



FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION – Q4 FY23 & FY23

May 23, 2023

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AGENDA

1. Performance Highlights
 - Earnings and Financial Summary – Q4 FY23 & FY23
2. Performance Review - Hospital Business
3. Performance Review - Diagnostics Business
4. Appendix





Q4FY23 & FY23

PERFORMANCE HIGHLIGHTS

Q4FY23 SNAPSHOT

Consolidated Revenue

1,643 Crores

 19.2%

Consolidated EBITDA

285 Crores

 25.3%

Consolidated PBT*

173 Crores

 36.9%

Consolidated PAT*

128 Crores

 47.1%

Net Debt / (Cash)

330 Crores

 40%

Net Debt to EBITDA

0.29x vs 0.60x



Board recommends maiden dividend of INR 1 per share (10% of face value); subject to shareholders approval

**Excluding exceptional items*

FY23 SNAPSHOT

Consolidated Revenue

6,298 Crores

 10.1%

Consolidated EBITDA

1,163 Crores

 6.1%

Consolidated PBT*

740 Crores

 10.0%

Consolidated PAT*

559 Crores

 17.8%

Hospital Business Revenue

5,107 Crores

 19.8%

Diagnostic Business Revenue

1,347 Crores

 16.0%

Q4FY23 SNAPSHOT

- Hospital business revenues grow 29.7% to INR 1,350 Cr versus INR 1,041 Cr in Q4FY22.
- Hospital Business EBITDA up 60.3% YoY to INR 230 Cr, EBITDA margin at 17.0% versus 13.8% in Q4FY22.
- Q4FY23 hospital business ARPOB at INR 2.10 Cr vs INR 1.88 Cr in Q4FY22, up 11.5% ; Surgical : non-surgical mix stood at 57 :43
- Occupancy for the quarter stood at 67% versus 59% in Q4FY22; 66% in Q3FY23
- Diagnostics business continues to be impacted due to lower covid volumes.
- Revenue at INR 332 Cr versus INR 372 Cr; Margin for the quarter at 16.5% versus 22.5% in Q4FY22
- Adjusted for covid & covid allied tests, diagnostics business revenues grew 12.0% versus Q4 FY22.

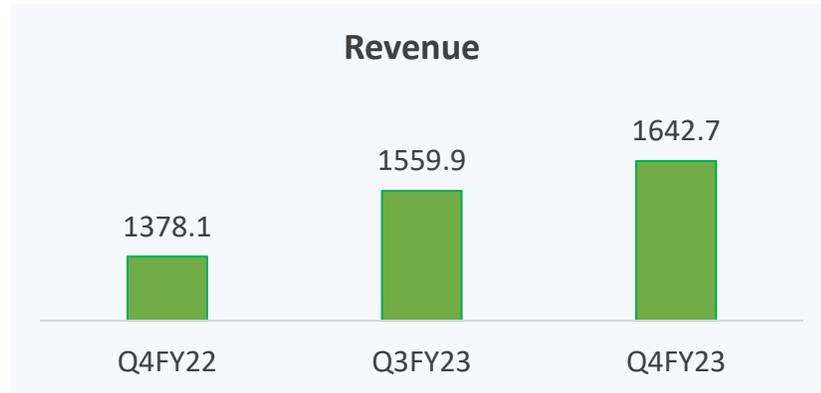


FY23 SNAPSHOT

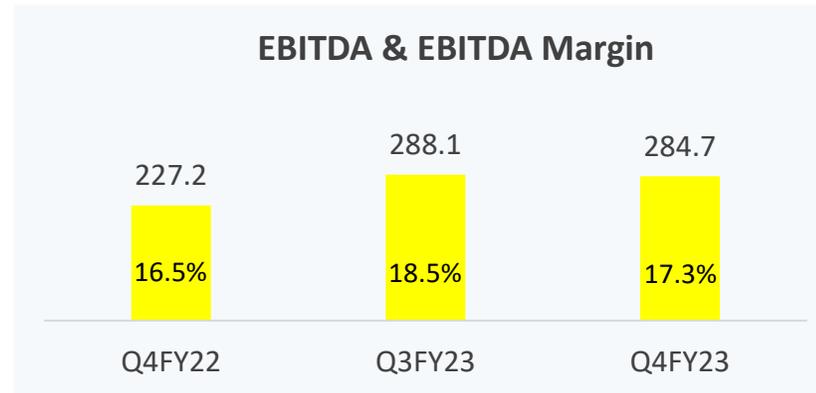
- Hospital business revenue at INR 5,107 Cr versus INR 4,264 Cr in FY22, a growth of 19.8%
- Reported EBITDA at INR 922 Cr versus INR 672 Cr in FY22, a growth of 37.1%; Margins at 18.1% vs 15.8% in FY22
- FY23 hospital business ARPOB at INR 2.01 Cr vs INR 1.80 Cr in FY22, up 11.5% ; Surgical : non-surgical mix stood at 59 :41 versus 53:47 in FY22
- Occupancy for the year stood at 67% versus 63% in FY22; Seven of the top ten facilities have occupancy above 70%
- Diagnostic business revenue declined 16% to INR 1,347 Cr versus INR 1,605 Cr in FY22; the decline was primarily due to lower covid volumes & revenue compared to FY22
- Adjusted for covid & covid allied tests, diagnostics business revenues grew 12.0% versus FY22
- EBITDA Margin for the year stood at 19.5% versus 26.5% in FY22

CONSOLIDATED EARNINGS SUMMARY – Q4FY23

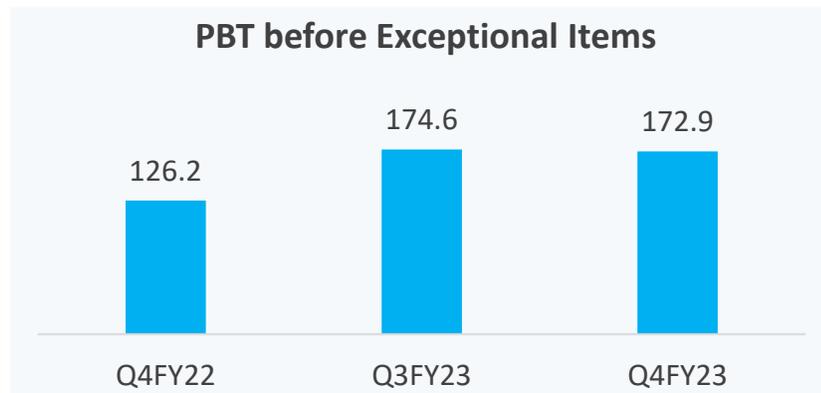
All figures in INR Crs.



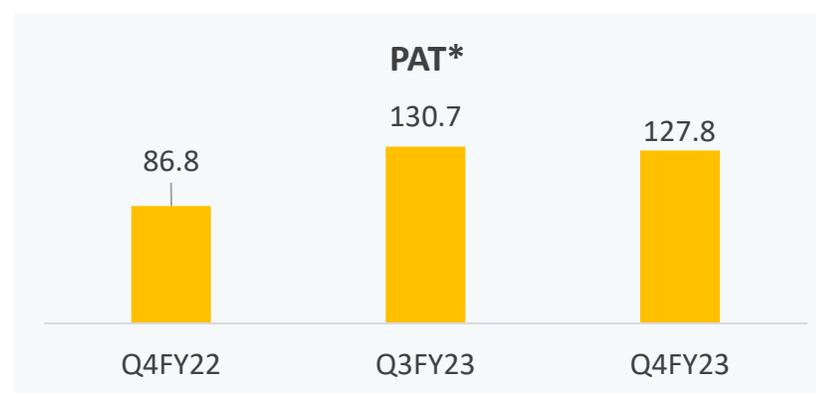
Up 19.2%



Up 25.3%



Up 36.9%



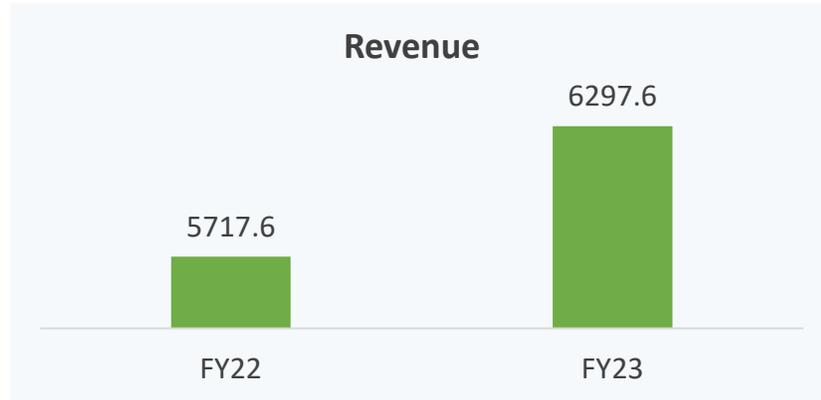
Up 47.1%

*Q3FY23 & Q4FY23 PAT excludes exceptional gain of INR 11.5 Cr & INR 10.5 Cr, respectively, which pertains to reversal of impairment in an associate Company

