

Bloomberg Code	APHS IN
No of share O/S (in crs)	13.91
Market Cap (in Rs. Crs)	31,570
Face Value (in Rs.)	5.00
Dividend Yield (%)	0.26
52 Wk High/Low (Rs.)	2,332/1,047

Key Highlights

Apollo Hospitals reported revenue from operations of Rs. 2,761 crores in Q2FY21, registering a YoY de-growth and QoQ growth of 2.8% and 27.1%, respectively. Revenue from Healthcare/Retail/Clinics segments came in at Rs. 1,243/991/172 crores registering a YoY de-growth of 16.7%/15.5%/5.5% respectively. On a QoQ basis, Healthcare & Clinics segment were up by 56.3% and 67.5% respectively whereas Retail segment was down by 22.6%. The EBITDA improved on a QoQ basis due to increase in occupancy and cost rationalization measures adopted, specifically in employee cost which declined by 8.3% on a QoQ basis. EBITDA Margin for the quarter came in at 10.9% as against 14.6% in Q2FY20 and 1.6% in Q1FY21. Net profit for the quarter was Rs. 60 crores which improved on a QoQ basis due to operating efficiency of the company. Net profit margin was 2.2% in Q2FY21 versus 3.0% in Q2FY20 and -9.6% in Q1FY21.

Shareholding (%)

Promoters	30.82
Institutional	62.75
Public	6.43
Total	100.00

Concall Highlights

- The board of directors have approved the acquisition of 50% equity stake in Apollo Gleneagles Hospital Ltd, Kolkata (AGHL) in which the company currently holds a 50% equity stake at a consideration of Rs 410 crores.
- The board has also approved the acquisition of an additional 1% equity stake in Medics International Life Sciences Limited, an unlisted public limited company, which runs a 330 bedded multi-specialty hospital in Lucknow, in which the company already holds a 50% equity stake for a consideration of Rs. 3.98 crores.
- The company will be raising upto Rs. 1,500 crores through preferential allotment or QIP. The proceeds of the issue would be utilized for 1) purchasing the balance 50% stake in Apollo Gleneagles, 2) any potential inorganic opportunity, 3) debt reduction, 4) technology upgradations and digital initiatives and 5) any other general corporate purposes.
- The occupancy level for Q2FY21 was at 56% and has increased to 65% in October 2020.
- Revenue from new units grew at 65% from Q1FY21 and were higher than FY20 revenue by 5%.
- The company intends to enhance its presence in East India and plans to expand in West Bengal and Assam.

Valuation

At the CMP of Rs. 2,269, Apollo is trading at a P/E of 120.5 with estimated FY21 adjusted EPS of Rs. 18.8.

Financial Summary

Revenue for Q2FY21 stood at Rs. 2,761 crores, down by 2.8% on a YoY basis due to a decline in all the businesses of the company.

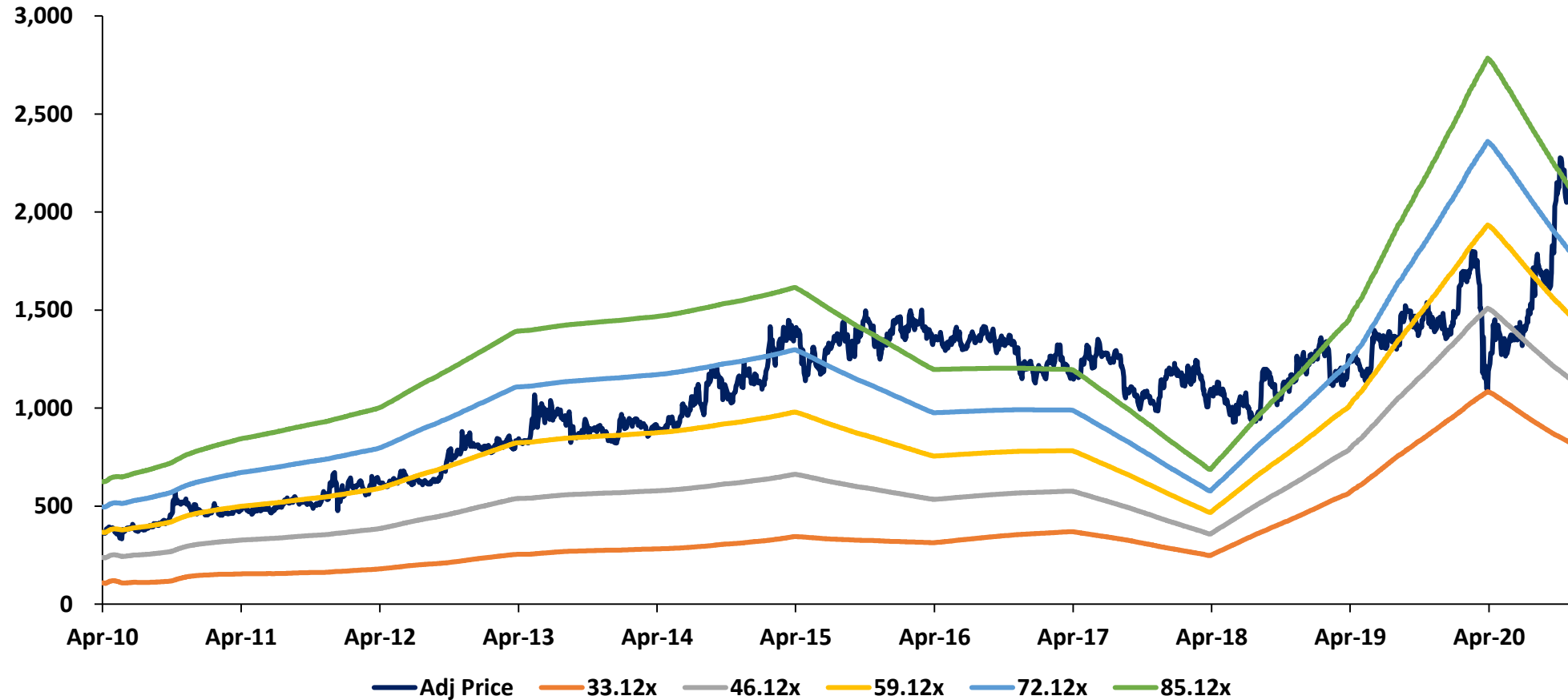
EBITDA for the quarter was Rs. 300 crores an increase of 745% on a QoQ basis supported by rise in revenue and 8.3% savings in employee cost.

