



Apollo Hospitals announces Q4 & FY16 results

Google collaborated with Apollo Hospitals in India for launch of Health Cards – integrated with Google Knowledge graph, offering information about 431 diseases in India

Apollo Hospitals, has successfully performed complex robotic surgeries on over 1,000 adults and 80 children

**FY16 Standalone Revenues up 18% at Rs. 5,409 crore
EBITDA up 9% at Rs. 741 crore
PAT up 7% at Rs. 369 crore**

**Q4FY16 Standalone Revenues up 16% at Rs. 1,396 crores
EBITDA up 5% at Rs. 184 crores
PAT at Rs. 76 crores**

Apollo Hospital Chennai & Indraprastha Apollo Hospital Delhi have been ranked as No 1 & 2 Hospitals respectively in All India Multispecialty Hospitals Ranking Survey 2016 conducted by Times of India

Apollo Hospitals operationalized 1,725 capacity beds in 11 hospitals in the last 36 months

Commissioned 250 bed state-of-the-art super specialty hospital in Vizag and a 200 bed hospital in North Bangalore during Q4FY16

On track to commission 480 beds hospital in Navi Mumbai in FY17

**Stand Alone Pharmacies continues strong performance - Revenues grow 31% on a year-on-year basis. Net addition of 200 stores in FY16.
Pan-India Pharmacy network at 2,326 stores as of end FY16**



Q4FY16 Standalone Revenues grew 16% to Rs. 13,963 million as compared to Rs. 12,037 million in Q4FY15. EBITDA was at Rs. 1,838 million in Q4FY16 as against Rs. 1,745 million in Q4FY15, up by 5.3%. The EBITDA margin was 13.2%. PAT was at Rs. 757 million in Q4FY16.

Standalone Revenues for FY16 were Rs. 54,091 million compared to Rs. 45,928 million in FY15, up by 17.8%. EBITDA grew 9.2% to Rs. 7,406 million in FY16 from Rs. 6,781 million in FY15. Profit after Tax (PAT) grew 6.6% from Rs. 3,466 million in FY15 to Rs. 3,694 million in FY16.

Dr. Prathap C Reddy, Chairman said, “At Apollo we have always strived to raise the bar on healthcare standards. I am gratified that across all our hospitals our focus has been to maintain the highest clinical standards for quality patient care and outcomes. Uncompromising high quality patient care has been the hallmark at Apollo Hospitals. The completion of 1,000 robotic surgeries is one such clinical accomplishment. Clinical Excellence is the edifice around which our healthcare operations are structured and we are tirelessly working towards improving outcomes.

On the hospital front, our current phase of expansion is nearing its end and the focus will be to consolidate the new capacity added to the network both organically and inorganically. In addition to new facilities and new formats, we will seek to periodically review existing facilities to add specialties and medical teams to continuously strengthen our offerings. The enhancement of oncology offerings at Bhubaneswar and Ahmedabad is one such initiative.

He added, “The need of the hour is to increase awareness of proactive screening of NCDs for both public and private organizations. We are communicating to people that prevention is the best defense against NCDs. It is important to take precautions against their incidence. Every Indian should understand and evaluate their health status at every stage in their lifetime and take corrective lifestyle changes. This is the only way we can prevent and control NCD’s like diabetes, hypertension and cancer apart from many more diseases.

The WHO and World Economic Forum forecasting have clearly envisaged a grave threat to the health of humans in the shape of non-communicable diseases (NCDs) becoming pandemic by 2030 (most of the affected would be in the productive age of 30-50 years). The NCDs — diabetes, cancer, heart problems and infections — would cost the developing and underdeveloped countries \$30 trillion and India having a large incidence of these diseases would bear one-sixth of the cost, \$5 trillion. Citizens of the country are also rapidly awakening to the long-term threats posed by deterioration in water and air quality due to pollution; an issue that Apollo has already inculcated into its treatment philosophies.

