

# Fortis Healthcare Limited

## Transaction Update



*“ Saving and Enriching Lives ”*



Mumbai  
July 30 -31, 2018

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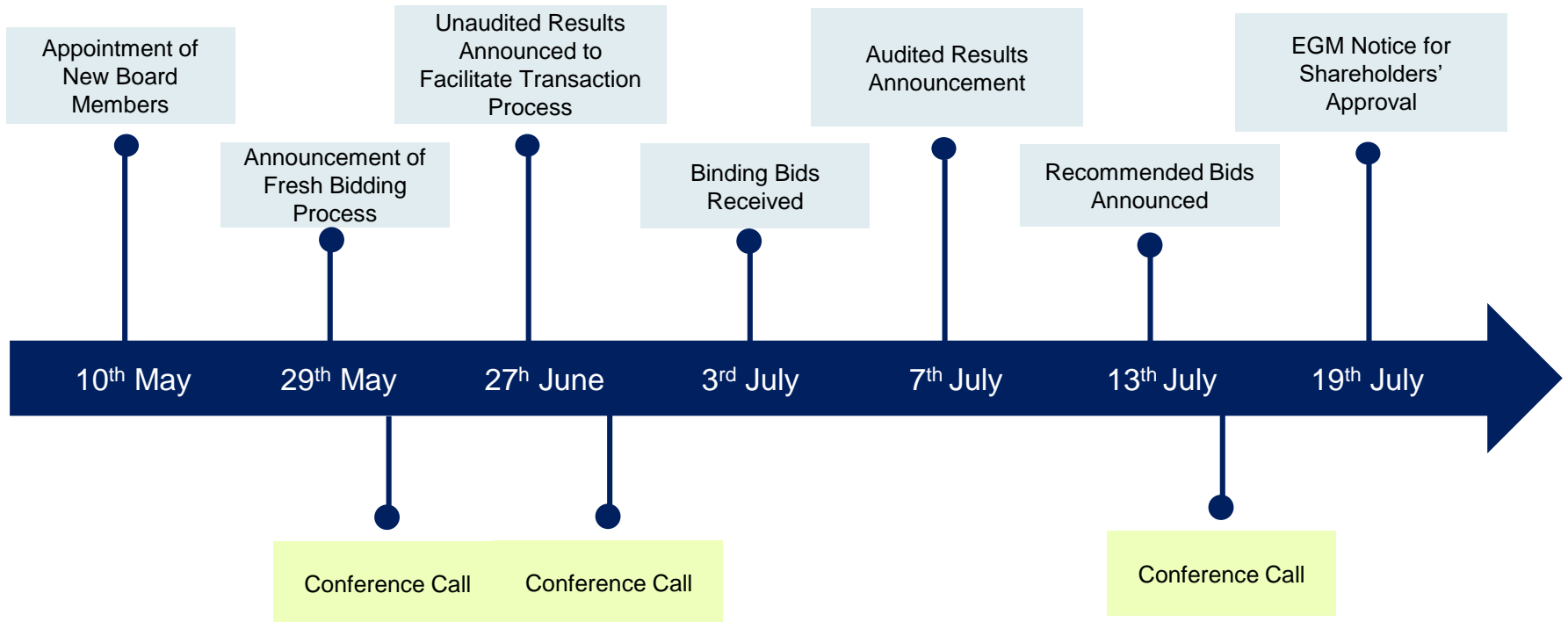
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# Transaction Overview

