

APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035



25th April 2017

The Secretary,
Bombay Stock Exchange Ltd (BSE)
Phiroze Jheejheebhoy Towers,
Dalal Street,
Mumbai - 400 001.

The Secretary,
National Stock Exchange,
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra - Kurla Complex
Bandra (E)
Mumbai - 400 051.

Mr. A.K. Singhal,
Vice President cum
Company Secretary
Indraprastha Medical
Corporation Limited
Sarita Vihar
Delhi Mathura Road
New Delhi - 110 044.

Dear Sir,

Sub : Schedule of Conference Call

Please be informed that a conference call for analysts/investors is scheduled to be held on Thursday, 27th April 2017 at 3.00 p.m. to overview the performance of Apollo Health and Lifestyle Limited, an unlisted subsidiary of the Company:-

Please find attached the presentation to be made to analysts/investors.

Please take on record the above.

Thanking you

Yours faithfully

For APOLLO HOSPITALS ENTERPRISE LIMITED

S.M. KRISHNAN

COMPANY SECRETARY

IS/ISO 9001:2000

Regd. Office :
19, Bishop Gardens,
Raja Annamalaipuram,
Chennai - 600 028.

General Office :
"Ali Towers", III Floor,
#55, Greams Road,
Chennai - 600 006.

Tel : 044 - 28290956 / 3896 / 6681
Telefax : 044 - 2829 0956
Email : apolloshares@vsnl.net
Website: www.apollohospitals.com

Apollo Health & Lifestyle

India's Leading Retail Health Care Company

Investor Call Presentation

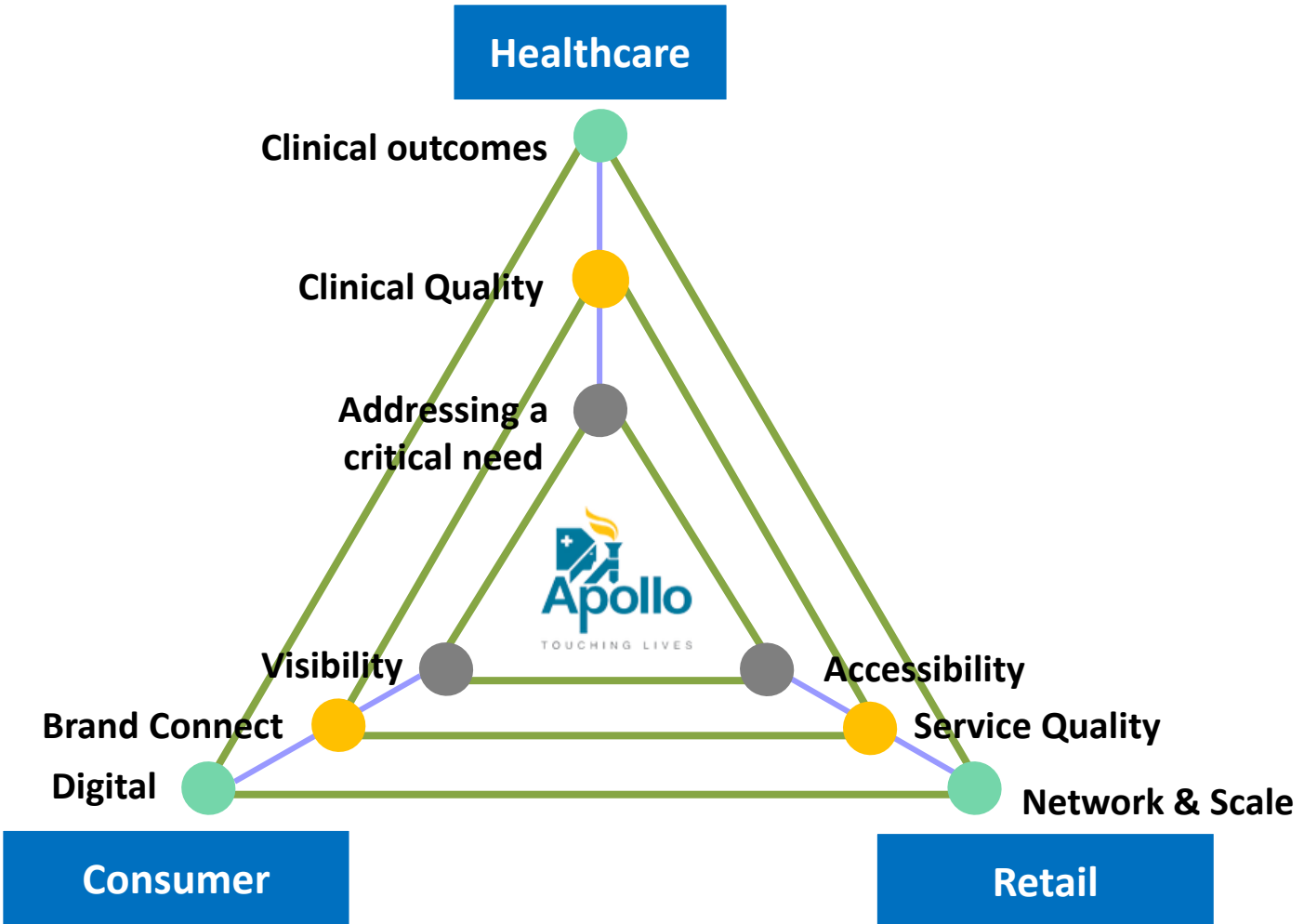
April 27, 2017

Safe Harbour (1/2)

- No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements” based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and in their opinion reasonable, including those relating to the Company’s general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.
- Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.
- Numbers mentioned in this Presentation in respect of information provided on hospital operating parameters and other operating metrics have been compiled by the management and are being provided only by way of additional information. These are not to be construed as being provided under any legal or regulatory requirements. The accuracy of these numbers have neither been vetted nor approved by the Audit Committee and the Board of Directors of Apollo Hospitals Enterprise Limited (AHEL) or Apollo Health & Lifestyle Limited (AHLL), nor have they been vetted or reviewed by the Auditors, and therefore may differ from the actual.