Financial Highlights

- Standalone FY16 Performance
 - Revenues grew 17.8% to Rs. 54,091 million vs. Rs. 45,928 million in FY15.
 - EBITDAR grew 12.6% to Rs. 8,986 million vs. Rs. 7,980 million in FY15.
 - EBITDA grew 9.2 % to Rs. 7,406 million vs. Rs. 6,781 million in FY15.
 - PAT grew 6.6 % to Rs. 3,694 million vs. Rs. 3,466 million in FY15.
 - Diluted EPS of Rs. 26.55 per share in FY16.
- Standalone Q4FY16 Performance
 - Revenues grew 16.0% to Rs. 13,963 million vs. Rs. 12,037 million in Q4FY15.
 - EBITDAR grew 9.9% to Rs. 2,274 million vs. Rs.2,070 million in FY15.
 - EBITDA grew 5.3% to Rs. 1,838 million vs. Rs. 1,745 million in Q4FY15.
 - PAT de-grew by 2.1% to Rs. 757 million vs. Rs. 773 million in Q4FY15.
 - Diluted EPS of Rs. 5.44 per share in Q4FY16.
- Consolidated FY16 Performance
 - Revenues grew 17.5% to Rs. 60,856 million vs. Rs. 51,785 million in FY15.
 - EBITDAR grew 9.1% to Rs. 9,618 million vs. Rs. 8,815 million in FY15.
 - EBITDA grew 6.5% to Rs. 7,823 million vs. Rs. 7,347 million in FY15.
 - PAT de-grew by 2.6% to Rs. 3,310 million vs. Rs. 3,399 million in FY15.
 - Diluted EPS of Rs. 23.79 per share in FY16.
- Consolidated Q4FY16 Performance
 - Revenues grew 18.2% to Rs. 15,583 million vs. Rs. 13,186 million in Q4FY15.
 - EBITDAR grew 2.7% to Rs. 2,268 million vs. Rs. 2,208 million in FY15.
 - EBITDA grew 2.4% to Rs. 1,820 million as against Rs. 1,779 million in Q4FY15.
 - PAT grew 4.8% to Rs. 889 million vs. Rs. 848 million in Q4FY15.
 - Diluted EPS of Rs. 6.39 per share in Q4FY16.



Segment-wise Performance Update

Hospitals

Standalone Revenues of the healthcare services division increased by 9% to Rs. 30,858 million in FY16 compared to Rs. 28,206 million in FY15. This performance includes revenue growth of 80% from new hospitals (including HBP) added to the network.

Healthcare Services EBITDAR was Rs. 7,382 million in FY16 compared to Rs. 6,836 million in FY15, registering a growth of 8%. EBITDAR from new hospitals grew over 3 times to Rs 252 million in FY16 from Rs 73 million in FY15 due to increase in patient footfalls.

Healthcare Services EBITDA grew 6% to Rs. 6,573 million in FY16 compared to Rs. 6,200 million in FY15. New hospitals posted an EBITDA loss of Rs. 21 million in FY16 as compared to a loss of Rs 75 million in FY15.

The Chennai cluster reported a stable performance with broad-based growth in volumes. Revenues grew 11% from Rs. 12,433 million in FY15 to Rs. 13,780 million in FY16. Existing hospitals reported a 5% growth in revenues and the balance was from the new hospitals at Vanagaram, Karapakkam, OMR and W&C – SMR. Occupancy was at 959 beds (63% utilization on capacity of 1,526 beds) in FY16 as compared to 994 beds (67% utilization on 1,491 beds) in FY15.

At the Hyderabad cluster revenues grew 8% to Rs. 5,354 million. There was a moderation in occupancy levels due to rationalization of patients under subsidized schemes. Occupancy was at 554 beds (60% utilization on 930 beds) in FY16 as compared to 590 beds (63% utilization of 930 beds) in FY15.

Larger Joint Venture & Subsidiary hospitals delivered a healthy performance with Hospitals in Bangalore, Ahmedabad & Kolkata reporting y-on-y revenue growth of 12%, 17% & 10% respectively. Indore reported y-on-y revenue growth of 47%, though on a small base. Growth was achieved through a mix of higher volumes as well as improvements in pricing and case-mix.

