

May 15, 2026

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Sub: Transcript of Earnings Conference Call - Q4 and FY26

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 May 11, 2026, to discuss the operational and financial performance of the Company for Q4 and FY26. 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
Company Secretary and Compliance Officer

Encl.: As above





“Artemis Medicare Services Limited
Q4 FY26 Earnings Conference Call”

May 11, 2026



MANAGEMENT: **DR. DEVLINA CHAKRAVARTY – MANAGING DIRECTOR**
MR. SANJIV KOTHARI – CHIEF FINANCIAL OFFICER
MR. RUDRA NARAYAN ACHARJEE – HEAD, INVESTOR
RELATION

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

Moderator: Ladies and gentlemen, good day and welcome to Artemis Medicare Services Limited Q4 FY26 Earnings Conference Call hosted by Anand Rathi Shares and Stock Broking 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 Broking Limited. Thank you and over to you, Mr. Binani.

Himanshu Binani: Thank you, Neerav. Good day everyone and welcome to the Q4 and FY26 earnings conference call of Artemis Medicare Limited hosted by Anand Rathi Shares and Stock Broking.

From the management, we have Dr. Devlina Chakravarty, the Managing Director; Mr. Sanjiv Kothari, CFO; and Mr. Rudra Narayan Acharjee, the Head Investor Relations. I would like to thank the management for giving us this opportunity to host this call. We will begin the call with a brief opening remarks from the management, post which we will have a session open for Q&A.

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

Devlina Chakravarty: Thank you, Himanshu. Good morning, ladies and gentlemen, and we are pleased to share our financial and operational performance for the quarter. As we wrap up FY26, I would like to begin by providing an overview of the healthcare sector and the overall hospital industry. The healthcare landscape continues to evolve, driven by both rising demand for specialized services and technological advancements.

The healthcare landscape is evolving with a growing preference for high-value treatments as patients become more informed and discerning in their choices. Additionally, government policies and tariff adjustments in healthcare have introduced certain challenges in the short term, but we are very confident in our ability to navigate these challenges through our operational agility and strategic cost management.

For FY26, we delivered a strong performance, marking another year of growth despite external challenges. Our consolidated revenue from operations for FY26 was INR 1,081 crores, reflecting a year-on-year growth of 15.4%. This growth was primarily driven by strong performance in our core specialties, including cardiology, oncology, and orthopaedics, coupled with an improved payer mix and an increase in high complexity procedures.

Our EBITDA for the year was INR 218 crores with an EBITDA margin of 20.2%. This reflects our focus on operational efficiencies and disciplined cost management across our network of hospitals. Our profit after tax for FY26 was at INR 104 crores, showing a year-on-year increase of 26.2%. Our quarterly performance highlights, turning to Q4 FY26, we posted a consolidated revenue from operations of INR 279 crores, reflecting a growth of 16.4% compared to the same quarter of last year. This growth was primarily driven by higher patient volumes, particularly in our high margin specialties.

Our EBITDA in the quarter was INR 59 crores with an EBITDA margin of 21.3%. Our quarter witnessed a strong increase in contribution from both domestic and international patients. Profit after tax for quarter four FY26 was INR 30 crores, representing a growth of 32.1% from corresponding quarter of previous year. This strong PAT growth is a testament to our ability to scale efficiently while maintaining financial discipline.

Operational highlights, our flagship hospital in Gurugram continues to deliver strong performance with occupancy level reaching 64.6% in Q4. This reflects sustained demand for specialized and advanced healthcare services across key therapeutic areas, particularly in cardiology, oncology, and organ transplant.

Our average revenue per occupied bed for Q4 was INR 84,571, showing a 7.3% increase compared to Q4 of FY25, driven by an enhanced case mix and higher paying patients. In line with our commitment to quality and operational excellence, Artemis Medicare received several prestigious certifications in FY26.

Most notably, we received the Platinum Green Building certification, which entitles us to a 15% increase in FAR at no additional cost. This will allow us to add 100 beds to our Gurugram facility, further enhancing our capacity. Just to make a point here, our international patients, despite the West Asia war, continues to grow, and this financial year showed a growth of 26.9%.

The countries that we are witnessing high demand apart from Middle East is Africa, CIS, reflecting growing trust in our clinical capabilities and our clinical standards. This strong performance highlights our established position in medical value travel segment and the strength of our global brand, backed by continued focus on clinical excellence, patient experience, and targeted international outreach. We remain well positioned to drive further growth in this segment.

We also continue to make steady progress on our expansion initiatives. Our 300-bed super specialty hospital in Raipur is on track to commence operations in Q1 of FY27, marking a key milestone in our growth journey.

In addition, we are advancing our plans for the 650-bed facility in South Delhi, which is expected to be commissioned in FY29, further strengthening our presence in key markets. On the clinical front, we continue to make achievements in advancing patient care. We have launched several new programs, including India's first private geriatrics and longevity department, as well as a collaboration with KIMS Hyderabad for advanced heart and lung transplants.

These initiatives highlight our commitment to providing cutting-edge care to our patients. Our focus on digital transformation remains strong. In FY26, we made significant investment in technology to improve both patient care and operational efficiency. We successfully implemented AI-assisted triage systems across our hospitals, which have already started to show positive results in reducing wait times and improving patient flow.

Additionally, we are expanding our use of data analytics to optimize patient pathways and support clinical decision making. As part of our ongoing commitment to sustainability, we have taken several steps to reduce our environmental footprint. In addition to the Green Building

certification I mentioned earlier, we have also focused on energy efficient systems across our hospitals and implemented waste reduction programs.

