



Date: August 27, 2026

To,

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

BSE Limited,
20th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400001.

NSE Scrip Symbol: MANIPALHOS

BSE Scrip Code: 544847

Subject: Transcript of the Earnings call with Analysts/ Investor

Dear Sir/Ma'am,

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call that was organized with the Analysts and Investors on Friday, August 21, 2026 and the same can be accessed at: <https://www.manipalhospitals.com/mhel-financial-reports#investor-earnings-call>

This intimation is being submitted for your information and records.

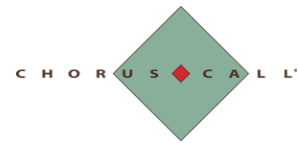
Thank you.

For Manipal Health Enterprises Limited
(formerly known as Manipal Health Enterprises Private Limited)

Sathish K R
Company Secretary and Compliance Officer
Membership No.: A15203



“Manipal Health Enterprises Limited
Q1 FY27 Earnings Conference Call”
August 21, 2026



MANAGEMENT: **MR. DILIP JOSE – MANAGING DIRECTOR AND CHIEF
EXECUTIVE OFFICER – MANIPAL HEALTH
ENTERPRISES LIMITED**
**MR. SAMEER AGARWAL – GROUP CHIEF FINANCIAL
OFFICER – MANIPAL HEALTH ENTERPRISES LIMITED**
**MR. KARTHIK RAJAGOPAL -- CHIEF OPERATING
OFFICER – MANIPAL HEALTH ENTERPRISES LIMITED**

MODERATOR: **MR. DIWAKAR PINGLE – EY**

Moderator: Ladies and gentlemen, good day, and welcome to Manipal Health Enterprises Limited Q1 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Diwakar Pingle from EY. Thank you, and over to you, sir.

Diwakar Pingle: Thanks a lot, Danish. Good morning to all participants on the call. It's our pleasure to welcome you to the first earnings call of Manipal Health Enterprises Limited. Before we proceed to the call, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties, and other factors. This must be viewed in conjunction with our business risks that could cause future results, performance, or achievement to differ significantly from what is expressed or implied by such forward-looking statements.

Please note that we have mailed the results and the same is also available on the company's website. In case you have not received the same, you can write to us and we'll be happy to send the same over to you.

To take us through the results and answer your questions today, we have the top management of Manipal Health Enterprises Limited represented by Mr. Dilip Jose, MD & CEO; Mr. Sameer Agarwal, Group CFO; and Mr. Karthik Rajagopal, COO.

We will start the call with a brief overview of the company and on the quarter gone past, and then move over to the Q&A session. With that said, it's my pleasure to now hand over the call to Dilip Jose. Over to you, Dilip.

Dilip Jose: Thank you, Diwakar. Good morning, everybody, and welcome to our inaugural earnings call. As Diwakar said, I am joined by my senior colleagues, Sameer Agarwal, our CFO; and Karthik Rajagopal, our Chief Operating Officer.

I hope you have had a chance to go through the presentation that we uploaded last evening that outlines our robust performance that we had in quarter 1. Before we take your questions, I would take just a few minutes to headline the quarter and give you more context as we look ahead to the rest of the financial year.

First of all, we are pleased that our growth was driven by volumes -- more patients accessing our care during this quarter as well, as we believe that is a sustainable option for growth in care delivery.

Our Q1 revenue of INR3,091 crores represents a growth of over 38% year-on-year. Our network EBITDA was INR749 crores, a growth of over 26% over last year. Excluding a one-off gain that we had in the first quarter of last year, the growth is over 30%. Our operating margin excluding Sahyadri was 25%, and at a network level that includes Sahyadri Hospitals, is at 24.2% for the quarter.

As I mentioned earlier, we had a volume-led growth this quarter as well. Our inpatient volumes grew by about 39%, and OP volumes by 26% over Q1 of last year. Average occupancy across our network was 65%, a 290 bps increase over Q1 of last year, while we maintained an industry-leading ALOS of just 2.7 days. Excluding Sahyadri, our ARPOB is INR77,200 per day, a growth of about 9% over Q1 of last year.

Our digital revenue grew significantly and contributed about INR710 crores during the quarter, representing about 23% of our overall revenue.

Out-of-hospital earnings, a set of initiatives that we started a while ago -- if you look at that, our e-pharmacy processed over 15,000 orders across 23 hospitals in four metro cities. Our telehealth solutions completed over 17,000 virtual consultations, and our chatbot, including the MAI, what we call the Manipal AI-enabled digital health companion -- handled over 9,600 interactions during the quarter one of FY27.

Our Centres of Excellence, the six centres that we consider as our high-acuity specialties -- Cardiology, Cardiac Sciences actually, Oncology, Neurology, Gastroenterology, Orthopaedics, and Renal Sciences continue to be a key growth driver, their revenue contribution rising to about 65% in Q1 of FY27. During this quarter, IP revenues across these specialties grew by 45%, so they have really been the growth drivers for us for the first quarter.

We also continued our efforts to further strengthen these specialties with investments. To share just a couple of examples, during this quarter, we installed a linear accelerator and a PET-CT at our hospital in Nashik, introduced optical coherence tomography at our flagship facility MHB Old Airport Road in Bangalore as well as two other locations in the same city. We commissioned an AI-assisted neuro biplane cath lab in our Mukundapur facility in Kolkata. We believe that the interventional radiology program that we have just launched in that city would be able to deliver cutting-edge clinical outcomes for that region.

