



FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION – Q3 FY24 and 9M FY24

February 7, 2024

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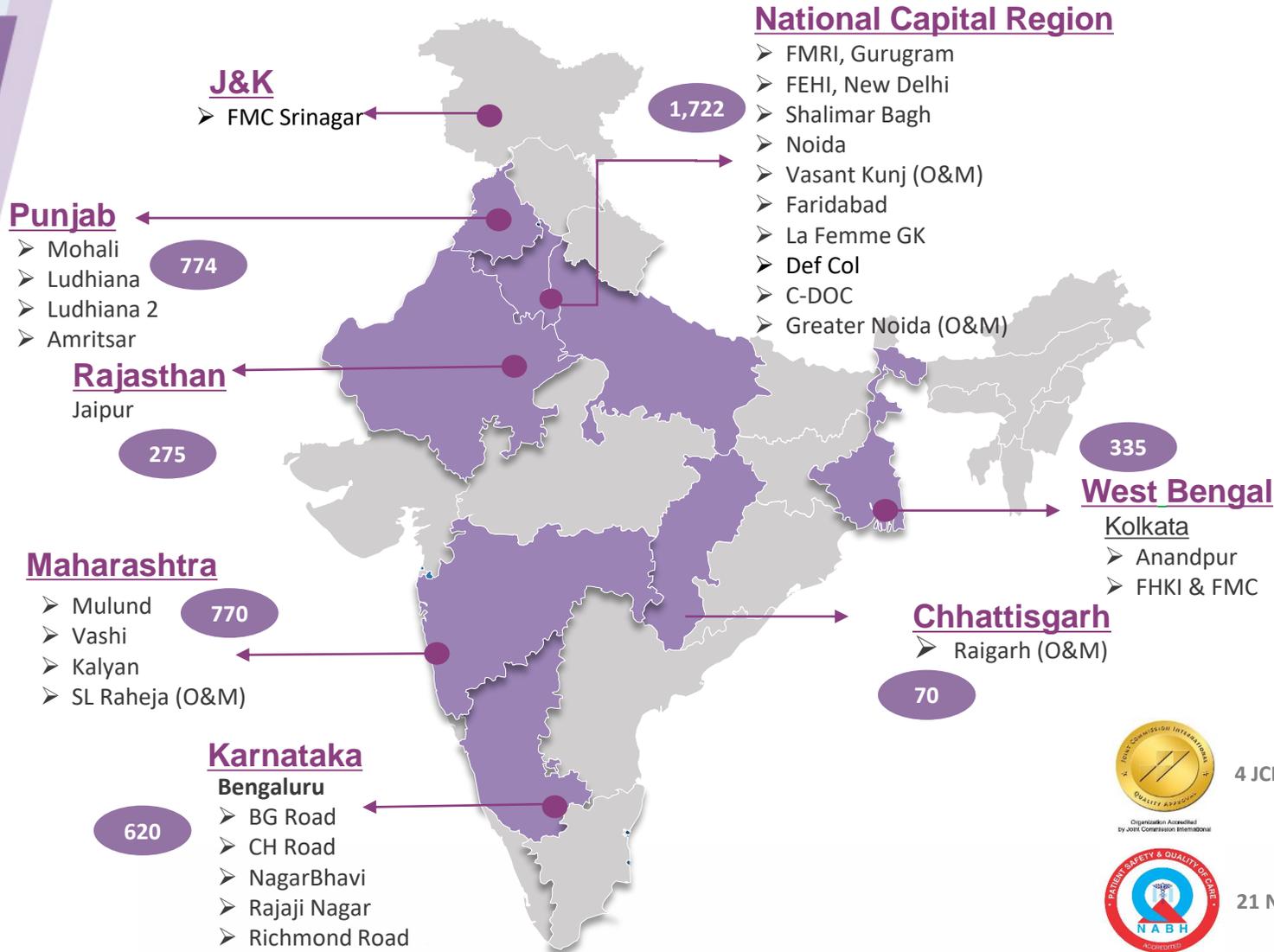
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About Fortis Healthcare



27 Healthcare Facilities



4,500+ Operational Beds



5,500+ Doctors



6,500+ Nurses



~24,000 employees
 (including Agilus)



4 JCI Accredited



21 NABH Accredited

**Among the most
 accredited
 healthcare
 network in India**

AGENDA

1. Performance Highlights
 - Earnings and Financial Summary – Q3 FY24 and 9M FY24
2. Performance Review - Hospital Business
3. Beds Expansion Update
4. Clinical Excellence at Fortis
5. Appendix





Q3FY24 and 9MFY24

PERFORMANCE HIGHLIGHTS

Q3FY24 SNAPSHOT

Consolidated Revenue

1,680 Crores

 7.7%

Consolidated Op EBITDA

284 Crores

(16.9% Margin)

 2.7%

Consolidated PBT*

175 Crores

 0.5%

Consolidated PAT*

127 Crores

 3.2%

Net Debt / (Cash)^

518 Crores

Net Debt to EBITDA^

0.45x vs 0.41x

**Excluding exceptional items*

^As on 31st December 2023

9MFY24 SNAPSHOT

Consolidated Revenue

5,107 Crores

 9.7%

Consolidated Op EBITDA

887 Crores

(17.4% Margin)

 6.8%

Consolidated PBT*

574 Crores

 1.1%

Consolidated PAT*

429 Crores

 0.6%

Net Debt / (Cash)^

518 Crores

Net Debt to EBITDA^

0.45x vs 0.41x

**Excluding exceptional items*

^As on 31st December 2023

Q3FY24 SNAPSHOT

- Hospital business revenues grew by 9.6% to INR 1,389.5 Cr versus INR 1,267.4 Cr in Q3FY23. For 9MFY24, revenue grew by 11.7% YoY to INR 4,196.2 Cr.
- Hospital Business Operating EBITDA stood at INR 250.8 Cr, up 18.8%; Operating margin increased to 18.0% in Q3FY24 from 16.7% in Q3FY23.
- Q3FY24 hospital business ARPOB was at INR 2.23 Cr p.a. vs INR 2.02 Cr p.a. in Q3FY23, up 10.6%
- Occupancy for the quarter stood at 64.0% versus 66.1% in Q3FY23
- The company's diagnostics business reported gross revenues of INR 330.7 Cr versus INR 331.5 Cr in Q3FY23*. For 9MFY24*, revenue grew by 1.8% to INR 1,033.6 Cr.
- Net debt to EBITDA stood at 0.45x versus 0.41x in the corresponding previous period; net debt stands at INR 518 Cr

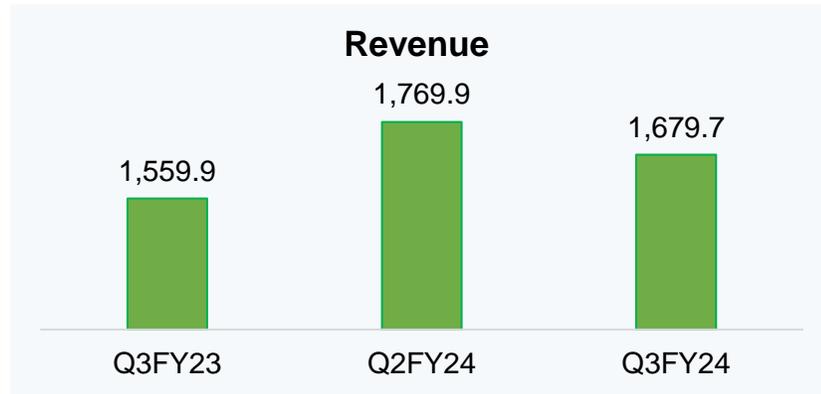
In Feb'24, as part of the company's ongoing portfolio rationalization strategy, Fortis divested its Malar, Chennai facility

