



The Specialist  
in Cancer Care

August 11, 2017

To  
**National Stock Exchange of India Limited,**  
Compliance Department,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051,  
Maharashtra, India

To  
**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, 11<sup>th</sup> August 2017, *inter alia*, has approved the Unaudited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2017.

In this respect, we enclose herewith the Presentation on the Financial Results for the quarter ended June 30, 2017.

Request you to take this on record.

**For HealthCare Global Enterprises Limited**

**Sunu Manuel**  
**Company Secretary & Compliance Officer**



Encl: as above

**HealthCare Global Enterprises Ltd.**

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# HealthCare Global Enterprises Limited

Q1 - FY18 : Investor Presentation

August 2017



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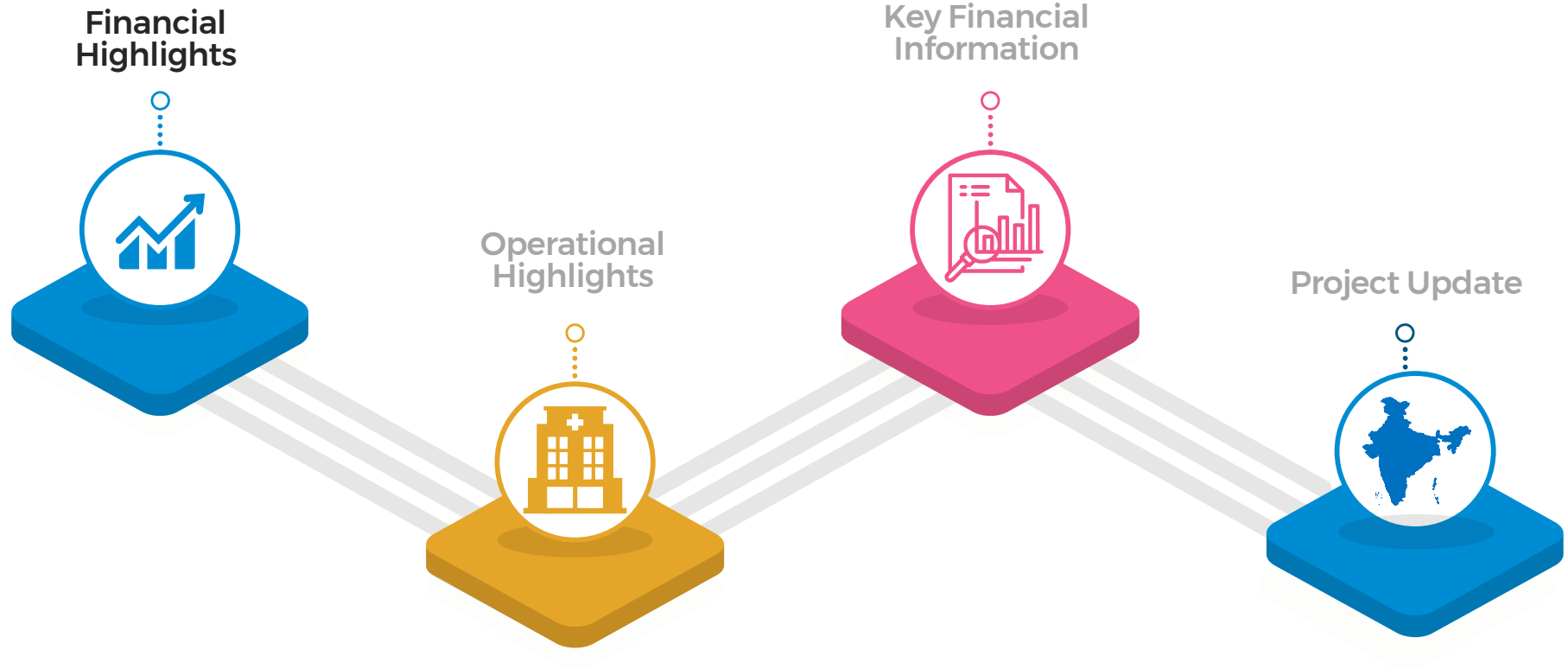
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# Financial Highlights: Q1 – FY18