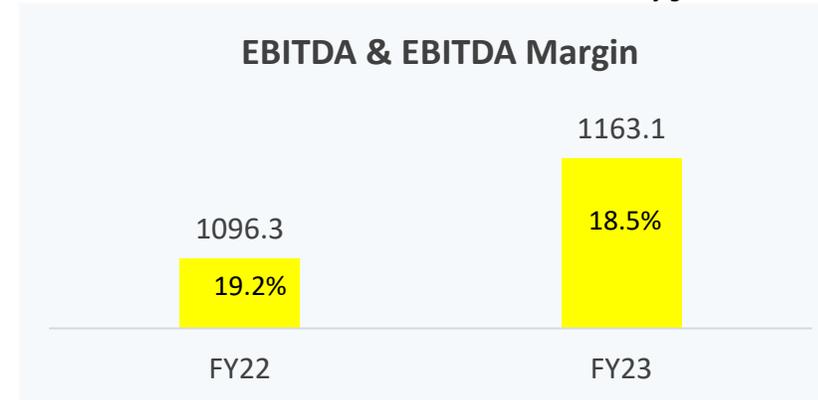


CONSOLIDATED EARNINGS SUMMARY – FY23

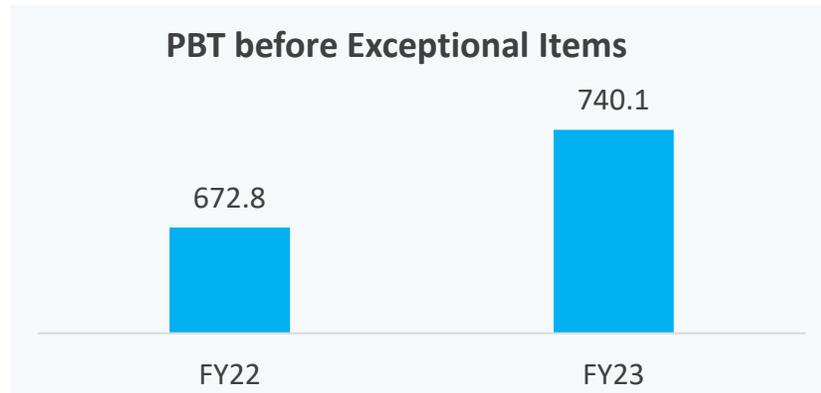
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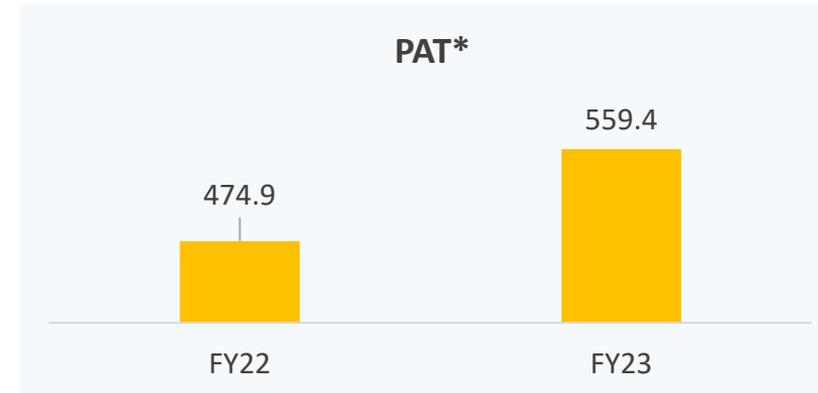
Up 10.1%



Up 6.1%



Up 10.0%



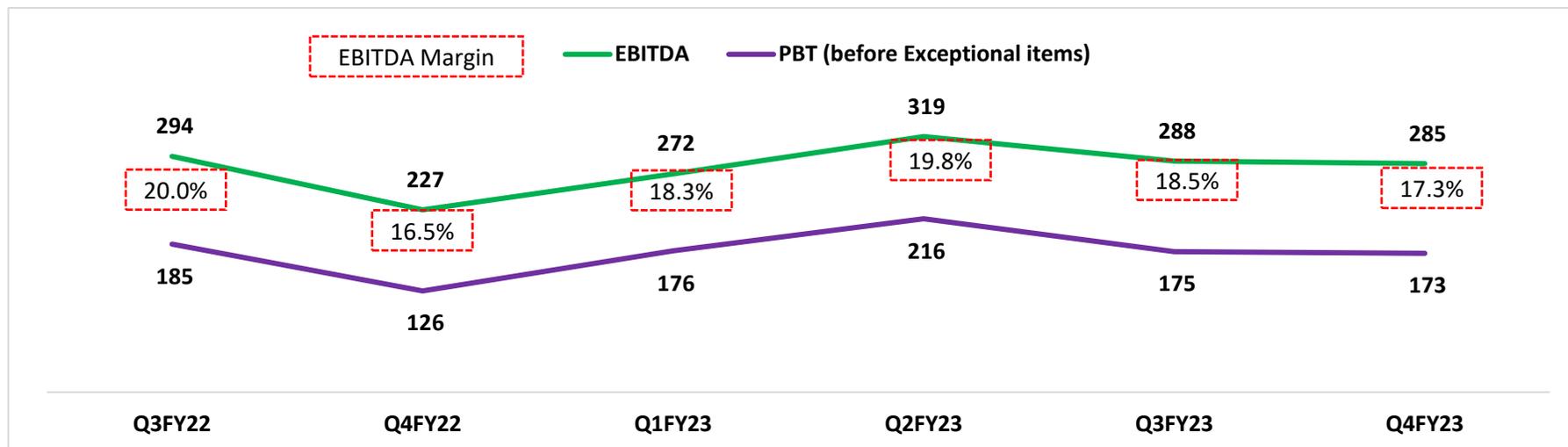
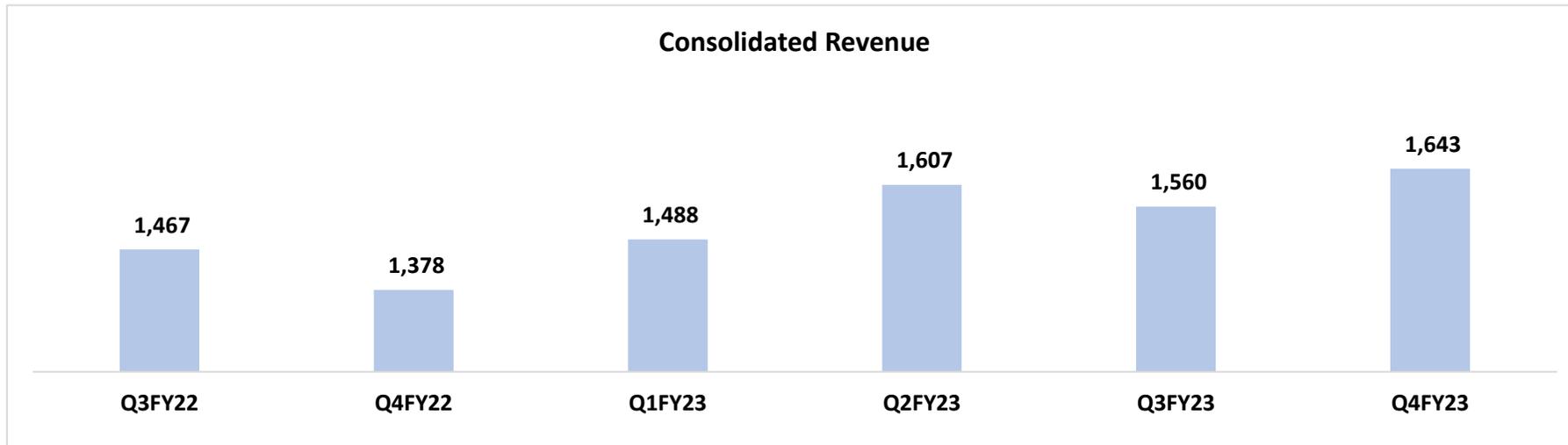
Up 17.8%

*FY22 PAT excludes exceptional gain of ~INR 315 Cr primarily related to 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.

*FY23 excludes an exceptional gain of INR 73.6 Cr which primarily pertains to reversal of impairment in an associate Company

CONSOLIDATED EARNINGS SUMMARY

All figures in INR Crs.



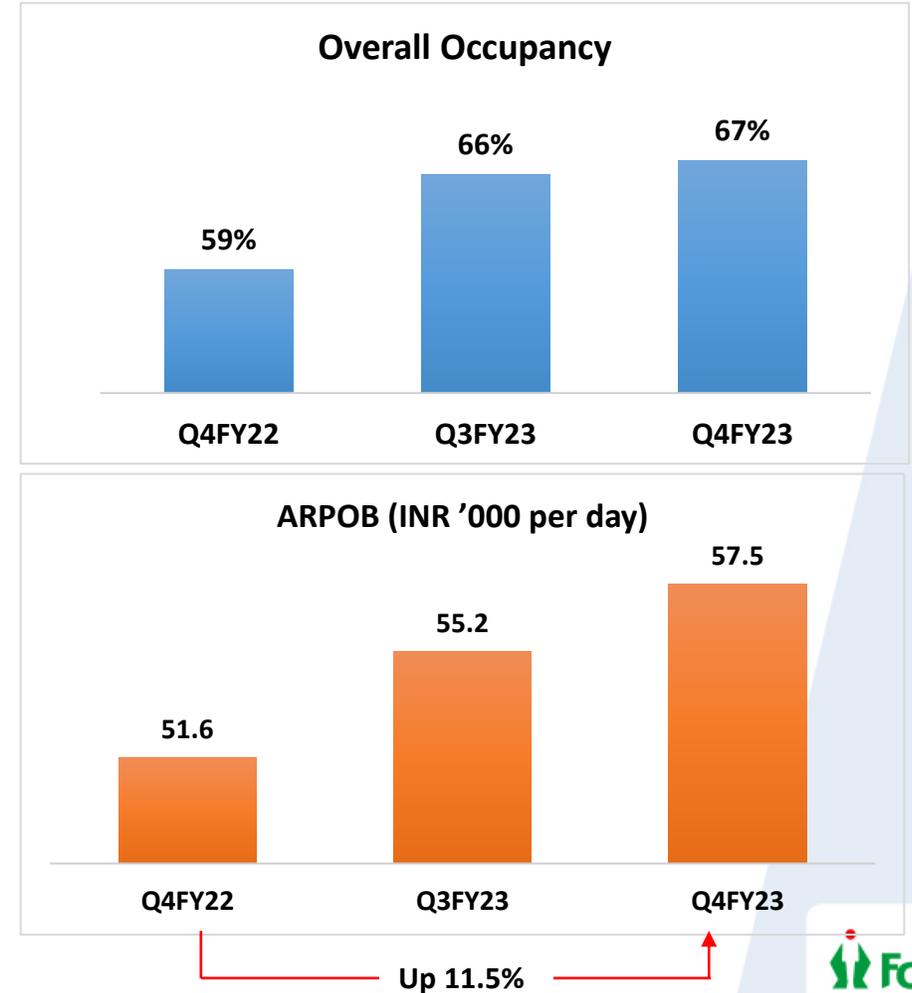
EBITDA includes other income and forex gain / (loss)

Q4FY23

HOSPITAL BUSINESS HIGHLIGHTS

- Revenue from focus specialties comprising Oncology, Gastroenterology, Neurosciences, Renal Sciences, Orthopaedics and Cardiac Sciences grew 27.4% and contributed 60% to overall hospital business revenues (similar to Q4 FY22)
- International Patient revenues grow 66% to INR 113 Crs in Q4FY23 vs Q4FY22. The business contributed 8.4% to overall hospital business revenues versus 6.6% in Q4FY22 and 9.0% in Q3FY23.
- Company further strengthened its medical talent with the onboarding of specialists in the areas of Orthopedics, Gastroenterology and Neurology.

