

Date of Submission: 2<sup>nd</sup> November 2020

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| To<br>The Secretary<br>Listing Department<br>BSE Limited<br>Department of Corporate Services<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001<br><b>Scrip Code – 539551</b> | To<br>The Secretary<br>Listing Department<br>National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex<br>Mumbai – 400 050<br><b>Stock Code- NH</b> |
|--|--|

Dear Sir/Madam,

**Sub: Investor Presentation for the Second Quarter and Half year ended 30<sup>th</sup> September 2020**

With reference to the subject, please find enclosed Investor Presentation for the Second Quarter and Half year ended 30<sup>th</sup> September 2020

Kindly take the above information on record.

Yours faithfully.

**For NARAYANA HRUDAYALAYA LIMITED**

*Sridhar S*  
Sridhar S

Group Company Secretary, Legal and Compliance Officer



# Investor Presentation

November 2020

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Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions in India.

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As on 30<sup>th</sup> Sep 2020



## 47 Healthcare Facilities Operational beds

|    |  |            |
|----|--|------------|
| 20 | Owned / Operated Hospitals <sup>(1)</sup>    | 5,343 Beds |
| 1  | Managed Hospital <sup>(2)</sup>              | 112 Beds   |
| 6  | Heart Centres <sup>(3)</sup>                 | 345 Beds   |
| 19 | Primary Healthcare Facilities <sup>(4)</sup> | 10 Beds    |
| 1  | Hospital in Cayman Islands                   | 110 Beds   |



