



# INVESTOR PRESENTATION

September 2018



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# KEY HIGHLIGHTS



01 **Leading** private sector  
healthcare services  
provider

02 **Attractive** industry  
opportunity

03 **Excellence** in practice

04 **Strong** operating &  
financial track record

05 Well-Positioned to  
**Accelerate**

06 **Anchored** for the  
future

07 **Strong** management  
team



**01**

**LEADING PRIVATE SECTOR  
HEALTHCARE SERVICES  
PROVIDER**



# BUSINESS SNAPSHOT (1/2)

**Healthcare Services**  
**55%\***  
 of Consolidated Revenues

**Standalone Pharmacies**  
**39%**  
 of Consolidated Revenues

**Other Businesses**  
**6%**  
 of Consolidated Revenues

**Apollo Munich Health Insurance**  
 AHEL 10% stake

**BEDS**  
 Owned **8900** + Managed **934** = Total **9834**  
**Capacity**

**Outlets 3167**  
 Across 20 states  
 & 4 Union Territories

- Primary Clinics - 89
- Sugar Clinics – 29
- Dental Clinics – 72
- Birthing centres – “CRADLE” - 11
- Day Care Centres – 12
- Diagnostic Centres – 414
- Dialysis - 21

- Gross Written Premium (GWP) of ₹ 7,952 Mn in H1FY19
- Assets under Management of ₹ 13,280 Mn as of Sep 18
- 160 offices across the country

**LOCATIONS**  
 Owned **64** + Managed **5** = Total **69**  
 (Tertiary, Super Speciality & Secondary Care)

**Largest Pharmacy Chain in India**

Employed + “Fee for service” Doctors **9,100+** + Nurses **12,000+** + Paramedics **4,900+**

JCI accreditation **8** NABH accreditation **19**

**Largest Hospital Network in India**

| Financial Year | Number of Beds | Pharmacy stores | Revenue (₹ Mn) |
|----------------|----------------|-----------------|----------------|
| 2000           | 1500+          | 25              | 2684           |
| 2005           | 4000+          | 170             | 6621           |
| 2010           | 7900+          | 1049            | 20265          |
| 2018           | 9800+          | 3021            | 82435          |
| H1 FY 19       | 9800+          | 3167            | 46052          |

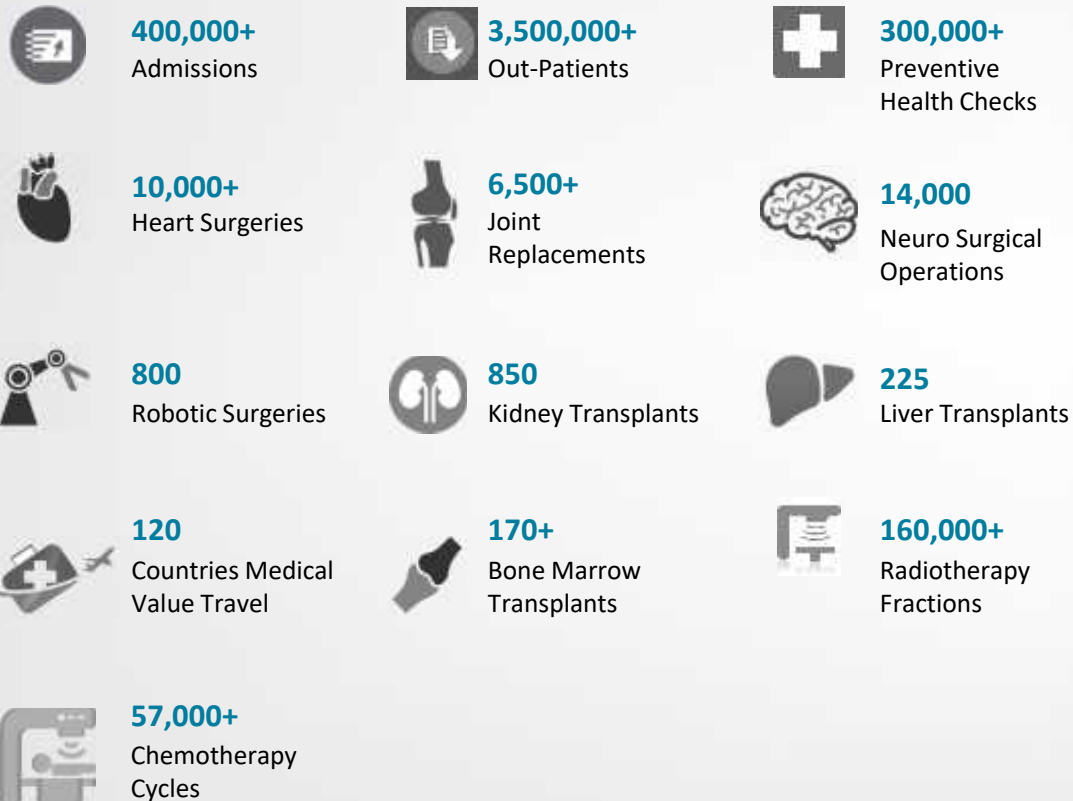
Source: Company audited Consolidated financials and Q2FY19 Earnings Update.

\* Including proforma for Kolkata (50% holding) and Delhi (22% holding) whose Revenues are not consolidated under Ind AS due to joint control.



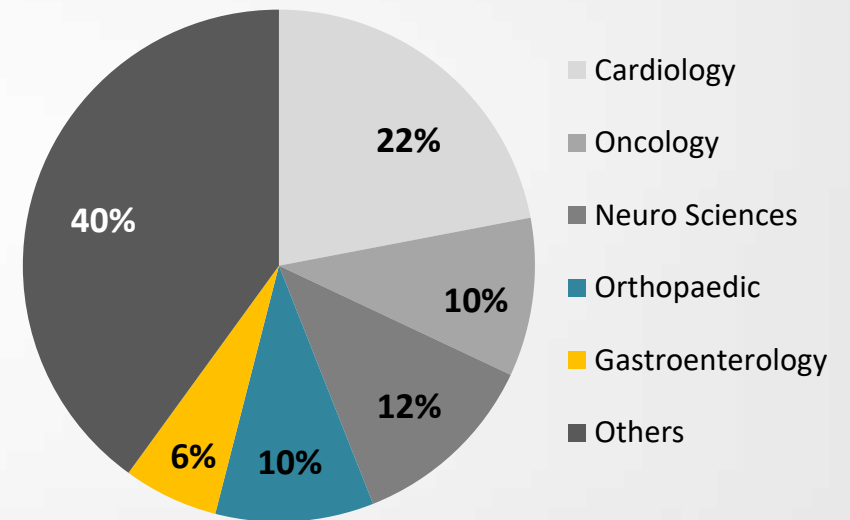
# BUSINESS SNAPSHOT (2/2)

## FY18 at Apollo Hospitals\*



\* FY18 info for owned hospitals only. Does not include managed hospitals

High-end tertiary care practice contributes to **60%** of Net revenues<sup>#</sup>



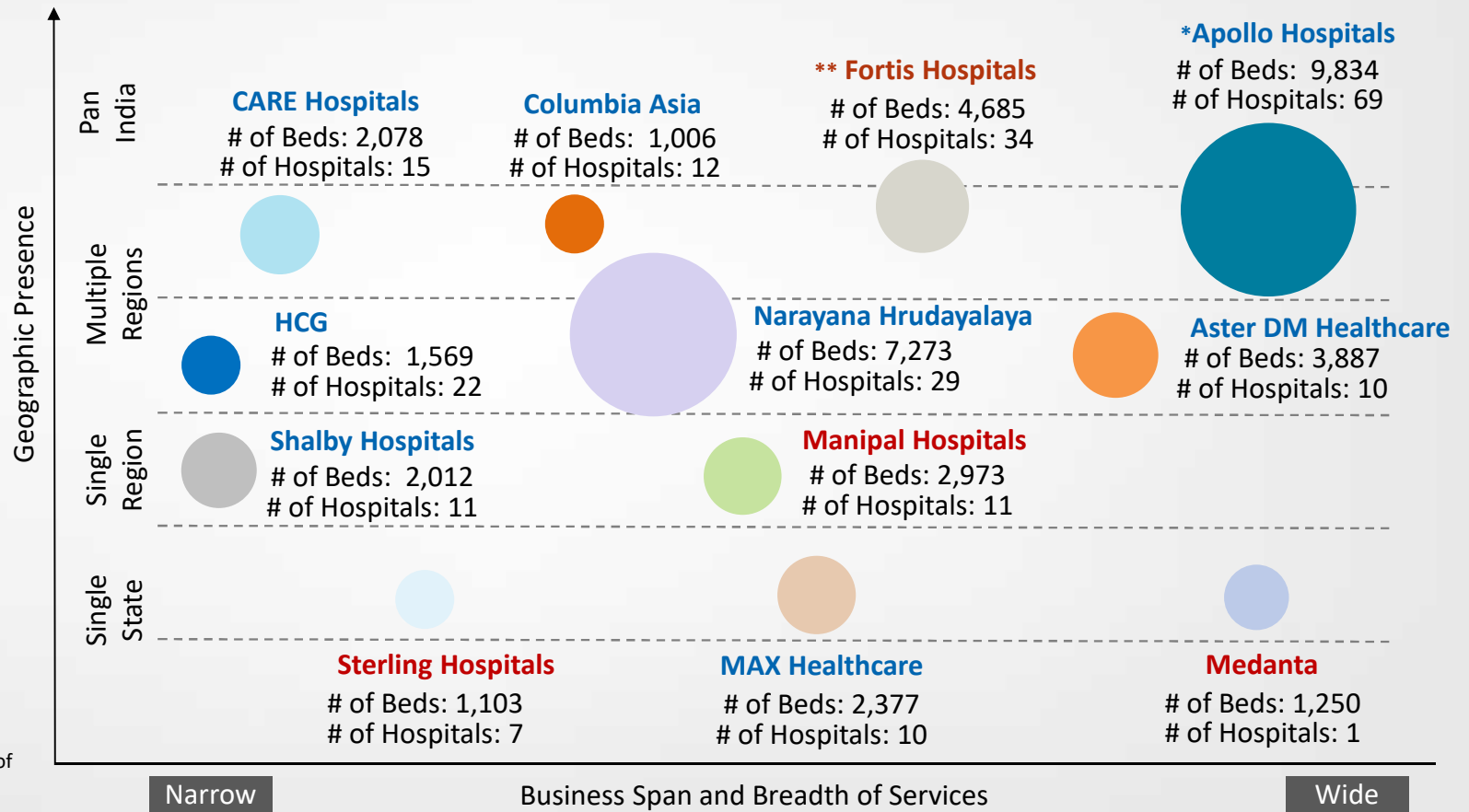
<sup>#</sup> H1FY19 In-patient Revenues | Source: Company MIS reports



# PAN INDIA PRESENCE (1/2)

## Leading Hospital Players in India

Apollo is the leading player in the Indian hospital segment by geographic presence, business span and breadth of service offerings.



