



 **RHT** | HEALTH TRUST

# Annual General Meeting

27 July 2017



# Disclaimer

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This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of income and occupancy rate, changes in operating expenses (including employee wages, benefits and training), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements. For further information, please also refer to RHT's press release which is released in conjunction with this set of presentation.

The Indian Rupee and Singapore Dollar are defined herein as "INR" and "S\$" respectively. Any discrepancy between individual amounts and total shown in this presentation is due to rounding.

# Agenda

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1. **About the RHT Portfolio**
2. **Significant Events**
3. **Key Financial Highlights**
4. **Expansion of the RHT Portfolio**

# About the RHT Portfolio



# RHT– 18 Quality Assets Spread Across India

## RHT:

- ✓ Investment mandate to invest in medical and healthcare assets and services in Asia, Australasia and other emerging markets
- ✓ A healthcare-related business trust listed on the SGX (current market cap of S\$717.6 m<sup>(1)</sup>)
- ✓ Partnership with *Fortis Healthcare Limited*, the leading healthcare delivery services provider in India

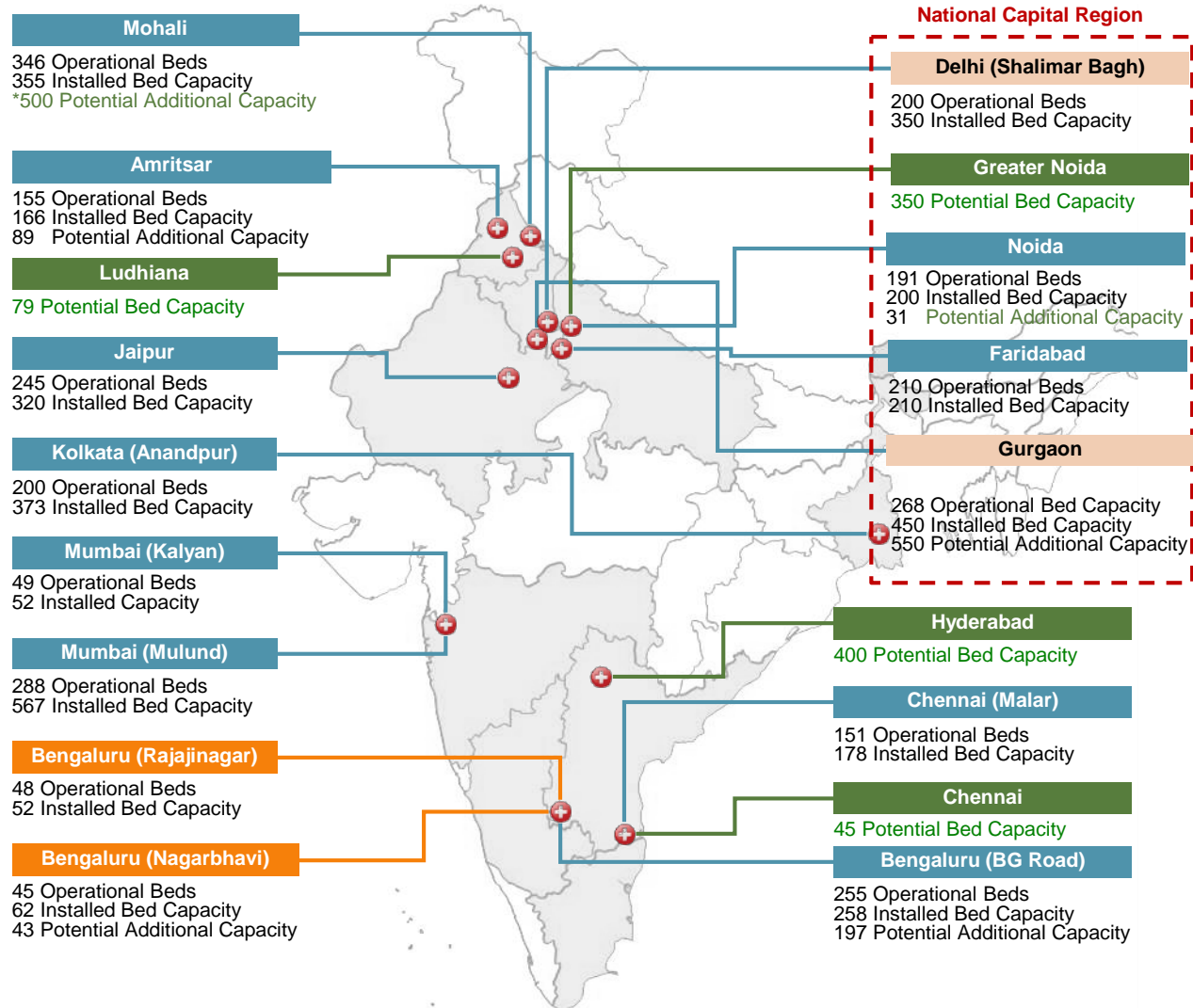
## RHT Portfolio Summary:

- ✓ Portfolio valued at S\$1,120.8m<sup>(3)(4)</sup>
- ✓ 12 RHT Clinical Establishments
- ✓ 4 Greenfield Clinical Establishments
- ✓ 2 Operating Hospitals managed and operated by RHT

