



MAX INDIA LIMITED

Corporate Office: Max House, Okhla, New Delhi - 110 020

Max India Limited's Earnings call on Wednesday 30th May 2018 at 12.00 NOON IST

New Delhi, May 23, 2018

Max India, the holding company for Max Healthcare, Max Bupa (Health Insurance) and Antara Senior Living, is organizing a conference call for investors and analysts to discuss its Q4FY18 results performance. The call is scheduled for **Wednesday, 30th May 2018 at 12:00 noon.**

Senior Management team from Max India, Max Healthcare and Max Bupa will be present on the call.

Details of the conference call

Date	<ul style="list-style-type: none">• Wednesday, May 30, 2018
Timing	<ul style="list-style-type: none">• 12.00 noon. India Time• 2.30 p.m. Hong Kong / Singapore Time• 7.30 a.m. London Time• 2.30 a.m. New York Time
India Conference dial-in Primary Number	<ul style="list-style-type: none">• +91 22 6280 1141• +91 22 7115 8042
India Local access Number	<ul style="list-style-type: none">• +91-7045671221 <p>(Available all over India)</p>
Conference dial-in – International Access (Toll Free Numbers)	<ul style="list-style-type: none">• USA: 1 866 746 2133• UK: 0 808 101 1573

	<ul style="list-style-type: none">• Singapore: 800 101 2045• Hong Kong: 800 964 448
Replay Facility	<ul style="list-style-type: none">• Available until June 6, 2018 on (+91 22 71945757)• Play Back ID – 43113

- Ends -

About Max India Limited

Max India, the holding company for Max Healthcare, Max Bupa Health Insurance and Antara Senior Living, is focused on health and allied businesses. Max Healthcare and Max Bupa Health Insurance are joint ventures with global leaders Life Healthcare (South Africa) and Bupa Finance Plc. (UK), respectively. These businesses have well-entrenched positions in their respective categories, and are recognized for their outstanding service standards. The Company owns and actively manages a 49.70% per cent stake in Max Healthcare, a 51% stake in Max Bupa Health Insurance and a 100% stake in Antara Senior Living

For more information on the Company, please visit www.maxindia.com

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Max India Limited

Investor Release

Financial Year ended March 31, 2018

Disclaimer

This release is a compilation of financial and other information all of which has not been subjected to audit and is not a statutory release. This may also contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially from our expectations and assumptions. We do not undertake any responsibility to update any forward looking statements nor should this be constituted as a guidance of future performance.



Max India – Key Highlights

- 1** *Max Healthcare* : Revenue grows 9% to **Rs. 2,787 Cr** in FY18, impacted by significant regulatory headwinds, voluntary recalibration of business and associated impacts
- 2** *Max Healthcare* : EBITDA at **Rs. 222 Cr.**, down 21% y-o-y, margins contracted by 290 bps to 8.5% on account of above factors
- 3** *Max Bupa*: Bancassurance tie-up with HDFC Bank, # 1 private bank in India, this alliance will provide access to 4,700 branches and 40 Mn customers
- 4** *Max Bupa*: Gross Premium grows 27% to Rs 755 Cr in FY18
- 5** *Max Bupa*: Reported profit of Rs 23 Cr in FY18 vs marginal loss of Rs 4 cr in FY17, Cash profit at Rs 39 Cr
- 6** *Antara*: Dehradun community commenced operations in Apr'17; 91 units sold. Asset light growth kick-started with first project in Noida

Max Healthcare – Agenda

1

Attractive Industry opportunity

2

Strong operating & financial performance

3

Anchored for the future

1

Attractive Industry opportunity

2

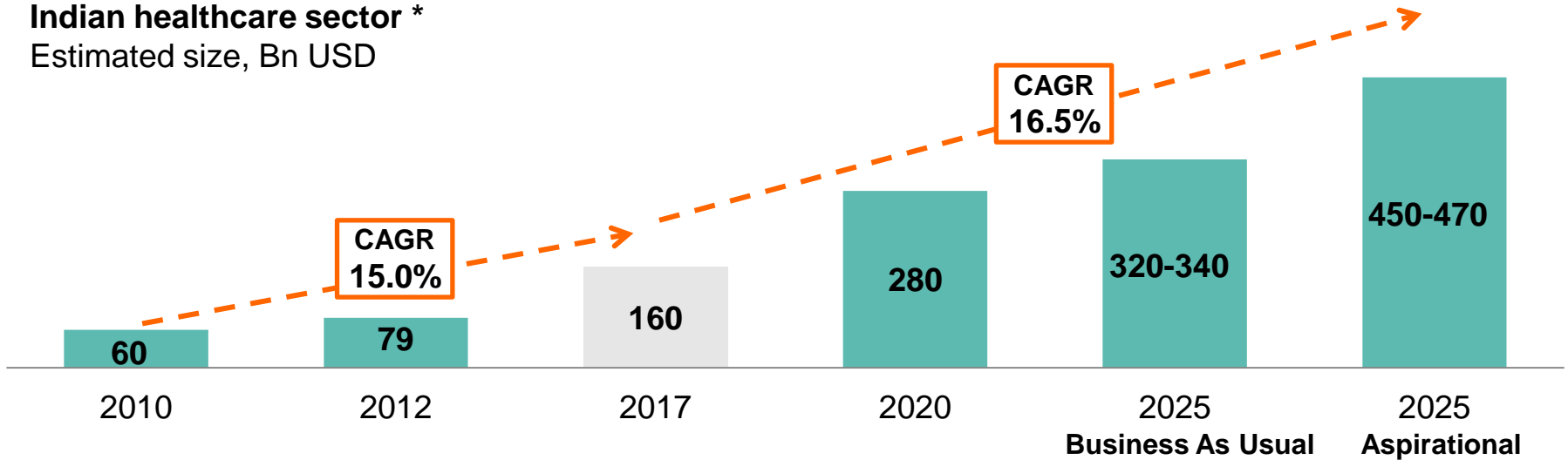
Strong operating & financial performance

3

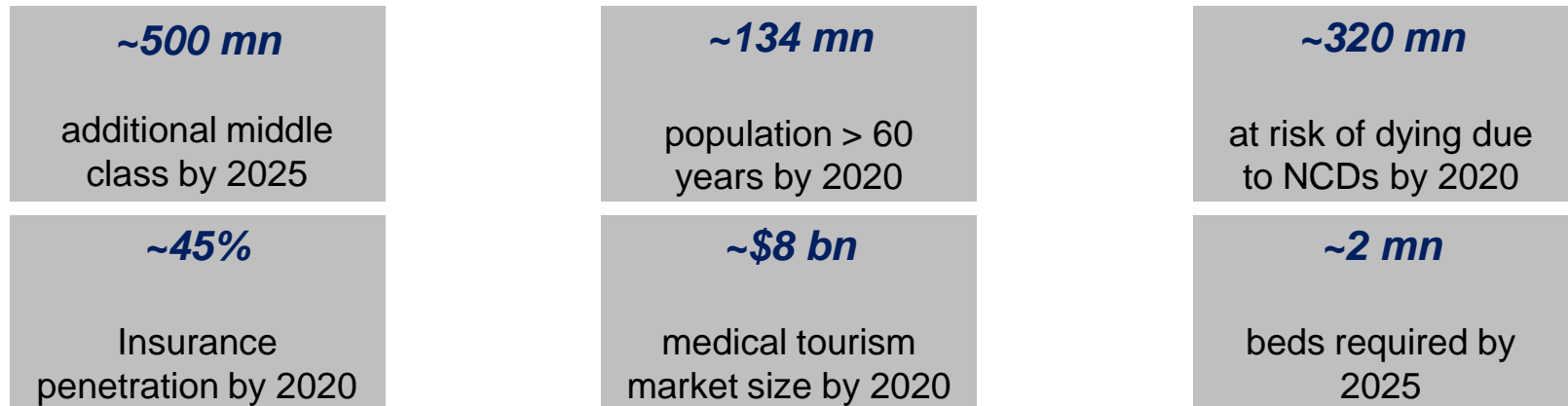
Anchored for the future

Indian healthcare industry is expected to reach ~\$470 billion fuelled by multiple demand drivers

Indian healthcare sector *
Estimated size, Bn USD



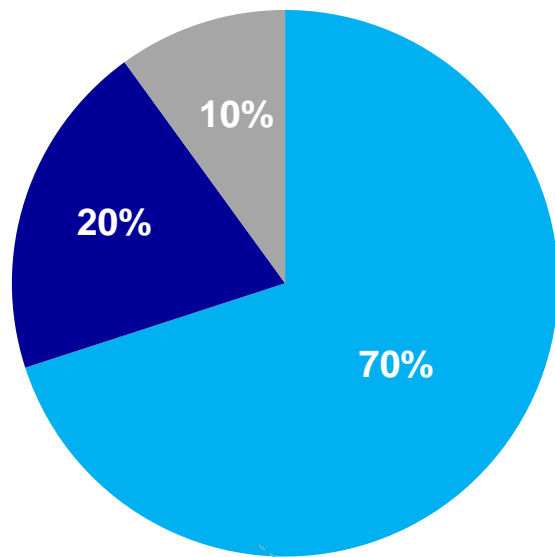
Demand drivers for growth



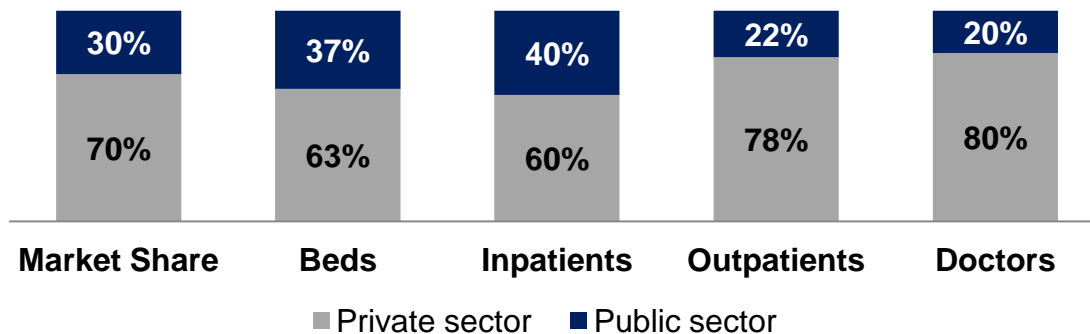
* Includes hospitals, pharmaceuticals & medical technology / other companies

Hospitals constitute ~70% of Indian healthcare market with increasingly dominant role of private sector

Indian healthcare sector*
Market share %

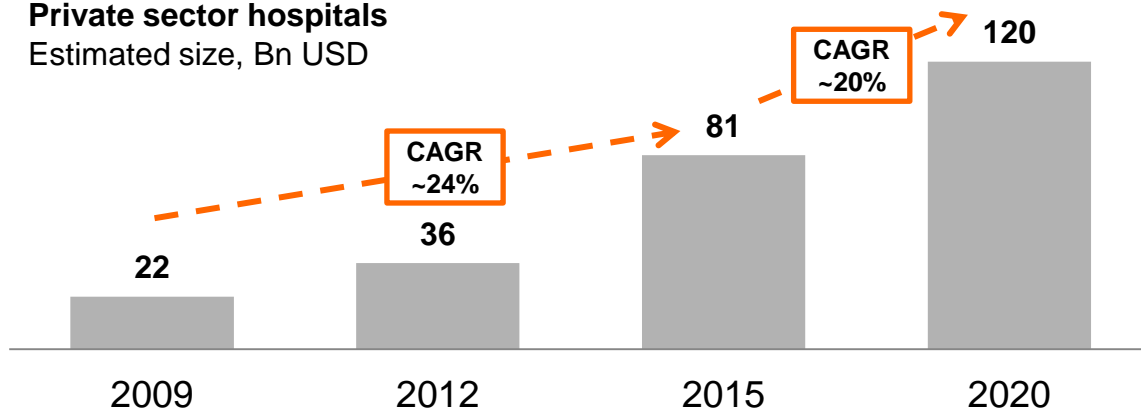


Private players have established a dominating presence in tertiary / quaternary care



