



Growth and margin momentum continues at Apollo Hospitals with Q3 & 9MFY19 results

Standalone Revenues grow 17% yoy in Q3 FY19, EBITDA higher by 22% yoy and PAT up by 29% yoy

Inaugurated Apollo Proton Cancer Centre in Chennai, South East Asia's first, opening up access to 3 billion people

Launched 3-year comprehensive preventive health and wellness program to empower individuals to take charge of their health

Four hospitals of the Group awarded for their excellence in providing Medical Value Travel across specializations at the Advantage Health Care India – 2018 Summit

Signs operations management contract for a 250-bed super-specialty hospital in Cochin

Apollo Hospitals, Chennai announced the successful completion of over 50,000 cardiac surgeries. This new milestone in Cardiac Surgery was achieved with superior outcomes on par with international standards

**9M FY19 Standalone Revenues up 16% at Rs. 6,170 crore
EBITDA at Rs. 752 crore, higher by 22% yoy
PAT grows 30% yoy to Rs. 226 crore**

EBITDA from new hospitals grows 4x yoy to Rs. 42 crore in 9M FY19

**Q3 FY19 Standalone Revenues up 17% at Rs. 2,169 crore
EBITDA up 21% at Rs. 268 crore
PAT up 29% at Rs. 87 crore**

**SAP reported 18% growth in Revenues in Q3 FY19
EBITDA grew by 39%, EBITDA margins at 5.4% in Q3 FY19
Net addition of 251 stores in 9M FY19
Pan-India network now at 3,272 stores**

Q3FY19 Standalone Revenues grew 17% to Rs. 21,690 million compared to Rs. 18,561 million in Q3FY18, aided by SAP growth of 18% and Healthcare services growth of 16% YoY. HC services growth of 16% YoY was led by new hospitals which reported 25% YoY Revenue growth while existing hospitals grew 14% YoY. EBITDA was at Rs. 2,679 million in Q3FY19 as against Rs. 2,211 million in Q3FY18 a YoY growth of 21%. PAT grew by 29% to Rs. 869 million in Q3FY19.

Apollo Hospitals growth momentum continued in this quarter. The third quarter has traditionally been a low season due to festival holidays, however, this year, we have been able to register a good performance, both in the hospitals and in the pharmacy division. The performance is primarily driven by a healthy result from our Mature hospitals, which reported revenue growth of 14%, and were able to significantly accelerate revenue growth vis-à-vis volume growth. This performance is a reinforcement of our strategy for these hospitals, of focusing on COEs, higher quality of case mix and value pricing. Mature hospitals EBITDA margins have improved to 21.8% this quarter, well on the way to the 23% target over the next few quarters.

This performance reinforces the internal resilience of our business model which is well diversified across specialties, geographies and maturities. We still have significant headroom for growth at current capacities. Of the total 7,200 + operating beds (excluding AHLL & Managed beds) that we have group-wide, 14 hospitals with over 1809 operating beds are new and increased utilizations and volumes in these will aid growth and further margin expansion.

Dr.Prathap C Reddy, Chairman, Apollo Hospitals Enterprise Ltd. (AHEL) said, *“We are proud to announce the launch of our Proton Cancer Centre, an advanced technology for radiotherapy, first of its kind in South east Asia. Our investment in Proton re-affirms our commitment of putting the patient first, leveraging new technologies and elevating health outcomes. This also adds to our armoury in our ongoing and committed war against NCDs. We have launched a comprehensive 3-year preventive health and wellness program, which will be a definitive step in elevating the state of health in our workforce and communities. We also announced our foray into Kerala, with an operations management contract for a 250 bed super-speciality hospital in Cochin. This would help bolstering our Pan-India presence and provide us opportunities to increase our Medical Value Travel offerings to International patients. We are pleased that the quarter gone by was encouraging for Apollo Hospitals and we achieved notable progress on various operational and financial parameters.”*

Financial Highlights

- **Standalone 9MFY19 Performance**

- Revenues grew 16% to Rs. 61,695 million compared to Rs. 53,196 million in 9MFY18.
- EBITDAR grew 22% to Rs. 9,450 million as against Rs. 7,771 million in 9MFY18.
- EBITDA grew 22% to Rs. 7,523 million as against Rs. 6,156 million in 9MFY18.
- PAT was at Rs. 2,261 million compared to Rs. 1,735 million in 9MFY18.
- Diluted EPS of Rs. 16.25 per share in 9MFY19 (not annualised).

