



Q1 FY 2020 Earnings Update

SAFE HARBOUR

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements” based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and in their opinion reasonable, including those relating to the Company’s general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Numbers mentioned in this Presentation in respect of information provided on hospital operating parameters and other operating metrics have been compiled by the management and are being provided only by way of

additional information. These are not to be construed as being provided under any legal or regulatory requirements. The accuracy of these numbers have neither been vetted nor approved by the Audit Committee and the Board of Directors of Apollo Hospitals Enterprise Limited (AHEL), nor have they been vetted or reviewed by the Auditors, and therefore may differ from the actual.

Important risk factors and uncertainties could make a material difference to the Company’s operations. These risks include but are not limited to, the risk factors described in AHEL’s prospectus, annual reports and other periodic filings made by the company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. This presentation may not be copied or disseminated in any manner.

The Company on a quarterly basis adopts and publishes Standalone & Consolidated financial results as per the stock exchange listing agreement requirements.

Previous year figures have been reworked/regrouped /rearranged and reclassified wherever necessary to conform to the requirement of revised Schedule VI format



HIGHLIGHTS

Financial Performance

- Q1 FY20 Consolidated Revenues of ₹ 25,719 mio (up 16% yoy)
- Q1 FY20 Consolidated EBITDA (Pre Ind AS 116) of ₹ 2,945 mio (up 27% yoy)
 - New Hospitals (excluding Proton) reported an EBITDA of ₹ 213 mio in Q1FY20 as compared to an EBITDA ₹ 108 mio in Q1FY19.
 - AHLL reported an EBITDA loss of ₹ (47) mio in Q1FY20 as compared to EBITDA loss of ₹ (191) mio in Q1FY19.
- Q1 FY20 Consolidated EBITDA margin at 11.4% as compared to 10.5% in Q1FY19.
 - Consolidated Healthcare services EBITDA Margin at 17.8% in Q1FY20.
 - SAP EBITDA margin at 5.6% in Q1FY20.
- Consolidated PAT of ₹ 572 mio in Q1FY20 (up 69% yoy)
 - Includes AHLL PAT loss of ₹ 154 mio
 - Includes Apollo Munich PAT loss of ₹ 107 mio
 - Operating lease expense of ₹ 177 mio impacting reported profits to the extent of ₹ 177 mio

Key Operational Highlights

- Tamilnadu region revenues grew by 14% in Q1FY20 to ₹ 5,360 mio.
- AP, Telangana Region revenues grew by 12% in Q1FY20 to ₹ 2,613 mio.
- Karnataka Region revenue grew by 14% in Q1FY20 to ₹ 1,767 mio.
- New Hospitals revenues grew by 20% in Q1FY20 to ₹ 2,552.
- Overall Inpatient volume across the Group grew by 6% and ARPOB registered a healthy growth of 10.1%.
- Mature hospitals EBITDA margins at 22.1% and New hospitals EBITDA margins at 8.4%.
- Stand Alone Pharmacies (SAP) reported Revenues of ₹ 10,568 mio, growth of 18%.
SAP EBITDA at ₹ 587 mio (5.6% margin) in Q1FY20; SAP ROCE of 23.8%
- Apollo Munich achieved a Gross Written Premium of ₹ 4,866 mio in Q1 FY20 against ₹ 3,490 mio achieved during the same period in the previous year representing a growth of 39%.

Capacity

- 70 hospitals with total bed capacity of 10,167 beds as on June 30, 2019
 - 44 owned hospitals including JVs/ Subsidiaries and Associates with 8,683 beds
 - 11 Day care/ short surgical stay centres with 267 beds and 10 Cradles with 283 beds
 - 5 Managed hospitals with 934 beds.
- Of the 8,683 owned hospital beds capacity, 7,348 beds were operational and had an occupancy of 66% in Q1FY19.
- The total number of pharmacies as on June 30, 2019 was 3,496. Gross additions of 97 stores with 29 stores closure thereby adding 68 stores on a net basis in Q1FY20.

Medical Initiatives Accomplishments

- Apollo Proton Cancer Centre, Chennai performed India's First Total Marrow Irradiation Procedure on a 35-year-old Nurse from Oman who was battling for life with Chronic Myeloid Leukaemia (CML) in blast crisis.
- South-Asia's first digital PET/CT scanner was introduced at Apollo Hospitals, Chennai to help address cancer progression with personalized medicine along with Siemens Healthineers
- Apollo Hospitals Navi Mumbai successfully performed TAVR (Trans catheter Aortic Valve Replacement) on a 78-year old man who could not undergo open heart valve replacement surgery.
- Apollo Gleneagles reached milestone of 1000+ successful minimally invasive cardiac surgeries.
- A Trans femoral Pulmonary Valve Implantation with an Indian made valve was performed for the first time in India.

