APOLLO HOSPITALS ENTERPRISE LIMITED

Earnings Update Q1 FY24

01

HIGHLIGHTS

Key Highlights

Highlights Q1FY24 : Operational

Healthcare Services (Hospitals)

- 43 Owned + 6 Managed Hospitals
- 9,445 Owned & Managed Beds
- 62% Occupancy
- ₹ 57,760 / day ARPOB[1]
- 133,846 In-patients

Diagnostics & Retail Health

- 22 Ambulatory care & Birthing Centers
- 576 Beds
- 2,012 Diagnostics Centers
- 350 Clinics
- 119 Dialysis Centers
- 133 Dental Centers

Digital Health & Pharmacy Distribution

- 5,573 Outlets
- ~16.02% Private label / Generic sales
- ~27 mm Registered users
- ~6,000+ Doctors

[1]ARPOB is net of fees paid to fee for “service doctors” and is netted off in the Reported Revenues.

Clinical Updates

- Apollo Hospitals leads India’s Solid Multi-Organ Transplantation with over 23,000 transplants, establishes global leadership.
- Apollo expands its dedicated Robotic Colorectal Surgery Programme across 6 cities – Chennai, Hyderabad, Bangalore, Delhi, Mumbai and Vishakhapatnam. Apollo’s collective robotic colorectal surgery experience has now surpassed over 1000 procedures, maximum till date in the country.
- Commemorating World Thalassemia Month, Apollo Cancer Centre, Chennai, in association with the Tamil Nadu Government, celebrated the milestone of successfully treating the highest number of Thalassemia affected children under the Tamil Nadu CM’s Comprehensive Health Insurance Scheme
- Apollo Hospitals, Navi Mumbai celebrates a lifesaving milestone of 40 Bone Marrow Transplants in four years.
- Apollo Proton Cancer Centre has launched the first and largest Helical Tomotherapy program in Tamil Nadu.

Highlights Q1FY24 : Financials

	Revenue (in ₹ Mio)	Growth YoY(%)	EBITDA[1] (in ₹ Mio)	Growth YoY(%)	EBITDA[1] Margin (%)	PAT (in ₹ Mio)	Growth YoY(%)
Healthcare Services	22,937	↑ 13%	5,423	↑ 12%	23.6%	2,639	↑ 19%[2]
Health Co			(566)			(826)	NA
Health Co – Offline PD^	16,001	↑ 18%	1,250	↑ 13%	7.8%		
Health Co – Online PD^ & 24|7	2,053	↑ 70%	(1816)	NA			
AHLL	3,187	↑ 9%	233	↓ 21%	7.3%	(147)	NA
Consolidated	44,178	↑ 16%	5,090	↑ 4%	11.5%	1,666	↓ 2%[2]

^PD: Pharmacy Distribution

1 EBITDA Post INDAS 116 | 2 Growth excludes one-off DT reversal of Rs.1466 mio in Q1FY23

02

Financials

Consolidated

Consolidated Financials Q1 FY24

₹ Mio		Healthcare Services	Diagnostics & Retail Health	Digital Health & Pharmacy Distribution	Consol
Q1 FY 24	**Total Revenues**	**22,937**	**3,187**	**18,054**	**44,178**
	EBITDA (Pre 24|7 Cost)	**5,423**	**233**	**1,473**	**7,129**
	margin (%)	**23.6%**	**7.3%**	**8.2%**	**16.1%**
	24/7 Operating Cost			-1,747	-1,747
	ESOP(Non Cash expense)			-292	-292
	EBITDA	**5,423**	**233**	**-566**	**5,090**
	margin (%)	**23.6%**	**7.3%**	**-**	**11.5%**
	EBIT	4,211	-103	-687	3,421
	margin (%)	18.4%	-	-	7.7%
	PBT	3,729	-205	-825	2,700
	margin (%)	16.3%	-	-	6.1%
	PAT (Reported)	**2,639**	**-147**	**-826**	**1,666**
Q1 FY 23	**Total Revenues**	**20,234**	**2,930**	**14,792**	**37,956**
	EBITDA (Pre 24|7 Cost)	**4,844**	**294**	**1,181**	**6,319**
	margin (%)	**23.9%**	**10.0%**	**8.0%**	**16.6%**
	24/7 Operating Cost			-1,412	-1,412
	ESOP(Non Cash expense)			0	0
	EBITDA	**4,844**	**294**	**-230**	**4,907**
	margin (%)	**23.9%**	**10.0%**	**-**	**12.9%**
	EBIT	3,706	60	-336	3,430
	margin (%)	18.3%	2.0%	-	9.0%
	PBT	3,132	-89	-500	2,543
	margin (%)	15.5%	-	-	6.7%
	PAT (Normalized for exceptional charge / write back)[1]	**2,224**	**-59**	**-460**	**1,705**
YOY Growth					
Revenue		13%	9%	22%	16%
EBITDA (Pre 24|7 Cost)		12%	-21%	25%	13%

