



MedPlus Health Services Limited

November 12, 2024

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 543427

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
NSE Symbol: MEDPLUS

Dear Sir/ Madam,

Sub: Presentation for Earnings Call with Analysts/Institutional Investors on Un-Audited Financial Results for the quarter and half year ended September 30, 2024

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in furtherance to our letter dated July 24, 2024 please find enclosed herewith the presentation for Earnings Call with Analysts/Institutional Investors on Un-Audited Financial Results of the Company for the quarter and half year ended September 30, 2024 scheduled to be held on Wednesday, November 13, 2024 at 04:30 P.M (IST).


Kindly take the same on record. The same is being uploaded on the website of the Company.

Thanking You
Yours faithfully

For MedPlus Health Services Limited

Manoj Kumar Srivastava
Company Secretary & Compliance Officer
FCS: 7460

Encl: a/a

 040-6724 6724



MEDPLUS HEALTH SERVICES LIMITED

Q2 FY2025

INVESTOR PRESENTATION

November 2024

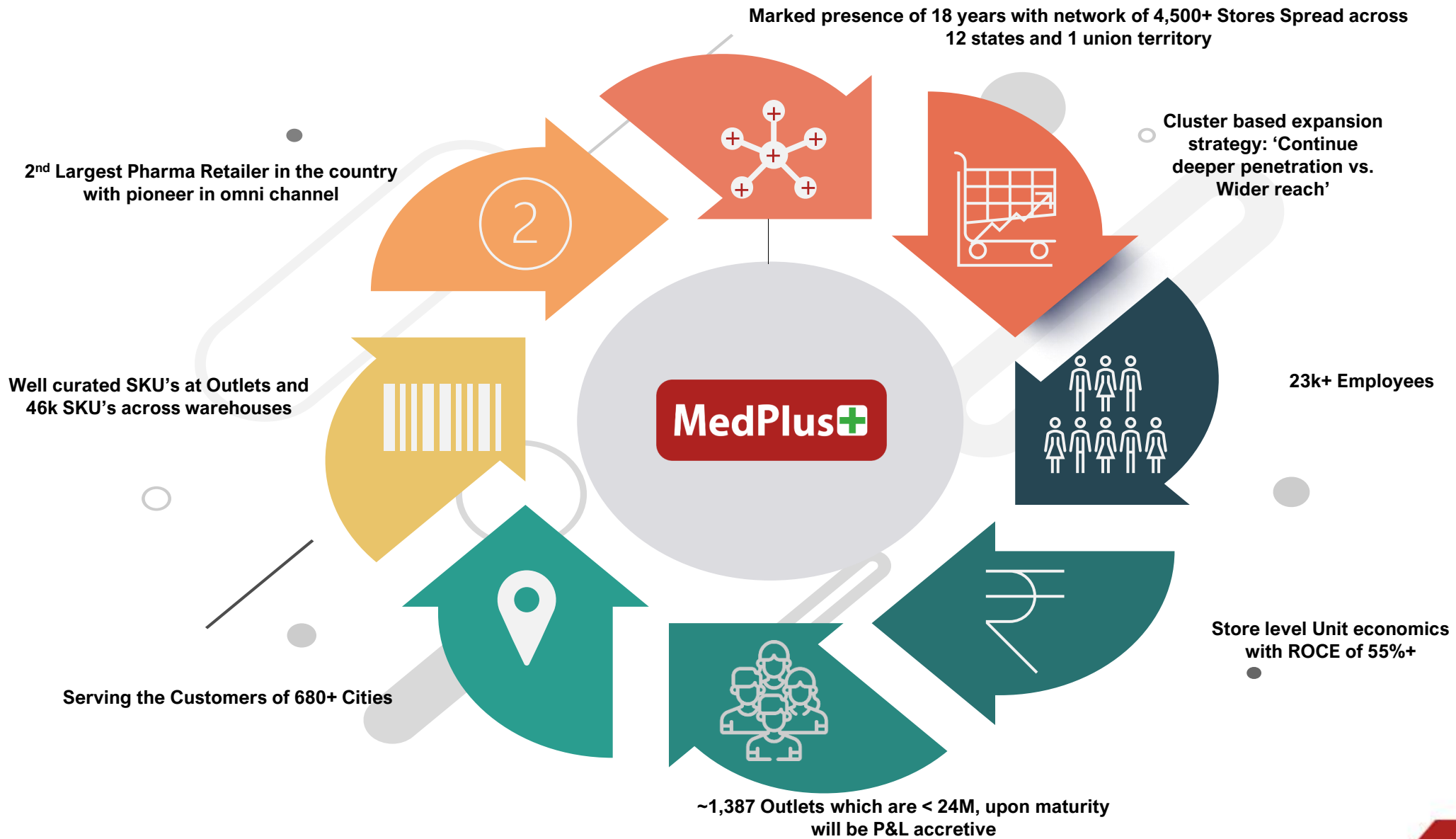
| Safe Harbour

This presentation and the accompanying slides (the “Presentation”), which have been prepared by MedPlus Health Services Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the healthcare industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

The MedPlus Story



| Q2 FY2025 Highlights (1/2)

₹ 15,762m Revenue

- ₹ 1,676m increase over Q2FY24
11.9% yoy
- ₹ 873m increase over Q1FY25
5.9% qoq
- 2.5% increase in private label over
Q1FY24

108 Store Net Additions

- 132 gross additions
- 71 net additions beyond Tier-One
- 4,552 stores as on 30-Sep-24

₹ 717m Pharmacy Operating EBITDA

- 4.6% Operating EBITDA margin in
Pharmacy (increased by 160 bps)
- ₹ 739m Company Operating EBITDA

₹ 3,743m Gross Margin

- 23.7% GM%, increased by 160 bps
qoq and increased by 210 bps yoy

Stores > 12 months

- 6.8% revenue growth over Q2FY24
- 10.2% Store Level EBITDA margin
- 58.1% Store Level Operating ROCE

₹ 2,141m Operating Cash Flow

- 289.8% OCF/ Operating EBITDA
- ₹ 3,042m closing cash & bank
balance

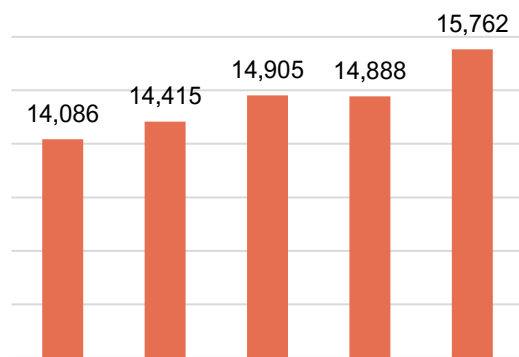


Q2 FY2025 Highlights (2/2)

