Apollo HOSPITALS

Q3 FY 2018 Earnings Update

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- The Company on a quarterly basis adopts and publishes Standalone financial results as per the stock exchange listing agreement requirements. The consolidated financial results provided for the Quarter are unaudited and for information purposes only.

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

Contents

HIGHLIGHTS

Highlights

Financial Performance

- Q3 FY 18 Consolidated Revenues of ₹ 21,393 mio (up 12.3% yoy)
- Q3 FY 18 Consolidated EBITDA of ₹ 2,172 mio (up 16.8% yoy)
  - New Hospitals (excluding Navi Mumbai) reported an EBITDA of ₹ 209 mio in Q3 FY 18. Navi Mumbai reported EBITDA loss of ₹ 105 mio in Q3 FY 18.
  - AHLL reported an EBITDA loss of ₹ 250 mio in Q3 FY 18
- Q3 FY 18 Consolidated EBITDA margin at 10.2% as compared to 9.8% in Q3 FY 17
  - Consolidated Healthcare services EBITDA Margin at 17.3% in Q3 FY 18
  - SAP EBITDA margin at 4.5% in Q3 FY 18
- Consolidated PAT of ₹ 438 mio in Q3 FY 18
  - Includes AHLL PAT loss of ₹ 253 mio

Key Operational Highlights

- Tamilnadu region revenues grew by 6% in YTD Dec 17 to ₹ 13,532 mio as compared to ₹ 12,756 mio in YTD Dec 16.
- AP, Telangana Region revenues grew by 19% in YTD Dec 17 to ₹ 6,927 mio as compared to ₹ 5,843 mio in YTD Dec 16. ARPOB registered a healthy 10% growth due to case mix improvement and reduction in low yielding cases.
- Karnataka Region witnessed an overall revenue growth of 11%.
- New Hospitals displayed good growth. Revenues grew from ₹ 4,209 mio in YTD Dec 16 to ₹ 5,741 in YTD Dec 17, growth of 36%.
- Stand Alone Pharmacies (SAP) reported Revenues of ₹ 24,805 mio, growth of 16%. SAP EBITDA at ₹ 1,077 mio (4.3% margin) in YTD Dec 17.
- Apollo Munich achieved a Gross Written Premium of ₹ 9,928 mio in YTD Dec 17 against ₹ 7,423 mio achieved during the same period in the previous year representing a growth of 34%.

Highlights

Capacity

- 71 hospitals with total bed capacity of 9,948 beds as on Dec 31, 2017
  - 43 owned hospitals including JVs/ Subsidiaries and Associates with 8,333 beds
  - 11 Day care/ short surgical stay centres with 233 beds and 11 Cradles with 298 beds
  - 6 Managed hospitals with 1,084 beds.
- Of the 8,333 owned hospital beds capacity, 7,111 beds were operational and had an occupancy of 65%.
- The total number of pharmacies as on Dec 31, 2017 was 2,849. Gross additions of 298 stores with 5 stores closure thereby adding 293 stores on a net basis in YTD Dec 17.

Medical Initiatives Accomplish-ments

- Apollo Hospitals achieved a rare milestone by performing over 100 Robot assisted Myomectomies; which is first of its kind in the country.
- Apollo Hospitals, Dhaka successfully conducted an 'Awake craniotomy'; which is an operation performed in the same manner as a conventional craniotomy but with the patient awake during the procedure. The patient who had developed an enhancing tumour just in front of his left motor area of the brain along with some other parts; now lives his life without any neurological problem.
- Apollo Hospitals, Chennai attained an applaudable feat by performing Asia's first-of-its kind Pancreas Kidney transplant on a 38-year-old Delhi-based diabetic patient by harvesting pancreas from a cadaveric donor and kidney from the patient's spouse.