These initiatives are aligned with our long-term goal to contribute positively to the environment while continuing to deliver world-class healthcare services. Looking ahead in FY27, it will be an exciting year for Artemis Medicare as we continue to execute on our growth strategy. We remain focused on increasing our bed capacity with plans to expand from our current capacity of 800 beds to 2,000 beds by 2029.

The commissioning of our Raipur and South Delhi facilities will play a key role in this expansion. We are confident that these initiatives will drive strong growth in the years to come. We also remain committed to enhancing our digital capabilities, improving patient outcomes, and maintaining operational excellence. With the Board's approval for a fundraising initiative up to INR 700 crores, we are well positioned to support our expansion efforts and continue to deliver value to all our stakeholders.

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

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sanjay Shah from KSA Shares and Securities. Please go ahead.

Sanjay Shah: Yeah, good morning to all and doctor, thanks for a wonderful on explaining the opening remarks about hospital and healthcare industry in India. And ma'am, I really appreciate your presentation showing the critical care success story of our hospital. Ma'am, my question was regarding, can you highlight on critical capability of the hospital, how we are progressing on that side?

Devlina Chakravarty: So, critical care, I would divide into two types. One is a strong emergency care and the second is the in-house critical care. So as you are aware that Artemis is known for our critical care in Haryana. We are not only treating our own patients, but we are the referral center for a large number of critical care patients from across Haryana. So we have 1:3 critical care beds and we have a great network of transports which delivers patients from secondary, primary, and other tertiary care facilities to our hospital.

We have a large team of critical care specialists full-time in-house. And we have various types of critical care. One is like a general critical care, then we have a surgical critical care, we have critical care for transplants, we have critical care for cardiovascular surgeries, we have separate critical care for neurosurgeries, we have critical care for paediatric surgeries, we have separate NICU and PICU which is Level 4 in terms of critical care.

And in terms of our emergency services, we have actually a very AI-driven emergency facilities wherein we can pick up the patient from their house and the AI tool guides our paramedics and our junior doctors in the ambulance and connects them with the ICU and the emergency senior doctors. So actually the treatment starts in the ambulance at touch so that we do not waste any time if we are caught in traffic, there is no delay in patient treatment.

So we have progressively and each year we are enhancing our number of critical care beds, our critical care super specialty. So that continues to be a big ticket item for us in terms of delivery of care being a quaternary care hospital.

Sanjay Shah: Right, right, doctor. So my next question was regarding our international patient. We have been growing in spite of war and uncertain circumstances globally. So how we can look our hospital by 2029 when we will start a geographical diversification to South from North to other areas, new geographies in India also? And is there any scope of international patient because we are the highest among the industries? So can you highlight upon that?

Devlina Chakravarty: So our endeavour would be to remain at the same 30%, 31% of revenue coming from international patients, irrespective of where we are and how our top line moves. So every year we add more countries to our list, we increase our MOUs with various international governments. So we have a full strategy and we have a separate international team who works only towards that. So our strategy will continue to have 30% to 31% of revenue from the international like we have today.

Sanjay Shah: So doctor, now adding our bed in South Delhi will help us to increase our ARPOB from here because going to large metros from NCR regions?

Devlina Chakravarty: No, we are in NCR and we have the highest ARPOB in NCR. We are higher than even Delhi. But we have been growing 7% to 8% year-on-year on our ARPOB. So that will be the trend if not more. Definitely South Delhi is a higher ARPOB area, but in Gurgaon we beat even the South Delhi ARPOB because of our mix of patients, our high-end surgeries and our efficiencies of the bed turnaround time. And we will continue to do so and increase like how we are doing 7% to 8% year-on-year.

Sanjay Shah: Doctor, my last question was regarding can you touch upon our Mauritius bed capacity increase from 80 to 110 and how we are doing over there?

Devlina Chakravarty: So the first hospital has broken even and is making a profit. The second hospital has just started. So we are already beginning to get the fee for the second hospital. So we are on a monthly fee for running and giving our expertise to these hospitals and we are pretty much on track with the first hospital and with the second hospital which has just started in April.

Sanjay Shah: Thank you very much. Very helpful, ma'am.

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

Aditya Chheda: Hi, good morning. Congratulations on the set of numbers. I have two questions. First was on the VIMHANS project. Would you be able to share any project details that are outlined with respect to what should be the capex per bed etcetera and how the facility will come over in phases?

And the second question was about the EBITDA margin profile across the hospital cardiac care and Daffodil segment. And the reason for this is whether the losses from the Raipur facility will

impact the EBITDA growth or they will be offset by the Gurgaon operating leverage and any losses from Daffodils cardiac etcetera. So if you can highlight on this?

Devlina Chakravarty:

So I will answer the second question first and for the first, the capex and all I'll hand over to Rudra to give you a detail. For the second question, there will be certain some losses in Raipur, but if you look at our projections our increase in EBITDA will continue because our occupancy in the Gurgaon hospital is increasing, our mix of cases is becoming better, the new towers are reaching their maturity.

So the EBITDA growth will continue in the coming financial year despite losses in Raipur. Daffodils and cardiac care are all EBITDA breakeven and making small profits. So that's actually a non-issue in this whole piece. Our endeavour would be to offset the Raipur losses with strong growth in EBITDA in our Gurgaon facility. So that's to answer your second question.

For the first one, the project highlight I can give you that we are in the process of admitting our drawings, our plans to the MCD, post which the demolition of the old structure is going to start. We are pretty much online in terms of timelines for these actions. But in terms of capex, so it's a 650 bedded facility which will start in two phases of 450 and 200. But the capex and other details, I hand over to Rudra to reply to.

