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BSE Limited,
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The Manager
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National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
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Bandra (E), Mumbai - 400 051

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Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Earnings Conference Call Transcript

Dear Sir(s),

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of Earnings Conference Call held on Monday, November 10, 2025, for the second quarter ended September 30, 2025 results.

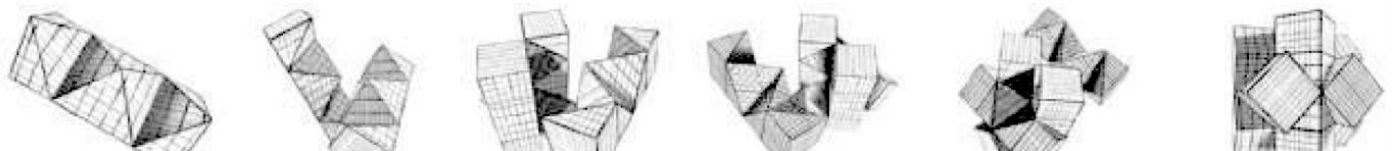
The Transcript is also available at our website: <https://www.medanta.org/investor-relation>

This is for your information and record.

For Global Health Limited

Rahul Ranjan
Company Secretary & Compliance Officer
M. No. A17035

Encl: a/a





“Global Health Limited – Medanta
Q2 FY 26 Earnings Conference Call”

November 10, 2025

**MANAGEMENT: DR. NARESH TREHAN – CHAIRMAN AND MANAGING
DIRECTOR – GLOBAL HEALTH LIMITED – MEDANTA**

**MR. PANKAJ SAHNI – GROUP CHIEF EXECUTIVE
OFFICER AND DIRECTOR – MEDANTA – GLOBAL
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OFFICER – MEDANTA – GLOBAL HEALTH LIMITED**

**MR. RAVI GOTHWAL – MEDANTA – HEAD INVESTOR
RELATIONS – GLOBAL HEALTH LIMITED**

MODERATOR: MR. RAHUL JEEWANI – IIFL CAPITAL

Moderator: Ladies and gentlemen, good day, and welcome to Global Health Medanta Hospitals Q2 FY26 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 “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Jeewani from IIFL Capital. Thank you, and over to you, Mr. Jeewani.

Rahul Jeewani: Hi. Good afternoon, everyone. This is Rahul from IIFL Capital. On behalf of IIFL, I welcome you all to the second quarter earnings conference call of Medanta. From Medanta, we have with us today Dr. Naresh Trehan, Chairman and Managing Director; Mr. Pankaj Sahni, Group Chief Executive Officer and Director; Mr. Yogesh Kumar Gupta, Chief Financial Officer; and Mr. Ravi Gothwal, Head, Investor Relations. Over to you, sir, for your opening comments.

Dr. Naresh Trehan: Good afternoon, and thank you for joining us today for Medanta's Q2 FY26 Earnings Conference Call. I hope all have had the chance to review the results and presentations that were released Friday.

Over the years, Medanta has remained committed to one core belief that world-class medicine should be accessible and delivered with compassion. Every quarter, as we reflect on Medanta's progress, I am reminded that what we are building is not merely a network of hospitals but a movement in health care, a movement grounded in clinical excellence, compassion and trust.

This quarter marked another proud milestone as we commenced operations at our Noida Hospital, Medanta's sixth facility. This 550-bed state-of-the-art patient-centric hospital embodies our vision of expanding access to ethical, high-quality health care. The hospital began operations in September and is currently functional with 226 beds, including over 80 ICU beds and 5 operating theaters, as well as 3 cath labs, all equipped with advanced medical technology. Our teams are fully committed to ensuring a smooth ramp-up and to extend Medanta's care to more lives in the region.

We also announced plans to establish a 400+ bed super specialty hospital in Guwahati to serve the entire Northeast region. In October, Medanta completed the acquisition and possession of a 3.5-acre land parcel in Guwahati and the Bhoomi Pujan ceremony was held on 31st of October 2025, paving the way for construction to begin.

Turning to our Mumbai project. We are pleased to share that we have received additional FSI approval, enabling us to expand our plans from a 500 to 750-bed super specialty hospital. This is a significant development and we are focused on expediting the construction process to create one of the most advanced health care facilities in Western India.

With that, I now hand over the call to Mr. Pankaj Sahni, our Group CEO, who will walk you through the financial performance. Thank you very much.

Pankaj Sahni:

Thank you, Dr. Trehan. Good afternoon, everyone, and thank you for joining us today. I would like to begin with a key milestone of this quarter, the commencement of operations at Medanta Noida, our sixth hospital, which became operational in September 2025. This is a significant achievement for all of us at Medanta. The construction of this hospital began in September 2022, and within just 3 years, we have successfully brought this world-class facility to life, a testament to our strong commitment and execution capabilities. Currently, 226 beds are operational, including 81 ICU beds, 5 operating theaters and 3 cath labs.

The hospital is equipped with cutting-edge medical technologies such as the Da Vinci Xi surgical robot; next-generation O-arm; Artis Icono AI-driven BiPlane CATH Lab; and state-of-the-art diagnostic systems, including a 3 Tesla MRI, dual source CT, PET scan and gamma camera. These capabilities ensure that our clinicians have access to the most advanced tools for diagnostics and treatment, and this aligns with our vision of delivering world-class care with precision and compassion.

Medanta Noida offers comprehensive tertiary and coronary care across more than 20 super specialties including Cardiology, Oncology, Neurosciences, Gastroenterology and Orthopedics. We have already onboarded over 150 experienced doctors including more than 30 senior director level clinicians who bring deep expertise across key specialties.

