

Date of Submission: 15<sup>th</sup> June 2020

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

**Sub: Investor Presentation for FY 2019-20**

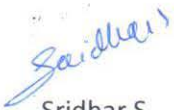
With reference to the subject, please find enclosed Investor Presentation for the FY 2019-20.

Kindly take the above said information on record as per the requirement of Listing Regulations.

Thanking You,

Yours faithfully.

**For Narayana Hrudayalaya Limited**



Sridhar S

Group Company Secretary, Legal and Compliance Officer



 **NH** Narayana Health



# Investor Presentation

June 2020

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Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions in India.

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As on 1<sup>st</sup> May 2020



47 Healthcare Facilities	Operational beds
20 Owned / Operated Hospitals <sup>(1)</sup>	5,282 Beds
1 Managed Hospital <sup>(2)</sup>	112 Beds
6 Heart Centres <sup>(3)</sup>	345 Beds
19 Primary Healthcare Facilities <sup>(4)</sup>	10 Beds
1 Hospital in Cayman Islands	110 Beds



**6,597 Capacity Beds**

**5,859<sup>(5)</sup> Operational Beds**

**3.2 mn<sup>(6)</sup> Average Effective Capital Cost per Operational Bed**

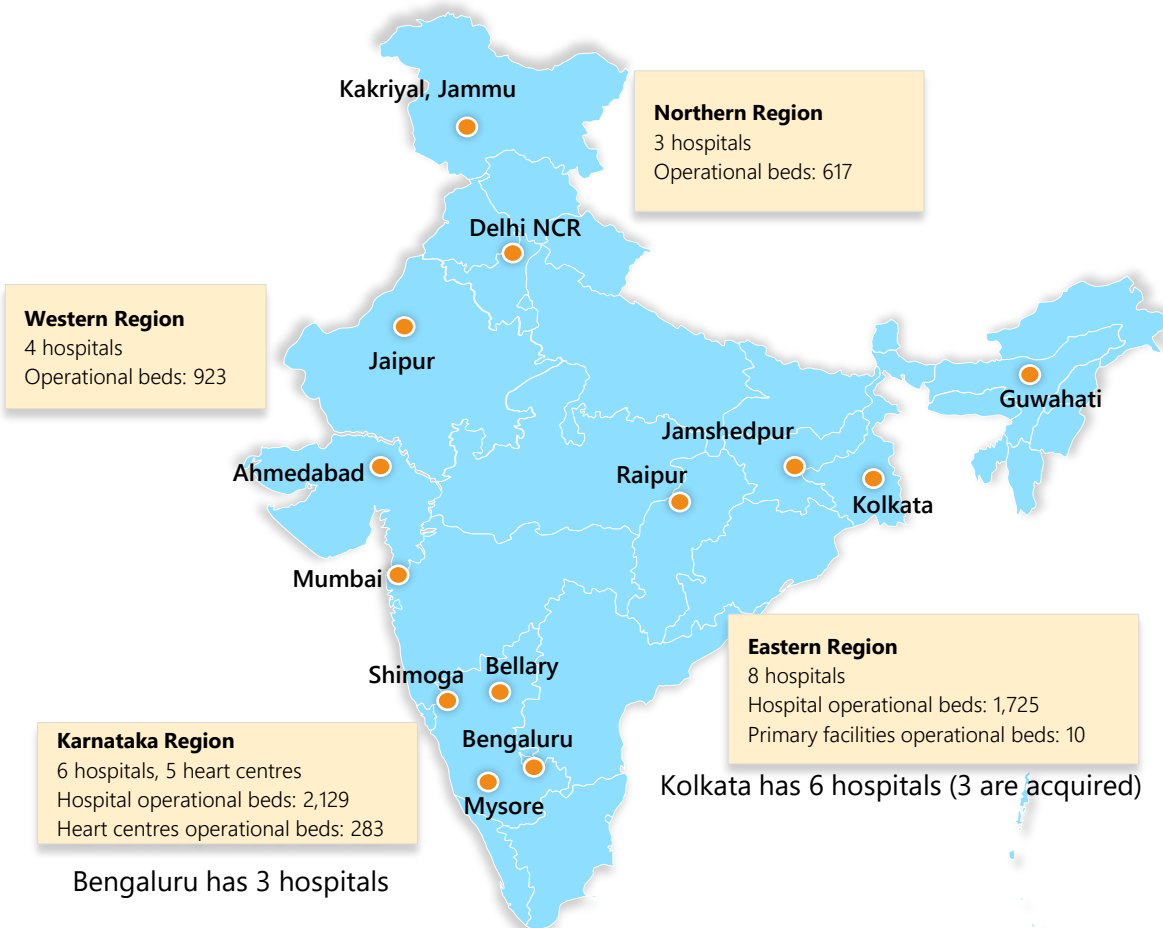


**30+ Specialities**



**17,239 Full-time Employees and Associates including 3,632 doctors**

## NH's footprint in India



(1) NH owns the P&L responsibility

(2) NH manages 3<sup>rd</sup> party hospital for Management Fees

(3) NH operates 1 heart centre in Chittagong, Bangladesh

(4) Includes clinics, information centres, etc

(5) Operations shut down at Whitefield Hospital (118 operational beds), Durgapur Heart Centre (49 operational beds), CNH Heart Centre (39 operational beds), Managed Hospital Durgapur IQ City (386 operational beds) and operations commenced at Chittagong Heart Centre (62 operational beds)

