



# HealthCare Global Enterprises Limited

Q1 - FY18 : Investor Presentation

August 2017

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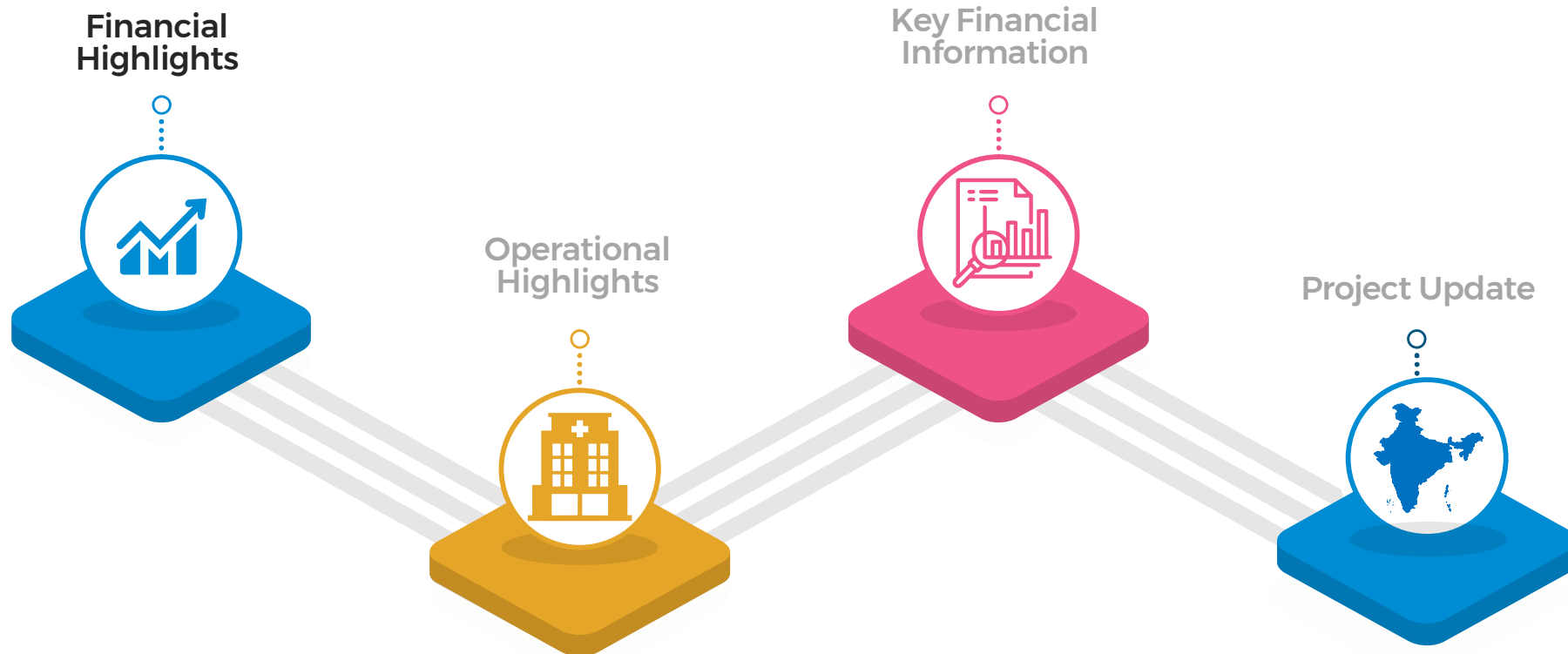
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# Financial Highlights: Q1 – FY18



INR million except earnings per share

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

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

(2) Profit before tax and exceptional items

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

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

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

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

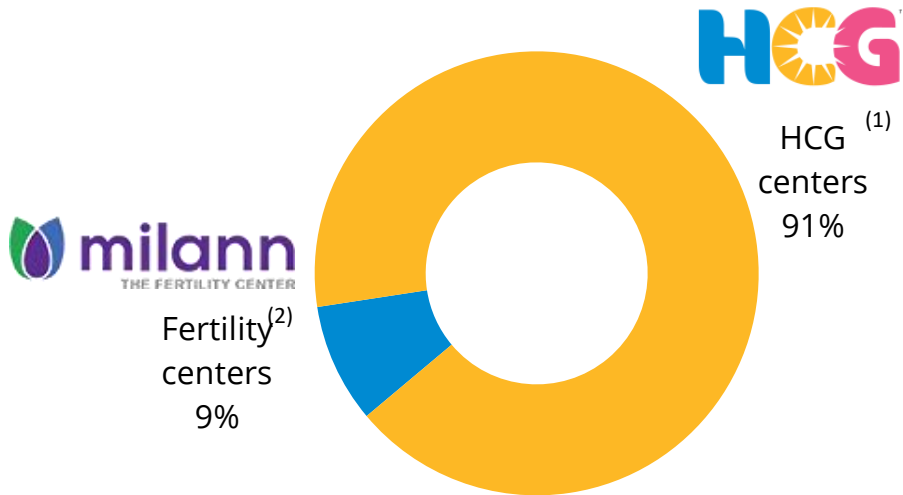
(3) 6 HCG centers and 4 Milann centers that commenced operation after April 1, 2015