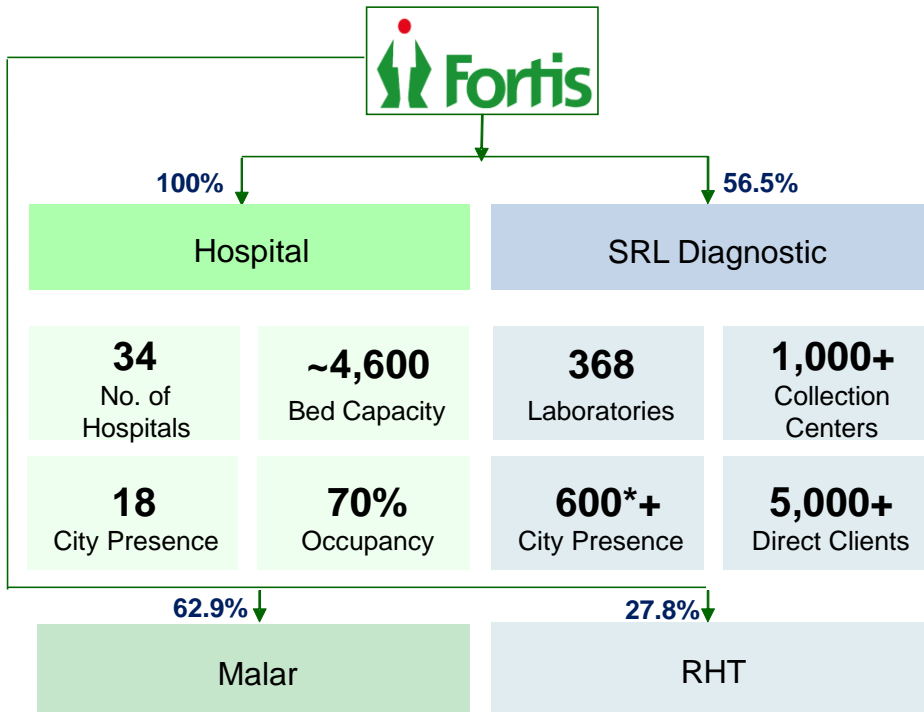
1. The preferential allotment of Rs. 4,000 Cr announced on 13<sup>th</sup> July 2018, will provide IHH Healthcare Berhad (“IHH”) a 31.1% shareholding in Fortis Healthcare Limited (Fortis) at Rs. 170 per share
2. This transaction is subject to Fortis shareholder approval at the EGM on 13<sup>th</sup> August 2018
  - E-voting opens on 10<sup>th</sup> August 2018
  - E-voting closes on 12<sup>th</sup> August 2018 at 5:00PM IST
3. Subsequent approval is also required from the Competition Commission of India (“CCI”). Fund infusion to happen post both Shareholder and CCI approval.
4. The preferential allotment provides the funding for the following:
  - Working capital to allow business operations to stabilize and management to focus on the build back plan
  - Facilitate the acquisition of the portfolio of assets of RHT Health Trust (“RHT”)
  - Enable Fortis to provide private equity investors with an exit which would result in Fortis increasing its holding in SRL from 56.5% to ~87.4%
5. On 13<sup>th</sup> July 2018, IHH announced a tender offer for upto an additional 26% of Fortis shares which requires a further investment of upto Rs. 3,349 Cr. This tender offer is at Rs. 170 per share and will commence after receiving SEBI clearance. IHH simultaneously announced a tender offer for upto 26% of Fortis Malar Hospitals (Malar) shares
6. The total funding commitment of IHH is Rs. 7,349 Cr for Fortis preferential allotment and maximum tender offer and Rs. 29 Cr for Malar’s maximum tender offer
7. IHH proposal also provides for refinance of debt to the extent of Rs 2,500 Cr

# Fair and Transparent Process



# Fortis Healthcare Platform Today

The IHH transaction is both strategically and financially compelling



India's 2<sup>nd</sup> largest hospital chain with Pan India presence

Integrated healthcare service provider

SRL the largest private diagnostic company in India

Focus on tertiary and quaternary care services

Amongst the best operational parameters in the industry

\* Includes towns and cities

# Benefits to Fortis Shareholders

## 1. Normalize Fortis Business

1. Fund infusion allows business operations to stabilize and management to focus on build back plan
2. Commissioning of new facilities and incremental bed additions in existing facilities.
3. Advance and expedite on-boarding senior clinicians in key medical specialties.
4. Launch new medical technologies and expand existing one's across facilities

## 2. Simplify SRL Structure

1. SRL Buyout to provide funding for private equity investors exit with Fortis increasing holding from 56.5% to 87.4%
2. Significant operating leverage potential with ramp up in business and global expansion / new opportunities.
3. Strategically well placed to support IHH as an key value driver in their vision for Fortis

## 3. Complete RHT Asset Acquisition

1. Acquisition RHT Health Trust (RHT) assets
2. This will result in the saving of BT fees and interest cost payable to RHT
3. Expected savings of BT cost to have positive impact on cash flows.

