



MAX
Healthcare

**Earnings update –
Q3 & 9M ended Dec'22**

February 02, 2023



This presentation contains certain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Max Healthcare Institute Limited’s (“MHIL” / “MHC”) future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market conditions, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, regulatory developments, and other key factors beyond the control of MHIL, such as Covid-19, lockdowns etc. that could adversely affect our business and financial performance. MHIL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

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1. Strictly applying the principles of IND AS 110, the financial results of MHIL Group consists of 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 certified management consolidation of financial results of operations of MHIL, its subsidiaries, Managed Healthcare Facilities and Partner Healthcare Facilities.
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 (PHF’s) are also included. The information is drawn up based on the management consolidation of the unaudited financials (after limited review by the respective auditor) 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 merger resulted into Radiant promoters controlling the merged MHIL. The transaction was accounted for as a business combination under IND AS 103 “Business Combinations”, where under Radiant was identified as the accounting acquirer and thus the merger qualified as a “reverse acquisition”.
4. The Group, while accounting for the Business Combination in June 2020 has thus 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.
5. 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 as well as Partner Healthcare Facilities (“Network”), after eliminating intra network transactions, in an investor friendly format.
6. In order to better explain the financial results, the exceptional items and 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.

Q3 FY23 Highlights

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Q3 FY23 Highlights

Executive Summary: Q3 FY23 (1/2)

Network Financial highlights

- * Gross revenue for Q3 FY23 was INR 1,559 Cr compared to INR 1,392 Cr in Q3 FY22 and INR 1,567 Cr in Q2 FY23
 - * Gross revenue (excl. Covid-19 vaccination) for Q3 FY23 was INR 1,559 Cr compared to INR 1,385 in Q3 FY22 and INR 1,567 in Q2 FY23, reflecting a growth of +13% YoY and flat QoQ due to seasonality factor
 - * Covid-19 Vaccination revenue in Q3 FY23 was negligible compared to INR 7 Cr in Q3 FY22 and INR 0.3 Cr in Q2 FY23
- * Operating EBITDA for Q3 FY23 was INR 419 Cr compared to INR 364 Cr in Q3 FY22 and INR 410 Cr in Q2 FY23, reflecting a growth of +15% YoY and +2% QoQ
 - * EBITDA margin¹ for the quarter improved to 28.3% versus 27.6% in Q3 FY22 and 27.7% in Q2 FY23
 - * EBITDA per bed² (annualised) stood at INR 66.9 Lakhs, growth of +12% YoY and +4% QoQ
- * Q3 FY23 PAT was INR 269 Cr versus INR 252 Cr in Q3 FY22 and INR 267 Cr (normalized for exceptional tax gain on voluntary liquidation of a subsidiary) in Q2 FY23, growth of +7% YoY and +1% QoQ
- * Cash generated from operations (after interest, tax, working capital changes and replacement capex) was INR 332 Cr versus INR 287 Cr in Q2 FY23; which was boosted by tax refunds & collection of overdue AR from CGHS. Further, INR 102 Cr was deployed towards ongoing capacity expansion projects
- * Net Cash³ at the end of Dec'22 stood at INR 372 Cr compared to Net Debt³ of INR 296 Cr as on Dec'21 and INR 42 Cr at the end of Sep'22. This includes INR ~100 Cr received from HSVP after unilateral cancellation of 6.11 acre of land allotted pursuant to e-auction in Aug'21. Hon'ble Punjab & Haryana High Court has ordered "status quo" on Jan 2, 2023 while admitting Company's petition challenging the cancellation
- * Pre-tax ROCE⁴ for Q3 FY23 stood at 34.2% versus 32.2% in Q3 FY22 and 33.4% in Q2 FY23

Operational highlights

- * Occupancy for Q3 FY23 stood at 77% versus 74% in Q3 FY22 and 78% in Q2 FY23. The marginal drop in occupancy QoQ was due to festival season
- * Institutional patients (relatively a lower ARPOB channel) bed share stood at 29% compared to 31% in Q3 FY22. This is marginally higher than 28% in Q2 FY23 mainly due to increase in ER footfall for the segment leading to increase in oncology, orthopaedics & medical patients
- * International patient revenue improved by +62% YoY and reflected ~110% of Pre-Covid normal.

Operational highlights (contd..)

- ✦ ARPOB¹ for Q3 FY23 stood at INR 66.8k versus INR 61.0k in Q3 FY22 (+10% YoY) and INR 66.0k in Q2 FY23 (+1% QoQ)
 - ✦ Increase in ARPOB over Q3 FY22 was led by improvement in revenue share from oncology, orthopaedics, etc; increase in OP revenues including pharmacy and price increase. Further, ALOS stood at ~4.2 days in Q3 FY23, compared to 4.3 days in Q3 FY22 & Q2 FY23
- ✦ OP consults stood at 5.74 lakhs reflecting a growth of +7% over Q3 FY22 and slightly higher than 5.70 lakhs in Q2 FY23
- ✦ Digital revenue from online marketing activities, web-based appointments and digital lead management stood at INR 272 Cr, i.e. ~17% of overall revenue. The traffic on the websites grew by +42% YoY to reach 28 lakhs+ sessions. Max@Home website was relaunched with E-commerce capabilities
- ✦ Max Lab (non-captive pathology vertical) reported gross revenue of INR 28 Cr. On a like to like basis, the revenue (excl. Covid-19 related tests) grew by +46% YoY and dropped by 4% QoQ due to the festive season
- ✦ Max@Home gross revenue during the quarter was INR 36 Cr, a growth of +30% YoY and +4% QoQ. The SBU has started Immunization@Home services and thus now have 14 service line offerings.
- ✦ “Max MyHealth” downloads stood at ~90k, with monthly active user base touching ~40k. During the quarter, its functionality was enhanced to include instant virtual consults, access to radiology & pathology reports and integrate Max@Home services. The App is now ready for a formal launch
- ✦ 38,344 OPD and 1,264 IPD patients from economically weaker sections were treated free of charge

Clinical Highlights

Clinical update:

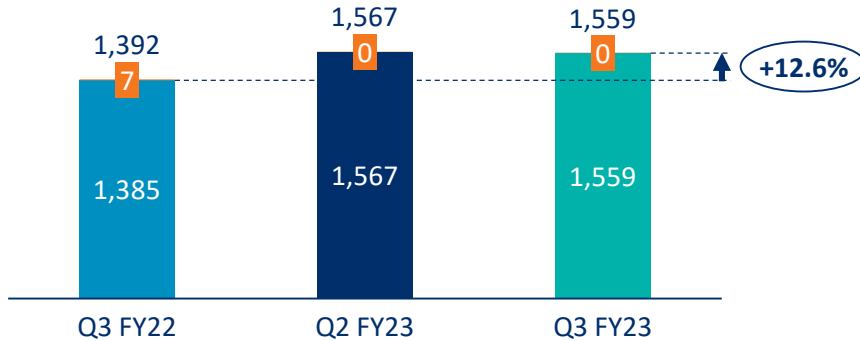
- ✦ Till date we have performed 1980+ Liver Transplants, ~3300 Kidney Transplants and 1600+ Bone Marrow Transplants
- ✦ Treated an eleven year old child suffering from a rare genetic condition – thrombotic microangiopathy - by performing an extremely complex swap & paired transplant at Nanavati Max

Research and academics:

- ✦ Executed a MoU with Anuva Biotech to undertake genomics based research in breast cancer, lung cancer, diabetes, cardiac disease, kidney disease, drug resistant tuberculosis etc.
- ✦ Published 75 articles in high impact journals during Q3 FY23; ~100 clinical trials and 82 ongoing research grants
- ✦ ~130 MBBS students currently pursuing a 2 year Clinical rotation in collaboration with Lincoln American University

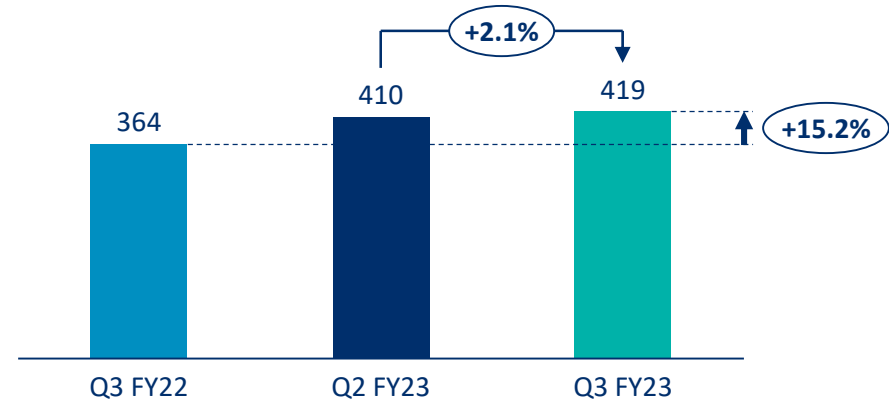
Key Financial Highlights

Gross Revenue (INR Cr)



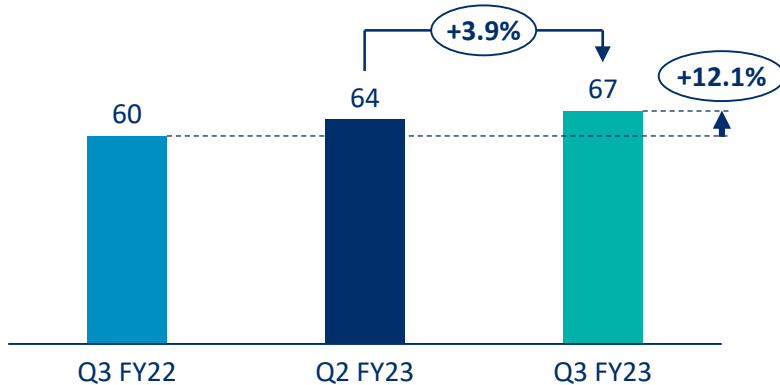
Covid-19 vaccination & related antibody tests revenue

Operating EBITDA (INR Cr)

