

## Fortis Healthcare reports Q2 FY 22 Financial Results

### Performance in Q2 led by an accelerated business momentum

- Consolidated Revenues for Q2FY22 at INR 1,463 Crs, up 47%
- EBITDA doubles to INR 292 Crs versus INR 146 Crs in Q2FY21
- PAT at INR 131 Crs versus INR 16 Crs in Q2FY21

### Consolidated Financial Snapshot

Particulars (INR Crs)	Q2FY22	Q2FY21	% Change YoY	H1FY22	H1FY21	% Change YoY
Revenue	1,462.5	994.7	47%	2,872.9	1,600.6	79.5%
EBITDA	292.4	145.6	100.8%	575.5	46.7	-
<b>EBITDA margin</b>	<b>20.0%</b>	<b>14.6%</b>	-	<b>20.0%</b>	<b>2.9%</b>	-
<b>Profit Before Tax</b> <i>(Before exceptional item)</i>	<b>181.7</b>	<b>37.4</b>	-	<b>362.0</b>	<b>(171.3)</b>	-
Profit After Tax*	130.6	15.5	-	561.2	(172.4)	-
Profit After Tax after Minority Interest *	106.9	(3.9)	-	370.4	(182.8)	-

\* Includes an exceptional gain of INR 306 Crs in H1 FY22 on 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.

**Gurugram, November 12, 2021:** Fortis Healthcare Ltd. (“Fortis” or the “Company”), amongst India’s leading healthcare delivery companies, today announced its unaudited consolidated financial results for the quarter and half year ended September 30, 2021.

### FINANCIAL HIGHLIGHTS

- Q2FY22 hospital business revenues grew 47.2% YoY to INR 1,098.5 Crs versus INR 746.4 Crs in Q2 FY21. Revenues in Q1FY22 were at INR 1,006.5 Crs.
- Covid revenue contribution to overall hospital revenues declined to 3% versus 21% in Q2 FY21 and 27% in Q1 FY22.
- The hospital business EBITDA was at INR 189.1 Crs versus INR 78.2 Crs in Q2FY21. EBITDA in Q1 FY22 stood at 149.6 Crs. This was primarily as a result of higher procedure volumes witnessed across key specialties.
  - Margins of 17.2% in Q2 FY22 versus 10.5% in Q2 FY21 and 14.9% in Q1 FY22



- Q2 FY22 diagnostics business gross revenues grew 42.6% YoY to INR 402.7 Crs versus INR 282.4 Crs in Q2FY21. Revenues in Q1FY22 were at INR 441.4 Crs.
  - Non-covid revenues grew 65% versus Q2FY21. Covid contribution to overall diagnostics revenues was at 18% versus 28% in Q2FY21 and 26% in Q1FY22.
- The diagnostics business EBITDA was at INR 103.3 Crs versus INR 70.5 Crs in Q2 FY21. EBITDA in Q1 FY22 stood at INR 134.9 Crs.
  - Margins at 25.7% in Q2 FY22 versus 25% in Q2 FY21 and 30.6% in Q1 FY22
- Net debt to EBITDA was at 0.74x for Q2FY22 versus 1.04x for Q4FY21. This was post the acquisition of the balance 50% stake in the DDRC – SRL JV in April 2021, which was funded entirely through internal accruals.
- Net debt was at INR 869 Crs as on September 30, 2021 reflecting a net debt to equity of 0.13x. Net debt stood at INR 849 Crs as on March 31, 2021.

