

November 8, 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 September 30, 2023

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in furtherance to our letter dated October 26, 2023 please find enclosed herewith the presentation for Earnings Call with Analysts/Institutional Investors on un-audited Financial Results for the quarter ended September 30, 2023 scheduled to be held on, November 8, 2023 at 17:30 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

Digitally signed by
MANOJ KUMAR
SRIVASTAVA
Date: 2023.11.08
16:36:15 +05'30'

Manoj Kumar Srivastava

Company Secretary & Compliance Officer

FCS 7460

Enclosed: a/a

MedPlus+



SECOND QTR & H1 FY2024

INVESTOR PRESENTATION

Corporate information
Performance update
Financial results

Nov 8, 2023

MedPlus+

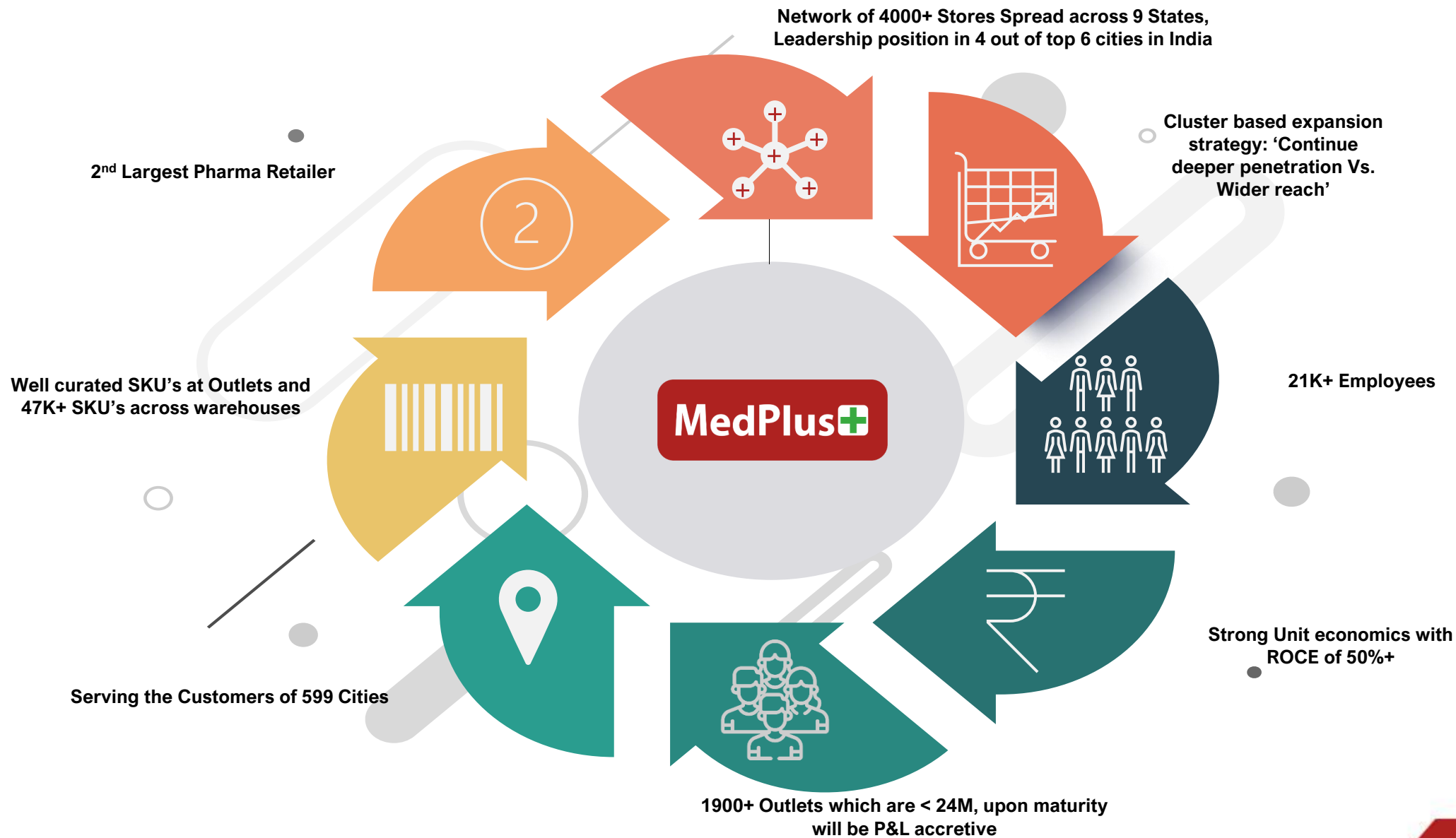
| Safe Harbour

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This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

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The MedPlus Story



| Q2 FY2024 Highlights (1/2)

₹ 14,086m Revenue

- ₹ 2,880m increase over Q2FY23
25.7% yoy
- ₹ 1,243m increase over Q1FY24.
9.7% qoq
- 0.1% increase in private label over
Q2FY23

114 Store Net Additions

- 139 gross additions
- 57 net additions beyond Tier-One
- 4,089 stores as on 30-Sep-23

₹ 440m Pharmacy Operating EBITDA

- 3.2% Operating EBITDA margin in
Pharmacy (increased by 50 bps qoq)
- ₹ 410m Company Operating EBITDA

₹ 3,045m Gross Margin

- 21.6% gross margin (0.33% qoq)

Stores > 12 months

- 15.7% revenue growth over Q2FY23
- 9.0% Store Level EBITDA margin
- 50.6% Store Level Operating ROCE

₹ 322m Operating Cash Flow

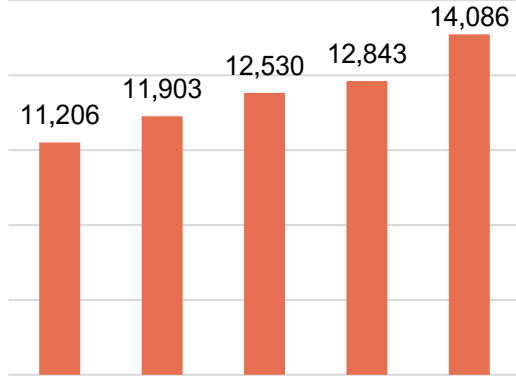
- 78.7% OCF/ Operating EBITDA
- ₹ 2,189m closing cash balance



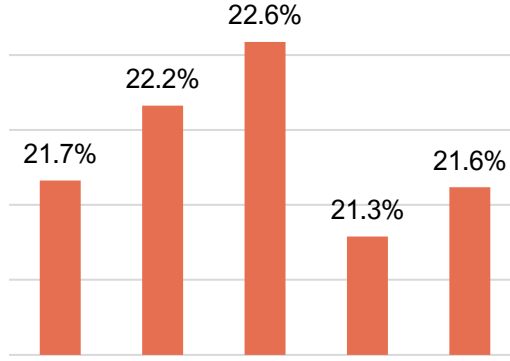
Q2 FY2024 Highlights (2/2)

Consolidated
Pharmacy

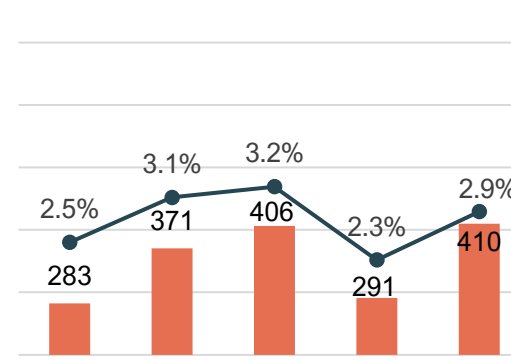
Revenue, ₹m



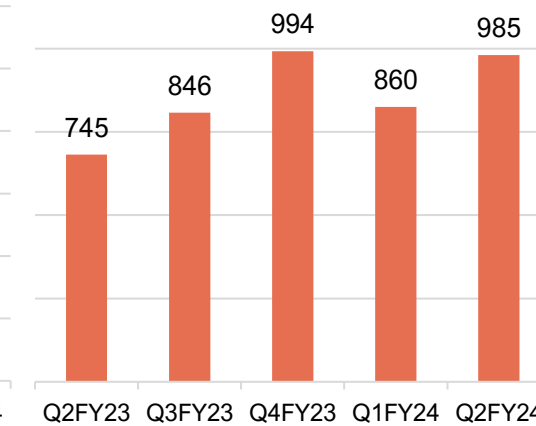
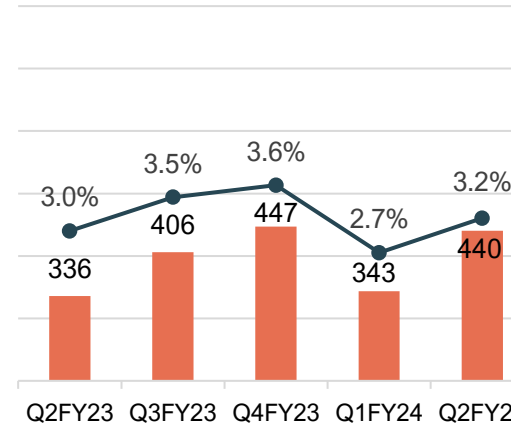
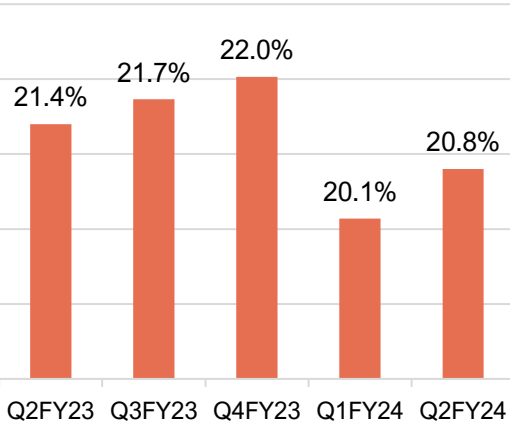
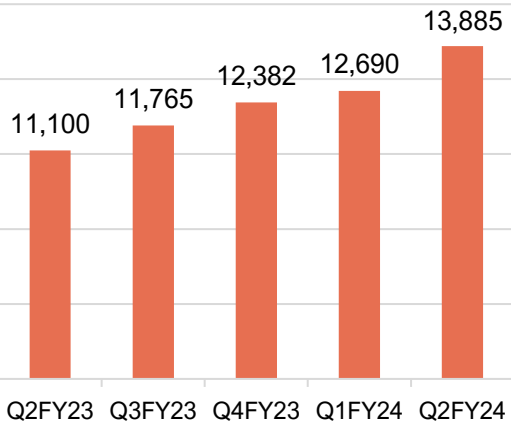
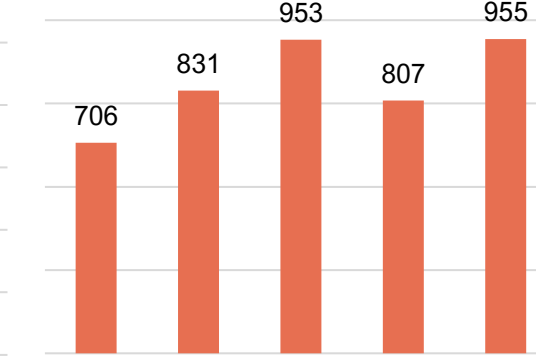
Gross Margin