Market size of private hospitals is expected to reach ~\$ 120 bn by 2020

Private sector hospitals
Estimated size, Bn USD

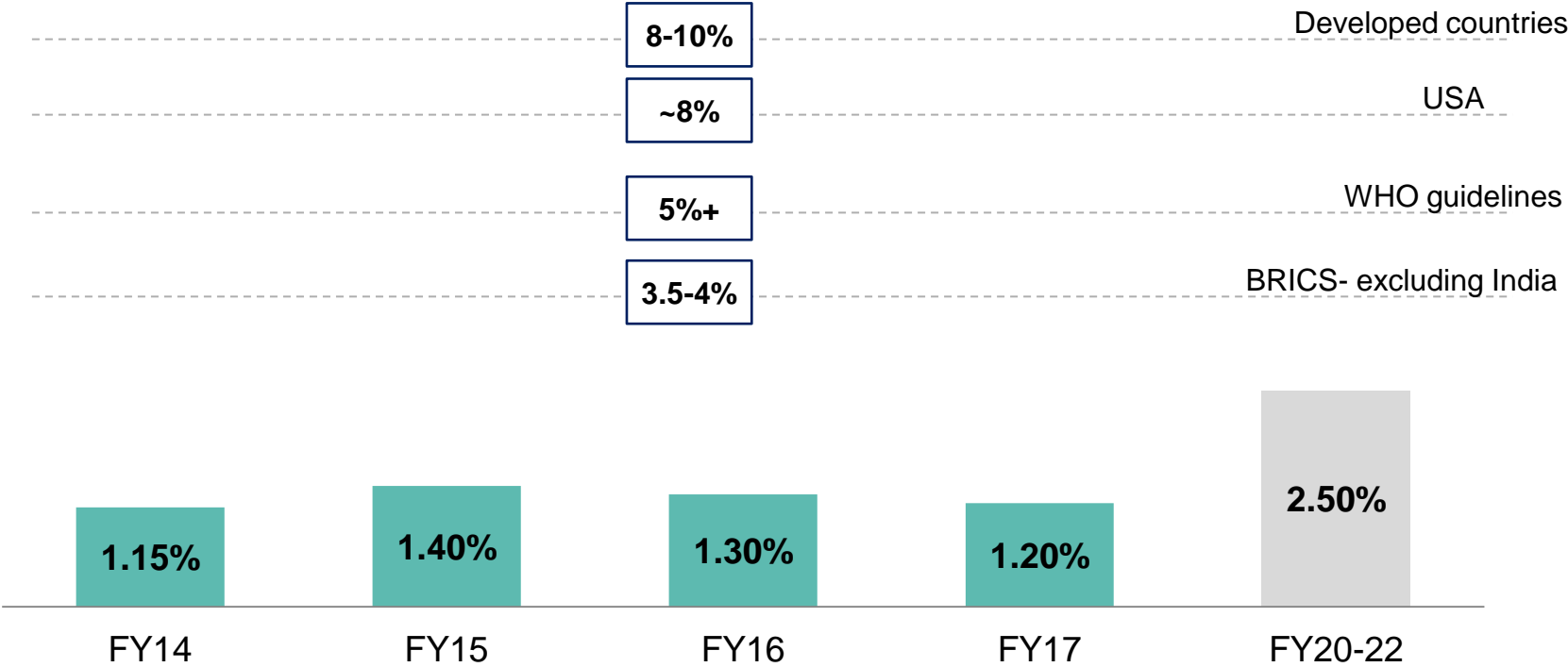


- Hospitals
- Pharmaceuticals
- Medical technology / Others

* Includes hospitals, pharmaceuticals & medical technology / other companies

At current level of public sector spending the scenario is not likely to change

India- public spend on Healthcare % of GDP

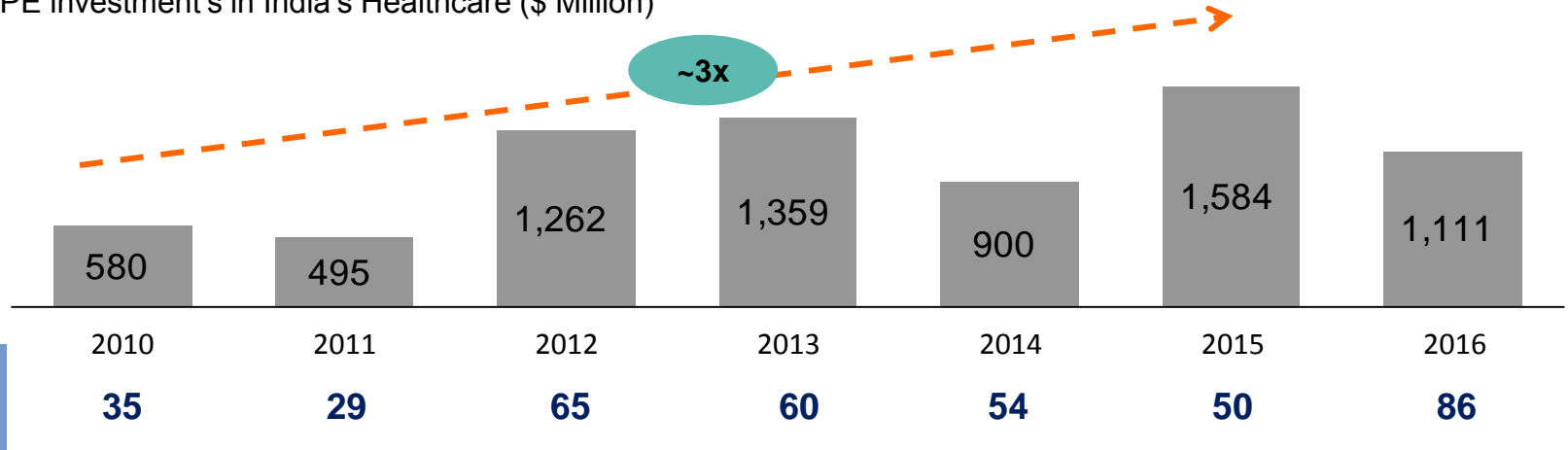


Hence, Government will keep shifting the burden of public health provision towards private sector

Competition is intensifying with scale-up of well funded incumbents & availability of capital for new players

The surge of VC/ PE investments in recent years has eased funding constraints on growth

Annual VC/ PE investment's in India's Healthcare (\$ Million)



Recent examples

TARGET	INVESTOR	AMOUNT	DATE	TARGET	INVESTOR	AMOUNT	DATE
		\$221 mn	Jan '16		Creador	\$43 mn	Jul '17
		\$68 mn	May '16		TEMASEK	\$171 mn	Aug '17
		\$63.5 mn	Dec '16			N.A	Ongoing
		\$200 mn	Jul '17				

Max Healthcare – Agenda

1 *Attractive Industry opportunity*

2 ***Strong operating & financial performance***

3 *Anchored for the future*

FY18 has been a year of reset caused by various regulatory interventions and other headwinds (1/3)

Sustained impact

- **DPCO:** Drug price controls
- **Consumables and implants** (stents, knee joints, syringes) **price control**
- **Minimum wage revision, Delhi State** and other personnel cost impacts (ESIC coverage, bonus notification, etc)
- **EWS:** Change in compliance norms
- **GST:** Increase in service tax rate from 15% to 18%
- Change in **ECHS norms** (Ortho)
- Recent announcement on **Margin capping** on non-NLEM drugs, consumables and implants (Delhi govt led)

One time impact

- **Brand of corporate-led healthcare chains got impacted** due to multiple incidents in the sector during Q3/Q4
- **Shalimar Bagh Hospital closure (Dec'17)**

FY18 has been a year of reset caused by various regulatory interventions and other headwinds (2/3)

Phase 1

Rapid organic expansion and profitability through operating leverage

Phase 2

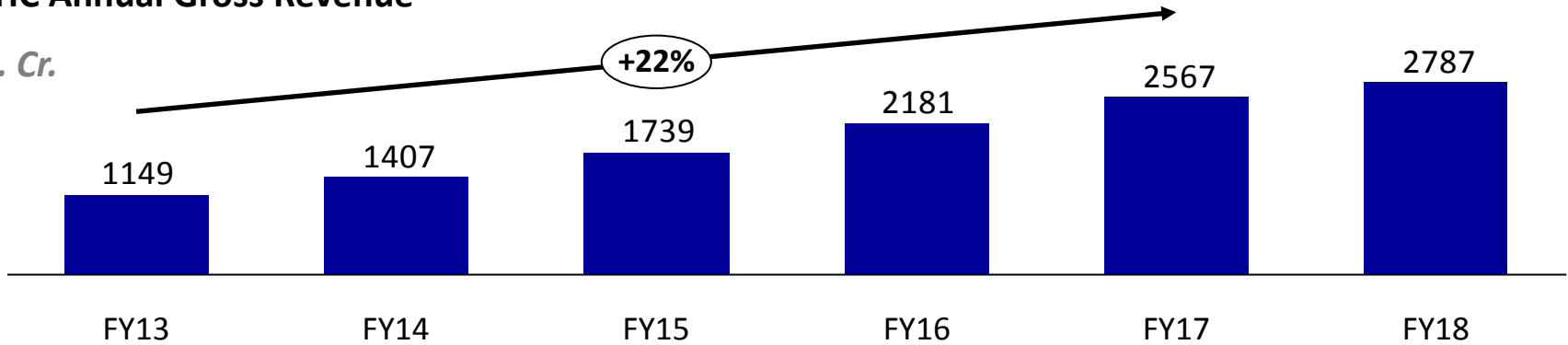
Large inorganic acceleration, but with some margin dilution

Phase 3

Recalibration driven by regulatory interventions

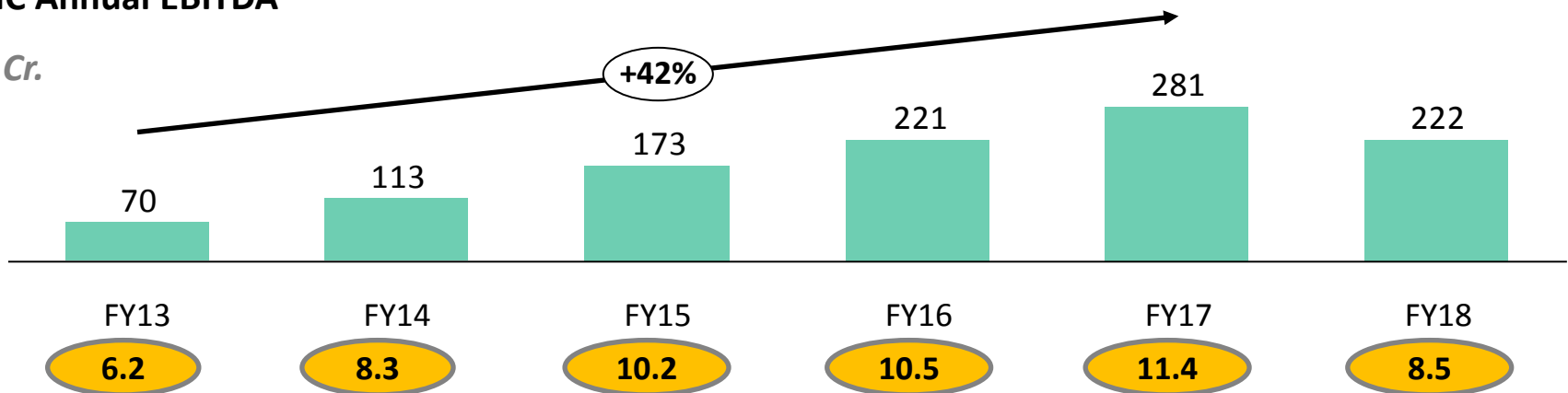
MHC Annual Gross Revenue

Rs. Cr.



