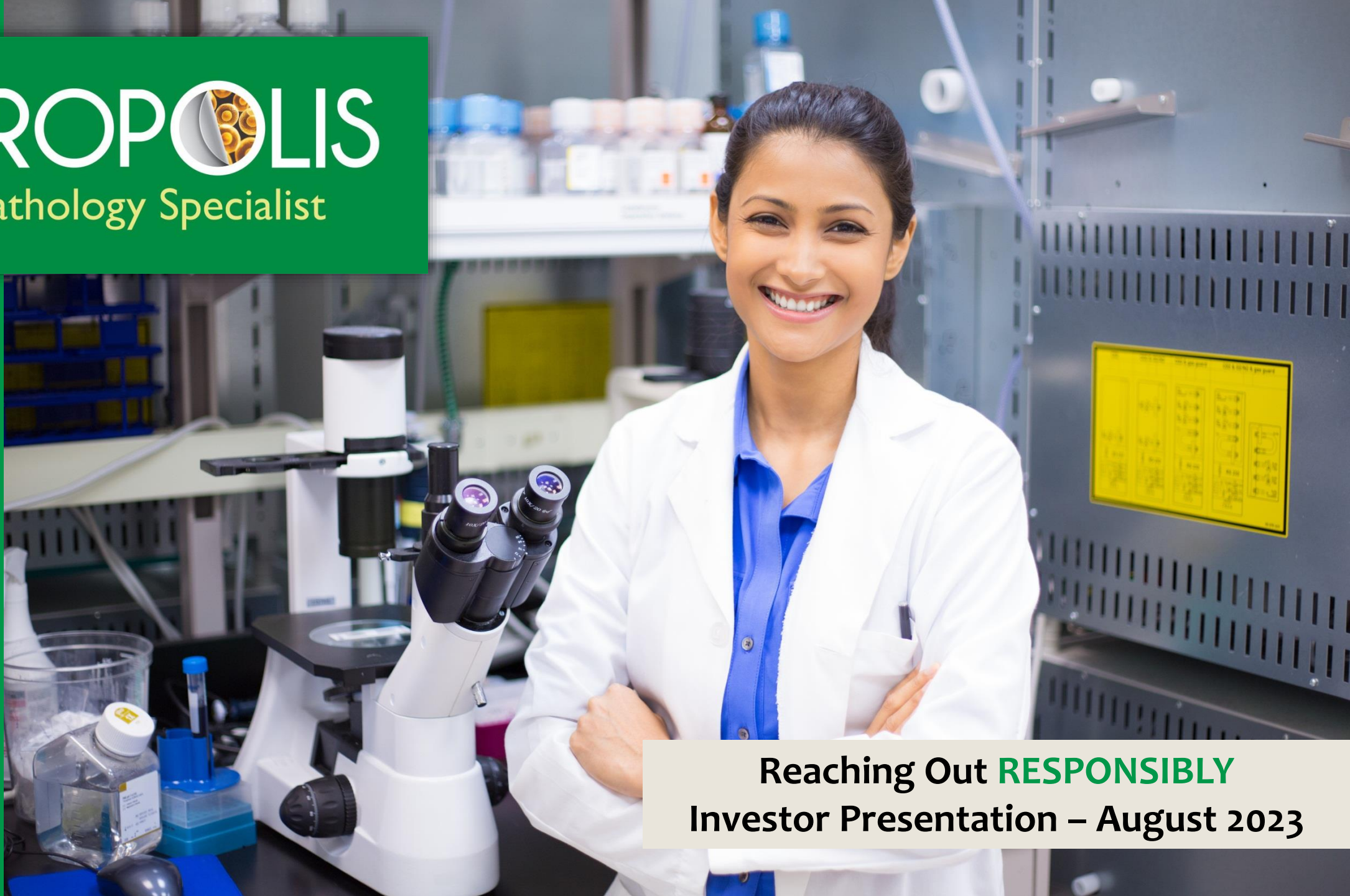


METROPOLIS

The Pathology Specialist



Reaching Out **RESPONSIBLY**
Investor Presentation – August 2023

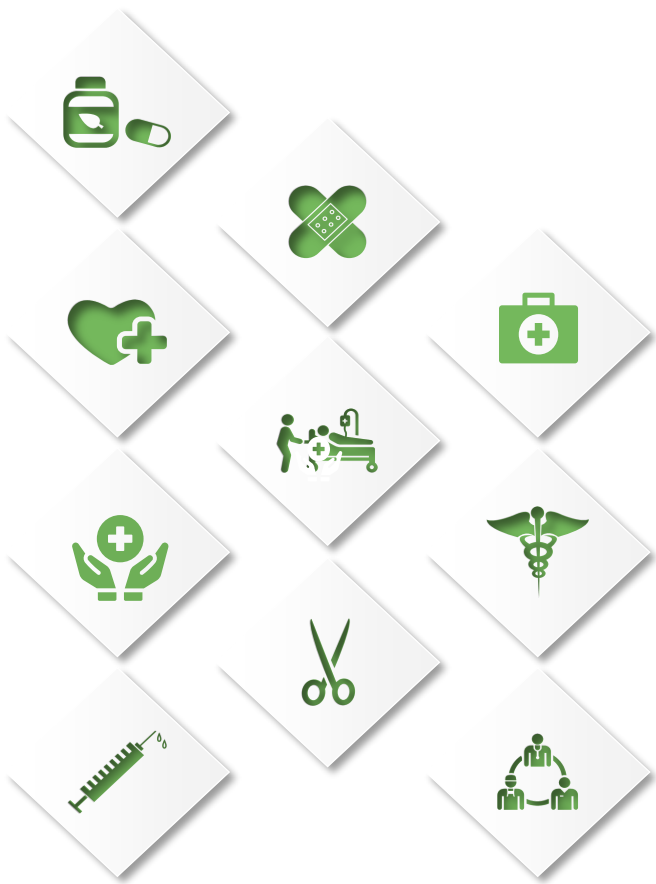
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Q1FY24 Performance...



Q1FY24 Key Highlights

Total Revenue
Rs. 277 Crores
-1% YoY

Core Business* Revenue
Rs. 271 Crores
12% YoY

Core Business* Volume
5.4 Mn
9% YoY

Core Business* RPT
Rs. 501
3% YoY

EBITDA Margin
(Before CSR & ESOP)
24.2%

Reported EBITDA Margin
23.3%

*Core business excludes revenue for Covid & Covid allied and PPP Contracts (incl. Hi-tech)

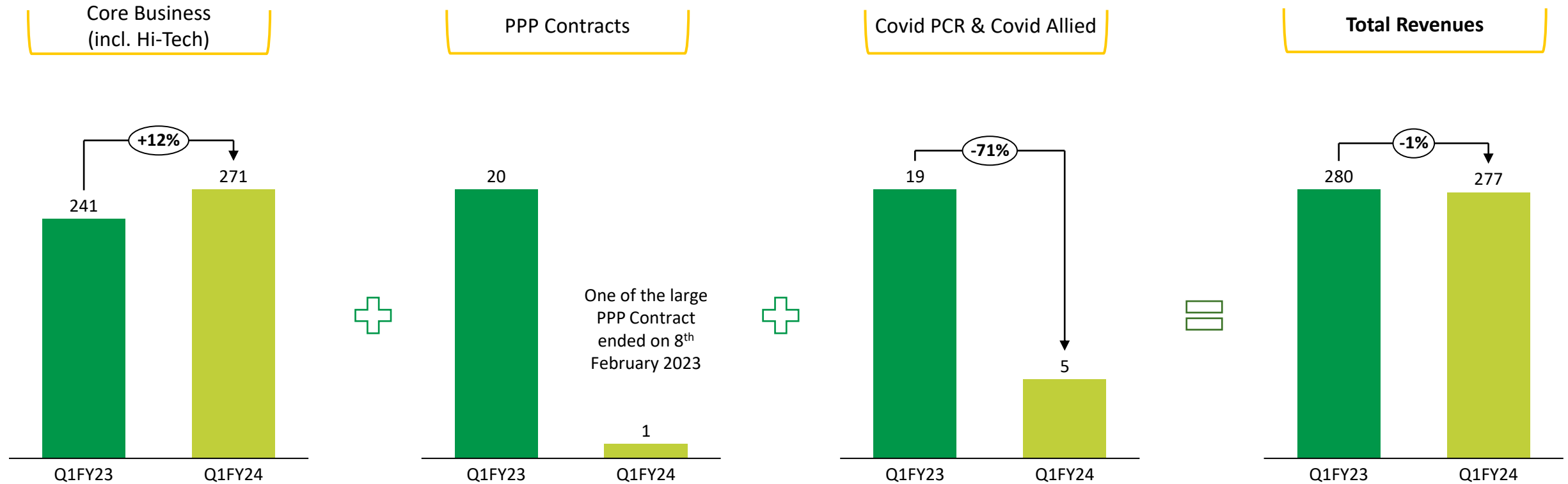
Q1FY24 Key Highlights

01	Core Business* Revenue grew at 12%	Core business revenues grew at 12% with 9% volume growth and 3% RPT growth
02	B2C revenues grew by 13%	B2C revenues grew by 13% for Q1FY24 Y-o-Y with Volume growth of 9% & RPT growth of 4%. B2C revenue in Mumbai by 15%
03	B2B segment holding ground despite competition	B2B revenues grew by 9% for Q1FY24 Y-o-Y with Volume growth of 6% & RPT growth of 3%
04	Premium Wellness is the fastest growing segment	Premium Wellness revenue grew at 27% with 38% volume growth
05	Expanding Network & scaling productivity and profitability	Strong execution rigour with evolving learning curve; company has opened 118 centers and 6 labs in Q1FY24 in line with its 90:30 program
06	EBIDTA before Network Expansion for Q1FY24 stood @ 25.3%[#]	Dilution of ~110 bps is on account of Network expansion undertaken after April 2022