# Benefits to Fortis Shareholders contd..

## 4. Work closely with IHH going forward to drive build back plan

	Clinical	Brand	Operations	Sales
T + 60 Days	Close clinical hiring discussions	Campaign on fixed price packages communication	Making pending variable payouts to doctors, vendors & partners  Fixed pricing roll-out	Pending payments release to international facilitators for regaining lost business
T + 120 Days	Medical capex deployment : focus on units to retain & hire clinical talent	Invest in digital penetration via app, website, agent portal & salesforce integration  Building patient loyalty through patient experience		Renewed focus – recruitment, digital enablers (sf) & extraction from corporates & PSU's Emerging channel: payouts release, refresh contracts
T + 180 Days	Add new clinical programs: transplant, oncology, bone marrow transplant & liver transplant	Community connect	Improve patient conversions through loyalty, win-back and digital platforms	
T + 365 Days		360 degree campaign to communicate the 'new Fortis'	Expansion at Arcot Road, BG Road & R block Noida  Optimise healthcare delivery model: evaluate service delivery & control initiatives to service Ayushman and similar such schemes	New peripheral markets: domestic & international

# Benefits to Fortis Shareholders contd..

## 5. Leverage IHH Healthcare Experience and Excellence

Benefit from IHH  
Healthcare Platform

- Long term strategic shareholder with ability to provide access to global industry best practices
- Exchange of world class Doctors and adoptions of best industry practices
- Strengthen governance and internal control framework across key functions

Drive Revenue and  
EBITDA Margins

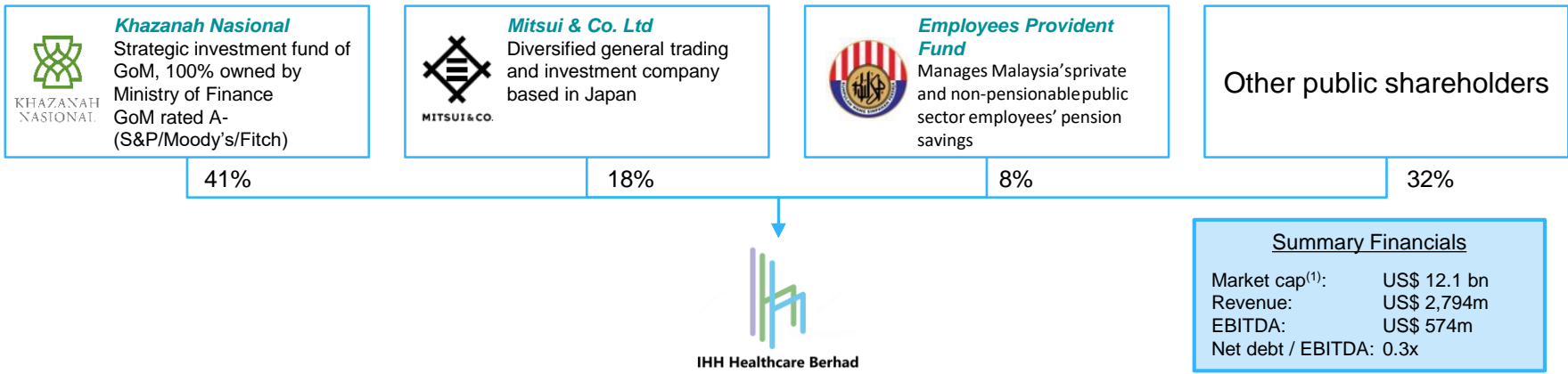
- Cross - leverage Fortis's medical tourism platform with IHH's global network
- Optimize costs through centralized procurement and streamlining processes, including IT synergies
- RHT acquisition to witness significant EBITDA enhancement and strengthen cash flows

Optimizing Financing  
Cost

- Leverage IHH's robust creditworthiness, strong Balance Sheet and established banking relationships.
- Expected significant savings in interest costs post the transaction as compared to the current financing cost of Fortis