- Important risk factors and uncertainties could make a material difference to the Company's operations. These risks include but are not limited to, the risk factors described in AHEL's prospectus, annual reports and other periodic filings made by the company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.
- This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. This presentation may not be copied or disseminated in any manner.
- The Company on a quarterly basis adopts and publishes Standalone financial results as per the stock exchange listing agreement requirements. The consolidated financial results provided for the year FY 2016 - 2017 are unaudited and for information purposes only.
- Previous year figures have been reworked/regrouped /rearranged and reclassified wherever necessary to conform to the requirement of revised Schedule VI format
- Some of the figures reported in this presentation are based on management accounts of AHLL, and hence may vary from the financial accounts reported for AHLL on a standalone basis or consolidated into AHEL accounts

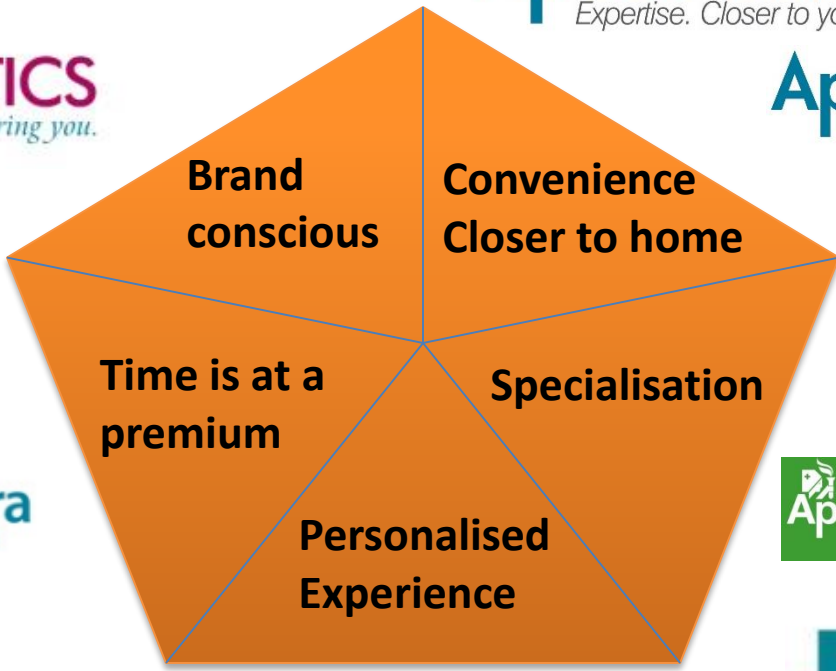
AHLL has crafted models that combine Healthcare, Retail and Consumer brand concepts



The company has a healthcare services portfolio that addresses key consumer megatrends