INR million except earnings per share

Period Ended June 30	Q1-FY18	Q1-FY17	Growth (y-o-y)
<b>Income from Operations</b>	<b>1,911</b>	<b>1,675</b>	<b>14.1%</b>
<b>EBITDA<sup>(1)</sup></b>	<b>295</b>	<b>236</b>	<b>24.8%</b>
<i>EBITDA Margin (%)</i>	15.4%	14.1%	
<b>PBT<sup>(2)</sup></b>	<b>97</b>	<b>79</b>	<b>23.4%</b>
<i>PBT Margin (%)</i>	5.1%	4.7%	
<b>PAT<sup>(3)</sup></b>	<b>47</b>	<b>50</b>	<b>-5.0%</b>
<i>PAT Margin (%)</i>	2.5%	3.0%	
<b>Earnings Per Share</b>	<b>0.55</b>	<b>0.58</b>	

(1) Profit before other income, depreciation and amortisation, finance costs, exceptional items and tax

(2) Profit before tax and exceptional items

(3) Profit for the period after taxes and minority interests

- Revenue grew 14.1% y-o-y
  - HCG<sup>(1)</sup> centers: +13.6%
  - Milann<sup>(2)</sup> centers: +18.8%
- EBITDA increased 24.8% y-o-y
  - Existing centers: INR 294 Mn (17.8% margin vs. 16.6% margin in Q1-FY17)
  - New centers<sup>(3)</sup>: INR 1 Mn (vs. loss of INR 27 Mn in Q1-FY17)

(1) 18 comprehensive cancer centers, 2 multispeciality hospitals, 3 diagnostic centers and 1 day care chemotherapy center operated under “HCG” brand

(2) 7 fertility centers operated under “Milann” brand

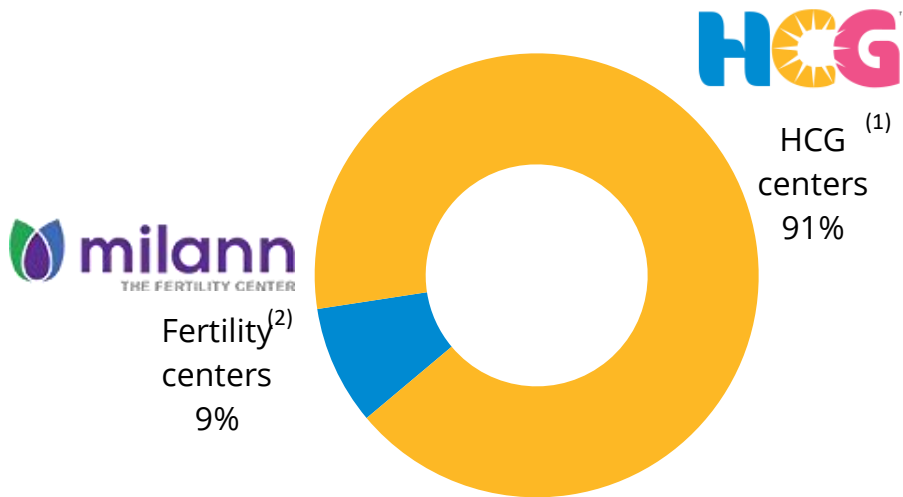
(3) 6 HCG centers and 4 Milann centers that commenced operation after April 1, 2015



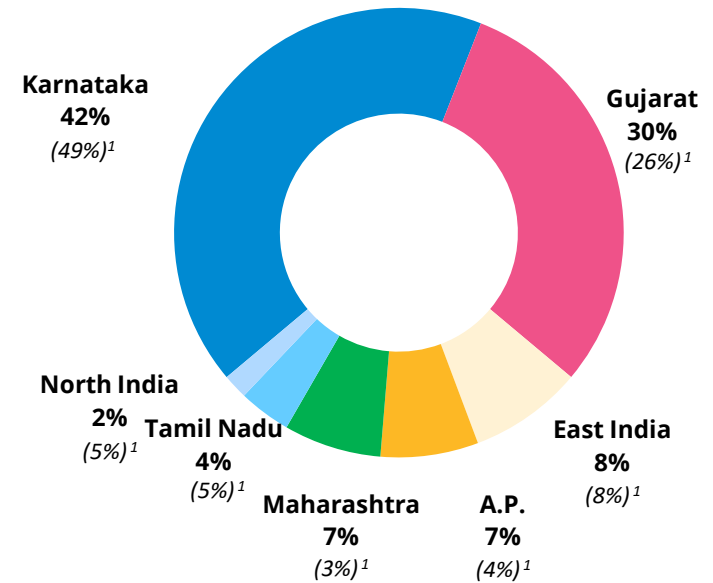
# Revenue Mix: Q1 – FY18



Revenue:  
INR 1,911 Mn



HCG Centers:  
INR 1,745 Mn



(1) Centers operated under the “HCG” brand – 18 comprehensive cancer centers, 2 multispeciality hospitals, 3 diagnostic centers and 1 day care chemotherapy center, as at June 30, 2017

