



November 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 November 2018, *inter alia*, has approved the Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2018.

In this respect, we enclose herewith the Presentation on the Financial Results for the quarter and half year ended September 30, 2018.

Request you to take this on record.

For HealthCare Global Enterprises Limited

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

Q2 - FY19 Investor Presentation - November 2018



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Financial Highlights: Q2-FY19



INR million except earnings per share

Period Ended Sep 30	Q2-FY19	Q2-FY18	Growth (y-o-y)	H1-FY19	H1-FY18	Growth (y-o-y)
Income from Operations	2,453	2,111	16.2%	4,719	4,022	17.3%
EBITDA⁽¹⁾	358	330	8.5%	673	649	3.6%
EBITDA Margin (%)	14.4%	15.5%		14.2%	16.0%	
Operating EBITDA⁽²⁾	335	311	7.8%	641	606	5.7%
EBITDA Margin (%)	13.7%	14.7%		13.6%	15.1%	
PBT⁽³⁾	-103	118	NM	-180	215	NM
PBT Margin (%)	-4.2%	5.6%		-3.8%	5.4%	
PAT⁽⁴⁾	-65	100	NM	-99	147	NM
PAT Margin (%)	-2.6%	4.7%		-2.1%	3.7%	
Earnings Per Share	-0.74	1.17	NM	-1.12	1.72	NM

• Q2'19 Revenue grew 16.2% y-o-y

- HCG⁽¹⁾ centers: **+18.1%**
- Milann⁽²⁾ centers: **-5.5%**

• Q2'19 Operating EBITDA

- Existing centers: INR 373 Mn (**19.2%** margin vs 18.8% margin in Q2-FY18)
- New centers⁽³⁾: Loss of INR **-38** Mn (vs. loss of INR -21 Mn in Q2-FY18)

• H1'19 Revenue grew 17.3% y-o-y

- HCG⁽¹⁾ centers: **+19.4%**
- Milann⁽²⁾ centers: **-5.3%**

• H1'19 Operating EBITDA

- Existing centers: INR 712 Mn (**18.9%** margin vs 18.3% margin in H1-FY18)
- New centers⁽³⁾: Loss of INR **-70** Mn (vs. loss of INR -20 Mn in H1-FY18)

- 1) Profit before depreciation/amortization, finance costs, exceptional items and taxes
- 2) EBITDA excluding other Income
- 3) Profit / (Loss) before tax and after share of profit / (loss) of equity accounted investee
- 4) Profit / (Loss) for the period after share of profit / (loss) of equity accounted investee, taxes and minority interests; Includes loss from Forex reinstatement of INR 58 mn for Q2 and INR 101 mn for H1 FY19

- (1) 20 comprehensive cancer centers (including center in Kenya), 3 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) 9 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: Q2-FY19

Revenue:
INR 2,453 Mn

HCG Centers:
INR 2,294 Mn



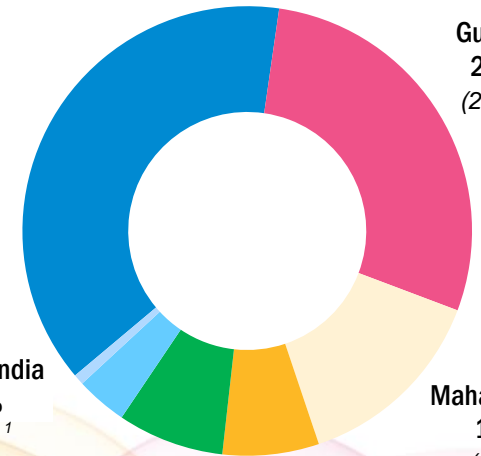
HCG (1)
centers
93%
(92%)¹



Fertility centers (2)
7%
(8%)¹



Karnataka
38%
(44%)¹



Gujarat
28%
(29%)¹

North India
1%
(2%)¹

Tamil Nadu
4%
(3%)¹

A.P.
8%
(6%)¹

East India
7%
(8%)¹

Maharashtra
14%
(8%)¹

(1) 20 comprehensive cancer centers (including center in Kenya), 3 multispecialty hospitals, 3 diagnostic centers and 1 day care chemotherapy center operated under "HCG" brand and 1 multispecialty hospital managed by HCG, as at September 30 2018

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

¹(Q2-FY18)

HCG Centers: Q2-FY19 Revenues

INR million

Period Ended Sep 30	Q2-FY19	Q2-FY18	Growth (y-o-y)	H1-FY19	H1-FY18	Growth (y-o-y)
Karnataka	880	853	3.2%	1,723	1,587	8.6%
Gujarat	653	567	15.2%	1,241	1,093	13.5%
Maharashtra	323	154	110.7%	590	276	114.0%
East India	159	147	8.0%	308	290	6.1%
Andhra Pradesh	176	115	52.5%	359	238	50.7%
Tamil Nadu	85	68	24.1%	160	134	19.4%
North India*	18	7	139.5%	21	17	26.0%
	2,294	1,911	20.0%	4,402	3,635	21.1%

- Strong growth continues at several existing and new centers in Q2-FY19
 - Vijayawada: +80.0% y-o-y
 - Nashik: +79.9% y-o-y
 - Chennai: +28.7% y-o-y
 - Baroda: +24.3% y-o-y
- New centers contributed Revenue of INR 486 Mn in Q2-FY19
- Revenue from existing HCG centers grew 11% in Q2-FY19 on y-o-y basis

*North India excludes revenue from Kanpur (discontinued operations) of INR 30 Mn in Q2-FY18 and INR 52 Mn in H1-FY18.

