



# FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION – Q1 FY24

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August 04, 2023

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Agilus Diagnostics Limited (“ADL”), 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 in the near future and is in the process of filing a draft red herring prospectus with the Securities and Exchange Board of India. The board of directors of ADL has approved the proposed initial public offer in its board meeting held on [August 4, 2023]. In light of the publicity restrictions imposed on ADL and the Company, 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 state securities laws. The equity shares may only be offered and sold (a) in the United States only to “qualified institutional buyers” (as defined in Rule 144A), in private transactions exempt from the registration requirements of the U.S. Securities Act, and (b) outside of the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where any such offers and sales are made. There will be no public offering in the United States.

# AGENDA

1. Performance Highlights
  - Earnings and Financial Summary – Q1 FY24
2. Performance Review - Hospital Business
3. Performance Review - Diagnostics Business
4. Appendix





**Q1FY24**

PERFORMANCE HIGHLIGHTS

# Q1FY24 SNAPSHOT

Consolidated Revenue

**1,657 Crores**

 11.4%

Consolidated Op EBITDA

**273 Crores**

 8.7%

Consolidated PBT\*

**169 Crores**

 4.0%

Consolidated PAT\*

**122 Crores**

 8.8%

Net Debt / (Cash)

**393 Crores**

 33%

Net Debt to EBITDA

**0.35x vs 0.54x**

# Q1FY24 – Key Updates

## Hospital Business

**April 2023:** Signed definitive agreements with the VPS group for the acquisition of a 350-bedded hospital in Manesar, Gurugram for a consideration of INR 225 Cr. Transaction expected to be consummated in August 2023

**July 2023:** The company divested its hospital business operations at Vadapalani, Chennai for a sale consideration of INR 152 Cr

## Diagnostics Business

**May 2023:** The name of the company's diagnostic business subsidiary was changed to "Agilus Diagnostics Limited".

**August 2023:** The Board of Fortis Healthcare and Agilus Diagnostics have granted approval for Agilus to initiate an initial public offer process by way of offer for sale of its equity shares\*

\*subject to receipt of requisite approvals, market conditions and other considerations

# Q1FY24 SNAPSHOT

- Hospital business revenues grew 13.6% to INR 1,354 Cr versus INR 1,192 Cr in Q1FY23
- Hospital Business operating EBITDA stood at INR 206 Cr, up 6.8%; however, operating margin was at 15.2% versus 16.2% in Q1FY23
- Q1FY24 hospital business ARPOB was at INR 60,076 per day vs INR 53,589 in Q1FY23, up 12.1% ; Surgical : non-surgical mix stood at 61:39, similar to Q1FY23
- Occupancy for the quarter stood at 64% versus 65% in Q1FY23
- The company's diagnostics business reported revenues of INR 343 Cr versus INR 333 Cr in Q1FY23. Non covid business grew 9% over the corresponding quarter
- Operating EBITDA Margin of the diagnostics business stood at 19.4% versus 17.4% in Q1FY23.

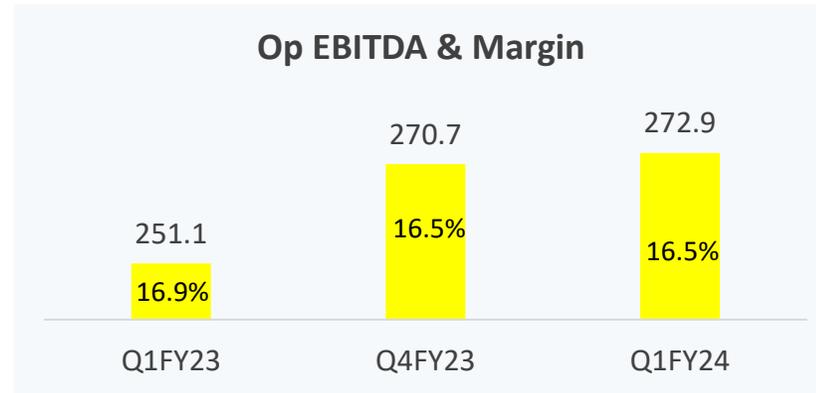


# CONSOLIDATED EARNINGS SUMMARY – Q1 FY24

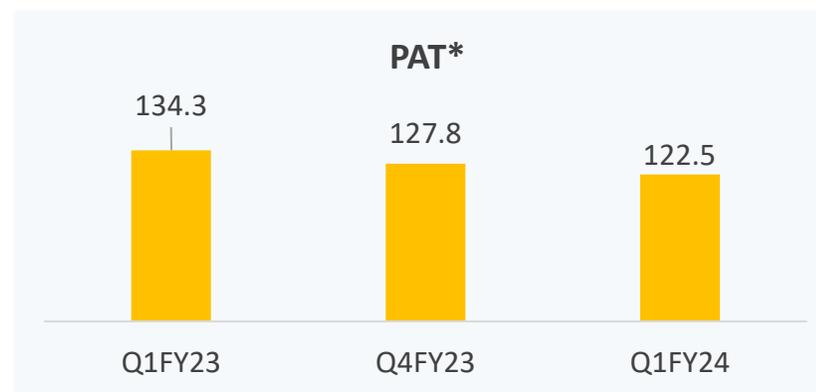
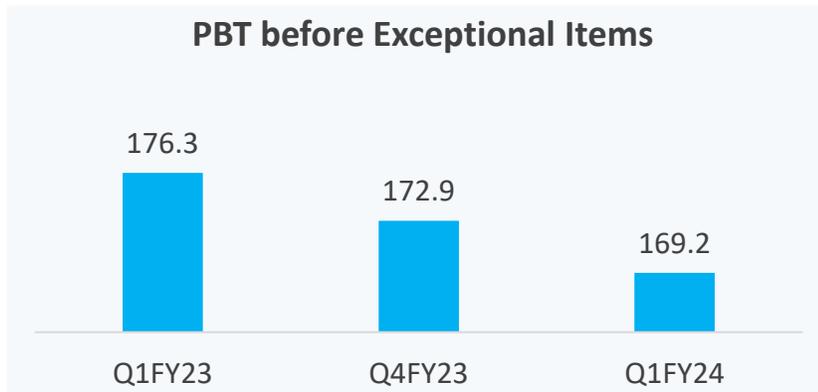
All figures in INR Crs.



