

**Date: May 25, 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 Audited Financial Results for the fourth quarter and year ended March 31, 2023**

Pursuant to the Regulation 30 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and in furtherance to our letter dated May 5, 2023, please find enclosed herewith the presentation for Earnings Call with Analysts/Institutional Investors on Audited Financial Results for the fourth quarter and year ended March 31, 2023 is scheduled to be held on Friday, May 26, 2023 at 15:30 Hrs.

The same is also being uploaded on the website of the Company ([www.medplusindia.com](http://www.medplusindia.com)).

Kindly take the same on record.

Thanking You  
Yours faithfully

**For MedPlus Health Services Limited**

  
**Manoj Kumar Srivastava  
Company Secretary & Compliance Officer  
FCS 7460**



Enclosed: a/a

# MedPlus+



FOURTH QUARTER FY2023

## INVESTOR PRESENTATION

Corporate information  
Performance update  
Financial results

MAY 2023

MedPlus+

# | Safe Harbour

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# | Executive Summary: Q4FY23

## 1 Revenue Growth

Revenue has grown by 29.7% vs Q4 FY22

## 2 Accelerated store expansion

Addition of 265 stores in Q4FY23  
Beyond Tier One cities : 152

## 3 Strong unit economics

>65% of stores opened in H1FY23, achieved break-even within 6 months of operations

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

Operating EBITDA: ₹ 537mn

Store Level EBITDA margin: 10.3%

Store Level Operating ROCE: 60.5%

## 5 EBITDA

Consolidated Operating EBITDA of ₹ 406mn

Pharmacies Operating EBITDA of ₹ 447mn

## 6 Diagnostics pilot on track

Our pilot in Hyderabad is progressing well with three full-service centers, four 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.897m+**

Bills Cut Since Inception

**3,822 stores**

Stores

**7**

States

**552**

Cities

**22k+**

Employees

**44k+ SKUs**

Across Pharma and Non-Pharma

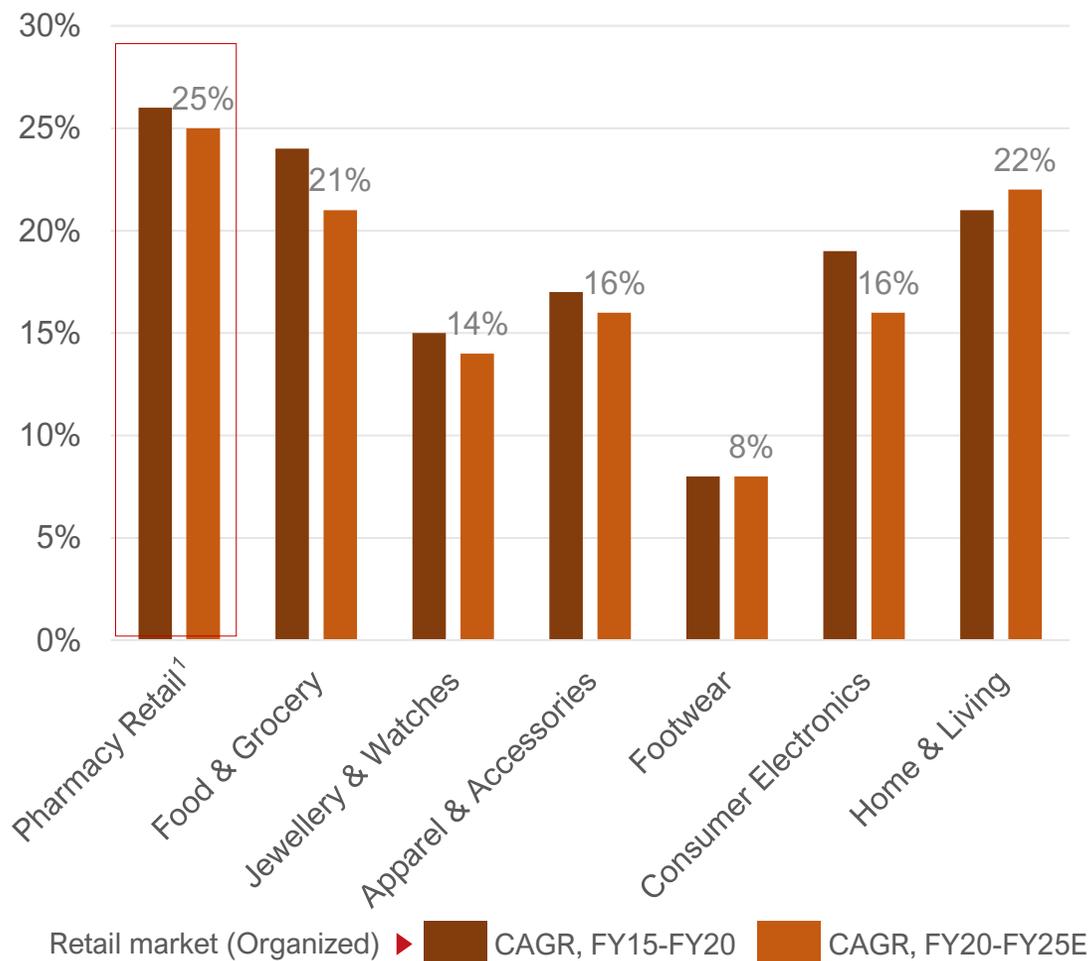
**10**

Regional Warehouses

1. Information as on 31-Mar-23

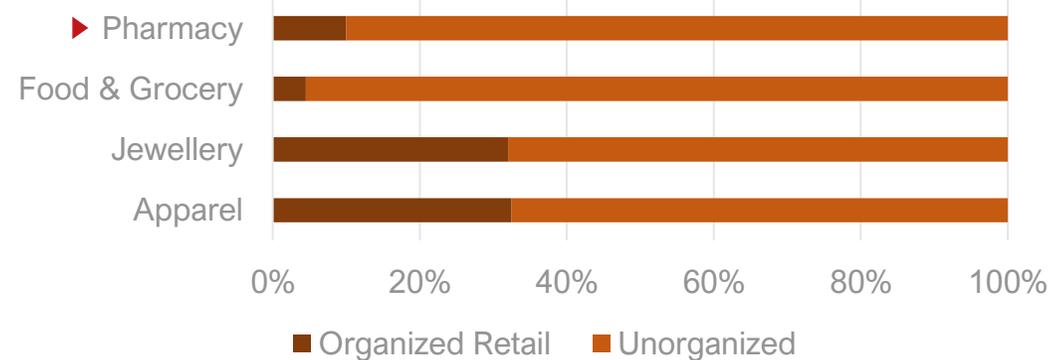
# MedPlus – Leader In The Attractive Pharmacy Space

## 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
<span style="color: #D9534F;">▶</span> 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



# Scale Allows A Large Private Label Basket: 900+ SKUs

## Pharma and Related

- ▶ Pharma
- Over **640** products covering Chronic, Acute, OTC & Other Pharmaceutical products



## Non-Pharma



- ▶ Non-Pharma
- Over **262** 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"> <li>• Further grow in cities where we have market leadership. Metro and Tier - One followed by Tier - Two and beyond</li> <li>• Replicate our leadership in markets where we have entered but yet to attain market leadership</li> </ul>
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"> <li>• Expand our target addressable market via omni-channel offering</li> <li>• Increase retention via omni-channel</li> <li>• Operationally extend &lt;2 hour delivery to more locations</li> </ul>
C	<p>Expand share of private label: Higher margins and higher share of wallet</p>	<p>MedPlus has a curated private label range of 900+ SKUs. From these, we will:</p> <ul style="list-style-type: none"> <li>• Increase private label contribution in pharma products, especially in sub-chronic and chronic ailments</li> <li>• Increase private label contribution in FMCG products, including nutrition and wellness</li> </ul>

# FY2023 Highlights

## ₹ 45,576m Revenue

- Increase by 20.6% vs FY22
- 13.6% private label (+0.9% vs FY22)

## 1,074 Store Net Additions

- 1,144 gross additions
- 602 net additions beyond Tier-One
- 3,822 stores as on 31-Mar-23

## ₹ 1,281m Operating EBITDA

- 2.8% Operating EBITDA margin
- Pharmacy Operating EBITDA ₹ 1,462m

## ₹ 9,999m Gross Margin

- 21.9% gross margin (+0.85% vs FY22)

