

Date of Submission: 8th November 2019

To The Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 539551	To The 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: Investor Presentation for the Second Quarter and Half year ended 30th September 2019

With reference to the subject, please find enclosed Investor Presentation for the Second Quarter and Half year ended 30th September 2019

Kindly take the above information on record.

Yours faithfully,

For NARAYANA HRUDAYALAYA LIMITED


Sridhar S
Group Company Secretary, Legal and Compliance Officer



 NH Narayana Health



Investor Presentation

November 2019

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As on 30th September 2019



50 Healthcare Facilities	Operational beds
21 Owned / Operated Hospitals ⁽¹⁾	5,334 Beds
2 Managed Hospitals ⁽²⁾	498 Beds
7 Heart Centres	371 Beds
19 Primary Healthcare Facilities ⁽³⁾	10 Beds
1 Hospital in Cayman Islands	110 Beds



7,162 Capacity Beds
6,323 Operational Beds
3.0 mn ⁽⁴⁾ Average Effective Capital Cost per Operational Bed

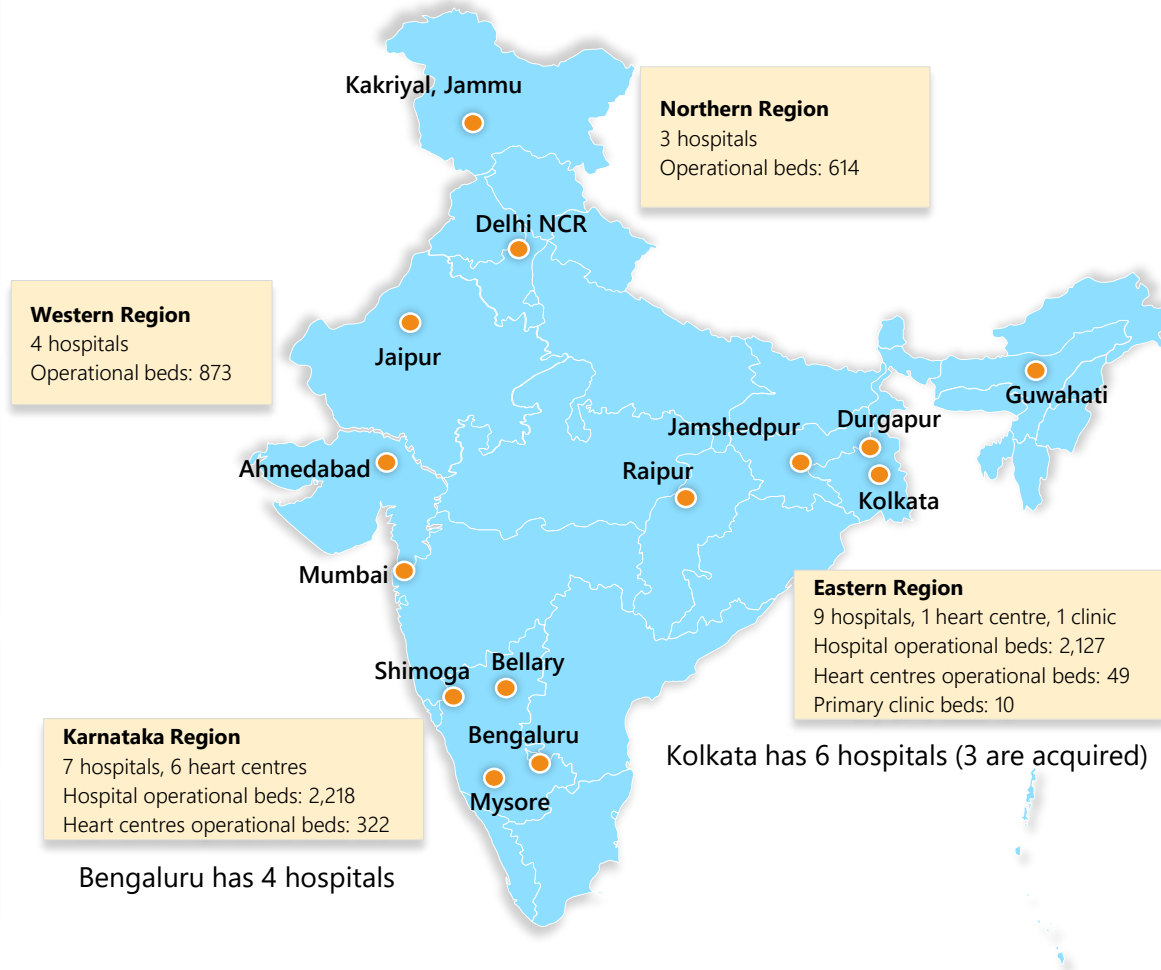


30+ Specialities



17,300 Full-time Employees and Associates including 3,725 doctors

NH's footprint in India



(1) NH owns the P&L responsibility

(2) NH manages 3rd party hospitals for Management Fees

(3) Includes clinics, information centres, etc

(4) Based on (Gross Block for Fixed Assets (adjusted for non-cash government grant impact, non-cash financial lease for Dharamshila unit and right to use asset per IND AS 116)+ Capital Work in Progress (CWIP)) / Number of operational beds as of September 30th 2019 but excluding Managed Hospitals and Cayman facility



