August 10, 2026

Listing Department, **National Stock Exchange of India Limited** **Exchange Plaza, Bandra-Kurla Complex,** **Bandra (E),** **Mumbai - 400 051** **NSE Symbol: ARTEMISMED**	**Listing Department,** **BSE Limited** **Phiroze Jeejeebhoy Towers,** **Dalal Street,** **Mumbai - 400 001** **Scrip Code: 542919**

Sub: Transcript of Earnings Conference Call - Q1 FY27

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of Earnings Conference Call held on August 4, 2026, to discuss the operational and financial performance of the Company for Q1 FY27. The said transcript is also available on the website of the Company at www.artemishospitals.com/investors.

This is for your information and records.

Thanking you,

Yours faithfully,
For Artemis Medicare Services Limited

POONAM MAKKAR
Digitally signed by POONAM MAKKAR
Date: 2026.08.10 13:30:13 +05'30'

Poonam Makkar
Company Secretary and Compliance Officer

Encl.: As above

“Artemis Medicare Services Limited

Q1 FY27 Earnings Conference Call”

August 4, 2026

MANAGEMENT: **DR. DEVLINA CHAKRAVARTY – MANAGING DIRECTOR**
MR. SANJIV KOTHARI – CHIEF FINANCIAL OFFICER
MR. RUDRA NARAYAN ACHARJEE – HEAD, INVESTOR RELATION, M&A, ORG. GROWTH STRATEGY

MODERATOR: **MR. HIMANSHU BINANI – ANAND RATHI SHARES AND STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Artemis Medicare Services Limited Q1 FY27 Earnings Conference Call, hosted by Anand Rathi Shares and Stock Brokers Limited. 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 call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Himanshu Binani from Anand Rathi Shares and Stock Brokers Limited. Thank you and over to Mr. Binani.

Himanshu Binani: Thank you, Neerav. Good day everyone, and welcome to the Q1 FY27 Earnings Conference Call of Artemis Medicare Services Limited, hosted by Anand Rathi Shares and Stock Brokers. From the management, we have Dr. Devlina Chakravarty, Managing Director; Mr. Sanjiv Kothari, CFO of the company; and Mr. Rudra Narayan Acharjee, Head, Investor Relations.

I would like to thank the management for giving us this opportunity to host this call. We'll begin the call with a brief opening remark from management, post which we'll have the session open for Q&A.

Without further ado, I would like to hand over the call to Dr. Devlina. Thank you, and over to you, ma'am.

Devlina Chakravarty: Thank you, Himanshu. Good morning and thank you for joining us for the earnings call. We hope you all got a chance to go through our Investor Presentation uploaded on the Stock Exchanges. We are pleased to share our financial and operational performance for the quarter ended June 30, 2026.

I would like to begin by providing an overview of the healthcare sector and the overall hospital industry. The healthcare sector continues to see a sustained demand for quality, tertiary and quaternary care services supported by increasing awareness, improving access to advanced medical treatments and rising preference for specialized healthcare.

At the same time, hospitals continue to focus on expanding capacity, strengthening clinical capabilities and adopting technology to improve patient outcomes and operational efficiency. We believe these trends will continue to support long-term growth for quality healthcare providers.

Turning to our performance, Q1 FY27 marked a significant quarter for Artemis as we continue to execute our growth strategy while maintaining our focus on clinical excellence and operational efficiency.

Our consolidated revenue from operations for the quarter was at INR 287.32 crores, reflecting a year-on-year growth of 12.7% on a consolidated basis, and standalone year-on-year Gurgaon showed a top-line growth of 15.4%. This performance was supported by sustained demand across our key specialties, particularly cardiology, oncology, neurosciences, and orthopedics, along with continued improvement in case mix and higher contribution from complex procedures.

Our EBITDA for the quarter was INR 61.82 crores with an EBITDA margin of 21.5%. The quarter reflects our continued focus on improving operating efficiencies, optimizing resource utilization, and maintaining disciplined cost management across our healthcare network.

Our profit after tax for Q1 was reported at INR 31.44 crores, representing a year-on-year growth of 48.3%. The improvement in profitability reflects the strength of our operating model and our continued focus on delivering sustainable and profitable growth.

Operationally, our flagship Gurugram hospital continued to perform very well during the quarter, supported by sustained patient volumes across key specialties and continued demand for advanced tertiary and quaternary services. Our occupancy for the quarter was at 65.7%, while average revenue per occupied bed increased to INR 85,690, reflecting continued improvement in case mix and higher contribution from specialized procedures.

A key milestone during the quarter was the commencement of operation of Artemis Shanti Hospital, Raipur, our 300-bed multi-specialty tertiary care hospital in Central India. The hospital became operational during the quarter under the Artemis brand, and marks an important step in expanding our presence beyond North India. Equipped with advanced medical infrastructure and comprehensive specialty services, the hospital strengthens our ability to provide quality healthcare across a wider geography while creating an additional growth platform for the company.

