



13<sup>th</sup> February 2020

## **Apollo Hospitals Reports Q3FY20 Earnings**

**Robust consolidated performance in Q3FY20 - 17% growth in revenues;  
27% growth in EBITDA (Pre Ind AS 116) ; PAT up 62% yoy**

**New hospitals improve EBITDA margins from 6.6% to 10.1%**

**AHLL posts positive EBITDA alongside 22% top-line growth**

**The Board announces 65 % Interim Dividend of Rs 3.25 per Share**

**Apollo Hospitals wins six awards at the 3<sup>rd</sup> Edition of FICCI, Advantage  
Healthcare India**

**Q3 FY20 Standalone Revenues up 17% at Rs. 2,529 crore  
EBITDA (Pre IND AS 116) up 19% at Rs. 319 crore  
EBITDA (Post IND AS 116) up 41% at Rs. 377 crore  
PAT up 9% at Rs. 95 crore**

**9MFY20 Standalone Revenues up 17% at Rs. 7,222 crore  
EBITDA (Pre IND AS 116) at Rs. 902 crore, higher by 20% yoy  
EBITDA (Post IND AS 116) at Rs. 1,067 crore, higher by 42% yoy  
PAT grows 17% yoy to Rs. 265 crore**

**SAP business reported 22% growth in Revenues in Q3 FY20  
EBITDA (Pre IND AS 116) grew by 37%, EBITDA margins at 6.09% in Q3 FY20  
EBITDA (Post IND AS 116) grew by 108%, EBITDA margins at 9.3% in Q3 FY20**

**Net addition of 93 stores in Q3 FY20  
Pan-India network now at 3,700 stores**

**Q3FY20 Standalone** Revenues grew 17% to Rs. 25,295 million compared to Rs. 21,690 million in Q3FY19, aided by Healthcare services growth of 12% YoY and SAP growth of 22%. HC services grew 12% YoY was led by growth both in the mature hospitals and New Hospitals which grew 9% YoY and 16% respectively. EBITDA (Pre Ind AS 116) was at Rs. 3,195 million in Q3FY20 as against Rs. 2,679 million in Q3FY19 a YoY growth of 19%. PAT grew by 9% to Rs. 948 million in Q3FY20.

**Dr. Prathap C Reddy, Chairman, Apollo Hospitals said,** *“Our ‘Prohealth’ programme has been well received across all our centres, profoundly contributing to our objective of enhancing the focus on preventing Non-Communicable Diseases. Even as we widen the suite of preventive healthcare offerings, we are rapidly evolving our capabilities across key specialties such as Oncology, Neurosciences, Orthopaedics and Critical Care to meet the healthcare challenges of the Nation. The progress made by Apollo Proton Cancer Center is heartening, as it has elevated the country into a select league that is leveraging innovative technology to address the rapidly growing epidemic of cancer.*

*In addition to arming ourselves with newer offerings and treatment technologies, the resilience of our service model that offers comprehensive care across multiple centres and formats, is enabling us to maintain a focused trajectory of growth amidst a dynamic and fluid operating environment. We are steadily realising the synergies that we had anticipated would arise, from the broad range of healthcare services spanning high acuity care, day care, clinics and pharmacies, amplified by a robust digital architecture enabling us to continue on our journey towards touching a billion lives.*

**He added,** *“The recent pronouncements in the Union Budget towards strengthening and augmenting the Ayushman Bharat programme will enable the country to progressively formalise healthcare offerings for a large number of under-served citizens which will undoubtedly elevate the entire healthcare ecosystem in India.”*

## **Major Financial Highlights**

### **Standalone 9MFY20 Performance**

- Revenues grew by 17% to Rs. 72,223 million compared to Rs. 61,695 million in 9M FY19
- EBITDA (Pre Ind AS116) grew 20% to Rs. 9,017 million v/s Rs. 7,523 million in 9M FY19
- EBITDA (Post Ind AS116) grew 42% to Rs. 10,669 million v/s Rs. 7,523 million in 9M FY19
- PAT rose 17% to Rs. 2,647 million versus Rs. 2,261 million in 9M FY19
- Diluted EPS of Rs. 19.02 per share in 9M FY20 (not annualised)

### **Standalone Q3FY20 Performance**

- Revenues grew by 17% to Rs. 25,295 million v/s Rs. 21,690 million in Q3FY19
- EBITDA (Pre Ind AS116) grew 19% to Rs. 3,195 million v/s Rs. 2,679 million in Q3FY19
- EBITDA (Post Ind AS116) grew 41% to Rs. 3,767 million v/s Rs. 2,679 million in Q3FY19
- PAT rose 9% to Rs. 948 million v/s Rs.869 million in Q3FY19
- Diluted EPS of Rs.6.81 per share in Q3FY20 (not annualised)

