

Ref: MHL/Sec&Legal/2019/52

Date: November 11, 2019

To,

**Head, Listing Compliance Department
BSE Limited**

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

**Head, Listing Compliance Department
National Stock Exchange of India Limited**

Exchange Plaza,
Plot No. C/1. G Block,
Bandra -Kurla Complex, Bandra (East),
Mumbai – 400051

Scrip Code: **542650**

Scrip Symbol: **METROPOLIS**

Dear Sir/Madam,

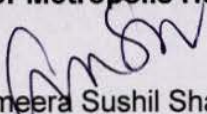
Sub: Investor Presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, a presentation to analyst / investors as on November 11, 2019 is attached.

Kindly take the same on the records.

Yours faithfully

For Metropolis Healthcare Limited


Ameera Sushil Shah
Managing Director
(DIN: 00208095)



METROPOLIS
The Pathology Specialist

INNER HEALTH REVEALED

Metropolis Healthcare Limited

Registered Office: 250 D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai - 400 030.

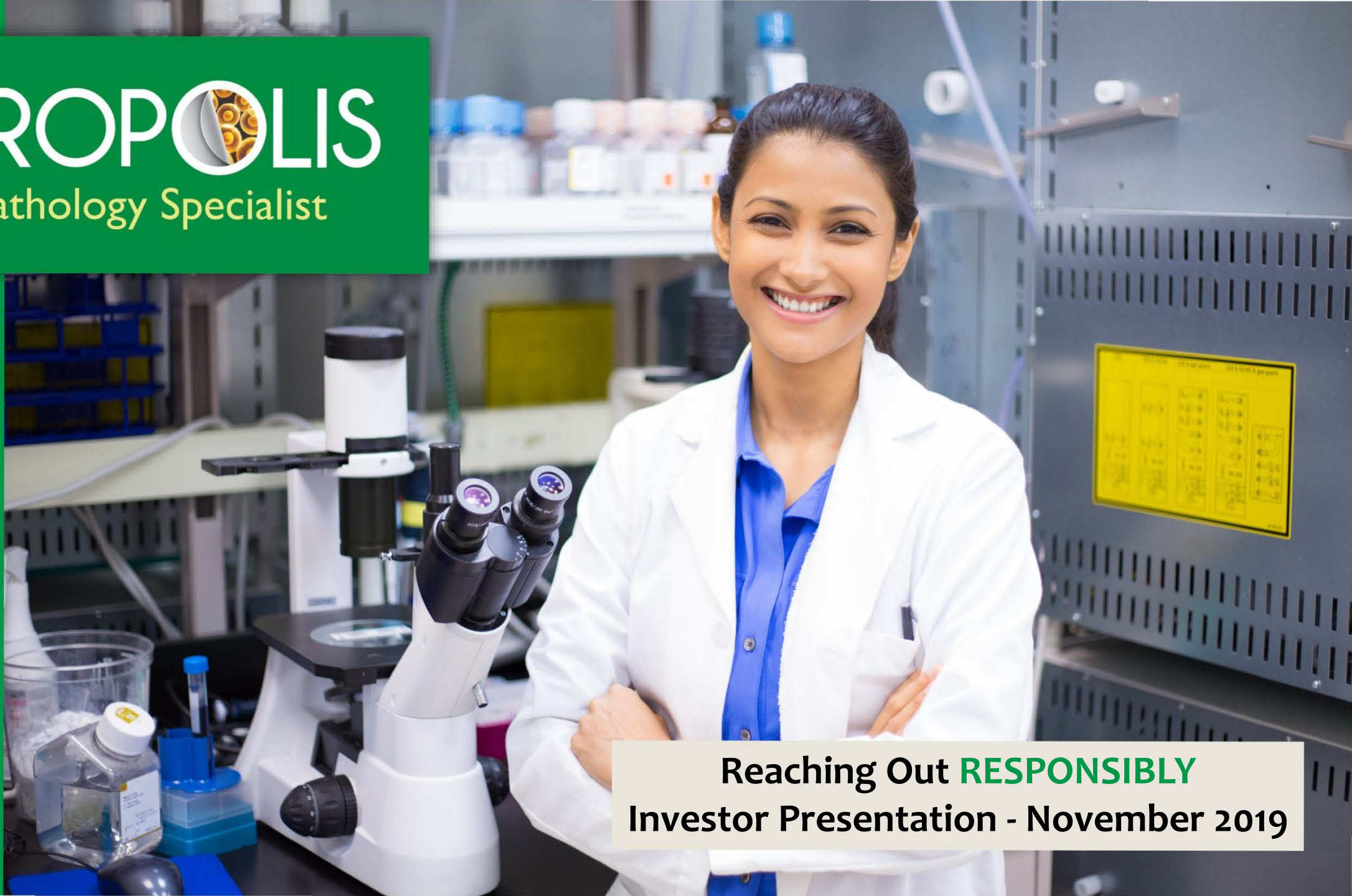
CIN: U73100MH2000PLC192798. Tel: +91-22-3399 3939 / 6650 5555.

Email: support@metropolisindia.com | Website: www.metropolisindia.com

Central Laboratory: 4th Floor, Commercial Building-1A, Kohinoor Mall,
Vidyavihar (W), Mumbai - 400 070.

METROPOLIS

The Pathology Specialist



Reaching Out **RESPONSIBLY**
Investor Presentation - November 2019

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Metropolis is a Strong Consumer Focused and Trusted Pathology Brand in the Indian Diagnostics space ...



Rs. 223 cr
+15.6% YoY for Q2

Rs. 427 cr
+15.6% YoY for H1

Revenues

55%
+200 bps YoY for Q2

Revenue Share of B2C in Focused Cities in

2.66 Mn
+15.7% YoY for Q2

4.92 Mn
+16.3% YoY for H1

Patient Visits

5.17 Mn
+20.1% YoY for Q2

9.51 Mn
+20.3% YoY for H1

No. of Tests

Quality Focus

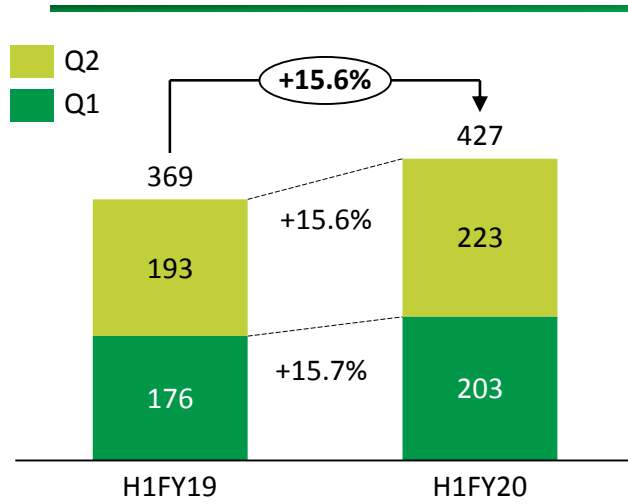
Large test Menu

Customer Centricity Approach

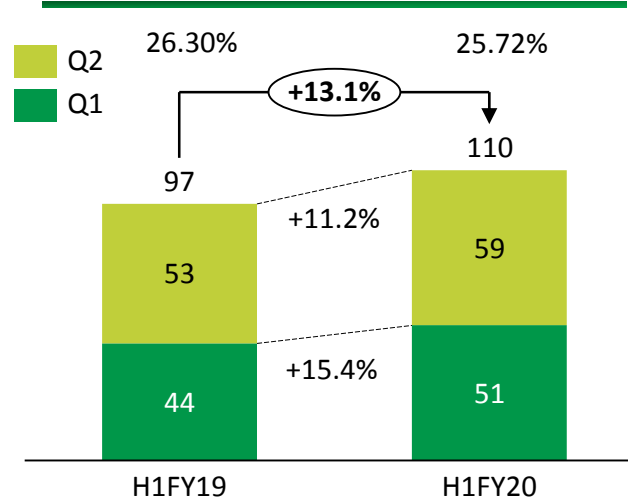
Technical & Scientific Team

Pan India Presence

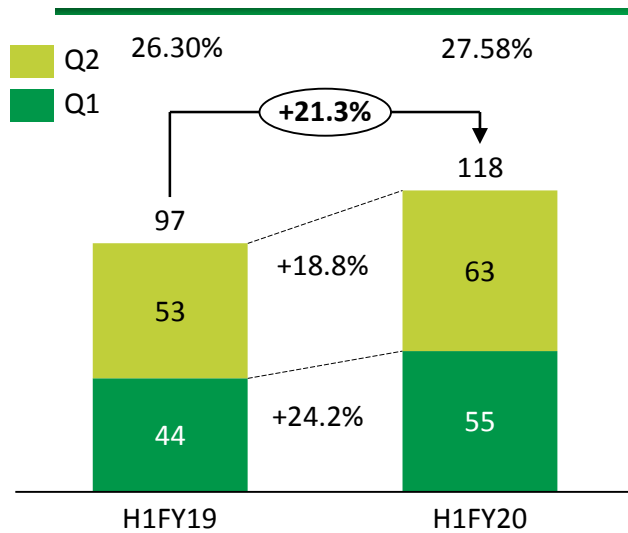
Revenue Rs. (In Crs)



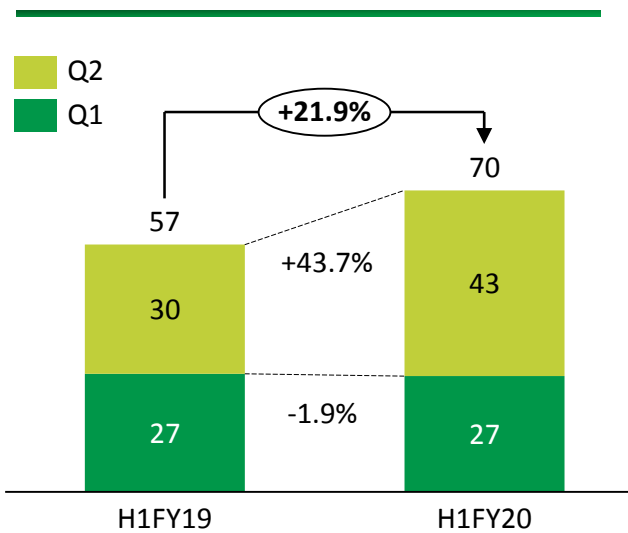
EBIDTA (Rs. in Crs) before CSR and impact of IND AS 116



Reported EBIDTA (Rs. in Crs)



PAT# (Rs. in Crs)



Revenue

- ✓ Revenue **grew by 15.6%** to Rs. 427 Crs as compared to 369 Crs in H1FY19
- ✓ Revenue growth is driven by volume growth through organic expansion.
- ✓ Approx. revenue for 8 working days was impacted due to floods in Maharashtra & Gujarat, being major territories for Metropolis
- ✓ B2C sales contribution increased to 44.4% in H1FY20 as compared to 43.6% in H1FY20, **a growth of 80 bps.**

EBIDTA (before CSR & Impact of IND AS 116)

- ✓ The EBIDTA margin excluding Lab on lease would have been 0.6% higher
- ✓ The Lab on lease contract existing in Q2FY19 (11 nos.), have moved from 17% EBIDTA to 20% EBIDTA margin in Q2FY20
- ✓ The new Lab on lease contracts started post Q2FY19 (9 nos.) have diluted the total lab on lease EBIDTA to 10%, which was as expectation
- ✓ Rental overlap & Transitional Cost for the lab at New Delhi has impacted the EBIDTA for Q2 & H1FY20
- ✓ Increase in minimum wages in states where metropolis has strong presence, has impacted the EBIDTA & Margins

PAT (after taking benefits of lower tax rates)

- ✓ Q2FY20 PAT is 43.13 Cr as against 30.01 Cr in Q2FY19 resulting a **growth of 43.7%**
- ✓ Reported PAT margins for the quarter stood **at 19.3%** due to lower tax rates benefits

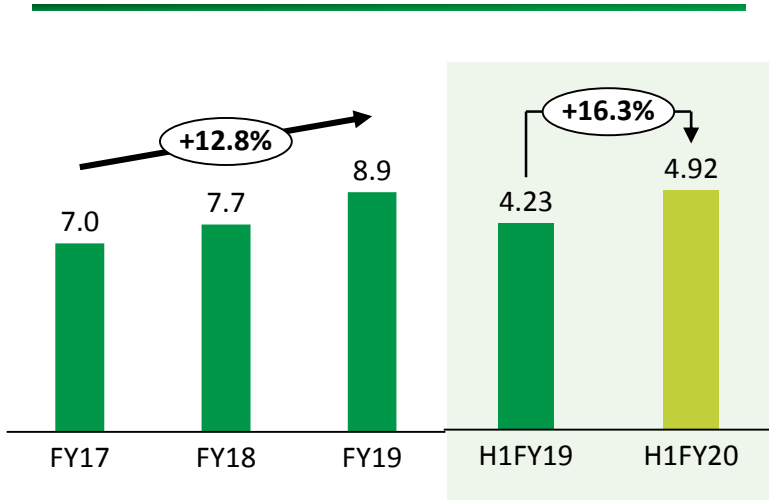
On Consolidated Basis;

#Incl. Exceptional Items: For Q1FY20: a) provision for impairment of investment in securities of Infrastructure Leasing & Financial Services (IL&FS) aggregating to Rs.3.36 Crs and b) provision for Rs.3.5 Crs on account of certain old unreconciled balances

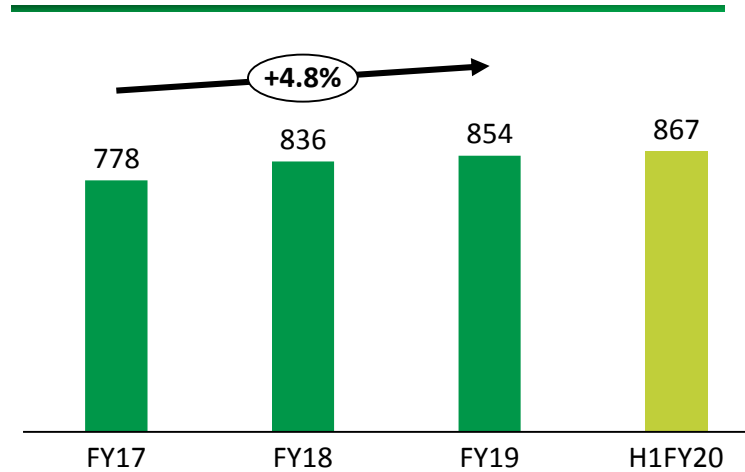
For Q2FY19: a) Rs. 3.55 crs on account of ESOP and b) Rs. 1.3 crs on account of merger's

Robust Operating Performance

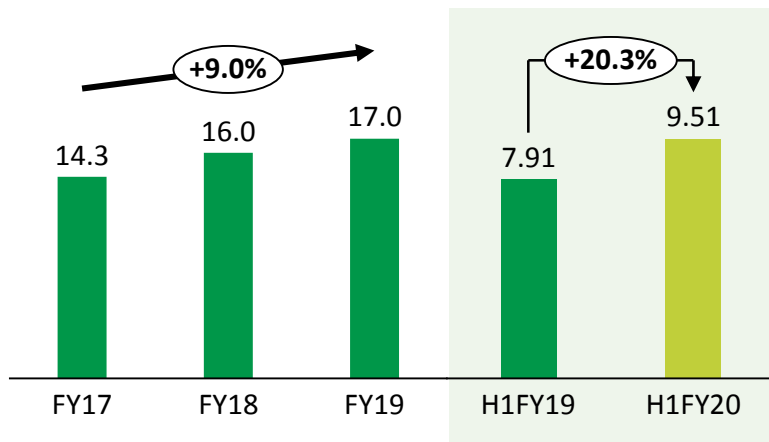
No. of Patient Visits (In Mn.)