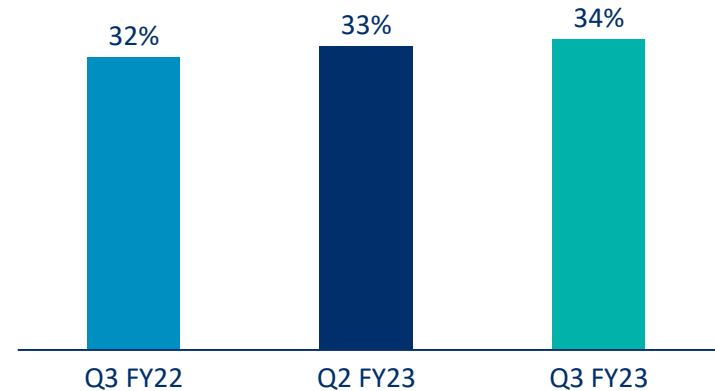


Margin¹ (%) Q3 FY22 : 27.6% | Q2 FY23 : 27.7% | Q3 FY23 : 28.3%

Operating EBITDA per bed² (INR Lakhs)



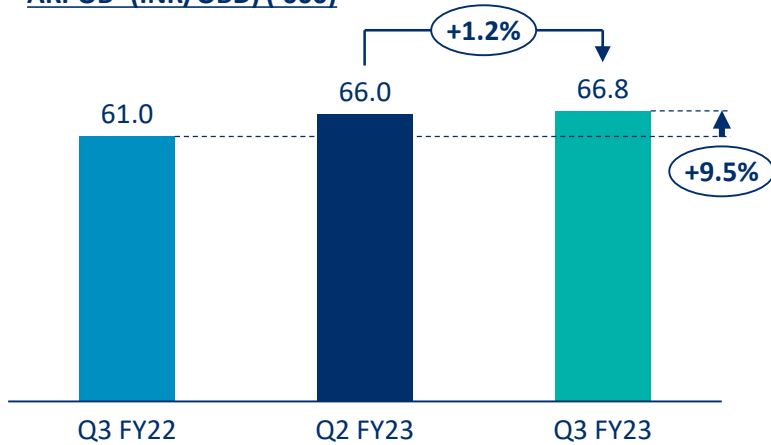
Pre-tax ROCE³



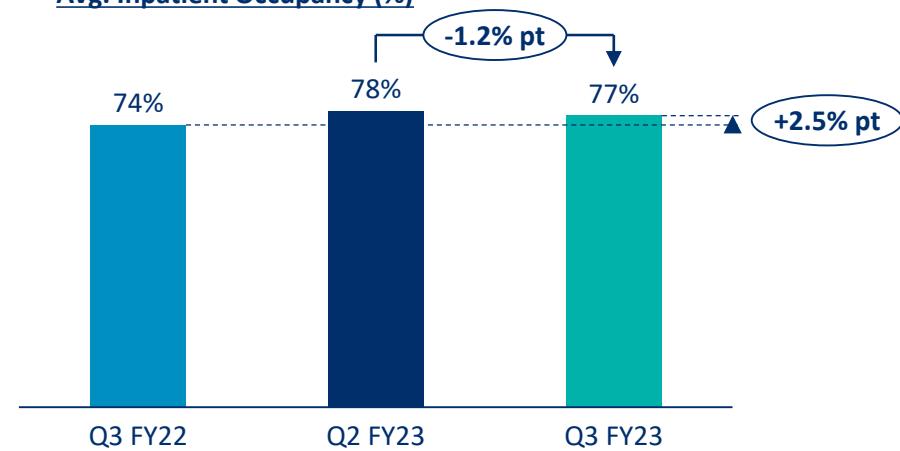
(1) Margin calculated on net revenue | (2) EBITDA per bed is annualised using relevant quarterly performance; excludes EBITDA from Covid-19 vaccination & related antibody tests and Max Lab operations | (3) Based on quarterly EBIT annualised; capital employed excludes (a) impact of Purchase price allocation at the time of merger with Radiant, (b) acquisition of ET Planner in Q2 FY22 and (c) short term FDRs. Depreciation for EBIT has been considered based on normalised replacement capex.

Key Operational Highlights

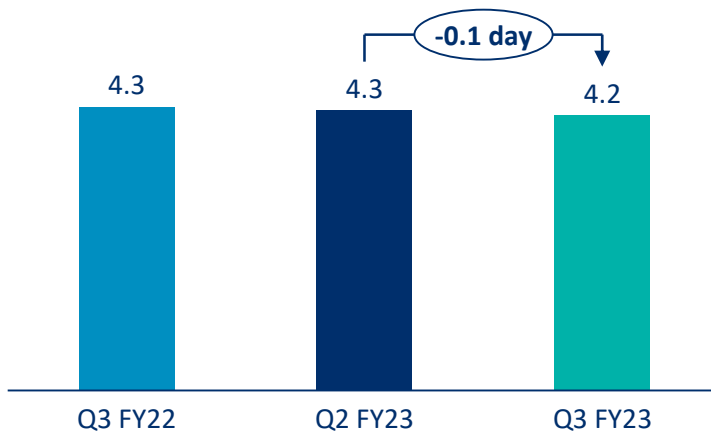
ARPOB¹ (INR/OBD) ('000)



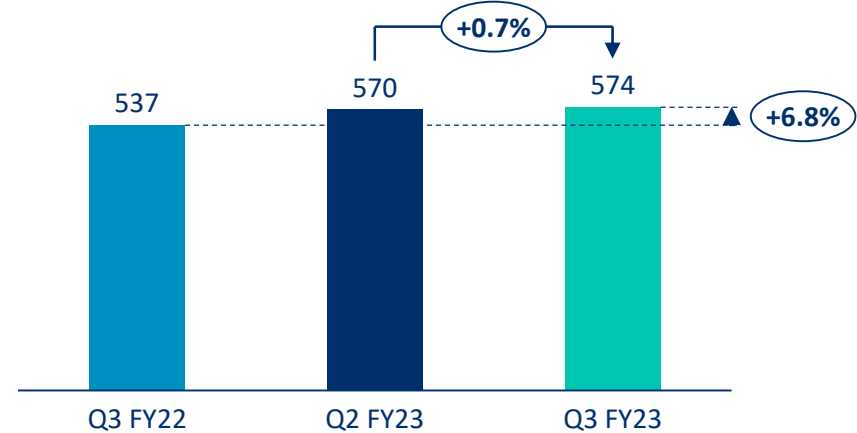
Avg. Inpatient Occupancy (%)



ALOS² (in days)



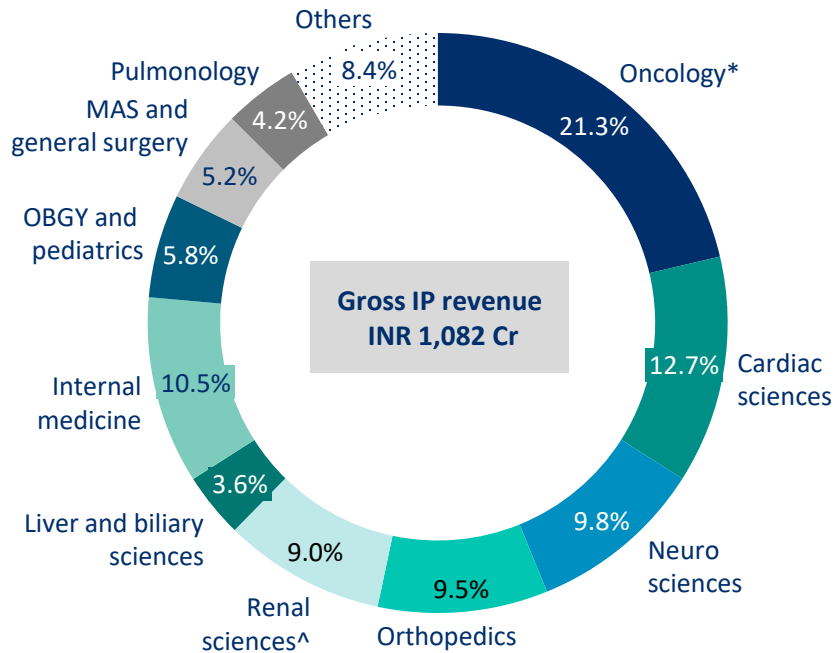
Outpatient consults ('000)³



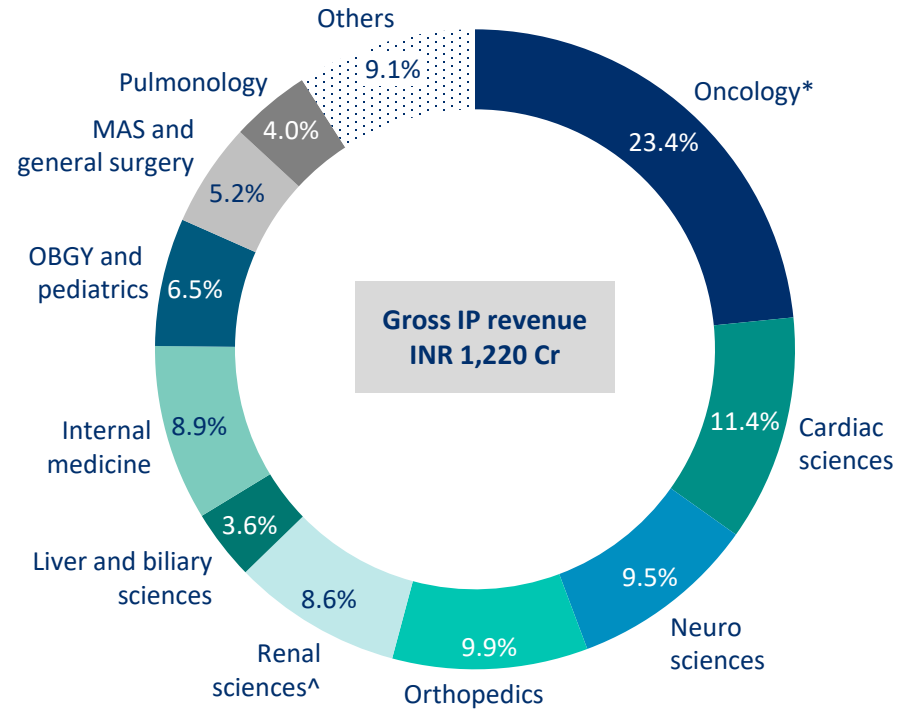
(1) ARPOB calculated as gross revenue/total OBD; Gross revenue excludes revenue from Covid-19 vaccination & related antibody tests and Max Lab operations

