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Max Healthcare reports stronger performance in Q4, Network Operating EBITDA grew 68% YoY to INR 263 Cr Operating Margin expands to 24.1% PAT rises to INR 109 Cr, grows 141% YoY

- **Gross revenues** stood at INR 1,159 Cr, a growth of 5% YoY and at similar levels QoQ.
- **Highest ever network Operating EBITDA** at INR 263 Cr, a growth of 68% on YoY basis and a 4% increase QoQ
- Operating EBITDA margin grows from 15.5% in Q4 FY20 to 24.1% in Q4 FY21 and is 88 bps better than Q3 FY21
- **PAT** rose from INR 45 Cr to INR 109 Cr +141% YoY
- **Net Debt** during the quarter reduced by INR 1,323 Cr to INR 544 Cr on account of net proceeds of QIP and cash flow from operations
- OPD consults rose to 4.9L in the quarter, up by 25% QoQ. Video consultations exceeded 17,500.
- Non-COVID bed occupancy stood at ~ 79 %, overall bed occupancy was 69.8%.
- ARPOB stood at INR 56.9 K, an increase of 5% YoY
- Treated ~39,300 patients for free in the OPD and 986 patients in the IPD from economically weaker section (EWS)

New Delhi/Mumbai, May 28, 2021: Max Healthcare Institute Ltd (MHIL, 'The Company'), one of the largest private sector healthcare services company in India, announced results for the three months and financial year ended March 31, 2021, today.

The Network gross revenues **rose to INR 1,159 Cr** during the fourth quarter reflecting a growth of **5% YoY** and at similar levels **QoQ**.

Operating EBITDA **rose to INR 263 Cr** versus INR 156 Cr in Q4 last year and INR 253 Cr in the previous quarter (Q3 FY21). **This is the highest ever quarterly EBITDA achieved by the Network.**

The Network also reported a significant improvement in **operating EBITDA margin**, which stood at **24.1%** for the quarter, up from 15.5% in the corresponding quarter in FY20. The EBITDA margin for the previous quarter was 23.2%. The **PAT** grew to **INR 109 Cr** from INR 45 Cr, an increase of **141% YoY**.

Financial performance improved over trailing quarter despite complete reinstatement of COVID-19 related transitory cost cuts and lower occupancies due to decline in COVID-19 cases leading to underutilization of COVID-19 reserved beds and farmer agitation in the early part of Q4, impacting upcountry non-COVID admissions. Margin expansion was driven by an increase in OPD footfalls, normalisation of IPD admissions in non-COVID specialties and improvement in surgical-medical mix. All these factors also contributed to increase in ARPOB.

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COVID-19 admissions dropped significantly in Q4 FY21 as compared to Q3 FY21. However, the network saw occupancy relating to COVID-19 increase towards the end of the quarter. The significant improvement in EBITDA was also underpinned by long term structural cost savings program initiated in the previous financial year and followed up with additional initiatives in the current financial year.

The revenue from international medical value travel witnessed an uptick during the quarter and grew by 40% over Q3. However, this continued to be lower than last year due to air-travel related restrictions during Q4.

The two SBUs of the Company namely Max@Home and Max Lab reported improved performance in non-COVID segment with a QoQ revenue growth of 24% and 12% respectively. Max Lab continued to expand its footprint by adding 53 new B2B clients in Q4. The Company earlier in April 2021 had received approval of its Board to incorporate a wholly owned subsidiary for non-captive Pathology Business and the same is expected to be made operational in Q1 of the ensuing financial year.

For the full year, the gross revenue de-grew by ~ 12% and stood at **INR 3,861 Cr**. Lower revenues were attributed to the country-wide lockdown and the state of pandemic in H1 FY21, which saw a drop in revenue by 29% YoY. Despite lower revenues, the Network Operating EBITDA grew by 8% and stood at INR 636 Cr. The Operating margin for the year was 17.5%, an increase of ~290 bps YoY.

Consequent to the successful completion of equity fund raise of ~**INR 1,200 Cr** through **Qualified Institutional Placement** (QIP) in Q4 FY21, the Company's **Net debt** (including put option liabilities) improved significantly. Net Debt as on March 31st, 2021, stood at **INR 544 Cr** as against INR 1,867 Cr on Dec 31st, 2020. Net Debt to EBITDA ratio is thus below 1.