Operating EBITDA



EBITDA, ₹m



Operating EBITDA ₹m

Operating EBITDA margin

| H1 FY2024 Highlights

₹ 26,929m Revenue

- ₹ 5,786m increase over H1FY23
27.4% yoy
- 0.34% increase in private label over H1FY23

267 Store Net Additions

- 307 gross additions
- 144 net additions beyond Tier-One

₹ 784m Pharmacy Operating EBITDA

- 2.95% Operating EBITDA margin in Pharmacy
- ₹ 701m Company Operating EBITDA

₹ 5,779m Gross Margin

- 21.5% gross margin

Stores > 12 months

- 19.1% revenue growth over H1FY23
- 8.8% Store Level EBITDA margin

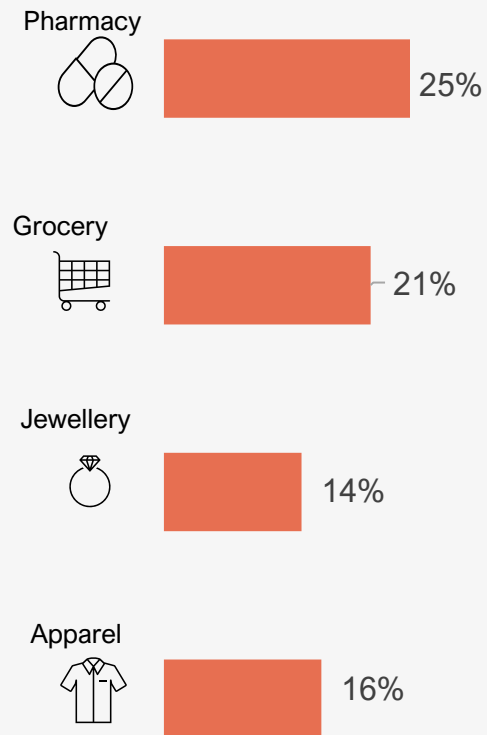
₹ 620m Operating Cash Flow

- 88.4% OCF/ Operating EBITDA
- ₹ 2,189m closing cash balance

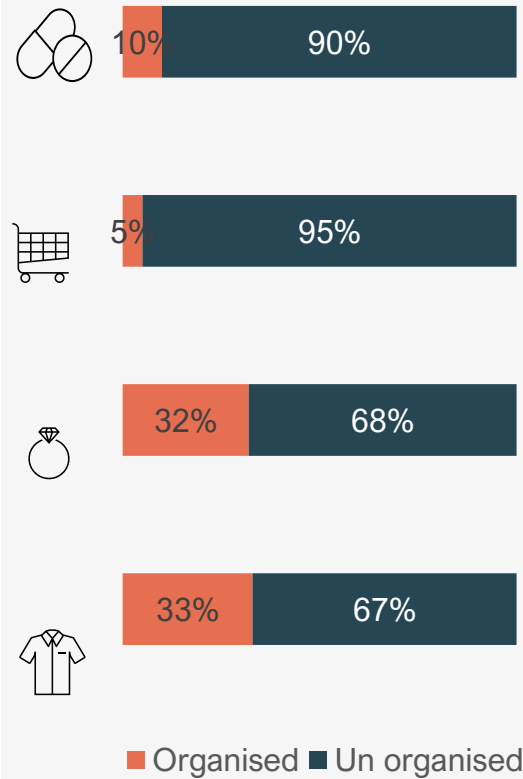


Pharmacy Retail is Most Attractive Segment of Indian Retail

High Growth Profile Amongst Various Indian Retail Formats

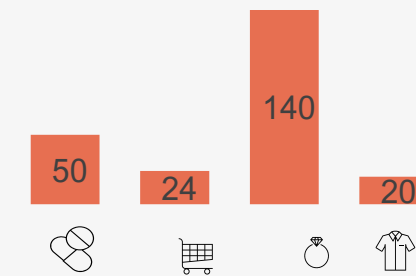


Growth Rate To Continue in Foreseeable Future on Back of High Unorganized Salience

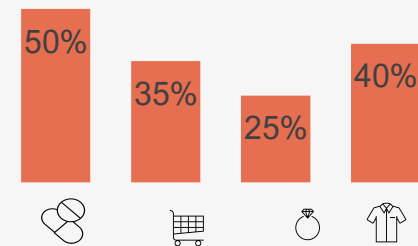


Highly Replicable Model Given Best in Class Return Metrics

Avg Revenue per Sq.ft p.a (INR 000's)



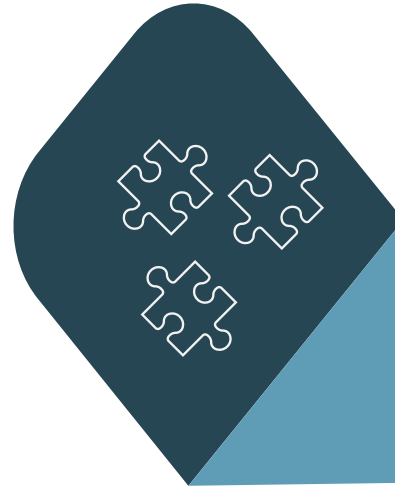
ROCE



Indian Pharmacy Retail

Fragmented Retail Market

- India's retail market, with ~900,000 retailers for 1.4 billion people, is fragmented compared to the US, with 46,000 retailers for 350 million. Despite lower throughput, Indian stores thrive on high-margin unbranded generics, though quality concerns exist.



Balance of power between organized chains and small independent operators even

- In a Competitive scenario, where online players and large retailers are offering discounts ranging 20-30%, Small and Medium retailers are able to sustain because of the margin protected by sale of high margin trade generics.

Government Initiatives

- Though withdrawn, the recent National Medical Commission (NMC) notification mandating doctors to prescribe drugs using their generic names, has ignited the growth momentum for unbranded generics
- Jan Aushadi.....



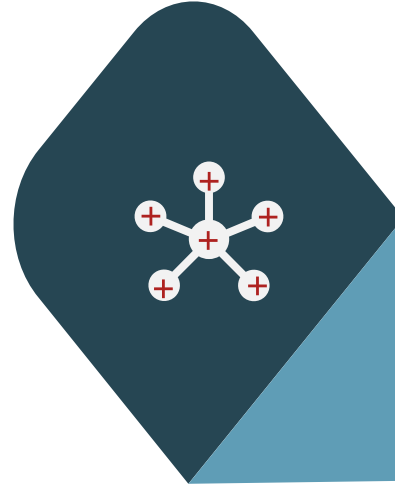
Absence of Store Brands

- International peers like CVS, Walgreens of USA and Click Pharmacy of South Africa have reconfigured themselves by offering their "Store Brands" along with branded drugs, ~25-30% of their Pharmacy sales comes from their own "Store Brands"
- Till now, no large retailer in India, hence pharma companies are able to secure good margin on Trade generics as well

MedPlus – Scale and Size allows to disrupt status-quo

Net work of 4,000+ Stores

- With the size of 4000+ stores, MedPlus is uniquely positioned to offer Store Brands/ Store Generics
- Since 2009, Medplus has an experience of offering store brands to the customers, so far this offering is to fill the prescription,
- Now with an experience and size, MedPlus will be able to offer store generics at optimum value to customers

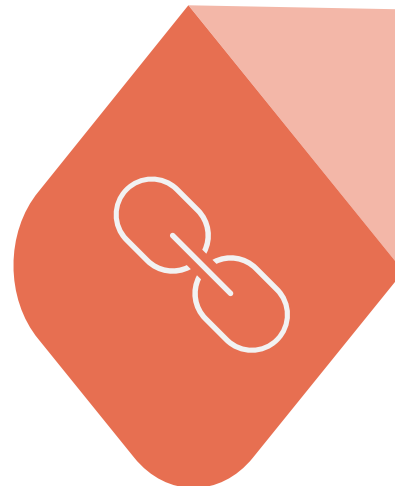


Counter unorganized small players

- MedPlus strategically attracts customers by offering its Store Brands at a substantial discount, ranging from 50% to 80%
- This will not only position MedPlus as a cost-effective choice but also enables the company to capture a significant share of the market previously dominated by these smaller, independent players.

Robust Supply Chain

- A resilient supply chain, reinforced by proprietary software solutions, empowers MedPlus to procure products from leading industry players, thereby ensuring the delivery of superior-quality medicines
- Utilizing data analytics-driven inventory management systems, the company effectively guarantees optimal product availability across all its retail outlets.



Lever for growth

- Due to its comprehensive control over the entire supply chain, MedPlus possesses the ability to strategically tweak pricing and discounts, thereby optimizing profitability. This affords the company a competitive edge in effectively managing its profit margins and achieving a favorable financial position in the market.