(2) ALOS calculated for discharged IP patients

Q3 FY22



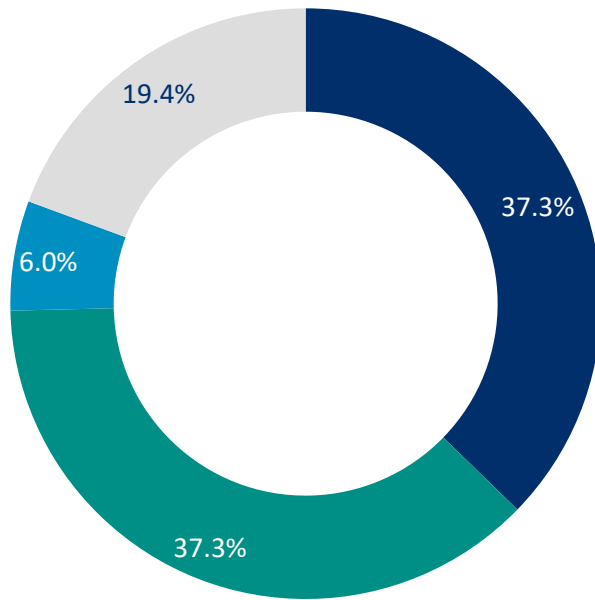
Q3 FY23



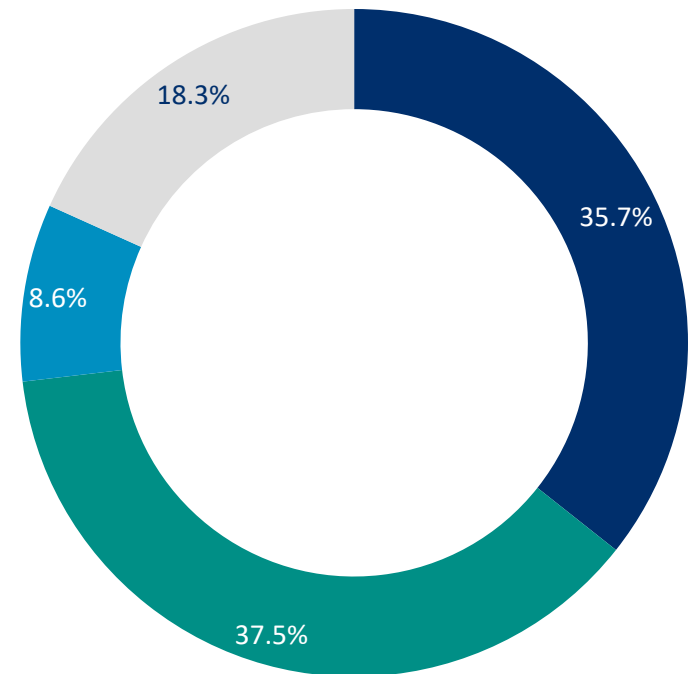
Note: Excludes OP and day care revenue, revenue from SBUs and other operating income;
 * Includes chemotherapy and radiotherapy
 ^ Includes Dialysis

Share of Revenue

Q3 FY22



Q3 FY23



■ Self Pay
 ■ TPA & corporates
 ■ International
 ■ Institutional

Figs in INR Cr

	Q3 FY22		Q2 FY23		Q3 FY23	
	Amount	% NR	Amount	% NR	Amount	% NR
Gross revenue	1,392		1,567		1,559	
Net revenue	1,317	100.0%	1,482	100.0%	1,478	100.0%
Direct costs	516	39.2%	575	38.8%	573	38.8%
Contribution	801	60.8%	907	61.2%	905	61.2%
Indirect overheads ¹	437	33.2%	497	33.5%	486	32.9%
Operating EBITDA	364	27.6%	410	27.7%	419	28.3%
ESOP (Equity-settled Scheme) ²	4	0.3%	5	0.4%	12	0.8%
Movement in fair value of contingent consideration payable and amortisation of contract assets ³	(5)	(0.4%)	6	0.4%	6	0.4%
Exceptional item : Payment to employees under VRS	1	0.1%	-	-	-	-
Reported EBITDA	364	27.6%	399	26.9%	401	27.1%
Finance cost (net)	24	1.8%	14	0.9%	7	0.5%
Depreciation and amortisation	61	4.7%	64	4.3%	63	4.3%
Profit before tax	278	21.1%	321	21.7%	331	22.4%
Tax ⁴	26	1.9%	(190)	(12.8)%	61	4.2%
Profit after tax	252	19.2%	511	34.5%	269	18.2%
Normalised Profit after tax	252	19.2%	267	18.0%	269	18.2%

1. Compared to Q3 FY22, the increase is mainly attributed to annual increments, additional headcounts, S&M costs relating to international patients and higher cost of power & utilities. Reduction compared to Q2 FY23 is mainly due to reversal in provision of doubtful debts post collection of >365 days outstanding
2. Increase in costs is towards grant of 81.84 lakh ESOPs to 271 eligible employees in November'22
3. This is a non cash item representing change in fair value of contingent consideration payable to Trust/Society over the balance period (~21 to 32 years) under O&M Contracts and mainly represents impact of changes in the time value of discounted liability
4. Q2 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)

Max Healthcare: Memorandum Profit & Loss Consolidation sheet of Network Financials for Q3 FY23

Figs in INR Cr

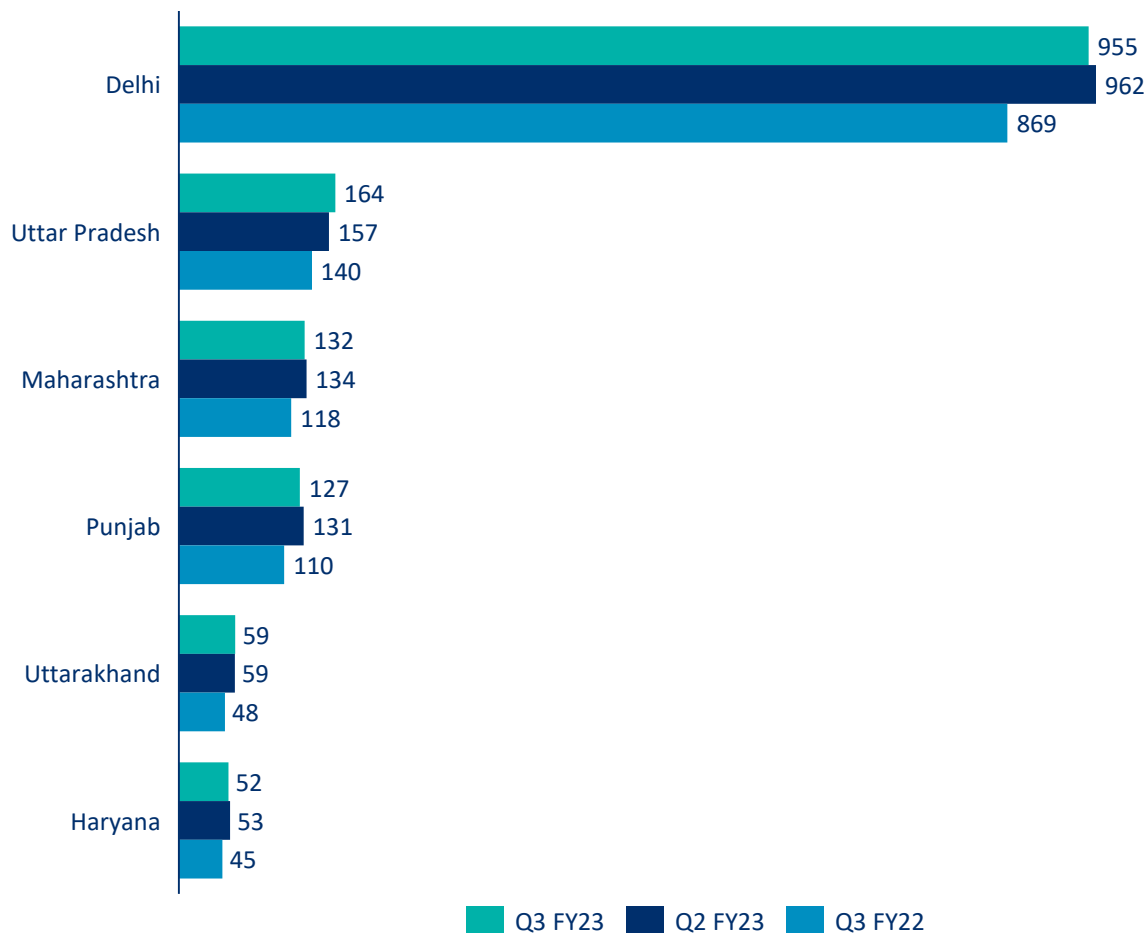
	MHIL, its subsidiaries & Silos	Partner Healthcare Facilities ("PHF") Financials (IGAAP Unaudited)*				Eliminations & Adjustment ⁽²⁾	MHC Network (Consolidated) (Certified by an ICA)
	IND AS Unaudited	Balaji Society	GM Modi Society	Devki Devi Society	IND AS Adjustment ⁽¹⁾		
Net revenue from operations	1141	144	105	187	-	(113)	1464
Other income ⁽³⁾	15	1	1	2	-	(5)	13
Total operating income	1156	146	106	189	-	(118)	1478
Pharmacy, drugs, consumables & other direct costs	230	27	21	53	-	17	348
Employee benefits expense ⁽⁴⁾	193	19	13	19	-	58	302
Other expenses ⁽⁵⁾	387	81	54	85	(1)	(198)	409
Total expenses	810	127	88	158	(1)	(123)	1059
Operating EBITDA	346	18	18	31	1	5	419
Less: non-operating expenses							
ESOP (Equity-settled Scheme)	12	-	-	-	-	-	12
Movement in fair value of contingent consideration payable and amortisation of contract assets	6	-	-	-	-	-	6
Reported EBITDA	328	18	18	31	1	5	401
Finance costs (net)	(10)	(1)	6	7	1	4	7
Depreciation & Amortisation	57	5	4	4	1	(8)	63
Profit before tax	282	14	7	20	(0)	8	331
Tax	59	-	-	-	-	2	61
Profit after tax	222	14	7	20	(0)	6	269

*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 treating doctors

Gross revenue from hospitals, by region

Gross Revenue* (INR Cr)

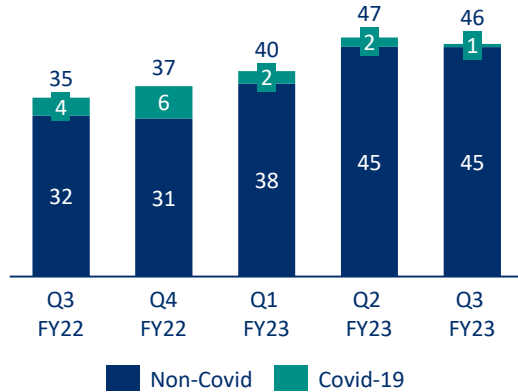


Operational beds (Q3 FY23)

