

HealthCare Global Enterprises Ltd. reports Q1 FY21 results

Revenue for Q1 FY21 of INR 1,935 Million, a decline of 28% (y-o-y) and EBITDA for Q1 FY21 of INR 221 Million, with EBITDA margin of 11%

Bengaluru, August 20, 2020: 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 (“FY21”).

Effective 1 April 2019, the Company has adopted IND AS 116 'Leases' standards, applied to lease contracts existing on 1 April 2019 and all financials are as per IND AS 116.

Highlights for quarter ended June 30th, 2020

- Consolidated Income from Operations (“Revenue”) was **INR 1,935 mn** as compared to **INR 2,689 mn** in the corresponding quarter of the previous year, reflecting a year-on-year decline of **28%**
- Consolidated Profit Before Depreciation and Amortization, Finance Costs, Exceptional Items and Taxes (“EBITDA”) was **INR 221 mn**, as compared to **INR 462 mn** in the corresponding quarter of the previous year, a decline of **52%**
- Consolidated Profit Before Other Income, Depreciation and Amortization, Finance Costs, Exceptional Items and Taxes (“Operating EBITDA”), was **INR 194 mn**, as compared to **INR 449 mn** in the corresponding quarter of the previous year
- Operating EBITDA for existing centers was **INR 255 mn**, reflecting an Operating EBITDA margin of **16%**
- Loss from new centers was **INR 61 mn**, as compared to loss of **INR 38 mn** in the corresponding quarter of the previous year
- Consolidated Profit after Taxes and Minority Interest (“PAT”)⁽⁴⁾ was a loss of **INR 398 mn**, as compared to loss of **INR 180 mn** in the corresponding quarter of the previous year

INR million except earnings per share

Period Ended Jun 30	Q1-FY21	Q1-FY20	Growth (y-o-y)
Income from Operations	1,935	2,689	-28.0%
Other Income	27	13	
EBITDA⁽¹⁾	221	462	-52.1%
EBITDA Margin (%)	11.3%	17.1%	
Operating EBITDA⁽²⁾	194	449	-56.8%
EBITDA Margin (%)	10.0%	16.7%	
PBT⁽³⁾	(566)	(228)	NM
PBT Margin (%)	-29.3%	-8.5%	
PAT⁽⁴⁾	(398)	(180)	NM
PAT Margin (%)	-20.5%	-6.7%	
Earnings Per Share	(5.14)	(2.05)	NM

- Profit before depreciation and amortization, finance costs, exceptional items and taxes
- EBITDA excluding other income
- Profit / (Loss) before tax and share of profit / (loss) of equity accounted investee
- Profit / (Loss) for the period after share of profit / (loss) of equity accounted investee, taxes and minority interests

Business Updates for Q1 FY21

- Substantial COVID impact on business operations across regions:
 - Delay, postponement and/or cancellation of oncology, multi-specialty and fertility procedures
 - Reduction in footfalls of patients in Outpatients Department (OPD) impacting consultations, treatments and future registration volumes
 - Complete shutdown of international travel resulting in cancellation of planned treatments of international patients
- Initiatives and contributions towards mitigating COVID challenges:
 - Safety guidelines and operational protocols implemented across all centers of the network
 - Migration of OPD to technology based 'virtual' mode through tele-consultations, tele-medicine and 'video visits' to maintain continuity of care for oncology patients
 - ICMR approval received for developing and conducting clinical trials for Cytokine based as well as Plasma based therapies for COVID patients
 - Ahmedabad multispecialty center amongst the 1st hospitals to enroll patients in clinical trials for Glenmark's Favipiravir
 - Strand Lifesciences, our associate company, amongst the 1st group of private labs approved for PCR based COVID testing
- Oncology centers in Tier 2/3 towns Pan-India demonstrate strong resilience amidst national lockdown:
 - Revenues of Hubli and Gulbarga centers in Karnataka grew 37% & 15% y-o-y respectively
 - Nashik and Nagpur centers in Maharashtra region experienced marginal revenue decline of 2% each, on y-o-y basis
 - Cuttack center in East India grew revenues by 1.7% y-o-y and Ongole in AP, over a smaller base, saw revenue growth of 77% y-o-y
- HCG's Center of Excellence in Bangalore ranked no.1 in All-India survey of oncology hospitals by Times of India; Borivali and Cuttack centers also ranked amongst the top six oncology hospitals of India

Commenting on the results, **Dr. B.S. Ajaikumar, Chairman and CEO, HealthCare Global Enterprises Ltd.** said, *"We are pleased to report Q1 FY21 results, amidst unprecedented and most challenging environment. After making a bottom in April, we have seen improving trends thereon across our operations and are focusing on maintaining continuity of care for oncology patients across the country. The situation on ground continues to remain unpredictable and we are following a proactive approach to deal with the dynamic environment. I would like to recognize the efforts of our entire team that has demonstrated phenomenal sense of responsibility, competence and faith in leading from the forefront. We are pleased to announce the completion of preferential allotment transaction of INR 651 crores, with 80% of the funds already received, and balance to be infused subsequently. We welcome Mr.Amit Soni, Sr.Managing Director and Mr.Siddharth Patel, Partner from CVC as board members and look forward to a long-term relationship as partners in HCG's journey. With a healthy balance sheet and focus on sweating our existing and new assets towards an inflexion point, we are excited to reap benefits from past expansions and investments driving strong cash flows and returns in the near future. HCG's leadership in oncology, fertility and precision diagnostics, with Pan-India scale, augurs our commitment towards value creation and social impact for all our stakeholders."*

Earnings Call

The company will conduct a one hour conference call at **6:30 PM IST on Thursday August 20, 2020** where the management will discuss insights about the company's performance and answer questions from participants. To participate, the dial-in numbers are **+91 22 6280 1107 / +91 7045671221**, please join ten minutes ahead of the scheduled start time. Other numbers are listed in the conference call invite uploaded on stock exchanges and our website.

About HealthCare Global Enterprises Ltd.

HealthCare Global Enterprises Ltd. (HCG), is one of the largest provider of cancer care in India. Through its network of 22 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. Under the "Milann" brand, HCG operates 8 fertility centers. Strand Life Sciences, an associate company of HCG, is a precision diagnostics company with strong track record in bioinformatics and a pioneer of genomic testing in India. **For further information**, visit www.hcgel.com or **contact: Company Secretary and Compliance Officer: Sunu Manuel, investors@hcgoncology.com**