

11<sup>th</sup> November 20

## **Apollo Hospitals having served the Nation during the Pandemic reports strong Q2FY21 Revenues and Profits**

**Apollo Proton completes treatment of 250 patients with significant number of international patients**

**To acquire 50% balance stake in Apollo Gleneagles Hospital, Kolkata from the IHH Group to make it a wholly owned subsidiary of AHEL**

**To increase stake in Apollo Medics, Lucknow to 51% to make it a subsidiary of AHEL**

**Secures Board of Directors approval for Equity raise through preferential issue/ QIP of up to Rs 1500 Crores.**

**Crosses the 5 Million Registered User Mark for digital platform Apollo 24/7. Completing more than 2600 tele-consultations every day**

**Plans to further increase emphasis on Digitization, Automation and Robotics in line with global best care practices and expands capabilities in Artificial Intelligence in Preventive Health and Clinical Decision Support.**

**Strong Geographic and Vertical Diversification through presence across multiple segments like healthcare services, Pharmacy, AHLL and Homecare in multiple states and cities helps faster rebound of business & helps group provide comprehensive healthcare support for its patients during these challenging times**

**Continues to lead from the front in the battle against COVID-19. Apollo Hospitals has touched over 3,00,000 lives in the screening, testing, isolation and treatment of Covid patients upto September 2020.**

**Launches ReCOVer clinics to diagnose and treat post-COVID complications**

**Announces plans for ramping up capabilities in readiness to administer as many as one million COVID-19 vaccines daily once approved by the Indian health authorities.**

**Announces partnership with HDFC Bank called “Healthy Life” program, a comprehensive wellness program, covering the entire care eco-system from preventive health to treatment, and financing.**

**Times Health Survey recognizes Apollo Hospitals, Chennai as the Best Multispecialty Hospital in India. Three of the top five and five of the top twenty hospitals in the National rankings are part of the Apollo Hospitals group.**

**Q2FY21 Standalone Revenues degrew by 2% at Rs. 2,414 crore; EBITDA (Pre IND AS 116) degrew by 35% at Rs.201 crore; EBITDA (Post IND AS 116) degrew by 32% at Rs.248 crore; PAT degrew by 64 % at Rs. 33 crore**

**Q2FY21 Consolidated Revenues degrew by 3% at Rs. 2,761 crore EBITDA (Pre IND AS 116) degrew by 31% at Rs.233 crore; EBITDA (Post IND AS 116) degrew by 27% at Rs.300 crore ; PAT degrew by 30% at Rs. 60 crore**

**SAP business Revenues reported 15% growth in Q2FY21; EBITDA (Pre IND AS 116) grew by 22%; EBITDA margins at 6.4% in Q2FY21  
EBITDA (Post IND AS 116) grew by 6%; EBITDA margins at 8.6% in Q2FY21**

**H1FY21 Standalone Revenues degrew by 7% at Rs. 4,376 crore; EBITDA (Pre IND AS 116) degrew by 69% at Rs.182 crore; EBITDA (Post IND AS 116) degrew by 58% at Rs.290 crore; PAT degrew by 169 % at Rs. (117) crore**

**H1FY21 Consolidated Revenues degrew by 9% at Rs. 4,932 crore EBITDA (Pre IND AS 116) degrew by 70% at Rs.191 crore; EBITDA (Post IND AS 116) degrew by 57 % at Rs.335 crore ; PAT degrew by 203% at Rs. (148) crore**

**SAP business Revenues reported 18 % growth in H1FY21; EBITDA (Pre IND AS 116) grew by 29%; EBITDA margins at 6.3% in H1FY21  
EBITDA (Post IND AS 116) grew by 17 %; EBITDA margins at 9% in H1FY21**

**Q2FY21** Standalone Revenues degrew 2% to Rs. 24,144 million compared to Rs. 24,635 million in Q2FY20, aided by Health care services degrowth of 18% YoY and SAP growth of 15%; EBITDA (Pre Ind AS 116) was at Rs. 2,007 million in Q2FY21 as against Rs. 3,080 million in Q2FY20 a YoY degrowth of 35%. PAT degrew by 64% to Rs.325 million in Q2FY21.

Pharmacy business grew by 15% to Rs. 13,519 million as against Rs. 11,727 million in Q2FY20. Healthcare services degrew 18% YoY led by degrowth in mature hospitals of 25% and new hospitals which grew 5% YOY.