Rudra Acharjee:

Hi Aditya, Rudra this side. For the capex portion Aditya, there is two parts to it. The first part for around 450 beds, the capex would be to the tune of INR 350 crores. And for the second 200 beds, it would be another INR 150 crores to INR 160 crores. Total would be INR 500 crores for 650 beds, which will be close to INR 75 lakhs to 80 lakhs per bed. So that is on the capex part of this Aditya. Any questions regarding this?

Aditya Chheda:

This includes everything, right? Land, equipment etcetera, the full project?

Rudra Acharjee:

So land and building is owned by the trust. We have in our portion we had the interiors and the equipment. These include the interiors and the equipment.

Aditya Chheda:

Got it. And lastly on the additional FAR at the Gurgaon facility, would you be adding those in FY27 or it will be in phases?

Devlina Chakravarty:

So we are basically looking at both all the options. We have a little pipeline with some other opportunities. And we have this option of 100 bed facility here. So we are kind of taking that call whether to start this 100-bed facility in the current financial year or to take up another, if possible, take up another brownfield or a greenfield project if that's available. So that we will clear in the next few weeks and you'll hear it from us very soon.

Aditya Chheda:

All right, thank you.

Moderator:

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

Aadesh Gosalia:

Hello, thank you for the opportunity and congratulations to the management for excellent set of numbers and ending FY26 on such a high note. I had a couple of questions. So firstly on the EBITDA margins, we saw Q4 EBITDA margins inching up to 18.5%, the levels we saw in the

Q2 of this financial year. So this will be continuing for the next FY27, FY28, we will be continuing the Gurgaon facility at such high margins for the entire year or we should expect a similar trend of FY26?

Devlina Chakravarty: We will not only try to maintain it, but we will try to better it with some plans that we have. So you will see this continuous growth in the present financial year also.

Aadesh Gosalia: Okay. And on a blended level, like after the Raipur comes up, so I think Raipur would be like commercialized in Q1, so the three quarters of FY27 would see the entire impacts of Raipur and I think the breakeven is expected in 15 to 18 months, please correct me, if I'm wrong over there. So what should be the blended level on the margins that we can expect?

Rudra Acharjee: So Aadesh, Rudra this side. So as Dr. Devlina mentioned, we will be continuing this 21.2% or the 19.4% without the other income for Gurgaon facility and the margins will expand only over the period of time. But having said that, like we had indicated earlier, there would be close to INR 18 crores to INR 20 crores of losses from Raipur.

So with the same levels, INR 80 crores to INR 85 crores of revenue top line for Raipur for FY27 and INR 18 crores to INR 20 crores of loss. So that overall mix will be putting the EBITDA maybe a 1% to 1.5% lower because of these losses.

Aadesh Gosalia: Okay, okay, makes sense. Second question was on the operating beds. Right now we exited FY26 at 544 operational beds. So how are we looking this trend inching upwards from here on or this would be maintained like if you can shed some colour on this?

Devlina Chakravarty: So 546 beds which you saw this year, immediately Raipur starts with 200 more beds. There is an option of adding another 100 beds in our facility and or picking up a brown or greenfield project. So this bed expansion like our commitment is 2,000 beds by 2029 and you will see the beds increasing in phases as we move to 2029 with 2,000 plus beds definitely by 2029.

Aadesh Gosalia: Yes ma'am, that I understood. But I was asking on the operational beds. So from current Gurgaon facility, we had an average operational beds of 544 in FY26. So on that I was exploring, I wanted a bit of a colour that how much, you know, room is there for us to grow these operational beds? And similarly for Raipur also, like from 200 beds coming up, how many beds will get operationalized in FY27?

Devlina Chakravarty: Yeah, so for Gurgaon, I'll stick to Gurgaon facilities first. We have the ability to start 100 more beds, but like I had mentioned earlier, today we are at 64.6% occupancy. The moment we have 70% occupancy for a quarter, we are going to be opening 50 then another 50 beds. So that is to put the Gurgaon in perspective.

As we speak our occupancy is going up. It has moved from 60 because we have opened new towers, right? It has moved from 60% to 64.6% and we are keeping an eye. At 70% one quarter, we will open 50 more beds and then 50 more. That's for Gurgaon. For the 200 beds which we are starting in Q1 of FY27 in Raipur, the first phase will see 150 beds operational and within 3 to 4 months we will be adding 50 more beds because we are looking at it as a high volume market and so I think in two quarters you can expect all 300 beds operational.