Hospitals outside of the core clusters performed well with healthy growth in revenues as well as recording progress in key operational metrics. At the Other hospitals cluster revenues grew 13% to Rs. 7,103 million. Occupancy was at 1,190 beds (57% utilization on 2,087 beds) in FY16 as compared to 1,156 beds (63% utilization of 1,821 beds) in FY15.



Standalone Pharmacies

In Q4FY16, we added 75 stores and closed 12 stores for a net addition of 63 stores. In FY16, 200 stores were added on a net basis – the total store network as of March 31, 2016 stands at 2,326 operational stores including 288 stores from Hetero.

Revenues grew by 31% to Rs. 23,237 million in FY16 from Rs. 17,726 million in FY15. Excluding the Hetero network of stores, revenue growth was 25%. EBITDA growth was robust at 44% on a yoy basis from Rs. 580 million in FY15 to Rs. 833 million in FY16.

The EBITDA margin expanded 31 bps to 3.6% in FY16 compared to 3.3% in FY15. Excluding the Hetero network the EBITDA margin was 4% in FY16.

There was steady progress in the trends in same-store sales across various batches of stores with like-for-like growth in revenue per store at 13% for the pre 2008 batch of stores with 6.8% EBITDA margins while the total of all the stores added pre FY2010 reported a revenue growth of 13.5% with 6.1% EBITDA margins.

Apollo Munich Health Insurance Company Limited

Gross Written Premium grew by 29% from Rs. 8,611 million in FY15 to Rs. 11,078 million in FY16. The Earned premium grew by 18% from Rs.6,559 million in FY15 to Rs.7,749 million in FY16. The incurred claim loss ratio was at 64.6% in FY16. The business reported a net profit of Rs. 75 million in FY16 compared to a profit of Rs. 7 million in FY15. AUMs stood at Rs. 8,804 million as of March 31, 2016.

Retail Health

Apollo Health & Lifestyle Ltd. (AHLL) is a wholly owned subsidiary which houses the retail healthcare business of Apollo Hospitals. This includes the lifestyle birthing centers known as 'CRADLES', Daycare and short stay surgery centers, Diagnostic centers, Dental Care Centers and Apollo Clinics catering to a variety of ailments such as liver disease, joint pain, advanced fever and diabetes among others.

Total Income was at Rs. 1,242 million in FY16 compared to Rs. 1,110 million in FY15, a growth of 12%. The business reported an EBITDA loss of Rs. 420 million in FY16 compared to Rs. 289 million in FY15.

The current portfolio comprises of 12 Day surgery centers, 8 Cradles, 103 Diagnostic centers and 69 Clinics housed under AHLL while 71 Dental Clinics, 42 Sugar Clinics and 5 Dialysis centers were also a part of the extended network.

CLINICAL AND OPERATIONAL HIGHLIGHTS

CLINICAL EXCELLENCE HIGHLIGHTS

- The Centre for Liver & Biliary Sciences at Indraprastha Apollo Hospitals hosted a Donor Felicitation Day, with an aim to honor the selflessness and generosity of living donors who contribute to more than 85% of transplants in the country. 300 liver transplants were performed by the Center for Liver and Biliary Sciences in a year, for 3 years in a row. Over the years, the center has carried out over 1900 transplants.
- Apollo Hospitals performed the first successful Trans catheter aortic Valve Replacement (TAVR) surgery on a seventy year old man. TAVR - the method in which surgery is performed without opening the chest but only through a small hole in the leg and valve replaced through catheter methods.
- Indraprastha Apollo Hospital carried out a liver transplant surgery on a one-year old infant from Kenya. Special techniques were used to join the liver directly to the heart.
- Apollo Hospitals, Chennai successfully performed a combined cardiac and windpipe surgery on an eleven-month-old Omani infant in Chennai city.

