



Rainbow Children's Medicare Ltd.'s Q3 & 9M FY24 Financial Results

Hyderabad, January 24, 2024 : Rainbow Children's Medicare Limited (RCML), India's leading pediatric multi-specialty and perinatal care hospital chain, announced its financial results for the third quarter and the first nine months ended December 31, 2023.

The company recorded its highest ever Revenue and EBIDTA despite the continued seasonal headwinds. The effect of lower than expected rainfalls and subsequent irregular seasonal variations had an impact on the patient footfalls and occupancy in the current quarter as compared to the same period last year, which was marked with higher footfalls and inpatient admissions as children continued to adapt in post COVID environment.

The operations at hospitals based in Chennai, Vijayawada and Vizag were affected for 10-15 days during the quarter due to cyclone Michaung which had a devastating impact in parts of Tamil Nadu and Andhra Pradesh.

The company is happy to share that it has commissioned its 8th hospital in Hyderabad with 60 beds at Central Hyderabad, Himayat Nagar. This step has further strengthened company's Hub and Spoke network with combined 890 beds at Hyderabad.

The Company remains dedicated to the timely execution and initiation of the projects to add 280 beds during the current financial year. The coming months of the current financial year are going to be busy, as the company prepares to commission two new hospitals and an additional block at an existing hospital during this time.

Financials and operational highlights are as follows:

Financial Highlights:

(In INR Mn)	Q3 FY24	Q3 FY23	YoY	Q2 FY24	QoQ	9M FY24	9M FY23	YoY
			Growth		Growth			Growth
Revenue	3359.6	3064.0	9.6%	3326.8	1.0%	9558.0	8566.1	11.6%
EBITDA	1180.8	1067.6	10.6%	1175.6	0.4%	3233.4	2983.7	8.4%
EBITDA %	35.1%	34.8%	31 bps	35.3%	(19 bps)	33.8%	34.8%	(100 bps)
PAT	625.7	582.4	7.4%	631.6	-0.9%	1672.2	1585.1	5.5%
PAT %	18.6%	19.0%	(38 bps)	19.0%	(36 bps)	17.5%	18.5%	(101 bps)

Operational Highlights:

	Q3 FY24	Q3 FY23	YoY	Q2 FY24	QoQ	9M FY24	9M FY23	YoY
			Growth		Growth			Growth
Capacity Beds	1,655	1,555	6%	1,655	0%	1,655	1,555	6%
Operational Beds ¹	1,290	1,198	8%	1,290	0%	1,290	1,171	10%
Occupancy ²	50.8%	57.1%	(630 bps)	51.4%	(66 bps)	47.7%	54.2%	(655 bps)
IP Discharges	22,888	22,665	1%	23,378	-2%	65,589	63,323	4%
OP Consultation	3,17,146	3,15,485	1%	3,37,906	-6%	9,32,075	9,07,577	3%
Deliveries	4,127	4,019	3%	3,980	4%	11,806	11,051	7%
ARPOB ³	55,768	48,744	14%	54,514	2%	56,510	49,054	15%
ALOS ⁴	2.63	2.77	-5%	2.61	1%	2.58	2.76	-6%

¹ Weighted average operational bed for the quarter/period are considered for occupancy calculations. OMR, Chennai hospital commenced operations on 1st September, 2022 with 45 operational beds, weighted average beds for OMR, Chennai is considered in Q3 & 9M FY23

² Occupancy = Occupied bed days / (Weighted operational beds for the period * no. of days for the period)

³ ARPOB = Total operating revenue / occupied beds days for the period

⁴ ALOS = occupied bed days / total IP discharges

Occupied Bed Days = sum of midnight census for the period

Key Developments

- The new hospital in Hyderabad central city, at Himayat Nagar with 60 beds commenced operations on 4th January, 2024. A separate press release on same has been filed to the exchanges.
- Project Status update:
 - The expansion for an additional block in Hydernagar with 50 beds in addition to the existing 110 beds is in concluding stages and will commence operations within this quarter.
 - New hospitals in Anna Nagar, Chennai (~80 beds) and Sarjapur Road, Bangalore (~90 beds) are in the final stages of development and are expected to commence operations in Q4 FY24.
 - Development of the spoke hospital at Hennur, Bangalore (~60 beds) and the regional spoke hospital at Rajahmundry (~100 beds) is progressing well and will be completed in the next 12-15 months.
 - For the regional spoke hospital at Coimbatore, the builder has received the government approvals and the project work will commence soon
- The company completed 100% payment to HSVP (Haryana Shahri Vikas Pradhikaran) and received allotment letters for 2 land parcels in Gurgaon in Sector 44 and Sector 56 respectively. The company is working with the government agencies to take possession of these land parcels. Simultaneously the company is in the process of finalizing the architectural designs.
- The Company continued to have strong balance sheet and have cash & cash equivalent, fixed deposits and mutual fund investments aggregating to Rs. 4,947 Mn. as of December 31, 2023, which will be deployed for the ongoing capex plan of the company. Based on the present cash flow and expected internal accrual in the coming years, the company expects to complete all the planned capex with internal accruals and balance IPO funds.
- During the quarter, company has spent Rs. 604 Mn. for the capex.

Commenting on the performance for Q3 FY2024 Dr. Ramesh Kancharla, Chairman & Managing Director, Rainbow Children's Medicare Limited (RCML) said,

" I'm delighted to announce that our company has showcased a resilient operating and financial performance this quarter. The revenues for Q3 FY24 was Rs. 3,359.6 Mn, which is a growth of 9.6% compared to Rs. 3,064.0 Mn in Q3 FY23. The EBIDTA for Q3 FY24 was Rs. 1,180.9 Mn, which is a growth of 10.6% compared to Rs. 1,067.6 Mn in Q3 FY23 and the PAT for Q3 FY24 was Rs. 625.7 Mn, which is a growth of 7.4% compared to Rs. 582.4 Mn in Q3 FY23.

We have managed to fortify our operations and deliver stable performance despite the continued seasonal headwinds. Our operating performance reflects our commitment to delivering high quality healthcare to our patients.

We remain dedicated to the timely execution and initiation of our projects and add 280 beds during the current financial year.

The company continues its unwavering dedication to its mission: to provide outstanding multi-disciplinary pediatric and perinatal care. We are constantly refining our services to serve our patients."

About Rainbow Children's Hospital

Rainbow network comprises of 17¹ hospitals and 3 clinics in 6 cities, with a total bed capacity of 1,715¹ 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.

¹ Rainbow Himayatnagar, Hyderabad (60 beds) commissioned on 4th January, 2024

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

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