Source: Company Reports, CRISIL Research  
 \*Beds as on 30<sup>th</sup> Sep 2018  
 \*\* Fortis presentation (Demerger of hospitals busn. of Fortis into Manipal) as of March 2018, publicly available on Fortis Healthcare Ltd.'s website



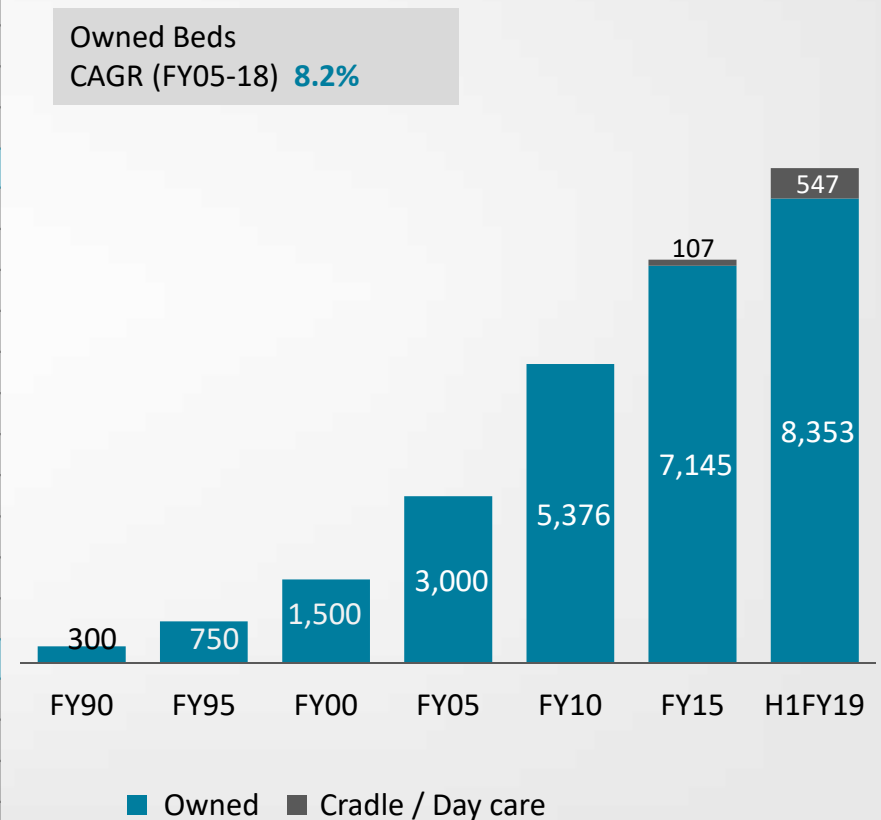
## PAN INDIA PRESENCE (2/2)

### Details of beds under operation\*

| Category wise                   | Capacity Beds | Operational Beds | No. of Hospitals |
|---------------------------------|---------------|------------------|------------------|
| Owned Hospitals                 | 8,353         | 7,181            | 43               |
| Day care centres/ CRADLE        | 547           | 547              | 21               |
| Managed Hospitals               | 934           | 934              | 5                |
| <b>Grand Total</b>              | <b>9,834</b>  | <b>8,662</b>     | <b>69</b>        |
| Cluster wise (owned hospitals)  |               |                  |                  |
| Chennai                         | 1,696         | 1,515            | 11               |
| Hyderabad                       | 959           | 839              | 5                |
| Kolkata                         | 706           | 700              | 2                |
| Delhi                           | 790           | 715              | 2                |
| Bangalore                       | 627           | 542              | 3                |
| Mumbai                          | 478           | 225              | 1                |
| Ahmedabad                       | 320           | 263              | 2                |
| Tamilnadu (outside Chennai)     | 808           | 605              | 6                |
| Bhubaneswar                     | 290           | 285              | 1                |
| Other India                     | 1,679         | 1,492            | 10               |
| <b>Grand Total</b>              | <b>8,353</b>  | <b>7,181</b>     | <b>43</b>        |
| Maturity wise (owned hospitals) |               |                  |                  |
| > 5 years                       | 5,910         | 5,404            | 30               |
| 3 - 5 years                     | 1,308         | 982              | 9                |
| 1 - 3 years                     | 1,135         | 795              | 4                |
| <b>Grand Total</b>              | <b>8,353</b>  | <b>7,181</b>     | <b>43</b>        |

\*Beds as on 30<sup>th</sup> Sep 2018

### Bed Growth







**02**

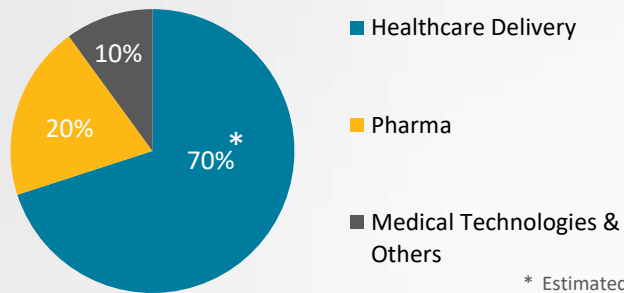
**ATTRACTIVE  
INDUSTRY OPPORTUNITY**



# HUGELY UNDER-PENETRATED MARKET WITH ATTRACTIVE DYNAMICS (1/2)

Demand for healthcare services in India is expected to rise owing to favorable demographics. Private sector players are well-positioned to leverage this opportunity given low contribution of government spending.

## Indian Healthcare Delivery



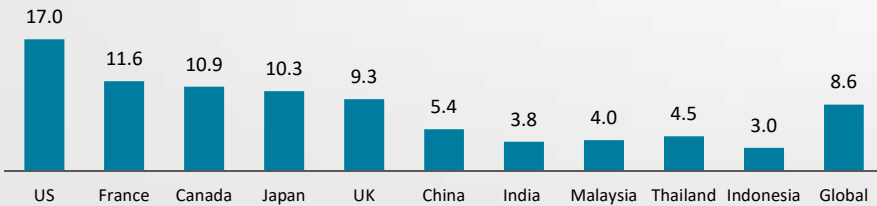
Source: Frost & Sullivan  
 \*Source: WHO – World Health Statistics 2014

\* Estimated to be c.US\$55bn<sup>1</sup> in FY14 and is estimated to grow to over US\$100bn<sup>1</sup> by FY19E largely expected to be driven by in-patient revenues

## Health Expenditure in India

% of GDP vs. other countries

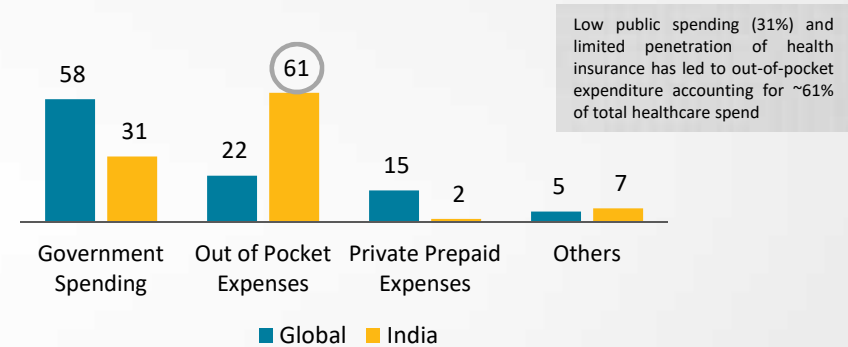
India's healthcare expenditure as % of GDP was 3.8% (Government spends 1.2%) as compared to global average of 8.6% (Government spends 5.0%)



Source: WHO – World Health Statistics 2015

## Healthcare Expenditure Composition (%)

Spending driven by out of pocket component

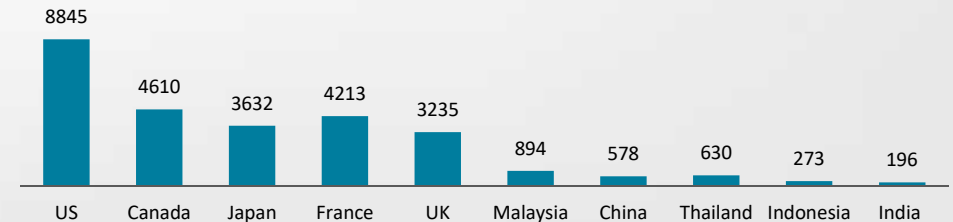


Low public spending (31%) and limited penetration of health insurance has led to out-of-pocket expenditure accounting for ~61% of total healthcare spend

Source: WHO – World Health Statistics 2015

Per capita vs. other countries (\$)

Per capita healthcare expenditure at \$196 is the lowest in the world when compared to \$8,845 in the U.S., \$3,235 in the U.K. and \$578 in China



Source: WHO – World Health Statistics 2015

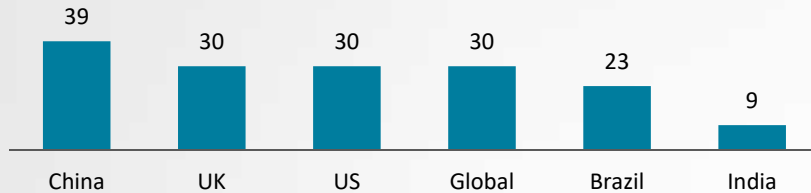


# HUGELY UNDER-PENETRATED MARKET WITH ATTRACTIVE DYNAMICS (2/2)

## Beds per 10,000 people

India lags behind other developed and emerging economies in healthcare infrastructure

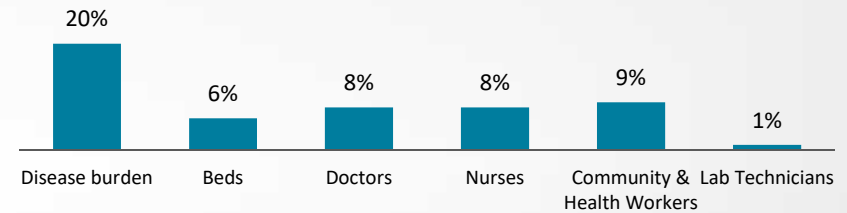
Healthcare infrastructure gap remains substantial, with only **9** beds per **10,000** population, significantly lower than the other countries and the global median of **30** beds per **10,000** population



Source: WHO – World Health Statistics 2013

## Healthcare Infrastructure in India

India's share in global disease burden is **20%**, while its share of healthcare infrastructure is much lower with only **6%** of global hospital beds and **8%** share of doctors and nursing staffs



Source: FICCI and E&Y. Note: Data for India's share in world health parameters

## Comparison of India vs. other countries in Healthcare infrastructure parameters

| Per 10,000 population           | China | India | Indonesia | Malaysia | Singapore | Thailand | Australia | USA  |
|---------------------------------|-------|-------|-----------|----------|-----------|----------|-----------|------|
| <b>Health Workforce Density</b> |       |       |           |          |           |          |           |      |
| Physicians                      | 14.6  | 6.5   | 2.0       | 12.0     | 19.2      | 3.0      | 38.5      | 24.2 |
| Nurses and midwives             | 15.1  | 10.0  | 13.8      | 32.8     | 63.9      | 15.2     | 95.9      | 98.2 |
| Dental                          | 0.4   | 0.8   | 0.4       | 1.4      | 3.3       | 0.7      | 6.9       | 16.3 |
| <b>Infrastructure</b>           |       |       |           |          |           |          |           |      |
| Hospital beds                   | 39    | 9     | 6         | 18       | 27        | 21       | 39        | 30   |

Source: WHO – World Health Statistics 2013

## Investment required to meet demand supply gap

In order to meet the global median of 30 beds per 10,000 population, India will need to invest over ₹14 trillion (\$230 bn)

Source: CRISIL Research

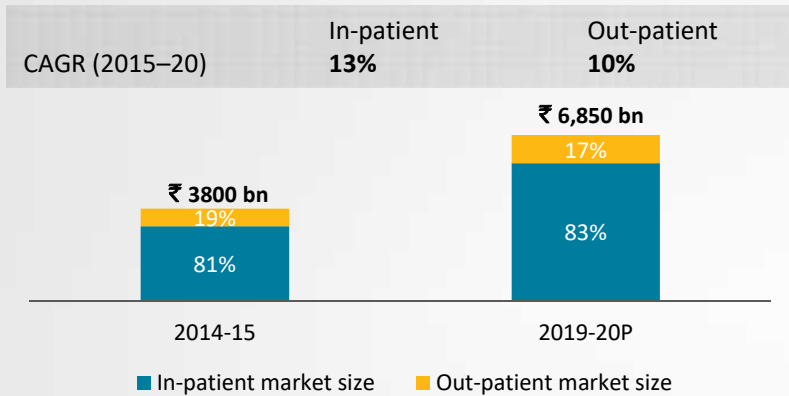


# RAPID DEMAND GROWTH DRIVEN BY ..... (1/2)

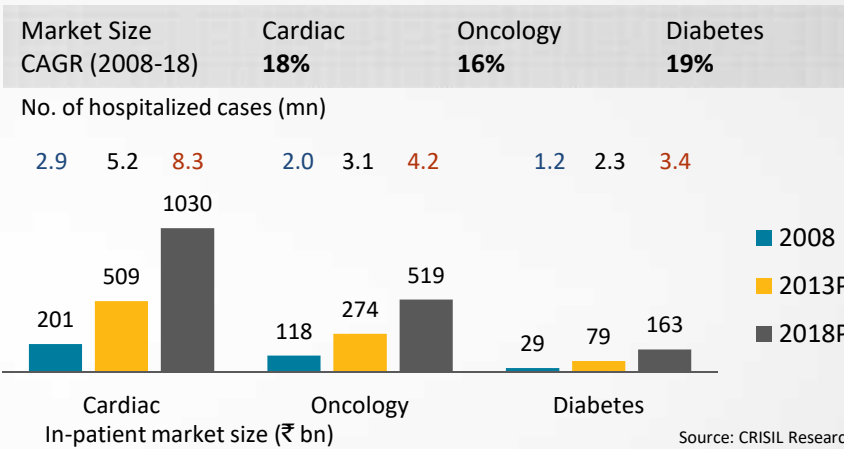
Demographic shifts, changing consumption patterns and increasing affordability makes India one of the fastest growing healthcare delivery markets globally.