MHC Annual EBITDA

Rs. Cr.



xx

EBITDA Margin

FY16 excludes Rs. 6 Cr. of one time expenses towards the Pushpanjali and Saket City acquisitions; FY15 excludes Rs 3 Cr of one off expenses

FY18 has been a year of reset caused by various regulatory interventions and other headwinds (3/3)

Phase 1

Rapid organic expansion and profitability through operating leverage

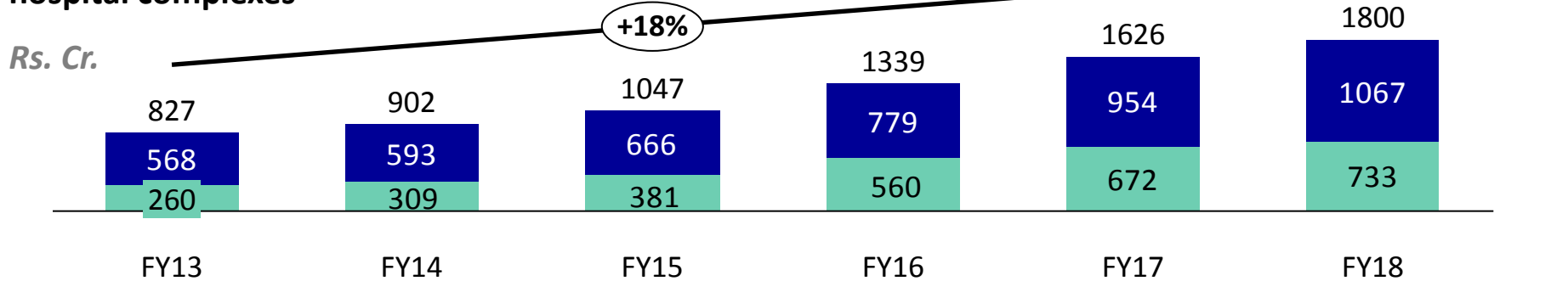
Phase 2

Large inorganic acceleration, but with some margin dilution

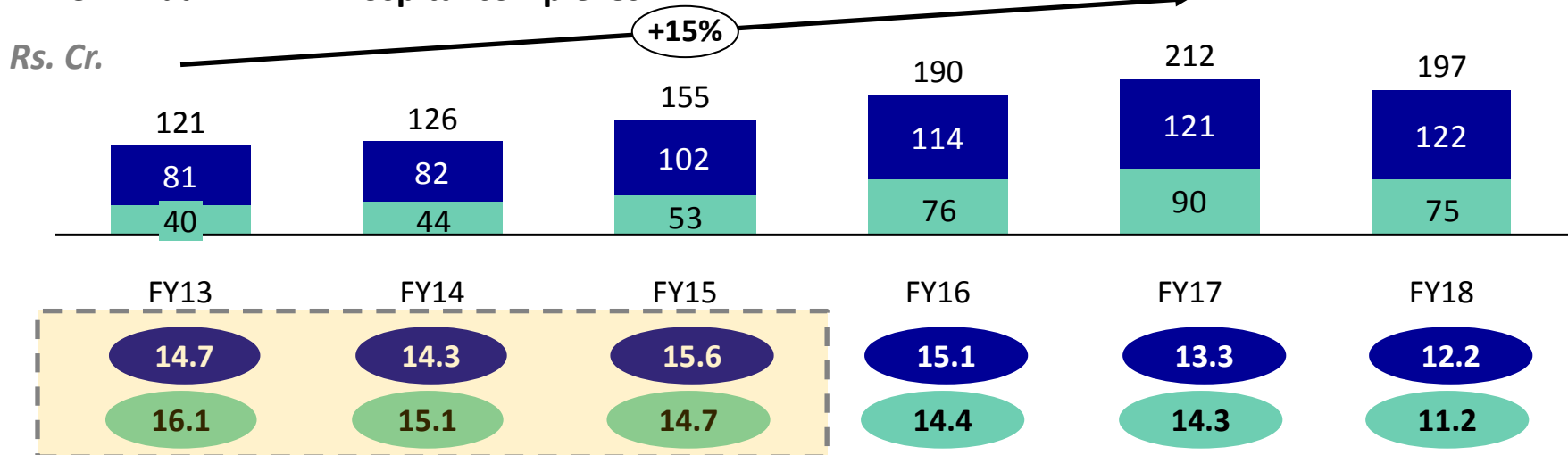
Phase 3

Recalibration driven by regulatory interventions

MHC Annual Gross Revenues by hospital complexes



MHC Annual EBITDA hospital complexes

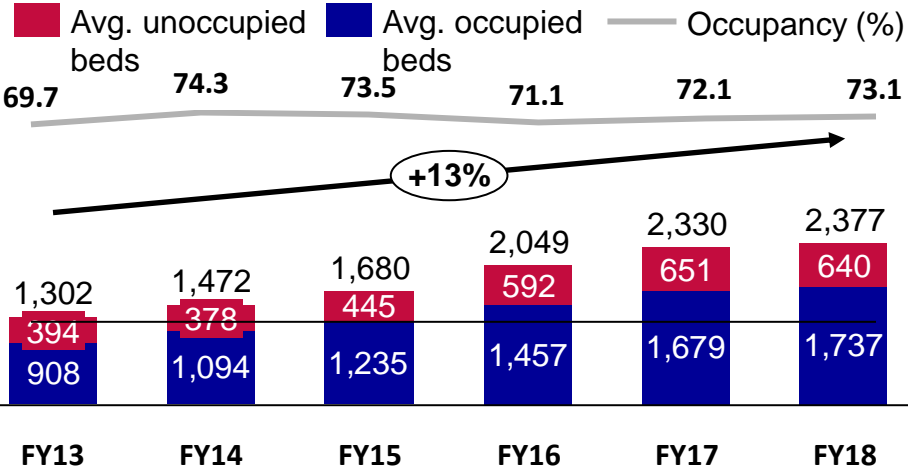


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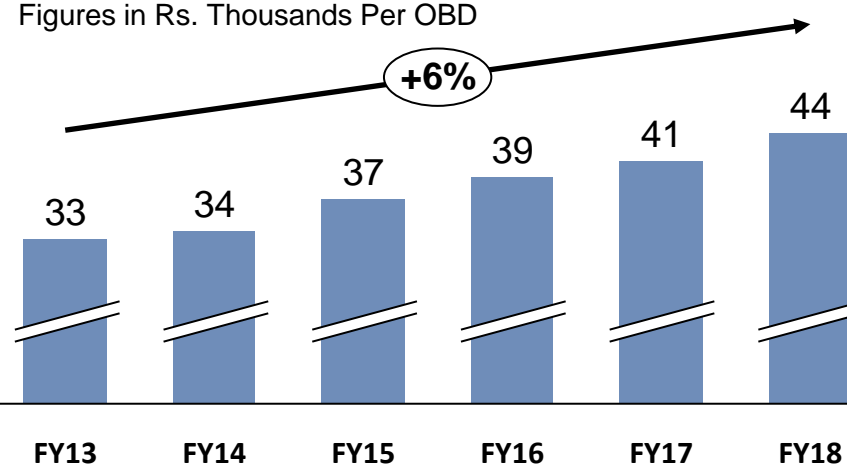
EBITDA Margin

Strong momentum across all volume and value levers in last 5 years

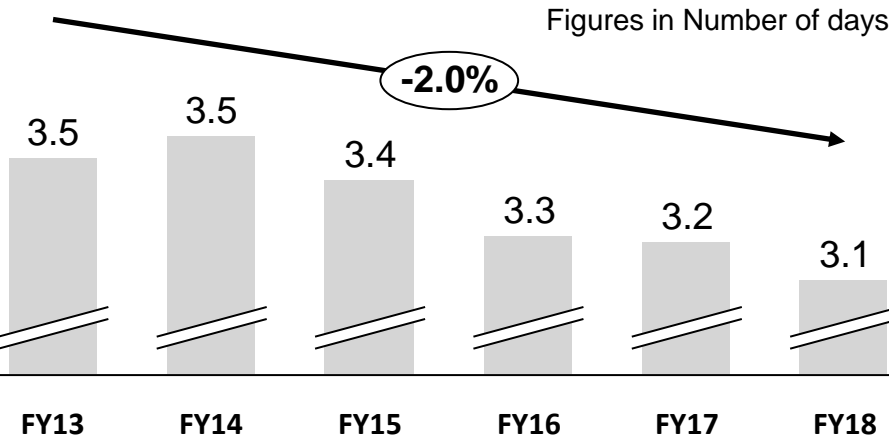
Maintained healthy occupancy levels despite strong bed addition momentum



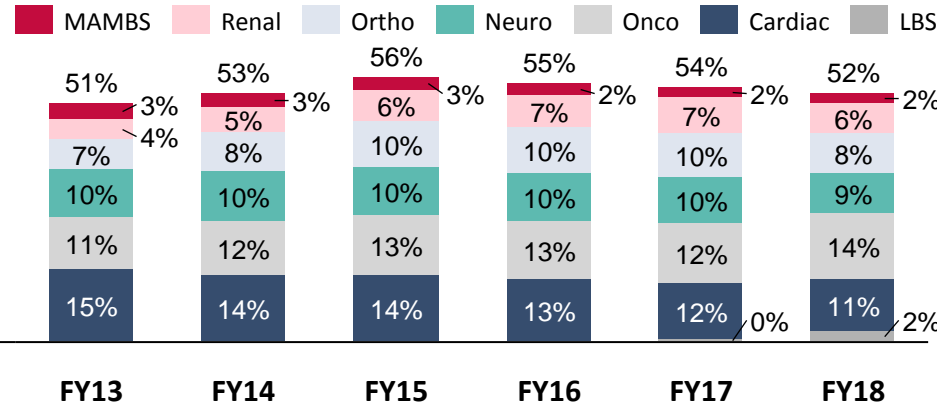
Steady growth in Revenue per occupied bed



Consistent improvement in Average Length of Patient Stay

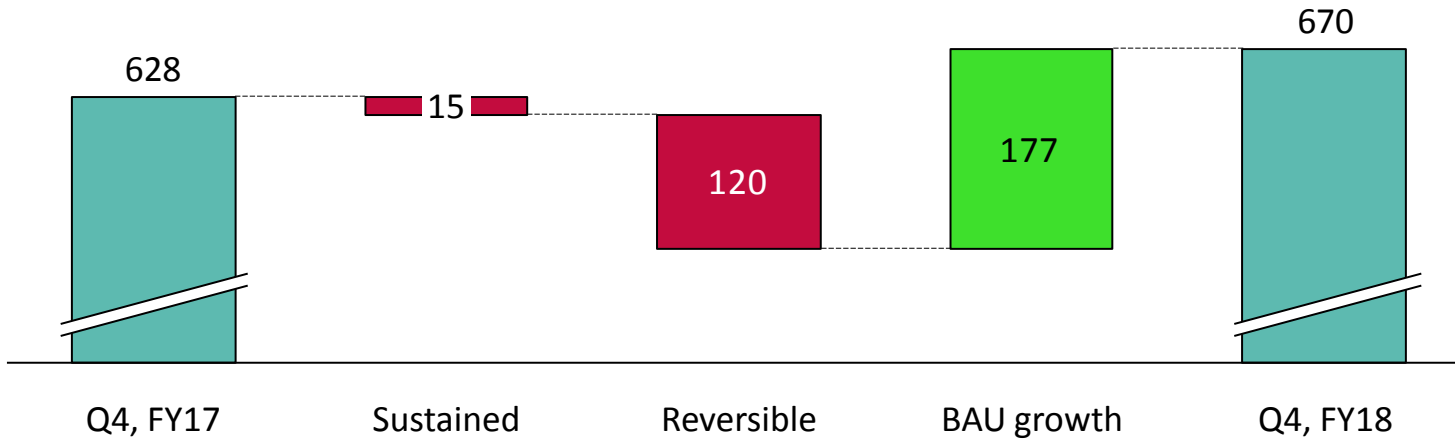


Consistent focus on key tertiary tower specialities

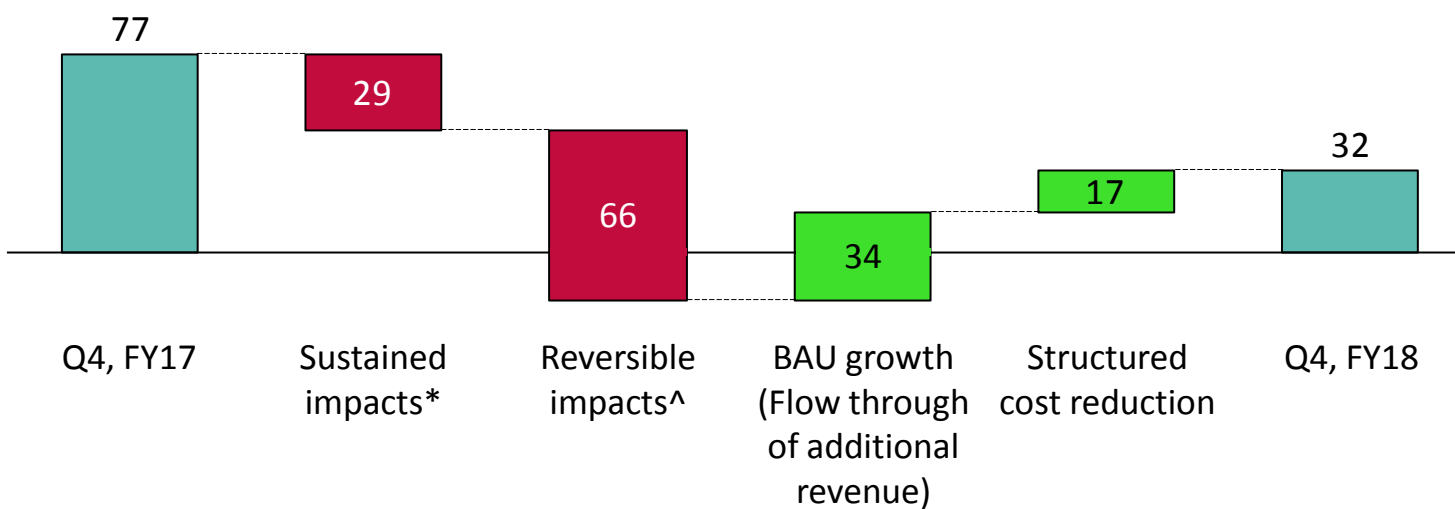


Multiple regulatory impacts and incidents in Q3/Q4 leading to sharp decline in profitability

Gross Revenue (Rs. Cr.)



