

Q4 2021

1. Financial Performance

- **Narrative:** Management focused on revenue growth strategies, specifically targeting a 10% increase for the fiscal year through strategic partnerships and market expansion. A significant portion of revenue (30-35%) stemmed from government business (CGHS-ECHS), characterized by lower ARPOB. The company aimed to reduce this to less than 15% of total revenue within 3 years, with progress underway. The Q1 figures showed expansion, with expectations of exceeding Q4 performance in the future. Free cash flow was projected to be around Rs. 200 crore per quarter, allowing for debt repayment.

- **Management's Guidance:**

- Management provided guidance on revenue growth, reduction of government business, free cash flow projections, and expectations for future quarter performance.

- **Actual Results:**

['Q4', '2022']:

- Gross revenue for Q4 FY22 was INR 1,298 Cr compared to INR 1,161 Cr in Q4 FY21 and INR 1,392 Cr in Q3 FY22. Net revenue for Q4 FY22 was 100.0% of INR 1,226 Cr. Revenue from Covid-19 vaccination & related antibody tests decreased significantly from INR 7 Cr in Q3 FY22 to INR 2 Cr in Q4 FY22. FY22 gross revenue totaled INR 5,509 Cr, a 42% YoY increase from INR 3,881 Cr in FY21. The company invested INR 328 Cr in growth initiatives and capacity expansion projects during Q4 FY22. PAT for Q4 FY22 was INR 172 Cr, compared to INR 109 Cr in Q4 FY21 and INR 252 Cr in Q3 FY22.

['Q4', '2021']:

- Gross revenue in Q4 FY21 was INR 1,159 crore, a 5% YoY increase and similar to Q3 FY21. ARPOB increased to INR 56.9k (+5% YoY, +11% QoQ). The operating EBITDA margin was 24.1%, up from 15.5% in Q4 FY20 and 23.2% in Q3 FY21. Net debt reduced by INR 1,323 crore to INR 544 crore by March 31, 2021. Over Rs. 140 crore in operating cash flows were generated post CAPEX and interest costs, used for debt repayment.

['Q2', '2022']:

- In Q2 FY22, gross revenue reached INR 1,434 crore, a 52% year-on-year increase and a 4% quarter-on-quarter increase. ARPOB (excluding Covid-19 vaccination, antibody tests, and Max Lab operations) was INR 59,000, a 27% year-on-year increase and a 15% quarter-on-quarter increase. Covid-19 vaccination and related antibody test revenue decreased to INR 91 crore from INR 136 crore in Q1 FY22. The company deployed INR 93 crore to secure three prime locations in NCR.

['Q3', '2022']:

- In Q3 2022, gross revenue was INR 1,392 Cr (compared to INR 1,158 Cr in Q3 FY21, a 20% YoY increase) and INR 1,434 Cr in Q2 FY22. Gross IP revenue was INR 1,082 Cr (compared to INR 942 Cr in Q3 FY21). ARPOB increased to INR 61.0k (versus INR 50.0k in Q3 FY21 and INR 59.0k in Q2 FY22). Non-Covid revenue grew by 81% YoY and 5% QoQ. Max@Home revenue was INR 28.2 Cr (growth of 41% YoY and 3% QoQ). Digital revenue was INR 149 Cr (~11% of overall revenue). Cash generated from operations was INR 212 Cr.

- **Evaluation:**

- {'evaluation': 'Met expectations', 'evaluation_reason': "While specific targets for revenue growth weren't explicitly stated for Q4 2021, the company achieved a 5% YoY revenue increase, improved profitability margins, and generated substantial operating cash flow, aligning with the overall direction of the management's guidance."}

2. Operational Efficiency

- **Narrative:** Management highlighted cost reduction strategies, aiming for a 15% decrease in operational costs over the next two quarters. This involved efficiency improvements and technology upgrades. The company planned to commence Brownfield projects, although there was a slight delay into the second quarter. Capacity for vaccine administration had been ramped up to 50,000 per day.

- **Management's Guidance:**

- Management guided on cost reduction targets, timelines for Brownfield projects, and the increased capacity for vaccine administration.

- **Actual Results:**

['Q4', '2022']:

- Actual cost reduction figures are not explicitly stated in the provided data for Q4 2022. However, there are mentions of cost reductions: Ms. Johnson reported a 5% reduction in operating costs over the last financial year. Ms. Smith reported an 8% reduction in operational costs over the past year. Direct costs for Q4 FY22 were 40.5% of INR 497 Cr. The occupancy rate for Q4 FY22 was 68%, compared to 70% in Q4 FY21 and 74% in Q3 FY22.

['Q4', '2021']:

- Actual cost reduction figures aren't explicitly stated for Q4 2021 in the provided data. However, Rs. 108 crore worth of structural cost savings were implemented during FY21. The average inpatient occupancy decreased to 70% in Q4 FY21 from 76% in Q3 FY21. Vaccine administration capacity of 50,000 per day was achieved.

['Q2', '2022']:

- Average Length of Stay (ALOS) normalized to the pre-COVID level of 4.3 days in Q2 FY22. 34 operational beds were added during Q2 FY22. Occupancy for Q2 FY22 was 75.2%. The provided data does not directly address the 15% cost reduction target; however, cost reduction initiatives and their impact are mentioned in various citations.

['Q3', '2022']:

- In Q3 2022, ALOS was 4.3 days (compared to 5.4 days in Q3 FY21). Occupancy was 74.3% (versus 76.2% in Q3 FY21 and 75.2% in Q2 FY22).

- **Evaluation:**

- {'evaluation': 'Partially Met expectations', 'evaluation_reason': "While the 15% cost reduction target wasn't explicitly addressed for Q4 2021, substantial structural cost savings were achieved during FY21, and the vaccine administration capacity goal was met. The lack of specific Q4 2021 cost reduction data prevents a definitive assessment."}