## Indian healthcare services market

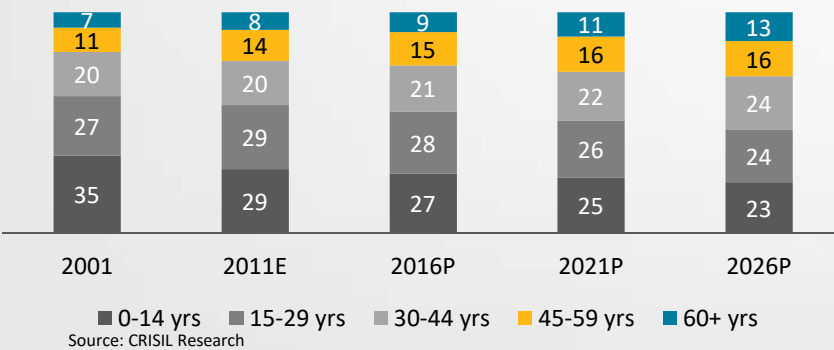
Growth in Indian healthcare services will be driven by in-patient based facilities



Increasing in-patient volumes due to non-communicable life style diseases



## India: Demographic shift (% of population by age group)



Growing working class population between ages 45 and 60 from 22% in 2011 to a projected 29% in 2026

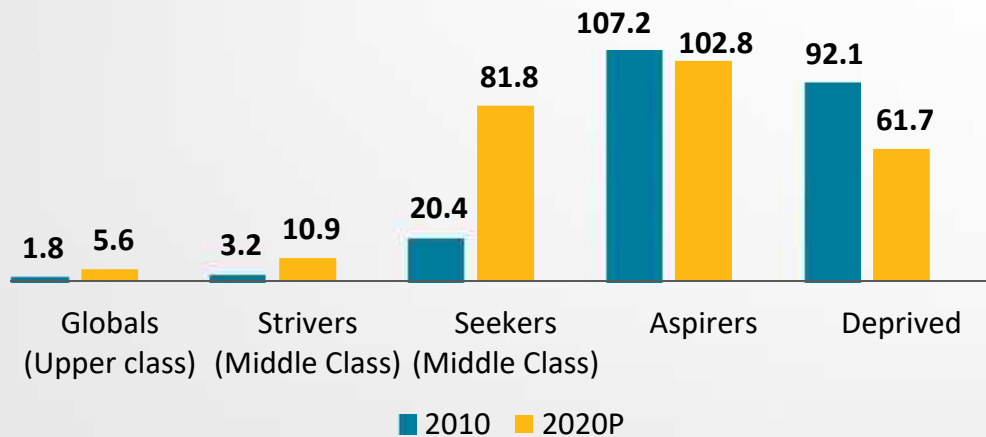


## RAPID DEMAND GROWTH DRIVEN BY ..... (2/2)

### Burgeoning Middle Class Households (in Mn)

Increasing income levels have contributed to a middle class bulge

The number of middle/upper income households is expected to increase **fourfold between 2010 and 2020**



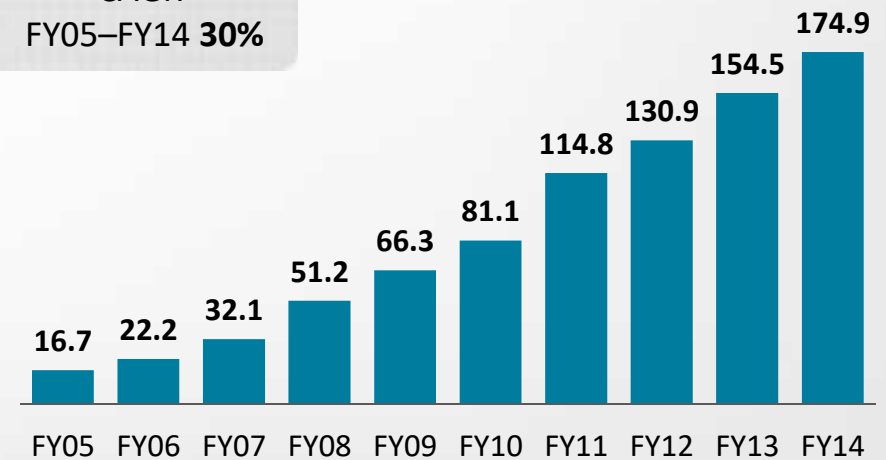
Source: McKinsey Global Institute

### Increasing Penetration of Health Insurance

Rising health insurance premium with rising income levels and awareness (₹ Bn)

Higher health insurance penetration allows greater access to quality healthcare

CAGR  
FY05–FY14 **30%**

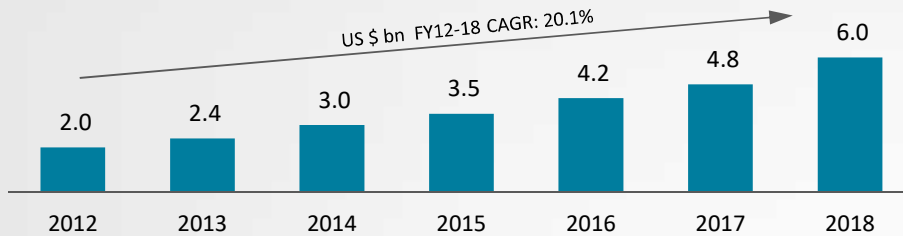


Source: CRISIL Research

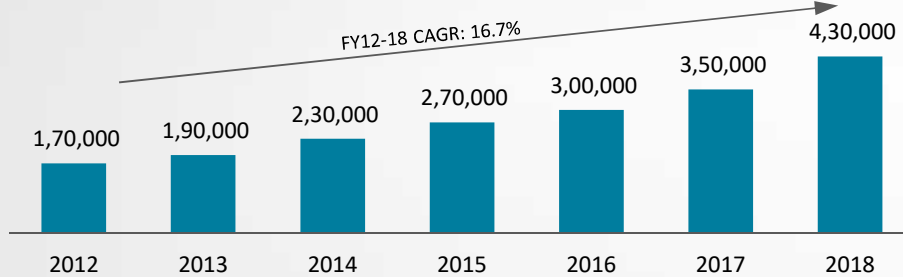


# MEDICAL TOURISM TO REACH \$6 BN BY 2018 FROM \$ 3.5 BN (1/2)

## Indian Medical Tourism Industry (US\$bn) (2012-2018)



## Medical Tourist Arrival in India (2012-2018)



## Medical Tourists Arrival in India by Region (%)



Source: Ministry of Tourism, Confederation of Indian Industry (CII), RNCOS, News.

01

The Indian medical tourism industry is expected to reach **US\$6bn** registering a **c.20%** CAGR for the period FY12-18

02

The total **foreign medical tourist** arrivals in **India** is expected to **increase** almost **2.5 times** from c.0.17mn in 2012 to c.0.4mn in 2018

03

Growth in medical tourism expected primarily due to (i) quality **infrastructure** (ii) highly **skilled doctors**; (iii) lower **cost** of treatment and (iv) **government policies** (visas)

04

Medical tourist from **Asia Pacific** region to continue to constitute **majority share**. Contribution of **MENA** and **Europe** regions is expected to **increase** going forward

# INDIA HAS THE POTENTIAL TO OUTPERFORM OTHER ASIAN COUNTRIES OVER THE NEXT DECADE DRIVEN BY INCREASED FOCUS ON QUALITY AND OUTCOMES



## Comparison of major medical tourism destinations in Asia

|                        | Size (US \$bn (2012)) | Number of medical tourists 2012 | JCI accredited healthcare Facilities | Average saving % as compared to the U.S. | Popular treatment option   |
|------------------------|-----------------------|---------------------------------|--------------------------------------|--|--|
| Thailand               | 3,905                 | 2,530,000                       | 37                                   | 50 to 75                                 | Alternative medicine, cosmetic surgery, dental care, gender realignment, heart surgery, obesity surgery, oncology and Orthopaedics |
| India                  | 2,000                 | 170,000                         | 21                                   | 65 to 90                                 | Cardiology, Orthopaedics, nephrology, oncology and Neuro surgery   |
| Malaysia               | 192                   | 671,000                         | 13                                   | 65 to 80                                 | Cardiology, oncology, orthopaedic, obstetrics and gynaecology  |
| Singapore <sup>1</sup> | 705                   | 494,000                         | 21                                   | 30 to 45                                 | Cardiology, ophthalmology, oncology and anti-ageing  |
| Indonesia              | NA                    | NA                              | 17                                   | NA                                       | Cosmetic surgery and dentistry procedures  |
| Taiwan                 | 313                   | 173,311                         | 13                                   | 40 to 55                                 | Orthopaedics, fertility treatment, cardiology and cosmetic surgery   |

Source: KPMG – FICCI – Medical Value Travel in India (Sep 2014), RNCOS.

<sup>1</sup>Estimated values for Singapore

## Medical tourism is a burgeoning industry in India

India is competitive in healthcare costs as compared to the developed countries and other nations in Asia. It offers the same standards and quality care at a substantially lower cost.