Up 11.4%



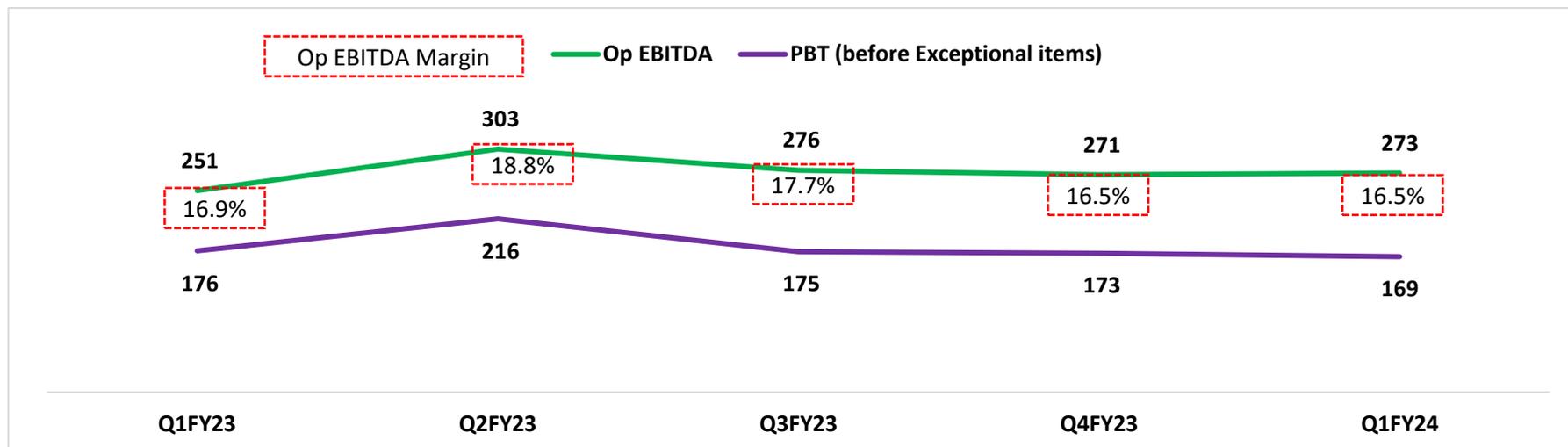
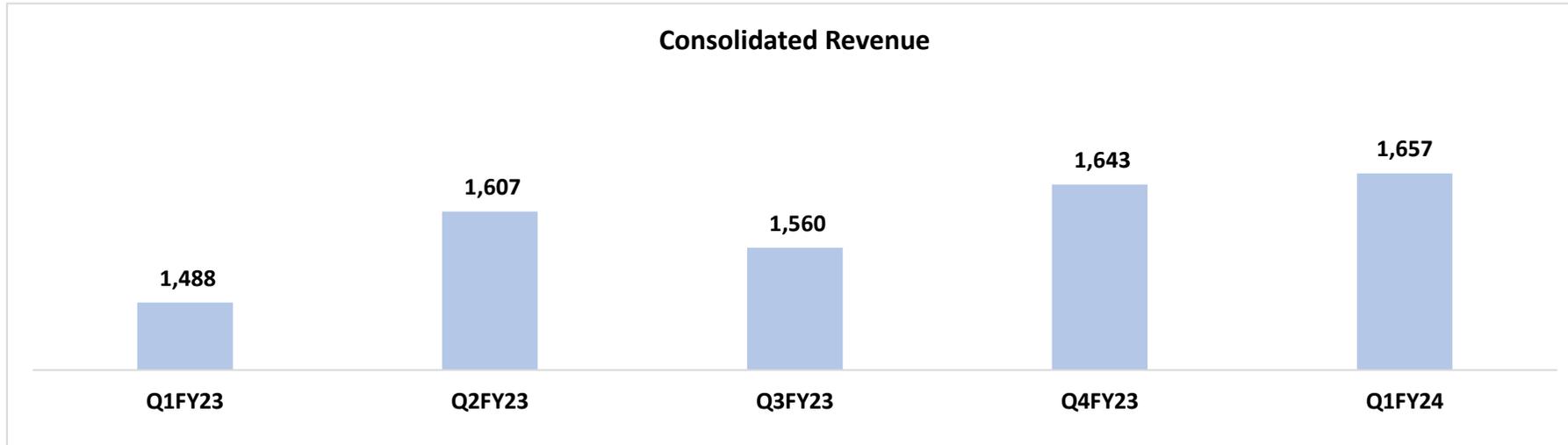
Up 8.7%



\*Q4FY23 & Q1FY24 PAT excludes exceptional gain of INR 10.5 Cr & INR 1.5 Cr, respectively, which pertains primarily to reversal of impairment in an associate Company

# CONSOLIDATED EARNINGS SUMMARY

All figures in INR Crs.

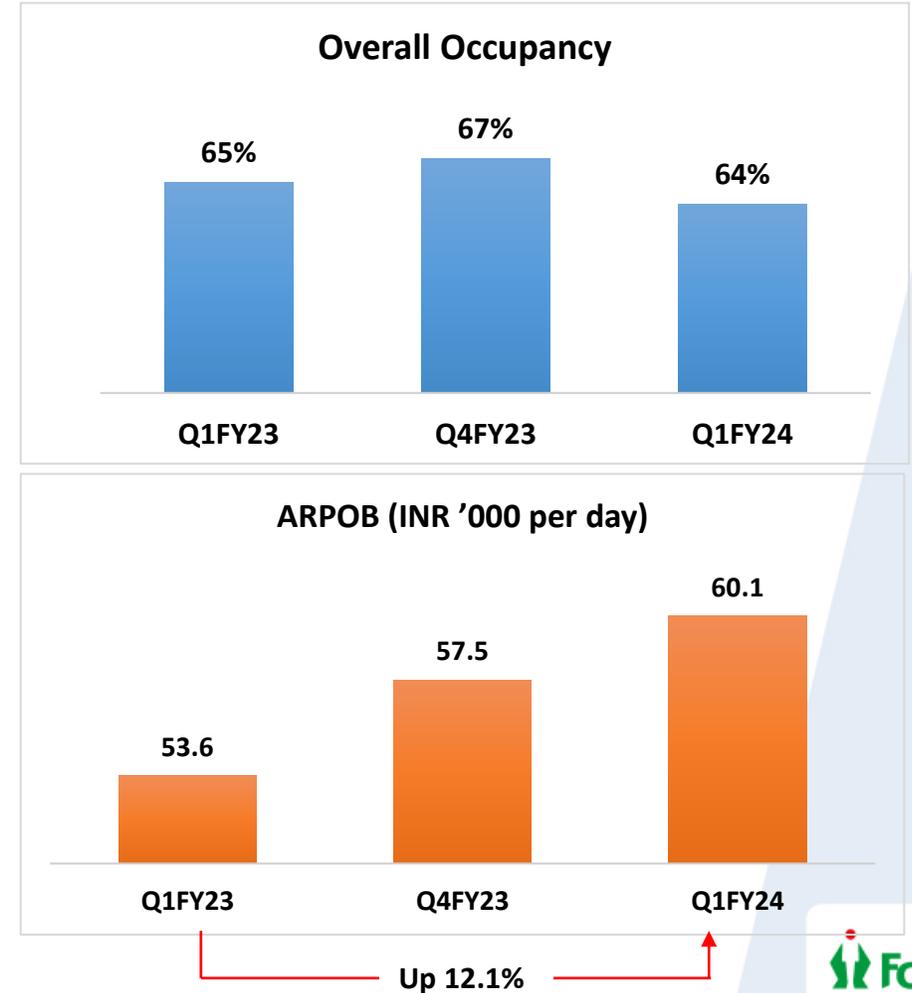


# Q1FY24

## HOSPITAL BUSINESS HIGHLIGHTS

- Revenue from focus specialties comprising Oncology, Gastroenterology, Neurosciences, Renal Sciences, Orthopaedics and Cardiac Sciences grew 14.1% and contributed 63% to overall hospital business revenues (similar to Q1 FY23)
- International Patient revenues grew 29.1% to INR 115 Crs in Q1FY24 vs Q1FY23. The business contributed 8.5% to overall hospital business revenues versus 7.5% in Q1FY23 and 8.4% in Q4FY23
- Company further strengthened its medical talent with the onboarding of specialists in the areas of Neurology, Urology, Pulmonology, and Obstetrics & Gynecology.
- During the quarter, Fortis Noida commissioned the Da Vinci Xi Robotic System for Robotic Assisted Surgeries

