



## Earnings update – Q3 & 9M ended Dec'21

February 12, 2022



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1. Healthcare undertaking of Radiant Life Care Private Limited (“Radiant”) and residual business of erstwhile Max India Limited merged into Max Healthcare Institute Limited (“MHIL” or “the Company”) through a NCLT approved Composite Scheme of Amalgamation and Arrangement on June 1, 2020. The merger resulted into Radiant promoters controlling the merged MHIL.
2. The transaction was accounted for as a business combination under Ind AS 103 “Business Combinations”. Further applying the criteria laid in the accounting standard, the merger was accounted for as follows:
  - a) Radiant was identified as the accounting acquirer and thus the merger qualified as a “reverse acquisition”
  - b) MHIL financials were considered to be the continuation of Radiant’s healthcare undertaking financials (accounting acquirer) and thus all assets & liabilities of MHIL were fair valued as per principles laid down in Ind AS 103. Demerged undertaking of Radiant was accounted for at its carrying amounts.
  - c) Further, since the business combination and control of Radiant over MHIL was achieved in stages, Radiant’s pre-merger stake was fair valued as on June 1, 2020, with resulting loss of INR 195.9 Cr which was recognised in the Group Financials for the quarter ended June 30, 2020
3. Strictly applying the principles of Ind AS 103, the financial result of MHIL (merged entity) contains operating performance of MHIL, its subsidiaries and deemed separate entities (i.e. silos for managed healthcare facilities). However, in order to present a fair view of performance of the Group and given the significant network bed capacity at partner healthcare facilities (“PHF”) and financial exposure Group carries with respect to these PHFs, it is considered appropriate to disclose the financial performance of the Network Hospitals as a whole, by way of a management consolidation of financial results of operations of MHIL, its subsidiaries, managed healthcare facilities and partner healthcare facilities.
4. The financial information contained in this presentation is thus different from that of MHIL Group since the financials of partner healthcare facilities are also included. The information is, thus drawn up based on management consolidation of the unaudited financials (post limited review by the auditors of respective entity) of the Company, its subsidiaries, managed healthcare facilities and the unaudited financials (prepared under IGAAP) of the partner healthcare facilities as received from such partners, duly accounting for intra-network eliminations and IND AS related adjustments for PHF’s. The Consolidated financial information post IND AS adjustments, is certified by an independent firm of chartered accountants.
5. The Group, while accounting for the Business Combination in June 2020 carried out a fair valuation exercise, whereby the assets and liabilities of the acquired entity & its subsidiaries (i.e. MHIL) and effects thereof were captured in the financials starting June 1, 2020. 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. Further, the Company acquired a step down subsidiary during the quarter ended September 30, 2021 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.
6. The Profit and Loss statement takes into account line by line consolidation of the financials in an investor friendly format of the Network Healthcare Facilities. Further, in order to better explain the financial results, the items which don’t truly represent the operating income/expenditure have been identified and reported separately to reflect the Operating EBITDA. The numbers are regrouped to meet industry specific information requirement of investors.

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## Q3 FY22 Highlights

## Executive Summary (1/2)

### Network Financial highlights

- ✱ Gross revenue for Q3 FY22 was INR 1,392 Cr versus INR 1,158 Cr in Q3 FY21 (+20% YoY) and INR 1,434 Cr in Q2 FY22
  - ✱ Gross revenue excluding Covid-19 vaccination & related antibody tests grew by 20% YoY and 3% QoQ, despite it being a seasonally lean quarter for healthcare services
- ✱ Operating EBITDA for Q3 FY22 continued to scale new heights for the 5<sup>th</sup> consecutive quarter and was INR 364 Cr compared to INR 253 Cr in Q3 FY21 (+44% YoY) and INR 362 Cr in Q2 FY22
  - ✱ Operating EBITDA excl. that from Covid-19 vaccination and related antibody tests grew by 8% QoQ and 44% YoY
  - ✱ Slight reduction in IP occupancies and OP footfalls compared to the trailing quarter due to seasonal factors. However, ARPOB<sup>1</sup> improved owing to normalisation of surgeries and improved payor mix, leading to the highest ever EBITDA per bed<sup>1</sup> (annualised) of INR 59.7 Lakhs recording a growth of 49% YoY and 9% QoQ
  - ✱ EBITDA margin<sup>2</sup> for the quarter stood at 27.6% versus 23.2% in Q3 FY21 and 26.8% in Q2 FY22
- ✱ Q3 FY22 PAT was INR 252 Cr versus INR 135 Cr in Q3 FY21 and INR 207 Cr in Q2 FY22
- ✱ Cash generated from operations (after interest, tax and replacement capex) was INR 212 Cr
- ✱ Net debt<sup>3</sup> increased by INR 37 Cr to INR 296 Cr as at the end of Dec'21. During the quarter INR 250 Cr was invested in growth initiatives
- ✱ Pre-tax ROCE<sup>4</sup> for Q3 FY22 improved to 32.2% versus 24.6% in Q3 FY21 and 32.0% in Q2 FY22
- ✱ Recently completed two transactions which will add two new Network hospitals in South-west and East Delhi regions

### Operational highlights

- ✱ Occupancy for Q3 FY22 stood at 74.3% versus 76.2% in Q3 FY21 and 75.2% in Q2 FY22
  - ✱ 1% of occupied beds used for Covid-19 patients compared to 2% in Q2 FY22. The onset of Covid-19 third wave towards the end of Dec'21, led to decline in overall occupancy levels. However, it is now showing signs of recovery.
  - ✱ Bed share of the institutional patients (relatively a lower ARPOB channel) is down to ~31% compared to ~37% of Q2 FY22 partially due to dis-empement of few institutional accounts at some of the hospitals in NCR and Mohali
  - ✱ International patient footfalls improved over Q2 FY22. However, they continue to be lower than the pre-covid levels

## Executive Summary (2/2)

### Operational highlights

(contd..)

- ✱ ARPOB<sup>1</sup> for Q3 FY22 stood at INR 61.0k versus INR 50.0k in Q3 FY21 (+22% YoY) and INR 59.0k in Q2 FY22 (+3% QoQ)
- ✱ Surgical:Medical revenue mix stood at 51:49; ALOS continued to be at 4.3 days in Q3 FY22 versus 5.4 days in Q3 FY21
- ✱ OP consults reduced by 7% QoQ and stood at 5.4 lakhs in Q3 FY22 due to seasonal factors and reduced footfalls of institutional patients. However, compared to Q3 FY21, the overall consults improved by 38%
- ✱ Digital revenue through online marketing activities and web-based appointments stood at INR 149 Cr, i.e. ~11% of overall revenue; video consults stood at ~13,300
- ✱ Max Lab (Non-captive pathology business) added ~90 channel partners during Q3 FY22, taking the overall active clients to 700+ spread across 24+ cities; Non-Covid revenue grew by 81% YoY and 5% QoQ and overall revenue declined due to drop in Covid-19 related tests and seasonal factors
- ✱ Max@Home revenue during the quarter was INR 28.2 Cr, a growth of 41% YoY and 3% QoQ
- ✱ ~33,800 OPD and ~1,170 IPD patients from economically weaker section were treated free of charge

### Clinical highlights

#### Clinical update:

- ✱ Treated 35,500+ Covid-19 patients at hospitals and 4,000+ patients at home/extended care facilities up till Jan 31, 2022
- ✱ ~9.3 lakhs RT-PCR tests done and ~20.5 lakhs Covid-19 vaccination doses administered as of Jan 31, 2022
- ✱ Conducted India's First Balloon Cryoablation procedure for the treatment of Atrial Fibrillations, essentially arrhythmia, on a 53-year-old patient
- ✱ North India's first dual lung transplant on a 55-year-old patient suffering from COPD and Bullous Lung Disease

#### Research and academics:

- ✱ Published 122 articles in national and international publications; 86 clinical trials and 12 ongoing research grants
- ✱ ~2,000 students are currently enrolled across various programs, such as Allied Health internships, MBBS internships, observerships, fellowships, Paramedical Diploma courses, Physician Diploma courses, Life support programs
- ✱ New batch of 87 MBBS students joined for Clinical rotation under the Lincoln American University agreement

(1) Excluding the revenue from Covid-19 vaccination & related antibody tests and Max Lab operations

## Snapshot of recent inorganic transactions

### 1. O&M Agreement in South-west Delhi



### 2. Acquisition of Eqova Healthcare in East Delhi



#### Type of expansion

#### Asset Light

#### Acquisition

#### Capacity build up

- ✦ 300 beds on 8.6 acres of land in Dwarka

- ✦ 400 beds on 2.1 acres of land in Patparganj

#### Key Pointers

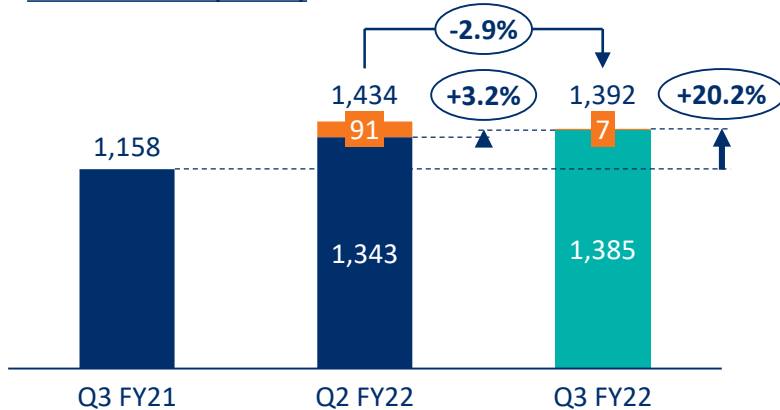
- ✦ Built to suit model with long term exclusive service agreement for 30 years, extendable to 60 years
- ✦ Asset light arrangement enables significantly high ROCE with minimal development risk
- ✦ An attractive micro market of South West Delhi having >12 lakhs of population with high demand/supply mismatch
- ✦ Well connected - accessible through Metro and upcoming Dwarka expressway and 15 min away from the international airport
- ✦ Construction well under way with super structure already completed and MEP tendering in progress
- ✦ Potential to add 1,000 more beds, however the current arrangement limited to 300 beds (Phase 1) only
- ✦ Hospital is expected to be commissioned in H1 FY24

- ✦ To acquire Eqova Healthcare Pvt. Ltd. (in a phased manner) – having long term exclusive rights to aid development of and provide medical services in the hospital to be setup on land owned by Nirogi Charitable and Medical Research Trust
- ✦ Located 800 metres from the existing Max Healthcare facility in Patparganj which has been consistently operating at high occupancy levels
- ✦ Well connected – 300 metres from IP Extension Metro line, located on NH24 Expressway, quickly accessible from western UP
- ✦ Strengthen Max Healthcare's presence in East Delhi in a synergistic manner - an underserved micro market in terms of healthcare infrastructure
- ✦ 20 bed hospital already operational at the site
- ✦ Hospital is expected to be commissioned in H1 FY26



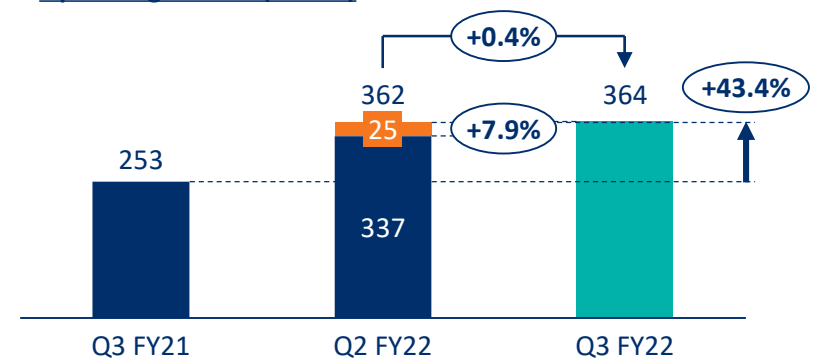
## Key Financial Highlights

### Gross Revenue (INR Cr)



■ Covid-19 vaccination & related antibody tests revenue

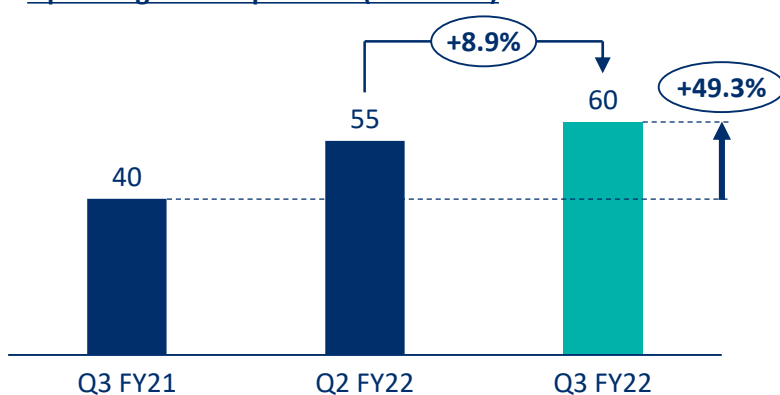
### Operating EBITDA (INR Cr)