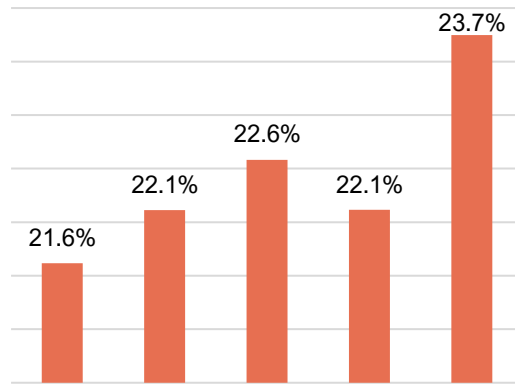
Consolidated

Pharmacy

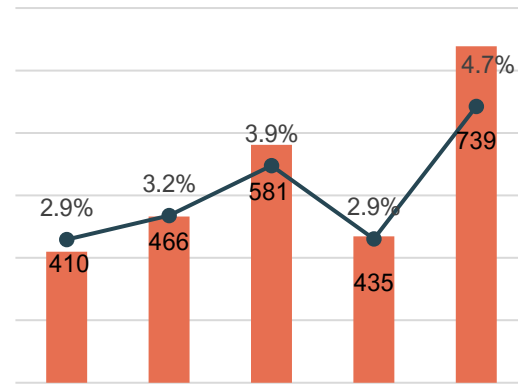
Revenue, ₹m



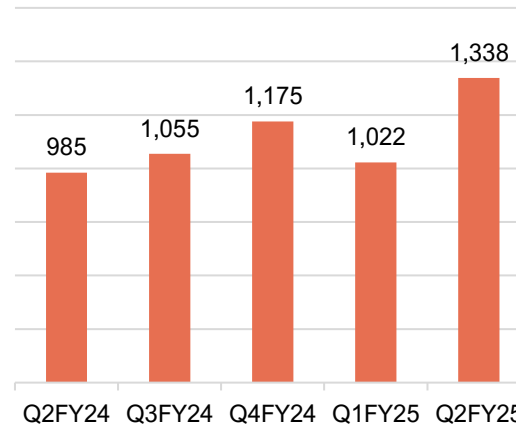
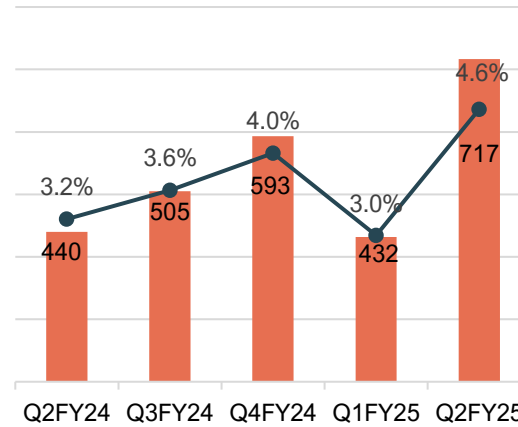
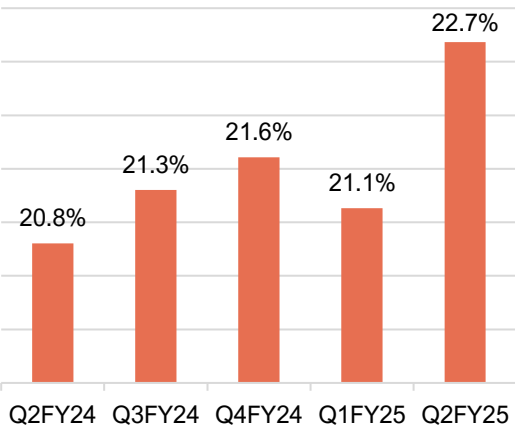
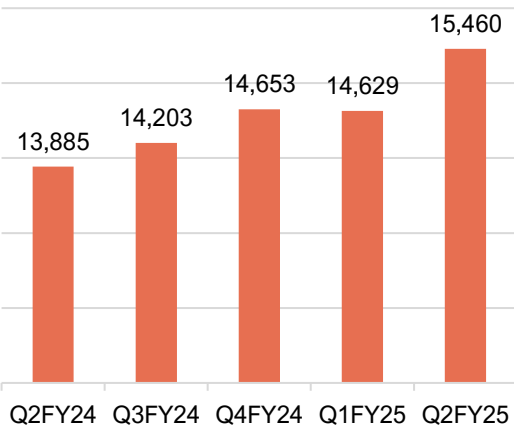
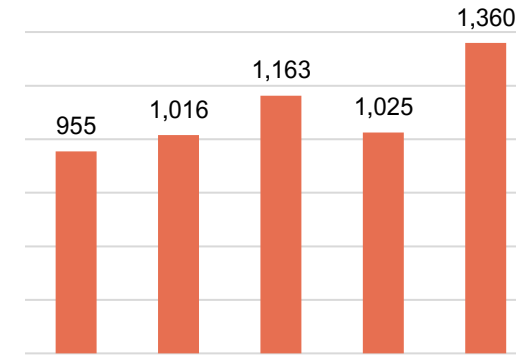
Gross Margin



Operating EBITDA



EBITDA, ₹m



Operating EBITDA ₹m

Operating EBITDA margin

| H1 FY2025 Highlights

₹ 30,650m Revenue

- ₹ 3,721m increase over H1FY24
13.8% yoy
- 3.5% increase in private label over
H1FY24

145 Store Net Additions

- 198 gross additions
- 94 net additions beyond Tier-One

₹ 1,149m Pharmacy Operating EBITDA

- 3.8% Operating EBITDA margin in
Pharmacy
- ₹ 1,173m Company Operating
EBITDA

₹ 7,036m Gross Margin

- 23.0% GM%, increased by 150 bps
yoy

Stores > 12 months

- 9.2% revenue growth over H1FY24
- 9.7% Store Level EBITDA margin

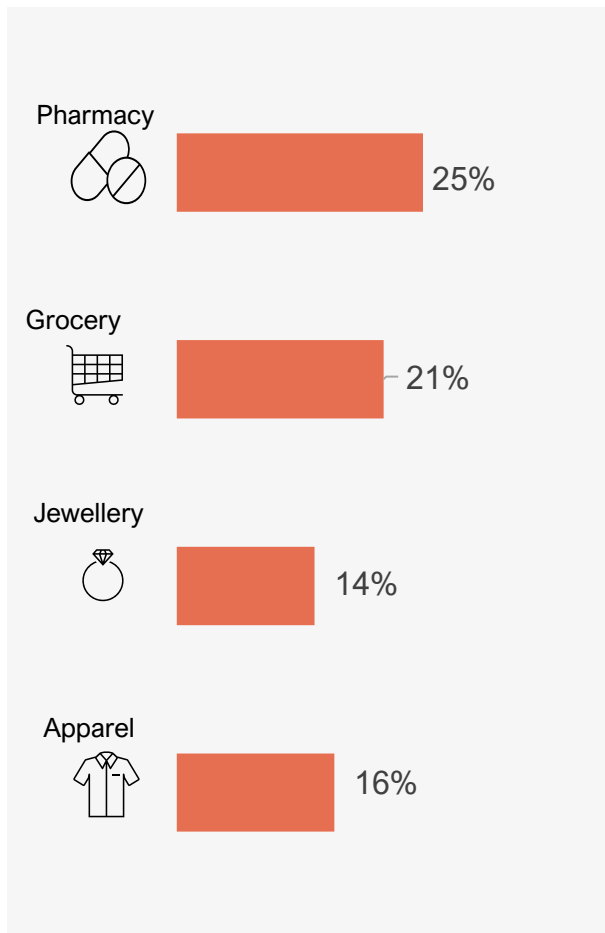
₹ 2,726m Operating Cash Flow

- 232.4% OCF/ Operating EBITDA
- ₹ 3,042m closing cash & bank
balance

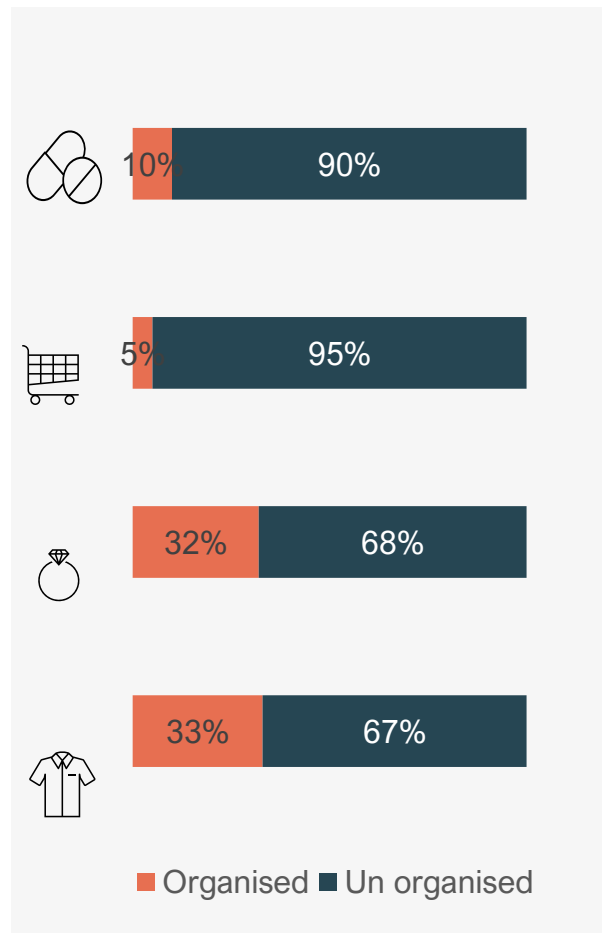


Pharmacy Retail is Most Attractive Segment of Indian Retail

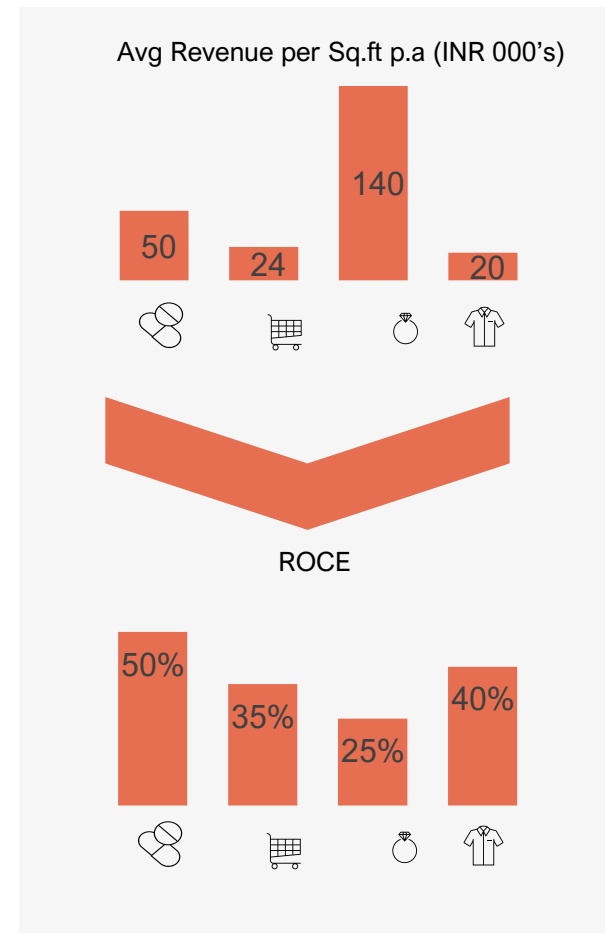
High Growth Profile Amongst Various Indian Retail Formats



Growth Rate To Continue in Foreseeable Future on Back of High Unorganized Salience



