



# Fortis Healthcare

## Annual Investor Presentation – FY2010



# Agenda

➤ **Highlights of the quarter**

➤ **Update on Acquisition and Integration**

➤ **Snapshot – Financial Performance**

➤ **Business Mix**

➤ **Hospital wise performance**

➤ **Update on projects**

# Highlights of the quarter

- Acquired 23.90% stake in Parkway Holdings Ltd., Asia's premier healthcare organization with 16 hospitals and 37 Patient Assistance Centers and 3400 beds in March 2010, for a value of USD 685.3 million.
- **11 hospitals** in the network recorded all time high revenues
- Oncology block at Fortis Hospital Noida was commissioned in January 2010
- Fortis Escorts Delhi received the prestigious "Joint Commission International" Certification
- Brand transition completed across newly acquired 10 Wockhardt hospitals. Rechristened as Fortis Hospitals
- Projects at Kolkata (414 beds) and at Mulund (344 beds) kick started.
- 350 bedded Greenfield hospital at Shalimar Bagh completed. Commencement of operations at Shalimar Bagh expected in ensuing quarter, consequent to regulatory approval

# Operating Highlights

## ➤ Financial Information:

- Network Operating Revenues: **Q4 – Rs. 406.0 Cr. (+89%); FY – Rs. 1,214.0 Cr. (+57%)**
  - Consolidated Operating Revenue: **Q4 – Rs. 329.5 Cr. (+91%); FY – Rs. 937.8 Cr. (+49%)**
  - Net Profit for Q4 FY10 - Rs. 27.2 Cr. and Rs. 69.5 Cr for the fiscal year FY10
- 
- 8<sup>th</sup> consecutive quarter of growth in revenues and net profits
  - First full quarter of operations for newly acquired hospitals from Wockhardt – Revenue @ Rs. 93 Crore
  - Fortis Escorts Delhi achieved highest ever revenues of Rs. 82 Cr. for the quarter and Rs. 282 Cr. for the year
  - Fortis Escorts Delhi (+36%), Noida (+24%), Malar (+94%), Faridabad (+24%), Vasant Kunj (+38%), Jaipur (+67%) and La Femme (+31%) led the growth across the network
  - Revenues from **Cardiac, Ortho, Neuro, Renal Sciences, Oncology and Gastroenterology** grew by **40%, 42%, 86%, 45%, 69% & 41%** respectively

# Highlight – Others

## Financing of Parkway Investment (Rs/Crore)

➤ On shore Short term debts raised	300
➤ Off shore short term debts	2,000
➤ Off shore long term debts	1,045
➤ <b>TOTAL (Net Debt)</b>	<b>3,345</b>

## Capital Raising Activities :

- US \$ 100 Mn, 5%- FCCB Issue completed on May 20<sup>th</sup> 2010, the bonds listed at Luxemburg Stock Exchange.
- The Company had issued notice for conversion of detachable warrants issued with Right Shares. The Notice period of one month ends on June 19' 2010. On 100% conversion basis, expect Rs 1387 Cr equity infusion
- Rs 380 Cr Preferential Issue to GIC (at Rs. 170 / share) is underway and expected to be completed by June 24'2010
- Funds will be used to repay short term debts. Net debt : Equity to a comfortable ~ 0.67: 1 range by end June'2010

## Share in profit of Associates

- In principle call taken to establish a lead lag of one quarter for consolidation of Share in Profit in Parkway Holdings. Q4 results exclude any share in profit from this investment. Foreign exchange translation gains and incremental cost equate each other

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# About Parkway

- Incorporated in 1974, Parkway is the leading healthcare provider in Singapore and Malaysia
- Widespread presence across Asia - 16 hospitals and 37 Patient Assistance Centers with an operating bed capacity of ~ 3,400 and another 1100 beds under various stages of projects.
- High end tertiary care with cutting edge technology in Neuro, Musculoskeletal, Transplant and Cellular Therapy, Heart & Vascular and Oncology
- 3 major facilities covered by International JCI accreditation
- Innovative healthcare delivery models – Medi-Rad Associates, Clinical Laboratory Services, PPAC's and Specialty Centres
- World class 380 bedded facility “Parkway Novena Hospital ” to commence operations in 2012