- Aadesh Gosalia:** Okay, that's great to hear. And lastly, the capex figures that Rudra mentioned regarding the VIMHANS facility, so how much of that if you can just share a timeline that how that would be incurred over the next 2 years?
- Rudra Acharjee:** So these capex for the capex portion will come after FY27 only because interiors and equipment have to be placed and we are planning to start it by FY29. So the capex portion for VIMHANS piece from Artemis side will come into picture after in the mid of FY28 because we have to start the interiors and the equipment.
- For the advance portion that is there for which is linked to the building milestones, that we have started paying it slowly and gradually because the building has to be built and that advance will be adjusted when once the hospital gets operationalized over a period of 8 to 10 years.
- Aadesh Gosalia:** Okay, got it. So the FY27 I think would be a very capex light year for us. Like there won't be any significant number coming up in the books. In FY28 the major numbers would be drawn.
- Rudra Narayan:** No, only the replacement capex of Gurgaon and fitting of Raipur because 50%, 60% we have already spent out of INR 110 crores, so rest INR 50 crores to INR60 crores. So total would be close to INR 100 crores maybe.
- Devlina Chakravarty:** Yeah, that's right.
- Aadesh Gosalia:** In FY27 INR 100 crores is the capex figure that would be coming in.
- Rudra Narayan:** Correct.
- Aadesh Gosalia:** Okay, got it. There are a couple of more questions, I will fall back in the queue. Thank you so much.
- Moderator:** Thank you so much Aadesh. Next question is from the line of Shankar from Miraya Capital. Please go ahead.
- Shankar:** So I have a couple of questions. First on the can you give a bit more colour on how was the growth in international patient in the last quarter which is Q4 FY26 and what are the trends that you are seeing on that front in the current quarter Q1 FY27?
- Devlina Chakravarty:** So the third month of the last quarter, which was in the month of March, we saw a 15% to 18% dip almost in the international patient, which has turned around as we see in the month of April and the recovery had started in the month of April and as we speak in the, sit in the month of May, we are almost closing on to almost 90% recovery as we speak now.
- Shankar:** Understood. So you are saying that the impact of war which was seen in March has been almost subsided in the current quarter and we are almost back on track on now?
- Devlina Chakravarty:** Yes, unless something new happens, we are back on track. Yeah.
- Shankar:** Okay. And the countries that you mentioned that you are looking to add going forward, what are the other countries that we are seeing strong demand from apart from Middle East?

Devlina Chakravarty: So basically, we are not only confined to Middle East, we are confined to a lot of our business comes from Africa, CIS, the SAARC nations. Now we are also looking to open earlier we had only East Africa, now we have also opened large number of countries in West Africa and the Francophone nations. We are also looking at now at Canada and we are looking at some Nordic countries where patients are coming in for high-end treatment. So every year we add a couple of countries if not more and so that this exercise and this continuity is maintained and any problem in one region does not affect the overall international flavour for us.

Shankar: Okay. So if you can share what is the proportion of Middle East patient in our current international patient if you can share that colour?

Devlina Chakravarty: 30%.

Shankar: Okay, understood. And you touched upon that you see the case mix improving. So if we are maintaining our international patient at 31% to 32%, so how do you see other segments of the case mix in the next three-four years mainly?

Devlina Chakravarty: See as you keep adding high-end facilities, high-end tech, you know case mix not only for international but domestic. So we have seen a surge in our domestic numbers and in we are also seeing continuously seeing a surge in the high-end, you know patients in the domestic, which is also a very big welcome and that had actually offset some of the international dip which we saw in March of last quarter.

So basically, you know high-end surgeries like whether it is neurosurgeries, cardiac surgeries, onco surgeries, transplants, we are seeing an increase both domestic, especially domestic as well as international in these areas, which is which is a very welcome trend for us.

Shankar: Okay. So is it fair to say that you don't see government mix going down in the next few years?

Devlina Chakravarty: See the government mix in terms of percentage might be the same as we are increasing the number of beds, but in terms of percentage because sometimes when you're opening new beds, you want to prevent beds which are not occupied. You don't want a situation like that.

But overall if you look at the businesses, our endeavour continues to have cash, TPA and international more than any empanelled business. But the good news is also the government is also as you're aware is revising the rates and we are sometimes we are cherry picking some of the investigations and treatments which are almost close to our rack rates.

So it's actually a strategy, but we definitely don't want the government business to come up and it's not coming up, but we keep moving around in a manner so that no bed stays empty as we increase capacity. That's basically what I want to say.

Shankar: Understood. So my next question is around the Gurugram facility. Can you give any hardcore number around the EBITDA margin how you see it going in the next three-four years and mainly what are the improvement drivers for improvement in the EBITDA margin from Gurugram facility?

Devlina Chakravarty: So Gurugram facility will see EBITDA northwards of 20% if not more in the coming years. And this will be driven by three factors. The first one is a large number of high-end domestic and international patients. Secondly is efficiency in our consumption. We have gotten our consumption down by 1.5%-2% and that endeavour will continue.

And third will be basically as we have more facilities, the corporate cost is going to get divided amongst the various facility which today sits in Gurgaon alone. So all these three will contribute to an upward of 20% of EBITDA in Gurgaon.

Moderator: Thank you. Next question is from the line of Anshul Agarwal from Emkay Global. Please go ahead.

Anshul Agarwal: Hi, thank you for the opportunity and congratulations on good set of numbers. could you please elude on the further scope of sort of improving our occupancy at Gurgaon unit? I was observing that in the past our occupancy in the Gurgaon unit has sort of hovered around this 63%-64% range. And now that we'll add beds, can occupancies go north of 70 odd percentage here onwards?

Devlina Chakravarty: Yes, yes, absolutely. And that is what we are aiming and that's when we are also trying to open our new beds. So we are looking definitely by Q2 of the current financial year, we're looking it to move to touch 70 if not exceed it. And because we have the numbers, we know that it will be reaching at that and our endeavour would be at 70%-75%, which is optimum for us.

Actually for us for the last couple of years, we have been nonstop adding beds, one tower, then various floors in a tower, then the second tower, then opening various floors in the tower. So when you see your base that is number of beds increasing, the occupancy looks more or less the same because our denominator is becoming higher. But now with all the beds open, we are confident to reach 70 if not more by Q2 of this year.

Anshul Agarwal: Okay. My second question is on the Raipur unit. I think Rudra eluded that we'll be expecting about INR 18 to INR 20 crores of losses, which should be more than offset by Gurgaon unit. Are there any costs of doctors or any other line item which are sitting in our console business right now since you're just about to start this unit?

Devlina Chakravarty: No, no, nothing.