EBITDA (Rs. Cr.)



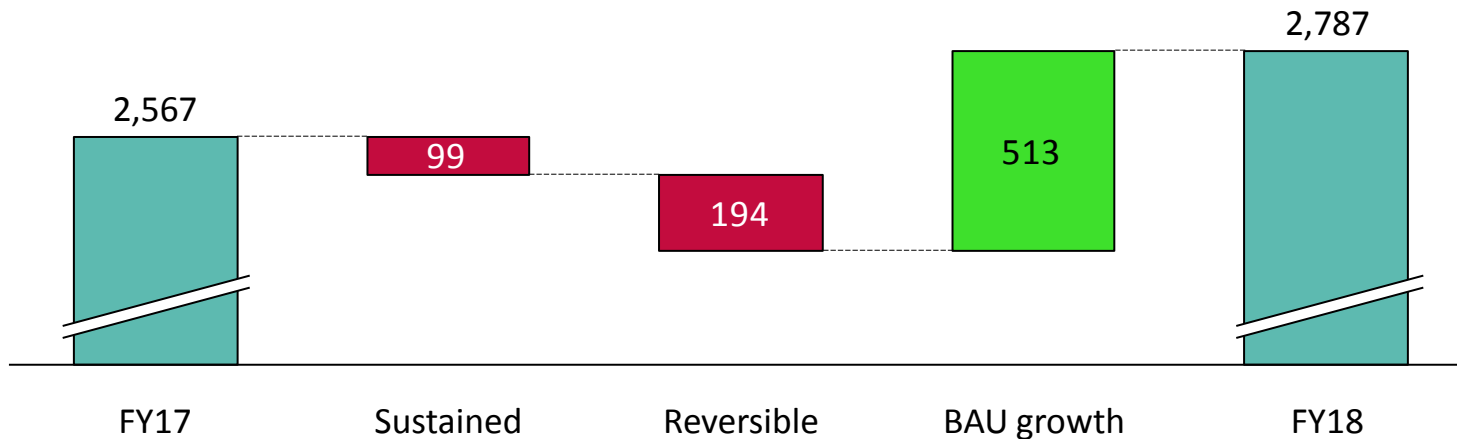
Rs. 64 Cr. of additional cost actions planned in FY19 to mitigate the sustained impacts

* **Sustained Impacts** includes Stent & Knee Implant price caps; Change in EWS compliance norms, Minimum wages, Closure of Pitampura IP Facility, DPCO, GST

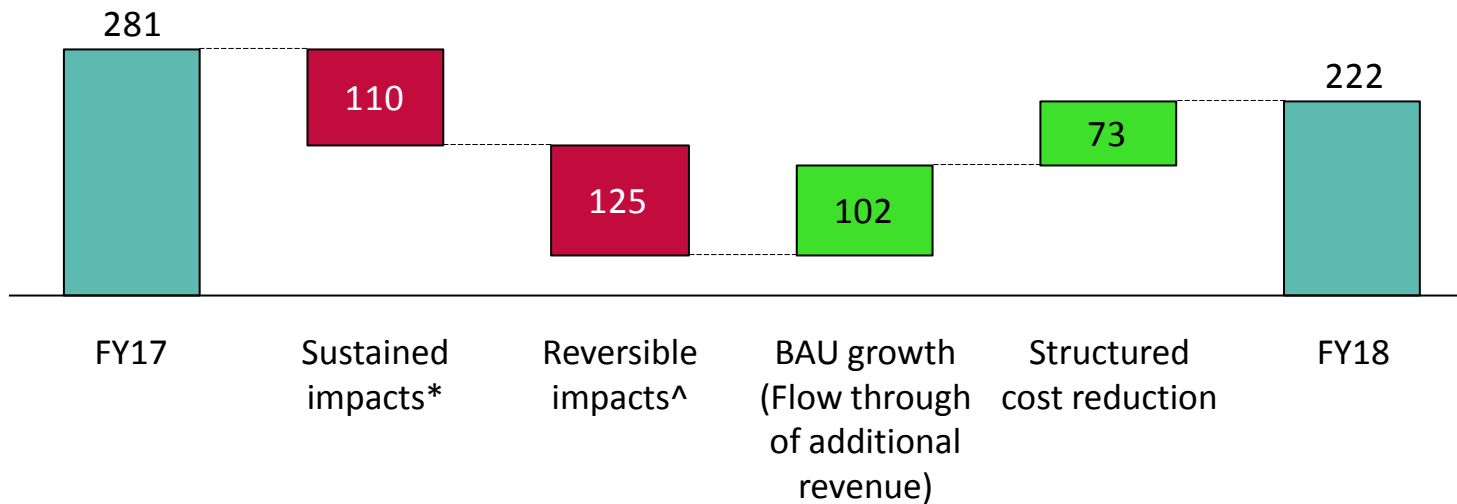
^ **Reversible Impacts** includes Closure of Shalimar Bagh unit for 12 days & the rub off effect of this on rest of the network, GIPSA cashless stoppage, Closure of 32 beds in S'Bagh; MAC Channel restructuring, Shift in channel mix towards Institutional business

Multiple regulatory impacts and incidents in Q3/Q4 leading to sharp decline in profitability

Gross Revenue (Rs. Cr.)



EBITDA (Rs. Cr.)



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MHC Network* – Performance Dashboard (Q4 & FY18)

Key Business Drivers	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
	Mar-18	Mar-17		Mar-18	Mar-17	
a) Financial Performance						
Revenue (Gross)	670	628	7%	2,787	2,567	9%
Revenue (Net)	621	604	3%	2,619	2,454	7%
Direct Costs						
Material Cost	160	148	8%	657	614	7%
Clinician Payout	108	102	6%	458	416	10%
Contribution	353	354	0%	1,504	1,424	6%
<i>Contribution Margin[^]</i>	56.8%	58.5%	(170) bps	57.4%	58.0%	(61) bps
Indirect Costs						
Personnel Cost	177	143	24%	688	589	17%
Other Indirect overheads	106	101	5%	458	430	6%
HO Costs	37	32	15%	136	123	10%
EBITDA	32	78	-58%	222	281	-21%
<i>EBITDA Margin[^]</i>	5.2%	12.8%	(763) bps	8.5%	11.4%	(298) bps
Finance Cost	30	30	1%	129	133	-3%
Cash Profit	2	48	-95%	92	148	-38%
Depreciation	36	33	11%	138	124	11%
Profit /(loss) before tax	(34)	15	-326%	-46	24	291%
Tax	1	0	0%	4	-	0%
Profit /(loss) after tax	(35)	15	-332%	(50)	24	-308%
b) Financial Position						
Net Worth				1,071	1,121	-4%
Net Debt				1,227	1,093	12%
Tangible Fixed Assets - Gross Block				2,131	2,035	5%

*The above results are for MHC Network of hospitals and includes results for Max Super Specialty Hospital, Saket, unit of Devki Devi Foundation, Max Super Speciality Hospital, Patparganj, unit of Balaji Medical and Diagnostic Research Centre & Saket City Hospital unit of Gujarmal Modi Hospital & Research Centre; ^ on the basis of net revenue

MHC Network* – Performance Dashboard (Q4 & FY18)

Key Business Drivers	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
	Mar-18	Mar-17		Mar-18	Mar-17	
a) Patient Transactions (Nos. in lacs)						
Inpatient Procedures	0.44	0.44	0%	2.02	1.89	7%
Day care Procedures	0.10	0.13	-19%	0.48	0.49	-2%
Outpatient Registrations	16.47	15.84	4%	67.93	64.41	5%
Total	17.02	16.41	4%	70.44	66.79	5%
b) Average Inpatient Operational Beds	2,372	2,291	4%	2,378	2,330	2%
c) Average Inpatient Occupancy	71.7%	70.0%	162 bps	73.1%	72.1%	101 bps
d) Average Length of Stay (days)	3.45	3.25	-6%	3.14	3.25	3%
e) Average Revenue/Occupied Bed Day (Rs)	43,810	42,477	3%	43,946	41,187	7%
f) Other Operational Data						
Physicians				2,882	2,692	7%
Employees				9,605	8,711	10%
Customer Base (in lacs)				42.3	35.7	18%

*The above results are for MHC Network of hospitals and includes results for Max Super Specialty Hospital, Saket, unit of Devki Devi Foundation, Max Super Speciality Hospital, Patparganj, unit of Balaji Medical and Diagnostic Research Centre & Saket City Hospital unit of Gujarmal Modi Hospital & Research Centre; ^ on the basis of net revenue

MHC Network Hospitals (Saket* & East Delhi^ Complex)

– Performance Dashboard (Q4 & FY18)

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
		Mar-18	Mar-17		Mar-18	Mar-17	
Saket Complex							
a) Financial Performance							
Revenue(Net)	Rs. Cr	245	233	5%	1,004	914	10%
EBITDA	Rs. Cr	31	38	-18%	122	121	1%
EBITDA Margin	%	12.8%	16.4%	(361) bps	12.2%	13.3%	(111) bps
b) Average Inpatient Operational Beds	No.	763	743	3%	744	748	-1%
c) Average Inpatient Occupancy	%	76.9%	71.6%	536 bps	76.5%	71.1%	539 bps
d) Average Revenue/Occupied Bed Day	Rs.	49,800	49,982	0%	51,338	49,091	5%
e) Average Length of Stay	(days)	3.87	3.30	-17%	3.41	3.23	-6%
East Delhi Complex							
a) Financial Performance							
Revenue(Net)		161	157	3%	671	632	6%
EBITDA	Rs. Cr	11	23	-54%	75	90	-17%
EBITDA Margin	%	6.6%	14.8%	(820) bps	11.2%	14.3%	(312) bps
b) Average Inpatient Operational Beds	No.	695	711	-2%	695	659	5%
c) Average Inpatient Occupancy	%	76.2%	73.7%	253 bps	77.8%	76.8%	96 bps
d) Avg. Revenue/Occupied Bed Day	Rs.	37,502	35,212	7%	37,115	36,355	2%
e) Average Length of Stay	(days)	3.49	3.80	8%	3.16	3.74	16%

*Saket Complex includes Saket West Block, Saket East Block (unit of Devki Devi Foundation) & Max Smart (unit of Smart Hospital & Research Centre) hospital

^East Delhi Complex includes Max Patparganj (unit of Balaji Medical and Diagnostic Research Centre) & Max Vaishali hospital

