

Research Report

Apollo Hospitals Ltd



Prepared by
Ashima Jain

About

Apollo Hospitals was established in 1983 by Dr. Prathap C Reddy, renowned architect of modern healthcare in India. As the nation's first corporate hospital, Apollo Hospitals is acclaimed for pioneering the private healthcare revolution in the country.

Services

Apollo Hospitals has emerged as Asia's foremost integrated healthcare services provider and has a robust presence across the healthcare ecosystem, including Hospitals, Pharmacies, Primary Care & Diagnostic Clinics and several Retail Health models.

Hospital Segment Metrics

Apollo Hospitals has facilities in large urban centers such as Chennai, Hyderabad, Kolkata, Bengaluru, New Delhi, Ahmedabad, Mumbai, Pune, Bhubaneswar, Madurai and Mysore.

Synopsis of Financials

- Sales has increased due to increase in healthcare services.
- Moreover, Revenue has increased from Revenue from Digital Health & Pharmacy Distribution and Other Operating Income .
- Majorly Profit of the company is increased due to increase in healthcare services.

Stock data (as on 31st May 2024)

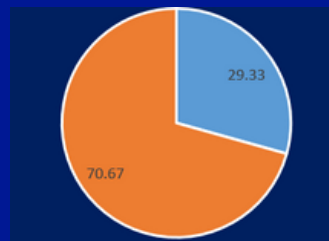
Nifty Price	: 22,666.30
52 week High (in Rs.)	: 6,874
52 week Low (in Rs.)	: 4525
Market Cap. (in Crore)	: 83,870Cr.
NSE Code	: APOLLOHOSP

Stock data (2020-2024)



-NIFTY50
-Apollo Hosp.

Shareholding Pattern (March 2024)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	March 2023	March 2022	March 2021
Sales	16,612	14,663	10,560
Sales Growth %	13.30%	38.85%	-6.11%
Operating Profit	2,065	2,189	1,140
OPM %	12%	15%	11%
Profit before tax	1,144	1,578	221
YOY Growth	-	-38%	86%
EPS in Rs	56.97	73.42	10.46

Synopsis Quater Results

Con-Call Q3FY24: Key Highlights

Financial Performance:

- Strong performance in Q3 FY24 with double-digit growth in revenues and ARPOB
- Healthcare Services business saw a 12% revenue growth
- Insurance revenues grew by 16%
- Consolidated revenue grew by 14% to INR 4,851 crore
- EBITDA increased by 21% year-on-year to INR 614 crore

Capex and Expansion Plans:

- Plans to add 2,000 beds over the next 4 years at a cost of INR 3,000 crore
- Plans for expansion in Pune, Hyderabad, Kolkata, and Bangalore in FY25

Digital Business:

- Break-even performance for Apollo HealthCo achieved one quarter ahead of guidance
- GMV of 24/7 was INR 658 crore, a growth of 21% on a sequential quarter basis
- Apollo 24/7 digital business expected to achieve break-even in the next 6 to 8 quarters.

Clinical Achievements:

- First private hospital group in India to successfully complete CAR-T cell program
- No negative findings in the kidney racket accusation against Apollo

Future Outlook:

- Expectation of strong growth in the upcoming quarters with strategic investments and solutions
- Emphasis on strong clinical core with convenience and access as key enablers for future growth.

Quarterly Results

Particular	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec2023	Mar2024
Sales	4,251	4,264	4,302	4,418	4,847	4,851	4,944
Expenses	3,699	3,780	3,814	3,909	4,219	4,237	4,303
Operating Profit	552	484	488	509	628	614	640
OPM %	13%	11%	11%	12%	13%	13%	13%
Other Income	23	35	20	34	26	29	37
Interest	93	100	95	106	111	113	119
Depreciation	155	153	159	167	163	167	190
Profit before tax	327	266	254	270	379	363	368
Tax %	35%	39%	43%	36%	34%	30%	30%
Net Profit	213	162	146	173	249	254	258

Source: Screener

Key Ratios

Ratios	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance
Current Ratio	Current Assets	Current liabilities	2.53	2.91	-13%
Debt Equity Ratio	Total Debt	Shareholder's Equity	0.25	0.33	-23%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	2.31	1.93	20%
Return on equity %	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	16.6%	10.2%	63%
Inventory Turnover	Cost of goods sold	Average inventory	15.19	10.80	41%
Trade Receivable Turnover	Net Credit Sales	Average Accounts Receivable	4.13	2.71	52%
Trade Payable Turnover	Net Credit Purchases	Average Trade Payables	2.82	2.48	14%
Net Capital Turnover Ratio	Net Sales	Working Capital	3.04	2.56	19%
Net Profit %	Profit after tax before exceptional items	Net Sales	16.6%	9.5%	75%