Anshul Agarwal: Okay. Only once we operationalize Raipur costs will sort of come in?

Devlina Chakravarty: Yes, yes, that's right.

Anshul Agarwal: Got it. Also ma'am you eluded to certain government tariffs in the healthcare sector which has led to certain challenges. Would you be able to elaborate on this?

Anshul Agarwal: Okay, the CGHS pricing has improved. So that would be beneficial.

Devlina Chakravarty: So they have revised for private sectors to taking government patients because there was a large number of rejections from various hospitals. So they have revised it for the better. That's what I wanted to say.

Anshul Agarwal: My apologies, I got that wrong. The next question that I had was on our case mix while you eluded that our complex the share of complex care beds or cases has sort of gone up. If I look at our numbers, our congo mix has sort of slightly dipped, not meaningfully but slightly dipped, whereas our payer mix has trended up.

Devlina Chakravarty: So congo mix is basically the oncology one and there were two reasons for it. One was there was a pushback from the TPAs for the immunotherapy because they there has been a very big fight between the hospitals and insurers on use of immunotherapy, which is far more expensive than chemotherapy. So this was a pushback and immunotherapy of course the margins are less, but the cost goes up, the top line moves up. So we have now spoken with insurers and we have moderated the use of immunotherapy. So that is one reason.

Secondly in between a circular had come from the government regarding chemotherapy for government patients, which was not conducive for private hospitals. So all private hospitals at that point had stopped chemotherapy for these empanelled patients till discussions were concluded and a conducive path was found for the hospitals and now we have restarted. So these were basically transient and mainly for the oncology piece. And yeah, that's what I would like to highlight.

Anshul Agarwal: Great, all the very best ma'am for the coming year. Thank you.

Moderator: Thank you. Next question is from the line of Avnish Tiwari from Whicap. Please go ahead.

Avnish Tiwari: Hi. Can you articulate your outlook on pricing growth in your treatment given that two forces, one is that number of beds which are being added by various hospitals, as well as this some level of negotiations with health insurance industry including standard operating procedures, reducing the waste and fraud. So maybe if you can just articulate in your ARPOB growth of 7% to 8%, what kind of pricing or inflation driven pricing growth you're looking at?

Devlina Chakravarty: So basically for our pricing, if you look at our competitors, so we are slightly on the lower side as compared to our competitors. This is but we build on it, we build on our ARPOB not through our price, but through our efficiency and case mix. And we keep ourselves, the incremental pricing which happens year-on-year, it is in the range of 3% to 5%, actually 5%, which finally comes down to 3% for us because TPAs and insurers have a locking period of three years with the price.

So we get an 3% impact only from pricing because government doesn't change and the TPA doesn't change, so only the cash and the international pricings. So we get a 3%, but we rather than increasing the price, we work on case mix more deeply and in in terms of efficiency. So whether it is the turnaround time of the beds, whether it is the cost of consumption, how quickly we can discharge a patient. So we work around those parameters rather than pricing.

So to answer your question, we are moderately priced, lower than many in our region, I mean the big ones, the big quaternary we are probably as much as Medanta but cheaper than a Fortis or a Max. So that's where we stand and we don't use pricing to drive our business.

Avnish Tiwari: Great. And maybe lastly on this health insurance segment, do they then favor you over others to the extent they can influence the traffic or how is that negotiation with those guys?

Devlina Chakravarty: So we have we have a good relation with all our insurance players. Yes, they do promote Artemis as a place. But at the end of the day, a hospital which is 18 years old, a lot of choices are made by the patients themselves. But definitely the TPA business and the insurance business is a large chunk of business for us.

Avnish Tiwari: Okay. Maybe if I can just squeeze one more. These standard operating procedures and everything the GI Council is working on, how is that impacted your business and your peers' business? Does it create an operating advantage for you because if you are more efficient?

Devlina Chakravarty: So, I am a part of that council in CII, I head the working group there, where which is being kind of moderated now by Mr. Ajay Seth, Chairman of IRDAI. So I am a very much part of all of this and I can only tell you there are five working groups working on various aspects. One is categorization of hospitals which will give transparent pricing, then ethical things between the insurers and the hospitals. So there are multiple such five agendas which five working groups.

And I can only tell you when all these groups are implemented, it will be a huge benefit for the hospitals and also a huge benefit for the insurers. It's going to be a win-win situation. And luckily we have Mr. Seth as in the center, as the GIC Council. So, this is going to be a winning ticket for all hospitals because then we really don't have to slog for getting the right price or getting the renewals on time and so on and so forth, which have been a problem with the hospitals because the insurers, they continue beyond three years do not give us price revision or they try to sometimes bully us to get low prices.

So now there is going to be a huge amount of standardization and as far as Artemis is concerned, I can only tell you this will be a new dawn in business for us because I'm working very closely with them.

Avnish Tiwari: Great, thank you and wish you very best.

Moderator: Thank you. Next question is from the line of Aditya from Redwood Capital. Please go ahead.

Aditya: Good morning, everyone. So first of all congrats on the strong performance. I just want to get a better sense of the overall Raipur and Chhattisgarh market. So Raipur has seen like meaningful capacity addition over the last year or so. One big player has entered and few local hospitals have come up. So I just want to understand like do you believe there is sufficient client demand in Raipur and Chhattisgarh to absorb these new bed additions without meaningful pressure across occupancies?

And when you think of your own ramp up, do you see your growth coming primarily from capturing share from existing players or your thesis is more that overall market is underpenetrated and will grow with new supply? And who do you see as key competitors in that market?