## Premier Locations Across India:

- ✓ Approximately 3.6 million sq ft of built-up area across 10 states
- ✓ Sizeable population catchment
- ✓ Located near to major transportation nodes

- : 100% Owned RHT Clinical Establishment
- : Greenfield Clinical Establishments
- : Operating Hospitals
- : 49% Owned Clinical Establishment commencing 12 October 2016



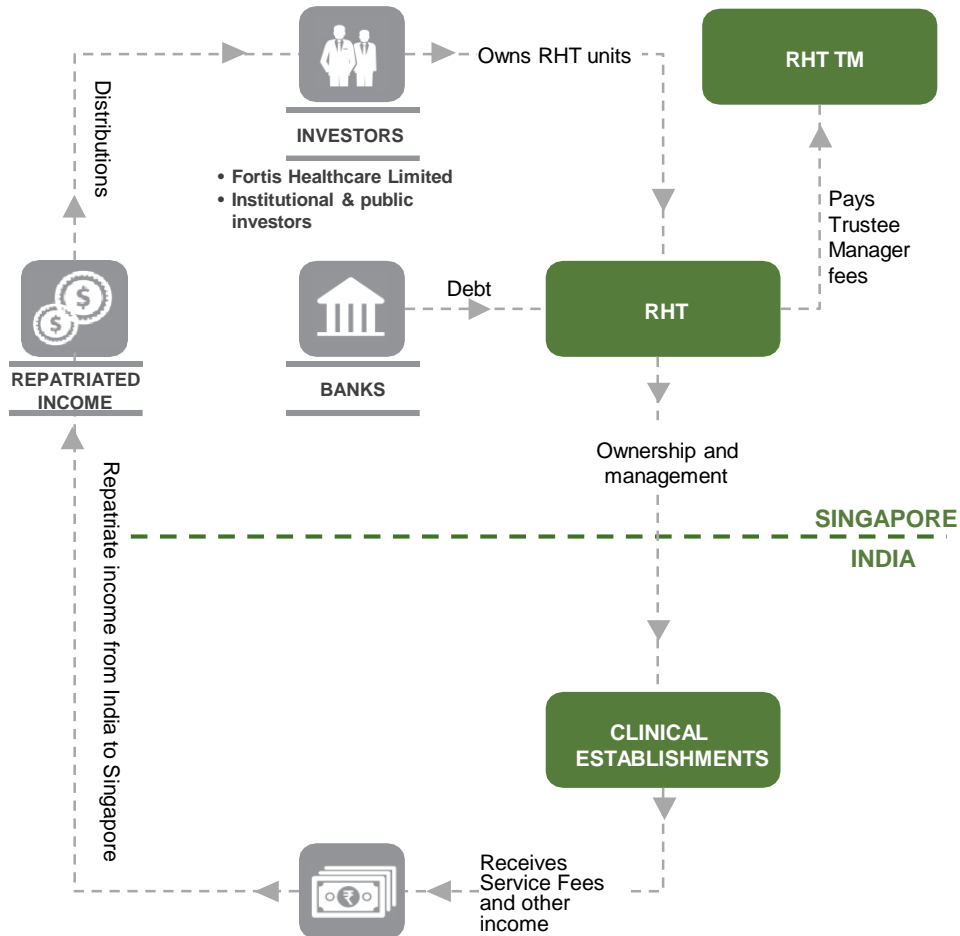
## Note:

- (1) As at 31 March 2017. Source: SGX
- (2) No. of beds and installed capacities as at 31 March 2017. Potential bed capacity assumes all planned phases of development and construction are completed
- (3) Based on S\$1 = INR 46.43 as at 31 March 2017. The appraised value of each of the portfolio assets by the independent valuers is as at 31 March 2017.
- (4) The portfolio value has taken into the effect the disposal of 51% interest in FHTL.

\*The development of the Mohali land is intended to be carried out in phases and will not result in an immediate addition in capacity of 500 beds upon completion of the initial phase of development.

# Stable and Efficient Trust Structure

## RHT Trust Structure



## Income Secured through Long Term Agreements

Term of Agreement	<ul style="list-style-type: none"> <li>15 years from 2012, with option to extend by another 15 years by mutual consent</li> </ul>
Primary Obligations of HSCos	<ul style="list-style-type: none"> <li>Making available and maintaining the Clinical Establishments</li> <li>Provision of outpatient services</li> <li>Provision of radio diagnostic services</li> </ul>
Primary Obligations of FOCs	<ul style="list-style-type: none"> <li>Provision of healthcare services at the Clinical Establishments</li> <li>Pay to RHT the Services Fees and Commitment Deposits</li> </ul>
Services Fee	<ul style="list-style-type: none"> <li><b>Base Service Fee</b> <ul style="list-style-type: none"> <li>Fixed quarterly payments with 3% escalation per annum</li> <li>Upward revision for any capital expansion or expansion of the Fortis Hospital or services provided by the HSCos</li> <li>RHT entitled to request for an advance of up to 60% of the Base Service Fee</li> </ul> </li> <li><b>Variable Service Fee</b> <ul style="list-style-type: none"> <li>7.5% of the operating income of Fortis</li> <li>Allows RHT to capture upside exposure</li> </ul> </li> </ul>
Commitment Deposit	<ul style="list-style-type: none"> <li>FOC to pay HSCo 25% for greenfield development of Fortis Hospitals as an interest free refundable commitment deposit</li> </ul>
RHT's ROFR over Fortis' Assets	<ul style="list-style-type: none"> <li>Right of First Refusal ("ROFR") granted to RHT over Fortis' medical and healthcare infrastructure and facilities which fall within the scope of RHT's investment mandate</li> </ul>

