



Fortis Healthcare announces Q2 FY24 Financial Results

Consolidated revenues at INR 1,770 Crs, up 10.1%; Operating EBITDA at INR 330 Crs, 18.6% margin

Hospital Business Q2 FY24 revenues up 12% to INR 1,453 Crs, Operating EBITDA at INR 268 Crs, 18.4% margin

Hospital business ARPOB increases 11.8% to INR 2.21 Crs

Agilus Diagnostics files DRHP for a proposed IPO

Financial Snapshot

Consolidated (INR Crs)	Q2FY24	Q2FY23	% Change YoY	H1FY24	H1FY23	% Change YoY
Revenue	1,770	1,607	10.1%	3,427	3,095	10.7%
Operating EBITDA	330	303	8.9%	603	554	8.8%
Operating EBITDA Margin	18.6%	18.8%		17.6%	17.9%	
Profit Before Tax (Before exceptional item)	229	216	5.9%	398	393	1.5%
Profit After Tax (Before exceptional item)	180	167	8.1%	303	301	0.6%
Reported Profit After Tax*	184	218	(15.7%)	308	353	(12.7%)
Reported Profit After Tax after Minority Interest and Share in Associates	174	204	(15.0%)	285	327	(12.6%)
Earnings per share (EPS)	2.30	2.71		3.78	4.33	

*Q2FY24 PAT includes exceptional net gain of INR 3.7 Cr related to the divestment of the Vadapalani, Chennai facility in July 2023.

*Q2FY23 and Q1FY24 PAT includes exceptional gain of INR 51.6 Cr and INR 1.5 Cr, respectively, which pertains primarily to reversal of impairment in an associate Company

Hospital Business (INR Crs)	Q2FY24	Q2FY23	% Change YoY	H1FY24	H1FY23	% Change YoY
Revenue	1,453	1,297	12.0%	2,807	2,489	12.7%
Operating EBITDA	268	237	13.1%	474	430	10.3%
Operating EBITDA Margin	18.4%	18.2%		16.9%	17.3%	

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Gurugram, November 10, 2023: Fortis Healthcare Ltd. (“Fortis” or the “Company”), is amongst India’s leading healthcare delivery service providers. The healthcare verticals of the Company primarily comprise approx. 4500 operational beds (including JVs and O&Ms) across its 27 healthcare facilities along with diagnostics centers and day care specialty facilities.

The Company today announced its unaudited consolidated financial results for the quarter and half year ended September 30, 2023.

- Q2FY24 hospital business revenues grew 12% to INR 1,452.6 Crs versus INR 1,297 Crs in Q2FY23. Hospital business revenues grew 7.3% versus the trailing quarter.
- Revenue growth was primarily driven by a healthy improvement in ARPOB, number of occupied beds and an improved case mix.
- Occupancy stood at 68.7% in Q2FY24, marginally lower than 69.6% in Q2FY23.
- ARPOB grew 11.8% to INR 2.21 Crs for Q2FY24 from INR 1.97 Crs in Q2FY23.

<i>KPIs</i>	<i>Q2 FY24</i>	<i>Q1 FY24</i>	<i>Q2 FY23</i>	<i>H1 FY24</i>	<i>H1 FY23</i>
<i>Occupancy</i>	68.7%	63.7%	69.6%	66.1%	67.5%
<i>ARPOB (INR Cr)</i>	2.21	2.19	1.97	2.19	1.96
<i>ALOS (Days)</i>	4.20	4.19	4.39	4.20	4.31

- Q2FY24 diagnostics business gross revenues were at INR 360.3 Crs versus INR 351.2 Crs in Q2FY23*.
- Net debt to EBITDA was at 0.29 vs 0.44 (basis annualized EBITDA of Q2FY24 and Q2FY23, respectively). Net debt was at INR 393 Crs as on Sept 30, 2023 versus INR 340 Crs as on March 31, 2023.

H1 FY24 Financial Highlights

- H1FY24 consolidated revenues were at INR 3,427.4 Crs, up 10.7% versus H1FY23. The operating margins for H1FY24 were 17.6%, marginally lower than the 17.9% in the corresponding previous period.
- H1FY24 hospital business revenues grew 12.7% to INR 2,806.7 Crs as compared to INR 2,489.3 Crs in H1FY23. Operating margins stood at 16.9% for the period versus 17.3% in the corresponding previous period.
- H1FY24 diagnostic business gross revenues were at INR 702.9 Crs versus INR 683.8 Crs in H1FY23*.

