



FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION – Q2 FY24 and H1 FY24

November 10, 2023

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DISCLAIMER (CONTD.)

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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.

AGENDA

1. Performance Highlights
 - Earnings and Financial Summary – Q2 FY24 and H1 FY24
2. Performance Review - Hospital Business
3. Appendix





Q2FY24 and H1FY24

PERFORMANCE HIGHLIGHTS

Q2FY24 SNAPSHOT

Consolidated Revenue

1,770 Crores

 10.1%

Consolidated Op EBITDA

330 Crores

(18.6% Margin)

 8.9%

Consolidated PBT*

229 Crores

 5.9%

Consolidated PAT*

180 Crores

 8.1%

Net Debt / (Cash)^

393 Crores

Net Debt to EBITDA^

0.29x vs 0.44x

**Excluding exceptional items*

^As on 30th September 2023

H1FY24 SNAPSHOT

Consolidated Revenue

3,427 Crores

 10.7%

Consolidated Op EBITDA

603 Crores

(17.6% Margin)

 8.8%

Consolidated PBT*

398 Crores

 1.5%

Consolidated PAT*

303 Crores

 0.6%

Net Debt / (Cash)^

393 Crores

Net Debt to EBITDA^

0.29x vs 0.44x

**Excluding exceptional items*

^As on 30th September 2023

Q2FY24 SNAPSHOT

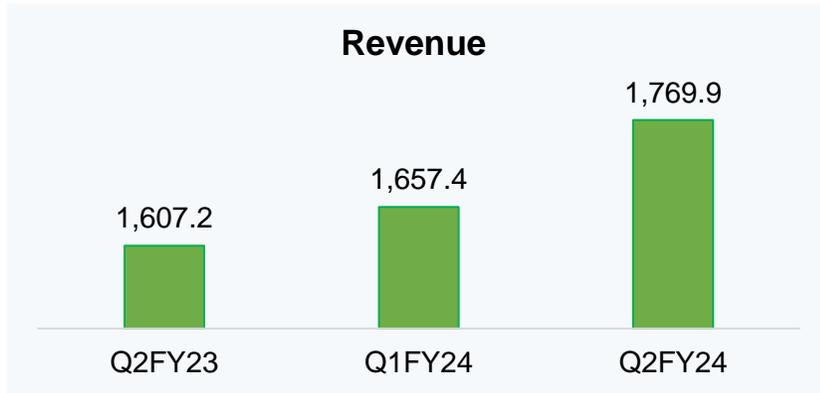
- Hospital business revenues grew by 12.0% to INR 1,453 Cr versus INR 1,297 Cr in Q2FY23. Revenue grew by 7.3% versus the trailing quarter.
- Hospital Business operating EBITDA stood at INR 268 Cr, up 13.1%; Operating margin increased to 18.4% in Q2FY24 from 18.2% in Q2FY23. Margins expanded by 320 bps versus the trailing quarter.
- Q2FY24 hospital business ARPOB was at INR 2.21 Cr p.a. vs INR 1.97 Cr p.a. in Q2FY23, up 11.8%; Surgical : Non-Surgical mix stood at 59:41 similar to the corresponding previous quarter
- Occupancy for the quarter stood at 68.7% versus 69.6% in Q2FY23
- The company's diagnostics business reported gross revenues of INR 360 Cr versus INR 351 Cr in Q2FY23*
- Net debt to EBITDA strengthened to 0.29x versus 0.44x in the corresponding previous period; net debt stands at INR 393 Cr

