



Q2 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

- H1 FY 17 Consolidated Revenues of ₹ 35,104 mio (up 16.2% yoy)
- H1 FY 17 Consolidated EBITDA of ₹ 3,989 mio (up 8.9% yoy)
 - New Hospitals reported a positive EBITDA of ₹ 150 mio in H1 FY 17
 - AHLL reported an EBITDA loss of ₹ 518 mio in H1 FY 17
- H1 FY 17 Consolidated EBITDA margin at 11.4% as compared to 12.1% in H1 FY 16
 - Consolidated Healthcare services EBITDA Margin at 19.2% in H1 FY 17
 - SAP EBITDA margin at 4.2% in H1 FY 17
- Consolidated PAT of ₹ 1,141 mio in H1 FY 17
 - Includes AHLL PAT loss of ₹ 658 mio

Key Operational Highlights

- Chennai cluster revenues grew by 5% in H1 FY 17 to ₹ 7,437 mio as compared to ₹ 7,097 mio in H1 FY 16.
- Hyderabad Revenues grew by 13% in H1 FY 17 to ₹ 3,126 mio as compared to ₹ 2,775 mio in H1 FY 16. ARPOB registered a healthy 17% growth due to case mix improvement and reduction in low yielding cases.
- New Hospitals displayed good growth. Revenues grew from ₹ 1,725 mio in H1 FY 16 to ₹ 2,705 in H1 FY 17, growth of 57%.
- Bangalore Region including Mysore witnessed an overall revenue growth of 21%.
- Stand Alone Pharmacies (SAP) reported Revenues of ₹ 13,424 mio, growth of 22%. SAP EBITDA at ₹ 567 mio (4.2% margin) in H1 FY 17.
- Apollo Munich achieved a Gross Written Premium of ₹ 4,615 mio in H1 FY 17 against ₹ 4,051 mio achieved during the same period in the previous year representing a growth of 14%.

Capacity

- 70 hospitals with total bed capacity of 9,739 beds as on Sep 30, 2016
 - 42 owned hospitals including JVs/ Subsidiaries and Associates with 7,884 beds
 - 11 Day care/ short surgical stay centres with 312 beds and 9 Cradles with 184 beds
 - 8 Managed hospitals with 1,359 beds.
- Of the 7,884 owned hospital beds capacity, 6,905 beds were operational and had an occupancy of 65%.
- The total number of pharmacies as on Sep 30, 2016 was 2,430. Gross additions of 148 stores with 44 stores closures thereby adding 104 stores on a net basis in H1 FY 17.

Medical Initiatives Accomplishments

- Apollo Hospitals, Visakhapatnam performed the first ever liver transplant without any blood transfusion on 54 year old patient.
- The first successful Cadaver Liver Transplant in entire eastern India was performed at the Apollo Gleneagles hospital.
- Apollo Gleneagles, Kolkata successfully implanted the smallest implantable cardiac monitor in a 72 year old female recipient to ensure effective round-the-clock monitoring of her heart rhythms.
- Starting with the first successful pediatric liver transplant in India in 1998, the Apollo Hospitals Group has performed 2,514 liver transplants of which 209 have been in children, the highest for any healthcare group not only in India but in the entire Asia-Pacific Region.
- Apollo Hospitals Hyderabad has successfully performed spine surgeries on 8 patients using the 'Mazor Robotics' technology.

Other Key Developments

- Apollo Hospitals, Ahmedabad becomes the first multispecialty care hospital in Gujarat to receive certification for quality standards from the Joint Commission International (JCI), USA.
- Apollo Hospitals introduces Precision Oncology, a new paradigm in Cancer Care - converts the cancer management infrastructure into an independent functional entity, Apollo Cancer Institutes.
- Apollo Gleneagles hospital has been recognized as an International Centre of Excellence by the American College of Cardiology. This is the first time ever that an Indian healthcare facility has received this unique recognition.
- Apollo Hospitals, Ahmedabad wins the Smartest Hospital Building 2016 award at the Network 18 and Honeywell Smart Building Awards 2016.
- Apollo Hospitals (Kolkata, Chennai, Hyderabad and Delhi) were among the top 20 trusted hospitals in India by Readers Digest, Trusted Hospitals awards 2016.