(6) Based on (Gross Block for Fixed Assets (adjusted for non-cash government grant provision, non-cash financial lease for Dharamshila unit) + Capital Work in Progress (CWIP)) / Number of operational beds as of March 31<sup>st</sup> 2020 but excluding Managed Hospital and Cayman facility



## Clinical & Operational

- Narayana Superspeciality Hospital, Gurugram successfully operated a rare case of adenoid cystic carcinoma of trachea. It is very rare with incidence of 1-2 per million of population
- Narayana Institute of Cardiac Sciences, Bengaluru successfully performed a heart transplant on a 4-year-old patient, the youngest patient in the state to have undergone a heart transplant
- Narayana Superspeciality Hospital, Howrah successfully treated a rare case of baby suffering from ALCAPA (Anomalous Left Coronary Artery arising from Pulmonary Artery)
- Narayana Superspeciality Hospital, Gurugram successfully performed endovascular procedure of dural fistula embolization patient diagnosed with complex torcular dural fistula with severe intracranial venous hypertension
- Narayana Superspeciality Hospital, Guwahati treated a patient suffering from a rare disease called mitral stenosis using percutaneous technique called Balloon Mitral Valvotomy (BMV)



## Financial Performance

- Consolidated operating revenues of INR 7,429 mn in Q4 FY20 translating into INR 31,278 mn in FY20, an increase of 9.3% YoY
- Consolidated EBITDA of INR 1,028<sup>(1)</sup> mn in Q4 FY20 translating into EBITDA of INR 4,467<sup>(1)</sup> mn in FY20, an EBITDA margin of 14.3% with consolidated PAT of INR 120<sup>(2)</sup> mn in Q4 FY20 translating into PAT of INR 1,191<sup>(2)</sup> mn in FY20, an increase of 100.8%<sup>(2)</sup> YoY
- Consolidated net debt of INR 6,031 mn as on 31st March 2020, reflecting net debt to equity ratio of 0.53 (Out of which, debt worth US\$ 47.8 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 183 mn and INR 408 mn increase in EBITDA for Q4 FY20 and FY20 respectively

(2) As per the new accounting treatment for leases per IND AS 116 effective 1st April which resulted in INR 75 mn and INR 209 mn decrease in PAT for Q4 FY20 and FY20 respectively resulting into 136.0% YoY increase in FY20 PAT on like to like basis



### Digital Initiatives

- Latest version of Centralized Radiology Information System (RIS) and Picture Archival and Communication System (PACS) rolled out across the NH India network
- Implemented a digital claims management system which allows end-to-end Receivables' tracking across government schemes, insurance providers and TPAs
- Implemented a centralized data repository system to support online and offline data capture for clinical research studies and related operations



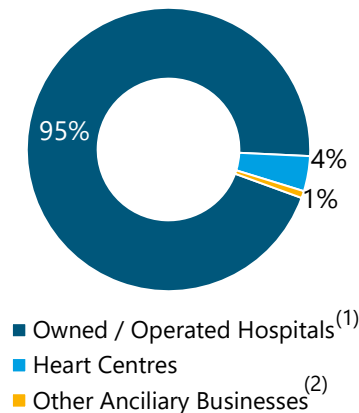
### ESG & CSR Initiatives

- Power factor optimisation completed at Gurugram and Guwahati units, estimated to save INR 2 mn in annual energy cost
- Renewable power projects (solar and wind) undertaken at Health City, Bengaluru. Estimated savings to be ~INR 30 million on annual basis
- Namma Naadi, a community radio program managed by Health City, Bengaluru, aimed at various themes such as health, education, hygiene and environment has been playing a crucial social role in these testing times

