



SEC/ADMHL/SE/2018/062

August 14, 2018

The Secretary Listing Department, BSE Limited, 1 <sup>st</sup> Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400001 Scrip Code: 540975	The Manager, Listing Department, The National Stock Exchange of India Ltd Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East), Mumbai 400051 Scrip Symbol: ASTERDM
---	--

Dear Sir/Madam,

**Sub: Investor Presentation for the quarter ended 30<sup>th</sup> June 2018**

With reference to the captioned subject, please find enclosed the Investor Presentation for the quarter ended 30<sup>th</sup> June 2018 on the Company's performance.

Kindly take the above said information on record as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You.

Yours faithfully

**For Aster DM Healthcare Limited**

  
**T J Wilson**  
Group Head- Governance & Corporate Affairs



**Aster DM Healthcare Limited**  
(Formerly Aster DM Healthcare Private Limited)  
CIN: U85110KL2008PLCO21703  
IX/475L, Aster Medcity, Kuttisahib Road,  
Near Kothad Bridge, South Chittoor P.O.  
Cheranallor, Kochi - 682027, Kerala, India  
Tel: +91 484 6699999, Fax: +91 484 6699862  
Email: admn.india@dmhealthcare.com  
Website: www.asterdmhealthcare.com



# ASTER DM HEALTHCARE

Investor Presentation – For the quarter ended 30<sup>th</sup> June-2018

# iDisclaimer

- ❑ This presentation has been prepared by Aster DM Healthcare Limited (the "Company"), content of which was compiled from sources believed to be reliable for informational purposes only and are based on information regarding the Company and the economic, regulatory, market and other conditions as in effect on the date hereof. Subsequent developments may impact the information contained in this presentation, which neither the Company nor its advisors or representatives are under an obligation to update, revise or affirm. Contents in the Presentation does not constitute or form part of an offer or invitation for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract, commitment or investment decision in relation thereto in India, the United States or any other jurisdiction.
- ❑ Prospective and existing investors should make their own evaluation of the Company as the information provided here does not purport to be all inclusive or to contain all of the information a prospective or existing investor may desire. Interested parties shall conduct their own due diligence and investigation on the information, before relying and acting thereon. Company makes no representation or warranty as to the accuracy or completeness of this information and shall not have any liability for any representations (expressed or implied) regarding information contained in, or for any omissions from, this information or any other written or oral communications transmitted to the recipient in the course of its evaluation of the Company.
- ❑ This presentation may contain certain "forward looking statements", which are based on certain assumptions and expectations of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Though such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. Neither the Company nor any of its advisors or representatives assumes any responsibility to update forward-looking statements or to adapt them to future events or developments.



**Aster – Snapshot, Evolution and Footprint**



**Aster – An Integrated Healthcare Provider**



**Operational and Financial Overview**



**Strategy and Leadership**

# Geographical Footprint



## GCC

Hospitals – 9  
Clinics – 103  
Pharmacies - 213

### United Arab Emirates

- Medcare Hospital, Dubai
- Medcare Orthopedics and Spine Hospital, Dubai
- Aster Hospital Mankhool, Dubai
- Medcare Women and Child, Dubai
- Medcare Hospital, Sharjah
- Clinics [83] & Pharmacies [180]

### Oman

- Al Raffah Hospital, Muscat
- Al Raffah Hospital, Sohar
- Clinics [6] & Pharmacies [6]

### Qatar

- Aster Hospital, Qatar
- Clinics [7] & Pharmacies [6]

### Kingdom of Saudi Arabia

- Sanad Hospital, Riyadh

### Clinics and Pharmacies

- Bahrain C[2] P[2]
- Kuwait P[7]
- Jordan P[12]
- Philippines C[5]



C-Clinic P-Pharmacy

Hospitals - 11  
Clinics - 9

## INDIA

### Kerala

- Aster Medcity, Kochi
- Aster MIMS, Calicut
- Aster MIMS, Kottakkal
- DM WIMS, Wayanad
- Clinics [2]

### Karnataka

- Aster CMI, Bangalore
- Clinics [5]

### Maharashtra

- Aster Aadhar, Kolhapur

### Telangana

- Aster Prime, Ameerpet

### Andhra Pradesh

- Ramesh Hospitals, Guntur
- Ramesh Hospitals, M G Road
- Ramesh Hospitals, Vijayawada
- Ramesh Hospitals: Ongole Clinics [2]

# Aster DM Healthcare – At a Glance (1/2)



## HOSPITALS

GCC: 9  
India: 11

20



## CLINICS

GCC: 103  
India: 9

112



## PHARMACIES

GCC: 213

213

Total Facilities 345

One of **Largest Private healthcare** service providers operating in Asia (GCC& India)

**Present in 9 Countries** (UAE, Saudi Arabia, Qatar, Oman, Bahrain, Philippines, Kuwait, Jordan and India)

**Largest No. of Medical Centers / Polyclinics in GCC**

**Largest chain of Pharmacies in the UAE**

## CAPACITY BEDS

4,925

GCC: 887  
India: 4,038



## PATIENT VISITS – FY19 Q1

~4.3 mn

GCC: ~3.9 mn  
India: ~0.4 mn



## REVENUE – FY19 Q1

INR 1,789 Cr

GCC: INR 1,482 Cr  
India: INR 307 Cr



## HUMAN RESOURCE



17,691

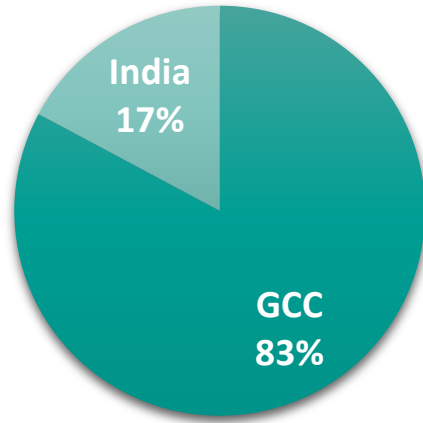
DOCTORS  
1,456

NURSES  
6,073

OTHER  
10,162

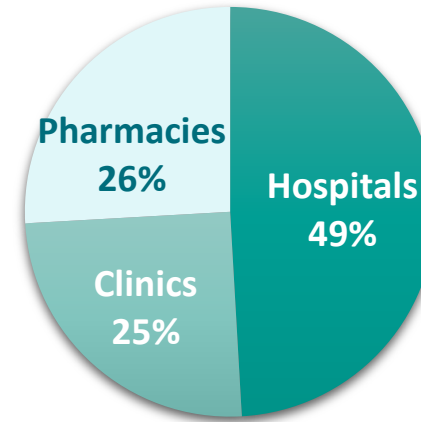
# Aster DM Healthcare – At a Glance (2/2)