## 6,656 Capacity Beds

**5,920<sup>(5)</sup> Operational Beds**

**3.2 mn<sup>(6)</sup> Average Effective Capital Cost per Operational Bed**

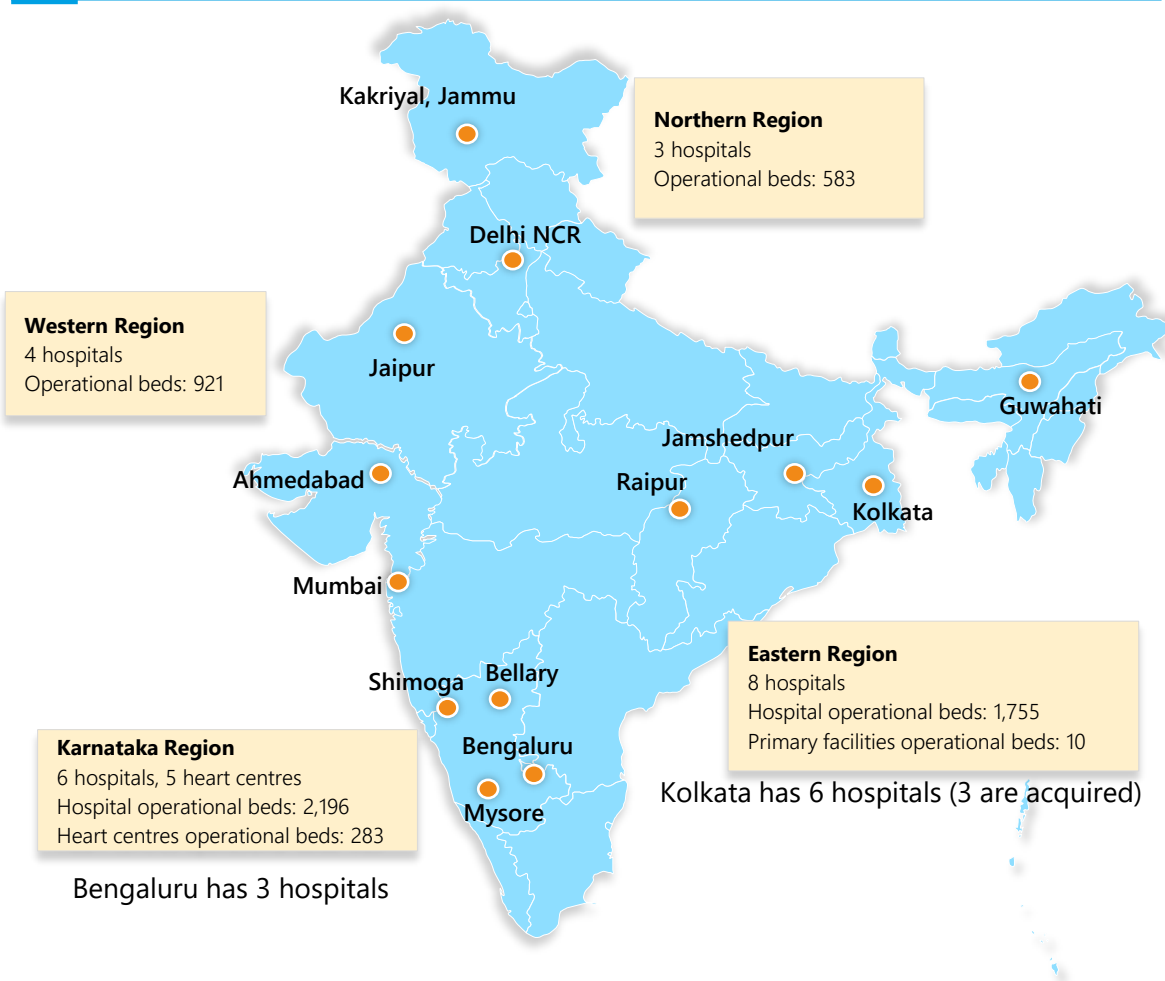


**30+ Specialities**



**15,781 Full-time Employees and Associates including 3,438 doctors**

## NH's footprint in India



(1) NH owns the P&L responsibility

(2) NH manages 3<sup>rd</sup> party hospital for Management Fees

(3) NH operates 1 heart centre in Chittagong, Bangladesh

(4) Includes clinics, information centres, etc

(5) In FY20, operations shut down at Whitefield Hospital (118 operational beds), Durgapur Heart Centre (49 operational beds), Managed Hospital Durgapur IQ City (386 operational beds) and operations commenced at Chittagong Heart Centre (62 operational beds) and exited operations at CNH Heart Centre (39 operational beds) wef 1<sup>st</sup> April 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 September 30<sup>th</sup> 2020 but excluding Managed Hospitals and Cayman facility



## Clinical & Operational

- RTIICS, Kolkata successfully performed East India's first ever case of simultaneous Liver and kidney transplant
- Narayana Superspeciality Hospital, Guwahati successfully performed radical antegrade pancreatocystectomy with segmental colon resection and cholecystectomy on a patient with advanced stage of pancreatic cancer, first such case in the region
- Narayana Superspeciality Hospital, Guwahati performed a rare procedure called hepaticojejunostomy in which half of patient's liver along with entire bile duct containing the tumor was removed and the remaining half of the liver was connected to small intestine
- Narayana Superspeciality Hospital, Gurugram successfully performed resection on a patient suffering from Adenoid cystic carcinoma of Trachea
- Narayana Multispeciality Hospital, Ahmedabad successfully performed left carotid angioplasty in technically challenging anatomy of bovine aortic arch on a patient with recurrent ischemia



## Financial Performance

- Consolidated operating revenues of INR 6,007 mn in Q2 FY21, an increase of 52.7% QoQ and decrease of 26.9% YoY
- Consolidated EBITDA of INR 372<sup>(1)</sup> mn in Q2 FY21 translating into EBITDA margin of 6.2% as against loss of Rs 863 mn in Q1 FY 21
- Consolidated net debt of INR 5,539 mn as on 30th September 2020, reflecting net debt to equity ratio of 0.55 (Out of which, debt worth US\$ 44.5 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 129 mn increase in EBITDA and decrease of INR 18 mn in PAT for Q2 FY 21 on a like-to-like basis (pre IND AS 116)