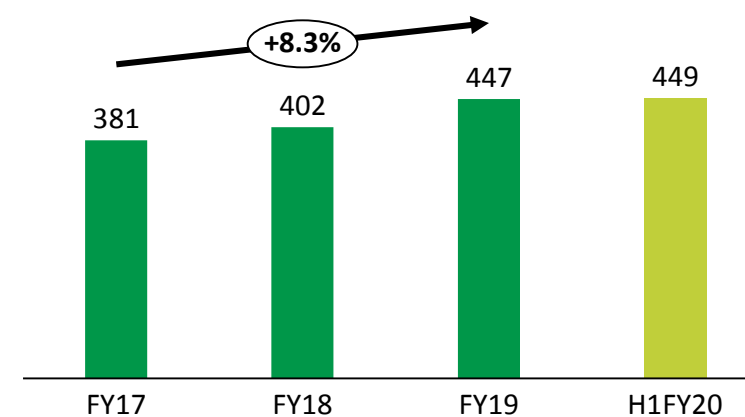
Revenue Per Patient (In Rs.)



No. of Tests (In Mn.)



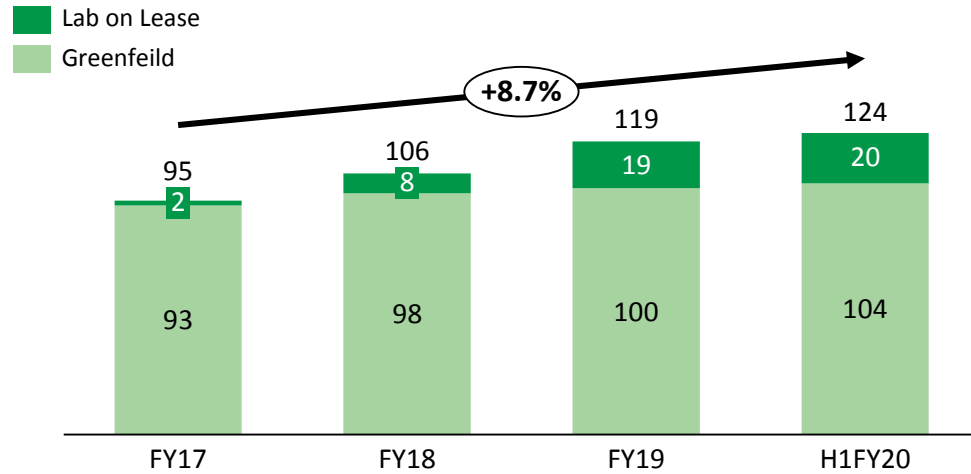
Revenue Per Test (In Rs.)



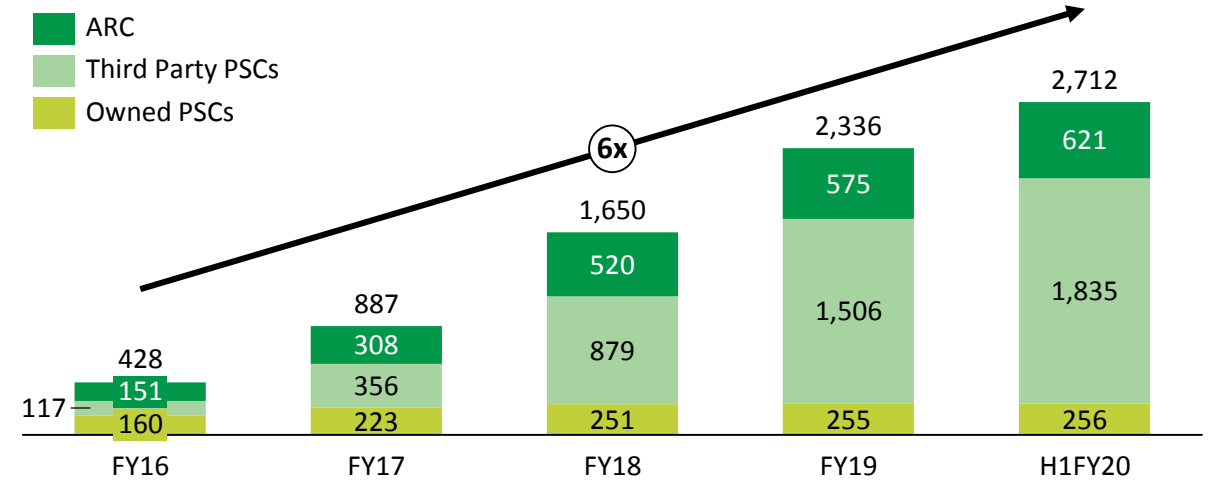
- ✓ Total patient visit has increased from 2.29 Mn in Q2FY19 to 2.66 Mn in Q2FY20 registering a **growth of 15.7%** Y-o-Y
- ✓ Number of tests performed has increased to 5.17 Mn in Q2FY20 from 4.31 Mn in Q2FY19 registering a **growth of 20.1%** Y-o-Y
- ✓ Revenue per patient in Q2FY20 is **Rs. 839**, the same as Q2FY19. Historically, Q2 average realization per patient is always lower than Q1
- ✓ Wellness growth was at **48.1%** on Y-o-Y basis. Increasing contribution from 6.3% in FY19 to 8.0% in Q2FY20
- ✓ **Around 40%** of super specialized and specialized test contributes to high revenue per test
- ✓ International business leads to higher realization per test
- ✓ Institutional customers contribute to higher realization per patient

Network Expansion

Laboratory Network



Service Network



Network Strategy Highlights

Young Individuals Patients Network

- ✓ The average retail centre matures in five years. As the network matures, it is expected to contribute to short and mid term future growth. There is an opportunity to 82% of our franchisee network which is opened in last four years to grow as per matured centres.
- ✓ We are seeing healthy growth in average revenue per centre in the third party centre segment.

Asset Light Network

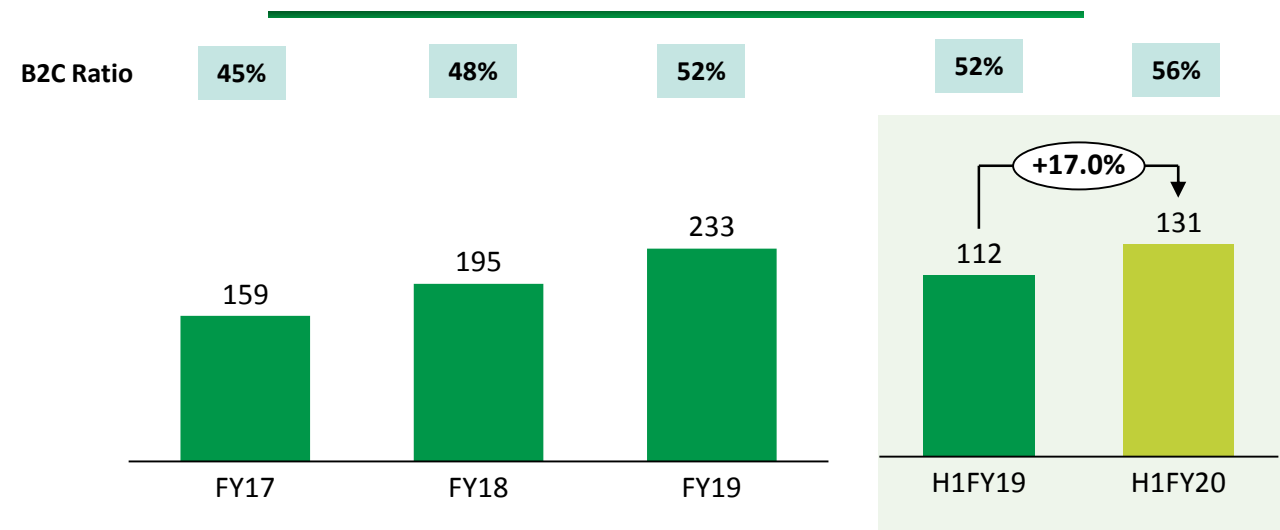
- ✓ 87.76% of the centre network and 16.13% lab network is asset light.
- ✓ Major addition in the labs in FY19 and H1FY20 is through lab on lease model which is asset light with no capital requirement

Fast Pace of Execution

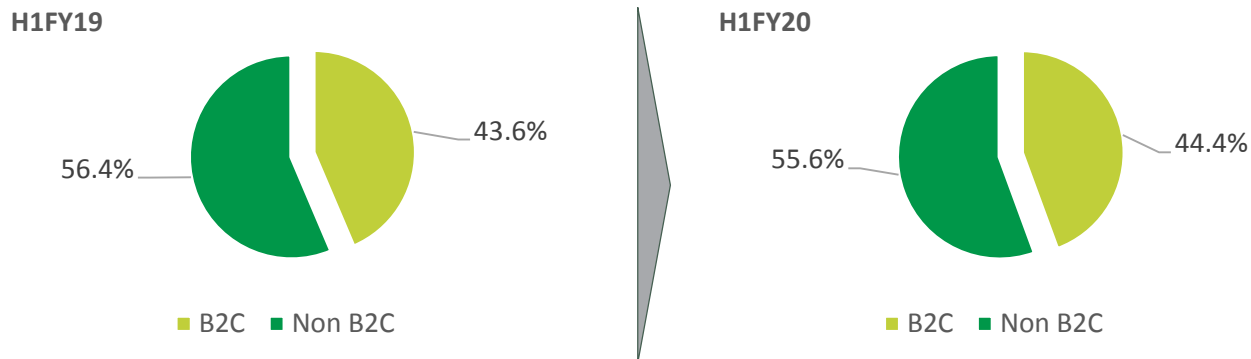
- ✓ 6x patients network growth during FY2016-H1FY20
- ✓ 176 service network added during Q2FY20, of which 156 are front end third party centres. 71 % of these were started in focus cities.
- ✓ 2,284 patients touch points added during FY2016-H1FY20

Increasing Share of B2C Business

B2C Contribution in Focus Cities (Rs. in Crs)

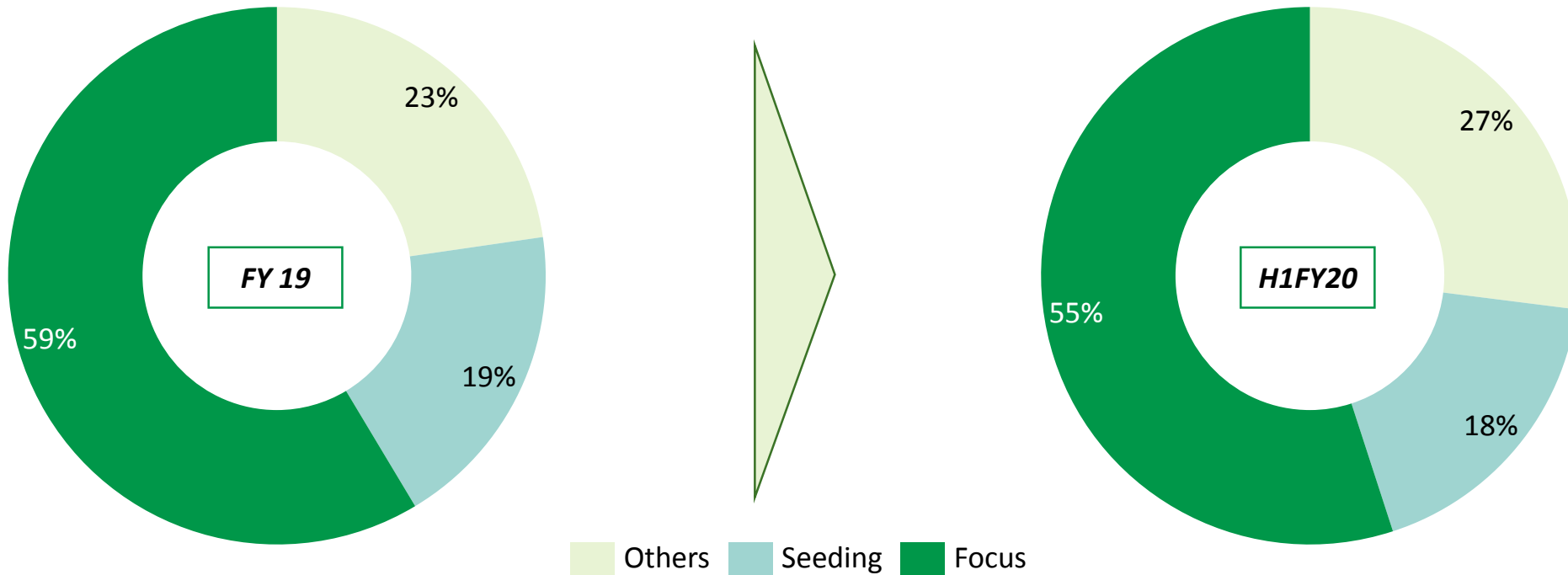


B2C Contribution of Total Revenue



- B2C segment now contributes **56% of the revenue from Focus cities** as compared to 52% in H1FY19
- Overall revenue from B2C stood at 44.4% in H1FY20 as compared to 43.6% in H1FY19
- B2C contribution in the last few years has seen an upward trend owing to:-
 - ✓ Aggressive **network expansion** to go closer to the patient
 - ✓ Integrated **Brand building campaigns** to establish Metropolis as a trusted brand in the mind of consumer and the doctor
 - ✓ **Building awareness** amongst doctors for quality and service differentiators of Metropolis vs the unorganized sector.
 - ✓ Obsessively monitoring customer experience and generating a **Net Promoters Score (NPS) of 90 across the group**

Revenue Mix between Focus, Seeding & Others Cities



Improving Revenue Diversification

- The revenue diversification is improving, and we were able to increase our revenue contribution from other cities which will be the growth engine for the future
- Opportunity to increase market share in focus cities is very high especially through the B2C route and a combination of our new network expansion along with improving revenue per center; this will create a long runway for growth

Acquisition in Surat

Acquisition of 4 Front End Labs in Surat effective Sep 30, 2019, which is a focus city, for expanding our market share in that region. While these labs were part of our lab on lease in FY19, post acquisition it will allow us **to build synergy and efficiency at the backend and expand the consumer franchise on the front end.**

Merge Histoxpert

Metropolis decided to **merge Histoxpert operation into Metropolis parent company.** As on date, Histoxpert is a one-year old JV providing digital pathology services to hospitals focused on cancer care, with Metropolis holding 65% of the share holding. The **rationale to merge is that it will reduce corporate cost of Histoxpert and provide better synergy for consumers on the front end.**

People Management

- **New CFO appointed - Rakesh Agarwal** – Master’s in Business Administration with Finance Specializations from AIM Institute and CS from ICSI. He has over 20 years of progressive experience in Finance Domain including Business Finance, Financial Management & Operations Management. His previous assignment was with Bharti Airtel Ltd, where he was heading the Finance Controller function for India. Prior to that, he was associated with organizations like Dishnet Wireless Ltd, Usha International Ltd.
- He has extensive experience in
 - Consumer Finance
 - Business Partnering
 - Business Report & Analysis
 - Internal & Statutory Audit, Statutory Compliance & Governance

Others

- Our Delhi regional reference lab has been **relocated and expanded to 15000 sq ft from 8000 sq ft. earlier.** A larger test menu processed in Delhi will allow Metropolis to build further market share in North India by expanding processing capacity, improvement in TAT and adding more scientific expertise.
- A total of **14 new tests** (in areas of Genomics, Onco-pathology, new-born screening and transplant pathology) have been validated and added to the test menu in H1FY20 thus **expanding our capabilities to conduct more specialized tests**

People Management

- **New CHRO appointed - Ishita Medhekar** – Before joining Metropolis, Ishita was Head HR with Sterlite Power. She has 20+ years of experience in varied industries such as telecom, Consultancy and Pharma with 15 years of experience in strategy and system designing and operations. In her recent assignments she has been associated with other organizations like Bharti Airtel, Avaya Global Connect, AF Ferguson & Co.
- Key initiatives taken in Q2 in manpower.
 - Launch of a **new performance management system** aligning key stake holders.
 - Launch of **rewards and recognition platform** for the entire employee base.
 - Launch of **Talent development vertical**
 - Due to productivity enhancement, employee base has reduced from 4,914 Mar'19 to 4,712 Sep'19
- Average Tenure of our CXO Team and top reporting personnel: Stable, balanced team with high focus on growth and targets
CXOs: 4.6 years / N-1 (Direct Reporting personnel to CXOs): 5.5 years / N-2 (High performers reporting to N1) – 4.8 years

