



Fortis Healthcare reports Q3 FY23 Financial Results

Consolidated Revenues at INR 1,560 Crs; EBITDA at INR 288 Crs, 18.5% margin

Hospital business revenues up 13.3% to INR 1,267 Crs in Q3

EBITDA at INR 217 Crs; 17.1% margin.

Hospital business ARPOB increases 8.4% to INR 2.02 Crs

Adjusted for covid revenues, diagnostic business revenues grow 7% vs Q3 FY22

Net Debt to EBITDA at 0.41x against 0.53x in corr. previous period

- PBT prior to exceptional items at INR 174.6 Crs versus INR 184.5 Crs in Q3 FY22
- PAT at INR 142.1 Crs versus INR 141.7 Crs in Q3FY22
- Consolidated performance in Q3 reflects the increasing contribution from the hospital business offsetting the impact witnessed in the diagnostics business as a result of the decline in covid volumes versus Q3 FY22.

Consolidated Financial Snapshot

Particulars (INR Crs)	Q3FY23	Q3FY22	% Change YoY	YTD Nine Months FY23	YTD Nine Months FY22	% Change YoY
Revenue - Hospitals	1,267.4	1,118.2	13.3%	3,756.8	3,223.3	16.6%
- Diagnostics (net)	292.4	348.4	(11.0%)	898.1	1,116.2	(19.5%)
Consolidated	1,599.9	1,466.7	6.4%	4,654.9	4,339.5	7.3%
EBITDA - Hospitals^	217.0	190.2	14.1%	670.5	528.9	30.8%
- Diagnostics	71.1	103.4	(31.2%)	207.9	341.6	(39.1%)
Consolidated	288.1	293.6	(1.9%)	878.4	869.1	1.1%
EBITDA Margin - Hospitals	17.1%	17.0%		17.8%	16.4%	
- Diagnostics	24.3%	29.7%		23.2%	30.5%	
Consolidated	18.5%	20.0%		18.9%	20.0%	
Profit Before Tax (Before exceptional item)	174.6	184.5	(5.4%)	567.2	546.5	3.8%

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Profit After Tax (Before exceptional item)	130.7	133.3	(2.0%)	431.6	388.1	11.2%
Reported Profit After Tax*	142.1	141.7	0.3%	494.7	702.9	(29.6%)
Reported Profit After Tax after Minority Interest and Share in Associates *	129.6	116.7	11.0%	456.2	487.2	(6.4%)
Earnings per share (EPS)	1.72	1.55	11.0%	6.04	6.45	(6.4%)

* Includes an exceptional gain of INR 315 Crs for 9M FY22 on remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021. 9MFY23 includes an exceptional gain of INR 63 Cr which primarily pertains to reversal of impairment in an associate Company.

^ Excludes dividend income received during 9MFY23 from the Company's majority owed (57%) subsidiary SRL Limited as a result of inter-company elimination. Hospital business 9MFY23 reported EBITDA with dividend income was INR 692 Crs.

Gurugram, February 10, 2023: Fortis Healthcare Ltd. ("Fortis" or the "Company"), amongst India's leading healthcare delivery companies, today announced its unaudited consolidated financial results for the quarter and nine months ended December 31, 2022.

- Q3FY23 hospital business revenues were at INR 1,267.4 Crs versus INR 1,118.2 Crs in Q3FY22 and INR 1,297 Crs in Q2FY23.
- Hospital business revenues increased 13.3% versus the corresponding previous quarter, led by an 8.4% increase in ARPOB to INR 2.02 Crs, better occupancy and a 73% increase in international patient revenues versus the corresponding previous quarter.
- Occupancy and ARPOB were higher versus Q3 FY22.

KPIs	Q3 FY23	Q3 FY22	YTD Nine Months FY23	YTD Nine Months FY22
Occupancy	66.1%	65.4%	67.0%	65.0%
ARPOB (INR Cr)	2.02	1.86	1.97	1.77
ALOS (Days)	3.77	3.52	3.70	3.79

- Q3 FY23 diagnostics business gross revenues stood at INR 331.5 Crs versus INR 388.5 Crs in Q3 FY22, primarily impacted by lower covid volumes (including covid allied test volumes). Revenues for the quarter (excluding covid and covid allied tests) stood at INR 321 Crs versus INR 300 Crs for Q3FY22 and INR 329 Crs in Q2 FY23.
- Net debt to EBITDA was at 0.41 vs 0.53 (basis annualized EBITDA of Q3 FY23 and Q3 FY 22, respectively). Net debt was at INR 471 Crs as on December 31, 2022 versus INR 549 Crs as on March 31, 2022 and INR 621 Cr as on December 31, 2021.



