

Fortis Healthcare Limited

Investor Presentation – Q1FY17



“ Saving and Enriching Lives ”

August 4, 2016

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Discussion Points

➤ **Highlights for the Quarter**

➤ **Awards & Recognitions**

➤ **Successes in Clinical Excellence**

➤ **Financial Highlights**

➤ **Business Performance – Hospitals & Diagnostics**

Highlights for the quarter

- India Consolidated Revenues at Rs 1,102 Cr vs Rs 1,013 Cr in corr Q. Operating EBITDAC* Margins at 16.5% vs 16.1% in Q1FY16. Operating EBITDA at Rs 65 Cr, +36% growth.
- Hospital Business Revenues Rs 910 Cr vs Rs 834 Cr in corr Q. Operating EBITDAC at Rs 139 Cr; up 16%. Operating EBITDAC Margins expand 90 bps to 15.3% vs 14.4% in Q1FY16.
- Diagnostic business revenues at Rs 192 Cr vs Rs 178 Cr in corr Q; Operating EBITDA margin at 22.4%, vs 23.9% in Q1FY16
- New hospitals witnessing strong ramp-up – FMRI reports 21% growth with revenues of Rs 117 Cr. Ludhiana facility reports 64% growth.

**Refers to EBITDA before net business trust costs*

SRL Value Unlock Update

- **The Board of Directors at its meeting held today, provided an In-principle approval to demerge the company's diagnostic business which includes operations of SRL Limited.**
- **The Board has formed a Restructuring Committee to detail the nuances of the demerger structure, including valuation, share entitlement ratio and other incidental matters and to present the same before the Board on August 19, 2016 for final approval.**

Key Awards and Recognitions

Fortis Healthcare was adjudged “Hospital of the Year in India” and “Digital Savvy Hospital of the Year” at the 2016 APAC Healthcare and Medical Tourism Awards.

Fortis Escorts Heart Institute, Fortis Hospital, Noida, and Fortis Hospital, Shalimar Bagh, received a “Green OT” certificate by Bureau Veritas, a global agency.

The Infection Control Team of Fortis Hospital, Mulund, won multiple awards across various categories at the ‘Infection Control and Prevention Carnival 2016’.

Fortis Escorts Hospital, Jaipur, was applauded for its ‘Excellence in Patient Care in the State of Rajasthan’ at the 6th MT India Healthcare Awards.

In recognition of its sharp focus on patient care, Fortis Hiranandani Hospital, Vashi, won four prestigious Golden Globe Tiger awards.

Successes in Clinical Excellence

Doctors at FMRI successfully conducted a surgery on a 27-year-old Iraqi woman suffering from a rare genetic condition that causes the duplication of several internal organs

Doctors at FEHI performed an extremely challenging endovascular stenting on a 62 year morbidly obese patient weighing 165 kgs from Sudan

A 7-year-old girl from Aligarh whose left hand was severed by a fodder cutting machine by the Orthopedics and reconstructive team at Fortis Noida.

A 10-year-old boy suffering from a rare genetic disorder, Homozygous Familial Hypercholesterolemia (HoFH) was successfully treated by Doctors at FEHI