# Strategic Rationale

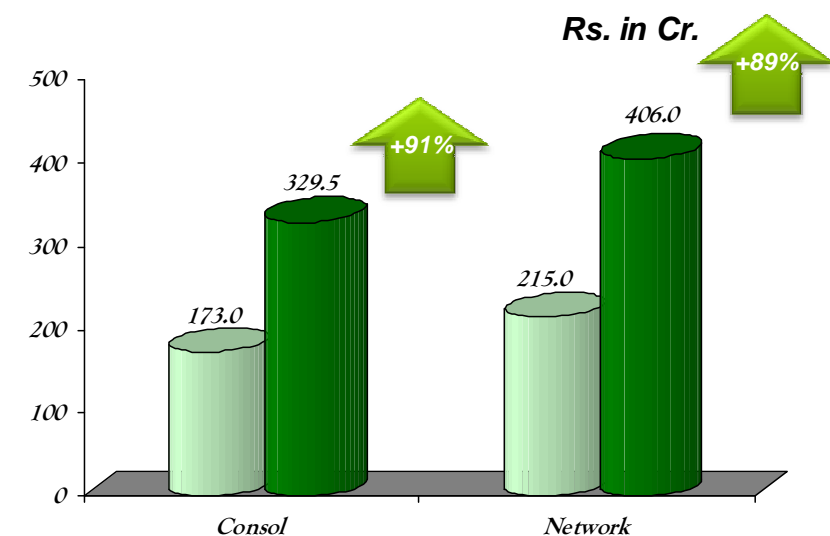
- Expands presence across Asia Pacific; Establishes Fortis as a serious player in the Global healthcare delivery market
- Enhanced brand equity through integration of premium healthcare brands in Asia
- Established platform for expansion into large and lucrative markets of Asia, China, etc.
- Exploit potential for Medical value travel
- Access to cutting-edge technology in stem-cell therapy and organ transplantation
- Access to medical protocols and quality systems
- Increases ability to attract and retain human talent
- Synergies in the area of capital purchase, supply chain management and back end services
- New business potential (clinical research, healthcare education etc.)



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# Snapshot – Financial Performance



