

30.05.2016

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

Sub: Investor Presentation

With respect to above subject, please find enclosed herewith Investor Presentation of Narayana Hrudayalaya Limited as on 30th May 2016.

This is for your information and records please.

Thanking You,

For Narayana Hrudayalaya Limited



Ashish Kumar
Company Secretary & Compliance Officer
Encl: A/A





 **NH** Narayana Health



Investor Presentation








May 2016

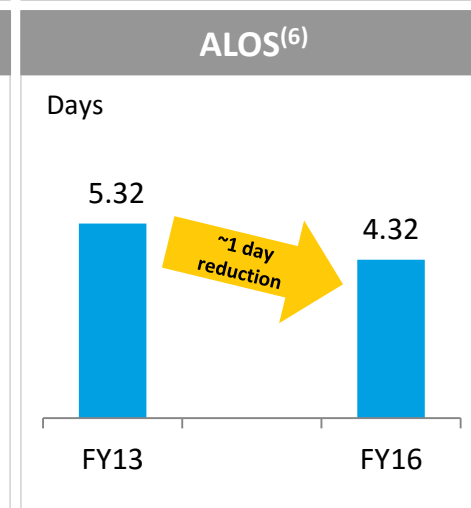
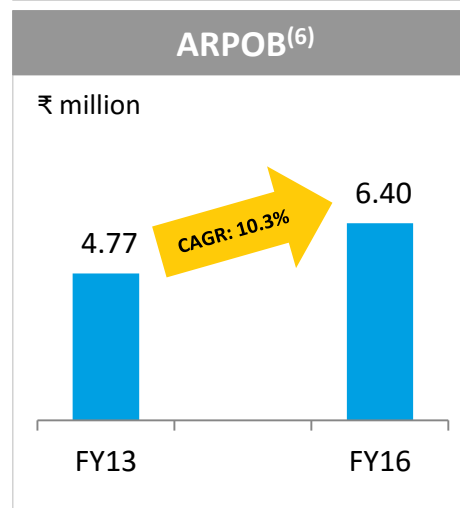
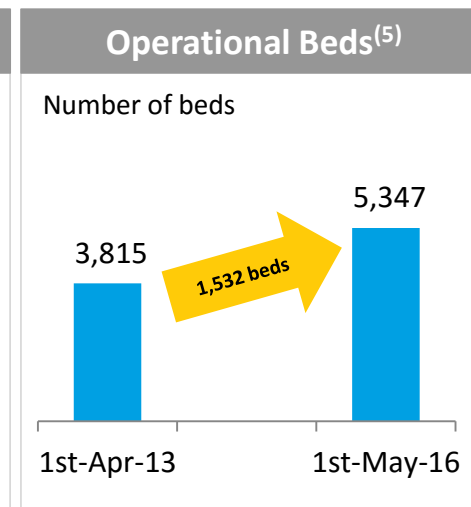
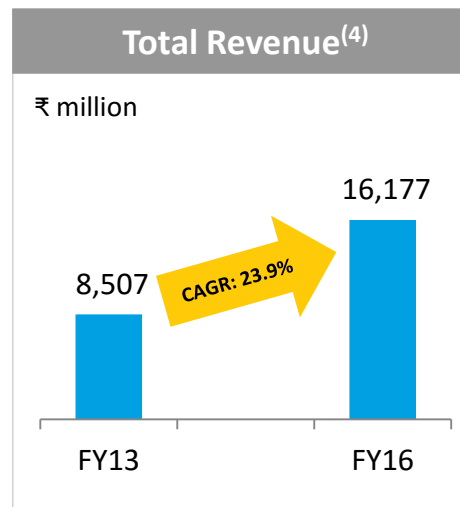
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Who are NH Today – A Pan-India Multispecialty Hospital Group

- 
2000 Founded by Dr Devi Prasad Shetty
- 
54⁽¹⁾ Healthcare facilities (As of 1st May 2016)
- 
23 Hospitals in India (As of 1st May 2016)
- 
2.10⁽²⁾ Patients in FY16 (in millions)
- 
30+ Medical specialties
- 
402⁽²⁾ Daily average surgeries and procedures
- 
13,557⁽³⁾ Full-time employees
- 
2,632⁽³⁾ Full-time, consultant and student doctors



(1) Includes Hospitals, Heart Centres, Clinics and Information centres

(2) Patients includes IP admissions, OP footfalls and OP dialysis for FY16. Daily average calculated on a 366 days basis for FY16

(3) As of 31st March 2016

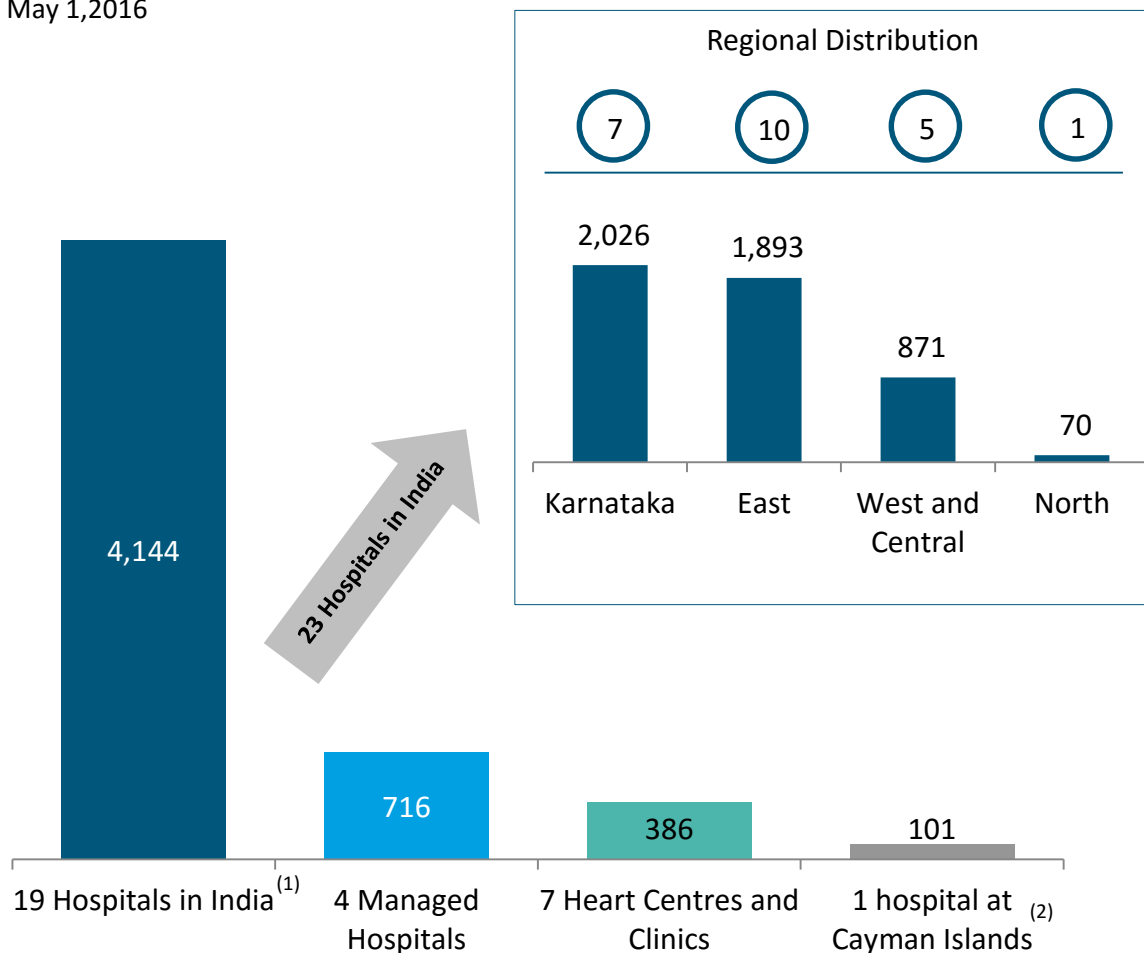
(4) As per audited consolidated financials of the Company

(5) Includes Managed hospitals, Cayman and our recently commissioned hospital at Kakriyal, Jammu

