



MAX
Healthcare

Q2 & H1 FY24 – Earnings update

November 06, 2023



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In addition, this presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. The financial information outlined in this presentation is different from that of the Consolidated financials of MHIL since the financial information of the Partner Healthcare Facilities is included in this presentation and hence might not meet statutory, regulatory or other audit or similar stipulated requirements. Further the financial information contained in this presentation is based on the unaudited financials of the Company, its subsidiaries, Managed Healthcare Facilities along with the unaudited financial information (prepared under IGAAP) of the Partner Healthcare Facilities as received from such partners and updated for intra-network eliminations and IND AS related adjustments. The unaudited financial information relating to Partner Healthcare Facilities post IND AS adjustments, have neither been verified by the Company nor by its Subsidiaries or its auditors. Accordingly, to that extent, limited reliance should be placed on the financial information of such Partner Healthcare Facilities included in this presentation. MHIL may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. This presentation should not be copied or disseminated in any manner.

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1. Max Healthcare Institute Limited (“MHIL”), its subsidiaries and deemed separate entities (i.e. silos for managed healthcare facilities) constitute MHIL Group under IND AS 110 . MHIL Group also has long term contracts with certain societies, who own and operate hospitals and act in concert with other Max Hospitals to provide high end medical care to the communities. MHIL Group carries significant financial exposure and control medical operations of these hospitals through Hospital Management Committee structure or otherwise. These hospitals are treated as Partner Healthcare Facilities (“PHF”) and form part of Max Network of Hospitals. Given the financial exposure and operating model, it is considered appropriate by MHIL management to disclose the financial performance of the Network Hospitals as a whole, by way of a certified memorandum consolidation of financial results of operations of MHIL, its subsidiaries, managed healthcare facilities and PHFs (all these entities combined together are referred as “Network”), which have been subjected to review by their statutory auditors.
2. The Consolidated financial information contained in this presentation is thus different from that of the MHIL Group since the financials of Partner Healthcare Facilities (PHFs) are also included. The information is drawn up based on the management consolidation of the unaudited financials of the Company, its subsidiaries, managed healthcare facilities and those of the PHFs (prepared under IGAAP), duly adjusted for intra-network eliminations and IND AS related adjustments. The Consolidated financial information post IND AS adjustments, is certified by an independent firm of chartered accountants.
3. 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 Group, while accounting for the Business Combination in June 2020 has carried out a fair valuation exercise, whereby the assets and liabilities of the acquired entity (i.e. MHIL) & its subsidiaries and effects thereof were captured in the financials of the Company. 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 Q2 FY22 and the purchase price allocation (“PPA”) of this acquisition led to incremental change in tangible and intangible assets by INR 107 Cr beyond the investment value.
4. The Profit and Loss statement in the earnings update is prepared after line by line consolidation of the financials of MHIL, its subsidiaries, deemed separate entities/silos and PHFs, after eliminating intra Network transactions, in an investor friendly format.
5. In order to better explain the financial results, the exceptional items and material items which don’t truly represent the operating income/expenditure and are non-cash in nature have been identified and reported separately, to reflect the Operating EBITDA performance of the Network. The numbers are regrouped to meet industry specific information requirement of Investors. Further, the Profit after tax includes the impact of change in other comprehensive income and thus reflects Total Comprehensive income for the period.

Q2 FY24 Highlights

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H1 FY24 Highlights

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About the Company

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Q2 FY24 Highlights

Executive Summary: Q2 FY24 (1/2)

Network Financial highlights

- ✦ Gross revenue was INR 1,827 Cr compared to INR 1,567 Cr in Q2 FY23 and INR 1,719 Cr in Q1 FY24; reflecting a growth of +17% YoY and +6% QoQ. YoY growth of +17% is mainly driven by increase in ARPOB +13% and OBDs +3%
- ✦ 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 margin¹ for the quarter was 28.7% versus 27.7% in Q2 FY23 and 26.8% in Q1 FY24
 - ✦ EBITDA per bed² (annualised) stood at INR 75.0 Lakhs, growth of +17% YoY and +7% QoQ
- ✦ 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
- ✦ PAT was INR 338 Cr versus INR 267 Cr in Q2 FY23 and INR 291 Cr in Q1 FY24, growth of +26%YoY and +16% QoQ on a like to like basis³
- ✦ Cash generated from operations⁴ was INR 436 Cr versus INR 287 Cr in Q2 FY23. Further, INR 90 Cr was deployed towards ongoing capacity expansion projects
- ✦ Net Cash⁵ 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. This includes INR 97 Cr held in dividend account for distribution in Oct'23
- ✦ Pre-tax ROCE⁶ for Q2 FY24 stood at 38.3% versus 33.4% in Q2 FY23 and 35.6% in Q1 FY24

Operational highlights

- ✦ Occupancy stood at 77% in Q2 FY24 vs 78% Q2 FY23 and 74% in Q1 FY24. However, OBDs grew by +3% YoY & +5% QoQ . 93% of YoY increase & 118% of QoQ increase in OBDs was in CTI segment. IPD Discharges were up by 7% YoY
- ✦ 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
 - ✦ During Q2, the impact of revision in institutional tariff in April 23 & June 23 was INR 14 Cr
- ✦ International patient revenue improved by +25% YoY and +11% QoQ & accounted for ~9% of the hospital revenue. This represents ~1.4 times of pre-covid average while patient flows from Afghanistan continue to be impacted

Executive Summary: Q2 FY24 (2/2)

Operational highlights (contd..)

- ✱ ARPOB¹ for Q2 FY24 stood at INR 74.6k versus INR 66.0k in Q2 FY23 reflecting, +13% YoY. This is flat compared to Q1 FY24 due to seasonal factors
- ✱ Improvement in ARPOB over Q2 FY23 was witnessed across all specialities and hospitals. Increase in share of Oncology did contribute to the YoY growth in ARPOB
- ✱ ALOS stood at 4.1 days in Q2 FY24, compared to 4.3 days in Q2 FY23 & same in Q1 FY24
- ✱ OP consults stood at 6.5 lakhs reflecting a growth of +14% YoY and +4% QoQ
- ✱ Digital revenue from online marketing activities, web-based appointments and digital lead management stood at INR 395 Cr, i.e. ~22% of overall revenue. The websites traffic grew by +11% YoY to reach 38 lakhs+ sessions
- ✱ Max Lab (non-captive pathology vertical) reported gross revenue of INR 39 Cr. On a like to like basis, the revenue (excl. Covid-19 related tests) grew by +32% YoY and +15% QoQ. Max Lab services are now available across 36 cities
- ✱ Max@Home gross revenue was INR 42 Cr, a growth of +23% YoY and +8% QoQ
- ✱ ~38,972 OPD consults and ~1,295 IPD admissions to patients from economically weaker sections were provided free of charge

Clinical Highlights

Clinical update:

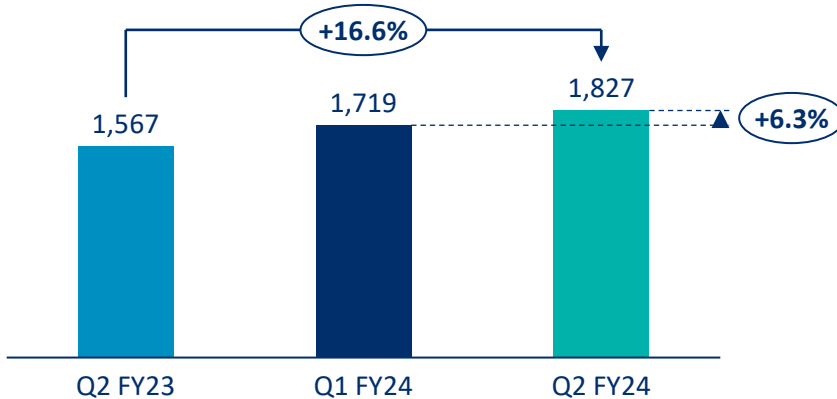
- ✱ Signed MoU with Intuitive to establish Southeast Asia's 1st Total Program Observation (TPO) Centre, located at MSSH-Saket, to drive enhancements in patient care using robotic-assisted surgery
- ✱ 2,400+ Liver Transplants, ~3,800 Kidney Transplants and 1,740+ Bone Marrow Transplants have been performed till date

Research and academics:

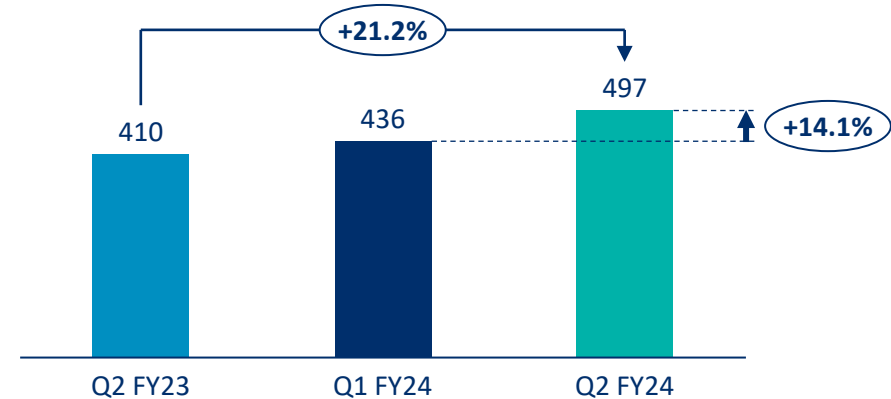
- ✱ Signed MoU with Royal College Of Obstetricians & Gynecologists UK for MRCOG training
- ✱ Published 107 articles in high impact journals & ~103 clinical trials and 22 grant studies are underway

Key Financial Highlights

Gross Revenue (INR Cr)

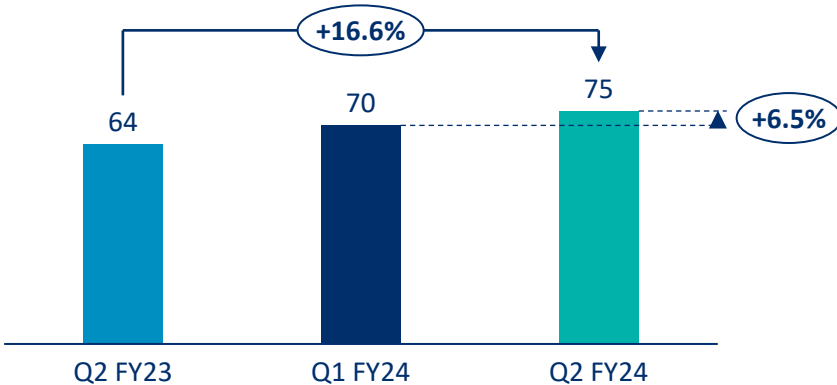


Operating EBITDA (INR Cr)