Our emergency and critical care services are fully operational, ensuring round-the-clock readiness for complex medical needs. The early response from the community has been extremely encouraging, reaffirming the trust that Medanta name commands. We are confident that Medanta Noida will evolve into a strong pillar of our network and emerge as a significant contributor as it scales up over the coming quarters.

In the first month of operations, Medanta Noida generated INR 39 million and reported an EBITDA loss of INR 197 million, which is in line with expectations during the initial ramp-up phase. We are very excited about Medanta Noida and what it will offer to Noida, the Greater Noida and wider region, given the strong clinical talent that we have onboarded, supported by the highest quality and ethical medicine that Medanta is known for.

Now moving to the consolidated performance update for Q2 FY26.

During the quarter, consolidated total income was INR 11,189 million compared to INR 9,748 million same quarter last year, registering a strong growth of 15%. EBITDA ex-Noida grew 14% year-on-year with INR 2,804 million with a margin of 25.2% compared to 25.3% in Q2 FY25.

EBITDA, including Noida, was INR 2,607 million, up 6% year-on-year with margins at 23.3%. Profit after tax for the period was INR 1,584 million, a strong year-on-year growth of 21%. PAT margins for the quarter improved to 14.2% compared to 13.4% in the same quarter last year.

Overall, our operating cash flows for H1 FY26 stood at INR 3,295 million, and capex was approximately INR 4,252 million, primarily towards our Noida project and upgradation of medical equipment across the network. Our balance sheet remains extremely strong with a net cash surplus of INR 7,082 million at the end of September 2025.

Now moving to the operational performance highlights for the quarter. Inpatient volumes during the quarter increased by 13% and outpatient volumes increased by 15% year-on-year. Our average occupied bed days for the quarter increased by 8% year-on-year with strong occupancy of approximately 64% on increased bed capacity.

Average revenue per occupied bed for the quarter was INR 65,570 compared to INR 62,141 in the same quarter last year, an increase of 6% year-on-year. During the quarter, international patients revenue increased by 49% year-on-year to INR 762 million in Q2 FY26, driven by increased international patient volume.

Coming to the matured and developing hospital performance update:

During the quarter, revenue from our matured hospitals, which includes Medanta Gurugram, Indore and Ranchi, was INR 7,200 million compared to INR 6,833 million in the same quarter last year, registering a year-on-year growth of 5%.

Now please note that the OPD pharmacy business of Gurugram unit which is now operated by a 100% subsidiary of the company named GHF Pharma & Diagnostics Private Limited. As a result, the OPD pharmacy revenue which is not part of the matured unit reported numbers in Q2 FY26 in the presentation. And therefore, excluding the impact of the Gurugram OPD pharmacy business, the matured revenue has actually grown by 7.9% year-on-year.

Growth was visible across four specialties whereas de-growth was seen in internal medicine, primarily due to the lower incidence of vector-borne diseases during the quarter compared to the same quarter last year. EBITDA of matured hospitals stood at INR 1,696 million compared to INR 1,689 million in the same quarter last year with a margin of 23.5%.

Adjusting for the impact of OPD pharmacy business switching, EBITDA growth in the matured hospitals was 2.2% year-on-year. The EBITDA in Q2 FY26 includes the impact of additional manpower cost largely in Gurugram and Indore as well as the new unit in Ranchi. This increase includes the impact of increments as well as new hiring in the matured units.

On the volume side, inpatient admissions grew by 5% year-on-year, and the occupancy remained healthy at 61% on an expanded base. ARPOB for mature hospitals stood at INR 73,447 in Q2 FY26 compared to INR 66,989 in the same quarter last year, registering a strong growth of 10%, primarily driven by a favorable change in specialty mix.

Moving to the developing hospital portfolio, which includes facilities less than 6 years old, which is Medanta Lucknow, Patna and now Noida. During the quarter, 37 new beds were added in Patna, taking the total bed addition to 57 beds in the H1 FY26 in Patna. No bed additions in Lucknow, while 226 beds were added in Noida with our operationalization of the unit there. Both Lucknow and Patna continued to deliver strong double-digit growth.

Revenue from developing hospitals, excluding Noida grew 28% year-on-year to INR 3,531 million, including the initial contribution from Noida, total revenue stood at INR 3,570 million, reflecting an overall growth of 30% year-on-year. Overall, EBITDA from developing hospitals,

excluding Noida was INR 1,112 million, registering a strong year-on-year growth of 34% with strong EBITDA margins of 31.5%.

EBITDA, including Noida, was INR 915 million with a margin of 25.6%. Inpatient volumes were up 26% year-on-year, reflecting broad-based growth across Lucknow and Patna, along with an early contribution from Noida, which became operational only in September 2025. Occupancy stood at 70% with an ARPOB of INR 54,854 across the developing hospitals. Including Noida, occupancy was 67% with an ARPOB of INR 54,980.

Now coming to our project updates:

In Guwahati, we completed the acquisition of a 3.5-acre parcel of land for ~ INR 600 million. The site located along National Highway 27 offers excellent accessibility across the entire Northeast region. Allotment and possession are complete, and I'm pleased to report that subsequent to quarter ended on 31st October 2025, we concluded the Bhoomi Pujan activities and construction of the Guwahati facility can now commence.

In Mumbai, Oshiwara we received additional FSI approval, enabling us to expand our bed capacity from the earlier reported number of 500 to 750 beds. The Board has approved a new project cost of INR 15,300 million to cater to the increased bed count of 750 beds. This cost includes the cost of land, additional FSI purchased as well as the construction and medical equipment and also includes INR 850 million for staff residential apartments.

