

**Fortis Healthcare Limited**

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**FHL/SEC/STEX/RR/2018-19****August 14, 2018**

**The National Stock Exchange of India Ltd.  
Corporate Communications Department  
“Exchange Plaza”, 5<sup>th</sup> Floor, Bandra-Kurla  
Complex, Bandra (East), Mumbai - 400051**

**BSE Limited  
Corporate Services Department  
Phiroze Jeejeebhoy Towers Dalal  
Street, Mumbai – 400 001**

**Scrip Symbol: FORTIS****Scrip Code:532843****Sub: Update to Outcome of the Board Meeting dated August 14, 2018**

Dear Sir(s),

This is with reference to our letter ref. no. FHL/SEC/STEX/RR/2018-19 dated August 14, 2018, regarding submission of Outcome of Board Meeting held on August 14, 2018. We would like to submit that there was an inadvertent typographical error in “Press Release” attached with the Outcome of Board Meeting. The details of which is as follows:

On Page 1 of the Press Release under the heading “Key Segments Financial Highlights for Q1FY19”, the revised extract is as follows: -

- Diagnostic Business EBITDA of Rs. 40.5 Cr with a margin of **18.7%**

A copy of the Revised Press Release issued in this regard is attached herewith. Further, please also find attached Investors’ Presentation.

You are kindly requested to take the same on record.

Thanking you,  
Yours faithfully

For **Fortis Healthcare Limited**

**Rahul Ranjan  
Company Secretary**

## **Fortis Healthcare Ltd Announces Q1 FY2019 Results**

### **Fortis Shareholders approve fund infusion of Rs 4,000 Crs from IHH Healthcare Berhad (IHH)**

**Gurugram, August 14, 2018:** Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery company, today announced its consolidated results for the quarter ended June 30, 2018 (Q1FY19).

**Outcome of EGM held on August 13, 2018:** All 3 resolutions garner strong shareholder support and have been passed with requisite votes in favour. a) Issuance of Equity Shares on a Preferential allotment, b) Increase of Authorised Capital of the Company and Alteration of Capital Clause of Memorandum of Association of the Company and c) Reclassification of members of the promoter / promoter group to the public shareholder category and classification of Northern TK Venture Pte Limited (wholly owned indirect subsidiary of IHH) as Promoter.

#### **Consolidated Key Financial Highlights for Q1FY19**

- Revenues of Rs 1,042 Cr vs Rs 1,157 Cr in Q1 FY18
- EBITDAC of Rs 80.4 Cr with a margin of 7.7%
- Operating EBITDA of Rs 15.1 Cr with a margin of 1.4%
- Net Profit for the quarter at Rs (70.9) Cr vs Net Profit of Rs 5.5 Cr in Q1 FY18

#### **Key Segments Financial Highlights for Q1FY19**

- Hospital Business Revenues of Rs 820 Cr vs Rs 939 Cr in Q1 FY18
- Hospital Business Operating EBITDAC of Rs 42 Cr with a margin of 5.1%
- Diagnostic Business Net Revenues of Rs 216 Cr vs Rs 212 Cr in Q1 FY18
- Diagnostic Business EBITDA of Rs 40.5 Cr with a margin of 18.7%

**Commenting on the outcome of EGM, Mr Ravi Rajagopal, Chairman, Fortis Healthcare Ltd said:**

"I am delighted to announce that we have received an overwhelming c.99.7% votes in favour of the preferential allotment to IHH, from the shareholders who voted. We appreciate the confidence that the investors and analysts have demonstrated in the transaction process which was run in a fair and transparent manner and has led to the best possible outcome. With this shareholder approval of preferential allotment of shares, the transaction is now awaiting other regulatory approvals. We believe a partnership with IHH will further strengthen Fortis' operational platform and open new opportunities thereby placing the company in a far more strong and resilient position. We have also charted a strategic growth plan for company, which will accelerate the current traction that we are witnessing in our business. I would like to thank all shareholders for their continued support and we look forward to creating enhanced value for all stakeholders."

**Commenting on the results, Mr Bhavdeep Singh, CEO, Fortis Healthcare Ltd said:** “Our shareholders have supported and approved the recommended IHH offer, the proceeds of which will allow us to normalize our working capital and strengthen the overall balance sheet. However, the last quarter performance has been impacted severely due the continuing challenges that the Company had been facing over the last 18 months that have led to liquidity issues which have imposed severe constraints on resources, growth initiatives and expansion.

Having said that, our hospital business has started showing signs of a strong recovery during the current quarter with a significant uptick in occupancy run rate levels now exceeding 69% from 62% in Q1 FY19. We feel confident and optimistic that this upward business momentum will accelerate further and result in a progressively improving quarterly performance. A slew of initiatives to improve occupancy, drive revenues and optimise costs have been actioned. Our target would be to further grow occupancy levels in excess of 70% by Q4FY19 expecting to translate into a significantly better operating performance. Our diagnostics business margins have shown a steady improvement over the corresponding quarter and a healthy growth over the trailing quarter which we expect to continue.

The senior management team along with team of over 20,000 employees are fully committed to normalize the business and is optimistic on the outlook. We will continue to build on Fortis platform as the leading integrated healthcare delivery service provider in India.”

### **Key Immediate Priorities**

- Accelerate initiatives to improve occupancy across the network (Q1FY19 – 62%. Q4FY19 Target >70%)
  - Expedite New Doctor Recruitment in select specialties - Medical and Surgical Oncology, Orthopaedics, Liver Transplant and Neurology
  - Re-launch various Marketing Initiatives and campaigns (One Fortis Digital Ecosystem, Senior First)
- Focus on Cost Management and optimization across functions and regions
- Judicious Capex Deployment
  - Commissioning new beds (Arcot Road, Ludhiana, BG Road, Noida)
  - Launching new specialties (Oncology, Liver Transplant, Bone Marrow and Heart Transplant)
  - Medical equipment (FMRI, BG Road, Mulund)
- Efficiently manage current liquidity situation and normalise working capital cycle