*Core business excludes revenue for Covid & Covid allied and PPP Contracts (incl. Hi-tech)

[#]EBIDTA before CSR & ESOP (24.2%) + dilution on account of Network Expansion (1.1%)

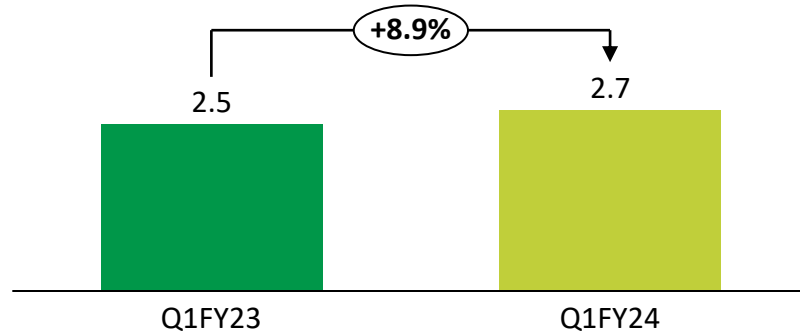
1a. Core Business Revenue continue to grow by double digit..



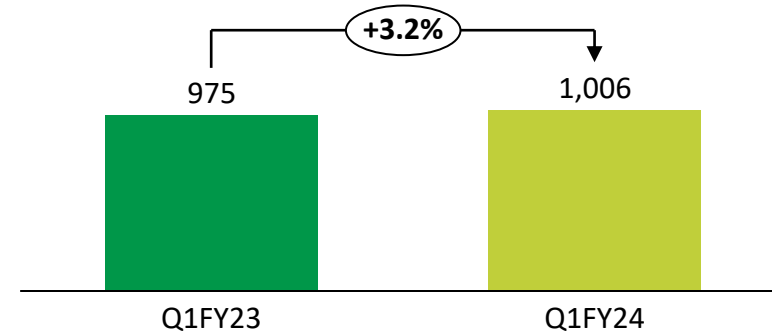
- ✓ Core business revenue for Q1FY24 stood at Rs. 271 crs as compared to Rs. 241 crs in Q1FY23, **a growth of 12% on Y-o-Y basis**
- ✓ Revenues for Hi-tech grew at double digit on Y-o-Y basis with EBIDTA margins higher than the company average
- ✓ Revenue from PPP contracts was **de-grew substantially as compared to Rs. 20 crs** in Q1FY23, impacting the overall revenue growth
- ✓ Revenue from Covid & Covid allied **was down by ~71%** from Rs. 19 crs in Q1FY23 to Rs. 5 crs in Q1FY24
- ✓ Total revenue stood at Rs. 277 crs in Q1FY24 as compared to Rs. 280 crs in Q1FY23

1b. ... with 9% volume growth & 3% RPT growth

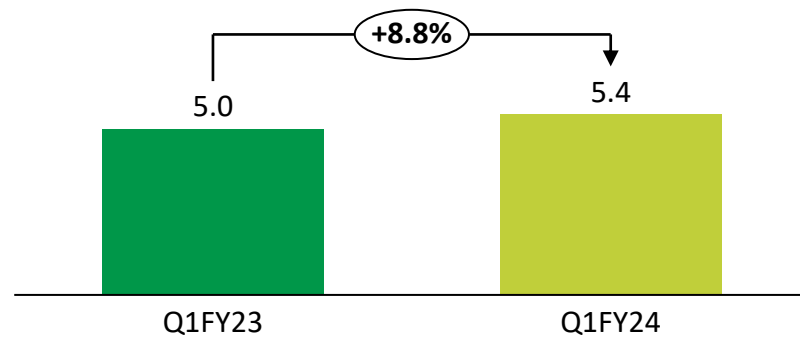
Core Business No. of Patient Visits (In Mn.)



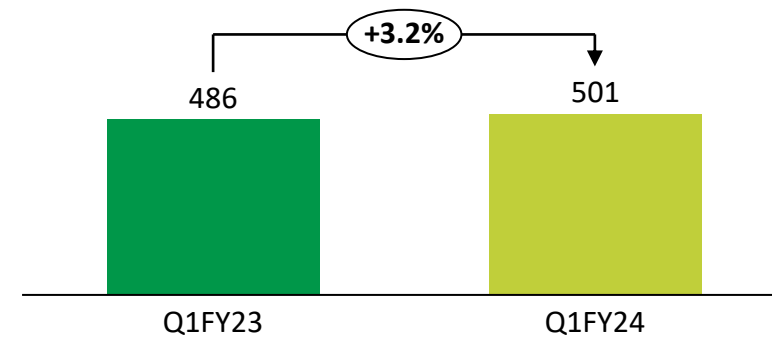
Core Business Revenue Per Patient (In Rs.)



Core Business No. of Tests (In Mn.)



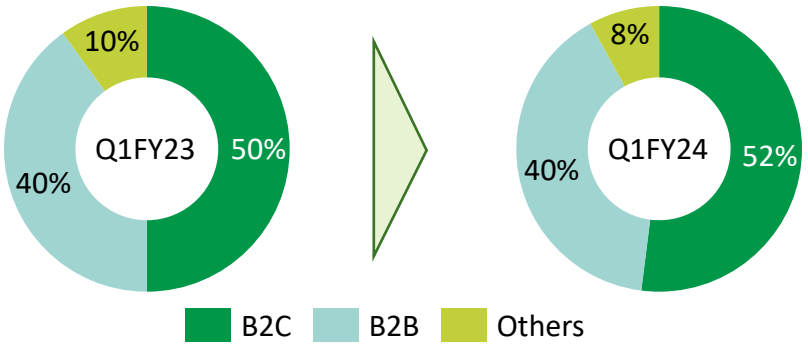
Core Business Revenue Per Test (In Rs.)



- ✓ Despite increasing competitive intensity, the Company witnessed volume and price growth
- ✓ Total No. of Patient Visits (Core + Non-Core) stood at 2.8 mn while Revenue per patient increased by 3.4% Y-o-Y to Rs. 988
- ✓ Total No. of Test (Core + Non-Core) stood at 5.5 mn while Revenue per Test increased by 7.6% Y-o-Y to Rs. 502
- ✓ The drop in patient visit & tests is majorly attributed to loss of business on account of in-sourcing of a large B2G contract since February 2023

2. B2C revenue grew by 13% & B2C revenue in Mumbai grew by 15%

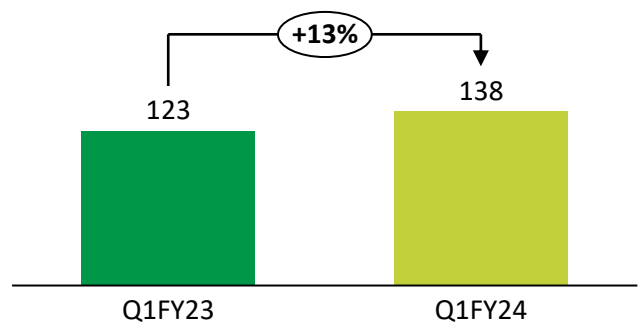
Revenue Mix Across Segments



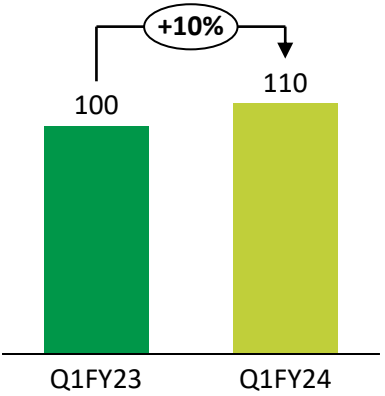
B2C revenues **grew by 13%** Y-o-Y with Volume growth of **9%** & RPT growth of **4%**

B2C revenue in **Mumbai grew by 15%**

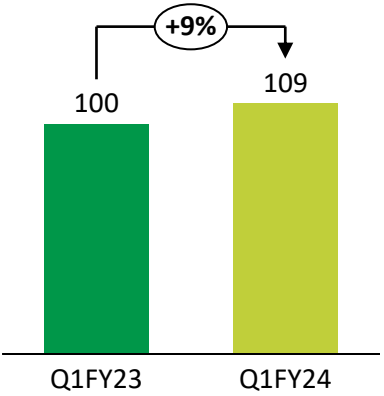
B2C Revenue (Rs. Crs)



