Thyrocare
Tests you can trust

November 02, 2026

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051
(SYMBOL: THYROCARE)

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001
(SCRIP CODE: 539871)

Sub: Transcript of post results earning conference call held on October 29, 2026, with Analyst/Investors.

Ref: Disclosure under Regulation 30 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to Regulation 30(6) read with Part A of Schedule III of the Listing Regulations, please find enclosed herewith the transcript of the earnings conference call with Analysts and Investors held on October 29, 2026.

The same has also been made available on the website of the Company https://investor.thyrocare.com/.

We request you to please take the same on record.

Yours Faithfully,
For **Thyrocare Technologies Limited,**

Brijesh Kumar
Digitally signed by Brijesh Kumar
Date: 2026.11.02 12:45:52 +05'30'

Thyrocare Technologies Limited

Brijesh Kumar
Company Secretary and Compliance Officer

Encl. A/a

"Thyrocare Technologies Limited
Q2 FY27 Earnings Conference Call"
October 29, 2026

MANAGEMENT: **MR. RAHUL GUHA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – THYROCARE TECHNOLOGIES LIMITED**
MR. RAJDEEP PANWAR – CHIEF COMMERCIAL OFFICER – THYROCARE TECHNOLOGIES LIMITED
DR. RAMESH KINHA – CHIEF OPERATING OFFICER – THYROCARE TECHNOLOGIES LIMITED
MR. VIKRAM GUPTA – CHIEF FINANCIAL OFFICER – THYROCARE TECHNOLOGIES LIMITED
MR. PRINESH PARIKH – STRATEGY AND INVESTOR RELATIONS – THYROCARE TECHNOLOGIES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Thyrocare Technologies Limited Q2 FY27 Earnings Conference Call. 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 this conference, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Prinesh Parikh from Thyrocare Technologies Limited. Thank you, and over to you, sir.

Prinesh Parikh: Thank you, Dorwin. Good evening, everyone, and thanks for joining us today. I am Prinesh Parikh from the Strategy and IR team of Thyrocare. It's a pleasure to welcome you all to our Q2 FY27 Earnings Call. Joining me on the call today are Mr. Rahul Guha, our MD and CEO; Mr. Rajdeep Panwar, our Chief Commercial Officer; Dr. Ramesh Kinha, our Chief Operating Officer; and Mr. Vikram Gupta, our Chief Financial Officer.

I hope you have gone through our results release and the quarterly earnings presentation and press release, which have now been uploaded on the stock exchange website. The transcript of this call will be available in a week's time on the company's website.

Please note that today's discussion may be forward-looking in nature and must be viewed in relation to the risks pertaining to the business. After the end of the call, in case you have any further questions, please feel free to reach out to us at the Investor Relations team.

I now hand over the call to Mr. Rahul Guha to make the opening remarks.

Rahul Guha: Thank you, Prinesh. Good evening, everyone, and thank you for joining us today. As in all my calls, I will begin with a quote from Nelson Mandela in recognition of our foray into Africa: “It is in your hands, to make a better world for all who live in it.” We believe Thyrocare has the opportunity to take its proven business model and make affordable, high-quality diagnostics accessible to many more patients.

Diagnostics today has moved from a back-end support function to the centre of clinical decisions and preventive care. And that is exactly where our model of affordable, accessible and dependable testing fits. Technology is a growing part of that story. We continue to invest in digital capabilities across booking, logistics, lab operations and reporting, which improves efficiency today and prepares us for future innovations.

Continuing the growth momentum of over 20% achieved in each of the past 2 years, our pathology business grew even faster in Q2 FY27, delivering 27% growth. This performance reflects our sustained investment in service levels and quality, which continue to strengthen our franchisee network.

During the quarter, we recorded our highest ever franchisee additions, taking our active franchisee base to over 12,911, 4x the base we started with at the time of the acquisition. Our

laboratory network has expanded from 17 labs in FY21 to 49 labs today, of which 5 new laboratories were opened in Q2 FY27. Across most of India, our Thyrocare lab is now within about 150 kilometres, so samples no longer travel to Mumbai, except for specialized tests, thus enabling faster and more efficient turnaround times.

Our test menu has grown nearly fivefold to more than 1,420 tests, and our quality backbone has grown with it. More than 108 MD pathologists and every lab we own is NABL accredited in a country where only 2% of labs carry that accreditation tag. On the collection side, our 2,100-plus phlebotomists, one of the largest home collection networks in the country, arrived on time for 99% of their visits.

The most exciting part of this year is specialty. We took the Thyrocare playbook of scale, reach and affordability into specialty diagnostics, starting with allergy and genomics. And the business is now live and gaining steady traction. We call this journey “From Routine to Remarkable – The Next Frontier of Diagnostics”.

Specialty Diagnostics in India is underpenetrated, expensive and fragmented, the same problems Thyrocare solved in routine and preventive testing. Our operating model built on scale, automation, quality and affordability is why we believe we can win here.

Our investments in expanding in-house capacity and broadening our test portfolio have enabled us to progressively bring specialty testing in-house, reducing our reliance on reference labs. Building on our historically modest specialty testing portfolio, the recent additions in allergy and genomics are beginning to deliver encouraging results.

While the specialty segments currently contribute only around 4% of our pathology revenue, the early traction reflects the benefits of our strategic investments, enhanced in-house capabilities and continued expansion of our test menu. This is not just a portfolio expansion. It is a proven execution engine pointed at a larger, faster-growing segment. Our ambition is to build one of India's most trusted, accessible and scalable specialty diagnostics platform and with it, the company's next long-term growth engine.

On NHL, Nueclear Healthcare Limited, as approved by our Board in the Q1 meeting and as communicated during our previous investor call, we have initiated the process for the shareholders' approval for the disinvestment of NHL (our radiology business) for a consideration of INR141 crores to Trovera, which is a mix of cash of INR81.9 crores and equity of INR59.5 crores.