## India Business - Key Financial Highlights for Q1FY19

Particulars	Q1FY19	Q1FY18	Q4FY18
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)
<b>Operating Revenue</b>	<b>1,042.0</b>	<b>1,156.6</b>	<b>1,086.4</b>
<b>Operating EBITDAC*</b>	<b>80.4</b>	<b>162.9</b>	<b>138.3</b>
<b>Operating EBITDAC margin</b>	<b>7.7%</b>	<b>14.1%</b>	<b>12.7%</b>
Net BT Costs	65.3	67.2	63.3
<b>Operating EBITDA</b>	<b>15.1</b>	<b>95.7</b>	<b>75.1</b>
Other Income	11.9	57.5	(22.8)
<b>EBITDA</b>	<b>27.0</b>	<b>153.2</b>	<b>52.2</b>
<b>PBT before Exceptional Item</b>	<b>(89.7)</b>	<b>21.1</b>	<b>(71.8)</b>
Exceptional (Loss)/ Gain^	(5.9)	(1.3)	(854.7)
<b>PAT after minority interest and share in associates</b>	<b>(70.9)</b>	<b>5.5</b>	<b>(932.0)</b>

\*EBITDAC refers to EBITDA before net business trust costs

^Exceptional loss in Q4FY18 primarily pertains to Goodwill / investment Impairment and Provisions

- Key operational parameters in the Company's hospital business for the quarter are as follows:
  - The ARPOB (Average Revenue per Occupied Bed) grew to Rs 1.53 Cr compared to Rs 1.51 Cr in Q1FY18
  - ALOS (Average length of stay) declined to 3.39 days from 3.53 days in Q1FY18
  - Occupancy levels decreased from 71% in Q1FY18 to 62% in Q1FY19
- FMRI, one of the company's largest facilities continues to be the highest ARPOB generating hospital in the Company's network of multi-specialty hospitals with an ARPOB of Rs 2.90 Cr

## Key Highlights Q1FY19 - Hospital Business

Particulars	Q1FY19	Q1FY18	Q4FY18
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)
<b>Operating Revenue</b>	<b>819.9</b>	<b>939.0</b>	<b>868.5</b>
<b>Operating EBITDAC*</b>	<b>41.8</b>	<b>126.5</b>	<b>105.2</b>
<b>Operating EBITDAC margin</b>	<b>5.1%</b>	<b>13.5%</b>	<b>12.1%</b>
Net BT Costs	65.3	67.2	63.3
<b>Operating EBITDA</b>	<b>(23.5)</b>	<b>59.3</b>	<b>41.9</b>
Other Income	10.8	48.8	1.3
<b>EBITDA</b>	<b>(12.7)</b>	<b>108.1</b>	<b>43.3</b>

- International patient revenue at Rs 90 Cr, representing 11.0% of the overall hospital business
- Fortis Anandapur reported revenue at Rs 44 Cr, up 7%
- During the quarter, the top 10 facilities contributed approx. 77.2% of the hospital business revenue
- During the quarter, the Company introduced and expanded its clinical programs and service offerings in several facilities across its network including:
  - Fortis Hospital, Shalimar Bagh, launches Cancer Care Institute. Equipped with the latest technology in cancer care along with experienced specialists, the facility offers a trans-disciplinary and multi – modality approach in oncology. The facility also offers bone marrow transplant treatment, nuclear medicine and Interventional radiology services
  - Fortis Hospital, Anandpur, Kolkata conducts its first ever heart transplant; joins the select group of hospitals in the country capable of conducting such complex surgery
  - Fortis Hospital, Bannerghatta Road, Bengaluru, acquires the Da Vinci Xi system, the most advanced Robotic Surgery technology in the world
  - With Fortis Malar, Chennai achieving its quality accreditation, all hospitals in the South-West region are now National Accreditation Board for Hospitals and Healthcare Providers (NABH) accredited / certified
  - In a first by an Indian hospital, a team of doctors from Fortis Malar Hospital, Chennai, recently travelled to Palestine to treat children suffering from cardiac ailments on invitation from Palestine's Ministry of Health

### Key Highlights Q1FY19 - Diagnostics Business

	Q1FY19	Q1FY18	Q4FY18
Particulars	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)
Net Revenue	216.4	212.0	211.9
EBITDA	40.5	39.1	33.0
EBITDA Margin	18.7%	18.5%	15.6%

- During the quarter 14 new labs were added and 4 closed; 76 collection centres were added, 68 were closed
- No of accession stood at 3.85 million, a decline of 5.2% vs Q1FY18
- SRL conducted over 9.12 million tests during Q1FY19, a decline of 3.6% vs Q1FY18

### **Awards & Accolades – Q1FY19**

- Fortis Hospital, BG Road, Bengaluru, has been ranked by the Medical Travel Quality Alliance (MTQUA) as one of the Top 10 World's Best Hospitals for Medical Tourism for 2018. The MTQUA team selected hospitals based on the quality of medical treatment and on several non-clinical factors including quality of care, communications, marketing, value for money, cultural and social sensitivity, privacy, safety, and leadership support of medical tourism
- The Nursing Team at Fortis Hospital, Anandapur, Kolkata, recently won the first prize at the 30th Quality Circle Awards organised by the Confederation of Indian Industries (CII) for its project on quality management practices for surgical safety. The prestigious award aims to foster total quality management and recognises quality management best practices of member organisations throughout the country
- Fortis Hospital and Kidney Institute, Kolkata, (FHKI), and Fortis Escorts, Okhla, New Delhi, have received the 'Best Place to Work For' award from the Association of Healthcare Providers (India). Over 300 public and private hospitals had participated in the event
- Fortis Hospital, BG Road, Bengaluru, won two awards at the recently held fourth international conference of the Consortium of Accredited Healthcare Organisations (CAHO). The awards were presented for a published research work on 'Risk Stratification of Surgical Site Infection in a Tertiary Care Hospital' and a poster design on 'Prevention and Control of Surgical Site Infection'
- Fortis Hospital, Mohali, was recognised with the 'Quality Beyond Accreditation' award by the Association of Healthcare Providers (India). This award is a reflection of the hospital's commitment and dedication towards patient care and healthcare delivery services