	HCS	Health Co	AHLL
Gross Debt	20,803	5,415	2,683
Cash & Cash Equivalents	12,285	353	1,026
Net Debt	8,518	5,062	1,657

Includes investments in liquid funds and FDs of ₹ 8,859 mio

Q1FY23 [1] :Consol Reported PAT of ₹ 3,171mio after accounting for one-off Deferred Tax reversal on migration to lower tax regime of ₹1,466 mio;

03

Healthcare Services

Hospitals

Consolidated Healthcare Services Performance Q1FY24

₹ Mio		Healthcare Serv Group (Mature)	Healthcare Serv Group (New & Others)	Healthcare Serv Group
Q1 FY 24	No of Hospitals	29	14	43
	Operating beds	5418	2380	7798
	Occupancy	63%	60%	62%
	Revenue	**15,845**	**7,092**	**22,937**
	EBITDA	**4,242**	**1,181**	**5,423**
	margin (%)	**26.8%**	**16.7%**	**23.6%**
	EBIT	3,504	706	4,210
	margin (%)	22.1%	10.0%	18.4%
	PBT			3,729
	PAT			2,639
	Margin			11.5%
Q1 FY 23	No of Hospitals	29	15	44
	Operating beds	5443	2421	7864
	Occupancy	62%	55%	60%
	Revenue	**14,466**	**5,768**	**20,234**
	EBITDA	**3,822**	**1,022**	**4,844**
	margin (%)	**26.4%**	**17.7%**	**23.9%**
	EBIT	3,157	549	3,705
	margin (%)	21.8%	9.5%	18.3%
	PBT			3,132
	PAT			2,224
	margin (%)			11.0%
YOY Growth				
Revenue		10%	23%	13%
EBITDA		11%	16%	12%

- HCS Revenue grew by 13% (Volume growth 6%, price and case mix of 7%) and EBITDA grew by 12% in Q1FY24.
- Self pay and insurance revenue grew over 20% vs. Q1FY23
- Overall Surgical mix at 68% of IP Revenues – higher growth in Q1 aided by CONGO specialties.
- CONGO - Cardiac, Onco, Neuro, Nephro, Gastro and Ortho contributes to 63% of Hospital Revenues – and continue to be our focus areas for growth
- ARPOB grew by **11%** to **₹ 57,760** in Q1FY24.