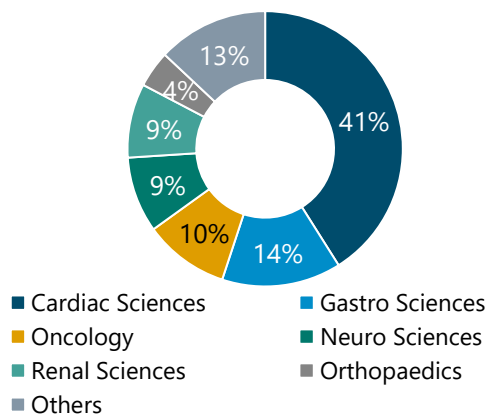
## Operating Revenues



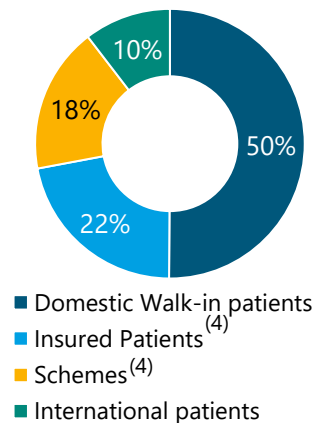
## Business Mix



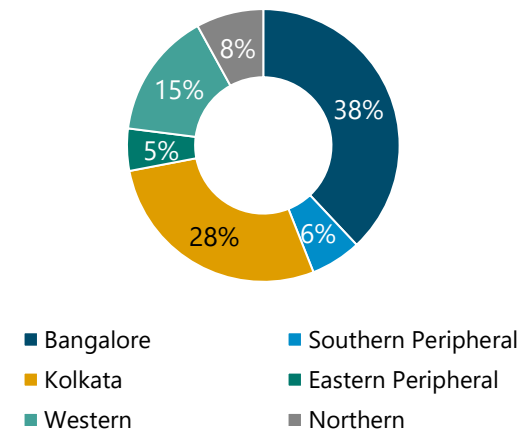
## Speciality-Profile<sup>(6)</sup>



## Payee-Profile<sup>(3)</sup>



## Cluster-Wise<sup>(5)</sup>



(1) NH owns the P&L responsibility

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

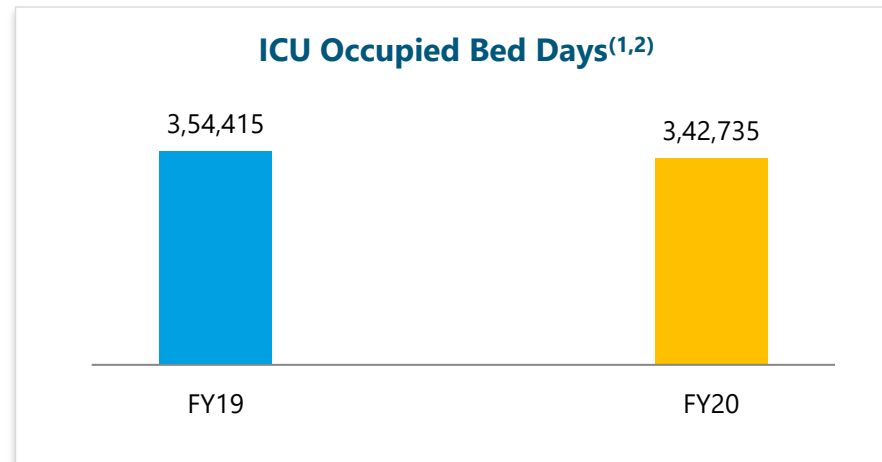
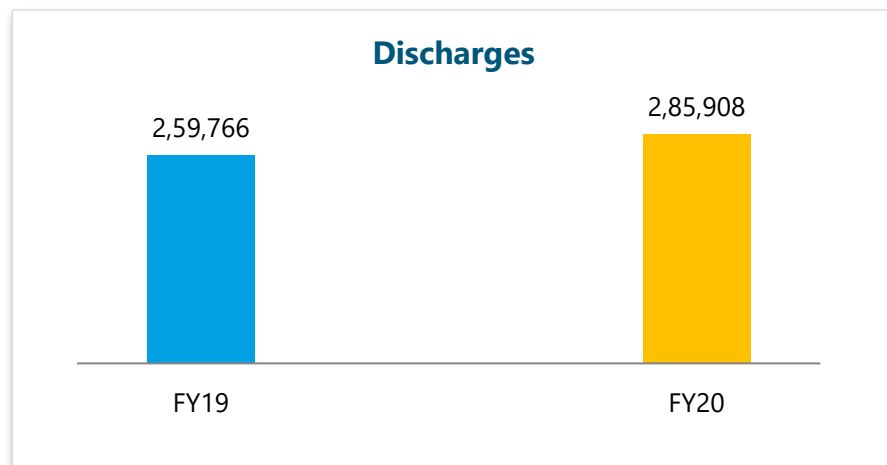
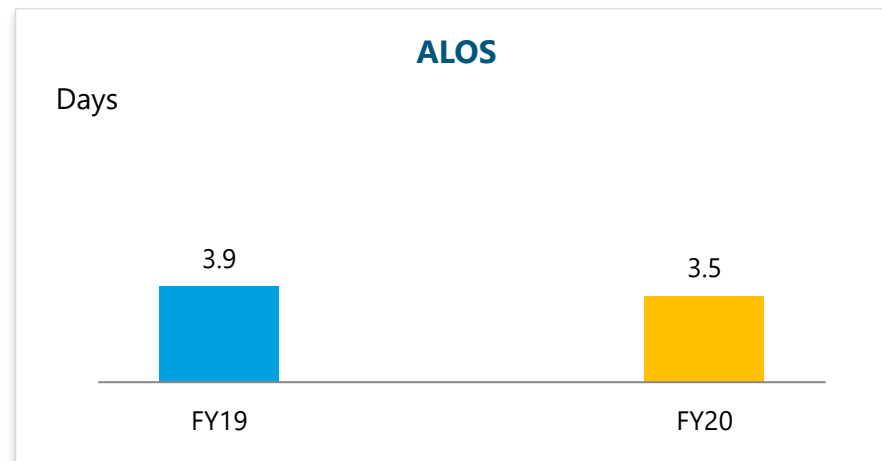
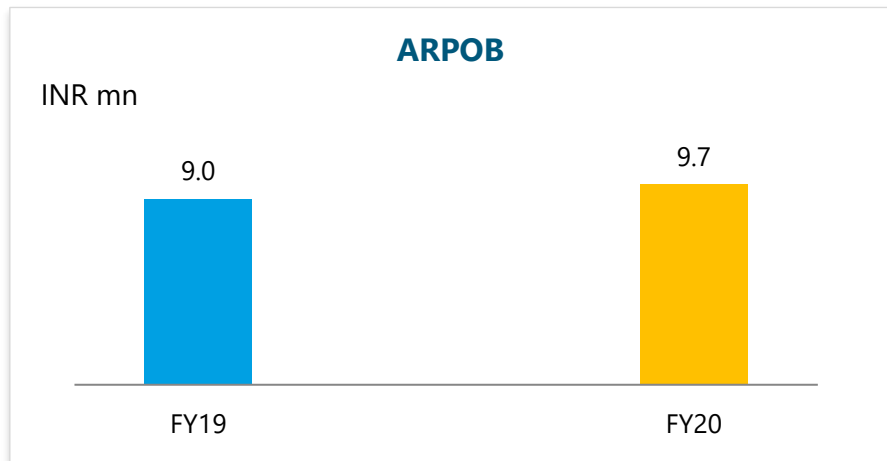
(3) As percentage of IP and OP revenue, excludes Jammu VGF, clinics, other ancillary business

