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Apollo Hospitals FY19 EBITDA crosses landmark Rs 1000 crore for the first time

Robust performance in Q4FY19 - 16% growth in revenues; 24% growth in EBITDA; PAT up 29% y-o-y

Improvement in EBITDA margins in both Healthcare services and Standalone Pharmacies

The Board of Directors recommended a Final Dividend of 120% for FY19

Apollo Proton Cancer Centre, Chennai, first-of-its-kind in South East Asia, begins operations, completes first landmark Total Marrow Irradiation procedure

3D-printed titanium skull implant surgery saves life of patient with traumatic brain injury at Apollo Hospitals Navi Mumbai

Revolutionary Mitral Clip cardiac therapy successfully carried out in three patients for the first time in India

Largest series of Minimally Invasive cardiac surgeries in the Country

**FY19 Standalone Revenues up 16% at Rs. 8,337 crore
EBITDA at Rs. 1,018 crore, higher by 23% yoy
PAT grows 30% yoy to Rs. 303 crore**

**Q4 FY19 Standalone Revenues up 16% at Rs. 2,167 crore
EBITDA up 24% at Rs. 266 crore
PAT up 29% at Rs. 77 crore
New Hospitals post 7% EBITDA margins**

**SAP business reported 18% growth in Revenues in Q4 FY19
EBITDA grew by 37%, EBITDA margins at 5.47% in Q4 FY19
Net addition of 156 stores in Q4 FY19
Pan-India network now at 3,428 stores**

Q4FY19 Standalone Revenues grew 16% to Rs. 21,671 million compared to Rs. 18,634 million in Q4FY18, aided by Healthcare services growth of 15% YoY and SAP growth of 18%. HC services growth of 15% YoY was led by new hospitals which reported 25% YoY Revenue growth while mature hospitals grew 12% YoY. EBITDA was at Rs. 2,658 million in Q4FY19 as against Rs. 2,141 million in Q4FY18 a YoY growth of 24%. PAT grew by 29% to Rs. 767 million in Q4FY19.

Apollo Hospitals has delivered a strong performance in the final quarter of the year, with continued growth of volumes, revenues and margins. There was a good performance, both in the hospitals and in the pharmacy division. The overall strategy of continuing to focus on improving asset utilisation, superior margin profile through case mix and quality of revenue, along with optimisation in costs. This approach is paying off with the Healthcare Services EBITDA growing by 21% YoY to Rs. 2,101 million.

Total EBITDA margins have improved to 12.3% in Q4FY19 from 11.5% in Q4FY18. Existing healthcare services EBITDA margins have improved to 22.1%. New hospitals reported EBITDA margins of 7% in Q4FY19 as compared to 4% in the previous year. SAP reported an EBITDA margin of 5.5%. The reorganisation of the Pharmacy business continued to progress during the quarter, and is expected to be completed by November 2019.

Dr. Prathap C Reddy, Chairman, Apollo Hospitals said, *“I am pleased that we have consolidated our position as India’s largest private healthcare provider in FY18-19, with our numbers signalling robust growth across multiple verticals. We continue to lead in laying down the benchmark for modern medicine in the country and the launch of the Apollo Proton Cancer Centre is testament to the intensity of our efforts. We have repeatedly delivered world-class clinical outcomes at scale, at a fraction of the international cost, and have helped position India as a global destination for medicine. We are committed to help the nation fight the tsunami of NCDs, and we believe our focused efforts in Cardiology, Neurosciences, Orthopaedics and Critical Care will help us win the fight. We will continue to strive for widespread screening and early detection of cancer, because with the treatment options now at our disposal, cancer is curable. As we step into the new financial year, we reinforce our commitment to preventive health and wellness and to improving the health and happiness of all Indians. Our best wishes are with the newly elected Central Government, and we assure the administration of our unstinted support in making Health for All a reality.”*

Major Financial Highlights

- **Standalone Q4FY19 Performance**

- Revenues grew by 16% to Rs. 21,671 million compared to Rs. 18,634 million in Q4FY18
- EBITDAR was higher by 24% to Rs. 3,364 million as against Rs. 2,704 million in Q4FY18
- EBITDA grew by 24% to Rs. 2,658 million as against Rs. 2,141 million in Q4FY18
- PAT rose 29% to Rs.767 million versus Rs.596 million in Q4FY18
- Diluted EPS of Rs.5.51 per share in Q4FY19 (not annualised)

- **Consolidated Q4FY19 Performance**

- Revenues grew by 19% to Rs. 25,214 million compared to Rs. 21,123 million in Q4FY18
- EBITDAR was higher by 40% to Rs. 3,772 million as against Rs. 2,687 million in Q4FY18
- EBITDA grew by 51% to Rs. 2,827 million as against Rs. 1,868 million in Q4FY18
- PAT rose 254% to Rs.844 million versus Rs.238 million in Q4FY18
- Diluted EPS of Rs.6.07 per share in Q4FY19 (not annualised)

