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Apollo Hospitals reports Q4FY22 & FY22 Earnings

Pharmacy Distribution Business re-organized into a 100% subsidiary Apollo HealthCo Ltd along with Apollo 247, the group's Digital healthcare services platform. Apollo HealthCo Ltd is now the group's Omnichannel Digital healthcare platform providing Continuum of Care to our customers transcending primary care, diagnostics, pharmacy distribution and Condition management services with vision to achieve over USD 3.0 billion in GMV in the next 3 years.

Completed the acquisition of 7.3 acres of Land with partly constructed structure in the Chennai OMR Road to design and build a state-of-art advanced integrated health and wellness complex of 1.5 million sq.ft. The facility will be designed keeping in mind the next frontier of care delivery in healthcare integrating the principles of patient-centricity, evidence based medicine and spurring R&D and Innovation. Infrastructure to have over 150 Out-patient consult rooms, 650 beds with cutting edge Emergency and Trauma center, Minimally Invasive Advanced Ambulatory block and International patients block. The facility will have over 1500 car parks to cater to patients.

Apollo Diagnostics crosses a milestone of Rs 100 Crs Revenues in a quarter (excluding Covid). Poised to achieve the Rs 1000 Crs Revenue mark over the next 3 years by doubling our network presence to reach over 2000+ patient touchpoints in the next 12-15 months while also leveraging the reach of the Apollo 24/7 platform and serve evolving consumer preferences for on-tap services.

Dr. Prathap C Reddy, Founder & Chairman, Apollo Hospitals Enterprise was conferred the Lifetime Achievement Award by The Economic Times and Business Standard.

Q4FY22 CONSOLIDATED RESULTS

Q4FY22 Revenues up 24% at Rs. 3,546 crore

EBITDA up 12% at Rs.463 crore

PAT up 6% at 178 crore

(Before Apollo HealthCo Business Combination accounting under Ind AS 103)

Pharmacy Distribution & Apollo HealthCo Revenues reported

23% growth in Q4FY22

EBITDA grew by 27%, EBITDA margins at 7.5% in Q4FY22

FY 22 CONSOLIDATED RESULTS

FY22 Revenues up 39% at Rs. 14,663 crore

EBITDA up 92% at Rs.2,185 crore

PAT up 661% at Rs.1,144 crore

(Before Apollo HealthCo Business Combination accounting under Ind AS 103)

Pharmacy Distribution & Apollo HealthCo Revenues reported

10% growth in FY22

EBITDA grew by 4%, EBITDA margins at 7.6% in FY22

**The Board of Directors recommend a Dividend of 235% (Rs 11.75 per Share)
for FY22**

Q4FY22 Consolidated Revenues grew 24% to Rs.35,464 million compared to Rs.28,680 million in Q4FY21 aided by higher volumes, enhanced clinical mix and better payor-mix.

EBITDA was at Rs.4,632 million in Q4 FY22 as against Rs. 4,118 million in Q4FY21 a YoY growth of 12%. PAT up 6% at 178 crore (before Apollo Healthco Business Combination accounting under Ind AS 103). Reported PAT declined by 46% at Rs. 90 crore

Healthcare services grew 21% YoY to Rs. 18,630 million in Q4FY22. Mature hospitals and new hospitals rose by 21% and 19% YoY respectively. Pharmacy & Health Co business grew by 23% to Rs.13,745 million as against Rs. 11,187 million in Q4FY21.

Dr Prathap C. Reddy, Chairman, Apollo Hospital Group said, “We come to the end of a challenging year with the fourth quarter results heralding the return to a new post-COVID normal for the healthcare industry. While there were a large number of COVID cases, the Omicron wave that peaked in January 2022 was thankfully not accompanied by the high mortality and morbidity seen in the second wave last year, though there was a dip in elective surgeries during this period. While this is a relief for all, we must continue to take precautions especially in the case of individuals with co-morbidities and get the booster shots as recommended.

The past year saw Apollo Hospitals’ digital transformation journey gather pace as we moved rapidly to plug critical gaps in healthcare access that were put in the spotlight by the COVID lockdowns. The boost to digital technology with increasing acceptance has come about with health taking centre stage in the wake of the pandemic. We continued our relentless focus on creating value for our patients through advanced technology initiatives such as the Apollo ProHealth DeepX that uses the Microsoft HoloLens 2 and the 5G connected Ambulance in partnership with Airtel and Cisco to save lives in emergency situations.

Today, your healthcare organization is also well poised to address the rising challenge of non-communicable diseases and provide patients with innovative digital solutions such as virtual monitoring of important health parameters in chronic conditions. With smart wearables powered by artificial intelligence, we are well placed to take point as health care moves from

‘cure’ to ‘prevention’.

