

Date of Submission: 29.07.2016

To Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 539551	To Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050 Stock Code- NH
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Dear Sir/Madam,

**Sub: Press release and quarterly presentation on Q1 FY 2016-17 .**

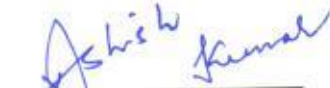
With reference to the captioned subject, please find enclosed press release on the unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30<sup>th</sup> June, 2016 and quarterly presentation on the first quarter ended June, 30, 2016

Kindly take the above said information on record as per the requirement of Listing Regulations.

Thanking You,

Yours faithfully

**For NARAYANA HRUDAYALAYA LIMITED**

  
\_\_\_\_\_  
Ashish Kumar

Group Company Secretary and Compliance Officer

Encl: A/A



**Narayana Hrudayalaya Limited**

(Previously Narayana Hrudayalaya Pvt. Ltd.) C.IN. LB5110KA2000PLC027497

Registered Office: 258/A, Bommasandra Industrial Area, Anekal Taluk, Bangalore 560099

Corporate Office: 261/A, 2nd Floor, Bommasandra Industrial Area, Anekal Taluk, Bangalore 560099

Tel: +91 80 7122 2222 Fax: +91 80 2783 2648. www.narayanahealth.org

## PRESS RELEASE

**Q1FY17 Consolidated operating income at Rs 4,520 mn (y-o-y of 19%) with EBITDA of Rs 550 mn (y-o-y of 50%)**

**Bangalore, India, July 29<sup>th</sup>, 2016** – Narayana Hrudayalaya Limited, a leading healthcare service provider in India, today announced its financial results for the first quarter (Q1FY17) ended June 30<sup>th</sup>, 2016.

Financial Highlights for the Quarter (Q1FY17) - Prepared in accordance with Ind AS ('Indian Accounting Standards')

- Consolidated total operating income was Rs 4,520 mn for Q1FY17 as compared to Rs 3,787 mn in the corresponding period of the previous year reflecting an increase of 19%
- Consolidated EBITDA stood at Rs 550 mn as compared to Rs 367 mn during the corresponding period of previous year reflecting an increase of 50%
- Consolidated EBITDA Margin was at 12.2% for Q1FY17 as against 9.7% in Q1FY16, improved by 247 bps
- PAT after minority interest and share in associate stood at Rs 167 mn for Q1FY17 as compared to a loss of Rs 5 mn in the corresponding period of the previous year

As per previously applicable Generally Accepted Accounting Principles ('Previous GAAP'), consolidated EBITDA for the quarter was Rs 555 mn (y-o-y of 39%) and consolidated PAT after minority interest and share in associate was Rs 171 mn (y-o-y of 989%).

As on June 30<sup>th</sup>, 2016, the consolidated net debt was Rs 1,742 mn representing a net debt to equity ratio of 0.20.

### **Other Highlights during the Quarter**

- Commissioned a 230 bedded multispecialty hospital at Kakriyal, Jammu in April 2016 in partnership with Shri Mata Vaishno Devi Shrine Board
- Achieved the milestone of conducting 25 heart transplants till date across the network
- Installed the da Vinci robotic surgical system at our Health City at Bengaluru
- Paediatric surgery & liver transplant program at Health City, Bengaluru completed 10 years accomplishing 60 successful liver transplants on children till date
- NH awarded with "Firm of the Year in Healthcare" at the CNBC-TV18 India Risk Management Awards along with "Frost & Sullivan India Price/Performance Value Leadership" award for the second consecutive year

### **Enclosure - Please refer to attached earnings release for detailed business update**

#### **Management Comment**

Commenting on the performance, **Dr. Ashutosh Raghuvanshi, Vice Chairman, Managing Director and Group CEO, Narayana Hrudayalaya Limited**, said *"Our quarter performance in Q1FY17 has been in line with the stated objectives. The key highlight of the quarter has been the commissioning of our 230 bed superspeciality hospital at Kakriyal, Jammu. I am delighted to inform you that the response has been really encouraging and we are seeing good traction in our operations at this facility. This apart, enhanced operating efficiencies in line with maturity of facilities are playing a very significant part in sustaining the earnings for the forthcoming future. Besides, performance of our hospital at Cayman Islands has picked up well with the unit expanding its service offerings through the programs of plastic surgery, interventional radiology and interventional neurology. Overall, the business looks bright and we are confident of growing upon the strong momentum as we move forward."*

#### **About Narayana Hrudayalaya Limited**

Founded in 2000 by Dr. Devi Prasad Shetty and headquartered in Bengaluru, Narayana Hrudayalaya Limited is one of the leading healthcare service providers in India, operating a chain of multispecialty, tertiary and primary healthcare facilities. The Company has a network of 23 hospitals and 7 heart centres across India with over 5,300 operational beds across all its centres and potential to reach a capacity of over 6,600 beds.

