August 11, 2026

BSE Limited
The Listing Department
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Fort, Mumbai 400 001
Maharashtra, India
BSE Scrip Code: **544309**

National Stock Exchange of India Limited
The Listing Department
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai 400051
Maharashtra, India
NSE Symbol: **IKS**

Dear Sir/Ma'am,

Sub: Transcript of the Q1 FY 2026-27 Earnings Conference Call.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on Thursday, August 6, 2026, with respect to the Company's financial results for the quarter ended June 30, 2026.

The said transcript has also been uploaded on the Company's website and can be accessed through the following link:

https://ikshealth.com/ir/2027/q1/transcript-q1.pdf

This is for your information and records.

Thanking you.

Yours sincerely,
For **Inventurus Knowledge Solutions Limited**

Sameer S Chavan
Digitally signed by Sameer S Chavan
Date: 2026.08.11 22:44:20 +05'30'

Sameer Chavan
Company Secretary and Compliance Officer
Membership No. F7211

Encl: As above

"Inventurus Knowledge Solutions Limited

Q1 FY27 Earnings Conference Call"

August 06, 2026

MANAGEMENT: **MR. SACHIN GUPTA – FOUNDER AND GLOBAL CHIEF EXECUTIVE OFFICER**
MS. NITHYA BALASUBRAMANIAN – WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER
MR. SARANSH MUNDRA – VP, INVESTOR RELATIONS

MODERATOR: **MS. SEEMA NAYAK – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to IKS Health Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Seema Nayak from ICICI Securities. Thank you, and over to you, Ms. Nayak.

Seema Nayak: Good morning, ladies and gentlemen. Thank you for joining us today on the Q1 FY27 earnings call of IKS Health. On behalf of ICICI Securities, I would like to thank the management of IKS Health for giving us the opportunity to host this call. Today, we have with us Mr. Sachin Gupta, Founder and CEO; Ms. Nithya Balasubramanian, CFO; and Mr. Saransh Mundra, Head of Investor Relations.

I turn it over to Mr. Saransh for his brief statement and to take the proceedings forward. Thank you, over to you, Saransh.

Saransh Mundra: Thank you. Thank you, Seema. Good morning to everyone. Thank you for attending our earnings call. We hope you had the opportunity to look at our earnings and presentation. Before I hand it over to Sachin, brief disclaimer. As part of our prepared remarks and during question-and-answers, we may make certain statements that involve estimations, deliberate uncertainty. We don't take any responsibility to update such forward-looking statements, and your discretion is warranted while making any investment decisions. Thank you. Over to you, Sachin.

Sachin Gupta: All right. Thank you, Saransh, and good morning, good evening, everyone, depending on wherever you are. Welcome to our conference call for discussing the financial performance for the first quarter of fiscal '27 ending June 30th, 2026.

On the call today, I will start off with providing a quick overview and sort of state of the union of the business, provide a high-level financial overview, turn it over to Nithya for some detailed remarks on some of the financials, and then take it back to close towards the medium-term outlook of the business, especially as we look to consolidate TruBridge and integrate it effectively and how the next few years are looking. And then, you know, we'll turn it over to everybody for Q&A.

So, to start off with, again, because there's always some, you know, new participants on the call, as well as there's been a significant evolution in the company, just to remind everyone, I think we're a unique platform, a unique care enablement platform that is focused on delegating the chores of healthcare so that healthcare providers can focus on their core.

And there are two aspects of our platform now with the acquisition of TruBridge that make us unique. One, in our traditional market, I think we're still the only truly comprehensive system of action that sort of delegates these chore tasks from providers to the right combination of technology and humans, including AI-enabled technology.

And again, in a market that's full of point solution vendors, I think we are pretty much the only comprehensive platform that does that for large medical groups, be those independent or health system-owned. That's been our traditional market. And now we've added a very important dimension to our business where we are now working towards being the only truly integrated system of action and system of record for the rural and community market.

As you know, typically, for healthcare systems delivery organizations, they are often straddled between technology that is coming from their electronic health records vendor, which is the system of record, and multiple point solution vendors that delegate chore tasks that are created due to regulations, as well as, in fact, some tasks being created due to the system of records being inefficient.

And in the rural and community market, which is a very, very large market with 2,100-plus hospitals, the reality is we will be the first of its kind deeply integrated system of action and system of record, such that all of these chore tasks can actually be orchestrated in the native workflows of the EHR itself without context switching.

And I think it's unequivocally validated that for healthcare provider organizations, that's the Holy Grail. If they can actually receive that, that truly takes care of all of their challenges. So, excited about the recent evolution that we've had for the rural and community market. Of course, a lot of work to do to realize it effectively.

But I think overall, when you combine those two dimensions and the cross-leverage that those two dimensions bring, I think we're really in the process of building a new operating system for healthcare provider organizations to bring them clinical and financial sustainability. All of this, as you know, is a very large TAM, which is now expanded further for us because of the rural health system market kicking in.

North of $260 billion, of which outsourcing is only about $35 billion. Just to remind everybody, the overall market is growing at close to 8%, and the outsourced TAM is growing at about 12%. And today, prior to TruBridge, we're about 600-odd large provider groups that we've serviced across urban and semi-urban settings. And obviously, most of that, because we are basically the operating infrastructure for these provider systems, most of that tends to be recurring revenue because we're basically part of their operating infrastructure that helps them operate on a day-to-day basis. Long tenure clients.

And prior to TruBridge, with about 12,900-odd people, which, obviously, I'll talk a little bit more about that in the context of our financials because year-on-year, we're continuing to see non-linearity between revenue growth and people growth, which we also witnessed in this past quarter relative to the same quarter last year, of which about 1,900 of our people are clinical and nearly 600 now technology-focused engineering employees that we are leveraging to continue to build our proprietary technology embedded in our platform, and close to 60 sales and marketing people.

Obviously, these are pre-TruBridge numbers because the TruBridge deal closed on July 10th.

So, these are all numbers for the quarter ending June 30th, 2026. So, again, large TAM, great growth opportunity, very significant install base in which we can continue to expand our platform and a really unique positioning as the new operating system for healthcare delivery going forward.