Capital employed excl CWIP*	67,192	ROCE 25%

*CWIP of ₹ 6,355 mio towards new projects under development

Region wise Operational Parameters

Particulars	Total [6]			Tamilnadu Region (Chennai & others) [1]			AP, Telengana Region (Hyderabad & others) [2]		
	Q1 FY 23	Q1 FY 24	yoy (%)	Q1 FY 23	Q1 FY 24	yoy (%)	Q1 FY 23	Q1 FY 24	yoy (%)
No. of Operating beds	7,864	7,798		2,156	2,088		1,297	1,270	
Inpatient volume	126,511	133,846	5.8%	33,952	35,246	3.8%	17,675	18,529	4.8%
Outpatient volume[7]	462,633	458,694	-0.9%	146,628	135,311	-7.7%	43,563	48,383	11.1%
Inpatient ALOS (days)	3.38	3.27		3.24	3.15		3.53	3.38	
Bed Occupancy Rate (%)	60%	62%		56%	58%		53%	54%	
Inpatient revenue (₹ mio)	NA	NA		5,333	6,100	14.4%	2,642	2,933	11.0%
Outpatient revenue (₹ mio)	NA	NA		1,811	1,979	9.3%	510	596	16.7%
ARPOB (₹ /day)[8]	51,999	57,760	11.1%	64,850	72,884	12.4%	50,528	56,279	11.4%
Total Net Revenue (₹ mio)[6]	NA	NA		7,144	8,079	13.1%	3,152	3,529	12.0%

Particulars	Karnataka Region (Bangalore & others) [3]			Others [4]			Significant Subs/JVs/associates [5]		
	Q1 FY 23	Q1 FY 24	yoy (%)	Q1 FY 23	Q1 FY 24	yoy (%)	Q1 FY 23	Q1 FY 24	yoy (%)
No. of Operating beds	761	756		1,132	1,153		2,518	2,531	
Inpatient volume	14,163	15,093	6.6%	18,697	18,896	1.1%	42,024	46,082	9.7%
Outpatient volume[7]	45,296	47,663	5.2%	51,498	43,128	-16.3%	175,648	184,209	4.9%
Inpatient ALOS (days)	2.97	2.80		3.45	3.29		3.52	3.48	
Bed Occupancy Rate (%)	61%	61%		63%	59%		65%	70%	
Inpatient revenue (₹ mio)	1,873	2,260	20.7%	1,899	2,161	13.8%	5,668	6,878	21.4%
Outpatient revenue (₹ mio)	367	413	12.4%	386	385	-0.2%	1,427	1,668	16.8%
ARPOB (₹ /day)[8]	53,178	63,187	18.8%	35,386	41,010	15.9%	47,924	53,360	11.3%
Total Net Revenue (₹ mio)[6]	2,241	2,673	19.3%	2,285	2,546	11.4%	7,095	8,546	20.5%

- Q1FY24 ARPOB in Metro cities at **₹ 69,092** and Non Metro cities is at **₹ 40,612.** Blended ARPOB **₹ 57,760**

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

(7) Outpatient volume represents New Registrations only.

(8) 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. ARPOB excludes Vaccination Revenue

04 Diagnostics & Retail Health

Apollo Health & Lifestyle Ltd

Executive Summary

Primary Care

- Selective network additions being planned in key metro markets (viz. Bangalore, Chennai, Delhi NCR, Hyderabad)
- Focus on creating distinguished end to end out patient experience
- Corporate empanelment via customized portals for better utilization of employee benefits
- Focus on strengthening omni-channel service offerings for delivering continuum of care

Diagnostics

- Diagnostics business added 260+ collection centres taking the overall collection network to 1910+ centres spread across ~260 cities serving 13,000+ customers daily.
- Aim to reach 3,000+ collection centers by end of year
- Focus on building wellness as a significant segment and higher contribution from Specialty/super specialty tests

Specialty Care

- Cradle: Expansion in key markets across select metros to consolidate market share; 1 new centre launched in April 2023, 2-3 units to be commissioned by Q3 FY24; Focus on building deeper capabilities for advanced pediatrics and comprehensive women's health
- Spectra: Focus on building specialty focused niche service offerings for micro-market leadership (viz. Urology, Bariatrics, Audiology etc.) Aggressive ramp up of the digital customer acquisition model
- Fertility; Unit economics stabilizing with centres establishing firm foothold in primary markets; Focus on improving direct customer engagement via digital and offline activities

Financial Performance Q1FY24

Q1 FY24	Clinics	Diagnostics	Sugar	Dental	Dialysis	Cradles (IP)	IVF	Spectra (IP)
Network	350	2,012	65	133	119	10	17	11
Footfalls/Day*	2,258	14,106	472	223	1,850	46	39	72
Gross ARPP (Rs.)*	2,060	744	3,035	6,208	1,618	106,989	37,047	105,941

