

Fortis Healthcare announces Q2 FY25 Financial Results

Hospital Business Revenues increase 13.9% to INR 1,655 Cr; Operating EBITDA up 32.5% to INR 355 Cr, 21.4% Margin

Diagnostic Business Revenues at INR 334 Cr versus INR 317 Cr; Operating EBITDA up 28.8% to INR 80 Cr; 24% Margin

Consolidated Revenues increase 12.3% to INR 1,988 Cr; Operating EBITDA up 31.9% to INR 435 Cr, 21.9% Margin

Gurugram, November 08, 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 and half year ended September 30, 2024.

Financial Snapshot

Consolidated (INR Cr)	Q2FY24	Q2FY25	% Change YoY	H1FY24	H1FY25	% Change YoY
Revenue	1,770	1,988	12.3%	3,427	3,847	12.3%
Operating EBITDA	330	435	31.9%	603	777	29.0%
Operating EBITDA Margin	18.6%	21.9%		17.6%	20.2%	

Profit Before Tax (Before exceptional item)	229	321	40.1%	398	551	38.2%
Profit After Tax*	184	193	5.0%	308	367	19.2%
Profit After Tax after Minority Interest and Share in Associates*	174	176	1.6%	285	342	19.9%
Earnings per share (EPS)	2.30	2.34		3.78	4.53	

*PAT includes an exceptional gain of INR 0.2 Cr in Q1FY25 and exceptional loss of INR 59.8 Cr in Q2FY25, both of which pertain primarily to the impairment movement in an associate company; exceptional net gain of INR 3.7 Cr in Q2FY24 relates to the divestment of the Vadapalani, Chennai facility in July 2023.

Hospital Business (INR Cr)	Q2FY24	Q2FY25	% Change YoY	H1FY24	H1FY25	% Change YoY
Revenue	1,453	1,655	13.9%	2,807	3,204	14.2%
Operating EBITDA	268	355	32.5%	474	642	35.4%
Operating EBITDA Margin	18.4%	21.4%		16.9%	20.0%	

Diagnostic Business (INR Cr)	Q2FY24	Q2FY25	% Change YoY	H1FY24	H1FY25	% Change YoY
Revenue (net)	317	334	5.1%	621	643	3.6%
Operating EBITDA	62	80	28.8%	129	135	5.4%
Operating EBITDA Margin	19.6%	24.0%		20.7%	21.1%	

Q2 FY25 Financial Highlights

- Q2FY25 consolidated revenues were at INR 1,988.4 Cr, up 12.3% versus Q2FY24. The operating margins for the quarter were 21.9%, versus 18.6% in the corresponding previous period.
- Q2FY25 hospital business revenues grew 13.9% to INR 1,654.7 Cr as compared to INR 1,452.6 Cr in Q2FY24. Operating margins stood at 21.4% for the period versus 18.4% in the corresponding previous period.
- Q2FY25 diagnostic business gross revenues were at INR 372.5 Cr versus INR 360.3 Cr in Q2FY24.

Balance Sheet

- The Company's net debt as of 30th September 2024 stood at INR 281 Cr with a Net Debt to EBITDA of 0.16x as compared to the 0.29x as on 30th September 2023 (basis Q2 annualized EBITDA). Net debt to equity was at 0.03x versus 0.05x as on 30th September 2023.

HOSPITAL BUSINESS HIGHLIGHTS

KPIs	Q2 FY25	Q2 FY24	H1 FY24	H1 FY25
Occupancy	72%	69%	66%	70%
ARPOB (INR/Cr p.a.)	2.37	2.21	2.19	2.39
ALOS (Days)	4.20	4.20	4.20	4.18

- Revenue growth in the hospital business for the quarter was led by an increase in ARPOB of 7.6% and higher occupancy compared to the corresponding previous period.
- 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 13.6% in Q2FY25 versus corresponding previous period.
- Key surgical procedure volumes performed across some of our focus specialties such as Neuro Sciences and Robotic Surgeries increased by 21% and 57% YoY.
- Revenues from digital channels viz website, mobile application and digital campaigns witnessed a 30.1% YoY growth and 4.5% QoQ in Q2 FY25. Digital revenues contributed 29.3% to overall hospital revenues versus 25.6% in Q2FY24.
- The company's key facilities such as Shalimar Bagh, Mohali, Mulund, Amritsar, Faridabad, Anandpur witnessed revenue growth of 25%, 21%, 20%, 17%, 15 and 15% respectively.

DIAGNOSTICS BUSINESS HIGHLIGHTS

- Operating EBITDA margins (basis gross revenues) stood at 21.5% versus 17.2% in Q2FY24. Excluding one offs the operating EBITDA margins stood at 24.0% versus 22.7% in Q2 FY24.
- Operating EBITDA margins (basis gross revenues) for H1 FY25 were 18.9% compared to 18.3% in H1 FY24.
- Continuing with its network expansion strategy, primarily the addition of new customer touch points (CTPs); Total CTPs as on 30th September 2024 stood at 4085.
- In Q2 FY25, Agilus conducted ~11.11 Mn tests versus ~10.59 Mn tests in Q2 FY24.
- The preventive portfolio revenues in Agilus' overall revenues grew 20% in Q2FY25 and contributed 12% to the operating revenues versus 10% in Q2FY24.

Commenting on the results for the quarter, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, “We have continued our positive momentum in Q2 with the hospital business contributing approximately 82% to our consolidated EBITDA. We are making good progress on our plans to add nearly 700 beds this fiscal year across key facilities, including Faridabad, Anandpur, Shalimar Bagh, and Noida. Commensurate with our expansion plans, our 350-bed Manesar facility which we acquired in FY24 was commissioned recently. Leveraging our robust balance sheet, we would actively pursue further inorganic growth opportunities in our focus geographic clusters.”

He further added “Among our key specialties, Oncology and Neuro Sciences grew by a strong 19% and 17%, respectively, compared to the same period last year. As part of our ongoing efforts to enhance our medical infrastructure, FMRI introduced the first MR LINAC in North and Central India in September. On the diagnostics business we are moving ahead to consolidate our stake in Agilus by acquiring the 31.52% stake from the PE investors. The diagnostics business performance is witnessing a steady recovery with relatively improving topline growth and better EBITDA margins. However, the business is still impacted by rebranding expenses which we expect will taper off towards the end of the fiscal”

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 4,700 operational beds (including O&M beds) and 419 diagnostics labs.

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.

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