**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 nine months ended December 31, 2023*

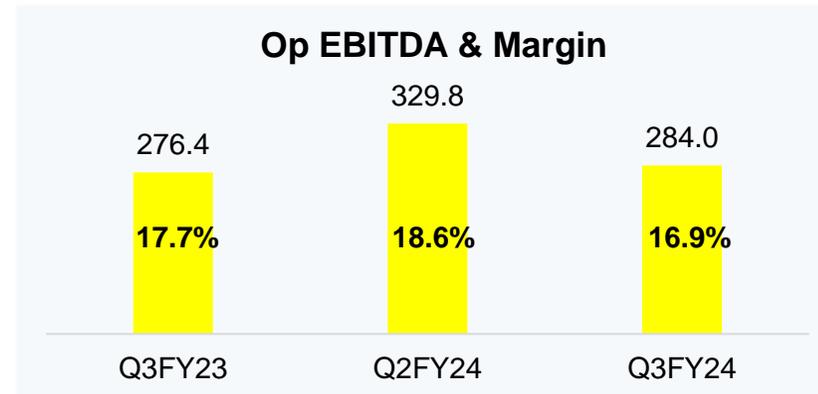


CONSOLIDATED EARNINGS SUMMARY – Q3 FY24

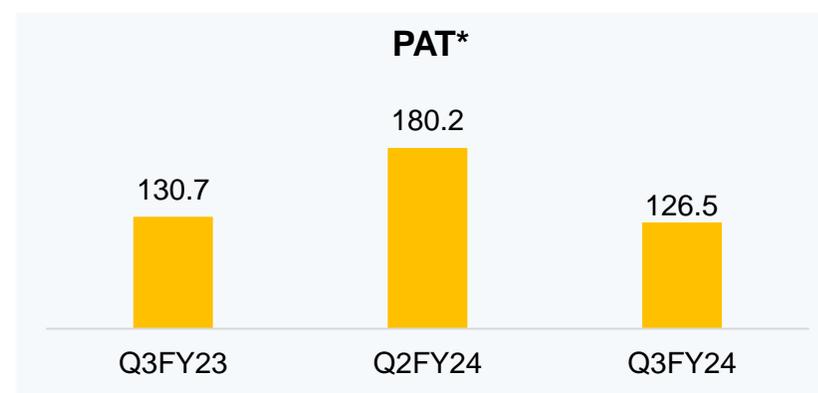
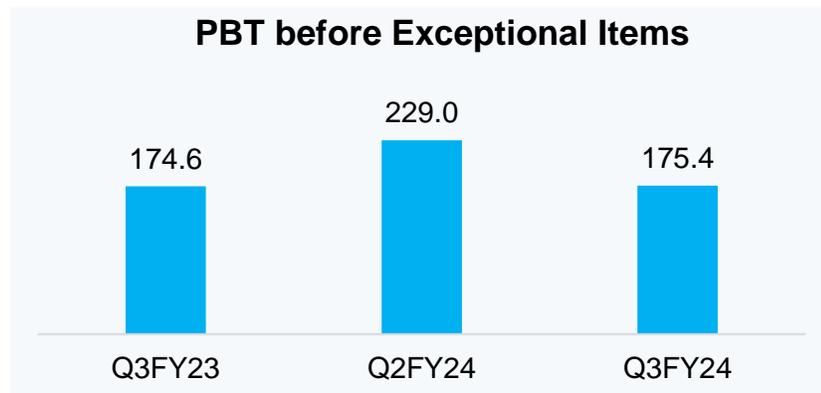
All figures in INR Cr.



Up 7.7%



Up 2.7%



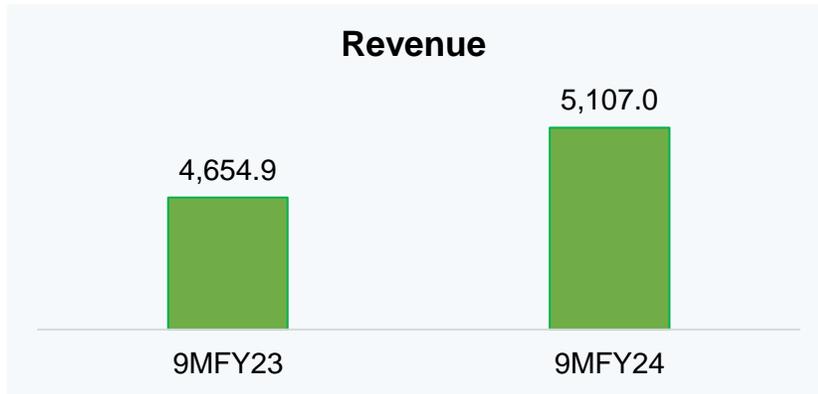
*Q3FY24 PAT excludes exceptional net gain of INR 7.7 Cr related to reversal of impairment in an associate Company

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

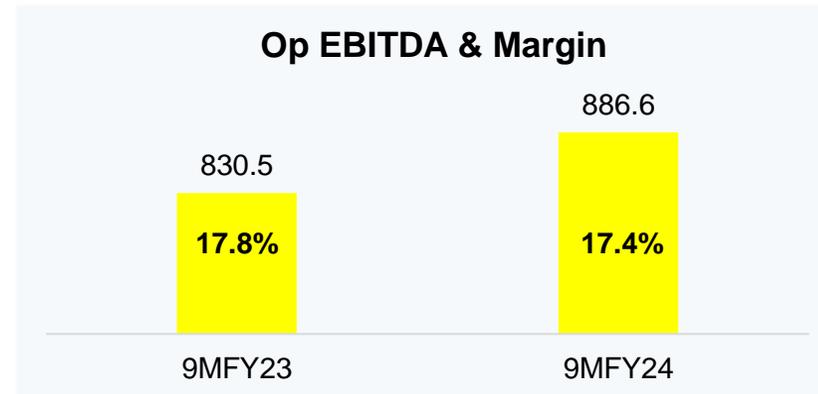
*Q3FY23 PAT excludes exceptional gain of INR 11.5 Cr which pertains to reversal of impairment in an associate Company

