



Q1 FY 2017 Earnings Update

SAFE HARBOUR

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The Company on a quarterly basis adopts and publishes Standalone financial results as per the stock exchange listing agreement requirements. The consolidated financial results provided for the Quarter are unaudited and for information purposes only.

Previous year figures have been reworked/regrouped /rearranged and reclassified wherever necessary to conform to the requirement of revised Schedule VI format

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HIGHLIGHTS

Financial Performance

- Q1 FY 17 Consolidated Revenues of ₹ 16,563 mio (up 15.0% yoy)
- Q1 FY 17 Consolidated EBITDA of ₹ 1,798 mio (up 2.7% yoy)
 - New Hospitals reported a positive EBITDA of ₹ 18 mio in Q1 FY 17
 - AHLL reported an EBITDA loss of ₹ 276 mio
- Q1 FY 17 Consolidated EBITDA margin at 10.9% as compared to 12.2% in Q1 FY 16
 - Consolidated Healthcare services EBITDA Margin at 19.2% in Q1 FY 17
 - SAP EBITDA margin at 3.5% in Q1 FY 17
- Consolidated PAT of ₹ 505 mio in Q1 FY 17
 - Includes AHLL PAT loss of ₹ 318 mio

Key Operational Highlights

- Chennai cluster revenues in Q1 FY 17 were at ₹ 3,498 mio as compared to ₹ 3,452 mio in Q1 FY 16. The growth in this region was a bit tepid due to elections in Tamilnadu, West Bengal and Assam resulting in lower patients travelling for elective surgeries.
- Hyderabad Revenues grew by 11% in Q1 FY 17 to ₹ 1,507 mio as compared to ₹ 1,356 mio in Q1 FY 16. ARPOB registered a healthy 20% growth due to case mix improvement and reduction in low yielding cases.
- New Hospitals displayed good growth. Revenues grew from ₹ 823 mio in Q1 FY 16 to ₹ 1,279 in Q1 FY 17, growth of 56%.
- Bangalore Region including Mysore witnessed an overall revenue growth of 24%.
- Stand Alone Pharmacies (SAP) reported Revenues of ₹ 6,325 mio, growth of 22%. SAP EBITDA at ₹ 219 mio (3.5% margin) in Q1 FY 17.
- Apollo Munich achieved a Gross Written Premium of ₹ 2,095 mio in Q1 FY 17 against ₹ 1,809 mio achieved during the same period in the previous year representing a growth of 16%.

Capacity

- 70 hospitals with total bed capacity of 9,774 beds as on Jun 30, 2016
 - 43 owned hospitals including JVs/ Subsidiaries and Associates with 7,840 beds
 - 11 Day care/ short surgical stay centres with 337 beds and 8 Cradles with 163 beds
 - 8 Managed hospitals with 1,434 beds.
- Of the 7,840 owned hospital beds capacity, 6,796 beds were operational and had an occupancy of 63%.
- The total number of pharmacies as on Jun 30, 2016 was 2,383. Gross additions of 79 stores with 22 stores closures thereby adding 57 stores on a net basis in Q1 FY 17.

Medical Initiatives Accomplishments

- Apollo Hospitals, Chennai successfully performed the highest number of Endoventricular Patch Plasty (EVPP) procedures in India.
- Apollo Gleneagles Hospitals, Kolkata successfully performed Cochlear Implantation on a 5 year old, a first of its kind for Eastern India.
- Apollo Hospitals conducted the first ever Liver transplant without any blood or blood product transfusion in Andhra Pradesh.
- Renowned Heart Surgeon and Chief Cardio-Thoracic Surgeon of Apollo Health City, Hyderabad, Dr Vijay Dikshit was felicitated for accomplishing a rare distinction of performing over 20,000 cardiac surgeries.
- Doctors at Apollo Specialty Hospital, Madurai performed an ABO-incompatible kidney transplantation (ABOi-KT) which is a transplant received from a donor with an incompatible blood group. This is the first such procedure in the region.

Other Key Developments

- Apollo Hospital won 13 awards at The Asian Hospital Management Awards 2016 which saw entries from 92 hospitals across 15 countries under categories namely – Clinical Service Improvement, Corporate Social Responsibility, Patient Safety, Nursing Excellence, Innovations in Hospital Management and Governance, Biomedical Facilities Improvement, Cost Reduction/Waste Elimination, Customer Service, Digital Marketing, Physician Leadership Program and Human Resource Development.
- Inspired by the Hon'ble Prime Minister, Shri Narendra Modi's clarion call to doctors in the country, 9000 doctors of Apollo Hospitals were encouraged to pledge their support to devote a day every month for service across urban, semi-urban, and rural areas with guidance from the State Governments.