Max Healthcare – Agenda

1

Attractive Industry opportunity

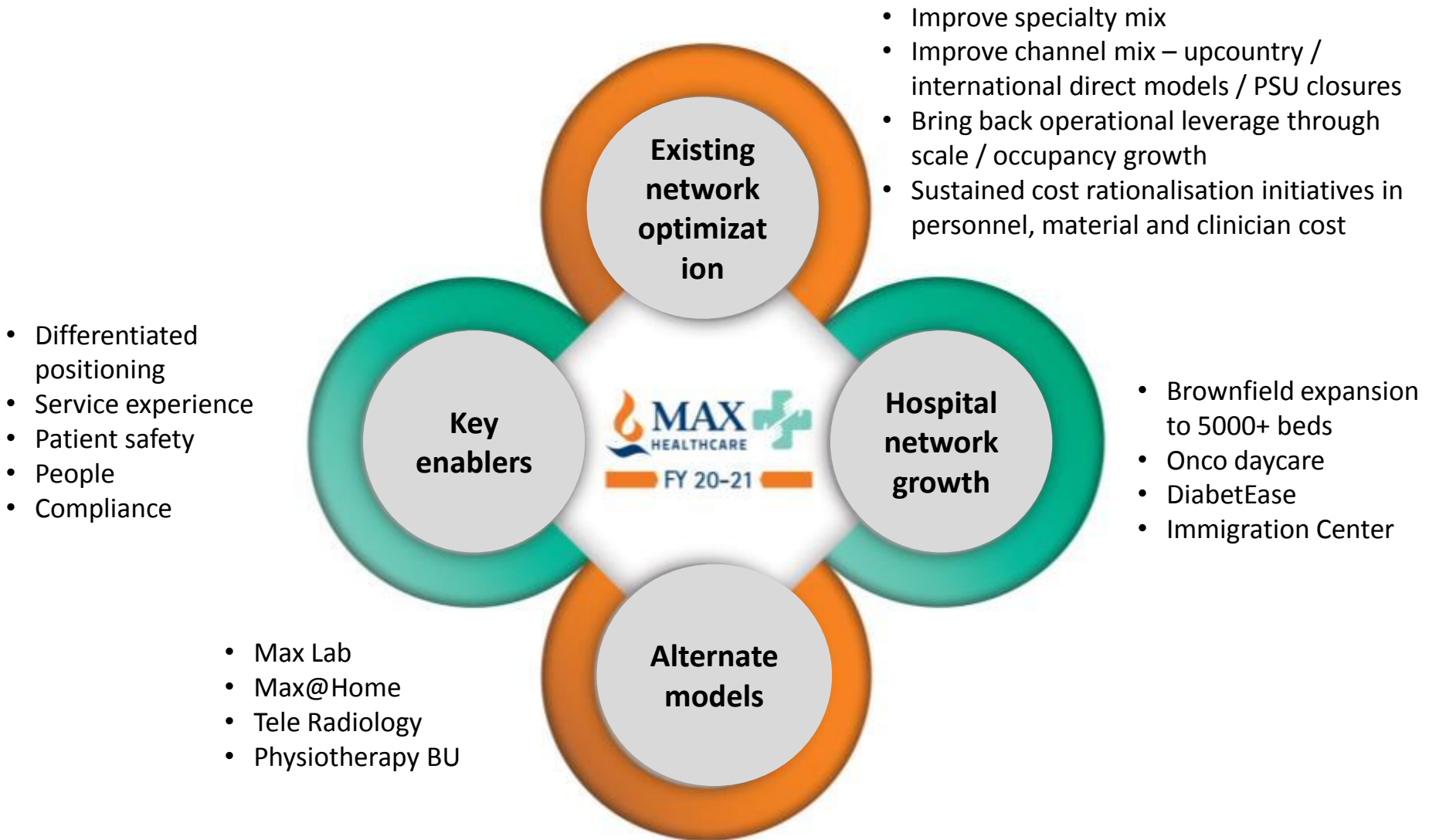
2

Strong operating & financial performance

3

Anchored for the future

Four dimensions to value creation for MHC

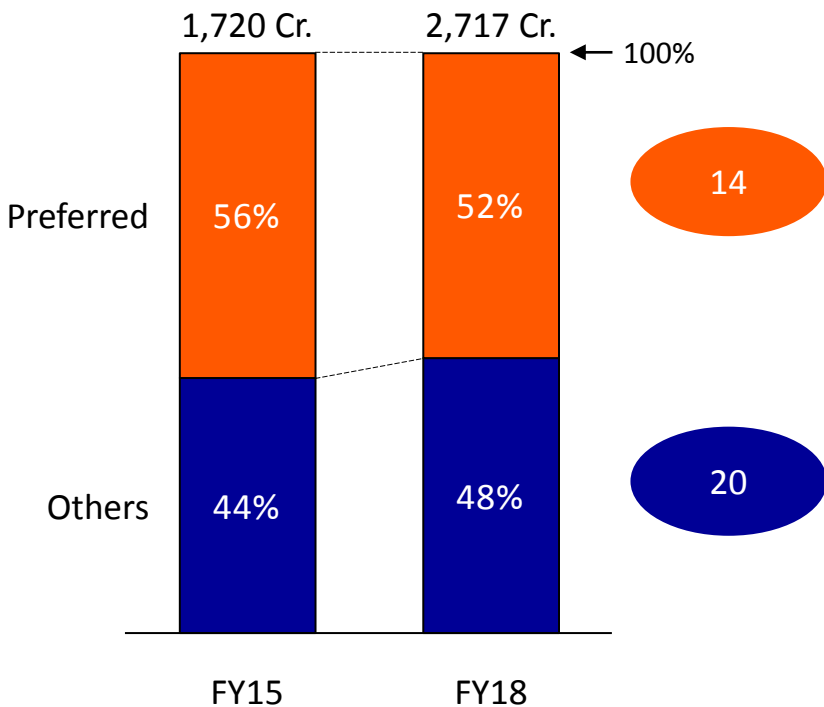


A Drive increase in share of preferred specialties to improve profitability

Reduction due to acquisitions with weak starting positions and value erosion in cardiac / ortho specialties due to price controls

Action plan in place to grow focused specialties

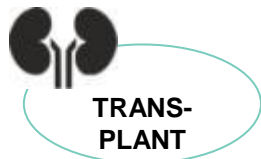
Healthcare revenue specialty share
Percent



- Build distinguished leadership in all DMGs
- Disproportionately grow the standalone centre model
- Personalized medicine



- Provide end to end service offering
- Launch specialized clinics
- Invest in high end Neuro equipment



- Build comprehensive transplant center in Saket complex
- Establish KTP and BMT programs in selected locations



- Focus on high-end procedures
- Partnerships with renowned global institutions – people & best practices

Our aspiration is to have a preferred mix of 54.0 – 55.0% in FY22

A Drive increase in share of preferred channels to improve profitability

Reduction in preferred channels due to acquisitions with weak starting positions

Action plan in place to increase the share of preferred channels

Healthcare revenue channel share, FY17

Percent

100.0%

100.0%

International

9.7%

10.3%

Walk-In

40.3%

36.0%

TPA

17.9%

18.4%

MECP

14.0%

13.2%

Institutional/
PSU

18.2%

22.0%

FY15

FY18

Inter-
national

- Establish **direct presence** and **digital footprint** in select markets
- Expand in attractive **new markets**
- **Pilot and scale alternate business models** such as surgeries abroad / O&Ms

Walk-in

- Sustained **brand effort / experience delivery** on new positioning
- **ATL/BTL campaigns** for key specialties through digital platforms
- Strengthen **ER capabilities**

TPA

- Seek **new engagement models** in the prevention/ wellness space
- Assess **co-development of product** targeted at new customer segments

MECP

- Revamp channel sales through an direct field force; strong focus on salesforce effectiveness

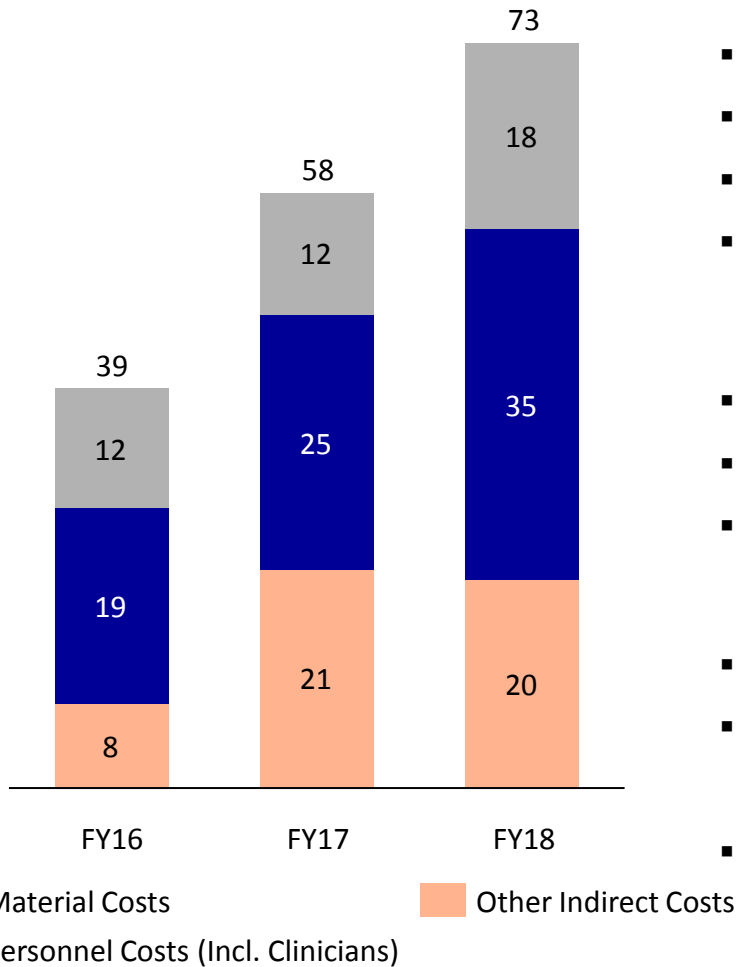
Institutional

- **Deprioritize; profitability improvement** through focus on collections, material cost, and ALOS

Our aspiration is to have a preferred mix of 72.5 – 73.0% in FY22

A

Rs. 170 Cr. of cost savings achieved in FY16, FY17 and FY18 through structured cost initiatives; Rs. 64 Cr. targeted in FY19



- Procurement efficiency
- Formulary driven substitutions
- Increase in consumables reusability
- ALOS and cost/OBD reduction esp. in PSU patients

- Organization restructuring at units
- Manpower contract rate negotiations
- Physician compensation re-modelling

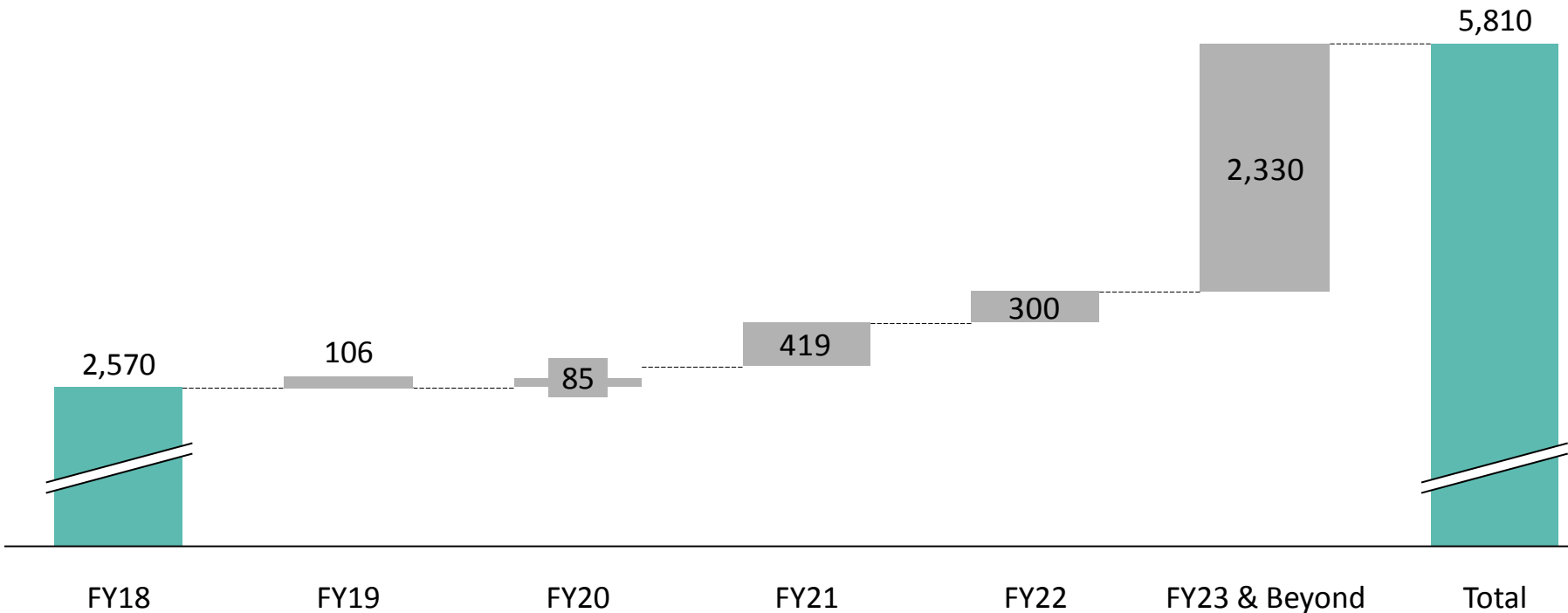
- Materials procurement efficiency
- Power saving through cheaper procurement, equipment efficiency improvement and demand management
- Collections and deductions management

Rs. 100 – 150 Cr. cost to be taken out in the next 2-3 years

B

MHC expansion prioritised in hospitals with demonstrated track record of superior profitability