**As per the segmental reporting (in accordance with Ind AS 108) as provided in the statement of unaudited consolidated financial results for the quarter and six months ended September 30, 2023*

HOSPITAL BUSINESS HIGHLIGHTS

- The revenue contribution from the Company's key medical specialties viz. Oncology, Orthopaedics, Renal Sciences, Cardiac Sciences, Neurosciences and Gastroenterology to overall hospital revenues increased to 61.2% in Q2FY24 from 60.5% in Q2FY23.
 - These top six specialties grew 13.4% in Q2FY24 as compared to the corresponding previous quarter.
 - Revenue from Gastro Sciences, Oncology and Renal Sciences grew by 23.7%, 22.3% and 19.4% respectively versus the corresponding previous quarter.
- Many of the Company's key facilities i.e., Noida, Anandpur and FEHI recorded healthy growth in revenues and witnessed margin expansion both versus the corresponding and trailing quarter.
- International patient revenues stood at INR 126.7 Crs, a growth of 15.6% over Q2FY23 and 10.6% over Q1FY24. International patient revenue contribution increased to 8.3% of hospital revenues versus 8.0% in Q2FY23 and Q1FY24.
- Revenues from digital channels viz website, mobile application and digital campaigns witnessed a growth of 27.6% in Q2FY24 compared to Q2FY23 and 22.4% growth compared to Q1FY24. Digital revenues contributed 25.6% to the overall hospital business revenues in Q2FY24 versus 22.5% in Q2FY23.
- During the quarter, the Company onboarded eminent clinicians in the medical specialties of Oncology, Renal Sciences, Neurology, Cardiology and General Surgery.
- The Company further augmented its medical infrastructure by commissioning medical equipment, noticeably, LINAC, Cath Labs and Ortho Robots in some of its key facilities such as Noida, Anandpur, Shalimar Bagh and FMRI.

Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, "Our Q2FY24 performance has seen the hospital business profitability increasing both versus the corresponding and trailing quarter. We remain on track to add approx. 250 beds to our network in the current fiscal across facilities such as Mulund, Anandpur and Ludhiana with a total planned addition of close to 1,400 beds in the next few years. Further augmenting our bed expansion plans in the Delhi – NCR and the Punjab clusters, we are also evaluating new expansion opportunities including optimizing

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the current available space to add additional beds in Mohali and Shalimar Bagh. Following from the divestment of our Arcot Road, Chennai facility in July 2023, our focus on evaluating further portfolio rationalization opportunity continues. Efforts to implement the EMR technology are ongoing and offer a platform to integrate this with our HIS, myFortis app and other applications. This could enable us to digitize the patient journey and provide a 'Personalized Experience' to our patients. I'm pleased to highlight that in September 2023 we have filed the Draft Red Herring Prospectus (DRHP) for a proposed IPO of Agilus Diagnostics, our diagnostics business vertical."

Commenting on the results for the quarter, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, "Our consolidated revenues in Q2 FY24 have grown 10.1% to INR 1,770 Crs with operating EBITDA margins at 18.6%. Our hospital business has seen a significant improvement versus the trailing quarter with margins expanding 320 bps and are also better than Q2 of the previous year. Operating margins in the hospital business were at 18.4%, better than 18.2% on a YoY basis. This is attributable in part to a stronger case mix and growth in medical tourism revenues. Our focus on improving our specialty mix has led to a 13.4% growth cumulatively in our top 6 specialties with their contribution improving to 61.2% versus 60.5% in Q2 of the previous year. This is also reflected in the 11.8% growth witnessed in ARPOB which stood at INR 2.21 Crs. We have commissioned new medical equipment such as LINAC and Ortho Robots at select facilities such as Noida, Shalimar Bagh and FMRI and have further bolstered our clinical talent; onboarding clinicians in a number of specialties including amongst others Oncology, Neurology and Renal Sciences. These along with our brownfield bed expansion plans and a continuing focus on inorganic opportunities are expected to drive further growth in the business."

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 27 healthcare facilities (including JVs and O&M facilities). The Company's network comprises approximately 4,500 operational beds.

DISCLAIMER

This press release may contain forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Company may alter, modify or otherwise change in any manner the content of this press release, without obligation to notify any person of such revision or changes.

Agilus Diagnostics Limited ("Agilus"), a subsidiary of Fortis Healthcare Limited ("Company"), is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offer of its equity shares and has filed a draft red herring prospectus ("DRHP") with the Securities and Exchange Board of India ("SEBI"). The DRHP is available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the book running lead managers ICICI Securities Limited, Citigroup Global Markets India Private Limited and Axis Capital Limited, at www.icicisecurities.com, www.online.citibank.co.in and www.axiscapital.co.in respectively, the website of the National Stock Exchange of India Limited at www.nseindia.com and the website of the BSE Limited at www.bseindia.com, respectively. Investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the RHP which may be filed with the Registrar of Companies, Punjab and Chandigarh at Chandigarh in the future, including the section titled "Risk Factors". Potential investors should not rely on the DRHP filed with SEBI in making any investment decision.

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In light of the publicity restrictions imposed on Agilus and the Company due to the proposed IPO, no further information other than that contained in this presentation can be disclosed. The equity shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the equity shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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