## ↑ Q4FY 10 – Consolidated

↑ Operating Revenue - Rs. 329.5 Cr ↑ 91%

↑ Operating EBITDA - Rs. 47.0 Cr ↑ 81%

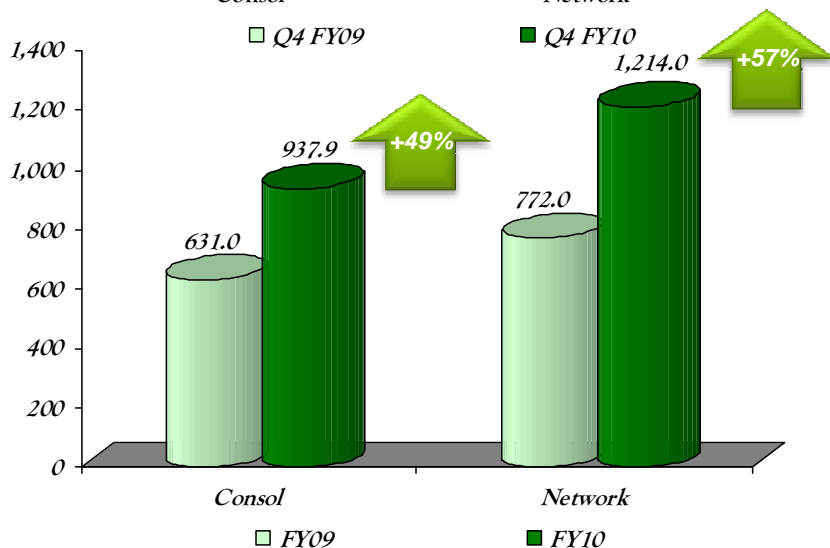
↑ Net Profit - Rs. 27.2 Cr ↑ 3.4x

## ↑ Q4FY10 – Network Revenue

- Rs. 406.0 Cr. ↑ 89%

## ↑ Organic Growth

- 39%



## ↑ FY10 – Consolidated

↑ Operating Revenue - Rs. 937.9 Cr. ↑ 49%

↑ Operating EBITDA - Rs. 140.5 Cr. ↑ 64%

↑ Net Profit - Rs. 69.5 Cr. ↑ 234%

## ↑ FY10 - Network Revenue

- Rs.1,214.0 Cr. ↑ 57%

## ↑ Organic Growth

- 38%

Statutory	FY09	FY10
Occupancy	67%	74%
ARPOB (Annualized - Rs. Lacs)	75	83
ALOS (Days)	4.2	4.1

## Summary – Consolidated Profit and Loss – Q4 FY10

Particulars	Q4 FY10 (Rs. Cr.)	%	Q4 FY09 (Rs. Cr.)	%	Growth (%)
Operating Revenue	329.5	100.0%	172.8	100.0%	90.7%
Other Income #	34.7	10.5%	4.6	2.7%	654.2%
Total Income	364.3		177.4		105.4%
Direct Costs	90.8	27.6%	55.0	31.8%	65.1%
Employee Costs	62.3	18.9%	35.3	20.4%	76.5%
Other Costs	129.5	39.3%	56.6	32.7%	128.8%
EBITDA	81.7	24.8%	30.5	17.6%	168.0%
Finance Costs	32.3	9.8%	9.3	5.4%	245.4%
Depreciation & Amortization	23.0	7.0%	12.8	7.4%	79.5%
PAT	27.2	8.3%	4.8	2.8%	469.7%
EPS for the quarter (Rs.)	1.02		0.21		

#Other income includes Foreign Currency translation gains, interest income and miscellaneous income

