Ref: NEPHROPLUS/SE/101

November 12, 2026

To
BSE Limited
P.J. Towers, Dalal Street,
Mumbai – 400 001
Scrip Code: 544647
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
5th Floor, Exchange Plaza, Bandra (E),
Mumbai – 400 051
Scrip Symbol: NEPHROPLUS
Through: NEAPS

Sub.: Transcript of Investors' Conference Call on Q2FY27 Financial Results
Ref.: Regulation 30, 46(2) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

In continuation of our letters dated October 21, 2026 (Ref: NEPHROPLUS/SE/92) and November 4, 2026 (Ref: NEPHROPLUS/SE/99), please find attached the transcript of the Investors' Conference Call held on November 4, 2026, to discuss the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2026.

The transcript of the said Conference Call has been uploaded on our website at www.nephroplus.com

Kindly take the same on record.

Yours faithfully,
For Nephrocare Health Services Limited
(Formerly Nephrocare Health Services Private Limited)

Kathri Kishore
Digitally signed by Kathri Kishore
Date: 2026.11.12 16:55:05 +05'30'

Kishore Kathri
Company Secretary and Head Legal
Membership No.: F9895

Encl: a/a

"Nephrocare Health Services Limited

Q2 FY27 Earnings Conference Call"

November 04, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 4th November 2026 will prevail

MANAGEMENT: MR. VIKRAM VUPPALA – CHAIRMAN AND MANAGING DIRECTOR
MR. KAMAL SHAH – CO-FOUNDER
MR. ROHIT SINGH – GROUP CHIEF EXECUTIVE OFFICER
MR. PRASHANT GOENKA – GROUP CHIEF FINANCIAL OFFICER

MODERATOR: MR. NAMAN BAGRECHA – IIFL CAPITAL

Moderator: Ladies and gentlemen, good day and welcome to Nephrocare Health Services Q2 FY27 Earnings Conference Call hosted by IIFL Capital.

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 Naman Bagrecha from IIFL Capital. Thank you, and over to you, Mr. Bagrecha.

Naman Bagrecha: Thank you. Good morning, everyone. On behalf of IIFL Capital Services Limited, I welcome you all to quarter two and H1 FY 2027 Earnings Conference Call of Nephrocare Health Services Limited.

We are pleased to have with us management team represented by Vikram Vuppala, chairman and managing director, Kamal Shah, Co-founder, Rohit Singh, Group CEO, and Prashant Goenka, Group CFO for Nephrocare Health Services Limited. We will have opening remarks from the management, followed by a Q&A session.

Thank you, and over to you, Vikram.

Vikram Vuppala: Thank you. Thanks, and good morning, everyone. Thank you for joining our Q2 FY27 earnings call. With me are Kamal Shah, co-founder, Rohit Singh, our group CEO, and Prashant Goenka, our group CFO. I am happy to note that we continue to grow healthily, as reflected in our H1 FY27 numbers. Dialysis business is all about scaling up volume.

As volume increases, the overheads get amortized over a larger base of revenue, and margins continue to improve over a period of time. Few strategic initiatives to strengthen the platform need upfront investments, which give results after few quarters. Also, as we enter new markets, there will always be initial couple of years of suboptimal margins in those new geographies.

But with time, our India platform model kicks in and starts making that country platform more and more efficient. Hence, you may see a bit of volatility in the short-term margins, but we are quite clear that we will be focusing on revenue growth, and the leverage will kick in over a period of time.

I am excited that we finally opened NephroPlus network in Kazakhstan last quarter. As we mentioned earlier, there are three growth levers for NephroPlus. The first is existing clinics in existing geographies. Second is new clinics in existing geographies. Third lever, which is a big lever, is opening new geographies.

Opening new geography is a key pillar for growth, and as we said, this will happen every 12 to 18 months. Since we have already been present in Uzbekistan over the last four-plus years, Kazakhstan is a natural geographical extension, and the market dynamics here are similar to Philippines, private clinics empaneled with government reimbursement program.

The two clinics we acquired in Kazakhstan are a good starting point for us to better understand the local market nuances before we start scaling this network in Kazakhstan. We are also happy to state that we have technically qualified in the Saudi Arabia's Ministry of Health tender, which we have spoken about earlier.

We are one of the 12 providers and the only one from Asia who qualified to bid for four regions of this tender. All the large global dialysis networks and all the major Saudi hospital groups are qualified, and hence, this will be a very competitive process. While we are doing everything we can to improve the chances of winning this tender, of winning a region, by no means we can assure you that we will be one of the winners in this process.

As we plan to enter more international markets, we recently launched a new initiative called NIDA, NephroPlus International Dialysis Academy. Still very early days, but the intent is to train a lot of nurses from Philippines and India who already provide the nurses for the global dialysis market and help plug the supply shortage of nurses in many of the new international markets, like Saudi Arabia and many other markets that we may, for in the future.

Also, there is a lot of attention these days on capping of margins on pharmaceutical products sold in healthcare facilities in India. We just want to let you know that pharmacy products account for less than 1% of our overall revenue, and we do not make much margins on that small base. Hence, we do not expect to see any major impact even if these guidelines make their way from cancer care products to dialysis-related products. Overall, we continue to be bullish on our growth prospects in India as well as other markets we operate in. With that, I hand over to Rohit.

Rohit Singh: Thank you, Vikram. Good morning, everyone. I will cover the quarter, then each of our markets, and conclude with our clinical and platform initiatives. The quarter, Q2 revenue grew 23.5% year on year to INR303 crores, taking H1 revenue to INR585 crores, up 24%.

Adjusted EBITDA for H1 was INR135 crores at a margin of 23%. We ended September with 38,814 guests, up 10% year-on-year. Treatments grew faster, up 12% in the quarter, while revenue per treatment improved by 10% to INR2,785.

Our network now stands at 570 clinics across six countries, with 500 in India, 70 international. We added clinics in India and the Philippines during the half and entered Kazakhstan and started our clinic in Saudi Arabia.

