



FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION – Q3 FY22 & 9M FY22

February 11, 2022

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AGENDA

1. Performance Highlights
 - Earnings and Financial Summary – Q3FY22 & 9MFY22
2. Performance Review - Hospital Business
3. Performance Review - Diagnostics Business
4. Appendix



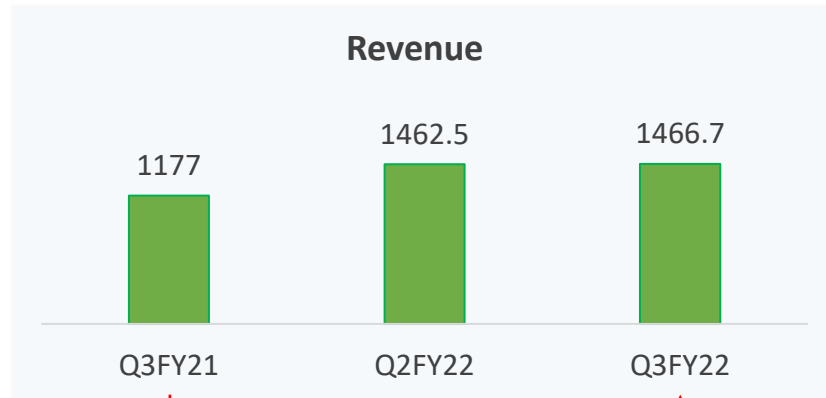


Q3FY22 & 9MFY22

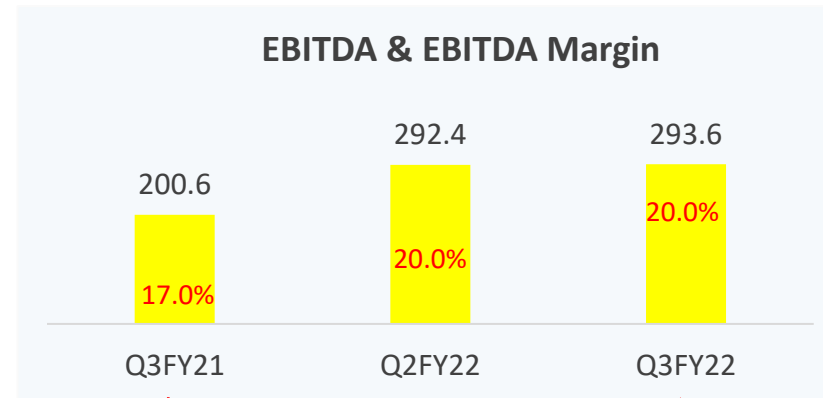
PERFORMANCE HIGHLIGHTS

CONSOLIDATED EARNINGS SUMMARY – Q3FY22

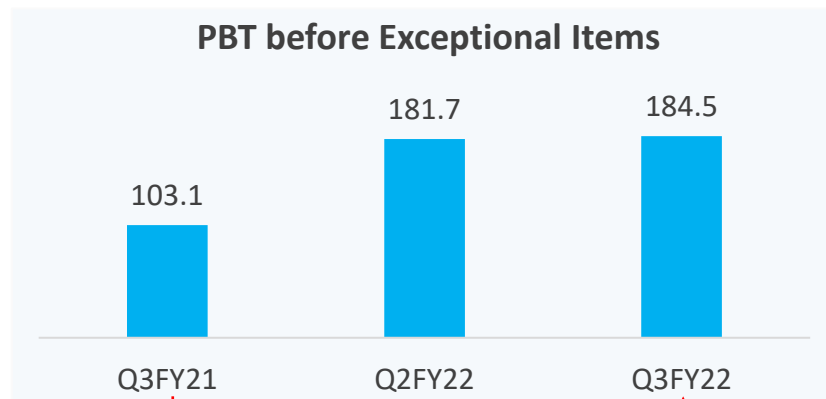
All figures in INR Crs.



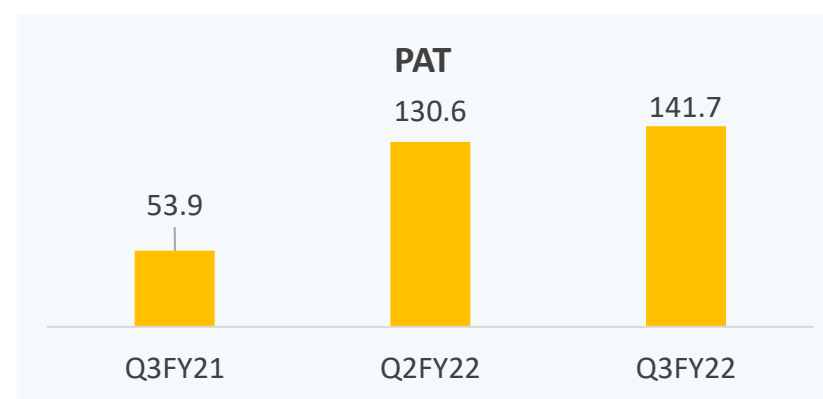
Up 25%



Up 46%



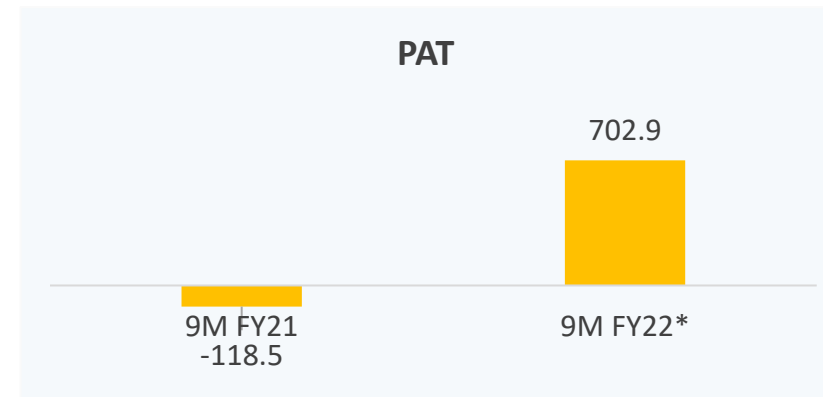
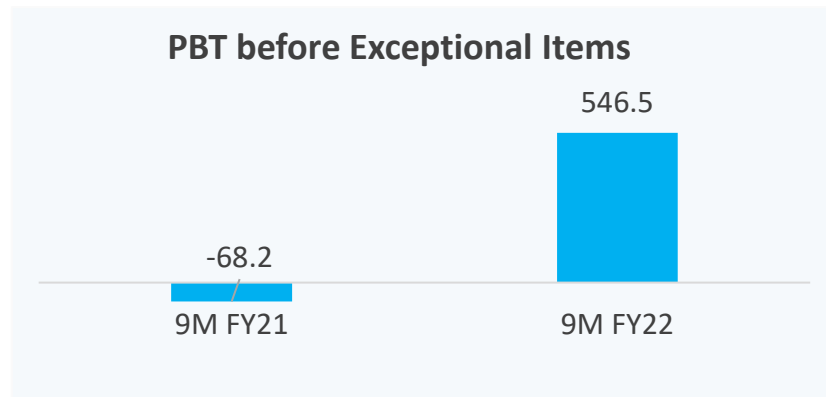
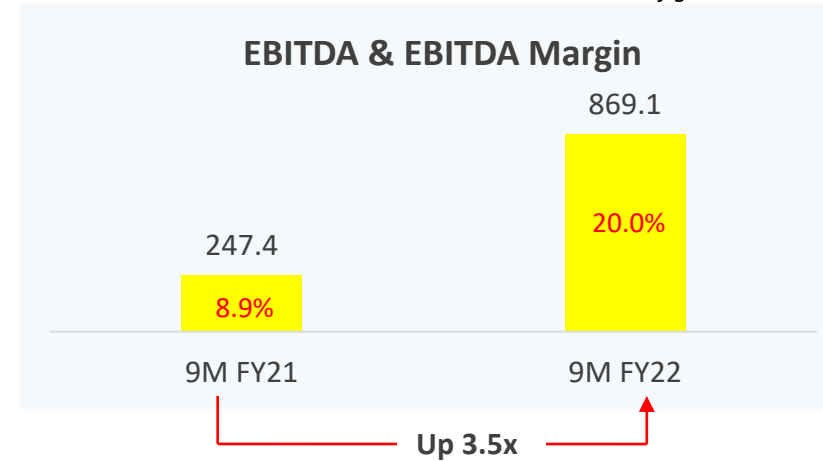
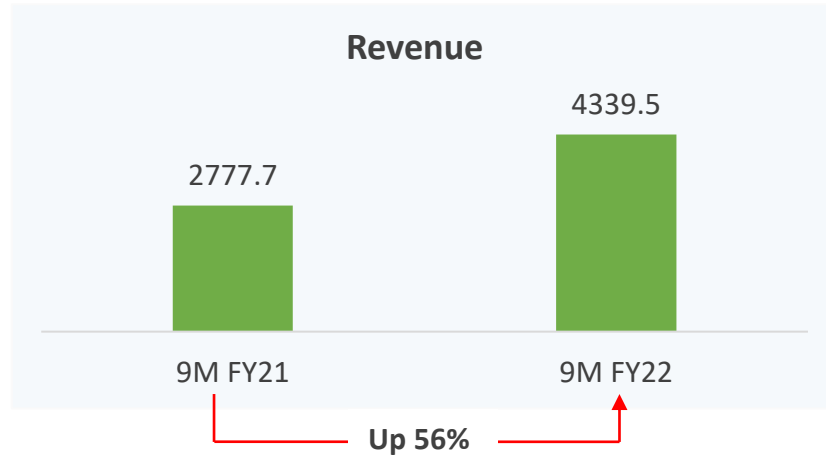
Up 79%