Technological Initiatives

- Some of the Investment made in the past one and half year have gone live in H1 FY20 which include:
 - A **new front-end registration and invoicing system** which will enhance speed and put in better controls.
 - An **automated human resource management system** which will provide analytics to start making better productivity decisions.
 - A **new customer analytics module** which will provide visibility in tracking customer behavioral patterns and allow us to have targeted campaigns **for better conversion rate.**
 - Move towards a **lean asset light infrastructure** using cloud as the main platform.
 - Build robustness in operations by implementing software for **better data security and business continuity.**

Customer Focus Initiatives

- **Total of 33 CMEs, 12 multi-specialty national conferences and 56 Round table meetings** with maximum participation from practicing well renowned clinicians. **Number of Clinicians reached out through these initiatives is 3116.**
- **Cumulative Marketing Campaigns Reach of H1 FY19-20: 33.75 lac consumers.**



Period	Particulars
October 2019	Metropolis won the award for Best IT Practices at the Data Center Summit, 2019
October 2019	Our Managing Director, Ms Ameera Shah was listed amongst the Most Powerful Women in Business by Fortune India 2019 and Business Today 2019
October 2019	Metropolis wins the Healthcare Leadership Awards , 2019 at Uttar Pradesh Healthcare Leadership Awards 2019 held at Lucknow. Chief Guest Shri Brajesh Pathak, Cabinet Minister of Legislative conferred the award to Metropolis
September 2019	RV Metropolis was awarded by the Karnataka Government for reporting the Highest Number of TB Cases amongst private laboratories in the state
September 2019	Metropolis was recently bestowed with Best IT Enabled Pathology Chain Award during the 4th Digital Innovation Health Summit and CIO Awards at Kolkata
September 2019	Our Founder and Chairman, Dr. Sushil Shah was honored as the Iconic Personality in Healthcare by Mid-Day at the Mid-Day Healthcare and Wellness Awards September 2019
July 2019	Metropolis was recently conferred with Award De Excelencia – “Service Excellence in Healthcare & Wellness” during the 3rd Annual Global Business Leadership Forum. It was presented by the prestigious Asian African Chamber of Commerce & Industry. July 2019

Consolidated Adjusted Profit & Loss Statement

Profit & Loss (Rs. Crs.)	Q2FY20	Q2FY19	Y-o-Y	Q1FY20	Q1FY19	Y-o-Y	H1FY20	H1FY19	Y-o-Y
Revenue from Operations	223.3	193.1	15.6%	203.3	175.8	15.7%	426.6	368.9	15.6%
Cost of Raw Material Consumed	52.7	45.8		48.2	41.2		100.9	87.0	
Laboratory Testing Charges	1.5	1.2		1.5	1.4		3.1	2.6	
Employee Expenses	49.7	44.1		47.2	41.5		97.0	85.5	
Other Expenses	60.7	49.3		55.2	47.4		116.0	96.6	
EBITDA before CSR & Impact of IND AS 116	58.6	52.7	11.2%	51.1	44.3	15.4%	109.7	97.0	13.1%
EBITDA (%)	26.3%	27.3%		25.1%	25.2%		25.7%	26.3%	
CSR	0.2	0.0		0.3	0.0		0.5	0.0	
Impact of IND AS 116	-4.2	0.0		-4.2	0.0		-8.4	0.0	
Reported EBIDTA	62.6	52.7	18.8%	55.0	44.3	24.2%	117.7	97.0	21.3%
Reported EBIDTA (%)	28.0%	27.3%		27.1%	25.2%		27.6%	26.3%	
Other Income net of Finance Cost	1.8	5.0		1.3	1.9		3.1	6.9	
Depreciation	5.4	4.8		5.0	4.5		10.4	9.3	
IND AS 116 Depreciation	3.9	0.0		3.3	0.0		7.2	0.0	
IND AS 116 Finance Cost	1.7	0.0		1.5	0.0		3.2	0.0	
Profit Before Tax before exceptional items and share of equity accounted investee	53.4	52.9	1.0%	46.5	41.7	11.6%	99.9	94.6	5.7%
Exceptional Items	0.0	4.9 [#]		6.9 [*]	0.0		6.9 [*]	4.9 [#]	
Share of loss for equity accounted investee (net of tax)	-0.2	-0.4		-0.3	-0.2		-0.5	-0.6	
Profit Before Tax	53.2	47.6	11.7%	39.3	41.5	-5.3%	92.5	89.1	3.8%
Margin (%)	23.8%	24.7%		19.3%	23.6%		21.7%	24.2%	
Tax	10.1	17.6		12.4	14.1		22.5	31.7	
Reported Profit After Tax	43.1	30.0	43.7%	26.9	27.4	-1.9%	70.0	57.4	21.9%
Reported Profit After Tax (%)	19.3%	15.5%		13.2%	15.6%		16.4%	15.6%	

On Consolidated Basis

*Exceptional Items: Q1FY20: a) provision for impairment of investment in securities of Infrastructure Leasing & Financial Services (IL&FS) aggregating to Rs.3.36 Crs and b) provision for Rs.3.5 Crs on account of certain old unreconciled balances

[#]Exceptional Items: Q2FY19 a) Rs. 3.55 crs on account of ESOP and b) Rs. 1.3 crs on account of merger's

Consolidated Balance Sheet

Assets (Rs. Crs.)	Sep-19	Mar-19
Non-current assets	353.2	247.9
Property, Plant and Equipment	120.7	116.7
Goodwill	90.6	78.6
Other intangible assets	22.3	17.6
Intangible assets under development	10.3	5.8
ROU Assets	57.3	0.0
Equity accounted investees	0.0	0.5
Financial Assets		
(i) Investments	1.8	1.8
(ii) Loans	8.6	4.2
(iii) Other Financial Assets	10.5	10.2
Deferred Tax Assets (Net)	4.0	3.7
Other non-current assets	4.9	1.6
Non-current tax assets (net)	22.2	7.5
Current assets	358.6	304.7
Inventories	25.7	26.1
Financial Assets		
(i) Investments	24.9	31.0
(ii) Trade receivables	149.0	136.8
(iii) Cash and cash equivalents	63.2	51.4
(iv) Bank balances other than (iii)	74.0	28.9
(v) Loans	11.4	15.1
(vi) Other Financial Assets	1.4	8.4
Other Current Assets	9.1	7.0
TOTAL - ASSETS	711.8	552.6

Equity & Liabilities (Rs. Crs.)	Sept-19	Mar-19
Equity	486.8	420.0
Equity Share capital	10.0	10.0
Other equity	475.1	408.5
Non Controlling Interest	1.7	1.4
LIABILITIES		
Non-current liabilities	60.7	8.2
Financial Liabilities		
(i) Borrowings	-	0.0
(ii) Lease Liabilities	44.0	-
(ii) Other Non-Current Liabilities	9.2	2.1
Provisions	4.9	3.2
Deferred tax liabilities (Net)	2.6	2.9
Current liabilities	164.3	124.5
Financial Liabilities		
(i) Borrowings	0.2	17.6
(ii) Lease Liabilities	17.9	-
(iii) Trade Payables	51.4	42.8
(iv) Other Current Financial Liabilities	68.2	41.8
Other Current Liabilities	7.5	8.0
Provisions	6.7	4.9
Current tax liabilities (Net)	12.4	9.3
TOTAL - EQUITY AND LIABILITIES	711.8	552.6

Summary of Consolidated Cash Flow

Cash Flow Statement for six months ended (Rs in Cr)	Half year ended Sep-19	Half year ended Sep-18
Operating profit before working capital changes	92.55	89.11
Adjustments for Non-Cash Items	32.20	5.31
Changes in working capital	11.46	-6.83
Cash generated from operations	136.21	87.59
Direct taxes paid (net of refund)	-33.61	-28.94
Net Cash from Operating Activities (A)	102.60	58.65
Net Cash from Investing Activities (B)	-64.61	16.40
Net Cash from Financing Activities (C)	-26.35	-50.83
Net Change in cash and cash equivalents	11.63	24.23

We are Metropolis: The Pathology Specialist

Vision

To be a respected healthcare brand trusted by clinicians, patients and stakeholders. Positively impact lives of patients in their most anxious times and turn their anxiety in to assurance.

Mission

Helping people stay healthy, by accurately revealing their inner health



INTEGRITY

is in our

VEINS



EMPATHY

is in our

BLOOD



Accuracy

is in our

DNA



**35+ Years of
Credible Operations**



**Leading Diagnostic
player in India**



**4000+ Tests &
Profiles**

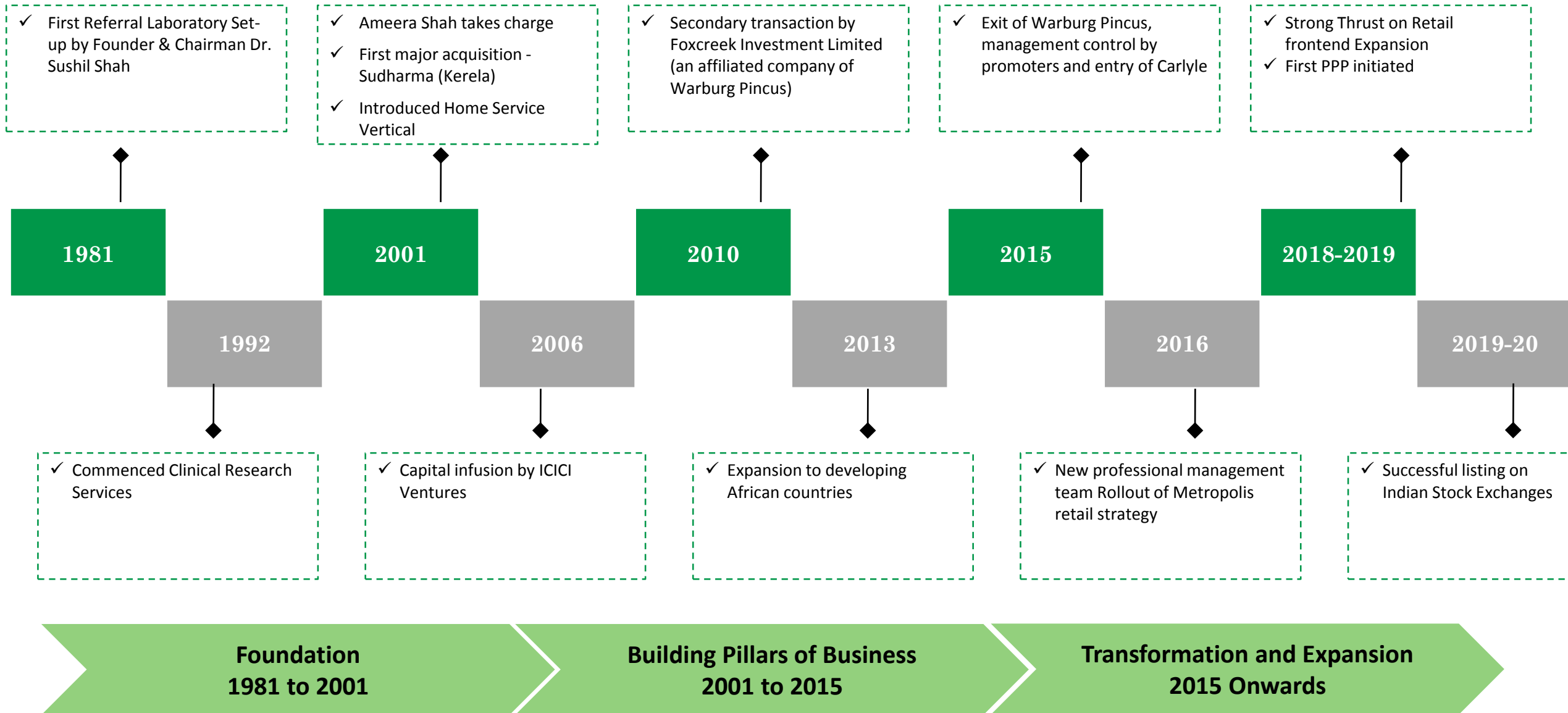


**Presence in 19
States & 210 Cities**



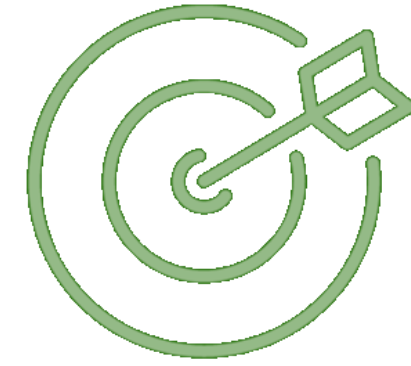
**17 Mn Tests & 8.9 Mn
Patient Visit in FY19**

Journey to Leadership Position

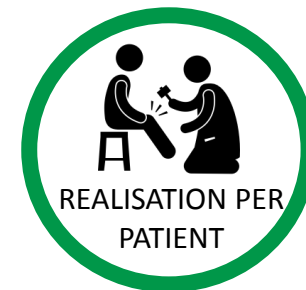




Leadership Position Across Industry



METROPOLIS Focus Area



01

Industry Growth

02

Value Chain

03

Business Model

04

Service Network

05

Expansion Plan

06

Quality

07

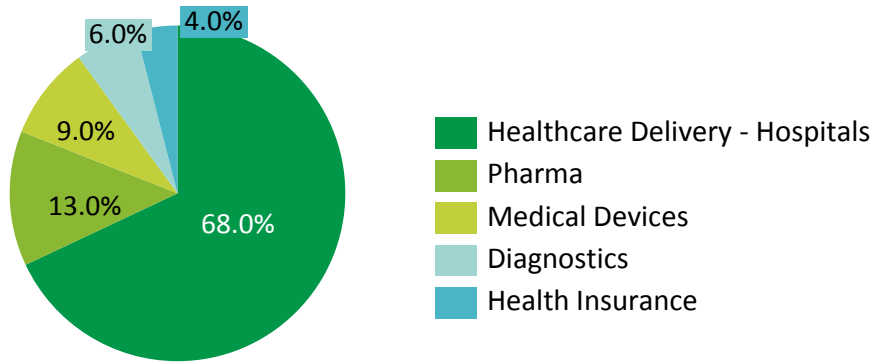
People

08

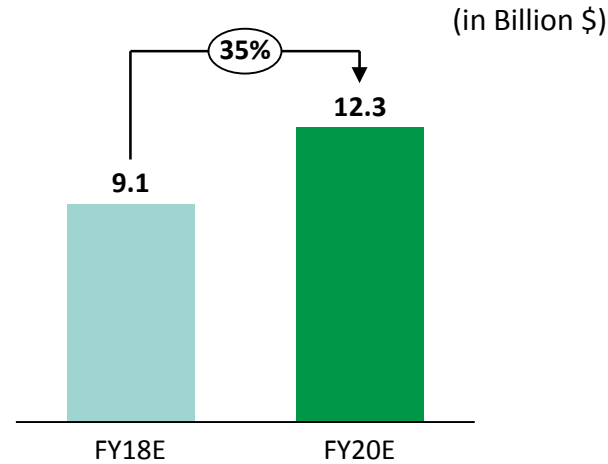
Digital Transformation

1a. Diagnostic Industry Poised to grow...