(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 FY20, excludes clinics data, Jammu VGF

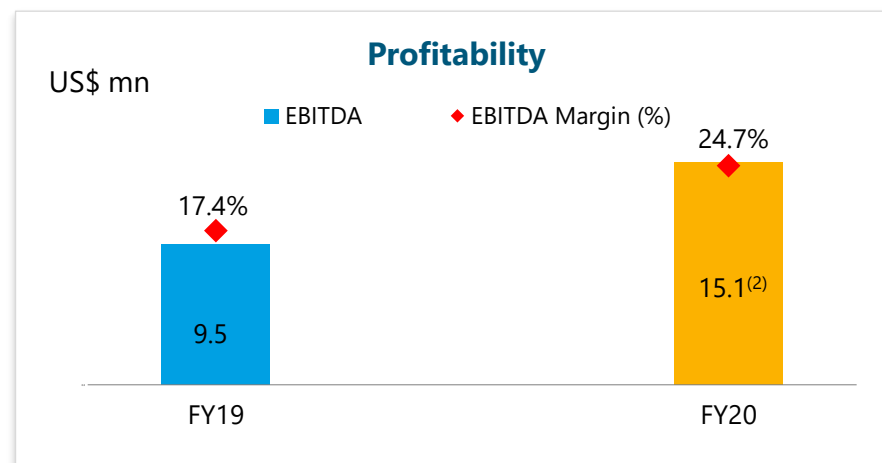
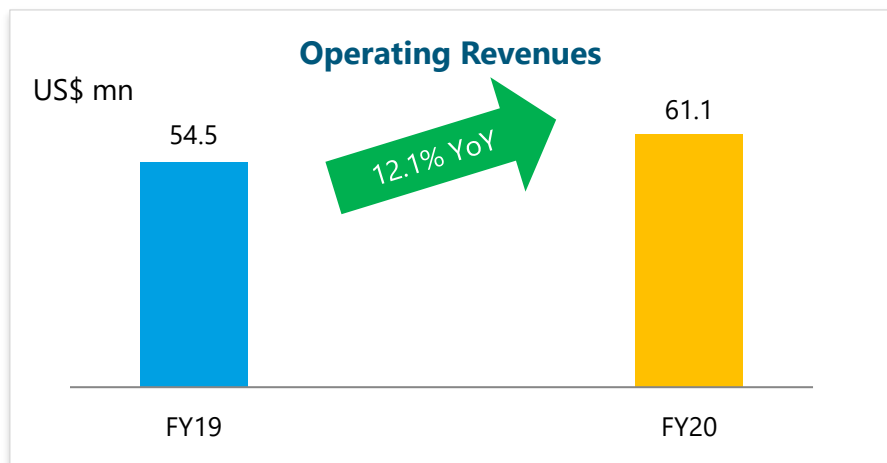
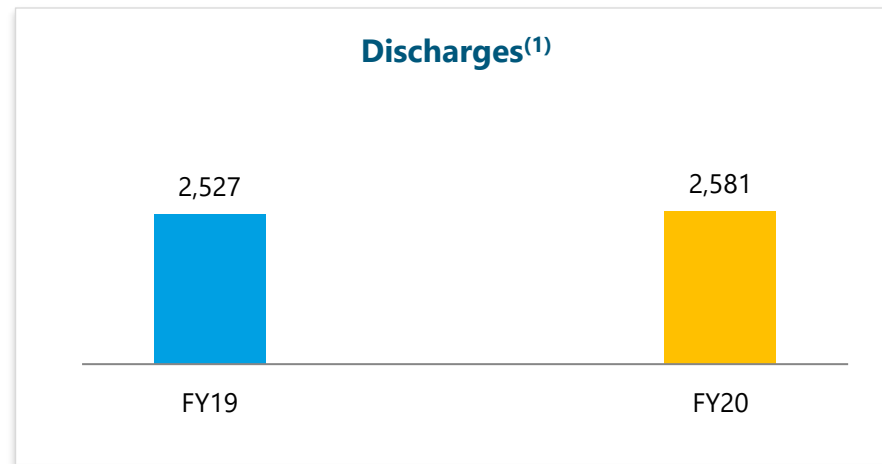
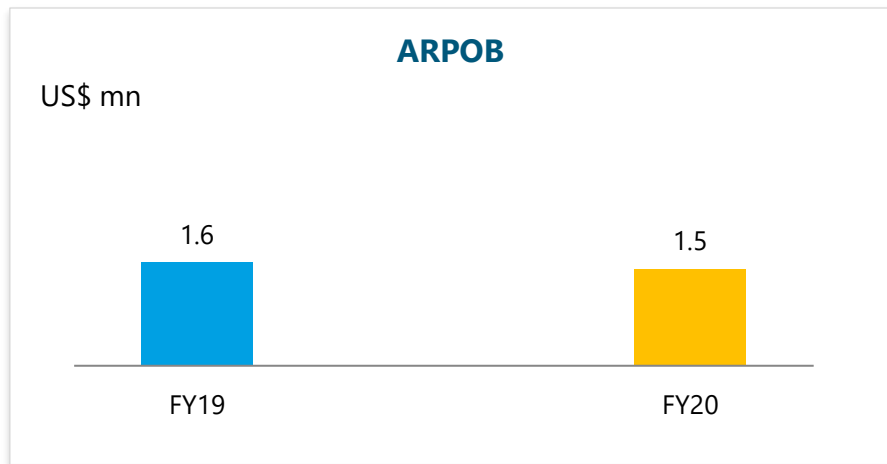
(7) Adjusted for Whitefield facility, YoY revenue growth for Q4 FY20 is 0.7% and 9.7% in FY20 respectively for India Business