Revenue - FY19 Q1

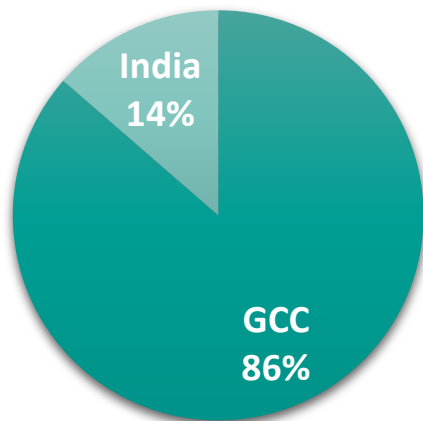


← INR ~1,789 Cr →

Revenue - FY19 Q1

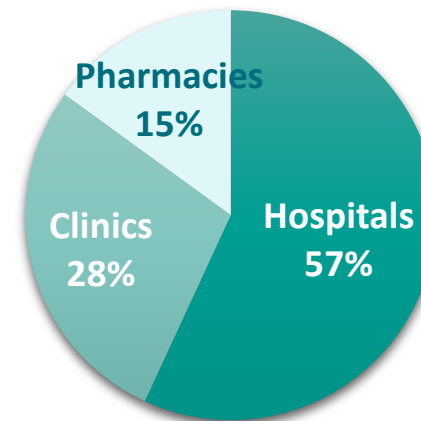


EBITDA - FY19 Q1



← INR ~139 Cr →

EBITDA - FY19 Q1



Note:

1. Above shown percentage of revenue and EBITDA by hospitals clinics and pharmacies are calculated based on gross segmental numbers before allocation of inter-segment revenue and unallocated corporate overheads

# The Aster DM Healthcare Edge

## Aster DM – A Healthcare Ecosystem

- Presence across hospitals, clinics & pharmacies and providing primary, secondary and tertiary/ quaternary care
- Strategic and sizeable network of clinics enable patient feeder structure

## Synergies in Operations due to Presence in GCC & India

- GCC operations contributes ~83% of revenue and Indian operations contributes ~17% of revenue
- GCC network leveraged to promote medical value tourism to India
- India network leveraged to source high quality medical professionals
- Low cost of debt in GCC (5% - 6%)

## Strong track record of performance since inception

- Built notable financial, operational, societal growth trajectory in GCC
- Rapid scale-up in hospitals, clinics, pharmacies across geographies

## Seasoned core management team

- Directors/officers with an average tenure of 18 years of healthcare experience
- Strong second line of management with managerial, healthcare and regulatory experience to provide stability



## Differentiated Asset-light Business Model in GCC

- Asset light model which is built around a leased asset as against the traditional system of owned asset
- Established units in GCC exhibit high average return on capital employed (ROCE) (25% - 30%, excluding corporate overheads for established units of more than 3 years)

## De-risked Business Model

- Diversified revenue sources from multi-geography and multi-economic segment operations
- Presence across all economic segments through our three brands – Medicare, Aster and Access
- GCC operations exposed to stable currencies pegged to US dollars, creating a natural hedge to currency fluctuations

## Benchmark healthcare practices

- Highest standards of patient care reflected in several industry recognitions and patient endorsements on rating platforms



# Aster DM Healthcare - Evolution

GCC

## Building the foundations

1987: Commenced operations as a single doctor clinic in Dubai  
 1995: Launched first specialty medical centre in Dubai



## New geographies, segments and service offerings

2003: Expansion to new geography – Qatar, (Clinics)  
 2005: Entry into hospital segment through Al Rafa Hospital (UAE)  
 2006: Entry into premium segment Medcare hospital (UAE)



## Brand “Aster” was formed, private equity investment, further expansion

2008-09: Entry into Oman - Al Raffah Hospital in Muscat (Oman), added another in Sohar (Oman)  
 2010 : Consolidation of group’s medical facilities under the brand Aster.  
 2011: Minority stake in Sanad hospital (KSA) ; Acquisition of Medicom Pharmacy group (UAE)  
 2012: Medcare Orthopaedics and Spine Hospital (Dubai) ; Acquired Majority stake Al Shafar Pharmacies (UAE)



## Robust Growth across all segments and geographies; Rapid Expansion in India

2015: First clinic in Bahrain and in the Philippines  
 2016: Increased stake up to 97% in Sanad Medical Care (KSA)  
 2016: Medcare Women and Child Hospital (UAE)  
 2017: Medcare Hospital (Sharjah, UAE) and Aster Hospital in Doha, Qatar

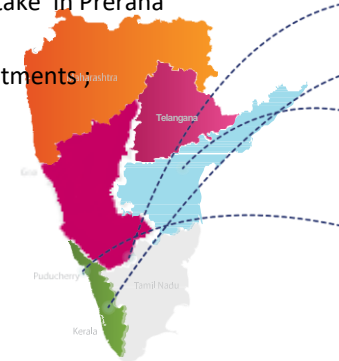
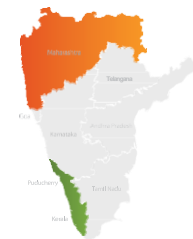


INDIA

2001: Commenced operations at MIMS hospital in Kozhikode, Kerala  
 2008 : Private Equity Investments : First Round

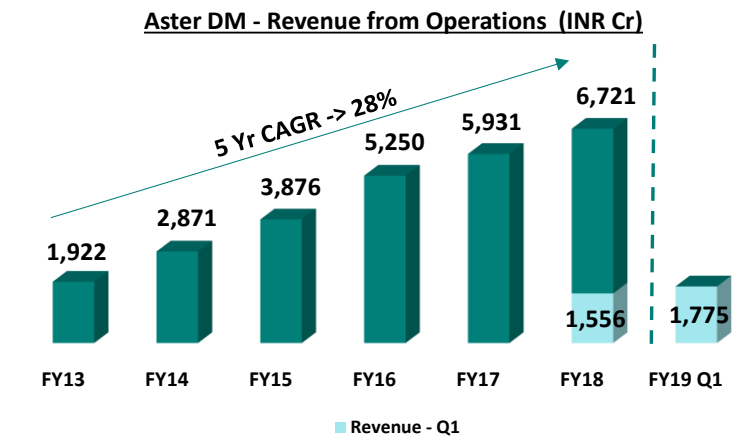
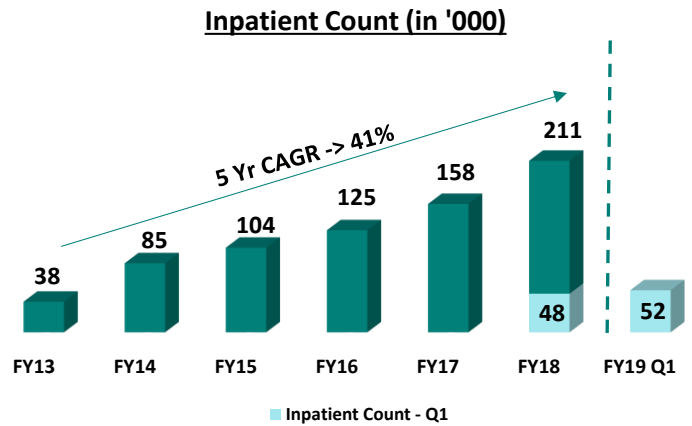
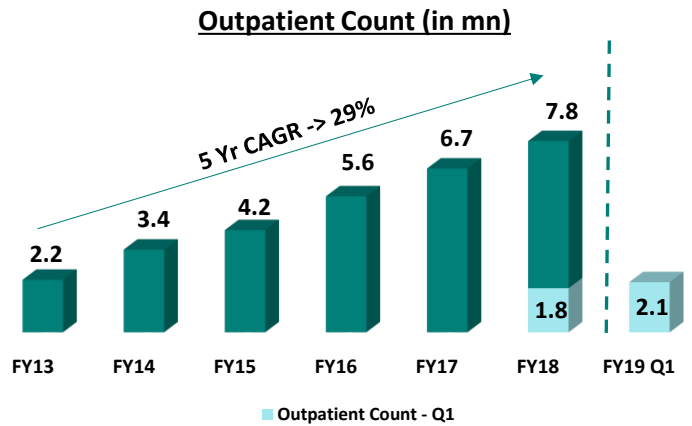