For further details, please contact: Ashish Kumar, Narayana Hrudayalaya Limited at +91 80 7122 2802





 **NH** Narayana Health



# Quarterly Presentation - Q1 FY17

July 2016

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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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## Clinical highlights

- A rare neurosurgery procedure of 3<sup>rd</sup> anterior ventricle tumour removal through a trans lamina terminalis approach was conducted at our Jaipur hospital
- Our MS Ramaiah heart centre distinguished itself as one of the few centres in Bengaluru to utilize the Bio-Vascular Scaffold System for coronary stenting
- First cochlear implant performed at our superspeciality hospital at Howrah
- Our hospital at Cayman Islands expanded its service offerings through the programs of plastic surgery, interventional radiology and interventional neurology



## Operational Performance

- Commissioned a 230 bedded multispeciality hospital at Kakriyal, Jammu in April 2016
- Successfully achieved the milestone of conducting 25 heart transplants till date across the network
- Paediatric surgery & liver transplant program at Health City, Bengaluru completed 10 years accomplishing 60 successful liver transplants on children till date
- Installed the da Vinci robotic surgical system at our Health City, Bengaluru



## Awards and Honors

- NH was awarded "Firm of the Year in Healthcare" at the CNBC-TV18 India Risk Management Awards<sup>(1)</sup>
- NH won the Frost & Sullivan India Price/Performance Value Leadership Award 2016 for the second consecutive year in 2016
- NH featured in Fortune India Next 500 Company's List in June 2016



## Financial Performance

- Operating revenue of INR 4,520 mn, an increase of 19% YoY
- Robust 50% growth in EBITDA to INR 550 mn, reflecting an EBITDA margin of 12.2%
- Net debt as on 30<sup>th</sup> June, 2016 reduced to INR 1,742 mn, reflecting a net debt to equity ratio of 0.20

As on 30<sup>th</sup> June 2016



## 54 Healthcare Facilities

19	Owned / Operated hospitals <sup>(1)</sup>	4,144 Beds
4	Managed hospitals <sup>(2)</sup>	716 Beds
7	Heart centres	376 Beds
23	Primary healthcare facilities <sup>(3)</sup>	10 Beds
1	Hospital in Cayman Islands	101 Beds