Other Key Developments

- Internationally renowned Radiation Oncologist, Prof. Dr. Dattatreyyudu Nori appointed as International Director, Apollo Cancer Centres.
- Internationally Renowned Oncologist, Dr. Anil K. D'Cruz joined Apollo Hospitals Navi Mumbai as Director, Oncology.
- Enters into agreement with HDFC to divest the entire 50.8% shareholding of Apollo Group in Apollo Munich Health Insurance Company Ltd., including 10% held by Apollo Hospitals Enterprise Ltd.
- Apollo Hospitals Group wins' multiple accolades for Excellence at 4th International Summit on Medical Value Travel.

IND AS 116 IMPACT ANALYSIS

Overview on new lease accounting standard IND AS 116

- New lease standard is effective 1st April 2019.
- Accounting shifts from operating lease (off balance sheet) to finance lease model (on balance sheet)
- PV of future rentals are recognised as “Right of Use” (“RoU”) asset & its corresponding “Lease liability”
- **Calculation of assets & liabilities:**
 - Lease liability is measured at present value of minimum lease payments to be made over lease terms.
 - Right of Use (ROU) is initially measured at amount of lease liability, adjusted for lease pre payments if any.
 - ROU is depreciated over lease term on straight line basis.
 - Interest is added, actual payments are reduced from lease liabilities.
- **Impact on profit & loss statement:**
 - Operating lease expense (fixed part) will be replaced by depreciation & interest cost, impacting reported EBITDA, EBIT, PBT and PAT.
- **No impact on cash flows or business economics or credit profile of company**
- **Transition provision** – “Modified retrospective Approach” is being adopted, where net difference between RoU and lease liability is adjusted from opening Equity as on April 01, 2019

Hospitals & Pharmacies – Typical lease rental structures

HOSPITALS

Particulars	Details
Tenure	25-30 years, primary lease period, with extension for another term.
Lock-in-period	5-12 years for AHEL; For developer/ lessor: Entire lease period
Escalation	12%-15% in a block of 3 years
Exit option	Uni-directional exit option for AHEL post lock-in period provides advantage of long term earnings visibility with flexibility and ability to exit the property in case of underperformance without any material financial obligation towards the developer/ lessor

Given the long tenure of hospital leases, a very high Depreciation & Interest expense will be recognised in the early years, whereas the actual lease rental payment will be lower.

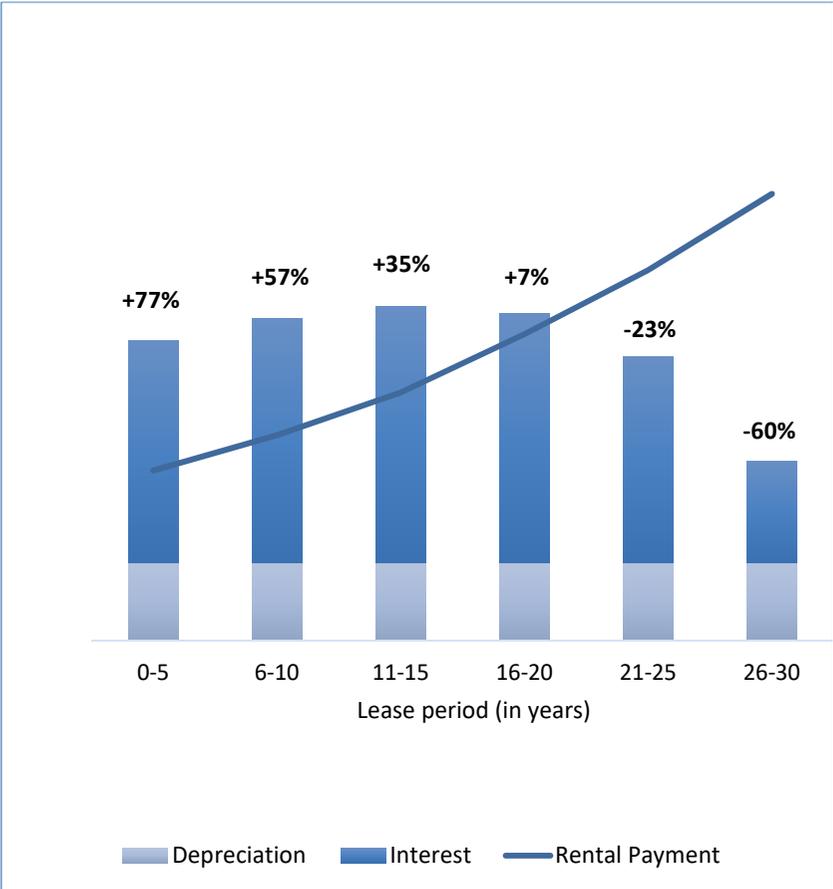
PHARMACIES

Particulars	Details
Tenure	9-12 years, mutually agreeable extension.
Lock-in-period	No lock in period
Escalation	15% in a block of 3 years
Exit option	Post notice period

