



## **Fortis Healthcare announces Q1 FY20 Consolidated Financial Results**

**Revenues grow 9.2% to INR 1138 Crs**

**Operating EBITDA increases 9.4x to INR 142.3 Crs (12.5% margin versus 1.4%)**

**Profit After Tax\* at INR 67.8 Crs versus a loss of INR 70.9 Crs in Q1 FY 19**

**Hospital business EBITDA witnesses a robust increase of 4.9x to reach 10.1% margin; Diagnostics business EBITDA grows 32.6%; records 23.9% margin**

**Gurugram, August 6, 2019:** Fortis Healthcare Ltd. ("Fortis" or the "Company"), India's leading healthcare delivery company, today announced its unaudited consolidated financial results for the quarter ended June 30, 2019.

### **COMPANY HIGHLIGHTS**

- **Q1 FY 20 registers a robust financial performance with a strong uptick in operational profitability for both the hospitals and the diagnostics business.**
- **Further strengthening of Balance Sheet with a reduction in gross debt from INR 1657 Crs in Q1 FY 19 to INR 1,388 Crs in Q1FY 20. Reflects a robust net debt to equity ratio of 0.14 times.**
- **Focus continues on enhancing cash flows and liquidity position through:**
  - **Reduction in cost of borrowings resulting in lower finance costs; finance cost reduces approx. 33% versus Q1 FY19**
  - **Strengthening working capital management with emphasis on better receivables and inventory management.**
  - **Divestment of 28.89% equity stake in The Medical and Surgical Center limited (MSCL), Mauritius for INR 78 Crs. Non-core asset monetization progressing as per plan.**
- **Strengthening business operations by investing in advanced treatment technologies and expanding and commissioning new medical programs in select key hospitals.**
- **Cost saving initiatives being undertaken to strengthen operational performance and enhance profitability both in EBITDA and bottom line i.e. PAT.**
  - **Streamlined organizational structure to bring in better alignment between hospital operations and corporate functions. Integration of the RHT portfolio of assets well on track.**
  - **Cost saving initiatives including in key areas of procurement / supply chain, and IT infrastructure beginning to see traction.**

- **Initiatives to improve manpower productivity in both medical and non-medical areas underway.**
- **Focus continues on improving cost efficiencies and further rationalization for improved Lab optimization and higher productivity in the diagnostics business**

*\* PAT after Minority Interest and Share in Associates*

### **KEY FINANCIAL HIGHLIGHTS (versus Q1 FY19)**

- **Consolidated Revenues for Q1** grew 9.2% to reach INR 1,138 Crs.
  - Hospital business revenues stood at INR 913 Crs, a healthy growth of 11.3%
  - Diagnostic business revenues (*Gross*) were at INR 258.4 Crs, + 4.2%
- **Consolidated Operating EBITDA\*\* for Q1** increased 9.4x to INR 142.3 Crs.
  - The hospital business operating EBITDA grew 4.9x to INR 92.1 Crs versus a negative EBITDA of INR 23.5 Crs in Q1FY19.
    - On a like for like basis (after excluding the impact of net BT fees) margins in the hospital business expanded 500 bps to 10.1% reflecting an EBITDA growth of 120%.
  - The diagnostics business operating EBITDA grew 32.6% to INR 53.7 Crs versus INR 40.5 Crs in Q1FY19
- Consolidated operations show significant turnaround in profitability. Operational PBT\* for the quarter stood at INR 20.4 Crs versus a loss of INR 118.2 Crs in Q1 FY19 (*\*prior to other income, exceptional item and forex*).
- Reported Net Profit (PATMI) after accounting for exceptional items stood at INR 67.8 Crs in the quarter versus a loss of INR 70.9 Crs in Q1 FY19.

*\*\*Includes the impact on account of adoption of new accounting standard on leases w.e.f. April 1, 2019.*

**Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated,** “Fortis today is at an inflexion point with all the building blocks in place for the next phase of growth. We have achieved the much-needed stability in the business and have witnessed an encouraging start to the fiscal year. With IHH as the Company’s largest shareholder and a new management team at the helm, I believe that there is a greater potential for the Company to enhance value for all stakeholders. The Board will continue to support the management to drive performance and

accelerate the Company's growth momentum and at the same time ensure further strengthening of its systems and processes."

**Commenting on the results, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated,** "Our Q1 results signify the momentum that we continue to see in our business with both the hospital and the diagnostic business having witnessed a healthy improvement in performance. Our liquidity position has further strengthened, and we continue to undertake various measures to improve our cash flows. We have also moved ahead expeditiously with our capex and investment plans to expand and commission new medical programs, advanced treatment technologies, value added service offerings and brownfield expansion across select key facilities without increasing our leverage. Simultaneously, focus on increasing cost efficiencies across the organization continue unabated. While regulatory challenges remain, I remain optimistic that with the portfolio of assets we possess, our clinical acumen coupled with an unflinching focus on providing world class patient care would all enable us to show a progressively stronger performance going forward."

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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 its healthcare delivery services in India, Dubai and Sri Lanka with 40 healthcare facilities (including projects under development), approximately 9,000 potential beds and over 400 diagnostics centres.

**DISCLAIMER**

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