

Shalby/SE/2026-27/21

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The Listing Department
National Stock Exchange of India Ltd
Mumbai 400 051.

Scrip Code : SHALBY

Through : <https://neaps.nseindia.com/NEWLISTINGCORP/>

Corporate Service Department

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Mumbai 400 001.

Scrip Code: 540797

Through : <http://listing.bseindia.com>

Sub.: Transcript of Earnings Conference Call for Q4 FY2026

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith transcript of earnings conference call held on May 29, 2026, wherein Audited Financial Results for Q4 and financial year FY 2025-26 were discussed. The said transcript is also available in the Investors Section of our website.

We request to take the same on your records.

Thanking You,

Yours faithfully,
For **Shalby Limited**

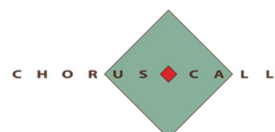
Tushar Shah
Vice President & Company Secretary
Mem. No: FCS-7216

Encl.: Earnings call Transcript



“Shalby Limited
Q4 and Financial Year 2026 Earnings Call”

May 29, 2026



MANAGEMENT: **DR. VIKRAM SHAH - CHAIRMAN AND MANAGING DIRECTOR**
MR. SHANAY SHAH - PRESIDENT
DR. NISHITA SHUKLA - COO, SHALBY HOSPITALS
MR. AMIT KUMAR – CFO
MR. DEEPAK ANAND – CEO, SHALBY MEDTECH LTD.
MR. BABU THOMAS - CHRO
MR. JIGAR TODI – INVESTOR RELATIONS

MODERATOR: **MR. KASHISH THAKUR – ELARA SECURITIES INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Shalby Limited's Q4 and Financial Year 2026 Earnings Call hosted by Elara Securities Private Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kashish Thakur from Elara Securities. Thank you, and over to you, sir.

Kashish Thakur: Thank you, Iqra. Good evening, everyone. We welcome all the participants to Shalby Limited Q4 and FY '26 Earnings Call hosted by Elara Securities. Today, we have with us senior management representatives from Shalby. We will start with the performance highlights from Group CFO of Shalby Limited, Mr. Amit Kumar; and Mr. Deepak Anand, Chief Executive Officer of Shalby MedTech. After that, we will open the floor for question and answer for all the participants.

I will now hand over the call to Mr. Jigar Todi for important disclaimers regarding any forward-looking statements that may be made in today's call. Over to you, Jigar.

Jigar Todi: Thanks, Kashish. Good evening, everyone. Our investor presentation is uploaded on the stock exchange website and our company website, shalby.org. We do hope you have already had the opportunity to go through the presentation. Please note that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. Kindly refer to Slide Number two, of the investor presentation for a detailed disclaimer.

Now I would like to hand over the call to Group CFO, Mr. Amit Kumar for his opening remarks. Thank you, and over to you, sir.

Amit Kumar: Yes. Thank you, Jigar. Good evening, everyone. I'm pleased to welcome you all to Shalby Limited Q4 FY '26 Earnings Call. I would walk you through the consolidated financial of the quarter 4 of the '26 on year-on-year basis comparing to the last quarter of the same year of FY '25. For the Q4 '26, the company delivered a healthy improvement across key financial parameters.

Consolidated revenue stood at INR295.5 crores as against INR270.2 crores in Q4 '25, registering a growth of 9.4% on a year-on-year basis. EBITDA improved significantly to INR37.4 crores as against INR26.2 crores in the Q4 of '25, reflecting a strong growth of 43.1% year-on-year basis. EBITDA margin stands now at 12.7% as compared to 9.7% in the Q4 of '25.

Consolidated PBT stands at INR9.6 crores compared to a loss of INR0.7 crores in Q4 '25 with PBT margin improving to 3.3%. Our consolidated PAT stands at INR18.5 crores with a PAT margin of 6.2% as against loss of INR12.2 crores in the Q4 '25. This is also the reason of EBITDA and coupled with the change in our tax regime, reflecting a profitability increase in our current quarter and that would be a recurring benefit to our profitability in the coming subsequent years.

