

MedPlus+

FOURTH QUARTER FY2022

INVESTOR PRESENTATION

Corporate information
Performance update
Financial results

MAY 2022

MedPlus+

| Safe Harbour

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Executive Summary: Q4FY22 And FY22

1 2x more store openings in FY22

2,748 stores as on 31-Mar-22

Gross store openings of 747 in FY22 vs. 373 in FY21

Gross store openings of 288 in Q4 vs. 163 in Q4FY21

2 Strong revenue growth

23.1% in FY22 (over FY21)

Stores greater than 12 months in age grew 18.1% (over FY21)

3 Engine to profitability

Private label share increased to 12.7% in FY22 (vs. 10.1% in FY21)

Gross margin of 21.1% in FY22 (vs. 21.0% in FY21)

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

10.3% Store Level EBITDA margin

63.1% Store Level Operating ROCE

5 Diagnostics pilot on track

Diagnostics provides an essential service to our existing customer base, and will enhance our share of the healthcare wallet

6 Outlook

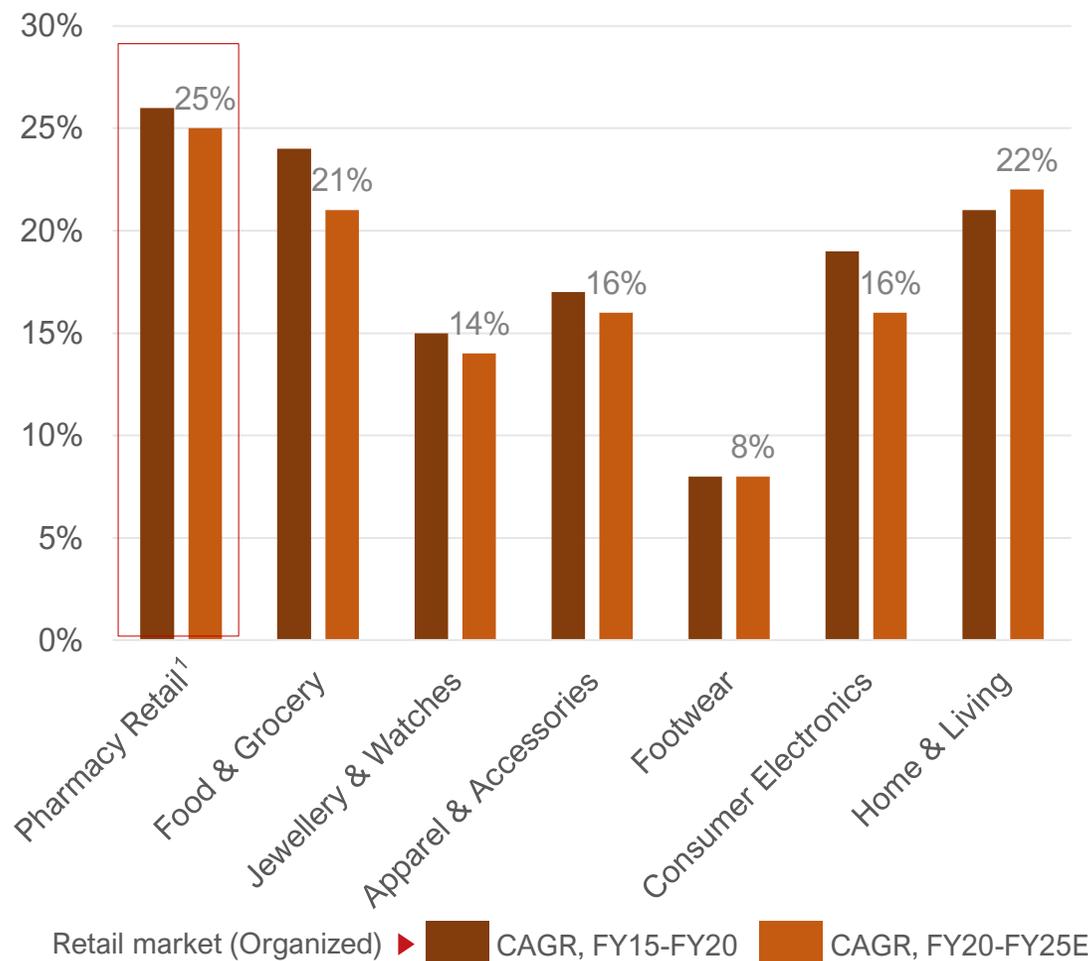
- Currently 27% of our stores are lesser than 12m in age. They are expected to contribute to profit as they mature
- We expect to maintain our pace of new store openings
- Risk: Potential aggressive discounting by peers

“In Q4FY22 we opened 288 new stores. This is a new record for MedPlus and is proof of our operational and supply chain capabilities. We will continue our growth plans in the coming quarters. Our stores greater than 12 months have delivered a store level EBITDA margin of 10.3%, thereby maintaining the trajectory of store maturity. In March we launched our first full-service Diagnostic Center and have received strong adoption from our existing and new customers.”

Gangadi Madhukar Reddy,
MD & CEO, MedPlus Health Services

MedPlus – Leader In The Attractive Pharmacy Space

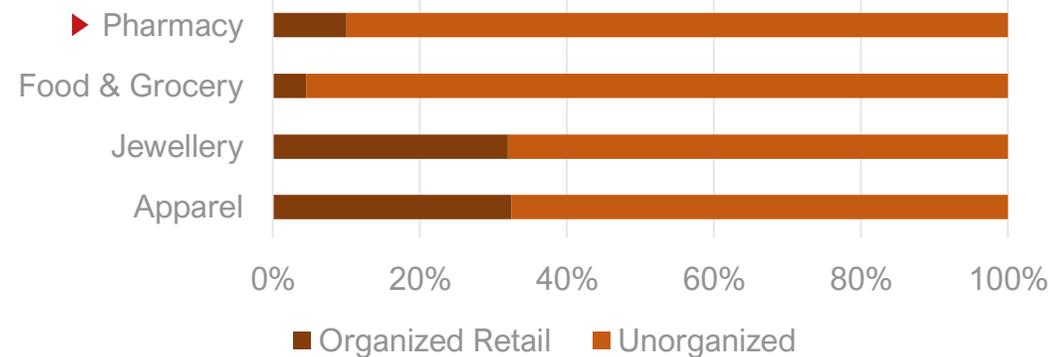
Fastest Growing Retail Segment



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

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

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%

| 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

16 years

A Trusted Brand

c.770m+

Bills Cut Since Inception

2,748 stores

Stores

7

States

338

Cities

18k+

Employees

43k+ SKUs

Across Pharma and Non-Pharma

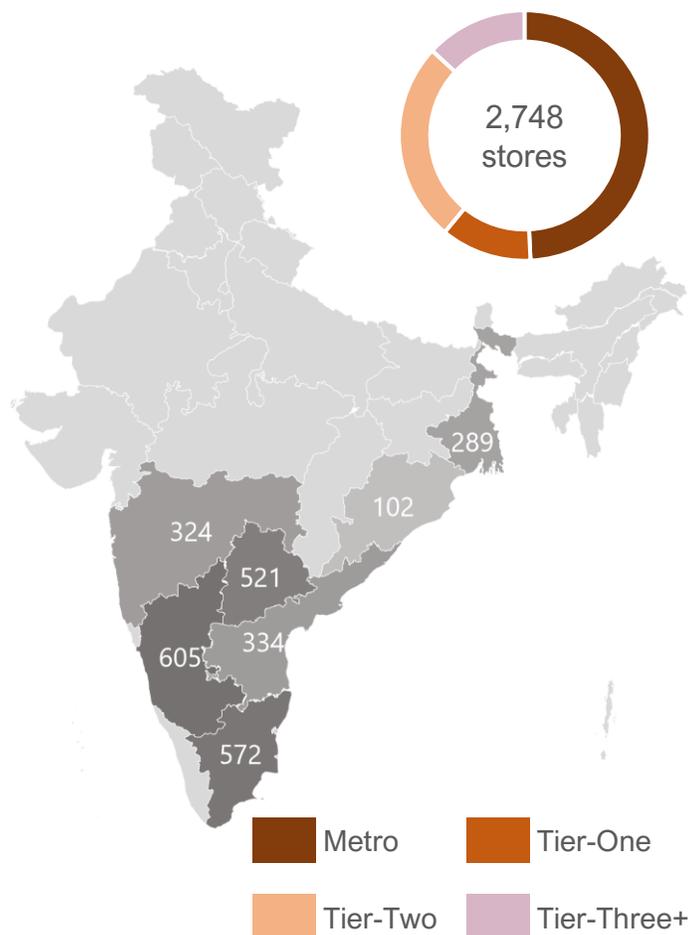
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Regional Warehouses

