



May 26, 2026

Dear Sir/Madam,

**National Stock Exchange of India Limited,**  
Compliance Department,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051,  
Maharashtra, India

**BSE Limited,**  
Compliance Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001,  
Maharashtra, India

**Subject** : *Transcript of the Earnings Call held with Analysts/Investors on May 20, 2026 to discuss the Audited Financial Results of the Company for the quarter and year ended March 31, 2026*

**Stock Code** : *BSE – 539787, NSE – HCG*

**Reference** : *Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

Please see attached herewith the Transcript of the Earnings Call held on May 20, 2026, with Analysts/Investors to discuss the Audited Financial Results (both Standalone & Consolidated) of the Company for the quarter and year ended March 31, 2026.

This is also available on the website of the Company - <https://www.hcgoncology.com/investor-relations/>

Kindly take the intimation on record.

Thanking you,  
For **HealthCare Global Enterprises Limited**

**Sunu Manuel**  
**Company Secretary & Compliance Officer**



## Healthcare Global Enterprises Limited

### Q4 & FY26 Earnings Conference Call

#### May 20, 2026

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**Moderator:** Ladies and gentlemen, good day, and welcome to the Healthcare Global Enterprises Limited Earnings Conference Call.

I now hand the conference over to Mr. Anoop Poojari from CDR India. Thank you, and over to you, sir.

**Anoop Poojari:** Thank you. Good afternoon, everyone, and thank you for joining us on Healthcare Global Enterprises Q4 and FY26 Earnings Conference Call. We have with us Dr. Manish Mattoo, Executive Director and CEO of the company; and Mr. Ravi Gothwal, Head of Investor Relations. We would like to begin the call with opening remarks from Manish, following which we will have the forum open for an interactive question-and-answer session.

Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the earnings presentation shared with you earlier. I would now like to invite Manish to make his opening remarks.

**Manish Mattoo:** Thank you, Anoop. Good afternoon, everyone, and thank you for joining us today. I hope you have had the opportunity to review the results presentation for the fourth quarter and full year ended March 2026. FY26 has been an important year for HCG. It was a year in which we strengthened the core of our oncology platform, sharpened our strategic focus, improved the resilience of our operating model, and took several steps to position the company for its next phase of profitable growth. Particularly, a couple of things that I would like to share.

FY26 was a year of profitable broad-based growth. Quality of growth improved supported by higher volumes, better realization discipline, and ongoing payor mix optimization. We sharpened our focus on oncology, strengthened the balance sheet, and are deploying capital into higher returns markets. FY27 growth levers are also visible through our planned initiatives.

Before we get into the update on financial performance, I would like to take a minute and highlight a few milestones achieved during this quarter and FY26. First, we commenced operations at our North Bangalore facility. This is a strategically important addition in one of HCG's core markets and strengthens our presence in the rapidly growing northern corridor of Bangalore. The facility has been designed as a comprehensive oncology center with capabilities across medical, surgical, and radiation oncology, nuclear medicine, PET-CT imaging, and BMT. It also brings MR-Linac technology to the Bangalore market, creating a clear clinical and technology-led differentiation for HCG.

Second, HCG's clinical differentiation continues to be reflected in the complexity and uniqueness of cases managed across its network. During the year, our teams delivered several highly specialized interventions, underscoring the

depth of our multi-disciplinary capabilities and our innovation-led approach to oncology care. These included a rare robotic-assisted endoscopic urological procedure, which was subsequently published in an international journal; the management of complex dual primary malignancies, including a case involving base of tongue cancer followed by aggressive metastatic prostate cancer, where discordance between pathology markers and clinical findings made the diagnosis particularly challenging; and an ultra-personalized immuno-radiation strategy for a centenarian patient with advanced cancer, in which the team combined immunotherapy with PULSAR radiotherapy and achieved meaningful tumor regression, despite the patient's age and clinical complexity.

In addition, advanced approaches such as cytoreductive surgery with HIPEC continue to be deployed across the network for complex ovarian cancer cases, further reinforcing HCG's ability to manage highly specialized oncology interventions through coordinated multi-disciplinary care. These examples are not isolated successes. They reflect the culture of clinical excellence and scientific thinking embedded within HCG. Increasingly, our ability to combine specialized expertise, tumor board-led care, advanced technology, and personalized treatment approaches are helping us manage high-acuity, high-complexity cases that strengthen both patient outcomes and HCG's position as a differentiated oncology platform.

