Max India Limited
Investor Release

Financial Year ended June 30, 2016

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Max India – Key Highlights

1. Consequent to the merger of Life Insurance business with HDFC Life, the non-life business of Max Financial Services with a Treasury Corpus of Rs. 124 Cr as at June 30, 2016, certain shared resources of Max Group currently employed in MFS, and other assets and liabilities to merge with Max India. Max India to allot 1 share for every 500 shares held in MFS, resulting in a fresh issuance of ~0.3% equity in the Company

2. Max India divests 23% in Max Bupa to Bupa Singapore for a consideration of Rs. 207 Cr in May'16. Max India's stake in Max Bupa reduced to 51%

3. Max Healthcare : Revenue grows 28% to Rs 633 Cr; EBITDA grows 34% to Rs. 61 Cr

4. Max Healthcare: IFC invests Rs. 31 Cr to maintain its shareholding at 7.5%. Max India and LHC hold 45.95% stake each

5. Max Bupa : GWP grows at a strong 21%. Bank of Baroda alliance goes Live in August (access to 5400 branches & 60 Mn customers)

6. Antara : Dehradun community to commence operations next quarter

MHC Network (Financial Snapshot - Q1FY17)

Revenue

- Gross Revenue at Rs 633 Cr grows a strong 28% y-o-y
- Oncology becomes the highest revenue contributor (12.5%) to overall revenue
- Pathology in B2B space launched in May 16 (110 new tie ups initiated)
- Launched first standalone Onco Daycare Centre in Delhi in June 16
- Avg. Occupancy** across healthcare facilities in Q1FY17 stood at 71.3% with 32% increase in Occupied Beds in Q1 FY17 y-o-y

Profitability

- EBITDA at Rs. 61 Cr., grows 34%, driven by 50 bps improvement in margins from existing hospitals (to 13.2% in Q1FY17) and 310 bps improvement in margins from new hospitals (to 5.4% in Q1FY17).
- Overall EBIDTA Margin improved to 10.0% (Q1FY16 9.5%). EBITDA margin excluding new acquisitions stood at 10.8%
- Net loss of Rs 4 Cr in Q1FY17 against a profit of Rs 10 Cr in Q1FY16 due to increase in interest cost by Rs 19 Cr on incremental borrowings to part finance the two acquisitions

MHC Network – Performance Dashboard (Q1FY17)

Rs Cr

Key Business Drivers	Quarter Ended		Y-o-Y Growth
	Jun-16	Jun-15	
a) Financial Performance			
Revenue (Gross)	**633**	**493**	**28%**
Revenue (Net)	608	472	29%
Direct Costs			
Material Cost	159	132	21%
Clincian Payout	49	39	26%
Contribution	**400**	**301**	**33%**
*Contribution Margin^*	65.8%	63.9%	180 bps
Indirect Costs			
Personnel Cost	201	151	33%
Other Indirect overheads	106	80	33%
HO Costs	32	25	28%
EBITDA	**61**	**45**	**34%**
*EBITDA Margin^*	10.0%	9.6%	30 bps
Finance Cost	35	13	169%
Cash Profit	**26**	**32**	**-20%**
Depreciation	30	22	36%
Profit /(loss) before tax	**(4)**	**10**	**-138%**
b) Financial Position			
Net Worth	1,094	760	44%
Net Debt	1,070	418	156%
Tangible Fixed Assets - Gross Block	1,951	1,441	35%

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

^ on the basis of net revenue

MHC Network – Performance Dashboard (Q1FY17)

Key Business Drivers	Quarter Ended		Y-o-Y Growth
	Jun-16	Jun-15	
a) Patient Transactions (No. of Procedures)			
Inpatient Procedures	47,803	35,721	34%
Day care Procedures	12,258	6,750	82%
Outpatient Registrations	15,86,393	12,58,371	26%
Total	**16,46,454**	**13,00,842**	**27%**
b) Average Inpatient Operational Beds	2,321	1,755	32%
c) Average Inpatient Occupancy	71.3%	71.0%	0%
d) Average Length of Stay (days)	3.15	3.18	1%
e) Average Revenue/Occupied Bed Day (Rs)	42,012	43,416	-3%
f) Other Operational Data			
Physicians	2,707	2,276	19%
Employees	8,234	6,502	27%
Customer Base (in million)	3.1	2.6	21%

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

^ on the basis of net revenue

MHC Network – Performance Dashboard (Q1FY17)

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth
		Jun-16	Jun-15	
Mature Hospitals*				
a) Financial Performance				
Revenue(Net)	Rs. Cr	357	331	8%
EBITDA	Rs. Cr	47	42	12%
EBITDA Margin	%	13.2%	12.7%	50 bps
b) Average Inpatient Operational Beds	No.	1,107	1,095	1%
c) Average Inpatient Occupancy	%	75.0%	72.8%	220 bps
d) Average Revenue/Occupied Bed Day	Rs.	49,100	47,453	3%
New Hospitals^				
a) Financial Performance				
Revenue(Net)		247	137	80%
EBITDA	Rs. Cr	13	3	4x
EBITDA Margin	%	5.4%	2.3%	310 bps
b) Average Inpatient Operational Beds	No.	1,214	660	84%
c) Average Inpatient Occupancy	%	67.9%	68.1%	(20 bps)
d) Avg. Revenue/Occupied Bed Day (IP)	Rs.	34,379	35,379	-3%

*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 Speciality Hospital, Patparganj, unit of Balaji Medical and Diagnostic Research Centre

^ The above results for Mohali, Bathinda, Dehradun, Shalimar Bagh, Vaishali & Saket City hospital unit of Gujarmal Modi Hospital & Research Centre

Max Bupa (Financial Snapshot - Q1FY17)

Revenue

- Gross Written Premium for Q1FY17 grows 21% to Rs. 122 Cr. driven by 15% growth in new sales and 25% growth in renewals
- Average premium realisation (B2C segment) for Q1FY17 at Rs 6,944 increases 2%
- Conservation ratio (B2C segment) for Q1FY17 improves by 500 bps to 87%
- Urban lives-in-force crosses 1 million at 1045K, 245K lives covered in Q1FY17
- Bank of Baroda goes live – Phase 1 launched from 1st August
- MBHI market share improves to 3.9% amongst private non life insurers and rank moves one notch up to 9th amongst private players

Profitability / Others

- Higher Contribution (Earned premium net of commission), Stern focus on costs and Higher investment income lead to reduction in loss from 22 Cr. in Q1FY16 to Rs. 6 Cr. in Q1FY17
- Awards & Recognition: Economic Times Best BFSI Brands, Technology maturity at 6th India Insurance Awards & Top 50 brands by Pitch

Max Bupa – Performance Dashboard (Q1FY17)

Key Business Drivers	Quarter Ended		Y-o-Y Growth
	Jun-16	Jun-15	
a) Gross written premium income			
First year premium	42	37	15%
Renewal premium	80	64	25%
Total	**122**	**101**	**21%**
b) Net Earned Premium	112	89	26%
c) Net Loss	(6)	(22)	74%
d) Claim Ratio(B2C Segment, normalized)	57%	54%	6%
e) Avg. premium realization per life (B2C)	6,944	6,811	2%
f) Conservation ratio (B2C Segment)	87%	82%	6%
g) Lives In force in millions (including RSBY)	2.1	1.9	12%
h) Number of agents	13,849	12,018	15%
i) Paid up Capital	898	807	14%

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