### **Consolidated 9M FY20 Performance**

- Revenues grew by 17% to Rs. 83,244 million v/s Rs. 71,179 million in 9M FY19
- EBITDA (Pre Ind AS116) grew 26% to Rs. 9,892 million v/s Rs. 7,841 million in 9M FY19
- EBITDA (Post Ind AS116) grew 54% to Rs. 12,072 million v/s Rs. 7,841 million in 9M FY19
- PAT rose 53% to Rs. 2,356 million v/s Rs. 1,544 million in 9M FY19
- Diluted EPS of Rs. 16.93 per share in 9M FY20 (not annualised)

### **Consolidated Q3 FY20 Performance**

- Revenues grew by 17% to Rs. 29,117 million v/s Rs. 24,950 million in 9M FY19
- EBITDA (Pre Ind AS116) grew 27% to Rs. 3,551 million v/s Rs. 2,791 million in 9M FY19
- EBITDA (Post Ind AS116) grew 54% to Rs. 4,300 million v/s Rs. 2,791 million in 9M FY19
- PAT rose 62% to Rs. 921 million v/s Rs. 570 million in 9M FY19
- Diluted EPS of Rs.6.62 per share in Q3 FY20 (not annualised)

As on December 31, 2019, Apollo Hospitals had 7,470+ operating beds across the network (excluding AHLL & managed beds), out of which 14 were new hospitals with 1,990 operating beds. The new hospitals are expected to see increase in volumes and utilisation going forward.

## **Segment-wise Performance Update**

### **Hospitals**

**Standalone Revenues of the healthcare services division grew 14% to Rs. 37,602 million in 9MFY20 compared to Rs. 33,019 million in 9MFY19.**

Revenue of existing hospitals grew 11% while the new hospitals grew by 18%.

EBITDA (Pre Ind AS 116) was at Rs. 9,017 million in 9MFY20 compared to Rs. 7,523 million in 9MFY19. EBITDA was higher by 20% yoy.

Revenues in the Tamil Nadu cluster grew by 13%, IP Volumes grew by 6%. ARPOB grew by 8% to Rs. 47,157 (including HBP). Overall occupancy in the cluster was 1,320 beds (60% occupancy) as compared to 1,263 beds (60% occupancy) in the previous year. IP volumes grew by 5% in Apollo Cancer Institute, 10% in OMR, 17% in Vanagaram & 12% in Karapakkam.

In AP Telangana region, Revenues grew by 10% while IP volumes grew by 5%. ARPOB grew by 7% to Rs. 35,042. Occupancy in the cluster was 870 beds (65% occupancy) as compared to 843 beds (63% occupancy) in the previous year.

The Karnataka region has seen good growth. Malleswaram witnessed IP volume growth of 24%. Occupancy in the cluster was 568 beds (74% occupancy) as compared to 574 beds in the comparable quarter the previous year.

Revenues of Others Cluster grew by 14% while IP volumes grew by 10%. ARPOB grew by 7% to Rs. 25,393. Occupancy in the cluster was 789 beds (83% occupancy) as compared to 740 beds (81% occupancy) in the comparable quarter the previous year.

### **Standalone Pharmacies**

We added 340 stores and closed 68 stores for a net addition of 272 stores in 9M FY20. The total store network as of December 31, 2019 stands at 3,700 operational stores.

Revenues grew by 20.7% to Rs. 34,621 million in 9MFY20 from Rs. 28,677 million in 9MFY19. EBITDA grew 38.8% from Rs. 1,474 million in 9MFY19 to Rs. 2,046 million in 9MFY20. The EBITDA margin was at 5.9% in 9MFY20 compared to 5.1% in 9MFY19. Private label sales were 7.7% in 9MFY20.

The pre 2012 stores Revenue growth was at 9% with an EBITDA margin of 8.5%.

## **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 917 centers in total as of December 31, 2019.

AHLL Consolidated Revenues grew to Rs. 5,291 million in 9MFY20 compared to Rs. 4,334 million in 9MFY19. The business reported an EBITDA (Pre Ind AS 116) of Rs. 34 million in 9MFY20 compared to a loss of Rs. (484) million in 9MFY19.

