



14th November 2019

Apollo Hospitals posts robust performance in Q2FY20 - 18% growth in Consolidated Revenues; 25% growth in EBITDA; PAT up 36% y-o-y

Successfully completes 100 cases of Proton Therapy, international patients constitute 30% of the total cases

A 35-year old patient from Uzbekistan was able to regain his voice after 15 years, following laser surgery.

Cranioplasty was successfully performed using computer-assisted 3-D printed titanium implant.

Apollo Hospitals Group has launched Apollo ProHealth – a first-of-its-kind predictive, proactive and comprehensive health management program to fight Non Communicable diseases

**H1FY20 Standalone Revenues up 17% at Rs. 4,692.8 crores
EBITDA (Pre-Ind AS 116) at 582.2 crores, higher by 20% yoy
PAT grew 22% yoy to Rs. 170 crores**

**Q2FY20 Standalone Revenues up 18% at Rs. 2,464 crores
EBITDA (Pre IndAS 116) at Rs. 308 crores, higher by 19% yoy
PAT up 15% yoy to Rs. 90.6 crores**

**Healthcare services reported 15% revenue growth in Q2 FY20 aided by
12% growth at Mature Hospitals and 17% growth in new hospitals**

**SAP reported 22% growth in Revenues in Q2 FY20
EBITDA grew by 40%, EBITDA margin at 6.04% in Q2 FY20**

**Net addition of 111 stores in Q2FY20.
Pan-India network now at 3,607 stores**

Q2FY20 Standalone Revenues grew 18% to Rs. 24,636 million compared to Rs. 20,901 million in Q2FY19, aided by Healthcare services growth of 15% YoY and SAP growth of 22%. Healthcare services growth of 15% YoY was led by new hospitals which reported 17% YoY Revenue growth while mature hospitals grew 12% YoY. EBITDA (Pre Ind AS 116) was at Rs. 3,080 million in Q2FY20 as against Rs. 2,578 million in Q2FY19 a YoY growth of 19%. PAT grew by 15% to Rs. 906 million in Q2FY20.

On Healthcare services, Apollo Hospitals has delivered a strong performance in the second 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 decision of continuing to focus on improving asset utilisation, superior margin profile through case mix and quality of revenue, along with optimisation in costs is paying off with the Healthcare Services EBITDA (pre Ind AS116) growing by 15% YoY to Rs. 2,372 million.

Total EBITDA margins have improved to 12.5% in Q2FY20 from 12.3% in Q2FY19. Existing healthcare services EBITDA margins have improved to 22.2%. New hospitals reported EBITDA margins of 8.4% in Q2FY20 as compared to 6.1% in the previous year. SAP reported an EBITDA margin of 6.0 %.

Dr. Prathap C Reddy, Chairman, Apollo Hospitals said, *“We are pleased to report a robust operational performance which continues to reflect the inherent strength of our service model that offers comprehensive care across multiple centers and formats.*

Our team at Apollo Proton Cancer Centre (APCC) to serve and treat over 100 patients from across the globe. It is humbling and a matter of pride that the patients treated include cases of complex cancers of the Brain, Head & Neck, CNS, Breast, Lungs, Oesophagus, Pancreas, Prostate, Paediatric, Chordomas and Chondrosarcomas. With Proton, Apollo Hospitals is being widely recognised as a major global player in Oncology.

We are committed to help the nation fight the tsunami of NCDs, and we believe our focused efforts in Cardiology, Neurosciences, Oncology, Orthopaedics and Critical Care will help us win the fight. We continue to lead in laying down the benchmark for modern medicine in the country. With an aim to move from ‘Cure to Care’ we are glad to launch our ‘ProHealth’ programme that aims at preventive health.”

Major Financial Highlights

Standalone H1FY20 Performance

- Revenues grew by 17% to Rs. 46,928 million compared to Rs. 40,005 million in H1 FY19
- EBITDA (Pre Ind AS116) grew 20% to Rs. 5,822 million v/s Rs. 4,845 million in H1 FY19
- EBITDA (Post Ind AS116) grew 42% to Rs. 6,902 million v/s Rs. 4,845 million in H1 FY19
- PAT rose 22% to Rs. 1,699 million versus Rs. 1,392 million in H1 FY19
- Diluted EPS of Rs.12.21 per share in H1 FY20

Standalone Q2FY20 Performance

- Revenues grew by 18% to Rs. 24,636 million compared to Rs. 20,901 million in Q2FY19
- EBITDA (Pre Ind AS116) grew 19% to Rs. 3,080 million v/s Rs. 2,578 million in Q2FY19
- EBITDA (Post Ind AS116) grew 41% to Rs. 3,644 million v/s Rs. 2,578 million in Q2FY19
- PAT rose 15% to Rs.906 million versus Rs.790 million in Q2FY19
- Diluted EPS of Rs.6.51 per share in Q2FY20 (not annualised)

Consolidated H1FY20 Performance

- Revenues grew by 17% to Rs. 54,126 million compared to Rs. 46,229 million in H1 FY19
- EBITDA (Pre Ind AS116) grew 26% to Rs. 6,341 million v/s Rs. 5,050 million in H1 FY19
- EBITDA (Post Ind AS116) grew 54% to Rs. 7,772 million v/s Rs. 5,050 million in H1 FY19
- PAT rose 47% to Rs. 1,434 million versus Rs. 974 million in H1 FY19
- Diluted EPS of Rs.10.31 per share in H1 FY20

Consolidated Q2FY20 Performance

- Revenues grew by 18% to Rs. 28,407 million compared to Rs. 24,124 million in Q2FY19
- EBITDA (Pre Ind AS116) grew 25% to Rs. 3,395 million v/s Rs. 2,725 million in Q2FY19
- EBITDA (Post Ind AS116) grew 52% to Rs. 4,135 million v/s Rs. 2,725 million in Q2FY19
- PAT rose 36% to Rs.862 million versus Rs.635 million in Q2FY19
- Diluted EPS of Rs.6.20 per share in Q2FY20 (not annualised)

Segment-wise Performance Update

Hospitals

Standalone Revenues of the healthcare services division increased by 15% to Rs. 24,633 million in H1FY20 compared to Rs. 21,447 million in H1FY19.