STANDALONE FINANCIAL PERFORMANCE

Standalone Financial Performance – Total

(₹ mio)

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| | Q2 FY 16 | Q2 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) |
|----------------------------------|----------------------|----------------------|---------|----------------------|----------------------|----------|
| Revenue | 14,097 | 16,341 | 15.9% | 27,155 | 30,995 | 14.1% |
| Operative Expenses | 7,299 | 8,461 | 15.9% | 14,000 | 16,049 | 14.6% |
| Employee Expenses | 2,023 | 2,309 | 14.1% | 3,930 | 4,464 | 13.6% |
| Administrative & Other Expenses | 2,814 | 3,352 | 19.1% | 5,462 | 6,384 | 16.9% |
| Total Expenses | 12,135 | 14,122 | 16.4% | 23,392 | 26,897 | 15.0% |
| EBITDA | 1,962 | 2,219 | 13.1% | 3,763 | 4,099 | 8.9% |
| margin (%) | 13.9% ⁽¹⁾ | 13.6% ⁽¹⁾ | -34 bps | 13.9% ⁽¹⁾ | 13.2% ⁽¹⁾ | -63 bps |
| Depreciation | 495 | 603 | 21.7% | 982 | 1,160 | 18.2% |
| EBIT | 1,467 | 1,616 | 10.2% | 2,781 | 2,938 | 5.7% |
| margin (%) | 10.4% | 9.9% | -51 bps | 10.2% | 9.5% | -76 bps |
| Financial Expenses | 309 | 469 | 51.9% | 577 | 913 | 58.1% |
| Other Income | 9 | 94 | 900.0% | 38 | 137 | 258.4% |
| Profit Before Tax | 1,168 | 1,242 | 6.4% | 2,242 | 2,162 | -3.5% |
| Profit After Tax | 896 | 920 | 2.7% | 1,771 | 1,642 | -7.3% |
| margin (%) | 6.4% | 5.6% | -72 bps | 6.5% | 5.3% | -122 bps |
| ROCE (Annualized) ⁽¹⁾ | | | | 12.4% | 11.3% | |
| Capital Employed | | | | 45,002 | 52,118 | |



Key Highlights

- Q2 FY 17 Revenues of ₹ 16,341 mio, 15.9% yoy growth
- Q2 FY 17 EBITDA at ₹ 2,219 mio, 13.1% yoy growth
- Q2 FY 17 EBIT at ₹ 1,616 mio, 10.2% yoy growth
- Q2 FY 17 PAT at ₹ 920 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 ₹ 7,575 mio for H1FY17 and ₹ 7,461 mio for H1FY16 & investments in mutual funds and associates.