Moving to full year performance of FY '26 reflects a continued operational improvement and strong profitability across the group. Consolidated revenue of FY '26 stands at INR1,168.2 crores as compared to INR1,114.6 crores in FY '25, reflecting a strong growth of 4.8% year-on-year basis.

Our EBITDA stands at INR169.6 crores as against INR160.2 crores in FY '25. EBITDA margins remained healthy at 14.5% versus 14.4% in FY '25. Consolidated PBT stands at INR60.6 crores as against INR55.7 crores in FY '25, reflecting a growth of 8.7% year-on-year basis with a margin improving to 5.2%.

Our consolidated PAT stands at INR34.7 crores as against INR1.9 crores in FY '25, demonstrating a substantial improvement in our profitability by reason of the change in the tax regime resulting in a recurring benefit into our profitability. The group continues to maintain a healthy balance sheet with a comfortable gearing ratio of 0.44x with a net debt of INR446.2.

Now I would walk you through the stand-alone performance of the Q4 of '26. Standalone revenue for the Q4 '26 stands at INR230.4 crores as against INR214.2 crores in Q4 '25 registering a growth of 7.6% year-on-year basis. Our standalone EBITDA stands at INR37.1 crores as against INR38 crores in Q4 '25. EBITDA margin was at 16.1% as against 17.7% in the corresponding quarter last year.

Our standalone PBT stands at INR23.5 crores as against INR25.7 crores in Q4 of '25 with a PBT margin of 10.2%. Standalone PAT increased significantly to INR53.7 crores compared to INR15 crores in the Q4 of '25 with PAT margin improving to 23.3% in Q4 '26 as against 7% in the Q4 '25. At standalone level, our net debt stands at INR43.8 crores, our standalone ROCE for Q4 '26 on annualized basis stands at 10.8%.

Our operational ARPOB has shown a growth of 2.7%, standing today at INR42,689 compared to INR41,585 in the corresponding quarter last year. ALOS has stood at 3.81 days compared to 3.68 days in the Q4 '25.

Moving to the occupied beds, our occupied beds in the Q4 was 649 as against 633 in the Q4 of '25, reflecting a growth of 2.4% year-on-year basis with an overall occupancy of 48%. However, if we exclude our Shalby International, the unit in Gurugram, our occupancy at the group level stands at 50% during the quarter. The payer mix for Q4 stands at 33% self-pay, 37% insurance and 30% of the government business.

Now coming to Shalby International, the Gurugram unit, our revenue stands at INR21.5 crores as in Q4 '26 compared to INR22.8 crores in the Q4 of '25. This decline was primarily attributable to the ongoing geopolitical situation in the Middle East impacting our little off par operations coming through for the international patients coming in our Gurugram unit, although this has been partly also offset by our growing business in the Asia and CIS countries.

ARPOB for the Shalby International stands at INR88,592, while our ALOS has been 3.44 days during the Q4. International patients contributed to 47% of the operating revenue of Shalby International in the Q4 '26.

Our overall international business at the group level had been -- in the Q4 of '26 had been about INR12.8 crores, comprising INR3.6 crores coming from the Shalby Multi-Specialty Hospitals and INR9.1 crores from Shalby International Hospital. At Shalby, our continued focus remains on strengthening clinical excellence and delivering superior patient outcome across our network hospitals. We are also pleased to share that during FY '26, the group has successfully completed 70 transplants, including 51 kidney transplants and 19 liver transplants.

In addition, through our Shalby Academy initiative, we continue to invest in developing future health care talent during FY '26, more than 2,400 participated across various disciplines, including physiotherapy, nursing, laboratory, nutrition, clinical programs and other academic initiatives. This also includes launch of BBA and MBA program in health care management for the first time with partnership with Shri Vaishnav Vidyapeeth in Indore.

Now I would hand over the call to my colleague, Mr. Deepak Anand, for sharing the insights on the medical implant business.

