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Apollo Hospitals reports Q2FY22 Earnings

Apollo Hospitals acquires majority stake in 180-bed Excelcare Hospitals in Guwahati. Acquisition strengthens Apollo's leadership position in the city, with a combined capacity of 400 beds

Apollo's Institutes of Cardiac Sciences across the country have achieved many firsts – Highest number of Robotic Cardiac Surgeries, Highest number of Minimally Invasive Cardiac Surgeries, (performed by Dr Sathyaki P Nambala and Dr MM Yusuf) Mitra Clip Procedures, Transcatheter Aortic Valve Implantation (TAVI) and Transcatheter Aortic Valve Replacement (TAVR) procedures in the country, and accomplishes new milestone of conducting Robotic Complex Mitral Valve repair in 70 minutes.

Ten hospitals from the Apollo Hospitals group listed in Newsweek's World's Best Hospitals 2021.

- **Apollo Hospitals, Greams Road, Chennai, was recognized among "World's Best Smart Hospitals 2021".**
- **Apollo Heart Centre, Chennai ranked as No. 1 Heart hospital in India in "Best Specialized Hospitals 2021"**

Five hospitals from the Apollo Hospitals group find place in the top 11 of the All India Multispecialty Hospitals Ranking Survey 2021 by Times Health Survey

Continues to lead the fight against COVID-19, and is the highest private sector vaccinator, with over 5 million vaccinations completed.

Conducted several monsoon camps across the city of Chennai, to provide immediate health relief for people in flood-affected areas in partnership with the Government of Tamil Nadu.

Second quarter of FY22 shows pick up in non-COVID revenue and steady return of patient mix to pre-COVID levels. Healthy growth in Healthcare Services Revenue and Total EBITDA on a sequential quarter basis.

**Q2FY22 Consolidated Revenues up 35% at Rs. 3,717 crore
EBITDA (Pre IND AS 116) up 145% at Rs.572 crore
EBITDA (Post IND AS 116) up 105% at Rs.615 crore
PAT up 311.1% at Rs. 248 crore**

**H1FY22 Consolidated Revenues up 52% at Rs. 7,477 crore
EBITDA (Pre IND AS 116) up 451% at Rs.1,050 crore
EBITDA (Post IND AS 116) up 238% at Rs.1,135 crore
PAT at Rs. 737 crore**

**Q2FY22 Standalone Revenues up 17% at Rs. 2,823 crore
EBITDA (Pre IND AS 116) up 108% at Rs.417 crore
EBITDA (Post IND AS 116) up 77% at Rs.439 crore
PAT up 471.4 % at Rs. 186 crore**

**H1FY22 Standalone Revenues up 33% at Rs. 5,818 crore
EBITDA (Pre IND AS 116) up 331% at Rs.787 crore
EBITDA (Post IND AS 116) up 186% at Rs.830 crore
PAT at Rs. 336 crore**



Dr. Prathap C Reddy, Chairman, Apollo Hospitals Group said, *“We are glad to report a strong quarter that builds on the trajectory that we saw in the first three months of the year. As the country recovered from the second wave on the back of an expanding vaccination program, Apollo Hospitals was proud to lead the way by supporting the Government’s efforts to emerge as the largest private sector vaccinator. Across the country, we have completed over 5 million vaccinations to date and are fully ready to roll out the vaccination program for children as and when the Government announces the same.*

During the second quarter, we also saw patients confidently returning to the hospitals including the OPDs and inpatient admissions. The trend has started to shift with an increase in non-COVID revenue and a pick-up in surgical volumes. The lessons we learnt during the pandemic held us in good stead as we continued to successfully navigate the path to the other side of the pandemic with a focus on delivery of direct care delivery and introduction of new technologies to benefit our patients. With restrictions on international flights easing, we are ready to welcome patients from across the globe.

Our digitization efforts continued as we strengthened Apollo 24/7 and we are delighted to see it as the fastest growing healthcare app in India today. We continue to invest in customer acquisition and marketing to keep the momentum going as we believe that digital healthcare is a very important component of our healthcare delivery adding value to our patients and ensuring they can reach us round the clock. Our e-pharmacy business also grows from strength to strength and it is today ready to deliver medicines in around 17000 pincodes across the country, within two hours. This is backed by our strong on ground pharmacy presence of over 4,200 stores that ensures 40% of India is only 40 minutes away from one of our pharmacies. Apollo Health and Lifestyle continued to do well during the first half of the year, has turned PAT positive, and will contribute to our vision of ensuring well-being and good health for all.