Clinical & Operational

- Narayana Multispecialty Hospital, Jaipur successfully performed cardiac surgery on a 2-year old child suffering from multiple congenital heart defects. VSD (hole in the heart) coupled with situs inversus (congenital condition in which major visceral organs are reversed from their normal positions) made this surgery quite complex and rare
- SRCC Children’s Hospital, Mumbai completed 1,000 paediatric cardiac surgeries since its inception strengthening facility’s position as a top-notch medical destination for paediatric treatment
- Narayana Multispecialty Hospital, Ahmedabad performed minimally invasive Transcatheter Mitral Valve Replacement - Mitral Valve in Valve Procedure (TMVR-Mitral VIV) eliminating the need for conventional open-heart surgery
- In a rare case, gastrointestinal tumour which accounts for less than 1% of all tumour cases was removed at Narayana Superspecialty Hospital, Guwahati
- Sahyadri Narayana Multispecialty Hospital, Shimoga successfully treated a patient suffering from Osteochondritis dissecans, a rare bone-joint disorder, this is the first such case performed in central Karnataka



Financial Performance

- Consolidated operating revenues of INR 8,223 mn in Q2 FY20, an increase of 15.6% YoY
- Consolidated EBITDA of INR 1,281⁽¹⁾ mn in Q2 FY20, reflecting a YoY growth of 68.3% i.e. an EBITDA margin of 15.6%
- Consolidated net debt of INR 6,778 mn as on 30th September 2019, reflecting net debt to equity ratio of 0.61 (Out of which, debt worth US\$ 51.2 mn is foreign currency denominated)

(1) As per the new accounting treatment for leases per IND AS 116 effective 1st April which resulted in INR 80.6 mn increase in EBITDA and decrease of INR 25.4 mn in PAT for Q2 FY 20 on a like-to-like basis (pre IND AS 116)



Digital Initiatives

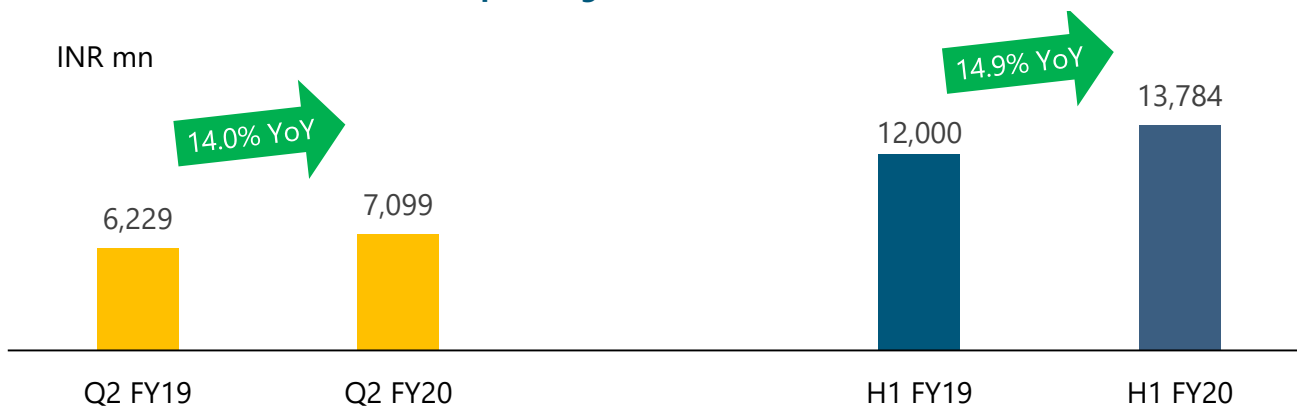
- Radiology Information System (RIS), Customer Relationship Management (CRM), Appointment Management System, Claims Management, Personnel File Management and Learning Management System (LMS) rolled out across NH
- Network transformation completed and solution for monitoring application and infrastructure performance across the group achieved
- In-house developed Athma Hospital Information System (HIS) has gone live in our Raipur facility along with Attune Laboratory Information System.
 - This new HIS is slated for rollout across all NH facilities starting Dec'19 ; Multiple upgrades and new modules planned in the upcoming quarters
- Embarked on the process to get certified for ISO 27001 (Information Security Standard)