## **CLINICAL AND OPERATIONAL HIGHLIGHTS**

### **CLINICAL EXCELLENCE HIGHLIGHTS**

- **Apollo Hospitals Navi Mumbai achieved a significant landmark of becoming the first hospital in Western India to successfully conduct 25 Paediatric Liver Transplants. These transplants were done at subsidized costs with a more than 90% success rate that compares with the best in the world.**
- **The Apollo Cochlear Implant Clinic, the first such clinic in South India, which began its services way back in 1994 at the Apollo Health City, Hyderabad, has achieved a major landmark, by performing more than 1,500 Cochlear implantations.**
- **Apollo Hospitals, Chennai successfully performed India's first Rotashock using Shockwave Lithoplasty to open a severely blocked artery of an 81-year-old man. This breakthrough procedure was undertaken to remove calcified hard blocks in the heart valve using "Rotashock" or "Rotatripsy" – a combination of 'shock wave Lithoplasty and Rotablation, for the first time in India.**
- **Apollo Hospitals, Jubilee Hills accomplished a rare and complex feat by performing combined procedures of Living Donor Liver Transplantation and Coronary Artery Bypass Graft (CABG) operations on a 67-year-old patient in a single sitting.**
- **Apollo Gleneagles Hospitals, Kolkata successfully treated a rare cancer in the temporal bone which affects one-in-a-million**
- **Indraprastha Apollo Hospitals, Delhi successfully operated on a 7-month-old Congolese baby for a rare heart disorder. The baby was detected with type 3 Truncus Arteriosus (TA); a case where the baby is generally operated on before three months of age. However, in this case,**

the patient was seven months old hence there was high risk involved. Despite all odds, Indraprastha Apollo Hospital took up this challenging case after pre-operative stabilization.

- Apollo Hospitals, Guwahati successfully performed cardiac tumour removal through Minimally Invasive Cardiac Surgery (MICS) for the first time in North East India. Through MICS, the post-operative recovery time is very less with less pain and less blood loss. In addition, the chance of being infected after the procedure is also very comparatively less if the surgery is performed through MICS.

#### **NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS**

- Apollo Hospitals, Bangalore launched India's first dedicated Robot-Assisted Cardiac Surgery Unit in India. This Robot-Assisted Cardiac Surgery Unit will offer patients with complex cardiac disease treatment with robotic assisted minimally invasive cardiac surgery.
- Apollo Hospitals launched a state-of-the-art 'Brain and Spine Suite', equipped with intra operative MRI, at Jubilee Hills. The dedicated brain and spine suite is one-of-its-kind facility equipped with advanced neuro navigation frame and frameless stereotactic system, cranial and spinal complete endoscopic system, intra-operative neuro physiological monitor, robotic spine (mazor) system and other facilities.
- Apollo Gleneagles Hospitals, Kolkata launched Eastern India's first comprehensive 'Foot and Ankle' Clinic in a hospital setting. This clinic will address all kinds of abnormal conditions of the feet and lower limbs such as diabetic foot, plantar fasciitis, flat feet and arthritis along with alleviate day-to-day problems such as thickened toenails, fungal nail infections or ingrown toenails.
- In a significant move to bring quality cardiac services to the people of the country and to fight heart disease, Apollo Hospitals partnered with Bahrain Specialist Hospital (BSH) to fight heart disease in Bahrain
- Apollo Hospitals Group and Bajaj Finance Ltd. together launched the Apollo-Bajaj Finserv Health Card, a unique card that allows people to pay for medical expenses in easy EMIs. The first of its kind co-branded Health EMI Card is a unique offering for people to enable easy access to Asia's best of medical care without worrying about finance.
- Apollo Hospitals recently collaborated with Nobel Laureate Dr. Ferid Murad for a research initiative on early detection and precise treatment of heart ailments among Indians

## **AWARDS AND ACCOLADES**

- **Apollo Hospitals bagged six awards in different categories at the 3<sup>rd</sup> Edition of FICCI, Advantage Healthcare India in Greater Noida Expo Mart attended by more than 455 delegates across 70 countries and 200+ exhibitors including key leading Hospitals.**
- **Apollo Health City, Hyderabad was conferred with the Best Multi-speciality Hospital region wise Award 2019 at the ABP news Healthcare Leadership Awards.**
- **Apollo Hospitals, Ahmedabad was awarded the ‘Best Multi Specialty Hospital’ by Shri Vijaybhai Rupani, Hon’ble Chief Minister of Gujarat.**
- **Dr. Sangita Reddy, Joint Managing Director, Apollo Hospitals Ltd., was awarded the International Women Entrepreneur 2019 from India by IWEC Foundation.**
- **Dr. K Hari Prasad, President, Apollo Hospitals Group, was presented with the prestigious "Emergency Medicine Legend of the Year Award 2019" at the ACEM2019 conference held in New Delhi.**

### **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 160,000 cardiac surgeries. Apollo Hospitals is also the world’s largest private cancer care provider and runs the world’s leading solid organ transplant program.

As Asia’s largest and most trusted healthcare group, its presence includes 10,282 beds across 71 Hospitals, 3700 Pharmacies, over 200 Primary Care and Diagnostic Clinics, 148 plus Telemedicine Centres and 180 plus Apollo Munich Insurance branches spanning the length and breadth of the Country.

As an integrated healthcare service provider with Health Insurance services, Global Projects Consultancy capability, 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 breakthroughs with the most recent investment being that of commissioning the first Proton Therapy Center 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 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 30 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.

For further details, log onto: [www.apollohospitals.com](http://www.apollohospitals.com)

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