- **Standalone Q3FY19 Performance**

- Revenues grew 17% to Rs. 21,690 million compared to Rs. 18,561 million in Q3FY18.
- EBITDAR grew 21% to Rs. 3,337 million as against Rs. 2,758 million in Q3FY18.
- EBITDA grew 21% to Rs. 2,679 million as against Rs. 2,211 million in Q3FY18.
- PAT was at Rs. 869 million compared to Rs. 674 million in Q3FY18.
- Diluted EPS of Rs. 6.25 per share in Q3FY19 (not annualised).

- **Consolidated 9MFY19 Performance (Unaudited Management Estimates)**

- Revenues grew 16% to Rs. 70,960 million compared to Rs. 61,312 million in 9MFY18.
- EBITDAR grew 25% to Rs. 10,425 million as against Rs. 8,332 million in 9MFY18.
- EBITDA grew 29% to Rs. 7,810 million against Rs. 6,064 million in 9MFY18.
- PAT grew 62% to Rs. 1,516 million compared to Rs. 936 million in 9MFY18.
- Diluted EPS of Rs. 10.90 per share in 9MFY18 (not annualised).

- **Consolidated Q3FY19 Performance (Unaudited Management Estimates)**

- Revenues grew 17% to Rs. 24,908 million compared to Rs. 21,347 million in Q3FY18.
- EBITDAR grew 25% to Rs. 3,664 million as against Rs. 2,933 million in Q3FY18.
- EBITDA grew 28% to Rs. 2,768 million against Rs. 2,170 million in Q3FY18.
- PAT grew 25% to Rs. 547 million compared to Rs. 438 million in Q3FY18.
- Diluted EPS of Rs.3.93 per share in Q3FY19 (not annualised).

Segment-wise Performance Update

Hospitals

Standalone Revenues of the healthcare services division increased by 13% to Rs. 33,019 million in 9MFY19 compared to Rs. 29,143 million in 9MFY18. This growth was primarily driven by volumes. The Revenue of existing hospitals grew 11% while the new hospitals grew by 24% to Rs. 7,089 million.

EBITDA was at Rs. 7,523 million in 9MFY19 compared to Rs. 6,156 million in 9MFY18. EBITDA was higher by 22% yoy.

Revenues in the Tamil Nadu Region grew by 12%, IP Volumes grew by 3%. ARPOB grew by 9% to Rs. 43,588 (including HBP). Overall occupancy in the cluster was 1,263 beds (60% occupancy) as compared to 1,234 beds (59% occupancy) in the previous year.

In AP Telengana region, Revenues grew by 10% while IP volumes grew by 2%. ARPOB grew by 10% to Rs. 32,848. Occupancy in the cluster was 843 beds (63% occupancy) as compared to 844 beds (62% occupancy) in the previous year.

The Karnataka region has seen good growth. Malleswaram has witnessed an IP volume growth of 18%. Bangalore, & Jayanagar revenues grew by 11% each. Occupancy in the cluster was 574 beds (77% occupancy) as compared to 522 beds in the previous year.

Revenues of Others Cluster grew by 34% while IP volumes grew by 22%. ARPOB grew by 11% to Rs. 23,644. Occupancy in the cluster was 740 beds (81% occupancy) as compared to 615 beds (71% occupancy) in the previous year.

Standalone Pharmacies

In 9MFY19, we added 308 stores and closed 57 stores for a net addition of 251 stores. The total store network as of December 31, 2018 stands at 3,272 operational stores.

Revenues grew by 19.2% to Rs. 28,677 million in 9MFY19 from Rs. 24,053 million in 9MFY18. EBITDA grew 37% from Rs. 1,073 million in 9MFY18 to Rs. 1,474 million in 9MFY19. The EBITDA margin was at 5.14% in 9MFY19 compared to 4.46% in 9MFY18. Private label sales are now at 6.7%.

Revenue per store grew 6% (10% adjusted for GST) for the pre 2012 batch of stores with EBITDA margins at 7.5%.