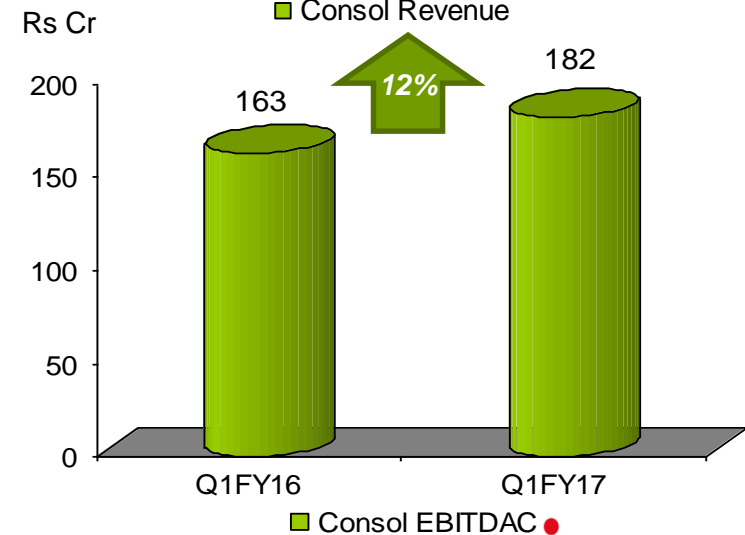
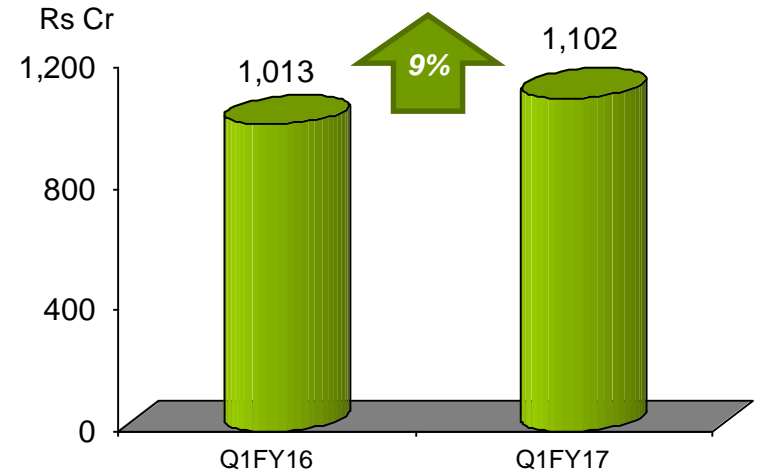
Doctors at BG Road, successfully corrected the severe deformity in the legs in a 13-year-old girl suffering from Spondylo-epiphyseal Dysplasia, a rare genetic disorder

Doctors at Fortis Hospital, Mulund, conducted a Sutureless Aortic Valve Replacement on a 72- year-old patient; the procedure was completed in just about 20 minutes.

Financial Highlights

India Financial Highlights – Q1FY17 vs Q1FY16

- Consolidated Revenues at Rs 1,102 Cr, + 9%.
 - ❖ Hospital Business – Rs 910 Cr, + 9%
 - ❖ Diagnostic Business – Rs 192 Cr, + 7%
- Consolidated Operating EBITDAC* at Rs 182 Cr, 16.5% margin
 - ❖ Hospital Business – Rs 139 Cr, 15.3% margin
 - ❖ Diagnostic Business – Rs 43 Cr, 22.4% margin



*EBITDAC refers to EBITDA before net business trust costs

India Consolidated P&L

	Q1FY16	Q1FY17	
Particulars	(Rs Cr.)	(Rs Cr.)	%
Operating Revenue	1,012.6	1,101.7	8.8%
Operating EBITDAC*	163.1	182.0	11.6%
Operating EBITDAC margin	16.1%	16.5%	
Net BT Costs	115.4	117.3	
Other Income	19.5	24.7	
EBITDA	67.1	89.3	33.1%
Finance Costs	34.0	41.6	
Depreciation & Amortization	50.3	46.1	
Foreign Exchange (Loss)/ Gain	11.1	5.8	
PBT before Exceptional Item	(6.0)	7.4	
Exceptional (Loss)/ Gain	-	0.1	
Tax Expense	9.3	2.3	
PAT before minority interest and share in associates	(15.3)	5.2	
Share in Associates	15.4	19.0	
PAT after minority interest and share in associates	(4.0)	15.1	

Group Consolidated P&L

	Q1FY16	Q1FY17	% Change
Particulars	(Rs Cr.)	(Rs Cr.)	
Operating Revenue	1,034.3	1,121.2	8.4%
Operating EBITDAC*	162.2	179.8	10.9%
Operating EBITDAC margin	15.7%	16.0%	
Net BT Costs	115.4	117.3	
Other Income	23.2	27.0	
EBITDA	69.9	89.5	28.0%
Finance Costs	34.1	42.0	
Depreciation & Amortization	53.3	47.6	
Foreign Exchange (Loss)/ Gain	18.4	6.0	
PBT before Exceptional Item	0.9	5.9	
Exceptional (Loss)/ Gain	87.3	0.1	
Tax Expense	9.6	2.9	
PAT before minority interest and share in associates	78.6	3.1	
Share in Associates	18.8	22.1	
PAT after minority interest and share in associates	93.2	16.1	

* EBITDAC refers to EBITDA before net business trust (BT) costs

Exceptional gain of Rs 87 Cr during Q1FY16 pertains to net gain arising due to divestment of RadLink and Fortis Surgical Hospital, Singapore.