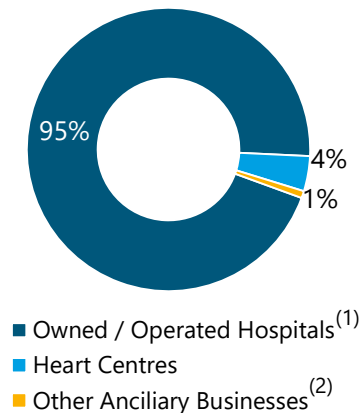
ESG & CSR Initiatives

- Health City, Bengaluru is availing up to 95% of its load capacity through alternate energy sourced from captive energy model and is saving up to INR 33 mn on annual basis
- Power factor correction has been performed in Gurugram facility and is expected to save INR 2.2 mn every year in energy costs
- Energy efficiency improvement projects are underway across the network which are expected to deliver INR 20 mn worth of power savings per annum
- Under Udayer Pathey scholarship program aimed at helping medical students from economically backward sections in West Bengal, NH awarded scholarships to 31 students in September 2019

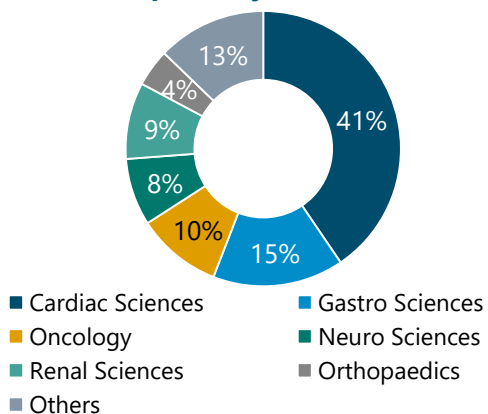
Operating Revenues



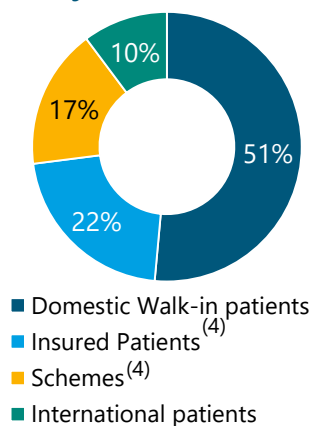
Business Mix



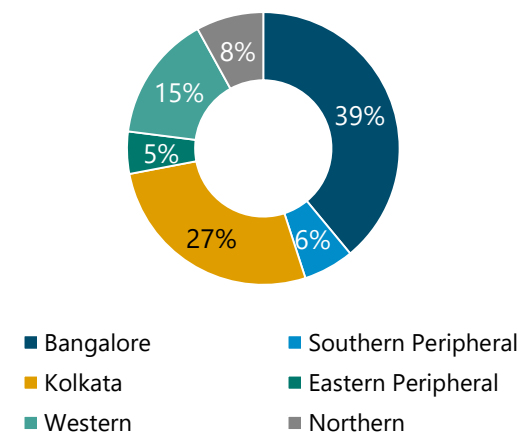
Speciality-Profile⁽⁶⁾



Payee-Profile⁽³⁾



Cluster-Wise⁽⁵⁾



(1) NH owns the P&L responsibility

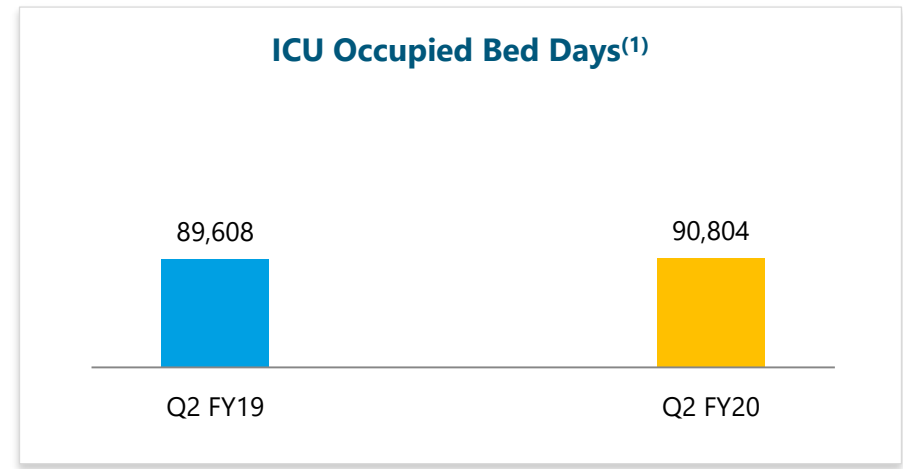
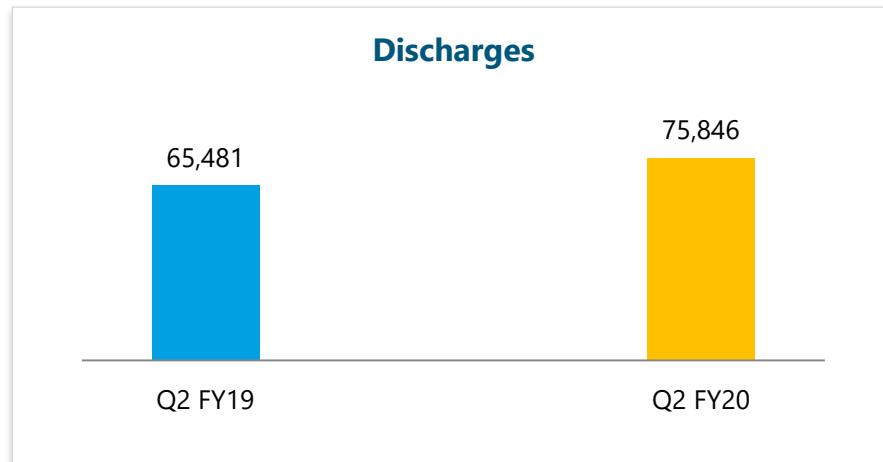
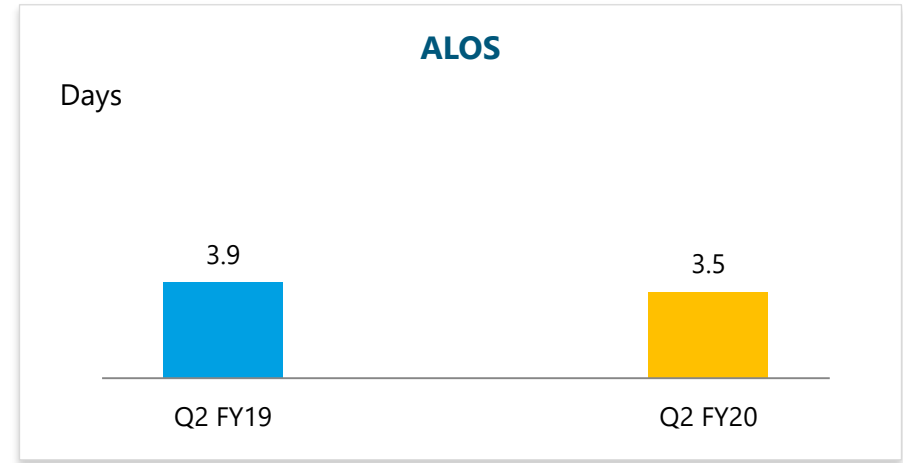
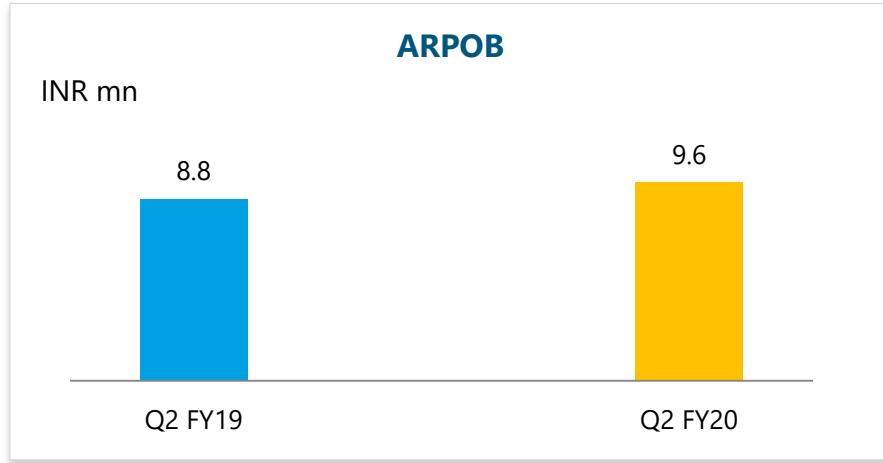
(2) Includes managed hospitals, clinics, learning and development, teleradiology, etc

(3) As percentage of IP and OP revenue, excludes Jammu VGF, clinics, other ancillary business