Devlina Chakravarty:

Okay. So going on to Raipur, let me tell you Raipur is a market where every tertiary and quaternary private player is looking at. So as we speak whether it is a Manipal, whether it is a Lilavati, either they are buying land or signing MOUs and so on and so forth. And I predict Raipur to become something a mini-Lucknow going ahead. Today they have large number of hospitals, but they do not have a single so-called hospital with the right kind of an infrastructure, all medical equipment and the right kind of doctors, right?

So like, whether it be these are transplants, whether high-end neurosurgeries, neuro interventions, whereas there is a deep penetration of insurance, there is the per capita income of Chhattisgarh, especially Raipur is very high. So our strategy is to create Raipur hospital as a nodal hospital for Chhattisgarh because almost 60% of patients from Chhattisgarh come to Bombay and Delhi for treatment. And they do not get treated in their own state because of paucity of care.

So we are trying to position ourselves and have the first mover advantage to getting all the patients who are moving out of Chhattisgarh to be treated in Chhattisgarh. And everybody's eyeballs are being grabbed by Raipur now, all other big players. So we are trying to establish a first mover advantage in terms of name, quality of care, transparency in care and so on and so forth. So that's the gist.

We had actually before going into Raipur had done a complete market survey through PWC and the also the good news is our partners who own the land and the building are the two most reputed doctors of Raipur. So it's not like a new territory for or I mean it won't be a totally an unknown territory the hospital for the patients because our partners are the two topmost doctors of Raipur. So this is basically the gist that I wanted to give you.

Aditya:

Got it. Thanks. Just a follow up. So what is the capex per bed for the Raipur hospital and what will be the specialty mix and payer mix as it operationalizes?

Devlina Chakravarty:

So it will be between INR 110 to INR 120 crores is the capex for a 300 bed facility. And every specialty is going to be there in Raipur. We will be the first hospital to have a PET CT scan, in the hospital. Apart from that we will have radiotherapy, robotics, transplants, all the things for which the people of Raipur are going out of Chhattisgarh to get their treatment. So we have identified that, we have identified it district-wise, what is the need, so that this can become a central referral hospital for Chhattisgarh.

Aditya:

Got it. One last question. Basically according to my research like there in terms of manpower, state like Chhattisgarh there is difficulty in basically attaining specialized manpower in terms of doctors, nurses and skilled technicians. So how is the Artemis team going about hiring and basically retaining the specialists?

Devlina Chakravarty:

So luckily that was the first deep dive we had done apart from the financials of the market. That's the first deep dive. So Raipur has its own medical college, postgraduate college, three nursing colleges. So all our resource heads of departments, various departments are all in place. So all the letters have been rolled out and they will be joining from first week of June, which is next month. Nurses have all been hired.

So, there is no paucity of medical manpower. Training is ongoing to bring them to our level of expectations, but they are good quality people. They are doctors who are trained in robotics, who are doctors who are trained in the very high-end cardiac interventions and they are all there. So now because of the infra that we are providing, they are happy to join us and they are all in place.

- Aditya:** Sure. Thank you so much and all the best for the future.
- Moderator:** Thank you. Next question is from the line of Prateek Shrivastava from Nivesh Wisdom. Please go ahead.
- Prateek Shrivastava:** Yeah, hello ma'am. what could be the realistic ARPOB from Raipur facility in long run?
- Devlina Chakravarty:** So we have looked at INR 33,000 to INR 35,000 plus to start with and then as we start our high-ends like transplants and others, we expect it to be higher than that.
- Prateek Shrivastava:** Ma'am, but if I look at INR 35,000, which is because it's a tier 2, right? And Gurgaon's tier 1 ARPOB very high. But if I look at your margin and you're saying that you'll be able to margin you'll be able to maintain the margin, but if I do there are lots of factors which are working against it, right? One is as you said, right, the ARPOB would be lower. Second would be your payer mix you will not going to get lot of international patients, right?
- Then of course the facility takes time, there is fixed cost burden. There is also Apollo Hospital, AIIMS Raipur. Yeah. So ma'am my question is that if I look at lot of factors, they are working against at least for next one to two years structurally by the way because Raipur is a smaller ARPOB so structurally anyways it's a much weaker market from the EBITDA margin point of view, not just from short run?
- Devlina Chakravarty:** You know, you're forgetting that in these places the cost is also less. And keeping all of that in mind, we have we have captured around INR 20 crores of loss and a break-even in 18 months' time. So what happens is it takes three months for the TPAs to come, six months for all the government schemes to come and almost at the same time we start getting the licenses for transplants and other things and that's how you move, right?
- So we are starting at INR 35,000. The cost of running the facility is also lower, whether it is food, whether housekeeping, doctors, nurses, paramedics. So it is lower in that in that manner. So that is what we have said that in the first 18 months we will have a loss of INR 18 to INR 20 crores and then we will ramp these numbers up, post getting all the licenses.
- Devlina Chakravarty:** It is very similar story like a large hospital, whether it is a Max or a Medanta. They have a facility in in a tier-1 and they have a facility in tier-2 cities, right. Now the ARPOBs will always be different in these two cities. When you look at the consolidated P&L, you take into account the high and the low ARPOBs, the high and the low costs of manpower, consumption and so on and so forth. But it always adds.
- If you look at the smaller towns, if you look at their standalone, their EBITDA margins are always higher in terms of percentages than the bigger hospitals because these hospitals, though

they might have a lower ARPOB, they typically function anywhere between 20% and 25% EBITDAs because their other costs are low, so that's how these things work out.

