## Q1 2025

**1. Cost management strategies**
- **Narrative:** The management at MHC has articulated a focused approach towards improving operational efficiency by targeting cost management strategies. A key aspect of this strategy involves achieving financial sustainability at their Dwarka unit, which is a critical step in optimizing the company's overall cost structure.
- **Management's Guidance:**
- Management has guided that the Dwarka unit is expected to achieve a break-even point within the next 6 to 9 months, indicating a significant step towards enhancing operational efficiency and cost management.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 2025, Ms. Johnson reported that the organization met its target of reducing operational costs by 10% last quarter.
- **Evaluation:**
**- Expectations Met**: Management's guidance for the Dwarka unit to achieve a break-even within 6 to 9 months was aligned with the actual results, as they successfully reduced operational costs by 10% by Q1 2025, indicating progress towards the targeted operational efficiency.

**2. Competitive positioning and market penetration**
- **Narrative:** Management discussed strategies aimed at enhancing the company's competitive positioning and market penetration. This includes plans to integrate new brownfield capacity, which is expected to bolster the company's institutional business share.
- **Management's Guidance:**
- The CEO projected a 20% increase in market share by the end of the next year, and Abhay Soi indicated an increase in institutional business share with the integration of new brownfield capacity.
- **Actual Results:**
**['Q1', '2025']:**
- Mr. Smith mentioned that the company achieved a 15% increase in market share over the past year.
- **Evaluation:**
**- Expectations Not Met: Management projected a 20% increase in market share with the integration of new brownfield capacity, but the company only achieved a 15% increase over the past year, falling short of expectations.**

**3. New facility openings**
- **Narrative:** Management outlined an ambitious expansion strategy centered around the opening of new healthcare facilities to bolster the company's presence and capabilities in key regions. This includes the operationalization of Max Super Speciality Hospital in Dwarka and plans to open additional hospitals by the end of 2025. The focus on new units is aimed at driving significant growth in Average Revenue Per Occupied Bed (ARPOB).
- **Management's Guidance:**
- 1. The Chairman and Managing Director confirmed that Max Super Speciality Hospital, Dwarka has been operationalized as of July 2nd. 2. The CEO announced the opening of three new hospitals by the end of 2025, with specific facilities in Mumbai, Mohali, and Smart expected to be operational by Q4 FY25 and Q1 FY26. 3. Abhay Soi highlighted that the new units are projected to have significantly higher ARPOB growth, starting from a low base, contributing to an overall growth exceeding 7% when combined with existing units.
- **Actual Results:**
**['Q1', '2025']:**
- The opening of Max Super Speciality Hospital, Dwarka was operationalized on July 2nd. We have seen very good traction in the first month itself. Abhay Soi mentioned that they have added three new locations in the last 5-6 years, increasing from 17 hospitals to 20.
- **Evaluation:**
**- Expectations Met**: The management's guidance of operationalizing Max Super Speciality Hospital, Dwarka by July 2nd was achieved, with positive initial traction reported. The increase from 17 to 20 hospitals aligns with the strategic expansion plan and expectation, as outlined by management.

**4. Regulatory updates and risk management**
- **Narrative:** Management discussed the ongoing impact of changes in visa regulations on the company's outpatient business. They highlighted the strategic measures being taken to mitigate risks associated with these regulatory changes.
- **Management's Guidance:**
- Yogesh Sareen mentioned that the impact on the outpatient business due to the change in visa regulations will continue until the third quarter.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 2025, management reported that some hospitals have an obligation to have 10% beds free, indicating a regulatory compliance measure taken as part of their risk management strategy. While this directly addresses regulatory compliance, further specific outcomes on the outpatient business due to visa regulation changes were not detailed in the actual results provided.
- **Evaluation:**
- Insufficient Info: The actual results lacked specific details about the impact on the outpatient business due to visa regulation changes, making it impossible to determine if management's expectations were met.

**5. Digital health initiatives and app launches**
- **Narrative:** Management emphasized the implementation of a new digital health platform by Q3 2025 as part of their strategic initiatives. This development is intended to bolster the company's presence in the digital healthcare space and enhance their service offerings.
- **Management's Guidance:**
- The COO indicated the launch of this platform by Q3 2025, suggesting a focus on expanding digital capabilities and improving patient engagement through innovative health solutions.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 2025, digital revenue from online marketing activities, web-based appointments, and digital lead management was INR 451 Cr, which constituted approximately 22% of the total revenue.

- **Evaluation:**
- Insufficient Info: The actual results from Q1 2025 focus on digital revenue and activities rather than the specific implementation or impact of the new digital health platform expected by Q3 2025, leaving insufficient information to assess if expectations were met.

**6. Revenue diversification and growth drivers**
- **Narrative:** Management emphasized their focus on strengthening financial performance through strategic initiatives aimed at revenue diversification. A key element of their strategy involves enhancing operational efficiency to support growth.
- **Management's Guidance:**
- The CFO projected a 20% increase in EBITDA margin by the fiscal year 2026, indicating a strong emphasis on improving profitability through cost management and operational enhancements.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 FY25, the actual results showed that the operating EBITDA margin stood at 26.5%. Network operating EBITDA was INR 499 crore, reflecting a growth of 14% year-on-year and a marginal decline of 1% quarter-on-quarter. Overall network gross revenue stood at INR 2,028 crore, registering a growth of 18% year-on-year and 7% quarter-on-quarter. Profit after tax was INR 295 Cr versus INR 291 Cr in Q1 FY24 and INR 311 Cr in Q4 FY24.
- **Evaluation:**
**- Expectations Not Met: The management projected a 20% increase in EBITDA margin by FY2026, but the Q1 FY25 results showed only a 14% year-on-year growth in network operating EBITDA, indicating that the progress toward the target margin increase is slower than anticipated.**

**7. Capital expenditure and cash flow analysis**
- **Narrative:** The management outlined its financial strategy focusing on optimizing capital expenditure and improving cash flow management. The strategic approach includes leveraging leasing options to minimize upfront capital expenses, particularly for new facilities, while maintaining necessary investments in equipment and staffing to ensure operational readiness and efficiency.
- **Management's Guidance:**
- The CEO highlighted that following the leasing of the planned hospital facility in Mohali, there will be no further capital expenditure, except for essential equipment and staffing needs. Management anticipates the Dwarka hospital reaching a breakeven point by the 8th to 9th month, with EBITDA level breakeven projected in Q4.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 FY25, management achieved strong free cash flows from operations of INR ~258 Cr, with a net cash surplus of INR 66 Cr at the end of the quarter. This indicates effective cash flow management as per the strategic narrative. [a3df206cce1741a496f40bfc0b434a33]
- **Evaluation:**
**- Expectations Met**: Management's strategy to optimize capital expenditure and improve cash flow management was effective, as evidenced by the strong free cash flows and net cash surplus achieved in Q1 FY25, aligning with the strategic narrative and guidance.

**8. Bed capacity additions**
- **Narrative:** Management is focusing on expanding the bed capacity through both refurbishment of existing infrastructure and new constructions. This includes the addition of new beds and towers across various hospitals, targeting completion within the next two years.
- **Management's Guidance:**
- Abhay Soi expects to refurbish the present infrastructure and add 140 beds by the end of this calendar year. The internal reconfiguration to add 25 beds at Nagpur hospital is expected to be completed by Q3 FY25. The addition of 140 beds and refurbishment is expected to be completed by the end of the year, and the new tower is expected to be completed over the next 24 months. An investment of around Rs. 700 crore plus will be required for the 450 beds in Lucknow once the EC approval is there. The CEO stated that capacity expansion in existing hospitals will be completed in the next 8 to 15, 20 months.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 FY25, Abhay Soi mentioned that they are adding 140 beds and doing refurbishment by the end of the year. Additionally, it was reported that the hospital has operationalized 94 beds so far, and Max Healthcare has a current capacity of approximately 4,300 beds. The average occupancy for the network increased to 77% from 74% in Q1 last year and 75% in the trailing quarter. Occupied bed days grew by around 5% year-on-year and 2% quarter-on-quarter.
- **Evaluation:**
**- Expectations Met**: The management's guidance to add 140 beds and complete refurbishment by the end of the year is on track, with 94 beds already operationalized in Q1 FY25, aligning with the stated goals.

**9. New hospital and facility developments**
- **Narrative:** The management of MHC has outlined a comprehensive strategy for expanding their hospital infrastructure, focusing on both new developments and enhancements to existing facilities. Key projects include the development of new bed towers and expansions in strategic locations, such as Lucknow, Nanavati, Gurgaon, and Mohali. These projects are set to significantly increase the company's capacity and market presence over the next few years.
- **Management's Guidance:**
- The development of a new 450-bed tower at the Lucknow hospital is targeted for completion within the next 24 months. The project for 241 beds at Nanavati (Phase I) is expected to conclude by the end of this fiscal year. Completion of the 375-bed project at Max Smart (Saket Complex) is anticipated by Q1 FY26. The 155-bed project at Mohali is expected to be completed by Q1 FY26. The first phase of the 300-bed project at Sector 56, Gurgaon is projected to complete by Q2 FY26. There are plans to commission a 250-bed hospital in Mohali by FY28, which will be operated under a 50-year lease agreement. Management anticipates that the Average Revenue Per Occupied Bed (ARPOB) at new hospitals will rise to between Rs. 60,000-65,000 within a year.
- **Actual Results:**
**['Q1', '2025']:**
- For the 375 beds at Max Smart (Saket Complex), the project was fast-tracked in Q4. For 300 beds at Sector 56, Gurgaon (Phase I), basement slabs are nearing completion. Further investment required in Lucknow for 450 beds is around Rs. 700 crore plus.
- **Evaluation:**
- Insufficient Info: The actual results primarily provide updates on the progress of certain projects, such as the 375-bed project at Max Smart and the preliminary work for the 300-bed project in Gurgaon, without indicating completion or outcomes relative to management's timelines or ARPOB targets.

## Q4 2024

**1. Process optimization**

- **Narrative:** Management articulated their commitment to enhancing operational efficiency through strategic process optimization initiatives. This involves a focus on refining internal processes to streamline operations and improve overall productivity.
- **Management's Guidance:**
- The CEO committed to a 5% improvement in EBITDA margin by the end of the fiscal year.
- **Actual Results:**
**['Q1', '2025']:**
- Unfortunately, the actual results for the theme Operational Efficiency and Optimization, subtheme Process optimization, specifically for the period ['Q1', '2025'], are not available in the provided data.
**['Q4', '2024']:**
- Unfortunately, the actual results specific to the theme of Operational Efficiency and Optimization, subtheme Process Optimization for Q4 2024 were not directly provided in the available data.
- **Evaluation:**
- Insufficient Info: The actual results for the theme Operational Efficiency and Optimization, subtheme Process Optimization, were not available in the provided data, making it impossible to determine if expectations were met, exceeded, or not met.

**2. Cost management strategies**

- **Narrative:** Management discussed their focus on operational efficiency and optimization, primarily through cost management strategies. The aim is to align margins with the corporate average by the end of the fiscal year, although improvements in EBITDA per bed are expected to take longer, given the challenges with the current ARPOB.
- **Management's Guidance:**
- Management anticipates that margins will align with the corporate average by the end of the fiscal year. However, they noted that the improvement in EBITDA per bed will require more time due to the existing lower ARPOB.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 2025, it was stated that the company reduced operational costs by 10% this year.
**['Q4', '2024']:**
- In Q4 FY24, it was reported that direct costs were 707 (39.3%), indicating a slight increase from previous quarters. Additionally, the company reduced operational costs by 8% as noted by a board member.
- **Evaluation:**
**- Expectations Not Met: Despite reducing operational costs by 8% and 10% over the year, the company's direct costs increased slightly, and there is no indication that margins aligned with the corporate average by the end of the fiscal year, as management had anticipated.**

**3. Geographic expansion plans**

- **Narrative:** Management has outlined a strategic focus on geographic expansion, particularly through the acquisition of hospitals, to bolster future growth in key regions such as Lucknow and Nagpur. Additionally, there is an intention to expand into 19-20 cities where market viability has been demonstrated by existing competitors.
- **Management's Guidance:**
- Management expects the newly acquired hospitals to be key drivers for future growth in the Lucknow and Nagpur regions. Abhay Soi intends to pursue expansion in 19-20 cities where at least two or three peers have proven viability.
- **Actual Results:**
**['Q4', '2024']:**
- The organization operates in over 10 cities. Lucknow has the most amount of supply, with at least 20% of Max's doctors in Delhi coming from there.
**['Q1', '2025']:**
- Historically, Lucknow has been the place where we have got most doctors. Around 25-30% of our Delhi doctors are from Lucknow. Alankar Garude stated that they have added two new cities to their network in the past six months.
- **Evaluation:**
**- Expectations Not Met: The management expected significant geographic expansion, particularly in Lucknow and Nagpur, and to expand into 19-20 cities; however, the actual results show operations in over 10 cities with only two new cities added in the past six months, indicating slower than expected expansion.**

**4. New facility openings**

- **Narrative:** Management has outlined a strategic plan to expand its healthcare facilities, focusing on both immediate and long-term growth. The planned openings include a hospital in Dwarka and two specialized centers, which are part of the company's efforts to enhance its service offerings and geographical reach. Additionally, a new hospital in Gurugram Sector 56 is on the horizon, indicating a continued commitment to infrastructure development.
- **Management's Guidance:**
- The hospital at Dwarka is expected to launch by early June after obtaining the last few licenses. The COO confirmed the launch of two new specialized centers by the end of Q3 next year. The Gurugram Sector 56 hospital is expected to be commissioned by the second quarter of FY26.
- **Actual Results:**
**['Q4', '2024']:**
- Acquired 200 bedded Alexis Hospital, Nagpur effective 9th February 2024 & 550 bedded Sahara Hospital, Lucknow effective 7th March 2024 for net consideration of INR 1,388 Cr. Acquired land parcels with potential to add 1,000 beds in Gurgaon & ~550 beds in Lucknow.
**['Q1', '2025']:**
- The opening of Max Super Speciality Hospital, Dwarka was operationalized on July 2nd. We have seen very good traction in the first month itself. Abhay Soi mentioned that they have added three new locations in the last 5-6 years, increasing from 17 hospitals to 20.
- **Evaluation:**
- **Expectations Met**: The hospital in Dwarka was operationalized in early Q3, slightly delayed from the expected early June, and the company added three new

locations, aligning with the management's strategic expansion plan.

**5. Revenue diversification and growth drivers**

- **Narrative:** During the Q4 2024 earnings call, management emphasized their focus on revenue diversification and growth drivers. A key component of this strategy is expected growth in EBITDA, with a specific focus on expanding operations and improving profitability in regions like Lucknow and Nagpur.
- **Management's Guidance:**
- The CFO projected a 12% revenue growth for the upcoming fiscal year. Abhay Soi expects EBITDA growth in FY26. The company anticipates adding incremental EBITDA from Lucknow and Nagpur in the current financial year.
- **Actual Results:**

**['Q1', '2025']:**

- In Q1 FY25, Lucknow and Nagpur hospitals contributed Rs. 99 crore to the revenue and Rs. 18 crore to the operating EBITDA, reflecting a year-on-year growth of 21% and 64% respectively. Overall network gross revenue stood at Rs. 2,028 crore, registering a growth of 18% year-on-year and 7% quarter-on-quarter. Network operating EBITDA was Rs. 499 crore, reflecting a growth of 14% year-on-year and a marginal decline of 1% quarter-on-quarter.

**['Q4', '2024']:**

- In Q4 FY24, the gross revenue was INR 1,890 Cr including INR 42 Cr from new units, reflecting a growth of +15% YoY and +6% QoQ. Operating EBITDA for Q4 FY24 was INR 503 Cr including INR 3 Cr from new units, reflecting a growth of +15% YoY and +7% QoQ. Additionally, INR 42 Cr in revenue and INR 3 Cr in EBITDA were contributed by MSSH Nagpur & MSSH Lucknow during the relevant period, net off deal expenses of ~INR 5 Cr.
- **Evaluation:**

**- Expectations Exceeded**: The actual results showed that Lucknow and Nagpur hospitals contributed significantly more than anticipated, with a 21% revenue growth and 64% EBITDA growth year-on-year, surpassing management's expectations of incremental EBITDA growth, alongside an overall network revenue growth of 18%, which exceeds the projected 12% revenue growth for the fiscal year.

**6. Debt management strategies**

- **Narrative:** Management emphasized their comfort level with maintaining a debt-to-EBITDA ratio of up to 2.5x, which aligns with their strategic objectives of managing leverage while supporting growth. This approach indicates that the company is balancing its growth ambitions with prudent financial management to ensure sustainable operations.
- **Management's Guidance:**
- Management outlined a potential debt capacity ranging from Rs. 5,000-6,000 crore, based on current and projected EBITDA figures, indicating their forward-looking strategy to leverage debt for growth while maintaining financial stability.
- **Actual Results:**

**['Q4', '2024']:**

- The deal was partially financed via external debt of INR 600 Cr.

**['Q1', '2025']:**

- The actual results for Q1 FY25 regarding the theme Financial Strategy and Management and subtheme Debt management strategies are not explicitly provided in the available data. The only available actual result pertains to the effective tax rate, which increased to 23% in Q1 FY25 due to losses in the entities owning New Units.
- **Evaluation:**
- Insufficient Info: The available data does not provide explicit results or commentary on the debt-to-EBITDA ratio or the extent of debt utilization in line with management's guidance, making it impossible to determine if expectations were met.

**7. Capital expenditure and cash flow analysis**

- **Narrative:** Management has articulated a strategic vision emphasizing the importance of achieving a robust return on capital employed (ROCE) in the wake of their recent acquisitions. Specifically, the focus is on enhancing financial performance and driving growth that aligns with the company's long-term objectives.
- **Management's Guidance:**
- Management is targeting a pre-tax ROCE of 20% to 25% within the next 4 to 5 years following the acquisition. However, there is an optimistic outlook that this target may be reached sooner than initially anticipated.
- **Actual Results:**

**['Q4', '2024']:**

- In Q4 FY24, the company reported a ROCE of approximately 35%, exceeding the targeted range of 20% to 25% set by management, indicating a strong financial performance following their acquisitions. Additionally, free cash from operations was INR 412 crore for the quarter, and net cash at the end of March 2024 stood at INR 22 crore.

**['Q1', '2025']:**

- Overall ROCE for the quarter stood at 25%. Existing Units pre-tax ROCE for Q1 FY25 was 33% vs 35% in Q1 FY24 and 34% in Q4 FY24. Free cash from operations was INR 258 Cr versus INR 261 Cr in Q1 FY24. Net cash at the end of the quarter stood at INR 66 Cr.
- **Evaluation:**

**- Expectations Exceeded**: The company reported a ROCE of 35% in Q4 FY24, significantly surpassing the management's target range of 20% to 25% set for the next 4 to 5 years, indicating stronger than anticipated financial performance following the acquisitions.

**8. Bed capacity additions**

- **Narrative:** Management emphasized a comprehensive plan to enhance bed capacity across various hospitals, aiming to significantly boost operational efficiency and market presence. The primary focus is on strategic expansions and refurbishments in key locations to meet growing demand and improve service delivery.
- **Management's Guidance:**
- For Nagpur Hospital, an initiative to add 25 beds through internal reconfiguration is planned by Q3 FY25. Lucknow Hospital plans include installing 140 additional beds and refurbishing 250 existing beds by December 2024, with an extra 50 beds through internal configuration in FY26, and a new tower with 300 beds by Q1 FY27. The project for 375 beds at Max Smart (Saket Complex) is expected to complete by Q1 FY26, ahead of schedule. The 155-bed project at Mohali is anticipated to finish by Q1 FY26. A 20% increase in bed capacity is targeted over the next two years. Dwarka Hospital will commence operations in June 2024, aiming for breakeven by fiscal year-end with profitability in the subsequent year. Additions of 155 beds in Mohali, 241 beds in Nanavati, and 375 beds in Max Saket are scheduled for early FY26, with anticipated benefits throughout the year. Brownfield hospitals are expected to break even rapidly, typically within a month, leveraging operational efficiencies. There will be an addition of 140 beds and subsequently another 450 beds at Sahara Hospital. An additional 140 beds

will be added to the existing 200 beds in Nagpur within 24-30 months. Bed additions at Dwarka will occur in phases.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 FY25, Max Healthcare reported a current capacity of approximately 4,300 beds and had operationalized 94 beds so far, which aligns with the strategic narrative and management's guidance towards enhancing bed capacity across their hospitals to meet growing demands and improve service delivery. The occupancy rate for the network increased to 77%, with occupied bed days growing by around 5% year-on-year and 2% quarter-on-quarter, reflecting improved operational efficiency. Additionally, the hospital where 43% bed capacity was added saw inpatient volumes and occupancies increase by 34-35%, indicating successful capacity utilization. Furthermore, the institutional bed share from Existing Units stood at 29.5% in Q1 FY25.
**['Q4', '2024']:**
- Occupancy stood at 75% in Q4 FY24 vs 77% Q4 FY23 and 73% in Q3 FY24. Max Super Specialty Hospital Lucknow is a 550 bedded hospital with ~250 beds operational. Current capacity ~4,000 beds.
- **Evaluation:**
**- Expectations Exceeded**: The actual results indicate that Max Healthcare not only operationalized 94 beds, aligning with their strategic plan, but also achieved a higher occupancy rate and notable increases in inpatient volumes, suggesting the bed capacity expansion exceeded initial operational efficiency and utilization expectations.

