

# Max India Limited

## Investor Presentation

*June 2016*

[www.maxindia.com](http://www.maxindia.com)



# Max Group Vision

**“To be the most admired corporate for service excellence”**



## Sevabhav

- Positive social impact
- Helpfulness
- Culture of Service
- Mindfulness



## Excellence

- Expertise
- Dependability
- Entrepreneurship
- Business performance



## Credibility

- Transparency
- Integrity
- Respect
- Governance

### *Max Way as an underlying ethos*

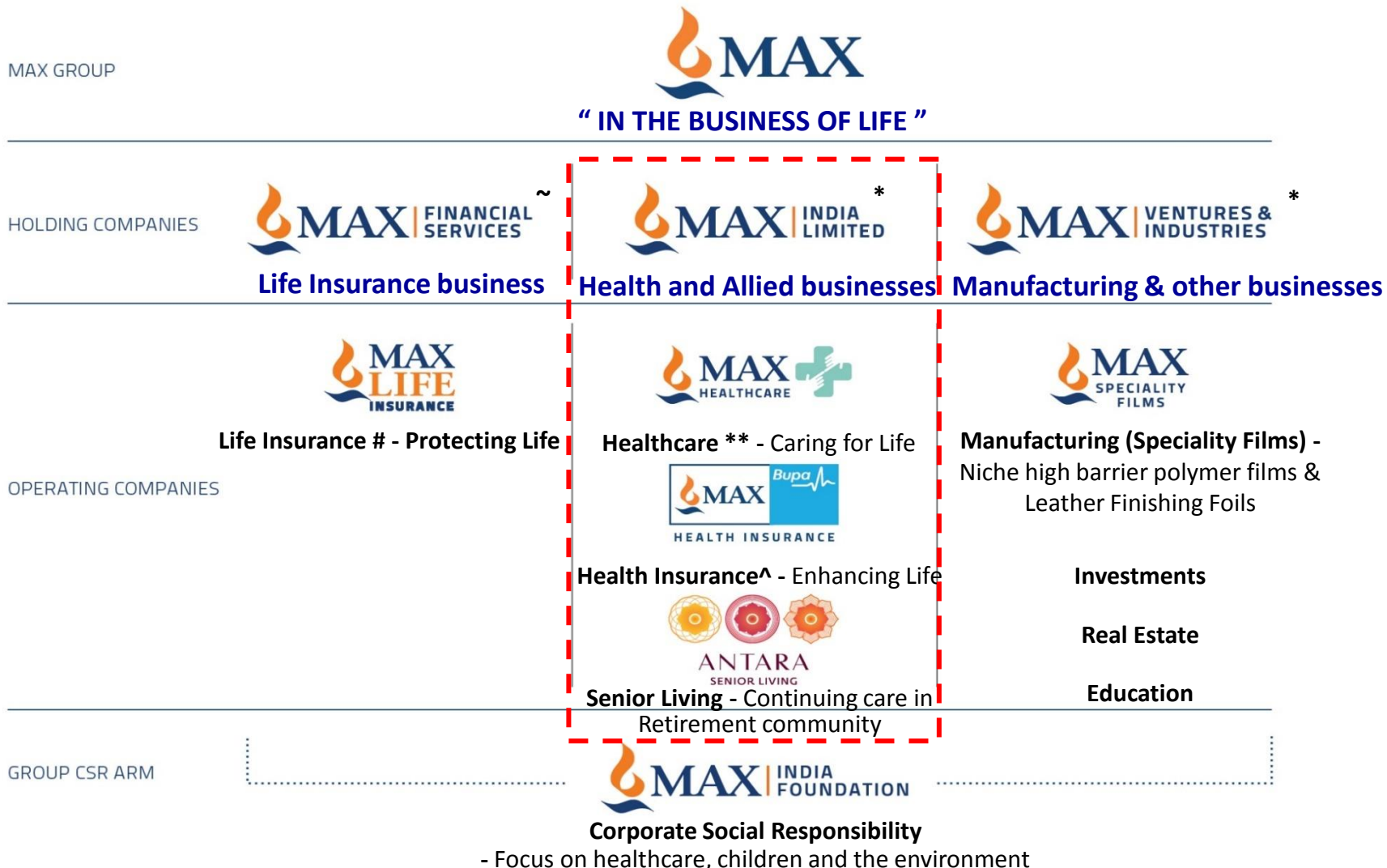
*courtesy*  
*transparency*

*respect/dignity*  
*performance orientation*

*progressiveness*  
*ethicality*

# Max Group Architecture

## (Multi-business corporate – focused on people and service)



#74:26 JV with Mitsui Sumitomo; Largest non bank lead private life insurer  
 \*\* Equal JV with Life Healthcare, SA; with 2,500 beds capacity  
 ^ 51:49 JV with BUPA Finance Plc, UK

~ Max Financial services listed on Jan 27, 2016  
 \* Max India listing expected by mid Jul'16

# Max Group Overview

- 1 **INR 142 billion+ Revenues\*... 9 Mn Customers... 22,500 Employees... ~58,000^ Agents... 2,850+ Doctors...**
- 2 **Strong growth trajectory even in challenging times; a resilient & diversified business model**
- 3 **Steady revenue growth and cost rationalization leads to strong financial performance**
- 4 **Well established board governance....internationally acclaimed domain experts inducted**
- 5 **Diversified ownership.....marquee investor base**
- 6 **Superior brand recall with a proven track record of service excellence**
- 7 **Strong history of entrepreneurship and nurturing successful business partnerships**

Pharma

Electronic  
Component

Mobile  
Telephony

Communication  
Services

Plating  
Chemicals

Medical  
Transcription

Life  
Insurance

DSM



Hutchison

COMSAT

LOCKHEED MARTIN  
GLOBAL TELECOMMUNICATIONS

ATOTECH

HEALTHSCRIBE®

NEW  
YORK  
LIFE

# Max Group : Continues to grow from strength to strength

## FY 2016 Summary:

- Group Revenues: Rs 14,237 Cr up 12%
- EBITDA: Rs 717 Cr up 16%. PBT at Rs 420 Cr up 27%
- Asset Under Management: Rs 36,390 Cr up 15%
- 9 Million Customers; 22,500 employees; 58,000 Agents; 240 offices



## FY 2016 Summary:

- Revenue at Rs 10,875 Cr, up 14%, PBT at Rs 465 Cr, up 9%
- MCEV at Rs 5,617 Cr, up 17%;
- New Business Margin at 18.3%
- Long term renewal of partnership with Axis Bank
- #1 in claims settlement and Premium Conservation



## FY 2016 Summary:

- MHC network turn profitable. EBITDA grows 26% to Rs 215 Cr.
- 2 acquisitions give MHC a platform to double bed strength to over 5,000
- MAX Bupa GWP grows 28%. Distribution alliance with Bank of Baroda
- Antara all set to commence Dehradun operations next quarter



## FY 2016 Summary:

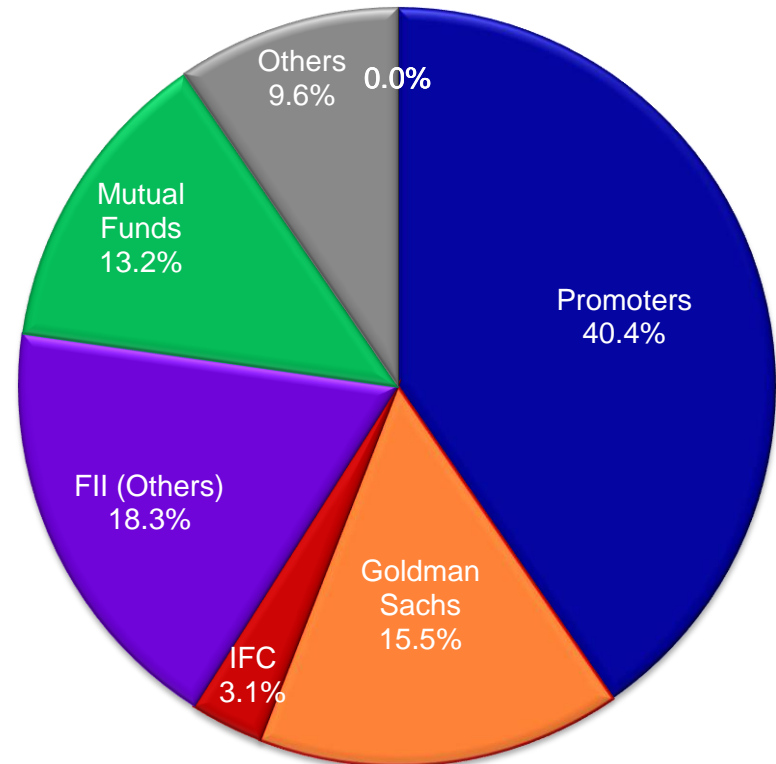
- PBT at Rs 28 Cr, up 46%
- Investment vertical kick started with proposed investment in Azure Hospitality, which runs pan-Asian restaurant chains
- New Bopp line being set-up to expand capacity to 75,000 TPA

# Max India: High pedigree investor base

## Shareholding concentrated with Marquee Investors

- *Goldman Sachs*
- *International Finance Corporation*
- *New York Life Insurance*
- *Temasek Holdings*
- *Fidelity*
- *Reliance Mutual Fund*
- *ICICI Prudential Mutual Fund*
- *HDFC Mutual Fund*
- *Motilal Oswal Mutual Fund*
- *DSP Blackrock Mutual Fund*

Shareholding Pattern  
as on Jan 28, 2016



Number of outstanding shares : 26.70 Cr.

# MAX INDIA LIMITED

---

## MAX HEALTHCARE

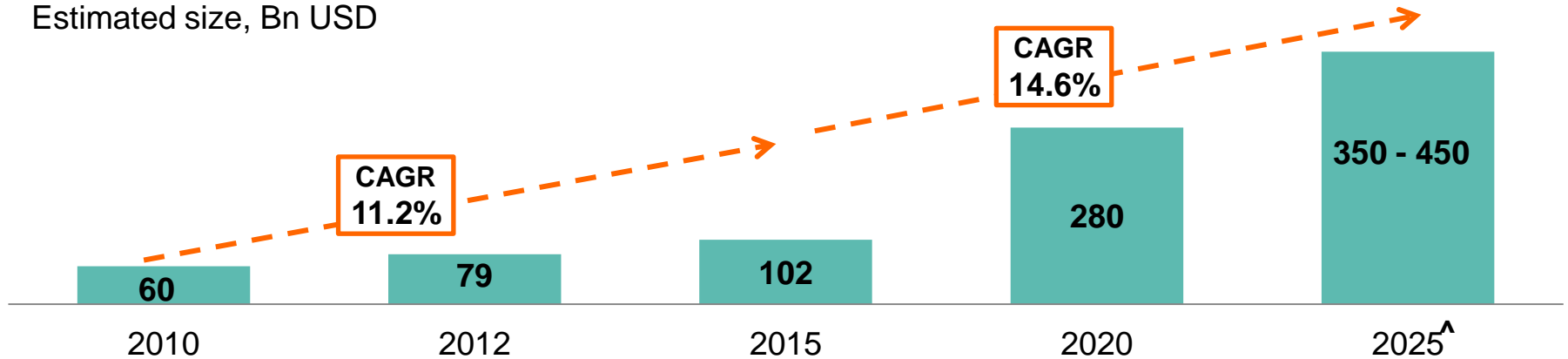
[www.maxhealthcare.in](http://www.maxhealthcare.in)

[www.maxindia.com](http://www.maxindia.com)

# Indian healthcare industry is expected to reach ~\$400 billion fuelled by multiple demand drivers

## Indian healthcare sector\*

Estimated size, Bn USD



<sup>^</sup> Depending upon public spending levels, insurance proliferation, and success of public-private partnerships by 2025