1. Information as on 31-Mar-22

Cluster Based Network Enables Profitable Omni-Channel Service

Stores As On Mar-22



Strong Cluster Based Network

Strong network of 2,748 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' 2,748 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 31-Mar-22 we have one store in Puducherry

Scale Allows A Large Private Label Basket: 850+ SKUs

Pharma and Related

- ▶ Pharma
- Over 578 products covering Chronic, Acute, OTC & Other Pharmaceutical products



Non-Pharma



- ▶ Non-Pharma
- Over 272 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 850+ 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

FY2022 Highlights

₹ 37,793m Revenue

- Increase by 23.1% vs FY21
- 12.7% private label (+2.6% vs FY21)

667 Store Net Additions

- 747 gross additions
- 364 net additions beyond Tier-One
- 2,748 stores as on 31-Mar-22

₹ 1,739m Operating EBITDA

- 4.6% Operating EBITDA margin

₹ 7,969m Gross Margin

- 21.1% gross margin (+0.1% vs FY21)

18.1% yoy: Stores > 12 months

- 18.1% revenue growth vs. FY21
- 10.3% Store Level EBITDA margin
- 63.1% Store Level Operating ROCE

₹ 1,699m Operating Cash Flow

- 97.7% OCF/ Operating EBITDA
- ₹ 6,000m raised from IPO (Gross)
- ₹ 6,575m closing cash balance



| Q4 FY2022 Highlights (1/2)

₹ 9,659m Revenue

- ₹ 1,602m increase vs. Q4FY21. 19.9% yoy
- ₹ 325m increase vs. Q3FY22. 3.5% qoq
- 13.0% private label (+3.1% yoy)

271 Store Net Additions

- 288 gross additions
- 144 net additions beyond Tier-One
- 2,748 stores as on 31-Mar-22

₹ 397m Pharmacy Operating EBITDA

- 4.1% Operating EBITDA margin in Pharmacy
- ₹ 295m Company Operating EBITDA

₹ 2,059m Gross Margin

- 21.3% gross margin (+0.8% yoy, +0.6% qoq)

7.8% yoy: Stores > 12 months

- 7.8% revenue growth vs. Q4FY21
- 10.2% Store Level EBITDA margin
- 61% Store Level Operating ROCE

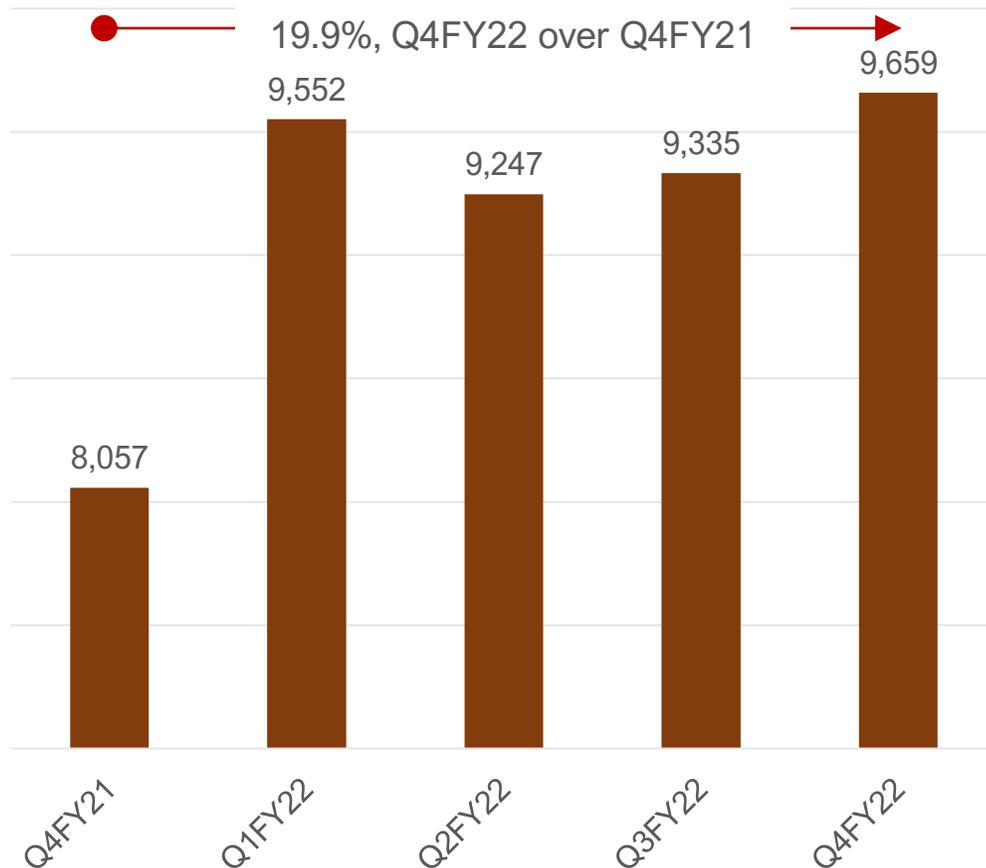
₹ -112m Operating Cash Flow

- -37.9% OCF/ Operating EBITDA
- ₹ 6,575m closing cash balance



Q4 FY2022 Highlights (2/2)

