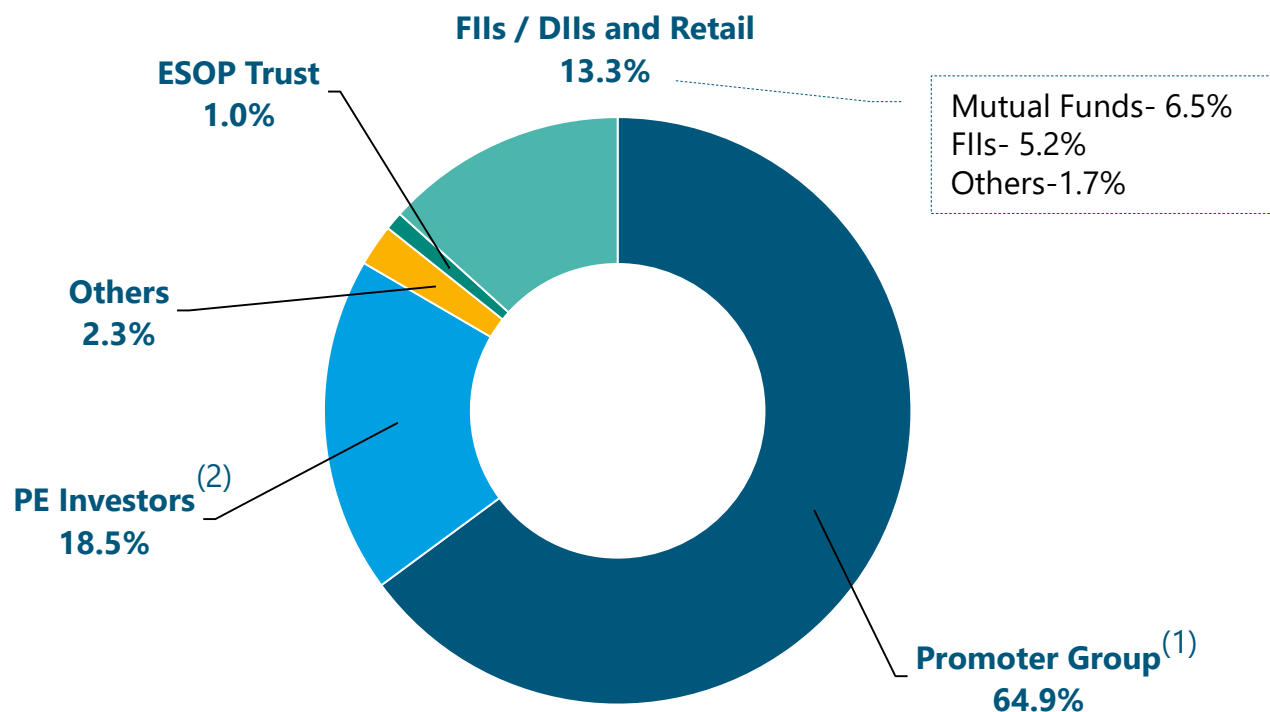
Location	Estimated time for Commencement	Type of hospital	No of beds	Type
Mumbai	Within next 2 months	Multispeciality, paediatric	297	Operation and management basis
Bhubaneswar	NA	Multispeciality	220	Construct and operate hospital on leasehold land (Awaits Govt of Odisha's acceptance for alternate land parcel)
Kenya	Within next 48 months	Multispeciality	130	Minority equity stake and management agreement with NH

- Growth trajectory on track through the above projects as well as several projects under discussion
- Emphasis on “asset right” capital deployment model and the engagement framework which provide us the flexibility to limit our capital investments primarily to medical equipment
- Focus to maintain a balanced approach while evaluating organic and inorganic opportunities to fuel future expansion

Shareholding as on 31st December 2016

Total Number of Shares

204,360,804



(1) Includes 2.8% held by NHAPL (Narayana Health Academy Private Limited)

(2) PE investors include CDC, Asia Growth Capital and JP Morgan who have been shareholders prior to the IPO