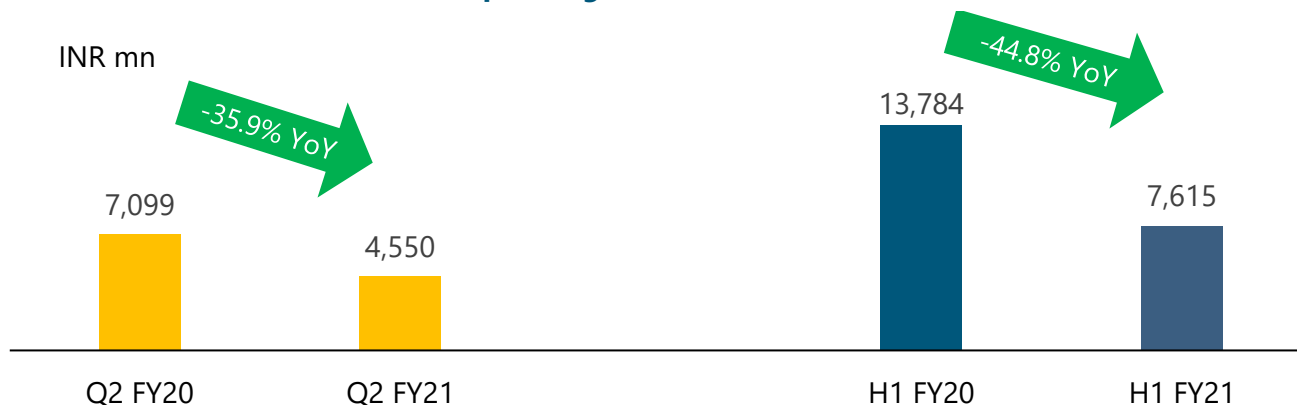
**Digital Initiatives**

- Launched NH Care patient application beta version which allows patients to access their medical records and reports online in real time
- Launched Aham, an application to facilitate approvals on mobile phones to speed up discharges and overall billing process improving patients' experience
- Online appointment expanded to cover 9 more hospitals across the network to enable advanced appointment booking and minimise physical touch points

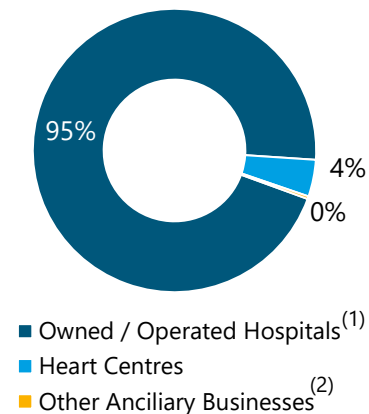
**ESG & CSR Initiatives**

- Implementation of renewable energy system at Health City, Bengaluru underway
- Implementation of online accident reporting system across the group completed
- Donated over 100 ventilators to various government and trust hospitals in Mumbai, Kochi, Delhi