The decision is after considering the strategic rationale, including focus of the management on the pathology business where growth, profitability and return on capital are much higher. The return on capital employed, ROCE, of Thyrocare is 34.9% and NHL ROCE is 6.95%.

The limited growth prospects of NHL as a stand-alone PET/CT player in the competitive integrated radiology market, which is reflected via NHL's degrowth of about 9% in the past 5 quarters versus positive 22%-plus average growth of Thyrocare stand-alone.

NHL is pulling the consolidated revenue growth rates and EBITDA margin down by 2% and 1%, respectively. NHL also has low operating PAT, and the investments required to continue Nueclear, as much of the equipment are at end of life is substantial. Hence, we took the decision to exit NHL.

Trovera is a more scalable platform, which will consolidate India's fragmented radiology market by acquiring established doctor run centres and integrating them through centralized radiology reporting, shared procurement and back-office efficiencies.

Excluding NHL, Trovera has already executed definitive binding agreements for acquiring 39 radiology centres. We feel NHL has found a good home in Trovera in the competitive radiology market. I'm also pleased to announce the launch of our pregnancy test kit, a rapid home testing solution that delivers results in just 5 minutes.

We have onboarded Yami Gautam as our brand ambassador to strengthen awareness and consumer outreach for this product. This launch marks the first of several products in our pipeline, and there will be more news to come in the coming quarters.

With that, I will now hand over the call to Rajdeep to take you through our business and commercial performance.

Rajdeep Panwar: Thank you, Rahul, and good evening to everyone joining us. We continue to deliver strong growth numbers with consolidated revenue delivering 25% year-on-year growth in Q2 FY27. Aarogyam, our flagship preventive brand and Jaanch, our curative and chronic care range, continued their strong growth momentum. While Jaanch is still only 2.5% of Pathology revenue, it grew by 58% and is fast becoming a strong pillar of our lifestyle portfolio.

Let me now break this down across our key business segments. Our franchisee business grew 27% year-on-year. We added about 1,180 franchises in the quarter, our highest quarterly addition in 3 years, taking the active base of franchise to a record of 12,911.

We also keep investing in our relationships with channel partners. During the quarter, we held 2 structured partner meets, 3 CME meetings and 1 roundtable conference with doctors, giving partners a platform for open dialogue with our doctors. The feedback and knowledge sharing in these forums happens very consistently. These meets continue to shape our service levels and our next set of initiatives.

Specialty, which Rahul spoke about, is now commercially live and building momentum. Our dedicated specialty team works directly with physicians, hospitals and health care institutions through scientific discussions, one-to-one engagement and visit to their clinics and labs such that they can see our quality system first-hand.

The goal is not more tests on a menu; it is sustained clinical adoption. Affordability, scientific engagement and our national network together let us take advanced diagnostics to far more patients than the segment reaches today.

Moving to our partnership business. The business grew 28% year-on-year. Growth was led by insurance and health tech, along with continued scaling of existing accounts. Our API-based integration let partners switch on diagnostics across multiple cities very quickly, which strengthens our position as a preferred B2B business partner.

As Rahul mentioned, this quarter, we also stepped into the consumer products business with the launch of Thyrocare Pregnancy Test Kit. It is a rapid home test that gives a result in 5 minutes with 99% accuracy when used as directed at an MRP of just INR60.

What makes it distinctly Thyrocare is the second assurance that comes with it. Every kit carries a coupon of a Beta hCG blood test at half price, INR399 instead of INR800, which can be booked for home collection or at a Thyrocare outlet. One kit with two assurances, a quick answer at home and lab confirmation one step away. It also brings a new customer into our network at a moment that matters.

To drive wider adoption, we are leveraging the API Holdings group's distribution network through PharmEasy and Ascent to make the kit accessible to consumers. Today, we are already present in 10,000-plus pharmacies.

Across channels, our focus remains depth: improving partner productivity and widening the value we deliver through a product portfolio, stronger service and now, our own products.

With that, I will hand it over to Dr. Kinha to walk you through our operations and lab initiatives.

Ramesh Kinha: Thank you, Rajdeep. Good evening, and a warm welcome to everyone joining us today. I will focus on three areas today. First, our lab network. Second, our operational capabilities and research. And third, how we are improving the experience of patients and doctors.

Starting with the lab network, we now operate 48 labs in India and 1 in Tanzania. This quarter, we added 5 new labs, 4 regional processing labs at Asansol, Nashik, Madurai, and Jabalpur, and 1 hybrid lab partnership at Jamshedpur. Each of them brings processing capacity closer to the fast-growing Tier 2 and Tier 3 markets, where demand for quality diagnostics is rising fast.

Now to the second area, our operational capabilities and research. We continue to widen the specialty portfolio, building on the foundation we laid earlier this year with genomics, specifically non invasive prenatal testing (NIPT), and allergy testing during the start of this year. Our approach remains measured, introduce clinically relevant offerings, invest in physician education and scientific engagement and then scale adoption over time. In specialty, credibility comes before volume.

Now the third area, patient experience, which is something I care deeply about. Diagnostics is fundamentally a trust business. Every improvement we make is driven by a simple question. Does this make the patient and doctor feel more confident in us? We answer it through four pillars that underpin trust in medical diagnostics.

First, accuracy and quality, which remains non negotiable. With our NABL-accredited labs and continuous investments in the state-of-the-art equipment and upgrades, 96% of samples were processed in NABL-accredited labs this quarter.

Second, faster resolution when things go wrong. We strengthened our complaint channels, shortened resolution times and communicated more proactively with patients. Complaints fell to 2.9 per million tests in Q2, comfortably within Six Sigma levels and our lowest we have ever recorded.