Group Consolidated Balance Sheet – June 30, 2016

Balance Sheet	Rs Crore
Shareholder's Equity*	4,754
Foreign Currency Convertible Bonds (FCCB's)	574
Debt	1,264
Total Capital Employed	6,593
Net Fixed Assets (including CWIP of Rs 227 Crore)	1,735
Goodwill	2,246
Investments	1,095
Cash and Cash Equivalents	966
Net Current Assets	552
Total Assets	6,593

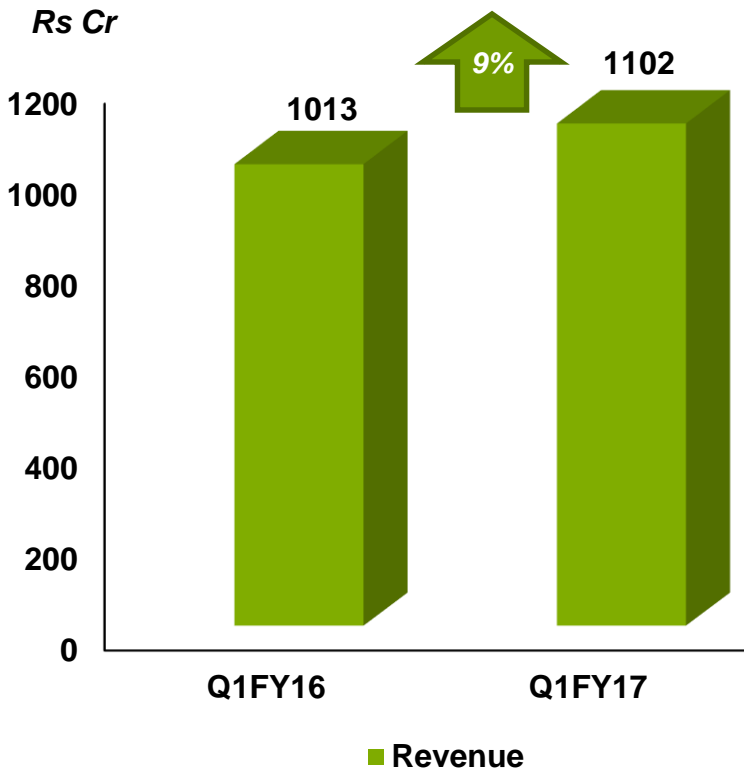
- As on June 30, 2016, Net Debt to equity ratio stood at 0.18 x

*Shareholder's Equity includes Minority Interest.

Business Performance – Hospitals & Diagnostics

India Business - Snapshot

India Business



Q1FY17 – Consolidated

- Operating Revenue - Rs. 1,102 Cr ↑ 9%
- Hospital business -Rs. 910 Cr ↑ 9%
- Diagnostics business -Rs. 192 Cr ↑ 7%

Statutory	Q1FY16	Q1FY17
Occupancy	70%	74%
ARPOB (Annualized - Rs. Lacs)	140	147
ALOS (Days)	3.53	3.52

