



## **Apollo Hospitals announces Q4 & FY15 results**

**Annual Consolidated Revenues cross milestone of Rs. 5,000 crore**

**Apollo Hospitals harvest 23 different organs from five brain dead donors and conducted ten transplants in a day; perhaps a first ever & gave 23 individuals the priceless gift of life**

**Witnessed robust growth of over 20% in medical value travel aided by the visa on arrival mechanism promoted by the Government**

**Apollo Hospitals emerges as the world's first healthcare provider to perform 60,000 health checks covering its entire workforce thereby setting an industry benchmark in human resources management**

**FY15 Standalone Revenues up 19% at Rs. 4,593 crore  
Standalone EBITDA up 11% at Rs. 678 crore  
(EBITDA is post CSR Spends of Rs. 7.5 crore for FY15)  
Standalone PAT up 5% at Rs. 347 crore**

**FY15 Consolidated Revenues up 18% at Rs. 5,178 crore  
Consolidated PAT up 7% at Rs. 340 crore**

**Added 5 owned hospitals and operationalized 510 beds in FY15  
On course to add 875 beds in FY16**

**Vizag (250 beds), Belapur – Mumbai (350) and North Bangalore (180) to be operationalized in FY16**

**Commissioned 3 new hospitals in Q4FY15 – 2 multispecialty hospitals in Nellore & Perungudi, Chennai & a Women & Child Hospital in Chennai**

**Board recommends Dividend of Rs. 5.75 per share  
Board approves Rights Issue to raise Rs. 750 crore**

**India, May 28, 2015:** Apollo Hospitals Enterprise Ltd (AHEL), a leading healthcare provider, today reported its financial results according to Indian GAAP for the quarter and full year ended March 31, 2015.

Q4FY15 Standalone Revenues grew by 20.6% to Rs. 12,037 million as compared to Rs. 9,982 million in Q4FY14. EBITDA was at Rs. 1,745 million in Q4FY15 as against Rs. 1,500 million in Q4FY14, up by 16.3%. The EBITDA margin was 14.5%. PAT was at Rs. 773 million in Q4FY15.

Standalone Revenues for FY15 were Rs. 45,928 million compared to Rs. 38,616 million in FY14, up by 18.9%. EBITDA grew by 10.5% at Rs. 6,781 million in FY15 from Rs. 6,139 million in FY14. Profit after Tax (PAT) grew by 4.8% from Rs. 3,307 million in FY14 to Rs. 3,466 million in FY15.

**Dr. Prathap C Reddy, Chairman said,** “FY2015 has been an eventful year for Apollo Hospitals and we are pleased to end the fiscal with continued growth in Revenues and profits. In addition to sustained progress on clinical and operational parameters, we have successfully commissioned five new hospitals and undertaken a couple of synergistic acquisitions. The year was also marked by further elevation in standards of patient care as endorsed by the large and growing number of solid organ transplants and robotic surgeries. Along the way, we surpassed the milestone of Rs. 5,000 crore in Annual Consolidated Revenues.

Our Innovation program continued to churn out industry novelties with the launch of India’s first center of excellence in hip arthroscopy, first digital hospital in Chennai with the path breaking ‘I SEE U’ offering, and cutting edge applications benefiting TB and Cancer rehabilitation. The expansion blueprint continues to unfold in a calibrated manner aligned to our strategic and financial objectives. The Retail healthcare initiative is rapidly taking shape with an improved network and expansion of formats.

**He added,** “The Board has approved a Rights Issue to raise growth capital which will allow us to pursue attractive opportunities across the healthcare services landscape in the country.”

**While the Group has declared to take necessary actions towards arresting the growth of NCDs by making it the top most priority for the company in this financial year, Dr. Reddy has urged that the battle against NCDs should be made a national priority.** With view to lead by example, every member of the Apollo Hospitals family has completed their annual health check for 2015 and in doing so, **Apollo Hospitals has set a precedent for the industry to encourage employees to take charge of their own health.** At Apollo, Health Checks are integrated with our Associates’ performance and compliance is considered paramount. We also have Health & Wellness initiatives aimed at improving the well-being of our associates and their family members. Furthermore, having developed robust measures to tackle the root causes and derive cost-effective solutions towards addressing NCDs, through the “**Let’s Talk Health**” initiative, Apollo has built a comprehensive strategy to raise awareness on NCDs and the need for preventive health checks, to enable a mind-set shift from curative to preventive healthcare.