**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*

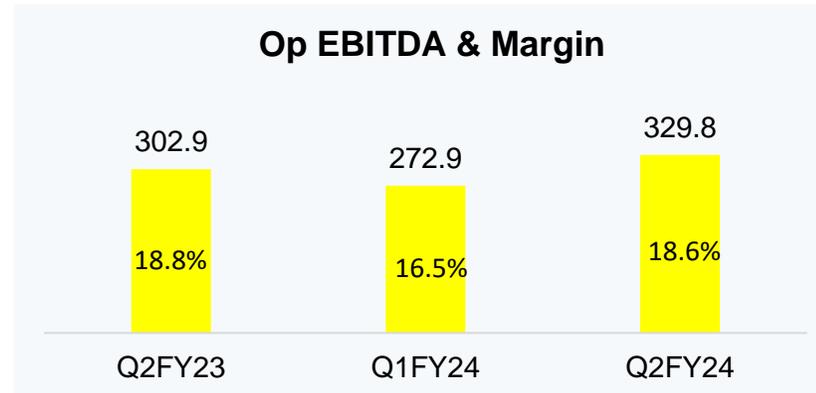


CONSOLIDATED EARNINGS SUMMARY – Q2 FY24

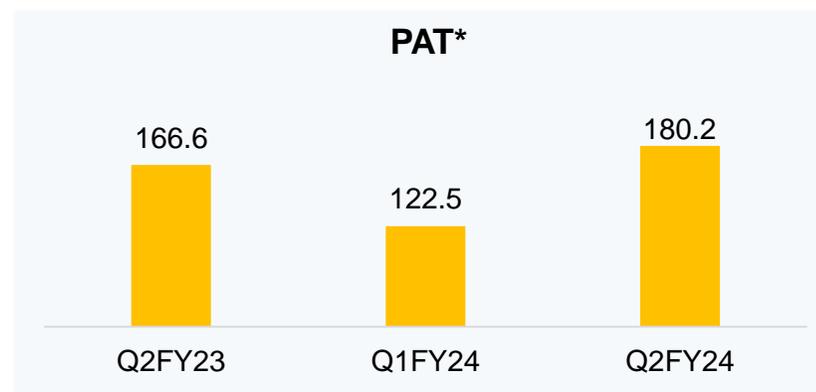
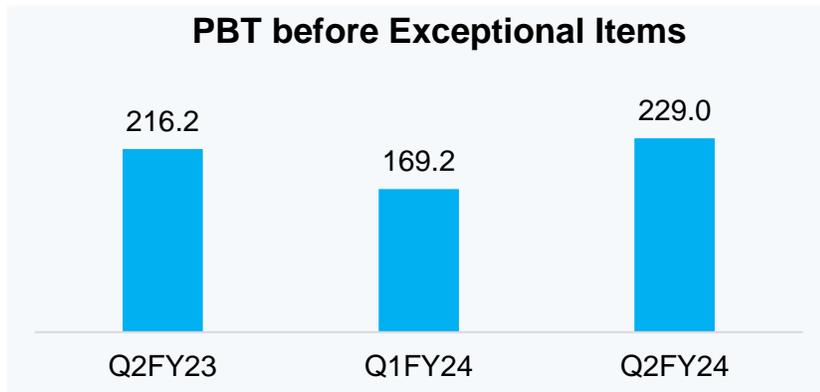
All figures in INR Cr.



Up 10.1%



Up 8.9%

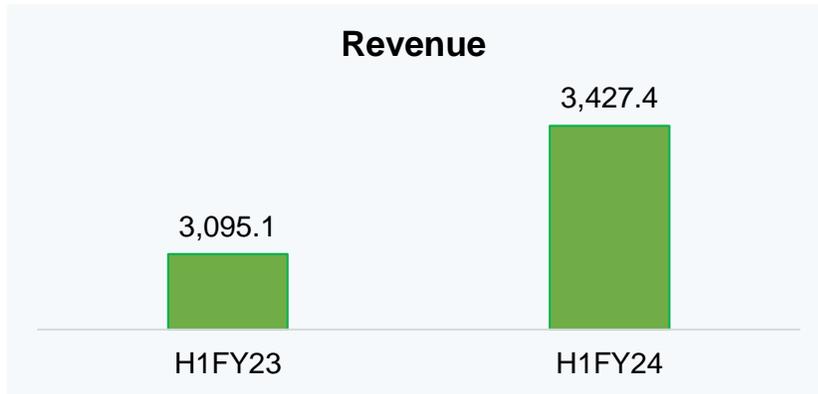


*Q2FY24 PAT excludes exceptional net gain of INR 3.7 Cr related to the divestment of the Vadapalani, Chennai facility in July 2023

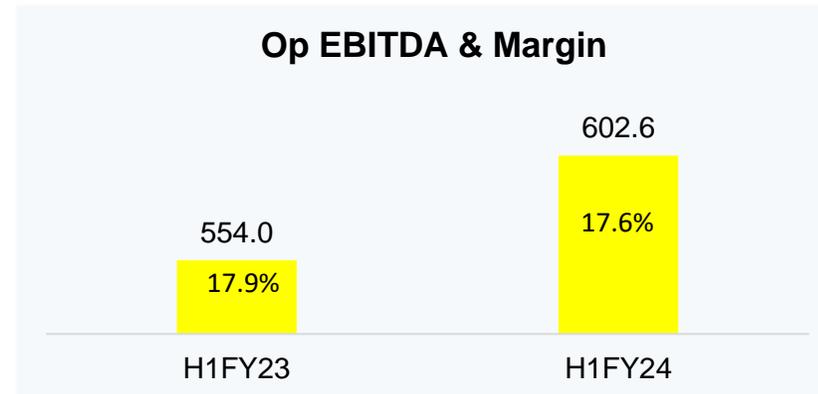
*Q2FY23 and Q1FY24 PAT excludes exceptional gain of INR 51.6 Cr and INR 1.5 Cr, respectively, which pertains primarily to reversal of impairment in an associate Company

CONSOLIDATED EARNINGS SUMMARY – H1 FY24

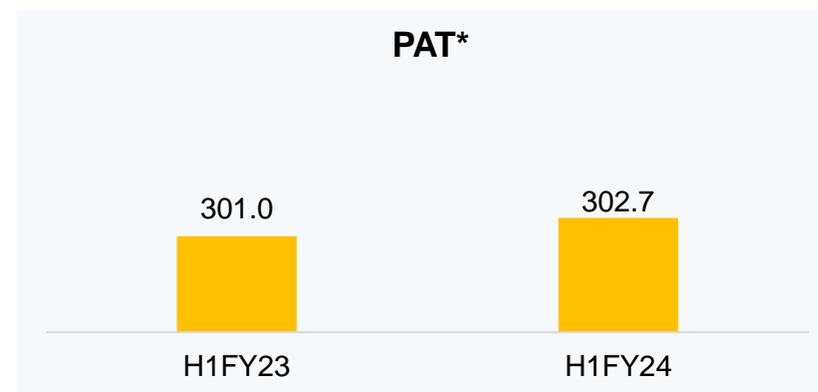
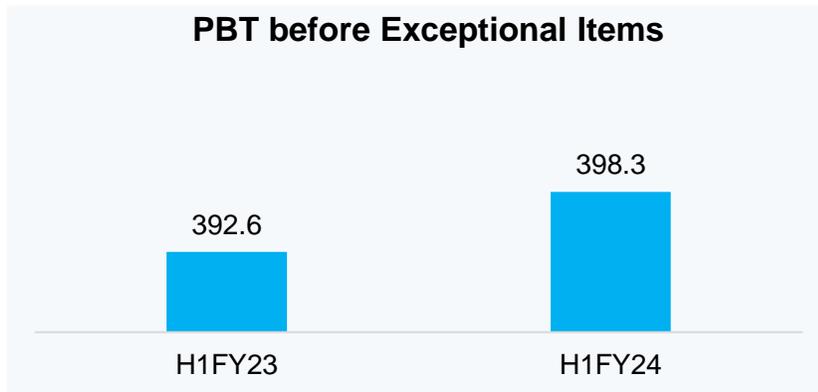
All figures in INR Cr.