Net profit for the quarter came in at Rs. 60 crores recovering a loss of Rs. 208 crores in Q1FY21 and Net margin improved to 2.2% from -9.6% in the previous quarter.

Figures are in Rs Cr	Q2FY21	Q2FY20	YoY (%)	Q1FY21	QoQ (%)	FY19	FY20	YoY (%)
Revenue from operations	2,761	2,841	-2.8	2,172	27.1	9,617	11,247	16.9
RM Cost	1,505	1,373	9.6	1,218	23.6	4,661	5,499	
RM Cost to Sales (%)	54.5	48.3		56.1		48.5	48.9	
Employee Cost	412	469	-12.2	449	-8.3	1,598	1,853	15.9
Employee Cost to Sales (%)	14.9	16.5		20.7		16.6	16.5	
Other Expenses	544	586	-7.1	470	15.8	2,296	2,314	0.8
Other expenses to Sales (%)	19.7	20.6		21.6		23.9	20.6	
EBITDA	300	413	-27.5	35	745.2	1,063	1,581	48.8
EBITDA Margin (%)	10.9	14.6		1.6		11.0	14.1	
Depreciation	149	155	-3.3	160	-6.7	396	620	56.7
Interest	122	134	-9.0	127	-4.0	327	533	62.9
Other Income	11	4	223.4	8	46.6	32	33	2.2
Other Income to Sales (%)	0.4	0.1		0.4		0.3	0.3	
Exceptional Income / Expenses	35	-		-		-	199	
Profit Before Tax	75	128	-41.6	-244	130.6	373	660	77.1
Tax Rate (%)	9.3	39.8		16.8		46.4	34.1	
Profit After Tax	68	77	-12.0	-203	133.4	200	435	117.9
PAT Margin (%)	2.5	2.7		-9.4		2.1	3.9	
Minority Int/Share of Associates	-8	9		-5		37	20	
Net Profit	60	86	-30.2	-208	128.8	236	455	92.5
Net Profit Margin (%)	2.2	3.0		-9.6		2.5	4.0	
Adjusted EPS	4.3	6.2	-30.2	-14.9	128.8	17.0	32.7	92.5
Shareholder's Funds	3,136	3,057				3,334	3,339	0.2
BV per share	225.4	219.8				239.6	240.1	0.2
Net Debt	2,583	2,929				3,256	3,054	-6.2
Net Debt to Equity	0.8	1.0				1.0	0.9	-6.4
Net Debt to EBITDA	2.3	2.2				3.1	1.9	-36.9
RoE	5.2	9.2				7.1	13.6	
RoCE	6.2	7.3				5.1	9.1	
P/E	193.1	112.0				133.5	69.4	
P/B	10.1	10.3				9.5	9.5	
EV/EBITDA	29.8	25.8				32.8	21.9	

1 year forwarded valuation band chart

1 year forward P/E band chart



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