MedPlus+

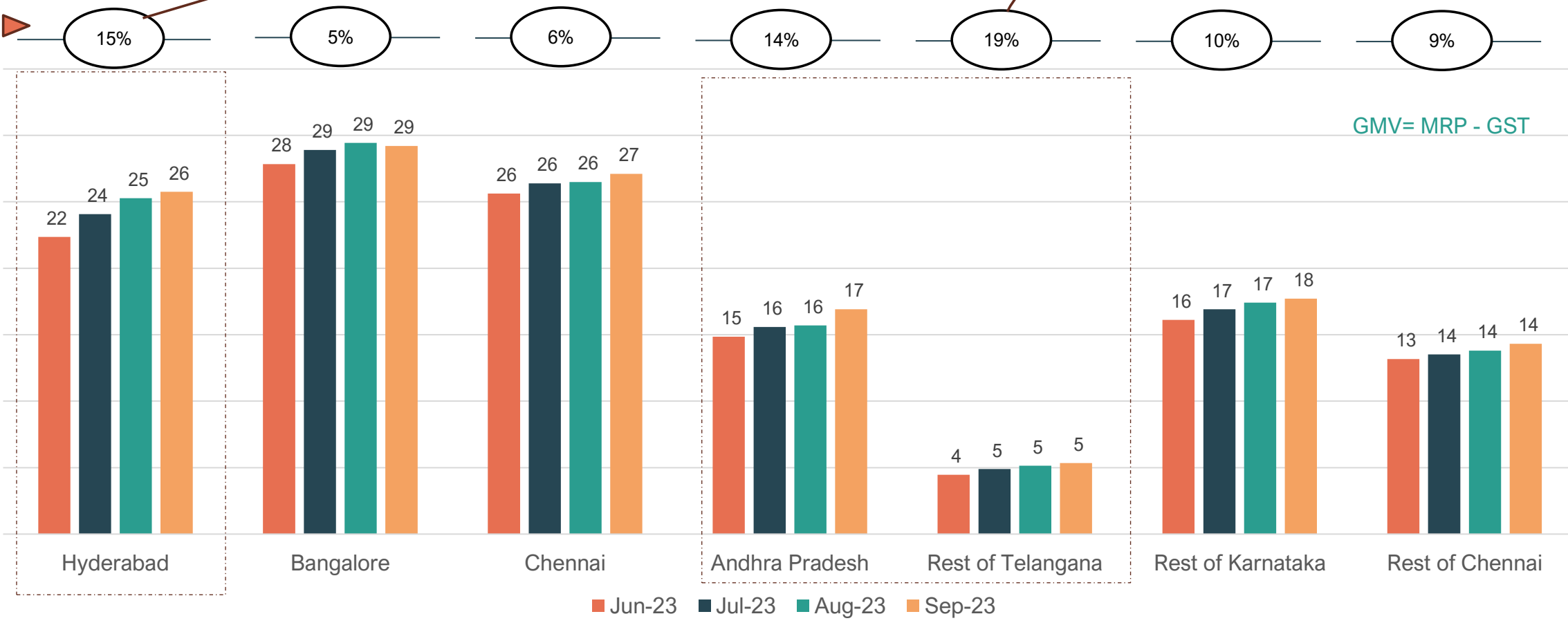
Impact of MedPlus Pharma Products launch...

GMV per day, ₹m

Growth of Overall GMV Sep 23 Vs Jun 23

Hyderabad's overall revenue has grown by 15% in September over June which is 3x higher than Bangalore and Chennai

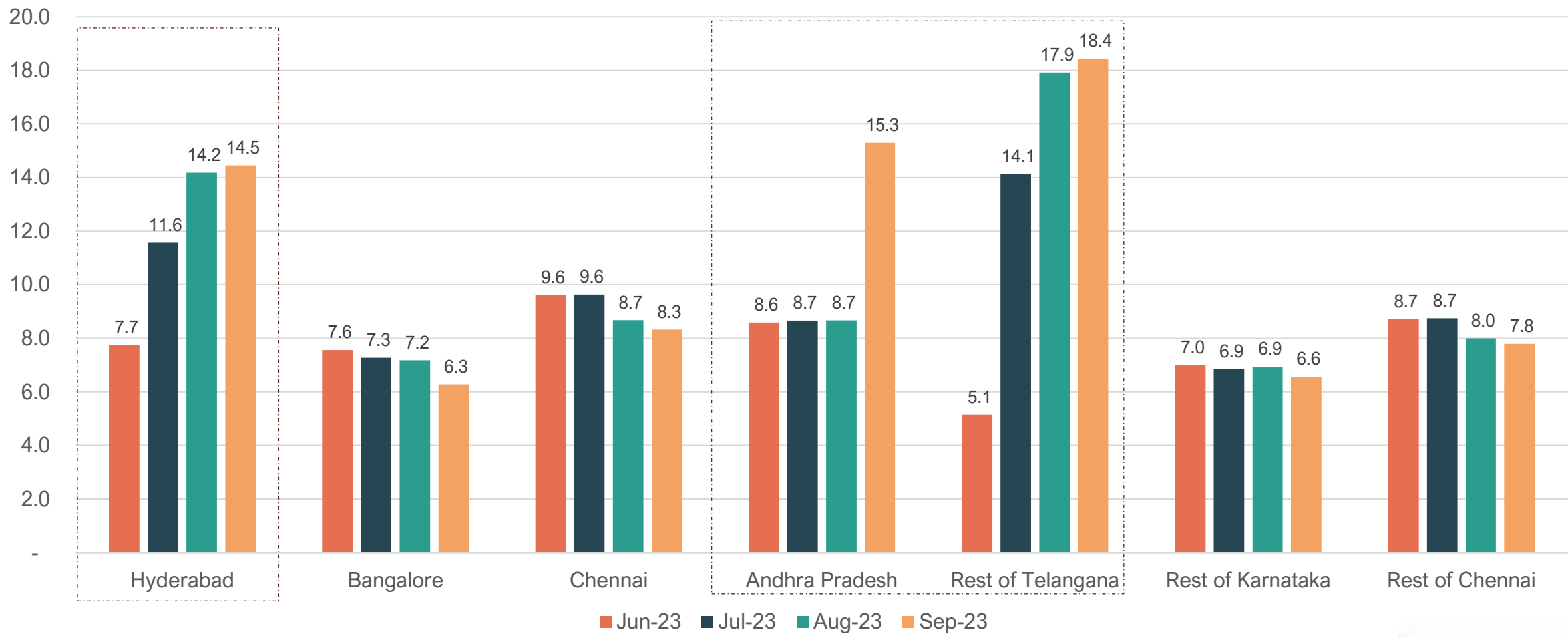
Rest of Telangana and AP has seen significant growth compared to similar territories in KA and TN



- Have Launched MedPlus Brand products in Hyderabad and Rest of TG in last week of June 23 and launched from Sep 23 in Andhra Pradesh

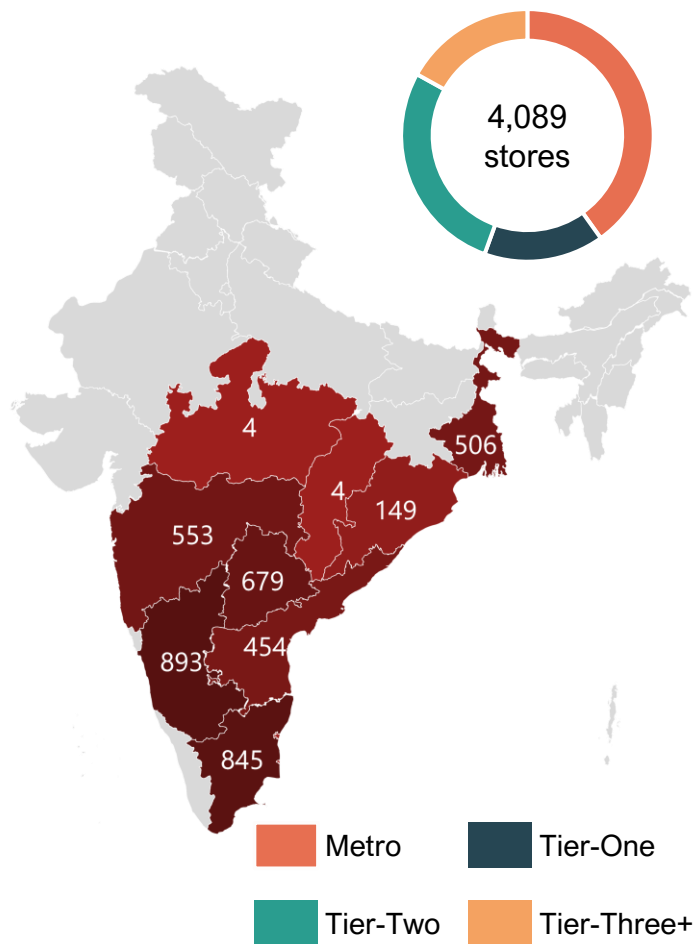
Impact of MedPlus Pharma Products launch...

Private Label Pharma (Including MedPlus Brand products) GMV as% of Total GMV



Cluster Based Network Enables Profitable Omni-Channel Service

Stores As On Sep-23



Strong Cluster Based Network

Strong network of 4,089 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' 4,089 stores

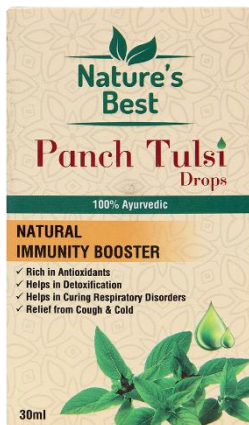
1. For 2020; Proportion of domestic pharmaceutical market. Technopak Advisors (2021). Pharmacy Retail in India
 2. Stores in Puducherry are not represented in the map above. As on 30-Sep-23 we have 2 stores in Puducherry

Scale Allows A Large Private Label Basket: 1400+ SKUs

► Pharma
Over **1,142** 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	Growth in existing clusters and develop new clusters	<p>MedPlus has an established base of operations in nine 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	Leverage our leadership in omni-channel	<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	Expand share of private label: Higher margins and higher share of wallet	<p>MedPlus has a curated private label range of 1400+ 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