I also would like to highlight a couple of outstanding clinical achievements, including first-ever and regional-first kind of milestones. Our Whitefield hospital in Bangalore performed world's first robotic pancreatic surgery on a 1-month-old infant. Our Vijayawada hospital in Andhra Pradesh performed the state's first emergency living-donor liver transplant, and our recently launched two greenfield facilities, Kanakapura in South Bangalore and Yelahanka in North of the city, completed their first robotic renal transplants, and you would recall that both these facilities are in their first year of operations.

Let me also give you a brief update on the performance of Sahyadri Hospitals. Sahyadri reported revenue of INR332 crores in Quarter 1, a growth of over 13% compared to last year. EBITDA for the quarter was INR58 crores, a growth of about 19% year-on-year. Operating performance also improved significantly: ARPOB grew by 15% to about INR45,000 a day, occupancy reached 63%, and we've been able to improve the length of stay, that is reduce the length of stay by about 8% compared to last year, and in Q1, we reached 2.8 days of length of stay in the Sahyadri network.

Work on integration of that set of hospitals to the larger Manipal Hospital network continues to progress as planned. Key initiatives including enhancement to clinical programs, talent addition, improved conversion efficiencies, phased digital adoption, and infrastructure upgrades are already contributing as we saw in the Q1 performance.

As we progress to a full brand integration over the next few months, we have already introduced an element of "A Network of Manipal Hospitals" into the Sahyadri brand already, like I mentioned.

In other updates, we commissioned a brownfield capacity addition of 103 beds along with the newly installed linear accelerator and PET-CT at our Nashik hospital, increasing its overall licensed bed capacity to 307 beds. You would also be happy to know that we launched our 50th hospital along the promised timelines in the last month, in the month of July, and it added about 300 beds more to our licensed capacity. Also, as you would recall, the 50th hospital is in Electronic City in Bangalore. This marks our 13th facility in the city, taking the overall licensed bed capacity in the city of Bangalore to nearly 3,000 beds.

In addition, a few days ago, the company announced a transaction to acquire the entire business operations and assets of Kinder Hospital in the Whitefield area of Bangalore. As we complete the transaction post a couple of CPs, the facility will further enhance our reach and capacity in the fast-growing area, micro-market of Whitefield.

With that brief overview, I will now open the session to Q&A.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Damayanti Kerai with HSBC Bank. Please go ahead.

Damayanti Kerai: Hi. Thank you for the opportunity and congratulations to the management for a good start. So, my first question is on Sahyadri integration. Just want to understand a bit more in terms of management's focus on the areas or segments which will be critical to improve profitability of this unit and closing the gap between Sahyadri and the corporate average margin. So you mentioned about mix, efficiency, etcetera. So a bit more on the details, and how do you see the turnaround time? According to you, how much it will take to bring it on par to the corporate average? Thank you.

Dilip Jose: So, thank you, Damayanti. I would start off and I would request my colleague, Karthik, to really amplify. As I mentioned, you know, in the quarter, we have seen a significant improvement in performance of Sahyadri. We have reached EBITDA margins of almost 17.5% in the first quarter, which is a significant growth, like I probably mentioned earlier.

It's been a volume-led growth and really driven by clinical enhancement and also operating efficiencies. The integration process, you know, the way we have planned is over an 18-month kind of a period. I would request Karthik to really give you the granular feedback on Q1 and his priorities as we look ahead for the subsequent quarters. Karthik, over to you.

Karthik Rajagopal: Yes. Hi, Damayanti. Hope you're doing well. The entire piece is we follow a certain playbook when it comes to looking at acquisitions, you know, and how we look at the integration. So the whole process takes about 16 to 18 months. But your question on when it will get to, you know, the EBITDA for what the network is doing, that obviously is sometime away.

But in terms of priorities, what we did with people was we've got the regional structure in place, and that's the entire HR organization that we actually go ahead and do for our rest of the clusters and regions as well. That's the first thing that we put in place.

And what we do in the three key metros, Bengaluru, Kolkata, and Pune right now, is to look at the interoperability of clinicians. So there are about 58 of the clinicians now, because we've got nine hospitals in Pune, seven from the Sahyadri network, two from Manipal. So the interoperability has been increased. So about 58 clinicians now move across both the brands.

From a branding perspective, a full-fledged rechristening into Manipal, we're just deciding on the dates as to when we could do that. Usually it's about 14 to 16 months from the day we integrate. But from a logo perspective, as Dilip mentioned, we've put in the Manipal element into the logo as well.

Our digital penetration, as Dilip had spoken about, is about 22% to 23% of our revenue. So that's the start that we've got in Sahyadri as well. So we're going fairly bullish on the digital channels. We'd also go ahead and look at the other business development channels in terms of upcountry markets and internal processes like conversion efficiencies, etcetera. And obviously, in terms of infrastructure upgrades, we're getting most of the hospitals up to speed with the Manipal systems. So for now, this is what we are looking at.

Outside of that, we have a lot of emphasis on our service strategy, Damayanti. So that's something that we're actually putting together in Sahyadri as well. So slowly actually we'll start to see the results coming through. And over the next few months, this will move in completely into a Manipal outfit.

Damayanti Kerai: That's very helpful. So just a bit on the mix part. So here as well, you will be focusing on your CONGO-R mix, which is around 65% for the network at this point of time? So, should we understand that there is more headroom to improve the mix part so that you will see the overall improvement in the profitability for Sahyadri?