Up 163%

CONSOLIDATED EARNINGS SUMMARY – 9MFY22

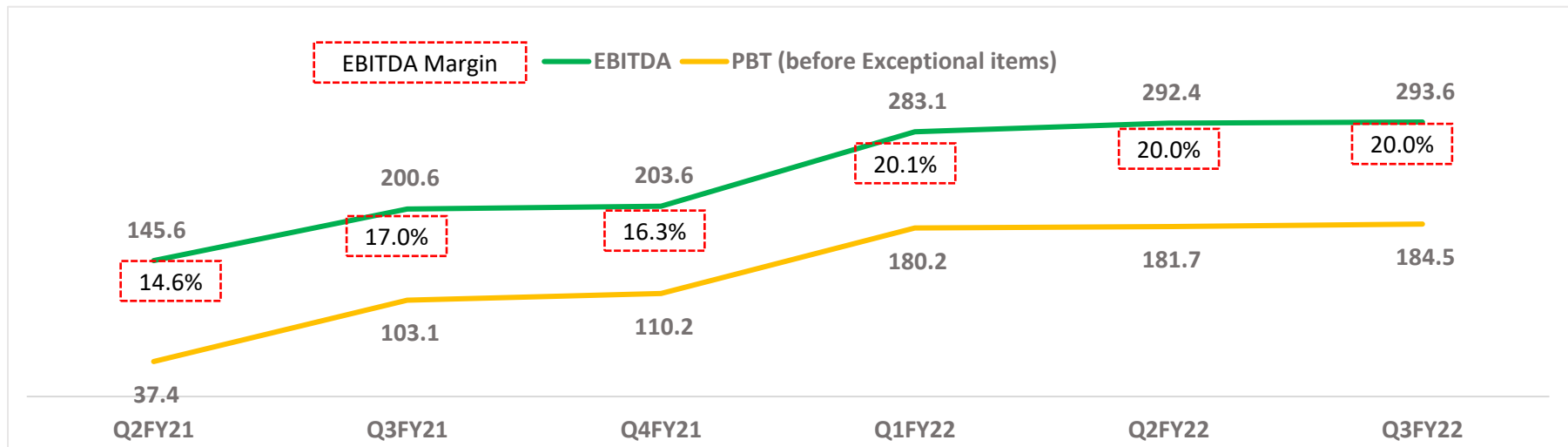
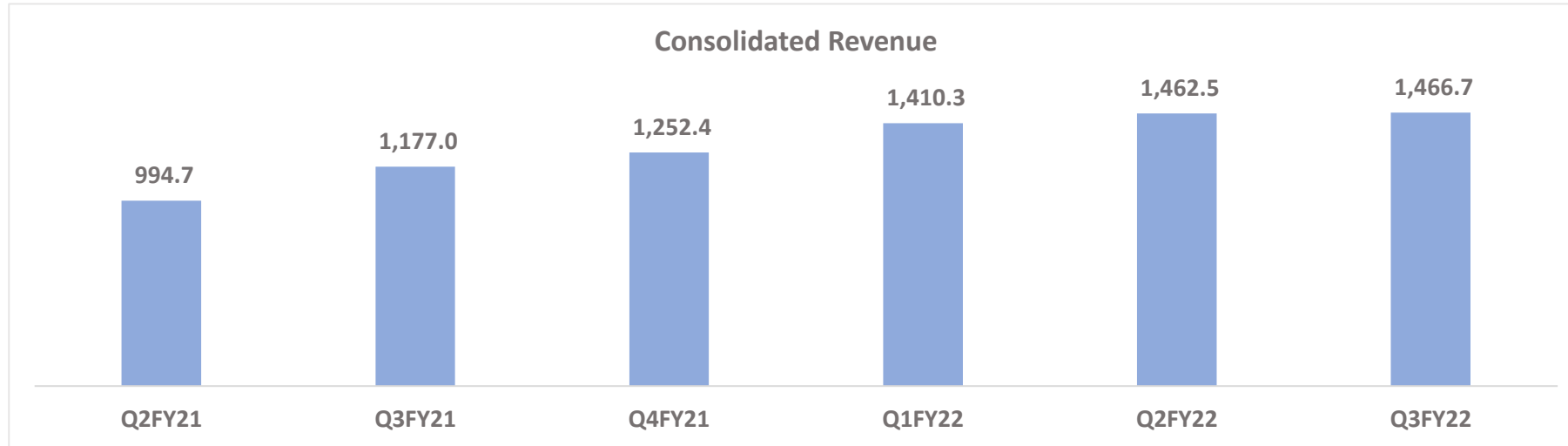
All figures in INR Crs.



- 9M FY22 PAT includes exceptional gain of INR 314.8 Crs 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.