2008 : Acquired Majority stake in Prerana Hospital, Kolhapur  
 2012 : Private Equity Investments, Second Round



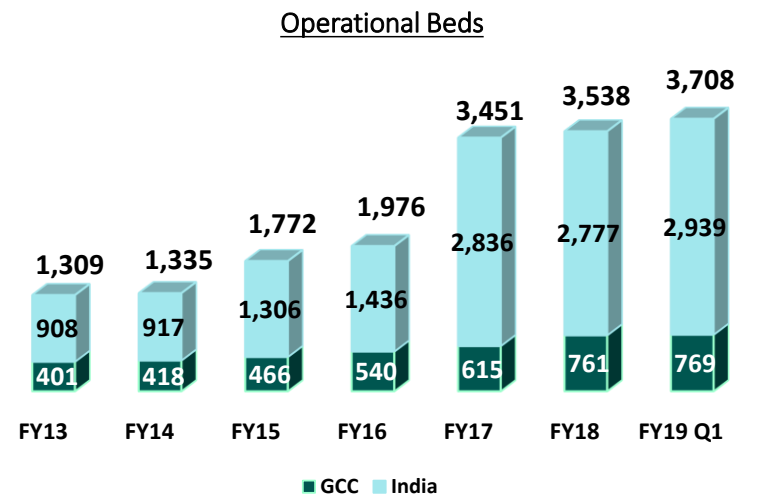
2014: Acquired Management rights in Aster CMI Bengaluru,  
 2014: Inaugurated Aster Medcity in Kerala  
 2014: Acquired majority stake in Sainatha Hospitals, Andhra Pradesh  
 2016: Acquired majority stake in Dr. Ramesh Hospital  
 2016: Acquired O&M rights in DM Wayanad Institute of Medical Sciences, Wayanad  
 2017: O&M contract with Rashtreeya Sikshana Samithi Trust  
 2018: Acquired majority stake in Sangamitra Hospitals

# ROBUST GROWTH OVER LAST 5 YEARS



**..Coupled with capacity creation for further growth, which resulted in an extensive geographical footprint**

# of Units	FY13	FY14	FY15	FY16	FY17	FY18	FY19 Q1
Hospitals	10	10	14	13	18	19	20
Clinics	41	45	69	87	96	101	112
Pharmacies	98	107	166	180	202	207	213
<b>Total</b>	<b>149</b>	<b>162</b>	<b>249</b>	<b>280</b>	<b>316</b>	<b>327</b>	<b>345</b>





**Aster – Snapshot, Evolution and Footprint**



**Aster – An Integrated Healthcare Provider**



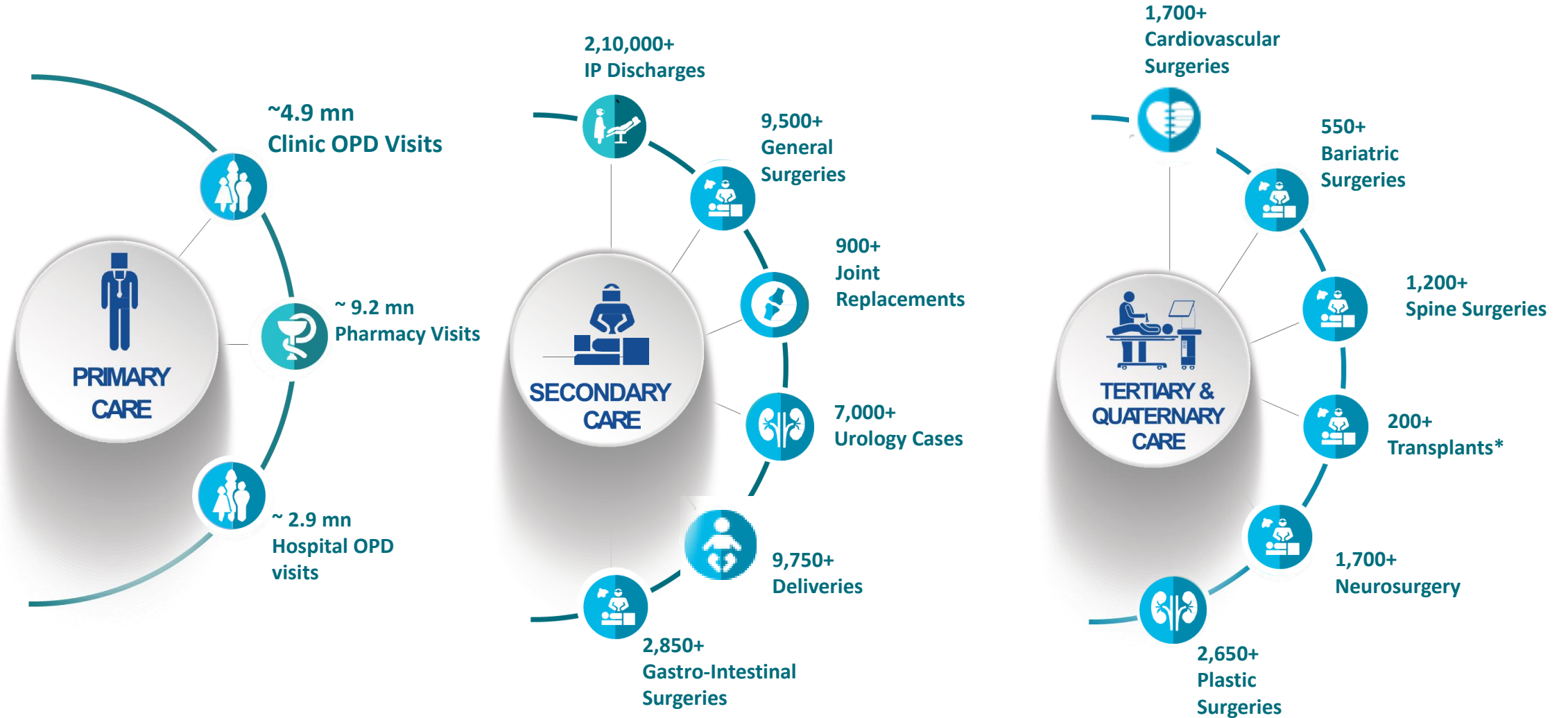
**Operational and Financial Overview**



**Strategy and Leadership**

# iAster - An Integrated Healthcare Provider

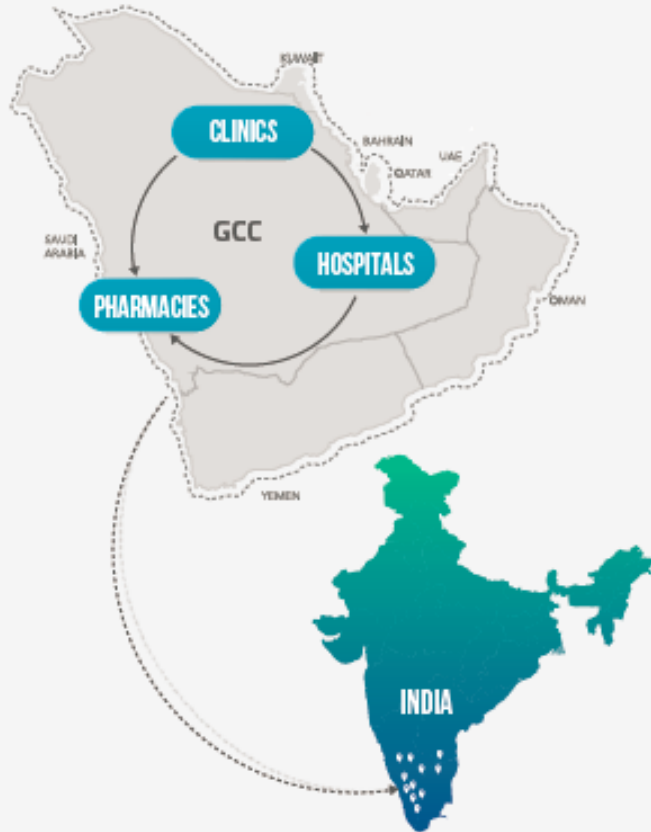
## FY18 Operational Information



Note:  
\*Transplants includes kidney, heart, liver, pancreas, etc.  
Above numbers are for the financial year FY18

