

11th August, 2022

Apollo Hospitals reports Q1 FY23 Earnings

Completed the acquisition of a hospital asset in Gurugram for a consideration of around Rs 450 crore. The asset has a potential for 650 beds over 700,000 square feet and will be commissioned in 24 months. The acquisition marks the entry of Apollo in the state of Haryana with the promise of a world-class hospital to serve both local and international patients.

Tied up with Imperial hospitals Bangladesh to manage their 375-bed hospital in Chittagong, Bangladesh. Apollo has a very strong brand equity in Bangladesh and we hope to leverage this to further enhance our clinical value proposition for Bangladesh.

Achieved stage 6 accreditations from Healthcare Information and Management Systems Society (HIMSS), including being only the second healthcare provider worldwide for Digital Imaging Adoption Model (DIAM)

Apollo integrated its proprietary AI based Cardiovascular diseases tool (AIVCD) with Singapore based ConnectedLife's digital wellness solutions to dramatically improve accuracy of cardiac disease prediction.

Apollo Education UK (AEUK) introduced the International Clinical Fellowship Programme (ICFP) for Doctors in collaboration with Global Training and Education Centre (GTEC) at Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust, and Edge Hill University, UK

Q1 FY23 CONSOLIDATED RESULTS

Q1 FY23 Revenues at Rs. 3,796 crs

Growth of 7% over Q4 FY22

EBITDA (Pre Apollo 247 ramp up costs) at Rs 626 crs

Growth of 14% over Q4FY22

Apollo 247 operating costs of Rs 135 crs in Q1 FY23 vs. Rs 84 crs in Q4 FY22

GMV of Apollo 247 at Rs 215 crs vs. Rs 177 crs in Q4 FY22

On track to deliver ~1500 crs. of GMV in FY22-23

EBITDA (Post Apollo 247 costs) at Rs.491 crs

Growth of 6% over Q4FY22

Reported PAT at Rs. 317 crs, after deferred tax reversal of Rs 147 crs

Adjusted PAT at Rs 171 crs, compared to Rs 178 crs in Q4FY22

Diluted EPS of Rs.22.05 per share in Q1FY23 (not annualised)

Dr Prathap C. Reddy, Chairman, Apollo Hospital Group said, *“The first quarter of the new financial year has seen a definitive increase in the demand for non-COVID health services and augurs well for growth this financial year. We have been able to serve a larger number of patients with non-communicable diseases (NCDs) and restore them to health. At the same time, our focus on preventive healthcare has continued to help patients manage chronic conditions and nip them in the bud.*

With the overall economy emerging from the shadow of the pandemic, we have seen people returning to office and life coming back to normal. However, we continue to maintain precautions against COVID and remain vigilant and prepared against new infections such as monkeypox, which has been declared as a global health emergency by the World Health Organisation.

We are glad to report increased progress in our digital initiatives. Our cardiovascular risk assessment tool is now integrated with Singapore-based ConnectedLife’s digital wellness solutions and is an acknowledgement of our innovative work in preventive healthcare.

We are the first system in Asia Pacific to be awarded three Stage 6 certifications for HIMSS (Healthcare Information and Management Systems Society) digital maturity models and the second system in the world to be awarded a Stage 6 DIAM certification. The DIAM validation commended us for our use of biomarkers, molecular imaging, and mapping software. Our patient portal was commended as “one of the finest examples of patient communication” with multiple functionalities, including appointment setting, health monitoring and device integration capability.

It is recognition such as this that continues to motivate us to grow our digital health capabilities and leverage the full potential of digital technology for the best patient outcomes. Our aim remains to empower our patients and encourage them to proactively manage their own health, a factor that is increasingly considered as vital to improve the quality of healthcare. Our digital prowess is also empowering our doctors with digital tools to help patients realize their health goals.

We are also preparing to utilize the power of 5G in healthcare. 5G technology can provide a solid security foundation for sharing vital patient data remotely. We partnered with Airtel and CISCO on a use case of a 5G connected ambulance to showcase how 5G technology can virtually transport doctors into the Ambulance to provide critical care even as the patient is enroute to the hospital in an emergency.

We are excited about our acquisition of the hospital asset in Gurgaon, and we look forward to taking our unique brand of world class clinical outcomes to the fast-growing and discerning city.

All our centres of excellence are now performing effectively and efficiently with digitization integrated into the healthcare delivery ecosystem.

Our digital healthcare services platform Apollo 24/7 is also progressing faster than planned, with our physical pharmacy network poised to touch 5000 stores.

Apollo Hospitals is now well poised to grow across all verticals this year !”

Segment-wise Performance Update

Hospitals

As on June 30, 2022, Apollo Hospitals had 7,864 operating beds across the network (excluding AHLL & managed beds), out of which 2,421 were in new hospitals, with 1,331 occupied beds. The Mature hospitals had an occupancy of 62% in Q1FY23 and the new hospitals had occupancy of 55%.

