



Fortis Healthcare announces Q4 FY24 and FY24 Audited Financial Results

Board recommends dividend of INR 1 per share (10% of Face Value)

Hospital Business registers a healthy performance in Revenues and Margins

Strengthens presence in NCR with the acquisition of a potential 450 bed hospital in Manesar, Gurugram in FY24

Q4 FY24 Consolidated Revenues increase 8.7% to INR 1,786 Crs

Consolidated Operating EBITDA up 40.5% to INR 380 Crs, 21.3% Margin

Hospital Business Revenues increase 10.3% to INR 1,490 Crs; Operating EBITDA up 50.6% to INR 333 Crs, 22.4% Margin

FY24 Consolidated Revenues increase 9.5% to INR 6,893 Crs

Consolidated Operating EBITDA up 15.1% to INR 1,268 Crs, 18.4% Margin

Hospital Business Revenues increase 11.3% to INR 5,686 Crs; Operating EBITDA up 22.7% to INR 1,058 Crs, 18.6% Margin

Gurugram, May 23, 2024: Fortis Healthcare Ltd. (“Fortis” or the “Company”), amongst India’s leading healthcare delivery companies, today announced its audited consolidated financial results for the quarter and year ended March 31, 2024.

Financial Snapshot

Consolidated (INR Crs)	Q4FY23^	Q4FY24^	% Change YoY	FY23	FY24	% Change YoY
Revenue	1,643	1,786	8.7%	6,298	6,893	9.5%
Operating EBITDA	271	380	40.5%	1,101	1,268	15.1%
Operating EBITDA Margin	16.5%	21.3%		17.5%	18.4%	

Profit Before Tax (Before exceptional item)	173	268	55.2%	740	842	13.8%
Profit After Tax*	138	203	46.9%	633	645	1.9%
Profit After Tax after Minority Interest and Share in Associates	133	179	34.8%	589	599	1.7%
Earnings per share (EPS)	1.76	2.37		7.80	7.93	

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* PAT includes an exceptional gain of INR 16.0 Crs in FY24 pertaining to the reversal of impairment in an associate company and profit related to the divestment of Chennai facilities and INR 73.6 Crs in FY23 which pertains primarily to the reversal of impairment in an associate company.

Hospital Business (INR Crs)	Q4FY23 [^]	Q4FY24 [^]	% Change YoY	FY23	FY24	% Change YoY
Revenue	1,350	1,490	10.3%	5,107	5,686	11.3%
Operating EBITDA	221	333	50.6%	862	1,058	22.7%
Operating EBITDA Margin	16.4%	22.4%		16.9%	18.6%	

[^]The financials of the hospital business related primarily to Q4FY24 and Q4FY23 comprise adjustments of amounts related to write back of excess provisions / unclaimed balances/ expected credit loss and other year-end adjustments which have been accounted for in the quarters but pertain to the full year.

Diagnostic Business (INR Crs)	Q4FY23	Q4FY24	% Change YoY	FY23	FY24	% Change YoY
Revenue (net)	292	296	1.3%	1,190	1,207	1.4%
Operating EBITDA	49	47	-4.5%	239	209	-12.4%
Operating EBITDA Margin	16.9%	16.0%		20.1%	17.3%	

Balance Sheet

- The Company's net debt as of 31st March 2024 stood at INR 264 Crs with a Net Debt to EBITDA of 0.17x as compared to the 0.30x as on 31st March 2023. (basis Q4 annualized EBITDA). Net debt to equity was at 0.03x versus 0.04x as on 31st March 2023.
- At the consolidated level, cash flow from operations for FY24 stood at INR 1,100 Crs.

HOSPITAL BUSINESS HIGHLIGHTS

KPIs	Q4 FY23	Q3 FY24	Q4 FY24	FY23	FY24
Occupancy	67.1%	64.0%	67.0%	67.1%	64.7%
ARPOB (INR per day)	57,494	61,096	63,442	54,954	60,887
ARPOB (INR/Cr p.a.)	2.10	2.23	2.32	2.01	2.22
ALOS (Days)	4.50	4.32	4.41	4.38	4.28

- Revenues growth in the hospital business both for the quarter and the year was led by an increase in ARPOB of 10.3% and 10.8% over respective previous periods. ARPOB for Q4 FY 24 was at INR 2.32 Crs while for the year ARPOB stood at INR 2.22 Crs.



- The performance of the hospital business was also positively impacted by the combined revenue of the Company's top 6 key medical specialties viz. Oncology, Gastroenterology, Neurosciences, Renal Sciences, Orthopedics and Cardiac Sciences growing 13.8% in Q4FY24 and 13% in FY 24 versus corresponding previous periods. These contributed 62% to the overall hospital business revenues versus 61% in FY23.
- Revenues from medical travel for the quarter grew 8.9%. For FY 24 revenues from medical travel grew 12.2% to reach INR 479 Crs, contributing 8% to overall hospital revenues, similar to FY 23.
- Revenues from digital channels viz website, mobile application and digital campaigns witnessed a 33% YoY growth in Q4 FY24 and 27% YoY growth in FY24. For the year revenues from digital channels contributed 25.2% to overall hospital revenues versus 22.1% in FY23.
- Fortis Hospitals performed in excess of 110,000 key surgeries / procedures in FY24; an increase of ~8% over FY23. Volumes in key procedures such as transplants grew 11% while in robotic surgeries and radiation therapy, volume growth was in excess of 50%.
- During the year, revenues from key facilities such as Mohali, Noida, Shalimar Bagh, Anandpur and Amritsar grew 19%, 16%, 16%, 15% and 21% respectively.
- In line with its portfolio optimization strategy, FY24 witnessed the Company exiting the Chennai market with the divestment of both of its underperforming facilities i.e. Arcot Road and Malar.
- The Company continued to strengthen its clinical talent across various medical specialties with the onboarding of clinicians in nephrology, neurology, cardiac sciences, oncology, gastroenterology, general surgery and urology.