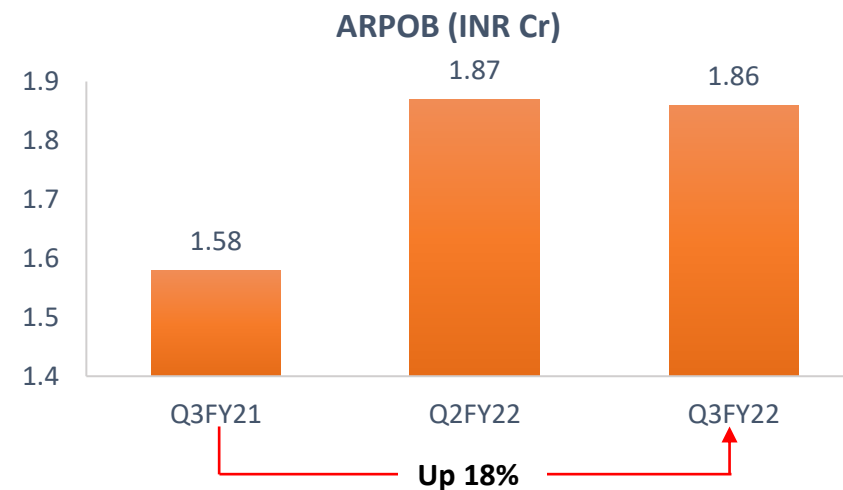
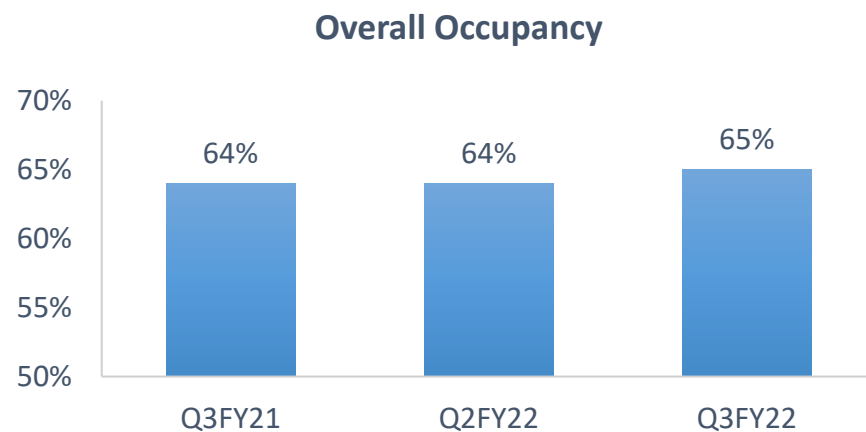
EBITDA includes other income and forex gain / (loss)

Q3FY22

HOSPITAL BUSINESS HIGHLIGHTS

- Revenues grew 23% to INR 1,118 Cr versus INR 907 Cr in Q3FY21. Revenues for Q2 FY22 stood at INR 1,098.5 Cr.
- EBITDA was at INR 190.2 Cr versus INR 130.7 Cr in Q3FY21 and INR 189.1 Cr in Q2FY22. Margins at 17.0% in Q3 FY22 versus 14.4% in Q3 FY21 and 17.2% in Q2FY22
- Non-covid business continues to witness traction as Covid cases declined further in Q3. Non-covid occupancy improved to 64% in Q3FY22 versus 62% in Q2FY22.
- Higher complex procedure volumes across key medical specialties led to a healthy ARPOB of INR 1.86 Crs witnessed in the quarter. Oncology, Neuro-sciences and Cardiology specialties contributed 40.5% to overall revenues versus 37.3% in Q2FY22.

Key Performance Indicators



Q3FY22

HOSPITAL BUSINESS HIGHLIGHTS (CONT.)

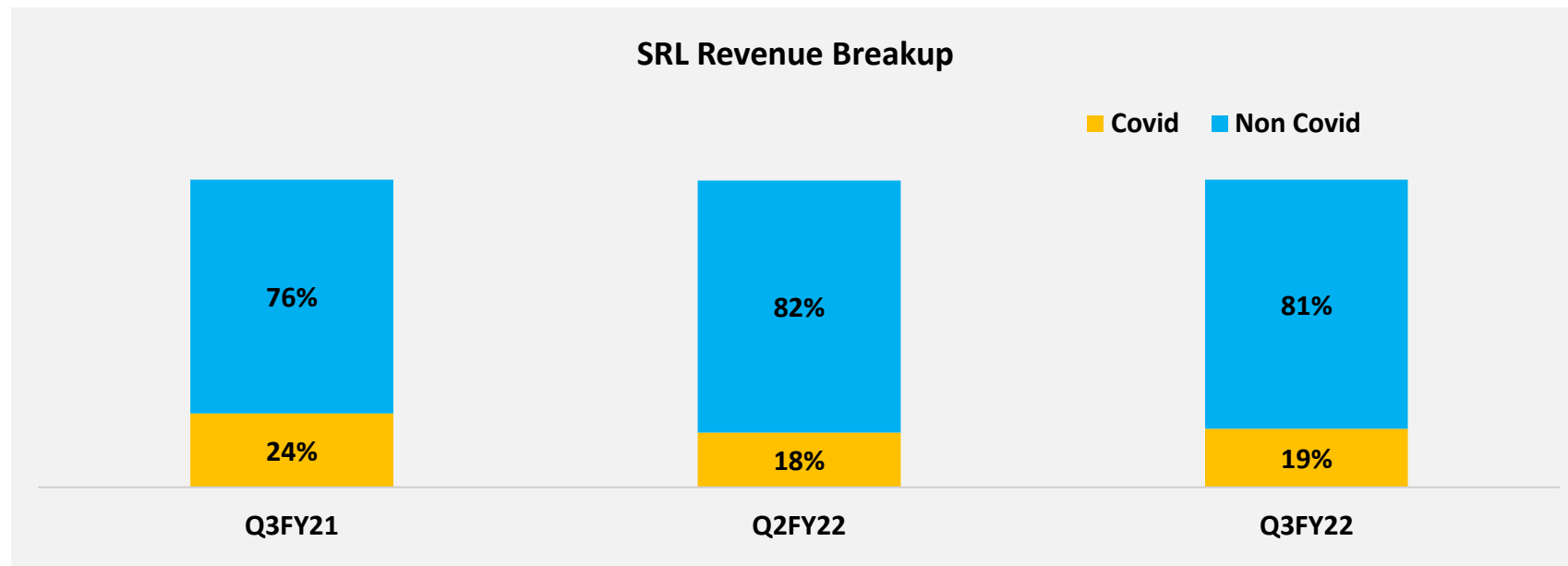
- Select hospitals such as FMRI, BG Road, Noida, Jaipur, Amritsar, Mohali witnessed an increase in occupancy versus Q2FY22
- The Company further strengthened its clinical talent pool with the induction of eminent clinicians in specialties of cardiology and surgical oncology in the quarter.
- The company continues to augment its service offerings with the installation of state-of-the-art medical equipment such as Neuro Surgical Microscopes, Neuro Navigation Systems, Cath labs and Endoscopy units at select facilities.
- Medical oxygen generating plants were commissioned at FEHI, FMRI and Faridabad facilities with a few more facilities to witness commissioning of such plants in the near future
- Medical tourism revenue contribution to overall hospital business revenues improved to 5.9% versus 3.8% in Q2FY22 due to relaxation in travel restrictions. For 9MFY22 the revenue contribution increased to 4.5% versus 3.4% in 9MFY21.