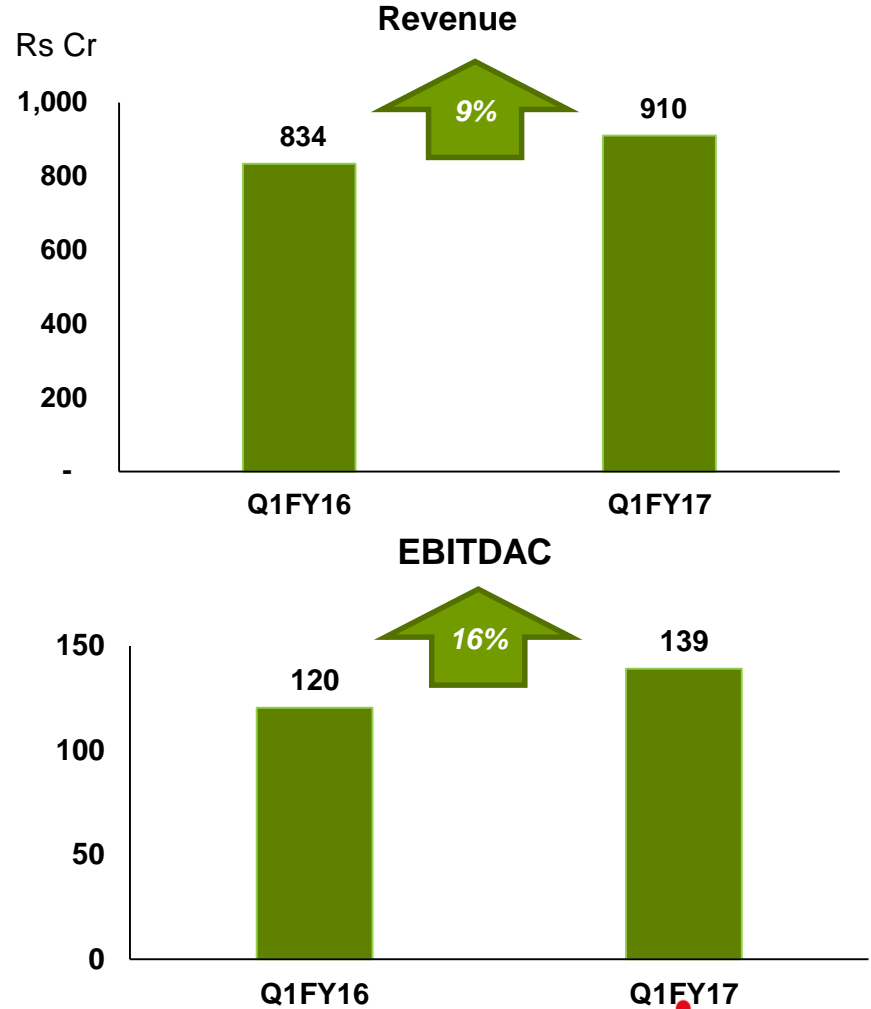
India Hospital Business P&L

	Q1FY16	Q1FY17	QoQ % change
Particulars	(Rs Cr.)	(Rs Cr.)	
Operating Revenue	834.2	910.1	9.1%
Operating EBITDAC*	120.4	139.1	15.5%
Operating EBITDAC margin	14.4%	15.3%	
Net BT Costs	115.4	117.3	
Other Income	18.1	21.8	
EBITDA	23.1	43.6	88.6%

* EBITDAC refers to EBITDA before net business trust (BT) costs

India Hospital Business

- Operating revenue at Rs 910 Cr, +9%
- Operating EBITDAC* margins at 15.3%, up 90 bps.
- International patient revenue at Rs 102 Cr, +21%; representing 11.2% of overall hospital business
- FMRI revenue at Rs 117 Cr, + 21% over corr Q
- Ludhiana facility continues on its strong growth trajectory with 31% qotq growth and 64% qoq growth



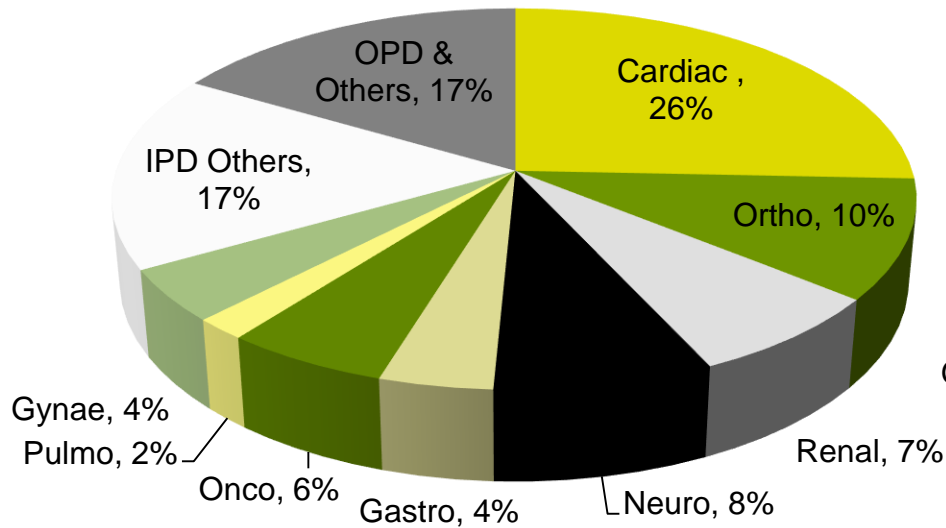
*EBITDAC refers to EBITDA before net business trust costs