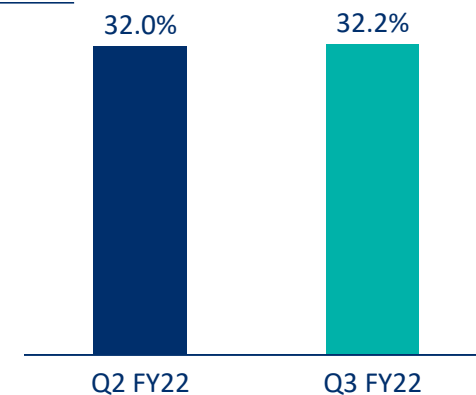
■ Covid-19 vaccination & related antibody tests EBITDA

Margin<sup>1</sup> (%)    Q3 FY21 : 23.2%    |    Q2 FY22 : 26.8%    |    Q3 FY22 : 27.6%

### Operating EBITDA per bed<sup>2</sup> (INR Lakhs)



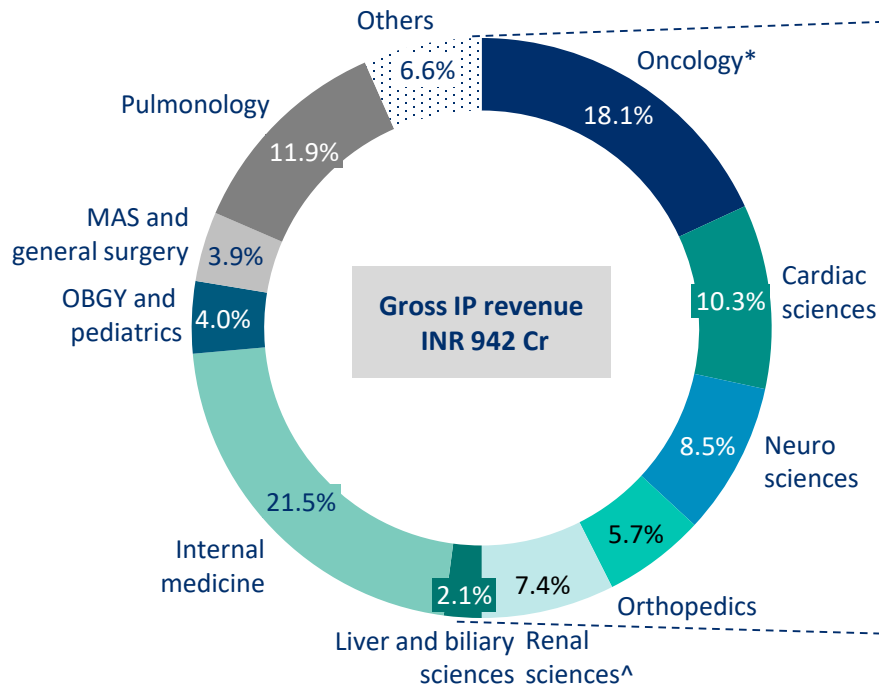
### Pre-tax ROCE<sup>3</sup>



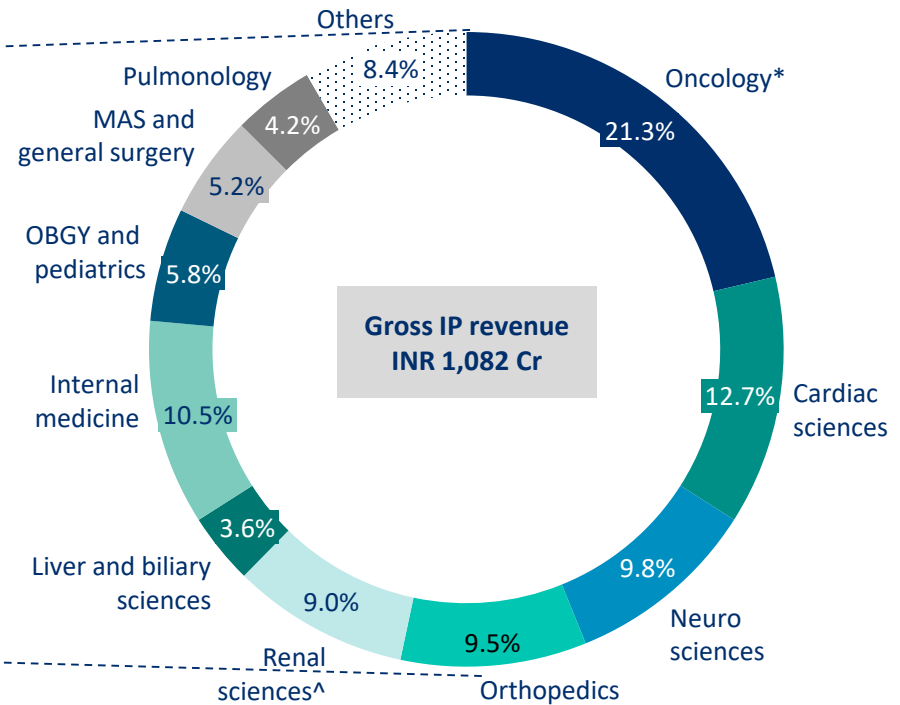
(1) Margin calculated on net revenue | (2) EBITDA per bed is annualised using relevant quarterly performance; excludes EBITDA from Covid-19 vaccination & related antibody tests and Max Lab operations | (3) Based on quarterly EBIT (excluding impact of Covid-19 vaccination & related antibody tests) annualised; capital employed excludes impact of Purchase price allocation consequent to merger with Radiant & last quarter acquisition and short term FDRs. Depreciation has been considered based on normalised replacement capex.

