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## **Apollo Hospitals reports strong all-round Q2 FY24 performance**

**Company announces a 250-bed new hospital in Pune (expandable to 425 beds in 2 years) at an overall cost of Rs 675 crs. Hospital is expected to be commissioned by Q1 FY25.**

**Expanded footprint in Eastern India with an acquisition of 225 bed hospital in Kolkata; expandable to 325 beds.**

**On track to add 2300 beds across 8 locations at a cost of Rs 3,400 crs over the next 3 financial years.**

**Consolidated Revenues grew by 14% YoY to Rs 4,847 cr**

**Healthcare Services revenues grew 12% YoY, to Rs 2,547 cr**

**Apollo HealthCo revenues grew 17% YoY to Rs 1,945 cr; GMV of Apollo 247 at Rs 726 crores – 16% QoQ growth**

**Apollo Diagnostics Revenues crosses landmark of Rs 120 crs in a quarter, growth of 19% YoY; well-poised at run rate of Rs 500 crs annually**

**Consolidated EBITDA before 24/7 Operating Cost and ESOP charge stood at Rs. 825 cr; 11% YoY growth**

**Apollo HealthCo on track for cash break even in Q4 FY24**

**Consolidated PAT for Healthcare services at Rs 314 cr, 11% YoY growth**

**Consolidated PAT (including Apollo HealthCo and AHLL) at Rs 233 cr, 14% YoY growth**

Apollo Hospitals, recently celebrated its remarkable 40-year journey in delivering exceptional healthcare services to patients in India and around the globe. This milestone is a testament to their unwavering commitment to providing top-notch healthcare solutions. During the second quarter of FY24, Apollo Hospitals continued its mission of expanding its presence across India while reaffirming its leadership position and unwavering dedication to delivering unparalleled patient care.

### **Expanding reach and care delivery touch points**

Apollo Hospitals expanded its footprint in East India by acquiring a partially built hospital in Kolkata, with a total capacity of 325 beds. This addition marks Apollo's second hospital in Kolkata, complementing their flagship facility in the city. With this acquisition, Apollo now has five hospitals in Eastern India, solidifying its position as the leading healthcare provider in the region. The total bed count in the Eastern region is over 1800, with plans for an additional 700 beds over the next three years, bringing the total bed count in the region to 2500.

The company entered into binding agreement for a 250 bed new hospital asset in Pune, expandable to 425 beds. This marks Apollo's entry into the city of Pune, one of the most promising and fastest growing cities in India, with a significant demand-supply gap of high-quality healthcare beds for the local population as well as for drain-in markets. **With this expansion, Apollo will have over 1000 beds in Maharashtra including Mumbai, Pune and Nashik.**

As part of their continued commitment to clinical excellence, Apollo Hospitals introduced a paediatric care division known as "Apollo Children's." This division specializes in delivering interventions for complex medical and surgical conditions for children, further bolstering Apollo's clinical leadership across the nation.

Apollo Hospitals also extended its reach by offering health screening and outreach outpatient services at a newly launched facility in Gurugram. This expansion ensures that healthcare services are readily available to a broader population in the National Capital Region.

### **Enabling technology to create more care touch points**

The company introduced India's first Comprehensive Connected Care program, powered by cutting-edge Connected Care technology. This initiative offers clinical teams and nursing staff a holistic, real-time view of patients throughout their healthcare journey, covering critical touchpoints such as emergency and ambulance services, in-patient care, post-surgery follow-up, and home care. This advancement has led to substantial improvements in quality and safety, resulting in an enhanced

overall patient experience.

Apollo Hospitals strengthened its collaboration with Google Cloud, aiming to make healthcare more accessible to every Indian through their leading digital platform, Apollo 24x7. This partnership is poised to revolutionize the way healthcare is accessed in the country.

By building a robust connected care partner network through collaborations, Apollo also launched Apollo Connect aimed to strengthen the healthcare ecosystem in India by improving last mile patient access, affordability and experience. Through this program, Apollo's partner hospitals will be able to enhance the services they offer patients, achieve superior clinical outcomes, improve patient retention, save costs and strengthen business performance. Apollo Connect, further promises to provide neighborhood hospitals and nursing homes the ecosystem support to help patients get access to quality healthcare they need, closer to home, and reduce the financial burden of travel and logistics.