And with that, I think it's important to lay out, as you know over the last few conversations, I've always said what are our key strategic pillars of execution. And with TruBridge getting integrated, obviously, those key strategic pillars of execution have evolved dramatically. So, today, I wanted to introduce everybody to what are the renewed strategic pillars of execution from here.

And we still have five, incidentally, but the first one, which probably is the most strategic and the most exciting for the long term, is this integrated system of action and system of record for the rural community health system market. This is actually the most strategic rationale of combining TruBridge with IKS and creating this new operating system for healthcare.

And let me just lay out a few very important steps in how we are going to go about creating that. As I've laid out before in the conversations about TruBridge, one of the biggest values that the TruBridge acquisition brings to us is this massive dataset of 5 million-plus patients that we now have access to that we can de-identify and now convert into a structured unified database that can then be labeled, where you can then start labeling and, you know, bringing linkages between the clinical context, the actions taken on the data, as well as the outcome achieved.

And that is what you, that eventually becomes the AI training moat or the AI training corpus on which you can start to build your own proprietary language models. And so, obviously, we are going to do that. We've already well into our journey of starting to build that database. TruBridge has already started to do it. We're quickly bringing momentum to that, and as that structured database comes together, we will start training our own SLMs. And it's really important because these SLMs are a very, very strategic aspect of our future.

Because in absence of these SLMs, you are constantly relying on front-line large language commercial models, which as people are discovering now, as exciting as they are, they're extremely expensive.

The token cost is hard to justify over a period of time. And with this model where we're going to be able to build our own SLMs, train our own models, tune our own models by specialty, by task over a period of time, we will significantly, see, very significantly reduce our dependence on the LLMs for all the Generative AI that we are going to use. So, I think this is a very, very important strategic aspect of this pillar of execution.

And then I think one of the other things that's important for our shareholders and our customers to recognize is that one of our big philosophies is that in healthcare, you don't just need Generative AI, but you need explainable Generative AI. Because in healthcare, it's not good enough to just arrive at an answer, but you also need to be able to explain how you arrived at that answer. And so, another thing that we are pioneering is building this construct of a glass box or explainable AI construct.

And we're doing that through another recent acquisition that we did called ARAI, where we've built a whole bunch of knowledge graphs, that actually bring that ability to not only leverage our proprietary models to generate the intelligence and accomplish the task or orchestrate the task, but it also allows us to explain how we arrive at that task. So, I think this is a very, very important dimension of our strategy and could be a differentiator over a period of time.

And then, of course, I would remind everybody about the key distinction. You know, we are all hearing so much noise that sometimes it's easy to lose the signal between what Generative AI is really going to do versus not. And I think a simple concept, at the risk of oversimplifying it a little bit, that I want to continue to emphasize is that there's going to be multiple tasks in our system of action. Some of these tasks are essentially going to be deterministic in nature where the outcome of the task is a finite binary outcome, right?

Like, it could be a medical code. It's very deterministic. And there's going to be a few tasks that are non-deterministic in their outcomes, like narratives, like clinical documentation, which is a whole narrative. Generative AI is exceptionally good at these non-deterministic task outcomes, right? And that's where when there are tasks that have non-deterministic outcomes, you can start to get autonomous to a great extent.

You'll still need human-in-the-loop for some edge cases, but you can get to very high levels of autonomy when the outcome of the task is non-deterministic in nature, like clinical documentation. But when the outcome of a task is deterministic in nature, you have to constrain the Generative AI models with further rules-based AI and human-in-the-loop. And that rules-based AI can take the form of a knowledge graph or what have you.

And so, again, the way we are approaching building and evolving all the features in our platform is that we've clearly stratified deterministic versus non-deterministic. Based on that, we have created a very pragmatic autonomy aspiration by task. And based on that autonomy aspiration, we have a roadmap by feature on what that journey to autonomy or appropriate autonomy is, and what that human-in-the-loop will continue to evolve to look like in by task. So, I think that's a very, very integral part of the strategy.

So, as we build explain ability, we will constrain the Generative AI appropriately through human-in-the-loop as well as knowledge graphs. And then last but not least, obviously embed these system of action workflows in the native workflow of the EHR so that there is no context switching for the users and they're able to orchestrate all of these tasks within their native EHR workflows.

So, that's the vision of this very important first pillar, which is the biggest strategic rationale from a long-term perspective of combining the two organizations, and in the medium to long term, I think this will become a very, very important strategic differentiator and driver for growth and profitable growth for us.

And then one of the byproducts of doing that is the very models that we are going to train, the SLMs that we are going to train for the rural and community system market actually will feed

into the similar system of action that we have for the urban and semi-urban market. Because the reality is 70% of care that is delivered in these rural and community settings, even in the hospitals, is outpatient care. And obviously, our traditional business is all around outpatient care.

So, as we build out these proprietary SLMs, with a little bit more tuning and adaptation, those SLMs will be extensible or extendable, if you would, into our traditional market, which is where our second pillar is, where we actually translate these trained agentic workflows from the rural community market into those features for our traditional market and continue to empower our comprehensive system of action for the urban market, for the large group market, continue to empower that with these agentic Generative AI-enabled interconnected workflows.

And obviously, in that market, we will have to continue to rely on API-based integration with the EHRs. There, we don't obviously have native workflow integration, which obviously is not the most optimal solution, but it's still a huge differentiated moat because the other option that large medical groups have is to buy multiple point solutions and integrate all of them with the EHRs. So, they're much better off having a comprehensive platform from us that starts to integrate with their EHRs.

And then, again, we'll obviously continue to embody explainability in the Generative AI as well as human-in-the-loop where appropriate, depending on deterministic versus non-deterministic outcomes.

And then, our right to win in this traditional market will continue to be that for the large health system-owned groups, where they buy by feature and then expand into other features of the platform, we need to be number one, or two, or three in each of those features, which is demonstrated through our KLAS ratings, which is sort of call them the Gartner of healthcare IT, if you would.