STANDALONE FINANCIAL PERFORMANCE

Standalone Financial Performance – Total

(₹ mio)

1 of 3

| | Q1 FY 16 | Q1 FY 17 | yoy (%) |
|----------------------------------|----------------------|----------------------|----------|
| Revenue | 13,057 | 14,654 | 12.2% |
| Operative Expenses | 6,701 | 7,589 | 13.2% |
| Employee Expenses | 1,907 | 2,154 | 13.0% |
| Administrative & Other Expenses | 2,673 | 3,042 | 13.8% |
| Total Expenses | 11,281 | 12,785 | 13.3% |
| EBITDA | 1,777 | 1,869 | 5.2% |
| margin (%) | 13.6% ⁽¹⁾ | 12.8% ⁽¹⁾ | -85 bps |
| Depreciation | 486 | 557 | 14.6% |
| EBIT | 1,290 | 1,312 | 1.7% |
| margin (%) | 9.9% | 9.0% | -93 bps |
| Financial Expenses | 269 | 444 | 65.3% |
| Other Income | 53 | 53 | 0.5% |
| Profit Before Tax | 1,074 | 921 | -14.3% |
| Profit After Tax | 875 | 722 | -17.5% |
| margin (%) | 6.7% | 4.9% | -178 bps |
| ROCE (Annualized) ⁽²⁾ | 11.6% | 9.9% | |
| Capital Employed | 44,300 | 52,835 | |

Key Highlights

- Q1 FY 17 Revenues of ₹ 14,654 mio, 12.2% yoy growth
- Q1 FY 17 EBITDA at ₹ 1,869 mio, 5.2% yoy growth
- Q1 FY 17 EBIT at ₹ 1,312 mio, 1.7% yoy growth
- Q1 FY 17 PAT at ₹ 722 mio

⁽¹⁾ Healthcare services 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. This results in an optical compression of EBITDA margins of Healthcare services by 130 – 140 bps. SAP Revenues under Ind AS has been adjusted for the unredeemed discount points in the loyalty program, which impacts EBITDA margins of SAP by 25-30 bps. The impact at the company level is 70 - 80 bps

⁽²⁾ Capital employed for the calculation of ROCE does not include Capital Work in progress on new hospital expansion projects of ₹ 6,883 mio for Q1FY17 and ₹ 6,202 mio for Q1FY16 & investments in mutual funds and associates.

Q1FY17 figures have been presented on the basis of Ind AS. Q1FY16 have been restated for comparative purposes as required under the Listing guidelines.

Previous year figures have been reworked/regrouped/rearranged and reclassified wherever necessary to conform to the requirement of revised Schedule VI format

Standalone Financial Performance – Existing & New Breakup

(₹ mio)

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| | Healthcare Services (Existing) | New Hospitals | Healthcare Services (Total) | SAP | Standalone | |
|-------------------|--------------------------------|---------------|-----------------------------|--------|------------|--------|
| Q1 FY 17 | Revenue | 7,050 | 1,279 | 8,330 | 6,325 | 14,654 |
| | EBITDAR | 1,771 | 109 | 1,880 | 441 | 2,321 |
| | margin (%) | 25.1% | 8.5% | 22.6% | 7.0% | 15.8% |
| | EBITDA | 1,632 | 18 | 1,650 | 219 | 1,869 |
| | margin (%) | 23.1%* | 1.4% | 19.8%* | 3.5%# | 12.8% |
| | EBIT | 1,299 | -142 | 1,157 | 155 | 1,312 |
| | margin (%) | 18.4% | | 13.9% | 2.4% | 9.0% |
| Q1 FY 16 | Revenue | 7,042 | 823 | 7,865 | 5,192 | 13,057 |
| | EBITDAR | 1,766 | 28 | 1,794 | 346 | 2,141 |
| | margin (%) | 25.1% | 3.5% | 22.8% | 6.7% | 16.4% |
| | EBITDA | 1,641 | -38 | 1,603 | 174 | 1,777 |
| | margin (%) | 23.3%* | | 20.4%* | 3.3%# | 13.6% |
| | EBIT | 1,327 | -141 | 1,185 | 105 | 1,290 |
| | margin (%) | 18.8% | | 15.1% | 2.0% | 9.9% |
| YOY Growth | | | | | | |
| Revenue Growth | 0.1% | 55.5% | 5.9% | 21.8% | 12.2% | |
| EBITDAR Growth | 0.3% | 283.8% | 4.8% | 27.4% | 8.4% | |
| EBITDA Growth | -0.6% | | 3.0% | 25.9% | 5.2% | |
| EBIT Growth | -2.1% | | -2.4% | 47.8% | 1.7% | |