### Cost of key treatment procedures

| Ailments (US\$)        | US       | UK       | Thailand | Singapore | India  |
|------------------------|----------|----------|----------|-----------|--------|
| Heart Surgery          | 1,00,000 | 40,000   | 14,000   | 15,000    | 5,000  |
| Bone Marrow Transplant | 2,50,000 | 2,90,000 | 62,000   | 1,50,000  | 30,000 |
| Liver Transplant       | 3,00,000 | 2,00,000 | 75,000   | 1,40,000  | 45,000 |
| Knee Replacement       | 48,000   | 50,000   | 8,000    | 25,000    | 6,000  |

Source: CRISIL Research



**03**

## **EXCELLENCE IN PRACTICE**





# COE FOCUS (1/2)



- Cardiology, Cardiac Surgery, Paediatric Cardiology, Paediatric Cardiac Surgery, Minimally Invasive Coronary Artery Surgery, Trans-Aortic valve replacements, Heart Transplants
- Established in **39 Units**
- ~ **300 Clinicians** across the network
- **23%** of Net Revenues (FY18)
- Over **10,000** heart surgeries in FY18

**WE DON'T JUST TREAT HEART DISEASE. WE REVERSE IT.**

Put the apollo performance award to work on your heart. Regain your heart's natural rhythm. And live better. #ActBeforeTheAttack

and a lot more. #ActBeforeTheAttack



## INSTITUTES OF ORTHOPAEDICS

- Small Joint surgery, TKRs, THRs, Stem cells and joint preservation, Bilateral minimally invasive knee surgery, 3D Robotic knee replacement (Unicondylar), Small Joint Surgery, Rehabilitation Center
- Established in **41 Units**
  - ~ **250 Clinicians** across the network
  - **10%** of Net Revenues (FY18)
  - Over **6,500** Joint Replacements in FY18



## INSTITUTES OF NEUROSCIENCES

- Neurology, Neurosurgery, Paediatric Neurology, Neurophysiology, Interventional Neuroradiology, Neurostimulation Implants & Brain stem implants, Mechanical thrombectomy , Tele-stroke and eICU, Deep Brain Stimulation surgery for movement disorders, Endovascular mechanical thrombectomy
- Established in **37 Units**
- ~ **200 Clinicians** across the network
- **12%** of Net Revenues (FY18)
- Over **14,000** Neurosurgeries in FY18



# COE FOCUS (2/2)



**24** hours **EMERGENCY**

- <10 minutes to pick-up
- 200+ Ambulances
- 500+ calls daily
- 1,000–1,500 Monthly pick-ups
- 2,00,000+ emergency footfalls annually
- 5,00,000+ calls served in 10+ years



**INSTITUTES OF TRANSPLANT**

- **Busiest Solid Organ Transplant Program in the world since 2012**
- ~ **35 transplant surgeons** across the network
- **2%** of Net Revenues (FY17)
- **850** Kidney Transplants and **225** Liver Transplants in FY18
- Over **18,000 transplants** since inception



**CANCER INSTITUTES**

- Medical, Radiation, Surgery, Paediatric Oncology, BMT, Personalized Oncotherapy, Organ based sub-specialization, Molecular and genetic studies, Immunological and target therapies, Liquid biopsy.
- Established in **10 Units**
- ~ **180 Clinicians** across the network
- **13%** of Net Revenues (FY18)
- Celebrating **1000 BMTs** since inception

**OUTSMART  
CANCER**



## TECHNOLOGY EXCELLENCE

Toshiba Aquillion ONE 320-slice dynamics multi-detector computed tomography (“CT”) scanner, an advanced diagnostic tool used in heart, brain and whole body scanning – first launched at the Apollo Heart Centre, Chennai, in September 2008

The Novalis Tx™ Radiotherapy and Radiosurgery system , one of the most precise, non-invasive and fastest treatments available for the cancerous and non-cancerous conditions of the entire body – installed in Hyderabad, Kolkata and New Delhi, in November 2009, March 2010 and September 2010, respectively

The “da Vinci Surgical System” enables a minimally invasive option for complex surgical procedures. Apollo Institutes of Robotic Surgery are located at Apollo Hospitals Chennai, Kolkata, Delhi and Hyderabad

Proton Beam Therapy for oncology procedures scheduled for launch in 2018 in Chennai. It is the first of its kind in South East Asia.

Philips Gemini TF Time of Flight positron emission tomography computed tomography (“PET-CT”)64 slice scan system – first installed in India at Apollo Speciality Cancer Hospital, Chennai, in January 2009

South Asia’s first-of-its-kind. Full-filled digital mammography with tomosynthesis (3D) system – installed at Apollo Speciality Hospital, Chennai in 2001

The True Beam STx set up in Apollo Bangalore in 2013 – an advanced radio surgery system which performs non-invasive, image-guided radio surgery procedures with pinpoint accuracy and precision

The G4 Cyberknife Robotic Radiosurgery System, Asia-Pacific’s most advanced cancer treatment in India at Apollo Speciality Hospital, Chennai, in March 2009



We believe that our investment in the latest and most advanced medical technology and equipment has enabled us to attract renowned doctors from India and abroad to practice in our hospitals. It has also helped make our hospitals the preferred treatment destination for patients from various countries around the world.



# SERVICE EXCELLENCE (1/2)

| Apollo Service standards   | Apollo Instant Feedback Mechanism   | Voice of Customer  | Wards As A Unit Concept  | Dial 30  |
|--|---|--|--|--|
| <ul style="list-style-type: none"><li>• Focus on ‘critical customer’ touch points</li><li>• 1006 important standards spread over five areas (In Patient, Out Patient, House Keeping, Grooming and Preventive Health Check)</li><li>• Identified Standards converted cascaded to regional CEOs and unit heads .</li><li>• Certified Service Professional program initiated in all units .</li><li>• Gallup External Survey conducted to track adherence</li></ul> | <ul style="list-style-type: none"><li>• 208 Android devices strategically installed in 20 locations to improve the capture ratio of patient feedback</li><li>• Patients can voice out their experience in less than 20 seconds using icons</li><li>• Feedback capture enhanced by 10%</li></ul> | <ul style="list-style-type: none"><li>• Application generates more than 26 reports instantly with various data cuts</li><li>• Platform launched in 35 location in India</li><li>• Cockpit view for CEOs and microlevel dashboard for HODs</li><li>• Monthly Customer intelligence report generated in a single deck for all 35 units</li><li>• Patients feedback used to drive improvements and innovations in the health system</li></ul> | <ul style="list-style-type: none"><li>• Culture of patient Centricity</li><li>• Fundamental concept – ‘Doctor’ will be decision maker and acting CEO for the ward</li><li>• All allied health care professionals and administrators will report to the “Ward Doctor”</li><li>• Promotes close working between clinical and non-clinical teams with one line of command to resolve patient related challenges</li></ul> | <ul style="list-style-type: none"><li>• A unique one touch button “ Dial 30 “ concept that tracks all non- clinical patient requests ( Food &amp; Beverage/ Housekeeping/ Engineering.</li><li>• Launched in 15 units of Apollo Hospitals.</li><li>• More than 1 lakhs request registered every month that is being tracked and monitored for SLA adherence.</li><li>• Has helped in increasing nursing bandwidth to do clinical work.</li></ul> |

**Service Excellence** is the mintmark of Apollo made possible by an **engaged workforce** that takes pride in its day-to-day responsibilities.



# SERVICE EXCELLENCE (2/2)

## TASCC (The Apollo Standards of Clinical Care)

Programme for Standardization of processes for clinical handovers, medication safety, patient identification, verbal orders, handwashing compliance & falls prevention

**25** Clinical Quality Parameters

**AQP**  
Apollo Quality Programme

**ACE @25**  
Apollo Clinical Excellence score card

**RACE**  
Balanced score card for COEs

**20** Parameter Monitoring Dashboard

Parameters involve complication rates. Morality rates, infection rates & ALOS after major procedures, compared with international benchmarks

25 Policies covering clinical care, nursing care, managerial processes & infrastructural requirements

**ACPP**  
Apollo Clinical Policies, Plans & Procedures

**AMR**  
Apollo Morality Review

**AIRS**  
Apollo Incident Reporting System

Monitoring Systems

Standardized methodology of identifying deaths in hospital with potential to have resulted from an error through trigger criteria. Systematic peer review through a checklist & categorization to identify preventable deaths

Mechanism for tracking incidents that pose a safety risk to patients

Apollo benchmarks its practices with the best hospitals in the world to ensure the highest quality clinical standards.



**04**

**STRONG FINANCIAL &  
OPERATING TRACK RECORD**

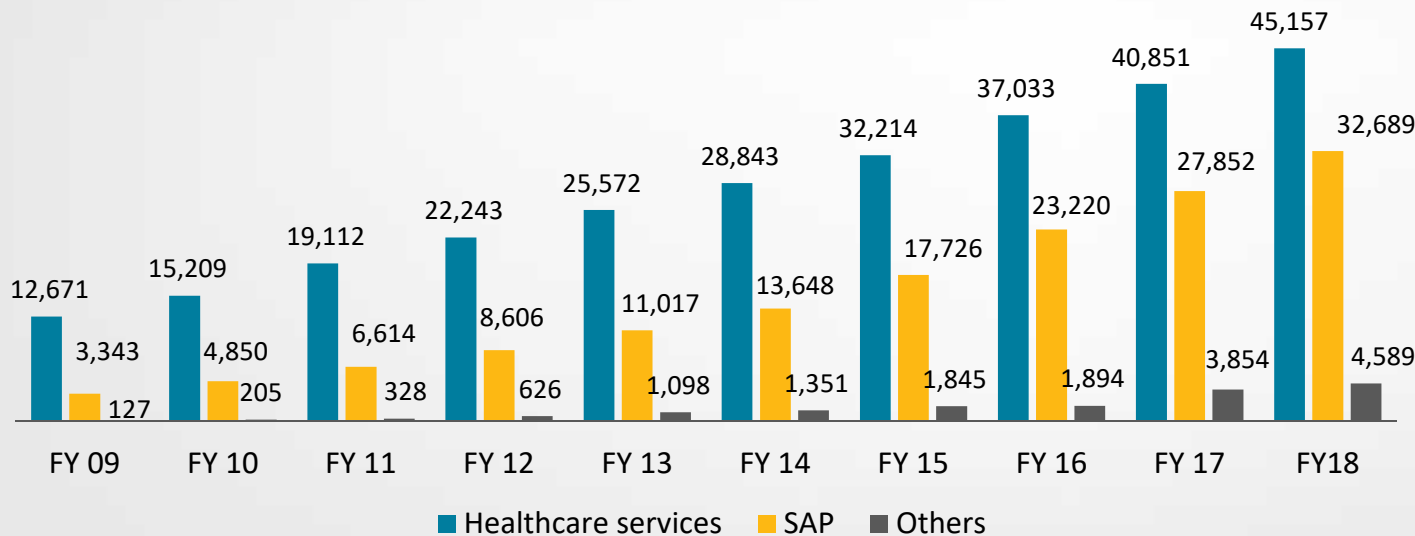


# PROVEN TRACK RECORD OF CONSISTENT GROWTH AND PROFITABILITY (1/2)

Strong growth in revenues across businesses driven by strong operating performance

## Total Consolidated Revenues <sup>(1)</sup> (₹ Mn)

|                       |                  |     |
|-----------------------|------------------|-----|
| Healthcare Services   | CAGR (FY13 – 18) | 12% |
| Standalone Pharmacies | CAGR (FY13 – 18) | 24% |



### Healthcare services

- Strong continued revenue growth in mature clusters aided by focus on Key centers of Excellence
- New Hospitals – Robust revenue growth driven by volumes across specialties

### Standalone Pharmacies:

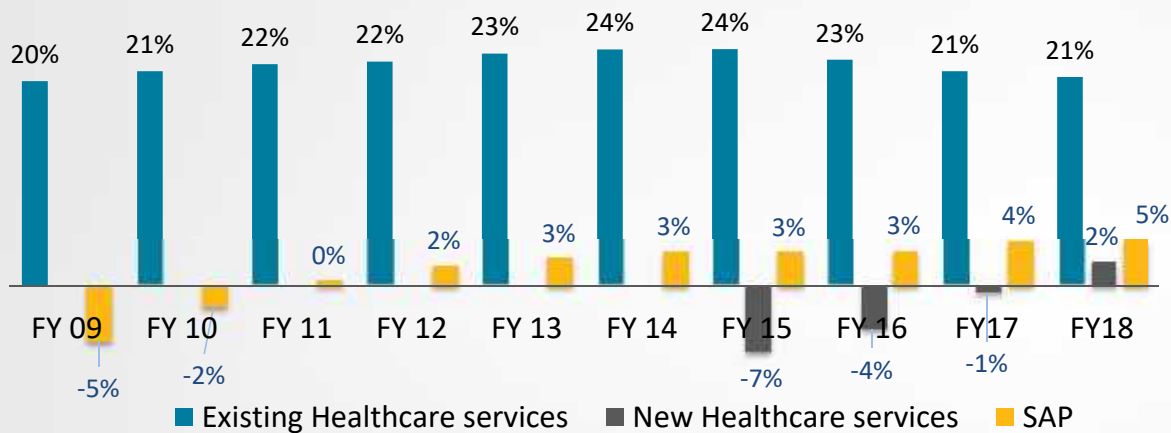
- Strong Revenue growth aided by **LFL growth in existing stores of over 10%** and consistent and calibrated store additions every year.