Announcing Q4 results, **Abhay Soi, Chairman and MD, Max Healthcare Institute Ltd**, commented, *"Our Q4 results of INR 1,089 Cr of net revenue and INR 263 Cr of Operating EBITDA is an excellent performance for the second consecutive quarter with our best ever operating margin of 24.1%. With ample room to scale up existing occupancies and improved international revenue share post abatement of the second surge of COVID-19, Q4 results in a way indicate the trajectory our network is geared for in terms of future performance.*

Overall, we closed FY21 with INR 3,629 Cr in net revenue and recorded the highest annual operating EBITDA of INR 636 crores, despite a challenging year due to COVID-19 pandemic. The QIP fortified our balance sheet for pursuing inorganic growth.

Besides serving on the frontline on COVID-19, we operationalized one of the largest vaccination centers (at BLK-Max Hospital) in the country spread over 1.65 acres in a matter of 48 hours in the National Capital. This center alone has a capacity to administer ~10,000 vaccines daily.

As we enter into the new fiscal year, I am confident to continue our robust performance and gain further traction as one of the most trusted healthcare service providers in India."

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Financial and Operational Highlights:

Network Performance Overview (INR/Cr)

	Three Months Ended			Growth		Year ended		Growth YoY
	Mar 21	Mar 20	Dec 20	YoY	QoQ	Mar 21	Mar 20	
Gross Revenue	1,159	1,100	1,160	5%	-	3,861	4,371	-12%
Net Revenue	1,089	1,005	1,086	8%	-	3,629	4,023	-10%
Operating EBITDA	263	156	253	68%	4%	636	590	8%
Margin* %	24.1%	15.5%	23.2%			17.5%	14.7%	
PAT	109	45	135	141%	-20%	-95	129	NA
Net debt	544	2,102	1,867			-		

*as a percent of net revenue

Clinical Update:

- Treated over 31,000 COVID-19 patients at hospitals and ~3,500 patients at home/extended care facilities till May 15, 2021
- ~5.4L RT-PCR tests done and ~1.4L COVID-19 vaccination doses administered as of May 15, 2021
- Successfully **treated a six-month-old** infant with Intracranial Extradural Hematoma
- Successfully treated a 21-year-old woman with **Progressive Acute Inflammatory Demyelinating Polyradiculopathy (AIDP)** on ventilator with Intravenous Human Immunoglobulins
- Successfully conducted Core Decompression and Osteoblast cell cultured Bone Implant in a patient of **Multifocal Osteonecrosis at four sites** in a single lower limb of the patient
- Successfully saved a young man's life suffering from a fulminating case of **Fournier's Gangrene**
- Successful **Video Assisted Anal Fistula Treatment (VAAFT)** in a 36-year-old patient with a complex perianal fistula
- Successfully conducted **Laparoscopic Subtotal Cholecystectomy** with removal of 5cms sized stone and Choledochoplasty by cuff of gall bladder on a patient with a rare **Mirizzi syndrome**

Research and Academics:

- 116 national and international publications in Q4 FY21
- 11 studies and trials on COVID-19 indications and 70 non-COVID-19 clinical trials ongoing across network
- Ongoing IMT program at Max Healthcare with a total of 18 doctors enrolled
- ~400 allied health internship, 15 observership and 15 fellowship students joined the respective programs
- Total numbers of candidates trained in American Heart Association(AHA) certified BLS/ACLS/PALS provider courses – 608, in Max Emergency life support – 910, MECP trainings – 33, Bespoke – 121
- DNB accreditation approval in 35 specialties across network; total strength of DNB residents across network is 433 currently

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About Max Healthcare:

Max Healthcare Institute Limited (MHIL) is one of India's largest hospital chain operator (considering only income from healthcare services) in fiscal 2020. 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 16 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. 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 MaxLab. Max@Home is a platform that provides health and wellness services at home and MaxLab offers diagnostic services to patients outside its network.

Max Healthcare has taken agile actions during the COVID-19 pandemic. The Company voluntarily dedicated COVID-19 facility in Delhi. The infrastructure was redesigned to support treatment of COVID-19 patients. Approximately 1,800 beds were dedicated for the treatment of COVID-19 patients as on May 15, 2021. Approximately 31,000 patients were treated at the hospitals, another 2,400 patients approximately at home and around 1,150 at our extended COVID-19 hospitals. In addition, the company has conducted around 5.4 lacs RT PCR tests. Max Hospital, Saket was the first private hospital to use plasma therapy to successfully treat COVID-19 patients in India. On the academic front, during the COVID-19 pandemic, the company undertook more than 45 research initiatives related to the virus, including sero-epidemiological studies, investigator driven work and sponsored drug and clinical trials.

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

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