



August 09, 2018

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

Sub: Investor Presentation

**Ref: HealthCare Global Enterprises Limited (“the Company”) (NSE Scrip Code: HCG/
BSE Scrip Code: 539787)**

Dear Sir/Madam,

We wish to inform you that the Board of Directors of the Company, at their meeting held on this day, 9th August 2018, *inter alia*, has approved the Unaudited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2018.

In this respect, we enclose herewith the Presentation on the Financial Results for the quarter ended June 30, 2018.

Request you to take this on record.

For HealthCare Global Enterprises Limited

SUNU MANUEL Digitally signed by SUNU MANUEL
Date: 2018.08.09 14:34:38 +05'30'

Sunu Manuel
Company Secretary & Compliance Officer

Encl: as above

HealthCare Global Enterprises Limited

HCG Tower, # 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bangalore - 560027.

080 33669999 | info@hcgoncology.com | www.hcgoncology.com | CIN : L15200KA1998PLC023489



HealthCare Global Enterprises Limited

Q1 - FY19 Investor Presentation - August 2018



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Financial Highlights: Q1-FY19

INR million except earnings per share

Period Ended June 30	Q1-FY19	Q1-FY18	Growth (y-o-y)
Income from Operations	2,266	1,911	18.6%
Other Income	9	24	
EBITDA⁽¹⁾	315	319	-1.3%
EBITDA Margin (%)	13.8%	16.5%	
Operating EBITDA⁽²⁾	306	295	3.6%
EBITDA Margin (%)	13.5%	15.4%	
PBT⁽³⁾	-58	97	NM
PBT Margin (%)	-2.6%	5.1%	
PAT⁽⁴⁾	-34	47	NM
PAT Margin (%)	-1.5%	2.5%	
Earnings Per Share	-0.39	0.55	NM

- Q1'19 Revenue grew 18.6% y-o-y
 - HCG⁽¹⁾ centers: +20.8%
 - Milann⁽²⁾ centers: -5.0%
- Q1'19 Operating EBITDA
 - Existing centers: INR 337 Mn (18.5% margin vs 17.8% margin in Q1-FY18)
 - New centers⁽³⁾: Loss of INR -32 Mn (vs. profit of INR 1 Mn in Q1-FY18)

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

Notes:

- (1) 19 comprehensive cancer centers (including center in Kenya), 2 multispecialty hospitals, 3 diagnostic centers and 1 day care chemotherapy center operated under "HCG" brand and 1 multispecialty hospital managed by HCG.
- (2) 9 fertility centers operated under "Milann" brand
- (3) 7 HCG centers and 6 Milann centers that commenced operation after April 1, 2015
- (4) Financials of HCG Africa and Strand Life Sciences consolidated at equity level

Revenue Mix: Q1-FY19

Revenue:
INR 2,266 Mn

HCG Centers:
INR 2,108 Mn



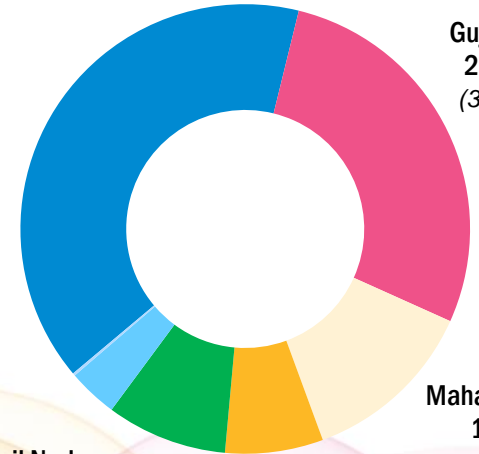
HCG ⁽¹⁾
centers
93%
(91%)¹



Fertility ⁽²⁾
centers
7%
(9%)¹



Karnataka
40%
(42%)¹



Maharashtra
13%
(7%)¹

Tamil Nadu
3%
(4%)¹

A.P.
9%
(7%)¹

East India
7%
(8%)¹

(1) 19 comprehensive cancer centers (including center in Kenya), 2 multispecialty hospitals, 3 diagnostic centers and 1 day care chemotherapy center operated under "HCG" brand and 1 multispecialty hospital managed by HCG, as at June 30 2018

(2) 9 fertility centers operated under "Milann" brand

¹(Q1-FY18)

HCG Centers: Q1-FY19 Revenues

INR million

Period Ended June 30	Q1-FY19	Q1-FY18	Growth (y-o-y)
Karnataka	842	734	14.7%
Gujarat	588	526	11.7%
Maharashtra	267	122	118.1%
Andhra Pradesh	183	123	49.2%
East India	149	143	4.2%
Tamil Nadu	75	66	14.6%
North India	4	31	NM
	2,108	1,745	20.8%

