

30th May, 2023

Apollo Hospitals announces Q4 FY23 results:

Q4 FY23 Revenues grew to Rs 4,302 Crores; 21% YoY growth

Q4 FY23 Consolidated EBITDA excluding 24/7 Operating Cost and ESOP charge stood at Rs. 706 Crores; 29% YoY growth

Q4 FY23 Consolidated PAT Rs 145 Crores, compared to Rs. 90 Crore in Q4 FY22 ; 60% YoY growth

Company declares final dividend of 180% (Rs. 9 per share)

Total dividend of 300% including interim of Rs 6 per share declared earlier

Industry-wide traction seen in health seeking behaviour as well penetration of Health Insurance. Non-metro cities hold great growth promise for the future as health and wellness have become central to every household.

Apollo Hospitals achieved 10,000 robotics assisted surgeries, has also expanded and introduced robotic-assistive procedures to over 20 specialties.

Apollo Hospitals Group successfully completes 500 pediatric liver transplants. With 90% success rates, it has become a beacon of quality and hope for patients from across the world

Over 9 million AI CVD (AI enabled Cardiac risk score) completed – increasing our ability to predict risk of cardiac disease accurately. Focus on AI has the power to revolutionise digital healthcare.

Apollo launches Institute of Genomics, in 6 centres in India, to provide targeted, precise and personalized diagnosis and treatment basis genomic understanding of each individual.

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Q4FY23 CONSOLIDATED RESULTS

REVENUE

Q4 FY23 Revenues grew to Rs 4,302 Crores; 21% YoY growth

Healthcare Services (HCS) Revenue at Rs 2,195 Crores; 18% YoY growth

AHLL : Revenues at Rs 309 Crores

**Apollo HealthCo: Pharmacy Distribution & Digital Health Revenues at Rs 1,799 Crores;
31% YoY growth**

GMV of Apollo 24/7 at Rs 593 Crores; 9% QoQ growth

EBITDA

**Q4 FY23 Consolidated EBITDA excluding 24/7 Operating Cost and ESOP
charge stood at Rs. 706 Crores; 29% YoY growth**

Healthcare Services (HCS) EBITDA at Rs 535 Crores; YoY growth of 31%

AHLL: EBITDA at Rs 26 Crores

**Apollo HealthCo: Pharmacy distribution & Digital health EBITDA at Rs 145 Crores, YoY
growth of 41%**

Apollo 24/7 Operating cost of Rs. 189 Crores and Non-cash ESOP charge of Rs 28 Crore

**Q4 Consolidated Reported EBITDA at Rs 488 Crores, after 24/7 operating costs as
compared to EBITDA of Rs 463 Crores in Q4 FY22**

PAT

**Q4 FY23 Consolidated PAT Rs 145 Crores, compared to Rs. 90 Crore in Q4
FY22 ; 60% YoY growth**

Healthcare Services (HCS) PAT at Rs 257 Crore; YoY growth of 46%

AHLL: PAT loss at Rs 23 Crore

Apollo HealthCo: PAT loss at Rs 89 Crores post Rs 217 crs of Apollo 24/7 Operating cost

FY23 CONSOLIDATED RESULTS

REVENUE

FY23 Revenues grew to Rs 16,613 Crore; 13% YoY growth

Healthcare Services (HCS) Revenue at Rs 8,677 Crores; 9% YoY growth (excluding vaccines, YOY growth was at 13%)

AHLL: Revenues at Rs 1,231 Crores for FY23; 6% YoY de-growth (excluding vaccines, YOY growth was at 10%)

Apollo Healthco: Pharmacy Distribution & Digital Health Revenues at Rs 6,705 Crore; 25% YoY growth

EBITDA

FY23 Consolidated EBITDA excluding 24/7 Operating Cost and ESOP charge stood at Rs. 2,785 Crore; 16% YoY growth

Healthcare Services (HCS) EBITDA at Rs 2,133 Crore; YoY growth of 18%

AHLL: EBITDA at Rs 118 Crore

Apollo Healthco: Pharmacy distribution EBITDA at Rs 534 Crore, YoY growth of 31%

Apollo 24/7 Operating cost of Rs. 657 Crore and Non-cash ESOP charge of Rs 78 Crore

FY23 Consolidated Reported EBITDA at Rs 2,050 Crore, after 24/7 operating costs of Rs 736 Crore, as compared to EBITDA of Rs 2,185 Crore in FY22

PAT

FY23 Consolidated PAT at Rs 819 Crores, compared to Rs. 1,056 Crore in FY22; post Rs 735 crores of Apollo 24/7 Operating cost

Healthcare Services (HCS) PAT at Rs 1161 Crore; YoY growth of 24%

AHLL: PAT loss at Rs 38 Crore

Apollo HealthCo: PAT loss at Rs 304 Crore

FY23 Consolidated PAT at Rs 819 Crores, compared to Rs. 1,056 Crore in FY22; post Rs 735 crores of Apollo 24/7 Operating cost