# Some of RHT's Award Winning Clinical Establishments

31 Joint Commission International (JCI) accredited hospitals in India  
3 Clinical Establishments in the RHT portfolio are JCI accredited hospitals



**BG Road Clinical Establishment**  
JCI Accredited since 9 February 2008  
Renewed for the 4<sup>th</sup> time in June 2017



**Mohali Clinical Establishment**  
JCI Accredited since 15 June 2007  
Renewed for the 4<sup>th</sup> time in June 2016



## Gurgaon Clinical Establishment

Ranked No. 2 globally on '30 Most Technologically Advanced Hospitals in the World' by 'topmastersinhealthcare.com'



**Mulund Clinical Establishment**  
JCI Accredited since 26 August 2005  
Renewed for the 4<sup>th</sup> time in June 2016

# Key Financial Highlights





# Key Highlights

- Financial performance

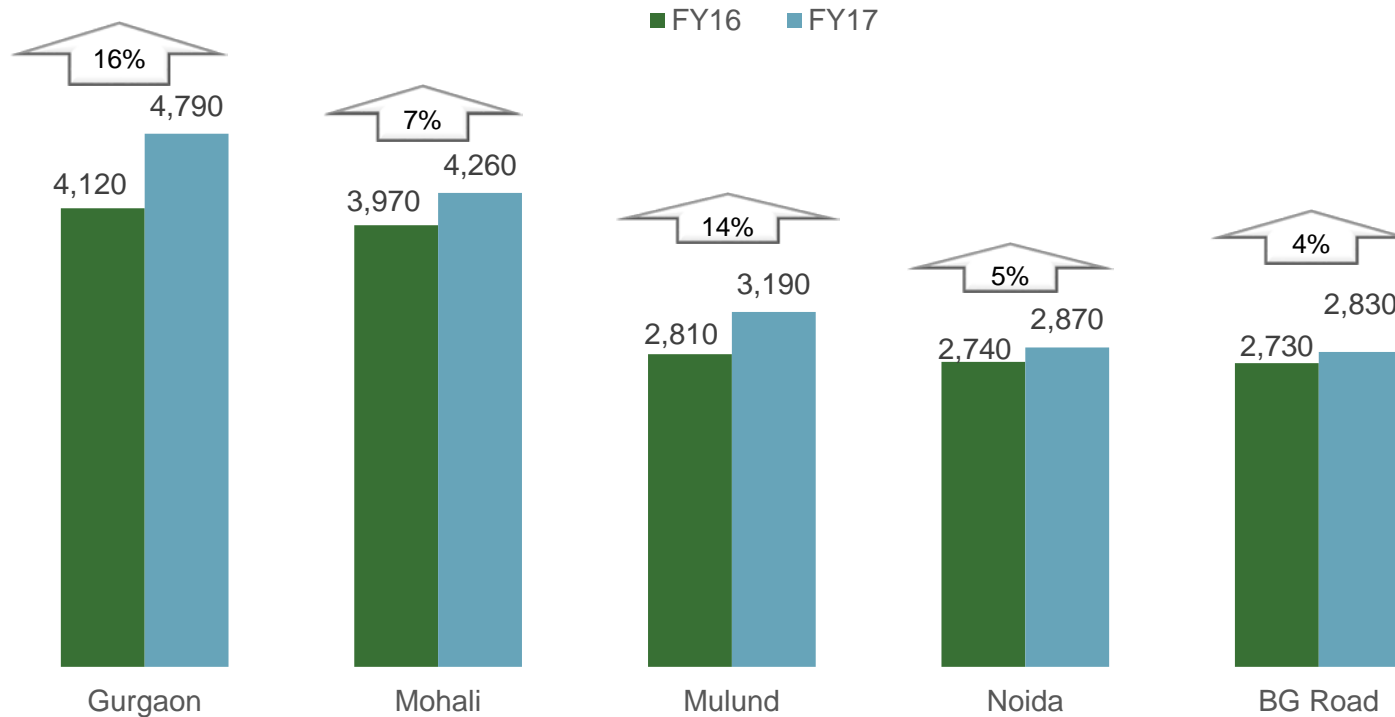
<b>FY16 against FY17</b>	<b>FY16<sup>(2)</sup></b>	<b>FY17</b>	<b>Variance</b>
	S\$'000	S\$'000	%
Total Revenue	88,689	89,919	1.4
Net Service Fee and Hospital Income	52,347	50,924	(2.7)
Distributable Income (S\$'000)	61,583	50,502 <sup>(2)</sup>	(18.0)

- Year-on-year increase in Total Revenue driven by growth in Variable Fee stemming from increased operator business.
- Net Service Fee and Hospital Income dipped slightly as a result of operational cost increases. This trend was stopped in the 4Q of FY17.
- Distributable Income lower mostly due to the disposal of 51% economic interests in FHTL, and increased corporate taxes.

(1) Based on S\$1 = INR 46.43 as at 31 March 2017. The appraised value of each of the portfolio assets by the independent valuers is as at 31 March 2017.