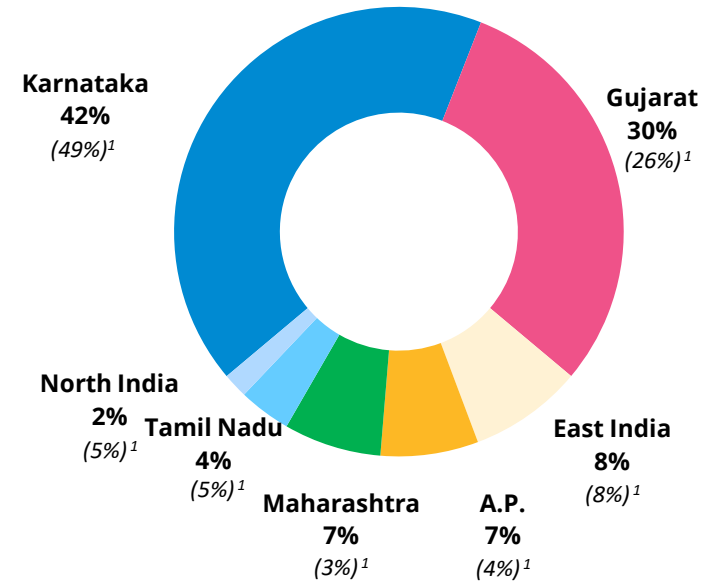
# Revenue Mix: Q1 – FY18



Revenue:  
INR 1,911 Mn



HCG Centers:  
INR 1,745 Mn



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

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

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



## HCG Centers: Q1 – FY18 Revenues



INR million

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

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

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# HCG Centers: Q1 - FY18 Operating Metrics



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

Notes:

- (1) No. of Centers includes Cancer and Multispeciality hospitals operated under HCG brand
- (2) Number of beds in operation as at the last day of the period
- (3) Occupied Bed Days calculated based on mid-day census
- (4) Average Occupancy Rate ("AOR") calculated as Occupied Bed Days divided by available bed days in the period
- (5) Average Revenue per Occupied Bed ("ARPOB") calculated as Revenue divided by Occupied Bed Days
- (6) Average Length of Stay ("ALOS") calculated as Occupied Bed Days divided by number of admissions (including day care admissions)
- (7) EBITDA margin before corporate expenses





# HCG Centers: Q1 - FY18 Regional Highlights



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

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

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

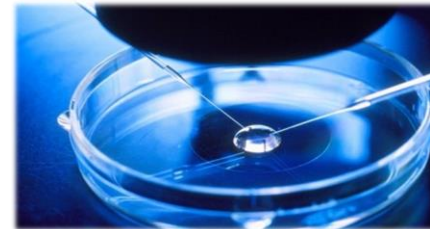
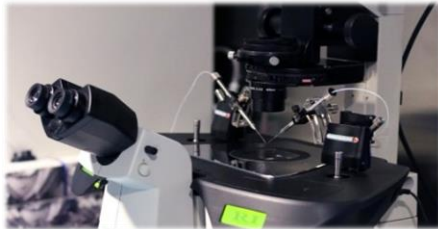
- Strong continuing performance at Cuttack, planned service enhancement and expansion
- Ranchi centre ramps