Third, faster reports. Better logistics, tighter lab processes and opening of new labs have brought our average turnaround time to 3.5 hours in the quarter. Fourth, we continue to strengthen trust with doctors who are often the patient's first point of contact. We host doctor meets at our own laboratories, giving physicians first-hand exposure to our quality systems, equipment and processes.

This quarter, we conducted 45 such meets, engaging over 100 plus doctors. In addition, our CMEs and RTM meetings helped us connect with nearly 300 specialist doctors. These relationships are increasingly important as we expand our specialty portfolio, where doctor-led adoption plays a very critical role. Overall, we are building an operations backbone that can support scale without compromising on quality or experience.

With that, I'll now hand it over to Vikram for the financial performance.

Vikram Gupta: Good evening, everyone, and thank you for joining us today. I am pleased to report that we delivered another quarter of strong financial performance driven by consistent revenue growth. Thyrocare has consistently delivered 20% growth rate over the last 9 quarters with the last 2 quarters growing faster at 25% plus. This sustained performance reflects the strength of our business model.

Now let me take you through the key financial highlights for the current quarter. Starting with revenue, our stand-alone revenue came in at INR256 crores, which is 26.7% up year-on-year. This is driven by strong growth across both our franchisee and partnership businesses. On a consolidated basis, revenue stood at INR271 crores, reflecting a robust 25% year-on-year growth.

Moving to margins and profitability, our consolidated gross margin was 74.2%, reflecting an improvement of more than 190 basis points year-on-year. This was largely driven by a strong 27% growth in test volume, which helped us improve operating efficiency. Employees and other overheads increased year-on-year primarily due to inflation, higher volumes, lab expansion and investment in new growth areas like specialty and pregnancy kits.

Our EBITDA margin for the quarter was at 33% with year-on-year growth of 25%. Profit after tax before exceptions stood at INR60 crores, up 26% year-on-year, with a PAT margin of 22%. Earnings per share before exceptions for the quarter was at INR3.78 compared to INR3.01 last year, representing a year-on-year growth of 26%.

For the half year ended 30th September, consolidated revenue is up versus last year by 25%, and EBITDA and PAT are growing year-on-year by 29% and 30% respectively. Now coming to the accounting and exceptional items pertaining to the NHL operations. As covered by Rahul, the board of directors of the company has approved the proposed sale of the company's entire shareholding in Nueclear Healthcare Limited (NHL) for an aggregate consideration comprising cash and equity amounting to approximately INR141 crores.

Since the requisite shareholder approval and execution of the SPA remains pending, no held-for-sale or discounted operations classification under Ind AS 105 has been taken in this quarter's results. Nueclear Healthcare Limited continues to be consolidated as a wholly owned subsidiary in H1 and the quarter financials.

Separately, based on the latest valuation and term sheet, we have reassessed NHL's carrying value and taken an impairment of INR9 crores in Thyrocare standalone books and of INR45 crores in the consolidated financials against the goodwill arising from the acquisition of NHL. Please note this is a non-recurring and non-cash charge and does not have any impact on the operational performance of the company.

Just to summarize how the impairment has been taken in standalone financial books and the consolidated financial books of Thyrocare. In FY20, NHL's book value was written down to about INR150 crores in both standalone and consolidated books and for this, the company provided INR44 crores impairment in the standalone and INR6 crores impairment in the consolidated books as per Ind AS.

Since then, the standalone value has stayed at INR150 crores, while in consolidated books the net worth has grown with the NHL profits from FY20 to FY26. This gap in carrying value in both standalone and consolidated books explains the different impairment charge in both the books in this year.

However, as covered earlier, this charge is onetime, non-cash, with no impact on the operations or cash flow. Our balance sheet continues to be strong and resilient, with net cash and equivalents of over INR211 crores and zero debt as on 30 September 2026. In cash flow, during H1 FY27, we generated INR133 crores from operating activities.

During H1 FY27, a capex of INR30 crores has been invested on account of new lab expansion, 5 in this quarter and 3 in quarter 1 and capacity capex to support 27% volume growth. In balance part of the financial year, we are expecting a similar capex investment for the growth of the business.

Overall, our steady performance reflects disciplined execution and focus on profitable growth. We remain committed to delivering consistent financial performance, while continuing to invest in strategic initiatives that will support our long-term growth agenda. With that, I hand it back to Rahul for the strategic update. Thank you.

Rahul Guha: Thank you, Vikram. Briefly, I would like to take a few minutes to recap to you our strategic direction and then I will open it up for Q&A. First, our value proposition to the customer. We will remain an affordable option for every patient with good quality and on-time reports.

Everything we do on this front is about low cost to the patient, assurance on quality through our certification and engagement with doctors.

You can see the progress in this quarter's numbers, 3.5 hour turnaround time, 2.9 complaints per million tests and our NABL accreditation footprint. This will remain at our core and will continue to guide all that we will do. Second, our strategy. We remain the B2B partner of choice for every front-end diagnostics business in India.

Whether it is a small diagnostic centre in a semi-urban area, a pharmacy in a metro, a small nursing home, an individual doctor or a leading online diagnostics platform or health tech marketplace. We give them low-cost, robust testing so that they can serve their patients well. And if they need phlebotomy, we mobilize our network of over 2,100 phlebotomists, including our network partners.

The numbers bear this out. This strategy has been working well for us with both our franchise and partnerships business posting strong growth. Two natural extensions of this strategy are now live. Specialty, where an on-ground technical sales team is driving doctor-led adoption of allergy and genomics testing at the same quality and affordable prices as our routine and preventive tests and marks our real entry into curative diagnostics.

And our own products, starting with the pregnancy kit, which connect a quick answer at home to confirmation in our labs. More of both are in the pipeline and we look forward to sharing them over the coming quarters. That in brief is our mandate as management. Thank you for giving us a patient hearing. I will once again end with a quote from the Mahatma: “Find purpose, the means will follow.” Our purpose remains to provide affordable, high-quality testing to the masses. With that, we will open up for Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Surya Patra with PhillipCapital. Please go ahead.