Dr. Prathap C Reddy, Chairman, Apollo Hospitals Group said, *“The first full post-pandemic year has seen Apollo make some remarkable strides in its journey of healing. Our unwavering commitment to deliver world-class healthcare has enabled us to scale new heights with our performance - both in terms of financial metrics and in the expansion of our healthcare service offerings. We have seen a substantial increase in patient engagement both in our hospitals and clinics, as well as on our digital health platform Apollo 24/7.*

We have continued to broaden our services, ensuring that we focus not just on cure, but on preventive healthcare as well. At a time when the world is realizing the importance of prevention more than ever before, it is a matter of pride that Apollo has been at the forefront of this shift, recognizing that the best way to fight disease is to prevent it in the first place. One of our areas of focus is Artificial Intelligence (AI), which we believe holds the power to revolutionize preventive healthcare, by helping identify patterns, predict health risks, and enable early interventions. This year, we have invested thoughtfully in AI technologies, and the results have been heartening. They have allowed us to provide a personalized healthcare approach for every individual, taking into account their unique genetic disposition, lifestyle, and medical history.

Looking ahead, we remain committed to investing in the best technology to enable superior care, including robotics, which have the potential to transform surgical procedures and improve outcomes. We also continue our focus on digital health, and have immense belief in its ability to make quality healthcare more accessible.

While innovation and technological advancements are important, we continue to focus on our ultimate goal of improving the quality of life of our patients. Every step we make, every technology we adopt, is aimed at ensuring the wellbeing of those who entrust us with their care. We look forward to the new financial year with a sense of purpose and optimism, confident that our strategic investments in preventive healthcare, AI, and robotics will pave the way for a healthier future for our patients, our communities, and the nation.”

Financial Performance

Consolidated Q4 FY23 Performance

- Revenues grew 21% to Rs.43,022 mn vs Rs.35,464 mn in Q4 FY22
- EBITDA excluding 24/7 Operating Cost and ESOP charge stood at Rs. 706 mn; 29% YoY growth
- Apollo 24/7 cost of Rs 2174 mn in the quarter (including Rs 281 mn non-cash ESOP charge) vs Rs 841 mn in Q4 FY22.
- EBITDA post 24/7 Operating Cost and ESOP charge at Rs.4882 mn vs Rs. 4632 mn in Q4FY22; 5% YoY growth
- PAT grew 60% to Rs.1,445 mn vs Rs. 901 mn in Q4 FY23
- Diluted EPS of Rs.10.05 per share in Q4 FY23 (not annualised)

Consolidated FY23 Performance

- Revenues grew 13% to Rs.166,125 mn vs Rs.146,626 mn in FY22
- EBITDA excluding 24/7 Operating Cost and ESOP charge stood at Rs. 27,851 Cr ;16% YoY growth
- Apollo 24/7 cost of Rs 7,355 mn for the full year (including Rs 781 mn non-cash ESOP charge) vs Rs 2236 mn in FY22
- EBITDA post 24/7 Operating Cost and ESOP charge at Rs.20,496 mn vs Rs. 21,851 mn in FY22
- PAT stood at Rs.8191 mn vs of Rs. 10556 mn in FY22
- Diluted EPS of Rs.56.97 per share in FY23

Q4 FY 23 Segment-wise Performance Update

As on March 31, 2023, Apollo Hospitals had total 70 hospitals with 9957 operating beds across the network (including 562 beds in AHLL), out of which 14 hospitals were new with 2384 operating beds.

Healthcare Services (Hospitals)

Consolidated Revenues of the healthcare services division increased by 18% to Rs.21,946 million in Q4 FY23 compared to Rs. 18,630 million in Q4 FY22. Revenue of existing hospitals grew 18% while the new hospitals grew by 16%.

EBITDA (Post Ind AS116) was at Rs.5,347 million in Q4 FY23 compared to Rs. 4,075 million in Q4 FY22; higher by 31% YoY.

Q4FY23 occupancy in mature hospitals at 3,562 beds - 65%; New hospitals 1,479 beds - 62%.

Focus on growing Tower Specialties of Cardiac, Onco, Neuro, Nephro, Gastro and Ortho which contributes to ~ 60% of Hospital Revenues. Higher focus on Insurance, Retail and Corporate: Visible tailwinds from Insurance - Over 40% of our Revenues vs. less than 30% pre-Covid.

Revenues in the Tamil Nadu cluster grew by 18%, IP Volumes grew by 15%. ARPOB grew by 12% to Rs. 65,670. Overall occupancy in the cluster was 1,332 beds (63% occupancy) as compared to 1,262 beds (59 % occupancy) in the previous year.

In AP Telangana region, Revenues grew by 7%, IP volumes grew by 15%. ARPOB grew by 1% to Rs.53,526. Occupancy in the cluster was 705 beds (54% occupancy) as compared to 664 beds (49 % occupancy) in the previous year.

The Karnataka region improved on the growth seen in previous quarters. Occupancy in the cluster was 495 beds (65% occupancy) as compared to 448 beds (58 % occupancy) in the previous year.