AHLL



The portfolio of formats cover both Primary Care and Speciality hospital care



AHLL

Primary Care

Specialty Care



75 Primary Clinics
33 Owned
42 Franchisee (40 National and 2 International)

38 Diabetic Care Centers
3 Advanced Centers
35 Primary Centers

44 Laboratories
163 Collection Centers

73 Dental Care Centers

5 Dialysis Centers

12 Surgery Centers
11 Owned
1 OMA

12 Birthing Centers
8 Owned Cradles
2 Fertility units
1 Cradle clinic
1 Franchisee

~371,000 Consultations
~200,000 Health Checks
In FY17

~122,000 Consultations
In FY17

~348,500 direct and
~900,000 internal billings
In FY17

~52,500 Procedures
In FY17

~22,700 Dialysis sessions
In FY17

~17,900 Surgeries
In FY17

~100,000 Consultations
~4350 Deliveries
~7400 NICU Days
In FY17

~1150 Doctors
As on FY17

~90 Doctors and 27 Dieticians
As on FY17

~74 Doctors
800 Test menu
As on FY17

~300 Doctors
As on FY17

~13 Doctors
As on FY17

~750 Doctors
As on FY17

~500 Doctors
~188 Beds
~66 NICU Beds
As on FY17

Revenue ~INR 1113 Mn in FY16
Revenue ~INR 1173 Mn in FY17

Revenue ~INR 186 Mn in FY16
Revenue ~INR 276 Mn in FY17

Revenue ~INR 540 Mn in FY17

Revenue ~INR 382 Mn in FY16
Revenue ~INR 335 Mn in FY17

Revenue ~INR 52 Mn in FY15
Revenue ~INR 55 Mn in FY17

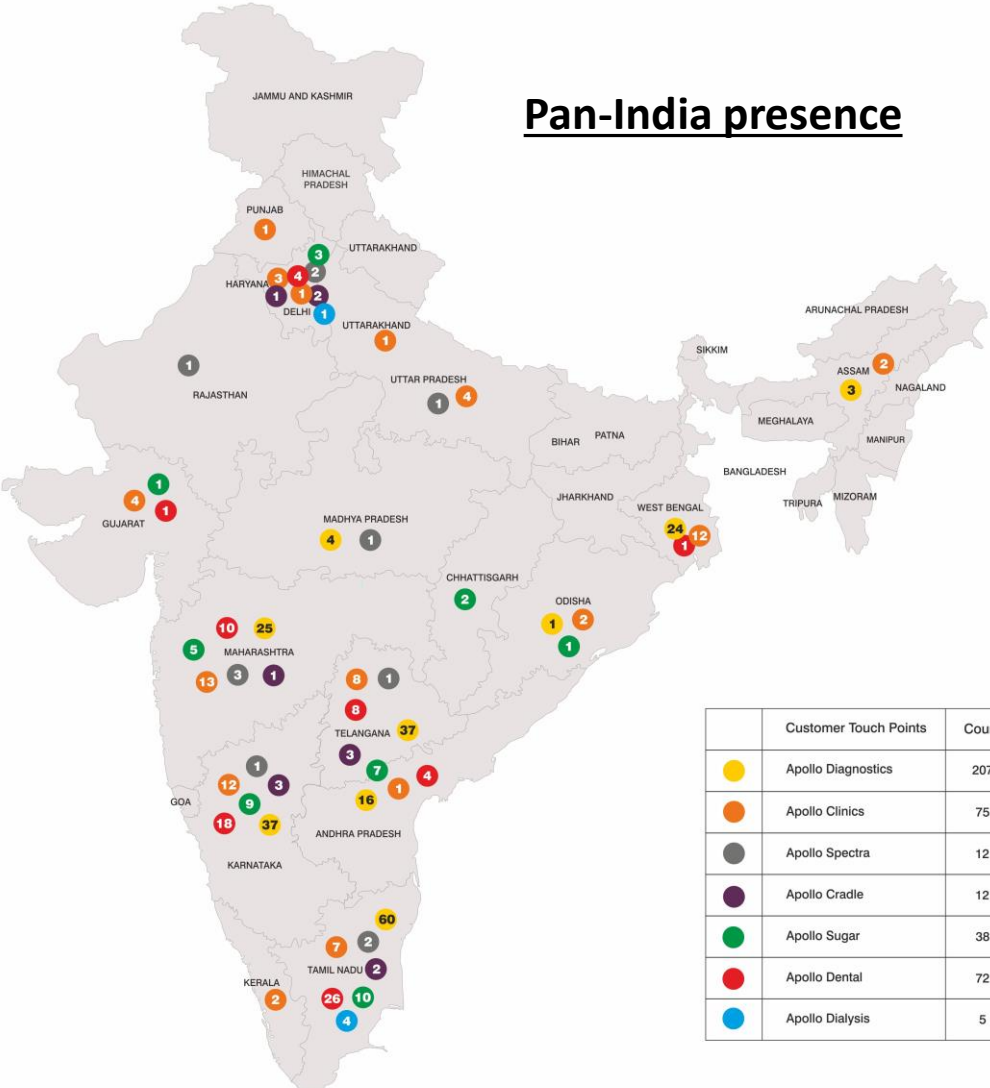
Revenue ~INR 1103 Mn in FY16
Revenue ~INR 1403 Mn in FY17

Revenue ~INR 461 Mn in FY16
Revenue ~INR 878 Mn in FY17

Note: Network as of March 31, 2017

AHLL has a pan-India and market leading presence in large and growing healthcare opportunities

Pan-India presence



 Leader in network and revenues

 Leader in network

	Market size (INR Bn)	Market Grth.
Apollo Clinic <i>Expertise. Closer to you.</i>	2,354	13%
Apollo DIAGNOSTICS <i>Expertise. Empowering you.</i>	190	28%
Apollo Sugar Clinics PROVEN DIABETES CARE	107	18%
Apollo WHITE dental	71	12%
Apollo DIALYSIS CLINQUES <i>Because quality makes all the difference</i>	16	31%
Apollo Cradle FOR WOMEN & CHILDREN	217	15%
Apollo Spectra HOSPITALS	319	32%

Opportunity

- Large, fragmented market
- Growing incidence of non-communicable diseases (NCDs)
- Emergence of out-patient insurance will drive growth of organised network providers
- Urbanisation and emergence of new suburbs in large towns breaking-down traditional Dr-patient relationships

Objective

- Create a pan-India, urban primary care clinic network
- Become first point of care for communities for preventive and primary care treatment
- Create a strong integrated care program connecting Apollo Hospitals with Apollo Clinics and patients
- Become preferred partner for corporates and insurance companies

Strategy

- **Network Expansion**
 - Focus on urban markets ; expand in clusters
 - Owned clinic models in metros, franchisee clinics in Tier II towns
 - Add 10 – 15 clinics per annum
- **Increase footfalls**
 - Focus on frequency of visits ; currently >50% of patients are repeat customers
 - Launch subscription based models ; Apollo Assure
 - Enhance NCD screening to increase chronic disease patients
 - Cross-sell OP services to corporate health check patients
- **Increase share of wallet**
 - Develop condition management programs – Diabetes (Sugar), Asthma, Hypertension
 - Leverage data analytics to broaden healthcare solutions offered to a family as a unit