Key Highlights

- Health Care Services revenue growth at 5.9% from ₹ 7,865 mio in Q1 FY 16 to ₹ 8,330 mio in Q1 FY 17
- New Hospitals revenues grew 55.5% from ₹ 823 mio in Q1 FY 16 to ₹ 1,279 mio in Q1 FY 17
- Existing hospitals EBITDA margin remained largely stable at 23.1%.
- New Hospitals EBITDA improved from loss of ₹ 38 mio in Q1 FY 16 to positive EBITDA of ₹ 18 mio in Q1 FY 17
- FY13 Hospitals – Vanagaram & Jayanagar reported an EBITDA of ₹ 81 mio in Q1 FY 17 compared to ₹ 38 mio in Q1 FY 16
- FY14/FY15/FY16 hospitals - Trichy, Nashik, Women & Child - OMR, Nellore, Perungudi, Women & Child – SMR, Vizag new & Malleswaram have an EBITDA loss of ₹ 63 mio.

* Healthcare services 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. This results in an optical compression of EBITDA margins of Healthcare services by 130 – 140 bps.

#SAP Revenues under Ind AS has been adjusted for the unredeemed discount points in the loyalty program, which impacts EBITDA margins of SAP by 25-30 bps.

Standalone Financial Performance – Segment Reporting

(₹ mio)

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| | Q1 FY 16 | Q1 FY 17 | yoy (%) |
|--|----------|----------|----------|
| Revenues from each segment | | | |
| Healthcare Services* | 7,866 | 8,331 | 5.9% |
| Stand-alone Pharmacy | 5,192 | 6,325 | 21.8% |
| Other Income | 53 | 53 | 0.5% |
| Total | 13,111 | 14,709 | 12.2% |
| Less: Intersegmental Revenue | 1 | 1 | |
| Net Revenues (incl. other income) | 13,110 | 14,707 | 12.2% |
| Profit before Tax & Interest (EBIT) | | | |
| Healthcare Services* | 1,185 | 1,157 | -2.4% |
| Stand-alone Pharmacy | 105 | 155 | 47.8% |
| Other Income | 53 | 53 | 0.5% |
| Total EBIT (incl. other income) | 1,343 | 1,365 | 1.6% |
| Profit before Tax & Interest (EBIT) margins | | | |
| Healthcare Services* | 15.1% | 13.9% | -118 bps |
| Stand-alone Pharmacy | 2.0% | 2.4% | 43 bps |
| Total EBIT margin (incl. other income) | 10.2% | 9.3% | -96 bps |
| Interest Expense | 269 | 444 | 65.3% |
| Profit Before Tax | 1,074 | 921 | -14.3% |
| Capital Employed Healthcare services ⁽¹⁾ | 38,678 | 46,596 | |
| Healthcare services - ROCE (Annualized) | 12.3% | 9.9% | |

Key Highlights

- Healthcare services Revenues at ₹ 8,331 mio, growth of 5.9%
- Standalone pharmacies Revenues at ₹ 6,325 mio, growth of 21.8%
- New Hospitals (Vanagaram, Jayanagar, Trichy, Nasik, Women & Child - OMR, Nellore, Perungudi, Women & Child – SMR, Vizag new, Malleswaram) having capital employed of ₹ 11,530 mio yet to contribute to ROCE.
- Existing healthcare services RoCE was at 14.8% in Q1 FY 16 as compared to 17.6% in Q1 FY 17, due to Buildings being Fair valued higher under Ind AS

* Healthcare Services consists of Hospitals, Hospital Based Pharmacies and Consulting

⁽¹⁾ Capital employed for the calculation of ROCE does not include Capital Work in progress on new hospital expansion projects of ₹ 6,883 mio for Q1FY17 and ₹ 6,202 mio for Q1FY16 & investments in mutual funds and associates.