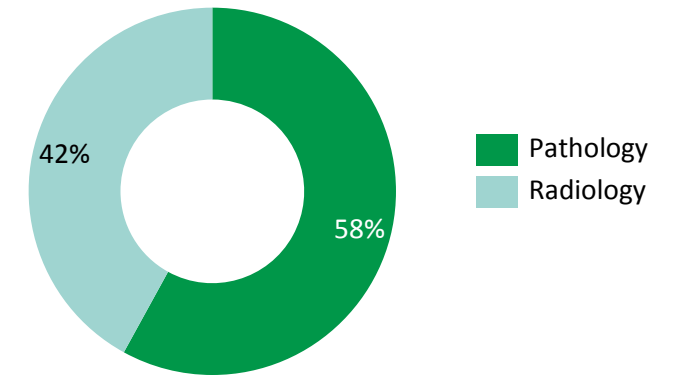
Size of Indian Healthcare Industry



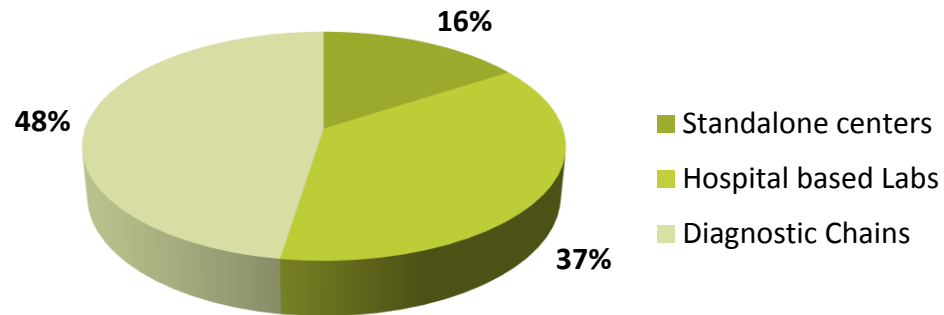
Size of Indian Diagnostics Market



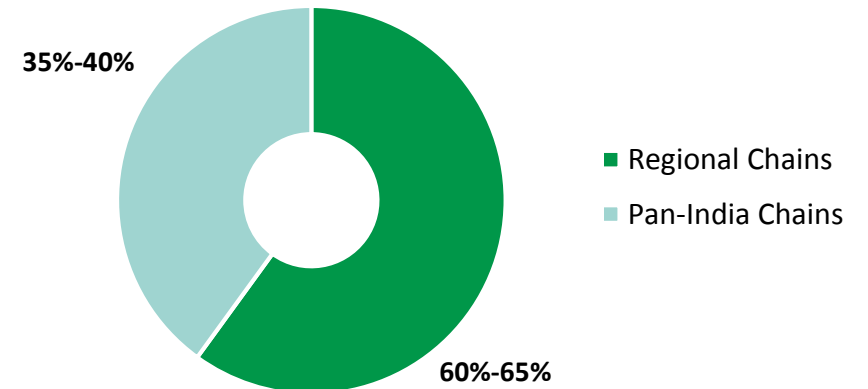
Indian Diagnostics Industry Breakup



Diagnostic Industry highly fragmented



Diagnostic Chains Presence



1b. Top players to continue to acquire market share of standalone centers



Brand Awareness

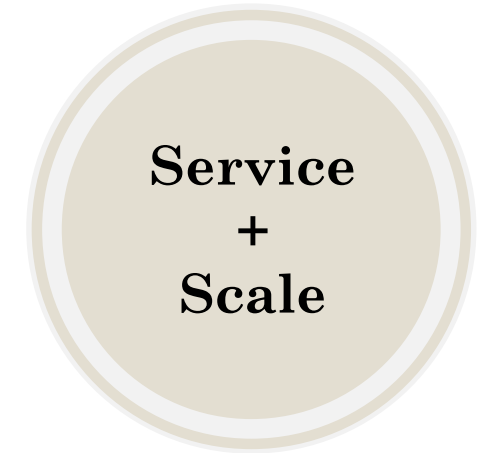
Increased brand awareness amongst patients and customers towards quality, reliability and test accuracy

Large Test menu

Large Test menu by organized diagnostics chains

Specialized offerings

Increased awareness of specialized tests, bundled test profiles and wellness packages



Metropolis is amongst the Front runners for Consolidation

Established track record of successful acquisition and integration in India and overseas

Less than 20% of the Diagnostics Sector in India is organized with limited Pan India presence and focus on Quality Parameters in Testing

2. Presence in key pockets of Value Chain

Diagnostic Industry - Fragmented

Highly Fragmented Market
Low Quality Standard



**Technician
Run Lab**

Low on Technical Qualifications & Accreditations (99.9% labs remain un-accredited)



**Pathologist
Run Lab**

Non-Compliant: Governance, Legal, Medical



**Hospital
Run Lab**

No Technology Up-gradation
No Customer Service

Un-sustainable and un-scalable business model



High Quality Standards with Large Test Menu

Customer Convenience

Highly Compliant w.r.t Governance, Legal & Medical regulations

Sustainable and Scalable Business Model

Leading Diagnostics Chains at an advantage

Years of experience, brand value and delivering value to all stakeholders

Routine Test

Majority Diagnostic Players
+
Moderate Competition
+
High Margins in %

Semi-Specialized Test

Few Focused Players
+
Intense Competition and Highly Commoditized
+
Packages and Test Menu is Key

Specialized Test

Few Players as market demands high accuracy and Quality Parameters
+
Low Competition
+
High absolute margin but low volumes

Metropolis Focus

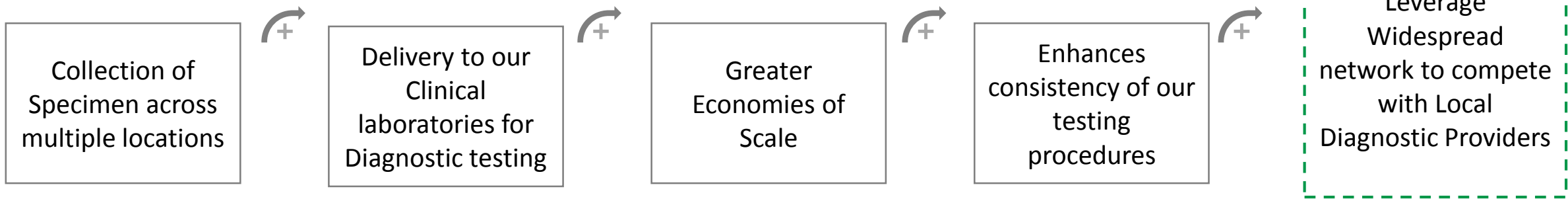
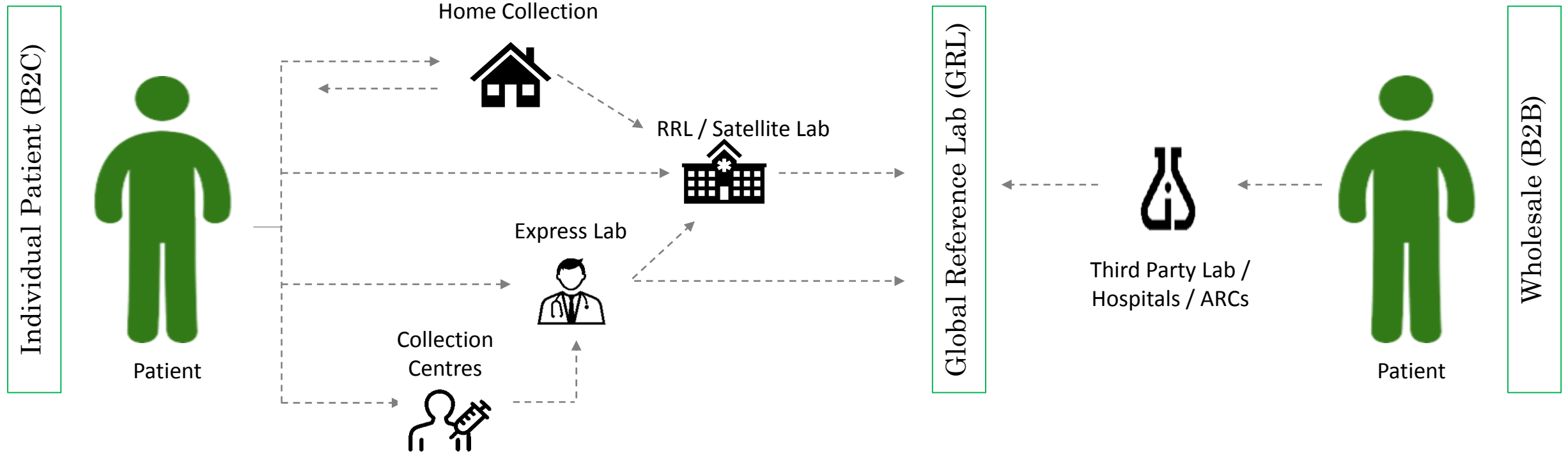
Presence across Value Chain as we are a National Player

Focus on High Value added Specialized Test

Resulting High Quality Earnings and Profitability

Metropolis - FY19 Mix	Volumes Mix	Value Mix
Routine	35%	17%
Semi Specialized	41%	37%
Specialized	16%	41%
Wellness	8%	5%

3. Hub & Spoke Model to scale efficiently



4. Patient Centric Network



1

Global Reference Lab in Mumbai

Routine + Semi-Specialized + Specialized

~4,000+ Test
~40,000 Sq. Ft



13

Regional Labs

10 in India; **3** Outside India

Routine + Semi-Specialized + Few Specialized

~500+ Test
~8,000 – 10,000 Sq. Ft



47

Express Labs; 5 outside India

63

Satellite Labs; 1 outside India

Routine Tests

~25-150 Test
~1,000-2,500 Sq. Ft



2,712 Collection Centers

256

Owned PSC's

1,835

3rd Party PSC's

621

ARC's

Collection Centers

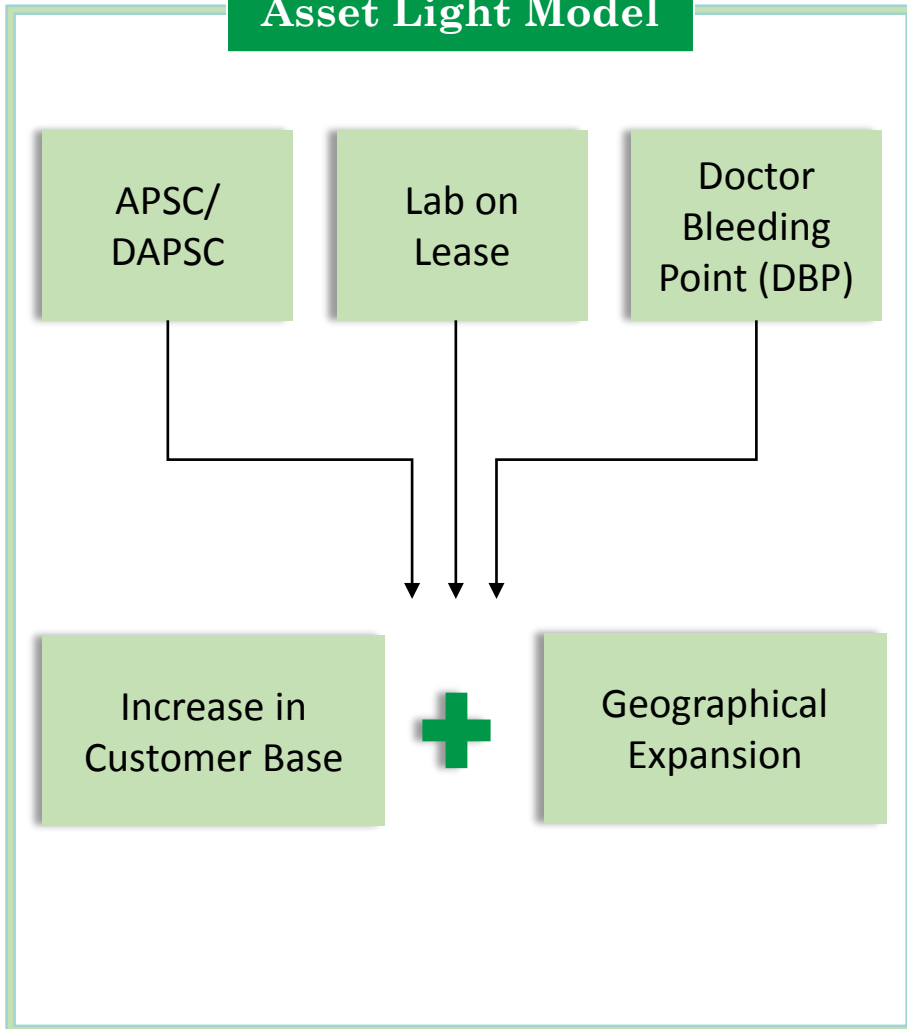
~200 – 1,000 Sq. Ft

Why Metropolis ?

- ✓ Conclusive Diagnosis with Large test Menu backed by Highest standards of Quality
- ✓ Customer Focused Services with convenience and test accuracy at the core of service standard
- ✓ Large Un-Paralleled Service network with Pan India Presence
- ✓ Consistency in operations in every single visit from seamless blood collection, hygienic collection setup to timely report delivery

5. Asset Lite Expansion Plan

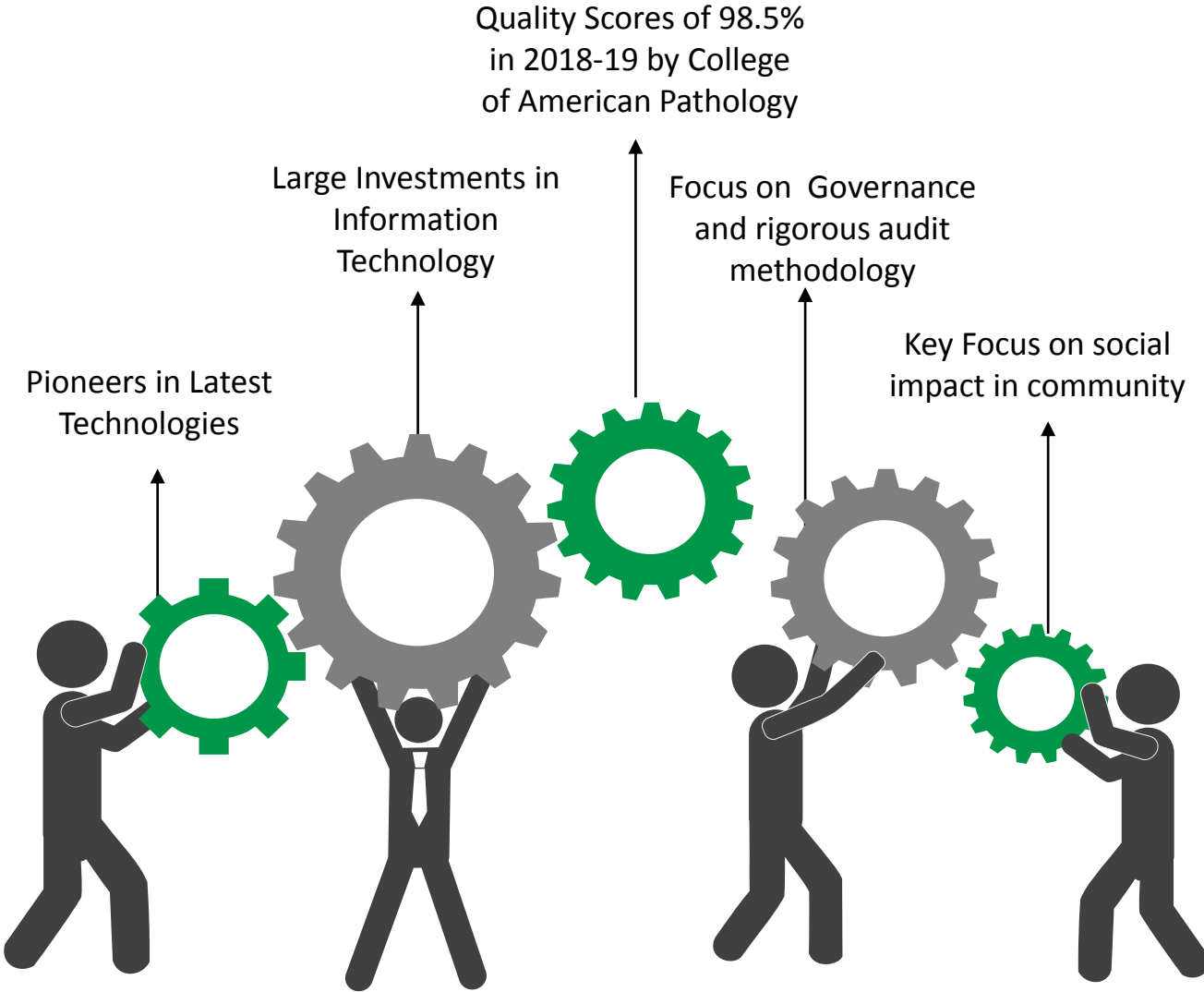
Asset Light Model



Network Expansion Strategy

- ✓ Focus on **Asset Light Model** to achieve Geographic Expansion with High Scalability
- ✓ The **A-PSC and D-APSC** Model allows us to grow our revenues by providing management and branding support while continuing to focus on increased penetration in our PSCs
- ✓ Better **Leverage of our Existing Infrastructure** by establishing a wider geographic reach which will enable customer base expansion and improvement in profitability matrix
- ✓ Establish strategic partnerships with **3rd Party Patient Service Centers** in India, Africa and Middle East to boost our Geographic reach

6a. Quality in Core



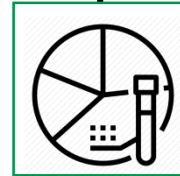
Quality protocols following global standards

99.9% of industry labs remain un-accredited with lack of minimum standards in the industry



Best medical talent trained in the Metropolis way

Talent in the industry remains un-trained with no benchmarks of minimum standards



Quality of materials used are USFDA or CE marked

Commonly used materials by industry labs are low quality



Patient experience score as per NPS is at 85% to 90%

Patient experience in industry labs is of poor infrastructure, lack of hygiene and safety and un-professional service



Ethical philosophy of putting patient first

Common practice in industry is to take shortcuts to enhance profit

Trust & Sustainability of our Brand is “CRITICAL TO OUR SUCCESS”

6b. Globally Compliant Quality Standards

“Global Lab Accreditations”



- ✓ Mumbai Lab is CAP accredited since 2005 *(College of American Pathologists, global gold standard in laboratory accreditations)
- ✓ NABL Accreditation follows ISO-15189 Standard and is recognized by ILAC & APLAC
- ✓ GRL and 11 RRLs have NABL accreditation.
- ✓ More than 75% reports are generated by accredited labs. Many of our doctor’s are assessors, lead assessors for NABL.
- ✓ Some senior doctors are committee members of NABL, WHO, Government & NGO committees.