Let me take each market in turn now. India, we run here 500 clinics across 314 cities, serving more than 33,000 guests, with around 80% in tier 2 and tier 3 towns. Captive partnerships and private hospitals remain our core model and primary engine of growth. In public-private partnership, Bihar continues to scale, and we are rolling out our Tamil Nadu contract as well.

We also secured a contract for six clinics in Haryana. India is more than our largest market. It is the platform itself. 16 years of standardized protocols, processes, and governance that we now replicate abroad. NephroPlus is a dialysis platform built in India for the world.

Philippines, we crossed 55 clinics, adding 11 this year, including 10 acquisitions in the first half. The market has around 900 clinics, with a long tail of 500-plus clinics owned by individuals running one or two clinics. That fragmentation gives us multi-year visibility for roll-ups, complemented by a greenfield strategy.

Uzbekistan, we serve more than 1,450 guests across six clinics in three provinces. Our Tashkent clinic is a 165-bedded, remains the largest clinic in the world, and business is stable there. Kazakhstan is our newest market, entered this quarter through the acquisition of two clinics in Almaty. The country has around 12,000 dialysis patients across 150 clinics, with universal coverage and prices of roughly $75 to $80 per treatment.

Our focus is now to integrate the Almaty clinics and grow from there, including through acquisitions that meet our thresholds. We expect about a year to reach a steady state margins.

Saudi Arabia, our first clinic in Riyadh is now operational, and home dialysis has started in both Riyadh and Jeddah. The Ministry of Health tender has been issued, covering about 11,720 patients across four clusters.

We are one of the 12 providers who have technically qualified and are eligible to bid, so we expect this to be competitive. Bids are due in February 2027. Until the awards are known, Saudi remains an investment phase for us.

Clinical quality and people, NephroPlus Dialysis Index, our composite clinical score, is now being rolled up from guest level to clinic and cluster level, giving us a single lens on clinical performance across the network. NIDA, our nurse academy launched this year, is building a pipeline of renal nurses for our international clinics.

Access to trained renal nurse is a real constraint on international expansion, and we intend to solve it structurally rather than market-by-market. GFR, our CKD care platform, is in the pilot stage. We have begun on boarding select patients for trials. It remains in pilot, and we will share more details in future. This is a clear focus, reaching patients earlier in the disease, well before they need dialysis.

Looking ahead, our priorities remain unchanged. Scale the India platform, continue growing in the Philippines, integrate and expand the new market we just entered, continue exploring new geographies, stay disciplined in execution, and keep clinical quality and guest centricity as the foundation of our business. With that, I hand over to Prashant.

Prashant Goenka: Thank you, Rohit, and good morning, everyone. Let me walk you through numbers and address the key queries around margins. Revenue, H1 FY 2027 revenue was INR585 crores, up 23.6% year-on-year. Q2 revenue was INR303 crores, up 23.5% year-on-year, and 7.7% over Q1.

Revenue per treatment rose 9.7% to INR2,785 for the first half year, driven mainly by international mix, which reached about 47% of revenue, up from 42% in FY26. Coming to EBITDA and margins. Adjusted EBITDA for the first half year was INR134 crores, up 15.3% at 23% margin. Q2 adjusted EBITDA was INR68.9 crores, up 3.3% year-on-year, and 5.8% over Q1, at a 22.7% margin.

A word on how to read our year-on-year margin comparison. Last year, we were a private company with an annual audit cycle. Our quarterly numbers, therefore, had more variability, and provisions were trued up during the year-end audit. This year, as a listed company, our numbers are now reviewed by auditors every quarter, so those true-up happens as we go.

Our quarterly margins this year are therefore not directly comparable with the same quarter last year. Q2 FY26, 27.1% margin is a case in point. The more meaningful benchmark is our full year FY26 margin, which already reflects the year-end adjustments. On that basis, EBITDA margin was 23.8% in FY26 against 23.0% in H1 FY27, a reduction of about 80 basis point.

Margins have remained largely within a healthy range. Some of this compression is due to higher other expenses, which rose from 18.2% in FY26 to 20% in the first half. That reflects our

investment in international business development and new country teams, technology, the cost of being a listed company, and a model-based ECL provisioning that grows with revenue.

The clinic-level lines improved. Materials or COGS fell about 95 basis point to 22% of revenue. Professional and hospital fees fell about 83 basis point to 18.4% of revenue. Employee costs were broadly stable. The margin moderation is investment in future growth and not weaker unit economics.

Now coming to profit, adjusted PAT was INR76.1 crores, up 34.7%, with margin up 107 basis points to 13%. Finance costs fell from INR51 crores to INR5.3 crores after we repaid borrowings from IPO proceeds, and other income rose to INR15.1 crores. Our share of Saudi JV loss was INR7.5 crores for the first half year, shown below EBITDA and added back in the adjusted PAT.

Now coming to cash flow and capital deployment. As I indicated in the earlier call, as a company, we are very focused on cash flow on a daily basis and very disciplined on capital allocation. Operating cash flow for the half year was INR89 crores, about 67% of our adjusted EBITDA, of which INR52.4 crores came in Q2. This reflects a strong focus on cash conversion and quality of earnings.

We deployed about INR102 crores in the first half year. We expect FY27 capital deployment to exceed FY26 INR165 crores as we build out our newest geography. We remain comfortably net cash, with cash deposit and investment of about INR507 crores against the borrowing of INR80 crores as of 30th September. And overall, we are in a good position to drive both our India and international growth strategy.

Coming to the guidance, we reiterate our medium-term guidance of 15% to 20% revenue growth over three to four years. We do not give annual guidance.

With that, we open the floor for questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Akshay Thakur with Helios Capital. Please go ahead.

Akshay Thakur: Thank you for taking my question. My first question is on, so there were some discussions happening with respect to qualitative eligibility for tender submissions in India. Is there any update on that recently or still the eligibility for tenders is based on price?

Vikram Vuppala: So this is Vikram. I will take this question. NHSRC, which is part of the Union Health Ministry, recently came up with a recommendation of QCBS-based tendering model to all the states. QCBS is quality and cost-based selection process, right? But as we all know, health is a state subject the states can listen to the QCBS recommendation, or the states can disregard and use their own price base.

