



May 28, 2024

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400051

Scrip Code: 543223

Name of Scrip: MAXIND

Dear Sir/Madam,

Sub: Transcript of Investors & Analysts Conference Call

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Transcript of Investors & Analysts Conference Call held on May 24, 2024, post declaration of Audited Financial Results of the Company for the quarter and financial year ended March 31, 2024, is enclosed.

The same has also been uploaded on the website of the Company at <https://www.maxindia.com/static/uploads/financials/max-india-earnings-call-transcript-q4fy24.pdf>.

You are requested to take the above on record.

Thanking you,

Yours faithfully,
For **Max India Limited**

Pankaj Chawla
Company Secretary and Compliance Officer

Encl: as above

MAX INDIA LIMITED

CIN: L74999MH2019PLC320039

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“Max India Limited
Q4 FY24 Earnings Conference Call”

May 24, 2024



MANAGEMENT: **MR. RAJIT MEHTA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER -- MAX INDIA LIMITED**
MR. AJAY AGRAWAL -- DEPUTY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER, -- ANTARA SENIOR LIVING; HEAD INVESTOR RELATIONS – MAX INDIA LIMITED
MR. ISHAAN KHANNA - CHIEF EXECUTIVE OFFICER - ANTARA ASSISTED CARE
MR. SANDEEP PATHAK – CHIEF FINANCIAL OFFICER-- MAX INDIA
MR. ANKIT KALRA – CHIEF FINANCIAL OFFICER -- ANTARA ASSISTED CARE SERVICES
MR. NISHANT – INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day, and welcome to Max India Limited Q4 FY '24 Earnings Conference Call. This conference call may contain forward-looking statements about the companies, which are based on beliefs, opinion and expectation of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajit Mehta, MD and CEO of Max India Limited. Thank you, and over to you, sir.

Rajit Mehta: Thank you. Good evening to all of you on behalf of Max India Limited. A hearty welcome to all of you for this Q4 FY24 earnings call. I'm not saying a warm welcome deliberately given the heatwave we are faced with, so a hearty welcome to all of you.

For the benefit of some of you who are joining the call for the first time, I have with me my colleague, Ajay Agrawal, who is the Deputy CEO and CFO for Antara Senior Living and also spearheads Investor Relations for the company; Ishaan Khanna, who is the CEO for Antara Assisted Care; Sandeep Pathak, who is the CFO for Max India; and Ankit Kalra, CFO for Antara Assisted Care Services; and Nishant from our IR team; and SGA, our IR advisors.

We have already uploaded the results and the investor deck, on the exchanges. I hope everybody had the opportunity to go through the same. To start with, it gives me great delight to share that we have had a very impactful and interesting year and we have made significant progress across all business verticals in FY24. And several growth initiatives are now being planned to accelerate the scale-up in FY25 for new businesses.

As you know, 100% inventory sold out in Dehradun. It's now vibrant and buzzing community with 189 apartments out of 197 handed over for possession, over 180 residents enjoying the facility in a calm and serene space. Cumulatively, the Dehradun project has collected about INR 680 crores, which is 7% more than last year. The operational revenue for the Dehradun community increased to INR22 crores in FY24, a growth of 32% over last year. And due to robust sales, the community continues to be PBT and cash positive with a cash surplus of INR 125 crores as of March '24.

In Noida Phase 1, all inventories have been sold out since March '23. I'm pleased to inform you our collections are better than planned. We have 99% collection efficiency, which is a testimony of the quality of customers we have at Noida. We have a cumulative collection since inception of INR 342 crores, which is 36% growth over last year. Our construction is on track. We have already completed block work for all the 3 towers, and the finishing and interiors are underway, and we are confident that we will complete the construction as planned and shall be ready for delivery as promised.