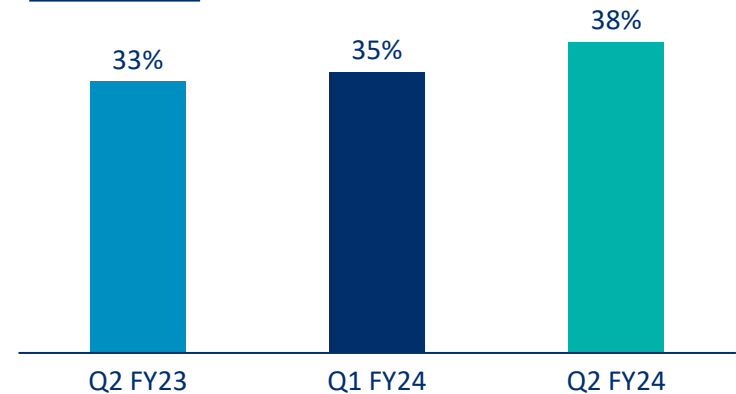


Margin¹ (%) Q2 FY23 : 27.7% | Q1 FY24 : 26.8% | Q2 FY24 : 28.7%

Operating EBITDA per bed² (INR Lakhs)



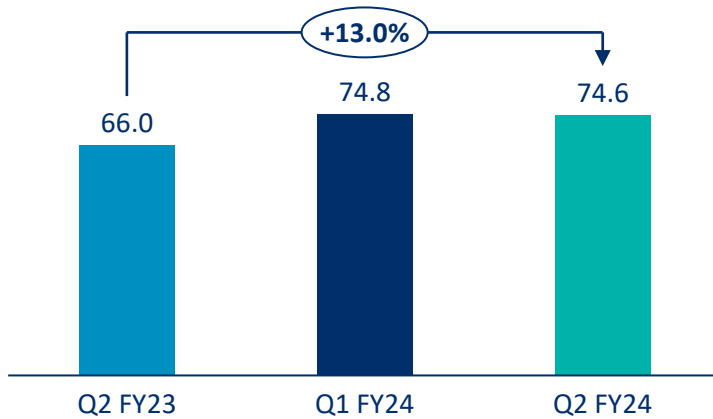
Pre-tax ROCE³



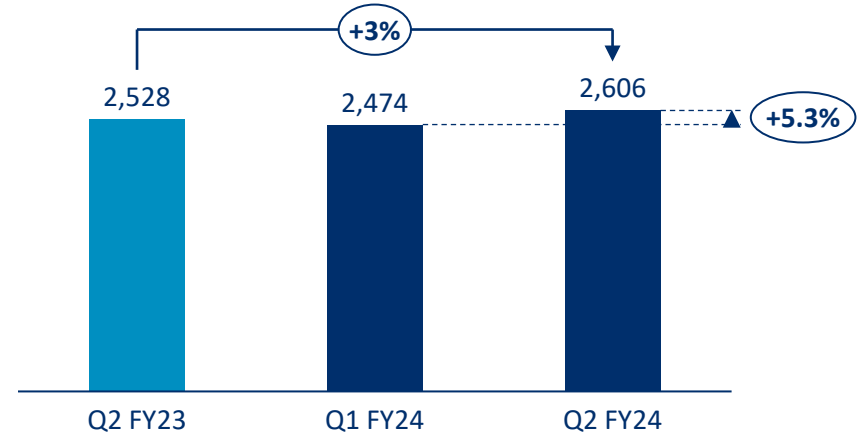
(1) Margin calculated on net revenue | (2) EBITDA per bed is annualised using relevant quarterly performance; excludes EBITDA from Max Lab operations | (3) Based on quarterly EBIT annualised; capital employed excludes (a) impact of Purchase price allocation at the time of merger with Radiant, (b) acquisition of ET Planner in Q2 FY22 and (c) FDRs. Depreciation for EBIT has been considered based on normalised routine capex.

Key Operational Highlights

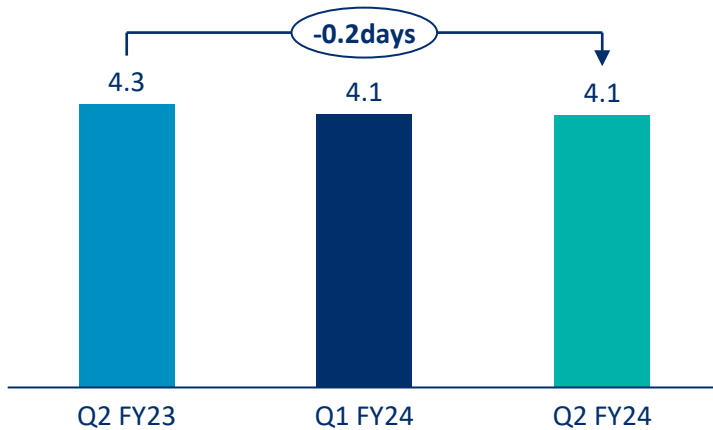
ARPOB¹ (INR/OBD) ('000)



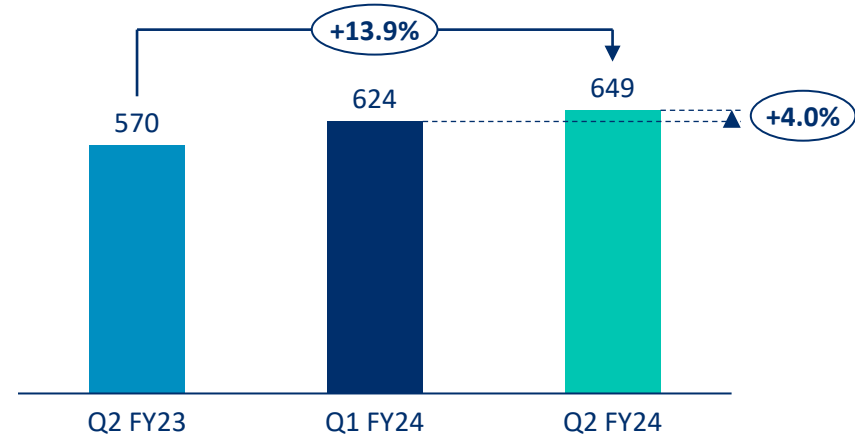
Avg. Inpatient Occupied Beds



ALOS² (in days)



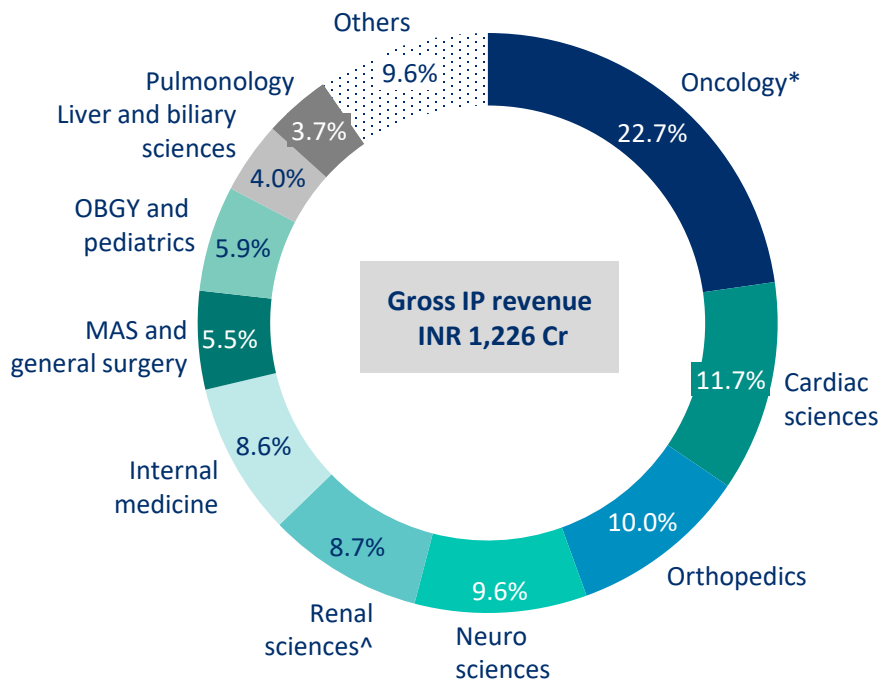
Outpatient consults ('000)



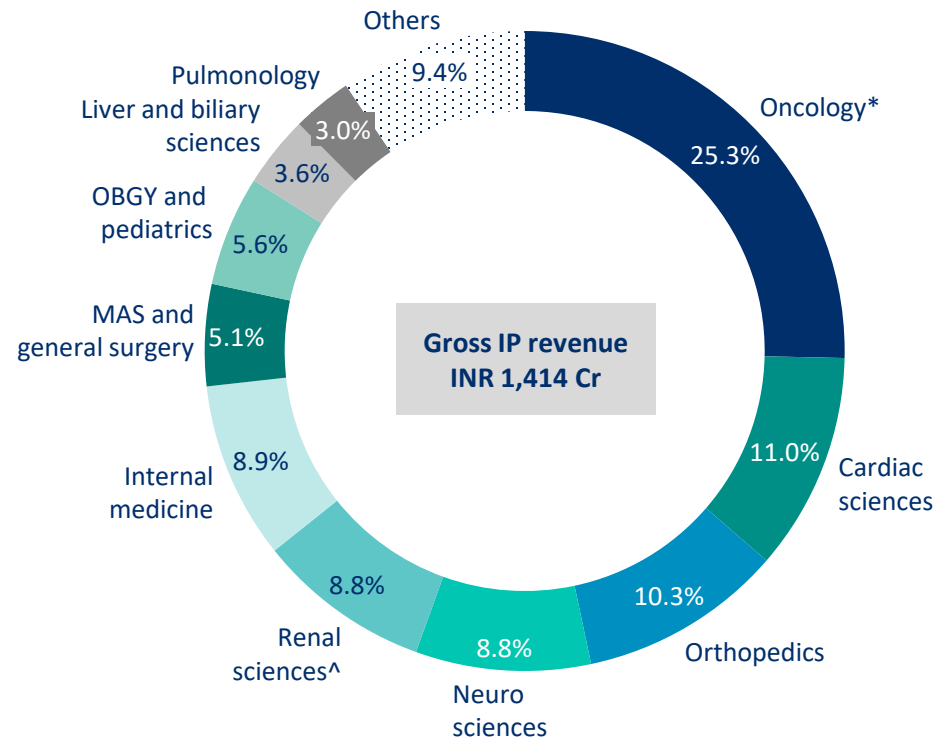
(1) ARPOB calculated as gross revenue/total OBD; Gross revenue excludes revenue from Max Lab operations