Key Performance Indicators



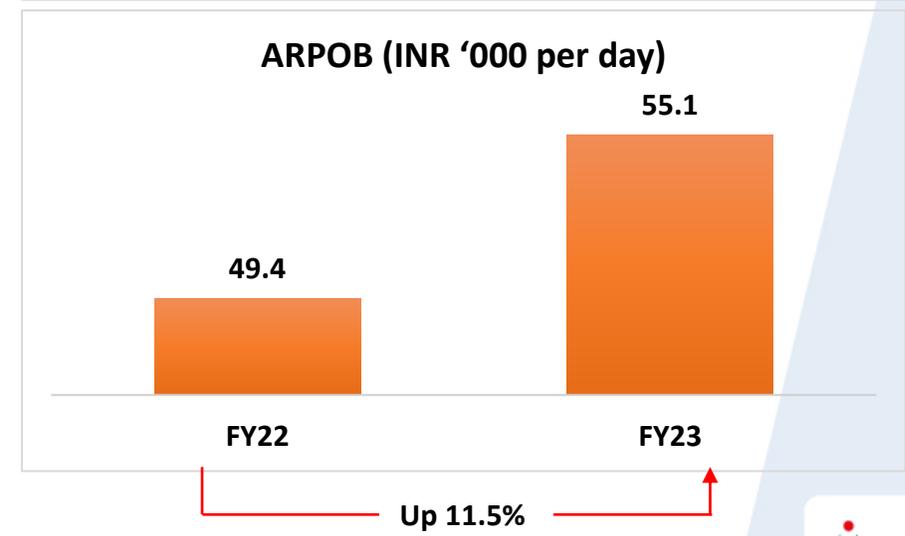
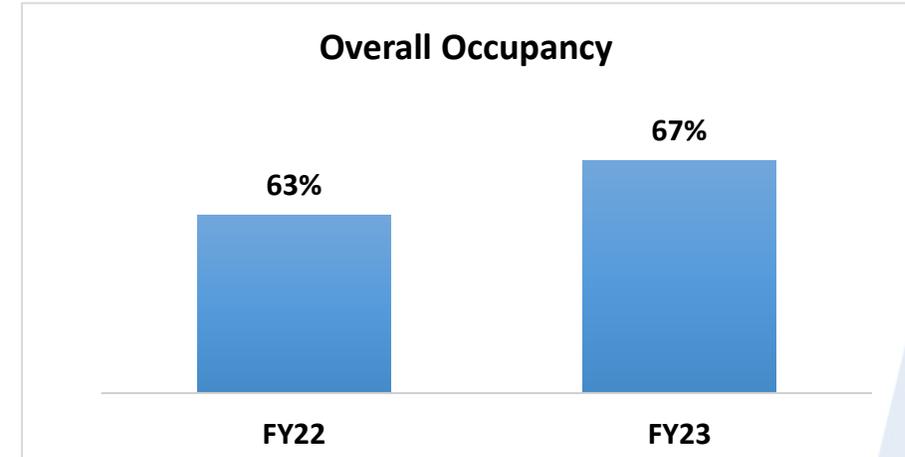
FY23

HOSPITAL BUSINESS HIGHLIGHTS

- International patient's revenue stood at INR 425 Cr versus INR 215 Cr, a growth of 98%.
 - Revenue contribution stood at 8.3% in FY23 versus 5.0% in FY22.
- Combined revenue from Oncology, Orthopedics, Gastroenterology and Renal Sciences contributed 34% to total revenues in FY 23 (28% in FY22).

S.No	Key Specialty	Contribution %	Rev Growth %
1	Cardiac Sciences	18.6%	20%
2	Orthopedics	8.9%	49%
3	Renal Sciences	7.1%	29%
4	Neuro Sciences	8.3%	16%
5	Gastroenterology	4.8%	36%
6	Oncology	13.2%	53%
	Total	61.0%	31%

Key Performance Indicators



Q4FY23 & FY23

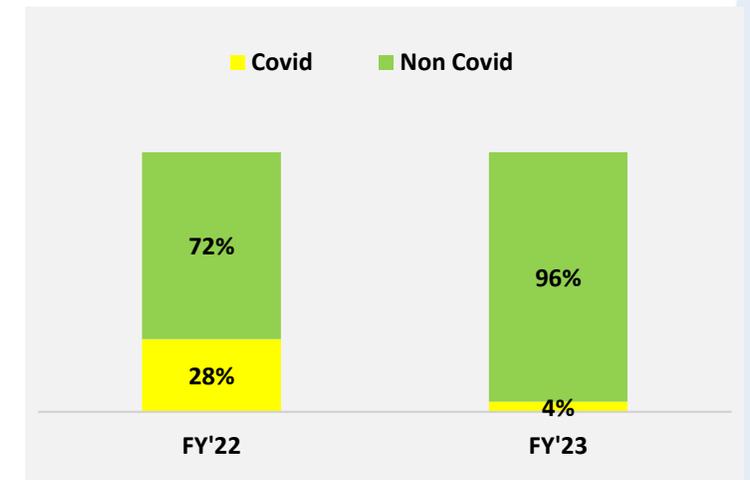
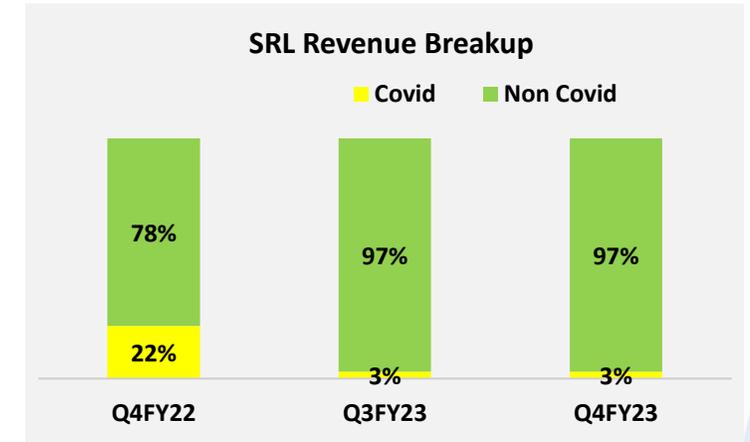
DIAGNOSTIC BUSINESS HIGHLIGHTS

Q4FY23

- SRL revenues at INR 332.1 Cr in Q4FY23 as compared to INR 372.3 Cr in Q4FY22. The decline was largely as a result of the drop in Covid test volumes from Q4FY22. Revenues for Q3 FY23 were at INR 331.5 Cr.
- EBITDA for the quarter stood at INR 54.7 Cr versus INR 83.8 Cr in Q4FY22 and INR 71.1 Cr in Q3FY23. EBITDA Margins were 16.5%, 22.5% and 21.5% respectively.

FY23

- SRL revenues at INR 1,347.5 Cr in FY23 as compared to INR 1,604.9 Cr in FY22. The decline was largely as a result of the drop in Covid test volumes.
- EBITDA for the year stood at INR 262.6 Cr versus INR 425.3 Cr in FY22. EBITDA Margins were 19.5% and 26.5% respectively.



OPERATING PERFORMANCE

HOSPITAL BUSINESS

Particulars (INR Cr)	Hospital Business				
	Q4FY22	Q3FY23	Q4FY23	FY22	FY23
Operating Revenue	1,040.9	1,267.4	1,350.5	4,264.2	5,107.2
Revenue Growth vs LY		13.3%	29.7%		19.8%
Reported EBITDA[^]	143.5	217.0	230.0	672.3	921.9
EBITDA growth vs LY		14.1%	60.3%		37.1%
Margin	13.8%	17.1%	17.0%	15.8%	18.1%
Adj: Other Income [^]	2.1	6.0	8.8	15.2	59.8
Operating EBITDA	141.4	211.0	221.2	657.1	862.1
Margin	13.6%	16.7%	16.4%	15.4%	16.9%

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

• [^]Hospital business reported EBITDA for FY23 includes other income primarily as a result of the dividend income received from the Company's majority owned (57%) subsidiary SRL Limited.

OPERATING PERFORMANCE

DIAGNOSTIC BUSINESS

Particulars (INR Cr)	Diagnostic Business				
	Q4FY22	Q3FY23	Q4FY23	FY22	FY23
Operating Revenue*	372.3	331.5	332.1	1,604.9	1,347.5
Revenue Growth vs LY		-14.7%	-10.8%		-16.0%
Reported EBITDA	83.8	71.1	54.7	425.3	262.6
EBITDA growth vs LY		-31.2%	-34.7%		-38.3%
Margin	22.5%	21.5%	16.5%	26.5%	19.5%
Adj: Other Income incl FX	3.9	5.7	5.2	13.4	23.6
Operating EBITDA	79.9	65.4	49.5	411.9	239.0
Margin	21.5%	19.7%	14.9%	25.7%	17.7%

- *Diagnostics business revenue is on Gross Basis; Diagnostic business Q4FY23 net revenue (net of inter company elimination) stood at INR 292 Cr versus INR 337 Cr in Q4FY22 and INR 292 Cr in Q3FY23; For FY23, net revenue (net of inter company elimination) stood at INR 1190.4 Cr versus INR 1,453.5 Cr in FY22

BALANCE SHEET

March 31, 2023

Balance Sheet (INR Cr)	March 31, 2022	Dec 31, 2022	March 31, 2023
Shareholder's Equity	7,008	7,937	8,100
Debt	966	839	703
Lease Liabilities (Ind AS 116)*	289	308	314
Total Capital Employed	8,263	9,084	9,118
Net Fixed Assets (including intangibles & CWIP)	5,486	5,693	5,748
Goodwill	4,123	4,133	4,141
Investments	104	169	210
Cash and Cash Equivalents	416	366	373
Net Other Assets^	(1,866)	(1,279)	(1,354)
Total Assets	8,263	9,084	9,118
Net Debt / (cash)	549	471	330
Net Debt to Equity	0.08x	0.06x	0.04x

- *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 0.60x (basis annualized EBITDA of Q4FY23 & annualized EBITDA Q4FY22, respectively)
- ^Includes PUT option liability pertaining to SRL's 31% Stake held by private equity investors