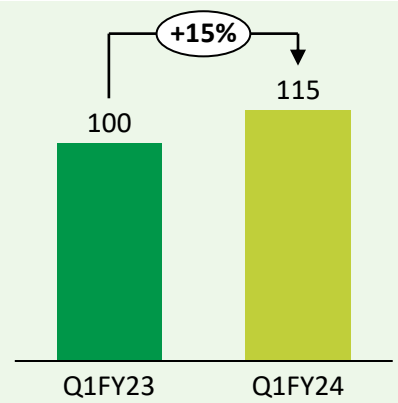
B2C Routine



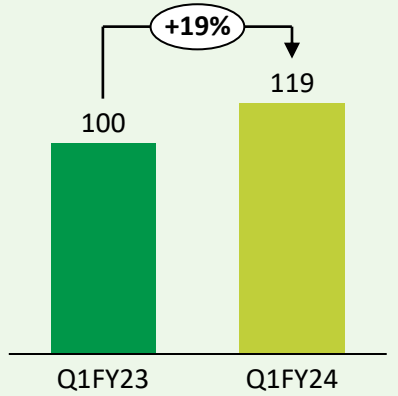
B2C Semi-Specialized



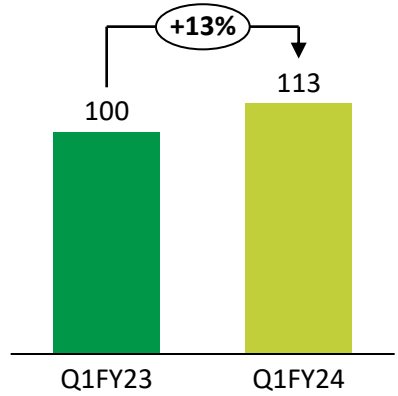
B2C Specialized



B2C Premium Wellness



Total B2C

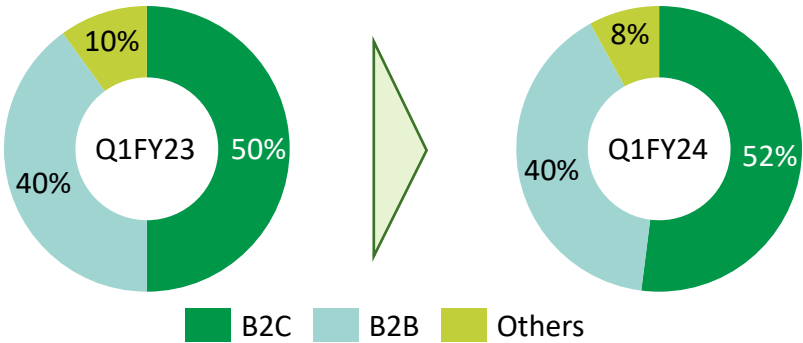


With credibility & strong brand pull build over the years, the Company has witnessed **growth across tests segment in B2C markets**

Volumes and realisation stood strong in B2C markets

3. B2B segment Specialized testing growing @ 13%

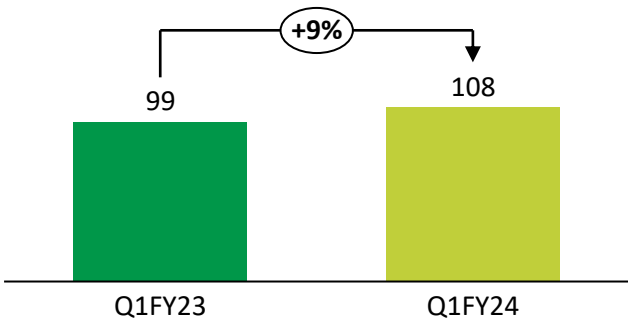
Revenue Mix Across Segments



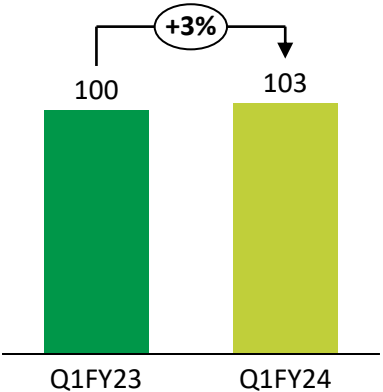
B2B contributes **40%** of revenues for Q1FY24

B2B revenues **grew by 9%** for Q1FY24 Y-o-Y with Volume growth of **6%** & RPT growth of **3%**

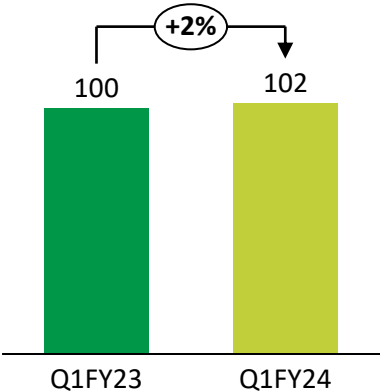
B2B Revenue Mix (Rs. Crs)



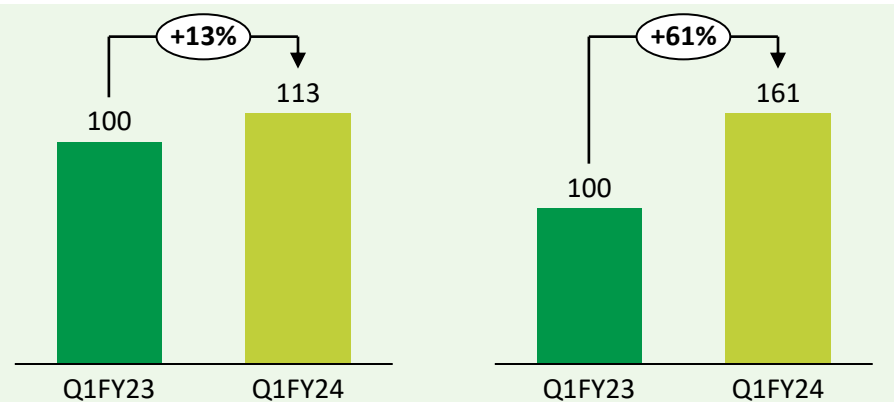
B2B Routine



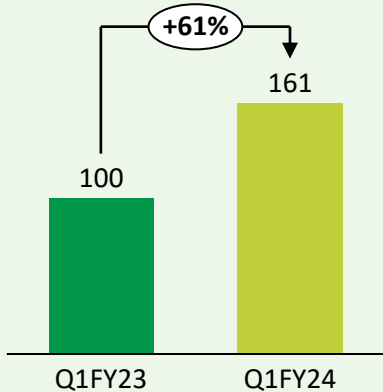
B2B Semi-Specialized



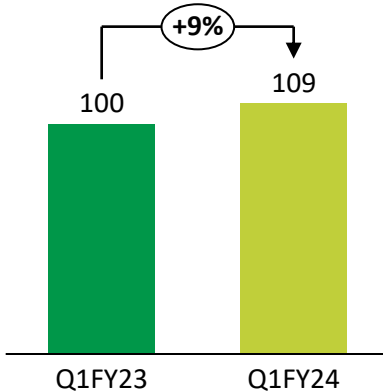
B2B Specialized



B2B Premium Wellness



Total B2B

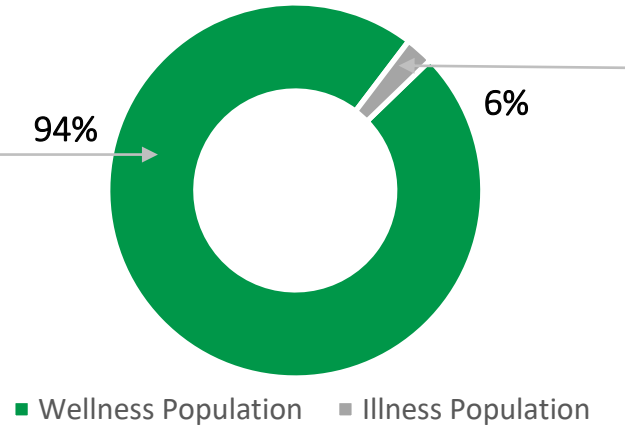


Specialized segment for B2B **grew @13%** Y-o-Y; showcasing strong Medical capabilities

Witnessed competition in B2B routine & semi-specialized segments; **company continues to focus on profitable unit economics**

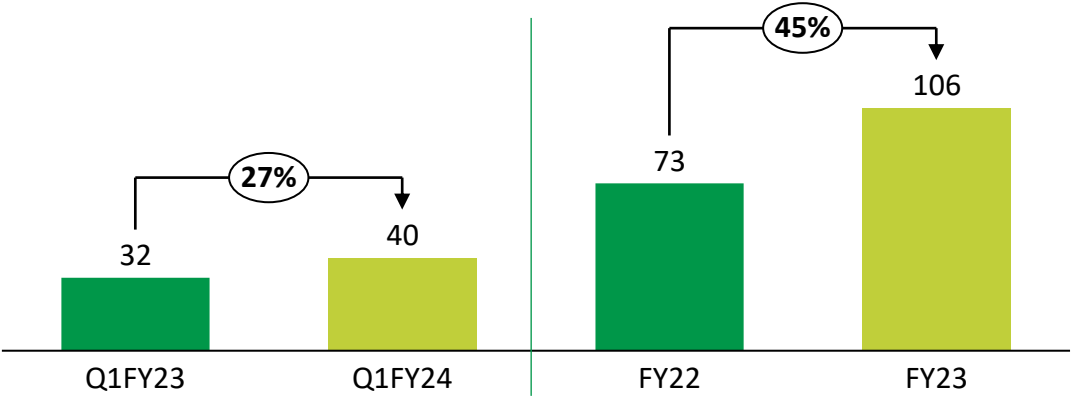
4. Premium Wellness revenue grew @ 27% with 38% volume growth

Population for Diagnostic Industry



Our focus is to cater to the balance **94% of the population** which has potential of wellness testing

Total Premium Wellness Revenue (excl. Covid & Allied)



- ✓ Revenue from Premium Wellness has **grown by 27% on Y-o-Y basis** & stood at Rs. 40 crs as compared to Rs. 32 crs in Q1FY23
- ✓ Contribution from Premium Wellness has **increased from 13% in Q1FY23 to 15% in Q1FY24**

Our Strategies

Premium Wellness packages with **average realisations of over Rs. 2,000**

Margin accretive premium wellness packages

Upselling Routine testing patients to bundled testing (Wellness packages)

Digitally linked upselling for Chronic Patients (Notifications/Pop-up's/Offline outreach)

Offset the competition intensity in our B2B Semi-specialised segment

Make health your No. 1 priority!
TruHealth Youth
~~₹7,140~~ **₹4,000**

This package covers tests for your vital organs along with important tests like Vitamin D, HbA1c, thyroid profile & Vitamin B12.