Third, we have further strengthened the management team. I am pleased to welcome Sanjeev Kumar Saxena as Chief Financial Officer; and Ravi Gothwal as Head of Investor Relations. Both bring with them relevant experience in healthcare services and will add depth to our finance, capital allocation, and stakeholder engagement capabilities.

Ravi is present with us on the call today and Sanjeev will be joining the team shortly at the end of this month. With these appointments and with the regional and other corporate leadership additions which we have made throughout the year, we now have a stronger execution engine to support the next phase of growth.

Fourth, we successfully completed the rights issue of INR425 crore. The strong response from shareholders reflects our continued confidence in HCG's strategy and long-term opportunity. I would like to thank all our shareholders for their support.

The capital raised has strengthened our financial foundation and gives us greater flexibility to invest behind our long-term priorities, including capacity expansion, clinical infrastructure upgrades, technology investments and selective growth opportunities, while continuing to maintain a disciplined return-focused approach. This also positions us well for any organic, inorganic expansion in the future.

Finally, we have taken a strategic decision to sharpen our focus on oncology. In line with this, the board has approved the sale of Milann, our fertility business, to Inviga Healthcare Fund. The transaction was signed yesterday and is expected to close within Q1 of FY27.

The transaction values Milann at an enterprise valuation of INR63 crore. The equity consideration for 100% of the business, including certain transition services support is INR37.6 crore, of which 75% will be received upfront at closing and the balance 25% over 18 months. We believe this is consistent with our stated strategy of focusing management bandwidth and capital on HCG's core oncology platform. I will be happy to address any questions on this transaction during our Q&A session.

Alongside clinical capability, we are also strengthening the digital layer of the business. Our objective is to improve the quality of patient acquisition, strengthen conversion, enhance patient experience and reduce dependence on external channels overtime.

Digital is increasingly becoming an important enabler for HCG, particularly in urban and semi-urban catchments, where patients and families actively seek credible clinical information before deciding where to initiate treatment. By strengthening owned channels, improving campaign efficiency and building a more seamless patient journey, we are working to convert the trust created by our clinical brand into high-quality volumes across the network.

Turning now to our financial performance. For Q4 FY26, HCG delivered revenues of INR652 crore, reflecting 11.3% year-on-year growth. For the full year FY26, revenues stood at INR2,545 crore, representing 15% year-on-year growth. Excluding the fertility business, full year revenues grew 15%, supported by 12% growth in patient volumes and a 3% improvement in average revenue per patient.

This growth reflects the strength of our distributed oncology network. We saw healthy patient inflows across regions, better utilization in several centers and continued progression of hospitals into higher revenue cohorts. Importantly, the growth has been broad-based rather than dependent on a single center or cluster, which reinforces the scalability and resilience of the platform.

The South cluster contributed approximately 39% of FY26 revenues and grew about 13% for full year. Growth was supported by continued momentum across Tier 2 centers and steady performance in key markets. Q4 growth was moderated by softer medical value travel and intentional paring down of low-margin business. However, the cluster remains well-positioned with the launch of North Bangalore, planned bed additions at the Bangalore COE, and planned initiatives to improve medical value tourism.

The West cluster remained our largest revenue contributor, accounting for approximately 45% of FY26 revenues and grew at about 14% for the full year. Performance was led by strong patient inflows across Gujarat and Maharashtra, capacity expansion in Ahmedabad, clinician additions, and focused commercial initiatives.

The East cluster contributed approximately 11% of FY26 revenues and grew at about 11% for the full year. Cuttack and Ranchi continue to perform well, while Kolkata is expected to benefit from on-going clinician on-boarding. The cluster offers meaningful growth potential as utilization improves, clinical team in Kolkata ramps up, and the planned Cuttack expansion progresses over time.

Our international business in Kenya, while still a smaller part of the portfolio, delivered strong growth over the year. Revenue grew 39% year-on-year for Q4 and 71% for the full financial year '26, supported by ramp-up in radiation oncology, PET services, and stronger patient inflows.