And obviously, you've probably seen through some of our releases, we've made great progress in several features as it relates to our KLAS ratings. Obviously, Black Book ratings is another demonstration of our leadership in those features. And then yet continue to be one of the only comprehensive systems of action for that market. So, again, these two strategic pillars relative to both of our key markets going forward are a very important part of our strategy.

Third, of course, is now we have very clearly stratified go-to-markets for the rural and community market and for the independent medical group market as well as the health system-owned market.

As I've always said in the health system-owned market, we pivoted our strategy from a full comprehensive platform go-to-market approach to a more land-and-expand approach. Both in the results of this quarter and the last couple of quarters, we're starting to see the fruits of that. Happy to announce that we've had a couple of very significant wins in that land-and-expansion strategy over the last couple of quarters, and I'll talk a little bit about those in the financials.

And then for the other two markets, which is the rural and community market, obviously the

go-to-market eventually will be a comprehensive integrated system of action and system of record, and then for the independent medical group, and for the mid-sized health systems, that's where we are seeing more and more appetite for platform-based deals.

So, those will be very clearly stratified GTMs for those three market segments that our business is focused on from here. Needless to say, perhaps any deal that has strategic rationale still has to work financially. And so, happy to note that we have our plan laid out for getting back to our early-to-mid 30% EBITDA margins after our pro forma drop post-consolidation of TruBridge initially to, you know, the 26%-27% range.

Obviously, we've built out our plan to get back to that early-to-mid 30s, which is also reflected in our True North goal that we've laid out for everybody for FY '30. And that is achieved through both, continuing to evolve our model from tech-enabled human-in-the-loop to appropriate level of autonomy by feature, leveraging generative explainable AI, but also then transforming the TruBridge operating model to appropriately leverage the technology that we already have and the technology that we are building and then combine that with the appropriate human-in-the-loop from an offshore or global execution perspective.

And then, obviously, there's going to be some natural other operating and SG&A synergies as we combine these two organizations of significant size into a business that's just short of about $700 million in revenue. So, at the combination of those three levers, we feel confident about our ability to get back to our regular cadence of margins here in the next couple of years. And then, all of this eventually is predicated on the operating culture that we drive.

And, you know, I know many people have heard the cliché of culture eats strategy and execution for breakfast. The reality is we've experienced that already significantly through our past transactions and acquisitions. And so, our commitment to building a single institutionalized culture that is really driven around outcomes, I think one of the things that's coming out as this whole AI hype cycle flushes itself out is that the AI is great as a technology, but if it can't improve outcomes from a cost and quality perspective, then that's not going to be worth it, right?

And so, luckily for IKS, we've always had an outcome-oriented culture, which is also reflected in our pricing, and we obviously have to institutionalize that culture across the one integrated IKS, the combination of TruBridge and IKS, that starts off with north of 16,000 employees globally and now close to 2,000 clients that are going to be our clients across the two organizations.

As they come together, we're also in the process of consolidating the leadership team, and I think there are some very complementary strengths that we are discovering across legacy TruBridge and legacy IKS leadership. And so, bringing all of that together into one complementary leadership team is a big dimension of culture. And then last, but not the least, continue to drive the value behaviors that have made IKS what it has been over the years. So, these are the five strategic pillars of execution.

I will continue to report progress against these five pillars, some of which will be reflected

directly in our quarterly financials, others will, you know, reflect over the medium to long term. We'll move on and go to, it's always good to receive some recognition for all the good work that's happening. There's several out there for you all to read, but the ones that are I think most important are two.

The first one is we're very happy to report a patent that has been approved for our industry path-breaking AAW model, which is a model that basically predicts patient behavior across various dimensions. One of them is the whole, you know, we have a scheduling optimization feature within our patient engagement hub that we've built out, and that scheduling optimization feature enables providers to achieve maximum fix cost utilization of their time, as well as improve access to care.

And all of that is done through this propensity to show or no-show algorithm that is based on composite score of patient's ability, awareness of when exactly their appointment is, their ability to show up, some of the patients run into logistical issues to show up, and then, of course, their willingness to show up for the care that they are scheduling even.

And so, based on that propensity no-show, we have differential nudging algorithms that ensure that patients show up, but then also we schedule for providers intelligently to make sure that for the patients that have the highest propensity to no-show, we are perhaps doing things like double booking the slots so that at no point does a slot for a provider go waste because a patient doesn't show up.

Also, this has already had a huge impact in one of the very important drivers of healthcare reimbursement. As you know, the patient component of healthcare reimbursement, generally healthcare reimbursement for healthcare providers consists of the patient pay and the insurance pay. The patient component of that reimbursement typically is increasing over a period of time as co-pays and deductibles keep going up in these insurance plans, and generally collecting from the patient is a difficult endeavor.

And so, our AAW algorithm also predicts patient's propensity to pay, and based on their propensity to pay, which is a composite score of their awareness, ability, and willingness, you know, we can differentially nudge them on making sure that they actually pay before the care is delivered, because collecting from patients after the care is delivered typically has a very high write-off ratio.

So, this is a path-breaking algorithm, it's already been deployed in our MyCareHub patient engagement technology that has already proven significant upsides in patient collections as well as optimizing the schedule for our customers.

And then the second one I want to point out, Saransh, if you move to the next slide, is this case study that we published recently with Axia Women's Health, where through our optimized coding, we actually delivered a $12 million cash impact in a fully compliant manner with 96% coding accuracy, reducing coding denials. So, I think this is a very, very important demonstration, again, of the power of the system of action that we've built in terms of its actual ability to deliver tangible value, not just provide technology.

And all of this obviously adds up into, I just want to point out quickly if you can go back, Saransh, one slide, to the features of our system of action. This is the comprehensive system of action that we have built over all these years. This system of action applies both to our traditional large group, large health system setting in the urban and semi-urban markets, as well as to now being adapted to the rural and community markets. And as you can see now, earlier we used to track by feature the automation potential.

Now, we're starting to track by feature the autonomy potential of each of these features. And that autonomy potential obviously is driven by, like I was saying, the deterministic versus the non-deterministic nature of each of these tasks. So, we'll continue to do that and report our progress in this journey to autonomy, and again, autonomy being in healthcare meaning there'll always be some human-in-the-loop, although the humans might go from doers of task to auditors of task over a period of time.