Surya Patra: Thanks for the opportunity sir and congratulations for the great set of numbers. My first question is on the franchise addition growth what we have seen highest ever franchise addition in a quarter. See particular in the industry which is growing or struggling to kind of 15% kind of mid-teens volume growth. In such a scenario, we are delivering franchise addition growth itself like more than 25%. So how should one think whether this is a kind of elevated norm now this is a quarter specific surprise that we have seen?

Rahul Guha: Thank you for the question, Surya. And as you know, I am a glass half empty kind of person. So I definitely I'm very pleased with the franchisee additions in this quarter, right? But if you look at it historically, between Q2 and Q3 we have never added franchisees, except for when we acquired Polo and Vimta.

But otherwise, if you go historically, Q3 is a tough quarter to add franchisees. So I think to that extent, we put in all our efforts in Q2 to ensure that we could maximize the opportunity in Q2. And that worked out very well for us, but I don't anticipate a significant addition in Q3. And I'm hopeful we will go back to our normal pace in Q4.

So I guess a long answer to your question, but I would say that we are positively surprised by the number of franchisee additions in Q2 versus our plan. But it's too early to commit that this will be the normalized run rate of franchisee addition. I'll need to see one or two more quarters of this kind of execution from Rajdeep and his team. And I think then we'll be more confident on the guidance.

Surya Patra: Sure, sir. But it is fair to believe that we are surpassing the annual guidance of 1,500 for sure?

Rahul Guha: That is that we have already I can't -- difficult to say at this. Difficult to counter that statement.

Surya Patra: Sure, sir. My second question about the pregnancy kit with the lab test combination that we have introduced. Obviously, this is a unique offering from our side in the industry. Here, I just wanted to understand something about the kind of economics of this revenue stream, because the device is a kind of Thyrocare branded product. So if you can talk about the kind of supply chain that you have planned for this, that is one. Secondly, what is the role of API here in this revenue stream and ultimately, what margin that one should think about it?

Rahul Guha: Yes. Okay. Thank you for that question, and thank you for studying it in detail and seeing that it is definitely a differentiated offering from the current products out there, right? From an economic standpoint, I would say gross margin of this business is more or less comparable to our diagnostics business.

And the EBITDA margin of this business is also at a normalized level comparable to our pathology business. Of course, in the next few quarters, we will invest heavily to market and promote the product, right?

So I do not anticipate this being EPS accretive at least for the next 3 quarters, right, because we will do a lot of out-of-home media. We have invested in Yami Gautam as our brand ambassador. So all of those are at a cost that is already baked into Q2, right? But we anticipate to continue those investments at least for 3 more quarters, right? So I think from a bottom line point of view, we shouldn't expect anything from this initiative because we are investing to establish the brand and the presence and all of it.

With regard to the supply chain, we have two vendors who assemble and manufacture the kits for us, right, under stringent Thyrocare quality standards. So we have our own QC and validation that validates the kits and all that, but we are using outsourced vendors. We have not yet taken it in-house, right, because we haven't seen the volumes as yet, right? So that's on the back-end supply chain. And when it comes to the role of the group, as you probably know, Ascent is one of the largest distributors to chemists, right, in the country.

So of course, being a sister concern in the API group, Ascent is distributing these pregnancy kits across the country. So far, they have managed to place the pregnancy kits in 10,000 chemists as of today, right? So we have got the retail distribution from Ascent. And PharmEasy also has listed it on its own platform.

But more importantly, a lot of the few quick commerce partners that we work with have also listed the pregnancy kit on their respective platform. So the kit is available online. It's available in quick commerce as well as in offline chemist and as of now in 10,000 offline chemists.

Moderator: Thank you, Mr. Patra. May we request you to come back for a follow-up question. Next question is from the line of Mohit Saini

Mohit Saini: Good evening sir, thank you for the opportunity and congratulations on a great set of numbers. My first question is in regards to the partnership. Can you throw some light on what exactly has led to this 32% increase in volumes? Because insurance if we see, they usually do it in the beginning or at the end of the year. I am unable to calibrate this. Is it majorly through online aggregators?

Rahul Guha: I will let Rajdeep take this question. So Rajdeep, do you want to answer it?

Rajdeep Panwar: Yes. So it is a mix of, if I would say, I would bifurcate it into the bigger pie of business who contributes in the partnership side of this. The top most player is definitely PharmEasy, contributes to around 11% of it. And then followed by likewise, same kind of platforms, which are separate. I would say it will be difficult for me to actually communicate you the names, but the fact is that those are definitely the online players who actually do a lot of SEOs online and they are, in most of the cases, regionally very strong players. So first kind of partners are those.

And second, in the same line would be the ones who do a lot of, I would say, onboarding with corporates in the partnership side of the business. So, the ones who handle corporate side of the business, who have lots of corporates onboarded with them.

And then comes the insurance piece of it, which you rightly mentioned since the numbers are only at the starting or maybe at the end of the insurance. So those numbers are not really very big, I would say.

Mohit Saini: All right. Got it. And one more question is, is there some news on API Thyrocare merger reverse. Can you just be clear on that?

Rahul Guha: Could you repeat the question?

Mohit Saini: There is some news about API and Thyrocare's merger or reverse merger. Can you throw some light on that?

Rahul Guha: I have come and very publicly spoken about this as well. At this point in time, there is no evaluation of any type of corporate action, whether it be reverse merger, IPO or any of that. I have given two milestones before any of this conversation starts.

First is API Group should be debt-free. That milestone was achieved earlier just a few months ago. ~~But~~ More importantly, the second milestone, which is API Group ex-Thyrocare turns profitable~~, right?~~ We are still about two or three quarters away from that milestone.