**6,651** Capacity Beds

**5,347** Operational beds

**2.6 mn** <sup>(4)</sup> Average effective capital cost per operational bed



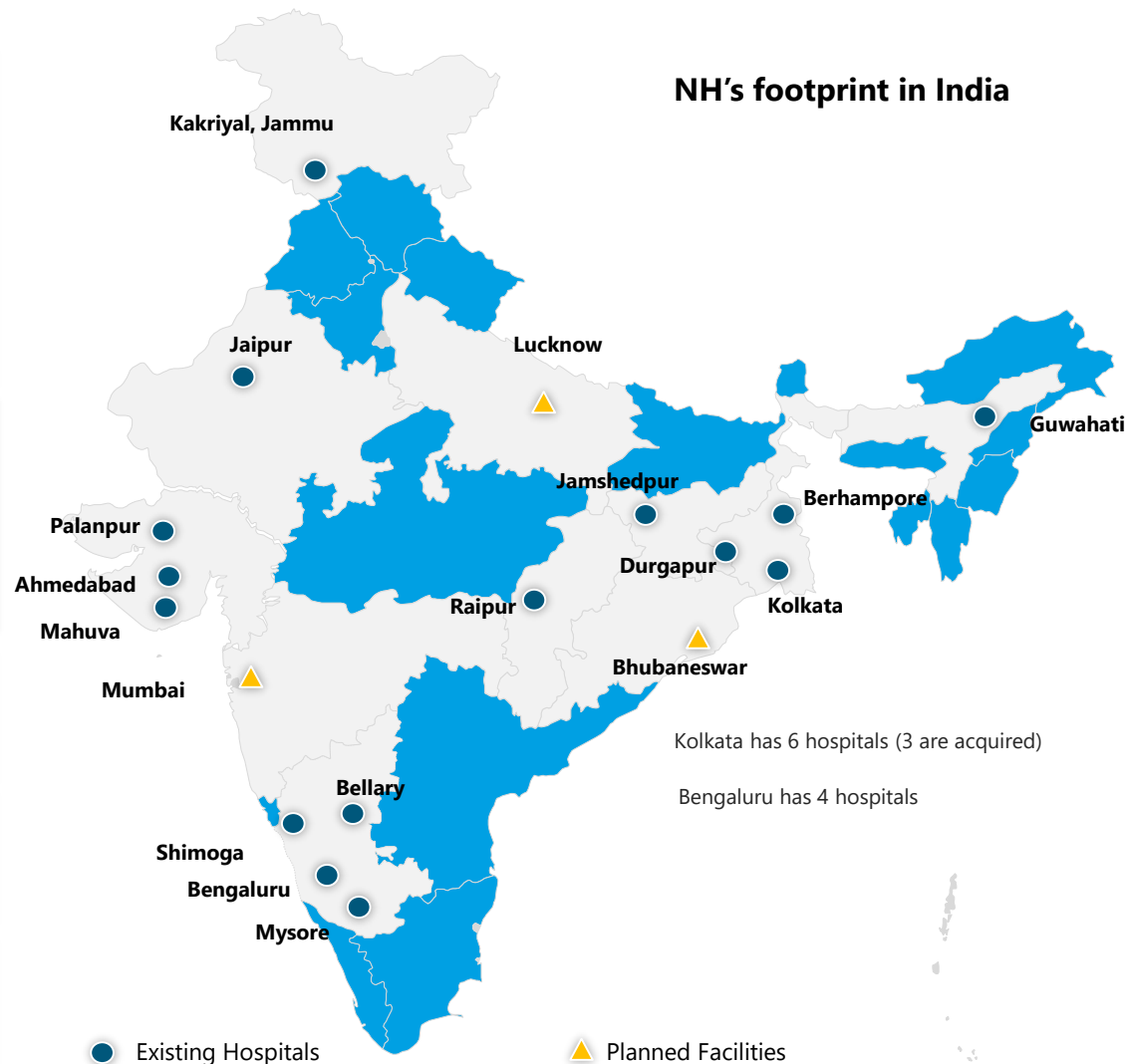
**30+** Specialities



**414** <sup>(5)</sup> Daily Average Surgeries and Procedures



**13,856** Full-time employees with 2,722 doctors



(1) NH owns the P&L responsibility

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

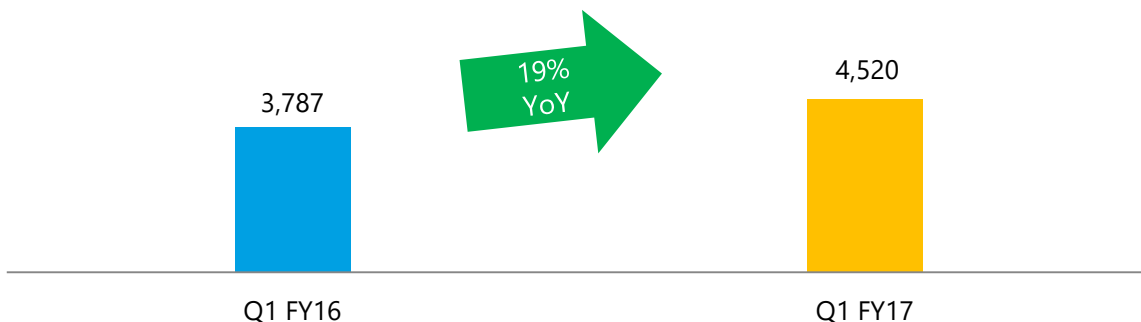
(3) Includes clinics, information centres, etc

(4) Based on (Gross Block for Fixed Assets + Capital Work in Progress (CWIP)) / Number of operational beds as of 30 June 2016. Excludes Managed Hospitals and Cayman facility