DIAGNOSTICS BUSINESS HIGHLIGHTS

- Q4 FY24 Diagnostics Business gross revenues were at INR 338 Crs versus INR 332 Crs in Q4FY23. For FY24, gross revenues stood at INR 1,372 Crs versus INR 1,347 Crs.
- The performance of the business was primarily impacted by the change in brand name to Agilus Diagnostics Limited and the decline witnessed in Covid volumes versus the corresponding previous periods. Non Covid revenues witnessed a 5% growth over Q4 FY23 and a 6% growth over FY23 respectively.
- Operating EBITDA margins (basis gross revenues) stood at 14.0% versus 14.9% in Q4FY23. Excluding one offs related primarily to the rebranding expenses and the provisioning related to certain government business, the operating EBITDA margins stood at 15.9% versus 14.9% in Q4 FY23.

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- Operating EBITDA margins for FY24 stood at 15.3% versus 17.7%. Excluding the above one offs operating EBITDA margins were at 19.5% versus 17.7% in FY23.
- Continuing with its network expansion strategy, Agilus added ~200 new customer touch points (CTP's) in Q4 FY24. For the year ~680 CTP's were added to the network taking the total number of CTP's as on 31st March 2024 to ~3,976.
- In Q4 FY24, Agilus conducted ~9.6 million tests versus ~9.8 million tests in Q4 FY23. The decline in the tests was primarily because of lower COVID volumes. For the year Agilus conducted ~40.0 million tests as against ~39.1 million tests in FY23.
- The preventive portfolio revenues in Agilus's overall revenues grew 14% in FY24 and contributed 10.3% to total revenues versus 9.2% in FY23. Revenues from genomics also witnessed a 27% growth in FY24.

Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, “We have witnessed yet another year of healthy growth and profitability, reflected in the Board recommending a dividend of INR 1 per share (10% of face value) to shareholders. This signifies the Company's strengthening fundamentals and continuing growth prospects.

I'm pleased to share that the Company has progressed well on its strategic growth levers viz. brownfield bed expansion, portfolio rationalization and investments in medical equipment and clinical programs. Plans to ramp up current bed capacity are on track and could potentially see the Company reach a total of 5,948 beds over the next few years. We have added 246 beds in FY24 across our network and in line with our portfolio optimization strategy, have also successfully divested two of our underperforming assets in Chennai. With a focus on increasing our presence in specialities such as oncology, neurosciences and cardiac sciences, we have expanded our clinical offerings and medical programs backed by high quality clinical talent. Providing best in class clinical outcomes and a superior patient experience remain critical to our success and these are being further supplemented by digital technologies such as Electronic Medical Records (EMR) system which is gradually being rolled out across our network.

While challenges remain in the diagnostics business primarily as a result of the brand name change; the industry is witnessing signs of stabilization and gradual improvement. We believe that Agilus is well placed given its scale and size to improve its business performance going forward. The Company's Balance Sheet remains robust enabling us to actively evaluate inorganic opportunities to further accelerate our growth momentum. I'm optimistic that with the continuing support of all our stakeholders we would progressively strengthen our performance in both the hospitals and diagnostics businesses.”

Commenting on the results for the quarter and the year, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, “The year gone by has witnessed a healthy performance led by our hospitals business. Our consolidated topline grew 9.5% to INR 6,893 Crs while our operating profitability. i.e. EBITDA increased 15.1% to INR 1,268 Crs. The hospital

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business contributed more than 80% to our consolidated topline while at the EBITDA level the hospital business contribution rose from 79% in FY23 to 83% in FY24.

For the quarter our hospital business revenues increased 10.3% while margins improved to 22.4% versus 16.4% in Q4FY23. The performance for the quarter was in part due to an improved specialty mix reflected in the YoY ARPOB increase of 10.3% to INR 2.32 Crs.

The year witnessed bed additions in key facilities such as in Anandpur (Kolkata), Mohali (Punjab), BG Road (Bengaluru) and Mulund (Mumbai); in addition to the commissioning of a new 70-bed facility in Ludhiana. We expect to add 700 beds in the current year out of which we plan to operationalize approx. 300 beds. This would also include the soon to be commissioned 450 bed potential Manesar, Gurugram facility which would further strengthen our presence in one of our key clusters .i.e. NCR. In order to provide advanced treatment options to our patients; we continue to upgrade our medical infrastructure, having commissioned LINACs, Cath Labs, MRI, Ortho Robots, Digital PET CT and Da Vinci Robotic Systems in a number of our facilities.

On our diagnostics business, we believe that Agilus has the potential to scale up significantly from current levels and efforts are on to strengthen its business imperatives in terms of its channel / network presence and product portfolio to drive revenues and optimize costs. I'm hopeful that both our business will further build on their FY24 performance in the current year".

About Fortis Healthcare Limited : Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates 28 healthcare facilities (including JVs and O&M facilities). The Company's network comprises approximately 4,500 operational beds (including O&M beds) and ~420 diagnostics centres.

DISCLAIMER

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For further details please contact:

Anurag Kalra

Investor Relations

+91-9810109253

Fortis Healthcare Limited

Ajey Maharaj

Corporate Communication

+91-9871798573

Fortis Healthcare Limited