Q3FY22

DIAGNOSTIC BUSINESS HIGHLIGHTS

- SRL revenues grew 27% to INR 388.5 Cr versus INR 306.2 Cr in Q3FY21. Revenues for Q2 FY22 were at INR 402.7 Cr.
- EBITDA for the quarter stood at INR 103.4 Cr versus INR 73 Cr in Q3FY21 and was similar to Q2FY22. EBITDA Margins improved to 26.6% in Q3FY22 versus 23.9% in Q3FY21 and 25.7% in Q2FY22.
- Non Covid revenues grew 33.8% in Q3FY22 to INR 311 Cr vs the corresponding previous quarter



Note: Q2FY22 & Q3FY22 financials include DDRC SRL

OPERATING PERFORMANCE

HOSPITAL BUSINESS

Particulars (INR Cr)	Hospital Business				
	Q3FY21	Q2FY22	Q3FY22	9MFY21	9MFY22
Operating Revenue	906.9	1,098.5	1,118.2	2,141.7	3,223.3
Revenue Growth vs LY	-	47.2%	23.3%	-	50.5%
Reported EBITDA	130.8	189.2	190.2	123.9	528.8
EBITDA growth vs LY		141.8%	45.5%		326.8%
Margin	14.4%	17.2%	17.0%	5.8%	16.4%
Adj: Other Income	6.6	5.3	3.4	30.4	13.1
Operating EBITDA	124.1	183.9	186.8	93.6	515.7
Margin	13.7%	16.7%	16.7%	4.4%	16.0%

- 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 Q3Y22 stood at 17.9% vs 18.0% in Q2FY22

OPERATING PERFORMANCE

DIAGNOSTIC BUSINESS

Particulars (INR Cr)	Diagnostic Business				
	Q3FY21	Q2FY22	Q3FY22	9MFY21	9MFY22
Operating Revenue*	306.2	402.7	388.5	728.9	1,232.6
Revenue Growth vs LY		42.6%	26.9%		69.1%
Reported EBITDA	73.0	103.3	103.4	133.0	341.6
EBITDA growth vs LY		46.5%	41.6%		156.9%
Margin	23.9%	25.7%	26.6%	18.2%	27.7%
Adj: Other Income incl FX	6.9	2.9	3.8	20.2	9.6
Operating EBITDA	66.1	100.4	99.7	112.8	332.0
Margin	21.6%	24.9%	25.7%	15.5%	26.9%

- Diagnostics business revenue is on Gross Basis; Diagnostic business Q3FY22 net revenue (net of inter company elimination) stood at INR 348.4 Cr versus INR 270.1 Cr in Q3FY21 and INR 364 Crs in Q2FY22.
- Q2FY22, Q3FY22 & 9MFY22 financials include DDRC SRL.

BALANCE SHEET

December 31, 2021

Balance Sheet (INR Cr)	Dec 31, 2020	Mar 31, 2021	Dec 31, 2021
Shareholder's Equity	6,883	6,718	6,888
Debt	1,359	1,271	1,001
Lease Liabilities (Ind AS 116)*	251	260	282
Total Capital Employed	8,493	8,249	8,171
Net Fixed Assets (including intangibles & CWIP)	5,285	5,242	5,451
Goodwill	3,721	3,722	4,123
Investments	193	186	153
Cash and Cash Equivalents	318	422	380
Net Other Assets	(1,024)	(1,323)	(1,936)
Total Assets	8,493	8,249	8,171
Net Debt / (cash)	1,041	849	621
Net Debt to Equity	0.15x	0.13x	0.09x

- *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 0.53x versus 1.30x in Q3 FY21 and 0.74x in Q2FY22 (on annualized basis)



PERFORMANCE REVIEW

HOSPITALS BUSINESS

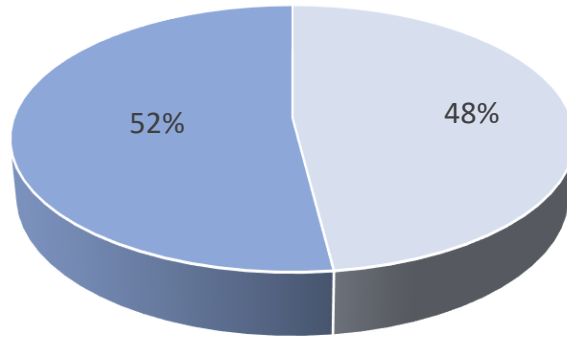
STRENGTHENING MEDICAL PROGRAMS

- Fortis further strengthened its clinical talent with the onboarding of certain eminent clinicians in the field of **Oncology** and **Cardiology**.
- **Fortis Shalimar Bagh** and **Fortis Mulund** augmented their Neuro-Sciences Program with the installation of High-End Neuro Navigation system.
- **Fortis Mulund** bolstered its service offerings with the installation of Neuro Surgical Microscope and a new Cath lab.
- **Fortis Escorts (FEHI)**, **FMRI** and **Fortis Faridabad** commissioned medical oxygen generating plants; additional plants under installation at select other facilities.
- **Fortis Vashi** installed a new Endoscopy system during the quarter.