So we are seeing a mix of QCBS as well as few of the tenders continue to be on an L1 price model. It depends state-by-state. But the good news is that compared to five years back, more

and more tenders are now coming based on QCBS model, where NephroPlus probability of winning increases significantly.

Akshay Thakur: Thank you, sir. Thank you for answering that question. The second question is with respect to the dialyzer price. So what was, what would be the price trends in terms for a dialyzer income revenue when we see from an India point of view? What would be the, so is there a price decrease that has happened due to technological improvement, say, in past five or 10 years? Do we see that trend, or it does not work like that?

Rohit Singh: So Akshay, this is Rohit. I will take this question. Dialyzer, I think it is a fairly stable technology in that phase, but the idea is that whether it is a reuse or a single-use dialyzer. There are two quality and two categories of dialyzer.

And also the factor here is whether it is imported or has a production in the country. So in the last few years, we have seen one company producing in India, and at the same time, there are one or two in the pipeline which are to be starting operation, commencing operation in a year's time.

So with this supply increasing, the pressure, the pricing has come down a bit. So largely, we would expect the price to remain on a stable state, not having any great change in that, until oil prices really shoot up because of the PVC impacting it. Otherwise, I think it is a demand-supply case, and with India manufacturing increasing, the pricing should stabilize or have a little reduction.

Akshay Thakur: Okay. Thanks, thanks for answering that question. One more question is on, what would be the key parameters you select when you enter a new geography? Like we started with India, then moved to Philippines, then now we are, then Uzbekistan, now in Kazakhstan. So what would be the common parameters across the geographies, and are there any change in such parameters going forward, or what would be the strategy behind that?

Management: Yes, this is Vikram again, Akshay. The strategy continues to be the same. We look at whether we can build a sustainable network, NephroPlus dialysis network, in any new geography. What do I mean by that? Whether there are enough dialysis patients in that country who are reimbursed by a health insurance or government, such as Ministry of Health, in that country. We look at whether the repatriation of proceeds or the profits is possible or not.

We look at whether there is political stability or not in that geography. And overall, the financial economics, the unit economics, the ability to plug in the India platform, NephroPlus India platform, and extract more margins in international, that model will translate into sustainable profits over the long term. The strategy continues to be the same since the last six years.

Akshay Thakur: Thank you, sir. I'll get back in queue.

Moderator: Thank you. Next question comes on the line of Divyanshi Shah with HUF Capital. Please go ahead.

Divyanshi Shah: Hello. Yes, thank you for the opportunity. So I had a question, sir. Despite an improving international mix, margin expansion has remained limited. So, could you please explain the underlying cost structure and why the benefits of international mix are not yet translating into meaningful margin improvement?

Prashant Goenka: Hi Divyanshi, this is Prashant. I will take this question. So I think, as I indicated in my script also, that we are a newly public company. We are now going through quarterly audits. So comparing our numbers of this quarter to last year's same quarter is not a meaningful comparison because as a private company, we were only going through year-end audit, and there were a lot of true-ups happening at the end of the year. So the best way to look at the margins would be to compare the FY26 margin, which was about 23.8%, to the first half of this year, which is 23%. So on that basis, the margins have reduced by about 80 basis points.

Now, on that, to explain that 80 basis points, there are two components. One is the core operational components, which is where we talked about the clinic-level component like COGS. The COGS improved 95 basis points to 22% of the revenue. The professional health and hospital fees which is the second-biggest component on operational side, has improved by 83 basis points.

Employee costs, we have absorbed the inflation, and it has remained largely flat. On the core operational metrics, we have actually seen a margin expansion. But when you come to the other expenses, that is where we have seen an increase in the expenses, mainly because we are now trying to expand internationally.

For example, Rohit talked about opening the new country in Kazakhstan. We invested a lot in building the foundation before entering the geography, and now that we have entered the geography, there will be a ramp-up phase.

In addition, as a public company, there are new costs that have started to come in, and they will probably be there for the first year before they become part of the numbers. So that component has also come in.

And ECL, which we have indicated in the previous calls, they grow as the revenue also grows. So there are some of these components which are non-core components, which have resulted in this 80 basis point compression.

But largely, we believe as we implement our strategy of growing in existing geography and newer geography, the margins will continue to fluctuate in a healthy range. Our primary focus is to grow the revenue by 15% to 20% on a three, four-year basis. While we focus on achieving that, margins will fluctuate, but we will make sure that they remain in a healthy range.

Vikram Vuppala: Yes, just to add to what Prashant said, I would look at it in two parts. One is the existing geographies that we are present in. The other is the new geographies or the business development

in new geographies, right? So if you take out the new geographies and the business development expenses for new geographies, let us say there is no international business development effort and we have stopped growing internationally.

Let us take only the existing geographies. There, of course, the margins will continue to improve, stabilize, and so on. But NephroPlus is, we are not fixated on just existing geographies, right? The strategy is to grow every one year to one and a half year, we will launch a new country. So there are significant expenses that we are incurring today, which will generate cash flows over the short, medium term, right?

So the existing geographies, the scenario is very predictable, very stable, and growing. But the new geographies and the business development for new geographies, that will continue to be an investment from NephroPlus side. Hope that answers.

Divyanshi Shah: Got it, sir. That was very helpful. Also, sir, given the Philippines is our second-largest market, how should we assess the competitive intensity in the region? As in, what differentiates NephroPlus from other operators and supports its ability to sustain growth?

Rohit Singh: Yes. So Divyanshi, I will take this question over Rohit here. So Philippines, as I said, we are now operating 55 clinics. There is a long tail of 500-plus clinics which are individually run by operators who own one or two clinics. So definitely, there is a potential of roll-ups and aggregation there.

But at the same time, given the price points and the areas, there is obviously interest coming from other international players and locally as well. So the competition there will be between us and new international players who want to enter, or also existing players who want to scale up. But having said so, NephroPlus now from a network perspective is the second-largest network there. So we are well-positioned.