(2) Prior period figures have been restated to reflect the reclassification of FHTL in connection with the Disposal and Related Arrangements

# Strong Operating Revenue Increases (INR m)

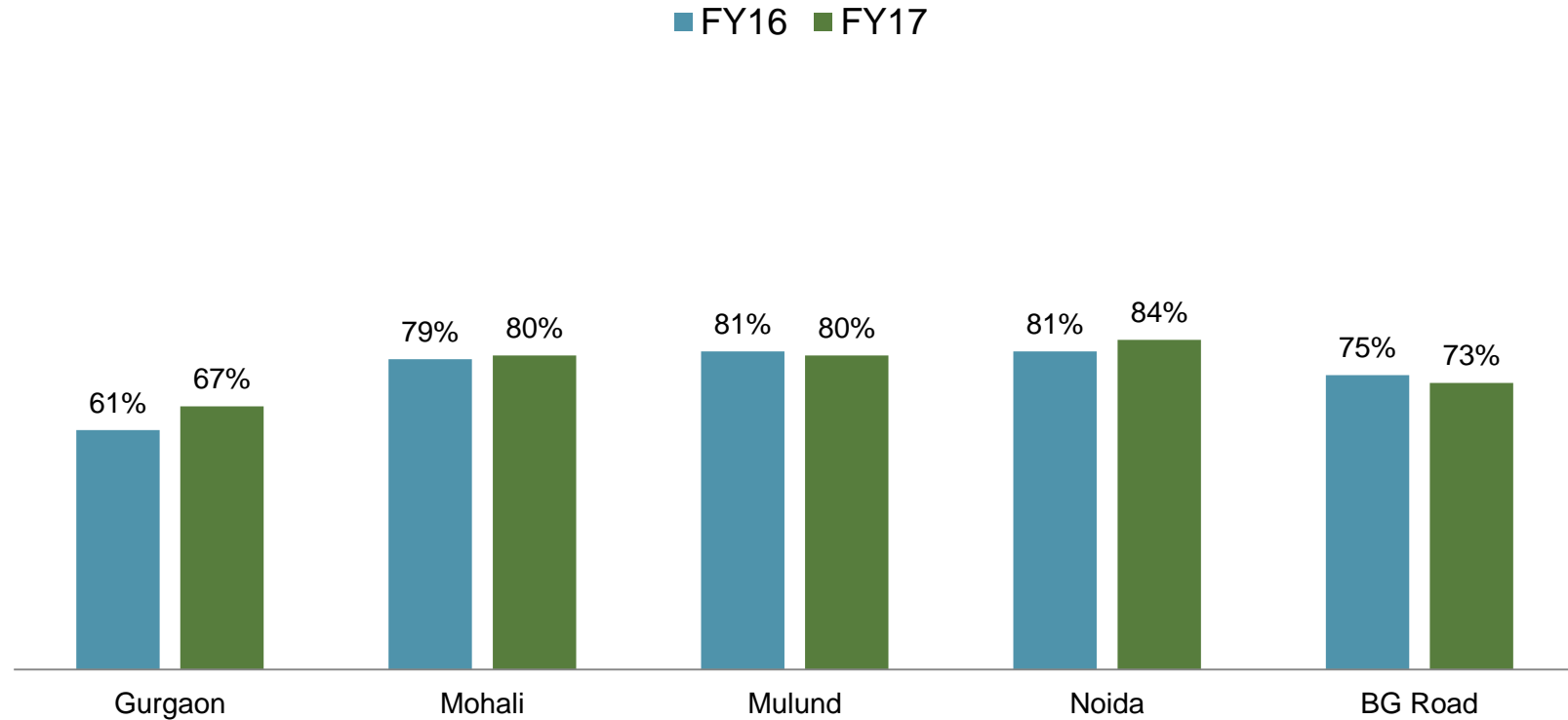


Source: Fortis presentation slides for FY16

All figures based on information released by Fortis Healthcare Limited for their Top 10 performing hospitals

(1) Installed capacity refers to the maximum number of beds that can be operated at each hospital without further expansion. Potential capacity refers to the maximum number of beds that can operate at each hospital when all stages of development are completed.

