



FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION— Q4 FY22 & FY22

May 25, 2022

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AGENDA

1. Year at a glance
2. Performance Highlights
 - Earnings and Financial Summary – Q4FY22 & FY22
3. Performance Review - Hospital Business
4. Performance Review - Diagnostics Business
5. Appendix



FY22 – Year at a Glance

- Healthy performance in FY22 for both the hospitals and the diagnostics business, despite the covid impact in Q1 and Q4 of the fiscal . Hospital and diagnostic business revenues up 37% and 55% YoY, respectively.
- Key facilities such as FMRI, Mohali, Mulund, Shalimar Bagh, Noida witness strong traction in both topline and EBITDA margins.
- State of the Art medical equipment viz. cath labs, neuro microscopes, PET CTs commissioned in key facilities; Expansion of medical program and onboarding clinical talent in cardiology, oncology, neuro-sciences, gastroenterology and orthopedics undertaken.
- SRL completed the DDRC- SRL JV acquisition in April 2021 enabling it to consolidate its market share in Kerala and strengthens its B2C presence.
- SRL expanded its B2C and B2B network ; added over 750 Customer Touch Points (CTPs) in FY22 taking the total CTP's over 2,500.
- Company Balance Sheet remains healthy with a net debt to EBITDA at 0.60 times (basis Q4 annualized EBITDA); Net debt was at INR 549 Crs in FY22; lower by INR 300 Crs versus FY21. CRISIL upgrades Company's Long-term rating by two notches to AA-/Watch Developing and Short-term rating by one notch to the highest i.e. CRISIL A1+/Watch Developing .

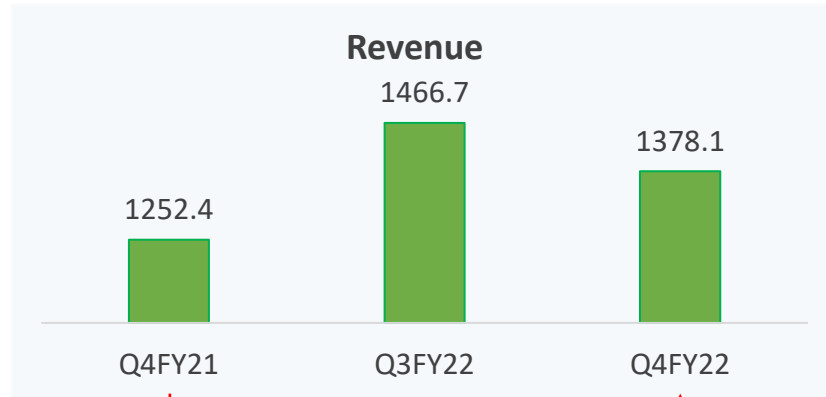


Q4FY22 & FY22

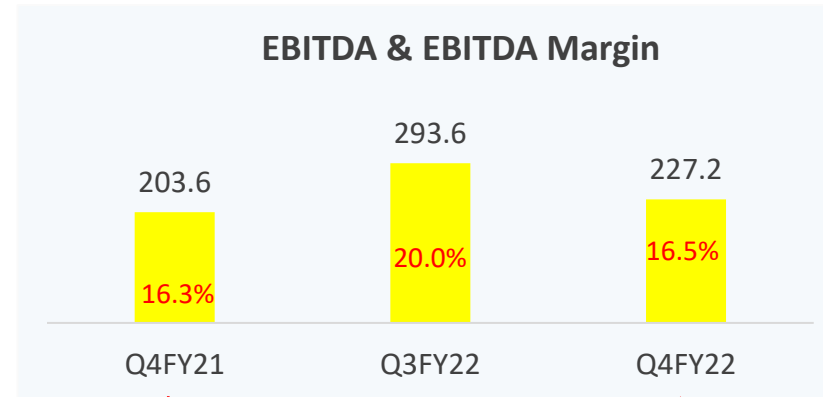
PERFORMANCE HIGHLIGHTS

CONSOLIDATED EARNINGS SUMMARY – Q4FY22

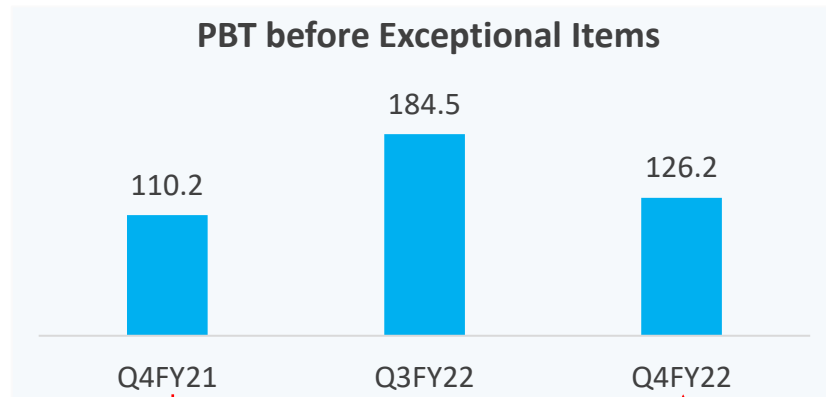
All figures in INR Crs.



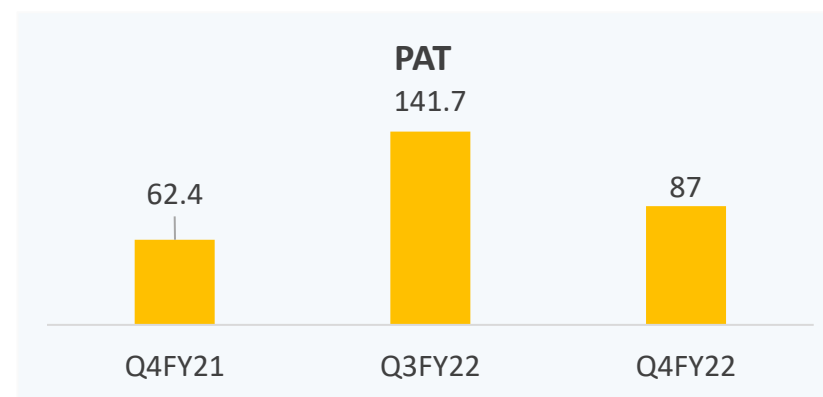
Up 10.0%



Up 11.6%



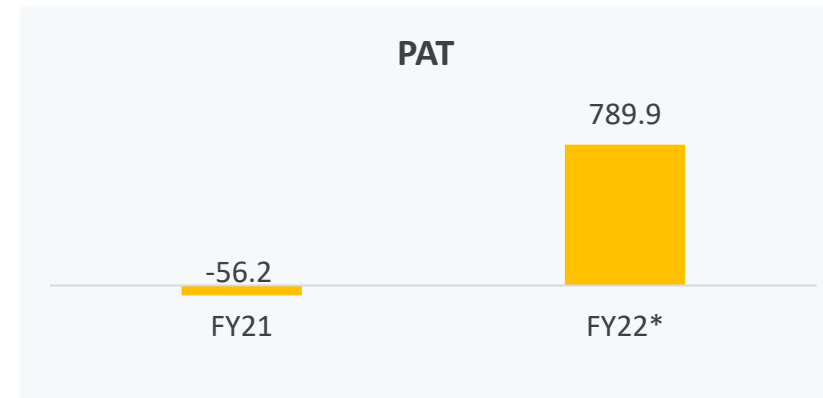
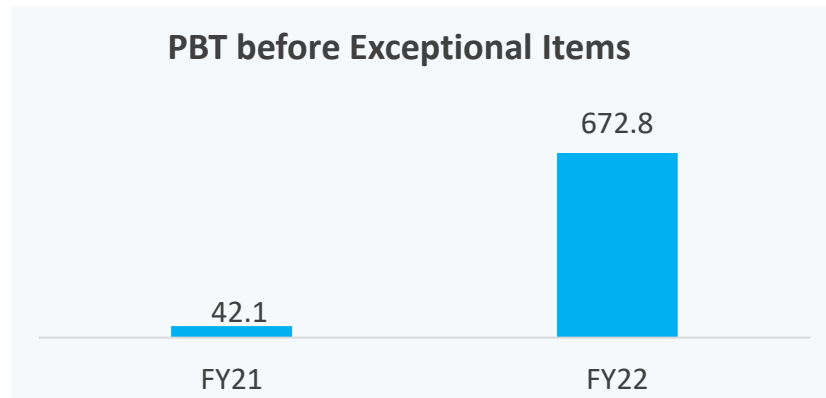
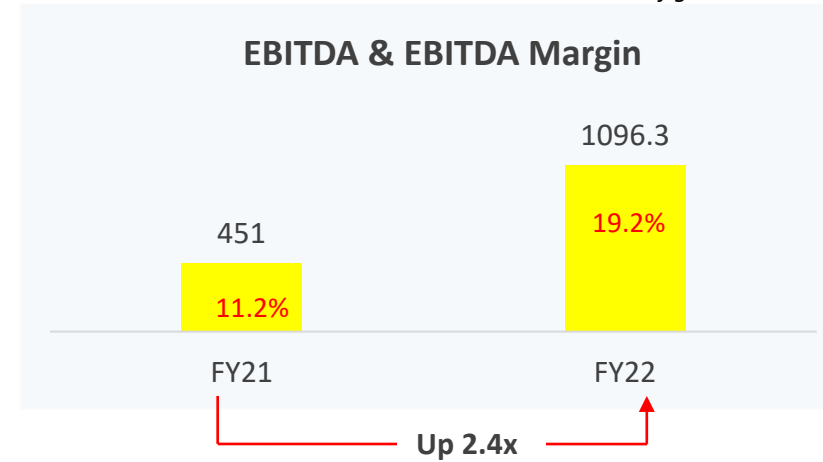
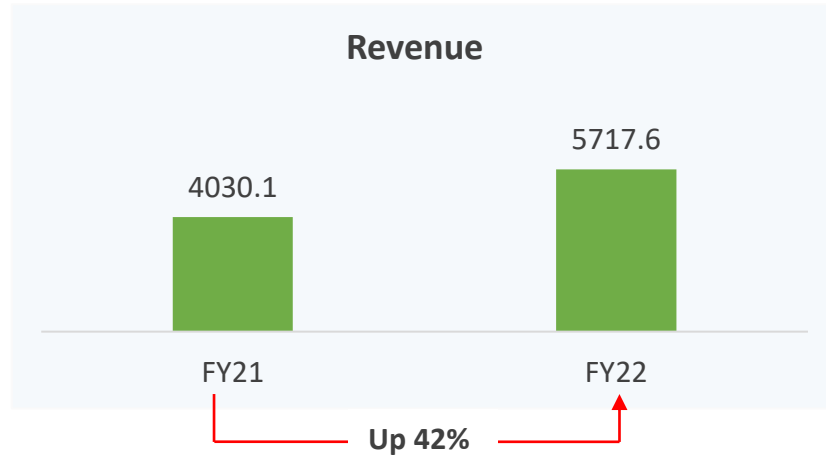
Up 12.3%