I have guided to API Group ex-Thyrocare turning profitable by Q4 FY27. It is only by then that I think even any kind of corporate action would be in the realm of discussion, also because one

company doing so well on the profitability side and the other company being loss-making, I think it will be difficult to convince the majority of the minority to support that kind of corporate action at this point in time.

So I think this discussion is too premature. It will be taken up once API Group can stand proudly and say that ex-Thyrocare, they are profitable and after that, all options are open, whether API Group would like to do an IPO on its own or explore the reverse merger, and that will be a subject of discussion once we cross this milestone.

Mohit Saini: All right. Makes sense. Can I just squeeze in one more question? Sir, just I wanted to understand also on the franchisees, you already have added 2,000. So are we being too aggressive? Or is the churn later expected something?

Rahul Guha: So first, this is a net addition number. So it always accounts for churn, right? As I said, Q3, if you go back except for last year, when we acquired Polo and Vimta, we saw a jump in franchise addition. But if you go back in history, it's a very rare event that you are able to add franchisees between Q2 and Q3. On a lighter note, Rajdeep is confident that he will do it this year. But maybe you can give more context, Rajdeep, on the franchise addition. Have you been too aggressive in H1? Over to you.

Rajdeep Panwar: Yes. I think if you would have heard previous discussions on the same topic, you will find that the seeding happens much earlier in form of the sales organization. And the seeding has happened last year, and we actually have built up a field sales organization for hunting and looking for the franchisee. What you are seeing is actually the growth because of the -- a lot of attempts has been made in the last quarter of last financial year. And definitely, the first quarter of this financial year is what is resulting in what you see today in terms of numbers. So the expectations remain same.

And as Rahul also mentioned, I am confident we will keep on adding franchisees to this. I do not foresee any reason for us not to actually keep on adding. But definitely, the seasonality in business works. And definitely, the launches and all that mahurat which happens across the year also works is one of the component which fluctuates people getting into a new business. So keeping all that in mind, I am still thinking that we will continue to maintain the momentum.

Moderator: Next question is from the line of Sarang from Tamohara Investment Managers. Please go ahead.

Sarang: Thank you for the opportunity and congratulation for a good set of numbers. My question would be in line with the earlier question of reverse merging the PharmEasy business. It's just fundamentally the two businesses are different. So I mean, I get that we will be considering it after the 2 conditions meet up in the future.

But just on the line, even if we consider and we sold Nueclear because it didn't align with the capital efficiency and the growth of pathology business. So just wanted to understand the logic of merging a completely different business into this even if we consider in future. So this is my first question?

Rahul Guha: It's too premature to answer that question. As I said, we are right now focused on execution and ensuring we achieve the milestones that we have committed, right, both in Thyrocare as well as API Group, right? So therefore, I haven't even spent too much time thinking about all of this. So my suggestion is let's hold off on these questions till I have achieved the milestone.

Sarang: Okay. Fair enough. My second question would be, are we open to acquire any assets in the genetic testing space?

Rahul Guha: Absolutely. We are open to all sorts of acquisitions, whether it is geographical expansion. I've been very vocal about it, Gujarat, Rajasthan, Northeast, parts of South India where we have historically been deep. We have been evaluating almost any kind of asset in these geographies as well as specialty, the genomics, any differentiated testing, we think would be a huge value add to our portfolio. So, we are always on the lookout.

Sarang: Okay. Thank you so much for that.

Moderator: Thank you. Next question is from the line of Aditya Chheda from InCred Asset Management. Please go ahead.

Aditya Chheda: My question is on the franchisee productivity. Franchisee revenue per active franchisee appears to be in the range of INR1.2 lakh per quarter for the last four to five quarters. So would growth largely be driven by the franchisee count or we should directionally also see higher productivity per franchisee?

Rahul Guha: Look, when you're adding 20% of the base every year, new franchisees, as I've always said, come at a lower average revenue per franchisee. And of course, the mature franchisees, I have always been sharing how they grow. But these two at a 20% franchisee addition neutralize each other. So if you look at it, I think for the last possibly 12 quarters, right, the average revenue per franchisee has more or less remained range bound in that INR1.2 lakh range.

And that is the effect of older franchisees going up, but newer franchisees starting on a lower base. I don't expect that mix to slow down at least for some time. So I would bet more on franchisee addition than revenue per franchisee driving the growth.

Aditya Chheda: Got it. And if I have to break the test volume, which was 27% with patients being up 13%, what is the strategy around higher test per patient, which is up 12%? Is it directionally, how would be the qualitative nature of the test growth going forward?

Rahul Guha: Yes. As I had said last time, our strategic intent is to increase the revenue per patient, right? And that, as you rightly pointed out, is through bundling. You have to remember at a patient level, all our costs are fixed, whether I send a phlebotomist to your house, whether I transport in the mid-mile, whether I process the vial in the lab. All of those are linked at the patient level. So every additional test that we sell at a patient level actually only comes at gross margin, right, because all the other fixed costs are already linked to the patient collection and so our focus has been to increase the revenue per patient, and we've been quite successful at that by ensuring bundling and improving the test per patient mix.

I think that is an overall -- commercially, definitely, it makes sense. But more importantly, for the patient also, it allows them access to a broader set of tests, and a larger bouquet of tests to help manage their health better. So keeping aside the commercial side of it, I think it's really part of our mission to ensure affordable, good quality testing, and we should make it easy for a patient to comprehensively test, and ensure that their health is in good shape, and it makes commercial sense.

But we are more patient-centric on that front. And therefore, when you think about being broader in our test menu and test bouquet through bundling, it is to help the patient manage his health better or her health better. And that commercially yields a better revenue per patient as well as much better profitability. But the anchoring is the patient.

Moderator: Thank you. Next question is from the line of Ashutosh from Mirabilis. Please go ahead.