## Speciality Profile

Q3 FY21



Q3 FY22

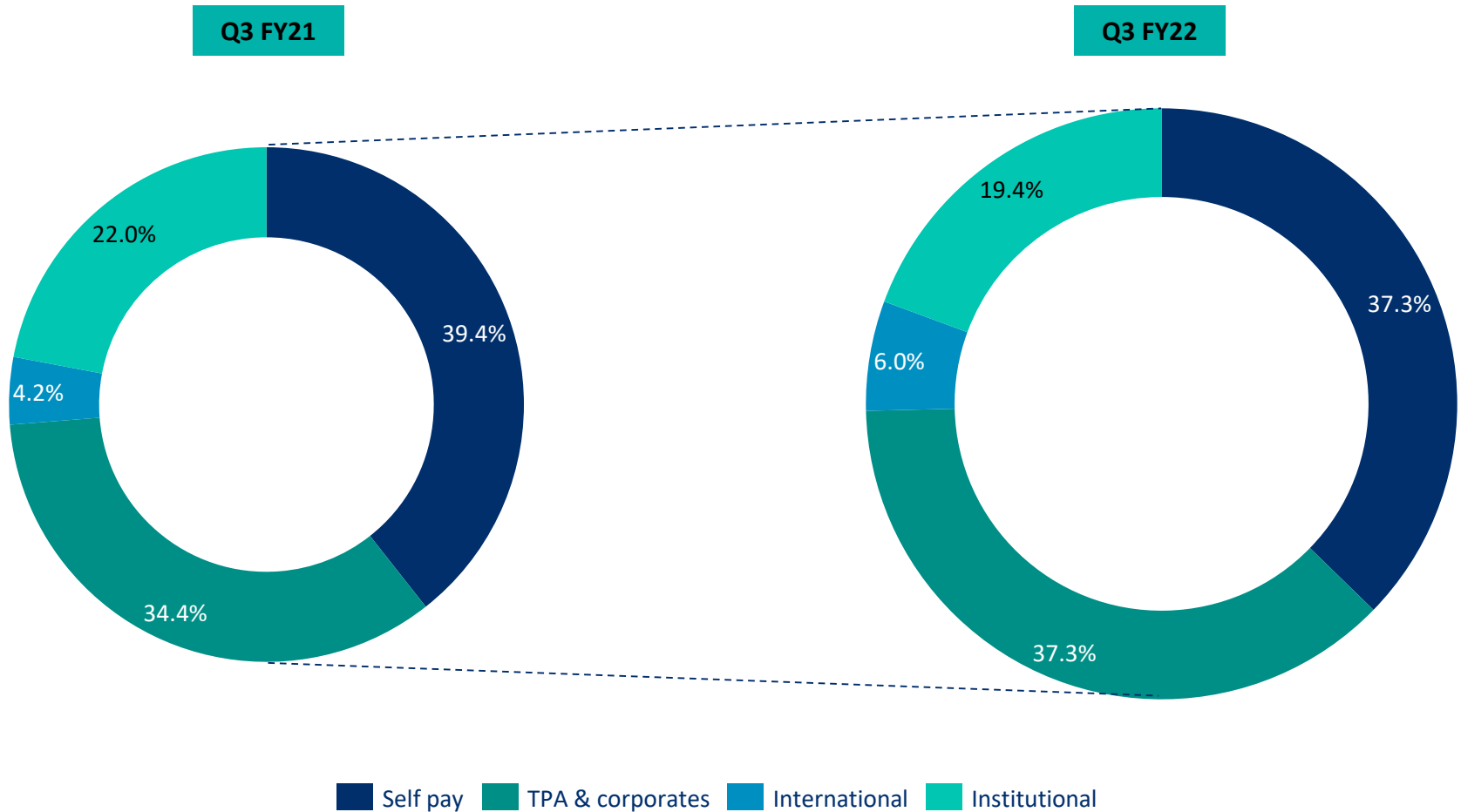


**Note:** Excludes OP and day care revenue, revenue from SBUs and other operating income;

\* Includes chemotherapy and radiotherapy

^ Includes Dialysis

## Share of Revenue



**Note:** Excludes revenue from Covid-19 vaccination & related antibody tests, SBUs and other operating income

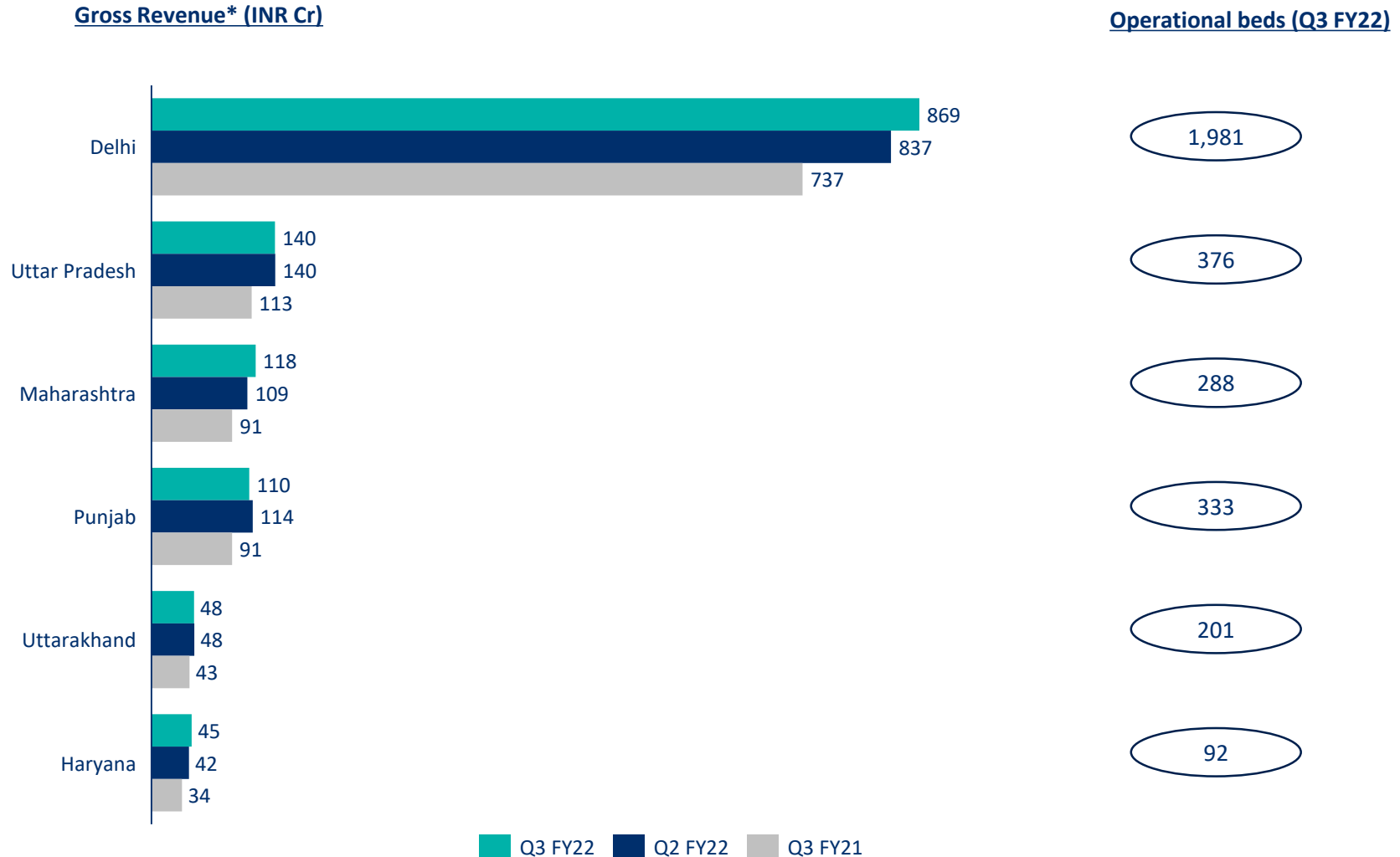
Figs in INR Cr

	Q3 FY21		Q2 FY22		Q3 FY22	
	Amount	% NR	Amount	% NR	Amount	% NR
Gross revenue (incl. movement in unbilled) <sup>1</sup>	1,158		1,434		1,392	
<b>Net revenue</b>	<b>1,086</b>	<b>100.0%</b>	<b>1,353</b>	<b>100.0%</b>	<b>1,317</b>	<b>100.0%</b>
Direct costs	448	41.2%	553	40.9%	516	39.2%
<b>Contribution</b>	<b>638</b>	<b>58.8%</b>	<b>800</b>	<b>59.1%</b>	<b>801</b>	<b>60.8%</b>
Indirect overheads	386	35.5%	438	32.4%	437	33.2%
<b>Operating EBITDA</b>	<b>253</b>	<b>23.2%</b>	<b>362</b>	<b>26.8%</b>	<b>364</b>	<b>27.6%</b>
ESOP (Equity-settled scheme)	14	1.3%	12	0.9%	4	0.3%
Movement in fair value of contingent consideration payable and amortisation of contract assets <sup>2</sup>	(15)	(1.4%)	4	0.3%	(5)	(0.4%)
Exceptional item : Payment to employees under VRS <sup>3</sup>	-	-	8	0.6%	1	0.1%
<b>Reported EBITDA</b>	<b>254</b>	<b>23.3%</b>	<b>338</b>	<b>25.0%</b>	<b>364</b>	<b>27.6%</b>
Finance cost (net)	47	4.4%	30	2.2%	24	1.8%
Depreciation and amortisation	55	5.1%	63	4.7%	61	4.7%
<b>Profit before tax</b>	<b>151</b>	<b>13.9%</b>	<b>246</b>	<b>18.2%</b>	<b>278</b>	<b>21.1%</b>
Tax <sup>4</sup>	16	1.4%	39	2.9%	26	1.9%
<b>Profit after tax</b>	<b>135</b>	<b>12.5%</b>	<b>207</b>	<b>15.3%</b>	<b>252</b>	<b>19.2%</b>

Note : The numbers for the previous period have been recasted and regrouped to make them comparable with the current period

1. Q2 FY22 and Q3 FY22 includes gross revenue of INR 91 Cr (EBITDA of INR 25 Cr) and INR 7 Cr (EBITDA of INR 0 Cr) respectively from Covid-19 vaccination & related antibody tests
2. This is a non cash item representing change in fair value of contingent consideration payable to Trust/Society over the balance period (~22 to 33 years) under O&M Contracts and represents impact of changes in the time value of discounted liability, business plan projections and change in discount rate
3. Voluntary Retirement Scheme (VRS) relates to Nanavati-Max hospital; the scheme closed in Nov'21
4. Tax expense for the quarter is lower due to the additional fair value charge in taxable income for the shares allotted under the ESOP scheme during the quarter

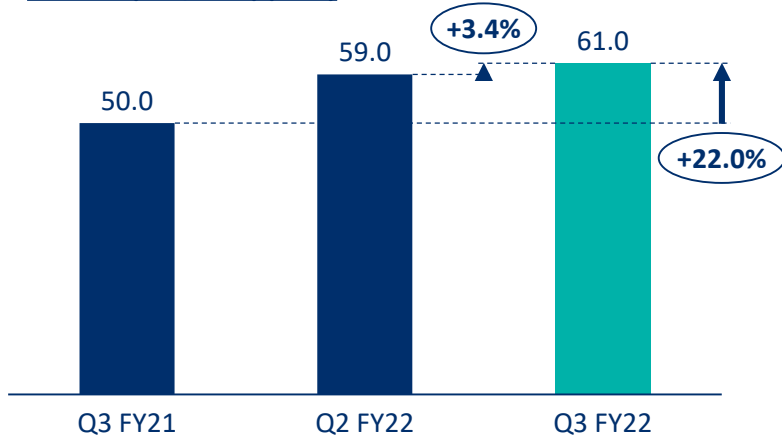
## Gross revenue from hospitals, by region



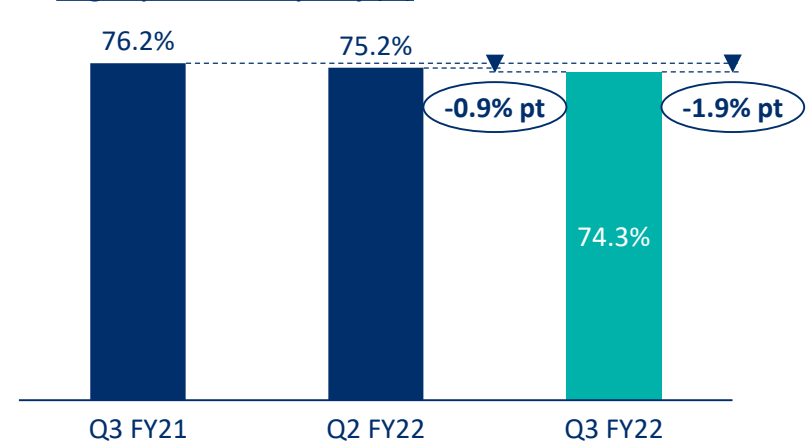
\*Excludes revenue from Covid-19 vaccination & related antibody tests, Max Lab operations and Max@Home

## Key Operational Highlights

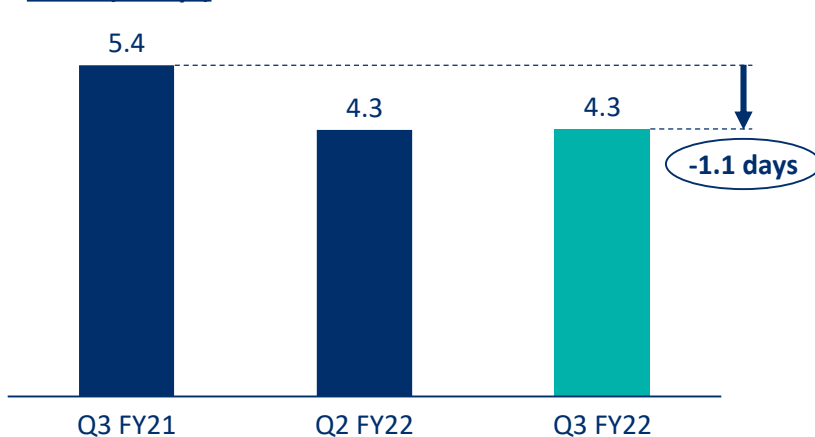
ARPOB<sup>1</sup> (INR/OBD) ('000)



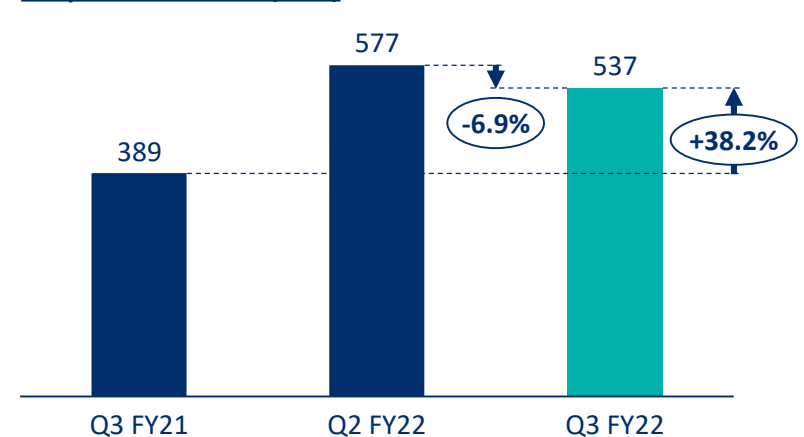
Avg. Inpatient Occupancy (%)



ALOS<sup>2</sup> (in days)

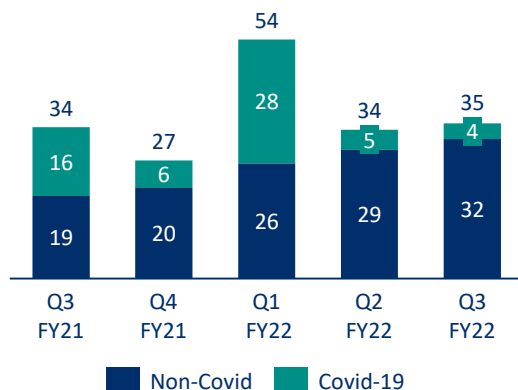


Outpatient consults ('000)

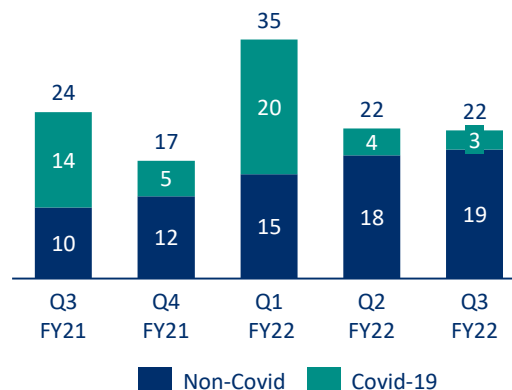


(1) ARPOB calculated as gross revenue/total OBD; Gross revenue excludes revenue from Covid-19 vaccination & related antibody tests and Max Lab operations | (2) ALOS calculated for discharged IP patients

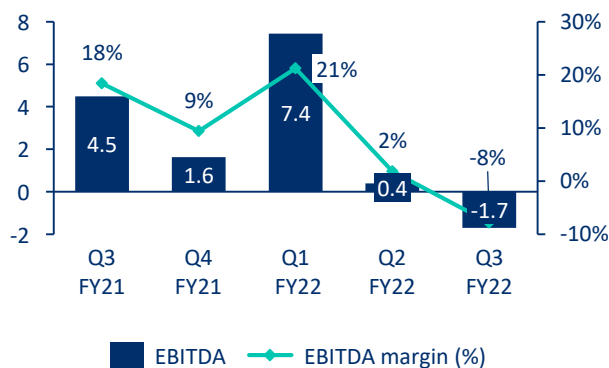
Gross Merchandise Value (INR Cr)



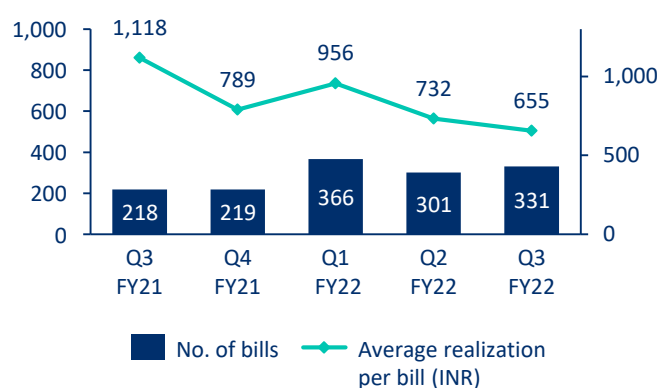
Net revenue (INR Cr)



EBITDA\* (INR Cr)



No. of Bills ('000) & Avg. net realisation per bill (INR)



Operational footprint  
(as of Dec 31, 2021)

**265+**

Partner-run  
collection centres

**18**

Company owned  
collection centres (CoCC)

