
Avendus is advising Radiant Life Care and KKR on its acquisition of a majority stake in Max Healthcare via a merger

Mumbai, December 24, 2018

Radiant Life Care Private Limited ("**Radiant**"), a leading Indian hospital management company promoted by Abhay Soi and backed by global investment firm KKR, announced today that it has entered into a transaction whereby its shareholders will eventually acquire a majority stake in Max Healthcare Institute Limited ("**Max Healthcare**") from Max India Limited ("**Max India**"). The acquisition will be undertaken through a series of transactions, including Radiant's purchase of a 49.7% stake in Max Healthcare from South Africa-based hospital operator Life Healthcare in an all cash deal, followed by demerger of Radiant's healthcare assets into Max Healthcare which will result in KKR and Radiant promoter Abhay Soi together acquiring a majority stake in Max Healthcare. Further, Max India will reverse merge into Max Healthcare creating a newly listed entity ("**Combined Entity**"). Concurrently, the non-healthcare business of Max India will be demerged into new wholly subsidiary under the residual Max India listed entity.

Avendus Capital is acting as financial advisor to Radiant Life Care and KKR.

The merged entity with an equity valuation of INR 7,242 crore will become the largest hospital network in North India and amongst the top three hospital networks by revenue and the fourth largest in terms of operating beds - over 3,200 beds in 16 hospitals across India, including tertiary and quaternary care facilities offering high end critical and super speciality care. The network will be supported by strong local brands such as BLK Hospital, Max Saket Hospital, Max Smart Hospital, Max Patparganj Hospital, Nanavati Hospital, etc. The combined business is expected to drive significant growth and compelling business synergies. By providing best-in-class patient care, the combined business plans to address India's growing demand for quality medical treatment.

Upon closing, Abhay Soi will lead the combined company as its Chairman, supported by a strong leadership team.

The Combined Entity will be promoted by Abhay Soi and co-promoted by KKR. Max India's current promoters ("**Max Promoters**") will subsequently step down through the process of de-promoterisation after completion of the merger. KKR will also acquire an additional stake of 4.99% in the Merged Entity from Max Promoters, funded primarily from KKR Asian Fund III. The transaction is subject to regulatory approvals and other customary closing conditions.

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Abhay Soi, Chairman and Managing Director of Radiant, said, "Radiant has achieved significant growth and expansion during a time of rapid industry consolidation, and the proposed acquisition of a majority stake in Max Healthcare marks an exciting step forward in our strategy to increase scale by merging with a leading and complementary hospital network. We are fortunate to have strong support from KKR as we continue our mission of providing superior medical services in India."

Sanjay Nayar, Member & CEO of KKR India, said, "We are excited to back Radiant's efforts towards consolidation in the healthcare sector by helping them create an effective platform in India for the highest- quality healthcare service providers, best in class infrastructure, practices, doctors and management teams. The country's private hospital market has grown rapidly in recent years, and we expect demand for quality healthcare to outpace overall economic growth as Indians demand better quality care. The combined business will enjoy a leadership position amongst the attractive metros of Delhi and Mumbai."

Chintan Kothari, Executive Director and Head of Healthcare Investment Banking at Avendus Capital, said, "The healthcare and specifically hospitals sector is undergoing significant change and consolidation amongst the larger operators continues. Radiant's sharp focus on growth in core metro markets and ability to drive operating efficiencies is expected to create value for all stakeholders."

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The Avendus Group (Avendus) is a leading provider of financial services with an emphasis on customized solutions in the areas of Investment Banking, Wealth Management, Structured Credit Solutions and Alternative Assets Management. Avendus relies on its extensive experience, in-depth domain understanding and knowledge of the regulatory environment, to offer customized solutions that enable clients to meet their strategic aspirations. Avendus Capital has consistently been ranked among the top investment banks. It has a strong track record of cross-border transactions and has helped multiple clients benefit from opportunities across geographies. Avendus' wide range of clients is testimony to its ability to serve its corporate clients throughout their life cycle – from growth stage funding to complex, large sized transactions later in the cycle.

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