- Tests included: 28 Parameters
- Report Availability: Next Day

TEST ASSURED. REST ASSURED.
Package available in Mumbai, Pune, Chennai & Bangalore.

Super Care For Super Dad

Get up to **71% off** on health packages for your dad!

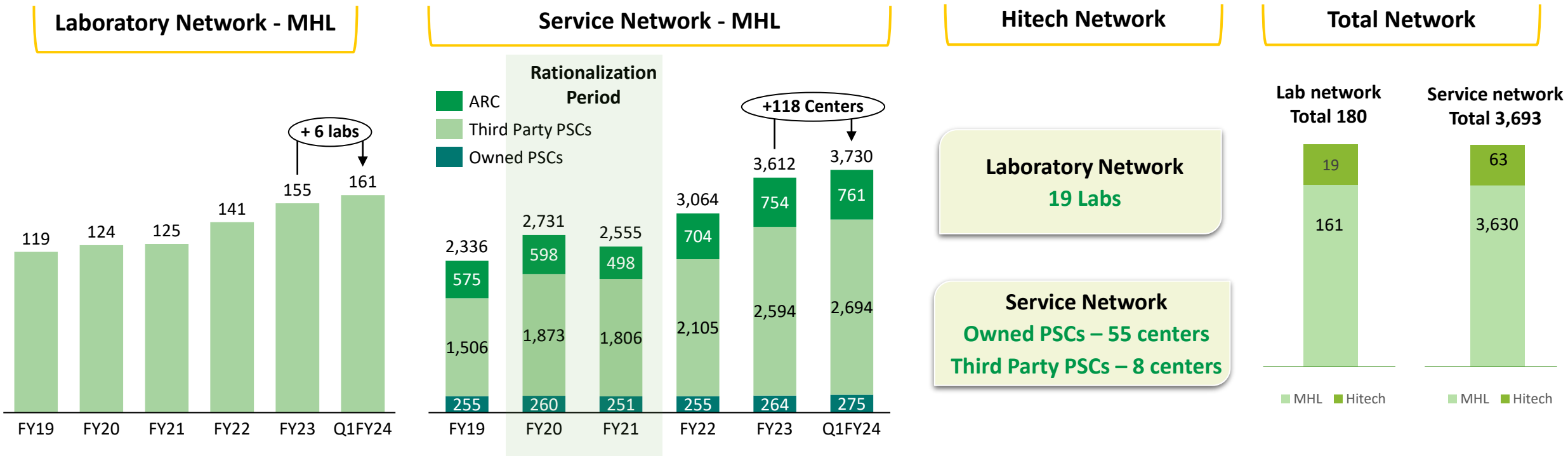
TruHealth My Dad My Hero Package
(Test Parameters : 32)
~~₹10190~~ **₹2999**

TruHealth My Dad My Super Hero Package
(Test Parameters : 36)
~~₹12425~~ **₹3999**

To book a test:
☎ 982-782-555
🌐 www.metropolisindia.com
TEST ASSURED. REST ASSURED.
Package available in Mumbai, Pune, Chennai & Bangalore.

Please [click here](#) for TruHealth Wellness Packages

5a. Expanding Network...

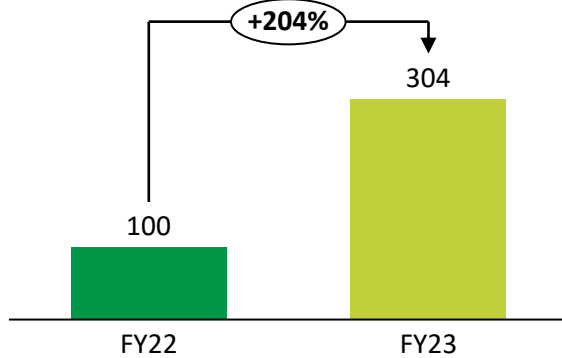


We are on course to add 90 labs & 1,800 service centers by FY25

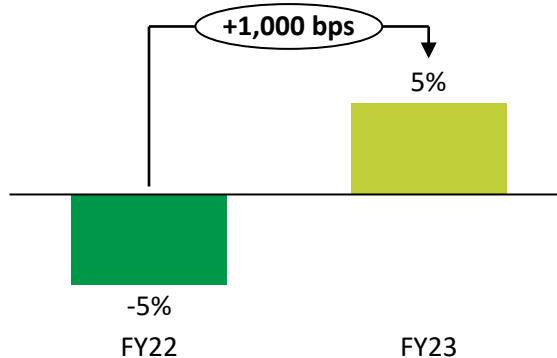
- ✓ **Lab Expansion** – In the last 24 months, Company has started **36 labs** of which 21 are in new geographies
 - Focused on B2B business in the new geographies where labs are opened
 - Expect to achieve scale in B2B business in 2-3 years of lab opening simultaneously foraying in B2C business with opening of franchise centers
- ✓ **Service Network Expansion** – In the last 24 months, Company has **added 1,420 centers**
 - Increasing marketing activities to create a strong B2C connect focused on specialized testing

5b. ... while scaling productivity....

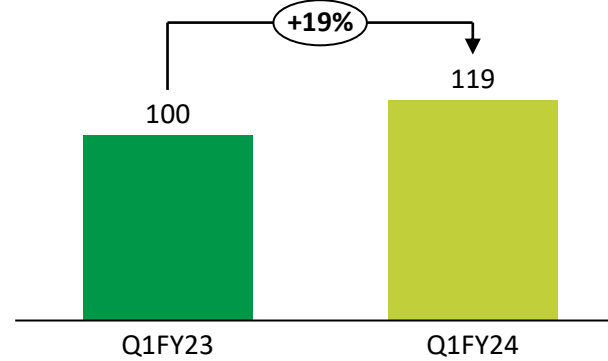
Revenue Labs started in FY22
(Base to 100)



EBIDTA Margins for Labs started in FY22

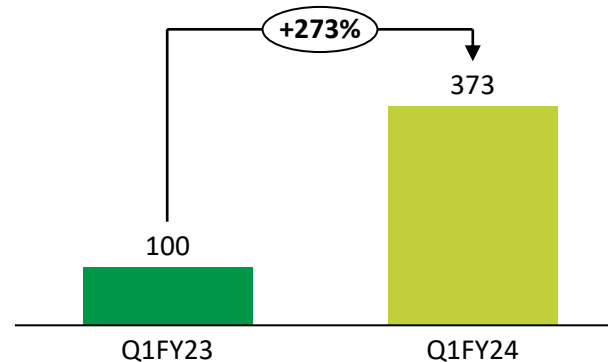


Revenue for Labs started in FY22
(Base to 100)



