

**PRESS RELEASE**

**FORTIS INDIA OPERATIONS REPORT STEADY QUARTER**

**CONSOLIDATED INDIA REVENUES AT RS 1,151 CRS**

**EBITDAC AT RS 166 CRS, 14.4% MARGIN**

**OPERATING EBITDA AT RS 98 CR, UP 52%**

**HOSPITAL BUSINESS REVENUES AT RS 939 CRS VS RS 910 CR**

**HOSPITAL BUSINESS OPERATING EBITDA AT RS 59 CRS VS RS 22 Cr; (6.3% MARGIN VS  
2.4% IN Q1FY17)**

**DIAGNOSTIC BUSINESS REVENUES AT RS 212 CRS, UP 11%, EBITDA AT RS 39 CRS,  
18.5% MARGIN**

**Gurgaon, August 4, 2017:** Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery Company, today, announced its consolidated results for the quarter ended June 30, 2017 (Q1FY18).

**India Business - Key Financial Highlights for the quarter (Q1FY18)**

- Consolidated India Business Revenues at Rs 1,151 Cr, up 5%.
- Consolidated Operating EBITDAC for the India Business (EBITDA before net business trust costs) was at Rs 166 Cr, representing a margin of 14.4% versus 16.5% in the corresponding previous period and 13.4% in the trailing quarter.
- Consolidated Operating EBITDA for the India Business was at Rs 98 Cr, up 52%, representing a margin of 8.6% versus a margin of 5.9% in the corresponding previous period and 7.7% in the trailing quarter.
- Consolidated PBT before forex & exceptional items was at Rs 26.4 Cr versus Rs 1.7 Cr in the corresponding quarter and Rs 9.2 Cr in the trailing quarter.
- PAT after minority interests and share in associates stood at Rs 1.9 Cr versus Rs 15.1 Cr in the corresponding quarter and Rs (55.3) Cr in the trailing quarter.
- For the India hospital business revenue for Q1FY18 was Rs 939 Cr vs Rs 910 Cr in Q1FY17. Operating EBITDAC was at Rs 127 Cr compared to Rs 139 Cr in the corresponding quarter. The EBITDAC for the India hospital business represents a margin of 13.5% versus 15.3% in Q1FY17 and 12.0% in Q4FY17.

- The operating EBITDA of the India hospital business witnessed a significant improvement, rising ~3x to Rs 59 Cr as compared to the corresponding previous quarter.
- Key operational parameters in the Company's hospital business continued to see an upward trend. The ARPOB (Average Revenue per Occupied Bed) grew to Rs 1.51 Cr compared to Rs 1.46 Cr in the corresponding previous quarter. ALOS (Average length of stay) was at 3.53 days similar to the corresponding quarter while occupancy stood at 71% versus 74% in the corresponding previous quarter.
- FMRI, one of the company's largest facilities recorded revenues of Rs 132 Cr in the quarter, a healthy growth of 14%. The facility continues to be the highest ARPOB generating hospital in the Company's network of multi-specialty hospitals with an ARPOB of Rs 2.81 Cr.
- The India diagnostics business recorded revenues (net of inter company elimination) of Rs 212 Cr, up 10.7%. The operating EBITDA was at Rs 39 Cr, representing an EBITDA margin of 18.5% against 22.4% in Q1 FY17.

\*EBITDAC refers to EBITDA before net business trust costs

### **Reported Group Financial Highlights for Q1FY18**

- Consolidated Group Revenues for Q1FY18 were at Rs 1,157 Cr versus Rs 1,121 Cr for the previous quarter. Consolidated PAT after Minority Interest and share in associates (PATMI) for Q1FY18 was at Rs 5.5 Cr versus Rs 16 Cr in Q1FY17.