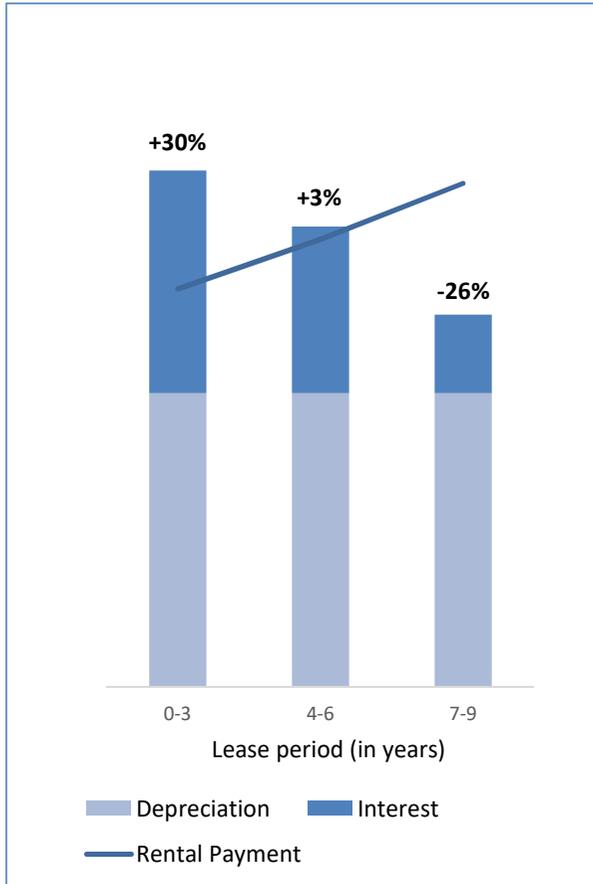
Given that all pharmacies are on operating leases and we typically enter into ~ 350 stores every year, there will always be a new batch of stores with higher depreciation and interest expense resulting again in an overall higher charge to the P&L compared to actual lease payments.

Impact on P&L over lease period

HOSPITALS



PHARMACIES



Impact on P&L and Balance Sheet – Q1 FY20

(₹ mio)

AHEL Standalone (post IND AS 116)

Balance sheet

Right of use Asset as of Jun 30, 2019	11,990
Lease liabilities as of Jun 30, 2019	14,251
Equity (Transaction impact as on Apr 01, 2019 - Net of Tax)	2,417

Profit & Loss

Revenue	-
Other expenses (Lease rent)	516
EBITDA	516
Amortisation	347
EBIT	169
Finance charge	302
PBT	133

AHEL Consolidated (post IND AS 116)

Balance sheet

Right of use Asset as of Jun 30, 2019	15,743
Lease liabilities as of Jun 30, 2019	19,040
Equity (Transaction impact as on Apr 01, 2019 - Net of Tax)	3,052

Profit & Loss

Revenue	-
Other expenses (Lease rent)	691
EBITDA	691
Amortisation	461
EBIT	230
Finance charge	407
PBT	177

Note: Accounting increase in Assets & Liabilities in the Balance sheet (due to Right of Use Asset) optically suppresses the ROCE and increases the leverage ratios. No real impact in actual business ROCE.

STANDALONE FINANCIAL PERFORMANCE

Standalone Financial Performance – Total

(₹ mio)

1 of 3

	Q1 FY 19	Q1 FY 20	yoy (%)
Revenue	19,104	22,292	16.7%
Operative Expenses	10,092	11,631	15.2%
Employee Expenses	2,959	3,528	19.3%
Administrative & Other Expenses	3,787	3,875	2.3%
Total Expenses	16,837	19,034	13.0%
EBITDA (Pre Ind AS 116)	2,267	2,742	21.0%
<i>margin (%)</i>	<i>11.9%</i>	<i>12.3%</i>	<i>43 bps</i>
EBITDA (Post Ind AS 116)	2,267	3,258	43.7%
<i>margin (%)</i>	<i>11.9%</i>	<i>14.6%</i>	<i>275 bps</i>
Depreciation	724	1,098	51.7%
EBIT	1,543	2,160	40.0%
<i>margin (%)</i>	<i>8.1%</i>	<i>9.7%</i>	<i>162 bps</i>
Financial Expenses	621	999	61.0%
Other Income	21	47	131.4%
Profit Before Tax	942	1,208	28.2%
Profit After Tax	602	793	31.9%
<i>margin (%)</i>	<i>3.1%</i>	<i>3.6%</i>	<i>41 bps</i>