Ashutosh: A couple of questions. First, on the specialized diagnostic side, we have announced this for a couple of quarters back, and this will be a longer journey where we build this. But just to understand where we are in this journey and what kind of portfolio will we try to build here. So just if you could throw some light on that.

Second question would be on the new D2C that we have done with this test kit launch. Again, would we try to build more D2C-centric focus here with new products planned that you highlighted over the next coming quarters? And given the context of investment in both these areas, how should we look at the margins over the next one to two years?

Rahul Guha: So I'll answer the second question and then hand over to Rajdeep to answer the specialty question. On the second question, definitely, we think of point of care as a large opportunity for Thyrocare, where we have a point-of-care device backed by a lab test, right? And we feel that is an excellent value proposition to the patient or customer.

So we will definitely look at launching more devices along the same theme. But I would not like at this point in time to divulge the exact products that we will launch because that's a matter of strategy. But definitely, we will continue down the same path, right? On the subject of specialty, Rajdeep, you can take that.

Rajdeep Panwar: Yes. On the specialty side, what actually we have picked up as a menu to start with is reproductive genomics, out of which the testing which we are picking up is -- and what we are building is around that only. If you look at the test menu we are considering is mostly related to maternal screening and definitely then further moving towards further detailed diagnosis of that only.

And around that, we have built up the team. This team, which we have is actually from the industry only, and these people have a very good scientific know-how on the test and the way they usually meet with the clients, which include doctors, which includes nursing homes or other practitioners who are practicing this kind of clinical practices in the market. What was the other query you have on the specialty?

Ashutosh Parashar: So, on the specialized side, have we started launching tests or we are in the process of launching?

Rajdeep Panwar: We have started the testing. We have actually invested in the capex for this thing last financial year only. We have launched specialty as a segment in May, and we have started actually marketing these tests, and we have started testing also.

Moderator: Thank you Ashutosh, I'll request to come back for a follow up. Next question is from line of Mohit Saini from Jayram Wealth Managers. Please go ahead.

Mohit Saini: Yes, sir. I just have a small question that if we see on Twitter, we have seen a lot of complaints regarding the delivery of the report or the phlebo is not coming on time because if we see the presentation and as per your guidance, the issues that we face is no longer there, like 99% of the complaints are 24% it's reducing. So could you guide something on that?

Rahul Guha: Yes. See, we serve daily 1 lakh patients, okay? So even at 99%, it's 1,000 patients where we show up late, right? And all 1,000 of them, of course, get very upset, right, and take to social media that has become the norm. But the footprint is 99% on-time arrival. We measure it. We track it daily in the organization. But as I said, at our scale, right, 99% means still 1,000 late arrivals a day, right, over a month, 30,000 over a year, 3.5 lakh, right? That is bound to make its way into social media. But you want to share, Rajdeep, how we track it and you know...

Rajdeep Panwar: Yeah. I think a few more tracks around. It is across 4,500 pin codes where we manage this, which also includes a remote location in a particular city, which also includes a cumbersome travel of an individual from one location to another, which may extend to maybe 15, 20 kilometers may have its own way of hindrances on the way like traffic and all.

But all these excuses, I would say that we have a very, very stringent phlebo tracking mechanism where this phlebotomist uses an application. This application gives him direction. We also have a time stamp on every aspect of individual thing he do, like starting his journey, reaching at customer's place, doing the billing of the patient, collecting the samples and then actually putting up all the things which are required and then giving the picture of all of that what we do to the server.

So, with these time stamps is how we are able to communicate to you that this is 99%. So, we have all these tracking mechanisms with us with which we control all of this. And as Rahul mentioned that this 1% is around 1,000.

Mohit Saini: All right. Okay. That's it from my side. All the best.

Rajdeep Panwar: Thank you.

Moderator: Thank you. Next question is from the line of Chintan Sheth from Girik Capital. Please go ahead.

Chintan Sheth: Yeah. Hi. Thank you for taking my question. Hope I'm audible.

Management: Yes.

Chintan Sheth: Yeah. Okay. So, two set of questions. One is on the write-off, right? So, in the initial announcement which we have put up in the exchange at the time of announcement of the Nueclear deal, we mentioned over there was some net worth of around INR80-odd crores. We

sold it at INR140-odd crores. So, I'm trying to understand the write-offs which we have accounted this quarter. That's one.

You tried to explain it in the initial comment giving out the details about the goodwill and everything. But I'm just trying to understand if the book value of the business was INR80-odd crores at the end of March, we sold it at INR140 crores, ideally, there should be a gain on the sale of asset. That's what I hoped for, but happy to hear out the reason for the write-off. That's one.

Second is two-part question. One largely on the margin front. Given the new initiatives which we are planning on, right, the devices part, the specialty division side, how should one look at this business initiative scales up, right, initial heavy lifting will be done by the existing cash cow business, right?

Will that affect -- if you could provide some color on how the margin trajectory will play out while we invest a lot on awareness, invest on people, the process and everything, would the margin will be differentiated versus what we have to achieve over the last 3 years, the impact of that will be higher?

And second on -- subpart 2 is, was the employee cost, which was elevated this quarter you highlighted in the initial remark as well, does this run rate will be the one we should go in the subsequent quarter? That will be -- these are the set of questions I have. Thanks.

Rahul Guha: Good. I'll take the second question first. And then you can take, Vikram, the question on the impairment, right? As I've been guiding in the past, we will reinvest the operating leverage in growth, right? And I've been saying that broadly 32% EBITDA was what we closed last year at. And I've been saying that we will maintain that range of EBITDA.

When you're growing at 25%, your cost never grows at 25%. So, you get a significant operating leverage into the business. And I've been using that operating leverage to fund all these investments, right, be it genomics, the field force team, the investments in launching the pregnancy kit, both brand ambassadors, Madhuri Dixit and Yami Gautam working with that. All of that has come from operating leverage.

