

True North to acquire controlling stake in Max Bupa Health Insurance from Max India

All cash transaction, values Max Bupa at Rs 1001 Cr.

JV partner Bupa remains fully committed to the business

New Delhi, 26th Feb 2019

The Board of Max India, today, approved the sale of its 51% stake in Max Bupa Health Insurance Company (Max Bupa), to the leading Private Equity firm True North. The all cash transaction values Max Bupa at an enterprise value of Rs 1001 crore and is subject to requisite regulatory approvals. Bupa, the existing joint venture partner in Max Bupa, remains committed to the joint venture and will continue to play an active role in the company as before through its Board positions and knowledge exchange initiatives.

At the conclusion of the transaction, True North will nominate directors on Max Bupa's Board, while Max India's nominated directors will step down. The use of the Max brand will be phased out over a period of two years and replaced with a suitable name. The Bupa brand name will continue as before.

True North (formerly known as India Value Fund Advisors) is an active investor in Indian assets. It has built deep knowledge and skills in the Indian market, investing in more than 40 Indian businesses over the last 19 years through its 6 investment funds with a combined corpus of over US\$ 2.8 billion. Over the years, True North has made productive investments across the financial services and healthcare sector, to the tune of Rs. 5,700 crores.

The transaction will lead to a cash inflow of Rs 511 crore for Max India. The company intends to utilize the proceeds to invest in both existing and new business opportunities which are currently under evaluation.

Commenting on the transaction, **Analjit Singh**, Founder & Chairman, Max Group, said, "We are rebalancing our portfolio of businesses with a much sharper focus on growing shareholder value, and this transaction is a step towards that journey. We are proud of the high quality organization we have created in Max Bupa, with its innovative product portfolio, balanced channel mix and its customer first orientation. We are sure that Max Bupa will continue its excellent performance under its new shareholders, ably supported by the founding JV partner Bupa."

Mohit Talwar, Vice Chairman designate, Max Group, added, "Our selection criteria for the potential investor in Max Bupa was based on a shared vision for the company, alignment with our JV partner Bupa, and a commitment to invest in the long term growth of the company. In this context, we are fortunate to handover our controlling stake in the company to True North."

Speaking about this investment, **Divya Sehgal**, Partner, True North said, “As the health insurance sector grows in India, True North is looking to build the most trusted brand in health insurance in the country. We believe Max Bupa is one of the best positioned brands and businesses in the sector. The Max Group and Bupa have immensely contributed to the journey of Max Bupa and we look forward to building on the same in partnership with Bupa. Our priority is to work seamlessly with both teams at Max and Bupa through this transition towards the benefit of Max Bupa’s customers, employees and stakeholders.”

Stating its commitment to the Joint Venture, **Simeon Preston**, CEO, International Markets, Bupa, said, “Bupa is committed to the Indian health insurance market and sees exciting opportunities for growth over the coming years. We look forward to working with our new partner True North to grow the Max Bupa business.”

KPMG Corporate Finance acted as lead financial advisor to Max India in this bilateral transaction with True North. AZB & Partners and Khaitan & Co. acted as legal advisors to Max India and True North respectively.

The transaction is subject to execution of definitive agreements and approval from shareholders of Max India apart from regulatory bodies and is expected to be completed within FY 2020. The process of conclusion of Max Bupa’s divestment will run in parallel and independent of the recently announced composite transaction involving demerger of Max India and the merger of Max Healthcare with Radiant-KKR.

About Max Bupa

Max Bupa, the fourth largest standalone health insurance provider in India, is a 51:49 joint venture between Max India Limited, a multi-business corporate in the business of life and care and the Bupa Group, a leading international healthcare company with a legacy of providing specialized healthcare services for over 60 years. In FY2018, the company outpaced the industry with a 27% increase in GWP, as against 22% sectoral GWP growth. Focusing primarily on the Business to Customer segment, the company is an innovation leader with many firsts to its credit, including its recently launched digitally enabled comprehensive wellness cum health insurance product GoActive. It markets its policies through a balanced distribution mix of over 26,500 Agents, 10 Bancassurance & Alliance Partners and through online sales. Max Bupa operates in the high potential retail health insurance space which is expected to grow to INR 630 billion by 2025, growing at a CAGR of 22%. For more details please visit <https://www.maxbupa.com/>

About True North

True North (formerly known as India Value Fund Advisors – IVFA) was established in 1999 with a focus on investing in and transforming mid-sized profitable businesses into world-

class industry leaders, built on the strong foundation of True North Values which are embodied within the principles of 'The Right Way'. True North has built deep knowledge and skills in the Indian markets and has successfully launched six separate investment funds with a combined corpus of over US\$ 2.8 billion including co-investments. True North's insights and understanding of India has been sharpened over the last 19 years by investing in more than 40 Indian businesses. It has successfully guided these companies in making the transition into well-established and large businesses that are valuable, enduring and socially responsible.

The True North team has been structured with a balanced mix of 7 Investment and 18 Business Managers, who bring with them several hundred man-years of industry experience to achieve the above objective. For more details, visit: www.truenorthco.in

About Max India

Max India, the holding company of Max Bupa Health Insurance and Antara Senior Living and equal joint venture partner in Max Healthcare, is focused on health and allied businesses. Max Healthcare and Max Bupa Health Insurance are joint ventures with global leaders, Life Healthcare (South Africa) and Bupa Finance Plc. (UK), respectively. These businesses have well-entrenched positions in their respective categories, and are recognized for their outstanding service standards. The Company owns and actively manages a 49.7% per cent stake in Max Healthcare, a 51% stake in Max Bupa Health Insurance and a 100% stake in Antara Senior Living. Max India is listed on both the Bombay Stock Exchange as well as the National Stock Exchange. For more details, visit www.maxindia.com

About Bupa

Bupa's purpose is helping people live longer, healthier, happier lives.

With no shareholders, our customers are our focus. We reinvest profits into providing more and better healthcare for the benefit of current and future customers.

We serve 15.5m health insurance customers, provide healthcare to over 14.5m people in our clinics and hospitals and look after over 22,000 aged care residents.

We directly employ over 78,000 people, principally in the UK, Australia, Spain, Poland, Chile, New Zealand, Hong Kong, the USA, Brazil, the Middle East and Ireland. We also have associate businesses in Saudi Arabia and India.

Health insurance accounts for the majority our business. In some markets we also operate clinics, dental centres, hospitals, and care homes and villages.

For more information, visit www.bupa.com



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