High base of Covid & Allied tests in Q1FY23

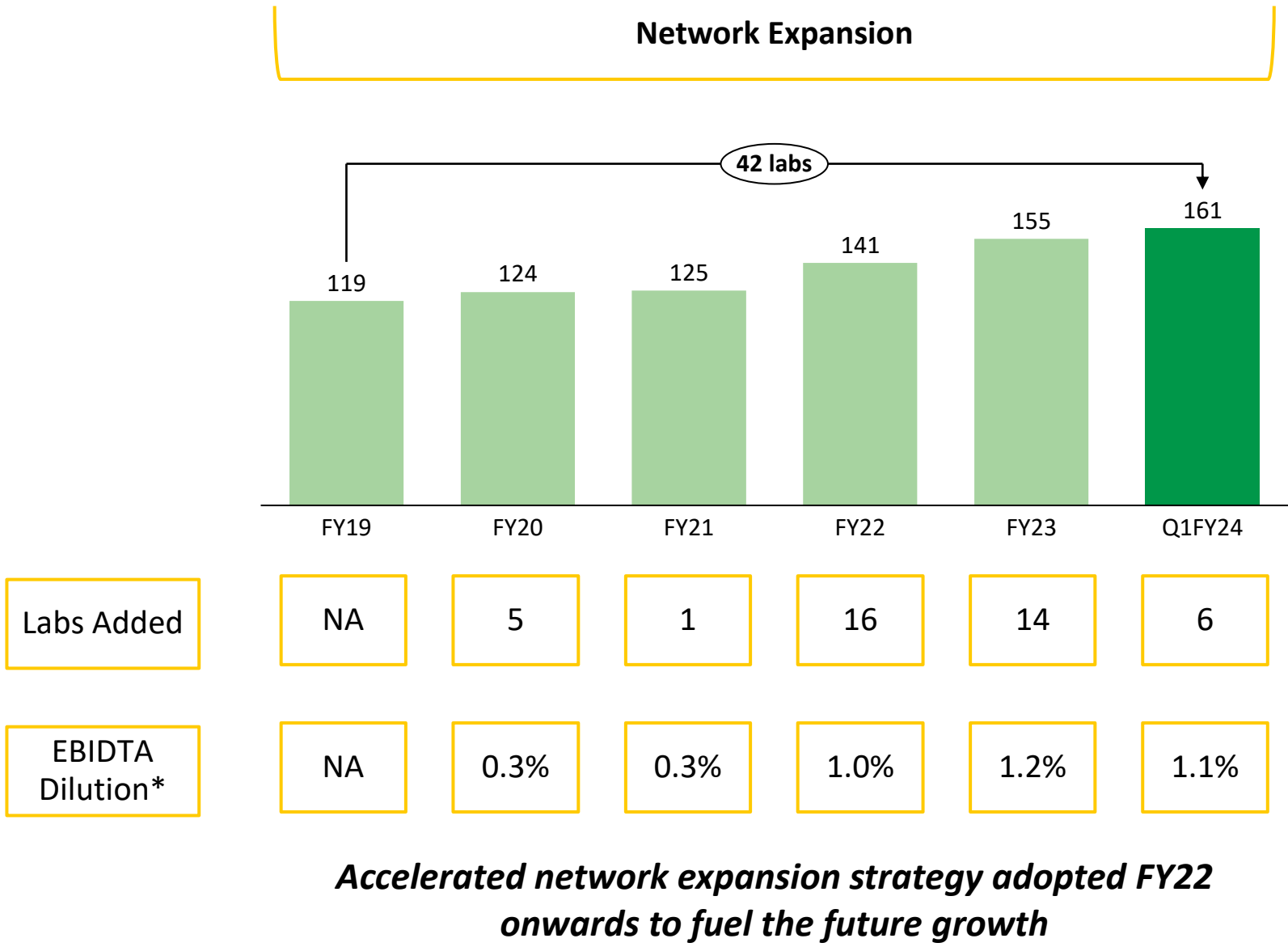
Revenue for Labs started in FY23
(Base to 100)



Total Revenue from labs started in last 24 months
stood at Rs. 46 crs in FY23

For Q1FY24 the revenue for labs started in last 27 months **stood at Rs. 16 crs**

- ✓ Strong execution rigour with evolving learning curve company has been able to achieve **5% EBIDTA margins** for labs started in FY22
- ✓ Company is focused on **improving productivity** for labs and is confident of improving scale going forward



Lab Maturity Cycle	
Period	EBIDTA Margin Profile
0-12 months	-5%
12-18 months	+5%
18-24 months	+15%
24-36 months	Company EBIDTA Profile

*EBIDTA dilution on account of Network Expansion as per management estimates

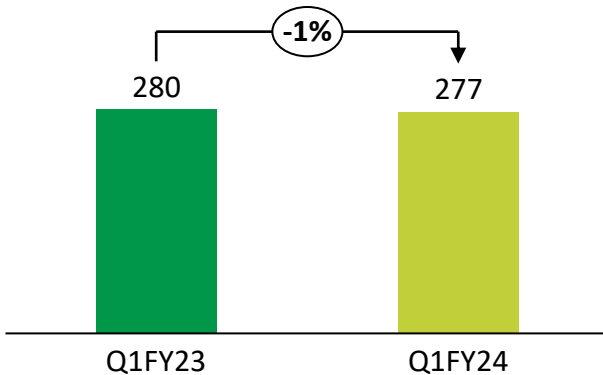
6. EBIDTA margins before Network Expansion for Q1FY24 stood @ 25.3%*

Dilution of EBIDTA margins ~110 bps is on account of Network expansion undertaken after April 2022



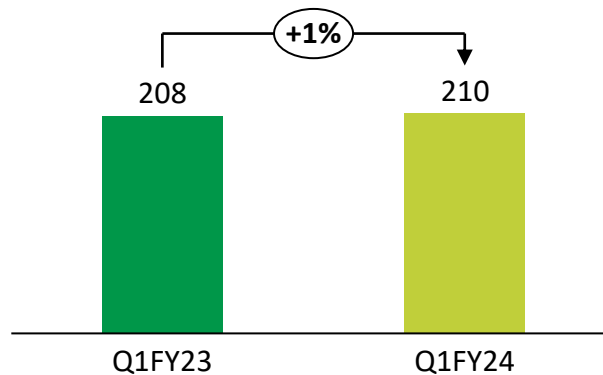
Revenue : Cost Analysis

Total Revenue (Rs. Crs)



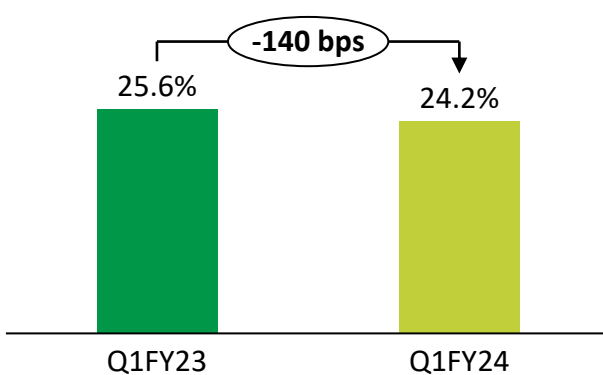
1% Dip in Revenues

Cost of Operations (Rs. Crs)



1% increase in Operational Cost

EBIDTA Margins (before CSR & ESOP)

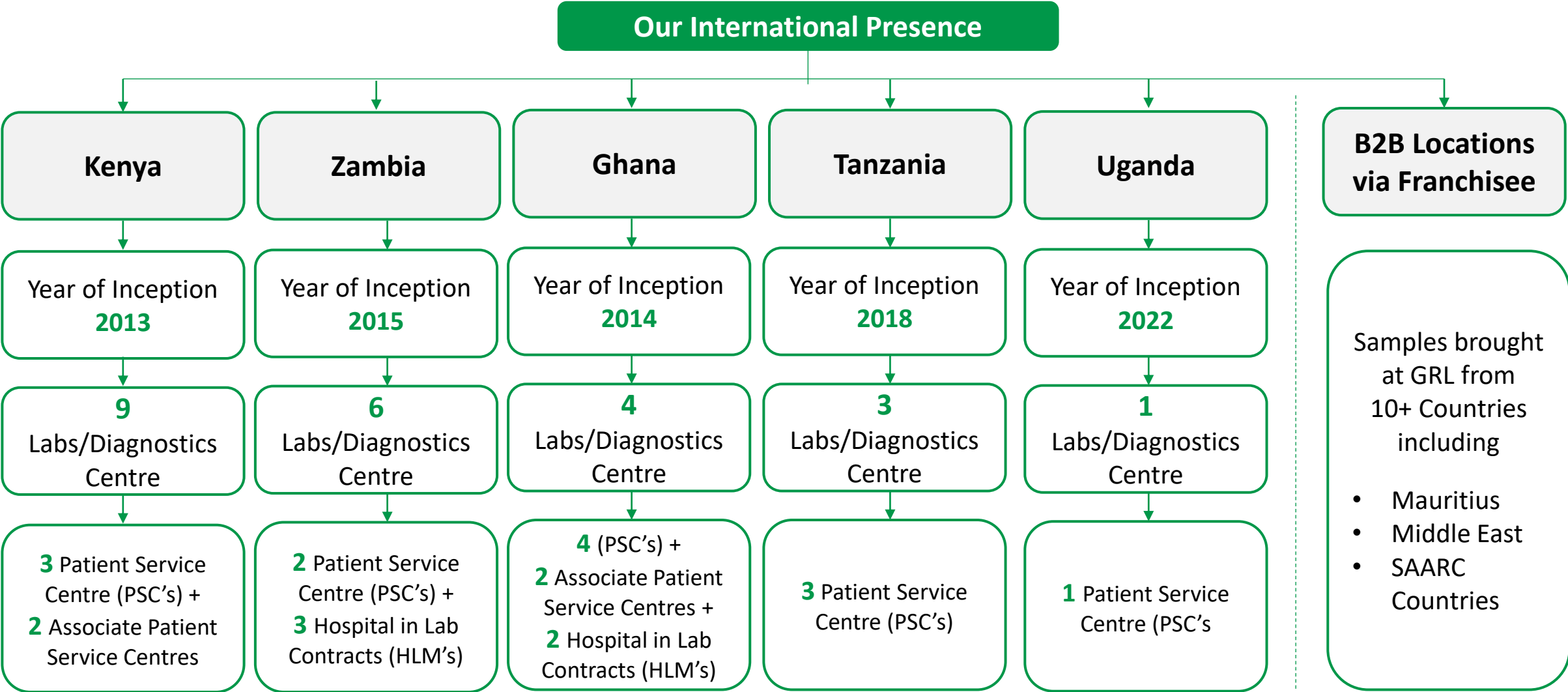


Impact on Margins

-1%/+1%

- ✓ Total revenues **de-grew by 1%** on account in-source of a large B2G contract & negligible Covid & Covid Allied Testing in Q1FY24
- ✓ Stringent Cost controls & cost rationalization initiatives across organization has marginally **increased the cost of operations by 1%** over the last 12 months
- ✓ Optimistic of revenue build up during FY24 with **positive impact on margins on account of operating leverage**