Although the hospital has very recently commenced operation, we are encouraged by the initial response and expect its contribution to increase as occupancy improves and additional specialties become operational.

Our international patient business also continued to perform well during the quarter despite the West Asian war. We continue to witness demand from Middle East, Africa, CIS, and other international markets supported by our strong clinical outcomes and patient experience. Our focus remains on strengthening relationships across these regions while expanding our medical value travel platform through targeted outreach and clinical excellence.

On the expansion front, we continue to make steady progress across our growth initiatives. We have received the approval from the shareholders for the proposed QIP, providing us with greater financial flexibility to support our expansion plan. We are in the process of starting our Tower IV at Gurugram facility, subject to getting all the clearances and compliances.

This marks another important milestone in our long-term expansion roadmap. The Tower IV in Gurugram would house 200 plus beds within the same campus. Together with our expansion in Raipur and the planned South Delhi facilities, the projects which have already been announced, this would provide a total bed capacity of 2,000 operational beds by 2029-2030.

On the clinical front, we continue to strengthen our centers of excellence by expanding specialist capabilities and introducing advanced treatment protocols across key therapeutic areas. Our all-organ transplants program, including our heart and lung transplants, are doing extremely well with great patient outcomes.

Technology continues to remain an important part of our operating strategy. We are further expanding our use of AI-enabled patient workflows, digital technologies, and data analytics to improve patient flow, enhance clinical decision-making, and optimize operational efficiency across our hospitals. These initiatives are expected to further improve patient experience while supporting scalability across our network.

Sustainability also continues to remain an important part of our long-term strategy. We continue to focus on energy-efficient operations, responsible resource utilization, and environmentally sustainable healthcare practices across our network. These initiatives are aligned with our commitment to create long-term value for all our stakeholders while contributing positively to the communities we serve.

Looking ahead, we remain focused on executing our long-term growth strategy. The successful commencement of Artemis Shanti Hospital in Raipur, our planned expansion in South Delhi, our Tower IV project within the Gurugram premises are strong pipeline of our expansion. Our focus will remain on expanding capacity further, strengthening clinical excellence, improving operational efficiency, and delivering sustainable value to our patients.

With that, I will now open the floor for any questions. Thank you for your attention.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Aditya Chheda from InCred Asset Management. Please go ahead.

Aditya Chheda: Yes, my question is on the international patient mix that has come off a bit. If you can share some outlook on the reasons behind the lower share and how do you see this segment going forward?

Devlina Chakravarty: So, Aditya, the international patient mix continues to grow, is what I would like to say. And despite the West Asian war, in Q1 we reported almost close to 27% of international business. But if you see, the overall business has grown, so in real time the number of patients were actually, they were not that compromised as compared to some of the other hospitals.

The reason is we do not have a single regional dependency, and the point is we are getting a large number of countries from where the international patients are coming. And every year we add 2 or 3 newer fronts. We open 2 or 3 newer international fronts to maintain this momentum. And in Q2, we are again hopeful to see it closer to, if not better than 30%, is what we are looking at.

And what I'm trying to emphasize here is that despite the West Asian war, when actually all the flights from West Asia stopped, and we still managed a 27% of international patients with a 12% to 15% movement on the top line. So in terms of number of patients, we more or less manage the balance. So I hope I'm able to answer your question.

Aditya Chheda: Right. My second question is on the point where we have announced the additional expansion of 200 beds by purchase of additional FAR. Whether this was a function of the change in regulations which allow higher vertical construction and higher FAR, particularly for the Delhi NCR region and if you can lay down a timeline for us?

There are two elements here, a 100-bed FAR increase of the Platinum Green Building certification and the additional 200-bed FAR. How are you thinking about your timeline say in terms of occupied beds ramp up at the flagship hospital?

Devlina Chakravarty: Yes. So basically, thank you for your question. So the Tower IV is basically a combination, like you mentioned, the platinum rating which gave us anywhere between 130 to 150 beds. But we wanted to maximize it, so we had to buy a minimal FAR, which was because of the change of the government rules, to go to 200 plus beds. And the timeline we are looking here is between around 18 to 22 months to be able to fully operationalize this.

Aditya Chheda: Okay. Just to clarify, this 100 and the 200 is different, right?

Devlina Chakravarty: No, no. So this 200 is part of the 130 to 150 which we got free of cost because of platinum rating, and another 70 beds additional FAR we have bought, because of the change in the height, and we can go up further, so that we are able to once and for all, completely utilize the government's permissible FAR. So this 200 beds plus is a combination of the extra FAR from platinum building and a small part we have also bought to be able to completely utilize our FAR.

Aditya Chheda: Okay, got it. Thanks. That's it from me.

Moderator: Thank you. Next question is from the line of Sumit Gupta from Antique Stock Broking. Please go ahead.