**Notes:**

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

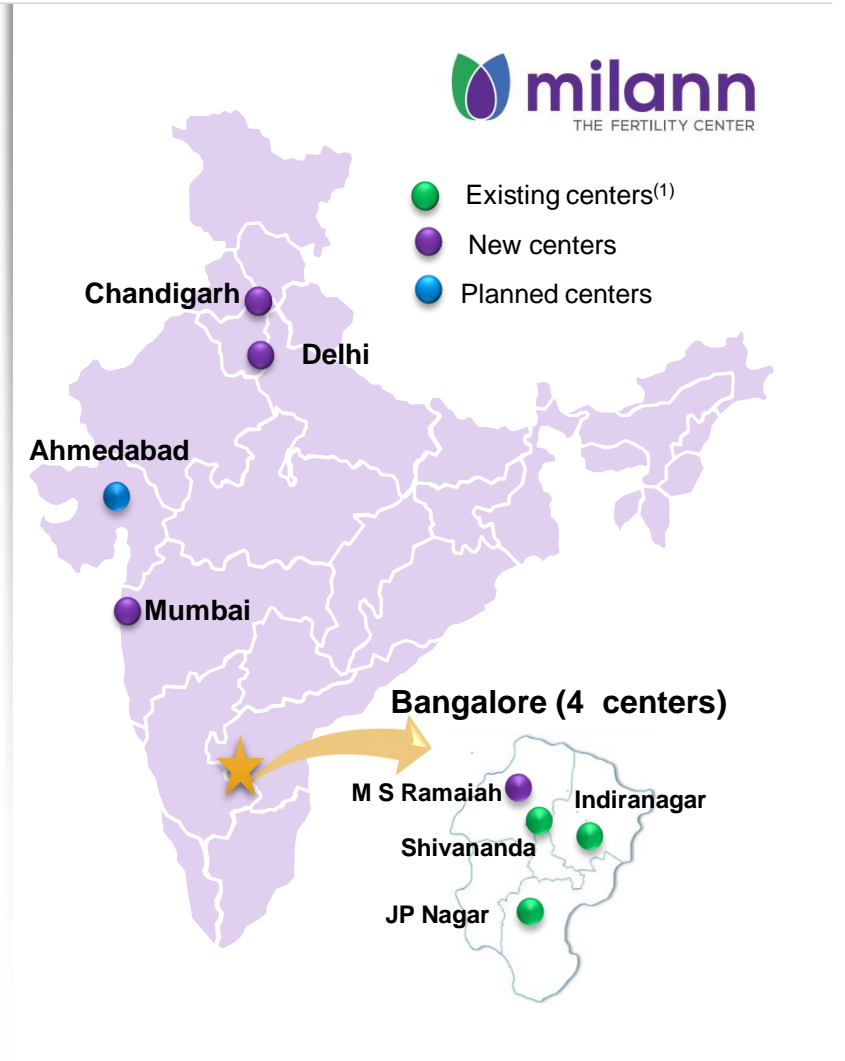


# Milann: Expansion on Track



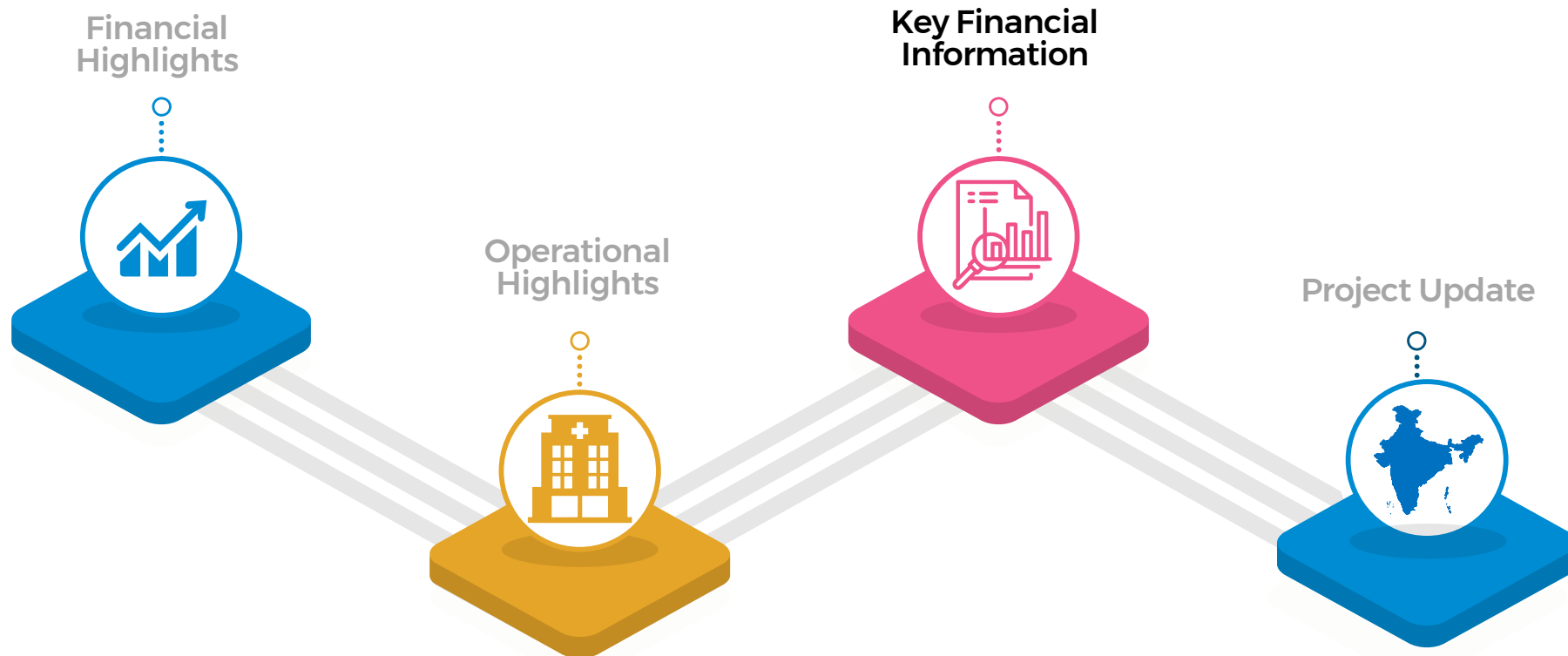
	Q1-FY18	Q1-FY17	Growth
New Registrations	1,227	1,166	5.2%
IVF Cycles	533	453	17.7%
Revenue (INR Mn)	166	140	18.8%