And even though I have been saying 31.5% to 32% margin in H1, we delivered 32.6% margin, so some of the operating leverage still came through. But I have always maintained that we will be measured in our investments and it will be up to the operating leverage that we get out of the business, right? And so I would say a long-term guidance of about 31%, 31.5%, where we are funding all these investments for growth is what I would anchor on, right, and not above that.

Coming to your question on employee cost, as you rightly counted, all this field force, new labs, new technologies, all of that require people and that's what you see in the people cost, right? And that's a simple enough explanation. I'll ask Vikram to take the point around the net worth versus the write-off.

Vikram Gupta: Yeah. So, 83.54, the number which you referred is the net worth of the NHL entity. So, the impairment which comes in the books of the Thyrocare's standalone and the consolidated is the

difference in between the carrying value of that investment in the books of the Thyrocare and the consideration which we have received.

So, the net worth of NHL cannot be compared with the sale value to arrive at any upside or downside. It is a difference between the carrying value of the investment in the Thyrocare books vis-a-vis the consideration which we have received.

Vikram Gupta: And the carrying value of the books is around INR83 crores net worth plus the goodwill, what is sitting in the financial at the time of consolidation altogether is coming around INR180 crores approximately.

Now the valuation report has come, which is INR141 crores approximately, which is the term sheet which we have signed and the shareholder approvals are in progress. So resulting, we have to take the financial hit of impairment in quarter 2 to bring back both the books, SFS as well as CFS at same level.

Resulting as in SFS, we have taken impairment in 2020. The remaining impairment of INR9 crores has come in SFS, whereas in the consol financials, the impairment has come around INR35 crores on account of the profitability has increased over a period of 6 years plus the INR9 crores. Altogether, it is coming around INR44 crores, INR45 crores comes in the consol financials. That's the impairment has taken in consol. I hope we are able to answer you.

Moderator: Thank you very much. Chintan, I request you to come back for a follow-up. Next question is from the line of Aditya Chheda from InCred Asset Management. Please go ahead.

Aditya Chheda: Can you quantify the ESOP cost for Q1 and Q2 independently? And also about the -- if it was meaningful, the one-off cost towards the expenses in Q2…

Moderator: Aditya, sorry, your voice is breaking. Can you please come in a better reception area and repeat your question?

Rahul Guha: Yeah. I'll repeat the question. I heard the question. Can you quantify the ESOP cost for Q1 and Q2? Vikram, you want to take that?

Vikram Gupta: Yeah. The ESOP cost is around INR4 crores in both Q1 and Q2.

Aditya Chheda: Okay. And lastly, if the launch expenses were material in Q2, if you can quantify that in the…

Rahul Guha: Roughly about INR1.5 crores has been incurred in Q2, and I expect to incur another INR3 crores in Q3.

Aditya Chheda: Okay. Thanks. That's it for me.

Moderator: Thank you. Next question is from the line of Nishant, Individual Investor. Please go ahead.

Nishant: Yeah. Hi. Can you explain how you're going to be positioned on the test kit launch? Because it will be competing against a much larger or wider portfolio of products who are all coming from

the prescription or OTC side, whereas you'll be coming in as a standalone product here. So, how would you achieve distribution? How do you achieve off take?

Rahul Guha: Very good question. Firstly, I want to re-anchor on the differentiation, right? With the INR60 test, we are giving a INR400 benefit on the confirmation test, right? And that confirmation test is backed by Thyrocare, right?

So that is the overall value proposition to the customer, which is -- you can buy equally competitive almost at the same price as all the competition pregnancy kit. But should you have a positive good news, you can confirm it immediately with a INR400 benefit on the beta HCG, right? So that is the first part.

The second, if you look at API Group, right? We have India's third largest distribution of medicines in the country, both medicine and OTC, which is Ascent roughly distributes about INR4,500 crores of medicine across the country to 50,000 retailers every day, right? And we are leveraging that distribution footprint to position this product. So similar to an OTC company, we have an in-house sister company that has distribution capability.

And more importantly, Ascent has already placed the pregnancy kit in 10,000 outlets, right? So to that extent, we have achieved quite a bit of distribution on that part. So that is on the sell-in side. On the sellout, as I indicated in my initial comments, we have a large out-of-home budget that will launch post Diwali. And hopefully, you will see the advertisements with Yami Gautam promoting our kit similar to the other OTC players that you outlined.

Nishant: Got it. And just strategically, right, why would this product business fit within Thyrocare? I mean if I take the group as a full example, why would it fit within Thyrocare and not part of the other set of API holding companies?

Rahul Guha: See, it's a fantastic lead-gen funnel for Thyrocare, right? Just imagine someone turning positive for pregnancy after the beta HCG does a lot of testing during her pregnancy, right? And so that's a fantastic lead gen for Thyrocare. And Thyrocare is well known as a brand for testing. And so both of these, when you launch in the market, if I launched under, let's say, PharmEasy or any of the other group entities, Ascent is a distributor.

So, it would be a relatively unknown brand in that category, right? But when it comes to pregnancy kit testing or testing in general, Thyrocare is really known as a brand and a testing expert, right? So it obviously had a natural fit with the Thyrocare brand. And it's a wonderful lead-gen funnel for Thyrocare.

Moderator: Thank you. Participants, we will take the next question from the line of Yogesh from Haitong Securities.

Yogesh: Yeah, thank you for the opportunity. My first question is on the franchise addition. Now that we have reached a base of 12,900 active franchise, where should we look at this franchise base stabilizing, let's say over the next period of next 2 years to 3 years, whether 18,000 to 20,000 or what kind of figure do we aspire to achieve?