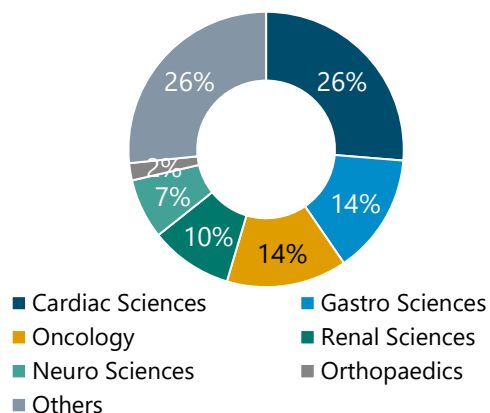
## Operating Revenues



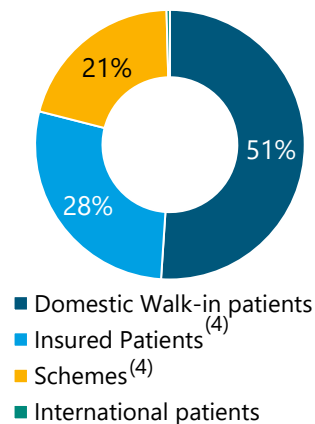
## Business Mix<sup>(6)</sup>



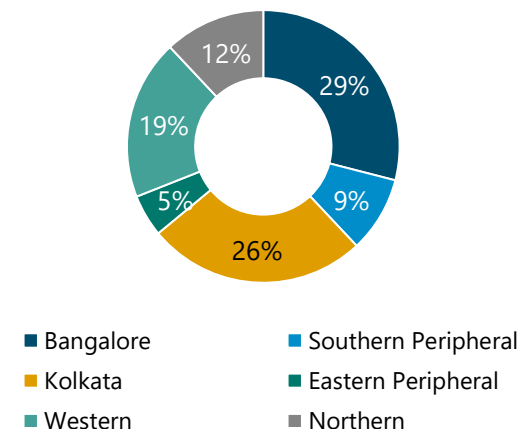
## Speciality-Profile<sup>(3,6)</sup>



## Payee-Profile<sup>(3)</sup>



## Cluster-Wise<sup>(5)</sup>



(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

## ARPOB

INR mn

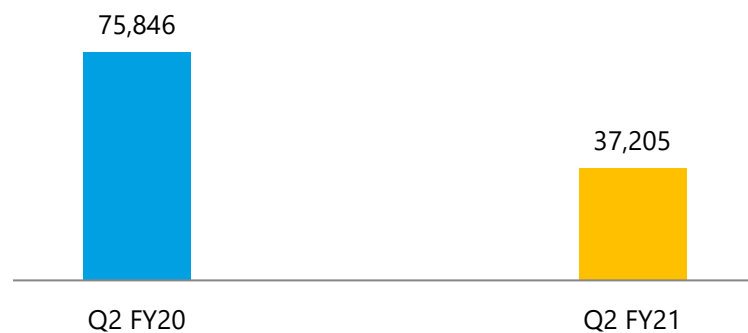


## ALOS

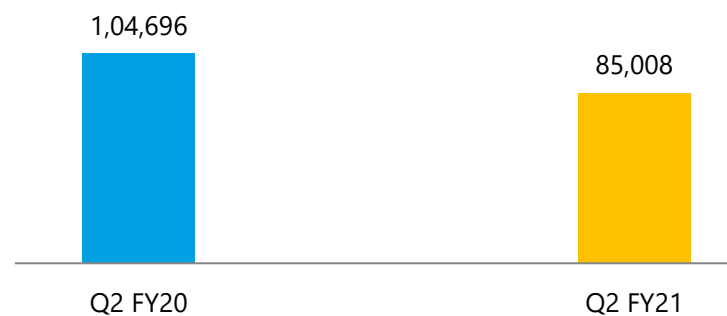
Days



## Discharges



## ICU Occupied Bed Days<sup>(1)</sup>



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



## ARPOB

US\$ mn



## Operating Revenues

US\$ mn



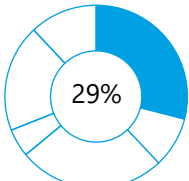
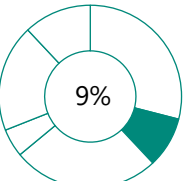
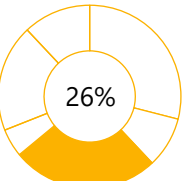
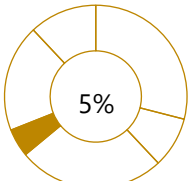
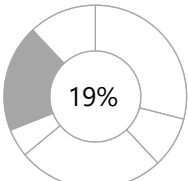
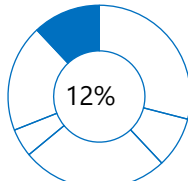