H1FY17 figures have been presented on the basis of Ind AS. H1FY16 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 | |
|-------------------|--------------------------------|---------------|-----------------------------|--------|------------|--------|
| H1 FY 17 | Revenue | 14,866 | 2,705 | 17,571 | 13,424 | 30,995 |
| | EBITDAR | 3,668 | 331 | 3,999 | 994 | 4,993 |
| | margin (%) | 24.7% | 12.2% | 22.8% | 7.4% | 16.1% |
| | EBITDA | 3,382 | 150 | 3,532 | 567 | 4,099 |
| | margin (%) | 22.7%* | 5.6% | 20.1%* | 4.2%# | 13.2% |
| | EBIT | 2,679 | -168 | 2,511 | 428 | 2,938 |
| | margin (%) | 18.0% | | 14.3% | 3.2% | 9.5% |
| H1 FY 16 | Revenue | 14,416 | 1,725 | 16,141 | 11,014 | 27,155 |
| | EBITDAR | 3,679 | 90 | 3,769 | 740 | 4,509 |
| | margin (%) | 25.5% | 5.2% | 23.4% | 6.7% | 16.6% |
| | EBITDA | 3,424 | -39 | 3,386 | 377 | 3,763 |
| | margin (%) | 23.8%* | | 21.0%* | 3.4%# | 13.9% |
| | EBIT | 2,767 | -250 | 2,517 | 264 | 2,781 |
| | margin (%) | 19.2% | | 15.6% | 2.4% | 10.2% |
| YOY Growth | | | | | | |
| Revenue Growth | 3.1% | 56.8% | 8.9% | 21.9% | 14.1% | |
| EBITDAR Growth | -0.3% | 268.0% | 6.1% | 34.4% | 10.7% | |
| EBITDA Growth | -1.2% | | 4.3% | 50.4% | 8.9% | |
| EBIT Growth | -3.2% | | -0.2% | 62.0% | 5.7% | |

Key Highlights

- Health Care Services revenue growth at 8.9% from ₹ 16,141 mio in H1 FY 16 to ₹ 17,571 mio in H1 FY 17
- New Hospitals revenues grew 56.8% from ₹ 1,725 mio in H1 FY 16 to ₹ 2,705 mio in H1 FY 17
- New Hospitals EBITDA improved from loss of ₹ 39 mio in H1 FY 16 to positive EBITDA of ₹ 150 mio in H1 FY 17
- FY13 Hospitals – Vanagaram & Jayanagar reported an EBITDA of ₹ 166 mio in H1 FY 17 compared to ₹ 91 mio in H1 FY 16
- FY14/FY15/FY16 hospitals - Trichy, Nashik, Women & Child - OMR, Nellore, Perungudi, Women & Child – SMR, Vizag new & Malleswaram have an EBITDA loss of ₹ 16 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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| | Q2 FY 16 | Q2 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) |
|--|----------|----------|----------|----------|----------|----------|
| Revenues from each segment | | | | | | |
| Healthcare Services* | 8,277 | 9,243 | 11.7% | 16,143 | 17,574 | 8.9% |
| Stand-alone Pharmacy | 5,821 | 7,099 | 22.0% | 11,014 | 13,424 | 21.9% |
| Other Income | 9 | 94 | 900.0% | 38 | 137 | 258.4% |
| Total | 14,108 | 16,437 | 16.5% | 27,195 | 31,135 | 14.5% |
| Less: Intersegmental Revenue | 1 | 2 | | 2 | 3 | |
| Net Revenues (incl. other income) | 14,107 | 16,435 | 16.5% | 27,193 | 31,132 | 14.5% |
| Profit before Tax & Interest (EBIT) | | | | | | |
| Healthcare Services* | 1,307 | 1,343 | 2.7% | 2,517 | 2,511 | -0.2% |
| Stand-alone Pharmacy | 159 | 273 | 71.4% | 264 | 428 | 62.0% |
| Other Income | 9 | 94 | 900.0% | 38 | 137 | 258.4% |
| Total EBIT (incl. other income) | 1,476 | 1,710 | 15.9% | 2,819 | 3,075 | 9.1% |
| Profit before Tax & Interest (EBIT) margins | | | | | | |
| Healthcare Services* | 15.8% | 14.5% | -127 bps | 15.6% | 14.3% | -130 bps |
| Stand-alone Pharmacy | 2.7% | 3.8% | 111 bps | 2.4% | 3.2% | 79 bps |
| Total EBIT margin (incl. other income) | 10.5% | 10.4% | -6 bps | 10.4% | 9.9% | -49 bps |
| Interest Expense | 309 | 469 | 51.9% | 577 | 913 | 58.1% |
| Profit Before Tax | 1,168 | 1,242 | 6.4% | 2,242 | 2,162 | -3.5% |
| Capital Employed Healthcare services ⁽¹⁾ | | | | 39,198 | 45,739 | |
| Healthcare services - ROCE (Annualized) | | | | 12.8% | 11.0% | |

Key Highlights

Q2 FY 17 Healthcare services Revenues at ₹ 9,243 mio, growth of 11.7%

Q2 FY 17 Standalone pharmacies Revenues at ₹ 7,099 mio, growth of 22.0%.

