



Max India Limited

Investor Release February, 2013

Disclaimer

This release is a compilation of unaudited financial and other information 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 – Q3FY13 Key Highlights

Max India

- Revenue up 31% to Rs. 2,677 Cr
- PBT up 194% to Rs. 45 Cr
- Treasury Corpus at Rs. 435 Cr.

Max Life

- APE grows 7% to Rs. 379 Cr in line with the industry growth
- Shareholder profit up 59% to Rs.119 Cr
- AUM crosses Rs. 20,000 Cr, up 17%

Max Healthcare

- Revenue up 43% to Rs.297 Cr
- EBITDA at Rs. 25 Cr against –ve EBITDA of Rs. 4 Cr for Q3FY12
- EBITDA for existing hospitals grows 2.5x to Rs. 33 Cr

Max Bupa

- GWP up 97% to Rs. 50 Cr
- Lives covered during the year ~300K, including RSBY over 1 Mn



Consolidated Financial Snapshot (Q3 & 9M'FY13)

(Rs. Cr.)

Particulars	Quarter ended		Y-o-Y Growth	Nine months ended		Y-o-Y Growth
	Dec-12	Dec-11		Dec-12	Dec-11	
Total Revenue	2,677	2,041	31%	8,156	6,074	34%
Operating Revenue	2,050	1,911	7%	5,711	5,392	6%
EBITDA	101	63	60%	1,126	325	247%
PBT	45	15	194%	963	194	398%

Particulars	31- Dec-12	31- Mar-12	Growth
Net Worth	2,920	2,513	17%
Preference Shares	125	125	-
Loan Funds	614	549	12%
Fixed Assets (Net Block)	1,310	1,256	4%
Treasury Corpus (Debt M. Funds & Term Deposits)	472	397	19%
Life Insurance Investments (AUM)	20,080	17,215	17%

Revenue and Profitability

- Individual First Year Premium (adjusted for single pay) for Q3FY13 at Rs. 379 Cr., grows 7% y-o-y
- Gross Premium Income for Q3FY13 at Rs. 1,659 Cr. grows 4% y-o-y
- Product mix for the quarter: Par 72%, Non-par 17%, ULIP 10%
- Shareholder Profit Before Tax for Q3FY13 up 59% at 119 Cr

Other Business Drivers

- AUM at Rs. 20,080 Cr. as at Dec 31, 2012; grows 31% y-o-y
- Over 3.5 million policies in-force; grows 2% y-o-y
- Sum assured in-force over Rs. 164,000 Cr. as at Dec 31, 2012; grows 10% y-o-y
- Business capitalised at Rs. 2,127 Cr. as at Dec 31, 2012; solvency surplus of Rs. 1,793 Cr. and solvency margin at 551% despite distribution of interim dividend of Rs. 99 Cr.

Agency Performance

- Agency base stands at approx 37,000 with average case size for the quarter at Rs.23,114 and average case rate at 0.56



Max Life Insurance



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	9 Months Ended		Y-o-Y Growth
		Dec-12	Dec-11		Dec-12	Dec-11	
a) Gross written premium income	Rs. Crore						
First year premium		378	349	8%	1,022	1,039	-2%
Renewal premium		1,187	1,158	2%	3,276	3,188	3%
Single premium		94	90	5%	262	243	8%
Total		1,659	1,597	4%	4,560	4,470	2%
b) Shareholder Profit	Rs. Crore	119	75	59%	361	338	7%
c) Expenses of Management	%	28.3%	27.3%		28.9%	29.3%	
d) Individual Adjusted Premium (APE*)	Rs. Crore	379	356	7%	1,012	1025	-1%
e) Conservation ratio**	%	79%	83%	-6%	78%	81%	-4%
f) Average case size	Rs.	23,114	20,927	10%	23,408	22,348	5%
g) Case rate per agent per month	No.	0.56	0.72	-22%	0.49	0.58	-16%
h) Number of agents	No.				37,146	32,302	15%
i) Paid up Capital	Rs. Crore				2,127	2,126	0%
j) Individual Policies in force	No. Lacs				35.3	34.6	2%
k) Sum insured in force	Rs. Crore				164,292	149,373	10%

*Individual First Year Premium adjusted for 10% single pay

**Conservation Ratio = Renewal Premium for the current period / (First Year + Renewal Premium for the previous period)

Revenue

- Revenue across network of hospitals for Q3FY13 at Rs. 297 Cr., grows 43% y-o-y
- Average Revenue per Occupied bed day* for Q3FY13 at Rs. 24,672, grows 5% y-o-y

Profitability

- Contribution Margin for Q3FY13 at Rs. 185 Cr. grows 48% y-o-y
- Contribution margin improves from 60.4% in Q2FY12 to 62.4% in Q3FY13
- Q3FY13 EBITDA at 24.6 Cr vis-à-vis negative 3.8 Cr in Q3FY12
- EBITDA margin for existing hospitals at 13.3% ; EBITDA jumps 2.5x over Q3FY12 to Rs.33 Cr

