

August 7, 2023

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
Scrip Code: 543427

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Symbol: MEDPLUS

Dear Sir/Madam,

Sub: Presentation for Earnings Call with Analysts/Institutional Investors on un-audited Financial Results for the quarter ended June 30, 2023

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in furtherance to our letter dated July 15, 2023 please find enclosed herewith the presentation for Earnings Call with Analysts/Institutional Investors on un-audited Financial Results for the quarter ended June 30, 2023 scheduled to be held on, August 8, 2023 at 16:00 Hrs.

Kindly take the same on record. The same is being uploaded on the website of the Company.

Thanking You
Yours faithfully

For MedPlus Health Services Limited


Manoj Kumar Srivastava
Company Secretary & Compliance Officer
FCS 7460

Enclosed: a/a



7/8/2023

MedPlus+



FIRST QUARTER FY2024

INVESTOR PRESENTATION

Corporate information
Performance update
Financial results

AUG 2023

MedPlus+

| Safe Harbour

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| Executive Summary: Q1FY24

1 Revenue Growth

Revenue has grown by 29.2% vs Q1 FY23

2 Accelerated store expansion

Addition of 153 stores in Q1FY24
Beyond Tier One cities : 87

3 Strong unit economics

58% of stores opened in 6 months period from July 2022 – December 2022, achieved break-even within 6 months of operations. As a cohort, all the stores combined achieved break-even in just 4 months

4 Stable operating performance of mature stores (>12m)

Operating EBITDA: ₹ 452mn

Store Level EBITDA margin: 8.9%

Store Level Operating ROCE: 49.1%

5 EBITDA

Consolidated Operating EBITDA of ₹ 291mn

Pharmacies Operating EBITDA of ₹ 343mn

6 Diagnostics pilot on track

Our pilot in Hyderabad is progressing well with four full-service centers, seven level 2 centers and 100+ own Collection Centers

| The MedPlus Story

MedPlus caters to the healthcare and household needs of the neighborhoods we operate in

We are omni-channel: Digital and neighborhood stores

MedPlus has the second largest pharmacy network nationally, with leadership position in the markets we operate

2006

Started in Hyderabad

17 years

A Trusted Brand

c.931m+

Bills Cut Since Inception

3,975 stores

Stores

7

States

581

Cities

21k+

Employees

46k+ SKUs

Across Pharma and Non-Pharma

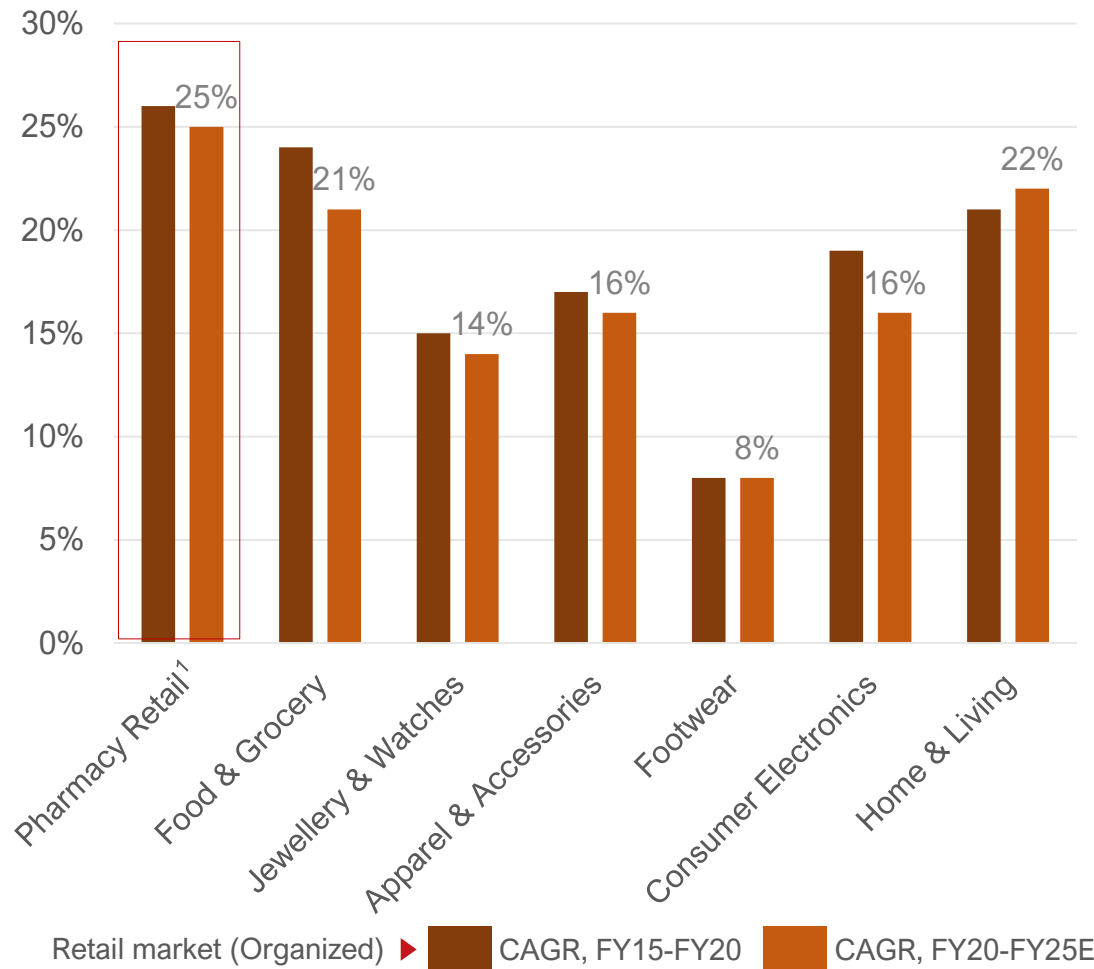
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Regional Warehouses

1. Information as on 30-June-23

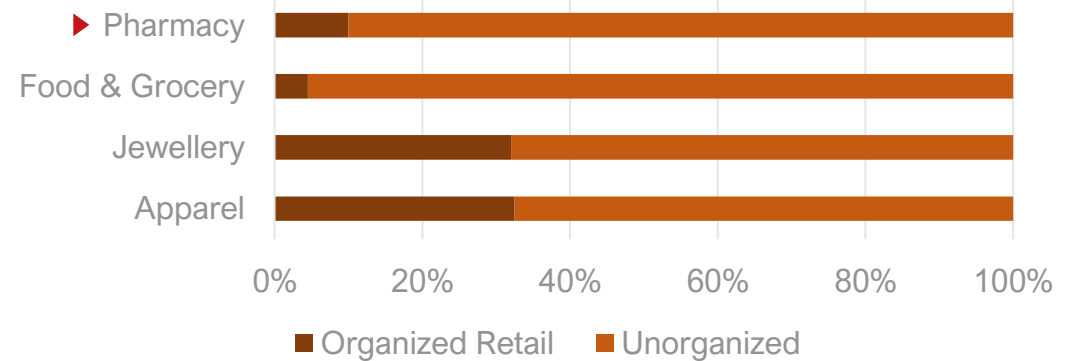
MedPlus – Leader In The Attractive Pharmacy Space

Fastest Growing Retail Segment



1. Retail segment of the “Pharmacy & Wellness” market

Large Headroom to Grow



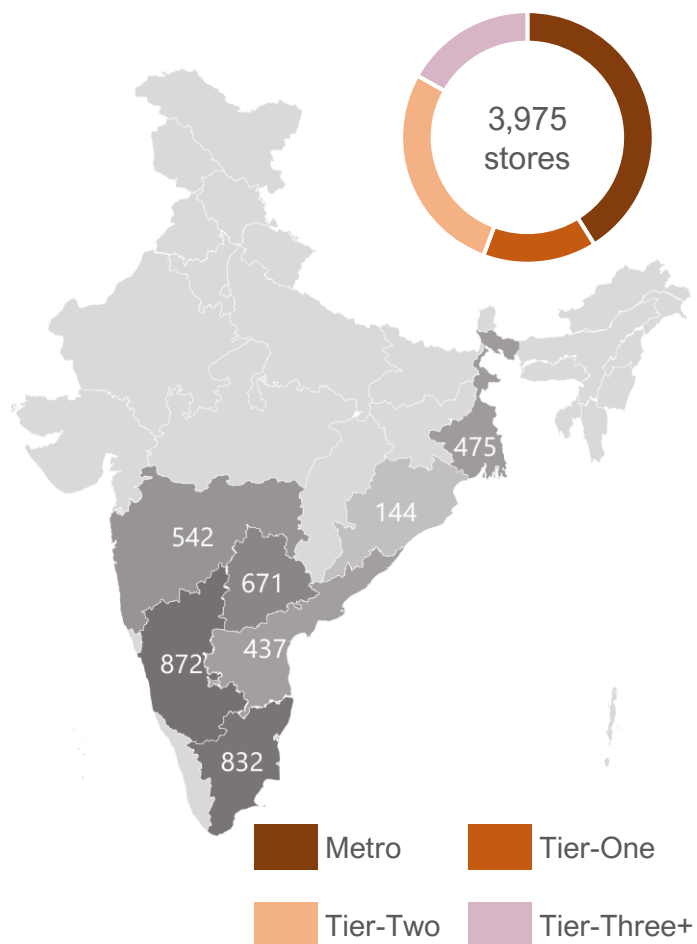
Better Unit Economics

	Pharmacy: High revenue per sqft of store area	Pharmacy: Highest steady-state store level ROCE
	Avg. Revenue per sq.ft. p.a.	ROCE
▶ Pharmacy	₹ 30-50k	45-50%
Food & Grocery	c. ₹ 24k	30-35%
Jewelry	c. ₹ 140k	20-25%
Apparel	c. ₹ 20k	25-40%
Food Services	c. ₹ 26k	25-35%

Source: Technopak Advisors (2021). Pharmacy Retail in India

Cluster Based Network Enables Profitable Omni-Channel Service

Stores As On Jun-23



Strong Cluster Based Network

Strong network of 3,975 stores across Metros, Tier-One, Tier-Two and beyond.