Revenues of the healthcare services division increased by 9% over Q4 FY22 to Rs. 2,023 crs in Q1FY23, aided by strong growth in mature hospitals by over 14% .

EBITDA for the healthcare services division was at Rs.484 crs in Q1 FY23 a growth of 19% over Q4 FY22.

- EBITDA margins were at 23.94% compared to 21.9% in Q4 FY22.
- Mature HCS EBITDA Margins were at 26.4% while New HCS EBITDA Margins were at 17.7%

IP Volumes across the group grew by 9% QoQ. Mature hospital volumes grew 13% QoQ, while new hospitals volumes grew by 1% QoQ.

Consolidated HCS PAT was at Rs 222 Cr as compared to Rs 176 Cr in Q4 FY22, a QoQ growth of 27%.

Digital Healthcare and Omni-channel Pharmacy platform

Apollo HealthCo Ltd. (AHL) is a wholly owned subsidiary that houses the Pharmacy distribution business, the digital healthcare services platform – Apollo247 and the 25.5% interest in Apollo Pharmacies Ltd.

Health Co Revenues were at Rs 1479 crs representing 8% QoQ growth.

- 232 net new stores were opened in this quarter, taking the total number to 4761 stores.
- GMV of Apollo 24/7 at Rs 215 crs in Q1FY23, compared to Rs 177 crs in Q4 FY22. **On track to deliver ~Rs 1500 cr. of GMV in FY22–23**

Pharmacy Distribution EBITDA in HealthCo was Rs 112 Cr. Margins were at 7.6%, compared to 7.5% in Q4 FY22.

Apollo 24/7 Operating Costs for the quarter were at Rs 135 Cr.

Apollo Health Co reported EBITDA at Rs (23) Cr.

Retail Health

Apollo Health & Lifestyle Ltd. (AHLL) is a wholly owned subsidiary that houses the retail healthcare business of Apollo Hospitals. This includes the birthing centers known as ‘CRADLES’, Daycare and short stay surgery centers, Diagnostic centers, Dialysis centers, Dental Care Centers and Apollo Clinics.

AHLL Consolidated Revenues were Rs. 293 crs in Q1FY23 compared to Rs. 309 crs in Q4 FY22. EBITDA was at Rs. 29 crs in Q1FY23 compared to Rs. 37 crs in Q4FY22. Margins at 10%.

CLINICAL EXCELLENCE HIGHLIGHTS

Treating the most complex cases and bringing the best care to patients

- Apollo Cancer Centre in collaboration with Datar Cancer Genetics has launched a revolutionary blood test for early detection of Breast Cancer.
- Apollo Chennai surgically removed a rare recurrent chest wall tumor on a 50-year-old Bangladeshi patient.
- Apollo Lucknow saved a 24-week-old fetus by performing the first Amino Patch operation to mend the damaged amniotic membrane in the patient.
- Apollo Ahmedabad performed a marathon 17-hour surgery to save the life of a 48-year-old patient
- Apollo Cancer Center Bhubaneswar performed Odisha's first ever Da Vinci Robotic Abdominoperineal Resection surgery bringing world class robotic minimally invasive surgeries to the state.
- Apollo Kolkata has successfully completed over 4,000 Minimally Invasive Cardiac Surgeries. With an incision of 1.5 to 3 inch instead of 8 to 10 inch in the conventional open-heart surgery, MICS is less painful and almost scar-free.
- Apollo Bangalore saved a 45-year-old patient by performing a complex Robotic Mitral Valve Repair surgery. The patient was affected with COVID earlier and diagnosed with a severely leaking Mitral Valve.
- Apollo Hospitals has achieved stage 6 accreditations from Healthcare Information and Management Systems Society (HIMSS) for Digital Imaging Adoption Model (DIAM), the Outpatient Electronic Medical Record Adoption Model (O-EMRAM), and the Infrastructure Adoption Model (INFRAM).



About Apollo Hospitals Enterprise Ltd. (AHEL)

Apollo revolutionized healthcare when Dr Prathap Reddy opened our first hospital in Chennai in 1983. Today Apollo is the world's largest vertically integrated healthcare platform with 9,911 beds across 71 hospitals, 4,700 pharmacies and over 200 clinics and diagnostic centers as well as 150 telemedicine centers. It is the world's leading cardiac center with over 160,000 surgeries and the world's largest private cancer care provider. Apollo continues to invest in research to bring the most cutting-edge technologies, equipment and treatment protocols to ensure our patients have the best available care in the world. Our 100,000 employees are dedicated to bringing you the best care on earth and leaving the world better than we found it. For further details, log onto: www.apollohospitals.com

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