(1) Revenue is net of fees paid to fee-for-service consultants in Hospitals  
 Others segment above includes AHLL & Apollo Munich till FY15 and post that only AHLL as Apollo Munich is not consolidated.  
 Source: Company audited financials



# PROVEN TRACK RECORD OF CONSISTENT GROWTH AND PROFITABILITY (2/2)

## Segment wise EBITDA Margins (%)



Consolidated reported EBITDA includes 3 separate businesses with different margin profiles; Healthcare Services (55% of total Revenues), Standalone Pharmacies (39% of total Revenues) and Retail Healthcare (AHLL) (6%).

Standalone Pharmacies which has an inherent margin profile of 5-7% as compared to 20%-24% for Healthcare Services has been increasing over the past 3-4 years.

In addition AHLL which represents the Company's foray into Retail Healthcare business is in its formative years & expected to breakeven by Q2FY20.

Source: Company audited financials

**13 New hospitals with 2,400+** beds added in the last few years with over ₹ 2,000 crs of Capital employed will contribute meaningfully to EBITDA over the next 3-4 years.

Mature Hospitals **EBITDA margin expansion of 200-300 bps** over the next 3 years.





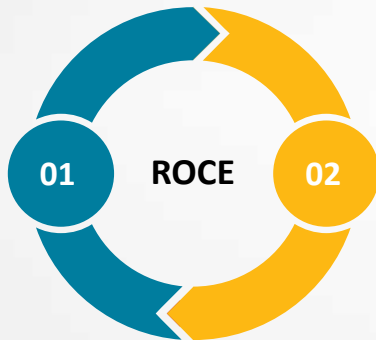
# HEALTHY RETURNS ON THE CAPITAL EMPLOYED IN THE BUSINESS

## Steady Improvement in Return on Capital Employed (ROCE)

### Efficiency (Asset Turnover)

#### Efficient use of capital

- Lower investment per bed
- Strong project execution capabilities
- Higher utilization of key facilities & equipments
- Quick ramp up of new hospitals— increasing patient flow & occupancy



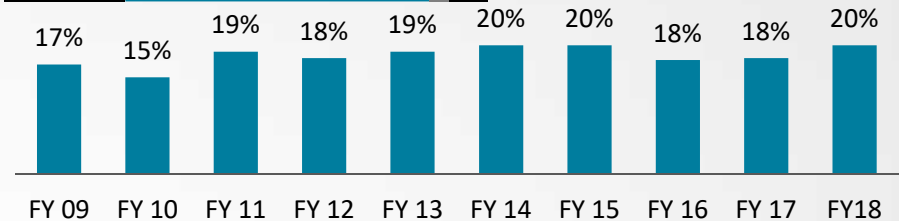
### Profitability

#### Higher revenue & profitability

- Balanced out-patient & in-patient mix
- Reduced ALOS
- Increasing ARPOB
- Improving case mix

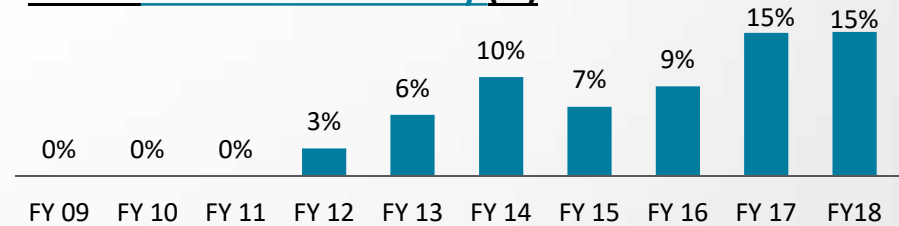
Source: Company audited financials

### ROCE - Healthcare Services (%)<sup>#</sup>

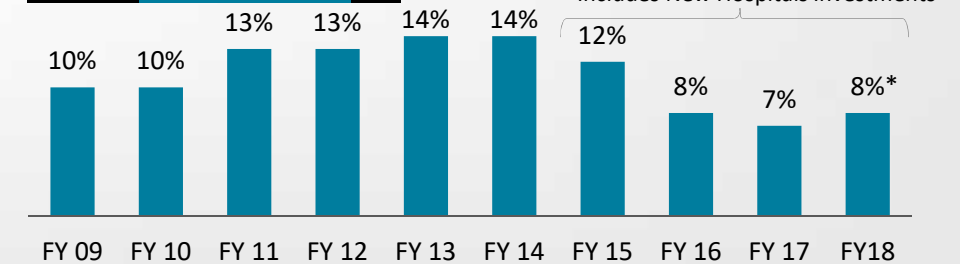


ROCE of healthcare services excludes new hospitals (Vanagaram, Jayanagar, Trichy, Nashik, Karapakkam, W&C SMR, Nellore, OMR, Vizag new, Malleswaram & Navi Mumbai) as their contribution to EBIT is yet to be realised. New hospitals Capital employed of Rs 18,316 mn as of Mar 18.

### ROCE - Standalone Pharmacy (%)



### ROCE - Consolidated (%)<sup>#</sup>



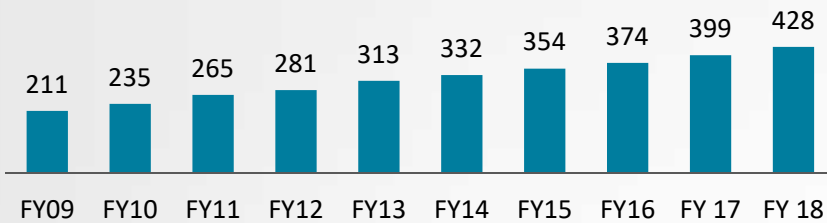
\* FY 18 ROCE (excluding capital employed of New Hospitals and Clinics) is at 17%

# Excludes CWIP & Investments in liquid mutual funds

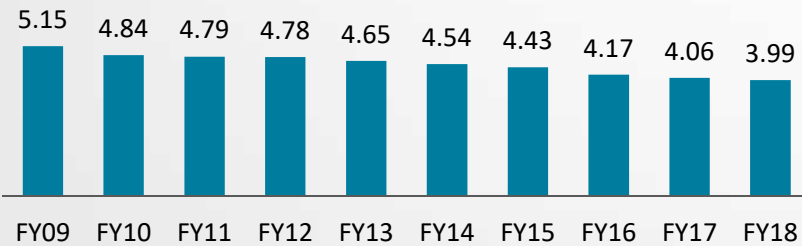


# HEALTHCARE SERVICES: STRONG OPERATING METRICS (1/2)

## In-patient Admissions (₹ 000)



## Average Length of Stay (Days)<sup>(3)</sup>



Note: All operating data for owned hospitals.

(1) Bed Occupancy Rate: Total Occupied Bed Days/Total Operating Bed Days. Represents % of available hospital beds occupied by patients.

(2) Excludes our hospitals located outside India.

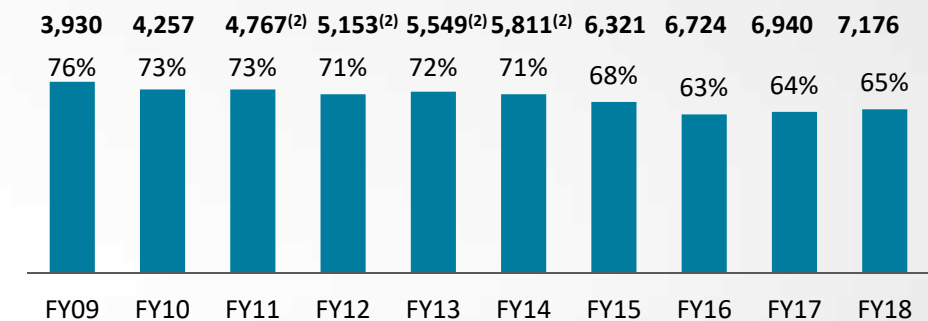
(3) ALOS represents average number of days patients stay in our hospitals.

(4) ARPOB (Net of doctor fees): Total Hospital Revenue/Patient Days (Total Occupancy in Numbers (Average Daily Census) x No of days).

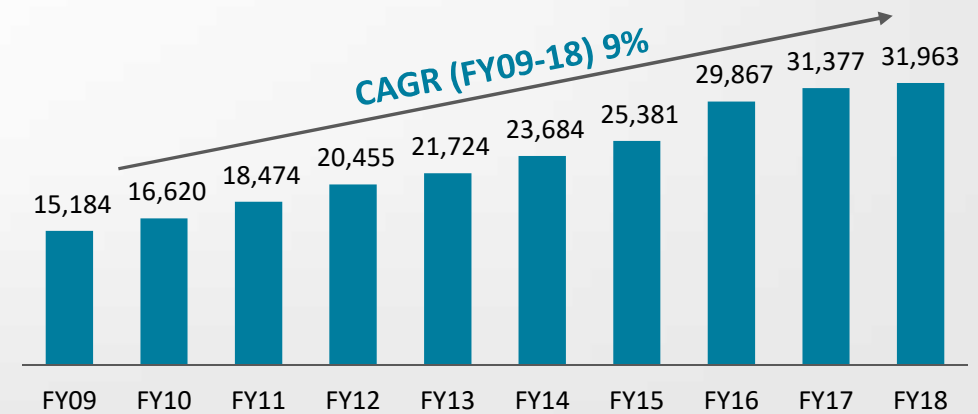
Source: Company MIS reports

## Bed Occupancy Rate<sup>(1)</sup> %

### Operating Beds



## Average Revenue Per Occupied Bed<sup>(4)</sup> ARPOB (₹/Day)





## HEALTHCARE SERVICES: STRONG OPERATING METRICS (2/2)

### Operational Highlights

**Occupancy rates remain high despite bed additions**

- Growth of in-patient volumes in line with addition of beds
- New hospitals are ramping up quickly

**Average length of stay (ALOS) has reduced across the portfolio**

- Reduced in mature hospitals due to advancement in treatments
- Increase in minimally – invasive procedures

**Average revenue per occupied bed (ARPOB) has grown at a healthy CAGR of 9.3% over the last 9 years**

- Culmination of high occupancy, higher realizations, better case mix & decreasing ALOS

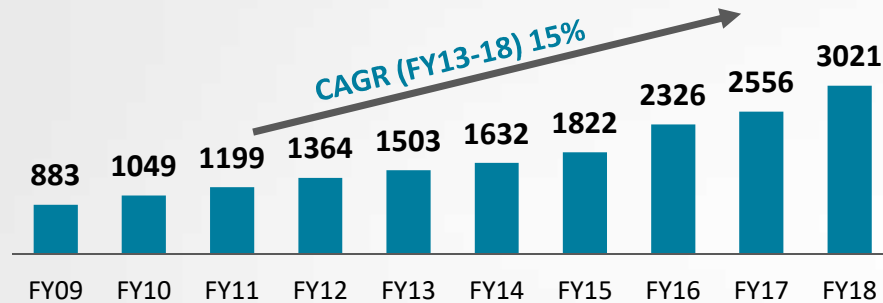


# STANDALONE PHARMACIES: CAPTURING THE GROWTH POTENTIAL

India's largest organized pharmacy retail chain with a network of 3,167 stores.