Karthik Rajagopal: See, Damayanti, in terms of the CONGO mix, there's not a big difference in terms of the contribution between Sahyadri and the Manipal network. It will probably be very close to each other. It's only the complexity of the CONGO cases that Manipal has an advantage, and that's the exact playbook that we're trying to bring into Sahyadri as well in terms of moving up the complexity as far as the CONGO mix is concerned. And that will definitely positively impact the ARPOB and the other financial parameters as well.

Damayanti Kerai: Sure. My second question is on your strategy in the Delhi NCR market for the oncology segment. So what we understand, Manipal has been focusing a lot to build up a very strong doctor's team to really step up its presence in oncology space in Delhi NCR. So bit of better understanding on this segment will also help us. Thank you.

Dilip Jose: So, Damayanti, this is Dilip here. If I may take that question. I think we already have a very strong oncology program in Delhi over the last several quarters. It's a program that's been growing steadily. And it has, you know, if you also look at our presentation and what I mentioned also during my introductory comments, that our CONGO-R mix is growing at about 45% and oncology is maybe among the fastest growing in that mix.

So, therefore, you know, it is not only in Delhi. Around the country, we are looking at growing oncology. And also, if you look at our presentation, there's a pie chart which is given in the presentation, you could see that there is a movement in the oncology proportion in that already. You could see that from 10.8% in last year, it has already grown to 12.2% at a network level. So oncology would continue to be a focus not only in Delhi, around the country, Damayanti.

And it is also buttressed by the fact that we have added significant oncology capacity in Bangalore as well. The three greenfields that we have commissioned in the city of Bangalore in the last 12 months, all of them have comprehensive oncology facilities, and that also would drive up our ability to address the growing need of oncology in the country.

Moderator: Thank you. I'm really sorry, but you may please rejoin the queue if you have more questions. Thank you. Our next question comes from the line of Neha Manpuria with Bank of America Securities. Please go ahead.

Neha Manpuria: Yes. Thanks for taking my question. My first question is on the ex-Sahyadri margins. You know, if you could give us a little bit color on how we should think about these margins in terms of which market probably or which cluster do you think you see scope for margin improvement? And if I were to take a little bit, let's say, 18 to 24 months, is this a steady-state margin that we should assume, what we've seen in FY26, or how much scope for improvement there is? Thank you.

Dilip Jose: So, Neha, thank you for the question. The ex-Sahyadri margin, like we have covered in our presentation, is about 25% for Q1, and that remains robust. And you could see -- actually there is a marginal dip over last year Q1, and the reason is the greenfields which I mentioned earlier, greenfields which are up in Bangalore, they are still ramping up. Although ahead of our plan, greenfields are ramping up. That brings down our composite margin a tad.

But barring that, if you look at our portfolio of hospitals, this is with reference to your second question as to how do you see the margin expanding. So, if you look at our portfolio of hospitals, apart from that network of Sahyadri, which is at a combined margin of about 17-17.5% in Q1, a large number of our hospitals are in excess of the portfolio margin that we have, which is 24%.

So as these greenfields drift up, the greenfields in Bengaluru currently are at the two older ones, you know, older one meaning 6 or 7 months old, they are already broken even and they are at about 13% margin in Q1. As these trend up, you know, like over the next year, year and a half, to where they ought to get to, that will pull up the composite portfolio margin.

At Sahyadri, like Karthik mentioned earlier, as those initiatives take shape over the next few quarters, we expect to push up Sahyadri closer to where the portfolio is. We have had a volume-led growth, Neha, like I mentioned earlier, in Q1 and complexity-led growth in Q1. We think

these are the sustainable trends. This is what will drive up the potential to grow the margins further.

We don't want to indicate a specific number where we will get to, but when we look at our portfolio, like I mentioned, we have hospitals at 30% margin, in excess of 30% margin, several hospitals greater than 30- 32% margin. So, we would work towards pushing up our portfolio of entire network to further improve to those levels. I'm not guiding you to a timeline or a number, but this is directionally how we see that we can progress. Sameer, you want to comment? Sameer is our CFO. Sameer, if you would want to comment.

Sameer Agarwal: Hi, Neha. I think so Dilip has covered. If you actually strictly go on the numbers, there was a one-off impact actually last year same quarter. We had a reversal of INR15 crores that gave us benefit last year. That was a one-off. It was a contract which was pre-acquisition in Medica, which the management team actually negotiated and we got a benefit. So if you remove that, it is almost 0.6% because of that. And some of the doctor cost, as Dilip explained, because of the greenfield, as the greenfields ramp up, we will see the operating and doctor leverage come through in the balance part of the year.

Neha Manpuria: Okay. That's very helpful. And just to clarify, we do not have any more greenfield coming in, I think, till the time we commission Mumbai in 2029. That would be right based on the disclosures that you've made?

Dilip Jose: No, Neha after Q1, like I mentioned, our 50th hospital came up in Electronic City in Bangalore, which was in the month of July. So that would be in Q2 of this fiscal. We have Raipur, which should be coming on stream towards the end of this year or, last quarter of this fiscal. That would be the next large greenfield in our pipeline. Subsequent to that would be Juhu, like you mentioned.