Up 39.5%

CONSOLIDATED EARNINGS SUMMARY – FY22

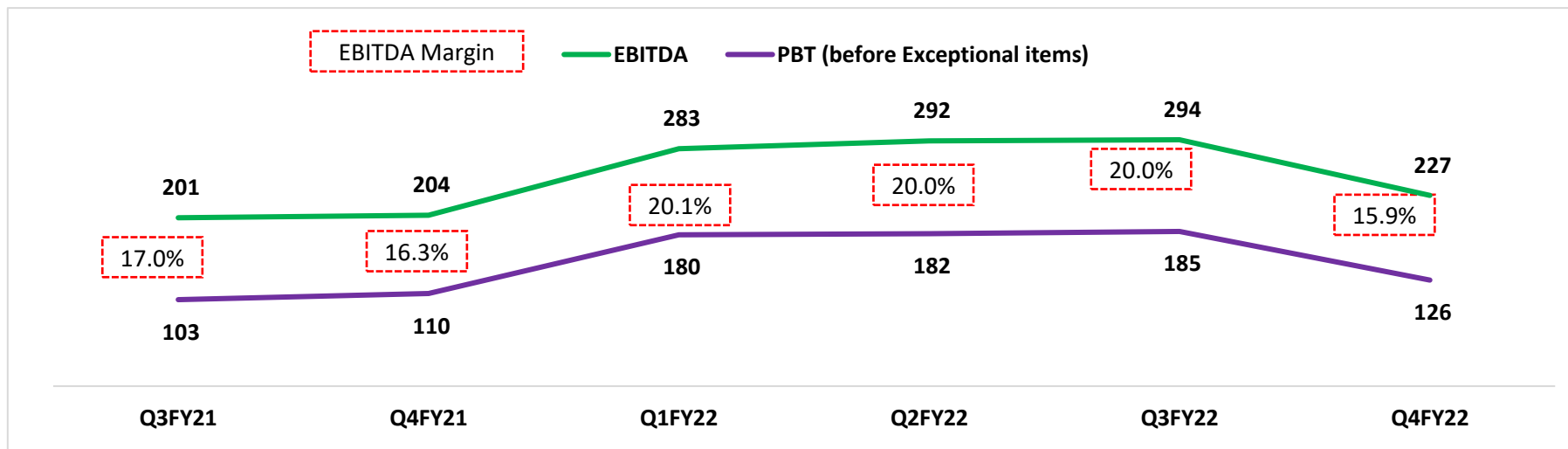
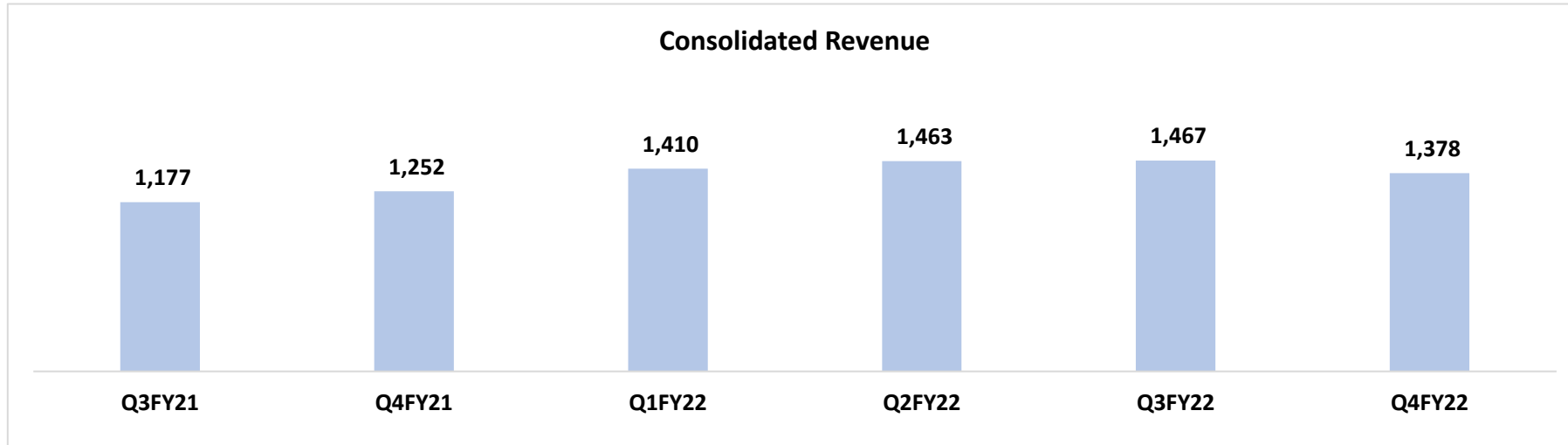
All figures in INR Crs.



- FY22 PAT includes exceptional gain of INR 315 Cr primarily related to remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

CONSOLIDATED EARNINGS SUMMARY

All figures in INR Crs.



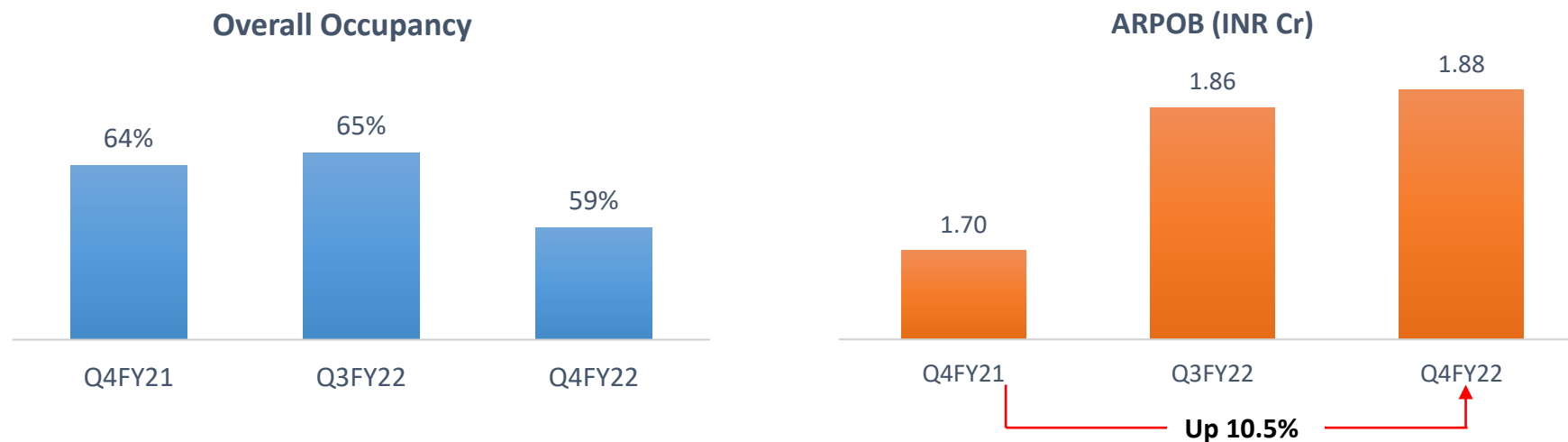
EBITDA includes other income and forex gain / (loss)

Q4FY22

HOSPITAL BUSINESS HIGHLIGHTS

- Revenues grew 6% to INR 1,041 Cr versus INR 982 Cr in Q4FY21. Revenues for Q3 FY22 stood at INR 1,118 Cr.
- EBITDA was at INR 143.5 Cr versus INR 139.3 Cr in Q4FY21 and INR 190.2 Cr in Q3FY22. Margins at 13.8% in Q4 FY22 versus 14.2% in Q4 FY21 and 17.0% in Q3FY22
- Q4 began amidst the Omicron wave which was less severe and shorter. However, this led to a decline in Non-covid occupancy and relatively lower Covid occupancy compared to the second wave witnessed in April-May'21.
- Non-covid occupancy declined to 53% in Q4FY22 versus 64% in Q3FY22. Covid occupancy stood at 6% versus 1.6% in Q3FY22 and 27% in Q1FY22.