Second is with regards to our coverage, in your 2026 annual report, you have mentioned that there's around 5,500 PIN codes that you cover in India. I believe that's a roughly sizable coverage in India for any diagnostic franchise or diagnostic player to have. So, the newer additions that we are seeing of franchise, whether it is deeper penetration that we are having in the already covered areas or whether we are reaching out to other pin codes, newer pin codes, newer geographies, and that is what is driving the growth for us.

Rahul Guha: Understood. Let me try to answer the question quickly. We expect to maintain the 1,500 to 2,000 additions every year, right? So if you take a 5-year out view, a simple mathematics will be between 20,000 and 25,000 franchisees in 5 years. And it's an ocean, right? I mean in our estimates, there are roughly between 3 lakh to 4 lakh diagnostic centres in the country. We service at this point, 12,000 and 5 years later, maybe 20,000 to 25,000.

So it's still a long way to go before we say we have tapped out in terms of our ability to expand, right? On the other part, is it more in the locations where you're already present or is it going to be more virgin territories? I can ask Rajdeep to expand on that strategy.

Rajdeep Panwar: Yeah. I think it will be a mix of both because deep penetration in the existing market is also one of the key. And definitely broadening the geographies is also another lever where we are working. So definitely, the existing manpower, which has been deployed into the individual cities are also -- they will keep on adding. And this spread is not -- I cannot say this will continue to specifically come from existing territories, but it will be a blend of both, I wish to answer you.

Moderator: Thank you. Next question is from the line of Sujit, Individual Investor.

Sujit: Am I audible?

Rahul Guha: Yes, Sujit.

Sujit: Yes, good evening, Rahul, and everyone. Rahul, all the questions -- sorry, all the questions I got the answer, but I have only 3 questions that is not related with the numbers. It is related with the shareholding pattern, API holdings, and the interim dividend, I mean, dividend part, okay? I want to – please let me know the shareholding pattern. I am seeing there's a drastic decrease from earlier when API Holding bought it was 71, between 70 to 75, and now it has come down to somewhere 51. Will that shareholding -- I mean, percentage will go down further?

Second, whether this merger has happened or -- as I am not aware of the news, that's what I'm trying to know. Whether API Holding has merged with Thyrocare? And the third question, last year the interim dividend was paid. Was it a one-off special dividend, or again, whether based on cash requirements, whether it will be going back to yearly dividend?

Rahul Guha: Yes. So let me quickly answer all 3 questions. Firstly, there is no intent to go below 51% and I don't see any reason that the group would need to go below 51%. So that is the first answer. On the merger, there has been no merger until now.

And as I said earlier, we will discuss any of these options only when API Group turns profitable. On the dividend, yes, we have done an interim dividend. We will look at the cash flow position

and then decide what is the final dividend that we will move forward. And this will be as per policy.

Moderator: Thank you. Next question is from the line of Manisha from BSP. Please go ahead.

Manisha: Hi. Thank you for this opportunity. I just wanted a clarification. Sir, on the franchisee additions for the first half, how many would have been branded and how many would have been unbranded?

Rahul Guha: I'll ask Rajdeep to answer that.

Rajdeep Panwar: Out of this 800 are pure branded centres, rest all are unbranded.

Manisha: Fair enough. And just one more question. If we were to understand that for a mature franchisee, what kind of growth can one expect going forward? And how long does it take for a franchisee once it's entering our system to actually achieve maturity? I'm sorry if you've answered this earlier.

Rahul Guha: Yes, Rajdeep, you can take this question.

Rajdeep Panwar: So see, as Rahul also earlier mentioned, the opportunity remains. It also depends on the kind of franchisee it is. So our franchisee can be as big as like doing a revenue of INR5 lakhs to INR10 lakhs a month and can also be a franchisee who is managing a revenue of INR60,000 a month. But it all -- and to answer the first thing, the maturity for somebody to start making money is somewhere around INR60,000 to INR70,000 a month.

When it comes to somebody managing a franchisee in a Tier 2 or 3 cities, we are definitely -- there are lots of components, which includes the real estate cost of that particular area and definitely the people management cost also comes into play. But when it comes to the opportunity size for a individual franchisee, it is huge.

It can also depend upon the market this franchisee is serving or kind of network this franchisee has. So it's very difficult for me to actually let you understand how this model works. And the best option can be if you can take one franchisee, then I think you will learn a lot.

Moderator: Thank you very much. We'll take the last question from the line of Sharan from Unifi Capital. Please go ahead.

Sharan: Hello? Yes. Sir, so is there any change in the revenue guidance for the near term? And what is the aspirational mix of the specialty and consumer segment which we are entering maybe in the near term or in the long term?

Rahul Guha: Okay. I will give the specialty mix. As I said, in a 3 to 5-year horizon, specialty should be at least around 10% to 15% of our revenue, and we'll hold to that. When it comes to the pregnancy kits and point-of-care devices, I mean, it's been 20 days since launch. So I think it's too early for me to commit anything. Let me see how the launch goes, how the sellout goes.

I think I'll give you guidance next financial year on where we think the point-of-care category will go. I think give us these next 2 quarters to figure it out and execute. I think that is it. With regards to revenue guidance, I had said mid-teens to high teens. I think now I think early 20s is a good estimate of where we think we'll end the year.

Moderator: Ladies and gentlemen, we will take that as the last question. I'll now hand the conference over to Mr. Rahul Guha for closing comments.

Rahul Guha: Okay. Thank you, everyone, for joining us and spending time with us this evening. As always, we continue to remain focused on our strategy, which is to be the most affordable, good quality diagnostic testing partner for anyone in the health care business, and we continue to execute on that strategy.

We have been investing in improving our quality, improving our reach and ensuring our turnaround time is as close to best-in-class. And we've made substantial progress on all of this, and that is what is driving the results that you see. I thank you all for your support in this journey, and I wish you all a good evening, and happy Karva Chauth. Thank you.

Moderator: Thank you very much. On behalf of Thyrocare Technologies Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.