Deepak Anand:

Thank you, Amit. Good evening, everyone, and thank you for joining us. Financial year '26 has been a defining year for Shalby MedTech as we transition from build and invest phase to a scale and execute phase. Over the past 12 months, we have focused on strengthening our implant platform, expanding our international footprint, improving operating leverage and laying the foundation for long-term innovation-led growth.

I'm pleased to share that our efforts are now beginning to reflect meaningfully in our financial and operational performance. For quarter 4, financial year '26, consolidated revenue stood at approximately INR40 crores, reflecting strong growth of nearly 45% year-on-year and about 32% sequentially.

More importantly, we delivered a significant turnaround in profitability with a consolidated EBITDA improving to over INR3.7 crores compared to a loss of INR9.3 crores in the corresponding quarter last year. This marks the second consecutive quarter of positive EBITDA performance, underscoring the continued improvement in operational efficiency and business momentum.

For the full year financial year '26, consolidated revenue crossed INR135 crores, representing growth of approximately 46% over financial year '25. EBITDA improved sharply from a loss position of INR 19.2 crores in financial year '25 to a positive EBITDA of approximately INR6.7 crores in financial year '26. This improvement reflects the operating discipline and strategic initiatives implemented across manufacturing, sourcing, product mix and market expansion.

One of the most encouraging aspects of financial year '26 was a strong momentum in our India business and the improving performance trajectory of our international subsidiaries, particularly in North America. The business is now demonstrating stronger operating leverage as volume scale.

Operational transformation and cost optimization. Over the last 2 years, we have been systematically building a more efficient and globally competitive operating model. During financial year '26, we continued our focused initiatives around COGS optimization, manufacturing efficiency, packaging, value engineering and supply chain restructuring.

These efforts contributed materially to margin recovery during the year. At the same time, we made meaningful progress on inventory productivity. While inventory levels remain elevated as a part of our global expansion strategy, inventory efficiency improved materially during financial year '26 with days of inventory reducing significantly compared to previous years.

Going forward, we remain focused on further improving inventory turns, implementing demand-driven planning systems and strengthening our multi-vendor sourcing strategy under our China Plus One framework.

Market expansion and commercial progress. Financial year '26 was also a strong year of commercial expansion. We deepened our presence across India, United States, Japan and Southeast Asia, while simultaneously advancing regulatory approvals and channel partnerships in several new markets. Today, Shalby MedTech products are present across multiple global geographies, and we are actively progressing expansion opportunities in markets such as Vietnam, Malaysia, Nepal, Iraq, Argentina and broader LatAm regions.

Within India, we continued strengthening our footprint across key orthopedic clusters and surgeon networks. Our academic engagement strategy gained excellent traction during the quarter through conferences, cadaveric workshops, bioskill programs and the clinical education initiatives conducted across Indore, Ahmedabad, Delhi and Coimbatore. These engagements are important because our strategy is not only to sell implants, but to build long-term surgeon confidence, clinical evidence and institutional partnerships.

Innovation and technology remains central to our long-term strategy. During financial year '26, we continue to strengthen our product pipeline and technology collaborations. One of the most exciting opportunities ahead is our robotic partnership with Curexo, where we are working towards scaling from pilot deployments to commercial adoption across selected markets.

We are also building a broader innovation pipeline extending through financial year '30 with multiple active development projects focused on next-generation orthopedic solutions, implant design optimization and evidence-backed clinical outcomes. Our Touch platform continues to gain traction, and we are investing in multicenter clinical studies and registry-driven data generation to strengthen its long-term positioning.

Designed in India, engineered for the world, a defining strategic pillar for Shalby MedTech is our belief that India can become a globally respected hub for orthopedic design and innovation.

Our vision is not only to become really a low-cost manufacturing player. Our ambition is to build a design-led orthopedic company originating from India and competing globally through innovation, agility and clinical relevance. We believe India offers unique advantages, access to diverse patient anatomy, world-class engineering talent, cost intelligent R&D and proximity to some of the world's fastest-growing health care markets.

Accordingly, we are strengthening our India-based design and R&D ecosystem through academic collaborations, clinical research partnerships, anatomy focused implant design and proprietary sizing libraries tailored for Asian and emerging market populations.