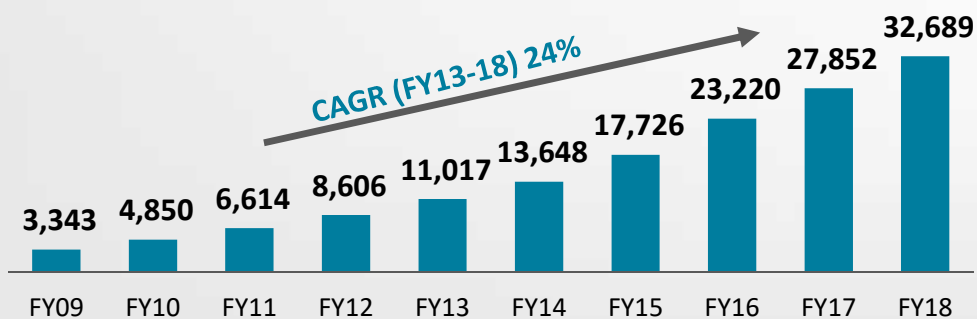
## Number of Standalone Pharmacies

Calibrated rollout



## Financial Performance – Revenue (₹ Mn)

Consistent growth



Source: Company audited financials and MIS reports

## Performance Highlights

- Presence in metro centers such as **Hyderabad, Chennai, Bengaluru, Pune, Ahmedabad** and **NCR regions**
- Offers a wide range of medicines and surgical products, hospital consumables and over-the-counter products
- Own brand private labels (FMCG & OTC drugs) constitutes over **6%** of FY18 turnover. Target to increase to over **12%** in next **5** years
- EBITDA margin of 5.3% in Q2 FY19. Mature stores (pre FY 12 batch) EBITDA margin of 7.5% in Q2FY19
- ROCE of 18% (H1FY19) with potential to improve to over 30% in the next 5 years.



# H1 FY 19: FINANCIAL PERFORMANCE (1/6)

## Standalone Financials (₹ Mn)

|                                 | H1 FY 18      | H1 FY 19      | yoy (%)       |
|---------------------------------|---------------|---------------|---------------|
| Revenue                         | 34,635        | 40,005        | 15.5%         |
| Operative Expenses              | 18,311        | 21,099        | 15.2%         |
| Employee Expenses               | 5,442         | 6,072         | 11.6%         |
| Administrative & Other Expenses | 6,936         | 7,989         | 15.2%         |
| Total Expenses                  | 30,689        | 35,160        | 14.6%         |
| <b>EBITDA</b>                   | <b>3,945</b>  | <b>4,845</b>  | <b>22.8%</b>  |
| <i>margin (%)</i>               | <i>11.39%</i> | <i>12.11%</i> | <i>72 bps</i> |
| Depreciation                    | 1311          | 1463          | 11.6%         |
| <b>EBIT</b>                     | <b>2,634</b>  | <b>3,382</b>  | <b>28.4%</b>  |
| <i>margin (%)</i>               | <i>7.61%</i>  | <i>8.45%</i>  | <i>85 bps</i> |
| Financial Expenses              | 1142          | 1281          | 12.2%         |
| Other Income                    | -8            | 20            | -347.5%       |
| Profit Before Tax               | 1484          | 2121          | 42.9%         |
| <b>Profit After Tax</b>         | <b>1,061</b>  | <b>1,392</b>  | <b>31.1%</b>  |
| <i>margin (%)</i>               | <i>3.06%</i>  | <i>3.48%</i>  | <i>41 bps</i> |

|  |  |               |  |
|--|--|---------------|--|
| <b>Total Debt</b>  |  | <b>32,219</b> |  |
| <b>Cash &amp; Cash equivalents (includes investment in liquid funds)</b> |  | <b>2,581</b>  |  |

Revenues of ₹ 40,005 mn, 15.5% yoy growth  
 EBITDA at ₹ 4,845 mn, 22.8% yoy growth  
 PAT at ₹ 1,392 mn, 31.1% yoy growth

## Consolidated Financials (₹ Mn)

|                   | H1 FY 18     | H1 FY 19      | yoy (%)        |
|-------------------|--------------|---------------|----------------|
| Total Revenues    | 39,965       | 46,052        | 15.2%          |
| EBITDA            | 3,894        | 5,042         | 29.5%          |
| <i>margin (%)</i> | <i>9.74%</i> | <i>10.95%</i> | <i>121 bps</i> |
| EBIT              | 2,216        | 3,171         | 43.13%         |
| <i>margin (%)</i> | <i>5.54%</i> | <i>6.89%</i>  | <i>134 bps</i> |
| Profit After Tax  | 497          | 969           | 94.88%         |

|  |  |               |  |
|--|--|---------------|--|
| <b>Total Debt</b>  |  | <b>36,556</b> |  |
| <b>Cash &amp; Cash equivalents (includes investment in liquid funds)</b> |  | <b>4,367</b>  |  |

Revenue of ₹ 46,052 mn, 15.2% yoy growth  
 Consolidated EBITDA at ₹ 5,042 mn, 29.5% yoy growth  
 Consolidated PAT at ₹ 969 mn



# H1 FY 19: SEGMENT-WISE PERFORMANCE (2/6)

## Standalone Financials (₹mn)

|                   |                | Healthcare Services<br>(Existing) | New Hospitals | Healthcare Services<br>(Total) | SAP    | Standalone |
|-------------------|----------------|-----------------------------------|---------------|--------------------------------|--------|------------|
| H1 FY 19          | Hospitals      | 21                                | 11            | 32                             |        |            |
|                   | Operating beds | 3,301                             | 1,464         | 4,765                          |        |            |
|                   | Occupancy      | 67%                               | 57%           | 64%                            |        |            |
|                   | Revenue        | 16,928                            | 4,519         | 21,447                         | 18,558 | 40,005     |
|                   | EBITDAR        | 4,009                             | 446           | 4,455                          | 1,658  | 6,113      |
|                   | margin (%)     | 23.7%                             | 9.9%          | 20.8%                          | 8.9%   | 15.3%      |
|                   | EBITDA         | 3,665                             | 255           | 3,920                          | 925    | 4,845      |
|                   | margin (%)     | 21.7%                             | 5.6%          | 18.3%                          | 5.0%   | 12.1%      |
|                   | EBIT           | 2,859                             | -230          | 2,629                          | 753    | 3,382      |
|                   | margin (%)     | 16.9%                             |               | 12.3%                          | 4.1%   | 8.5%       |
| H1 FY 18          | Hospitals      | 21                                | 11            | 32                             |        |            |
|                   | Operating beds | 3,304                             | 1,340         | 4,644                          |        |            |
|                   | Occupancy      | 67%                               | 52%           | 62%                            |        |            |
|                   | Revenue        | 15,507                            | 3,680         | 19,187                         | 15,447 | 34,635     |
|                   | EBITDAR        | 3,580                             | 198           | 3,778                          | 1,234  | 5,013      |
|                   | margin (%)     | 23.1%                             | 5.4%          | 19.7%                          | 8.0%   | 14.5%      |
|                   | EBITDA         | 3,265                             | 3             | 3,269                          | 677    | 3,945      |
|                   | margin (%)     | 21.1%                             | 0.1%          | 17.0%                          | 4.4%   | 11.4%      |
|                   | EBIT           | 2,541                             | -436          | 2,105                          | 529    | 2,634      |
|                   | margin (%)     | 16.4%                             |               | 11.0%                          | 3.4%   | 7.6%       |
| <b>YOY Growth</b> |                |                                   |               |                                |        |            |
| Revenue Growth    |                | 9.2%                              | 22.8%         | 11.8%                          | 20.1%  | 15.5%      |
| EBITDAR Growth    |                | 12.0%                             | 124.9%        | 17.9%                          | 34.4%  | 22.0%      |
| EBITDA Growth     |                | 12.3%                             |               | 19.9%                          | 36.7%  | 22.8%      |
| EBIT Growth       |                | 12.5%                             |               | 24.9%                          | 42.4%  | 28.4%      |

# H1 FY 19: SEGMENT-WISE PERFORMANCE (3/6)



## Consolidated Financials (₹mn)

|                   |                | Healthcare Serv Group (Existing) | Healthcare Serv Group (New & Others) | Healthcare Serv Group (Total) | SAP    | AHLL (incl Cradle) | Consol |
|-------------------|----------------|----------------------------------|--------------------------------------|-------------------------------|--------|--------------------|--------|
| H1 FY 19          | Hospitals      | 30                               | 13                                   | 43                            |        |                    |        |
|                   | Operating beds | 5404                             | 1,777                                | 7,181                         |        |                    |        |
|                   | Occupancy      | 69%                              | 61%                                  | 67%                           |        |                    |        |
|                   | Revenue        | 19,037                           | 5,658                                | 24,694                        | 18,558 | 2,800              | 46,052 |
|                   | EBITDAR        | 4,466                            | 587                                  | 5,053                         | 1,658  | 50                 | 6,762  |
|                   | margin (%)     | 23.5%                            | 10.4%                                | 20.5%                         | 8.9%   |                    | 14.7%  |
|                   | EBITDA         | 4,087                            | 365                                  | 4,452                         | 925    | -335               | 5,042  |
|                   | margin (%)     | 21.5%                            | 6.4%                                 | 18.0%                         | 5.0%   |                    | 10.9%  |
|                   | EBIT           | 3,125                            | -153                                 | 2,972                         | 753    | -554               | 3,171  |
|                   | margin (%)     | 16.4%                            |                                      | 12.0%                         | 4.1%   |                    | 6.9%   |
| H1 FY 18          | Hospitals      | 30                               | 13                                   | 43                            |        |                    |        |
|                   | Operating beds | 5,377                            | 1,637                                | 7,014                         |        |                    |        |
|                   | Occupancy      | 67%                              | 57%                                  | 65%                           |        |                    |        |
|                   | Revenue        | 17,675                           | 4,631                                | 22,306                        | 15,447 | 2,212              | 39,965 |
|                   | EBITDAR        | 3,994                            | 305                                  | 4,299                         | 1,234  | -135               | 5,399  |
|                   | margin (%)     | 22.6%                            | 6.6%                                 | 19.3%                         | 8.0%   |                    | 13.5%  |
|                   | EBITDA         | 3,647                            | 83                                   | 3,731                         | 677    | -514               | 3,894  |
|                   | margin (%)     | 20.6%                            | 1.8%                                 | 16.7%                         | 4.4%   |                    | 9.7%   |
|                   | EBIT           | 2,776                            | -385                                 | 2,391                         | 529    | -704               | 2,216  |
|                   | margin (%)     | 15.7%                            |                                      | 10.7%                         | 3.4%   |                    | 5.5%   |
| <b>YOY Growth</b> |                |                                  |                                      |                               |        |                    |        |
| Revenue Growth    |                | 7.7%                             | 22.2%                                | 10.7%                         | 20.1%  | 26.6%              | 15.2%  |
| EBITDAR Growth    |                | 11.8%                            | 92.3%                                | 17.5%                         | 34.4%  |                    | 25.2%  |
| EBITDA Growth     |                | 12.0%                            |                                      | 19.3%                         | 36.7%  |                    | 29.5%  |
| EBIT Growth       |                | 12.6%                            |                                      | 24.3%                         | 42.4%  |                    | 43.1%  |