We have established our brand value, so I don't see big concerns on the growth from a short to medium-term basis there. So I think we will continue our momentum there in Philippines, but obviously, there is competition that is growing up.

Divyanshi Shah: Got it, sir. Thank you. That was helpful.

Moderator: Thank you. Next question comes on the line of Yug Modi with AB Capital. Please go ahead.

Yug Modi: Hello? Hi, thank you for this opportunity, sir. Sir, I just have two questions from my end. Sir, can you elaborate on the recently launched home dialysis program in Saudi Arabia, including its pricing model, total addressable market, and the expected revenue growth over the medium term?

Rohit Singh: Okay. Yug, this is Rohit. I will take this question. So in the developed markets, home care is a preferred modality, and there is a strategic push by the regulators as well on the home care space.

And the Saudi new tender that has also come in talks about having 10% to 15% of the volume move towards home care.

In the home care, there is home dialysis, home hemodialysis, which is the conventional one, and then there is a portion of peritoneal dialysis. That fragmentation has not happened. We can expect that in the developed markets, home care would be anything between 10% to 20% in that range. And so we are also preparing for that. As of now, we are servicing close to 20 patients. Out of them, 10 are home care and 10 are on HD. But again, this is a very early numbers.

This will change as we move forward. And price points also vary depending on the geography. Saudi Arabia is a very diverse country where there is remote areas, the cost of operation is very high versus three, four big cities. So I think the price range varies significantly. And we will also discover that when we participate in the tender, and that is the best we can say at the moment.

Yug Modi: Okay. Sir, that answers my questions. Thank you, sir.

Moderator: Thank you. Next question comes on the line of Nilanjan Karfa with TCG AMC. Please go ahead.

Nilanjan Karfa: Hi, sir. Hope I am audible. Just following up on the previous question, could you help with if the margin differences between, let us say, home services and clinic-offered services in various markets, how is that different?

Rohit Singh: So Nilanjan, home services margin on the operation basis is a little higher than the clinic services, but then the home services and capex deployment is also higher, right? So the return profile, we want to balance it in the both ways. One place there is capex, which is used by multiple guests, and in home, it is high deployment of capex to be utilized by one particular person.

So hence the margin is higher. But when you net off from the return profile, the return profile is in the similar range for both of them. So hence, home will be little higher than the regular central conventional HD, but as I said, return will be same.

Nilanjan Karfa: Right. Okay. And second is, increasingly our international revenues are growing. It was, I think, 42% same time last year to 47% now. Could you quantify the impact of currency, or would you want to qualify how the constant currency kind of grows on revenue side?

The question I'm asking you this, the reason I'm asking you this is, if I look at revenue per treatment, and this is a ballpark number I'm trying to calculate, I think, for treatment on the foreign side used to be roughly about INR6,500 same time last year in rupee terms. Now that is showing up almost like INR8,200 to INR8,300, if my numbers are right. So, why is this done? Is it purely currency or some pricing level changes that also happen?

Prashant Goenka: Yes. Hi, Nilanjan. This is Prashant. I'll take that question. So as you know, we operate in Philippines where currency is peso, Uzbekistan, som. So, we deal with multiple currency. So,

forex is always a factor in the revenue numbers and RPT numbers. Just to give you a little bit of benchmark, the revenue growth that we saw in this quarter, 3% of that was contributed by forex. 97% was contributed by organic, inorganic, or price-related factors.

Forex contributed about 3%. Most of it was in the som currency, the Uzbekistan currency, which appreciated by 10% compared to rupees, and therefore, we had a favourable forex revenue in that country. But outside of that, 97% of the revenue growth came from non-forex-related factors.

Nilanjan Karfa: Would you elaborate on that non-forex part? Because that's quite interesting, actually. What makes those pricing changes or the mix composition, if there is any?

Management: Yes. We typically do not go into too much specifics at the country level. The primary driver is, as we discussed in the previous call, there are three levers of growth. Lever one is existing geography, existing clinic footprint. We have about 570 clinics. This footprint grows at a very predictable scale. That is one lever of growth.

The second lever is adding new clinics in India and Philippines. We aspire to add about 40, 50 clinics in India every year and 10, 15 clinics in Philippines every year. We are on track to achieve that target this year. That is a second lever of growth.

Third is there is a price increase or the price mix changes because of the international mix. In markets like Uzbekistan, we saw 5% increment in price. That is the third factor. In addition to these things, the third lever, which is the biggest lever, where every one and a half year, we add a new country. In this quarter, we added Kazakhstan. It will go through a ramp-up phase, but that will also then contribute to the revenue growth. These three levers and the price movement overall contributes to the revenue growth.

Nilanjan Karfa: I did not intend to stop you, but my question was precisely on the price part, not on the growth part. The price per treatment, what is it, other than the currency, that is changing quite dramatically? That's what seems from the numbers.

Prashant Goenka: Correct. Yes. The pricing part is largely driven by the international mix. The price increase in respective country is not something we get into the specifics here. But, to answer your question, most of it is driven by the international mix.

Nilanjan Karfa: Okay. If you can qualitatively also kind of indicate which country offers the highest, let's say, on a dollar term, as we stand today. If you can just range from the highest to the lowest.

Prashant Goenka: I appreciate your question, but we do not go into that level of details at a country level.

Nilanjan Karfa: Sure. Understood. And a quick one. If I look at the accounting statement, and pardon me, I am not able to understand, and maybe I do not know. In the consol statement, there is something called, which is exchange difference, which will be classified to profit and loss, but it is not

currently. It is currently at INR9.8 billion. What is it that exactly, and when does it get reclassified into profit and loss?

Prashant Goenka: Sorry, Helan, I did not get your question. Say that-

Nilanjan Karfa: If you look at the consol financial statement, and you look below the P&L, there is an item called, items that will be reclassified to P&L. The number is INR9.88 billion, which is the exchange difference on translation from foreign operations. The question is, when does this get reclassified to P&L?