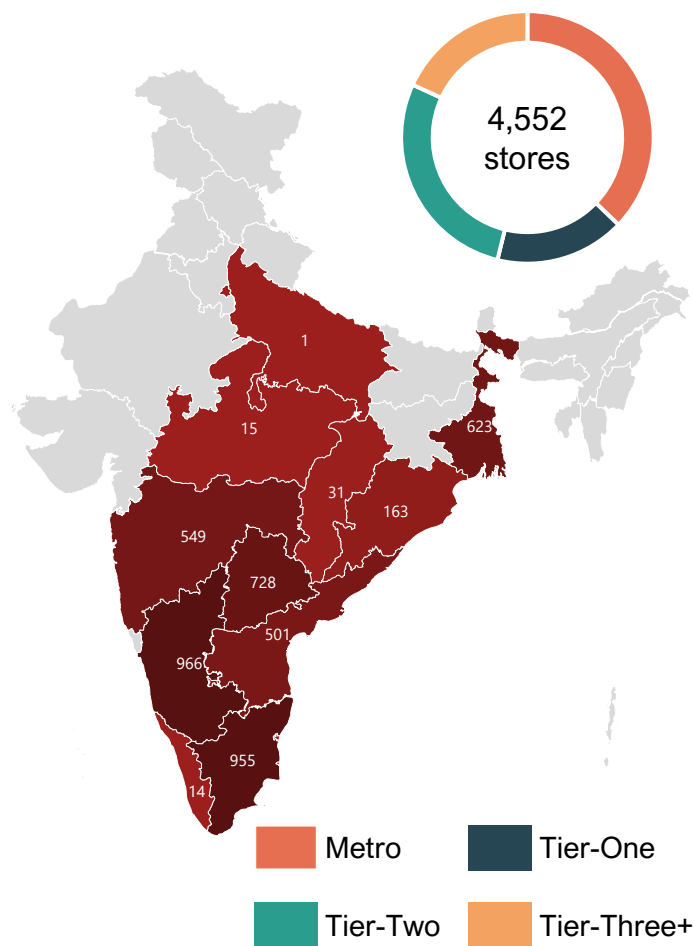
Highly Replicable Model Given Best in Class Return Metrics



Source: Technopak Advisors (2021). Pharmacy Retail in India

Cluster Based Network Enables Profitable Omni-Channel Service

Stores As On Sep-24



Strong Cluster Based Network

Strong network of 4,552 stores across Metros, Tier-One, Tier-Two and beyond.

Ability to service 100% market – acute + chronic

As opposed to online only players that largely cater to only chronic segment (37%¹ of the market)

2- hour delivery

Online only players cannot match this proposition given lack of hyperlocal store presence

Lower customer acquisition cost

As existing stores act as branding sites

Lower delivery costs

Because of the hyperlocal presence of MedPlus' 4,552 stores

1. For 2020; Proportion of domestic pharmaceutical market. Technopak Advisors (2021). Pharmacy Retail in India
2. Stores in Puducherry and Delhi are not represented in the map above. As on 30-Sep-24 we have 5 stores in Puducherry and 1 store in Delhi

Scale Allows A Large Private Label Basket: 1100+ SKUs

► Pharma
Over **787** products covering Chronic, Acute, OTC & Other Pharmaceutical products

► Non-Pharma
Over **374** products covering, packaged food, baked goods, dry goods, cleaning products, cosmetics and toiletries



Poised for Growth

Key Pillars Of Growth

A	<p>Growth in existing clusters and develop new clusters</p>	<p>MedPlus has an established base of operations in 12 states and 1 union territory. Therefore, we will:</p> <ul style="list-style-type: none"> • Further grow in cities where we have market leadership. Metro and Tier - One followed by Tier - Two and beyond • Replicate our leadership in markets where we have entered but yet to attain market leadership
B	<p>Leverage our leadership in omni-channel</p>	<p>MedPlus has built an extensive in-house technology platform. On the back of that, we will:</p> <ul style="list-style-type: none"> • Expand our target addressable market via omni-channel offering • Increase retention via omni-channel • Operationally extend <2 hour delivery to more locations
C	<p>Expand share of private label: Higher margins and higher share of wallet</p>	<p>MedPlus has a curated private label range of 1100+ SKUs. From these, we will:</p> <ul style="list-style-type: none"> • Increase private label contribution in pharma products, especially in sub-chronic and chronic ailments • Increase private label contribution in FMCG products, including nutrition and wellness

463 Stores Added In Last 12 Months

As On Sep-23

As On Mar-24

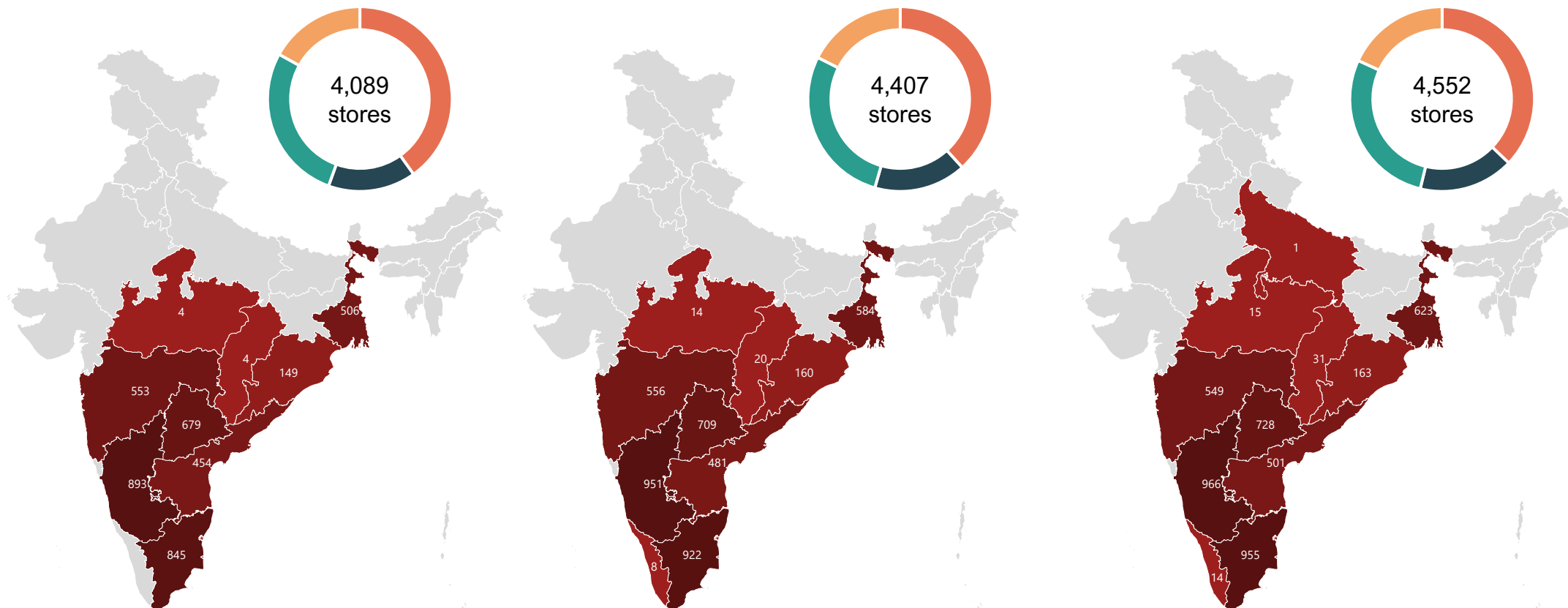
As On Sep-24

► Presence

We are present in 12 states and 1 union territory.

The key urban centers are:
Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, Nagpur, Pune, Visakhapatnam