Through a strong focus on our other initiatives such as ProHealth, AICVD (cardiac risk prediction), E-ICU and many more, we will continue to strengthen our efforts to fight the relentless march of NCDs (non-communicable diseases) that threaten not just the health of individuals but also the socioeconomic growth of the nation.

With the best of medical infrastructure and skilled medical professionals, Apollo Hospitals is steadfast in its mission to deliver world-class healthcare, at an affordable cost to the people of India.”

Financial Snapshot

Quarterly

- **Consolidated Q2FY22 Performance**

- *Revenues grew 35% to Rs. 37,171 mn vs Rs.27,607 mn in Q2FY21*
- *EBITDA (Pre Ind AS116) grew 145% to Rs.5,720 mn vs Rs.2,334 mn in Q2FY21*
- *EBITDA (Post Ind AS116) grew 105% to Rs.6,150 mn vs Rs.2,998 mn in Q2FY21*
- *PAT grew 311.1% to Rs.2,478 mn vs Rs.603 million in Q2FY21*
- *Diluted EPS of Rs.17.24 per share in Q2FY22 (not annualised)*

- **Standalone Q2FY22 Performance**

- *Revenues grew 17% to Rs.28,232 mn vs Rs.24,144 mn in Q2FY21*
- *EBITDA (Pre Ind AS116) grew 108% to Rs.4,171 mn vs Rs.2,007 mn in Q2FY21*
- *EBITDA (Post Ind AS116) grew 77% to Rs.4,389 mn vs Rs. 2,482 mn in Q2FY21*
- *PAT grew 471.4% to Rs.1,859 mn vs Rs.325 mn in Q2FY21*
- *Diluted EPS of Rs.12.93 per share in Q2FY22 (not annualised)*

Half-yearly

- **Standalone H1FY22 Performance**

- *Revenues grew 33% to Rs.58,179 mn vs Rs.43,760 mn in H1FY21*
- *EBITDA (Pre Ind AS116) grew 331% to Rs.7,866 mn vs Rs.1,823 mn in H1FY21*
- *EBITDA (Post Ind AS116) grew 186% to Rs.8,295 mn vs Rs.2,897 mn in H1FY21*
- *PAT of Rs.3,360 mn vs loss of Rs. 1,166 mn in H1FY21*
- *Diluted EPS of Rs.23.36 per share in H1FY22 (not annualised)*

- **Consolidated H1FY22 Performance**

- *Revenues grew 52% to Rs.74,773 mn vs Rs.49,322 mn in H1FY21*
- *EBITDA (Pre Ind AS116) grew 451% to Rs.10,496 mn vs Rs.1,907 mn in H1FY21*
- *EBITDA (Post Ind AS116) grew 238% to Rs.11,349 mn vs Rs. 3,353 mn in H1 FY21*
- *PAT of Rs.7,371 mn vs loss of Rs.1,479 million in H1FY21*
- *Diluted EPS of Rs.51.26 per share in H1FY22 (not annualised)*

As on September 30, 2021, Apollo Hospitals had 7,647 operating beds across the network (excluding AHLL & managed beds), out of which 14 were new with 2,226 operating beds. The new hospitals have a utilization of over 69% and are expected to witness double digit growth in volumes and improvement in utilization and profitability going forward.

Segment-wise Performance Update

Hospitals

Consolidated Revenues of the healthcare services division increased by 75% to Rs.21,686 million in Q2FY22 compared to Rs. 12,373 million in Q2FY21. Revenue of Mature hospitals grew 70% while the new hospitals grew by 84%.

EBITDA (Post Ind AS116) was at Rs.5,059 million in Q2FY22 compared to Rs. 1,629 million in Q2FY21. EBITDA grew by 210% YoY.

Revenues in the Tamil Nadu cluster grew by 67.4%, IP Volumes grew by 67.6%. ARPOB grew by 23.8% to Rs.58,889. Overall occupancy in the cluster was 1,254 beds (58 % occupancy) as compared to 962 beds (49% occupancy) in the previous year.

In AP Telangana region, Revenues grew by 53%, IP volumes grew by 57%. ARPOB grew by 20.2% to Rs.54,713. Occupancy in the cluster was 795 beds (59% occupancy) as compared to 656 beds (49% occupancy) in the previous year.

In Karnataka region, Revenues grew by 63%, IP volumes grew by 22.7%. ARPOB grew by 52.3% to Rs.50,815. Occupancy in the cluster was 504 beds (65% occupancy) as compared to 546 beds (67% occupancy) in the previous year.

Revenues of the Others Cluster grew by 74.1 % while IP volumes grew by 37.2%. ARPOB grew by 24.2% to Rs. 35,937. Occupancy in the cluster was 847 beds (79% occupancy) as compared to 668 beds (68% occupancy) in the previous year.