- **Standalone FY 2018-19 Performance**

- Revenues grew by 16% to Rs. 83,367 million compared to Rs. 71,830 million in FY18
- EBITDAR was higher by 22% to Rs. 12,814 million as against Rs. 10,474 million in FY18
- EBITDA grew by 23% to Rs. 10,181 million as against Rs. 8,297 million in FY18
- PAT rose 30% to Rs. 3,028 million versus Rs. 2,332 million in FY18
- Diluted EPS of Rs.21.8 per share in FY19

- **Consolidated FY 2018-19 Performance**

- Revenues grew by 17% to Rs. 96,174 million compared to Rs. 82,435 million in FY18
- EBITDAR was higher by 29% to Rs. 14,197 million as against Rs. 11,019 million in FY18
- EBITDA grew by 34% to Rs. 10,637 million as against Rs. 7,932 million in FY18
- PAT rose 101% to Rs. 2,360 million versus Rs. 1,174 million in FY18
- Diluted EPS of Rs. 16.97 per share in FY19

As on March 31, 2019, Apollo Hospitals had 7,200+ operating beds across the network (excluding AHLL & managed beds), out of which 13 were new hospitals with 1,790 operating beds. The new hospitals are expected to see increase in volumes and utilisation going forward.

Segment-wise Performance Update

Hospitals

Standalone Revenues of the healthcare services division grew 14% to Rs. 44,506 million in FY19 compared to Rs. 39,141 million in FY18.

Revenue of existing hospitals grew 11% while the new hospitals grew by 24%.

EBITDA was at Rs. 10,181 million in FY19 compared to Rs. 8,297 million in FY18. EBITDA was higher by 23% yoy.

Revenues in the Tamil Nadu cluster grew by 12%, IP Volumes grew by 4%. ARPOB grew by 11% to Rs. 44,133. Overall occupancy in the cluster was 1,258 beds (59% occupancy) as compared to 1,247 beds (59% occupancy) in the previous year. IP volumes grew by 1% in Chennai Main and grew 3% in Apollo Cancer Institute.

In AP Telangana region, Revenues grew by 11% while IP volumes grew by 3%. ARPOB grew by 9% to Rs. 33,022. Occupancy in the cluster was 852 beds (63% occupancy) as compared to 836 beds (61% occupancy) in the previous year.

The Karnataka region improved on the growth seen in previous quarters. Malleswaram witnessed an IP volume growth of 17%. Occupancy in the cluster was 531 beds (71% occupancy) as compared to 521 beds in the comparable quarter the previous year.

Revenues of Others Cluster grew by 32% while IP volumes grew by 19%. ARPOB grew by 11% to Rs. 23,948. Occupancy in the cluster was 749 beds (82% occupancy) as compared to 629 beds (72% occupancy) in the comparable quarter the previous year.

Standalone Pharmacies

We added 490 stores and closed 83 stores for a net addition of 407 stores in FY19. The total store network as of March 31, 2019 stands at 3,428 operational stores.

Revenues grew by 19% to Rs. 38,860 million in FY19 from Rs. 32,689 million in FY18. EBITDA grew 37% from Rs. 1,480 million in FY18 to Rs. 2,031 million in FY19. The EBITDA margin was at 5.2% in FY19 compared to 4.5% in FY18. Private label sales are now at 6.6%.

The pre 2012 stores EBITDA growth was at 17% with an EBITDA margin of 7.7%.

Apollo Munich Health Insurance Company Limited

Gross Written Premium grew by 28% to Rs. 21,944 million in FY19 from Rs. 17,174 million in FY18. Earned premium increased by 32% to Rs. 16,729 million in FY19 from Rs.12,643 million in FY18. The incurred claim loss ratio was at 63% in FY19 compared to 62% in FY18. The business reported PAT of Rs. 69 million in FY19 compared to Rs. 152 million in FY18. AUMs stood at Rs. 17,091 million as of March 31, 2019.

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, Dialysis 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. The AHLL network has 765 centers in total as of March 31, 2019.

AHLL Consolidated Revenues grew to Rs. 5,888 million in FY19 compared to Rs. 4,589 million in FY18. The business reported an EBITDA loss of Rs. (599) million in FY19 compared to a loss of Rs. (1,146) million in FY18.

Major Corporate Highlights for Q4FY19

- Apollo Hospitals partnered with Zebra Medical Vision, one of the global leaders in AI Imaging software, Israel to validate and deploy AI based screening tools across India
- AHLL Inaugurated Apollomedics Super Specialty Hospitals in Lucknow. 110 beds amongst the 330 bedded hospital are dedicated exclusively for critical care
- Apollo Hospitals, Chennai launched South India's first fully functional Advanced Centre for various Movement Disorders
- Apollo Gleneagles Hospitals become the first hospital in the Eastern region to introduce Trans Arterial Radio Embolization (TARE), the latest treatment for liver cancers
- The Board of Directors recommended a Final Dividend of Rs. 6 per share for FY19