For Phase 2, our approval for sales is still awaited from RERA. We have filed our application and are waiting to hear from them. On the new communities, our prelaunch activities now are going on for Gurugram community. We have already initiated the work on the RERA approval application, the experiential studio and marketing strategy. This will be North India's first intergenerational project in which we will develop about 0.72 million square feet of senior living with 292 apartments. The project is being developed by Max Estates Gurgaon, and the launch is expected in Q2 FY25.

For Bengaluru, we have already closed all terms of definitive agreement and are waiting for financial closure from the bankers. However, in the interest of time, since we don't expect any hurdles to this, we have already started work related to approval activities, like submission of our development plans with the authorities and initiated work on the experiential studio. This is a 1.08 million square feet development with 544 units, and the project is expected to be launched in Q4 FY25.

We are also in advanced stages of discussion for Hyderabad, Chandigarh and other geographies. And as the transaction or deals materialize, we'll be happy to share that with you as well. But we're quite on track to achieve our target of 1.5 million square feet development every year for the next 3 to 4 years.

On Antara Assisted Care, it has been a great year. Our overall net revenue increased by 55% to INR 25.1 crores in FY24, up from INR 16 crores last year. The care home's net revenue was INR 5.5 crores in FY24, which grew by 39% compared to last year, adjusting, of course, for the revenue of inoperative care home, which I discussed last time as well, which we have decided to discontinue because we're now going to operate only full-service care homes.

On Care at Home, that vertical has done very, very well. We achieved the highest ever revenue of INR 9.3 crores in FY24, which is a growth of 53% over FY23, led by high-margin service offering and expansion into new geographies as well. As you know, we have already launched our services in Bengaluru and Chennai.

On MedCare, we have achieved the highest-ever net revenue of INR 7.8 crores in FY24. It's a growth of 1.3x year-on-year. AGEasy, the new vertical, which only got launched in end of August last year, the revenue scaled up to INR 1.43 crores in Q4 FY24 from INR 0.95 crores in Q3 FY24 with a growth of 53%, and we are already at an ARR of INR 6 crores within 6 months of launch.

On Care Homes, significant expansion is planned for FY25, 600 beds to be operational by FY25 year-end. I'm conscious that I had announced that we will do about 360 beds by the end of FY24. There has been a delay by a quarter. 83 beds in Bengaluru, Bannerghatta, are coming up and will be up and running in by the end of June. 53 beds in Noida by July or August. So, in Q1 FY25, you will find 136 beds and 98 more in Gurgaon will get added by Q2. So total 225, all these are under fit-out. LOIs have been signed, so there's no ifs and buts about these numbers. Already signed the LOI for 85 beds more in Whitefield. The RFPs have gone out now for design and construction. This facility, we will come up by Q3 FY25. So, that makes it about 300-plus, plus 68 beds operational. And at this point of time, we are in active discussions with a few people in

Chennai to add about 200 beds by Q4 FY25. So while there is a quarter delay, we are making up by scaling up this year as well.

On Care at Home, we will expand our footprint in existing geographies; NCR, Bengaluru and Chennai in FY25, keeping our focus as always on high-margin services like critical care, physio, nursing, diagnostics, et cetera.

On AGEasy, we plan to launch 2 new conditions - respiratory health and diabetes in FY25, and also, initiate listing of products in other marketplaces. While we're available today on Amazon, we also want to look at Flipkart and Tata 1mg. And the process has been initiated now to consolidate the back end because we had MedCare, and now, we have AGEasy. So, the entire back end of products, the warehousing, logistics, supply chain, procurement has been centralized to ensure that we have more operational efficiency and margins because we do have about 800 SKUs now with 30 SKUs which are private labeled.

Now, coming to business and financial performance for FY24. There's indeed been a very, very strong endorsement for our brand and offering by customers, employees and partners. If you look at our CSAT scores across all business verticals, they continue to be healthy; 93% for Care Homes and Care at Home, 95% customer satisfaction for MedCare and 53% NPS score for AGEasy, which is really a vindication of what the brand stands for and how the customers are perceiving us.