761 Stores Added In Last 12 Months

As On Sep-22

As On Mar-23

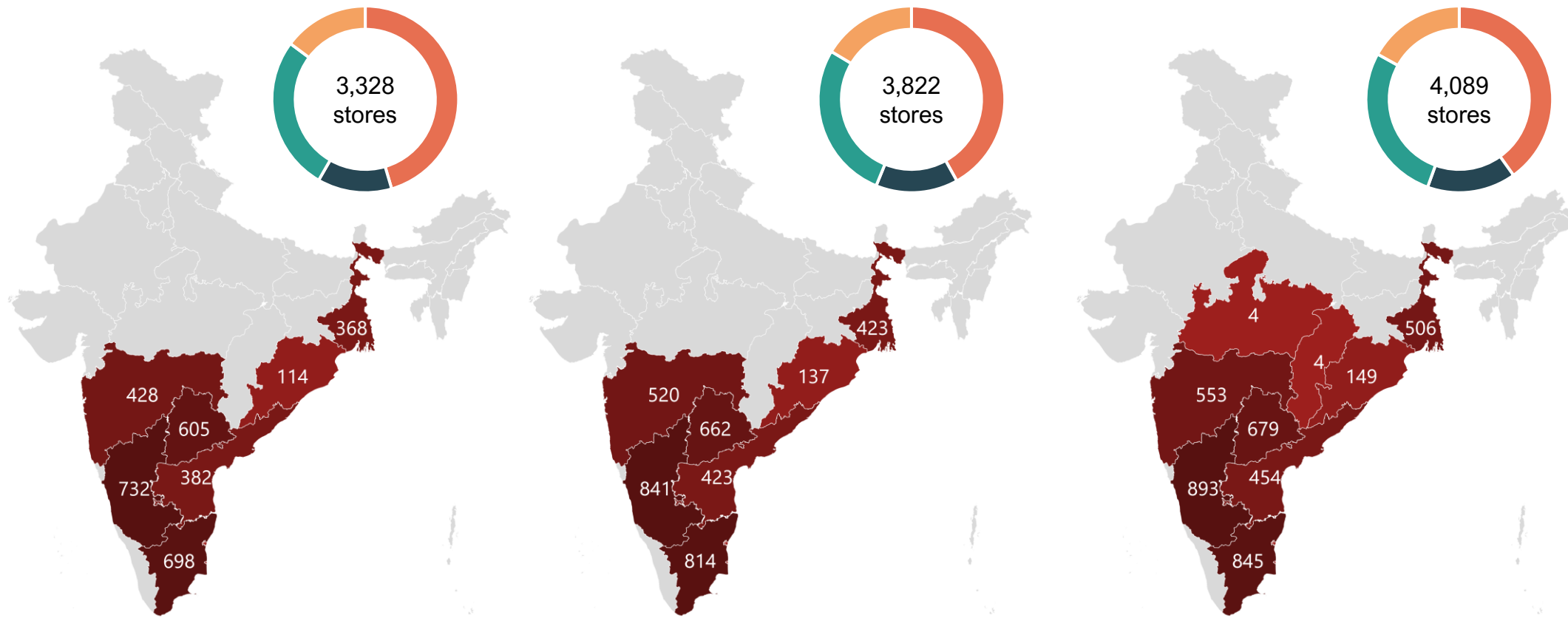
As On Sep-23

► Presence

We are present in key 9 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 599 cities



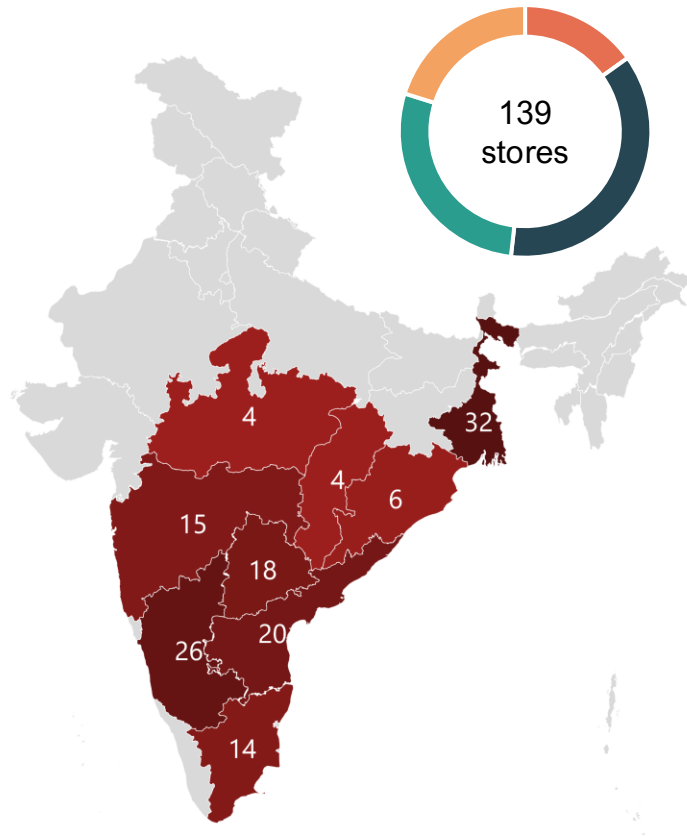
1. Stores in Puducherry are not represented in the maps above. As on 30-Sep-23 we have 2 stores in Puducherry
 2. Census of India (2011)
 3. Color index for pie-chart as below:



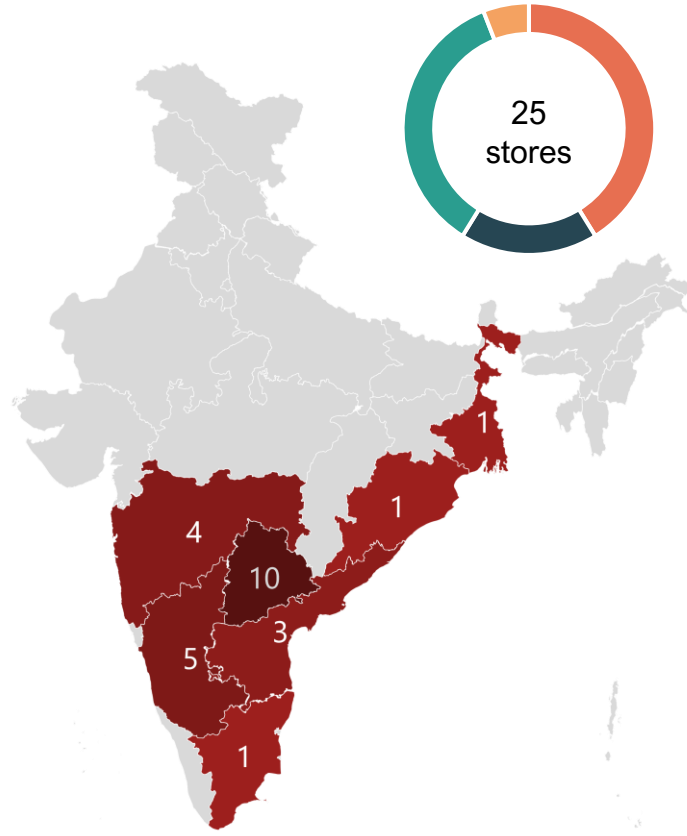
114 Stores Added In Last Quarter

Q2 FY24 Openings

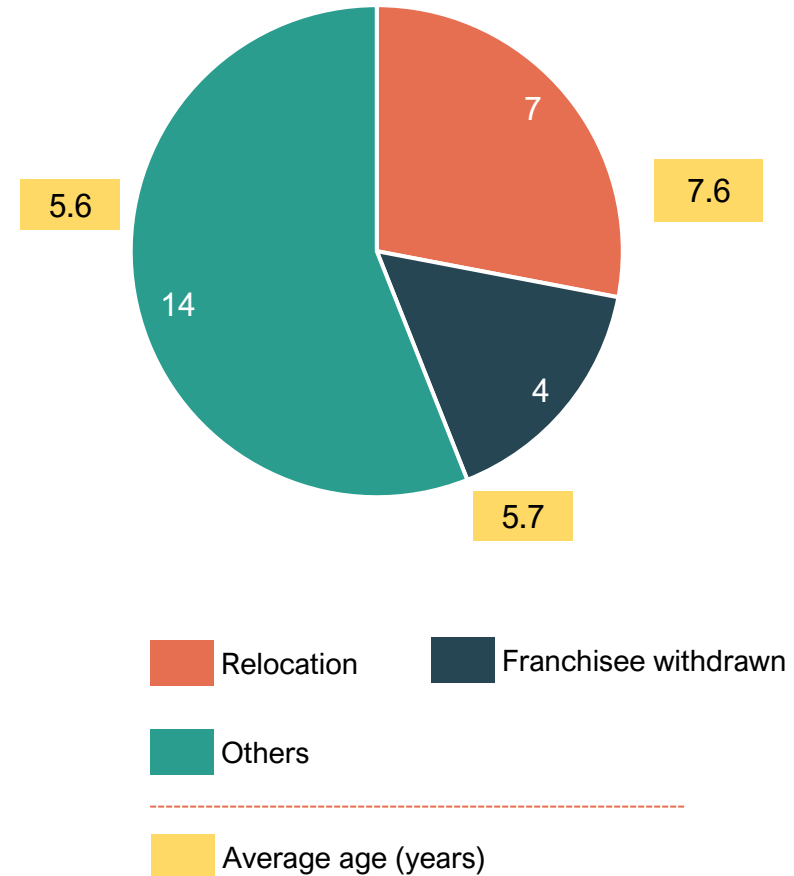
We opened 139 stores in Q2FY24. There were 25 closures