**Elaborating on the subject, Dr. Reddy added,** “The impact of NCDs on India would prove to be catastrophic, if it continues unchecked and we will be losing our demographic edge which in turn will lead to economic losses adding up to several billions of dollars. India is a young economy and we deserve to be a healthy nation. **Preventive health is emerging as the single biggest healthcare need of the hour.** Today, having performed over 12 million health checks Apollo Hospitals is keen and willing to partner Corporate India in giving them the edge of

preventive healthcare and wellness, thereby improving the health quotient of their human capital. Global empirical studies have proven that good health has a multiplier effect on economic wellbeing and companies that have allocated time and resources in nurturing better health have always benefitted.

### **Financial Highlights**

- Standalone FY15 Performance
  - Revenues higher by 18.9% to Rs. 45,928 million compared to Rs. 38,616 million in FY14.
  - EBITDA up by 10.5% to Rs. 6,781 million as against Rs. 6,139 million in FY14.
  - PAT improved by 4.8% to Rs. 3,466 million compared to Rs. 3,307 million in FY14.
  - Diluted EPS of Rs. 24.91 per share in FY15.
  
- Standalone Q4FY15 Performance
  - Revenues grew 20.6% to Rs. 12,037 million compared to Rs. 9,982 million in Q4FY14.
  - EBITDA up by 16.3% to Rs. 1,745 million as against Rs. 1,500 million in Q4FY14.
  - PAT degrew by 4.9% to Rs. 773 million compared to Rs. 813 million in Q4FY14.
  - Diluted EPS of Rs. 5.56 per share in Q4FY15 (not annualised).
  
- Consolidated FY15 Performance
  - Revenues higher by 18.1% to Rs. 51,785 million compared to Rs. 43,842 million in FY14.
  - EBITDA up by 9.3% to Rs. 7,347 million as against Rs. 6,724 million in FY14.
  - PAT improved by 7.3% to Rs. 3,399 million compared to Rs. 3,168 million in FY14.
  - Diluted EPS of Rs. 24.43 per share in FY15.
  
- Consolidated Q4FY15 Performance
  - Revenues grew 17.5% to Rs. 13,186 million compared to Rs. 11,226 million in Q4FY14.
  - EBITDA up by 10.7% to Rs. 1,779 million as against Rs. 1,607 million in Q4FY14.
  - PAT increased by 18.2% to Rs. 848 million compared to Rs. 718 million in Q4FY14.
  - Diluted EPS of Rs. 6.10 per share in Q4FY15 (not annualised).

## **Segment-wise Performance Update**

### **Hospitals**

Standalone Revenues of the healthcare services division were at Rs. 28,202 million in FY15 compared to Rs. 24,968 million in FY14, a growth of 13%. Healthcare services EBITDA (excluding the impact of new facilities) increased by 6% from Rs. 5,900 million in FY14 to Rs. 6,276 million in FY15.

New Hospitals displayed robust growth in patient volumes & revenue. New Hospital FY15 revenues at Rs 1,767 million.

Apollo's core clusters in Chennai and Hyderabad exhibited steady growth. The Chennai cluster reported 12% increase in revenues from Rs. 11,089 million in FY14 to Rs. 12,433 million in FY15. Occupancy was 994 beds (67% utilization on an increased capacity of 1,491 beds) in FY15 as compared to 905 beds (72% utilization on 1,264 beds) in FY14.

The Hyderabad cluster reported 8% increase in revenues from Rs 4,582 million in FY14 to Rs 4,971 in FY15, there was a moderation in occupancy levels due to rationalization of patients under subsidized schemes. Occupancy was at 590 beds (63% utilization on 930 beds) in FY15 as compared to 628 beds (67% utilization of 930 beds) in FY14. However, the cluster displayed further improvement in profitability driven by higher numbers of international patients, benefits of case mix rationalization and reduction in ALOS to 4.15 in FY15 from 4.49 in FY14.

Likewise, Hospitals outside of the core clusters also performed well with continued progress on key operational matrices. Bhubaneswar occupancy was at 215 beds (82% utilization on an increased capacity of 264 beds) as compared to 209 beds in FY14. 18% Growth in Revenues was accompanied by higher EBITDA margins.