We are present in 680+ cities

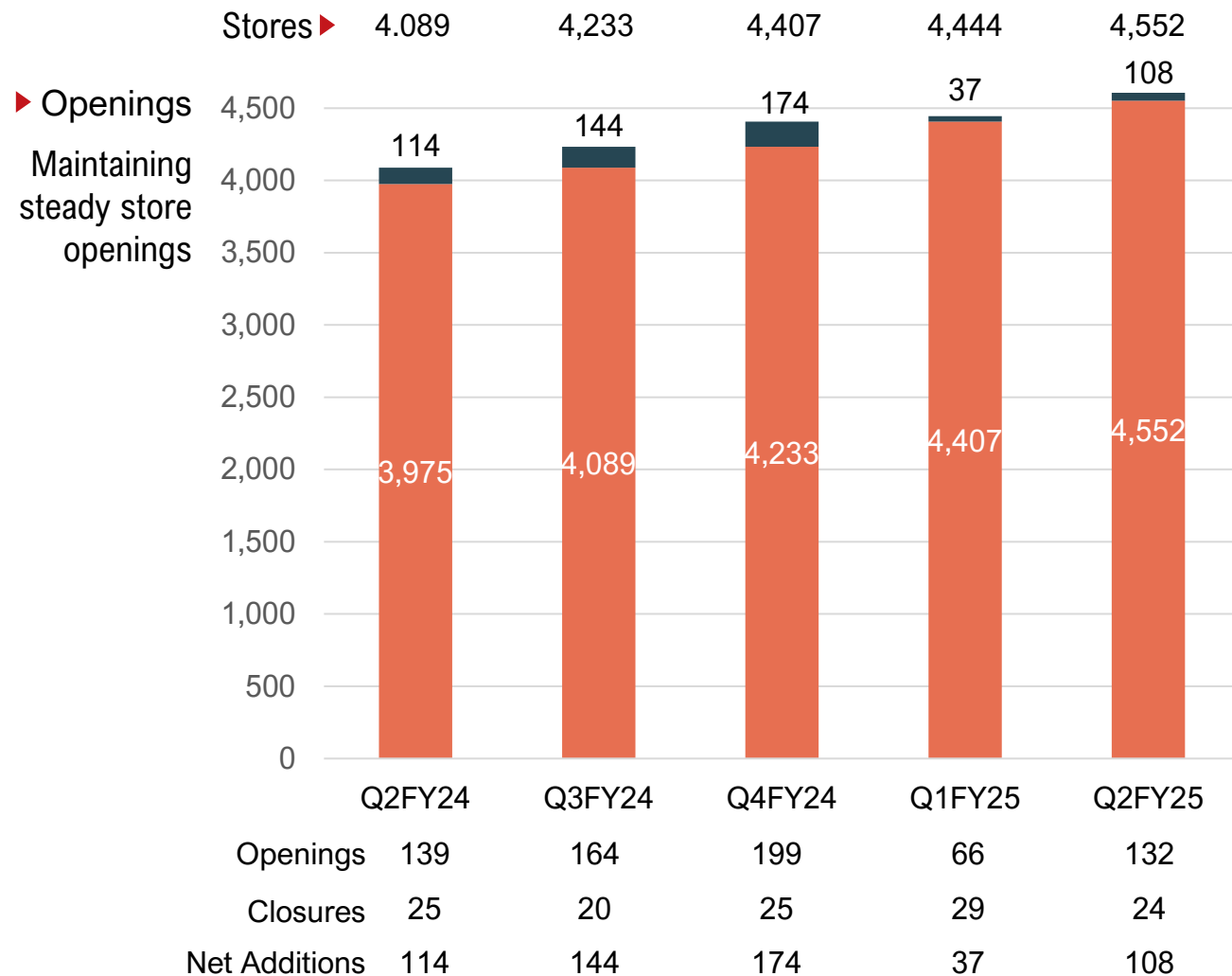


1. Stores in Puducherry and Delhi are not represented in the maps above. As on 30-Sep-24 we have 5 stores in Puducherry and we have 1 store in Delhi
 2. Color index for pie-chart as below:

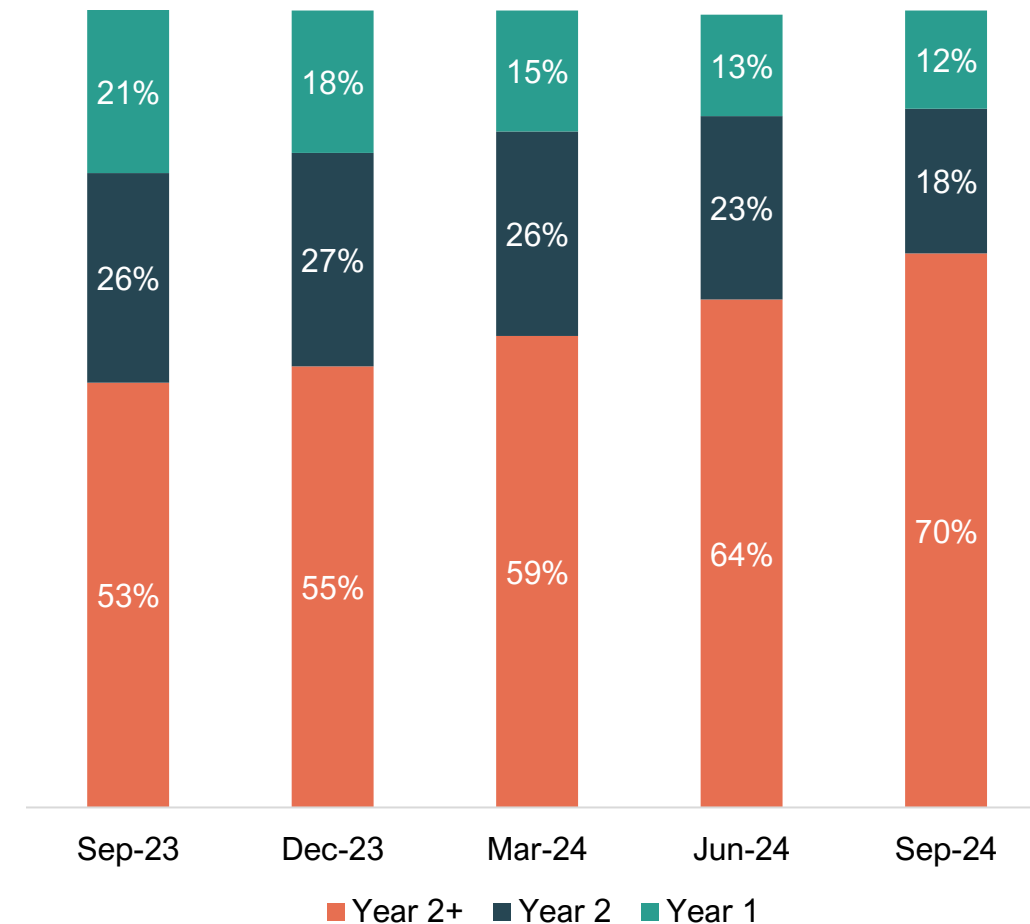


Store Network: 30% Less Than 2 Years Old

Pharmacy: Count



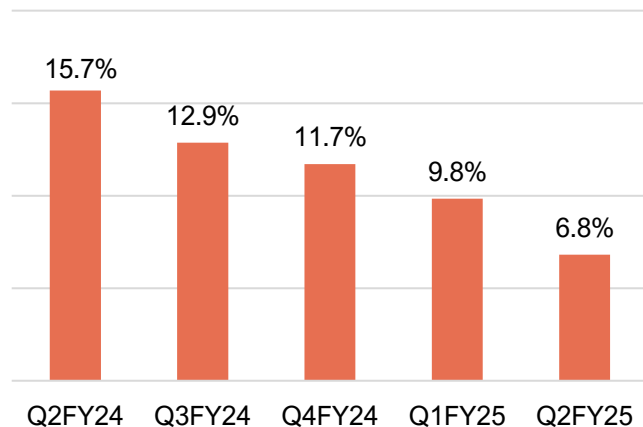
Pharmacy: Age Structure of Stores¹



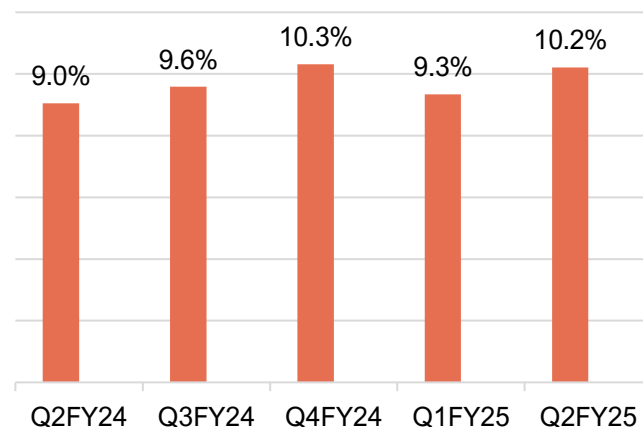
1. Store age, as on end of period

Profitable Older Stores: 12+ Months

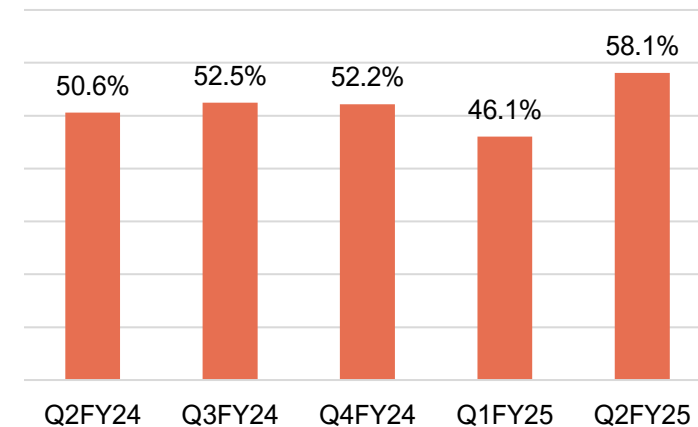
Store Level Revenue Growth¹



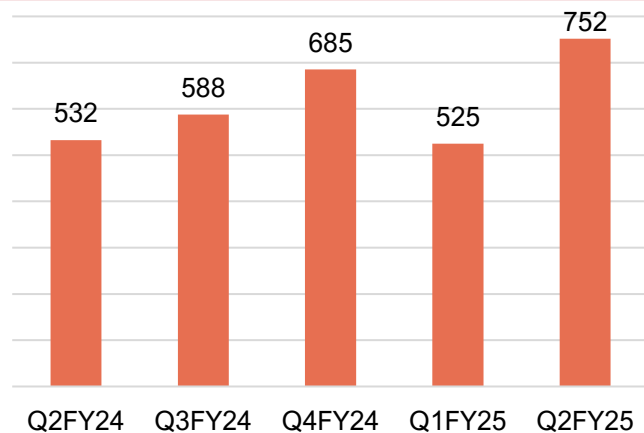
Store Level EBITDA Margin



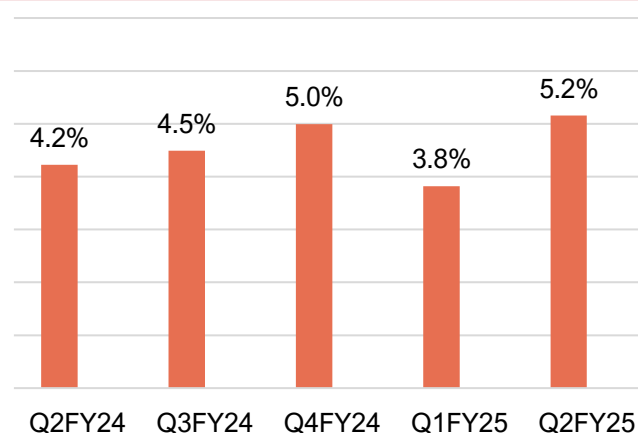
Store Level Operating ROCE^{2,3}



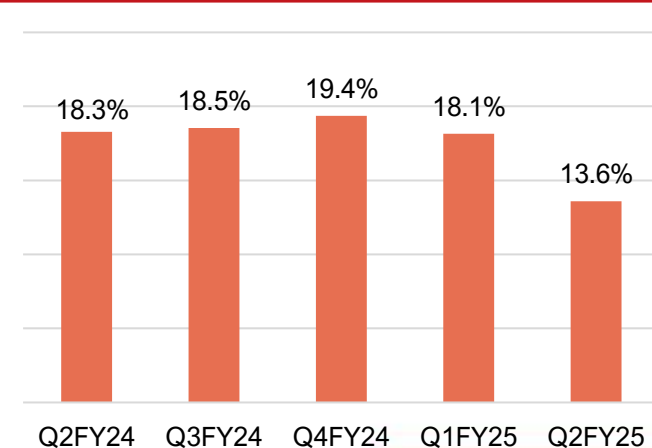
Operating EBITDA, ₹m



Operating EBITDA Margin



Store Level MRP Growth¹



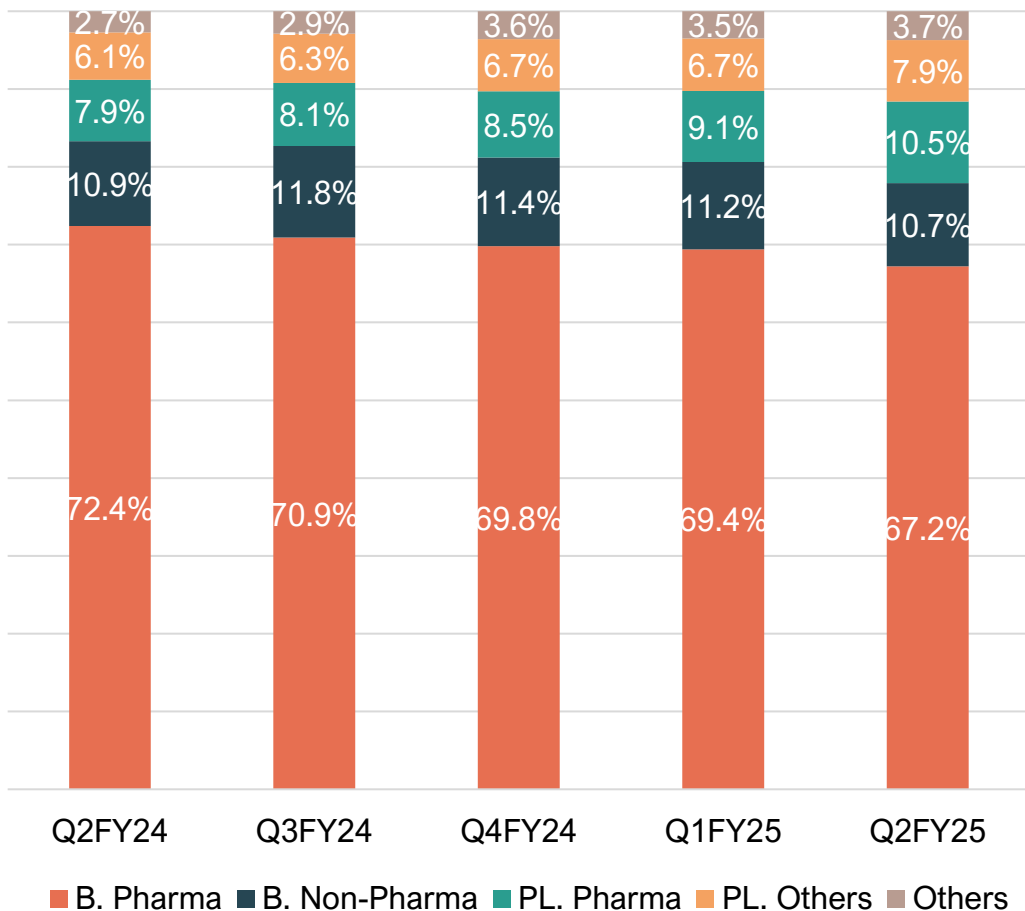
1. Growth is yoy

2. See Glossary for definition

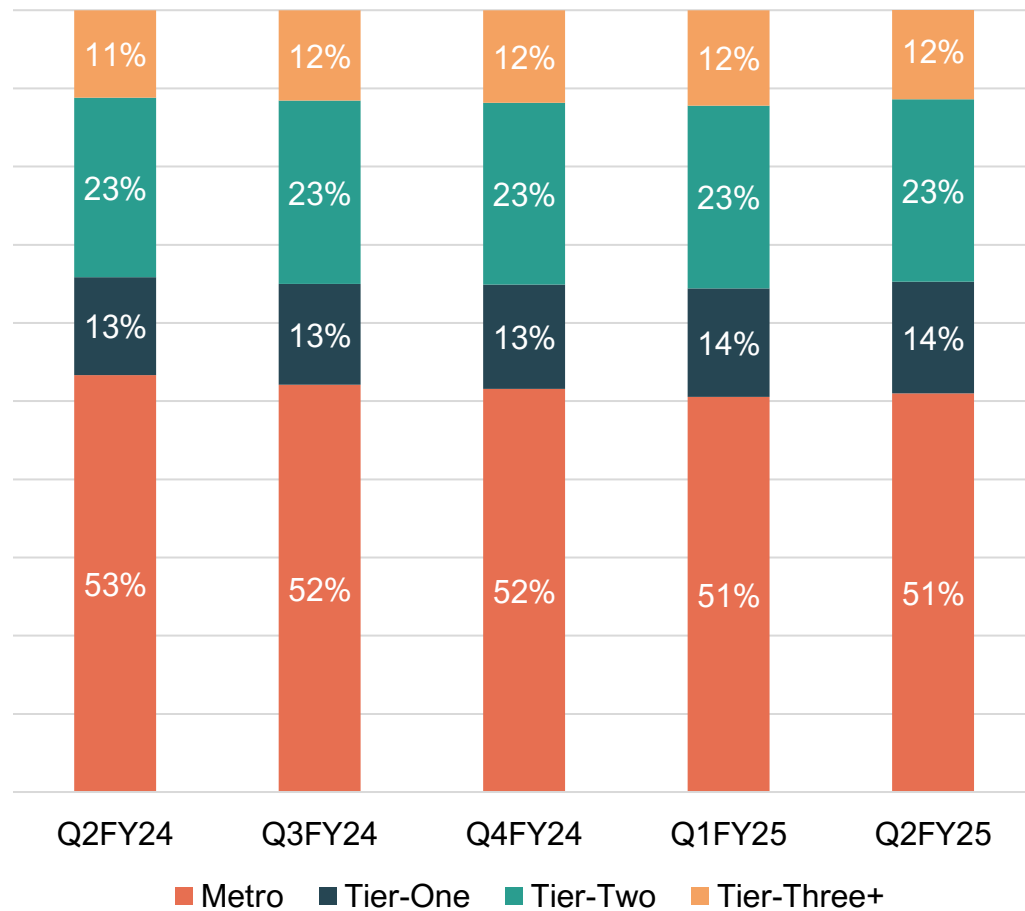
3. Annualized by multiplying the quarterly computation by 4

Revenue Mix: Increasing Share Of Private Label

Revenue Mix: By Product Category



Revenue Mix³: By Location of Stores



▶ Product mix

Trend of increasing share from Private Label continues

▶ Location mix

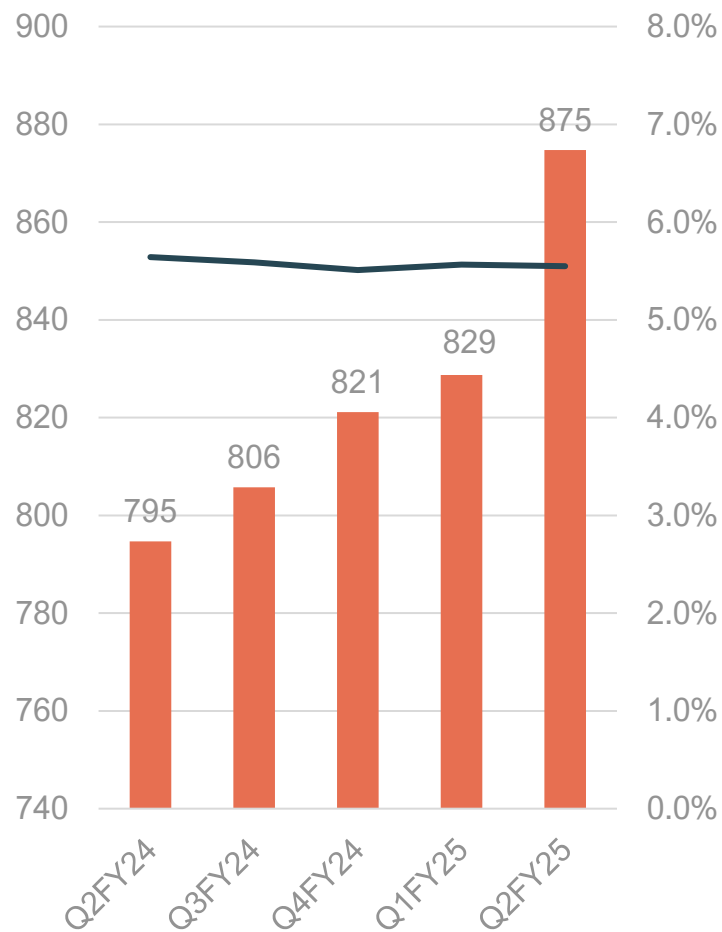
Maintaining trend of growth beyond Metro and Tier-One