REVENUE MIX

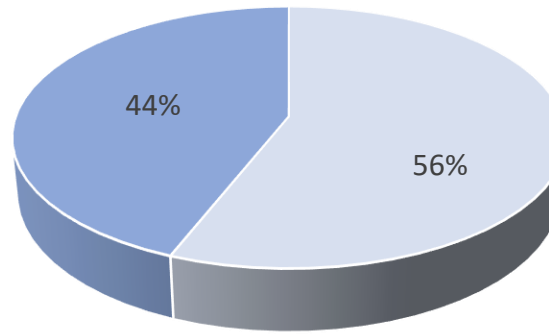
Q3 FY21

Gross Revenue : INR 955 CR



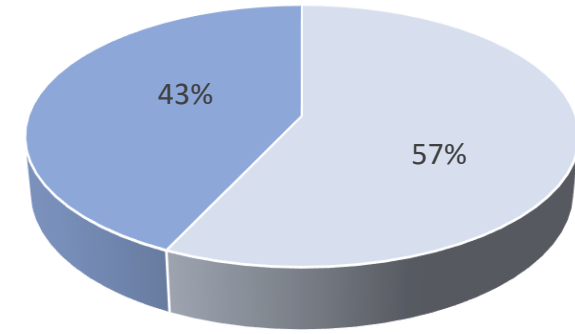
Q2 FY22

Gross Revenue : INR 1160 CR



Q3 FY22

Gross Revenue : INR 1179 CR

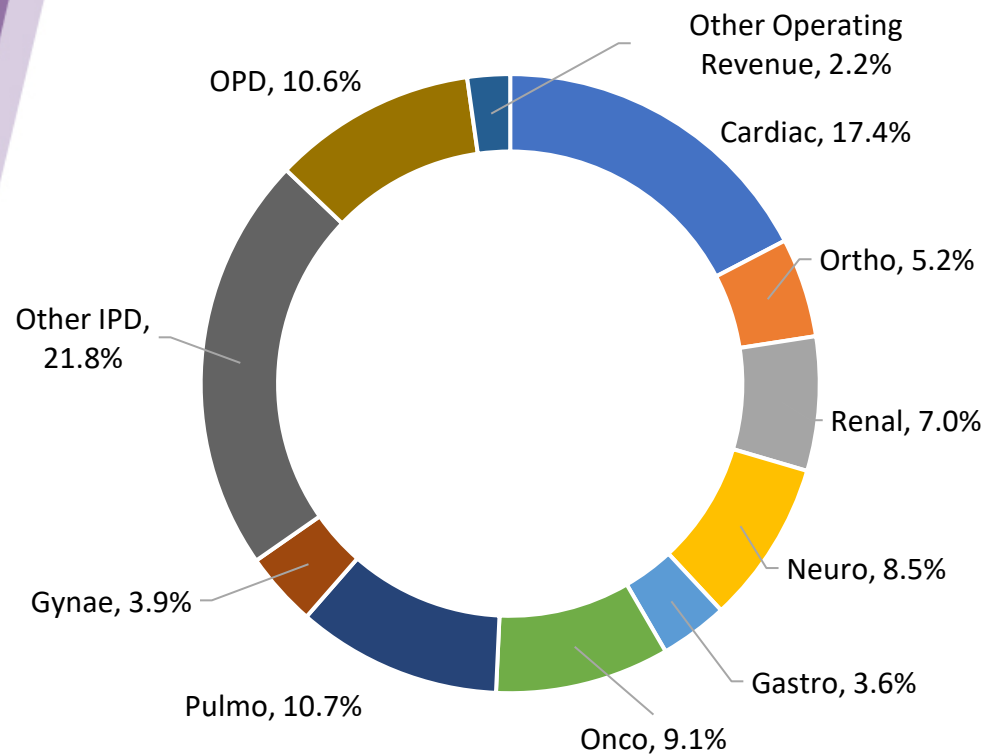


■ NonSurgical Revenue ■ Surgical Revenue

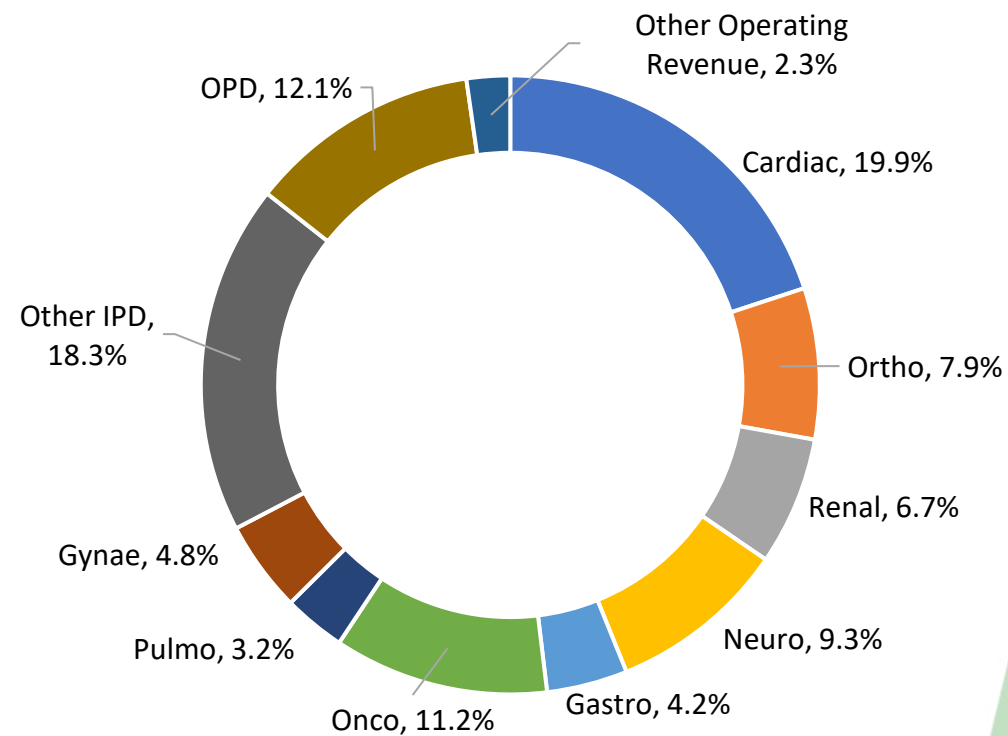
- Business continued to witness healthy traction in surgical procedures in Q3FY22.
- Contribution from surgical revenue stood at 57% compared to 48% in Q3FY21 & 56% in Q2FY22