PERFORMANCE REVIEW

HOSPITALS BUSINESS

STRENGTHENING MEDICAL INFRASTRUCTURE

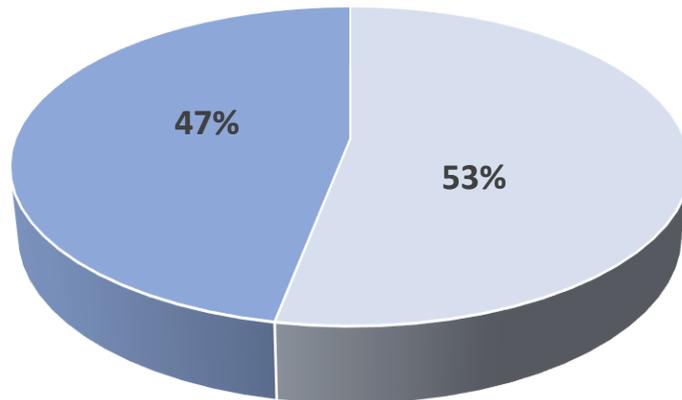
- **Fortis Hospital, Nagarbhavi, Bengaluru**, launched an advanced state-of the-art Philips Azurion 7 C12 Cath Lab facility during January 2023, to ensure prompt and efficient diagnosis and treatment in the field of interventional cardiology.
- **Fortis Hospital, BG Road**, launched a dedicated department for Preventive Oncology on the occasion of World Cancer Day and as part of the cancer detection promotional campaign, #DetectToProtect.
- **Fortis Hospital, Anandapur**, Kolkata, launched Heart & Lung Failure Clinic with an aims to provide clinical excellence and quality care to patients with end-stage heart and lung ailments. The clinic also aims to take a comprehensive and multidisciplinary approach for such patients.
- Fortis expanded its footprint in Jammu & Kashmir with the launch of **Fortis Medical Centre in Srinagar**. The centre will provide super-specialist consultations through renowned doctors across various specialties
- During the quarter, Bhoomi Poojan was held for **Fortis Noida's new block** which will house 200 beds and 5 new Operation Theatres

**Above data pertains to Q4FY23*

REVENUE MIX

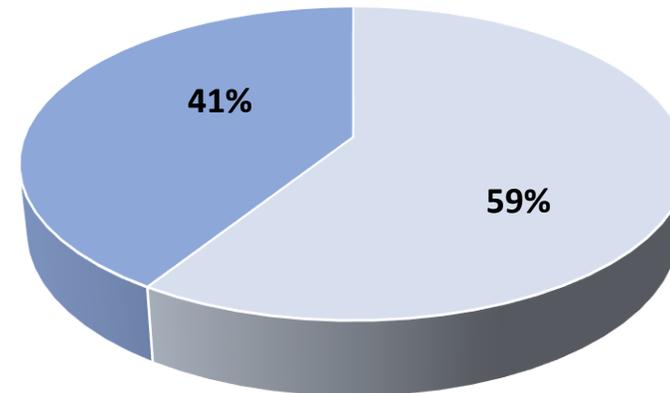
FY22

Gross Revenue : INR 4,497 CR



FY23

Gross Revenue : INR 5,361 CR

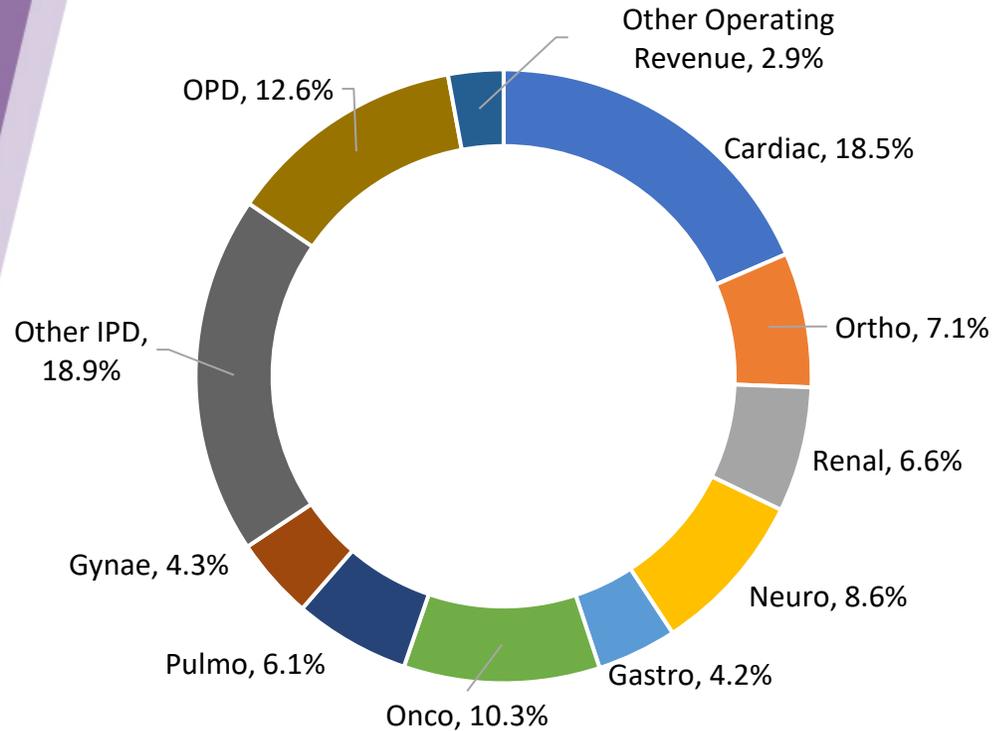


■ NonSurgical Revenue ■ Surgical Revenue

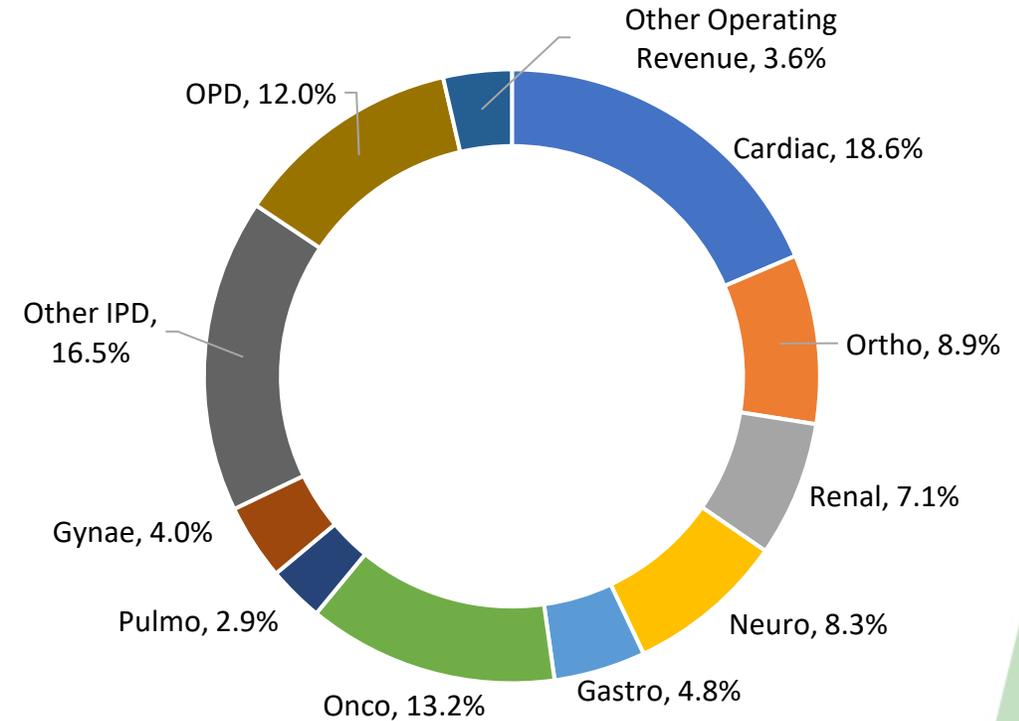
- Contribution from surgical revenue improved significantly to 59% in FY23 versus 53% in FY22