Other Key Developments

- Apollo Sugar Clinic recently partnered with 'GlucoMe - digital diabetes care solution' with an aim to benefit thousands of diabetes patients and clinics across India.
- Apollo Hospitals partnered with 'Mobile ODT' to improve the higher detection rate of suspected cervical cancer in both urban and rural areas.
- Apollo Hospitals tied up with 'Credence Genomics', a biotechnology firm to offer diagnostic services for infectious diseases to patients in India starting with Chennai.
- Hospitals at Chennai, Kolkata, Bengaluru, Bhubaneshwar, Hyderabad and Ahmedabad included among the top Hospitals in India in The Week-Nielsen Best Hospital Survey 2017

STANDALONE
FINANCIAL PERFORMANCE

Standalone Financial Performance – Total

(₹ mio)

	Q3 FY 17	Q3 FY 18	yoy (%)	YTD Dec 16	YTD Dec 17	yoy (%)
Revenue	16,806	18,961	12.8%	47,801	54,322	13.6%
Operative Expenses	8,892	9,905	11.4%	24,941	28,216	13.1%
Employee Expenses	2,471	2,837	14.8%	6,935	8,279	19.4%
Administrative & Other Expenses	3,502	4,007	14.4%	9,886	11,666	18.0%
Total Expenses	14,865	16,749	12.7%	41,762	48,161	15.3%
EBITDA	1,941	2,213	14.0%	6,039	6,161	2.0%
margin (%)	*11.5%*	*11.7%*	12 bps	*12.6%*	*11.3%*	-129 bps
Depreciation	618	677	9.7%	1,778	1,989	11.9%
EBIT	1,323	1,535	16.0%	4,262	4,173	-2.1%
margin (%)	*7.9%*	*8.1%*	22 bps	*8.9%*	*7.7%*	-123 bps
Financial Expenses	513	635	23.8%	1,426	1,778	24.7%
Other Income	31	79	155.1%	168	67	-59.8%
Profit Before Tax	841	978	16.4%	3,003	2,462	-18.0%
Profit After Tax	728	674	-7.4%	2,370	1,735	-26.8%
margin (%)	*4.3%*	*3.6%*	-78 bps	*5.0%*	*3.2%*	-176 bps

Total Debt					29,253	
Cash & Cash equivalents (includes investment in liquid funds)					2,301	

Key Highlights

- Q3 FY 18 Revenues of ₹ 18,961 mio, 12.8% yoy growth
- Q3 FY 18 EBITDA at ₹ 2,213 mio, 14.0% yoy growth
- Q3 FY 18 EBIT at ₹ 1,535 mio, 16.0% yoy growth
- Q3 FY 18 PAT at ₹ 674 mio

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 – Existing & New Breakup

(₹ mio)

		Healthcare Services (Existing)	New Hospitals	Healthcare Services (Total)	SAP	Standalone
YTD Dec 17	Hospitals	21	11	32		
	Operating beds	3,304	1,372	4,676		
	Occupancy	67%	53%	63%		
	Revenue	23,777	5,741	29,517	24,805	54,322
	EBITDAR	5,460	385	5,845	1,930	7,776
	margin (%)	*23.0%*	*6.7%*	*19.8%*	*7.8%*	*14.3%*
	EBITDA	4,984	100	5,084	1,077	6,161
	margin (%)	*21.0%*	*1.7%*	*17.2%*	*4.3%*	*11.3%*
	EBIT	3,885	-567	3,318	855	4,173
	margin (%)	*16.3%*		*11.2%*	*3.4%*	*7.7%*
YTD Dec 16	Hospitals	21	11	32		
	Operating beds	3,306	1,199	4,505		
	Occupancy	64%	49%	60%		
	Revenue	22,280	4,209	26,489	21,312	47,801
	EBITDAR	5,390	426	5,816	1,591	7,407
	margin (%)	*24.2%*	*10.1%*	*22.0%*	*7.5%*	*15.5%*
	EBITDA	4,957	154	5,111	929	6,039
	margin (%)	*22.2%*	*3.7%*	*19.3%*	*4.4%*	*12.6%*
	EBIT	3,882	-355	3,528	734	4,262
	margin (%)	*17.4%*		*13.3%*	*3.4%*	*8.9%*
YOY Growth						
Revenue Growth		6.7%	36.4%	11.4%	16.4%	13.6%
EBITDAR Growth		1.3%	-9.8%	0.5%	21.4%	5.0%
EBITDA Growth		0.5%		-0.5%	16.0%	2.0%
EBIT Growth		0.1%		-5.9%	16.5%	-2.1%

Key Highlights

- Health Care Services revenue growth at 11.4% from ₹ 26,489 mio in YTD Dec 16 to ₹ 29,517 mio in YTD Dec 17

  New Hospitals revenues grew 36.4% from ₹ 4,209 mio in YTD Dec 16 to ₹ 5,741 mio in YTD Dec 17

- Excluding Navi Mumbai loss of ₹ 330 mio in YTD Dec 17, the new hospitals reported positive EBITDA of ₹ 430 mio compared to EBITDA of ₹ 236 mio in YTD Dec 16.

