

# Max India Limited

## Investor Release

*Quarter ended June 30, 2017*

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*This release is a compilation of financial and other information all of which has not been subjected to audit and is not a statutory release. This may also contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially from our expectations and assumptions. We do not undertake any responsibility to update any forward looking statements nor should this be constituted as a guidance of future performance.*



# Max India – Key Highlights

- 1** **Max Healthcare** : Revenue grows 10% to Rs. 702 Cr in Q1FY18
- 2** **Max Healthcare** : EBITDA grows by 8% to Rs. 64 Cr. in Q1FY18 impacted by regulatory headwinds
- 3** **Max Bupa**: Gross Premium grows 30% to Rs 159 Cr; Net profit of Rs 0.2 Cr vs. net loss of Rs 5.6 Cr in PY
- 4** **Max Bupa**: Corporate Agency agreement signed with South Indian Bank. Goes live in Aug'17 (access to 850+ branches)
- 5** **Antara**: Dehradun community commences operations in Apr'17; 102 units sold and 35 residents have moved in the community
- 6** **Merger Update**: Exclusivity agreement entered amongst the parties expired on July 31, 2017 and as the same was not being extended further, the proposed Scheme and the applications filed in this regard with the Stock exchanges were withdrawn on July 31, 2017

# MHC Network\* (Financial Snapshot – Q1FY18)

## Revenue

- Gross revenue grows 10% to Rs. 702 Cr impacted by stent pricing, closure of Inpatient facility in Pitampura & dis-empanelment from few ESI & PSU accounts
- Preferred channel outpacing overall growth... Walk-in : 12%, Upcountry : 45% and International : 24%
- Oncology is going strong, grows 24% y-o-y across all units
- Completed 100 liver transplants within 5 months. Performed 55 surgeries in Q1, program contributed Rs 16 Cr to the revenue
- 1,524 Angioplasty were performed in Q1, grows 15% y-o-y
- Avg. Revenue/Occupied Bed day across network improves to Rs 44,940, grows 7% y-o-y

## Profitability

- EBITDA at Rs. 64 Cr, grows 8% y-o-y, moderate growth was attributable to stent pricing & impact of revision of minimum wages in Delhi
- To mitigate regulatory impact, cost savings of Rs 70 Cr identified for FY18, out of which Rs 15 Cr realised in P&L during Q1
- EBITDA Margin for Q1FY18 at 9.6%, similar level as that of Q1FY17
- Net loss before tax reduce to Rs 1 Cr vs Rs 5 Cr last year

\*The above results are for MHC Network of hospitals, includes results for Max Super Specialty Hospital, Saket, unit of Devki Devi Foundation, Max Super Specialty Hospital, Patparganj, unit of Balaji Medical and Diagnostic Research Centre; Saket City Hospital unit of Gujarmal Modi Hospital & Research Centre and Max Multi Speciality Hospital Greater Noida unit of Four Season Foundation

# MHC Network\* – Performance Dashboard (Q1FY18)

Rs Cr

Key Business Drivers	Quarter Ended		Y-o-Y Growth
	Jun-17	Jun-16	
<b>a) Financial Performance</b>			
<b>Revenue (Gross)</b>	<b>702</b>	<b>636</b>	<b>10%</b>
Revenue (Net)	666	611	9%
<b>Direct Costs</b>			
Material Cost	167	160	4%
Clinician Payout	117	104	12%
<b>Contribution</b>	<b>382</b>	<b>346</b>	<b>10%</b>
<i>Contribution Margin^</i>	57.3%	56.7%	66 bps
<b>Indirect Costs</b>			
Personnel Cost	166	143	16%
Other Indirect overheads	116	115	1%
HO Costs	36	29	23%
<b>EBITDA</b>	<b>64</b>	<b>59</b>	<b>8%</b>
<i>EBITDA Margin^</i>	9.6%	9.7%	(12) bps
Finance Cost	32	35	-8%
<b>Cash Profit</b>	<b>32</b>	<b>25</b>	<b>30%</b>
Depreciation	33	30	10%
<b>Profit /(loss) before tax</b>	<b>(1)</b>	<b>(5)</b>	<b>82%</b>
Tax	2	0	0%
<b>Profit /(loss) after tax</b>	<b>(3)</b>	<b>(5)</b>	<b>51%</b>
<b>b) Financial Position</b>			
Net Worth	1,120	1,094	2%
Net Debt	1,108	1,070	4%
Tangible Fixed Assets - Gross Block	2,038	1,951	4%

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^ on the basis of net revenue