## 15.6% yoy: Stores > 12 months

- 15.6% revenue growth vs. FY22
- 9.5% Store Level EBITDA margin

## ₹ 904m Operating Cash Flow

- 70.6% OCF/ Operating EBITDA
- ₹ 2,875m closing cash balance



# | Q4 FY2023 Highlights (1/2)

## ₹ 12,530m Revenue

- ₹ 2,871m increase over Q4FY22  
29.7% yoy
- ₹ 627m increase over Q3FY23. 5.3%  
qoq
- 1.1% increase in private label over  
Q4FY22

## 265 Store Net Additions

- 284 gross additions
- 152 net additions beyond Tier-One
- 3,822 stores as on 31-Mar-23

## ₹ 447m Pharmacy Operating EBITDA

- 3.6% Operating EBITDA margin in  
Pharmacy (increase by 10 bps qoq)
- ₹ 406m Company Operating EBITDA

## ₹ 2,830m Gross Margin

- 22.6% gross margin (1.3% yoy, 0.4%  
qoq)

## Stores > 12 months

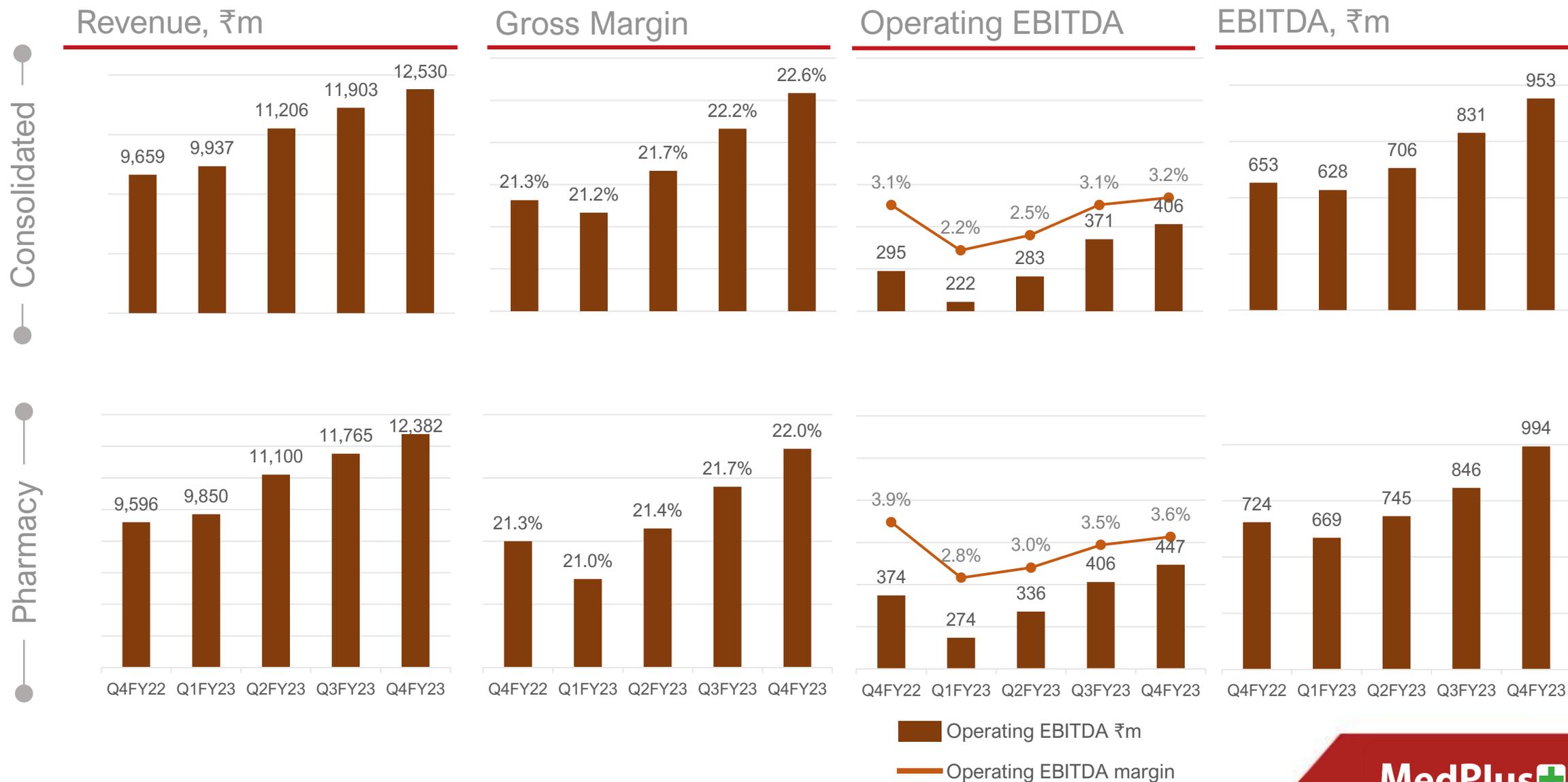
- 15.3% revenue growth over Q4FY22
- 10.3% Store Level EBITDA margin
- 60.5% Store Level Operating ROCE

## ₹ 368m Operating Cash Flow

- 90.6% OCF/ Operating EBITDA
- ₹ 2,875m closing cash balance



# Q4 FY2023 Highlights (2/2)



# 1,074 Stores Added In Last 12 Months

As On Mar-22

As On Dec-22

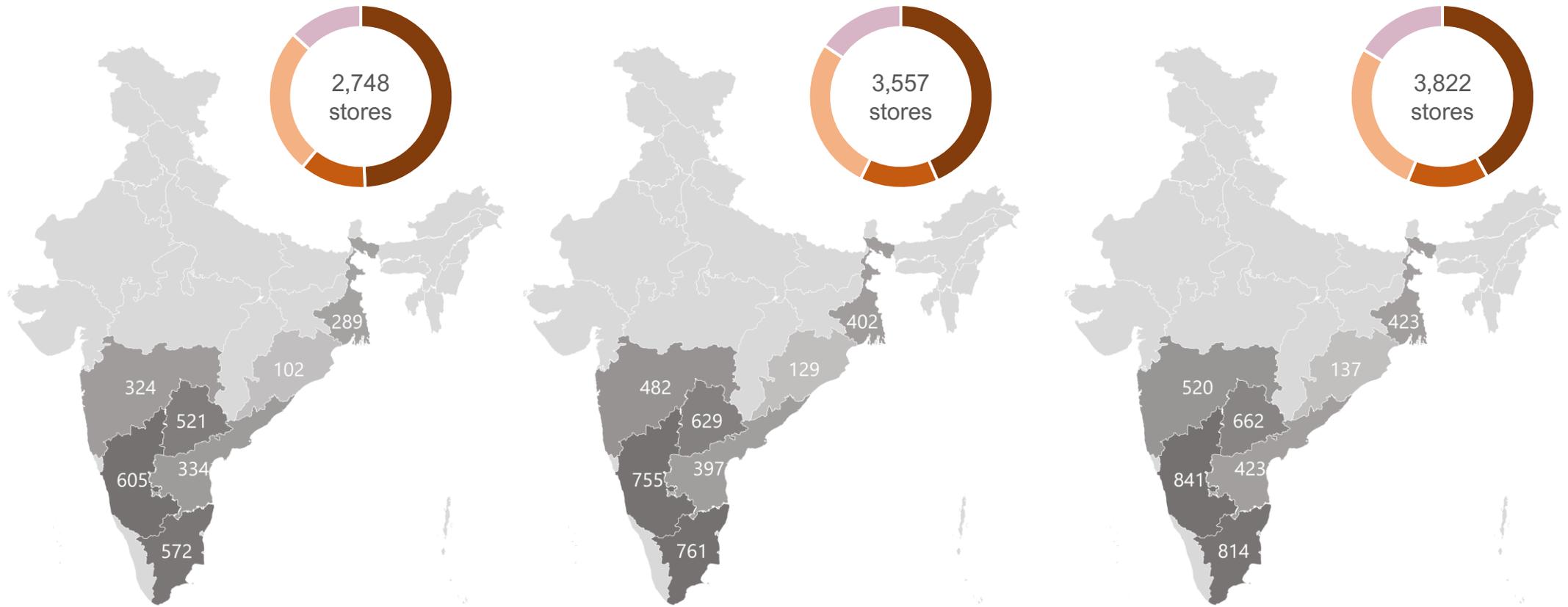
As On Mar-23

► Presence

We are present in key 7 states, accounting for c.38.4% of India's population<sup>2</sup>.