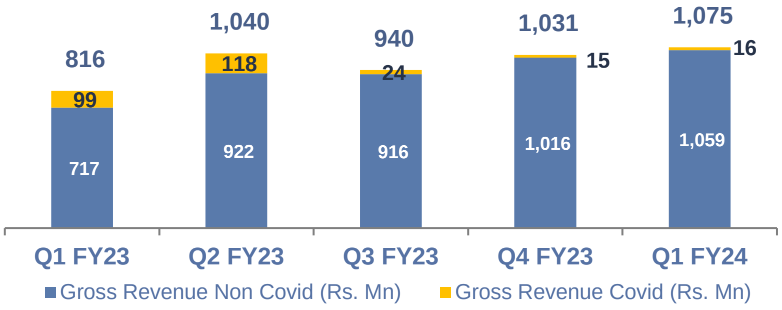
Q1 FY24 vs Q1 FY23		Diagnostics	Primary Care	Specialty Care	Corporate	Intra Group	AHLL (Consol)
Gross Revenue	**Q1 FY24**	**1075**	**847**	**1430**	**0**	**-164**	**3,187**
	Q1 FY23	815	851	1397	0	-133	2,930
	Q1 vs Q1	32%	0%	2%			9%
EBITDA	**Q1 FY24**	**75**	**103**	**206**	**-152**	**0**	**233**
	Q1 FY23	39	135	215	-96	0	294
EBITDA Margin	Q1 FY24	**7%**	**12%**	**14%**	**-**	**0%**	**7%**
	Q1 FY23	**5%**	**16%**	**15%**	**-**	**0%**	**10%**
EBIT	**Q1 FY24**	**44**	**37**	**-29**	**-155**	**0**	**-103**
	Q1 FY23	10	71	77	-99	0	60
PAT	**Q1 FY24**	**36**	**7**	**-88**	**-169**	**0**	**-214**
	Q1 FY23	2	39	-20	-108	0	-87

- AHLL Core Revenues (excluding Covid Vaccination, Covid Testing and Isolation Centre Revenues which were one-off revenues during Q1FY23) **grew by 19% YoY in Q1 FY 24.**
- Non-Covid Diagnostics revenue (excluding Covid Testing) **grew by 48% YoY** in Q1 FY24.
- Core Revenues of **Primary Care grew by 23%**

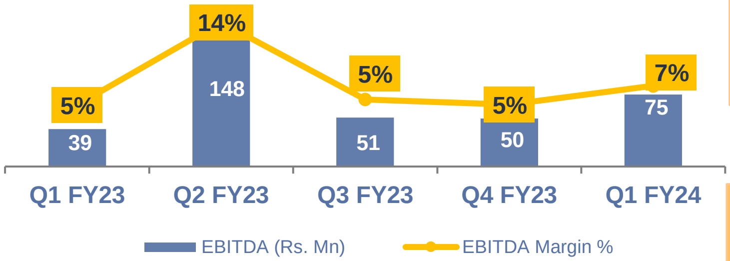
* Footfalls and ARPP for diagnostics represent outpatient / external business and for Cradle and Spectra it represents Inpatient volumes. Primary care includes Clinics, Sugar, Dental and Dialysis segments. Specialty care includes Cradles, IVF and Spectra.

Diagnostics : Key Parameters

Gross Revenue (INR Mn)[1]



EBITDA (INR Mn)[2]



Operational footprint
(as of Jun 30, 2023)