Overall, Q2 FY26 was a quarter of steady growth with consistent performance and disciplined execution as well as the launch of the exciting new opportunities that Medanta Noida holds. Our expansion projects continue to progress well across various stages of execution with a strong pipeline, disciplined capital allocation and a healthy balance sheet. We remain confident of sustaining growth momentum and delivering on our strategic objectives. With this, I request the operator to open the line for questions. Thank you.

Moderator: The first question comes from the line of Tushar Manudhane with Motilal Oswal Financial Services. Please go ahead.

Tushar Manudhane: So just on the mature hospital, while even after adjusting for the pharmacy and other income, the EBITDA growth still seems to be just 2% - 2.5% with the addition of manpower cost. So are we more or less done with the increase in the manpower cost? Or is there something more to come? And subsequently, when do we see the EBITDA growth in line with or better than the revenue growth?

Pankaj Sahni: So thanks, Tushar. So there are two parts in the developing hospitals, although the nomenclature may be a little misleading because it does also include the 110 beds which are new in our Ranchi facility, which was the expansion of that facility. So while it is part of the mature hospital group because Ranchi is part of the mature group that includes about 110 beds of new facilities. So there is some amount of expenses, which go into the launching of that new facility, which we hope will stabilize as we get that facility up and running, and we are actually hiring additional manpower in Ranchi not only for the new facility, but also to add in some of the specialties

which were missing in the old facility, which is one of the reasons for taking this. So we do expect to see growth in Ranchi as the new unit grows as well as the old unit gets additional specialties. That's point number one.

Point number two is that last year in Indore, we had an unseasonably high amount of vector-borne diseases. So when you look at quarter-to-quarter, there's a little bit of impact of a very high base from Indore last year. And Gurugram also, we had some amount of vector-borne diseases, which I think across the industry is a bit lower.

However, we did hire and we did also do some manpower increases in Gurugram. And we do expect that to play out over the coming quarters as well as going forward. And as we look at scaling up and beefing up our core, which is part of our original strategy to strengthen the core, we will look at continuing to invest into our mature units. So we do expect to see the results of that as we go forward. And we do expect to see in the coming quarters that you will see the EBITDA growth a little bit more in tune. But if you look at it even from a year-on-year basis, if you take the complete 6 month to 6 month basis, you will find that there is a significantly better performance in the mature facilities over the complete 6 months.

So not getting too much caught up into what happens in one quarter versus the other. If you look at it more of a 12-month run rate annualized basis, you will see fairly healthy growth in the mature facilities as well. So I don't know if that answers your question, Tushar.

Tushar Manudhane:

That helps. And secondly, on the developing hospital side, given that there has been, I guess, decent traction as far as institutional patients are concerned. But when do we see the ARPOB further scaling up with probably the change in case mix?

Pankaj Sahni:

So if you have to look at , because the ARPOB, is blended for Lucknow and Patna, which is quite different in both the cities and both the geographies. If you look at the ARPOB growth, we've had fairly strong ARPOB growth in our Patna facility, a lot of that is also the addition of more and more complex work.

So just to give an example, we added a robot in Patna, I think when you look at it over the last year or so. And we see now robotic work picking up. We see some of our cancer work picking up there. So a lot of the cancer work, as you're aware, is on lower length of stay. So therefore, you're seeing ARPOB growth.

In Lucknow, we are actually seeing also because we didn't have some of the specialties, say, a year or so ago, which were maybe lower ARPOB in nature like pediatrics, like some of the other work. So that is getting added in. But it's not a question of any kind of growth or de-growth. It's really just a question of some of the ARPOBs in Lucknow stabilizing towards what we expect to see as a more rational ARPOB from what it was in very early days. Very healthy ARPOBs there, above INR 65,000. Patna also almost INR 48,000 – INR 50,000 ARPOB. So we see very strong ARPOBs in all these areas. But we also look at a lot of the volume-driven growth in both of these units as you're aware.

And if you look at the volume-driven growth in both of these units, we've seen very good growth in Lucknow, almost 30+ % growth in inpatient volumes, similar kinds of growth numbers coming in, in Patna. So I think ARPOBs, as I've always maintained, is really just an outcome of some of the mathematics that's worked out.

But if you see realization strong in both units, continuing to grow. If we see volumes in both units, also strong, continuing to grow. I think some amount of length of stay optimization still can be done in both the units. But like I said, I would prefer to look into how the realizations are going rather than just the ARPOBs on a stand-alone basis.

Tushar Manudhane: One Clarification, sir. In Lucknow, certain specialties, because of those specialties, there has been sort of a check as far as ARPOB growth is concerned, correct?

Pankaj Sahni: So when you look, Tushar, at the ARPOB growth in Lucknow, one, of course, is that like I said last year, some of the vector-borne diseases, patients who end up staying in the ICU for a longer periods of time last quarter versus this quarter. But if you look at it across a slightly longer period of time, you will see that growth is there in Lucknow ARPOBs as well.

If you look at how we think about the growth in Lucknow, it's adding in some of the lower ARPOB specialties that is correct. Pediatrics has just started. We will continue to scale that department up. And if you remember several calls back, we talked about adding in some of the longer tail specialties in Lucknow. So those have come in. And I would say that compared to what you may have seen, let's say, about maybe 12 to 18 months ago of ARPOB in Lucknow, these are more stabilized set of ARPOB in Lucknow in this kind of INR 65,000 range.

Tushar Manudhane: Got it, sir. And lastly, as far as Guwahati is concerned, is there any sort of guidelines to have the way we have in case of say Patna in terms of certain beds allocated for institutional patients? Or this is more like entirely we can use it for private patients?