SPECIALTY MIX

FY22



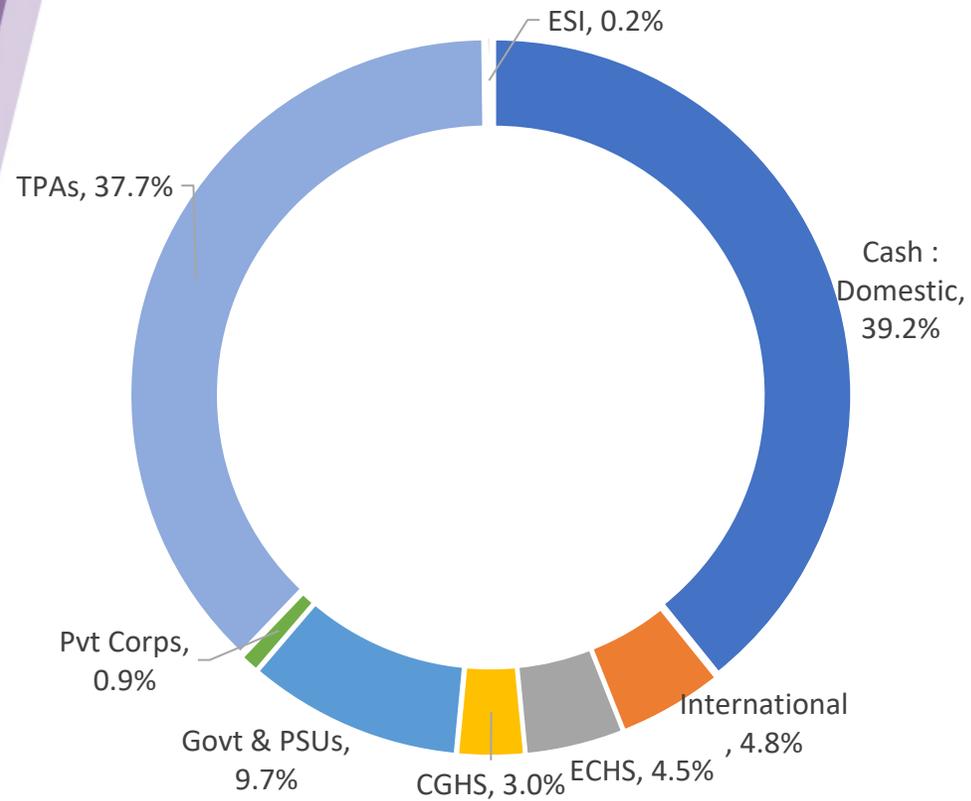
FY23



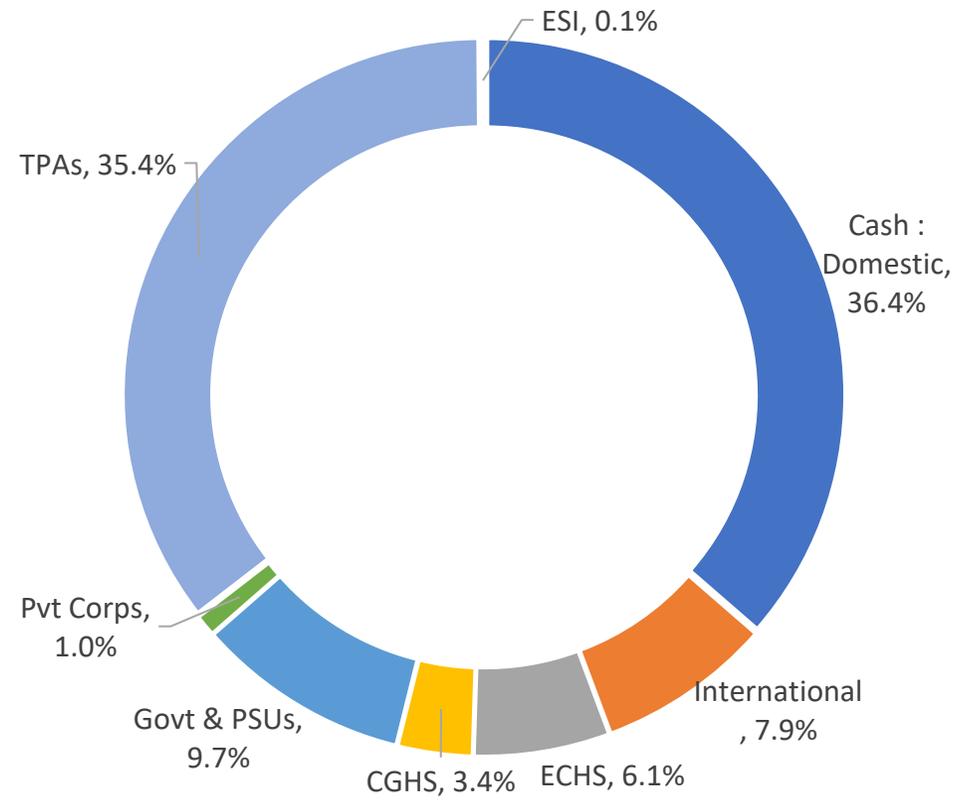
Specialties such as Oncology, Orthopedics, Gastroenterology and Renal Science witnessed revenue growth of 53%, 49%, 36% & 29%, respectively

PAYOR MIX

FY22

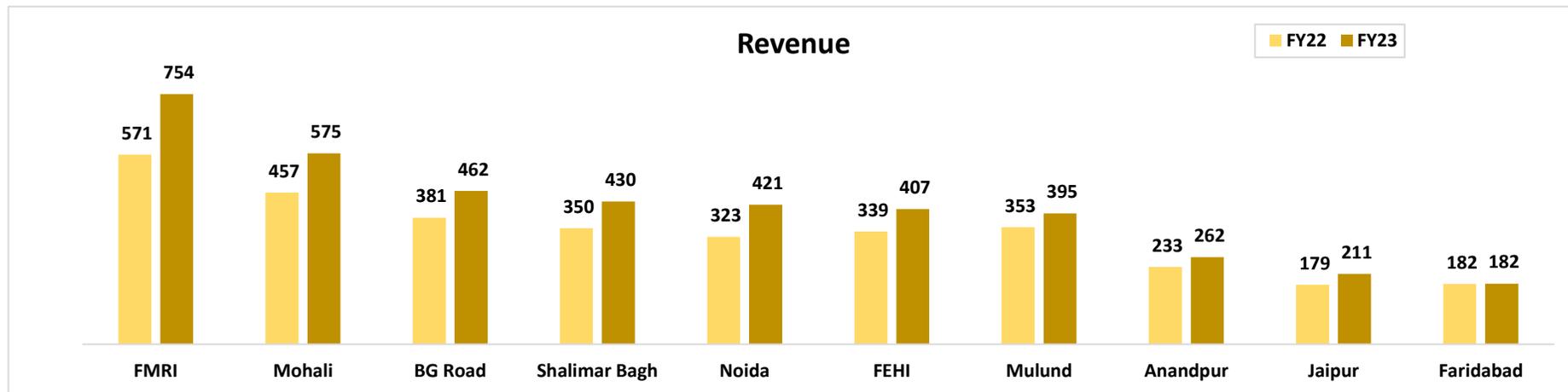
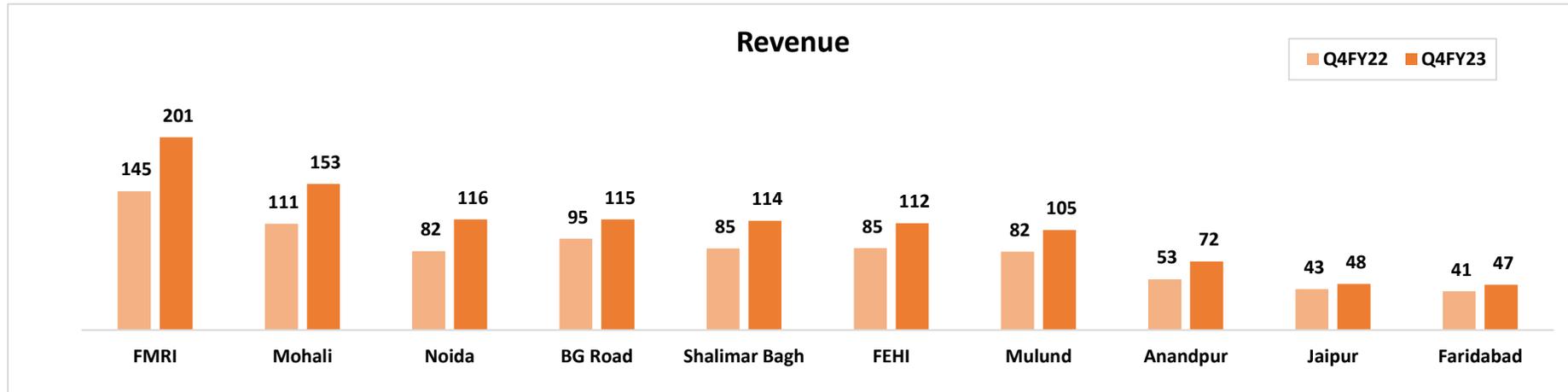


FY23



HOSPITAL BUSINESS PERFORMANCE – Q4FY23 & FY23

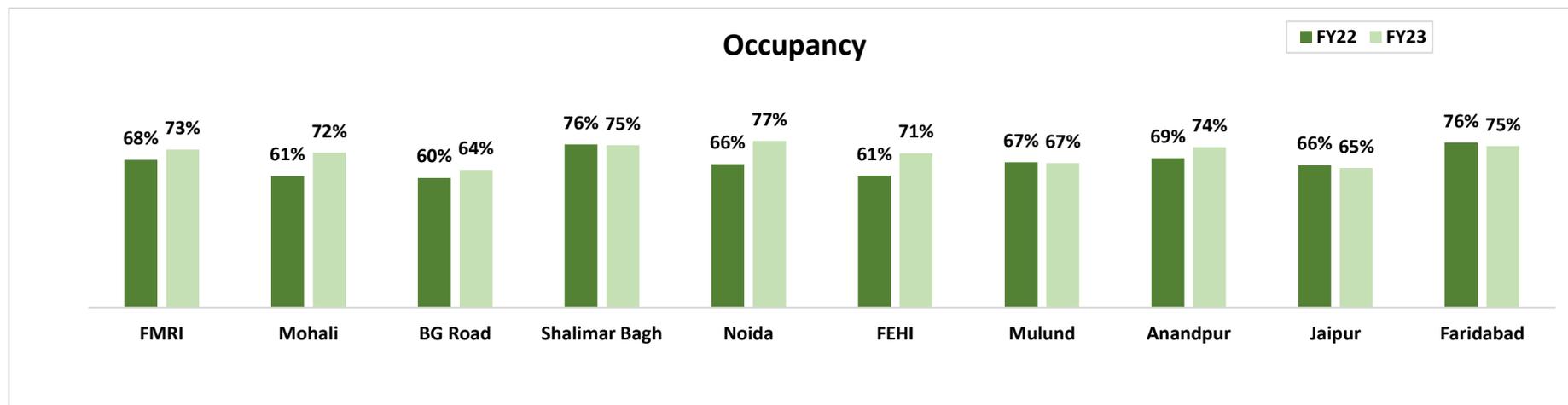
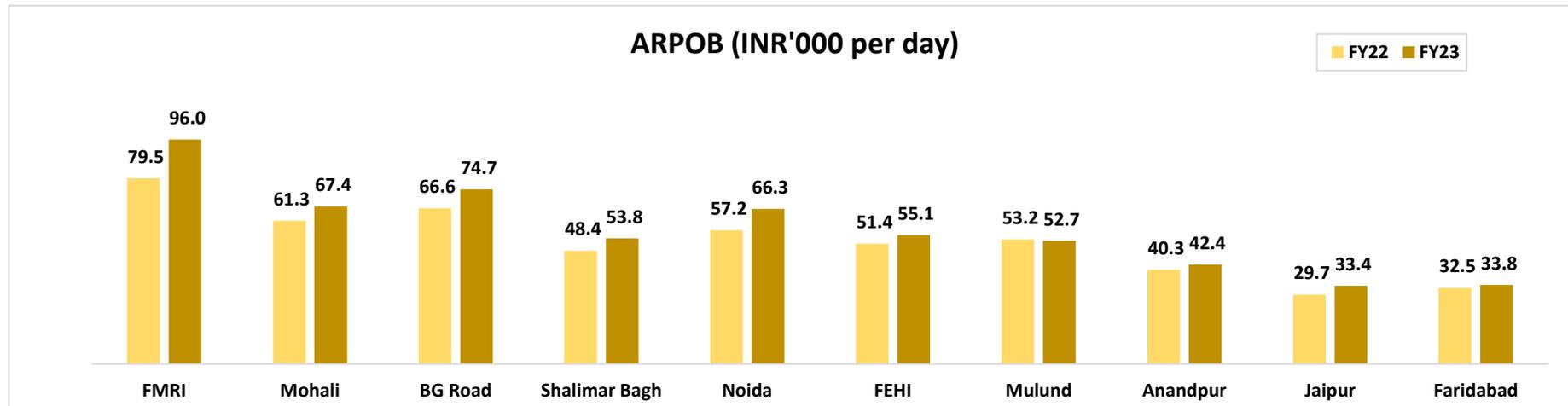
All the key healthcare facilities continue to witness an upward momentum in revenues



All figures in INR Crs.