The quarter saw us launch a multidisciplinary Centre for Excellence for Diabetic Foot Management in collaboration with King’s College, London. We also continued our emphasis on skilling with the launch of advanced training in laparoscopic surgeries at the Apollo Simulation Centre, Vanagaram in collaboration with Bengaluru-based Healthium Medtech, and a collaboration by Apollo MedSkills with Pearson to upskill healthcare workers in India and around the world. We are now ready to face the future with a resilient business model and continue to expand with new facilities across geographies such as Uzbekistan where we signed a MoU with the Marafon Group for setting up a first-of-its-kind tertiary care hospital. With sustained progress on all operational and financial parameters, we are confident of continued holistic growth in the future.”

Major Financial Highlights

Quarterly Q4 FY 22

Consolidated Q4FY22 Performance

- Revenues grew 24% to Rs.35,464 mn vs Rs.28,680 mn in Q4FY21
- EBITDA grew 12% to Rs.4,632 mn vs Rs.4,118 mn in Q4FY21
- PAT grew 6% to Rs.1783 mn vs Rs.1678 mn in Q4FY21
(Before Apollo Healthco Business Combination accounting under Ind AS 103)
- PAT de-grew 46% to Rs.901 mn vs Rs.1,678 mn in Q4FY21 (reported)
(Post one-off Capital gains tax charge under Business combination accounting)
- Diluted EPS of Rs.6.27 per share in Q4FY22 (not annualised)

Full year FY 22

Consolidated FY22 Performance

- Revenues grew 39% to Rs.1,46,626 mn vs Rs.105,600 mn in FY21
- EBITDA grew 92% to Rs.21,851 mn vs Rs. 11,374 mn in FY21
- PAT stood at Rs.11,438 mn vs Rs.1,504 million in FY21
(before Apollo Healthco Business Combination accounting under Ind AS 103)
- PAT stood at Rs.10,556 mn vs Rs.1,504 million in FY21 (reported)
- Diluted EPS of Rs.73.42 per share in FY22

As on March 31, 2022, Apollo Hospitals had 7875 operating beds across the network (excluding AHLL & managed beds), out of which 15 were new with 1521 occupied beds.

The Mature hospitals had an occupancy of 63% and the new hospitals had occupancy of 63% for FY 22.

Segment-wise Performance Update – Q4 FY22

Hospitals

Consolidated Revenues of the healthcare services division increased by 21% to Rs.18,630 million in Q4 FY22 compared to Rs.15,388 million in Q4FY21. Revenue of existing hospitals grew 21% while the new hospitals grew by 19%.

EBITDA was at Rs4,632million in Q4FY22 compared to Rs.4,118 million in Q4FY21. EBITDA was higher by 12% YoY.

Revenues in the Tamil Nadu cluster grew by 19%, IP Volumes grew by 12%. ARPOB grew by 10% to Rs.58,435. Overall occupancy in the cluster was 1262 beds (59% occupancy) as compared to 1,164 beds (57 % occupancy) in the previous year.

In AP Telangana region, Revenues grew by 1%, IP volumes de-grew by 1%. ARPOB grew by 11% to Rs.52,724. Occupancy in the cluster was 664 beds (49% occupancy) as compared to 730 beds (54 % occupancy) in the previous year.

The Karnataka region improved on the growth seen in previous quarters. Occupancy in the cluster was 448 beds (58% occupancy) as compared to 494 beds (64 % occupancy) in the previous year.

Revenues of the Others Cluster grew by 8% while IP volumes grew by 4%. ARPOB grew by 17% to Rs. 34,799. Occupancy in the cluster was 694 beds (63% occupancy) as compared to 758 beds (75 % occupancy) in the previous year.

Pharmacy Distribution & Health Co

Revenues grew 23% to Rs. 13,745 million in Q4FY22 from Rs. 11,187 million in Q4FY21. EBITDA was up 27% from Rs. 811 million in Q4FY21 to Rs.1,027 million in Q4FY22. The EBITDA margin was at 7.47% in Q4FY22 compared to 7.25 % in Q4FY21. Apollo 24/7 customer acquisition and Operating costs were at Rs 841 million in Q4FY22.

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 1734 centers in total as of March 31, 2022.

AHLL Consolidated Revenues grew to Rs. 3,089 million in Q4FY22 compared to Rs.2,105 million in Q4FY21. The business reported an EBITDA (Post Ind AS 116) of Rs. 371 million in Q4FY22 compared to Rs. 305 million in Q4FY21.