Revenue, ₹m



Gross Margin ▶ 20.5%

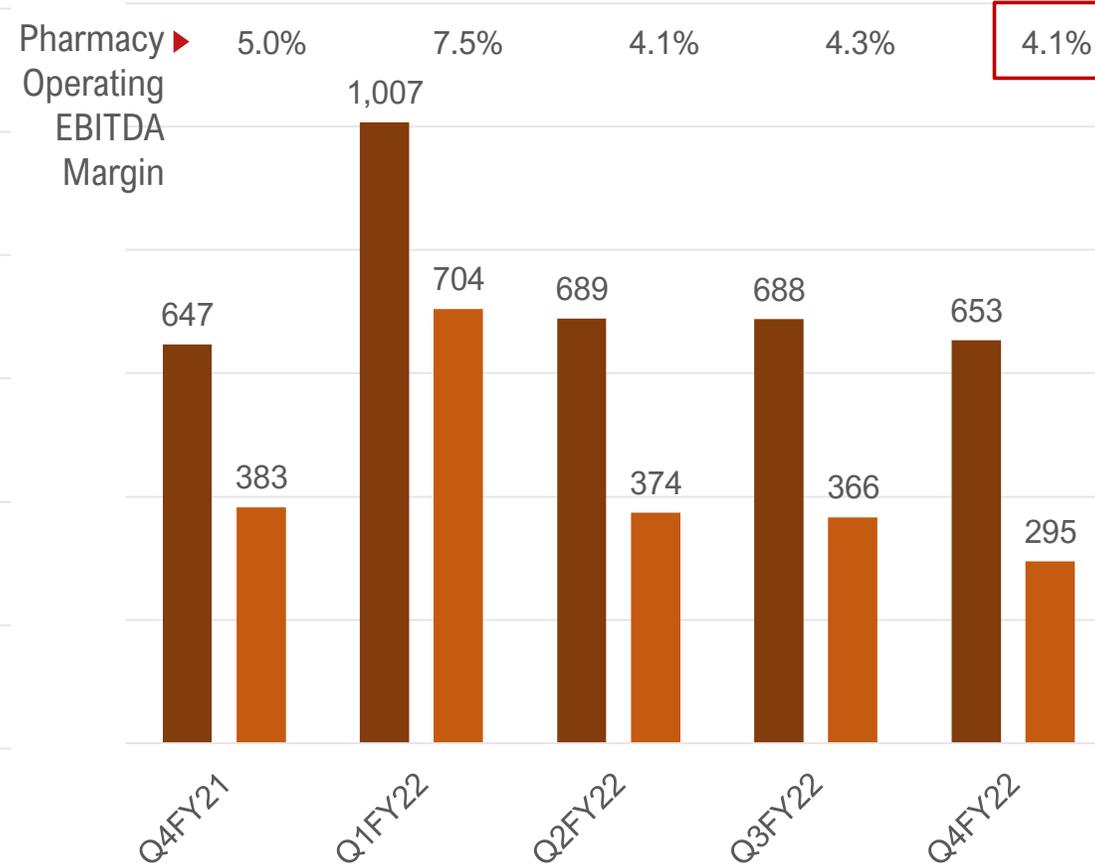
22.1%

20.1%

20.8%

21.3%

EBITDA and Operating EBITDA, ₹m



Operating EBITDA Margin ▶ 4.8%

7.4%

4.0%

3.9%

3.1%

EBITDA Operating EBITDA

667 Stores Added In Last 12 Months

As On Mar-21

As On Dec-21

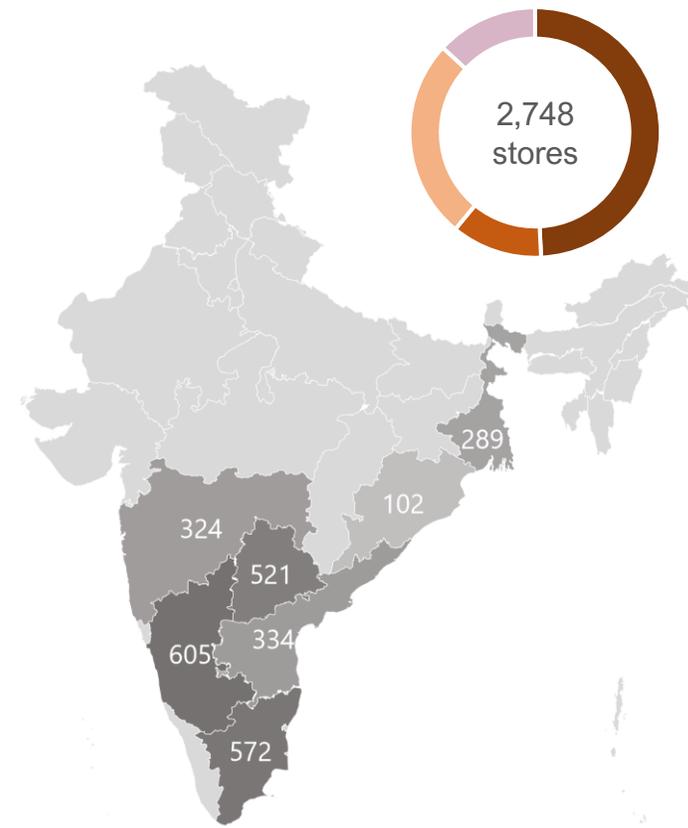
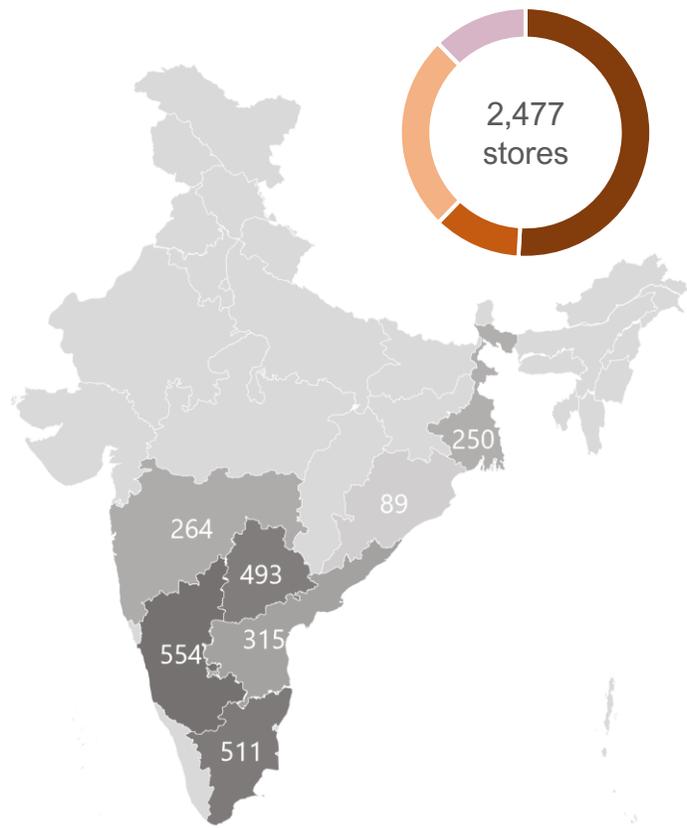
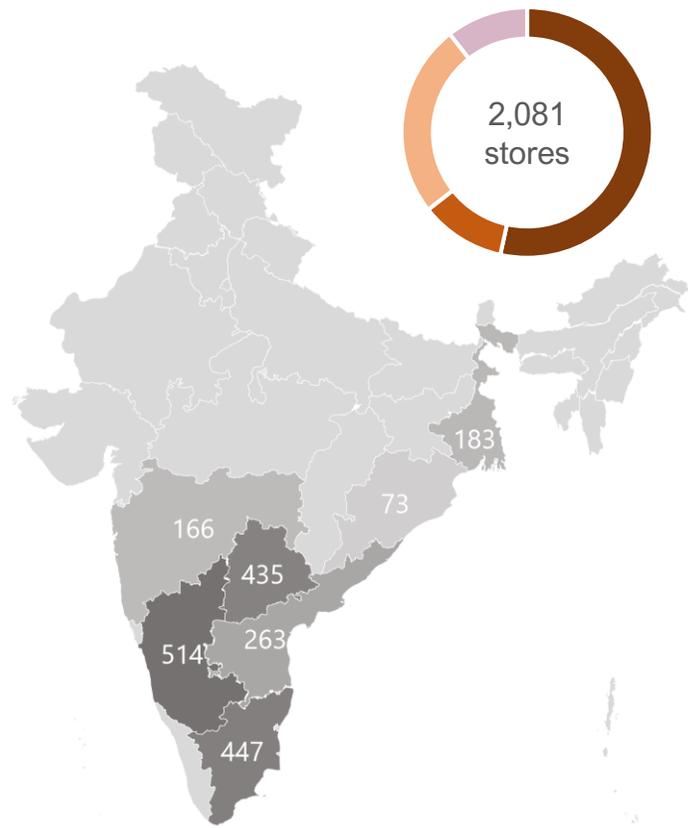
As On Mar-22

► 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 338 cities



1. Stores in Puducherry are not represented in the maps above. As on 31-Mar-22 we have 1 store in Puducherry
 2. Census of India (2011)
 3. Color index for pie-chart as below:



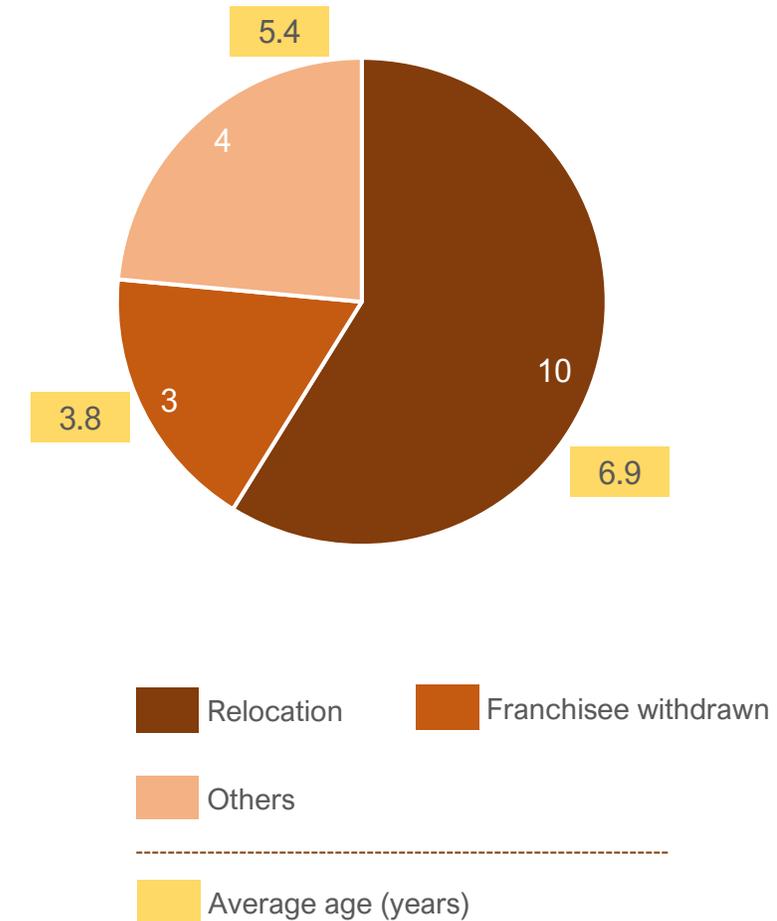
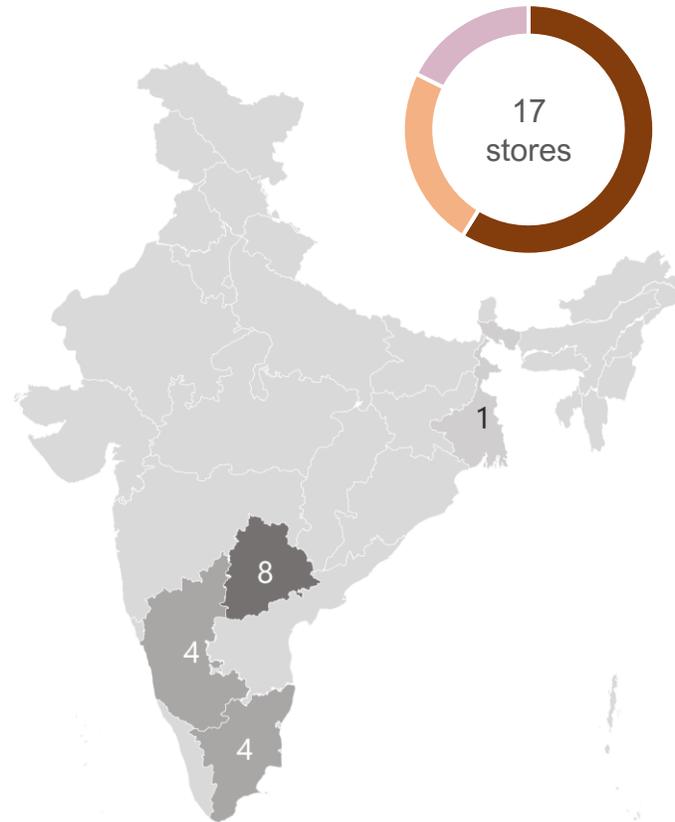
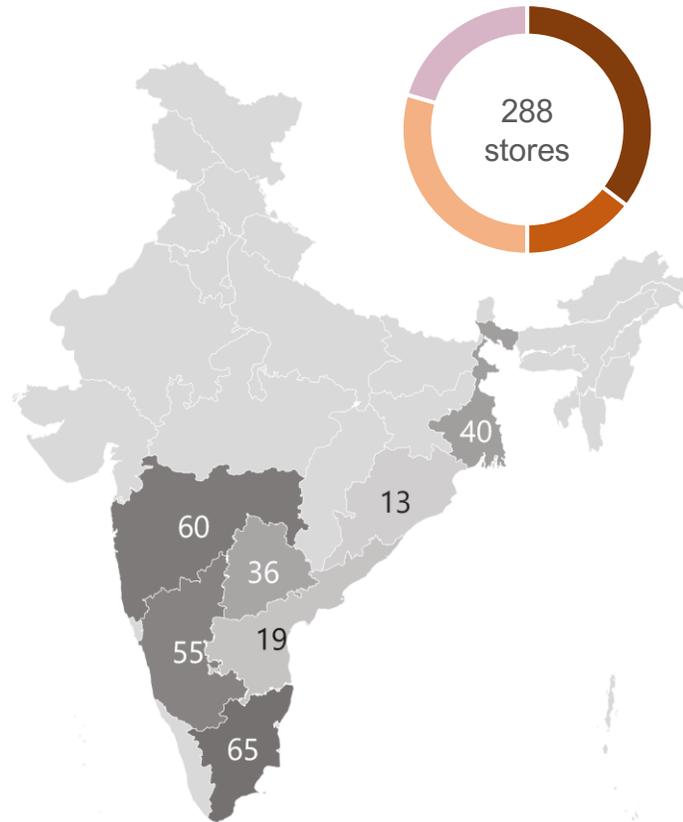
| 271 Stores Added In Last Quarter