Q1FY17 figures have been presented on the basis of Ind AS. Q1FY16 have been restated for comparative purposes as required under the Listing guidelines

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Financial Performance - Total (Unaudited Management estimates)

(₹ mio)

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| | Q1 FY 16 | Q1 FY 17 | yoy (%) |
|---|---------------|---------------|-----------------|
| Income from Operations | 14,388 | 16,547 | 15.0% |
| Add: Share of JVs | 12 | 16 | 34.4% |
| Total Revenues | 14,400 | 16,563 | 15.0% |
| EBITDA | 1,751 | 1,798 | 2.7% |
| <i>margin (%)</i> | <i>12.2%</i> | <i>10.9%</i> | <i>-130 bps</i> |
| EBIT | 1,122 | 1,069 | -4.7% |
| <i>margin (%)</i> | <i>7.8%</i> | <i>6.5%</i> | <i>-134 bps</i> |
| Profit After Tax | 655 | 505 | -22.8% |
| Total Debt | | 28,608 | |
| Cash & Cash equivalents (includes investment in liquid funds) | | 4,643 | |
| Standalone financials | | | |
| Total Debt | | 24,656 | |
| Cash & Cash equivalents (includes investment in liquid funds) | | 2,980 | |

Note

- Apollo Gleneagles Kolkata which was being pro-rata consolidated to the extent of 50% of our holding on Revenues, EBITDA and PAT under Indian GAAP has not been consolidated under Ind AS. JVs are accounted using Equity method of consolidation under Ind AS. Apollo Gleneagles has Revenues of ₹ 897 mio (11% growth) and EBITDA of ₹ 205 mio (6% growth) in this quarter.
- Apollo Health & Lifestyle Ltd, our retail health and clinic subsidiary has a 49% subsidiary which has Cradles and short stay surgery centres (Apollo Spectra) with 51% being held by promoters and other Investors. This has been consolidated at 100% on Revenues, EBITDA and PAT using the principle of Management control under Ind AS

Key Highlights

- Revenue growth of 15.0% from ₹ 14,400 mio in Q1 FY 16 to ₹ 16,563 mio in Q1 FY 17
- Consolidated EBITDA grew by 2.7%
- Consolidated EBIT declined by 4.7%
- Consolidated PAT was at ₹ 505 mio in Q1 FY 17

- Basis of consolidation in the Appendix (page 23)
- JVs include PET CT - 50%, Future Parking Pvt Ltd – 49%, Apokos Rehab Pvt Ltd -50%

Q1FY17 figures have been presented on the basis of Ind AS. Q1FY16 have been restated for comparative purposes as required under the Listing guidelines

Consolidated Financial Performance – Existing & New Breakup – Total

(₹ mio)

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| | | Healthcare Serv Group (Existing) | Healthcare Serv Group (New & Others) | Healthcare Serv Group (Total) | SAP | AHLL * (incl Cradle) | Consol |
|-------------------|------------|----------------------------------|--------------------------------------|-------------------------------|-------|----------------------|--------|
| Q1 FY 17 | Revenue | 7,991 | 1,650 | 9,641 | 6,325 | 598 | 16,563 |
| | EBITDAR | 1,973 | 133 | 2,106 | 441 | -97 | 2,450 |
| | margin (%) | 24.7% | 8.1% | 21.8% | 7.0% | | 14.8% |
| | EBITDA | 1,826 | 30 | 1,855 | 219 | -276 | 1,798 |
| | margin (%) | 22.8% | 1.8% | 19.2% | 3.5% | | 10.9% |
| | EBIT | 1,432 | -148 | 1,284 | 155 | -369 | 1,069 |
| | margin (%) | 17.9% | | 13.3% | 2.4% | | 6.5% |
| Q1 FY 16 | Revenue | 7,926 | 870 | 8,796 | 5,192 | 411 | 14,400 |
| | EBITDAR | 1,966 | 22 | 1,988 | 346 | -87 | 2,248 |
| | margin (%) | 24.8% | 2.6% | 22.6% | 6.7% | | 15.6% |
| | EBITDA | 1,834 | -45 | 1,789 | 174 | -212 | 1,751 |
| | margin (%) | 23.1% | | 20.3% | 3.3% | | 12.2% |
| | EBIT | 1,458 | -162 | 1,295 | 105 | -278 | 1,122 |
| | margin (%) | 18.4% | | 14.7% | 2.0% | | 7.8% |
| YOY Growth | | | | | | | |
| Revenue Growth | | 0.8% | 89.5% | 9.6% | 21.8% | 45.3% | 15.0% |
| EBITDAR Growth | | 0.3% | 498.5% | 5.9% | 27.4% | | 9.0% |
| EBITDA Growth | | -0.4% | | 3.7% | 25.9% | | 2.7% |
| EBIT Growth | | -1.7% | | -0.9% | 47.8% | | -4.7% |

