# Max India Limited Investor Release

### Quarter & nine months ended December 31, 2017

#### 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.

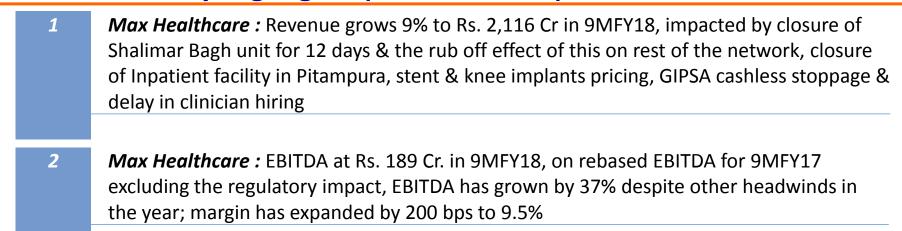








## Max India – Key Highlights (Q3 & 9MFY18)



- 3 Max Bupa: Gross Premium grows 26% to Rs 505 Cr in 9M; Net loss at Rs 10 Cr
- Max Bupa: 3 Health ATMs deployed at Bank of Baroda and Karur Vysya Bank; to deploy
   20 machines across partners by Mar'18. Digital push by launch of GoActive
- Antara: New project approved in Noida for an investment of Rs 39 Cr. To be developed by a reputed Real Estate developer. Antara's role sales and marketing of the Community and to operate it under the Antara brand for a fee. This capital light model focuses Antara on its core competencies while leveraging the capital and capabilities of the developer
- *Antara:* Dehradun community commenced operations in Apr'17; 109 units sold and 49 residents have moved in the community



## MHC Network\* (Financial Snapshot – Q3 & 9MFY18)

# • Gross revenue for Q3FY18 grows 10% to Rs. 703 Cr, impacted by temporary suspension of Shalimar Bagh for 12 days & rub off effect of this on network, stent & knee implants price caps

## • Preferred channel outpacing overall growth and will be be strengthened further as the growth engine for the future... Walk-in: 15% and International: 22%

#### Oncology continues strong growth, Up 22% y-o-y in Q3FY18 driven by medical and radiotherapy business

## Performed 172 Liver Transplant surgeries in 9MFY18, program contributed Rs 44 Cr to the revenue

- 4,452 Angioplasty were performed in 9MFY18, grows 12% y-o-y
- Avg. Revenue/Occupied Bed day in 9M improves to Rs 43,989, grows 6% y-o-y
- 3 alternate businesses strategically seeded in FY17 continue to deliver rapid growth during 9MFY18 to Rs 38 Cr, grows 180% y-o-y

#### **Profitability**

Revenue

- EBITDA for Q3FY18 at Rs. 56 Cr, grows 35% y-o-y over rebased EBITDA for PY after considering the impact of regulatory intervention
- EBIDTA Margin for Q3 at 8.6%, improves by 165 bps over PY rebased EBIDTA
- To mitigate regulatory impact, cost savings of 78 Cr realised in P&L in 9MFY18

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Key Business Drivers	Dec-17	Dec-16	Growth	Dec-17 Dec-16		Growth	
a) Financial Performance							
Revenue (Gross)	703	639	10%	2,116	1,939	9%	
Revenue (Net)	656	602	9%	1,998	1,850	8%	
Direct Costs							
Material Cost	162	147	10%	497	466	7%	
Clincian Payout	116	101	15%	350	314	11%	
Contribution	378	354	7%	1,151	1,070	8%	
Contribution Margin^	57.7%	58.8%	(115) bps	57.6%	57.9%	(26) bps	
Indirect Costs							
Personnel Cost	173	152	14%	510	446	14%	
Other Indirect overheads	120	107	11%	352	330	7%	
HO Costs	29	31	-6%	99	91	8%	
EBITDA	56	63	-11%	189	203	-7%	
EBITDA Margin^	8.6%	10.5%	(195) bps	9.5%	11.0%	(151) bps	
Finance Cost	35	34	5%	99	103	-4%	
Cash Profit	21	30	-30%	90	100	-10%	
Depreciation	34	32	9%	102	92	11%	
Profit /(loss) before tax	(14)	(2)	-615%	(11)	9	-230%	
Tax	1	0	0%	3	-	0%	
Profit /(loss) after tax	(14)	(2)	-660%	(15)	9	-266%	
b) Financial Position							
Net Worth	1,106	1,106	0%	1,106	1,106	0%	
Net Debt	1,190	1,091	9%	1,190	1,091	9%	
Tangible Fixed Assets - Gross Block	2,053	2,014	2%	2,053	2,014	2%	