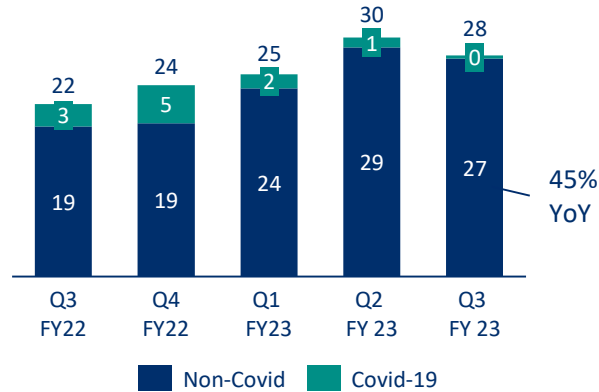


*Excludes revenue from Covid-19 vaccination & related antibody tests, Max Lab operations and Max@Home

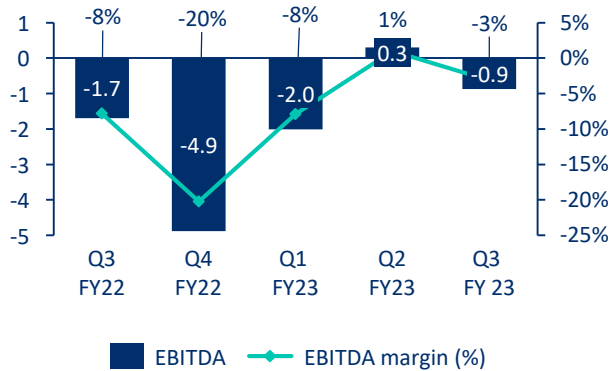
Gross Billing Value (INR Cr)



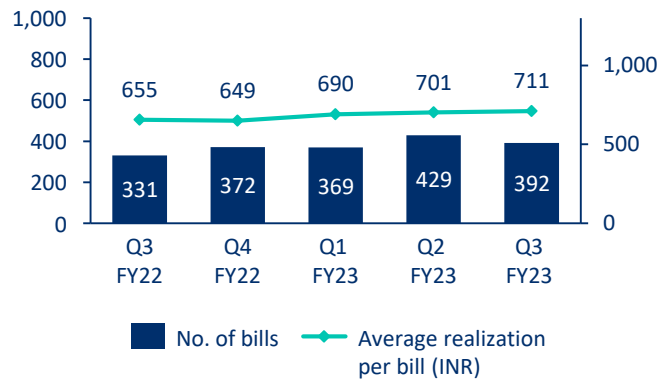
Net revenue (INR Cr)



EBITDA* (INR Cr)



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



Operational footprint (as of Dec, 2022)

380+
Partner-run
collection centres

23
Company owned
collection centres (CoCC)

200+
Phlebotomist
At Site (PAS)

230+
Pick-Up
Points (PUPs)

40
HLMs & OLMs

34
Cities of
operations

**Partner count of 900+
during Q3 FY23**

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, using arm length revenue share between Max Lab and hospitals (60:40 for FY23) for samples tested in hospital labs

Clinical and Research & Academics Update

- ✦ Till date we have performed **1980+ Liver Transplants, ~3300 Kidney Transplants & 1600+ Bone Marrow Transplants**
- ✦ Performed the **Lymphedema Surgery (complex super microsurgery)** on a 43 year old cancer patient at BLK-Max
- ✦ Treated an eleven year old child suffering from a **rare genetic condition – Thrombotic Microangiopathy** by performing an extremely complex swap & paired transplant at Nanavati Max
- ✦ Stabilized a 60 year old patient in a neglected cachectic state suffering from **advanced Colonic Cancer** in a short span of 4 months at MSSH Vaishali
- ✦ Cured a 47 year old lady suffering from **Grade-2 Chondrosarcoma of the sternum**, in a short span of **7 days**, utilizing customized 3-D printed plates to perform chest wall reconstruction surgery at Nanavati Max
- ✦ Max Smart successfully performed its **1st Robotic Knee Replacement Surgery** on a 62 year old male suffering from 10 years of persistent knee pain
- ✦ Performed **Robotic Pyeloplasty** on 6 year old kid with a immobilised colon at Max Patparganj
- ✦ MSSH Mohali became the **1st hospital in Tricity** to successfully treat a pre-term baby (28 weeks) with an extremely **complicated heart ailment- Patent Ductus Arteriosus**
- ✦ Successfully performed a procedure of **TAVI with SENTINEL Cerebral Protection System (CPS)** on a co-morbid 56-year-old male, at MSSH Shalimar Bagh

✦ National and international publications

✦ **75 scientific publications** in high impact factor journals during Q3 FY23

✦ **Top high Index and high impact factor publications** are from Radiology, Cardiology, Endocrinology, Internal Medicine

✦ **~100 clinical trials** are currently underway across the Network

✦ **82 research grants and 15 grant studies** are ongoing with **14 Clinical trial and 3 new grant studies** initiated

✦ **Entered into a MoU with Anuva Biotech** to undertake genomics based research in breast cancer, lung cancer, diabetes, cardiac disease, kidney disease, drug resistant tuberculosis, and others

✦ **~ 800 trainee doctors across the network including : 80 students** currently enrolled in **Masters in Emergency Medicine (International) course**, being run under the aegis of George Washington University, **~50 students in IMT program**, **~500 students in DNB programmes** across **33 specialities** and **~110 students in Fellowship programs**

✦ **~1200 students are currently enrolled** across internships and observer-ships

✦ **~130 MBBS students currently pursuing** 2 year Clinical rotation in collaboration with Lincoln American University

✦ **1600 students** enrolled in American Heart association certified BLS & ACLS course

✦ **12 students** currently enrolled in Masters in Public Health & **~ 50 students** currently enrolled in Clinical Research training programs

9M ended Dec'22 Highlights

Executive Summary: 9M ended Dec'22

Network Financial highlights

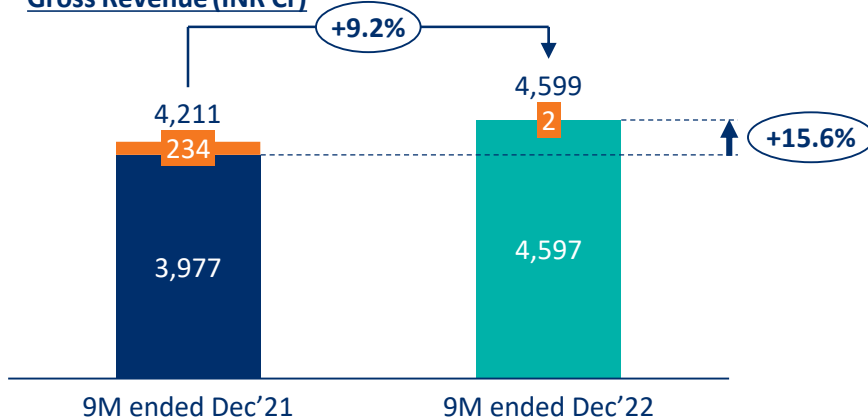
- ✦ 9M ended Dec'22 Gross revenue¹ at INR 4,599 Cr versus INR 4,211 Cr in 9M ended Dec'21
 - ✦ Gross revenue (excl. Covid-19 vaccination) for 9M ended Dec'22 was INR 4,597 Cr compared to INR 3,977 Cr in 9M ended Dec'21, reflecting a growth of +16% YoY
 - ✦ Covid-19 Vaccination revenue in 9M ended Dec'22 was INR 2 Cr compared to INR 234 Cr in 9M ended Dec'21
- ✦ Operating EBITDA for 9M ended Dec'22 stood at INR 1,199 Cr versus INR 1,085 Cr in 9M ended Dec'21
 - ✦ EBITDA (excl. Covid-19 vaccination) for 9M ended Dec'22 was INR 1,199 Cr compared to INR 1,001 Cr in 9M ended Dec'21, reflecting a growth of +20% YoY on like to like basis
 - ✦ EBITDA per bed² (annualized) grew to INR 64.4 lakhs (+21% YoY)
 - ✦ 9M ended Dec'22 EBITDA margin¹ (excl. vaccination) grew to 27.6% from 26.6% in 9M ended Dec'21
- ✦ PAT for 9M ended Dec'22 was INR 1,009 Cr versus INR 664 Cr in 9M ended Dec'21. This includes impact of one time reversal of INR 244 Cr deferred tax liability (net) in Q2 FY23 pursuant to voluntary liquidation of a subsidiary
- ✦ Cash from operations during 9M ended Dec'22 was INR 856 Cr and Net Cash³ as at end of 9M ended Dec'22 stands at INR 372 Cr. This includes INR ~100 Cr received from HSVP after unilateral cancellation of 6.11 acre of land allotted pursuant to e-auction in Aug'21. Hon'ble Punjab & Haryana High Court has issued a status quo order on January 2, 2023 while admitting Company's petition challenging the cancellation

Operational highlights

- ✦ Occupancy for 9M ended Dec'22 stood at 76.2% versus 76.7% in 9M ended Dec'21
- ✦ ARPOB⁴ for 9M ended Dec'22 stood at INR 66.3k versus INR 57.1k in 9M ended Dec'21 (+16% YoY)
 - ✦ Revenue from International patients normalized to Pre-Covid levels. Patient flows from Afghanistan, one of the key territories in Pre-Covid times, continued to be impacted with negligible revenue
- ✦ OP consults grew by +13% YoY and stood at 16.9 L during the period
- ✦ 35,000+ video consults during 9M ended Dec'22; Digital revenue through web-based marketing activities and online appointments stood at INR 745 Cr, i.e. ~18% of overall revenues representing a growth of ~80% YoY
- ✦ ~1,15,273 OPD and ~3,832 IPD patients from economically weaker section were treated free of charge

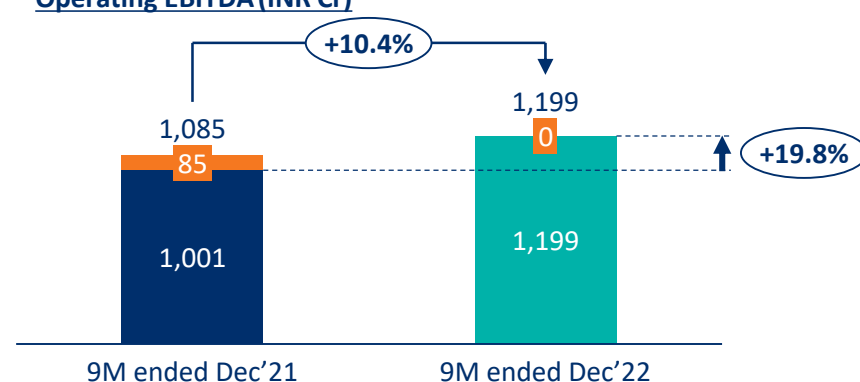
Key Financial Highlights

Gross Revenue (INR Cr)