# Stable Occupancy

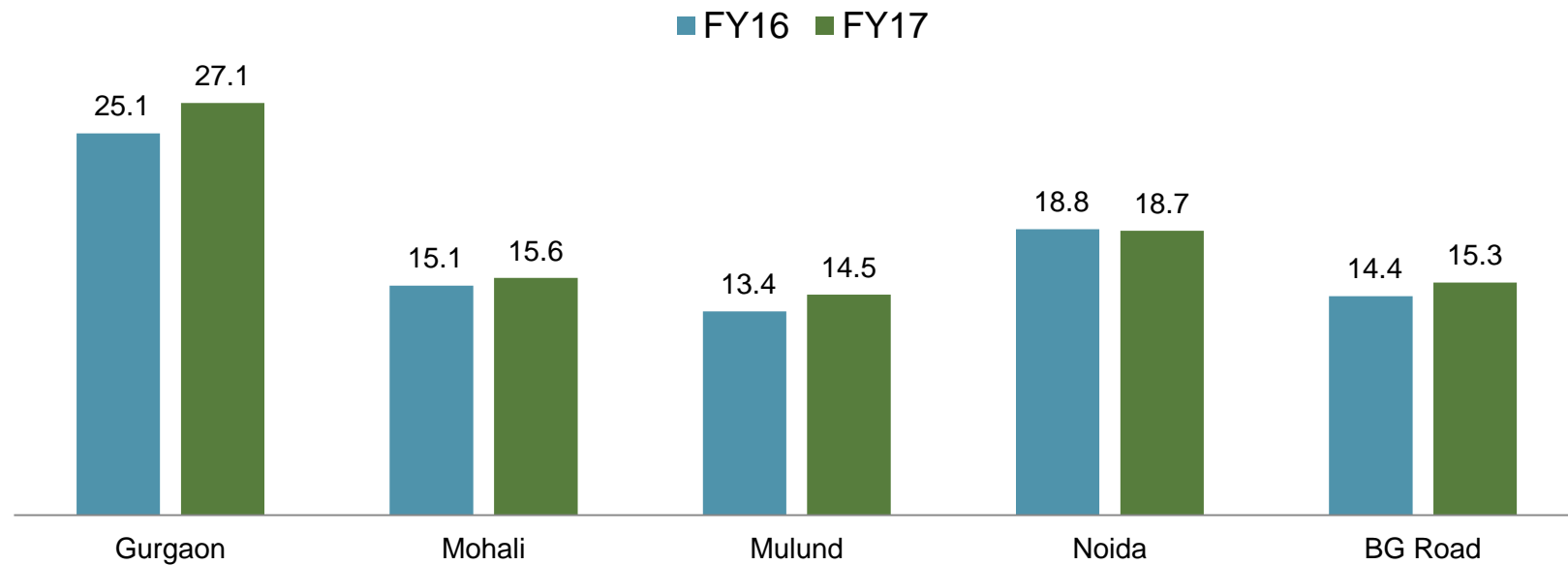


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# Growth in Average Revenue per Operating Bed (INR m)



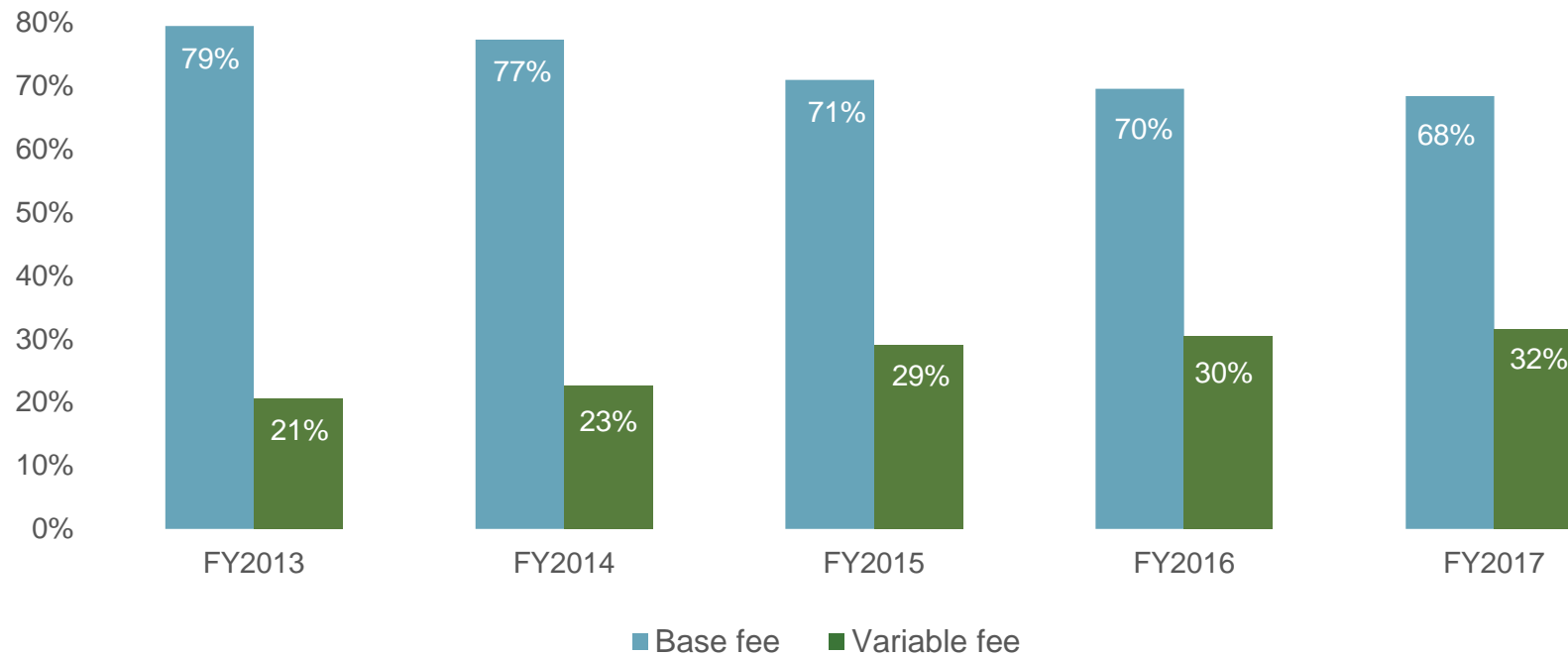
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All figures based on information released by Fortis Healthcare Limited for their Top 10 performing hospitals