Key Performance Indicators



FY22

HOSPITAL BUSINESS HIGHLIGHTS (CONT.)

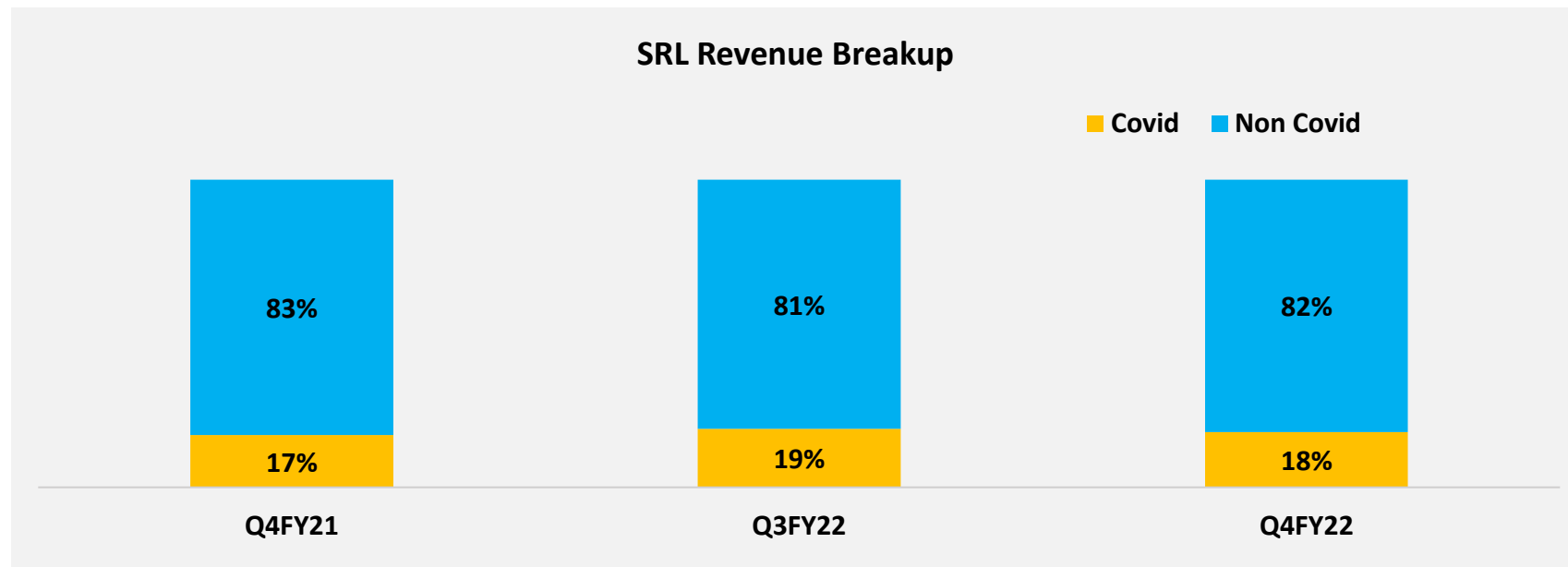
- FY22 overall occupancy stood at 63% versus 55% in FY21. ARPOB for FY22 was at INR 1.80 Crs, + 14% versus INR 1.58 Crs in FY21
- Revenue contribution from Company's focus specialties comprising oncology, gastroenterology, Neuro Sciences, renal sciences, orthopaedics and cardiac sciences grew 43% and contributed 55% to overall hospital revenues. (FY 21 : 53%)
- Revenues from digital channels viz website, mobile application and digital campaigns witnessed a robust growth with a YoY increase of 112%. These contributed 21% to overall revenues in FY 22 versus 13% in FY21
- Medical tourism revenue grew 64% to INR 215 Crs in FY22. Medical tourism revenues contributed 5.0% to overall hospital business revenues versus 4.2% in FY21



Q4FY22

DIAGNOSTIC BUSINESS HIGHLIGHTS

- SRL revenues grew 22% to INR 372.3 Cr versus INR 305.7 Cr in Q4FY21. Revenues for Q3 FY22 were at INR 388.5 Cr.
- EBITDA for the quarter stood at INR 83.8 Cr versus INR 67.2 Cr in Q4FY21 and INR 103.4 Cr in Q3FY22. EBITDA Margins stood at 22.5% versus 22.0% in Q4FY21 while Q4FY22 margin was at 26.6%.
- Non Covid revenues grew 20.1% in Q4FY22 to INR 305 Cr vs the corresponding previous quarter



Note: Q3FY22 & Q4FY22 financials include DDRC SRL

FY22

DIAGNOSTIC BUSINESS HIGHLIGHTS (CONT.)

- SRL acquired the balance 50% equity stake in its existing 50:50 JV i.e. DDRC SRL in April 2021. This has enabled SRL to consolidate its position in the Kerala market and increase its overall contribution from B2C segment
- SRL's B2C: B2B revenue mix improved to 55 : 45 in FY22 vs 48: 52 in FY21. SRL added ~750 net new collection centers . As on date SRL has a network of 2,500+ CC's (Customer Touch Points).
- SRL conducted a total ~44.2 million tests (covid and non-covid) during FY22 as against 23.5 million tests in FY21. However, the significant rise in covid and covid allied tests in the select quarters of FY22 are not expected to witness the same trend in the current fiscal.
- Increasing competition being witnessed from both online and offline players in the segment.

OPERATING PERFORMANCE

HOSPITAL BUSINESS

Particulars (INR Cr)	Hospital Business				
	Q4FY21	Q3FY22	Q4FY22	FY21	FY22
Operating Revenue	982.2	1,118.2	1,040.9	3,124.0	4,264.2
Revenue Growth vs LY		23.3%	6.0%		36.5%
Reported EBITDA	139.3	190.2	143.3	263.2	672.3
EBITDA growth vs LY		45.5%	3.0%		155.4%
Margin	14.2%	17.0%	13.8%	8.4%	15.8%
Adj: Other Income	4.1	3.4	2.1	33.8	15.2
Operating EBITDA	135.2	186.8	141.4	229.4	657.1
Margin	13.8%	16.7%	13.6%	7.3%	15.4%

- Above financials includes financials of International entities which are part of Fortis group; mainly RHTTM.
- Adjusted for the newly commissioned hospital in Chennai, reported EBITDA margin in Q4Y22 stood at 14.6% vs 17.9% in Q3FY22; and for FY22 reported EBITDA margins stood at 16.5% vs 9.2% in FY21

OPERATING PERFORMANCE

DIAGNOSTIC BUSINESS

Particulars (INR Cr)	Diagnostic Business				
	Q4FY21	Q3FY22	Q4FY22	FY21	FY22
Operating Revenue*	305.7	388.5	372.3	1,034.6	1,604.9
Revenue Growth vs LY		26.9%	21.8%		55.1%
Reported EBITDA	67.2	103.4	83.8	200.2	425.3
EBITDA growth vs LY		41.6%	24.6%		112.5%
Margin	22.0%	26.6%	22.5%	19.3%	26.5%
Adj: Other Income incl FX	5.4	3.8	3.9	25.6	13.4
Operating EBITDA	61.8	99.7	79.9	174.6	411.9
Margin	20.2%	25.7%	21.5%	16.9%	25.7%

- Diagnostics business revenue is on Gross Basis; Diagnostic business Q4FY22 net revenue (net of inter company elimination) stood at INR 337 Cr versus INR 270.2 Cr in Q4FY21 and INR 348 Crs in Q3FY22. FY22 net revenue stood at INR 1,453.5 Cr vs INR 906.2 Cr in FY21.
- Q2FY22, Q3FY22 & FY22 financials include DDRC SRL.

