

Pharmaceuticals | Sector Update | December 06, 2024

Our channel checks to evaluate current prices and discounting in diagnostics and pharmacies indicate an overall stable pricing environment: (1) Traditional players kept pricing steady (vs. Apr'24) (2) New-age players Netmeds/ Healthians continue to raise prices of standalone tests (15-25% across cities; exhibit 1); (3) Few online players cut prices of their test packages, possibly due to traction gained by offline players; (4) 1mg reconstituted some test packages as it added more tests but raised prices, thereby improving realizations; (5) Apollo 24x7 witnessed a double-digit decline (15-20%) for Ahmedabad/ Delhi and 2% rise for each of other cities; and (6) Pharmacy discounting was largely unchanged except Apollo 24/7 which reduced the discounts though similar discounts were now offered at higher average order value.

More of the same is not bad news!

Following our Apr'24 note ([Sanity continues to prevail](#)), pricing discipline first seen in mid-CY23 continues to be maintained. This is also reflected in the recent financials – despite traditional players such as Dr. Lal, MetroHL and Agilus refraining from price hikes, they were able to post 11-13% YoY growth indicating recovery in mix and volume growth in keeping with their guidance.

Some new trends emerging – online players worried?

While the overall pricing trend – 1mg and Netmeds increasing prices of standalone tests by 15-40% – is pretty much on expected lines, there are couple of new outcomes. First, 1mg and PharmEasy have cut the prices of few test packages, possibly on perceived threat from incumbents like Dr. Lal and Metropolis which have seen surge in their bundled tests in the recent quarters. Second, 1mg has reconstituted its test packages where it has doubled the number of tests in a few packages but has also hiked the pricing accordingly. We believe this could be to counter the incumbents. Healthians had a mixed outcome where it has nearly doubled the prices of few tests but have cut them by half for few others (exhibit 3).

We expect the 'War over Wellness' tests to continue in the coming quarters. Dr. Lal and Metropolis saw contribution of its wellness packages increase from 12% to 24% and from 6% to 16% over FY19-Q2'25 respectively, and both have stated their intention to increase it further. As per our checks, pricing for wellness packages has declined in double digits (15-30%) in comprehensive and basic tests particularly for Healthians, PharmEasy and Netmeds, indicating rising competitive intensity in the wellness category.

Discounts on e-pharmacy channel marginally down

Compared to our Apr'24 note, discount offerings are pretty similar across players barring Apollo 24/7 and PharmEasy. MedPlus continues to offer the highest discount at 20% (above Rs 1,000 order value). While the discount rates are similar, the average order value needed to avail the discount has increased e.g. Apollo offers a maximum discount of 20% but the AOV needs to be Rs 5,500 now vs. Rs 4,800 earlier. PharmEasy reduced its peak discount rate by 200 bps from 14% in Apr'24 to 12% in Nov'24. Likewise, Tata 1mg reconfigured its discount mechanism by adding two new discount structures (8%/ 12%) leading to new four rates (i.e. 5%/ 8%/ 12%/ 18%), which is a decline of 200/ 400 bps against its existing structure of 5%/ 16%/ 20%.

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November 2024 vs April 2024 pricing check

Our channel checks comparing Nov'24 test prices (select pack) vs those in Apr'24 suggest that most online players (Tata 1mg, Healthians and PharmEasy) have taken 10-30% price hikes on their standalone tests. On the other hand, barring certain tests for Dr. Lal and MetroHL, the traditional players have kept their test prices unchanged as they push for volume-driven growth. On a city-wise basis, Mumbai recorded the highest average hike of 7% across companies followed by Bangalore and Hyderabad at 5%, and Chennai at 4%.

Exhibit 1: Average pricing trend since Apr'24 for major diagnostic players across cities

(% price change vs Apr'24)	Dr Lal Pathlabs	Metropolis	PharmEasy	Agilus	Apollo 24/7	Tata 1mg	Healthians	Netmeds
Average price hike/decline for Mumbai	-1%	0%	0%	0%	2%	11%	19%	28%
Average price hike/decline for Delhi	0%	-1%	0%	0%	-19%	9%	14%	5%
Average price hike/decline for Bangalore	0%	0%	0%	0%	2%	0%	18%	22%
Average price hike/decline for Chennai	0%	0%	0%	0%	2%	-1%	23%	9%
Average price hike/decline for Hyderabad	0%	0%	0%	0%	2%	0%	14%	22%
Average price hike/decline for Ahmedabad	0%	0%	0%	0%	-17%	-1%	14%	23%