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HCG Centers: Q2-FY19 Operating Metrics



No. of Centers

Q2-FY19:
24

Q2-FY18:
23

Beds

Q2-FY19:
1,872

Q2-FY18:
1,659

Avg. Occupancy Rate

Q2-FY19:
45.3%

Q2-FY18:
45.8%

↓ **49bps**

ALOS (Days)

Q2-FY19:
2.27

Q2-FY18:
2.49

↑ **22 bps**

ARPOB (INR / Day)

Q2-FY19:
30,265

Q2-FY18:
30,598

↓ **1.1%**

Revenue (INR mn)

Q2-FY19:
2,294

Q2-FY18:
1,942

↑ **18.1%**

Operating EBITDA Margin

Q2-FY19:
18.2%

Q2-FY18:
18.9%

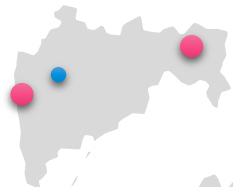
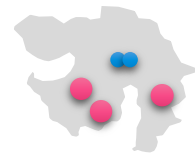
↓ **68 bps**

- 165 beds added in Q2-FY19 on account of new centers - Rajkot (120 beds) and Jaipur (45 beds)
- ARPOB for existing centers at INR 34,624 against INR 33,463 in Q2-FY'18
- Continuing reduction in ALOS to 2.27 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 69 bps to 24.4% in Q2-FY'19 from 23.7% in Q2-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: Q2-FY19 Regional Highlights



- New centers
- Existing centers

Centers	Beds	AOR	ARPOB (INR/Day)	Revenue (INR MN)	Operating EBITDA %
Karnataka					
7	632	46.6% ↑ +2.5%(1)	34.0K ↑ +0.8%	880 ↑ +3.2%	26.7%
Gujarat					
5	447	45.2% ↑ +8.0%(1)	35.1K ↑ +6.7%	653 ↑ +15.2%	15.8%
Maharashtra					
3	336	41.3% ↑ +66.3%(1)	25.4K ↑ +23.7%	323 ↑ +110.7%	4.1%
Andhra Pradesh					
3	177	51.9% ↑ +157.3%(1)	20.8K ↓ -40.8%	176 ↑ +52.5%	24.0%
East India					
2	165	64.0% ↑ +1.8%(1)	16.4K ↑ +6.1%	159 ↑ +8.0%	25.5%

- COE ARPOB of INR 48.4k with 28.3% operating EBITDA margin
- COE ROCE improved 110 bps to **28.8%** y-o-y
- ARPOB rise in the region driven by scale-up of multi-specialty managed by HCG in Hubli

- Commencement of oncology center in Bhavnagar offering comprehensive services
- Rajkot multi-specialty center operationalised
- EBITDA margin of existing centers at **19.1%** for Q2-FY19 from 15.7% for Q2-FY18