Prashant Goenka: No, this, again, I can, through the investor relations mailbox, we can respond back to you with more specifics. But, I think this may be the OCI component, which is the unrealizable investments that we have made in the foreign geographies. They typically remain for a very long period of time. The investment remains in the country, and only the transfer pricing money comes every year. But we will get back to you through the investor relations mailbox.

Nilanjan Karfa: I will send an email to you separately, sir. Thank you so much, sir.

Moderator: Thank you. Next question comes from the line of Umesh Laddha with Ambit Capital. Please go ahead.

Umesh Laddha: Hello, sir. Thank you for the opportunity. Sir, our India business has grown by almost 11% year-over-year, and we have added 40 clinics in the first half of FY27. Given the bed limitations in the mature clinics, how much of our India business growth is driven by the newer clinic addition versus some kind of ramp-up in the existing clinics?

My second question is on how much time does it take for us to, say, whenever we acquire a newer clinic or open a newer clinic, to ramp it up to the optimal utilizations in India and in Philippines?

Rohit Singh: Okay. Umesh, I will take this question, Rohit here. Our capacity utilization at the India network level is 75% approximately. There is obviously little room to grow, but dialysis business does not operate at 100% utilization. Typically, it will operate the max out or the maximum theoretical max is around 90%. There is obviously room for organic growth, and we see a decent organic growth on year-on-year.

The inorganic addition of the 40 clinics that we are talking about, they typically stabilize in five to six months time period after acquisition, depending on whether they are brownfield or they are a new PPP start. That also varies what is the mix between them. The 40 that you see here, the component came from the Bihar PPP, which were greenfield units started fresh, and it took us two to three months to stabilize on the volume.

Whereas when you take a brownfield unit in a captive setting, that stabilizes on the volume front from day one or maximum in a month's time. There is a difference between the model of a new clinic also that we start, whether it is a greenfield or a captive organic brownfield unit, and hence the time lags changes, the time changes for the stability of that.

To answer your second piece around stability of new clinic in Philippines versus India, I think the concept remains the same. When we are starting a greenfield clinic, greenfield stabilizes on the volume front, say, in the 18 months to 24 months in that range. Whereas a brownfield clinic, which is already running clinic, and if you are acquiring that in Philippines or a captive unit that we are taking in India, that would be in the range of three to six months stabilizes.

But obviously, there is growth coming. It is already running, but growth keeps happening year-on-year depending on the capacity utilization of the clinic, which also varies clinic by clinic. But net-net, I think at the network level, we are operating at a 75% utilization. There is room for organic growth, and we keep adding new clinics to add capacity, which further grows.

Umesh Laddha: Okay. So, sir, will it be fair to assume that majority of our growth would, I mean, going forward, would only come through clinic additions or maybe some brownfield expansion at the current mature source?

Rohit Singh: Umesh, yes, it is like an 80-20 rule. Majority of the growth will come by clinic addition because that adds capacity to the network also. While the existing network is running at a healthy utilization, which will also continue to grow gradually.

Umesh Laddha: Okay, sir. Got it. Thank you.

Moderator: Thank you. The next question comes from the line of Naman Bagrecha with IIFL Capital. Please go ahead.

Naman Bagrecha: Thanks for the opportunity. Sir, one question on expansion, if you could also clarify. We added 13 centers on net basis in India. Is that correct? If yes, can you provide us in terms of how many were PPP, how many were standalone or captive projects?

Prashant Goenka: Hi, Naman. This is Prashant. I will take that question. You are correct. We have gone from 487 clinics to 500 clinics in India, so a net addition of 13 clinics. During the course of the year, new clinics are added, and some of the existing clinics also shut down, depending on various factors. In most cases, the new clinics add volume. The clinics that get shut down, in most cases, we move the guest and sessions to a nearby clinic. That one dynamic, I think it is worth understanding.

Naman Bagrecha: Yes.

Prashant Goenka: Sorry, what was your second question?

Naman Bagrecha: The question on this part itself was, if you could help us in terms of a breakup in terms of PPP projects, standalone or captive, on a net basis.

Prashant Goenka: Correct. Our business development team is always focused on both PPP and captive. This quarter in particular, the bigger share of growth came from PPP. As Rohit talked about Tamil Nadu, Bihar, and Haryana, these three states have come into the mix, and they have contributed a bigger share of that growth.

Rohit Singh: Naman, if I may just add to that, Rohit here.

Naman Bagrecha: Yes.

Rohit Singh: PPP contracts are on contract basis, so they might be little cyclic. If one has come today, it will not happen. While the captive growth is continuous and is steady. I think whenever PPP comes, it comes in chunk, contributes significantly for that short time period, while the captive private center keeps rolling up, keeps happening on a month-on-month basis. That is gradual. In a short time period, in a quarter, if a PPP comes, the growth will be weighed heavily towards PPP. But on a longer duration, it averages out.

Naman Bagrecha: Yes. On India itself, I mean, I understand we guide 40, 50, let us say, centers per annum. If you look, we have already added 32 centers in first half of FY27. This is on net basis, while on gross basis, we have already done 40. How should we look at, let us say, second half? Is it that center addition will not be there, or we will maintain this, let us say, 1H run rate going ahead in second half of FY27 as well?

Vikram Vuppala: Yes, Naman, this is Vikram. I think at a macro level, what we have mentioned is 40 to 50 clinics in India per year.

Naman Bagrecha: Yes.

Vikram Vuppala: Business development happens in chunks, as Rohit mentioned. Some quarters are very strong, some quarters are quite weak. I wouldn't change the 40, 50 clinics from a guidance perspective in a very big manner. It could be slightly higher than 50, but again, I have seen so many BD cycles in the last 16 years that it all averages out at the end of the day.

Prashant Goenka: Naman, just to add to what Vikram said, I think the clinics can have a lot of variability. There could be a clinic with five beds, there could be a clinic with 20 beds, average is 10. What is more important is the revenue guidance that we have given, 15% to 20% revenue CAGR growth over three, four years. That remains our focus, and the BD activity modulates to ensure that we are meeting that guidance.