CLINICAL EXCELLENCE HIGHLIGHTS

- Apollo Proton Cancer Centre has successfully performed a Palliative Mastectomy on a patient while she was singing
- A 47-kg tumour – the biggest non-ovarian tumour, was successfully removed from the patient by Doctors at Apollo Hospitals, Ahmedabad
- Apollo Proton Cancer Centre successfully performed a 3D printing technique to save the knee joint and limb of an 8-year-old boy suffering from bone cancer.
- Apollomedics Super Specialty Hospital, Lucknow successfully performed a complex acute aortic dissection surgery on a 51-year-old patient. The surgery was extremely complex as the patient's heartbeat was stopped and his blood was cooled down to the temperature of 18 degrees centigrade.
- Apollo Proton Cancer Centre (APCC) performed a unique surgery of Elective Caesarean section and Robotic Assisted Radical Nephrectomy for a large left kidney tumor on a 27-year-old doctor who had two concurrent conditions – a physiological condition of 32 weeks of pregnancy and a pathological condition, a large tumor (RCC) in the left kidney.
- Asia's first dual implant of MitraClip and TAVR was successfully performed on a 75-year-old Sri Lankan patient at Apollo Hospitals, Chennai
- India's first Robot-Assisted Cardiac Surgery was successfully performed at Apollo Hospitals, Chennai on a 93-year-old patient
- Apollo Hospitals, Navi Mumbai achieved a remarkable milestone in its renal transplant programme with the successful completion of over 200 life-saving kidney transplants in three years
- A rare congenital heart condition of a 35-year old patient was successfully treated by Apollo Hospitals, Kolkata. It also performed first robotic renal transplant with only few keyhole incisions
- Apollo Hospitals, Chennai successfully performed a complex surgery on a Bangladeshi patient to remove a rare recurrent chest wall tumor.

NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS

- Apollo Hospitals signed a MoU with Marafon Group, Uzbekistan for setting up a first-of-its-kind tertiary care hospital. The partnership will provide quality healthcare for over 60 million people of Uzbekistan and bordering regions of Kyrgyzstan, Kazakhstan and Tajikistan.
- Apollo Hospitals Group collaborated with 8chili Inc to enable engagement in the Metaverse. It will engage the users in virtual reality-mediated activities to empower their abilities to regulate emotion. This personalized approach to every patient will help result in higher patient satisfaction.
- Apollo Cancer Centre, Bhubaneswar launched with Odisha's first and only TrueBeam STx technology
- On the occasion of World Health Day, Apollo Hospitals unveiled the Health of the Nation 2022 report highlighting the prevalence and distribution of non-communicable diseases (NCDs) across the country. The report underscores the potential of AI and data analytics in prediction of risk and early identification as well as management of NCDs.
- Apollo Hospitals partnered with Airtel and Cisco to create a 5G connected Ambulance that transforms access to healthcare and save lives in emergency situations.
- Apollo Hospitals launched a multidisciplinary Centre for Excellence for Diabetic Foot Management (CoEDFM) for diabetes patients. For this, the Company has collaborated with King's College, London for making a novel Diabetic Foot Reconstruction & Management procedure developed by Dr. Venu Kavarthapu, a world-renowned Orthopedic Surgeon & Consultant.
- Apollo Multispecialty Hospitals Kolkata introduced Bronchial Thermoplasty, a painless procedure for effective treatment of severe asthma. It performed this on two patients and post procedure, both the patients are stable.
- Apollo Hospitals launched a new mixed reality programme that lets patients see what happens inside their hearts. The Apollo ProHealthDeepX shows how a patient's risk factors for heart disease affect their heart through an immersive mixed reality experience using the Microsoft HoloLens 2.
- Pearson, a learning company, and Apollo MedSkills, the educational arm of Apollo Hospitals, collaborated to co-develop skilling programmes and training solutions to enhance access to quality healthcare education in India and around the world. As part of the collaboration, both companies aim to upskill around 15,000 health care workers in India.

- Apollo Simulation Centre, Vanagaram (ASC) collaborated with Bengaluru-based Healthium Medtech to offer advanced training in laparoscopic surgeries to young aspiring medical professionals.

AWARDS AND ACCOLADES

- Apollo Hospitals gets Best COVID-19 response award at Moneycontrol Family Business Leader Awards
- XLRI conferred the Sir Jehangir Ghandy Medal for Industrial and Social Peace on Preetha Reddy, executive vice-chairperson, Apollo Hospitals Enterprise Limited
- Dr. Prathap C Reddy, Founder & Chairman, Apollo Hospitals Enterprise was given the Lifetime Achievement Award at The Economic Times Awards for Corporate Excellence. He was also given Lifetime Achievement Awards at Business Standard Annual Awards 2021
- Dr. Sangita Reddy was conferred the prestigious Women in Excellence Healthcare Award by FICCI TheGreater50 Initiative

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 9,911 beds across 71 Hospitals, 4529 Pharmacies, over 200 Primary Care and Diagnostic Clinics, 148 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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