This growth was primarily driven by volumes. The Revenue of existing hospitals grew 13% while the new hospitals grew by 19% to Rs. 5,366 million. EBITDA was at Rs. 4,527 million in H1FY20 compared to Rs. 3,920 million in H1FY19. EBITDA was higher by 15% yoy.

Revenues in the Tamil Nadu cluster grew by 14%, ARPOB grew by 10% to Rs. 48,676 (including HBP). Overall occupancy in the cluster was 1,255 beds (57% occupancy) as compared to 1,211 beds (57% occupancy) in the previous year.

In AP Telengana region, Revenues grew by 11%. ARPOB grew by 7% to Rs. 34,288. Occupancy in the cluster was 877 beds (65% occupancy) as compared to 852 beds (63% occupancy) in the previous year.

The Karnataka region has witnessed robust growth. Malleswaram has witnessed IP volume growth of 31%. Occupancy in the cluster was 572 beds (74% occupancy) as compared to 519 beds (69% occupancy) in the previous year.

Revenues of Others Cluster grew by 15% while IP volumes grew by 9%. ARPOB grew by 8% to Rs. 25,240. Occupancy in the cluster was 781 beds (82% occupancy) as compared to 734 beds (81% occupancy) in the comparable quarter the previous year.

Standalone Pharmacies

We added 227 stores and closed 48 stores for a net addition of 179 stores in H1 FY20. The total store network as of September 30, 2019 stands at 3,607 operational stores.

Revenues grew by 20% to Rs. 22,295 million in H1FY20 from Rs. 18,558 million in H1FY19. EBITDA grew 40% from Rs. 925 million in H1FY20 to Rs. 1,295 million in H1FY19. The EBITDA margin was at 5.8% in H1FY20 compared to 5.0% in H1FY19. Private label sales are now at 7.9%.

Revenue per store grew 7% for the pre-2012 batch of stores with EBITDA margins at 8.3%.



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 centres known as 'CRADLES', Daycare and short stay surgery centers, Diagnostic centres, Dialysis centres, 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 873 centres in total as of September 30, 2019.

AHLL Consolidated Revenues grew to Rs. 3,437 million in H1FY20 compared to Rs. 2,815 million in H1FY19. The business reported an EBITDA loss of Rs. (22) million in H1FY20 compared to a loss of Rs. (323) million in H1FY19.

CLINICAL AND OPERATIONAL HIGHLIGHTS

CLINICAL EXCELLENCE HIGHLIGHTS

- Indraprastha Apollo Hospitals, Delhi has successfully operated on an infant with complex congenital heart disease who suffered from a heart attack
- Apollo Hospitals, Navi Mumbai successfully performed its first heart transplant on a 33-year-old male patient suffering from recurrent heart failure
- Apollomedics Super Specialty Hospitals, Lucknow successfully treated and saved a 2-day-old baby suffering from Christmas disease
- Apollo Speciality Hospitals, Nellore is the first hospital to perform TAVI in Rayalaseema & the coastal region of Andhra Pradesh
- Apollo Hospitals, Indore is the first hospital in Madhya Pradesh to perform Transcatheter Aortic Valve Replacement (TAVR) on a 69-year-old female patient
- Apollo Children's Hospitals, successfully performed a Redilatable Stent Implantation procedure on a pre-term baby
- Apollo Hospitals, Visakhapatnam redefines the life of a 69-year-old cardiac patient by successfully performing Trans-Catheter Aortic Valve Replacement (TAVR) surgery

NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS

- Apollo Hospitals Group in collaboration with Samsung India Electronics has launched Samsung-Apollo Mobile Clinic to provide access to healthcare in rural areas
- Microsoft partners with Apollo Hospitals to set up National Clinical Coordination Committee for combating Cardiovascular diseases
- Apollo Hospitals Group has launched Apollo ProHealth – a first-of-its-kind predictive, proactive and comprehensive health management program
- Apollo Hospitals Group hosted the Futuring Cardiac Care Summit in Chennai to foster discussions on prevention and eradication of Heart Disease
- Apollo Hospitals Group conducted twin conferences in Hyderabad - the International Patient Safety and Transforming Healthcare with Information Technology



AWARDS AND ACCOLADES

- Apollo Health City, Hyderabad adjudged as Best Medical Tourism Facility by Government of India for the sixth time
- The Week-Hansa Research Survey 2019 has adjudged Apollo Hospitals in Chennai, Delhi, Kolkata and Hyderabad as the best hospitals in their respective cities



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 10,262 beds across 70 Hospitals, 3,607 Pharmacies, over 200 Primary Care and Diagnostic Clinics, 100 plus Telemedicine Centres 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 35 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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