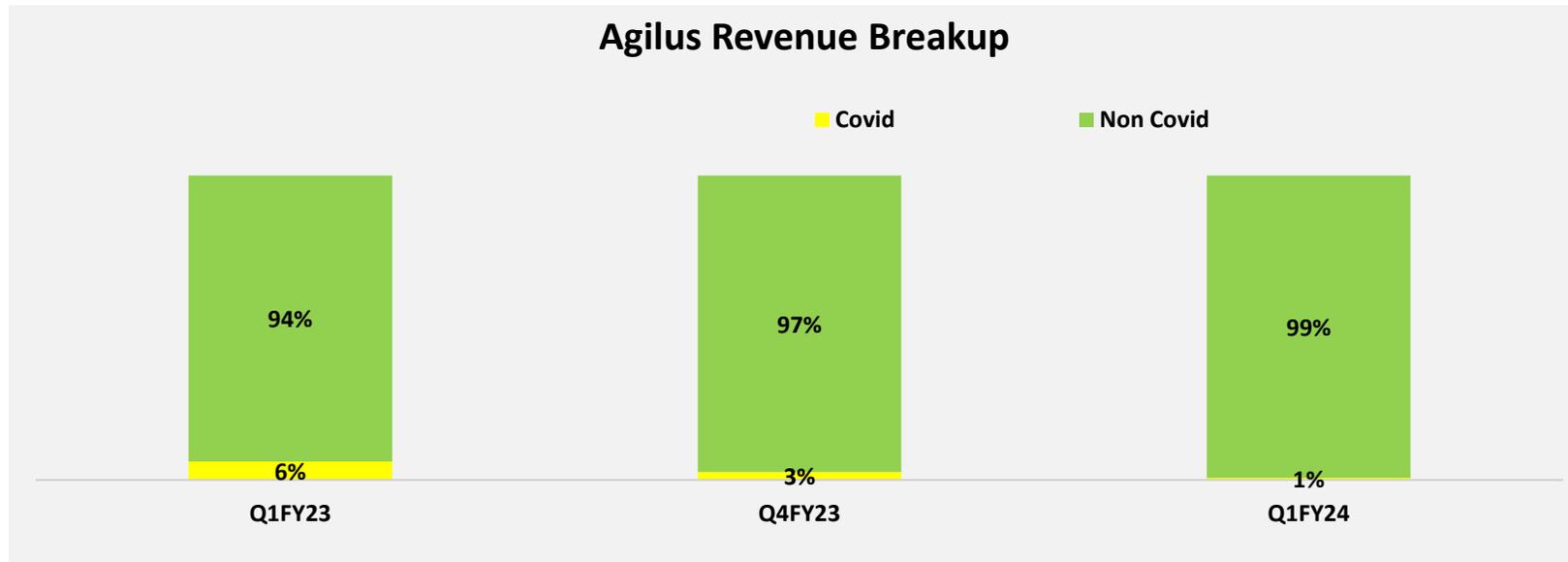
### Key Performance Indicators



# Q1FY24

## DIAGNOSTIC BUSINESS HIGHLIGHTS

- Agilus reported revenues of INR 342.7 Cr in Q1FY24 as compared to INR 332.6 Cr in Q1FY23 & INR 332.2 Cr in Q4FY23. Covid business witnessed significant decline from 6.1% in Q1FY23 to 2.6% in Q4FY23 to 0.7% in Q1FY24.
- Operating EBITDA for the quarter stood at INR 66.4 Cr versus INR 57.8 Cr in Q1FY23 and INR 49.5 Cr in Q4FY23. EBITDA Margins for Q1FY24 stood at 19.4% versus 17.4% in Q1FY23 and 14.9% in Q4FY23.



# OPERATING PERFORMANCE

## HOSPITAL BUSINESS

Particulars (INR Cr)	Hospital Business		
	Q1FY23	Q4FY23	Q1FY24
<b>Operating Revenue</b>	<b>1,192.4</b>	<b>1,350.5</b>	<b>1,354.1</b>
Revenue Growth vs LY		29.7%	13.6%
<b>Reported EBITDA</b>	<b>207.8</b>	<b>230.0</b>	<b>208.1</b>
EBITDA growth vs LY		60.3%	0.2%
<b>Margin</b>	<b>17.4%</b>	<b>17.0%</b>	<b>15.4%</b>
Adj: Other Income	14.5	8.8	1.7
<b>Operating EBITDA</b>	<b>193.3</b>	<b>221.2</b>	<b>206.4</b>
Margin	16.2%	16.4%	15.2%

- Above financials includes financials of International entities which are part of Fortis group; mainly RHTTM.

# OPERATING PERFORMANCE

## DIAGNOSTIC BUSINESS

Particulars (INR Cr)	Diagnostic Business		
	Q1FY23	Q4FY23	Q1FY24
<b>Operating Revenue*</b>	<b>332.6</b>	<b>332.1</b>	<b>342.7</b>
Revenue Growth vs LY		-10.8%	3.0%
<b>Reported EBITDA</b>	<b>64.0</b>	<b>54.7</b>	<b>72.5</b>
EBITDA growth vs LY		-34.7%	13.2%
<b>Margin</b>	<b>19.3%</b>	<b>16.5%</b>	<b>21.2%</b>
Adj: Other Income	6.2	5.2	6.1
<b>Operating EBITDA</b>	<b>57.8</b>	<b>49.5</b>	<b>66.4</b>
Margin	17.4%	14.9%	19.4%

- \*Diagnostics business revenue is on Gross Basis; Diagnostic business Q1FY24 net revenue (net of inter company elimination) stood at INR 303 Cr versus INR 295 Cr in Q1FY23 and INR 292 Cr in Q4FY23;

# BALANCE SHEET

*June 30, 2023*

Balance Sheet (INR Cr)	March 31, 2023	June 30, 2023
Shareholder's Equity	8,100	8,402
Debt	703	759
Lease Liabilities (Ind AS 116)*	223	268
<b>Total Capital Employed</b>	<b>9,026</b>	<b>9,429</b>
Net Fixed Assets (including intangibles & CWIP)	5,513	5,599
Goodwill	4,141	4,177
Investments	210	213
Cash and Cash Equivalents	363	367
Net Other Assets^	(1,201)	(926)
<b>Total Assets</b>	<b>9,026</b>	<b>9,429</b>
<b>Net Debt / (cash)</b>	<b>340</b>	<b>393</b>
<b>Net Debt to Equity</b>	<b>0.04x</b>	<b>0.05x</b>

- \*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 0.36x vs 0.29x (basis annualized EBITDA of Q1FY24 & annualized EBITDA Q4FY23, respectively)
- ^Includes PUT option liability pertaining to Agilus' 31% Stake held by private equity investors; includes assets & liabilities held for sale with respect to Arcot Road operations