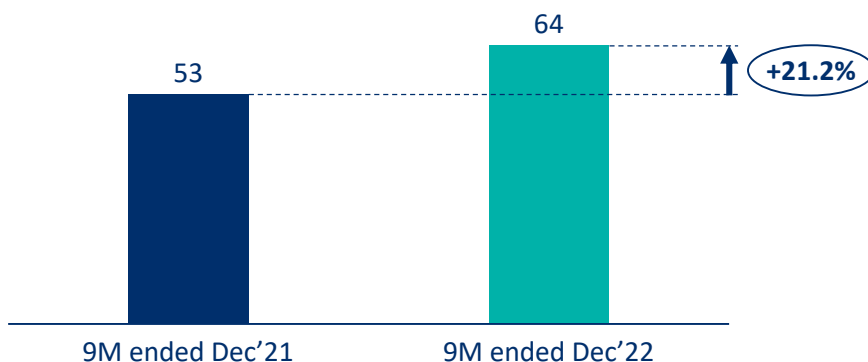
 Covid-19 vaccination & related antibody tests revenue

Operating EBITDA (INR Cr)

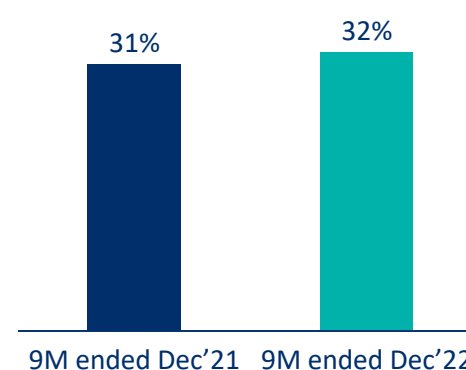


 Covid-19 vaccination & related antibody tests EBITDA
 Margin¹ (%) 9M FY22 : 27.2% | 9M FY23 : 27.5%

Operating EBITDA per bed² (INR Lakhs)



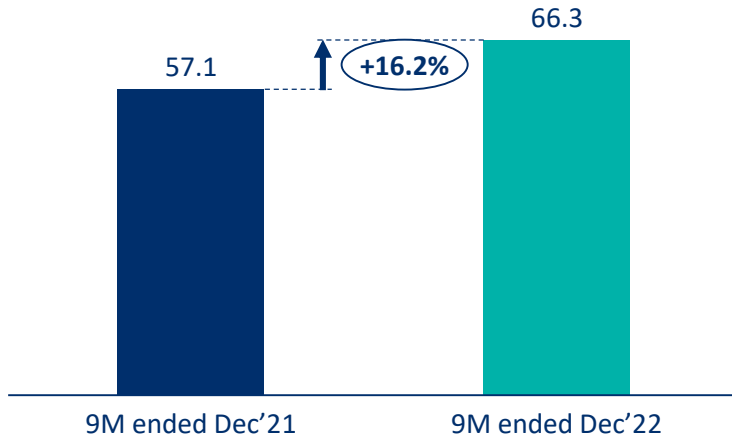
Pre-tax ROCE³



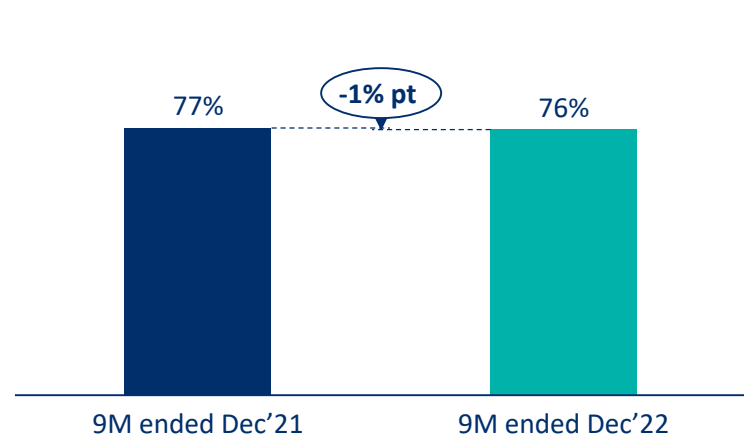
(1) Margin calculated on net revenue | (2) EBITDA per bed is annualised using relevant half-yearly performance; excludes EBITDA from Covid-19 vaccination & related antibody tests and Max Lab operations | (3) Based on quarterly EBIT annualised; capital employed excludes (a) impact of Purchase price allocation at the time of merger with Radiant, (b) acquisition of ET Planner in Q2 FY22 and (c) short term FDRs. Depreciation for EBIT has been considered based on normalised replacement capex.

Key Operational Highlights

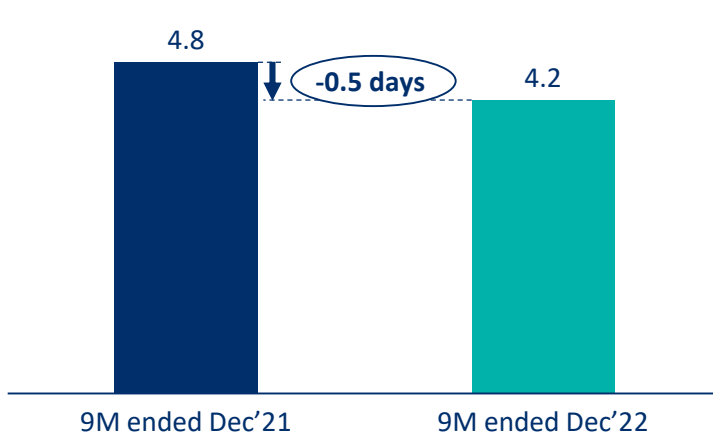
ARPOB¹ (INR/OBD) ('000)



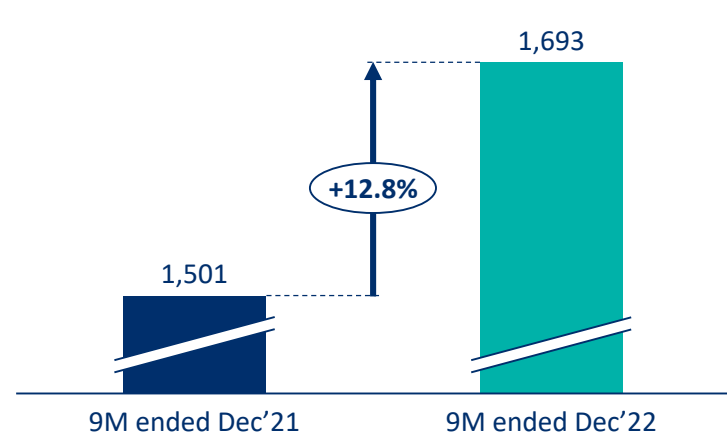
Avg. Inpatient Occupancy (%)



ALOS² (in days)

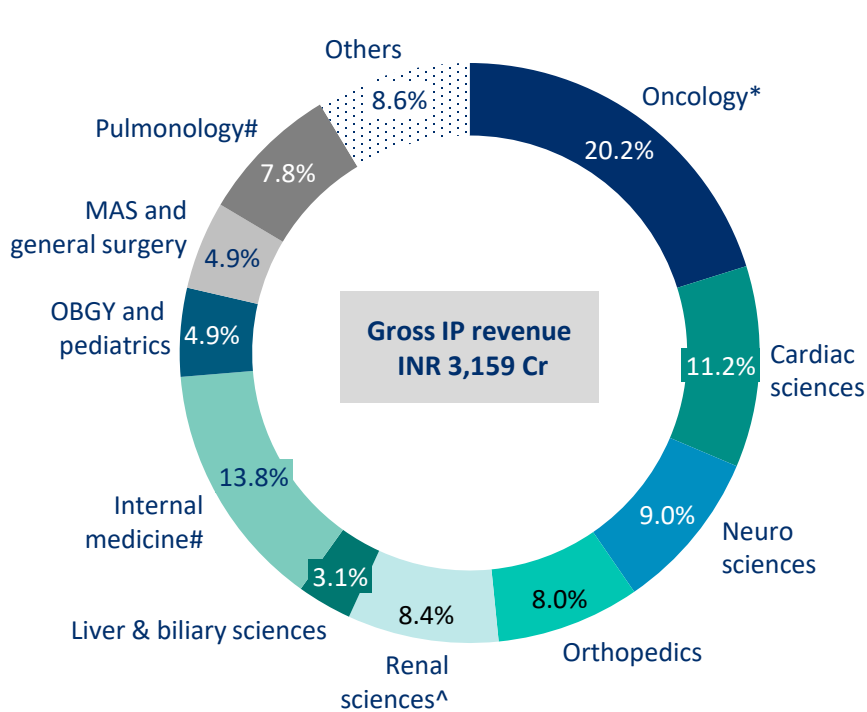


Outpatient consults ('000)

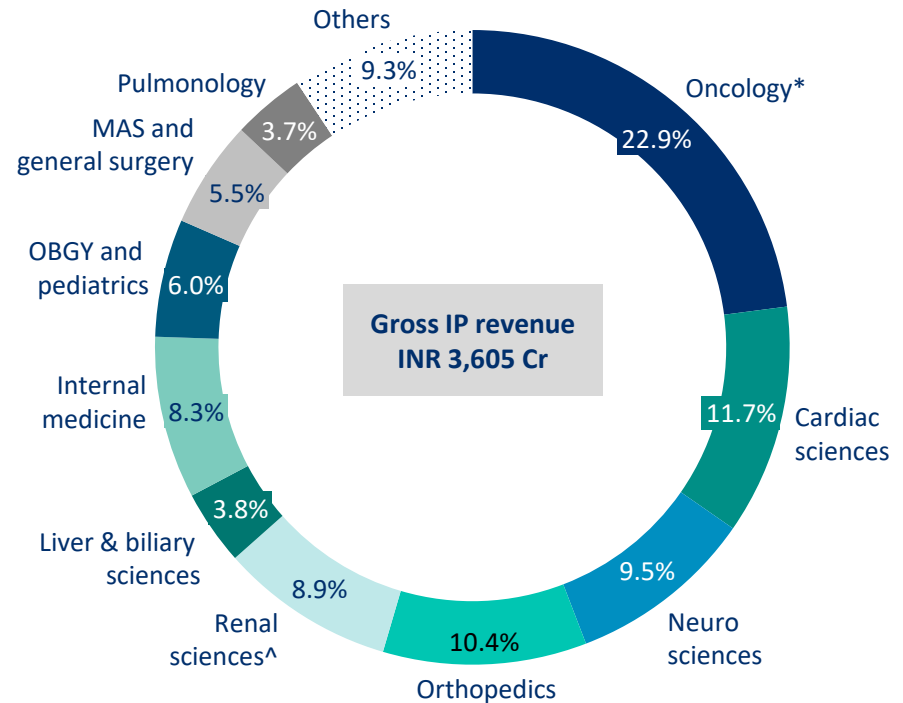


(1) ARPOB calculated as gross revenue / total OBD; Gross revenue excludes revenue from Covid-19 vaccination & related antibody tests and Max Lab operations |
 (2) ALOS calculated for discharged IP patients