Total Debt		32,184	
Cash & Cash equivalents (includes investment in liquid funds)		2,873	
Net Debt		29,311	

Key Highlights

- Q1FY20 Revenues of ₹ 22,292 mio, 16.7% yoy growth
- Q1FY20 EBITDA (Pre Ind AS 116) at ₹ 2,742 mio, 21.0% yoy growth
- Q1FY20 EBITDA (Post Ind AS 116) at ₹ 3,258 mio, 43.7% yoy growth
- Q1FY20 EBIT at ₹ 2,160 mio, 40.0% yoy growth
- Q1FY20 PAT at ₹ 793 mio, 31.9% yoy growth

Balance CAPEX to be incurred:

- Proton Therapy Centre, 150 beds: ~ 170 crs (Q2FY20)

Previous year figures have been reworked/regrouped/rearranged and reclassified wherever necessary to conform to the requirement of revised Schedule VI format

Standalone Financial Performance – Mature & New Breakup

(₹ mio)

2 of 3

		Healthcare Services (Mature)	New Hospitals	Proton	Healthcare Services (Total)	SAP	Standalone
Q1 FY 20	Hospitals	22	10		32		
	Operating beds	3,348	1,449		4,797		
	Occupancy	65%	58%		63%		
	Revenue	9,165	2,552	8	11,724	10,568	22,292
	EBITDA (Pre Ind AS 116)	2,023	213	-81	2,155	587	2,742
	margin (%)	22.1%	8.4%		18.4%	5.6%	12.3%
	EBITDA (Post Ind AS)	2,117	275	-78	2,315	944	3,258
	margin (%)	23.1%	10.8%		19.7%	8.9%	14.6%
	EBIT	1,662	16	-102	1,576	584	2,160
margin (%)	18.1%	0.6%		13.4%	5.5%	9.7%	
Q1 FY 19	Hospitals	22	10		32		
	Operating beds	3,345	1,332		4,677		
	Occupancy	65%	57%		63%		
	Revenue	8,064	2,120	0	10,183	8,921	19,104
	EBITDA (Pre Ind AS 116)	1,742	108	0	1,849	417	2,267
	margin (%)	21.6%	5.1%		18.2%	4.7%	11.9%
	EBIT	1,344	-134	0	1,210	333	1,543
	margin (%)	16.7%			11.9%	3.7%	8.1%
YOY Growth							
Revenue Growth		13.7%	20.4%		15.1%	18.5%	16.7%
EBITDA Growth		16.1%			16.5%	40.5%	21.0%
EBIT Growth		23.6%			30.3%	75.5%	40.0%

Key Highlights

- Health Care Services revenue growth at 15.1% from ₹ 10,183 mio in Q1FY19 to ₹ 11,724 mio in Q1FY20
- New Hospitals revenues grew 20.4% from ₹ 2,120 mio in Q1FY19 to ₹ 2,552 mio in Q1FY20
- SAP EBITDA of ₹ 587 mio (5.6% margin) in Q1FY20 as compared to ₹ 417 mio (4.7% margin) in Q1FY19

Standalone Financial Performance – Segment Reporting

(₹ mio)

3 of 3

	Q1 FY 19	Q1 FY 20	yoy (%)
Revenues from each segment			
Healthcare Services*	10,186	11,726	15.1%
Stand-alone Pharmacy	8,921	10,568	18.5%
Total	19,106	22,294	16.7%
Less: Intersegmental Revenue	2	2	
Net Revenues	19,104	22,292	16.7%
Profit before Tax & Interest (EBIT)			
Healthcare Services*	1,210	1,494	23.5%
Stand-alone Pharmacy	333	496	49.1%
Total EBIT	1,543	1,991	29.1%
Profit before Tax & Interest (EBIT) margins			
Healthcare Services*	11.9%	12.7%	87 bps
Stand-alone Pharmacy	3.7%	4.7%	96 bps
Total EBIT margin	8.1%	8.9%	86 bps
		Capital employed	ROCE
Healthcare services – Mature (1)		27,756	23.1%
Standalone Pharmacy		8,331	23.8%
Healthcare services – New		20,700	
Capital employed		56,787	

Key Highlights

- Q1FY20 Healthcare services Revenues at ₹ 11,726 mio, growth of 15.1%
- Q1FY20 Standalone pharmacies Revenues at ₹ 10,568 mio, growth of 18.5%.

* Healthcare Services consists of Hospitals, Hospital Based Pharmacies and Consulting

(1) Capital employed for the calculation of ROCE does not include Capital Work in progress of new hospitals of ₹ 8,158 mio and ₹ 11,356 mio for Investment in Subs, Associates and Mutual funds as at Jun 19. The Capital employed as per segment reporting does not include Investments in Subs & JVs as the results of these companies don't form part of Standalone financials.