SPECIALTY MIX

Q3 FY21

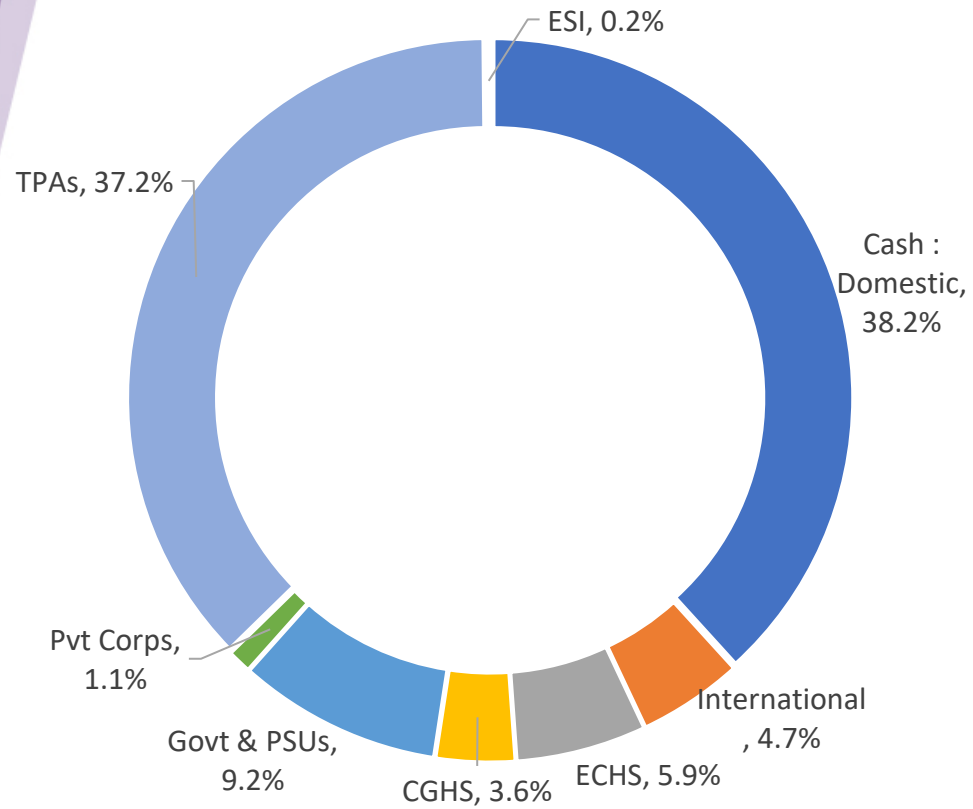


Q3 FY22

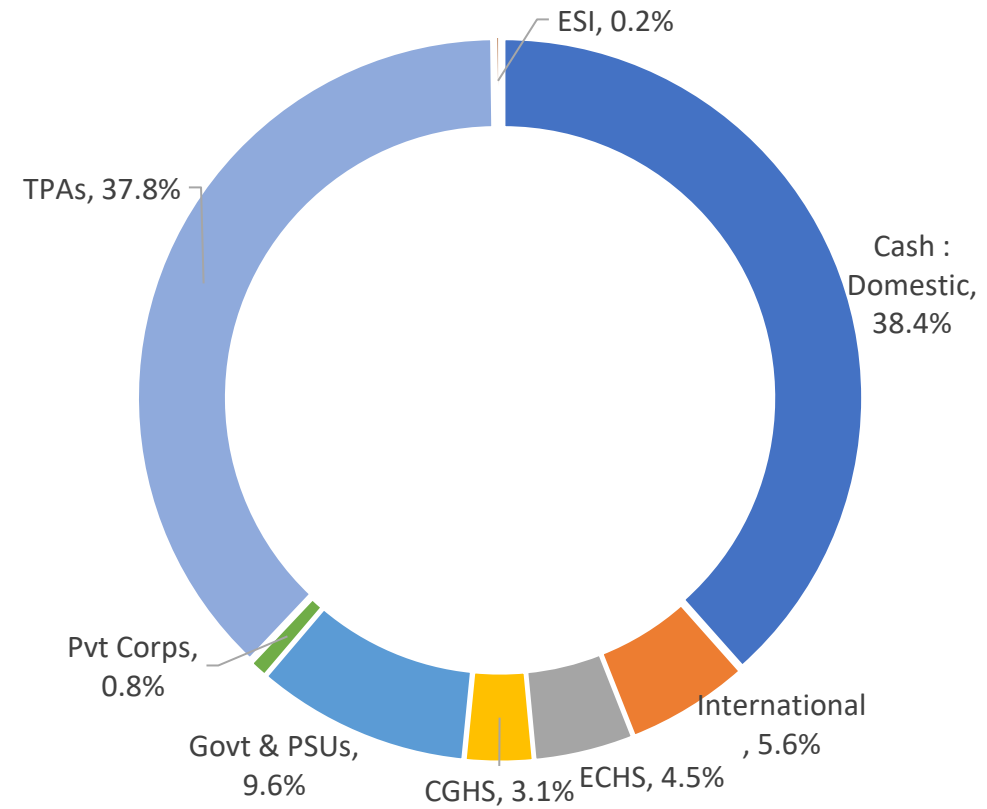


PAYOR MIX

Q3 FY21

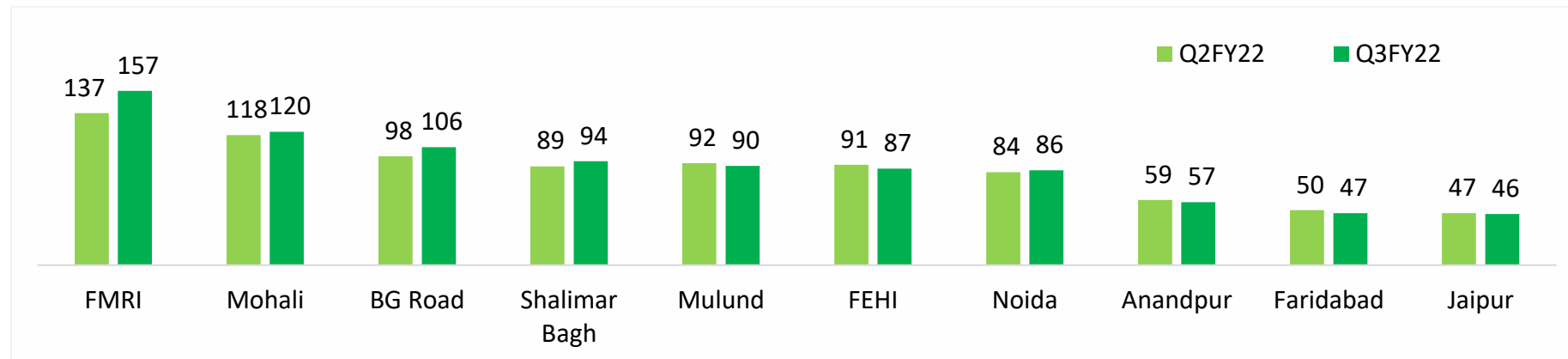
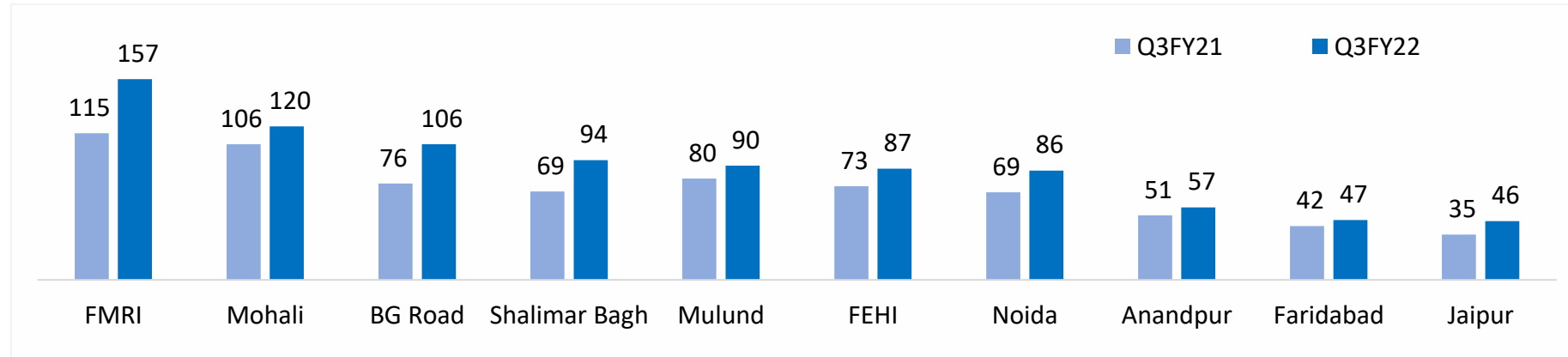


Q3 FY22



HOSPITAL BUSINESS PERFORMANCE

Facilities across the network witnessed a healthy growth in revenues



All figures in INR Crs.

HOSPITAL MARGIN MATRIX

Q3 FY22

EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	6	33%	1,154	1.96	68%
20% - 25%	5	32%	1,091	1.98	70%
15% - 20%	4	6%	299	1.53	63%
10% - 15%	2	11%	355	2.12	66%
<10%	6	18%	982	1.52	57%

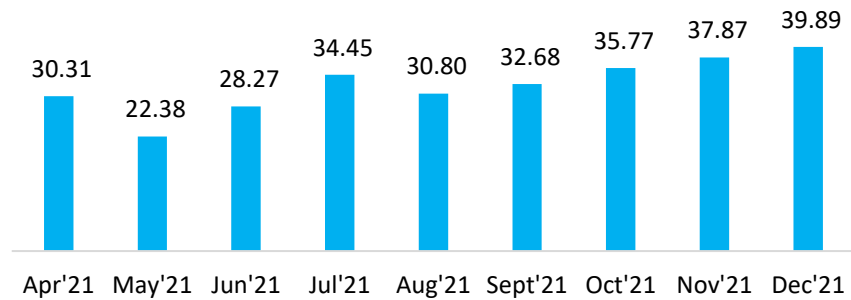
Q2 FY22

EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	6	39%	1,288	2.13	66%
20% - 25%	5	14%	722	1.21	73%
15% - 20%	3	17%	490	2.40	67%
10% - 15%	4	22%	805	1.98	64%
<10%	5	8%	553	1.39	47%

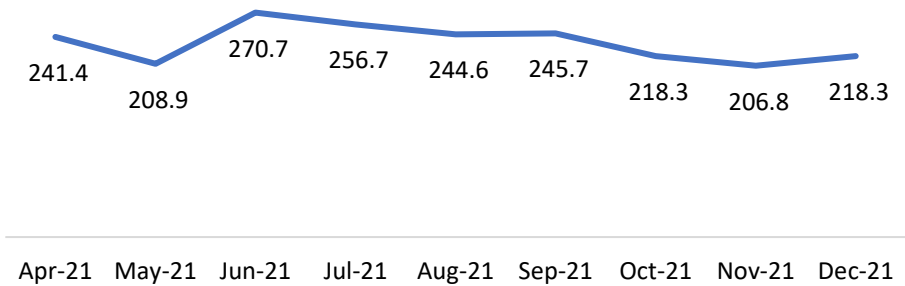
- EBITDA margins are prior to corporate cost allocation and IndAS adjustments

HOSPITAL BUSINESS – PATIENT VOLUME

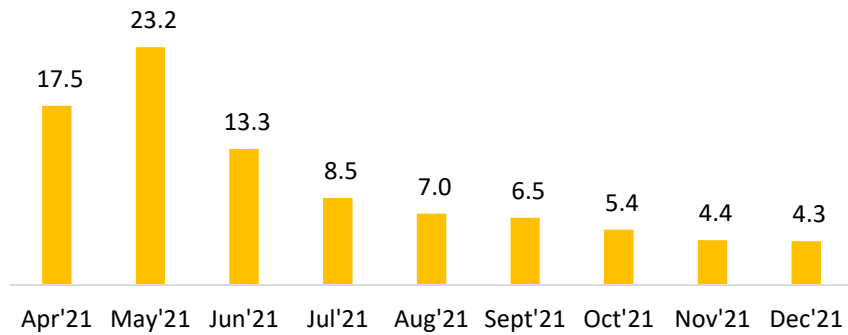
OPD Footfalls (through digital channels)