In between Raipur and Juhu, we would also get this Kinder, we mentioned earlier in the introduction that, we added 100 beds through acquisition in Whitefield in Bangalore. We are reconfiguring that hospital. It is a women and children kind of a facility. We are really reconfiguring to add to our profile in that region, in that part of the market. That would also come into play, additional 100 beds between Raipur and Mumbai. So that's the line of sight that we have at this point, Neha.

Moderator: Thank you, Neha. If you have more questions, you may please rejoin the queue. Our next question comes from the line of Aman Goyal with IIFL Capital Services Limited. Please go ahead. Aman, you may please proceed ahead with the question.

Aman Goyal: Hello?

Moderator: Aman, your voice is very low. Aman, would you like to rejoin the queue? As there is no response from Aman, we'll move forward to the next participant. Our next question comes from the line of Bansai Desai with JP Morgan. Please go ahead.

Bansai Desai: Hi. Thanks for the opportunity. So firstly, on Sahyadri, historically, when, Manipal has acquired assets, we've seen that, we've invested into those assets in the initial years. And, we are likely to

do the same with Sahyadri as we integrate the asset and as we invest into specialties and everything. How should we then, think about the medium-term to longer-term build-out here? any aspirations on growth, margins, if you could provide?

Dilip Jose:

So, Bansi, thank you for the question. Like I mentioned in the introduction that, Sahyadri has already grown by 13% plus in revenue year-on-year and I think 19% or 20% in EBITDA. this is, like early in our journey with Sahyadri. It is a few months, 6, 7 months into our fold, and we've been able to move up on this trajectory.

And also, Bansi, as you recall what Karthik talked about, this has happened through the initial efforts of, the doctor interoperability, conversion efficiencies, and also trying to really focus on the CONGO mix and, of course, the service standards that we are trying to introduce. Now all these would cascade into more efficiencies and, more benefits to the bottom line as we progress.

Now, like you mentioned, there is expansion happening in almost all locations of Sahyadri. Deccan Gymkhana is undergoing an expansion. An entire tower is getting added. Hadapsar is adding beds. Like you also know that we have started a greenfield in Wakad in North Pune, and like I mentioned earlier, Nashik has already added onco capacity, 100-plus beds, oncology LINAC and PET-CT have come. We are introducing onco capabilities at Ahilya Nagar also.

So I think, like you also pointed out, Bansi, we are investing in capital, in advanced technology, like indeed we have done in all the other acquisitions in the past. So therefore, when Karthik talked about a playbook that we are trying to follow in Sahyadri, it is exactly right, because these are the things which have worked for us in really turning around the past acquisitions, and that's the confidence that we have in Sahyadri. And we are really happy to see, even in a, short time, we've been able to improve ARPOB, significantly drive up volumes, add up to complexities of the work that we have, and continue to really drive on operating efficiencies.

And that's the way we look at, and, Karthik, you want to talk about the next year, year and a half, how do you see the trajectory? We are not guiding a particular number, but you could talk about how you see efficiencies.

Karthik Rajagopal:

Yes. So, Bansi, for a start, the amplification for the brand will come in once it's completely rechristened into Manipal so that the nine units can then function as one. And, pretty much it's going to be the same in terms of the concentration on the CONGO-R. Obviously, digital is yet to mature, completely.

We've also, as I told you, I mean, the internal conversion efficiencies and the rest of the stuff that Dilip was talking about in terms of, the out-of-hospital care, the revenue opportunities, etcetera. All that will start folding into, the brand in terms of what we're actually going to go ahead and look at in terms of the future.

So it'll be a combination of operational efficiencies, more clinical talent, coming in, more initiative in terms of out-of-hospitals, etcetera, plus in terms of business development both in terms of upcountry markets as well as, the Pune market, and a full integration of all the nine units is what is actually going to go ahead and lead us in terms of, the next possible 16, 18 months.

Dilip Jose: And Bansī, to top up, you could already see, I mentioned the length of stay improvement in Sahyadri, I think 8% improvement already, coming down to 2.8. That has come through operating efficiencies, right? I think, that's a benefit. That's what Karthik was talking about, you know. It is a multi-faceted approach, you know. A lot of initial efforts would be on operating efficiency as we scale up capacity and, investments happen.

But if you just look at the ARPOB improvement, the volume growth in patients, and the length of stay which has already come down despite the complexity of work increasing, I think this is the playbook that that we have in mind, and that is what will drive up the margin profile in those hospitals, Bansī.

Bansi Desai: Yes. Thanks. Appreciate the colour there. My second question is on the expansion plan. So, fiscal '27, we'd laid out a plan to add, about 1,000 beds, and I'm assuming, all of this will come in a staggered manner, and even within that, the commissioning of beds would happen in a phased manner. So if you could highlight, what kind of number of beds should we assume for commissioning in '27 and what could spill over to '28?

Dilip Jose: Karthik?

Karthik Rajagopal: Yes. So, Bansī, the near 300-bed addition in terms of our Electronic City facility, which came up in Q2, that will happen. And we're expecting Raipur to get commissioned in, the Q4 of FY27. And Nashik is already added in terms of the 103 beds. So these are the three large parts that will actually go ahead and come in.

And as far as the Kinder, buyout is concerned, Bansī, we want to do what we do best, which is look at multispecialty where, the women care brand will actually be tucked in as a part of the hospital. So we're trying to go ahead and look at that as well. It's obviously, an 8- to 9-month project, so that also might be possible if we were to accelerate to come in, FY27. So these are the three major initiatives in terms of bed capacity additions for FY27. And Ahilya Nagar in FY28 could add about close to 80 beds.