# PERFORMANCE REVIEW

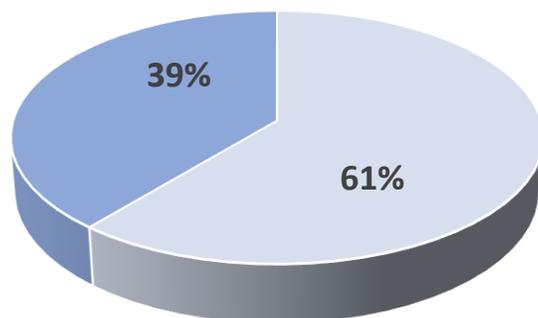
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HOSPITALS BUSINESS

# REVENUE MIX

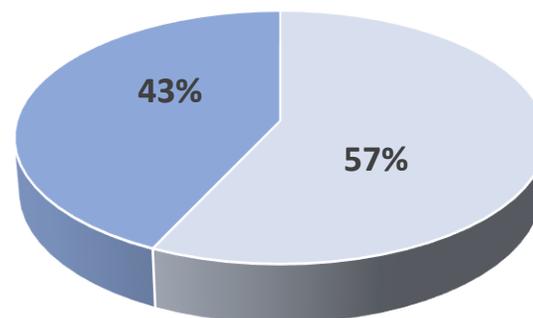
Q1 FY23

Gross Revenue : INR 1,248 CR



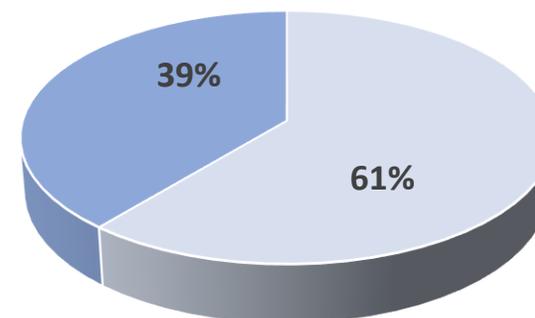
Q4 FY23

Gross Revenue : INR 1,416 CR



Q1 FY24

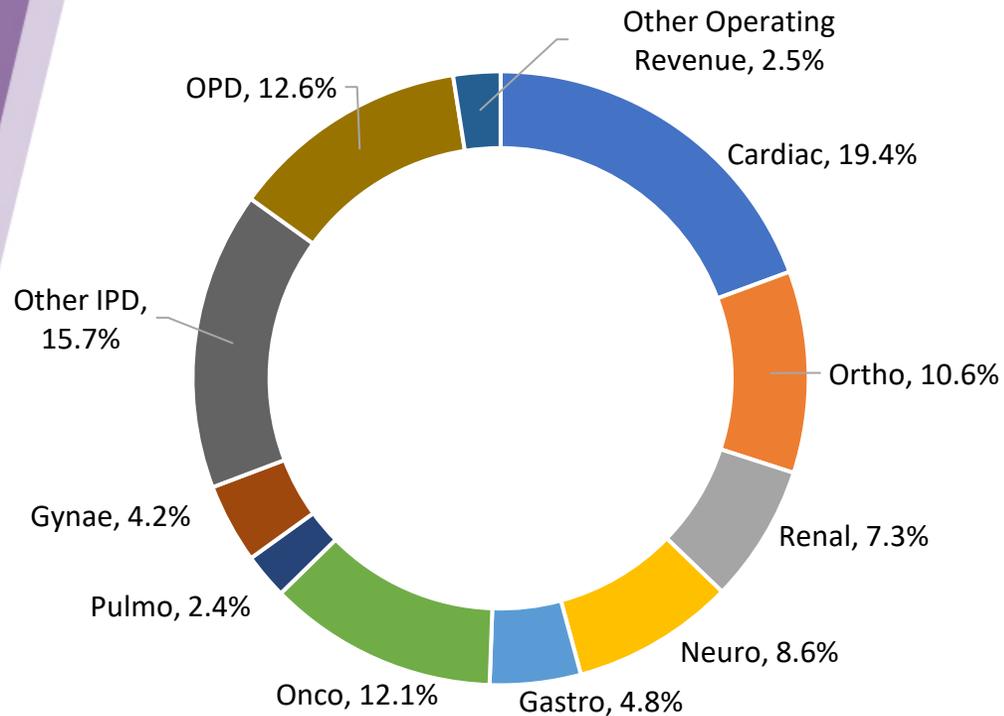
Gross Revenue : INR 1,423 CR



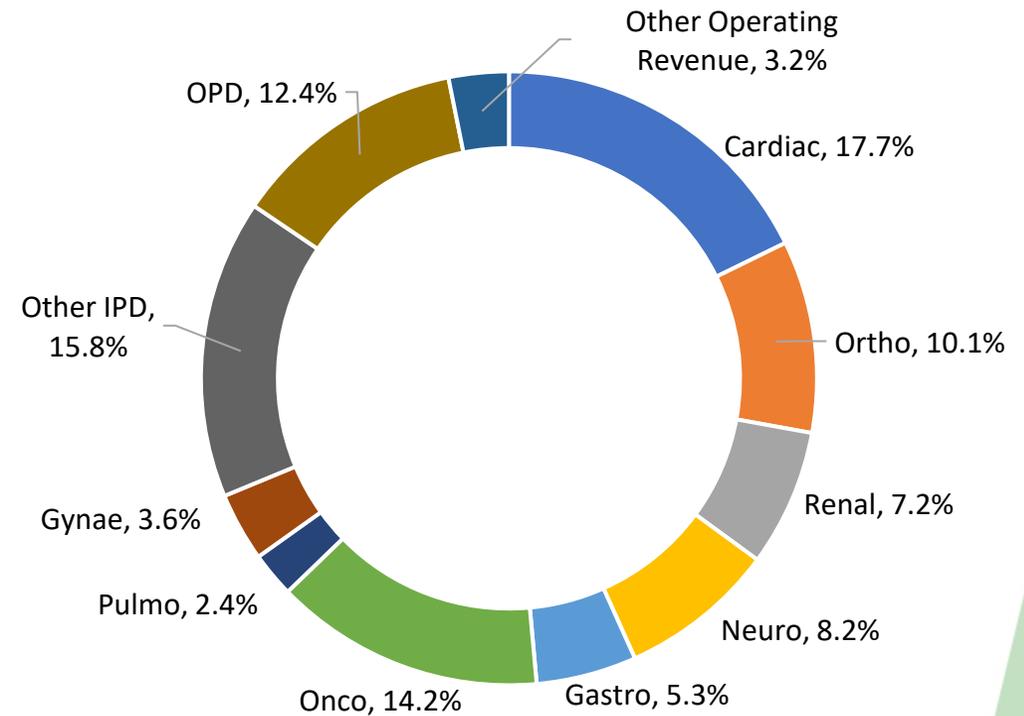
■ NonSurgical Revenue    ■ Surgical Revenue