**160+**

Phlebotomist  
At Site (PAS)

**210+**

Pick-Up  
Points (PUPs)

**25**

Hospital based Lab Management  
(HLMs)

**24+**

Cities of  
operations

**Added ~90 partners  
during Q3 FY22**

Note: Gross Merchandise Value (GMV) is the amount billed to patients; Net Revenue represents GMV minus partner share;

Covid-19 and related tests include RTPCR, Antigen, Antibody, CBNAAT, IL-6, D-Dimer, Ferritin, CRP, LDH, Procalcitonin

\*margin computed on net revenue, based on 50:50 revenue share between Max Lab and hospitals for the samples tested in the network hospital labs

## Clinical and Research & Academics update



- ✧ **India's First Balloon Cryoablation procedure** for the treatment of Atrial Fibrillations, essentially arrhythmia, on a 53-year-old patient
- ✧ **North India's first dual lung transplant** on a 55-year-old patient suffering from COPD and Bullous Lung Disease
- ✧ Max Mohali became the **first private hospital in tricity to complete 1,000 kidney transplants**
- ✧ Cured a patient suffering from **persistent asthma by conducting Bronchial Thermoplasty** - a novel, innovative procedure with the potential to revolutionise the treatment of bronchial asthma patients
- ✧ Max Saket achieved a momentous milestone of **100 robotic surgeries in just 10 weeks** with the next generation robot, Versius
- ✧ Performed rare procedure **Trans catheter Aortic Valve Replacement (TAVR)** on a 76 years old patient - **first case in Uttar Pradesh for a patient weighing 126 Kgs**
- ✧ Conducted **first of its kind minimally invasive robotic surgery** in a single sitting **to cure a 12-year old Iraqi child** born with congenital defect that caused both his kidneys and ureters to expand abnormally
- ✧ **Robotic Stapler** procedure for Robotic Bariatric surgery of a morbidly obese patient at Max Patparganj
- ✧ **Installed TomoTherapy** system and launched a state of the art non-Invasive Cardiology department at Max Saket
- ✧ BLK-Max hospital **introduced Vacuum Assisted Breast Biopsy (VABB)** - a safe and efficient procedure for the diagnosis and management of indeterminate and suspicious breast lesions

### ✧ National and international publications

- ✧ **122 scientific publications** in high impact factor journals during Q3 FY22
- ✧ **Top high Index and high impact factor publications** being from Cardiology, Neurology, Oncology and Endocrinology departments
- ✧ 22 Covid-19 and 100 non-Covid related publications
- ✧ **86 studies and clinical trials** (5 Covid-19 and 81 non-Covid) are currently underway across the Network
- ✧ **12 ongoing research grants** comprising of 3 International (European Union, NIHR and EUBREAST) and 9 national grants
- ✧ Awarded grant from **Pfizer Global Competitive Grants Program** - providing access to prestigious certification course for 500 participants from Max Healthcare valued at ~INR 1.3 Cr
- ✧ 66 students currently enrolled in **Masters in Emergency Medicine (International) course**, being run under the aegis of **George Washington University, USA** since 2008
- ✧ **Ongoing IMT program** with **33 doctors enrolled**; MRCP-PACES EXAM was conducted successfully in November 2021
- ✧ **~2,000 students are currently enrolled** across various programs, such as Allied Health internships, MBBS internships, observerships, fellowships, Paramedical Diploma courses, Physician Diploma courses, Life support programs
- ✧ New batch of **87 MBBS students** joined for Clinical rotation under the **Lincoln American University** agreement
- ✧ **DNB accreditation** for 34 specialties; total strength of DNB residents across network hospitals at 299 currently

## 9M ended Dec'21 Highlights

## Executive Summary: 9M ended Dec'21

### Network Financial highlights

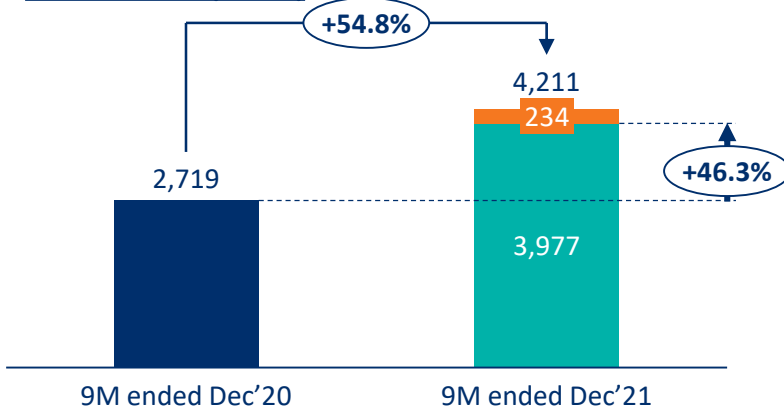
- ✱ 9M ended Dec'21 gross revenue was INR 4,211 Cr versus INR 2,719 Cr in 9M ended Dec'20 (+55% YoY). This includes revenue of INR 234 Cr from Covid-19 vaccination and related antibody tests
- ✱ Operating EBITDA for 9M ended Dec'21 was INR 1,085 Cr versus INR 373 Cr in 9M ended Dec'20 (+191%); EBITDA per bed (annualised) grew to INR 53 lakhs (+120% YoY)
  - ✱ 9M ended Dec'21 EBITDA margin<sup>1</sup> grew to 27.2% from 14.7% in 9M ended Dec'20
  - ✱ Margin expansion was driven by higher ARPOB, improved OPD footfalls, significant uptake in Covid-19 vaccine administration in H1 FY22, supported by revenue enhancement and structural cost saving initiatives implemented during last two fiscal years
- ✱ 9M ended Dec'21 PAT was INR 664 Cr versus a Net Loss of INR (204) Cr in 9M ended Dec'20
- ✱ Cash generated from operations (after interest, tax and replacement capex) during 9M ended Dec'21 was INR 591 Cr
- ✱ Net debt<sup>2</sup> stood at INR 296 Cr as on Dec 31, 2021 after investment of INR 343 Cr in growth initiatives during the period
- ✱ Pre-tax ROCE for 9M ended Dec'21 improved to 31.1%

### Operational highlights

- ✱ Occupancy for 9M ended Dec'21 stood at 76.7% versus 63.3% in 9M ended Dec'20
  - ✱ During 9M ended Dec'21, ~14% of the total occupied beds were used for treatment of Covid-19 patients
  - ✱ Occupancy stood at ~81% levels during Q1 FY22 due to surge of Covid-19 patients, however, it stabilised at ~75% levels during Q2 FY22 and Q3 FY22
- ✱ ARPOB for 9M ended Dec'21 (excluding the revenue from Covid-19 vaccination & related antibody tests and Max Lab operations) stood at INR 57.1k versus INR 48.0k in 9M ended Dec'20 (+19% YoY)
  - ✱ Revenue from International medical tourism remained low (~50% of 9M ended Dec'19 levels)
- ✱ Average ALOS for 9M ended Dec'21 stood at 4.8 days versus 5.4 days in 9M ended Dec'20
- ✱ OP consults stood at 15.0 lakhs during 9M ended Dec'21 (+62% YoY)
- ✱ 90,000+ video consults during 9M ended Dec'21; Digital revenue through web-based marketing activities and online appointments stood at INR 413 Cr, i.e. ~10% of overall revenue
- ✱ ~88,200 OPD and ~2,900 IPD patients from economically weaker section have been treated free of charge

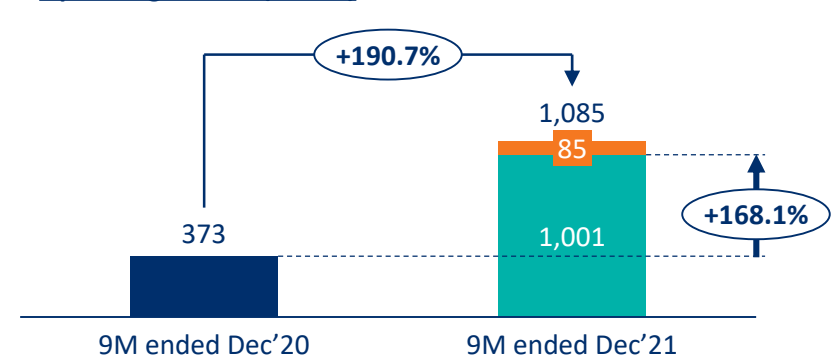
## Key Financial Highlights

### Gross Revenue (INR Cr)



 Covid-19 vaccination & related antibody tests revenue

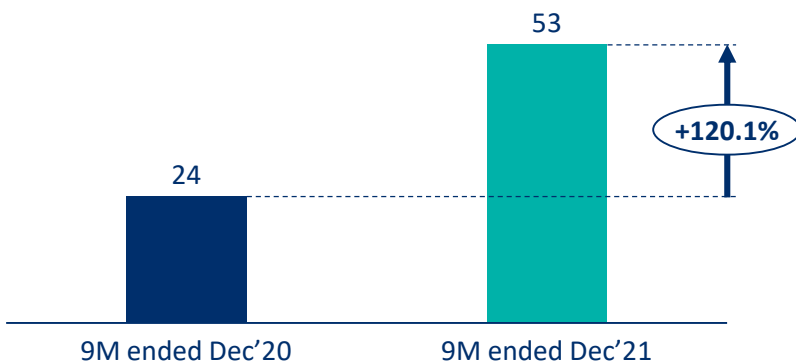
### Operating EBITDA (INR Cr)



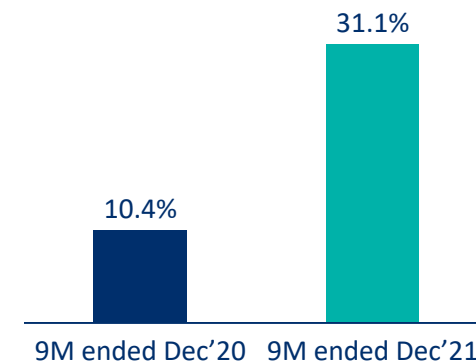
 Covid-19 vaccination & related antibody tests EBITDA