Pankaj Sahni: No. We can use, there are no guidelines or restrictions in any of the beds in Guwahati. This is part of the Advantage Assam 2.0 investment project that the government of Assam has done. So there are no restrictions whatsoever on any of the beds in Guwahati. However, Medanta will very much look at providing care to all the spectrum. It will not be that we will not be looking into various different types of payer classes as we have done in every one of our units, irrespective of the requirements of the lease. But no PPP, this is a pure kind of land which we have procured from the government as part of this investment initiative.

Moderator: The next question comes from the line of Damayanti Kerai with HSBC.

Damayanti Kerai: My question is on your Noida unit. So you mentioned you have already onboarded 150 doctors, including senior directors, etc. So are you broadly set in terms of having the required medical team, which you intend to put up there? And does 2Q FY26 operational cost reflect the Noida unit cost largely? And how do you see that panning out in say, 3Q and 4Q FY26?

Pankaj Sahni: Okay. So first of all, to your question on have we hired most of the clinical talent? I would say that we have hired a large part of the clinical talent but not all the clinical talent. So to give you

a simple example, our operations team is not complete, our paediatrics team is not complete. That being said, I think because Noida, we will get one complete tower in one shot. I think in Noida compared to some of the other units, especially most recently Patna, where the hiring was a little bit more staggered. In Noida, I think a lot of the doctors have come in sooner within the first month itself in many. In Patna, you saw them coming in over a period of 6 to 12 months. In Noida, I would say a majority of the senior clinicians have come in on board in the first month itself. And that is part of the reason why you're looking at some of that cost. Now obviously, that is a huge opportunity for us, and we're very excited about that.

And to be very frank, it's also an indication that there is a very huge excitement of senior and established clinical faculty to join us. So everybody is raring to go. We are hoping that the official inauguration will happen in the coming weeks. It's been just about a month or so that the hospital has been opened.

We are still actually building out the rest of the beds. So 220 beds or so are there as of September. We have added in some more beds. So as on date, we are sitting on approximately 300 beds, but we intend to continue this build-out without stopping over the next few months. So I do believe that some amount of costs will continue to come in as we'll hire in more doctors, more nurses, maybe not too many senior directors because that we have mostly filled out. But you will, of course, need manpower to fill out all the beds.

So we're very excited actually about Noida as an opportunity and very excited with the response that we are getting. And hopefully, we will have a grand inauguration soon.

As far as the costs for Q3 and Q4 coming in, I would say that we do have costs which will get added in there. We will also, of course, have revenues that will get built up into that. I don't know exactly how that will play out. But our perspective is that what we've been able to do is bring in the firepower that now enables us to get running. So as soon as we get all, we only have 5 operation rooms active right now, another 9 to 10 are coming on board in the next few weeks. So as we get all this ready to go, we are quite excited about getting this unit moving in. And so far, the response has been very good.

Damayanti Kerai:

Okay. So in view of great start for Noida unit and then largely, your team is now in place. Do you think Noida can achieve cost breakeven within 12 months of operations, or it can be sooner?

Pankaj Sahni:

So as we said in many of our last earnings calls, Medanta has a good track record of achieving operational breakeven in what may be considered extremely short periods of time. But that's not how we think about it. That may be an outcome, we may have been fortunate. We actually look at investing in the right resources and right infrastructure and right talent to build out for the long run. Whether that will break even in 6 months, 9 months, 12 months, I would not like to project out into the future. All I can say is that we remain very excited about it. I see no reason to worry about any of how this will play out. But I don't want to guess on which month it will break even. I think let time tell that.

Damayanti Kerai:

Okay. And my last question is in NCR market. Obviously, for Noida, you said doctors are really excited, and that's why you saw most of hiring happened in first month itself, most of joining,

etc. But when we look at the overall NCR market, what kind of competition you are seeing on the talent hiring part, especially from some of your larger peers? Have you seen like any like attrition more than usual in your Gurugram unit or something?

Pankaj Sahni:

No, we have not seen any attrition in our Gurugram unit in the last many quarters, I think at least 4 to 6 quarters at any of the senior positions of the heads of department or heads of department minus 1. Of course, at the junior level, there remains a certain amount of churn. But we have seen almost no significant attrition in the last, I would say, I think, at least 4 quarters, if not 6 quarters.

That being said, I maintained in past calls that the competition and the ability to attract and retain high-quality and high ethical, more importantly, clinical talent, especially in the kind of full-time model that we have, will remain a challenge, and it is not only in NCR, I think this challenge will remain in most of the major markets. And it will remain so not only for the listed players because there are also hospitals, which are single-unit hospitals, unlisted hospitals. All of them are growing. All of them are investing in scaling up the bed count from charitable hospitals to unlisted private hospitals to the listed players, and indeed, even the government hospitals.

So I do feel that access to clinical talent will remain one of the key elements and key things to focus on for all the players in the industry. Medanta has been very fortunate that we are considered to be a very attractive place for doctors to work. And we've seen that with the Noida hiring. And so far, no attrition.

In fact, no attrition even in Lucknow or Patna that I can actually think of at these levels. The only thing that's happened is that one of our department heads from Patna has moved to Noida. So we've done some jugglery around the units, but we haven't seen any major changes in the headcount.

Moderator:

Next question comes from the line of Dhananjay Bagrodia with Alchemy.

Dhananjay Bagrodia:

Sir, this is more a broad-based question. How are we seeing ARPOB for the industry? Are we seeing saturation levels? Do we see that continuing going ahead? Any thoughts on that?

Pankaj Sahni:

So I think there's a lot of nuances to this question. If you look at , first of all, ARPOBs are very different. First of all, it's important to understand ARPOB is a derived metric, it's a function of realization and length of stay. If you look at Medanta's length of stay, it's probably amongst the lowest in the industry for institutions of this caliber and complexity of work that we do, around 3 - 3.06 days.