BALANCE SHEET

March 31, 2022

Balance Sheet (INR Cr)	Mar 31, 2021	Dec 31, 2021	March 31, 2022
Shareholder's Equity	6,718	6,888	7,008
Debt	1,271	1,001	966
Lease Liabilities (Ind AS 116)*	260	282	289
Total Capital Employed	8,249	8,171	8,263
Net Fixed Assets (including intangibles & CWIP)	5,242	5,451	5,486
Goodwill	3,722	4,123	4,123
Investments	186	153	104
Cash and Cash Equivalents	422	380	416
Net Other Assets	(1,323)	(1,936)	(1,866)
Total Assets	8,249	8,171	8,263
Net Debt / (cash)	849	621	549
Net Debt to Equity	0.13x	0.09x	0.08x

- *Pertains to lease liability on account of adoption of new accounting standard on leases w.e.f. April 1, 2019.
- Net debt excludes lease liabilities.
- Increase in net Fixed Assets and Goodwill primarily due to DDRC acquisition by SRL during Q1FY22
- Net debt to EBITDA was at 0.60x vs 1.04x (basis Q4 annualized EBITDA of FY 22 and FY21 respectively)



PERFORMANCE REVIEW

HOSPITALS BUSINESS

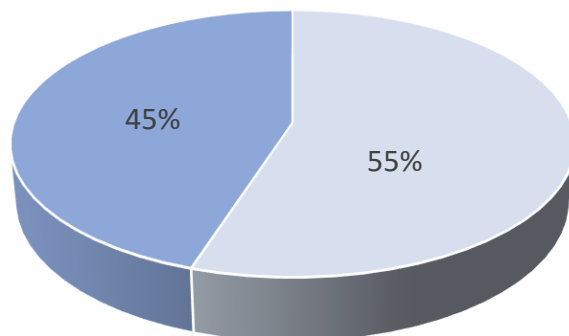
STRENGTHENING MEDICAL PROGRAMS

- Fortis continued to strengthen its clinical talent. Q4 witnessed onboarding of certain eminent clinicians in the field of **Oncology, Cardiology, Neurology, Internal Medicine and General Surgery**
- **Fortis Amritsar and CG Road** augmented their services with installation of state-of-the-art Cath-Labs
- **Fortis Shalimar Bagh** bolstered its service offerings with the launch of dedicated Mother & Childcare wing
- **Fortis BG Road** launched Karnataka's first Intraoperative Radiation Therapy (IORT) system for Breast Cancer treatment
- **Fortis Anandapur, Jaipur and Noida** witnessed installation of Medical oxygen generating plants during the quarter; Fortis installed total of 8 such plants across its network in FY22

REVENUE MIX

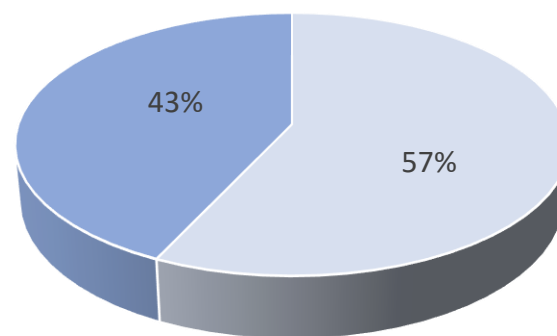
Q4 FY21

Gross Revenue : INR 1,030 CR



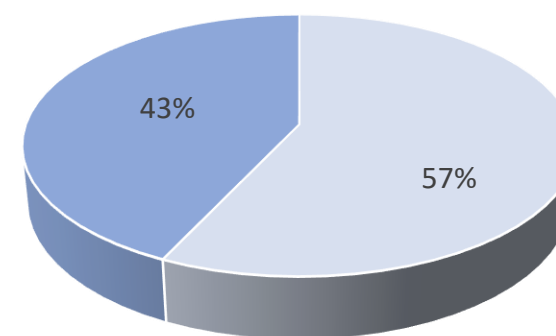
Q3 FY22

Gross Revenue : INR 1,179 CR



Q4 FY22

Gross Revenue : INR 1,090 CR

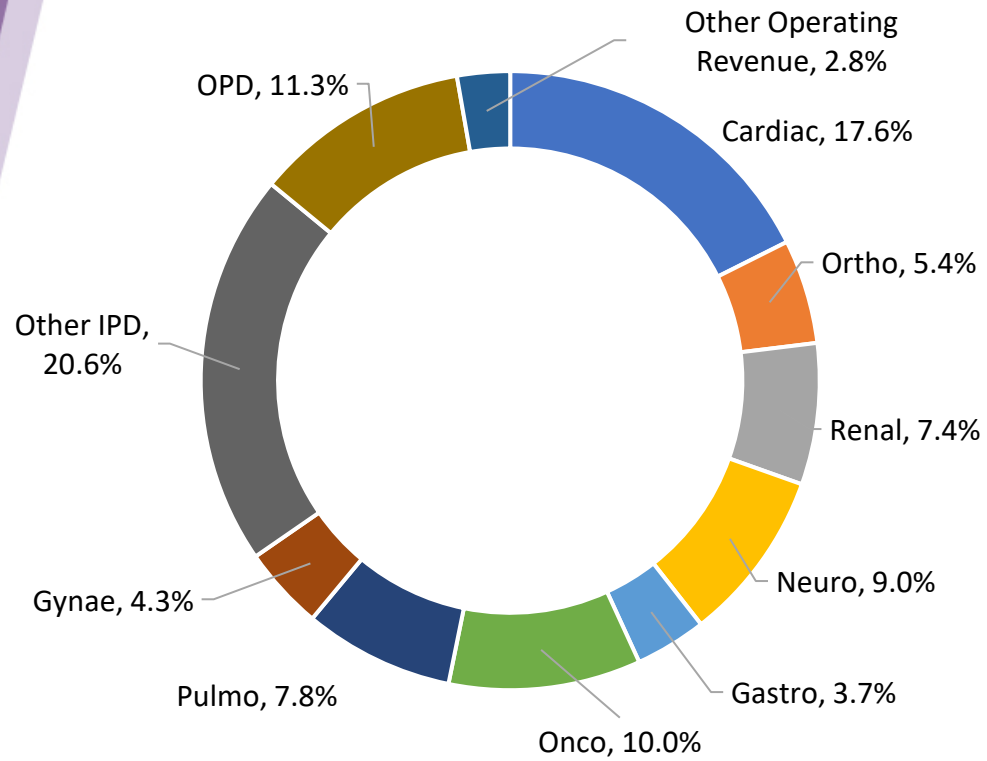


■ NonSurgical Revenue ■ Surgical Revenue

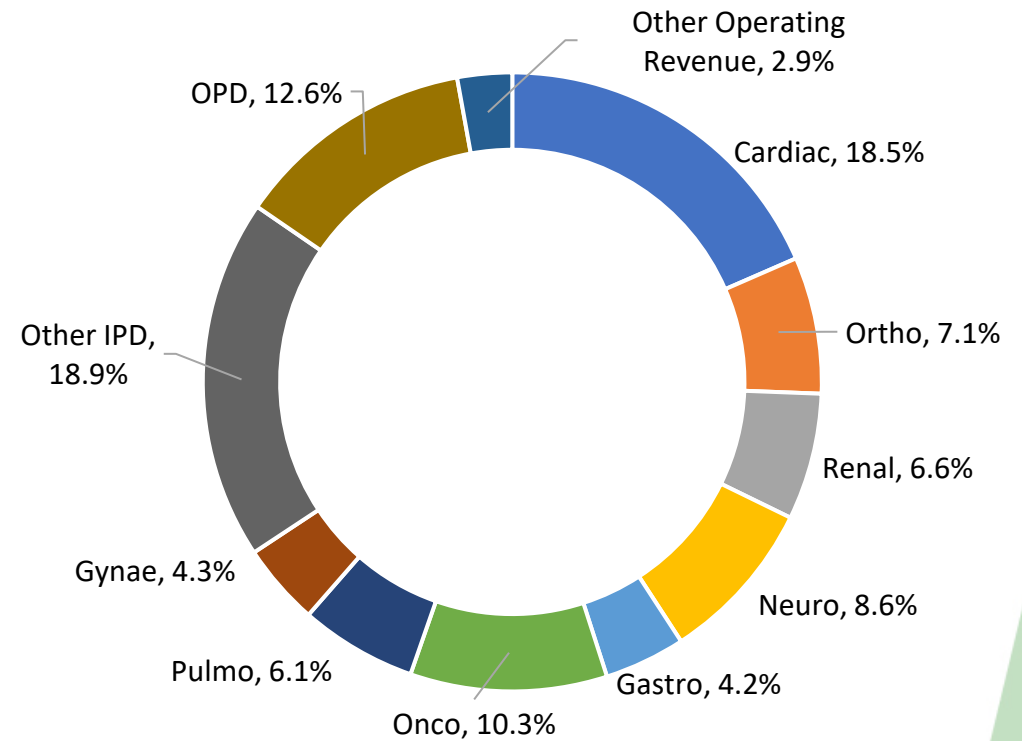
- Contribution from surgical revenue stood at 57% compared to 55% in Q4FY21 & similar to Q3FY22
- For the year FY22 surgical revenue contribution stood at 53% compared to 49% in FY21