HOSPITAL BUSINESS PERFORMANCE – FY23

Seven of the top 10 hospitals witnessing occupancy in excess of 70%



HOSPITAL MARGIN MATRIX

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%

FY22

EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	3	20%	679	1.96	67%
20% - 25%	7	44%	1,544	1.87	68%
15% - 20%	3	5%	266	1.28	63%
10% - 15%	2	9%	283	2.23	65%
<10%	8	22%	1,159	1.57	55%

- EBITDA margins are prior to corporate cost allocation and IndAS adjustments;

CLINICAL EXCELLENCE

- World's fastest hip ball replacement surgery was performed at **Fortis Escorts, Okhla**, New Delhi. The surgery took 15 minutes 35 seconds and was performed on an 86-year-old female patient.
- In a first ever in Tamil Nadu, a 68-year-old got a new lease of life post a challenging Redo Sutureless Aortic Valve Replacement at **Fortis Hospital, Vadapalani**.
- A team of doctors at **Fortis Hospital, Ludhiana**, successfully resuscitated a one-hour old newborn suffering from poor supply of oxygen to the brain.
- A team of doctors at **Fortis Anandapur, Kolkata**, successfully treated a six-year-old boy from Bhutan who had accidentally inhaled a piece of betel nut. The doctors performed a left lower lobectomy and removed the affected portion of the left lung's lower lobe.
- A Team of doctors at **Fortis Rajajinagar** removed over 410 gallbladder stones from a 62-year-old patient

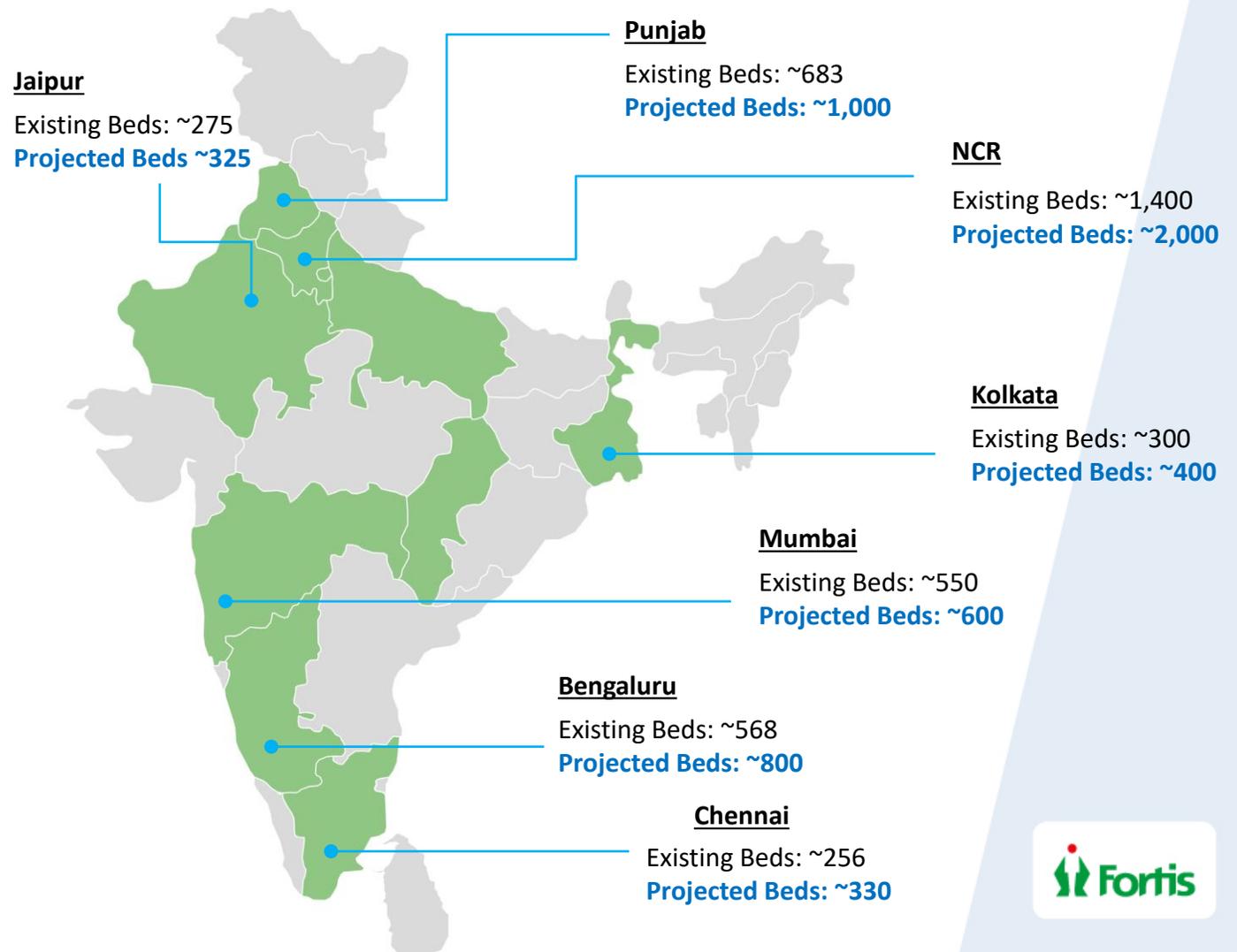
**Above data pertains to Q4FY23*



Brownfield Expansion – Plans to expand to 5,400 beds

- Planned bed capacity addition of ~1,400 beds over the next 5 years – to reach ~5,400 operational beds.
- Majority of beds to be added at units located at Mohali, Noida, Shalimar Bagh, FMRI, Anandapur, BG Road and Amritsar
- Mohali, Shalimar Bagh, FMRI, Noida, BG Road and Mulund would become large format hospitals with the planned capacity expansion.

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



Acquisition of Medeor Hospital, Manesar

- In April 2023, FHL signed definitive agreements with the VPS Group for the acquisition of the Medeor Hospital in Manesar, Gurugram, Haryana for an overall purchase consideration of INR 225 Crs.
- The transaction involves the purchase the assets of Medeor Hospital Limited, i.e. land, building and certain movable assets. The hospital is built on a 5-acre freehold land and has a potential bed capacity of over 350 beds.
- The aforesaid acquisition fits well with the Company's stated approach of expanding its presence in its focus geographic clusters including those in the Delhi – NCR area.

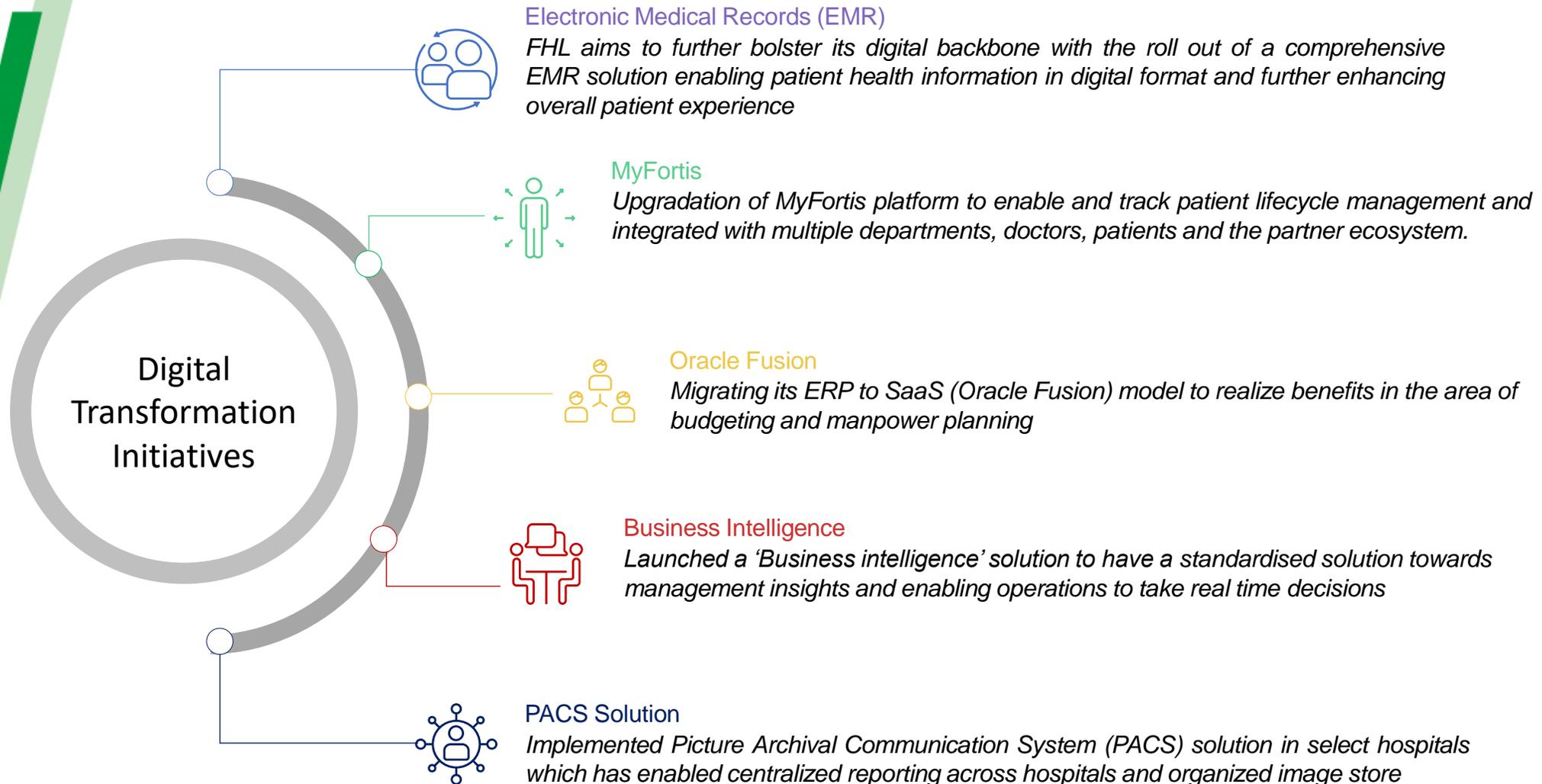


Acquisition of Medeor Hospital, Manesar

- FHL will operationalize the hospital in a phased manner within a span of 9 months post incurring additional investments.
- The acquisition would enhance Fortis's position in the Gurugram market, specifically the attractive catchment areas of New Gurugram and Industrial Model Township (IMT) Manesar
- The transaction is expected to consummate by end June 2023.