However, if you look at ARPOBs as is commonly studied, it's very much a function of the cities where the hospitals are. So as hospitals expand and you would see that across various listed players, as hospitals expand into markets which may not be in the metro cities or may not be a Delhi, Mumbai kind of market, you will see different markets. Obviously, a Patna ARPOB or a Ranchi ARPOB will be different from a Delhi ARPOB or a Mumbai ARPOB.

As in our case, we move into, say, a Mumbai market, you may see ARPOB increase because Mumbai ARPOBs are typically higher even than Delhi. Delhi ARPOB tend to be a little bit higher than, say, Gurugram or Noida. So it's very much a function of where your hospitals are. And I think that is how we see it across the group.

So what you see as reported is a blended ARPOB and therefore, it depends on where you're operating. South maybe has a different kind of an ARPOB. So I think you have to study it slightly more granularly than just looking at it on an overall basis.

That being said, I think the overall growth in ARPOB, which till a few years ago was -- a lot of it was linked to post-COVID very aggressive realizations. I think you see is tapering out. You see ARPOB growth across the players now maybe middle to high single digits, in some cases, maybe early double digits and a lot of that is actually increasing complexity of work. Some of that is increasing complexity of work in terms of, say, robotic surgery versus non-robotic surgery. Some of it is in terms of increasing pharmaceutical costs like things like immunotherapy and other expensive treatments in say cancer.

There has recently been a revision of the central government rates also which will play out as we move forward. I don't know if that would, hopefully that would have an increase as well because those rate revisions are happening after a long period of time. So I think you have to study it more granularly. I don't think that there's one answer to that.

Dhananjay Bagrodia:

Sure. And sir, a follow-up. You had mentioned in your answer right now that something like robotics has an impact on ARPOB. I just want to understand now with even international players talking about how robotics have start coming in operational surgeries. Wouldn't that, over the longer term, actually reduce prices because the robot can now be used for 24 hours cost like that? Or is that naive thinking, just to understand?

Pankaj Sahni:

No. I mean there is a certain amount of consumable cost for operating a robot in every case. The instrumentation, the items which get used in the surgery actually have a cost. So it is not that because you're using a robot for more period of time, it's cheaper. And it's not like robot is doing the surgery without the surgeon. There's still all the other costs associated with the surgery. So I don't think necessarily that's true. But robot is only one part of it, right? There is also a cost of the pharmaceuticals. There is also cost of advanced procedures like CAR-T cell therapy, there is also cost of increasing antibiotic resistance and therefore need to put in higher levels of antibiotics. So there's all kinds of things that are going on. It's not a kind of a one size fit all kind of a simplistic answer that I can give you.

Dhananjay Bagrodia:

Sure. Sir, just last question. So going ahead, let's assume if ARPOB for most or maybe if you not for you but for the industry, if ARPOB is as we said, growing in the single-digit level. So then now most of the growth will just be coming from bed growth. Is that the right way to look at it now going ahead?

Pankaj Sahni:

No, that is not true. You can generate volume growth without bed growth as we have done very successfully in many of our units. Bed growth alone doesn't lead to volume growth. Volume growth means different kinds of procedures. You can actually generate more efficient

operations. If you study Medanta as a group, our ALOS has been falling consistently over the last several years. So you can get more efficient about getting patients home sooner, which is always a good thing.

So there are many different ways to generate growth. Of course, basics of volume and realization is one part, but you can generate volume growth without bed growth as well. It's not necessary that you need new beds. And by the way, you can also generate bed growth without new hospitals by optimizing how you are actually putting up beds, how you actually have them utilized. So lots of things can be done.

Moderator: Next question comes from the line of Rahul Jeewani with IIFL Capital.

Rahul Jeewani: Sir, you indicated that the Lucknow hospital saw 30% IP volume growth during the quarter. So can you comment in terms of what has led to such strong volume growth for the Lucknow Hospital, given that this year, we haven't added any incremental beds at Lucknow apart from, let's say, 50 - 60 beds, which we had added last year. And if you can also comment in terms of how has the occupancies been at the Lucknow hospital?

Pankaj Sahni: Yes. So I think in the quarter, if I look at the occupancy in Lucknow, it's been upwards of 65%, I think, around 67% or so. And this growth, see, one is that we study only one quarter and another quarter. However, I think that you have to take a little bit broader view. So we have seen very strong growth in Lucknow. And that growth has come in from many of the actions that we've been taking over the last maybe 12 months or so. You just are looking at a snapshot period in time. If I look at this growth even in the previous quarter, it was in a similar kind of percentage and if I look at it over 6 months or if I look at a 12-month running period, it's also been fairly robust.

So I don't think that this is anything very unique that has something special has happened only in Q2. It is a combination of the clinical talent that we added in over the last 12 months or so. It is a combination of our increasing beds. We started out with about 400 - 500 beds. We scaled that up to about 750 beds. It also includes the addition of some clinical talent there. We've added in some Paediatrics talent, we've added in talent in our Oncology function, we've added talent in some of our Surgical and Neuro functions. Even subsequent to quarter end, we have added clinical talent in our Neurosurgery department. And we will continue to add in clinical talent in the coming months. So we added in a very senior Cardiologist, I think, about 6 months or so ago. So a lot of this is talent that we've been building up in the unit that you see playing out over the various months.

One snapshot, I don't think is only that something extra special happened in Q2. It is the ongoing investment in that unit, which will continue. We still have more beds to go in that unit. And we'll be adding in maybe 1 or 2 more specialties as well. We'll be building out a comprehensive rehabilitation center there as well.

Rahul Jeewani: Sure, sir. And in terms of competitive intensity in the Lucknow market, so let's say, the kind of competitive intensity, which you were facing from some of your peers 12 to 18 months back. Have we seen some letup there, which is also helping us to drive this strong volume growth?