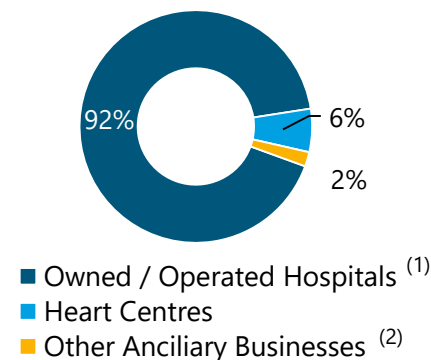
(5) Daily average calculated on a 91 days basis for Q1 FY17

## Operating Revenue

INR mn

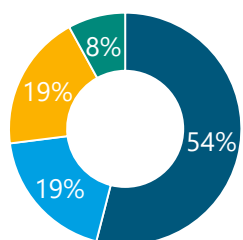


## Business Mix



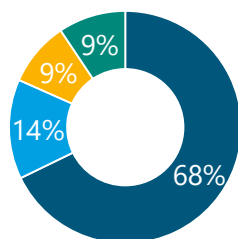
## Significant growth in revenue across existing as well as new centres

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



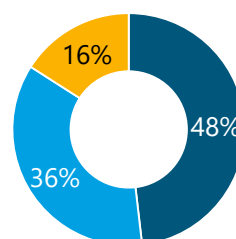
- Walk-in patients
- Schemes
- Insured Patients <sup>(4)</sup>
- International patients

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



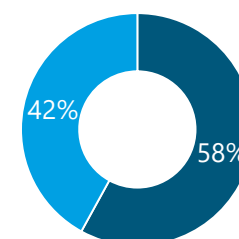
- Over 5 years
- 3 to 5 years
- Less than 3 years
- Acquired facilities

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



- Karnataka
- Eastern
- Others <sup>(6)</sup>

### Speciality-Profile<sup>(7)</sup>



- Cardiac & Renal
- Others

<sup>(1)</sup> NH owns the P&L responsibility

<sup>(2)</sup> Includes managed hospitals, clinics, learning and development, teleradiology, etc