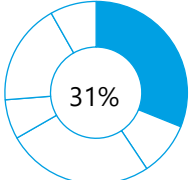
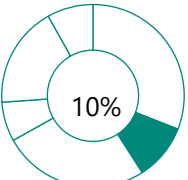
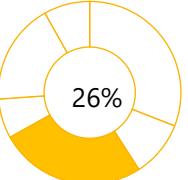
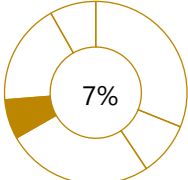
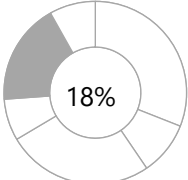
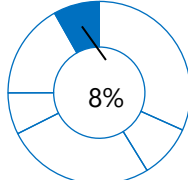







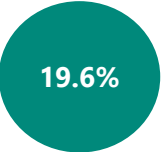




## Discharges<sup>(1)</sup>



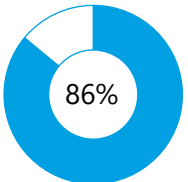

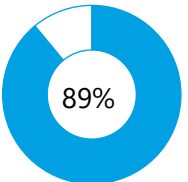



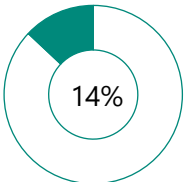

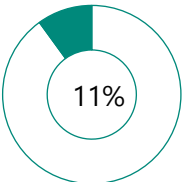



## Out-Patients



(1) ALOS for the period Q2 FY20 was 5.8 days and 5.2 days for Q2 FY21

| Regions                          | <b>Bangalore</b> <ul style="list-style-type: none"> <li>NICS</li> <li>MSMC</li> <li>HSR</li> </ul> | <b>Southern Peripheral</b> <ul style="list-style-type: none"> <li>Mysore</li> <li>Shimoga</li> </ul> | <b>Kolkata</b> <ul style="list-style-type: none"> <li>RTIICS</li> <li>Barasat</li> <li>NMH &amp; NSH</li> <li>RNN</li> <li>NSC</li> </ul> | <b>Eastern Peripheral</b> <ul style="list-style-type: none"> <li>Jamshedpur</li> <li>Guwahati</li> </ul> | <b>Western</b> <ul style="list-style-type: none"> <li>Mumbai</li> <li>Ahmedabad</li> <li>Jaipur</li> <li>Raipur</li> </ul> | <b>Delhi NCR</b> <ul style="list-style-type: none"> <li>Gurugram</li> <li>New Delhi</li> </ul> |
|----------------------------------|--|--|---|--|--|--|
| % of Hospital Operating Revenues |                   |                     |   |                       |   |             |
| YoY Revenue Growth               |                   |                     |   |                       |   |             |
| % of Hospital Operational Beds   |                   |                     |   |                       |   |             |
| ARPOB (INR mn)                   |                 |                   |   |                     |                                       |           |
| EBITDAR Margin                   |                 |                   |   |                     |                                       |           |

(1) Adjusted for Whitefield facility, for Bangalore region, YoY revenue growth is -49%

| Maturity | Hospitals (Exc. Managed Hospital & Jammu) | Hospital Operating Revenues   |  | % of Hospital Operational Beds  | Key Performance Indicators   |  |  |
|----------|---|---|--|---|--|--|--|
|          |   | % of Total  | YoY Growth   |   | ARPOB (INR mn)   | Discharges <sup>(3)</sup>  | EBITDAR Margin <sup>(4)</sup>  |
| Existing | 16  |  86% |  -39% <sup>(2)</sup> |  89% |  9.8  |  26,355 |  -0.5%  |
| New      | 3   |  14% |  -11%                |  11% |  13.7 |  7,008  |  -17.2% |