We believe the next generation of orthopedic growth will come from products designed specifically for India, Southeast Asia, Africa and emerging global markets, not simply adapted from Western systems. People and organization as we scale globally, building leadership depth and organizational capability remains a major priority.

During financial year '26, we strengthened recruitment, employee engagement, training systems and leadership development programs across sales, quality, R&D and commercial functions. We are now building the second layer of leadership across regional sales, regulatory, engineering and project management functions to support the next phase of expansion.

Outlook for financial year '27 as we enter financial year '27, we believe Shalby MedTech is positioned at an important inflection point. The heavy lifting around platform creation, regulatory groundwork, manufacturing capability and commercial network building is substantially behind us. Our focus now shifts towards scaling revenues, improving profitability, accelerating innovation and driving global market penetration.

We'll continue to focus on expanding global market access, accelerating product innovation, strengthening robotics and digital integration, driving further operating leverage, improving supply chain efficiency, building clinical evidence and surgeon engagement, enhancing return ratios and cash discipline.

Our long-term ambition remains clear to build a first globally respected India headquartered orthopedic implant company, delivering world-class outcomes at India competitive economics. I would like to thank our surgeons, channel partners, employees, shareholders and customers for their continued trust and support as we build the next phase of growth for Shalby MedTech.

Thank you, and over to you, Jigar.

Jigar Todi: Yes. Now we can start with the Q&A.

Moderator: We will take our first question from the line of Soham from Prosperity.

Soham: Hello. Sir, am I audible?

Moderator: You are audible. You may please proceed.

Soham: My question was like could throw some color on the profitability of the International business? Because although our Indian business is doing really well because of the lag from the International business, it is reflecting in our consolidated numbers. So could you throw some light on the profitability of the international business? And if not, when would it become profitable? That's my question.

Amit Kumar: So I believe your question is towards the International patients coming to our Gurugram and other units. Is that right?

Soham: Yes.

Amit Kumar: Okay. So the business has been growing. And overall level in our Gurugram unit, 60% of the international patients contribute to the revenue. And this has been -- this maintains a healthy profitability margin. Although in the quarter 4, this had got impacted by the U.S. and Iran conflict, but our teams have geared up and it has been offsetting with the growing business in our African and CIS countries, including Uzbekistan, Kazakhstan and also the African regions including Sudan.

So there has been a good momentum, and we have been seeing a strong comeback in the current quarter where into the months of April and May. So this stands quite profitable, and we are confident to see an upside of this.

Soham: Sir, talking about the profitability of the international business in U.S. about the implants. So what about the profitability of those?

Deepak Anand: So implant business is already -- if you look at it the second consecutive quarter of having a positive EBITDA, right? So we have come out of that whole challenge of having where we were hitting at EBITDA levels. We still have some distance to go to get it into a double-digit EBITDA as well as convert the cash flow to be positive, which we are working towards it. We should start seeing better results quarter-on-quarter from now.

Soham: Sir, my second question would be on the borrowings. Sir, if we look at the past 4, 5 years, the borrowings and we call it debt, it is growing. So if you could throw some color on why we are like raising debt and where it is being used?

Amit Kumar: Thanks for this question. See, in the past, this borrowing you had been seeing on to our balance sheet has been largely by the reasons of the 2 acquisitions which we have done in the recent years, one in the U.S. and another into the Gurugram unit.

And further on, since we have already done a breakeven into our MedTech business internationally, we find that further the increment into the borrowings would not be that significant. And we would soon as been stated into our international business performance, we would be looking for the cash flow in the short term to medium term around and then our debt-to-equity ratio still stands healthy and would be on the improving trends.

Moderator: Thank you, Next question is from the line of Sanchita Sood from RoboCapital.

Sanchita Sood: Thank you for the opportunity. My question was specifically regarding the Shalby International Hospital. So I just wanted to know when exactly can we see this particular hospital reach EBITDA breakeven level? Like can I get a timeline of when exactly we can start seeing some profitability here?