Sumit Gupta: Yes. So congrats on a good set. So just want to understand like Gurgaon Hospital has reached really, like, margin is reaching over 20%. So like in FY27 only we can achieve 20% to 21% kind of margin?

Devlina Chakravarty: Yes, sure. Absolutely.

Sumit Gupta: Yes. So over the next 2 to 3 years can we achieve around 23%-24% in Gurgaon only?

Devlina Chakravarty: Yes. The answer is yes.

Sumit Gupta: Understood. And how is your Raipur facility going on now that it has commenced operations? So like what kind of traction have you witnessed?

Devlina Chakravarty: We have witnessed a very encouraging trend as we have started. So we started on 9th of July, basically the OPD, and 27th of July is when the theaters and the cath labs got operational. And we are seeing a very, very encouraging trend in terms of OPD footfalls, diagnostics, which had started on 9th, and early surgeries have also started happening there. And some complicated surgeries like commandos and all have also started happening there. So that gives us a good feel that we are on the right track and we are on the right wicket.

Sumit Gupta: So what kind of occupancy like, I mean, can we expect over the next 2 to 3 quarters, and your loss guidance remains the same or like, can we expect back in the starting.

Devlina Chakravarty: So, in a macro level, so we will break down further when we are fully operationalize and maybe in the Q2 call that we take with all of you. But at a macro level that we have looked at it, we are

going to be looking at around 15 to 18 months of break-even, around INR 20 crores of overall operating loss, and occupancy, it's very early days, because we have just started it, so we will be able to give you better handle. But as far as we are concerned internally, we are on track with whatever we had calculated. But we'll come back with exact numbers and figures in our Q2 presentation.

Sumit Gupta: Understood, ma'am. Thank you. All the best.

Moderator: Thank you. Next question is from the line of Aadesh Gosalia from Spark PWM. Please go ahead.

Aadesh Gosalia: Congratulations for a great set of numbers.

Devlina Chakravarty: Thank you.

Aadesh Gosalia: There are couple of questions which I had. Firstly, just to get a better idea on the new expansion that we have announced. So, this new facility will continue to be a multi-specialty, like continue to host all the specialties that we have or we are looking at something specific in this new building?

Devlina Chakravarty: It's a very pertinent question, and thank you for asking that. So this 200 plus facility is going to be extremely advanced, tertiary and quaternary pediatric care and advanced gynecological and obstetrics wing. Basically, we are running a complete, but there is no extra cost which is being incurred. So we are running every pediatric super-specialty.

I think we are known as the best pediatric, tertiary, quaternary care super-specialty, but now we are putting them all together under one roof, to be able to put it up to the people for them to realize that this becomes their one-stop shop for advanced, whether it is a high-end pediatric, heart surgery, pediatric heart transplant, liver transplants, or bone marrow transplants or any kind of high-end pediatric orthopedics, endocrinology, gastroenterology.

So while we were doing it all together, now we are putting them under one roof by adding these 200-plus additional beds. So that the aim is to become the nodal referral center for Haryana, if not the entire NCR, for advanced pediatric and obstetric and gynecological care. So it's a positioning statement that we are doing, and that's the reason of clubbing them together.

Aadesh Gosalia: Okay. And, as you said, that this will be a core focus facility, so the margins here are expected to be better than what we are generating in the normal in our existing facility, or how do you see the incremental margins coming in?

Devlina Chakravarty: So the margins will be same to better is what we predict because, as you know, we are continuing with all these specialties already. It is just like putting them under the same roof. But yes, having said that, since we are adding to economies of scale by adding 200-plus beds, so we look to improve the overall margins beyond 21% is what I can say.

Aadesh Gosalia: Okay. That's clear. On continuing on the margin front, we have actually witnessed one of the best quarters on a console level when it comes to our EBITDA margin. So is this, the console level, I think, if you can just help me out with what are the operational drivers that has led to this

better, such a good performance, and how sustainable they are and, is it right to assume that cardiac care as it has now turned positive even on PAT level and has generated some decent profits, so is that one of the drivers?

Devlina Chakravarty: So, no. So while rightly you said, the other smaller centers and cardiac care, but you must also remember 95% to 97% of revenues come from our Gurgaon specialty, the tertiary care and the quaternary care. So I would say the first reason for improved margins is economies of scale.

Our cost remains the same and we are able to admit more and more patients with almost more or less the same manpower cost, that is one big thing. So that, so adding another 200-beds, you will only see these margins going up further. Yes, some of the other contributors are smaller centers, but more importantly is the change of case mix.

If you see our ARPOB, which is one of the highest in Delhi NCR, continues to grow because we are now seen as a not just a tertiary, but one of the best quaternary healthcare facilities. So people come in for high-end work, high-end surgeries. We have brought in efficiencies in terms of our consumption, we have brought in efficiency in terms of average length of stay, we have optimized manpower cost.