Source: Company, Axis Capital

Observations

- DLPL has taken no price hike since Aug'23 across major cities; however, it took some price cuts in few specialized genetic tests in Mumbai.
- Metropolis reduced the prices (in the range of 20%) for anti-malarial tests, leading to an average price cut of 1% across the Delhi region.
- Apollo 24/7 has taken strong price cuts (high teens) in Delhi and Ahmedabad regions, indicating that the competitive intensity is building up.
- Netmeds took high-double-digit price hikes across most metro/ tier-1 cities (barring Delhi/ Chennai).
- Among the pack, price hikes for Healthians remained in the range of 15-20% across the cities.
- Tata 1mg took 9-11% price hike in Mumbai and Delhi, indicating easing pricing pressure for core players (Dr. Lal and Metro).
- PharmEasy/ Agilus pricing structure remained unchanged as of Nov'24 as compared to Apr'24.

Exhibit 2: Prices remain unchanged for major offline players in their core regions

(Rs)	Metropolis (Mumbai)		Dr Lal (Delhi)		Agilus (Delhi)		Vijaya (Hyderabad)	
	Nov'24 Price	% increase since Apr'24	Nov'24 Price	% increase since Apr'24	Nov'24 Price	% increase since Apr'24	Nov'24 Price	% increase since Apr'24
Ultrasensitive TSH	400	0%	380	0%	380	0%	320	0%
Thyroid Panel,T3,T4, TSH	600	0%	550	0%	550	0%	650	0%
D, 25- Hydroxy	1,700	0%	1,550	0%	1,600	0%	1,900	0%
B12 (Cyanocobalamin)	1,200	0%	1,200	0%	1,200	0%		
B12 (Cyanocobalamin,Methylcobalmin)							1,350	0%
Vitamin A	4,665	0%	4,300	0%	4,600	0%		
Vitamin C	3,750	0%			3,300	0%		
CBC Haemogram	330	0%	350	0%	375	0%	380	0%
Haemogram			420	0%	420	0%	500	0%
Diabetes HbA1C	620	0%	440	0%	475	0%	580	0%
Liver Function test (LFT)	605	0%	800	0%	825	0%	680	0%
AST SGOT	250	0%	190	0%			220	0%
SGPT Alt Serum	250	0%	190	0%	230	0%	220	0%
Kideny Function Test (KFT)	1,180	0%	850	0%	875	0%	990	0%
Lipid Profile Basic	800	0%	1,000	0%	1,000	0%	680	0%
Vivax & Falciparum	750	0%	700	0%	700	0%	660	0%
HIV 1 & 2 Antibodies	700	0%	530	0%	730	0%	620	0%
HIV 1 - Viral Load	5,800	0%	5,400	0%	5,700	0%	5,200	0%
Blood Urea Nitrogen Test (Function Test)	240	0%	140	0%	230	0%	220	0%

Source: Company, Axis Capital

Observations

- Traditional players did not hike prices for majority of their tests (under check) in their core regions.

Exhibit 3: New-age players hiked prices for majority of tests

(Rs)	Tata 1mg (Delhi)		Netmeds (Chennai)		Healthians (Delhi)	
	Nov'24 Price	% increase since Apr'24	Nov'24 Price	% increase since Apr'24	Nov'24 Price	% increase since Apr'24
Ultrasensitive TSH	306	23%	NA		306	12%
Thyroid Panel,T3,T4, TSH	299	4%	299	0%	273	-32%
D, 25- Hydroxy	439	29%	NA	0%	420	43%
B12 (Cyanocobalamin)			399	0%	680	132%
B12 (Cyanocobalamin,Methylcobalmin)	439	29%				
Vitamin A			2,000	0%	2,700	0
Vitamin C				0%		
CBC Haemogram	299	7%	250	37%	275	
Haemogram	399	0%	0	0%	273	0%
Diabetes HbA1C	478	20%	299	0%	273	0%
Liver Function test (LFT)	399	25%	299	0%	274	1%
AST SGOT	210	17%	169	16%	180	-44%
SGPT Alt Serum	179	5%	170	16%	180	-44%
Kideny Function Test (KFT)	399	29%	299	0%	378	39%
Lipid Profile Basic	399	25%	299	0%	276	1%
Vivax & Falciparum	599	-5%	468	0%	650	86%
HIV 1 & 2 Antibodies	260	-42%	249	0%	399	0%
HIV 1 - Viral Load	4,790	0%	3,835	0%	5,220	0%
Blood Urea Nitrogen Test (Function Test)	130	-19%	149	57%	130	-64%