## MHC Network\* – Performance Dashboard (Q3 & 9MFY18)

<b>K</b> 2 : 2:	Quarter	<sup>·</sup> Ended	Y-o-Y	Nine mon	ths Ended	Y-o-Y
Key Business Drivers	Dec-17	Dec-16	Growth	Dec-17	Dec-16	Growth
a) Patient Transactions (Nos in lacs)						
Inpatient Discharges	0.52	0.46	14%	1.58	1.44	9%
Day care Procedures	0.12	0.11	3%	0.38	0.36	4%
Outpatient Footfalls	16.22	15.07	8%	51.47	48.56	6%
Total	16.86	15.64	8%	53.42	50.37	6%
b) Average Inpatient Operational Beds	2,413	2,352	3%	2,379	2,342	2%
c) Average Inpatient Occupancy	73.4%	68.8%	457 bps	73.5%	72.7%	83 bps
d) Average Length of Stay (days)	3.12	3.26	4%	3.05	3.24	6%
e) Average Revenue/Occupied Bed Day (Rs)	43,108	42,815	1%	43,989	41,370	6%
f) Other Operational Data						
Physicians				2,885	2,677	8%
Employees				9,295	8,467	10%
Customer Base (in lacs)				40.7	34.2	19%

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

- Performance Dashboard (Q3 & 9MFY18)

Key Business Drivers	Unit	Quarter Ended		Y-o-Y	Year Ended		Y-o-Y
		Dec-17	Dec-16	Growth	Dec-17	Dec-16	Growth
Saket Complex							
a) Financial Performance							
Revenue(Net)	Rs. Cr	247	220	12%	760	682	11%
EBITDA	Rs. Cr	29	26	11%	91	83	9%
EBITDA Margin	%	11.5%	11.7%	22 bps	11.9%	12.2%	(13) bps
b) Average Inpatient Operational Beds	No.	758	745	2%	738	750	-2%
c) Average Inpatient Occupancy	%	75.5%	67.9%	764 bps	76.4%	71.0%	539 bps
d) Average Revenue/Occupied Bed Day	Rs.	50,598	50,704	0%	51,861	48,800	6%
e) Average Length of Stay	(days)	3.38	3.26	-4%	3.28	3.21	-2%
East Delhi Complex							
a) Financial Performance							
Revenue(Net)		174	158	10%	511	476	7%
EBITDA	Rs. Cr	23	22	6%	64	67	-4%
EBITDA Margin	%	13.3%	13.8%	(51) bps	12.6%	14.1%	(151) bps
b) Average Inpatient Operational Beds	No.	716	665	8%	696	656	6%
c) Average Inpatient Occupancy	%	79.0%	74.2%	480 bps	78.3%	77.6%	71 bps
d) Avg. Revenue/Occupied Bed Day	Rs.	36,675	37,465	-2%	36,992	36,136	2%
e) Average Length of Stay	(days)	3.13	3.24	3%	3.06	3.24	5%



## Max Bupa (Financial Snapshot – Q3 & 9MFY18)

- Gross Written Premium (GWP) for Q3FY18 grows 27% to Rs. 178 Cr. driven by 29% growth in renewals and 23% growth in new sales
- Average premium realisation (B2C segment) for Q3FY18 at Rs 8,125 grows 15%
- Urban lives-in-force crosses 1.5 million, ~ 375K lives covered in Q3FY18
- Conservation ratio (B2C) for Q3 at 81%
- GoActive, digitally enabled wellness product launched on 13<sup>th</sup> Feb'18
- Successfully launched Health ATMs "Anytime Health Machine".
  - o 3 machines deployed at Bank of Baroda and Karur Vysya Bank.
  - Plan to deploy 20 machines across bank partners and locations by Mar'18