So all of this together, so if you were to tell, if you were to ask me three points, I would say economies of scale, case mix, and the third would be contribution from the smaller centers, but that continues to be a relatively small contribution.

Aadesh Gosalia: Okay. Okay, got it. Just a last question on the operational beds, today we average at around 545 even in Q1, and that has been the trend over the past.

Devlina Chakravarty: Our occupancy for Q1 was 65.7%, and we are looking to improve it in Q2, and that's the reason we are already in talks to add 200 beds because we feel we are at an inflection point where we would need more beds to prevent patient denial.

Aadesh Gosalia: Okay. Thank you so much for answering my questions. I will fall back in the queue.

Moderator: Thank you. Next question is from the line of Abin Benny from JM Financial. Please go ahead.

Abin Benny: Thank you, ma'am. First of all, congratulations to the management on a great set of numbers. I have two questions. First one, ma'am, in the Raipur asset, what are the specialties that have been made available since the last 10 days to 15 days since it has been started, and what are the phased plans to add the advanced specialties like onco radiation going forward, and possibly the capex that we would be looking for that?

Devlina Chakravarty: Yes. Okay. Great question. So, actually Raipur facility when we started, we did a soft launch on 9th July and we started with all the OPD services. But we are not doing any phased kind, we are starting everything together. So we are, as we speak, we are doing an onco surgery today, a very high-end commando surgery today. So we have started with advanced cath lab, EP systems, neurosurgery.

So all of that has started together in terms of services provided. And the overall capex has been INR 120 crores, I stand corrected, 80% of the capex is already done, and as we speak, certain installations like the PET-CT are under installation, and the radiotherapy unit is on its way. But that is to answer your question that we are providing all the services at one go, and everything will start going live based on the installation between 10th of August to, I think, end of August.

Abin Benny: Got it, ma'am. And regarding my second question, which is about the Tower IV, which I believe is the woman and child care that you mentioned. So what kind of cross-integration with the main hospital are we looking at? Like, would there be separate team altogether for the entire facility, or would there be any cross-integration as such?

Devlina Chakravarty: No. So like I said, there will not be, we are already doing tertiary and quaternary woman and child care, which is far more advanced than some of these pediatric standalone hospitals. So when we realize that, it is all already in-house. So all this, whether it is people, whether it is equipment, all of this is already there. So we are now just clubbing it under one tower where we will have OPD spaces and ICUs, theatres, and rooms.

But all the people and the technology are already available with us as we speak. But we are just putting them together under the Tower IV wing to be able to talk more about it and for people to realize that they have far more capabilities than some of the standalone pediatric hospital.

So this is basically both from a capacity enhancement, as well as from a business strategy point of view, to showcase our strength in this segment, which we are anyway doing it, but we hope the numbers will increase far more when we are able to showcase it as a separate standalone tower. That's the point.

Abin Benny: Got it, ma'am. And just a follow-up on that. So will there be any initial impact on the utilization in the starting phase, like on occupancies, can we expect some moderation?

Devlina Chakravarty: No. So, like I mentioned, in Q1 we had shown 65.7% of occupancy, and we see by the time this tower is operational, we will almost reach our capacity and reach a situation where we might have to say no to patients. So basically, that is it, so that no spillover gets out of the hospital, and we are easily able to transit from a 70%-75% occupancy to this additional 200 without having any patient denial. So that is the thought behind it.

Abin Benny: Got it, ma'am. So once the entire sub-specialty of pediatrics and woman care is transferred to Tower IV, around what kind of number of beds or capacity do we see being translated to multi-specialty front, like to cater to the other demand that is there?

Devlina Chakravarty: Yes. My point is that it is not like we're transferring patients from here to there. What we are trying to do is, if you understand, if we reach 70%-72% of bed occupancy, say by maybe earlier, but say by the end of this financial year, we would almost reach a capacity. So if we empty out our these beds inside the main tower and put the pediatrics and the women cases in the fourth tower, so our occupancy will continue in the range of 71%-72%, and in the overall aggregated numbers, that's what we see.

Abin Benny: Got it, ma'am. Thank you very much.

Moderator: Thank you very much. Next question is from the line of Nandkumar, shareholder. Please go ahead.

Nandkumar: Dr. Devlina Chakravarty, Mr. Sanjiv Kumar Kothari, Mr. Rudra Narayan Acharjee, congratulations for a very good set of Q1 FY27 numbers.

Devlina Chakravarty: Thank you sir.

Nandkumar: And thank you for giving me an opportunity for asking a couple of questions in this conference call. I have two questions. The one is, what is the timeline envisaged for the forthcoming INR 700 crores QIP?

Devlina Chakravarty: Yes, okay. You want me to answer that first? So, INR 700 crores is an enabling resolution which we have taken. We are in the process of finalizing some other assets, mainly brownfield, and it should be anywhere in the range of 6 months to 8 months before we go ahead with the QIP. So this is an estimate. Yes. So we will come back once the asset finalization happens.