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

We are present in 552 cities



1. Stores in Puducherry are not represented in the maps above. As on 31-Mar-23 we have 2 stores in Puducherry  
 2. Census of India (2011)  
 3. Color index for pie-chart as below:



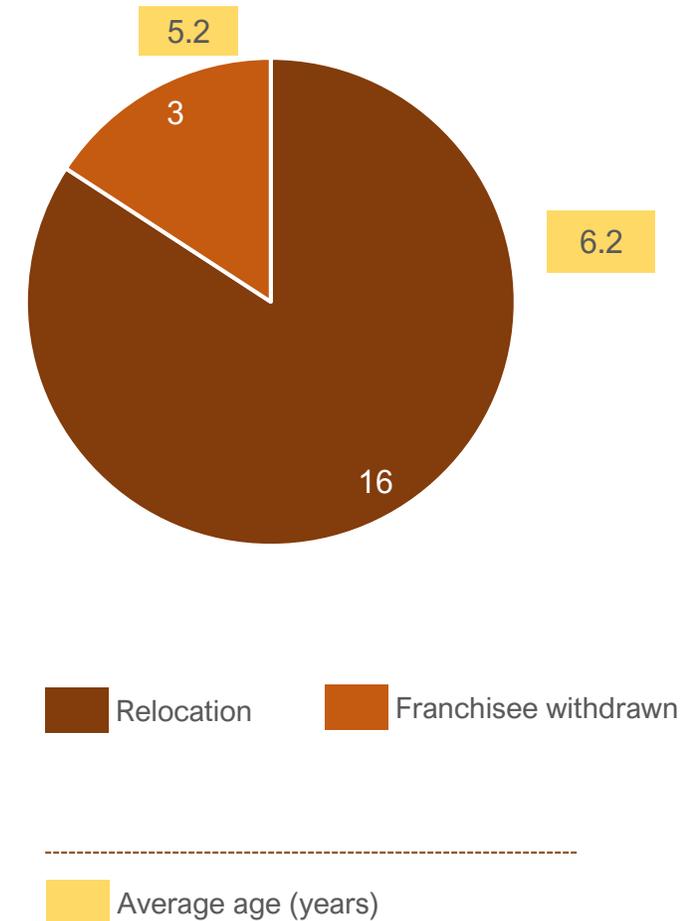
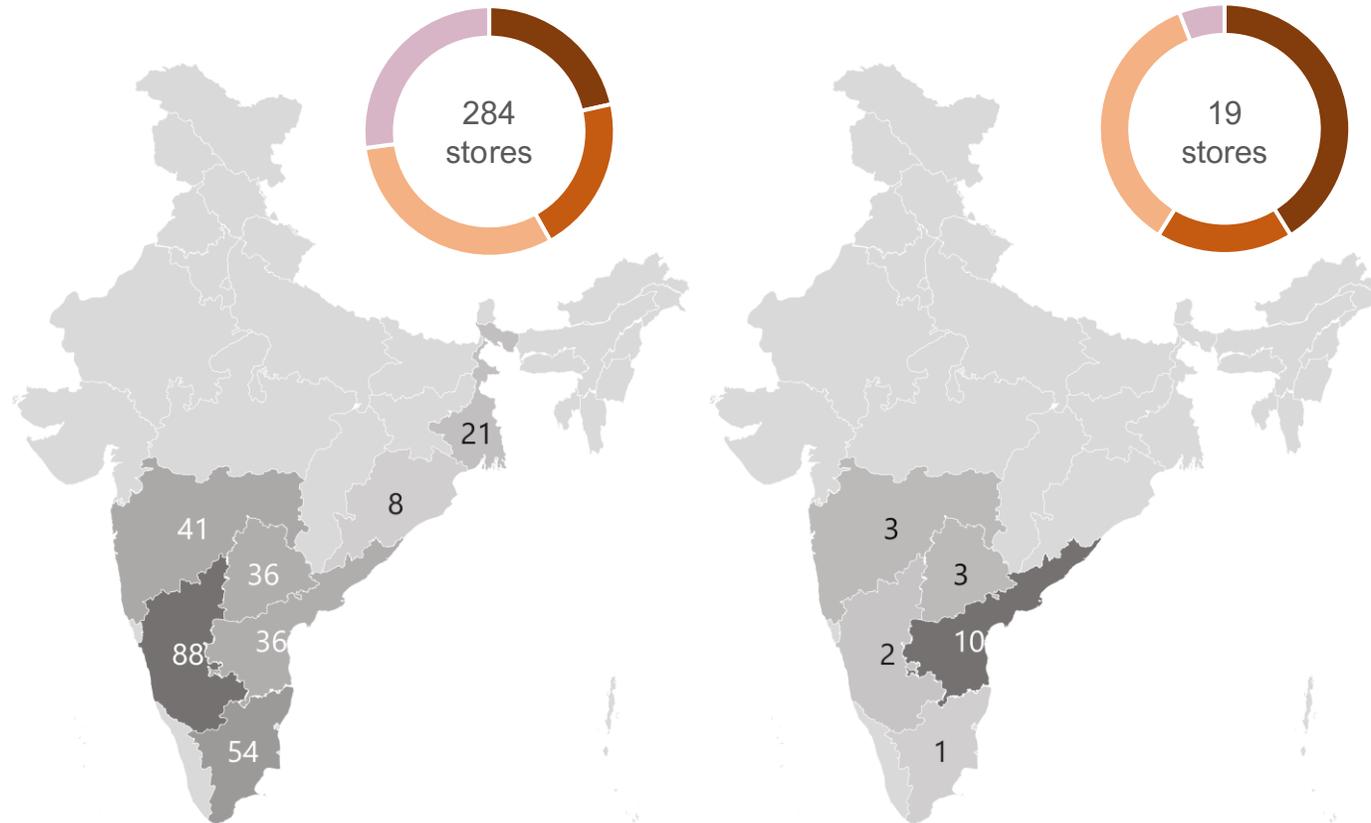
# 265 Stores Added In Last Quarter