Standalone Financial Performance – Segment Reporting

(₹ mio)

	Q3 FY 17	Q3 FY 18	yoy (%)	YTD Dec 16	YTD Dec 17	yoy (%)
Revenues from each segment						
Healthcare Services*	8,919	10,081	13.0%	26,493	29,522	11.4%
Stand-alone Pharmacy	7,888	8,882	12.6%	21,312	24,805	16.4%
Other Income	31	79	155.3%	168	67	-59.7%
Total	16,838	19,042	13.1%	47,973	54,395	13.4%
Less: Intersegmental Revenue	1	2		4	5	
Net Revenues (incl. other income)	16,837	19,040	13.1%	47,969	54,390	13.4%
Profit before Tax & Interest (EBIT)						
Healthcare Services*	1,017	1,209	18.9%	3,528	3,318	-5.9%
Stand-alone Pharmacy	306	326	6.5%	734	854	16.4%
Other Income	31	79	155.1%	168	67	-59.8%
Total EBIT (incl. other income)	1,354	1,614	19.2%	4,429	4,240	-4.3%
Profit before Tax & Interest (EBIT) margins						
Healthcare Services*	11.4%	12.0%	59 bps	13.3%	11.2%	-208 bps
Stand-alone Pharmacy	3.9%	3.7%	-21 bps	3.4%	3.4%	0 bps
Total EBIT margin (incl. other income)	8.0%	8.5%	43 bps	9.2%	7.8%	-144 bps
				Capital employed	ROCE	
Healthcare services – Existing (1)				26,348	19.3%	
Standalone Pharmacy				7,107	16.0%	
Healthcare services – New				18,018		
Total ROCE				51,473	10.8%	

Key Highlights

- Q3 FY 18 Healthcare services Revenues at ₹ 10,081 mio, growth of 13.0%
- Q3 FY 18 Standalone pharmacies Revenues at ₹ 8,882 mio, growth of 12.6%.
- 11 New Hospitals (Vanagaram, Jayanagar, Trichy ,Nasik, Women & Child - OMR, Nellore, Perungudi, Women & Child – SMR, Vizag new, Malleswaram & Navi Mumbai) having capital employed of ₹ 18,018 mio yet to contribute to ROCE.
- Excluding the New Hospitals, ROCE of existing Healthcare Services is at 19.3% as on 31st Dec 2017.

(2) The Capital employed as per segment reporting had Investment in Subs & JVs which now has been reclassified to Others segment as the results of these don't form part of Standalone financials.

* 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 on new hospital expansion projects & Investment in Proton of ₹ 6,415 mio for YTD Dec 17 and ₹ 3,587 mio for YTD Dec 16 & investments in mutual funds and associate

CONSOLIDATED
FINANCIAL PERFORMANCE

Consolidated Financial Performance - Total (Unaudited Management estimates)

(₹ mio)

	Q3 FY 17	Q3 FY 18	yoy (%)	YTD Dec 16	YTD Dec 17	yoy (%)
Total Revenues	19,057	21,393	12.3%	54,171	61,352	13.3%
EBITDA	1,860	2,172	16.8%	5,807	6,069	4.5%
margin (%)	*9.8%*	*10.2%*	*39 bps*	*10.7%*	*9.9%*	*-83 bps*
EBIT	1,035	1,284	24.1%	3,483	3,503	0.6%
margin (%)	*5.4%*	*6.0%*	*57 bps*	*6.4%*	*5.7%*	*-72 bps*
Profit After Tax	429	438	2.1%	1,538	936	-39.2%
Total Debt					33,123	
Cash & Cash equivalents (includes investment in liquid funds)					5,035	

