

Max Healthcare reports robust quarterly financial performance

Network¹ Revenue grew by +17% YoY to INR 1,827 Cr,

Operating EBITDA stood at INR 497 Cr, +21% YoY

PAT² for the quarter grew by +26% YoY to INR 338 Cr

- **Gross Revenue** stood at **INR 1,827 Cr** for **Q2 FY24**, +17% growth YoY & +6% growth QoQ
- **Network Operating EBITDA** was **INR 497 Cr**, growth of +21% YoY and +14% QoQ
- **Operating Margin** stood at **28.7%** versus 27.7% in Q2 FY23 and 26.8% in Q1 FY24
- **EBITDA per bed³** improved to **INR 75.0 lakhs** in Q2 FY24, from INR 64.3 lakhs in Q2 FY23 and INR 70.4 lakhs in Q1 FY24
- **PAT²** stood at **INR 338 Cr** in Q2 FY24 versus INR 267 Cr in Q2 FY23 and INR 291 Cr in Q1 FY24
- **Free Cash from Operations⁴** stood at **INR 436 Cr** in Q2 FY24, of this **INR 90 Cr** was spent towards ongoing capacity expansion projects; **Net Cash surplus⁵** as on Sep 30, 2023 was **INR 1,303 Cr**
- Bed occupancy in Q2 FY24 stood at 77% and Occupied Bed Days (OBD) grew by +3% YoY
- **ARPOB⁶** improved to **INR 74.6k** in Q2 FY24 vs. INR 66.0k in Q2 FY23 and 74.8k in Q1 FY24, growth of +13% YoY & flat QoQ
- **Free treatment** provided to **38,972 patients in OPD and 1,295 patients in IPD** from the economically weaker sections

New Delhi, November 06, 2023: Max Healthcare Institute Ltd. (MHIL, 'the Company'), one of the largest private sector healthcare services company in India, announced its financial and operating results for three months ended Sep 30, 2023, today.

Network gross revenue was INR 1,827 Cr, reflecting a growth of +17% YoY and 6% QoQ. All hospitals improved their ARPOB during the period & the overall average growth in ARPOB stood at +13% YoY. Further, the OBDs grew by +3%.

Network Operating EBITDA stood at INR 497 Cr compared to INR 410 Cr in the corresponding quarter last year. This reflects a growth of +21% YoY & +14% QoQ and operating EBITDA margin of 28.7%, compared to 27.7% in Q2 FY23 & 26.8% in Q1 FY24. EBITDA per bed² during the quarter improved to INR 75.0 lakhs, registering a growth of +17% YoY & +7% QoQ.

Profit after tax (PAT)² for the quarter stood at INR 338 Cr compared to INR 267 Cr in Q2 FY23 and INR 291 Cr in Q1 FY24.

Cash flow from operations⁴ stood at INR 436 Cr during the quarter, of which INR ~90 Cr was spent on ongoing capacity expansion projects. Net Cash⁵ surplus at the end of Sep 2023 stood at INR 1,303 Cr, compared to INR 957 Cr at the end of Jun 2023.

Max Shalimar Bagh, with its enhanced bed capacity of 402 beds, reported a YoY Revenue & EBITDA growth of +41% & +48% respectively, at an average bed occupancy of 78%.

International patient revenue grew by +25% YoY and +11% QoQ. The share of international patient revenues stood at ~9% of the hospital revenue during the quarter.

(1) Network includes the Company, its subsidiaries, managed hospitals and partner healthcare facilities | (2) Q2 FY23 includes impact of one time reversal of INR 244 Cr deferred tax liability (net of capital gains tax) pursuant to voluntary liquidation and distribution of assets of a subsidiary on a going concern basis to its holding Company (MHIL) | (3) Based on Operating EBITDA per OBD (annualised) and excludes Max Lab operations | (4) After Interest, tax, working capital changes and routine capex | (5) After considering term loans, cash credit & put option liability but excludes Lease Liability | (6) Excludes revenue from Max Lab operations

PRESS RELEASE



Max Lab (non-captive pathology vertical) reported gross revenue of INR 39 Cr during the quarter, recording a growth of +32% YoY and +15% QoQ on a like-to-like basis¹.

Max@Home gross revenue during Q2 FY24 was INR 42 Cr, a growth of +23% YoY and +8% QoQ.

For the six months ended Sep 2023, the Network gross revenue stood at INR 3,546 Cr representing a growth of ~17% over the corresponding period last fiscal, driven by growth in ARPOB and increase in OBDs.

The Network Operating EBITDA grew by 20% over H1 FY23, and stood at INR 933 Cr. Further the Operating margin for H1 FY24 was 27.8%, compared to 27.1% in H1 FY23.