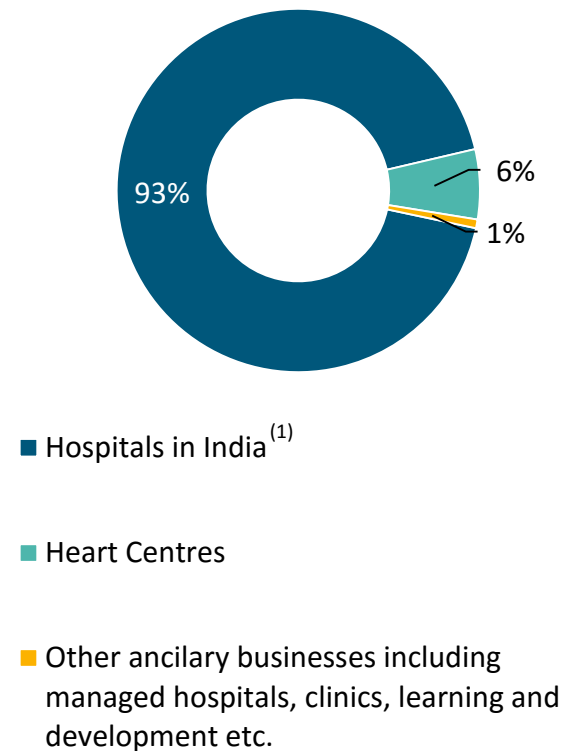
(6) Excludes MMRHL, Managed Hospitals & Cayman facility

Operational Beds Split

As on May 1, 2016



Operating Revenue Mix (FY16)



(1) NH owns the P&L responsibility

(2) Setup as JV between NH and Ascension Health; NH owns 28.6% equity stake in the JV and has invested USD 21.9 mn till 31st March 2016; the hospital achieved a revenue of USD 15.3 mn in FY16 ending March 2016



NICS (NH Health City), Bangalore

- Commercially operational since July 2000, 706 operational beds⁽¹⁾
- Cardiac surgeries and cardiology (“Centre of Excellence in Cardiac Sciences”)
- FY16 patient volumes: 21,777 inpatient and 99,746 outpatient⁽²⁾



MSMC (NH Health City), Bangalore

- Commercially operational since July 2009, 628 operational beds⁽¹⁾
- Multispecialty tertiary care hospital focused on cancer care, neurosciences and neurosurgery, nephrology, and urology
- Houses one of the largest bone marrow transplant units in India
- FY16 patient volumes: 33,060 inpatient and 388,880 outpatient⁽²⁾



RTIICS, Kolkata

- Commercially operational since January 2008, 613 operational beds⁽¹⁾
- Cardiac sciences, renal sciences (including renal transplants), neurosciences, and gastroenterology
- FY16 patient volumes: 29,134 inpatient and 274,558 outpatient⁽²⁾



Flagship Hospitals contributed 54% of the Total Operating Revenue in FY 16

 Accreditation of National Accreditation Board for Hospitals and Healthcare Providers (NABH)

 Accreditation of Joint Commission International (JCI)

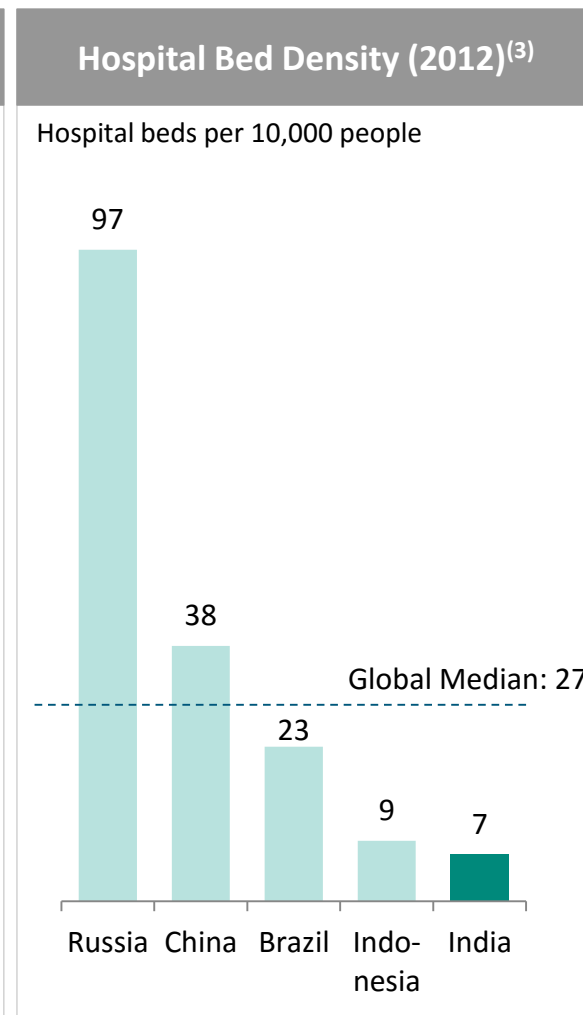
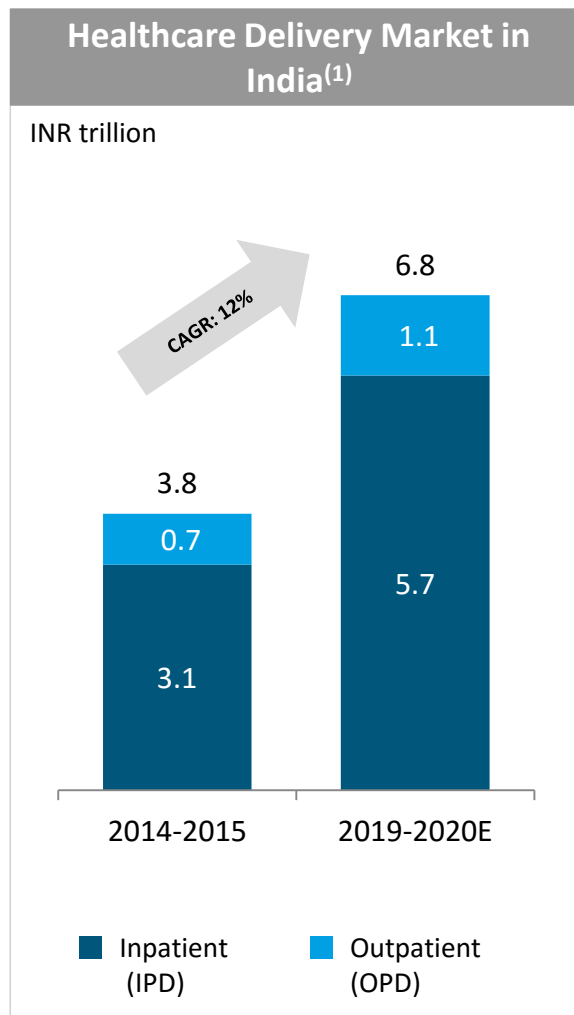
(1) As on May 1, 2016

(2) Outpatients includes OP footfalls and OP dialysis for FY16

Indian Healthcare Services Industry



- Population expected to grow from 1.2 billion⁽¹⁾ to **1.4 billion⁽¹⁾** by 2026
- 3.4 billion⁽¹⁾** treatments annually
- 9.8 million⁽²⁾** deaths annually
- Large unaddressed market** with 7 beds per 10,000 people⁽³⁾
- Rising income levels** and **life expectancy** to increase demand for healthcare services
- Increasing healthcare **insurance coverage**, currently 17% of population (216 million people)⁽⁴⁾



(1) Source: Crisil Report

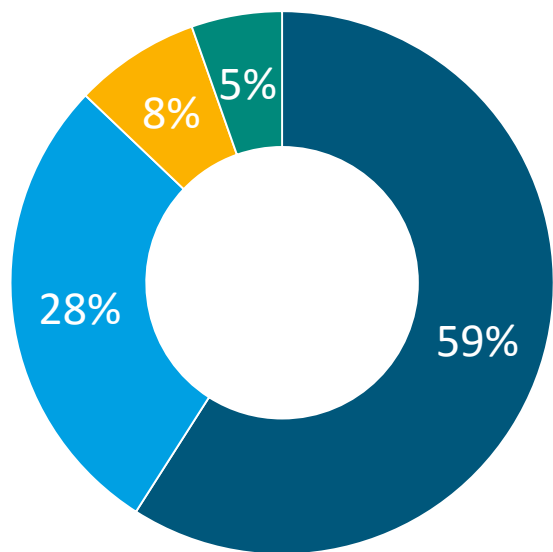
(2) Source: WHO Estimates

(3) Source: WHO-World Health Statistics, 2014

(4) Source: IRDA

Affordability of Quality Healthcare is Critical, Given the Income Distribution in India