# MHC Network\* – Performance Dashboard (Q1FY18)

Key Business Drivers	Quarter Ended		Y-o-Y Growth
	Jun-17	Jun-16	
a) Patient Transactions (Nos in lacs)			
Inpatient Discharges	0.52	0.48	9%
Day care Procedures	0.13	0.12	6%
Outpatient Footfalls	17.25	15.87	9%
<b>Total</b>	<b>17.90</b>	<b>16.47</b>	<b>9%</b>
b) Average Inpatient Operational Beds	2,356	2,380	-1%
c) Average Inpatient Occupancy	72.9%	71.3%	160 bps
d) Average Length of Stay (days)	3.01	3.15	4%
e) Average Revenue/Occupied Bed Day (Rs)	44,940	42,012	7%
f) Other Operational Data			
Physicians	2,847	2,707	5%
Employees	8,884	8,234	8%
Customer Base (in lacs)	37.3	31.3	19%

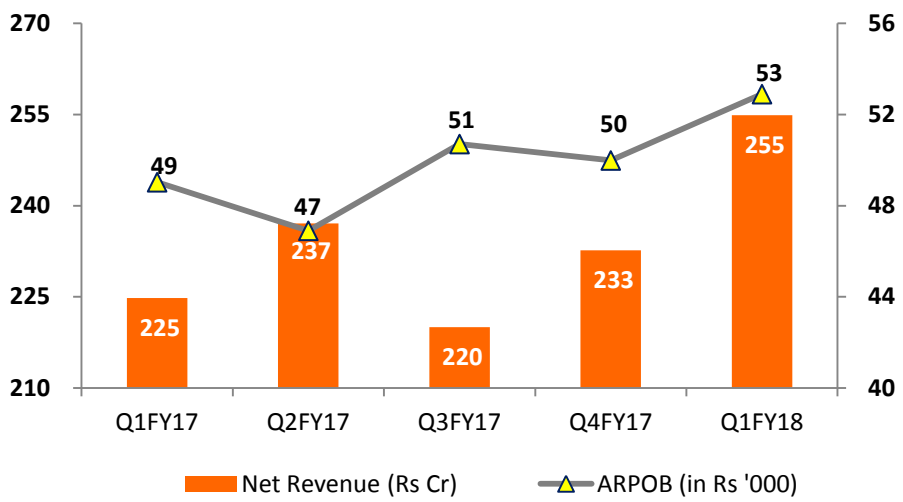
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# MHC Network Hospitals (Saket\* & East Delhi^ Complex)