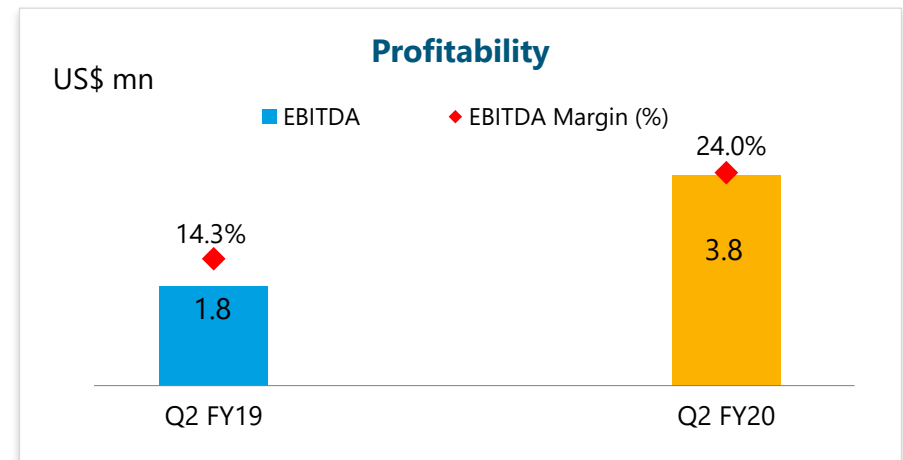
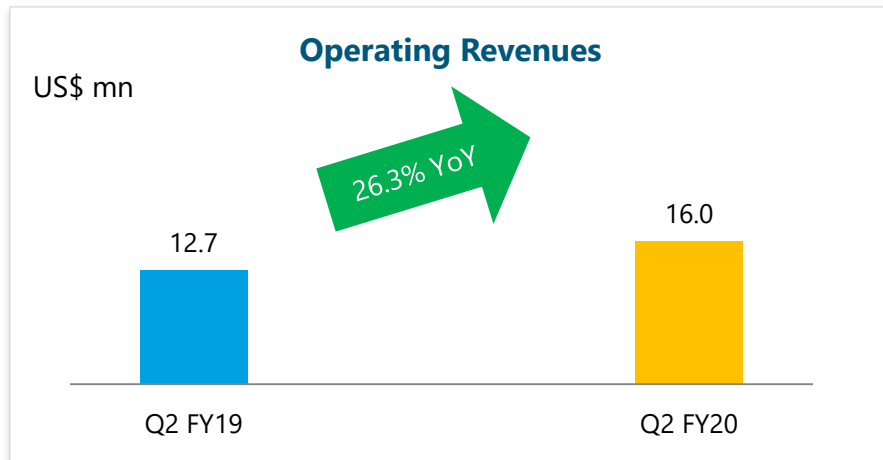
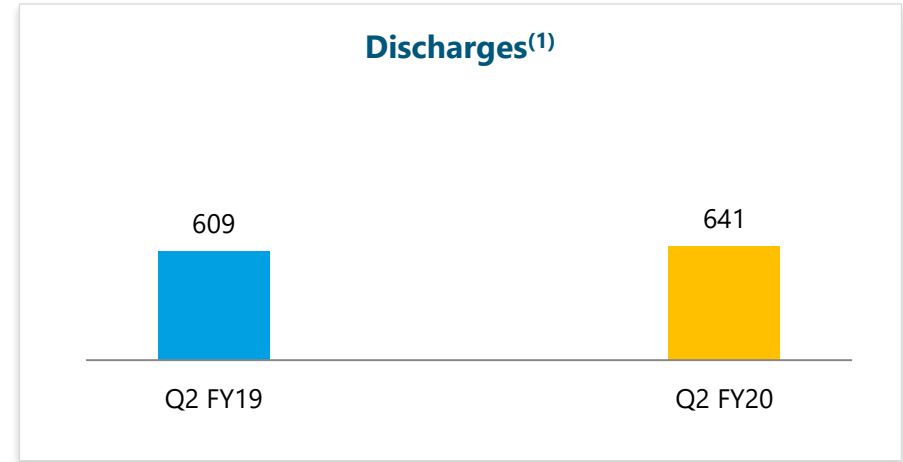
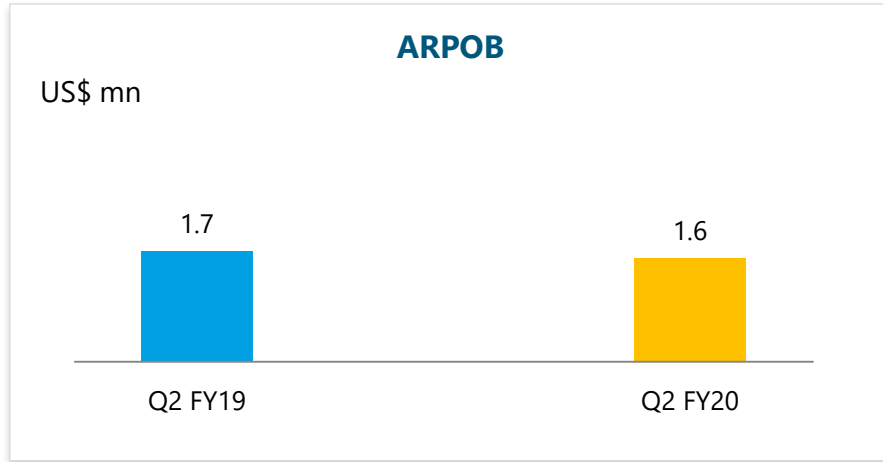
(4) Insured Patients include Insurance-covered patients, corporate patients (including public sector undertakings); Schemes include CGHS, ESIS, other state government schemes