CONSOLIDATED EARNINGS SUMMARY – 9M FY24

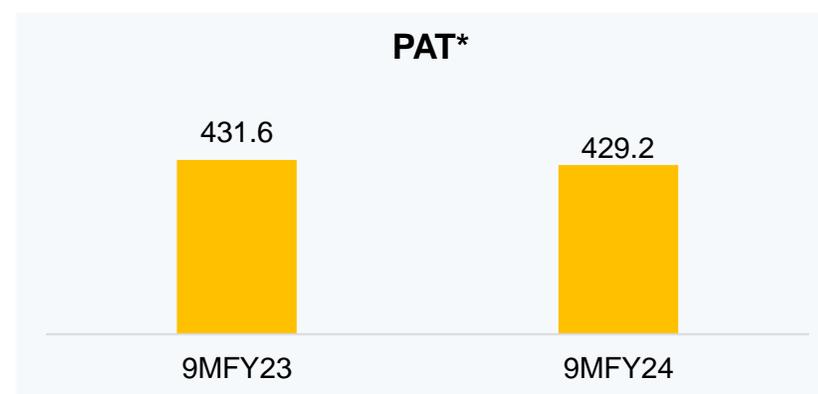
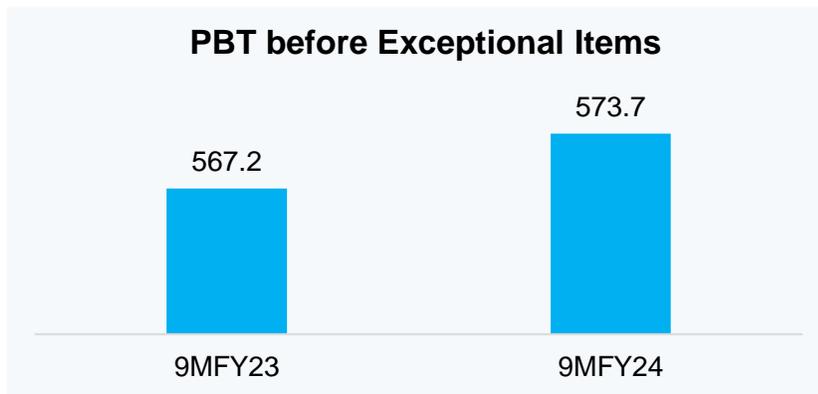
All figures in INR Cr.



Up 9.7%



Up 6.8%

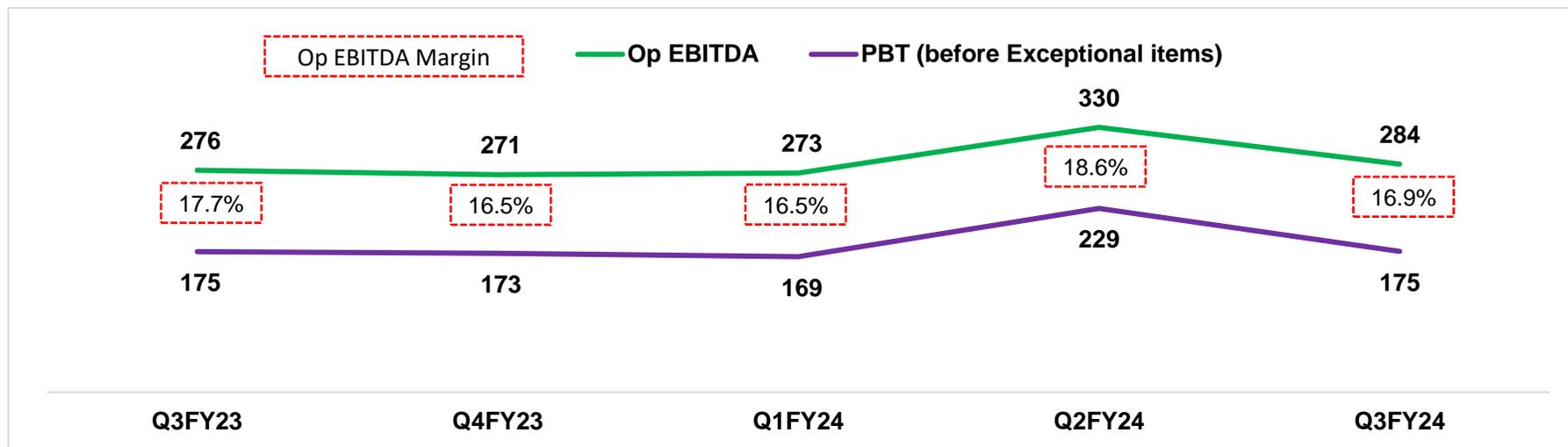
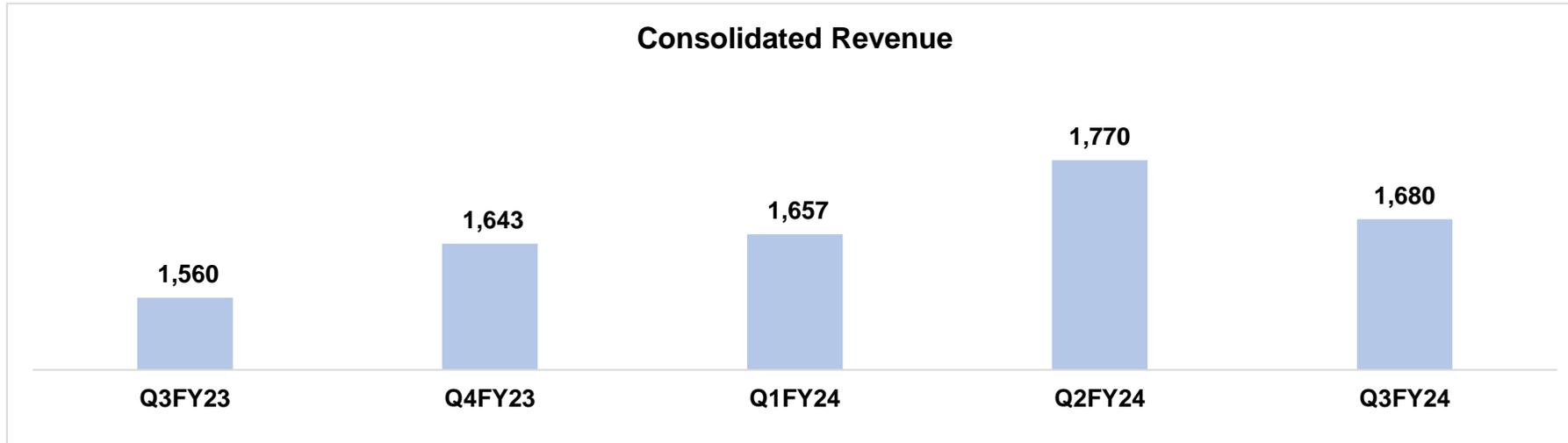


*9MFY24 PAT excludes exceptional net gain of INR 12.9 Cr related to the divestment of the Vadapalani, Chennai facility in July 2023 and reversal of impairment in an associate Company

*9MFY23 PAT excludes exceptional gain of INR 63.1 Cr which primarily pertains to reversal of impairment in an associate Company

CONSOLIDATED EARNINGS SUMMARY

All figures in INR Cr.

