



June 28, 2024

The Manager - Listing
National Stock Exchange of India Limited,
Compliance Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India

The Manager - Listing
BSE Limited,
Compliance Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001,
Maharashtra, India

Dear Sir/Madam,

Subject : Investor Presentation on the acquisition of Vizag Hospital and Cancer Research Centre Private Limited.

Stock Code : BSE – 539787, NSE – HCG

Please find enclosed herewith the Investor Presentation with respect to the acquisition of Vizag Hospital and Cancer Research Centre Private Limited (Vizag Hospital or MG Hospital, Vishakhapatnam) by the Company.

Detailed information on the execution of (1) Share Purchase Agreement, (2) Shareholders' Agreement in this regard has already been submitted to the stock exchanges.

Request you to take this on record.

Thanking you,

For HealthCare Global Enterprises Limited

Sunu Manuel
Company Secretary & Compliance Officer

Encl: a/a.

HealthCare Global Enterprises Limited

HCG Tower, # 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bangalore - 560027.

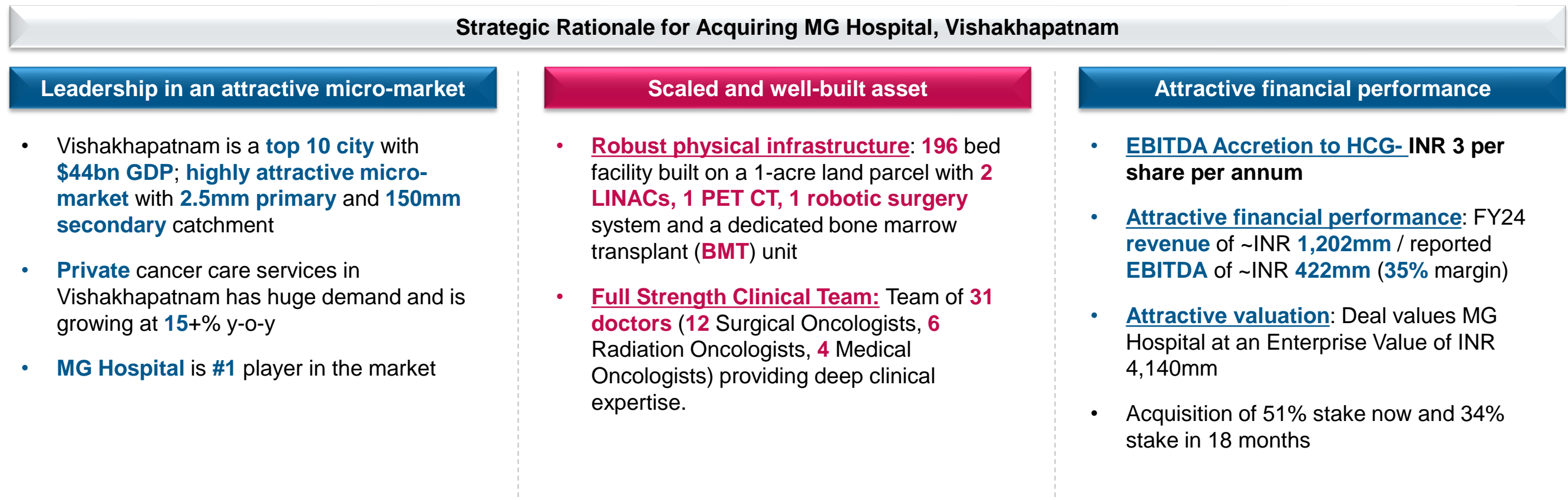
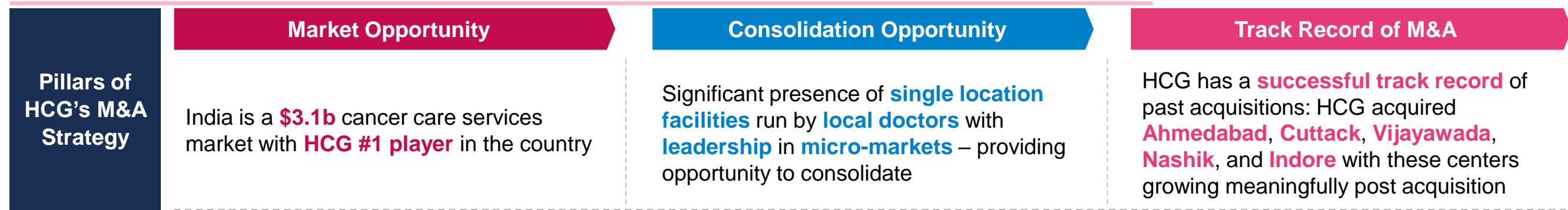
080 33669999 | info@hcgoncology.com | www.hcgoncology.com | CIN : L15200KA1998PLC023489