1. Prefix of "B" implies Branded, Prefix of "PL" implies Private Label
 2. "Others" includes revenue from franchisee, optical, diagnostics and labs
 3. Only revenue from pharmacy stores

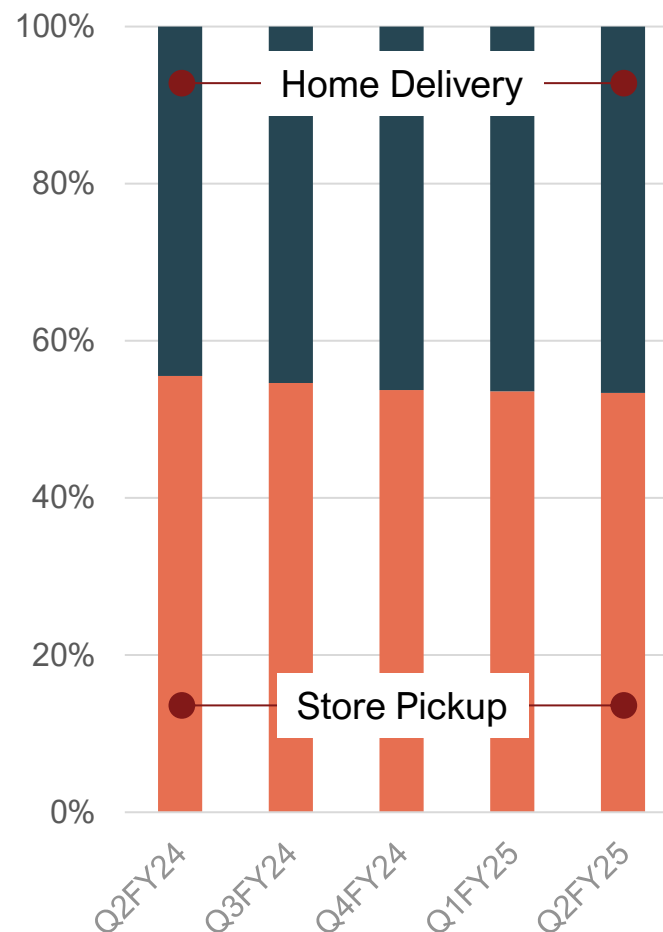
Omni-channel: Profitable With Negligible Acquisition Costs

► **Omni-Channel**
Our online presence grows on the back of our rapid store additions

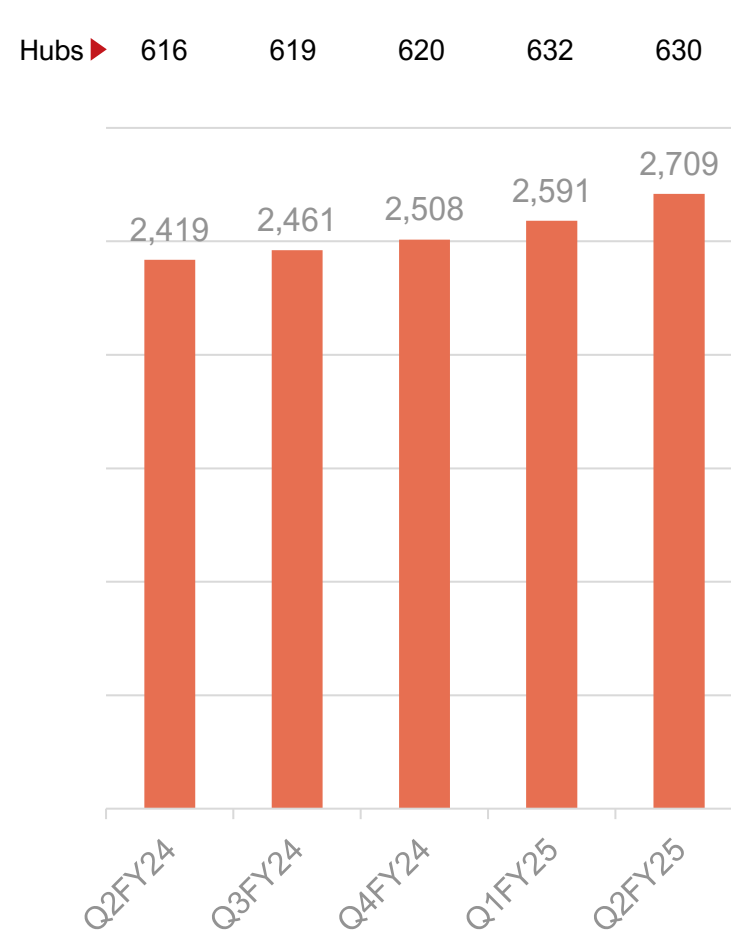
Channel Revenue



Channel Delivery



Pincodes¹ and Delivery Hubs



Revenue, ₹m Share of Tot. Rev. (RHS)

Store Pickup Home Delivery

1. For Online Orders

Income Statement

Snapshot of Income Statement, ₹m

	Q2FY24	Q1FY25	Q2FY25	Q2FY25 vs. Q2FY24 (yoy)	Q2FY25 vs. Q1FY25(qoq)	6m FY24	6m FY25	6m FY25 vs. 6m FY24 (yoy)
Revenue	14,085.9	14,888.3	15,761.7	11.9%	5.9%	26,928.9	30,650.0	13.8%
Gross Margin	3,044.9	3,292.6	3,743.0	22.9%	13.7%	5,778.9	7,035.5	21.7%
Gross Margin	21.6%	22.1%	23.7%			21.5%	23.0%	
Expenses	2,635.0	2,858.0	3,004.3	14.0%	5.1%	5,078.2	5,862.3	15.4%
Operating EBITDA	409.9	434.6	738.7	80.2%	70.0%	700.7	1,173.2	67.4%
Operating EBITDA	2.9%	2.9%	4.7%			2.6%	3.8%	
Rental Expenses	532.6	569.7	591.6	11.1%	3.8%	1,032.7	1,161.3	12.5%
ESOP Expenses	(42.0)	(22.8)	(21.6)	-48.7%	-5.6%	(84.1)	(44.4)	-47.2%
Interest Income	54.0	43.3	51.7	-4.4%	19.4%	112.6	95.0	-15.6%
EBITDA	954.6	1,024.8	1,360.4	42.5%	32.7%	1,761.9	2,385.1	35.4%
EBITDA	6.8%	6.9%	8.6%			6.5%	7.8%	
Depreciation & Amortization	(554.7)	(600.3)	(631.4)	13.8%	5.2%	(1,078.9)	(1,231.7)	14.2%
Finance Costs	(235.4)	(246.6)	(251.2)	6.7%	1.9%	(468.1)	(497.7)	6.3%
PBT	164.4	177.9	477.8	190.6%	168.6%	214.9	655.7	205.1%
PAT	145.4	143.4	387.0	166.1%	169.8%	183.1	530.4	189.7%
PAT	1.0%	1.0%	2.5%			0.7%	1.7%	

Income Statement: Business Segments

Snapshot of Income Statement, ₹m

	Q1FY25				Q2FY25			
	Pharmacy Retail	Diagnostic	Others	Total	Pharmacy Retail	Diagnostic	Others	Total
Revenue	14,629.0	242.4	16.8	14,888.2	15,459.8	283.1	18.8	15,761.7
COGs and Expenses	14,197.0	239.1	17.6	14,453.7	14,743.1	262.1	17.8	15,023.0
Operating EBITDA	432.0	3.3	(0.7)	434.6	716.7	21.0	0.9	738.7
Operating EBITDA	3.0%	1.4%	-4.3%	2.9%	4.6%	7.4%	5.0%	4.7%
Rental Expenses ¹				569.7				591.6
ESOP Expenses				(22.8)				(21.6)
Interest Income				43.3				51.7
EBITDA				1,024.8				1,360.3
EBITDA				6.9%				8.6%

1. Rental Expenses are net of Gain on de-recognition of Right-of-use assets amounting to ₹11.7m and ₹23.7m for Q1FY25 and Q2FY25 respectively