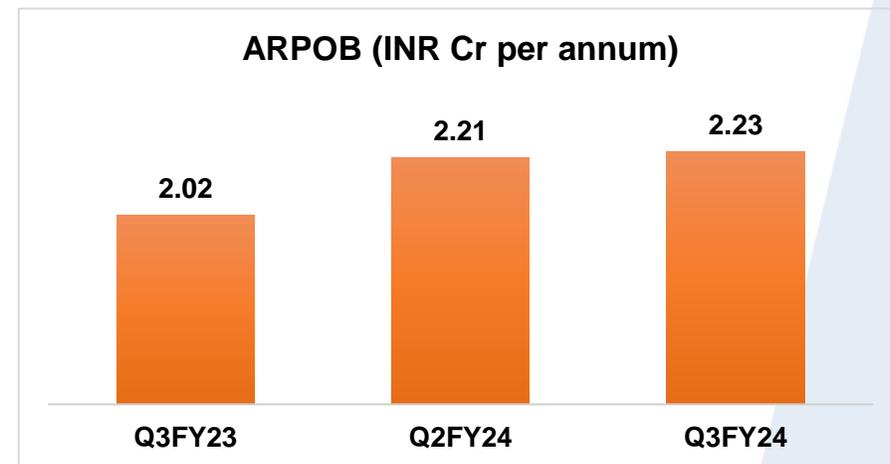
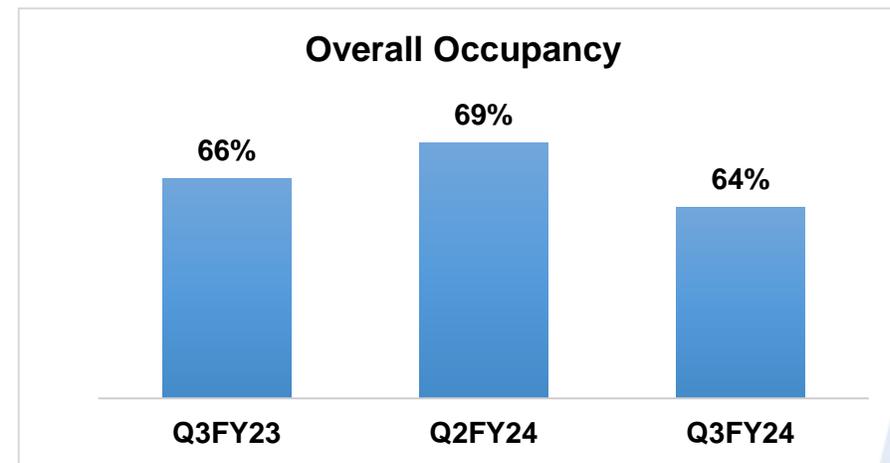


Q3FY24

HOSPITAL BUSINESS HIGHLIGHTS

- Occupied beds remained almost flat at 2,627 compared to 2,641 in Q3FY23 – however, occupancy declined by 2% due to a net increase of ~100 beds YoY
- Revenue from focus specialties comprising Oncology, Gastroenterology, Neurosciences, Renal Sciences, Orthopaedics and Cardiac Sciences grew 11.1% and contributed 61% to overall hospital business revenues (similar to Q3FY23)
- International Patient revenues remained almost flat YoY at INR 113 Cr in Q3FY24 vs INR 114 Cr in Q3FY23. The business contributed 7.7% to overall hospital business revenues in Q3FY24 versus 8.6% in Q3FY23
- Company further strengthened its medical talent with the onboarding of specialists in the areas of Neuro Surgery, Oncology, Cardiology, Gastroenterology and GI Surgery

Key Performance Indicators



OPERATING PERFORMANCE

HOSPITAL BUSINESS

Particulars (INR Cr)	Hospital Business				
	Q3FY23	Q2FY24	Q3FY24	9MFY23	9MFY24
Operating Revenue	1,267.4	1,452.6	1,389.5	3,756.8	4,196.2
Revenue Growth vs LY		12.0%	9.6%		11.7%
Reported EBITDA[^]	217.0	289.4	253.6	692.0	751.1
EBITDA growth vs LY		8.3%	16.9%		8.5%
Margin	17.1%	19.9%	18.2%	18.4%	17.9%
Adj: Other Income [^]	6.0	21.7	2.8	51.0	26.2
Operating EBITDA	211.0	267.7	250.8	641.0	724.9
Margin	16.7%	18.4%	18.0%	17.1%	17.3%

- Above financials includes financials of International entities which are part of Fortis group; mainly RHTTM
- [^]Hospital business reported EBITDA for Q2FY24, 9MFY24 and 9MFY23 includes other income primarily as a result of the dividend income received from the Company's majority owned (57%) subsidiary Agilus Diagnostics

BALANCE SHEET

December 31, 2023

Balance Sheet (INR Cr)	Dec 31, 2022	March 31, 2023	Dec 31, 2023
Shareholder's Equity	7,937	8,100	8,598
Debt	839	703	812
Lease Liabilities (Ind AS 116)*	308	223	299
Total Capital Employed	9,084	9,026	9,709
Net Fixed Assets (including intangibles & CWIP)	5,693	5,513	6,184
Goodwill	4,133	4,141	4,214
Investments	169	210	227
Cash and Cash Equivalents	366	363	294
Net Other Assets^	(1,279)	(1,201)	(1,210)
Total Assets	9,084	9,026	9,709
Net Debt / (cash)	471	340	518
Net Debt to Equity	0.06x	0.04x	0.06x

- *Pertains to lease liability on account of adoption of new accounting standard on leases w.e.f. April 1, 2019.
- Net debt excludes lease liabilities
- Net debt to EBITDA was at 0.45x vs 0.41x (basis annualized EBITDA of Q3FY24 and annualized EBITDA Q3FY23, respectively)
- ^Includes PUT option liability pertaining to Agilus' 31% Stake held by private equity investors; includes assets & liabilities held for sale with respect to Vadapalani operations for previous quarters