So, how does all that add up into our Q1 financials? Happy to report another strong quarter of financial performance in which we've delivered 21% year-on-year growth for fiscal Q1, 12% in constant currency, resulting in revenues of about INR893 crores. And while doing that, we've been able to deliver 33% EBITDA at INR294 crores. It's really important to recognize, though, that that EBITDA would be approximately 200 bps higher if we adjust for that one-time exceptional costs associated with the TruBridge acquisition.

Actually, proud to say that we were able to accomplish this TruBridge acquisition at an unprecedentedly lower cost than most of these transactions come in at. I think we were just north of a little about 1%, and some of that 1% is about INR20-odd crores is reflected in the costs in this quarter. And so, when you adjust for those INR20 crores, that INR294 crores basically becomes INR314 crores, and the 33% pretty much comes back to that north of 35% operating EBITDA.

So, just wanted to call that out, which then also takes care of the quarter-on-quarter EBITDA growth, if you would, going from then INR300-odd crores to INR314 crores, which would make it a healthy quarter-on-quarter growth. So, wanted to call that out very clearly. So, strong growth, strong continued performance in operating margins that results in appropriate growth of PAT, which is reflected at about 28% year-on-year, coming in at INR193 crores, which again, if you were to adjust for the one-time exceptional acquisition costs, it goes even higher.

And all of that, obviously, on the back of very strong continued operating and free cash flows that the business continues to generate, which were on a cash basis affected by a one-time NEVA payment that we had associated with a customer, which is why it's not reflecting in the net debt, but continued strong operating and free cash flow performance that is reflecting the strength in the business. So, all in all, a pretty strong quarter.

And also want to highlight some very, very exciting client wins for the quarter. One, we're not able to name, but it's a very, very large and visible health system in California where we are actually helping them as they are taking most of their regions to Epic. We've made a partnership with us where we're helping them succeed on Epic. That is also good for our overall

relationship with Epic and continues to strengthen our partnership with Epic in our traditional market.

If you remember, one of our concerns or some of your concerns were, as we integrate TruBridge, will Epic get perhaps competitive with us. And the reality actually is, both in our traditional market through partnerships like the big California health system, we continue to get closer to them, we continue to integrate more and more features, but then also there are things happening between TruBridge and Epic independent of us that are taking TruBridge closer to Epic as well and collaborating with each other in that rural market.

So, more to follow on that, but I think, knock on wood, our relationship with Epic seems to keep getting stronger and stronger. Another very significant win with a national musculoskeletal leader. They're a very, very large national aggregator in the musculoskeletal space that is starting with a significant RCM relationship and a commitment to explore other dimensions of the platform.

And then I think our flagship relationship with Advocate Health Care, which is a strong, we have in this quarter two examples of really strong momentum starting to emerge in our cross-sell endeavor. Remember we had pivoted our cross-sell strategy from a platform-based approach for large health systems to a land-and-expand approach, and both this California-based system and Advocate are very, very strong examples of this approach now really starting to work.

Advocate is of particular note because it's one of the top five health systems in the country with north of $35 billion in annual revenue. They have significantly expanded their partnership with us, both in revenue cycle and in the coding dimensions. And we are still only scratching the surface, even with this expansion. So, very, very excited about this relationship and to be able to reveal it.

And then we've also partnered with one of the largest vascular and vein surgery organizations called StrideCare, which again, I think is the leading national aggregator in that space. So, a healthy amount of wins both from a cross-sell perspective, a couple of new customer acquisitions in the independent single-specialty space, continue to demonstrate growth momentum that we should be able to take advantage of going forward.

And with that, what I will do is turn it over to Nithya to provide some additional remarks on our financials, a little bit more detail, and then we'll bring it all together with a medium-term outlook on the business.

Nithya Balasubramanian: Thank you, Sachin. Good morning, everyone. Thank you for joining us today. If you can stay back on the previous slide, Saransh. So, EPS, which obviously came in line with the profit growth that Sachin had already commented upon, it was a very healthy 30% year-on-year growth. If you look at return on equity, it is again at a very healthy 26%. The decline quarter-on-quarter is largely due to the one-time acquisition cost that Sachin called out, as well as an increase in the valuation of Abridge, which is one of our strategic investments. We had to mark-to-market the asset at a higher valuation. If we can go to the next slide.

So, a few additional details on the financials. Revenue, of course, grew at a very healthy 12% in constant currency. If you look at forex gain, it was rather neutral this quarter compared to Q4, where we had substantial support from forex gain. If you look at employee benefit expenses and other expenses together, there are a couple of drivers that I want to call out quarter-on-quarter.

One is while we had a lower number of employees, which, of course, helped in reducing cost, however, we also integrated senior technology resources from ThinkDTM as well as ARAI in the quarter. And in addition, there were also one-time acquisition costs across both the quarters. In Q4, we had about INR25 crores of acquisition expenses and in Q1, we had about INR20 crores of acquisition expenses.

We do expect a little bit of integration expenses going into the next quarter as well. It's likely to remain in a similar range. We'll, of course, talk to you about it when we talk to you about Q2. Adjusting for both the one-time acquisition expenses as well as currency, while the reported EBITDA is at 33% in Q4, the adjusted EBITDA adjusting, as I said, for currency as well as acquisition expenses is actually at 35%, which is in line with the Q4 number as well.

If you look at finance and depreciation and amortization expenses, they came largely in line with the previous quarter. The Tax rate was higher this quarter. This is something we had discussed last quarter as well. Tax expenses were in the range of 22.4% this quarter.

For legacy IKS for the rest of the year, this is likely to remain in the 22% to 23% range. We will, of course, talk to you about the combined pro-forma tax rate when we speak to you next quarter. So net profit for the period stood at INR194 crores or 22%.

If we can go to the next slide. These are key KPI metrics that we talk to you about every quarter. Very happy to report again that the adjusted EBITDA per employee continues to grow at a very healthy pace, given the technology transformation and the continuous deployment of automation that we're able to achieve across our platforms.