Source: Annual Report

Yearly Results

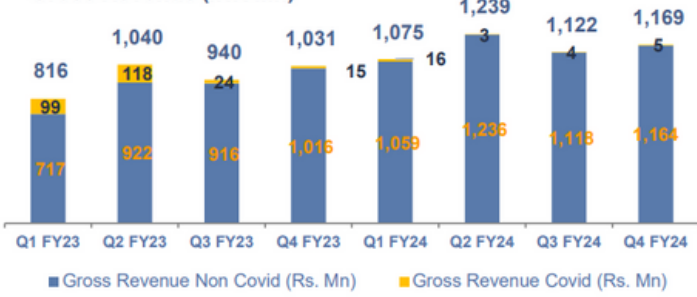


Particulars	Mar 2023	Mar 2022	Mar 2021
Equity Capital	72	72	72
Reserves	6,126	5,551	4,531
Borrowings	4,332	4,068	4,160
Other Liabilities	3,886	3,570	2,629
Total Liabilities	14,416	13,261	11,392
Fixed Assets	8,520	8,296	6,778
CWIP	610	46	234
Investments	574	816	1,343
Other Assets	4,712	4,104	3,037
Total Assets	14,416	13,261	11,392

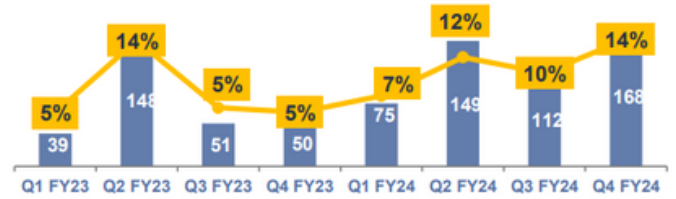
Financial Performance



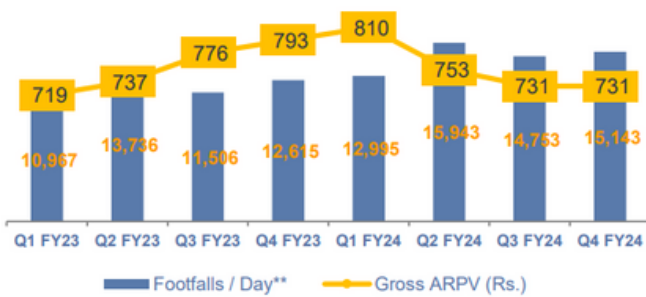
Gross Revenue (INR Mn)¹



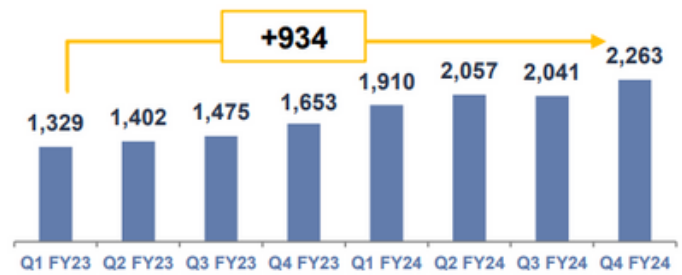
EBITDA (INR Mn)²



Avg. Footfalls per day & Avg. gross realization per patient (INR)²



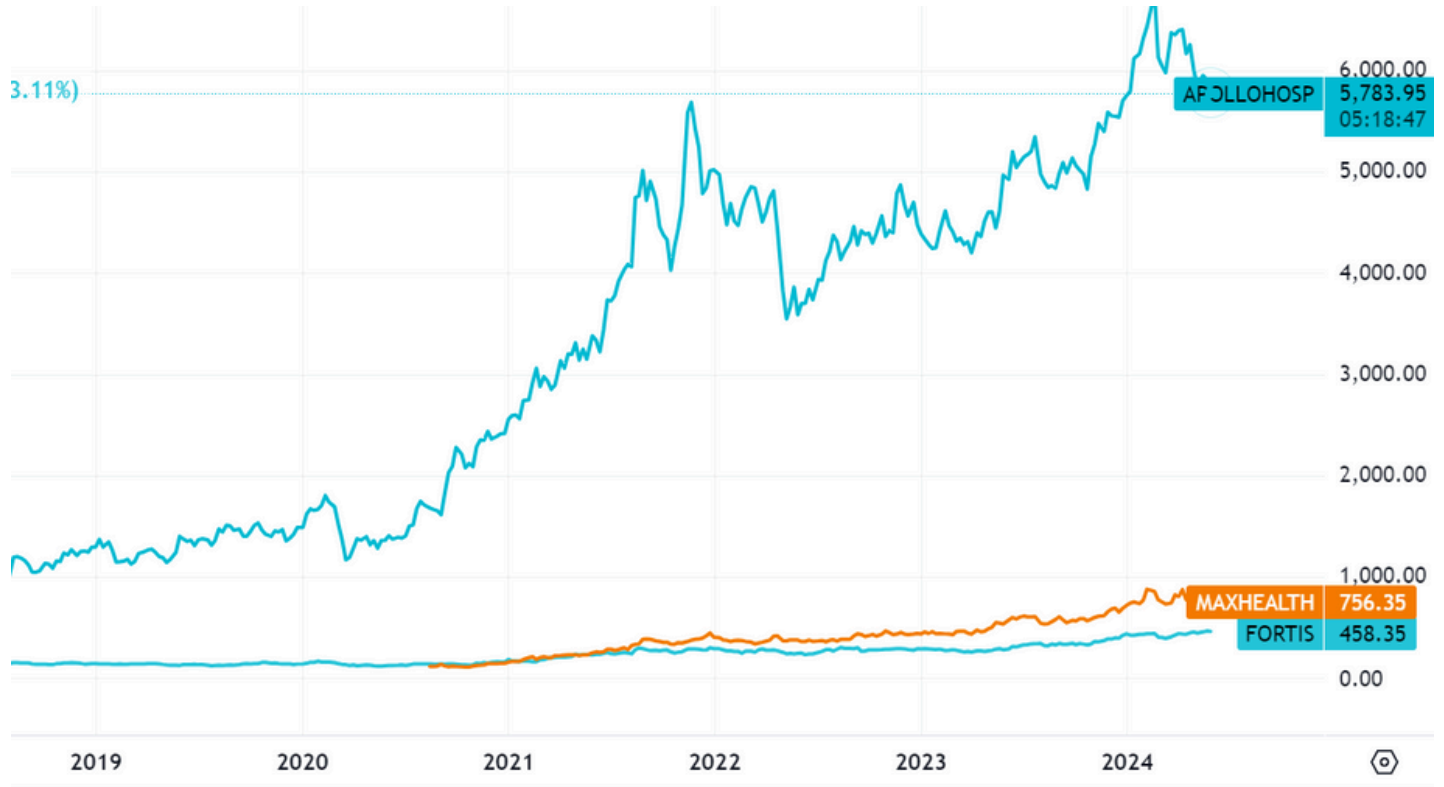
Network Growth – Collection Centers



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Apollo Hospitals	5910.55	107.84	84984.65	0.25	254.40	59.80	4850.60	13.77	14.50
Max Healthcare	783.80	72.06	76178.47	0.13	251.54	0.25	1422.90	17.16	16.01
Fortis Health.	463.00	59.47	34954.52	0.22	203.14	41.41	1785.88	8.72	10.38
Global Health	1206.30	67.73	32390.05	0.00	127.35	26.00	808.63	14.37	19.32
Narayana Hrudaya	1154.35	29.89	23590.42	0.21	190.79	10.15	1279.42	4.73	26.18
Dr Lal Pathlabs	2606.20	60.86	21756.66	0.93	85.80	49.03	545.40	11.08	25.16

Source: Screener

Final Outlook

APOLLOHOSP: Buy | LTP: 5.833

Shares of Apollo Hospitals rallied 3.4% in Friday's early trade to the day's high of Rs 5,955 after the company reported a 77% year-on-year (YoY) jump in its net profit. The company's revenue from operations in the January-March 2024 period increased 15% YoY to Rs 4,944 crore and the board of directors have also recommended a final dividend of Rs 10 per share for the year FY24. and Core revenues of Primary Care grew by 15% YOY in FY'24. Partnership with Private Hospitals in Tier2/Tier 3 areas for new Dialysis units (SIS-H) . In Diagnostics Volume-driven Revenue growth of ~20% YoY in FY'24, compared to industry average of 12%-13% So there is a hold/ buy recommendatio on apollo tubes as company is expanding itself more.