Naman Bagrecha: Yes, sure. One more thing, I mean, on this expansion, given that we will continue to expand and enter new markets. Do we expect, let's say, margins to remain flattish, or there will be, let's say, periods or transition period? Let's say, for example, now we have entered into Saudi, we have entered into Kazakhstan, and hence there is pressure on margins. But let's say in the next 12 months, margins expand, and then again, when we enter new market, margins kind of contract. How should we look at this cyclicality to play out for us?

Management: Hi, Naman. Prashant here. I think you said it rightly. We are currently sitting on INR507 crores of cash. We are evaluating, and we will continue to evaluate growth opportunities both in India and international. As you can appreciate, it's not always clear what those opportunities will be at any point in time, in terms of what will convert, what will come. There will be an element of discovery that will go on.

But I think, as you rightly mentioned, as we add a new country or as we add a new capability, there will be an element of margin fluctuation. But we believe the margin will remain in a healthy range. For example, currently we are at 23%, and the margin will remain in a healthy range as we continue to deploy our growth strategy, both in India and international.

Naman Bagrecha: Thanks for this. Lastly, one bookkeeping question. What would be our overall capacity utilization?

Prashant Goenka : Our overall capacity utilization currently is 74%. As Rohit mentioned, this is a decent utilization. In dialysis, as you know, there are three shifts. The first two shifts are very well occupied. The third shift ends at 10:00 P.M. in the night, which people typically prefer less because they would like to go home for dinner with family. So, the third shift is typically less utilized across the world. Therefore, 74% reflects a good utilization. We believe we can improve it, and we have improved it in the last few quarters, but it will be marginal.

Naman Bagrecha: Sure. Thanks. I will get back in the queue. Thank you.

Moderator: Thank you. Next question comes from the line of Deepika Murarka with Choice Institutional Equities. Please go ahead.

Deepika Murarka: Hi. I will just touch upon the Saudi Arabia business. If you can provide some clarity on the expected capex per machine or per bed for the Saudi. Additionally, how do we see the cost of

dialysis machine and margin profile compared to India? Just to get some clarity on the Saudi business. I know it is still an optionality, but just need some clarity on that part.

Rohit Singh: Deepika, we do not get into specifics of capex per country, but it is obvious that the Saudi Arabia is considerably more capex-heavy as compared to India or any other business. We are in the process of preparing ourselves for the tender that has to be submitted in February. I think we may not be able to disclose all the specifics at this moment.

Deepika Murarka: Got it. Okay. Understood. Thank you.

Moderator: Thank you. Next question comes from the line of Abdulkader Puranwala with ICICI Securities. Please go ahead.

Abdulkader Puranwala: Yes. Hi. Sir, thank you for the opportunity. I joined the queue a little late, but I had a couple of questions. First, on running your Saudi Arabia business. If you could help me understand about the home dialysis, what you have introduced in Riyadh and Jeddah, how are the unit economics there? Apart from this, any other region you are trying to venture into home dialysis as well, apart from the India part where you already have this kind of a service?

Rohit Singh: Abdul, as I briefly mentioned in one of the previous questions, in Saudi Arabia, the new tender which has come talks about having home care from 10%, 15% range, and that is split between home dialysis, conventional home dialysis, and peritoneal dialysis. We are at the stage of investment in Saudi Arabia and building our capacity and understanding the market. On that basis, we are right now doing home hemodialysis.

At the same time, we are running a clinic in Riyadh Hospital there. At the moment, patients are just split between Riyadh City and Jeddah City, which are the two largest cities of the country. We plan to be in that range right now, given that the tender is already live.

Depending on which cluster we win, and because clusters are divided into geographical regions in the country, which cluster we win, that geography we will, if we win, we will depute resources and capabilities in that particular region. As of now, we would want to be in the same range, but depending on the cluster, we will take the call.

Abdulkader Puranwala: Sure. Understood. Sir, if I have to think from a two to three years perspective, then between Saudi and Kazakhstan, which one do you think would be more meaningful contributor to your top line, say, from a two to three years perspective?

Rohit Singh: I think Prashant had mentioned Saudi Arabia has a binary outcome, right? Either we get it or we do not get it. So, to really be putting it across a new geography which we have just entered a month and a half ago, and which we are understanding and where there is potential, but we are still trying to understand how NephroPlus platform can be executed there and at what velocity we can grow there. So, I think these two are very different questions.

So, for us to be comparing both and putting a finger on one will be hard at this moment. But we will give more clarity as we proceed in few quarters to come.

Abdulkader Puranwala: All right, sir. Wish you all the best. Thank you.

Moderator: Thank you. Next question comes from the line of Harsh Shah with Avener Capital. Please go ahead.

Harsh Shah: Hi, sir. Thanks for taking my question. Sir, we have mentioned that whenever we enter a new geography, there is a lot of investment which goes over there. Could you just highlight what are the bigger investments which go over there and which of these are recurring and non-recurring? Specifically in terms of Kazakhstan, could you put out a number on that as well?

Rohit Singh: Hi, Harsh. This is Rohit again. When we are looking at a new geography, it is obvious that there is a significant amount of time that goes in evaluating a geography, making multiple trips there, understanding the potential. That is the business development expense, which does not really reflect in the immediate P&L of the first month, but has been incurred for a decent amount of time period beforehand.

Then there is a cost of secretarial and establishing the entity in the country, which also is significant depending on every country again. Then there is commencing of business, which is the capex deployment on starting the clinic. Then there is opex that goes on. I think everything till the capex is a one-time activity. Opex is the efficiency front once we do it. But again, we keep deploying resources there as we scale up in that geography.

If we were to just maintain the existing business, then the opex efficiency will come. But I think when we commit to a new geography, we are in the investment stage or the growth stage for a few years, and hence, these are the two different ways to look at it. The existing clinics which are running will be opex Any investment that goes for growth will be one-time and capex lens.

Prashant Goenka: Yes. Harsh, just to add, there will be an element of legal, financial, tax due diligence, which goes on for an extended period of time and incurs a meaningful expense.

Harsh Shah: Okay. Secondly, the market has around 12 locations. How is the market over there? Is there any organized player capturing a bigger market over there, or there are only unorganized players with single or couple, two, three kind of units kind of chain? This is the second question.