# IHH's Global Market Presence

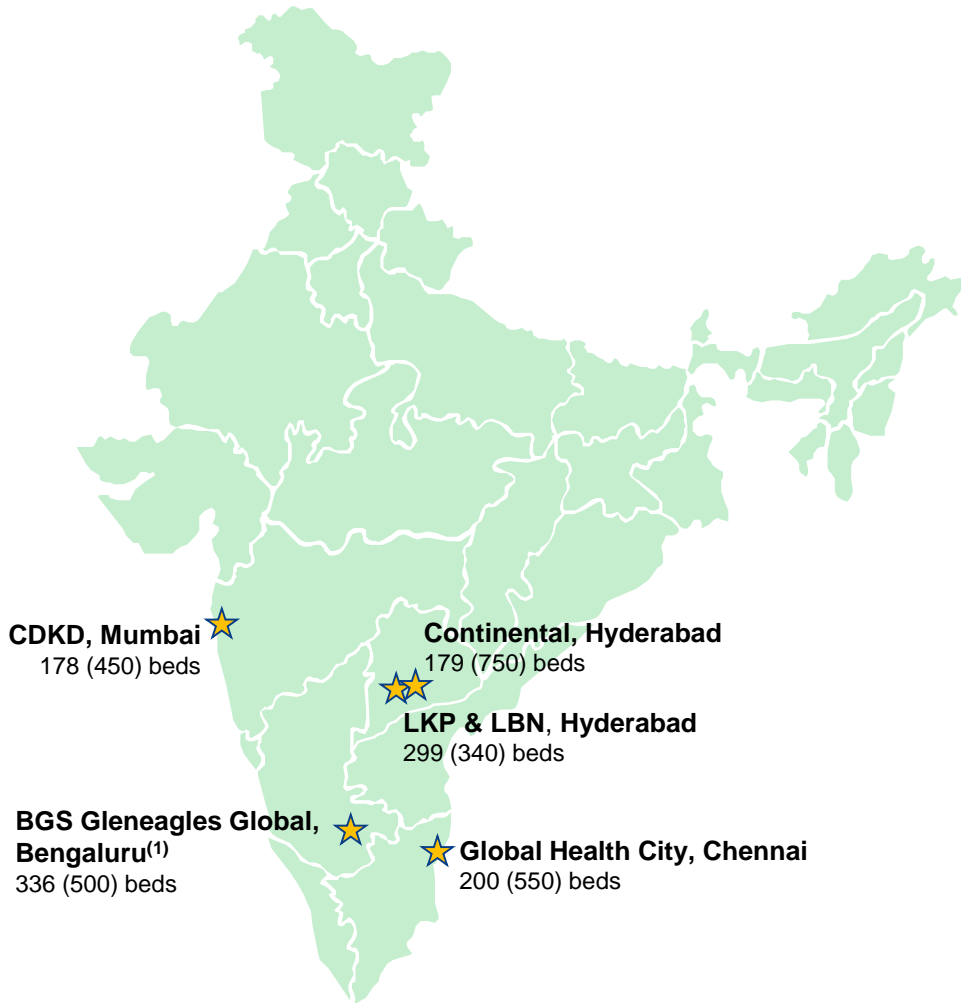


Our home markets				Our key markets	
Malaysia	Singapore	Turkey	India	Hong Kong	China
Pantai Holdings Berhad	Parkway Holdings Limited	Acibadem Holdings	Gleneagles Development Pte Ltd	Parkway HK Holdings Limited	PCH Holding Pte Ltd
14	4	16	7	1	Future openings: • Gleneagles Chengdu (2019) • Gleneagles Shanghai (2020)
2,300+	900+	2,500+	1,800+	500	

IHH is an operator of world class hospitals in developed and emerging markets globally

(1) As of 11 July 2018  
Source: IHH - Company information as of 31 March 2018, Bloomberg

# IHH's India Market Presence



As of Mar'18 / for FY18

6 <sup>(2)</sup> / 3	Hospitals / Feeder centres
1,192	Operational beds
c.3,000	Total bed potential

**IHH has an operating presence in India since 2002 and invested upwards of US\$500m in India to date**

Note: Figures in brackets indicate total potential bed capacity, all figures as of March 2018

(1) Including 100 beds in Feeder Centres: Ramnagar Global (30), Vijayanagar Global (44) and Richmond Hospital (26). Ramnagar Global and Vijayanagar Global O&M for IHH India terminated in June/ July 2018

(2) Includes one under construction hospital in Khubchandani

Source: IHH Presentation

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**Thank You...**