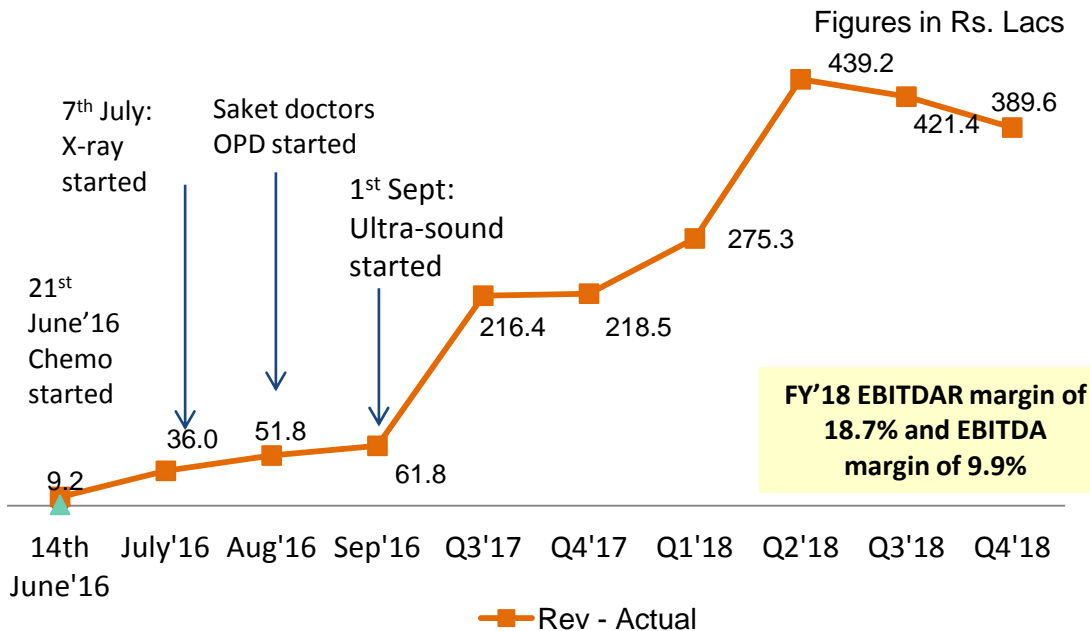
East Delhi Complex: 106	Mohali: 85	Saket complex: 315 S.Bagh: 104	Saket complex: 300	Saket complex: 1350*	East Delhi complex: 200	Mullanpur: 400	Gr. Noida: 380
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Expansion prioritized in facilities that have a proven track record of delivering 15-16% EBITDA margin in the past

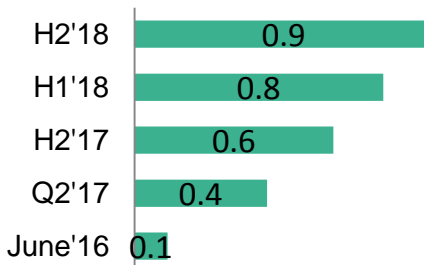
B Onco Day Care Center: Operationalized in July'16, EBITDAR break even on the 3rd month

- Standalone specialized facility away from the hospital to ensure comfort and care for our patients during chemotherapy sessions
- Helps patients with their treatment and disease by providing a non-hospital environment and a highly efficient and expert experience
- Key Differentiators:
 - Strong clinical protocols
 - Staff specially trained in soft/service skills
 - Personalized treatment



FY'18 EBITDAR margin of 18.7% and EBITDA margin of 9.9%

Daycare Chair turnover



IMRB Scores

Pan MAX	76%
Oncology	79%
Onco DayCare	91%

Channel Mix (FY'18)

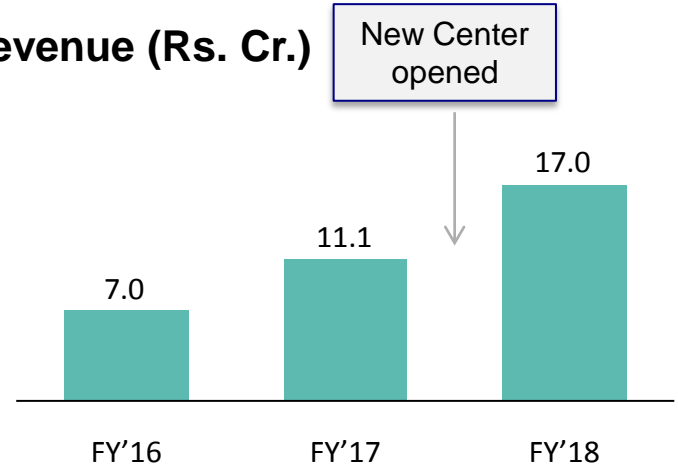
Cash	44%
TPA	20%
Others	36%

Success of this centre has paved the way for opening more such centres; Work on for the 2nd one in Gurgaon. Noida facility being also transformed to set-up Once DayCare

B Immigration Center: Revenue growth at 53% vs. LY



Revenue (Rs. Cr.)



Volume ('000)



Success of this centre has paved the way for opening more such centres; Work on for the 2nd one in Mohali



Max Lab: MHC has shown consistent growth in the non-captive business over the last one and half years by leveraging its assets

Building blocks in place to achieve the growth aspiration

Network Expansion

- Network of 580+ partners
- Over 250 active partners in March
- Started operations in NCR, Punjab, Faridabad, and Uttarakhand
- Added 2 HLMs, over 450+ beds

Technology

- CRM platform for Sales Team for Team monitoring, Lead creation, Partner management
- Upgrading LIMS for enhanced service delivery – project implementation underway
- Max Lab website under development

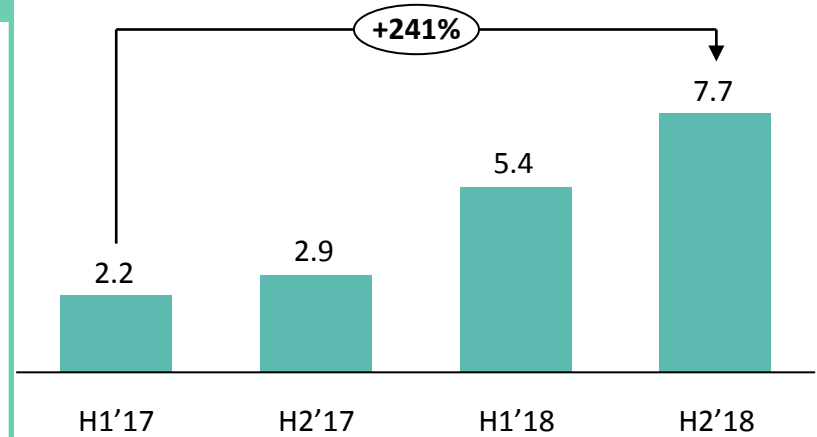
Operations

- Sales team expanded to 21 from 8 (Mar)
- Successful launch of Matrika, Monga HLM
- Serviced over 100,000 orders in 9 months

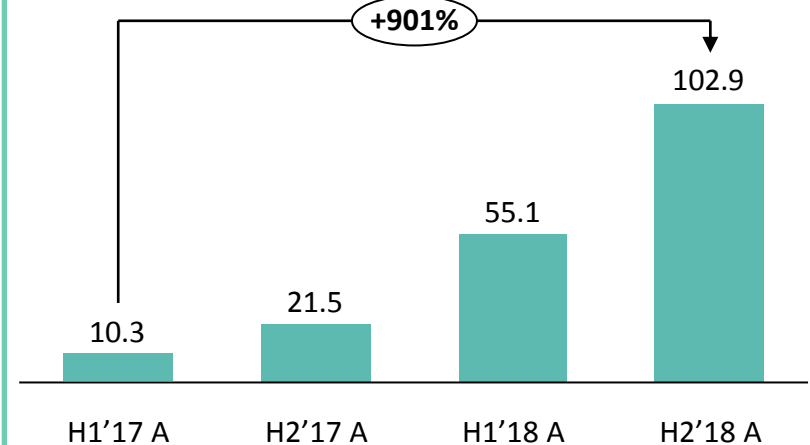
Organization

- Team size grew to 175 (35 in Mar17)
- Extensive Training sessions for staff / franchisee staff

Revenue (Rs. Cr.)



Samples* ('000)





Max@Home: With Rs. 1.5 – 2 Cr. of investment till date, business stands at ~Rs. 28 Cr. revenue in FY18

Home Sample Collection

- 24*7 coverage
- 16% revenue contribution through out-of-hospital channels in Q4
- 19% repeat business in Q4

Medicine home delivery

- 20% increase in volumes from 5636 (Q3) to 6762 (Q4)
- Increased repeat business from 12% (Q3) to 16% (Q4)

Critical care nursing

- Critical care nursing service launched; Over 14 patients served in Q4

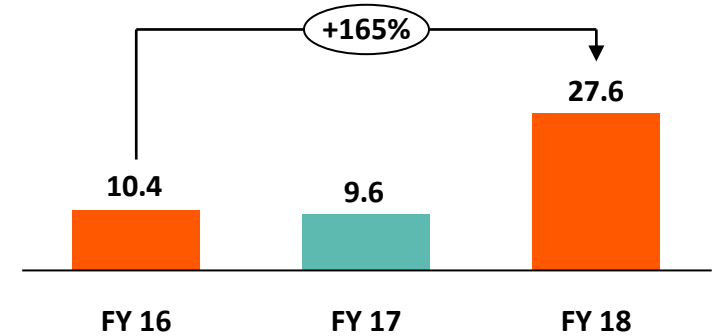
New territory- Mohali

- Nursing and GDA launched in addition to sample collection and pharmacy delivery

Max@home B2C platform

- ~450 tech features ; ~30 processes; 5 service line journeys
- Wireframes for ~20 roles across portal, mobile app & tablet

Revenue (Rs. Cr.)



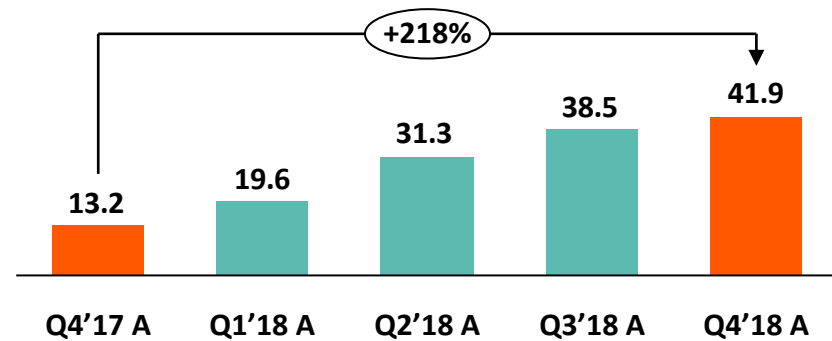
New services



Existing services



Volumes ('000)



Steady state EBITDA margin ~25%



Teleradiology and Physiotherapy BU: Launching 2 new businesses in FY19 with high market potential

Tele Radiology

Physiotherapy BU

Market potential

- **International (US & western Europe):** Rapidly growing market at ~18-20% CAGR (FY11-16) driven by digitally enhanced healthcare infrastructure and integration of teleradiology; market size of USD ~1.2 bn in FY18
- **International (developing – Africa):** Lack of radiologists; project growth in FY18-22 at 15-20%
- **Domestic:** Market growing at ~10-12% CAGR (FY11-16) driven by widening network of high-speed broadband services, shortage of radiologists in tier-2 cities , etc.

- Indian Rehab market is projected to grow at a CAGR of 15% from FY15-FY20 to reach a market size of USD ~1.0 bn in FY20
- Growth factors include rising elderly population (estimated to reach 323 mn by 2050), chronic illnesses & increase in awareness
- 70% of market is currently out-of-hospital (which includes services @home and clinics), while hospitals focus primarily on their in-patients

MHC's plan

- Pilots underway in both domestic and international markets
- 5 clients – 4 domestic, 1 international – signed within 6 months of operations

- Create a Physiotherapy BU platform in FY19:
 - In house and integrate to ensure best practices and standardization of service delivery
 - Create well defined care plan owned by physiotherapist that is additionally signed off by the treating clinician
 - Offer niche services such as Speech Therapy, Sports physiotherapy, Mental Health etc.

