



FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION— Q2 FY22 & H1 FY22

November 12, 2021

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AGENDA

1. Performance Highlights
 - Earnings and Financial Summary – Q2FY22 & H1FY22
2. Performance Review - Hospital Business
3. Performance Review - Diagnostics Business
4. Appendix



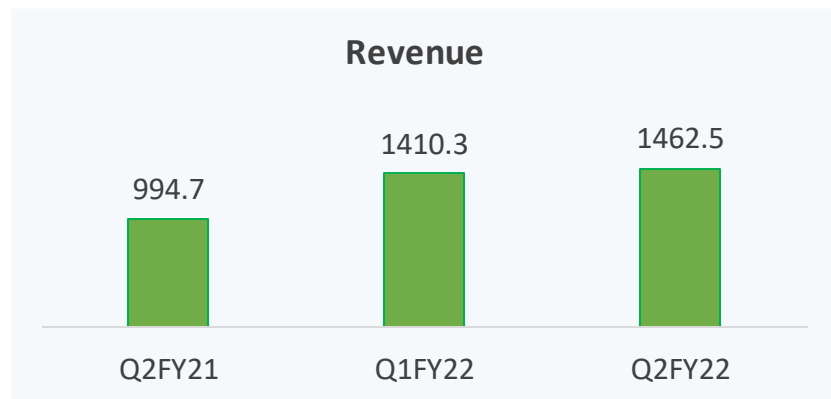


Q2FY22 & H1FY22

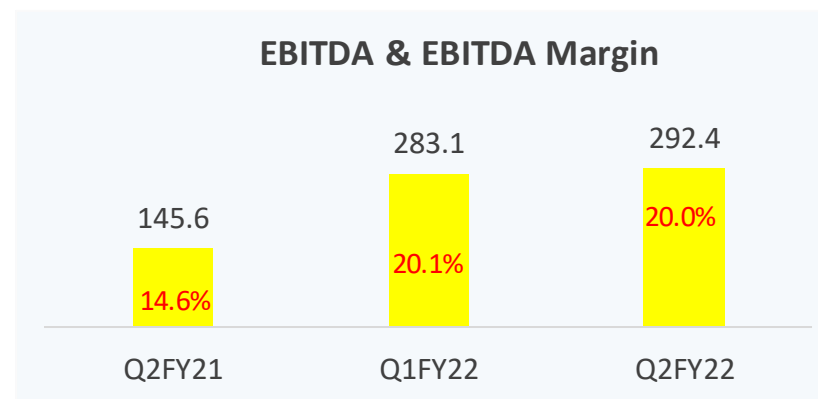
PERFORMANCE HIGHLIGHTS

CONSOLIDATED EARNINGS SUMMARY – Q2FY22

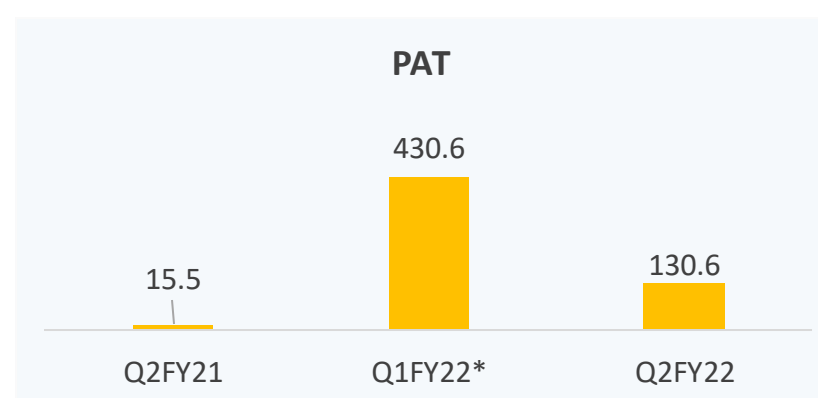
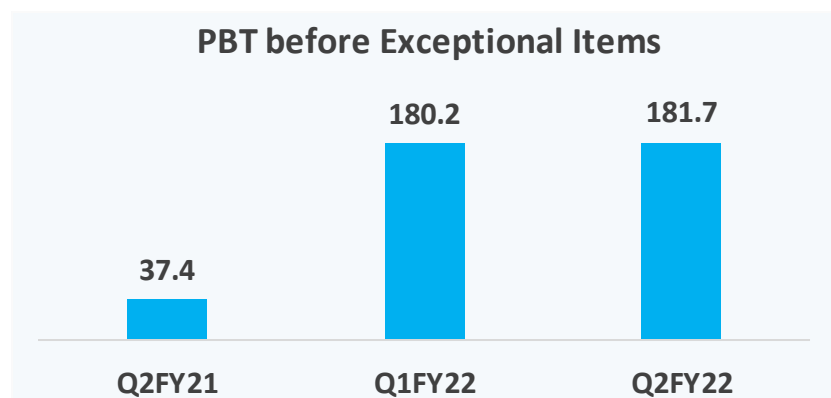
All figures in INR Crs.



Up 47%



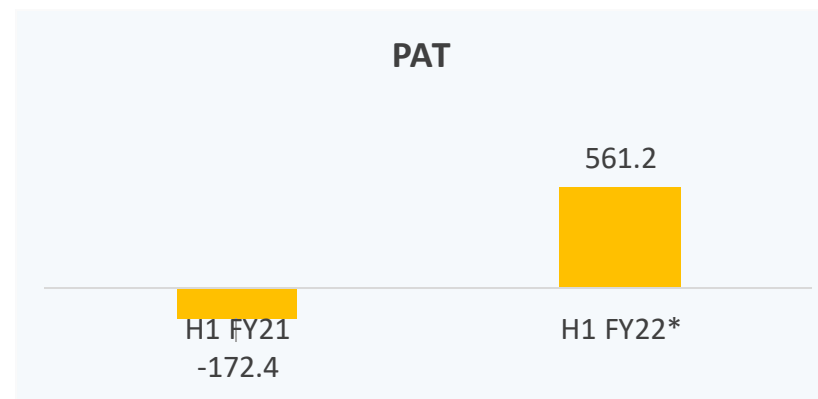
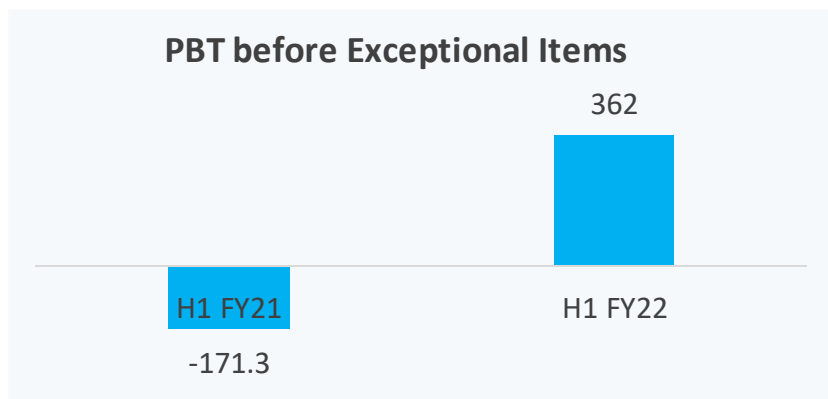
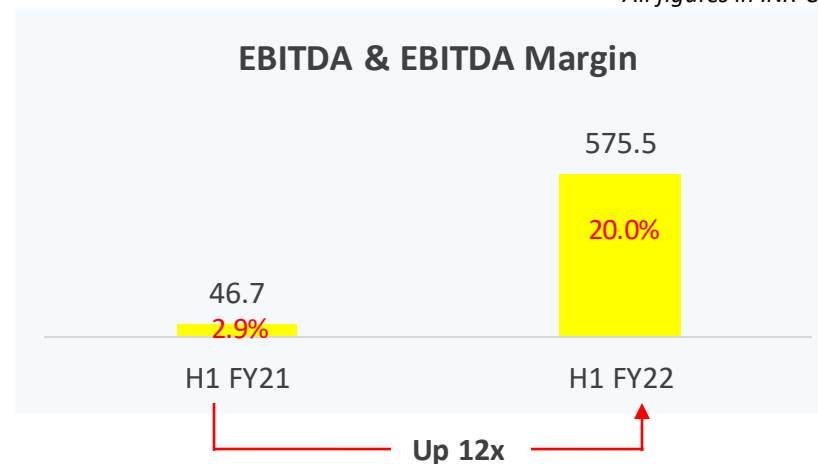
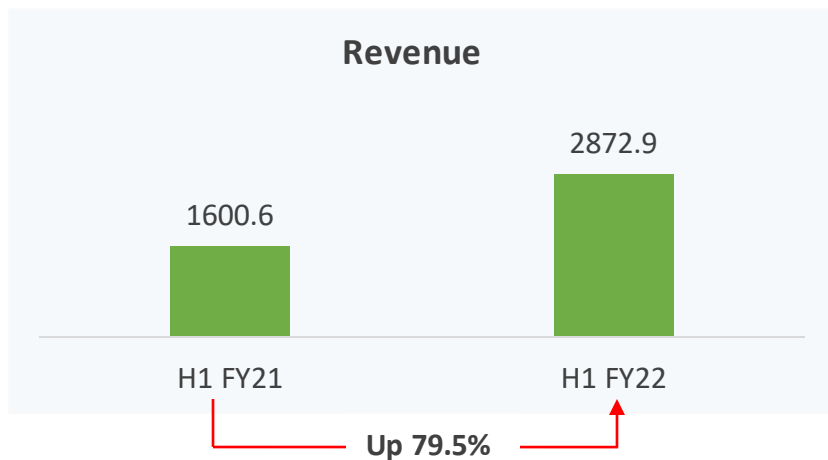
Up 101%