Margin<sup>1</sup> (%) 9M ended Dec'20 : 14.7% | 9M ended Dec'21 : 27.2%

### Operating EBITDA per bed<sup>2</sup> (INR Lakhs)

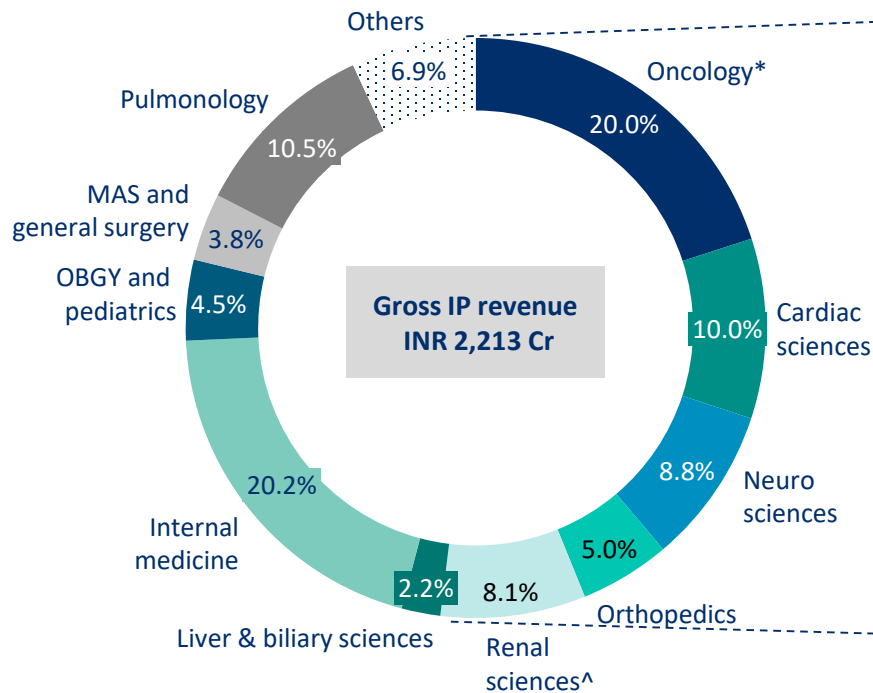


### Pre-tax ROCE<sup>3</sup>

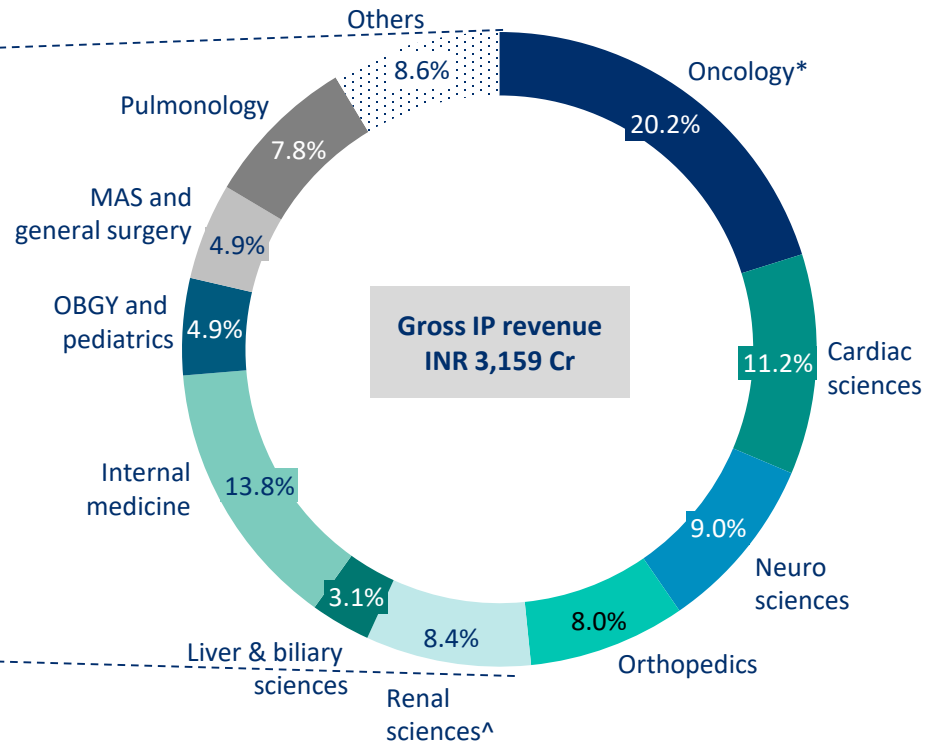


(1) Margin calculated on net revenue | (2) EBITDA per bed is annualised using relevant nine months performance; excludes EBITDA from Covid-19 vaccination & related antibody tests and Max Lab operations | (3) Based on 9M Dec EBIT (excluding impact of Covid-19 vaccination & related antibody tests) annualised; capital employed excludes impact of Purchase price allocation consequent to merger with Radiant & acquisitions during the year and short term FDRs. Depreciation has been considered based on normalised replacement capex

9M ended Dec'20



9M ended Dec'21

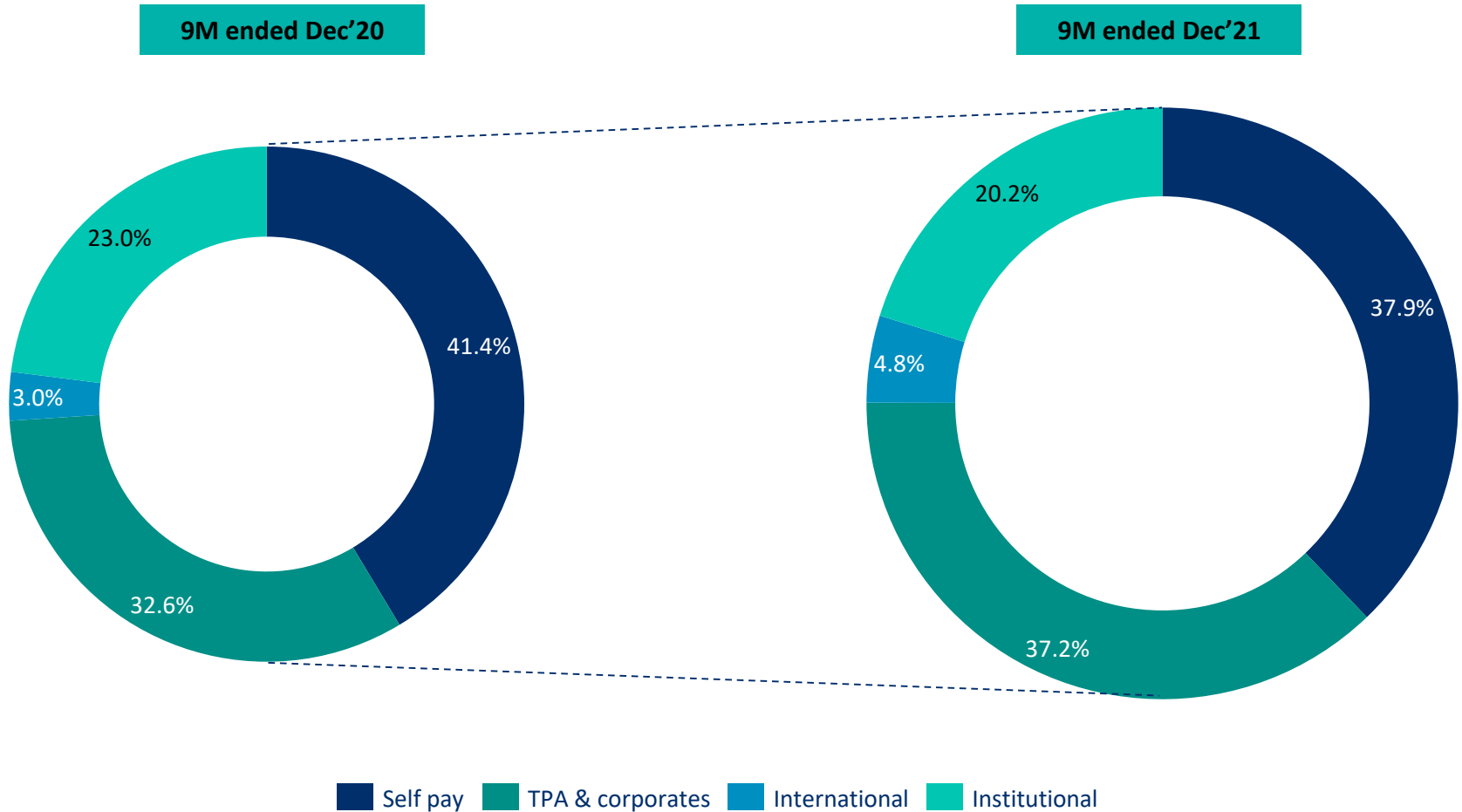


**Note:** Excludes OP and day care revenue, revenue from SBUs and other operating income

\* Includes chemotherapy and radiotherapy

^ Includes Dialysis

### Share of Revenue



**Note:** Excludes revenue from Covid-19 vaccination & related antibody tests, SBUs and other operating income

## P&L Statement: 9M ended Dec'21

Figs in INR Cr

	9M ended Dec'20		9M ended Dec'21	
	Amount	% NR	Amount	% NR
Gross revenue (incl. movement in unbilled) <sup>1</sup>	2,719		4,211	
<b>Net revenue</b>	<b>2,540</b>	<b>100.0%</b>	<b>3,992</b>	<b>100.0%</b>
Direct costs	1,073	42.2%	1,606	40.2%
<b>Contribution</b>	<b>1,467</b>	<b>57.8%</b>	<b>2,386</b>	<b>59.8%</b>
Indirect overheads	1,094	43.1%	1,300	32.6%
<b>Operating EBITDA</b>	<b>373</b>	<b>14.7%</b>	<b>1,085</b>	<b>27.2%</b>
ESOP (Equity-settled scheme)	14	0.6%	29	0.7%
Movement in fair value of contingent consideration payable and amortisation of contract assets <sup>2</sup>	(1)	(0.0%)	5	0.1%
Transaction Cost including QIP related cost & Loss on fair valuation of pre-merger holding of Radiant under Ind AS 103 <sup>2</sup>	249	9.8%	-	-
Exceptional item : Payment to employees under VRS <sup>3</sup>	-	-	9	0.2%
<b>Reported EBITDA</b>	<b>111</b>	<b>4.4%</b>	<b>1,042</b>	<b>26.1%</b>
Finance cost (net) <sup>4</sup>	137	5.4%	85	2.1%
Depreciation and amortisation	164	6.4%	183	4.6%
<b>Profit before tax</b>	<b>(190)</b>	<b>(7.5%)</b>	<b>774</b>	<b>19.4%</b>
Tax	13	0.5%	109	2.7%
<b>Profit after tax</b>	<b>(204)</b>	<b>(8.0%)</b>	<b>664</b>	<b>16.6%</b>

Note : The numbers for the previous period have been recasted and regrouped to make them comparable with the disclosure in the current period

1. 9M ended Dec'21 includes gross revenue of INR 234 Cr (EBITDA of INR 85 Cr) from Covid-19 vaccination & related antibody tests
2. This is a non cash item representing change in fair value of contingent consideration payable to Trust/Society over the balance period (~22 to 33 years) under O&M Contracts and represents impact of changes in the time value of discounted liability, business plan projections and change in discount rate
3. Voluntary Retirement Scheme (VRS) relates to Nanavati-Max hospital; the scheme closed in Nov'21
4. QIP proceeds received in mid-March and cash from operations were partially used to pre-pay term loans, thereby reducing the finance costs during 9M ended Dec'21



# Max Healthcare : Memorandum Profit & Loss Consolidation sheet of Network Financials for 9M ended Dec 21

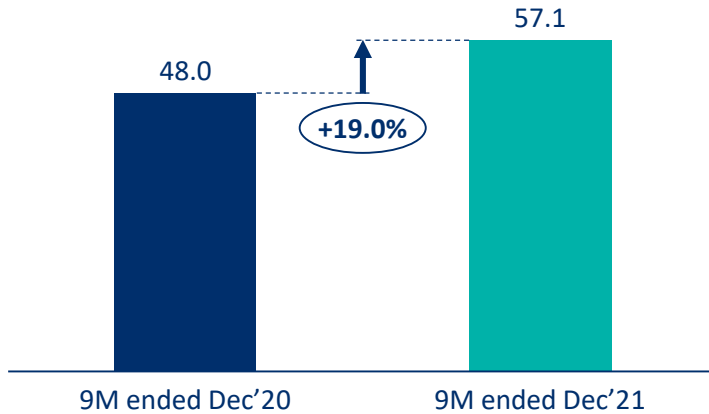
(INR Cr)	MHIL & its subsidiaries & Silos	Partner Healthcare Facilities ("PHF") Financials (IGAAP Unaudited)*				Eliminations & Adjustment <sup>(2)</sup>	MHC Network (Consolidated) (Certified by an ICA)
	Ind AS Unaudited	Balaji Society	GM Modi Society	Devki Devi Society	IND AS Adjustment <sup>(1)</sup>		
Revenue from operations	2,993	414	258	547	-	(261)	3,950
Other income <sup>(3)</sup>	45	2	2	8		(15)	42
<b>Total operating income</b>	<b>3,037</b>	<b>416</b>	<b>260</b>	<b>555</b>		<b>(276)</b>	<b>3,992</b>
Pharmacy, drugs, consumables & other direct costs	723	78	58	170	-	24	1,052
Employee benefits expense <sup>(4)</sup>	562	57	36	56	-	133	845
Other expenses <sup>(5)</sup>	942	180	121	211	(3)	(442)	1,009
<b>Total expenses</b>	<b>2,227</b>	<b>315</b>	<b>216</b>	<b>438</b>	<b>(3)</b>	<b>(285)</b>	<b>2,906</b>
<b>Operating EBITDA</b>	<b>811</b>	<b>101</b>	<b>44</b>	<b>117</b>	<b>3</b>	<b>9</b>	<b>1,085</b>
<b>Less: non-operating expenses</b>							
ESOP (Equity-settled Scheme)	29	-	-	-	-	-	29
Movement in fair value of contingent consideration payable and amortisation of contract assets	5	-	-	-	-	-	5
Exceptional costs: payment to employees under VRS	9						9
<b>Reported EBITDA</b>	<b>768</b>	<b>101</b>	<b>44</b>	<b>117</b>	<b>3</b>	<b>9</b>	<b>1,042</b>
Finance costs (Net)	21	8	21	22	1	12	85
Depreciation & Amortisation	163	14	11	16	2	(22)	183
<b>Profit / (Loss) before tax</b>	<b>584</b>	<b>80</b>	<b>12</b>	<b>79</b>	<b>-</b>	<b>19</b>	<b>774</b>
Tax expenses	103	-	-	-	-	6	109
<b>Profit / (Loss) after tax</b>	<b>481</b>	<b>80</b>	<b>12</b>	<b>79</b>	<b>-</b>	<b>12</b>	<b>664</b>

\*Newly added PHF i.e. Vikrant Children Foundation has not been reflected separately due to negligible values in the entity's P&L