From a profitability perspective, FY26 reflects the benefits of scale, maturing centers, and improving network productivity. Adjusted EBITDA for Q4 FY26 stood at INR125 crore, up 17% year-on-year, with margins expanding by 90 bps to 19.2%. For the full year, adjusted EBITDA stood at INR471.1 crore, also up 19% year-on-year, with margins improving by 70 bps to 18.5%. This margin improvement is driven by operating leverage, better utilization, throughput optimization, and disciplined cost management.

Our pre-tax ROCE improved to 14%, supported by higher utilization, center maturity, and disciplined capital allocation. We continue to believe that as more centers move into higher revenue buckets and incremental growth is generated from existing infrastructure, HCG has a clear pathway to improving both margins and return over time.

On the balance sheet, the rights issue and sustained cash generation have strengthened our financial position. FY26 operating cash flow conversion remained healthy at 75% and net debt reduced meaningfully to 1.4x during the

year. This gives us the ability to pursue growth with greater flexibility while remaining prudent on leverage and capital allocation.

Looking ahead, our priorities remain clear. We will continue to optimize the existing network by improving utilization, strengthening referral ecosystems, enhancing patient throughput, and deepening high-complexity clinical programs. On the expansion front, our near-term emphasis is on brownfield opportunities in high-potential centers, where incremental capital can be deployed with faster ramp-up and better returns.

Selective greenfield additions will be pursued where the market opportunity, clinical need, and strategic fit are compelling. The launch of North Bangalore and Whitefield, the planned Cuttack expansion, and other identified brownfield additions across the network are all consistent with this approach.

With that, I will conclude my opening remarks and request the moderator to open the floor for questions. Thank you.

**Moderator:** Thank you. We will take the first question from the line of Himanshu Binani from Anand Rathi Share and Stock Brokers Ltd. .

**Himanshu Binani:** Yes, so, thank you for taking my questions and congratulations for a good set of numbers, sir. So my first question was regarding the revenue growth. So given Q4 is typically a seasonally strong quarter for the business, so how one should actually interpret the 11% revenue growth reported during this quarter?

**Manish Mattoo:** Thanks, Himanshu, for the question. You are right, Q4 is typically a stronger quarter than other quarters. See, but you have to see it in two aspects. One is for the year, the revenue growth has been 15%, And in Q4, there were two factors, one was there was a conscious paring down of low-margin business.

You know, I think we have been stating it for a couple of months now and, we have taken measures to bring down the low-margin business, which has impacted the revenue growth. There was also a factor of the Middle East conflict impacting the medical value travel to our West and South cluster, which additionally impacted the revenue growth. However, both these factors are being worked upon.

You know, –Vinayak Nayak, who's joined to lead international business as Head of International Sales, and the rest of the team are working aggressively to bring back the international business to the earlier estimates. And also, this transition from low-margin to high-margin will be actually normalized over the next couple of quarter. And in the medium term, our estimate remains close to the 15% growth projections that we had given earlier.

**Moderator:** Thank you. We will take the next question from the line of Abdulkader Puranwala from ICICI Securities Limited.

**Abdulkader Puranwala:** Yes, thank you for the opportunity. So my first question is with regards to the shifting of the Whitefield project. Can you help us understand what exactly, you know, we meant about an alternate location? And subsequent to that, you know, when we are talking about adding 200 beds at the five locations, can you help us quantify exactly, you know, how many beds are we adding across each of these cities?

**Manish Mattoo:** Yes, thanks, Abdul. So to your first question, the Whitefield existing infra that we have is slightly smaller as per our specs. Whitefield is a much bigger market and we feel there is going to be enormous demand in that market

and we want to be prepared for that from an infrastructure perspective. Hence, we are looking at an asset which will provide us at least 120, 130 beds.

And that is why, you know, there is this alternate location that we are seeking to realize the potential of that large market. So that is one. As far as brownfield expansions are concerned, so I will give you center-wise breakup. In Cuttack, we are adding 75 beds. In Ranchi, we are adding 30 beds. In Vizag, we are adding 50 beds and in Bhavnagar, we are adding 20+ beds. So that put together should 200+ beds over the next 24 months.

**Abdulkader Puranwala:** Understood, sir. And sir, in terms of, you know, the fundraise and then now we are also divesting Milann centers. So sir, I mean, going ahead, how should we look at the debt part of the business? I mean, is there any target internally in terms of net debt to EBITDA or net debt to equity that we are immediately targeting for the next one or two years, considering, you know, we also plan to add some beds here?