Amit Kumar: So thanks for this question. See, by the restriction, we cannot comment on the timeline, but we are very confident to see this happening in the short term only. This is also by the reason that there had been many major developments happening in this hospital, including the NABH accreditation, which we have just received into the month of Feb, which will also help us to do further more tie-ups, increase in our rates and furthermore renewals happening on to our top TPAs

This will be contributing to a significant upside on to the revenue. Also, as I covered in my previous answer, our growing business into the Africa and CIS countries also has started contributing to it. Our marketing presence there is also doing -- including a lot of outreach and the branding activities, which are happening.

So that all would be contributing to a significant upside into our revenue. Also, we have worked and have taken certain efficient measures on to our cost side, cost optimization that is also reflected into the EBITDA margin, which you may be able to see into our investor presentation that our EBITDA margin has significantly increased as compared to the FY '25.

Also to reflect our confidence into this hospital, we had recently infused an equity of approx. INR60 crores, taking our equity share up from 87% approximately to 91% into the recent quarter. So we are very confident to see the EBITDA and the healthy profit margins coming into the short term in this hospital.

Sanchita Sood: Okay. And sir, my second question is, can I know what the consol EBITDA margin would be looking like in FY '27 and FY '28. EBITDA margin and the expected debt levels as well?

Amit Kumar: So see, we are looking at a healthy upside by the measures which I have covered out here. It would not be -- that we are restricted to comment on the numbers, but we are very confident to see a healthy upside to maintain the good upside into our business.

Sanchita Sood: Okay. And sir, my last question would be, can I know why the number of operational beds were down year-on-year?

Amit Kumar: So this is also why the reason if you notice that we had closed down our 2 SOCEs, which were Rajkot and Lucknow, they had not been -- they have closed down, and that is leading to an overall reason of decrease that you see as a decrease in the occupancy percentage. They had been EBITDA negative for us. Since we had closed down that, it would be contributing to also a better margin on the EBITDA front in the coming quarters.

Moderator: Next question is from the line of Kashish Thakur from Elara Securities.

Kashish Thakur: Thank you for the opportunity. Two questions from my end. The first question is what kind of tax rate we should build in for FY '27?

Amit Kumar: So thank you for this question. Yes, now at the Shalby Limited, we have moved to the new tax regime. So it would be a lower tax of 25% as compared to 35% tax we had been under in the earlier years, and it had contributed to our profitability this year. And in the coming years, also, it would be a recurring benefit to our P&L and cash flow.

Kashish Thakur: Understood. Second question is on the capex. So what kind of capex we have occurred in FY '26 and what we are targeting for FY '27?

Amit Kumar: So see, we have been investing heavily on to our onco and radiation and also on our international business. So our capex has been approx. INR160 crores, which had been largely coming by the reason of the LINAC bunkers, which we have invested into our units, including Surat and Krishna.

And also we are heavily investing on to the robotics, which would be giving all these capex measures which we have taken -- we are confident to see a very large upside into the coming quarters into our revenue and profitability. So these are the broad numbers as we stated.

Kashish Thakur: Understood. And any guidance for FY '27?

Amit Kumar: So mostly, I have covered as to the measures which we have taken on various fronts, including the capex, including our specialty doctors, which -- being implemented, we had been operating with an average doctor size of 350, which into the Q4 recently total size has gone up to 400 at an average at a group level, since we have hired many super specialty doctors. .

So we are pretty confident to see a significant upside into our revenue and our EBITDA. And since we have already heavily invested into our capex into the FY '26, we do not see a large spending coming into the FY '27 and onwards that will be able to save our significant cash flows.

Kashish Thakur: Understood. One question is on PK Health. Since last 2 quarters or 3 quarters, we have seen a significant doctor addition, doctors leaving, doctors adding in the facility. How is the situation over there as of now? Is it stable?

Amit Kumar: So yes, in the Q4 and in the recent month, it had got stable a lot. We had a turbulence into the quarter 2 and quarter 3 where there had been a leadership change and we witnessed some of the attrition of the doctors. But we have strongly come back into the Q4 and in the current months which we are talking.