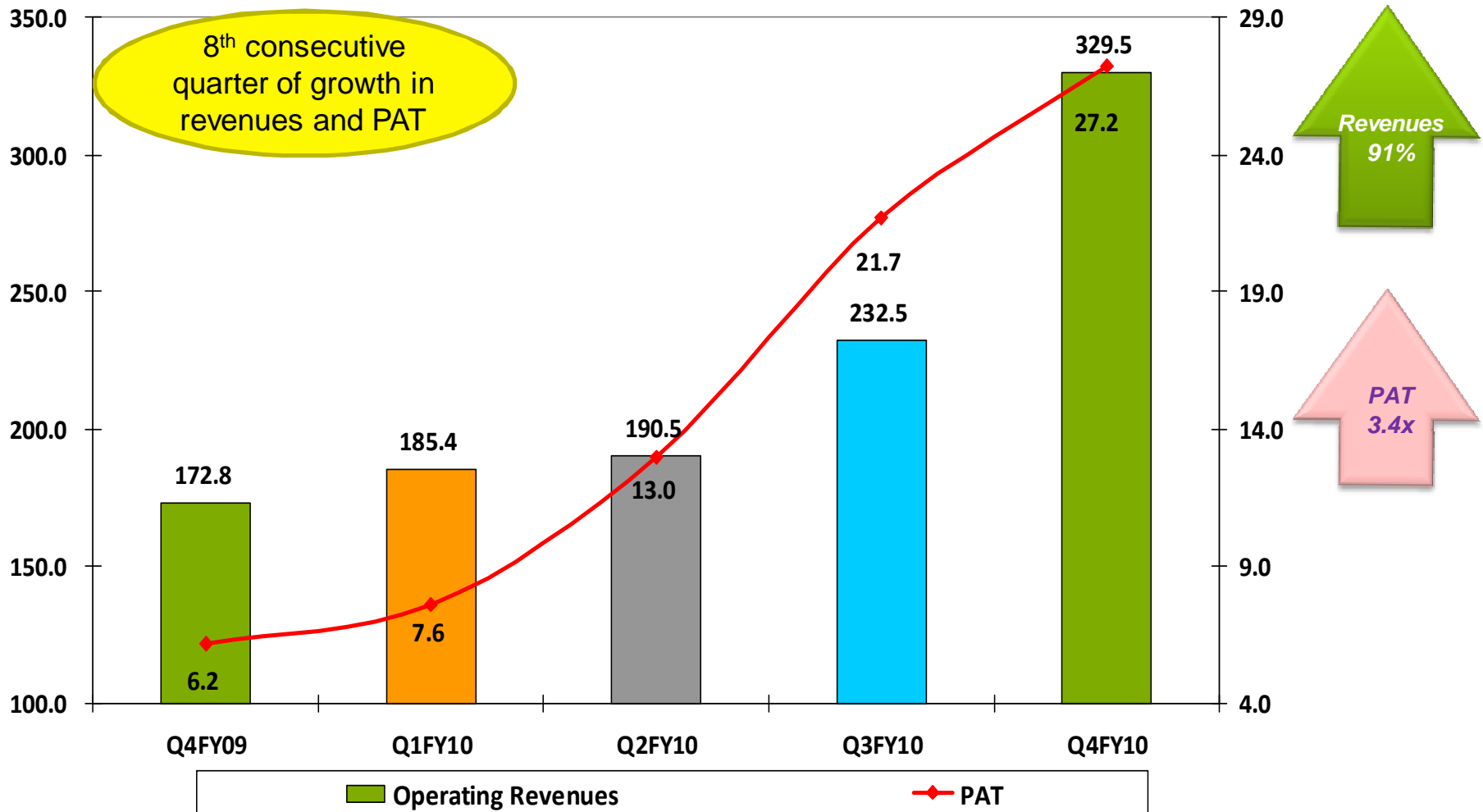
## Summary – Consolidated Profit and Loss – FY10

Particulars	FY10	(%)	FY09	(%)	Growth (%)
Operating Revenue	937.9	100.0%	630.7	100.0%	48.7%
Other Income #	50.1	5.3%	28.5	4.5%	75.7%
Total Income	988.1		659.2		49.9%
Direct Costs	262.7	28.0%	189.5	30.1%	38.6%
Employee Costs	195.0	20.8%	147.4	23.4%	32.3%
Other Costs	339.8	36.2%	208.1	33.0%	63.3%
EBITDA	190.6	20.3%	114.2	18.1%	66.9%
Finance Costs	57.3	6.1%	43.7	6.9%	31.2%
