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Apollo Hospitals Q3FY22 Earnings Release

Apollo Hospitals, Chennai and Indraprastha Apollo Hospitals, New Delhi ranked amongst the top 5 positions in the All India Multi-Specialty Hospital Survey 2021 conducted by Times Health Survey

Apollo Hospitals Group tie-up with 'The Clinic by Cleveland Clinic' to collaborate with leading medical experts at Cleveland Clinic to review complex cases and formulate the most appropriate treatment plan

Within AHLL's Diagnostics vertical, added more collection centres, specialized test portfolios being strengthened, along with increase in number of phlebotomists for home collection through offline channels as well as 24/7.

Successfully uses Advanced Brain Sensing technology in Deep Brain Stimulation (DBS) on patients suffering with Parkinson's disease

Launch of Apollo Centre of Excellence in Critical Care & Emergency (ACECC), an integrated network of eICUs providing critical care & emergency facilities across the Apollo Hospitals network and in partnership with non-Apollo units in India and abroad.

Apollo Hospitals Hospital information System Medmantra has received the Ayushman Bharat Digital Mission integration completion certificate; first among the private hospitals providers

Q3FY22 Consolidated Revenues up 32% at Rs. 3,639 crore
EBITDA up 50% at Rs.587 crore.
PAT up 75% at Rs. 228 crore

Q3FY22 Standalone Revenues up 20% at Rs. 2,846 crore
EBITDA up 32% at Rs.424 crore
PAT up 65 % at Rs. 175 crore

Pharmacy Distribution Revenues reported 16% growth in Q3FY22
EBITDA grew by 29%. EBITDA margins at 7.37% in Q3FY22

9MFY22 Consolidated Revenues up 45% at Rs. 11,162 crore
EBITDA up 137% at Rs.1,722 crore
PAT at Rs. 965 crore

9MFY22 Standalone Revenues up 28% at Rs. 8,664 crore
EBITDA up 105% at Rs.1,254 crore
PAT at Rs. 511 crore

Pharmacy Distribution Revenues reported 6% growth in 9MFY22
EBITDA margins at 7.68% in 9MFY22

Q3FY22 Standalone Revenues grew 20% to Rs.28,462 million compared to Rs.23,670 million in Q3FY2. The third quarter of FY22 witnessed strong revival of non-COVID business, with volumes reaching pre-Covid levels, despite holiday seasonality and without significant contribution from International patients. EBITDA was at Rs.4,244 million in Q3FY22 as against Rs. 3,219 million in Q3FY21 a YoY growth of 32%. PAT grew by 65 % to Rs.1,754 million in Q3FY22.

Healthcare services grew 24% YoY to Rs. 15,388 million in Q3FY22. The non-Covid surgeries went up by 53% to total of 41,811 during the quarter as compared to 27,253 surgeries in the corresponding period last year. Mature hospitals and new hospitals grew by 23% YoY respectively. Pharmacy business grew by 16% to Rs. 13,074 million as against Rs. 11,263 million in Q3FY21.

Dr. Prathap C Reddy, Chairman, Apollo Hospitals Group said, "The third quarter saw us continue on the path to recovery in line with the revival in the overall economy. However, the end of the quarter saw a fresh challenge emerge in the form of a new variant, Omicron that is more transmissible than all other variants till now. However, our experience of battling COVID during the first two waves and preparedness in terms of trained doctors and healthcare staff as well as hospital infrastructure such as ICU beds and oxygen supply stood us in good stead. We were able to successfully continue delivering care to both COVID and non-COVID patients, while maintaining a iron curtain separating the different areas. There is no doubt that the success of the vaccination program also contributed to the lower severity of infection in the third wave.

We continued to lead on the vaccination front as the largest in the private sector and successfully launched the booster dose campaign and vaccinations for age group 15-18 years after the government announcement. We must now look forward to resuming life in a 'new normal' with a focus on vaccinations, appropriate testing and continuing measures for sanitation, masking and hygiene. We can no longer afford to pay lesser attention to non-COVID conditions and must begin to give non-communicable diseases and other infectious diseases such as TB equal focus.

In line with this, the third quarter saw us revitalize our commitment to bring the best and latest in medical technology to India for benefit of patients in India. At Apollo Hospitals, Hyderabad, we launched Varian's TrueBeam radiotherapy system with Velocity that is capable of treating a

wide range of cancers with high accuracy, precision, and a shorter treatment time. At Chennai, we successfully used Advanced Brain Sensing technology in Deep Brain Stimulation (DBS) on patients suffering with Parkinson's disease to improve their symptoms. We also launched the Apollo Apollo Centre of Excellence in Critical Care (ACECC) that will harness digital technology to create an integrated network of eICUs providing critical care across the Apollo Hospitals network and in non-Apollo units in India and abroad.

In our endeavor to give patients access to the best of doctors not just from India but from across the globe, we have also launched our international second-opinion services in collaboration with 'The Clinic by Cleveland Clinic', USA. In complex cases, patients and their families will be able to consult with leading medical experts at Cleveland Clinic for a second opinion in a transparent open environment.