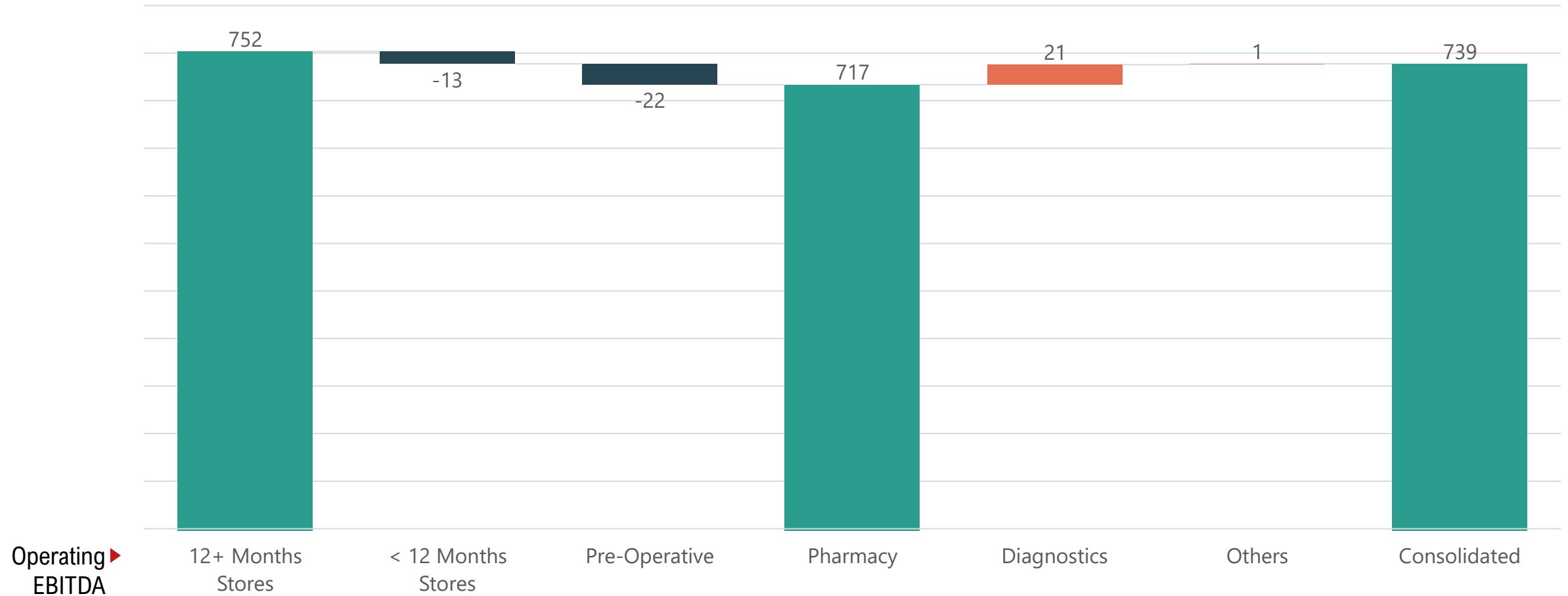
Income Statement: Ind AS Adjustments

Snapshot of Income Statement: Ind AS Adjustments, ₹m

	Q1FY25			Q2FY25		
	Reported	Ind AS Impact	Ind AS Adjusted	Reported	Ind AS Impact	Ind AS Adjusted
Revenue	14,888.3	-	14,888.3	15,761.7	-	15,761.7
Gross Margin	3,292.6	-	3,292.6	3,743.0	-	3,743.0
Gross Margin	22.1%		22.1%	23.7%		23.7%
Expenses	2,288.3	(569.7)	2,858.0	2,412.7	(591.6)	3,004.3
Operating EBITDA	1,004.3	569.7	434.6	1,330.2	591.6	738.7
Operating EBITDA			2.9%			4.7%
ESOP Expenses	(22.8)	-	(22.8)	(21.6)	-	(21.6)
Interest Income	43.3	18.6	24.7	51.7	19.1	32.6
EBITDA	1,024.8	588.3	436.4	1,360.4	610.6	749.7
EBITDA	6.9%			8.6%		
Depreciation & Amortization	(600.3)	(409.9)	(190.4)	(631.4)	(424.3)	(207.0)
Finance Costs	(246.6)	(246.2)	(0.4)	(251.2)	(251.1)	(0.0)
PBT	177.9	(67.8)	245.7	477.8	(64.8)	542.7
PAT	143.4	(67.8)	211.3	387.0	(64.8)	451.8
PAT	1.0%			2.5%		

Operating EBITDA Deep Dive

Operating EBITDA Bridge: From 12+ Months Stores to Consolidated, ₹m



Balance Sheet

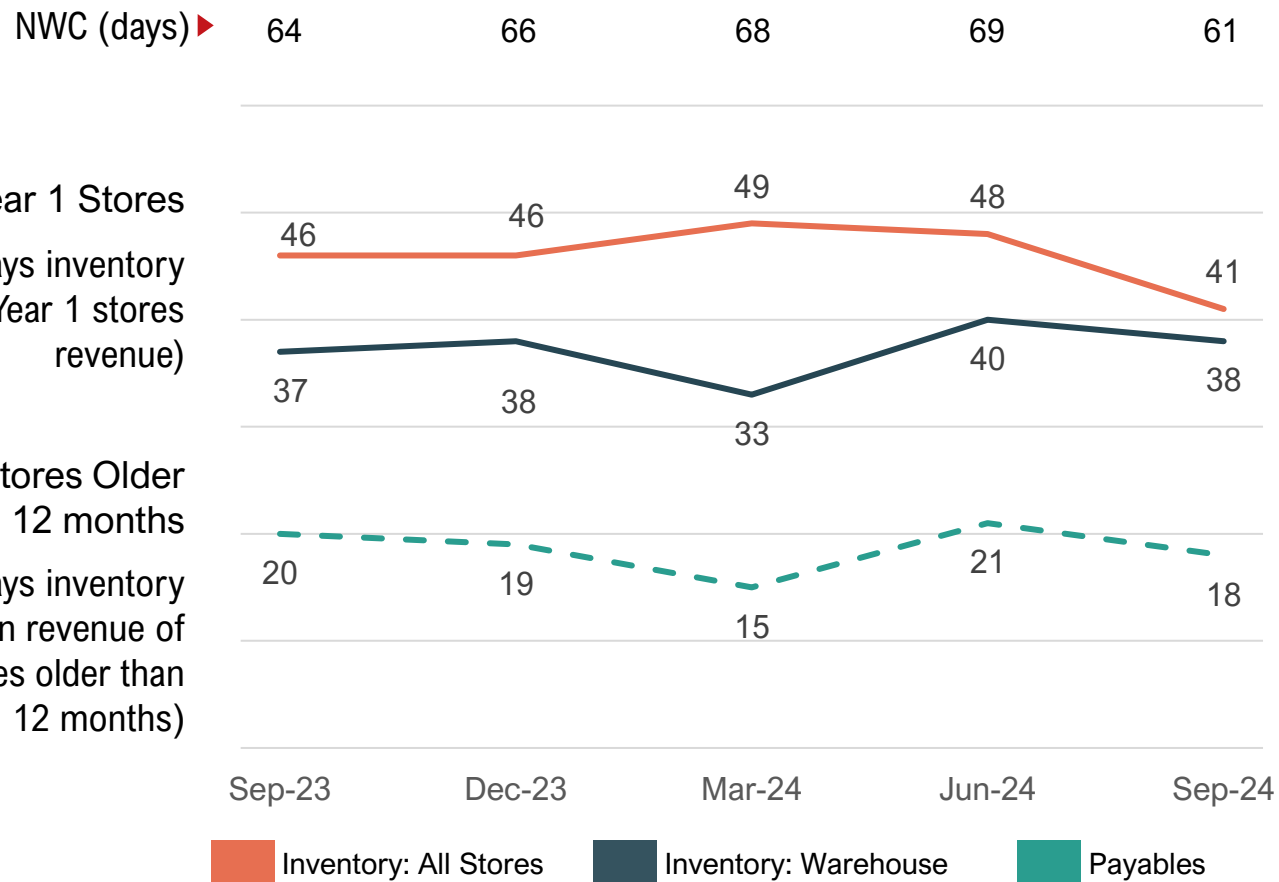
Key Balance Sheet items, ₹m

	Sep-23	Mar-24	Jun-24	Sep-24
Assets				
PPE and CWIP	3,153.1	3,240.4	3,122.9	3,082.7
Inventories	12,749.2	13,402.3	14,480.6	13,407.1
Cash	2,189.0	1,701.8	1,592.5	3,041.7
Liabilities				
Trade payables	2,997.3	2,530.4	3,376.0	3,056.5