(2) 7 fertility centers operated under the “Milann” brand, as at June 30, 2017

<sup>1</sup>(Q1-FY17)



# HCG Centers: Q1 – FY18 Revenues



INR million

Period Ended June 30	Q1-FY18	Q1-FY17	Growth (y-o-y)
Karnataka	734	748	-1.8%
Gujarat	526	405	30.0%
East India	143	123	15.8%
Andhra Pradesh	123	66	87.3%
Maharashtra	122	53	133.0%
Tamil Nadu	66	69	-4.6%
North India	31	73	-57.2%
	<b>1,745</b>	<b>1,536</b>	<b>13.6%</b>

- Continuing strong growth at several existing centers in Q1-FY18
  - Vijayawada: +37% y-o-y
  - Ranchi: +20% y-o-y
  - Hubli: +20% y-o-y
- Expansion in Nashik pursuant to consolidation of partnership arrangement
- New centers contributed Revenues of INR 227 Mn in Q1-FY18
- Delhi center successfully restructured. Tiruchi center in process of being restructured.
- Revenue from existing HCG centers, excluding centers being restructured, grew 10% in Q1-FY18 on y-o-y basis

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# HCG Centers: Q1 - FY18 Operating Metrics



<p><b>No. of Centers</b></p> <p>Q1-FY18: <b>20</b></p> <p>Q1-FY17: 19</p>	<p><b>Beds</b></p> <p>Q1-FY18: <b>1,365</b></p> <p>Q1-FY17: 1,257</p>	<p><b>Occupied Bed Days</b></p> <p>Q1-FY18: <b>57,944</b></p> <p>Q1-FY17: 54,997</p> <p>↑ +5.4%</p>	<ul style="list-style-type: none"> <li>• Nagpur Center launched in June'17, beds to be operationalised in Q2-FY18</li> <li>• 5.4% increase in occupied bed days on account of new centers, offset partly by continuing reduction in ALOS</li> <li>• 7.8% increase in ARPOB, driven by adoption of new technologies across the network, offset by lower ARPOB at new centers</li> <li>• Continuing reduction in ALOS to 2.48 on account of trend towards day care procedures and changing patient profile</li> <li>• Focus on quality of business, leading to reduction of losses at new centers and EBITDA margin improvement of 200 bps</li> </ul>
<p><b>Avg. Occupancy Rate</b></p> <p>Q1-FY18: <b>46.6%</b></p> <p>Q1-FY17: 48.1%</p> <p>↓ -150 bps</p>	<p><b>ALOS</b></p> <p>Q1-FY18: <b>2.48</b></p> <p>Q1-FY17: 2.93</p>	<p><b>ARPOB (INR / Day)</b></p> <p>Q1-FY18: <b>30,120</b></p> <p>Q1-FY17: 27,929</p> <p>↑ +7.8%</p>	
<p><b>Revenue (INR mn)</b></p> <p>Q1-FY18: <b>1,745</b></p> <p>Q1-FY17: 1,536</p> <p>↑ +13.6%</p>	<p><b>EBITDA Margin</b></p> <p>Q1-FY18: <b>20.3%</b></p> <p>Q1-FY17: 18.3%</p> <p>↑ +200 bps</p>		

**Notes:**

- (1) No. of Centers includes Cancer and Multispeciality hospitals operated under HCG brand
- (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 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) EBITDA margin before corporate expenses



# HCG Centers: Q1 - FY18 Regional Highlights



Centers	Beds	AOR	ARPOB (INR/Day)	Revenue (INR MN)	EBITDA (%)
<b>Karnataka</b>					
6	522	40.9%	37.8K	734	23.5%
		↓ -18.6%(1)	↑ +20.7%	↓ -1.8%	
<b>Gujarat</b>					
4	304	54.7 %	34.8K	526	11.7%
		↑ +15.4%(1)	↑ +12.6%	↑ +30.0%	
<b>East India</b>					
2	165	77.0%	12.3K	143	24.8%
		↑ +8.6%(1)	↑ +6.6%	↑ +15.8%	



- COE maintains 26% EBITDA margin with ARPOB of INR 45k (9% growth y-o-y)
- Continuing drive towards improving quality of business – patient and service mix

- EBITDA margin of existing centers at 15.7% for Q1 – FY18, up from 15.1% for Q1 – FY17
- Ahmedabad center launched Gujarat's 1<sup>st</sup> TomoTherapy-H radiation technology