## Demand drivers for growth

**~500 mn**

additional middle class by 2025

**~134 mn**

population > 60 years by 2020

**~320 mn**

at risk of dying due to NCDs by 2020

**~45%**

Insurance penetration by 2020

**~\$8 bn**

medical tourism market size by 2020

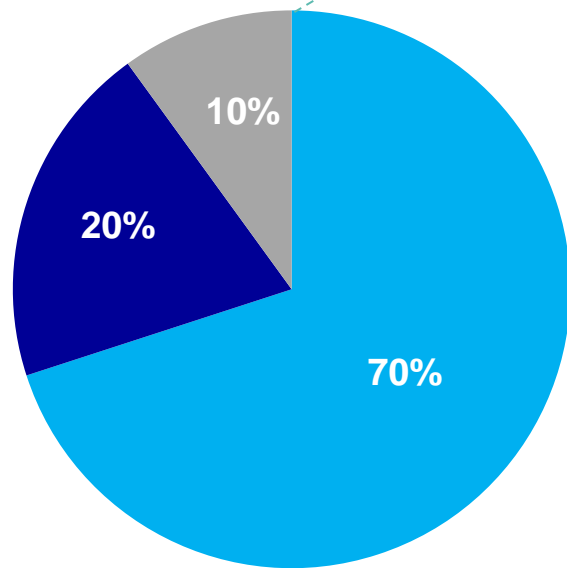
**~2 mn**

beds required by 2025

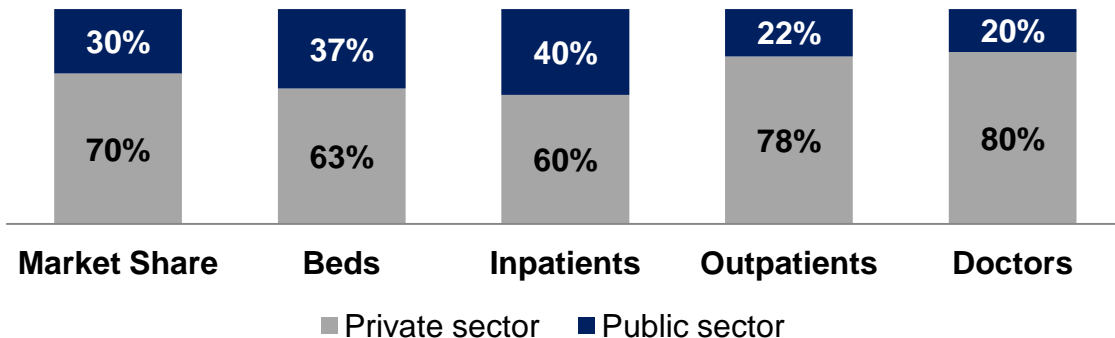
# Hospitals constitute ~70% of Indian healthcare market with increasingly dominant role of private sector

## Indian healthcare sector\*

Market share %



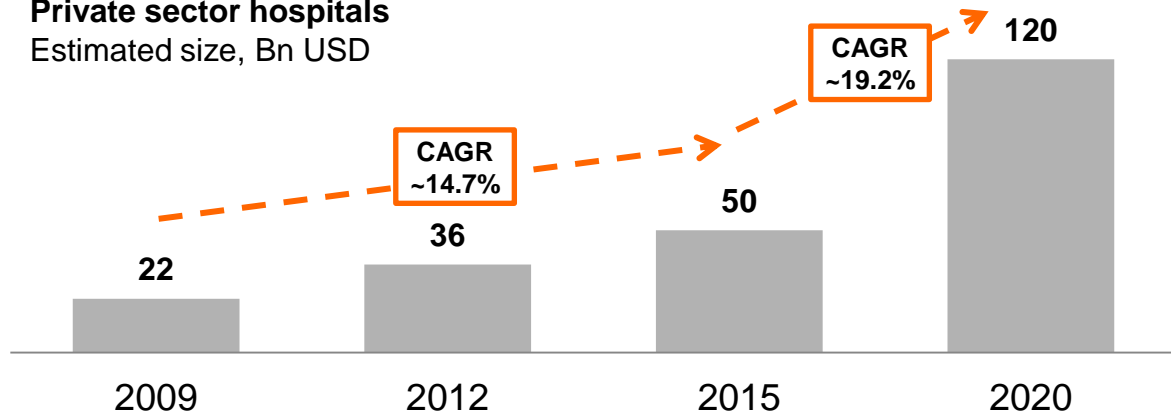
Private players have established a dominating presence in tertiary / quaternary care



Market size of private hospitals is expected to reach ~\$ 120 bn by 2020

### Private sector hospitals

Estimated size, Bn USD



- Hospitals
- Pharmaceuticals
- Medical technology / Others

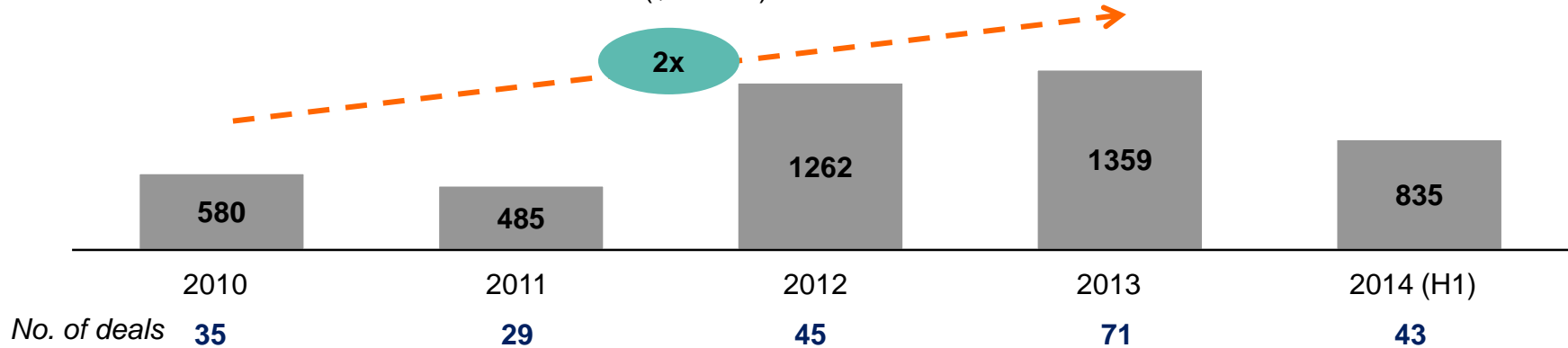
\* Includes hospitals, pharmaceuticals & medical technology / other companies

Sources: BofA Merrill Lynch Global Research, IBEF Mar'15







# Competition is intensifying with scale-up of well funded incumbents & availability of capital for new players

The surge of VC/ PE investments in recent years has eased funding constraints on growth

Annual VC/ PE investment's in India's Healthcare (\$ Million)



## Scale up of well funded incumbents

	CURRENT SCALE	FUNDING (RS. CR.)		CURRENT SCALE	FUNDING (RS. CR.)
	8,600	550, (2013 - KKR)		6,500	290, (2014 - CDC)
	4,800	820, (2013 - Stan Chart, IFC)		4,900	900, (2015 - TPG Capital)
	1,300	700, (2015 - Temasek/Punj Lloyd)		2,500 (2012)	560, (2012 - Advent)

Slide sourced from Bain and Company

*To become an admirable institution known for service excellence, medical excellence, scientific research, and medical education*

## WHAT WILL WE BE KNOWN FOR



- Integrated care
- Clinical excellence
- Transparency
- Speed
- Tech enabled continued care

## KEY ENABLERS



- **Strong talent pool** of clinicians, nurses and healthcare leaders
- **Technology and analytics** enabled clinical outcomes and customer experience

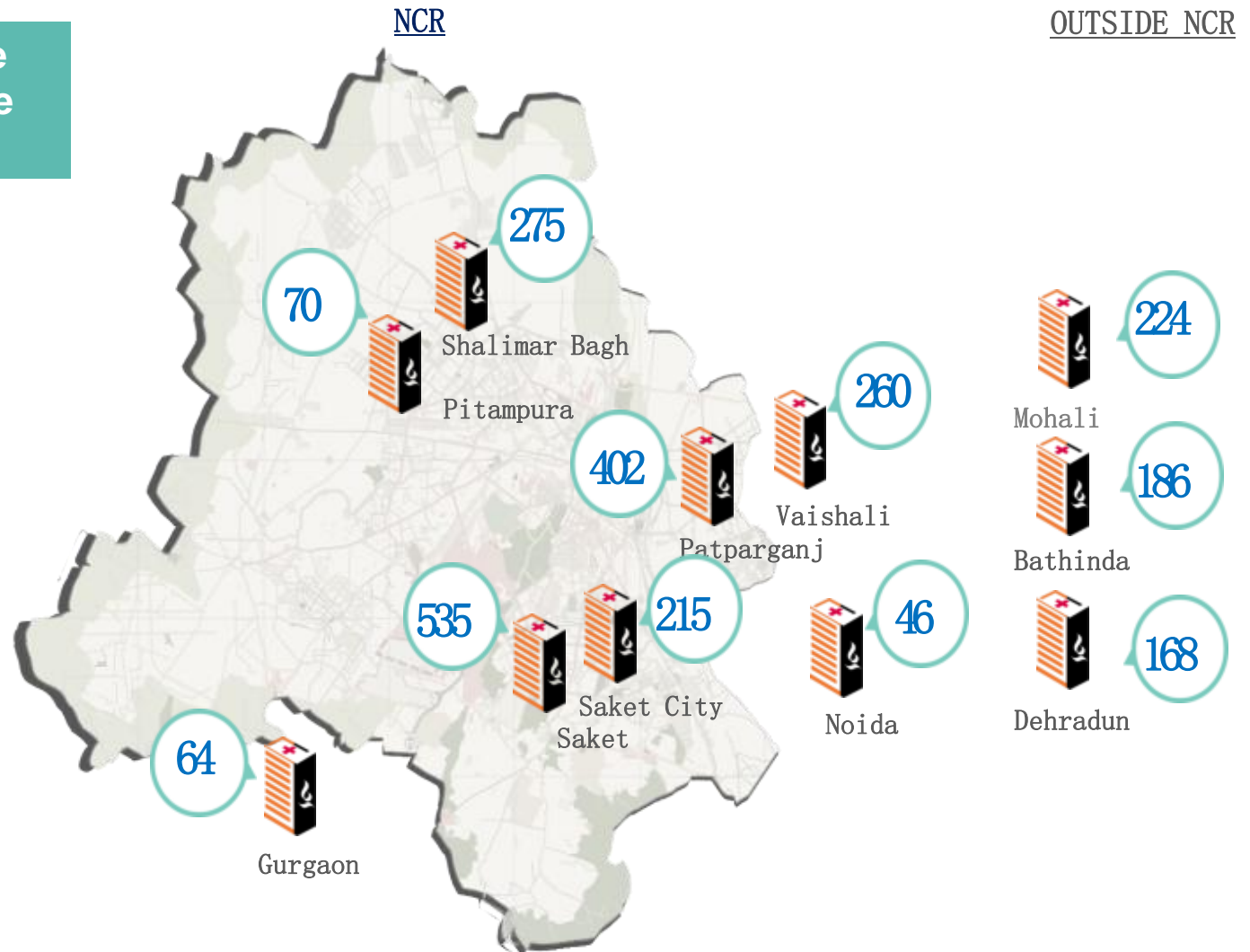


## WHERE DO WE WANT TO BE

- #1 in selected specialties in chosen geographies
- Focus on Tertiary and Quaternary care
- Physical infrastructure in North India; however serving more than 300 towns in India and 30+ countries

# MHC has a strong focus on North India

2400+ available  
beds across the  
network



# MHC has invested in state of the art equipment to achieve clinical excellence (1/2)

## Robotics



*Advanced robotics provides high precision, and minimum invasive surgery across multiple specialities such as Oncology, Neurology*

## Brain suite



*Advanced image guided surgery - provides real-time views and automated image processing*