If we look at Dehradun community, our RSAT scores continue to be high at 90%, and 40% of our sales did come through resident referrals. Again, one more evidence for how customers believe in the qualities that Antara and Max India produce.

It also gives me great pleasure to share with you Antara Senior Care has been certified by Great Place to Work. We are a very young organization, and we are very happy to receive this certification. This is an exercise they do over 5,000 companies, who apply, and only 250 get certified. And then there will be a ranking, which will be done later. So it's a big milestone for us. We are a very early-stage organization, so we're very happy that some of the work that we have done to invest in our people, training, culture have the right set of employees to serve our customers well. They're now paying rich dividends.

Just today, I also heard that AGEasy is a finalist in the 12th Asia Pacific Elder Care Innovation Award 2024, -- which are being held in Singapore. That news just came in today, so I thought I must share this with you as well.

We've also signed an MoU with IIT Delhi so that we are able to design and customize our products for seniors, especially mobility-aid solutions and we're working on that. And we also entered into a collaboration with Dementia India Alliance, which is an NGO working in the space of dementia and mental disorder space. They are acting as a knowledge partner to offer us both training as well as protocols. They have a tie-up with NIMHANS on an all-India basis. So we'll get a lot of know-how on memory care from them.

If you look at our consolidated performance for FY24, as I said, overall performance on financial metrics is better than what we expected. The strong focus now is on growth. I had shared with

you last time as well that for a few quarters you will see a dip in the consolidated revenue because as we expand and invest in to scale up, and we have no inventory to sell our residences, this will happen. But this is a temporary phenomenon. As we launch the residence work in the Gurgaon in Q2 FY25, this temporary phenomenon will get bridged.

Our consolidated EBITDA loss has been contained in line with expectations. It's about a loss of INR 34 crores versus a gain of INR 12 crores last year. The impact, obviously, is because of our scale up and expansion and strategic growth initiatives, the ramp-up in care homes, expansion to new geographies and scale up of AGEasy, that's the impact that you will see. But the losses have been contained through cost optimization and effective treasury management. Our treasury and other monetizable assets stood at a very healthy number of INR 435 crores as of March '24, so very strong balance sheet and a consolidated net worth of INR 492 crores as of March end.

Coming now to the quarter update for business. On Antara Assisted Care, overall net revenue increased by 94% to INR 8.6 crores in Q424 from INR 4.5 crores in Q4 FY23. The Care Homes net revenue was INR 1.4 crores in Q4 FY24, which grew by 4% year-on-year. Contribution margin improved to 2% in Q4 FY24 from 0% in Q4 FY23, adjusting obviously for revenue and cost of inoperative care homes.

In the Gurgaon Care Home Unit, which is really the unit that we wanted to establish unit economics, has been clearly established. The margins have moved sharply from minus 1% in Q2 FY24 to 16% in Q4 FY24. And hopefully, with the ramp-up occupancy of 59% in Q4 FY24, the margin would tend to be higher. We have much higher occupancy in April as well, but we will declare those results in the next quarter.

On Care at Home, that vertical has done very, very well. We achieved the highest ever net revenue of INR 3 crores in Q4 FY24, grew by 97% over Q4 FY23. The overall contribution margin for NCR now is 19% in Q4 FY24, and we have touched about 14,500 lives since inception.

On MedCare, as I said earlier, we achieved the highest-ever net revenue of INR 2.7 crores in Q4 FY24. It's a growth of 106% year-on-year. The contribution margin at minus 5% in Q4 FY24, primarily driven by some old inventory that we had to dispose of in this quarter. We have over 800-plus SKUs, which include Antara-labeled products for sales and rental. We are gaining great traction on Amazon and offline channel. Our walkers are the fifth best seller on Amazon with 3,000 units sold. On an average, we sell about 20, 25 per day.

On AGEasy, the net revenue scaled up to INR 1.43 crores in Q4 FY24 from INR 0.95 crores in Q3 FY24, a growth of 53% sequentially quarter-on-quarter. And we have already hit an ARR of INR 6 crores within 6 months of launch. 30-plus products have been launched across 3 chronic conditions with good performance in the marketplace on braces and pain relief products. We have more than 26,000 customers in a short period of time, and more importantly, 2,600 repeat customers. This is much more than what we had expected.