Our Joint Venture & Subsidiary hospitals performed well with Hospitals in Kolkata, Ahmedabad & Bangalore clocking year on year revenue growth of 13%, 6% & 8% respectively. Notably, EBITDA growth was higher than revenue growth leading to improved profitability. Occupancy at Ahmedabad was at 172 beds (63%), Bangalore at 205 beds (76%) and at Kolkata occupancy was at 463 beds (86%).

### **New Hospitals**

- New hospitals batch of FY13 - Vanagaram & Jayanagar delivered a robust performance with revenues growing from Rs. 475 million in FY14 to Rs 1,323 million in FY15.
- Vanagaram, Chennai delivered healthy growth. Occupancy was at 112 beds (57% utilization on a capacity of 195 beds) from 35 beds in FY14.
- Jayanagar, Bangalore registered an occupancy of 60 beds (55% utilization) as compared to 41 beds (33% utilization) in FY14.

- FY14 / FY15 hospitals batch – Operations at Trichy, Nashik, Karapakkam, Perungudi, Nellore and W&C- SMR gaining traction. Revenues stood at Rs 444 million with an EBITDA loss of Rs 143 million in FY15.

### **Standalone Pharmacies**

In Q4 FY15, Apollo Pharmacies added 53 stores and closed 15 stores for a net addition of 38 stores – total store network as of March 31, 2015 stands at 1,822 operational stores. For FY15, it added 242 stores and closed 52 for a net addition of 190 stores.

Revenues grew by 30 % from Rs. 13,648 million in FY14 to Rs. 17,726 million in FY15. The Operational performance was on track as EBITDA grew 29% from Rs. 449 million in FY14 to Rs. 580 million in FY15.

The EBITDA margin was stable at 3.27% in FY15 compared to 3.29 % in FY14. Margin pressures due to higher costs and impact of the Drug Price Control Order were offset by the increasing contribution of Private label products in the revenue mix at 6.34% in FY15 compared to 5.64% in FY14.

The business continued to report strong traction in same-store sales across various batches of stores with like-for-like growth in revenue per store at 17% for the pre 2010 batch of stores. The Acquisition of Hetero Pharmacies will result in the addition of 321 stores to the network. These stores are in the final stages of integration and are expected to be added to the network in Q1FY16.

### **Apollo Munich Health Insurance Company Limited**

Gross Written Premium grew by 24% from Rs. 6,926 million in FY14 to Rs. 8,611 million in FY15. The Earned premium increased 21% from Rs. 5,434 million in FY14 to Rs. 6,559 million in FY15. The incurred claim loss ratio declined from 65.6% in FY14 to 63.0% in FY15. The business reported a profit of Rs. 7 million in FY15 compared to a loss of Rs. 370 million in FY14. AUMs stood at Rs. 6,784 million as of March 31, 2015.



## **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 centres known as 'CRADLE', Daycare and short stay surgery centres, Dental Care Centres and Apollo Clinics catering to a variety of ailments such as liver disease, joint pain, advanced fever and diabetes among others.

Total Income was at Rs. 1,074 million in FY15 compared to Rs. 743 million in FY14, a notable growth of 44%. The business reported an EBITDA loss of Rs. 292 million in FY15. The current portfolio comprises 3 Birthing Centres, 106 Clinics and 70 Dental Clinics across India and overseas locations.

## CLINICAL AND OPERATIONAL HIGHLIGHTS

### CLINICAL EXCELLENCE HIGHLIGHTS

- *In a unique coincidence and perhaps for the first time ever, five grieving families agreed to donate the organs of their beloved brain dead relatives resulting in a remarkable act of humanity in the toughest situation setting a record for the maximum no. of organs harvested in a day. Apollo Hospitals, Asia's foremost healthcare service provider, harvested 23 different organs from five donors and conducted ten transplants in a day at the flagship Hospital on Greams Road in May 2015. This feat give a fresh lease of life to 23 people.*
- *Apollo Hospitals, Chennai launched India's first center of excellence in hip arthroscopy. Hip Arthroscopy is a cutting edge procedure that involves viewing the interior of the hip joint through an arthroscope, and then using minimally invasive techniques to treat the disorder.*
- *Doctors at Apollo Children's hospital saved lives of three infants with rare congenital heart problems. All the three babies that were barely three-months-old were diagnosed with a congenital heart condition called Anomalous Left Coronary Artery from the Pulmonary Artery (ALCAPA), in which the left coronary artery, which carries blood to the heart muscle, is connected to the pulmonary artery instead of to the aorta. A team of surgeons performed correction surgeries on all three infants.*
- *Apollo Hospitals, Hyderabad performed 100 Fontan repairs, a cardiac surgery for new born babies and children suffering from congenital heart disease.*
- *Apollo Hospitals launched its first digital hospital in Chennai with innovative 'I SEE U' feature, a virtual visitor solution that uses new age imaging to allow virtual patient visits.*
- *Apollo & the Union, launch pilot program to integrate TB treatment at Private hospitals with Government's Nikshay*
- *In its pursuit to leverage medical software to enhance the quality of treatment, Apollo Hospitals Oncology department has developed a cancer tracking software called OncoCollect. The software helps doctors to keep track of their patients and their response to treatment for cancer.*