- Q1 FY22 PAT includes exceptional gain of INR 306.1 Cr 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 – H1FY22

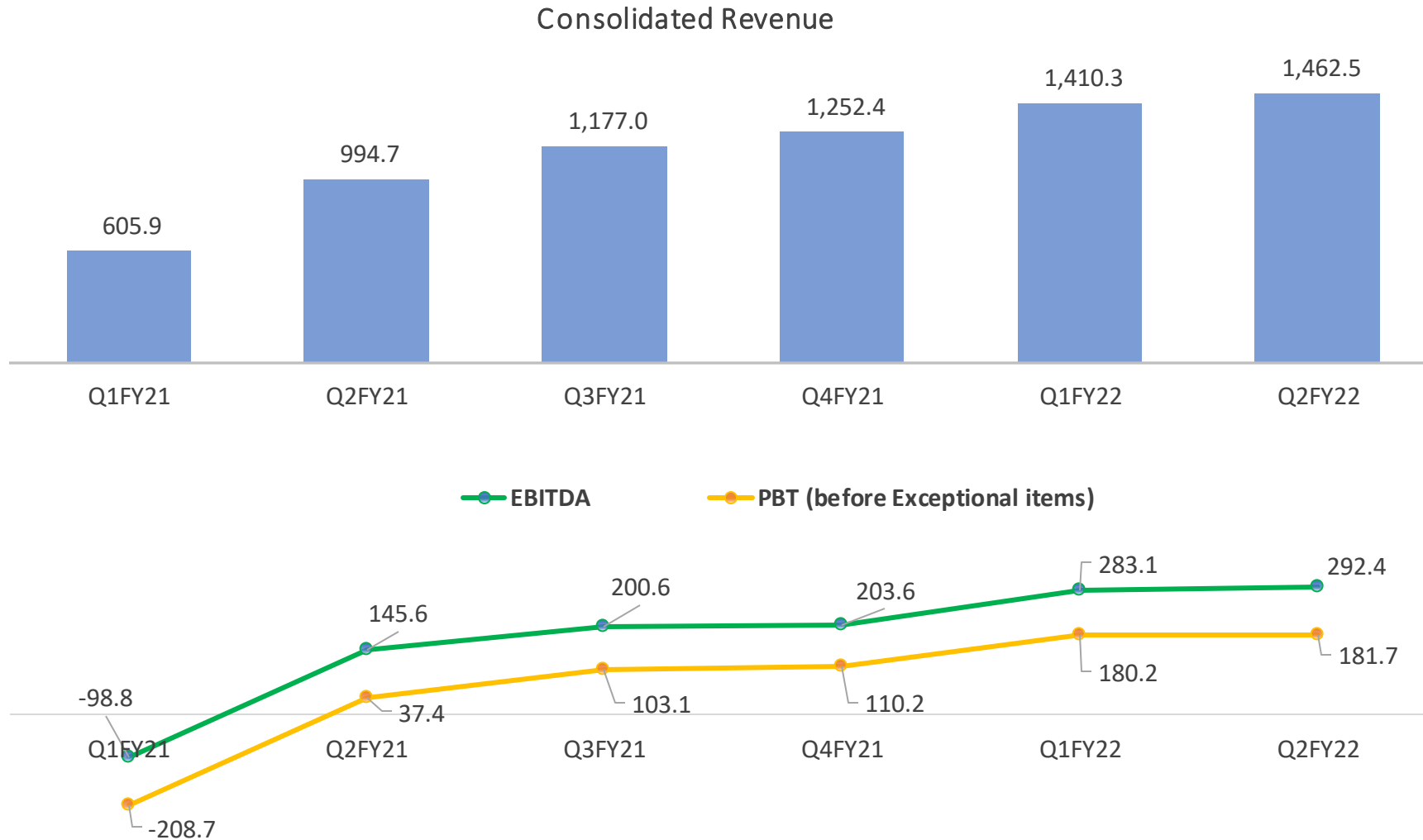
All figures in INR Crs.



- H1 FY22 PAT includes exceptional gain of INR 306.1 Cr related to remeasurement of the previously held equity interest of SRL in the SRL-DDRCJV 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.



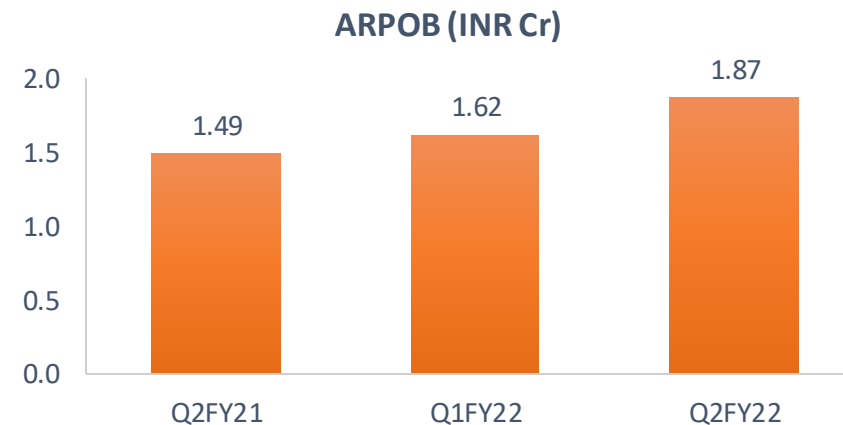
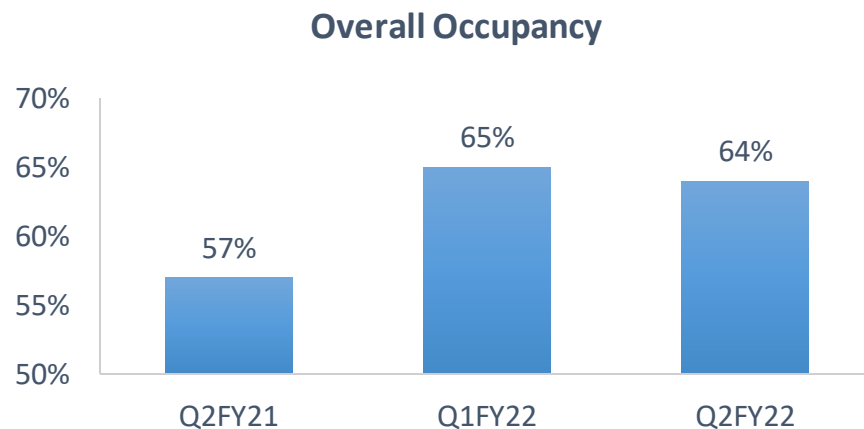
EBITDA includes other income and forex gain / (loss)