SPECIALTY MIX

FY21

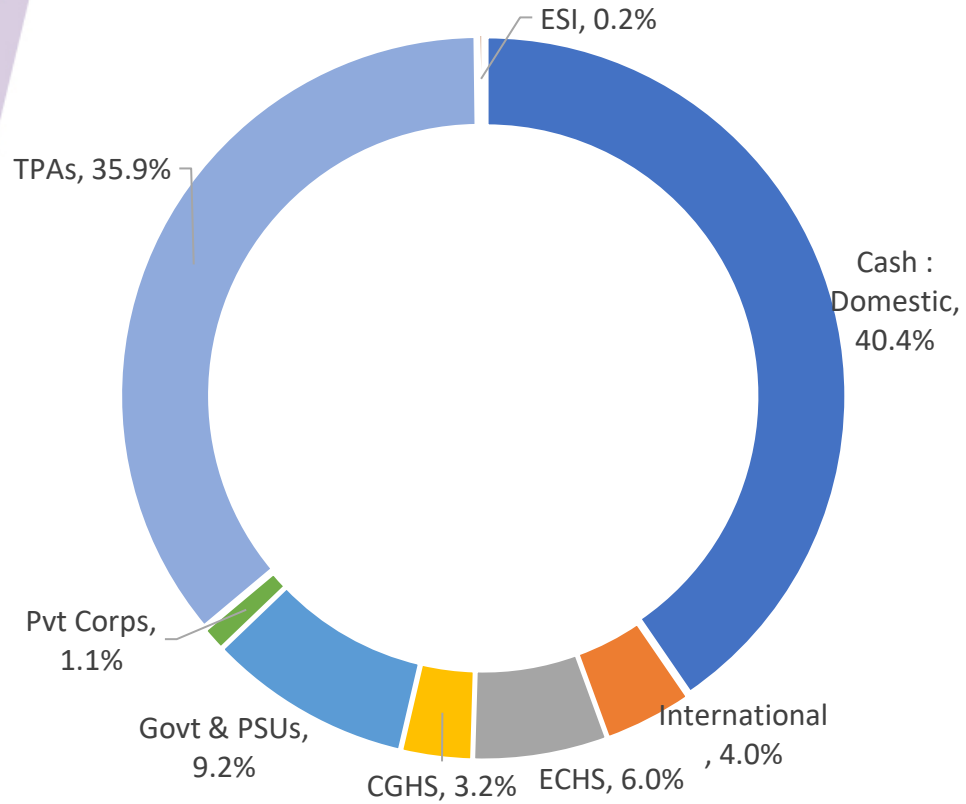


FY22

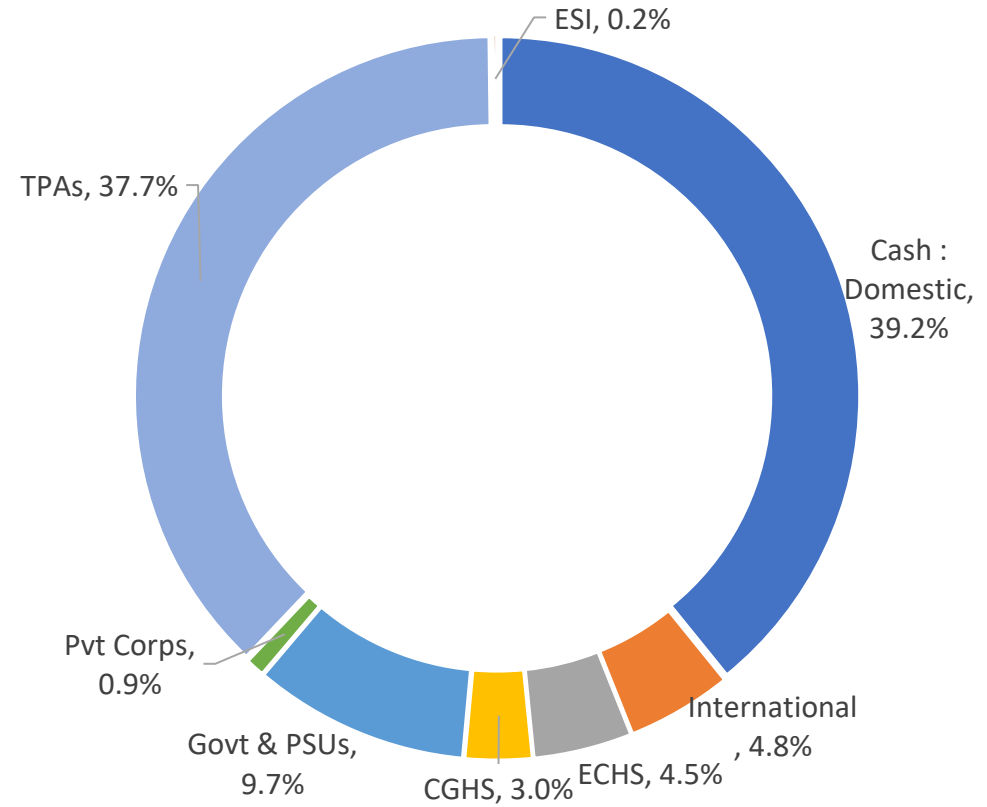


PAYOR MIX

FY21

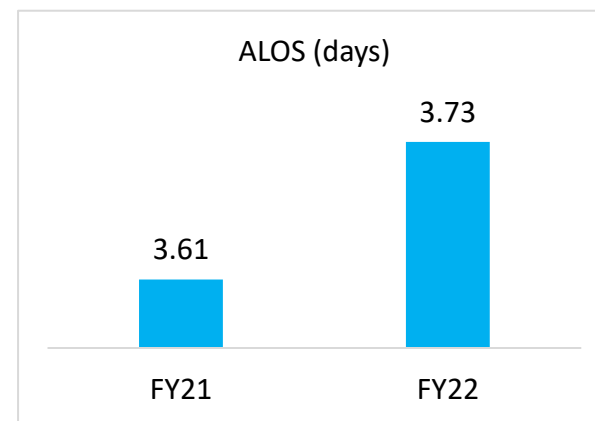
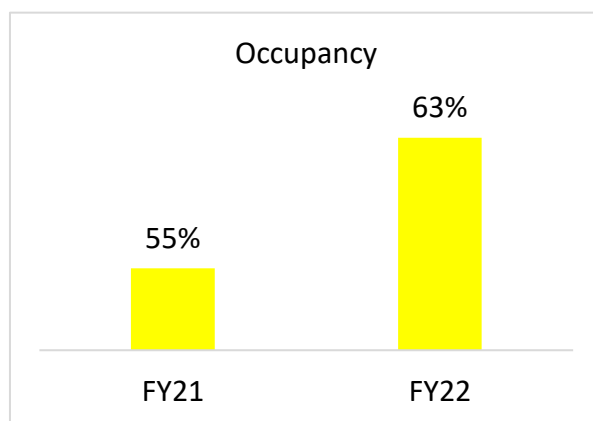
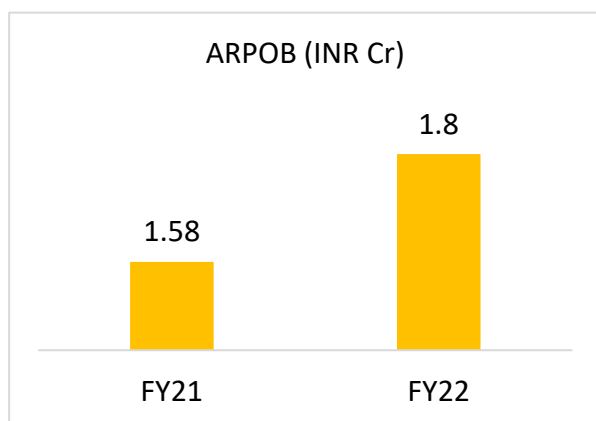
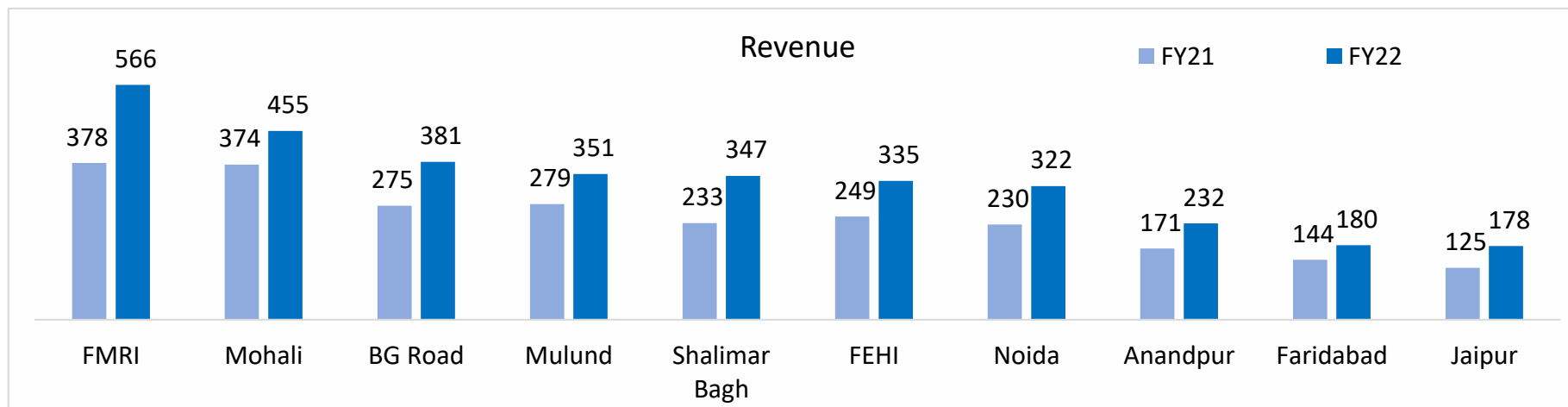


FY22



HOSPITAL BUSINESS PERFORMANCE (FY22 vs FY21)