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

(2) ICU occupied bed days for Whitefield unit were 4,015 and 2,190 for the periods FY19 and FY20 respectively

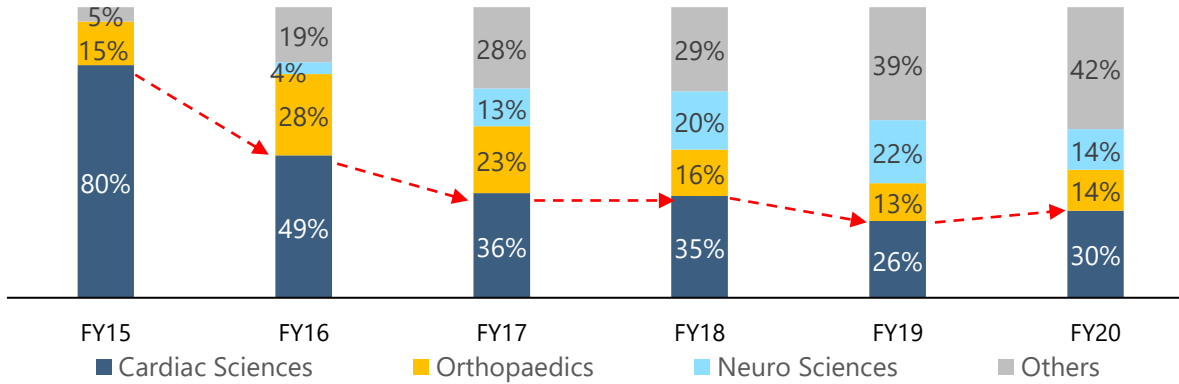




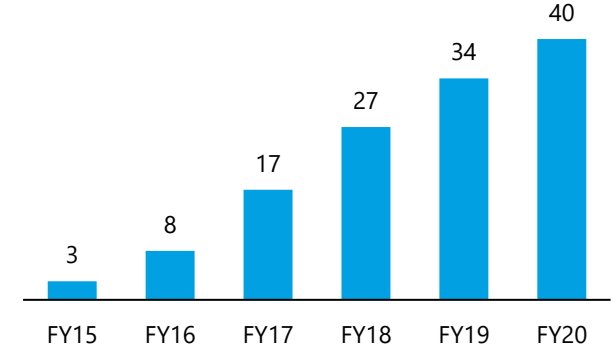
(1) ALOS for the period FY19 was 5.0 days and 5.6 days for FY20

(2) As per the new accounting treatment for leases per IND AS 116 effective 1st April which resulted in US\$ 1.2 mn increase in EBITDA and decrease of US\$ 0.4 mn in PAT for FY 20 on a like-to-like basis (pre IND AS 116)

## Evolving as a Multispecialty Healthcare Provider

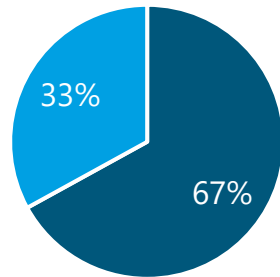


## Steady Ramp-up in Occupied Beds



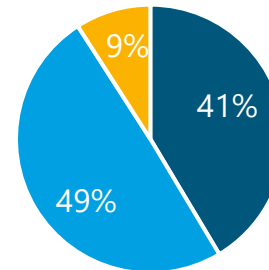
## Revenue Mix – FY20

### IP/OP Split

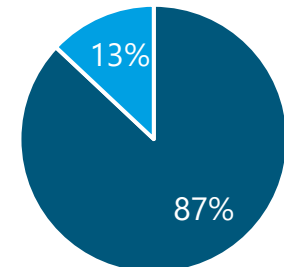


■ IP Patients   ■ OP Patients

### Payee-Profile



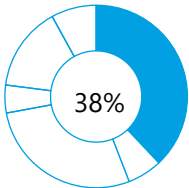
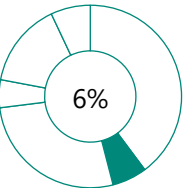
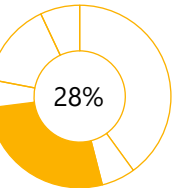
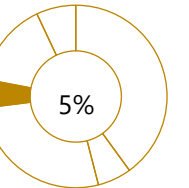
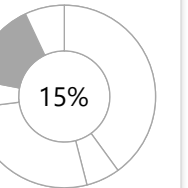
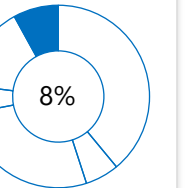
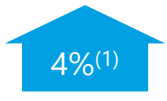
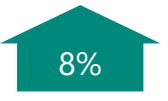