**Speaking on the results, Mr Bhavdeep Singh, CEO, Fortis Healthcare Ltd shared,** "Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. Our mission is to be a globally respected healthcare organization known for clinical excellence and distinctive patient care. We are striving to achieve this despite the recent challenging times faced by the healthcare sector in India. We have had an encouraging start to the year with an improvement in our financials and a healthy growth in our operating profitability. In the subsequent quarters, we believe we will witness additional gains as we reinforce our efforts and initiatives across all regions."

The Company continued to maintain a healthy net debt to equity ratio at 0.19 times versus 0.06 times at the end of June 2016 and 0.20 times on March 31, 2017. Its net debt stood at Rs 1,216 Cr as of the quarter ended June 30, 2017

## Key Highlights Q1FY18 - Hospital Business

- During the quarter, the top 10 facilities contributed approx. 77.4% of the hospital business revenue. Most facilities, including the larger ones viz. FMRI, FEHI, BG Road, Mulund, Shalimar Bagh and Amritsar continued to exhibit growth momentum.
- FEHI reported a growth of 8% in revenue at Rs 101 Cr with occupancy increasing from 77% in Q1FY17 to 81% in Q1FY18. The growth was led by the newly launched specialties such as Orthopedics, Gastroenterology and Renal Sciences all witnessing healthy increase in revenues.
- The contribution of International sales to the overall revenue of the Hospital business stood at 11.2 % (Rs 105 Cr), a growth of 4% over the the corresponding previous quarter.
- The Company introduced and expanded its clinical programs and service offerings in several facilities in its network. These included:
  - Fortis Hospital, Mohali launched an 'Allergy Clinic' during the quarter. The specialised clinic caters to those patients who have a history of recurrent episodes of cough, cold, sneezing, bronchitis, eczema, perianal redness, redness of eyes among others.
  - Fortis Hospital, Mohali introduced a new technique, Mechanico Chemical Ablation (MOCA), to treat varicose veins, for the first time in India. The procedure does not require the application of tumescent anaesthesia. A special catheter is introduced in the vein of the patient and the blood vessel is ablated along with foam sclerotherapy.
  - A state-of-the-art Rehab Lab was launched at Fortis Escorts Heart Institute. The Rehab Lab is the first of its kind to offer benefits in the form of cure for individuals suffering from musculoskeletal problems ranging from arthritic aches; women's bone health issues; sports injuries and problems associated with the geriatric population.
  - Fortis Hospital, Bannerghatta Road, Bengaluru, received the Joint Commission International (JCI) accreditation for the fourth consecutive time. With this achievement, Fortis Hospital, Bannerghatta Road, has become the third Fortis facility to maintain its accreditation status for the fourth consecutive term.
  - After publishing FEHI's Cardiac Clinical outcomes data and Fortis Vasant Kunj's Kidney Transplant (1 year Survival) clinical outcomes data, five other units joined this initiative. Fortis Mohali, Fortis Mulund, Fortis BG

Road, Fortis CG Road and FMRI published clinical outcome data for CABG and PTCA procedures. Further ICHOM (Depression and Anxiety) standard set has been implemented Pan Fortis.

### **Key Highlights Q1FY18 - Diagnostics Business**

- The lab medicine i.e. the pathology business contributed 87% to total revenues and grew 9% over the previous corresponding quarter. The contribution of the imaging business to total revenues declined to 6.2% from 7.3% in the corresponding previous period, mainly due to network rationalization. Clinical Trials, Wellness and the International segment contributed 6.8% to the overall revenues of the Diagnostics business.
- SRL performed over 4.06 million accessions during the quarter, a 7.3% growth over previous quarter. Through these accessions it undertook 9.47 million tests as compared to 8.58 million tests in Q1FY17.
- The business opened 31 new laboratories and exited 19. It added approximately 248 collection points and exited 42 during the quarter. As of June 30, 2017, SRL had a network of 368 labs and approx. 5350 collection points.