Some of you who have joined the call for the first time, I just want to reiterate, we are the only organization in India trying to create an integrated care ecosystem for seniors. Our belief is that

seniors' needs will change with age and medical condition. And therefore, once they become our customers, we should be able to serve them through many means, through many products and services.

And recently, there was a paper released by Blume Ventures, which is a global venture capital firm. And they have also suggested that full stack is the way to go in elder care. That's the statement they have made, which vindicates what our vision is.

We are essentially in 3 business verticals. On the asset side, which is independent housing for seniors, which are meant for more healthy seniors who want to stay in a safe and secure community. The Services business, which has Care Homes/Memory Care Home and Care at Home, these are meant for people with more immersive interventions, have gone through a medical episode, can't be taken care of at home or memory care meant for seniors with disorders like Alzheimer's, Parkinson's or dementia. We also have Care at Home services, which covers critical care diagnostics, x-rays, et cetera.

And the third is the product business, so asset, services and products, which is the latest digital platform, AGEasy. This is a platform meant to address chronic conditions and empower seniors with self-protocol. So while we offer a minimum assistance for them to choose really a products business, that's how the money is made. Currently, we're getting very good traction on this. The seniors can approach us through our physical spaces, through a WhatsApp video call or call the expert home.

And if seniors require products for their convenience, we have an entire range from wheelchairs, commode chairs, power wheelchairs, diapers, walkers, walking sticks, hospital beds, which we provide through this vertical. Our focus is to continuously customize innovate, so we don't sell vanilla products. We try to look at pain points of seniors and putting something specific, which takes care of that pain point.

The market size continues to grow. It is still a \$10 billion to \$12 billion market. And if you add the AGEasy size, where the estimate done by McKinsey with us is about INR 40,000 crores in addition to this, which is the size in the top 30 cities in the Sec A, Sec B category.

Recently, you may have seen a study by Colliers, where they're saying the demand for senior housing has gone up to 18 to 20 lakh units, which is a very significant increase from what numbers we saw last in 2010. So it's a large growing market with a long-term trend.

To summarize, in Antara Assisted Care, so far, we have served about 50,000 patients. On the Medical Equipment side, about 800 SKUs, including Antara-labeled products, some of which are available on Amazon, Flipkart and 1mg. So hopefully, in the next 5 to 7 years, our promise of having 8 to 10 communities, 4,000 to 5,000 units of senior living, 1,500- 2,000 beds of care homes/memory care rooms, 50-plus health studios in both physical and online presence. In this North, West and South cluster, our focus continues to be 4 million customers, Sec A, Sec B household income 15 lakh and above. So that's the Antara story. As I said, it's been quite an eventful year, some hits, some misses, as always life is, but we are really focused now on scale up.

Thank you very much for your patient listening and happy to answer any questions.

Moderator: First question is from the line of Chaitanya Shah from Silverline Capital.

Chaitanya Shah: My question is regarding the Gurugram Care Home. Now, in the Care Homes segment, you're planning to add around 500 beds this year. But the Gurgaon Care Home, which is where you say the unit economics are established, the occupancies have been stagnant for almost 2 years now, and I was just wondering -- at 58%, 59% occupancy. First question is, why is it stagnant? And secondly, what gives you the confidence to add another 500 beds when the 1 care home that you have is still operating at a 59% occupancy?

Rajit Mehta: Yes. Fair question, Chaitanya. So as I said, the occupancy has gone up in April. I was not at liberty to share that number, but that is about 71% now. So it's now gone up. But if you look at our economics in terms of contribution margin, what we had said, and the revenue per bed, that has been established. We are doing a lot better on cross-sell. We would imagine there will be 10% cross-sell services, but there are 38% cross-sells, so the average realization per bed on per day is ranging between 5,500 to 6,300. In fact, it is above 6,000 now, right, which is not our expectation. So in that sense, I would say, while there was a plateauing for some quarters, it has gone up now, and that is giving us the confidence.