# H1 FY 19: HOSPITAL CLUSTER - WISE OPERATIONAL PERFORMANCE (4/6)

| Particulars                              | Total <sup>(8)</sup> |          |         | Tamilnadu Region<br>(Chennai & others) <sup>(1)</sup> |          |         | AP, Telangana Region<br>(Hyderabad & others) <sup>(2)</sup> |          |         |
|--|----------------------|----------|---------|---|----------|---------|---|----------|---------|
|  | H1 FY 18             | H1 FY 19 | yoy (%) | H1 FY 18  | H1 FY 19 | yoy (%) | H1 FY 18  | H1 FY 19 | yoy (%) |
| No. of Operating beds                    | 7,014                | 7,181    |         | 2,107   | 2,120    |         | 1,364   | 1,344    |         |
| Inpatient volume                         | 2,13,070             | 2,23,623 | 5.0%    | 62,409  | 62,657   | 0.4%    | 37,761  | 38,877   | 3.0%    |
| Outpatient volume <sup>(6)</sup>         | 7,19,657             | 7,83,283 | 8.8%    | 2,48,700  | 2,73,809 | 10.1%   | 1,20,027  | 1,27,410 | 6.2%    |
| Inpatient ALOS (days)                    | 3.92                 | 3.95     |         | 3.54  | 3.54     |         | 4.06  | 4.01     |         |
| Bed Occupancy Rate (%)                   | 65%                  | 67%      |         | 57%   | 57%      |         | 61%   | 63%      |         |
| Inpatient revenue (₹ mio)                | NA                   | NA       |         | 6,629   | 7,230    | 9.1%    | 3,826   | 4,143    | 8.3%    |
| Outpatient revenue (₹ mio)               | NA                   | NA       |         | 2,281   | 2,568    | 12.6%   | 726   | 831      | 14.5%   |
| ARPOB (₹ /day) <sup>(7)</sup>            | 31,875               | 33,703   | 5.7%    | 40,317  | 44,194   | 9.6%    | 29,680  | 31,903   | 7.5%    |
| Total Net Revenue (₹ mio) <sup>(7)</sup> | NA                   | NA       |         | 8,909   | 9,798    | 10.0%   | 4,551   | 4,974    | 9.3%    |

## Notes:

(1) Tamilnadu region includes Chennai hospitals, Madurai, Karur, Karaikudi, Trichy & Nellore.

(2) AP, Telangana Region includes Hyderabad, Karimnagar, Vizag old, Vizag new & Kakinada.

(3) Karnataka region includes Bangalore, Mysore, Jayanagar & Malleswaram.

(4) Others include Bhubaneswar, Bilaspur, Nashik & Navi Mumbai.

(5) Significant Hospital JVs/Subs/Associates are – Ahmedabad, Kolkata, Delhi, Indore & Assam (full revenues shown in table above).

(6) Outpatient volume represents New Registrations only.

(7) Revenues under Ind AS have been grossed up for Fixed fee Doctors & considered separately as operating cost. This was earlier being netted off from Revenues under Indian GAAP.

(8) Revenues under the head “Total” have not been provided as Consolidated actual results will differ from total due to proportionate consolidation.

\* Inpatient volumes are based on discharges.





# H1 FY 19: HOSPITAL CLUSTER - WISE OPERATIONAL PERFORMANCE (5/6)

| Particulars                              | Karnataka Region<br>(Bangalore & others) <sup>(3)</sup> |          |         | Others <sup>(4)</sup> |          |         | Significant Subs/JVs/associates <sup>(5)</sup> |          |         |
|--|---|----------|---------|-----------------------|----------|---------|--|----------|---------|
|  | H1 FY 18  | H1 FY 19 | yoy (%) | H1 FY 18              | H1 FY 19 | yoy (%) | H1 FY 18                                       | H1 FY 19 | yoy (%) |
| No. of Operating beds                    | 717   | 756      |         | 841                   | 910      |         | 1,985  | 2,051    |         |
| Inpatient volume                         | 27,126  | 25,590   | -5.7%   | 25,456                | 32,316   | 26.9%   | 60,318   | 64,183   | 6.4%    |
| Outpatient volume <sup>(6)</sup>         | 73,745  | 71,456   | -3.1%   | 58,957                | 73,317   | 24.4%   | 2,18,228                                       | 2,37,291 | 8.7%    |
| Inpatient ALOS (days)                    | 3.59  | 3.71     |         | 4.26                  | 4.15     |         | 4.24   | 4.32     |         |
| Bed Occupancy Rate (%)                   | 74%   | 69%      |         | 70%                   | 81%      |         | 70%  | 74%      |         |
| Inpatient revenue (₹ mio)                | 2,537   | 2,707    | 6.7%    | 1,925                 | 2,664    | 38.4%   | 6,270  | 6,885    | 9.8%    |
| Outpatient revenue (₹ mio)               | 428   | 486      | 13.5%   | 355                   | 486      | 36.9%   | 1,496  | 1,707    | 14.1%   |
| ARPOB (₹ /day) <sup>(7)</sup>            | 30,426  | 33,637   | 10.6%   | 21,037                | 23,465   | 11.5%   | 30,347   | 31,003   | 2.2%    |
| Total Net Revenue (₹ mio) <sup>(7)</sup> | 2,965   | 3,193    | 7.7%    | 2,280                 | 3,150    | 38.1%   | 7,767  | 8,592    | 10.6%   |

#### Notes:

- (1) Tamilnadu region includes Chennai hospitals, Madurai, Karur, Karaikudi, Trichy & Nellore.
- (2) AP, Telangana Region includes Hyderabad, Karimnagar, Vizag old, Vizag new & Kakinada.
- (3) Karnataka region includes Bangalore, Mysore, Jayanagar & Malleswaram.
- (4) Others include Bhubaneswar, Bilaspur, Nashik & Navi Mumbai.
- (5) Significant Hospital JVs/Subs/Associates are – Ahmedabad, Kolkata, Delhi, Indore & Assam (full revenues shown in table above).
- (6) Outpatient volume represents New Registrations only.
- (7) Revenues under Ind AS have been grossed up for Fixed fee Doctors & considered separately as operating cost. This was earlier being netted off from Revenues under Indian GAAP.
- (8) Revenues under the head “Total” have not been provided as Consolidated actual results will differ from total due to proportionate consolidation.

\* Inpatient volumes are based on discharges.

# H1 FY 19: STANDALONE PHARMACY OPERATIONAL PERFORMANCE (6/6)



## H1FY19 Revenues

₹ 18,558 mn  
20% yoy growth

## EBITDA

|          |          |
|----------|----------|
| ₹ 925 mn | ₹ 677 mn |
| H1 FY 19 | H1 FY 18 |

## EBITDA Margins

|          |          |
|----------|----------|
| 5.0%     | 4.4%     |
| H1 FY 19 | H1 FY 18 |

## # of Stores 30 Sep 18

|          |        |       |
|----------|--------|-------|
| H1 FY 19 | Added  | 182   |
|          | Closed | 36    |
|          | Total  | 3,167 |

Gross addition of  
**109** stores  
And closed  
**27** in Q2 FY 19

**SAP** revenue  
grew by **20%**  
EBITDA grew by  
**37%**

ROCE  
**>30%**  
Mature stores  
Pre FY12 batch.

Overall ROCE of  
**18%** for entire  
business  
segment

## Like-for-like Revenue per store growth

6% (yoy)  
Pre FY12  
Batch

EBITDA margins  
**7.4%**  
Mature stores  
upto FY12 batch

| Batch                      | Particulars     | H1 FY 18 | H1 FY 19 | yoy (%) |
|----------------------------|-----------------|----------|----------|---------|
| Upto FY 12 Batch           | No of Stores    | 1,133    | 1,118    |         |
|                            | Revenue/store   | 7.26     | 7.68     | 5.9%    |
|                            | EBITDA /store   | 0.49     | 0.57     | 15.6%   |
|                            | EBITDA Margin % | 6.7%     | 7.4%     | 62 bps  |
| FY 13 to FY 15 Batch       | No of Stores    | 624      | 617      |         |
|                            | Revenue/store   | 5.94     | 6.58     | 10.7%   |
|                            | EBITDA /store   | 0.27     | 0.40     | 45.4%   |
|                            | EBITDA Margin % | 4.6%     | 6.1%     | 145 bps |
| Total                      | No. of Store    | 2,742    | 3,167    |         |
|                            | Revenue / Store | 5.63     | 5.86     | 4.0%    |
|                            | EBITDA / Store  | 24.7%    | 29.2%    | 18.4%   |
|                            | EBITDA Margin % | 4.4%     | 5.0%     | 60 bps  |
|                            | Total Revenues  | 15,447   | 18,558   | 20.1%   |
|                            | EBITDA          | 677      | 925      | 36.7%   |
|                            | EBITDA Margin % | 4.4%     | 5.0%     | 60 bps  |
| Capex (Rs Mio)             |                 | 210      | 375      |         |
| Capital Employed ( Rs Mio) |                 | 6,859    | 8,537    |         |
| Total ROCE %               |                 | 15.4%    | 17.6%    | 223 bps |
| Total No. of Employees     |                 | 17,943   | 21,224   |         |



**05**

**WELL-POSITIONED TO  
ACCELERATE**



# CAPACITISED FOR GROWTH

## Mature Hospitals

- 30 Hospitals, including units in Major Tier 1 cities (Chennai, Bangalore, Hyderabad, Delhi, Kolkata)
- **5,910 Capacity Beds, 5,404 Operational Beds; 69% occupancy**
- H1FY19 Performance: ₹ 19,037 Mn Consolidated Revenue;
- 8% YOY Revenue Growth, and > 21% EBITDA Margins in H1 FY 19.

- **Potential to accelerate - 8-10% CAGR Revenue Growth, with 22-24% EBITDA Margins over next three years**

## New Hospitals

- 13 Hospitals, including units in Major Tier 1 cities (Mumbai, Chennai, Bangalore) and hospitals in Tier 2 Cities (Trichy, Nashik, Nellore, Vizag)
- **2,443 Capacity Beds, 1,777 Operational Beds; 61% occupancy**
- H1FY19 Performance: ₹ 5,658 Mn Revenue ;
- 22% YOY Revenue Growth in H1 FY 19.

- **Potential to grow revenues at 20% CAGR for next 3 years with 15% EBITDA Margin potential.**

## Approach →

### Mature Units

- Optimising beds and equipment (asset utilisation)
- Steady Growth and Market Share

### New Units – Tier 1 cities

- Growth Impetus
- Strong market positioning in select specialties

### New Units – Tier 2 cities

- Occupancy and Revenue Growth Impetus
- Strong EBITDA performance



## ELEMENTS OF STRATEGY (1/2)

### Cluster strategy in Tier 1 locations

- **4,536 operational beds (5,256 capacity beds) in Tier I cities. Plan to add 700 beds by FY22.**
- **Ensure continued dominance by expanding into key existing clusters** of Chennai, Bangalore, Hyderabad, Kolkata, Delhi and Ahmedabad
- **Planned expansion in metros like Mumbai & Bangalore** – reaching to wider urban population

### Grow laterally in high potential Tier II Cities

- **2,645 operational beds (3,097 capacity beds) in Tier II cities.** Plans to add 400 beds over next three years by Brownfield & Bolt-on acquisitions.
- **Specialty care** with integrated rehab at **lower cost** than Tier I
- Combination of **Secondary and tertiary care** anchored around CONECT
- Strong **ICU focus** combined with holistic medical care not available at nursing homes
- Given the growth forecast in Urban Rich and Urban middle class, our focus is on **selectively expanding into Tier II Urbanized cities**

### Consolidate Retail Healthcare

- Increase utilisation of existing network of **Cradle and Day surgery centers**. Enhance capabilities and network in the IVF segment, through Dr-partnership model and increased penetration in Insurance segment.
- Expand **Clinics' business** through a franchisee model. Services to focus on Preventive care and Chronic disease management.
- Grow **Diagnostic's business** in South & East India, with a focus on B2C segment.