We continued to take steps to expand our footprint with the signing of a MOU for a 250 bed multi-speciality hospital in Jammu. Our efforts in ensuring the highest quality of healthcare services were recognized with Apollo Hospitals, Chennai and Indraprastha Apollo Hospitals, New Delhi ranked among the top 5 in the All India Multi-Specialty Hospital Survey 2021, and Apollo TeleHealth attaining ISO 13131:2021 standard for high standards and best practices in telehealth services.

On the social health front, we leveraged our telemedicine expertise to set up digital dispensaries in Meghalaya in collaboration with the State Government. Keeping in view the need for fostering talent, we launched an executive program in healthcare management in association with IIM Lucknow.

As we enter a new year, we are full of confidence that 2022 will be the year we emerge from COVID's trial by fire and continue on the path of excellence to add value to all our stakeholders!"

Major Financial Highlights

Quarterly

- Consolidated Q3FY22 Performance

- Revenues grew 32% to Rs.36,389 mn vs Rs.27,598 mn in Q3FY21
- EBITDA grew 50% to Rs.5,870 mn vs Rs.3,903 mn in Q3FY21
- PAT grew 75% to Rs.2,284 mn vs Rs.1,304 million in Q3FY21
- Diluted EPS of Rs.15.88 per share in Q3FY22 (not annualised)

- Standalone Q3FY22 Performance

- Revenues grew 20% to Rs.28,462 mn vs Rs.23,670 mn in Q3FY21
- EBITDA grew 32% to Rs. 4,244 mn vs Rs. 3,219 mn in Q3FY21
- PAT grew 65% to Rs.1,754 mn vs Rs.1,062 mn in Q3FY21
- Diluted EPS of Rs.12.20 per share in Q3FY22 (not annualised)

Nine-months

- Consolidated 9MFY22 Performance

- Revenues grew 45% to Rs.111,162 mn vs Rs.76,921 mn in 9MFY21
- EBITDA grew 137% to Rs.17,219 mn vs Rs. 7,256 mn in 9M FY21
- PAT stood at Rs.9,655 mn vs loss of Rs.175 million in 9MFY21
- Diluted EPS of Rs.67.15 per share in 9MFY22 (not annualised)

- Standalone 9MFY22 Performance

- Revenues grew 28% to Rs.86,641 mn vs Rs.67,430 mn in 9MFY21
- EBITDA grew 105% to Rs.12,539 mn vs Rs.6,116 mn in 9MFY21
- PAT stood at Rs.5,114 mn vs loss of Rs. 104 mn in 9MFY21
- Diluted EPS of Rs.35.56 per share in 9MFY22 (not annualised)

As on December 31, 2021, Apollo Hospitals had 7,860 operating beds across the network (excluding AHLL & managed beds), out of which 15 were new with 2,420 operating beds. The Mature hospitals had an occupancy of 65% and the new hospitals had utilization of 66% in the nine month period ending on 31st Dec 2021.

Segment-wise Performance Update

Hospitals

Consolidated healthcare services Revenue increased by 41% to Rs. 20,183 million in Q3FY22 compared to Rs. 14,362 million in Q3FY21. Revenue of existing and new hospitals grew by 40% respectively.

EBITDA was at Rs.5,870 million in Q3FY22 compared to Rs.3,903 million in Q3FY21. EBITDA was higher by 50% YoY.

Revenues in the Tamil Nadu cluster grew by 35.8%, IP Volumes grew by 42.8%. ARPOB grew by 12.4% to Rs.54,850. Overall occupancy in the cluster was 1,397 beds (66% occupancy) as compared to 1,167 beds (58 % occupancy) in the previous year.

In AP Telangana region, Revenues grew by 9.8%, IP volumes grew by 24.5%. ARPOB degrew by 2.9% to Rs.46,360. Occupancy in the cluster was 773 beds (57% occupancy) as compared to 688 beds (51 % occupancy) in the previous year.

In Karnataka region, Revenues grew by 26.8%, IP volumes grew by 16.1%. ARPOB grew by 39.2% to Rs.49,133. Occupancy in the cluster was 493 beds (64% occupancy) as compared to 552 beds (72% occupancy) in the previous year.

Revenues of the Others Cluster grew by 14 % while IP volumes grew by 20.1%. ARPOB grew by 11.2% to Rs. 32,470. Occupancy in the cluster was 758 beds (68% occupancy) as compared to 749 beds (75 % occupancy) in the previous year.

Pharmacy business

Revenues grew 16% to Rs. 13,074 million in Q3FY22 from Rs. 11,263 million in Q3FY21. EBITDA grew 29% to Rs. 964 million in Q3FY22 from Rs. 745 million in Q3FY21. The EBITDA margin was at 7.37% in Q3FY22 compared to 6.61% in Q3FY21.