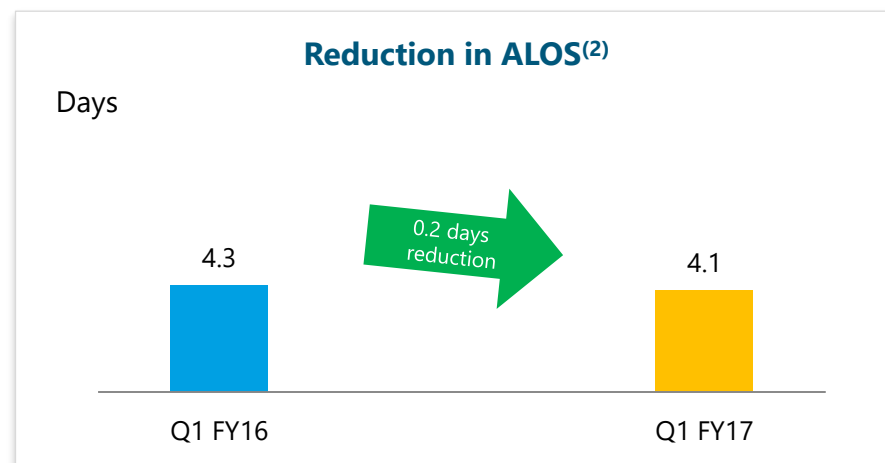
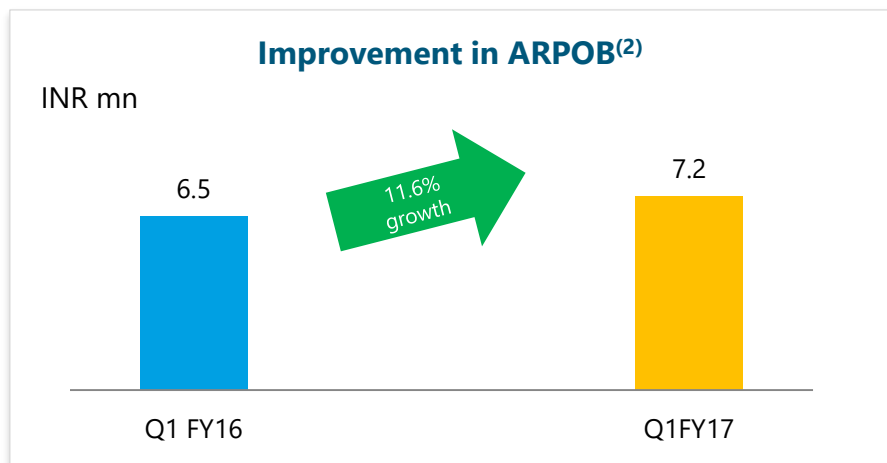
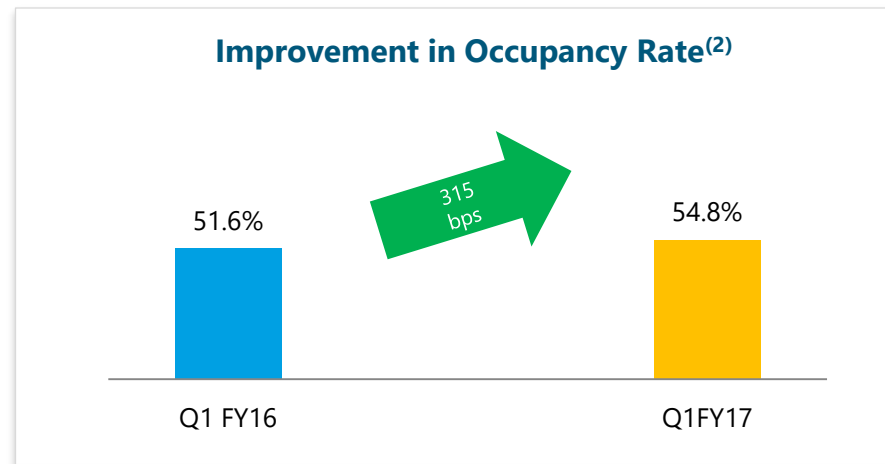
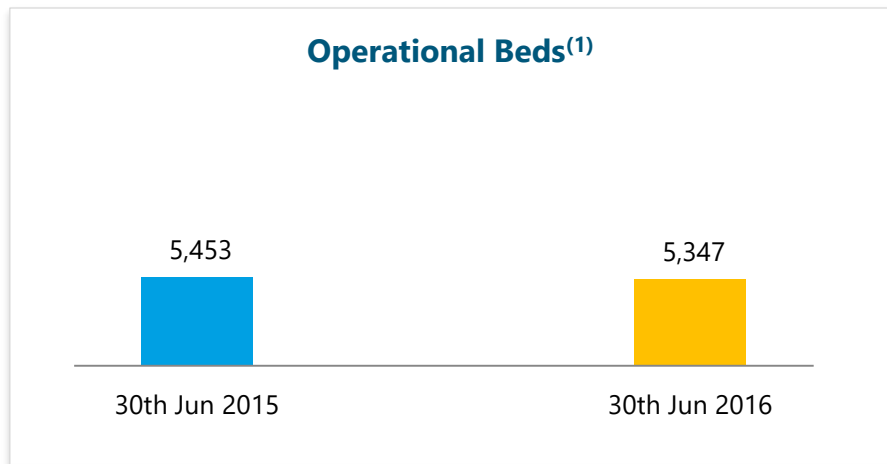
<sup>(3)</sup> As percentage of IP and OP revenue excluding Kakriyal (Jammu) unit: Schemes include CGHS, ESIS, other state government schemes.

<sup>(4)</sup> Includes Insurance-covered patients, corporate patients (including public sector undertakings)

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

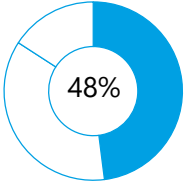

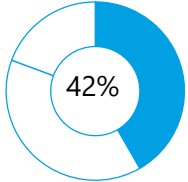
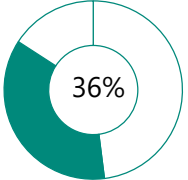

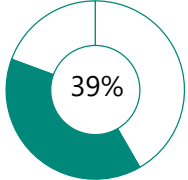
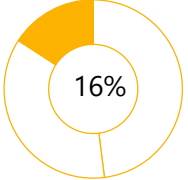

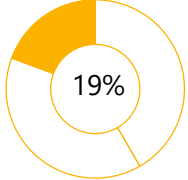
<sup>(6)</sup> Others include hospitals at Jaipur, Raipur, Ahmedabad and newly commissioned facility at Kakriyal, Jammu

<sup>(7)</sup> Calculated on IP revenue; 6 core specialities (cardiac sciences, renal sciences, oncology, neurosciences, gastroenterology and orthopaedics) account for ~88% of IP revenue in Q1 FY17