(2) ALOS calculated for discharged IP patients

Q2 FY23



Q2 FY24

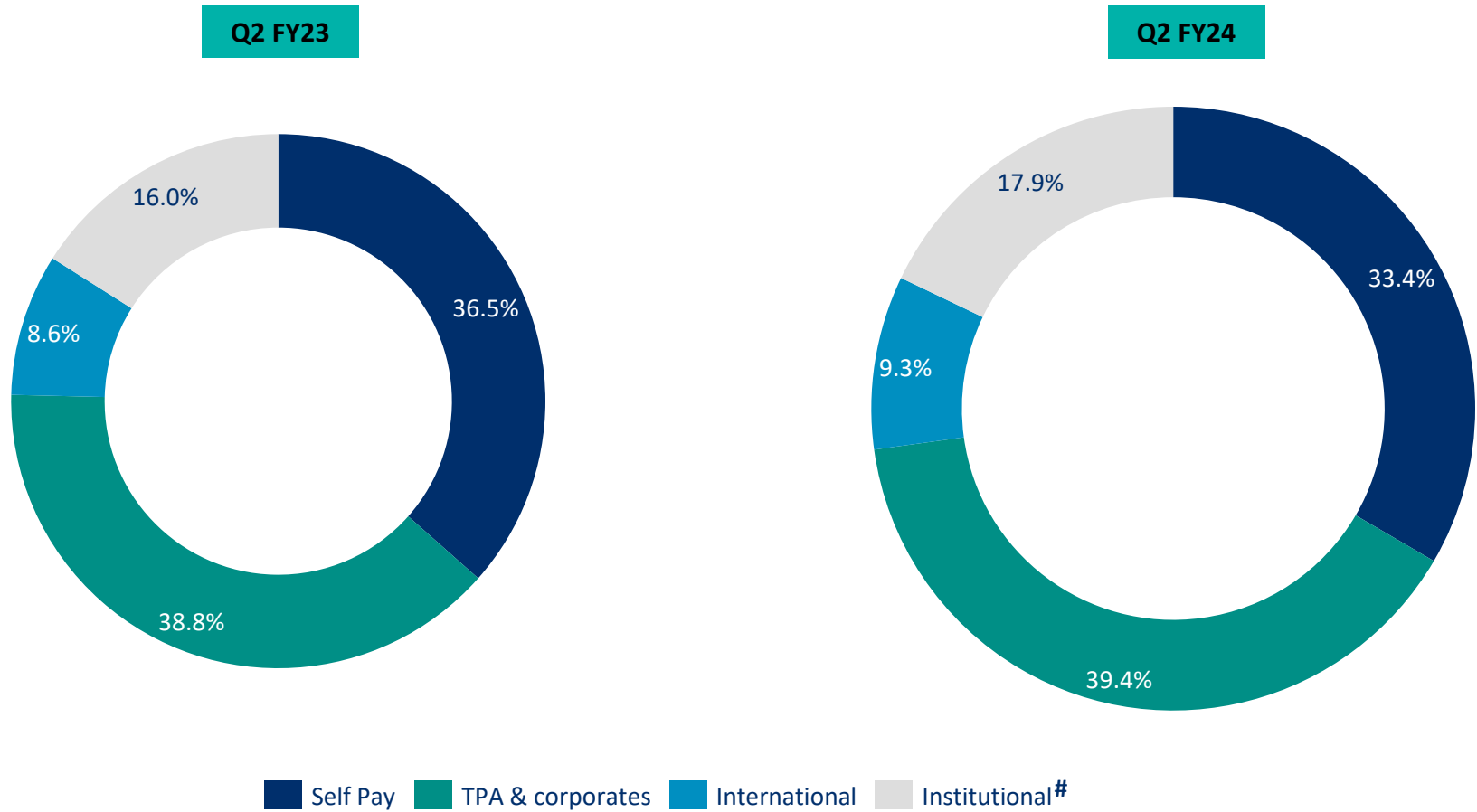


Note: Excludes OP and day care revenue, revenue from SBUs and other operating income;

* Includes chemotherapy and radiotherapy

^ Includes Dialysis

Share of Revenue*



Note:

*Excludes revenue from SBUs and other operating income

[#]The institutional revenue share has improved YoY despite reduction in bed share, due to increase in ARPOB in CGHS segment

Network P&L Statement: Q2 FY24

Figs in INR Cr

	Q2 FY23		Q1 FY24		Q2 FY24	
	Amount	% NR	Amount	% NR	Amount	% NR
Gross revenue	1,567		1,719		1,827	
Net revenue	1,482	100.0%	1,629	100.0%	1,732	100.0%
Direct costs ¹	575	38.8%	650	39.9%	667	38.5%
Contribution	907	61.2%	979	60.1%	1,065	61.5%
Indirect overheads ²	497	33.5%	543	33.3%	567	32.8%
Operating EBITDA	410	27.7%	436	26.8%	497	28.7%
Less:						
ESOP (Equity-settled Scheme)	5	0.4%	12	0.7%	12	0.7%
Movement in fair value of contingent consideration payable and amortisation of contract assets ³	6	0.4%	7	0.4%	7	0.4%
Reported EBITDA	399	26.9%	417	25.6%	478	27.6%
Finance cost/(income) ⁴	14	0.9%	(3)	(0.2%)	(17)	(1.0%)
Depreciation and amortisation	64	4.3%	64	3.9%	66	3.8%
Profit before tax	321	21.7%	356	21.9%	429	24.8%
Tax ⁵	(190)	(12.8%)	66	4.0%	91	5.3%
Profit after tax	511	34.5%	291	17.8%	338	19.5%

1. Direct costs are lower compared to Q1 FY24 due to increase in medical patients attributed to seasonal vector borne diseases
2. Increase in Indirect overheads over Q1 FY24 is mainly attributed to S&M costs for international patients and seasonal increase in power consumption
3. This is a non cash item representing change in fair value of contingent consideration payable to Trust/Society over the balance period (~20 to 31 years) under O&M Contracts and mainly represents impact of changes in the time value of discounted liability
4. Net off interest income on deposits and tax refunds & include forex gain/loss etc. Movement compared with Q1 FY24 is attributed to cash flow from operations & interest capitalisation on projects underway
5. Effective tax rate in Q2 FY24 stood at 21.2% compared to 18.4% in Q1 FY24, due to increase in medical service fee and O&M fee

Q2 FY24: Memorandum Consolidation of Network P&L

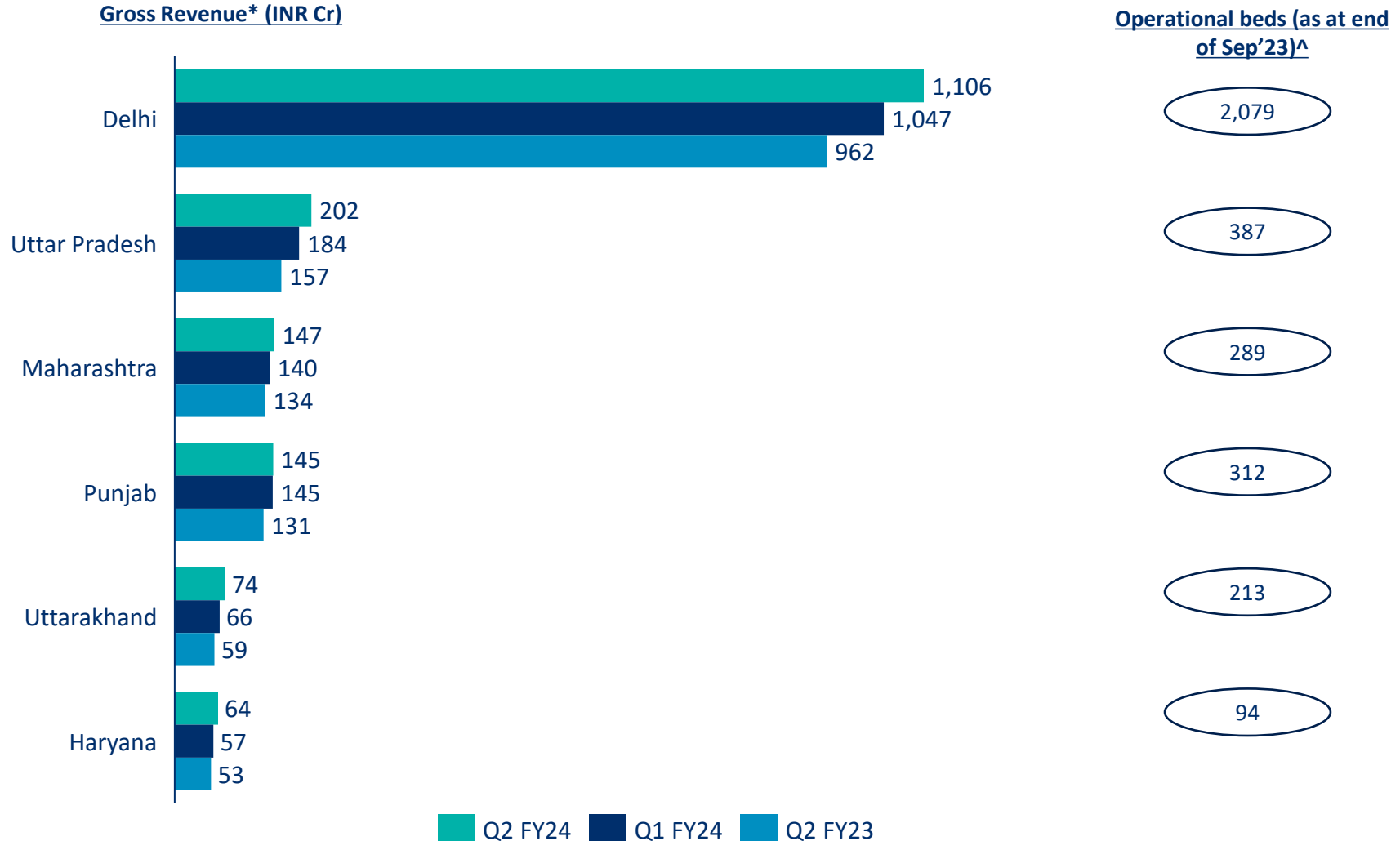
Figs in INR Cr

	MHIL, its subsidiaries & Silos	Partner Healthcare Facilities ("PHF") Financials (IGAAP Unaudited)*				Eliminations & Adjustment ⁽²⁾	MHC Network (Consolidated) (Certified by an ICA)
	IND AS Unaudited	Balaji Society	GM Modi Society	Devki Devi Society	IND AS Adjustment ⁽¹⁾		
Net revenue from operations	1363	161	109	202	-	(116)	1719
Other income ⁽³⁾	4	1	5	8	-	(5)	13
Total operating income	1367	161	114	210	-	(121)	1732
Pharmacy, drugs, consumables & other direct costs	280	33	23	53	-	18	407
Employee benefits expense ⁽⁴⁾	229	20	13	20	-	63	346
Other expenses ⁽⁵⁾	453	80	54	98	(1)	(201)	482
Total expenses	962	133	90	171	(1)	(120)	1234
Operating EBITDA	405	29	24	39	1	(1)	497
Less:							
ESOP (Equity-settled Scheme)	12	-	-	-	-	-	12
Movement in fair value of contingent consideration payable and amortisation of contract assets	7	-	-	-	-	-	7
Reported EBITDA	386	29	24	39	1	(1)	478
Finance costs (net)	(33)	(1)	7	6	0	4	(17)
Depreciation & Amortisation	58	4	5	5	1	(7)	66
Profit before tax	361	25	13	28	0	2	429
Tax	89	-	-	-	-	2	91
Profit after tax	272	25	13	28	0	(1)	338