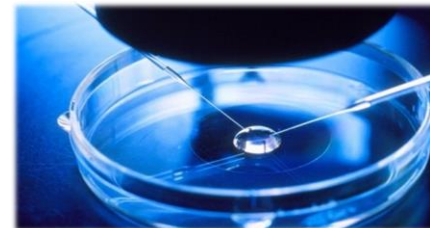
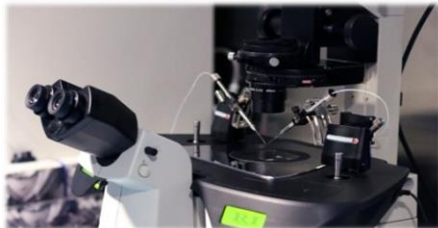
- Strong continuing performance at Cuttack, planned service enhancement and expansion
- Ranchi center ramps

**Notes:**

- New centers
- Existing centers
- (1) Increase / (Decrease) in Occupied Bed Days
- (2) Growth numbers are year-on-year basis
- (3) EBITDA before corporate expenses

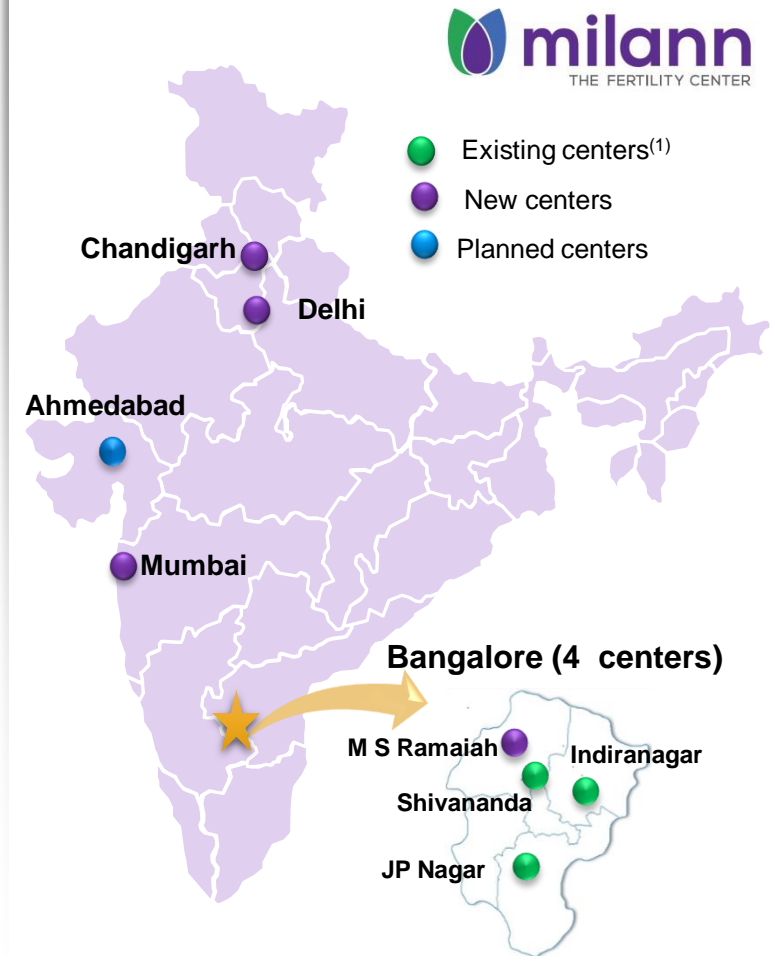


# Milann: Expansion on Track



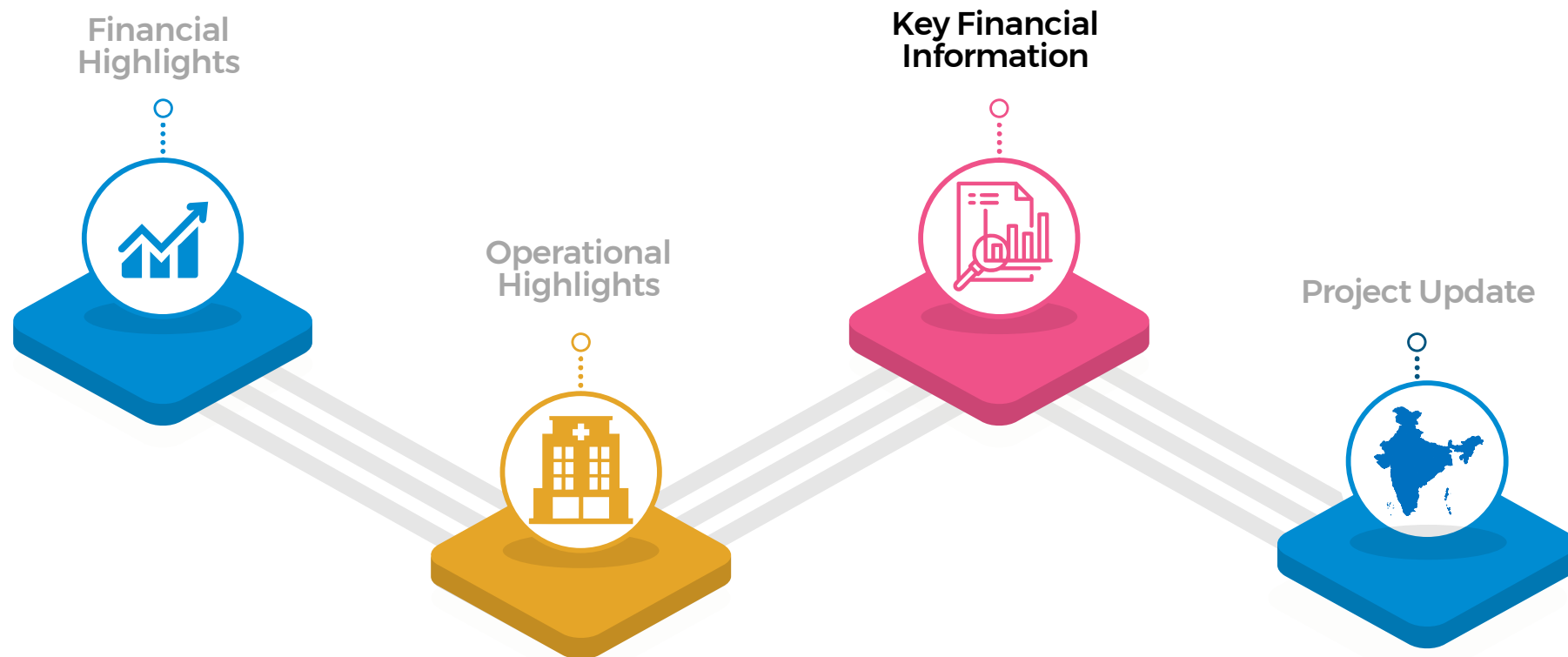
	Q1-FY18	Q1-FY17	Growth
New Registrations	1,227	1,166	5.2%
IVF Cycles	533	453	17.7%
Revenue (INR Mn)	166	140	18.8%

- ICMR approval for conducting uterus transplant
- Milann – Ranked #1 nationally for the second consecutive year by the Times of India “All India Fertility & IVF Ranking Survey 2017”



(1) Centers in operation prior to April 1, 2015, i.e. Shivananda, JP Nagar, and Indiranagar.

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# Capital Expenditure and Net Debt



## Capital Expenditure

INR Million

	Q1-FY18	FY17
<b>HCG Centres</b>		
Existing Centres	126	260
Expansions	62	381
New Centres	520	1,336
	<b>708</b>	<b>1,976</b>
<b>Milann Centres</b>		
Existing Centres	5	21
New Centres	11	98
	<b>16</b>	<b>119</b>
<b>Total CapEx</b>	<b>724</b>	<b>2,095</b>

Includes amounts given as Security Deposit for New Centers of INR 21 million in Q1-FY18 and INR 159 million in FY17