**Dr. Prathap C Reddy, Chairman, Apollo Hospitals Group** said, *"For more than forty years, Apollo has spearheaded a healthcare revolution in India, leading the charge in delivering quality healthcare services throughout the nation. Our unwavering commitment drives us to extend the reach of our services far and wide, bolstered by investments in cutting-edge technologies and the ongoing enhancement of our existing facilities. Our relentless pursuit is to consistently elevate our services, ensuring superior care to our patients who deserve the best quality care and for the trust they placed in us for 40 years. We promise that we shall continue to do our best for them, always.*

*We are happy to have announced our new hospitals at Pune and Kolkata, and we are forging ahead with our plans to add 2300 high-quality beds in key geographies over the next three years.*

*At Apollo, we recognize the ever-evolving needs of patients, and we are dedicated to tailoring our care to secure optimal outcomes. As we look ahead, the next few years are pivotal for India in its journey towards becoming a global healthcare hub. To attain this milestone, we are embracing a new healthcare paradigm propelled by state-of-the-art technology and AI-driven solutions. This transformation is further enriched by the abundant clinical talent within our organization, positioning us as leaders in the battle against non-communicable diseases. Foundational to this new healthcare model are the priorities of community health, fostering public-private partnerships, and elevating investments in innovation and research.*

*Our vision for the future is firmly grounded in the commitment that no individual should go untreated due to limited access to quality care. In light of this, we introduced the Apollo Connect program, a collaborative initiative that unites healthcare providers on a single platform. This initiative ensures superior care while keeping patients closer to their homes, bolstering operational and business efficiency for hospitals and nursing homes across the nation.*

*With India's growing burden of non-communicable diseases (NCDs), we underscore the urgency of making preventive health checks a national priority. These measures are essential to address the emerging health challenges in our country, and we are dedicated to spearheading this initiative."*

## Q2FY24 CONSOLIDATED RESULTS

**Q2FY24 Revenues grew to Rs 4,847 crores; 14% YoY growth**

**Healthcare Services (HCS) Revenue at Rs 2,547 crores; 12% YoY growth**

**Apollo Diagnostics Revenues crosses landmark of Rs 123 crores in a quarter,  
Q2 FY24 Revenues at Rs 124 crore for Q2FY24; 19% YoY growth**

**Digital Health & Pharmacy Distribution Revenues at Rs 1,945 crores; 17% YoY growth  
GMV of Apollo 247 at Rs 726 crores – 16% QoQ growth;**

**Q2 Consolidated EBITDA (Post Ind AS) excluding 24/7 Operating Cost and ESOP charge stood at Rs. 825 Cr; 11% YoY growth and 16% QoQ growth.**

**Healthcare Services (HCS) EBITDA (Post IND AS 116) at Rs 635 crores;  
YoY growth of 11%**

**HCS EBITDA Margins (Post IND AS 116) at 24.9% ;  
YoY decline of (32 bps)**

**Apollo 24/7 Operating cost of Rs. 197 Cr for Q2 FY24**

**Q2 Consolidated Reported EBITDA at Rs 628 Cr, due to impact of 24/7 operating costs, as compared to EBITDA (Post IND AS 116) of Rs 565 Cr in Q2 FY23 (YoY: 11%) and Rs509 Cr in Q1 FY24 (QoQ: 23%).**

**Consolidated PAT is Rs 233 Cr, compared to Rs. 204 Cr in Q2FY23 and Rs 167 Cr in Q1 FY24**

## FINANCIAL PERFORMANCE

### Consolidated Q2FY24 Performance

- Revenue at Rs.48,469 mn vs Rs.42,511 mn in Q2FY23; growth of 14% YoY
- EBITDA at Rs.6,276 mn vs Rs.5,654 mn in Q2FY23. This is after Apollo 247 cost of Rs 1,973 mn in the quarter (including Rs 350 mn non-cash ESOP charge) vs Rs 1,744 mn (including Rs 220 mn non-cash ESOP charge) in Q2 FY23.
- Reported PAT at Rs.2,329 mn vs Rs.2,040 mn in Q2FY23
- Diluted EPS of Rs.16.20 per share in Q2 FY24 (not annualized)