Digital Transformation Initiatives



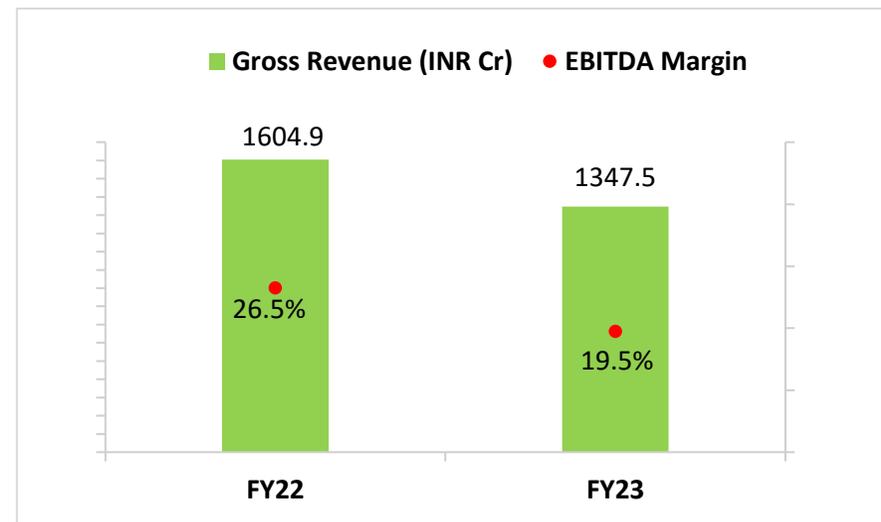
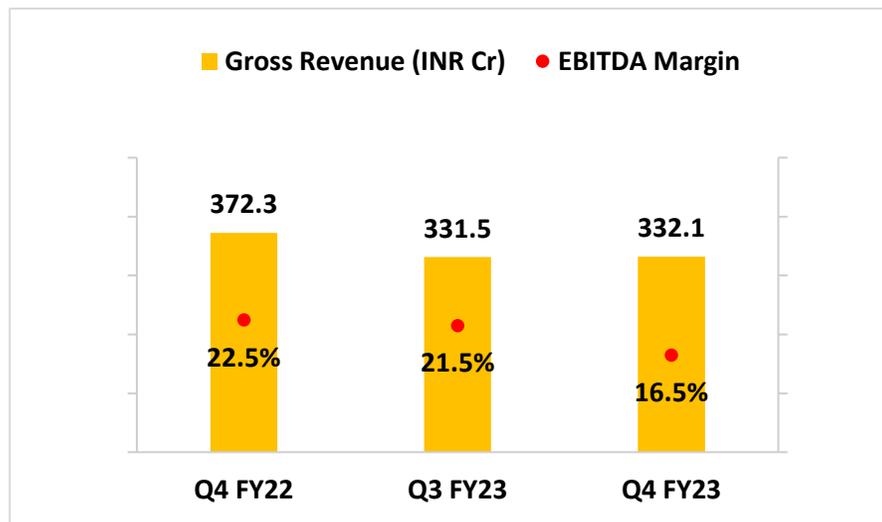


PERFORMANCE REVIEW

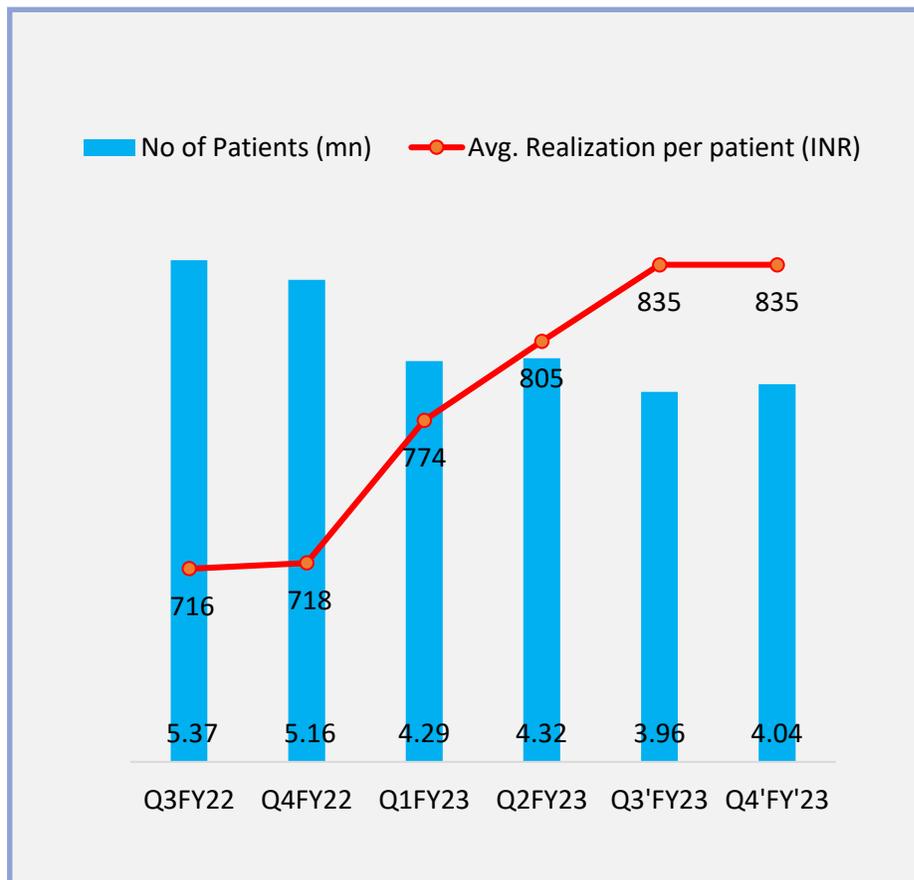
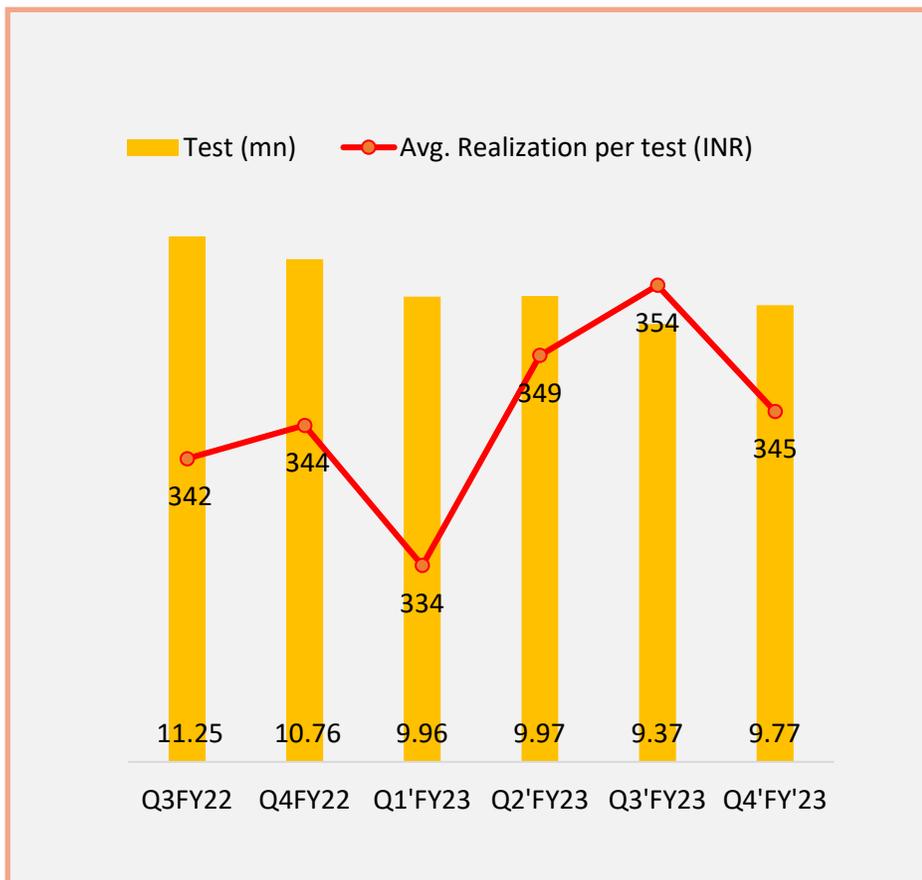
DIAGNOSTICS BUSINESS

DIAGNOSTICS BUSINESS

- During Q4 FY23, SRL conducted 9.77 Mn tests versus 10.7 Mn in Q4 FY22, a de-growth of 9% primarily due to lower Covid volumes. For FY23, SRL conducted 39.1 Mn tests, versus 44.2Mn in FY22 a de-growth of 12%
- SRL added 285+ Customer touchpoints to its network in Q4 FY23. In FY23, 1100+ Customer touchpoints were added.
- SRL's B2C: B2B revenue mix stood at 53: 47 in the quarter vs 54:46 in Q4 FY22. For FY23, the mix was 54: 46 vs 55:45 in FY22.
- Covid & CAT revenue contribution was at 3% in Q4 FY23 compared to 22% in Q4 FY22 & 3% in Q3 FY23. During FY23, Covid contribution was 4% versus 28% in FY22.
- Non Covid revenues grew by 12% in Q4'FY23 & FY23 each compared to the respective corresponding periods.