Ability to service 100% market – acute + chronic
 As opposed to online only players that largely cater to only chronic segment (37%¹ of the market)

2- hour delivery

Online only players cannot match this proposition given lack of hyperlocal store presence

Lower customer acquisition cost

As existing stores act as branding sites

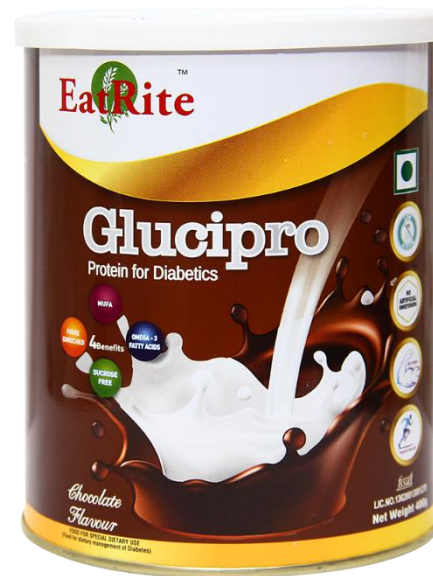
Lower delivery costs

Because of the hyperlocal presence of MedPlus' 3,975 stores

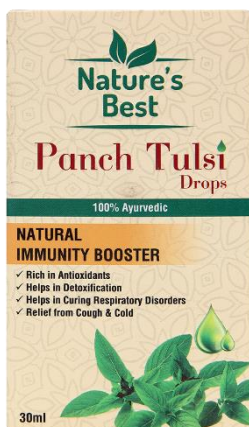
1. For 2020; Proportion of domestic pharmaceutical market. Technopak Advisors (2021). Pharmacy Retail in India
2. Stores in Puducherry are not represented in the map above. As on 30-Jun-23 we have 2 stores in Puducherry

Scale Allows A Large Private Label Basket: 1300+ SKUs

► Pharma
Over 1,066 products covering Chronic, Acute, OTC & Other Pharmaceutical products



► Non-Pharma
Over 293 products covering, packaged food, baked goods, dry goods, cleaning products, cosmetics and toiletries



| Poised for Growth

Key Pillars Of Growth

A	<p>Growth in existing clusters and develop new clusters</p>	<p>MedPlus has an established base of operations in seven key states. Therefore, we will:</p> <ul style="list-style-type: none"> • Further grow in cities where we have market leadership. Metro and Tier - One followed by Tier - Two and beyond • Replicate our leadership in markets where we have entered but yet to attain market leadership
B	<p>Leverage our leadership in omni-channel</p>	<p>MedPlus has built an extensive in-house technology platform. On the back of that, we will:</p> <ul style="list-style-type: none"> • Expand our target addressable market via omni-channel offering • Increase retention via omni-channel • Operationally extend <2 hour delivery to more locations
C	<p>Expand share of private label: Higher margins and higher share of wallet</p>	<p>MedPlus has a curated private label range of 1300+ SKUs. From these, we will:</p> <ul style="list-style-type: none"> • Increase private label contribution in pharma products, especially in sub-chronic and chronic ailments • Increase private label contribution in FMCG products, including nutrition and wellness

| Q1 FY2024 Highlights (1/2)

₹ 12,843m Revenue

- ₹ 2,906m increase over Q1FY23
29.2% yoy
- ₹ 313m increase over Q4FY23. 2.5%
qoq
- 0.6% increase in private label over
Q1FY23

153 Store Net Additions

- 168 gross additions
- 87 net additions beyond Tier-One
- 3,975 stores as on 30-Jun-23

₹ 343m Pharmacy Operating EBITDA

- 2.7% Operating EBITDA margin in
Pharmacy (decrease by 90 bps qoq)
- ₹ 291m Company Operating EBITDA

₹ 2,734m Gross Margin

- 21.3% gross margin (0.1% yoy, -1.3%
qoq)

Stores > 12 months

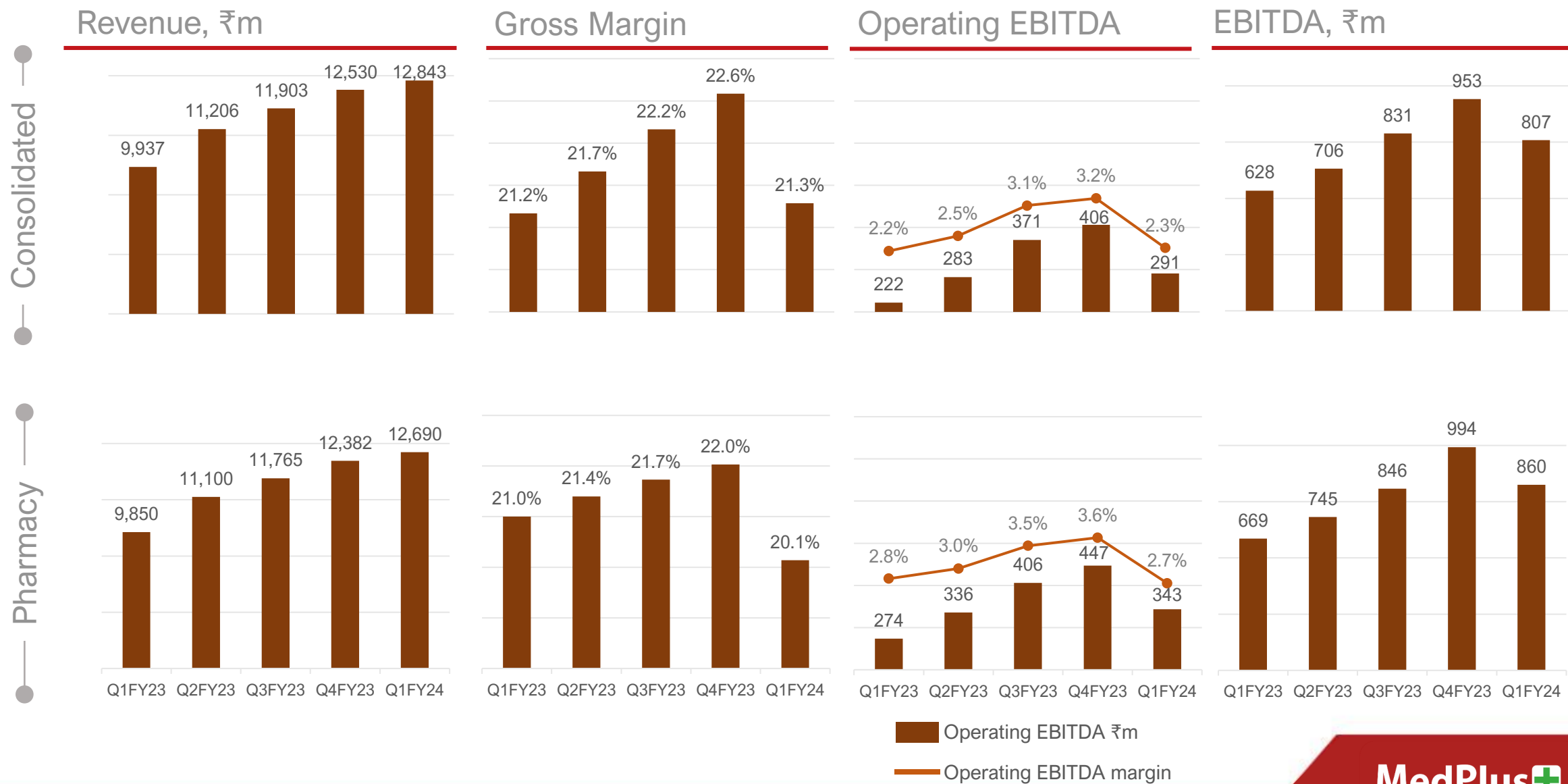
- 16.0% revenue growth over Q1FY23
- 8.9% Store Level EBITDA margin
- 49.1% Store Level Operating ROCE

₹ 297m Operating Cash Flow

- 102.2% OCF/ Operating EBITDA
- ₹ 2,499m closing cash balance



Q1 FY2024 Highlights (2/2)