## Q4 FY23 Openings

## Q4 FY23 Closures

## Q4 FY23 Closure Reasons

We opened 284 stores in Q4FY23. There were 19 closures

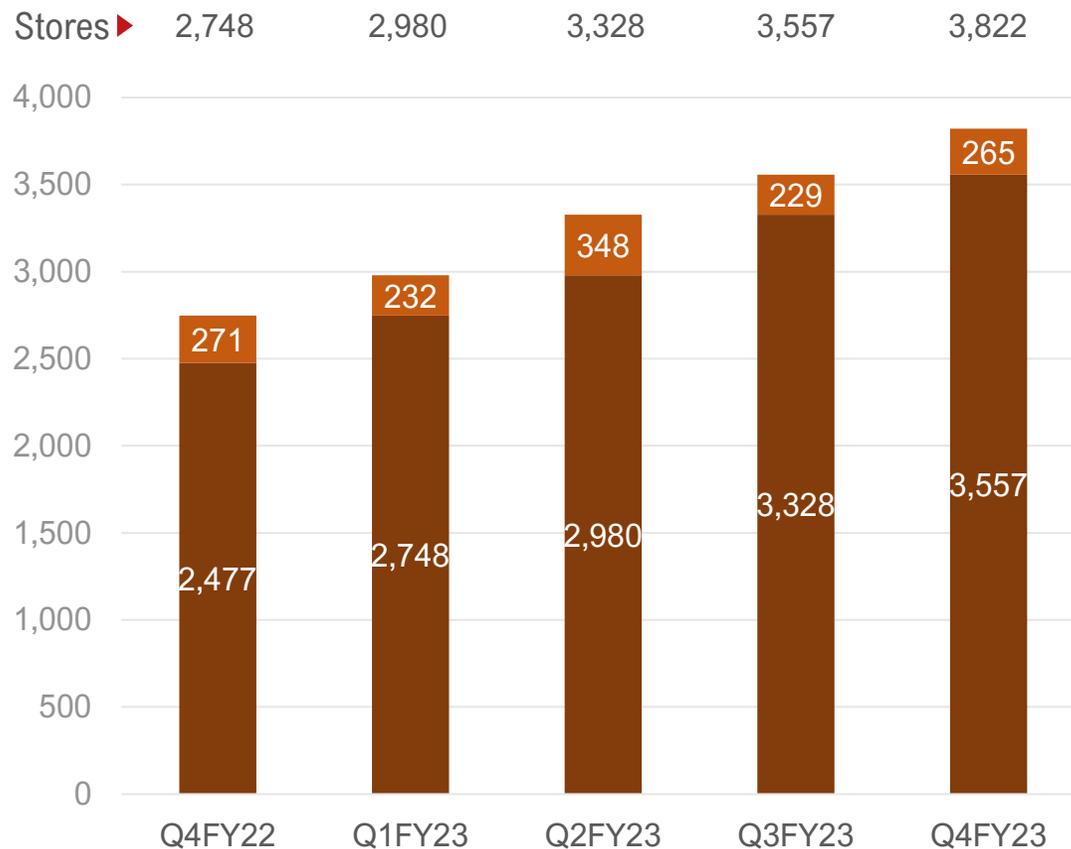


1. Color index for pie-chart as below:

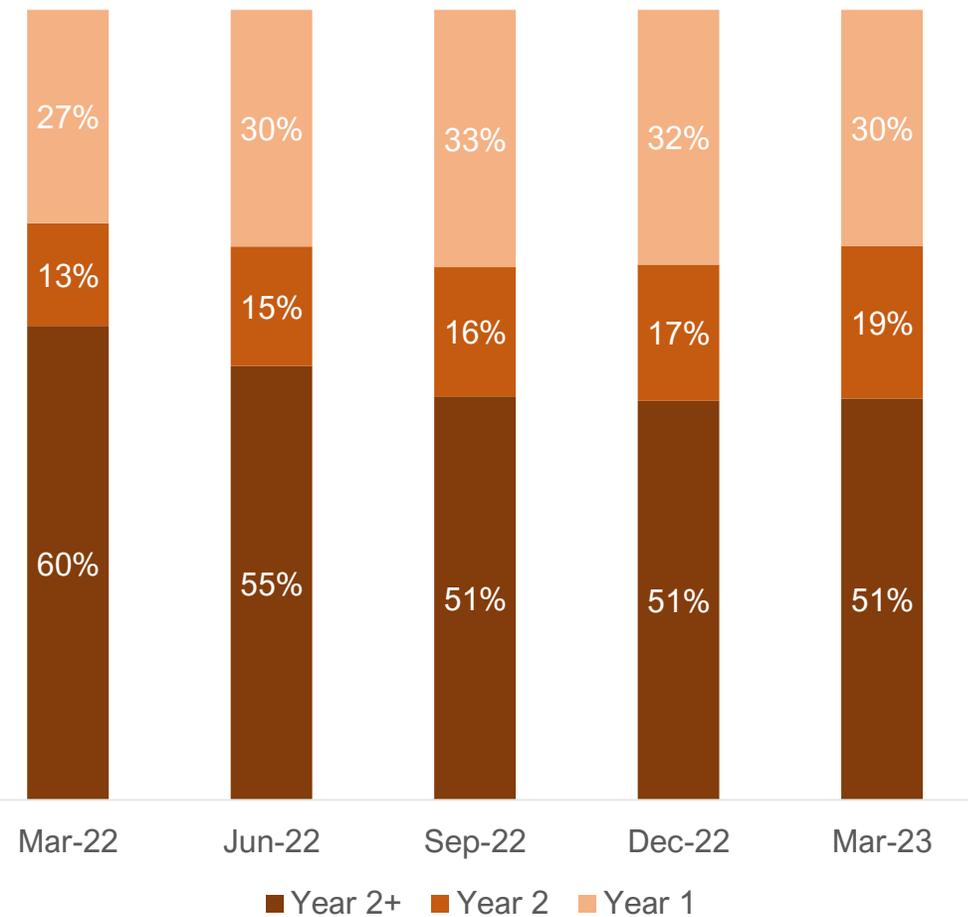


# Young Store Network: 30% Less Than 12 Months Old

### Pharmacy: Count



### Pharmacy: Age Structure of Stores<sup>1</sup>



► Openings

Maintaining an increasing pace of store openings

► Age Structure

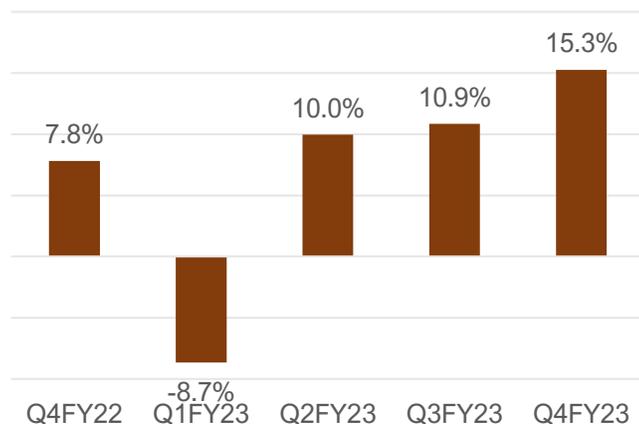
c.50% stores are less than 24 months age

Openings	288	252	362	246	284
Closures	17	20	14	17	19
Net Additions	271	232	348	229	265

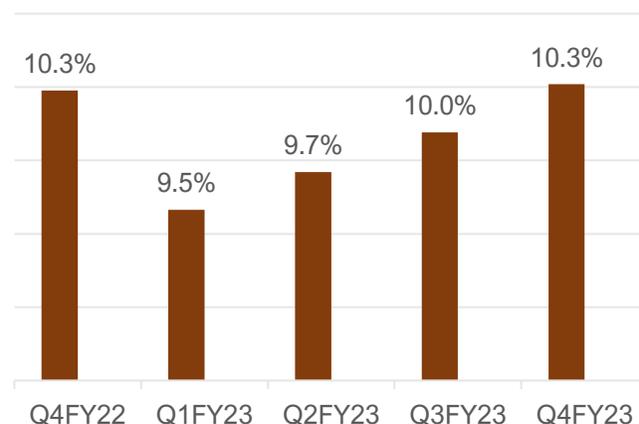
1. Store age, as on end of period

# Profitable Older Stores: 12+ Months

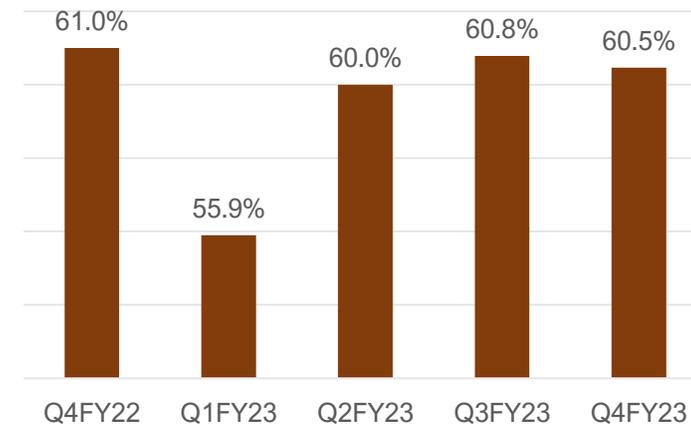
## Store Level Revenue Growth<sup>1</sup>



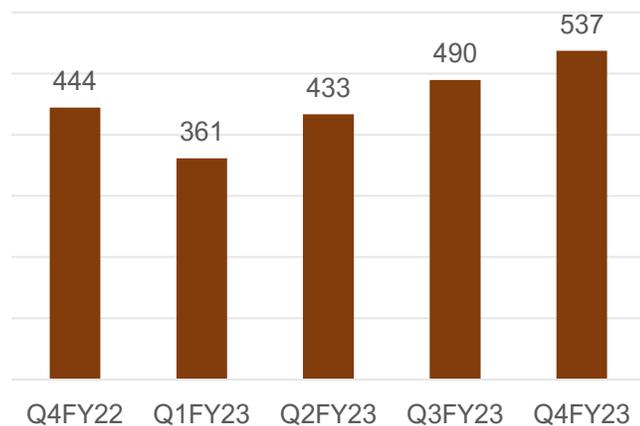
## Store Level EBITDA Margin



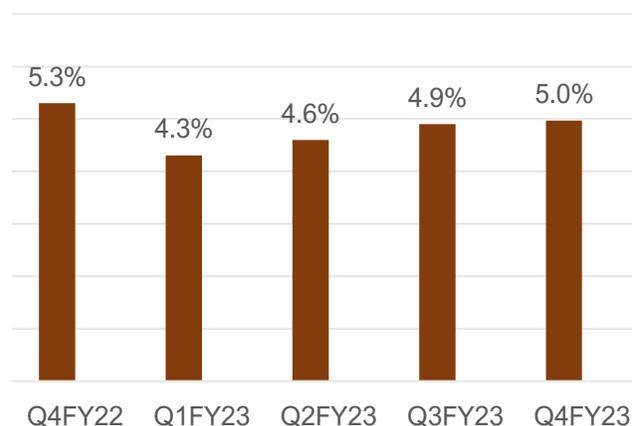
## Store Level Operating ROCE<sup>2,3</sup>