# Aster – A Healthcare Ecosystem

## PATIENT LIFE CYCLE MANAGEMENT



## RESOURCE TALENT MANAGEMENT



- Aster, over 30 years, has created a healthcare eco-system across two geographical regions
- In GCC region, Aster's primary care clinics act as the initial touch-points in the patient journey, while pharmacies and hospitals continue the care
- For complex tertiary care patients are transferred to Aster's Hospitals in India
- Indian operations acts as a source of talent (doctors, nurses and other employees) to GCC operations
- Within GCC operations, clinic doctors have the opportunity to hone their surgical skills in Aster's hospitals

# GCC Healthcare – Unique Traits

Healthcare market in GCC states have developed certain unique traits due to the higher expat and working age population

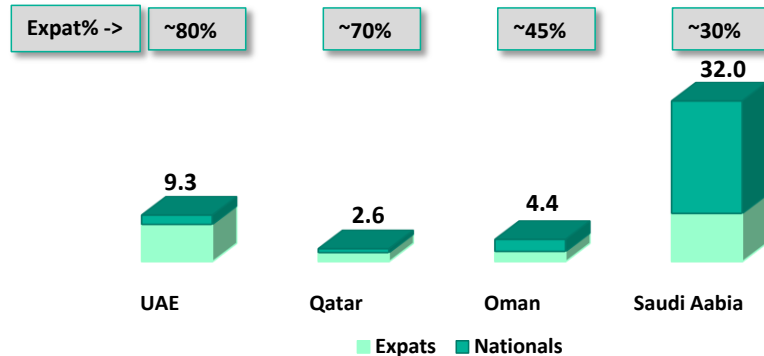
## Prevalence of Primary and Secondary Healthcare Facilities (Private Sector)

- Due to lower % of older population requirement of tertiary and quaternary care is relatively limited
- Due to lack of support systems (family, relatives, etc.) expat community travel back to their home countries for major health concerns
- Hence private healthcare delivery is focused on primary and secondary healthcare
- Recently there is a trend towards selective tertiary care focus in UAE, however this will remain proportionately lower
- Only Saudi Arabia, with its sizeable population of nationals is suitable for tertiary and quaternary care facilities

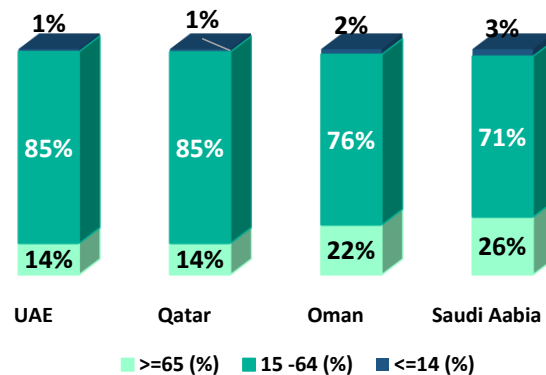
## Seasonality of Patient Volumes

- Decline in volumes across hospitals, pharmacies and segments during the summer months in the GCC countries .
- Expats form a major proportion of the population in GCC countries barring Saudi Arabia. During the extreme summer season and school holidays, a large amount of population leave the GCC region.
- Some doctors also travel back to their home country during this period as well.
- Impact visible across industries - reflected particularly more in primary care facilities like clinics and pharmacies.
- H1 and H2 revenues in GCC are usually split around 45%-55% but the EBITDA split can vary as much as 30% and 70% for H1 and H2.
- Increase in revenue in H2 results in proportionately larger increase in profitability due to operating leverage.
- Seasonality variation consistently visible over several years , can be expected to continue

### Population (mn)



### Population Age (%)



Source : World Bank (2016 data)

# iAster - Awards & Service Excellence



## JCI Accreditation for 6 Hospitals 1 Clinic and 1 diagnostic centre

Medcare Hospital Dubai, Medcare Orthopaedics and Spine Hospitals, Aster Mankhool (Dubai), Al Raffa Hospital (Sohar), Sanad Hospital (KSA), Aster Medcity (India), Jubilee Clinic and Medinova Diagnostic Centre (Dubai)



## NABH Accreditations

MIMS Kozhikode, MIMS Kottakal, Aster Aadhar, Aster Medcity, Kochi, Dr. Ramesh (Vijaywada), Dr. Ramesh Labbipet and Dr. Ramesh Guntur.



Sanad Hospital obtained Accreditation from "Saudi Central Board for Accreditation for Healthcare Institutions (CBAHI)"



## Padma Shri Award

Dr. Azad Moopen, Chairman & Managing Director – Aster DM Healthcare received "Padma Shri Award", the 4<sup>th</sup> highest civilian award in India by President of India Pratibha Patil in 2011.



## Dubai Quality Award – Aster Hospital Mankhool

Aster and Medcare recognized among top 100 World's Greatest Brands in Asia & GCC



## Aster Pharmacy

Received "Best Service Performance Brand" by Dubai service Excellence scheme (2014)

"Dubai Quality Appreciation Award" by the Govt. of Dubai (2017)

"UAE Innovation Award" (2018)



"The Sheikh Khalifa Excellence Award" (2018)



"Sharjah top 10 Business Excellence Award" (2018)



## Aster Medcity

Received the "Certificate of Honor" from the NABH for being one of the best & safest Hospitals in India (2016)



Received the "Quality Beyond Accreditation Award" by the association of Healthcare Providers 2016 (India)



Received "National Awards for Excellence in Healthcare" for "best Healthcare Entrepreneur" and "Best Dialysis Service Provider" by CMO Asia (2015)