## Profitability / Others

Revenue

- Net loss at Rs 5.Cr in Q3FY18 vs Rs 9 Cr in PY. Normalised net profit (excluding one-off items) Rs 3 Cr in Q3 vs marginal loss of Rs 0.3 Cr in PY
- B2C claims ratio for the quarter at 58% v/s 53% in PY

## Award and Accolades

• Won the best "PR, Media Campaign & Brand Management " in Asian Customer Engagement forum





## Industry leading innovations – GoActive Digitally enabled wellness product

#### Industry leading innovations

## GoActive - Digitally enabled wellness product





Cover starting from ₹ 4 Lac to ₹ 25 Lac



Key Features

Lifetime discount of 10% of base premium if you buy at or before 35 years of age



OPD consultations included in the cover



Health Coach option to enable you to remain fit and healthy



Annual health check-up/diagnostics of your choice



Second medical opinion covered



Pre & post-hospitalisation as well as Home healthcare services covered



I-protect option that increases sum insured by 10% every year (without any maximum limit)

#### Creating a powerful proposition through partnerships

Creating an OPD ecosystem

Health Coaching facility developed in partnership



Diagnostics, Pharmacy, AHC, S econd medical opinion, Behavioral assistance with

Homecare services

#### To provide a powerful proposition to our customers

#### My Health Trackers

- Tracking apps
- Online health records. HRA

#### My Lifestyle

- Coaching
- Diet plans/ apps

#### My General Health

- E-consult
- Appointment scheduler

#### My Consumables

- E-pharma
- Health food and supplements

#### My Health Support

- Coaching
- · Life stage support





## **Industry leading innovations – Max Bupa Any Time Health**

**Industry leading innovations** 

### Max Bupa AnyTime Health - Fueling growth with digital innovations



Key features



BMI & Body Composition



**Pulse Rate** 



Blood Pressure



Touchscreen interface



Video conferencing



instant health report & prescription



Instant policy issuance

Progress Update

- · 1 machine operational @ Bank of Baroda
  - First 2 months of operations 630 tests done
  - 8 policies sold and 72 active follow-ups
- 20 machines by 31st march 18
- Key enabler to showcase innovation to prospective partners—2
  machines placed at Karur Vysya bank to support our new Banca tie-up

#### 100+ press articles post launch on ATH





Max Bupa introduces
Any Time Health
MAX Birla CO Sanday encourced
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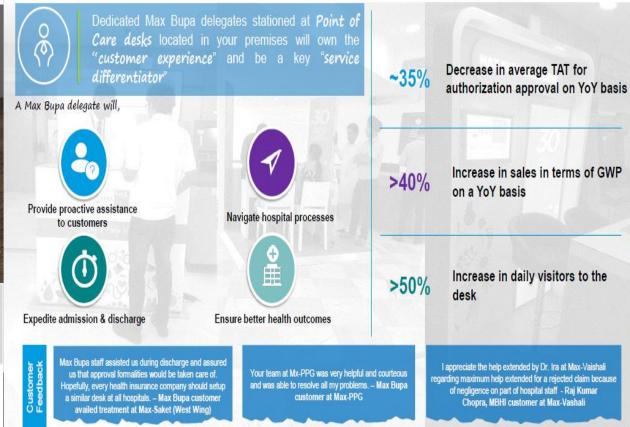
## **Industry leading innovations – Point of Care Desks**

#### Industry leading innovations

### Point of Care Desks | Own the customer experience at "Point of Care"



Max Bupa staff assisted us during discharge and assured us that approval formalities would be taken care of. Hopefully, every health insurance company should setup a similar desk at all hospitals – Max Bupa customer availed treatment at Max-Saket (West Wing)







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