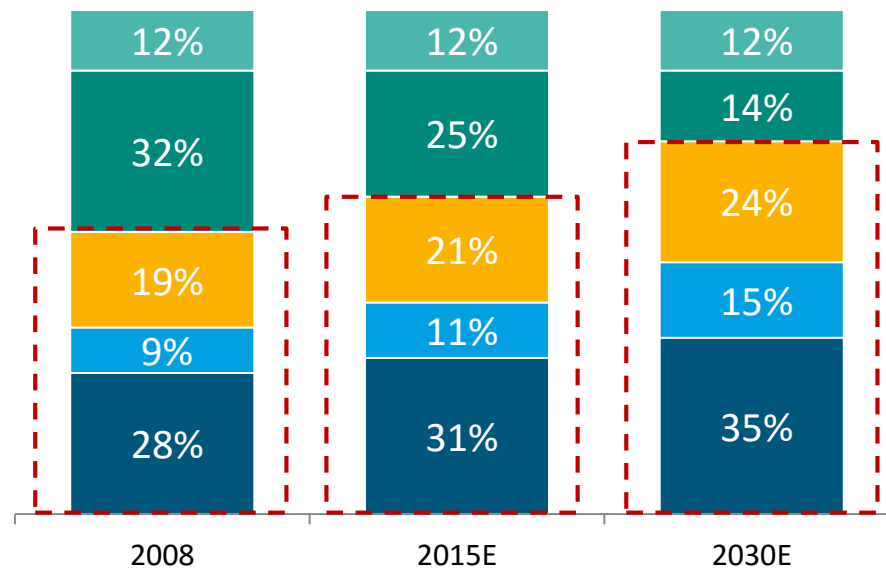
Income Demographics in India (2013-2014E)⁽¹⁾



- Below Rs 0.2 million
- Rs 0.2 million to Rs 0.5 million
- Rs 0.5 million to Rs 1 million
- Rs 1 million and above

Growing Prevalence of Non-communicable Diseases, Including Cardiovascular Diseases

Causes of Death in India (2015E)⁽²⁾



- Cardiovascular Diseases
- Cancer
- Other Non-communicable Diseases
- Communicable Diseases
- Others

(1) Source: NCAER

(2) Source: WHO Estimates

The NH Case





1

Unique business model aligned with industry dynamics

Affordable healthcare at highest clinical standards

2

Recognised brand for clinical excellence

Strong brand equity and goodwill among patients and healthcare professionals



3

Professional Management Team

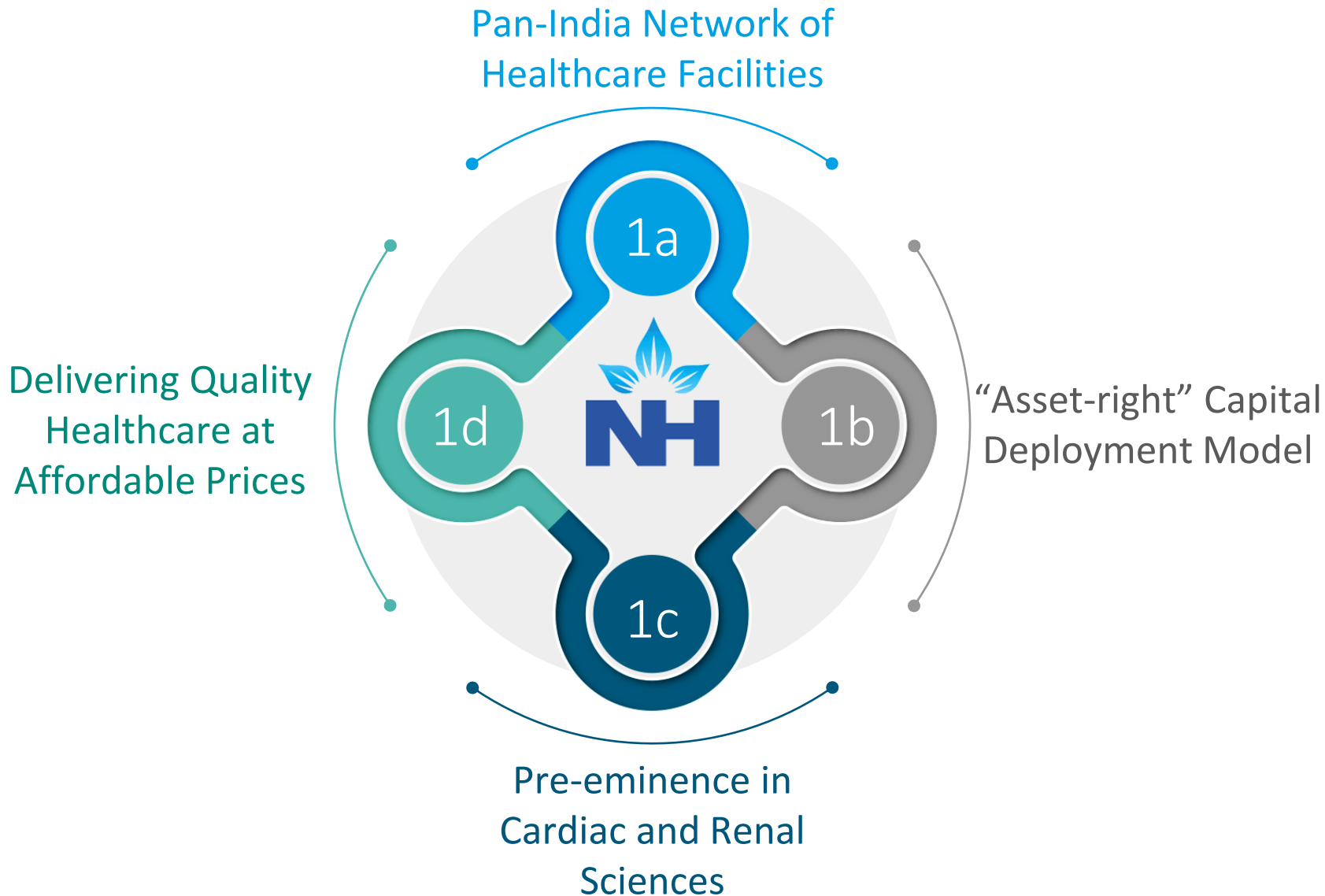
Proven execution track-record and distinctive operating culture

4

High growth & multiple layers of growth and profitability drivers

Track-record of robust operational and financial performance







Established presence and strong brand recognition in two geographical clusters in the southern state of Karnataka and eastern India

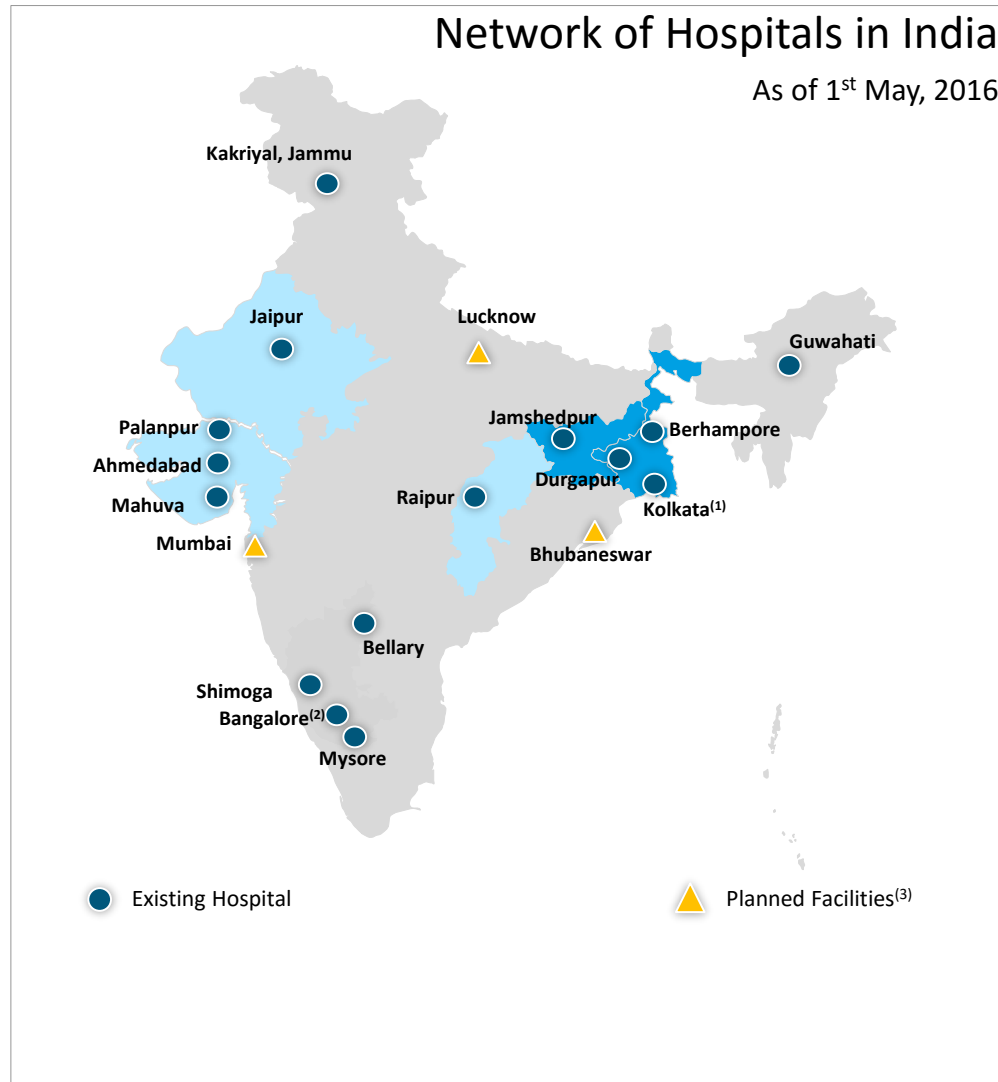
Emerging presence in western and central India, leveraging brand image and operational experience

