



Fortis Healthcare announces Q4 FY22 and FY22 Financial Results

Strong performance witnessed in FY22 overcoming impact of Covid in both Q1 and Q4 of FY22.

Company's net debt to EBITDA at a robust 0.60x versus 1.04x in FY21

FY22 vs FY21

- Consolidated Revenues at INR 5,718 Crs, up 42%
- EBITDA at INR 1,096 Crs, 19.2% margin (FY21: 11.2%)
- PAT at INR 790 Crs versus a loss of INR 56 Crs

Q4 FY22 vs Q4 FY21

- Consolidated Revenues at INR 1,378 Crs, up 10%
- EBITDA at INR 227 Crs, 16.5% margin (Q4 FY21 :16.3%)
- PAT at INR 87 Crs versus INR 62 Crs

Consolidated Financial Snapshot

Particulars (INR Crs)	Q4FY22	Q4FY21	% Change YoY	FY22	FY21	% Change YoY
Revenue	1,378	1,252	10%	5,718	4,030	42%
EBITDA	227	204	11.6%	1,096	451	143%
EBITDA margin	16.5%	16.3%		19.2%	11.2%	
Profit Before Tax (Before exceptional item)	126	110	14.5%	673	42	-
Profit After Tax*	87	62	39.5%	790	(56)	-
Profit After Tax after Minority Interest *	68	43	57.4%	555	(110)	-
Earnings Per Share (INR)	0.90	0.57		7.35	-1.45	

* Includes an exceptional gain of INR 315 Crs in FY22, primarily due to the remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

- Q4FY22 Hospital Business revenues grew 6% to INR 1,041 Crs versus INR 982 Crs in Q4FY21. Covid business revenues contributed 5.8% to overall hospital revenues. (Q4 FY21 : 6.9%)
- The hospital business EBITDA was at INR 143 Crs versus INR 139 Crs in Q4FY21 (13.8% margin versus 14.2% in Q4 FY21).

May 25, 2022



- For FY22, Hospital Business revenues grew 37% to INR 4,264 Crs versus INR 3,124 Crs in FY21. Covid business revenues contributed 9.1% to overall hospital revenues. (FY21 : 13.7%). Revenue growth was primarily as a result of occupancy improving to 63% from 55% in FY21 and a higher ARPOB.
- EBITDA was at INR 672 Crs versus INR 263 Crs, reflecting a margin of 15.8% versus 8.4% in FY21. A higher surgical revenue contribution at 53% to overall hospital revenues (FY21: 49%) and increased complexity of cases resulted in margin expansion.
- Q4 FY22 Diagnostics Business gross revenues* grew 22% to INR 372 Crs versus INR 306 Crs in Q4FY21. Covid business revenues contributed 18% to overall diagnostic revenues. (Q4 FY21: 17%)
- The diagnostics business EBITDA was at INR 84 Crs versus INR 67 Crs in Q4FY21. (22.5% margin versus 22% in Q4 FY21)
- For FY22, Diagnostic Business gross revenues* grew 55% to INR 1,605 Crs versus INR 1,035 Crs in FY21. Covid business revenues contributed 20.3% to overall diagnostic revenues. (FY21: 23.5%), Revenue growth was in part due to higher covid volumes in Q1 and Q4 of FY22 and the DDRC – SRL acquisition.
- EBITDA was at INR 425 Crs versus INR 200 Crs, reflecting a margin of 26.5% versus 19.3% in FY21.

**(Diagnostics business net revenues grew 25% to INR 337 Crs in Q4 FY 22 and 60% to INR 1,454 Crs in FY22 over corresponding previous periods respectively)*

Gurugram, May 25, 2022: Fortis Healthcare Ltd. (“Fortis” or the “Company”), India’s leading healthcare delivery company, today announced its audited consolidated financial results for the quarter and year ended March 31, 2022.

Q4 FY22 witnessed the impact of the covid pandemic in the first half of the quarter with occupancies witnessing a downturn. However, given the lesser severity of covid and low hospitalizations the business saw recovery towards the end of February and operations returning to normal in the month of March. While January saw an occupancy of 54%, March witnessed a rebound with occupancy at 63%.

The diagnostics business in Q4 was aided by higher covid volumes albeit at lower price points. The business recorded a lower non-covid revenue contribution at 69% to overall diagnostics revenues in January. This eased out in February leading to recovery in the non-covid business revenues in March; contributing 93% to overall diagnostic revenues for the month.

For **FY22**, both the hospitals and the diagnostics business saw an impact in Q1 and Q4 of FY22 due to the covid pandemic. Despite the severity of covid in Q1, the Company was able to sustain its business operations and at the same time ensure adequate availability of medical infrastructure

May 25, 2022



to serve covid patients. As covid abated, Q2 and Q3 witnessed a sharp rebound in the non covid business both as a result of the decline in covid cases as well as the pent up demand in elective surgeries. Q4 once again saw a third wave which was relatively shorter and less severe but saw fewer hospitalizations impacting both covid and non covid admissions. The business rebounded quickly towards the latter half of Q4, although still below normal levels.

	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	FY21
Occupancy	66%	64%	65%	59%	63%	55%

The diagnostics business performance in FY 22 was also positively impacted due to the increased demand for covid and covid allied tests in Q1 and Q4, offsetting the non-covid volume declines and as a result of the DDRC- SRL JV acquisition in April 2021. However, the significant rise in covid and covid allied tests in select quarters of FY2022 are not expected to witness the same trend in the current fiscal.