## Novalis LINAC

*High dose radiation with extreme precision (~ 0.5 mm accuracy)*



## PET-CT

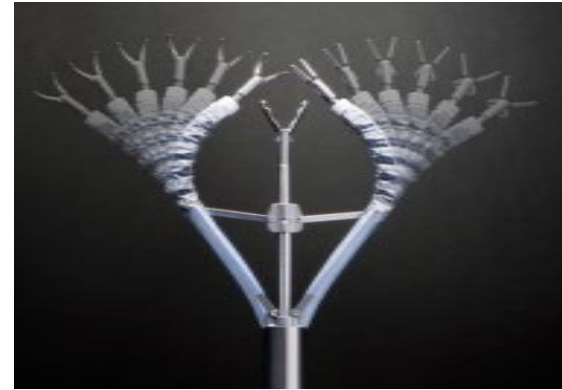
*Provides precise correlation and facilitates proper treatment for Oncology, surgical planning and radiation therapy*

# MHC has invested in state of the art equipment to achieve clinical excellence (2/2)

CyberKnife\*

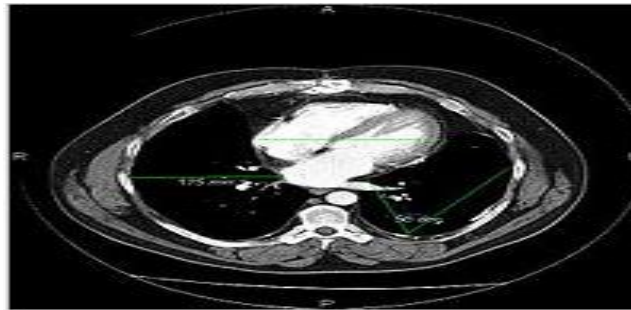


*Robotic radio-surgery (non-invasive) system for both cancerous & non-cancerous systems*



SPIDER

*Designed for revolutionary single incision laproscopic surgery through catheter-based, flexible instruments*

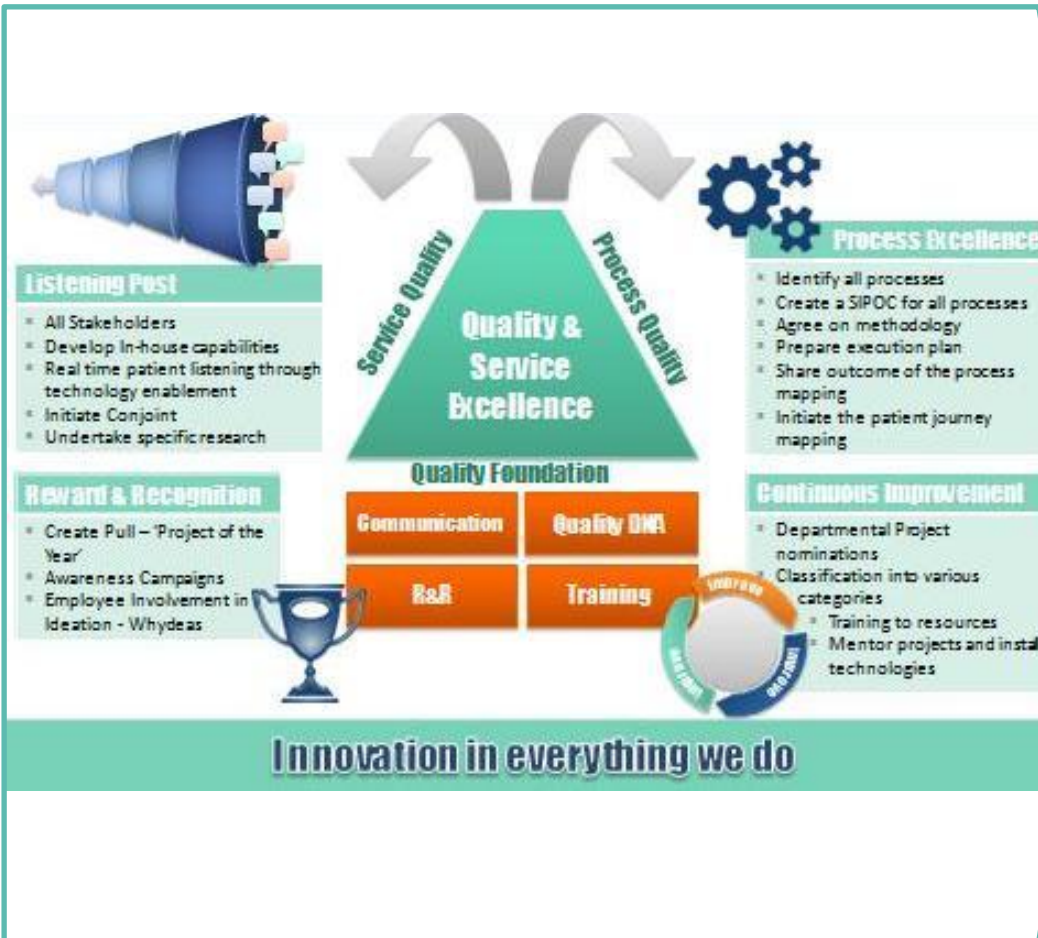


## Picture Archiving & Communication System - PACS

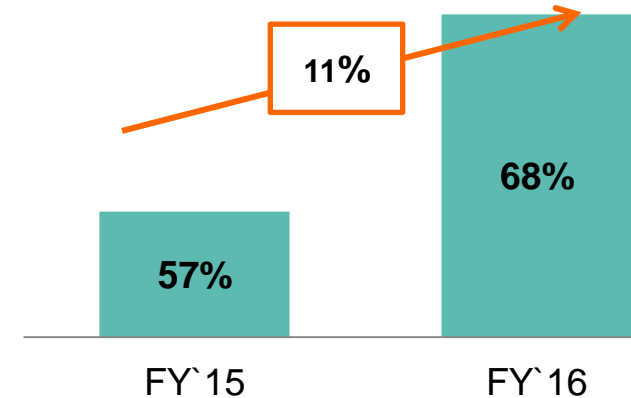
*Economical digital storage and convenient access to medical images from multiple modalities*

\* planned

# MHC has a robust service excellence & quality framework which has resulted into enhanced customer experience



## Top 2 Box Rating\*



- “Sevabhav” trainings and Reward & Recognition platform has led to positive shift in mindset
- Structural Interventions through Six Sigma and other methodologies has resulted into business impact of over **15 Mn USD**

# MHC strong Governance Model helps us bring alignment and improve accountability

## Governance

### Board & 7 committees

Nomination & remuneration

Audit

Investment & performance review

Medical excellence & compliance

Service excellence

Scientific projects & technology

Corporate social responsibility

### Administration

Managerial

Clinical

Executive Committee

Unit Heads

Unit Management Committee (MANCO)

Group Medical Advisory Council (GMAC)

Hospital Medical Executive Council (HMEC)

Doctor's council

# MHC have a proven record of building an institution



**First MHC  
hospital started in  
2002**

Strengthened capabilities to provide comprehensive tertiary & quaternary care

Network of highly qualified doctors, nurses and medical personnel

Organic growth through expansion of hospital network

JV with **Life Healthcare, South Africa**, extending expertise and global reach



**MHC is one of the  
top 3 healthcare  
chains in India**

**ISO  
9001:2000  
& ISO  
14001:2004  
certified**

**DL Shah  
National  
Award on  
'Economics  
of Quality'**

**FICCI  
Excellence  
Awards -  
Operational  
Excellence**

**NABL/  
NABH  
accredited**

**Leadership  
positions in  
NatHealth  
and CII -  
healthcare**

**Business  
World  
Healthcare  
Award in Patient  
Experience &  
Safety**

# Accreditations and Awards

## NABH / NABL Accreditation

**National Standards:**  
**Mark of Excellence :**  
636 aspects are addressed:

- Patient Rights: respect, transparency, consent
- Standardized protocols in all departments: over 200 SOPs
- Patient safety
- Measurement & Evaluation
- Staff Training and safety: on all SOPs

**Achievements: 2012-13:**

**MSSH, Shalimar Bagh: NABH New Accreditation**  
**MSSH, Mohali: NABH New Accreditation (awaited shortly)**  
**MSSH, Saket: NABH Reaccreditation**  
**MSSH, Patparganj: NABH Surveillance Accreditation**  
**Blood Bank: MSSH, Patparganj: NABH Reaccreditation**  
**Pathology Lab: MSSH, Patparganj: NABL**

***MHC is committed to ensure that all units are complaint to the National Standards***

**Radiation Therapy Radiation Oncology Department, Saket:**

**Recognition of Quality Standards conforming to International Atomic Energy Agency / World Health Organization**

**Under leadership of Dr Anil K Anand & Mr. Munjal**

**Centre of Excellence Recognition to MHC for Treatment of Heart Attacks**

**By Lumen Global 2013**

**Under leadership of Dr. Roopa Salwan**

**Dr. Arati Verma selected as Co-Chairperson of Technical Committee of NABH**

**ISO 14001:2004 & 18001:2007 at Patparganj, Pitampura & Shalimar Bagh**  
**ISO 9001:2008 at Max Heart & Vascular Institute, Patparganj, Noida, Pitampura, Shalimar Bagh, Panchsheel Park & Home Office.**



## FICCI Healthcare Excellence Awards-2015



**Patient Safety Award:** Max Super Speciality Hospital, Saket

**Customer Service:** Max Super Speciality Hospital, Saket

**Improvement Award (Private)**

**Best Corporate Website**

– [maxhealthcare.in](http://maxhealthcare.in)

**3<sup>rd</sup> India Digital Awards by Internet & Mobile Association of India**



Awarded on 17<sup>th</sup> Jan, 2013

Past winners: [www.mahindra.com](http://www.mahindra.com) and [www.volkswagen.co.in](http://www.volkswagen.co.in)

MHC won among 200 Nominations in the Award Category

IAMAI jury evaluated entries based on :

- Content
- Structure and Navigation
- Visual Design
- Functionality
- Interactivity
- Overall Experience

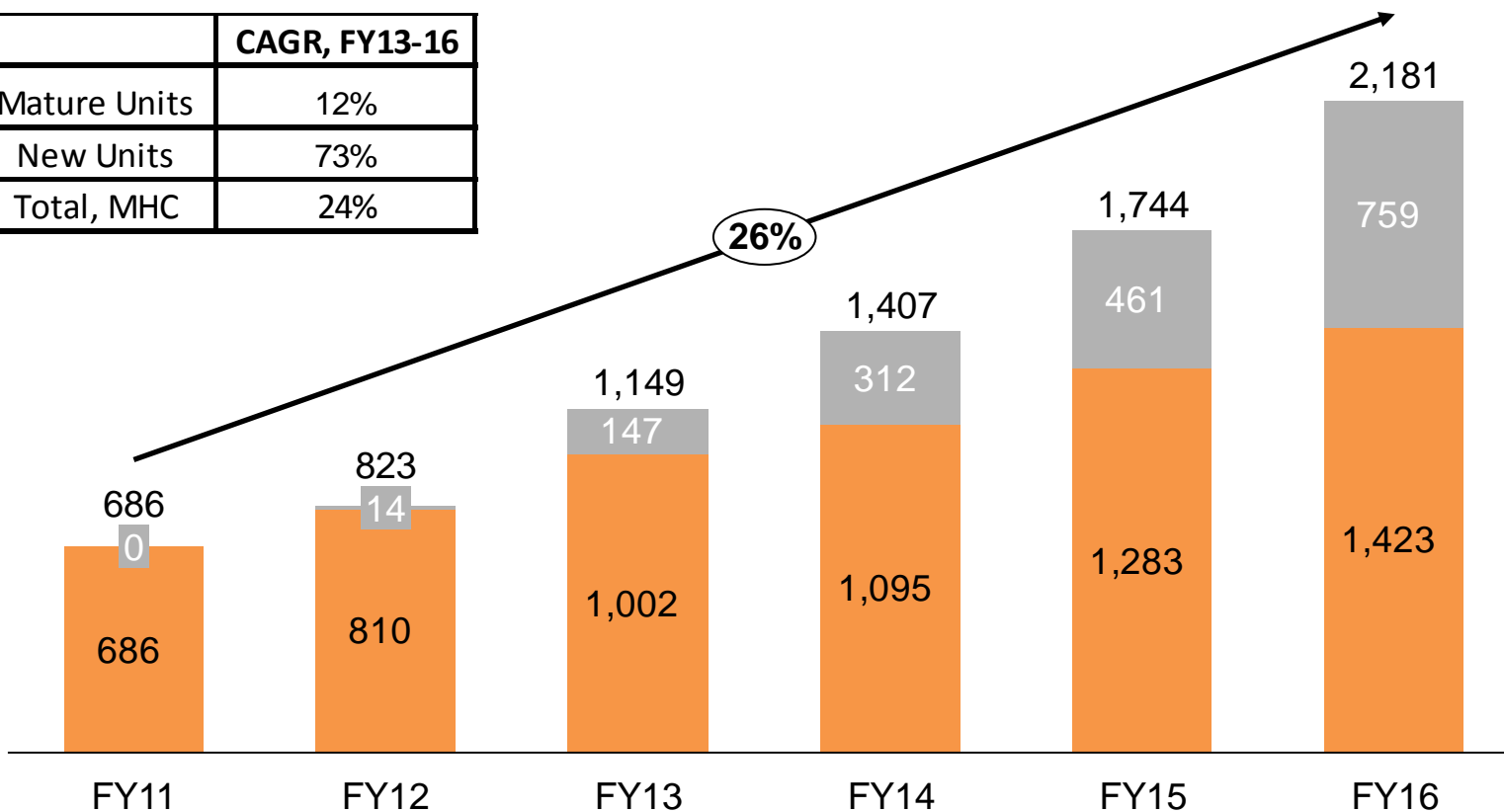
# Healthy revenue growth driven by new & mature hospitals

## MHC Annual Gross Revenues by hospital age

Rs. Cr.