23 multispecialty and superspecialty facilities with 4,860 operational beds providing tertiary care

7 superspecialty heart centres with 376 operational beds contained within third-party hospitals

23 primary care facilities, including clinics and information centres

3 new hospitals being commissioned in India



(1) Kolkata has six Hospitals (Three are acquired)

(2) Bangalore has four Hospitals

(3) Project at Bhubaneswar is pending acceptance of request from Govt of Odisha for alternate land parcel



- Significant growth potential from under-penetrated and fast growing cities and towns
- FY16 key performance statistics per regional cluster:

Regional Cluster	Hospitals ⁽¹⁾	% of Hospital Revenue ⁽¹⁾	% of Hospital Operational Beds ⁽¹⁾	ARPOB (in ₹ million) ⁽²⁾
Karnataka cluster	7 ⁽³⁾	47% '13-'16 CAGR 21%	41%	6.6 '13-'16 CAGR 13%
Eastern cluster	10 ⁽³⁾	37% 30%	38%	6.7 8%
Others ⁽⁴⁾	6 ⁽³⁾	16% 27%	21%	5.5 6%

(1) Excludes Cayman, includes Managed Hospitals and hospital at Hyderabad which was operational in FY16 but ceased to exist in April 2016

(2) Excludes Managed Hospitals, Cayman and MMRHL

(3) Karnataka and Eastern clusters include 1 managed hospital each while Western and Central cluster includes 2 managed hospitals

(4) Others comprise of Western India, Central India and Hyderabad



As on May 1, 2016

Five models used to expand presence while maximising the efficiency of capital deployment

Average effective capital cost per bed of ₹2.6 million⁽¹⁾

“Asset-Right Model” – partners own the fixed assets and NH owns the medical equipment and operates and manages the hospital

Organic and inorganic expansion; since 1st April 2012:

- 10 hospitals + 3 heart centres (2,213 capacity beds)⁽²⁾
- 4 acquired facilities (578 capacity beds)⁽²⁾

Preferred partner owing to scale, track-record, and ethos of high quality affordable care

Invest in offering high quality, efficient care and **expanding the range** of healthcare service

NH Model for 23 Multi and Superspecialty Facilities			
Model	No. of Facilities	No. of Operational Beds	Description
Owned and Operated	4	1,628	Owned on freehold basis and operated by NH
Leased & Operated	7 ⁽³⁾	1,073	NH operates on a lease or licence basis
Revenue Share	6	1,253	NH operates and pays a revenue share to owner of the hospital premises
PPP ⁽⁴⁾	2	190	NH operates with nominal investment in partnership with public entities
Managed	4	716	NH provides to third parties for a management fee

(1) Based on (Gross Block for Fixed Assets + Capital Work in Progress (CWIP)) / Number of operational beds as of 31 March 2016. Excludes Managed Hospitals and Cayman facility

(2) Excluding Cayman facility, clinics, Kuppam and Suguna facility which ceased operation in FY16 and April 2016 respectively

(3) Includes units on long term/perpetual lease basis from State Governments viz. Ahmedabad, Jaipur, Mysore, MMRHL etc.

(4) Hospitals at Kakriyal, Jammu and Guwahati

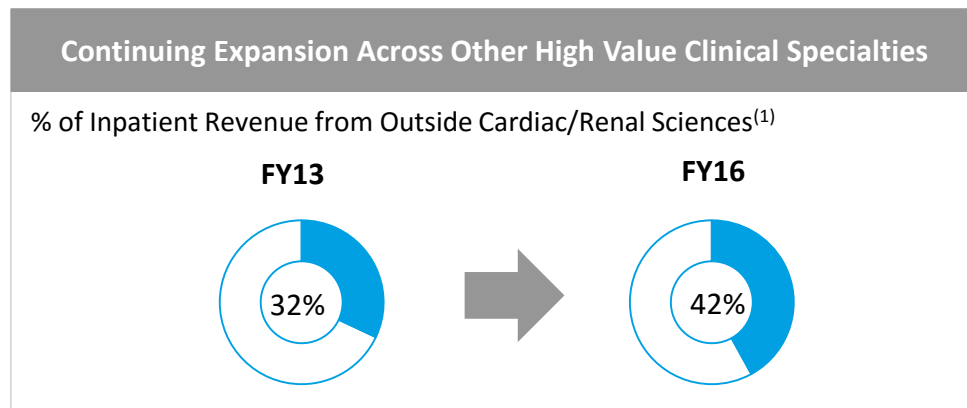
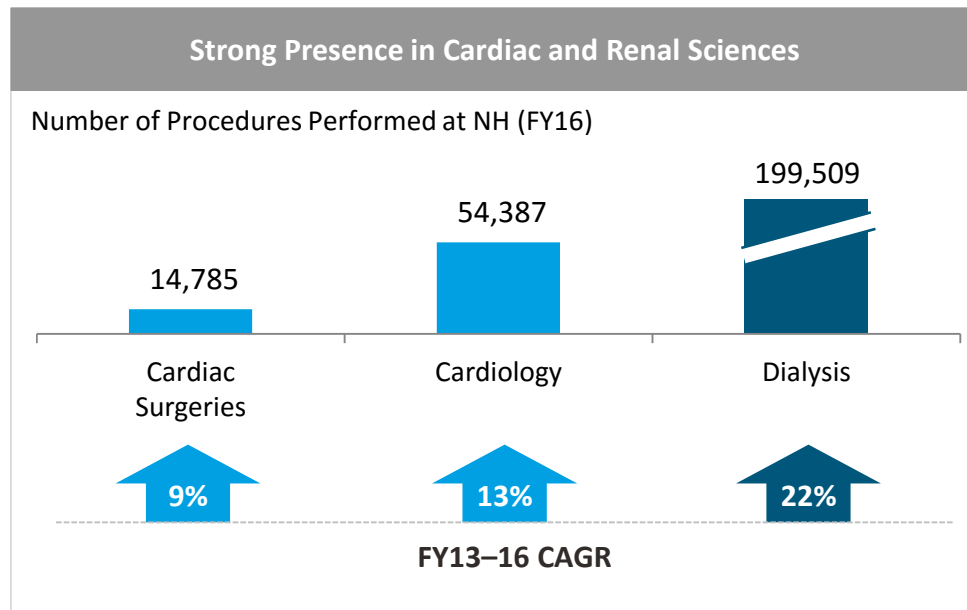


Well-positioned to benefit from growth trends in tertiary care in India

- Specialised in non-communicable diseases
- Strong reputation and clinical capabilities in cardiac and renal sciences
- 50%⁽¹⁾ of inpatient revenue from cardiology and cardiac surgery and 8%⁽¹⁾ from renal sciences in FY16

Continuing expansion across other high value clinical specialties, particularly Cancer, Neuro sciences , Orthopaedics and Gastroenterology

- Six core specialties⁽²⁾ account for ~85%⁽¹⁾ of inpatient revenue in FY16



(1) Excludes Managed Hospitals

(2) Core specialties comprise cardiac sciences, renal sciences, cancer, neurosciences, orthopedics, and gastroenterology