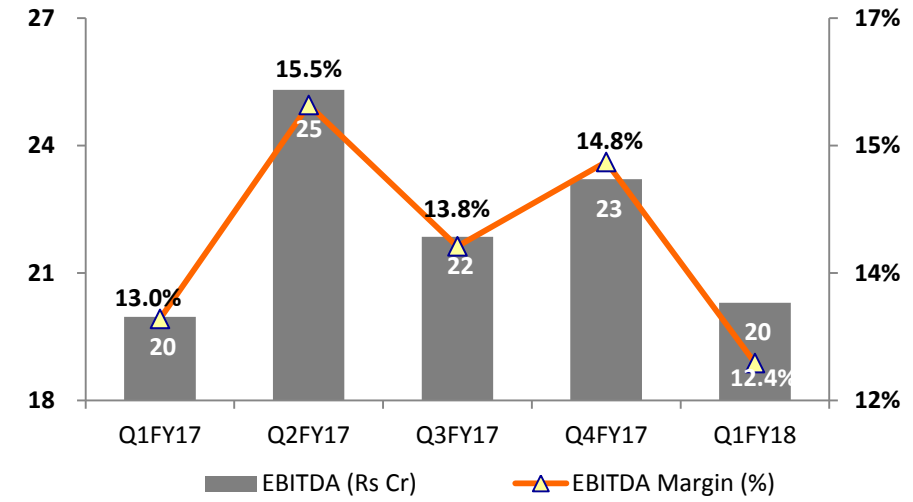
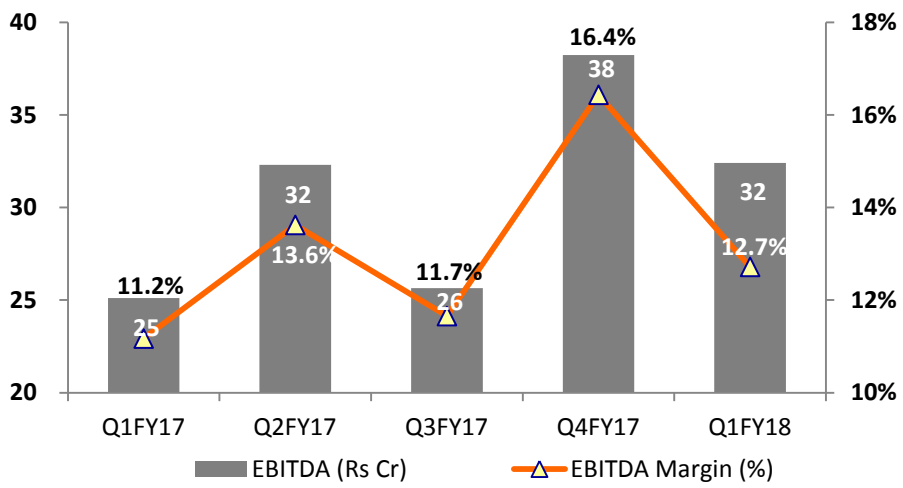
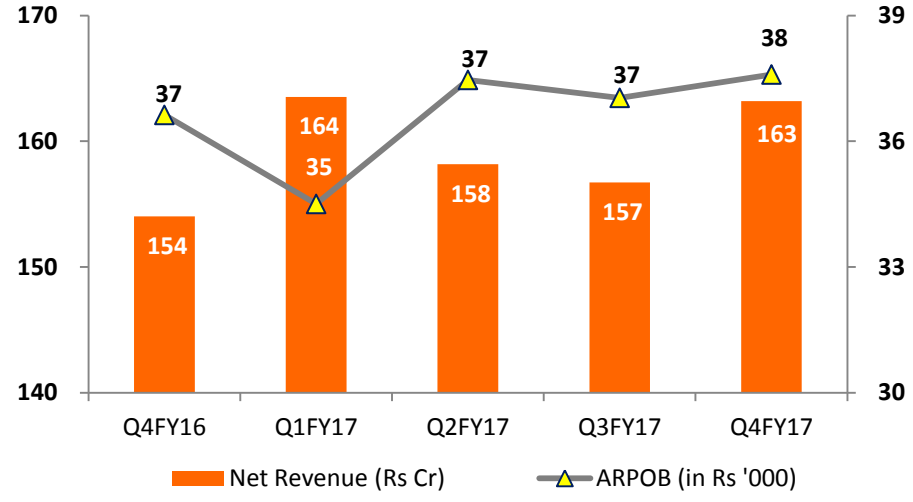
## – Performance Dashboard (Q1FY18)

Rs Cr

### Saket Complex\*



### East Delhi Complex\*



\*Saket Complex includes Saket West Block, Saket East Block (unit of Devki Devi Foundation) & Max Smart (unit of Smart Hospital & Research Centre) hospital  
 ^East Delhi Complex includes Max Patparganj (unit of Balaji Medical and Diagnostic Research Centre) & Max Vaishali hospital



# Max Bupa (Financial Snapshot – Q1FY18)

## Revenue

- Gross Written Premium (GWP) grows 30% to Rs. 159 Cr. driven by 31% growth in renewals and 28% growth in new sales
- Average premium realisation (B2C segment) at Rs 7,844 increases 13%
- Urban lives-in-force crosses 1.4 million, 330K lives covered in quarter
- Conservation ratio (B2C) at 82%, marginal decline despite significant price increase
- Market share at 3.9%; moved 1 rank to 8th amongst private players

## Profitability / Others

- Net Profit at Rs 0.2 Cr for the quarter vs net loss of Rs 5.6 Cr in PY
- B2C claims ratio for the quarter improved to 56.5% v/s 57.2% in PY

## Award and Accolades

- Won the “Best use of technology for Employee Engagement Award” for our “Step For Health” initiative

# Max Bupa – Performance Dashboard (Q1FY18)

Key Business Drivers	Quarter Ended		Y-o-Y Growth
	Jun-17	Jun-16	
a) Gross written premium income			
First year premium	54	42	28%
Renewal premium	105	80	31%
<b>Total</b>	<b>159</b>	<b>122</b>	<b>30%</b>
b) Net Earned Premium*	133	112	19%
c) Net Loss	0.2	(5.6)	104%
d) Claim Ratio(B2C Segment, normalized)	56.5%	57.2%	1%
e) Avg. premium realization per life (B2C)	7,844	6,944	13%
f) Conservation ratio (B2C Segment)	82%	84%	-3%
g) Lives In force in millions (including RSBY)	2.5	2.1	17%
h) Number of agents	11,700	13,849	-16%
i) Paid up Capital	926	898	3%

\* Earned Premium lower by 8 Cr due to change in Unearned premium accounting from 1/365 method to 50% of net written premium, excludes the impact of reinsurance ceded



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