Key Highlights

Healthcare services (New) EBITDA improved from loss of ₹ 45 mio in Q1 FY 16 to positive EBITDA of ₹ 30 mio in Q1 FY 17

SAP EBITDA of ₹ 219 mio (3.5% margin) in Q1 FY 17 as compared to ₹ 174 mio (3.3% margin) in Q1 FY 16

AHLL – Cradle & Clinics reported an EBITDA loss of ₹ 276 mio as compared to loss of ₹ 212 mio in Q1 FY 16

* 100% consolidation under Ind AS now of even its 49% subsidiary which has Cradle & short stay surgery (Apollo Spectra), which consolidation was not required under Indian GAAP.

OPERATIONAL PERFORMANCE HOSPITALS

Operational Performance – Hospitals

(₹ mio)

| Particulars | AHEL Standalone Hospitals | | | | | | | | | | | | | | |
|--|---------------------------|----------|---------|-----------------|----------|---------|-------------------|----------|---------|-----------------------|----------|---------|--|----------|---------|
| | Total ⁽⁵⁾ | | | Chennai cluster | | | Hyderabad cluster | | | Others ⁽¹⁾ | | | Significant subs/JVs/associates ⁽²⁾ | | |
| | Q1 FY 16 | Q1 FY 17 | yoy (%) | Q1 FY 16 | Q1 FY 17 | yoy (%) | Q1 FY 16 | Q1 FY 17 | yoy (%) | Q1 FY 16 | Q1 FY 17 | yoy (%) | Q1 FY 16 | Q1 FY 17 | yoy (%) |
| No. of Operating beds | 6,334 | 6,796 | | 1,490 | 1,529 | | 930 | 839 | | 1,818 | 2,040 | | 2,096 | 2,388 | |
| Inpatient volume | 90,322 | 98,083 | 8.6% | 21,703 | 21,723 | 0.1% | 12,446 | 12,440 | 0.0% | 23,332 | 25,440 | 9.0% | 32,841 | 38,480 | 17.2% |
| Outpatient volume ⁽³⁾ | 3,18,637 | 3,42,105 | 7.4% | 96,013 | 94,982 | -1.1% | 39,706 | 39,696 | 0.0% | 67,645 | 73,216 | 8.2% | 1,15,273 | 1,34,211 | 16.4% |
| Inpatient ALOS (days) | 4.17 | 4.00 | | 3.91 | 3.77 | | 4.01 | 3.72 | | 4.42 | 4.17 | | 4.21 | 4.10 | |
| Bed Occupancy Rate (%) | 65% | 63% | | 63% | 59% | | 59% | 61% | | 62% | 57% | | 73% | 73% | |
| Inpatient revenue (₹ mio) | NA | NA | | 2,589 | 2,592 | 0.1% | 1,113 | 1,241 | 11.5% | 1,636 | 1,842 | 12.6% | 3,415 | 3,819 | 11.8% |
| Outpatient revenue (₹ mio) | NA | NA | | 862 | 906 | 5.1% | 242 | 266 | 9.8% | 267 | 302 | 13.3% | 699 | 822 | 17.7% |
| ARPOB (₹ /day) ⁽⁴⁾ | 28,995 | 30,303 | 4.5% | 40,657 | 42,664 | 4.9% | 27,172 | 32,564 | 19.8% | 18,436 | 20,230 | 9.7% | 29,734 | 29,399 | -1.1% |
| Total Net Revenue (₹ mio) ⁽⁴⁾ | NA | NA | | 3,452 | 3,498 | 1.3% | 1,356 | 1,507 | 11.2% | 1,903 | 2,145 | 12.7% | 4,114 | 4,641 | 12.8% |

Notes:

(1) Others include Madurai, Karur, Karaikudi, Trichy, Nellore, Mysore, Vizag, Karimnagar, Bilaspur, Bhubaneswar, Jayanagar, Nashik, Vizag new & Malleswaram.

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

(3) Outpatient volume represents New Registrations only.