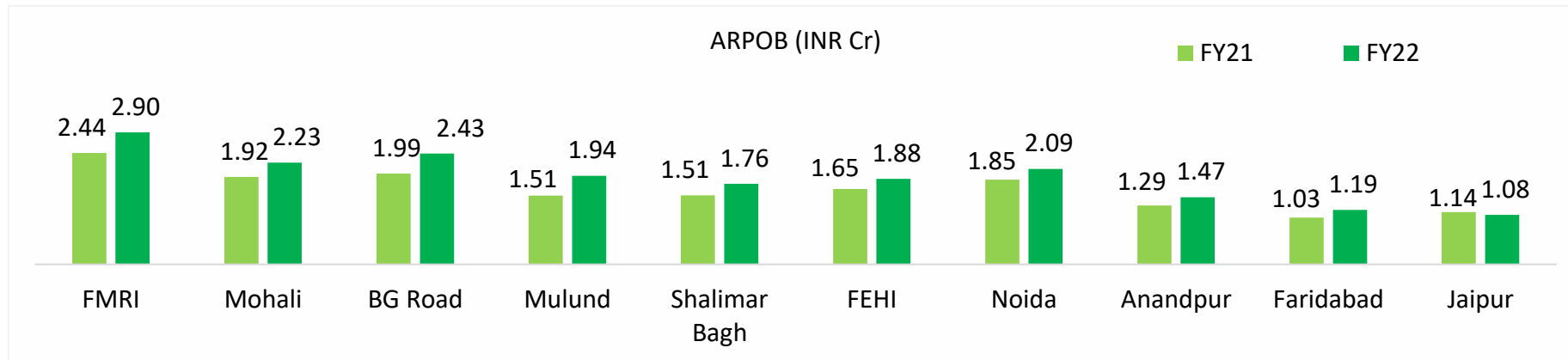
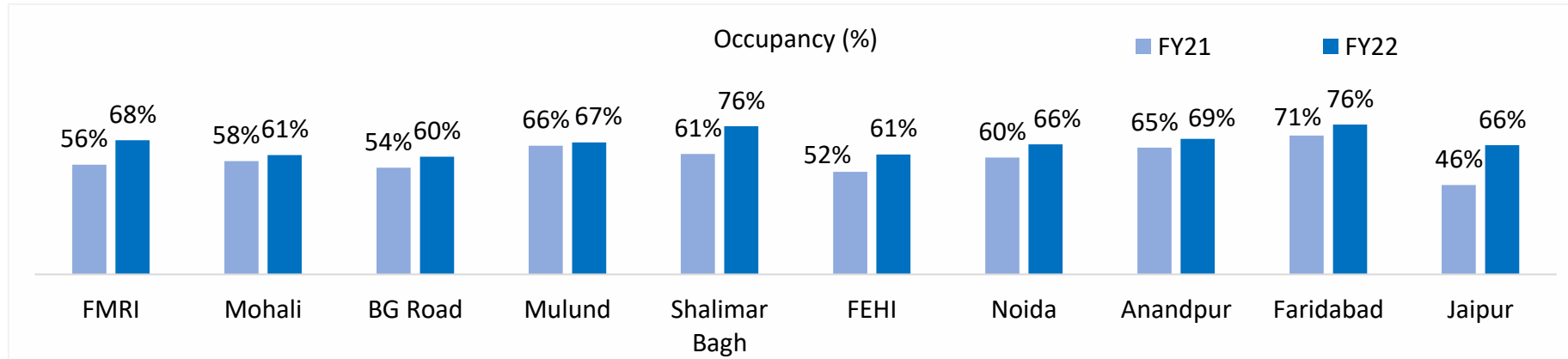
Facilities across the network witnessed a strong rebound in revenues



All figures in INR Crs.

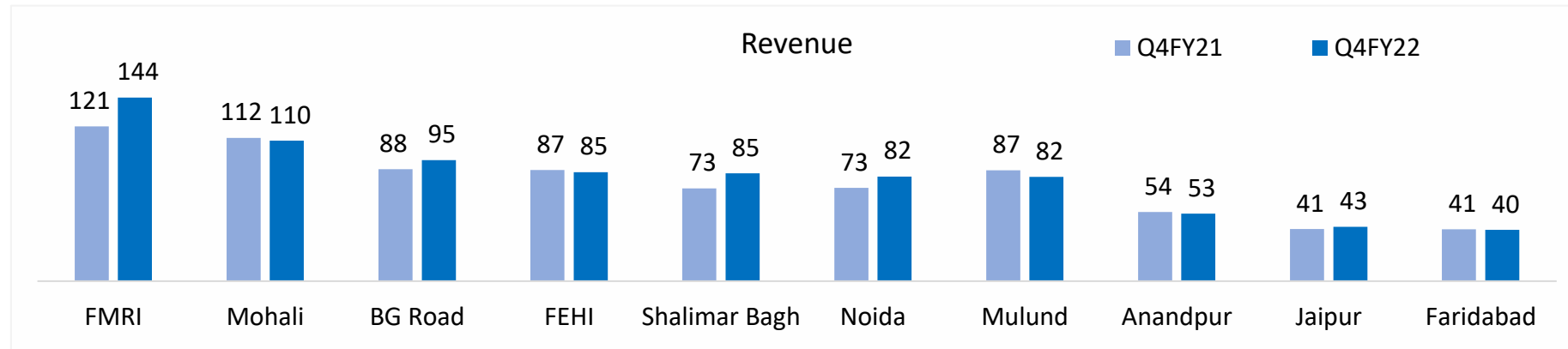
HOSPITAL BUSINESS - KPIs

Most of the facilities witnessed traction in Occupancy and ARPOB during FY22

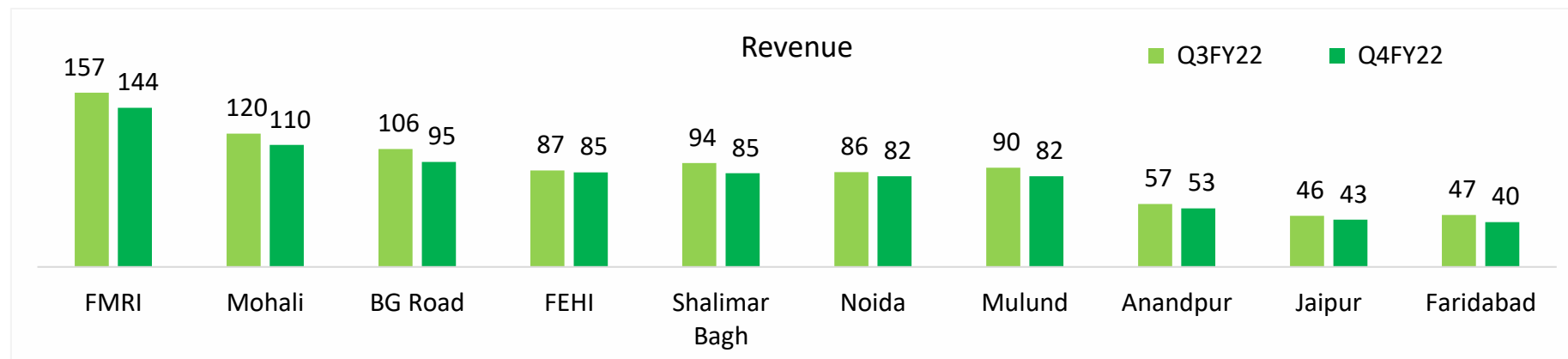


HOSPITAL BUSINESS PERFORMANCE

Most of the facilities across the network witnessed a healthy growth in revenues over Q4 FY21



Q4FY22 was impacted due to Omicron variant which resulted in lower footfalls across the network



All figures in INR Crs.

HOSPITAL MARGIN MATRIX

FY22

EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	3	20%	679	1.96	67%
20% - 25%	7	44%	1,544	1.87	68%
15% - 20%	3	5%	266	1.28	63%
10% - 15%	2	9%	283	2.23	65%
<10%	8	22%	1,159	1.57	55%

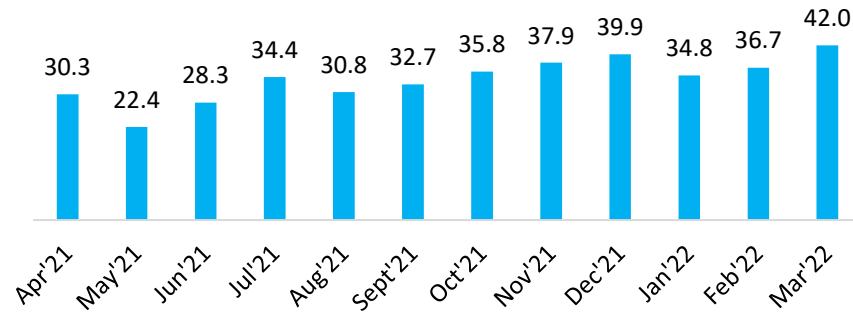
FY21

EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	0	0%	-	-	0%
20% - 25%	4	22%	721	1.66	58%
15% - 20%	3	30%	846	1.96	59%
10% - 15%	6	17%	710	1.26	62%
<10%	10	31%	1,466	1.44	49%