- Strong growth continues at several existing and new centers in Q1-FY19
 - Baroda: +42.0% y-o-y
 - Nashik: +49.5% y-o-y
 - Vijayawada: +82.7% y-o-y
- Consolidation of partner business in Vijayawada for full quarter in Q1-FY19
- Ramp-up continues at Borivali center
- Out-patient services commenced in Rajkot and Jaipur
- New centers contributed Revenue of INR 415 Mn in Q1-FY19
- Revenue from existing HCG centers grew 12% in Q1-FY19 on y-o-y basis

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HCG Centers: Q1-FY19 Operating Metrics



No. of Centers

Q1-FY19:
22

Q1-FY18:
20

Beds

Q1-FY19:
1,684

Q1-FY18:
1,365

Avg. Occupancy Rate

Q1-FY19:
47.1%

Q1-FY18:
46.6%

↑ **50 bps**

ALOS (Days)

Q1-FY19:
2.37

Q1-FY18:
2.48

↓ **11 bps**

ARPOB (INR / Day)

Q1-FY19:
30,429

Q1-FY18:
30,120

↑ **1.0%**

Revenue (INR mn)

Q1-FY19:
2,108

Q1-FY18:
1,745

↑ **+20.8%**

Operating EBITDA Margin

Q1-FY19:
18.1%

Q1-FY18:
20.3%

↓ **220 bps**

- 115 new bed additions on account of Nashik Phase II expansion of 75 beds and 40 beds at Vijayawada
- ARPOB for existing centers at INR 33,701 against INR 31,992 in Q1-FY'18
- Continuing reduction in ALOS to 2.37 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 improved by 60 bps to 23.7% in Q1-FY'19 from 23.1% in Q1-FY'18

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

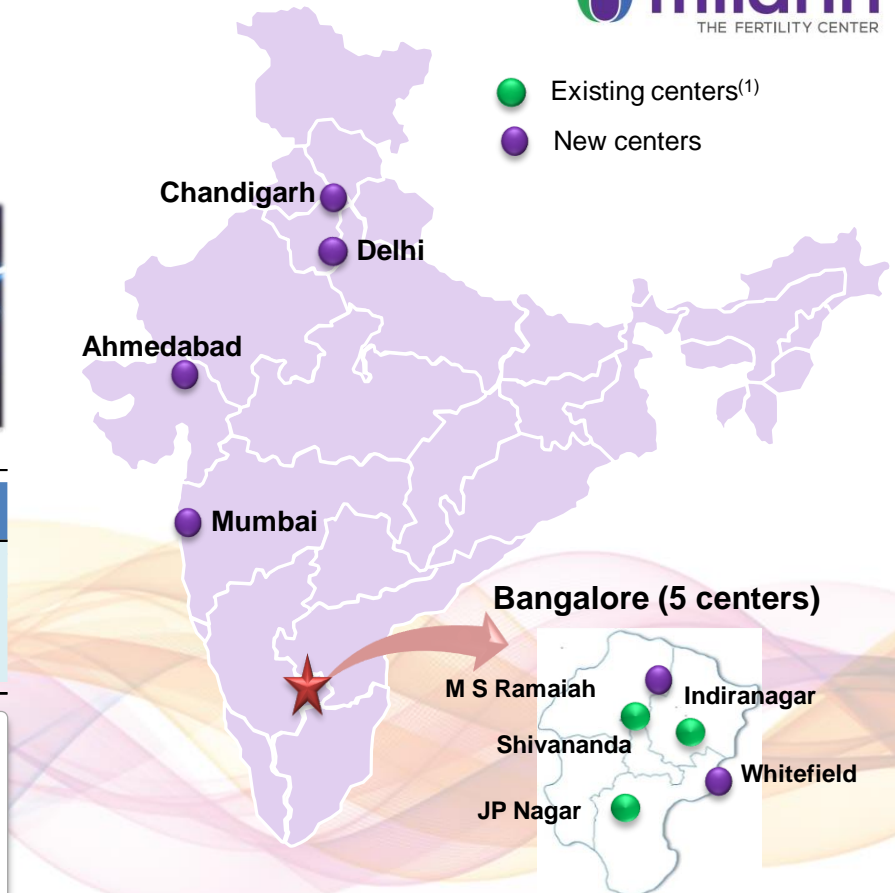
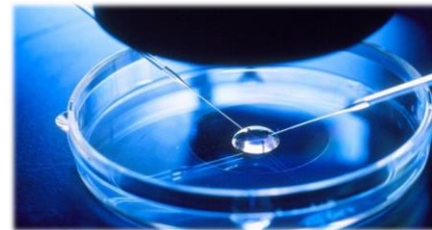
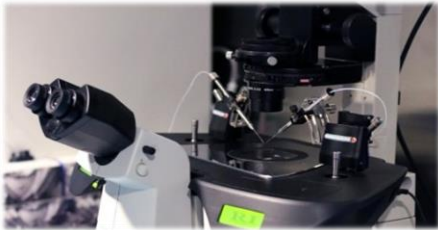
HCG Centers: Q1-FY19 Regional Highlights