New Hospitals (Vanagaram, Jayanagar, Trichy, Nasik, Women & Child - OMR, Nellore, Perungudi, Women & Child - SMR, Vizag new, Malleswaram) having capital employed of ₹ 11,872 mio yet to contribute to ROCE.

Excluding the New Hospitals and Investment in Group companies and AHLL, ROCE of existing Healthcare Services is at 18.1% as on 30th Sep 2016.

* 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 ₹ 7,575 mio for H1FY17 and ₹ 7,461 mio for H1FY16 & investments in mutual funds and associates.

H1FY17 figures have been presented on the basis of Ind AS. H1FY16 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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| | Q2 FY 16 | Q2 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) |
|---|----------|----------|---------|----------|----------|---------|
| Total Revenues | 15,672 | 18,440 | 17.7% | 30,203 | 35,104 | 16.2% |
| EBITDA | 1,883 | 2,181 | 15.8% | 3,662 | 3,989 | 8.9% |
| margin (%) | 12.0% | 11.8% | -19 bps | 12.1% | 11.4% | -76 bps |
| EBIT | 1,250 | 1,405 | 12.3% | 2,390 | 2,488 | 4.1% |
| margin (%) | 8.0% | 7.6% | -36 bps | 7.9% | 7.1% | -83 bps |
| Profit After Tax | 1,010 | 638 | -36.8% | 1,642 | 1,141 | -30.5% |
| Total Debt | | | | | 29,935 | |
| Cash & Cash equivalents (includes investment in liquid funds) | | | | | 4,044 | |
| Standalone financials | | | | | | |
| Total Debt | | | | | 24,868 | |
| Cash & Cash equivalents (includes investment in liquid funds) | | | | | 2,911 | |

Key Highlights

- Revenue growth of 17.7% from ₹ 15,672 mio in Q2 FY 16 to ₹ 18,440 mio in Q2 FY 17
- Q2 FY 17 Consolidated EBITDA grew by 15.8%
- Q2 FY 17 Consolidated EBIT grew by 12.3%
- Consolidated PAT was at ₹ 638 mio in Q2 FY 17

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 ₹ 1,214 mio (16% growth) and EBITDA of ₹ 253 mio (8% growth) in Q2 FY 17.
- 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.

• Basis of consolidation in the Appendix (page 23)

H1FY17 figures have been presented on the basis of Ind AS. H1FY16 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 |
|-------------------|------------|----------------------------------|--------------------------------------|-------------------------------|--------|----------------------|--------|
| H1 FY 17 | Revenue | 16,991 | 3,491 | 20,482 | 13,424 | 1,198 | 35,104 |
| | EBITDAR | 4,087 | 366 | 4,453 | 994 | -154 | 5,294 |
| | margin (%) | 24.1% | 10.5% | 21.7% | 7.4% | | 15.1% |
| | EBITDA | 3,785 | 155 | 3,940 | 567 | -518 | 3,989 |
| | margin (%) | 22.3% | 4.4% | 19.2% | 4.2% | | 11.4% |
| | EBIT | 2,958 | -186 | 2,772 | 428 | -712 | 2,488 |
| | margin (%) | 17.4% | | 13.5% | 3.2% | | 7.1% |
| H1 FY 16 | Revenue | 16,432 | 1,887 | 18,319 | 11,014 | 870 | 30,203 |
| | EBITDAR | 4,086 | 78 | 4,164 | 740 | -206 | 4,697 |
| | margin (%) | 24.9% | 4.1% | 22.7% | 6.7% | | 15.6% |
| | EBITDA | 3,816 | -53 | 3,763 | 377 | -478 | 3,662 |
| | margin (%) | 23.2% | | 20.5% | 3.4% | | 12.1% |
| | EBIT | 3,043 | -280 | 2,763 | 264 | -638 | 2,390 |
| | margin (%) | 18.5% | | 15.1% | 2.4% | | 7.9% |
| YOY Growth | | | | | | | |
| Revenue Growth | | 3.4% | 85.0% | 11.8% | 21.9% | 37.6% | 16.2% |
| EBITDAR Growth | | 0.0% | 372.3% | 7.0% | 34.4% | | 12.7% |
| EBITDA Growth | | -0.8% | | 4.7% | 50.4% | | 8.9% |
| EBIT Growth | | -2.8% | | 0.3% | 62.0% | | 4.1% |