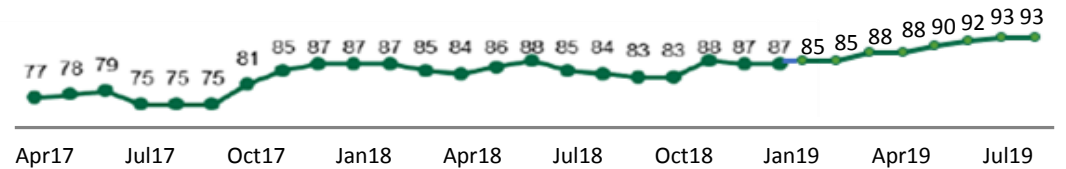


No. of Audits Conducted by PAC Team

FY	17-18	18-19	H1 20
	665	1,312	597

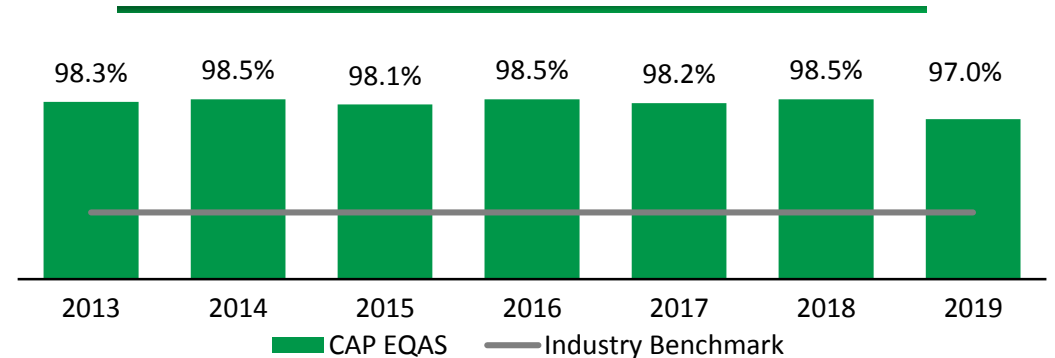
- ✓ PAC Team: Special Pre Analytical Care Team constituted as part of the Quality Assurance Team
- ✓ This team conducts thorough internal audits as per NABL Checklist to ensure compliance for our collection centres and facilities

NPS Score – PSC & Home Service

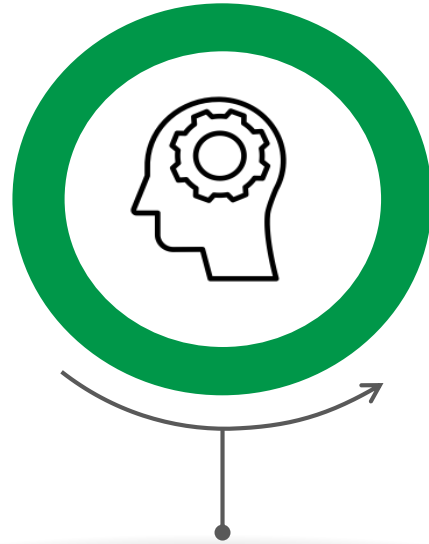


- ✓ Net Promoter Score (NPS for Owned & Home Service) is a scoring giving weightage to all those consumers who would recommend Metropolis after their experience minus any detractors who are unsatisfied with Metropolis Services.

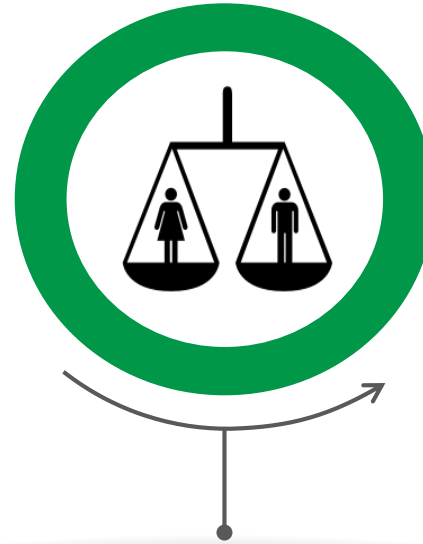
GRL CAP Proficiency Testing Score



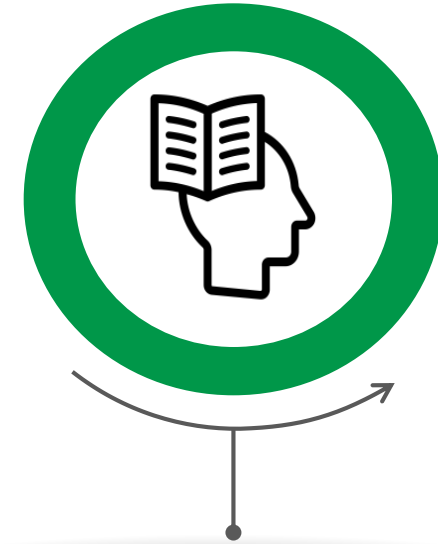
7. People are our greatest asset



- ✓ New HR Management System for automated processes improving productivity and ensuring availability of employee data on demand
- ✓ System for nurturing second in line high performers
- ✓ Young, energetic and motivated team. Over 60% of workforce are millennial
- ✓ Hungry and experienced management team aligned to vision of the company



- ✓ Strong culture equal opportunity workplace
- ✓ Female : Male Ratio = 41:59
- ✓ 4,500 + Highly skilled and motivated Member base



- ✓ Full Fledged Learning Management System that is used for daily training across the Company.
- ✓ Strong scientific team led by expert MD Doctors and pathologists
- ✓ 201 - Doctors
- ✓ 2,228 – Scientific & Technical Team

8. Leveraging IT for Competitive Advantage



1

Improving Business revenue generation capabilities

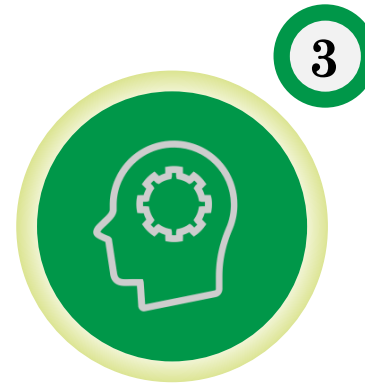
- ✓ **IBM Watson Campaign Automation** will help improve in additional leads and tracking
- ✓ Lead Management system will help **improve lead conversion rate**
- ✓ Data Analytics model on customer data will **improve Cross-Sell and Upsell**



2

Cost Saving & Optimization

- ✓ Launching a Pricing Engine for better Revenue Assurance
- ✓ **Payment Platform** improving controls in Cash Management Process
- ✓ **Network Bandwidth Optimization (SD-WAN)**



3

Improved Operational Efficiency

- ✓ **Zero Data Loss;** 100% data replication in remote location
- ✓ Implementation of Sample tracking process to **Improve Visibility of Customers & Turn Around Time (TAT) of reports.**
- ✓ **Automating HR processes through HRMS** for better tracking and possible productivity.
- ✓ Introduction of Learning Management System to training and development goals.
- ✓ **Automated Quality System** to track quality standards across the group

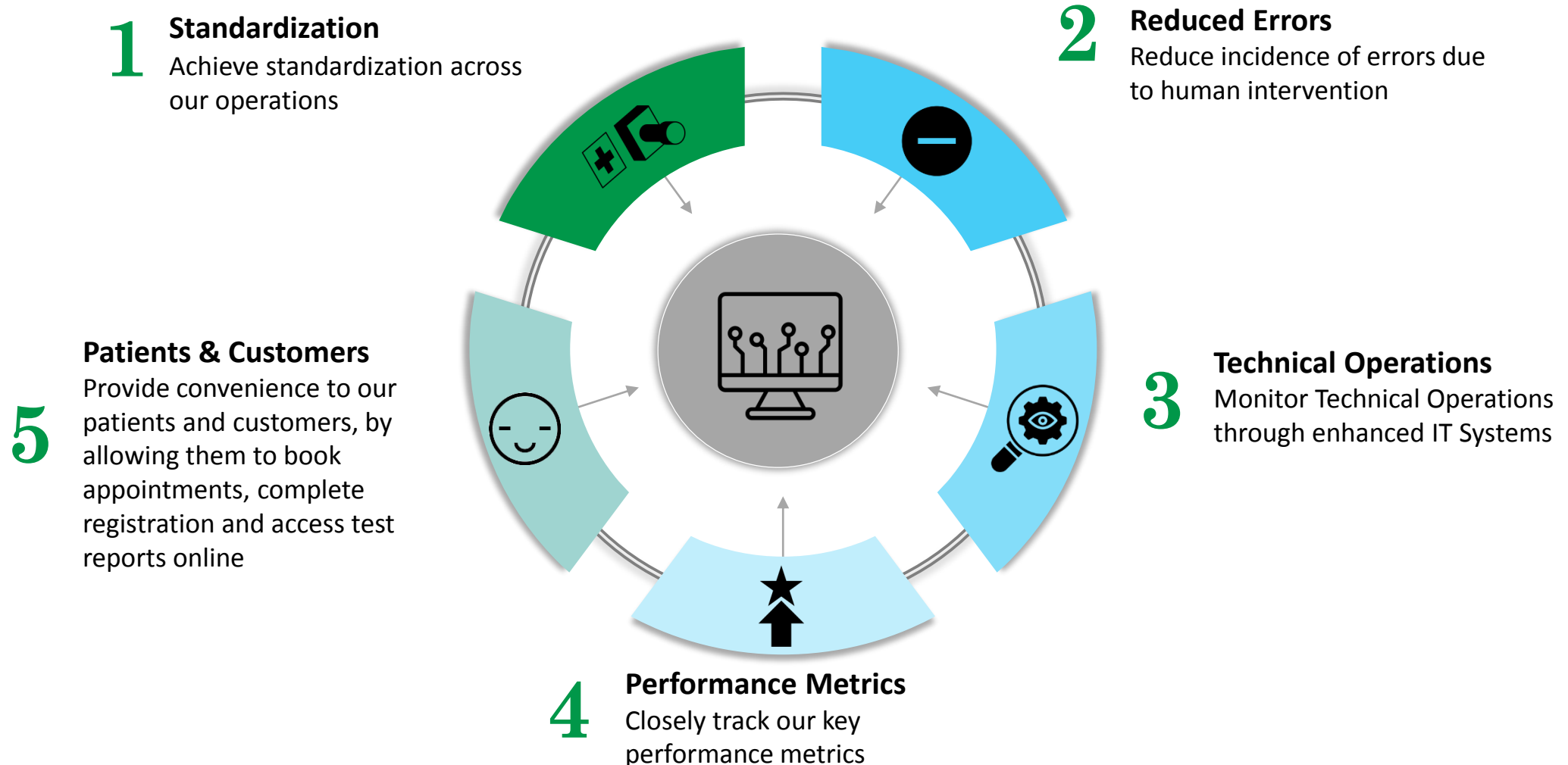


4

Improve Customer Experience

- ✓ **Mobility Applications** for consumer's ease of access
- ✓ **Service CRM implementation** will help improve NPS
- ✓ **Feedback Management** will increase percentage of patient providing instant feedback and rating

8a. Digital Transformation to improve efficiency



Our information technology system allows us to fully Integrate and Automate processes ranging from **Registration, Bar-Coding and Billing of specimens to Analysis and Reporting of Test Results**



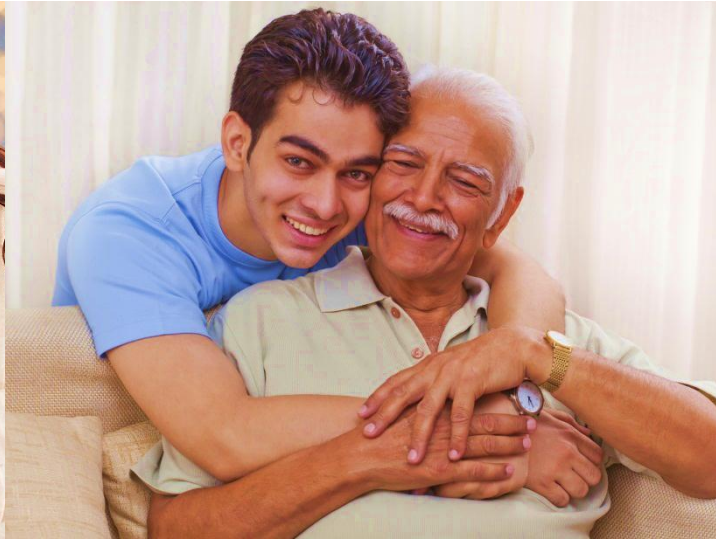
01

Increase Services



02

Increase Scale



01

Easy to Interpret Test Report

We offer our patients a Detailed Test Report which covers Result Trend Analysis and Patient Specific Interpretations and comments by our Doctors for certain tests and conditions

02

Sample Collection from Doorstep

We have increased scope of our Home Collection service to 197 cities in India

03

Conclusive Diagnosis

We also have a policy of ensuring Conclusive Diagnosis to our patients, even if it involves incurring additional costs for us, by way of Re-Checks and Reflex testing on alternate technology

04

Digital Access

We have developed a Mobile Application

- ✓ For scheduling house calls
- ✓ Accessing Test reports
- ✓ Receiving Test Reminders
- ✓ Online requests for Billing Information