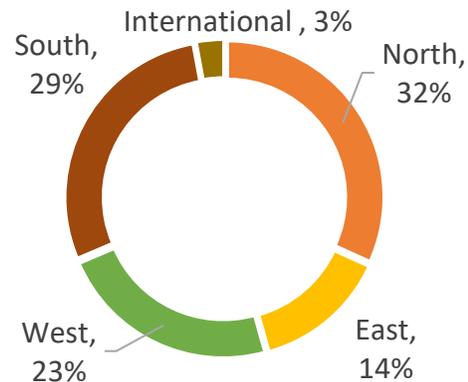
QUARTERLY KEY PERFORMANCE METRICS



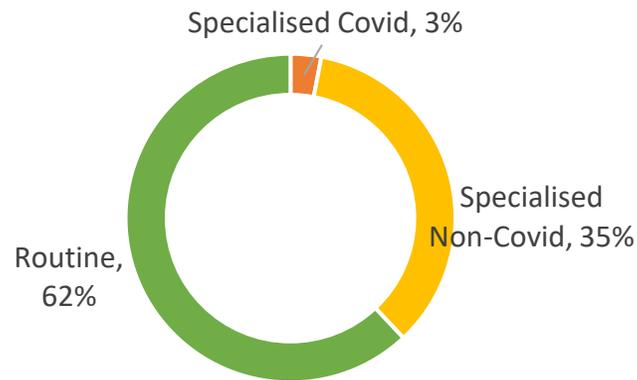
QUARTERLY REVENUE MIX

Q4FY23

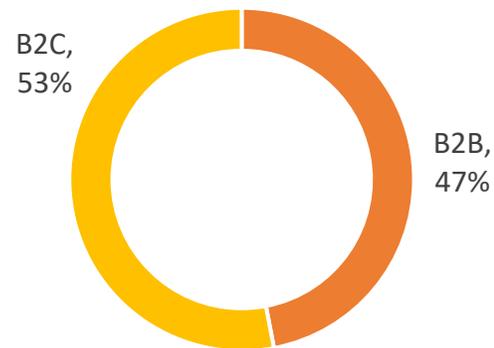
Geographic mix



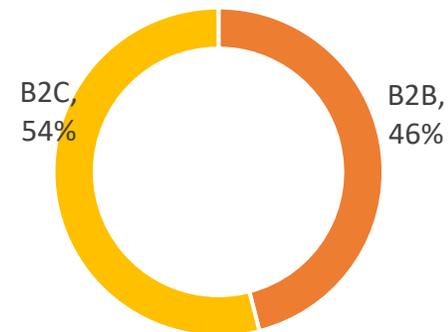
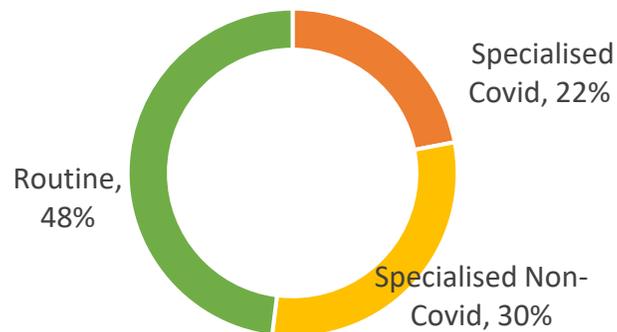
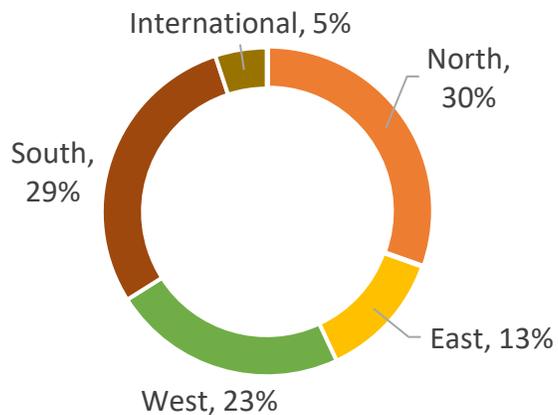
Product Mix



Segment Mix



Q4FY22



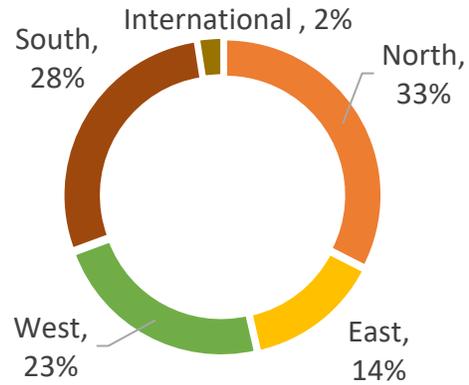
Approx. numbers



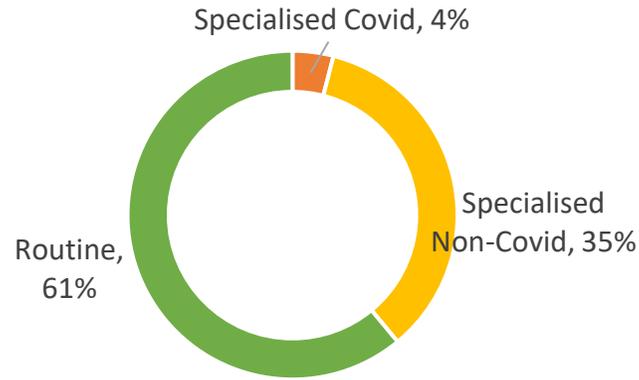
YEARLY REVENUE MIX

FY23

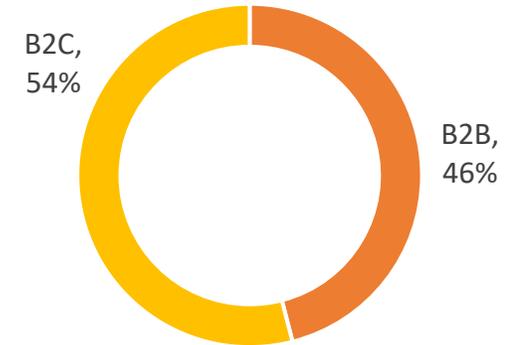
Geographic mix



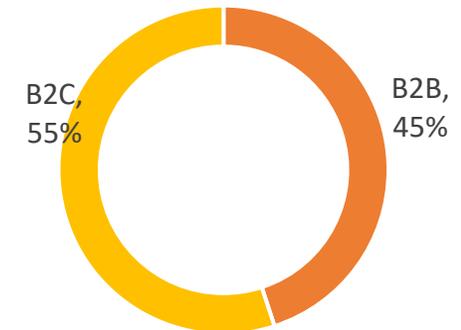
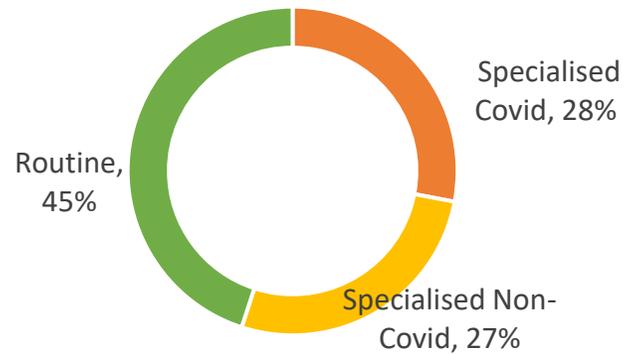
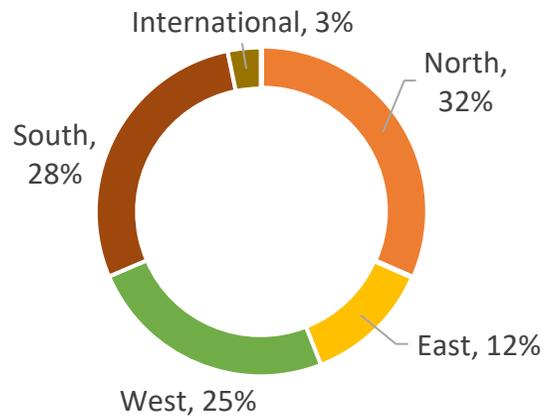
Product Mix



Segment Mix



FY22





APPENDIX



GROUP CONSOLIDATED P&L – Q4FY23

Particulars (INR Cr)	Q4FY22	Q3FY23	Q4FY23
Revenue from operations	1,378.1	1,559.9	1,642.7
Other income	6.0	11.7	13.8
Total income	1,384.1	1,571.6	1,656.5
Expenses	1,156.9	1,283.4	1,371.8
EBITDA*	227.2	288.1	284.7
Margin	16.5%	18.5%	17.3%
Finance costs	30.0	33.4	31.7
Depreciation and amortisation expense	77.3	82.8	81.8
PBT	119.9	172.0	171.2
Share of profit / (loss) of associates and joint ventures (net)	6.3	2.6	1.7
Net profit / (loss) before exceptional items and tax	126.3	174.6	172.9
Exceptional gain**	0.2	11.5	10.5
Profit / (loss) before tax from continuing operations	126.5	186.1	183.4
Tax expense / (credit)	39.4	44.0	45.1
Net profit / (loss) for the period from continuing operations	87.0	142.1	138.3
Profit / (loss) from continuing operations attributable to Owners of the company	68.0	129.6	132.6

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

**Q3FY23 and Q4 FY23 includes an exceptional gain which pertains to reversal of impairment in an associate Company

GROUP CONSOLIDATED P&L – FY23

Particulars (INR Cr)	FY22	FY23
Revenue from operations	5,717.6	6,297.6
Other income	27.3	61.7
Total income	5,745.0	6,359.4
Expenses	4,648.7	5,196.3
EBITDA*	1,096.3	1,163.1
Margin	19.2%	18.5%
Finance costs	146.9	129.1
Depreciation and amortisation expense	300.8	315.7
PBT	648.6	718.2
Share of profit / (loss) of associates and joint ventures (net)	24.2	21.8
Net profit / (loss) before exceptional items and tax	672.8	740.1
Exceptional gain**	315.0	73.6
Profit / (loss) before tax from continuing operations	987.8	813.7
Tax expense / (credit)	197.8	180.7
Net profit / (loss) for the period from continuing operations	790.0	633.0
Profit / (loss) from continuing operations attributable to Owners of the company	555.1	588.7

- *EBITDA includes other income, forex and exceptional/non-recurring expenses;
- ** Exceptional gain of INR 315 Cr in FY22 is related to 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.
- **FY23 includes an exceptional gain which pertains to reversal of impairment in an associate Company



THANK YOU

