

Fortis Healthcare announces Q2 FY21 Consolidated Financial Results

Company witnesses steady improvement in both the hospitals and diagnostics business in the quarter

- **Revenue at INR 994.7 Crs vs INR 1212.2 Crs in Q2 FY20 (Q1 FY21: INR 606 Crs)**
 - **EBITDA at INR 145.6 Crs vs INR 194.3 Crs in Q2 FY20 (Q1 FY21: loss of INR 98.8 Crs)**
 - **Profit after Tax (PAT) at INR 15.5 Crs vs INR 124 Crs in Q2 FY20 (Q1 FY21: loss of INR 187.9 Crs)**
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- *Q2 FY21 Hospital Business revenues at INR 746.3 Crs versus INR 972.3 Crs in Q2 FY 20. As compared to Q1 FY21 revenues grew 52.8%.*
 - *The hospital business EBITDA was at INR 84.4 Crs versus INR 125.4 Crs in Q2FY20 and EBITDA loss of INR 79.6 Crs in Q1 FY21*
 - *Q2 FY21 Diagnostics Business gross revenues at INR 282.4 Crs, (the highest ever quarterly revenues for SRL) versus INR 276.6 Crs in Q2 FY20. As compared to Q1 FY21 revenues grew 101.2%.*
 - *The diagnostics business EBITDA was at INR 70.5 Crs versus INR 69.0 Crs in Q2 FY20 and EBITDA loss of INR 10.6 Crs in Q1 FY21.*

Gurugram, November 12, 2020: Fortis Healthcare Ltd. ("Fortis" or the "Company"), India's leading healthcare delivery company, today announced its un-audited consolidated financial results for the quarter and half year ended September 30, 2020.

The Company in the quarter witnessed gradual signs of recovery and uptick in performance as the number of Covid cases in India reflected a declining trend. With economic restrictions being significantly relaxed and need for overdue elective surgeries beginning to emerge, the Company saw an improvement in its non-covid occupancy which increased from 32% in Q1 to 38% in Q2 FY21. While overseas travel restrictions and regulatory uncertainties still persist, the results in the quarter have exhibited a relatively better performance versus the trailing quarter. The company continues to closely watch the pandemic trend and is well placed to adapt to the situation as required.

For the hospital business, both OPD and IPD volumes have shown a month on month improvement with the occupancy in the hospital business increasing from 47% in the month of July to 65% in September. For the month of October, occupancy stood at 66%.

The diagnostics business has shown a healthy performance in both revenues and profitability. The business has achieved pre-covid revenues in the month of August '20 and surpassed this in September'20. Our Non-COVID business in Sep'20 has reached 92% of the pre-COVID levels. While non-covid test volumes are witnessing traction, Covid related tests present an

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added opportunity to the Company for further growth in the business over the medium term. Covid test volumes i.e. largely RT-PCR tests saw a substantial increase in the quarter as compared to the trailing quarter and contributed 28% to overall diagnostic revenues.

With the business yet to return to complete normalization, the Company is efficiently managing its liquidity position with cost rationalization initiatives and judicious capital allocation. To this effect, initiatives are underway for cost optimization including amongst others evaluating taking certain radiology services in-house. In addition, efforts are also being made to optimize the capital structure in select wholly owned subsidiaries of the Company that could result in stronger cash flows going forward. The ongoing recovery in business momentum, better cash flows and the availability of bank funding has enabled the Company to re-initiate its growth and expansion plans.

FINANCIAL HIGHLIGHTS

- The company has a comfortable leverage position with net debt (excluding lease liabilities) as of 30 Sept 2020 at INR 1,113 Crs versus INR 1,238 Crs as of 30 June 2020
- Finance costs in the quarter witnessed a decline of 14.5% to INR 42 Crs primarily as a result of reduction in borrowing costs
- For H1 FY21, the Company recorded consolidated revenues of INR 1,601 Crs compared to INR 2,351 Crs in H1 FY20. EBITDA stood at INR 46.7 Crs versus INR 356.1 Crs in the corresponding previous period while Profit after Tax (PAT) was at a loss of INR 172.4 Crs as compared to a profit INR 202.1 Crs in H1 FY20.

