



Fortis Healthcare reports Q3 FY24 Financial Results

Consolidated Revenues at INR 1,680 Crs; Operating EBITDA at INR 284 Crs, 16.9% margin

Hospital business revenues up 9.6% to INR 1,389 Crs; Operating EBITDA at INR 251 Crs; 18.0% margin versus 16.7% in Q3 FY23

Hospital business ARPOB at INR 2.23 Crs, up by 10.6%

Net Debt to EBITDA at 0.45x against 0.41x in corr. previous period

Financial Snapshot

Consolidated (INR Crs)	Q3 FY24	Q3 FY23	% Change YoY	9M FY24	9M FY23	% Change YoY
Revenue	1,680	1,560	7.7%	5,107	4,655	9.7%
Operating EBITDA	284	276	2.7%	887	830	6.8%
Operating EBITDA Margin	16.9%	17.7%		17.4%	17.8%	

Profit Before Tax (Before exceptional item)	175	175	0.5%	574	567	1.1%
Profit After Tax (Before exceptional item)	127	131	(3.2%)	429	432	(0.6%)
Reported Profit After Tax*	134	142	(5.6%)	442	495	(10.6%)
Reported Profit After Tax after Minority Interest and Share in Associates	135	130	4.0%	420	456	(7.9%)
Earnings per share (EPS)	1.78	1.72	4.0%	5.57	6.04	(7.9%)

*Q3 FY24 and Q3 FY23 PAT excludes exceptional net gain of INR 7.7 Cr and INR 11.5 Crs respectively, primarily pertains to reversal of impairment in an associate Company.

Hospital Business (INR Crs)	Q3 FY24	Q3 FY23	% Change YoY	9M FY24	9M FY23	% Change YoY
Revenue	1,389	1,267	9.6%	4,196	3,757	11.7%
Operating EBITDA	251	211	18.8%	725	641	13.1%
Operating EBITDA Margin	18.0%	16.7%		17.3%	17.1%	

February 7, 2024



Gurugram, February 07, 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 nine months ended December 31, 2023.

- Hospital business revenues increased 9.6% versus the corresponding previous quarter, led by a 10.6% increase in ARPOB to INR 2.23 Crs.
- Q3 FY24 hospital business revenues were at INR 1,389.5 Crs versus INR 1,267.4 Crs in Q3 FY23 and INR 1,452.6 Crs in Q2 FY24.
- Occupancy stood at 64.0% in Q3 FY24 versus 66.1% in Q3 FY23, owing to an increase in the operational beds by ~100, while the occupied beds remained flat YoY. Occupancy levels on a like-to-like basis were at similar levels.
- ARPOB grew 10.6% to INR 2.23 Crs for Q3 FY24 from INR 2.02 Crs in Q3 FY23.

<i>KPIs</i>	<i>Q3 FY24</i>	<i>Q3 FY23</i>	<i>YTD Nine Months FY24</i>	<i>YTD Nine Months FY23</i>
<i>Occupancy</i>	<i>64.0%</i>	<i>66.1%</i>	<i>64.7%</i>	<i>67.0%</i>
<i>ARPOB (INR Cr)</i>	<i>2.23</i>	<i>2.02</i>	<i>2.19</i>	<i>1.97</i>
<i>ARPOB per day (INR)</i>	<i>61,096</i>	<i>55,222</i>	<i>59,870</i>	<i>54,048</i>
<i>ALOS (Days)</i>	<i>4.32</i>	<i>4.42</i>	<i>4.24</i>	<i>4.34</i>

- Q3 FY24 diagnostics business gross revenues were at INR 330.7 Crs versus INR 331.5 Crs in Q3FY23*.
- Net debt to EBITDA was at 0.45 vs 0.41 (basis annualized EBITDA of Q3 FY24 and Q3 FY 23, respectively). Net debt was at INR 518 Crs as on December 31, 2023, versus INR 471 Crs as on December 31, 2022.