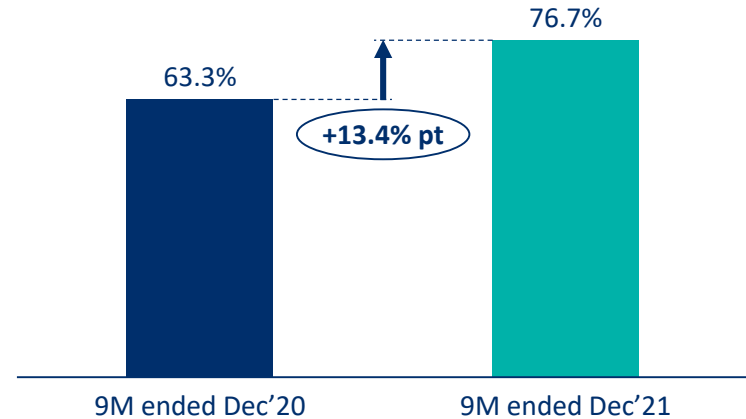
1) Mainly relates to Ind AS 116 (Accounting for Leases) at Partner Healthcare Facilities | (2) Eliminations relate to revenue earned from PHF by way of fees under various medical service agreements and income from sale of pharmaceuticals etc. Also includes consequential impact on amortization due to reversal of Intangible assets recognized in MHIL & its subsidiaries for contracts with PHFs. The net present value of the amount payable by a PHF to unconsolidated part of the other Society over the contract period has been accrued during PPA and payment there against has thus been knocked off against the liability so created. Further, forex gain/loss has also been reclassified under Finance costs | (3) Other Income includes income from EPCG, unclaimed balances written back, donations & contributions, scrap sale, income from outlets/in hospital displays etc. | (4) Includes movement in OCI for actuarial valuation impact but excludes ESOP (Equity Settled) expenses. | (5) Net of bad debts recovered & excludes movement in fair value of contingent consideration and amortisation of contract assets which is shown below Operating EBITDA

## Key Operational Highlights

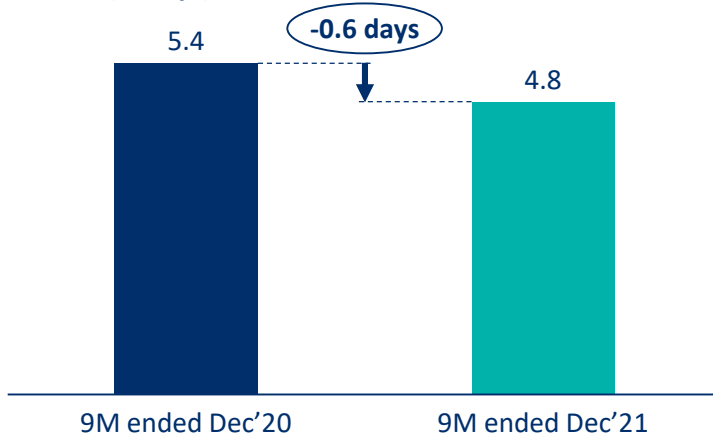
ARPOB<sup>1</sup> (INR/OBD) ('000)



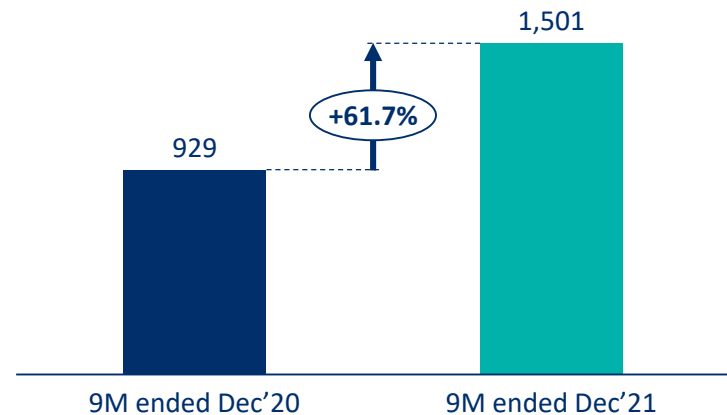
Avg. Inpatient Occupancy (%)



ALOS<sup>2</sup> (in days)



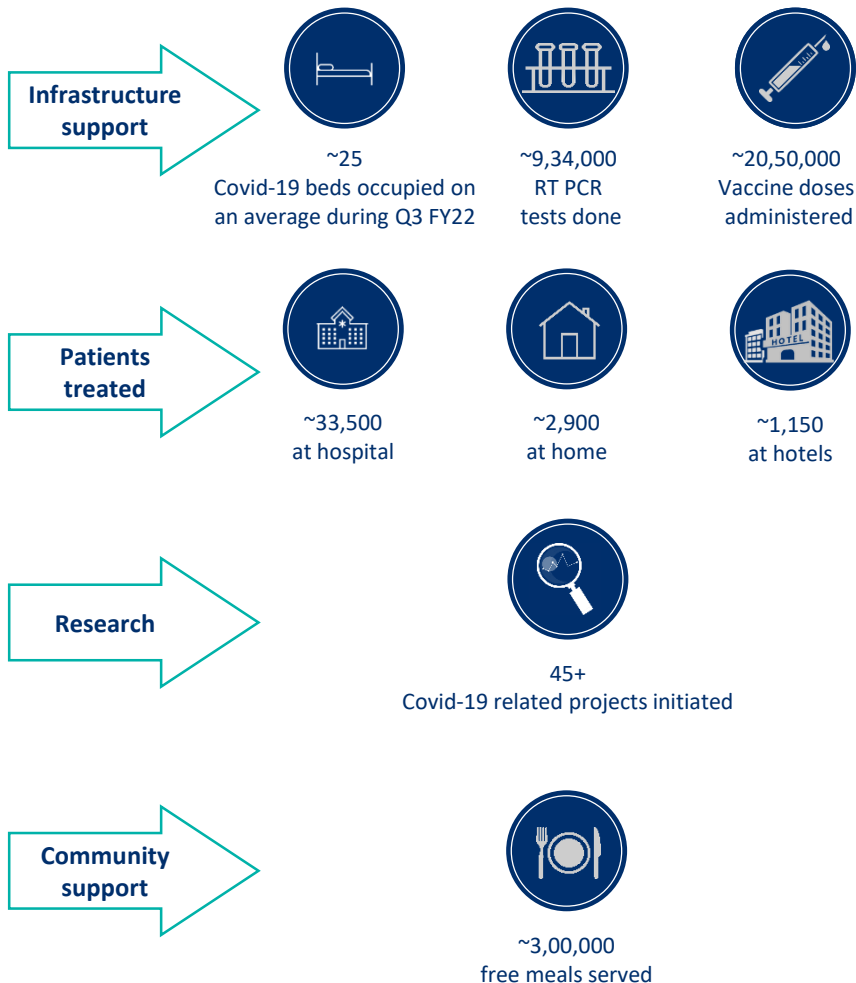
Outpatient consults ('000)



(1) ARPOB calculated as gross revenue/total OBD; Gross revenue excludes revenue from Covid-19 vaccination & related antibody tests and Max Lab operations | (2) ALOS calculated for discharged IP patients

## Covid-19 Update

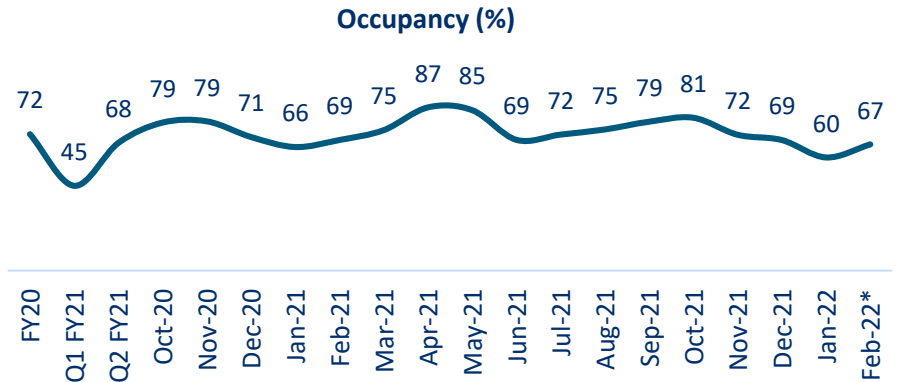
## Key contributions\* :



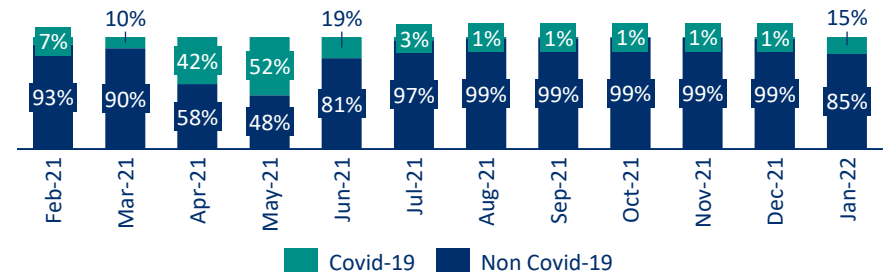
## Our response :

- ✦ First private hospital to offer a dedicated facility in Delhi for Covid-19 care
- ✦ One of the first private sector labs to start Covid-19 testing
- ✦ Operationalised one of the largest Covid-19 vaccination centres across India
  - ✦ spread over 1.65 acres; can operate 50 billing and 40 nursing counters
  - ✦ capacity to administer ~10,000 vaccine doses in a day
- ✦ Inoculated up to ~48,600 individuals in a single day across all the channels combined
- ✦ Installed O<sub>2</sub> generators at five network hospitals in NCR, thereby reducing dependence on liquid medical oxygen
- ✦ First of its kind convalescent plasma therapy trial for critically ill patients
- ✦ Set up Covid-19 related medical processes-
  - ✦ Formulated detailed clinical protocols for clinical management and infection prevention
  - ✦ Created isolation areas for segregation
  - ✦ Provided intensive training to frontline medical personnel
- ✦ Strengthened digital platforms-
  - ✦ Significantly ramped up tele-consulting- ~13,300 video consults during Q3 FY22
  - ✦ Developed remote monitoring capabilities, particularly during lockdown, in Tri-city

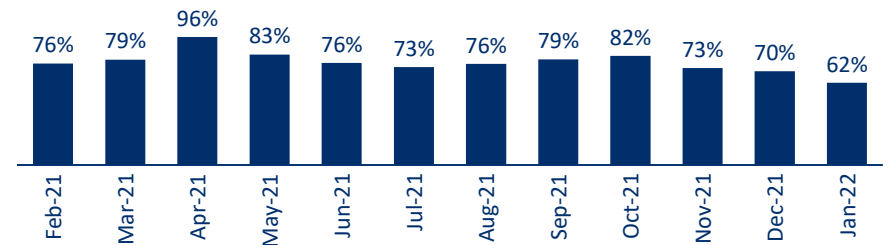
- ✱ Post sharp fall in occupancy rate at the start of first wave of Covid-19 at the end of Mar'20, the overall occupancy steadily rose back to normal levels in Q3 FY21
- ✱ Occupancy rebounded to 85%+ levels in Apr'21 and May'21 as second wave of Covid-19 hit India and normalised to ~75% levels during Q3 FY22, as Covid-19 cases declined
- ✱ Oct'21 occupancy was higher due to increase in vector-borne disease related cases in Delhi NCR
- ✱ Jan'22 occupancy was lower due to decline in OPD footfalls and overall admissions (both Covid-19 and non-Covid) due to Omicron wave. However, it's showing signs of recovery in Feb'22
- ✱ During April-May'21, higher number of beds were allocated to cater to surge of patients in the second wave of Covid-19
- ✱ Covid-19 reserved beds were varied in tandem with the rate of Covid-19 admissions and advisory from the regulatory bodies
- ✱ During Aug'21 to Dec'21, just ~1% of the total occupied beds are being utilised for treatment of Covid-19 patients, while it increased to ~16% during Jan'22 as Covid-19 cases surged during the 3<sup>rd</sup> wave