### **Some Cases of Clinical Excellence at Fortis – Q1FY19**

- A team of doctors at Fortis Memorial Research Institute, Gurugram, recently conducted a laparoscopic left lateral hepatectomy on a 23-year-old Iraqi woman who donated a part of her liver to her ailing son
- A multidisciplinary team at Fortis Hospital, Mulund, removed a complex tumour (Renal Cell Carcinoma) that had engulfed major abdominal organs and extended right up to the heart of a 55-year-old patient
- In a rare and unique feat, a patient suffering from hemophilia, a genetic disorder impairing the body's ability to clot blood, a process needed to stop bleeding, successfully underwent knee replacement surgery at Fortis hospital, BG Road, Bengaluru

- A team of Consultants from Fortis Hospital, Noida, removed a large tumour from the heart of a 56-year-old patient. The tumour weighed half a kilogram and was 14x14 cm in size

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Fortis Healthcare Limited

**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 43 healthcare facilities (including projects under development), approximately 9,000 potential beds and 378 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.*

# Fortis Healthcare Limited

Earnings Presentation – Q1FY2019



*“ Saving and Enriching Lives ”*



August 14, 2018



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# Agenda

1. EGM Outcome
2. Executive Summary and Way Forward
3. Financial Results Summary – Q1FY19
4. Performance Review – Hospitals Business
5. Performance Review – Diagnostics Business
6. Awards and Excellence
7. Appendix

# EGM Outcome

- Outcome of EGM held on August 13, 2018
  - ☐ All 3 resolutions garner strong shareholder support and have been passed with requisite votes in favour.
    1. Issuance of Equity Shares on a Preferential allotment
    2. Increase of Authorised Capital of the Company and Alteration of Capital Clause of Memorandum of Association of the Company
    3. Reclassification of members of the promoter / promoter group to the public shareholder category and classification of Northern TK Venture Pte Limited (wholly owned indirect subsidiary of IHH) as Promoter
- Approx. 75% votes cast with over 99.5% in favour of all the three resolutions (*Detailed Voting results separately available on the stock exchanges and Company website*)

## 2. Executive Summary and Way Forward

# Executive Summary : Q1FY2019 in Perspective

- Post a robust performance in H1-FY17, Company witnessed an impact on its operations due to demonetization
- This was followed by immense Industry Headwinds with pricing regulations on Stents & Orthopedic procedures
- Group issues became prominent in H1FY18 with liquidity issues being faced by Company and further aggravated after the promoters lost the case in High Court to Daichi-Sankyo
- Due diligence and deal discussions consumed significant management bandwidth being a distraction to the overall organization and business
- Industry environment coupled with significant noise on the private hospital sector have impacted performance leading to decline in occupancy
- Promoter legacy issues have been a major source of distraction; Company pro-actively taking concrete steps to de-link itself from the erstwhile Promoters

# Executive Summary

- **Consolidated Business ( Q1 FY 19 vs Q1 FY18)**
  - Revenues of Rs. 1,042 Cr vs Rs 1,157 Cr
  - Operating EBITDAC at Rs 80 Cr vs Rs 163 Cr
  - Net Profit for the quarter at Rs (70.9) Cr vs net profit of Rs 5.5 Cr
- **Hospital business**
  - Revenues at Rs 820 Cr vs Rs 939 Cr
  - Operating EBITDAC at Rs 42 Cr vs Rs 126.5 Cr; representing margin of 5.1% vs 13.5%
- **Diagnostic Business**
  - Net Revenue (net of inter company elimination) at Rs 216 Cr vs Rs 212 Cr
  - Operating EBITDA at Rs 40.5 Cr vs Rs 39.1 Cr; representing margin of 18.7% vs 18.5% in Q1FY18
- Net debt of the company as on 30 June 2018 was at Rs 1,522 Cr, representing a net debt to equity ratio of 0.29x versus 0.19x in the corresponding previous quarter and 0.26x in the trailing quarter

# Executive Summary

## Q1FY19

- Current results are a culmination of events in last 18 months.
- Significant funding issues leading to
  - Inability to hire new clinical talent
  - Delayed payment to vendors
  - International revenue loss
  - Lack of marketing initiatives and campaigns
  - Delay in launch of new beds/ facilities, medical programs and medical equipment

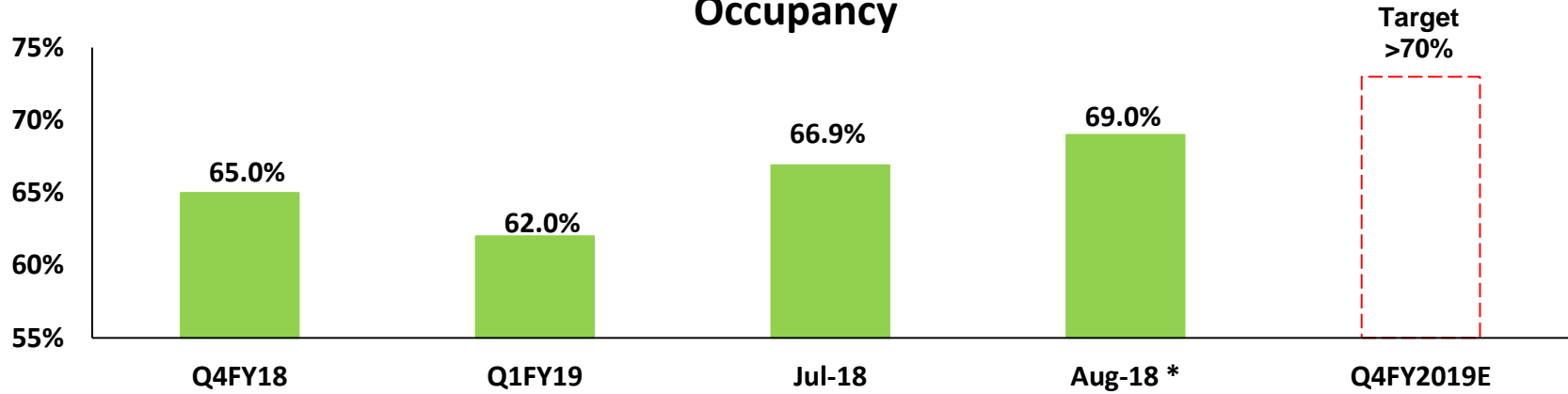
## Current Scenario

- Deal announcement and shareholder approval witnessing steadily improving environment
- Relative easing of liquidity situation
- New clinician hiring being expedited
- Payment to vendors being normalised
- Focus on bringing back International patient revenue
- Expected fund infusion to accelerate growth and expansion plans

❖ Months of July and August have and continue to witness a strengthening business momentum with a robust improvement in occupancy by approx. 5% -6% over Q1 FY2019.