(4) 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. .

(5) 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.

Q1FY17 figures have been presented on the basis of Ind AS. Q1FY16 have been restated for comparative purposes as required under the Listing guidelines

OPERATIONAL PERFORMANCE STANDALONE PHARMACY

Operational Performance – Standalone Pharmacy

(₹ mio)

| Batch | Particulars | Q1 FY 16 | Q1 FY 17 | yoy (%) |
|----------------------------|-----------------|----------|----------|---------|
| Upto FY 10 Batch | No of Stores | 785 | 770 | |
| | Revenue/store | 3.33 | 3.63 | 9.1% |
| | EBITDA /store | 0.18 | 0.22 | 23.4% |
| | EBITDA Margin % | 5.4% | 6.1% | 71 bps |
| FY 11 Batch | No of Stores | 161 | 157 | |
| | Revenue/store | 2.61 | 2.93 | 12.3% |
| | EBITDA /store | 0.11 | 0.16 | 43.2% |
| | EBITDA Margin % | 4.3% | 5.5% | 119 bps |
| FY 12 Batch | No of Stores | 230 | 221 | |
| | Revenue / Store | 2.39 | 2.71 | 13.5% |
| | EBITDA /store | 0.07 | 0.11 | 56.1% |
| | EBITDA Margin % | 3.1% | 4.2% | 115 bps |
| SAP (Excluding Hetero) | Total Revenues | 5,041 | 5,974 | 18.5% |
| | EBITDA | 179 | 232 | 29.3% |
| | EBITDA Margin % | 3.6% | 3.9% | 32 bps |
| Hetero | No of Stores | 304 | 278 | |
| | Revenue/store | 0.50 | 1.26 | 152.7% |
| | EBITDA /store | -0.02 | -0.05 | |
| | EBITDA Margin % | -3.7% | -3.7% | |
| Total | No. Of Store | 2,171 | 2,383 | |
| | Revenue / Store | 2.39 | 2.65 | 11.0% |
| | EBITDA / Store | 0.08 | 0.09 | 17.2% |
| | EBITDA Margin % | 3.3% | 3.5% | 19 bps |
| | Total Revenues | 5,192 | 6,325 | 21.8% |
| | EBITDA | 174 | 219 | 25.9% |
| | EBITDA Margin % | 3.3% | 3.5% | 11 bps |
| Capex (Rs Mio) | | 61 | 107 | |
| Capital Employed (Rs Mio) | | 5,622 | 6,239 | |
| Total ROCE % | | 7.4% | 9.9% | 247 bps |
| Total No. of Employees | | 13,525 | 14,821 | |

SAP Revenues under Ind AS has been adjusted for the unredeemed discount points in the loyalty program, which impacts EBITDA margins of SAP by 25-30 bps.

Key Highlights

- Revenues at ₹ 6,325 mio, growth of 22%
- EBITDA of ₹ 219 mio in Q1 FY 17 as compared to ₹ 174 mio in Q1 FY 16, growth of 25.9%
- EBITDA margins of 3.5% in Q1 FY 17 as compared to 3.3% in Q1 FY 16
- Excluding the Hetero network of stores, Revenue growth was 18.5% and EBITDA growth was 29.3%, EBITDA margin of 3.9% in Q1 FY 17
- LFL (Like-for-like) Revenue per store growth for pre FY2008 batch of stores in Q1 FY 17 is 9.5% (yoy) and EBITDA per store growth is 22.4% (yoy). EBITDA margin of 6.9% in Q1 FY 17 as compared to 6.1% in Q1 FY 16
- ROCE in Q1 FY 17 at 9.9% as compared to 7.4% in Q1 FY 16
- Gross addition of 79 stores and closed 22 stores in Q1 FY 17. Net addition of 57 stores.
- No. of stores as on 30th Jun 2016 is 2,383

UPDATE ON PROJECTS

Key Hospital Expansion Plan & Update on Execution

(₹ mio)

| Location | CoD* | Type of Hospital | No. Of Beds | Total Estimated Project Cost (INR mio) |
|-----------------------------|------|------------------|--------------|--|
| Addition in FY 17 | | | | |
| Indore (expansion) | FY17 | Super Specialty | 65 | 280 |
| Navi Mumbai | FY17 | Super Specialty | 480 | 6,024 |
| Sub Total | | | 545 | 6,304 |
| Addition in FY 19 | | | | |
| South Chennai (incl Proton) | FY19 | Super Specialty | 200 | 7,500 |
| Byculla, Mumbai | FY19 | Super Specialty | 300 | 1,400 |
| Sub Total | | | 500 | 8,900 |
| Total | | | 1,045 | 15,204 |