995 Stores Added In Last 12 Months

As On Jun-22

As On Mar-23

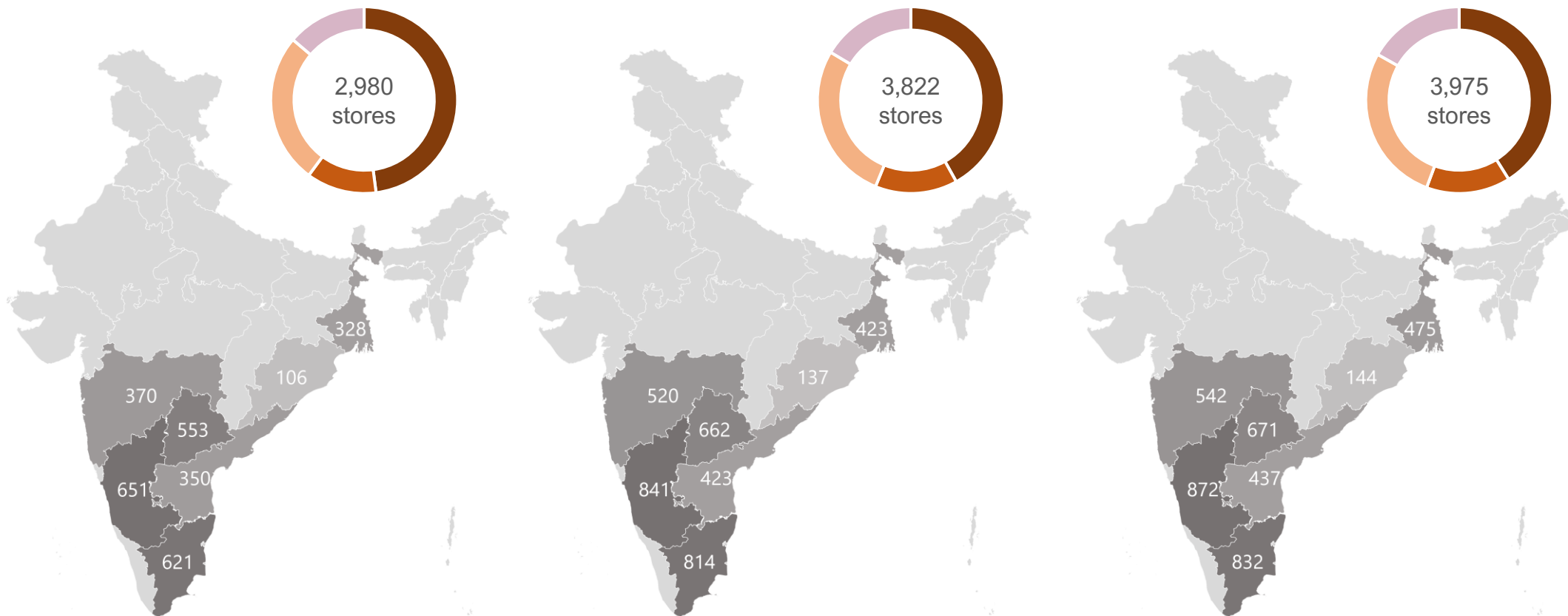
As On Jun-23

► Presence

We are present in key 7 states, accounting for c.38.4% of India's population².

The key urban centers are:
Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, Nagpur, Pune, Visakhapatnam

We are present in 581 cities



1. Stores in Puducherry are not represented in the maps above. As on 30-Jun-23 we have 2 stores in Puducherry
2. Census of India (2011)
3. Color index for pie-chart as below:



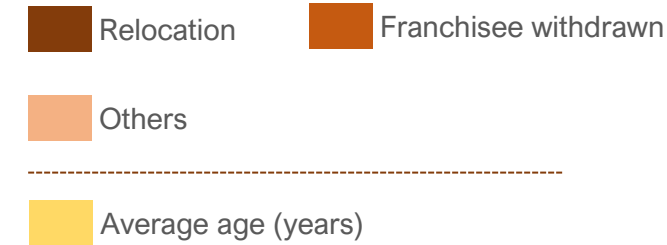
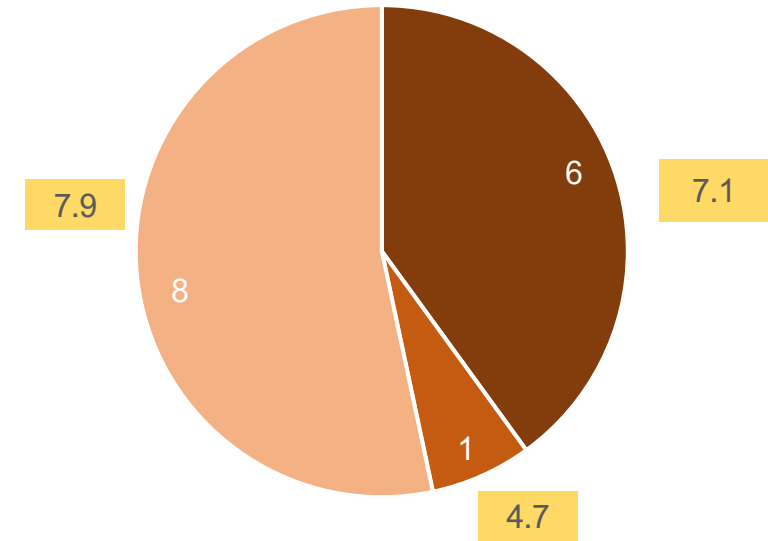
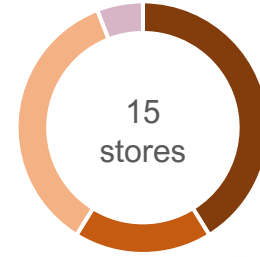
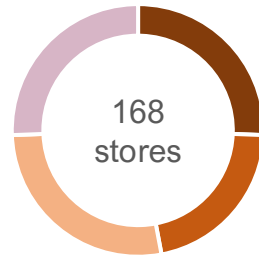
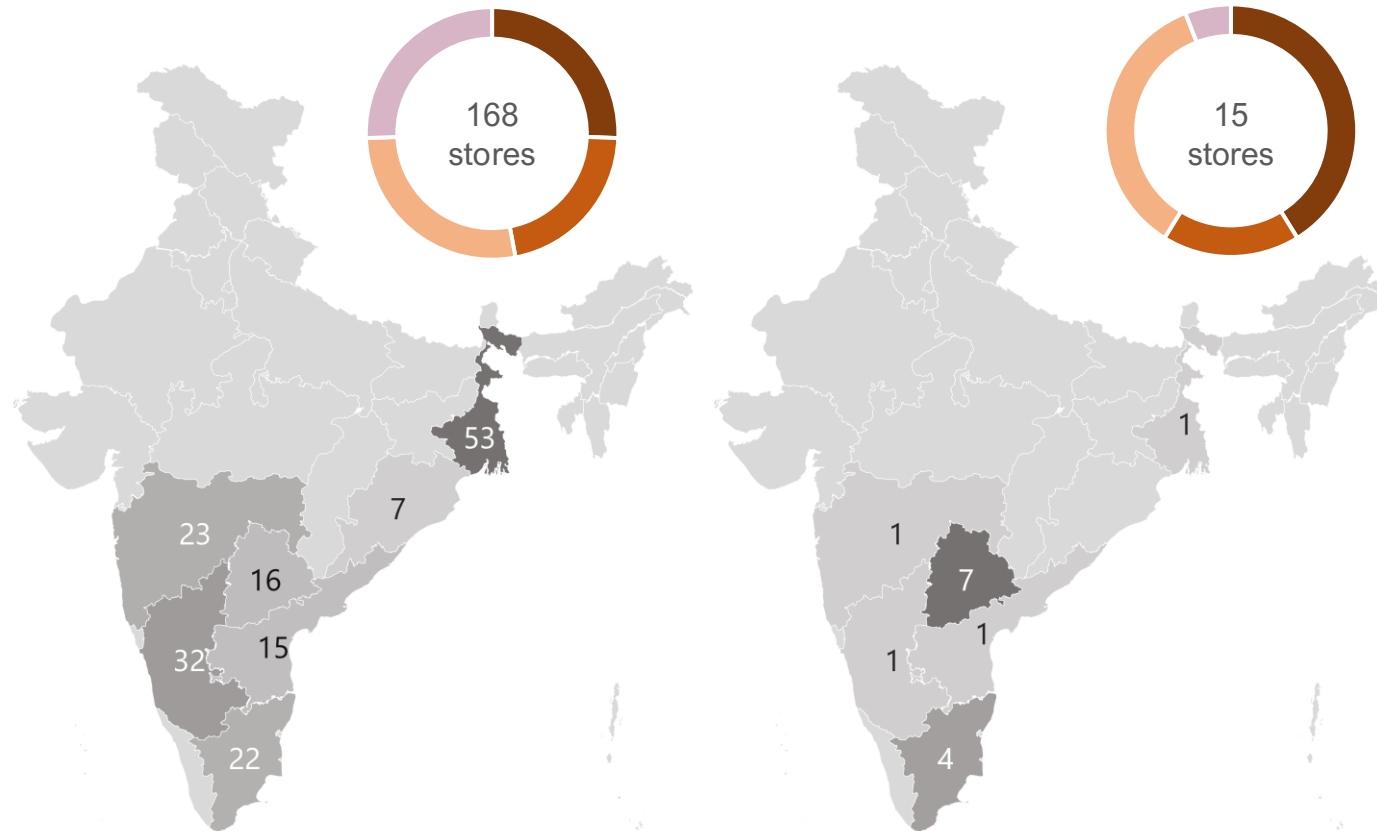
153 Stores Added In Last Quarter