Q2 FY24 Closures



Q2 FY24 Closure Reasons

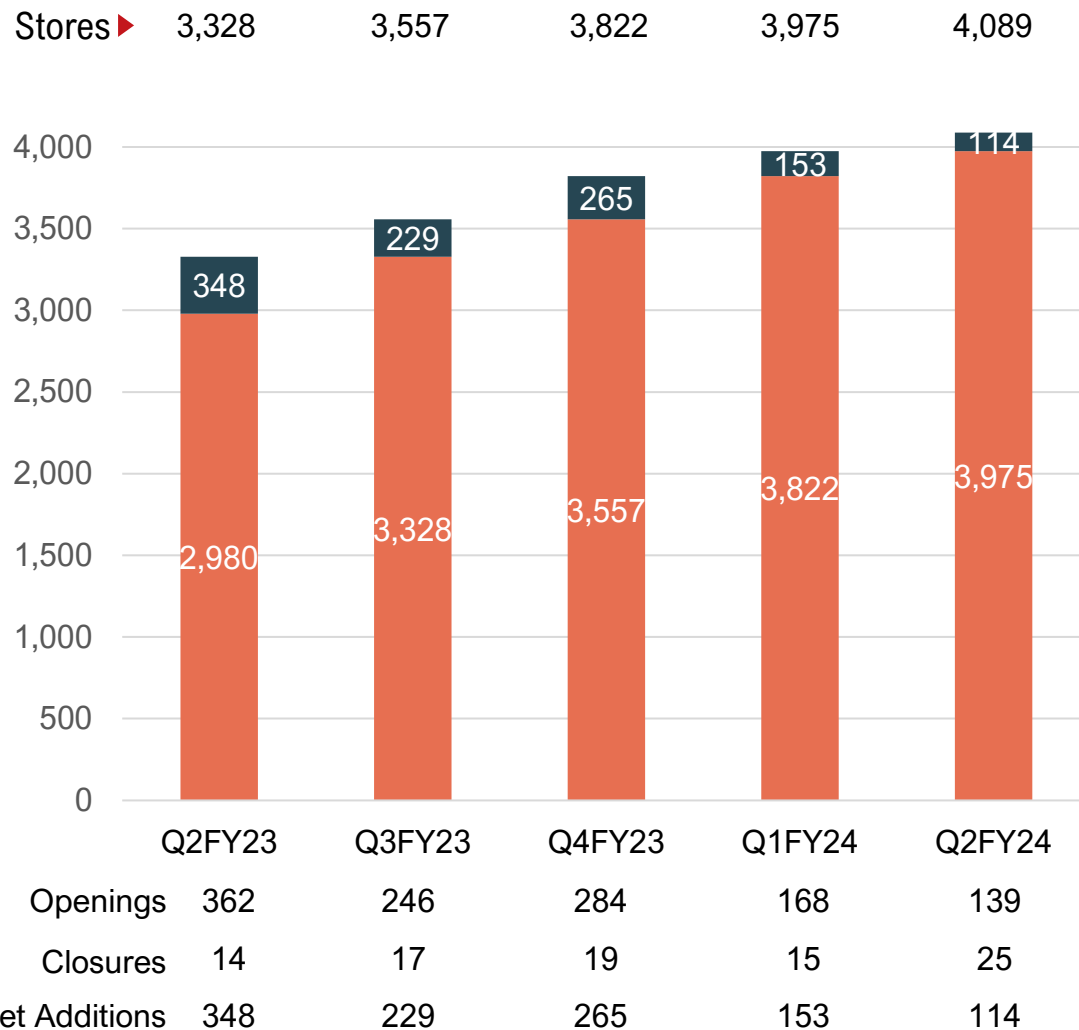


1. Color index for pie-chart as below:

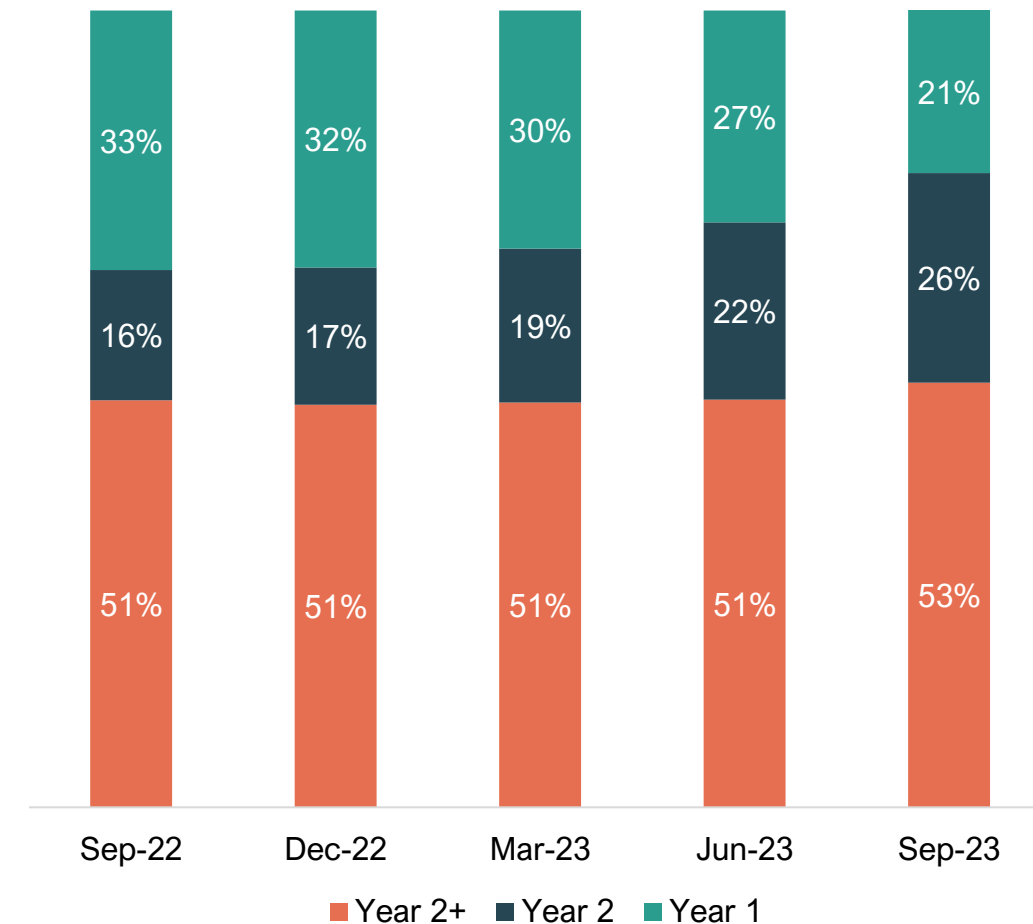


Young Store Network: 21% Less Than 12 Months Old

Pharmacy: Count



Pharmacy: Age Structure of Stores¹



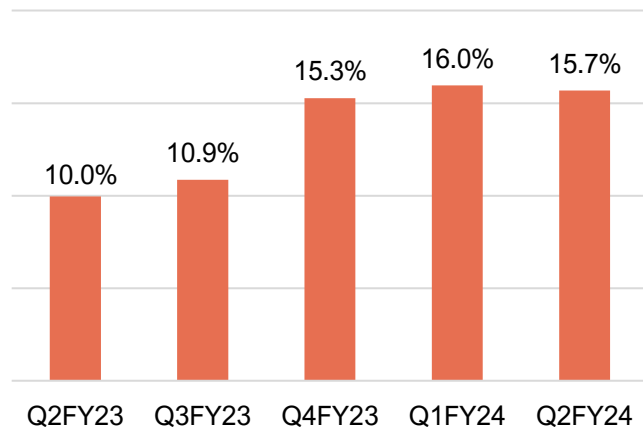
1. Store age, as on end of period

► Openings
Maintaining an increasing pace of store openings

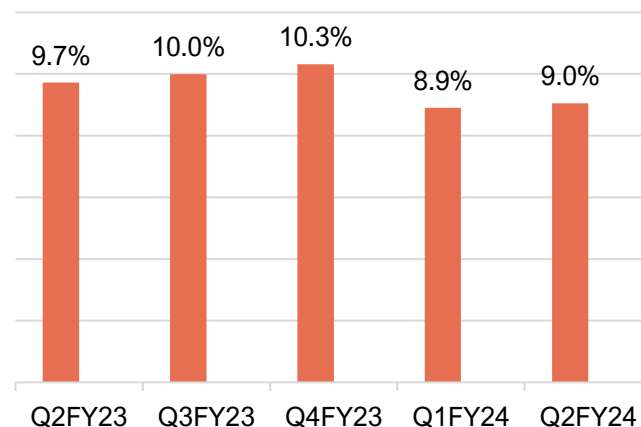
► Age Structure
c.47% stores are less than 24 months age