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# Growth of Variable Fee Component

Resulting from the fast growth of the Indian healthcare industry

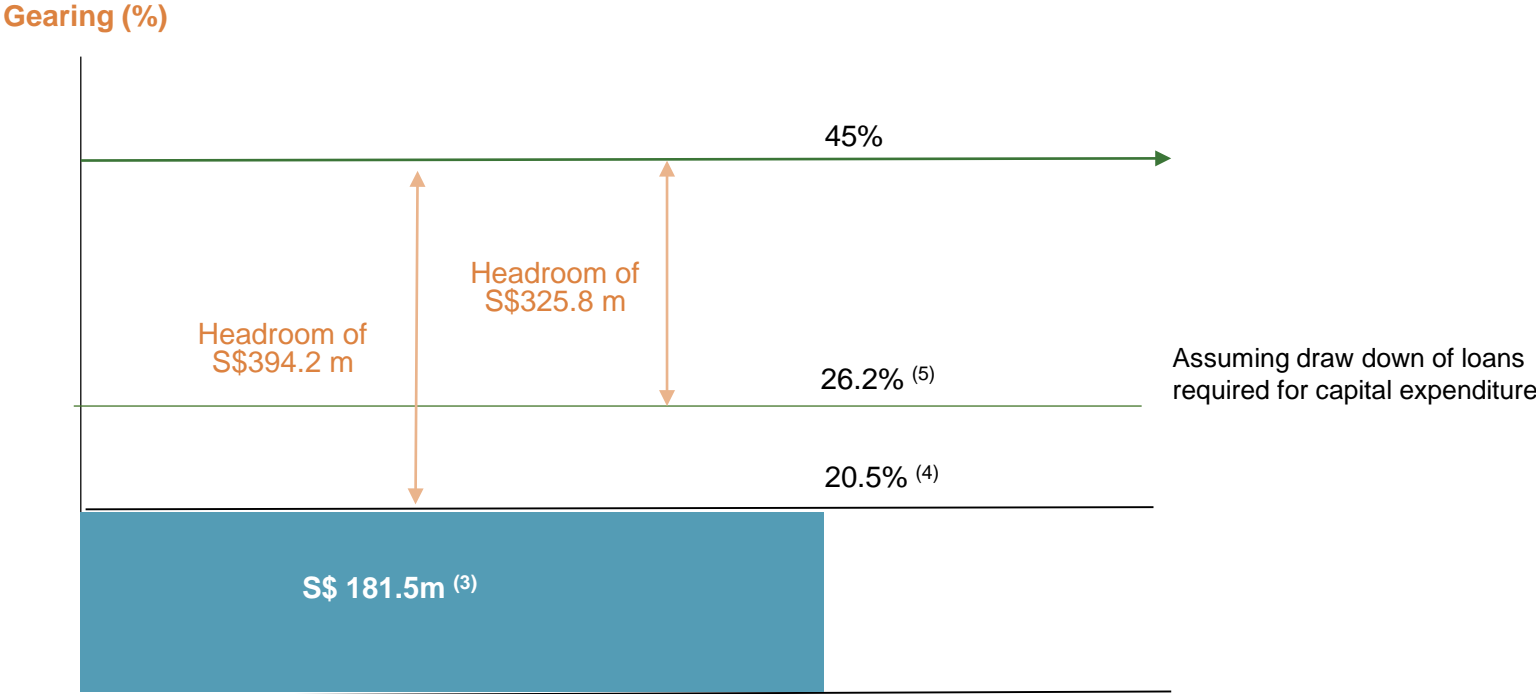


## Return to Unitholders

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	<b>Distributions</b>	<b>Capital</b>
Unit Price at IPO (19 October 2012)		90 cents
Total Distributions Paid out between 19 October 2012 to date	33.75 cents	
Special Distribution paid out on 28 October 2016	24.8 cents	
Unit Price as at 6 July 2017		90 cents
<b>Total Absolute Returns</b>	<b>58.55 cents per unit</b>	<b>No change</b>

# Low Gearing with Generous Debt Headroom



# Significant Events





# Key Events

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## Significant Events in FY2017

Completes 5 years of listing on the SGX-ST in October 2017

### Commencing FY2017

- RHT distributes 95% of its Distributable Income

### October 2016

- Disposed of 51% economic interests in Fortis Hospotel Limited (“FHTL”), which owns the Gurgaon and Shalimar Bagh Clinical Establishments (the “Disposal”)
- Distributed S\$0.284 cents to Unitholders arising from the Disposal.
- Internal Rate of Return (IRR) of approximately 14% to Unitholders<sup>1</sup>.

## Going Forward in FY2018

### RHT’s Hedging Policy

- Reduction of amount of Distributable Income hedged from 100% to 50%.
- Decision arrived at post consultation with investors, and also taking into consideration the reduction in volatility of the Indian Rupees against the Singapore dollar.

### Completion of Development Projects

- Total capacity for 395 new beds being added to the portfolio in FY2018.

<sup>1</sup> IRR assuming units were acquired at the time of initial public offering of RHT on 19 October 2012, and including all the distributions attributed to the FHTL which were distributed to unitholders between 19 October 2012 and the Disposal.