Key Highlights

- Revenue growth of 12.3% from ₹ 19,057 mio in Q3 FY 17 to ₹ 21,393 mio in Q3 FY 18
- Q3 FY 18 Consolidated EBITDA grew by 16.8% to ₹ 2,172 mio
- Consolidated PAT at ₹ 438 mio in Q3 FY 18, 2.1% growth

Basis of consolidation in the Appendix (page 25)

Consolidated Financial Performance – Existing & New Breakup – Total

(₹ mio)

		Healthcare Serv Group (Existing)	Healthcare Serv Group (New & Others)	Healthcare Serv Group (Total)	SAP	AHLL (incl Cradle)	Consol
YTD Dec 17	Hospitals	30	13	43			
	Operating beds	5,427	1,684	7,111			
	Occupancy	68%	57%	65%			
	Revenue	27,069	7,200	34,270	24,805	2,277	61,352
	EBITDAR	6,067	538	6,605	1,930	-199	8,336
	margin (%)	22.4%	7.5%	19.3%	7.8%		13.6%
	EBITDA	5,542	214	5,756	1077	-764	6,069
	margin (%)	20.5%	3.0%	16.8%	4.3%		9.9%
	EBIT	4,211	-509	3,702	855	-1054	3,503
	margin (%)	15.6%		10.8%	3.4%		5.7%
YTD Dec 16	Hospitals	30	13	43			
	Operating beds	5,383	1,516	6,899			
	Occupancy	67%	54%	65%			
	Revenue	25,431	5,414	30,844	21,312	2,014	54,171
	EBITDAR	5,938	479	6,417	1,591	-251	7,757
	margin (%)	23.4%	8.8%	20.8%	7.5%		14.3%
	EBITDA	5,488	168	5,656	929	-777	5,807
	margin (%)	21.6%	3.1%	18.3%	4.4%		10.7%
	EBIT	4,202	-392	3,810	734	-1060	3,483
	margin (%)	16.5%		12.4%	3.4%		6.4%
YOY Growth							
Revenue Growth		6.4%	33.0%	11.1%	16.4%	13.1%	13.3%
EBITDAR Growth		2.2%	12.4%	2.9%	21.4%		7.5%
EBITDA Growth		1.0%	27.6%	1.8%	16.0%		4.5%
EBIT Growth		0.2%		-2.8%	16.5%		0.6%

Key Highlights

- Excluding Navi Mumbai loss of ₹ 330 mio in YTD Dec 17, the new hospitals reported positive EBITDA of ₹ 544 mio compared to EBITDA of ₹ 250 mio in YTD Dec 16.
- SAP EBITDA of ₹ 1,077 mio (4.3% margin) in YTD Dec 17 as compared to ₹ 929 mio (4.4% margin) in YTD Dec 16
- AHLL – Cradle & Clinics reported an EBITDA loss of ₹ 764 mio as compared to loss of ₹ 777 mio in YTD Dec 16

OPERATIONAL PERFORMANCE
HOSPITALS

Operational Performance – Hospitals (1/2)

(₹ mio)

	Total [8]			Tamilnadu Region [1] (Chennai & others)			AP, Telengana Region [2] (Hyderabad & others)		
Particulars	**YTD Dec 16**	**YTD Dec 17**	**yoy (%)**	**YTD Dec 16**	**YTD Dec 17**	**yoy (%)**	**YTD Dec 16**	**YTD Dec 17**	**yoy (%)**
No. of Operating beds	6,899	7,111		2,121	2,108		1,333	1,364	
Inpatient volume	3,01,724	3,23,005	7.1%	88,465	94,850	7.2%	52,281	56,997	9.0%
Outpatient volume[6]	10,58,276	10,80,961	2.1%	3,56,205	3,75,131	5.3%	1,69,991	1,80,734	6.3%
Inpatient ALOS (days)	4.06	3.95		3.66	3.58		4.11	4.07	
Bed Occupancy Rate (%)	65%	65%		56%	59%		59%	62%	
Inpatient revenue (₹ mio)	NA	NA		9,736	10,072	3.5%	4,864	5,813	19.5%
Outpatient revenue (₹ mio)	NA	NA		3,021	3,459	14.5%	979	1,114	13.8%
ARPOB (₹ /day)[7]	31,247	31,984	2.4%	39,376	39,879	1.3%	27,168	29,830	9.8%
Total Net Revenue (₹ mio)[7]	NA	NA		12,756	13,532	6.1%	5,843	6,927	18.6%