Key Medical Programs / Service Offerings introduced

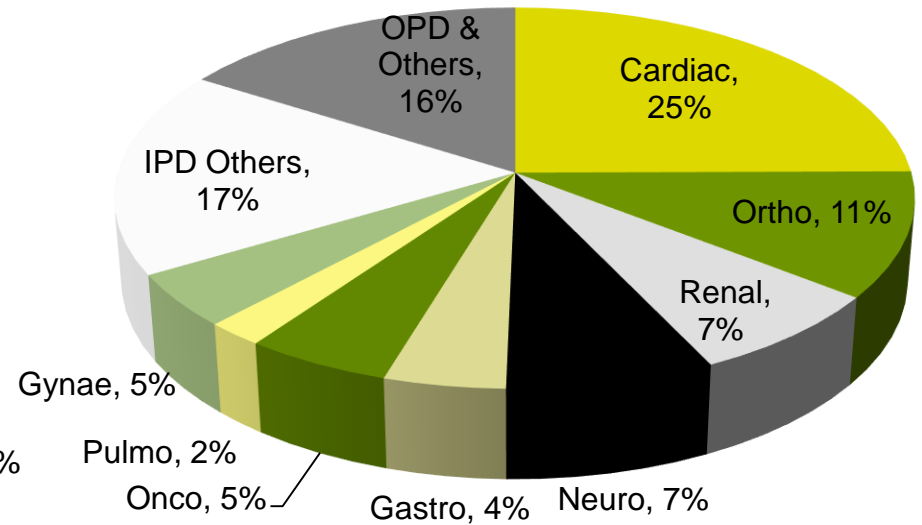
- Fortis Jaipur launched state-of-the-art Neuro Navigation and Neuro Intervention technologies.
- Fortis La Femme, a specialised hospital for women and newborns, in collaboration with the Breast Milk Foundation (BMF), a non-profit organisation, launched the first Pasteurised Human Milk Bank, 'Amaara' in Delhi-NCR
- Fortis, Anandapur, Kolkata, launched Heart Failure Clinic & Advanced Therapy Program in association with Fortis Malar, Chennai.
- Fortis Malar Hospital launched a Comprehensive Colorectal Clinic which was inaugurated by Prof Joel Leroy, IRCAD, France, a world renowned Colorectal Surgeon. A live surgery workshop was conducted which was attended by 150 surgeons and post graduates.