1

Attractive Industry opportunity

2

Strong operating & financial performance

3

Anchored for the future

1

Attractive Industry opportunity

2

Strong operating & financial performance

3

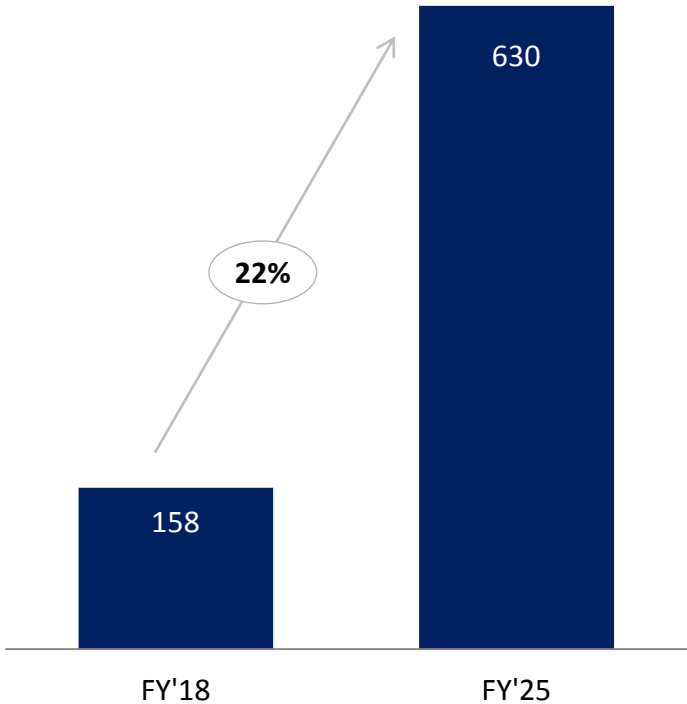
Anchored for the future

Health insurance retail landscape

The retail health insurance market is expected to reach **INR 630 billion by 2025** growing at a **CAGR of 22%**

Retail Health Insurance – Market Size

(GWP INR Billion)



Factors driving growth

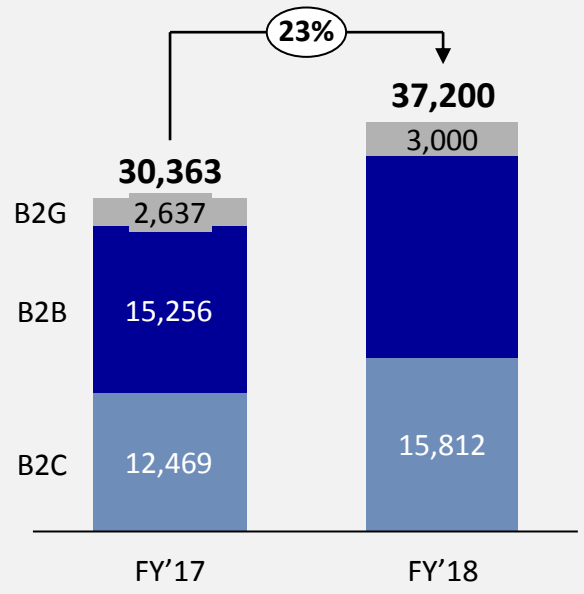
- Rising affluence and urbanization**
- Ageing population**
- Rise in chronic disease incidence**
- Increasing medical cost & high OOP**
- Internet penetration and E-commerce growth**

- **16%+ affluent household** by 2025, doubling current level of 8%
- **48 cities** expected to have **>40% affluent household** vs. 0 cities currently
- India expected to have over **350 M people > 50 years by 2030**
- Increasing demand expected by this segment along with evolution of product suite
- Rapidly growing incidence of **cancer, cardiovascular diseases (CV) and diabetes**
- Cancer, CV and diabetes form **~28% of health expenditure** which is expected to grow further
- Over **20% annual healthcare inflation** coupled with **high out-of-pocket expenses (62%)** expected to drive demand further
- **650 M mobile internet users by FY20**, ~1.7x from current ~390 M
- **400-450 M digitally influenced shoppers** by 2025 expected to drive break-out digital channel growth

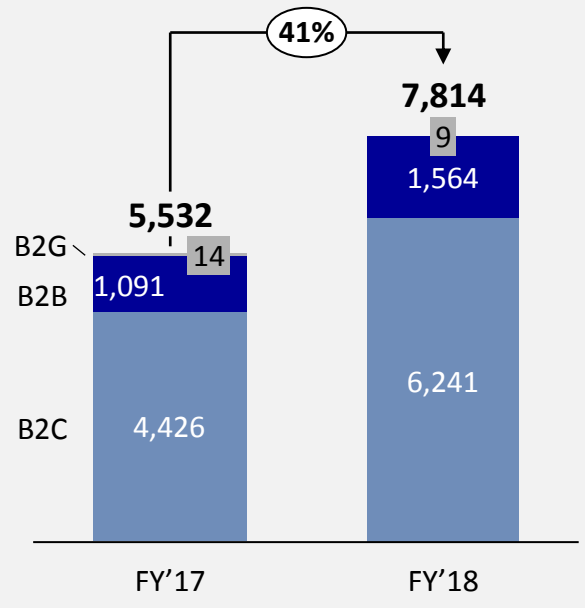
Industry landscape

Industry growth during FY'18*

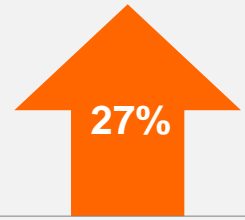
Segment-wise GWP (INR Cr)



SAHI growth during FY'18*



MBHI growth FY'18



Overall sales growth

- Most of B2C growth in SAHI space is contributed by SAHIs which have invested over last 3 years and expanded their branch and Banca network
- SAHI B2B growth at 43% vs overall 21% industry growth.
- SAHIs are growing @ 41% - Faster than the industry

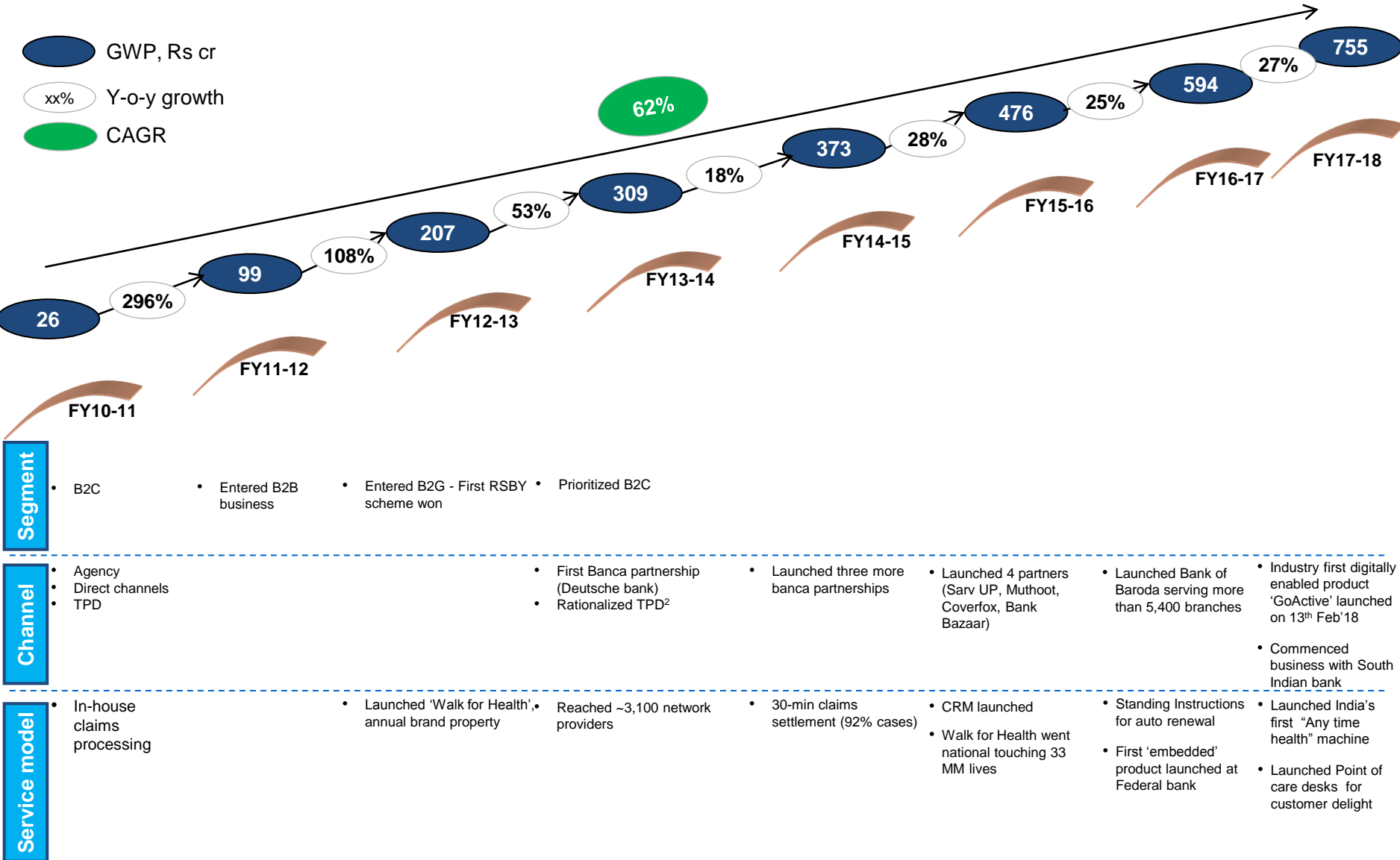
* Numbers are excluding Overseas medical and personal accident

1 *Attractive Industry opportunity*

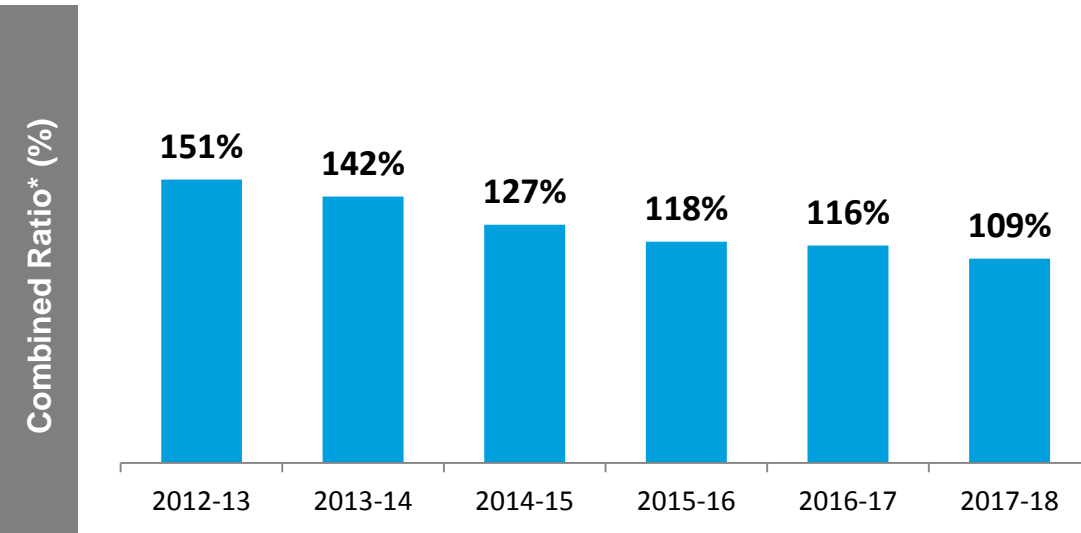
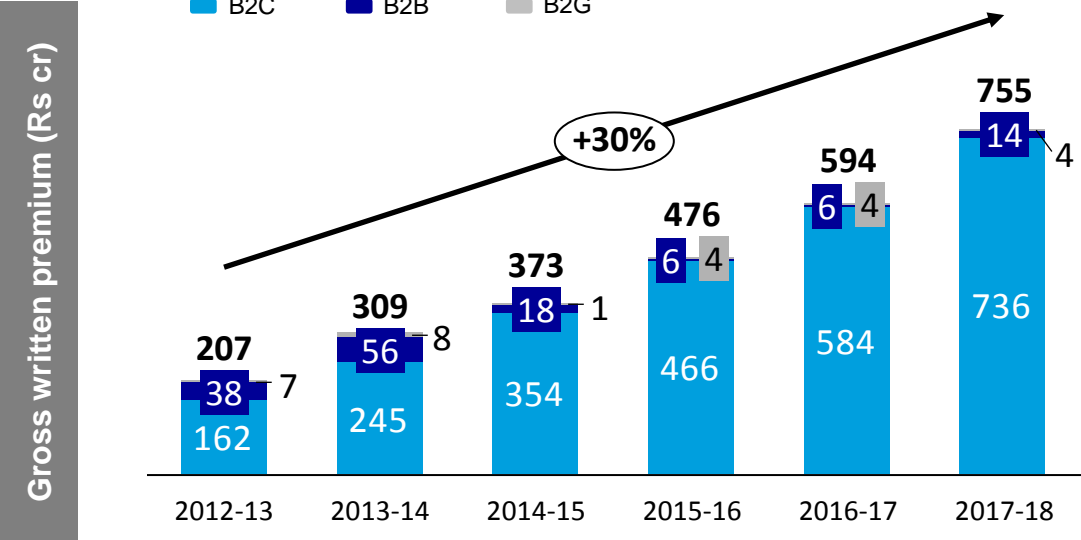
2 ***Strong operating & financial performance***

3 *Anchored for the future*

Journey since inception



Healthy growth with consistent improvement in combined ratio



- Max Bupa’s focus has been on the B2C segment since inception
- While it is harder to build a B2C book (linear customer acquisition vs. lumpy demand of B2B or B2G), Max Bupa has grown at 27%, faster than market (market growth ~23% for FY’18)
- B2C focus driven operating model choices and some execution challenges have resulted in higher upfront opex spend