Q2FY22

HOSPITAL BUSINESS HIGHLIGHTS

- Revenues grew 47% to INR 1,099 Cr versus INR 746 Cr in Q2FY21. Revenues for Q1 FY22 were at INR 1,006.5 Cr.
- EBITDA stood at INR 189.1 Cr versus INR 78.2 Cr in Q2FY21 and INR 149.6 Cr in Q1FY22. Margins at 17.2% in Q2 FY22 versus 10.5% in Q2 FY21 and 14.9% in Q1FY22
- Significant traction witnessed in non-covid business in the quarter versus Q1FY22. Non covid occupancy improved to 62% in Q2FY22 versus 39% in Q1FY22. Non Covid revenue contribution stood at 97% in Q2FY22 vs 73% in Q1FY22.
- Increase in non covid business was primarily driven by higher volumes of complex surgical procedures resulting in relatively higher ARPOB at INR 1.87 Cr for Q2.

Key Performance Indicators



Q2FY22

HOSPITAL BUSINESS HIGHLIGHTS (CONT.)

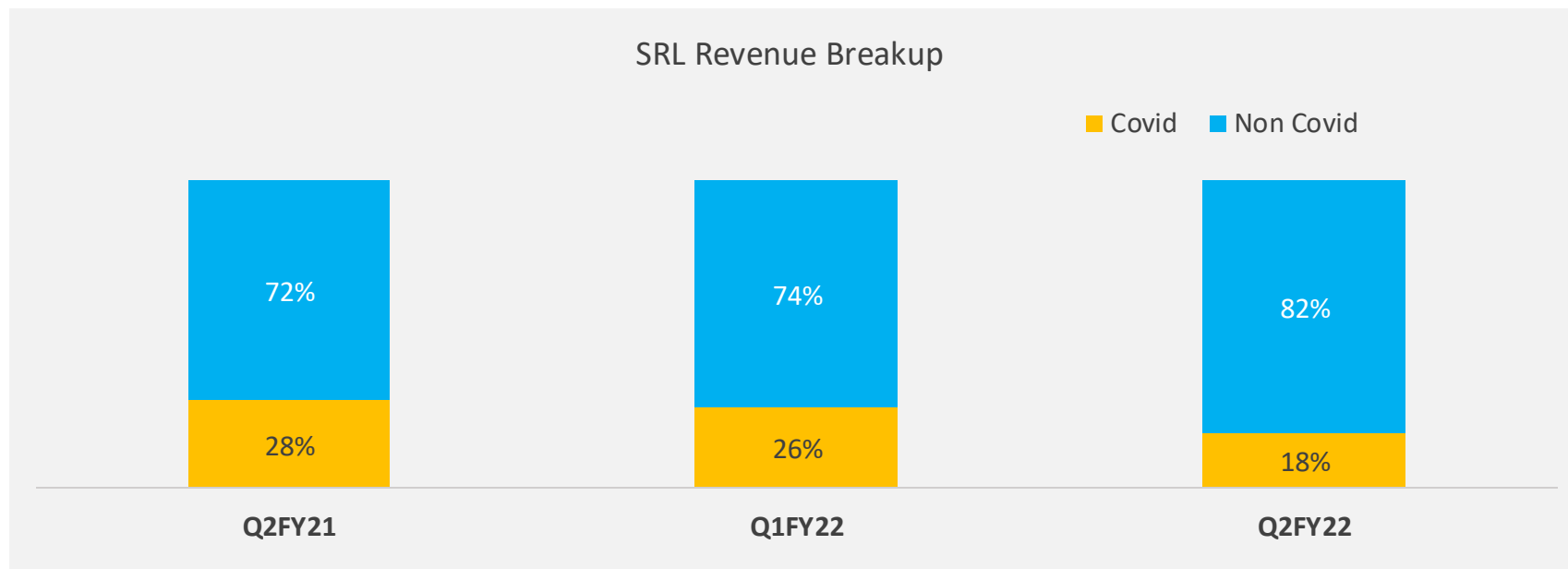
- Select hospitals such as Noida, Faridabad, Kalyan, Amritsar, FEHI, La Femme witnessed an increase in occupancy versus Q1FY22.
- The company further strengthened its Clinical talent base with on-boarding eminent clinicians in the areas of Oncology, Cardiac Sciences, Neuro-Sciences, Gastro and Orthopedics.
- In addition, the company continues to augment its service offerings with the purchase and installation of high end medical equipment & infrastructure across various facilities.
- Medical tourism revenues in Q2FY22 remained similar at 3.8% versus Q1FY22 due to continuing travel restrictions during the quarter. For H1FY22 the revenue contribution increased to 3.8% versus 2.2% in H1FY21.
- Investments on track to add 250-300 beds in FY22 across Shalimar Bagh, Mulund, BG Road and Vadapalani



Q2FY22

DIAGNOSTIC BUSINESS HIGHLIGHTS

- SRL revenues grew 42.6% to INR 402.7 Cr versus INR 282.4 Cr in Q2FY21. Revenues for Q1 FY22 were at INR 441.4 Cr.
- EBITDA for the quarter stood at INR 103.3 Cr versus INR 70.5 Cr in Q2FY21 and INR 134.9 Cr in Q1FY22. Margins of 25.7% in Q2FY22 versus 25.0% in Q2FY21 and 30.6% in Q1FY22.
- Non Covid revenues grew 65% in Q2FY22 to INR 331 Cr vs the corresponding quarter



Note: Q1FY22 & Q2FY22 financials include DDRC SRL

OPERATING PERFORMANCE

HOSPITAL BUSINESS

Particulars (INR Cr)	Hospital Business				
	Q2FY21	Q1FY22	Q2FY22	H1 FY21	H1 FY22
Operating Revenue	746.4	1,006.5	1,098.5	1,234.8	2,105.0
Revenue Growth vs LY	-	106.1%	47.2%	-	70.5%
Reported EBITDA	78.2	149.6	189.1	-6.8	338.7
EBITDA growth vs LY	-	-	141.8%	-	-
Margin	10.5%	14.9%	17.2%	-0.6%	16.1%
Adj: Other Income	21.8	6.2	5.2	23.2	11.4
Operating EBITDA	56.4	143.4	183.9	(30.0)	327.2
Margin	7.6%	14.2%	16.7%	-2.4%	15.5%

- 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 Q2Y22 stood at 18.0% vs 15.4% in Q1FY22

OPERATING PERFORMANCE

DIAGNOSTIC BUSINESS

Particulars (INR Cr)	Diagnostic Business				
	Q2FY21	Q1FY22	Q2FY22	H1 FY21	H1 FY22
Operating Revenue*	282.4	441.4	402.7	422.7	844.1
Revenue Growth vs LY	-	214.5%	42.6%	-	99.7%
Reported EBITDA	70.5	134.9	103.3	59.9	238.2
EBITDA growth vs LY	-	-	46.5%	-	297.3%
Margin	25.0%	30.6%	25.7%	14.2%	28.2%
Adj: Other Income incl FX	7.0	3.0	2.8	13.3	5.8
Operating EBITDA	63.5	131.9	100.5	46.7	232.4
Margin	22.5%	29.9%	25.0%	11.0%	27.5%

- Diagnostics business revenue is on Gross Basis; Diagnostic business Q2FY22 net revenue (net of inter company elimination) stood at INR 364 Cr versus INR 248.3 Cr in Q2FY21 and INR 403.8 Crs in Q1FY22.
- Q1FY22 & Q2FY22 financials include DDRC.