Apollo Munich Health Insurance Company Limited

Gross Written Premium grew by 30% from Rs. 9,928 million in 9MFY18 to 12,879 million in 9MFY19. Earned premium increased by 32% from Rs. 7,340 million in 9MFY18 to Rs. 9,688 million in 9MFY19. The incurred claim loss ratio was at 66% in 9MFY19 compared to 78% in 9MFY18. The business reported a net loss of Rs. 1,037 million in 9MFY19 compared to a net loss of Rs. 929 million in 9MFY18. AUMs stood at Rs. 13,932 million as of December 31, 2018.

Retail Health

Apollo Health & Lifestyle Ltd. (AHLL) is a wholly owned subsidiary which houses the retail healthcare business of Apollo Hospitals. This includes the lifestyle birthing centers known as 'CRADLES', Daycare and short stay surgery centers, Diagnostic centers, Dialysis centers, Dental Care Centers and Apollo Clinics catering to a variety of ailments such as liver disease, joint pain, advanced fever and diabetes among others. The AHLL network has 732 centers in total as of December 31, 2018.

AHLL Consolidated Revenues grew to Rs. 4,312 million in 9MFY19 compared to Rs. 3,364 million in 9MFY18. The business reported an EBITDA loss of Rs. (502) million in 9MFY19 compared to a loss of Rs. (764) million in 9MFY18.

OPERATIONAL AND CLINICAL HIGHLIGHTS

NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS

- **The Apollo Proton Cancer Centre (APCC) was inaugurated on January 25, 2019 in Chennai by the Hon'ble Vice President of India, Shri Venkaiah Naidu in the presence of the Hon'ble Chief Minister of Tamil Nadu, Shri Edappadi K. Palaniswami and Dr. Prathap C. Reddy, Founder and Chairman, Apollo Hospitals Group. Opening a new frontier in cancer care, the 150-bed APCC is an integrated cancer hospital in Chennai providing world-class 360° comprehensive cancer care. The APCC will offer patients advanced multi-room proton therapy with cutting-edge pencil-beam scanning technology that provides the highest degree of precision.**
- **Apollo Hospitals Enterprise announced its foray into Kerala by signing an Operations and Management contract relating to a 250-bed super-specialty hospital in Angamaly, the northernmost suburb of Kochi. As per the contract, the Adlux Group will serve as infrastructure partners while Apollo Hospitals would be responsible for all the operations and management of the hospital. Located close to Kochi International Airport, the Apollo Adlux Hospital, scheduled to begin operations in four to six months, will provide world-class health care services to people of all socio-economic strata in this region.**
- **Apollo Hospitals Navi Mumbai, launched an advanced 3-bed HEPA filtered Bone Marrow Transplant (BMT) unit. The new unit, a standalone dedicated facility for bone marrow transplantation, will bring International standards of cancer care to offer patients from Navi Mumbai and surrounding areas an accessible facility for bone marrow transplant.**
- **Apollo Hospitals, Madurai Division (Madurai, Trichy, Karur & Karaikudi) launched an Advanced Integrated Comprehensive Liver Care Network which facilitates treatment of liver diseases. At present, in Madurai Division Apollo has five hospitals - two hospitals in Madurai, one in Trichy, one in Karaikudi and one in Karur. Linking these five hospitals together, a Comprehensive Advanced Liver Care is being provided, enabling Apollo Hospitals to further treat any form of liver disease, from simple jaundice to an early stage of liver disease, requiring liver transplant.**
- **Apollo Hospitals, Kakinada installed a Neuro Navigation system, a first-of-its-kind in the coastal districts of Andhra Pradesh, for better patient care. The hospital is now equipped with the most advanced computer aided navigation system, which helps in conducting brain tumor removals and spinal surgeries with more accurate and minimally invasive techniques. This machine will help achieve optimal accuracy, minimal incision, lower trauma and speedy recovery for the patients.**

- Apollo Hospitals and Republic TV have together in a unique partnership for discussions about the future of healthcare in India. Titled the 'Future of Health', the series will delve into contemporary issues of healthcare in the country including the provision of care, accessibility, financing and also recommend solutions for the way forward.
- Apollo Hospitals in collaboration with Lions Club and Sri Lanka Scoliosis Awareness Program organized a walkathon at Colombo, Sri Lanka. This is the 4th consecutive year and this program has helped over 300 Children to avail Scoliosis Correction Surgery at their State of The Art Spine Unit.