CLINICAL AND OPERATIONAL HIGHLIGHTS

CLINICAL EXCELLENCE HIGHLIGHTS

- Apollo Hospital Successfully performed a rare complicated surgery to remove a recurrent Bone Eating tumour. Dr.Kosygan, Senior Consultant Orthopaedics Surgeon, and Dr. Kannan Prema Senior Consultant Plastic & Regenerative Surgeon, Apollo Hospitals performed a rare surgery removing a cricket ball sized Desmoplastic Fibroma tumour from a 19 year old male patient's

ankle from Bangladesh. Instead of amputating the leg, the team comprising orthopaedic, vascular and plastic surgeons saved the limb

- Apollo Hospitals Chennai, performed India's first minimally invasive- Robotic Hybrid Revascularisation surgery to treat blocks in two major blood vessels to improve blood flow to the heart. The cutting-edge procedure gave a new lease of life to a 63-year-old female patient from Chennai
- New minimally invasive therapies in cardiovascular disease management. Dr. Sai Satish performed the revolutionary mitral clip procedure for treating the leaking mitral valve in critically-ill, inoperable heart failure patients, implanting it successfully in India's oldest patients
- Apollo Hospitals, Navi Mumbai announced the successful liver transplant surgery of 1-year-old baby from Padra – Vadodara, Gujarat
- Apollo Hospitals, Navi Mumbai established a new benchmark in brain surgery by performing a 3D printed titanium skull implant surgery on a police Sub-inspector whose brain tissue slipped out of his nose after a mishap. This transformational work by Navi Mumbai team in performing Cranioplasty with a 3D implant, a very complex cutting edge procedure has been appreciated by the medical fraternity.

NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS

- The Institute of Colorectal Surgery at Apollo Hospitals in Chennai in collaboration with Cleveland clinic, USA and University College London, UK conducted the 3rd Apollo International Colorectal Symposium 2019" in Chennai between 22nd – 24th of March 2019. The conference served as a platform to unite specialist from around the globe to share their expertise in Colorectal Cancer diagnosis and treatment
- The inauguration of Apollomedics super speciality hospital in Lucknow by Hon'ble President of India Shri Ram Nath Kovind on 24th Feb, 2019
- Apollo Gleneagles Hospitals Kolkata organised a press meet to announce the launch of their Department of Comprehensive Hernia surgery. The department will address treatment of all kinds of hernias from the simple to the extreme, complex ones through the most modern surgical techniques
- HealthNet Global (HNG), a part of the Apollo Hospitals Group, India and Zebra Medical Vision (Zebra-Med), one of the global leaders in AI Imaging software, Israel announced a new collaboration that will focus on validating and deploying AI based tools at scale across India. The final product will assist provide high quality radiology access to remote locations by alerting the presence of critical findings immediately. This will help provide timely, cost-effective, quality care to patients in remote and rural locations.
- Apollo Hospitals, Chennai launched South India's first fully functional Advanced Centre for Movement Disorders. The comprehensive centre offers 360° care with the most advanced forms of medical and surgical treatment and ancillary services to patients afflicted with various movement disorders including Parkinson's diseases.

AWARDS AND ACCOLADES

- The Apollo Hospital Group announced the formal release of a postal stamp on Preventive Healthcare by Shri Banwarilal Purohit, Hon'ble Governor of Tamil Nadu. The commemorative stamp honours and acknowledged the Chairman of Apollo Hospitals; Dr. Prathap C Reddy's pioneering efforts in encouraging preventive healthcare in India. Shri R Anand, Postmaster General, Chennai City, Ms. Preetha Reddy, Vice Chairperson Apollo Hospitals and Ms. Suneeta Reddy, Managing Director, Apollo Hospitals attended the special occasion at the Raj Bhavan, Chennai
- Apollo Hospitals, Navi Mumbai organised an event honouring Dr. Dhanya Dharmapalan's entry in India book of records as "Youngest Editor of Paediatric Books" in March 2019

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 Hospitals in Chennai. Over the years Apollo Hospitals has established itself as home to the largest cardiac practice in India with over 160,000 cardiac surgeries. Apollo Hospitals is also the world's largest private cancer care provider and runs the world's leading solid organ transplant program.

As Asia's largest and most trusted healthcare group, its presence includes 10,167 beds across 70 Hospitals, 3428 Pharmacies, over 200 Primary Care and Diagnostic Clinics, 148 plus Telemedicine Centres and 180 plus Apollo Munich Insurance branches spanning the length and breadth of the Country.

As an integrated healthcare service provider with Health Insurance services, Global Projects Consultancy capability, over 15 medical education centres and a Research Foundation with a focus on global Clinical Trials, epidemiological studies, stem cell & genetic research Apollo Hospitals has been at the forefront of new medical breakthroughs with the most recent investment being that of commissioning the first Proton Therapy Center across Asia, Africa, and Australia in Chennai, India. Every four days, the Apollo Hospitals Group touches a million lives, in its mission to bring healthcare of International standards within reach of every individual.

In a rare honour, 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.

For further details, log onto: www.apollohospitals.com

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