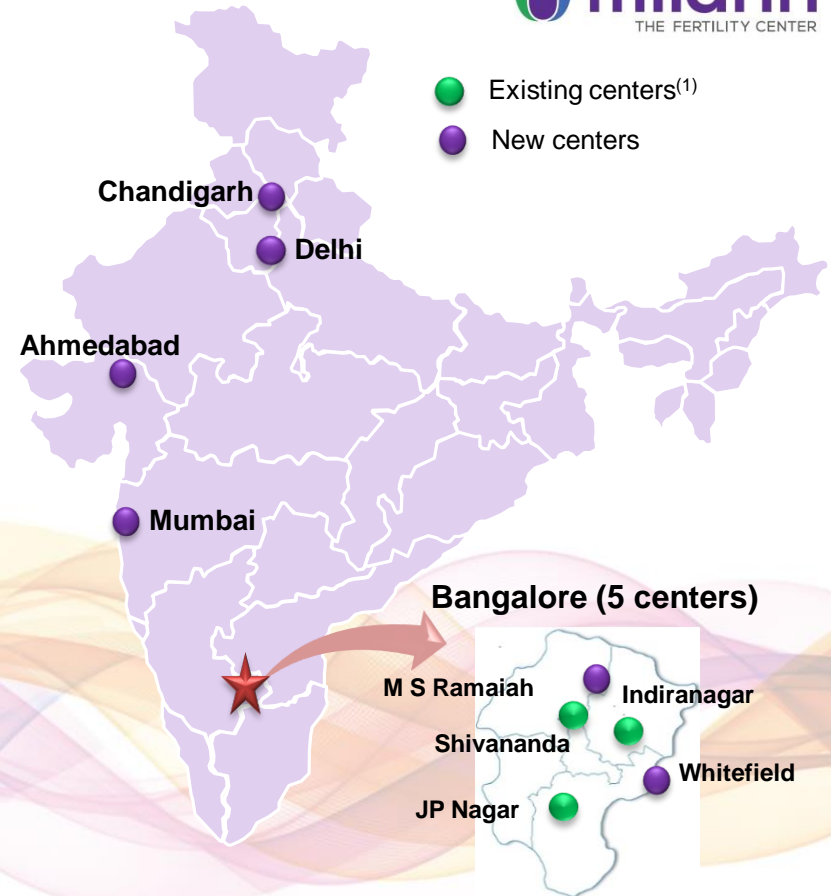
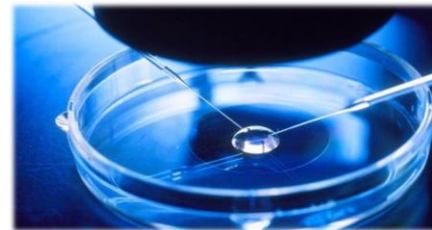
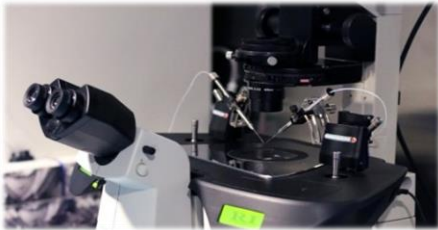
- Continued strong growth of Nashik center with Phase II operationalised and EBITDA margin at **23.4%**
- Borivali and Nagpur new centers ramping up with continued reduction in losses

- Strong revenue growth, occupancy increase and ARPOB dilution driven by consolidation of partners business in Vijayawada
- New center in Vishakhapatnam continues to ramp up well

- Investments in enhancing quality of care at Cuttack center
- Improved patient and procedure mix augmenting ARPOB increase

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



	Q2-FY19	Q2-FY18	Growth
New Registrations	1,394	1,205	15.7%
IVF Cycles	510	527	-3.2%
Revenue (INR Mn)	160	169	-5.5%

- Improvement in New Registrations driven by new center additions
- Newly opened center in attractive Whitefield (Bangalore) market ramping-up well
- Ongoing implementation of new Strategic initiatives across the business

(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

	Q2-FY19	Q1-FY19
HCG Centres		
Existing Centres	90	111
Expansions	48	115
New Centres	274	692
	412	919
Milann Centres		
Existing Centres	1	2
New Centres	1	4
	2	6
Total Capex	414	925

1. Includes Security Deposit for New Centers of INR 20 Mn in Q2-FY19 and INR 21 Mn in Q1-FY19.
2. Capex excludes stake purchase for INR 253 Mn towards minority interest of partner in Borivali center entity

Net Debt

INR Million

	30-Sep-18	30-Jun-18
Net Debt		
Bank Debt ⁽¹⁾	3,778	3,195
Vendor Finance ⁽²⁾	1,699	1,605
Capital Leases	555	555
Other Debt	84	36
Less: Cash and Equivalents ⁽³⁾	(320)	(350)
	5,796	5,042
Debt in New Centres		
Bank Debt	3,570	2,852
Vendor Finance	1,532	1,439
Other Debt	1	2
	5,103	4,293
Net Debt (Excl. New Centres)	693	749

1. Net of Bank balance held as margin money of INR 167 Mn as at 30-Sep-18, investment in fixed deposits of INR 78 Mn as at 30-Sep-18, and margin money of INR 146 Mn as at 30-Jun-18. The unamortised portion of processing fees amounting to INR 74 Mn as on 30-Sep-18 & INR 60 Mn as on 30-Jun-18 netted off against Bank Debt
2. Includes Forex reinstatement of INR 93 Mn as at 30-Sep-18 and INR 62 Mn as at 30-Jun-18 on account of exchange rate fluctuation
3. Includes investment in mutual funds of INR 44 Mn as at 30-Sep-18 and INR 43 Mn 30-Jun-18 and investment in fixed deposits of INR 93 Mn as at 30-Jun-18

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Project Updates

Additional 2 new HCG centers in FY2019

Location	Bed Capacity	Project Cost (INR mn)	Start Date
Jaipur, Rajasthan	50	410	Q2-FY19
Bhavnagar, Gujarat	NA	150	Q2-FY19
Nashik Phase II, Maharashtra	92	623	Q2-FY19
Kolkata, West Bengal	50	450	Q4-FY19E
South Mumbai, Maharashtra	32	430	Q4-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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