Pharmacy business

Post the NCLT approval, the demerger of the front-end of the Pharmacy business came into effect from 01.09.2020. AHEL continues to handle the back-end pharma distribution, within a vertical called "Pharmacy Distribution". Due to the demerger, the financials of the current quarter for the pharmacy business are not comparable to same period in Q2 FY 21.

Revenues were Rs. 11,671 million in Q2FY22 as compared to Rs. 13,519 million in Q2FY21 (not comparable with last year). EBITDA (Post Ind AS 116) was Rs.945 million in Q2FY22. The EBITDA margin was at 8.09% in Q2FY22 .



Retail Health

Apollo Health & Lifestyle Ltd. (AHLL) is a wholly owned subsidiary that houses the retail healthcare business of Apollo Hospitals. This includes the lifestyle birthing centers known as 'CRADLES', Daycare and short stay surgery centers, Diagnostic centers, Dialysis centers, 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 1,420 centers in total as of September 30, 2021.

AHLL Consolidated Revenues grew to Rs. 3,814 million in Q2FY22 compared to Rs.1,715 million in Q2FY21. The business reported an EBITDA of Rs. 621 million in Q2FY22 compared to a profit of Rs. 213 million in Q2FY21.

EXCELCARE ACQUISITION

Apollo Hospitals Enterprise Ltd (Ltd) through its existing subsidiary Assam Hospitals Ltd ("AHL"), that operates a 219 bedded hospital at Guwahati, has entered into Definitive Agreements for the acquisition of a 64% majority stake in Asclepius Hospitals and Healthcare Pvt Ltd which runs a 180 bedded profitable multispeciality hospital in Guwahati under the name of Excelcare Hospital ("Excelcare").

The acquisition would be for an Enterprise value of Rs 210 crores and would be funded by Assam Hospitals Ltd, primarily through its reserves.

Other salient points

- This acquisition would further strengthen the Apollo Hospitals Group's leadership position in the hospital space
- The Apollo Hospitals brand has strong brand recall and trust in the region. This acquisition will help build on that trust, through the combined efforts of two strong hospital teams, and provides significant opportunities for clinical and operating leverage, which will ensure a dominant leadership position.
- Apollo Hospitals' proven standards of high-quality clinical care, and focused speciality care through deep clinical expertise in Centres of Excellence, will now be offered synergistically at both centres in the city, making Guwahati a medical hub for patients both local and beyond.

About Excelcare

The hospital which is promoted by reputed medical professionals and businessmen, has a strong set of highly qualified and experienced consultants in several specialities. It is located at a prime location on NH-37 at Boragaon Guwahati.



The hospital which was commissioned in 2017, is built on 4.5 acres of land with a built-up area of 2 lakh square feet, with scope for expansion of an additional 100-150 beds.

Since its inception, Excelcare has steadily built up a reputation as a high quality multi-speciality healthcare provider and is currently the market leader in the cardiology segment in Guwahati.

The existing promoters of Excelcare have decided to bring in a strategic partner to add value and strengthen Excelcare's services in the Northeast region.

Ms. Suneeta Reddy, Managing Director added, "Apollo Hospitals has always been the trusted brand for people in the NorthEast. In order to grow our footprint, and serve more consumers with the highest quality of healthcare delivery, we have now acquired a majority stake in Excelcare Hospital, whose founders share our commitment to clinical quality and outcomes. Together, we believe we can bring differentiated care to the people of Guwahati and consolidate our position in the Region.