Specialty Revenue Split – India Hospital Business

Q1FY16

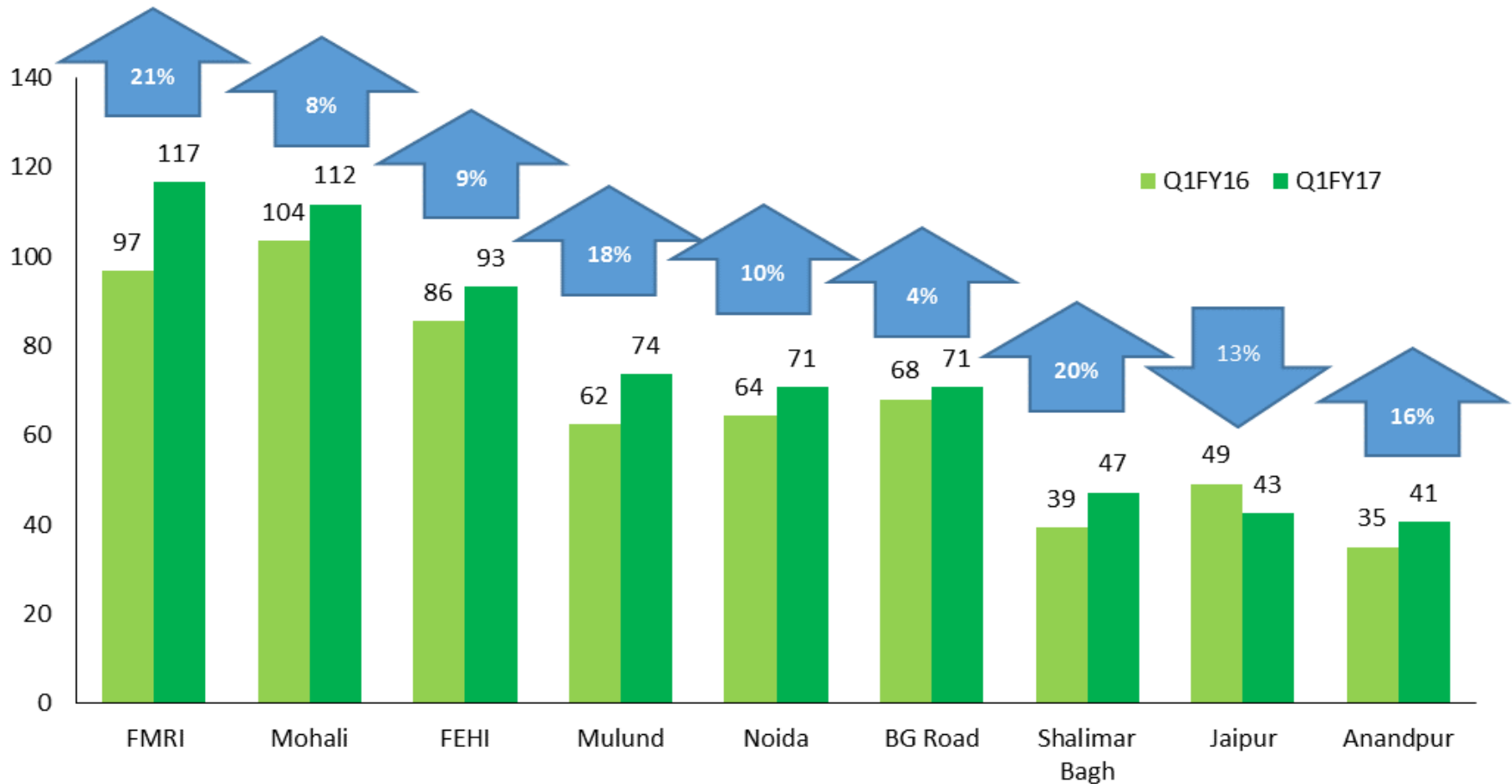


Q1FY17



Hospital-wise Revenue – Top 10 Hospitals

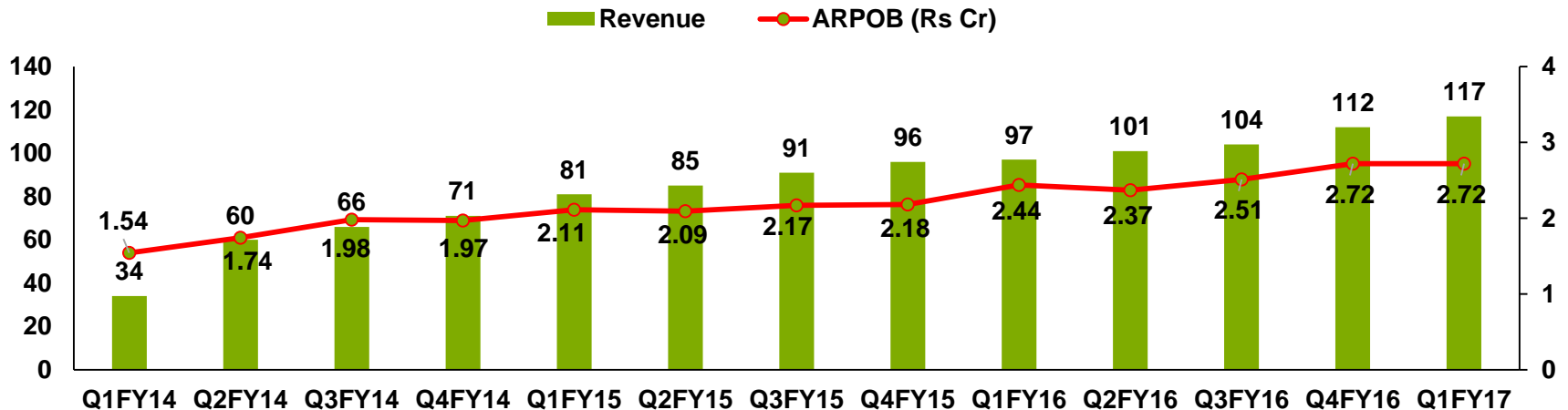
Rs Crore



FMRI - Company's Flagship facility

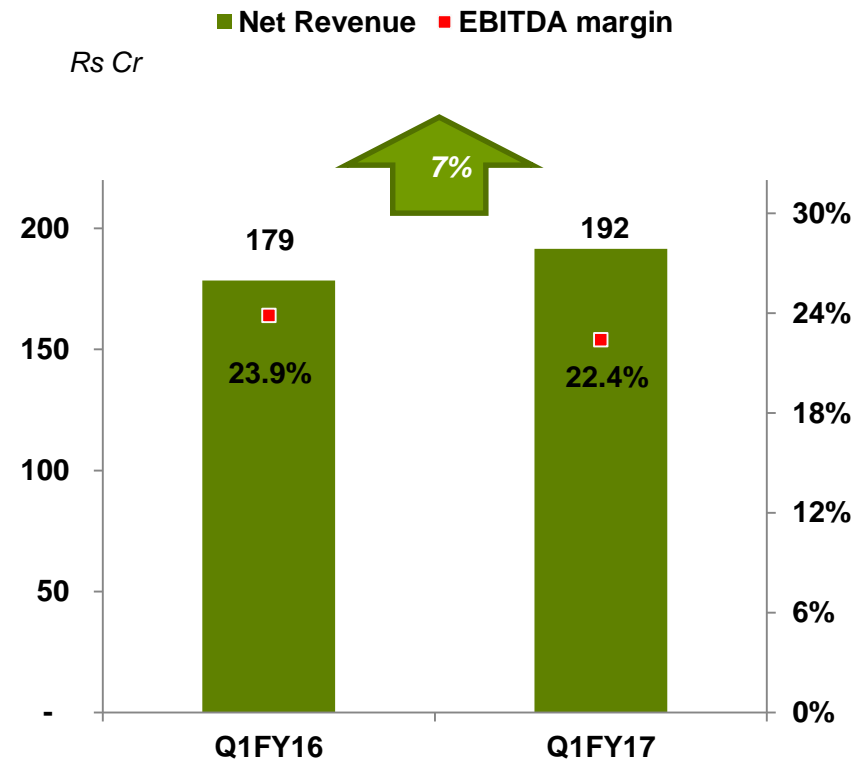
- 300 operational beds with a potential to go to approx. 1000 beds
- Highest ARPOB generator in the Fortis Network Rs 2.72 Cr
- During the quarter, FMRI became a member of the Extra corporeal Life Support Organisation (ELSO), an international non-profit consortium of healthcare institutions dedicated to the development and evaluation of novel therapies for supporting failing organ systems.