Max Bupa – Performance Dashboard (Q4 & FY18)

Key Business Drivers	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
	Mar-18	Mar-17		Mar-18	Mar-17	
a) Gross written premium income						
First year premium	89	67	32%	257	209	23%
Renewal premium	161	126	27%	497	385	29%
Total	249	193	29%	755	594	27%
b) Net Earned Premium*	209	163	28%	638	544	17%
c) Cash Profit /(Loss)	37	(9)	519%	39	8	386%
d) Pre tax Profit /(Loss)	33	(12)	371%	23	(4)	736%
e) Claim Ratio (B2C Segment, normalized)	53%	53%	30 bps	55%	57%	180 bps
f) Avg. premium realization per life (B2C)	8,176	7,242	13%	8,063	7,063	14%
g) Conservation ratio (B2C Segment)	81%	80%	97 bps	82%	83%	(160) bps
h) Lives In force in millions (including RSBY)				2.8	2.4	17%
i) Number of agents				15,067	17,011	-11%
j) Paid up Capital				926	926	-

* Earned Premium higher by Rs 45 Cr (PY Rs 35 Cr) in Q4FY18 & Rs 23 Cr (PY Rs 53 Cr) in FY18 due to change in Unearned premium accounting from 1/365 method to 50% of net written premium, excludes the impact of reinsurance ceded

Distribution architecture

Agency



- Largest distribution channel for the company
- Spanning 29 branches across 19 cities
- Over 50% contribution in overall revenue
- Frontline sales force of ~400 Agency Managers ~11,900 agents
- One of the most productive agency force amongst SAHIs (Standalone Health Insurers)

Banca & Alliances



- 7 Banca partnerships (2 foreign banks, 4 Indian banks and 1 rural bank), the highest numbers amongst SAHIs
 - Network of 8,800 bank branches across the country
 - 616 FOS (included 7 of NBFC)
- 3 NBFC tie-ups (Capital First, Muthoot, Bajaj Finserv)
- Brokers (Bajaj Capital, NJ Brokers, Shriram)
- Rural business (RSBY)

Digital



- One of the largest captive tele-sales unit
- Capacity of 108 out-bound tele-callers
- State-of-the-art technology infrastructure (Dialer / CRM) with secure environment
- Online sales through MBHI website & web aggregators (6 partners, including Policy Bazaar – a leading industry player)

Direct sales



- Dedicated sales-force
- 55 full-time employees to address high-net worth individuals' needs
- Spread across top 4 metros

Distribution updated for Jan 2018

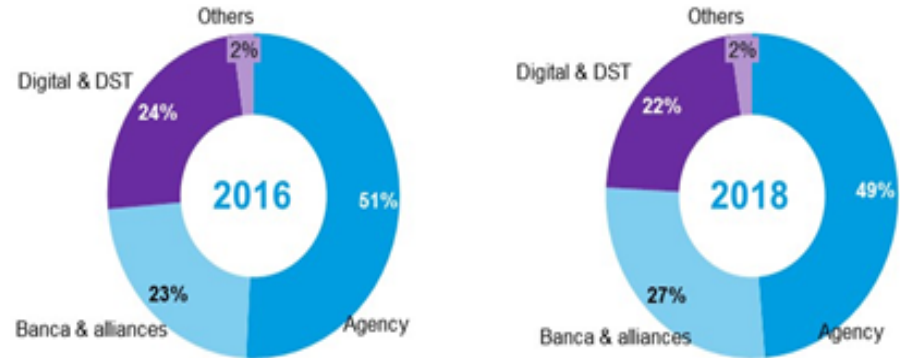
Channel wise Performance (FY16 to FY18)

Key highlights by channel over last two years

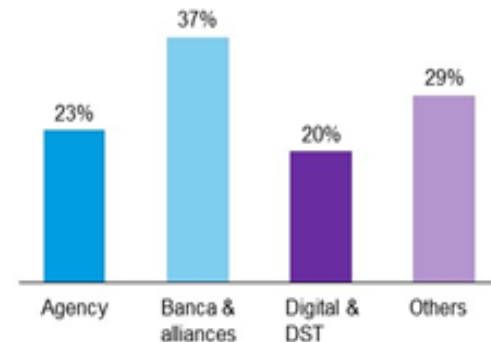
- **Agency** channel grew by 23% over two year period despite headwinds on account of price revision of Heartbeat and Health Companion. **Agency OTC app launched to enhance digital sales**
- Increasing share of **Banca & Alliances** in the channel mix while registering 37% growth over two years. MBHI has engaged banking partners in last three years- **Bank of Baroda, South Indian Bank, HDFC Bank, Sarv UP**
- **DST & Digital** channel grew by 20%. Digital has been a focus area of MBHI and has seen a growth of over 22% between 2016 and 2018. **DST repurposed**, running at combined ratio of 100%; heading towards profitability
- **Persistency** grew by 4% from FY16 to FY18 despite price increase across portfolio re-confirming customer confidence in the brand, products and services.
- **Launched GoActive** - A digitally enabled, new age customer centric product with an integrated wellness ecosystem
- **Sharper up-sell strategy** – More targeted approach by including “**preferred product category**” based approach.
- Initiatives taken to control high risk flows
 - **Closure of variants of HB Silver & HC** (9% of portfolio) for new sales
 - **Cap on portability**
 - **Pin code restrictions**
 - **Revision of stance on non-disclosures**
- **High focus on innovation** in products and service

Note: Others includes B2B, B2G, and B2C business done by B2B channel

Channel Mix



Growth by Channel- FY 16 to FY 18



Innovations at Max Bupa

Point of care desk



Any Time Health



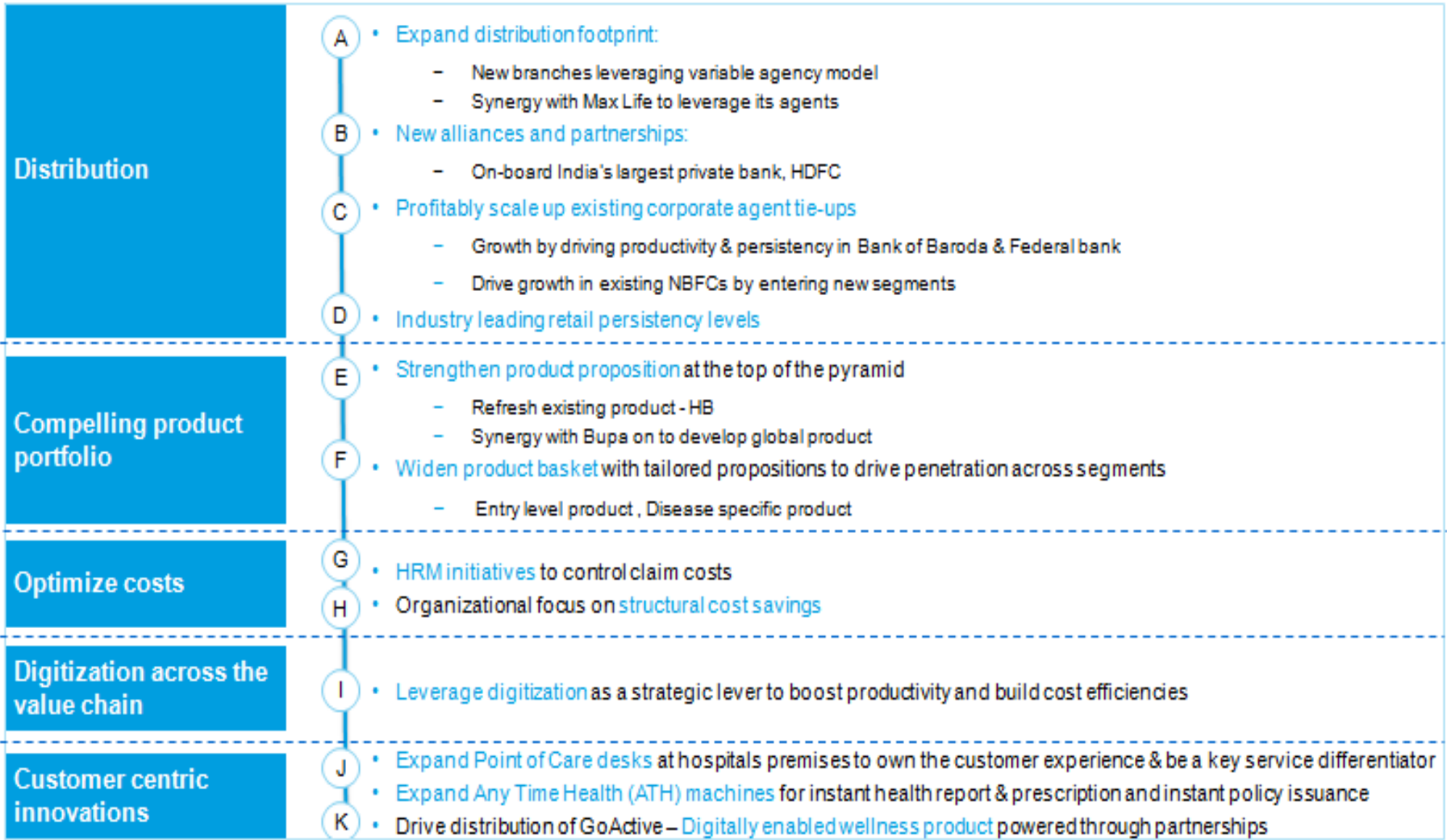
GoActive



Claim settlement



Key Initiatives for FY19



External recognition



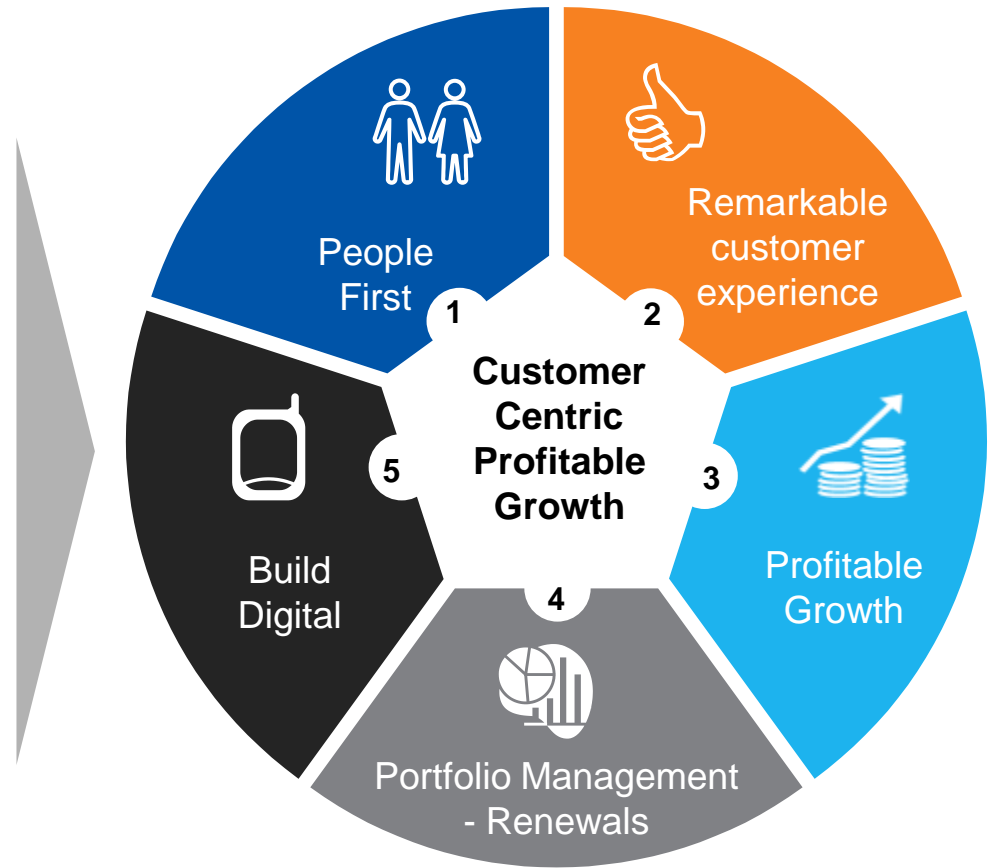
1 *Attractive Industry opportunity*

2 *Strong operating & financial performance*

3 ***Anchored for the future***

Strategic priorities – strengthening the foundation

- A** Provider of choice in the Affluent segment in urban India
- B** Broad base the franchise with partnerships & alliances
- C** Build a **C**ustomer centric, **C**ompliant & **C**ost conscious Culture
- D** Digitally enable end to end customer journey



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