Depreciation & Amortization	59.9	6.4%	48.7	7.7%	23.0%
PAT	69.5	7.4%	20.8	3.3%	233.7%
<b>EPS for the quarter</b>	<b>2.61</b>		<b>0.92</b>		

#Other income includes Foreign Currency translation gains, interest income and miscellaneous income

# Operating Revenue and PAT

➤ Rs. in Cr.



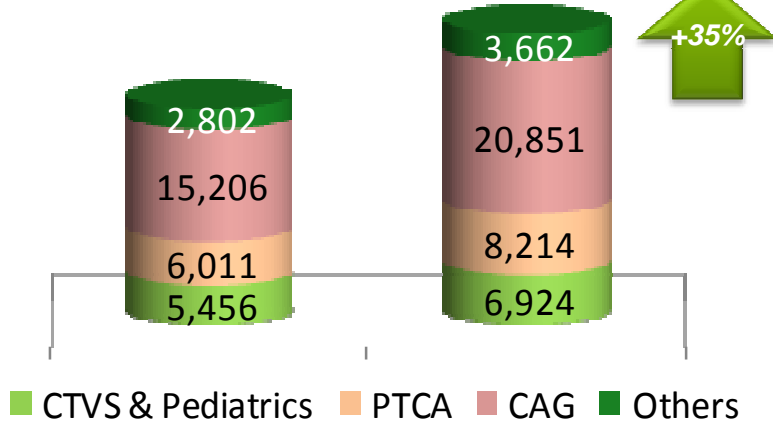
\*PAT above is excluding exceptional items our share of loss of Rs. 1.4 Cr in Malar hospital in Q4FY09