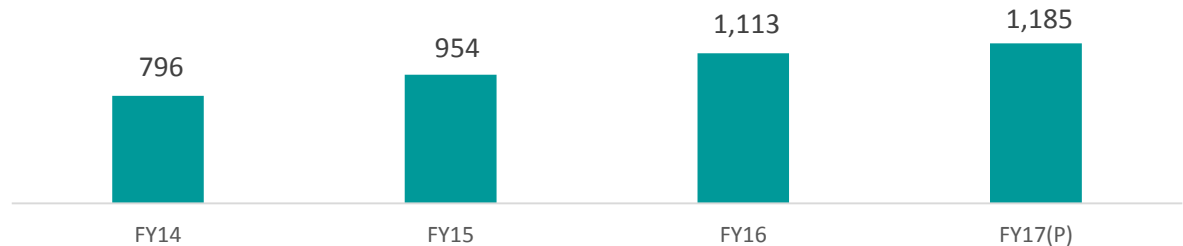
Operating Metrics

Metric	FY16	FY17
Network	69	75
Own clinic network	31	33
# of FF / day	1763	1701
Avg rev / customer	1294	1408

Network



Gross Revenue
INR mn



Opportunity

- Large market dominated by unorganised players
- Large national players have strong regional bias in revenue base
- National players are pre-dominantly B2B focused
- Apollo has a strong consumer brand recognition
- Regulatory changes will drive consolidation in future

Objective

- Create a pan-India, B2C focused pathology business
- Craft a high penetration model in operating geographies
- Become the trusted partner for all pathology requirements
- Achieve Top 3 market positions in each market we operate

Strategy

- **Operating Model**
 - Create hub-and-spoke lab network with company owned labs
 - Focus on complete daily-need pathology testing to be available within a 2 hrs distance of the customer
 - Exclusive, dedicated Patient Service Centres to be established. Leverage franchise model for the same
 - Build a strong Home collection network in metros
 - Create a independent business line of hospital lab management (HLM) ; leverage capabilities in pathology and understanding on hospital operational requirements
- **Network Expansion**
 - Take a state-wise focused approach ; deep penetration of labs in each operating state
 - Establish labs in markets up to District HQs and collection centres even in Tier II towns
 - Expand South into East in FY18 and FY19
 - Grow lab and collection centre network to 150 – 200 labs and 750 collection centres over the next 5 years

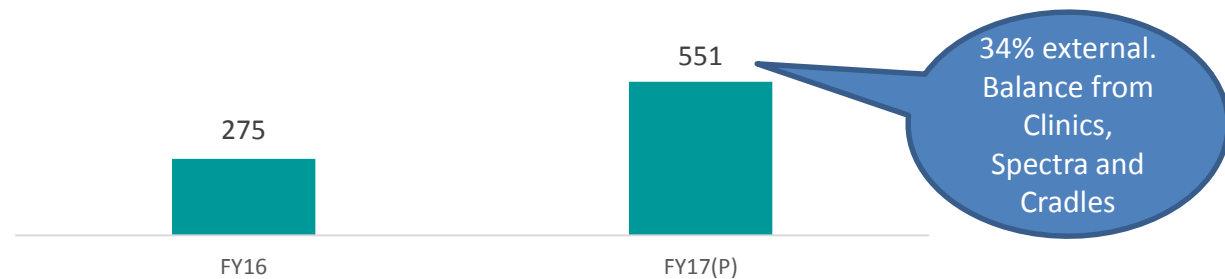
Operating Metrics

Metric	FY16	FY17
# of samples	834174	1248785
# of centres	103	207
Avg bill value / customer	353	432
# of tests / bill	2.6	2.6
# of Labs	11	23
# of PCCs	85	163
# of HLMS	7	21
Test menu	350	800

Network



Gross Revenue
INR mn



Opportunity

- 70mn diabetic patients ; 25 mn under treatment. Will grow to 35 mn patients by 2020
- Average diabetic patient spends between Rs 12000 – Rs 20000 per annum on treatment
- Patients and caregivers dissatisfied with existing individual Dr service offerings
- Very high prevalence of Diabetes in GCC countries

Objective

- Touch 1mn diabetic lives by 2020
- Change treatment paradigm
 - shift from episodic care to long term care
 - Develop an integrated care model that covers diabetes and its' complications
- Create India's widest network of integrated diabetes care network, with deep clinical expertise
- Develop clinical thought leadership