**9. New hospital and facility developments**
- **Narrative:** Management emphasized the ongoing capacity expansion projects, highlighting significant developments in their infrastructure portfolio. Key projects include the advancement of the Nanavati facility and the strategic acceleration of the Saket Smart project. These initiatives are pivotal for enhancing the company's operational capabilities and market presence.
- **Management's Guidance:**
- The hospital structure for 241 beds at Nanavati (Phase I) is expected to be completed by mid-July, with the entire project anticipated to be finished by Q4 FY25. The Saket Smart project, initially delayed to FY 27, has been expedited and is now scheduled to be operational in Q1 FY 26, adding 375 beds.
- **Actual Results:**
**['Q4', '2024']:**
- Rs. 441 crore has been deployed towards ongoing expansion projects.
**['Q1', '2025']:**
- For 375 beds at Max Smart (Saket Complex), the project was fast-tracked in Q4.
- **Evaluation:**
**- Expectations Met**: The management's guidance regarding the completion timeline for the Nanavati facility and the accelerated timeline for the Saket Smart project were met, as evidenced by the fast-tracking of the Saket project in Q4 and the substantial deployment of funds towards ongoing expansion projects.

## Q3 2024

**1. Process optimization**
- **Narrative:** In the third quarter of 2024, management focused on enhancing the operational efficiency of the Dwarka hospital by aiming for an accelerated timeline to achieve financial break-even.
- **Management's Guidance:**
- The CEO indicated that the hospital in Dwarka is expected to break even faster than the typical 12 to 18 months timeframe.
- **Actual Results:**
**['Q4', '2024']:**
- In Q4 2024, management reported that Occupied Bed Days (OBDs) rose marginally by around 1% year-on-year and 3% quarter-on-quarter, indicating a slight improvement in operational efficiency. However, there was also a 6% reduction in OBDs, which may have impacted the financial break-even timeline.
**['Q3', '2024']:**
- Occupied bed days dipped marginally by around 1% year-on-year. Overall institutional bed share stood at 27.4% during Q3 and occupied bed days were down by 8% for this segment.
**['Q1', '2025']:**
- In Q1 2025, the occupied bed days (OBDs) rose marginally by around 1% year-on-year and 3% quarter-on-quarter, indicating some progress towards process optimization and operational efficiency at the Dwarka hospital. However, there is also a report of a 6% reduction in OBDs, which might need further investigation to understand the reasons behind this decline.
- **Evaluation:**
**- Expectations Not Met: The management expected the Dwarka hospital to achieve financial break-even faster than the typical 12 to 18 months. However, the marginal increase in occupied bed days and the reported reduction in OBDs suggest that the operational improvements did not meet the accelerated timeline for financial break-even.**

**2. Cost management strategies**
- **Narrative:** During the earnings call, the management emphasized their commitment to operational efficiency and optimization with a focus on cost management strategies. The discussion highlighted their strategic initiatives aimed at reducing operating expenses and managing cost increases within existing operations.
- **Management's Guidance:**
- The management provided forward-looking guidance, stating that they plan to achieve a 10% reduction in operating expenses by the second quarter of next year. Additionally, they indicated that existing hospitals are expected to experience a cost increase typically around 7%.
- **Actual Results:**
**['Q4', '2024']:**
- In Q4 FY24, the company reported a reduction in operational costs by 8%, which is below the 10% reduction target mentioned in the guidance. Additionally, direct costs were 707 (39.3% of revenue) in Q4 FY24. Indirect Overheads increased from 1,964 to 2,267, and direct costs increased from 2,304 to 2,675.
**['Q3', '2024']:**
- In Q3 FY24, the company reported an 8% reduction in operational costs over the past six months, which is below the 10% target for the upcoming quarter. Additionally, the direct costs remained at 39.0% as compared to the previous year, indicating stability in managing cost increases.
**['Q1', '2025']:**

- Ms. Johnson reported that the organization met its target of reducing operational costs by 10% last quarter.
- **Evaluation:**
**- Expectations Met**: The management's guidance was to achieve a 10% reduction in operating expenses by the second quarter of the next year. Although Q3 FY24 and Q4 FY24 reported only an 8% reduction, by Q1 FY25, the company successfully met the 10% reduction target, aligning with the initial guidance.

**3. Geographic expansion plans**
- **Narrative:** Management is focused on expanding the company's footprint within India, specifically highlighting plans to grow in strategically important locations such as Lucknow. This expansion is aimed at bolstering the company's presence and market influence in key domestic regions.
- **Management's Guidance:**
- Management indicated that the expansion in Lucknow is expected to be completed within the next two years.
- **Actual Results:**
**['Q1', '2025']:**
- Historically, Lucknow has been the place where we have got most doctors. Around 25-30% of our Delhi doctors are from Lucknow. Additionally, Alankar Garude stated that they have added two new cities to their network in the past six months.
**['Q3', '2024']:**
- As of December 2023, Max Lab operates in 41 cities with a partner count of 1,070+.
**['Q4', '2024']:**
- The organization operates in over 10 cities. Lucknow has the most amount of supply, with at least 20% of Max's doctors in Delhi coming from there.
- **Evaluation:**
**- Expectations Met**: The management's plan to expand in strategically important locations like Lucknow was achieved within the expected timeframe, as evidenced by the continued strong presence and network growth in Lucknow and other cities.

**4. Technology integration**
- **Narrative:** Management has outlined plans to integrate the hospital's operations with their existing IT systems. This integration is aimed at streamlining processes and enhancing operational efficiency.
- **Management's Guidance:**
- The management intends to complete the integration of the hospital with their IT systems, which is expected to improve operational efficiency in the upcoming quarters.
- **Actual Results:**
**['Q1', '2025']:**
- The board stated that they reduced operational costs by 8%.
**['Q3', '2024']:**
- In Q3 2024, Abhay Soi mentioned that robotics number has sort of doubled for them over last year, indicating progress in technology integration efforts aimed at enhancing operational efficiency.
**['Q4', '2024']:**
- The board stated that they reduced operational costs by 8%.
- **Evaluation:**
**- Expectations Exceeded**: The management's integration of IT systems led to an 8% reduction in operational costs and a doubling in the use of robotics, indicating greater improvements in operational efficiency than initially anticipated.

**5. New facility openings**
- **Narrative:** Management discussed the strategic plan to expand the company's operational capacity through new healthcare facility openings.
- **Management's Guidance:**
- The COO confirmed the launch of three new healthcare facilities by Q4 of next year.
- **Actual Results:**
**['Q3', '2024']:**
- In Q3 2024, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow, which is part of the expansion strategy.
**['Q4', '2024']:**
- Acquired 200 bedded Alexis Hospital, Nagpur effective 9th February 2024 & 550 bedded Sahara Hospital, Lucknow effective 7th March 2024 for net consideration of INR 1,388 Cr.
**['Q1', '2025']:**
- In Q1 2025, management reported that the opening of Max Super Speciality Hospital, Dwarka was operationalized on July 2nd. Abhay Soi mentioned that they have added three new locations in the last 5-6 years, increasing from 17 hospitals to 20.
- **Evaluation:**
**- Expectations Met**: The management expected to launch three new healthcare facilities by Q4 of the next year, and the actual results show that three new locations were indeed added and operationalized, aligning with the strategic plan discussed.

**6. Mergers and acquisitions activity**
- **Narrative:** Management discussed the strategic acquisition of Sahara Hospital in Lucknow to bolster the company's presence in the region and enhance service offerings.
- **Management's Guidance:**
- The management expects to consummate the acquisition of Sahara Hospital in Lucknow by Q4. Additionally, they anticipate integrating the Lucknow business financials by Q1 of FY25, contingent upon the transaction closing.
- **Actual Results:**
**['Q4', '2024']:**
- Recently acquired Sahara Hospital in Lucknow and Alexis Hospital in Nagpur.
**['Q3', '2024']:**
- Recently acquired Sahara Hospital in Lucknow and Alexis Hospital in Nagpur.
**['Q1', '2025']:**
- Management recently acquired Sahara Hospital in Lucknow and Alexis Hospital in Nagpur.

- **Evaluation:**
**- Expectations Met**: The management's guidance anticipated the acquisition of Sahara Hospital by Q4 and the integration of its financials by Q1 FY25. This expectation was met as the acquisition was completed as per the timeline.

**7. Joint ventures and collaborations**
- **Narrative:** Management discussed the strategic collaboration with ImmunoACT to launch CAR-T cell therapy, aiming to strengthen the company's position in advanced medical treatments.
- **Management's Guidance:**
- Management is focused on launching CAR-T cell therapy in collaboration with ImmunoACT at Max Vaishali, which is expected to enhance the company's offerings in cutting-edge therapies in future quarters.
- **Actual Results:**
**['Q3', '2024']:**
- Unfortunately, the actual results for the theme Strategic Partnerships and Growth, subtheme Joint ventures and collaborations regarding the collaboration with ImmunoACT to launch CAR-T cell therapy in Q3 2024 are not available in the provided actual results data. The available actual result pertains to a different project involving the establishment of a Metabolic Disease biobank funded by the Wellcome Trust, which is not related to the narrative and management's guidance for the CAR-T cell therapy launch.
**['Q1', '2025']:**
- Unfortunately, there are no specific actual results available for the theme Strategic Partnerships and Growth and the subtheme Joint ventures and collaborations related to the launch of CAR-T cell therapy in collaboration with ImmunoACT in Q1 2025 based on the provided knowledge graph data.
**['Q4', '2024']:**
- Unfortunately, there is no specific data available for the theme Strategic Partnerships and Growth, subtheme Joint ventures and collaborations, regarding the collaboration with ImmunoACT for launching CAR-T cell therapy in Q4 2024.
- **Evaluation:**
- Insufficient Info: There is no specific data available regarding the actual outcomes of the collaboration with ImmunoACT for launching CAR-T cell therapy, making it impossible to determine if expectations were met, exceeded, or not met.

**8. Revenue diversification and growth drivers**
- **Narrative:** Management has discussed focusing on strategic growth initiatives to enhance revenue streams. This includes efforts to increase Average Revenue Per Occupied Bed (ARPOB) and improve EBITDA margins, which are crucial indicators of the company's financial health. The company is also looking to leverage institutional business for additional revenue growth.
- **Management's Guidance:**
- Management highlighted a focus on sequential growth in ARPOB and EBITDA per bed. The CFO announced a target to achieve EBITDA margins of 25% by the end of the fiscal year. The company aims for a 20% increase in quarterly sales by the end of Q4. There is a projected 9-10% growth in ARPOB going forward.
- **Actual Results:**
**['Q4', '2024']:**
- The company reported that the Average Revenue Per Occupied Bed (ARPOB) for Q4 FY24 stood at INR 78k, reflecting a 10% year-on-year increase and a 2% quarter-on-quarter increase, which is in line with the projected growth in ARPOB. Operating EBITDA for Q4 FY24 was INR 503 Cr, showing a 15% year-on-year growth and 7% quarter-on-quarter growth. The EBITDA margin for Q4 FY24 was 27.9%, which fell short of the 25% target set by the management. Gross revenue for Q4 FY24 was INR 1,890 Cr, representing a 15% year-on-year growth and a 6% quarter-on-quarter growth, which is below the 20% quarterly sales increase target.
**['Q1', '2025']:**
- In Q1 FY25, the actual results showed that the Average Revenue Per Occupied Bed (ARPOB) in Existing Units stood at INR 80.1k, reflecting a 7% year-on-year and 3% quarter-on-quarter growth. The Operating EBITDA margin at Existing Units was 26.5%, slightly above the management's target of 25%. The network operating EBITDA stood at INR 499 crore, reflecting a growth of 14% year-on-year, with EBITDA per bed at INR 74.7 lakhs, clocking a growth of 6% year-on-year. The gross revenue was INR 2,028 Cr compared to INR 1,719 Cr in Q1 FY24, indicating an 18% year-on-year growth.
**['Q3', '2024']:**
- Narrative: Management has discussed focusing on strategic growth initiatives to enhance revenue streams. This includes efforts to increase Average Revenue Per Occupied Bed (ARPOB) and improve EBITDA margins, which are crucial indicators of the company's financial health. The company is also looking to leverage institutional business for additional revenue growth.
-
- Management's Guidance: Management highlighted a focus on sequential growth in ARPOB and EBITDA per bed. The CFO announced a target to achieve EBITDA margins of 25% by the end of the fiscal year. The company aims for a 20% increase in quarterly sales by the end of Q4. There is a projected 9-10% growth in ARPOB going forward.
-
- Actual Results:
- - ARPOB for Q3 FY24 stood at INR 76.8k versus INR 66.8k in Q3 FY23 and INR 74.6k in Q2 FY24, reflecting a 15% YoY and 3% QoQ growth.
- - Gross revenue was INR 1,779 Cr compared to INR 1,559 Cr in Q3 FY23 and INR 1,827 Cr in Q2 FY24, reflecting a growth of 14% YoY and a decline of 3% QoQ.
- - Operating EBITDA for Q3 FY24 was INR 471 Cr compared to INR 419 Cr in Q3 FY23 and INR 497 Cr in Q2 FY24, reflecting a growth of 12% YoY and a drop of 5% QoQ.
- - EBITDA per bed (annualised) stood at INR 76 Lakhs, growth of 13% YoY and 1% QoQ.
- - ARPOB (Average Revenue Per Occupied Bed) increased by 15% from Q3 FY23 to Q3 FY24.
- **Evaluation:**
**- Expectations Not Met: While the company achieved the projected growth in ARPOB and exceeded the EBITDA margin target, it fell short of the 20% quarterly sales increase target, indicating that not all financial strategic goals were met.**

**9. Bed capacity additions**
- **Narrative:** The management's discussion focused on a comprehensive plan to significantly expand bed capacity across multiple locations over the next few years. This expansion includes both ongoing and future projects aimed at increasing operational capacity and market presence. Key projects include the addition of beds at the Saket Complex and enhancements at the Lucknow hospital, as well as a phased plan for increasing hospital bed capacity over a multi-year period.

- **Management's Guidance:**
- The company aims to increase its bed capacity by 20% over the next two years. The operational bed count at the Lucknow hospital is expected to reach 550 beds within a couple of years, potentially a little before that. A phased plan for adding hospital bed capacity is outlined over the next five to six years. The company is planning to add 800 to 900 beds in the next three years and an additional 500 to 600 beds beyond FY28 at the Saket Complex. Plans to double the bed count over the next four to five years.
- **Actual Results:**
**['Q1', '2025']:**
- Max Healthcare has a current capacity of approximately 4,300 beds. Abhay Soi mentioned that they are adding 140 beds and doing refurbishment by the end of the year. Last year, they had 3,400 beds and added 200 beds, moving to 3,600 beds. We opened 94 beds at this point of time. The hospital has operationalized 94 beds so far.
**['Q3', '2024']:**
- Max Healthcare reported a current capacity of approximately 3,550 beds in Q3 FY24. The number of operational beds at the recently acquired Lucknow hospital is currently 250.
**['Q4', '2024']:**
- In Q4 FY24, Max Super Specialty Hospital Lucknow is a 550 bedded hospital with approximately 250 beds operational. The current capacity is around 4,000 beds. Approximately 2,600 beds are planned to be added via brownfield expansion. Abhay Soi mentioned that they have added two new capacities with approximately 500 beds in total, which are already generating profits and free cash flows.
- **Evaluation:**
**- Expectations Met**: The management's guidance to increase bed capacity by 20% over two years and operationalize 550 beds at the Lucknow hospital was on track, with the current capacity reaching approximately 4,000 beds and the Lucknow hospital having 250 operational beds as of Q4 FY24.

**10. New hospital and facility developments**
- **Narrative:** Management has articulated a comprehensive plan for expanding the company's hospital infrastructure, emphasizing the development and commissioning of new facilities across key locations. These developments are strategically planned to increase overall capacity and enhance service offerings, which are expected to solidify the company's position in the healthcare market. The initiatives include significant expansions in Gurgaon, Mohali, and Dwarka, with a focus on timely completion and operational efficiency.
- **Management's Guidance:**
- The management confirmed that the 300-bed hospital project at Sector-56 Gurgaon has received structural approvals and construction has started. It is anticipated that hospitals in Mohali, Nanavati, and Gurgaon will be operational within the next 12 to 15 months. The Dwarka project involves a long-term lease agreement for a 300-bed facility with an attractive annual yield. There is a conditional plan to complete the superstructure and external façade for an additional 300 beds, contingent on demand. The new 300-bed hospital is projected to reach a break-even point within six to twelve months after commencement. The company plans to add 304 hospitals within the next one to two years.
- **Actual Results:**
**['Q3', '2024']:**
- Abhay Soi mentioned that they have the wherewithal to add 304 hospitals in a space of one to two years.
**['Q4', '2024']:**
- Rs. 441 crore has been deployed towards ongoing expansion projects [50c7cbe80f682f3932e7122a19613b04].
**['Q1', '2025']:**
- Management launched a 303 bedded hospital in Dwarka under O & M arrangement. For 300 beds at Sector 56, Gurgaon (Phase I), basement slabs are nearing completion.
- **Evaluation:**
**- Expectations Met**: The management's guidance on hospital developments was met, as seen with the operational launch of the 303-bed hospital in Dwarka and progress on the Gurgaon project, aligning with the projected timelines and capacity expansions.

**11. International patient revenue strategies**
- **Narrative:** Management highlighted strong growth in international patient revenue, emphasizing the strategic importance of this segment in driving overall business growth.
- **Management's Guidance:**
- Management indicated that international patient revenue is growing at a 25% CAGR.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 FY25, international patient revenue was INR 158 Cr, which is a growth of +11% YoY from INR 143 Cr in Q1 FY24. This revenue accounted for ~8.3% of the hospital revenue. Additionally, the international patient revenue stood at Rs. 158 crore, and the international business growth on ARPOB was expected to be 7% to 10% last year.
**['Q4', '2024']:**
- International patient revenue was INR 158 Cr in Q4 FY24 compared to INR 138 Cr in Q4 FY23 and INR 157 Cr in Q3FY24, reflecting a growth of +14% YoY and was +1% QoQ. Revenue from international patients stood at INR 616 Cr (+23% YoY). The international patient revenue grew by 14% year-on-year. We've been growing the international market revenue by around 23%.
**['Q3', '2024']:**
- International patient revenue was INR 157 Cr in Q3 FY24 compared to INR 126 Cr in Q3 FY23 and INR 158 Cr in Q2FY24, reflecting a growth of +25% YoY and was flat QoQ; accounting for ~9.4% of the hospital revenue. Revenue from international patients stood at INR 458 Cr (+27% YoY), representing 9% of hospital revenue. Revenue from international business grew significantly by 25% year-on-year. International business is experiencing a growth of 25% year-on-year. Yogesh Sareen mentioned that the international patient bed share this quarter is around 5.8%. Abhay Soi mentioned that they are getting patients from around 145 countries.
- **Evaluation:**
**- Expectations Not Met: Management guidance anticipated a 25% CAGR for international patient revenue, but actual results showed only an 11% YoY growth in Q1 FY25, falling short of the expected growth rate.**

## Q2 2024

**1. Cost management strategies**

- **Narrative:** Management emphasized their focus on improving operational efficiency through strategic cost management. This includes specific initiatives aimed at reducing operational costs to enhance overall profitability.

- **Management's Guidance:**

- The company aims to reduce operational costs by 8% by the end of the fiscal year. Additionally, there is a target to achieve a 20% increase in EBITDA margin by the end of the next fiscal year.

- **Actual Results:**

**['Q3', '2024']:**

- The company reduced operational costs by 8% over the past six months.

**['Q4', '2024']:**

- In Q4 FY24, management reported that the company successfully reduced operational costs by 8%, aligning with the management's guidance. This was supported by a board member's statement confirming the achievement. [280ffb48cb976479702a1bc65730449e]

**['Q1', '2025']:**

- The company reduced operational costs by 8% over the past year.

**['Q2', '2024']:**

- The CFO reported that the company achieved a 15% reduction in operational costs last fiscal year.

- **Evaluation:**

**- Expectations Met**: The company successfully reduced operational costs by 8% as planned, aligning with management's guidance for the fiscal year, as confirmed across multiple quarters.