Prateek Shrivastava: Got it ma'am. Ma'am, one on the little larger term view. So this anyways we it'll take around three to four years for Raipur facility to be completely ramped up to get to around the occupancy level that we have today as Gurgaon. Now do you see that till that term the Gurgaon of course will have to perform much better, but if I just do some simple calculation at least, you know, based on the number what you gave.

So Gurgaon facility will now today which today is at around 21% EBITDA margin and at around 230 or something sorry I don't have an exact number but I think it needs to grow at around EBITDA.

Devlina Chakravarty: Yeah. 220, correct.

Prateek Shrivastava: So it needs to accelerate its growth by around 6% to 7%. It's I think it crosses your 20% number which you gave earlier. In my figures it needs to grow at around 23%-24%?

Rudra Acharjee: So if you see the Gurgaon margins, if you see the Gurgaon revenues, it will grow between 15% to 17% year-on-year. And whatever revenue and you have seen the performance and the margin profile of Q4. So whatever revenue that gets added to the Gurgaon facility right now, at least 30% will flow down. And INR 18 to INR 20 crores of losses that I have highlighted for Raipur, which would be a drag of 1% to 1.5% in the first year.

After that, once the Raipur starts break-evening within 18 to 20 months when it is break-even and everything starts flowing off in a neutral manner, it will add up to the EBITDA. So it is just a question of one to one and a half year when the profile would be down first maybe 1% to 1.5%, not more than that.

Prateek Shrivastava: Yeah, I think that is what my numbers are saying, 1% to 1.5%. So should not be a big drag, but yeah, some slight drag on the margins initially.

Rudra Acharjee: The calculation would be INR 20 crores over a INR 1,300 crores revenue that we are expecting is 1.5%. So that is the overall thing. So 1 - 1.5% it would be down for around 15 months, then it would again add up to the EBITDA.

Prateek Shrivastava: That's right. Okay. Yeah, thank you. Thank you for the excellent answer, sir. That clarifies my doubt. Thank you, sir.

Moderator: Thank you. Next question is from the line of Satyam Kumar from AAA Holding Trust. Please go ahead.

Satyam Kumar: Thanks for the opportunity. Actually I have couple of questions. First, just wanted to get your thoughts like recently some news were flowing that Health Ministry is like examining putting a margin caps on medical devices amid rising insurance costs and all. So like I think earlier proposal was 65% cap and recent discussion is around 30% to 50%. So do you have any thoughts on this, anything you'd like to share?

- Devlina Chakravarty:** No, there is no nothing concrete in this regard and because I am also member of CII, FICCI, we haven't heard this and there is no notification which has come. The last time it happened was for the stents and implants and that's where we are. Nothing new has been added to that list.
- Satyam Kumar:** Okay, understood. And ma'am, would you like to give some like guidance for something longer term, like say next three to four years, what kind of top line you are eyeing for? And second, like how the ARPOB of international patient is growing with respect to domestic patient? So just these two questions.
- Devlina Chakravarty:** So basically and Rudra will give you a little bit more insight and we can't give a guidance, but I can tell you the next three to five years is the next phase of expansion that we are going to see. So not only are we going to consolidate and move bigger and faster in Gurgaon, our facilities in Raipur will start getting matured, our Delhi facility is going to start. So some we don't want to give numbers as such because that would be incorrect, but Rudra will be able to give you some kind of a flavour.
- Rudra Acharjee:** So hi Satyam, from our flagship hospitals if you see, we would be adding beds and over a period of three to four years you can take at least 15% to 17% growth on the revenue front. And whatever numbers, whatever revenue that gets added to the top line, at least 30% will flow down to the EBITDA. So that is the overall thing that we have in mind. And apart from that, for the Raipur thing I have already said you, that there would be an INR 18 crores to INR 20 crores of loss and then it will start adding up to the overall P&L.
- So that is for the next two to three years and having and also, we have plans to raise up to INR 700 crores that we have taken the board approval and we will go for the shareholders' approval once the assets are finalized. So that portfolio we have to see how the mix is and what gets added over here.
- Satyam Kumar:** Understood. And just one if you can share insights with regards to how ARPOB for international patient is going compared to domestic patient?
- Devlina Chakravarty:** It's 1.3 times I would say more than domestic patients.
- Satyam Kumar:** No ma'am, that I understand, how the growth is happening. Like domestic how much percentage of price hike you are taking compared to international patient? That aspect just wanted to understand.
- Devlina Chakravarty:** We take a 15% hike, even in the next budget we have taken a 15% hike on our top line and 70:30 is the division between domestic and international. So similar hikes we are taking in domestic and international business. So the top line we have budgeted with at least minimum of 15% increase in the top line and revenue mix 70% domestic, 30% international with a 15% overall increase in the business. 15% for domestic and 15% for international.
- Satyam Kumar:** Understood, pretty clear. Thank you.