# Indicative Occupancy Trend

## Occupancy



Units	Occupancy Q4FY18	Occupancy Q1FY2019	Occupancy July 2018	Occupancy Aug 2018*
FMRI	58%	52%	56%	63%
Noida	75%	73%	80%	79%
Shalimar Bagh	67%	66%	67%	74%
BG Road	69%	66%	71%	73%
Mulund	51%	53%	73%	73%



# Key focus areas

- Fill beds: Improve occupancy across the network (Q1FY19 – 62%. Q4FY19 Target >70%)
- Expedite New Doctor Recruitment in select specialties – Ongoing dialogue with 5 - 6 senior clinicians in the fields of medical and surgical oncology, orthopaedics, liver transplant and neurology
- Re-launch various Marketing Initiatives and campaigns ( One Fortis Digital Ecosystem, Senior First)
- Focus on Cost Management and optimization across functions and regions
  - ➡ Significant savings due to elimination of legacy costs
- Judicious Capex Deployment for commissioning new beds, launching new specialties and medical equipment (*details on slide 11 – Ongoing Growth plan*)
- Efforts on to recover dues related to certain provisions made in Q4FY18
- Efficiently manage current liquidity situation and normalise working capital cycle

# Build Back Plan

## Clinical

Close clinical hiring discussions

Medical capex deployment : focus on units to retain & hire clinical talent

Add new clinical programs: transplant, oncology, bone marrow transplant & liver transplant

60 DAYS

## Brand

Campaign on fixed price packages communication

Invest in digital penetration via app, website, agent portal & salesforce integration

Building patient loyalty through patient experience

Community connect

360 degree campaign to communicate the 'new Fortis'

120 Days

## Operations

Making pending variable payouts to doctors, vendors & partners

Fixed pricing roll-out

Improve patient conversions through loyalty, win-back and digital platforms

Expansion at Arcot Road, BG Road & R block Noida

Optimise healthcare delivery model: evaluate service delivery & control initiatives to service Ayushman / NHPS and similar such schemes

180 Days

## Sales

Pending payments release to international facilitators for regaining lost business

Renewed focus – recruitment, digital enablers (sf) & extraction from corporates & PSU's

Emerging channel: payouts release, refresh contracts

New peripheral markets: domestic & international

365 Days

# Ongoing Growth Plan

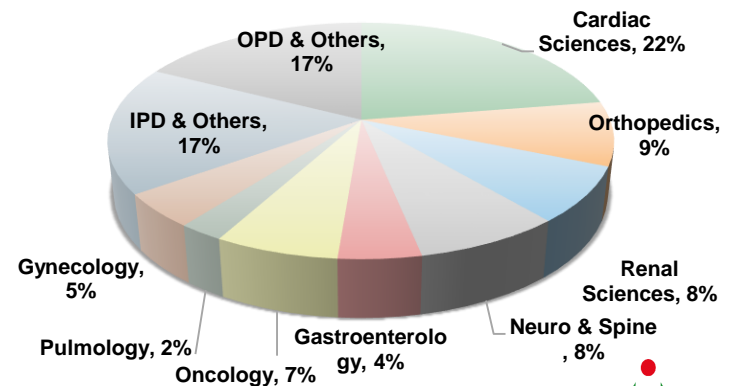
## Investing for the future

- Expect to launch Arcot Road facility in Chennai in the next 3 –4 months
- Preparing to commission Liver transplant centre at Fortis Mulund and Fortis Noida
- Plans to introduce a new La femme facility in Ludhiana
- Inauguration of a new block in Fortis BG Road shortly
- New bed additions at Fortis Mulund
- Installation of Gamma Knife at FMRI and Robot at Fortis Mulund
- Kick start the next phase of bed expansion at FMRI

## Specialty Strategy

Key focus on developing comprehensive super specialty programs:

- Extending the Heart Transplant Program in other facilities (Anandapur, Kolkata recently did its first Heart Transplant)
- Expanding the Liver Transplant Programs (Mulund & Noida)
- Bone Marrow Transplant program (BG Road & Shalimar Bagh)
- Developing Centre of excellence in Oncology in Bengaluru & Mumbai



## 3. Financial Summary – Q1FY2019

# Consolidated Financials – Q1FY2019

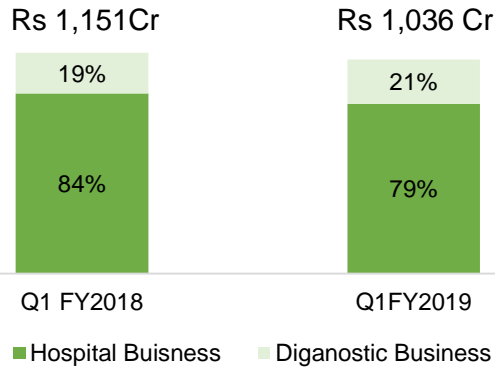
Rs. In Crores	Q1FY18	Q4FY18	Q1FY19	QoQ % Change
Revenue	1,156.6	1,086.4	1,042.0	-9.9%
EBITDAC	<b>162.9</b>	<b>138.3</b>	<b>80.4</b>	-50.6%
<i>EBIDTAC Margin (%)</i>	<b>14.1%</b>	<b>12.7%</b>	<b>7.7%</b>	
Operating EBITDA	95.7	75.1	15.1	-84.2%
<i>Operating EBITDA Margin (%)</i>	8.3%	6.9%	1.4%	
PBT before exceptional / FX	29.8	(72.2)	(106.3)	
PATMI	<b>5.5</b>	<b>(932.0)</b>	<b>(70.9)</b>	