(1) Over FY16 and FY17, added 70 new beds at our unit at Kakriyal, Jammu & decommissioned 195 beds due to closure of hospital at Hyderabad & exited operations from heart centres at Kuppam & Suguna  
 (2) Excludes Managed Hospitals & Cayman facility for Q1 FY17 and also excludes MMRHL for Q1 FY16



Regional Cluster	Hospitals <sup>(1)</sup>	% of Hospital Operating Revenue <sup>(2)</sup>	% of Hospital Operational Beds <sup>(1)</sup>	Operational Parameters <sup>(2)</sup>	
Karnataka Cluster	7 <sup>(3)</sup>	 48% YoY Growth  22%	 42%	ARPOB (INR mn)	Occupancy <sup>(4)</sup>
Eastern Cluster	10 <sup>(3)</sup>	 36%  20%	 39%	7.4	57%
Others	6 <sup>(3)</sup>	 16%  34%	 19%	6.3	54%

(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 total operational beds which includes census and non census beds viz. recovery, pre operative, dialysis, emergency, day care, etc

Maturity <sup>(1)</sup>	Hospitals <sup>(2)</sup>	% of Hospital Operating Revenue <sup>(3)</sup>	YoY Growth	% of Hospital Operational Beds <sup>(2)</sup>	Key Performance Indicators <sup>(3)</sup>		
					ARPOB (INR mn)	Occupancy	EBITDAR Margin <sup>(4)</sup>
Over 5 years	7	68%	15%	51%	7.6	60%	24.4%
3 to 5 Years	4	14%	33%	16%	5.7	53%	10.3%
Less than 3 years	8	9%	82%	22%	8.0	45%	4.5%
Acquired Facilities	4	9%	43%	11%	5.6	52%	3.7%

(1) Maturity determined as on 31<sup>st</sup> March'16 except Jammu, commissioned on 8<sup>th</sup> April'16

