

10<sup>th</sup> November, 2022

**Apollo Hospitals strongly welcomes the Government's thrust on Heal In India, and reiterates its resolve to support the initiative by adding 2000 plus world class hospital beds across the country over the next 4 years and continuing to raise the clinical quality bar across key centers of excellence.**

**Apollo Proton Cancer Centre in Chennai on track to complete treatment for Over 3,500 Oncology patients in this fiscal, and has become Asia's First and Exclusive Proton Beam Training Institute in association with IBA, Belgium**

**Apollo Hospitals' pioneering health check program, ProHealth, won the GAISA 2022 award for "Best use of Artificial Intelligence in Healthcare" by All India Council for Robotics & Automation (AICRA) in association with Central Ministry of Electronic & Information Technology, India.**

**The Group acquired a 60% stake in Ayurveda hospital chain AYURVAID. is aimed at delivering a unique Co-Managed Care Model, offering appropriate integration between modern medicine and Ayurveda, founded on a shared belief in Evidence-Based practice.**

## Q2FY23 CONSOLIDATED RESULTS

**Apollo Hospitals reports strong all-round Q2FY23 Performance**

**Q2FY23 Revenues grew to Rs 4251 crores; 22% YoY<sup>1</sup> growth**

**Healthcare Services (HCS) Revenue at Rs 2264 crores; 12% YoY<sup>1</sup> growth**

**Apollo Diagnostics Revenues crosses landmark of Rs 100 crores in a quarter,**

**Q2 FY23 Revenues at Rs 104 crore for Q2FY23; 46% YoY growth<sup>1</sup>**

**Digital Health & Pharmacy Distribution Revenues at Rs 1668 crores; 43% YoY growth**

**GMV of Apollo 247 at Rs 294 crores – 38% QoQ growth; On track to deliver ~ Rs. 1500 crore of GMV in FY22–23**

**Q2 Consolidated EBITDA (Post Ind AS) excluding 24/7 Operating Cost and ESOP charge stood at Rs. 740 Cr; 12% YoY growth and 17% QoQ growth.**

**Healthcare Services (HCS) EBITDA (Post IND AS 116) at Rs 571 crore;  
YoY growth of 13%**

**HCS EBITDA Margins (Post IND AS 116) at 25.2% ;  
YoY expansion of 190 bps**

**Apollo 24/7 Operating cost of Rs. 174 Cr for Q2 FY23**

**Q2 Consolidated Reported EBITDA at Rs 565 Cr, due to impact of 24/7 operating costs, as compared to EBITDA (Post IND AS 116) of Rs 615 Cr in Q2 FY22 (YoY: –8%) and Rs 491 Cr in Q1 FY23 (QoQ: 15%).**

**Consolidated PAT is Rs 220 Cr, compared to Rs. 248 Cr in Q2FY22 and Rs 171 Cr in Q1 FY23<sup>2</sup> (on a like-to-like basis, excluding the deferred tax reversal in Q1 FY23)**

<sup>1</sup> *Excluding non-recurring revenue from COVID vaccination in Q2 FY22*

<sup>2</sup> *Prior to adjustment of one-time Capital Gains charge of Rs 16 crore*

*Dr. Prathap C Reddy, Chairman, Apollo Hospitals Group said, “The first half of FY23 is a clear sign that the pandemic is now behind us. However, we continue to be vigilant with appropriate precautions in all our facilities. We have seen a return of patients to our facilities for treatment of chronic diseases, which bodes well for our fight against the tsunami of non-communicable diseases (NCDs). We have also seen a significant increase in the number of international patients coming to us, even though air services remain lower than Pre-Covid levels. The Governments’ thrust on Heal in India is inspirational, and I have no doubt that India will soon be the foremost global destination for high-quality healthcare.*

*We continue to strengthen our healthcare portfolio with collaborations and acquisitions not just in India but also in the African continent. We understand the importance of a holistic approach to health that blends the best of advanced modern medicine with our traditional Ayurveda and have taken the first step on this journey with the acquisition of a majority stake in Ayurveda hospital chain AyurVAID. This will add further value to our medical and wellness tourism offerings especially in the treatment of non-communicable diseases across medical specialties and for rehabilitation.*