PAT for H1 FY24 stood at INR 628 Cr, representing a growth of 27% on a like-to-like basis²

Commenting on Q2 results, **Mr. Abhay Soi, Chairman and Managing Director, Max Healthcare Institute Ltd.**, said:

"Q2 results are in line with our expectations and reflect the continuous focus on execution at grass root level. We are well-poised to absorb addition to network bed capacity in the coming years, while we evaluate M&A targets for inorganic growth. I am happy to note that Max Dwarka has applied for occupancy certificate and we look forward to operationalising the hospital in Q4 FY24. We continue to see attractive opportunities for significant investments in the sector."

Financial and Operational Highlights (on like-to-like basis)¹

	Three Months ended			Growth		Six Months ended		Growth
	Sep 23	Sep 22	Jun 23	YoY	QoQ	Sep 23	Sep 22	YoY
Gross Revenue	1,827	1,567	1,719	17%	6%	3,546	3,040	17%
Net Revenue	1,732	1,482	1,629	17%	6%	3,361	2,875	17%
Operating EBITDA	497	410	436	21%	14%	933	780	20%
Margin ³ %	28.7%	27.7%	26.8%			27.8%	27.1%	
PAT ²	338	267	291	26%	16%	628	496	27%
Net Cash ⁴	1,303	42	957			1,303	42	

Clinical Update:

- **Signed MoU with Intuitive to establish Southeast Asia's 1st Total Program Observation (TPO) Centre**, located at MSSH-Saket, to drive enhancements in patient care using **robotic-assisted surgery**
- Till date **2,400+ Liver Transplants, ~3,800 Kidney Transplants & 1,740+ Bone Marrow Transplants** have been performed
- MSSH-Patparganj successfully **removed a large cystic renal tumor** using **robotic partial nephrectomy**, saving **70% of renal parenchyma** of the patient
- Cured a 49-year-old patient suffering from last stage renal disease by performing a **complex robotic transplant** at BLK Max

(1) Excluding non-recurring revenue and EBITDA from Covid-19 vaccination | (2) Q2 FY23 includes impact of one-time reversal of INR 244 Cr deferred tax liability (net of capital gains tax) pursuant to voluntary liquidation and distribution of assets of a subsidiary on a going concern basis to its holding Company (MHIL) | (3) As a percent of net revenue | (4) After spend of ~INR 90 Cr & ~INR 128 Cr towards capacity expansion projects in Q2 FY24 & H1 FY24 respectively

PRESS RELEASE



- MSSH-Dehradun became the **1st hospital** in tri-city to successfully perform **Full Thickness resection of Locally Invasive Rectal Carcinoma** on a 78-year-old patient
- Nanavati Max successfully performed a **complex liver transplant** on a 5-year old patient, with the donor being just 2-years old

Research and Academics:

- Published 107 articles in high impact journals during Q2 FY24
- MoU signed with the Prestigious Royal College of Obstetricians & Gynecologists UK for MRCOG (Membership of Royal College of Obstetrics & Gynecology) training
- 103 clinical trials & 22 grant studies are currently ongoing across Network Hospitals
- ~115 MBBS students currently enrolled for a two-year clinical rotation in collaboration with Lincoln American University
- Total DNB residents across the network is ~440 currently

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PRESS RELEASE



About Max Healthcare:

Max Healthcare Institute Limited (MHIL) is one of India's largest hospital chains (considering only income from healthcare services) in fiscal 2023. It is committed to the highest standards of medical and service excellence, patient care, scientific and medical education.

MHIL has major concentration in North India consisting of a network of 17 healthcare facilities. Out of the total network, eight hospitals and four medical centres are located in Delhi and the NCR and the others are located in the cities of Mumbai, Mohali, Bathinda and Dehradun. The Max network includes all the hospitals and medical centres owned and operated by the Company and its subsidiaries, partner healthcare facilities and managed healthcare facilities. These include state-of-the-art tertiary and quaternary care hospitals at Saket, Patparganj, Vaishali, Rajendra Place, and Shalimar Bagh in Delhi NCR and one each in Mumbai, Mohali, Bathinda and Dehradun, secondary care hospital in Gurgaon and Day Care Centres at Noida, Lajpat Nagar and Panchsheel Park in Delhi NCR and one in Mohali, Punjab. The hospitals in Mohali and Bathinda are under PPP arrangement with the Government of Punjab.

In addition to its core hospital business, MHIL has two SBUs - Max@Home and Max Lab. Max@Home is a platform that provides health and wellness services at home and Max Lab offers diagnostic services to patients outside its network.

Max Healthcare Institute Ltd. (NSE Symbol: MAXHEALTH, BSE scrip code: 543220)

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