Q4 FY22 Openings

Q4 FY22 Closures

Q4 FY22 Closure Reasons

We opened 288 stores in Q4FY22. There were 17 closures

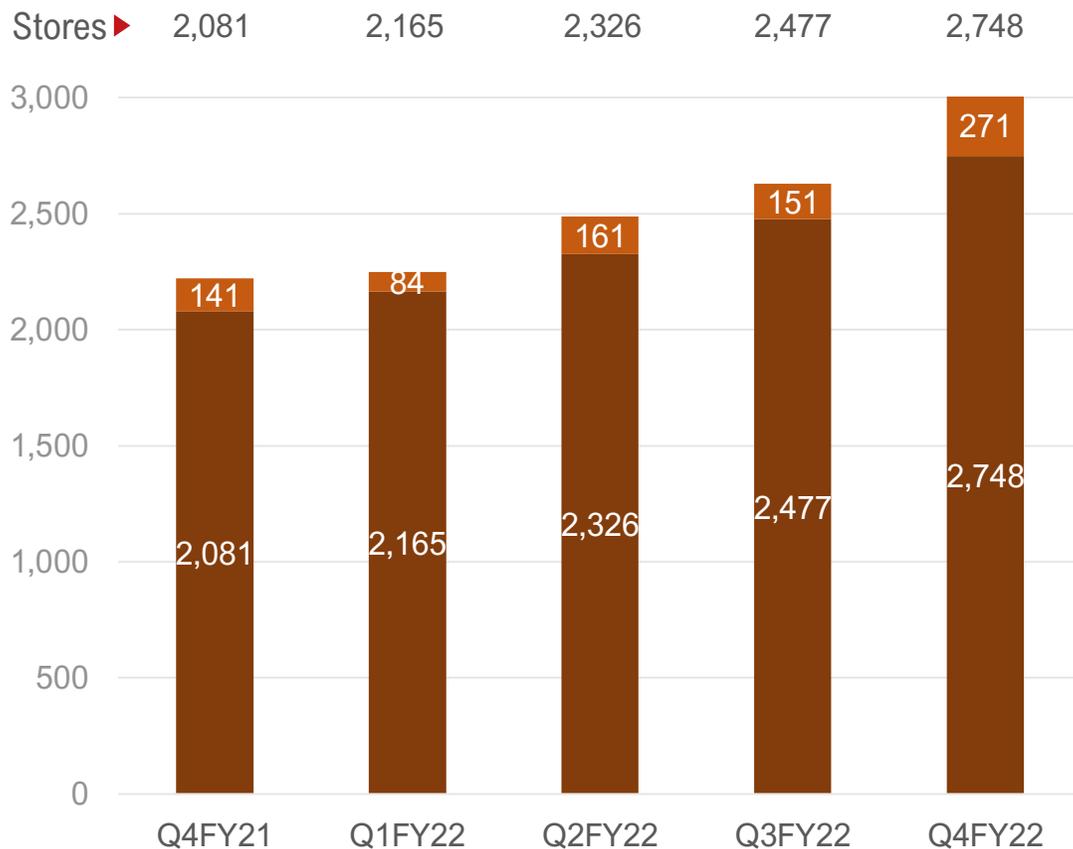


1. Color index for pie-chart as below:

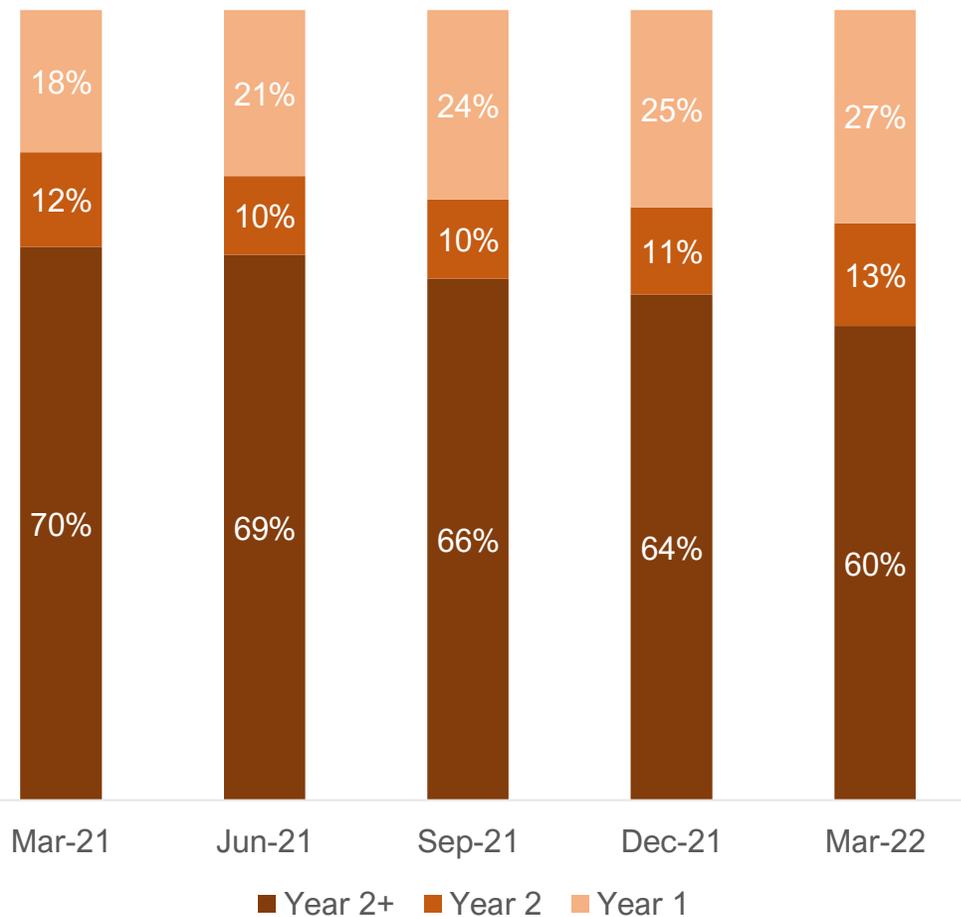


Young Store Network: 27% Less Than 12 Months Old

Pharmacy: Count



Pharmacy: Age Structure of Stores¹



► Openings

Maintaining an increasing pace of store openings

► Age Structure

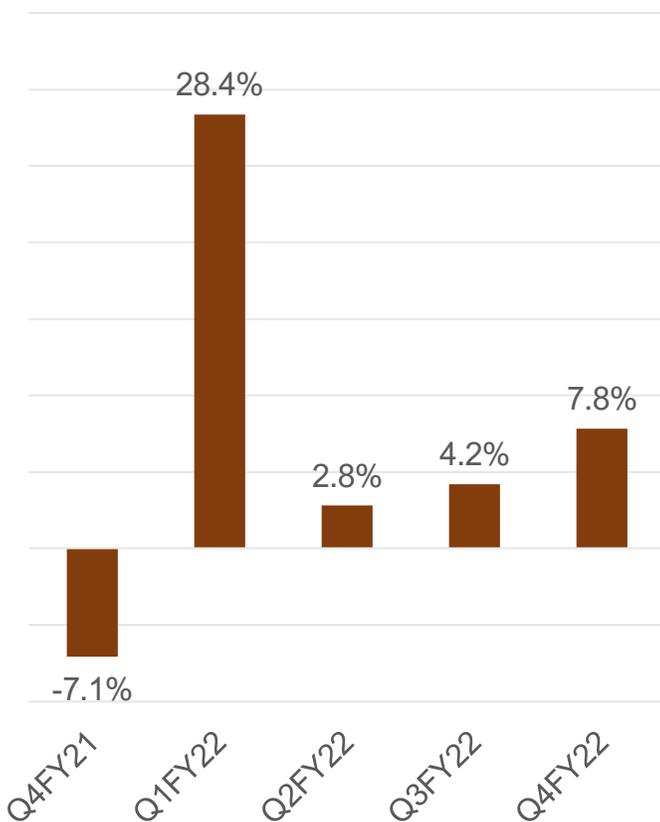
Share of stores less than 24 months age is increasing

Openings	163	106	170	183	288
Closures	22	22	9	32	17
Net Additions	141	84	161	151	271