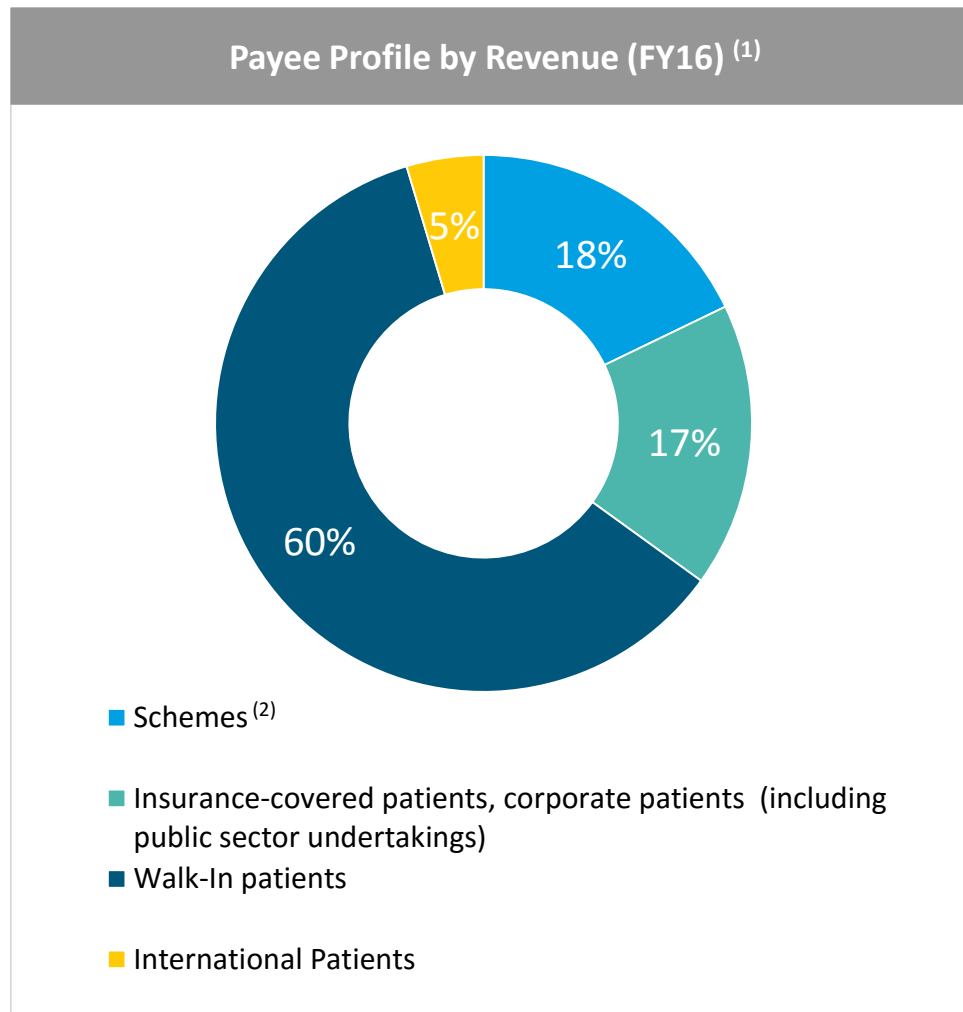


Economies of scale and competitive prices from suppliers and service providers through centralised purchasing

Cost efficiencies through supply chain management, sharing of resources and standardising medical and other consumables across the network

Hospital efficiencies through access to cloud based ERP system and network of telemedicine centres

Transparent, packaged treatment offerings for patients, covering a suite of consultancy, diagnosis, consumables, medical, operative and post-operative care requirements of patients



(1) As percentage of inpatient and outpatient revenues and data does not from heart centres at Durgapur and Kuppam and ancillary businesses

(2) Schemes include CGHS, ESIS, other state government schemes. include revenues



3 hospitals with international accreditation from **Joint Commission International (JCI)**

8 hospitals with domestic accreditation from the **National Accreditation Board for Hospitals and Healthcare Providers (NABH)**

“Narayana Health” brand is **widely recognised** in India and internationally

20+ Awards and Accreditations received since 2010

Awards from **respected institutions** such as WHO India, Financial Times, BCG and Frost & Sullivan

Strong brand equity and goodwill among patients & healthcare professionals, positioned NH as a preferred partner of choice

Select Awards Received



Health for all. All for health.



Dr. Devi Prasad Shetty



WHO India, 2015



Frost & Sullivan, 2015



President of India, 2012



Boston Consulting Group, 2014



Financial Times, 2013



The Economic Times, 2012



Fast Company, 2012



The Economist, 2011


(1) Third highest civilian award in India.



- Deep Management Structure
- Professionals with rich and diverse experience
- Track-record of driving organic and acquisition-led growth



Dr. Devi Shetty
Chairman and Executive Director
33 years experience



Dr. Ashutosh Raghuvanshi
CEO and Managing Director
26 years experience



Kesavan Venugopalan
Chief Financial Officer
25 years experience



Ashish Kumar
Group Company Secretary and Compliance Officer
13 years experience



Viren Shetty
SVP, Strategy and Planning
8 years experience



Nagarajan Anantharaman
SVP, Finance
31 years experience



Sumanta Ray
Chief Marketing Officer
18 years experience



Debangshu Sarkar
Head – Investor Relations and M&A
12 years experience



Dr. Emmanuel Rupert
Chief of Medical Services
18 years experience



Nitin Barkere
Group Head, Human Resources
13 years experience



Srikanth Raman
Group Head – Internal Audit
23 years experience



Kartik Ramakrishnan
Head, Business Development
9 years experience



Santosh Mali
Head, Legal
13 years experience



Deepak Venugopalan
Business Head-Tele radiology and Clinics
14 years experience



Arunesh Punetha
Zonal Director
22 years experience



Dr. Vijay Singh
Zonal Director
14 years experience



Hanuman Prasad
Zonal Director
9 years experience



Mr. Sunil Kumar C.N
Zonal Director
26 years experience

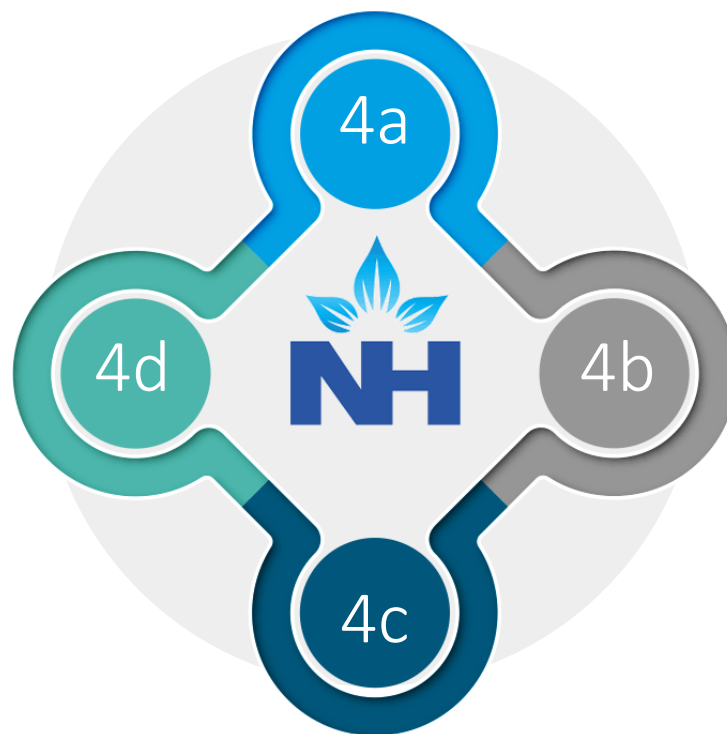


R. Venkatesh
Zonal Director
15 years experience



Capitalise across dominant regions & accelerate growth in newer geographies

Leverage upon targeted operational initiatives



Build niche around focused offerings and foster clinical excellence

Optimize capital deployment through flexible engagement models

Karnataka



7 Hospitals⁽¹⁾



800k Patients⁽²⁾



2,026 Operational Beds⁽¹⁾

Eastern India



10 Hospitals⁽¹⁾



450k Patients⁽²⁾



1,893 Operational Beds⁽¹⁾

Others



6 Hospitals⁽¹⁾



320k Patients⁽²⁾



941 Operational Beds⁽¹⁾

Domestic

- Leverage strong brand reputation and operational excellence to enhance presence across Karnataka and East India
- Strengthen the fledgling western and central clusters
 - Commission new facilities in Mumbai and Lucknow
 - Planned addition of 623 beds over the next 24 months
- Expand into newer territories viz. North India
 - Drive synergies across recently commissioned hospital at Vaishno Devi, Jammu

International

- Explore foray in select regions across Sub-Saharan Africa, Middle East & SAARC with limited capital exposure

(1) Hospitals and Operational beds as on 1st May, 2016 excludes Cayman
 (2) Outpatients for the 12 months ended FY16