CONSOLIDATED FINANCIAL PERFORMANCE

	Q1 FY 19	Q1 FY 20	yoy (%)
Total Revenues	22,105	25,719	16.4%
EBITDA (Pre Ind AS 116)	2,324	2,945	26.7%
<i>margin (%)</i>	10.5%	11.4%	93 bps
EBITDA (Post Ind AS 116)	2,324	3,637	56.5%
<i>margin (%)</i>	10.5%	14.1%	363 bps
EBIT	1,405	2,252	60.3%
<i>margin (%)</i>	6.4%	8.8%	240 bps
Profit After Tax	339	572	68.7%

Total Debt		36,927	
Cash & Cash equivalents (includes investment in liquid funds)		4,361	
Net Debt		32,566	

Key Highlights

- Revenue growth of 16.4% from ₹ 22,105 mio in Q1FY19 to ₹ 25,719 mio in Q1FY20
- Q1FY20 Consolidated EBITDA grew by 26.7% to ₹ 2,945 mio
- Q1FY20 Consolidated PAT grew by 68.7% to ₹ 572 mio
- AHLL PAT loss of ₹ 154 mio in Q1FY20 vs PAT loss of ₹ 251 mio in Q1FY19

Q1FY20 Consolidated PAT lower due to :

- Apollo Munich Q1FY20 PAT loss of Rs 107 mn as compared to loss of Rs 55 mn in Q1FY19 & profit of 111 mn in Q4FY19 – primarily due to high business development expenses in Q1
- IND-AS 116 impact of Rs 177 mn in consolidated results

Consolidated Financial Performance – Mature & New Breakup – Total

(₹ mio)

2 of 2

		Healthcare Serv Group (Mature)	Healthcare Serv Group (New & Others)	Proton	Healthcare Serv Group (Total)	SAP	AHLL	Consol
Q1 FY 20	Hospitals	31	13		44			
	Operating beds	5,474	1,874	0	7,348			
	Occupancy	68%	61%		66%			
	Revenue	10,320	3,201	8	13,528	10,568	1,622	25,719
	EBITDA (Pre Ind AS 116)	2239	248	-81	2,406	587	-47	2,945
	margin (%)	22.7%	9.8%		19.1%	8.9%		14.1%
	EBITDA (Post Ind AS 116)	2,346	315	-78	2,583	944	110	3,637
	margin (%)	17.5%	1.3%		12.9%	5.5%		8.8%
	EBIT	1,807	40	-102	1,746	584	-77	2,252
margin (%)	17.5%			12.9%	5.5%		8.8%	
Q1 FY 19	Hospitals	31	12		43			
	Operating beds	5,448	1,645		7,093			
	Occupancy	67%	62%		65%			
	Revenue	9,162	2,699		11,862	8,921	1,322	22,105
	EBITDA	1,943	155		2,099	417	-191	2,324
	margin (%)	21.2%	5.7%		17.7%	4.7%		10.5%
	EBIT	1,479	-102		1,378	333	-306	1,405
	margin (%)	16.1%			11.6%	3.7%		6.4%
YOY Growth								
Revenue Growth		12.6%	18.6%		14.0%	18.5%	22.7%	16.4%
EBITDA Growth		15.2%			14.6%	40.5%		26.7%
EBIT Growth		22.2%			26.7%	75.5%		60.3%

Key Highlights

AHLL – Cradle & Clinics reported an EBITDA loss of ₹ 47 mio as compared to loss of ₹ 191 mio in Q1FY19

OPERATIONAL PERFORMANCE HOSPITALS

Operational Performance – Hospitals (1/2)

(₹ mio)

Particulars	Total ⁽⁸⁾			Tamilnadu Region (Chennai & others) ⁽¹⁾			AP, Telangana Region (Hyderabad & others) ⁽²⁾		
	Q1 FY 19	Q1 FY 20	yoy (%)	Q1 FY 19	Q1 FY 20	yoy (%)	Q1 FY 19	Q1 FY 20	yoy (%)
No. of Operating beds	7,093	7,348		2,120	2,161		1,344	1,344	
Inpatient volume	1,07,654	1,14,043	5.9%	30,244	31,518	4.2%	18,556	18,642	0.5%
Outpatient volume ⁽⁶⁾	3,70,926	3,97,220	7.1%	1,29,791	1,30,996	0.9%	59,762	59,585	-0.3%
Inpatient ALOS (days)	3.92	3.87		3.58	3.48		3.97	3.96	
Bed Occupancy Rate (%)	65%	66%		56%	56%		60%	60%	
Inpatient revenue (₹ mio)	NA	NA		3,466	3,978	14.8%	1,946	2,182	12.1%
Outpatient revenue (₹ mio)	NA	NA		1,226	1,382	12.7%	390	431	10.4%
ARPOB (₹ /day) ⁽⁷⁾	33,760	37,167	10.1%	43,391	48,833	12.5%	31,705	35,401	11.7%
Total Net Revenue (₹ mio) ⁽⁷⁾	NA	NA		4,692	5,360	14.2%	2,336	2,613	11.8%

Notes:

(1) Tamilnadu region includes Chennai hospitals, Madurai, Karur, Karaikudi, Trichy & Nellore.