NEW GEOGRAPHIES AND LAUNCHES

- Apollo Sugar, a JV between healthcare major Apollo Hospitals and global drug major Sanofi, which currently has 44 clinics providing diabetes care in 17 cities plans to open 30 clinics in five new cities in the country during the current fiscal.
- Apollo Medical Centre, Oman has been upgraded to a hospital, after getting clearance from the Ministry of Health for a hospital status. The Apollo Hospital Muscat currently has 25 specialised in-house doctors and eight super specialty visiting consultants from Apollo India, for Neurology, Oncology and Orthopedics which will be upgraded to new specialties, such as a hearing aid service, thalassemia clinic for children, gastroenterology, bariatric surgery, urology, full range of orthopedic surgeries, including joint replacement and arthroscopy.
- Apollo Health and Lifestyle Ltd (AHLL) launched its largest multi-specialty clinic in New Town, Kolkata. The 20,000 sqft clinic is the 70th such facility in the Apollo chain nationwide.
- Apollo Hospital is set to launch dedicated facilities for cardiac care and cancer care in Ahmedabad a dedicated heart institute which will have heart and vascular care unit and as well as a critical care unit for cardiac patients. The center will be equipped with superior technology to gauge the exact quantum of heart blockage from the amount of calcium deposits.
- Apollo Group has set up a new multi-specialty hospital with 250 beds hospital in Visakhapatnam, Andhra Pradesh.
- Apollo Group of Hospitals opened a new super specialty hospital at Sheshadripuram, Bengaluru. This 200-bed facility looking at five areas of specialty - cardiac sciences, neurosciences, orthopedics, medical and surgical gastroenterology and general and laparoscopic surgery.



KNOWLEDGE PROGRAMME

- IIMB in partnership with Apollo Medskills hosted an Open House on General Management Programme for Healthcare Executives which drew a large number of interested people from the healthcare sector.

COLLABORATIONS

- Google collaborated with Apollo Hospitals in India for these cards. These Health Cards have been integrated into the Google Knowledge graph which powers the search experience in India. The cards will be available on Google Search on the desktop and the iOS and Android mobile apps. The Health Cards will overall offer information about 431 diseases in India both in English and Hindi.
- Datar Genetics Limits, center for molecular and genetic analysis partnered with Apollo Hospitals to develop, offer and promote precision oncology based on molecular and genetic analysis. These technologies can potentially impact all aspects of cancer management eliminating several painful and ambiguous processes from current treatment modalities.
- Apollo Life has joined hands with Jiyo, co-founded by wellness expert Deepak Chopra, to launch 'Apollo Jiyo' -- a personalized platform for health services. The platform tracks everything from sleep patterns to heart rate and monitors stress levels.
- Health and nutrition retailer Holland & Barrett has secured a £20m deal with Indian hospital chain Apollo Hospitals, an agreement which will see 1,000 franchise stores open across India over the next five years which will generate 1,500 jobs across India.
- Pittie Group, the nationwide distributor for Patanjali products, has entered into a distribution arrangement with Apollo Pharmacy. Products of Ramdev's Patanjali Ayurved Ltd will now be sold across 2,200 outlets owned by Apollo Pharmacy.



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About Apollo Hospitals Enterprise Ltd. (AHEL)

It was in 1983, that Dr. Prathap Reddy made a pioneering endeavour by launching India's first corporate hospital - Apollo Hospital in Chennai. Now, as Asia largest and most trusted healthcare group, its presence includes over 9,500 beds across 69 Hospitals, 2,326 Pharmacies, 172 Primary Care and Diagnostic Clinics, 100 Telemedicine units across 10 countries. Health Insurance services, Global Projects Consultancy, 15 colleges of Nursing and Hospital Management, a Research Foundation with a focus on global Clinical Trials, epidemiological studies, stem cell & genetic research and the first Proton Therapy Center across Asia, Africa and Australia.

In a rare honor, the Government of India issued a commemorative stamp in recognition of Apollo's contribution, the first for a healthcare organization. Apollo Hospitals Chairman, Dr. Prathap C Reddy, was conferred with the prestigious Padma Vibhushan in 2010. For more than 30 years, the Apollo Hospitals Group has continuously excelled and maintained leadership in medical innovation, world-class clinical services and cutting-edge technology. Our hospitals are consistently ranked amongst the best hospitals globally for advanced medical services and research.

Disclaimer

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