### NEW GEOGRAPHIES AND LAUNCHES

Apollo Hospitals aims at extending its leading healthcare services to every remote corner across the country. It has been the collective vision of the hospital to make Apollo's medical and technical excellence to all.

- *Apollo Hospitals Group has inked a MoU with the Ministry of Health, Republic of Ghana, for developing tertiary health care services in the African country.*
- *Apollo Hospitals, entered into partnership with Asian Alliance, one of the fastest growing insurance providers in Sri Lanka, to provide clients with a choice of world class healthcare facilities.*
- *Apollo Hospitals and the Republic of Macedonia signed a MoU which provides for observer ships and training courses for medical specialists, nurses, technicians and other health professionals from the Republic of Macedonia at various locations across the Apollo Hospitals network in India.*
- *Launched the 'Peace Clinic' with Dr Ziauddin Hospital, Karachi where Indian doctors will assist Pakistani counterparts in transplant procedures. Apollo Hospitals intends to set up a center in Dar es Salaam for treating patients with neurological disorders offering medical care, treatment and surgery*

### KNOWLEDGE PROGRAMME

Apollo Hospitals has been the harbinger of the healthcare movement in India and has been continually in pursuit of creating benchmark standards in the field of medicine. Apollo Hospitals aims to be at the forefront of medical education too which is part of the larger plan to adopt non-linear ways to help save capital costs and widen reach.

- *Apollo Hospitals and Institute of Pulmonology conduct master class on Endo Bronchial Ultrasound Bronchoscope (EBU)*

### COLLABORATIONS

A combination of best-in-class clinical excellence, high standards of patient care and cutting edge technology which are accessible to all remains the centerpiece of the Apollo story. Collaborations and partnerships offer immense strategic support in this direction.

- *HDFC Bank, in association with Apollo Hospitals, has launched a co-branded pre-paid card called HDFC Bank Apollo Medical Benefits Card, which will enable corporates to easily disburse medical allowance to their employees without waste of time and incurring any cost.*
- *Datar Genetics Limited (Datar), a center for molecular and genetic analysis, entered into a strategic collaboration with Apollo Hospitals Educational and Research Foundation (AHERF), a premier DSIR recognised organisation to validate liquid biopsy for brain tumors. The collaboration envisages establishing a liquid biopsy platform for detecting Glioblastomas (GBM), one of the most aggressive malignant brain tumours in human.*
- *Sapien Biosciences, a biotech venture backed by Apollo Hospitals, has entered into a collaboration with a Bangalore-based diagnostic start-up, OncoStem Diagnostics, for the development and validation of a novel breast cancer recurrence prediction test.*

### SUPPORT DURING NATURAL CALAMITIES

In April, 2015 Nepal was hit by Earthquake, disrupting normal life of the people. The team of Indraprastha Apollo Hospitals rose up to the occasion, worked day and night to help the victims of the Earthquake and made a significant difference to several lives that were affected by the severest natural calamity in living memory in the region.

### AWARDS, ACHIEVEMENTS & OUTREACH

- *Apollo Hospitals awarded "Golden Peacock" for Business Excellence in Healthcare at the 25th World Congress on 'Leadership for Business Excellence and Innovation' held in Dubai.*





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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 Hospital in Chennai. Now, as Asia largest and most trusted healthcare group, its presence includes over 9,200 beds across 55 Hospitals, 1,822 Pharmacies, 106 Primary Care and Diagnostic Clinics, 100 Telemedicine units across 10 countries. Health Insurance services, Global Projects Consultancy, 15 colleges of Nursing and Hospital Management, a Research Foundation with a focus on global Clinical Trials, epidemiological studies, stem cell & genetic research and the first Proton Therapy Center across Asia, Africa and Australia.

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.

**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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