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Apollo Hospitals announces formation of Apollo HealthCo, in its transformational journey towards creating India's largest omni-channel healthcare platform

Apollo Hospitals Enterprise Limited ("AHEL") today announced a re-organization through the slump sale of identified business undertaking including a) AHEL's back-end offline pharmacy business (excluding hospital-based pharmacies), b) AHEL's digital healthcare platform Apollo 24/7, c) AHEL's investment in retail pharmacy business (Apollo Medicals Private Ltd), and d) the "Apollo 24/7" brand, the "Apollo Pharmacy" brand and private label brands into AHEL's 100% subsidiary Apollo HealthCo Limited ("AHL").

Apollo HealthCo Limited represents Apollo Group's transformational journey towards creating India's largest omni-channel healthcare platform. This platform will combine the strengths of Apollo Group's offline healthcare leadership with Apollo Group's new-age digital offerings to address all healthcare consumer needs.

We have consistently maintained, that the offline pharmacy business will continue to grow to 5,000 stores and maintain a healthy revenue growth rate of 18-20% in the next 3 years. The margin trajectory of this business remains intact. In addition, the digital healthcare platform Apollo 24/7, has demonstrated the capability of delivering medicines in 2 hours in over 10,000 pin codes combined with the highest availability of medicines. Apollo 24/7, which is already the highest-earning tele-consult platform in India, continues to scale rapidly with an "asset light approach" and with the aspiration to achieve 100 million registered users in 5 years.

Shobana Kamineni, Executive Vice Chairperson, AHEL said "The advent of the digital era has revolutionised healthcare as know it, and will define its future. The Apollo Hospitals Group, as the first adopter of modern healthcare, is perfectly positioned to be at the forefront of this transformation. Through our app, Apollo 24/7, we deliver medicines, consults and diagnostic services to people at their homes. This Omni-channel approach has allowed us to serve over 27 crore people over the last 500 days."

We believe the growth of AHL (and Apollo 24/7) will present a huge potential to serve healthcare consumers into AHEL as a whole, and will give accelerated momentum to all of AHEL's healthcare verticals, by delivering an integrated and seamless omni-channel experience.

This proposed re-organization will set the platform for tapping new pools of investor capital that will enable rapid scale up of the digital healthcare platform. At the time of capital raise, AHL valuation will reflect current and future growth potential. Post external capital raise at AHL, AHEL is expected to retain dominant majority shareholding in AHL and a slump sale consideration of Rs 1,210 crores will be received by AHEL.

This is the next step in the already announced multi-year unlocking of value for AHEL shareholders, and paves the way to fuel growth of India's largest omni-channel healthcare platform.

Suneeta Reddy, Managing Director, AHEL said "Our digital and omni-channel play is a natural consequence of our long-held ideal of taking care closer to the consumer. Apollo Hospitals has a proven track record of incubating new business verticals and growing them both in size and profitability. We are always focused on creating and enhancing shareholder value, and we will ensure Apollo 24/7 delivers on its potential, with the separate focused management team we have put in place, who bring with them a deep understanding of healthcare, technology and digital perspectives."

Dr Prathap C Reddy, Founder Chairman, AHEL said "I started Apollo Hospitals to bring healthcare of international standards within the reach of every individual. Our new digital approach will allow us to serve most Indians, wherever they are, while maintaining the high standard and continuum of clinical care that consumers rightly expect from us. Now I believe we in India, have the capability and are poised to become the health provider to the World, through a Doctor-Led, Digital –First approach".

About Apollo Hospitals:

It was in 1983, that Dr. Prathap C Reddy made a pioneering endeavour by launching India's first corporate hospital - Apollo Hospitals in Chennai.

Now, as Asia's foremost trusted integrated healthcare group, its presence includes over 12,000 beds across 72 Hospitals, 3800+ Pharmacies, over 90 Primary Care clinics and 650 Diagnostic centres, 148 plus Telemedicine Centres, 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 advancements with the most recent investment being the commissioning of South East Asia's very first Proton Therapy Centre in Chennai.

Every four days, the Apollo Hospitals Group touches a million lives, in its mission to bring healthcare of international standards within the reach of every individual. In a rare honour, the Government of India had 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 37 years, the Apollo Hospitals Group has continuously excelled and maintained leadership in medical innovation, world-class clinical services and cutting-edge technology. Its hospitals are consistently ranked amongst the best hospitals in the country for advanced medical services.

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

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