- Pankaj Sahni:** So, I mean I don't know if let-up is the right word or even what happened 12 to 18 months ago was driven purely by competitive intensity. I think that we have definitely not seen any significant impact in terms of any clinical attrition, no significant dip in patient volumes or any kind of feedback from the patient community that they are preferring to go to another hospital versus Medanta. And I think that maybe last 3 - 4 quarters or more, we have seen everything firing on all cylinders. So I haven't seen any change actually in anything that's been happening there in the last several months. So no real impact of this. I'm sure that competitive intensity exists. I'm sure it will remain. But we haven't seen any difference anyway.
- Rahul Jeewani:** Sure, sir. My second question is with respect to the Noida Hospital. So by when do you expect the insurance empanelments to get completed for the Noida hospital?
- Pankaj Sahni:** So we are working very closely with all the insurance providers. I'm hoping that they will be able to move a little bit faster than they have so far. We have good, strong relationships with all of these people. And we hope within days and weeks, we'll be able to get this closed. But we are waiting for them to get a little bit faster to their responsiveness. Let's hope that plays out quickly.
- Rahul Jeewani:** Sure. So by end of the year, do you think that most of the empanelments for the Noida Hospital should be largely done?
- Pankaj Sahni:** I hope so. I hope it's done sooner than that.
- Rahul Jeewani:** Okay, sure, sir. And sir, last question before I join back the queue. You talked about the benefit on the CGHS business. Now if I see from your presentation, our CGHS revenue contribution is around 11%, 12% of overall revenue. So what kind of a price increase let's say, on a blended basis, the price increase which you are expecting on the CGHS portfolio to play out from FY27? And what could be the quantum of margin benefit as well to us?
- Pankaj Sahni:** So it's a very nuanced answer to that question. So I don't have a number to give you. I'm not even sure whether we have done the complete calculation on that yet. What we have seen is that the CGHS authorities have seen fit to increase the rates after several years. Keep in mind that this currently applies only to CGHS, not ECHS, and that hopefully will come out if they choose to follow suit as well. And some of the other state governments and some of the other public sector undertakings, etc, which follow a similar guidance may follow soon.
- We've seen some positive trajectory over there, especially in some of the specialties and departments, which were very, very low and almost unsustainable. So departments like ENT have seen high growth. In some of the bigger departments like Cardiology or Cancer, we've seen maybe 5% to 10% growth in different procedures. But I think each procedure has a different growth rate and so therefore, it requires quite a bit of getting nuanced understanding into that.
- As with any price increase since we assume that there would not be a proportionate cost increase, that should all then flow through to the bottom line, but that remains to be seen. I think the biggest challenge, frankly, with this business remains the payments and the collections. So while we have seen some increases, it is not necessarily that suddenly, this has become on par with the cash or insurance business because collections also remains a problem.

That being said, given our model, our large-scale model, our fixed cost of doctors, etc, we actually feel that we should continue to serve this section of the public, and we intend to do so and across all our hospitals. And as we build out the new ones, we will do them, do some amount of work there as well.

Rahul Jeewani: So you said, obviously, 11% - 12% is including both CGHS and ECHS. So what is the contribution just from the CGHS business?

Pankaj Sahni: I don't know, Yogesh, if we know that off the top of our head, but I would say more than 50% would be, 50-50, maybe.

Moderator: Next question comes from the line of Harith Ahmed with Aventus.

Harith Ahmed: So your comment about moving the operations of the Gurugram Hospital pharmacy unit to a new subsidiary. So just trying to understand the thought process here and if you would be moving more pharmacy operations to this subsidiary? And then also the lab operations, we plan to consolidate under this entity?

Pankaj Sahni: I think maybe it's actually the reverse, maybe you're not aware of the history. This entity already has the complete retail lab operations. This entity also already has the retail pharmacy and outpatient pharmacy for all other hospitals. In fact, only the Gurugram pharmacy was left to move in.

I don't even remember now in which quarter, but in several subsequent periods, we have moved all the outpatient pharmacies and all hospitals to this entity as well as some of our out-of-hospital retail pharmacies and all retail labs are running in this entity. So only Gurugram was actually left over to transition. And as soon as we got the relevant licenses for that, that was undertaken. And so you are seeing actually the last transition impact. Now all outpatient pharmacies are in this subsidiary.

Yogesh Gupta: And you should also note that it's only the retail business or OPD business, which has gone to their pharmacy. And another question which you asked us about the lab business being consolidated with this. All our retail labs are done by our subsidiary since beginning. All hospital labs are run by hospitals, and we don't have any such plans to move hospital lab business to this entity. So this will remain as two separate businesses only.

Harith Ahmed: So the IP pharmacy would remain under GHM?

Yogesh Gupta: That's what we said it's only OPD pharmacy, basically retail business, which is done by our 100% subsidiary company, and Gurugram was the last leg of that transition. All other transition has happened in the previous years. Retail labs was always part of this retail company only, which will continue to do. Hospital labs are part of the hospital business and this company doesn't do any part of the hospital business.

Harith Ahmed: Okay. Got it. And if you can give an update on the additional 110 beds that we have commissioned in Ranchi, that would be helpful.

