

HealthCare Global Enterprises Ltd. reports Q1 FY20 results

Revenue for Q1 FY20 of INR 2,689 Million, a growth of 19% (y-o-y) and EBITDA for Q1 FY20 of INR 462 Million, at an EBITDA margin of 17%

Bengaluru, August 8, 2018: HealthCare Global Enterprises Limited (“HCG”), the leader in India in speciality healthcare services focused on oncology, fertility and precision diagnostics today announced its financial results for the quarter (“Q1”) ended June 30 for fiscal year (“FY20”).

Effective 1 April 2019, the Company has adopted IND AS 116 'Leases' standards, applied to lease contracts existing on 1 April 2019. The effect of this adoption have not been retrospectively adjusted for the year ended 31 March 2019 and previous period financials are not comparable.

Highlights for quarter ended June 30th, 2019

- Consolidated Income from Operations (“Revenue”) was **INR 2,689 mn** as compared to **INR 2,266 mn** in the corresponding quarter of the previous year, reflecting a year-on-year increase of **19%**.
- Consolidated Profit Before Depreciation and Amortization, Finance Costs, Exceptional Items and Taxes (“EBITDA”) was **INR 462 mn** including IND AS116 adjustment and **INR 317 mn** excluding IND AS116 adjustment, as compared to **INR 315 mn** in the corresponding quarter of the previous year.
- Consolidated Profit Before Other Income, Depreciation and Amortization, Finance Costs, Exceptional Items and Taxes (“Operating EBITDA”), was **INR 449 mn** including IND AS116 adjustment and **INR 304 mn** excluding IND AS 116 adjustment, as compared to **INR 306 mn** in the corresponding quarter of the previous year.
- Operating EBITDA for existing centers was **INR 491 mn** including IND AS116 adjustment and **INR 394 mn** excluding IND AS116 adjustment, reflecting an Operating EBITDA margin of **17%** excluding IND AS116 adjustment.
- Loss from new centers was **INR 424 mn** including IND AS116 adjustment and **INR 90 mn** excluding IND AS116, as compared to loss of **INR 57 mn** in the corresponding quarter of the previous year.
- Consolidated Profit after Taxes and Minority Interest (“PAT”)⁽⁴⁾ was a loss of **INR 180 mn** including IND AS116 adjustment and loss of **INR 100 mn** excluding IND AS116 adjustment, as compared to loss of **INR 34 mn** in the corresponding quarter of the previous year.

INR million except earnings per share

Period Ended Jun 30	Q1-FY20 As per AS 116	Q1-FY19	Growth (y-o-y)	Q1-FY20 w/o AS 116
Income from Operations	2,689	2,266	18.7%	2,689
Other Income	13	9		13
EBITDA⁽¹⁾	462	315	46.6%	317
<i>EBITDA Margin (%)</i>	<i>17.1%</i>	<i>13.8%</i>		<i>11.7%</i>
Operating EBITDA⁽²⁾	449	306	46.8%	304
<i>EBITDA Margin (%)</i>	<i>16.7%</i>	<i>13.5%</i>		<i>11.3%</i>
PBT⁽³⁾	(228)	(77)	NM	(145)
<i>PBT Margin (%)</i>	<i>-8.5%</i>	<i>-3.4%</i>		<i>-5.4%</i>
PAT⁽⁴⁾	(180)	(34)	NM	(100)
<i>PAT Margin (%)</i>	<i>-6.7%</i>	<i>-1.5%</i>		<i>-3.7%</i>
Earnings Per Share	(2.05)	(0.39)	NM	(1.14)

(1) Profit before depreciation and amortization, finance costs, exceptional items and taxes

(2) EBITDA excluding other income

(3) Profit / (Loss) before tax and share of profit / (loss) of equity accounted investee

(4) Profit / (Loss) for the period after share of profit / (loss) of equity accounted investee, taxes and minority interests

Business Updates for Q1 FY20

- 34% growth in Gujarat as multiple new centres ramp up
 - Presence across 4 cities, now contributes 31% to HCG centers revenues:
 - 78% revenue growth at Bhavnagar driven by ramp up of the new oncology unit
 - Baroda cancer center, launched in May' 2016, clocking double digit EBITDA margin consistently
 - Rajkot center ramping up well with reduction in losses, nearing break-even point
- Continuing strong growth in Maharashtra region, with 25% revenue growth y-o-y:
 - Continued reduction in losses from Borivali and Nagpur new centers
 - Nashik center expansion driving enhancement of specialized service offerings in the region
- Kolkata cancer center launched, offering comprehensive services in an upcoming urban locality
- Positive trend at Milann reflected in growth in registrations, IVF cycles and revenues
- New first of its kind Oncology Information System goes live at Bengaluru - Center of Excellence which will drive digital transformation and set the foundations for data driven analytics and research towards improving clinical outcomes

Commenting on the results, **Dr. B.S. Ajaikumar, Chairman and CEO, HealthCare Global Enterprises Ltd.** said, *“We are pleased to report Q1 FY20 results with continuing growth across our businesses. Our core HCG oncology business continues to get stronger with enhanced presence and scale across attractive markets, at a time when cancer incidences are on a rising trend. Our oncology focused business model is fundamentally robust - clinical and operational excellence, economies of scale and especially with majority capex and investment cycle behind us, we remain excited about the growth prospects for the business, in spite of short-term challenges and negative outlook in the ecosystem for healthcare, industry and economy at large. With strong performance of existing centers as the base foundation, and new centers nearing inflexion point to replicate the existing centers as the future growth drivers, we are positively looking forward towards superior cash flows and return generation from the capital deployed over the last few years. Having created a unique platform across oncology, fertility and precision diagnostics, with Pan-India leadership, we remain committed to driving value creation for all our stakeholders.”*

Earnings Call

The company will conduct a one hour conference call at **5:30 PM IST on Thursday August 08, 2019** where the management will discuss insights about the company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in number for this call is **+91 22 6280 1107 / +91 7045671221**. Other numbers are listed in the conference call invite which is uploaded on the stock exchange and posted on our website.

About HCG Enterprises Ltd.:

HealthCare Global Enterprises Ltd. (HCG), headquartered in Bengaluru, is the largest provider of cancer care in India. Through its network of 19 comprehensive cancer centers across India and Africa, HCG has brought advanced cancer care to the doorstep of millions of people. HCG's comprehensive cancer centers provide expertise and advanced technologies required for the effective diagnosis and treatment of cancer under one roof. HCG has pioneered the introduction and adoption of several technologies in the country including stereotactic radiosurgery, robotic radiosurgery and the use of genomics for personalized treatment of cancer. Under the "Milann" brand, HCG operates 9 fertility centers. **For further information, visit www.hcgel.com or contact: Company Secretary and Compliance Officer: Sunu Manuel, investors@hcgoncology.com**