Acquisition of MG Hospital, Vishakhapatnam

June 2024

Executive Summary: MG Hospital Acquisition (1/2)



Executive Summary: MG Hospital Acquisition (2/2)

Unlocking Capacity for Growth

- HCG along with MG Hospital's management will work on **optimizing capacity** – potential to add **25+ additional beds**
- Potential to **differentially position** both hospitals (HCG and MG) and provide cancer care to all strata of population, **unlocking further growth**

Leveraging Synergies & Cross Learnings

- **Procurement:** HCG's **advantage of scale** benefitting MG hospital on procurement
- **Employee and admin costs:** Optimizing operations **over 2-4 years**
- **Cross-Learning:** Leveraging cross learnings to expand **multi-modality programs** and patient **engagement strategies**

Driving Digitization and Value Creation Initiatives

- Ramp-up **digital marketing** which already constitutes **3-3.5% of revenue** within **18 months** of launch
- Leverage established **call-center infrastructure**
- Business already **transitioned to EMR** – leverage the **database**
- Ramp-up **tracking mechanism** to aid **scaling up OP/IP pharmacy sales**
- Integrate the **mobile app**

Snapshot of MG Hospital

✓ Comprehensive cancer care hospital in Vishakhapatnam - **#1** city in Andhra Pradesh, region with **95mm** population, **\$185bn** GDP

✓ Well-built hospital infrastructure: **196** operational beds facility (including **25** day care, ICU, and post operative beds)

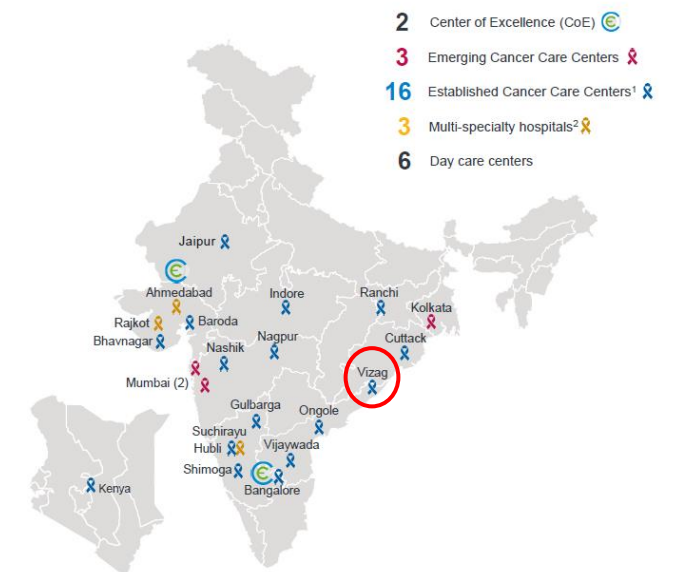
✓ Strong medical infra with **2** Linear Accelerators (LINACs), **1** CT Scan machine, **1** robotic surgery system and a dedicated bone marrow transplant (BMT) unit

✓ Full strength clinical team of **31** doctors (incl. **12** surgical oncologists, **6** radiation oncologists, **4** medical oncologists), **193** nurses, and **270** other employees

✓ Experienced doctor team: **30k+** radiation therapy treatments, **150k+** chemotherapy sessions, **400+** robotic surgeries and **20k+** complex cancer surgeries since inception

✓ Led by **Dr. Murali Krishna Vonna**: leading onco-surgeon (**12k+** cases experience)

✓ Operated by **highly professionalized** N-1 team under leadership of **dedicated unit head**