BALANCE SHEET

SEPT 30, 2021

Balance Sheet (INR Cr)	Sept 30, 2020	Mar 31, 2021	Sept 30, 2021
Shareholder's Equity	7,045	6,718	6,899
Debt	1,413	1,271	1,239
Lease Liabilities (Ind AS 116)*	250	260	284
Total Capital Employed	8,708	8,249	8,422
Net Fixed Assets (including intangibles & CWIP)	5,288	5,242	5,546
Goodwill	3,722	3,722	4,136
Investments	182	186	145
Cash and Cash Equivalents	300	422	369
Net Other Assets	(784)	(1,323)	(1,774)
Total Assets	8,708	8,249	8,422
Net Debt / (cash)	1,113	849	869
Net Debt to Equity	0.16x	0.13x	0.13x

- *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 0.74x versus 1.04x in Q4 FY21 and 0.90x in Q1FY22 (on annualized basis)



PERFORMANCE REVIEW

HOSPITALS BUSINESS

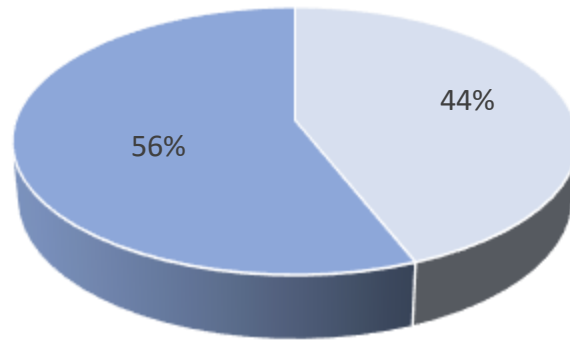
STRENGTHENING MEDICAL PROGRAMS

- Bolstered the Oncology program at select key facilities of **FMRI & Shalimar Bagh** with onboarding of highly skilled and respected clinicians
- Augmented the Cardiac Sciences program at **FMRI & Noida** with eminent clinicians, further adding to the existing medical talent.
- Neuro-Sciences program strengthened at **Mohali and FMRI**
- Expanded the Gastro Sciences program at **Jaipur**; augmented the Paediatric Liver Transplant program at **FMRI**
- Expanding service offerings through state of the art medical equipment and infrastructure
 - MR LINAC
 - Gamma Knife
 - PET CT and SPECTC
 - Bone Marrow Transplant program
 - Advanced Cardiac Cath Labs
 - Neuro Interventional Cath Lab