**Aster – Snapshot, Evolution and Footprint**



**Aster – An Integrated Healthcare Provider**



**Operational and Financial Overview**



**Strategy and Leadership**



# Key Highlights – FY19 Q1

## Clinical Highlights

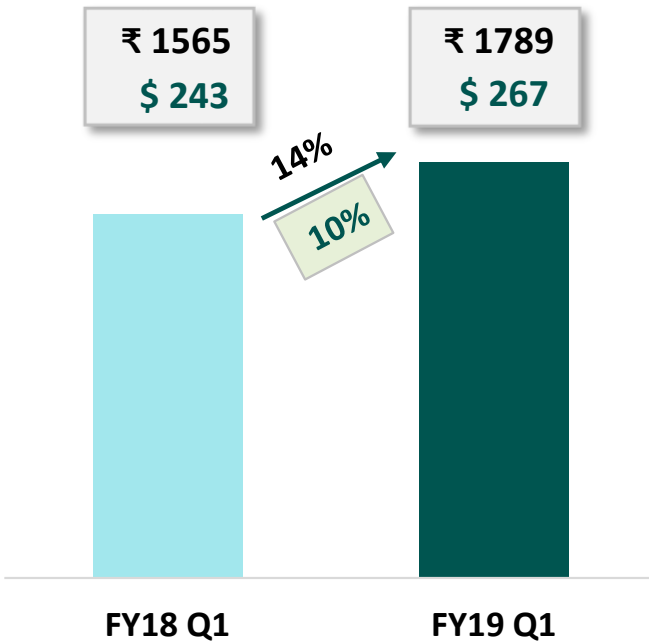
- Aster CMI performed Asia's first ever liver transplant using the Normothermic Perfusion Machine (keeps liver outside the body for upto 24 hrs)
- The Nipah virus outbreak was confirmed on May 20th, 2018 in Calicut & Mallapuram districts, Aster MIMS Calicut was very successful in the Nipah Virus epidemic management & eradication program.
- A rare surgery – Proximal Humerus Replacement (Left Side) was carried out by the team at Aster Prime Hospital.
- A new Centre of Excellence Cosmetology & Aesthetic surgery was started at Aster MIMS Calicut.
- Aster MIMS Calicut successfully completed it's 500th Kidney transplant and Aster Medcity successfully completed it's 150th kidney transplant.
- Aster Medcity successfully completed it's 500th robotic procedure.

## Operational Highlights

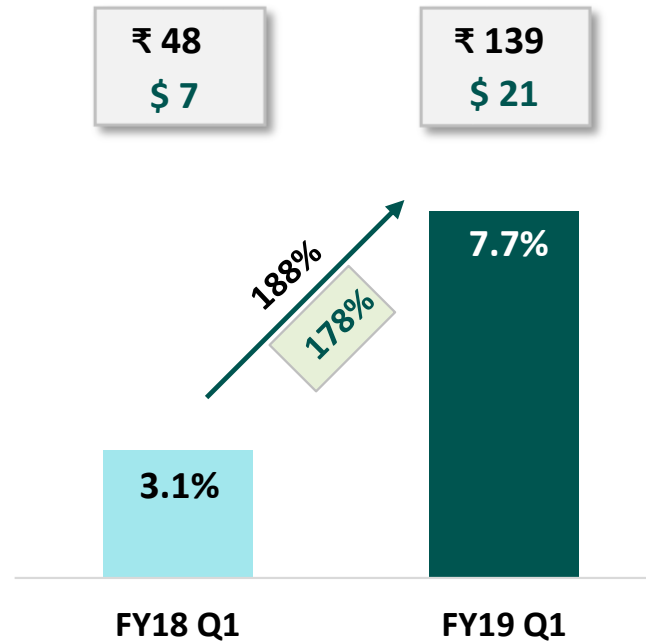
- During the current quarter added 1 hospital, 11 clinics and 6 pharmacies increasing the operational beds by 170
- Ramesh Sanghamitra-Ongole (150 beds) was acquired by Aster Ramesh Hospitals on 1st April-2018.
- Medcare hospital (Sharjah) & Aster hospital (Doha) commenced operations in FY 2018 achieved operational break-even during the quarter (within 12 months).
- Aster Medcity was re-accredited by JCI and NABH in Q1 FY19
- Aster CMI Hospital is Ranked 2nd best hospital in Bangalore by the Times Group Healthcare Survey
- Aster Ramesh Hospitals - Vijayawada and Guntur were the first hospitals in the new state of Andhra Pradesh to receive NABH for Nursing Excellence Certifications.
- E-care International Medical Billing Services Co. LLC (TPA Business in U.A.E) was acquired by Affinity Holdings Private Limited (Mauritius).

# Revenue and Profitability Snapshot

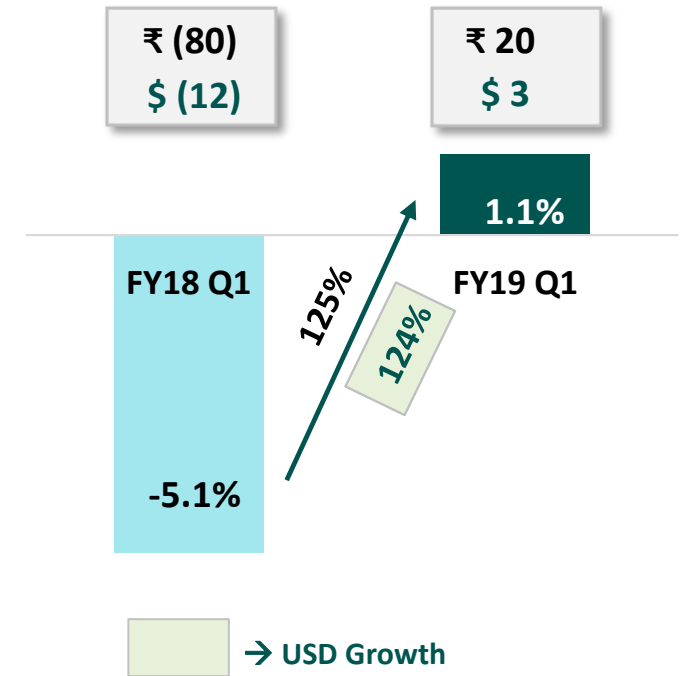
## REVENUE



## EBITDA



## PAT (Pre – NCI)



▪ FY18 Q1 (FY19 Q1) EBITDA also includes losses of two new hospitals in GCC (Medcare hospital in Sharjah & Aster hospital in Doha) of INR ~46 crores (INR ~ 2 crores)








**Notes:**

1. Revenue is calculated excluding financial income
2. Percentages mentioned inside the bars are % to revenue

USD in Millions  
INR in Crores

Income Statement – Conversion Rates  
\*FY2018 Q1 : 1 USD =64.3840 INR  
\*FY2019 Q1 : 1 USD =66.8933 INR

# iBusiness – Snapshot (1/2)

	GCC		INDIA		CONSOLIDATED	
	FY18 Q1	FY19 Q1	FY18 Q1	FY19 Q1	FY18 Q1	FY19 Q1
 Total Capacity Beds	863	887	3,944	4,038	4,807	4,925
 Operational Beds	750	769	2,881	2,939	3,631	3,708
 ALOS (Days)	2.2	2.0	3.7	3.5	3.2	2.9
 Occupancy	53%	57%	63%	59%	60%	58%
 Outpatient Visits	~0.3 mn	~0.3 mn	~0.4 mn	~0.4 mn	~0.7 mn	~0.7 mn
 In-patient Nos.	15,300 +	19,100+	32,100 +	32,500+	47,500 +	51,700 +
 ARPOBD	142,500+	150,400+	22,400 +	26,200 +	49,300+	57,500+




**Notes:**

1. Inpatient nos, Outpatient visits stated above are only for the hospitals.

2. Waynad Institute of Medical Sciences (WIMS) details are not included in calculation of occupancy, OP & IP visits, ALOS and ARPOBD

3. In FY19 Q1, due to INDAS 15 accounting standard, partial provision for bad debts and volume discounts have been netted off against revenue. The same has impacted ARPOB calculated.