Source: Company, Axis Capital

Observations on standalone tests

- **Tata 1mg – most aggressive among online players:** Highest price cut for HIV 1 and 2 at 42% followed by BUN test at 19% and Malaria Antigen test at 5%. Barring these tests, Tata 1mg hiked prices for all other tests in the range of 20-25%.
- **Netmeds – continues to hike prices:** Among online players, Netmeds (in Chennai region) hiked prices for few tests like BUN test at 57% followed by CBC Haemogram (+37%) and AST SGOT/ SGPT at 16% each though it maintained prices of majority of the tests .
- **Healthians – a mixed bag:** A mixed set in terms of hikes and reductions, with major hikes for B12 at 132% followed by Vivax at 86% and KFT and Vitamin D at ~40%.

Exhibit 4: Metropolis test prices for Mumbai region are 2x the prices of Netmeds and 1.6x the prices of PharmEasy

(Rs)	Prices for Nov'24 (Metropolis Mumbai)	Prices for Apr'24 (Dr Lal)	Metropolis vs Dr Lal	Prices for Apr'24 (PharmEasy)	Metropolis vs PharmEasy	Prices for Apr'24 (Tata 1mg)	Metropolis vs Tata 1mg	Prices for Apr'24 (Netmeds)	Metropolis vs Netmeds
Ultrasensitive TSH	400	380	5%	399	0%	310	29%	NA	NA
Thyroid Panel,T3,T4, TSH	600	550	9%	399	50%	300	100%	299	101%
D, 25- Hydroxy	1700	1500	13%	2199	-23%	439	287%	1350	26%
Vitamin A	4665	4300	8%	1949	139%	NA	NA	2000	133%
CBC Haemogram	330	250	32%	349	-5%	299	10%	250	32%
Diabetes HbA1C	620	550	13%	449	38%	478	30%	299	107%
LFT	605	800	-24%	499	21%	400	51%	299	102%
AST SGOT	250	220	14%	175	43%	210	19%	162	54%
SGPT Alt Serum	250	220	14%	175	43%	179	40%	162	54%
KFT	1180	910	30%	449	163%	399	196%	299	295%
Lipid Profile Basic	800	840	-5%	399	101%	400	100%	299	168%
Vivax & Falciparum	750	700	7%	349	115%	599	25%	468	60%
HIV 1 & 2 Antibodies	700	530	32%	419	67%	340	106%	249	181%
HIV 1 - Viral Load	5800	5400	7%	4349	33%	4790	21%	3835	51%
Blood Urea Nitrogen Test (Function Test)	240	250	-4%	125	93%	160	50%	149	61%
Pricing premium for Metropolis vs peers			9%		59%		76%		91%

Source: Company, Axis Capital

Observations

- DLPL's tests prices are 8-9% lower than Metropolis'.
- Metropolis' tests prices are ~1.9x (2.5x earlier as per our Apr'24 report) higher than Netmeds', followed by Tata 1mg at 76% and PharmEasy at 59%.
- Despite taking double-digit price hikes among certain tests, Netmeds is still priced substantially lower than other online players.