Secondly, the question of scale up is a fair question. As I said, it's no longer that we are looking for facilities. The Bannerghatta Facility, 83 beds is already open for show around and will be inaugurated in June. The 53 beds in Noida in July and August will go live. The last bit of fit-outs is happening on that.

On Gurgaon, the LOI has been done on 98 beds, the fit-outs are happening. So, that will come through. On Whitefield, the LOI is signed, the design is made, the RFP has now gone out for quotations for construction and therefore, that will come up by Q3 FY25.

So, those 225 beds are already done. It's just a question of the launch date now. The 212 in Chennai is what we're looking out for. And hopefully -- that's a Q4 launch, that also should be done. So that should give you some confidence of how the beds are coming up.

Chaitanya Shah: Sir, the reason I asked this question primarily was because -- I am from Mumbai, and I've spoken to a few doctors who run these unorganized sort of care homes. And not only being full, they have a waitlist right now. So I just want to understand, the demand is there and why it has been stagnant for so long. It was something that I could not really understand.

Rajit Mehta: So I can help you with that. So, you'll find in the West - Pune, Mumbai, and South, this category is fully established, and therefore, the demand is higher. And some people also operate transition care homes. In North, it has taken a while for this category to come up. So if you look at most players, they haven't expanded in the North. We're the only ones who now have -- almost 200 beds by August in North. We will be the first ones. So South and West have been better markets. For this reason, you find this. But as I said, in April, this 59% has become 71% now for us.

Chaitanya Shah: Okay. That's good to hear. My second question is on the real estate vertical. Now, the second phase that you're going to launch, I'm assuming that will be at a much higher price than what

you launched the first phase at, right, in the Noida community. So I just want to understand, are you revising your IRR expectations from the project? And if you are, what is the surplus that we can expect 3, 4 years down the line?

Ajay Agrawal:

This is Ajay. So yes, you're right, we will be obviously launching at a better price. Just to give you a sense, presently, the Noida market for Antara-like standards is selling at approximately INR 11,500 to INR 12,000. So it will be up of that. We are not changing our IRR expectations because of the reason that once we get the RERA approval, then we have to review the costs and the construction costs, et cetera. And with the escalation coming in, I want to be in a comfortable zone but intuitively, I feel that there will be an upside provided we get the RERA as soon as possible.

I will not be able to give you the forward-looking numbers from what turnover would be. But definitely, it will be better than what we have been able to achieve in Phase I.

Chaitanya Shah:

Understood. And for the expansion in the Care Homes, are you going to do any capital raise? Are you looking for any capital raise in the future?

Rajit Mehta:

Not as yet. We could be, but not as yet. We are well funded now, but maybe when we see scale up and growth coming through, then yes, we could be. But we can't confirm them as yet.

Moderator:

Next question is from the line of Kunal Shah from Anova Capital.

Kunal Shah:

Yes. Can you please share some insights on the revenue growth of Care at Home segment? What specific factors are driving the revenue growth for the segment? What projections do we foresee for FY25?

Ishaan Khanna:

This is Ishaan here. I think the growth, if I was to talk about what we saw in the last year, was attributed to our penetration in the NCR market. It was attributed to increase in the higher-margin services like critical care, nursing and patient caregiver services and the fact that we launched the services in Bengaluru and Chennai.

Our projections for the year are strong, and we feel that we will be able to grow well because Bengaluru and Chennai, we've spent 4 and 8 months since launch, and there is a scope for penetrating much deeper there. Delhi NCR itself also, the kind of digital promotions and hospital network expansion that we have seen, we anticipate that, that penetration will also go further deep as we saw in the last year as well.