Build niche around focussed offerings

- Emphasize on sub-specialities
 - Cardiac Sciences – TAVI, MitraClip, Electrophysiology, Paediatric focus
 - Neuro Sciences – Parkinson’s, DBS, Epilepsy treatment
 - Gastro Enterology – Advanced laparoscopy and minimally invasive surgeries
- Build upon the strength of the renal sciences program
 - Expansion of transplant programs and stand-alone dialysis clinics across the country
- Strengthen critical care offerings through emergencies

Foster Clinical Excellence

- Enhance clinical quality across multiple parameters
 - Tumor boards, peer review audits, clinical outcome benchmarking etc
- Underline process optimization through standards and protocols
 - JCI, NABH, NABL accreditations across the network
- Invest in latest equipment, state-of-the-art technology and standardization across all hospitals
 - Encourage innovation and best practice sharing spirit



Continue pursuing “Asset-Right” model

Engagement Framework

- Prefer structures limiting our capital investments to primarily medical equipment
- Continue to be partner-of-choice for various private and public bodies
- Maintain a balanced mix of organic and inorganic growth options to fuel future expansion

Configuration Template

- Focus on adapting to meet the local needs
- 250+ beds hospitals in Tier I cities for complex tertiary and quaternary care
- 150+ beds in other cities targeting secondary and tertiary care

Sustain a scalable and affordable business centred around efficient capital outlay to augment return metrics



Patient Care

- Institutionalize “Care Companion” program, a unique and effective patient attendant training program
- Nurture a culture of organized learning with specific training for customer-facing functions to ensure seamless service delivery



Technology

- Roll-out Electronic Medical Records (EMR), Business Intelligence (BI) & centralized infrastructure monitoring systems for agile decision making
- Leverage the network’s scale and talent pool to expand the reach and depth of Tele-Radiology services



Service Enablers

- Implement high-precision material fulfillment with a hub-and-spoke model and periodic milk-runs from zonal warehouses
- Continue focus on rationalization of administration costs and explore energy efficient solutions to manage overhead expenses

Attractive Mix of Profitable Mature Hospitals and Scalable Newer Hospitals

- Over time, NH expects the financial metrics of new hospitals to **converge** with those of the more mature hospitals
- Key performance** statistics as on 31st March 2016 for NH's 23 multispecialty and superspecialty facilities:

Maturity	Hospitals ⁽¹⁾	% of Hospital Revenue ⁽¹⁾	% of Hospital Operational Beds ⁽¹⁾	ARPOB (in ₹ mn) ⁽²⁾	EBITDAR Margin ⁽³⁾	
Over 5 Years	8	72% 3yr Revenue CAGR - 14%	Occupancy Rate ⁽⁴⁾ 54%	57%	7.0	23.8%
3-5 Years	4	13%	15%	54%	4.7	4.1%
Less Than 3 Years	7	6%	20%	42%	7.8	2.9%
Acquired Facilities	4	9%	11%	59%	3.3	6.4%

(1) Includes Managed Hospitals and excludes Cayman facility

(2) Excludes MMRHL, Managed Hospitals and Cayman facility

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

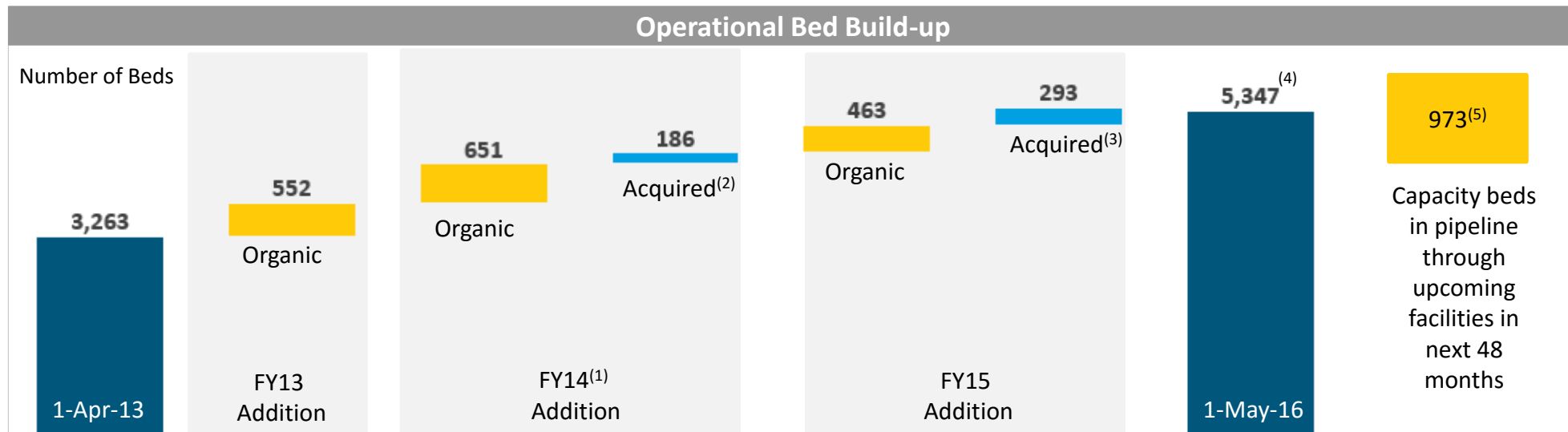
(4) Occupancy is calculated on total operational beds which includes census and non census beds viz. recovery, pre operative, dialysis, emergency, day care etc

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

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

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

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



Upcoming Facilities

Location	Estimated time for Commencement	Type of hospital	No of beds	Type
Mumbai	Within next 12 months	Multispecialty, paediatric	297	Operations and management basis
Lucknow	Within next 24 months	Multispecialty	326	Operations and management basis
Bhubaneshwar ⁽⁵⁾	NA	Multispecialty	220	Construct and operate hospital on leasehold land (Awaits Govt of Odisha's acceptance for alternate land parcel)
Kenya	Within next 48 months	Multispecialty	130	Minority equity stake and management agreement with NH

(1) Excludes Kuppam and Suguna facility which were commissioned in FY14 and ceased operations in FY16 and FY17 with 19 and 26 operational beds respectively

(2) Acquired facilities in FY 14 are located at Barasat and Berhampur

(3) Acquired facilities in FY15 are Narayana Multispecialty Hospital, Howrah and Narayana Superspecialty Hospital, Howrah as operated by MMRHL

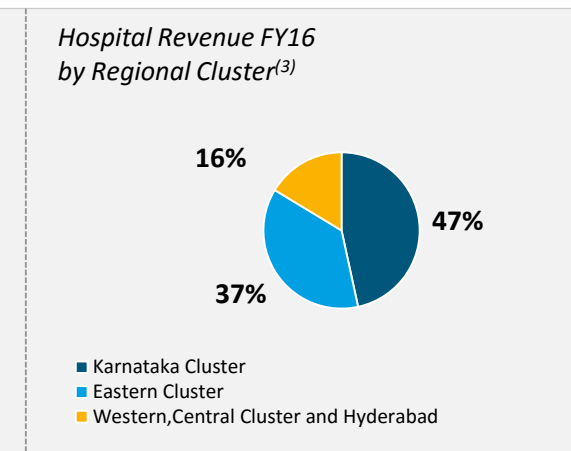
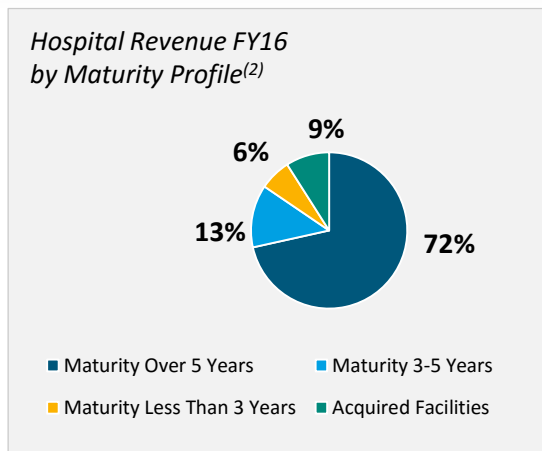
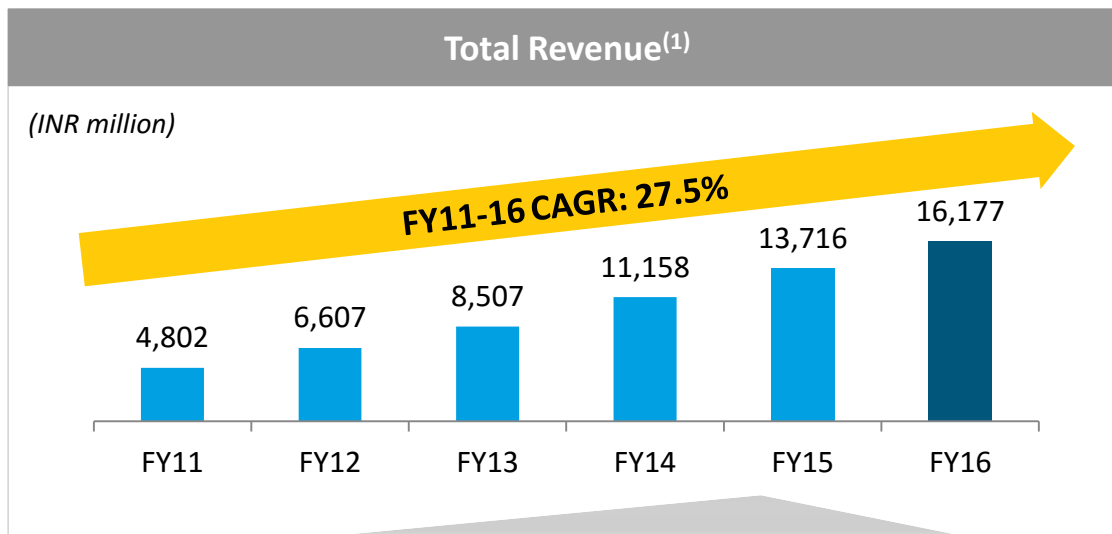
(4) Over FY16 and May 2016, Operationalised 70 new beds at Kakriyal, Jammu, decommissioned 195 beds due to closure of hospital at Hyderabad