Key Highlights

- We are in the final stages of our current expansion plans
- 1,945 beds in 12 locations commissioned in the last 36 months – Vanagaram 260, Jayanagar 140, Trichy 200, Nashik 120, Women and Child - OMR 60, Indore 120, Nellore 190, Perungudi 150, Women & Child - SMR 50, Vizag new 247, Malleswaram 190, Assam 220
- To add 545 beds in Navi Mumbai 480 & Indore 65.
Navi Mumbai to commission by end Q3FY17.
- To add another 500 beds in FY19 - South Chennai 200, South Mumbai 300.
- Focus now is on operationalising the new capacity and growing and consolidating our leadership position in these markets in the next 18 – 24 months

The total CAPEX estimated for this expansion plan is ₹ 15,204 mio. Of this Investment of ₹ 6,520 mio already made. Balance will be invested by a mix of internal accruals and debt

* Expected date of completion

UPDATE ON OTHER JVs FINANCIALS

Financials of JVs which were being pro rata consolidated under Indian GAAP, not being done so under Ind AS

Update on other JV Financials

(₹ mio)

Apollo Gleneagles Kolkata

| Particulars | Q1 FY 16 | Q1 FY 17 | yoy (%) |
|------------------------|----------|----------|---------|
| Revenue | 810 | 897 | 10.8% |
| EBITDA | 194 | 205 | 5.5% |
| margin (%) | 24.0% | 22.8% | |
| Profit after Tax | 76 | 83 | 9.1% |
| margin (%) | 9.3% | 9.2% | |
| No. of Operating beds | 540 | 600 | |
| Bed Occupancy Rate (%) | 82% | 80% | |
| ARPOB (₹ /day) | 27,620 | 28,002 | 1.4% |

Key Highlights

- Apollo Gleneagles Kolkata reported Revenue growth of 10.8% from ₹ 810 mio in Q1 FY 16 to ₹ 897 mio in Q1 FY 17
 EBITDA grew by 5.5% from ₹ 194 mio in Q1 FY 16 to ₹ 205 mio in Q1 FY 17

Apollo Munich Health Insurance Co Ltd

| Particulars | Q1 FY 16 | Q1 FY 17 | yoy (%) |
|------------------|----------|----------|---------|
| Total Income | 1,965 | 2,362 | 20.2% |
| EBITDA | -6 | 83 | |
| margin (%) | -0.3% | 3.5% | |
| Profit after Tax | -27 | 57 | |
| margin (%) | -1.4% | 2.4% | |

- During Q1 FY 17, the company achieved a Gross Written Premium (GWP) of ₹ 2,095 mio against a GWP of ₹ 1,809 mio in Q1 FY 16
- EBITDA of ₹ 83 mio in Q1 FY 17 as compared to EBITDA loss of ₹ 6 mio in Q1 FY 16
- PAT of ₹ 57 mio in Q1 FY 17 as compared to loss of ₹ 27 mio in Q1 FY 16
- The incurred claim loss ratio was at 64.3% in Q1 FY 17
- The Assets under Management stood at ₹ 8,449 mio as on Jun 30, 2016
- The Company now has 101 offices across the country

Previous year figures have been reworked/regrouped/rearranged and reclassified wherever necessary to conform to the requirement of revised Schedule VI format



Appendix: Basis of Consolidation

| AHEL Standalone | Location | Description | AHEL Ownership |
|-------------------------------------|-------------|-------------|----------------|
| Chennai Main | Chennai | Hospital | 100.0% |
| ASH - Chennai | Chennai | Hospital | |
| Tondiarpet - Chennai | Chennai | Hospital | |
| FirstMed - Chennai | Chennai | Hospital | |
| Apollo Children's Hospital | Chennai | Hospital | |
| Apollo Specialty, Vanagaram | Chennai | Hospital | |
| Women & Child, OMR | Chennai | Hospital | |
| ASH Perungudi | Chennai | Hospital | |
| Women & Child, Shafee Mohammed Road | Chennai | Hospital | |
| Madurai | Madurai | Hospital | |
| Karur | Karur | Hospital | |
| Karaikudi | Karaikudi | Hospital | |
| Trichy | Trichy | Hospital | |
| Nellore | Nellore | Hospital | |
| Hyderabad | Hyderabad | Hospital | |
| Bilaspur | Bilaspur | Hospital | |
| Mysore | Mysore | Hospital | |
| Vizag | Vizag | Hospital | |
| Karim Nagar | Karim Nagar | Hospital | |
| Bhubaneswar | Bhubaneswar | Hospital | |
| Jayanagar | Bangalore | Hospital | |
| Nashik | Nashik | Hospital | |
| Vizag New | Vizag | Hospital | |
| Malleswaram | Bangalore | Hospital | |