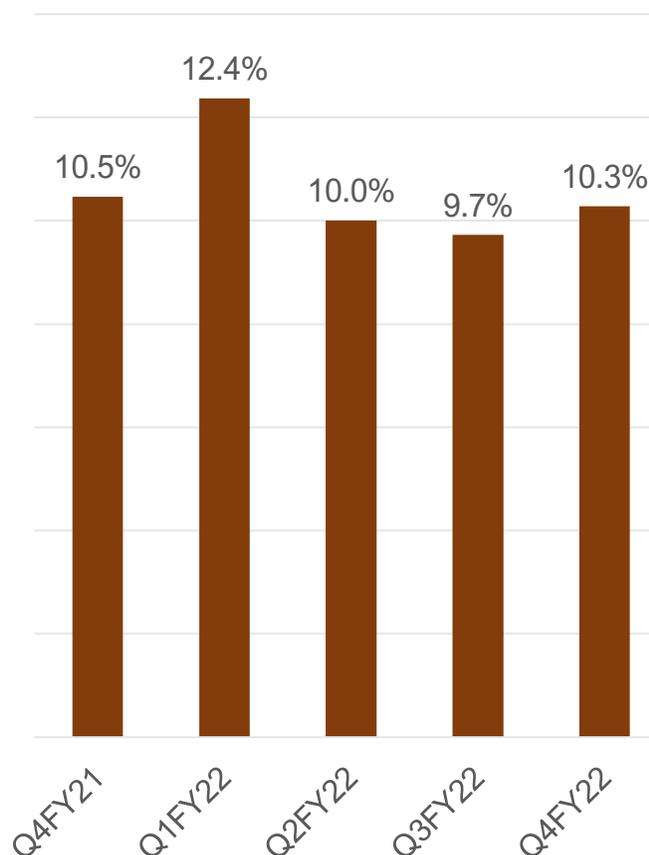
1. Store age, as on end of period

Profitable Older Stores: 12+ Months

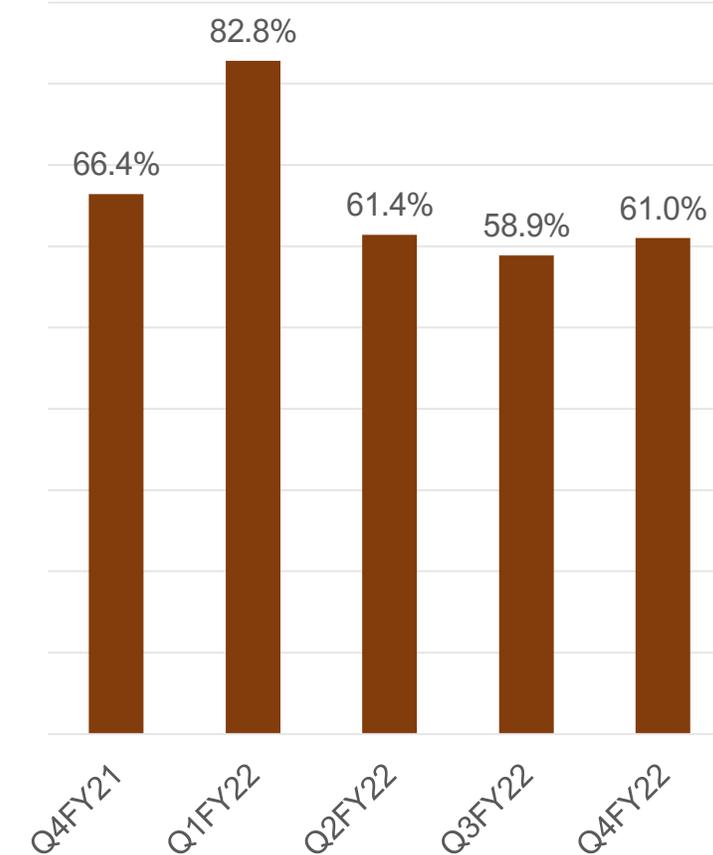
Store Level Revenue Growth¹



Store Level EBITDA Margin



Store Level Operating ROCE^{2,3}



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

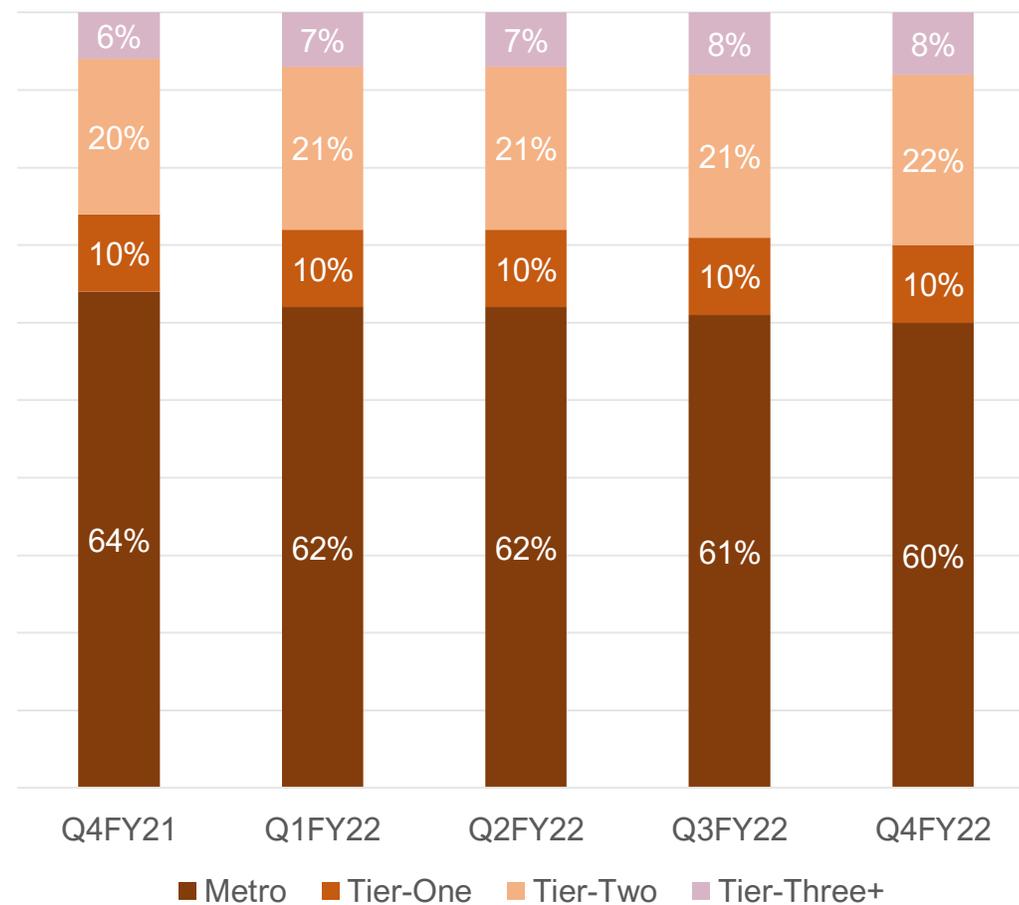
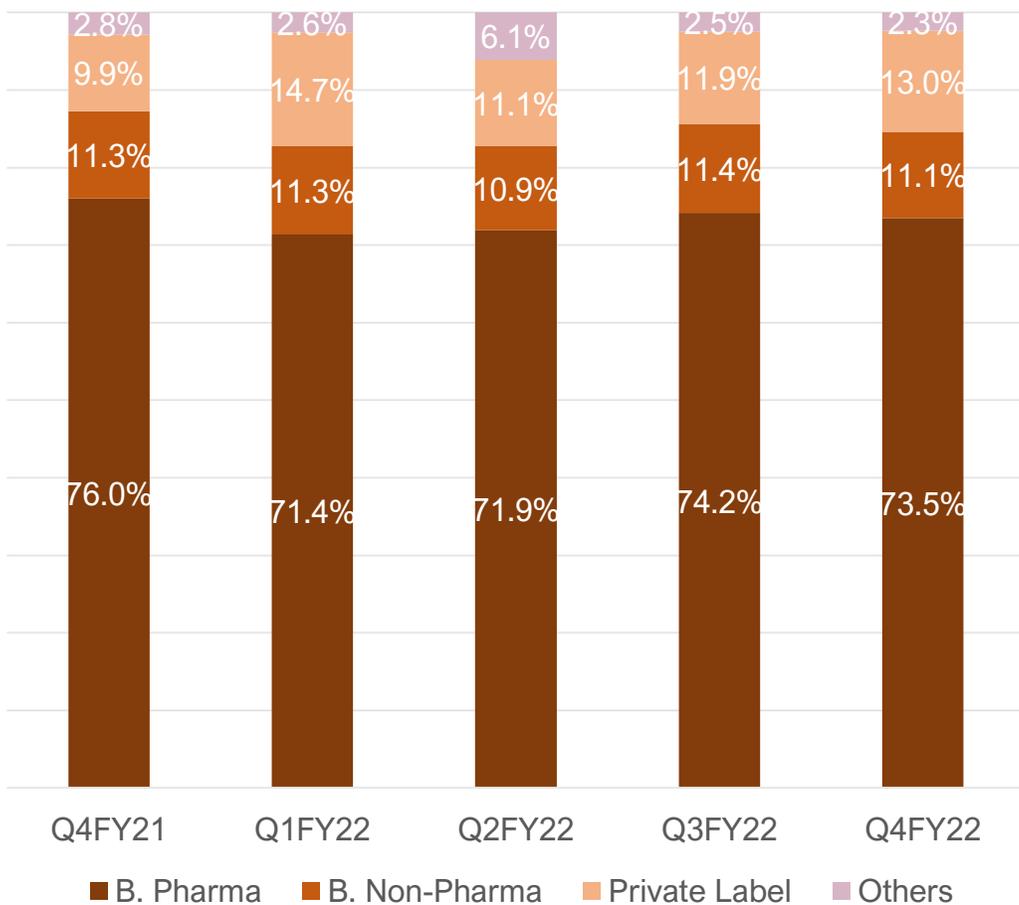
Revenue Mix³: By Location of Stores

▶ Product mix

Trend of increasing share from Private Label continues

▶ Location mix

Maintaining trend of growth beyond Metro and Tier-One

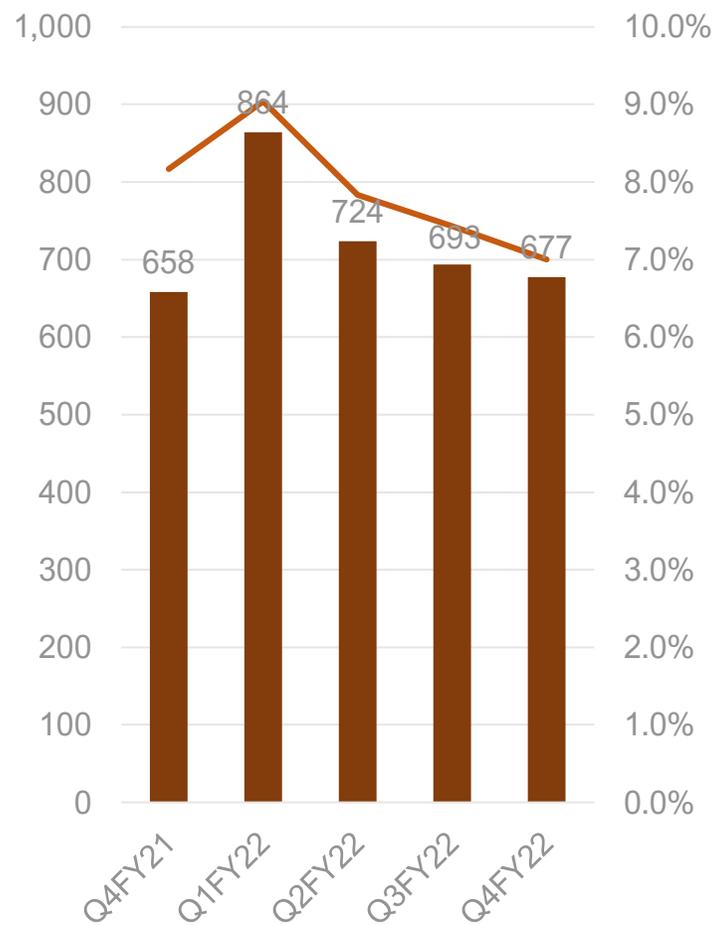


1. Prefix of "B" implies Branded
 2. "Others" includes revenue from franchisee, optical, clinics and labs
 3. Only revenue from pharmacy stores

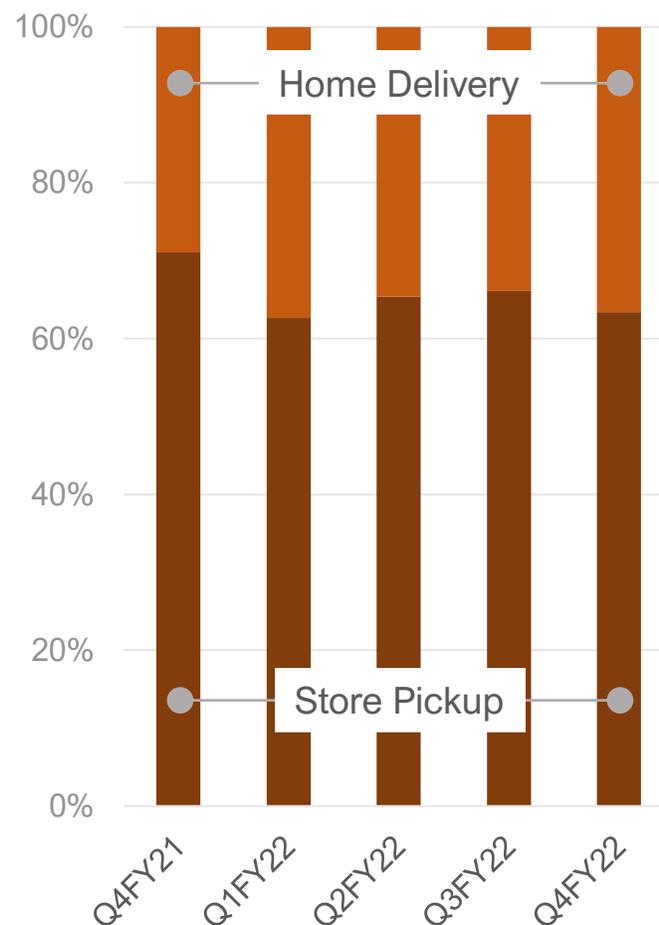
Omni-channel: Profitable With Negligible Acquisition Costs