Revenue from top 10 customers as well as top five customers again grew very healthy. In terms of contribution, it remained rather flat compared to Q4. Again, very happy to report that our vintage and our relationship with these top 10 customers and top five customers remain very strong. Top 10 vintage is at approximately six years and top five vintage is at approximately seven years. FCF yield continues to be very healthy. Again, adjusted for that one-time expense, FCF yield came in at 90% in this quarter.

Sachin, I'll hand it over back to you.

Sachin Gupta: Okay, great. So, again, strong financial performance for the quarter. And I thought like we're now about, I think this is our seventh quarter of being public and reporting performance as a public company. Our first quarter was the quarter ending December 31st 2024, as a public company.

So it's our seventh quarter and I thought it'd be good for us to just take a step back and just reflect on where our journey's come to and where it's taking us. And I'll start off with the journey for shareholders that have been with us even prior to the IPO. If you look at a 10-year horizon historically, it's been a healthy growth journey of about 29% revenue and very importantly non-linearity between revenue and PAT, demonstrated over a 10-year period.

And then I thought it's important to recognize where our journey is taking us. Where it has been I thought let's benchmark the period from when we went public and let me look at it about six years out, to which I think we have some decent amount of visibility from an earnings perspective and where I can say with a good amount of confidence that this is a True North objective that we really should be able to meet.

And so, just to put that in perspective, when we went public in December, the trailing 12-month EBITDA of the business was about INR647 crores, give or take, right? That's the trailing 12-month as of September 30th 2024, just before we went public.

Just in the last, call it 18 to 20 months, with no dilution, we have basically taken that business of INR647 crores to INR1,148 crores on a standalone basis, pre-TruBridge, right? And so, that is about nearly a 40% CAGR when annualized in terms of growth between TTM September 2024 and TTM June 2026.

And like I had said when we were doing the TruBridge acquisition, we had said that there was going to be a True North objective for FY'30 for INR3,000 crores. And I just want to reiterate today that as we have now closed TruBridge and are starting to get our arms around it, I want to reset everybody's expectation on how I'm seeing the future.

So first of all, I want to reiterate that we are continuing to maintain our True North objective of getting to at least INR3,000 crores in EBITDA by fiscal year '30, number one.

Number two, I also want to provide that we will be able to do that again with very marginal dilution, perhaps associated with ESOPs to incentivize our people, but outside of that, that objective is to achieve that without any further dilution to shareholders outside of ESOPs and getting back to that net debt position that we had prior to the TruBridge acquisition, right?

So, without dilution or without significant dilution, other than marginal dilution for ESOPs as well as without expanding our net debt, we will be back to the pre-TruBridge debt number and INR3,000 crores of EBITDA.

And just to put that in perspective further, what have we learned about TruBridge in the few days that we've had after close or from the period when we spoke last to now, what are we about a month into close, give or take, I think there's two highlights. It's generally good news.

The good news -- the big good news is, we had said when we completed the transaction that it looked like TruBridge was in the $68 odd million annualized EBITDA range. I think we're happy to confirm that that is the operating EBITDA that we are essentially inheriting through the TruBridge acquisition. So, very happy with that.

However, I think on the revenue side that high that EBITDA margin or that $68 million is coming off a lower revenue base. We actually believe that the operating revenue that once translated into IKS on a steady state basis will be about $300 million a year. Again, we'll produce the same $68 million in EBITDA margin starting out at the $300 million a year than the $340 million a year that we were anticipating pre-close.

And so, what are the drivers of this $10 million-odd a quarter or $40 million a year annual reset? There are actually three or four key drivers. First is the way they used to recognize revenue for RCM deals.

I think there's a good give or take $2 million to $3 million a quarter just from a rev rec perspective that we are much more conservative in how we recognize revenue from RCM customers. They've been a little bit more aggressive where they estimate the revenue that will be collected for their customers and then they estimate the revenue based on that. We take it based on actual revenues. So, as we adjust that, I think on an ongoing basis we'll see that adjustment.

Second, there were two services or lines of service that I've said earlier that are not profitable and that eventually we will look to eliminate. And those two lines of service are basically around small IT management services for these rural community hospitals and some early out type services, and those itself were about $8 million a quarter.

The reality is when you take those services out, it doesn't affect profitability at all. In fact, it helps profitability a little bit. So, we've encouraged them to think about that. Of course, we had no control over it pre-close, but happy to report that they're already on their way to doing that, and that will reset the base over a couple of quarters by as much as $8 million a quarter.

And then, obviously, in order to rapidly accelerate the transformation of their operating model, we're anticipating some customer discounts, etc., over the next few quarters, which will be about $2 million to $3 million a quarter.

So again, I think the way to think about the combined business is, as you know, IKS is at a run rate of about $97 million a quarter, which is about $388 million annualized; TruBridge as a run rate of about $75 million a quarter, $300 million annualized. Together, it's about a $688 million revenue business with a combined EBITDA of about INR1,150 crores on the IKS side and about $68 million on the TruBridge side, which is about INR650 crores.

So, that's what the starting point is. And again, I want to reiterate, we're feeling excited about the True North objective that we've laid out for ourselves for FY'30. And that sort of the overall state of the union.

And again, if I put all that in perspective from our December 2024 timeline, which will be basically about even less than six years, in five and half years, we will have taken the combined EBITDA of the organization from INR647 crores to INR3,000 crores, if we hit our True North. Of course, there's an "if" there, but I'm putting us out there saying that I think we have a really,

really good line of sight to that.

So that's the overall state of the union. Again, I'll round up by saying very exciting quarter, strong performance, the cross-sell land-and-expand strategy is starting to work in large health systems on the legacy IKS side, very excited about the new operating system for healthcare that we're building as we combine TruBridge, and while we think of this as a multi-decadal journey, if I was to break it down for the next, say, four to five years, I think we have a pretty healthy outlook for the next four to five years.

So, with that, I'll wrap up our prepared remarks and turn it over to the operator for helping facilitate questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Satyam Kumar with JM Group Family Office. Please go ahead.

Satyam Kumar: Hi. Am I audible?

Sachin Gupta: Yes, Satyam. Please go ahead.