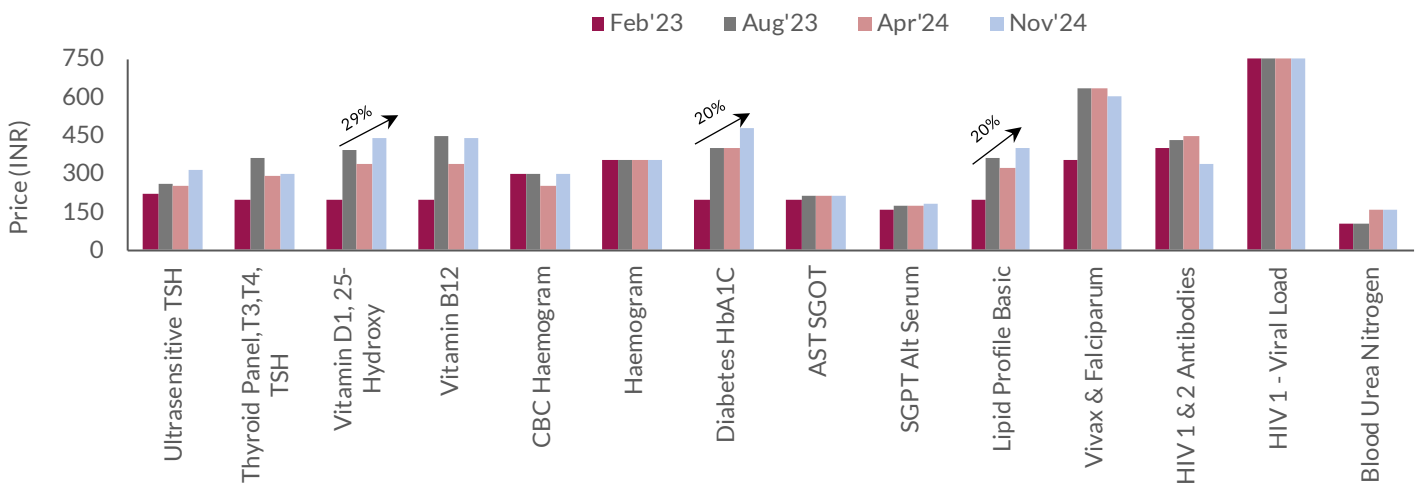
Exhibit 5: Dr. Lal pricing is nearly 3x the pricing of Netmeds for Delhi region

(Rs)	Price for Nov'24 (Dr Lal)	Price for Apr'24 (Agilus)	Dr Lal vs Agilus	Price for Apr'24 (Metropolis)	Dr Lal vs Metropolis	Price for Apr'24 (Tata 1mg)	Dr Lal vs Tata 1mg	Price for Apr'24 (Netmeds)	Dr Lal vs Netmeds
Ultrasensitive TSH	380	380	0%	200	90%	306	24%	NA	NA
Thyroid Panel,T3,T4, TSH	550	550	0%	550	0%	299	84%	195	182%
D, 25- Hydroxy	1550	1600	-3%	1200	29%	439	253%	825	88%
B12 (Cyanocobalamin)	1200	1200	0%	1200	0%	NA		295	307%
Vitamin A	4300	4600	-7%	4580	-6%	NA		1695	154%
CBC Haemogram	350	375	-7%	350	0%	299	17%	175	100%
Haemogram	420	420	0%	0	NA	399	5%	0	
Diabetes HbA1C	440	475	-7%	480	-8%	478	-8%	255	73%
LFT	800	825	-3%	800	0%	399	101%	195	310%
AST SGOT	190	0	NA	140	36%	210	-10%	95	100%
SGPT Alt Serum	190	230	-17%	160	19%	179	6%	95	100%
KFT	850	875	-3%	850	0%	399	113%	125	580%
Lipid Profile Basic	1000	1000	0%	850	18%	399	151%	175	471%
Vivax & Falciparum	700	700	0%	650	8%	599	17%	270	159%
HIV 1 & 2 Antibodies	530	730	-27%	650	-18%	260	104%	249	113%
HIV 1 - Viral Load	5400	5700	-5%	5400	0%	4790	13%	3835	41%
Blood Urea Nitrogen Test (Function Test)	140	230	-39%	160	-13%	130	7%	115	22%
Pricing prem/disc for Dr Lal vs peers			-7%		10%		58%		187%