Rohit Singh: Harsh, there are already two large players there. One is Diaverum, which is probably world's third-largest dialysis network operating in 30-odd countries, which is the largest player there, second-largest player there. The largest is a local player there, which is already in operation for the last 15 years. Between both of them, I think they control close to 60%-65% of the market.

There is the balanced market which is there, plus the new growth that comes out of patient addition.

The market is seen aggregated players, national players who have already been there for some time. It is like Philippines, which is standalone clinics with a universal health coverage. We see a decent potential there.

Harsh Shah: Okay. Sir, my last question is on the Philippines market. Maybe in 2024 or 2025, we have seen a couple of big price hikes. Now, as we see over the next two, three years, are there inflationary-linked price hikes or price revisions, or the prices remain constant?

Rohit Singh: Harsh, we do not expect any price increase to be coming in there because this price also increased probably close to a decade, after close to a decade.

Harsh Shah: Yes.

Management: We cannot foresee anything until there is something that we do not know of. But we do not foresee any price increase there because the price hike just happened probably two years ago from now.

Harsh Shah: Okay. Thank you.

Moderator: Thank you. Next question comes from the line of Devang Patel with Sameeksha Capital. Please go ahead.

Devang Patel: Hi. Firstly, on the global nursing initiative, I wanted to ask how is it different from our existing technician training program, and how does this initiative impact our margins?

Rohit Singh: Okay. Devang, Rohit here. This global nursing initiative, it is for the global supply, right? ENPIDIA, which is our existing technician program, is for the India supply. That is the primary differentiator. ENPIDIA is for India, which trains dialysis technicians versus, which is different qualification people, versus NIDA, which trains nurses, who will be trained as renal nurses and will be eligible to work in the global markets. It is a technician versus nurses, India versus global, and having different capabilities. To operate in those geographies and eligibility as well.

Devang Patel: Does this add to our cost or does it at some point help us with margins and recruitment?

Rohit Singh: Any strategic initiative obviously comes with a little cost, but it is not very significant. But the upside, if this translates to the expectations, would really bring in great synergies at an international level. Cost addition is not that significant.

Devang Patel: Okay. On trade margin cap, if it is expanded to more drugs and consumables, how could it impact us? If you could comment on that piece.

Rohit Singh: Devang, we missed. Your voice echoed a bit. Could you please repeat the question?

Devang Patel: If there is a trade margin cap on wider basket of drugs and consumables, how would that impact us?

Vikram Vuppala: No, actually, this does not. I think the margin capping is put on more hospital pharmacy products where the MRP is quite different from the acquisition cost. In the dialysis industry, those issues do not enter at all. The delta between the acquisition cost and the MRP is negligible, or very, very reasonable. I do not think that's relevant to dialysis industry at all.

Devang Patel: Okay. Lastly, in Kazakhstan, is there also an opportunity for PPP?

Vikram Vuppala: No. As far as we know, there is none at this point. They have not done it yet, but if it comes up, it may come up in few years. But we are not actively engaged on the PPP front at all.

Devang Patel: Okay. That's all from my side. Thank you.

Moderator: Thank you. Next question comes from the line of Anubhav Mukherjee with Prescient Capital. Please go ahead.

Anubhav Mukherjee: Thanks for the opportunity. I have a few basic and possibly stupid questions. My first question is that my understanding is that as an organized chain, our share of the Indian dialysis market is still very low at 10%. And given the lucrativeness of outsourcing from a captive hospital or a nursing home is proven, and our business model is also proven. What are the factors that are limiting more accelerated adoption of our outsourcing model by hospitals or nursing homes? Some light on that would be helpful. Yes.

Vikram Vuppala: Yes. Anubhav, Vikram here. I think logically speaking, it is a proven model. Theoretically speaking, 100% of the private hospitals should have outsourced dialysis by now, right? But that is theory. What happens is there are various dynamics at play at a private hospital level. One, do they even understand that they are losing money at a dialysis department level? For a smaller hospital, a nursing home or an 80-bedded hospital, they do not do P&L at a department-wise department level, right? They look at it at a consol statement level usually.

We have to educate these people that they actually lose money on dialysis. In the corporate setup, in the big hospital setup, let us say 250-bed hospital, 300-bed hospitals, they may see that dialysis is a healthcare service, and there is a little bit of resistance from the nephrologist, wherein in an

unorganized setting where the nephrologist controls the dialysis unit, there is a lot of hiring, there is a lot of firing, there is a lot of preferential treatment to chosen patients.

All sorts of unorganized process activities happen, right? When NephroPlus comes in, it is going to be completely professionally run, no preferential treatment, completely hiring, firing, everything has to go through a proper HR process. So, in an ideal world, yes, the organized market, which is 20% organized market in India, should ideally be close to 80%, 90%. But practical constraints or practical It is a slow and evolutionary curve.

We expect in the next 5 years that 20% may go to 30%, right? But will it go to 60%, 70%? Very unlikely, because there are only 2,500 nephrologists in India for 1.5 billion population. So, it is not a massive burning issue for the hospital and for them to push the nephrologist saying, "Hey, let us bring a professional high-quality operator to run it in a very transparent manner." There is some resistance there, right? So, we expect this to be a slow evolution rather than a sudden inflection.

Anubhav Mukherjee: Get that. That is very helpful. Just a small follow-up. Is it also the case that some part of this existing market, given your benchmark for profitability and return on capital, it is not meaningful for you also as a business proposition?

Vikram Vuppala: Of course. So, we look at every I think Prashant, CFO, also alluded earlier that every project that we take has to meet return thresholds, right? If we lower our return thresholds by 5%, we will probably add another 30, 40 clinics, another 60, 70 clinics per year. But what is the point of growing with such low ROCE returns, right? We are very, very particular that we will grow, but in a healthy margin, healthy returns threshold range. There is no point in growing at any cost, according to me.