### **HOSPITAL BUSINESS HIGHLIGHTS**

- Overall occupancy for the quarter was at 64% versus 57% in Q2 FY21. Non covid occupancy improved to 62% in Q2FY22 versus 39% in Q1FY22. Non Covid revenue contribution to overall hospital revenues stood at 97% in Q2FY22 vs 73% in Q1FY22.
- Higher complex procedure volumes across key specialties contributed to the highest ever quarterly ARPOB at INR 1.87 Crs. This compares to an ARPOB of INR 1.49 Crs in Q2 FY21 and INR 1.62 Crs in Q1 FY22.
- The Company is progressing speedily to expand and further invest in its medical infrastructure and technologies. State of the art advanced equipment such as MR LINAC, Gamma Knife, Cath Labs, PET CTs and Bone Marrow Transplant Units are in the process of being commissioned in select facilities such as FMRI, Mohali. Mulund, Shalimar Bagh, Noida and Jaipur.
- The clinical talent pool of the Company was further augmented with eminent clinicians in specialties of cardiology, oncology, neurosciences, gastroenterology and orthopedics across key facilities.
- The Company continues to leverage digital and technology enablers to increase its patient footfalls. For the quarter, OPD Footfalls through digital channels more than doubled as compared to Q2FY21 and increased 21% versus Q1FY22.



## **DIAGNOSTIC BUSINESS HIGHLIGHTS**

- SRL has successfully integrated its acquisition of the DDRC- SRL JV, post the acquisition of the balance 50% stake in the said JV in Q1 FY22.
- SRL conducted approx. 11.6 Mn tests in Q2 FY22, a growth of 95% versus Q2 FY21 and 9.1% versus Q1 FY22. However, average revenue per test (ARPT) witnessed a decline largely as a result of the reduction in pricing of covid and covid allied tests.
- The Company added 107 net new collection centers to its network in Q2 FY22 taking the total number of collection centers to 1948.
- Aided by its collection center expansion and the acquisition of the DDRC – SRL JV, SRL's B2C: B2B revenue mix strengthened to 54 : 46 in the quarter (*Q2 FY 21 at 45 : 55*).
- Home collection revenues grew 40% versus Q2FY21.

**Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated,** “The quarter gone by has seen a healthy improvement in our operations led by robust growth in the non-covid business. With operations returning to near normal, we have refocused on our strategic priorities to further strengthen our medical programs in key facilities in Delhi- NCR and Mumbai. We continue to review our portfolio of facilities and our efforts to turnaround underperforming but high potential facilities such as Fortis Escorts (FEHI) are seeing encouraging results. Investments for brownfield expansion should augment our existing operational bed capacity of close to 3900 beds by another approx. 250-300 beds in FY22. In addition, leveraging Information Technology via mediums such as the myFortis app, upgrading ERP systems, utilizing advanced business intelligence tools and digitization of medical processes would ensure a seamless experience for all our patients. The diagnostics business performance has been aided by its network expansion strategy coupled with the successful integration of the DDRC acquisition. With a strong Balance Sheet we remain well positioned to evaluate opportunities of growth and consolidation for value enhancement of all stakeholders.”

**Commenting on the results for the quarter, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated,** “We are quite pleased with our performance in Q2 having witnessed a healthy business momentum with operations returning rapidly to normal. Our occupancy in the hospital business is similar to Q1 at approx. 64%, but what is noteworthy is the improvement in the quality of revenues with a robust uptick seen in high end procedures across key medical specialties. This has led to the highest ever ARPOB for the hospital business at INR 1.87 Crs, a growth of 26% over Q2 FY21 and 15% over Q1 FY22. The diagnostics business continues its upward trajectory with non-covid revenues increasing 65%. Our efforts are now towards strengthening our medical talent and to that effect we have onboarded reputed clinicians in oncology, cardiac and neurosciences specialties across major facilities. We also continue to expand and upgrade our medical infrastructure and programs with state-of-the-art medical equipment's such as MR LINAC, Gamma



Knife, PET CTs, Cath Labs and Bone Marrow Transplant units in select facilities. These along with our ongoing bed expansion should augur well for us and drive future growth. All in all, as Covid has abated significantly and the probability of an impactful third wave seems lower, business is expected to progressively strengthen”.

### **About Fortis Healthcare Limited**

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates 27 healthcare facilities (including JVs and O&M facilities). The Company’s network comprises approximately 4,100 operational beds and 419 diagnostics centres.

### **DISCLAIMER**

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