Nandkumar: Good, very good. That is a wise decision. My second question also was something like that. You have partially answered it. But I will still answer that, from the numbers, it is understood that the only half of the capital raised from IFC has been spent so far. In the light of this, is it more prudent to postpone the QIP, forthcoming QIP, to a more opportune occasion so that the dilution can be minimized?

Devlina Chakravarty: Very pertinent question, sir. There is money left from the IFC, which is going to be pledged within the end of this financial year in terms of deposits, which has to be given to VIMHANS, because VIMHANS is on track. And for deposits, as you are aware, you cannot service deposits through debt. So this money is going to move, whatever money balance you see of the IFC, is going to move towards the VIMHANS project, which is moving as per timeline.

And the second thing is, INR 700 crores is an enabling resolution, so how much of this we will pick up is based on number one, the quality of asset that we get, number two, the keeping the dilution of our shareholders in mind, and number three is the return on investments from these assets that we acquire. So I can rest assure, it will be a very thought-through process, which we will come out with full transparency with our shareholders before we decide on the amount of this raise. Thank you.

Moderator: Thank you very much. Next question is from the line of Anubhav from Anand Rathi. Please go ahead.

Anubhav: Yes, hi. Ma'am, my question revolves around capex. So, two questions. First would be, what would be the capex per bed in Gurgaon Tower IV, and by when it would be operational? And second is, how one, how should one look at the capex number for FY27, FY28 and FY29?

Devlina Chakravarty: Okay. So your first question first. So the Gurgaon Tower of 200 beds, which also includes another 450 parking, all inclusive, the capex is going to be INR 55 lakhs per bed. And we are

also increasing our parking so that the ease of patients coming in is taken care of. And the capex for FY27, FY28, FY29, I will ask Rudra to address.

Rudra Acharjee: Hi, Anubhav. So for the next three years, the capex outlay including Raipur would be close to INR 800 crores. And that is what we have planned, which includes Tower IV, Raipur, the VIMHANS, and the regular capex that we entail in our flagship hospital.

Anubhav: Okay. So am I thinking it correct when I'm saying that the capex per bed would ideally be lower due to the brownfield expansion as well as the pediatric care that we are opening?

Rudra Acharjee: So that's what Dr. Devlina indicated. See, the only the tower, only the building has to be built and few equipments have to be placed on that. That's why the capex per bed would be close to INR 50 lakhs to INR 55 lakhs per bed, like for in Tower IV.

Anubhav: Okay. Okay, thank you.

Devlina Chakravarty: So basically, we are going to get 200 beds plus of Tower IV with around for around along with the parking, along with the parking for around INR 120 crores.

Anubhav: Yes, sure. Thank you.

Moderator: Thank you. Next question is from the line of Vedant from ICICI Securities. Please go ahead.

Vedant: Hi, ma'am. Thank you for the opportunity, and congratulations for a great set of numbers.

Devlina Chakravarty: Thanks. Thank you very much.

Vedant: First, on the numbers front, so can you please share the revenues and EBITDA margins for your rest of the centers separately, like Artemis Lite, Cardiac Care, and Daffodils, is it possible?

Devlina Chakravarty: So would you be, could you write to our CFO and Rudra for this? We will discuss it because, you know, centre-wise.

Rudra Acharjee: Vedant, you write me offline. I will share you the details.

Vedant: Okay, sir, done. Second on the Raipur Hospital, just wanted to understand how will the initial progress, and by when can we expect the insurance empanelment? Because I think, industry wide there was a problem last year, but since it's a new hospital, do we have any timeline for that?

Devlina Chakravarty: So the Raipur progress is good, I would say, as per expectation. Like I mentioned, we started the operating theatre on 27th of July, and we have performed some simple gallbladder cases, but today we are performing a large commando surgery, which is a onco surgery.

And in terms of insurance, we look to get the insurance empanelment in 8 weeks to 10 weeks time. Meanwhile, we have put an intermediary in place where TPA or insurance patient can come in and go get a treatment and go back with a cashless, these claim bodies and all which

are intermediaries, we have put them in place so that services continue and patients don't have problem till we get direct insurance empanelment.

Vedant: Okay. And, ma'am, on the 200-odd beds that are going to come in the Gurgaon facility, by when can we expect these beds to go online?

Devlina Chakravarty: Maybe between 18 months to 22 months. I mean, once the clearances come, it will be a very fast job because, we don't have to dig the basement and all. It just goes, because the basement and all are already created to maximum. It just has to go up from ground up to, I think, 7th or 9th floors as per the new heights. And it would be pretty fast. In 18 months to 22 months, we should be able to see, if not before. I'm giving you a kind of realistic to a little bit of a pessimistic estimate.