**Dr. Prathap C Reddy, Chairman, Apollo Hospitals Group said,** *“The second quarter of FY21 marked 37 years of our journey of healing and making world-class healthcare accessible and affordable to patients in India. This has been a challenging year as we brought all the resources of the group to support the nation in the fight against COVID-19. At the same time, we renewed our resolve to drive back the tsunami of Non-communicable diseases that threatens the health of the nation. Our commitment to clinical excellence and quality has enabled us to take the lead in healthcare delivery in India, and we continue to be pioneers as is evident in our industry-first initiative of preparing to vaccinate over 1 million Indians every day once a vaccine is approved.*

*We are continuing to focus on delivery of best-in-class healthcare services through automation, digitization, Artificial Intelligence and robotics to ensure that our aspiration to meet global best care practices sees fruition. I am happy to share that the Apollo Hospitals network is performing the highest number of robot-assisted surgeries in the country; we have also started using robots for cardiac procedures now.*

*The advanced Halcyon™ Radiation Therapy System for optimized image-guided radiotherapy to deliver advanced high quality cancer treatment was launched for the first time in Eastern India. We also launched the advanced Toshiba Aquilon ONE CT Scan machine, a 640 slice scanner with 320 detectors, that is quick enough to take an image in between two heart beats, with outstanding precision and quality. This has proven to be an very effective diagnostic equipment for patients with heart attacks and Strokes.*

*The Apollo Proton Cancer Center (APCC) has completed treatment of 250 patients, with a significant number of international patients. The third treatment gantry has been installed and is scheduled become operational at the APCC from 1<sup>st</sup> Dec 2020 and would enable the Centre to additionally treat 30 patients every day. Apart from patients coming in from the Western countries, the APCC would also provide access to advanced oncology care to patients based in the South East Region and Middle East. We also launched our Digital Pathology Solutions that harnesses technology to expedite the process of diagnostic reporting and revolutionizes the practice of pathology.*

*The COVID-19 pandemic saw the acceleration of digital adoption across several sectors. Healthcare was no exception. At Apollo Hospitals, we advanced the launch of our digital platform Apollo 24/7, and in six months of its launch, we have seen the app garner over 5 million registered users. Over 2600 tele-consults are completed on the app every day, and this number is seeing a sustained increase. We are working to ensure that Apollo 24/7 evolves to become the nation's foremost integrated digital healthcare eco-system with services and features that fulfil every healthcare requirement.*

*Moving care closer to the consumer has always been our objective. We made accelerated progress towards this goal, as COVID-19 catalyzed the strengthening of our capabilities in home healthcare – both technology and clinical strength. This effort enables us to move into 7000 homes during this period, and provide medically supervised home isolation services. We believe more and more home-based services will be the trend in the future, and we will expand our service offering and capability to meet this demand.*

*Even while we gave unprecedented attention on tackling COVID, it was important to ensure that there was no shift in focus from the tsunami of non-communicable diseases (NCDs) with diseases like diabetes, cancer, heart disease, stroke that have taken pandemic like proportions with potential devastating impact on India's future and economy. NCDs kill 41 million people each year, equivalent to 71% of all deaths globally. For India, the figure is 6 million deaths annually with 23% between the ages of 30-70 years. Our non-COVID focus on NCDs remained intact during this time, with our clinical, nursing and support teams working round-the-clock to attend to non-COVID ailments.*

*As a country with a young population, we must step up efforts considerably in screening for NCDs, as lifestyle modifications can prevent and reverse most of the NCDs. This must be a big priority, as most COVID mortalities have been in patients with NCD related co-morbidities. We will be initiating a wider rollout of Apollo ProHealth, a first of its kind, comprehensive health program, powered by pHRA (personalized Health Risk Assessment) and enabled by Artificial Intelligence, to save the nation from the crisis of NCDs.*

*Partnerships are critical in healthcare, be it with the Government, or with like-minded partners, to ensure access and affordability. This quarter, we announced the "Healthy Life" Program in partnership with HDFC Bank, which not only provides for the financial needs of consumers, but offers holistic healthcare solutions, with preventive health offerings and round-the-clock access to emergency Apollo Doctors at No Cost on Apollo 24|7 and a choice of payment options for finance of treatment up to Rs.40 lakhs.*