# Capital Structure – June 2018

Balance Sheet (Rs Cr)	March 31, 2018	June 30 2018
Shareholder's Equity	5,317	5,299
Debt	1,959	1,657
<b>Total Capital Employed</b>	<b>7,276</b>	<b>6,955</b>
Net Fixed Assets (includes CWIP)	3,169	3,128
Goodwill	2,049	2,049
Investments	1,397	1,346
Cash and Cash Equivalentents	555	135
Net Current Assets	106	298
<b>Total Assets</b>	<b>7,276</b>	<b>6,955</b>
<b>Net Debt</b>	<b>1,404</b>	<b>1,522</b>
<b>Net Debt to Equity</b>	<b>0.26x</b>	<b>0.29x</b>

# India Segment Analysis Q1 FY2019 vs Q1 FY2018

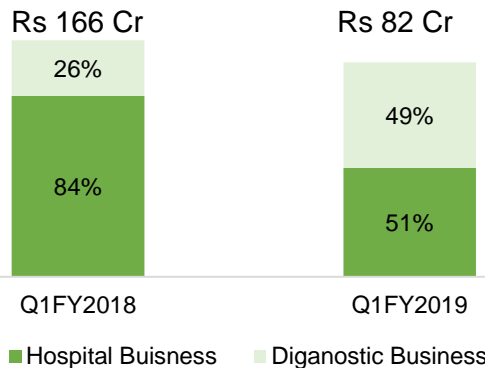
## Consolidated Revenue Mix



### ➤ Consolidated Revenues at Rs 1,036 Cr, (10%)

- ❖ Hospital Business – Rs 820 Cr, (13%)
- ❖ Diagnostic Business – Rs 216 Cr, +2%

## Consolidated EBITDAC Mix



### ➤ Consolidated Operating EBITDAC\* at Rs 82.4 Cr, 7.9% margin

- ❖ Hospital Business – Rs 41.8 Cr, 5.1% margin
- ❖ Diagnostic Business – Rs 40.5 Cr, 18.7% margin

\*EBITDAC refers to EBITDA before net business trust costs

## 4. Performance Review – Hospital Business



# India Hospital Business P&L – Q1 FY2019

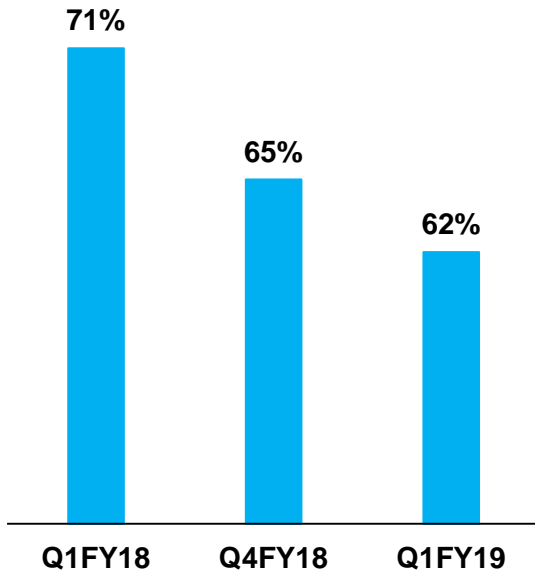
Particulars	Q1FY18	Q4FY18	Q1FY19	QoQ % Change
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	
Operating Revenue	939.0	868.5	819.9	(12.7%)
<b>Operating EBITDAC*</b>	<b>126.5</b>	<b>105.2</b>	<b>41.8</b>	<b>(66.9%)</b>
<b>Operating EBITDAC margin</b>	<b>13.5%</b>	<b>12.1%</b>	<b>5.1%</b>	
Net BT Costs	67.2	63.3	65.3	(2.7%)
<b>Operating EBITDA</b>	<b>59.3</b>	<b>41.9</b>	<b>(23.5)</b>	
Other Income	48.8	1.3	10.8	
<b>EBITDA</b>	<b>108.1</b>	<b>43.3</b>	<b>(12.7)</b>	

- International patient revenue at Rs 90 Cr, representing 11.0% of overall hospital business
- FMRI revenues of Rs 105 Cr, (21%) Q-o-Q; delivered ARPOB of Rs 2.90 Cr
- Fortis Anandpur reported revenue at Rs 44 Cr, up 7% with occupancy at 83%

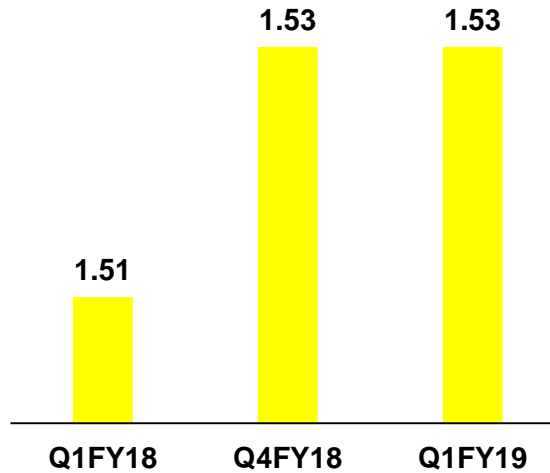
1. EBITDAC refers to EBITDA before net business trust (BT) costs

# Key Performance Metrics

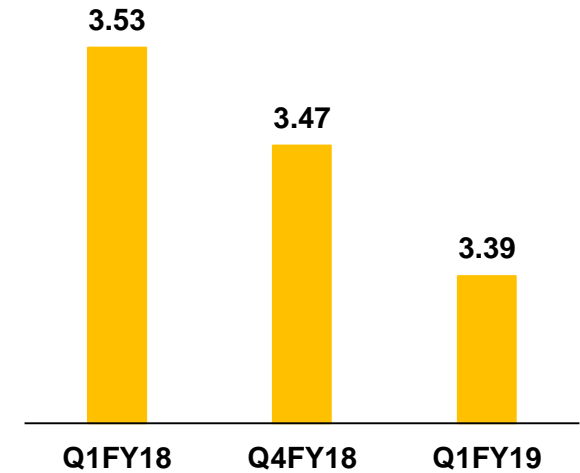
Occupancy (%)



ARPOB (Rs Cr)



ALOS (Days)