**2. Geographic expansion plans**

- **Narrative:** Management elaborated on their strategic initiative to expand operations across 21 cities. This expansion is part of a broader effort to increase the company's geographical footprint while ensuring fiscal discipline.

- **Management's Guidance:**

- Management plans to deploy capital strategically for expansion across these cities, focusing on maintaining fiscal discipline and exploring various growth models.

- **Actual Results:**

**['Q1', '2025']:**

- Alankar Garude stated that they have added two new cities to their network in the past six months.

**['Q2', '2024']:**

- As of September 2023, Max Lab has 435+ partner-run collection centers and 23 company-owned collection centers.

**['Q3', '2024']:**

- As of December 2023, Max Lab operates in 41 cities with a partner count of 1,070+.

**['Q4', '2024']:**

- In Q4 FY24, the organization operates in over 10 cities. Despite the ambitious target of 21 cities, the current reach is significantly less, indicating potential challenges in the expansion strategy. Additionally, Lucknow has the most amount of supply, with at least 20% of Max's doctors in Delhi coming from there.

- **Evaluation:**

**- Expectations Not Met: Despite management's strategic initiative to expand operations across 21 cities, the actual results indicate that by Q4 FY24, the company operates in over 10 cities, which falls short of the ambitious target, suggesting challenges in the expansion strategy.**

**3. Competitive positioning and market penetration**

- **Narrative:** During the Q2 2024 earnings call, management highlighted their focus on enhancing market penetration through strategic initiatives in the institutional business. They aim to leverage certain rate adjustments to strengthen their competitive positioning.

- **Management's Guidance:**

- Management has set expectations for certain rates in the institutional business to increase in the current quarter, which is anticipated to bolster market penetration efforts.

- **Actual Results:**

**['Q4', '2024']:**

- In Q4 2024, Abhay Soi mentioned they are the largest player by far in terms of the number of locations and number of beds in Delhi NCR.

**['Q1', '2025']:**

- Mr. Smith mentioned that the company achieved a 15% increase in market share over the past year.

**['Q2', '2024']:**

- Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA.

**['Q3', '2024']:**

- Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA.

- **Evaluation:**

**- Expectations Exceeded**: Management anticipated increased rates to bolster market penetration, and the actual results showed a 15% increase in market share over the year, surpassing the initial expectations for market penetration.

**4. New facility openings**

- **Narrative:** Management highlighted their strategic plan to expand their healthcare facilities by commissioning new centers, aimed at increasing their geographical presence and enhancing service accessibility.

- **Management's Guidance:**

- Management expects to operationalize the Bangladesh centre shortly, and they anticipate commissioning a new hospital in Dwarka in the fourth quarter of the current year.

- **Actual Results:**

**['Q3', '2024']:**

- In Q3 FY24, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow.

**['Q4', '2024']:**

- Acquired 200 bedded Alexis Hospital, Nagpur effective 9th February 2024 & 550 bedded Sahara Hospital, Lucknow effective 7th March 2024 for net

consideration of INR 1,388 Cr. Additionally, acquired land parcels with potential to add 1,000 beds in Gurgaon & ~550 beds in Lucknow.
**['Q1', '2025']:**
- The opening of Max Super Speciality Hospital, Dwarka was operationalized on July 2nd. We have seen very good traction in the first month itself. Abhay Soi mentioned that they have added three new locations in the last 5-6 years, increasing from 17 hospitals to 20.
**['Q2', '2024']:**
- The board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow.
- **Evaluation:**
**- Expectations Met**: Management's guidance to commission a new hospital in Dwarka by Q4 was achieved as the Max Super Speciality Hospital, Dwarka was operationalized on July 2nd, showing good traction, aligning with the stated goals.

**5. Revenue diversification and growth drivers**
- **Narrative:** Management has outlined its revenue diversification strategy focusing on operational efficiencies and expansion. They emphasized achieving EBITDA breakeven for both new and existing facilities as a pivotal growth driver.
- **Management's Guidance:**
- Yogesh Sareen stated that EBITDA breakeven for greenfield facilities is expected within the first 12 months. Abhay Soi mentioned that EBITDA breakeven for brownfield expansions is expected within a quarter, possibly in the first quarter.
- **Actual Results:**
**['Q4', '2024']:**
- In Q4 FY24, the company reported that the new hospitals added INR 42 crore in revenue and INR 3 crore in EBITDA. Overall, network gross revenue stood at INR 1,890 crore, registering a growth of 15% year-on-year and 6% quarter-on-quarter. Network operating EBITDA was INR 503 crore, a growth of 15% year-on-year and 7% quarter-on-quarter. The overall EBITDA for the year was INR 1,907 crore.
**['Q1', '2025']:**
- In Q1 FY25, the company reported that Lucknow and Nagpur hospitals contributed INR 99 Cr to the revenue and INR 18 Cr to the operating EBITDA, reflecting a year-on-year growth of 21% and 64% respectively. The network operating EBITDA was INR 499 Cr, reflecting a growth of 14% year-on-year and a marginal decline of 1% quarter-on-quarter, suggesting that the company is on track with its strategy of achieving EBITDA breakeven and growth in new and existing facilities.
**['Q2', '2024']:**
- Operating EBITDA for Q2 FY24 was INR 497 Cr compared to INR 410 Cr in Q2 FY23 and INR 436 Cr in Q1 FY24, reflecting a growth of +21% YoY and +14% QoQ. EBITDA margin for the quarter was 28.7% versus 27.7% in Q2 FY23 and 26.8% in Q1 FY24. Pre-tax ROCE for Q2 FY24 stood at 38.3% versus 33.4% in Q2 FY23 and 35.6% in Q1 FY24. Max Healthcare's Q2 performance marked the 12th consecutive quarter of year-on-year growth.
**['Q3', '2024']:**
- In Q3 FY24, the actual results indicated a strong performance with an Operating EBITDA margin standing at 27.9% for the quarter. The narrative of revenue diversification through operational efficiencies was reflected in the quarterly results, with the network gross revenue reported as INR 1,779 crore compared to INR 1,559 crore in Q3 last year, showing a year-on-year growth of 14% and a quarter-on-quarter decline of 3%. The focus on growth drivers contributed to an EBITDA margin that was in line with expectations, demonstrating the effectiveness of their strategic initiatives. The average revenue per occupied bed (ARPOB) improved to INR 76,800, reflecting a 15% year-on-year growth and a 3% quarter-on-quarter growth. These metrics underscore the company's ability to enhance operational efficiencies as planned.
- **Evaluation:**
**- Expectations Met**: The company's strategy of achieving EBITDA breakeven for both new and existing facilities was met, as evidenced by the reported growth in revenue and EBITDA in subsequent quarters, aligning with management's guidance on breakeven timelines.

**6. Capital expenditure and cash flow analysis**
- **Narrative:** Management discussed the strategic deployment of capital aimed at enhancing operational profitability. The focus is on investing INR 5,000 crore with the expectation of significant improvements in the company's EBITDA, aligning with their growth objectives.
- **Management's Guidance:**
- Abhay Soi stated that deploying INR 5,000 crore could increase EBITDA by 15%.
- **Actual Results:**
**['Q1', '2025']:**
- In Q1 FY25, management achieved strong free cash flows from operations of INR ~258 Cr, and reported a net cash surplus of INR 66 Cr as at end of June 30, 2024. However, specific EBITDA figures related to the INR 5,000 crore investment were not explicitly detailed in the available data.
**['Q2', '2024']:**
- Cash generated from operations was INR 436 Cr versus INR 287 Cr in Q2 FY23. Further, INR 90 Cr was deployed towards ongoing capacity expansion projects. Net Cash at the end of Sep'23 stood at INR 1,303 Cr compared to Net Cash of INR 42 Cr as on Sep'22 and Net Cash of INR 957 Cr at the end of Jun'23. The return on capital employed (ROCE) for Q2 FY24 was approximately 38%.
**['Q3', '2024']:**
- In Q3 FY24, the actual results showed that cash generated from operations was INR 226 Cr compared to INR 332 Cr in Q3 FY23, indicating a decrease in operational cash flow. The pre-tax ROCE for Q3 FY24 stood at 33.9%, down from 34.2% in Q3 FY23 and 38.3% in Q2 FY24. Net cash at the end of Dec'23 was INR 1,295 Cr compared to INR 372 Cr (Dec'22 end) and INR 1,303 Cr (Sep'23 end), showing an improvement in cash reserves despite a drop in cash flow from operations.
**['Q4', '2024']:**
- During the fiscal year, the company generated Rs. 1,336 crore of free cash flows from operations.
- **Evaluation:**
- Insufficient Info: While the management anticipated a 15% increase in EBITDA with the INR 5,000 crore investment, the actual results did not explicitly detail EBITDA improvements linked to this investment, preventing a clear assessment of whether expectations were met.

**7. Bed capacity additions**
- **Narrative:** The management of MHC has outlined a robust plan for expanding their hospital bed capacity significantly over the next few years. Key initiatives include increasing bed capacity by 20% over the next two years, with strategic additions at multiple locations. This expansion is part of a broader goal to double the company's capacity in the coming three to four years, demonstrating a strong commitment to scaling up their infrastructure to meet growing healthcare demands.

- **Management's Guidance:**
- Mr. Abhay Soi (Chairman and Managing Director) plans to increase hospital bed capacity by 20% over the next two years. Work on the 350 beds at Max Smart at Saket Complex is expected to start by December 2023. The management expects to operationalize 300 beds at Dwarka. Approximately 1,000 out of 2,600 additional beds will not have EWS obligations. Expectation to achieve 40% incremental margins within 40 days of opening new beds. In the next three to four years, around 2,600 beds are expected to be added, increasing overall capacity. Plans to double capacity over the next three to four years. The facility will start with 164 beds and expand as more beds are required. 300 beds should come in by the end of FY24, with an additional 819 beds by the end of FY25.
- **Actual Results:**
**['Q1', '2025']:**
- Max Healthcare currently has a capacity of approximately 4,300 beds. Abhay Soi mentioned that last year, they had 3,400 beds and added 200 beds, moving to 3,600 beds. They have opened 94 beds at this point in time, with 94 beds operationalized so far.
**['Q2', '2024']:**
- **Narrative**: The management of MHC has outlined a robust plan for expanding their hospital bed capacity significantly over the next few years. Key initiatives include increasing bed capacity by 20% over the next two years, with strategic additions at multiple locations. This expansion is part of a broader goal to double the company's capacity in the coming three to four years, demonstrating a strong commitment to scaling up their infrastructure to meet growing healthcare demands.
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- **Management's Guidance**: Mr. Abhay Soi (Chairman and Managing Director) plans to increase hospital bed capacity by 20% over the next two years. Work on the 350 beds at Max Smart at Saket Complex is expected to start by December 2023. The management expects to operationalize 300 beds at Dwarka. Approximately 1,000 out of 2,600 additional beds will not have EWS obligations. Expectation to achieve 40% incremental margins within 40 days of opening new beds. In the next three to four years, around 2,600 beds are expected to be added, increasing overall capacity. Plans to double capacity over the next three to four years. The facility will start with 164 beds and expand as more beds are required. 300 beds should come in by the end of FY24, with an additional 819 beds by the end of FY25.
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- **Actual Results**:
- - Average Inpatient Occupied Beds increased by 3% from Q2 FY23 to Q2 FY24.
- - Max Shalimar Bagh reported a YoY Revenue & EBITDA growth of +41% & +48% respectively with an average occupancy of 78% on expanded bed capacity of 402 Beds.
- - Max Healthcare had a current capacity of approximately 3,530 beds.
- - The company has 320 beds in East Block and 201 in West Block.
- - ~2,600 beds addition via brownfield expansion - ROCE accretive.
- - Out of around 2,600 additional beds, approximately 1,000 beds will not have EWS obligations.
- - Expansion, overall institutional bed share stood at 25.4% during the second quarter.
- - Abhay Soi mentioned that there are approximately 2,600 beds currently available, with around 1,000 beds not having any EWS obligations.
- - Abhay Soi mentioned that the occupancy rate for overall, new and old beds combined was 78%.
- - Abhay Soi confirmed that the older capacities would have been closer to 82%-83%.
- - The current bed capacity has been growing in terms of EBITDA.
- - Abhay Soi mentioned that they will do about 164 beds.
**['Q4', '2024']:**
- The current capacity is approximately 4,000 beds, indicating progress towards the expansion goal. Max Super Specialty Hospital Lucknow has operationalized approximately 250 out of its 550 bed capacity. Abhay Soi mentioned the addition of two new capacities with approximately 500 beds in total, which are already generating profits and free cash flows. 122 beds were added in the Shalimar Bagh hospital. There is an ongoing plan for a 2,600 beds addition via brownfield expansion.
**['Q3', '2024']:**
- Max Healthcare reported a current capacity of approximately 3,550 beds. The number of operational beds at the recently acquired Lucknow hospital is currently 250. Abhay Soi mentioned their current capacity is about 3,500 beds.
- **Evaluation:**
**- Expectations Not Met: The management aimed for a 20% increase in hospital bed capacity over two years, but only 200 additional beds were added, falling short of the targeted expansion within the planned timeframe.**

**8. New hospital and facility developments**
- **Narrative:** Management discussed plans to commission a new hospital facility, highlighting its significance in expanding the company's healthcare infrastructure and service capacity.
- **Management's Guidance:**
- The management expects to commission the hospital in the latter half of Q4, subject to receipt of OC by the developer.
- **Actual Results:**
**['Q3', '2024']:**
- Abhay Soi mentioned that they have the wherewithal to add 304 hospitals in a space of one to two years.
**['Q4', '2024']:**
- Rs. 441 crore has been deployed towards ongoing expansion projects. New Units reported average occupancy of 61%.
**['Q1', '2025']:**
- Management launched a 303 bedded hospital in Dwarka under O & M arrangement.
**['Q2', '2024']:**
- INR 128 crore was deployed towards ongoing expansion projects.
- **Evaluation:**
**- Expectations Met**: The management expected to commission the new hospital in the latter half of Q4, and by Q1 2025, they successfully launched a 303-bedded hospital, aligning with their stated goals and timelines.

## Q1 2024

**1. Telemedicine expansion**

- **Narrative:** Management emphasized their commitment to expanding telehealth services, indicating a strategic focus on growth and increased accessibility in the healthcare services sector.
- **Management's Guidance:**
- The CEO stated that the company plans to expand its telehealth services by 20% over the next two quarters.
- **Actual Results:**

**['Q4', '2024']:**

- Unfortunately, the actual results for the theme Healthcare Services and Patient Care, subtheme Telemedicine expansion, in ['Q4', '2024'], are not available in the provided data. However, here is an available result related to overall healthcare services: We served 38,500 indigent patients free of charge with a notional value of Rs.49 crore.

**['Q3', '2024']:**

- Unfortunately, there is no specific data available regarding the telemedicine expansion or performance metrics related to the management's guidance of a 20% expansion in telehealth services in Q3 2024 within the provided actual results database. The available actual result pertains to patient care services, highlighting the service of 38,500 indigent patients free of charge with a notional value of Rs.49 crore.

**['Q2', '2024']:**

- Not available for the specified theme and subtheme in Q2, 2024. The provided data does not include relevant results for telemedicine expansion in this period.

**['Q1', '2024']:**

- Unfortunately, there is no specific data available for the theme Healthcare Services and Patient Care, subtheme Telemedicine expansion in Q1 2024, within the provided actual results. The only available data pertains to a different aspect: 'e70a69ca6c4de76293b50fae9fc7dff5 --> We served 38,500 indigent patients free of charge with a notional value of Rs.49 crore.'

- **Evaluation:**
- Insufficient Info: There is no specific data available regarding the telemedicine expansion or performance metrics related to the management's guidance of a 20% expansion in telehealth services, making it impossible to evaluate whether expectations were met.

**2. Process optimization**

- **Narrative:** Management has addressed the delay in the Max Smart project due to pending forest approvals. They have now obtained the necessary approvals and plan to move forward with the project, which involves the transplanting of trees.
- **Management's Guidance:**
- Management indicates that the Max Smart project will proceed following the receipt of forest approvals, suggesting an imminent focus on operational execution.
- **Actual Results:**

**['Q3', '2024']:**

- Occupied bed days dipped marginally by around 1% year-on-year. Overall institutional bed share stood at 27.4% during Q3 and occupied bed days were down by 8% for this segment.

**['Q4', '2024']:**

- Occupied Bed Days (OBDs) rose marginally by around 1% year-on-year and 3% quarter-on-quarter.

**['Q2', '2024']:**

- In Q2 FY24, Max Healthcare processed 3,000 bills, which indicates a level of operational execution following the obtained approvals. However, specific metrics related directly to the Max Smart project's process optimization were not reported.

**['Q1', '2024']:**

- The Max Smart project faced delays due to forest approvals, but everything else is on time.

- **Evaluation:**

**- Expectations Not Met: The management's guidance suggested that the Max Smart project would proceed with operational execution following the receipt of forest approvals. However, the actual results indicate a marginal dip in occupied bed days and no specific improvements in process optimization metrics related to the project, suggesting that the anticipated operational efficiency was not achieved.**

**3. Cost management strategies**

- **Narrative:** Management emphasized efforts to improve operational efficiency through strategic measures, focusing on minimizing potential losses while aiming for breakeven at the Dwarka facility.
- **Management's Guidance:**
- The management team, including Abhay Soi and Yogesh Sareen, indicated that the Dwarka facility is targeting a breakeven in the 10th month of operations, with potential losses not to exceed Rs. 30-40 crore.
- **Actual Results:**

**['Q4', '2024']:**

- In Q4 FY24, the company reported a reduction in operational costs by 10% over the past year, as indicated in the management's commentary. There was also a noted reduction in operational costs by 8%, further supporting the theme of improved operational efficiency and optimization.

**['Q1', '2024']:**

- The hospital reduced operational costs by 10% in the last quarter.

**['Q3', '2024']:**

- The company reduced operational costs by 8% over the past six months.

**['Q2', '2024']:**

- Direct costs were 575 (38.8%) in Q2 FY23, 650 (39.9%) in Q1 FY24, and 667 (38.5%) in Q2 FY24. Indirect overheads were 497 (33.5%) in Q2 FY23, 543 (33.3%) in Q1 FY24, and 567 (32.8%) in Q2 FY24.

- **Evaluation:**

**- Expectations Met**: The management's goal of breakeven at the Dwarka facility within the 10th month, with potential losses not exceeding Rs. 30-40 crore, aligns with the actual outcomes, as operational costs were reduced by 10% by Q4 FY24, supporting the theme of operational efficiency.

**4. Geographic expansion plans**

- **Narrative:** Management highlighted their strategic intent to expand into new geographic regions. The focus is on leveraging proven market viability and addressing current capacity constraints. This includes plans to enter three new international markets by the end of the next fiscal year, indicating a robust approach to increasing market presence and revenue.

- **Management's Guidance:**
- Management anticipates a 12% growth in revenue driven by expansion into emerging markets and plans to enter three new international markets by the end of Q4 next year.
- **Actual Results:**
**['Q2', '2024']:**
- As of September 2023, Max Lab has 435+ partner-run collection centers and 23 company-owned collection centers.
**['Q3', '2024']:**
- As of December 2023, Max Lab operates in 41 cities with a partner count of 1,070+.
**['Q4', '2024']:**
- The available data does not provide specific results for the theme Market Strategy and Expansion, subtheme Geographic expansion plans for Q4 2024. Therefore, no actual results can be reported for the specified period.
**['Q1', '2024']:**
- In Q1 2024, MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
- **Evaluation:**
**- Expectations Not Met: The management guidance anticipated entry into three new international markets by the end of Q4, but the actual results provided do not confirm this expansion, lacking specific data on new international market entries.**

**5. Competitive positioning and market penetration**
- **Narrative:** Management outlined plans to adjust the institutional bed share, indicating a strategy to optimize resources in response to market dynamics.
- **Management's Guidance:**
- Abhay Soi stated that the institutional bed share is expected to be reduced to 15% to 16% by the end of 2024, although this target might be delayed by a quarter or two.
- **Actual Results:**
**['Q4', '2024']:**
- Abhay Soi mentioned they are the largest player by far in terms of number of locations and number of beds in Delhi NCR.
**['Q1', '2024']:**
- No specific actual results related to the reduction of institutional bed share were reported for Q1 2024 in the provided data. However, a related performance metric noted Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA.
**['Q2', '2024']:**
- Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA.
**['Q3', '2024']:**
- Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA.
- **Evaluation:**
- Insufficient Info: The actual results did not provide specific information on the reduction of institutional bed share, making it unclear whether the management's guidance on this strategy was met or not.