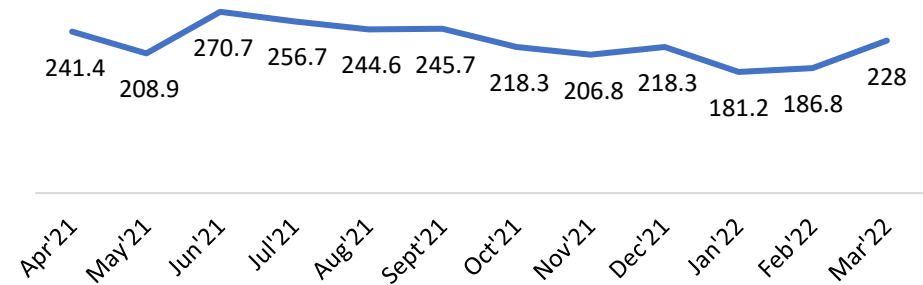
- EBITDA margins are prior to corporate cost allocation and IndAS adjustments

HOSPITAL BUSINESS – PATIENT VOLUME

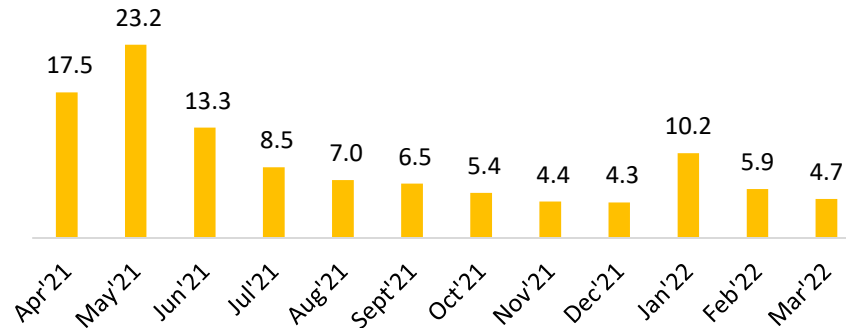
OPD Footfalls (through digital channels) ('000)



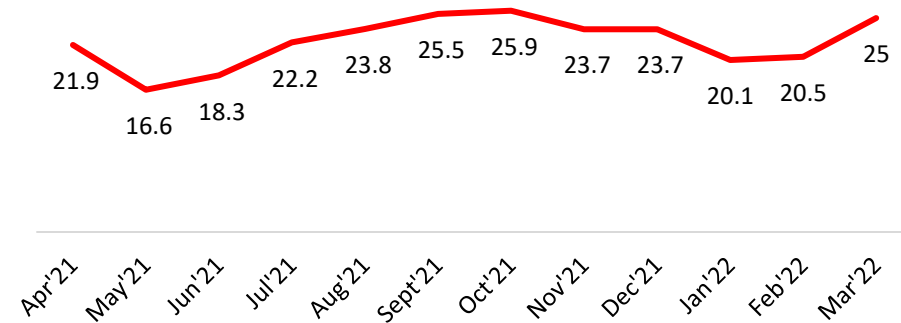
No. of Outpatient (OPD) ('000)



Tele-consults ('000)



Inpatient Admissions (IPD) ('000)



CLINICAL EXCELLENCE

- Doctors at **Fortis Vasant Kunj** removed multiple live botfly larvae from a 32-year-old US national's eyelid, neck and arms. The patient had a travel history to the Amazon.
- The Neurosurgery Team at **Fortis Noida** conducted a life-saving emergency surgery on a 4-year-old COVID positive patient. The child was found to have a large brain tumour that required immediate surgery.
- In a first of a kind case in India, a pregnant woman fought blood cancer to deliver a healthy baby at **FMRI, Gurugram**. She was suffering from Hodgkin's lymphoma and had completed three cycles of chemotherapy
- Doctors at **Fortis BG Road, Bengaluru**, performed a Robot-assisted paediatric kidney transplant on a 12-year-old girl child suffering from end-stage kidney failure

**Above data pertains to Q4FY22*



AWARDS AND ACCREDITATIONS

- **Five Fortis hospitals** – Fortis Hospital, Vasant Kunj, FMRI, Gurugram, Fortis Hospital, Mulund, Fortis Malar, Chennai and Hiranandani Hospital, Vashi featured in Newsweek’s ‘World's Best Hospitals 2022 – India’ list.
- **Fortis Hospital, Mohali**, won the National Award for Excellence in Energy Management 2021 instituted by CII for the record seventh time. The hospital also bagged the State Energy Conservation Award.
- **Fortis Escorts, Okhla Road** stood second among 80 city hospitals in cleanliness survey conducted by the South Delhi Municipal Corporation.



**Above data pertains to Q4FY22*

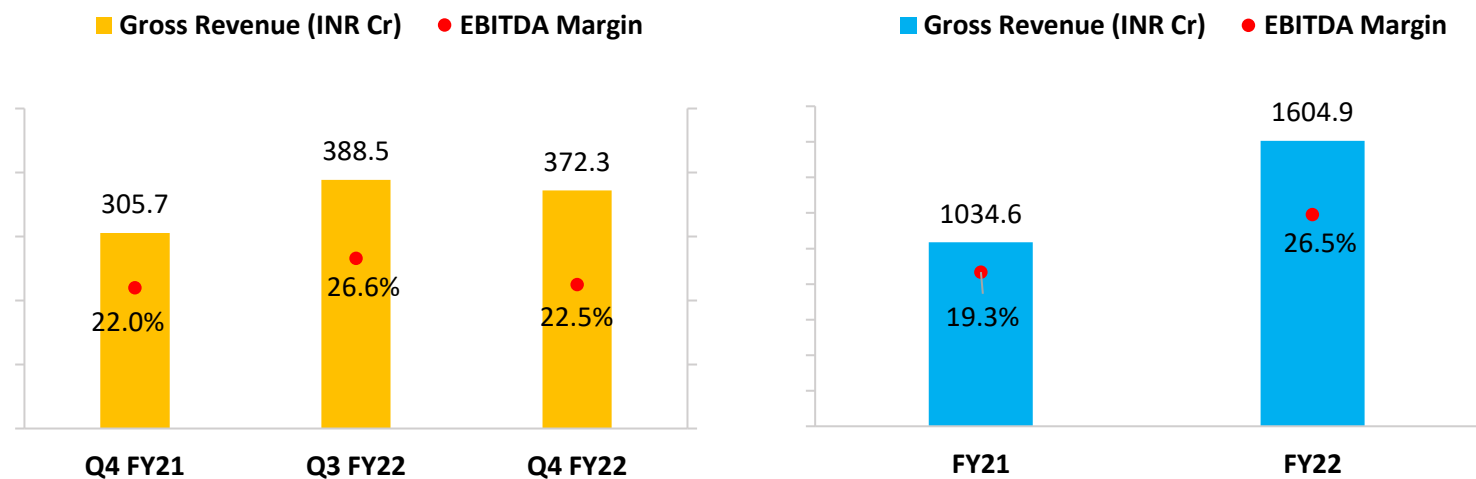


PERFORMANCE REVIEW

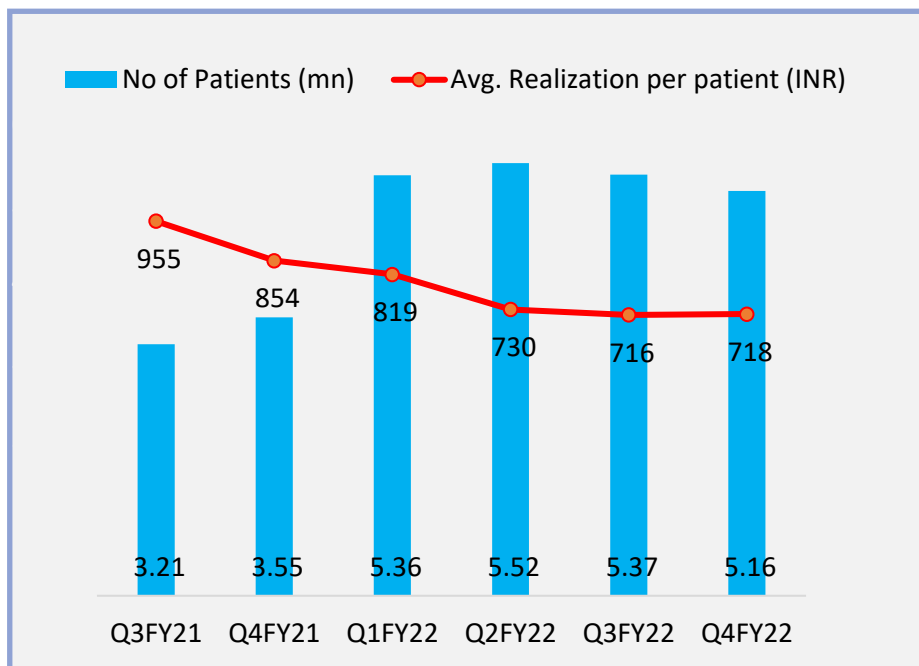
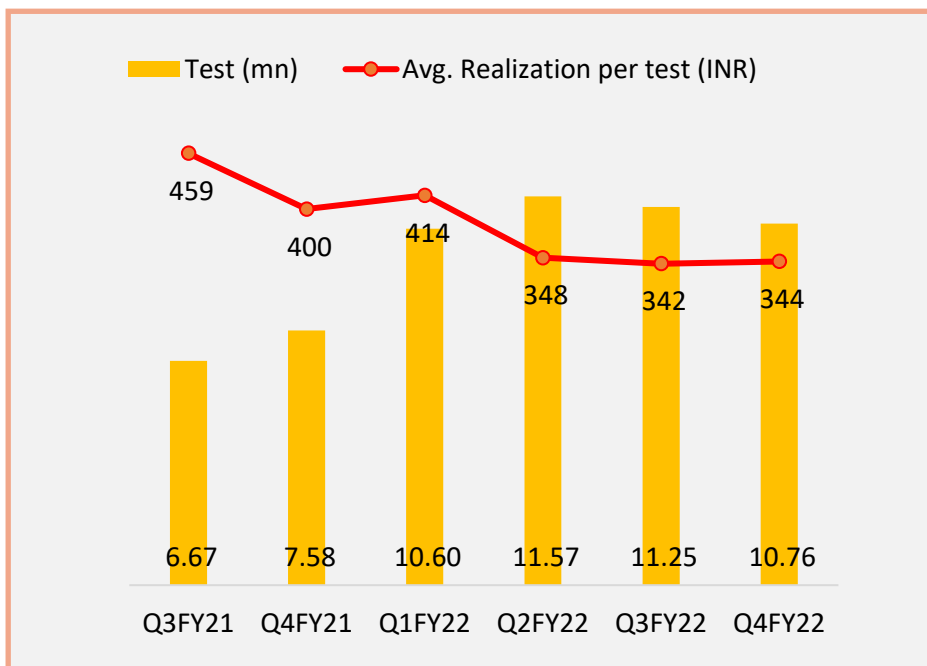
DIAGNOSTICS BUSINESS