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



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

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# Capital Expenditure and Net Debt



## Capital Expenditure

INR Million

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

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

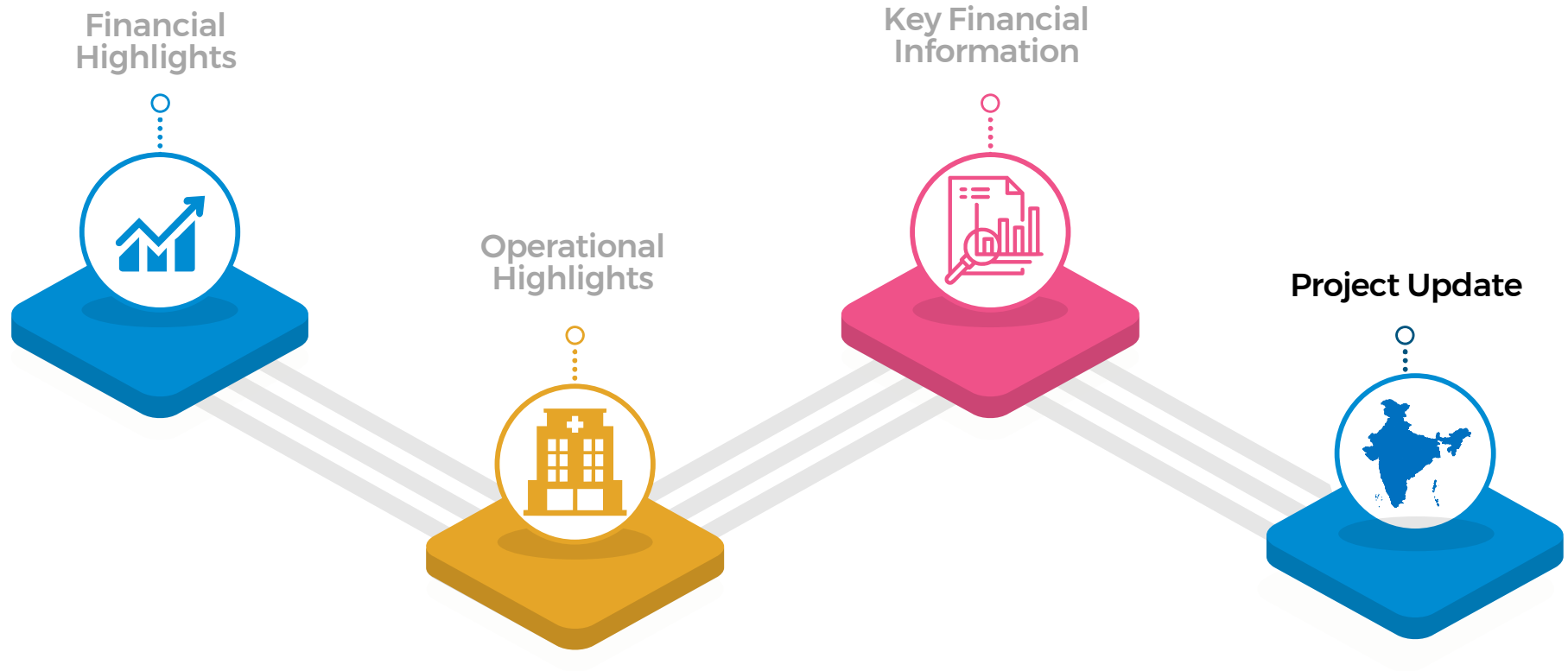
## Net Debt

INR Million

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

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

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# Project Update



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

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

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

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





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

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