(2) Includes Managed hospitals and excludes Cayman facility

(3) Excludes Managed hospitals and Cayman facility

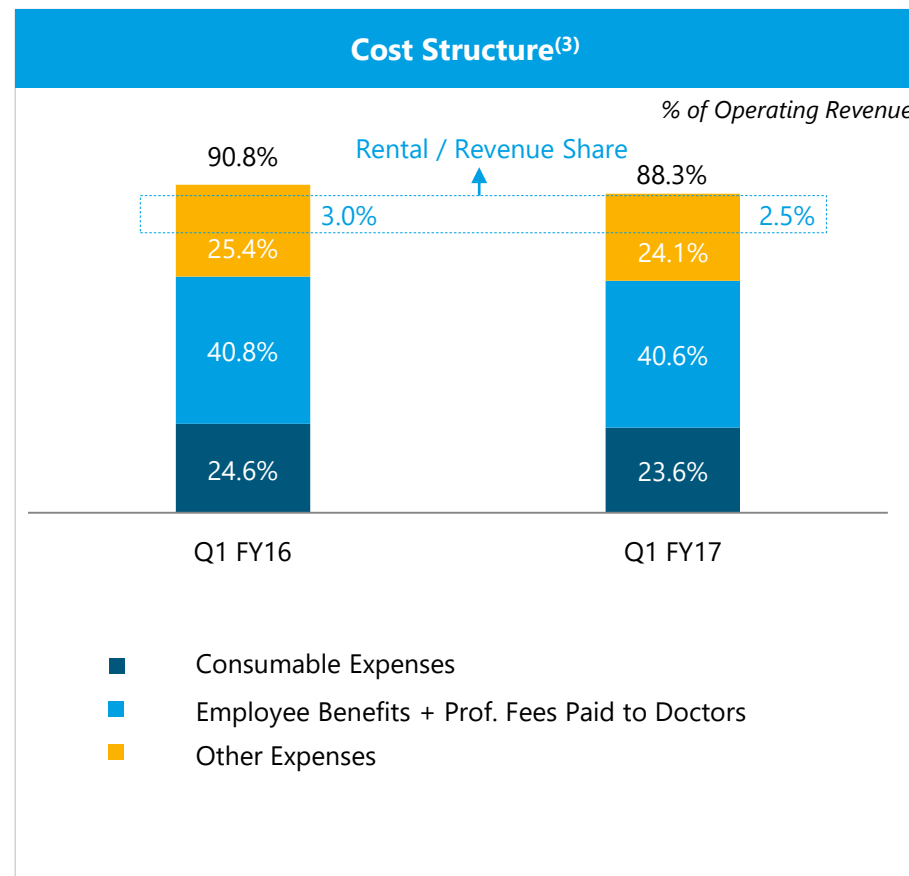
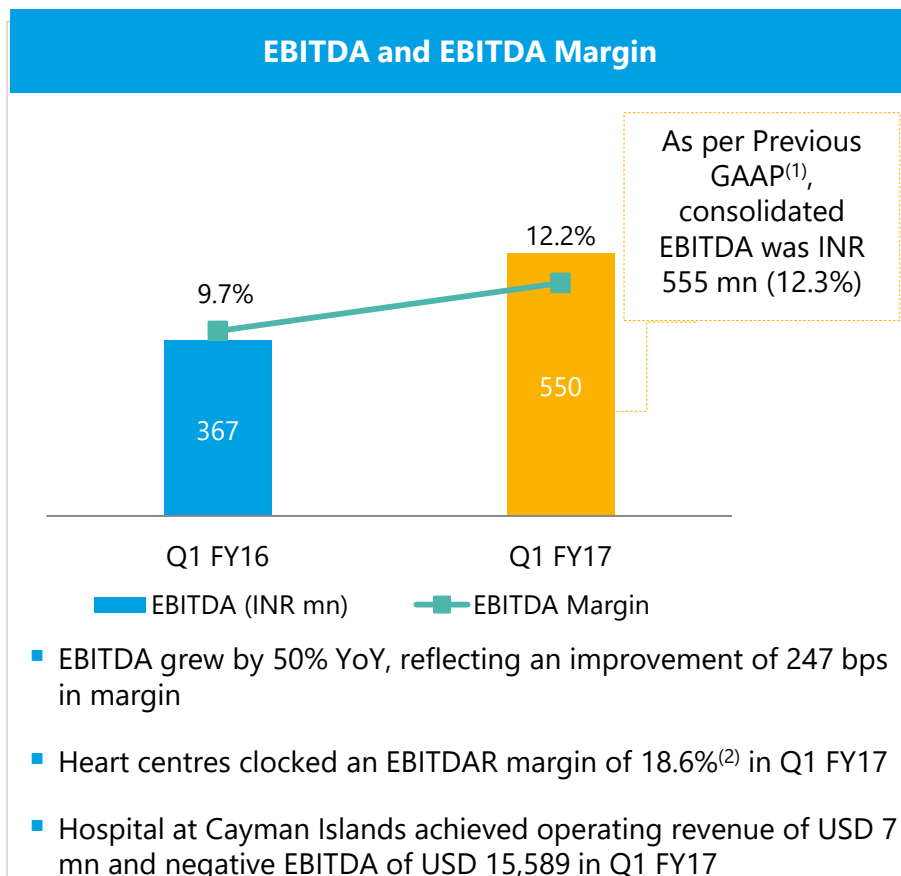
(4) EBITDA before rental/revenue share and before allocation of any corporate expenses

- 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 units at Barasat (Kolkata) and Berhampore



(1) Previously applicable Generally Accepted Accounting Principles

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

(3) 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 Benefits and Prof. Fees Paid to Doctors = Employee benefits + Professional fees to doctors; Others = all other expenses

## Profit and Loss Statement

Particulars (INR mn)	Q1 FY17	Q1 FY16
<b>Total Operating Revenue</b>	<b>4,520</b>	<b>3,787</b>
Purchase of medical consumables, drugs and surgical equipment	1,067	931
Employee benefits	915	792
Doctors Fees	921	754
Other Admin Expenses	1,089	963
<b>Total Expenses</b>	<b>3,991</b>	<b>3,440</b>
Other Income	22	20
<b>EBITDA</b>	<b>550</b>	<b>367</b>
Depreciation and Amortization	185	177
Finance Costs	55	89
<b>Profit Before Tax After Exceptional Items</b>	<b>310</b>	<b>101</b>
Tax Expense	118	48
<b>PAT before MI and share of associate</b>	<b>191</b>	<b>53</b>
Share in (loss)/profit of associate and MI	24	67
<b>PAT after MI and share of associate</b>	<b>167</b>	<b>(5)</b>
Total Comprehensive Income, net of tax	176	(6)