*I am very happy that our Board has approved the proposal for us to acquire the balance 50% stake in Apollo Gleneagles Hospital Ltd, Kolkata, from our partners IHH, with whom we had a good working relationship for two decades. The hospital is one of the most prized assets in the Eastern*

*Region that we built together, and will be a strong addition to the Apollo Hospitals eco-system. We will ensure that the hospital continues to set the bar for clinical excellence and patient service in Kolkata as well as the Eastern Region.*

*Our Board of Directors have today approved an equity raise of upto Rs. 1500 Crores for our company. This approval is an outcome of the strong financial performance of the company over the last several quarters, and an acknowledgement of the growth opportunities that lie ahead. While we are still firming up our plans on the fund raise itself, we reiterate our strong commitment to several concurrent objectives – cementing our position as undisputed healthcare leader in India, leveraging exciting opportunities in under-served markets, maintaining a healthy Balance Sheet and debt position, and above all, providing best-in-class returns for our shareholders.*

*Indian healthcare providers in general and Apollo Hospitals in particular have already been recognized globally for providing the highest quality of care and clinical outcomes , with innately Indian care and compassion, at a cost which is only one tenth of comparable costs in the western countries. Apollo Hospitals is at the forefront of the fight against the looming NCD crisis through its strong focus on Preventive Healthcare.*

*Through CSR initiatives undertaken by our Group entities such as Total Health, Billion Hearts Beating Foundation and Save a Child's Heart Initiative (SACHI), which are actively supported with funding, the Apollo Hospitals Group has been able to reach out and positively impact several thousands of lives.*

*We strongly believe that the future of health will be focused on patient care using digital technology and improving healthcare services through artificial intelligence and automation. It is our commitment that Apollo Hospitals would be at the forefront of embracing these innovations and creating a seamless integration of the physical and digital worlds, with best-in-class technology underpinning both, and with the consumer at the center of the integrated eco-system.”*

## Major Financial Highlights

### Quarterly

- Standalone Q2FY21 Performance

- Revenues degrew 2% to Rs. 24,144 mn vs Rs.24,635 mn in Q2FY20
- EBITDA (Pre Ind AS116) degrew 35 % to Rs.2,007 mn vs Rs.3,080 million in Q2FY20
- EBITDA (Post Ind AS116) degrew 32% to Rs.2,482 mn vs Rs.3,644 mn in Q2FY20
- PAT degrew 64% to Rs.325mn vs Rs.906 mn in Q2FY20
- Diluted EPS of Rs.2.34 per share in Q2FY21 (not annualised)

- Consolidated Q2FY21 Performance

- Revenues degrew 3% to Rs. 27,607 mn vs Rs. 28,407 mn in Q2FY20
- EBITDA (Pre Ind AS116) degrew 31% to Rs.2,334 mn vs Rs.3,395 mn in Q2FY20
- EBITDA (Post Ind AS116) degrew 27% to Rs.2,998 mn vs Rs.4,135 mn in Q2 FY20
- PAT degrew 30% to Rs. 603 mn vs Rs.862 million in Q2FY20
- Diluted EPS of Rs.4.33 per share in Q2FY21 (not annualised)

### Half yearly

- Standalone H1FY21 Performance

- Revenues degrew 7% to Rs.43,760 mn vs Rs.46,928 mn in H1FY20
- EBITDA (Pre Ind AS116) degrew 69% to Rs.,1,823 mn vs Rs.5,822 million in H1FY20
- EBITDA (Post Ind AS116) degrew 58% to Rs.2,897mn vs Rs.6,902 mn in H1FY20
- PAT degrew 169 % to Rs.(1,166)mn vs Rs.1699 mn in H1FY20

- Consolidated H1FY21 Performance

- Revenues degrew 9% to Rs. 49,322 mn vs Rs. 54,126 mn in H1FY20
- EBITDA (Pre Ind AS116) degrew 70% to Rs.1,907 mn vs Rs.6,341 mn in H1FY20
- EBITDA (Post Ind AS116) degrew 57% to Rs.3,353 mn vs Rs.7,772 mn in H1 FY20
- PAT degrew 203% to Rs. (1,479) mn vs Rs.1,434 million in H1FY20

As on September 30, 2020, Apollo Hospitals had 7,364 operating beds across the network (excluding AHLL & managed beds), out of which 14 were new with 2,100 operating beds.