Sameer Agarwal: So, Bansī, Sameer here. So we are on track to whatever we had committed in terms of addition. In fact, what Karthik said about Kinder could be over and above to what we had actually committed in terms of beds. So we are on track, and at various points of time during the year, these beds will get added.

Moderator: Thank you. Our next question comes from the line of Shyam Srinivasan with Goldman Sachs. Please go ahead.

Shyam Srinivasan: Yes. Good morning. Thank you for taking my question. Just going back to the ex-Sahyadri margins, like the core margins, there has been a dip like, I think, what Jose was saying as well. So, you know, if you were to able to give us some quantification of the greenfield losses, is it like 1 percentage point of revenue or something like that, so that then we can back out what the like-for-like mature margins were?

Dilip Jose: So, Shyam, you know, if you could look at the last year versus this year ex-Sahyadri margin, last year Q1 was 26.5%, this year Q1 is 25%. That's a dip of 1.5%. And Sameer already talked

about a one-off gain that we had in Q1 of last year, that material cost benefit that we had relating to a pre-acquisition, you know, contract in Medica. That, if you knock it off, the difference, that is 0.6%, like Sameer explained earlier, the difference is 0.9% between last year and this year.

And the greenfield, there are two elements. You know, the greenfield doctor cost, we have in both Kanakapura and Yelahanka, the two greenfields in Bangalore which were operational in Q1, while they're in the early parts of their lives, we are fully staffed with all the doctors. So the doctor cost element of that is about 0.5% for the network. That's the impact that we have.

The other difference would be, Shyam, that in Q1, some of the collection, particularly the scheme patients collection has been a little slow, like the whole sector has been talking about. So that's only the two variables that we have. So we don't see these as a challenge. Like you know, these are greenfields as they ramp up, the doctor cost fall into place, and collection is something that which would also improve, as the year progresses, we see these come through the cycles.

So therefore, the dip between last year to this year, Shyam, is not something which we are really concerned about. It is not a dip in terms of any operational issues. It is not a dip which is to our mind as a sustainable kind of a situation. These are two one-offs. So that's the way we look at last year to this year.

Shyam Srinivasan:

Helpful. Thank you for that. And my second question is just on overall growth. I'm not asking for Sahyadri or any of that. But like how should we look at say, or if you want to call out, you know, just the stand-alone growth, is there some guidance that you're offering in terms of the path forward?

Because 23%, again, I'm talking core growth here for the quarter, appeared strong, right? So are there elements of it which is one-off in nature or seasonality-related in Q1. How should we look at the path forward on a stand-alone basis?

Dilip Jose:

No. So, Shyam, the core growth is strong. That's the point that we made in the in the beginning. You are absolutely right in calling it out. It is a strong growth, and it has come through a volume-led kind of a progress.

If you look at the underlying features of that, the volume growth of course, I mentioned, both IP and OP, and the high-acuity specialties growing, that, you know, we pointed out, the CONGO-R really growing, and therefore ARPOB improving along with that. Greenfields would ramp up as we get into Q2, we are talking about three greenfields, including the Electronic City one in Bangalore.

So, the Q1 trends are not one-off trends. These are fairly secular kind of tailwinds that we see for Manipal. So we don't see these as one-offs. While we are not guiding you to a specific core network growth, what we are saying is that these are the tailwinds which should sustain in the context of Manipal. And so that's the way we would look at it Shyam, unless Sameer, if you have anything to add.

Sameer Agarwal:

So, Dilip, I think you captured it well. And this is the investments that we had made in the organization almost 3-4 years ago about the greenfields. And the greenfields have ramped up

well the last 6-7 months, and that those are adding to the organic growth that we're getting in the city. So 23% growth, which Dilip pointed out, ex-Sahyadri, seems quite robust at this point in time, Shyam.

Dilip Jose:

And also, Shyam, that at the cost of overloading you with information, let me say, when you look at the two greenfields that we have in Bangalore in Q1 - the South Bangalore, Kanakapura one and the North Bangalore, Yelahanka one, the Kanakapura one broke even in the fifth month of operations at an EBITDA level. The Yelahanka hospital broke even in the second month of operations.

These are the benefits -- these are ahead of our own expectations, and those in our home market when we add capacities, like we are now doing in Pune, like Karthik explained earlier, the capacity addition coming in our home market of Pune, I think that would add to the speed at which we can we can grow.

I think these greenfields, like Sameer said, are accelerating. And in Q1, we have 13% EBITDA margin from the greenfields, way ahead of any plans that we had. So I think that's the confidence that we have that without guiding you to a specific number, these are the tailwinds that we have as a Manipal network as we head out into the subsequent three quarters of the fiscal.

Moderator:

Thank you. Our next question comes from the line of Aman Goyal with IIFL Capital Services Limited. Please go ahead.

Aman Goyal:

Yes. Thank you. Thank you for the opportunity. So my first question is on ALOS. So we have an industry-leading ALOS. So I just want to know how we have built this ALOS despite having the largest hospital chain with high base, and where our peers are lagging somewhere between 3.5 to 4 days. So can you throw some qualitative aspect, what is the medical or a clinical excellence we have done over the past few years?

Dilip Jose:

I only want to say, Aman, welcome back. We missed you at the first round. Glad to have you back on the line, and I will request Karthik to answer the question on length of stay.