# i Business – Snapshot (2/2)

	GCC		INDIA		CONSOLIDATED	
	FY18 Q1	FY19 Q1	FY18 Q1	FY19 Q1	FY18 Q1	FY19 Q1
 Revenue (₹)	1,289 Cr	1,482 Cr	275 Cr	307 Cr	1,565 Cr	1,789 Cr
 EBITDA (₹)	32 Cr	119 Cr	16 Cr	20 Cr	48 Cr	139 Cr
 PAT (Pre – NCI) (₹)	(60) Cr	30 Cr	(20) Cr	(10) Cr	(80) Cr	20 Cr

**Note:**

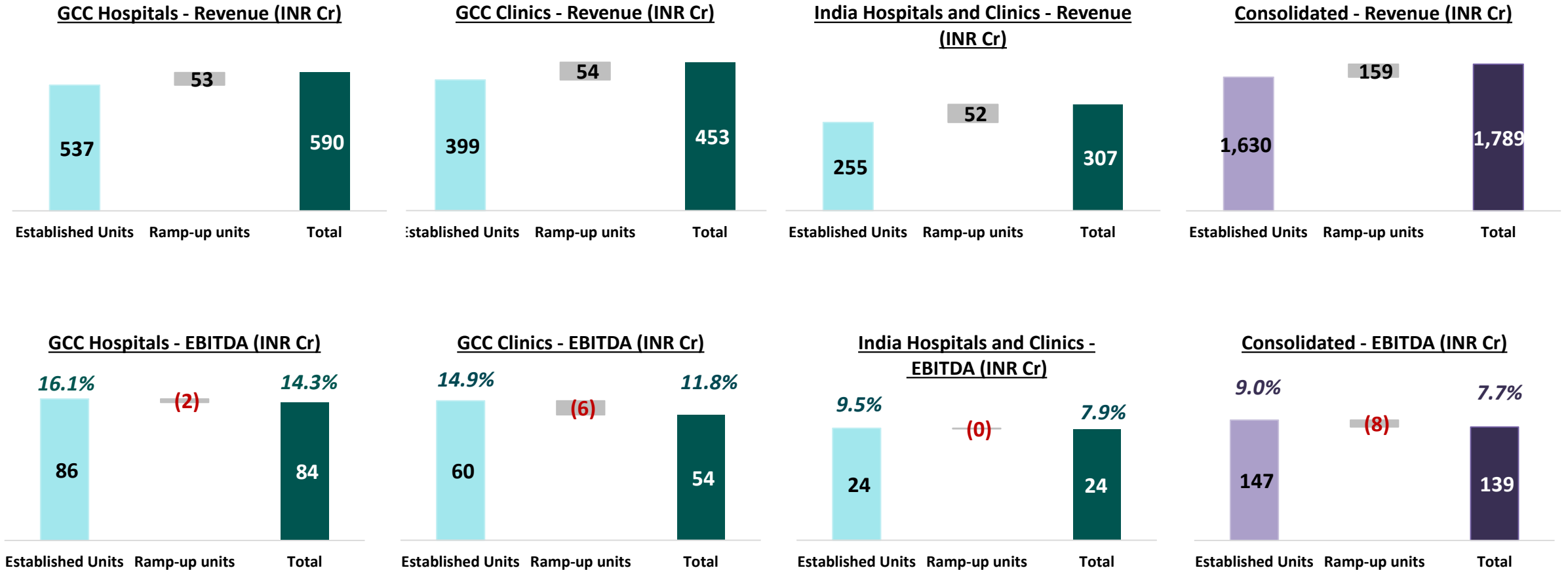
1. Revenue is calculated excluding financial income

# Segmental Performance

FY19 Q1	GCC Hospitals	GCC Clinics	GCC Pharmacies	Int Hosp FY18 Gw % Cli	No. of Business Units (#)	GCC Hospitals - Gw%	GCC Clinics - Gw%	GCC Pharmacies - Gw%	India - Hospitals & Clinics - Gw%	Unallocated & Eliminations - Gw%	Total - Gw%
No. of Business Units (#)	9	103	213	H-1	No. of Business Units (#)						-
Operational Beds (#)	769	NA	NA	2,939	Operational Beds (#)						-
Occupancy (%)	57%	NA	NA		Occupancy (%)						-
In-patient Counts ('000)	19	NA	NA	33	In-patient Counts ('000)	25%	NA	NA	1%	NA	9%
Out-patient Visits (mn)	0.32	1.32	2.23		Out-patient Visits (mn)	16%	16%	2%	6%	NA	7%
Revenue (INR Cr)	590	453	472	307	Revenue (INR Cr)	21%	11%	20%	12%	NA	14%
EBITDA (INR Cr)	84	54	29		EBITDA (INR Cr)	374%	57%	16%	23%	8%	188%
EBITDA Margin (%)	14.3%	11.8%	6.1%	29%	EBITDA Margin (%)						-

FY18 Q1	GCC Hospitals	GCC Clinics	GCC Pharmacies	India - Hospitals & Clinics	Unallocated & Eliminations	Total
No. of Business Units (#)	9	90	207	H-11, C-7	NA	324
Operational Beds (#)	750	NA	NA	2,881	NA	3,631
Occupancy (%)	53%	NA	NA	63%	NA	60%
In-patient Counts ('000)	15	NA	NA	32	NA	48
Out-patient Visits (mn)	0.28	1.14	2.19	0.39	NA	3.99
Revenue (INR Cr)	487	410	394	275	(2)	1,565
EBITDA (INR Cr)	18	34	25	20	(48)	48
EBITDA Margin (%)	3.6%	8.3%	6.2%	7.2%	--	3.1%










# Vintage-wise Performance



- Units with vintage less than 36 months are considered as units in ramp-up phase in GCC hospitals, GCC clinics, India hospitals & clinics
- Entire GCC pharmacy segment and unallocated expenses are considered as part of established category

# Hospitals List

Hospitals - GCC	Location	Commencement/ Acquisition Year	Bed Capacity	Operational Beds	Ow ned /Leased
 Medcare Hospital	Dubai, UAE	2007	64	55	Leased
 Al Raffa Hospital	Muscat, Oman	2009	86	74	Leased
 Al Raffa Hospital	Sohar, Oman	2010	73	63	Leased
 Medcare Orthopaedics and Spine Hospital	Dubai, UAE	2012	33	27	Leased
 Aster Hospital Mankhool	Dubai, UAE	2015	126	108	Leased
 Medcare Women and Child Hospital	Dubai, UAE	2016	102	89	Leased
 Medcare Hospital	Sharjah, UAE	2017	124	110	Leased
 Sanad Hospital	Riyadh, KSA	2011	218	218	Owned
 Aster Hospital	Doha, Qatar	2017	61	25	Leased

Hospitals - India	Location	Commencement/ Acquisition Year	Bed Capacity	Operational Beds	Ow ned /Leased/ O&M
 Aster Aadhar Hospital	Kolhapur, MH	2008	176	151	Owned
 MIMS Kozhikode	Kozhikode, KL	2013	678	548	Owned
 MIMS Kottakkal	Kottakkal, KL	2013	229	171	Owned
 Aster CMI	Bengaluru, KA	2014	509	275	O&M
 Aster Medcity	Kochi, KL	2014	670	421	Owned
 Prime Hospitals - Ameerpet	Hyderabad, TG	2014	158	100	Leased
 DM WIMS Wayanad	Waynad, KL	2016	880	798	O&M
 Dr. Ramesh Guntur	Guntur, AP	2016	350	175	Leased
 Dr. Ramesh - Main Centre	Vijaywada, AP	2016	184	160	Leased
 Dr. Ramesh - Labbipet	Vijaywada, AP	2016	54	50	Leased
 Dr. Ramesh Sanghamitra-Ongole	Ongole, AP	2018	150	90	Owned