Up 10.7%



Up 8.8%

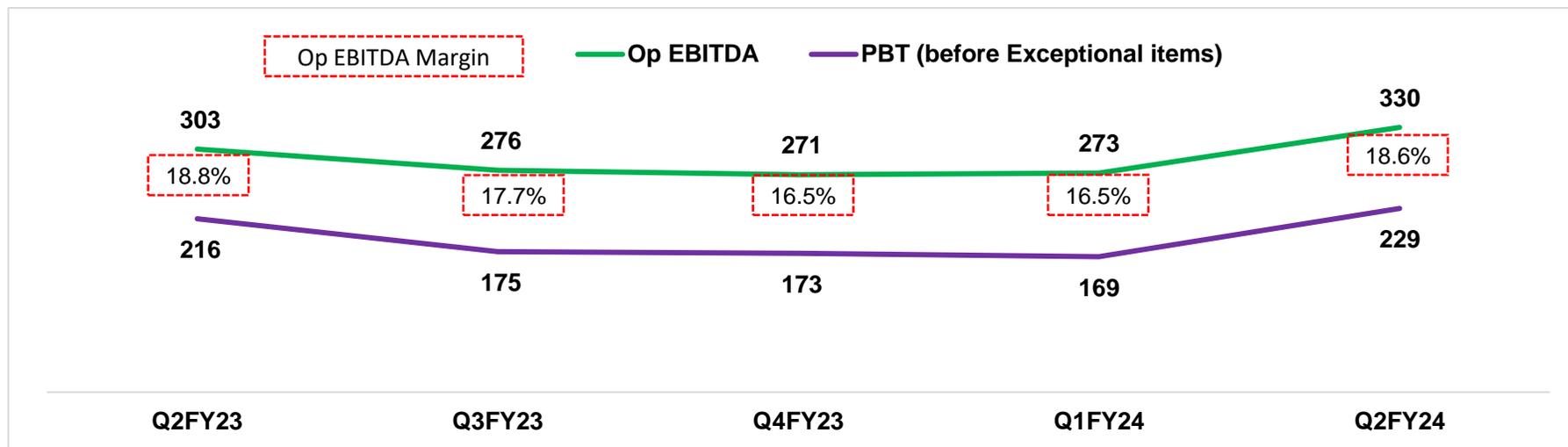
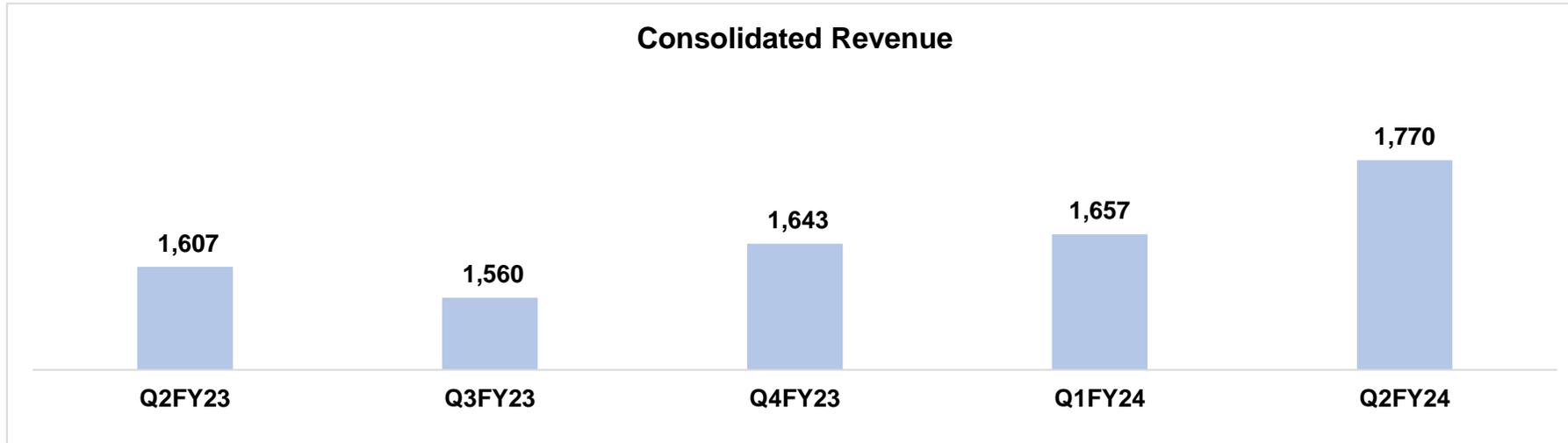


*H1FY24 PAT excludes exceptional net gain of INR 5.2 Cr related to the divestment of the Vadapalani, Chennai facility in July 2023 and reversal of impairment in an associate Company

*H1FY23 PAT excludes exceptional gain of INR 51.6 Cr which pertains primarily to reversal of impairment in an associate Company

CONSOLIDATED EARNINGS SUMMARY

All figures in INR Cr.