Karthik Rajagopal:

Aman, actually, you know, this entire ALOS bit started about few years back when we had actually been there at about 4.2-4.3. What we did in the first step was to weed out the inefficiencies, because we felt that much of 4.3 didn't have a clinical connect. It probably had an administrative connect and some inefficiencies there.

So we worked on administrative inefficiencies to actually start to go ahead and look at it. So that was one reason why very, very clearly, we started to look at a trend down as far as the ALOS is concerned. Reasons two and three would be that from an institutional mix of government payers where we're about 14%, there again, the ALOS tends to be a little higher.

Though our international patient growth has actually been very good in the first quarter, about 55% over last year, it still continues to be about 3% of our overall revenue. So these are the three things. And within the ALOS, the main emphasis was on actually going ahead and reducing the discharge turnaround time.

So be it with cash patients, be it with insurances, etcetera, we've worked significantly, put in a lot of internal operating processes in place, like planned discharges, etcetera, to ensure that we do discharge the patients on time, because one, it turns over the bed faster. Second, we don't want anybody to actually go ahead and spend more time in the hospital as a patient, because that's not good for them. They can recuperate much better at, you know, home as well. So this is how we actually brought it down.

Aman Goyal: Thank you. That was very nice. So, second one on this, so what is the optimal leverage we will consider in future post the IPO proceed? I mean, we will repay the debt. So what level we are actually comfortable going ahead? And what is the capex guidance for next 2-3 years?

Dilip Jose: Aman, Sameer, CFO would respond to that.

Sameer Agarwal: Yes. Hi, Aman. So as, you know, Dilip was pointing out about the greenfield that we are going to launch, Mumbai is going to come up. We have in the next 3-4 years as we add the 3,000 beds, we will spend around INR4,000 crores of capex.

As far as leverage is concerned, the net debt to EBITDA is around 2.8x. Once we repay this debt, which we will do in Quarter 2, since the trigger has already been initiated post receiving the IPO funds, our net debt to EBITDA will go down to 0.9x at quarter 1 level. So we are fairly comfortable. I think so we will continue to use debt judiciously as we look at opportunities to keep growing.

I think leverage of industry averages currently are around 1.5 to 2. We are fairly comfortable operating at that level. But in case if we have to go higher, it will be only due to an opportunity which cannot be missed. Otherwise, we are fairly comfortable operating at 1.5 to 2 leverage, Aman.

As far as the capex for the current year is concerned, I think so current year, we will end up spending almost INR2,000 crores of capex because of the greenfields and brownfields that are coming up. You'll also be happy to note that we have spent quite a lot of money in Quarter 1 itself. Almost INR900 crores has been spent in Quarter 1, so we're trying to front-end a lot of capex so that we get the benefit and leverage of that for the entire financial year, Aman.

Moderator: Thank you. Our next question comes from the line of Bala Murali Krishna with Oman Investment Advisors. Please go ahead. Mr. Krishna, you may please proceed ahead with the question.

Bala Murali Krishna: Yes, Yes. Good morning, sir. So first of all, congratulations on good listing, and also I'd like to appreciate on reducing our length of stay and also focusing on the volume-led growth rather than improving ARPOB like other listed players who are focusing on increasing ALOS and ARPOB. And secondly, on the margins front also, for the Kinder acquisition, what is the average approximate EBITDA margins in this acquisition?

Dilip Jose: So, Bala, if I could take that, thank you for the comment on length of stay and the volume growth. Like I mentioned earlier, we believe, as you agreed, that, that's a sustainable way for a hospital

to grow, that serve more patients and not really look at a price-led growth. So that's been the Manipal philosophy, and I'm glad that you echo that.

Kinder, like Karthik also mentioned, Bala, it is currently a women and children kind of a hospital. Our intent is to really modify that asset, slightly rework on it to convert it into multispecialty. So we are really not looking at the current revenue or EBITDA profile. I think current revenue is about INR22 crores or something. Yes, INR 3-4 crores a month was the current run rate. We are not really looking to build, organically on that at all, Bala.

The reason that we acquired this asset is Whitefield in Bangalore is a high-growth area. We already have two large hospitals there, which is really performing at a very high level. For us, adding this 100 beds gave us a good capacity addition in a high-growth geography, and that's the reason for our acquisition. It is really not to build on women and children, capability that Kinder has.

I think we will, over the next 6-7 months, remodel that hospital to multispecialty, and then we would really take it to its potential, what 100 beds can do for us in that Whitefield area. So it is not at all about current revenue or current margin profile of Kinder. It is frankly irrelevant for our purposes. It is about what the opportunity offers us in that geography to create a third location and really be the leader in that part of Bangalore.

Sameer Agarwal:

And this comes with the land and building included, so there is no rental. So as we remodel this hospital, there will not be any leakage in terms of rent. So this facility has been bought with the existing building and the land which has which will get transferred to us once the necessary CPs are fulfilled.

Bala Murali Krishna:

Okay. That's great, sir. So on the specialization front, so infertility is the one thing. There are some it is like superspecialty, infertility. There are some dedicated clinics or stand-alone clinics. So what is the contribution in our business in this one, and do we have any views to improve this? If it is available already in our business, then what would be your projections, or whether you want to improve that segment?