Centers	Beds	AOR	ARPOB (INR/Day)	Revenue (INR MN)	Operating EBITDA	
Karnataka						
7	632	44.4%	33.6K	842	25.7%	<ul style="list-style-type: none"> COE ARPOB of INR 45.2k with 26.5% operating EBITDA margin COE ROCE improved to 23.5% from 21.7% in Q1-FY18 ARPOB dip in region driven by scale-up of multi-specialty in Hubli
		↑ +31.2%(1)	↓ -11.0%	↑ +14.7%		
Gujarat						
4	304	58.4 %	36.4K	588	13.4%	<ul style="list-style-type: none"> Baroda cancer center and Bhavnagar multi-specialty continue strong ramp-up EBITDA margin of existing centers at 17.5% for Q1-FY19
		↑ +6.8%(1)	↑ +4.6%	↑ +11.7%		
Maharashtra						
3	336	36.0%	27.2K	267	1.7%	<ul style="list-style-type: none"> Nashik Phase II commenced enhancing total operational capacity to 152 beds EBITDA margin at 29.2% for Q1-FY19 Borivali centre seeing good international patient flow and strong revenue ramp
		↑ +56.2%(1)	↑ +40.3%	↑ +118.1%		
Andhra Pradesh						
3	177	46.3%	24.6K	183	26.9%	<ul style="list-style-type: none"> Strong revenue growth, occupancy increase and ARPOB dilution driven by consolidation of partners business in Vijayawada New center in Vishakapatnam ramping up well
		↑ +112.2%(1)	↓ -29.7%	↑ +49.2%		
East India						
2	165	72.9%	13.6K	149	26.0%	<ul style="list-style-type: none"> Reduction in scheme patients along with investments in enhancing quality of care at Cuttack center Improved procedure mix and efficiencies in leading to optimal occupancy
		↓ -5.4%(1)	↑ +10.1%	↑ +4.2%		

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



	Q1-FY19	Q1-FY18	Growth
New Registrations	1,333	1,227	8.6%
IVF Cycles	521	533	-2.3%
Revenue (INR Mn)	157	166	-5.0%

- Implementation of new Strategic initiatives with:
 - Appointment of CEO having strong IVF experience
 - New center in Whitefield launched with good potential
 - Mumbai center being restructured to strategically address large market

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

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Capital Expenditure and Net Debt

Capital Expenditure

INR Million

	Q1-FY19	FY18
HCG Centres		
Existing Centres	111	444
Expansions	115	220
New Centres	692	2,116
	919	2,780
Milann Centres		
Existing Centres	2	8
New Centres	4	86
	6	93
Total Capex	925	2,873

1. Includes Security Deposit for New Centers of INR 21 mn in Q1-FY19 and INR 139 mn in FY18
2. Investment of INR 238 mn in FY18 in HCG Africa not part of Capex
3. Expansions for Q1-FY19 includes investment of INR 70mn towards Vijayawada consolidation

Net Debt

INR Million

	30-Jun-18	31-Mar-18
Net Debt		
Bank Debt ⁽¹⁾	3,195	2,374
Vendor Finance ⁽²⁾	1,605	1,503
Capital Leases	555	555
Other Debt	36	41
Less: Cash and Equivalents ⁽³⁾	(350)	(318)
	5,042	4,156
Debt in New Centres		
Bank Debt	2,852	2,261
Vendor Finance	1,439	1,261
Other Debt	2	2
	4,293	3,524
Net Debt (Excl. New Centres)	749	632

1. Net of Bank balance held as margin money of INR 146 mn as at 30-Jun-18, INR 183 mn as at 31-Mar-18. The unamortised portion of processing fees amounting to INR 59 Mn as on 31-Mar-18 & INR 60 Mn as on 30-Jun-18 netted off against Bank Debt
2. Includes Forex reinstatement of INR 62 mn as at 30-Jun-18 and INR 18 mn as at 31-Mar-18 on account of exchange rate fluctuation
3. Includes investment in mutual funds of INR 43 mn as at 30-Jun-18 and 31-Mar-18 and investment in fixed deposits of INR 93 mn as at 30-Jun-18 and INR 47 mn as at 31-Mar-18.

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Project Updates

Additional 4 new HCG centers in FY2019

Location	Bed Capacity	Project Cost (INR mn)	Start Date
Nashik Phase II, Maharashtra	92	623	Q1-FY19E
Jaipur, Rajasthan	50	410	Q2-FY19E
Kolkata, West Bengal	50	450	Q2-FY19E
Bhavnagar, Gujarat	NA	150	Q2-FY19E
South Mumbai, Maharashtra	32	430	Q3-FY19E

1 new Milann center launched in Q1 FY2019

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





THANK YOU



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