■ New Units, < 5 Years    ■ Mature Units, > 5 Years

	CAGR, FY13-16
Mature Units	12%
New Units	73%
Total, MHC	24%

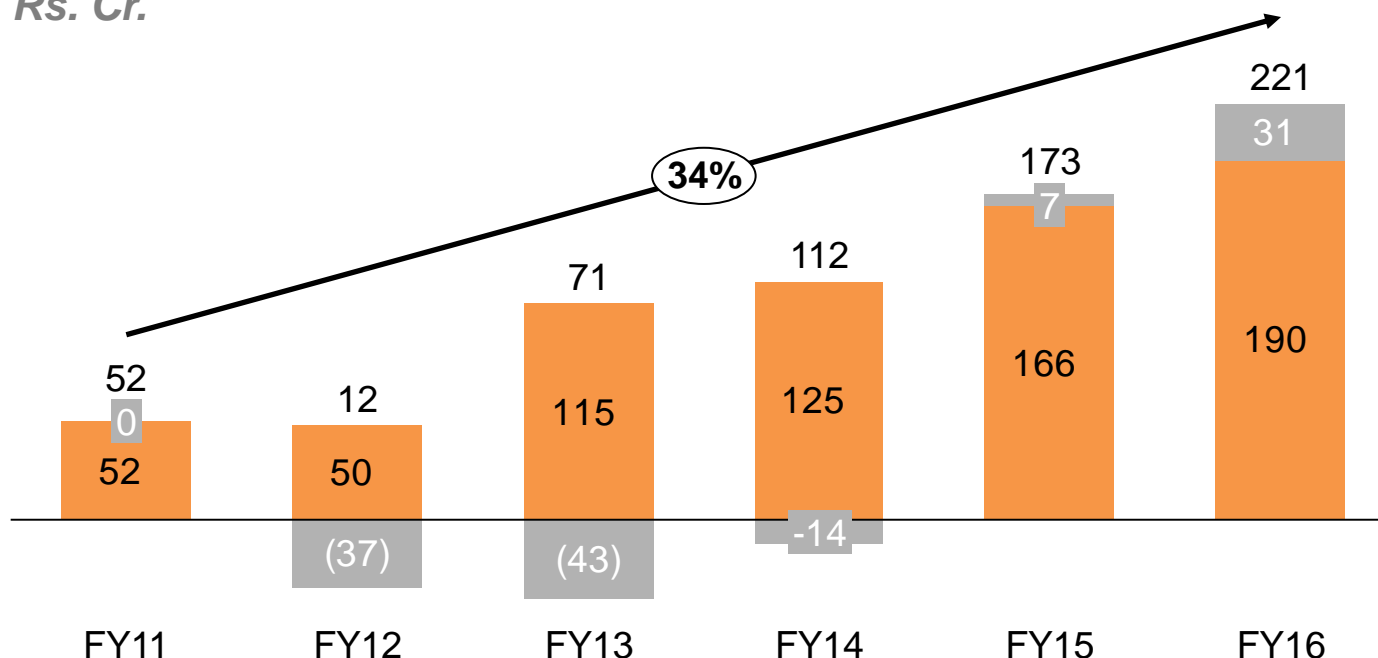


# Steady margin expansion driven by cost efficiencies, build-up in mature units, and revenue scale-up at new units

## MHC EBITDA by hospital age

Rs. Cr.

■ < 5 Years ■ > 5 Years



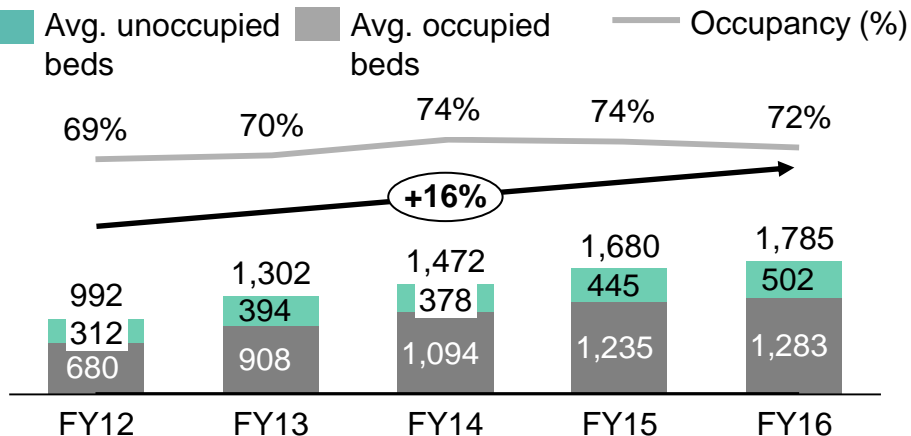
ROCE for mature units at 17.3% (FY16) vs. -1.5% for new units (FY16)

7.7	1.5	6.4	8.2	10.1	10.5
7.7	6.2	11.8	12.0	13.4	14.0
n/a	-277	-30	-4.4	1.5	4.1

**NOTE:** FY16 EBITDA excludes Rs. 6 Cr. of one time expenses towards the Pushpanjali and Saket City acquisitions; FY15 excludes Rs 3 Cr of one off expenses

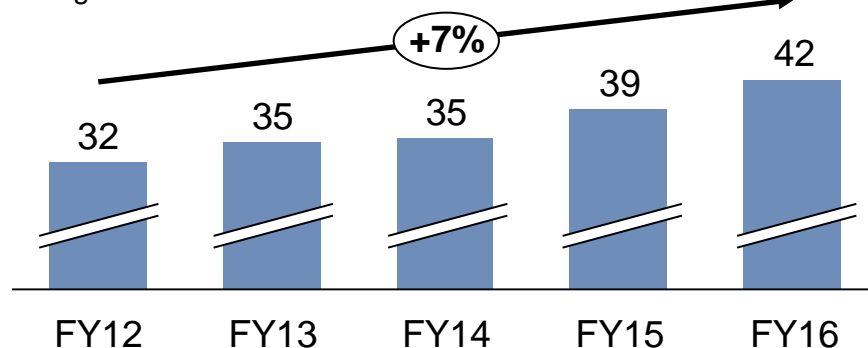
# Strong momentum across all volume and value levers in last 5 years

## Maintained healthy occupancy levels despite strong bed addition momentum



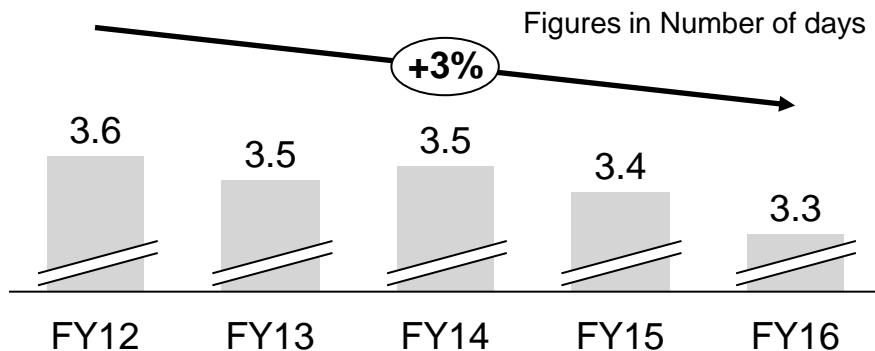
## Steady growth in Revenue per occupied bed

Figures in Rs. Thousands Per OBD

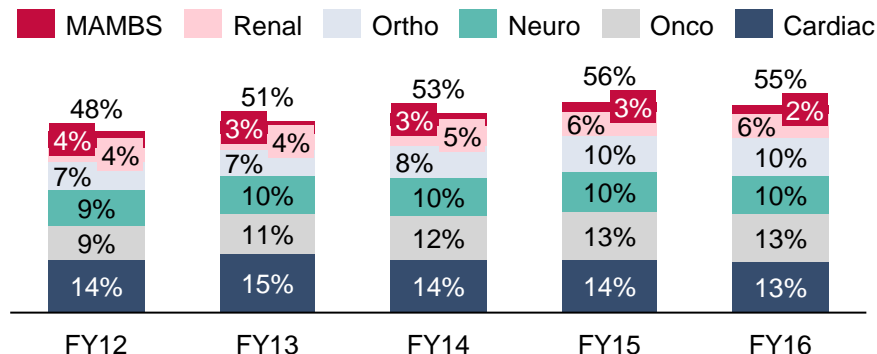


## Consistent improvement in Average Length of Patient Stay

Figures in Number of days



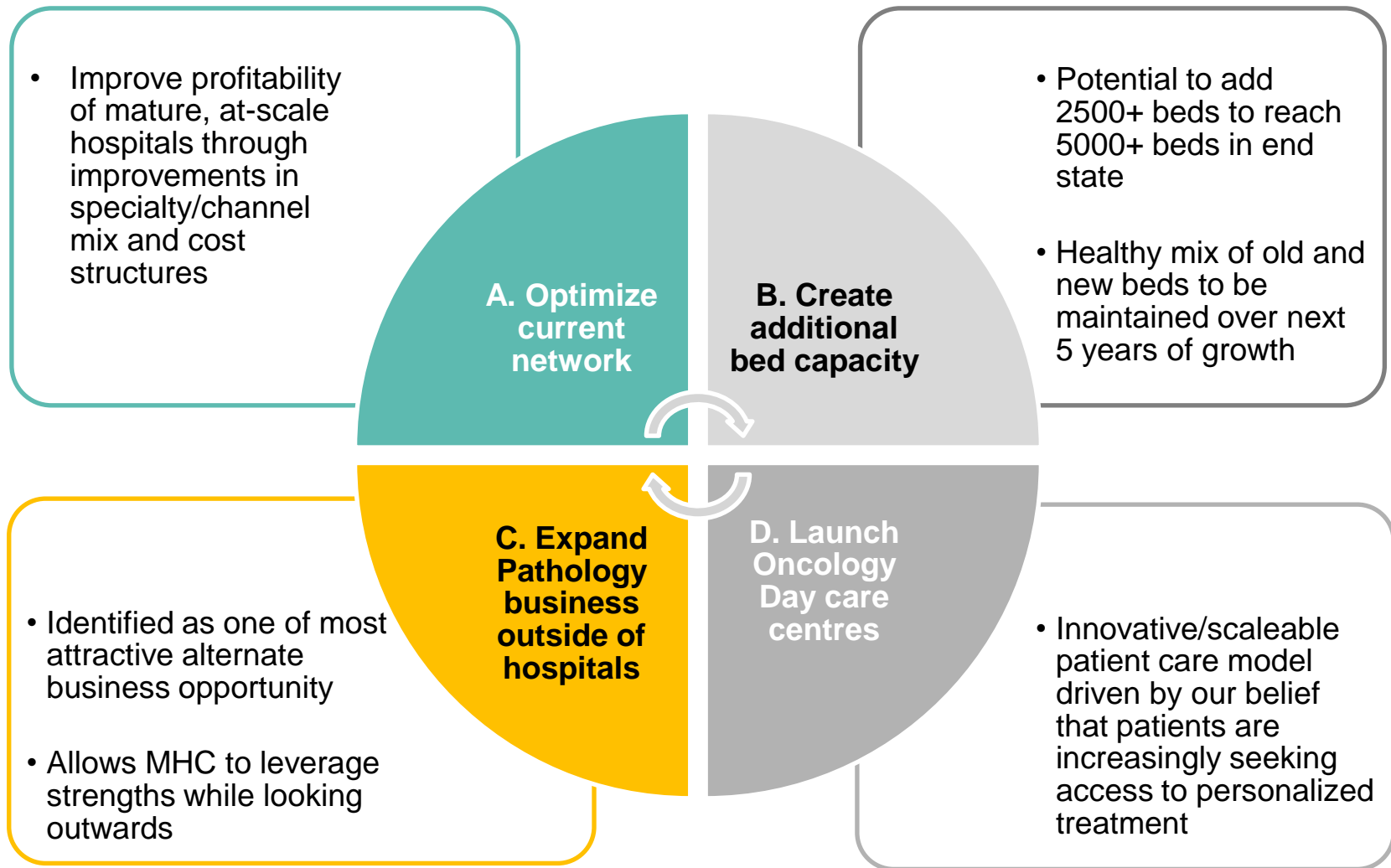
## Sharper focus on key tertiary tower specialities