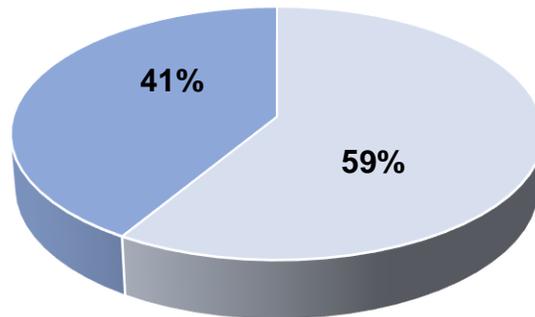
PERFORMANCE REVIEW

HOSPITALS BUSINESS

REVENUE MIX

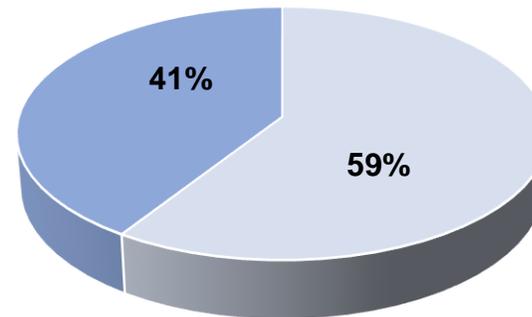
Q3 FY23

Gross Revenue : INR 1,331 Cr



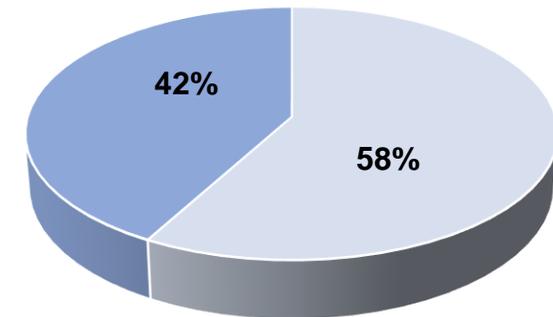
Q2 FY24

Gross Revenue : INR 1,532 CR



Q3 FY24

Gross Revenue : INR 1,465 CR

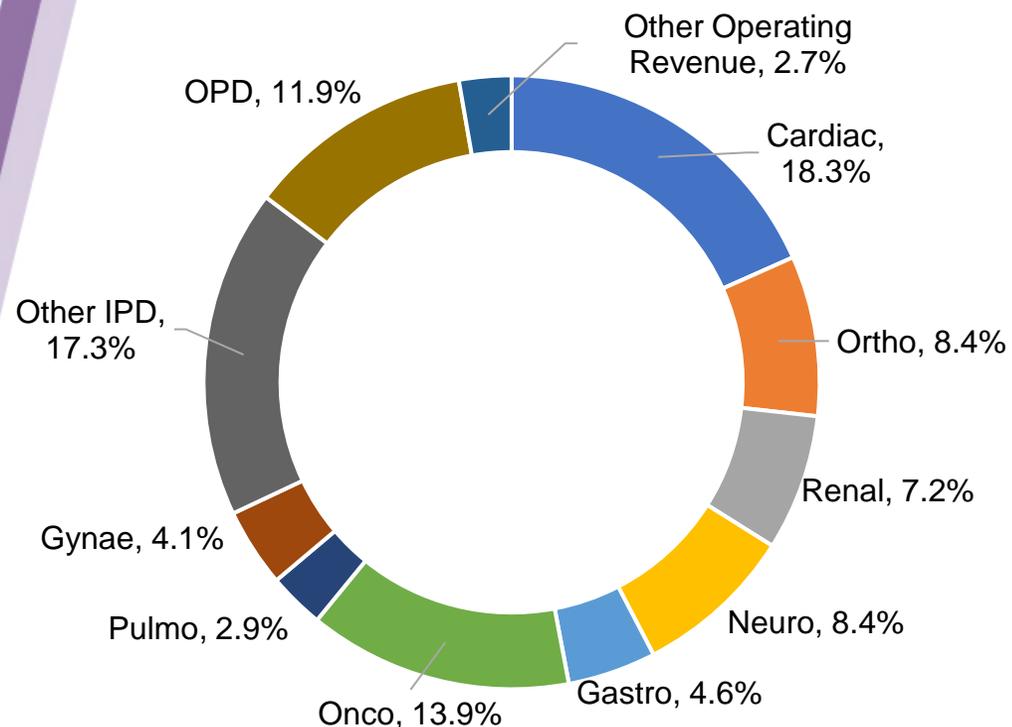


■ Non Surgical Revenue ■ Surgical Revenue

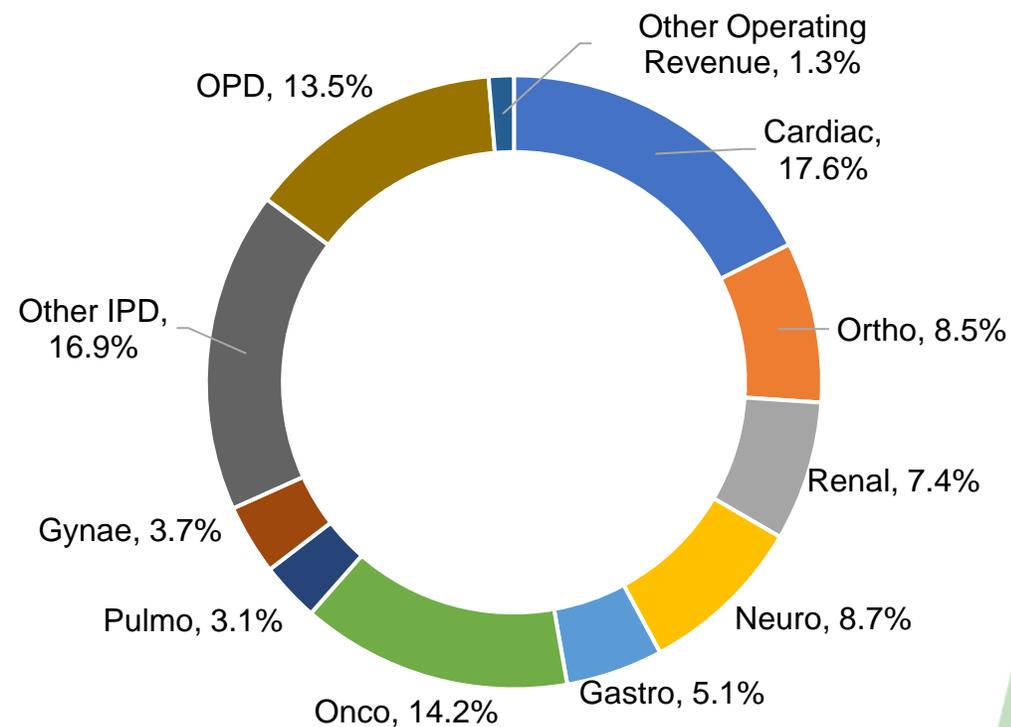
Contribution from Surgical revenue stood at 58% compared to 59% in both Q2FY24 and Q3FY23

