



PRESS RELEASE

**Max Healthcare reports highest ever EBITDA;
Network¹ Revenue of INR 1,392 Cr & Operating EBITDA at INR 364 Cr, recording an
increase of 20% and 44% YoY respectively;
PAT stood at INR 252 Cr for the quarter;
To strengthen presence in NCR region through inorganic addition of two Hospitals**

- *Gross revenue stood at INR 1,392 Cr, a growth of 20% YoY. Revenue excluding Covid-19 vaccination & related antibody tests grew by 20% YoY and 3% QoQ*
- *Highest ever Network Operating EBITDA at INR 364 Cr – marking fifth consecutive quarter of growth in EBITDA*
- *Operating EBITDA grew 44% on YoY basis; Operating EBITDA excluding Covid-19 vaccination and related antibody tests grew by 8% QoQ*
- *EBITDA per bed² (annualised) improved to INR 59.7 lakhs in Q3 FY22, from INR 54.8 lakhs in Q2 FY22*
- *Network PAT stood at INR 252 Cr in Q3 FY22 versus INR 207 Cr in Q2 FY22*
- *Conducted 5.4 lakhs OPD consults in the quarter, up by 38% YoY. Video consultations were ~13k*
- *Bed occupancy in Q3 FY22 stood at 74.3%; ~1% of total occupied beds used for Covid-19 patients*
- *ARPOB³ increased to INR 61.0k vs. INR 59.0k in Q2 FY22 as non-Covid revenue share and payor mix improved*
- *Cash from Operations³ stood at INR 212 Cr in Q3 FY22, Net Debt stood at INR 296 Cr*
- *Free treatment of 33,800 patients in OPD and 1,170 patients in IPD from economically weaker sections*
- *Executed transactions to add two new hospitals in South-west and East Delhi regions. This will enable significant augmentation of bed capacity in the coming years, as part of inorganic growth strategy*

New Delhi/Mumbai, February 12, 2022: 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 December 31, 2021, today.

The Network gross revenue **stood at INR 1,392 Cr** during the third quarter reflecting a growth of **20% YoY**. This includes **INR 7 Cr from Covid-19 vaccinations** during the quarter, **compared to INR 91 Cr in Q2 FY22**. Gross revenue excluding Covid-19 vaccination & related antibody tests, thus, **grew by 20% YoY and 3% QoQ**, despite it being a seasonally lean quarter for healthcare services.

The Network Operating EBITDA improved **to INR 364 Cr compared to INR 253 Cr** in corresponding quarter last year and INR 362 Cr in the previous quarter (Q2 FY22). **This is the highest ever quarterly Operating EBITDA** and represents **fifth consecutive quarter** of EBITDA growth. The **Operating EBITDA margin** stood at **27.6%** for the quarter, up from 23.2% in the corresponding period in FY21 and 26.8% in Q2 FY22. The Operating EBITDA² per bed grew by 9% QoQ. **Profit after tax for the quarter** stood at **INR 252 Cr** compared to INR 135 Cr in Q3 last year and INR 207 Cr in Q2 FY22.

The financial performance improved over the trailing quarter despite slight drop in occupancy (~92

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
3. After Interest, tax and replacement capex



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bps), lower revenue from Covid-19 vaccination and lower OPD footfalls due to seasonal factors and dis-empanelment of few institutional accounts. Improvement in payor mix, normalisation of surgeries and continued strengthening of medical programs in the Network hospitals during the quarter contributed significantly to the improved performance.

The revenue from international medical tourism improved to INR 77 Cr during the quarter – a rise of 68% over Q2 FY22. However, the same represents 2/3rd of the pre-covid run rate, owing to continued air-travel related restrictions.

Covid-19 vaccination volume dropped significantly during the quarter with average daily inoculations reducing to ~350 during Dec'21. Non-covid admissions ramped up considerably across all major specialities to surpass pre-Covid levels. Bed share of the institutional patients (relatively a lower ARPOB channel) is down to ~31% compared to ~37% of Q2 FY22 partially due to dis-empanelment of few institutional accounts at some of the hospitals in NCR and Mohali.

Max Lab (non-captive pathology business vertical) business added ~90 channel partners during Q3 FY22, taking the overall active clients to 700+ spread across 24+ cities; Non-Covid revenue grew by 81% YoY and 5% QoQ, while Covid-19 related revenue declined. Max@Home reported improved performance with gross revenue of INR 28 Cr representing a growth of 41% YoY and 3% QoQ.

The Company recently executed two transactions as part of its inorganic growth strategy, which will add 700+ beds to its Network capacity in next few years. These are in addition to the acquisition of exclusive rights to aid development of and provide medical services to a proposed 500 bed hospital in South Delhi and purchase of two land parcels in Gurugram earlier this fiscal.