Retail Health

Apollo Health & Lifestyle Ltd. (AHLL) is a wholly owned subsidiary that 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 1,565 centers in total as of December 31, 2021.

AHLL Consolidated Revenues grew by 59% to Rs. 3,132 million in Q3FY22 compared to Rs.1,973 million in Q3FY21. The business reported an EBITDA of Rs. 495 million in Q3FY22 compared to Rs. 278 million in Q3FY21.

CLINICAL EXCELLENCE HIGHLIGHTS

- Apollo Hospitals, Hyderabad launched Varian's TrueBeam radiotherapy system with Velocity that is capable of treating a wide range of cancers with high accuracy and precision, allowing oncologists to treat many types of complex cancer cases.
- Apollo Multispecialty Hospitals, Kolkata successfully performed Eastern India's first blood transfusion inside the womb and saved the life of an unborn baby.
- Apollo Hospitals, Chennai helped many patients in the recovery of lung function during Covid-19 pandemic utilizing extracorporeal membrane oxygenation (ECMO) therapy.
- Advanced Brain Sensing technology in Deep Brain Stimulation (DBS) on patients suffering with Parkinson's disease successfully done by Apollo Hospitals, Chennai. DBS is a neurosurgical procedure that involves implanting electrodes deep inside the brain to improve symptoms of Parkinson's disease.
- Apollo Hospitals, Kolkata has acquired the Power Spiral Enteroscopy to treat gastrointestinal tract diseases. It would ease the process of endoscopy of small intestine.
- Apollo Centre of Excellence in Critical Care (ACECC) launched to give every individual access to critical care when needed, even in remote areas. ACECC will comprise an integrated network of eICUs providing critical care across the Apollo Hospitals network and in partnership with non-Apollo units in India and abroad.
- A 50-year-old Myanmar patient regained her voice after successfully getting operated at Indraprastha Apollo Hospitals, Delhi.
- Apollo Cancer Centre launched fast forward Breast Cancer radiation therapy in the West Bengal. It will reduce the treatment to one week instead of 3 to 5 weeks currently.

- World's first LAR procedure for Rectal cancer using Medtronic Hugo Robotic-Assisted Surgery System performed at Apollo Hospitals, Chennai
- India's First LIVE Robot-Assisted Surgical Stapler Technique performed by Experts at Indraprastha Apollo Hospitals, New Delhi.
- Young girl gives her Police Sub Inspector father a new lease of life by donating liver: Apollo Hospitals, Navi Mumbai, successfully performed over 150 Liver Transplants & recognized as advanced Centre for pediatric liver transplants.
- 15 day old baby with congenital heart disease treated successfully at Apollo Hospitals Navi Mumbai
- Mitra Clip Surgery: 92-yr-old's mitral valve leakage stitched and shut without opening chest or heart at Apollo Hospitals Ahmedabad.

NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS

- Apollo TeleHealth, has set up five Digital Dispensaries in Meghalaya, collaborating with the state government. Services offered at Digital Dispensaries include Primary Tele Consultations, Specialty and Super Specialty Teleconsultations, Tele Laboratory Services, Pharmacy, Screening for Non-Communicable Diseases (NCD) and Social Health Education
- In an initiative to provide international second-opinion services to patients, Apollo Hospitals Group tied-up with 'The Clinic by Cleveland Clinic'. Through this programme, doctors at Apollo will be able to collaborate with leading medical experts at Cleveland Clinic to review complex cases and devise the most appropriate treatment plan.
- Apollo Hospitals Enterprises Ltd announced the products sold by its subsidiary, Apollo Pharmacies Ltd, will be available through the online platform of Amazon India.
- Apollo Hospitals has signed MoU with the Government of Jammu & Kashmir for the establishment of a 250-bed multi-specialty hospital in Jammu.
- In association with IIM-Lucknow, Apollo Med Skills, has launched an executive programme in healthcare management (EPHM) that will enhance the students' understanding of the value chain while being present in the relevant environment.

AWARDS AND ACCOLADES

- Apollo TeleHealth sets a new benchmark by becoming the first ever organization globally to attain the standard of ISO 13131:2021. The release of ISO 13131:2021 provides direction with a focus on the quality and risk management methods required to define guidelines for distinct remote health and care services.
- Apollo Hospitals, Chennai and Indraprastha Apollo Hospitals, New Delhi ranked amongst the top 5 positions in the All India Multi-Specialty Hospital Survey 2021 conducted by Times Health Survey.
- Apollo Hospitals Kolkata ranked one of the best multispecialty hospitals in West Bengal best on a Times of India Survey.

About Apollo Hospitals Enterprise Ltd. (AHEL)

It was in 1983 that Dr. Prathap Reddy made a pioneering endeavor 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 10,033 beds across 71 Hospitals, 4,390 Pharmacies, over 400 Primary Care and Diagnostic Clinics, 150 plus Telemedicine Centres.

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 in Chennai across Asia, Africa, and Australia. 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 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.

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