## Select Key Highlights / Accomplishments – Q1 FY2019

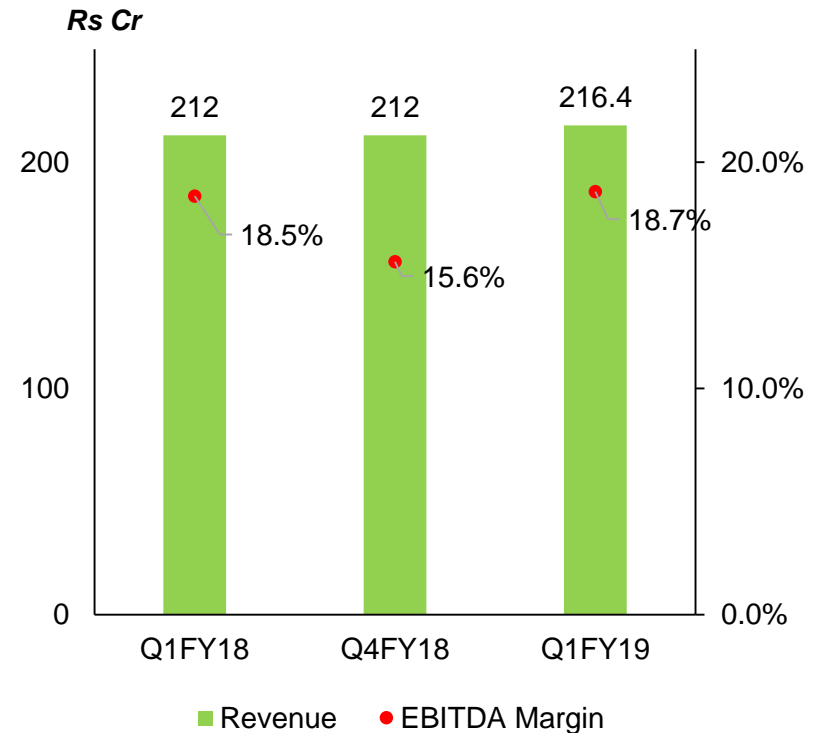
- Fortis Hospital, Shalimar Bagh, launches Cancer Care Institute. Equipped with the latest technology in cancer care along with experienced specialists, the facility offers a trans- disciplinary and multi – modality approach in oncology. The facility also offers bone marrow transplant treatment, nuclear medicine and Interventional Radiology services.
- Fortis Hospital, Anandpur, Kolkata conducts its first ever heart transplant; joins the select group of hospitals in the country capable of conducting such complex surgeries.
- Fortis Hospital, Bannerghatta Road, Bengaluru, acquires the Da Vinci Xi system, the most advanced Robotic Surgery technology in the world.
- With Fortis Malar, Chennai achieving its quality accreditation, all hospitals in the South-West region are now National Accreditation Board for Hospitals and Healthcare Providers (NABH) accredited / certified.
- In a first by an Indian hospital, a team of doctors from Fortis Malar Hospital, Chennai, recently travelled to Palestine to treat children suffering from cardiac ailments on invitation from Palestine's Ministry of Health.

## 5. Performance Review – Diagnostics Business

# Financial Review

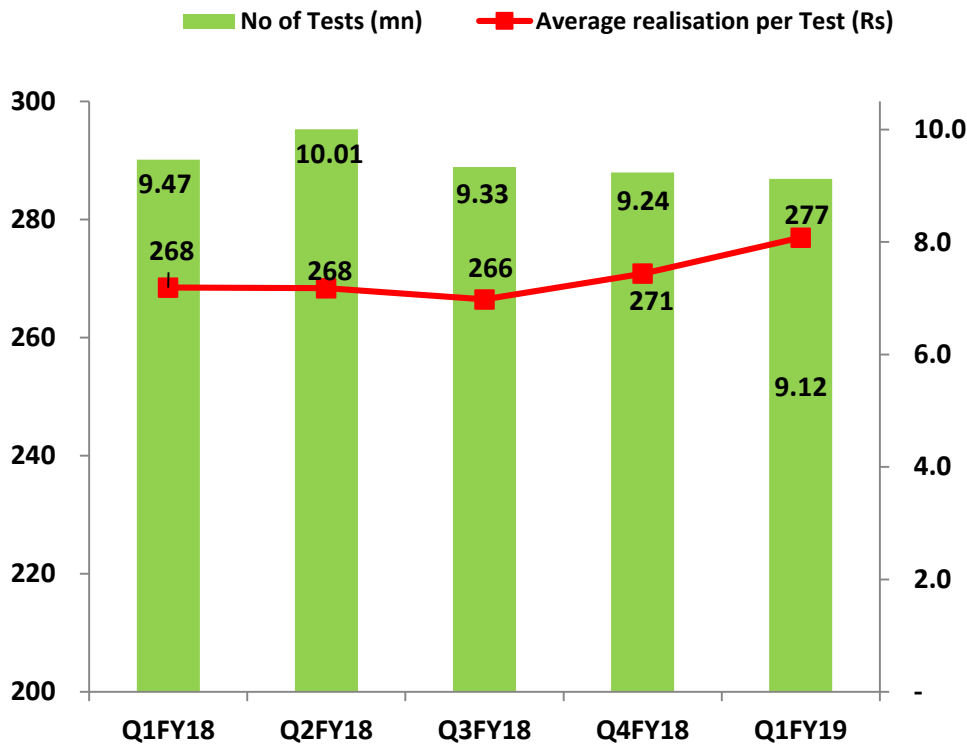
## Q1 FY2019 Highlights

- Net Operating revenue at Rs 216 Cr, +2%
- Operating EBITDA margin stood at 18.7% compared to 18.5% in Q1FY18 & 15.6% in Q4FY18
- 14 new labs were added and 4 closed; 76 collection centres were added, 68 were closed
- No of accession stood at 3.85 million, a decline of 5.2% vs Q1FY18
- Conducted over 9.12 million tests during Q1FY19, decline of 3.6% vs Q1FY18