- Pankaj Sahni:** Sorry, what kind of update were you looking for?
- Harith Ahmed:** How ramp-up has progressed and how we are looking at it?
- Pankaj Sahni:** Yes. So just to give you a sense, in Ranchi, our volumes have grown on an annualized basis, somewhere around 15% year-on-year. The new facility is still getting its various empanelments done. So we expect that as that gets done, we expect to see some amount of growth there. Once we get the empanelments done, we will optimize the specialty mix across both the physical sites, although we will continue to run these as one campus.
- I think the thing that has not yet happened, which we are looking into and do intend to do is to add in the Oncology services into our Ranchi campus, which were thus far missing. So I think that is still pending. And as soon as we get the specialty aligned across the two facilities, we will be adding in the Oncology services.
- Harith Ahmed:** Okay. And last one, on the Ongoing projects at South Delhi and Pitampura, if you can give an update on the progress. And also, any comment on the timelines that we should expect for the four new projects? I understand these are beyond FY27, but how should we think about the commissioning timelines FY28 or FY29, some color would be useful.
- Pankaj Sahni:** Yes. So if you look at , let me first go to our Delhi projects. So in our South Delhi and Pitampura projects, we have commenced the digging activities in our South Delhi project. Pitampura project, we have submitted our plans for approval and as soon as those get approved, we will be commencing all our various construction activities. Both those projects are moving well. Mumbai also moving well. I mentioned in earlier comments that we have been able to obtain additional beds. So that's excellent news, we now can put up a 750 bed hospital in Oshiwara as opposed to a 500-bed hospital. And we also will be looking to get now the approval for starting the construction activities there, but we just recently paid off and acquired the additional FSI there. Guwahati, like I said, we've just done the Bhoomi Pujan on 31st October. We have possession of the land. We have paid out for that land and now drawings, etcetera, will be built for these.
- All the hospitals are typically about 3 years away, I would say, Noida we built in 3 years from starting construction until now. So, but any hospital typically takes 3 to 4 years. So I don't have an exact date what will come in FY28 - FY29 like that, but it'll take about 3 to 4 years to build out all of them.
- Moderator:** Next question comes from the line of Amit Thawani with Clear Blue Capital.
- Amit Thawani:** Can you tell me what the impact of the CGHS revision is on our revenue?
- Pankaj Sahni:** So I'm not sure if you heard my answer to the earlier question, but I did answer that earlier when there was another speaker who had asked. We don't know this right now because it's quite a nuanced analysis and quite a nuanced expectation of how this will play out. So as of date, I don't have a number to give you, as I mentioned to the earlier speaker.

- Amit Thawani:** But any ballpark would also be helpful.
- Pankaj Sahni:** I am sure. However, we don't like to speculate, so I'd rather prefer to give you facts rather than ballpark speculations. So I don't have that number.
- Amit Thawani:** Okay. My second question is on the insurance revisions. Typically, we are seeing some kind of a tussle between hospitals and insurers on the revisions. So what is the current scenario? Are we done with our revisions for the next 2 years, maybe?
- Pankaj Sahni:** Yes and no, again. Requires a little bit more nuanced answer. See, we have different units and we have different insurance companies, and each of them have different contracts with different durations. So for example, we may have done with one particular insurance company a renewal last year, which is valid for 2 years. So therefore, we are not due for that.
- Some are coming up in the next several months for renewal. Some may already have passed. So there's no one answer for that. What I would say is that currently, the with the exception of Noida and our new facility in Ranchi, all Medanta units are empanelled panel with all insurance companies for cashless treatment.
- Amit Thawani:** Okay. Yes. Actually, that was the question I was asking. My last question is you alluded to some kind of payment issues when it comes to CGHS. Can you just elaborate on that? And I mean, what kind of debtor days are we seeing today in CGHS and in non-CGHS government business?
- Yogesh Gupta:** See, overall basis, our debtor days remains about 80 to 90 days of our credit business. But in CGHS and ECHS in the government business, average credit realization happens somewhere between 7 - 8 months. Sometimes it goes to 9 months plus period also depending upon how they are playing out. It's again, like CGHS has moved on to a new portal now. That new portal will take some time to stabilize. We expect that with the new CGHS thing coming up, new prices, some delay will happen, some kind of a working capital investment will be required. So again, question -- answer to your question is that it takes 6 months, 7 months, sometimes 9 months to realize from CGHS or ECHS.
- Amit Thawani:** But is that also applicable to ESHS and the PSU business?
- Yogesh Gupta:** No, PSU business are much faster. They don't follow that longer period, but specifically CGHS, ECHS takes longer.
- Moderator:** Next question comes from the line of Tushar Manudhane with Motilal Oswal Financial Services.
- Tushar Manudhane:** Sir, just maybe if I have missed the Noida operational cost, while currently it is EBITDA loss of INR 20 crores. What kind of numbers to think about, let's say, over the next 1 year in terms of cost or EBITDA loss?
- Pankaj Sahni:** Tushar, you are asking me to gaze into the future, which I'm always tentative and hesitant to do. So I don't have a number to give you. You have followed us for some time and seen that we've had a reasonably good record of being able to deliver consistent and strong growth in reasonably short periods of time.

I do not want to comment, as I mentioned to another speaker that we would break even in this month or that month. But we are very excited about this opportunity. And with the kind of talent and responsiveness, which we are getting, I think that as this unit opens up fully, as we get our inauguration done, we do hope to see a good response.

I don't know what that means for next month or the month after that. But I think in the next, let's say, 12 to 18 months, we should see a good kind of performance coming out of here from our quality of work, which we're doing in terms of complex work as well as on the financial side. We have everything there is state of the art. It is not like it is anything less than the kind of clinical talent, the kind of equipment. Most hospitals, day 1, you don't open with a Da Vinci robot, right? We've already got all of this stuff there. The Radiation Oncology machine in Lucknow, we brought in, I think, after 3 to 4 years of operation. We've already got that on site. It's getting installed now. So I think we are fairly gung-ho on this opportunity and fairly gung-ho in terms of putting in whatever it takes to deliver a complete solution. Now if that breaks even in 1 quarter or 2 quarters or 3 quarters, I don't know. But we are not holding back in terms of investing into the unit.