### **Segment-wise Performance Update**

#### **Hospitals**

**Standalone Revenues of the healthcare services division decreased by 18% to Rs.10,626 million in Q2FY21 compared to Rs.12,909 million in Q2FY20.** Revenue of existing hospitals degrew 25% while the new hospitals grew by 5%.

*EBITDA (Pre Ind AS116)* was at Rs.1,142 million in Q2FY21 compared to Rs.2,372 million in Q2FY20. EBITDA was lower by 52% yoy.

Revenues in the Tamil Nadu cluster degrew by 28%, IP Volumes degrew by 48%. ARPOB degrew by 3% to Rs.47,569. Overall occupancy in the cluster was 962 beds (49% occupancy) as compared to 1295 beds (59% occupancy) in the previous year.

In AP Telangana region, Revenues degrew by 5%, IP Volumes degrew by 48%. ARPOB grew by 37% to Rs. 45,527. Occupancy in the cluster was 656 beds (49% occupancy) as compared to 943 beds (70% occupancy) in the previous year.

In Karnataka region, revenue degrew by 13%, IP volume degrew by 26%. ARPOB degrew by 4% to Rs. 33,367. Occupancy in the cluster was 546 beds (67% occupancy) as compared to 601 beds (78% occupancy) in the previous year.

#### **Pharmacy business**

Post the NCLT approval, the demerger of the front-end of the Pharmacy business came into effect from 01.09.2020. AHEL continues to handle the back-end pharma distribution, within a vertical called "Pharmacy Distribution". Due to the demerger, the figures of the current quarter for the pharmacy business are not comparable to the previous quarters.

Revenues stood at 15% to Rs. 13,519 million in Q2FY21 from Rs. 11,727 million in Q2FY20. EBITDA was 22% from Rs.708 million in Q2FY20 to Rs.865 million in Q2FY21. The EBITDA margin was at 6.4% in Q2FY21 compared to 6.04 % in Q2FY20.

#### **Retail Health**

Apollo Health & Lifestyle Ltd. (AHLL) is a subsidiary that houses the retail healthcare business of Apollo Hospitals. This includes the lifestyle birthing centers known as 'CRADLES', Daycare and short stay surgery centers, Diagnostic centers, Dialysis centers, Dental Care Centers and Apollo Clinics catering to a variety of ailments such as liver disease, joint pain, advanced fever and diabetes among others. The AHLL network has 1058 centers in total as of September 30, 2020.

AHLL Consolidated Revenues degrew to Rs. 1,715 million in Q2FY21 compared to Rs. 1,815 million in Q2FY20. The business reported an EBITDA of Rs. 49 million in Q2FY21 compared to Rs. 25 million in Q2FY20.

### **CLINICAL EXCELLENCE HIGHLIGHTS**

- Apollo Hospitals, Navi Mumbai successfully performed Heart Transplant on a 56-year-old man suffering from ischemic dilated cardiomyopathy. The patient was suffering from ischemic dilated cardiomyopathy in which his heart's ability to pump blood had decreased causing heart failure. Heart transplantation was the only treatment option to save his life.
- Apollo Hospitals, Chennai has successfully performed Renal transplants on two international patients from Mauritius during the lockdown
- Apollo Hospitals, Chennai completed two pediatric liver transplants during Covid pandemic
- Organ donated from an 86-year-old brain dead patient helped Indraprastha Apollo Hospitals, Delhi successfully perform cadaveric transplant and gift a life.
- Apollo Hospitals, Chennai successfully operated on a five-month old baby for Heart Aneurysm at Apollo Children's Hospital
- Apollo Gleneagles Hospitals, Kolkata successfully operated on a 12-year-old boy with a rare tumor on the mitral valve of his heart.
- Doctors at Indraprastha Apollo Hospital, operated on a 39-day-old baby with high risk heart surgery. Baby Shikha was suffering from coarctation of aorta, i.e., narrowing of the major artery (the aorta) that carries blood to the body.
  
- Apollo Hospitals, Chennai successfully performed a complicated Limb-saving revascularization procedure on a Georgian patient. Patient underwent emergency Limb-saving Revascularization procedure and Liberal Leg Fasciotomy. Debridement Surgeries were also performed to remove the infected and dead muscle tissue.
- Apollo Hospitals, Hyderabad saved a COVID affected critical pregnant woman and her newborn baby. The COVID infected patient was seven months pregnant and had conceived after undergoing infertility treatment. Pre-term delivery was performed while sustaining her on ventilator.
- Indraprastha Apollo Hospitals, Delhi successfully operated on a 52-year-old woman for removal of the world's largest Ovarian tumor weighing 50 kgs. The surgery took three-and-a-half hours for extraction of the 50 kg heavy tumor.
- Robot assisted colorectal surgery of 54 year old man of Kolkata was successfully performed at Apollo Gleneagles Hospitals, Kolkata.