## Operating EBITDA, ₹m



## Operating EBITDA Margin



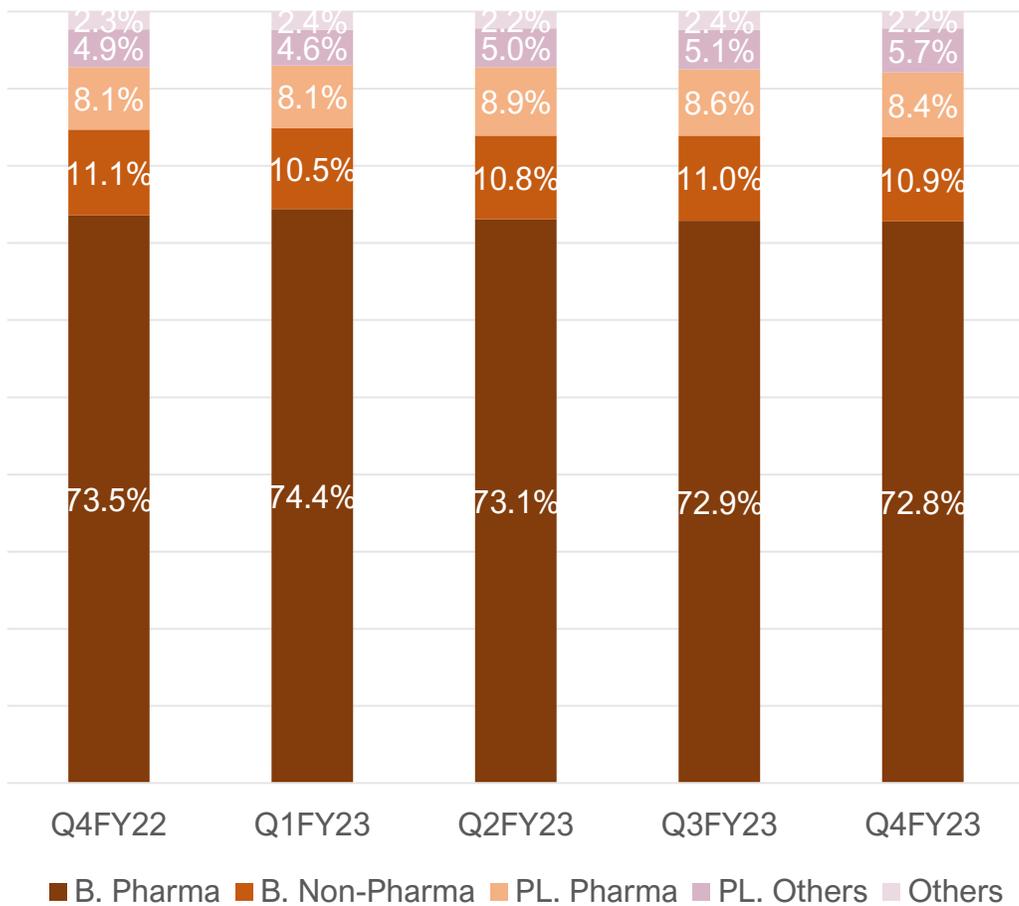
1. Growth is yoy

2. See Glossary for definition

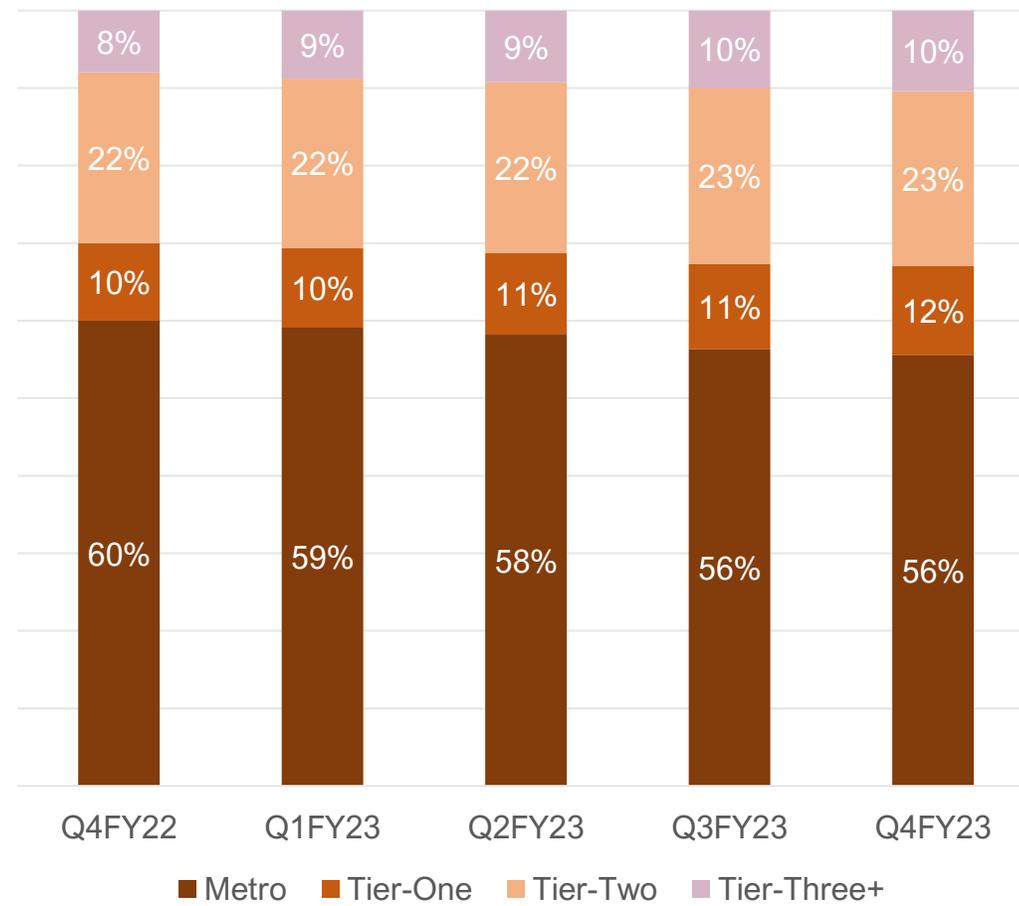
3. Annualized by multiplying the quarterly computation by 4