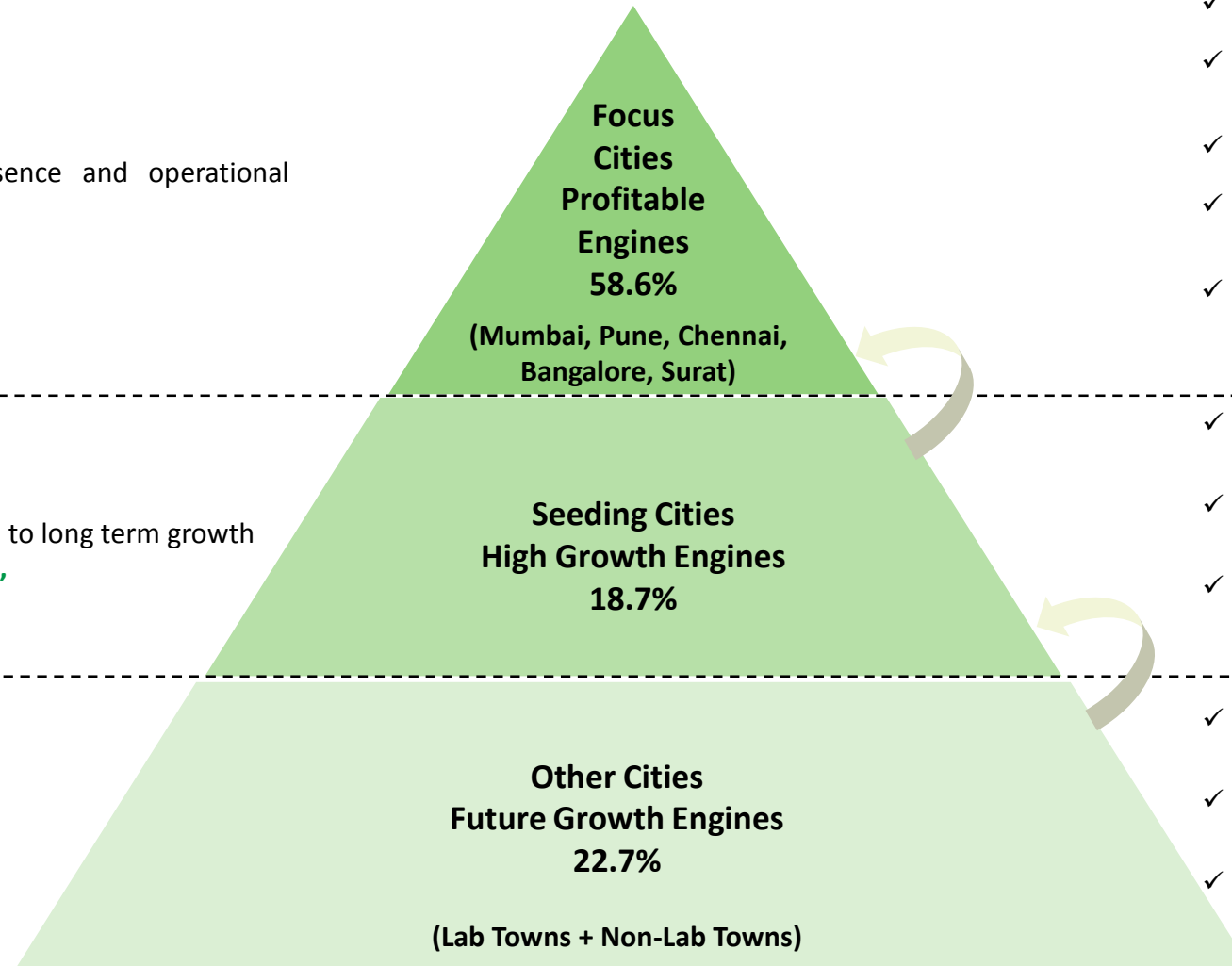
Criteria

- ✓ High Potential Market
- ✓ Metropolis has significant presence and operational experience in these cities

- ✓ High Growth Potential Market
- ✓ Core focus of Metropolis medium to long term growth
- ✓ Potential to become **'Focus Cities'**

- ✓ Tier II / Tier III Cities

Network of 210 Cities % of Revenue for FY19



Strategy

- ✓ Increasing the number of **Collection Centers**
- ✓ Enhancing our Laboratory Capacity and Test Menu by adding Latest Machines and Technology
- ✓ **Expanding B2C** share of Business
- ✓ Increase Sales and Marketing teams to enhance customer experience via new value-added initiatives
- ✓ **Doctor Engagement** through medical awareness initiatives
- ✓ Combination of **B2B / B2C strategy** to nurture seeding cities into focus cities over time
- ✓ Huge potential for Metropolis to increase the number of Patient Touch Points
- ✓ Targeted marketing activities to **strengthen the Metropolis Brand**
- ✓ Intend to leverage the **Asset Light Model** for expanding service network
- ✓ Focus to grow **ARC Network** to service institutional customers
- ✓ Nurture to **Seeding Cities**

Increase B2C sales mix

Deeper Network Penetration



Deeper centre penetration in Focused Cities on back of strong brand recognition to drive Individual patients to Metropolis Centres by promoting convenience.

Strengthen Metropolis Brand



Expand Branded third-party PSCs to help create increased visibility and presence with limited investments and do a Direct to Patient approach.

Productivity of existing young network



Increase number of referring doctors through a more efficient sales force leading to higher number of footfalls per centre.

Wellness initiatives for consumers



Creating an easy and engaging way for consumers to directly interact with Metropolis and start making decisions about their own inner health.

Build Industry Best practices

Introducing Standardized Machines and SOPs in a phased manner resulting in efficiency and quality enhancement

Access to Metropolis Network

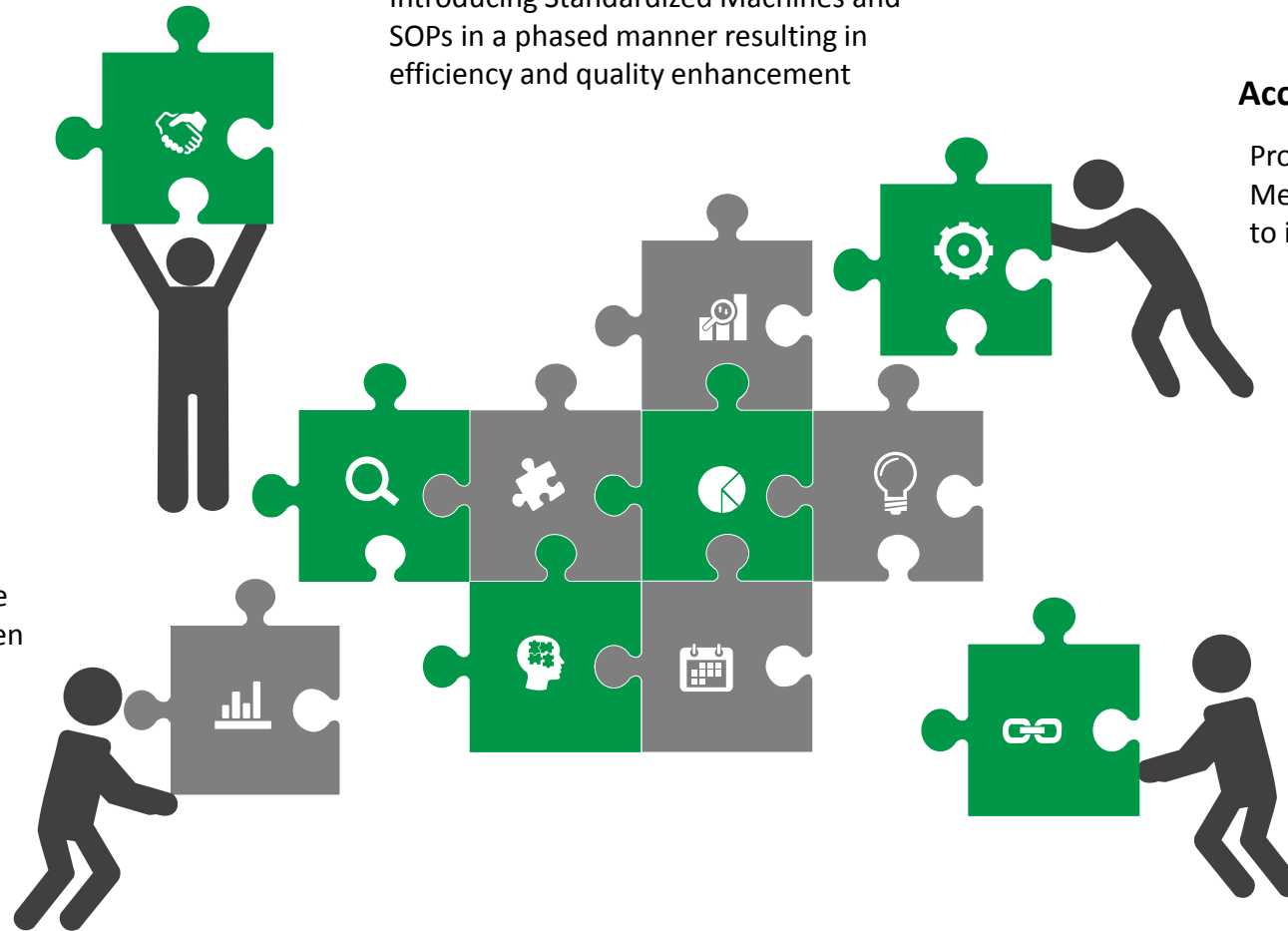
Providing acquired entities access to Metropolis Sales and Marketing Network to improve the Customer experience

Brand Strength

Metropolis Brand allows the Acquired Entity to strengthen its position in the Local Market

Test Menu Enhancement

Introducing Metropolis range of Test Menu to increase the capabilities of the Acquired Entity and thereby Customer experience



Established Track Record of Successful Acquisition and Integration

Successful Track Record of Inorganic Strategy : 22 Acquisitions in 15 years

Few of the Acquired Companies	Year of Acquisition	Location	Revenue at the time of acquisition	Revenue for FY19
Sudharma Metropolis Health Services Private Limited	2003	Kerala	Rs. 1.8 Crores	Rs. 50.4 Crores
Golwilkar Metropolis Health Services (India) Private Limited	2006	Pune	Rs. 3.9 Crores	Rs. 38.6 Crores
Desai Metropolis Health Services Private Limited	2008	Surat	Rs. 3.4 Crores	Rs. 32.0 Crores
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	2008	Bangalore	Rs. 3.6 Crores	Rs. 37.7 Crores
Dr. Patel Metropolis Healthcare Private Limited	2012	Nasik	Rs. 1.8 Crores	Rs. 13.9 Crores
Sanjeevani Rajkot	2017	Rajkot	Rs. 12.0 Crores	Rs. 16.0 Crores

Metropolis has successfully improved the Performance of the Acquired Businesses as well as grow scale of operations, achieve economies of scale and increase operating efficiency thereby improving Market Position

Plenty of Opportunities for Growth...



Test Packages

Growing our offering of Test Packages to Increase Revenue Metrics. Customized packages to Institutional Customers and Personalized Packages to Individual Patients are key



Scientific Upselling

Leverage our vast capabilities in Molecular Diagnostics, Oncology, Cytogenic where there is Less Competition and Higher Margins due to Advanced Technology, Skilled Manpower and Complex Processes Involved



Public Private Partnership

Selectively Participate in PPP Tenders in India by leveraging our experience with the execution of the NACO Order. Large opportunities exist in African markets on PPP basis



Preventive and Wellness Services

Targeting healthy individuals with sedentary lifestyles are prone to diseases such as cardiovascular and diabetes ailments. Precision medicine, focus on preventive care, walk-in/direct-to-customer services to drive growth



Expansion

Aggressive Network Expansion to go closer to Patient

+

Seeding Cities emerging as New Focused Cities

79% of Existing Patient Touch Points added during FY17-19.

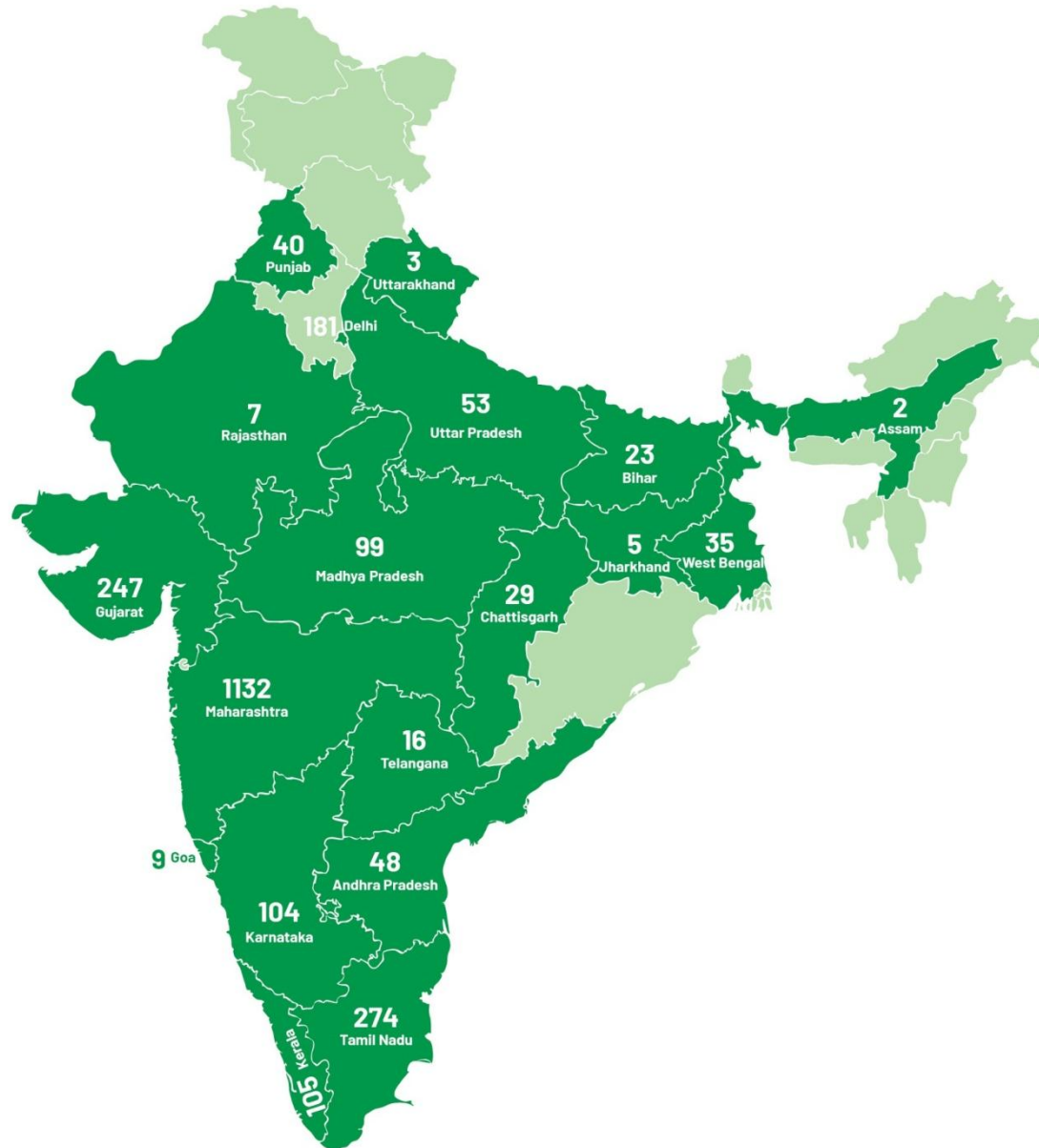
Maturity of this Young Network will fuel growth

Inorganic Strategy of Expanding Metropolis Reach to more locations in existing cities of presence and new cities

STRENGTHEN METROPOLIS BRAND TO

'BE THE ONLY CHOICE OF PATIENTS'

Pan India Presence...