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 (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)

	Karnataka Region [3] (Bangalore & others)			Others [4]			Significant Subs/JVs/Associates[5]		
Particulars	**YTD Dec 16**	**YTD Dec 17**	**yoy (%)**	**YTD Dec 16**	**YTD Dec 17**	**yoy (%)**	**YTD Dec 16**	**YTD Dec 17**	**yoy (%)**
No. of Operating beds	709	717		731	872		2,005	2,050	
Inpatient volume	36,366	39,717	9.2%	29,021	39,968	37.7%	95,591	91,473	-4.3%
Outpatient volume[6]	1,04,867	1,09,611	4.5%	73,447	89,904	22.4%	3,53,766	3,25,581	-8.0%
Inpatient ALOS (days)	3.63	3.61		4.89	4.23		4.32	4.30	
Bed Occupancy Rate (%)	68%	73%		71%	71%		75%	70%	
Inpatient revenue (₹ mio)	3,413	3,755	10.0%	2,098	3,038	44.8%	10,719	9,772	-8.8%
Outpatient revenue (₹ mio)	553	646	16.9%	339	556	64.1%	2,200	2,267	3.1%
ARPOB (₹ /day)[7]	30,083	30,675	2.0%	17,174	21,253	23.8%	31,319	30,643	-2.2%
Total Net Revenue (₹ mio)[7]	3,966	4,402	11.0%	2,437	3,594	47.4%	12,918	12,040	-6.8%

OPERATIONAL PERFORMANCE
STANDALONE PHARMACY

Operational Performance – Standalone Pharmacy

(₹ mio)

Batch	Particulars	Q3 FY 17	Q3 FY 18	yoy (%)	YTD Dec 16	YTD Dec 17	yoy (%)
Upto FY 10 Batch	No of Stores	767	765		767	765	
	Revenue/store	4.25	4.19	-1.4%	11.83	12.17	2.9%
	EBITDA /store	0.30	0.29	-1.0%	0.80	0.83	4.0%
	EBITDA Margin %	7.0%	7.0%	3 bps	6.7%	6.8%	7 bps
FY 11 Batch	No of Stores	154	154		154	154	
	Revenue/store	3.58	3.64	1.8%	9.88	10.42	5.5%
	EBITDA /store	0.25	0.27	7.9%	0.65	0.74	13.2%
	EBITDA Margin %	7.0%	7.4%	41 bps	6.6%	7.1%	48 bps
FY 12 Batch	No of Stores	218	214		218	214	
	Revenue / Store	3.21	3.35	4.2%	8.93	9.54	6.8%
	EBITDA /store	0.17	0.19	9.2%	0.46	0.52	15.2%
	EBITDA Margin %	5.4%	5.6%	26 bps	5.1%	5.5%	40 bps
SAP (Excluding Hetero)	Total Revenues	7,448	8,389	12.6%	20,120	23,426	16.4%
	EBITDA	356	393	10.4%	930	1,060	14.0%
	EBITDA Margin %	4.8%	4.7%	-9 bps	4.6%	4.5%	-10 bps
Hetero	No of Stores	261	258		261	258	
	Revenue/store	1.69	1.91	13.3%	4.57	5.35	17.0%
	EBITDA /store	0.03	0.03	38.6%	-0.01	0.07	
	EBITDA Margin %	1.5%	1.8%		-0.1%	1.2%	
Total	No. of Stores	2,506	2,849		2,506	2,849	
	Revenue / Store	3.15	3.12	-1.0%	8.50	8.70	2.4%
	EBITDA / Store	0.14	0.14	-3.8%	0.37	0.38	1.6%
	EBITDA Margin %	4.6%	4.5%	-13 bps	4.4%	4.3%	-3 bps
	Total Revenues	7,888	8,882	12.6%	21,312	24,805	16.4%
	EBITDA	362	401	11.0%	929	1,077	16.0%
	EBITDA Margin %	4.6%	4.5%	-7 bps	4.4%	4.3%	-2 bps
Capex (₹ Mio)		105	201		309	410	
Capital Employed (₹ Mio)		6,642	7,107		6,642	7,107	
Total ROCE %		18.4%	18.3%	-9 bps	14.7%	16.0%	130 bps
Total No. of Employees					16,343	18,754	

