



Updates

Further to the last earnings call on February 11, 2021, the following updates may also be noted:

- 1) The expansion of HCG's Jaipur facility to include multispecialty hospital has been paused based on strategic reasons. We continue to remain optimistic about investment behind the Gurgaon project and the construction schedule would follow profitability milestones.
- 2) With an increasing focus on cash flow generation, we plan to leverage leasing of the LINAC equipment, for incremental additions, at negotiated attractive terms, as opposed to the outright purchase of these equipment.
- 3) Company performance has been impacted by Covid; however, the impact of Covid is on decline. Domestic patient volumes have recovered to more than 95% of pre-covid levels for the business as a whole, however, international patient volume continues to be under pressure. We have identified various initiatives to arrest the decline in performance and aim to contain the decrease in EBITDA not more 45% over FY19 - 20. The performance of the new centers of the Company in FY 21 - 22, if factored in FY 19 - 20, then the EBITDA of the Company would have been higher by ~ 35% in FY 19 - 20.
- 4) The performance of the Suchirayu hospital, where the Company is rendering turnkey medical services, is expected to improve from EBITDA break even in the near to medium term.
- 5) Bangalore and Ahmedabad markets are the established clinical centers of excellence for HCG. We remain committed to continuing our market dominance in both these locations and remain committed to growing Ahmedabad which has high utilization currently.
- 6) The Company is in the process of finalization of acquisition of minority stake of 26% in HCG Sun Hospitals LLP ("LLP"), Rajkot, held by Shiv-Sun Medical Services LLP, the minority partner, for a consideration based on fair value, which is expected to be around INR 25 Million. On the acquisition of minority stake in the LLP, the Company would hold 100% of the capital of the LLP.

March 05, 2021