1. **300+ bed hospital in South-west Delhi** – an attractive micro market. This will be Max Healthcare's first hospital in the region through a long-term exclusive operation and management agreement of an upcoming hospital at Sector 10, Dwarka. The hospital is located on ~8.6 acres land and accessible through Metro corridor and the upcoming Dwarka expressway. The structural work is near completion and the hospital is expected to be commissioned in the second half of 2023. It is an asset light expansion expected to generate significantly high ROCE with minimal development risk.
2. **400+ bed hospital in East Delhi** – a proven and underserved territory for healthcare. The existing 402 bed Network hospital in the region has consistently witnessed high occupancies over the past many years. Max Healthcare has entered into an agreement to acquire Eqova Healthcare in a phased manner. Eqova Healthcare has long term exclusive rights to aid development of and provide medical services in the hospital to be constructed on ~2.1 acres of land located on NH24 expressway in Patparganj, Delhi. This acquisition will help cater to the ever increasing healthcare needs of the region that the existing Network hospital is unable to serve and also strengthen Max Healthcare's presence in Delhi NCR in a synergistic manner.



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For the nine months ended Dec 2021, the Network gross revenue stood at INR 4,211 Cr representing a growth of ~55% over corresponding period last fiscal. This includes revenue of INR 234 Cr from Covid-19 vaccination & related antibody tests.

The Network Operating EBITDA grew to ~3X of 9M ended Dec'20, and stood at INR 1,085 Cr. This includes EBITDA of INR 85 Cr from Covid-19 vaccination & related antibody tests. The Operating margin for 9M ended Dec'21 was 27.2%, a sharp improvement from 14.7% of corresponding period last year.

Announcing Q3 results, **Dr. Abhay Soi, Chairman and MD, Max Healthcare Institute Ltd.**, said:

“We are pleased to report our best performance thus far with Q3 FY22 EBITDA of ~INR 364 Cr and ROCE of 32%, despite it being a seasonally lean quarter. Post initial decline in occupancies due to the Omicron wave during December-January period, we are now starting to see a bounce back. With the medical tourism slated to return to pre-covid levels and other performance improvement measures being taken, we expect to maintain the momentum in the near future.

Given our strong balance sheet and robust free cash flows from operations, we continue to focus equally on value additive inorganic growth opportunities and have already announced three transactions in this year which will enable augmentation of bed capacity by ~35% in the coming years.”

Financial and Operational Highlights:

| | Three Months ended | | | Growth | | Nine Months ended | | Growth |
|----------------------------------|--------------------|--------|--------|--------|------|-------------------|--------|--------|
| | Dec 21 | Dec 20 | Sep 21 | YoY | QoQ | Dec 21 | Dec 20 | YoY |
| Gross Revenue¹ | 1,392 | 1,158 | 1,434 | 20% | (3%) | 4,211 | 2,719 | 55% |
| Net Revenue | 1,317 | 1,086 | 1,353 | 21% | (3%) | 3,992 | 2,540 | 57% |
| Operating EBITDA | 364 | 253 | 362 | 44% | 0% | 1,085 | 373 | 191% |
| Margin² % | 27.6% | 23.2% | 26.8% | | | 27.2% | 14.7% | |
| PAT | 252 | 135 | 207 | 87% | 22% | 664 | (204) | NA |
| Net Debt³ | 296 | 1,867 | 259 | | | 296 | 1,867 | |

1. Q3 FY22 Gross revenue excluding Covid-19 vaccination & related antibody tests grew by 20% YoY and 3% QoQ
2. As a percent of net revenue
3. After deployment of ~INR 343 Cr towards growth initiatives

Clinical Update:

- Treated 35,500+ Covid-19 patients at hospitals and 4,000+ patients at home/extended care facilities up till Jan 31, 2022
- ~9.3 lakhs RT-PCR tests done and ~20.5 lakhs Covid-19 vaccination doses administered as of Jan 31,2022
- Conducted India's First Balloon Cryoablation procedure for the treatment of Atrial Fibrillations, essentially arrhythmia, on a 53-year-old patient
- North India's first dual lung transplant conducted on a 55-year-old patient suffering from COPD and Bullous Lung Disease
- Performed rare procedure Trans catheter Aortic Valve Replacement (TAVR) on a 76 years old patient - first case in Uttar Pradesh for a patient weighing 126 Kgs

Research and Academics:

- 122 national and international scientific publications in high impact factor journals during Q3 FY22
- 5 studies and trials on Covid-19 indications and 81 non-Covid-19 clinical trials ongoing across network
- New batch of 87 MBBS students joined for Clinical rotation under the Lincoln American University agreement
- 12 ongoing research grants across Network Hospitals comprising of 3 international (European Union & NIHR and EUROBREAST) and 9 National grants
- DNB accreditation approval in 34 specialties across network; total strength of DNB residents across network is 299 currently

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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)

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