Geography	Capacity Beds	Operational Beds
GCC	887	769
India	4,038	2,939
<b>Total</b>	<b>4,925</b>	<b>3,708</b>

**Note:**

1. Medcare Women and Child is a carve out of Medcare Hospital. | 2. Aster Hospital Mankhool is the expansion of Al Raffa Hospital for Maternity & Surgery. | 3. MH – Maharashtra, KL – Kerala, KA – Karnataka, TG – Telangana, AP – Andhra Pradesh
4. Dr. Ramesh Hospitals has acquired ~51% stake in Sangamitra Hospital (150 beds), Ongole, Andhra Pradesh

# Maturity Wise Hospital Performance – GCC

Maturity	Hospitals	Revenue (INR in Crs.)	Operational Beds	Key Performance indicators		
				ARPOBD	Occupancy	EBITDA EBITDA % (INR in Cr.)
0-3 Years	2	9% ₹ 53	18% 135	₹ ~195,000	22%	₹(2)
Over 3 Years	7	91% ₹537	82% 634	₹ ~147,100	64%	₹86 16.1%
	9	₹ 590	769	₹ ~150,400	57%	84

GCC hospitals 0-3 Years : Medcare Sharjah Hospital (UAE), Aster Doha Hospital (Qatar)

Note: In new hospitals, out-patient revenue is proportionately higher compared to established hospitals leading to a higher ARPOBD. The same will normalize over time.



# Maturity Wise Hospital Performance – India

Maturity	Hospitals	Revenue (INR in Crs.)	Operational Beds	Key Performance indicators		
				ARPOBD	Occupancy	EBITDA EBITDA % (INR in Cr.)
0-3 Years	2	16% ₹ 50	37% 1073*	₹ ~42,500	47%	₹ 1.1 2.2 %
Over 3 Years	9	84% ₹255	63% 1866	₹ ~24,400	61%	₹24.4 9.6%
	11	₹ 305	2939	₹ ~26,200	59%	25.5

**Indian hospitals** 0-3 Years : Aster CMI Hospital (Bengaluru, Karnataka), Waynad Institute of Medical Science : Indian Clinics operations is not included in Revenue and EBITDA shown above.

Note: Waynad Institute of Medical Sciences (WIMS) details are not included in calculation of occupancy, ALOS and ARPOBD.

\* Operational beds include 798 beds of Waynad Institute of Medical Sciences (WIMS) which is under O & M.

# Financial Summary – Profitability Statement (1/2)

Particulars (INR Cr)	Q4 FY18	FY18 Q1	FY19 Q1	FY19 Q1- Growth%
Revenue from operations	1,784	1,556	1,775	
Other income (Excluding Interest and Investment Income)	7	8	15	
<b>Revenue</b>	<b>1,791</b>	<b>1,565</b>	<b>1,789</b>	<b>14%</b>
Material consumption	484	492	552	
Doctors cost	374	360	399	
Employee cost (excl. Doctors)	306	346	376	
Other expenses	281	245	247	
<b>EBITDAR</b>	<b>346</b>	<b>122</b>	<b>215</b>	<b>77%</b>
<i>EBITDAR %</i>	<i>19.3%</i>	<i>7.8%</i>	<i>12.0%</i>	
Rent	76	74	76	
<b>EBITDA</b>	<b>270</b>	<b>48</b>	<b>139</b>	<b>188%</b>
<i>EBITDA %</i>	<i>15.1%</i>	<i>3.1%</i>	<i>7.7%</i>	
Depreciation & Amortization	56	79	74	
<b>EBIT</b>	<b>214</b>	<b>(30)</b>	<b>65</b>	<b>313%</b>
<i>EBIT %</i>	<i>11.9%</i>	<i>-1.9%</i>	<i>3.6%</i>	
Exceptional Expense (Income)	(45)	-	-	
Finance cost (net of Interest Income)	44	42	37	
Share of Profit (Loss) of Equity Accounted Investees	(0)	0	(5)	
<b>PBT</b>	<b>216</b>	<b>(73)</b>	<b>32</b>	<b>144%</b>
Income tax	10	7	12	
<b>PAT (Pre-Non Controlling Interest)</b>	<b>205</b>	<b>(80)</b>	<b>20</b>	<b>125%</b>
<i>PAT (Pre-Non Controlling Interest)%</i>	<i>11.5%</i>	<i>-5.1%</i>	<i>1.1%</i>	
Non Controlling interest	15	(3)	8	
<b>PAT</b>	<b>190</b>	<b>(77)</b>	<b>12</b>	<b>116%</b>
<i>PAT %</i>	<i>10.6%</i>	<i>-4.9%</i>	<i>0.7%</i>	
<b>Earnings per share - Not Annualised (Face value of INR 10 each)</b>				
Basic (INR)	4.07	(1.66)	0.25	
Diluted (INR)	4.06	(1.66)	0.25	

- FY18 Q1 (FY19 Q1) EBITDA also includes losses of two new hospitals in GCC (Medcare hospital in Sharjah & Aster hospital in Doha) of INR ~46 crores (INR ~ 2 crores)
- Finance income of INR ~2.2 crore in Q4 FY18, INR ~1.1 crore in FY18 Q1, INR ~2.6 crore in FY19 Q1 has been reclassified and netted against finance cost in the respective periods

Income Statement – Conversion Rates  
 FY18 Q1 : 1 USD = 64.3840 INR  
 FY19 Q1 : 1 USD = 66.8933 INR  
 FY18-Q4: 1 USD = 64.2803 INR

# Financial Summary – Balance Sheet & Ratios

Particulars (INR Cr)	As at 31st March, 2018	As at 30th June, 2018
<b>LIABILITIES</b>		
Shareholders Equity	2,832	2,922
Minority Interest	358	380
Debt	2,241	2,426
Other current and non-current liabilities	2,054	2,277
<b>Total Liabilities</b>	<b>7,484</b>	<b>8,004</b>
<b>ASSETS</b>		
Fixed Assets (including Goodwill)	4,153	4,418
Inventories	627	649
Cash, Bank Balance and Current Investments	324	273
Other current and non-current assets	2,380	2,664
<b>Total Assets</b>	<b>7,484</b>	<b>8,004</b>





Financial Position and Ratios	As at 31st March, 2018	As at 30th June, 2018
<b>Equity and Liabilities (Extract) - INR Cr</b>		
Consolidated Net worth (including Non-controlling Interest)	3,190	3,302
Consolidated Net Debt	1,916	2,152
<b>Equity and Liabilities (Extract) - USD mn</b>		
Consolidated Net worth (including Non-controlling Interest)	492	483
Consolidated Net Debt	296	315
<b>Key financial ratios</b>		
Net Debt/Equity ratio (x times)	0.6	0.7
Net Debt/EBITDA ratio (x times) *	2.9	--
ROCE - Pre-Tax (%) (EBIT / Average Capital Employed)*	7.1%	--




Note: Finance lease obligation of INR ~116 cr in FY19 Q1 (INR ~111 cr in FY18) is classified under other current and noncurrent liabilities

\* Due to seasonality in operations, net debt/EBITDA ratio and ROCE % is not meaningful for a quarter.