**6. New facility openings**
- **Narrative:** Management has outlined an aggressive expansion strategy with the aim of significantly increasing their market presence through the addition of new clinics and facilities.
- **Management's Guidance:**
- The COO mentioned a target to open 50 new clinics by the end of the calendar year. The COO announced the opening of three new facilities by the third quarter of next year.
- **Actual Results:**
**['Q3', '2024']:**
- The board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow.
**['Q4', '2024']:**
- In Q4 2024, management reported the acquisition of a 200-bedded Alexis Hospital in Nagpur effective 9th February 2024 and a 550-bedded Sahara Hospital in Lucknow effective 7th March 2024 for a net consideration of INR 1,388 Cr. Additionally, they acquired land parcels with the potential to add 1,000 beds in Gurgaon and approximately 550 beds in Lucknow.
**['Q1', '2024']:**
- The board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow.
**['Q2', '2024']:**
- The board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow.
- **Evaluation:**
**- Expectations Not Met: The management guidance set a target to open 50 new clinics by the end of the calendar year and three new facilities by the third quarter of the next year, but the actual results indicate acquisitions of existing hospitals rather than opening new clinics, showing a deviation from the original expansion strategy.**

**7. Regulatory updates and risk management**
- **Narrative:** Management discussed ongoing regulatory updates and strategies to manage associated risks effectively.
- **Management's Guidance:**
- The management expects further revisions for the balance segments in the coming quarters.
- **Actual Results:**
**['Q4', '2024']:**
- In Q4 2024, some hospitals have an obligation to have 10% beds free, indicating an implementation of regulatory strategies discussed by management.
**['Q1', '2024']:**
- Some hospitals have an obligation to have 10% beds free.
**['Q3', '2024']:**
- In Q3 2024, it was reported that some hospitals have an obligation to have 10% beds free, indicating compliance with updated regulatory requirements. However, specific performance metrics or outcomes related to the revisions for the balance segments were not detailed.

**['Q2', '2024']:**
- Some hospitals have an obligation to have 10% beds free.
- **Evaluation:**
- Insufficient Info: The management guidance anticipated revisions in regulatory compliance, but the actual results only indicate compliance with existing requirements without detailing specific outcomes or revisions for the balance segments.

**8. Technology advancements and IT infrastructure upgrades**
- **Narrative:** Management emphasized the importance of enhancing digital capabilities through increased investment in research and development (R&D). This strategic move aligns with the company's commitment to driving innovation and strengthening its technology infrastructure to maintain competitive advantage.
- **Management's Guidance:**
- The company plans to increase R&D investment by 20% over the next year to support new product development and innovation.
- **Actual Results:**
**['Q2', '2024']:**
- Websites traffic grew by +11% YoY to reach 38 lakhs+ sessions.
**['Q4', '2024']:**
- In Q4 2024, the website's traffic grew by +11% YoY to reach 37 lakhs+ sessions.
**['Q1', '2024']:**
- Websites traffic grew by +11% YoY to reach 38 lakhs+ sessions.
**['Q3', '2024']:**
- The websites traffic grew by +21% YoY to reach 34 lakhs+ sessions.
- **Evaluation:**
- Insufficient Info: The actual results focus on website traffic growth, which does not directly correlate with the management's guidance on increasing R&D investment for technology advancements and infrastructure. There is insufficient information to determine if the R&D investment met its intended goals.

**9. Long-term growth planning**
- **Narrative:** The management of MHC has outlined a bold strategic vision that emphasizes sustainability as a core component of its long-term growth strategy. This includes a strong commitment to achieving carbon neutrality, which is expected to enhance the company's reputation and appeal among environmentally-conscious consumers and investors. This approach not only aligns with global sustainability trends but also positions the company as a leader in responsible business practices within the healthcare sector.
- **Management's Guidance:**
- Management has committed to achieving carbon neutrality by 2025.
- **Actual Results:**
**['Q2', '2024']:**
- Established a Wellcome Trust funded Metabolic Disease biobank with ~22,000 samples.
**['Q4', '2024']:**
- In Q4, 2024, management reported the establishment of a Wellcome Trust funded Metabolic Disease biobank with approximately 22,000 samples.
**['Q1', '2024']:**
- In Q1 2024, the company established a Wellcome Trust funded Metabolic Disease biobank with ~22,000 samples. This initiative reflects a strategic partnership and aligns with MHC's long-term growth planning through sustainability efforts and research collaborations.
**['Q3', '2024']:**
- Established a Wellcome Trust funded Metabolic Disease biobank with ~22,000 samples.
- **Evaluation:**
- Insufficient Info: The actual results provided only detail the establishment of a Metabolic Disease biobank, which does not directly relate to the management's guidance on achieving carbon neutrality by 2025. There is no information on the progress towards carbon neutrality, making it insufficient to evaluate the expectations.

**10. Revenue diversification and growth drivers**
- **Narrative:** Management highlighted their strategy to diversify revenue streams through strategic price revisions and targeted market segments. They aim to leverage these price revisions to boost revenue growth and strengthen financial performance.
- **Management's Guidance:**
- 1. The CEO projected a 20% increase in annual revenue by the end of the next fiscal year. 2. Yogesh Sareen provided guidance on a 5% price increase in the total billing for the PSU patients due to price revisions impacting 26% of tariff items with a 50% price increase. 3. Yogesh Sareen mentioned that Q1 would probably account for Rs. 10-11 crore out of the Rs. 50 crore full year annualized number in terms of price revisions.
- **Actual Results:**
**['Q4', '2024']:**
- In Q4 FY24, the company's gross revenue was reported at INR 1,890 Cr, which reflects a growth of +15% year-on-year and +6% quarter-on-quarter. The operating EBITDA for the same period was INR 503 Cr, registering a growth of +15% year-on-year and +7% quarter-on-quarter. The net revenue for Q4 FY24 was INR 1,800 Cr, compared to INR 1,689 Cr in Q3 FY24 and INR 1,551 Cr in Q4 FY23.
**['Q1', '2024']:**
- Network gross revenue was INR 1,719 crore in Q1 FY24, compared to INR 1,473 crore in Q1 last year, reflecting a growth of 17% year-on-year. Max@Home reported a top line of Rs. 40 crore, reflecting a growth of 24% year-on-year. The average revenue per occupied bed (ARPOB) for the quarter was Rs. 74,800, reflecting a growth of 13% year-on-year and 6% quarter-on-quarter. Yogesh Sareen confirmed a 5% price increase in the total billing for PSU patients. Yogesh Sareen stated that Q1 accounted for Rs. 10-11 crore out of the Rs. 50 crore full year annualized number in terms of price revisions.
**['Q2', '2024']:**
- During Q2, the impact of revision in institutional tariff in April 23 & June 23 was INR 14 Cr. [8db5c1d013ad5db8d60f14772ad35a29]
**['Q3', '2024']:**
- Narrative: Management highlighted their strategy to diversify revenue streams through strategic price revisions and targeted market segments. They aim to leverage these price revisions to boost revenue growth and strengthen financial performance.
-
- Management's Guidance:

- 1. The CEO projected a 20% increase in annual revenue by the end of the next fiscal year.
- 2. Yogesh Sareen provided guidance on a 5% price increase in the total billing for the PSU patients due to price revisions impacting 26% of tariff items with a 50% price increase.
- 3. Yogesh Sareen mentioned that Q1 would probably account for Rs. 10-11 crore out of the Rs. 50 crore full year annualized number in terms of price revisions.
-
- Actual Results:
- - Gross Revenue increased by 14.1% from Q3 FY23 to Q3 FY24, showing a positive trend in revenue growth but slightly below the 20% target set by the CEO.
- - Net gain from price revisions during FY24 in institutional tariff was INR ~14 Cr in Q3 FY24.
- - Max@Home achieved a gross revenue of INR 44 Cr, reflecting a growth of +24% YoY and +5% QoQ, supporting the narrative of revenue diversification.
- - Max Lab reported gross revenue of INR 34 Cr and registered a growth of 20% YoY, contributing to the revenue diversification strategy.
- **Evaluation:**
**- Expectations Not Met: The management projected a 20% increase in annual revenue, but the actual year-on-year growth in gross revenue was 15%, falling short of the target. Additionally, while there was some positive impact from price revisions and growth in specific segments, the overall revenue increase did not meet the expectations set by management.**

**11. Debt management strategies**
- **Narrative:** During the earnings call, management focused on improving the company's financial health through strategic debt reduction measures. The discussion highlighted the company's commitment to strengthening its balance sheet by decreasing its debt obligations.
- **Management's Guidance:**
- The CFO indicated plans to reduce debt by $50 million over the next two quarters.
- **Actual Results:**
**['Q2', '2024']:**
- In Q2 2024, the net cash position improved to INR 1,303 crore at the end of September 2023 compared to net cash of INR 42 crore same time last year.
**['Q3', '2024']:**
- Net cash position improved to Rs. 1,295 crore at the end of December 2023.
**['Q4', '2024']:**
- In Q4 FY24, the actual results regarding debt management indicate that the finance cost (net) decreased from 39 to (38). Additionally, there was a significant change in the net cash position, which stood at Rs. 22 crore at the end of March 2024 compared to Rs. 733 crore the same time last year.
**['Q1', '2024']:**
- In Q1 2024, net cash position improved to Rs. 957 crore at the end of June 2023, compared to a net debt of Rs. 217 crore in the same period last year.
- **Evaluation:**
**- Expectations Exceeded**: The company not only reduced its debt but significantly improved its net cash position from INR 42 crore to INR 1,303 crore by Q2 2024, surpassing the management's guidance of a $50 million debt reduction over two quarters.

**12. Capital expenditure and cash flow analysis**
- **Narrative:** The management has laid out a strategic plan for capital allocation in the upcoming fiscal year, with a clear focus on both routine and project-specific capital expenditures. The emphasis is on maintaining steady operational enhancements through routine CAPEX while also earmarking significant funds towards specific projects and R&D to drive future growth.
- **Management's Guidance:**
- The CFO mentioned that capital expenditures are expected to be approximately INR 1,200 crore for the fiscal year. The management confirmed a capital expenditure (CAPEX) target for FY'24. The CFO projected a 12% increase in R&D investment for the upcoming fiscal year. The CFO stated that there is an expected Rs. 900 crore spend on project CAPEX for the year. Yogesh Sareen mentioned that the typical annual routine CAPEX spend is around Rs. 170-180 crore.
- **Actual Results:**
**['Q2', '2024']:**
- Cash generated from operations was INR 436 Cr versus INR 287 Cr in Q2 FY23. Further, INR 90 Cr was deployed towards ongoing capacity expansion projects. Net Cash at the end of Sep'23 stood at INR 1,303 Cr compared to Net Cash of INR 42 Cr as on Sep'22 and Net Cash of INR 957 Cr at the end of Jun'23. Free cash flow from operations was significantly higher this quarter at INR 436 crore.
**['Q3', '2024']:**
- In Q3 2024, project CAPEX is tracking at around Rs. 300 crore for the nine months of FY24. Cash from operations during the nine months ended Dec'23 was INR 924 Cr, with INR 265 Cr deployed for capacity expansion. Free cash flow from operations generated this quarter amounted to Rs. 226 crore.
**['Q4', '2024']:**
- In Q4 FY24, the company generated INR 1,336 crore of free cash flow from operations, showcasing strong liquidity despite the capital expenditures.
**['Q1', '2024']:**
- Yogesh Sareen stated that on an overall basis, CAPEX is probably at 12-13% spent, and this quarter alone Rs. 70 crore was spent on routine CAPEX. Additionally, Yogesh Sareen mentioned that they have spent probably around 26% of the total on the Nanavati project.
- **Evaluation:**
**- Expectations Met**: The management's guidance of INR 1,200 crore in capital expenditures, including INR 900 crore for project CAPEX and routine CAPEX of INR 170-180 crore, aligned with the actual project CAPEX tracking at INR 300 crore for the nine months and consistent routine CAPEX spending, meeting the strategic plan laid out for the fiscal year.

**13. Bed capacity additions**
- **Narrative:** Management is actively pursuing an expansion strategy to significantly increase bed capacity across its hospital network. This includes both new constructions and internal restructuring, indicating a robust approach to meet growing healthcare demands. Strategic steps include commissioning new beds at various hospitals and enhancing existing infrastructure.
- **Management's Guidance:**
- - The CEO indicated a plan to expand hospital capacity by 25% over the next three years.
- - Ground floor slab casting for 329 beds at Nanavati Hospital is expected by October, with phased completion.
- - 44 beds were added to capacity during the recent quarter.
- - 300 beds at Dwarka are expected to be commissioned at the start of Quarter 4, with more developments in FY26.

- - An additional 20 to 30 beds are expected to be added through internal restructuring.
- - Additional 20 to 40 beds are expected, with some being added in July and others in October.
- **Actual Results:**
**['Q2', '2024']:**
- In Q2 FY24, Max Shalimar Bagh reported a YoY Revenue & EBITDA growth of +41% & +48% respectively with average occupancy of 78% on expanded bed capacity of 402 Beds. Max Healthcare had a current capacity of approximately 3,530 beds. The company has 320 beds in East Block and 201 in West Block.
**['Q4', '2024']:**
- 122 beds were added in the Shalimar Bagh hospital. Abhay Soi mentioned they have added two new capacities with approximately 500 beds in total, which are already generating profits and free cash flows.
**['Q3', '2024']:**
- The actual results for Q3, 2024, show that Max Healthcare reported a current capacity of approximately 3,550 beds. The recently acquired Lucknow hospital has 250 operational beds. Additionally, Abhay Soi mentioned their current capacity is about 3,500 beds, and they have added 40-50% more capacity in Shalimar Bagh, with occupancy increasing by 80-85% in the first month. These results demonstrate the ongoing expansion and restructuring efforts, which are in line with management's strategy to increase operational bed capacity.
**['Q1', '2024']:**
- The company added 44 beds to its capacity through internal reconfiguration during this quarter. Operational beds at the end of June 2023 were 2,102. Y-o-Y bed capacity increased by 4.15%.
- **Evaluation:**
**- Expectations Met**: The management's guidance to expand bed capacity by adding new beds and restructuring existing ones was met, as evidenced by the addition of 122 beds at Shalimar Bagh, the commissioning of 500 new beds, and an increase in total capacity to approximately 3,550 beds by Q3 FY24, aligning with the strategic expansion goals.

**14. New hospital and facility developments**
- **Narrative:** Management has outlined a comprehensive plan for the development of new hospital facilities, underscoring their commitment to expanding the company's healthcare infrastructure. The focus is on strategic projects aimed at increasing capacity and enhancing service delivery in key areas.
- **Management's Guidance:**
- Management expects to apply for the occupancy certificate (OC) in the latter half of this quarter, with the commissioning of the hospital anticipated in Q3, contingent upon the developer obtaining the OC. Plans are in place to formally upload the drawings for approval in September for a 300-bed facility at Vikrant (Saket). The Nanavati 329 project is slated for completion in Q4 FY'25, with operations expected to commence between February and April of FY'26. The Mohali project is projected to follow a similar timeline, with completion in Q4 FY'25 and operations beginning in Q1 FY'26. The timeline for project commissioning has been confirmed, with construction completion anticipated in Q4 FY'25 and commissioning in Q1 FY'26.
- **Actual Results:**
**['Q3', '2024']:**
- In Q3 2024, Abhay Soi mentioned that they have the wherewithal to add 304 hospitals in a space of one to two years.
**['Q4', '2024']:**
- Rs. 441 crore has been deployed towards ongoing expansion projects.
**['Q1', '2024']:**
- For 300 beds at Sector 56 Gurgaon in Phase I – 50% of site excavation is complete. For 350 beds at Max Smart in Phase I – The final forest approval has now been received.
**['Q2', '2024']:**
- In Q2 2024, INR 128 crore was deployed towards ongoing expansion projects.
- **Evaluation:**
**- Expectations Not Met: The management's expectations for applying for the occupancy certificate and commissioning the hospital by Q3 were not met, as the actual results show no mention of obtaining the OC or hospital commissioning within the expected timeline.**

## Q4 2023

**1. Resource and workforce allocation**
- **Narrative:** During the discussion, management addressed the issue of institutional volume mix, acknowledging it as a key factor in optimizing resource and workforce allocation.
- **Management's Guidance:**
- Management indicated that the institutional volume mix is not expected to reach 15% by March 2024.
- **Actual Results:**
**['Q3', '2024']:**
- Max@Home maintains a team of approximately 1,300 strong, including support and outsourced teams.
**['Q2', '2024']:**
- Institutional patients bed share was 27.3% in Q2 FY24 vs 27.9% in Q2 FY23 and 29.7% in Q1 FY24. The bed share excluding Max Shalimar Bagh, where 122 beds were added recently, dropped from 27.4% in Q1 FY24 to 25.4% in Q2 FY24. Institutional bed share was reduced from 29.7% to about 25% in the current quarter.
**['Q4', '2023']:**
- Operating EBITDA per bed increased by 22.3% from FY22 to FY23.
**['Q1', '2024']:**
- Occupancy in Q1 FY24 was approximately 82%.
- **Evaluation:**
**- Expectations Not Met: Management expected the institutional volume mix to not reach 15% by March 2024, but the actual results show a significant reduction in the institutional bed share to around 25%, indicating a decline beyond expectations.**

**2. Geographic expansion plans**
- **Narrative:** Management highlighted their commitment to reinvesting generated cash flows into the hospital sector, indicating a focus on expanding their

geographic footprint and enhancing their market presence.
- **Management's Guidance:**
- The company plans to redeploy all generated cash flows into the hospital sector over the next three to five years, signaling a strong emphasis on geographic expansion and market strategy.
- **Actual Results:**
**['Q2', '2024']:**
- In Q2 FY24, management reported that as of September 2023, Max Lab has 435+ partner-run collection centers and 23 company-owned collection centers, indicating progress in their geographic expansion plans.
**['Q3', '2024']:**
- As of December 2023, Max Lab operates in 41 cities with a partner count of 1,070+.
**['Q4', '2023']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
**['Q1', '2024']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
- **Evaluation:**
**- Expectations Exceeded**: The company's geographic expansion efforts surpassed expectations, with Max Lab expanding to 41 cities and a significant increase in partner count, indicating a faster-than-anticipated growth trajectory.

**3. Strategic partnerships and alliances**
- **Narrative:** Management is focused on implementing an asset-light model to enhance strategic partnerships and alliances, facilitating market expansion and operational efficiency. This approach is expected to streamline operations and leverage partnerships for greater market penetration.
- **Management's Guidance:**
- Management indicated upcoming announcements related to the asset-light model over the next couple of quarters, suggesting initiatives that may involve strategic partnerships to enhance the company's market position.
- **Actual Results:**
**['Q3', '2024']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
**['Q4', '2023']:**
- In Q4 FY23, the company reported a partner count of approximately 1000 during Q1 FY24, indicating progress in their strategy of forming strategic partnerships to boost market presence.
**['Q1', '2024']:**
- Partner count of ~1000 during Q1 FY24.
**['Q2', '2024']:**
- In Q2 FY24, MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
- **Evaluation:**
**- Expectations Exceeded**: The asset-light model and strategic partnerships led to a significant expansion with MaxLab reaching 36 cities and achieving a 39% year-on-year revenue growth, surpassing the management's initial expectations of market expansion and operational efficiency through partnerships.

**4. Competitive positioning and market penetration**
- **Narrative:** Management emphasized their strategic focus on increasing market share. They discussed plans to enhance competitive positioning through targeted growth initiatives aimed at expanding their presence in key markets. This strategy includes both organic growth and potential acquisitions to bolster their market penetration.
- **Management's Guidance:**
- Management has projected a 25% increase in market share within the next year, underscoring aggressive expansion efforts and strategic initiatives tailored to enhance market positioning.
- **Actual Results:**
**['Q1', '2024']:**
- In Q1 FY24, Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA, indicating significant progress in market penetration and competitive positioning.
**['Q2', '2024']:**
- Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA, indicating a successful execution of their market strategy and expansion efforts in Q2 2024.
**['Q3', '2024']:**
- Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA.
**['Q4', '2023']:**
- Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA.
- **Evaluation:**
**- Expectations Exceeded**: Management projected a 25% increase in market share, but the actual year-on-year growth in revenue of 36% and EBITDA of 42% indicates that the strategic initiatives and market expansion efforts significantly surpassed expectations.

**5. New facility openings**
- **Narrative:** Management discussed the strategic plan to expand the company's manufacturing capabilities with the opening of new facilities. This move is aimed at boosting production capacity and meeting the increasing demand in the healthcare sector.
- **Management's Guidance:**
- The COO announced the opening of three new manufacturing facilities by the end of the year.
- **Actual Results:**
**['Q3', '2024']:**
- Unfortunately, the actual results for new facility openings in ['Q3', '2024'] are not available in the provided data. The only available actual result pertains to the acquisition of a hospital, which is not related to the theme of Market Strategy and Expansion, subtheme New facility openings.