SPECIALTY MIX

Q3 FY23



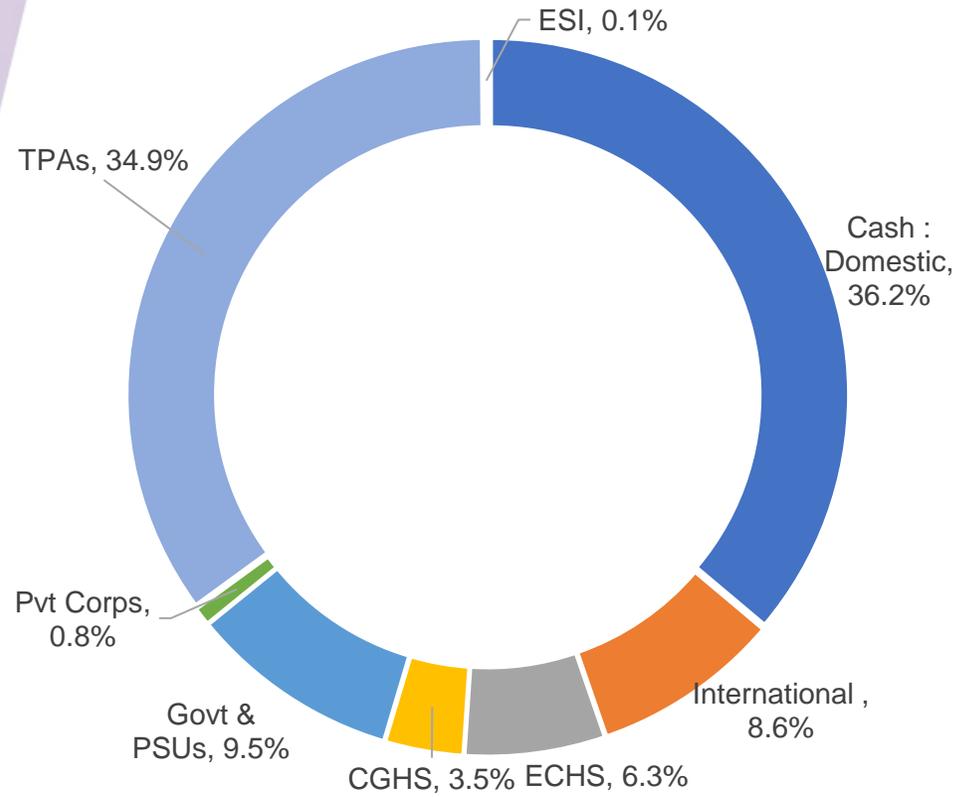
Q3 FY24



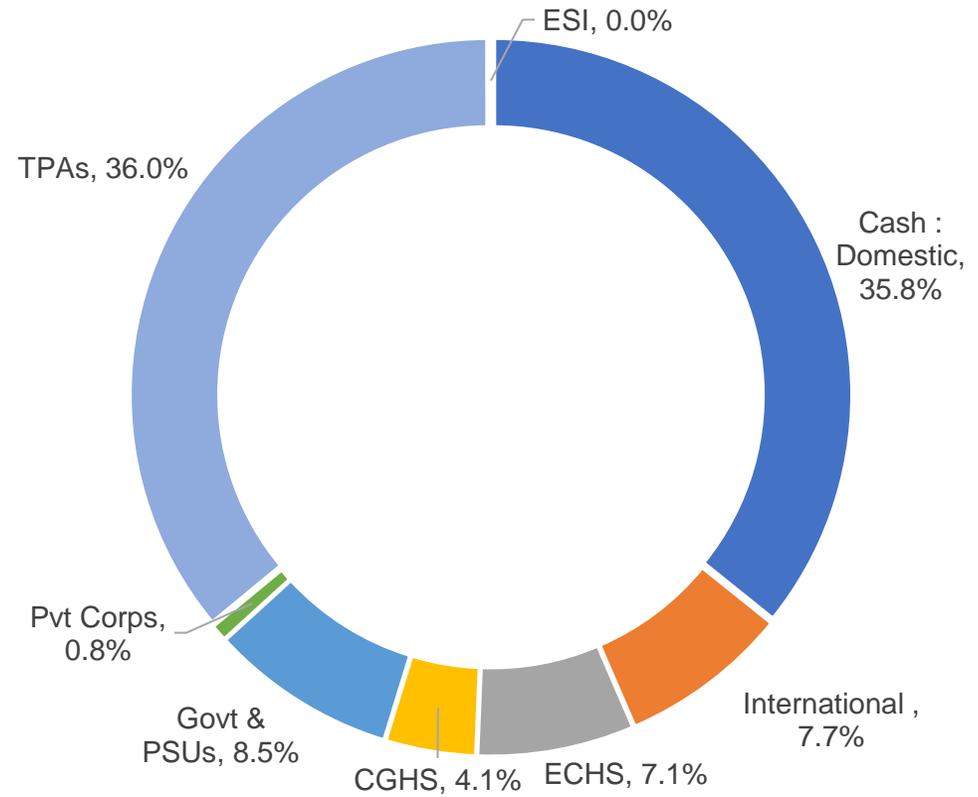
Specialties such as Gastroenterology, Pulmonology, Neuro Sciences, Oncology and Renal Sciences witnessed revenue growth of 21%, 17%, 14%, 13% and 13% respectively

PAYOR MIX

Q3 FY23

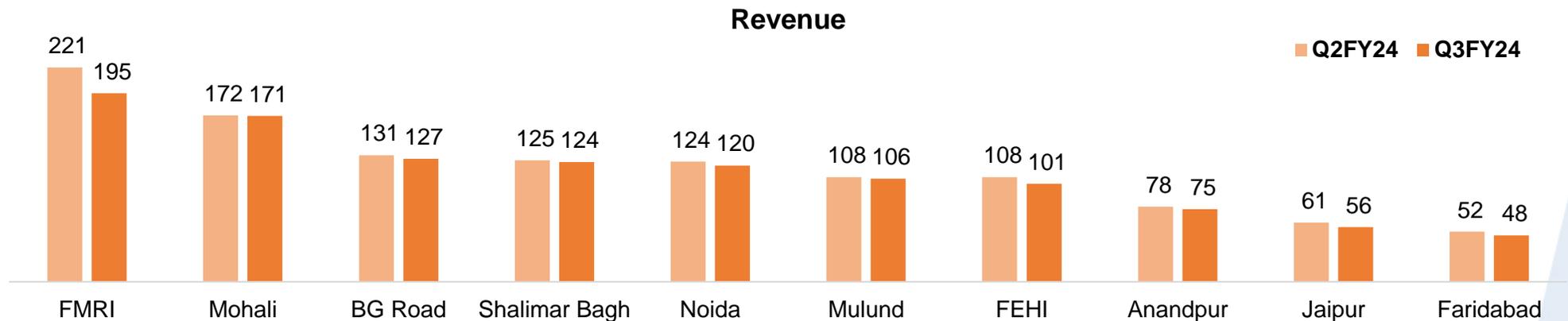
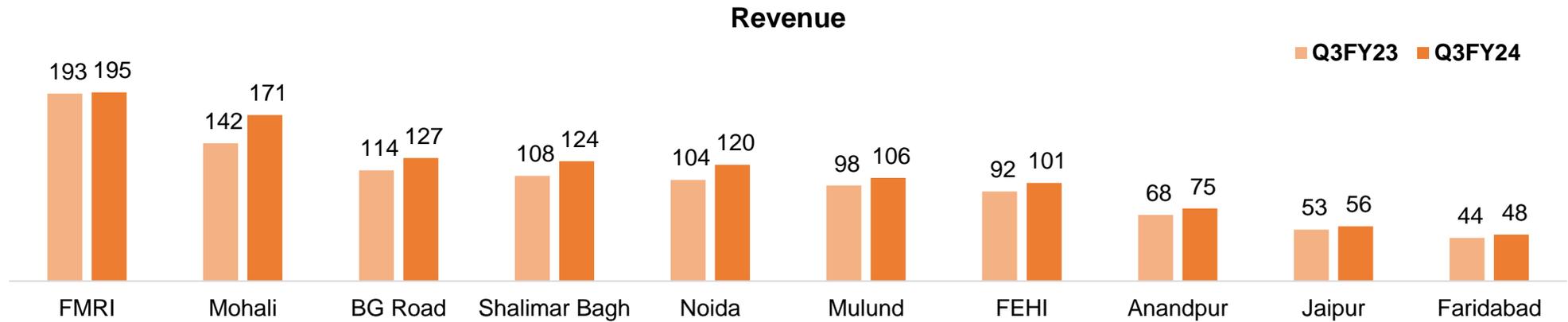


Q3 FY24



HOSPITAL BUSINESS PERFORMANCE – Q3FY24

All the key healthcare facilities continue to witness an upward momentum in revenues YoY



All figures in INR Cr.