We have been seeing a large upside into our ortho business, our ENT business, where we have been struggling due to the reasons which I cited was the urology and BMT, wherein already the super specialty doctors have joined and few are in pipeline to join. So we see a very strong position, which would be further improving from here.

Kashish Thakur: Understood, sir. And one last question. What kind of revenue contribution might be there from FOSO hospitals, FOSO facilities?

Amit Kumar: It would not be significant. The FOSO Hospital, which had been loss-making had been already shut. We have few profitable FOSOs running, but they are not significant to the revenue currently.

Kashish Thakur: Understood. Thank you

Moderator: Thank you, Next question is from the line of Pinaki Banerjee from AUM Capital Private Limited.

Pinaki Banerjee: Thank you for the opportunity, Sir, my first question is from FY '23 to '25, your top line has shown a CAGR growth of 15% to 16%. So why it has suddenly dropped to 5% single digit now in FY '26? Is there any reason for it?

Amit Kumar: So see, the reason has been into our few units, overall level, if I talk about the hospital, our Gurugram unit, which had been into the turbulence into quarter 2 and quarter 3, which has contributed to some extent. Our international business, which has got impacted by the U.S. and Iran conflict.

There had been turbulence in some of the government schemes, which had contributed to some decrease into the patient -- inpatient in the quarter 2, quarter 3 and also the doctor attrition, which had been addressed into the Q4. These few reasons which have led to these reasons, which have been taken care now and addressed properly. And we are pretty confident to see a significant upside as previously covered in the answers.

- Pinaki Banerjee:** Okay. Sir, my next question is you have opened a dedicated oncology unit in Mumbai in February '26. So throw some light on this? Actually, are you striving on the next area of growth in the oncology segment?
- Amit Kumar:** No. Just to correct you, you may verify this. We had not opened any oncology in Mumbai. Rather, we have been going in very heavy on the oncology investment in Surat and Krishna, where we have invested into the onco bunkers. And we have been already having 3 onco bunkers in Indore, Jaipur and Naroda units, including the recent investment into PET and CT Scan also, which is for the oncology. So yes, our oncology investments includes the recent which I have spoken and not Mumbai one. Yes, But in Mumbai, we have recruited super specialty surgeons into our Zynova Mumbai for oncology
- Pinaki Banerjee:** Ok Thanks.. That's all from my end
- Moderator:** Mr. Banerjee, you had some more question?
- Pinaki Banerjee:** No. That's all from my end ma'am.
- Moderator:** Thank you Next question is from the line of Nikhil Gupta from Vaayu Capital.
- Nikhil Gupta:** Thank you for the opportunity So if I take a long-term 4, 5-year view, let's say, 2030, what would be the contribution from implant business in the revenue?
- Deepak Anand:** So the implant business at 2030, we are looking at somewhere close to INR600 crores to INR650 crores from a top line standpoint because we are not just focusing only on the top line. We're also working towards to get to a good solid double-digit EBITDA upwards of 15%. But 5 years, we should be in the range of about INR600- INR700 crores with a good double-digit positive EBITDA.
- Nikhil Gupta:** Okay. And what should be in the same time horizon, what should be the steady-state growth of our hospital and pharma business? Can we take 10%, 15% as a considered number for the modeling purpose?
- Amit Kumar:** So from here, we are looking at sustainable growth of minimum 15% as a CAGR, if I talk about the long-term plan also not without any significant capex because our current installed capacity also supports us to take an upside of 40% to 50% with the infra we have. So we see a healthy EBITDA margin and very strong cash flows also into the long range if I talk about.
- Nikhil Gupta:** Okay. And last question from my side. So I think earlier maybe a year back, we had the plans to have 50 franchisee models. Are we shifting anything from that particular plan?
- Shanay Shah:** So we are basically -- after starting the franchisee model, we did realize that often the kind of standards that we want to maintain at the different locations is often not taken as seriously as we do. And then we did feel that compromising on, that is not something that we would like to do.