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

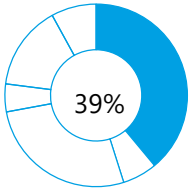
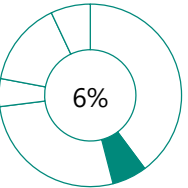
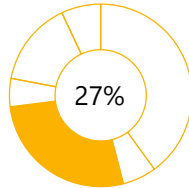
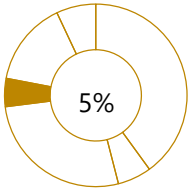
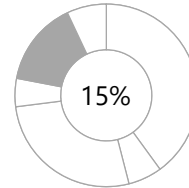
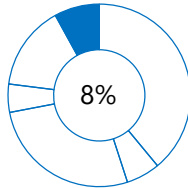
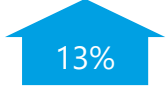




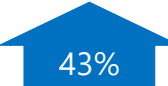
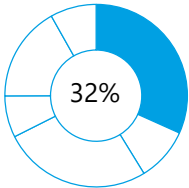
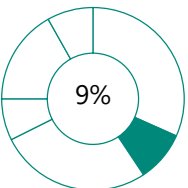
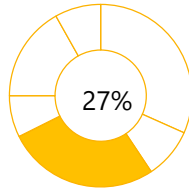
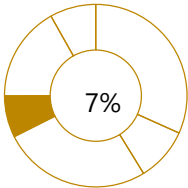
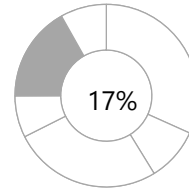
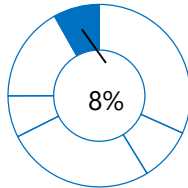








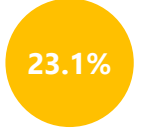



(6) Calculated on IP revenue; 6 core specialities (cardiac sciences, renal sciences, oncology, neurosciences, gastroenterology and orthopaedics) account for ~87% of IP revenue in Q2 FY20, excludes clinics data, Jammu VGF



(1) Includes critical care and step-down care beds



(1) ALOS for the period Q2 FY20 is 5.8 days and 4.8 days in Q2 FY19

Regions	Bangalore	Southern Peripheral	Kolkata	Eastern Peripheral	Western	Delhi NCR
% of Hospital Operating Revenues	 39%	 6%	 27%	 5%	 15%	 8%
YoY Revenue Growth	 13%	 17%	 8%	 23%	 19%	 43%
% of Hospital Operational Beds	 32%	 9%	 27%	 7%	 17%	 8%
ARPOB (INR mn)	 11.4	 6.7	 9.2	 6.6	 8.3	 13.9
EBITDAR Margin	 34.1%	 19.8%	 23.1%	 16.9%	 6.7%	 -16.5%

Bangalore - NICS, MSMC, HSR, Whitefield
 Southern Peripheral - Mysore, Shimoga
 Kolkata - RTIICS, Barasat, NMH & NSH (Howrah), RNN, NSC
 Eastern Peripheral - Jamshedpur, Guwahati
 Western - Mumbai, Ahmedabad, Jaipur, Raipur
 Delhi NCR - Gurugram, New Delhi

This considers owned/operated hospitals in India (excl. Jammu)

Maturity	Hospitals (Exc. Managed Hospitals & Jammu)	Hospital Operating Revenues		% of Hospital Operational Beds	Key Performance Indicators		
		% of Total	YoY Growth		ARPOB (INR mn)	Discharges ⁽²⁾	EBITDAR Margin ⁽¹⁾
Existing	17	90%	13%	89%	9.4	61,890	26.0%
New	3	10%	41%	11%	12.3	7,947	-20.2%