*This is a special year for us as it leads into Apollo completing 40 years of a journey devoted to healing. It also marks the transformation of Apollo into an integrated healthcare provider offering hybrid delivery of care across its hospitals and the online Apollo 24/7 platform with a full bouquet of healthcare services ranging from virtual and telephony consultation, seamless delivery of medicines, diagnostic test booking and doorstep sample collection, digital health records and more.*

*All this is backed by our investments in the latest AI and medical technology that empower our doctors and healthcare staff to deliver world-class patient care.*

*One of our successful initiatives is Apollo ProHealth, a unique AI-enabled, personalized health management program, leveraging nearly four decades of healthcare experience from over 22 million health checks. The ProHealth program predicts the underlying risks of NCDs by using the latest technology in biochemical, radiology, genetics and analytics. It empowers individuals to prevent NCDs by detecting early warning symptoms and implementing lifestyle modifications along with appropriate medication. It helps overcome underlying health conditions through a personalised path to wellness and follow up nudges including health coaches. Apollo ProHealth won the GAISA 2022 award for “Best use of Artificial Intelligence in Healthcare” by All India Council for Robotics & Automation (AICRA) in association with Central Ministry of Electronic & Information Technology, India.*

*We look forward to the second half of FY23 with renewed confidence and a stronger will to deliver the best of healthcare to the people of India and the world.”*

## Financial Performance

### Consolidated Q2FY23 Performance

- Revenues at Rs.42,511 mn vs Rs.37,171 mn in Q2FY22; growth of 22% YoY excluding covid vaccination revenues of Rs 2359 mn in Q2 FY23
- EBITDA at Rs.5,654 mn vs Rs.6,150 mn in Q2FY22. This is after Apollo 247 cost of Rs 1744 mn in the quarter (including Rs 220 mn non-cash ESOP charge) vs Rs 475 mn in Q2 FY22.
- PAT before One-time Capital Gain Tax on Pharmacy Distribution division transferred at Rs.2197 mn vs Rs.2,478 mn in Q2FY22
- Reported PAT at Rs.2,040 mn vs Rs.2,478 mn in Q2FY22
- Diluted EPS of Rs.14.19 per share in Q2 FY22 (not annualized)

### Consolidated H1 FY23 Performance

- Revenues at Rs.80,467 mn vs Rs.74,773 mn in H122; growth of 14% YoY excluding covid vaccination revenues of Rs 4,467 mn in H1 FY23
- EBITDA at Rs.10,561 mn vs Rs. 11,349 mn in H1FY22. This is after Apollo 247 cost of Rs 3156 mn for H1 (including Rs 220 mn non-cash ESOP charge) vs Rs 845 mn in Q2 FY22.
- PAT before Deferred Tax reversal/ Capital Gain Tax on Pharmacy Distribution division transferred stood at Rs.3902 mn vs Rs.4,430 mn in H122
- Reported PAT stood at Rs.5,211 mn vs Rs.7,371 mn in H122 (before Apollo Healthco Business Combination accounting under Ind AS 103)
- Diluted EPS of Rs.36.24 per share in H1 FY23

## Q2 FY23 Segment-wise Performance Update

### **Healthcare Services (Hospitals)**

As on September 30, 2022, Apollo Hospitals had 7,872 operating beds across the network (excluding AHLL & managed beds), out of which 2,423 were new with 1,543 occupied beds. The overall occupancy for hospitals was at 68% vs 60% in the trailing quarter, aided by a robust increase in patient flows across hospitals .

Consolidated Revenues of the healthcare services division increased by 4% to Rs.22,645 million in Q2FY23 compared to Rs.21,686 million in Q2FY22. Revenue of existing hospitals grew 9% while the new hospitals de-grew by 5%. Excluding Covid vaccination growth was

*EBITDA (Post Ind AS116)* was at Rs. 5,713 million in Q2FY23 compared to Rs.5,059 million in Q2FY22. EBITDA was higher by 13% YoY.

Revenues in the Tamil Nadu cluster grew by 15%, IP Volumes grew by 25%. ARPOB grew by 6% to Rs.64,801. Overall occupancy in the cluster was 1364 beds (63% occupancy) as compared to 1,254 beds (59 % occupancy) in the previous year.

In AP Telangana region, Revenues degrew by 15%, IP volumes grew by 15%. ARPOB degrew by 20% to Rs.46,280. Occupancy in the cluster was 836 beds (64% occupancy) as compared to 795 beds (54 % occupancy) in the previous year.