Source: Company, Axis Capital

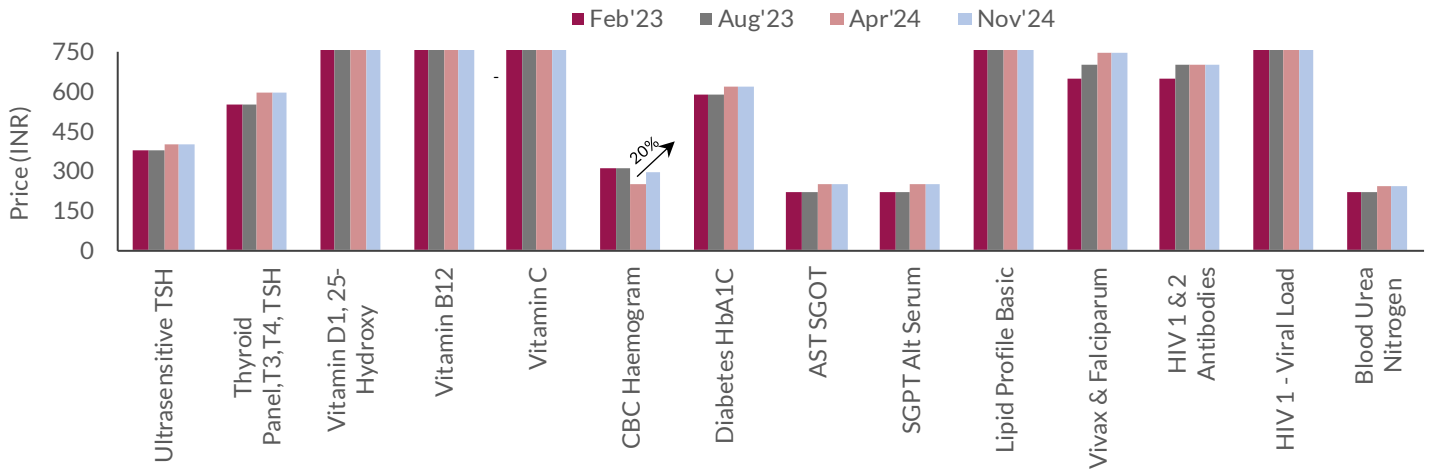
Observations

- In Delhi region, Dr. Lal's test pricing is 7% lower than Agilus' (unchanged from previous check in April'24).
- Dr. Lal's test prices premium in Delhi has risen to 13% from 8% in Apr'24 against Metropolis'.
- Similar to premium versus Metropolis, Dr. Lal's test prices are nearly 3x that of Netmeds' followed by Tata 1mg's at 58%.

Exhibit 6: Tata 1mg (Mumbai) has either seen price hike/ status quo for multiple tests


Source: Company, Axis Capital

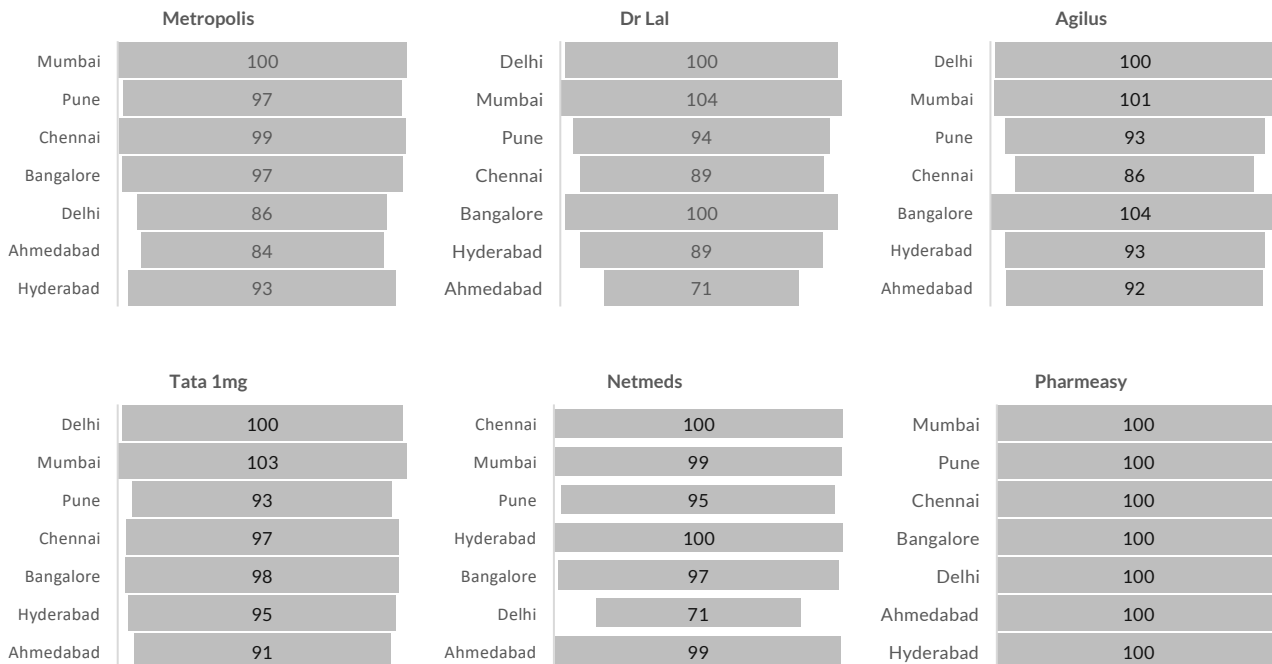
As can be seen in exhibits 6 and 7, traditional players like Metropolis have kept the prices of major tests unchanged from those in Apr'24 whereas online players like Tata 1mg have raised the prices of major tests by 15-25% with decline in prices of anti-malarial and HIV detection tests (-5% and -25% respectively). Price hikes across the regions for majority of the tests for major online players indicate easing competitive intensity, benefiting the traditional players.