**New: Mumbai, Delhi and Gurugram units**

(1) Jammu facility reported operational revenues of INR 195 mn

(2) Adjusted for Whitefield facility, YoY revenue growth for existing bucket is -37%

(3) ALOS of matured set is 5.1 days and new units is 2.2 days

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

## EBITDA and EBITDA Margin

INR mn

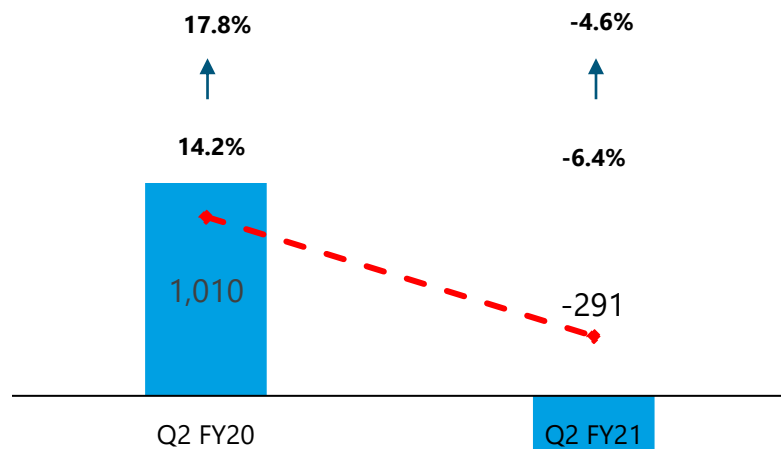
### Movement across New Hospitals

Q2 FY20

Q2 FY21

|       | Loss/Profit | Revenues |       | Loss/Profit | Revenues |
|-------|-------------|----------|-------|-------------|----------|
| Total | (139)       | 650      | Total | (108)       | 577      |

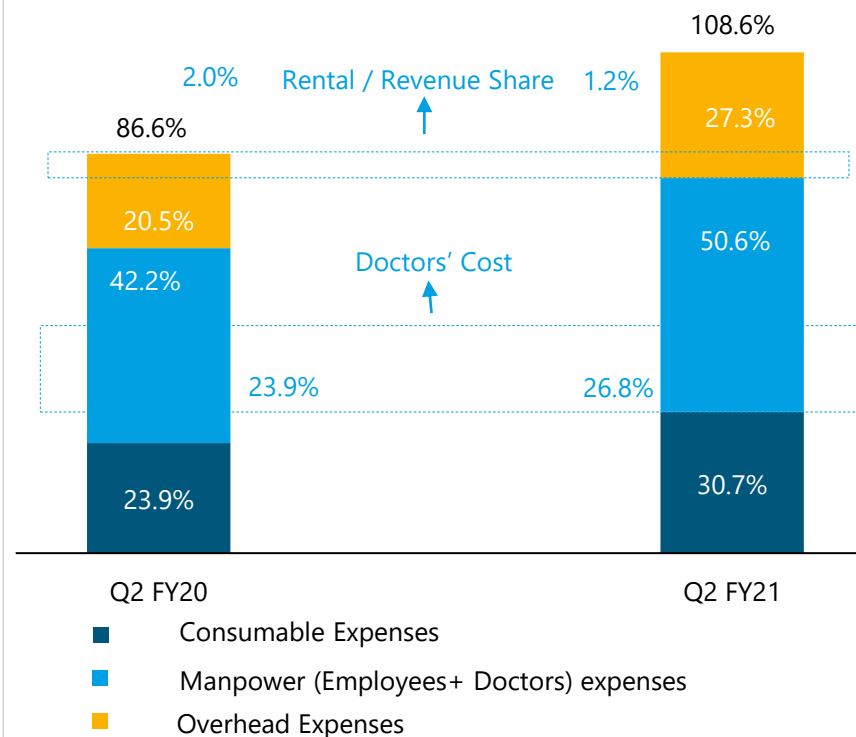
Adjusted for the above, the adjusted EBITDA margins would be as follows