CLINICAL EXCELLENCE HIGHLIGHTS

- Doctors at Indraprastha Apollo Hospitals gave a new lease of life to a 20-day-old baby born with a rare heart defect. The baby was diagnosed with 'Transposition of Great Arteries' which is a congenital heart defect. In addition, the child also had two big holes in his heart along with a condition that include increased work of breathing and poor weight gain. Considering the criticality of baby's condition, an open heart surgical procedure was performed on the child. The child recuperated enough to go home after 10-12 days post the surgery.
- The department of Surgical Gastroenterology at Apollo Hospitals, Bhubaneswar performed an extremely rare surgery on a middle aged lady in restoring her food pipe which had sustained injury following accidental swallowing of her denture. The middle aged lady had multiple issues and was therefore in a very critical state. Esophago-coloplasty procedure was conducted and the patient had an absolutely smooth post-operative recovery and was discharged.
- Apollo Gleneagles Hospitals, Kolkata performed a rare surgery of removing a tumour from the windpipe of a 74-year-old man. It was a challenge for the doctors to operate on the windpipe as the tricky surgery involved removing a portion of the windpipe and reconstructing it, after removal of tumour. Post the surgery which lasted for six and a half hours, the patient recuperated well after the surgery and was discharged.
- Indraprastha Apollo Hospitals, Delhi performed a bilateral cochlear implant using the Nucleus 7 (N7) devices on an 8-month-old baby, the youngest to receive an implant in the country. Diagnosed at birth with severe hearing loss in both his ears, the baby was bought by his parents to the hospital in an effort to find a treatment to restore his hearing. N7 devices are the most recent cochlear implant devices in the world right now and have a better chip and connectivity with digital devices. The implantation surgery on the baby went well without any complications.
- Apollo hospitals, Kolkata performed a successful surgery on a man's right hand which was crushed by a machine that bends iron. The initial prognosis was that the damaged

hand might have to be amputated; however the doctors at Apollo Gleneagles Hospitals, Kolkata saved his hand by successfully performing a complicated surgery. Six months post-surgery the patient had started to write with his repaired hand.

- Apollo Specialty Hospitals, OMR performed a rare surgery on a patient whose brain tissue was oozing out through a hole in the ear. An eight-hour long complicated surgery was conducted following which the patient had a speedy, anesthesia free recovery and was discharged a week post-surgery.
- Dr. A. Sreenivas Kumar, Senior Consultant Cardiologist and Director, Cardiology and Clinical Research, Apollo Hospitals, Jubilee Hills Hyderabad, created history by treating five critically ill patients from a valve disease using Transcatheter aortic valve replacements (TAVR) in a single day, a feat performed first time in India.

AWARDS AND ACCOLADES

- Apollo Hospitals Group was recognized for its outstanding contribution to Medical Value Travel with the FICCI Medical Value Travel Awards during the Advantage Health Care India – 2018 Summit held in Delhi. Four hospitals of the Group were awarded for their excellence in providing Medical Value Travel across specializations.
- Apollo Hospitals, Ahmedabad was recognised as a hub for Medical Tourism in Ahmedabad and Surat by Times Health Icons Ahmedabad – 2018. The other categories in which this hospital bagged the number one position for its clinical excellence were Diabetology, Dermatology, Plastic and Cosmetic Surgery.
- A lifetime achievement award was presented to Dr. Prathap C Reddy at the Valedictory of 18th AISCCON National Conference, in Hyderabad.
- The Mayor of Padang in Indonesia, Honorable Mahyeldi Ansharullah, felicitated Dr. Prathap C Reddy during his recent visit to Apollo Hospitals in Chennai.

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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 170,000 cardiac surgeries. Apollo Hospitals is also the world's largest private cancer care provider and runs the world's leading solid organ transplant program having conducted over 1,500 solid organ transplants in 2014-15 alone.

Now, as Asia's largest and most trusted healthcare group, its presence includes 10,164 beds across 70 Hospitals, 3,272 Pharmacies, over 200 Primary Care and Diagnostic Clinics, 148 plus Telemedicine Centres and over 180 plus Apollo Munich Insurance branches panning the length and breadth of the country. As an integrated healthcare service provider with health insurance services, projects consultancy services, 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 Centre across Asia, Africa and Australia in Chennai, India. 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 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.

Disclaimer

Some of the statements in this document that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

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