Key Highlights

Healthcare services (New) EBITDA improved from loss of ₹ 53 mio in H1 FY 16 to positive EBITDA of ₹ 155 mio in H1 FY 17

SAP EBITDA of ₹ 567 mio (4.2% margin) in H1 FY 17 as compared to ₹ 377 mio (3.4% margin) in H1 FY 16

AHLL – Cradle & Clinics reported an EBITDA loss of ₹ 518 mio as compared to loss of ₹ 478 mio in H1 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⁾ | | |
| | H1 FY 16 | H1 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) |
| No. of Operating beds | 6,368 | 6,905 | | 1,505 | 1,531 | | 930 | 839 | | 1,814 | 2,085 | | 2,119 | 2,450 | |
| Inpatient volume | 1,86,816 | 2,05,345 | 9.9% | 44,489 | 45,962 | 3.3% | 25,695 | 26,383 | 2.7% | 47,650 | 53,562 | 12.4% | 68,982 | 79,438 | 15.2% |
| Outpatient volume ⁽³⁾ | 6,66,308 | 7,20,999 | 8.2% | 2,04,653 | 2,01,137 | -1.7% | 83,536 | 84,164 | 0.8% | 1,38,874 | 1,55,247 | 11.8% | 2,39,245 | 2,80,451 | 17.2% |
| Inpatient ALOS (days) | 4.15 | 4.01 | | 3.93 | 3.66 | | 4.03 | 3.80 | | 4.40 | 4.21 | | 4.17 | 4.15 | |
| Bed Occupancy Rate (%) | 67% | 65% | | 63% | 60% | | 61% | 65% | | 63% | 59% | | 74% | 74% | |
| Inpatient revenue (₹ mio) | NA | NA | | 5,261 | 5,616 | 6.7% | 2,281 | 2,574 | 12.9% | 3,383 | 3,901 | 15.3% | 7,575 | 8,392 | 10.8% |
| Outpatient revenue (₹ mio) | NA | NA | | 1,836 | 1,821 | -0.8% | 495 | 552 | 11.6% | 538 | 636 | 18.3% | 1,475 | 1,749 | 18.5% |
| ARPOB (₹ /day) ⁽⁴⁾ | 29,683 | 30,922 | 4.2% | 40,639 | 44,218 | 8.8% | 26,771 | 31,210 | 16.6% | 18,680 | 20,101 | 7.6% | 31,473 | 30,755 | -2.3% |
| Total Net Revenue (₹ mio) ⁽⁴⁾ | NA | NA | | 7,097 | 7,437 | 4.8% | 2,775 | 3,126 | 12.6% | 3,920 | 4,537 | 15.7% | 9,050 | 10,141 | 12.1% |

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.