DIAGNOSTICS BUSINESS

- During Q4FY22, SRL conducted approx. 10.76 Mn tests, a growth of 42% versus Q4 FY21 and a decline of 4% versus Q3 FY22.
- SRL added 270 net new customer touch points to its network in Q4 FY22 taking the total number of customer touch points to 2,502. SRL has been aggressively expanding its network and has added over 750 touch points in FY22
- SRL's B2C: B2B revenue mix strengthened to 54 : 46 in the quarter compared to 49 : 51 in Q4 FY 21, driven by addition of customer touch points and acquisition of DDRC-SRL JV in FY22.
- SRL continued to witness healthy traction in its 'Walk in' patient's revenue which grew by 77% in Q4FY22 versus Q4FY21



KEY PERFORMANCE METRICS

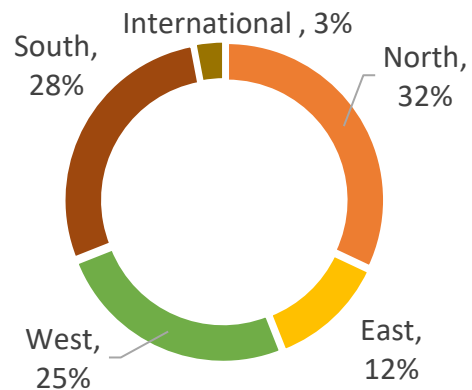


Significant decline in covid test pricing resulted in decline in overall average realisation per test and average realisation per patient in Q4FY22 versus Q4FY21.

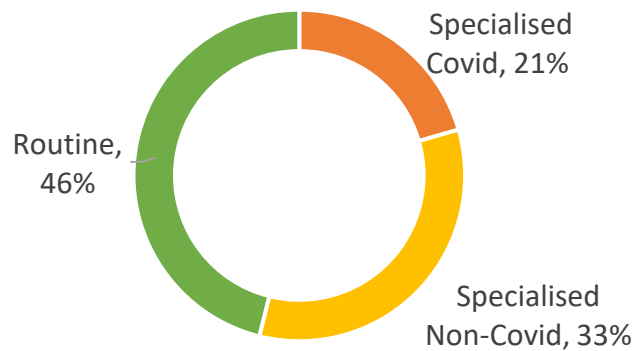
REVENUE MIX

Geographic mix

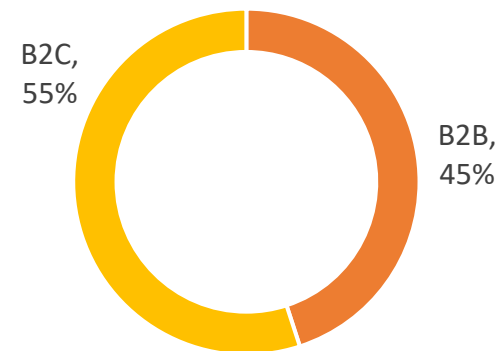
FY22



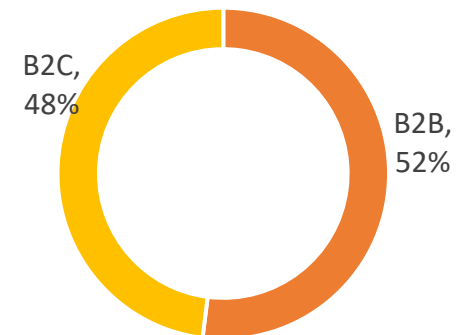
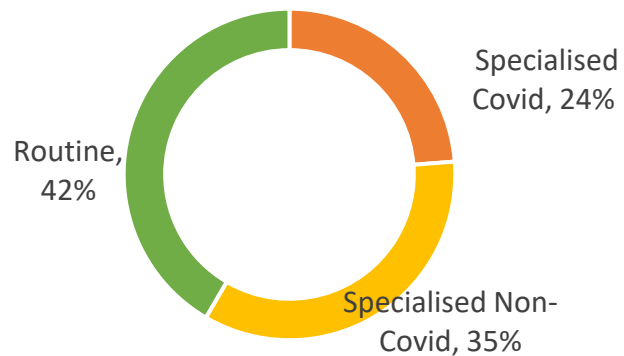
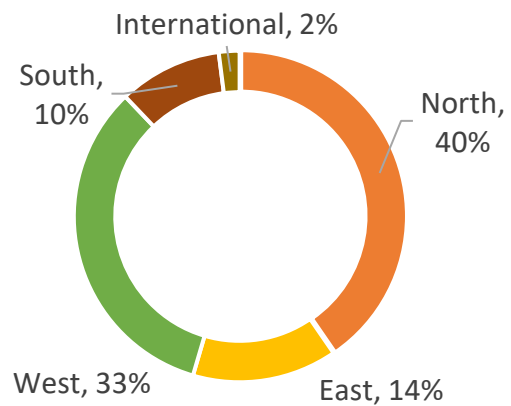
Product Mix



Segment Mix



FY21





APPENDIX



GROUP CONSOLIDATED P&L – Q4 FY22

Particulars (INR Cr)	Q4FY21	Q3FY22	Q4FY22
Revenue from operations	1,252.4	1,466.7	1,378.1
Other income	6.3	6.7	6.0
Total income	1,258.8	1,473.3	1,384.1
Expenses	1,055.1	1,179.7	1,156.9
EBITDA*	203.6	293.6	227.2
Margin	16.3%	20.0%	16.5%
Finance costs	40.6	38.1	30.0
Depreciation and amortisation expense	71.5	76.1	77.3
PBT	91.5	179.5	119.9
Share of profit / (loss) of associates and joint ventures (net)	18.7	5.1	6.3
Net profit / (loss) before exceptional items and tax	110.2	184.5	126.3
Exceptional gain	0.2	8.4	0.2
Profit / (loss) before tax from continuing operations	110.4	192.9	126.4
Tax expense / (credit)	48.0	51.2	39.4
Net profit / (loss) for the period from continuing operations	62.4	141.7	87.0
Profit / (loss) from continuing operations attributable to Owners of the company	43.2	116.7	68.0

- *EBITDA includes other income, forex and exceptional/non-recurring expenses
- Exceptional gain of INR 8.4 Crs in Q3FY22 primarily pertains to the gain arising on sale of a land & building (non core asset) from one of the company's WOS subsidiaries.

GROUP CONSOLIDATED P&L – FY22

Particulars (INR Cr)	FY21	FY22
Revenue from operations	4,030.1	5,717.6
Other income	46.6	27.3
Total income	4,076.7	5,744.9
Expenses	3,625.7	4,648.7
EBITDA*	451.0	1,096.3
Margin	11.2%	19.2%
Finance costs	165.9	146.8
Depreciation and amortisation expense	290.6	300.8
PBT	-5.5	648.6
Share of profit / (loss) of associates and joint ventures (net)	47.6	24.2
Net profit / (loss) before exceptional items and tax	42.1	672.8
Exceptional gain	1.2	315.0
Profit / (loss) before tax from continuing operations	43.3	987.8
Tax expense / (credit)	99.5	197.8
Net profit / (loss) for the period from continuing operations	-56.2	790.0
Profit / (loss) from continuing operations attributable to Owners of the company	-109.8	555.1

- *EBITDA includes other income, forex and exceptional/non-recurring expenses
- Exceptional gain of INR 315 Crs in FY22 primarily pertains to remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.



THANK YOU