Q1 FY24 Openings

Q1 FY24 Closures

Q1 FY24 Closure Reasons

We opened 168 stores in Q1FY24. There were 15 closures

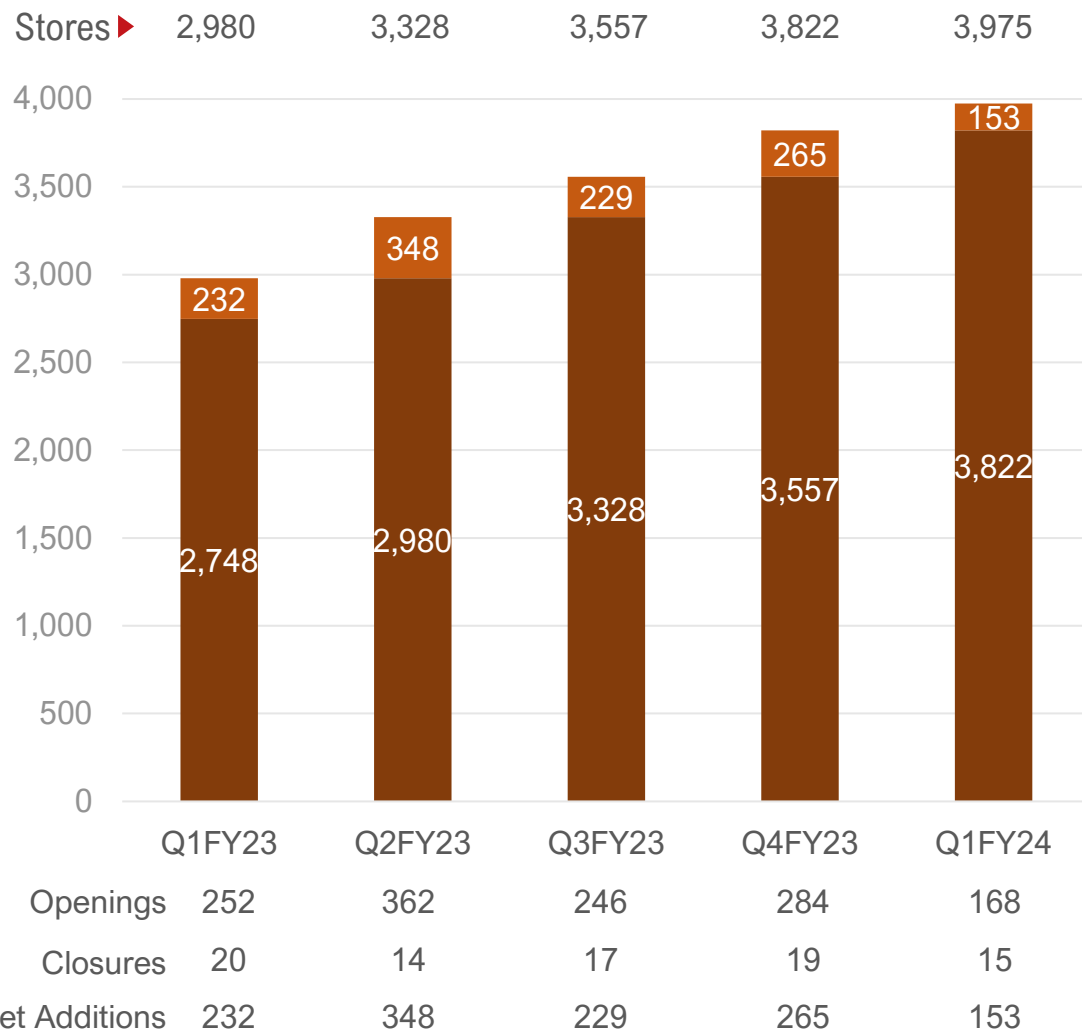


1. Color index for pie-chart as below:

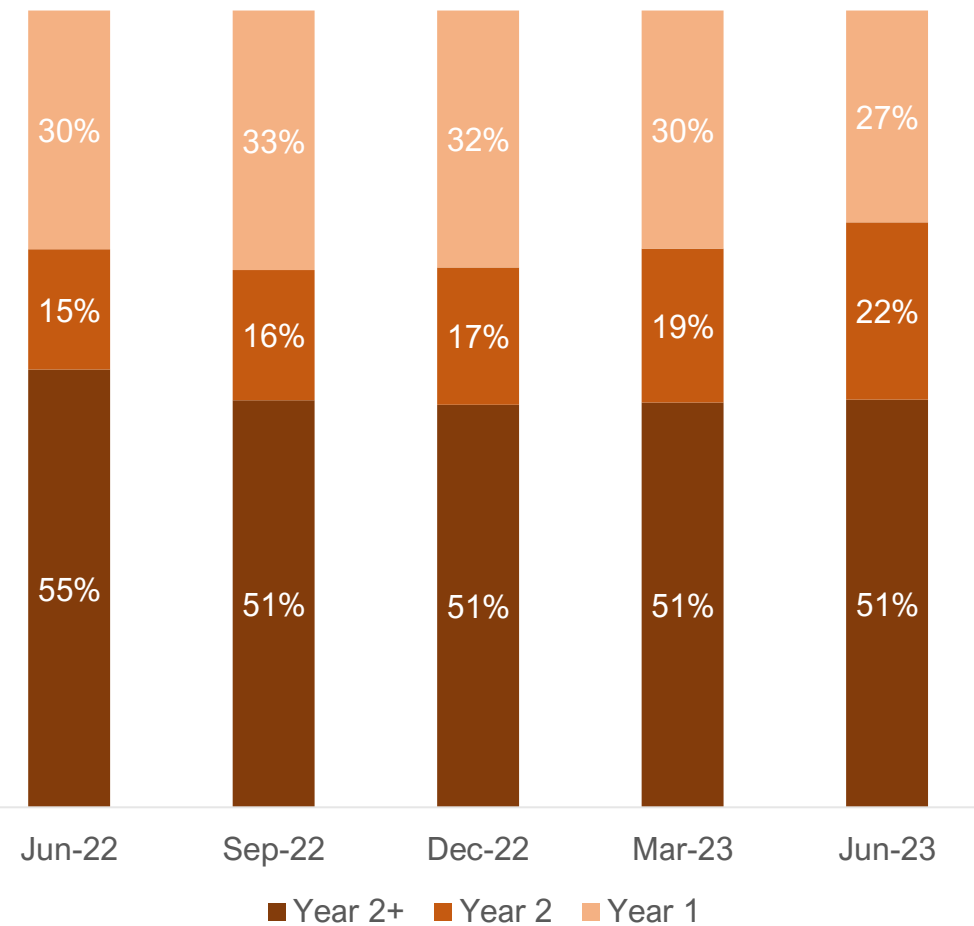


Young Store Network: 27% Less Than 12 Months Old

Pharmacy: Count



Pharmacy: Age Structure of Stores¹



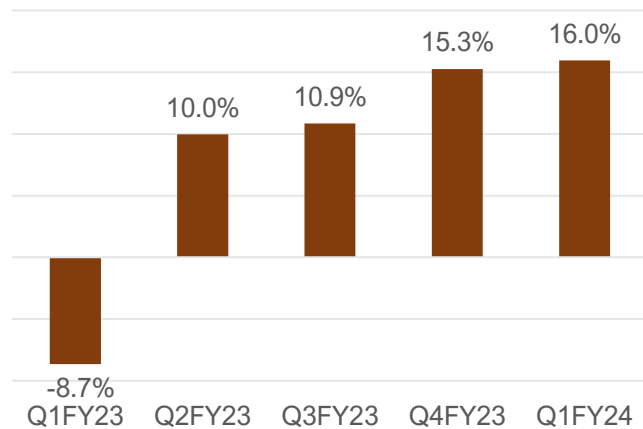
1. Store age, as on end of period

► Openings
Maintaining an increasing pace of store openings

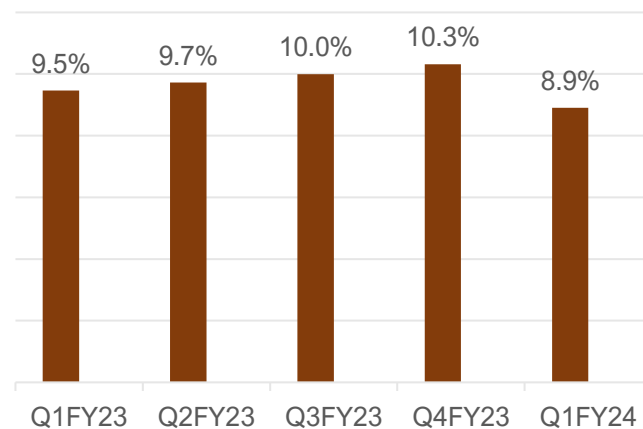
► Age Structure
c.50% stores are less than 24 months age