Exhibit 7: Majority of the tests do not see a price change for Metropolis (except certain tests) since Apr'24


Source: Company, Axis Capital

City-wise test pricing strategy

A look at pricing differential for diagnostic companies in their core cities (or the city where they are headquartered) versus select other cities shows that traditional players have lower pricing in tier-1 cities like Hyderabad and Ahmedabad while online players have largely uniform pricing across cities (barring Netmeds which has significantly lower pricing in Delhi).

Exhibit 8: City-wise test prices comparison for traditional and online players


Source: Company, Axis Capital; Note: 100 as a base taken for test price

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Observations

- Traditional players such as Metropolis, Dr. Lal, and Agilus have lower prices for Ahmedabad region as compared to online players.
- For Metropolis, there is double-digit price difference in Delhi, **indicating its strong push for penetration into non-core markets. (price difference vs Mumbai has further increased to 14% vs 12% for Delhi respectively since Apr'24).**
- Average price difference for Ahmedabad and player's core region stood at 29% for Dr. Lal (Delhi) followed by Metropolis (Mumbai) at 16% and Agilus (Delhi) at 8%.
- As per our checks, for Tata 1mg, pricing difference between cities is -4%; on the other hand, Netmeds' test prices for Delhi are 29% lower (23% earlier) than in other cities.
- PharmEasy follows a uniform pricing strategy across cities.
- Agilus has the lowest test prices for Chennai region (-14%) as compared to Delhi, while for Bangalore, the prices are 4% higher (vs 5% in Apr'24) than in Delhi.