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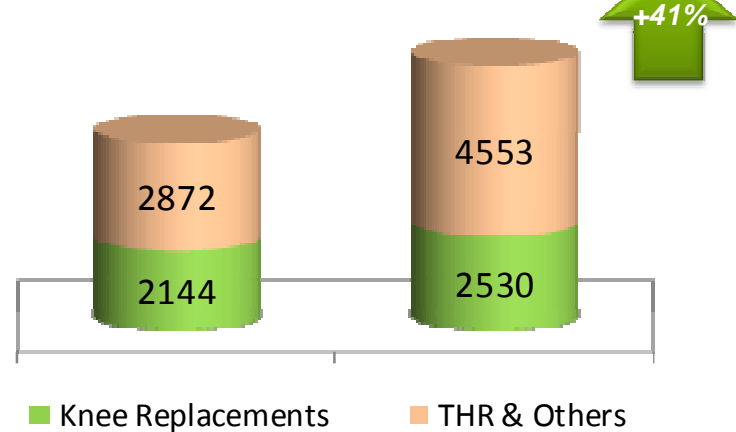
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# No. of Procedures – FY2010

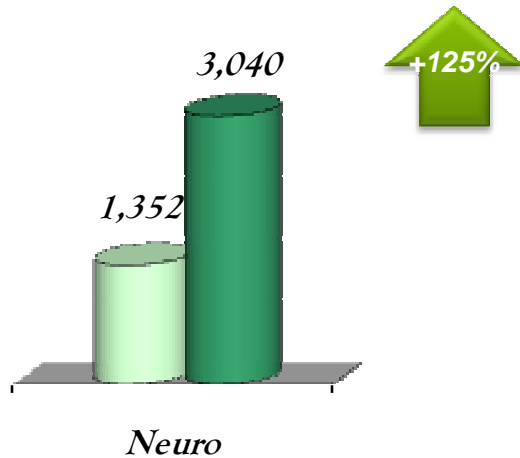
## Cardiac



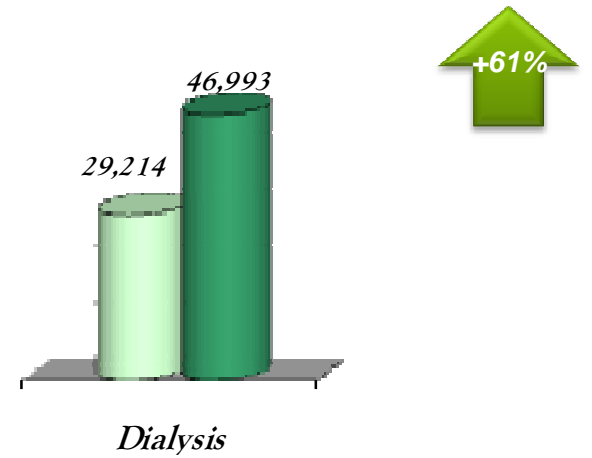
## Ortho



## Neuro



## Dialysis

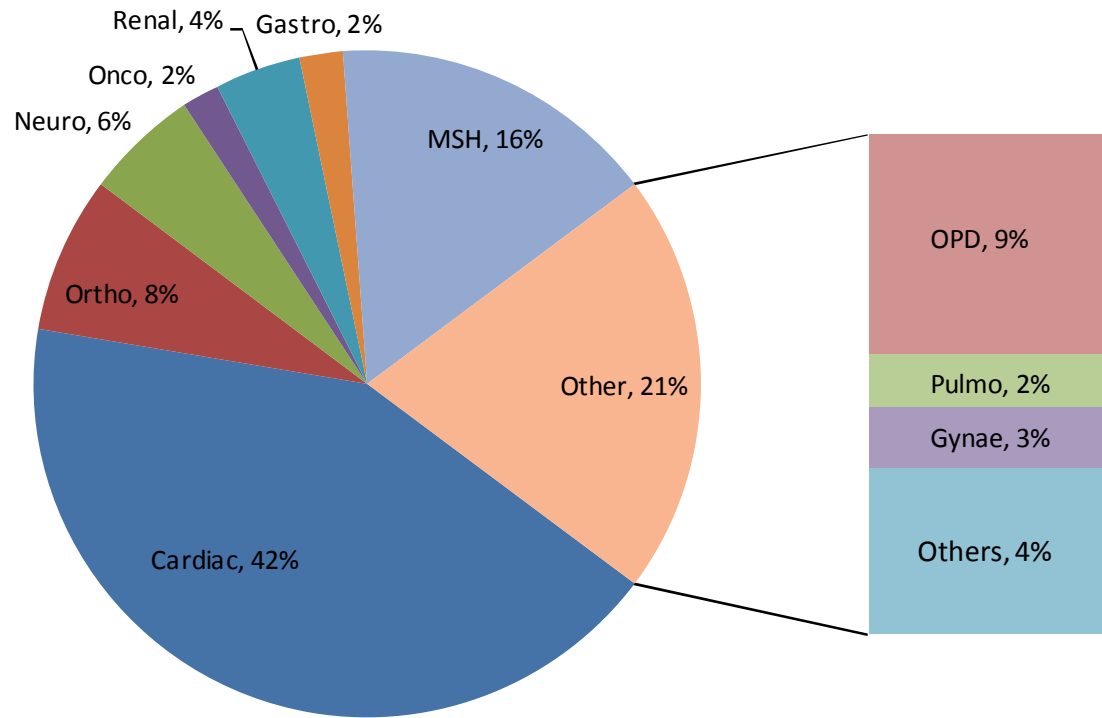


\*The data shown above excludes the numbers of hospitals under Parkway Holdings

Q4 FY 09

Q4 FY 10

# Specialty Mix – FY10 (Fortis Network\*)



**Focus on key specialties Cardiac, Neuro, Ortho, Renal & Onco to continue...**

*\*The data shown above excludes the numbers of hospitals under and Parkway Holdings*



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# Hospital wise Revenue & EBITDA – FY2010

