



Rainbow Children's Medicare Ltd.'s Q4 & FY23-24 Financial Results

Hyderabad, May 19, 2024 : Rainbow Children's Medicare Limited (RCML), India's leading pediatric multi-specialty and perinatal care hospital chain, announced its financial results for the fourth quarter and the financial year ended March 31, 2024.

The company had an eventful quarter where it commissioned 280 beds across 3 hospitals one each in Hyderabad, Bengaluru, and Chennai respectively and 1 additional block to an existing hospital in Hyderabad. The company opened an outpatient clinic at Hennur, Bengaluru.

During the year the company added IVF services at 8 hospitals and now offers IVF services at 11 hospitals. Addition of IVF services has strengthened the birthright services by providing entire gamut of women care services under one roof.

On the operational front, the company recorded its highest revenue despite the continued seasonal headwinds. Key operating metrics during the quarter have been resilient in contrast to last year which was marked with high incidence of adenovirus and other viral infections requiring higher outpatient visits and inpatient admissions. With major expansion completed, the company is solely focused on operations at the newly commissioned hospitals along with the existing hospitals.

The company is proud to share that its flagship hospital at Marathahalli, Bengaluru¹ has been awarded provisional JCI accreditation. This is the second pediatric hospital in the country to receive the prestigious accreditation after Rainbow Children's hospital in Banjara Hills, Hyderabad. The company now has three hospitals² with JCI accreditation. The accreditation recognizes the hospital's dedication to delivering exceptional healthcare services on par with global standards.

Since the IPO, the company has commissioned 435 beds of the 1000 beds as envisioned and communicated during the IPO. The company is dedicated to fulfill its commitment to commission the remaining beds as per guided timelines.

¹Rainbow Children's Hospital, Marathahalli Bengaluru received the JCI accreditation report on 30th Apr, 2024, certificate awaited

²JCI accreditation received for Banjara Hills, Hyderabad, Marathahalli, Bengaluru & Fertility services at Kondapur Hospital

Financial and operational highlights are as follows:

Financial Highlights:

(In INR Mn)	Q4 FY24	Q4 FY23	YoY	Q3 FY24	QoQ	FY24	FY23	YoY
			Growth		Growth			Growth
Revenue	3,411.0	3,169.7	7.6%	3,359.6	1.5%	12,969.0	11,735.7	10.5%
EBITDA	1,055.4	980.1	7.7%	1,180.8	-10.6%	4,288.8	3,963.8	8.2%
EBITDA %	30.9%	30.9%	2 bps	35.1%	(421bps)	33.1%	33.8%	(71bps)
PAT	510.7	538.6	-5.2%	625.7	-18.4%	2,182.9	2,123.8	2.8%
PAT %	15.0%	17.0%	(202bps)	18.6%	(365bps)	16.8%	18.1%	(127bps)

Operational Highlights:

KPIs	Q4 FY24	Q4 FY23	YoY	Q3 FY24	QoQ	FY24	FY23	YoY
			Growth		Growth			Growth
Capacity Beds	1,935	1,655	17%	1,655	17%	1,935	1,655	17%
Operational Beds	1,427 ²	1,232 ¹	16%	1,290	11%	1,324 ²	1,186 ¹	12%
Occupancy ³	48.5%	58.8%	(1034 bps)	50.8%	(228 bps)	47.9%	55.4%	(749 bps)
IP Discharges	22,147	23,541	-6%	22,888	-3%	87,736	86,864	1%
OP Consultation	3,45,012	3,32,992	4%	3,17,146	9%	12,77,087	12,40,569	3%
Deliveries	3,992	3,746	7%	4,127	-3%	15,798	14,797	7%
ARPOB ⁴	54,185	48,603	11%	55,768	-3%	55,853	48,932	14%
ALOS ⁵	2.84	2.77	3%	2.63	8%	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 Q4 FY23 & 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

- Board recommends final dividend of 30% per Equity Share of Face Value Rs. 10 amounting to Rs. 304.5 million [Dividend Rs. 3 per equity share]
- Project Status update:
 - Development of the spoke hospital at Hennur, Bengaluru (~60 beds) and the regional spoke hospital at Rajahmundry (~100 beds) is progressing well and will be completed in the next 12 months. Both the hospitals are likely to commence operations in Q4 FY25.
 - For the regional spoke hospital at Coimbatore, the project work has just started and is expected to commence operations in 24 months.
- The company has received the possession letter for the land parcels at Gurugram at sector 44 and 56 respectively. The company is working to get the conveyance deed completed. Simultaneously, the architectural designs are getting finalized. The company expects the ground breaking in next 3-4 months.
- The company continued to have strong balance sheet and have cash & cash equivalent, fixed deposits and mutual fund investments aggregating to Rs. 5,159 Mn. as of March 31, 2024, 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. 504 Mn. for the capex.

Commenting on the performance for Q4 FY'24 Dr. Ramesh Kancharla, Chairman & Managing Director, Rainbow Children's Medicare Limited said,

“We had a significant quarter with three new hospitals commissioned in a span of three months. Our project and operations team have worked exceedingly well to ensure that all the projects were commissioned on time. With major expansion completed, we are solely focused on building and strengthening operations at newly commissioned hospitals and add services at existing units to propel them to new areas of growth”

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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