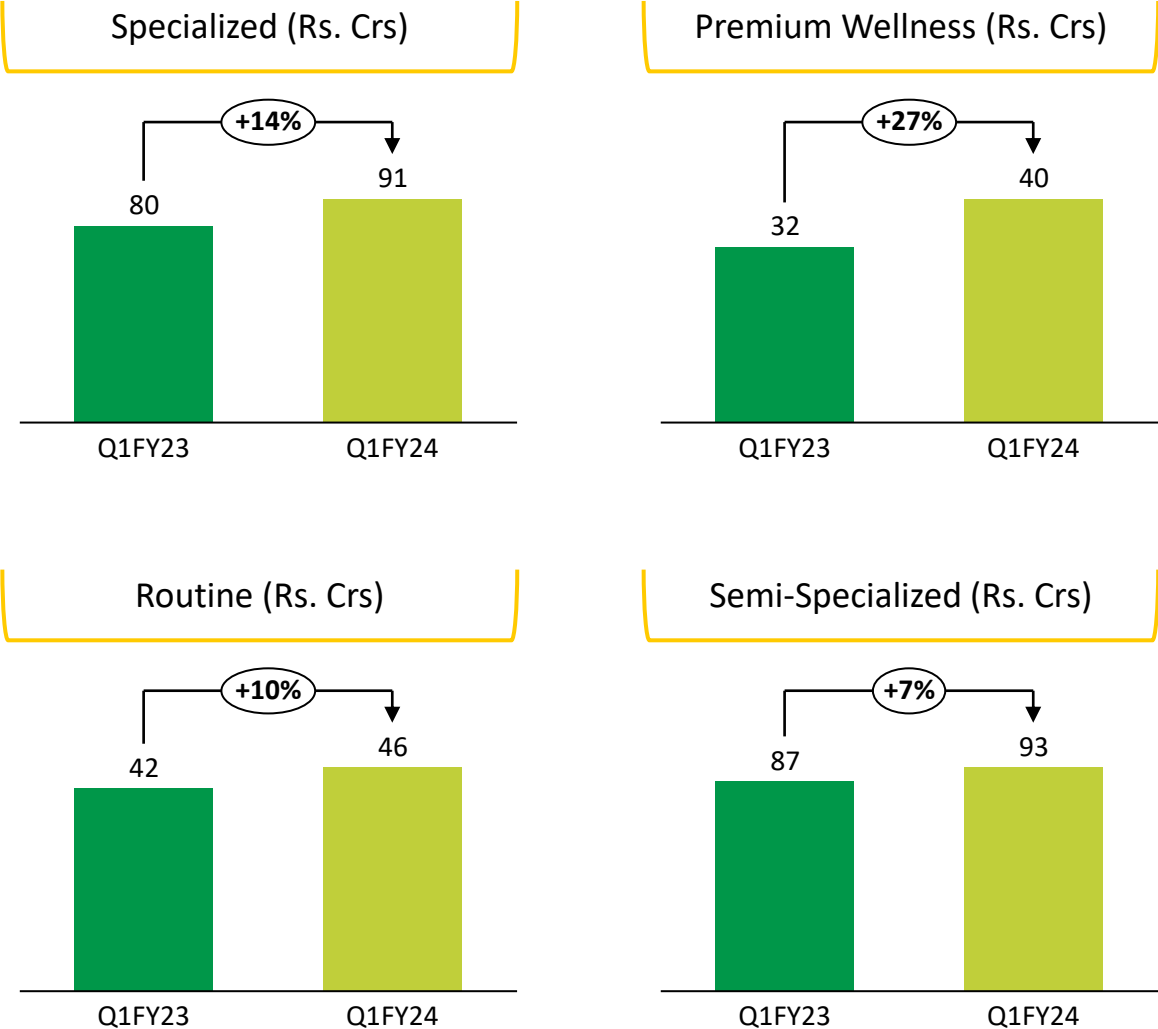
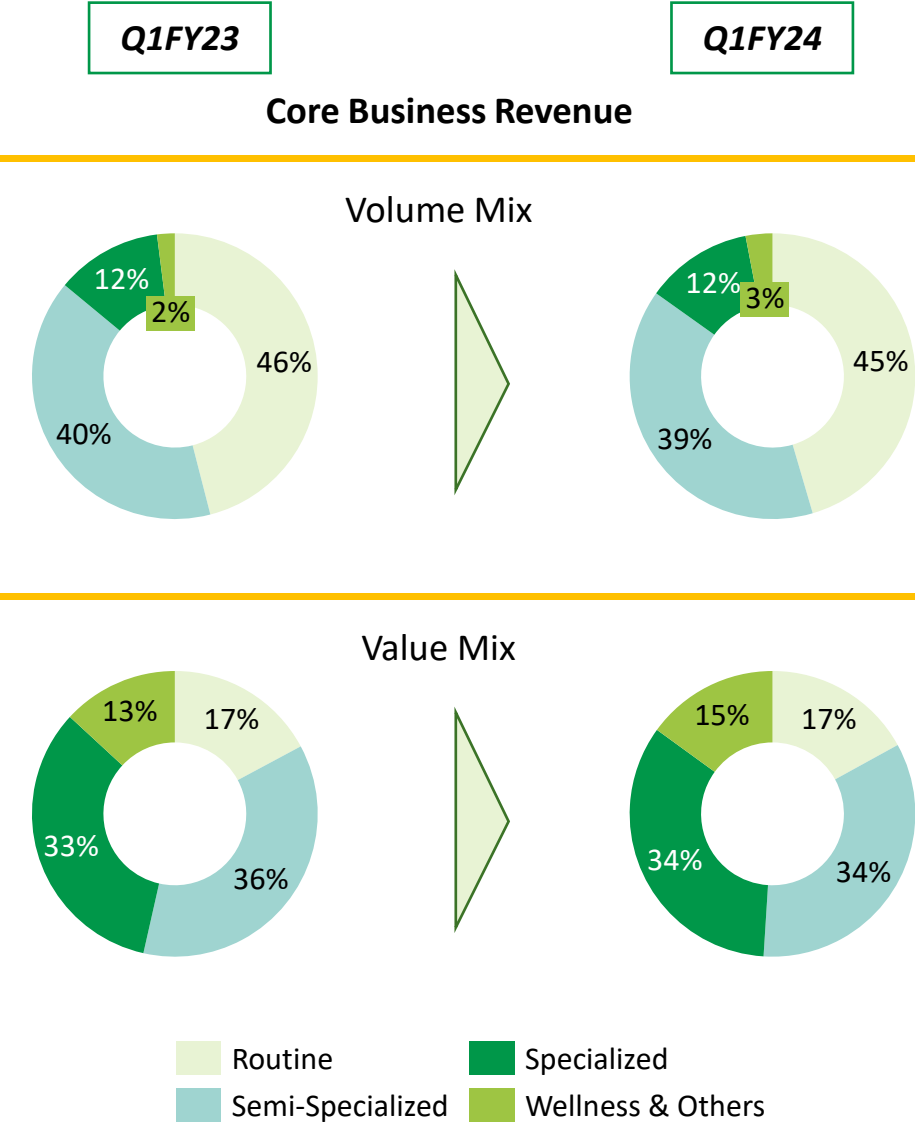
*EBIDTA before CSR & ESOP (24.2%) + dilution on account of Network Expansion (1.1%)



- ✓ International business focuses on specialized testing and is managed by a dedicated team
- ✓ MHL is one of the largest organized player in the international geographies of its presence
- ✓ Business is characterized by low investments & higher return profile