REVENUE MIX

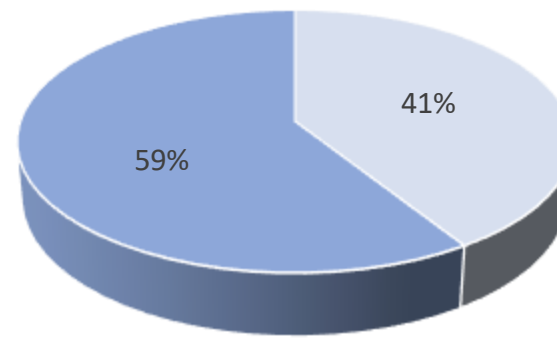
Q2 FY21

Gross Revenue : INR 781 CR



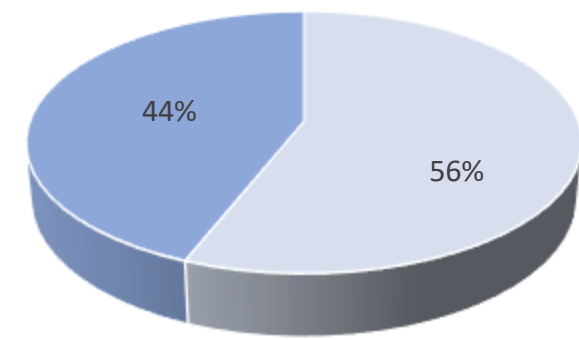
Q1 FY22

Gross Revenue : INR 1064 CR



Q2 FY22

Gross Revenue : INR 1160 CR

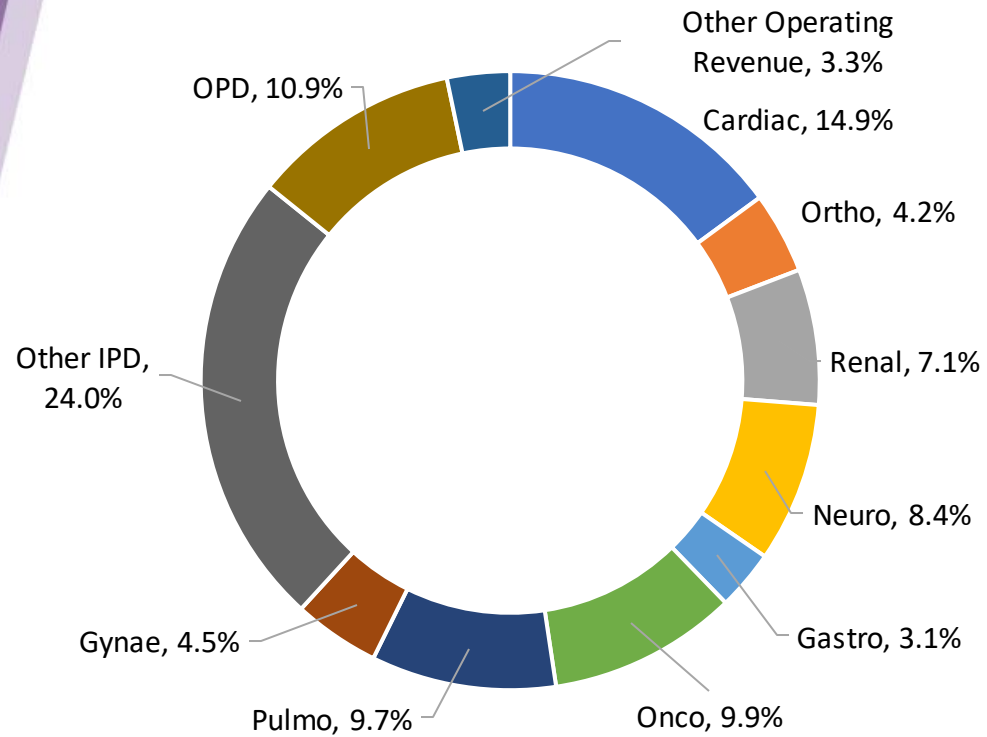


■ NonSurgical Revenue ■ Surgical Revenue

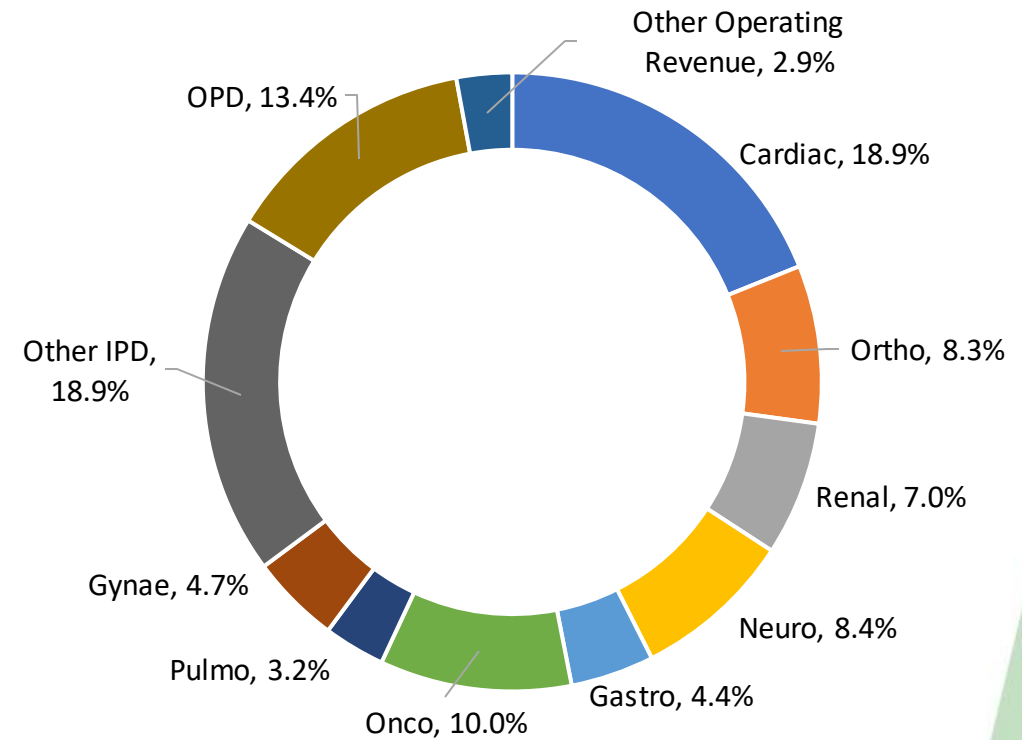
- Healthy traction in high end surgical procedures witnessed during Q2FY22.
- Contribution from surgical revenue stood at 56% compared to 44% in Q2FY21 & 41% in Q1FY22