Anubhav Mukherjee: Get that. My last question is, obviously the revenue per treatment is much higher for your international locations, Philippines and all. Given capex is also higher and cost of operation is also higher, how does the international operation compare with India in terms of return on capital and profitability? Are those also similar or better? Yes. Some color on that would be useful.

Rohit Singh: Yes. So, I think you rightly mentioned the price points are very different, India versus international, and so is the capex is also very different. I think what happens because of the price being higher and the capex being higher, the return profile tends to be somewhat similar on both India and international front. The return profile is the same 3 years to 4 years horizon. The return profile sort of normalizes because of both the factors going higher.

Anubhav Mukherjee: Thanks. That is all from this side.

Rohit Singh: Yes.

Moderator: Thank you. Next question comes from the line of Akshay Thakur, Helios Capital. Please go ahead.

Akshay Thakur: Thanks for taking my question. Sir, I have a question on Philippines geography. Currently, we are second-largest clinic chain in Philippines. So, have we reached at that stage where we can do more greenfield because our brand recognition must have been improved as compared to the acquisition strategy which we followed earlier? If not now, then what would be the timeline to strategically change the pathway from moving from acquisition to the greenfield strategy?

Rohit Singh: Hi, this is Rohit. I will take this question. Good question. I think now with our network and understanding of the market, we have been there for five years plus, and we operate in 30 plus cities. So, obviously, there is a much better market understanding that has got developed. I think we will explore the greenfield strategy I mentioned in my remarks also, that we will be exploring the greenfield strategy in short to medium term. So, I think we are almost there, and we will execute that.

Akshay Thakur: Thank you. One quick question is, what would be the depreciable life of a dialyzer? Would it be 10 years?

Rohit Singh: Dialyzer is a consumable, so there is no depreciation on that. But dialysis machine typically would be 10 years.

Akshay Thakur: Machine would be 10 years. Okay. Thank you. Thank you so much.

Moderator: Thank you. Next question comes on the line of Nilanjan Karfa with TCG AMC. Please go ahead.

Nilanjan Karfa: Thank you, sir, for taking my question the second time. Would you be able to guide on the capex for the rest of the year and maybe over next 2 years, 3 years?

Prashant Goenka: Yes. This is Prashant here. I'll take this question. For the first half of the year, we have deployed about INR102 crores of capex. If you look at FY 2026, we deployed INR165 crores through the course of FY 2026. As I said in my opening remarks, we are anticipating to do more than what we did last year, which was INR165 crores. While I cannot give you a precise number, but I think that will give you an idea that it will be more than INR165 crores, and we have already spent INR102 crores.

Nilanjan Karfa: Right. And correct me, because I might have missed it. The Saudi market, you are saying we have received a license only for home dialysis, right?

Rohit Singh: No, Nilanjan, in Saudi, we are operating a clinic, and at the same time, we are operating home. So, we have license for both.

Nilanjan Karfa: Then what is this? You were saying 50-50 probability of winning licenses in other areas. How is that different? Is it a different structure or something?

Rohit Singh: Yes. I will clarify that, Nilanjan. Saudi primarily is a tender market wherein the Ministry of Health controls the largest chunk of patients there. And the Ministry of Health has just released a tender a few days ago, where submission is due in February 2027. Then it will go through an evaluation stage for another 4 months to 5 months. We were preparing and investing in Saudi Arabia for this tender for the last 2 years to 3 years. And we established a footprint with one clinic and few home dialysis patients to understand the market and also showcase our clinical capabilities to the market. But main end goal or the objective was this MOH tender, which has just got released. And as I mentioned, there are four clusters, 12 qualified bidders with a binary outcome.

Nilanjan Karfa: Yes.

Rohit Singh: I really can't put a percentage to the success as of now. If we are able to secure a cluster, then we will grow further in the Saudi. Till the time the results of this tender is not out, we will stay in the investment phase in Saudi.

Nilanjan Karfa: Okay. If I understand, this is like a PPP model?

Rohit Singh: Yes.

Nilanjan Karfa: Okay. Build it on, let's say, we are all hoping that you win this. Will this entail an additional capex beyond what Prashant explained?

Rohit Singh: Yes, absolutely. That will be in the next financial year. Next financial year. As I said, the tender submission is only in February 2027, and evaluation will take another 5 months, 6 months.

Prashant Goenka: Nilanjan, just to add to what Rohit said, we have 51% share in the JV, and whatever contribution comes from this geography does not go through a line-by-line consolidation. It is shown as a single line item in our P&L below EBITDA as a JV share of profit or loss. So, until we are in the investment phase, that line item can give you clarity on what is the outcome from that.

Nilanjan Karfa: Understood. My final question is, how many nurses and technicians we currently have for operating, let us say, this 570-odd clinics that we have?

Rohit Singh: Our clinical staff is about 5,000, shy of 5,000, 4,000 something. These are blend of technician and nurses across geographies.

Nilanjan Karfa: Is there a ballpark number per clinic that we run this?

Rohit Singh: So, as I think we mentioned earlier also, the clinic varies on size and size of the machine and the capacity, and then it changes depending on the size side.

Nilanjan Karfa: Okay. Actually, I will tell you why I am asking. The NIDA program that you mentioned, is it going to be quite a sizable program there? Or it is on a small scale you are trying out only for yourself, or is there a potential of growing it into something else?

Rohit Singh: Yes, Nilanjan, it is not as sizable given the present base that we have. So, we are looking at early 100 or few of them only. So, it will not be a significant needle mover in the network, that's why I said. And essentially, this will be catering for the future expansion growth, which will come after a year or two. So, it's not something which is very immediate. But this is an investment in the future and preparing ourselves structurally for future.

Nilanjan Karfa: Understood. Thank you so much, sir.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Vikram Vuppala: Yes, thank you everyone for your great questions and your time. To sum it up, we continue to grow healthily across India and other markets where we operate. We entered Kazakhstan, our sixth country, last quarter, and we also continue to keep our medium-term guidance unchanged. We are investing for the next phase of growth and will stay disciplined on returns.

We will keep you informed of material updates through the exchanges. For any follow-up questions, please reach out to us or to SGA, our Investor Relations partner. Thank you and have a great day.

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