Vedant: Got it. And my last question is on a broader Gurgaon micro-market specific question. So, Rainbow Children's is one of the mother and child care hospital, and they are going to come up with their capacity in Gurgaon. So, and now that the 200 beds that we are installing are going to be for mother and child care, so how do you think the competitive intensity will shape up once these beds come up?

Devlina Chakravarty: So first to answer it on a more generic way, there has been no other place, I think, in the country which has as intense a bed competition or a brand competition as Gurgaon. So as you have seen, we have continuously grown from a 90 bed to where we stand today. So that means people trust us in terms of our outcomes, the ethical practices, and the quality of healthcare that we provide. That is on a more generic terms.

And in terms of more specific in terms of pediatric tertiary and quaternary, I believe and I am confident that we do far more, like I mentioned earlier also, we do far more in terms of services as compared to any of the pediatric hospitals that you have mentioned.

And in fact, that was one of the reason for us knowing that we will have competition here, we decided to create a separate benchmarking for us in a separate tower, just to highlight the services that we have done, the track record we have in those services, and the outcomes in those services, which are far greater than any of these standalone pediatric hospitals.

So actually, it is part of the business strategy to talk that, what all we are capable of in this space much more than some of the competitors.

Vedant: Got it. Thank you so much, ma'am. All my questions have been answered. I will fall back in queue. Thank you.

Moderator: Thank you. Next question is from the line of Sanidhya from Unicorn Asset. Please go ahead.

Sanidhya: Yes, hi, team. A couple of questions. First on the Gurgaon, the new extension. It says we need two years, like the proposed capacities to be available within two years. By when can we see the ramp up? And is it exactly 950, 900, 1,000? Quite an ambiguity over there. And what could be the operational beds or the census beds, if you can give a number, and by when?

Rudra Acharjee: So hi, Sanidhya. So see, currently we are operating 700 beds. As per the layouts and the drawings, it is coming up to 200 plus beds, but the exact number of beds, it would somewhat lie between 950 to 960 maybe with inclusion of this 200 plus beds.

So that is what we have. But without the correct architectural drawings and the things in place, we will not be able to give you the exact number. That's why we have mentioned 200 plus beds. So the least would be 700 plus 200, 900, the maximum would be close to 980.

Sanidhya: Sure. And by when are we expecting this ramp-up? Since you are talking about architectural drawings to be finalised?

Rudra Acharjee: Yes. So like Dr. Devlina said, all the permissions including the architectural and the commencement would take would be somewhat between 18 to 22 months, but that is a long stop date. It would be prior to that only, but having said that, on the estimated timelines we are taking 18 to 22 months.

Sanidhya: Sure. And second on the Raipur facility, exactly when did we start the operations there?

Devlina Chakravarty: So 9th of July we started the OPD, and 27th of July we operationalized our operating rooms, the theaters and the cath lab. So actually end of July, you can say, Yes.

Sanidhya: Yes, makes sense. So, are this facility completely operational in terms of equipment, doctors, nurses?

Devlina Chakravarty: Yes, it is completely operational except for installation of the PET-CT, where some infrastructure creation is still going on, and a radiotherapy, which is which takes at least six months to be transported, so barring that, everything is in place.

Sanidhya: Sure. And on the insurance ramp-ups there, and what kind of numbers should we be looking at steady state say 18 months down the line for Raipur?

Devlina Chakravarty: So exact insurance numbers only you are talking about, or overall?

Sanidhya: No, I am saying how is insurance ramp-up taking place at the Raipur facility?

Devlina Chakravarty: So insurance, basically, right now, it takes three to four months, but we are hoping to get direct insurance empanelment within at least 8 to 10 weeks time. This is also because now, as you are aware, the good news is the providers and the payers have come into a common platform through CII, and I am part of one of the co-chairs of this working group.

So empanelment turn-around times are happening quicker, and this is mediated through the IRDA Chairman, Mr. Seth. So we are hopeful that we should be getting direct empanelment in 8 to 10 weeks time, and post that, we will see a quick ramp-up, at least 20%, 25% faster than what it is today.

But having said that, today we have put an intermediary for a cashless experience for people who have insurance cards so that they don't have to pay out of their pockets. So those systems are in place. Thank you.

Sanidhya: Sure. Great. Thank you.

Devlina Chakravarty: Thank you.

Moderator: Thank you. Next question is from the line of Sreedhar from Blue Hill Capital. Please go ahead.

Sreedhar: Yes, good afternoon, and first, congratulations on good set of numbers. I have three questions, of which one has already been asked, but just wanted to reconfirm. So the INR 700 crores raise for which you got approval will be largely used for acquisition-related financing, number one.

Devlina Chakravarty: That's right.

Sreedhar: Wonderful. Question number two, what has been the experience of Daffodils given that we have seen like Cloudnine and Motherhood doing really well? What is the plan for Daffodils, is it playing out as per your original plan, or is it not expanding?