HOSPITAL MARGIN MATRIX

Q3 FY24*

EBITDA	No. of Facilities	Revenue Contribution	Operational Beds	ARPOB (INR Cr)	Occupancy
20% - 25%	9	51.1%	1,852	2.25	71.3%
15% - 20%	3	22.4%	756	2.88	60.4%
10% - 15%	3	8.9%	498	1.55	67.3%
<10%	6	16.5%	949	1.93	54.1%

Q2 FY24*

EBITDA	No. of Facilities	Revenue Contribution	Operational Beds	ARPOB (INR Cr)	Occupancy
20% - 25%	9	62.6%	2,210	2.39	72.2%
15% - 20%	5	16.7%	720	1.86	76.4%
10% - 15%	1	2.8%	119	2.23	62.6%
<10%	6	16.9%	951	1.93	58.2%

FY23

EBITDA	No. of Facilities	Revenue Contribution	Operational Beds	ARPOB (INR Cr)	Occupancy
20% - 25%	6	52.4%	1,609	2.47	70%
15%-20%	7	21.4%	975	1.62	72%
10%-15%	2	5.1%	246	1.55	72%
<10%	7	20.3%	1,145	1.70	57%

*Q2 and Q3FY24 numbers exclude Vadapalani Facility; FY23 numbers include Vadapalani

Defence Colony facility is not being considered (day care facility) for the purpose of margin matrix – Q2 numbers have been updated to reflect the same



BEDS EXPANSION UPDATE

NEW FACILITY LAUNCH

Fortis Healthcare's **newest facility**, multi-specialty hospital on Mall Road, **Ludhiana**, was inaugurated in Dec'23