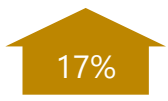
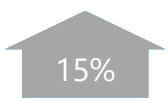
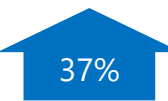
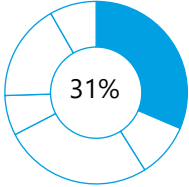
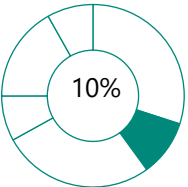
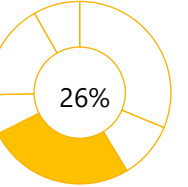
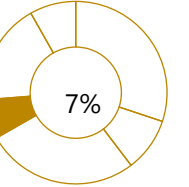
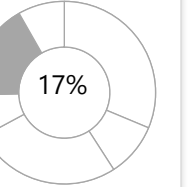
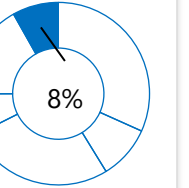





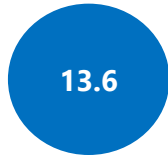

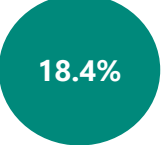
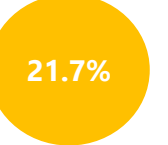



■ Private Credit <sup>(1)</sup>   ■ Other Credit <sup>(2)</sup>   ■ Cash



■ Domestic   ■ International

(1) Includes private insurance, corporates, employers

(2) Includes government departments, government insurance companies, foundations

Regions	Bangalore	Southern Peripheral	Kolkata	Eastern Peripheral	Western	Delhi NCR
	<ul style="list-style-type: none"> <li>NICS</li> <li>MSMC</li> <li>HSR</li> <li>Whitefield</li> </ul>	<ul style="list-style-type: none"> <li>Mysore</li> <li>Shimoga</li> </ul>	<ul style="list-style-type: none"> <li>RTIICS</li> <li>Barasat</li> <li>NMH &amp; NSH</li> <li>RNN</li> <li>NSC</li> </ul>	<ul style="list-style-type: none"> <li>Jamshedpur</li> <li>Guwahati</li> </ul>	<ul style="list-style-type: none"> <li>Mumbai</li> <li>Ahmedabad</li> <li>Jaipur</li> <li>Raipur</li> </ul>	<ul style="list-style-type: none"> <li>Gurugram</li> <li>New Delhi</li> </ul>
% of Hospital Operating Revenues						
YoY Revenue Growth						
% of Hospital Operational Beds						
ARPOB (INR mn)						
EBITDAR Margin						

(1) Adjusted for Whitefield facility, for Bangalore region, YoY revenue growth is 7.1% and EBITDAR margin is 31.6% in FY20

This considers owned/operated hospitals in India (excl. Jammu)<sup>(1)</sup>

Maturity	Hospitals (Exc. Managed Hospital & Jammu)	Hospital Operating Revenues		% of Hospital Operational Beds	Key Performance Indicators		
		% of Total	YoY Growth		ARPOB (INR mn)	Discharges <sup>(3)</sup>	EBITDAR Margin <sup>(4)</sup>
Existing	17	90%	7% <sup>(2)</sup>	89%	9.4	232,417	23.2% <sup>(2)</sup>
New	3	10%	35%	11%	12.2	31,041	-22.1%

**New: Mumbai, Delhi and Gurugram units**

- (1) Jammu facility reported operational revenues of INR 192 mn and INR 773 mn in Q4 FY20 and FY20 respectively
- (2) Adjusted for Whitefield facility, YoY revenue growth for existing bucket is 8.2% and EBITDAR margin is 23.4% in FY20
- (3) ALOS of matured set is 3.7 days and new units is 2.4 days
- (4) EBITDA before rental/revenue share and before allocation of any corporate expenses

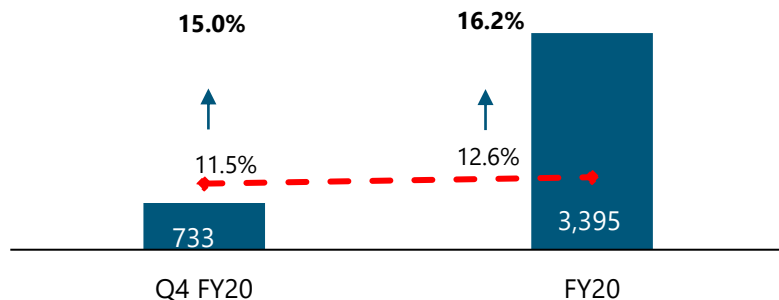
## EBITDA and EBITDA Margin

INR mn

### Movement across New Hospitals

Q4 FY20			FY20		
	Loss	Revenues		Loss	Revenues
<b>Total</b>	<b>(132)</b>	<b>639</b>	<b>Total</b>	<b>(574)</b>	<b>2,480</b>