Rs. in Crores



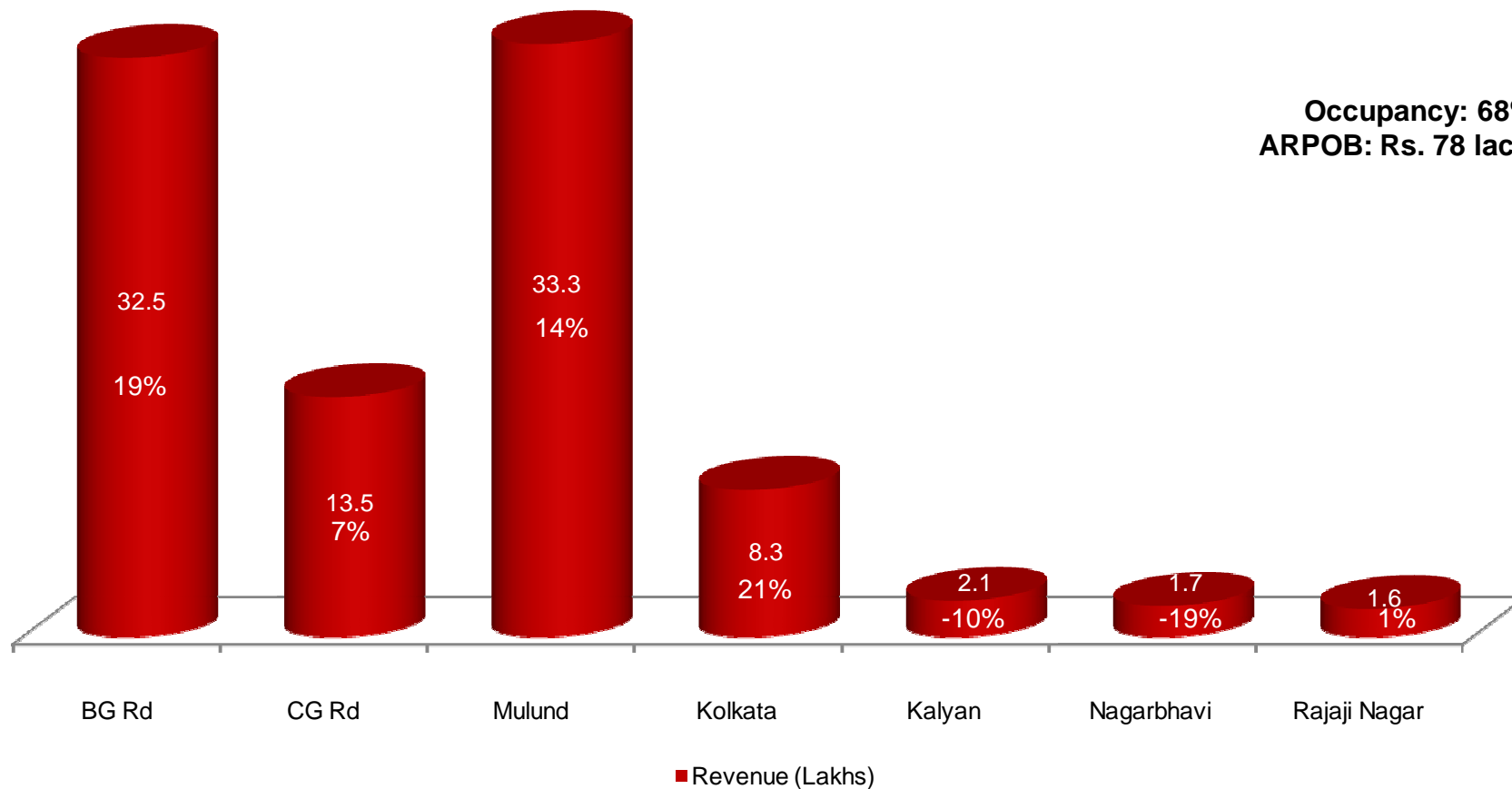
□ FY09  
18

■ FY10



# Hospital wise Revenue & EBITDA – FHsL – Q4

*Rs. in Crores*



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# Upcoming Greenfield Hospitals in India

No.	Location	No. of Beds	Area & Land Ownership	Date of commencement
1.	<b>Shalimar Bagh</b>	<b>350</b>	<b>7 Acres. Owned</b>	<b>Q2 FY 11</b>
2.	Gurgaon	450	11 Acres, Owned	Q4 FY11
3.	Ludhiana – 2	75	60,000 sq ft. B. Lease	Q4 FY 12
4.	Kangra	100	37,000 sq. ft., B. Lease	Q3 FY12
5.	Peenya	120	B. Lease; ~70000 Sq ft	Q3 FY12
6.	Ludhiana – 1	200	1,55,000 sq. ft., B. Lease	Q2 FY12
7.	<b>Kolkata</b>	<b>414</b>	<b>Owned: 294931 Sq ft</b>	<b>Q3 FY11</b>
8.	Ahmadabad	200	1,55,000 sq. ft., B. Lease	Q4 FY12
9.	Gwalior	150	2.5 Acres, L. Lease	Q2 FY13
	Total	2,059		

**Thank You...**

