

Max Healthcare posts strong growth in revenue and profitability

Network¹ Revenue grew by +17% YoY to INR 1,719 Cr,

Operating EBITDA stood at INR 436 Cr, +18% YoY

PAT for the quarter grew by +27% YoY to INR 291 Cr

- **Gross Revenue** stood at **INR 1,719 Cr** for **Q1 FY24**, +17% growth YoY & +5% growth QoQ
- **Network Operating EBITDA** was **INR 436 Cr**, growth of +18% YoY and flat QoQ, despite Q1 traditionally being a weak quarter compared to Q4
- **Operating Margin** stood at **26.8%** versus 26.5% in Q1 FY23 and 28.2% in Q4 FY23
- **EBITDA per bed²** improved to **INR 70.4 lakhs** in Q1 FY24, from INR 62.0 lakhs in Q1 FY23 and INR 70.3 lakhs in Q4 FY23
- **PAT** stood at **INR 291 Cr** in Q1 FY24 versus INR 229 Cr in Q1 FY23 and INR 320 Cr in Q4 FY23
- **Cash from Operations³** was **INR 261 Cr** in Q1 FY24, of this **INR 38 Cr** was spent towards ongoing capacity expansion projects; **Net Cash⁴** as on June 30, 2023 stood at **INR 957 Cr**
- **Bed occupancy** in Q1 FY24 stood at 74% and **Occupied Bed Days (OBD)** grew by +3% YoY. **Network bed capacity** stood at 3,550 Beds after addition of 30 new beds at Max Shalimar Bagh, over and above the 92 bed Oncology Block commissioned in Mar 2023
- **ARPOB⁵** improved to **INR 74.8k** in Q1 FY24 vs. INR 66.0k in Q1 FY23 and 70.7K in Q4 FY23
- **Free treatment** provided to **37,516 patients in OPD and 1,260 patients in IPD** from the economically weaker sections

Delhi, August 07, 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 June 30, 2023, today.

Network gross revenue was INR 1,719 Cr, reflecting a growth of +17% YoY. Increase in ARPOB (+13% YoY) and occupied beds (+3% YoY) majorly contributed to the revenue growth.

Network Operating EBITDA stood at INR 436 Cr compared to INR 370 Cr in the corresponding quarter last year. This reflects a growth of +18% YoY and operating EBITDA margin of 26.8%, compared to 26.5% in Q1 FY23. EBITDA per bed² during the quarter improved to INR 70.4 lakhs, registering a growth of +14% YoY. Compared to Q4 the operating EBITDA & EBITDA per bed were flat as traditionally Q1 profitability is impacted due to annual merit increase and summer vacations.

Profit after tax (PAT) for the quarter stood at INR 291 Cr compared to INR 229 Cr in Q1 FY23 and INR 320 Cr in Q4 FY23.

Cash flow from operations³ stood at INR 261 Cr during the quarter, of which INR ~38 Cr was spent on capacity expansion projects. Further, the cash generation was impacted by increase in accounts receivables and expediting of routine capex for the year. Net Cash⁴ surplus at the end of Jun 2023 stood at INR 957 Cr, compared to INR 733 Cr at the end of Mar 2023.

Price revisions (including increase in CGHS tariff by Union Health Ministry) along with disparate growth in key specialty revenue including Oncology, Orthopaedics & Cardiology contributed to YoY growth in ARPOB.

(1) Network includes the Company, its subsidiaries, managed hospitals and partner healthcare facilities | (2) Based on Operating EBITDA per OBD (annualised) and excludes Max Lab operations | (3) After Interest, tax, working capital changes and routine capex | (4) After considering term loans, cash credit & put option liability. Includes INR ~100 Cr received from HSVP after cancellation of land for which Hon'ble Punjab & Haryana High Court has issued a status quo order on Company's petition challenging the cancellation. | (5) Excludes revenue from Max Lab operations

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Max Shalimar Bagh, which saw a capacity addition of 122 beds in recent months, reported a YoY Revenue & EBITDA growth of +37% & +43% respectively, with an average occupancy of 77%.

International patient revenue grew by +31% YoY and +3% QoQ. The share of international patient revenues stood at 9% of the hospital revenue during the quarter.

Max Lab (non-captive pathology vertical) reported gross revenue of INR 34 Cr during the quarter, recording a growth of +39% YoY on a like to like basis¹ (excluding Covid-19 related tests) and +10% QoQ.

Max@Home gross revenue during Q1 FY24 was INR 40 Cr, a growth of +24% YoY and +7% QoQ.

Commenting on Q1 results, **Mr. Abhay Soi, Chairman and Managing Director, Max Healthcare Institute Ltd.**, said:

"I am happy that despite the traditionally weak Q1, we could deliver our highest ever quarterly revenue and improve profitability at bed level. While our installed capacity increased by 4% on y-o-y basis, we maintained our occupancy levels with higher occupied beds across the Network. In the past year, we have significantly strengthened our projects and digital teams to reinforce our thrust in both these areas, which is intrinsic to our growth going forward. I am proud of the success and positive feedback received for our Max MyHealth app which has now been fully rolled out."

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

INR Cr	Three Months ended			Growth	
	Jun 23	Jun 22	Mar 23	YoY	QoQ
Gross Revenue	1,719	1,473	1,637	17%	5%
Net Revenue	1,629	1,393	1,551	17%	5%
Operating EBITDA	436	370	437	18%	-
Margin ² %	26.8%	26.5%	28.2%		
PAT	291	229	320	27%	(9%)
Net Cash/(Debt) ³	957	(217)	733		

Clinical Update:

- Till date **2,300+ Liver Transplants**, **~3,700 Kidney Transplants** & **1,700+ Bone Marrow Transplants** have been performed
- MSSH-Mohali successfully cured a 28-day-old baby suffering from **Patent Ductus Arteriosus** using a Piccolo device, becoming the **only hospital** in tri-city to perform such a complex procedure
- Successfully removed the **adrenal tumor**, weighing 600 g, from a 2-year-old patient at BLK Max
- Cured a 3-month-old baby diagnosed with cardiac mass by performing the **debulking surgery** with Mitral valve repair on the **intra-cardiac tumor** at MSSH-Saket
- Successfully Removed a **2.5 feet long and 4 inch thick iron rod** from chest of a 22-year-old man

(1) Excluding non-recurring revenue and EBITDA from Covid-19 vaccination | (2) As a percent of net revenue | (3) After spend of ~INR 38 Cr towards capacity expansion projects in Q1 FY24

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at MSSH-Shalimar Bagh

Research and Academics:

- Published 93 articles in high impact journals during Q1 FY24
- Partnered with IIIT Delhi & IIT Bombay to work in the areas of Oncology, Molecular Genomics & Radiology
- ~103 clinical trials ongoing across the Network
- 125 research projects & 22 grant studies are currently ongoing across Network Hospitals
- ~130 MBBS students currently pursuing a two-year clinical rotation in collaboration with Lincoln American University
- Total DNB residents across the network is ~500 currently

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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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