**Manish Mattoo:** So the net debt to EBITDA ratio has, come down favourably. Earlier it was 2.2x, 2.3x. It is come down to 1.4x as of today and this gives us enough headroom to invest in capacity addition, expansion, brownfield, technology additions and all. And we will continue to be mindful of that ceiling. Internally, we have kept it at 2.5x and I think in the medium to long term, that is where it will be.

**Abdulkader Puranwala:** Got it. And sir, just last one if I may. So among, you know, the four regions where we are operating, just directionally if you could help understand that, you know, where is the scope you see, you know, for further margin expansion in terms of, you know, the delta which can be brought into for the next two to three years?

**Manish Mattoo:** I think we have identified opportunities for margin expansion across clusters. But largely, I think it will come from West and East more, because South is a mature cluster with margins already 25% plus. But we will we see opportunities for margin expansion all across.

**Abdulkader Puranwala:** Okay. And sir, just one more follow-up from my end. So when we talk about a 15% kind of growth expected for next year and, you know, subsequent to that, and if I look at your current occupancy at the southern cluster, you know, that is already slightly higher. So would it be fair to assume that ahead, you know, we would have after Bangalore gets added, we would still have some headroom for new bed addition into this one?

**Manish Mattoo:** So the growth will happen through multiple levers, not just occupancy enhancement. You know, we have identified multiple levers for growth. One is, of course, North Bangalore is going to be a big driver for growth. There will be Whitefield. There is brownfield expansion that I already alluded to. Plus, there is work happening on clinical talent addition. You know, in Q4 alone, we have added about 23 oncologists to our network and we will see the growth coming from that addition in the subsequent quarters.

There is also work happening on sales acceleration. We are doubling our Day-Care centers. Currently we have five, we are adding about 8 to 10 Day-Care centers over the next 24 months across multiple markets. There is also work happening on ORC outreach. Then, of course, on the cost side, there is opportunity on procurement, on leases that we are exploring. So I think collectively there are many levers that are play at play here which will help us expand margin meaningfully over the next year.

**Abdulkader Puranwala:** Got it, sir. I have no more questions, so I will get back in the queue.

**Moderator:** Thank you. We will take the next question from the line of Himanshu Binani from Anand Rathi Share and Stock

Brokers Ltd.

- Himanshu Binani:** So sir, on the cluster-wise revenue we see, so we have seen that the Western cluster has reported the highest revenue while the utilization has been like around 50% versus the consolidated 58% sort of like utilization. So just wanted to understand the utilization as in what exactly the utilization you are talking about is the occupancy or is the overall hospital equipment's included?
- Manish Mattoo:** Center utilization is a slightly different metric from occupancy, and it factors in other metrics also like the chemo beds utilization, the OT utilization, Radiation machine utilization. So it is overall, I would say, a blended metric capturing the potential revenue going forward. And you are right, in Ahmedabad, for example, at 50% center utilization, there is headroom for growth in a very rapidly expanding and a very important market for us.
- Himanshu Binani:** Okay. And sir, lastly from my side, if I actually look into Slide number 18 on the ramp-up of the new facilities moving up the value chain both in terms of revenue and margins in FY26. So can you please elaborate which of these centers have actually moved from the low bucket to the upper bucket and ahead which ones as per the management have the highest possibility of moving up the value chain going forward?
- Manish Mattoo:** As we had stated earlier also, we are for now refraining from giving center-wise details, I would appreciate if we can stick to that. But suffice to say that both the buckets are growing as per our expectations and will continue to grow further.
- Himanshu Binani:** Sure, sir. Thank you.
- Manish Mattoo:** But suffice to say that both the buckets are growing as per our expectation and will continue to grow further.
- Moderator:** Thank you, sir. We will take the next question from the line of Nitish Rege from ChrysCapital.
- Nitish Rege:** Yes. So, sir, you mentioned that, you are going to do selective greenfield expansion. Any update on the on the greenfield expansion pipeline other than the two Bangalore facilities? Any geographies we are particularly focused on for this expansion?
- Manish Mattoo:** So Nitish, there are at least 10 to 12 cities that we are evaluating options in and depending on market potential, location availability, talent pipeline availability, we will be finalizing, you know, few locations ever so often. But as of now, there are several examples I can give you between a Pune, Surat, Coimbatore, Nellore, Lucknow, Jalandhar. There are several options that we are evaluating to finalize our greenfield options.
- Nitish Rege:** Okay. And in terms of, you know, inorganic growth, are we in talks in advanced talks with any target companies? Any update on that front?
- Manish Mattoo:** There are I mean, options being evaluated currently also, but there are no major updates to be shared with the community right now.
- Nitish Rege:** Okay, okay. And just, you know, how do you see the margin trajectory evolving? Do you do you believe the company can do another 100 basis points improvement in EBITDA margin let's say in FY27? And, you know, what's our outlook on the shift in the payor mix? Where do you think, you know, by what time will this optimize for us?