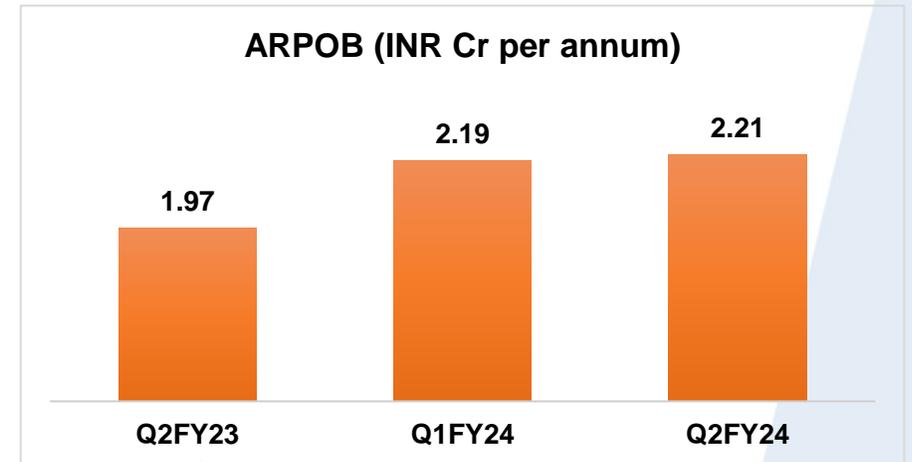
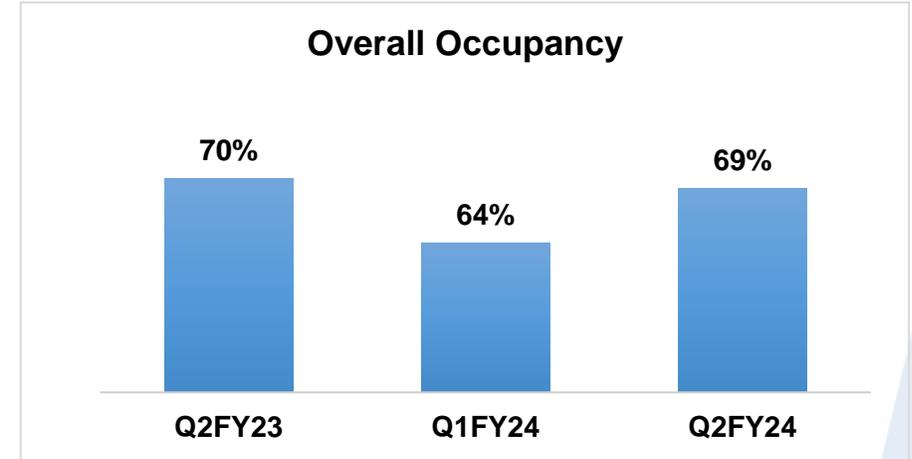


Q2FY24

HOSPITAL BUSINESS HIGHLIGHTS

- Revenue from focus specialties comprising Oncology, Gastroenterology, Neurosciences, Renal Sciences, Orthopaedics and Cardiac Sciences grew 13.4% and contributed 61% to overall hospital business revenues (similar to Q2FY23)
- International Patient revenues grew 15.6% to INR 127 Cr in Q2FY24 vs Q2FY23. The business contributed 8.3% to overall hospital business revenues versus 8.0% in both Q2FY23 and Q1FY24
- Company further strengthened its medical talent with the onboarding of specialists in the areas of Oncology, Renal Sciences, Neurology, Cardiology and General Surgery

Key Performance Indicators



Up 11.8%

OPERATING PERFORMANCE

HOSPITAL BUSINESS

Particulars (INR Cr)	Hospital Business				
	Q2FY23	Q1FY24	Q2FY24	H1FY23	H1FY24
Operating Revenue	1,297.0	1,354.1	1,452.6	2,489.3	2,806.7
Revenue Growth vs LY		13.6%	12.0%		12.7%
Reported EBITDA[^]	267.2	208.1	289.4	475.0	497.5
EBITDA growth vs LY		0.2%	8.3%		4.8%
Margin	20.6%	15.4%	19.9%	19.1%	17.7%
Adj: Other Income [^]	30.5	1.7	21.7	45.0	23.4
Operating EBITDA	236.7	206.4	267.7	429.9	474.1
Margin	18.2%	15.2%	18.4%	17.3%	16.9%

- Above financials includes financials of International entities which are part of Fortis group; mainly RHTTM
- [^]Hospital business reported EBITDA for Q2FY24 and Q2FY23 includes other income primarily as a result of the dividend income received from the Company's majority owned (57%) subsidiary Agilus Diagnostics