Profitable Older Stores: 12+ Months

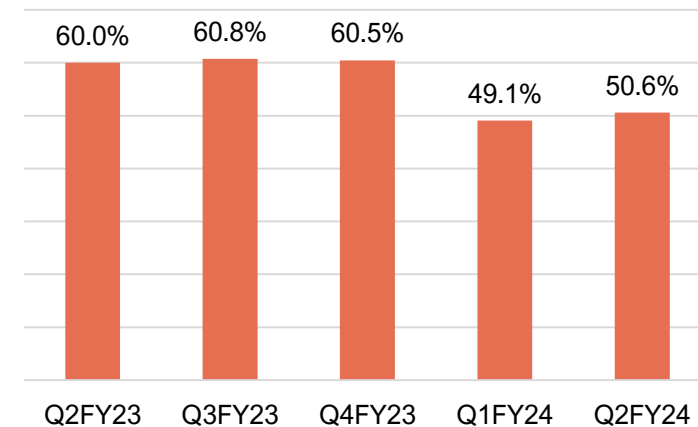
Store Level Revenue Growth¹



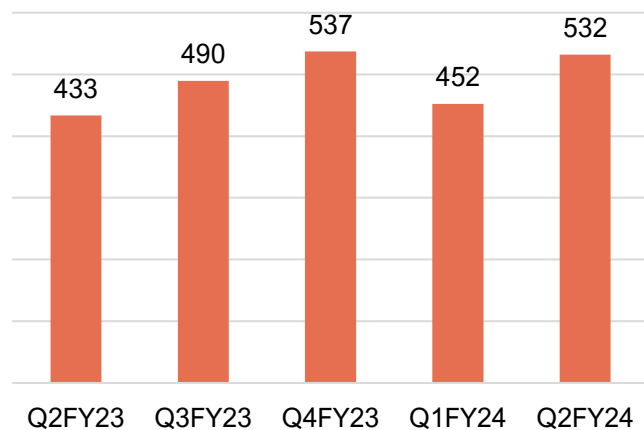
Store Level EBITDA Margin



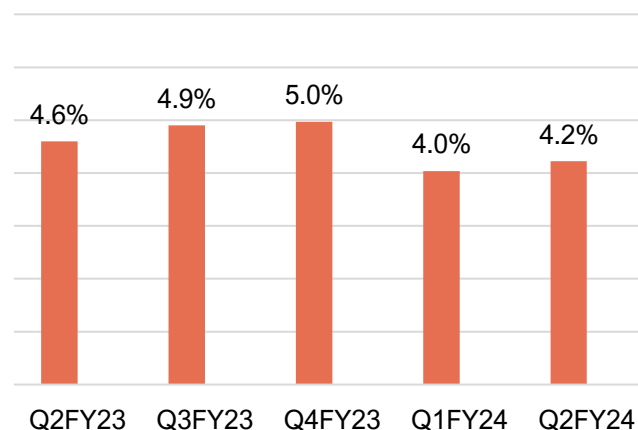
Store Level Operating ROCE^{2,3}



Operating EBITDA, ₹m



Operating EBITDA Margin



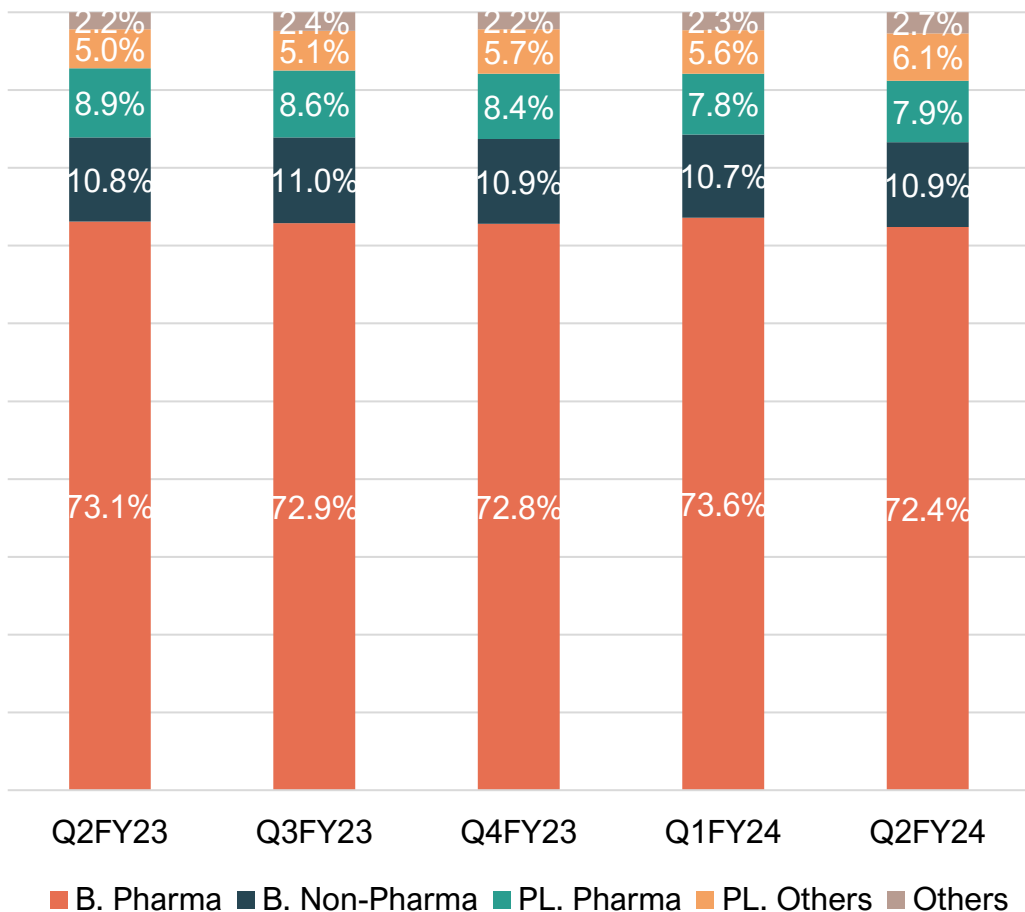
1. Growth is yoy

2. See Glossary for definition

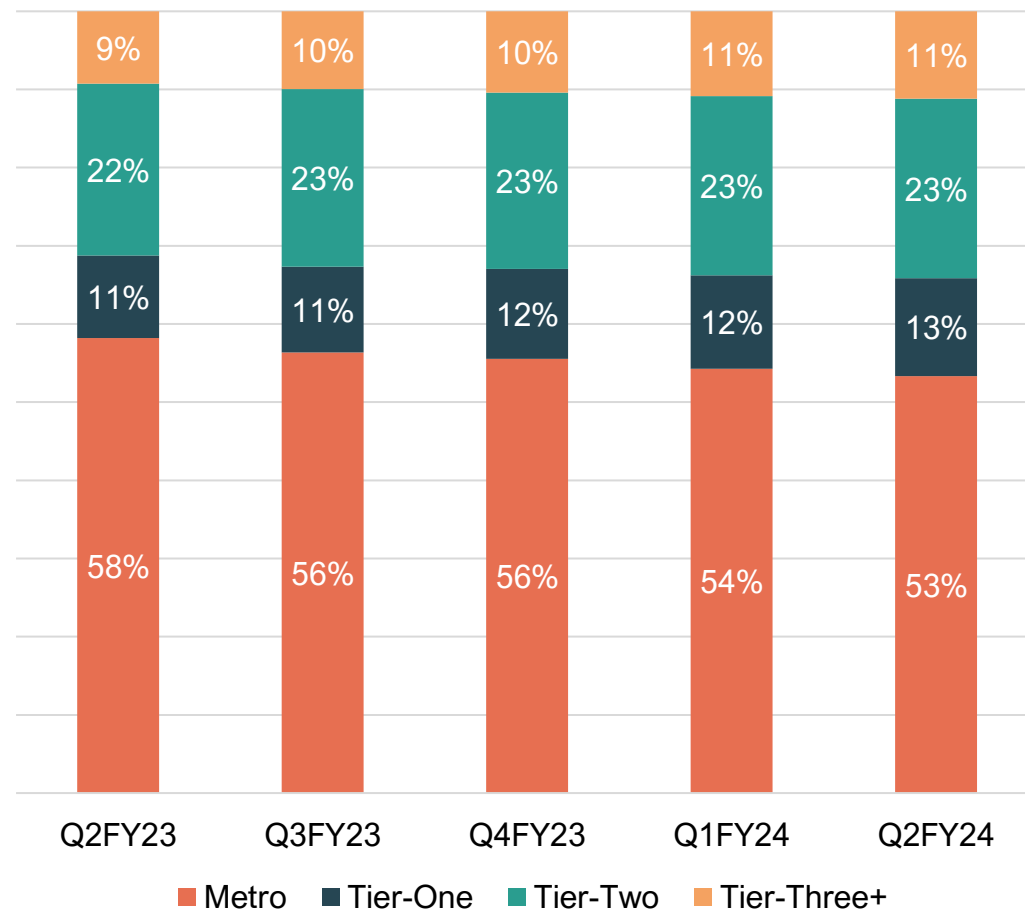
3. Annualized by multiplying the quarterly computation by 4

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

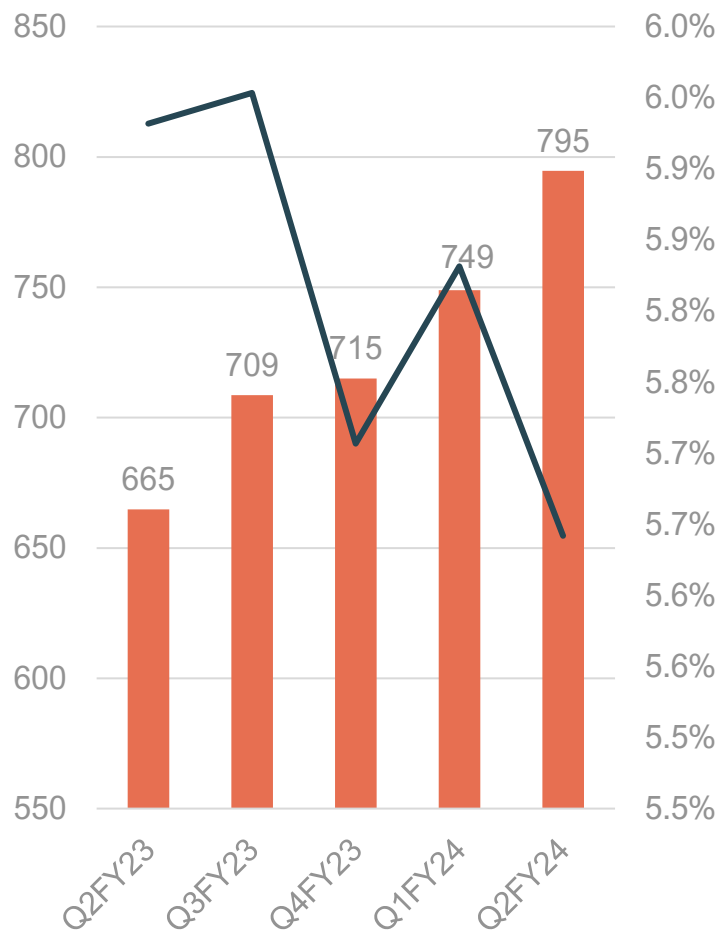
Maintaining trend of growth beyond Metro and Tier-One

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

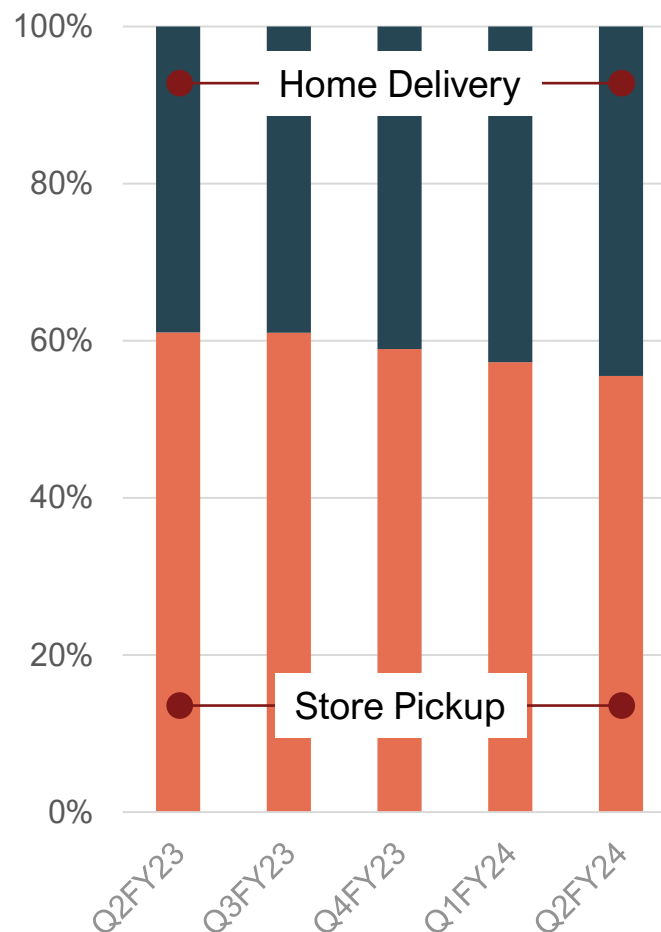
Omni-channel: Profitable With Negligible Acquisition Costs