9M FY24 Financial Highlights

- 9M FY24 consolidated revenues were at INR 5,107.0 Crs, up 9.7% versus 9M FY23. The operating margins for 9M FY24 were 17.4%, lower than the 17.8% in the corresponding previous period.
- 9M FY24 hospital business revenues grew 11.7% to INR 4,196.2 Crs as compared to INR 3,756.8 Crs in 9M FY23. Operating margins stood at 17.3% for the period versus 17.1% in the corresponding previous period.
- 9M FY24 diagnostic business gross revenues were at INR 1,033.6 Crs versus INR 1,015.3 Crs in 9M FY23*.



**As per the segmental reporting (in accordance with Ind AS 108) as provided in the unaudited consolidated financial results for the period ending December 31, 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 61.4% in Q3 FY24 from 60.9% in Q3 FY23.
 - These top six specialties grew 11.1% in Q3 FY24 as compared to the corresponding previous quarter.
 - Revenue from Gastro Sciences, Neuro and Oncology grew by 20.7%, 13.9% and 12.9% respectively versus the corresponding previous quarter.
- Continuing with the portfolio rationalization strategy, the company divested its Malar facility in February 2024. This is the second facility divested by the company after the divestment of Arcot Road Vadapalani facility in Chennai in July 2023.
- Many of the Company's key facilities i.e., Noida, Anandpur, BG Road, Amritsar, FEHI and Mohali, recorded healthy growth in revenues and witnessed margin expansion versus the corresponding quarter.
- International patient revenues stood at INR 113.1 Crs in Q3 FY24 similar to Q3 FY23. International patient revenue contribution stood at 7.7% of hospital revenues versus 8.6% in Q3 FY23 and 8.3% in Q2 FY24.
- Revenues from digital channels such as websites, My Fortis app and online campaigns increased to INR 376 Crs, a growth of 31.5% over Q3 FY23 and their contribution to overall hospital revenues increased to 25.7% versus 21.5% in Q2 FY24.
- Company further strengthened its medical talent with the onboarding of specialists in the areas of Neuro Surgery, Oncology, Cardiology, Gastroenterology and GI Surgery
- The Company augmented its medical infrastructure by commissioning Cath Labs, Surgical Robots and Advanced Neuro Labs in some of its key facilities such as those in Kolkata, Noida and Faridabad.
- The company commissioned a 70-bed state of the art facility in Ludhiana. This is the second facility in Ludhiana and the fourth in the state of Punjab. The Company's brownfield bed expansion plans continue and are expected to add close to ~2,200 beds to its current bed capacity in the next 4 years.



Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, “The quarter’s performance has been led by the hospital business which continues to show a YoY improvement in margins. Plans for incrementally adding to our existing bed capacity by almost 50% are progressing and when operationalized will eventually see some of our key facilities such as Shalimar Bagh, FMRI, Mohali, and BG Road becoming more than 450 beds each. We are also further augmenting our clinical talent and medical infrastructure. In addition, we continue to supplement our expansion plans inorganically with the acquisition of assets such as the 350-bed hospital in Manesar, NCR and adjunct land parcels to our existing facilities such as the recent one in Kolkata. We have also successfully rationalized our portfolio having divested two of our loss-making facilities in Chennai; the Arcot Road Vadapalani facility in July 2023 and the Fortis Malar facility in February 2024; thereby improving profitability of the company”.

Commenting on the results for the quarter, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, “The healthy performance in the hospital business which contributes approx. 88% to overall consolidated EBITDA has largely offset the muted performance of the diagnostics business. Our ARPOB continues to show a robust growth touching INR 2.23 Crs, an increase of 10.6%. We have commissioned state of the art medical equipment; the likes of AI enabled cath labs, surgical robots and advanced neuro-sciences labs in facilities such as Noida, Anandpur and Faridabad. Our expansion strategy continues to focus on deepening our cluster presence with the launch of a new 70 bed facility in Ludhiana. This is the second facility in Ludhiana and the fourth in Punjab taking our total bed count in the state to approx. 800. Focus on retaining and attracting high quality clinical talent remains a priority with the quarter witnessing clinicians from key specialties such as cardiology, oncology and neurology joining the Fortis network. Our efforts on digital transformation are progressing well with the EMR (Electronic Medical Records) program implementation underway and revenues from digital channels witnessing a robust growth in excess of 30%”.

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 and ~417 diagnostics centres.

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

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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.

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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