9M ended Dec'21



9M ended Dec'22



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

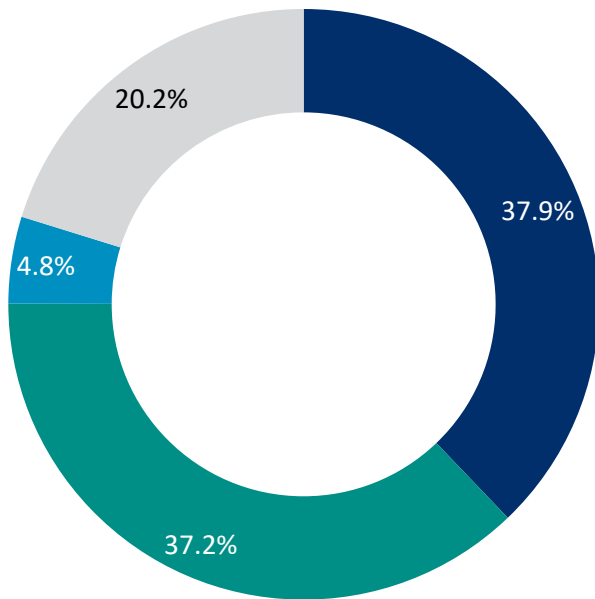
* Includes chemotherapy and radiotherapy

^ Includes Dialysis

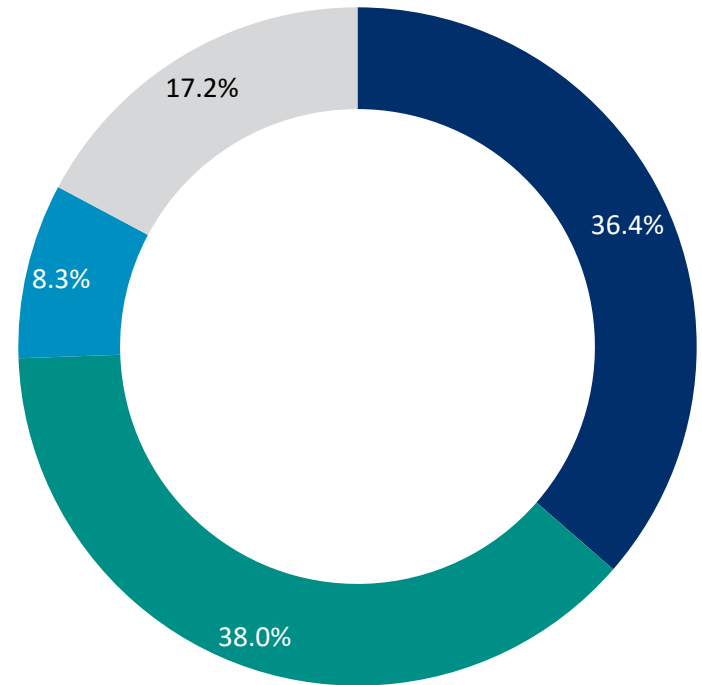
Higher share in H1 FY22 was due to Covid-19 admissions

Share of Revenue

9M ended Dec'21



9M ended Dec'22



■ Self Pay
 ■ TPA & corporates
 ■ International
 ■ Institutional

Figs in INR Cr

	9M ended Dec'21		9M ended Dec'22	
	Amount	% NR	Amount	% NR
Gross revenue ¹	4,211		4,599	
Net revenue	3,992	100.0%	4,353	100.0%
Direct costs	1,606	40.2%	1,699	39.0%
Contribution	2,386	59.8%	2,653	61.0%
Indirect Overheads ²	1,300	32.6%	1,454	33.4%
Operating EBITDA	1,085	27.2%	1,199	27.5%
ESOP (Equity-settled Scheme)	29	0.7%	22	0.5%
Movement in fair value of contingent consideration payable and amortisation of contract assets ³	5	0.1%	18	0.4%
Exceptional item : Payment to employees under VRS	9	0.2%	-	-
Reported EBITDA	1,042	26.1%	1,159	26.6%
Finance cost (net) ⁴	85	2.1%	41	0.9%
Depreciation and amortisation	183	4.6%	192	4.4%
Profit before tax	774	19.4%	926	21.3%
Tax ⁵	109	2.7%	(83)	(1.9%)
Profit after tax	664	16.6%	1,009	23.2%
Operating EBITDA (excl. Covid-19 vaccination)	1,001	26.6%	1,199	27.6%

1. Includes INR 234 Cr and INR 2 Cr from Covid-19 vaccination & related antibody test in 9M ended Dec'21 and 9M ended Dec'22 respectively
2. Increase is mainly due to annual merit increase, provisioning for AR > 365 days, increase in power cost and incremental cost of S&M relating to international patients
3. 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
4. 9M ended Dec'22 includes incremental interest income on IT refunds, bank deposits and also lower interest costs on account of prepayment of loans
5. Includes impact of one time reversal of INR 244 Cr deferred tax liability (net of capital gains tax) in 9M ended Dec'22 pursuant to voluntary liquidation of a subsidiary

Max Healthcare: Memorandum Profit & Loss Consolidation sheet of Network Financials for 9M ended Dec'22

Figs in INR Cr

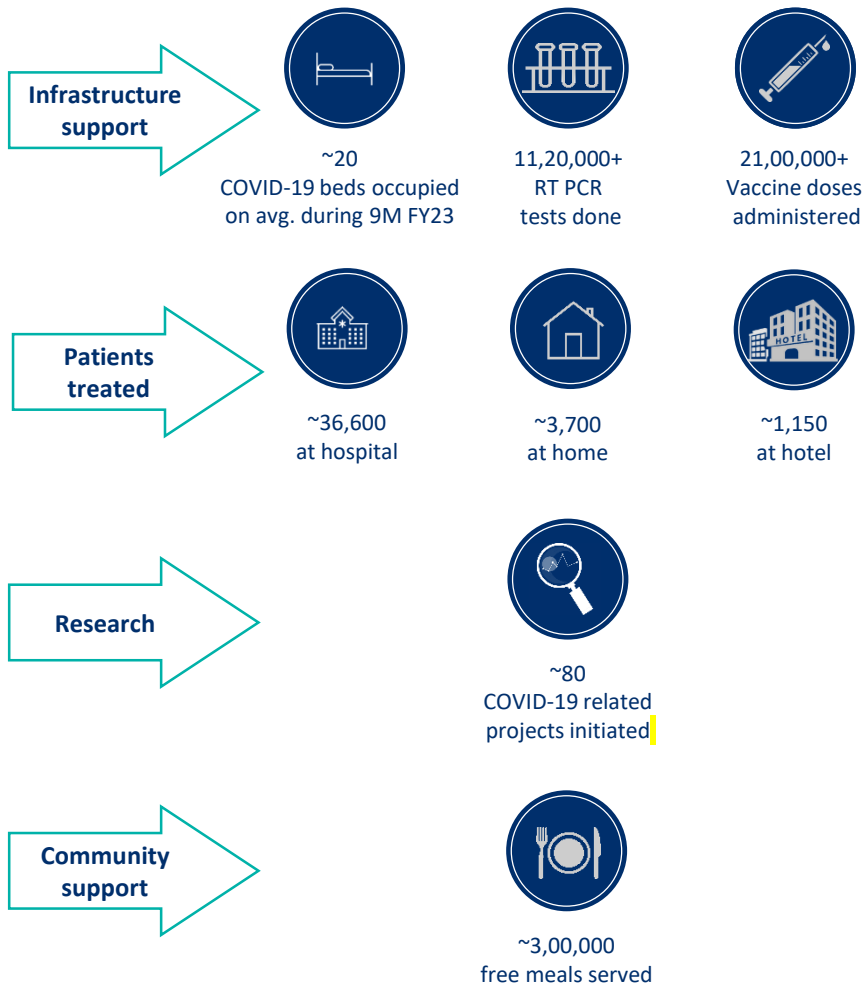
	MHIL, its subsidiaries & Silos	Partner Healthcare Facilities ("PHF") Financials (IGAAP Unaudited)*				Eliminations & Adjustment ⁽²⁾	MHC Network (Consolidated) (Certified by an ICA)
	IND AS Unaudited	Balaji Society	GM Modi Society	Devki Devi Society	IND AS Adjustment ⁽¹⁾		
Net revenue from operations	3345	432	294	560	-	(304)	4326
Other income ⁽³⁾	24	3	3	5	-	(9)	26
Total operating income	3369	435	297	566	-	(314)	4353
Pharmacy, drugs, consumables & other direct costs	676	82	59	160	-	49	1026
Employee benefits expense ⁽⁴⁾	577	58	37	58	-	171	900
Other expenses ⁽⁵⁾	1155	216	150	247	(4)	(536)	1228
Total expenses	2407	356	246	465	(4)	(317)	3154
Operating EBITDA	961	79	51	101	4	3	1199
Less: non-operating expenses							
ESOP (Equity-settled Scheme)	22	-	-	-	-	-	22
Movement in fair value of contingent consideration payable and amortisation of contract assets	18	-	-	-	-	-	18
Reported EBITDA	921	79	51	101	4	3	1159
Finance costs (net)	(14)	2	20	19	1	12	41
Depreciation & Amortisation	172	16	14	12	2	(24)	192
Profit before tax	764	60	17	70	(0)	15	926
Tax	(89)	-	-	-	-	7	(83)
Profit after tax	853	60	17	70	(0)	8	1009