So we don't -- I mean, we have continued the franchisees, and we'll continue to look for franchisees. But it seems like we may not be able to do it as aggressively as we had planned earlier, but we will be very picky, and we will still continue to look for franchisees.

Nikhil Gupta: Do you have specific number in this conservative number by at the same time horizon we earlier spoke about?

Shanay Shah: Well, there's no specific number, very honestly. And even the existing units, if you see, they don't contribute very significantly to the top line or bottom line. So even if the number -- if I give you a number, it's not going to be a very significant part of -- a very meaningful part of the whole scheme of things.

Nikhil Gupta: Yes. In that case, then you can focus and shift your energies to the more core business, right, instead of franchisee.

Shanay Shah: Yes, that is where the energies will be focused on, on the hospitals mainstream business and the implant business.

Nikhil Gupta: Ok. Thank you

Moderator: Thank you. Next question is from the line of Shubham Harne from Purnartha Investment Advisors. Please go ahead..

Shubham Harne: Thanks for the opportunity My first question is why our gross margin has decreased during the quarter?

Amit Kumar: Your question is towards the EBITDA?

Shubham Harne: No, gross margin specifically. Earlier, our gross margin range around 90%, which has now decreased to 85%. Any reason for that?

Amit Kumar: If we have to factor in our gross margins, there has been a slight decrease by the reasons of the new doctors which we are recruiting since we had faced a turbulence in the quarter 2 and quarter 3. And in the Q4, we have got many more doctors wherein the results are expected to come in the next subsequent quarter from here. So that would be the -- that is the one prime reason which has led to the numbers.

Shubham Harne: Doctor cost would impact EBITDA margin, not gross margin.

Amit Kumar: So other reasons also includes our investments to the onco wherein the onco treatment at times need the expensive medicines to take care of the patients since we are growing on the onco side, this is also leading to some of the cost upside and impacting a little on our gross margin. However, we are augmenting some measures to address this also. We are exploring with our doctors to keep the same quality standards while maintaining our gross margin.

- Shubham Harne:** Got it. So what gross margin we should build? It would be around 85% or it will inch up a little bit?
- Amit Kumar:** We would be seeing a good upside to it from here, however we have to still implement certain of the measures, and we'll be open to more confidently comment on.
- Shubham Harne:** Okay. And my second question is how our new initiatives are doing, like we have invested heavily on doctors and added new therapies in several hospitals. So how they are doing and when they will start reflected in numbers?
- Amit Kumar:** So they have started showing very good signs already including the doctors which we have recruited and which are in pipeline. And as also covered the investments which we have done on the robotics, PET CT, radiation bunkers as a capex, they are contributing significantly to our revenues.
- So overall, all these measures where the doctor stability is being there, our capex, our TPA renewals, certain accreditation like NABH in our Gurugram unit, including all these measures and a few more, we are pretty confident to see a significant upside into the short term to medium term from here.
- Shubham Harne:** Short term, you meant, say, by Q1 or Q2?
- Amit Kumar:** Q2 onwards, it would be there.. Q1 would also start reflecting some of the indicators.
- Shubham Harne:** Got it. And my last question is related to government business. So our government business has increased in current quarter 2, while self pay and insurance are going down. So any specific reason for this? Because earlier you have told that we are looking for -- to reduce our government business.
- Amit Kumar:** So see, government business, yes, there are certain challenges associated with it when you have to recover the money from the government, it takes time, but this is also an improving process.
- But importantly, the government business although is being increasing at our end as a share. However, the CGHS rates are also being getting revised which would be giving an upside to 7%, 8% into our revenues. And as soon the CGHS rates are revised, the other government schemes also follows this. So this would be a positive indicator to our top line in the coming quarters.
- Shubham Harne:** So CGHS rates has been revised. So when it will be effective or when it will get implemented?
- Amit Kumar:** So it has got revised recently. So we have started seeing a little upside of it into the whole scheme of things, it would be coming into the coming quarters, as I said, from quarter 1 to quarter 2 and onwards. And we are yet to see properly the upside, which will be followed by other schemes, including RGHS and CGHS and the corporate, those who follow these rates.
- Shubham Harne:** Got it..And last one, what occupancy are we looking for next year?