The Karnataka region improved on the growth seen in previous quarters. Occupancy in the cluster was 551 beds (72% occupancy) as compared to 504 beds (65 % occupancy) in the previous year.

Revenues of the Others Cluster degrew by 6% while IP volumes grew by 4%.

ARPOB degrew by 8% to Rs. 33,166. Occupancy in the cluster was 833 beds (73% occupancy) as compared to 847 beds (79 % occupancy) in the previous year.

### **Diagnostics and Retail Healthcare**

Diagnostics business added 260+ collection centres and 9 Third-Party Labs in H1 FY23 taking the overall network to ~1,500 centres spread across ~200 cities serving 13,000+ customer daily

Gross Revenue in Diagnostics crossed the landmark of Rs 100 crs in Q2FY23 – growth of 52% YoY excluding Covid.

### **Digital Healthcare and Omni-channel Pharmacy platform**

Apollo HealthCo Ltd. (AHL) is a wholly owned subsidiary that houses the Pharmacy distribution business, the digital healthcare services platform – Apollo247 and the 25.5% interest in Apollo Pharmacies Ltd.

Health Co Revenues were at Rs 1,668 crore representing 13% QoQ growth.

- 241 net new stores were opened in this quarter, taking the total number to 5,002 stores.
- GMV of Apollo 24/7 at Rs 294 crore in Q2FY23, compared to Rs 215 crore in Q1FY23.

## **CLINICAL EXCELLENCE HIGHLIGHTS**

- A timely hepatectomy by a multidisciplinary team of doctors at Apollo Hospitals, Navi Mumbai gave a new lease of life to an 87-year-old woman who was diagnosed with a tumor of melon size in the left lobe of her liver.
- Apollo Hospitals, Navi Mumbai successfully performed robotic-assisted cystoprostatectomy (surgical procedure to remove urinary bladder and prostate gland) on a 71-year-old male.
- A team of 50 Doctors and Paramedics at Apollomedics Super Specialty Hospital, Lucknow successfully performed a complex 48-hour surgery to treat brain aneurysm.
- Apollo Multispecialty Hospitals, Kolkata gave a new lease of life to three octogenarians by performing Minimally Invasive Cardiac Surgeries (MICS). MICS is less painful and almost scar-less.
- Apollo Hospitals, Navi Mumbai has successfully performed the first Kidney Swap Transplant surgery in Navi Mumbai. The swap involved two families, the Sithas from Uran and the Sainis from Sion.
- Apollo Hospitals Chennai has successfully performed the first Cryo Balloon Ablation in Chennai on a 64-year-old female patient. As a first in India, the hospital also implanted a Left Atrial Appendage Closure (LAAC) Device on a 52-year-old female patient following Cryo Balloon Ablation

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

- AirPhysio has partnered with Apollo Hospitals Group and Medsmart to launch its respiratory devices in India
- Super Specialty Hospital, Lucknow launched dedicated unit for Pediatric Oncology, Hematology, and Bone Marrow Transplant. Apollomedics Super Specialty Hospital has also started the facility of Bone Marrow Transplant with stringent infection protocols so that if any child requires, he or she can be treated with utmost care & safety.

- Apollo Multispeciality Hospitals, Kolkata launched the first ‘Comprehensive Fatty Liver Clinic’ in Eastern India. This clinic will adopt the most contemporary investigational approach to detect asymptomatic fatty liver and its treatment
- Apollo Proton Cancer Centre has become Asia’s First and Exclusive Proton Beam Training Institute in association with IBA, Belgium. With this association, APCC will impart knowledge through its advanced training and education program on proton therapy to clinicians.
- Apollo Hospitals, Chennai has introduced Cryo Balloon Ablation technology that offers a solution to a complex and common cardiac rhythm disorder called Atrial Fibrillation.
- Apollo Hospitals entered into an agreement with the Bombay Hospital to boost liver transplants in Mumbai. It will increase access to Apollo’s advanced liver transplant program for patients across the Mumbai Metropolitan Region.

#### **AWARDS AND ACCOLADES**

- Apollo Hospitals has received Level 9 achievement for Acute and Ambulatory care setting in the coveted 2022 Digital Health Most Wired Survey results released by the College of Healthcare Information Management Executives (CHIME).

## **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 9,957 beds across 71 Hospitals, 5002 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.

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

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