(5) Project at Bhubaneshwar is pending acceptance of request from Govt of Odisha for alternate land parcel

Financial Overview



- Narayana has generated strong topline growth at a CAGR of 27.5% from FY11-FY16
- Efficient roll-out of greenfield projects and the execution and integration of acquisitions have been primary driver of revenue growth
- Revenue growth has been supported by highly efficient cost strategies and supply chain management
- Hospitals with >5 years maturity have been the key driver for growth
 - Additional capacity headroom to deliver further growth
- Newer Hospitals to drive future growth and expand margins



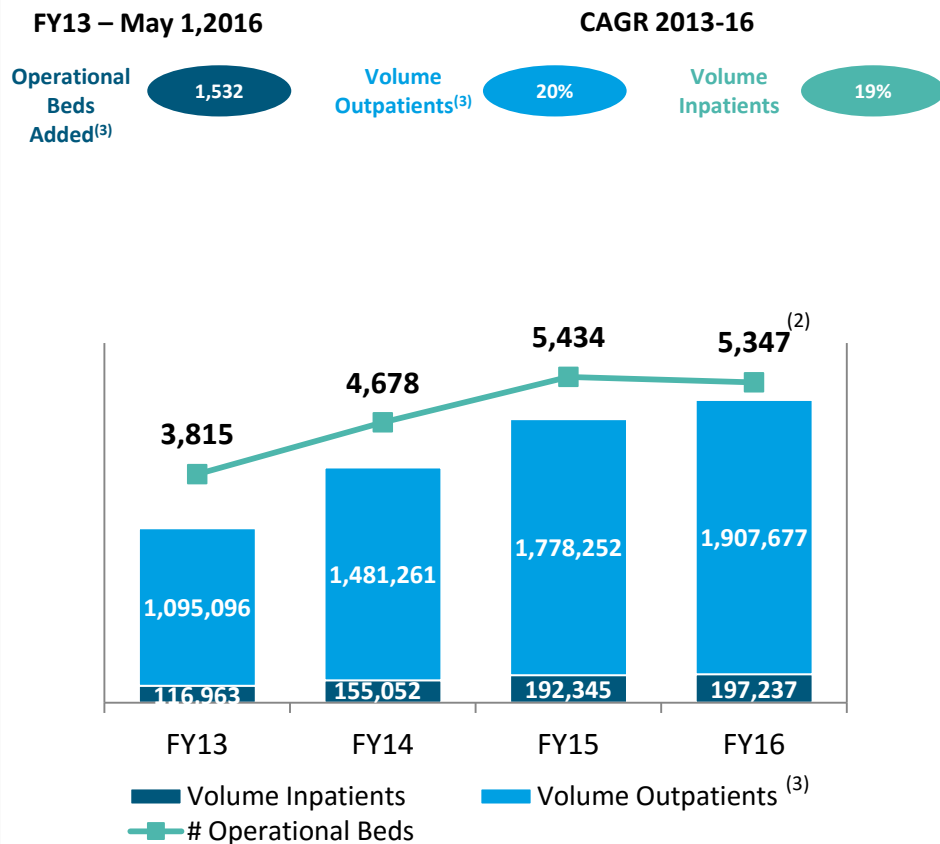
(1) As per audited consolidated financials of the Company

(2) Maturity Profile excludes heart centres, Cayman facility and other ancillary businesses

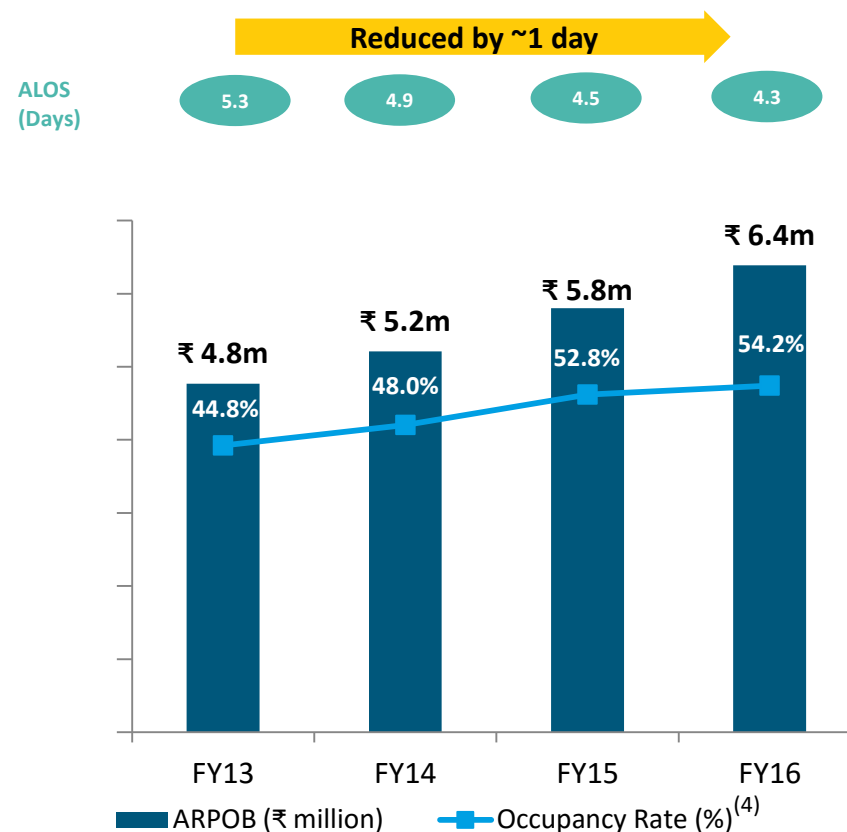
(3) Regional Cluster excludes Cayman facility

Growth Driven by Capacity Expansion and Improving Operational Efficiency

of Beds & Patient Volumes



Improving Operational Efficiency⁽¹⁾



(1) Excludes Managed Hospitals, MMRHL, and Cayman Facility

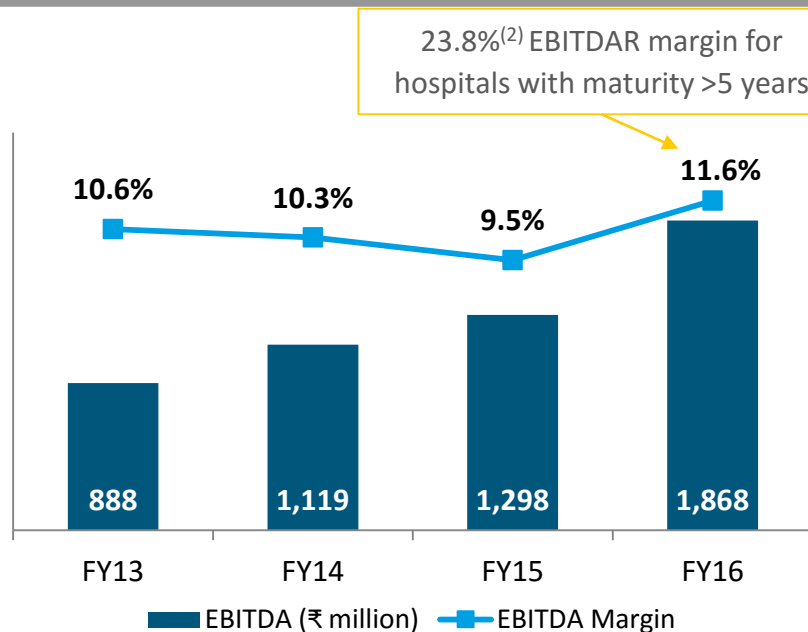
(2) Operational beds as on May 1st, 2016; Over FY 16 and April 2016, ceased operations at the hospital at Hyderabad and heart centres across Kuppam and Suguna and commissioned a new hospital at Kakriyal, Jammu