- Heart Centres clocked an EBITDAR margin of 14.6%<sup>(1)</sup> in Q2 FY21

## Cost Structure

% of Operating Revenues



(1) 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<sup>(1,3)</sup>

| Particulars (INR mn)                        | Q2 FY20                  | H1 FY21                    |
|---|--------------------------|----------------------------|
| <b>Total Operating Revenue</b>              | <b>6,007</b>             | <b>9,942</b>               |
| Consumption                                 | 1,616                    | 2,721                      |
| Doctors Expenses                            | 1,356                    | 2,567                      |
| Employee (Excluding Doctors) Expenses       | 1,287                    | 2,641                      |
| Other Admin Expenses                        | 1,480                    | 2,655                      |
| <b>Total Expenses</b>                       | <b>5,740</b>             | <b>10,584</b>              |
| Other Income                                | 104                      | 151                        |
| <b>EBITDA</b>                               | <b>372<sup>(4)</sup></b> | <b>(492)<sup>(4)</sup></b> |
| Depreciation and Amortization               | 462                      | 926                        |
| Finance Costs                               | 194                      | 392                        |
| Share of loss of equity accounted investees | (10)                     | (21)                       |
| <b>PBT</b>                                  | <b>(295)</b>             | <b>(1,830)</b>             |
| Tax Expense                                 | (261)                    | (598)                      |
| <b>PAT</b>                                  | <b>(34)</b>              | <b>(1,231)</b>             |
| Total Comprehensive Income                  | (71)                     | (1,270)                    |

## Key Balance Sheet Items<sup>(1)</sup>

| Particulars                  | 30 <sup>th</sup> September 2020 |
|------------------------------|---------------------------------|
| <b>Shareholder Equity</b>    | <b>10,100</b>                   |
| <b>Total Debt</b>            | <b>6,579</b>                    |
| Lease Liability              | 2,188                           |
| <b>Net Block + CWIP</b>      | <b>16,865<sup>(2)</sup></b>     |
| Goodwill                     | 582                             |
| Right to Use Assets          | 2,160                           |
| Net Receivables              | 2,602                           |
| <b>Current Investment</b>    | <b>448</b>                      |
| <b>Cash and Bank Balance</b> | <b>1,040</b>                    |

**As on September 30th, 2020, the consolidated net debt (Total Debt less Cash and Bank Balance) was Rs 5,539 mn, representing a net debt to equity ratio of 0.55 (Out of which, debt worth US\$ 44.5 mn is foreign currency denominated)**