New PHFs i.e. Vikrant Children's Foundation and Nirogi Charitable and Medical Research Trust have not been reflected separately and included in the Eliminations & Adjustments due to negligible values

1) Mainly IND AS 116 (Accounting for Leases) at PHFs | (2) Eliminations relate to revenue from PHFs and intra-network sale/purchase. Also includes consequential impact on amortisation due to reversal of Intangible assets recognized at 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 was accrued during PPA and payment there against has thus been knocked off against the liability so created. Further, cost of non-treating doctors on retainership, forex gain/loss etc. have been reclassified under Employee benefits expense & Finance costs resp. | (3) Other Income includes income from EPCG, unclaimed balances written back, donations & contributions, scrap sale, income from outlets/in hospital displays etc. | (4) Includes non-clinical doctors on retainership & movement in OCI for actuarial valuation impact but excludes ESOP expenses | (5) Net of bad debts recovered & excludes movement in fair value of contingent consideration and amortisation of contract assets which is reflected below Operating EBITDA. Includes cost of admitting doctors

Gross revenue from hospitals, by region

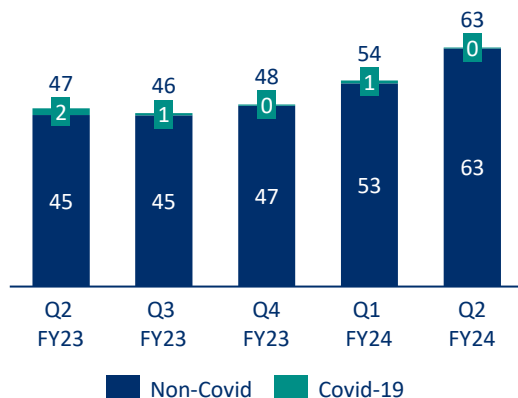


*Excludes revenue from Max Lab operations, Max@Home and other SBUs

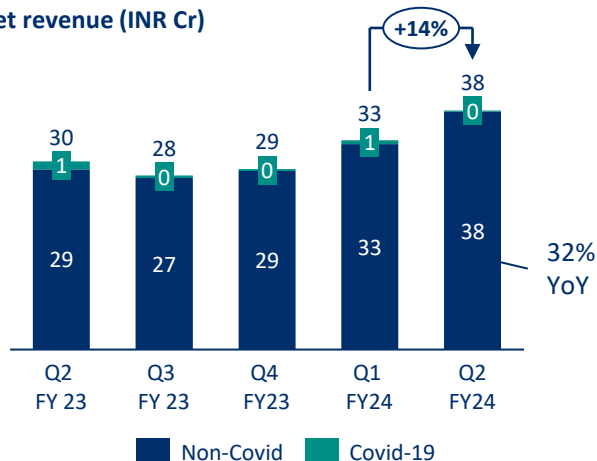
^Reduction in 23 beds in Delhi is due to reconfiguration of beds to create additional OTs & single rooms

Max Lab: Key performance indicators

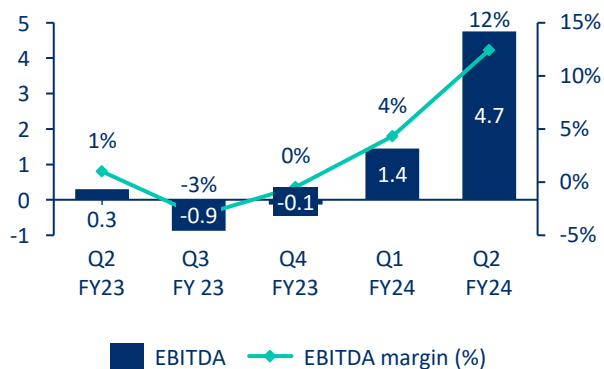
Gross Billing Value (INR Cr)



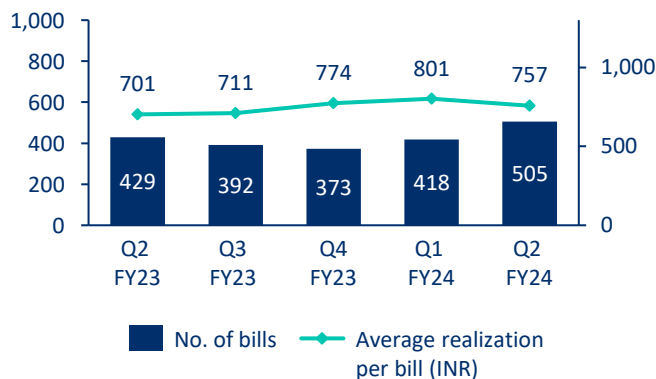
Net revenue (INR Cr)



EBITDA* (INR Cr)



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



Operational footprint (as of Sep, 2023)

435+

Partner-run
collection centres

23

Company owned
collection centres (CoCC)

~170

Phlebotomist
At Site (PAS)

275+

Pick-Up
Points (PUPs)

44

HLMs & OLMs

36

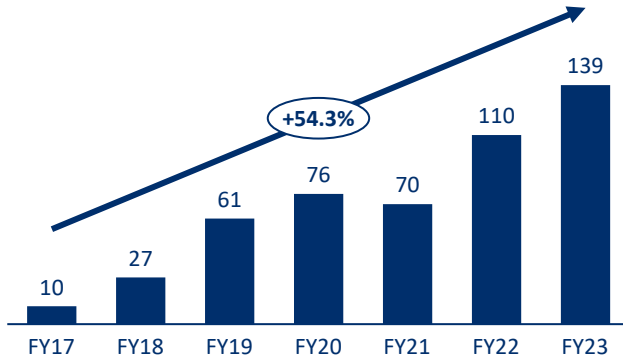
Cities of
operations

Partner count of 1,010+
during Q2 FY24

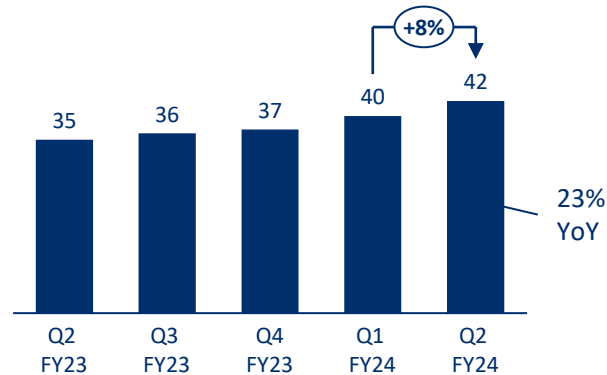
Note: Gross Billing Value (GBV) is the amount billed to patients; Net Revenue represents GBV minus partner share;
Covid-19 and related tests include RTPCR, Antigen, Antibody, CBNAAT, IL-6, D-Dimer, Ferritin, CRP, LDH, Procalcitonin

* margin computed on net revenue, arm length revenue share between Max Lab & hospitals (60:40 from FY23 onwards) for samples tested in hospital labs

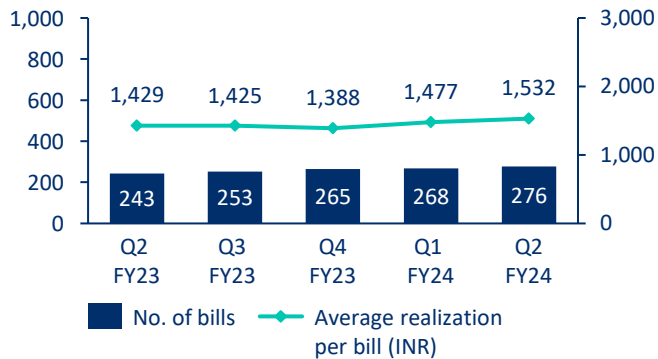
Gross revenue (INR Cr)



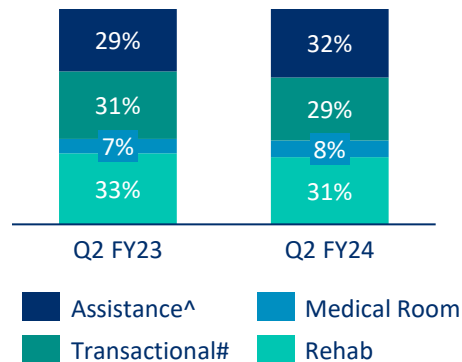
Quarterly Gross Revenue Trend (INR Cr)



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



Key Service Lines (Rev Mix YoY)



Key Pointers (as of Sep, 2023)

14
Specialised
Service Lines

~1,250
Strong
Team*

QAI
Accredited
(ISQua member)

~110
Medical
Rooms

10+
Cities of Operations

50%+
Repeat Transactional Service
patient share over 1 year

Note:

*Manpower incl. support & outsourced teams | ^Assistance Service Line Incl. Critical Care, Nursing Care, Attendants & Physiotherapy@Home
| #Transactional Service Line incl. Medicine Delivery, Pathology & Radiology@Home