# MHC growing faster than competition; profitability ratios to improve with maturity of beds and further expansion

All figures for FY16	Max Healthcare	Fortis	Apollo***	Narayana Health
Operational Beds (No.)	2,200	3,600	6,600	5,200
Capital Employed (Rs. Cr.)	2,147	6,306	4,329	1,431
Net Revenue (Rs. Cr.)	<b>2,098 Cr., +24%</b>	3,450 Cr, +8%	4,596 Cr., +10%	1,618 Cr, +18%
International Rev./ Qtr.	192 Cr, +15%, 8.8% of revenue	343 Cr, +9% 9.9% of revenue	N.A	5% of Revenue
Operating EBITDA (Rs. Cr.)	221*	50.8/507.8**	697	187
EBITDA Margin (%)	10.5*%	1.5%/14.7%**	15.2%	11.6%
ROCE (%)	4.6% (Mature Units -17.3%)	1.3%	11.2%	7.8%
EBITDAR per OBD (Rs. lacs)	<b>18.0 (excl. acquisitions – 20.0)</b>	19.8	18.8	8.1
ALOS (days)	<b>3.26</b>	3.56	4.17	4.32
ARPOB/p.a (Rs. Cr.)	<b>1.48</b>	1.37	1.09	0.64
<b>Top Specialties</b>	Cardiac 13%, Onco 13%, Ortho 10%, Neuro 10%, Renal 7%	Cardiac 25%, Ortho 9%, Neuro 8%, Renal 7%, Onco 5%	Cardiac 23%, Ortho 10%, Neuro 12%, Renal 4%, Onco 8%	NA

# Four dimensions to value creation for MHC

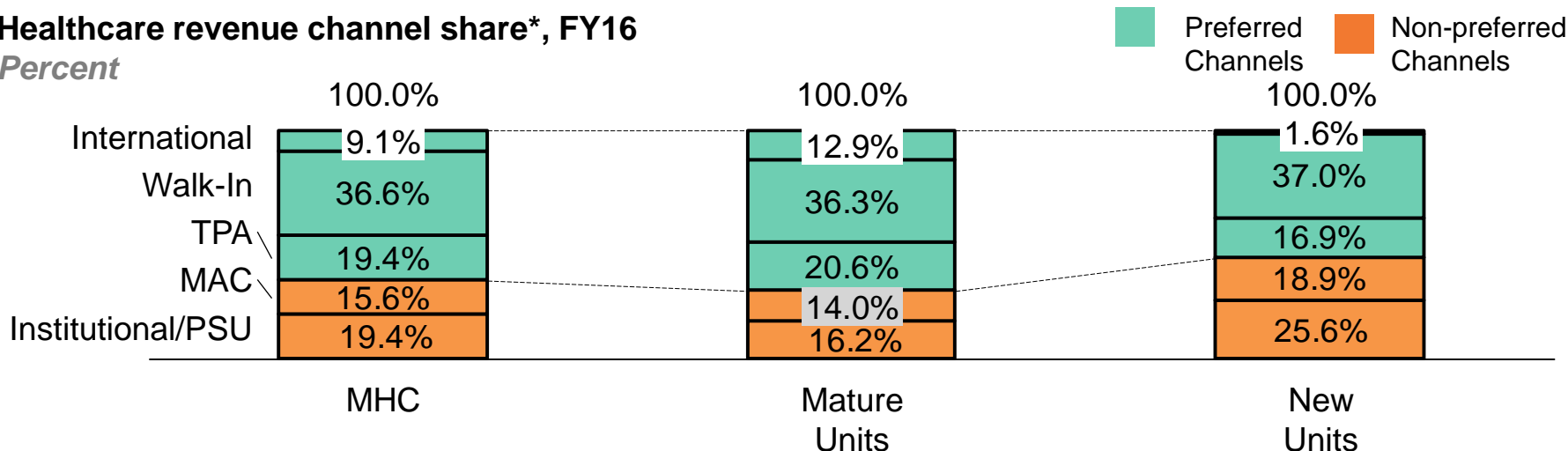


# Increasing share of preferred channels to improve profitability

As the new units in the network mature, the share of preferred channels will increase in the revenue mix and tend to mirror the share in current mature units

## Healthcare revenue channel share\*, FY16

Percent



Action plan in place to further increase the share of preferred channels in the mature units

### Walk-in

- Sustained **brand effort / experience delivery** on new positioning
- **ATL/BTL campaigns** for key specialties
- Strengthen **ER capabilities**

### Inter-national

- Establish **direct presence** and **digital footprint** in select markets
- Expand in attractive **new markets**
- **JCI Accreditation** at flagship units

### TPA

- Seek **new engagement models** in the prevention/ wellness space
- Assess **co-development of product** targeted at new customer segments

### MAC

- Maintain share & improve quality of business via **upcountry channel**

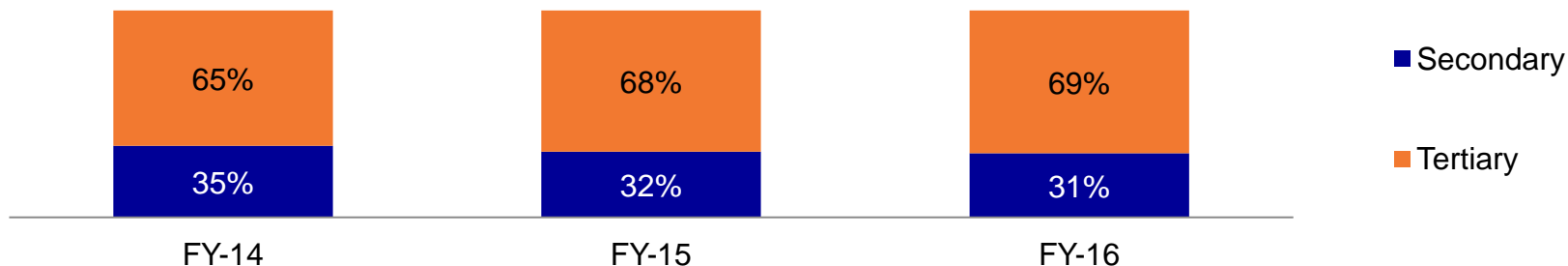
### Institutional

- **Deprioritize; profitability improvement** through focus on collections, material cost, and ALOS

Share of preferred tertiary/surgical specialties to increase in the revenue mix, in line with the historic trends

## Healthcare revenue specialty share\*, FY16

Percent



## Action plan in place to grow focused specialties



### ONCOLOGY

- Build distinguished leadership in all DMGs
- Establish a standalone centre
- Personalized medicine



### TRANS-PLANT

- Build comprehensive transplant center in Saket complex; launch LTP
- Establish KTP and BMT programs in selected locations



### NEURO SCIENCES

- Provide end to end service offering
- Launch specialized clinics
- Invest in high end Neuro equipment



### CARDIO SCIENCES

- Focus on high-end procedures
- Partnerships with renowned global institutions – people & best practices

A

# Focus on structural cost efficiency built up through a programmatic approach

Rs. ~40 Cr. of cost saving achieved during FY16

## MATERIAL COST

- Procurement efficiency and formulary driven substitutions
- Materials management and control, spl. In PSU cases

## CLINICIAN COST

- Contract negotiations and optimization

## PERSONNEL COST

- Organization restructuring
- Physician compensation re-modelling

## OTHER INDIRECT COST

- Contract negotiations
- Work optimization by leveraging benchmarks

**Rs. 40 Cr. of further cost efficiency built up being targeted for FY17**

Focus on structural improvements



### Build strength in procurement

- Best in class cost
- Optimized formulary
- Support low cost supplier/vendor eco-system



### Invest in technology / digital

- Best in class manpower productivity (Smart Kiosks, e-ICU etc.)
- Leverage technology to provide health services outside of hospital

