

PRESS RELEASE

**Achieved highest ever Revenue & EBITDA;
Network¹ Revenue of INR 1,434 Cr, 52% YoY growth;**

Operating EBITDA of INR 362 Cr, 153% YoY growth

PAT stood at INR 207 Cr;

Secured three prime locations for Network expansion in NCR

- **Gross revenues** stood at INR 1,434 Cr, a growth of 52% YoY and 4% QoQ. Revenue excluding COVID-19 vaccination & related antibody tests grew by 8% over Q1 FY 22
- **Highest ever Network Operating EBITDA** at INR 362 Cr – marking fourth consecutive quarter of QoQ growth in EBITDA
- **Operating EBITDA grew 153%** on YoY basis; Operating EBITDA excluding COVID-19 vaccination and related antibody tests grew by 12% QoQ and 135% YoY with EBITDA margin expanding by 140 bps QoQ to 26.7%
- **EBITDA per bed² improved to INR 54.8 lakhs per bed** in Q2 FY22, from INR 45.4 lakhs per bed in Q1 FY22
- **Network PAT** stood at INR 207 Cr in Q2 FY22 versus INR 205 Cr in Q1 FY22
- **OPD consults stood at 5.8 Lakhs in the quarter, up by 49% QoQ.** Video consultations stood at ~20k. OPD revenue is back to pre-COVID levels
- **Bed occupancy in Q2 FY22 stood at 75.2%** with 2% of total occupied beds used for COVID-19 patients
- **ARPOB² increased to INR 59.0k** vs. INR 51.5k in Q1 FY22 as non-COVID revenue share improved
- **Cash from Operations** stood at INR 294 Cr in Q2 FY22, **Net Debt** is all time low at INR 259 Cr
- **Free treatment of 33,700 patients in OPD and 1,100 patients in IPD** from economically weaker sections
- **Secured three prime land parcels in NCR region with a potential to add 1,500 beds**

New Delhi / Mumbai : November 12, 2021: Max Healthcare Institute Ltd (MHIL, 'the Company'), one of the largest private sector healthcare services company in India, announced its financial results for the three months ended September 30, 2021, today.

The Network gross revenues **rose to INR 1,434 Cr** during the second quarter reflecting a growth of **52% YoY** and **4% QoQ**. This includes INR 91 Cr from **COVID-19 vaccinations & related antibody tests** during the quarter, compared to INR 136 Cr in Q1 FY22. Gross revenue excluding vaccination & related antibody tests, thus, **grew by 8% over Q1 FY22**.

The Network Operating EBITDA improved to **INR 362 Cr compared to INR 143 Cr** in corresponding quarter last year and INR 360 Cr in the previous quarter (Q1 FY22). **This is the highest ever quarterly Operating EBITDA** and represents **fourth consecutive quarter** of EBITDA growth. The **Operating EBITDA margin** stood at **26.8%** for the quarter, up from 16.2% in the corresponding period in FY21. This is however 45 bps lower than the previous quarter mainly due to drop in revenue from COVID vaccination & related tests. The Operating EBITDA² per bed grew by 21% QoQ. One of the Network Hospital (viz. Nanavati-Max Hospital) has launched a VRS Scheme for its employees and a provision of INR 8 Cr has been made towards the same as an exceptional item basis applications received so far. Consequently, **Profit After Tax for the quarter** stood at **INR 207 Cr compared to INR 36 Cr** in Q2 last year and INR 205 Cr in Q1 FY22.

1 Gross Revenue includes that of the Company, its subsidiaries, managed hospitals and partner healthcare facilities

2 Excludes revenue from COVID-19 vaccination and Max Lab operations

The financial performance improved over the trailing quarter despite drop in occupancy by ~565 bps, lower revenue from COVID-19 vaccination and fewer international patients. Higher ARPOB, improved OPD footfalls, marked increase in number of surgical procedures and ongoing strengthening of medical programs in the Network Hospitals contributed significantly to the improved performance. Continued focus on managing cost lines and structural cost initiatives implemented over the last 2 years has also helped the Network Hospitals report steady improvement in operating margin and best in class financial results.

The revenue from international medical tourism remained low and stood at INR 46 Cr during the quarter – a decline of 14% over Q1 FY22, owing to continued air-travel related restrictions imposed during the second wave of COVID -19 infections.

COVID-19 admissions and COVID-19 vaccination volumes dropped significantly during the quarter. There were ~20 COVID-19 patients under treatment on the last day of the quarter and the vaccination rate has dropped to ~700 doses per day during last week of Sep'21. Non-COVID admissions however, ramped up considerably across all major specialities to surpass pre-COVID levels.

Max Lab (non-captive pathology business vertical) **added ~140 channel partners during Q2 FY22**, taking the overall count of active clients to 600+; Non-COVID revenue grew 18% QoQ, however, overall revenues declined post COVID-19 abatement. Max Lab services are available across 20 cities now.