Clinical and Research & Academics update

- ✱ **Signed MoU with Intuitive to establish Southeast Asia's 1st Total Program Observation (TPO) Centre**, located at MSSH-Saket, to drive enhancements in patient care using **robotic-assisted surgery**
- ✱ **2,400+ Liver Transplants, ~3,800 Kidney Transplants & 1,740+ Bone Marrow Transplants** performed till date
- ✱ MSSH-Patparganj successfully **removed a large cystic renal tumor** using **robotic partial nephrectomy**, saving **70% of renal parenchyma** of the patient
- ✱ Cured a 49-year-old patient suffering from last stage renal disease by performing a **complex robotic transplant** at BLK Max
- ✱ Nanavati Max successfully performed a **complex liver transplant** on a 5-year old patient, with the donor being just 2-year-old
- ✱ MSSH – Saket treated a 49-year-old patient diagnosed with a **life threatening rare brain vascular malformation** by performing the **retrograde trans-venous intracranial lesion**
- ✱ Max Smart cured a 45-year-old patient for **Giant Adult polycystic kidney disease**, weighing over 3kg, using Open **Nephroctomy**
- ✱ MSSH-Dehradun became the **1st hospital** in tri-city to successfully perform **Full Thickness Resection of Locally invasive Rectal Carcinoma** on a 78-year-old patient
- ✱ MSSH Shalimar Bagh successfully treated a 52-year-old female with persistent **TOF (Tracheoesophageal fistula)** using the novel **“Stent in a Stent” procedure**
- ✱ MSSH-Mohali became the **1st hospital** in tri-city to perform the **Bilateral Choanal Artesia** on a pre-term 30 weeks old baby
- ✱ MSSH-Saket performed **dual-cochlear implant** in a 4-year-old patient, helping the patient communicate for the 1st time in his life

- ✱ National and international publications
 - ✱ **107 scientific publications** in high impact factor journals during Q2 FY24
 - ✱ Top high Index and high impact factor publications are from Cardiology, Oncology, Endocrinology, Internal Medicine and Gastro
- ✱ **103 clinical trials and 22 grant studies** are ongoing
- ✱ **MoU signed** with the **Prestigious Royal College of Obstetricians & Gynecologists UK** for MRCOG (Membership of Royal College of Obstetrics & Gynecology) training
- ✱ **4 new Grants** (including DST iHub (2), ICMR (1), Wellcome Trust (1)) **worth 3.2 Cr** awarded to Max Healthcare
- ✱ Partnership with Regional Centre for Biotechnology Faridabad for affiliation for academic programs; started with MSc Clin Research
- ✱ **~1,250 trainee doctors** across the network including : **~440 students in DNB programmes** across **37 specialities**, **~90 students** currently enrolled in **Masters in Emergency Medicine course**, being run under the aegis of George Washington University, **~56 students in IMT program** , **~110 students in Fellowship** programs and **550+ students in bespoke training programs**
- ✱ **~450 health care professionals** are currently enrolled across internships and observer-ships
- ✱ **~115 MBBS** students currently pursuing 2 year Clinical rotation in collaboration with Lincoln American University and BIU
- ✱ **~1,350 health care professionals** trained in American Heart association certified courses and MELS program
- ✱ **~65 students** enrolled in MPH, MSc Clin Res, MHCQM and PhD

H1 FY24 Highlights

Executive Summary: H1 FY24

Network Financial highlights

- ✱ H1 FY24 Gross revenue was INR 3,546 Cr versus INR 3,040 Cr in H1 FY23, reflecting a growth of 17% YoY
 - ✱ ARPOB grew by +13% and OBDs were up by +3%, other operating income was up by 1%
- ✱ Operating EBITDA for H1 FY24 stood at INR 933 Cr versus INR 780 Cr in H1 FY23, registering a growth of +20% YoY
 - ✱ Margin expansion was witnessed in all hospital driven by higher ARPOB, better specialty mix and augmentation of bed capacity at Max Shalimar Bagh
 - ✱ H1 FY24 EBITDA margin¹ grew to 27.8% from 27.1% in H1 FY23
 - ✱ EBITDA per bed² (annualized) grew to INR 72.8 lakhs (+15% YoY)
- ✱ H1 FY24 PAT was INR 628 Cr versus INR 496 Cr in H1 FY23 on a like to like basis³. This represents a growth of +27% YoY
- ✱ Cash from operations during H1 FY24 was INR 697 Cr, of which INR 128 Cr has been deployed towards ongoing capacity expansion projects. Net Cash⁴ as at end of H1 FY24 stands at INR 1,303 Cr

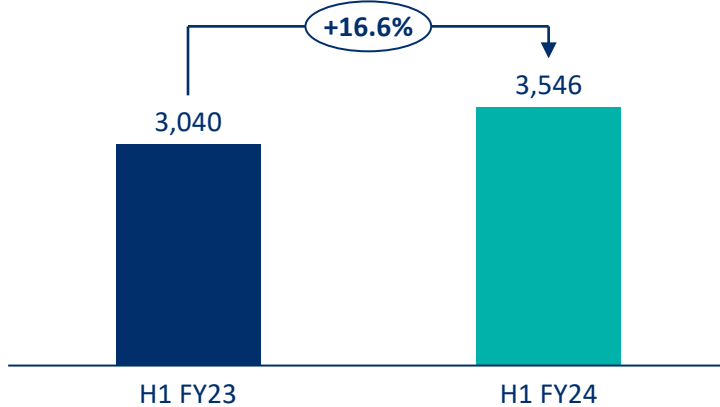
Operational highlights

- ✱ Occupancy for H1 FY24 stood at 75% versus 76% in H1 FY23, however OBDs during the period were up by 3%. Max Shalimar Bagh occupancy during H1 was 77% post addition of 122 beds to operational capacity
- ✱ ARPOB² for H1 FY24 stood at INR 74.7k versus INR 66.0k in H1 FY23 (+13% YoY)
 - ✱ Revenue from International medical tourism, price revisions including those in Institutional segment, improved share of oncology in IPD, increased OPD footfalls and reduction in Institutional bed share has contributed to growth in ARPOB
- ✱ Revenue from international patients stood at INR 301 Cr (+28% YoY), representing 9% of hospital revenue
- ✱ OP consults stood at 12.7 L in H1 FY24 (+14% YoY)
- ✱ ~23K video consults during H1 FY24; Digital revenue through web-based marketing activities and online appointments stood at INR 751 Cr, i.e. ~21% of overall revenues representing a +59% growth YoY
- ✱ ~76,488 OPD and ~2,555 IPD patients from economically weaker section were treated free of charge

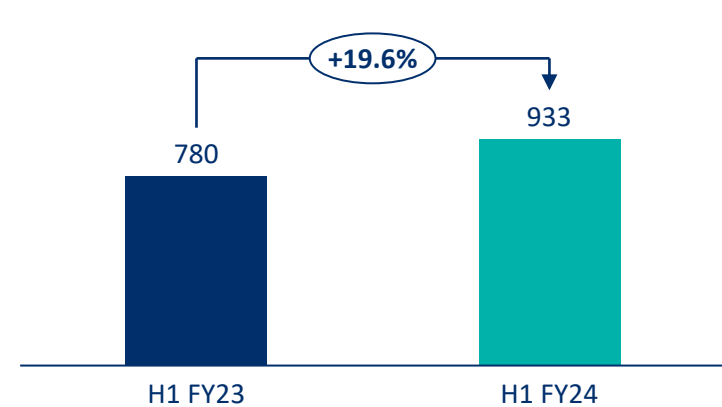
(1) Margin calculated on net revenue | (2) Excluding the revenue from Covid-19 vaccination & related antibody tests and Max Lab operations | (3) H1 FY23 includes impact of one time reversal of INR 244 Cr deferred tax liability (net of capital gains tax) pursuant to voluntary liquidation and distribution of assets of a subsidiary on a going concern basis to its holding Company (MHIL) | (4) After considering term loans, Cash Credit & Put Option Liability but excludes Lease Liability

Key Financial Highlights

Gross Revenue (INR Cr)

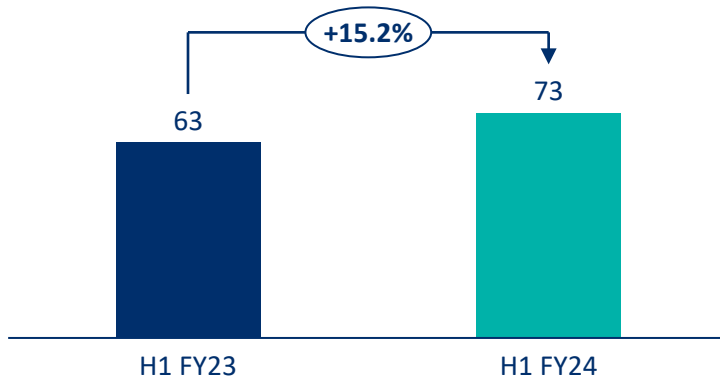


Operating EBITDA (INR Cr)

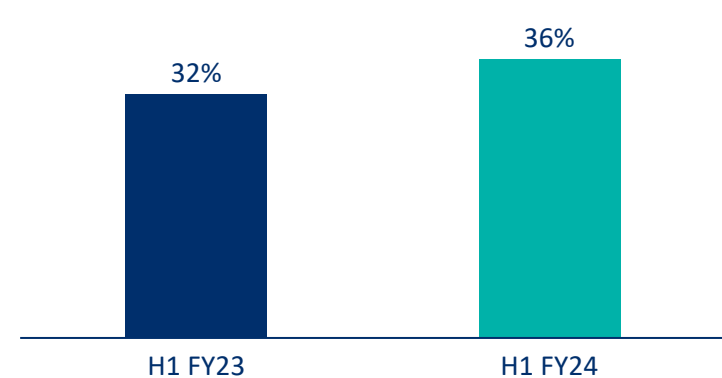


Margin¹ (%) H1 FY23 : 27.1% | H1 FY24 : 27.8%

Operating EBITDA per bed² (INR Lakhs)



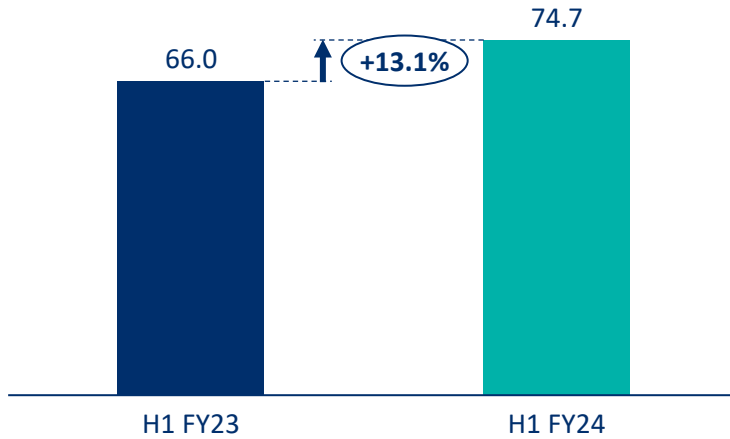
Pre-tax ROCE³



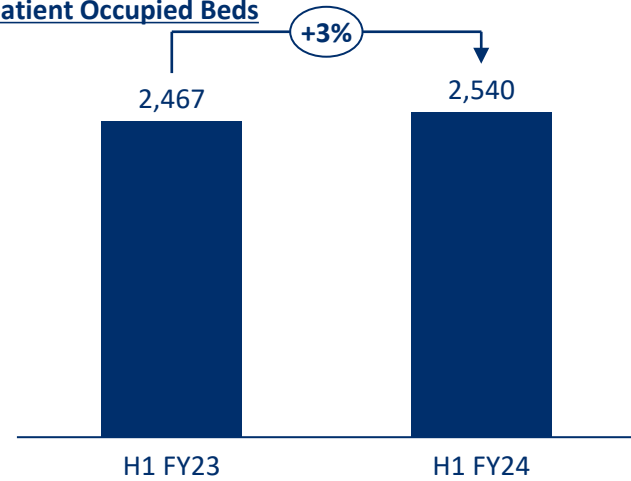
(1) Margin calculated on net revenue | (2) EBITDA per bed is annualised using relevant half-yearly performance; excludes EBITDA from Max Lab operations | (3) Half-yearly EBIT annualized; Excludes impact of Purchase price allocation on capital employed consequent to merger with Radiant and Q2 FY22 acquisition; Also excludes short term FDRs. Depreciation has been considered based on normalised replacement capex.