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

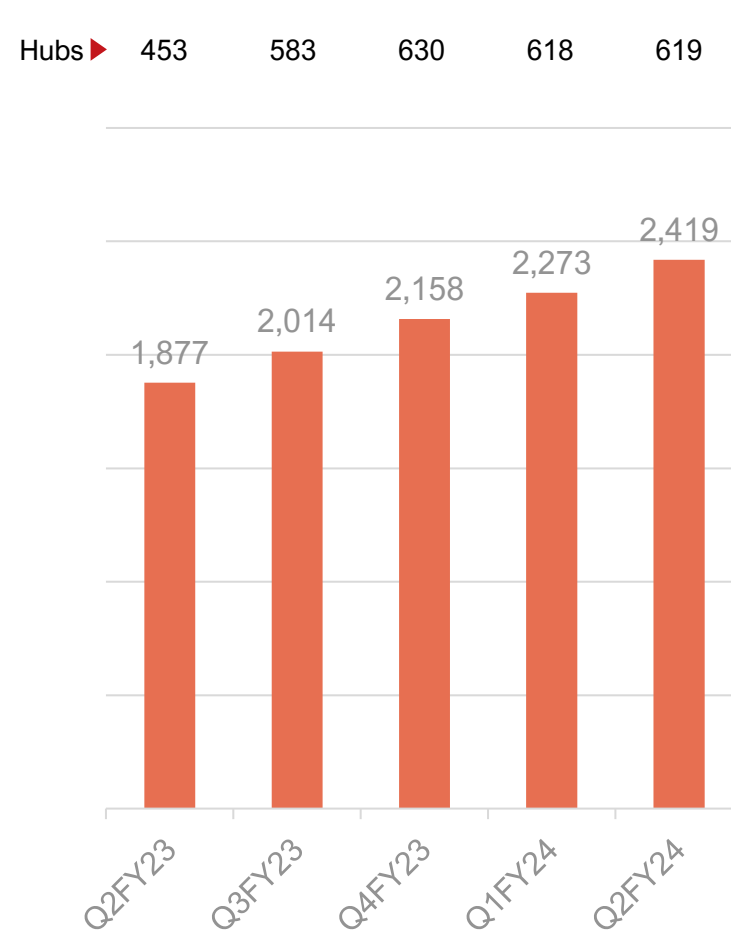
Channel Revenue



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

	Q2FY23	Q1FY24	Q2FY24	Q2FY24 vs. Q2FY23 (yoy)	Q2FY24 vs. Q1FY24(qoq)	6m FY23	6m FY24	6m FY24 vs. 6m FY23 (yoy)
Revenue	11,206.3	12,843.0	14,085.9	25.7%	9.7%	21,142.8	26,928.9	27.4%
Gross Margin	2,427.6	2,734.0	3,044.9	25.4%	11.4%	4,530.8	5,778.9	27.5%
Gross Margin	21.7%	21.3%	21.6%			21.4%	21.5%	
Expenses	2,145.2	2,443.2	2,635.0	22.8%	7.8%	4,026.6	5,078.2	26.1%
Operating EBITDA	282.5	290.8	409.9	45.1%	41.0%	504.2	700.7	39.0%
Operating EBITDA	2.5%	2.3%	2.9%			2.4%	2.6%	
Rental Expenses	424.2	500.1	532.6	25.5%	6.5%	825.5	1,032.7	25.1%
ESOP Expenses	(62.4)	(42.1)	(42.0)	-32.7%	-0.1%	(124.1)	(84.1)	-32.3%
Interest Income	61.2	58.5	54.0	-11.8%	-7.7%	127.8	112.6	-11.9%
EBITDA	705.6	807.3	954.6	35.3%	18.2%	1,333.3	1,761.9	32.1%
EBITDA	6.3%	6.3%	6.8%			6.3%	6.5%	
Depreciation & Amortization	(418.7)	(524.2)	(554.7)	32.5%	5.8%	(799.7)	(1,078.9)	34.9%
Finance Costs	(198.7)	(232.7)	(235.4)	18.5%	1.2%	(396.8)	(468.1)	18.0%
PBT	88.2	50.5	164.4	86.4%	225.7%	136.9	214.9	57.0%
PAT	64.8	37.6	145.4	124.5%	286.5%	101.6	183.1	80.3%
PAT	0.6%	0.3%	1.0%			0.5%	0.7%	

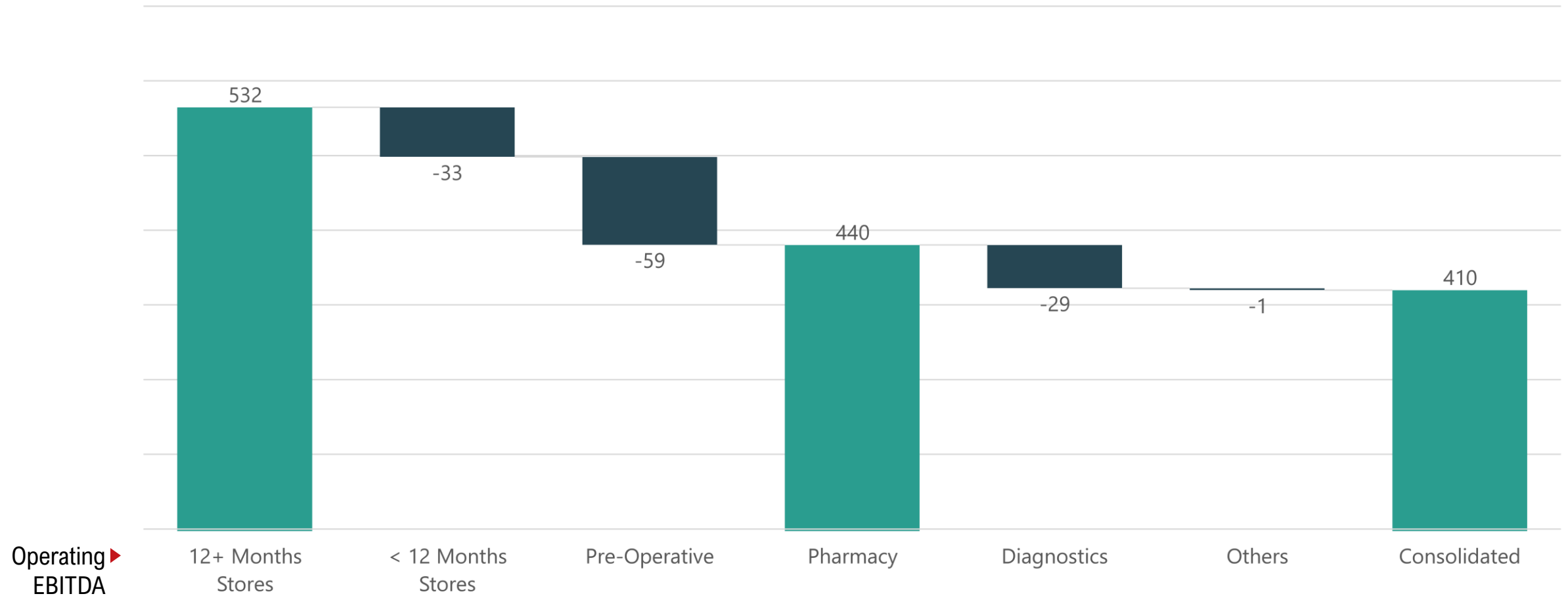
Income Statement: Business Segments

Snapshot of Income Statement, ₹m

	Q1FY24				Q2FY24			
	Pharmacy Retail	Diagnostic	Others	Total	Pharmacy Retail	Diagnostic	Others	Total
Revenue	12,689.9	139.0	14.1	12,843.0	13,884.8	181.5	19.5	14,085.9
COGs and Expenses	12,346.5	185.1	20.3	12,551.9	13,444.6	210.6	20.5	13,675.7
Operating EBITDA	343.4	(46.1)	(6.5)	290.8	440.2	(29.0)	(1.2)	409.9
Operating EBITDA	2.7%	-33.2%	-45.9%	2.3%	3.2%	-16.0%	-6.3%	2.9%
Rental Expenses				500.1				532.6
ESOP Expenses				(42.1)				(42.0)
Interest Income				58.5				54.0
EBITDA				807.3				954.5
EBITDA				6.3%				6.8%