## Occupied bed share split



## Non Covid-19 occupancy<sup>1</sup>

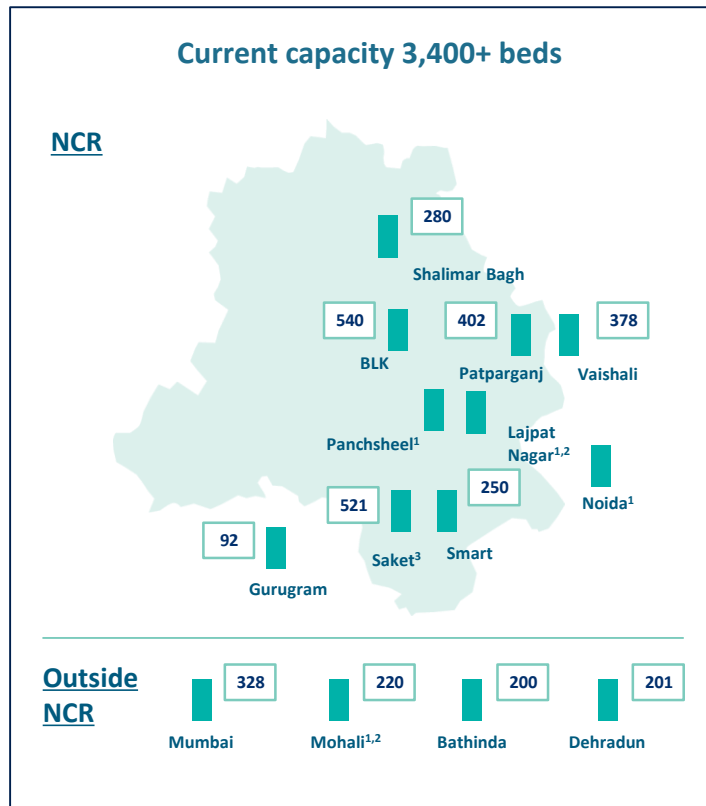


1) Occupancy calculated on the basis of beds dedicated to non Covid-19 for the respective month

\* Run rate basis first week of Feb'22

## About the Company

# Max Healthcare: India's Second Largest\* Hospital Chain in terms of revenue, EBITDA and market capitalization



Max Hospitals and medical centres



17  
Facilities



~85%  
Beds in metros



+75%  
Occupancy



13%<sup>^</sup>  
Revenue CAGR  
3 years

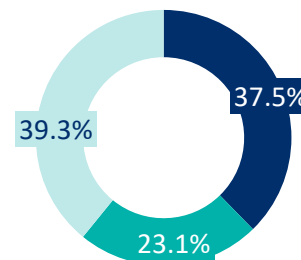


+60%<sup>^</sup>  
EBITDA CAGR  
3 years



32%  
ROCE

Shareholding structure (as on December 31, 2021)



**Top Public investors**  
(>1% shareholding) includes -

- SBI Mutual Fund
- HDFC Mutual Fund
- Smallcap World Fund
- Canara Robeco Mutual Fund

Kayak Abhay Soi Public & Others

\* Based on publicly available information for listed companies (FY21)

(1) Standalone speciality clinics with outpatient and day care services | (2) 2 facilities each at these locations | (3) 320 beds in East Block and 201 in West Block

<sup>^</sup>CAGR is calculated for FY19 to FY22, FY22 is annualized basis run rate for 9M ended Dec'21

# Vision: To be the Most Well Regarded Healthcare Provider in India

To be the **most well regarded healthcare provider** in India committed to the highest standards of **clinical excellence and patient care** supported by **latest technology and cutting edge research**





## Robotics



Advanced robotics provides high precision and enables minimal invasive surgery across multiple specialties such as Oncology, Neurology

## TrueBeam Stx LINAC System



Provides a variety of treatment techniques such as HyperArc and RapidArc to address a broad range of cancer cases

## Cath Lab – Artis Zee Pure



Artis zee floor-mounted system with a large detector offers excellent performance for an improved clinical workflow with a larger field of view

## S8 Navigation with O-Arm



StealthStation™ S8 navigation integrates with the O-arm(opens new window)™ imaging system, replacing intraoperative fluoroscopy with a fluid, 3D-navigated surgical experience

## Radixact – TomoTherapy System



Next generation TomoTherapy platform, designed to enable more efficient, effective and precise delivery of radiation to the entire spectrum of cancer indications

## Intra OP Portable CT



BodyTom® has the ability to perform axial, helical (CTA), and dynamic scanning, making it ideal for providing multi-departmental imaging solutions

## Research:



Significant **strategic partnerships** including Deakin University, Australia and Imperial College London – 15,000+ research participants and 1 million pound research grant



900+ high index journal **research publications** in last 5 years



Private **bio bank** - ~15,000 bio samples stored



Several **research grants** from leading organisations such as CSIR, DBT, ICMR, INSA, etc.



Researching use of Artificial Intelligence in Radiology with leading international partners



80+ on-going clinical **research projects**

## Academics:

Max Institute of Medical Excellence (MIME) is the **education division** of MHC for medical education & training

- ✳ Hosts prestigious Royal college of Physicians exam - successfully hosted 4 examinations
- ✳ Recognised by JRCPTB to deliver post graduate Internal medicine training outside UK
- ✳ Conducts Masters in Emergency program in collaboration with George Washington University, USA
- ✳ 15,000+ students trained in Life Support programmes in last 5 years
- ✳ ~12,000 trainees participate in various training programmes and exams annually
- ✳ ~1,200 trainees undergo CMEs, workshops and bespoke trainings annually
- ✳ 300+ post graduate students enrolled across 30+ specialties

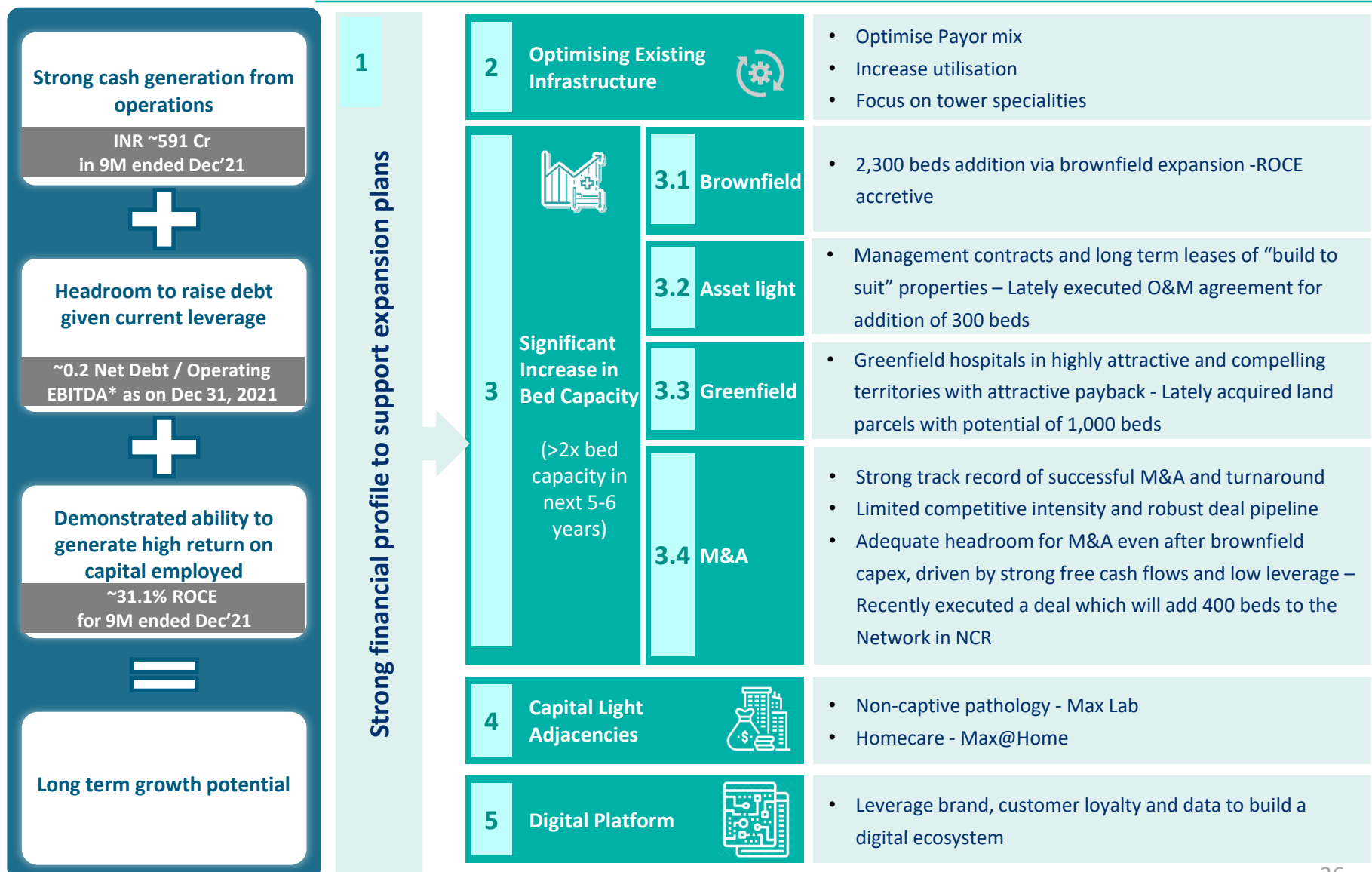
Figs in INR Cr

	FY19		FY20		FY21		9M ended Dec'21	
	Amount	% NR	Amount	% NR	Amount	% NR	Amount	% NR
Gross revenue (incl. movement in unbilled)	3,920		4,356		3,881		4,211	
<b>Net revenue</b>	<b>3,599</b>	<b>100.0%</b>	<b>4,023</b>	<b>100.0%</b>	<b>3,629</b>	<b>100.0%</b>	<b>3,992</b>	<b>100.0%</b>
Direct costs	1,566	43.5%	1,715	42.6%	1,508	41.6%	1,606	40.2%
<b>Contribution</b>	<b>2,033</b>	<b>56.5%</b>	<b>2,308</b>	<b>57.4%</b>	<b>2,121</b>	<b>58.4%</b>	<b>2,386</b>	<b>59.8%</b>
Indirect overheads	1,685	46.8%	1,719	42.7%	1,485	40.9%	1,300	32.6%
<b>Operating EBITDA</b>	<b>348</b>	<b>9.7%</b>	<b>590</b>	<b>14.7%</b>	<b>636</b>	<b>17.5%</b>	<b>1,085</b>	<b>27.2%</b>
Loss on fair valuation of pre-merger holding of Radiant under IND AS 103	-	-	-	-	196	5.4%	-	-
Transaction cost	30	0.8%	43	1.1%	48	1.3%	-	-
ESOP (Equity - settled scheme)	-	-	-	-	27	0.7 %	29	0.7%
One time policy harmonisation impact	-	-	-	-	5	0.1%	-	-
Movement in fair value of contingent consideration payable and amortisation of contract assets	19	0.5%	(3)	(0.1%)	1	0.0%	5	0.1%
Exceptional item : Payment to employees under VRS <sup>3</sup>	-	-	-	-	-	-	9	0.2%
<b>Reported EBITDA</b>	<b>299</b>	<b>8.3%</b>	<b>549</b>	<b>13.6%</b>	<b>359</b>	<b>9.9%</b>	<b>1,042</b>	<b>26.1%</b>
Finance costs (net)	155	4.3%	215	5.3%	187	5.2%	85	2.1%
Depreciation and amortisation	186	5.2%	208	5.2%	216	6.0%	183	4.6%
<b>Profit before tax</b>	<b>(42)</b>	<b>(1.2%)</b>	<b>126</b>	<b>3.1%</b>	<b>(45)</b>	<b>(1.2%)</b>	<b>774</b>	<b>19.4%</b>
Tax	18	0.5%	(3)	(0.1%)	50	1.4%	109	2.7%
<b>Profit after tax</b>	<b>(60)</b>	<b>(1.7%)</b>	<b>129</b>	<b>3.2%</b>	<b>(95)</b>	<b>(2.6%)</b>	<b>664</b>	<b>16.6%</b>