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 treating doctors

Covid-19 Update

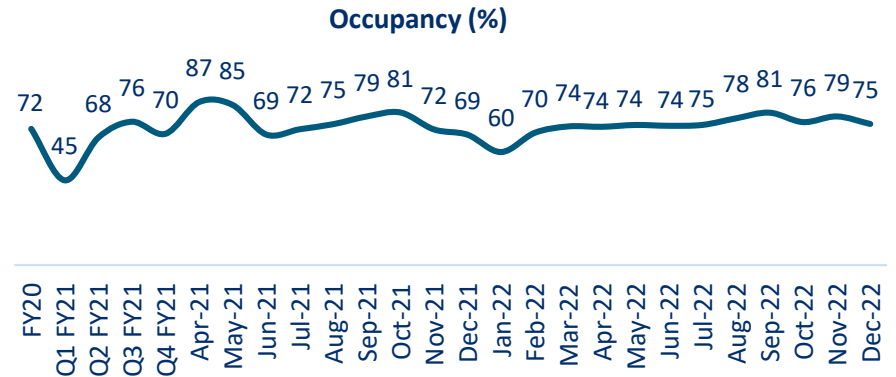
Key contributions* :



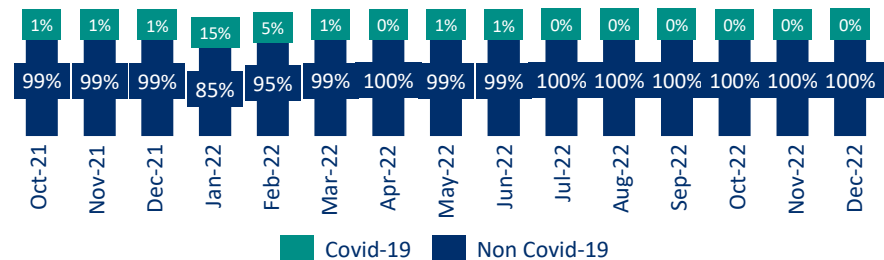
Our response :

- * 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 O₂ 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-
 - * 35,000+ video consults during 9M FY23
 - * Developed remote monitoring capabilities, particularly during lockdown

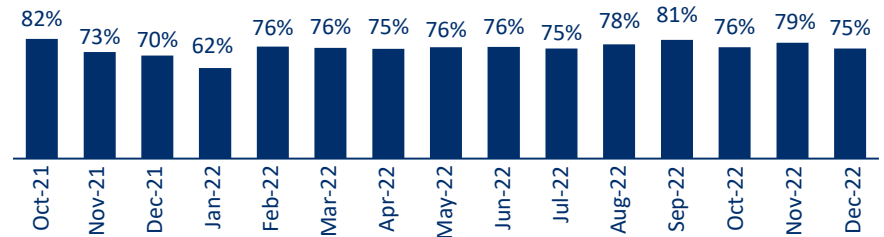
- ✦ Post sharp fall in occupancies at the start of first wave of COVID-19 in Mar. 2020, the overall occupancy steadily improved starting Jun. 2020, as the hospitals started to admit COVID-19 patients
- ✦ The first Covid-19 wave peaked in Nov. 2020; thereafter Non-COVID admissions started to stabilise from Jan. 2021
- ✦ Occupancies peaked to 85%+ levels in Apr. 2021 and May 2021 as second wave of Covid-19 hit India, before Covid-19 admissions dropped sharply in Jul. 2021
- ✦ During Aug. 2021 to Dec. 2021 period, ~1% of the total occupied beds were being utilised for treatment of COVID-19 patients. This peaked to ~15% during Jan. 2022 as COVID-19 cases surged during the 3rd wave (Omicron)
- ✦ Jan. 2022 occupancies were lower due to decline in OPD footfalls and overall admissions (both COVID-19 and Non-COVID) due to Omicron scare. However, the same started to normalise in the second half of Feb. 2022
- ✦ The proportion of beds occupied by COVID-19 patients reduced to negligible levels starting Apr. 2022 and remained at such levels throughout 9M FY23
- ✦ Bed capacity allocation towards treating COVID-19 patients varied in tandem with the rate of COVID-19 admissions and advisory from the regulatory bodies



Occupied bed share split



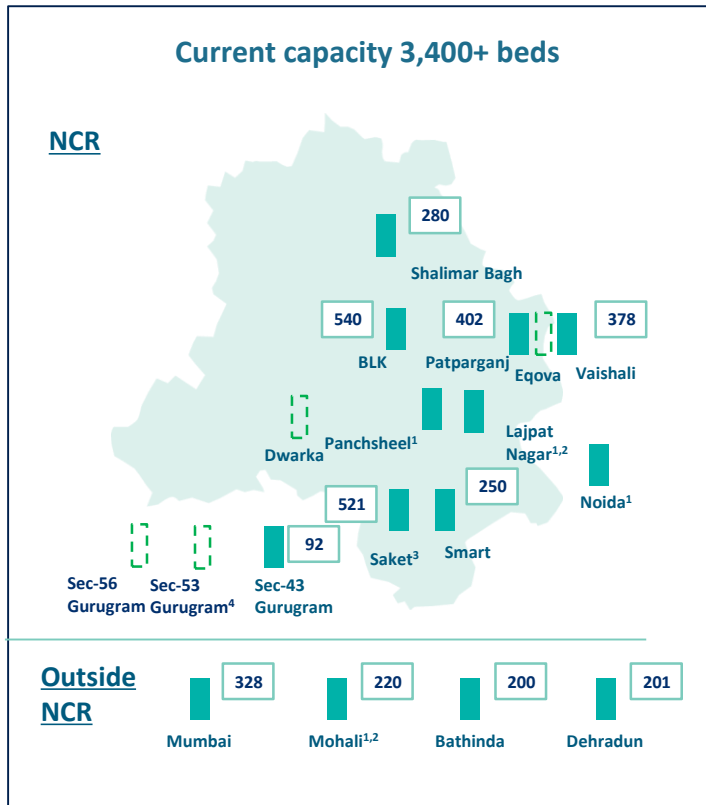
Non Covid-19 occupancy[^]



[^] Occupancy calculated on the basis of beds dedicated to Non Covid-19 patients for the respective month

About the Company

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



Current Max Hospitals and medical centres
 Upcoming Max Hospitals



17
Facilities



~85%
Beds in metros



~77%
Q3 FY23
Occupancy



12%
Revenue CAGR[^]
3 years

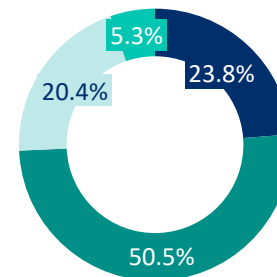


59%
EBITDA CAGR[^]
3 years



34%
Q3 FY23

Shareholding structure (as on January 29, 2023)



Top Public investors:

- Capital Group (All funds)
- SBI Mutual Funds
- Government of Singapore / GIC
- HDFC Mutual Funds
- Ward Ferry
- Vanguard (All funds)
- Canara Robeco Mutual Funds
- Polar Capital (All funds)

Abhay Soi DII
 FPIs and FIIs Others

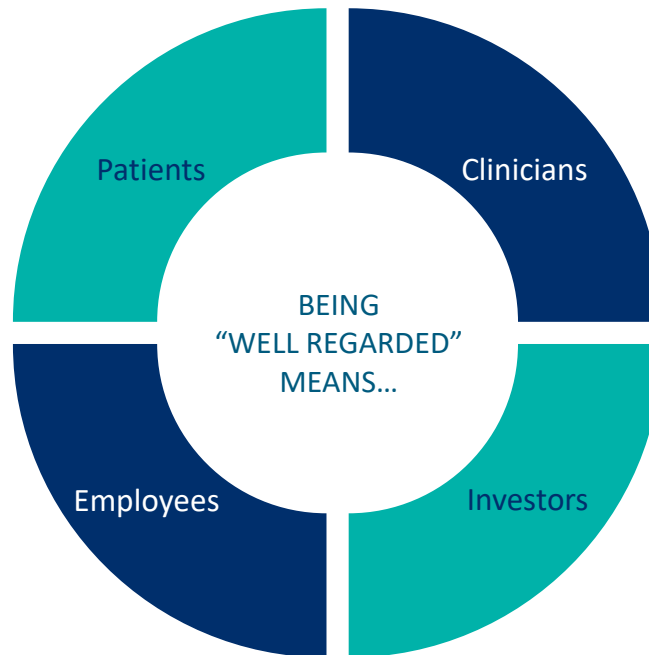
* Based on publicly available information for listed companies (FY22) | (1) Standalone speciality clinics with outpatient and day care services | (2) 2 facilities each at these locations | (3) 320 beds in East Block and 201 in West Block | (4) Currently the Land at Sec- 53 is under litigation with HSVP | [^]CAGR is calculated for FY19 to FY22

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**

- * Quaternary care facilities
- * Best-in-class clinical outcomes
- * Patient centric approach
- * Global best practices

- * Rewarded by growth
- * Constant pursuit to strengthen management
- * Collaborative approach



- * World class infrastructure
- * State-of-the-art technology
- * Well defined clinical protocols
- * Focus on research and academics

- * Strong governance
- * Profitable growth
- * Healthy balance sheet
- * Efficient operations

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, Imperial College London, Ashoka University, Pfizer Inc and Anuva Biotech– 30,000+ research participants and 2 million USD research grant



1900+ 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, INSA, DHR, Pfizer, NIHR, MRC, Innovate UK



Researching use of Artificial Intelligence in Radiology with leading international partners and prestigious national academic institutions



~100 on-going clinical **research projects**

Academics:

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

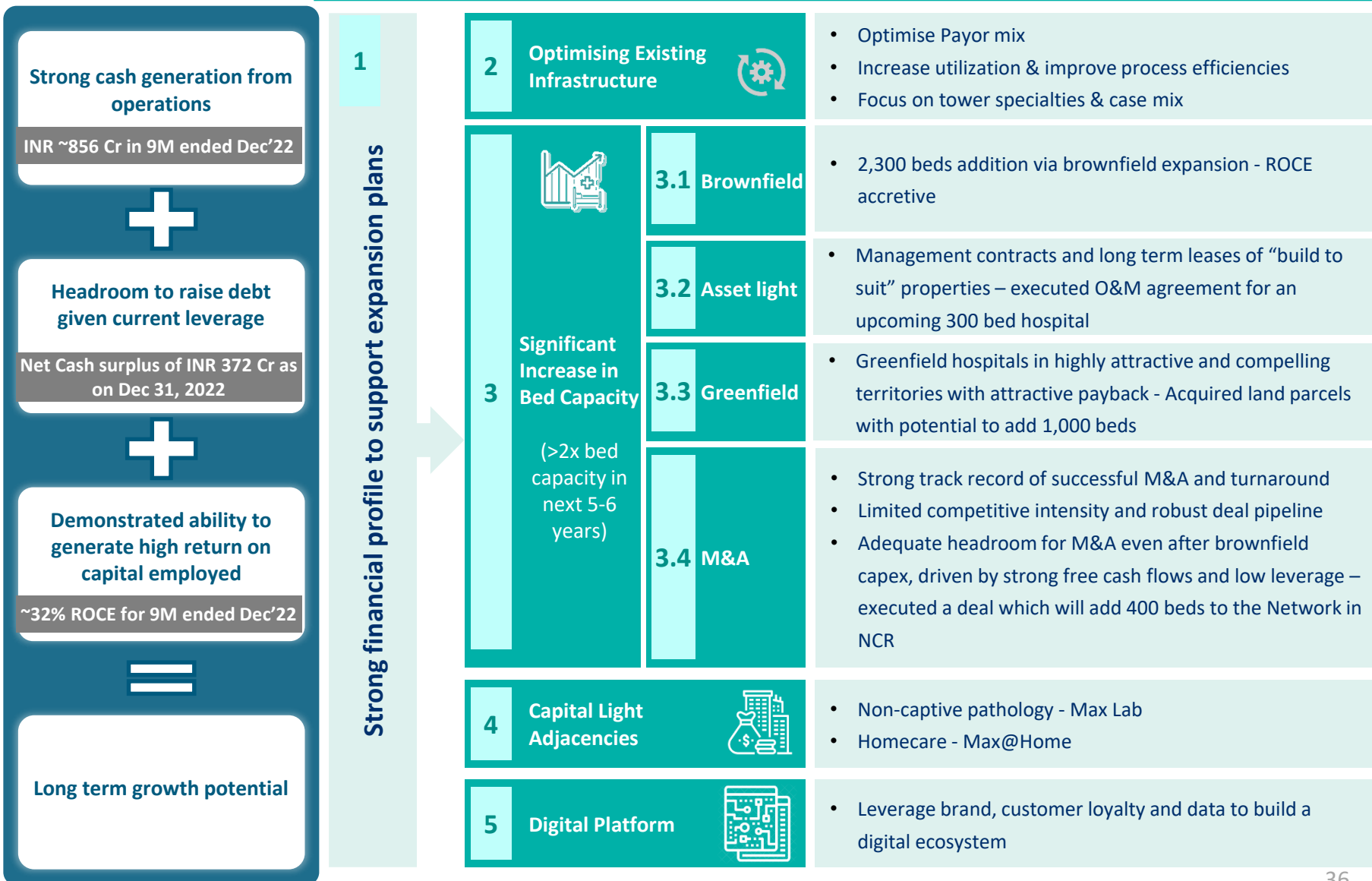
- ✦ Started a 2 year Masters of Public Health program through a collaboration with AcSIR
- ✦ Hosts prestigious Royal college of Physicians exam - successfully hosted 4 examinations
- ✦ Recognised by JRCPTB to deliver post graduate Internal medicine training outside UK
- ✦ Conducts Masters in Emergency program in collaboration with George Washington University, USA
- ✦ 19,000+ students trained in Life Support programmes in last 5 years
- ✦ ~12,000 trainees participate in various training programmes and exams annually
- ✦ ~6,000 trainees undergo CMEs, workshops and bespoke trainings annually
- ✦ ~500 post graduate students enrolled across 30+ specialties

Figs in INR Cr

	FY20		FY21		FY22		9M ended Dec'22	
	Amount	% NR	Amount	% NR	Amount	% NR	Amount	% NR
Gross revenue ¹	4,356		3,881		5,509		4,599	
Net revenue	4,023	100.0%	3,629	100.0%	5,218	100.0%	4,353	100.0%
Direct costs	1,715	42.6%	1,508	41.6%	2,103	40.3%	1,699	39.0%
Contribution	2,308	57.4%	2,121	58.4%	3,115	59.7%	2,653	61.0%
Indirect overheads	1,719	42.7%	1,485	40.9%	1,725	33.1%	1,454	33.4%
Operating EBITDA²	590	14.7%	636	17.5%	1,390	26.6%	1,199	27.5%
ESOP (Equity - settled scheme)	-	-	27	0.7 %	34	0.7%	22	0.5%
Movement in fair value of contingent consideration payable and amortisation of contract assets ³	(3)	(0.1%)	1	0.0%	7	0.1%	18	0.4%
Transaction Cost including QIP related cost & Loss on fair valuation of pre-merger holding of Radiant under IND AS 103	43	1.1%	249	6.9%	-	-	-	-
Exceptional item : VRS pay-out to employees	-	-	-	-	9	0.2%	-	-
Reported EBITDA	549	13.6%	359	9.9%	1,340	25.7%	1,159	26.6%
Finance costs (net)	215	5.3%	187	5.2%	112	2.2%	41	0.9%
Depreciation and amortisation	208	5.2%	216	6.0%	248	4.8%	192	4.4%
Profit / (Loss) before tax	126	3.1%	(45)	(1.2%)	979	18.8%	926	21.3%
Tax ⁴	(3)	(0.1%)	50	1.4%	143	2.7%	(83)	(1.9%)
Profit / (Loss) after tax	129	3.2%	(95)	(2.6%)	837	16.0%	1,009	23.2%

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 9M ended Dec'22
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 (~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
4. Includes impact of one time reversal of INR 244 Cr deferred tax liability (net of capital gains tax) in 9M ended Dec'22 pursuant to voluntary liquidation of a subsidiary



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

- * EY Entrepreneur Of The Year 2021 India Award in Business transformation category



- * 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



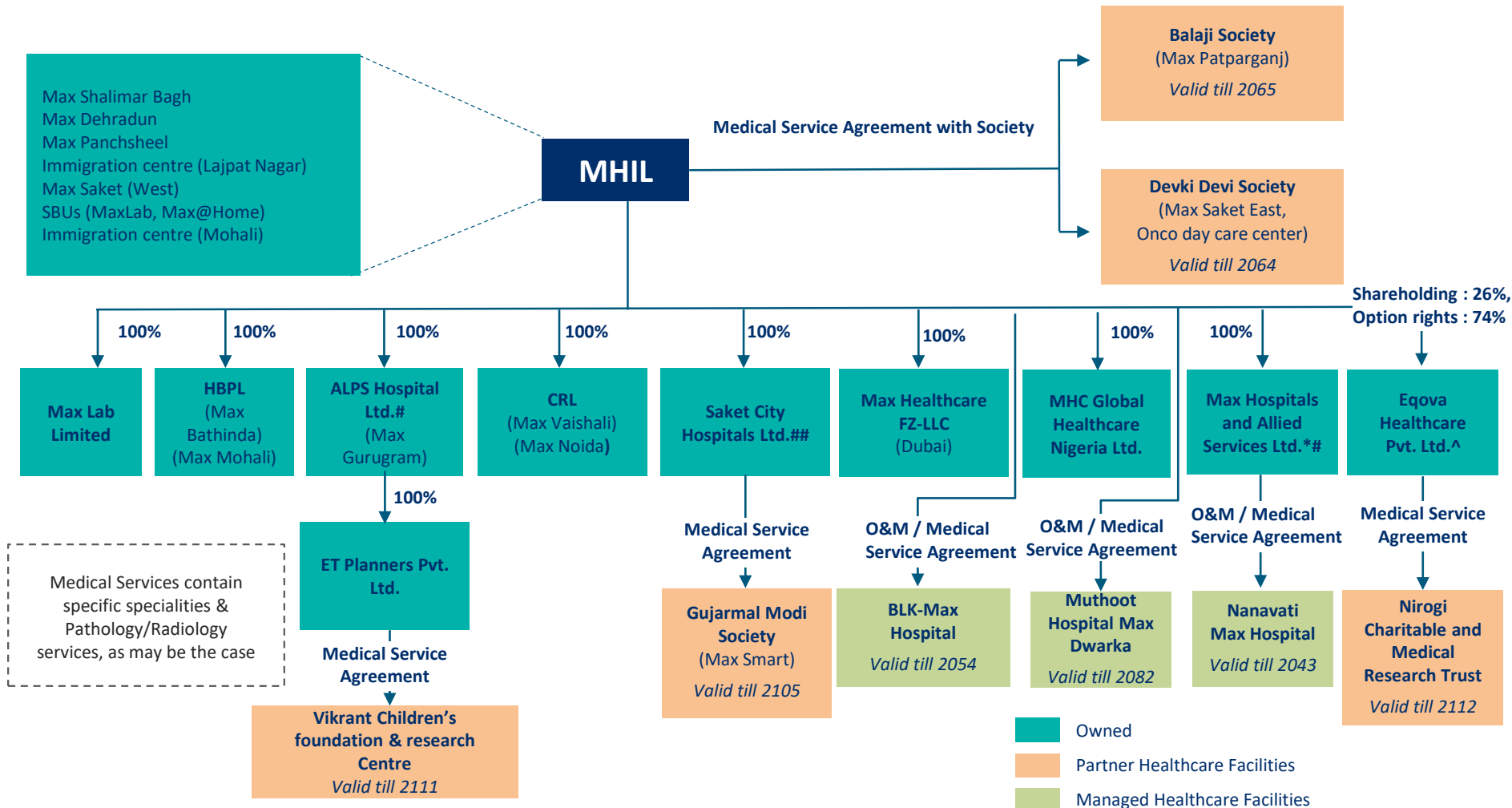
Others

- * Certified Great Place to Work by Great Place to Work Institute
- * Ranked Best Multi Specialty Hospital in Delhi by Outlook Health 2022



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





*formerly known as Radiant Life Care Mumbai Pvt. Ltd. | # The Boards of Alps Hospitals Ltd and Max Hospitals and Allied Services Ltd have approved a scheme of amalgamation of the two entities | ##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 | MHIL – Max Healthcare Institute Limited; 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 Eqova Healthcare

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 3 new upcoming Network facilities – one each in East Delhi (Patparganj), North west Delhi (Dwarka) and Sector 56 Gurugram

Definitions

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.
CTI	Represents self pay, private insurance & international patient segment where hospital tariff is the basis for the billing / contract
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 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. 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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