# SPECIALTY MIX

## Q1 FY23



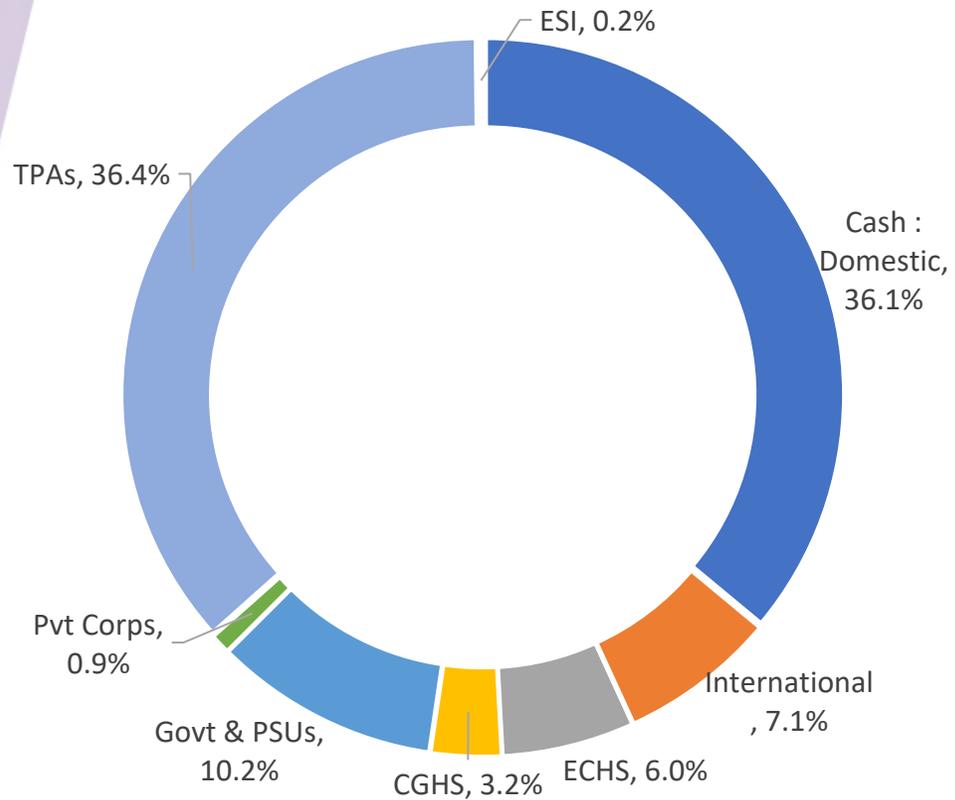
## Q1 FY24



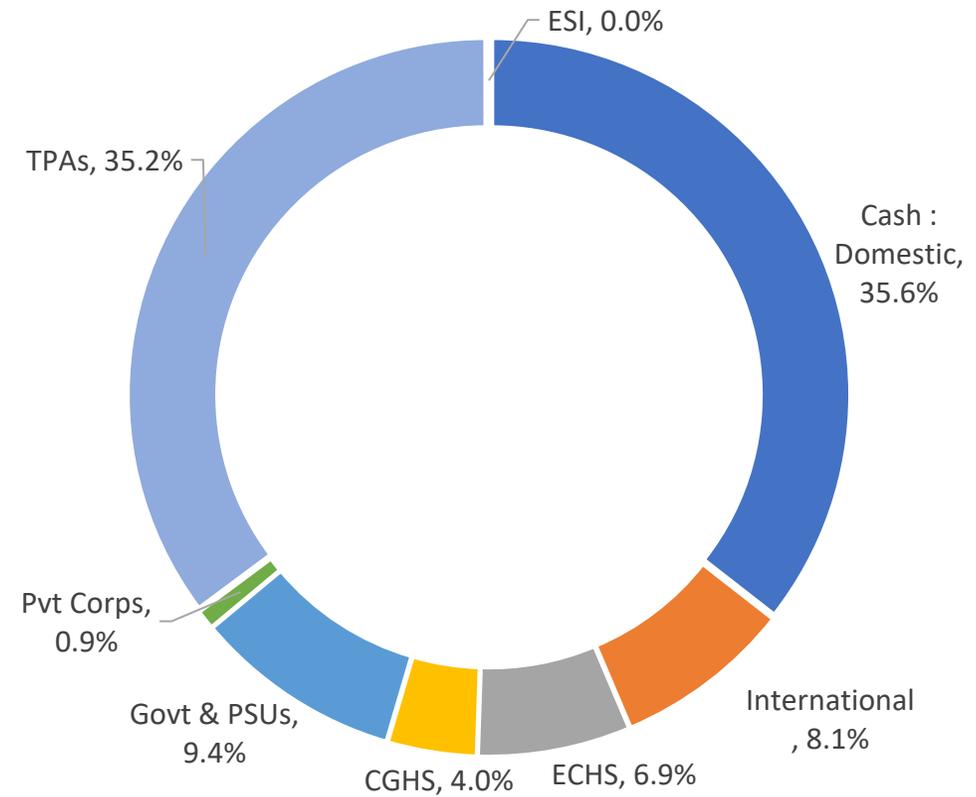
Specialties such as Oncology, Gastroenterology, Pulmonology and Renal Science witnessed revenue growth of 34%, 26%, 13% & 13%, respectively

# PAYOR MIX

## Q1 FY23

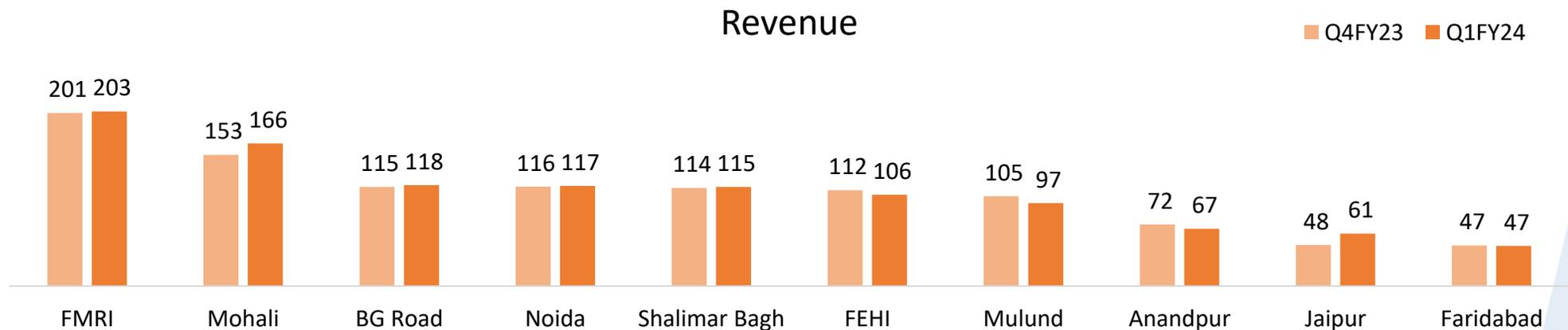


## Q1 FY24



# HOSPITAL BUSINESS PERFORMANCE – Q1FY24

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



All figures in INR Crs.