Key Highlights

- YTD Dec 17 Revenues at ₹ 24,805 mio, growth of 16.4%
- **Adjusted for GST, Q3FY18 revenues grew by 19%**
- EBITDA of ₹ 1,077 mio in YTD Dec 17 as compared to ₹ 929 mio in YTD Dec 16, growth of 16.0%
- EBITDA margins of 4.3% in YTD Dec 17
- Excluding the Hetero network of stores, Revenue growth was 16.4% and EBITDA growth was 14.0%, EBITDA margin of 4.5% in YTD Dec 17
- LFL (Like-for-like) Revenue per store growth for pre FY2008 batch of stores in YTD Dec 17 is 2.3% (yoy) and EBITDA per store growth is 2.0% (yoy). EBITDA margin of 7.4% in YTD Dec 17
- ROCE in YTD Dec 17 at 16.0% as compared to 14.7% in YTD Dec 16

- Gross addition of 298 stores and closed 5 stores in YTD Dec 17. Net addition of 293 stores.
- No. of stores as on 31st Dec 2017 is 2,849.

UPDATE ON PROJECTS

Key Hospital Expansion Plan & Update on Execution

(₹ mio)

Location	CoD*	Type of Hospital	No. Of Beds	Total Estimated Project Cost (INR mio)
Addition in FY 19				
Indore	FY19	Expansion	65	280
South Chennai	FY19	Proton Therapy	200	7,500
Sub Total			265	7,780
Addition in FY 21-22				
Byculla, Mumbai	FY 21-22	Super Specialty	500	3,500
Sub Total			500	3,500
Total			765	11,280

Key Highlights

- 2,430 beds in 13 locations commissioned in the last 36 months – Vanagaram 260, Jayanagar 140, Trichy 200, Nashik 120, Women and Child - OMR 60, Indore 120, Nellore 190, Perungudi 150, Women & Child - SMR 50, Vizag new 250, Malleswaram 190, Assam 220, Navi Mumbai 480.
- To add 200 beds in South Chennai, 500 beds in Byculla, Mumbai.

Excluding Byculla which is after 4 years, the total Capex estimated for this expansion plan is ₹ 7,780 mio. Of this Investment of ₹ 3,910 mio is already made. Balance will be invested by a mix of internal accruals and debt

* Expected date of completion

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

Update on AHLL

(₹ mio)

	Clinics	Diagnostics	Sugar	Dental	Dialysis	Cradles (IP)	Spectra (IP)
Network	72	264	30	74	8	12	12
Footfalls/Day*	1931	1974	471	135	124	33	49
Gross ARPP (Rs.)*	1500	484	2060	8503	2056	72134	76069

		Diagnostics	Primary Care	Specialty Care	Corporate	Intra Group	AHLL (Consol)
Gross Revenue	YTD Dec 17	485	1242	1918	0	-274	3,372
	YTD Dec 16	392	1228	1545	0	-303	2,862
	YOY	24%	1%	24%			18%
Net Revenue	YTD Dec 17	478	879	1168	0	-248	2,277
	YTD Dec 16	392	944	980	0	-303	2,014
	YOY	22%	-7%	19%			13%
EBITDA (Unit level)	YTD Dec 17	-53	71	-390	0	3	-370
	YTD Dec 16	-1	3	-335	0	8	-325
							-14%
EBITDA	YTD Dec 17	-99	-79	-456	-133	3	-764
	YTD Dec 16	-37	-169	-460	-120	8	-777
							2%
EBIT	YTD Dec 17	-115	-167	-634	-139	0	-1,054
	YTD Dec 16	-45	-250	-644	-120	0	-1,060

Key Highlights

- Gross Revenue growth of 18%, primarily driven by 24% growth in Diagnostics and Specialty care.
- Unit level EBITDA negative due to New and Early stage centres in Diagnostics and Cradles.
- Optimization of SBU level Overheads resulted in Marginal improvement in EBITDA losses.

