



## Rainbow Children's Medicare Limited Posts Robust Q2 & H1 FY2023-24 Financial Results

**Hyderabad, October 30, 2023** : Rainbow Children's Medicare Limited (RCML), India's leading pediatric multi-specialty and perinatal care hospital chain, announced its financial results for the second quarter and the first half ended September 30, 2023.

The company recorded its highest ever Revenue and EBIDTA, despite a delayed onset of the monsoon and overall deficit in seasonal rainfall, showcasing robust progress in operational performance.

The current quarter, Q2 FY24, differs significantly from the same period last year due to the distinctive circumstances of Q2 FY23. In Q2 FY23, which marked the first year of post-COVID-19 normalcy, many children experienced acute pneumonia as they transitioned out of a protective environment after approximately two years. In that context, the current quarter has demonstrated a noteworthy level of resilience, which the company believes is likely to be more sustainable in the long term.

The company is happy to share that the newly established branch in Hyderabad's Financial District has garnered substantial interest and is progressing in accordance with expectations.

In terms of clinical excellence, RCML is delighted to announce that OMR Hospital in Chennai has achieved NABH accreditation within first year of commencing its operations.

The coming five months of the current financial year are set to be a period of heightened activity for the company, as it is preparing to commission three 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)	Q2 FY24	Q2 FY23	YoY	Q1 FY24	QoQ	H1 FY24	H1 FY23	YoY
			Growth		Growth			Growth
Revenue	3326.8	3130.5	6.3%	2871.7	15.8%	6198.4	5502.0	12.7%
EBITDA	1175.6	1095.2	7.3%	877.0	34.0%	2052.7	1916.1	7.1%
EBITDA %	35.3%	35.0%	35bps	30.5%	480bps	33.1%	34.8%	(171bps)
PAT	631.6	615.1	2.7%	414.9	52.2%	1046.5	1002.7	4.4%
PAT %	19.0%	19.6%	(66bps)	14.4%	454bps	16.9%	18.2%	(134bps)

## Operational Highlights:

	Q2 FY24	Q2 FY23	YoY	Q1 FY24	QoQ	H1 FY24	H1 FY23	YoY
			Growth		Growth			Growth
Capacity Beds	1,655	1,555	6.4%	1,655	0.0%	1,655	1,555	6.4%
Operational Beds <sup>1</sup>	1,290	1,165	10.7%	1,290	0.0%	1,290	1,158	11.4%
Occupancy <sup>2</sup>	51.4%	62.2%	(1078 bps)	40.9%	1055 bps	46.2%	52.8%	(658) bps
IP Discharges	23,378	23,689	-1.3%	19,323	21.0%	42,701	40,658	5.0%
OP Consultation	3,37,906	3,43,841	-1.7%	2,77,023	22.0%	6,14,929	5,92,092	3.9%
Delivery	3,980	3,840	3.6%	3,699	7.6%	7,679	7,032	9.2%
ARPOB <sup>3</sup>	54,514	46,959	16.1%	59,850	-9%	56,862	49,236	15.5%
ALOS <sup>4</sup>	2.61	2.81	-7.1%	2.48	5.1%	2.55	2.75	-7.1%

<sup>1</sup> Weighted average operational bed for the quarter/period are considered for occupancy calculations. OMR, Chennai hospital commenced operations on 1<sup>st</sup> September, 2022 with 45 operational beds, Weighted average beds for OMR, Chennai is considered in Q2 & H1 FY23

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

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

<sup>4</sup> ALOS = occupied bed days / total IP discharges

Occupied Bed Days = sum of midnight census for the period

## Key Developments

- The company received NABH accreditation for OMR Hospital, Chennai which commenced operations in Sep last year.
- Project Status update:
  - A new outpatient block which includes modern IVF infrastructure adjoining the LB Nagar spoke hospital, Hyderabad commenced operations recently.
  - The new hospital in Hyderabad central city, at Himayat Nagar with 60 beds is ready to commence operations in Q3 FY24.
  - The expansion for an additional block in Hydernagar with 50 beds in addition to the existing 110 beds is nearing completion. It is expected to commence operations in Q3 FY24.
  - New hospitals in Anna Nagar, Chennai (~80 beds) and Sarjapur, Bangalore (~80 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 15-18 months.
- In the last quarter, 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.
- The company remains focused on growing opportunities in medical tourism, having recently signed a MOU with the Government of Tanzania on health cooperation. The company expects significant patients to come to Rainbow Hospitals for treatment under Pediatric super specialty care, especially in the areas of Pediatric cardiac surgery, Pediatric neuro surgery, Pediatric Transplants - Liver and BMTs and complex pediatric surgeries.
- The Company continued to have strong balance sheet and have cash & cash equivalent, fixed deposits and mutual fund investments aggregating to Rs. 4,719 Mn. as of September 30, 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, we expect to complete all the planned capex with internal accruals and balance IPO funds. During the quarter, company has spent Rs. 555 Mn. for the capex.

***Commenting on the performance for Q2 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 strong performance this quarter. The revenues for Q2 FY24 was Rs. 3,326.8 mn, which is a growth of 6.3% compared to Rs. 3,130.5 mn in Q2 FY23. The EBIDTA for Q2 FY24 was Rs. 1,175.6 mn, which is a growth of 7.3% compared to Rs. 1,095.2 mn in Q2 FY23 and the PAT for Q2 FY24 was Rs. 631.6 mn, which is a growth of 2.7% compared to Rs. 615.1 mn in Q2 FY23.

This quarter's impressive performance is a testament to our combined efforts and adaptability. We've managed to adapt to normalcy while maintaining our commitment to delivering unparalleled value to our patients. We remain dedicated to the timely execution and initiation of our projects.

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 16 hospitals and 3 clinics in 6 cities, with a total bed capacity of 1,655 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](http://www.rainbowhospitals.in) for more information. You may also reach out to:

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