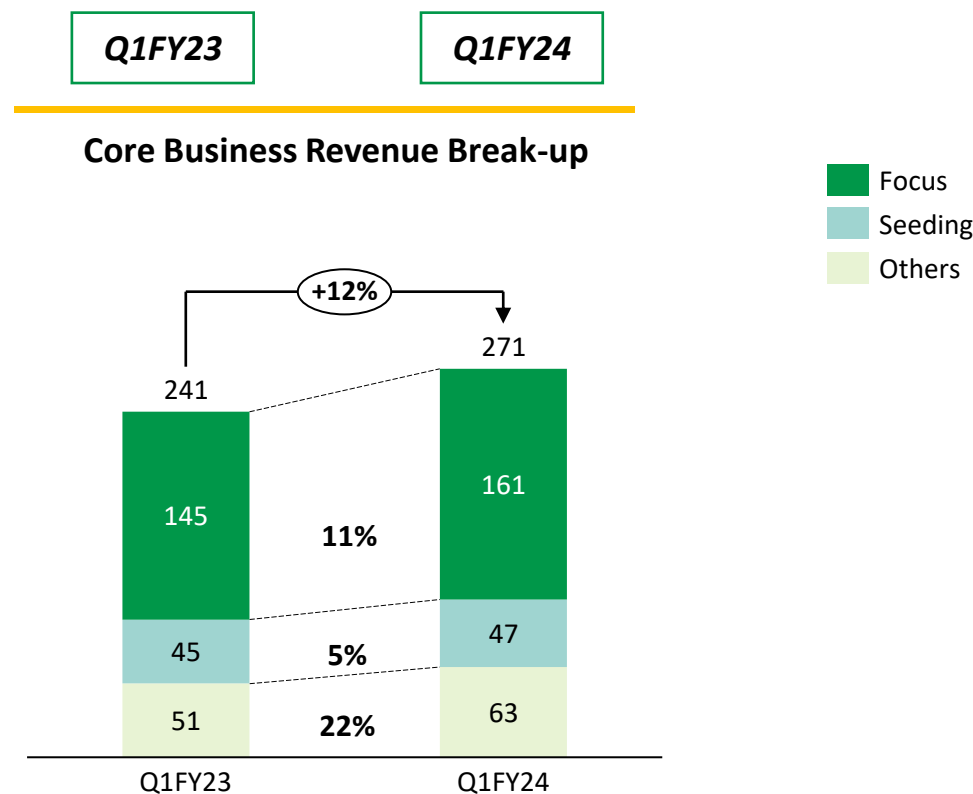
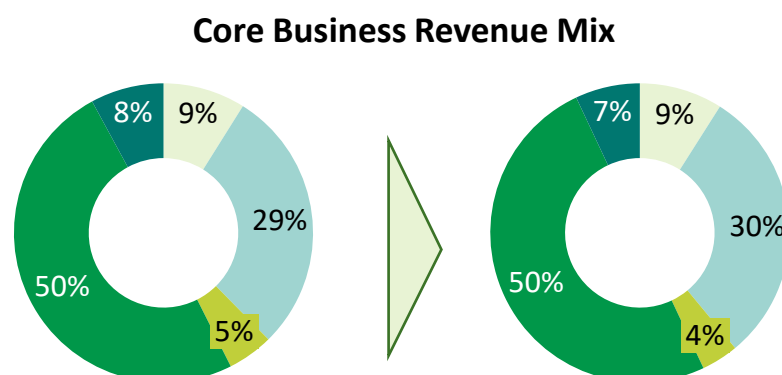
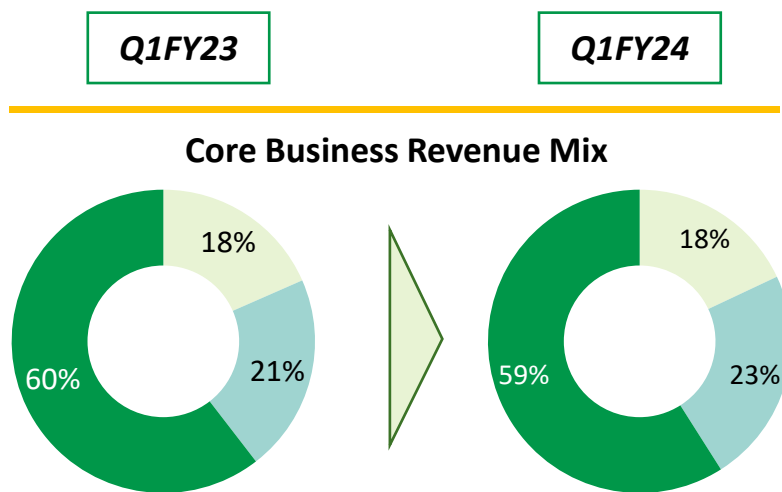
Specialized and Premium Wellness revenue contribution continues to grow

Strong **Brand Equity** across markets & **Doctors Trust and Reliance** on Metropolis helps us **grow our Specialized & Premium Wellness segment faster than the Industry**



Diversified Revenue contribution across Geographies

Continue to focus on strengthening the Brand in Focus cities through increase in B2C share while improving the share of Seeding and Other cities through a healthy mix of B2B and B2C driven by large Test menu



- ✓ Core business revenues from focus cities stood at 59% with **growth of 12%** on a Y-o-Y basis. Brand equity in core geographies continues to **positively increase market share** despite entry of new players
- ✓ Strategy of increasing revenues from non-core geographies is growing well. Core business revenues **grew by 22% for other cities** on a Y-o-Y basis

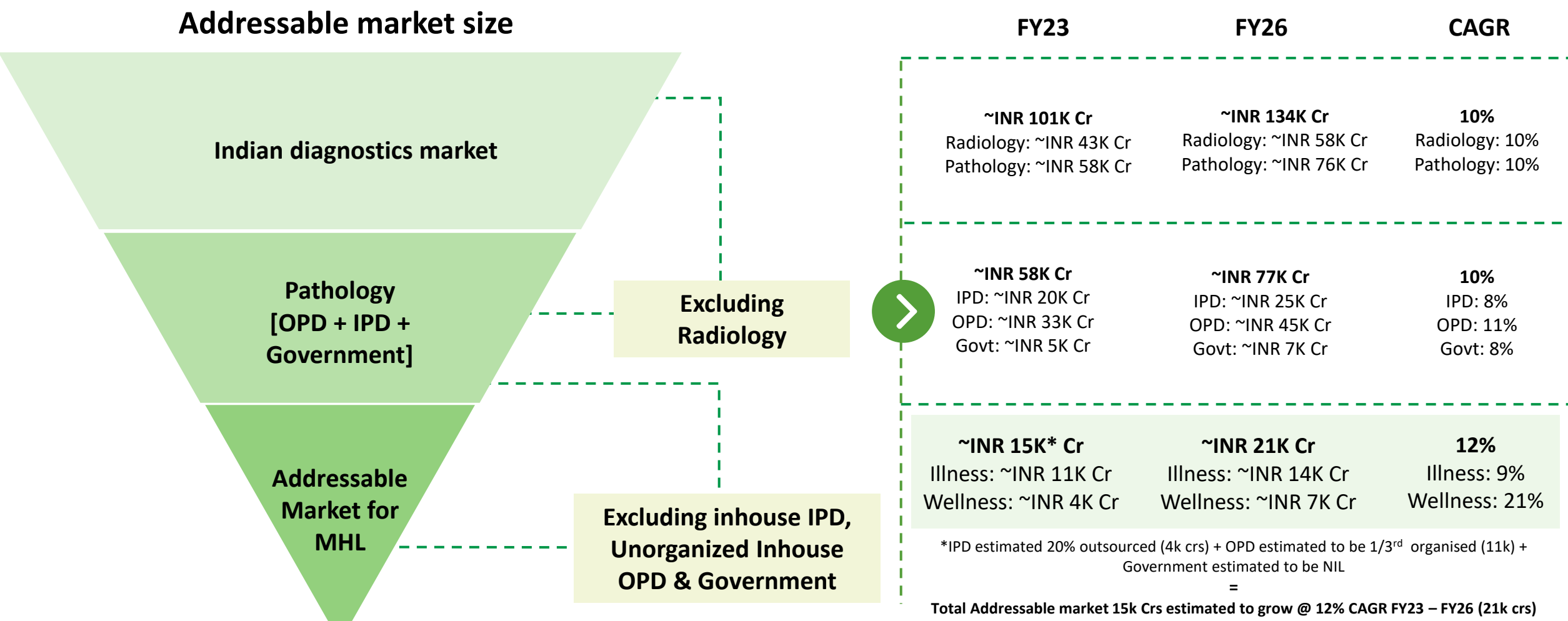
Q1FY24 Consolidated Profit & Loss Statement

Profit & Loss Statement (Rs. Crs.)	Q1FY24	Q1FY23	Y-o-Y
Total Revenue from Operations	277.1	279.9	-1.0%
Cost of operations	210.1	208.2	1.0%
EBIDTA (before CSR & ESOP)	67.0	71.7	-6.6%
EBIDTA (before CSR & ESOP) Margin	24.2%	25.6%	
CSR & ESOP	2.5	1.8	
Reported EBIDTA	64.5	69.8	-7.7%
Reported EBIDTA Margin	23.3%	25.0%	
Depreciation	20.8	21.2	
Other Income	3.1	3.0	
EBIT	46.7	51.7	-9.6%
Finance Cost	7.6	8.9	
Exceptional Items (Gain / (Loss))	0.0	0.0	
Profit Before Tax	39.2	42.8	-8.6%
Taxes	10.2	9.3	
Profit After Tax	29.0	33.6	-13.6%
PAT Margin	10.5%	12.0%	



Metropolis 3.0 : Opportunity

Addressable market is expected to increase to ~Rs. 21K Cr by FY26...



Metropolis to grow faster than Industry
Additional Levers for Accelerated Industry Growth

Consumer shift from
Unorganised to Organised Chains

Stringent Regulatory Environment

Penetration of
Insurance in Diagnostics Industry

... Metropolis to grow faster than the Industry

Strategy to Win



Higher reliability of the Metropolis Brand with
Specialized Doctor Network

Increase the product suite for **Premium Wellness** and create a sticky customer base

Strengthening the Core and expanding adjacencies to leverage the Brand strength, Customer base and Network



Large Network (including current expansion) to help grow faster in Focus Cities and strengthen the Brand in Seeding and Other Cities