Balance Sheet – Conversion Rates  
31-Mar-2018: 1 USD =64.8230 INR  
30-June-2018: 1 USD =68.3020 INR

# New Projects and Capex Plan

Hospitals - GCC	Location	Type	Planned Beds	Expected Completion Year	Stage	Owned / Leased/O&M
 Aster Hospital	Qusais, Dubai, UAE	Greenfield	117	Q2 FY 2019	Construction	Leased
 Aster Hospital	Sonapur, Dubai, UAE	Greenfield	41	Q1 FY 2020	Construction	Leased
 Aster Hospital	Sharjah, UAE	Greenfield	80	Q4 FY 2020	Design	Leased
 Sanad Hospital	Riyadh, Saudi Arabia	Expansion	69	Q4 FY 2019	Construction	Owned

Hospitals - India	Location	Type	Planned Beds	Expected Completion Year	Stage	Owned / Leased/O&M
 MIMS Kannur	Kannur, Kerala	Greenfield	200	Q4 FY 2019	Construction	Owned
 Aster RV Hospital	Bengaluru, Karnataka	Brownfield	223	Q4 FY 2019	Construction	O&M
 Aster Hospital	Chennai, Tamil Nadu	Greenfield	500	FY 2020-21	Initial Planning	O&M

- Planned capital expenditure of above listed hospital projects and additional clinics, pharmacies & maintenance capex in FY19 & FY20 is INR ~650 cr & INR ~300 cr respectively



**Aster – Snapshot, Evolution and Footprint**



**Aster – An Integrated Healthcare Provider**



**Operational and Financial Overview**



**Strategy and Leadership**

# IADMHL – Strategy & Outlook (1/2)

## Strengthening of hub and spoke model in GCC

- To capitalize on the existing primary care clinics network in GCC by adding secondary / tertiary care hospitals
- In FY18, 65 bed Aster Hospital, Doha commenced operations to utilize the untapped Aster clinics network in Doha
- Planned addition of ~240 beds over next 2 years in UAE to capitalize on Aster and Access brand clinics, located farther away from our existing Aster Hospital in Mankhool, Dubai
- Above strategy will enable expansion of our quality services in middle and low economic segments category of patients, where there is a supply-demand gap

## A comprehensive human resource strategy utilizing our geographical diversity and catering to future growth

- To create an enabling environment for skill development and growth of doctors and paramedics, providing quality care to our patients
- Maintain the current high retention of senior doctors across the group
- Identify and add to the strong pipeline of doctors for our expansion & replacement requirements; early identification is key, especially in GCC countries due to strict licensing requirements
- Selective GCC licensing of doctors from our Indian hospitals – to enable need based transfer to GCC hospitals & clinics
- Retention of skilled paramedics in Indian operations, by fulfilling aspiration of career growth outside India

## Scalable systems implementation, tightly integrated with operations/market requirements

- Systems implementation with focus on scalability and future business requirements
- Enhancement of patient experience through technology at each patient touchpoints
- Information systems to drive productivity improvement

## Strengthening of our medical tourism network

- To further strengthen integration of GCC & India operations to provide consistent quality experience to patients across geographies
- To position our premium segment Medicare hospitals as service provider of choice for affluent international patients travelling to Dubai for medical tourism; Strategy in-line with Dubai government's medical tourism strategy with a vision of making as a globally recognized destination for elective health and wellness treatments

# iADMHL – Strategy & Outlook (2/2)

## Profitability growth & brand positioning using product-mix and technology

- Focus on margin expansion through sale of own / exclusive licensed products
- Shift to online ordering of prescription for enhanced patient experience

## Building of brand, talent and capability in KSA – a key market in GCC

- There is significant demand for quality healthcare services in Kingdom of Saudi Arabia (KSA), currently the largest economy in GCC with the highest population; Further, current policy reforms expected to improve the business environment in KSA
- Having successfully diversified our revenue streams in KSA, ADMHL further plans to strengthen our brand, talent pipeline and management capability

## Specialized, asset-light growth in India

- Focus on key centres of excellence - Orthopedics, Medical Oncology, Cardiac Sciences, Neurosciences, Gastroenterology, Women and Child, Bariatric, Integrated Liver care, Nephrology, Urology, NICU & Dermatology
- Growth in addition to the current committed projects to follow an asset-light model in metropolitan and tier-I cities with large format hospitals (400 to 500 beds each)
- Expansion into tier-II and tier-III cities in partnership with local hospitals by leveraging IT/tele-medicine, instead of building/leasing hospitals

## Cost Optimization

- Back office integration across strategic business units
- Clear demarcation of medical and non-medical activities in hospitals/clinics and re-allocation of activities accordingly
- Centralization of purchases to utilize our economies of scale

# India Strategy

The new National Health Protection Scheme announced by the Central Government will cover half of the population in India, and lead to significant improvement in capacity utilization in Indian hospitals and enable scope for further expansion

- GDP spent on healthcare in India is very low and there is significant demand supply gap
- Low affordability and insurance penetration are major reasons why healthcare hasn't taken off
- NHPS will enable newer operating models to capture emerging opportunity – suit your pocket, assisted living, etc.

In line with focus on derisking business – target of 25% of overall revenues

India is geographically well positioned for medical tourism from the GCC states, MENA region and South-East Asia

Focus on large format hospitals in Tier 1 cities – Hospitals in Tier 1 cities estimated to deliver superior EBITDA margins

GCC network leveraged to promote medical value tourism to India operations

View entry of regulator in Indian healthcare as a positive change – Aster DM has extensive experience of operating in regulated GCC markets

Long-term lease or an O&M model to enable better ROCEs

Focus on hospital driven operating model vs 'Superstar doctor' driven operating model

**Aster DM Hospitals consistently amongst the top in google rankings and patient endorsements – Visibly growing appreciation in India for quality healthcare, clinical excellence and patient service**





# Aster Leadership Team



**Dr. Azad Moopen**  
Chairman and Managing Director

---



**Alisha Moopen**  
Chief Executive Officer –  
GCC Hospitals & Clinics

---



**T. J. Wilson**  
Group Head – Governance and  
Corporate Affairs, GCC

---



**Dr. Malathi**  
Chief Medical Officer

---



**Dr. Harish Pillai**  
Chief Executive Officer – India

---



**Jobilal M. Vavachan**  
Chief Executive Officer, Aster  
Pharmacies, Aster Clinics – UAE

---



**Sreenath Reddy**  
Chief Financial Officer

---



**Kartik Thakrar**  
Financial Controller, GCC

---



**Mukta Arora**  
Chief Information Officer

---



**Fara Siddiqi**  
Chief Human Resources Officer

---



**Puja Aggarwal**  
Company Secretary

---

# Aster Board of Directors



**Dr. Azad Moopen**  
Chairman and Managing Director



**Ravi Prasad**  
Independent Director



**Shamsudheen Bin  
Mohideen Mammu Haji**  
Non-Executive Director



**Alisha Moopen**  
Chief Executive Officer –  
GCC Hospitals & Clinics



**M. Madhavan  
Nambiar**  
Independent Director



**Daniel James  
Snyder**  
Independent Director



**Daniel Robert  
Mintz**  
Non-Executive Director



**T. J. Wilson**  
Non-Executive Director



**Suresh M.  
Kumar**  
Independent Director



**Harsh Mariwala**  
Independent Director



**Anoop Moopen**  
Non-Executive Director



# THANK YOU

---