SPECIALTY MIX

Q2 FY21

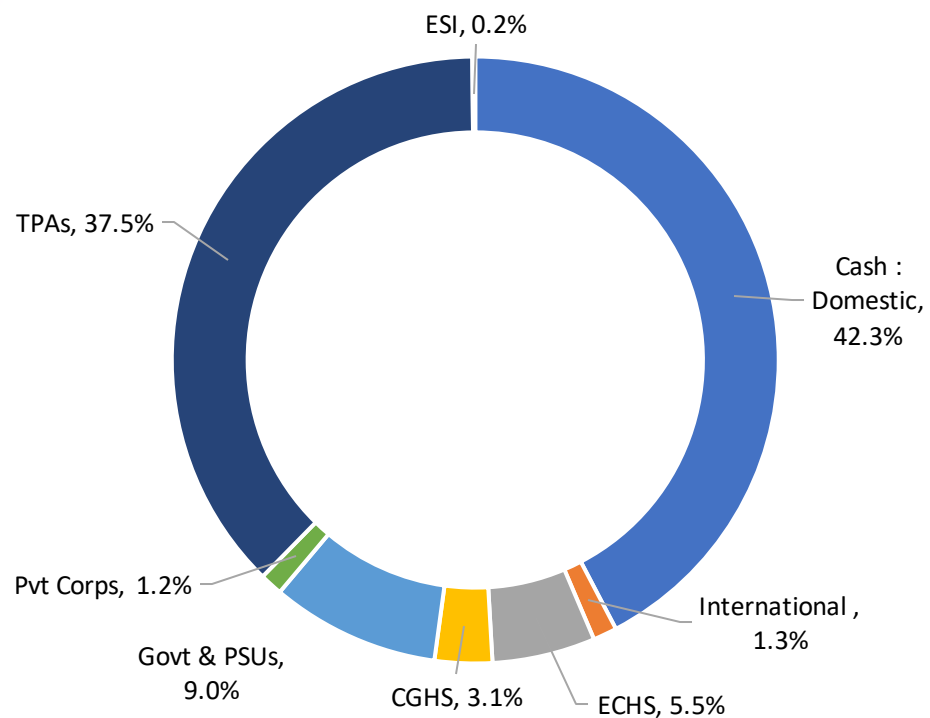


Q2 FY22

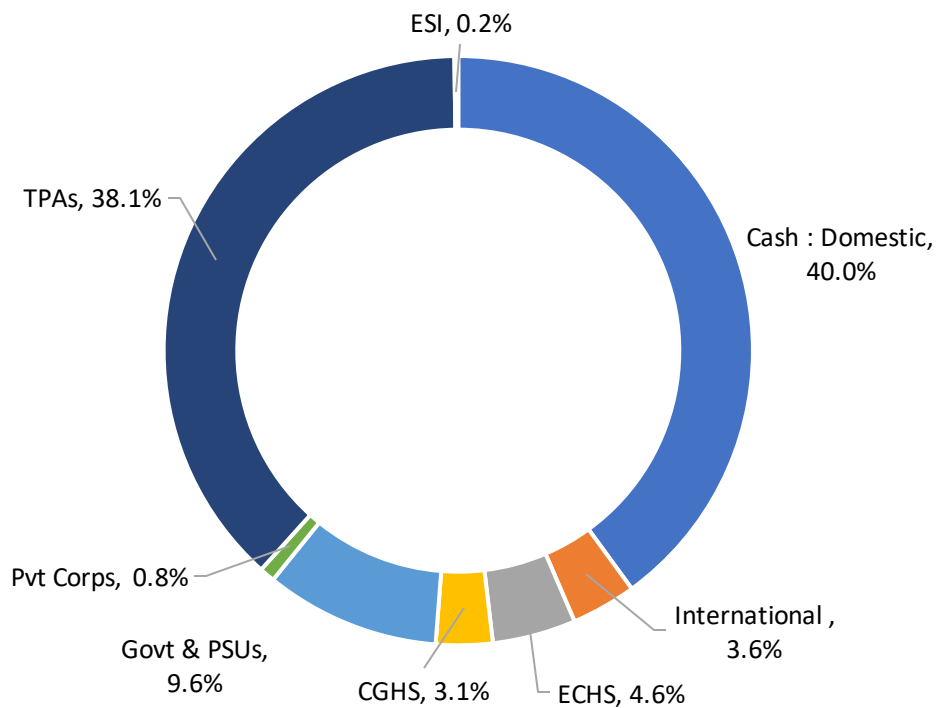


PAYOR MIX

Q2 FY21



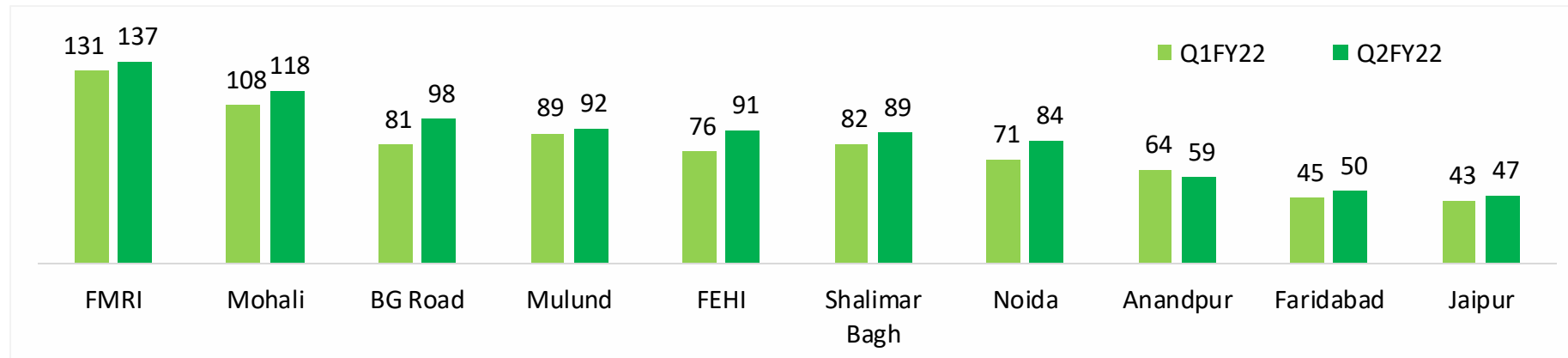
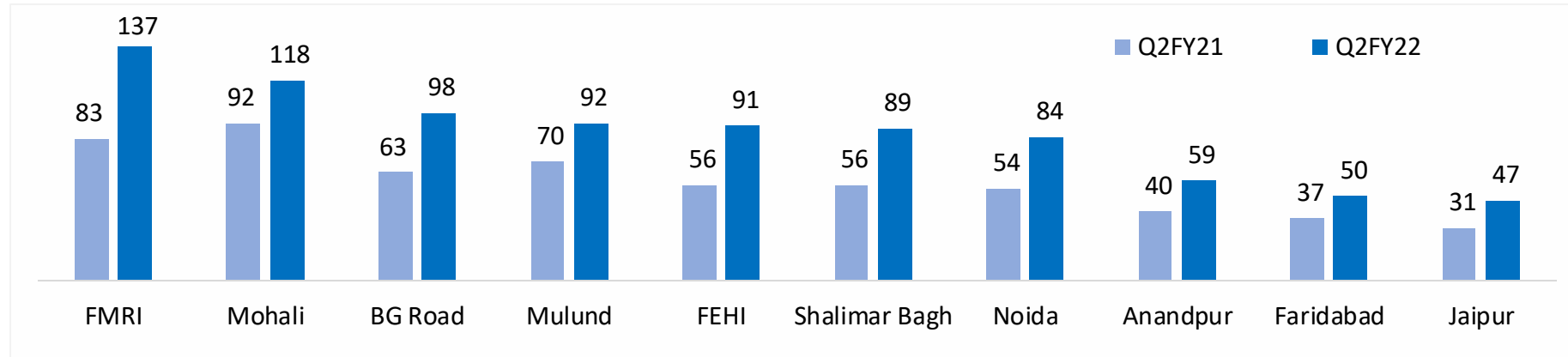
Q2 FY22



Decline in Cash business being primarily compensated by TPAs, Medical Tourism and Govt business

HOSPITAL BUSINESS PERFORMANCE

Facilities across the network witnessed a healthy growth in revenues



All figures in INR Crs.

HOSPITAL MARGIN MATRIX

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%

Q4 FY21

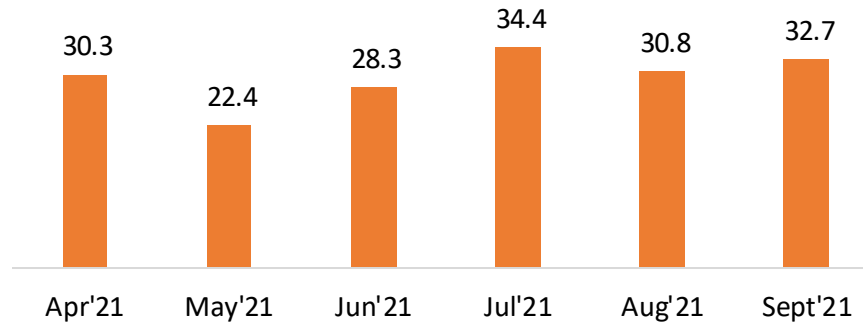
EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	7	42%	1,428	1.79	67%
20% - 25%	3	19%	588	2.05	65%
15% - 20%	4	23%	897	1.54	71%
10% - 15%	3	6%	220	2.12	52%
<10%	6	10%	674	1.17	52%

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

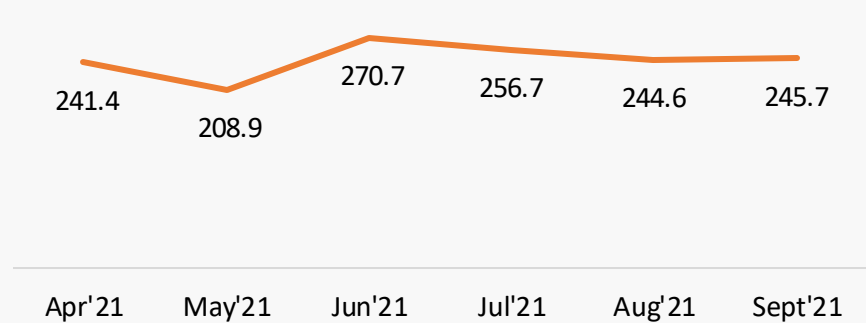


HOSPITAL BUSINESS – PATIENT VOLUME

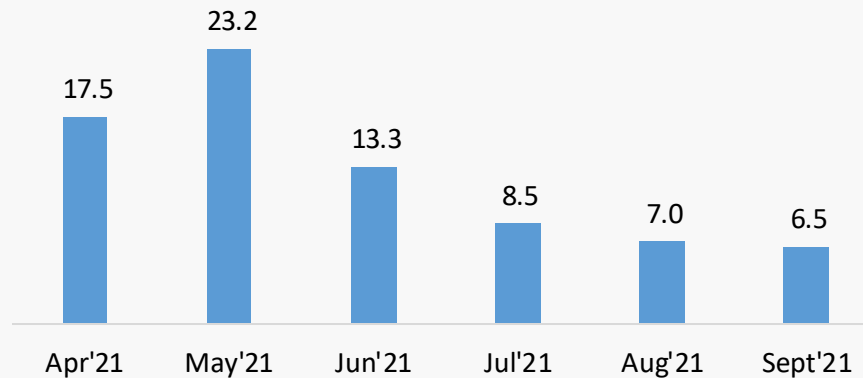
OPD Footfalls (through digital channels) ('000)



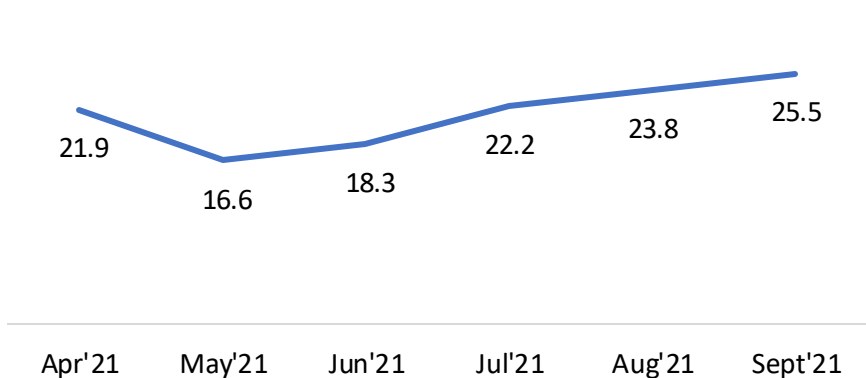
OPD Footfalls ('000)



Tele-consults ('000)



IPD Admission ('000)



Decline in covid cases and ease in travel restriction led to an increase in In-patient admissions

CLINICAL EXCELLENCE

- In a first of its kind case in India, a team of doctors at **Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj, New Delhi**, removed a cancerous tumour from the pancreas of a 6-months pregnant, without moving the womb.
- A Tanzanian patient received India's largest 3D printed customised hip prosthesis at **Fortis Memorial Research Institute, Gurugram**.
- A complex laparoscopic surgery was performed at **Fortis Malar, Chennai**, to remove a 93-year-old patient's pus filled gallbladder.
- Doctors at **Fortis Vadapalani, Chennai**, used minimally invasive surgery to extract a tomato-sized tumour lodged near a 10-year-old's heart.
- A 27-year-old female from Kabul successfully underwent a high risk bowel transplant at **Fortis BG Road, Bengaluru**.