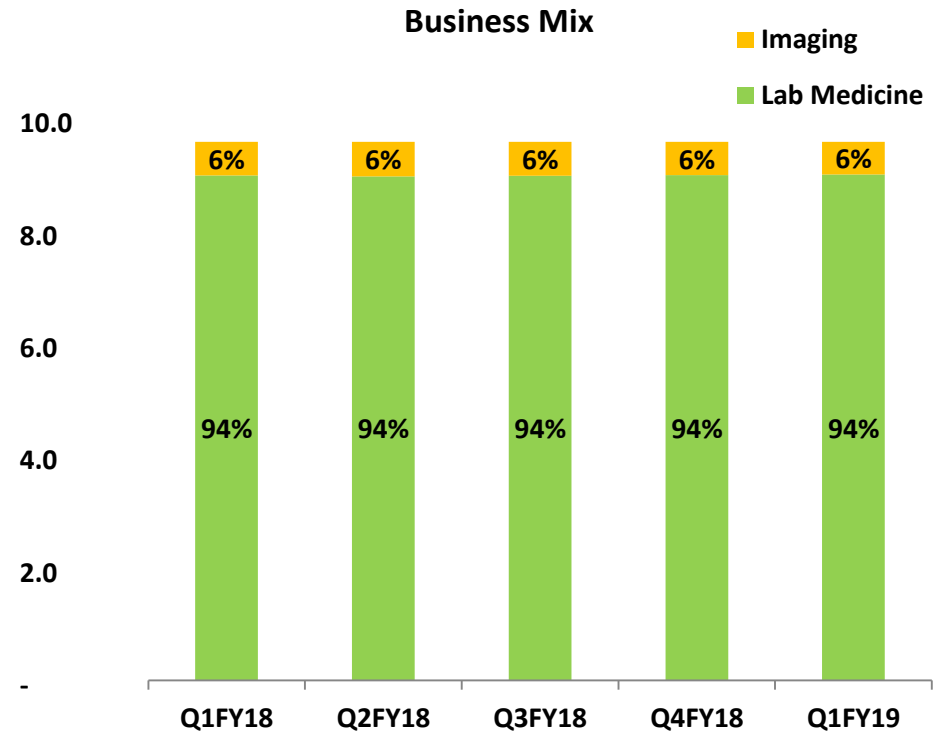


# Key Performance Metrics

## Number of Tests and Average Realizations



## Business Mix By Revenue



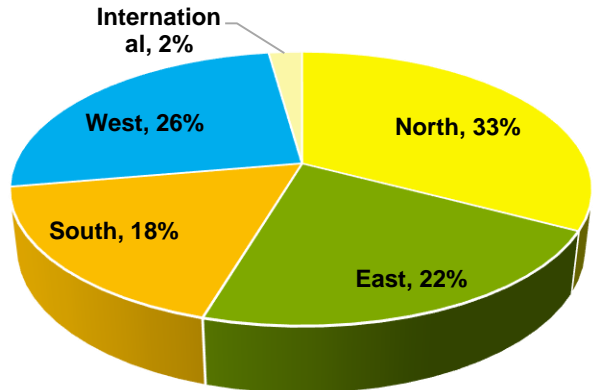
Lab medicine business also includes a small proportion (7%) from clinical trials, wellness and the international segment



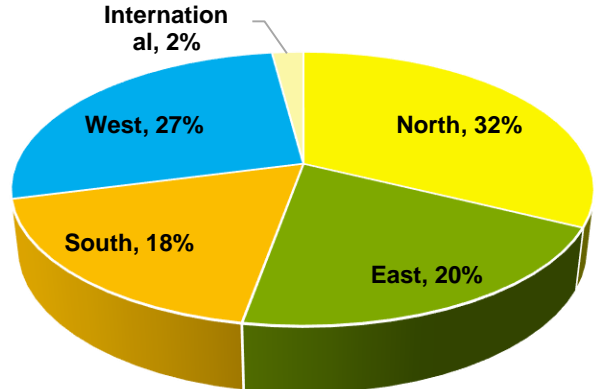
# Revenue Mix

## Geographic Mix

Q1 FY2019

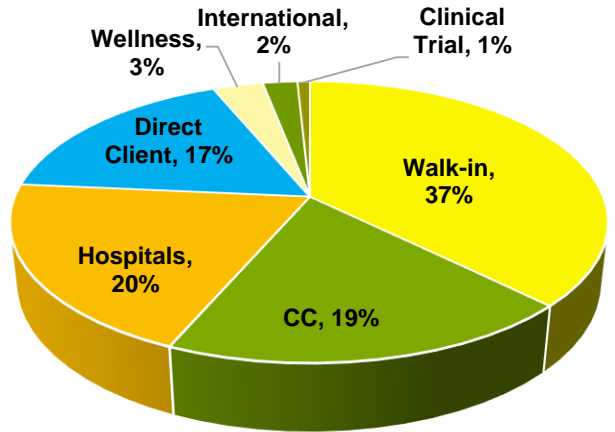


Q1 FY2018

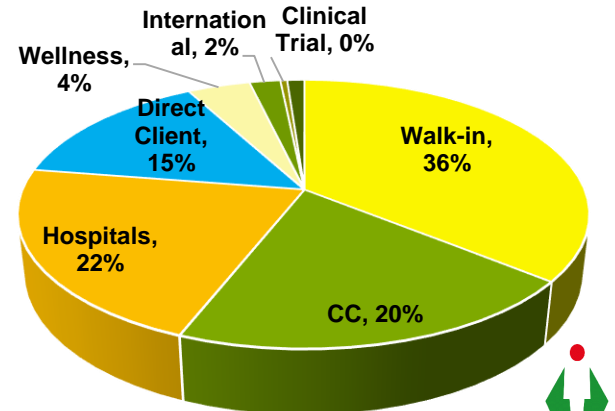


## Customer Mix

Q1 FY2019



Q1 FY2018



## 6. Awards and Excellence



# Key Awards and Recognitions

Fortis Hospital, BG Road, Bengaluru, has been ranked by the Medical Travel Quality Alliance (MTQUA) as one of the Top 10 World's Best Hospitals for Medical Tourism for 2018. The MTQUA team selected hospitals based on the quality of medical treatment and on several non-clinical factors including quality of care, communications, marketing, value for money, cultural and social sensitivity, privacy, safety, and leadership support of medical tourism.