HOSPITAL BUSINESS HIGHLIGHTS

- Hospital occupancy for the quarter was at 57% versus 72% in Q2 FY20. (Q1 FY21: 37%)
- Average revenue per occupied bed (ARPOB) for the quarter stood at INR 1.49 Crs versus INR 1.55 Crs in Q1 FY20. Average length of stay (ALOS) was at 3.86 days versus 3.23 days in the corresponding previous period
- The Company commissioned its Arcot Road, Chennai facility in Oct 2020, its second facility in Chennai. This is a 250 bed multi-specialty facility with state-of-the-art medical equipment and quaternary care offerings for the people of Chennai.
- The Company has re-initiated its investment plans for bed expansion in select facilities such as Shalimar Bagh, Noida, FMRI, Mulund, Mohali, Anandpur and a few others which will see a cumulative addition of ~ 1,300 beds in the next 3-4 years.

DIAGNOSTICS BUSINESS HIGHLIGHTS

- SRL conducted 5.9 million tests in the quarter versus 8.4 Mn in the corresponding previous period and versus 3.4 million in Q1 FY21.
- The Company increased its contribution from the B2C segment with approx. 46% revenue contribution as compared to 42% in the corresponding previous quarter.
- Covid test volumes i.e. RT-PCR tests continue to see a significant increase with the Company having conducted a total of 5.2 lakhs tests in the quarter as compared to 1.25 lakhs in Q1 FY21 (including JVs).
- In addition to COVID testing facilities in Delhi NCR, Mumbai, and Kerala; SRL launched its 10th RT PCR Lab recently expanding its covid testing facility in Hyderabad, Chennai, Bangalore, Kolkata, and Deogarh (Jharkhand) as well.

Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, “Our Q2 results re-iterate our belief that the Company has weathered well the current challenges. We have successfully ensured business sustainability and in parallel have continued to work towards strategic actions that would be value accretive in the medium to long term. The Company has been at the forefront in the battle against Covid with its doctors, nurses and paramedics working diligently to provide the best possible patient care in its facilities. While challenges remain, the Company has maintained a healthy Balance Sheet and has a comfortable liquidity position to progress with its plans for bed expansion and investments in new medical equipment and technologies in key facilities. Our diagnostics business has begun to see traction as a result of our efforts over the past year and we believe that this business has the potential to unlock value for all stakeholders in future. With the pandemic showing signs of abating gradually, we are optimistic that progressive quarters would result in faster recovery and further acceleration in business”

Commenting on the quarter results, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, “We are quite encouraged by the pick up in business momentum as reflected in the results for Q2FY21. Our hospital operations have seen a healthy recovery with a rise in occupancy both in non covid and covid patients and our diagnostics business has surpassed it's pre covid performance both in terms of revenues and profitability. Given the improvement in business we have re-initiated our growth and expansion plans. We have also prioritized our efforts towards leveraging information technology and digital initiatives to enhance operational efficiencies and ensure a seamless and superlative patient experience. We have expanded our presence in Chennai with the launch of the 250 bed Arcot road facility in the month of October, our second facility in the city. I'm hopeful that as we move forward the pandemic will continue to recede and allow business to return to complete normalization by the start of the next fiscal. In the end, I would like to thank our entire workforce for continuing to support the organization in these challenging times and for their efforts towards ensuring the highest levels of service and care for all our patients.”

About Fortis Healthcare Limited

Fortis Healthcare Limited – an IHH Healthcare Group Company – is a leading integrated healthcare services provider in India. It is one of the largest healthcare organisations in the country with 36 healthcare facilities (including projects under development), 4,000 operational beds and over 400 diagnostics centres (including JVs). Fortis is present in India, United Arab Emirates (UAE) & Sri Lanka. The Company is listed on the BSE Ltd and National Stock Exchange (NSE) of India. It draws strength from its partnership with global major and parent company, IHH, to build upon its culture of world-class patient care and superlative clinical excellence. Fortis employs 23,000 people (including SRL) who share its vision of becoming the world's most trusted healthcare network. Fortis offers a full spectrum of integrated healthcare services ranging from clinics to quaternary care facilities and a wide range of ancillary services.

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