Other Drivers

- Avg. Occupancy** across all healthcare care facilities improves to 69.6% in Q3FY13, despite 35% increase in avg. operational beds. Occupancy for existing hospitals at 76.6%
- Average length of stay maintained at 3.5 days
- Registered patient base at over 1.6 million; increase of over 34% over Dec 2011 levels
- Average patient transactions of over 3 Lacs/month for Q3FY13

* Average Revenue per Occupied Bed Day = Inpatient Revenue/ Occupied Bed Days

**Occupancy has been calculated on average operational beds.



Max Healthcare*



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	9 Months Ended		Y-o-Y Growth
		Dec-12	Dec-11		Dec-12	Dec-11	
a) Revenue (Gross)	Rs. Crore						
Inpatient Revenue		218	148	47%	605	426	42%
Day Care Revenue		10	8	38%	28	19	46%
Outpatient Revenue		67	51	30%	195	150	30%
Other Operating Income		2	-		6	-	
Total		297	207	43%	834	595	40%
b) Profitability							
Contribution Margin	Rs. Crore	185	125	48%	512	356	44%
Contribution (%)	%	62.4 %	60.4%		61.4%	59.8%	
EBITDA	Rs. Crore	25	(4)	-	49	16	207%
EBITDA (%)	%	8.3%	-1.8%	-	5.9%	2.7%	121%
c) Patient Transactions (No. of Procedures)	No.						
Inpatient Procedures		25,066	17,814	41%	70,416	51,495	37%
Day care Procedures		4,105	3,001	37%	11,467	8,150	41%
Outpatient Registrations		908,918	738,689	23%	2,682,368	2,301,827	17%
d) Average Inpatient Operational Beds	No.	1,378	1,017	35%	1,276	952	34%
e) Average Inpatient Occupancy	%	69.6%	67.4%		69.4%	69.9%	
f) Average Length of Stay	No.	3.52	3.54	1%	3.46	3.55	3%
g) Avg. Revenue/Occupied Bed Day (IP)	Rs.	24,672	23,514	5%	24,801	23,273	7%

*The above results are for MHC Network of hospitals and includes results for Max Super Specialty Hospital, Saket, unit of Devki Devi Foundation and Max Super Specialty Hospital, Patparganj, unit of Balaji Medical and Diagnostic Research Centre

Business Drivers

- Gross Written Premium for Q3FY13 at Rs 50 Cr, grows 97% y-o-y (excludes Rs.6.5 Cr premium for RSBY)
- Conservation ratio for Q3FY13 at 81% against 66% in Q3FY12
- Urban lives-in-force cross 382k, over 121K lives covered in Q3'FY13
- Overall enrolled lives cross 1 million mark

Capital Requirement

- Peak equity commitment of Rs. 690 Cr.; Rs. 505 Cr. infused as at date

Products & Distribution

- Heartbeat V2 well accepted in the market, V3 with enhanced features expected to be launched in Q4'13
- Group Health Insurance and Group Personal Accident filed with IRDA for approval
- Over 7,00,000 lives enrolled under RSBY scheme
- Launched India's first online saver product i.e. "Health@companion"
- Distribution Network :
 - Office network expands to 20
 - Pilot Project under implementation to capitalize on group synergies currently being carried across 25 agency offices of Max Life and 7 hospitals of Max Healthcare
 - Provider network expanded further to over 1,500 hospitals



Max Bupa Health Insurance



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	9 Months Ended		Y-o-Y Growth
		Dec-12	Dec-11		Dec-12	Dec-11	
a) Gross written premium income	Rs. Crore						
First year premium		26.9	20.4	32%	79.8	50.8	57%
Renewal premium		22.6	4.7	381%	47.0	10.0	370%
Total		49.5	25.1	97%	126.8	60.8	109%
b) Net Earned Premium	Rs. Crore	33.9	13.8	146%	88.3	31.4	181%
c) Average premium realization per life (Individual)	Rs.	5,127	5,190	(1%)	5,083	5,519	(8%)
d) Conservation ratio	%	81%	66%		81%	65%	
e) Number of agents	No.				8,217	7,933	4%
f) Paid up Capital	Rs. Crore				476	352	35%
g) No. of Lives	No.	121,400	63,567	91%	297,113	126,640	135%

Financial Performance

- Revenue for 9MFY13 at Rs. 20 Cr., grows 2% y-o-y
- Net Loss for 9MFY13 at Rs. 1 Cr. against net profit of Rs. 2 Cr. in 9MFY12 as execution impacted by delayed regulatory approvals

Operational Performance

- Current order book around Rs. 20 Cr.
- Client base stands at 106
- 308 studies being executed across 535 sites
- Database of principal investigators expands to 1,850 physicians
- Patient retention rate at 95% in Q3FY12

MAX INDIA LTD.

Max House, Okhla, New Delhi – 110 020

Phone: +91 11 26933601-10 Fax: +91 11 26933619

Website: www.maxindia.com