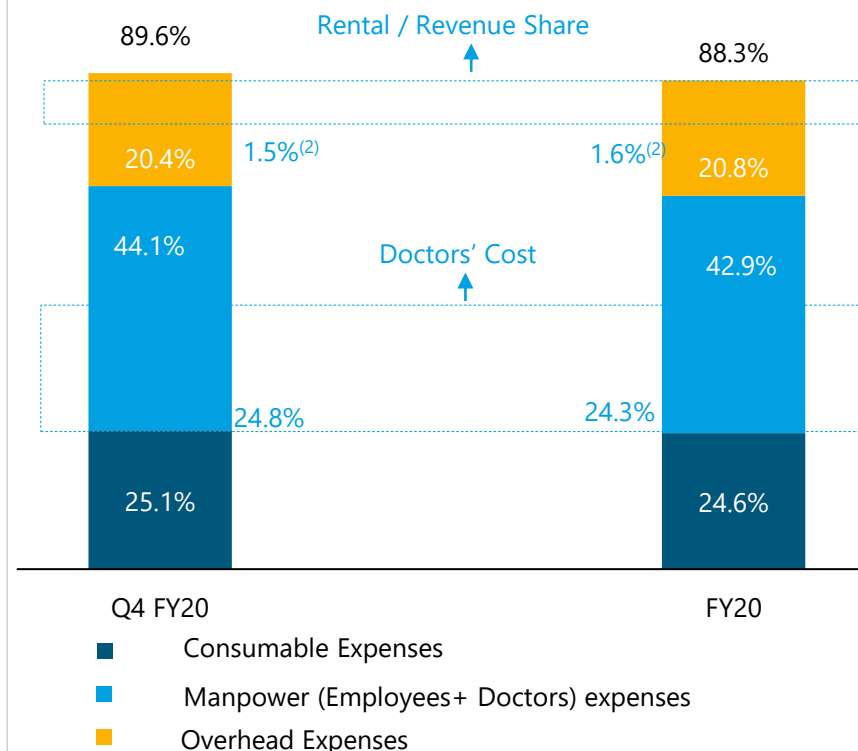
**Adjusted for the above, the adjusted EBITDA margins would be as follows**



- Heart Centres clocked an EBITDAR margin of 20.8%<sup>(1)</sup> in Q4 FY20 translating into an EBITDAR margin of 21.2%<sup>(1)</sup> for FY20

## Cost Structure

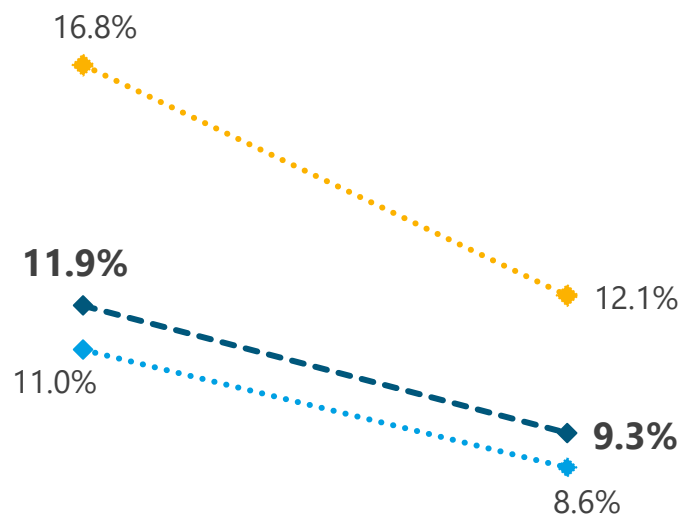
% of Operating Revenues



(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 93 mn and INR 319 mn decrease in India business rental expenses for Q4 FY20 and FY20 respectively while on consolidated basis, it resulted in INR 183 mn and INR 408 mn decrease in rental expenses for Q4 FY20 and FY20 respectively 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

## Operating Revenues YoY Growth

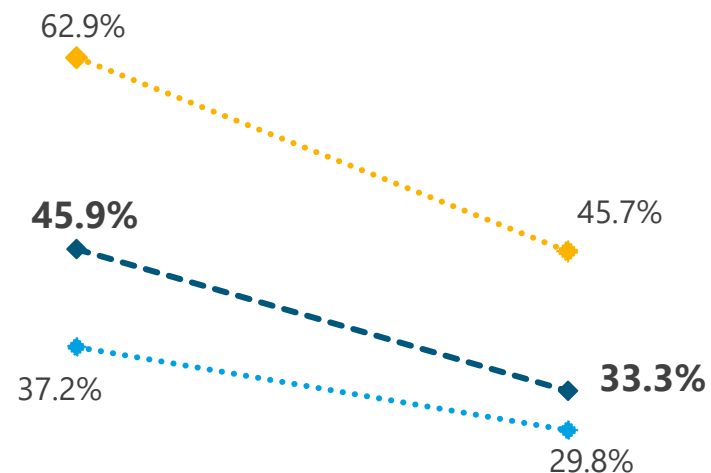


11M FY20<sup>(1)</sup>

12M FY20<sup>(1)</sup>

—◆— NH Consol    -◆- NH India    ●◆● NH HCCI

## EBITDA<sup>(2)</sup> YoY Growth



11M FY20<sup>(1)</sup>

12M FY20<sup>(1)</sup>

—◆— NH Consol    ●◆● NH India    -◆- NH HCCI

**With high degree of operating leverage built in the business, operating profit materially impacted as business registered a YoY degrowth in March 2020**

(1) 11M FY20 denotes period ended Feb 2020 and 12M FY20 denotes period ended Mar 2020

(2) Pre-IND AS 116 EBITDA

Figures in INR mn, unless stated otherwise

## Profit and Loss Statement<sup>(1,3)</sup>

Particulars (INR mn)	Q4 FY20	FY20
<b>Total Operating Revenue</b>	<b>7,429</b>	<b>31,278</b>
Consumption	1,788	7,453
Doctors Expenses	1,719	7,102
Employee (Excluding Doctors) Expenses	1,481	5,925
Other Admin Expenses	1,484	6,569
<b>Total Expenses</b>	<b>6,472</b>	<b>27,049</b>
Other Income	70	238
<b>EBITDA</b>	<b>1,028</b>	<b>4,467</b>
Depreciation and Amortization	551	1,858
Finance Costs	208	853
Share of loss of equity accounted investees	(5)	(34)
Exceptional Items	(109)	(109)
<b>PBT</b>	<b>155</b>	<b>1,613</b>
Tax Expense	36	423
<b>PAT</b>	<b>120</b>	<b>1,191</b>
Total Comprehensive Income	157	1,237