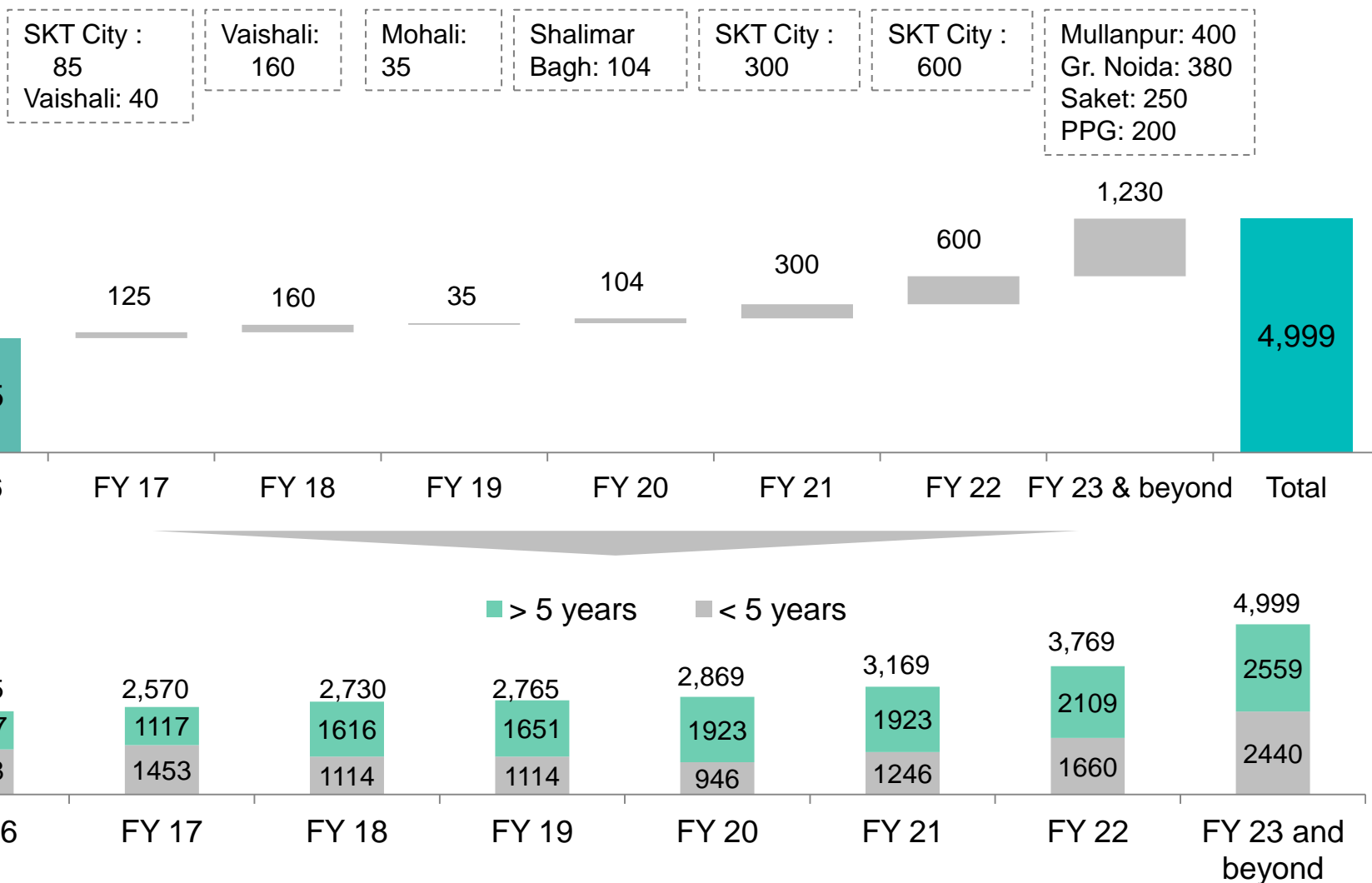


### Re-engineer/simplify processes

- Reduce manpower and other indirect costs through elimination of wasteful steps

B

# MHC poised to derive strong growth from healthy mix of mature and New units



# During FY16, MHC acquired the 340 bedded Pushpanjali hospital in NCR, with potential to grow up to 540 beds



**Pushpanjali Crosslay Hospital  
(Before acquisition)**



**Rechristened MHC Vaishali  
Post acquisition**



- Founded by prominent Delhi clinician; operational since 2010
- Strategically situated on National Highway 24; 5 minutes from Max PPG - Potential to dominate the E. Delhi and Western UP
- Large asset with potential to grow
  - 340 beds (260 currently operational), expandable to 540
  - Built on a plot size of 3.46 acres with 0.4 Mn. sq. ft. Builtup
- Infrastructure matching MHC's LTFS standards

Metric	Unit of Measure	Pre Acquisition	Jul-15	Avg Q4
<b>Financial Indicators</b>				
G Revenue	Rs Lacs	1209	1207.8	1613
EBITDA Unit	Rs Lacs		12.5	251
EBITDA Margin	% to Net Rev		1%	16%
ARPOB	Rs. Per OBD	15583	17,396	31,717
<b>Bed Utilization</b>				
Available Beds	Nos	260	256	260
Beds Occupancy	%		56%	64%
Tertiary: Secondary	Ratio	57:43	57:43	61:39
ER Conversion	%		45%	50%

# Saket City Acquisition: Opportunity to create one of Asia's largest Medicity in the heart of South Delhi

## What will it be?

**Largest private facility in India – 2000 beds in fully built state**

**Top 3 in Asia for tertiary and quaternary care – destination centre of choice**

**Integrated complex with Max Saket –**  
dedicated OPD tower, clusters of OTs and ICUs, centralized lab and ER

**ILLUSTRATIVE**



## How will we get there?

**Facility design based on comprehensive demand mapping – demand from NCR, catchment areas in North India and international markets**

**7 centres of excellence – oncology, neurosciences, transplants, cardiac-sciences, orthopaedics, MAMBS and mother & child**

**Asia's most pre-eminent oncology centre – dedicated tower with 300-500 beds**

**State-of-the-art transplant centre – for all transplants including heart, liver, kidney, bone marrow**

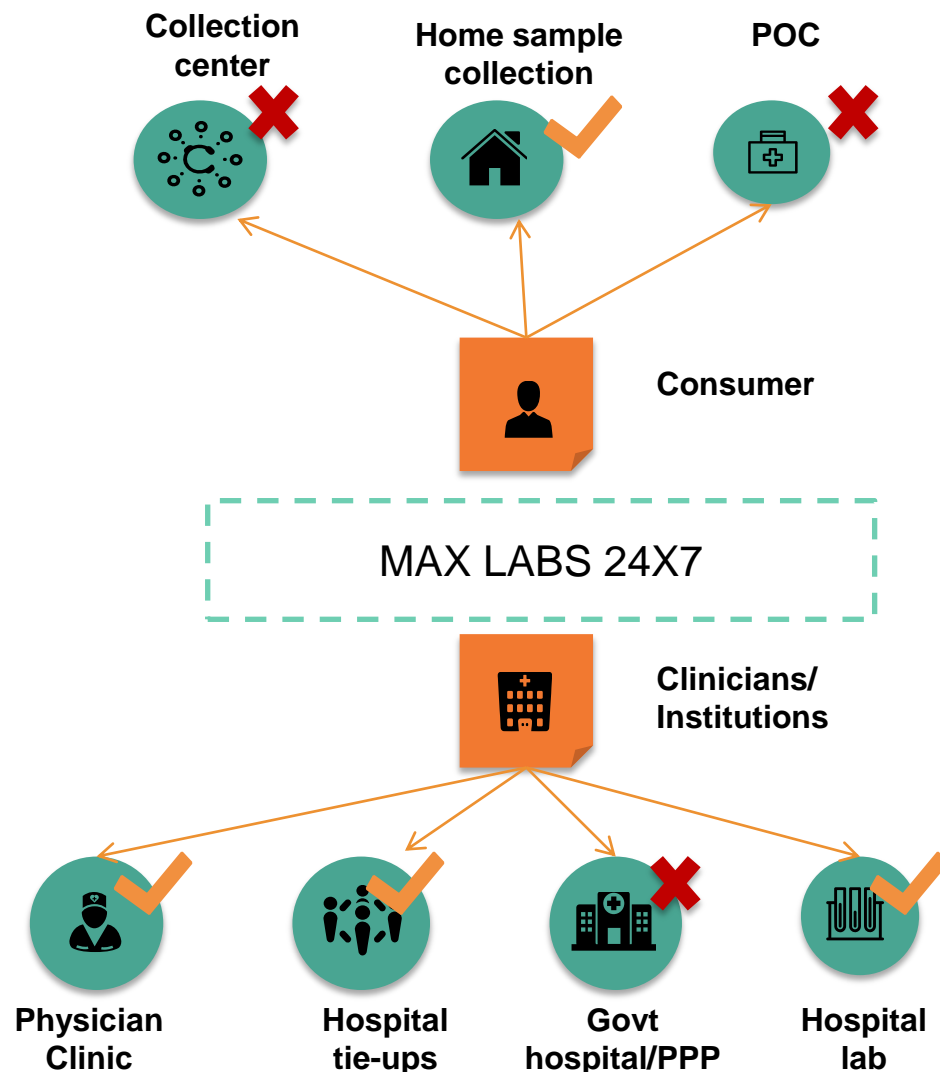
**India's first international patient centre – catering to patients from developing and developed markets**

**Structured plan for clinician recruitment- attracting renowned clinicians from India and overseas, especially for focus specialties by creating an attractive ecosystem, including research and education**

## Why will MHC succeed?

- **Significant demand:**
  - Path market in NCR poised to grow 3X by 2020 – INR 2100 Cr to ~Rs 6,200 Cr
- **Supportive supply situation:**
  - **Organized players (CAGR ~ 26%)** outpacing industry growth
  - Very few organized players currently. No significant consolidation expected
- **Attractive entry model**
  - Possible for MHC to enter **B2C & B2C business models** with low-capex by leveraging **existing infrastructure**
- **Encouraging financials**
  - Existing players have EBITDA margins of **20%+,** EBITDA on incremental revenues for MHC expected to be significantly higher (> 35%)

*Rs. ~250 Cr. of Revenues from in-house IPD/OPD Pathology services (FY16)*



# Cancer Day Care Centre – Launching an innovative patient care model in Q1 FY17

## Our belief

Patients are increasingly seeking access to a more personalized treatment (vis-à-vis at a hospital) along with a unique adjunctive ambience/experience and a high focus on efficiency

## Our differentiators

1. Led by a stalwart Med. Oncologist
2. End to end design partnership with GE
3. Staff expertise and iron clad processes
4. Comforting ambience



*Actual design images*



*Actual design images*

# MAX INDIA LIMITED

---

## MAX BUPA HEALTH INSURANCE LIMITED

[www.maxbupa.com](http://www.maxbupa.com)

[www.maxindia.com](http://www.maxindia.com)

# A symbiotic partnership in health insurance



- India's leading conglomerate
- Successful track record of building market leading businesses
- Expertise in life insurance, health insurance & healthcare businesses
- Group revenues in FY 2016 – INR 142 billion
- In-depth understanding of the Indian market
- Strong DNA of service excellence
- Strong track record of creating value and sharing it with its strategic partners



- **51:49 JV of Max and Bupa**
- **Perfect blend of global expertise and local knowledge of Healthcare and Insurance**
- **Started in Apr 2010**
- **JV to be Indian owned and controlled with Bupa contributing its global expertise in Health Risk Management & product development and Max contribution on other aspects such as people, policies, regulatory etc.**



- Largest independent health insurance provider in UK
- Global Expertise in health insurance and healthcare
- 32 million customers in over 190 countries
- Group revenues in 2015 - ~£9.8 billion
- Voted as best international health care provider globally
- Bupa is committed to supporting Max Bupa's growth and helping Indian consumers live healthier and more successful lives
- Bupa sees Max Bupa as a huge growth opportunity and a chance to truly impact the health of millions of people.

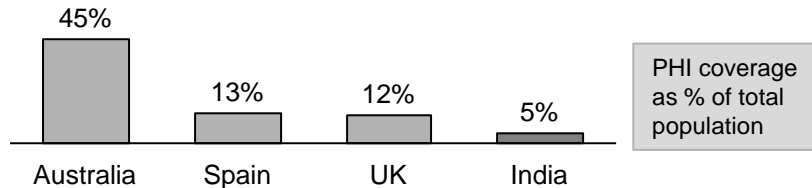
**Leveraging the strengths of both partners to build a robust and profitable enterprise with focus on service excellence**

# Industry landscape

## Opportunities

### ■ Low health insurance penetration and coverage

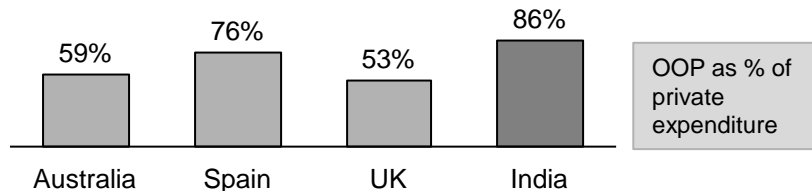
- HI penetration (premium as % of GDP) is only ~0.2%
- Only ~5% of total population covered under personal HI



- FICCI estimates that only 15% of population has any kind of health insurance

### ■ India has one of the highest out-of-pocket expenses (primarily OPD, consultation, diagnostics & pharmacy)

- Double-digit medical inflation
- Continued increase in lifestyle related diseases



### ■ Increasing affluence

- Base of middle class expected to increase by 150 mn

## Looking forward

### ■ 2X industry growth over 5 years (~ Rs 40,000 cr)

- Rising healthcare costs and standards of care
- Regulatory & policy level incentives
- Increase in government funding
- Overall boom in the opportunities for access to necessary treatment

### ■ However, industry is faced with challenges too

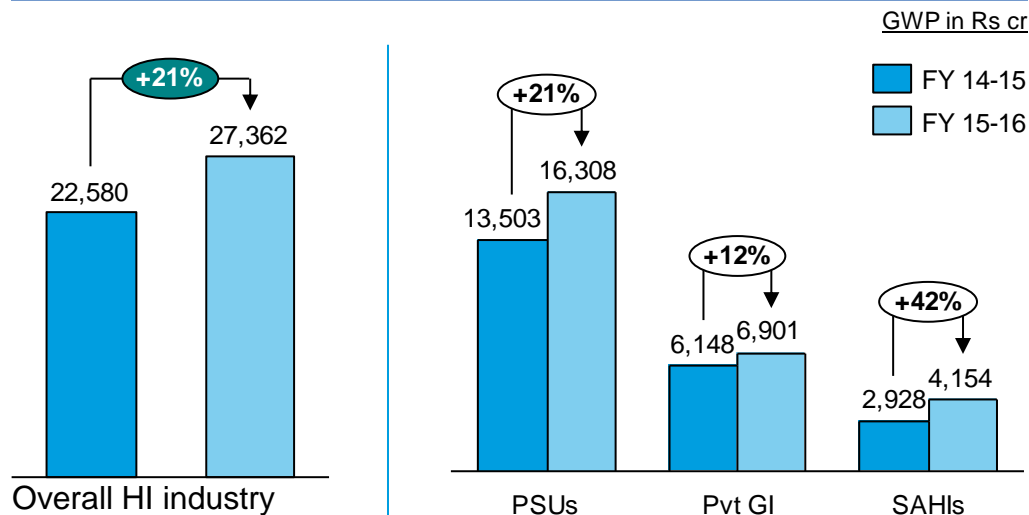
- Rising burden of non-communicable diseases
- Unregulated health ecosystem
- Regulatory headwinds
- Margin pressure
- Increasing claims cost and operating expenses putting a downward pressure on cost structures

