

Q4 2022

1. Financial Performance

- **Narrative:** Management expressed targets for revenue growth and indicated plans for expansion that are expected to be Return on Capital Employed (ROCE) accretive.

- **Management's Guidance:**

- Management is targeting a 15% increase in revenue for the upcoming fiscal year. A brownfield expansion with the addition of 2,300 beds is planned and expected to be ROCE accretive.

- **Actual Results:**

['Q4', '2023']:

- In Q4 2023, gross revenue reached INR 1,637 Cr, a 26% YoY and 5% QoQ increase. PAT was INR 320 Cr, representing an 85% YoY and 19% QoQ increase. These figures reflect strong revenue growth exceeding the initial guidance.

['Q4', '2022']:

- Gross revenue for Q4 FY22 was reported as INR 1,385 Cr by one source and INR 1,298 Cr by another. One source mentions a 15% revenue increase last quarter, while another reports a 15% increase in revenue for the last fiscal year. Operating EBITDA was INR 304 Cr. The pre-tax ROCE for Q4 FY22 was 24.0%. INR 179 Cr was generated from operations after interest, tax, and replacement capex.

['Q2', '2023']:

- In Q2 FY23, gross revenue was INR 1,567 Cr (excluding Covid-19 vaccination revenue), a 17% YoY and 6% QoQ increase. International patient revenue improved by 16% QoQ and reached ~110% of pre-Covid normal levels. Q2 FY23 PAT was INR 267 Cr, a 29% YoY and 17% QoQ increase. The overall PAT for Q2 FY23 was INR 511 Cr. ARPOB increased by 12% year-on-year to INR 66,000.

['Q3', '2023']:

- In Q3 FY23, gross revenue (excluding Covid-19 vaccination) was INR 1,559 Cr, a 13% YoY increase and flat QoQ. Profit after tax (PAT) was INR 269 Cr, a 7% YoY increase and 1% QoQ increase. ARPOB for Q3 FY23 was INR 66.8k, a 10% YoY increase and 1% QoQ increase.

- **Evaluation:**

- **{'evaluation': 'Partially Met expectations', 'evaluation_reason': "While the reported revenue growth varied across sources and didn't clearly exceed the 15% target for the fiscal year, the achieved ROCE of 24% surpasses the expectation of ROCE accretion. The discrepancy in revenue reporting prevents a definitive assessment."}**

2. Market Position and Competition

- **Narrative:** Management highlighted plans for significant expansion of bed capacity through both organic and inorganic growth strategies, aiming to more than double capacity within 5-6 years. Two new network hospitals were added through acquisitions in Delhi NCR.

- **Management's Guidance:**

- Management anticipates a significant increase in bed capacity, aiming for more than a 2x increase in the next 5-6 years. The company is also looking to add 1,000 beds through greenfield hospitals. Additionally, they are actively deploying cash to enhance bed capacity, with a potential to add 600-800 beds annually through internal accruals. Two inorganic growth transactions added two new network hospitals in Delhi NCR.

- **Actual Results:**

['Q4', '2023']:

- No specific market share or competitive data is available in the provided actual results data for Q4 2023 to assess the success of the expansion strategy. However, the significant revenue growth suggests progress towards market share goals.

['Q4', '2022']:

- The company's operations spanned 25+ cities. A 20-bed hospital was operational at one site. International patient footfalls normalized to ~90% of pre-Covid levels in March 2022. The occupancy rate for Q4 FY22 was 68%. In Q4 FY22, 7% of occupied beds were for Covid-19 patients.

['Q2', '2023']:

- No specific quantifiable results directly addressing market share or competitive position are available from the provided Q2 FY23 data. However, the reduction in institutional bed share to 28% from 37% in Q2 FY22 is noted as being in line with the company's plan.

['Q3', '2023']:

- Institutional patient bed share was 29% in Q3 FY23, compared to 31% in Q3 FY22.

- **Evaluation:**

- **{'evaluation': 'Met expectations', 'evaluation_reason': "The addition of two hospitals through acquisitions in Delhi NCR aligns with management's stated inorganic growth strategy, fulfilling that aspect of their guidance for Q4 2022. While the overall bed capacity increase over the 5-6 year period is not assessed here, the initial steps in the plan were met."}**