## Key Balance Sheet Items

Particulars (INR mn)	30 <sup>th</sup> June 2016	31 <sup>st</sup> March 2016
<b>Shareholder Equity</b>	<b>8,885</b>	<b>8,672</b>
<b>Total Debt</b>	<b>2,109</b>	<b>2,575</b>
Long term debt including current maturities	2,081	2,130
Short term debt	28	446
<b>Net Block</b>	<b>8,440</b>	<b>8,466</b>
Goodwill	590	590
Non Current Investment	865	872
Net receivables	1,628	1,520
<b>Cash and cash equivalents</b>	<b>367</b>	<b>241</b>

**As on 30th June 2016, the consolidated net debt was INR 1,742 mn, representing a net debt to equity ratio of 0.20**

Location	Estimated time for Commencement	Type of hospital	No of beds	Type
Mumbai	Within next 9 months	Multispeciality, paediatric	297	Operations and management basis
Lucknow	Within next 24 months	Multispeciality	326	Operations and management basis
Bhubaneshwar	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

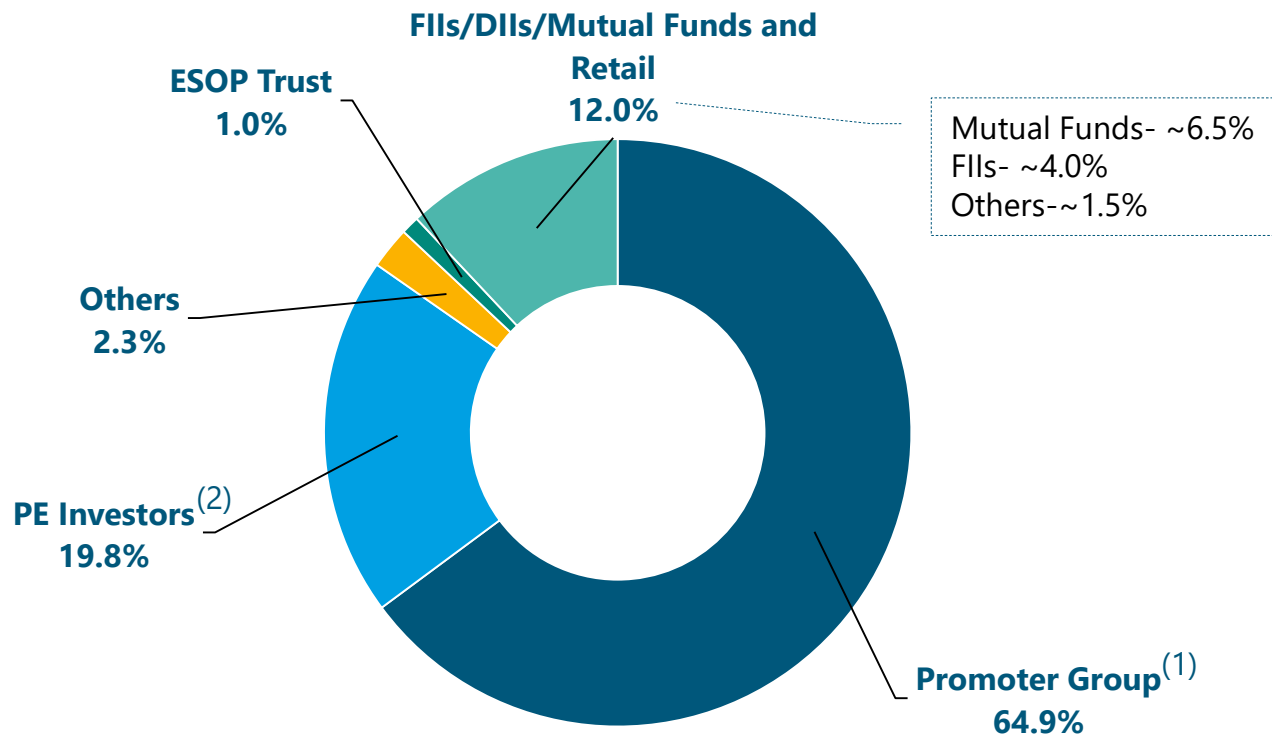
- Growth trajectory on track through the above projects as well as several projects under discussion
- Emphasis on “asset right” capital deployment model and the engagement framework which provide us the flexibility to limit our capital investments primarily to medical equipment
- Focus to maintain a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



Shareholding as on 30<sup>th</sup> June 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