Rs Crore



India Diagnostics Business

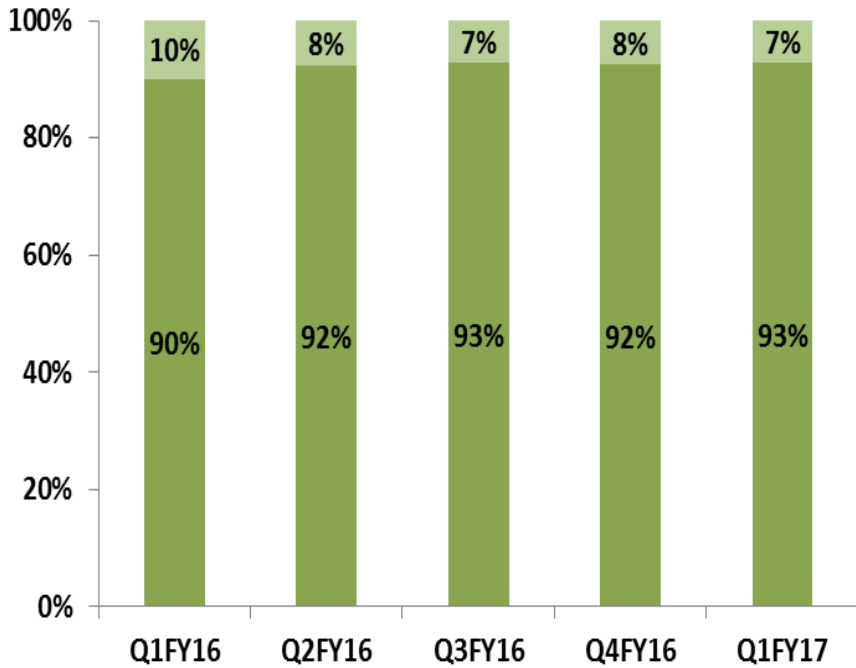
- Operating revenue at Rs 192 Cr, +7%
- Pathology segment records healthy growth of 11%
- Operating EBITDA margin stood at 22.4% compared to 23.9% in Q1FY16
- Network rationalisation continues.
 - 20 new labs added and 6 exited.
 - 61 collection centres added and 101 closed.
- No of accession at 3.78 million, a 6% Q-o-Q growth
- Expands service offering by adding 7 new tests



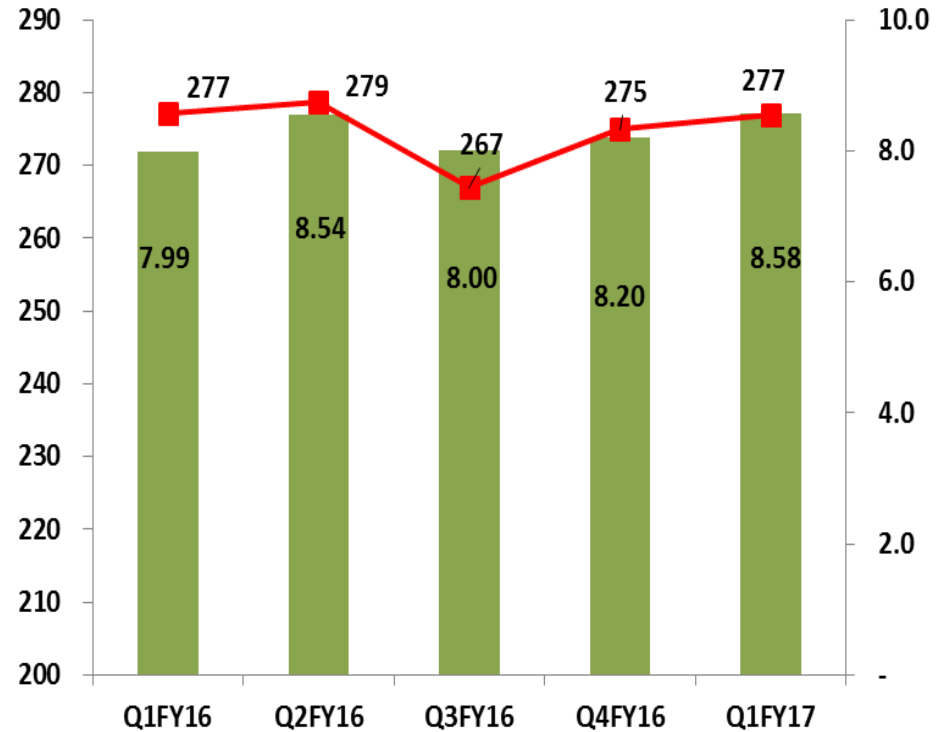
India Diagnostics Business

Business Mix

■ Imaging
■ Lab Medicine



■ No of Tests (mn) ■ Average realisation per Test (Rs)



Lab medicine business also includes a small proportion (~ 6%) from clinical trials, wellness and the international segment

Thank You...