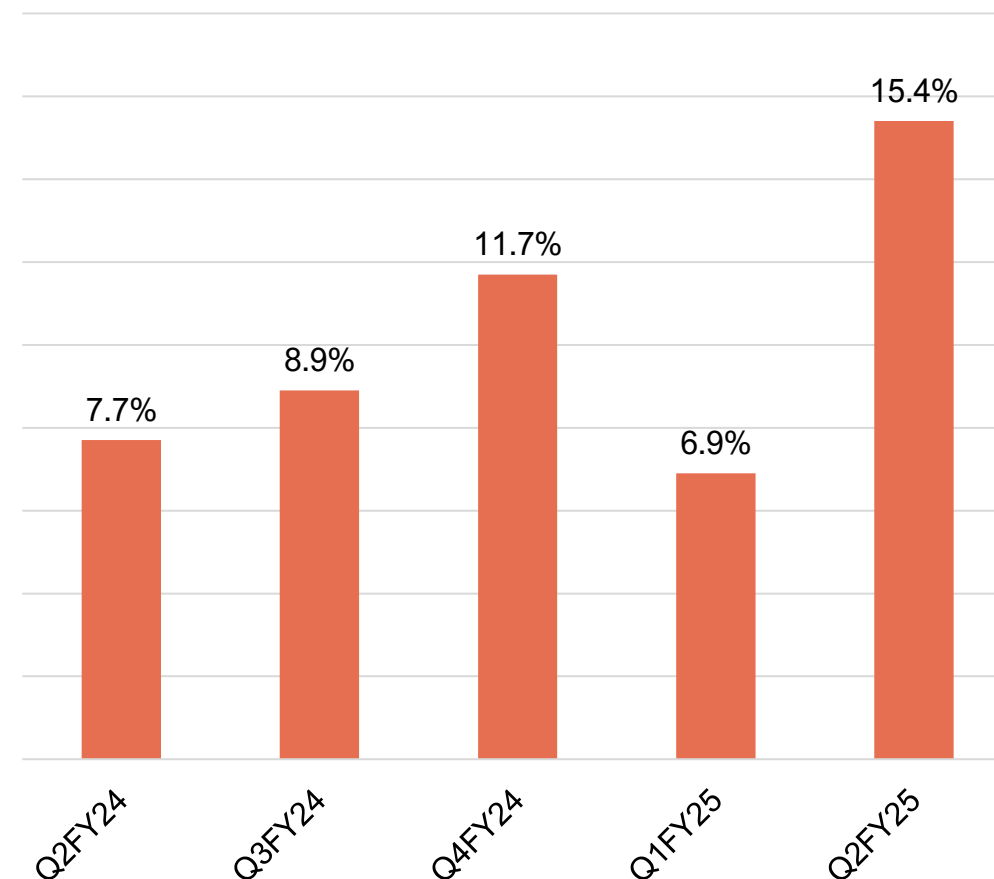
1. Cash includes cash, bank balances and bank deposits

Capital Productivity

Working Capital Cycle, days



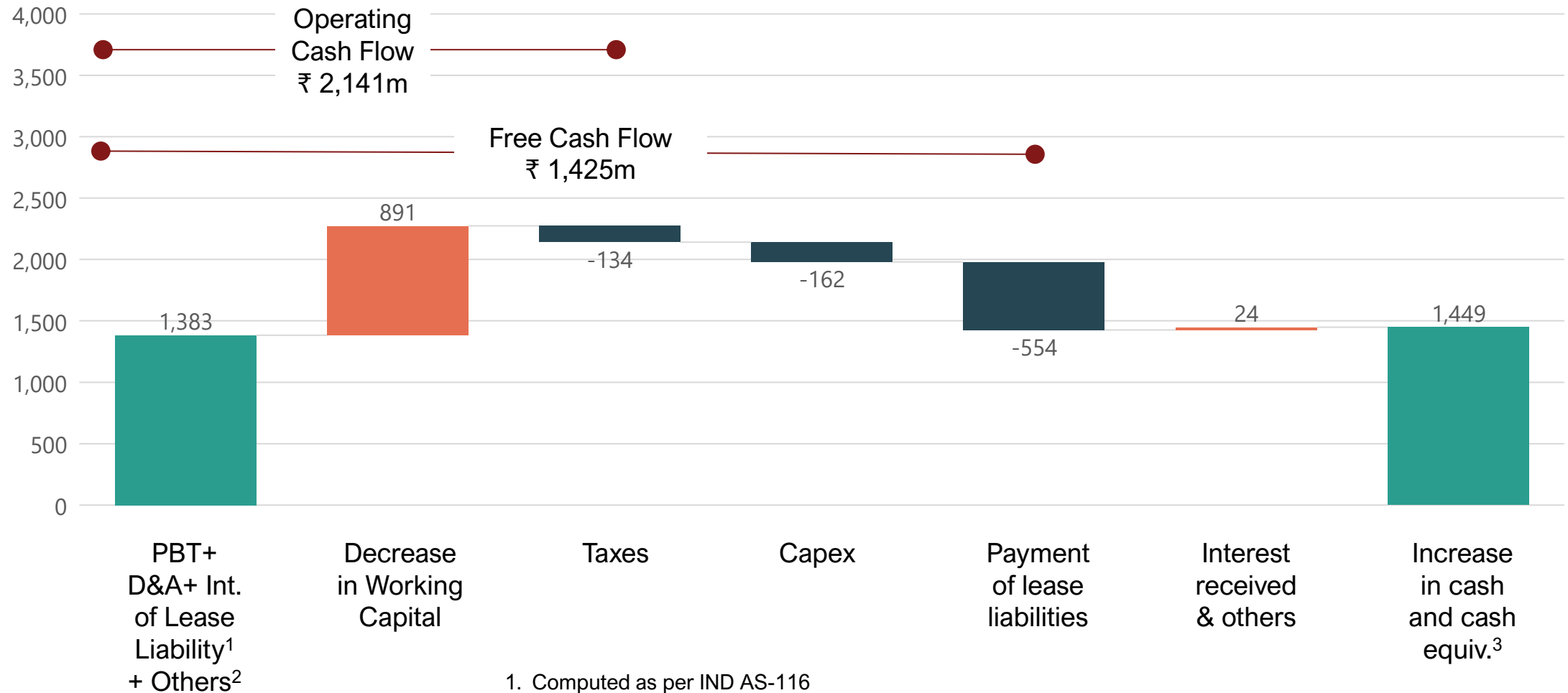
ROCE²: Operating EBIT/ Avg. Capital Employed



1. Inventory and Payables (as on end of period) computed on period Revenue
 2. Annualized by multiplying the quarterly computation by 4

Cash Management

Cash Management, Q2FY25, ₹m



1. Computed as per IND AS-116
 2. Other non-cash expenses, e.g. ESOP compensation expense
 3. Additionally, during the quarter we invested ₹ 907m surplus cash in fixed deposit

Appendix

- A. Board and key management
- B. Glossary

The Board of Directors and Key Managerial Personnel



Mr. Gangadi Madhukar Reddy
Chairman, Managing Director
and Chief Executive Officer



Dr. Cherukupalli Bhaskar Reddy
Whole Time Director
and Chief Operation Officer



Mr. Murali Sivaraman
Non-Executive
Independent Director



Ms. Aparna Surabhi
Non-Executive
Independent Director



Mr. Madhavan Ganesan
Non-Executive
Independent Director



Mr. Sujit Kumar Mahato
Chief Financial Officer



Mr. Chetan Dikshit
Chief Strategy Officer



Mr. Lakshman Kandarpa
Chief Retail Officer



Mr. Kandasamy
Chief Retail Officer



Mr. Venugopal Siripuram
Chief Technology Officer



Mr. Manoj Kumar Srivastava
Company Secretary
Compliance Officer

B. Glossary

Term	Description
City Categorization (internal)	Metro: Bengaluru, Chennai (and Avadi), Hyderabad, Kolkata (and Howrah), Mumbai (and Thane) Tier One: Ahmednagar, Baramati, Kharagpur, Nagpur, Nashik, Panruti, Pune, Ranaghat, Vijayawada, Visakhapatnam Tier Two: Hundred and Twenty-Nine cities, including Adilabad, Aurangabad, Coimbatore, Hooghly, Mysuru, Puri
EBITDA	EBITDA is a non-GAAP financial measure. EBITDA refers to our profit/(loss) for the period, as adjusted to exclude (i) Depreciation and Amortization Expenses, (ii) Finance Costs and (iii) Tax Expense.
Free Cash Flow (FCF)	Operating Cash Flow minus Capex minus Payment of lease liabilities
GMV	Gross Merchandising Value (GMV = MRP- GST)
NWC	Net Working Capital. Inventory <u>plus</u> Receivables <u>minus</u> Trade Payables
Operating Cash Flow (OCF)	PBT <u>plus</u> non-cash expenditures <u>minus</u> increase in working capital <u>minus</u> taxes paid
Operating EBITDA	Operating EBITDA is non-GAAP financial measure adjusted for one – off expenses like ESOP
Store(s)	Our pharmacy stores. Unless specifically mentioned, this does not include our other outlets (e.g optical, clinic, lab, diagnostics, collection center)
Store age: Year 1, Year 2, Year 2+	For the purpose of age categorization, we determine the age as per the last day of the reporting period. For example a store that has completed 24 months at on the last day of the reporting period, is categorized as Year 2+
Store Level Operating ROCE	Store Level Operating ROCE is computed by dividing (Store Level Operating EBITDA <u>minus</u> depreciation, assumed as ₹10k (₹ 13.3k for new stores) p,m./ store for stores aged < 5 years) with Capital Employed. Capital Employed is computed as store level inventory at the end of the period + capex of ₹ 0.6m per store (capex of ₹ 0.8m per store for new stores)+ refundable security deposit.
Full – Service Center	Full-service center refers to Integrated Diagnostic center with Pathology and Radiology (including MRI and CT)
Level 2 center	Level 2 center refers to diagnostic center with pathology and Radiology (without CT and MRI)