Satyam Kumar: Thanks for the opportunity. So, actually I have a couple of questions. Sir, it will be helpful if you can help us understand, at an organic level, what kind of constant currency revenue growth you consider healthy or sustainable over the medium-term?

Actually, I'm not asking for any formal guidance but rather I'm trying to get a better sense of the level of underlying growth the business is comfortable delivering consistently. Because right now, if I see, since we got listed, on an average we have delivered about 14-odd percent kind of growth and this quarter being 12% one of the slowest growing quarters in constant currency terms.

So, broadly, how do you see going forward? And also, don't you think like most of the operating leverage we are generating, it's coming through like currency gains which we are making? So, at an organic level, how are you seeing this going forward? Not guidance, but more better understanding and clarity if you can share.

Sachin Gupta: Great. Thank you for the question, Satyam. So, I'll answer the second part of your question first. You said, is all the margin growth coming through currency? No, not really, to be perfectly honest. For example, our 12% year-on-year growth for this quarter that you've experienced has come on a people increase of only 4.2%, right?

So, our headcount has gone in June '25, we were at 12,300 people; in June '26, we are at 12,889 people, which is basically a growth of 4.2% in people versus 12% constant currency growth in revenue. So, actually, if you keep looking at it on a year-on-year basis, we've demonstrated constant non-linearity between revenue growth and profit growth and it is all driven by operating efficiencies.

And in fact, right now, our operating headcount is a little inflated simply because we're anticipating integrating TruBridge, there are certain aspects that we need to invest in the

TruBridge customer base that are factored in as some additional costs that we are carrying because we want to elevate the performance of some of their customers on the RCM side. So, I think that's the second part of your question.

Nithya Balasubramanian: Just to add to that, I think this quarter where exchange gains were completely neutral, you would see that our underlying EBITDA performance is again very healthy. The 33% reported number, adjusted for the acquisition cost, is actually 35%. So, the entire growth in EBITDA has actually been driven by operational improvements and not by currency.

Sachin Gupta: Thank you, Nithya. Satyam, on your growth, so look, I mean, I've constantly said that the market is growing at 12% and so I've always said, look, I am not smart enough to predict what will happen every quarter. But over a period of time, if we are growing faster than 12% on constant currency terms, our market share is growing, not reducing.

So, I continue to say that, that should be our aspiration, that will be our aspiration that is not a guidance. I'm not good enough to predict that. I can tell you that we will aspire to continue to grow that $388 million book of business at 12% which is the legacy IKS business and continue to drive non-linearity as it relates to profitability in that growth. And that non-linearity will mostly be demonstrated in the gross margin, because that's where the juice comes out of.

There might be EBITDA investments that are SG&A investments that offset some of that gross margin, but we'll continue to see some non-linearity there. And then as it relates to the TruBridge book, I have to say that you know what their historical growth pattern has been and I need at least two, three quarters to wrap my hand around it.

Once I've understood exactly what the various levers are then I'll understand what the TruBridge growth potential is, and I think we'll be able to have a better conversation on what our TruBridge book growth aspirations should be in that market. So, that's as much as I can tell you is, retaining that 12%-plus growth aspiration constant currency on the IKS book, still wrapping my head around what the TruBridge growth is.

Again, our aspiration will be to be the fastest growing integrated system of action and system of record in the rural community market. What that number is going to be, I think we need some two, three quarters to understand that, which is why intentionally, if you see the slide, we put a True North on EBITDA but I haven't yet put a True North on revenue. But I have put a True North on EBITDA that we think we'll achieve based on whatever little I do know about revenue.

Satyam Kumar: Understood, sir. Like, I think near about industry growth we'll continue to maintain, pretty clear. And, sir, second question if you allow. So, my second question is with regards to your AI strategy. So, sir, in today's con-call also and last call, so you explained in detail about your vision of leveraging AI, small language model and glass box AI.

So, to be precise, like just wanted to understand how SLM fits alongside or on the top of LLMs, and where exactly a glass box AI like framework fits in? Like, is it around SLM? Like, how SLM and LLM will work together and where the glass box AI like actually fits in? So, my

second question.

Sachin Gupta: Yes, that's a great question, Satyam. Without getting too technical and making this a class in AI, I will quickly say that there are basically three SLM models. One is a classic standalone SLM model. The big advantage of the classic standalone SLM model is it has much lower latency than relying on an LLM, it can often run on CPUs or edge devices, so obviously it has lower GPU and cloud costs.

The second is an SLM that is distilled from an LLM. That's another very common approach where you use the LLM only during the training of the model and then the SLM takes over, so think of the LLM as a teacher to the SLM.

And then the third is what I call a hierarchical SLM plus LLM model, right? Where the SLM is used for things like intent detection or classification or more simpler Q&A, workflow execution, which is important, routing of tasks, which is important and then the LLM is only invoked when the task requires deep reasoning.

Now, what we will have is we will have all of these three manifests for different tasks. We'll have standalone SLMs for some tasks, we'll have SLMs that are distilled from an LLM for some tasks and we'll have hierarchical SLMs and LLMs working together for some tasks. And that's the strategy that we will deploy.

Together, what that's going to lead to is this construct where we will have much lesser dependency on the front-line LLM models. So, that's to your question of when do SLMs really kick in.

I wish I could tell you that based on the combination of these approaches, my token utilization will drop by 60% versus a traditional LLM approach. I'm not smart enough to tell you that today, but over a period of time that metric will emerge for us.

Second, your question was around where does the explainability come from. The explainability comes from the knowledge graphs that we have acquired through our ARAI acquisition and that we will continue to build. And what is a knowledge graph? A knowledge graph is nothing but a set of relationships between data points that then starts to explain how the AI is arriving at the inference that it is arriving at.

And so that knowledge graph is really what will enable us to bring the explainability into the AI inferences that we are arriving at. So, hopefully, that's enough for this call at least. And again, I didn't want to make this an AI class but since you asked I at least wanted to give you a bit of a...

Satyam Kumar: Sure, sir. That's helpful. I have one more question. I'll get back into the queue.

Moderator: Next question comes from the line of Varun Gandhi with Finavenue Growth Fund. Please go ahead.

