

HealthCare Global Enterprises Ltd. reports Q2 FY20 results

**Revenue for Q2 FY20 of INR 2,785 Million, a growth of 14% (y-o-y)
and for H1 FY20 of INR 5,473 Million, a growth of 16% (y-o-y)**

**EBITDA for Q2 FY20 of INR 471 Million, a growth of 32% (y-o-y)
and EBITDA for H1 FY20 of INR 933 Million, a growth of 39% (y-o-y)**

Bengaluru, November 7, 2019: 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 (“Q2”) and six months (“H1”) ended September 30, 2019 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 September 30th, 2019

- Consolidated Income from Operations (“Revenue”) was **INR 2,785 mn** as compared to **INR 2,453 mn** in the corresponding quarter of the previous year, reflecting a year-on-year increase of **13.5%**.
- Consolidated Profit Before Depreciation and Amortization, Finance Costs, Exceptional Items and Taxes (“EBITDA”) was **INR 471 mn (INR 340 mn** excluding IND AS116 adjustment), as compared to **INR 358 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 456 mn (INR 325 mn** excluding IND AS 116 adjustment), as compared to **INR 335 mn** in the corresponding quarter of the previous year.
- Operating EBITDA for existing centers was **INR 417 mn** excluding IND AS116 adjustment, reflecting an Operating EBITDA margin of **18%**.
- Loss from new centers was **INR 92 mn** excluding IND AS116 adjustment, as compared to loss of **INR 73 mn** in the corresponding quarter of the previous year.
- Consolidated Profit after Taxes and Minority Interest (“PAT”)⁽⁴⁾ was a loss of **INR 223 mn** (loss of **INR 141 mn** excluding IND AS116 adjustment), as compared to loss of **INR 65 mn** in the corresponding quarter of the previous year.

INR million except earnings per share

Period Ended Sep 30	Q2-FY20 As per AS 116	Q2-FY19	Growth (y-o-y)	Q2-FY20 w/o AS 116	Growth (y-o-y)
Income from Operations	2,785	2,453	13.5%	2,785	13.5%
Other Income	15	23		15	
EBITDA⁽¹⁾	471	358	31.7%	340	-4.9%
EBITDA Margin (%)	16.8%	14.4%		12.1%	
Operating EBITDA⁽²⁾	456	335	36.1%	325	-3.0%
EBITDA Margin (%)	16.4%	13.7%		11.7%	
PBT⁽³⁾	(269)	(103)	NM	(179)	NM
PBT Margin (%)	-9.7%	-4.2%		-6.4%	
PAT⁽⁴⁾	(223)	(65)	NM	(141)	NM
PAT Margin (%)	-8.0%	-2.6%		-5.1%	
Earnings Per Share	(2.51)	(0.74)	NM	(1.60)	NM

(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 Q2 FY20

- Borivali center ramping-up well with **26.6%** y-o-y growth
 - Leadership in radiosurgery in the region, completed **125+** procedures
 - Organized successful educational program with leading neurosurgeons on comprehensive management of Arteriovenous Malformation (AVM) through advanced radio surgery technologies offered by HCG
- Gujarat region, in spite of disruption due to monsoons and floods, grew **18.4%** y-o-y
 - Bhavnagar center showing continued momentum to emerge as a premier hospital in the region
- East India scaling up well with **26.8%** y-o-y growth
 - Cuttack center continues revamp of patient mix with focus on non-government segment
- Milann grew **18%** y-o-y, continues to show improving trend across registrations, IVF cycles and revenues
- Announced association with Stanford University, USA, to implement outcome based treatment in cancer care towards achieving global standards of outcomes
- Strand, appointed as exclusive India member of Quest Diagnostics Global Diagnostic Network (GDN), a consortium of the world's 10 leading diagnostic companies

Commenting on the results, **Dr. B.S. Ajaikumar, Chairman and CEO, HealthCare Global Enterprises Ltd.** said, *“We are pleased to report Q2 and H1 FY20 results with positive performance and outlook. As covered in our Integrated Annual Report for FY2019, the economic and social impact created by HCG across the healthcare segment is being acknowledged in an upcoming study commissioned by International Finance Corporation (IFC), a testament to our commitment to cancer patients across India. HCG’s oncology network depth and presence, uniquely positions us to address the growing cancer burden in India holistically, while delivering quality cancer care and outcomes. We are nearing completion of our capex cycle, whilst driving profitability in our new centers. We are near the inflexion point where we expect to see robust growth in operating cash flows and consequent reduction in leverage. The Company has been successful in creating scaled and specialised platforms across oncology, fertility and precision diagnostics, with Pan-India leadership, and we remain committed to driving long-term value creation for all our stakeholders.”*

Earnings Call

The company will conduct a one hour conference call at **5:30 PM IST on Thursday November 07, 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 22 7115 8008**. 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 21 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 8 fertility centers. **For further information**, visit www.hcgel.com or **contact: Company Secretary and Compliance Officer: Sunu Manuel, investors@hcgoncology.com**