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

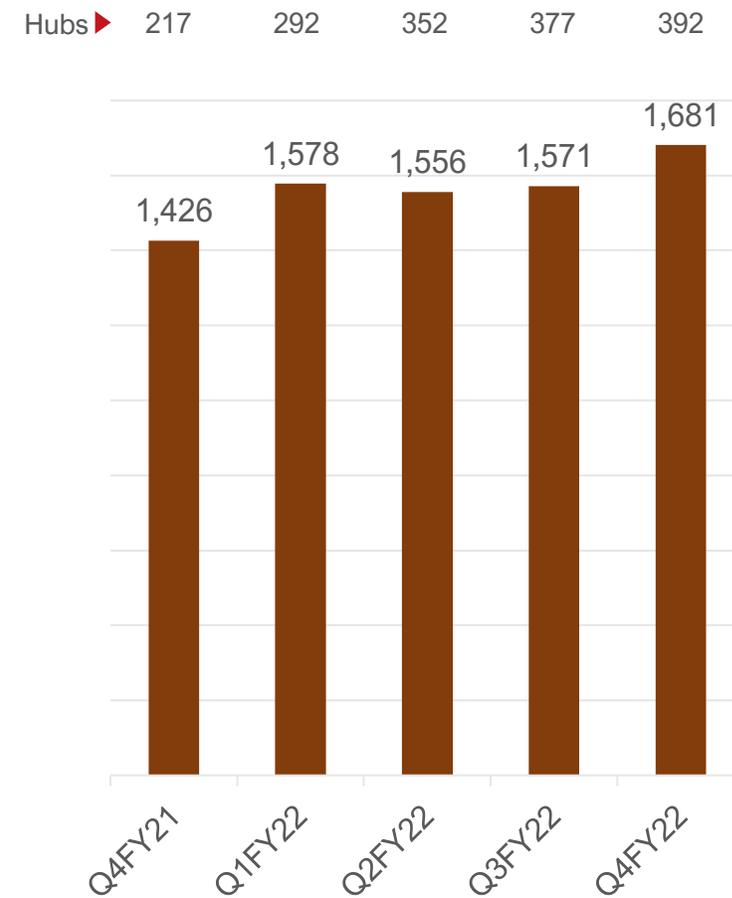
Channel Revenue



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

	Q4FY21	Q3FY22	Q4FY22	Q4FY22 vs. Q4FY21 (yoy)	FY21	FY22	FY22 vs. FY21 (yoy)
Revenue	8,057.3	9,334.5	9,659.1	19.9%	30,692.7	37,792.8	23.1%
Gross Margin	1,648.0	1,938.1	2,059.0	24.9%	6,440.3	7,969.0	23.7%
Gross Margin	20.5%	20.8%	21.3%		21.0%	21.1%	
Expenses	(1,265.3)	(1,572.1)	(1,763.8)	39.4%	(4,689.7)	(6,229.7)	32.8%
Operating EBITDA	382.7	366.1	295.2	-22.9%	1,750.6	1,739.4	-0.6%
Operating EBITDA	4.7%	3.9%	3.1%		5.7%	4.6%	
Rental Expenses	247.5	330.7	353.1	42.7%	953.2	1,268.0	33.0%
ESOP Expenses	(6.6)	(30.0)	(64.9)	882.0%	(399.6)	(107.4)	-73.1%
Interest Income	23.0	20.9	69.9	204.1%	77.9	137.3	76.2%
EBITDA	646.5	687.7	653.2	1.0%	2,382.1	3,037.3	27.5%
EBITDA	8.0%	7.4%	6.8%		7.8%	8.0%	
Depreciation & Amortization	(242.0)	(304.8)	(341.1)	41.0%	(882.7)	(1,193.6)	35.2%
Finance Costs	(146.3)	(165.3)	(185.8)	26.9%	(548.5)	(664.3)	21.1%
PBT	258.2	217.5	126.4	-51.1%	951.0	1,179.4	24.0%
PAT	180.8	169.2	114.3	-36.8%	631.1	947.2	50.1%
PAT	2.2%	1.8%	1.2%		2.1%	2.5%	

Income Statement: Business Segments

Snapshot of Income Statement, ₹m

	Q3FY22				Q4FY22			
	Pharmacy Retail	Diagnostic	Others	Total	Pharmacy Retail	Diagnostic	Others	Total
Revenue	9,284.2	14.0	36.3	9,334.5	9,595.7	13.9	49.5	9,659.1
COGs and Expenses	8,888.0	27.8	52.7	8,968.5	9,199.1	89.9	74.9	9,363.9
Operating EBITDA	396.2	-13.7	-16.4	366.1	396.6	-76.0	-25.3	295.2
Operating EBITDA	4.3%	-97.7%	-45.2%	3.9%	4.1%	-548.8%	-51.2%	3.1%
Rental Expenses				330.7				353.1
ESOP Expenses				-30.0				-64.9
Interest Income				20.9				69.9
EBITDA				687.7				653.3
EBITDA				7.4%				6.8%
Depreciation & Amortization				-304.8				-341.1