BALANCE SHEET

September 30, 2023

Balance Sheet (INR Cr)	Sep 30, 2022	March 31, 2023	Sep 30, 2023
Shareholder's Equity	7,788	8,100	8,481
Debt	940	703	740
Lease Liabilities (Ind AS 116)*	292	223	293
Total Capital Employed	9,020	9,026	9,514
Net Fixed Assets (including intangibles & CWIP)	5,660	5,513	5,987
Goodwill	4,133	4,141	4,176
Investments	151	210	214
Cash and Cash Equivalents	375	363	347
Net Other Assets^	(1,299)	(1,201)	(1,209)
Total Assets	9,020	9,026	9,514
Net Debt / (cash)	565	340	393
Net Debt to Equity	0.07x	0.04x	0.05x

- *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 0.29x vs 0.35x (basis annualized EBITDA of Q2FY24 and annualized EBITDA Q1FY24, 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

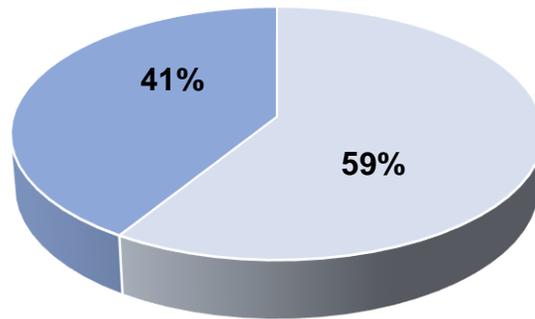
STRENGTHENING MEDICAL INFRASTRUCTURE

- FMRI, Gurugram launched state-of-the-art Digital PET CT for advanced imaging in cancer diagnosis
- Fortis Healthcare announced a collaboration with RED.Health, an emergency response company, to strengthen its healthcare emergency ambulance services in Delhi NCR
- During the quarter, Fortis commissioned several high value equipment including:
 - LINAC at Noida
 - Cath Lab at Anandpur
 - Ortho Robots at FMRI, Shalimar Bagh, Noida
 - Neuro Navigation System at Noida
- Fortis Vashi launched Fortis Medical Centre in Navi Mumbai; Services at this OP facility would include pre/ post operative care, advanced screening facilities, pathology lab and Consultation services
- Fortis Vasant Kunj launched new Fortis Cancer Institute OPD Block in August, 2023