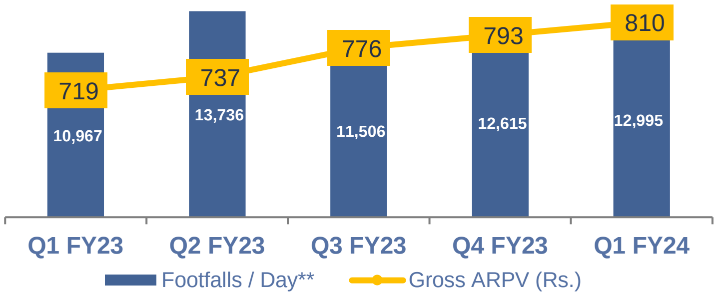
~260 Cities presence

102 Labs

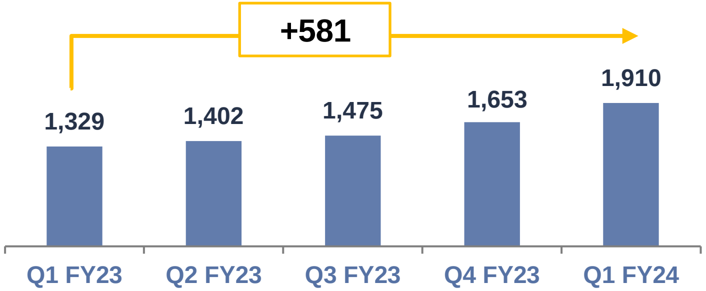
1,910+ Collection Centres

2,500+ Pick-up Points (PUPs)

Avg. Footfalls per day & Avg. gross realization per patient (INR)[2]



Network Growth – Collection Centers



1. *Covid Revenues include RTPCR and Antibody test revenues; exclude Covid Allied tests*
2. *EBITDA post IND AS 116;*

** Footfalls and ARPP for diagnostics represent outpatient / external business*

05 Digital Health & Pharmacy Distribution

Apollo Health Co

India's Largest Omni-Channel Healthcare

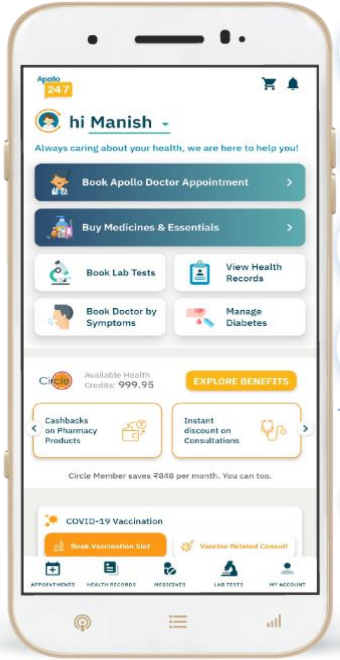
Apollo 247 –Digital Platform

As at June 30, 2024

~27 Mn+ Registrations

~8.5 Lakh Daily Active Users

~6,000+ Doctors



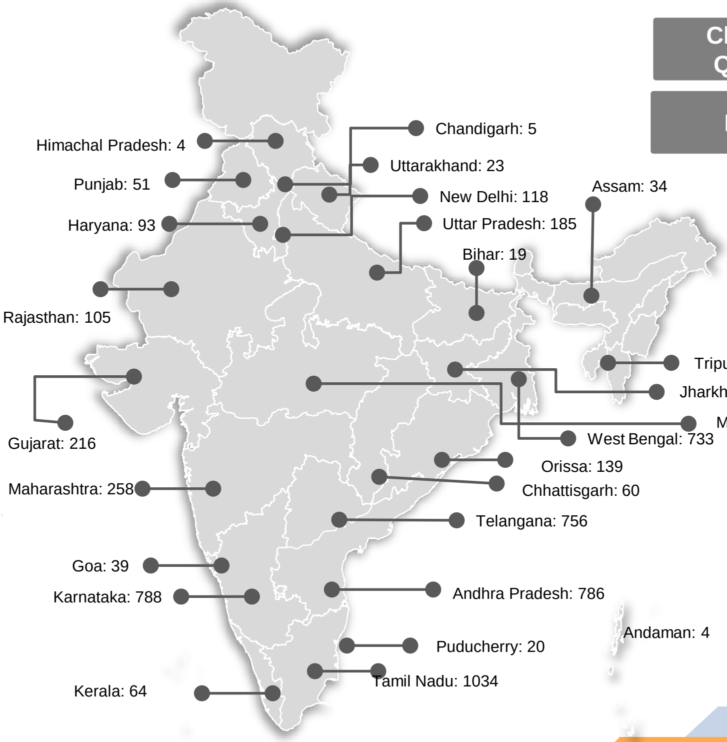
Doctor Consultation	Daily Consultation 9,500+
Online Medicine delivery	Daily Medicine orders 40,000+
Online Diagnostic Booking	Daily sample collections ~2,400
Patient e-health records	

Future Launch….