* 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	**Q3 FY 17**	**Q3 FY 18**	**yoy (%)**	**YTD Dec 16**	**YTD Dec 17**	**yoy (%)**
Revenue	1,156	974	-15.8%	3,416	2,668	-21.9%
EBITDA	232	81	-65.0%	696	95	-86.3%
margin (%)	*20.1%*	*8.4%*		*20.4%*	*3.6%*	
Profit after Tax	88	18		279	-114	
margin (%)	*7.6%*	*1.8%*		*8.2%*	*-4.3%*	
No. of Operating beds	650	700		650	700	
Bed Occupancy Rate (%)	81%	76%		80%	68%	
ARPOB (₹ /day)	31,535	26,583	-15.7%	31,515	27,542	-12.6%

Key Highlights

- Apollo Gleneagles Kolkata reported Revenue of ₹ 2,668 mio in YTD Dec 17.

Apollo Munich Health Insurance Co Ltd						
Particulars	**Q3 FY 17**	**Q3 FY 18**	**yoy (%)**	**YTD Dec 16**	**YTD Dec 17**	**yoy (%)**
Total Income	2,756	3,481	26.3%	7,788	7,965	2.3%
EBITDA	269	253	-6.0%	568	-821	
margin (%)	*9.8%*	*7.3%*	*-250 bps*	*7.3%*	*-10.3%*	
Profit after Tax	242	203	-16.0%	486	-929	
margin (%)	*8.8%*	*5.8%*	*-294 bps*	*6.2%*	*-11.7%*	

- During YTD Dec 17, the company achieved a Gross Written Premium (GWP) of ₹ 9,928 mio against a GWP of ₹ 7,423 mio in YTD Dec 16
- EBITDA loss of ₹ 821 mio in YTD Dec 17
- PAT loss of ₹ 929 mio in YTD Dec 17
- The incurred claim loss ratio was at 78% in YTD Dec 17
- The Assets under Management stood at ₹ 10,140 mio as on Dec 31, 2017
- The Company now has 158 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


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Appendix: Basis of Consolidation

AHEL Standalone	Location	Description	AHEL Ownership
Chennai Main	Chennai	Hospital	100.0%
ASH - 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	68.64%
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	74.00%
Total Health			100.00%
Apollo Healthcare Technology Solutions ltd	Chennai	Hospital	100.00%
Assam Hospitals Ltd	Assam	Hospital	59.22%
Apollo Hospitals International Ltd.	Ahmedabad	Hospital	50.00%
Apollo Hospitals Singapore.PTE Limited			100.00%
Future Parking Pvt Ltd	Chennai	Infrastructure	49.00%
Associates	**Location**	**Description**	
Indraprastha Medical Corporation Ltd.	Delhi, Noida	Hospital	22.02%
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 Therapautics Pvt Ltd	Ahmedabad	Stemcell Banking	24.50%
Apollo Munich Health Insurance Company Ltd		Health Insurance	10.00%

Hospitals – Understanding Key Operating Metrics

	Description	Formula / Calculation	Key Driver
Operating Beds	• Number of operating beds		• Project execution • Capital Expenditure
Occupancy	• In-patient Bed Days	• In-patient Bed Days Billed	• Brand • Doctor reputation • Quality of outcomes • Competition
ALOS	• Average Length of Stay per In-patient	• In-Patient Bed Days / In-Patient Admissions	• Case-Mix / Type of procedures • Leverage technology and quality of clinical care to shorten stay
ARPOB / day	• Average Revenue Per Occupied Bed Day	• (IP Revenue* + OP Revenue + Hospital Based Pharmacy Revenue) / IP Bed Days	• Case-Mix / Type of procedures • Better utilization of operational theatres, medical equipment • Pricing
Contribution	• Contribution	• Revenue – Variable costs	• Purchasing efficiency • Operating efficiency

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

THANK YOU