Exhibit 9: Online players start cutting prices of bundled tests

(Rs)	Apr'24		Nov'24		Price change (%)
	Number of tests	Price	Number of tests	Price	
Metropolis (Mumbai)					
Truhealth Vital	77	3000	72	3000	0
Health checkup - vital plus	80	4500	77	4500	0
Master Health checkup	94	5500	92	5500	0
Women's Health checkup package	95	5500	93	5500	0
Truhealth Pro-Activ male	100	6500	98	6500	0
Women- Truhealth Pro activ female	100	6500	98	6500	0
Senior citizen Healthcheckup	106	7500	104	7500	0
Senior Women Health checkup package	107	7500	105	7500	0
Dr Lal Delhi packages					
Swasthfit Super 1	31	1850	33	1850	0
Swasthfit Super 2	55	2350	55	2350	0
Swasthfit super 3	33	3350	35	3350	0
Swasthfit super 4	58	4050	57	4050	0
Swasthfit Diabetes check extended	58	2000	48	2000	0
Swasthfit diabetes check complete	64	3000	64	3000	0
Swasthfit diabetes & Heart check extended	49	2500	49	2500	0
Swasthfit diabetes & heart check complete	86	3500	86	3500	0
Swasthfit active man	55	2500	55	2500	0
Swasthfit active woman	60	3500	60	3500	0
Swasthfit senior man	56	3500	56	3500	0
Swasthfit senior woman	60	3500	60	3500	0
Tata 1mg- Mumbai					
Comprehensive gold	79	2299	88	2249	-2%
Comprehensive silver	71	1899	80	1899	0
Comprehensive platinum	92	3699	101	3599	-3%
Good health silver	57	699	65	699	0
Good Health Gold	63	999	72	999	0
Good Health Platinum	65	1499	74	1499	0
Women Wellness Advanced	44	1549	91	2569	66%
Women Wellness Premium	46	1899	104	3629	91%
Men Health advance	42	1449	89	2379	64%
Men Health Premium	44	1899	103	3599	90%
Senior citizen Advanced	60	1675	88	2529	51%
Netmeds					
Netmeds Swasthya	64	1100	64	1100	0%
Aarogyam C	64	1499	64	1400	-7%
Aarogyam 1.3	90	2250	96	2175	-3%
Basic allergy upside	26	480	26	594	24%
Netmeds Diabetic checkup	49	899	49	629	-30%
Aarogyam B	61	1050	67	1050	0%
Netmeds Healthy	76	999	76	849	-15%
Netmeds Immunity care	60	1099	60	1274	16%
PharmEasy					
Healthy 2024 Full body check up	87	1349	90	1449	7%
Comprehensive Full body checkup	90	1899	92	2199	16%
Wellness 360 full body checkup	97	2299	97	1749	-24%
Wellness 360 full body checkup with vitamins & minerals	102	4599	102	4599	0%
Wellness 360 full body checkup with vitamins & minerals, Immunity	113	5499	113	5499	0%
Senior citizen Health checkup	102	4599	102	4599	0%
Aarogyam full body checkup	97	2449	93	1798	-27%
Diabetes care	40	749	40	799	7%
Cancer screening female	26	799	26	799	0%
Healthians					
Comprehensive Male checkup package	110	5040	102	3599	-29%
Comprehensive Female checkup package	111	5040	103	3599	-29%
Healthians first health Package 1.0	58	420	58	420	0%
Healthians first health Package 2.0	69	840	69	672	-20%
Healthy India 2024 Full body check up	83	1554	85	1604	3%
Healthy India 2024 Full body checkup prime	92	1974	90	1999	1%
Healthy India 2024 Full body check up signature	94	2310	92	2300	0%
Agilus- Mumbai					
Complete care Total	81	4499	81	4499	0%
Complete care essential	49	1699	49	1699	0%
Immune check with spike	63	4199	63	4199	0%
Complete care premium	89	6999	89	6999	0%
Complete care basic	28	1099	28	1099	0%
Complete care immunity	62	3849	62	3849	0%
Complete care advance	65	2699	65	2699	0%

Source: Company, Axis Capital

Observations on bundled packages

- Package prices for traditional players (Metropolis, Dr. Lal and Agilus) remain unchanged when compared to those in Apr'24.
- Although Metropolis kept the prices unchanged, the number of parameters declined for majority of the tests.
- Tata 1mg reconstituted its packages by adding more parameters; hence, a sharp rise in prices in Nov'24 (in proportion to increase in parameters); prices of comprehensive packages declined by 2-3%.
- Netmeds reduced the prices of majority of its test packages (in the range of 10-30%); however, for some tests, it hiked the prices in the range of 15-25%.
- Healthians reported a high-double-digit price decline (20-30%) in its gender-specific comprehensive packages.