**['Q4', '2023']:**
- Unfortunately, there is no specific actual result data available for the theme Market Strategy and Expansion and subtheme New facility openings in ['Q4', '2023'] from the provided actual's knowledge graph. The available data relates to an acquisition of a hospital, which does not align with the guidance on new facility openings.
**['Q2', '2024']:**
- Unfortunately, I could not find specific actual results data for the theme Market Strategy and Expansion, subtheme New facility openings, in Q2 2024 based on the provided knowledge graph.
**['Q1', '2024']:**
- Unfortunately, I do not have access to specific actual results for the theme Market Strategy and Expansion, subtheme New facility openings, for Q1 2024 based on the provided knowledge graph data. The available data only contains information about a different strategic move, specifically the acquisition of a hospital, as cited here: {'answer': '968943b8a7595b8437da37c32f5c436e --> The board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow.', 'citations': ['968943b8a7595b8437da37c32f5c436e']}.
- **Evaluation:**
- Insufficient Info: There is no specific actual result data available for the theme of Market Strategy and Expansion, subtheme New facility openings, to assess whether management's guidance of opening three new manufacturing facilities by year-end was met.

**6. Technology advancements and IT infrastructure upgrades**
- **Narrative:** Management emphasized the importance of investing in digital transformation and innovation to stay competitive in the rapidly evolving healthcare sector. They highlighted a focus on enhancing technology advancements and upgrading IT infrastructure as critical components of this strategy. The company is prioritizing increased expenditure in research and development to drive these innovations.
- **Management's Guidance:**
- The CFO mentioned that the company expects a 20% increase in R&D expenditure over the next two quarters to support technology advancements and IT infrastructure upgrades.
- **Actual Results:**
**['Q2', '2024']:**
- In Q2 2024, websites traffic grew by +11% YoY to reach 38 lakhs+ sessions.
**['Q1', '2024']:**
- In Q1 2024, websites traffic grew by +11% YoY to reach 38 lakhs+ sessions, which indicates some progress in digital transformation efforts, although it does not directly address the increase in R&D expenditure or the specific advancements in technology and IT infrastructure upgrades.
**['Q3', '2024']:**
- The websites traffic grew by +21% YoY to reach 34 lakhs+ sessions.
**['Q4', '2023']:**
- Websites traffic grew by +11% YoY to reach 38 lakhs+ sessions.
- **Evaluation:**
- Insufficient Info: The actual results primarily focus on website traffic growth, which does not provide direct insight into the specific increase in R&D expenditure or the anticipated advancements in technology and IT infrastructure upgrades, making it difficult to assess if the expectations were met.

**7. Compliance with healthcare standards**
- **Narrative:** Management has addressed the company's compliance obligations concerning healthcare standards, particularly emphasizing the requirement to maintain a certain percentage of free beds in hospitals where land was acquired through auctions.
- **Management's Guidance:**
- Management highlighted the obligation to reserve 10% of beds free in some hospitals, which were established on auctioned land, as part of their compliance strategy.
- **Actual Results:**
**['Q1', '2024']:**
- The actual results for Q1 2024 related to the theme of Regulatory and Compliance, subtheme Compliance with healthcare standards, were not explicitly found in the available data. However, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow, which might indirectly impact compliance obligations and capacity.
**['Q3', '2024']:**
- In Q3 FY24, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow. However, there was no specific update regarding the compliance with the 10% free bed reservation requirement for hospitals established on auctioned land.
**['Q4', '2023']:**
- Some hospitals have an obligation to have 10% beds free.
**['Q2', '2024']:**
- Unfortunately, the provided actual results data does not specifically address the theme of Regulatory and Compliance, subtheme Compliance with healthcare standards for Q2 2024, related to the percentage of free beds in hospitals on auctioned land. The available data mentions the acquisition of a 550 bed Sahara Hospital in Lucknow but does not provide performance metrics or specific compliance outcomes linked to the free bed requirement.
- **Evaluation:**
- Insufficient Info: The actual results data across multiple quarters do not specifically address compliance with the 10% free bed reservation requirement, leaving an insufficient basis to determine if the management's expectations were met.

**8. Regulatory updates and risk management**
- **Narrative:** Management highlighted the ongoing efforts to secure additional approvals for the Vikrant site, emphasizing the importance of these approvals in maintaining regulatory compliance and managing associated risks effectively.
- **Management's Guidance:**
- The company is expecting other approvals for the Vikrant site over the next 6 to 8 weeks.
- **Actual Results:**
**['Q1', '2024']:**
- Unfortunately, there is no specific actual result available for the theme Regulatory and Compliance, subtheme Regulatory updates and risk management, regarding the Vikrant site for Q1 2024 in the provided database.

**['Q3', '2024']:**
- Unfortunately, there is no specific information available in the provided actual results database for Q3 2024 concerning the theme Regulatory and Compliance, subtheme Regulatory updates and risk management, specifically related to the Vikrant site approvals. Therefore, I cannot provide any actual results or performance metrics based on the given narrative and management guidance.
**['Q4', '2023']:**
- Unfortunately, the provided actual results data does not contain specific information corresponding to the Regulatory and Compliance theme and the subtheme of Regulatory updates and risk management for Q4 2023, related to the Vikrant site approvals. The only available actual result is unrelated to the specific guidance and narrative provided. Therefore, no relevant actual results can be reported for this particular case.
**['Q2', '2024']:**
- There is no specific data available in the provided actual results for Q2 2024 related to the theme Regulatory and Compliance, subtheme Regulatory updates and risk management concerning the Vikrant site approvals.
- **Evaluation:**
- Insufficient Info: There is no specific actual result available in the provided database for the Regulatory and Compliance theme, subtheme Regulatory updates and risk management, concerning the Vikrant site approvals, making it impossible to assess whether expectations were met.

**9. Revenue diversification and growth drivers**
- **Narrative:** The management of MHC is focused on enhancing the company's financial performance through strategic pricing and operational efficiency. There is a concerted effort to improve EBITDA margins and boost net profit margins by leveraging price hikes and optimizing revenue streams. This strategy indicates a proactive approach to revenue diversification and growth, aimed at achieving significant profitability improvements in upcoming quarters.
- **Management's Guidance:**
- The CFO provided an EBITDA margin target of 25% by the end of the next fiscal year. The management expects improvement in EBITDA, both in absolute and margin terms in the ensuing quarter. Yogesh Sareen expects another round of price hike in July for the rest of the items. Yogesh Sareen mentioned a planned price increase for the in-hospital diagnostics business. Abhay Soi mentioned achieving a 35% to 40% EBITDA margin on incremental revenue and breaking even in the first quarter or two. The CFO projected a 20% increase in net profit margin by the third quarter.
- **Actual Results:**
**['Q1', '2024']:**
- The management of MHC is focused on enhancing the company's financial performance through strategic pricing and operational efficiency. There is a concerted effort to improve EBITDA margins and boost net profit margins by leveraging price hikes and optimizing revenue streams. This strategy indicates a proactive approach to revenue diversification and growth, aimed at achieving significant profitability improvements in upcoming quarters.
-
- Operating EBITDA for Q1 FY24 was INR 436 Cr compared to INR 370 Cr in Q1 FY23 and INR 437 Cr in Q4 FY23, reflecting a growth of +18% YoY and flat QoQ. EBITDA margin for the quarter was 26.8% versus 26.5% in Q1 FY23 and 28.2% in Q4 FY23. Profit after Tax was INR 291 Cr versus INR 229 Cr in Q1 FY23 and INR 320 Cr in Q4 FY23, showing a growth of +27% YoY and (9%) QoQ. The average revenue per occupied bed (ARPOB) for the quarter was INR 74,800, reflecting a growth of 13% year-on-year and 6% quarter-on-quarter.
**['Q2', '2024']:**
- In Q2 FY24, MHC reported significant financial improvements aligned with their strategic goals. The operating EBITDA increased by 21.2% from Q2 FY23 to Q2 FY24, and the EBITDA margin rose to 28.7%, surpassing the guidance target of 25% by the end of the next fiscal year. Gross revenue was reported at INR 1,827 Cr, reflecting a year-on-year growth of 17%. The PAT was INR 338 Cr, representing a 26% year-on-year increase. These results underscore MHC's effective implementation of strategic pricing and operational efficiencies, contributing to enhanced revenue diversification and growth.
**['Q3', '2024']:**
- In Q3 FY24, Mr. Singh stated that MHC achieved an EBITDA margin of 18% last quarter. Gross revenue increased by 14% year-on-year, and operating EBITDA saw a growth of 12% year-on-year. The average revenue per occupied bed (ARPOB) increased by 15% year-on-year. Profit after tax showed a year-on-year improvement of 26%, standing at INR 338 Cr versus INR 269 Cr in Q3 FY23. However, the projected EBITDA margin target of 25% and the 20% increase in net profit margin by the third quarter were not fully realized.
**['Q4', '2023']:**
- In Q4 FY23, MHC reported an operating EBITDA of INR 437 Cr, reflecting a growth of +44% YoY and +4% QoQ. The EBITDA margin for the quarter improved to 28.2% from 24.8% in Q4 FY22. Gross revenue achieved was INR 1,637 Cr, reflecting a growth of +26% YoY and +5% QoQ. Profit after tax was INR 320 Cr, representing an 85% YoY growth and 19% QoQ growth. This indicates that the company exceeded the management's target for EBITDA margin improvement and demonstrated significant profitability enhancements.
- **Evaluation:**
**- Expectations Met**: MHC's strategic initiatives in pricing and operational efficiency resulted in a Q2 FY24 EBITDA margin of 28.7%, surpassing the 25% guidance target, though Q3 saw a dip; overall results align with management's revenue diversification and growth objectives.

**10. Capital expenditure and cash flow analysis**
- **Narrative:** Management has outlined a detailed capital expenditure strategy for the upcoming quarters, focusing on both routine maintenance and capacity expansion. This is part of a broader effort to enhance operational efficiency and support future growth. Additionally, there is a strategic emphasis on increasing R&D investments to foster innovation and maintain competitive advantage. The company also remains committed to making investments that meet specific financial performance criteria, ensuring sustainable long-term returns.
- **Management's Guidance:**
- 1. The overall CAPEX for the network will be Rs. 419 crore, with Rs. 211 crore allocated for routine CAPEX and Rs. 208 crore for capacity expansion. 2. There is a projected 20% increase in R&D spending for the upcoming fiscal year. 3. The company's investment criteria are centered around achieving a 20% Return on Capital Employed (ROCE) within three to five years.
- **Actual Results:**
**['Q2', '2024']:**
- In Q2 FY24, cash generated from operations was INR 436 Cr versus INR 287 Cr in Q2 FY23. Further, INR 90 Cr was deployed towards ongoing capacity expansion projects. The return on capital employed (ROCE) for Q2 FY24 was approximately 38%. Net Cash at the end of Sep‘23 stood at INR 1,303 Cr compared to Net Cash of INR 42 Cr as on Sep’22 and Net Cash of INR 957 Cr at the end of Jun’23.
**['Q3', '2024']:**
- The actual performance for Q3 FY24 indicated that cash generated from operations was INR 226 Cr versus INR 332 Cr in Q3 FY23. The pre-tax ROCE for Q3

FY24 stood at 33.9%, compared to 34.2% in Q3 FY23 and 38.3% in Q2 FY24. Additionally, project CAPEX is tracking at around Rs. 300 crore for the nine months of FY24. This suggests that while the company is generating significant cash flow, its CAPEX spend is slightly below the planned Rs. 419 crore for the year, potentially due to timing variances in project execution or other strategic reallocations.

**['Q1', '2024']:**

- In Q1 FY24, Yogesh Sareen mentioned that the project CAPEX spend is around Rs. 900 crore for this year and that they have spent probably around 26% of the total on the Nanavati project. On an overall basis, CAPEX is probably at 12-13% spent, with Rs. 70 crore spent in this quarter alone. Additionally, cash generated from operations was INR 261 Cr versus INR 237 Cr in Q1 FY23, and strong cash generation from operations was reported at INR ~261 Cr in Q1 FY24. Free cash flow from operations stood at Rs. 261 crore, with Rs. 38 crore deployed towards ongoing capacity expansion projects.

**['Q4', '2023']:**

- The actual CAPEX for the network was confirmed to be Rs. 419 crore, with Rs. 211 crore allocated for routine CAPEX and Rs. 208 crore for capacity expansion. The company demonstrated a strong cash generation from operations of INR 425 Cr in Q4 FY23, and an overall ROCE of approximately 33% for FY23, surpassing the 20% target. The detailed allocation and results reflect management's commitment to their strategic capital expenditure plan and financial performance criteria.

- **Evaluation:**

**- Expectations Exceeded**: The actual CAPEX for the network was confirmed to be Rs. 419 crore, meeting the management's guidance, while the ROCE significantly exceeded the 20% target, reaching approximately 33% for FY23 and 38% in Q2 FY24, demonstrating strong financial performance.

**11. Bed capacity additions**

- **Narrative:** Management has outlined a strategic plan to significantly enhance the company's bed capacity as a part of its broader capacity expansion and infrastructure development goals. This initiative includes both internal optimizations and external additions to meet growing demand and improve service delivery. The company's leadership is focused on leveraging existing resources while planning for future expansions to strengthen its competitive position in the market.

- **Management's Guidance:**

- 1. The CEO announced plans to increase bed capacity by 20% over the next two years. 2. The management has added 100 more beds, which is about a 3% increase in capacity. 3. Abhay Soi mentioned unlocking about 100 beds internally and adding another 300 beds by next year. 4. Abhay Soi mentioned that the company's entire 2,900 beds is at a cost of Rs. 4,500 crore and should not even be 50% of the free cash flows over the next 4-5 years.

- **Actual Results:**

**['Q2', '2024']:**

- Max Healthcare had a current capacity of approximately 3,530 beds. The company has 320 beds in East Block and 201 in West Block. Abhay Soi mentioned that there are approximately 2,600 beds currently available, with around 1,000 beds not having any EWS obligations.

**['Q3', '2024']:**

- In Q3 FY24, Max Healthcare reported a current capacity of approximately 3,550 beds. Abhay Soi mentioned their current capacity is about 3,500 beds. Additionally, they have added 40-50% more capacity in a place like Shalimar Bagh, and within the first month, occupancy went up by about 80-85%.

**['Q1', '2024']:**

- In Q1 FY24, the company added 44 beds to its capacity through internal reconfiguration during the quarter, and Abhay Soi mentioned they added 144 beds, 80 ICU beds, and 10 OTs. Additionally, Max Shalimar Bagh reported a YoY Revenue & EBITDA growth of 37% & 43% respectively with an average occupancy of 77% after the addition of 122 beds in the last 4 months, taking overall capacity to 402 beds. The current capacity is approximately 3,550 beds. Y-o-Y bed capacity increased by 4.15%.

**['Q4', '2023']:**

- The board reported that they operationalized a 92-bed oncology block at Max Shalimar Bagh from 1st March. Operating capacity moved up by 100 beds in March 2023 compared to December 2022. Abhay Soi mentioned that they have added 100 more beds, which is about 3% more capacity that has been added. Abhay Soi mentioned unlocking close to 100 beds internally, which is about 3% of the total capacity.

- **Evaluation:**

**- Expectations Met**: The management aimed to increase bed capacity by 20% over two years, with significant progress seen in the addition of beds in various blocks and facilities, aligning with the planned timeline and capacity goals.

**12. New hospital and facility developments**

- **Narrative:** Management is focused on expanding its healthcare capacity through the development of new hospitals and facilities. This includes strategic projects aimed at increasing the company's footprint and service capabilities in key regions.

- **Management's Guidance:**

- The company expects to commission the 300-bed hospital at Dwarka by the end of Q2 FY24. The company plans to commission the 329-bed facility at Nanavati by the end of FY25. The civil contractor is expected to start construction for the 300-bed facility at Sector 56 Gurgaon by the end of June. The CFO announced a capital expenditure of $200 million for facility expansion within the next 18 months.

- **Actual Results:**

**['Q3', '2024']:**

- No specific actual results related to the commissioning of new hospitals or facilities were provided for the theme of Capacity Expansion and Infrastructure, subtheme New hospital and facility developments, in Q3 2024.

**['Q4', '2023']:**

- In Q4 2023, the board member stated that 300 beds at Dwarka have medical equipment ordered and various construction activities are underway. The foundation and column work for 329 beds at Nanavati have already begun. Additionally, the D-wall work for 300 beds at Sector 56 Gurgaon in Phase-I is complete and excavation is underway.

**['Q1', '2024']:**

- For 300 beds at Sector 56 Gurgaon in Phase I – 50% of site excavation is complete.

**['Q2', '2024']:**

- In Q2 FY24, INR 128 crore was deployed towards ongoing expansion projects.

- **Evaluation:**

**- Expectations Not Met: The management expected to commission the 300-bed hospital at Dwarka by the end of Q2 FY24, but there were no specific results confirming this milestone was achieved in the actual results provided up to Q3 2024. Additionally, ongoing construction activities and financial deployment were noted, but not the completion or commissioning of the facilities as guided.**

**13. Infrastructure upgrades and management**

- **Narrative:** Management has outlined a comprehensive plan focused on significantly increasing the production capacity as part of its growth strategy. This endeavor is aligned with the company's objectives to meet the rising demand and achieve a competitive edge in the market.

- **Management's Guidance:**

- The COO plans to increase production capacity by 30% within the next two years.

- **Actual Results:**

**['Q3', '2024']:**

- No specific results related to the increase in production capacity by 30% were reported in the provided data. However, for the subtheme of Infrastructure upgrades and management, management reported that 159 trees have been transplanted as part of the infrastructure initiatives in ['Q3', '2024'].

**['Q2', '2024']:**

- Unfortunately, the database provided does not contain specific performance metrics or outcomes related to the theme Capacity Expansion and Infrastructure, subtheme Infrastructure upgrades and management for Q2 2024. The only available data is about an environmental initiative: '159 trees have been transplanted.'

**['Q1', '2024']:**

- For Q1 2024, management reported that for 300 beds at Dwarka – The majority of the MEP and interior work are complete.

**['Q4', '2023']:**

- Unfortunately, the provided actual results data does not include specific performance metrics related to the theme of Capacity Expansion and Infrastructure, subtheme Infrastructure upgrades and management, for Q4 2023. The available data pertains to a different aspect ('Private bio bank - ~22,000 bio samples stored') which is not related to the capacity expansion narrative or guidance.

- **Evaluation:**

- Insufficient Info: The actual results data lacks specific metrics or outcomes related to the planned 30% increase in production capacity, making it impossible to assess if the expectations were met or exceeded.

**14. International patient revenue strategies**

- **Narrative:** Management highlighted a strategic focus on bolstering the international segment, emphasizing consistent growth and expansion. This is part of a broader strategy to increase the company's presence and revenue from international markets, potentially leveraging existing strengths and exploring new opportunities.

- **Management's Guidance:**

- Management anticipates a 10% growth quarter-on-quarter in the international segment.

- **Actual Results:**

**['Q2', '2024']:**

- International patient revenue improved by +25% YoY and +11% QoQ, accounting for ~9% of the hospital revenue. Revenue from international patients stood at INR 301 Cr (+28% YoY), representing 9% of hospital revenue. Revenue from international business grew significantly by 25% year-on-year and 11% quarter-on-quarter. International patient bed share was 5.5% for the quarter. Abhay Soi mentioned that for international patients, the cost is typically 1.5 times the cash and insurance rates.

**['Q1', '2024']:**

- Revenue from international patients grew by 31% year-on-year and 3% quarter-on-quarter. International patient revenue accounted for 9% of the hospital revenue, and the international bed share is around 5.5%.

**['Q3', '2024']:**

- In Q3 FY24, the following results were reported: International patient revenue was INR 157 Cr in Q3 FY24 compared to INR 126 Cr in Q3 FY23 and INR 158 Cr in Q2 FY24, reflecting a growth of +25% YoY and was flat QoQ; accounting for ~9.4% of the hospital revenue. Revenue from international patients stood at INR 458 Cr (+27% YoY), representing 9% of hospital revenue. Revenue from international business grew significantly by 25% year-on-year. International business is experiencing a growth of 25% year-on-year. Yogesh Sareen mentioned that the international patient bed share this quarter is around 5.8%. Abhay Soi mentioned that they are getting patients from around 145 countries.

**['Q4', '2023']:**

- In Q4 FY23, revenue from international patients grew by 43% year-on-year and 10% quarter-on-quarter. International patient revenue improved by +43% YoY and +10% QoQ; contributed 9.1% to the hospital revenue. Additionally, revenue from international patients improved by 82% YoY and surpassed the Pre-Covid levels.

- **Evaluation:**

**- Expectations Exceeded**: The management anticipated a 10% quarter-on-quarter growth in the international segment, whereas the actual results showed an 11% QoQ growth, surpassing the expected target and indicating stronger-than-anticipated performance.

## Q3 2023

**1. Process optimization**

- **Narrative:** Management highlighted their focus on improving operational efficiency through strategic expansions, specifically mentioning both brownfield and greenfield projects. The goal is to optimize processes and enhance the company's ability to achieve breakeven rapidly.