Key Operational Highlights

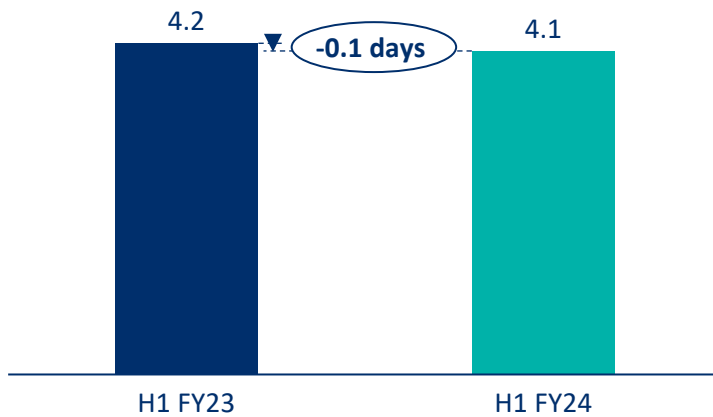
ARPOB¹ (INR/OBD) ('000)



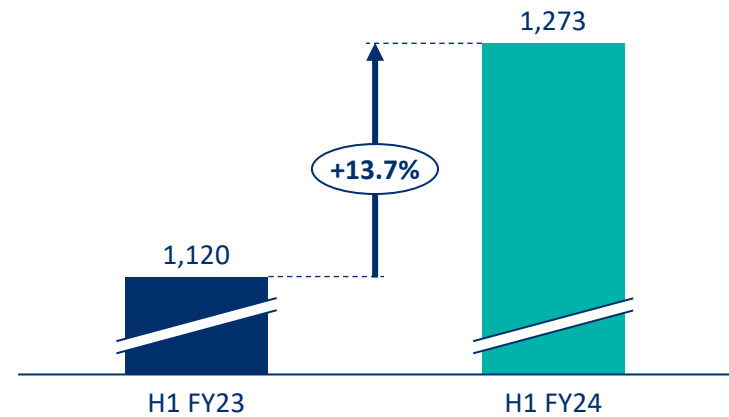
Avg. Inpatient Occupied Beds



ALOS³ (in days)

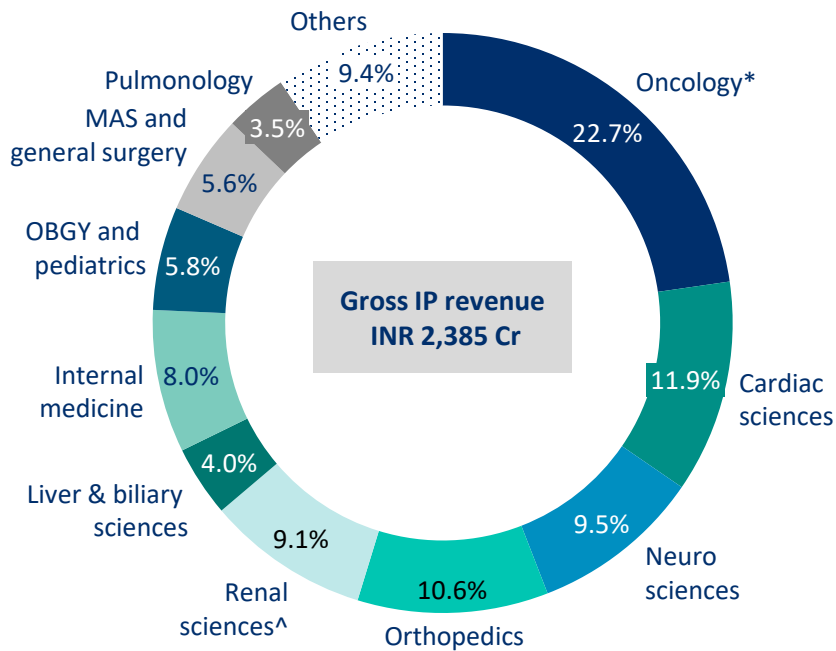


Outpatient consults ('000)

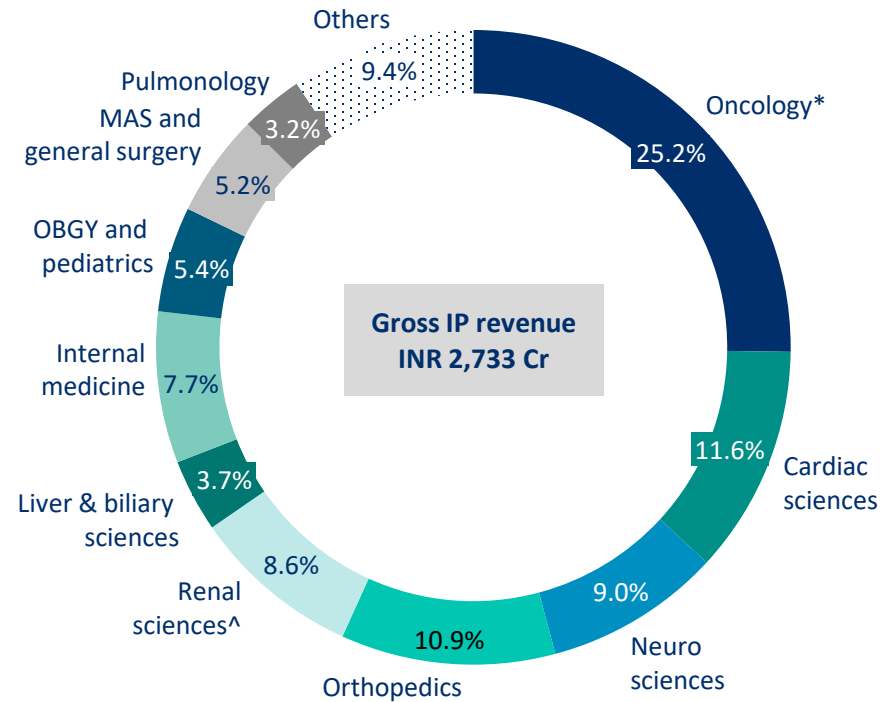


(1) ARPOB calculated as gross revenue / total OBD; Gross revenue excludes revenue from Covid-19 vaccination & related antibody tests and Max Lab operations

H1 FY23



H1 FY24



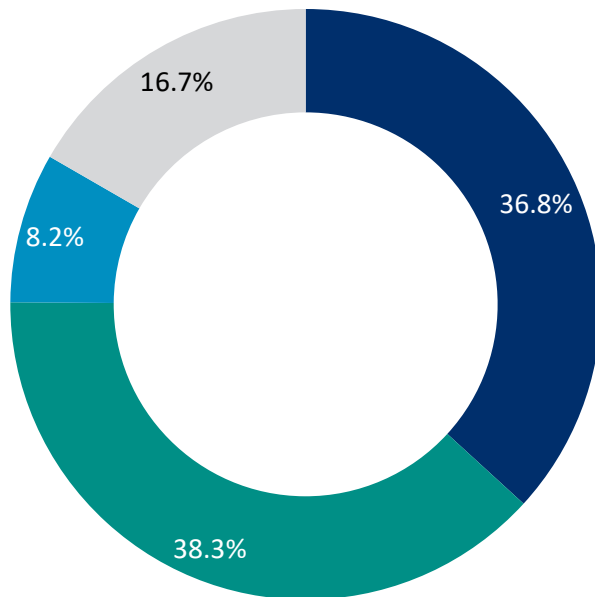
Note: Excludes OP and day care revenue, revenue from SBUs and other operating income

* Includes chemotherapy and radiotherapy

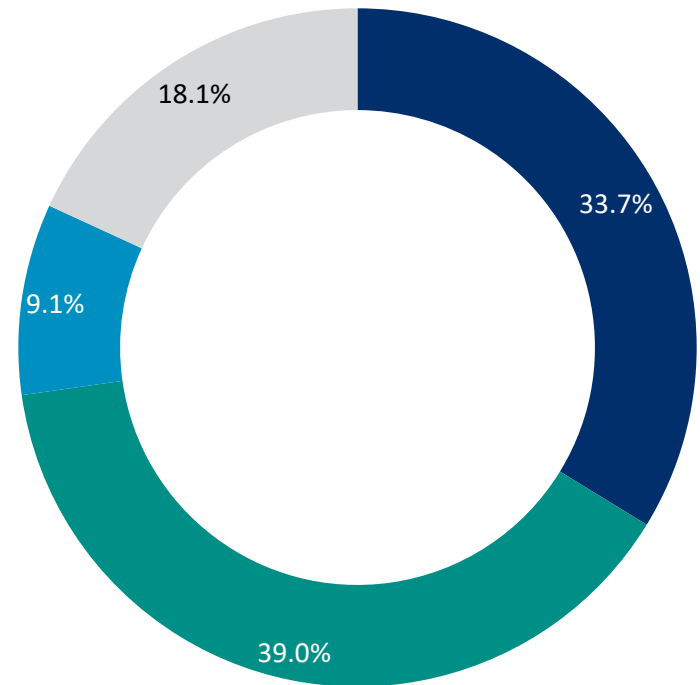
^ Includes Dialysis

Share of Revenue

H1 FY23



H1 FY24



■ Self Pay
 ■ TPA & corporates
 ■ International
 ■ Institutional#

Note: Excludes revenue from SBUs and other operating income

#The increase in institutional share is driven by increase in ARPOB, a part of which is due to tariff revisions in April & June