H1FY17 figures have been presented on the basis of Ind AS. H1FY16 have been restated for comparative purposes as required under the Listing guidelines

OPERATIONAL PERFORMANCE STANDALONE PHARMACY

Operational Performance – Standalone Pharmacy

(₹ mio)

| Batch | Particulars | Q2 FY 16 | Q2 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) |
|--------------------------|-----------------|----------|----------|---------|----------|----------|---------|
| Upto FY 10 Batch | No of Stores | 782 | 769 | | 782 | 769 | |
| | Revenue/store | 3.57 | 3.93 | 10.1% | 6.91 | 7.56 | 9.5% |
| | EBITDA /store | 0.21 | 0.28 | 30.0% | 0.40 | 0.50 | 26.6% |
| | EBITDA Margin % | 6.0% | 7.1% | 108 bps | 5.7% | 6.6% | 90 bps |
| FY 11 Batch | No of Stores | 158 | 155 | | 158 | 155 | |
| | Revenue/store | 2.87 | 3.29 | 14.8% | 5.53 | 6.26 | 13.3% |
| | EBITDA /store | 0.14 | 0.24 | 66.3% | 0.26 | 0.40 | 55.2% |
| | EBITDA Margin % | 5.0% | 7.2% | 223 bps | 4.7% | 6.4% | 173 bps |
| FY 12 Batch | No of Stores | 230 | 219 | | 230 | 219 | |
| | Revenue / Store | 2.62 | 2.95 | 12.7% | 5.01 | 5.69 | 13.6% |
| | EBITDA /store | 0.10 | 0.17 | 66.3% | 0.17 | 0.28 | 62.0% |
| | EBITDA Margin % | 3.8% | 5.6% | 181 bps | 3.5% | 5.0% | 148 bps |
| SAP (Excluding Hetero) | Total Revenues | 5,505 | 6,699 | 21.7% | 10,546 | 12,672 | 20.2% |
| | EBITDA | 214 | 343 | 60.1% | 394 | 575 | 46.1% |
| | EBITDA Margin % | 3.9% | 5.1% | 123 bps | 3.7% | 4.5% | 81 bps |
| Hetero | No of Stores | 299 | 261 | | 299 | 261 | |
| | Revenue/store | 1.05 | 1.54 | 46.3% | 1.56 | 2.88 | 84.9% |
| | EBITDA /store | -0.04 | 0.02 | | -0.06 | -0.03 | |
| | EBITDA Margin % | | 1.2% | | | -1.1% | |
| Total | No. Of Store | 2,217 | 2,430 | | 2,217 | 2,430 | |
| | Revenue / Store | 2.63 | 2.92 | 11.3% | 4.97 | 5.52 | 11.2% |
| | EBITDA / Store | 0.09 | 0.14 | 53.6% | 0.17 | 0.23 | 36.8% |
| | EBITDA Margin % | 3.5% | 4.9% | 135 bps | 3.4% | 4.2% | 79 bps |
| | Total Revenues | 5,821 | 7,099 | 22.0% | 11,014 | 13,424 | 21.9% |
| | EBITDA | 203 | 348 | 71.3% | 377 | 567 | 50.4% |
| | EBITDA Margin % | 3.5% | 4.9% | 141 bps | 3.4% | 4.2% | 80 bps |
| Capex (₹ Mio) | 108 | 96 | | 169 | 204 | | |
| Capital Employed (₹ Mio) | 5,804 | 6,379 | | 5,804 | 6,379 | | |
| Total ROCE % | 11.0% | 17.1% | 615 bps | 9.1% | 13.4% | 432 bps | |
| Total No. of Employees | | | | 13,731 | 15,646 | | |

Key Highlights

- Revenues at ₹ 7,099 mio, growth of 22.0%
- EBITDA of ₹ 348 mio in Q2 FY 17 as compared to ₹ 203 mio in Q2 FY 16, growth of 71.3%
- EBITDA margins of 4.9% in Q2 FY 17 as compared to 3.5% in Q2 FY 16
- Excluding the Hetero network of stores, Revenue growth was 21.7% and EBITDA growth was 60.1%, EBITDA margin of 5.1% in Q2 FY 17
- LFL (Like-for-like) Revenue per store growth for pre FY2008 batch of stores in Q2 FY 17 is 11.2% (yoy) and EBITDA per store growth is 29.2% (yoy). EBITDA margin of 7.6% in Q2 FY 17 as compared to 6.6% in Q2 FY 16
- ROCE in Q2 FY 17 at 17.1% as compared to 11.0% in Q2 FY 16