**Note:**

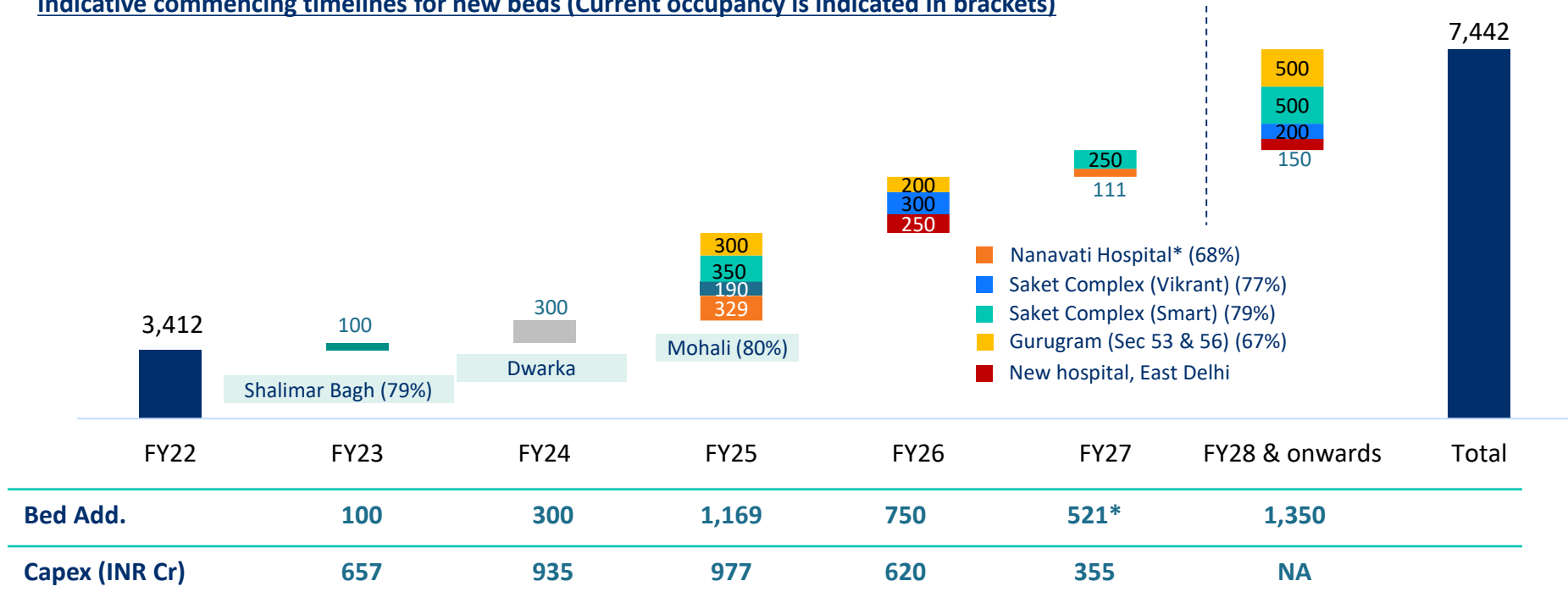
1. The numbers for the previous periods have been re-casted and regrouped to match with the disclosure in the current period
2. FY19 financials are pre-IND AS -116 unaudited numbers based on arithmetic total of line items appearing in the pre-merger P&L of Max Healthcare and Radiant Lifecare
3. Voluntary Retirement Scheme (VRS) relates to Nanavati-Max hospital; the scheme closed in Nov'21

## Multiple avenues for future growth



# Existing valuable land bank to enable addition of 4,000+ beds, with ~2,800 beds coming in next 5 years

Indicative commencing timelines for new beds (Current occupancy is indicated in brackets)



✳ Clear visibility on new bed additions for the next few years based on land banks and O&M agreements in place

✳ Actively looking to deploy strong free cash flows to meaningfully further enhance bed capacity

✳ Potential to add ~600 to ~800 beds every year through internal accruals itself

✳ Robust pipeline of potential opportunities to further scale growth

\* 160 beds needs to be demolished before commencement of Phase 2 | Occupancy provided is for Q3 FY22

## Clinical Safety

- \* Patient Safety Award by FICCI
- \* Diamond Award for Stroke Ready Centre by the World Stroke Organisation
- \* Times Healthcare Achievers Award



- \* Nursing Excellence Award at AHPI Healthcare Excellence Awards 2020



## Operational Excellence

- \* Ranked 1<sup>st</sup> in "Excellence in Hospital Management during Covid Times" by Economic Times in 2021



- \* FICCI Excellence Awards for 'Operational Excellence'
- \* Best green hospital (reducing carbon foot print of tertiary care hospital)
- \* Best hi-tech hospital at ET Healthcare awards 2020



## Service Quality

- \* Best customer service in Healthcare



- \* Bronze award for 'Life savers' project (Max Bike responder) at 'American Society for Quality'
- \* Ranked amongst the best hospitals in North India (2021) by The Week
- \* D.L. Shah National Award for 'Economics of Quality' by QCI



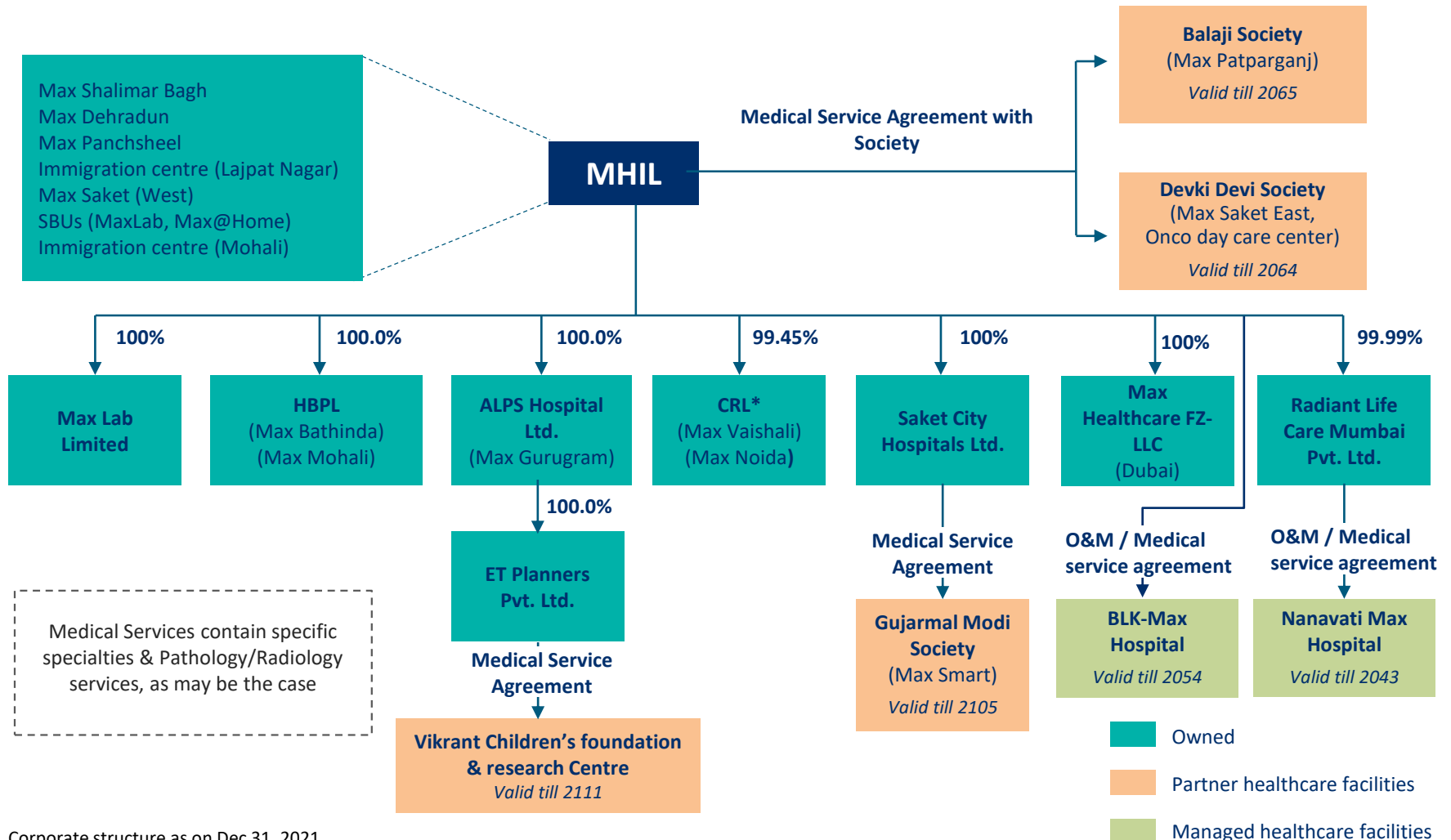
## Others

- \* ET Best Healthcare brand
- \* HIMSS-Elsevier Digital Healthcare Award 2019



- \* Excellence award at the prestigious International Hospital Federation Awards 2021
- \* Gold award from Hospital Management Asia





Corporate structure as on Dec 31, 2021

Validity includes extensions available under the contract

MHIL – Max Healthcare Institute Limited; CRL – Crosslay Remedies Limited; HBPL – Hometrail Buildtech Private Limited

## List of Network Healthcare Facilities

Name	Location	Description
Max Super Speciality Hospital, (West Block) Saket	Delhi	Hospital
Max Super Speciality Hospital, (East Block) Saket	Delhi	Hospital
Max Smart Super Speciality Hospital, Saket	Delhi	Hospital
BLK-Max Super Speciality Hospital, Rajendra Place	Delhi	Hospital
Nanavati Max Hospital, Mumbai	Mumbai	Hospital
Max Hospital, Gurugram	Gurugram	Hospital
Max Super Speciality Hospital, Patparganj	Delhi	Hospital
Max Super Speciality Hospital, Vaishali	Ghaziabad	Hospital
Max Super Speciality Hospital, Shalimar Bagh	Delhi	Hospital
Max Super Speciality Hospital, Mohali	Mohali	Hospital
Max Super Speciality Hospital, Bhatinda	Bathinda	Hospital
Max Super Speciality Hospital, Dehradun	Dehradun	Hospital
Max Multi Speciality Centre, Panchsheel Park	Delhi	Medical centre
Max MedCentre, Lajpat Nagar (Immigration Department)	Delhi	Medical centre
Max Institute of Cancer Care, Lajpat Nagar	Delhi	Medical centre
Max Multi Speciality Centre, Noida	Noida	Medical centre
Max MedCentre, Mohali	Mohali	Medical centre



Term	Description
Gross Revenue	Amount billed to the patients/customers as per contracted/rack rates, as applicable, including the patients from the economically weaker section (EWS) on discharge basis; Also includes movement in unbilled revenue at the end of the period for patients admitted in the hospital on reporting date and other operating income such as SEIS income, EPCG income, unclaimed balances written back, etc.
Net Revenue	Gross revenue minus management discounts, amount billed to EWS patients, employee discounts, marketing discounts and allowance for deductions for expected credit loss.
Contribution	Net revenue minus material cost, F&B cost and salary/professional fess paid to clinicians credentialed for OPD consultations and IPD admissions
Indirect overheads	Major costs include – Personnel costs (excl. clinicians credentialed for OPD consultations and IPD admissions), hospital services, Admin, Provision for doubtful debts, advertisement and allied costs, Power and utilities, Repair and maintenance
Operating EBITDA	Contribution minus indirect overheads, excluding one-off expenses, extraordinary expenses and specific non-cash expenses (itemised separately) which are accrued due to IND AS requirements, but are not operating in nature;
EBITDA per bed	Operating EBITDA divided by occupied bed days, annualised. Excludes incremental EBITDA from Covid-19 vaccination & related antibody tests and Max Lab operations
Cash from operations	Represents cash generated from operations after amount deployed for routine capex, finance cost, payment of taxes and working capital changes relating to operations
ARPOB	Average Revenue per Occupied Bed; Gross revenue divided by the occupied bed days; excludes revenue from Covid-19 vaccination & related antibody tests and Max Lab operations
ALOS	Average Length of Stay; on discharge basis

Max Healthcare Institute Limited (MHIL) is India's leading provider of healthcare services. It is committed to the highest standards of medical and service excellence, patient care, scientific and medical education.

MHIL has major concentration in north India consisting of a network of 17 healthcare facilities. Out of the total network, eight hospitals and four medical centres are located in Delhi and the NCR and the others are located in the cities of Mumbai, Mohali, Bathinda and Dehradun. The Max network includes all the hospitals and medical centres owned, operated and managed by the Company and its subsidiaries, and partner healthcare facilities. These include state-of-the-art tertiary and quaternary care hospitals at Saket, Patparganj, Vaishali, Rajendra Place, and Shalimar Bagh in NCR Delhi and one each in Mumbai, Mohali, Bathinda and Dehradun, secondary care hospital in Gurgaon and Day Care Centres at Noida, Lajpat Nagar and Panchsheel Park in NCR Delhi and one in Mohali, Punjab. The hospitals in Mohali and Bathinda are under PPP arrangement with the Government of Punjab.

In addition to its core hospital business, MHIL has two SBUs - Max@Home and MaxLab. Max@Home is a platform that provides health and wellness services at home and MaxLab offers diagnostic services to patients outside its network.

**For further information,  
please contact:**

For more information, visit

[www.maxhealthcare.in](http://www.maxhealthcare.in)

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