CLINICAL EXCELLENCE HIGHLIGHTS

- Apollo Hospitals Bangalore successfully completed 100 robotics cardiac surgeries at its dedicated Robot-Assisted Cardiac Surgery Unit; a milestone in the history of cardiovascular surgery in the country
- Apollo Cancer Centre, Chennai successfully performed a Cyber Knife Radiosurgery procedure on a 34-year-old athlete from New Zealand, relieving him from symptoms of a special form of epilepsy called Medial temporal lobe Epilepsy (MTLE) while preserving his memory
- Apollo Speciality Hospitals, Vanagaram launched a Quaternary Care, Level FOUR Epilepsy Care Center to help people living with epilepsy
- A female patient from Bangladesh suffering from rectal cancer was successfully operated on using Robotic Stapler for the first time by Apollo Proton Cancer Centre (APCC)
- A MitraClip implant surgery was conducted on a 41-year-old male farmer by Apollo Hospitals, Chennai. The MitraClip is a small metal clip with a polyester fabric that is inserted in place to fix the leaky mitral valve, thereby ensuring that the blood flow is in the right direction. It is a globally accepted procedure for patients with heart failure.
- Apollo Hospitals, Navi Mumbai successfully performed a complex multi-stage spinal surgery to treat a 7-year-old girl who had her head tilted and fixed in 90 degrees angle.
- Indraprastha Apollo Hospitals, New Delhi has performed a rare life-saving heart surgery on a two-day old newborn for removal of a rare tumor called Intrapericardial teratoma (arising from the surface of heart).
- 11 children from Philippines who were suffering from chronic liver diseases underwent successful liver transplants at Indraprastha Apollo Hospitals.
- The team of Apollo TeleHealth saved a 27-year-old woman diagnosed with Abruptio Placentae and her newborn baby from multiple life-threatening complications.
- A 45-year-old patient underwent a successful liver transplant at Apollomedics Super Specialty Hospital, Lucknow.
- India's first robotic bariatric surgery using Robotic Staplers was performed by Apollo Hospitals, Chennai on using Robotic Staplers.
- A 28-year-old post-graduate medical student successfully underwent Robotic Colorectal Surgery with low rectal resection and reconstruction to avoid colostomy and improve quality of life after colorectal cancer surgery at Apollo Institute of Colorectal Surgery, Chennai for her low rectal cancer.
- Apollo Hospitals, Navi Mumbai has successfully treated a 15-day-old infant from Mauritius diagnosed with valvular pulmonary atresia, a severe congenital heart disease.

NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS

- The Department of Pediatric Cardiology and Pediatric Cardiac Surgery of Apollo Children's Hospital, Chennai has partnered with Rotary Club of Madras East to help underprivileged children requiring lifesaving heart surgery
- Apollo Proton Cancer Centre (APCC) has launched India's first video newsletter – PRONEWS. Aimed at reaching readers with the latest in Cancer care and treatment, PRONEWS will be a quarterly compilation that will educate, empower and elevate the knowledge of its readers
- Apollo Hospitals has launched an Institute of Hernia Surgery and Abdominal Wall Reconstruction at Chennai which is a comprehensive specialty centre for hernia care.
- Apollo Cancer Centres launched India's First Virtual Duathlon aimed to create awareness, support and raise funds for the treatment of childhood cancers
- Apollo Simulation Centre, the first-of-its-kind post graduate medical simulation centre launched at Apollo Specialty Hospitals, Vanagaram
- Apollo Hospitals announced the national launch of an AI (artificial intelligence) tool to predict the risk of cardiovascular disease. The Apollo AI-powered Cardiovascular Disease Risk tool will help healthcare providers to predict the risk of cardiac disease in their patients and initiate intervention early enough to make a real difference.

AWARDS AND ACCOLADES

- Apollo Proton Cancer Centre (APCC) is the first hospital in Tamil Nadu to receive the prestigious IGBC (Indian Green Building Council) Platinum Certification. APCC received the awards for Green Healthcare Facility – Platinum Certification for providing the best of Indoor Environmental Quality, Sanitization & Hygiene, Water Conservation, Energy Efficiency, & eco-friendly concepts.

Ranking released by Newsweek – 'Best Specialized Hospitals 2021'

- Apollo Heart Centre, Chennai is ranked as No. 1 Heart hospital in India under the category Best Specialized Hospitals 2021 – Cardiology.
- Apollo Speciality Cancer Hospital makes it to the list of Newsweek World's Best Hospitals 2021 – Top Specialized
- 10 Apollo Group hospitals are in the list of Newsweek World's Best Hospitals 2021 – Best Hospitals 2021 – India.
- Apollo Cancer Centre at Apollo Speciality Cancer Hospital, Chennai and Apollo Hospitals, Chennai are among just four Indian hospitals in the category, Best Specialized Hospitals 2021 – Oncology.
- Apollo Children's Hospitals, Chennai is one among just five Indian hospitals that are part of the Best Specialized Hospitals 2021 – Paediatrics ranking.



Ranking released by Newsweek – ‘World’s Best Smart Hospitals 2021’

- Apollo Hospital - Chennai makes it to the list of Newsweek World’s Best Smart Hospitals 2021

Times Health Survey – All India Multispeciality Hospitals Ranking

- Five hospitals from the Apollo Hospitals group find pride of place in the top 11 of the All India Multispeciality Hospitals Ranking Survey 2021 by Times Health Survey

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 10,231 beds across 71 Hospitals, 4,292 Pharmacies, over 200 Primary Care and Diagnostic Clinics, 148 plus Telemedicine Centres.

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 in Chennai across Asia, Africa, and Australia. 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 38 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.

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