(2) AP, Telangana Region includes Hyderabad, Karimnagar, Vizag old, Vizag new & Kakinada.

(3) Karnataka region includes Bangalore, Mysore, Jayanagar & Malleswaram.

(4) Others include Bhubaneswar, Bilaspur, Nashik & Navi Mumbai.

(5) Significant Hospital JVs/Subs/Associates are – Ahmedabad, Kolkata, Delhi, Indore, Assam & Lucknow (full revenues shown in table above).

(6) Outpatient volume represents New Registrations only.

(7) Revenues under Ind AS have been grossed up for Fixed fee Doctors & considered separately as operating cost. This was earlier being netted off from Revenues under Indian GAAP.

(8) Revenues under the head “Total” have not been provided as Consolidated actual results will differ from total due to proportionate consolidation.

* Inpatient volumes are based on discharges.

Operational Performance – Hospitals (2/2)

(₹ mio)

Particulars	Karnataka Region (Bangalore & others) ⁽³⁾			Others ⁽⁴⁾			Significant Subs/JVs/associates ⁽⁵⁾		
	Q1 FY 19	Q1 FY 20	yoy (%)	Q1 FY 19	Q1 FY 20	yoy (%)	Q1 FY 19	Q1 FY 20	yoy (%)
No. of Operating beds	706	770		872	910		2,051	2,163	
Inpatient volume	12,557	13,826	10.1%	15,299	16,238	6.1%	30,998	33,819	9.1%
Outpatient volume ⁽⁶⁾	34,389	41,212	19.8%	34,124	34,378	0.7%	1,12,860	1,31,049	16.1%
Inpatient ALOS (days)	3.70	3.58		4.02	4.10		4.27	4.19	
Bed Occupancy Rate (%)	72%	71%		77%	80%		71%	72%	
Inpatient revenue (₹ mio)	1,306	1,496	14.5%	1,228	1,420	15.7%	3,390	3,938	16.2%
Outpatient revenue (₹ mio)	238	272	13.9%	225	266	18.4%	790	925	17.0%
ARPOB (₹ /day) ⁽⁷⁾	33,208	35,730	7.6%	23,640	25,311	7.1%	31,616	34,353	8.7%
Total Net Revenue (₹ mio) ⁽⁷⁾	1,545	1,767	14.4%	1,453	1,687	16.1%	4,181	4,863	16.3%

OPERATIONAL PERFORMANCE STANDALONE PHARMACY

Operational Performance – Standalone Pharmacy

(₹ mio)

Batch	Particulars	Q1 FY 19	Q1 FY 20	yoy (%)
Upto FY 12 Batch	No of Stores	1131	1100	
	Revenue/store	3.73	3.96	6.3%
	EBITDA /store	0.27	0.33	20.8%
	EBITDA Margin %	7.3%	8.3%	99 bps
FY 13 to FY 15 Batch	No of Stores	620	608	
	Revenue/store	3.19	3.42	7.0%
	EBITDA /store	0.19	0.24	25.6%
	EBITDA Margin %	5.9%	6.9%	102 bps
Total	No. of Store	3,085	3,496	
	Revenue / Store	2.89	3.02	4.5%
	EBITDA / Store	0.14	0.17	24.0%
	EBITDA Margin %	4.7%	5.5%	87 bps
	Total Revenues	8,921	10,568	18.5%
	EBITDA	417	587	40.5%
	EBITDA Margin %	4.7%	5.6%	87 bps
Capex (Rs Mio)		228	125	
Capital Employed (Rs Mio)		8,632	8,331	
Total ROCE %		15.4%	23.8%	840 bps
Total No. of Employees		20,506	23,075	

Key Highlights

- Q1FY20 Revenues at ₹ 10,568 mio, growth of 18.5%
- EBITDA of ₹ 587 mio in Q1FY20 as compared to ₹ 417 mio in Q1FY19, growth of 40.5%
- EBITDA margins of 5.6% in Q1FY20
- ROCE in Q1FY20 at 23.8% as compared to 15.4% in Q1FY19
- Gross addition of 97 stores and closed 27 stores in Q1FY20. Net addition of 68 stores.
No. of stores as on 30th June 2019 is 3,496.