REVENUE MIX

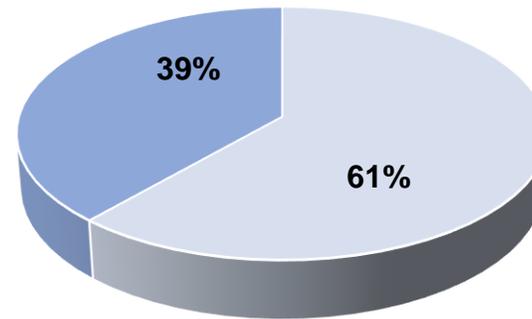
Q2 FY23

Gross Revenue : INR 1,365 CR



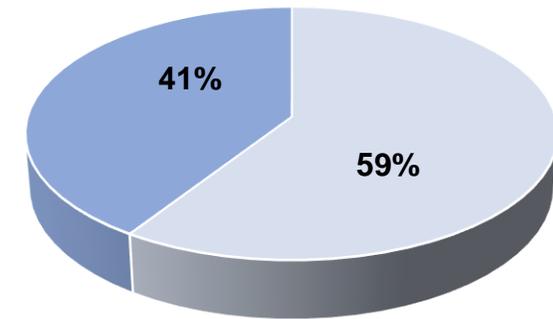
Q1 FY24

Gross Revenue : INR 1,423 CR



Q2 FY24

Gross Revenue : INR 1,532 CR

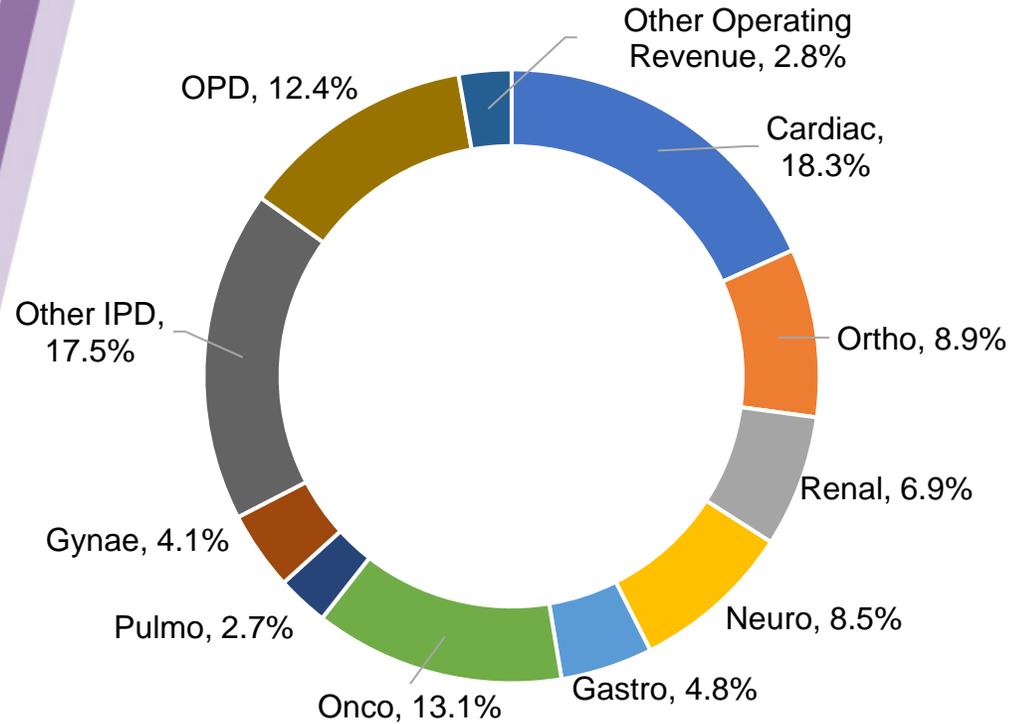


■ Non Surgical Revenue ■ Surgical Revenue

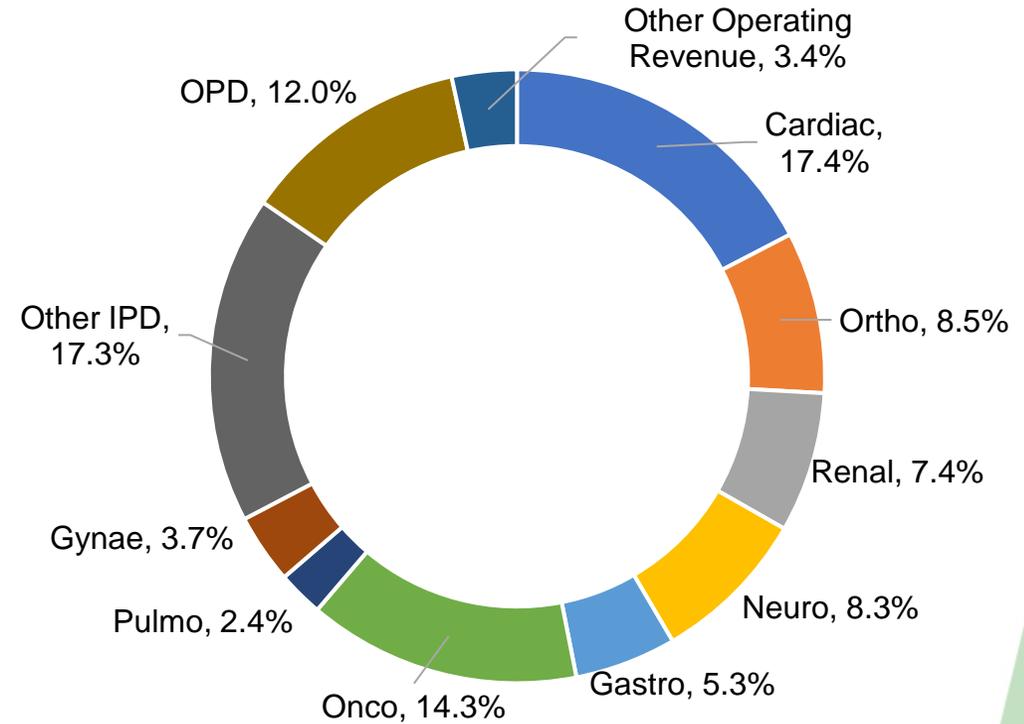
Contribution from Surgical revenue stood at 59% compared to 61% in Q1FY24 and 59% in Q2FY23