70 Beds

4th Facility
in Punjab

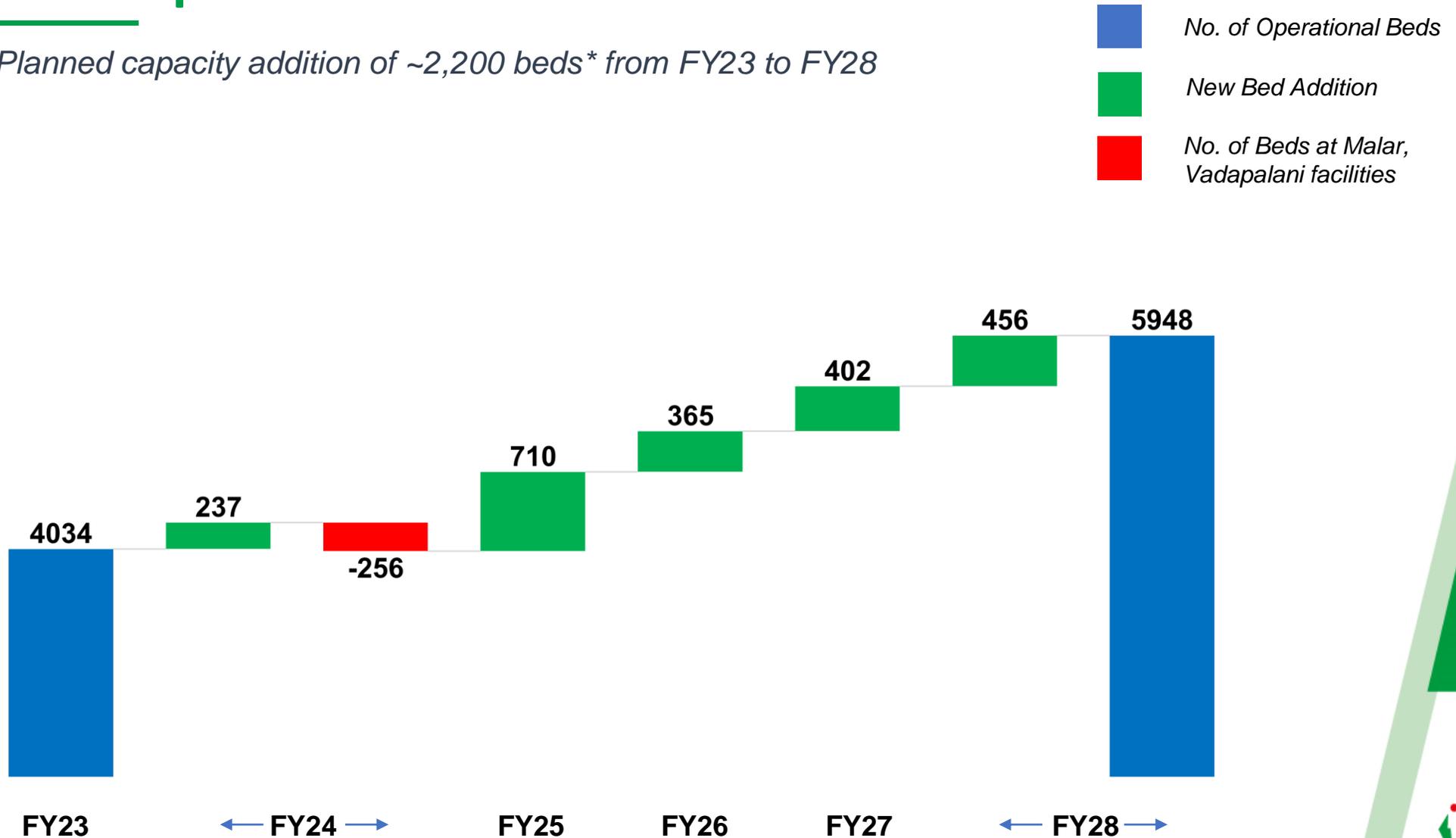
2nd Facility
in Ludhiana

772 Beds
in Punjab



Beds Expansion Plan

Planned capacity addition of ~2,200 beds* from FY23 to FY28

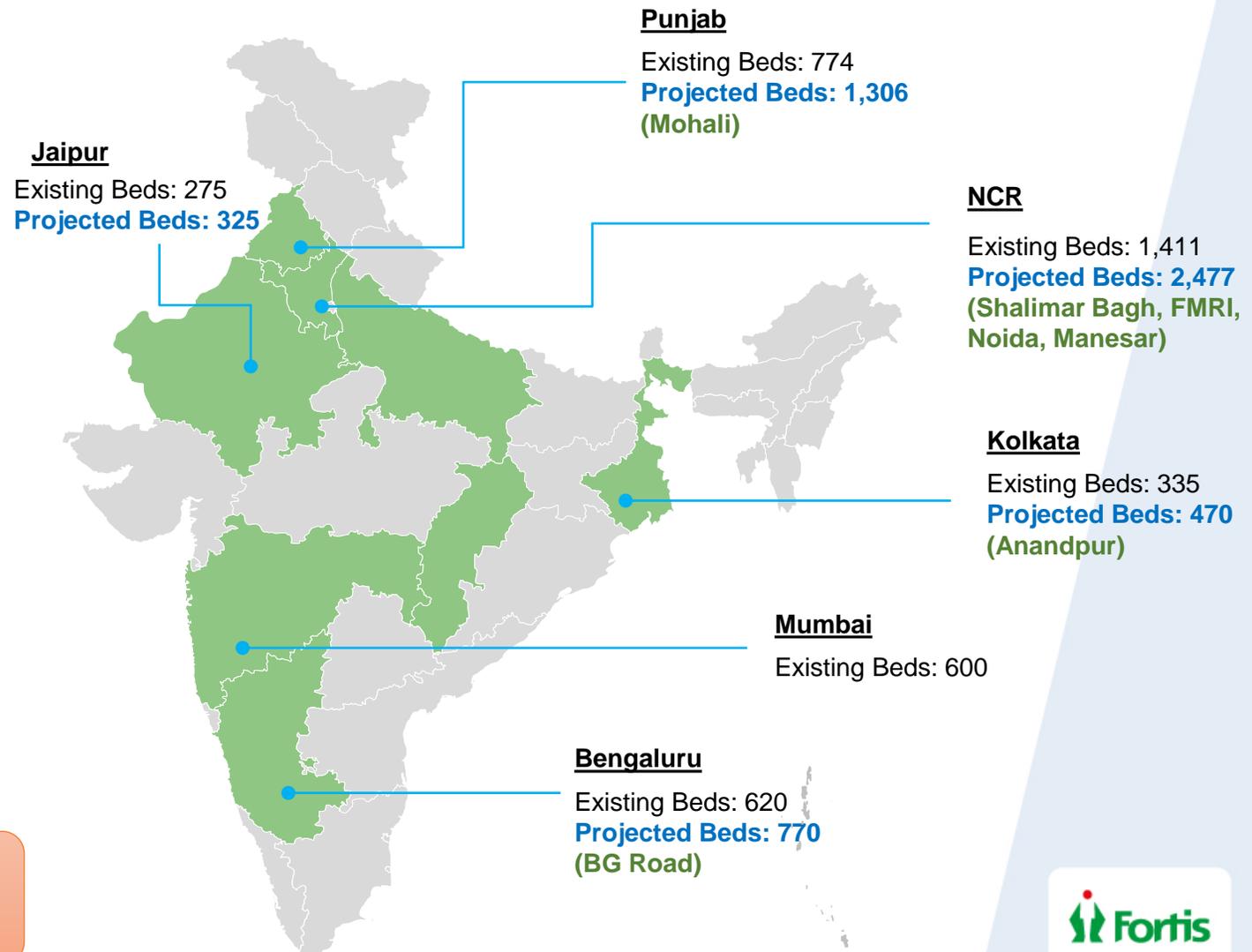


Note: 1. *~2,200 beds addition is total new addition and does not factor in divestment of Malar, Vadapalani facilities; New Bed Addition Numbers include Manesar facility also
2. The chart shows total capacity addition in each year – ramp up of operational beds will be done as per the business growth and occupancy trends

Beds Expansion – Plans to expand to ~6,000 beds

- Planned bed capacity addition of ~2,200 beds* till FY28, to achieve a total of ~6,000 operational beds.
- Majority of beds to be added at units located at Shalimar Bagh, FMRI, Mohali, Noida, Anandpur, BG Road and Amritsar
- The beds at the recently acquired Manesar facility are scheduled to be operational starting Q1 FY25.
- With the planned expansion, the following facilities will become large format hospitals: Mohali, Shalimar Bagh, FMRI, Noida, BG Road and Mulund

In addition to the above, the Company continues to pursue inorganic efforts and evaluate portfolio optimization alternatives





CLINICAL EXCELLENCE

AT FORTIS

KEY HIGHLIGHTS

CLINICAL EXCELLENCE

FY24 Performance* – Key Procedures



~60,000

Cardiac Procedures¹



~29,000

**Joint Replacements and
Other Ortho Procedures**



3,500+

Robotic Surgeries³



~1,100

Transplants²



~7,800

**Neuro and Spine
Surgeries**



11,500+

**Radiation Therapy
Patients**

Note: *Annualized data for 9MFY24 actual procedure count

¹Cardiac Procedures include Cardiac Surgery, Angiography, Angioplasty and other Cardiology procedures

²Transplants include Kidney, Liver and Bone Marrow Transplants

³Robotic Surgeries include Cardiac, Urology, Oncology, Gynae, Ortho and General Surgery

CLINICAL EXCELLENCE

- Fortis Hospital, BG Road, achieved a groundbreaking milestone by treating a 64-year-old woman who had a twisted and tortuous aorta. The patient had previously undergone aortic valve replacement and coronary artery bypass surgery elsewhere.
- A team of doctors at Fortis Shalimar Bagh conducted the rare Bentall procedure to save the life of a 13-year-old patient who suffered a rupture of the aorta (the largest artery of the body).
- A multi-disciplinary team of doctors at Fortis Mohali saved the life of a 9-year-old girl child by conducting a 15-hour-long kidney transplant and bladder reconstruction surgery.
- Fortis Hospital, Mohali, successfully completed its first Heart Transplant Surgery and the third Deceased Donor Kidney Transplant Surgery. With this, Fortis Mohali established itself as the first private healthcare facility north of Delhi-NCR to conduct a heart transplant and as a Centre of Excellence for Deceased Donor Transplant.



**Above data pertains to Q3 FY24*

AUGMENTING MEDICAL TECHNOLOGY/PROGRAMS



- Fortis Hospital, Noida, introduced Uttar Pradesh's first most advanced and Artificial Intelligence powered, state-of-the-art Cath Lab. The equipment enables prompt and efficient diagnosis as well as treatment for interventional cardiology patients.



- Fortis Escorts Hospital, Faridabad inaugurated Neuro ICU and advanced Neuro Lab on the occasion of World Stroke Day



- Fortis Hospital, Anandpur strengthened surgical excellence with the launch of the cutting-edge Surgical Robot



APPENDIX

GROUP CONSOLIDATED P&L – Q3FY24

Particulars (INR Cr)	Q3FY23	Q2FY24	Q3FY24
Revenue from operations	1,559.9	1,769.9	1,679.7
Other income	11.7	13.5	6.8
Total income	1,571.6	1,783.5	1,686.5
Expenses	1,283.4	1,439.8	1,395.7
EBITDA*	288.1	343.7	290.8
Margin	18.5%	19.4%	17.3%
Finance costs	33.4	31.8	33.0
Depreciation and amortisation expense	82.8	84.1	86.9
PBT	172.0	227.7	170.9
Share of profit / (loss) of associates and joint ventures (net)	2.6	1.3	4.5
Net profit / (loss) before exceptional items and tax	174.6	229.0	175.5
Exceptional gain**	11.5	3.7	7.7
Profit / (loss) before tax from continuing operations	186.1	232.7	183.2
Tax expense / (credit)	44.0	48.8	48.9
Net profit / (loss) for the period from continuing operations	142.1	183.9	134.2
Profit / (loss) from continuing operations attributable to Owners of the company	129.6	173.7	134.7

*EBITDA includes other income, forex and exceptional/non-recurring expenses

**Q3FY24 and Q3FY23 exceptional net gain related to reversal of impairment in an associate Company

**Q2FY24 exceptional net gain related to the divestment of the Vadapalani, Chennai facility in July 2023

GROUP CONSOLIDATED P&L – 9MFY24

Particulars (INR Cr)	9MFY23	9MFY24
Revenue from operations	4,654.9	5,107.0
Other income	47.9	28.5
Total income	4,702.9	5,135.5
Expenses	3,824.5	4,220.4
EBITDA*	878.4	915.1
Margin	18.9%	17.9%
Finance costs	97.4	96.3
Depreciation and amortisation expense	234.0	250.3
PBT	547.1	568.5
Share of profit / (loss) of associates and joint ventures (net)	20.1	5.2
Net profit / (loss) before exceptional items and tax	567.2	573.7
Exceptional gain**	63.1	12.9
Profit / (loss) before tax from continuing operations	630.3	586.6
Tax expense / (credit)	135.6	144.5
Net profit / (loss) for the period from continuing operations	494.7	442.1
Profit / (loss) from continuing operations attributable to Owners of the company	456.2	420.2

*EBITDA includes other income, forex and exceptional/non-recurring expenses

**9MFY24 exceptional gain related to the divestment of the Vadapalani, Chennai facility in July 2023 and reversal of impairment in an associate Company

**9MFY23 exceptional gain pertains to reversal of impairment in an associate Company



THANK YOU