Dilip Jose:

So again, Bala, like I said, we are not looking at Kinder specialties, to add to the base that we have. Actually, what we plan to do is shut down that hospital for a few months, really to remodel. So it is, currently, you are right, they do infertility work, and they have obs-gynae work. We have infertility work happening in our Whitefield hospital already, so we have that infertility capability already existing in that geography. So that is not something that we need to retain at Kinder.

Like I mentioned earlier, we will temporarily close down that hospital for a few months for renovations, and as Karthik mentioned earlier, post renovation, it would be a multispecialty, kind of a facility, really as an extension, that, our two other hospitals in that area, Whitefield and Varthur, both are multispecialty, quaternary care facilities. This would be, in many respect, an extension of that capability, that capacity.

So once again, we are not looking at what Kinder did in the past. Frankly, like I mentioned earlier, not relevant for us, because those capabilities, we already can accommodate in our

existing other hospitals in Whitefield. This is really about adding significant capacity in a fast-growing micro-market in Bengaluru, and we believe this was a very attractive transaction that we could enter into. Like Sameer said, after CPs are completed, we expect in the next 60 days the transfer to fully take place, and then take up remodeling that asset, and I hope that makes it clear.

Moderator: Thank you. Our next question comes from the line of Alankar Garude with Kotak Institutional Equities. Please go ahead.

Alankar Garude: Hi. Good morning, everyone. Sir, firstly, can you comment on the performance of AMRI and Medica in this quarter, and how soon do you expect margins in these two acquired entities to reach the network margins?

Dilip Jose: Sorry, what did you ask, Alankar? AMRI and Medica performance, Sameer. Can you—Alankar, just give us a second to pull out the numbers.

Sameer Agarwal: What was the second part of the question? Margin?

Alankar Garude: How soon do you expect margins in these two entities, both AMRI and Medica, to reach the network-level margins?

Sameer Agarwal: So thanks for the question, Alankar. AMRI, actually this quarter has grown 17% over last year same quarter, and Medica has grown 15%. So both of them continue to grow at the trajectory. Obviously, East will see some changes that will happen as far as the government mix is concerned. We already started seeing the slowdown of the government mix because the scheme will get maybe rechristened from the current scheme to the national scheme.

So but, one of the things that has worked well in East overall is the cash and TPA business has actually grown 22% despite the overall growth being 17%. So if I mix AMRI, and I always say that, it's AMRI, Medica, Columbia Asia, they are three entities that exist in East, we run East as one state and Calcutta as one city. So if you look at East as a region, actually we have grown 17% in top line, but the cash and TPA has actually increased 22%, because the government business has been pretty flat.

So all the efforts that has been done in terms of adding doctors, clinical talent, adding investments, our Dhakuria facility will have extra beds. I think so that will come on stream in the next quarter as well with the fully integrated oncology program. So East continues to do well, and it is on the trajectory that we planned for East in terms of margins as well, Alankar.

Alankar Garude: Just one follow-up there, Sameer, is this transition in the scheme mix, how long do you think this will continue? Would it be a matter of few months or a few quarters?

Sameer Agarwal: Yes. I'll just ask Karthik to give you an update on that.

Karthik Rajagopal: Alankar, it's on the anvil. Hospitals are in discussion with the authorities, so we should hear from them, very, very shortly as to what the way forward is and what the next steps are. But, as Sameer mentioned, in the meantime, we continue to actually go ahead and, through brand equity

attract cash and TPA patients, and that's what we will do. But it is on the anvil, Alankar and it should get closed shortly.

Moderator: Thank you. Our next question comes from the line of Karan Vora with Goldman Sachs. Please go ahead.

Karan Vora: Yes. Thank you for taking my question. My first question is with respect to the Kinder acquisition and the rationale for the size of the hospital, right? So we've like when we speak to some of the peers, the general thing which we get for a multispecialty hospital, the ideal minimum size is like 250 to 300 beds, right? However, we have been successfully running multiple hospitals with like 100 or less than 150 beds, right?

So just wanted to get a sense with respect to what's your rationale for the same, and do we provide all the multispecialty services in such hospitals, or we just provide whatever is not there in our existing other larger hospitals nearby that those smaller units?

Karthik Rajagopal: Karan, it's Karthik here, and I'll take that question. Now, the intent of actually shoring up Whitefield is because it's still a high-growth housing inventory, you know, micro-market, and we already have two hospitals. So, the intent is to actually bolster that by giving this. And if you really look at the original Columbia Asia model, most of them were sub-100-bedded hospitals, which we moved from secondary care into tertiary care. So, we're quite adept at handling sub-100-bed hospitals in terms of, you know, the superspecialty and quaternary mix.

So, what will actually go ahead and happen here is, minus of transplants which will happen at the, you know, hubs in Whitefield, the rest of the specialties will be, you know, offered. We're actually going to go ahead and have a cath lab, CT, MRI, we're going to go ahead and, you know, provide them with good theatres so that, clinical talent coming on board will have good facilities to operate in.

So, everything minus transplant to a large extent will be here, and that's how we run most of the other sub-100-bedded hospitals as well. And to your question of 250 - 300, if we were to go ahead and look at a micro-market independently, yes, that's the size that we would like to go with. But given the fact that we're fairly well served here, a 100-bed addition is only going to be more beneficial for us, so that's the way we are looking at it.

Dilip Jose: And, Karan, you know, also to your point, if you were to build a new hospital, that, you know, we are building a greenfield ground-up, like Karthik said, we would look at that minimum capacity. You know, we would not build a 100-bedded greenfield facility. You know, that is certainly the case, you know, the point that you made.