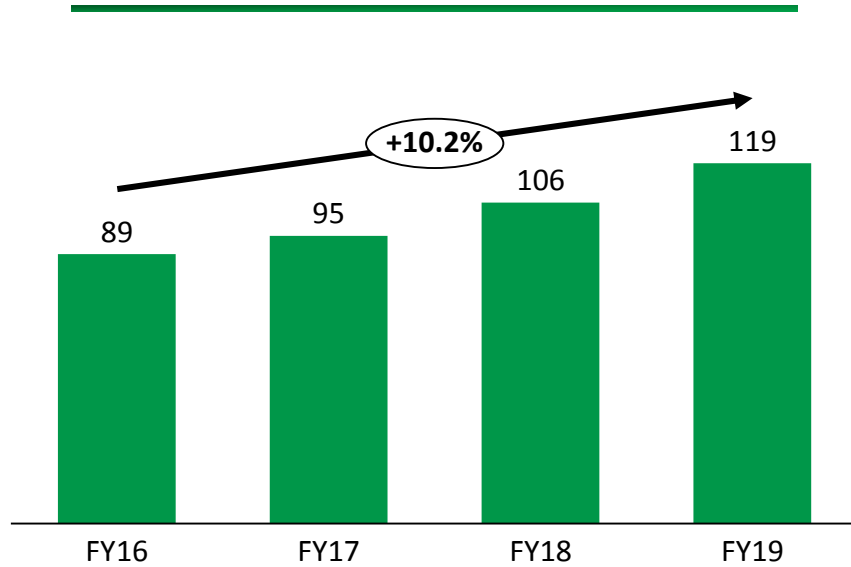


Metropolis Service Network

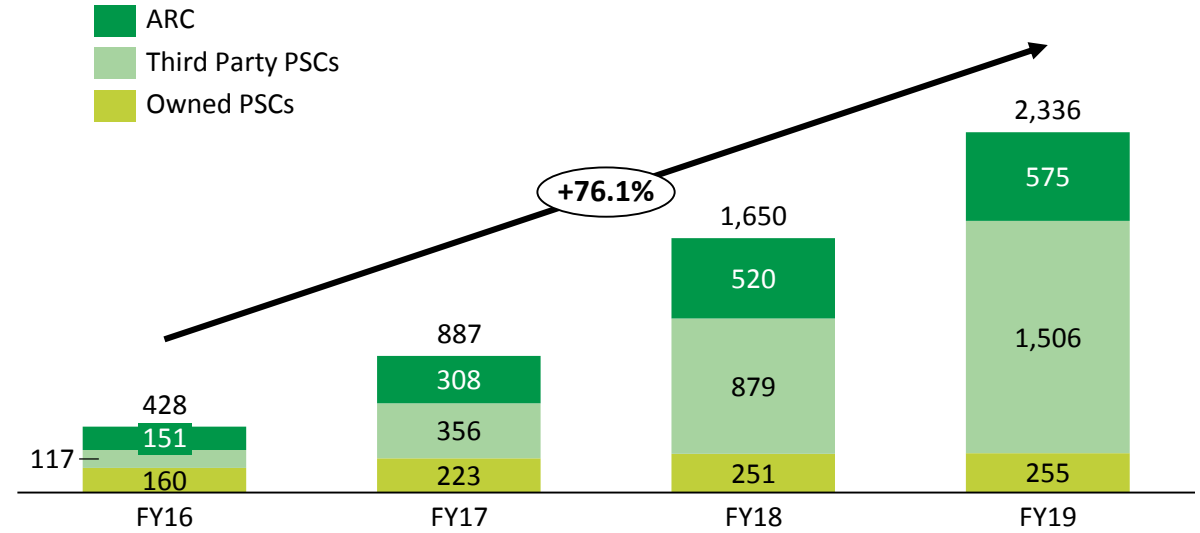
Metropolis Service Network	FY18	FY19
Laboratories	106	119
Owned PSC's	251	255
Third Party PSC's	879	1506
ARC's	520	575
Total	1756	2455

... with Aggressive Network Expansion Strategy

Laboratory Network



Service Network



Network Strategy Highlights

Young Individuals Patients Network

- ✓ 79% of the existing Individual patients touch points added during FY2017-19
- ✓ The average retail centre matures in five years. As the network matures, it is expected to contribute to short and mid term future growth

Asset Light Network

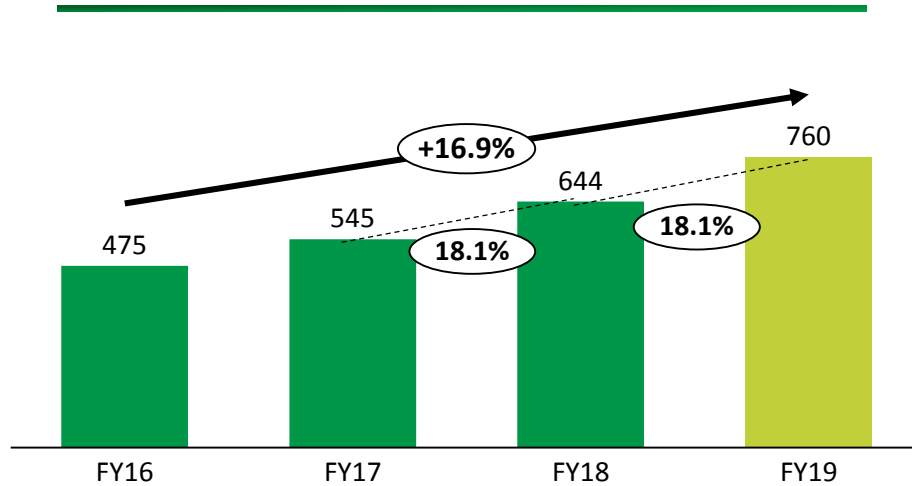
- ✓ 85% of the centre network is asset light
- ✓ 10 of 13 labs added in FY19 via lab on lease model which is asset light with no capital requirement

Fast Pace of Execution

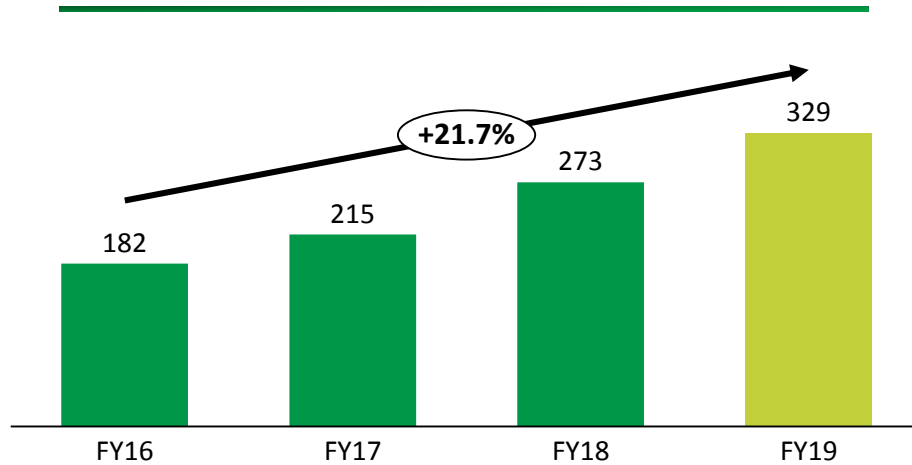
- ✓ 5.5x patients network growth during FY2016-19
- ✓ 1,938 patients touch points added during FY2016-18

Better than industry growth

Revenue (In Rs. Crs.)



Revenue growth for B2C (In Rs. Crs.)



Bolstering Growth in Wellness Segment



Metropolis Wellness revenue contribution for Metropolis is 5.5% which grew at 27% in FY19



This market is expected to grow at a CAGR of 20% over next 3 financial years (Frost & Sullivan)



Customers today are serious about wellness and choose to undergo preventive screening to safeguard their health and diagnose conditions before they turn in to complications



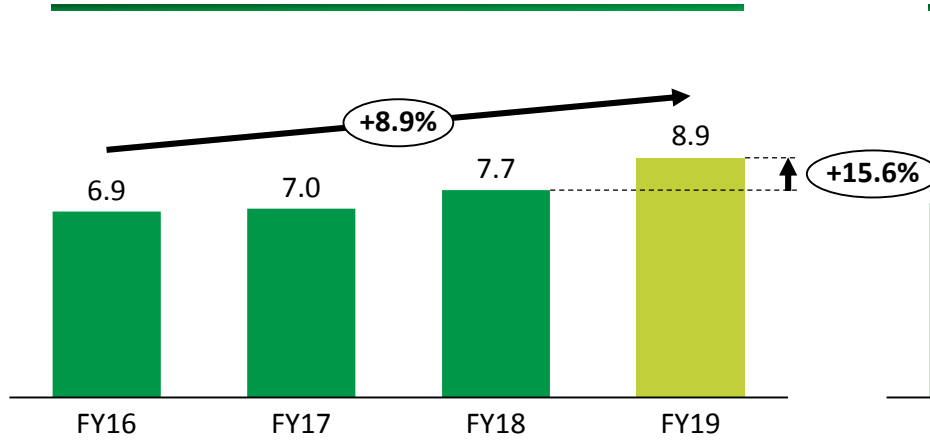
This segment is termed as wellness as opposed to the illness wherein the patient has to undergo tests when they are prescribed tests during sickness



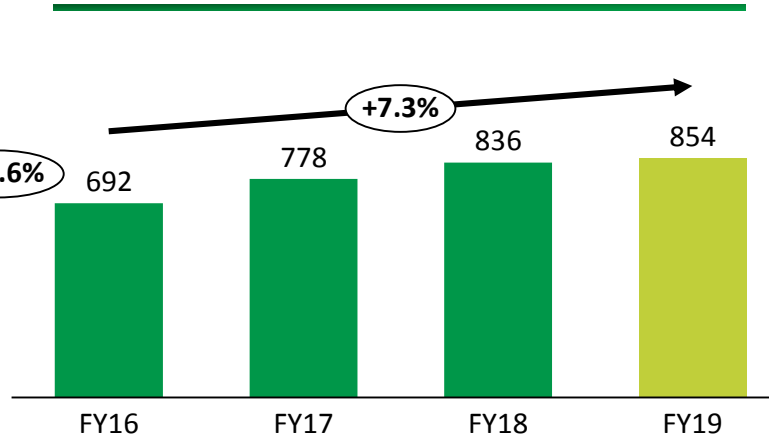
Wellness & Preventive Diagnostics market is 7% to 9% in FY2018 (Frost & Sullivan)

Robust Operating & Financial Performance

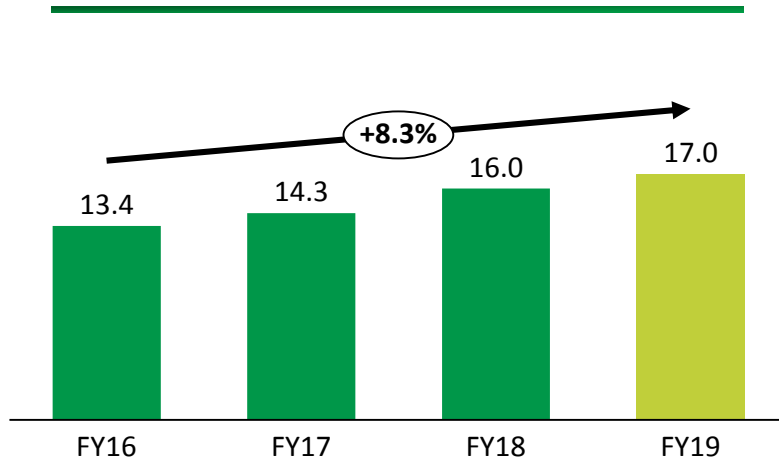
No. of Patient Visits (In Mn.)



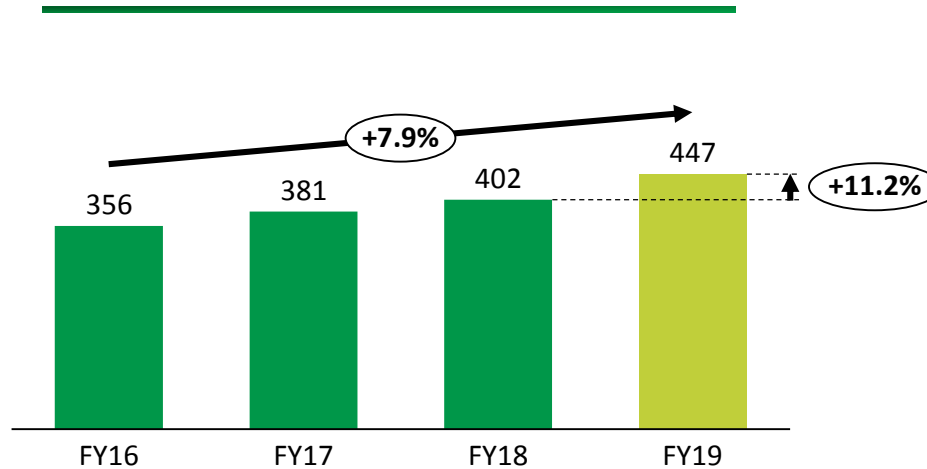
Revenue Per Patient (In Rs.)



No. of Tests (In Mn.)



Revenue Per Test (In Rs.)



Metropolis realization per test and sample is higher than industry owing to:-

- ✓ ~41% of specialised test contributes to high revenue per test
- ✓ International business leads to higher realization per test
- ✓ Institutional customers contribute to higher realization per patient

Retail contribution in Focus Cities to Total Revenue

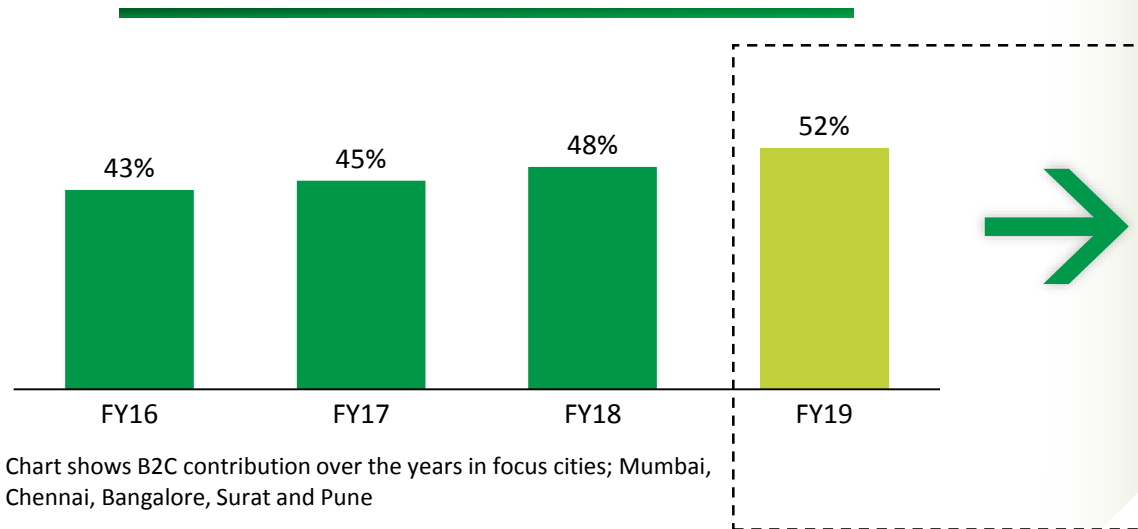


Chart shows B2C contribution over the years in focus cities; Mumbai, Chennai, Bangalore, Surat and Pune

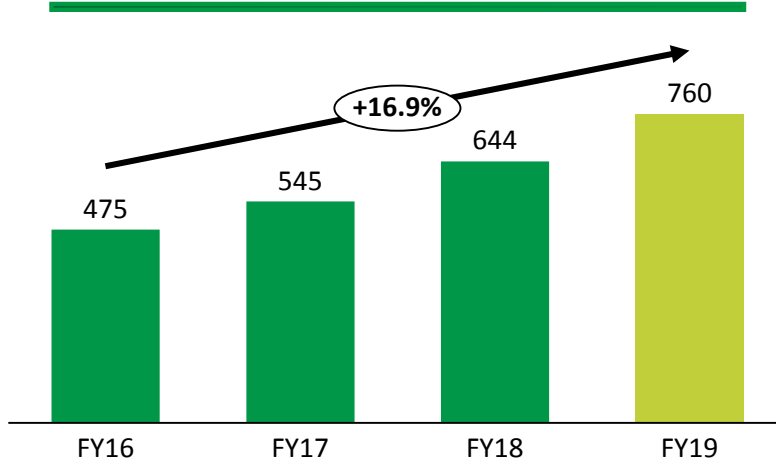
Primary Strategy of the Company is to increase the Retail share in focus cities to **65%**