UPDATE ON
APOLLO HEALTH & LIFESTYLE, GLENEAGLES KOLKATA & APOLLO MUNICH

Update on AHLL

(₹ mio)

	Clinics	Diagnostics	Sugar	Dental	Dialysis	Cradles (IP)	Spectra (IP)
Network	104	567	27	66	28	12	12
Footfalls/Day*	2020	4459	556	162	460	42	82
Gross ARPP (Rs.)*	1744	545	2244	6964	1375	79381	77780



		Diagnostics	Primary Care	Specialty Care	Corporate	Intra Group	AHLL (Consol)
Gross Revenue	Q1 FY20	267	531	939	0	-115	1,622
	Q1 FY19	188	445	779	0	-90	1,322
	Q1 vs Q1	42%	19%	20%			23%
Net Revenue	Q1 FY20	245	386	622	0	-104	1,149
	Q1 FY19	173	311	487	0	-85	887
	Q1 vs Q1	42%	24%	28%			30%
EBITDA (Pre Ind AS 116)	Q1 FY20	-3	18	-2	-61	1	-47
	Q1 FY19	-35	-23	-92	-43	1	-191
	Q1 vs Q1						75%
EBITDA (Post Ind AS 116)	Q1 FY20	10	60	101	-61	1	110
	Q1 FY19	-35	-23	-92	-43	1	-191
	Q1 vs Q1						158%
EBIT	Q1 FY20	-85	82	-37	-36	-1	-77
	Q1 FY19	-103	10	-172	-38	-3	-306
	Q1 vs Q1						
PAT	Q1 FY20	-16	-21	-137	-46	0	-219
	Q1 FY19	-43	-53	-210	-52	0	-357
	Q1 vs Q1						39%

Key Highlights

- Gross Revenue growth of 23%, primarily driven by 42% growth in Diagnostics and 20% growth in Specialty care.
- AHLL reported an EBITDA loss of ₹ 47 mio as compared to loss of ₹ 191 mio in Q1FY19

* Footfalls and ARPP for diagnostics represent external business and for Cradle and Spectra it represents Inpatient volumes.

Primary care includes Clinics, Sugar, Dental and Dialysis segments. Specialty care includes Cradles and Spectra

Update on Gleneagles Kolkata & Apollo Munich

(₹ mio)

Apollo Gleneagles Kolkata			
Particulars	Q1 FY 19	Q1 FY 20	yoy (%)
Revenue	1,003	1,143	14.0%
EBITDA	94	156	66.2%
<i>margin (%)</i>	<i>9.4%</i>	<i>13.7%</i>	<i>430 bps</i>
Profit after Tax	1	53	
<i>margin (%)</i>	<i>0.1%</i>	<i>4.6%</i>	
No. of Operating beds	700	700	
Bed Occupancy Rate (%)	71%	79%	
ARPOB (₹ /day)	28,292	29,638	

Apollo Munich Health Insurance Co Ltd			
Particulars	Q1 FY 19	Q1 FY 20	yoy (%)
Total Income	2,676	3,600	34.5%
EBITDA	-503	-973	
<i>margin (%)</i>	<i>-18.8%</i>	<i>-27.0%</i>	
Profit after Tax	-550	-1075	
<i>margin (%)</i>	<i>-20.5%</i>	<i>-29.9%</i>	

Key Highlights

- Apollo Gleneagles Kolkata reported Revenue of ₹ 1,143 mio in Q1FY20, 14.0% growth
- EBITDA of ₹ 156 mio in Q1FY20 as compared to ₹ 94 mio in Q1FY19
- PAT at ₹ 53 mio in Q1FY20 as compared to ₹ 1 mio in Q1FY19
- During Q1FY20, the company achieved a Gross Written Premium (GWP) of ₹ 4,866 mio against a GWP of ₹ 3,490 mio in Q1FY19
- EBITDA loss of ₹ 973 mio in Q1FY20
- PAT of ₹ 1,075 mio in Q1FY20
- The incurred claim loss ratio was at 92% in Q1FY20
- The Assets under Management stood at ₹ 16,050 mio as on June 30, 2019
- The Company now has 192 offices across the country

Previous year figures have been reworked/regrouped/rearranged and reclassified wherever necessary to conform to the requirement of revised Schedule VI format