Bolt on Acquisitions to further strategic objectives

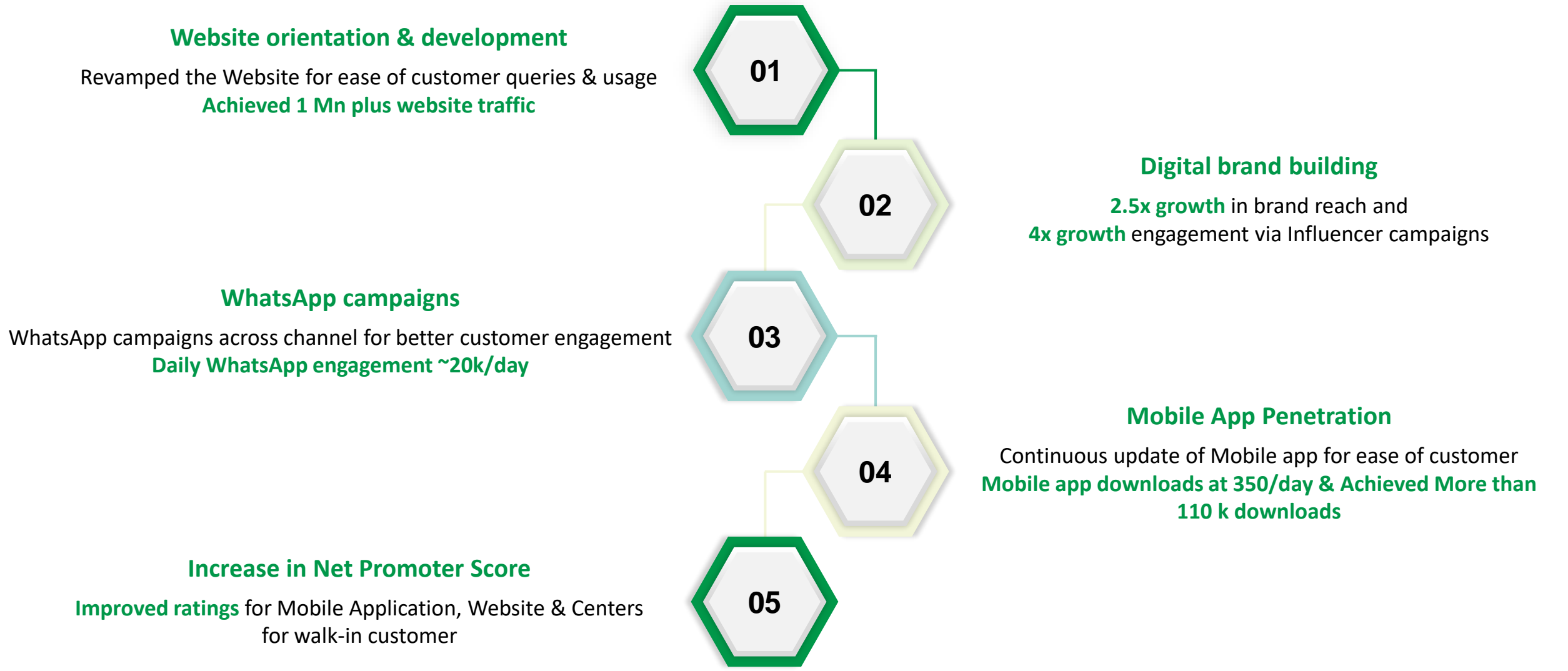
Target a Revenue CAGR of mid-teen to high-teen from FY23 to FY26



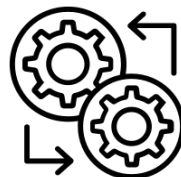
Achieve Pre-Covid Margin Profile



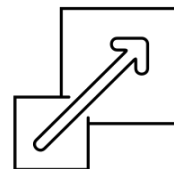
Be the fastest growing Diagnostics Company within the National Chains Segment



Enhanced
Productivity



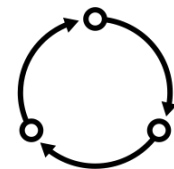
Rapid Scalability



Improved user
experience



Business
Continuity &
Agility



Future Ready
Architecture



Plans

- A Fully Scaled Application Programming Interface (API) - Centric Tech Core
- Full-fledged Customer Relationship Management (CRM) stack for Service, Sales, and Marketing with Customer Data Platform (CDP)
- Omni Screen Point-of-Sale Application (Registration & Invoicing)
- Newly Architected LIS with middleware for auto validation
- Enhanced B2C App (v1.0 released, V2.0 will be released in Nov, V3.0 will be released Mar)
- Directory of Services 2.0 (DOS) for faster creation of products/packages
- Supply chain (SCM 2.0) with visibility of consumption and planning
- B2B Portal (Partner Portal) adoption drive
- Cloud data-center consolidation
- Near real-time Biz. Intelligence

Benefits

- Digital Leadership
- Faster go-to-market
- Easier integration with Govt & Pvt entities (Ayushman Bharat Digital Mission, Aggregators, Hospitals, etc.)
- Omni Channel Acquisition & '0' loss of Biz at Touchpoints
- 360° view customers for better life-cycle management
- Data-driven Biz. (Analytics)
- Sample tracking process to improve turnaround time (TAT) for reports delivery
- Improving Net Promoter Score (NPS)



Metropolis is the **First** Indian Diagnostic Organization for getting **Great Place To Work** certification.

EMPLOYEE BRAND- Our Identity



Attributes that Build Our Culture

Trust, Openness, Innovation, Compassion & Growth Mindset

Communicate Amplify with Talent Community

Social Media , Campus , Career Page



Talent being our Key Differentiator

Well identified ESG Focus Areas and assessments are created as per the materiality matrix **based on the GRI, SASB and SDG Frameworks**. Full BSSR Report to be issued in AR 2022-23.

OUR ESG FOCUS AREAS

ENVIRONMENT



- GHG Emissions
- Waste Management
- Materials management in lab operations
- Supplier ESG assessment

SOCIAL



- Quality of care and patient satisfaction
- Employee Health and Safety
- Employee recruitment, development, and retention
- Local communities

GOVERNANCE



- Patient privacy and electronic health records
- Board Composition, Structure, and Effectiveness

ESG Initiatives in FY 22-23

Stepped into our mission of Carbon Footprint Reduction:

- Process put in place to measure and **track Scope 1, 2 & 3 emissions** on real-time basis. Tracking & monitoring of data on **Bio-medical waste, Plastic, E-waste & other hazardous waste**.
- Analysis of the impact of Waste generated.
- Developed a detailed phase-wise energy & waste reduction and mitigation plan with concrete milestones.
- **Supplier ESG Assessment for existing and new suppliers.**

Pioneered the Diversity, Equity and Inclusion in Diagnostics

- Launched 'The Full Circle – Career 2.0' offering flexible job opportunities for Women who wants to return to work after a career break.
- Analyzed and strategized the future hiring process in line with the business growth plan. Focused on Gender Diversity and Capacity Building across gender, categories and geographies.

Fostered diverse and accountable governance.

- Partnered with a Consulting firm to initiate the process to achieve **Certification in ISO 27001 / 2:2022 and ISO/ IEC 27701:2019 during FY 24 for Information Security and Data Privacy**.
- Continue to maintain high ethical standards at all times, protect and secure the data, infrastructure, and identity.

ESG Roadmap for FY 23-24

Focus on Energy Conservation, Water and Waste Management.

- Use of **Renewable sources, such as Solar, Wind and Energy Saver kit**.
- Use **Biocakes for Urinals and Water Nozzles** to conserve water;
- Reduce the use of plastics.
- Reduce Employee Travel by launching the Black-Out Period twice in a year.
- Utilization of CNG Kit in all company owned vehicles.
- Identify Specialized agencies to help us in reducing carbon footprint and cost optimization.

Material Management in Lab Operations to optimize cost

Strengthen the DE&I Program and improve the Diversity/New Hire Ratio.

- Kick off **the LGBTQIA+ campaign for sensitization and awareness**.
- Hiring of differently abled people
- Launch of exclusive program on Women's Leadership HIPO Employees

Occupational Health and Safety:

- Developing Separate Tracks for EHS & OHS, **track and reduce lost time incident rates**, Facilitation of worker participation in developing, evaluating, and **implementing health and safety management systems**.
- Communication of measures taken by **MHL to ensure a safe and healthy workplace**.



Too Shy to Ask (TSTA) Outreach and Digital Program

- Metropolis Foundation, the CSR arm of Metropolis has partnered with 6 implementation partners for TSTA outreach programme.
- TSTA Outreach programme aims to reach 20,370 adolescents, 21,000 adolescent influencers and 500 teachers to create impact both in rural and urban areas of Maharashtra.
- Digital Intervention Outreach has helped with 2.5 lakh downloads/installs of TSTA App.
- The TSTA App has 1.1 lakh active users.
- The TSTA App has a rating of 3.8



MedEngage Programme

- The annual MedEngage Scholarship Programme plans to extend 150 scholarships to Medical students in FY 22-23 from 120 in FY 21-22 under its flagship initiative. Over 2600 students from 516 cities in India registered for different initiatives of MedEngage Medical Outreach Program.
- MedTalk - A new initiative under MedEngage platform was launched in 2023. A webseries is an interactive session for senior and young doctors to co-create a futuristic healthcare vision. It gives a platform to learn directly from experts, broadening the horizons of aspiring doctors.



Preventive health Care Project

- Under the CSR initiatives, Metropolis initiated the community-based preventive healthcare programs and is focussing on diseases such as Diabetes, Anaemia and Tuberculosis.
- Metropolis has already extended its support to 650 TB patients with Nutritional support under Pradhan Mantri TB Mukh Abhiyan



DSEU*(Delhi Skills Entrepreneurial University)

- DSEU has collaborated with Metropolis for three years to promote Skill Development as an ongoing project. In FY 22-23, DSEU's 5 labs were inaugurated & are now functional.

For further information, please contact:

Company :

Investor Relations Advisors :



Metropolis Healthcare Ltd.
CIN – L73100MH2000PLC192798
Mr. Rakesh Agarwal - CFO
Email Id – rakesh.agarwal@metropolisindia.com

www.metropolisindia.com

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.
CIN - U74140MH2010PTC204285
Mr. Shogun Jain / Mr. Sagar Shroff
shogun.jain@sgapl.net / sagar.shroff@sgapl.net
+91 77383 77756 / +91 98205 19303

www.sgapl.net