



Rainbow Children's Medicare Ltd. Reports Strong Q1 FY24-25 Growth post Successful Expansion

Hyderabad, August 13, 2024: Rainbow Children's Medicare Limited (RCML), India's premier pediatric multi-specialty and perinatal care hospital chain, is pleased to announce its financial results for the first quarter ended June 30, 2024.

The company successfully completed a significant expansion last quarter, inaugurating three new hospitals with a combined capacity of 280 beds within committed timelines to enhance our hub and spoke network in Hyderabad, Bengaluru and Chennai.

In the current quarter, RCML achieved a robust 15% revenue growth, reflecting our successful operational strategies and market positioning. Despite the traditionally slower summer period, our performance underscores the strength and resilience of our business model. While EBITDA growth was moderated due to the initial costs associated with our new facilities, we are confident in the long-term value of these investments.

We saw progress across all key operating metrics including outpatient footfalls, inpatients and deliveries.

Financial Highlights:

(In INR Mn)	Q1 FY25	Q1 FY24	YoY	Q4FY24	QoQ	FY24	FY23	YoY
			Growth		Growth			Growth
Revenue	3302.2	2871.7	15.0%	3411.0	-3.2%	12,969.0	11,735.7	10.5%
EBITDA	937.2	877.0	6.9%	1055.4	-11.2%	4,288.8	3,963.8	8.2%
EBITDA %	28.4%	30.5%	(216bps)	30.9%	(256bps)	33.1%	33.8%	(71 bps)
PAT	397.3	414.9	-4.2%	510.7	-22.2%	2,182.9	2,123.8	2.8%
PAT %	12.0%	14.4%	(242bps)	15.0%	(294bps)	16.8%	18.1%	(127 bps)

Operational Highlights:

KPIs	Q1 FY25	Q1 FY24	YoY	Q4FY24	QoQ	FY24	FY23	YoY
			Growth		Growth			Growth
Capacity Beds	1935	1655	17%	1,935	0%	1,935	1,655	17%
Operational Beds	1523	1290	18%	1,427 ²	7%	1,324 ²	1,186 ¹	12%
Occupancy ³	42.4%	40.9%	151 bps	48.5%	(609 bps)	47.9%	55.4%	(749 bps)
IP Discharges	21,289	19,323	10%	22,147	-4%	87,736	86,864	1%
OP Consultation	3,10,990	2,77,023	12%	3,45,012	-10%	12,77,087	12,40,569	3%
Deliveries	4,077	3,699	10%	3,992	2%	15,798	14,797	7%
ARPOB ⁴	56,212	59,850	-6%	54,185	4%	55,853	48,932	14%
ALOS ⁵	2.76	2.48	11%	2.84	-3%	2.65	2.76	-4%

¹ Weighted average operational bed for the quarter/period are considered for occupancy calculations. (OMR, Chennai and Financial District, Hyderabad hospitals commenced operations on 1st Sep, 2022 & 1st Mar, 2023 with 45 & 87 operational beds respectively. **Weighted average beds for the period are considered in FY23.**

² Himayat Nagar, Hyderabad commenced operations on 4th Jan, 2024 with 54 operational beds, Sarjapur Road, Bengaluru commenced operations on 1st Feb, 2024 with 70 operational beds, Anna Nagar Chennai and Hydernagar, Hyderabad block II commenced operations on 1st Mar, 2024 with 65 & 44 operational beds respectively. **Weighted average beds for these hospitals are considered in Q4 FY24 & FY24**

³ Occupancy = Occupied bed days / (Weighted operational beds for the period * no. of days for the period)

⁴ ARPOB = Total operating revenue / occupied beds days for the period

⁵ ALOS = occupied bed days / total IP discharges

Occupied Bed Days = sum of midnight census for the period

Key Developments

- Project Status update:
 - The project works at our spoke hospital in Hennur, Bengaluru (~60 beds) and the regional hub hospital in Rajahmundry (~100 beds) are progressing as per schedule and both hospitals are on track to commence operations by end of Q4 FY25.
 - The project work has commenced at our regional hub hospital in Coimbatore (~130 beds), with an anticipated operational start in ~24 months. Based on market assessment and revised architectural design, we have increased the beds from 100 to 130 beds.
- The company has successfully registered the land parcels in Gurugram (sectors 44 and 56). The project team has submitted the architectural design for land parcel at sector 44 to HSVP (Haryana Shehri Vikas Pradhikaran) for building plan approval. Further, the team plans to submit the architectural design for land parcel at sector 56 in next 10-15 days.
- The company continues to maintain a robust balance sheet with cash, cash equivalents, fixed deposits, and mutual fund investments totaling Rs. 5,180 Mn. as of June 30, 2024. These funds will support our ongoing capital expenditure plans. With our current cash flow and anticipated internal accruals in coming quarters, we are well-positioned to complete all planned capital expenditures using internal resources and balance IPO funds.
- During the quarter, the company invested Rs. 567 Mn. in capital expenditures towards expanding and enhancing our facilities.

Commenting on the Performance for Q1 FY25, Dr. Ramesh Kancharla, Chairman & Managing Director of Rainbow Children's Medicare Limited, said:

"I am delighted to share that we have delivered a strong performance this quarter. Our revenue for Q1 FY25 reached Rs. 3,302 Mn, marking a robust 15% increase from Rs. 2,872 Mn in Q1 FY24. Our EBITDA for the quarter was Rs. 937 Mn, reflecting a growth of 6.9% compared to Rs. 877 Mn in Q1 FY24. Although our PAT for Q1 FY25 was Rs. 397 Mn, a decrease of 4.2% from Rs. 415 Mn in Q1 FY24, this is attributable to the initial costs associated with our new hospitals.

We currently have 2000+ beds including the managed beds, with a right mix of matured and new beds. Our focus remains to drive occupancies and optimize operations across the group along with customer delight. We are confident in our ability to drive growth in the upcoming quarters."

About Rainbow Children's Hospital

Rainbow network comprises of 19 hospitals and 4 clinics in 6 cities, with a total bed capacity of 1,935 beds. Our Pediatric services operating under the brand "Rainbow Children's Hospital" includes newborn and pediatric intensive care, pediatric multi-specialty services, pediatric quaternary care (including organ transplantation); whereas our women care services under "Birthright by Rainbow" offers perinatal care services which includes normal and complex obstetric care, multi-disciplinary fetal care, perinatal genetic and fertility care along with gynecology services.

Rainbow Children's Hospital built on strong fundamentals of a multidisciplinary approach with a full-time consultant led clinical service along with 24/7 commitment in a child centric environment. The company follows a hub-and-spoke operating model where the hub hospital provides comprehensive outpatient, inpatient care, with a focus on tertiary and quaternary services, while the spokes provide 24/7 emergency care, large outpatient services and comprehensive obstetrics, pediatric inpatient and level 3 NICU services. This model is successfully operational at Hyderabad and is gaining traction in Bengaluru. The endeavor is to replicate this approach in Chennai and across the National Capital Region. Subsequently Rainbow intends to expand into tier-2 cities of Southern India.

Rainbow embraces a unique doctor engagement model, where doctors work exclusively on a full-time, retainer basis. The doctors work in teams and have 24/7 commitment, which is particularly important for children's emergency, neonatal, pediatric intensive care services and to support pediatric retrieval services. The Company also operates the country's largest pediatric DNB training programme in private healthcare, offering post graduate residential DNB and fellowship programme.

Please visit www.rainbowhospitals.in for more information. You may also reach out to:

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