(3) Outpatients include OP footfalls and OP dialysis

(4) Occupancy is calculated on total operational beds which includes census and non census beds viz. recovery, pre operative, dialysis, emergency, day care etc

Operating Leverage Underpins Scope for Margin Expansion

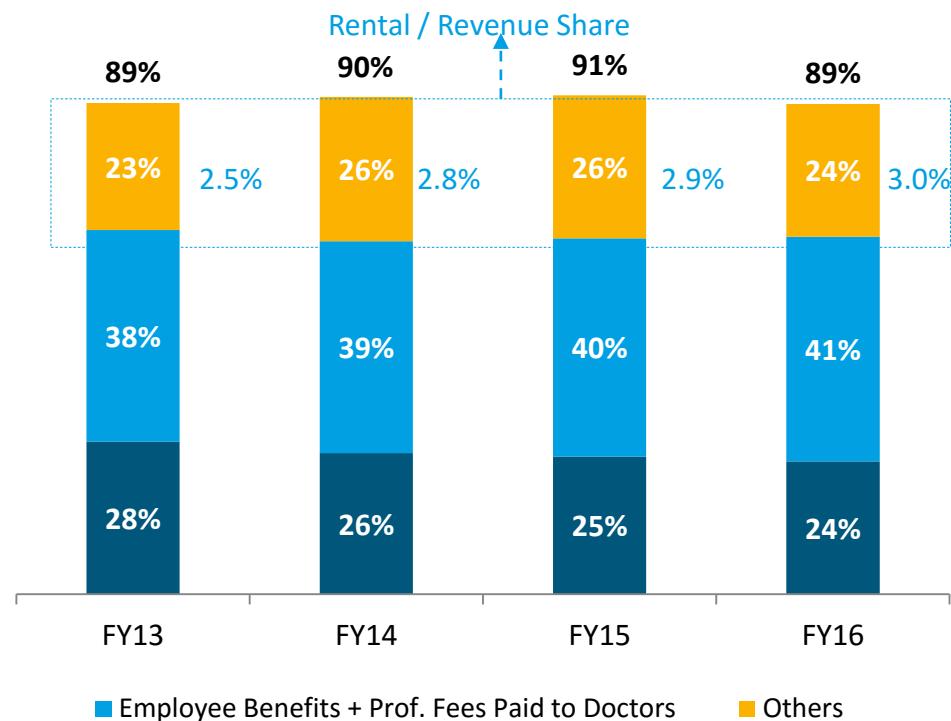
EBITDA and EBITDA Margin⁽¹⁾



- FY13 and FY 14 EBITDA adjusted for non-recurring income from sale of dental business and fixed assets
- FY15 EBITDA includes one-time expenses incurred towards acquisitions and corporate expenses etc
- 15.9%⁽²⁾ EBITDAR margins for Heart Centres

Cost Structure⁽³⁾

% of Total Operating Revenue



(1) As per audited consolidated financials of the Company

(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)	FY13	FY14	FY15	FY16
Total Revenue	8,507	11,158	13,716	16,177
Purchase of medical consumables, drugs and surgical equipment	2,328	2,807	3,407	3,871
Employee benefits	1,572	2,018	2,769	3,350
Other expenses	3,591	5,047	6,242	7,088
Total Expenses	7,491	9,872	12,418	14,309
EBITDA	1,016	1,286	1,298	1,868
Depreciation and Amortization	443	552	684	752
Finance Costs	166	284	409	294
Profit Before Tax After Exceptional Items	407	450	206	711
Tax Expense	139	201	146	306
Profit after tax before MI and associates	269	249	59	404
Share in (loss)/profit of associate			(251)	(217)
Share in loss attributable to minority interest	7	22	24	4
Net Profit	276	271	(167)	191

Balance Sheet Statement

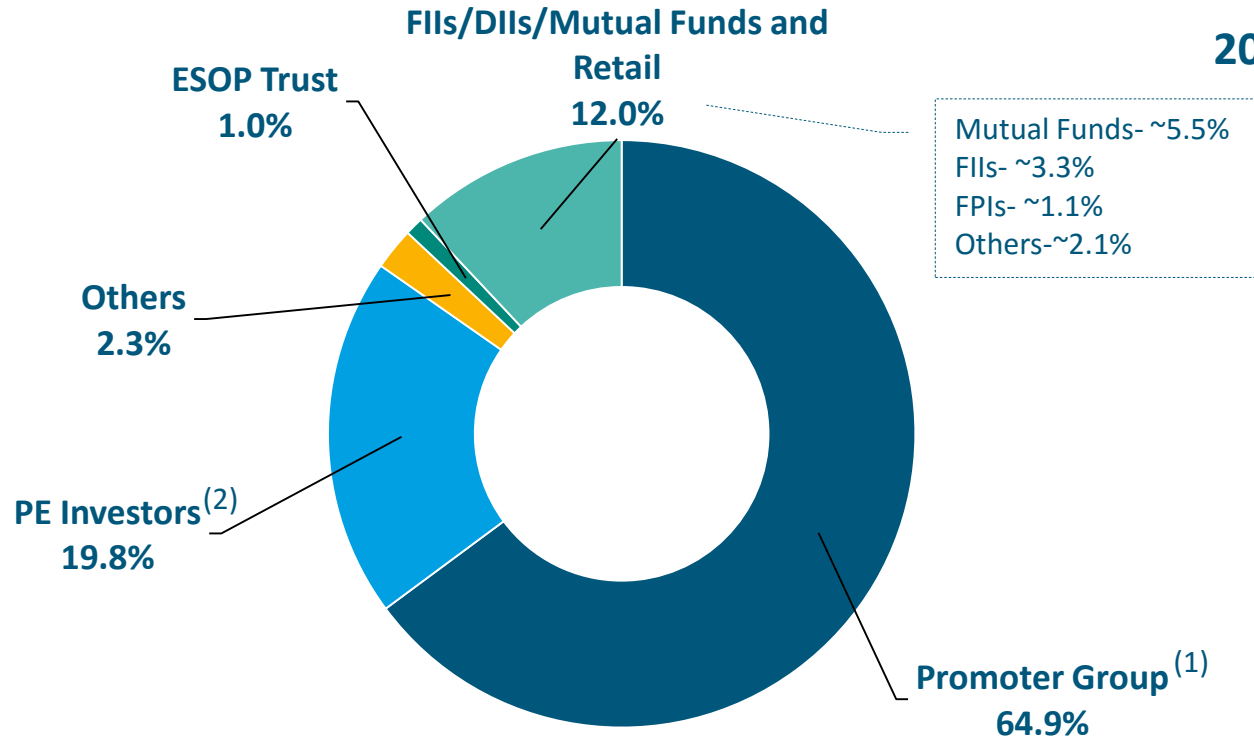
Particulars(INR mn)	FY13	FY14	FY15	FY16
Total Shareholders' Equity	5,560	5,852	7,684	8,868
Minority Interest	50	28	7	3
Non-Current Liabilities	2,202	3,175	2,577	2,287
Long Term Debt	1,873	2,788	2,066	1,876
Other Non-Current Liabilities	329	387	511	411
Current Liabilities	1,906	3,195	3,435	3,150
Short Term Debt	245	522	985	446
Current Portion of Long Term Debt	373	536	569	254
Other Current Liabilities	1,288	2,137	1,881	2,450
Total Liabilities	9,718	12,249	13,702	14,308
Fixed Assets	6,887	8,749	8,694	8,734
Goodwill	15	24	642	750
Non-Current Investments		3	522	872
Long Term Loans and Advances	862	965	1,228	1,101
Other Non-Current Assets	13	14	11	2
Current Assets	1,940	2,494	2,604	2,849
Cash and Cash Equivalents	192	313	295	241
Other Current Assets	1,748	2,181	2,309	2,608
Total Assets	9,718	12,249	13,702	14,308

As on 31st March, 2016, the consolidated net debt was Rs 2,335 mn, representing a net debt to equity ratio of 0.26

Shareholding as on 31st March 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, JP Morgan and entities managed and advised by Pinebridge who have been shareholders prior to the IPO



THANK YOU

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