### ■ Increased regulatory activism

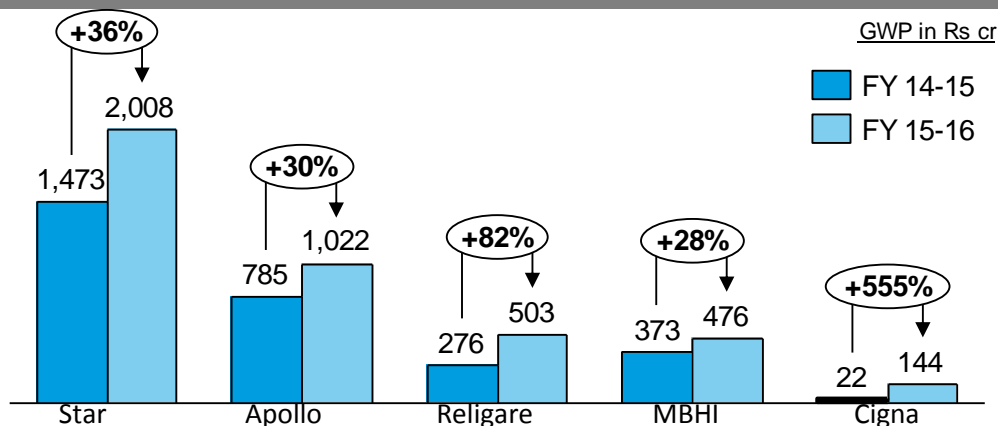
- Continued focus on consumer protection impacting re-pricing, product sophistication, etc

# Industry landscape

SAHIs are the fastest growing section in the industry...



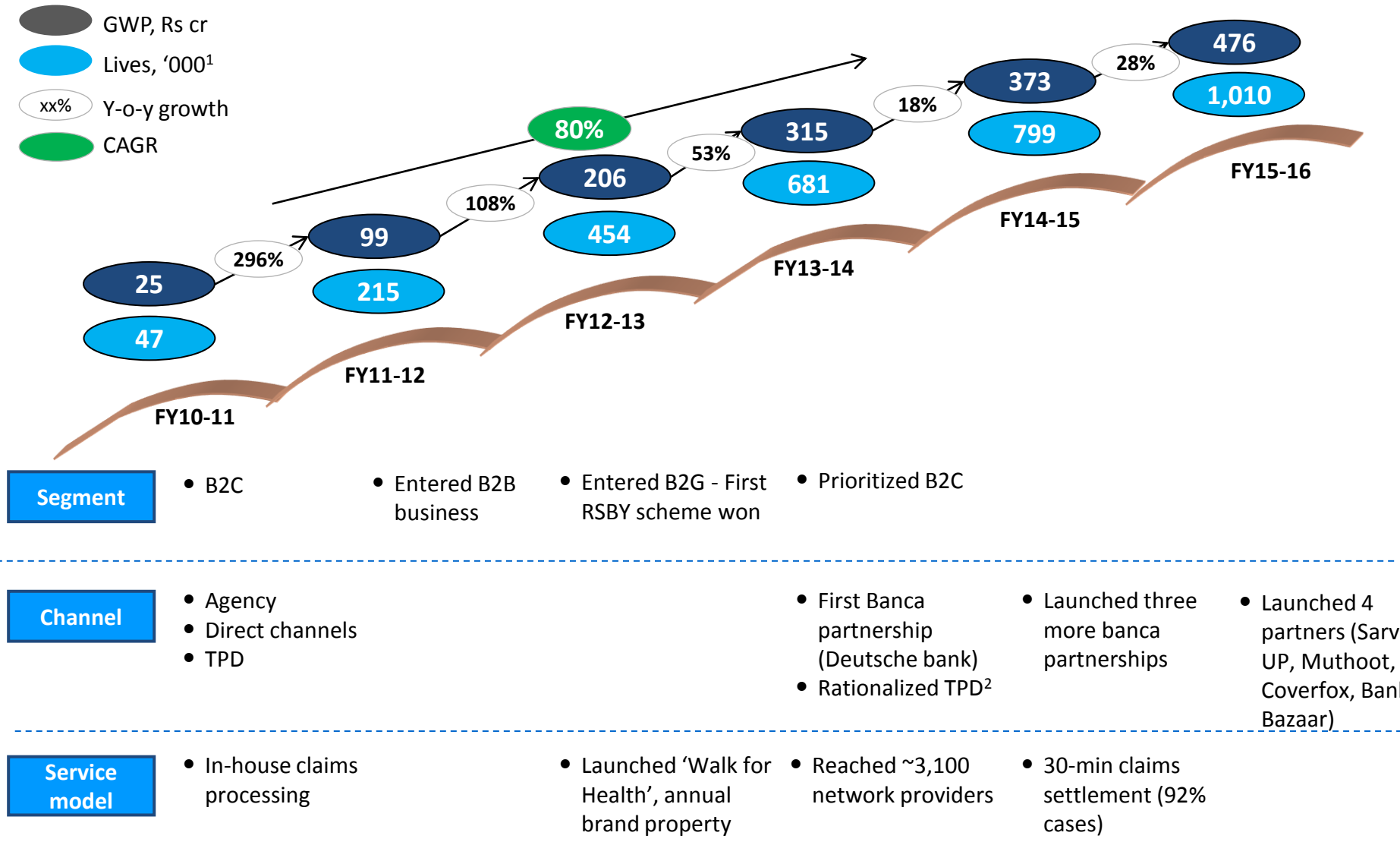
...led by distribution expansion as well as product launches



## Key highlights

- **Overall industry growth continues @ 21%**; Total health insurance market expected to grow 2X to ~ Rs 50,000 cr by FY 19-20
- **Max Bupa has 4.3% share of pvt market v/s 4.1% last year**
- **Significant investments in distribution expansion as well as new product launches**
- **Industry continues to attract new entrants**
  - **Kotak General** – paid-up capital of Rs 150 cr with initial focus on motor and health retail segment)
  - **Birla Health** has also received R1 license

# MBHI – The journey since inception



1. Does not include rural lives | 2. From ~70 partners to top 5

# MBHI's operating model choices

## Choices

## Specifics

### Segment

- **Focus on B2C segment**, with limited play in B2B (renew only profitable accounts) & B2G (to meet regulatory obligations)

### People

- Making Max Bupa a '**workplace of choice**'

### Distribution

- **Distribution model to focus on Agency & Banca**
- **Investments in direct channels** to support the "pull" model

### Product

- **Focus on urban B2C segment**, Heartbeat is flagship product, while Health Companion complements by targeting mass affluent customers
- **Product portfolio approach** with HRM lens and continuing focus on **comprehensive** product features

### HRM

- **Bedrock of the company** – Executed via TQM philosophy to become enterprise DNA
- Invest in **HRM** capabilities to enable **benefit management**

### Claims Mgmt

- Claims philosophy of **paying all genuine claims as per contract**
- **In-house claims processing** & operations

### Customer experience

- **Exemplar service** based on customer segments and partners; enable self-service

### Marketing

- '**Family positioning**' with industry first propositions
- Focus on health and well-being – initiatives like '**Walk for Health**'

## Factsheet\* – Max Bupa

Gross Written Premium^

INR 476 Cr.

Customer Base^

~ 1 Mn Urban,  
Total 2 Mn

Number of Employees

~1,400

Number of Agents

~12,500

Number of Offices

26

Partner Hospitals

~3,600

Capital

INR 898 Cr

# Max Bupa – Highlights

## Milestones achieved



- Reached 1 MM urban customers, increasing the total base to 2 MM



- Walk for Health – Walk India Walk, a national movement touching 33 MM lives



- New brand identity which demonstrates a stronger synergy between our parent companies

## External accolades

### Brand

- The only Health Insurer to be listed as a **Superbrand** in 2015-16
- Most Trusted Health Insurer** (third time in a row) in the Brand Trust Report 2016



### Customer Service

- '**Claim Service Leader of the Year**' at the 5<sup>th</sup> Indian Insurance Awards 2015
- '**Best Customer Service**' at Customer Experience Management Asia Summit 2015



### IT

- E-Governance BFSI Leadership Awards 2015 - **Best Solution for Data management**
- Model Asia Insurer of the Year 2016 for **best IT practice (CRM implementation)**



### Product

- Innovation of the Year (Heartbeat)** at the Golden Peacock Awards 2015



# Strategic priorities – strengthening the foundation

**A**

Provider of choice in the  
**A**ffluent segment in Urban  
India

**B**

**B**road base the franchise with  
partnerships & alliances

**C**

Build a **C**ustomer centric,  
**C**ompliant & **C**ost conscious  
Culture

**D**

**D**igitally enable end to end  
customer journey

**1**

**Portfolio management approach to  
renewals & profitable growth**

**2**

**Compelling product proposition**

**3**

**Build Digital**

**4**

**Optimize expenses & robust claims  
management**

**5**

**Strengthen processes & technology**

**6**

**Enable the workforce**

# Disclaimer

This presentation has been prepared by Max India Limited (the “Company”). No representation or warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in the presentation. The past performance is not indicative of future results. Neither the Company nor any of its affiliates, advisers or representatives accepts liability whatsoever for any loss howsoever arising from any information presented or contained in the presentation. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed.

The presentation 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.

This presentation does not constitute a prospectus or offering memorandum or an offer to acquire any securities and is not intended to provide the basis for evaluation of the securities. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation to the securities shall be deemed to constitute an offer of or an invitation.

No person is authorised to give any information or to make any representation not contained in and not consistent with this presentation and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company any of its affiliates, advisers or representatives.

The Company’s Securities have not been and are not intended to be registered under the United States Securities Act of 1993, as amended (the “Securities Act”), or any State Securities Law and unless so registered may not be offered or sold within the United States or to, or for the benefit of, U.S. Persons (as defined in Regulations S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable State Securities Laws.

This presentation is highly confidential, and is solely for your information and may not be copied, reproduced or distributed to any other person in any manner. Unauthorized copying, reproduction, or distribution of any of the presentation into the U.S. or to any “U.S. persons” (as defined in Regulation S under the Securities Act) or other third parties ( including journalists) could prejudice, any potential future offering of shares by the Company. You agree to keep the contents of this presentation and these materials confidential.

# ANNEXURES

---

# MHC - Board of Directors



**Mr. Rahul Khosla**

President – Max Group  
Over 30 years of global experience in Banking and Financial markets.



**Dr. Omkar Goswami**

Economist and Leading Academic  
Serves on Board of many Indian MNCs as Dr Reddy's, Infosys, IDFC, Crompton Greaves, Cairn India Ltd. etc



**Mr. Kummamuri Murthy Narasimha**

Independent Director; Leading Finance professional associated with the development of Cost & Management Information Systems for over 150 firms



**Dr. Ajit Singh**

Partner at Artiman Ventures, focusing on early-stage technology & life science investments  
PhD in Computer Science from Columbia University



**Dr. Pradeep Kumar Chowbey, Padmashri**

Director of Max Institute of Minimal Access, Metabolic and Bariatric Surgery. More than 35 yrs of experience in Lap Surgery, completed 70,000 major Lap procedures



**Ms. Madhabi Puri Buch**

Founder of Agora Partners Pvt Ltd  
Previously Head of Singapore office at Greater Pacific Capital and was also the CEO of ICICI Securities.