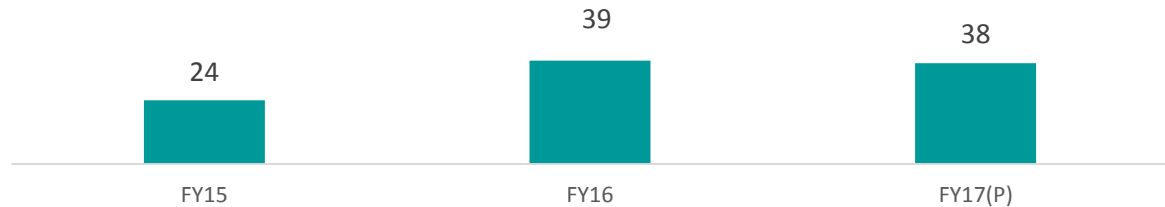
Strategy

- **Network Expansion**
 - Focus on growing hospital based model ; grow the network to 80 – 100 centres in the next 5 years. Expand to non-Apollo network centres
 - Create direct-to-patient models of condition management
 - Develop GP partnership / franchise models for next level of expansion
- **Increase footfalls**
 - Mass screening programs to generate new footfalls
 - Increase repeat footfalls through customer engagement programs
 - Leverage analytics and cross promotion with other parts of AHLL / AHLL network
- **Increase ticket size**
 - Increase conversion rate of patients to long term care programs
- **New revenue streams**
 - Develop revenue streams leveraging clinical data and product sales

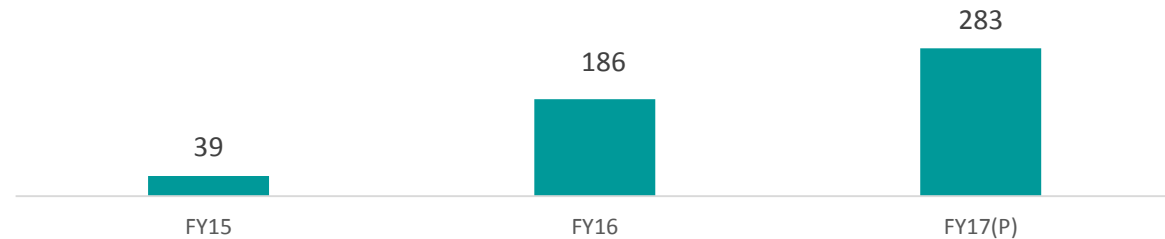
Operating Metrics

Metric	FY16	FY17
# of Centers	39	38
# of packages /month	980	1369
Avg. Rev/package	5951	6563

Network



Gross Revenue
INR mn



Opportunity

- Single speciality concept, with relatively better Dr availability
- High gross margin business
- Segment beginning to see growth of chains

Objective

- Create a profitable network that is focused on high-end dental care
- Establish a leadership position in metros / Tier 1 towns

Strategy

- **Network Expansion**
 - Focus on urban markets ; expand in clusters
 - Multi-model network – hospital/clinic based models, stand-alone clinics and high-end dental spa’s
 - Acquisition of profitable dr clinics
 - Calibrated growth of network
- **Increase footfalls**
 - Focus on in-clinic conversion
- **Dr model**
 - Create specialty practice model
 - Hub-and-spoke model for specialists
- **Increase share of wallet**
 - Upsell to higher-end services
 - Launch new products / services

Operating Metrics

Metric	FY16	FY17
# of Centers	70	73
# of Procedures	59605	52422
Avg Rev/Procedure	7210	7288

Network



Gross Revenue
INR mn



Opportunity

- Total urban maternity and infant care market estimated at ~ Rs 350 bn by 2020
- Premium delivery market estimated at 20% of total market ; 50% of this resides in just 27 cities
- Consumer expectations evolving ; higher expectations around experience and value-added services, yet strong concerns around clinical safety and expertise
- High incidence of infertility ; low levels of treatment currently but significant shift in market observable

Objective

- Build a clinically differentiated full-service, high touch women's health offering
- Create profitable scale network

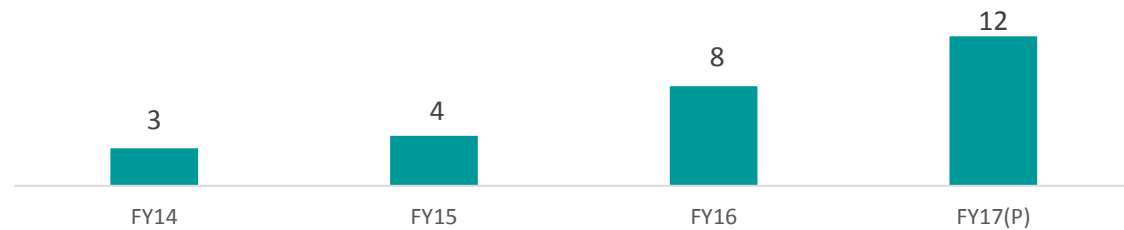
Strategy

- **Network Expansion**
 - Focus on Top 30 cities, build in clusters. Aim for early mover advantage in a catchment
 - Target 10 km radius population ; build 25 – 30 bed facilities with complete women's health (Obs + Gynec + Preventive health) and infant care (NICU + vaccination)
 - Multi-centre model in metros, but not high penetration model
- **Increase case load**
 - Promote maternity and gynecology services
 - Strong digital marketing and leverage Apollo Clinics network
- **Dr Strategy**
 - Build future leaders
 - Balance case mix between internal consultants and visiting consultants
 - Full time, salary based Dr model for Neonatology and IVF
- **Multiple revenue streams**
 - Grow value added services – Preggo
 - Strong focus on out-born neonatal babies