| Subsidiaries | Location | Description | AHEL Ownership |
|--|--------------|-----------------------|----------------|
| Samudra Healthcare Enterprises Ltd. | Kakinada | Hospital | 100.00% |
| Apollo Hospitals (UK) Ltd | UK | Hospital | 100.00% |
| Imperial Hospital and Research Centre Ltd. | Bangalore | Hospital | 90.00% |
| Pinakini Hospitals Ltd. | Nellore | Hospital | 79.44% |
| Unique Home Healthcare Limited | Chennai | Paramedical Services | 100.00% |
| Apollo Health and Lifestyle Ltd. | Hyderabad | Apollo Clinics | 100.00% |
| AB Medical Centres Limited | Chennai | Infrastructure | 100.00% |
| Western Hospitals Corporation Pvt Ltd | Belapur | Hospital | 100.00% |
| Sapien Biosciences Pvt Ltd | Hyderabad | Biobanking tissues | 70.00% |
| Apollo Rajshree Hospital | Indore | Hospital | 57.27% |
| Apollo Lavasa Health Corporation Ltd | Maharashtra | Hospital | 51.00% |
| Apollo Home Health care Ltd | Hyderabad | Paramedical Services | 80.87% |
| Total Health | | | 100.00% |
| Apollo Healthcare Technology Solutions Ltd | Chennai | Hospital | 100.00% |
| Assam Hospitals Ltd | Assam | Hospital | 51.00% |
| Apollo Hospitals International Ltd. | Ahmedabad | Hospital | 50.00% |
| JVs | Location | Description | |
| Apollo Gleneagles PET-CT Pvt. Ltd. | Hyderabad | Hospital | 50.00% |
| Future Parking Pvt Ltd | Chennai | Infrastructure | 49.0% |
| ApoKos Rehab Pvt Ltd | Hyderabad | Rehab Centre | 50.0% |
| Associates | Location | Description | |
| Indraprastha Medical Corporation Ltd. | Delhi, Noida | Hospital | 22.03% |
| Apollo Gleneagles Hospitals Ltd. | Kolkata | Hospital | 50.00% |
| Family Health Plan Ltd. | | TPA, Health Insurance | 49.00% |
| Stemcyte India Therapeutics Pvt Ltd | Ahmedabad | Stemcell Banking | 24.50% |

Hospitals – Understanding Key Operating Metrics

| | Description | Formula / Calculation | Key Driver |
|----------------|---|--|---|
| Operating Beds | <ul style="list-style-type: none"> Number of operating beds | | <ul style="list-style-type: none"> Project execution Capital Expenditure |
| Occupancy | <ul style="list-style-type: none"> In-patient Bed Days | <ul style="list-style-type: none"> In-patient Bed Days Billed | <ul style="list-style-type: none"> Brand Doctor reputation Quality of outcomes Competition |
| ALOS | <ul style="list-style-type: none"> Average Length of Stay per In-patient | <ul style="list-style-type: none"> In-Patient Bed Days / In-Patient Admissions | <ul style="list-style-type: none"> Case-Mix / Type of procedures Leverage technology and quality of clinical care to shorten stay |
| ARPOB / day | <ul style="list-style-type: none"> Average Revenue Per Occupied Bed Day | <ul style="list-style-type: none"> (IP Revenue* + OP Revenue + Hospital Based Pharmacy Revenue) / IP Bed Days | <ul style="list-style-type: none"> Case-Mix / Type of procedures Better utilization of operational theatres, medical equipment Pricing |
| Contribution | <ul style="list-style-type: none"> Contribution | <ul style="list-style-type: none"> Revenue – Variable costs | <ul style="list-style-type: none"> Purchasing efficiency Operating efficiency |

* Apollo does not include fees paid to fee-for-service consultants in its IP Revenue

THANK YOU