AWARDS AND ACCREDITATIONS

- **Fortis Hospital, Mulund**, received the prestigious JCI accreditation for the sixth time in a row.
- **Fortis Escorts, New Delhi**, received the AHPI Award 2021 for Excellence in Healthcare.
- **Fortis Noida** received the WSO Angels Diamond Category Award for Brain Stroke Management from World Stroke Organisation.
- **Fortis Anandapur, Kolkata**, received the INFUZE certification for best practices in Infusion Therapy.





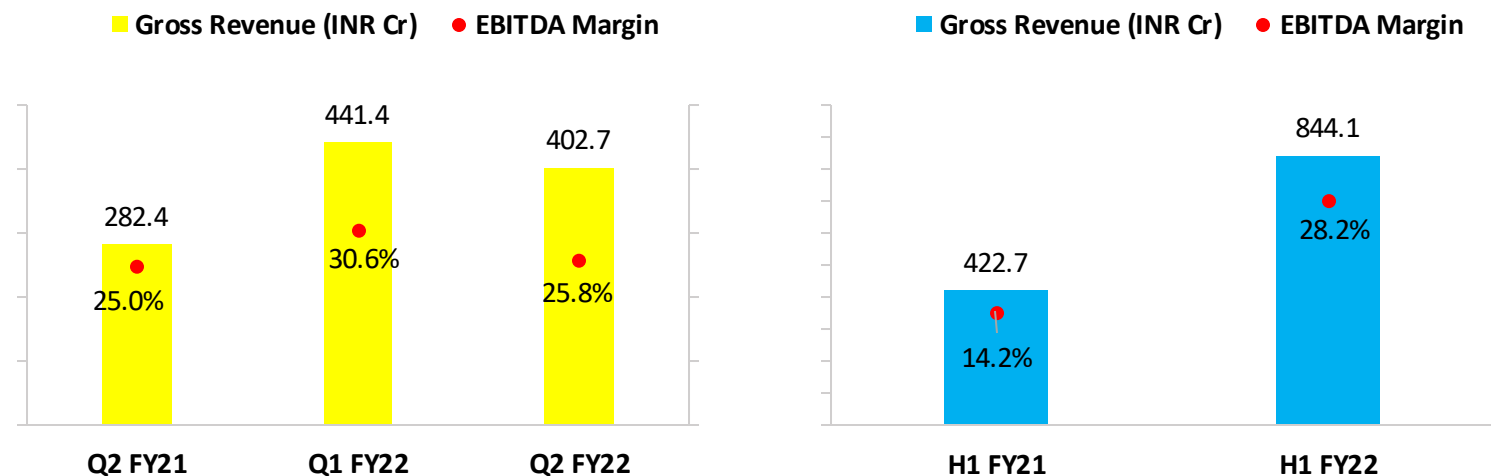
PERFORMANCE REVIEW

DIAGNOSTICS BUSINESS

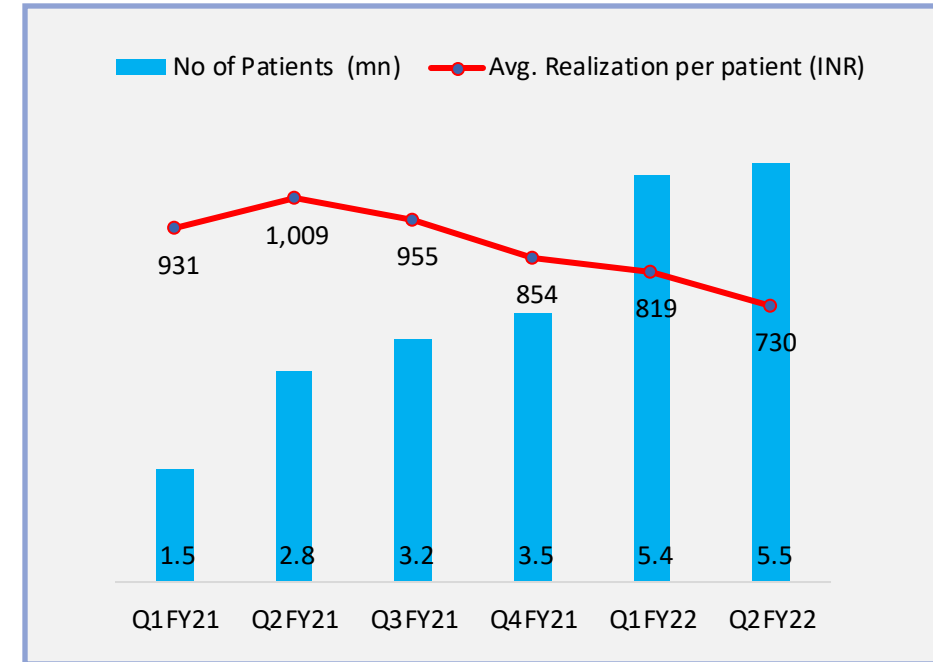
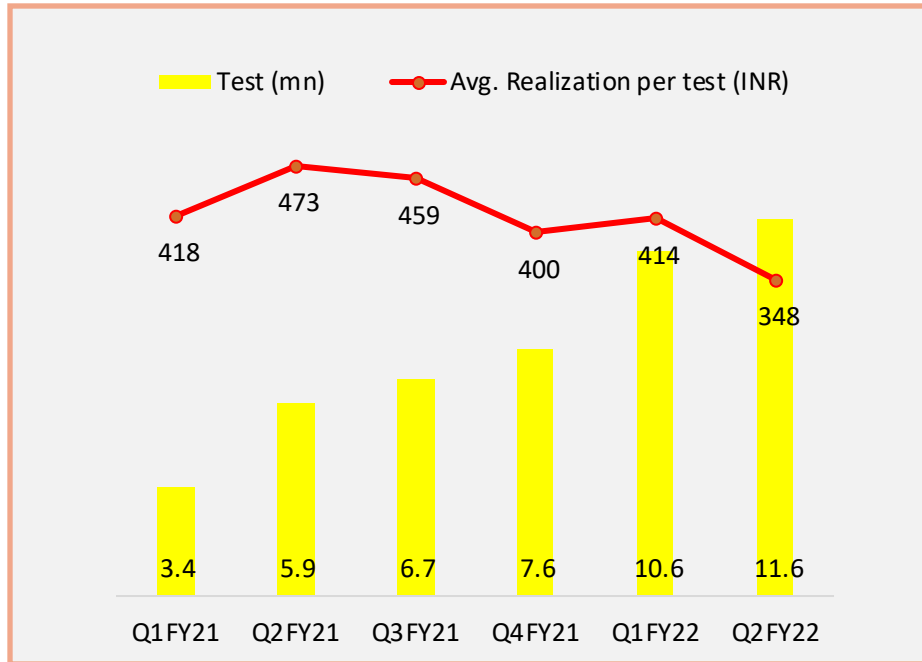


DIAGNOSTICS BUSINESS – Q2FY22

- SRL conducted approx. 11.6 Mn tests in Q2 FY22, a growth of 95% versus Q2 FY21 and 9.1% versus Q1 FY22
- Company added 107 net new collection centers to its network in Q2 FY22 taking the total number of collection centers to 1948.
- Aided by its Collection Center expansion and the acquisition of the DDRC – SRL JV, SRL's B2C: B2B revenue mix significantly strengthened to 54 : 46 in the quarter (Q2 FY 21 at 45 : 55).
- Home collection revenues grew 40% versus Q2FY21.