SPECIALTY MIX

Q2 FY23



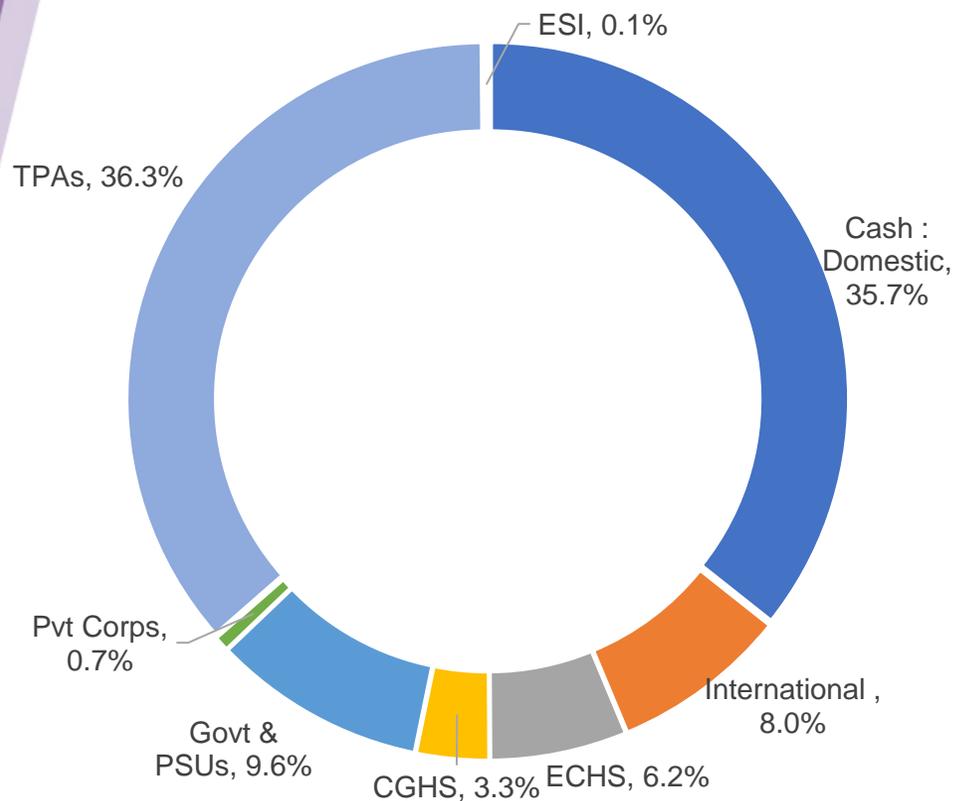
Q2 FY24



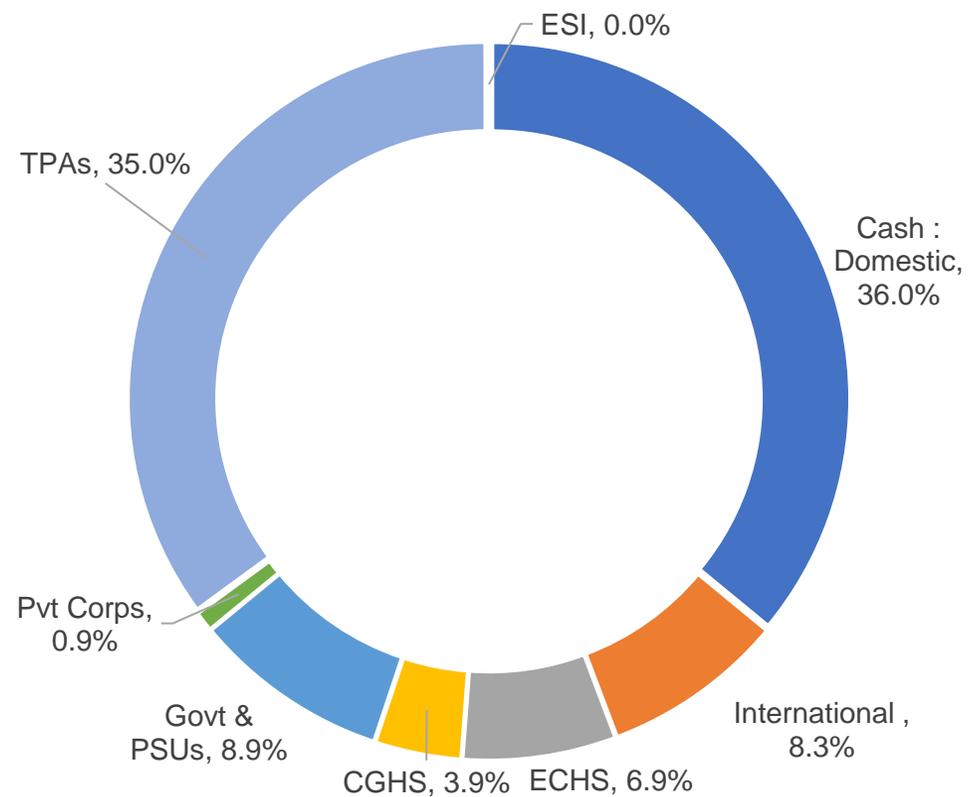
Specialties such as Gastroenterology, Oncology, Renal Sciences and Neuro Sciences witnessed revenue growth of 24%, 22%, 19% and 10% respectively

PAYOR MIX

Q2 FY23

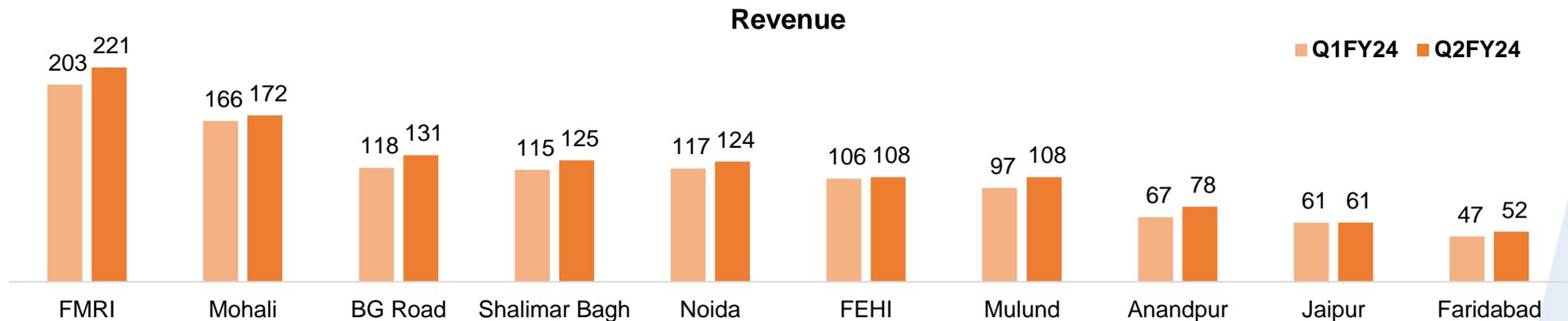
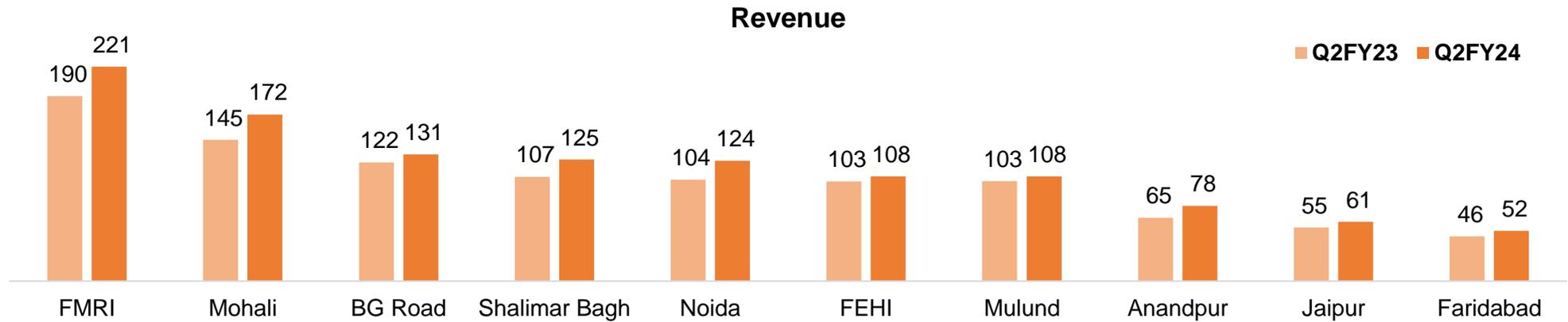