New: Mumbai, Delhi and Gurugram

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

(2) ALOS of matured set is 3.7 days and new units is 2.4 days

EBITDA and EBITDA Margin

INR mn

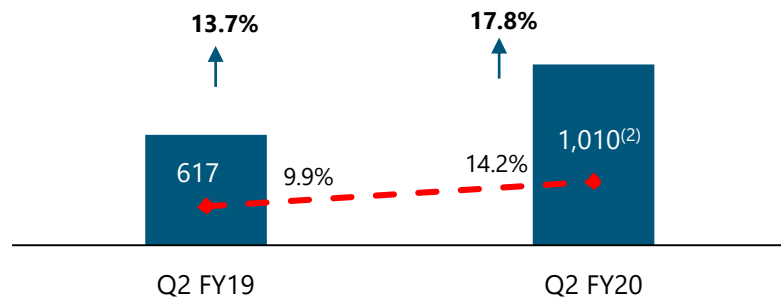
Movement across 3 New Hospitals

Q2 FY19

Q2 FY20

	Losses	Revenues		Losses	Revenues
Total	173	461	Total	139	650

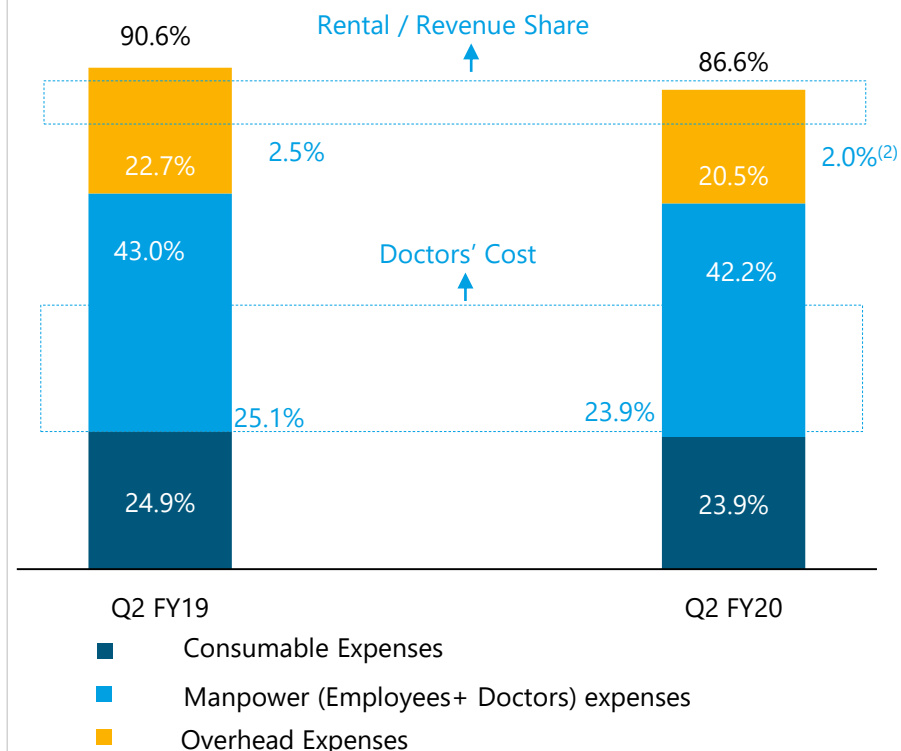
Adjusted for the above new units, the EBITDA margins would be as follows:



- Heart Centres clocked an EBITDAR margin of 25.6%⁽¹⁾ in Q2 FY20

Cost Structure

% of Operating Revenues



(1) EBITDA before rental/revenue share and before allocation of any corporate expenses
 (2) As per the new accounting treatment for leases per IND AS 116 effective 1st April which resulted in INR 80.6 mn decrease in rental expenses on a like-to-like basis (pre IND AS 116).

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;
 Manpower (Employees and Doctors) expenses = Employee benefits + Professional fees to doctors;
 Overhead expenses = all other expenses

Figures in INR mn, unless stated otherwise

Profit and Loss Statement^(1,3)

Particulars (INR mn)	Q2 FY20	H1 FY20
Total Operating Revenue	8,223	15,997
Consumption	1,915	3,818
Doctors Expenses	1,837	3,599
Employee (Excluding Doctors) Expenses	1,554	3,000
Other Admin Expenses	1,701	3,335
Total Expenses	7,006	13,752
Other Income	64	112
EBITDA	1,281	2,357
Depreciation and Amortization	429	843
Finance Costs	217	439
Share of loss of equity accounted investees	13	20
PBT	622	1,055
Tax Expense	168	298
PAT	454	756
Total Comprehensive Income	475	718

Key Balance Sheet Items⁽¹⁾

Particulars	30 th September 2019
Shareholder Equity	11,108
Total Debt	7,376
Lease Liability	1,990
Net Block + CWIP	17,217⁽²⁾
Goodwill	660
Right to Use Assets	1,955
Net Receivables	3,040
Current Investment (Mutual Fund)	768
Cash and Bank Balance	597

As on September 30th, 2019, the consolidated net debt (Total Debt less Cash and Bank Balance) was Rs 6,778 mn, representing a net debt to equity ratio of 0.61 (Out of which, debt worth US\$ 51.2 mn is foreign currency denominated)