Profitable Older Stores: 12+ Months

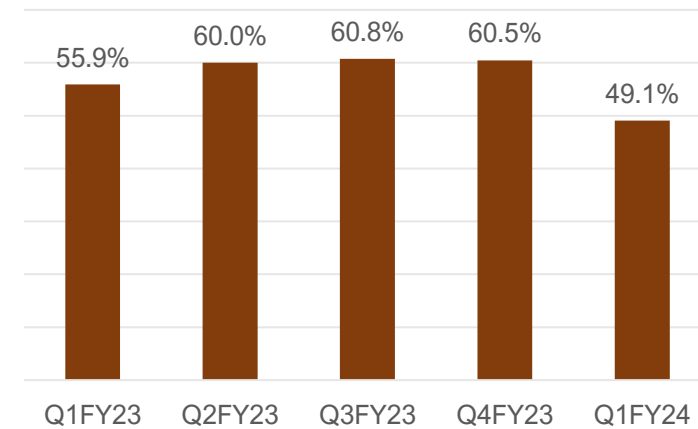
Store Level Revenue Growth¹



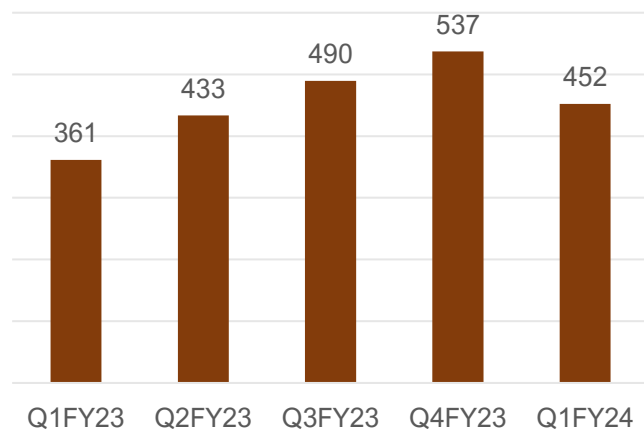
Store Level EBITDA Margin



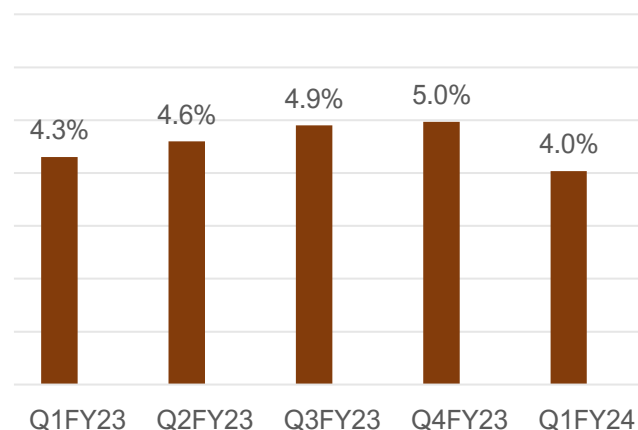
Store Level Operating ROCE^{2,3}



Operating EBITDA, ₹m



Operating EBITDA Margin



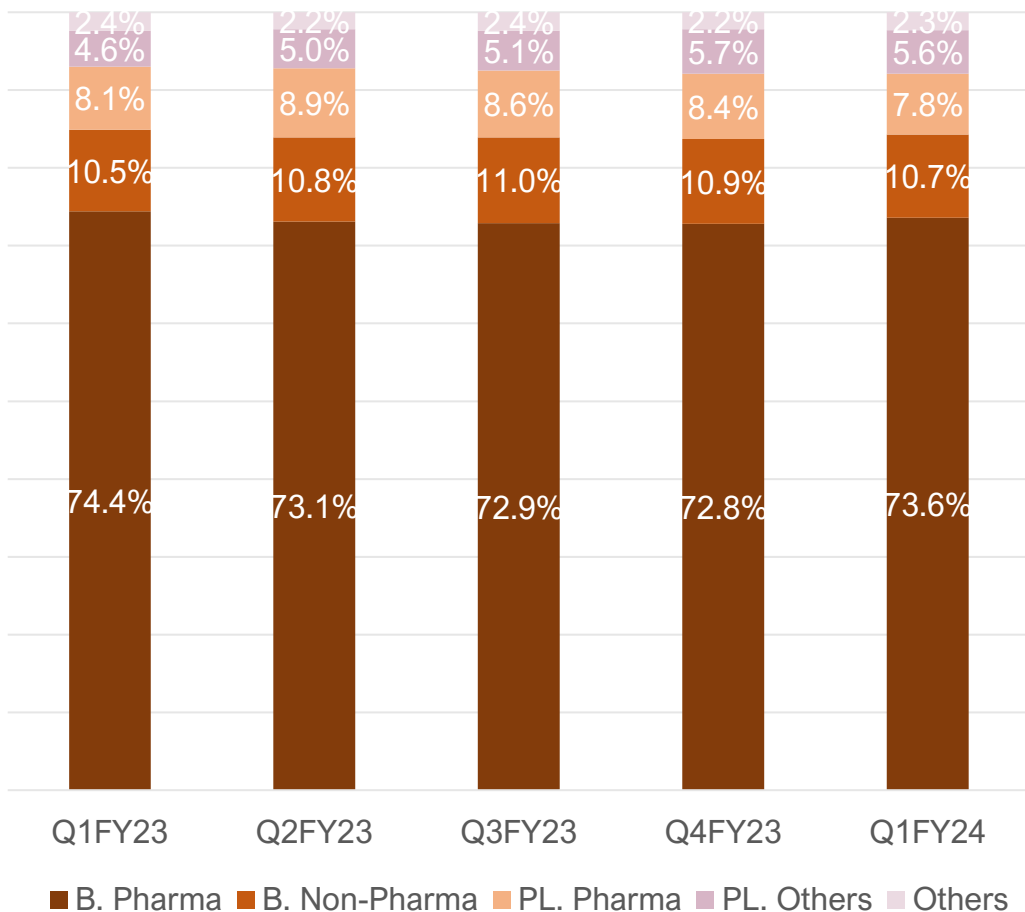
1. Growth is yoy

2. See Glossary for definition

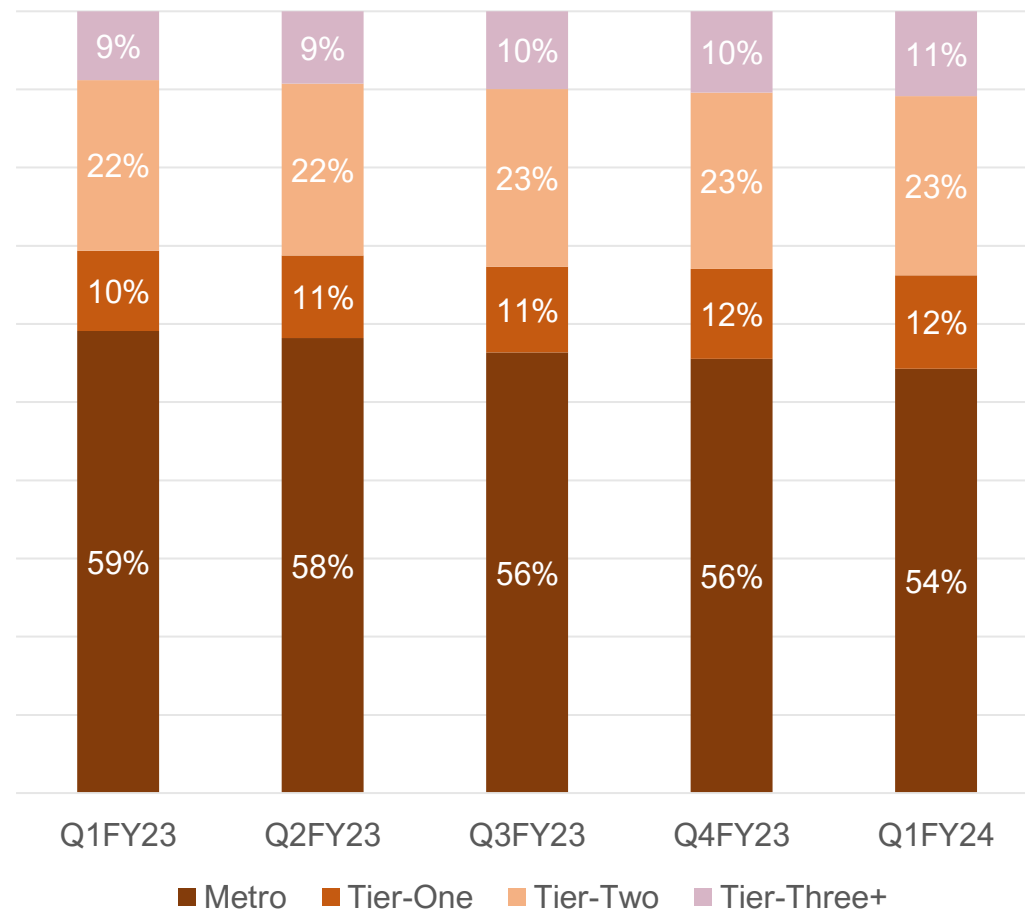
3. Annualized by multiplying the quarterly computation by 4