So, I think we are very well positioned to grow in double digits in the current year as well because there's a lot of scope in the Care at Home segment. But, we have to be very careful of the fact that this is a service that has to be built with a lot of operational efficiency in mind because we feel that we have to make sure the margins are also held and so, we focus on high-margin services and their promotion.

Kunal Shah:

Okay. And 1 more question. Can you please share some key metrics for AGEasy, contribution margin, ROAS, capital employed or extraction on the e-commerce websites?

- Rajit Mehta:** Repeat that again, please, sorry. We missed that.
- Kunal Shah:** Just wanted to know some key metrics for AGEasy, like contribution margin, ROAS, capital employed and its traction on the e-commerce websites.
- Rajit Mehta:** Yes, yes. So that, it's too early basically, but the metrics we're looking at now is revenue, capital, repeat customers and NPS, right? So if you look at the conditions launched, we have served about 26,000 customers. If we look at repeat orders, about 2,600. If we look at product market fit with that determines, we have 12 products rated 4 on Amazon, NPS of 50. So basically, it's about revenue, product launches, customers served, repeat customers at this point in time. And, of course, ROAS.
- Moderator:** The next question is from the line of Ashish Rauth from Green Edge.
- Ashish Rauth:** I have a couple of questions. The first question is the employee expenses are on a higher side. Why are corporate overheads at such an elevated level?
- Rajit Mehta:** Yes. So I can answer that for you. If you look at, first of all, our HO services all business lines, and there are sales and marketing, for example, and command center all part of it. So, we have to look at that as well.
- But if you look at what has gone up, and I have the numbers with me, so about INR 24 crores is the expense on human capital compared to last year. Out of that, INR 7 crores is Antara Senior Living, where it's basically partly the ESOPs, partly variable pay because we did very well this year. And if you look at Antara Assisted Care, most of the expenses are because of the investment in AGEasy and entering Bengaluru and Chennai, where we have to invest in teams.
- On the corporate side, the INR 3 crores number that you see, basically, it's ESOP about INR 2 crores. It's a noncash item, right? So that's the breakup of the cost. So it's a combination of growth, partly ESOPs and the team that we need to build. And partly, as I said, in HO, some functions are consolidated with some businesses.
- So next time, maybe we'll provide a split between, what's supposed to be like, sales and marketing to be separated out. That we will do. But that's the reason you find the corporate cost to be that.
- Ajay Agrawal:** And I would just like to add also in this. Since we are in a growth trajectory, the team has to be very well curated, very well -- L&D should be there. So a lot of engagement activities have taken this year, and the company has been completely focused in giving absolutely impeccable training to people and to explain them the culture, et cetera. And we have really invested in that. And that should get them settled in future years, and it will give that benefit of having a good, strong team for all businesses in place.
- Ashish Rauth:** Okay. Okay. The second question I have is, can you provide the insights in terms of feedback from existing residents on services provided by the company? Also, what portion of customers are repeat customers in terms of cross-sell or up-selling services?