**Mr. Andre Meyer**

Chief Executive Officer, Life Healthcare Group  
Extensive experience at executive level in employee benefits and healthcare sectors



**Mr. Mohit Talwar**

Managing Director at Max India Ltd. & Max Financial Services Ltd., Over 30 years of experience in Corporate Finance and Investment Banking.



**Mr. Rajit Mehta**

Managing Director & CEO- Max Healthcare  
Over 20 years of experience in financial services. Previously Chief Operating Officer at Max Life Insurance.



**Dr. Peter George Harper**

Over 25 years of experience in cancer research and treatment; appointed Chevalier of the Légion d'Honneur for advising the French govt on strategic cancer care.



**Mr. Francois Theron**

Senior Business Development Manager, Life Healthcare Group, Qualified Chartered Accountant (SA), Serving on the Board and Committees of various hospitals.

# MHC – Management Team

**Mr. Rajit Mehta**

Managing Director & CEO- Max Healthcare  
Over 20 years of experience in financial services.  
Previously Chief Operating Officer at Max Life Insurance.

**Mr. Rohit Kapoor**

Senior Director & Chief Growth Officer  
18 years of diverse experience across industry and management consulting with McKinsey & Company

**Mr. Anil Vinayak**

Director & Zonal Head – NCR 1  
Over 23 years of experience in Business Management and Sales & Marketing; previously with Amex

**Dr. Sandeep Buddhiraja**

Director- Clinical Directorate & Institute of Internal Med.  
Over 23 years of experience in the field of Internal Medicine

**Mrs. Vinita Bhasin**

Senior Vice President & Head of Service Excellence  
More than 19 years of in-depth experience across the Financial Services sector; previously with Max Life Insurance

**Mr. Yogesh Sareen**

Senior Director & Chief Financial Officer  
Over 20 years of experience in across all facets of finance; previously CFO of Fortis Healthcare.

**Mr. Rohit Varma**

Director- Human Resources & Chief People Officer  
Over 25 years of HR industry experience in organisations like NIIT, Headstrong, Genpact

**Mr. Anas Wajid**

Director- Sales & Marketing  
More than 17 years of experience in diverse fields such as advertising, retail, healthcare and media. Previously Head, Sales and Marketing at Fortis Healthcare

**Mr. Rakesh Prusti**

Director - Legal, Compliance and Regulatory Affairs  
Over 19 years of experience in diverse sectors such as Trading, IT, Export and Manufacturing; previously with Carrefour and NIIT

**Mr. Sumit Puri**

Chief Information Officer  
Over 21 years of experience in varied industries such as Health/ Life Insurance, IT/ITES, and Consulting; previously CIO of Prudential Life Assurance

# Key Physicians



**Dr. Pradeep Kumar Chowbey, Padmashri**

Director of Max Institute of Minimal Access, Metabolic and Bariatric Surgery. More than 35 yrs of experience in Lap Surgery, completed 70,000 major Lap procedures



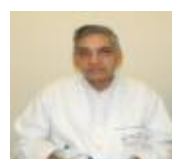
**Dr. Sandeep Buddhiraja**

Director- Clinical Directorate & Institute of Internal Med.  
Over 23 years of experience in the field of Internal Medicine



**Dr. S.K.S. Marya**

Chairman - Orthopaedics & Joint Replacement  
Renowned Joint Replacement Surgeon having 30 years experience



**Dr. K.K. Talwar**

Chairman - Cardiology, Max Healthcare  
Clinical experience of more than 39 years  
Former Head, Department of Cardiology, AIIMS



**Dr. Harit Chaturvedi**

Chairman – Cancer Care, Director & Chief Consultant -  
Surgical Oncology.  
Over 25 years of experience in Surgical Oncology.



**Dr. A.K. Singh**

Director – Max Institute of Neurosciences, Dehradun  
Renowned Neuro Surgeon having 40 years experience  
Recipient of the BC Roy award



**Dr. Anurag Krishna**

Director- Paediatrics & Paediatrics Surgery  
Over 20 years of experience in Paediatric surgery -  
complex congenital malformations

Strong consultant bench strength  
of **350+** across specialities :

- Cardiac – **100+**
- Oncology – **50+**
- Orthopaedics – **50+**
- Neurosciences – **50+**
- Renal – **50+**
- MAMBS – **25+**

# MHC Network – Performance Dashboard (Q4 & FY16)

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
		Mar-16	Mar-15		Mar-16	Mar-15	
<b>a) Financial Performance</b>	<b>Rs. Cr</b>						
Revenue (Net)		575	445	29%	2,098	1,698	24%
Contribution Margin	%	66.4%	64.8%	160 bps	65.4%	64.3%	110 bps
EBITDA	Rs. Cr	63	43	48%	215	170	26%
EBITDA Margin	%	11.0%	9.6%	140 bps	10.2%	10.0%	20 bps
Cash Profit	Rs. Cr	32	24	33%	115	86	35%
Profit	Rs. Cr	2.3	1.5	55%	10	(6)	> 100%
<b>b) Financial Position</b>							
Net Worth	Rs. Cr				1,071	749	43%
Net Debt	Rs. Cr				1,056	563	88%
Tangible Fixed Assets - Gross Block	Rs. Cr				1,944	1,421	37%
<b>c) Patient Transactions (No. of Procedures)</b>	<b>No.</b>						
Inpatient Procedures		43,042	33,113	30%	1,63,687	131,756	24%
Day care Procedures		12,360	6,835	94%	35,400	26,235	35%
Outpatient Registrations		15,14,768	11,43,586	32%	55,37,753	44,47,883	25%
<b>d) Average Inpatient Operational Beds</b>	<b>No.</b>	2,300	1,745	32%	2,279	1,680	36%
<b>e) Average Inpatient Occupancy</b>	<b>%</b>	69.7%	71.8%	(210 bps)	71.1%	73.5%	(240 bps)
<b>f) Average Length of Stay</b>	<b>No.</b>	3.39	3.40	1%	3.26	3.42	5%
<b>g) Avg. Revenue/Occupied Bed Day (IP)</b>	<b>Rs.</b>	30,433	29,717	2%	30,334	28,814	5%

# MHC Network Hospitals (Mature & New) – Performance Dashboard (Q4 & FY16)

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
		Mar-16	Mar-15		Mar-16	Mar-15	
Mature Hospitals*							
a) Financial Performance							
Revenue(Net)	Rs. Cr	345	322	7%	1,358	1,235	11%
EBITDA	Rs. Cr	51	44	16%	190	166	14%
EBITDA Margin	%	14.8%	13.7%	110 bps	14.0%	13.4%	60 bps
b) Average Inpatient Operational Beds	No.	1,095	1,100	-	1,095	1,084	1%
c) Average Inpatient Occupancy	%	73.5%	74.0%	(50 bps)	74.8%	75.5%	(70 bps)
d) Avg. Revenue/Occupied Bed Day (IP)	Rs.	35,045	32,255	9%	33,653	30,767	9%
New Hospitals^							
a) Financial Performance							
Revenue(Net)		227	120	90%	727	449	62%
EBITDA	Rs. Cr	14	(2)	>100%	31	7	4x
EBITDA Margin	%	6.0%	-1.5%	750 bps	4.2%	1.5%	270 bps
b) Average Inpatient Operational Beds	No.	1,205	645	87%	1,184	596	99%
c) Average Inpatient Occupancy	%	66.2%	68.0%	(180 bps)	66.9%	69.8%	(297 bps)
d) Avg. Revenue/Occupied Bed Day (IP)	Rs.	25,782	25,011	3%	26,074	24,967	4%

\*The above results are for MHC Network of hospitals and includes results for Max Super Speciality 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

# MBHI - Board of Directors



**Rajesh Sud**  
Chairman

- Rajesh Sud is the CEO and Managing Director of Max Life Insurance, one of the first three private life insurers to start operations in 2001



**K Narasimha Murthy**  
Director

- Mr. Murthy entered the Profession of Cost & Management Accountancy in 1983. He is associated with the development of Cost & MIS for more than 150 companies.



**Rahul Khosla**  
Co-Vice Chairman

- Rahul Khosla is a seasoned business leader with deep management experience, strong leadership skills and broad business



**Evelyn Bourke**  
Director

- Evelyn was appointed as Bupa's CFO in Sep 2012. A qualified actuary with an MBA from London Business School.



**Amit Sharma**  
Director

- Amit Sharma He currently serves as a director of NIIT Technologies Limited and is a member of Amcham's Board



**David Fletcher**  
Director

- David Fletcher joined Bupa as Chief Internal Auditor in March 2014 and has been Managing Director of Bupa International Development Markets (IDM) since Sep 2014



**Anthony Maxwell Coleman**  
Director

- Mr. Coleman has extensive expertise and experience in the management and governance of Insurance companies



**Pradeep Pant**  
Director

- Pradeep is a highly experienced senior business leader, now involved in business consulting and education



**Mohit Talwar**  
Director

- Mohit has an experience of over 30 years in Corporate Finance and Investment Banking.



**Marielle Theron**  
Director

- Ms. Theron is a Principal of Erlen Street Corporation, Switzerland, a company that specialises in strategic investment and management consulting solutions

# MBHI – Management Team



**Ashish Mehrotra**  
MD & CEO

- Ashish has over two decades of extensive banking experience with exposure to consumer, commercial and private client banking



**Rahul Ahuja**  
Chief Financial Officer

- Rahul has wide domain expertise built over 19 years mainly in corporate banking, financial services and telecom



**Anurag Gupta**  
Head – Agency

- Anurag joins Max Bupa from Max Life, where he has held a number of senior roles across distribution and product management over a decade



**Aseem Gupta**  
Head – Banca and Alliances

- Aseem has nearly two decades of experience in sales and distribution and has worked across channels - Agency, Banca, Special markets & Direct Sales



**Anika Agarwal**  
Head – Marketing & Direct Sales

- Anika heads the Marketing & E-commerce verticals at Max Bupa and is responsible for brand planning, digital media, communications, consumer insights, direct sales and E-commerce



**Polly Doak**  
CSO & Director of Products

- Polly has over 20 years experience in finance, strategy, acquisitions, program management and business transformation.



**Debraj Sinha**  
Chief Human Resources Officer

- Debraj has over 15 years of rich experience in diverse areas of organizational transformation, rewards & performance, HR technology and talent acquisition & management



**Priya Gilbile**  
Head – Health Risk Management

- Priya is an adept healthcare professional with more than 16 years of experience in healthcare & health insurance industry.



**Joydeep Saha**  
Appointed Actuary

- Joydeep brings along a vast experience in Health and Property & Casualty Insurance. He has earlier worked with other insurers like Religare, L&T General, Raheja QBE & Iffco-Tokio.

# Max Bupa – Performance Dashboard (Q4 & FY16)

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
		Mar-16	Mar-15		Mar-16	Mar-15	
a) Gross written premium income	Rs. Cr						
First year premium		53	48	10%	180	145	24%
Renewal premium		98	76	30%	296	228	30%
<b>Total</b>		<b>151</b>	<b>124</b>	<b>22%</b>	<b>476</b>	<b>373</b>	<b>28%</b>
b) Net Earned Premium	Rs. Cr	107	81	33%	393	315	24%
<b>c) Net Loss</b>	<b>Rs. Cr</b>	<b>(19)</b>	<b>(27)</b>	<b>28%</b>	<b>(68)*</b>	<b>(93)</b>	<b>30%</b>
d) Claim Ratio(B2C Segment, normalized)	%	48%	49%	100 bps	56%**	50%	-600 bps
e) Avg. premium realization per life (B2C)	Rs.	6,812	6,538	4%	6,800	6,364	7%
f) Conservation ratio (B2C Segment)	%				83%	81%	200 bps
g) Number of agents	No.				12,581	8,909	41%
h) Paid up Capital	Rs. Cr				898	791	14%

**MAX INDIA LTD.**

**Max House, Okhla, New Delhi – 110 020**

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

**Website: [www.maxindia.com](http://www.maxindia.com)**