Revenue Mix: Increasing Share Of Private Label

Revenue Mix: By Product Category



Revenue Mix³: By Location of Stores



▶ Product mix

Trend of increasing share from Private Label continues

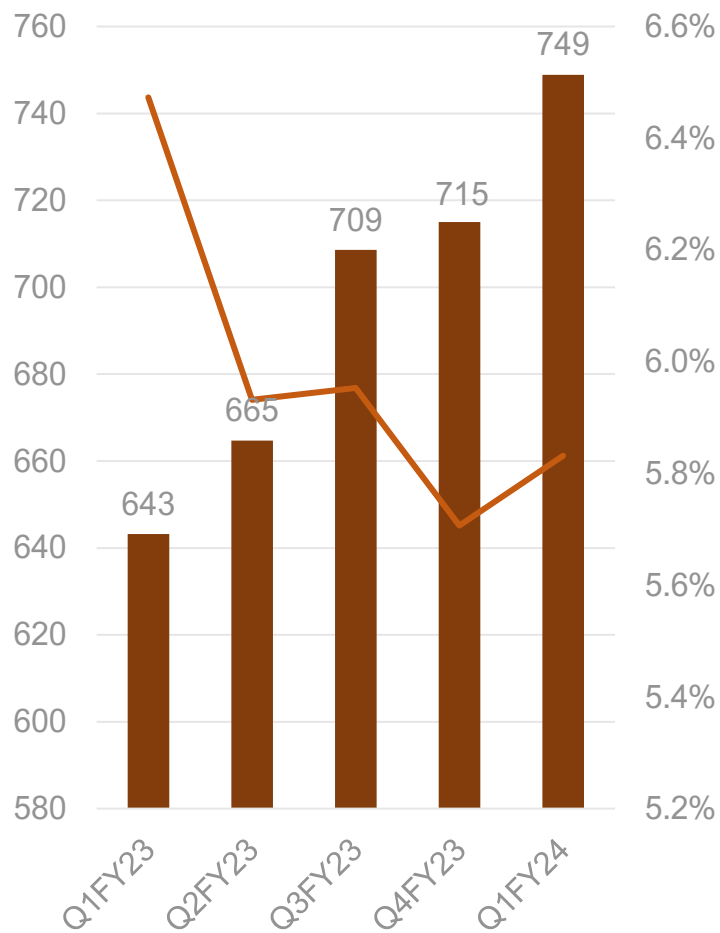
▶ Location mix

Maintaining trend of growth beyond Metro and Tier-One

1. Prefix of "B" implies Branded, Prefix of "PL" implies Private Label
 2. "Others" includes revenue from franchisee, optical, clinics and labs
 3. Only revenue from pharmacy stores

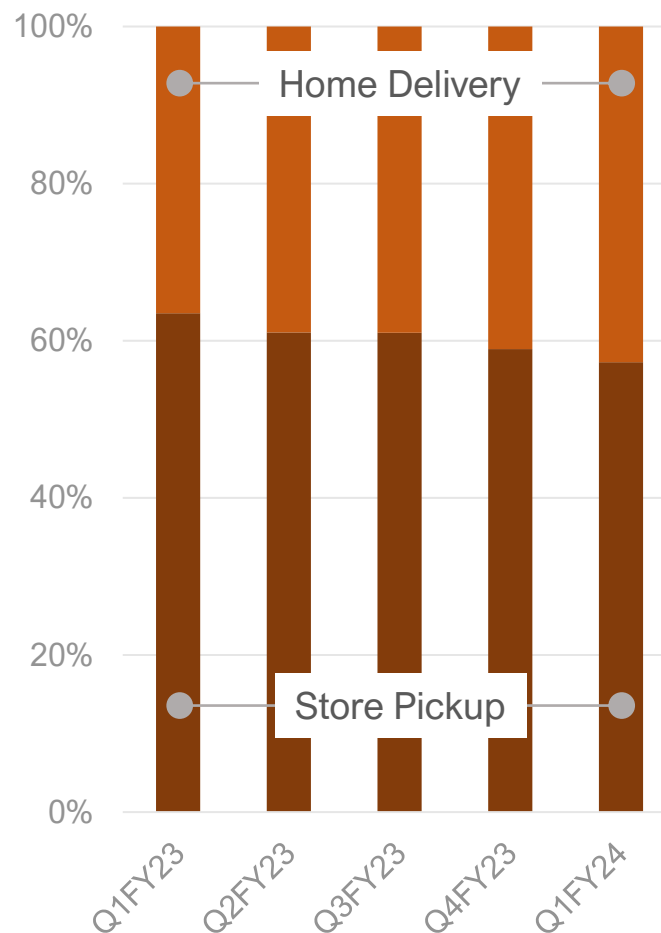
Omni-channel: Profitable With Negligible Acquisition Costs

Channel Revenue

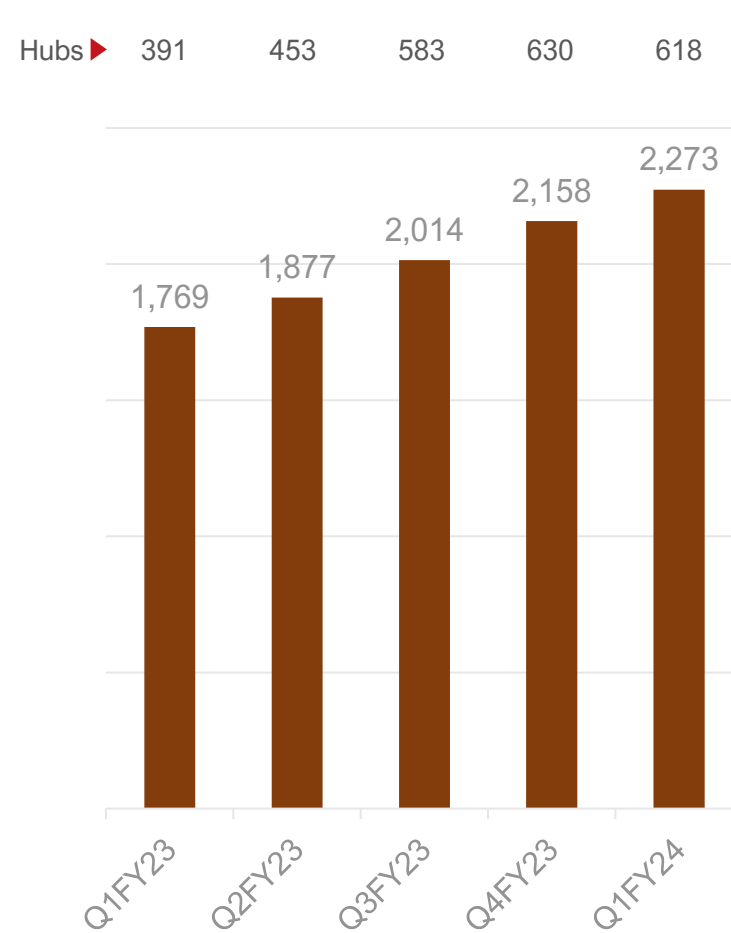


► **Omni-Channel**
Our online presence grows on the back of our rapid store additions

Channel Delivery



Pincodes¹ and Delivery Hubs



Revenue, ₹m Share of Tot. Rev. (RHS)

Store Pickup Home Delivery

1. For Online Orders

Income Statement

Snapshot of Income Statement, ₹m

	Q1FY23	Q4FY23	Q1FY24	Q1FY24 vs. Q1FY23 (yoy)	Q1FY24 vs. Q4FY23(qoq)
Revenue	9,936.5	12,529.8	12,843.0	29.2%	2.5%
Gross Margin	2,103.1	2,830.0	2,734.0	30.0%	-3.4%
Gross Margin	21.2%	22.6%	21.3%		
Expenses	1,881.4	2,423.8	2,443.2	29.9%	0.8%
Operating EBITDA	221.7	406.2	290.8	31.1%	-28.4%
Operating EBITDA	2.2%	3.2%	2.3%		
Rental Expenses	401.2	493.2	500.1	24.6%	1.4%
ESOP Expenses	(61.8)	(42.8)	(42.1)	-31.9%	-1.8%
Interest Income	66.6	96.6	58.5	-12.1%	-39.4%
EBITDA	627.7	953.3	807.3	28.6%	-15.3%
EBITDA	6.3%	7.6%	6.3%		
Depreciation & Amortization	(381.0)	(558.0)	(524.2)	37.6%	-6.1%
Finance Costs	(198.1)	(222.7)	(232.7)	17.5%	4.5%
PBT	48.7	172.6	50.5	3.8%	-70.7%
PAT	36.8	265.6	37.6	2.3%	-85.8%
PAT	0.4%	2.1%	0.3%		