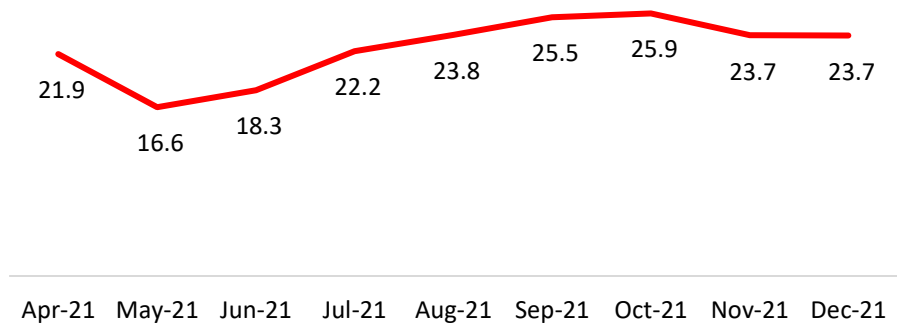
No. of Outpatient (OPD)



Tele-consults ('000)



Inpatient Admissions (IPD)



CLINICAL EXCELLENCE

- First in India: Doctors at **Fortis Noida** perform a rare and complex procedure to explant artificial heart from 56-year-old Iraqi patient's chest. This is the first such procedure reported in India
- The world's largest chest tumour, bigger than a football, was removed from a patients at **Fortis Memorial and Research Institute, Gurugram**
- A rare lung transplant surgery at **Fortis Vadapalani, Chennai**, gives a new lease of life to a 34-year-old
- A 34-yr-old patient's inability to swallow food cured after incisionless endoscopic surgery at **Fortis Escorts, Okhla Road**



AWARDS AND ACCREDITATIONS

- **Fortis Mohali** receives AHPI Award 2021 for 'Quality Beyond Accrediation' for the fourth time
- **Fortis hospitals** across the country won 8 National and Regional level awards at the Economic Times Healthcare Awards 2021.
- **Fortis Mohali** gets NABH-Nursing Excellence Certification for the third time in a row
- **Fortis La Femme**, GK-2, New Delhi, receives National Neonatology Forum Level III-A accreditation





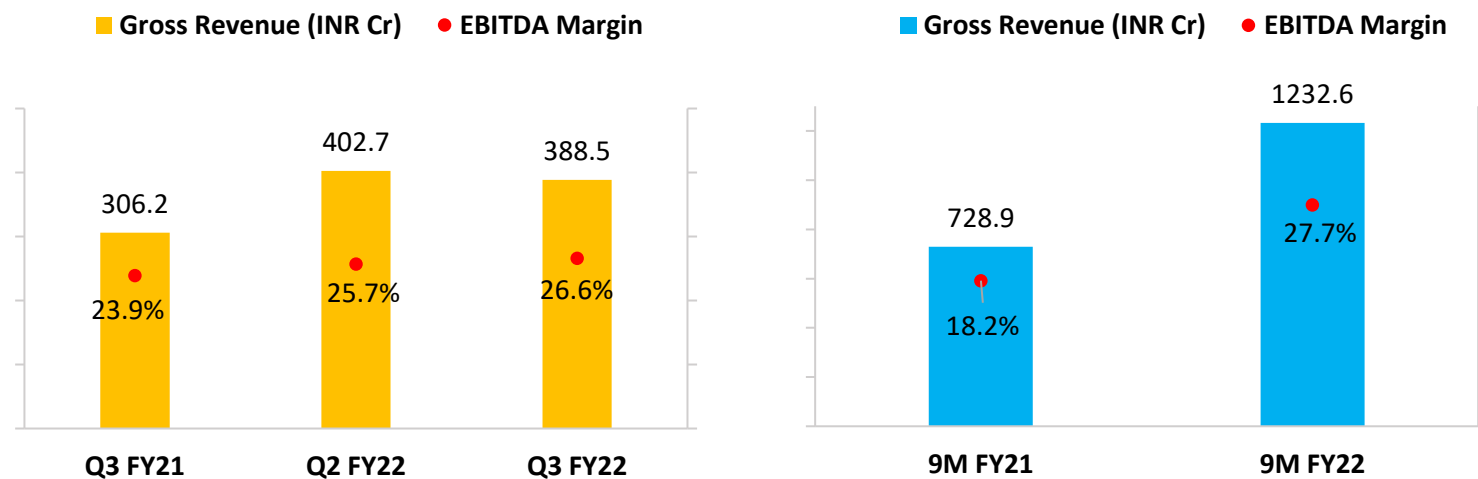
PERFORMANCE REVIEW

DIAGNOSTICS BUSINESS

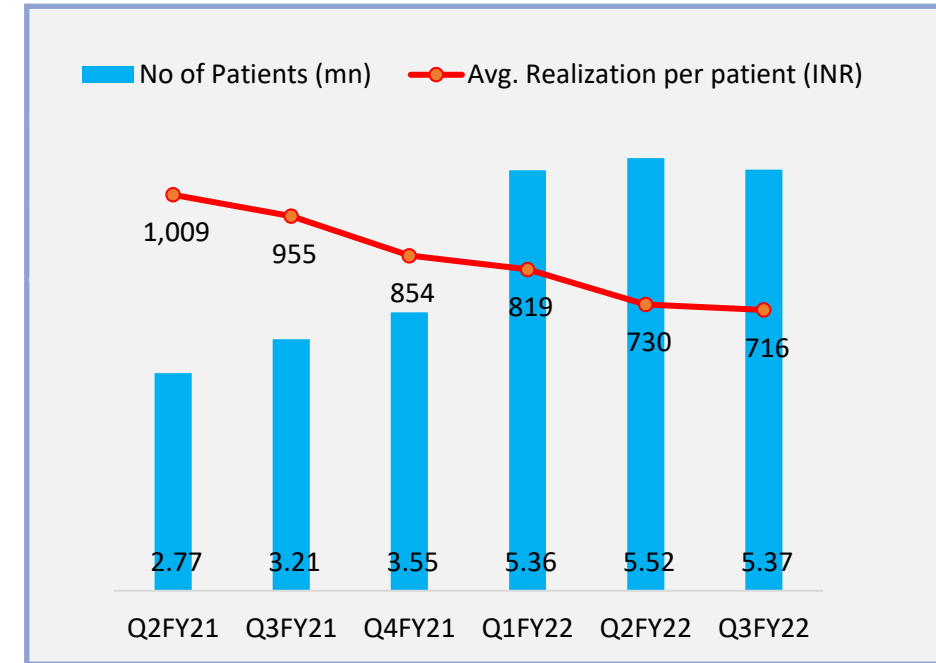
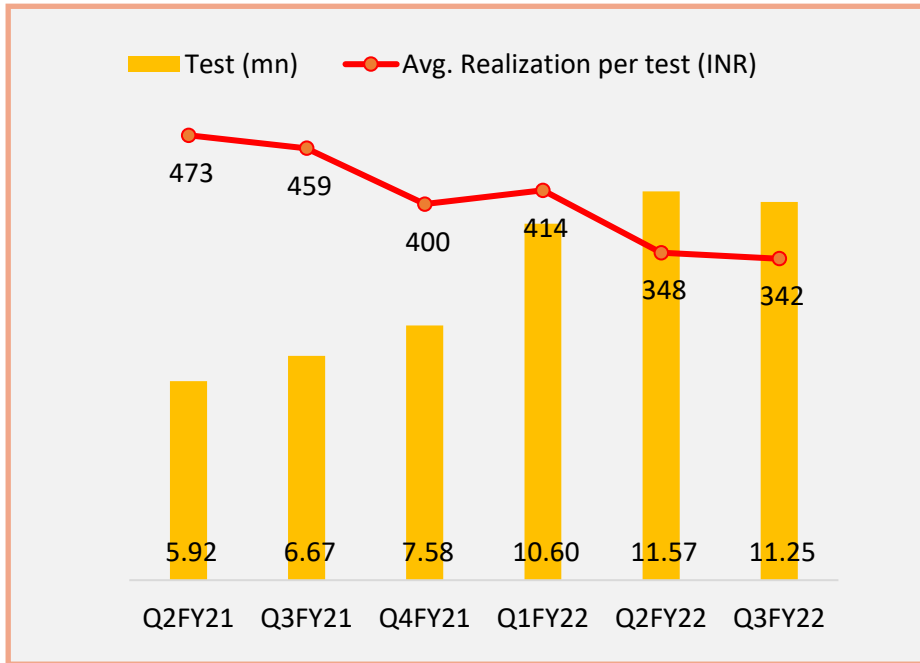