# Revenue Mix: Increasing Share Of Private Label

## Revenue Mix: By Product Category



## Revenue Mix<sup>3</sup>: By Location of Stores



▶ Product mix

Trend of increasing share from Private Label continues

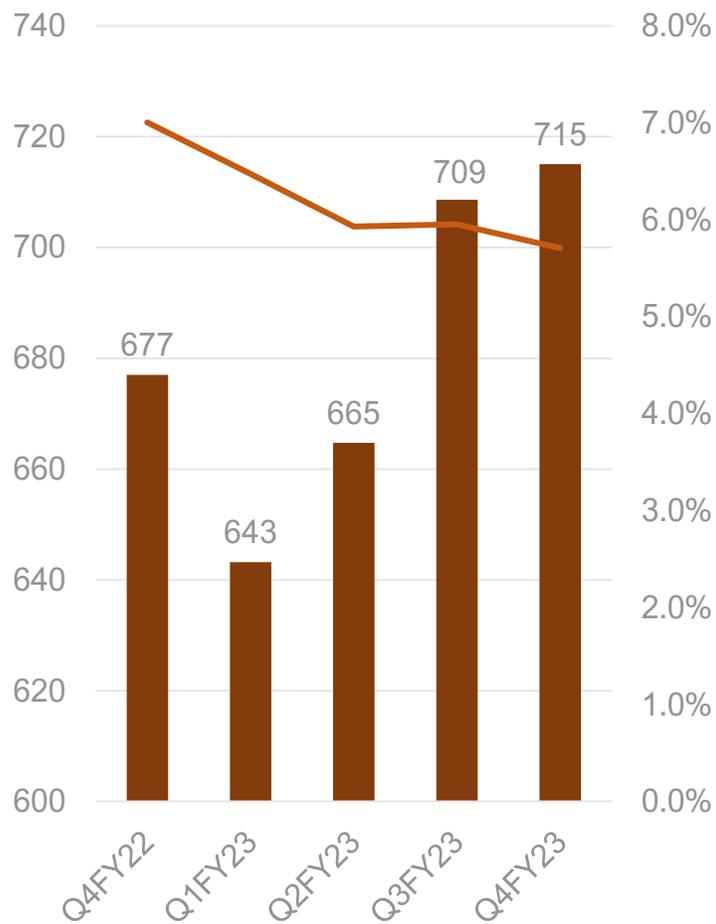
▶ Location mix

Maintaining trend of growth beyond Metro and Tier-One

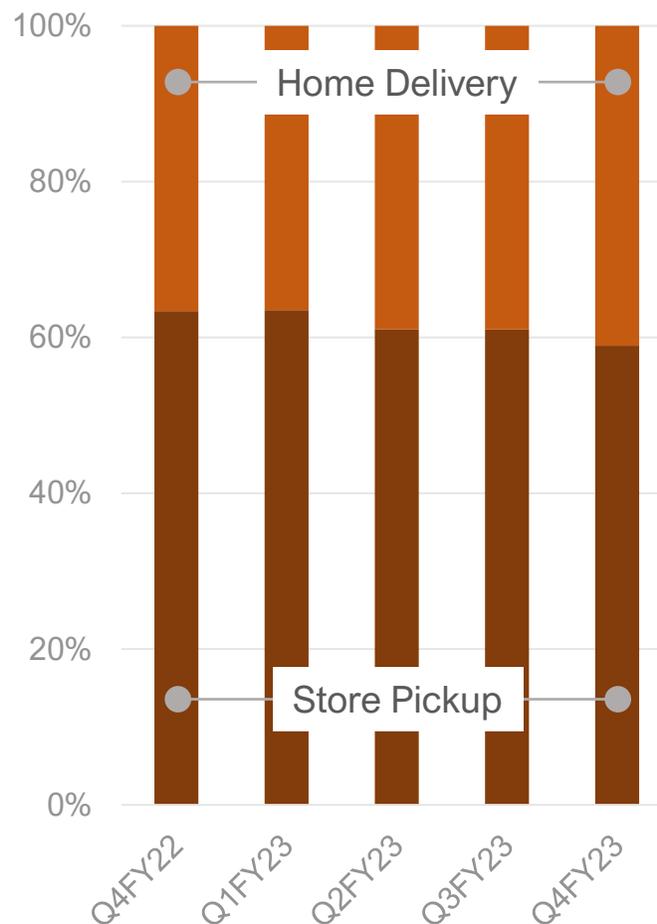
1. Prefix of "B" implies Branded, Prefix of "PL" implies Private Label  
 2. "Others" includes revenue from franchisee, optical, clinics and labs  
 3. Only revenue from pharmacy stores

# Omni-channel: Profitable With Negligible Acquisition Costs

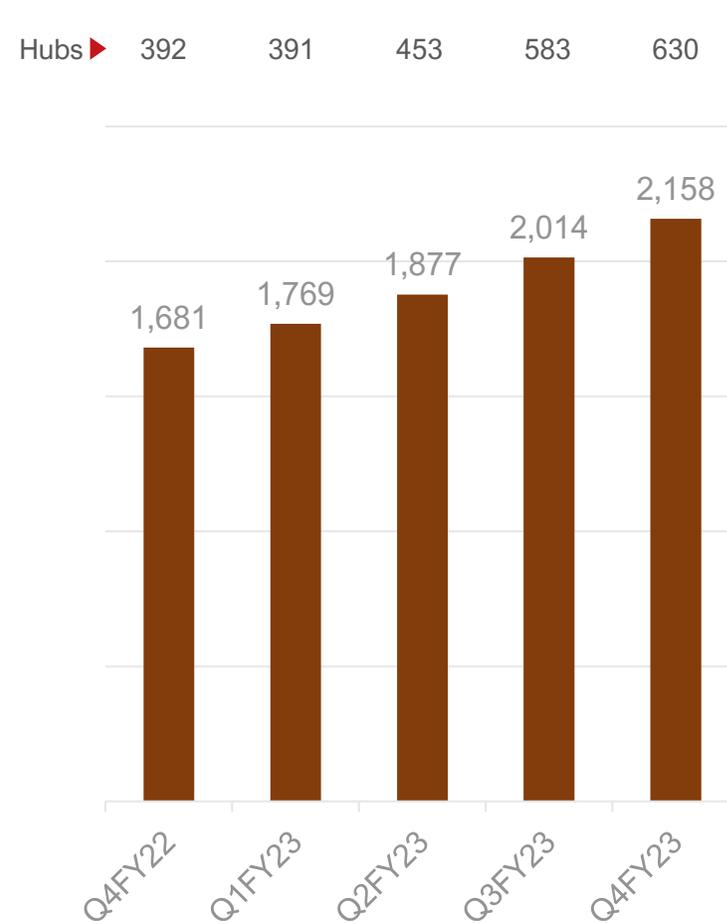
### Channel Revenue



### Channel Delivery



### Pincodes<sup>1</sup> and Delivery Hubs



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

Revenue, ₹m    Share of Tot. Rev. (RHS)

Store Pickup    Home Delivery

1. For Online Orders

# Income Statement

## Snapshot of Income Statement, ₹m

	Q4FY22	Q3FY23	Q4FY23	Q4FY23 vs. Q4FY22 (yoy)	Q4FY23 vs. Q3FY23(qoq)	FY22	FY23	FY23 vs. FY22 (yoy)
Revenue	9,659.1	11,903.1	12,529.8	29.7%	5.3%	37,792.8	45,575.8	20.6%
<b>Gross Margin</b>	<b>2,059.0</b>	<b>2,638.1</b>	<b>2,830.0</b>	<b>37.4%</b>	<b>7.3%</b>	<b>7,969.0</b>	<b>9,998.8</b>	<b>25.5%</b>
Gross Margin	21.3%	22.2%	22.6%			21.1%	21.9%	
Expenses	1,763.8	2,267.6	2,423.8	37.4%	6.9%	6,229.7	8,717.9	39.9%
<b>Operating EBITDA</b>	<b>295.2</b>	<b>370.5</b>	<b>406.2</b>	<b>37.6%</b>	<b>9.6%</b>	<b>1,739.4</b>	<b>1,280.9</b>	<b>-26.4%</b>
Operating EBITDA	3.1%	3.1%	3.2%			4.6%	2.8%	
Rental Expenses	353.1	461.1	493.2	39.7%	7.0%	1,268.0	1,779.8	40.4%
ESOP Expenses	(64.9)	(54.2)	(42.8)	-34.0%	-21.1%	(107.4)	(221.2)	106.0%
Interest Income	69.9	53.5	96.6	38.3%	80.7%	137.3	277.9	102.4%
<b>EBITDA</b>	<b>653.2</b>	<b>830.8</b>	<b>953.3</b>	<b>45.9%</b>	<b>14.7%</b>	<b>3,037.3</b>	<b>3,117.4</b>	<b>2.6%</b>
EBITDA	6.8%	7.0%	7.6%			8.0%	6.8%	
Depreciation & Amortization	(341.1)	(457.9)	(558.0)	63.6%	21.9%	(1,193.6)	(1,815.6)	52.1%
Finance Costs	(185.8)	(210.8)	(222.7)	19.9%	5.6%	(664.3)	(830.3)	25.0%
PBT	126.4	162.1	172.6	36.5%	6.4%	1,179.4	471.6	-60.0%
<b>PAT</b>	<b>114.3</b>	<b>133.8</b>	<b>265.6</b>	<b>132.3%</b>	<b>98.5%</b>	<b>947.2</b>	<b>501.0</b>	<b>-47.1%</b>
PAT	1.2%	1.1%	2.1%			2.5%	1.1%	