Exhibit 10: Subscription plans for online pharmacy players

		Tata 1mg Care plan	PharmEasy Plus	Netmeds First	Apollo 24/7 Circle
Pricing	Apr'24	INR 165 for 3 months	INR 149 for 6 months	INR 499 for 12 months	INR 149 for 6 months
		INR 275 for 6 months			INR 249 for 12 months
	Nov'24	INR 165 for 3 months	INR 99/month	INR 499 for 12 months	INR 599 for 15 months
		INR 275 for 6 months			INR 149 for 6 months INR 199 for 12 months
Shipping charges	Apr'24	No shipping charges for orders above INR 149 for 20 orders. Unlimited free shipping on orders above INR 800. Free shipping on 20 orders below INR 800.	Free delivery on orders above INR 499	Unlimited free delivery on orders above INR 99. Max order INR 5,000	Free 2 hour delivery on all orders
	Nov'24	No shipping charges for orders above INR 149 for 20 orders. Unlimited free shipping on orders above INR 800. Free shipping on 20 orders below INR 800.	Free delivery on orders above INR 499	Unlimited free delivery on orders above INR 99. Max order INR 5,000	-
Doctor e-consultation	Apr'24	1 free e-consultation	20 free consultations in 6 months	6 free online doctor consultations	Up to INR 150 discount for doctor consultations and access to emergency doctor on call (24/7)
	Nov'24	1 free e-consultation		6 free online doctor consultations	Up to INR 150 discount for doctor consultations and access to emergency doctor on call (24/7)
Lab test	Apr'24	1 free lab test	50% PharmEasy Credits on 1st lab test and an additional 10% PharmEasy Credits on subsequent lab tests.	Additional 10% off on all pathology lab tests, profiles, packages	7% discount on lab tests
	Nov'24	1 free lab test	50% PharmEasy Credits on 1st lab test and an additional 20% PharmEasy Credits on subsequent lab tests (up to Rs 200).	Additional 10% off on all pathology lab tests, profiles, packages	1 free health test + 20% cash back on diagnostic
Extra discount/cashback	Apr'24	4% extra discount on all prescription medicines Extra 1% NEUcoins on all orders Early access on sale days	5% extra cashback on allopathic medicines for 50 orders	Extra 2% cashback (in NMS cash) (max INR 100/order) on medicine order of any value	Extra 5% cashback on medicines
	Nov'24	4% extra discount on all prescription medicines Extra 1% NEUcoins on all orders Early access on sale days	5% extra cashback on medicines (up to Rs 200) and healthcare products	Extra 2% cashback (in NMS cash) (max INR 100/order) on medicine order of any value	15% cashback on Pharmacy + free delivery
					up to Rs 150 savings on doctor consultation + insurance of 1 lakh accidental cover (for only 12-month plan)
Cancellation	Apr'24	Can be cancelled till the time no plan benefits have been availed	Can be cancelled and the refund amount will be calculated and processed, basis the day of purchase	Cannot be cancelled once enrolled	Cannot be cancelled once enrolled
	Nov'24	Can be cancelled till the time no plan benefits have been availed	Can be cancelled and the refund amount will be calculated and processed, basis the day of purchase	Cannot be cancelled once enrolled	Cannot be cancelled once enrolled

Source: Company, Axis Capital

Observations

- Most of the online players have kept their membership plans unchanged; however, PharmEasy has replaced its 6-month plan with a monthly plan of Rs 99.
- Apollo reduced the price of its yearly plan from Rs 249 to Rs 199; however, it has done away with the 2-hour delivery in the latest plan; benefits like doctor consultation remain as it is.
 - It has also come up with a one free test (for 12-month plan) + 20% cashback on diagnostics as of Nov'24 vs 7% discount on lab tests.
 - For pharmacy, the discount is 15% vs 5% discount on medicines.

Pharmacy – discount rollback continues

Most players affected some level of rollbacks. MedPlus continues to offer the highest discount (10-20% range) across all the cart sizes with no capping on discount. Tata 1mg introduced new brackets such as 8%, 12% and 18%, with 18% being the highest (lower by 200 bps vs the highest discount rate of 20%). Apollo reduced the discounts by 200 bps from 12% to 10% for specific ranges; It also introduced new rates of 18%/ 20% on certain threshold. Netmeds has not made any significant change. PharmEasy reduced its discounts by 200 bps (from 14% to 12%) for orders above Rs 1,100.

Exhibit 11: Apollo 24/7, Tata 1mg and PharmEasy see some decline in discount structure

Total order value (Rs)	MedPlus	Apollo 24/7*	Tata 1mg^	Netmeds #	PharmEasy
400	10%	Nil	5%	0%	0%
700	10%	5%	5%	10%	8%
1,100	20%	10%	8%	15%	12%
1,300	20%	10%	8%	15%	12%
1,600	20%	10%	12%	18%	12%
2,100	20%	10%	12%	18%	12%
2,999	20%	10%	18%	18%	12%
3,500	20%	18%	17% (as coupon discount capped at 380)	18%	12%
>5500	20%	20%	14% (as discount coupon capped at 380)	18%	12%
Comments	No discount capping	for >5,500 up to 2,000 discount, for orders >2,999 up to Rs 800 , for >800 & above up to 400	Max discount coupon Rs 380	Max discount Rs 700	No discount capping

Source: Company, Axis Capital; *excl. welcome coupons but including PHARMA coupons, ^ex-first medicine order discounts, # doesn't include supercash cashback

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BUY	More than 15%
ADD	Between 5% to 15%
REDUCE	Between 5% to -10%
SELL	More than -10%

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