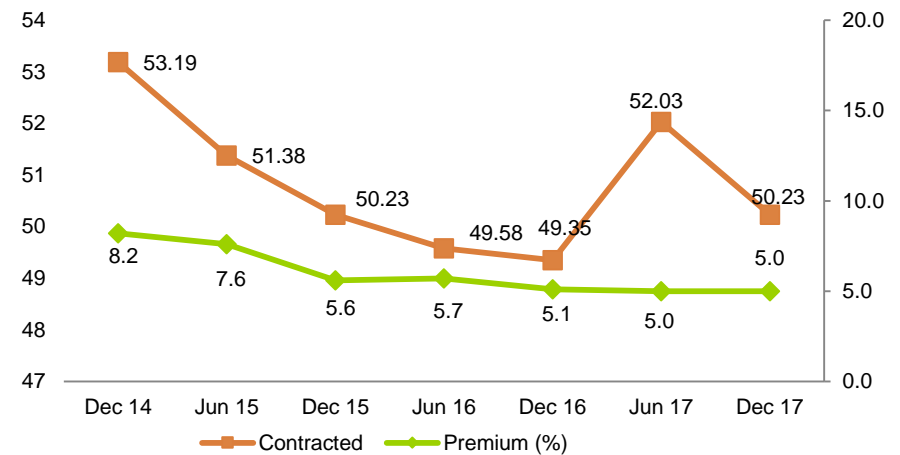
# Hedging - Foreign currency exposure

- At present, RHT hedges 100% of its Indian denominated cashflows receivable every 6 months from India.
- Commencing FY2018, RHT will hedge 50% of such cashflows.
- RHT has hedged the following foreign exchange exposures:

**Current Spot rate : INR 47.23 to SGD 1 ^**

Contracted rate	Settlement
INR 53.19 to SGD 1	Dec-14
INR 51.38 to SGD 1	Jun-15
INR 50.23 to SGD 1	Dec-15
INR 49.58 to SGD 1	Jun-16
INR 49.35 to SGD 1	Dec-16
INR 52.03 to SGD 1	Jun-17
INR 50.23 to SGD 1	Dec-17
INR 48.9 to SGD 1	June-18 *