KEY PERFORMANCE METRICS – Q2FY22

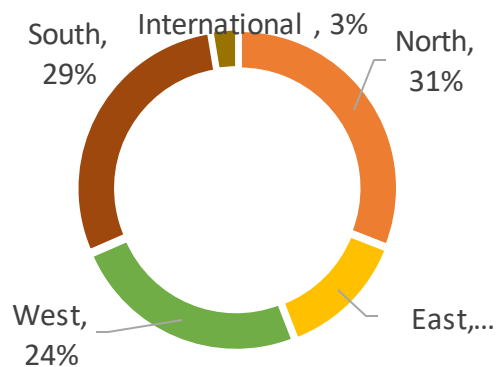


Decline in covid test volumes as well as average price related to covid and covid allied tests resulted in decline in overall average realisation per test and average realisation per patient

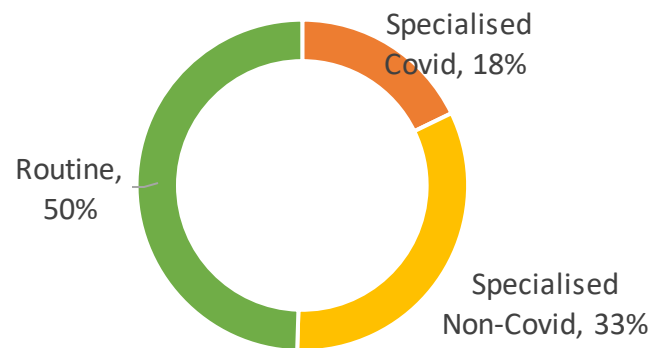
REVENUE MIX

Well diversified Geographic mix

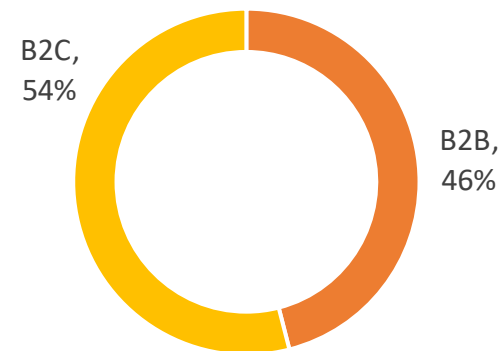
Q2 FY22



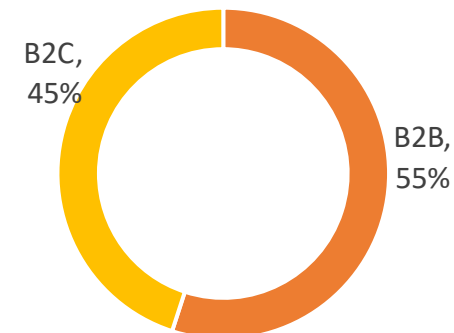
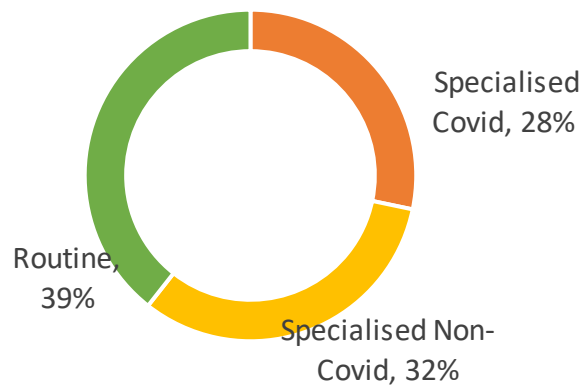
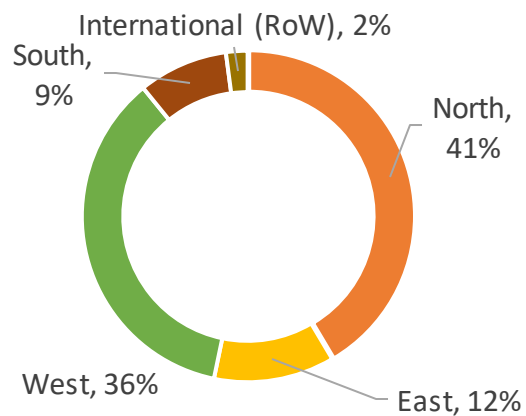
Improving Specialized test product mix



Increasing B2C segment contribution



Q2 FY21





APPENDIX



GROUP CONSOLIDATED P&L – Q2 FY22

Particulars (INR Cr)	Q2FY21	Q1FY22	Q2FY22
Revenue from operations	994.7	1,410.3	1,462.5
Other income	25.6	7.8	8.0
Total income	1,020.3	1,418.2	1,470.6
Expenses	874.7	1,135.1	1,178.2
EBITDA*	145.6	283.1	292.4
Margin	14.6%	20.1%	20.0%
Finance costs	42.1	38.4	40.3
Depreciation and amortisation expense	74.3	72.9	74.5
PBT	29.2	171.7	177.5
Share of profit / (loss) of associates and joint ventures (net)	8.3	8.5	4.2
Net profit / (loss) before exceptional items and tax	37.4	180.3	181.7
Exceptional gain	0.6	306.1	0.3
Profit / (loss) before tax from continuing operations	38.0	486.4	182.0
Tax expense / (credit)	22.6	55.8	51.4
Net profit / (loss) for the period from continuing operations	15.5	430.6	130.6
Profit / (loss) from continuing operations attributable to Owners of the company	-3.9	263.5	106.9

- *EBITDA includes other income, forex and exceptional/non-recurring expenses
- Exceptional gain of INR 306.1 Crs in Q1FY22 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.

GROUP CONSOLIDATED P&L – H1 FY22

Particulars (INR Cr)	H1FY21	H1FY22
Revenue from operations	1,600.7	2,872.9
Other income	30.1	15.9
Total income	1,630.7	2,888.7
Expenses	1,583.9	2,313.3
EBITDA*	46.8	575.5
Margin	2.9%	20.0%
Finance costs	83.2	78.8
Depreciation and amortisation expense	146.0	147.5
PBT	-182.4	349.2
Share of profit / (loss) of associates and joint ventures (net)	11.1	12.7
Net profit / (loss) before exceptional items and tax	-171.3	362.0
Exceptional gain	1.1	306.4
Profit / (loss) before tax from continuing operations	-170.2	668.4
Tax expense / (credit)	2.2	107.2
Net profit / (loss) for the period from continuing operations	-172.4	561.2
Profit / (loss) from continuing operations attributable to Owners of the company	-182.8	370.4

- *EBITDA includes other income, forex and exceptional/non-recurring expenses
- Exceptional gain of INR 306.1 Crs in H1FY22 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.



THANK YOU