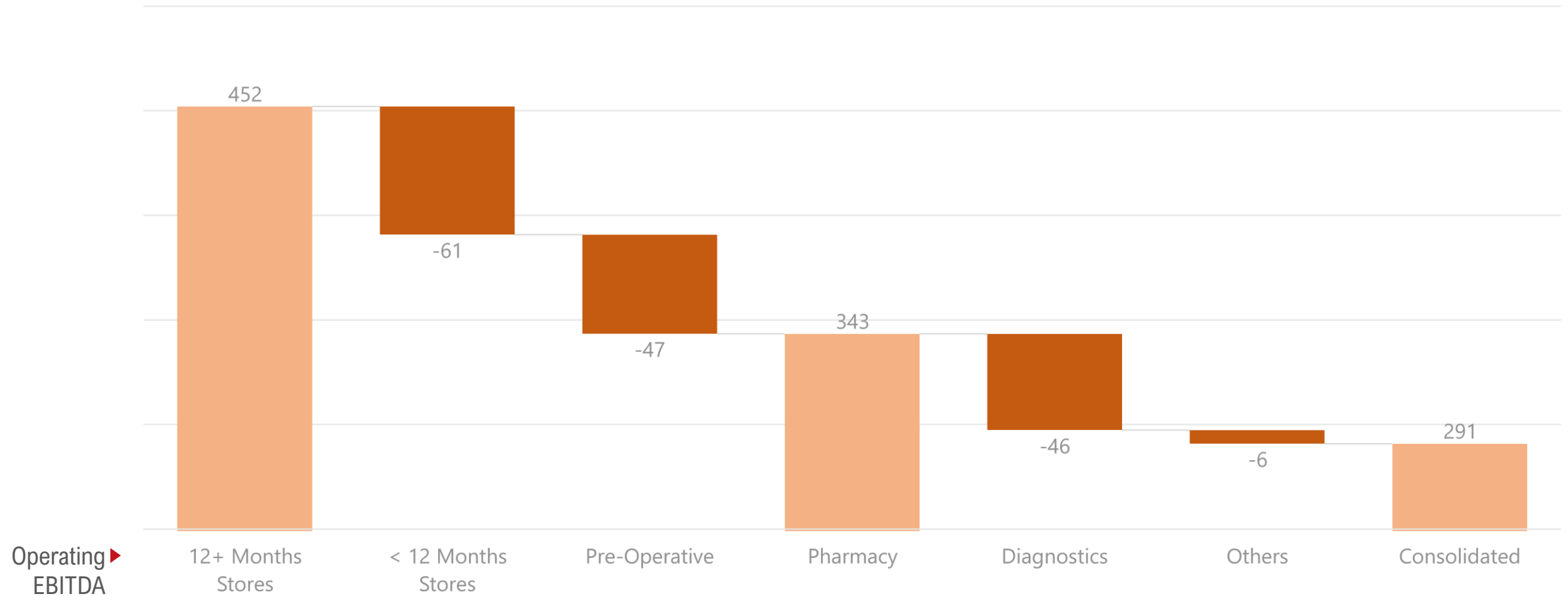
Income Statement: Business Segments

Snapshot of Income Statement, ₹m

	Q4FY23				Q1FY24			
	Pharmacy Retail	Diagnostic	Others	Total	Pharmacy Retail	Diagnostic	Others	Total
Revenue	12,382.3	119.3	28.3	12,529.8	12,689.9	139.0	14.1	12,843.0
COGs and Expenses	11,935.3	156.4	31.9	12,123.7	12,346.5	185.1	20.3	12,551.9
Operating EBITDA	447.0	-37.1	-3.6	406.2	343.4	-46.1	-6.5	290.8
Operating EBITDA	3.6%	-31.1%	-12.9%	3.2%	2.7%	-33.2%	-45.9%	2.3%
Rental Expenses				493.2				500.1
ESOP Expenses				-42.8				-42.1
Interest Income				96.6				58.5
EBITDA				953.2				807.35
EBITDA				7.6%				6.3%

Operating EBITDA Deep Dive

Operating EBITDA Bridge: From 12+ Months Stores to Consolidated, ₹m



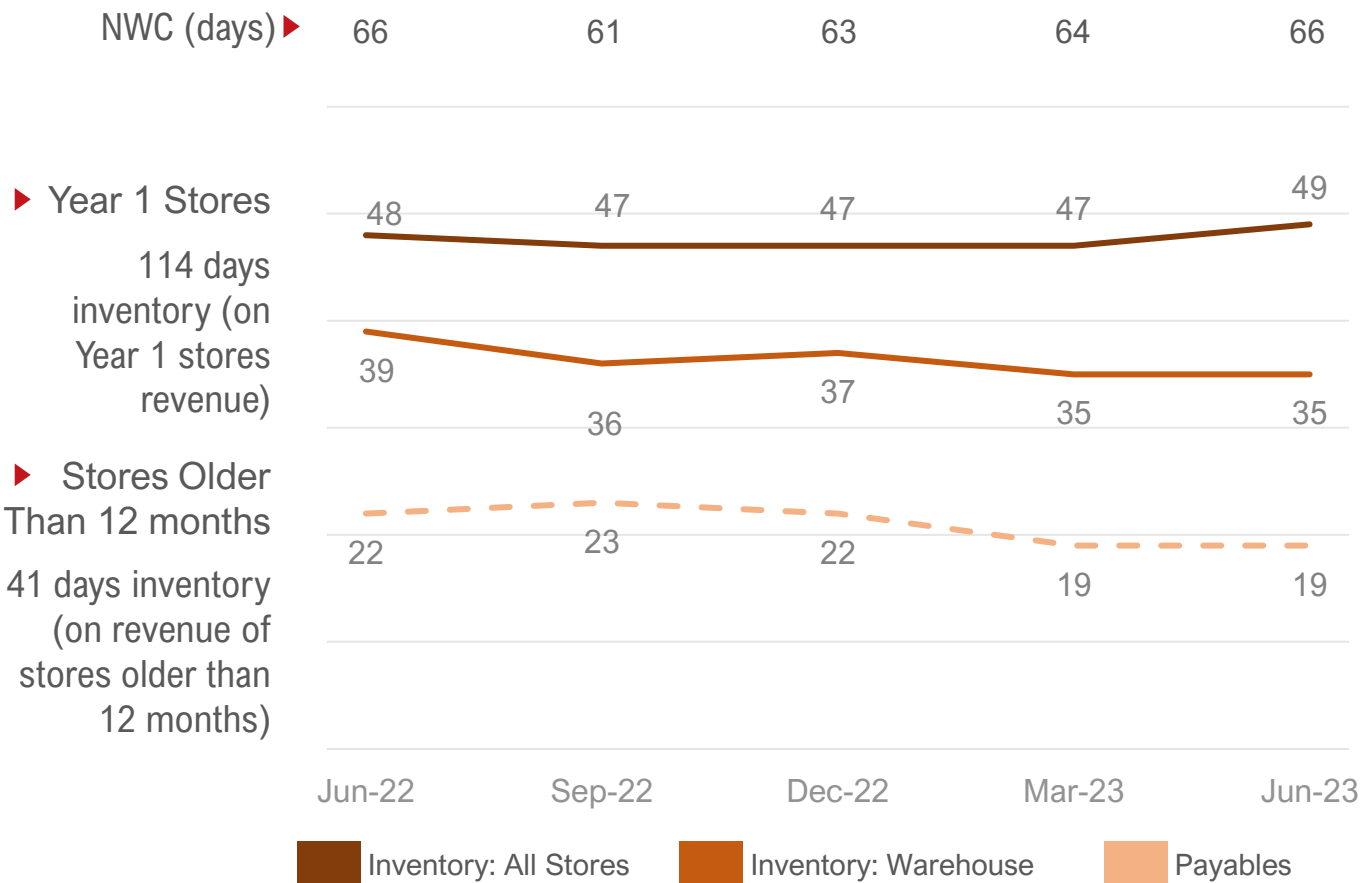
Balance Sheet

Snapshot of Balance Sheet, ₹m

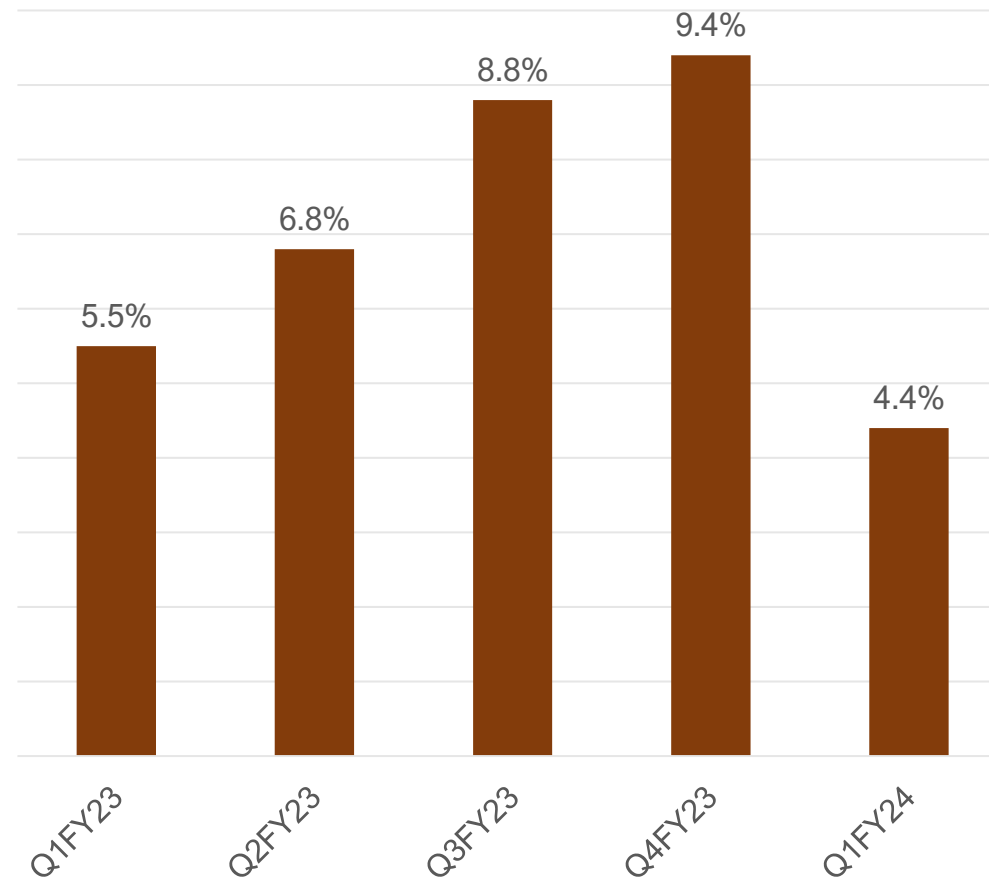
	Jun-22	Mar-23	Jun-23
Assets			
Non Current Assets			
PPE and CWIP	2,108.1	3,122.4	3,133.2
Intangible assets	476.7	489.9	497.0
Right-of-use asset	6,528.5	8,022.0	8,338.4
Others	1,492.9	1,525.7	1,568.6
Total Non Current Assets (A)	10,606.2	13,160.0	13,537.2
Current Assets			
Inventories	9,502.4	11,440.9	11,861.6
Cash	4,666.0	2,874.8	2,499.2
Others	681.9	491.5	611.6
Total Current Assets (B)	14,850.3	14,807.2	14,972.4
Total Assets (A + B)	25,456.5	27,967.2	28,509.6
Equity and Liabilities			
Total Equity	14,300.5	14,911.8	14,992.6
Other non current liabilities	6,684.1	8,289.6	8,665.3
Borrowings	63.8	-	-
Trade payables	2,415.4	2,601.5	2,618.0
Other current liabilities	1,992.8	2,164.4	2,233.9
Total Equity and Liabilities	25,456.5	27,967.2	28,509.6