And the third question is in terms of the organization structure, I know Dr. Devlina, you have been performing a fantastic job so far, almost 20 plus years. Question is, how is the organization getting built under you? And also, in terms of even the expansion to now multi-cities, how is that being kind of taken care of?

Devlina Chakravarty: Very pertinent question. So firstly, the INR 700 crores is an enabling resolution, and how much of that we are going to raise will depend on the asset finalization. Mostly, this will go towards newer assets, not the ones which we have already announced, preferably brownfields with close to EBITDA break-even or positive EBITDAs. That's your first question.

The Daffodils, very pertinent question, we had started it as a hub-and-spoke model because we were a standalone hospital, and we put it in areas from where we were also start patients and the experience as a service.

While the experience has been very, very good, we are also looking at basically, combining some of the services, like putting two of the centers together to increase the efficiency because end of the day, high number of beds always work better in terms of overall EBITDAs. I am not talking about margins, overall EBITDAs.

So the idea will be now to kind of consolidate some of the centers, bring in more efficiencies, maybe start a new floor on the new center, and merge two of them, or start a wing in the hospital and merge the pediatric care of say another center to this.

And having said that, when we go to a newer area like a Raipur, we will look at the similar concept of hub-and-spoke, but as we reach a maturity, we will continuously consolidate these centers because end of the day, our niche is tertiary and quaternary care.

And tertiary and quaternary care can be provided only with a large hospital with large operating leverage. So it is to your answer your question is, both will go on hand in glove. We will continuously converge and expand depending on the need, where are we opening our next big center.

And the last one, yes, very pertinent, the management bandwidth. I think you should get in touch with Rudra to look at our entire management bandwidth and the organogram that we have created with central teams, regional teams, zonal areas, how each is managed, what are the kind of controls that we are keeping. A very pertinent question. It will be very difficult for me to explain it without you looking at the organogram.

So please write to Mr. Rudra or speak to him to get the whole organogram. And this organogram is a very exhaustive one, which will also keep where each region will keep getting added in a very systematic manner with the people, their designations, and with the central control. So please get in touch with him for you to understand this organogram. Thank you.

Sreedhar: Sure, I will do that. Just one quick follow-up on that. You would have at least another five years. I guess, you are at 59 and you will be there till about 65 at least for this company?

Devlina Chakravarty: No, I am planning 75 unless you want me to go.

Sreedhar: Really glad to hear that because this company has really grown under your leadership, and really happy to kind note that. Yes. Thank you.

Moderator: Thank you very much. Next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh: Hello, ma'am. Congrats on a good set of numbers. My question is on the brownfield expansion. Gurugram we are already present there with an established brand, once it is launched in 18 to 22 months, in how many months do you see it doing break even, and reaching the 60% kind of target compared to Raipur where we are expecting to become profitable in two years?

Devlina Chakravarty: No, you are talking about any new brownfield that we acquire, is that what you are telling?

Kumar Saurabh: No, ma'am, the 200-bed expansion which we are doing in Gurgaon for that.

Devlina Chakravarty: Yes. So your question is, when do we see it breaking even? I would say it would do in 8 to 10 months' time. If not earlier.

Kumar Saurabh: And how much time will it take to reach to 50%, 60% utilization, ma'am?

Devlina Chakravarty: See, in my opinion, it should reach 50% in first six months.

Kumar Saurabh: Great. And last question, ma'am, I know you told this INR 700 crores is for enabling resolution, but if we look at right now itself, we are doing almost INR 150 crores of cash flow, and in next three to four years we might need INR 600 crores to INR 700 crores of capex for all the expansion. So maybe more than 50% can come through internal accruals itself.

So I know you are telling about there are some assets also you are looking for. So my understanding is, we will factor all the internal accruals and then additional debt because I think our leverage is also very good. We are paying hardly INR 25 crores interest on INR 200 crores of EBITDA. So I hope we will factor all of that before diluting because, equity is precious.

Devlina Chakravarty: Absolutely. Like I said, and Rudra will tell you the details more about it, we are very clearly aware of our cash flows. We are aware that we have huge leverage in debt. And like I said, this is an enabling resolution, and we will try to do minimum dilution, maximum return on investment. And balance, Rudra will address.

Rudra Acharjee: So let me take it from Dr. Devlina, Saurabh, as I said earlier, INR 800 crores of capex is lined up for the next three years. As, and as you said, INR 150 crores generated every year for the next three years close to INR 450 crores. But INR 800 crores doesn't include the INR 250 crores of deposit that we have to pay to VIMHANS.

So for the announced projects, my internal accruals with the debt leverage that I have is tied up for the next three years. Now coming to the INR 700 crores enabling resolution, like Dr. Devlina mentioned, we are basically looking for brownfield projects.