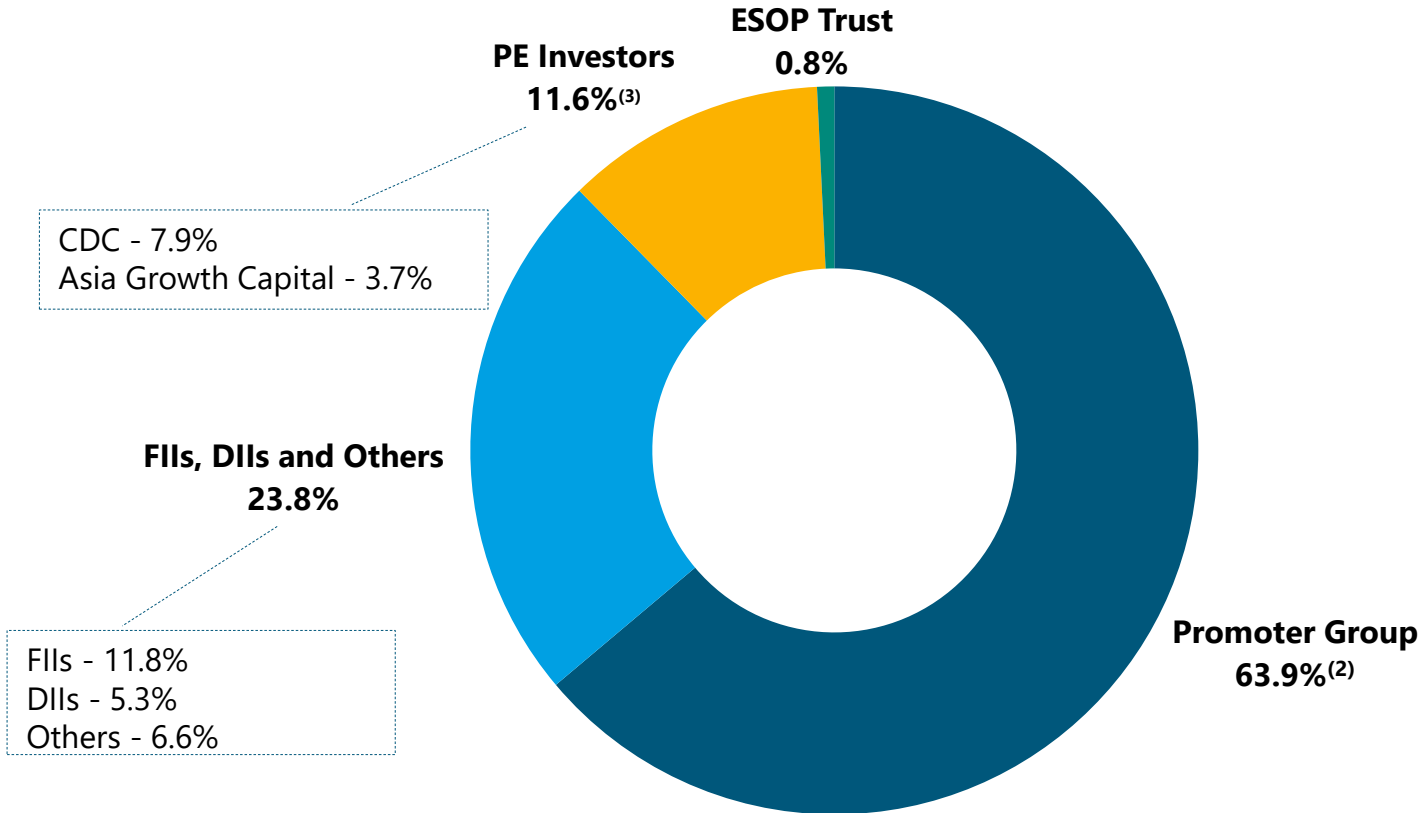
(1) Figures might not equal the reported numbers due to rounding off

(2) Net Block includes non-cash government grant impact of Rs 1,246 mn and non-cash financial lease impact of Rs 994 mn

(3) As per the new accounting treatment for leases per IND AS 116 effective 1st April which resulted in INR 79 mn increase in depreciation, INR 45 mn increase in finance cost for Q2 FY 20 resulting in decrease of INR 25.4 mn in PAT and INR 148 mn increase in depreciation, INR 86 mn increase in finance cost for H1 FY 20 resulting in decrease of INR 45.4 mn in PAT on a like-to-like basis (pre IND AS 116)

As on 30th September 2019⁽¹⁾

Total Number of Shares
204,360,804



⁽¹⁾ Percentages might not add up to 100% due to rounding off

⁽²⁾ Includes 2.8% held by NHAPL (Narayana Health Academy Private Limited)

⁽³⁾ PE investors have been shareholders prior to the IPO