Varun Gandhi: Hi, Sachin and team IKS. Congrats on a solid set of quarter, and again, congratulations on the

strategic acquisition of TruBridge. My question is related to the acquisition itself. So, Sachin, I would like to understand how long have you been in the market looking for acquiring a company in the EHR who have developed the EHR systems? Was this you who made an active decision to go out there, look for an acquisition or was a banker there pitching you the idea? Wanted to understand some thought processes over there.

And secondly, IKS acquisitions have been very strict and have performed very well from a capital allocation standpoint. So, from a narrative standpoint, what are the few criteria you look for which makes the acquisition fit into the IKS story?

Sachin Gupta: Thank you for the question. Appreciate it. Look, I think as I've narrated at the time of articulating the TruBridge acquisition, this was a very, very strategic, thematic approach that we had, right? Because we understood that the true operating system of the future would be a deeply integrated combination of system of action and system of record.

Now, in our traditional large group market, there were some large EHR vendors that are already firmly installed and are themselves trying to become system of action, so with them, we have this cooperative relationship where we are co-operators because we do rely on integrating with them through API, but we are competitors as it relates to our systems of action, right? And so the chances of acquiring any of those large EHR vendors were limited.

So, we started thinking, what if we look at an adjacent market where there is still a large EHR vendor, where there is an opportunity for a deep integrated system of action that could bring efficiency to these chores and where that acquisition will not make us overly competitive with the EHR vendors in our traditional market?

And so, it was with that very thematic mindset that we spread the word from our Corp Dev team around what we're looking for and I think it took us a good year, 18 months maybe, that much, to land TruBridge, which, of course, was in an auction process. But when we landed it, we were instantly attracted by it for two reasons.

One, the rural market is a very large market. Second, TruBridge has a very significant 30% plus market share in that rural market. It's one of the two dominant EHRs. And third, because the service mix in the rural market is very similar to the ambulatory market, right?

And so when you look at that together, TruBridge became a very, very attractive proposition for us, and that's how we arrived at choosing them and going. So, a very thematic, strategic pursuit that led to the discovery of TruBridge. They were in an auction process through a banker and we were able to land the deal.

There was a second part of your question, if you don't mind repeating.

Varun Gandhi: Yes. So, the question was, acquisitions historically have performed very well from a capital allocation standpoint and an IRR standpoint. But from a narrative perspective, how do you see acquisitions in general fitting into the IKS story?

Sachin Gupta: Yes. So, look, I think what IKS will not do is acquisitions for the sake of acquisitions. Typically, there is going to be a strategic thesis behind the acquisition, that has to be the mainstay of the acquisition, and then, so the strategic rationale should be the main driver of the acquisition and then it also has to make financial sense.

If it makes strategic sense, but it totally is a bad thing from a capital allocation perspective or is going to be hugely financially challenging and creates inordinate amounts of risk then we will be careful about it, right? So, I think the mainstay is a strategic objective and then it has to be financially viable.

One, it should not create too much leverage on our balance sheet relative to our current EBITDA. That's one thing. And second, it has to come at a price that is accretive. You think about TruBridge now, we acquired $68 million of EBITDA for about $550 million, give or take, which is a pretty healthy accretive addition to us, with further upsides coming from the synergies that we're going to write.

Varun Gandhi: Got you. Thank you very much. I'll join the queue.

Moderator: Next question comes from the line of Mayank Babla with Carnelian AMC. Please go ahead.

Mayank Babla: Hi. Thank you for taking my question. Am I audible clearly?

Sachin Gupta: Yes, absolutely.

Mayank Babla: So, my first question is to Nithya. I think there was a comment on the higher acquisition M2M price. Could you please clarify a bit on that? And second, I'll follow up.

Nithya Balasubramanian: Happy to. My comment was regarding our investment in Abridge. It's a strategic investment that we have held for the last several years, and this quarter, we had to record it at a higher valuation. And that's the reason the denominator, when I'm calculating return on equity, the equity value increased a lot more than my profit increased because there is no impact on the P&L.

Management: It goes to OCI, Mayank. So, it goes directly into equity, the revaluation. That's why the base increases but it doesn't show up in the profit.

Nithya Balasubramanian: So, I was talking about Abridge. It had nothing to do with the TruBridge acquisition.

Mayank Babla: Sure. Thank you for clarifying that. And my second question is to Sachin. Considering that there is some revenue rationalization in TruBridge, which was not foreseen before the acquisition, do you still believe that FY'27 it will be EPS accretive for us?

Sachin Gupta: Absolutely, because the good news is even with the revenue reduction, the EBITDA is still the same, and so, absolutely EPS accretive. Perhaps even a bit more EPS accretive than we had imagined.

Mayank Babla: Sure. Those are my two questions. I'll get back in the queue. Thank you so much.

Sachin Gupta: Thank you.

Moderator: Next question comes from the line of Aditi with iWealth India. Please go ahead.

Aditi: Hello, am I audible?

Sachin Gupta: Yes, Aditi.

Aditi: Yes. Hi, sir. Sir, just wanted to ask in the future like with the acquisition of TruBridge, so what the standalone or legacy business IKS will continue having a 12% to 13%...

Sachin Gupta: Aditi, I'm sorry to interrupt, you're breaking up now.

Moderator: Your voice is breaking, Ms. Aditi. Can you please come in the range and talk?

Aditi: Hello, now is it better?

Moderator: Now it's still breaking.

Aditi: Hello, is it...

Moderator: Yes, please go ahead.

Aditi: Just wanted to clarify that the legacy IKS business that your opening comments that growth would be greater than 12% growth and with TruBridge, like I wanted to understand the revenue synergies. After the TruBridge consolidation and with the revenue synergies, like what would be a consolidated pro-forma?

Sachin Gupta: Aditi, I'm still struggling to understand the question. If you're asking about the medium-term growth outlook of revenue based on TruBridge and IKS combined, like I was saying earlier to Satyam's question, the aspiration on the legacy IKS side continues to be north of 12% constant currency. On TruBridge, I still need a couple of quarters to articulate, understand what the right aspiration is there for that rural and community market. And so, I can't really give you that outlook.