Max @Home reported improved performance with **gross revenue of INR 27 Cr** representing a **growth of 75% YoY**. 650+ strong team of front line and support staff catered to ~60,000 patients during the quarter. The SBU added adult immunization services to its expansive portfolio of homecare services.

The Company secured three prime land parcels with potential to add 1,500 beds to expand its Network bed capacity. Acquisition of 100% stake in ET Planners Pvt. Ltd. gives the Company an exclusive right to aid development of 500 bedded hospital on 3.5 acres land situated between the two Network Hospitals in South Delhi and provide medical services therein. In addition, the Company has been allotted two parcels of land aggregating to ~11.4 acres at prime locations in Gurugram with the opportunity to add ~1,000 beds. Both of these developments will enable significant augmentation of Network bed capacity in NCR and cater to healthcare needs of domestic patients as well as international medical value travellers.

For the six months ended Sep 2021, the Network gross revenue stood at INR 2,819 Cr representing a growth of ~81% over corresponding period last fiscal. This includes revenue of INR 227 Cr from COVID -19 vaccination & related antibody tests.

The Network Operating EBITDA grew to ~6X of H1 FY21, and stood at INR 722 Cr. The Operating margin for H1 FY22 was 27%, a sharp improvement from 8.3% of corresponding period last year.

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Announcing Q2 results, **Dr. Abhay Soi, Chairman and MD, Max Healthcare Institute Ltd**, said:

"I am proud of our outstanding performance in H1 FY22. It is more satisfying to note that our teams battled the second wave of COVID-19 in NCR- which was ground zero, valiantly and treated 37,000+ COVID patients, conducted ~7.3 lakh RTPCR tests and administered ~20.2 lakh vaccination doses till date. We also provided care to ~56,200 patients free of cost and yet delivered Operating EBITDA of INR 722 Cr in H1 FY 22, which is significantly higher than any past full year EBITDA and translates to a ROCE of 30%. .

Q2 saw the normalisation of revenues post the second wave of COVID-19 infections and while occupancy and vaccination related revenues were lower than previous quarter, this was more than compensated by growth in ARPOB post return of elective surgeries and improved OPD footfalls. Medical tourism however continues to be at 1/3rd of pre-COVID levels and we expect this to normalise in the coming quarters.

We continue to be optimistic about the opportunity in the NCR region and are happy to have secured three prime locations for further strengthening of our Network footprint in this region"

Financial and Operational Highlights:

	Three Months ended			Growth		Six Months ended		Growth
	Sep 21	Sep 20	Jun 21	YoY	QoQ	Sep 21	Sep 20	YoY
Gross Revenue	1,434	944	1,385	52%	4%	2,819	1,561	81%
Net Revenue	1,353	881	1,322	54%	2%	2,675	1,453	84%
Operating EBITDA	362	143	360	153%	1%	722	121	497%
Margin* %	26.8%	16.2%	27.2%			27.0%	8.3%	
PAT	207	36	205	475%	1%	412	(339)	-
Net Debt	259	1,989	459			259	1,989	

*as a percent of net revenue

Clinical Update:

- Treated over 33,300 COVID-19 patients at hospitals and ~4,000 patients at home/extended care facilities till Oct 31, 2021
- ~7.3 lakh RT-PCR tests performed and ~20.1 lakh COVID-19 vaccination doses have been administered till Oct 31, 2021
- Conducted bariatric surgery on a two year old girl weighing 45 kilograms – involved complete genome sequencing along with extensive hormonal workup and hypothalamus imaging
- Launched robotic surgery program (Da Vinci Xi Robots) at Max Patparganj and Max Shalimar Bagh – providing advanced and effective surgical solution leading to minimal blood loss and faster recovery
- Cured a 39 Year old man suffering from a rare brain abnormality by conducting knifeless radiosurgery using Frameless Stereotactic Radiosurgery (SRS) technique

Research and Academics:

- 62 national and international scientific publications in high impact factor journals during Q2 FY22
- 4 studies and trials on COVID-19 indications and 62 non-COVID-19 clinical trials ongoing across Network
- Ongoing IMT program at Max Healthcare with a total of 25 doctors enrolled
- 11 ongoing research grants across Network Hospitals comprising of 3 international (European Union & NIHR and EUROBREAST) and 8 National grants
- DNB accreditation approval in 34 specialties across Network; total strength of DNB residents across Network is 302 currently

About Max Healthcare:

Max Healthcare Institute Limited (MHIL) is one of India's largest hospital chain (considering only income from healthcare services) in fiscal 2021. 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 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 Institute Ltd. (NSE Symbol: MAXHEALTH, BSE scrip code: 543220)

For more information, visit www.maxhealthcare.in or please contact:

Tanushree Roy Chowdhury at tanushree.chowdhury@maxhealthcare.com / [+91-9999425750](tel:+91-9999425750)

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