- Amit Kumar:** So we are looking at good upside. More importantly, including the units like Gurugaon, which had not been performing better in the Q2, Q3 and other of the units, especially including Indore and Surat, which has a little underperforming in the recent years and the measures which have implemented are giving us good confidence to see an upside into our overall occupancy.
- Shubham Harne:** So it would be north of 50% in the coming year?
- Amit Kumar:** Yes, it is likely. It should be good a better number from there.
- Moderator:** Thank you. Next question is from the line of Soham from Prosperity.
- Soham:** Sir, one of the questions I missed was you said that the foreign business is being affected because of the U.S. Iran conflict. So sir, taking into consideration the event, I don't think the war is going to end very early because of the statements of Donald Trump. So what do we expect in terms of the conflict and how would the numbers be in terms of Q1, Q2 and over the whole financial year '27 because the conflict is kind of unpredictable. So how do we take care of that?
- Amit Kumar:** Yes, you are right. The situation is uncertain. However, our teams have taken many good initiatives around this. Our international business, although the U.S. Iran is impacting us a little, but our other -- as I stated in previous answers, our international business into the CIS countries and African countries is showing us a very good and confident momentum.
- This has actually helped us to explore new markets wherein the patient inflows have significantly helped us and our domestic operations into our Gurugram unit is also helping us out, although there could be still good impact -- there could be an impact to this.
- But we -- while we have explored other of the countries, we don't see this to remain a significant impact for us in the coming quarters. Also if we understand the medical urgencies and the situation, there are certain surgeries, significant part of the surgeries, which the patient can delay for longer. So they figure out a way and we are still able to get them to our hospitals.
- Soham:** Okay. Sir, as you said that we have expanded into various countries, but would that be the perfect substitute in terms of numbers and margins to the businesses or the countries where our business is affected due to the U.S. Iran conflict?
- Amit Kumar:** Yes, , when you get to new markets and you explore it out, you get to augment some of the measures, which help us to get a good market share there also. So this new market helps us to get the patients. And if we'll all be fortunate enough to see this war to be settling down and it probably has to settle down one day. So we would be seeing most of the upside coming again back, which would be a backlog coming back to our hospitals.
- Soham:** Ok sir. Thank you sir.

Moderator: Thank you.. a reminder to all the participants if you wish to ask a question, press * and 1. We will take our next question from the line of Kashish Thakur from Elara Securities. Please go ahead with your question.

Kashish Thakur: Thank you for the opportunity again. Sir, just if you can just briefly highlight what can be our expansion plan for next probably 2 years or so? And what kind of EBITDA hit can we expect from the similar expansion going ahead?

Amit Kumar: So the expansion plans would include a very selective picking wherever if we see any profitable opportunity to the size of the beds which we operate at meeting our quality standards. So we'll be exploring it out. This continues.

And expansion also includes the expansion into the few countries on to the MedTech side, including the countries like including Myanmar and Vietnam, where we are very shortly expecting certain of the product approvals coming forward. So both on the hospital side and the MedTech side, we may see certain of such expansion contributing to our overall growth into profitability and cash flows.

Kashish Thakur: Understood, sir. Sir, how many MedTech products as of now we have approval?

Deepak Anand: So we have right now, see, the categories are 2 categories that we play in, which is knee and hip. And within knee, we have different knees right now. As of now, we have 3- 4 different types of products within the knee category. And in the hip category right now, we have 3 different types of hip categories. Now we will be adding more in time to come. We are not adding any new category as of now. We'll be adding more products into the same category.

Kashish Thakur: Understood sir. Thank you sir. That's all from my end

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

Jigar Todi: Thank you, everybody, for joining the call. We will connect again into the next quarter. Apart from that, if you have any questions, you can reach out to our investor e-mail ID. Thank you, everyone.

Moderator: Thank you very much. On behalf of Elara Securities India Private Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.

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