But this was an addition that we were making in a territory which really would be a third geography, third location that we have in that that Whitefield area. And therefore, incremental capacity when two large multispecialty hospitals are already there, it's a running start we get. So, it's a capacity addition. It's a cluster of hospitals that we have in Whitefield. And barring radiation oncology like Karthik said, barring one or two specialties like radiation oncology, it would be multispecialty, and that's the way we would look at that, Karan.

Karan Vora: Got it. Really helpful. My second question is, I think there has been a regulation change where now even for-profit entities can run medical colleges, right? And one of our peers recently highlighted entering into that business. Now, given that we already have within the broader Manipal Group medical colleges, are we planning to bring some of them into the listed entity? Or do more like medical college work into the listed entity? Any plans on that?

Dilip Jose: No, Karan. We have no such plans. You know, we believe Manipal Health Enterprises should remain focused on providing the highest end of tertiary and quaternary care, the brick-and-mortar hospitals that we run. And now, I think that is what sets us apart. That is what gives us clarity as a management team, and gives clarity to, you know, our customers that this is what Manipal Hospitals is about. So, we would not want to dilute that focus.

I think we intend to remain a specialty provider. You know, like we talked about our high-acuity mix and Centres of Excellence, we would want to remain a national player really, you know, leading in clinical outcomes in these, you know, complex procedures. I think that's been our growth and our trajectory over the last decade, and that's where we would want to remain focused on, Karan.

Moderator: Thank you. Our next question comes from the line of Ankush Mahajan with Sanctum Wealth. Please go ahead.

Ankush Mahajan: Sir, thanks for the opportunity for the question. Most of the questions were answered. But in sum up, sir, we have, you know, INR2,600 crores of EBITDA for FY '26. So, just trying to understand in simple way that, what are the growth drivers that could lead this growth, like product mix? Hello?

Dilip Jose: Yes. We can hear you. Go ahead, Ankush.

Ankush Mahajan: So, product mix is there, greenfield, that's the new beds are there, what are the losses in the new greenfield, Sahyadri, and related to CONGO-R?

Dilip Jose: So, Ankush, you know, the answer exactly lies in what you detailed just now. I think, you know, the way we look at our future is around will drive our growth in FY '27 and in the years ahead. The way we look at is exactly that, Ankush. You know, if I could summarize, we have the largest bed capacity in the country, you know, over 13,000 beds now, and like Sameer talked about earlier, you know, 1,000-plus, 2,000-plus beds are coming on stream in a short period of time. So, our bed capacity would continue to increase.

Because our length of stay is, you know, so low, we've been able to treat a very large number of patients with just occupancy of just 65% is our occupancy level at this current network. So, we have headroom to grow in occupancy. We've got additional bed capacity coming in. Like, you mentioned, our CONGO-R, our Centres of Excellence, high-acuity mix is growing. That's a third element.

Sahyadri, you know, came to us as an under-managed asset with low EBITDA margin. We have already been able to increase the EBITDA margin to 17% in the Sahyadri network, whereas our ex-Sahyadri network is at 25%. So, that's the third, you know, the lever that we have.

Then all the greenfields as they ramp up, you know, three in Bengaluru which have already been commissioned in the last 10 months, our Raipur which would come towards the end of this fiscal, Juhu in Mumbai, you know, following that, Wakad in Pune which would be following that. So, these are the four or five levers which have clear visibility for us. This will drive our growth.

Operating efficiency would continue to be there, you know, in terms of, you know, everything that we can improve in material cost or, you know, length of stay further, conversion efficiencies, digital revenue. These are the levers that we have actually as we go ahead to really, you know, look at the growth further.

And finally, also like Sameer mentioned earlier, we have a deleveraged balance sheet post this IPO. You talked about 0.9 times debt to EBITDA gives us the ability to really, you know, raise funds to expand to other geographies. You know, so far, I've been talking about existing capacities and already committed bed counts which are coming into play.

We have, you know, keen interest to expand to Kerala, you know, as and when an opportunity arises. We would be keen to further expand our presence in NCR. We would want to look at Hyderabad. These are inorganic kind of opportunities that we will keep in mind.

So, this inorganic lever is completely out of the other four or five things that I outlined earlier. So, therefore, as a team, we have great confidence in our ability to grow. The healthcare sector in general is poised to grow. You know, it's got all the right tailwinds which is driving the sector, and we believe Manipal is positioned very well to tap into that, for the reasons I outlined, you know, in the last 2-3 minutes.

Moderator: Thank you so much. Ladies and gentlemen, due to the time constraint, that was the last question for today. I now hand the conference over to Mr. Diwakar Pingle for the closing comments. Thank you, and over to you, sir.

Diwakar Pingle: Thank you, Danish, for that. Thank you all for joining us today and for your continued interest in Manipal Health Enterprises Limited. We appreciate your time and engagement. Should you have further questions or require any additional information, I know there were a few participants still waiting in the line for questions, you can definitely write to us at investor.relations@manipalhospitals.com, and we'll make all the effort to kind of get back to you with replies to those questions.

Again, I'm just repeating the email ID: investor.relations@manipalhospitals.com. Thank you once again, and thanks for joining for the first earnings call of Manipal Health Enterprises, have a great weekend. Bye.

Moderator: Thank you, Diwakar sir. Ladies and gentlemen, on behalf of Manipal Health Enterprises Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.