- Rajit Mehta:** Yes. Absolutely. As I said, if you look at our customer satisfaction scores; 93% for Care Homes and Care at Home, 95% for MedCare, 53% NPS score for AGEasy and 90% resident satisfaction score in Dehradun. As I said, 40% of our sales came through resident referrals in Dehradun. We have 2,600 repeat customers in AGEasy, right? So quite, quite high satisfaction scores. And, if you look at cross-sell in our care homes, there's a 38% cross-sell of services.
- Moderator:** Next question is from the line of Karan Mehra from Mehta Investments.
- Karan Mehra:** Sir, a couple of questions from my end. Sir, the first one is, what portion of the revenue in percentage are we spending on marketing and branding? And also, have we implemented any performance marketing for physical products in AGEasy?
- Rajit Mehta:** Yes. We have a well-oiled machinery for performance marketing, both for AGEasy as well as Care Home and Care at Home. In the new businesses, that's required. So we have that function. In terms of total spend and marketing for brands...
- Rajit Mehta:** About 7%, 8% to -- on marketing in brand.
- Ajay Agrawal:** I'd like to add in this because one question you asked was that what percentage of sales is the sales and marketing expenses. So since it's a growth business, obviously the sales is -- as far as Antara Assisted Care is concerned, the sale is going to be in a course of time. And for that sale to establish correctly, we need to spend on sales and marketing earlier. So presently, the sales and marketing as a percentage to sales will not be a right benchmark to capture. But for a matured business like my real estate residences piece, we are spending not more than 3% to 4% of the total revenue as a sales and marketing, if that answers your question.
- Karan Mehra:** Yes. And sir, since we are launching the Bannerghatta Care Homes in the next 2 to 3 weeks, do we have a visibility on the number of bookings?
- Rajit Mehta:** For Care Homes?
- Karan Mehra:** Yes.
- Ishaan Khanna:** Yes. While I -- probably we can't give you a forward-looking numbers on what the occupancy would look like, what I can tell you is that our GTM, our go-to-market plan, is very robust. It's a combination of online and offline, which we are going to target to ramp up occupancy. In Bengaluru, we have already established a great hospital doctor network, which will fuel movement in. We've already started having show-arounds of the facility, which has started, and we've got very positive traction from people who have visited the facility.
- Our digital marketing engines and branding locally in Bengaluru has also begun. So, we are very well prepared for a successful launch of the care home in Bengaluru. Also, in Delhi or NCR Gurgaon, we already have the network established, so, we know there is a lot of demand that we can fulfill. I think it's just deeper penetration on both the online and offline side that is giving us

the confidence that our launches both in Bengaluru and the new properties in Gurgaon and Noida will be very successful.

Rajit Mehta: And just, as information, by the way, the Care Home in Bannerghatta is very close to Fortis and Apollo, and we've already done a tie-up with most large hospitals in Bengaluru.

Moderator: Next question is from the line of Harsh Kundnani from Aionios Alpha.

Harsh Kundnani: A couple of questions from my end. Firstly, the approved infusion of INR330-odd crores in Antara and the Assisted Care division. What would be the usage of this amount within these 2 firms, the Antara and Assisted Care?

And secondly, on AGEasy, at what scale do you all think that AGEasy becomes contribution positive? And right now, where is most of the cash burn in this vertical?

Rajit Mehta: Okay. See, on AGEasy, Ishaan, go ahead.

Ishaan Khanna: On AGEasy, I think even today, as we speak at the revenue that Rajit mentioned, we are already contribution 1 level positive. And obviously, as the scale up happens, it's going to become even better. So from a contribution perspective, we are already doing strong. So, unit economics are still very fundamentally strong there.

Rajit Mehta: I think if you take an example from the market, I mean, I can only quote from the market, we are not there as yet. If you look at Mosaic Wellness, for example, or others, at about a INR20 crores, INR25 crores per month run rate they become EBITDA positive. But we are already CM1 positive. That's a number I can only give for others. I don't know about us, let's see as we expand.

Ajay Agrawal: Cash burn is presently going into the expansion phase. So all the team building, all the occupancy loss gap, which happens for first 8 quarters, that is going predominantly into that. We are pleased to inform that we have pretty much stitched the team now. All the core team and the extended teams are already in place. And, so it will help us to ramp up our occupancies and number of beds in next year.

As far as the INR330 crores approved budget was concerned, that is predominantly going into Care Homes and AGEasy. Care at Home is an incidental business, which is augmented towards Care Homes, and so, it really doesn't require a special fund for that. But then, yes, predominately it's going for Care Homes and AGEasy.

Harsh Kundnani: I understand, but could you just elaborate a bit on the AGEasy part, like this seems to be a pretty sizable amount for the AGEasy vertical.

Ishaan Khanna: So again, I think one can look at potential analogies in the market and since Rajit mentioned about one organization, I think to build a business such as this, it does require upfront investment in building teams, in building the right technology platforms, in making sure your performance marketing engines are there because these are costs that come upfront when you're trying to build a digital/phygital business.

