



Rainbow Hospital posts strong operational & financial performance for Q2 FY24-25

Hyderabad, October 27, 2024: Rainbow Children's Medicare Limited (RCML), India's leading pediatric multi-specialty and perinatal care hospital chain, is pleased to announce its financial results for the second quarter and first half of the financial year FY24-25 ended September 30, 2024.

Historically, the second quarter experiences higher occupancy rates and increased patient footfalls, and this trend continued in the current quarter. The company witnessed growth across all key operating metrics, including the newly opened hospitals in Hyderabad, Bengaluru, and Chennai. As a result, the company achieved its highest-ever Revenue, EBITDA, and PAT in the current quarter.

Rainbow Children's Hospital at Visakhapatnam has recently received NABH accreditation. With this, 13 of our hospitals in the network are now NABH accredited and 3 hospitals with JCI accreditation. Notably, we are the only pediatric hospital chain in the country with three JCI-accredited facilities. These achievements demonstrate the group's commitment to provide world-class pediatric healthcare.

Financial Highlights:

(In INR Mn)	Q2 FY25	Q2 FY24	YoY	Q1 FY25	QoQ	H1 FY25	H1 FY24	YoY
			Growth		Growth			Growth
Revenue	4174.6	3326.8	25.5%	3302.2	26.4%	7476.8	6198.4	20.6%
EBITDA	1470.8	1175.6	25.1%	937.2	56.9%	2408.1	2052.7	17.3%
EBITDA %	35.2%	35.3%	(11bps)	28.4%	685bps	32.2%	33.1%	(91bps)
PAT	790.1	631.6	25.1%	397.3	98.9%	1187.3	1046.5	13.5%
PAT %	18.9%	19.0%	(6bps)	12.0%	689bps	15.9%	16.9%	(100bps)

Operational Highlights:

KPIs	Q2 FY25	Q2 FY24	YoY	Q1 FY25	QoQ	H1 FY25	H1 FY24	YoY
			Growth		Growth			Growth
Capacity Beds	1,935	1,655	16.9%	1,935	0%	1,935	1,655	17%
Operational Beds	1,523	1,290	18.1%	1,523	0%	1,523	1,290	18%
Occupancy¹	59.9%	51.4%	844 bps	42.4%	1748 bps	51.2%	46.2%	500 bps
IP Discharges	28,526	23,378	22.0%	21,289	34%	49,815	42,701	17%
OP Consultation	4,04,593	3,37,906	19.7%	3,10,990	30%	7,15,583	6,14,929	16%
Deliveries	4,451	3,980	11.8%	4,077	9%	8,528	7,679	11%
ARPOB²	49,770	54,514	-8.7%	56,212	-11%	52,424	56,862	-7.8%
ALOS³	2.94	2.61	12.6%	2.76	7%	2.86	2.55	12%

¹ Occupancy = Occupied bed days / (Weighted operational beds for the period * no. of days for the period)

² ARPOB = Total operating revenue / occupied beds days for the period

³ ALOS = occupied bed days / total IP discharges

Occupied Bed Days = sum of midnight census for the period

Key Developments

- Update on Projects :
 - The regional hub hospital in Rajahmundry (~100 beds), is progressing as per schedule and is expected to commence operations by the end of Q4 FY25.
 - The spoke hospital in Hennur, Bengaluru (~ 60 beds), faced minor delays due to legal clearances, but these have been resolved, and the hospital is now expected to open by the end of Q2 FY26.
 - Construction has started on the regional hub hospital in Coimbatore (~ 130 beds), with an estimated operational start in 20-24 months.
- During the quarter, the company has signed a lease deed, for a brownfield spoke hospital to accommodate 90-beds in a rapidly growing micro market of Electronic City, Bengaluru and expect the hospital to commence operations, post interior works, by Q3 FY26. This will further strengthen Rainbow's hub and spoke model in Bengaluru.
- The company has successfully registered and submitted the architectural design for both the land parcels at sector 44 and sector 56 at Gurugram to HSVP (Haryana Shehri Vikas Pradhikaran) for building plan approval.
- During the quarter, Rainbow has established a state-of-the-art child development Centre at Banjara Hills, Hyderabad. This is expected to commence full-fledged services from November'24.
- During the quarter, Rainbow inaugurated 'Butterfly Essentials*', a specialized retail store offering an extensive array of baby and women care products, to meet the unique needs of children and women. Rainbow plans to open the 'Butterfly Essentials' stores within most of its hospitals in a phased manner.
- The company continues to maintain a robust balance sheet with cash, cash equivalents, fixed deposits, and mutual fund investments totaling Rs. 5,814 Mn as of September 30, 2024. These funds will support our ongoing capital expenditure plans. With our current cash 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. 234 Mn in capital expenditures towards expanding and enhancing our services at existing hospitals.

* Butterfly essentials is operating under Rosewalk Healthcare Private Limited, wholly owned subsidiary of Rainbow Children's Medicare Limited

Commenting on the Performance for Q2 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 led by robust volume growth across all hospitals. Our revenue for Q2 FY25 reached Rs. 4,174.6 Mn marking a robust 25.5% increase from Rs. 3326.8 Mn in Q2 FY24. Our EBITDA for the quarter was Rs. 1,470.8 Mn, reflecting a growth of 25.1% compared to Rs. 1,175.6 Mn in Q2 FY24. The PAT for Q2 FY25 was Rs. 790.1 Mn, an increase of 25.1% from Rs. 631.6 Mn in Q2 FY24.

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 maintain the growth momentum 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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