DIAGNOSTICS BUSINESS

- During Q3FY22, SRL conducted approx. 11.25 Mn tests, a growth of 69% versus Q3 FY21 and similar to Q3 FY22.
- SRL added 284 net new customer touch points to its network in Q3 FY22 taking the total number of touch points to 2,232. SRL has been aggressively expanding its network having opened approximately 100 such touch points each month since August 2021
- SRL's B2C: B2B revenue mix strengthened to 52 : 48 in the quarter compared to 46 : 54 in Q3 FY 21, driven by expansion of customer touch points and acquisition of DDRC-SRL JV. SRL witnessed 1.75x jump in its 'Walk in' patient's revenue in Q3FY22 versus Q3FY21
- SRL's revenue from preventive healthcare package grew 23% over Q3 FY21.



KEY PERFORMANCE METRICS

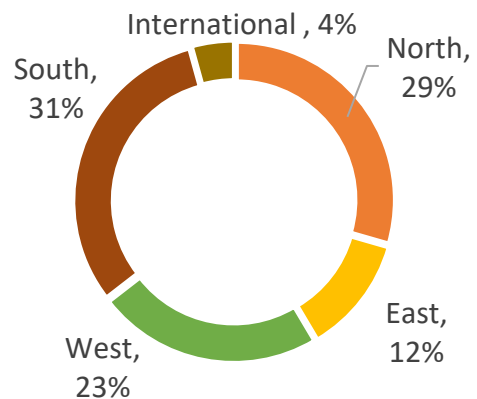


Significant decline in covid test pricing resulted in decline in overall average realisation per test and average realisation per patient in Q3FY22 versus Q3FY21

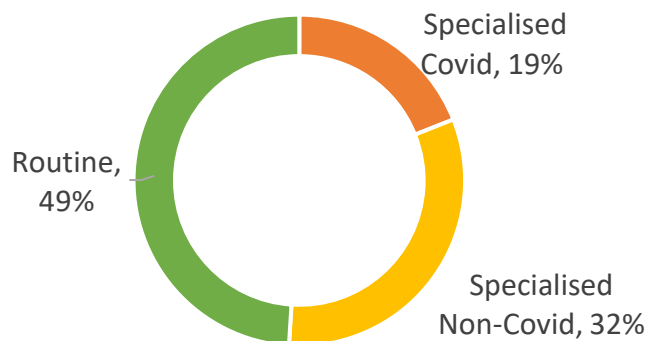
REVENUE MIX

Geographic mix

Q3 FY22



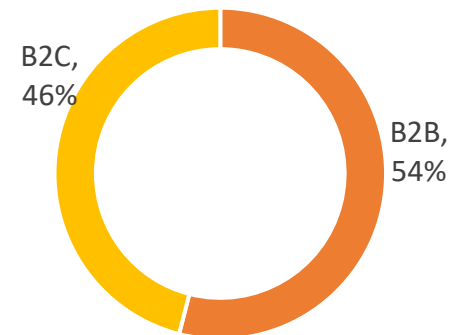
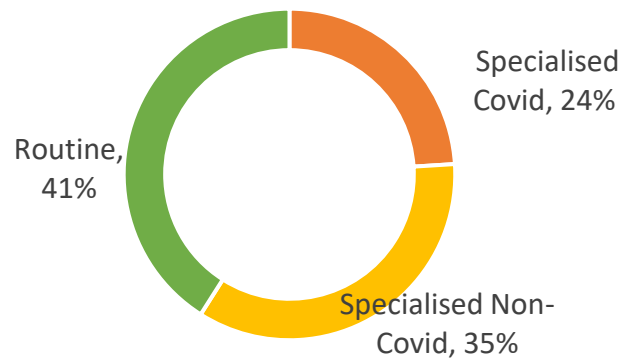
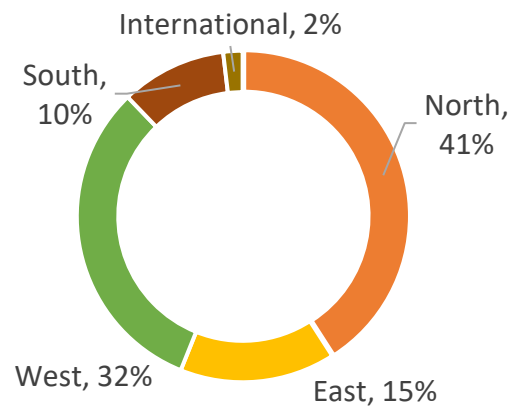
Product Mix



Segment Mix



Q3 FY21





APPENDIX



GROUP CONSOLIDATED P&L – Q3 FY22

Particulars (INR Cr)	Q3FY21	Q2FY22	Q3FY22
Revenue from operations	1,177.0	1,462.5	1,466.7
Other income	10.2	8.0	6.7
Total income	1,187.2	1,470.6	1,473.3
Expenses	986.6	1,178.2	1,180
EBITDA*	200.6	292.4	293.6
Margin	17.0%	20.0%	20.0%
Finance costs	42.1	40.3	38.1
Depreciation and amortisation expense	73.1	74.5	76.1
PBT	85.4	177.5	179.5
Share of profit / (loss) of associates and joint ventures (net)	17.7	4.2	5.1
Net profit / (loss) before exceptional items and tax	103.1	181.7	184.5
Exceptional gain	0.0	0.3	8.4
Profit / (loss) before tax from continuing operations	103.1	182.0	192.9
Tax expense / (credit)	49.3	51.4	51.2
Net profit / (loss) for the period from continuing operations	53.9	130.6	141.7
Profit / (loss) from continuing operations attributable to Owners of the company	29.9	106.9	116.7

- *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 – 9M FY22

Particulars (INR Cr)	9MFY21	9MFY22
Revenue from operations	2,777.7	4,339.5
Other income	40.2	21.4
Total income	2,817.9	4,360.9
Expenses	2,570.5	3,491.8
EBITDA*	247.4	869.1
Margin	8.9%	20.0%
Finance costs	125.3	116.8
Depreciation and amortisation expense	219.1	223.6
PBT	-97.0	528.7
Share of profit / (loss) of associates and joint ventures (net)	28.8	17.8
Net profit / (loss) before exceptional items and tax	-68.1	546.5
Exceptional gain	1.1	314.8
Profit / (loss) before tax from continuing operations	-67.1	861.3
Tax expense / (credit)	51.5	158.4
Net profit / (loss) for the period from continuing operations	-118.5	702.9
Profit / (loss) from continuing operations attributable to Owners of the company	-152.9	487.2

- *EBITDA includes other income, forex and exceptional/non-recurring expenses
- Exceptional gain of INR 314.8 Crs in 9MFY22 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