The Nursing Team at Fortis Hospital, Anandapur, Kolkata, recently won the first prize at the 30th Quality Circle Awards organised by the Confederation of Indian Industries (CII) for its project on quality management practices for surgical safety. The prestigious award aims to foster total quality management and recognises quality management best practices of member organisations throughout the country.

Fortis Hospital and Kidney Institute, Kolkata, (FHKI), and Fortis Escorts, Okhla, New Delhi, have received the 'Best Place to Work For' award from the Association of Healthcare Providers (India). Over 300 public and private hospitals had participated in the event.

Fortis Hospital, BG Road, Bengaluru, won two awards at the recently held fourth international conference of the Consortium of Accredited Healthcare Organisations (CAHO). The awards were presented for a published research work on 'Risk Stratification of Surgical Site Infection in a Tertiary Care Hospital' and a poster design on 'Prevention and Control of Surgical Site Infection'.

Fortis Hospital, Mohali, was recognised with the 'Quality Beyond Accreditation' award by the Association of Healthcare Providers (India). This award is a reflection of the hospital's commitment and dedication towards patient care and healthcare delivery services.

## Successes in Clinical Excellence – Q1 FY2019

A team of doctors at Fortis Memorial Research Institute, Gurugram, recently conducted a laparoscopic left lateral hepatectomy on a 23-year-old Iraqi woman who donated a part of her liver to her ailing son.

A multidisciplinary team at Fortis Hospital, Mulund, removed a complex tumour (Renal Cell Carcinoma) that had engulfed major abdominal organs and extended right up to the heart of a 55-year-old patient.

In a rare and unique feat, a patient suffering from hemophilia, a genetic disorder impairing the body's ability to clot blood, a process needed to stop bleeding, successfully underwent knee replacement surgery at Fortis hospital, BG Road, Bengaluru.

A team of Consultants from Fortis Hospital, Noida, removed a large tumour from the heart of a 56-year-old patient. The tumour weighed half a kilogram and was 14x14 cm in size.

# 7. Appendix

# India Consolidated P&L – Q1 FY2019

Particulars	Q1FY18	Q4FY18	Q1FY19	QoQ % Change
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	
<b>Operating Revenue</b>	<b>1,150.9</b>	<b>1,080.4</b>	<b>1,036.3</b>	<b>(10.0%)</b>
<b>Operating EBITDAC*</b>	<b>165.6</b>	<b>138.2</b>	<b>82.4</b>	<b>(50.3%)</b>
<b>Operating EBITDAC margin</b>	<b>14.4%</b>	<b>12.8%</b>	<b>7.9%</b>	
Net BT Costs	67.2	63.3	65.3	(2.7%)
<b>Operating EBITDA</b>	<b>98.4</b>	<b>75.0</b>	<b>70.5</b>	<b>(28.4%)</b>
Other Income	50.3	1.0	11.9	
<b>EBITDA</b>	<b>148.7</b>	<b>75.9</b>	<b>82.4</b>	<b>(44.6%)</b>
Finance Costs	64.1	63.9	76.1	
Depreciation & Amortization	58.3	60.2	56.9	
<b>PBT before Forex</b>	<b>26.4</b>	<b>(48.2)</b>	<b>(50.6)</b>	
Foreign Exchange (Loss)/ Gain	(5.7)	(2.9)	9.3	
<b>PBT before Exceptional Item</b>	<b>20.7</b>	<b>(51.1)</b>	<b>(41.3)</b>	
Exceptional (Loss)/ Gain	(1.3)	(805.7)	(5.9)	
Tax Expense	11.9	(4.5)	(39.8)	
<b>PAT before minority interest and share in associates</b>	<b>7.4</b>	<b>(852.3)</b>	<b>(7.4)</b>	
Share in Associates	11.6	3.2	6.3	
<b>PAT after minority interest and share in associates</b>	<b>1.9</b>	<b>(866.8)</b>	<b>(72.6)</b>	

\*EBITDAC refers to EBITDA before net business trust (BT) costs

^Exceptional loss in Q4FY18 primarily pertains to Goodwill / investment Impairment and Provisions



# Group Consolidated P&L – Q1 FY2019

Particulars	Q1FY18	Q4FY18	Q1FY19	QoQ % Change
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	
<b>Operating Revenue</b>	<b>1,156.6</b>	<b>1,086.4</b>	<b>1,042.0</b>	<b>(9.9%)</b>
<b>Operating EBITDAC*</b>	<b>162.9</b>	<b>138.3</b>	<b>80.4</b>	<b>(50.6%)</b>
<b>Operating EBITDAC margin</b>	<b>14.1%</b>	<b>12.7%</b>	<b>7.7%</b>	
Net BT Costs	67.2	63.3	65.3	(2.7%)
<b>Operating EBITDA</b>	<b>95.7</b>	<b>75.1</b>	<b>15.1</b>	<b>(84.2%)</b>
Other Income	57.5	(22.8)	11.9	
<b>EBITDA</b>	<b>153.2</b>	<b>52.2</b>	<b>27.0</b>	<b>(82.4%)</b>
Finance Costs	64.4	64.1	76.4	
Depreciation & Amortization	59.0	60.3	56.9	
<b>PBT before Forex</b>	<b>29.8</b>	<b>(72.2)</b>	<b>(106.3)</b>	
Foreign Exchange (Loss)/ Gain	(8.7)	0.4	16.6	
<b>PBT before Exceptional Item</b>	<b>21.1</b>	<b>(71.8)</b>	<b>(89.7)</b>	
Exceptional (Loss)/ Gain ^	(1.3)	(854.7)	(5.9)	
Tax Expense	12.2	(9.2)	(33.8)	
<b>PAT before minority interest and share in associates</b>	<b>7.5</b>	<b>(917.4)</b>	<b>(61.8)</b>	
Share in Associates	15.1	3.1	9.0	
<b>PAT after minority interest and share in associates</b>	<b>5.5</b>	<b>(932.0)</b>	<b>(70.9)</b>	

\*EBITDAC refers to EBITDA before net business trust (BT) costs

^Exceptional loss in Q4FY18 primarily pertains to Goodwill / investment Impairment and Provisions

## DISCLAIMER

*This Presentation 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 Presentation 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 Presentation, without obligation to notify any person of such revision or changes.*

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**Thank You...**