



Fortis Healthcare announces Q1 FY25 Financial Results

Hospital Business registers a healthy performance in Revenues and Margins

Consolidated Revenues increase 12.2% to INR 1,859 Cr

Consolidated Operating EBITDA up 25.5% to INR 343 Cr, Margin 18.4%

Hospital Business Revenues increase 14.4% to INR 1,549 Cr; Operating EBITDA up 39.0% to INR 287 Cr, 18.5% Margin

Gurugram, August 06, 2024: Fortis Healthcare Ltd. (“Fortis” or the “Company”), amongst India’s leading healthcare delivery companies, today announced its unaudited consolidated financial results for the quarter ended June 30, 2024.

Financial Snapshot

Consolidated (INR Cr)	Q1FY24[^]	Q1FY25[^]	% Change YoY	Q4FY24	% Change QoQ
Revenue	1,657	1,859	12.2%	1,786	4.1%
Operating EBITDA	273	343	25.5%	380	-9.9%
Operating EBITDA Margin	16.5%	18.4%		21.3%	

Profit Before Tax (Before exceptional item)	169	230	35.8%	268	-14.3%
Profit After Tax*	124	174	40.4%	203	-14.4%
Profit After Tax after Minority Interest and Share in Associates	112	166	48.5%	179	-7.1%
Earnings per share (EPS)	1.48	2.20		2.37	

* PAT includes an exceptional gain of INR 0.2 Cr in Q1FY25, INR 1.5 Cr in Q1FY24 which pertains primarily to the reversal of impairment in an associate company; exceptional gain of INR 3.1 Cr in Q4FY24 relates to Malar divestment transaction

Hospital Business (INR Cr)	Q1FY24	Q1FY25	% Change YoY	Q4FY24	% Change QoQ
Revenue	1,354	1,549	14.4%	1,490	4.0%
Operating EBITDA	206	287	39.0%	333	-13.8%
Operating EBITDA Margin	15.2%	18.5%		22.4%	

Diagnostic Business (INR Cr)	Q1FY24^	Q1FY25^	% Change YoY	Q4FY24	% Change QoQ
Revenue (net)	303	309	2.0%	296	4.6%
Operating EBITDA	66	55	-16.6%	47	17.4%
Operating EBITDA Margin	21.9%	17.9%		15.9%	

Balance Sheet

- The Company's net debt as of 30th June 2024 stood at INR 308 Cr with a Net Debt to EBITDA of 0.22x as compared to the 0.35x as on 30th June 2023 (basis Q1 annualized EBITDA). Net debt to equity was at 0.04x versus 0.05x as on 30th June 2023.

HOSPITAL BUSINESS HIGHLIGHTS

KPIs	Q1 FY24	Q4 FY24	Q1 FY25
Occupancy	64%	66%	67%
ARPOB (INR per day)	60,076	63,442	65,924
ARPOB (INR/Cr p.a.)	2.19	2.32	2.41
ALOS (Days)	4.19	4.41	4.16

- Revenue growth in the hospital business for the quarter was led by an increase in ARPOB of 9.7% and higher occupancy compared to the corresponding previous period. ARPOB for Q1 FY25 stood at INR 2.41 Cr.
- 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 15.7% in Q1FY25 versus corresponding previous period. Their contribution has stayed steady at 63% to the overall hospital business revenues.
- Number of key surgical procedures performed across some of our focus specialties such as Neuro Sciences increased by 23% YoY and Robotic Surgeries increased by 59% compared to the corresponding previous period.
- Revenues from medical travel for the quarter grew 11% to reach INR 127 Cr against INR 115 Cr in Q1FY24, contributing nearly 8% to overall hospital revenues.

August 06, 2024



- Revenues from digital channels viz website, mobile application and digital campaigns witnessed a 52.3% YoY growth and 17.3% QoQ in Q1 FY25. Digital revenues contributed 29.9% to overall hospital revenues versus 22.5% in Q1FY24.
- The company's key facilities such as Mulund, Anandpur, BG Road, Shalimar Bagh, Amritsar, Mohali, FMRI, and Noida grew 24%, 23%, 23%, 22%, 20%, 19%, 15%, and 15% respectively.
- The Company continued to strengthen its clinical talent across various medical specialties with the onboarding of specialists in the areas of Cardiac Sciences, Neurology, Orthopedics, Obstetrics & Gynecology, and Ophthalmology.

DIAGNOSTICS BUSINESS HIGHLIGHTS

- Q1 FY25 Diagnostics Business gross revenues were at INR 343.5 Cr versus INR 342.7 Cr in Q1FY24 and INR Rs 338.4 Cr in Q4FY24. Performance compared to the corresponding previous period was impacted largely due to the rebranding exercise that was undertaken in May 2023.
- Operating EBITDA margins (basis gross revenues) stood at 16.1% versus 19.4% in Q1FY24. Excluding one offs related primarily to the rebranding expenses and the provisioning related to certain government business, the operating EBITDA margins stood at 18.7% versus 20.8% in Q1 FY24.
- Operating EBITDA margins (basis gross revenues) in Q1FY25 were better than the trailing quarter margins of 14.0% primarily driven by cost optimization initiatives including amongst others improved network efficiency and reduction in manpower cost.
- Continuing with its network expansion strategy, primarily the addition of new customer touch points (CTPs); Total CTPs as on 30th June 2024 stood at 4055.
- In Q1 FY25, Agilus conducted ~9.92 million tests versus ~9.95 million tests in Q1 FY24. The decline in the tests was primarily because of lower COVID volumes.
- The preventive portfolio revenues in Agilus's overall revenues grew 13% in Q1FY25 and contributed 12% to the operating revenues versus 10% in Q1FY24.



Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, “The mainstay of our performance continues to be the hospital business which presently contributes approx. 84% to our consolidated EBITDA. We are progressing well on our plans to add capacity of close to 700 beds in this fiscal year across our key facilities including Faridabad, Anandpur, Shalimar Bagh and Noida and will also be shortly commissioning the 350 bed Manesar facility which we acquired in FY24. In addition, given the Company’s strong Balance Sheet, we continue to evaluate inorganic growth opportunities in our key focus clusters. The diagnostics business performance is lower than the corresponding previous quarter, largely due to the impact of brand change but has witnessed signs of early improvement versus the trailing quarter. The new brand is being well accepted and gaining prominence; placing the business in a better position to further scale up its performance.”

Commenting on the results for the quarter and the year, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, “We have witnessed a good start to the fiscal as reflected in our Q1 earnings. The hospital business continues to show an upward momentum with Operating EBITDA margins expanding 330 bps at 18.5% versus Q1 FY24, a growth of 39%. This was primarily led by an increase in occupancy from 64% in Q1 FY24 to 67% in Q1 FY25 and a higher ARPOB. Most of our key facilities have performed well noticeably Mulund, Anandpur, BG Road and Shalimar Bagh. Amongst our focus specialties Neuro Sciences and Oncology have grown a robust 23% and 22% respectively versus the corresponding previous period. We have strengthened our clinical talent in the medical specialties of Cardiac Sciences, Neurology and Orthopaedics in the quarter and have also commissioned South Asia’s first Gamma Knife Espirit radiosurgery equipment for neurosurgical treatment at FMRI. On the diagnostics business while revenues remain muted, Operating EBITDA margins are better than the trailing quarter showing signs of a gradual recovery which we expect to continue through FY25.”

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 4,600 operational beds (including O&M beds) and ~419 diagnostics labs.



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