Condition management

Apollo Pharmacy Platform

Added Q1 24	43
Closed Q1 24	11
Net	32



5,573

~16%

Private label / generics mix - Q1' 24

Health Co Financials Q1 FY24

₹ Mio		Offline Pharmacy Distribution	Online Pharmacy Distribution & Apollo 247	Total Health Co
Q1 FY 24	**Total Revenues**	**16,001**	**2,053**	**18,054**
	EBITDA*	**1,250**	**223**	**1,473**
	margin (%)	***7.81%***	***10.88%***	**8.16%**
	24|7 Operating Cost		-1,747	-1,747
	ESOP Non Cash Charge		-292	-292
	EBITDA	**1,250**	**-1,816**	**-566**
	margin (%)	***7.8%***	**-**	**-**
	EBIT			-687
	PBT			-825
	PAT(Reported)			-826
Q1 FY 23	**Total Revenues**	**13,586**	**1,206**	**14,792**
	EBITDA*	**1,102**	**79**	**1,181**
	margin (%)	***8.1%***	***6.6%***	**8.0%**
	24|7 Operating Cost		-1,412	-1,412
	ESOP Non Cash Charge		0	0
	EBITDA	**1,102**	**-1,333**	**-230**
	margin (%)	***8.1%***	**-**	**-**
	EBIT			-336
	PBT			-500
	PAT(Reported)			-460

* Excluding 24|7 operating Cost and ESOP Non-Cash Charge

Healthco :

- 22% growth in revenue in Q1’ FY24 vs Q1’ FY23
- **20% reduction in losses in Q1’ FY24 (Rs 566 Mn) vs Q4’ FY23 (Rs 721 Mn) majorly on account of reduction in digital operating cost.**
- Expect to break-even in Q4’FY24

Omnichannel Pharmacy:

- Omnichannel Pharmacy Business revenue of Rs 22,464 Mn in Q1’ FY24 compared to a revenue of Rs 18,081 Mn in Q1’ FY23 (growth of 24%) despite muted growth in FMCG and Pharma Sector in Q1’FY24.
  - Online grew 59% in Q1 FY24 vs Q1 FY23
  - Offline grew 21% in Q1 FY24 vs Q1 FY’23
  - Private label sales/ generic sales at 16%.

On track to achieve Rs 10,000 cr of revenues with 6% EBITDA in current fiscal year.

Digital Operational Metrics :

Platform GMV : Rs 6,227 Mn in Q1’ FY24, growth of 189% over Q1’ FY23 and 5% growth over Q4’ FY23.

Improvement in quantitative parameters in Q1’ FY24 vs Q1’ FY23;
- Pharma AOV grew by 11% (Rs 935 vs Rs 845 a year back)
- Transacting user base grew by 31% (11.4 lakh vs 8.7 lakh, a year back)

Offline segment :

Improvement in quantitative parameters (5,573 stores)
- 22% YoY growth in transactions (6.2cr Vs 5.1cr year back).
- Serving 8 lac customers per day.