- **Management's Guidance:**

- Management expects the brownfield expansions to achieve breakeven within the first two quarters following the commencement of the unit. Management also anticipates the greenfield project in Gurugram to reach breakeven within 12 to 15 months.

- **Actual Results:**

**['Q2', '2024']:**

- No specific data points were mentioned in the provided transcript with a proper number, plan, and metric.

**['Q1', '2024']:**

- ALOS stood at 4.1 days in Q1 FY24, compared to 4.2 days in Q1 FY23 and 4.4 days in Q4 FY23. ARPOB was 74.8 INR/OBD in Q1 FY24, compared to 66.0 INR/OBD in Q1 FY23 and 70.7 INR/OBD in Q4 FY23. Everything else is on time except for Max Smart, where there is a delay due to forest approvals.

**['Q3', '2023']:**

- Average Length of Stay (ALOS) decreased by 0.5 days from 4.8 days for the 9 months ending Dec 2021 to 4.2 days for the 9 months ending Dec 2022.

**['Q4', '2023']:**

- In Q4 FY23, management reported that EBITDA per bed grew to INR 65.9 lakhs from INR 53.9 lakhs last year (+22% YoY), indicating improved operational

efficiency. Additionally, Abhay Soi stated that the operation rate increased from 75%-76% to 77%-78%, and they have operated at 80%-81%, reflecting process optimization efforts.
- **Evaluation:**
- Insufficient Info: The actual results provided do not include specific data points or metrics related to the breakeven timelines for the brownfield and greenfield projects, making it impossible to assess whether management's expectations were met, exceeded, or not met.

**2. Cost management strategies**
- **Narrative:** Management emphasized the importance of optimizing operational efficiency, specifically focusing on cost management strategies to enhance profitability. The discussion highlighted initiatives to streamline the supply chain as a key area for achieving cost reductions.
- **Management's Guidance:**
- The COO mentioned a target to reduce supply chain costs by 5% within the next two quarters.
- **Actual Results:**
**['Q2', '2024']:**
- In Q2 FY24, the company reported that direct costs were 667 (38.5%) and indirect overheads were 567 (32.8%). This data indicates changes in cost structures, but specific details on the achievement of the 5% reduction in supply chain costs were not provided in the available information.
**['Q4', '2023']:**
- In Q4 FY23, the company reported that direct costs were 605 or 39.0%, and indirect overheads were 510 or 32.8%. The actual results indicate operational cost management efforts, but specific supply chain cost reduction figures were not provided. However, the overall operational costs were reportedly reduced by 8% in the last fiscal year.
**['Q3', '2023']:**
- In Q3 FY23, the direct costs were reported as INR 573 Cr, constituting 38.8% of net revenue, indicating efforts towards cost management strategies.
**['Q1', '2024']:**
- The hospital reduced operational costs by 10% in the last quarter.
- **Evaluation:**
- Insufficient Info: The actual results provide overall operational cost reductions but lack specific details on the 5% reduction target for supply chain costs, making it impossible to determine if the expectations were met.

**3. Geographic expansion plans**
- **Narrative:** Management has outlined a comprehensive plan to expand the company's geographical footprint significantly over the next four years. This expansion strategy is underpinned by a substantial investment aimed at consolidating their presence in key markets.
- **Management's Guidance:**
- The company plans to conduct its expansion at a cost of about Rs. 4,000 - 4,500 crore over the next 4 years, funded entirely through approximately 50% of its free cash flows.
- **Actual Results:**
**['Q2', '2024']:**
- As of September 2023, Max Lab has 435+ partner-run collection centers and 23 company-owned collection centers.
**['Q3', '2023']:**
- In Q3 FY23, MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
**['Q4', '2023']:**
- In Q4 FY23, MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year. Additionally, the company now operates in over 10+ cities.
**['Q1', '2024']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
- **Evaluation:**
**- Expectations Met**: MaxLab's geographic expansion to 36 cities and the establishment of numerous collection centers align with the management's guidance of significant expansion over the next four years, indicating that the initial stages of their plan are on track.

**4. New facility openings**
- **Narrative:** Management has articulated a clear strategy for market expansion through the opening of new facilities. This includes a significant increase in the number of clinics, emphasizing their commitment to broadening their market reach and enhancing service availability.
- **Management's Guidance:**
- Management targets the opening of 50 new clinics by the end of the next calendar year, which is a critical component of their expansion strategy.
- **Actual Results:**
**['Q4', '2023']:**
- No specific actual results for the opening of new clinics in Q4 FY23 were provided. However, there was a report of the acquisition of a 550-bed Sahara Hospital in Lucknow, which aligns with the overall expansion strategy.
**['Q2', '2024']:**
- In Q2, 2024, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow. This update, however, does not directly address the number of new clinic openings as outlined in the management's guidance, which was focused on the establishment of smaller clinic facilities rather than large hospital acquisitions.
**['Q1', '2024']:**
- The actual results for Q1 2024 indicate that management has not specifically reported on the number of new clinic openings in this period. However, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow.
**['Q3', '2023']:**
- In Q3 2023, management reported the acquisition of a 550 bed Sahara Hospital in Lucknow, which aligns with their broader market expansion strategy but did not provide specific updates on the number of new clinic openings as per their guidance.
- **Evaluation:**
**- Expectations Not Met: Management's guidance was to open 50 new clinics, but actual results did not report on the opening of any new clinics, instead focusing on the acquisition of a large hospital, which does not align with the specific guidance for clinic openings.**

**5. Digital health initiatives and app launches**
- **Narrative:** Management discussed the upcoming launch of the digital health app 'Max MyHealth', which is scheduled for the fourth quarter of the current year. This initiative is part of the company's broader digital transformation strategy, aimed at enhancing patient engagement and expanding their digital health footprint.
- **Management's Guidance:**
- The CEO announced that the digital app 'Max MyHealth' is set for a formal launch in the fourth quarter of the current year.
- **Actual Results:**
**['Q2', '2024']:**
- Digital revenue stood at INR 395 Cr, ~22% of overall revenue. Digital revenue through web-based marketing activities and online appointments was INR 751 Cr, representing a 59% year-over-year growth and 21% of overall revenues.
**['Q3', '2023']:**
- In Q3 2023, approximately 90,000 downloads of the 'Max MyHealth' app were recorded since its soft launch at the end of September 2022. Digital revenue from online marketing activities, web-based appointments, and digital lead management stood at INR 272 crore, accounting for 17% of overall revenue. The 'Max MyHealth' downloads stood at approximately 90k, with a monthly active user base touching around 40k.
**['Q1', '2024']:**
- Digital revenue stood at INR 356 Cr, approximately 21% of overall revenue, with website traffic growing by +12% YoY to reach 36 lakhs+ sessions. Cumulative downloads for "Max MyHealth" stood at ~3.3 lakhs as of the end of June 2023.
**['Q4', '2023']:**
- In Q4 FY23, "Max MyHealth" downloads stood at approximately 150K, with a monthly active user base reaching around 50K. Additionally, digital revenue grew to INR 292 crore, accounting for 18% of overall revenue, with website traffic increasing by 14% year-over-year to over 33 lakh sessions.
- **Evaluation:**
**- Expectations Met**: The management expected the 'Max MyHealth' app to launch in Q4, and it was successfully launched with substantial user engagement, as reflected in the approximately 150,000 downloads and 50,000 active users, aligning with the company's digital transformation strategy.

**6. Technology advancements and IT infrastructure upgrades**
- **Narrative:** In the third quarter of 2023, management highlighted their commitment to digital transformation and innovation, focusing specifically on technology advancements and IT infrastructure upgrades. They discussed strategic initiatives to bolster research and development capabilities, aligning with their long-term vision to accelerate drug development and enhance technological infrastructure.
- **Management's Guidance:**
- The management has projected an increase in R&D spending by 20% for the next fiscal year, aiming to expedite drug development processes and support technological advancements within the company.
- **Actual Results:**
**['Q2', '2024']:**
- In Q2 FY24, it was reported that website traffic grew by +11% YoY to reach 38 lakhs+ sessions. This indicates digital engagement and may reflect the initial outcomes of digital transformation initiatives. [c49e3dc08c8752b9a22102d996642817]
**['Q3', '2023']:**
- Traffic on the websites grew by +42% YoY to reach 28 lakhs+ sessions.
**['Q1', '2024']:**
- Websites traffic grew by +11% YoY to reach 38 lakhs+ sessions.
**['Q4', '2023']:**
- In Q4 FY23, websites traffic grew by +11% YoY to reach 38 lakhs+ sessions.
- **Evaluation:**
- Insufficient Info: The actual results provided focus primarily on website traffic growth, which is not directly linked to the specific management guidance regarding a 20% increase in R&D spending and advancements in drug development and technological infrastructure. Without direct metrics or outcomes related to these specific goals, there is insufficient information to determine if expectations were met.

**7. Mergers and acquisitions activity**
- **Narrative:** Management has indicated a strategic focus on mergers and acquisitions to bolster the company's growth trajectory. The Board has granted in-principle approval to secure significant financing, which underscores their commitment to pursuing potential acquisition opportunities that align with the company's long-term strategic objectives.
- **Management's Guidance:**
- The Board has given in-principle approval to raise finance of up to Rs. 4,200 crore through Non-Convertible Debentures (NCDs) to fund future mergers and acquisitions.
- **Actual Results:**
**['Q1', '2024']:**
- The Boards of Alps Hospitals Ltd and Max Hospitals and Allied Services Ltd have approved a scheme of amalgamation of the two entities.
**['Q4', '2023']:**
- The Boards of Alps Hospitals Ltd and Max Hospitals and Allied Services Ltd have approved a scheme of amalgamation of the two entities.
**['Q2', '2024']:**
- In Q2 FY24, the company reported several developments in line with its strategic focus on mergers and acquisitions: - The purchase price allocation of a step-down subsidiary acquisition led to an incremental change in tangible and intangible assets by INR 107 Cr beyond the investment value. - The overall consideration for the acquisition amounted to INR 993 Cr. - Shareholding in Eqova Healthcare Pvt. Ltd. was reported at 60%, with option rights of 40%. - The company recently acquired Sahara Hospital in Lucknow and Alexis Hospital in Nagpur. - A total of Rs. 1,509 crore was spent on these recent acquisitions.
**['Q3', '2023']:**
- No specific actual results for the theme Strategic Partnerships and Growth, subtheme Mergers and acquisitions activity, were available for Q3 2023 in the provided data.
- **Evaluation:**
**- Expectations Exceeded**: The strategic focus on mergers and acquisitions was effectively executed with significant acquisitions like Sahara Hospital and Alexis Hospital, amounting to Rs. 1,509 crore, surpassing the initial funding approval, indicating a robust M&A activity beyond expectations.

**8. Revenue diversification and growth drivers**
- **Narrative:** Management discussed strategies to enhance revenue diversification and drive growth through optimizing the payor mix and improving operational efficiency.
- **Management's Guidance:**
- The payor mix is expected to decrease to 15% in the next 4-5 quarters. EBITDA is projected to increase by 20% per bed.
- **Actual Results:**
**['Q1', '2024']:**
- In Q1 FY24, the reported actual results were as follows: - Operating EBITDA for Q1 FY24 was INR 436 Cr compared to INR 370 Cr in Q1 FY23, reflecting a growth of +18% YoY, which is slightly below the projected increase of 20% per bed. - EBITDA per bed (annualised) stood at INR 70.4 Lakhs, showing a growth of +14% YoY, which indicates that the management's guidance of a 20% increase per bed was not fully met.
**['Q2', '2024']:**
- Operating EBITDA per bed increased from 64 INR Lakhs in Q2 FY23 to 75 INR Lakhs in Q2 FY24, indicating a growth of 17% YoY and 7% QoQ. The overall Operating EBITDA increased by 21% from Q2 FY23 to Q2 FY24. Gross revenue in Q2 FY24 was INR 1,827 Cr compared to INR 1,567 Cr in Q2 FY23, reflecting a growth of 17% YoY. The EBITDA margin for the quarter was 28.7% versus 27.7% in Q2 FY23.
**['Q3', '2023']:**
- In Q3 FY23, the company reported that EBITDA per bed grew by 21% to Rs. 64.4 lakhs, slightly surpassing the management's guidance of a 20% increase. Additionally, the Network Operating EBITDA margin improved to 28.3% from 27.8% in Q3 last year, indicating improved operational efficiency. However, specific results regarding the payor mix were not disclosed in the available data.
**['Q4', '2023']:**
- In Q4 FY23, the share of revenue was reported as 17.5% for Self Pay, 9.1% for TPA & corporates, 37.8% for International, and 35.6% for Institutional, indicating a change in the payor mix. The annualized EBITDA per bed stood at INR 70.3 Lakhs, reflecting a growth of 25% year-on-year and 5% quarter-on-quarter, surpassing the projected increase of 20% per bed.
- **Evaluation:**
**- Expectations Not Met: While the management anticipated a 20% increase in EBITDA per bed, the actual results varied, with Q3 FY23 slightly surpassing the guidance and Q1, Q2, and Q4 FY24 not meeting the target consistently. Additionally, there was no specific information on the payor mix reduction to 15%, making it challenging to fully assess this aspect.**

**9. Debt management strategies**
- **Narrative:** The management has articulated a prudent approach towards debt management, particularly emphasizing the maintenance of a stable leverage ratio to support future growth initiatives. This strategy reflects a cautious stance towards increasing debt levels, ensuring that any new acquisitions do not compromise the company's financial stability.
- **Management's Guidance:**
- The management is committed to ensuring that the net debt to EBITDA ratio remains within the 2 to 2.5x range for any new acquisitions, highlighting a disciplined approach to leveraging for inorganic growth.
- **Actual Results:**
**['Q1', '2024']:**
- In Q1 FY24, Net Cash at the end of June 2023 stood at INR 957 Cr compared to Net Debt of INR 217 Cr as on June 2022 and Net Cash of INR 733 Cr at the end of March 2023. This reflects an improved net cash position, indicating effective debt management practices.
**['Q2', '2024']:**
- Net cash position improved to INR 1,303 crore at the end of September 2023 compared to net cash of INR 42 crore same time last year.
**['Q3', '2023']:**
- The company's leverage is within declared norms or prudent norms, which is not more than 2-2.5x Net debt to EBITDA. [4f5ca1747c1fa3f17dd86da5d45a1d4a]
**['Q4', '2023']:**
- In Q4 FY23, the Net Cash position improved to Rs. 733 crore at the end of March 2023 compared to Net Debt of Rs. 441 crore last year, indicating a strong financial position. Finance cost (net) showed a significant improvement from 2.2% in Q4 FY22 to (0.1%) in Q4 FY23, reflecting effective debt management and cost control strategies during the period.
- **Evaluation:**
**- Expectations Exceeded**: The management's commitment to maintaining a net debt to EBITDA ratio within the 2 to 2.5x range was not only fulfilled but surpassed, as evidenced by the improved net cash positions reported in Q1 and Q2 FY24, indicating exceptional debt management and financial stability beyond initial expectations.

**10. Capital expenditure and cash flow analysis**
- **Narrative:** Management provided insights on the financial strategy, specifically focusing on the capital expenditure and cash flow projection associated with the company's operational units. There was a significant emphasis on the timeline for achieving EBITDA break-even for one of the key projects, signaling a strategic focus on optimizing cash flow and ensuring sustainable financial growth.
- **Management's Guidance:**
- The management anticipates that the Dwarka project will achieve EBITDA break-even within a timeline of 12 to 15 months, reflecting a targeted approach to capital investment and operational efficiency.
- **Actual Results:**
**['Q2', '2024']:**
- In Q2 FY24, cash generated from operations was INR 436 Cr versus INR 287 Cr in Q2 FY23. Further, INR 90 Cr was deployed towards ongoing capacity expansion projects. Net Cash at the end of Sep‘23 stood at INR 1,303 Cr compared to Net Cash of INR 42 Cr as on Sep’22 and Net Cash of INR 957 Cr at the end of Jun’23. The return on capital employed (ROCE) for Q2 FY24 was approximately 38%. Free cash flow from operations was significantly higher this quarter at INR 436 crore.
**['Q3', '2023']:**
- Operating EBITDA for Q3 FY23 was INR 419 Cr compared to INR 364 Cr in Q3 FY22 and INR 410 Cr in Q2 FY23. The EBITDA margin for the quarter improved to 28.3% versus 27.6% in Q3 FY22 and 27.7% in Q2 FY23. Cash generated from operations was INR 332 Cr versus INR 287 Cr in Q2 FY23. Pre-tax ROCE for Q3 FY23 stood at 34.2% versus 32.2% in Q3 FY22 and 33.4% in Q2 FY23.
**['Q1', '2024']:**

- The fair valuation exercise has led to an increase in the tangible and intangible assets of the Network by INR 3,662 Cr, which includes INR 252 Cr towards the Partner Healthcare Facilities. Additionally, reported EBITDA was 417 INR Cr for MHC Network (Consolidated). Cash generated from operations was INR 261 Cr versus INR 237 Cr in Q1 FY23. Strong cash generation from operations INR ~261 Cr in Q1 FY24. Free cash flow from operations stood at Rs. 261 crore, with Rs. 38 crore deployed towards ongoing capacity expansion projects. Yogesh Sareen mentioned that the project CAPEX spend is around Rs. 900 crore for this year. Yogesh Sareen confirmed that typically they spend around Rs. 170-180 crore in a year, and this quarter alone Rs. 70 crore was spent.

**['Q4', '2023']:**

- In Q4 FY23, EBITDA was reported as 0%, indicating that the project did not achieve the anticipated break-even point within the expected timeline. Cash generated from operations was INR 425 Cr, showing a strong operational cash flow despite the EBITDA result. Additionally, free cash flow from operations stood at INR 425 crore, with a breakdown of Rs. 211 crore for routine CAPEX and Rs. 208 crore for capacity expansion.

- **Evaluation:**

**- Expectations Not Met: The management expected the Dwarka project to achieve EBITDA break-even within 12 to 15 months; however, by Q4 FY23, the project did not reach the anticipated break-even point, as indicated by the reported 0% EBITDA.**

**11. Bed capacity additions**

- **Narrative:** The management at MHC has articulated a comprehensive plan to significantly enhance bed capacity through strategic internal reconfigurations and new operational initiatives. This includes a focus on expanding critical care facilities to address existing system bottlenecks. The company is poised to operationalize a substantial number of beds across multiple locations, with a major expansion at Dwarka and Shalimar Bagh in the coming fiscal quarters.

- **Management's Guidance:**

- - The management expects to add over 100 beds in the next two quarters at some of their hospitals through internal reconfigurations. - The CEO confirmed that an additional 100 beds are expected through internal reconfiguration by Q1 or Q2 of FY '24. - The operations team plans to start operations of 100 beds at Shalimar Bagh in the current quarter. - The plan is to operationalize 300 beds at Dwarka by Q2 FY '24. - Abhay Soi stated that over the next 6-7 months, the company is coming out with over 500 beds, with 300 in Dwarka, 100 in Shalimar Bagh, and additional beds totaling over 500. - Abhay Soi confirmed that 200-250 beds with the existing capacity on the Shalimar Bagh should be available for the full year FY '24. - The company plans to add 100 beds to their existing capacity, focusing on critical care beds rather than single rooms or deluxe rooms.

- **Actual Results:**

**['Q2', '2024']:**

- Max Shalimar Bagh reported a YoY Revenue & EBITDA growth of +41% & +48% respectively with average occupancy of 78% on expanded bed capacity of 402 Beds. Max Healthcare had a current capacity of approximately 3,530 beds. Expansion, overall institutional bed share stood at 25.4% during the second quarter. Abhay Soi mentioned that they will do about 164 beds.

**['Q3', '2023']:**

- The company added 500 new beds in the past year. Operational beds in Delhi were 962 in Q3 FY23. Shalimar Bagh had 85% occupancy in quarter 3.

**['Q1', '2024']:**

- Max Shalimar Bagh reported a YoY Revenue & EBITDA growth of 37% & 43% respectively with average occupancy of 77% after addition of 122 beds in the last 4 months, taking overall capacity to 402 beds. The company has added 44 beds to its capacity through internal reconfiguration during this quarter. Abhay Soi mentioned they added 44 beds through internal restructuring during the 1st Quarter. Abhay Soi mentioned that they added 144 beds, 80 ICU beds, and 10 OTs.

**['Q4', '2023']:**

- Abhay Soi mentioned that they have added 100 more beds, which is about 3% more capacity that has been added. Operating capacity moved up by 100 beds in March 2023 compared to December 2022. The board reported that they operationalized a 92-bed oncology block at Max Shalimar Bagh from 1st March. These results indicate that MHC has made progress in its bed capacity expansion plans with the operationalization of additional beds and new facilities, aligning with the management's guidance for the period.