Operating EBITDA Deep Dive

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



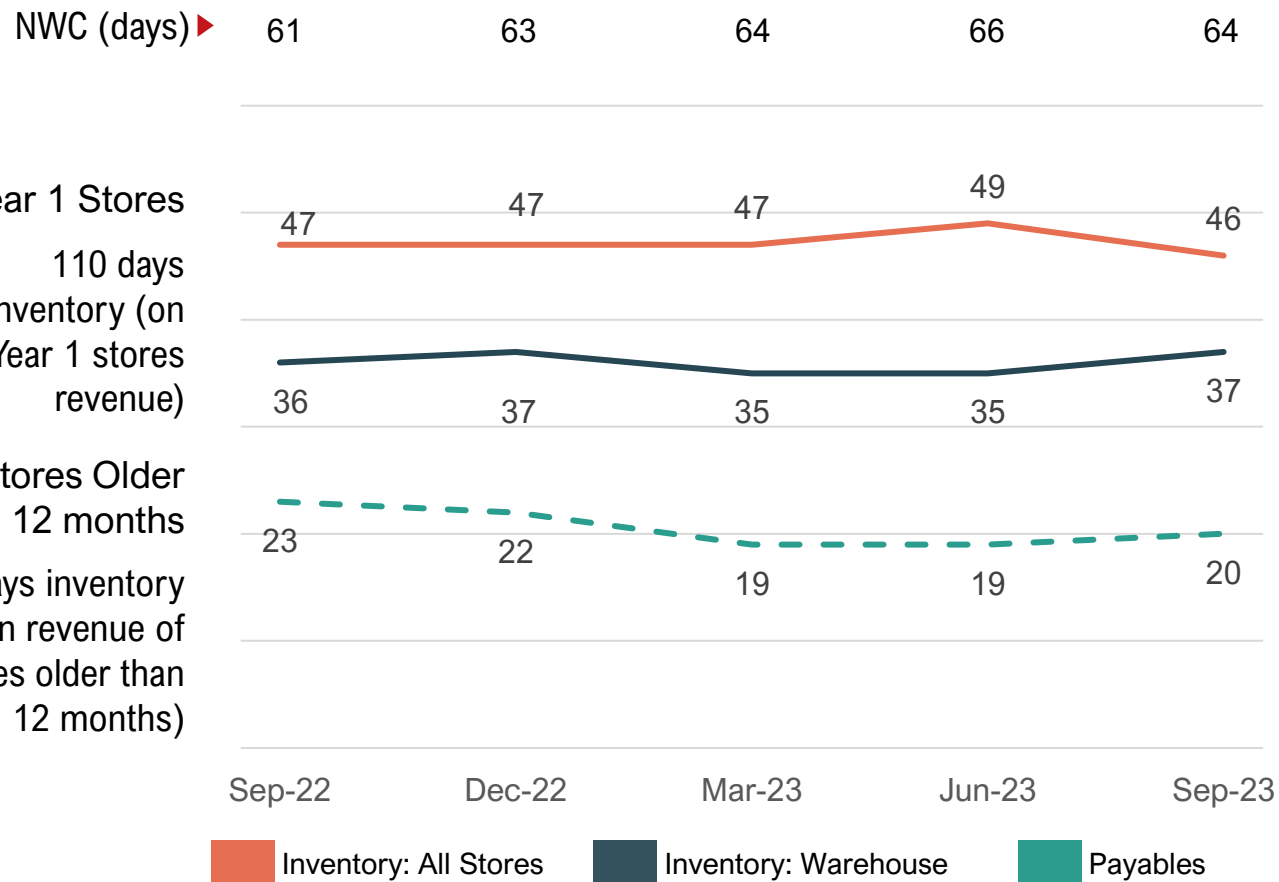
Balance Sheet

Snapshot of Balance Sheet, ₹m

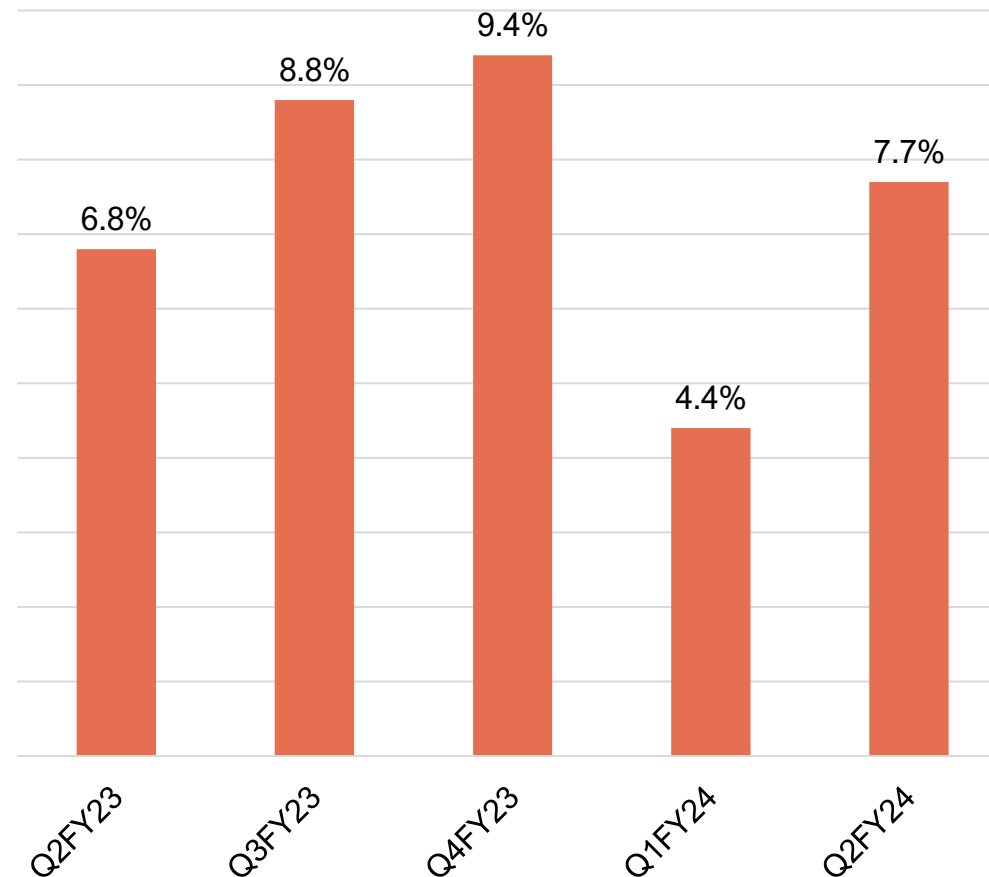
	Sep-22	Mar-23	Jun-23	Sep-23
Assets				
Non Current Assets				
PPE and CWIP	2,532.1	3,122.4	3,133.2	3,153.1
Intangible assets	473.6	489.9	497.0	505.2
Right-of-use asset	6,837.8	8,022.0	8,338.4	8,427.6
Others	1,602.1	1,525.7	1,568.6	1,674.6
Total Non Current Assets (A)	11,445.5	13,160.0	13,537.2	13,760.5
Current Assets				
Inventories	10,177.9	11,440.9	11,861.6	12,749.2
Cash	3,883.0	2,874.8	2,499.2	2,189.0
Others	754.3	491.5	611.6	675.4
Total Current Assets (B)	14,815.2	14,807.2	14,972.4	15,613.6
Total Assets (A + B)	26,260.7	27,967.2	28,509.6	29,374.1
Equity and Liabilities				
Total Equity	14,406.6	14,911.8	14,992.6	15,227.1
Other non current liabilities	7,136.2	8,289.6	8,665.3	8,699.7
Borrowings	-	-	-	-
Trade payables	2,835.6	2,601.5	2,618.0	2,997.3
Other current liabilities	1,882.2	2,164.4	2,233.9	2,450.1
Total Equity and Liabilities	26,260.7	27,967.2	28,509.6	29,374.1

Capital Productivity

Working Capital Cycle, days



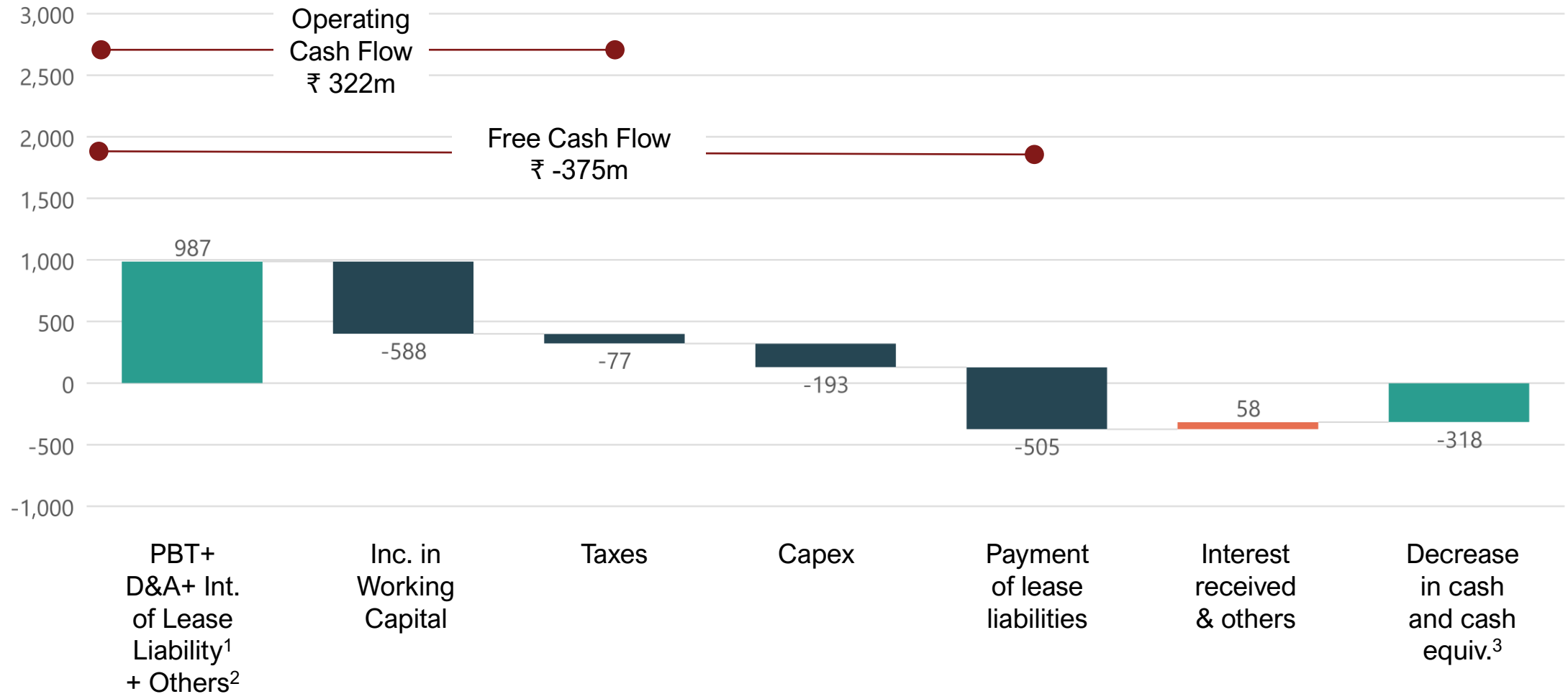
ROCE²: Operating EBIT/ Avg. Capital Employed



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, Q2FY24, ₹m



1. Computed as per IND AS-116
 2. Other non-cash expenses, e.g. ESOP compensation expense
 3. Additionally, during the quarter we moved ₹ 527m 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



Dr. Bhaskar Reddy ●
Chief Operating Officer and Whole-Time Director



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
- Whole-Time Director

Experienced Management Team



Sujit Mahato
Chief Financial Officer



Dr. Surendranath Mantena
COO–MedPlus Mart



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
GMV	Gross Merchandising Value (GMV = MRP- GST)
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)



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