## Key Balance Sheet Items<sup>(1)</sup>

Particulars	31 <sup>st</sup> March 2020
<b>Shareholder Equity</b>	<b>11,360</b>
<b>Total Debt</b>	<b>7,178</b>
Lease Liability	2,344
<b>Net Block + CWIP</b>	<b>17,363<sup>(2)</sup></b>
Goodwill	582
Right to Use Assets	2,375
Net Receivables	2,623
<b>Current Investment (Mutual Fund)</b>	<b>693</b>
<b>Cash and Bank Balance</b>	<b>1,148</b>

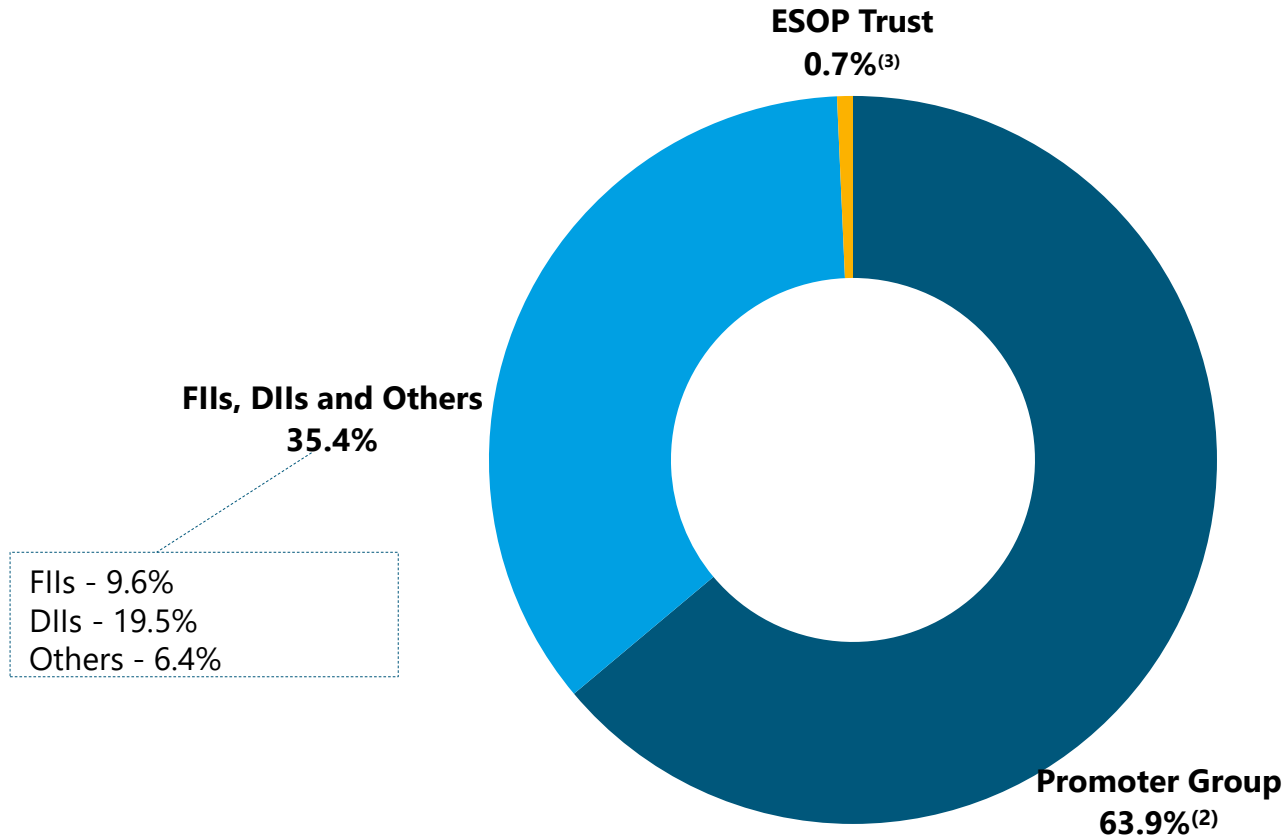
**As on March 31<sup>st</sup>, 2020, the consolidated net debt (Total Debt less Cash and Bank Balance) was Rs 6,031 mn, representing a net debt to equity ratio of 0.53 (Out of which, debt worth US\$ 47.8 mn is foreign currency denominated)**

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

(2) Net Block includes non-cash government grant impact of Rs 1,229 mn and non-cash financial lease impact of Rs 972 mn

(3) As per the new accounting treatment for leases per IND AS 116 effective 1st April which resulted in INR 201 mn increase in depreciation, INR 56 mn increase in finance cost for Q4 FY 20 resulting in decrease of INR 75 mn in PAT and INR 431 mn increase in depreciation, INR 186 mn increase in finance cost for 12M FY 20 resulting in decrease of INR 209 mn in PAT on a like-to-like basis (pre IND AS 116)

As on 31<sup>st</sup> March 2020<sup>(1)</sup>



### Total Number of Shares

204,360,804

### Key FIIs

Franklin Templeton

Wellington Asset Management

Mirae Asset Management

Simcra Partners

HSBC Global Investment

### Key DIIs

SBI Asset Management

ICICI Prudential Asset Management

Max Life Insurance

Aditya Birla Asset Management

Nippon (Reliance) Asset Management

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

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