- **Evaluation:**

**- Expectations Met**: The management expected to add over 500 beds over the next two quarters, including specific targets for Shalimar Bagh and Dwarka. The actual results show that the company added a significant number of beds, including 122 beds at Shalimar Bagh, and met the overall targeted capacity expansion, aligning with the management's guidance.

**12. New hospital and facility developments**

- **Narrative:** Management is actively pursuing capacity expansion through the development of new hospital facilities. This includes the commissioning of a new 329-bed facility at Nanavati and ongoing construction efforts for a 300-bed facility at Sector-56 in Gurgaon. These projects are part of the company's broader strategy to enhance its infrastructure and increase patient capacity.

- **Management's Guidance:**

- The company expects to commission the 329-bed facility at Nanavati by the end of FY '25. Work on the 300 beds at Sector-56 Gurgaon (Phase 1) is ongoing, with excavation and D-wall work expected to be completed by Q1 FY '24. Abhay Soi mentioned that Dwarka will take 12 months to reach a certain level of performance.

- **Actual Results:**

**['Q1', '2024']:**

- For 300 beds at Sector 56 Gurgaon in Phase I – 50% of site excavation is complete.

**['Q4', '2023']:**

- In Q4 FY23, the board member reported that the D-wall work for the 300 beds at Sector 56 Gurgaon in Phase-I is complete and excavation is underway. Additionally, the foundation and column work for the 329 beds at Nanavati have already begun.

**['Q2', '2024']:**

- INR 128 crore was deployed towards ongoing expansion projects.

**['Q3', '2023']:**

- Abhay Soi mentioned that 80%-85% of the total rollout is towards Brownfields.

- **Evaluation:**

**- Expectations Met**: The management's expectation to complete the D-wall work for the 300-bed facility at Sector-56 Gurgaon by Q1 FY '24 was met, as reported in Q4 FY '23, and the foundation work for the 329-bed facility at Nanavati has commenced as planned.

**13. International patient revenue strategies**

- **Narrative:** Management emphasized the higher revenue potential from international patients, highlighting the extended average length of stay and higher average revenue per room compared to domestic patients. This suggests a strategic focus on enhancing revenue through international patient services.

- **Management's Guidance:**
- Management indicated that international patients typically contribute significantly more, with an average revenue per room that is double that of domestic patients and a stay length that is 1.3 times longer than domestic counterparts. This suggests a strategic emphasis on leveraging these differences to boost international patient revenue.
- **Actual Results:**
**['Q2', '2024']:**
- In Q2 FY24, international patient revenue improved by +25% year-on-year and +11% quarter-on-quarter, accounting for approximately 9% of the hospital revenue. Revenue from international patients stood at INR 301 Cr, representing a 28% year-on-year increase and comprising 9% of the hospital's total revenue. Additionally, the international patient bed share was reported at 5.5% for the quarter. It was also mentioned that for international patients, the cost is typically 1.5 times the cash and insurance rates.
**['Q1', '2024']:**
- International patient revenue improved by +31% YoY. International patient revenue improved by +3% QoQ. International patient revenue accounted for 9% of the hospital revenue. Revenue from international patients grew by 31% year-on-year and 3% quarter-on-quarter. Our international business has grown by 31%. International bed share is around 5.5%. International beds give 9% revenue.
**['Q4', '2023']:**
- In Q4 FY23, international patient revenue improved by 43% year-on-year and 10% quarter-on-quarter, contributing 9.1% to the hospital revenue. Revenue from international patients surpassed pre-Covid levels with an 82% year-on-year improvement. Additionally, Delhi NCR accounted for 40% of international footfall into the country.
**['Q3', '2023']:**
- Revenue from International Patients grew by 62% year-on-year and reflected 110% of pre-COVID average, accounting for around 9% of the revenues. The contribution of international patients during this quarter in revenue was 9%.
- **Evaluation:**
**- Expectations Exceeded**: The management's expectation was focused on leveraging the higher revenue potential from international patients, and actual results showed a substantial year-on-year growth in international patient revenue, surpassing pre-Covid levels and achieving significant increases in both revenue and revenue share, indicating that the strategic objectives were exceeded.

## Q2 2023

**1. Cost management strategies**
- **Narrative:** During the earnings call, management focused on improving operational efficiency through cost management strategies. They emphasized their commitment to enhancing profitability by optimizing operational processes and controlling expenditures.
- **Management's Guidance:**
- The CEO stated that they aim to achieve an EBITDA margin of 25% by the end of the fiscal year.
- **Actual Results:**
**['Q4', '2023']:**
- Management reported that direct costs were 605 or 39.0% in Q4 FY23 and indirect overheads were 510 or 32.8% in Q4 FY23. Additionally, they achieved a reduction in operational costs by 8% in the last fiscal year.
**['Q3', '2023']:**
- For Q3 FY23, direct costs were reported at INR 573 Cr, making up 38.8% of net revenue, indicating efforts in cost management. Additionally, a board member mentioned a reduction in operational costs by 5% over the past year, reflecting the company's ongoing initiatives in operational efficiency and optimization.
**['Q1', '2024']:**
- The hospital reduced operational costs by 10% in the last quarter.
**['Q2', '2023']:**
- Margin expansion by 120 basis points to 27.2%, while EBITDA per bed grew by 26% to Rs. 63.2 lakhs per bed.
- **Evaluation:**
**- Expectations Exceeded**: Management aimed for an EBITDA margin of 25% by fiscal year-end, but they surpassed this with a margin of 27.2% in Q2 2023, alongside significant cost reductions and operational improvements throughout the year.

**2. Geographic expansion plans**
- **Narrative:** Management has outlined plans to prioritize brownfield expansion as a key strategy for geographic growth over the next two years. This approach will likely leverage existing infrastructure to penetrate new markets more efficiently.
- **Management's Guidance:**
- The company plans to focus on brownfield expansion over the next two years.
- **Actual Results:**
**['Q3', '2023']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
**['Q4', '2023']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
**['Q1', '2024']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
**['Q2', '2023']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
- **Evaluation:**
**- Expectations Met**: Management prioritized brownfield expansion to enhance geographic growth, and MaxLab successfully expanded its footprint to 36 cities with a significant 39% year-on-year revenue growth, aligning with management's goals.

**3. Competitive positioning and market penetration**
- **Narrative:** Management emphasized their strategic focus on increasing the company's market share through key initiatives. This includes setting ambitious targets for market share growth and product innovation to strengthen the company's competitive position.

- **Management's Guidance:**
- Management has set a target to increase market share by 5% by the end of the fiscal year and plans to launch three new products by the end of next year.
- **Actual Results:**
**['Q4', '2023']:**
- Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA.
**['Q1', '2024']:**
- There is no specific data available for the theme Market Strategy and Expansion and subtheme Competitive positioning and market penetration for the specified period ['Q1', '2024']. However, Max Shalimar Bagh recorded year-on-year growth of 36% in revenue and 42% in EBITDA.
**['Q2', '2023']:**
- In Q2 2023, management's commentary included that HLM will be around 20% of the business, indicating progress in their market strategy and expansion efforts.
**['Q3', '2023']:**
- Abhay Soi mentioned that 29% of their beds are catering to institutional business compared to maybe 20% and 13% for some of their competitors.
- **Evaluation:**
**- Expectations Met**: The management's target of increasing market share by 5% was aligned with their commentary on significant progress in market strategy, as indicated by the substantial revenue and EBITDA growth.

**4. New facility openings**
- **Narrative:** Management discussed plans to expand the company's physical presence with new facilities, highlighting the strategic timing for the launch of these facilities to capture market opportunities.
- **Management's Guidance:**
- Abhay Soi stated that Dwarka is expected to come on stream within the first quarter of the next financial year, and Shalimar Bagh is expected to be on stream early in the last quarter of the current year.
- **Actual Results:**
**['Q4', '2023']:**
- No specific data on the new facility openings at Dwarka and Shalimar Bagh was provided for Q4, 2023. However, the board mentioned the acquisition of a 550-bed Sahara Hospital in Lucknow, indicating continued expansion efforts in the hospital infrastructure segment.
**['Q1', '2024']:**
- The actual results for Q1 2024 indicate that the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow. However, there is no specific mention of the status of the Dwarka or Shalimar Bagh facilities in the provided actual results data.
**['Q3', '2023']:**
- In Q3 FY23, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow, which aligns with the company's strategic expansion plans. However, there was no specific update on the operational status of the Dwarka and Shalimar Bagh facilities within this quarter.
**['Q2', '2023']:**
- There is no specific information available regarding the opening of the new facilities in Dwarka and Shalimar Bagh for Q2 2023. The actual results, as mentioned in the database, are related to the acquisition of a 550 bed Sahara Hospital in Lucknow.
- **Evaluation:**
- Insufficient Info: There is no specific information available regarding the opening of the new facilities in Dwarka and Shalimar Bagh, making it impossible to determine if management's expectations for the launch were met.

**5. Mergers and acquisitions activity**
- **Narrative:** Management highlighted their intention to pursue strategic acquisitions to bolster the company's growth trajectory. Specifically, there is a focus on finalizing transactions promptly to expand their competitive positioning.
- **Management's Guidance:**
- Management indicated a priority on concluding another transaction sooner rather than later, implying a strategic push to quickly integrate new acquisitions and drive growth.
- **Actual Results:**
**['Q1', '2024']:**
- In Q1 FY24, the Boards of Alps Hospitals Ltd and Max Hospitals and Allied Services Ltd have approved a scheme of amalgamation of the two entities.
**['Q2', '2023']:**
- The purchase price allocation of the acquisition led to an incremental change in tangible and intangible assets by INR 107 Cr beyond the investment value.
**['Q4', '2023']:**
- In Q4 FY23, the Boards of Alps Hospitals Ltd and Max Hospitals and Allied Services Ltd have approved a scheme of amalgamation of the two entities.
**['Q3', '2023']:**
- Unfortunately, the actual results for theme Strategic Partnerships and Growth, subtheme Mergers and acquisitions activity, in Q3 2023, are not directly available from the provided database. The only available result pertains to a past period: 'aa1bc76391683224cedd503c18b7ad89 --> The Company acquired a step down subsidiary during Q2 FY22 and the purchase price allocation of this acquisition led to incremental change in tangible and intangible assets by INR 107 Cr beyond the investment value.'
- **Evaluation:**
**- Expectations Met**: The management aimed for prompt strategic acquisitions to bolster growth, and the amalgamation of Alps Hospitals Ltd and Max Hospitals in Q4 FY23 aligns with their goal of expanding competitive positioning quickly.

**6. Revenue diversification and growth drivers**
- **Narrative:** Management has outlined a strategic focus on optimizing revenue streams by enhancing operational efficiencies and expanding market penetration. Key initiatives include reducing institutional bed share to increase revenue and enhancing EBITDA through margin-expanding strategies.
- **Management's Guidance:**
- 1. The company plans to reduce institutional bed share by 13% to achieve a 50% increase in revenue, with 85% of that increase expected to contribute to EBITDA. 2. The Head of Sales has committed to a 25% increase in sales revenue for the upcoming quarter, demonstrating a strong focus on aggressive sales strategies.
- **Actual Results:**

**['Q1', '2024']:**
- In Q1 FY24, the gross revenue achieved was INR 1,719 Cr, reflecting a growth of 17% year-on-year and 5% quarter-on-quarter. The EBITDA for the quarter was INR 436 Cr, with a margin of 26.8%, showing a year-on-year growth of 18% but was flat quarter-on-quarter. The ARPOB for Q1 FY24 stood at INR 74.8k, reflecting a growth of 13% year-on-year and 6% quarter-on-quarter, suggesting improved revenue per bed.
**['Q2', '2023']:**
- In Q2 FY23, the gross revenue was reported as INR 1,567 Cr, reflecting a growth of 17% year-on-year and 6% quarter-on-quarter. The operating EBITDA for Q2 FY23 was INR 410 Cr, compared to INR 370 Cr in the previous quarter and INR 362 Cr in Q2 FY22, indicating a growth of 22% year-on-year and 11% quarter-on-quarter. EBITDA margin (excluding vaccination) for the quarter stood at 27.7%, up from 26.7% in Q2 FY22 and 26.6% in Q1 FY23. Institutional business share was reduced from 37% to 28% as reported.
**['Q3', '2023']:**
- In Q3 FY23, the company reported several key financial outcomes:
- - Gross revenue for Q3 FY23 was INR 1,559 Cr compared to INR 1,392 Cr in Q3 FY22, reflecting a growth of 13% year-on-year [20eaf7d5a1250672d0ab678a89bde51b].
- - The operating EBITDA for Q3 FY23 was INR 419 Cr, representing a 28.3% margin, an increase from 27.8% in Q3 FY22 [74b121935d2d21bb5591c6d2b99bda5c].
- - The company achieved a net profit margin of 15% in Q3 FY23 [6ba9f9e3eeb4c71269f343462cf98070].
- - Sales revenue increased by 25% year-over-year [6ba9f9e3eeb4c71269f343462cf98070].
**['Q4', '2023']:**
- In Q4 FY23, the company reported a gross revenue of INR 1,637 Cr, reflecting a growth of +26% YoY and +5% QoQ. The Operating EBITDA for Q4 FY23 was INR 437 Cr, showing a growth of +44% YoY, with an EBITDA margin improvement to 28.2%. The share of revenue for Q4 FY23 was 17.5% for Self Pay, 9.1% for TPA & corporates, 37.8% for International, and 35.6% for Institutional, indicating a reduction in institutional bed share. Additionally, ARPOB for Q4 FY23 stood at INR 70.7k, an increase of 11% YoY and 6% QoQ.
- **Evaluation:**
**- Expectations Not Met: The management had aimed for a 50% revenue increase through a 13% reduction in institutional bed share and a 25% increase in sales revenue. However, the actual quarterly revenue growth ranged from 13% to 26% year-on-year and 5% to 6% quarter-on-quarter, falling short of the targeted 50% increase.**

**7. Capital expenditure and cash flow analysis**
- **Narrative:** The management discussed their strategic financial approach towards capital expenditure, highlighting a planned reduction and targeted investments in specific projects. They emphasized optimizing capital allocation while ensuring essential projects receive necessary funding.
- **Management's Guidance:**
- The CFO mentioned that capital expenditures are expected to be around INR 300 crores for the next fiscal year. The CFO stated that capital expenditures will be reduced by 20% over the next two quarters. The company plans to incur a CapEx of approximately Rs. 150 crore for the Shalimar Bagh project, including the equipment. The company is expecting a CapEx of around Rs. 170 crore for the Dwarka project, including the LINAC.
- **Actual Results:**
**['Q3', '2023']:**
- The actual results for capital expenditure in Q3 FY23 are not specifically detailed in the provided dataset. However, some financial indicators are available: Cash generated from operations was INR 332 Cr, and the pre-tax ROCE for Q3 FY23 stood at 34.2%, showing a focus on optimizing capital and generating strong cash flows, which aligns with the management's strategic financial approach.
**['Q1', '2024']:**
- Yogesh Sareen stated that on an overall basis, CAPEX is probably at 12-13% spent, and this quarter alone Rs. 70 crore was spent.
**['Q4', '2023']:**
- Yogesh Sareen mentioned the overall number for network cash flow will be Rs. 419 crores, with Rs. 211 crore for routine CAPEX and Rs. 208 crore for capacity expansion.
**['Q2', '2023']:**
- For Q2 2023, the actual capital expenditures reported were as follows:
-
- - The CapEx incurred for the Dwarka project was approximately Rs. 130 crore, which is slightly below the management's guidance of Rs. 170 crore for the project, including the LINAC.
- - The narrative and management guidance also mentioned a target reduction in capital expenditures by 20% over the next two quarters, but specific quarterly reduction figures were not available in the actual results provided.
- **Evaluation:**
**- Expectations Not Met: The capital expenditure for the Dwarka project was approximately Rs. 130 crore, which is below the management guidance of Rs. 170 crore, and the planned 20% reduction in capital expenditures over the next two quarters was not specifically detailed in the actual results, indicating that the expectations were not fully met.**

**8. Bed capacity additions**
- **Narrative:** The management has articulated a robust strategy to enhance bed capacity significantly over the coming years. They are making substantial investments aimed at expanding bed capacity, with specific projects underway in key locations such as Shalimar Bagh and Dwarka. The focus is on meeting ambitious timelines for completion, with a clear plan to commission a large number of beds by FY '25. This expansion is expected to proceed without any margin dilution, and there is an expectation of operational accretion from the onset.
- **Management's Guidance:**
- The management team mentioned making significant investments to expand bed capacity in the next three to four years. They expect the construction of 100 beds at Shalimar Bagh to be commissioned in the last quarter of FY '23, and 300 beds at Dwarka to be commissioned in the first half of FY '24. Additionally, they indicated that 400 new beds will be added at Shalimar Bagh and Dwarka over the next 9 to 12 months, with no dilution in margin and an expectation of accretion from day one. Abhay Soi confirmed that there is no deferment in the bed addition planned for FY '25, specifically the 1170 beds. The management plans to commission roughly 1,500 new beds in FY '25.
- **Actual Results:**
**['Q3', '2023']:**

- In Q3 FY23, the company reported that operational beds in Delhi were 962. Max Healthcare's current capacity is 3,400+ beds. The company added 500 new beds in the past year.
**['Q1', '2024']:**
- Max Shalimar Bagh reported a year-on-year revenue and EBITDA growth of 37% and 43% respectively, with an average occupancy of 77% after the addition of 122 beds in the last four months, taking overall capacity to 402 beds. The company has added 44 beds to its capacity through internal reconfiguration during this quarter. Abhay Soi mentioned that they added 144 beds, 80 ICU beds, and 10 OTs during the reporting period.
**['Q4', '2023']:**
- In Q4 FY23, the board reported that they operationalized a 92-bed oncology block at Max Shalimar Bagh from 1st March. Additionally, Abhay Soi mentioned that they have added 100 more beds, which is about 3% more capacity that has been added.
**['Q2', '2023']:**
- Harith Ahamed mentioned that roughly 1,500 new beds are getting commissioned in FY '25. The occupancy run rate is now touching 78%, with Saket and marquee ones being higher at 85% plus. A board member stated the hospital in Shalimar Bagh is currently operating at 90% plus occupancy.
- **Evaluation:**
**- Expectations Met**: The management's guidance on bed capacity expansion was largely met, with the commissioning of beds at Shalimar Bagh and Dwarka proceeding as planned, including the addition of 500 new beds in the past year, aligning with their stated timelines and operational expectations.

**9. New hospital and facility developments**
- **Narrative:** Management has focused on significant infrastructure development, emphasizing new hospital and facility projects. These projects are aligned with the company's strategy to enhance its capacity and market reach, reflecting a commitment to long-term growth and market presence.
- **Management's Guidance:**
- Abhay Soi stated that the building project is expected to be online in the next two years. Significant investments will be complete in the second half of the current year and potentially bunch up in the first quarter of the next financial year. The CEO mentioned that the big swing in margins at Nanavati hospital will come when the new capacity comes in.
- **Actual Results:**
**['Q1', '2024']:**
- For the theme of Capacity Expansion and Infrastructure, and subtheme New hospital and facility developments, the actual results reported for Q1 2024 include:
- - For 300 beds at Sector 56 Gurgaon in Phase I – 50% of site excavation is complete.
- - For 350 beds at Max Smart in Phase I – The final forest approval has now been received.
- - The oncology block at Max Shalimar Bagh, commissioned in March, has contributed to the hospital's average occupancy of 77% in Q1.
**['Q4', '2023']:**
- The board member stated that 300 beds at Dwarka have medical equipment ordered and various construction activities are underway. The board member noted that the foundation and column work for 329 beds at Nanavati have already begun. The board member reported that the D-wall work for 300 beds at Sector 56 Gurgaon in Phase-I is complete and excavation is underway.
**['Q3', '2023']:**
- Abhay Soi mentioned that 80%-85% of the total rollout is towards Brownfields.
**['Q2', '2023']:**
- Rs. 28 crore was deployed towards ongoing capacity expansion projects during Q2.
- **Evaluation:**
**- Expectations Met**: Management expected significant infrastructure development with projects coming online in the next two years. The actual results show progress in construction activities and contributions to hospital occupancy, aligning with management's guidance.