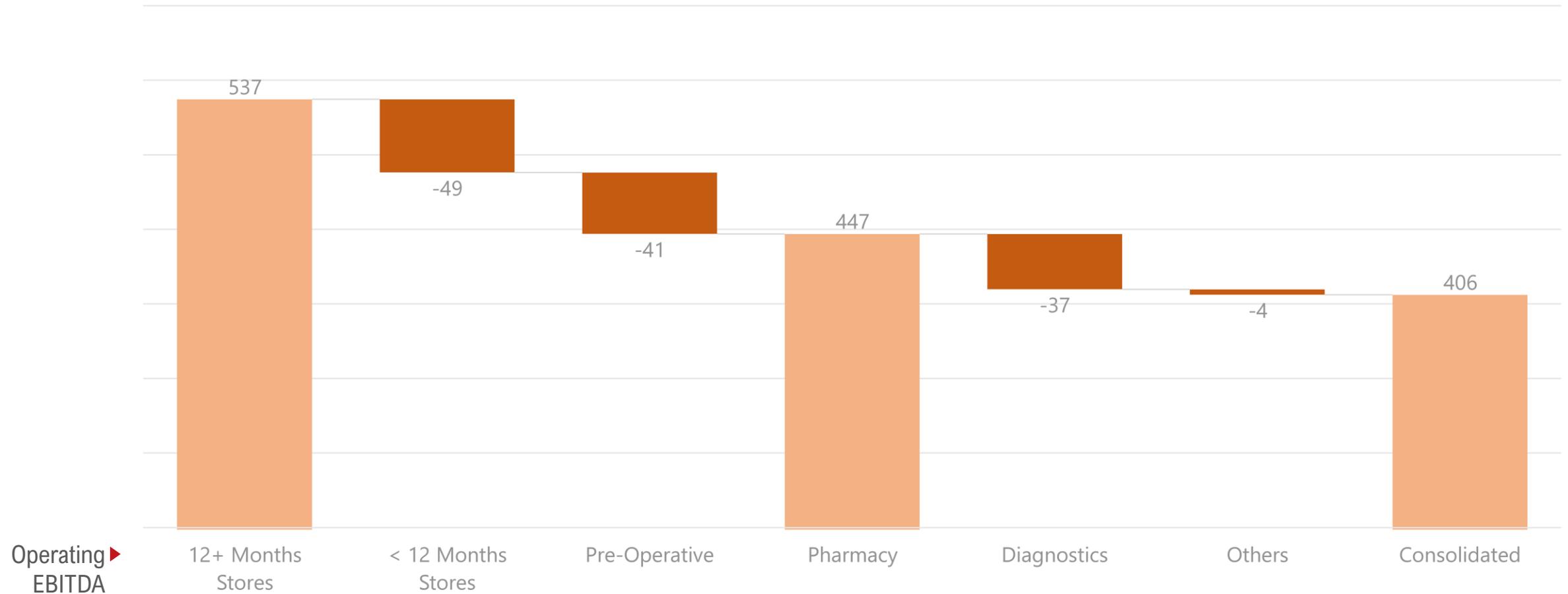
# Income Statement: Business Segments

## Snapshot of Income Statement, ₹m

	Q3FY23				Q4FY23				FY23			
	Pharmacy Retail	Diagnostic	Others	Total	Pharmacy Retail	Diagnostic	Others	Total	Pharmacy Retail	Diagnostic	Others	Total
Revenue	11,764.7	96.9	41.5	11,903.1	12,382.3	119.3	28.3	12,529.8	45,096.6	305.4	173.8	45,575.8
COGs and Expenses	11,358.6	129.9	44.2	11,532.7	11,935.3	156.4	31.9	12,123.7	43,634.1	480.1	180.6	44,294.9
<b>Operating EBITDA</b>	<b>406.1</b>	<b>-33.0</b>	<b>-2.6</b>	<b>370.5</b>	<b>447.0</b>	<b>-37.1</b>	<b>-3.6</b>	<b>406.2</b>	<b>1,462.5</b>	<b>-174.7</b>	<b>-6.9</b>	<b>1,280.9</b>
Operating EBITDA	3.5%	-34.0%	-6.4%	3.1%	3.6%	-31.1%	-12.9%	3.2%	3.2%	-57.2%	-4.0%	2.8%
Rental Expenses				461.1				493.2				1,779.8
ESOP Expenses				-54.2				-42.8				-221.2
Interest Income				53.5				96.6				277.9
<b>EBITDA</b>				<b>830.8</b>				<b>953.2</b>				<b>3,117.4</b>
EBITDA				7.0%				7.6%				6.8%