	H1 FY23		H1 FY24	
	Amount	% NR	Amount	% NR
Gross revenue	3,040		3,546	
Net revenue	2,875	100.0%	3,361	100.0%
Direct costs	1,126	39.2%	1,317	39.2%
Contribution	1,748	60.8%	2,043	60.8%
Indirect Overheads ¹	968	33.7%	1,110	33.0%
Operating EBITDA	780	27.1%	933	27.8%
ESOP (Equity-settled Scheme)	10	0.4%	24	0.7%
Movement in fair value of contingent consideration payable and amortisation of contract assets ²	12	0.4%	14	0.4%
Reported EBITDA	758	26.4%	895	26.6%
Finance cost (net) ³	34	1.2%	(20)	(0.6%)
Depreciation and amortisation	128	4.5%	130	3.9%
Profit before tax	596	20.7%	785	23.4%
Tax ⁴	(144)	(5.0%)	157	4.7%
Profit after tax	740	25.7%	628	18.7%

1. The increase in indirect overheads is mainly due to annual increments, additional manpower to cater to increased level of activity, S&M relating to international patients and higher repairs & maintenance cost relating to BME
2. Non cash item represents the change in fair value of contingent consideration payable to Trust/Society over the balance period (~21 to 32 years) under O&M Contracts and represents changes in the time value of discounted liability and impact of changes in future business plan projections
3. Reduction is due to prepayment of loans, interest income from FDRs and impact of interest capitalization on projects under implementation
4. Includes impact of one time reversal of INR 244 Cr deferred tax liability (net of capital gains tax) in H1 FY23 pursuant to voluntary liquidation and distribution of assets of a subsidiary on a going concern basis to its holding Company (MHIL)

H1 FY24: Memorandum Consolidation of Network P&L

Figs in INR Cr

	MHIL, its subsidiaries & Silos	Partner Healthcare Facilities ("PHF") Financials (IGAAP Unaudited)*				Eliminations & Adjustment ⁽²⁾	MHC Network (Consolidated) (Certified by an ICA)
	IND AS Unaudited	Balaji Society	GM Modi Society	Devki Devi Society	IND AS Adjustment ⁽¹⁾		
Net revenue from operations	2648	310	221	390	-	(229)	3341
Other income ⁽³⁾	9	2	7	15	-	(13)	20
Total operating income	2658	312	228	405	-	(242)	3361
Pharmacy, drugs, consumables & other direct costs	556	65	49	106	-	35	811
Employee benefits expense ⁽⁴⁾	443	41	26	40	-	129	679
Other expenses ⁽⁵⁾	892	154	114	185	(3)	(405)	938
Total expenses	1891	259	190	330	(3)	(240)	2427
Operating EBITDA	767	53	38	74	3	(1)	933
Less:							
ESOP (Equity-settled Scheme)	24	-	-	-	-	-	24
Movement in fair value of contingent consideration payable and amortisation of contract assets	14	-	-	-	-	-	14
Reported EBITDA	728	53	38	74	3	(1)	895
Finance costs (net)	(49)	(3)	14	9	1	8	(20)
Depreciation & Amortisation	114	9	9	10	2	(13)	130
Profit before tax	664	47	15	55	0	4	785
Tax	152	-	-	-	-	5	157
Profit after tax	512	47	15	55	0	(1)	628

New PHFs i.e. Vikrant Children's Foundation and Nirogi Charitable and Medical Research Trust have not been reflected separately and included in the Eliminations & Adjustments due to negligible values

1) Mainly IND AS 116 (Accounting for Leases) at PHFs | (2) Eliminations relate to revenue from PHFs and intra-network sale/purchase. Also includes consequential impact on amortisation due to reversal of Intangible assets recognized at 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 was accrued during PPA and payment there against has thus been knocked off against the liability so created. Further, cost of non-treating doctors on retainership, forex gain/loss etc. have been reclassified under Employee benefits expense & Finance costs resp. | (3) Other Income includes income from EPCG, unclaimed balances written back, donations & contributions, scrap sale, income from outlets/in hospital displays etc. | (4) Includes non-clinical doctors on retainership & movement in OCI for actuarial valuation impact but excludes ESOP expenses | (5) Net of bad debts recovered & excludes movement in fair value of contingent consideration and amortisation of contract assets which is reflected below Operating EBITDA .Includes cost of admitting doctors

Network Balance Sheet¹

(Includes Managed & Partner Healthcare Facilities)

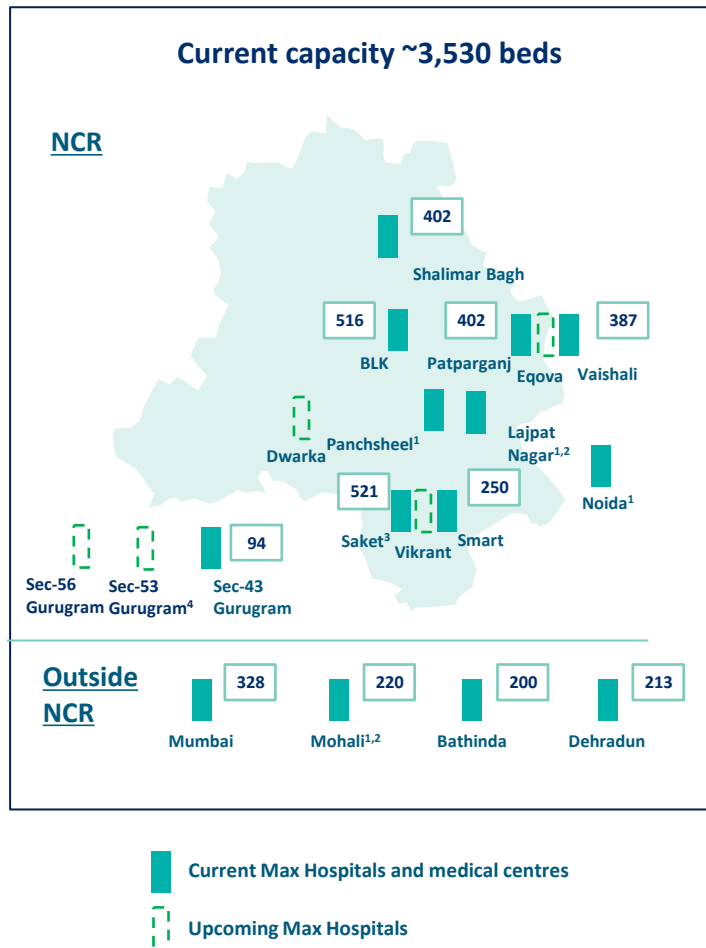
Figs in INR Cr

	Mar 23	Sep 23
Shareholders' Equity (Incl. corpus)	8,070	8,623
Gross Debt	682	606
Deferred/Contingent Consideration Payable ²	440	463
Put Option Liability ³	150	84
Lease Liabilities	139	147
Deferred Tax Liability / (Deferred Tax Asset)	(50)	(16)
Total Liabilities	9,430	9,907
Goodwill	3,773	3,773
Net Tangible Assets (incl. CWIP)	3,458	3,552
Intangible Assets (incl. brand and O&M rights)	681	692
Right to Use Assets	203	206
Cash & Bank balance	1,565	1,993
Trade Receivable (Net) ⁴	434	546
Inventories	104	98
Investments	2	2
Net Current & Non-Current Assets/(Liabilities) ⁵	(789)	(955)
Total Assets	9,430	9,907

(1) The intra-network dues and intangible assets on account of medical services agreements with PHFs are eliminated & fair value of assets & liabilities of PHFs (as on June 1, 2020) are recognised, with balance reflected under Goodwill. | (2) Represents fair value of long term liabilities towards fees/revenue share payable to Trust/Societies over the remaining contract period ranging from 20 to 82 years | (3) Put Option Liability is for the purchase of balance (40%) stake in Eqova Healthcare Pvt. Ltd. | (4) Represents DSO of 61 days. Increase is attributed to growth in revenue from insurance & institutional patients | (5) Mainly represents tax refunds receivable, capital advances, provisions for retiral benefits and unfavorable lease liability recognized, PPA & dividend payable to MHIL shareholders and includes Trade payable of INR 792 Cr at the end of Sep 23 as compared to INR 719 Cr at the end of March 23

About the Company

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



17
Facilities



~82%
Beds in metros



~77%
Q2 FY24
Occupancy



13%
Revenue CAGR[^]
3 years

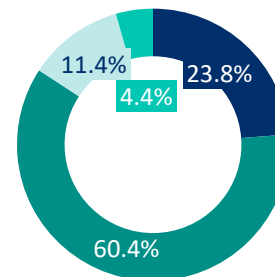


41%
EBITDA CAGR[^]
3 years



~38%
Q2 FY24
ROCE

Shareholding structure (as on Sep 30, 2023)



Top Public investors:

- Capital Group (All funds)
- Government of Singapore / GIC
- GQG Partners (All funds)
- Blackrock/ iShares
- HDFC Mutual Funds
- Vanguard (All funds)
- Canara Robeco Mutual Funds
- SBI Mutual Funds

 Abhay Soi
 DIIs
 FIIs and FPIs
 Others

* Based on publicly available information for listed companies (FY23) | (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 | (4) Currently the Land at Sec- 53 is under litigation with HSVP | ^CAGR is calculated for FY20 to FY23

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.

Ortho Robotic System



Robotic-assisted surgery for knee replacement incorporates the placement and alignment of a knee implant with the help of a robotic system.

Spine Robotic System



It allows surgeons to perform precise spinal fusion and provide improved screw placement accuracy, decrease surgery time, and reduce exposure to radiation.

Digital PET CT – Discovery MI



The digital PET-CT scanner redefines precision with advanced sensitivity and detectability parameters compared to analogue PET-CT scanners.

3.0T MRI Machine



3.0T MRI machine is the most advanced radiology technology that gives superior high-resolution images for accurate diagnosis.