**Forward Premium over Spot**



^ Source: Bloomberg.com, 26 July 2017

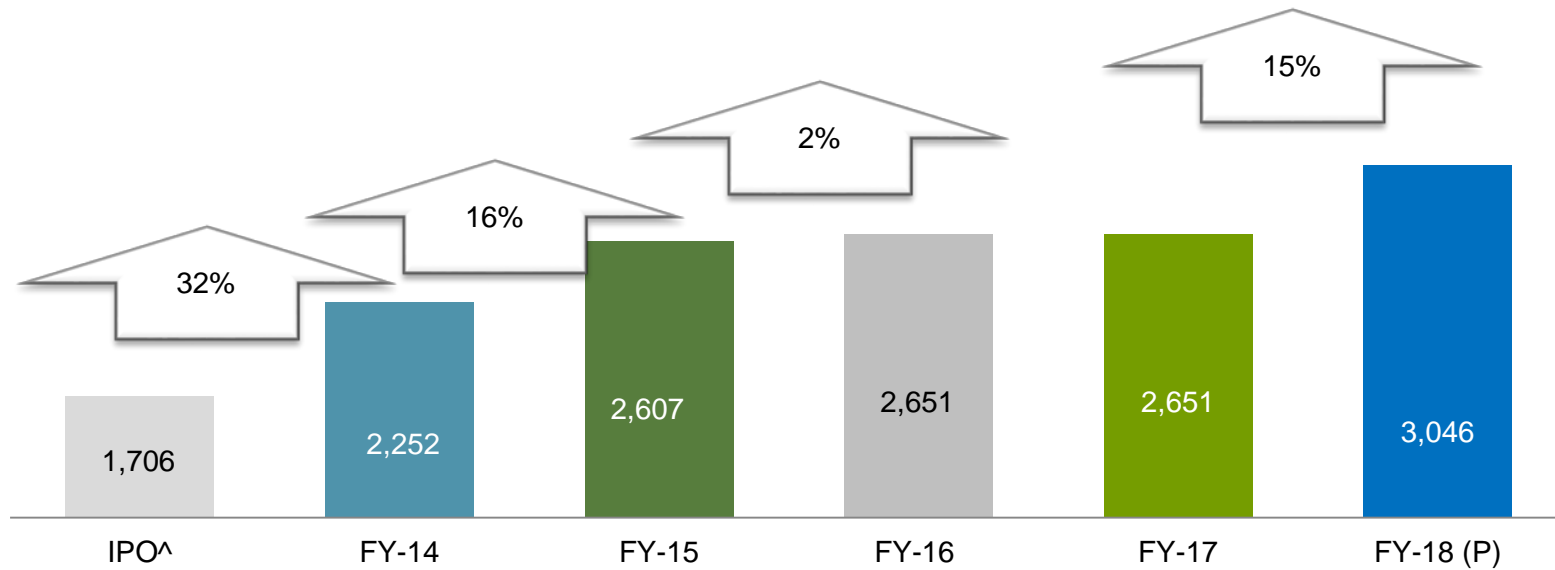
\* To be completed

# Expansion of the RHT portfolio



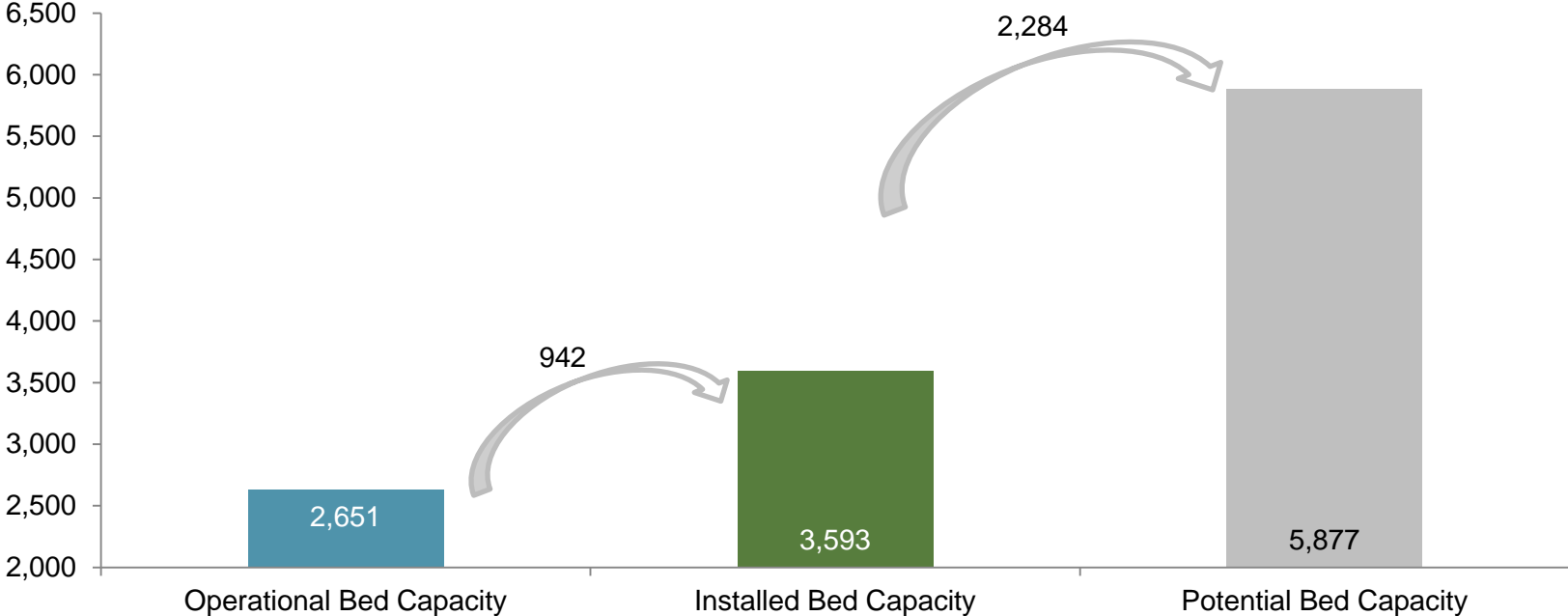
# Strong Growth from Capacity Expansion

Number of Operational Beds



(1) Installed capacity refers to the maximum number of beds that can be operated at each hospital without further expansion. Potential capacity refers to the maximum number of beds that can operate at each hospital when all stages of development are completed.

# Potential For Further Growth Organically



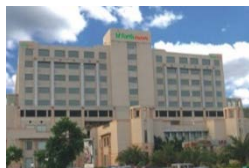
# Projects Completing in FY2018



	Ludhiana Greenfield Clinical Establishment	BG Road Brownfield Clinical Establishment
Estimated Time of Completion	2017	2017
No. of Beds Planned	79	200
Specialties	Mother & Child Programmes	Oncology, Operating Theatre
Civil Cost	INR 880 m (S\$18.0 m)	INR 1,700.8m (S\$34.0 m)

- New contract to be signed with operator upon completion of the projects
- Unitholders' approval to be sought

# Capacity Enhancement Initiatives Underway and New Clinical Establishments Coming Onstream



	Jaipur	Mulund	Nagarbhavi	Amritsar	Noida	Shalimar Bagh
Estimated Time of Completion	Completed and operations commenced	March 2018	June 2018	December 2019	August 2017	September 2017
No. of Additional Beds Planned	59	39	45	102	27	-
Additions	Mother and Child Health programme, Orthopedics	Mother and Child Health programme	2 operating theatres and a cath lab	Oncology Block	Gastroenterology unit	Oncology programme
Civil Cost	INR 162.9m (S\$3.3 m)	INR 129.6m (S\$2.6 m)	INR 198.2m (S\$4.0 m)	INR 422.6m (S\$8.5 m)	INR 141.5m (S\$2.8 m)	INR 196.9m (S\$3.9 m)

Expansion of Mohali	
Potential Demand	The land sits next to the current Mohali Clinical Establishment, which is one of the highest revenue generating hospital in the portfolio
Potential Bed Capacity	480
Cost	Land – INR 730.0 m (S\$14.6m) Building – INR 2,822 m (S\$56.4 m)

Based on S\$1 = INR 48.50.

Appraised by the independent valuer as at 31 March 2016.

Thank You