- Gross addition of 148 stores and closed 44 stores in H1 FY 17. Net addition of 104 stores.
- No. of stores as on 30th Sep 2016 is 2,430

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.

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 on November 14th 2016.
- 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 ₹ 7,300 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 | Q2 FY 16 | Q2 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) |
| Revenue | 1,047 | 1,214 | 15.9% | 1,972 | 2,260 | 14.6% |
| EBITDA | 235 | 253 | 7.8% | 433 | 463 | 7.1% |
| margin (%) | 22.4% | 20.9% | -156 bps | 21.9% | 20.5% | -144 bps |
| Profit after Tax | 101 | 108 | 7.0% | 176 | 190 | 8.1% |
| margin (%) | 9.6% | 8.9% | -74 bps | 8.9% | 8.4% | -51 bps |
| No. of Operating beds | 540 | 650 | | 540 | 650 | |
| Bed Occupancy Rate (%) | 90% | 84% | | 86% | 79% | |
| ARPOB (₹ /day) | 30,750 | 31,583 | 2.7% | 30,633 | 31,512 | 2.9% |

Key Highlights

- Apollo Gleneagles Kolkata reported Revenue growth of 15.9% from ₹ 1,047 mio in Q2 FY 16 to ₹ 1,214 mio in Q2 FY 17
 EBITDA grew by 7.8% from ₹ 235 mio in Q2 FY 16 to ₹ 253 mio in Q2 FY 17

| Apollo Munich Health Insurance Co Ltd | | | | | | |
|---------------------------------------|----------|----------|---------|----------|----------|---------|
| Particulars | Q2 FY 16 | Q2 FY 17 | yoy (%) | H1 FY 16 | H1 FY 17 | yoy (%) |
| Total Income | 2,093 | 2,670 | 27.5% | 4,058 | 5,032 | 24.0% |
| EBITDA | 77 | 217 | 179.8% | 71 | 299 | 320.1% |
| margin (%) | 3.7% | 8.1% | 442 bps | 1.8% | 5.9% | 419 bps |
| Profit after Tax | 48 | 188 | 292.4% | 20 | 245 | 1100.1% |
| margin (%) | 2.3% | 7.0% | 475 bps | 0.5% | 4.9% | 436 bps |

- During H1 FY 17, the company achieved a Gross Written Premium (GWP) of ₹ 4,615 mio against a GWP of ₹ 4,051 mio in H1 FY 16
- EBITDA of ₹ 299 mio in H1 FY 17 as compared to EBITDA of ₹ 71 mio in H1 FY 16
- PAT of ₹ 245 mio in H1 FY 17 as compared to ₹ 20 mio in H1 FY 16
- The incurred claim loss ratio was at 64.8% in H1 FY 17
- The Assets under Management stood at ₹ 8,305 mio as on Sep 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% |
| Associates | Location | Description | |
| Indraprastha Medical Corporation Ltd. | Delhi, Noida | Hospital | 22.03% |
| Apollo Gleneagles Hospitals Ltd. | Kolkata | Hospital | 50.00% |
| Apollo Gleneagles PET-CT Pvt. Ltd. | Hyderabad | Hospital | 50.00% |
| Family Health Plan Ltd. | | TPA, Health Insurance | 49.00% |
| Future Parking Pvt Ltd | Chennai | Infrastructure | 49.00% |
| ApoKos Rehab Pvt Ltd | Hyderabad | Rehab Centre | 50.00% |
| 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