Q2 FY24



HOSPITAL BUSINESS PERFORMANCE – Q2FY24

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



All figures in INR Cr.

HOSPITAL MARGIN MATRIX

Margin improvement was witnessed across the board with multiple healthcare facilities moving up in the margin matrix

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%	7	17.1%	951	1.95	58.2%

Q1 FY24

EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
20% - 25%	3	36%	968	2.87	73%
15% - 20%	7	33%	1,367	2.09	64%
10% - 15%	4	10%	552	1.53	68%
<10%	8	21%	1,184	1.93	54%

*Q2FY24 numbers excludes Vadapalani Facility

CLINICAL EXCELLENCE

- FMRI, Gurugram, conducted a challenging single-incision laparoscopic gall bladder surgery on a 46-year-old female patient with inverted organs (rare congenital condition)
- Fortis Hospital, Nagarbhavi, Bengaluru, conducted complex surgery on 53-year-old man with stage 3 renal cancer
- Fortis Hiranandani Hospital, Vashi, successfully treated 28-year-old-man for rare case of Myasthenia Gravis (auto-immune muscular disease) with Thymoma (cancerous tumour that occurs in the thymus gland)
- SL Raheja Hospital, Mahim - A Fortis Associate, successfully performed a Mitra Clip procedure on a 52-year-old male patient (youngest in Maharashtra) suffering from cardiac failure along with Mitral Regurgitation

AWARDS AND ACCREDITATIONS

- Fortis Hospital, Anandpur, Kolkata, bagged three ICC (Indian Chamber of Commerce) Nursing Excellence Awards
- Fortis Hospital, Noida, was honoured with the prestigious Diamond Status by the World Stroke Organisation (WSO)
- Fortis Escorts Hospital, Faridabad, was bestowed with the prestigious WSO Angels Award 2023 for Stroke Care Excellence
- Fortis Hospital, Cunningham Road, Bengaluru, recognised as a Centre of Excellence in Hernia Surgery by Hernia Society of India



**Above data pertains to Q2FY24*



APPENDIX



GROUP CONSOLIDATED P&L – Q2FY24

Particulars (INR Cr)	Q2FY23	Q1FY24	Q2FY24
Revenue from operations	1,607.2	1,657.4	1,769.9
Other income	15.5	8.1	13.5
Total income	1,622.7	1,665.5	1,783.5
Expenses	1,304.3	1,384.9	1,439.8
EBITDA*	318.5	280.6	343.7
Margin	19.8%	16.9%	19.4%
Finance costs	32.8	31.5	31.8
Depreciation and amortisation expense	76.9	79.2	84.1
PBT	208.7	169.9	227.7
Share of profit / (loss) of associates and joint ventures (net)	7.5	(0.6)	1.3
Net profit / (loss) before exceptional items and tax	216.2	169.2	229.0
Exceptional gain**	51.6	1.5	3.7
Profit / (loss) before tax from continuing operations	267.8	170.7	232.7
Tax expense / (credit)	49.6	46.8	48.8
Net profit / (loss) for the period from continuing operations	218.2	124.0	183.9
Profit / (loss) from continuing operations attributable to Owners of the company	204.4	111.8	173.7

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

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

**Q2FY23 and Q1FY24 exceptional gains pertain primarily to reversal of impairment in an associate Company

GROUP CONSOLIDATED P&L – H1FY24

Particulars (INR Cr)	H1FY23	H1FY24
Revenue from operations	3,095.1	3,427.4
Other income	36.2	21.6
Total income	3,131.3	3,449.0
Expenses	2,541.0	2,824.7
EBITDA*	590.3	624.3
Margin	19.1%	18.2%
Finance costs	64.0	63.3
Depreciation and amortisation expense	151.2	163.4
PBT	375.1	397.6
Share of profit / (loss) of associates and joint ventures (net)	17.5	0.7
Net profit / (loss) before exceptional items and tax	392.6	398.3
Exceptional gain**	51.6	5.2
Profit / (loss) before tax from continuing operations	444.2	403.4
Tax expense / (credit)	91.6	95.6
Net profit / (loss) for the period from continuing operations	352.6	307.9
Profit / (loss) from continuing operations attributable to Owners of the company	326.6	285.5

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

**H1FY24 exceptional net gain of INR 5.2 Cr relates to the divestment of the Vadapalani, Chennai facility in July 2023, and reversal of impairment in an associate Company

**H1FY23 exceptional gain of INR 51.6 Cr pertains primarily to reversal of impairment in an associate Company



THANK YOU