**Manish Mattoo:** So this last couple of quarters, we have seen the payor mix move up favourably by 100 basis points. And the margin expansion also, if you just take Q4, has expanded by about 90 basis points versus last Q4. And with the measures that we have taken and that we will continue to take both on the quality of revenue side and other things that I mentioned earlier, and on the cost side, the margin expansion is achievable and we have demonstrated that over the last two quarters. So I am quite confident of delivering on that estimate that we had shared earlier.

**Nitish Rege:** Okay, okay. Thank you so much.

**Moderator:** Thank you. We will take the next question from the line of Nitin Agarwal from DAM Capital.

**Nitin Agarwal:** Thanks for taking the question. Manish, so from your perspective since the time you have taken over the business. If you can, you know, sort of just, you know, tell -- let us know in terms of the way the business was being run, you know, prior to the promoter changeover and management change. I mean, where are the big opportunities that you see, you know, from a discrepancy perspective where, you know, we can create maximum amount of value for the business. And and where are the primary low-hanging fruits on this account that you would like to pursue, you know, as we go forward here?

**Manish Mattoo:** Yes, thanks for your question. I do not want to comment on what was the earlier priority and all, but definitely growth was there. But today, as we look at growth, we are focused on profitable growth. There is focus on revenue growth, but we want it to come in a holistic way. So the focus is on margin expansion, improving returns, improving quality of earnings, and stronger cash generation, which we clearly have seen in Q4 and, very confident that the trend will continue.

And the levers that I mentioned earlier also about holistically looking at improving the quality of revenue that we do, improving the clinical talent addition, focusing on clinical differentiation. I think that is our biggest moat and that we will continue to build across the markets. We want to use our geographic expansion to our advantage, being present in 18 cities, with 25 hospitals, that is a huge network and we want to leverage on it.

Coupled with that, you know, the new expansion that I mentioned, North Bangalore, expansion in the other territories that I mentioned, addition of clinical talent, sales acceleration, expansion through Day-Care centers, outreach center . I think there are several levers that we are working on today. As I said, focus being not just on growth, but being on profitable growth, being on improving returns and stronger cash generation.

The growth has come through in this quarter also If I look upon for the full financial year, it is driven by better center utilization, by improving clinical productivity, by focusing on costs. So I think coupled with these factors, I would say the priority is on holistic profitable growth going forward.

**Nitin Agarwal:** And Manish, you know, on the point that you mentioned about focus the priority being more profitability-focused driven growth rather than just chasing growth for top-line perspective. But does that put us at a disadvantage versus, you know, some of our, you know, larger peers, multi-specialty hospitals who have got the ability to invest more aggressively behind oncology? And that seems to be honestly the trend across all the listed hospital chains where oncology investments are a key priority for -- from investment perspective across most of those guys.

**Manish Mattoo:** I think we are very confident of our clinical differentiation and the moat that we have created over 35 years. We are leaders in most of the markets that we operate in. And while there will be competition, but I think we have enough created enough legacy, outcomes, and brand recall in the market to sustain that growth. Secondly, there is

an inherent demand that is being generated in the market, you know, quite rapidly because of higher incidence of cancer.

So I would say we will continue to grow, quite well in the next couple of years given the fact that we have such a strong legacy and the growth levers that I mentioned before. So I do not think that is going to be a challenge.

**Nitin Agarwal:** Lastly on the growth part, you know, 15-20% growth that you have guided to, given our revenue base, is there a possibility that it can get meaningfully stepped up from here? What can really drive up, if assuming that kind of inflection can come in our growth from??