# HOSPITAL MARGIN MATRIX

Q1FY24

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%

FY23

EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	2	20%	614	2.57	68%
20% - 25%	9	31%	1,426	1.61	71%
15% - 20%	3	27%	754	2.52	75%
10% - 15%	3	12%	466	2.20	66%
<10%	5	10%	715	1.41	52%

## CLINICAL EXCELLENCE

- Team Urology & Nephrology at **Fortis Hospital Bannerghatta Road** successfully conducted the world's first reported case of **Robotic En-Bloc Kidney Transplant** from a 13-month-old deceased donor weighing 7.3 kg to a 30-year-old recipient weighing 50 kg
- A 75-year-old male from Haryana, who presented with a critical heart failure condition due to severe narrowing of a heart valve, got a new life after he underwent a rescue '**Transcatheter Aortic Valve Implantation**' at **Fortis Hospital, Noida**. This was the fifth case done at the hospital and the first one to be performed on a critically ill patient. The patient was discharged after three days in a stable condition.
- **Fortis Hospital, Bannerghatta Road, Bengaluru**, successfully administered **Xiaflex injection** on a 47-year-old patient suffering from Peyronie's Disease on May 9, 2023. A multi-disciplinary team of doctors from Urology, Internal Medicine, Cardiology and Endocrinology departments carried out the procedure. **Fortis BG Road** is one of the few centres in India approved for this procedure.

*\*Above data pertains to Q1FY24*



# AWARDS AND ACCREDITATIONS

- **Fortis Healthcare** won seven awards in the Medical Value Travel Specialist Hospital category at Advantage Healthcare India's Medical Value Travel (MVT) Awards 2023.
- **Fortis Shalimar Bagh, New Delhi, Fortis Mohali, Fortis Mulund and Fortis Anandapur, Kolkata** bagged multiple awards under various categories at the annual conference organised by Consortium of Accredited Healthcare Organisations (CAHOCON 2023), held in Hyderabad on April 15-16, 2023
- **Fortis Hospital, Vasant Kunj** received its renewal certificate from NABH for the fourth consecutive time. The hospital had received its first accreditation in 2009.
- **Fortis La Femme, GK II, New Delhi**, received its renewal certificate from NABH for the fifth consecutive time. The hospital had received its first accreditation in 2010



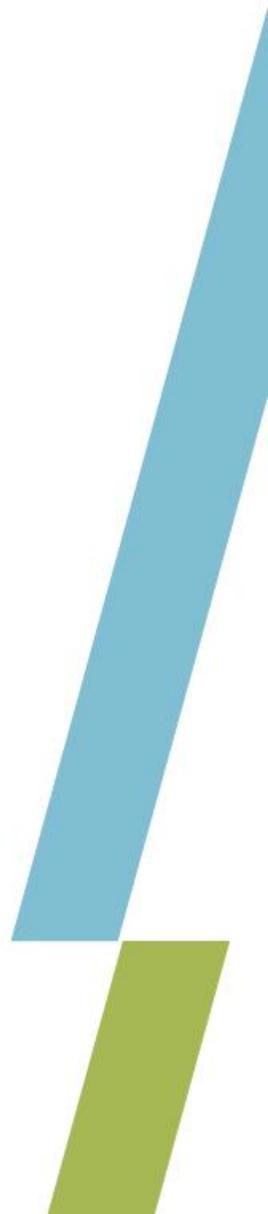
*\*Above data pertains to Q1FY24*



# PERFORMANCE REVIEW

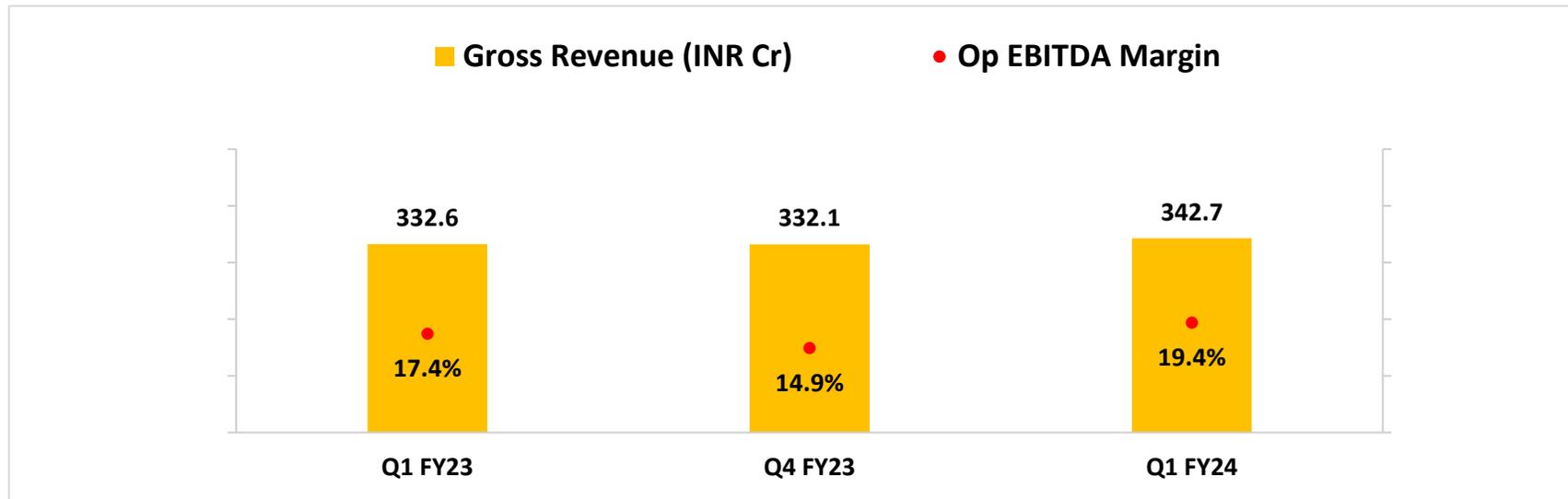
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DIAGNOSTICS BUSINESS