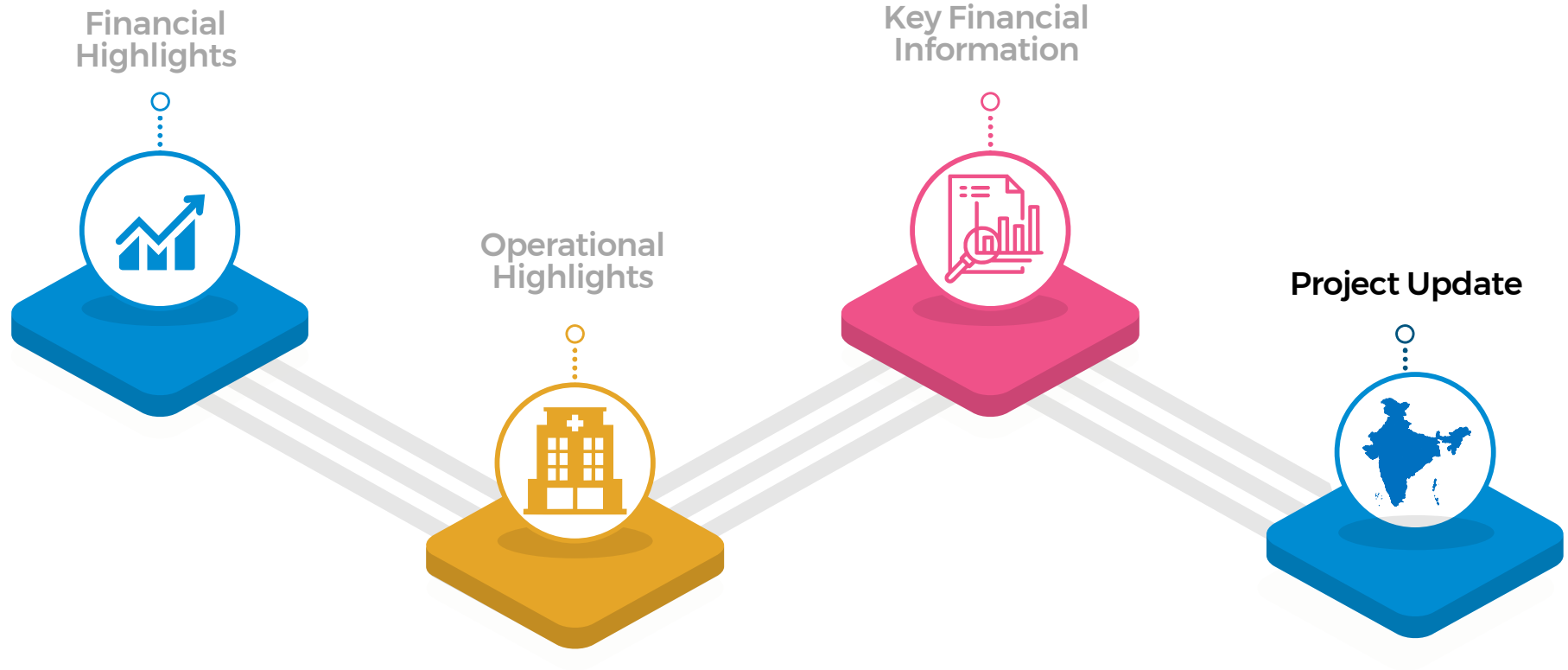
## Net Debt

INR Million

	30-Jun-17	31-Mar-17
<b>Net Debt</b>		
Bank Debt <sup>(1)</sup>	1,911	1,320
Vendor Finance	1,961	1,834
Capital Leases	486	491
Other Debt	60	73
Less: Cash and Equivalents <sup>(2)</sup>	(782)	(652)
	<b>3,636</b>	<b>3,066</b>
<b>Debt in New Centres</b>		
Bank Debt	1,306	885
Vendor Finance	1,212	1,123
Other Debt	11	13
	<b>2,529</b>	<b>2,021</b>
<b>Net Debt (Excl. New Centres)</b>	<b>1,107</b>	<b>1,045</b>

1. Net of Bank balance held as margin money of INR 147 mn as at 30-June-17 and INR 145 mn as at 31-Mar-17
2. Includes investment in mutual funds of INR 39 mn as at 30-Jun-17 and INR 113 mn as at 31-Mar-17

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# Project Update



## 1 new HCG center operational during Q1-FY18 Additional 5 new HCG centers in FY18

Location	Bed Capacity	Project Cost (INR mn)	Start Date
Kanpur, U.P.	90	839	Q4-FY17
Nagpur, Maharashtra	125	465	Q1-FY18
Borivali, Maharashtra	105	643	Q2-FY18E
Nashik, Maharashtra	92	623	Q3-FY18E
Jaipur, Rajasthan	50	410	Q3-FY18E
Kolkata, West Bengal	50	370	Q3-FY18E
South Mumbai, Maharashtra	32	410	Q4-FY18E

## 3 new Milann centers launched during FY2017 1 new Milann center planned for launch by Q2-FY18

Location	Start Date
Delhi	Q1-FY17
Chandigarh	Q3-FY17
Mumbai	Q4-FY17
Ahmedabad	Q2-FY18E





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For updates and specific queries, please visit [www.hcgel.com](http://www.hcgel.com)  
or feel free to contact [investors@hcgoncology.com](mailto:investors@hcgoncology.com)

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