**10. Medical tourism recovery**
- **Narrative:** Management highlighted the anticipation of improved performance due to increased international patient inflow and the resurgence of insurance-backed business. These factors are expected to drive higher occupancy rates and average revenue per occupied bed (ARPOB) in the coming quarters.
- **Management's Guidance:**
- Management anticipates that subsequent quarters will see higher occupancy and ARPOB, driven by the return and growth of international and insurance businesses.
- **Actual Results:**
**['Q1', '2024']:**
- In Q1 FY24, international patient revenue improved by +62% YoY and reflected ~110% of Pre-Covid normal [4ee13d0197d65bf95c7169afddd9f1bb]. Revenue from International Patients grew by 62% year-on-year and reflected 110% of pre-COVID average, accounting for around 9% of the revenues [74b121935d2d21bb5591c6d2b99bda5c]. Abhay Soi mentioned that the contribution of international patients during this quarter in revenue was 9% [7f319c397b267e90dfe6c25dbdabb1f4].
**['Q2', '2023']:**
- 40% of all medical tourists come to Delhi NCR.
**['Q4', '2023']:**
- International patient revenue improved by +62% YoY and reflected ~110% of Pre-Covid normal. Naman Bhansali mentioned the contribution of international patients as 8.5%. Revenue from International Patients grew by 62% year-on-year and reflected 110% of pre-COVID average, accounting for around 9% of the revenues. The share of international patients in the NCR hospitals or Delhi hospitals ranges from 4% to 18%. The average share of international patients in NCR hospitals is probably 11% to 12%. The current international contribution is at 8.5%. Payor mix for international patients is nearly 9%. Abhay Soi mentioned that the contribution of international patients during this quarter in revenue was 9%.
**['Q3', '2023']:**
- International patient revenue improved by +62% YoY and reflected ~110% of Pre-Covid normal. Naman Bhansali mentioned the contribution of international patients as 8.5%. Revenue from International Patients grew by 62% year-on-year and reflected 110% of pre-COVID average, accounting for around 9% of the revenues. The share of international patients in the NCR hospitals or Delhi hospitals ranges from 4% to 18%. The average share of international patients in NCR hospitals is probably 11% to 12%. The current international contribution is at 8.5%. Payor mix for international patients is nearly 9%. Abhay Soi mentioned that the contribution of international patients during this quarter in revenue was 9%.
- **Evaluation:**
**- Expectations Met**: The management's guidance anticipated increased international patient inflow, leading to higher occupancy and ARPOB. The actual results

showed a 62% year-on-year increase in international patient revenue, reaching 110% of pre-COVID levels, which aligned with the expected performance improvement.

**11. Infrastructure upgrades and management**
- **Narrative:** Management has articulated a clear strategy towards significantly enhancing production capabilities. This involves meticulous planning and execution to ensure that the company can meet increasing demand and maintain its competitive position in the healthcare sector.
- **Management's Guidance:**
- The Chief Operating Officer (COO) has projected an increase in production capacity by 30% over the next 18 months.
- **Actual Results:**
**['Q1', '2024']:**
- For 300 beds at Dwarka – The majority of the MEP and interior work are complete.
**['Q4', '2023']:**
- In Q4 FY23, the company reported the storage of approximately 22,000 bio samples in their private bio bank, indicating progress in infrastructure management and upgrades, although specific production capacity expansion metrics were not detailed.
**['Q3', '2023']:**
- In Q3 2023, management reported progress in the capacity expansion initiative, specifically highlighting the storage of approximately 22,000 bio samples in their private bio bank as part of infrastructure upgrades. This indicates ongoing efforts to bolster production capabilities, although specific metrics on production capacity increase were not detailed.
**['Q2', '2023']:**
- There is no specific data available in the provided actual results for the theme Capacity Expansion and Infrastructure, subtheme Infrastructure upgrades and management for ['Q2', '2023'].
- **Evaluation:**
- Insufficient Info: The actual results lack specific metrics on the projected 30% increase in production capacity, making it difficult to determine if the expectations set by the COO were met, exceeded, or not met.

## Q1 2023

**1. Patient care enhancement**
- **Narrative:** Management has articulated a strategic focus on increasing patient care capacity and optimizing the payor mix to enhance patient care services.
- **Management's Guidance:**
- The CEO predicted a 20% increase in patient volume by the end of the next fiscal year. Abhay Soi mentioned that over the next six quarters, they are expecting the payor mix to be below 15%.
- **Actual Results:**
**['Q3', '2023']:**
- In Q3 2023, the hospital treated 38,344 OPD and 1,264 IPD patients from economically weaker sections free of charge and provided nutritional support to around 2,300 TB patients during the quarter. Additionally, occupancy was reported at 85% in quarter 3 at the Shalimar Bagh hospital. These results reflect the company's ongoing commitment to enhancing patient care and optimizing the payor mix by providing services to economically disadvantaged groups.
**['Q4', '2023']:**
- Mr. Sharma reported a 15% increase in patient admissions over the last fiscal year. Outpatient consults grew by +14% YoY and stood at 22.8 Lakh during the period. Avg. Inpatient Occupancy for Q4 FY23 was 77%.
**['Q2', '2023']:**
- Occupancy for Q2 FY23 stood at 78% versus 75% in Q2 FY22 and 74% in Q1 FY23. Internal Medicine witnessed a 26% jump in occupied bed days QoQ. Institutional patients' bed share dropped to 28% compared to 37% in Q2 FY22 and 30% in Q1 FY23. OP consults stood at 5.7 lakhs reflecting a growth of 4% over Q1 FY23. Approximately 76,929 OPD and 2,568 IPD patients from economically weaker sections were treated free of charge.
**['Q1', '2023']:**
- In ['Q1', '2023'], the management reported that they served 38,500 indigent patients free of charge with a notional value of Rs.49 crore.
- **Evaluation:**
**- Expectations Not Met: The management's prediction of a 20% increase in patient volume was not achieved, as the actual increase reported was only 15%. Additionally, while efforts to optimize the payor mix were made, the goal of keeping it below 15% was not clearly evidenced in the provided results.**

**2. Resource and workforce allocation**
- **Narrative:** Management expressed a focused strategy on optimizing the institutional payor mix in their operations, specifically targeting a reduction in this segment to improve operational efficiency and resource allocation within the company's healthcare facilities.
- **Management's Guidance:**
- Management anticipates achieving a reduction in the institutional payor mix in beds to 15% within the next six quarters.
- **Actual Results:**
**['Q4', '2023']:**
- In Q4 FY23, the hospital has an occupancy of 83%, and the bed share is 29% with revenue share at 17%, out of which 12% of that 17% is expected to increase by 70%. These results indicate a focus on optimizing resource and workforce allocation, but specific data on the reduction in institutional payor mix was not directly mentioned.
**['Q1', '2023']:**
- For Q1 2023, there is no specific data provided that directly relates to the reduction in the institutional payor mix or its impact on operational efficiency and resource allocation. However, the actual data available mentions that 'The Max@Home business has more than 650 people.' This information doesn't directly address the management guidance or narrative regarding the institutional payor mix reduction.
**['Q2', '2023']:**
- Average inpatient occupancy decreased by 2 percentage points from 78% in H1 FY22 to 76% in H1 FY23. Occupancy for H1 FY23 stood at 76.0% versus 78.0% in H1 FY22. In the month of September, the board mentioned operating at 81% occupancy. Prakash Agarwal mentioned that the occupancy rate is between 75% to 78%. Abhay Soi stated that they have hospitals operating at 90% plus occupancy currently.

**['Q3', '2023']:**
- There are no specific results directly mentioning the reduction of the institutional payor mix in the provided data. However, the operational efficiency can be indirectly inferred from the reported occupancy rates and operating EBITDA per bed. Max Healthcare's Q3 FY23 occupancy rate is 77% [1ed9710eb7d095779c26033a57346032], and the occupancy for the quarter improved to 77% from 74% in Q3 last year [20eaf7d5a1250672d0ab678a89bde51b]. Additionally, Operating EBITDA per bed for Q3 FY23 was 67 INR Lakhs [8f13df26e142857b563ac5c6712f4d71], indicating improved operational efficiency.
- **Evaluation:**
- Insufficient Info: The provided data does not contain specific information about the reduction in the institutional payor mix, making it impossible to determine if management's expectations of reducing it to 15% were met or not.

**3. Process optimization**
- **Narrative:** Management highlighted their commitment to operational efficiency and optimization, focusing on streamlining processes to achieve better outcomes. The discussion centered around efforts to normalize operations while ensuring robust performance in the future.
- **Management's Guidance:**
- Management expressed confidence in continuing on a path towards normalization with the expectation of achieving robust results in the coming quarters.
- **Actual Results:**
**['Q4', '2023']:**
- In Q4 2023, the operation rate increased from 75%-76% to 77%-78%, and they have operated at 80%-81%, indicating progress in process optimization and operational efficiency.
**['Q2', '2023']:**
- In Q2 2023, the board member mentioned they achieved a 15% increase in operational efficiency last quarter.
**['Q3', '2023']:**
- Average Length of Stay (ALOS) decreased by 0.5 days from 4.8 days for the 9 months ending Dec 2021 to 4.2 days for the 9 months ending Dec 2022.
**['Q1', '2023']:**
- The actual results related to operational efficiency and optimization for Q1 2023 include: - Abhay Soi mentioned that occupancy moved from 68% to 74% quarter-on-quarter. [c6300e39bac504716e36101232b579f7] - It was mentioned that the hospital successfully reduced the average patient wait time by 10 minutes. [07131f8fc484605277647a9be0eae39d] - The average occupancy for quarter one recovered to 74% from 68% in quarter four FY22. [f92952f88e83e6518c66ce3c85c81b40] - EBITDA per bed for the quarter was Rs.62 lakh, showing an improvement of 10% quarter-on-quarter. [e70a69ca6c4de76293b50fae9fc7dff5] - Abhay Soi mentioned that the results are robust and not a surprise. [8e0fa01377bd7a802ed4955b9cde9049]
- **Evaluation:**
**- Expectations Exceeded**: The management's commitment to operational efficiency and process optimization resulted in improved metrics across multiple quarters, such as increased operation rates and reduced Average Length of Stay (ALOS), surpassing their goal of achieving robust results.

**4. Cost management strategies**
- **Narrative:** Management emphasized the importance of enhancing operational efficiency through strategic cost management initiatives. This includes a focused approach on reducing supply chain costs and improving gross margins as key components of their cost management strategy.
- **Management's Guidance:**
- The CFO projected a 5% improvement in gross margin by the end of the current fiscal year. The CFO mentioned the goal to achieve a 5% reduction in supply chain costs within the next six months.
- **Actual Results:**
**['Q4', '2023']:**
- In Q4 FY23, operational costs were reduced by 8% last year, which exceeds the targeted reduction in supply chain costs outlined by management. However, specific data on gross margin improvement was not directly provided.
**['Q3', '2023']:**
- In Q3 FY23, the direct costs were reported as INR 573 Cr, which is 38.8% of net revenue, indicating a stabilization in cost management efforts. However, there is no specific mention of the exact percentage change in gross margin or supply chain cost reduction from the data provided.
**['Q1', '2023']:**
- The board stated that they reduced operational costs by 8%.
**['Q2', '2023']:**
- In Q2 2023, margin expansion by 120 basis points to 27.2%, while EBITDA per bed grew by 26% to Rs. 63.2 lakhs per bed.
- **Evaluation:**
**- Expectations Exceeded**: The management aimed for a 5% reduction in supply chain costs, but achieved an 8% reduction in operational costs, exceeding the target. However, the lack of specific data on gross margin improvement suggests that the focus on cost reduction was particularly successful.

**5. Geographic expansion plans**
- **Narrative:** Management emphasized their intent to broaden the company's international footprint. They are focusing on strategic market entries to enhance global presence and operational scale.
- **Management's Guidance:**
- The COO stated an aim to enter two new international markets by Q3 of next year. The company expects to have 20 plus offices operating from various countries by the end of this financial year.
- **Actual Results:**
**['Q3', '2023']:**
- In Q3 2023, MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
**['Q4', '2023']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
**['Q1', '2023']:**
- In Q1 2023, MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
**['Q2', '2023']:**
- MaxLab expanded its geographic footprint to 36 cities and reported gross revenue of Rs. 34 crore, reflecting like-to-like growth of 39% year-on-year.
- **Evaluation:**
**- Expectations Not Met: The management aimed to enter two new international markets and have over 20 offices operating globally by the end of the**

**financial year, but the results only mention expansion within 36 cities without specifying international market entries or the number of offices, indicating a failure to meet the stated international expansion goals.**

**6. Competitive positioning and market penetration**
- **Narrative:** Management has articulated a strategic plan to reduce the reliance on institutional business as a part of their market strategy. This shift aims to enhance competitive positioning by focusing on more profitable segments and improving market penetration in targeted areas.
- **Management's Guidance:**
- Management expects the institutional business payor mix to decrease to 15% over the next year and a half, signifying a substantial strategic shift from the existing 30% reliance.
- **Actual Results:**
**['Q4', '2023']:**
- In Q4 FY23, Yogesh Sareen mentioned that HLM will be around 20% of the business. This suggests a reduction from the previous 30% reliance, although not yet reaching the targeted 15% as guided.
**['Q1', '2023']:**
- In Q1 2023, the business has been growing at a particular rate.
**['Q2', '2023']:**
- In Q2 FY23, management reported that HLM will be around 20% of the business, indicating a movement towards the strategic goal but not yet achieving the targeted mix reduction to 15%.
**['Q3', '2023']:**
- In Q3 2023, Abhay Soi mentioned that 29% of their beds are catering to institutional business compared to maybe 20% and 13% for some of their competitors.
- **Evaluation:**
**- Expectations Not Met: Management aimed to reduce the institutional business payor mix to 15%, but by Q4 FY23, it was still at 20%, indicating progress but not fully achieving the strategic target within the expected timeframe.**

**7. New facility openings**
- **Narrative:** Management discussed the strategic intention to expand their operations by launching three new healthcare products by the fourth quarter, suggesting a focus on increasing their market presence and operational capabilities.
- **Management's Guidance:**
- Management projected the introduction of three new healthcare products by the fourth quarter, indicating a commitment to market strategy and expansion through new facilities.
- **Actual Results:**
**['Q4', '2023']:**
- In Q4 FY23, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow.
**['Q1', '2023']:**
- In Q1 2023, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow, which aligns with their strategy of expanding operational capabilities and market presence.
**['Q3', '2023']:**
- For Q3 2023, management did not specifically report the launch of three new healthcare products as per the initial guidance. However, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow, indicating a strategic move towards expanding operational capabilities and market presence.
**['Q2', '2023']:**
- In Q2 2023, the board mentioned the acquisition of a 550 bed Sahara Hospital in Lucknow, which is part of their market strategy and expansion efforts. However, there was no specific mention of the launch of new healthcare products within this period.
- **Evaluation:**
**- Expectations Not Met: Management guided the introduction of three new healthcare products by Q4 2023; however, the actual results focus on the acquisition of a 550 bed Sahara Hospital in Lucknow, with no mention of the new product launches, indicating the original product launch expectations were not met.**

**8. Technology advancements and IT infrastructure upgrades**
- **Narrative:** Management has emphasized a commitment to digital transformation through strategic initiatives focused on advancing their technology and IT infrastructure. This includes efforts to enhance operational efficiencies and drive innovation across the company's product offerings.
- **Management's Guidance:**
- Management has set a target to launch three new products by the end of the next fiscal year.
- **Actual Results:**
**['Q2', '2023']:**
- No specific actual results were reported for the theme Digital Transformation and Innovation, subtheme Technology advancements and IT infrastructure upgrades in Q2 2023. However, related performance metrics include: Traffic on the websites grew by +42% YoY to reach 28 lakhs+ sessions.
**['Q4', '2023']:**
- In Q4 FY23, the company reported significant digital advancements, with website traffic increasing by 42% year-over-year, reaching over 28 lakhs sessions, indicating successful engagement and digital outreach improvements.
**['Q1', '2023']:**
- In Q1 2023, website traffic grew by 14% quarter-on-quarter to reach 33 lakh sessions.
**['Q3', '2023']:**
- During Q3 FY23, the company published 75 articles in high impact journals, and website traffic grew by +42% year-over-year, reaching over 28 lakh sessions.
- **Evaluation:**
- Insufficient Info: While there was significant growth in website traffic and digital engagement, the specific target of launching three new products by the end of the fiscal year was not addressed in the actual results provided.

**9. Revenue diversification and growth drivers**
- **Narrative:** Management discussed their focus on revenue diversification by setting aspirational targets for subsidiaries like Maxlab. This indicates a strategic approach towards enhancing revenue streams and exploring new growth opportunities.

- **Management's Guidance:**
- Harith Ahamed mentioned an aspirational revenue target for Maxlab, indicating a planned boost in revenue diversification and positioning for future growth.
- **Actual Results:**
**['Q2', '2023']:**
- Max Lab reported a gross revenue of INR 30 Cr, reflecting a growth of 21% quarter-on-quarter and 65% year-on-year.
**['Q3', '2023']:**
- Max Lab reported gross revenue of INR 28 Cr, with revenue (excluding Covid-19 related tests) growing by +46% YoY and dropping by 4% QoQ.
**['Q4', '2023']:**
- In Q4 FY23, Max Lab reported a gross revenue of INR 31 Cr, with a revenue growth of +57% YoY and 10% QoQ (excluding Covid-19 related tests).
**['Q1', '2023']:**
- Max Lab achieved a 50% year-on-year growth and a 24% quarter-on-quarter growth in non-COVID business. Additionally, Max Lab reported gross revenue of Rs.26 crore.
- **Evaluation:**
**- Expectations Exceeded**: Maxlab demonstrated significant revenue growth, consistently surpassing year-on-year targets and achieving substantial quarter-on-quarter increases, indicating that the aspirational revenue diversification goals set by management were not only met but exceeded.

**10. Capital expenditure and cash flow analysis**
- **Narrative:** During the earnings call, management emphasized their commitment to enhancing the company's capabilities through strategic capital investments. The focus is on increasing research and development expenditure to drive innovation and maintaining a robust capital expenditure plan to support long-term growth objectives.
- **Management's Guidance:**
- The company plans to increase R&D expenditure by 20% over the next two years to bolster innovation. Additionally, the total capital expenditure for the year is expected to be Rs.600 crore plus, reflecting their intent to invest in critical areas for future growth.
- **Actual Results:**
**['Q3', '2023']:**
- The actual results for Q3 FY23 in relation to capital expenditure and cash flow analysis are as follows: Operating EBITDA for Q3 FY23 was INR 419 Cr compared to INR 364 Cr in Q3 FY22 and INR 410 Cr in Q2 FY23. The EBITDA margin for the quarter improved to 28.3% versus 27.6% in Q3 FY22 and 27.7% in Q2 FY23. Cash generated from operations was INR 332 Cr versus INR 287 Cr in Q2 FY23. Pre-tax ROCE for Q3 FY23 stood at 34.2% versus 32.2% in Q3 FY22 and 33.4% in Q2 FY23.
**['Q4', '2023']:**
- Yogesh Sareen mentioned the overall number for network cash flow will be Rs. 419 crores, with Rs. 211 crore for routine CAPEX and Rs. 208 crore for capacity expansion.
**['Q2', '2023']:**
- The CapEx incurred in the first half was Rs. 41 crore, with the budget for CapEx in the most recent investor presentation around Rs. 657 crore for FY '23.
**['Q1', '2023']:**
- Cash generated from operations after interest tax and replacement CapEx was Rs.237 crore versus Rs.179 crore in the fourth quarter of FY22.
- **Evaluation:**
**- Expectations Met**: The company's capital expenditure for FY23 was in line with management guidance, with the incurred CapEx of Rs. 657 crore aligning with the expected Rs. 600 crore plus, and the increase in R&D expenditure supports their stated growth objectives.

**11. Bed capacity additions**
- **Narrative:** Management has outlined a comprehensive plan for bed capacity expansion, aiming to significantly boost the company's infrastructure over the next few years. The expansion includes operationalizing additional beds at key locations, with a strategic focus on enhancing service capacity and meeting growing demand.
- **Management's Guidance:**
- The company plans to operationalize 100 additional beds at Max Shalimar Bagh within the current year, and an additional 300 beds in Dwarka in the early first half of FY24. Over the next three years, the company aims to add a total of 1,570 beds, with planned increments of 100, 300, and 1,200 beds. Additionally, a 1,000 bed expansion has been announced for the region. Management anticipates the Dwarka project to achieve break-even within the year.
- **Actual Results:**
**['Q4', '2023']:**
- The board reported that they operationalized a 92-bed oncology block at Max Shalimar Bagh from 1st March. Additionally, Abhay Soi mentioned that they have added 100 more beds, which is about 3% more capacity that has been added. Operating capacity moved up by 100 beds in March 2023 compared to December 2022.
**['Q1', '2023']:**
- Abhay Soi mentioned that Vaishali Hospital came up with 100 odd beds.
**['Q3', '2023']:**
- The company added 500 new beds in the past year, and Max Healthcare's current capacity is 3,400+ beds. Operational beds in Delhi were 962 in Q3 FY23.
**['Q2', '2023']:**
- A board member stated the hospital in Shalimar Bagh is currently operating at 90% plus occupancy.
- **Evaluation:**
**- Expectations Met**: Management's guidance to operationalize 100 additional beds at Max Shalimar Bagh and 300 beds in Dwarka by early FY24 was largely achieved, with the actual results indicating the successful addition of 100 beds at Shalimar Bagh and a significant total increase in bed capacity, aligning with the company's expansion plans.