06

Annexure

Basis of Consolidation

AHEL Standalone Hospitals (100% Ownership)	Location
Chennai Main	Chennai
ACI - Chennai	Chennai
Tondiarpet - Chennai	Chennai
FirstMed - Chennai	Chennai
Apollo Children's Hospital	Chennai
Apollo Specialty, Vanagaram	Chennai
ASH Perungudi	Chennai
Women & Child, Shafee Mohammed Road	Chennai
Apollo Proton & Cancer care	Chennai
Madurai	Madurai
Karur	Karur
Karaikudi	Karaikudi
Trichy	Trichy
Nellore	Nellore
Hyderabad	Hyderabad
Bilaspur	Bilaspur
Mysore	Mysore
Vizag (old & new)	Vizag
Karim Nagar	Karim Nagar
Bhubaneswar	Bhubaneswar
Jayanagar	Bangalore
Nashik	Nashik
Malleswaram	Bangalore
Navi Mumbai	Mumbai

Subsidiaries	Location	Description	AHEL Ownership
Material Subs			
Apollo Health Co limited	India	Digital Omni-Channel Healthcare services	100.00%
Apollo Health and Lifestyle Ltd.	India	Clinics, Diagnostics and Daycare	68.84%
Apollo Multispeciality Hospitals Ltd.	Kolkata	Hospital	100.00%
Apollo Medics	Lucknow	Hospital	51.00%
Imperial Hospital and Research Centre Ltd.	Bangalore	Hospital	90.00%
Apollo Hospitals International Ltd.	Ahmedabad	Hospital	50.00%
Assam Hospitals Ltd	Assam	Hospital	69.95%
Apollo Rajshree Hospital	Indore	Hospital	54.63%
Samudra Healthcare Enterprises Ltd.	Kakinada	Hospital	100.00%
Other Subs			
Apollo Hospitals (UK) Ltd	UK	UK Hold Co	100.00%
AB Medical Centres Limited	Chennai	Infrastructure	100.00%
Total Health	India	CSR	100.00%
Apollo Hospitals Singapore.PTE Limited	Singapore	Singapore Hold Co	100.00%
Future Parking Pvt Ltd	Chennai	Infrastructure	100.00%
Apollo Home Health care Ltd	India	Paramedical Services	89.69%
Pinakini Hospitals Ltd.	Nellore	Hospital	80.87%
Sapien Biosciences Pvt Ltd	Hyderabad	Biobanking tissues	70.00%
Apollo Lavasa Health Corporation Ltd	Maharashtra	Hospital	51.00%
Apollo Hospitals North Limited	Gurgaon	Hospital	100.00%
Kerala First Health Services Private Limited	Kerala	Hospital	60.00%
Associates	**Location**	**Description**	
Indraprastha Medical Corporation Ltd.	Delhi, Noida	Hospital	22.03%
Family Health Plan Ltd.	India	TPA, Health Insurance	49.00%
ApoKos Rehab Pvt Ltd	Hyderabad	Rehab Centre	50.00%
Stemcyte India Therapautics Pvt Ltd	India	Stemcell Banking	37.75%
Apollo Gleneagles PET-CT Pvt Ltd	Hyderabad	Diagnostics	50.00%

₹ Mio

IND AS - 116 : Impact on P&L and Balance Sheet – Q1FY24

AHEL Standalone (post IND AS 116)

Balance sheet

Right of use Asset as of 30th Jun, 2023 ↑	5,531
Lease liabilities as of 30th Jun, 2023 ↑	7,926
Equity (Transaction impact as on Apr 01, 2019 - Net of Tax) ↓	2,109

Profit & Loss

Revenue	
Other expenses (Lease rent) ↓	257
EBITDA ↑	257
Amortisation ↑	153
EBIT ↑	104
Finance charge ↑	183
PBT ↓	79

AHEL Consolidated (post IND AS 116)

Balance sheet

Right of use Asset as of 30th Jun, 2023 ↑	12,365
Lease liabilities as of 30th Jun, 2023 ↑	16,268
Equity (Transaction impact as on Apr 01, 2019 - Net of Tax) ↓	3,052

Profit & Loss

Revenue	
Other expenses (Lease rent) ↓	549
EBITDA ↑	549
Amortisation ↑	336
EBIT ↑	213
Finance charge ↑	360
PBT ↓	147

Note: Accounting increase in Assets & Liabilities in the Balance sheet (due to Right of Use Asset) optically supresses the ROCE and increases the leverage ratios. No real impact in actual business ROCE. Ind AS 116 applicable from Apr 01,2019.

Thank you !