**Manish Mattoo:** I think, as we deepen our presence in different markets, there is potential for a higher growth or, you know, inorganic expansion through that route. I mean, we can ramp up the growth further.

**Nitin Agarwal:** Okay. Thank you so much.

**Moderator:** Thank you. We will take the next question from the line of Santosh from FundVeda.

**Santosh:** First of all, congratulations on your good set of numbers that you have delivered and I see clear efficiencies that you are building in in the hospital. My question is regarding the interest cost. So, we have been hovering around INR40 crore of interest cost each quarter. So, with the rights issue funds and remaining funds, do we expect that interest cost would reduce in the upcoming quarters?

**Manish Mattoo:** You are right after the rights issue and, you know, we have repaid some long-term debts, we do expect some improvement, some reduction in the interest cost. Our average interest cost is at 8%

**Santosh:** Okay. Got it. Thank you, sir.

**Moderator:** Thank you. We will take the next question from the line of Shashank Goyal from Vyomara Capital.

**Shashank Goyal:** Thank you so much. My question is, what sort of occupancy are the various hospitals in our system operating at?

**Manish Mattoo:** For the for your benefit, if you refer investor presentation slide 17, we have highlighted that a center utilization of 58% today, which reflects future growth potential. I mean, that is the metric we are tracking now against occupancy because we feel this is actually a blended metric that combines our utilization across modalities and this gives a better picture of how you should view our utilization rate overall. So, we are at 58% of our growth potential.

**Shashank Goyal:** Okay. And my next question is, like, can we continue to deliver same growth for the next two, three years on the in the hospitals which are already there or will we start running into the constraints of capacity?

**Manish Mattoo:** I think for the next couple of years, our existing hospitals with expansion within them will deliver at least 75% to 80% of our growth and the rest will come from newer centers.

**Shashank Goyal:** Okay, okay. Thank you. That is all from my side. Thanks.

**Moderator:** Thank you. We will take the next question from the line of Devang Patel from Sameeksha Capital Private Limited.

- Devang Patel:** My first question was on growth in revenue per patient. You mentioned earlier that we are reducing lower-margin business. So why is that not reflected in a better growth on realization? And secondly, in the West also, the trend across quarters is there is a tapering down of growth. If you can talk about on these.
- Manish Mattoo:** See, as I stated earlier, growth is not our only objective. Growth has to be accompanied by margin expansion, returns, better returns, improving quality of earnings, and, you know, stronger cash generation, which we have demonstrated can come even at a lower revenue. So, we have to consciously, you know, we have taken those calls consciously, which may have a short-term impact on revenue, but will have a long-term beneficial effect on all the other metrics that I mentioned. And that is how it is an intentional strategy to go in that direction and that is what we will continue to do for some time. And that we have done across clusters, actually, South, West, and East, with equal success.
- Devang Patel:** When you guide to 15% revenue growth, would you be looking at 5% inflation, medical inflation going forward?
- Manish Mattoo:** Yes, Over time, we will replace the low margin business with a higher-margin, higher-realization business, which will improve ARPPs in the medium to long term.
- Devang Patel:** Right. My second question was on capex for 200 beds over next two years. What would be the amount you would be spending just on the growth part of capex?
- Manish Mattoo:** So on these are all brownfield expansion and average cost is about INR45 lakh per bed. So that is about INR90-100 crore for 200 beds.
- Devang Patel:** Okay. And lastly on the EBITDA to CFO conversion at 75% this year was lower than, you know, the trend we have seen earlier. Are there any one-offs in this? Could we expect an improvement going forward in our working capital cycle?
- Manish Mattoo:** Yes. So when you adjust for ESOPs settlement that, the CFO is actually 87%. So that is the one-off. Normalized for that, the EBITDA to CFO is actually 87%.
- Devang Patel:** Right. Thank you so much.
- Moderator:** Thank you. We will take the next question from the line of Pranav Chawla from Ambit Capital Private Limited.
- Pranav Chawla:** Congratulations for a good quarter. Sir, I had a couple of questions. One regarding slide number 18 where we have highlighted margins for various buckets where we classify. If I refer the same to our FY25 presentation, we are seeing a dip in INR5 crore to INR10 crore revenue per month hospitals as well as we are seeing a sharp decline in margins for the less than INR5 crore bucket hospitals as well. Can you elude to what has led to that dip?
- Manish Mattoo:** So that is because, you know, there are several centres moved from third bucket to the second one and second to the first one.
- Pranav Chawla:** So this is primarily due to moving of cohorts?
- Manish Mattoo:** Thanks right.
- Pranav Chawla:** So the balance hospitals that are still operating at this less than 5% bucket, are these the Mumbai assets that we

were referring to in the past and is there a scope for margin improvement in this bucket?