# Operating EBITDA Deep Dive

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



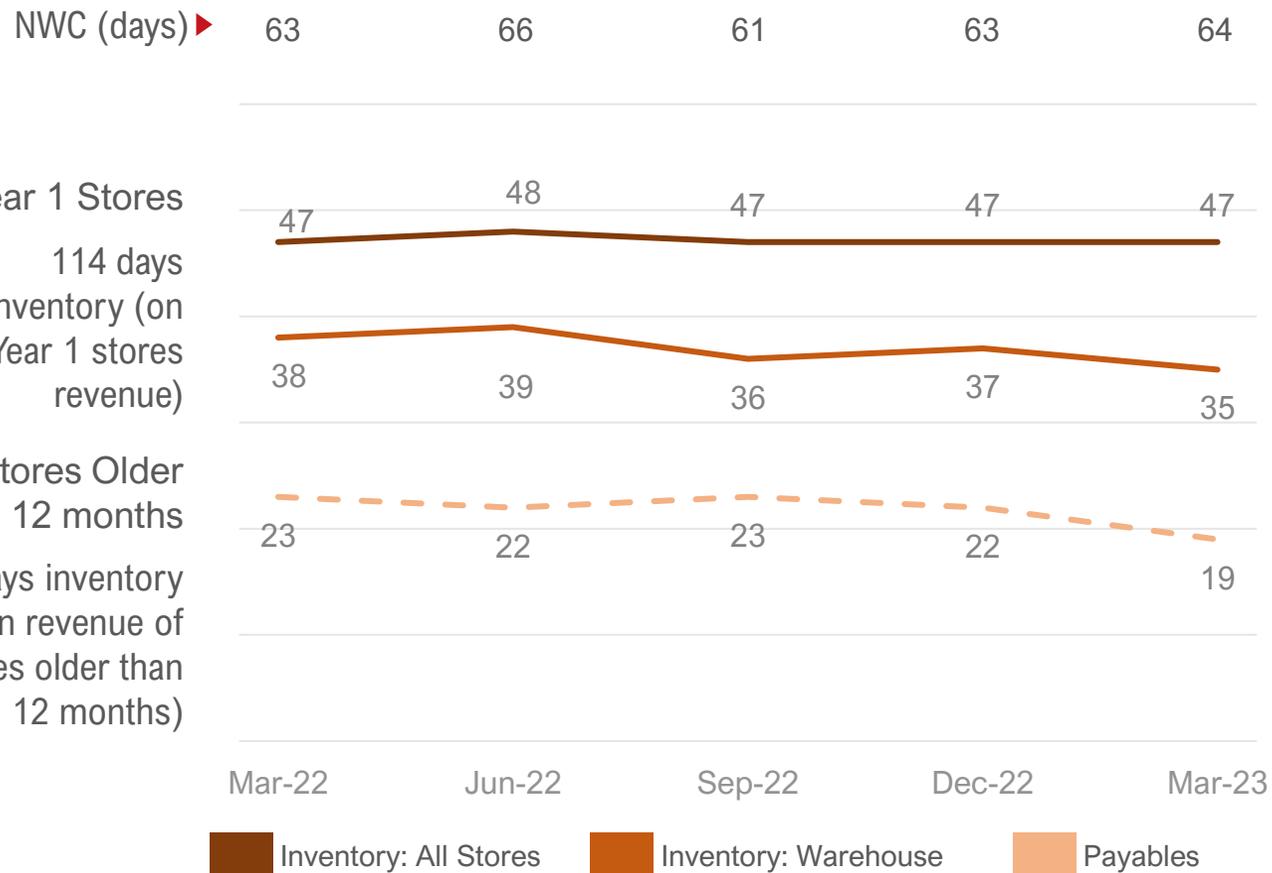
# Balance Sheet

## Snapshot of Balance Sheet, ₹m

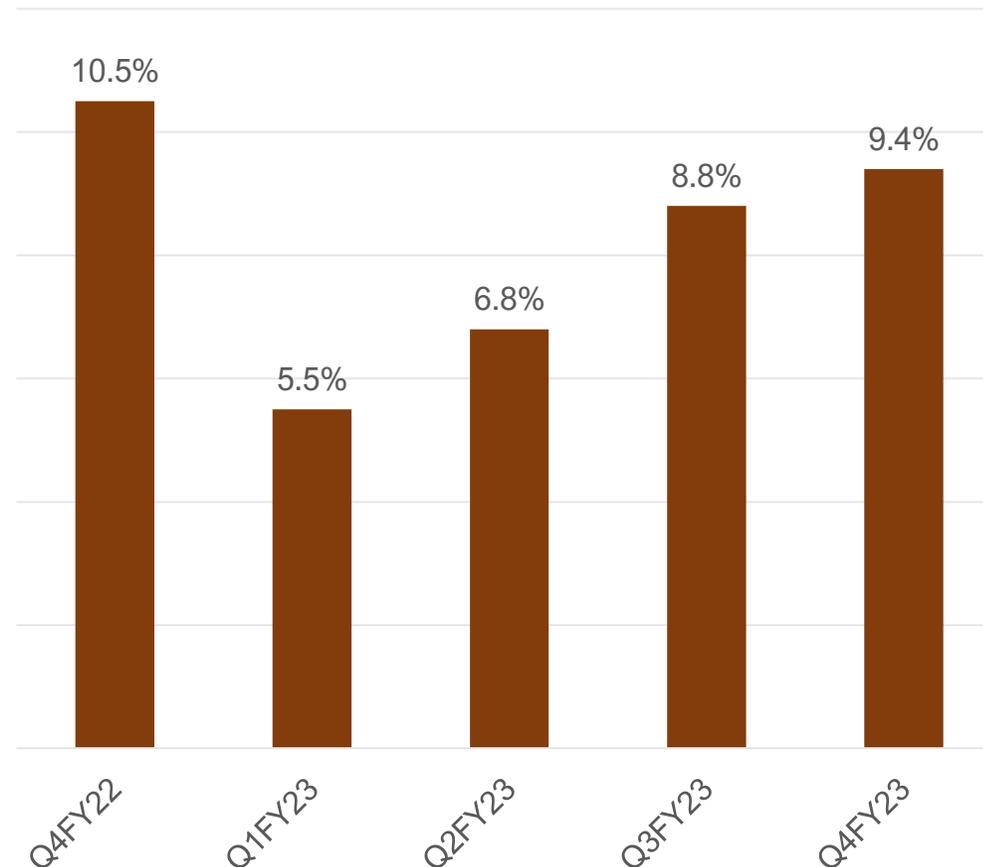
	Mar-22	Dec-22	Mar-23
<b>Assets</b>			
Non Current Assets			
PPE and CWIP	1,823.2	2,759.8	3,122.4
Intangible assets	477.0	476.7	489.9
Right-of-use asset	5,891.6	7,511.8	8,022.0
Others	1,431.6	1,648.5	1,525.7
<b>Total Non Current Assets (A)</b>	<b>9,623.4</b>	<b>12,396.8</b>	<b>13,160.0</b>
Current Assets			
Inventories	9,149.8	10,869.1	11,440.9
Cash	6,575.4	3,187.2	2,874.8
Others	591.9	799.7	491.5
<b>Total Current Assets (B)</b>	<b>16,317.1</b>	<b>14,856.0</b>	<b>14,807.2</b>
<b>Total Assets (A + B)</b>	<b>25,940.5</b>	<b>27,252.8</b>	<b>27,967.2</b>
<b>Equity and Liabilities</b>			
Total Equity	14,177.7	14,592.9	14,911.8
Share application pending allotment	-	10.0	-
Other non current liabilities	6,172.6	7,885.3	8,289.6
Borrowings	1,426.8	2.3	-
Trade payables	2,462.3	2,851.2	2,601.5
Other current liabilities	1,701.0	1,911.1	2,164.4
<b>Total Equity and Liabilities</b>	<b>25,940.5</b>	<b>27,252.8</b>	<b>27,967.2</b>

# Capital Productivity

## Working Capital Cycle, days



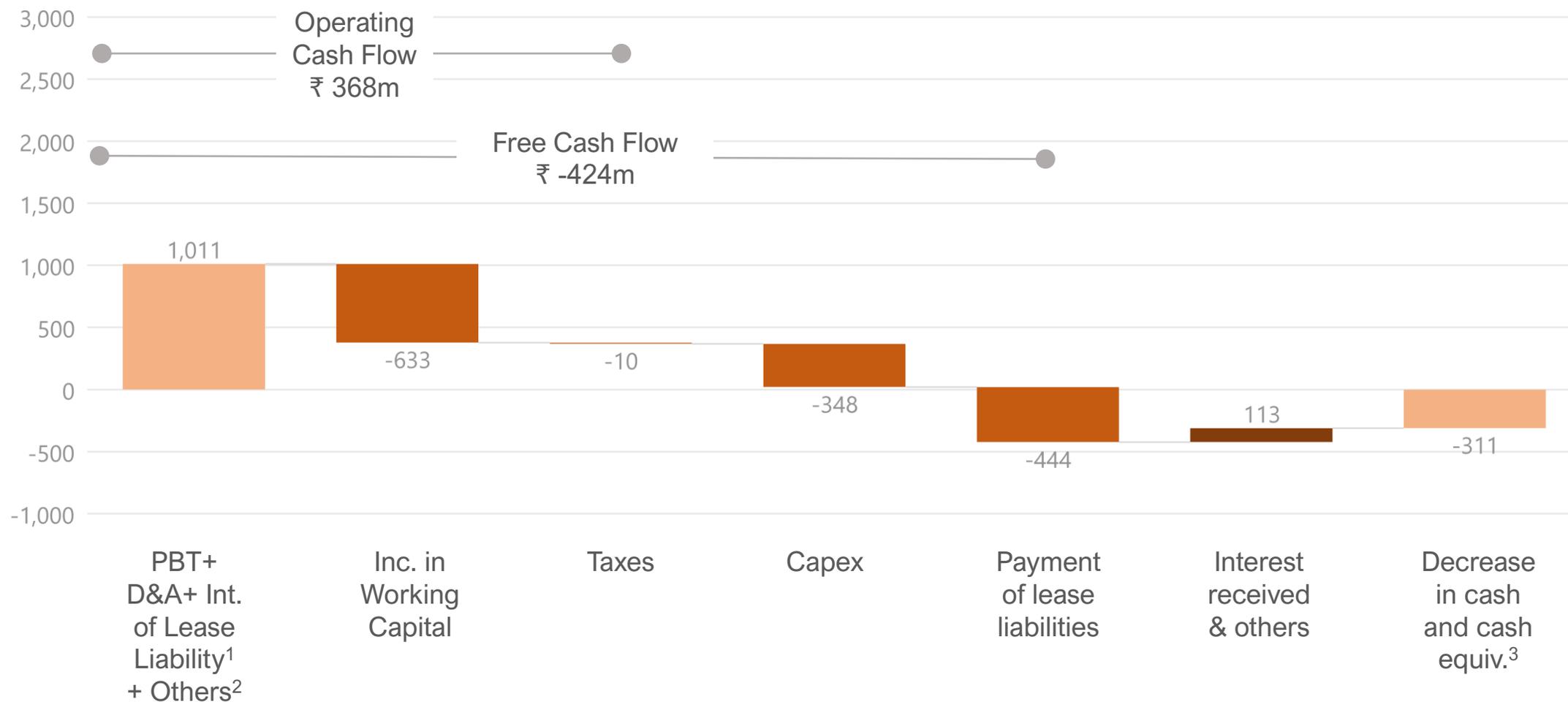
## ROCE<sup>2</sup>: Operating EBIT/ Avg. Capital Employed



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, Q4FY23, ₹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 ₹ 2,201m from fixed deposit

# Appendix

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- 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](http://www.medplusindia.com)

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