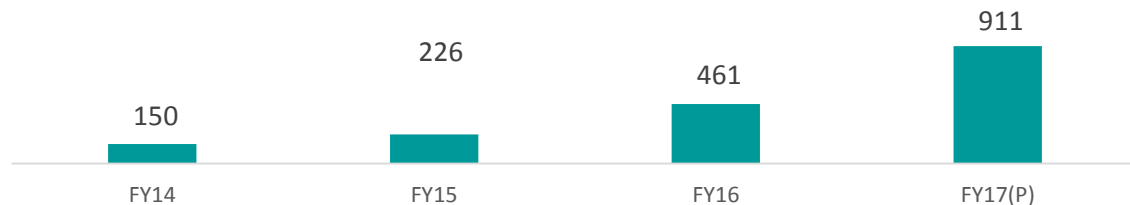
Operating Metrics

Metric	FY16	FY17
ARPOB/day	21390	21469
ALOS	3.01	2.97
Bed occupancy	16.2%	27.9%
Number of beds in network	243	254
# of deliveries / month	222	363
ARPP	64384	63763

Network



**Gross Revenue
INR mn**



Opportunity

- Day surgery / short stay surgery centres is a nascent model in India ; well established in developed markets
- Upto 70% of total surgeries performed in such centres in developed markets like U.S. & Australia
- Enables reduction in cost of treatment for patient / payor
- Growing medical insurance will drive surgical market in the mid-market ; market expansion opportunity for Apollo

Objective

- Build India's leading planned surgery centre model
- Develop clinical leadership in key specialities – Joint replacement, minimally invasive general surgery and Bariatrics
- Integrate Nova acquisition and bring combined business to profitability

Turnaround Strategy

- **Optimise surgical speciality mix**
 - Focus on 4 centres of excellence in each centre ; select from Orthopedics, General surgery, ENT, Urology, Gynecology, Vascular, Bariatrics
- **Rationalise cost structure**
 - Reduce management layers and renegotiate rentals
- **Refine network strategy**
 - Convert 2 centres to Cradle, merge Cosmetic surgery centre with MRC nagar centre, commission Pune centre
- **Optimise Pricing**
 - Revise insurance empanelment and selective increase in cash tariffs
- **Revise Dr engagement model**
 - Revise payout structure and enforce pre-existing agreements

Operating Metrics

Metric	FY16	FY17
ARPOB / day	36868	37628
ALOS	1.64	1.78
Bed occupancy	37.5%	46.1%
Number of beds in network	186	194
OT utilisation %	13.3%	21.8%
Number of Ots	44	43
# of surgeries / month	1295	1446
ARPP	60367	68956