### Calibrated expansion in Standalone Pharmacies

- **Standalone pharmacy business** - Calibrated expansion plans with focus on same store growth, increased private label sales and margin improvement
  - **Mature stores same store Revenue growth at 10%+**
  - Focus on **increasing private label sales** - Target 20% of Revenues
  - Plan to **expand overall EBIDTA margin to 6%** over the next 3 years
  - Margin improvement (RoCE of 25% to 30%)



## ELEMENTS OF STRATEGY (2/2)

### Focus on Centers of Excellence with one or two anchor specialties in each market. Oncology – a growing area across.

- Each of our key clusters besides being built around a quaternary care hospital, focus on one or two key specialties and build centers of excellence around that specialty
- Aim to gain significant market share in each of the key specialties
- Set benchmark standards in clinical outcomes, technology and practices in select acute and tertiary care services – **Cardiology, Oncology, Neurosciences, Critical Care, Orthopedics and Transplants (CONNECT)**
- Extend and expand our oncology presence both thru specialization and exclusive oncology referral hospitals in the cluster **200 bedded Cancer referral center under construction in Chennai with Proton Therapy**

### Strong Doctor engagement Model and use of technology – guided by our Clinical excellence focus

- **Doctor engagement and Clinical focus probably is one of our core strengths.** Doctor engagement model to be based on building group practice in key specialties with combination of incentives based on revenue share/ profit share
- **Pioneers in use of technology to build robust health care systems** capable of addressing diverse patient needs and changing disease profile – Da Vinci Robotics in 4 locations, Truebeam , NOVALIS, Cyber Knife, PET-CT, PET-MRI, ECMO, E-ICU etc.

### Optimise Asset Utilisation in flagship facilities & locations

- **Enhance Out-Patients focus** by creating value differentiators and leveraging on personalised health checks advantage with the aim of increasing topline contribution from out-patients
- **Garner higher market share in select acute and tertiary care services**
- Specific plan to further penetrate deeper into **Cardiology, Neurosciences & Oncology**
- **Focus on time-to-serve and service standards**

### Cost Efficiencies and Focus on Improving Key Operating Metrics

- **Optimised asset utilisations and minimum waste** of all resources through standardised SOP's and Lean Management
- Higher patient turnover by **reducing average length of stay** and optimised ward processes for faster turnaround time of all diagnostic process
- Improving **average revenue per bed day** through richer case mix



**06**

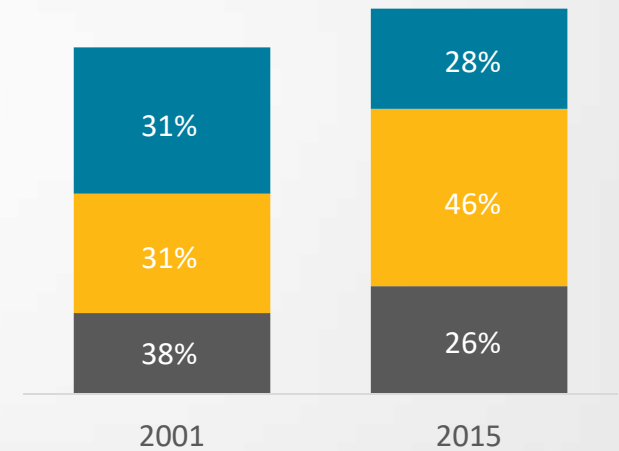
## **ANCHORED FOR THE FUTURE**



# WHILE SEVERAL CHALLENGES LIE AHEAD.....



...Demographic and economic trends, coupled with advancing technologies, have significant implications for how hospitals of the future will be staffed, sized, and designed. For example, more health care services are taking place in outpatient settings and in the home.



- Hospital inpatient services
- Outpatient services and long-term care
- Other (Includes drug spending and government services)

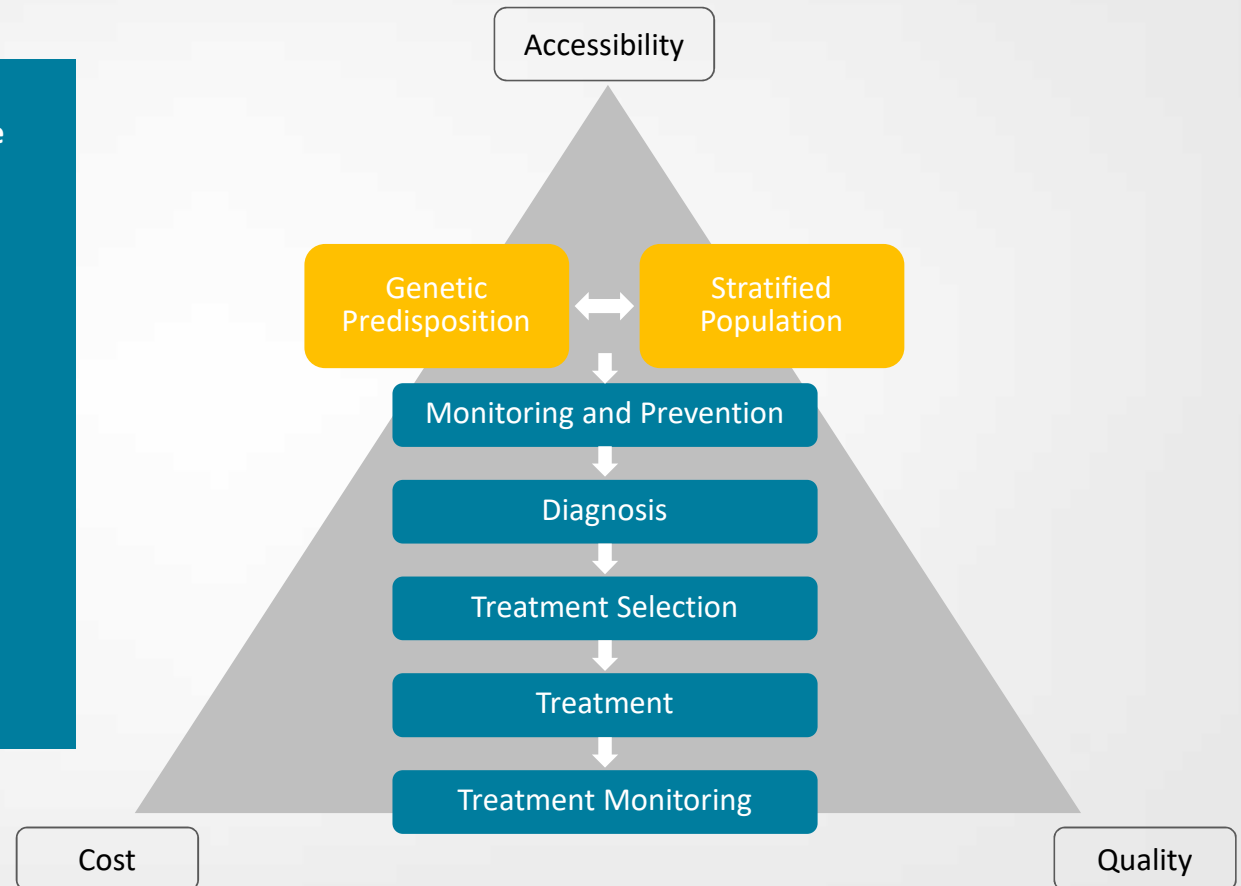
Source: Global Healthcare Outlook Study 2018 , Deloitte





# APOLLO HOSPITALS IS BUILDING THE HOSPITAL OF TOMORROW, TODAY

- Trend of increasing **Day Surgeries and Minimally Invasive Procedures**, which involve lower ALOS is expected to continue
- Advances in treatment methods and technology has meant that previously mandated IP admissions can now be done in Ambulatory settings
- AHEL well-positioned to ride this trend, by continuing **clinical superiority, technology investments and hospital design changes** to provide a unique patient experience (e.g. Radial Angio)
- Stand-Alone Day Surgery Centres will also strengthen our capability in this space
- These will be **high-margin services**, and will free up IP beds for complex care cases.





# POWERFUL DIGITAL PLAY

## “Direct to Patients” mHealth Platform



## Artificial Intelligence and Predictive Health

- Partnership with Microsoft to develop and deploy new AI and machine learning models to predict patient risk for heart disease and assist doctors on treatment plans.
- Deployed IBM Watson for Oncology and Genomics, which leverages cognitive computing to provide insights to oncologists
- Launched the Apollo online expert opinion service for Oncology, which will provide convenient, affordable access to Tumour Board Experts in 24 hrs.
- Partnership with Google India to launch a new feature in its Search offering called ‘Symptom Search’.

## OneApollo

- Building deep relationships with the Apollo consumer across category – hospitals, pharmacy, clinics, diagnostics
- Unlocking potential for up-sell, cross-sell, and loyalty driven behaviour using advanced analytics
- Tailoring communication with the consumer



# ONE APOLLO



OneApollo Digital is  
Integrating **Apollo's Customer  
interfacing Bus** to ensure  
**High Customer  
Engagement & Life cycle  
Management** across the  
Group



**07**

## **STRONG MANAGEMENT TEAM**



# EXECUTIVE BOARD



**Dr. Prathap C. Reddy**  
**Executive Chairman, Founder**  
(M.D, MBBS, FCCP, FICA and FRCS)

- Conferred the Padma Vibhushan in 2010
- Conferred the Padma Bhushan in 1991
- Spent 33 years with Apollo Hospitals



**Dr. Preetha Reddy**  
**Executive Vice Chairperson**

- On the Board since the year 1989
- 30+ years healthcare experience



**Shobana Kamineni**  
**Executive Vice Chairperson,**

- On the Board since 2010
- 30+ years healthcare experience



**Suneeta Reddy**  
**Managing Director**

- On the Board since the year 2000
- 30+ years healthcare experience



**Sangita Reddy**  
**Joint Managing Director,**

- On the Board since 2000
- Received "Young Manager of the year 1998" award from Hyderabad Management Association
- Was a member of the Prime Minister's delegation to Malaysia organized by the CII



# INDEPENDENT DIRECTORS



**N Vaghul**  
**Independent Director**

- On the Board since 2000
- Previous Chairman of ICICI
- Conferred the Padma Bhushan in 2009



**Sanjay Nayar**  
**Independent Director**

- On the Board since 2014
- India Head of KKR
- Previous India Country Head of Citibank NA



**G Venkataraman**  
**Independent Director**

- On Previous Chief General Manager of Industrial Development Bank of India
- On the Board since 2005



**Dr T Rajgopal**  
**Independent Director**

- On the Board since May 2017
- Vice President, Global Medical and Occupational Health of Hindustan Unilever Ltd



**Vinayak Chatterjee**  
**Independent Director**

- On the Board since 2014
- Chairman of Feedback Infra Pvt Ltd



**Dr Murali Doraiswamy**  
**Independent Director**

- On the Board since Sep 2018
- Professor of Psychiatry & Medicine at Duke University Health System (USA)



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In summary we have over the last 35 years focused consistently on putting the patient at the core of all that we do in the pursuit of clinical excellence and in creating sustainable value for our stakeholders. We ensure strict adherence to business ethics and our governance standards stand exemplar in the industry. With fast changing patient demands, healthcare for the future is going to require evidence based care delivery through sustained process improvement driven by standardization of knowledge assets. We are at the forefront of that journey. We will endeavor to leverage technology proliferation in healthcare to collect, understand and utilize data to improve our care practices. We will continue to empower the consumer through various on-line mechanisms and make it easy for them to take charge of their well being. And we will offer our patients value based care by employing creative

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approaches for care distribution—day surgery, specialty clinics and virtual care centres.

We do not operate in isolation, but rather engage deeply with the larger community towards its well being through several initiatives like SACHi and SAHI which bring healthcare benefits to disadvantaged children and the Billion Hearts Beating campaign which creates public awareness about cardiac health. Our CSR initiatives are founded on the conviction we hold close to our hearts—that life and therefore the human body, is priceless, and every man regardless of his economic background has a right to safeguard it the best way possible. While much still remains to be done, we take pride that we are working towards creating a healthy tomorrow for generations to come.

**THANK YOU**