### **Awards & Accolades – Q1FY18**

- Dr Ashok Seth, Chairman – FEHI, New Delhi, received the prestigious Master Interventionalist Award and designation by the premier Society of Cardiovascular Angiography and Intervention, USA (SCAI) at their annual meeting in New Orleans. Dr Seth is the first Cardiologist from the Asia Pacific region to receive the honour.
- Prof (Dr) Mukut Minz, eminent transplant surgeon and Director – Renal & Pancreas Transplant Surgery, Fortis Hospital, Mohali was honoured with the prestigious Padma Shri for his contribution to the field of Medicine. The Hon'ble President of India Shri Pranab Mukherjee presented the award at a ceremony at Rashtrapati Bhawan.
- Two Fortis luminaries, Dr Ashok Seth and Dr Ashok Rajgopal, received the prestigious Dr B. C. Roy National Award from the Hon'ble President of India.
- Three senior Fortis clinicians, Dr K. R. Balakrishnan, Director - Cardiac Sciences and Chief Cardiothoracic & Transplant Surgeon, Fortis Malar Hospital, Chennai; Dr T. S.Mahant, Executive Director, Cardiac Sciences, Fortis Hospital, Mohali and Dr Rama Joshi, Director, Gynae-oncology, Fortis Memorial Research Institute, Gurugram were

honoured with the Double Helical National Health Award, 2017. The awards were presented in the presence of Union Minister of Health Shri J. P. Nadda, at an event in New Delhi.

- Fortis Hospital, Bannerghatta Road, Bengaluru, has received the Joint Commission International (JCI) accreditation for the fourth consecutive time. With this achievement, Fortis Hospital, Bannerghatta Road, has become the third Fortis facility to maintain its accreditation status for the fourth consecutive term.

### **Some Cases of Clinical Excellence at Fortis – Q1FY18**

- Successful bilateral lung transplant at Fortis Malar gives new lease of life to Ukrainian patient. In a first-of-its kind transplant surgery, a team led by Dr K. R. Balakrishnan, Director, Cardiac Sciences and Dr Suresh Rao K. G., HOD Critical Care & Cardiac Anaesthesia at Fortis Malar Hospital conducted a successful bilateral lung transplant on a 21-year-old Ukrainian patient suffering from pulmonary hypertension (high lung blood pressure). As a result of the condition, the heart's right ventricle was also affected, necessitating a transplant.
- A 32-year-old lady became the world's youngest recipient of a successful bilateral total knee replacement surgery for a rare case of Ankylosing Spondylitis at Hiranandani Hospital, Vashi - A Fortis Network Hospital.
- A team of doctors led by Dr Vivek Vij, Director – Liver Transplant, Fortis Healthcare, treated complex case of Biliary Atresia, a rare congenital defect wherein the bile duct fails to develop completely, leading to impaired liver function. The condition requires a liver transplant in most patients. A six-month-old from Fiji underwent an 8-hour-long liver transplant surgery at Fortis Memorial Research Institute, Gurugram. The child's father donated a part of his liver.
- A 21-month old Iraqi child suffering from Biliary Atresia underwent a challenging ABO incompatible liver transplant surgery at Fortis Escorts, Okhla Road, New Delhi. The child's mother, having 'A' blood group, donated a part of her liver to the child with 'O' blood group. Both the children have recovered well after the surgery.
- Fortis Escorts Hospital, Jaipur, has achieved a new milestone by performing 9 Ventricular Septal Defect (VSD) closure surgeries in a single day, the highest number reported in North India.

- Doctors at Fortis Noida performed a rare, lifesaving and complex surgery on a 48-year-old patient to remove a large tumour measuring 7x8 square cms. The cricket ball-sized tumour occupied close to 60% of the heart.

## **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, Mauritius and Sri Lanka with 45 healthcare facilities (including projects under development), approximately 10,000 potential beds and 368 diagnostic centres.

### DISCLAIMER

*This press release may contain forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events, or otherwise. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Company may alter, modify or otherwise change in any manner the content of this press release, without obligation to notify any person of such revision or changes.*

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