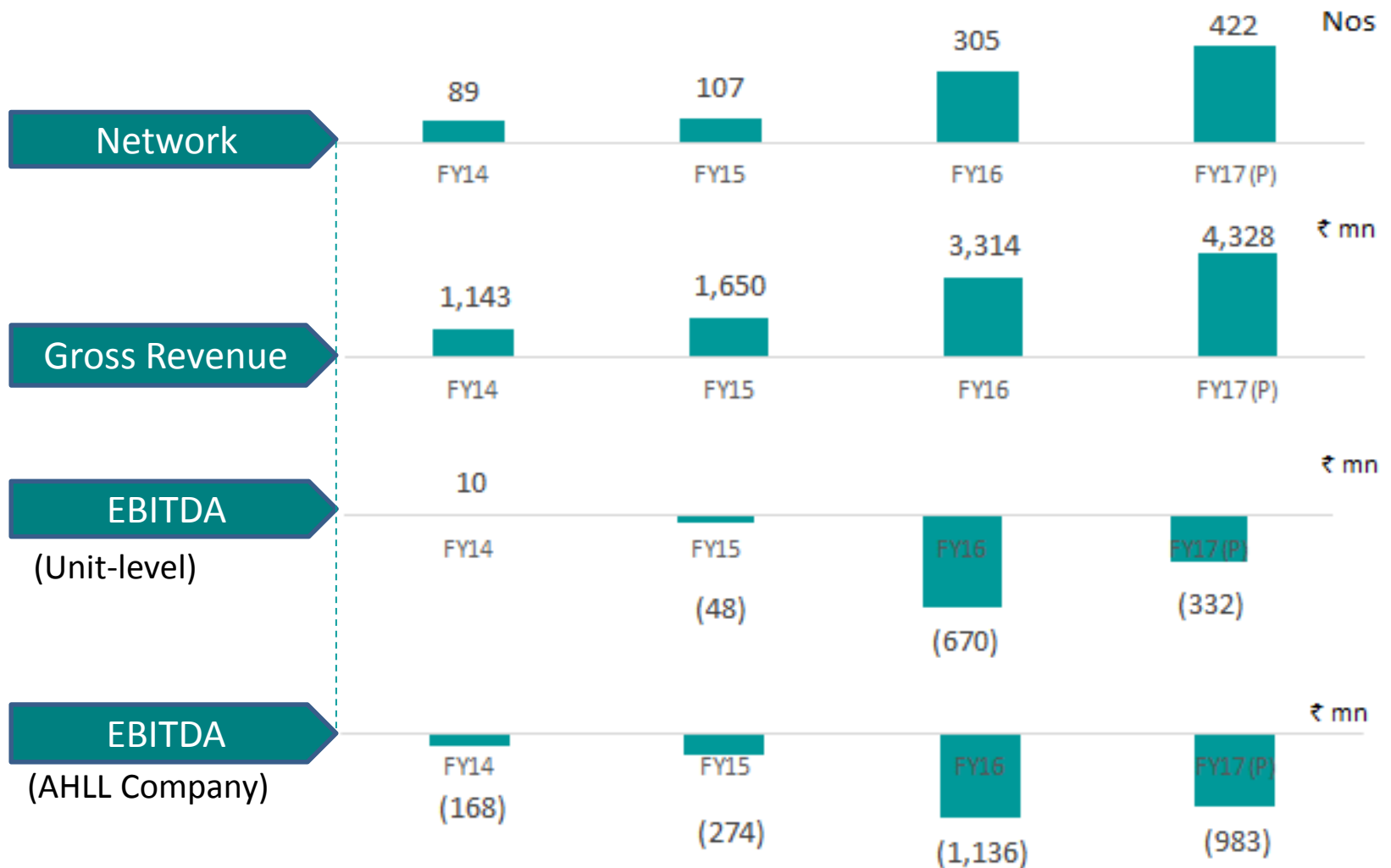
Network



Gross Revenue
INR mn



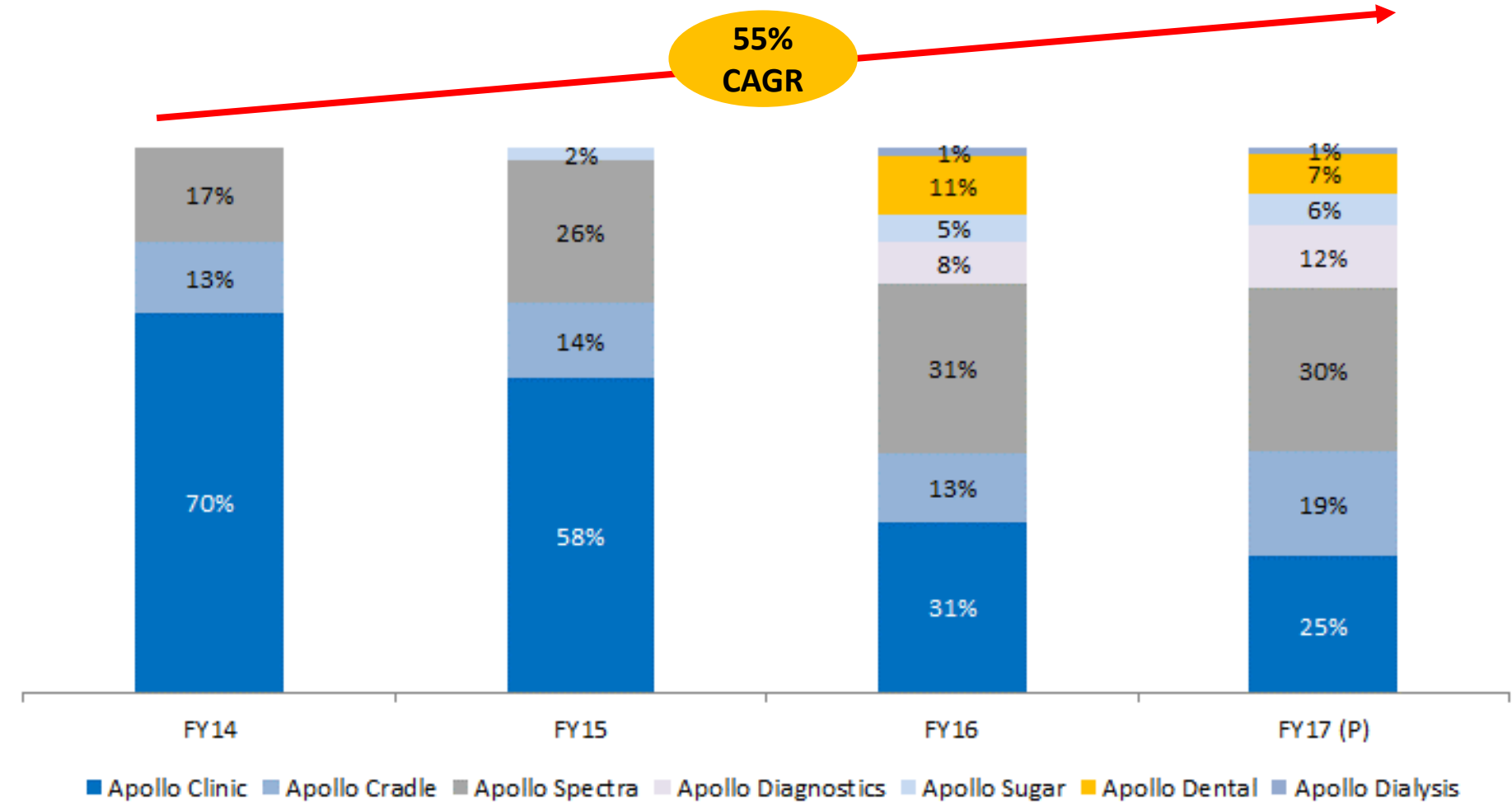
AHLL Overall : Network and Financials



*Revenue and EBITDA figures represent business performance (comparable). Audited/Reported financials for FY16; Net Revenue 1,242mn and EBITDA Rs.(420) mn.