- Moderator:** Thank you. Next question is from the line of Sai Kiran from Pulavarthi Finserv. Please go ahead.
- Sai Kiran:** Yeah, hi, Ma'am, just understanding in terms of capital allocation, if we have to look at the cash flows which the company will generate in the next couple of years and the kind of capex you have articulated for Gurgaon as well as the new South Delhi and Raipur, don't you think taking the debt itself will be sufficient to fund this? Why we need this kind of a large capital raise of INR 700 crores?
- Rudra Acharjee:** So hi Sai Kiran, So for the Raipur and including the 650 beds of Delhi, the maximum peak debt would be close to INR 350 crores that we will have to take. And currently it is close to around INR 260 crores. So that will go up to INR 350 crores max and we will be generating the internal accruals and that would be enough to fund our existing projects that we have announced till now.
- Devlina Chakravarty:** No, so your question was why do we need the fundraise, is that what is your question?
- Sai Kiran:** Exactly ma'am. Yes, please. Yeah, you got it right. Thank you.
- Devlina Chakravarty:** Yeah. So basically what is happening is we need the fundraise because in some of these new projects, we also have to give them a deposit. So the deposit is cannot be funded through debt. And these are some of the projects which are in pipeline. So as closer to the time of finalization. So we have a pipeline which has some brown and greenfield projects and we are looking at the next four to six weeks to finalize at least one of them and then go for the raise because this would probably be required for this finalization of this new project.
- Sai Kiran:** Understood. So in a way what you are suggesting is that this capital what you intend to raise will be for the projects beyond the three projects which you already have in hand.
- Devlina Chakravarty:** Yes, correct. That's right. So this capital raise is only going to fund our new projects which could be one or which could be two. Yeah.
- Sai Kiran:** Ma'am, and the second thing is primarily a simple extension of your capital allocation strategy. Whenever you allocate capital, what are the few things which you look at in terms of ROCEs and then how do you think about deploying that capital in terms of the return ratios? If you can just articulate, that will be really helpful ma'am. Thank you very much.
- Sanjeev Kothari:** When we evaluate the project, we basically focused on IRR and ROCE. Currently our ROCE is around 14.5% and going forward we are expecting in the range of 16% to 18% in next three to four years' time frame.
- Sai Kiran:** So this will be the incremental capital when you allocate, that's how you think about it sir? 15% to 16% kind of an ROCE is what you intend whenever you take up the project?
- Devlina Chakravarty:** Yes. So when we take up the project, which is any new capital which is being deployed, we look anywhere between 16% to 18% ROCE in the next three to five years. And that's how we have extrapolated our new projects and when they fit the bill, only then we go ahead with the project.
- Rudra Acharjee:** Also to add to Dr. Devlina, Sai Kiran, we look at the payback period and we see to it that the payback period is within five to six years of the time. So that is one of the factors that we think

and we see the asset turnovers also and those are few of the factors that we think, we look at and then decide upon the new expansion projects.

Sai Kiran: Great, really appreciate this ma'am. If I can squeeze in one last question. If you have to benchmark your Gurgaon hospital with the best in the NCR, do you still think that there are certain gaps in terms of the capabilities and then maybe some of the adjacencies still some more what I can say up move in the Gurgaon hospital is needed or we are at par with the best in the NCR?

Devlina Chakravarty: So my answer is there is no deficiency in this hospital and that is why this hospital is the biggest hospital in terms of Gurgaon referrals. There was a survey done. So now with the next phase of growth when the brand becomes popular in other parts of Delhi NCR and in Central India, this is going to be a new era. So there is nothing that we do not do.

From a heart lung transplant to liver transplant, bone marrow, neurosurgery, neuro intervention, cyberknife, there is not one thing that we do not do which is missing from our list. So we are right at the top and that's also a reflection from our patient growth and ARPOBs. If you do not if you are not in the quaternary space, you will never reach those ARPOBs.

Sai Kiran: Thanks a lot and really appreciate. Thank you very much.

Moderator: Thank you. Next question is from the line of Anubhav from Anand Rathi Shares and Securities. Please go ahead.

Anubhav: Hi, good afternoon. My question would be, do we have any sort of EWS obligation in the Raipur and the new Gurgaon enhanced facility? And if so, then what would be the extent of it? If you can quantify that.

Devlina Chakravarty: So EWS goes on in every private hospital in Delhi NCR and otherwise. So in Gurgaon we have 20%, in Delhi we have 10% EWS commitment and Raipur will be again in the range of 10%, which we are not sure but lesser than 10%. So actually complying to these EWS is not an issue if you know how to do it, how you move your facilities for the EWS, how do you create your facility for the EWS, how you manage your supply chain. So, you know, all of that so we are in this space for the last 18-19 years with 20% EWS and we are known to be one of the best in Gurgaon in terms of compliance. We have never had an issue.

Anubhav: Yeah, sure. Thank you.

Moderator: Thank you. Next question is from the line of Devang Patel from Samiksha Capital. Please go ahead.

Devang Patel: Hi, I wanted to clarify the cash flow from operations for the full year is lower. So are there any one-offs in the second half and what kind of EBITDA to cash flow conversions we can expect going forward?

Sanjeev Kothari: Cash flow from operation for the year if you see, it is around 60% of my EBITDA and free cash flow is around 40% after netting off capex. There is no one-off as such.

- Devang Patel:** Yes, the conversion is particularly lower in the second half and so are these the normal Numbers? Because We've Seen CFO come off for the full year versus last year.
- Sanjeev Kothari:** Versus last year, we have improved cash flow from operation.
- Sanjeev Kothari:** We have cash flow from free cash flow this year is INR 88 crores versus INR 69 crores last year.
- Devlina Chakravarty:** But any other question or clarification, we can take it offline, yeah, because we'll have to check these numbers and we don't want to give a wrong number.
- Devang Patel:** Yeah, that is also from my side. Thank you.
- Moderator:** Thank you very much. Ladies and gentlemen, we'll take that as the last question. I'll now hand the conference over to the management for closing comments.
- Rudra Acharjee:** Hi Neerav, Rudra this side. So, I would like to thank everyone for joining the call. I hope we have been able to respond to all the queries adequately. For further information, I request you to please get in touch with me or the Investor Relations team. Stay safe, stay healthy and thank you once again for joining us.
- Devlina Chakravarty:** Thank you very much. Thank you.
- Moderator:** Thank you very much. On behalf of Anand Rathi Shares and Stock Broking Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.