Capital Productivity

Working Capital Cycle, days



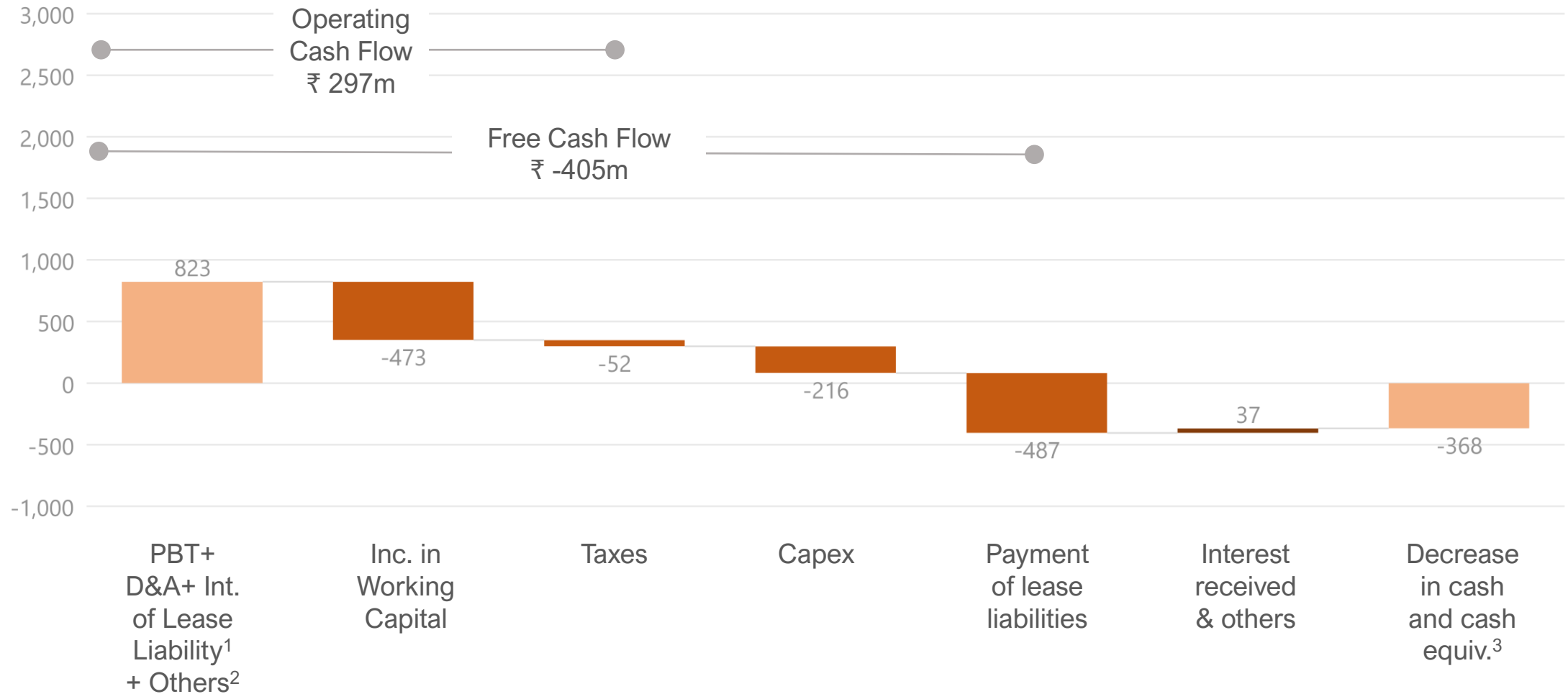
ROCE²: Operating EBIT/ Avg. Capital Employed



1. Inventory and Payables (as on end of period) computed on period Revenue
 2. Annualized by multiplying the quarterly computation by 4

Cash Management

Cash Management, Q1FY24, ₹m



1. Computed as per IND AS-116
 2. Other non-cash expenses, e.g. ESOP compensation expense
 3. Additionally, during the quarter we have withdrawn ₹ 133m from fixed deposit

Appendix

- A. Board and key management
- B. Glossary

A. Board and Key Management

Committed Board



Gangadi Madhukar Reddy ●
Founded MedPlus and has led it since inception



Anish Kumar Saraf ●
MD at Warburg Pincus India



Atul Gupta ●
Investment partner at Premji Invest



Hiroo Mirchandani ●
Senior business leader in healthcare and consumer sectors



Madhavan Ganesan ●
Senior business leader. Over 3 decades covering retail and technology



Murali Sivaraman ●
Senior business leader. Over 3 decades in India and international markets

- Managing Director & CEO
- Independent Non-Executive Director
- Non-Executive Director

Experienced Management Team



Dr. Bhaskar Reddy
COO–Outlet Operations



Dr. Surendranath Mantena
COO–MedPlus Mart



Sujit Mahato
Chief Financial Officer



Venugopal Siripuram
Chief Technology Officer,
Optival



Kandasamy Vairaperumal
Head Supply Chain,
Optival



Lakshman Kandarpa
Chief Retail Officer,
Optival



Chetan Dikshit
Chief Strategy Officer

B. Glossary

Term	Description
City Categorization (internal)	Metro: Bengaluru, Chennai (and Avadi), Hyderabad, Kolkata (and Howrah), Mumbai (and Thane) Tier One: Ahmednagar, Baramati, Kharagpur, Nagpur, Nashik, Panruti, Pune, Ranaghat, Vijayawada, Visakhapatnam Tier Two: Hundred and Nine cities, including Adilabad, Aurangabad, Coimbatore, Hooghly, Mysuru, Puri
EBITDA	EBITDA is a non-GAAP financial measure. EBITDA refers to our profit/(loss) for the period, as adjusted to exclude (i) Depreciation and Amortization Expenses, (ii) Finance Costs and (iii) Tax Expense.
Free Cash Flow (FCF)	Operating Cash Flow minus Capex minus Payment of lease liabilities
NWC	Net Working Capital. Inventory <u>plus</u> Receivables <u>minus</u> Trade Payables
Operating Cash Flow (OCF)	PBT <u>plus</u> non-cash expenditures <u>minus</u> increase in working capital <u>minus</u> taxes paid
Operating EBITDA	Operating EBITDA is non-GAAP financial measure adjusted for one – off expenses like ESOP
Store(s)	Our pharmacy stores. Unless specifically mentioned, this does not include our other outlets (e.g optical, clinic, lab, diagnostics, collection center)
Store age: Year 1, Year 2, Year 2+	For the purpose of age categorization, we determine the age as per the last day of the reporting period. For example a store that has completed 24 months at on the last day of the reporting period, is categorized as Year 2+
Store Level Operating ROCE	Store Level Operating ROCE is computed by dividing (Store Level Operating EBITDA <u>minus</u> depreciation, assumed as ₹10k p,m./ store for stores aged < 5 years) with Capital Employed. Capital Employed is computed as store level inventory at the end of the period + capex of ₹ 0.6m per store + refundable security deposit.
Full – Service Center	Full-service center refers to Integrated Diagnostic center with Pathology and Radiology (including MRI and CT)
Level 2 center	Level 2 center refers to diagnostic center with pathology and Radiology (without CT and MRI)



MEDPLUS HEALTH SERVICES LIMITED

www.medplusindia.com

COMPANY SECRETARY

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INVESTOR RELATIONS

Prasad Reddy/ Tanushree Chaurasia
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MEDIA AND PRESS ENQUIRIES

marketing@medplusindia.com