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

Research:



Significant **strategic partnerships** including Imperial College London, Ashoka University, IIT Bombay, IIIT Delhi, Pfizer Inc and Deakin University– 30,000+ research participants and 2 million USD research grant



~2,200 high index journal **research publications** in last 7 years



Private **bio bank** - ~22,000 bio samples stored



Several research grants from leading organisations such as CSIR, DBT, ICMR, DST iHUB, Wellcome Trust, BIRAC, INSA, DHR, Pfizer, NIHR, MRC, Innovate UK



Integrating use of Artificial Intelligence and Machine Learning with leading international partners and prestigious national academic institutions to healthcare



~500 clinical research projects completed to date, ~120 ongoing

Academics:

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

- ✦ Started a 2 year Masters of Public Health program through a collaboration with AcSIR
- ✦ MoU signed with the Royal College Of Obstetricians & Gynecologists UK
- ✦ First batch of MSc Clinical Research , Masters in Healthcare Quality Management & PhD started
- ✦ Hosts prestigious Royal college of Physicians UK exam - successfully hosted 8 examinations, only center in North India
- ✦ Recognised by JRCPTB, UK to deliver post graduate Internal Medicine Training outside UK, the only center in North India
- ✦ Conducts Masters in Emergency program in collaboration with George Washington University, USA
- ✦ 25,500+ students trained in Life Support programmes in last 5 years
- ✦ ~27,000 trainees participate in various training programs & exams in the last 3 years
- ✦ ~500 DNB students enrolled across 30+ specialties

Figs in INR Cr

	FY21		FY22		FY23		H1 FY24	
	Amount	% NR	Amount	% NR	Amount	% NR	Amount	% NR
Gross revenue ¹	3,881		5,509		6,236		3,546	
Net revenue	3,629	100.0%	5,218	100.0%	5,904	100.0%	3,361	100.0%
Direct costs	1,508	41.6%	2,103	40.3%	2,304	39.0%	1,317	39.2%
Contribution	2,121	58.4%	3,115	59.7%	3,600	61.0%	2,043	60.8%
Indirect overheads	1,485	40.9%	1,725	33.1%	1,964	33.3%	1,110	33.0%
Operating EBITDA²	636	17.5%	1,390	26.6%	1,636	27.7%	933	27.8%
Less:								
ESOP (Equity - settled scheme)	27	0.7 %	34	0.7%	34	0.6%	24	0.7%
Movement in fair value of contingent consideration payable and amortisation of contract assets ³	1	0.0%	7	0.1%	4	0.1%	14	0.4%
Transaction Costs for QIP & Loss on fair valuation of pre-merger holding of Radiant under IND AS 103	249	6.9%	-	-	-	-	-	-
Exceptional item : VRS pay-out to employees	-	-	9	0.2%	-	-	-	-
Reported EBITDA	359	9.9%	1,340	25.7%	1,597	27.1%	895	26.6%
Finance costs (net)	187	5.2%	112	2.2%	39	0.7%	(20)	(0.6%)
Depreciation and amortisation	216	6.0%	248	4.8%	260	4.4%	130	3.9%
Profit / (Loss) before tax	(45)	(1.2%)	979	18.8%	1,298	22.0%	785	23.4%
Tax ⁴	50	1.4%	143	2.7%	(30)	(0.5%)	157	4.7%
Profit / (Loss) after tax	(95)	(2.6%)	837	16.0%	1,328	22.5%	628	18.7%

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

1. FY22 includes gross revenue of INR 236 Cr from Covid-19 vaccination & related antibody tests compared to INR 2 Cr in FY23
2. Includes INR 85 Cr towards EBITDA from Covid-19 vaccination & related antibody tests in FY22
3. Non cash item represents the change in fair value of contingent consideration payable to Trust/Society over the balance period (~20 to 31 years) under O&M Contracts and represents change in the WACC, time value of discounted liability and impact of changes in future business plan projections
4. Includes impact of one time reversal of INR 244 Cr deferred tax liability (net of capital gains tax) in FY23 pursuant to voluntary liquidation of a subsidiary

Multiple avenues for future growth

1

Strong cash generation from operations

INR ~697 Cr in H1 FY24



Headroom to raise debt given current leverage

Net Cash surplus of INR 1,303 Cr as on Sep 30, 2023



Demonstrated ability to generate high return on capital employed

~36% ROCE H1 FY24



Long term growth potential

Strong financial profile to support future growth

2

Optimising Existing Infrastructure



- Focus on tower specialities & case mix
- Increase utilization & improve process efficiencies
- Optimize payor mix

3

Significant increase in capacity

(~2X bed capacity in next 4-5 years)



3.1 Brownfield

3.2 Asset light

3.3 Greenfield

3.4 M&A

- ~2,600 beds addition via brownfield expansion - ROCE accretive
- Management contracts and long term leases of “build to suit” properties
- Greenfield hospitals in highly attractive and compelling territories with attractive payback - Acquired land parcels with potential to add 1,000 beds
- Strong track record of successful M&A and turnaround
- Limited competitive intensity and robust deal pipeline
- Adequate headroom for M&A even after brownfield capex, driven by strong free cash flows and low leverage
- ROCE threshold levels of 20-25% within 4-5 years post acquisition

4

Capital Light Adjacencies



- Non-captive pathology - Max Lab
- Homecare - Max@Home

5

Digital Platform



- Leverage brand, customer loyalty and data to build a digital ecosystem

Clinical Safety

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



- * AHPI Healthcare award 2022 under multiple categories



Operational Excellence

- * Forbes India 'Entrepreneur Of The Year' 2023 Award



- * FICCI Excellence Awards for 'Operational Excellence'
- * CIMS Healthcare Excellence Awards 2021
- * Ranked 1st in "Excellence in Hospital Management during Covid Times" by Economic Times in 2021



Service Quality

- * Economic Times Healthcare Award 2022 under five categories



- * Bronze award for 'Life savers' project (Max Bike responder) at 'American Society for Quality'
- * Best customer service in Healthcare
- * D.L. Shah National Award for 'Economics of Quality' by QCI



Others

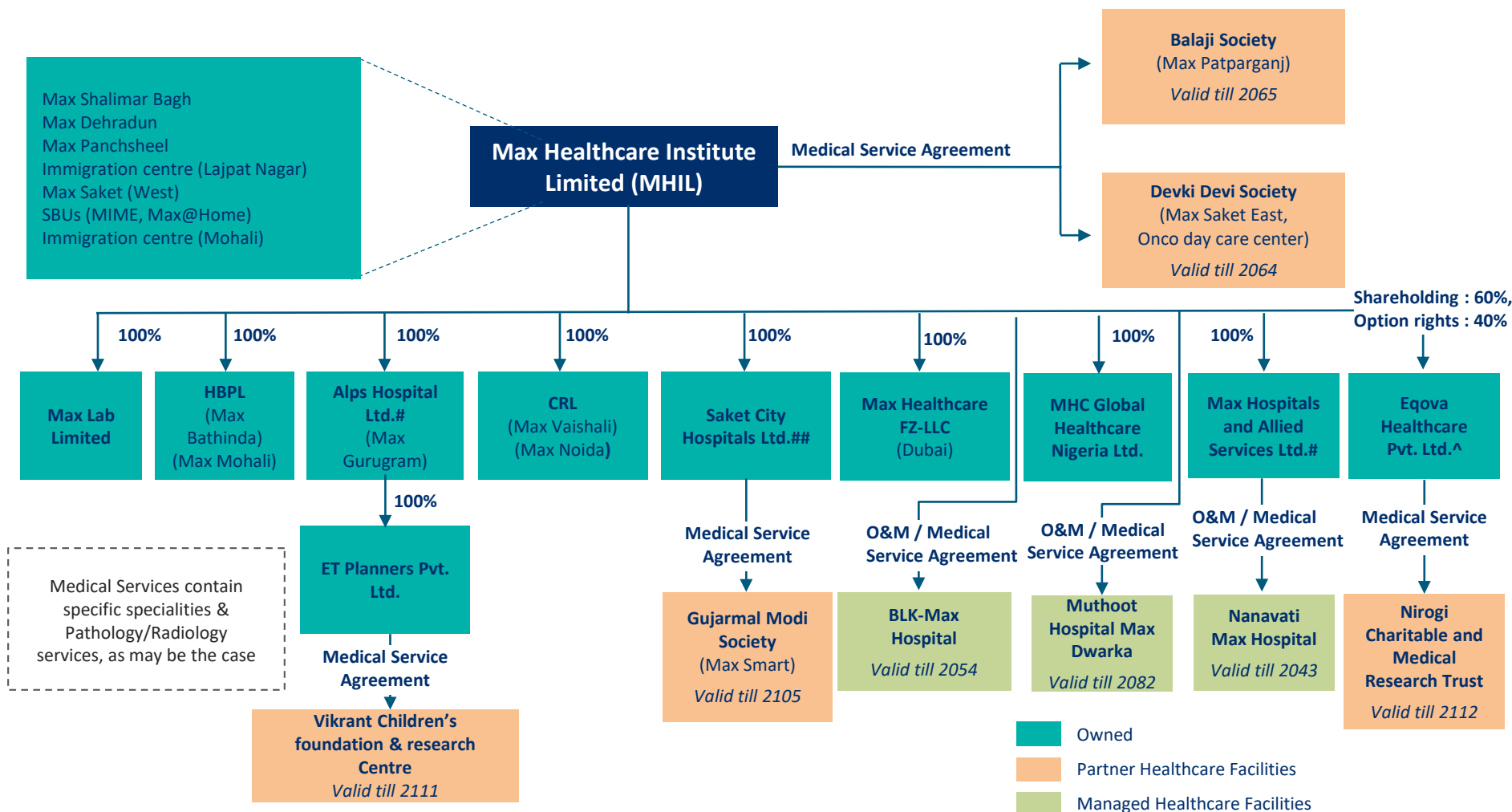
- * Certified Great Place to Work by Great Place to Work Institute



- * Ranked Best Multi Specialty Hospital in Delhi by Outlook Health 2022
- * Exchange4Media-Wing Trophy 2023, under two categories
- * Gold award from Hospital Management Asia



Network Holding Structure (As at end of Sep'23)



The Boards of Alps Hospitals Ltd and Max Hospitals and Allied Services Ltd have approved a scheme of amalgamation of the two entities and the same is yet to be approved by Hon'ble NCLT, Mumbai Bench.

##Under voluntary liquidation, letter of distribution of its business undertaking has been issued by the liquidator on Aug 31, 2022 and its operations have been consolidated with MHIL;
CRL – Crosslay Remedies Limited; HBPL – Hometrail Buildtech Private Limited | Validity includes extensions available under the contract |

^MHIL holds & exercised the right to appoint majority directors in Egova Healthcare Pvt. Ltd.

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

In addition to the above, there are 4 new upcoming Network facilities – one each in East Delhi (Patparganj), North West Delhi (Dwarka), Sector 56 Gurugram and South Delhi (Saket)

Definitions

Term	Description
ALOS	Average Length of Stay: discharged patients stay in the hospital, basis admission and discharge time
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
Cash from operations	Represents cash generated from operations after amount deployed for routine capex, finance cost and working capital changes relating to operations
Contribution	Net revenue minus material cost, F&B cost and salary/professional fess paid to clinicians credentialed for OPD consultations and IPD admissions
CTI	Represents self pay, private insurance & international patient segment where hospital tariff is the basis for the billing / contract
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
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.
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
Net Revenue	Gross revenue minus management discounts, amount billed to EWS patients, employee discounts, marketing discounts and allowance for deductions for expected credit loss
OBDs	Occupied Bed Days
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;

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. 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.

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 visit

www.maxhealthcare.in

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