Promising Levers

Constant drive towards digitization and value creation initiatives



HCG started **digital marketing** ~2 years ago; MG Hospital too did the same – this contributes to **~3-3.5% of the revenue** within 18-24 months since launch

Similar to HCG, tracking mechanism in place to aid in scaling up **OP / IP pharmacy sales; potential to rationalize manpower;** **App to be launched** in near future

Well established **call-center infrastructure** (put in place ~2 years ago) supporting ~60-80 incoming calls and ~250 outgoing calls per day

Focus on super specialization - technologically advanced infrastructure and programs such as **BMT and nuclear medicine** provide competitive moats

EMR system in place since the last couple of years

Unit CEO is highly professional and capable of handling the center's operations with the help of the current management team

Attractive Financial Profile

- Upper tier EBITDA margin driven by:
 - **Material Margin:** MG Hospital has **well developed Medical oncology and BMT program**, which leads to a higher material margin
 - **Rental Cost:** MG Hospital's land and building are fully owned; it only rents a smaller facility nearby for doing bone marrow transplant
 - **Other Costs:** Highly operating leverage providing cost base
- **Consistently demonstrated 30%+ EBITDA margin over more than a decade**

Operating Metrics (as of FY23)

Infra (# of Beds / LINACs / OTs / Doctors)	196 / 2 / 4 / 31
Revenue Split of MO / RO / SO / Others	40% / 21% / 18% / 22%

Financial Summary in INR mm (% of Revenue) (as of FY24)

Revenue	1,202
Material Margin %	80.4%
Doctor Cost	(14.0)%
Employee Expenses	(14.4)%
Other Expenses	(16.9)%
EBITDA (% Margin)	422 (35.1%)

Note: Other Expenses includes rent, business promotion, direct operating expenses, provision for doubtful debt, and other expenses; MO – Medical Oncology; RO – Radiation Oncology; SO – Surgical Oncology.

Transaction Structure and Governance



Transaction Structure

- Current deal values MG Hospital at INR 4,140 m of EV
- 85% stake purchase structured in 2 tranches:
 - First Close (30 days post signing if CPs are met): 51% stake purchase
 - Second Close (18 months post first close): Balance 34%



Governance

- Dr. Murali will be continue as **MD and Chief Medical Director** role
- HCG will take **board** and **management control** of MG Hospital post-acquisition of **51%** stake
- Continuing shareholders will have board representation and routine reserved matter rights
- Post acquisition of **85%** stake, continuing shareholders reserved matter rights will reduce as per terms of SPA
- Robust construct of non-compete and non-solicit on selling shareholders.

HCG has done extensive diligence on **Financial, Legal and Background Due Diligence** on MG Hospital

Disclaimer

This document ("Material") has been prepared by Healthcare Global Enterprises Ltd. ("Company"), solely for informational purposes. The information contained herein has been prepared to assist prospective investors in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in this information. Company and its shareholders make no representation or warranty as to the accuracy or completeness of the Material and shall not have any liability for any information or other matters contained in, or for any omissions from, the Material or any other written or oral communications transmitted to the recipient in the course of its evaluation of the Company. This Material may include certain statements and estimates provided by the Company with respect to the projected future performance of the Company. Such statements, estimates and projections reflect various assumptions by the management, such assumptions may or may not be correct. No representations are made as to the accuracy of such statements, estimates or projections. Prospective investors will be expected to have conducted their own due diligence investigation regarding these and all other matters pertinent to investment in the Company.

All inquiries or requests for additional information should be submitted or directed to Goldman Sachs and J.P. Morgan. Management of the Sellers and the Company or its shareholders should not be contacted directly under any circumstances. All inquiries should be directed to the individuals at J.P. Morgan and Goldman Sachs.

This Material is issued subject to the detailed provisions set out in the confidentiality agreement that you have signed (the "Confidentiality Agreement") with the Company. You shall ensure that all persons to whom disclosure of the Material is made by you or on your behalf, as permitted by the Confidentiality Agreement, are aware of the contents of the Confidentiality Agreement and adhere to the terms as if such persons were parties to the Confidentiality Agreement. You agree that you will, on request, return or procure the return of this Material and all further information and material sent or made available in connection with the Company