We're also building physical infrastructure. We're setting up teams that are going to SBUs that are going to take multiple disease conditions forward. So all of this brings your investment up front. Hence, at the revenue scale now, the number looks big. But the idea is that as one scales into year 3, year 4, all of this starts making sense because the growth one sees in such businesses is also very high.

Ajay Agrawal: I'll -- Harsh, I'll just correct. I've just cross-checked it. The INR330 crores, which I'm going to spend, for which approval has been sought, INR180 crores is going into Antara Assisted Care and all incidental businesses, and INR150 crores is going invested into residential vertical.

Moderator: Next question is from the line of Shreya Rathi from SK Securities.

Shreya Rathi: I have a couple of Questions. My first question was what is the IRR targeted for the upcoming projects in Gurgaon and Bengaluru?

Rajit Mehta: Yes. We target above 20%, so it will be 22-24%, in that range for Gurgaon.

Shreya Rathi: Okay. And for Bengaluru?

Rajit Mehta: Similar.

Shreya Rathi: Okay. And my second question was what are the key drivers that helped MedCare achieve revenue growth of 100% plus YoY? And which are the new products that have been launched?

Rajit Mehta: Yes. Basically, as you know that, no company in India today specializes in products for seniors. We're the only one providing a full suite of products like, for example, for mobility range from walkers, walking sticks, wheelchairs, we have everything. And we customize some of these for seniors in terms of what they especially need, whether it's the material or the grip or the safety bed in the wheelchair, et cetera. So one is we are customizing it and branding it accordingly.

And it's a large market, and we also set up our offline channel this year, which contributed. And then we also listed on Amazon, which give a big flip to this of about INR1 crore sale already on Amazon. So this was responsible for 100% growth in MedCare.

Moderator: Next question is from the line of Ravi Shah from Opal Securities.

Ravi Shah: I have 2 questions, sir. The first question is that you have mentioned that we will be breaking even on Care at Homes and we're currently at 45% occupancy. So, what can we expect the revenue to be at let's say, 80% or 70% like occupancy levels?

Rajit Mehta: So I think if we touch 70%, 75% occupancy, you can expect a contribution level margin upwards of 23%, 24%.

Ravi Shah: Okay. And sir, 1 more question, sir. Could you please provide a few highlights on the upcoming intergenerational project that we are planning in Gurgaon?

Rajit Mehta: Sure. So, the intergenerational project is one of its kind, which is happening in India. So our group company, Max Estates, is developing a project, 2.1 million square feet of development,

in which 1/3rd will be senior living. So, 2 towers will be senior living, and the balance 4 towers will be the regular housing. So it will have its own uniqueness of giving exclusivity to seniors for their own places, but having a common kind of a facility so that they can enjoy the benefits of being an intergenerational.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I would now like to hand the conference over to the management for the closing comments.

Rajit Mehta: Thank you very much. I already summarized this, but I'll repeat it once again because I saw a lot of questions coming in on this front.

As you know, this year is an expansion year for us. So obviously, growth capital will go into both bed capacity as well as human capital and marketing, all 3, depending on which vertical we're talking about. Some of this will get covered up as we launch more communities, but we'll have to invest the money in scaling up as we go along.

We have served about 50,000 patients. We have very high satisfaction scores across, including in the new vertical of AGEasy, repeat customers that are now coming in. Our task ahead is to make sure now we meet our commitments and execution in terms of bed capacity ramp-up and occupancy.

The Gurgaon Care Home has firmly established the unit economics for care homes. We just need to make sure that, that is now replicated. So hopefully, in the next year, you'll find about 600 beds that will come in. And the Gurugram community and Bengaluru will also get launched for sale and, we are yet to see how many other agreements we're able to strike for Antara Senior Living. Our vision of creating 4,000 to 5,000 units, 1,500-2,000-bed care homes, memory care homes, all that remains intact.

And thank you so much for your support and your understanding. Thank you very much.

Moderator: On behalf of Max India Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.