HOSPITAL BUSINESS HIGHLIGHTS

- The revenue contribution from the Company's key medical specialties viz. Oncology, Orthopaedics, Renal Sciences, Cardiac Sciences, Neurosciences and Gastroenterology grew 15.8% YoY. Their contribution to overall hospital revenues increased to 60.9% in Q3 FY23 from 59.3% in Q3 FY22.
- Revenues from Oncology grew 39.3% and contributed 14% to overall hospital revenues as compared to 11% in the corresponding previous period.
- Many of the Company's key facilities i.e. FMRI, Shalimar Bagh, Anandpur, Amritsar and Kalyan performed better in revenues both versus the corresponding and trailing quarter.
- Q3 continued to witness an uptick in international patient revenues which stood at INR 114 Crs, a growth of 73% over Q3 FY22 and also better than Q2 FY23. International patient revenue contribution increased to 9.0% of hospital revenues versus 5.9% and 8.4% in Q3 FY22 and Q2 FY23 respectively.
- Revenues from digital channels such as websites, My Fortis app and online campaigns increased 12% over Q3 FY22 and their contribution to overall hospital revenues was at 22.6% versus 22.9% in Q2 FY23.
- During the quarter, the Company onboarded eminent clinicians in the medical specialties of Medical and Surgical Oncology, Pediatric Cardiology and Orthopedics.
- The Company commenced its EMR (Electronic Medical Records) implementation project. EMR implementation is expected to significantly enhance patient care allowing quick access to healthcare records and faster diagnosis and treatment. This would be rolled out across the Fortis network in a phased manner when developed and ready.

DIAGNOSTICS BUSINESS HIGHLIGHTS

- During Q3FY23, SRL conducted approx. 9.37 Mn tests compared to 9.97 mn tests in the trailing quarter and versus 11.25 Mn tests in Q3FY22.
- Non covid revenues (excluding Covid and Covid allied tests) grew 7.0% versus Q3FY22. The overall diagnostics revenues declined primarily due to lower covid volumes as compared to Q3 FY22 which witnessed a severe Covid wave. For 9M FY23, non-covid revenues grew by 12% versus the corresponding previous period.
- SRL's revenue contribution from the specialized test portfolio (non-covid) increased to 33% from 30% in Q3 FY22.

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- SRL added 362 new customer touch points (CTP's) to its network during the quarter, taking the total number of CTP's to 3,317 as on December 31, 2022.
- SRL's B2C: B2B revenue mix stood at 55 : 45 in the quarter vs 53:47 in Q3 FY22

Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, “Our Q3 results reflect the steady upward momentum in our business performance. I'm pleased to state that our hospital business is growing from strength to strength and today contributes to more than 75% of our overall earnings (EBITDA). It is also pertinent to highlight that the hospital performance has by and large offset the decline we have seen in the diagnostics business primarily as a result of the decline in covid volumes. Revenues from our key medical specialties are gaining traction complimented by our focus on continuing to onboard quality medical talent. Investments in bed expansion in facilities such as Mulund and BG road and in medical equipment such as Linac and MRI 3T machines are on track. We have embarked on a significant initiative in our Digital Transformation journey by commissioning the development of an Electronic Medical Record (MR) system pan-Fortis. This would enable us to streamline information flow, increase accessibility to healthcare records and provide a superior patient experience which has been our constant focus.”

Commenting on the results for the quarter, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, “Q3 has witnessed a healthy set of earnings for the Company with consolidated revenues at INR 1,560 Crs and margins of 18.5%. Our hospital business has recorded an ARPOB of INR 2.02 Crs, a growth of 8.4%; with occupancy levels slightly better than the corresponding previous quarter at 66%. More importantly, most of our key specialties have done well with Oncology, Gastroenterology, Orthopedics and Renal Sciences contributing significantly to overall hospital revenues and growing 39%, 24%, 21% and 21% respectively. Our diagnostics business, SRL's performance was impacted by the decline in covid volumes. Non covid revenues however grew 7% for the quarter and 12% for 9MFY23 versus the corresponding previous periods. The business is now showing initial signs of stabilization in the aftermath of the covid surge and the challenging industry environment. SRL continues to focus on improving its channel mix and adding to its specialized test menu such as those in the area of genomics. In parallel, it continues to optimize its network and customer touch point to lab metrics in order to improve utilization.”

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About Fortis Healthcare Limited

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates 27 healthcare facilities (including JVs and O&M facilities). The Company's network comprises approximately 4,300 operational beds and 400 diagnostics centres.

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