For the brownfield projects, it is an equity expansion that we have to do, so that can only come through the internal accruals or a equity infusion. So that's why we have kept that enabling resolution in place. Having said that, once the asset gets finalized, we will see at the current cash position how much to raise, and then we will see that the minimum dilution is there for the existing shareholders.

Kumar Saurabh: Great. That's very helpful. Thank you, doctor. Thank you, Rudra-ji. Wish you all the best.

Moderator: Thank you very much. Next question is from the line of Neelam Punjabi from Perpetuity Ventures. Please go ahead.

Neelam Punjabi: Yes. Thanks for the opportunity, and congratulations on a great set of numbers. My first question is, in the last earnings call you had mentioned that you had indicated we would get to the 70% occupancy by Q2. So are we on track to get there?

Devlina Chakravarty: Yes, we are.

Neelam Punjabi: Perfect. And secondly, just to zoom out a little bit, as we get to 900 to 950 beds in this standalone facility in the next 18 to 22 months, three to five years out, at 85% census, 70% optimum occupancy, and probably 4% to 5% ARPOB growth, we can essentially get to a INR 2,000 crores top line. Is that a valid assumption only from the Gurgaon facility?

Devlina Chakravarty: Yes, it is possible, absolutely.

Neelam Punjabi: Great. And at that level, at that scale, what kind of margins that we can deliver with the operational efficiency playing out given it's a brownfield expansion?

Devlina Chakravarty: Upwards of 23%, I would say.

Neelam Punjabi: Got it. And, lastly, if I just back calculate the numbers for the quarter, it seems that Daffodils and Lite has, the performance has been a little muted. So what exactly is happening there? Can you just give some indication?

Devlina Chakravarty: No, so like I told you that, they all have some kind of a capacity constraint over a period of time because these are short units, small units. So basically, they have served us two purpose. One is hub-and-spoke. We were a standalone brand in Gurgaon. So now we have a large number of patients coming in from South Delhi and Manesar and other places where presence was little less.

Second is, our idea, which I mentioned in my previous question, is after a period of time, it could be three to four years, when you have grown these places, broken even, made some money, and then we try to consolidate it.

So whether two centers get consolidated into one so that we bring in working efficiencies, increase the bed in one center, bring the two of them together, or, you know, kind of integrate them with a bigger hospital, like like we are now integrating the New Friends Colony center with the East of Kailash center, which is a South Delhi center, and going forward, we may run it as a standalone or integrated with our VIMHANS Hospital, which will come with 650 beds.

Because sometimes what happens, the rentals and the cost of manpower will start outdoing your top lines and your bottom lines, because the bed capacity is limited in these areas. So that's a management and a business strategic call we will continuously take.

So we could start new centers around a tertiary care hospital to like a Raipur going ahead in different districts of Raipur to make it a hub-and-spoke model, and after a point of maturity, we could consolidate few of the centers with each other. So that's an ongoing business call we will continuously take depending on how we want to do.

But as you would have realized in the last 18,19 years, our we are known for tertiary and quaternary healthcare. So that is the focus, and that is where we will continuously push our growth engine. So I hope I have made myself clear. Thank you.

Neelam Punjabi: Yes, thank you very much, and all the best.

Devlina Chakravarty: Thank you.

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

Aditya Chheda: Hi. This question is on the capex number of INR 800 crores. As we can see in the annual report, a deposit of around INR 130 crores is already paid. And if I break the INR 800 crores and keep INR 120 crores aside for Tower IV, whether this INR 125 crores already paid is also part of the INR 800 crores, and since Raipur is already operational, how much of the capex is attributable to Raipur?

Rudra Acharjee: So, Aditya, let me answer you the breakup of this INR 800 crores. So INR 120 crores are for Raipur, INR 350 crores to 360 crores are for VIMHANS, which doesn't include the deposit portion of it. This is the pure capex. So this INR 120 crores and INR 350 crores is close to INR 470 crores, INR 480 crores. INR 120 crores for your Tower IV, which is close to INR 600 crores,

INR 70 to 80 crores for multi-level parking, INR 100 crores to 120 crores for your replacement capex over the period of next three years.

So that is the math behind INR 800 crores. Having said that, the deposit is over and above this, which is close to INR 250 crores, out of which we have already paid INR 130 crores.

Aditya Chheda: Got it, sir. Thank you.

Moderator: Thank you very much. With that, I now hand the conference over to the management for closing comments.

Rudra Acharjee: I would like to thank everyone for joining the call. I hope we have been able to respond to all your questions adequately. For further information, we request you to please get in touch with me or our investor relations team. Stay safe, stay healthy. Thank you once again for joining with us.

Devlina Chakravarty: Thank you.

Moderator: Thank you very much. On behalf of Anand Rathi Shares and Stock Brokers Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Devlina Chakravarty: Thank you very much. Thank you. Bye.

Moderator: Thank you, ma'am. Bye-bye.