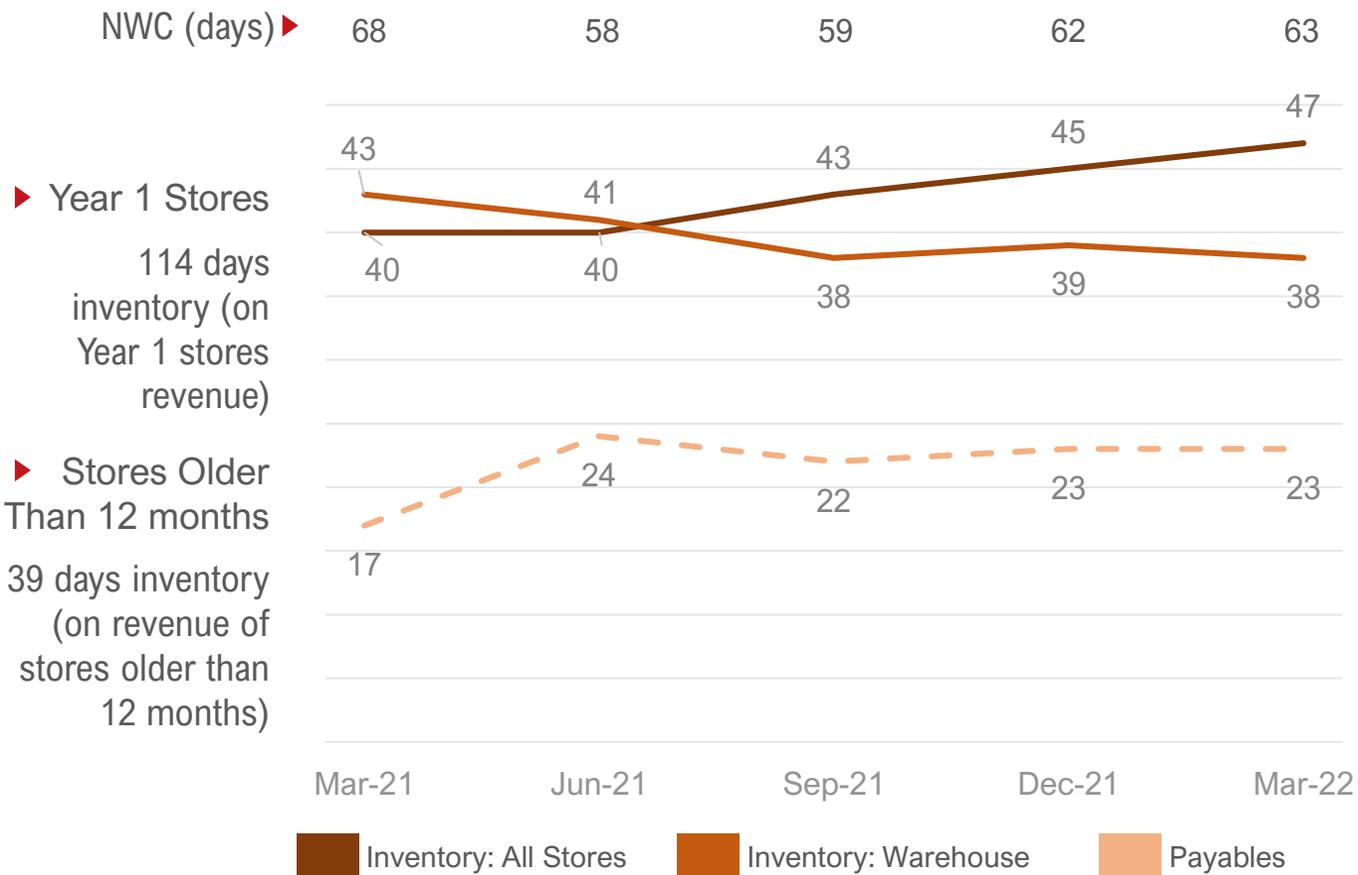
Balance Sheet

Snapshot of Balance Sheet, ₹m

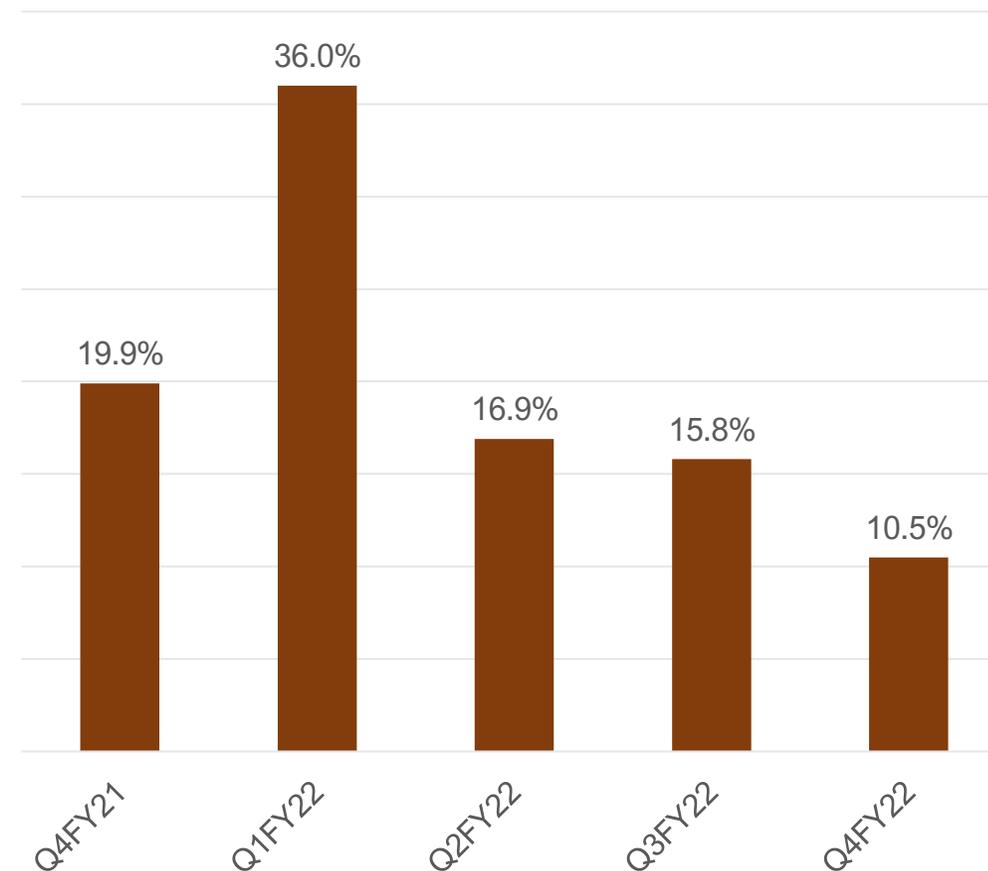
	Mar-21	Dec-21	Mar-22
Assets			
Non Current Assets			
PPE and CWIP	926.9	1,326.5	1,823.2
Intangible assets	452.7	477.2	477.0
Right-of-use asset	3,848.7	4,907.6	5,891.6
Others	1,197.4	1,399.5	1,431.6
Total Non Current Assets (A)	6,425.7	8,110.8	9,623.4
Current Assets			
Inventories	7,499.6	8,478.4	9,149.8
Cash	1,491.0	6,958.1	6,575.4
Others	240.2	542.2	591.9
Total Current Assets (B)	9,230.8	15,978.6	16,317.1
Total Assets (A + B)	15,656.5	24,089.5	25,940.5
Equity and Liabilities			
Total Equity	7,305.5	13,950.5	14,177.7
Other non current liabilities	4,202.4	5,134.2	6,172.6
Borrowings	1,352.3	859.8	1,426.8
Trade payables	1,481.0	2,298.2	2,462.3
Other current liabilities	1,315.2	1,846.7	1,701.0
Total Equity and Liabilities	15,656.5	24,089.5	25,940.5

Capital Productivity

Working Capital Cycle, days



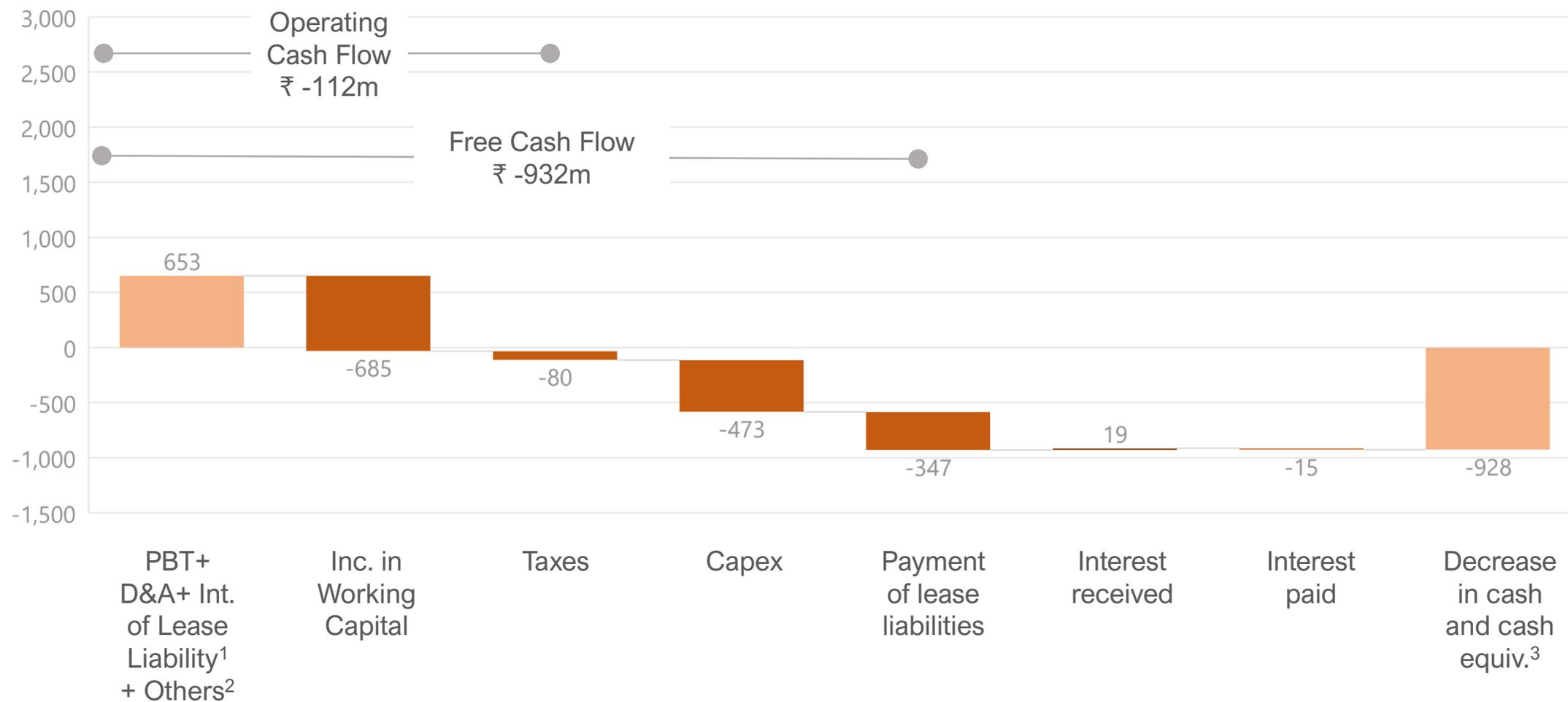
ROCE²: Operating EBIT/ Avg. Capital Employed



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, Q4FY22, ₹m



1. Computed as per IND AS-116

2. Other non-cash expenses, e.g. ESOP compensation expense

3. During the quarter we moved ₹ 5,500m surplus cash to 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



Hemanth Kundavaram
Chief Financial Officer



Venugopal Sirripuram
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.



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