Revenues of the Others Cluster grew by 9 % while IP volumes grew by 1%. ARPOB grew by 6% to Rs. 37,022. Occupancy in the cluster was 712 beds (62% occupancy) as compared to 694 beds (63% occupancy) in the previous year.

On track to add 2000 beds with over Rs.3000 crs in the next 4 years in key metros.

AHLL: Diagnostics and Retail Healthcare

AHLL Revenue at Rs 3,085 million; EBITDA at Rs 255 million; PAT Loss of Rs (234) million in Q4FY23.

Core Revenues in AHLL (excluding Covid Vaccination, Testing and Isolation Centre Revenues in FY22) **grew by 28% YoY in FY 23.**

Total Diagnostics Revenue at Rs.3,827 million in FY23 Vs Rs. 3,987 million in FY22.

Non-COVID Diagnostics business has grown by 45% YoY and currently is over Rs 1020 million in Q4 FY23.

Diagnostics business added 500+ collection centers taking the overall network to 1,600+ centers spread across ~200 cities serving 12,000+ customer daily

AHLL's Cradle, Sugar, Dental, Dialysis registered a healthy growth of 36%, 11%, 45% and 35% respectively, while the growth at Spectra, Clinics and Diagnostics was muted.

Established a good operational flow with 24/7 and integration with our technology and phlebotomy team is working well. Focus on expanding the test menu to include specialty/high end testing modalities and genomics.

Apollo HealthCo: Pharmacy distribution and Digital Healthcare platform

Apollo HealthCo Ltd. (AHL) is a wholly owned subsidiary that houses the Pharmacy distribution business, the digital healthcare services platform - Apollo24/7 and the 25.5% interest in Apollo Pharmacies Ltd.

Overall HealthCo Revenues were at Rs 17,992 million in Q4 FY23 representing 31% YoY growth.

- Offline Pharmacy distribution revenues at Rs 15,453 million
- Revenues from Digital platform were at Rs 2,539 million.

345 Net new stores were opened in this quarter and 1,021 for the year, taking the total number to 5,541 stores as on 31st Mar 2023.

GMV of Apollo 24/7 at Rs 593 crores in Q4 FY23, compared to Rs 543 crores in Q3FY23.

March '2023 run rate of ~56 K/day transactions across Pharma, Diagnostics and Consultations (including IP/OP referrals) compared to ~25K/day in March '2022;

Average Pharma Order Value grew by 32% to Rs 916 YoY;

Transacting user base grew by 119% (13 lakh vs 29 lakh, a year back);

Orders Per user per annum growing to 3.9 vs 3.3 with better cross pollination.

Private Label / Generic Sales at ~15.5% in FY23

CLINICAL EXCELLENCE HIGHLIGHTS

- Apollo Hospitals achieved 10,000 robotics assisted surgeries, has also expanded and introduced robotic-assistive procedures to over 20 specialties.
- A preterm baby from Mauritius with critical congenital heart disease underwent a life-saving cardiac procedure at Apollo Hospitals, Navi Mumbai.
- Apollo Hospitals, Chennai performed Orbital Atherectomy (new technology) to treat patients with heavily calcified coronary arteries.
- Massive life threatening Thoracic Aortic aneurysm – a rare condition, treated with TEVAR approach at Apollomedics Super Specialty Hospital, Lucknow.
- Apollo Hospitals, Nashik has successfully performed 50 Joint Replacement surgeries within a span of two months using the Novo Technique.
- Apollo Hospitals Group successfully completes 500 pediatric liver transplants. With 90% success rates, it has become a beacon of quality and hope for patients from across the world.
- A 28-year-old patient from Oman suffering from knee deformity for the past 11 years was successfully operated at Indraprastha Apollo Hospitals, New Delhi.

NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS

- Apollo Hospitals launches AI-powered Clinical Intelligence Engine for doctors across India.
- Apollo Hospitals, Seshadripuram, Bangalore has introduced India's first high-end early prostate cancer detection technology. A technology that enhances accuracy of cancer detection by 95%.
- Apollo Cancer Centres Navi Mumbai launched the fourth-generation Da Vinci Xi Robot surgical systems for complex surgeries.
- Apollo Multispeciality Hospitals, Kolkata has introduced Da Vinci Xi Robot for the first time in Eastern India. The Xi Robot can assist surgeons in interventions in gynecology, urology and others
- Apollo Proton Cancer Centre expands its Proton Gantry with the addition of the Dr APJ Abdul Kalam Therapy Bay. It runs the largest Proton Beam Therapy (PBT) program in the country.
- Apollo partners with LifeSigns to donate 1000 remote patient monitoring patches to support the natural disaster in Turkey

AWARDS AND ACCOLADES

- Krishnan Akhileshwaran, Group CFO, Apollo Hospitals Enterprise won the CII's CFO of the year - Healthcare Award

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 9,957 beds across 70 Hospitals, 5,541 Pharmacies, over 1750 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 35 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.

For further details, log onto: www.apollohospitals.com

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