

Q3 2023

1. Capacity Expansion and Operational Efficiency

- **Narrative:** Management highlighted significant bed capacity additions through both capital expenditure (CAPEX) and internal reconfigurations. The expansion plans are detailed, including timelines and specific bed numbers for various locations. There's also discussion regarding the timeline for new facilities to reach EBITDA breakeven.

- **Management's Guidance:**

- Addition of over 100 beds in the next two quarters through internal reconfigurations; A total of over 500 beds added within the next 6-7 months across multiple locations (Dwarka, Shalimar Bagh, and others); Dwarka greenfield site expected to reach EBITDA breakeven in 12-15 months; Brownfield hospitals expected to reach breakeven within the first one or two quarters; Significant increase in bed capacity (more than 2x) over the next 5-6 years.

- **Actual Results:**

['Q4', '2023']:

- No actual results for this theme are available in the provided Q4 2023 data.

['Q1', '2024']:

- No specific actual results for Q3 2023 capacity expansion are provided in the Q1 2024 data.

['Q2', '2024']:

- No specific actual results for Q3 2023 are provided in the database for this theme.

['Q3', '2023']:

- No specific actual results for bed additions or breakeven timelines were provided in the Q3 2023 data. However, the Q3 occupancy rate was cited as 77%, suggesting the existing capacity was well utilized.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'Insufficient Q3 2023 data on bed additions and breakeven timelines prevents an evaluation of whether management's guidance was met, exceeded, or not met.'}

2. Financial Performance and Growth Strategy

- **Narrative:** Management provided projections for revenue growth and operating cost reduction. There's discussion about funding mechanisms for future mergers and acquisitions (M&A) and the potential impact on international revenue contribution.

- **Management's Guidance:**

- Revenue growth of 15% projected for the next fiscal year; Plan to reduce operating costs by 10% by the end of Q4; Board approval to raise up to Rs. 4,200 crore for future M&A activity; International revenue contribution could increase to 10-11%; Targeting 10-12% top-line growth with 77-80% occupancy levels; Debt to EBITDA leverage to remain within 2-2.5x for inorganic growth; Expansion plan of Rs. 4,000-4,500 crore over 4 years funded by 50% free cash flow.

- **Actual Results:**

['Q4', '2023']:

- In Q4 FY23, gross revenue grew by 26% year-over-year (YoY) and 5% quarter-over-quarter (QoQ), reaching INR 1,637 Cr. PAT increased by 85% YoY and 19% QoQ, reaching INR 320 Cr. Further, FY23 gross revenue was INR 6,236 Cr (+13.2% YoY excluding Covid-19 vaccination revenue). FY23 PAT was INR 1,328 Cr (+59% YoY).

['Q1', '2024']:

- Actual results for Q1 2024 show a gross revenue of INR 1,719 Cr, a +17% YoY and +5% QoQ growth (12beaad19b26a299fab377cc471a28db, 92bc23856c9eb6f224b6b6ffa3430a55). This exceeds the 15% revenue growth guidance for the fiscal year, but it's important to note that this is only Q1 data. Operating EBITDA in Q1 2024 was INR 436 Cr, showing an 18% YoY growth (5c42ed59efa18b878be6b9f4eee7af0a, 12beaad19b26a299fab377cc471a28db, 92bc23856c9eb6f224b6b6ffa3430a55). Further information on operating cost reduction and M&A activity is not available in the provided Q1 2024 data.

['Q2', '2024']:

- In Q2 2024, Max Healthcare reported a 17% YoY and 6% QoQ growth in gross revenue. International patient revenue improved by +25% YoY and +11% QoQ, accounting for ~9% of hospital revenue. Operating EBITDA grew by +21% YoY and +14% QoQ. PAT was INR 338 Cr, a growth of +26% YoY and +16% QoQ. These results partially reflect the management guidance.

['Q3', '2023']:

- In Q3 FY23, the company reported a 13% YoY growth in gross revenue (excluding Covid-19 vaccination), which is slightly below the projected 15% for the fiscal year. International patient revenue improved by +62% YoY and reached ~110% of pre-Covid levels, exceeding the 10-11% target.

- **Evaluation:**

- {'evaluation': 'Partially Met expectations', 'evaluation_reason': 'While Q3 revenue growth slightly missed the annual projection, the significant increase in international patient revenue exceeded expectations, resulting in a partial fulfillment of the overall financial guidance.'}

3. Patient Satisfaction

- **Narrative:** Management explicitly stated a target for patient satisfaction scores.

- **Management's Guidance:**

- Targeting patient satisfaction scores to reach 90% in the upcoming quarter.

- **Actual Results:**

['Q4', '2023']:

- No actual results for this theme are available in the provided Q4 2023 data.

['Q1', '2024']:

- No specific Q3 2023 patient satisfaction data is available in the provided Q1 2024 data. However, Q1 2024 data mentions a 5% increase in patient satisfaction scores for the year (e3027305799952c861427cf677ca956c).

['Q2', '2024']:

- No actual results for patient satisfaction scores are provided in the database for Q3 2023 or Q2 2024.

['Q3', '2023']:

- No actual patient satisfaction scores were reported for Q3 2023 in the provided data.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The absence of Q3 2023 patient satisfaction data prevents an assessment of whether the target was met or not.'}