### Consolidated H1FY24 Performance

- Revenue at Rs.92,647 mn vs Rs.80,467 mn in H123; growth of 15% YoY
- EBITDA at Rs.11,365 mn vs Rs.10,561 mn in H1FY23. This is after Apollo 247 cost of Rs 4,012 mn for H1 (including Rs 643 mn non-cash ESOP charge) vs Rs 3,156 mn in H1 FY23.
- PAT stood at Rs.3995 mn vs Rs.3,745 mn in H123 (Before Deferred tax reversal)
- Reported PAT stood at Rs.3,995 mn vs Rs.5,211 mn in H123
- Diluted EPS of Rs.27.78 per share in H1 FY24

## Q2 FY24 Segment-wise Performance Update

### **Healthcare Services (Hospitals)**

As on September 30, 2023, Apollo Hospitals had 7,765 operating beds across the network (excluding AHLL & managed beds), out of which 5,051 is occupied beds. The overall occupancy for hospitals was at 68% vs 62% in the trailing quarter, aided by a robust increase in patient flows across hospitals.

Consolidated Revenues of the healthcare services division increased by 12% to Rs.25,472 million in Q2FY24 compared to Rs.22,645 million in Q2FY23.

*EBITDA (Post Ind AS 116)* was at Rs.6,345 million in Q2FY24 compared to Rs.5,713 million in Q2FY23. EBITDA was higher by 11% YoY.

Revenue in the Tamil Nadu cluster grew by 7.5%, IP Volumes degrew by 0.3%. ARPOB grew by 15.9% to Rs.75,076. Overall occupancy in the cluster was 1266 beds (62% occupancy) as compared to 1364 beds (63 % occupancy) in the previous year.

In AP Telangana region, Revenues grew by 11.8%, IP volumes degrew by 2.3%. ARPOB grew by 21.8% to Rs.56,359. Occupancy in the cluster was 768 beds (60% occupancy) as compared to 836 beds (64 % occupancy) in the previous year.

In Karnataka region, Revenues grew by 10.5%, IP volumes grew by 5.2%. ARPOB grew by 16.7% to Rs.61,011. Occupancy in the cluster was 522 beds (73% occupancy) as compared to 551 beds (72 % occupancy) in the previous year.

In Eastern region, Revenues grew by 18.4%, IP volumes grew by 4%. ARPOB grew by 15.1% to Rs.44,184. Occupancy in the cluster was 1365 beds (77% occupancy) as compared to 1327 beds ( 76% occupancy) in previous year.

In Western region, Revenues grew by 25.7%, IP volumes grew by 24.1%. ARPOB grew by 10.9% to Rs.46,021. Occupancy in the cluster was 526 beds (61% occupancy) as compared to 464 beds ( 58% occupancy) in previous year.

In Northern region, Revenues grew by 17.0%, IP volumes grew by 6.1%. ARPOB grew by 13.7% to Rs.59,081. Occupancy in the cluster was 840 beds (77% occupancy) as compared to 816 beds ( 73% occupancy) in previous year.

## **Apollo Health and Lifestyle Limited: Diagnostics and Retail Healthcare**

- AHLL Gross Revenue at Rs.3,542 million; 11% YoY growth
- Diagnostics business added 400+ collection centres taking the overall network to ~2,050 centres and spread across ~260 cities serving 13,000+ customer daily. Aim to reach 3,000+ collection centers by end of the year.
- Diagnostics Revenue stood at RS.1,239 million and Spectra at Rs.598 million

## **Apollo HealthCo: 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.
- Offline Pharmacy distribution revenues at Rs. 17,143 million in Q2FY24 while Revenues from Digital platform were at Rs. 2,312 million
- Overall Health Co Revenues were at Rs 19,454 million representing 17% YoY growth.
- 98 net new stores were opened in this quarter, taking the total number to 5671 stores.
- GMV of Apollo 24/7 at Rs 7,256 million in Q2FY24, growth of 147% over Q2FY23.
- Avg Q2FY24 run rate of ~48K/day order across Pharma, Diagnostics Consultations (including IP/OP referrals) compared to ~39.5 K/day in Q2FY23