Having said that, is there a significant cross-sell opportunity into TruBridge's customer base for IKS's system of action? Absolutely. So, that will be one of the drivers of that growth that we will create but we're not in a position to give you a revenue growth outlook for the TruBridge book yet.

Aditi: Understood, got it. That was my question. Thank you.

Moderator: Next question comes from the line of Madhuchanda Dey with MC Group. Please go ahead.

Madhuchanda Dey: Hi. I have a couple of questions. The first is on this acquisition. As you mentioned that TruBridge's EBITDA margin is close to 22%-23%, which at this stage is much lower than IKS, like what we had seen in equity also, the margin was much lower but you could achieve a blended EBITDA margin of top 30% in a very short span of time. So, if you could just give us

some idea about, I'm not asking for a guidance, about your expectations and what are the low-hanging fruits to take this margin up?

And my second question is, you have given a medium-term guidance of INR3,000 crores of EBITDA without equity dilution. Does this mean that you are not really looking at any big acquisition between now and FY'30? And is there any other white space in your line of business that you're looking at where an organic opportunity is possible? Thank you.

Sachin Gupta: Great. Thank you for the question, ma'am. So, yes, absolutely. As I was saying earlier, one of our five strategic pillars of execution is to get the blended business to the early-to-mid 30s margin over the next couple-odd years, and we have sufficient levers in the TruBridge book to transform their operating margins through the right use of technology that we already have, technology that we're building, and the appropriate use of offshore human-in-the-loop to get the margins to that place.

So, yes, that is definitely our aspiration and we are working through that process of getting back the margins to the right place just as we did in equity. And then as it relates to acquisitions, no, I don't think we're saying we won't do any acquisition. What we're saying is that we think we can get to this INR3,000 crores without the additional acquisition.

Now, it's possible we do acquisitions and we get even bigger, but without contemplating an additional acquisition in the mix, we could get to INR3,000 crores. We could get an acquisition, do better than INR3,000 crores, worse than INR3,000 crores.

Obviously, there's a bit of speculation, but as things stand today, we feel like we can get the business to INR3,000 crores EBITDA, but we're not saying that our doors are closed for acquisitions. We're just saying that we will continue to be disciplined, and the reality is we have a lot of integration to do right now and we're heads down in that process.

Madhuchanda Dey: Okay. Thank you and all the best.

Sachin Gupta: And sorry, to your question of, is there more white space to acquire?

Madhuchanda Dey: Yes.

Sachin Gupta: I think this space is huge. There's going to be a lot of opportunities. I am circumspect about what happens to point solution vendors, even RCM-only vendors, traditional back-office RCM-only vendors going forward. So, will there be more opportunities? I think there's a lot of opportunity. I think the shift from intellectual recognition of full platform to actual buying behavior of full platform is imminent.

So, as all that plays out, there's definitely going to be opportunity, which means we will have to be even more disciplined because we are going to get hit by acquisition opportunities every other day and we have to be absolutely disciplined about what we pursue.

Madhuchanda Dey: Got it.

Moderator: Next question comes from the line of Omkar with Marcellus. Please go ahead.

Omkar: Yes, hi. Am I audible?

Sachin Gupta: Yes, sir.

Omkar: My question is on this mid-June launch by Abridge of their clinician intelligence platform. So, from what I read about their initiatives, they are moving just beyond being an AI scribe and moving into pre-visit, during the visit and also mediating the relationship between payers and providers.

So, everything that IKS talks about in terms of a capability of a platform, that is what Abridge is also talking about. So, just wanted to get your perspective on how do you see that and the competitive intensity going forward?

Sachin Gupta: Look, I'll tell you that we respect Abridge as an organization, which is why we invested in them and have continued to hold a stake in them. Having said that, I will say that there are 30 such vendors that are all now aspiring to evolve from point solutions to platform. Not everybody is going to be able to execute to that. There will be some winners and some losers.

And also, there is a huge time and effort that it takes to expand from an AI scribe business to a pre-peri-post-visit platform. And so, I think all power and my best of luck to Abridge. We will obviously carefully evaluate them, but also many other vendors. And the reality is that the competitive intensity in this space is increasing, should increase and will increase.

I mean, when you have a TAM of $200-plus billion that's growing at 8% and an outsourced TAM of $35 billion growing at 12%, the competitive intensity is naturally going to increase. The question is, have we built enough of a competitive moat that allows us to win in that increasing competitive intensity?

And we obviously are drunk in that Kool-Aid, but we are also watchful of competition and Abridge is one of those many, many, many point solutions that have now realized that point solution existence is fraught with all sorts of risk and so they are trying to go upstream and try to build a bigger platform. How well they do, how well they don't do will be a matter of time.

Omkar: Okay. And just a follow-up to that. So, in your renewal conversation with the hospital providers, is the pitch by all these new platform providers on just pricing or any further capabilities that they are trying to sell?

Sachin Gupta: Your question was about the large health systems?

Nithya Balasubramanian: Renewal conversations.

Omkar: Yes, with the large health systems mostly.

Sachin Gupta: Pricing. Look, I think with increasing competitive intensity, there is always going to be pricing pressure, but I will say that we are signing deals that are very healthy price. We just signed

another deal recently that was a five year lock-in at a very healthy price. So, I will say right now, outside of tasks that are truly non-deterministic in nature that can be reaching a high level of autonomy, pricing is not the biggest issue.

Issue is there is competitive intensity. Issue is for customers to separate the signal from the noise and then be able to make the right decisions about how elaborate a platform approach they want to take.

So, yes, is there pricing pressure? I think with increasing competitive intensity, there will be pricing pressure but we continue to believe that there is continued margin leverage in the business in spite of that pricing pressure based on our value proposition in the market.

Omkar: Okay. Thank you. That's helpful.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. I now hand the conference over to Mr. Saransh Mundra for closing comments.

Saransh Mundra: Thank you, everyone. For any additional questions, please feel free to reach out to us, our Investor Relations ID. Thank you, everyone, for attending the call.

Sachin Gupta: Thank you.

Nithya Balasubramanian: Thank you.

Moderator: Thank you. On behalf of IKS Health, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Please note that this transcript has been edited for readability.