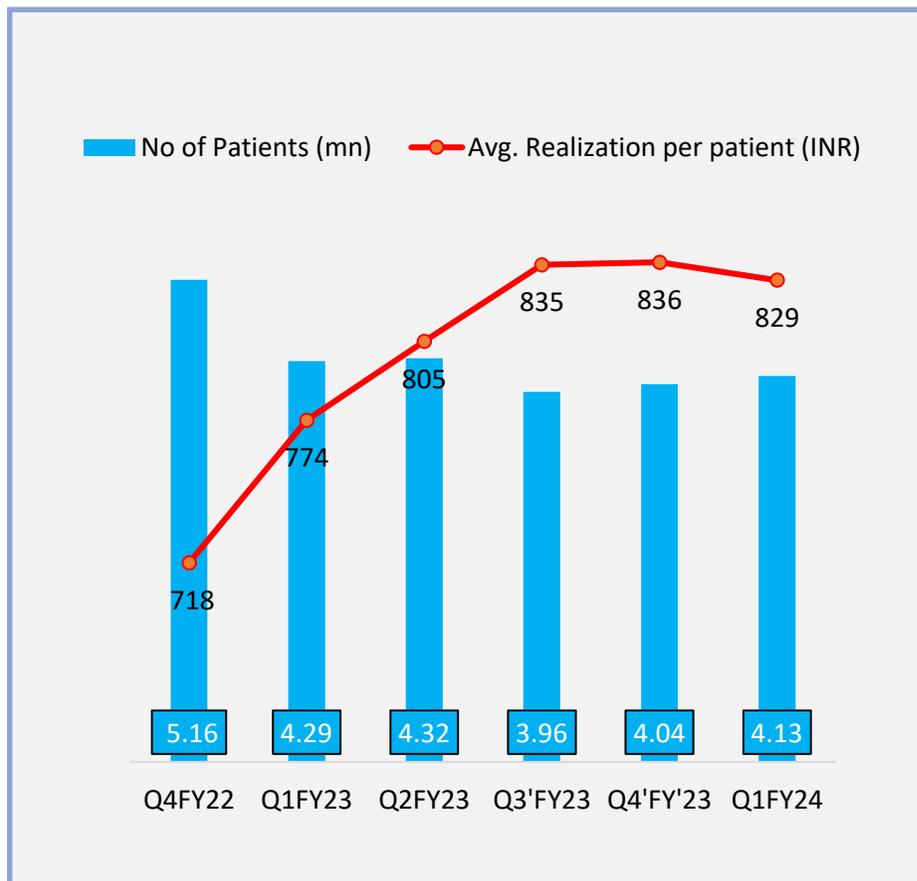
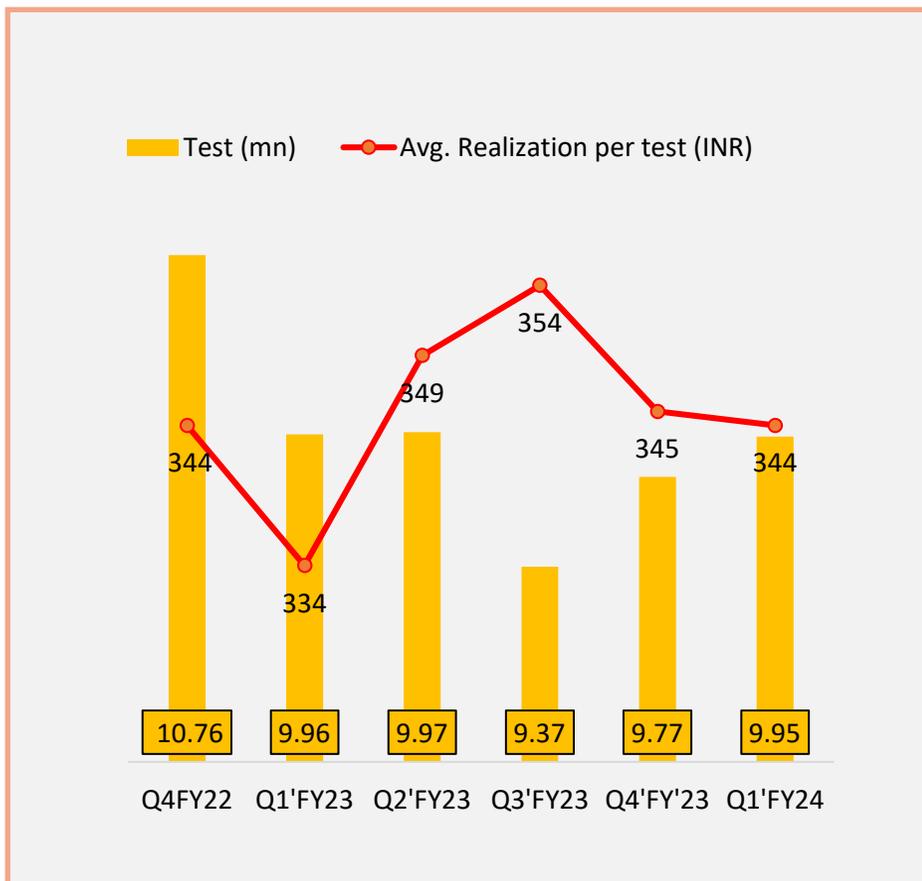


# DIAGNOSTICS BUSINESS

- Non Covid revenues grew by 9% in Q1'FY24 compared to the corresponding previous period.
- During Q1 FY24, Agilus conducted 9.95 Mn tests versus 9.96 Mn in Q1 FY23
- Agilus added 165+ Customer touchpoints to its network in Q1 FY24.
- Agilus's B2C: B2B revenue mix stood at 53:47 in the quarter vs 55:45 in Q1 FY23.
- Covid & CAT revenue contribution was at 1% in Q1 FY24 compared to 6% in Q1 FY23 & 3% in Q4 FY23.