*FY17 numbers are provisional (un-audited)

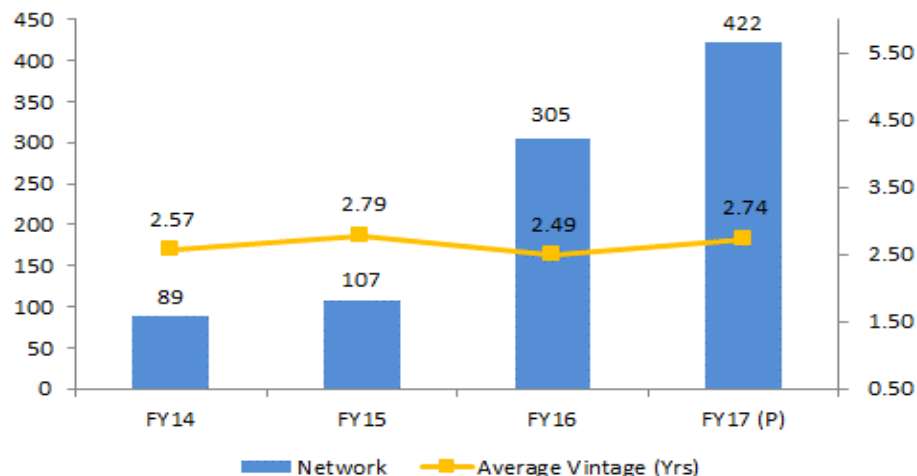
AHLL Segment wise Revenue : shift towards a better balance between Primary (51%) and Speciality hospital (49%) care



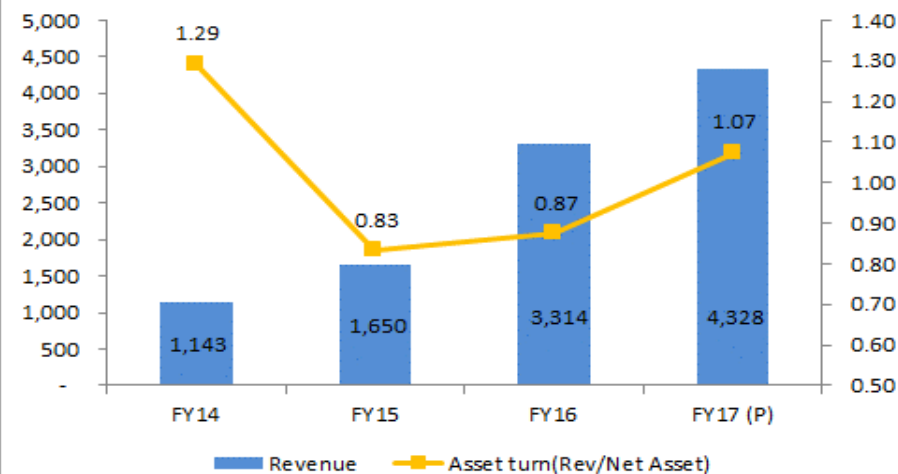
*FY17 numbers are provisional (un-audited)

AHLL Financials : Robust improvement as business matures

Rapidly growing and evolving centre network..



...driving revenue with significant asset turns..

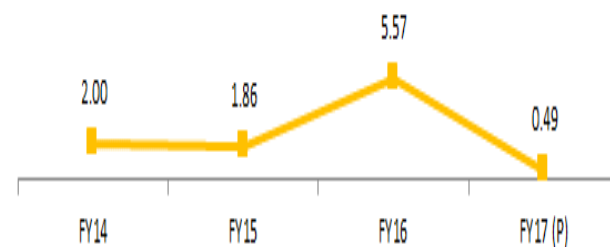
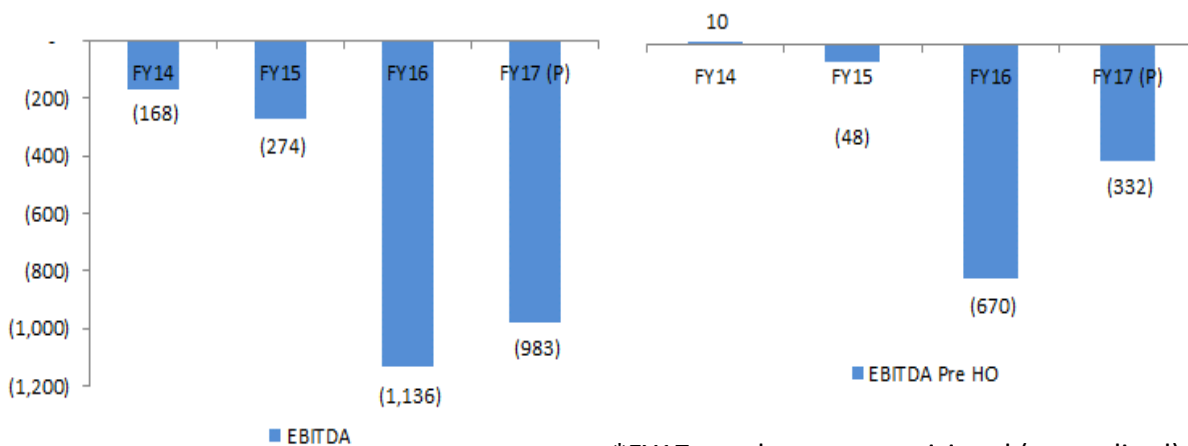


..and moving towards planned overall breakeven by FY19..

..and will be positive at unit level in FY18..

..and improved Debt/Equity through equity Infusion

EBITDA, in INR Mn



*FY17 numbers are provisional (un-audited)