KEY FINANCIAL HIGHLIGHTS

- Net debt reduced by INR 300 Crs to INR 549 Crs in FY22. The Company's net debt to equity was at 0.08x in FY 22 versus 0.13 x in the corresponding previous period.
- Finance costs witnessed a decline of 11.5% to INR 146.8 Crs for the year as a result of lower borrowing costs and reduction in debt. The Company's Long Term credit rating was upgraded 2 notches by CRISIL to AA- (Watch Developing) while Short-term rating was upgraded to the highest i.e. CRISIL A1+/Watch Developing.

HOSPITAL BUSINESS HIGHLIGHTS

- Higher contribution from key specialties and surgical procedures led to an ARPOB of INR 1.88 Crs in the quarter, +11% YoY. For FY22 ARPOB was at INR 1.80 Crs, +14% versus an ARPOB of INR 1.58 Crs in FY21.
- Key facilities such as FMRI, Mohali, Mulund, Shalimar Bagh, Noida witness strong traction in both topline and EBITDA margins.
- The Company's focus specialties comprising oncology, gastroenterology, neuro-sciences, renal sciences, orthopaedics and cardiac sciences grew 10% in the quarter. Revenue contribution from these specialties to overall hospital revenues increased to 61% from 58% in the corresponding previous quarter. For FY 22, these specialties grew 43% and contributed 55% to overall hospital revenues. (FY21: 53%).

May 25, 2022



- State of the Art medical equipment viz. cath labs, neuro microscopes, PET CTs were commissioned in key facilities; Fortis installed a total of 8 medical oxygen generating plants across its network in FY22
- The Company continued to attract reputed clinical talent in its various medical specialties and onboarded clinicians in cardiac sciences, neuro-sciences, oncology, gastroenterology and orthopedics during the year.
- Revenues from digital channels viz website, mobile application and digital campaigns witnessed a robust growth with a YoY increase of 112% in FY22. These contributed 21% to overall hospital revenues in FY 22 versus 13% in the corresponding previous period.
- Medical tourism revenue grew 64% to INR 215 Crs in FY22. Medical tourism revenues contributed 5.0% to overall hospital business revenues versus 4.2% in FY21.

DIAGNOSTICS BUSINESS HIGHLIGHTS

- SRL consolidated its position in the Kerala market and further increased its overall contribution from B2C segment with the acquisition of the balance 50% equity stake in its existing 50:50 JV i.e. DDRC SRL in April 2021.
- SRL's B2C: B2B revenue mix improved to 55 : 45 in FY22 vs 48: 52 in FY21. For the quarter it stood at 54: 46.
- SRL added ~750 net new customer touch points (CTP's) during the year. As on date SRL has a network of 2500+ CTP's.
- SRL conducted a total ~44.2 million tests (covid and non-covid) during FY22 as against 23.5 million tests in FY21. For the quarter, total test volumes were at 10.76 million versus 7.58 million in the corresponding previous period.
- SRL continued to witness healthy traction in its 'Walk in' patient revenues which grew by 77% in Q4FY22 versus Q4FY21. For FY 22, 'Walk in' patient revenues grew 140%.

Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, "FY22 has been a challenging year with the Company being impacted by the covid pandemic both in Q1 and Q4 of FY22. Despite this, the Company made all efforts to ensure the availability of medical infrastructure and treatment for covid patients. At the same time, as covid abated and business rebounded, all the building blocks were in place to quickly scale up operations and refocus on our growth levers. To this effect, hiring new clinical talent, expanding medical programs and initiating brownfield expansion plans were prioritized and are currently ongoing. The diagnostics business witnessed a healthy performance aided in part by the DDRC – SRL transaction and due to higher covid volumes. While our Q4 performance was impacted by the omicron variant, business recovered speedily enabling us to end the year on a healthy note. Given our strong Balance Sheet

May 25, 2022



and a continuous focus on performance improvement, we expect to maintain a steady growth momentum going forward.”

Commenting on the results for the quarter and the year, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, “I’m quite pleased with our performance in the year gone by. The pandemic while presenting its own set of challenges has also made us more resilient and enabled us to adapt to the changing environment. We have not only ensured business continuity but have moved quickly to augment our efforts both strategically and operationally. This has enabled us to register our highest ever revenues and a consolidated EBITDA of INR 1000+ Crs. Our hospital occupancy levels have increased to 63% from 55% in FY21 and we continue to see further traction in occupancy in the current fiscal. Our diagnostics business has shown a steady improvement and is further expanding its channel network and product mix. Q4 has been impacted due to the third wave of covid but has been less severe allowing the business to recover quickly. However, we must keep in perspective that high covid test volumes are unlikely in the current fiscal and of the increasing competition in the space.

Dr. Raghuvanshi further added, “We continue to invest in upgrading and expanding our infrastructure and commissioning state-of-the-art medical equipment in select facilities in our focus clusters. Some of our underperforming units are also witnessing encouraging signs of recovery. Further supplementing our organic growth efforts and given our healthy Balance Sheet, we would also evaluate inorganic growth and consolidation opportunities in the industry. All these coupled with our steadfast focus on clinical excellence and patient centricity are expected to drive our future performance.”

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 26 healthcare facilities (including JVs and O&M facilities). The Company’s network comprises approximately 4,100 operational beds and 426 diagnostics centres.

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