B2C contribution in the last few years has seen an upward trend owing to:-

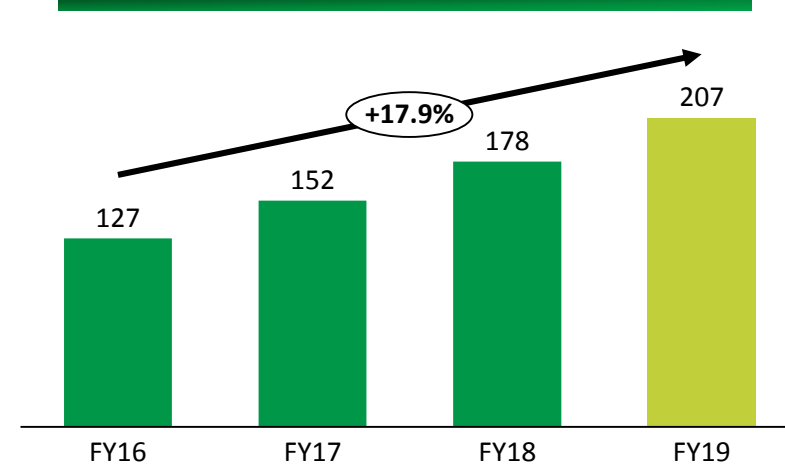
- ✓ Aggressive network expansion to go closer to the patient
- ✓ Integrated Brand building campaigns to establish Metropolis as a trusted brand in the mind of consumer and the doctor
- ✓ Building awareness amongst doctors for quality and service differentiators of Metropolis vs the unorganized sector
- ✓ Obsessively monitoring customer experience and generating an NPS (*Net Promoters Score) of 85 across the group

Financial Highlights

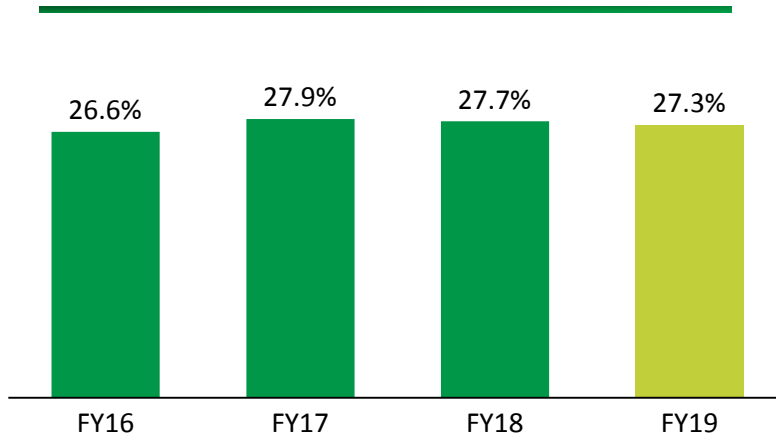
Revenue (In Rs. Crs.)



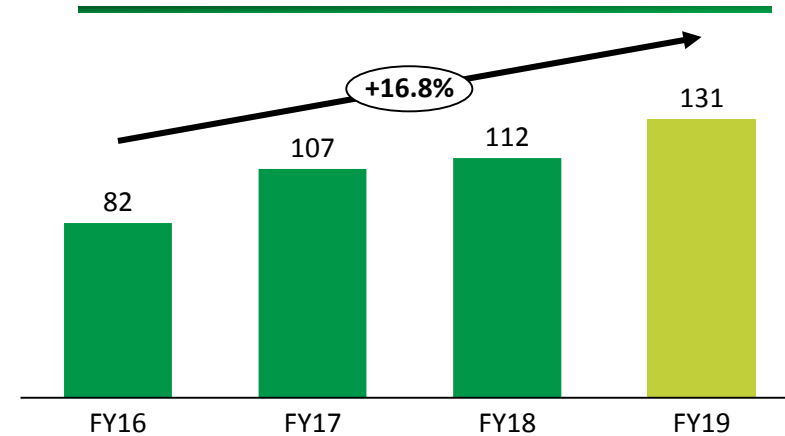
EBITDA (In Rs. Crs.)
before CSR and one time share based and other expenses



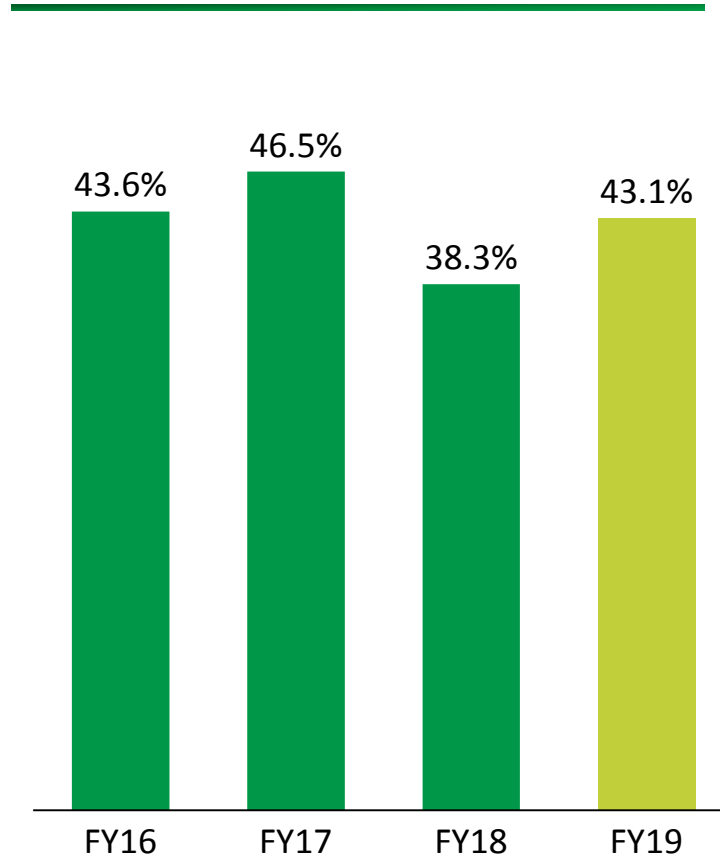
EBITDA%
before CSR and one time share based and other expenses



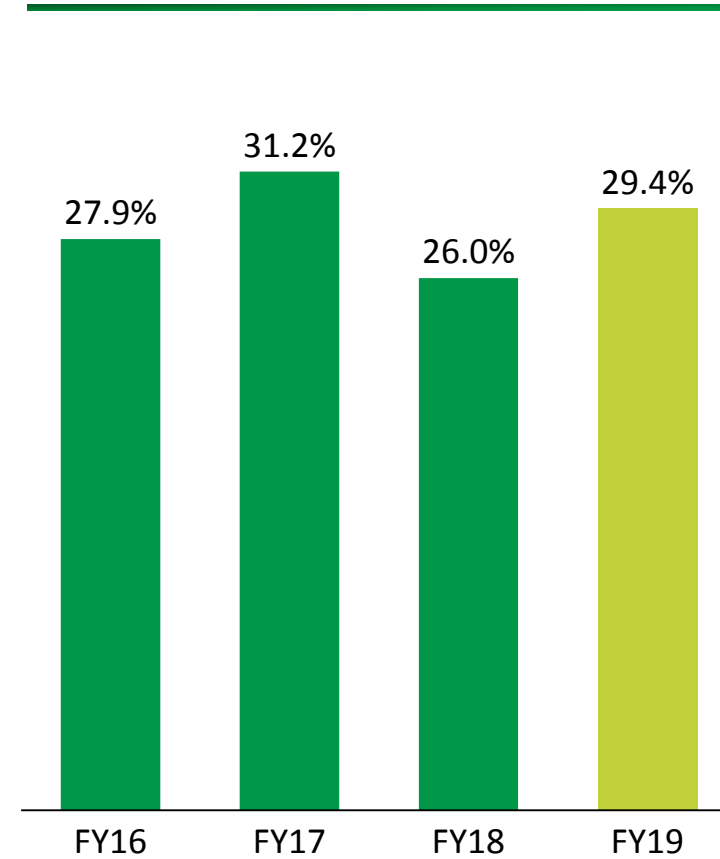
PAT (In Rs. Crs.)
before CSR and one time share based and other expenses



ROCE (%)



ROE (%)



Profit & Loss Statement

Profit & Loss (Rs. Crs.)	FY19	FY18	FY17	FY16
Revenue from Operations	760.1	643.6	544.7	475.5
Cost of Material Consumed	173.5	145.9	135.1	124.6
Laboratory testing charges	5.6	5.7	2.5	3.1
Total Raw Material	179.1	151.6	137.6	127.7
Gross Profit	581.0	492.0	407.1	347.8
Gross Profit (%)	76.4%	76.4%	74.7%	73.1%
Employee Expenses	172.7	145.8	127.7	108.2
Other Expenses	201.0	168.1	127.5	113.1
EBITDA before CSR and one-time share based and other expenses	207.4	178.2	151.9	126.5
EBITDA (%)	27.3%	27.7%	27.9%	26.6%
CSR	0.8	0.8	-	-
Provision for IL&FS Investment	1.4	-	-	-
One-time share based and other payments	5.9	4.8	(2.7)	(3.3)
EBIDTA	199.3	172.6	154.6	129.8
EBIDTA (%)	26.2%	26.8%	28.4%	27.3%
Other Income	9.3	11.3	22.9	15.2
Depreciation	20.1	19.2	17.2	16.6
EBIT	188.4	164.7	160.25	128.41
EBIT (%)	24.8%	25.6%	28.9%	26.3%
Finance Cost	0.5	1.2	0.4	0.8
Share of Profit/Loss from JV	(1.4)	0.0	2.7	3.3
Profit Before Tax	186.5	163.5	159.9	127.5
Profit Before Tax (%)	24.5%	24.9%	29.4%	26.8%
Tax	62.9	51.8	52.7	45.6
Profit After Tax	123.6	111.7	107.3	82.0
Profit After Tax (%)	16.3%	17.1%	19.7%	17.2%
CSR	0.8	0.8	-	-
One-time Share based and other expenses	3.6	0.0	-	-
Provision for IL&FS Investment	1.4	-	-	-
Share of Loss for equity accounted investees (net of tax)	1.4	-	-	-
PAT before CSR, one-time share based and other expenses	130.8	112.4	107.3	82.0
PAT before CSR, one-time share based and other expenses %	17.2%	17.5%	19.7%	17.2%

Assets (Rs. Crs.)	Mar-19	Mar-18	Mar-17	Mar-16
Non-current assets	248.2	230.1	230.1	170.6
Property, Plant and Equipment	116.7	112.3	105.2	105.6
Capital Work In-Progress	0.0	0.0	1.0	0.6
Goodwill	78.6	78.4	82.5	35.1
Other intangible assets	17.6	16.8	14.7	1.0
Intangible assets under development	5.8	0.0	0.0	0.0
Equity accounted investees	0.6	0.0	6.0	5.4
Financial Assets				
(i) Investments	1.8	1.8	1.8	1.8
(ii) Loans	4.2	3.3	3.7	8.3
(iii) Other Financial Assets	10.2	8.3	2.2	0.0
Deferred Tax Assets (Net)	3.7	5.3	3.4	5.2
Other non-current assets	1.6	2.0	8.6	5.8
Non-current tax assets (net)	7.4	1.9	1.0	1.8
Current assets	304.7	300.4	285.1	225.3
Inventories	26.1	21.2	14.1	15.6
Financial Assets				
(i) Investments	31.0	100.4	134.1	94.2
(ii) Trade receivables	136.8	100.7	80.3	70.2
(iii) Cash and cash equivalents	51.4	43.5	25.5	26.8
(iv) Bank balances other than (iii)	28.9	16.7	15.0	6.8
(v) Loans	15.1	10.8	9.6	7.3
(vi) Other Financial Assets	8.4	1.4	0.5	0.5
Current tax assets (net)			0.1	0.3
Other Current Assets	7.0	5.7	5.9	3.6
TOTAL - ASSETS	552.9	530.5	515.2	395.9

Equity & Liabilities (Rs. Crs.)	Mar-19	Mar-18	Mar-17	Mar-16
Equity	419.9	429.1	344.1	293.9
Equity Share capital	10.0	9.5	9.5	9.5
Other equity	408.5	405.2	313.6	269.2
Non Controlling Interest	1.4	14.4	21.0	15.2
LIABILITIES				
Non-current liabilities	8.2	10.5	19.3	11.1
Financial Liabilities				
(i) Borrowings	0.0	0.2	0.4	0.5
(ii) Other Non-Current Liabilities	2.1	2.4	8.7	0.3
Provisions	3.2	3.5	3.2	2.4
Deferred tax liabilities (Net)	2.9	4.4	7.0	7.9
Current liabilities	124.8	90.9	151.8	90.9
Financial Liabilities				
(i) Borrowings	17.6	0.4	0.4	0.4
(ii) Trade Payables	42.9	35.4	35.9	32.8
(iii) Other Current Financial Liabilities	41.9	34.8	88.3	22.9
Other Current Liabilities	8.0	7.8	14.1	21.1
Provisions	5.0	4.4	3.7	3.7
Current tax liabilities (Net)	9.4	8.1	9.4	10.0
TOTAL - EQUITY AND LIABILITIES	552.9	530.5	515.2	395.9



Dr. Sushil Kanubhai Shah
Chairman & Executive Director

Holds a bachelor's degree in Medicine and Surgery and a degree of Doctor of Medicine in Pathology and Bacteriology from University of Bombay. More than 3 decades of experience in Pathology business



Ameera Sushil Shah
Managing Director

Holds a bachelor's degree in Business Administration from the University of Texas and also completed Owner-President Management Programme from Harvard Business School. More than 2 decades of experience in Pathology business



Mihir Jagdish Doshi
Non-Executive Director

Holds a bachelor's degree in Science from New York University and is also a member of the New York State Society of Certified Public Accountants and the American Institute of Certified Public Accountants.



Sanjay Bhatnagar
Independent Director

Holds a master's degree in Engineering from Stanford University and also master's degree in business administration from Harvard University



Vivek Gambhir
Independent Director

Holds a bachelor's degree in Science & Arts from Lafayette College, Pennsylvania and a master's degree in Business Administration from Harvard University



Milind Shripad Sarwate
Independent Director

Holds a bachelor's degree in Commerce from University of Bombay and is an associate of the ICAI, ICSI & ICWA



Vijender Singh
Chief Executive Officer

Holds a bachelor's degree in Science from Kurukshetra University and completed an Executive Education Programme from the Indian School of Business, Hyderabad. More than 30 years of experience in business operations & Business Development



Dr. Nilesh Shah

President and Chief of Science & Innovation

Holds a master's degree in Engineering from University of Mumbai and a Diploma in Medical Laboratory Technology from K.J Somaiya College of Science. More than 30 years of experience in science & innovation



Ameera Sushil Shah
Managing Director



Rakesh Agarwal
Chief Financial Officer

Holds a Master's in Business Administration with Finance Specializations from AIM Institute and CS from ICSI. He has over 20 years of progressive experience in Finance Domain including Business Finance, Financial Management & Operations Management.



Ishita Medhekar
Chief Human Resource Officer

She has 20+ years of experience in varied industries such as telecom, Consultancy and Pharma with 15 years of experience in strategy and system designing and operations. In her recent assignments she has been associated with other organizations like Bharti Airtel, Avaya Global Connect, AF Ferguson & Co.



Jayant Prakash
Head Legal, C.S. and Compliance Officer

Holds a bachelor's degree in Law from the University of Delhi, Master's degree in Business Administration from ICAI University and fellow member of ICSI. More than 14 years of experience in legal, secretarial and compliance, and investment banking functions

2010	“Diagnostic Services Company of the Year” by Frost & Sullivan
2012	“Outstanding Quality Diagnostic Services” by HIV Congress 2012
2014	“Most Promising Brand” by the World Consulting and Research Corporation “Quality Brand” by Quality Brands India
2015	“Best Diagnostic Company of the Year” at the National Awards for Excellence in Healthcare “Diagnostic Services Company of the Year” by the VCCircle Network “Excellence in Productive Employment Creation” by Business Today
2018	“Best in Health and Fitness” in the Digital Campaign Awards by LH Insights “Excellence in Customer Service & Delivery” by Biotrains “Service Excellence (Diagnostic Centre)” by FICCI at the Healthcare Excellence Awards “Iconic Pathology Lab Award” by Mid Day Health & Wellness Awards



For further information, please contact:

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