Appendix: Basis of Consolidation

AHEL Standalone	Location	Description	AHEL Ownership
Chennai Main	Chennai	Hospital	100.0%
ACI - Chennai	Chennai	Hospital	
Tondiarpet - Chennai	Chennai	Hospital	
FirstMed - Chennai	Chennai	Hospital	
Apollo Children's Hospital	Chennai	Hospital	
Apollo Specialty, Vanagaram	Chennai	Hospital	
Women & Child, OMR	Chennai	Hospital	
ASH Perungudi	Chennai	Hospital	
Women & Child, Shafee Mohammed Road	Chennai	Hospital	
Madurai	Madurai	Hospital	
Karur	Karur	Hospital	
Karaikudi	Karaikudi	Hospital	
Trichy	Trichy	Hospital	
Nellore	Nellore	Hospital	
Hyderabad	Hyderabad	Hospital	
Bilaspur	Bilaspur	Hospital	
Mysore	Mysore	Hospital	
Vizag	Vizag	Hospital	
Karim Nagar	Karim Nagar	Hospital	
Bhubaneswar	Bhubaneswar	Hospital	
Jayanagar	Bangalore	Hospital	
Nashik	Nashik	Hospital	
Vizag New	Vizag	Hospital	
Malleswaram	Bangalore	Hospital	
Navi Mumbai	Mumbai	Hospital	

Subsidiaries	Location	Description	AHEL Ownership
Samudra Healthcare Enterprises Ltd.	Kakinada	Hospital	100.00%
Apollo Hospitals (UK) Ltd	UK	Hospital	100.00%
Imperial Hospital and Research Centre Ltd.	Bangalore	Hospital	90.00%
Pinakini Hospitals Ltd.	Nellore	Hospital	79.44%
Apollo Home Health care India Ltd	Chennai	Paramedical Services	100.00%
Apollo Health and Lifestyle Ltd.	Hyderabad	Apollo Clinics	70.25%
AB Medical Centres Limited	Chennai	Infrastructure	100.00%
Western Hospitals Corporation Pvt Ltd	Belapur	Hospital	100.00%
Sapien Biosciences Pvt Ltd	Hyderabad	Biobanking tissues	70.00%
Apollo Rajshree Hospital	Indore	Hospital	54.63%
Apollo Lavasa Health Corporation Ltd	Maharashtra	Hospital	51.00%
Apollo Home Health care Ltd	Hyderabad	Paramedical Services	63.58%
Total Health			100.00%
Apollo Healthcare Technology Solutions Ltd	Chennai	Hospital	40.00%
Assam Hospitals Ltd	Assam	Hospital	63.03%
Apollo Hospitals International Ltd.	Ahmedabad	Hospital	50.00%
Apollo Hospitals Singapore.PTE Limited			100.00%
Future Parking Pvt Ltd	Chennai	Infrastructure	100.00%
Apollo Medicals Pvt Ltd	Chennai	Pharmaceutical	100.00%
Associates	Location	Description	
Indraprastha Medical Corporation Ltd.	Delhi, Noida	Hospital	22.03%
Apollo Gleneagles Hospitals Ltd.	Kolkata	Hospital	50.00%
Apollo Gleneagles PET-CT Pvt. Ltd.	Hyderabad	Hospital	50.00%
Family Health Plan Ltd.		TPA, Health Insurance	49.00%
ApoKos Rehab Pvt Ltd	Hyderabad	Rehab Centre	50.00%
Stemcyte India Therapeutics Pvt Ltd	Ahmedabad	Stemcell Banking	24.50%
Apollo Munich Health Insurance Company Ltd		Health Insurance	9.96%
Apollo Medics	Lucknow	Hospital	50.00%

Hospitals – Understanding Key Operating Metrics

	Description	Formula / Calculation	Key Driver
Operating Beds	<ul style="list-style-type: none"> Number of operating beds 		<ul style="list-style-type: none"> Project execution Capital Expenditure
Occupancy	<ul style="list-style-type: none"> In-patient Bed Days 	<ul style="list-style-type: none"> In-patient Bed Days Billed 	<ul style="list-style-type: none"> Brand Doctor reputation Quality of outcomes Competition
ALOS	<ul style="list-style-type: none"> Average Length of Stay per In-patient 	<ul style="list-style-type: none"> In-Patient Bed Days / In-Patient Admissions 	<ul style="list-style-type: none"> Case-Mix / Type of procedures Leverage technology and quality of clinical care to shorten stay
ARPOB / day	<ul style="list-style-type: none"> Average Revenue Per Occupied Bed Day 	<ul style="list-style-type: none"> (IP Revenue* + OP Revenue + Hospital Based Pharmacy Revenue) / IP Bed Days 	<ul style="list-style-type: none"> Case-Mix / Type of procedures Better utilization of operational theatres, medical equipment Pricing
Contribution	<ul style="list-style-type: none"> Contribution 	<ul style="list-style-type: none"> Revenue – Variable costs 	<ul style="list-style-type: none"> Purchasing efficiency Operating efficiency

* Apollo does not include fees paid to fee-for-service consultants in its IP Revenue

THANK YOU