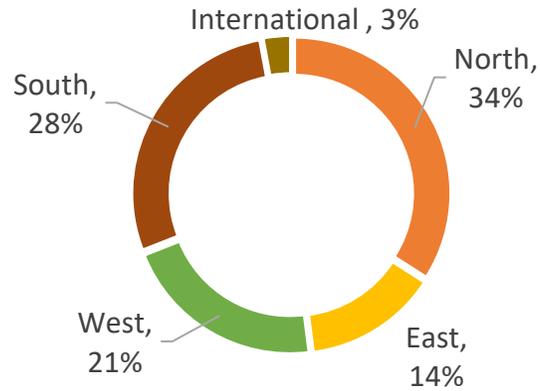
# QUARTERLY KEY PERFORMANCE METRICS



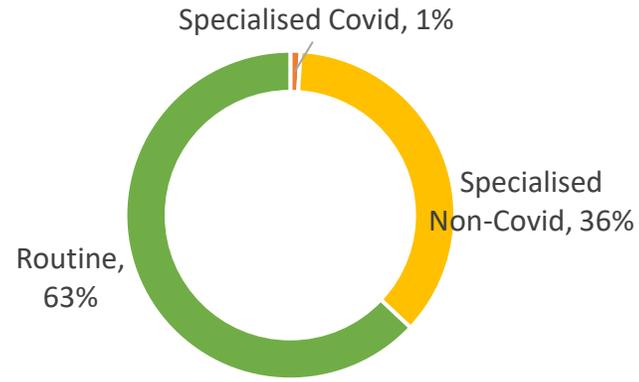
# QUARTERLY REVENUE MIX

## Geographic mix

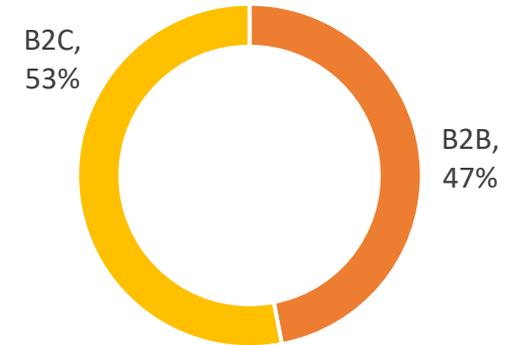
Q1FY24



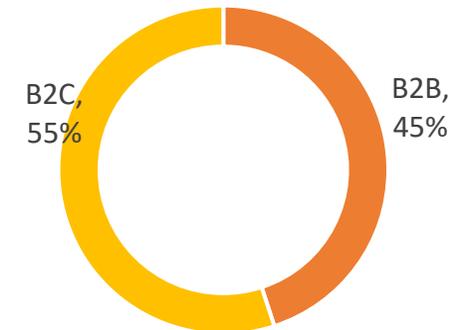
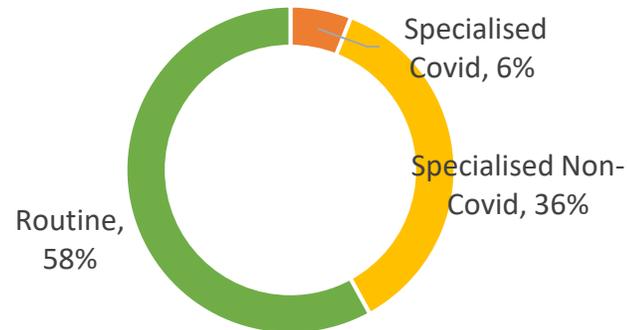
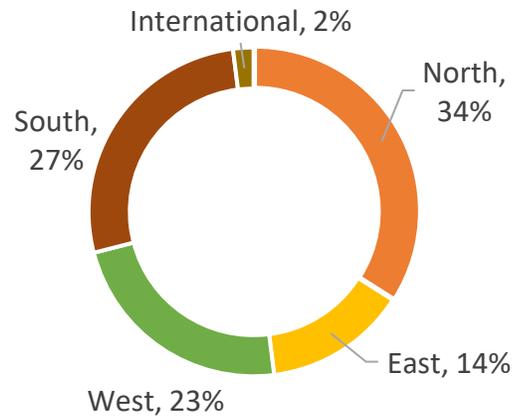
## Product Mix



## Segment Mix



Q1FY23





# APPENDIX



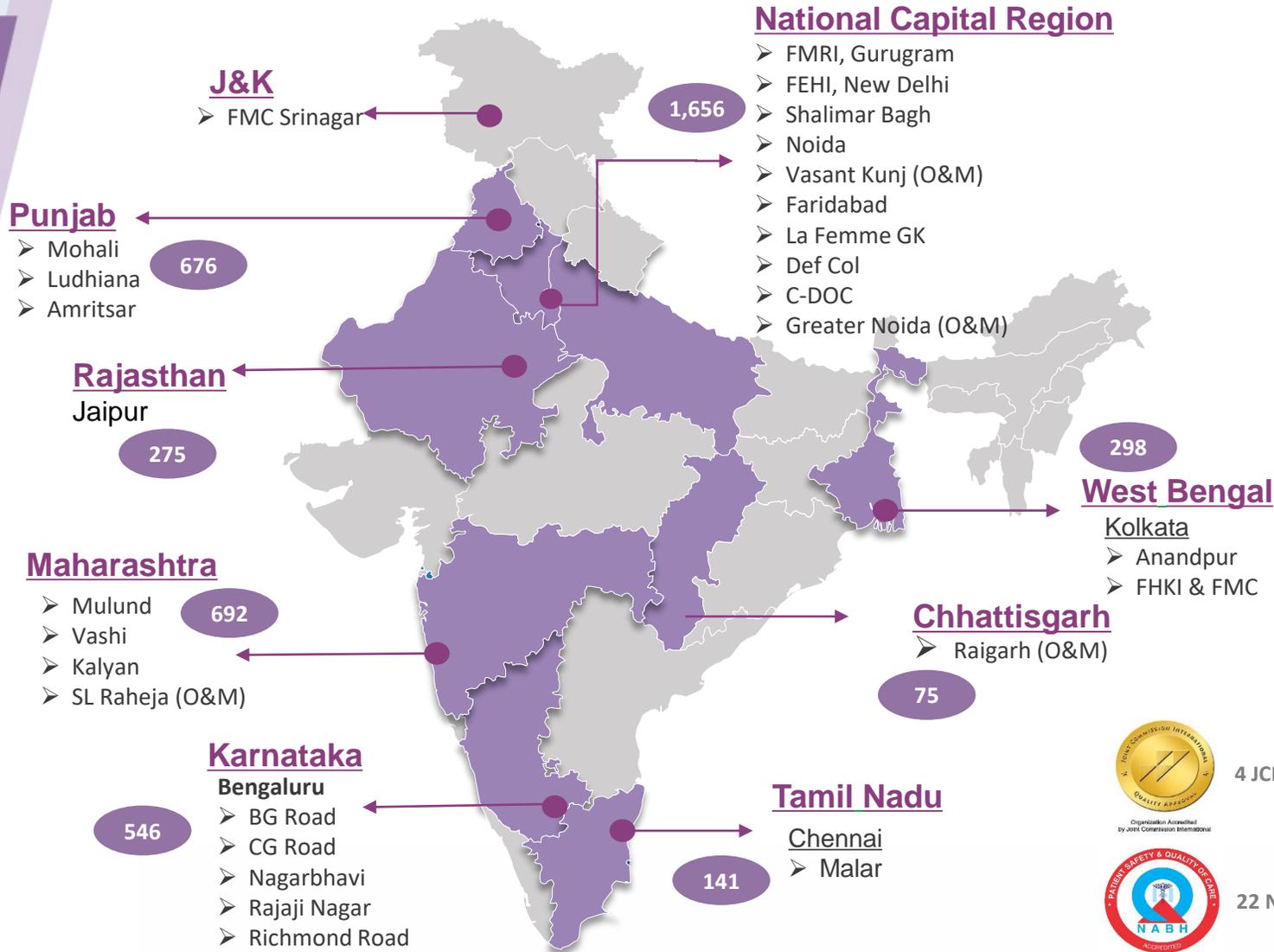
# GROUP CONSOLIDATED P&L – Q1FY24

Particulars ( INR Cr)	Q1FY23	Q4FY23	Q1FY24
<b>Revenue from operations</b>	<b>1,487.9</b>	<b>1,642.7</b>	<b>1,657.4</b>
Other income	20.7	13.8	8.1
<b>Total income</b>	<b>1,508.6</b>	<b>1,656.5</b>	<b>1,665.5</b>
Expenses	1,236.8	1,371.8	1,384.9
<b>EBITDA*</b>	<b>271.8</b>	<b>284.7</b>	<b>280.6</b>
<b>Margin</b>	<b>18.3%</b>	<b>17.3%</b>	<b>16.9%</b>
Finance costs	31.2	31.7	31.5
Depreciation and amortisation expense	74.3	81.8	79.2
<b>PBT</b>	<b>166.3</b>	<b>171.2</b>	<b>169.9</b>
Share of profit / (loss) of associates and joint ventures (net)	10.0	1.7	-0.6
<b>Net profit / (loss) before exceptional items and tax</b>	<b>176.3</b>	<b>172.9</b>	<b>169.2</b>
Exceptional gain**	-	10.5	1.5
<b>Profit / (loss) before tax from continuing operations</b>	<b>176.3</b>	<b>183.4</b>	<b>170.7</b>
Tax expense / (credit)	42.0	45.1	46.8
<b>Net profit / (loss) for the period from continuing operations</b>	<b>134.3</b>	<b>138.3</b>	<b>124.0</b>
<b>Profit / (loss) from continuing operations attributable to Owners of the company</b>	<b>122.3</b>	<b>132.6</b>	<b>111.8</b>

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

\*\*Q4 FY23 & Q1FY24 includes an exceptional gain which pertains to reversal of impairment in an associate Company

# About Fortis Healthcare



**28 Healthcare Facilities**



**4,500+ Operational Beds**



**5,700+ Doctors**



**6,700+ Nurses**



**~24,000 employees**  
 (including Agilus)



4 JCI Accredited



22 NABH Accredited

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



**THANK YOU**

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