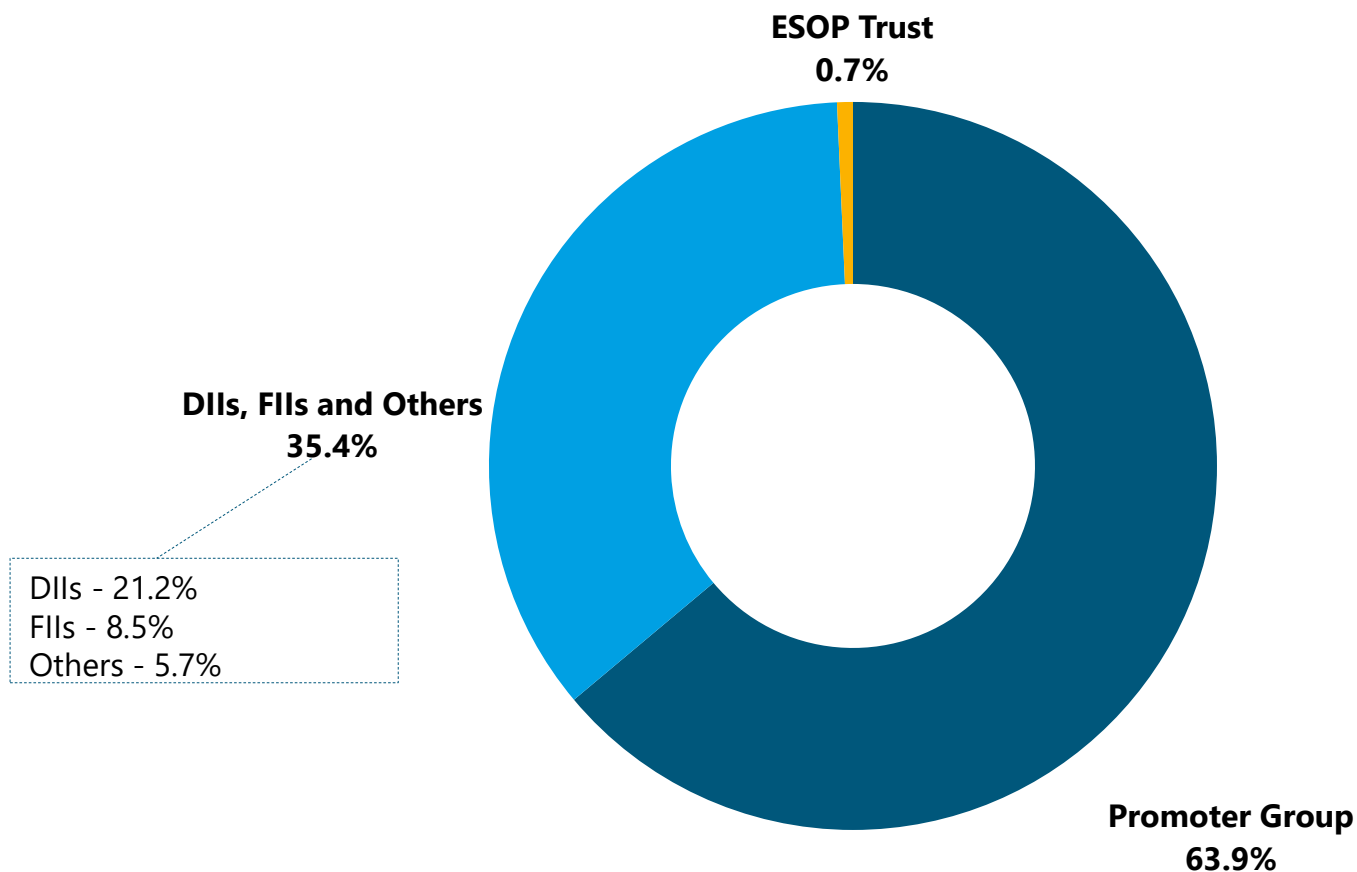
(1) Figures might not equal the reported numbers due to rounding off

(2) Net Block includes non-cash government grant impact of Rs 1,212 mn and non-cash financial lease impact of Rs 898 mn

(3) As per the new accounting treatment for leases per IND AS 116 effective 1st April 2019 which resulted in INR 103 mn increase in depreciation, INR 44 mn increase in finance cost for Q2 FY 21 resulting in decrease of INR 18 mn in PAT and INR 210 mn increase in depreciation, INR 89 mn increase in finance cost for H1 FY 21 resulting in decrease of INR 51 mn in PAT on a like-to-like basis (pre-IND AS 116)

(4) Heart centre at Chittagong (OPD commenced in February 2020) incurred an operational loss of INR 3 mn in Q2 FY21 and INR 9 mn in H1 FY21

As on 30<sup>th</sup> September 2020<sup>(1)</sup>



## Total Number of Shares

204,360,804

## Key DIIs

SBI Asset Management

ICICI Prudential Asset Management

Nippon (Reliance) Asset Management

Max Life Insurance

Aditya Birla Asset Management

## Key FIIs

Wellington Asset Management

Franklin Templeton

Mirae Asset Management

Simcra Partners

HSBC Global Investment

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