## **NEW LAUNCHES, INITIATIVES AND PARTNERSHIPS**

- Partnership with Medtronic to take stroke management to the next level by integrating USFDA approved AI platform for Advanced Stroke Management at Apollo Institute of Neurosciences across the country.
- Apollo Gleneagles Kolkata was the first hospital in Eastern India to introduce Halcyon™ Radiation Therapy System for optimized image-guided radiotherapy.
- Apollo Hospitals announced the launch of 'Post-Covid Recovery Clinics' to address the rising incidence of Covid survivors needing medical attention and care for mid and long term persistent ill-effects of the infection post recovery.
- The advanced Toshiba Aquilon ONE CT Scan machine was launched that is quick enough to take an image in between two heart beats. This is a 640 slice scanner with 320 detectors that is extremely easy to use and covers the whole heart in one rotation. The images produced by the scanner are crisp and clear and hence make the diagnosis very accurate. The Aquilon ONE reduces the examination time for diagnosis of a stroke to less than 5 minutes with from 30 minutes by other methods.
- First Dedicated Brain Suite and Dedicated Spine Suite launched in India with intra-operative MRI, Robotic Spine Mazor system, O-arm surgical imaging system, neuro navigation, cranial & spinal endoscopic system that optimizes brain surgery by combining image-guided surgery, high-field magnetic resonance imaging (iMRI) within the operating room and data management and visualization technology to take Neuro Care to the next level.
- 'Apollo 24/7' and 'Ask Apollo', mobility and cloud-based integrated and advanced online healthcare platforms for virtual consults and remote delivery of healthcare, continued to be an area of focus. AI-based Coronavirus Risk Assessment scan on the Apollo 24/7 app helped over 6 million people to screen and get an initial assessment through an app.
- Apollo 24/7 app enables continuity of digital healthcare delivery and medical support to a majority of patients. The app today offers a full bouquet of healthcare services - virtual and telephony consultation with 1000+ Apollo doctors across 55+ specialties, seamless delivery of medicines, diagnostic test booking and doorstep sample collection, digital health records and more.
- Apollo Pharmacy announced the launch of its new digital Learning Management System (LMS), designed exclusively for its employees. Branded as 'myGurukool', the LMS was launched virtually by Dr. Prathap C Reddy, chairman, Apollo Hospitals Group at a webinar conducted for the employees of Apollo Pharmacy.

## **AWARDS AND ACCOLADES**

- Apollo Proton Cancer Centre attains JCI accreditation: APCC was the country's first dedicated advanced cancer centre to receive the international accreditation and eighth in the Apollo Hospitals Group to get this distinction.
- Apollo Hospitals, Chennai was recognised as the Best Multispeciality Hospital in India by the Times Health Survey conducted by the respected Times of India group, securing the top position in the National rankings. In addition, three of the top five hospitals and five of the top twenty in the National rankings are part of the Apollo Hospitals group.

## **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 Hospitals in Chennai. Over the years, Apollo Hospitals has established itself as home to the largest cardiac practice in India with over 160,000 cardiac surgeries. Apollo Hospitals is also the world's largest private cancer care provider and runs the world's leading solid organ transplant program. As Asia's largest and most trusted healthcare group, its presence includes 10,197 beds across 70 Hospitals, 3,850 Pharmacies, over 200 Primary Care and Diagnostic Clinics, 148 plus Telemedicine Centres.

As an integrated healthcare service provider with Health Insurance services, Global Projects Consultancy capability, over 15 medical education centres and a Research Foundation with a focus on global Clinical Trials, epidemiological studies, stem cell & genetic research Apollo Hospitals has been at the forefront of new medical breakthroughs with the most recent investment being that of commissioning the first Proton Therapy Center in Chennai across Asia, Africa, and Australia. Every four days, the Apollo Hospitals Group touches a million lives, in its mission to bring healthcare of International standards within reach of every individual.

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 37 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.

For further details, log onto: [www.apollohospitals.com](http://www.apollohospitals.com)

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