**Manish Mattoo:**

It includes that.

**Pranav Chawla:**

So is there scope for margin improvement in this bucket?

**Manish Mattoo:**

So there is scope to improve margin and ROCE and, of course, you will see improvement in the subsequent quarters.

**Pranav Chawla:**

Okay. Got it, sir. Sir, and one thing, is it possible for you to quantify what percentage of revenue that you had to forego or the low-margin business that we foregone over this fiscal so that we get a better like-on-like comparison of the business?

**Manish Mattoo:**

Right now we may not be able to answer that question.

**Pranav Chawla:**

Okay, absolutely no problem. Sir, lastly on the Milann transaction, can you give us more color regarding the thought process behind divesting this asset to Inviga Healthcare Fund?

**Manish Mattoo:**

So first, let me answer the question why it was divested and then I will answer the second part of the question. See, Milann has been part of HCG for 13 years, you know, and then we had a majority stake in 2013 and then it became a fully-owned subsidiary in 2020. Over the past few years, Milann's operating footprint has, you know, steadily declined.

The number of centers has come down from 9 to 6 and today the business operates at a low EBITDA margin and remains only marginally above break-even on a post-rent basis. So, reviving and scaling the platform would require significant management bandwidth and primary capital infusion, both of which are outside HCG's current strategic focus because we are focused on developing the primary oncology network, core oncology network.

So, HCG then decided to exit this non-core business and transfer it to a buyer who was better positioned to infuse growth capital, scale the business independently, and carry forward the Milann legacy. And why it was sold to Inviga Healthcare Fund. See, we initiated a comprehensive sale process, a competitive sale process where HCG shortlisted Inviga as the preferred buyer and the focus was on maximizing valuation and ensuring that the transaction, you know, was done with certainty and it facilitated a smooth transition for Milann's employees as well.

So, following a comprehensive evaluation of the offers received and after obtaining the requisite approvals from the Board and the Audit Committee, HCG proceeded with finalization of the transaction with Inviga Healthcare Fund.

**Pranav Chawla:**

Got it. Sir, and from a three to five-year lens, can you highlight how many beds do you plan to reach by FY30 or FY29, whichever you are comfortable with at this moment? I assume this will primarily be Brownfield in nature, the count that you will refer to.

**Manish Mattoo:**

So, we have maintained that we will be adding about 1,000 beds by FY30. 400 of those beds will come through Greenfield expansion and about 600 through the Brownfield expansion.

**Pranav Chawla:**

Got it, got it. Perfect. Thank you so much, sir. All the best.

**Moderator:**

Thank you. We will take the next question from the line of Anubhav Sanghal from Anand Rathi Share and Stock

Brokers Ltd..

**Anubhav Sanghal:** Hi, Manish. Congratulations on a good set of numbers. My question is regarding the new North Bangalore facility where you have added the MR-Linac. Just wanted to understand, is MR-Linac on an ownership basis or is it a pay-per-use?

Secondly, how are you looking at the ROCE trajectory in the Bangalore region with the addition of North Bangalore?

**Manish Mattoo:** So, Anubhav, MR-Linac is on a pay-per-use basis to create an asset-light model for us. Second is that overall, while Bangalore KR, the flagship hospital, is operating at about 30%+ ROCE, and as company we expected to hit a 20% ROCE over next four to five years.

**Anubhav Sanghal:** All right. Thank you.

**Moderator:** Thank you very much. Ladies and gentlemen, we will take that as the last question. I now hand the conference back to the management for the closing comments. Thank you and over to you, sir.

**Manish Mattoo:** Thank you so much. Thank you so much for joining us and I look forward to our next interaction. In case any other questions have remained unanswered, please reach out to Ravi or me as you deem appropriate. Thank you.

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