## **CLINICAL EXCELLENCE HIGHLIGHTS**

- A team of doctors at Apollo Hospitals, Ahmedabad successfully performed the first liver transplant of infant in Gujarat.
- Apollo Hospitals established its leadership position in India as the largest cardiac center of excellence.
- With Apollo Telehealth, the company continued its efforts to revolutionize access to healthcare through innovation.
- A team of doctors at Apollo Hospitals, Ahmedabad successfully performed an eight-hour long challenging liver transplant surgery to save a child's life.
- Apollomedics Super Specialty Hospital, Lucknow successfully performed a liver transplant on a patient diagnosed with Cryptogenic Liver Cirrhosis.
- Doctors at Apollo Hospitals, Chennai successfully performed two novel



- cardiac procedures on a 75-year-old patient.
- Apollomedics Super Specialty Hospital, Lucknow successfully performed UP's first and country's fifth Renal Denervation Therapy for resistant hypertension.
  - Apollo Cancer Centre, Visakhapatnam inaugurated the largest Bone Marrow Transplant unit in Andhra Pradesh. This reaffirmed Apollo's commitment to providing world-class patient care and elevates the medical landscape of the state.
  - Apollomedics Super Specialty Hospital, Lucknow achieved a milestone landmark by performing 100 Successful Solid Organ Transplants. This is the only private hospital in the region to perform Cadaveric Liver & Kidney Transplants.
  - Apollo Hospitals, Jubilee Hills, Hyderabad successfully performed a complex and novel non-surgical mitral valve procedure on a patient with recurrent heart failure.
  - Apollo Hospitals, Chennai successfully performed first-of-its-kind interventional procedure with laser technology on a patient, with an infected pacemaker.

## **NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS**

- Apollo Hospitals expanded its presence in Kolkata with an acquisition of a partially built hospital. This will be Apollo's second hospital in Kolkata and fifth in the eastern region, and Apollo further strengthens its position as the largest healthcare provider in the region with over 1800 beds across Kolkata, Bhubaneshwar and Guwahati.
- Apollo Hospitals also expanded its partnership with Google Cloud to boost the healthcare ecosystem in India. Apollo 24|7 built entirely on Google Cloud aims to deliver an omnichannel healthcare experience to people in India with telemedicine services, online doctor consultations, home delivery of medication, and improved clinician decision making.
- Apollo Hospitals introduced India's first Comprehensive Connected Care Services nationally. Through this, Apollo will offer clinical teams and nursing staff a holistic real-time view of the patient, across several care touchpoints along the patient journey.
- Apollo Hospitals, Chennai launched Advanced Centre for GI Bleed ailments.

- The Centre will offer treatment in line with international guidelines, with a view to improve outcomes for patients affected by GI-related conditions.
- Apollo Adlux Hospitals, Kochi launched Da Vinci Xi, the 4th generation robotic-assisted surgery system(RAS). With this launch, Apollo expanded its RAS network, further yielding better clinical outcomes from the existing robotic-assisted surgery units across the country.
  - Apollo Hospitals, Ahmedabad organized the PediaSync 2023 symposium, its first-ever one-day symposium on the latest advancements in pediatric medicine.
  - Apollo Hospital Sheshadripuram conducted an awareness campaign on No Honking to reduce noise pollution in hospital zone.
  - Apollo Proton Cancer Centre along with Apollo Cancer Centre and Apollo Shine organized a Cyclothon to create awareness about Sarcoma.
  - Apollo BGS Hospitals, Mysore organized the Apollo Cardiovascular Symposium 2023 to discuss evidences of implementation of newer technologies in cardiovascular treatment resulting in improved outcomes and patient survival.

## **About Apollo**

*Apollo revolutionized healthcare when Dr Prathap Reddy opened the first hospital in Chennai in 1983. Today Apollo is the world's largest integrated healthcare platform with over 10,000 beds across 71 hospitals, nearly 6000 pharmacies and over 200 clinics and diagnostic centers as well as 150 telemedicine centers. It is the world's leading cardiac center with over 200,000 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 patients have the best available care in the world. Apollo's 100,000 family members are dedicated to bringing you the best care and leaving the world better than we found it.*

For further details, log onto: [www.Apollohospitals.com](http://www.Apollohospitals.com)

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