Moderator: Next question comes from the line of Sanidhya with Unicorn Assets.

Sanidhya: So my question is more on the EBITDA margin side. When we see the difference between the mature versus our developing hospitals, what we see a trend has been that as soon as we launch a new facility, likely a large facility like we are launching Noida right now and expanding our existing Ranchi and other hospitals?

So what we see is there is a certain kind of say, depressedness in the EBITDA margins that we see for shorter periods. And eventually, our EBITDA margins more aligned with the long-term trajectory. So do you think that's what the company is going through right now this quarter, maybe even next quarter as well?

Pankaj Sahni: I mean I'm not sure what EBITDA margins you have been analyzing over the various units. What I can tell you is that if you go back in history, in the first year of operations, Lucknow delivered somewhere around 15% EBITDA, if I remember correctly. Patna delivered somewhere around an 8%, I think, if I'm not mistaken.

So different units play out differently. I think Gurugram took about 18 months way back when to breakeven. So different units behave slightly differently. It's difficult to tell exactly how Noida will behave. But obviously, any unit starts up, there is some incremental initial costs that come in.

I think also, if you really look at the way we categorize our developing hospitals, Lucknow has just completed 6 years. So we'll probably, as per this definition, maybe from maybe next financial year onwards, kind of move into what may be considered to be the mature hospital phase. But I think these are just nomenclatures that are there in investor presentation and talks.

I think if you really look at each unit slightly more individually, you will find that all of them continue to perform extremely well, especially in context to their individual location and

situation. And it's not like we say that a hospital like Gurugram, which is 15 years old, is finished. We've been delivering strong growth even in a 15-year-old hospital. So I think each unit plays out slightly differently. And we will see this in Noida, sorry, as we scale up. And we will understand how similar or different Noida is to any of the other units. But our internal management approach is to consider each unit differently and not worry about whether it's like Patna or like Lucknow or like Gurugram, but to run that unit for what it is. And we feel quite excited about Noida. So we are very happy that it's up and running. I think that was the first step. And now we have to get it open properly, get everything finished, get the inauguration done and be ready to serve all the people that are hopefully excited to come to Medanta facilities if they need any kind of medical care.

Sanidhya:

Yes, I understand. And just on a follow-up for the same question. So I heard you saying that when we look at the Lucknow vs Noida, we are on the way all through going into, in terms of technology and all the machines that we need from start in the Noida facility. So my question is more on the approach the management is taking when it comes to Noida versus how we have been doing in the past when it comes to, say, Lucknow or Ranchi or Patna. So how different is our approach when it comes to Noida this time?

Pankaj Sahni:

I think the main thing is that Noida is very much part of the Delhi NCR market. Obviously, we are a fairly well-known and important player in the NCR market with our presence in Gurugram for so long. Noida, we have kind of falls in that same territory and therefore, we have a lot of patients on this area, and we have a lot of brand recall in this area. There's also maybe a little bit more familiarity, easier potential availability of clinical talent in the NCR market.

Patna and Lucknow were new territories, right? Most of the private health care industry had never even been there. If you look at when we walked into Lucknow, there was a lot of question marks about how successful we would be and many of the other members of the industry saying that they would not be interested in that market.

Now we proved many doubters wrong, and we see a lot of people following us and copying us into these territories. Same was the story in Patna. There were a lot of question marks about whether Patna can be not just clinically successful, but financially successful. We have proven that as well. And very likely, we will see people follow us there. I would not be surprised if people follow us into other markets which we've gone into.

We've kind of established ourselves as a trend setter on this front. We've always said that Medanta will go where the people need us, not necessarily just where the perceived high per capita income is, but we will go where the people need us. And we have made all those units financially well and clinically successful.

And Noida, given that it's part of the NCR market, we were a little bit more confident to go in with more talent and more investment sooner rather than actually going into a newer city like Lucknow or Patna where we had to learn also about that center, learn about those cities. And the doctors had to also learn about us. I think in Noida, we are maybe a little bit more familiar to the community.

- Moderator:** Next question comes from the line of Rahul Jeewani with IIFL Capital.
- Rahul Jeewani:** So we did quantify the EBITDA loss from the Noida Hospital. Can you similarly call out the number for the new Ranchi Hospital where we commissioned 110 beds. So what was the EBITDA loss from the new Ranchi hospital in 2Q FY26?
- Pankaj Sahni:** We can't because that's part of the Ranchi unit. I don't know Yogesh if you have more color.
- Yogesh Gupta:** Yes, we are running both the units as one single campus. So there are a lot of shared costs and shared management. So we really don't track what is the loss of the new hospital that will be unfair. These are not working as a two separate units, they are working as a single unit. Same doctor is working here and there also and same management is managing that unit also. That's why we do not call it out separately.
- Rahul Jeewani:** Okay. Point noted. And sir, second question is with respect to price increases across your network. So let's say, I think we were supposed to take price increases across Lucknow and Patna. So have we already taken that at the beginning of the year? Or when do we plan to take those price increases?
- Pankaj Sahni:** No, we have not taken Patna increases I think, correct me if I'm wrong, Yogesh, but I don't think we have taken a Patna price increase since starting of Patna.
- Yogesh Gupta:** Patna remains with same tariff.
- Pankaj Sahni:** Same tariff from what we started. Never taken a tariff increase in Patna. It's now our fourth year of operations, I believe. Lucknow, also we haven't taken any tariff increase. We have taken some nominal. So, nothing this quarter that to call out. I think maybe last quarter or even I think at the start of the calendar year, we had mentioned that we would be taking nominal increases in Lucknow and Gurugram. And those, I think, have mostly already been taken before the quarter. I don't think there was any major increase this quarter, if I'm not mistaken.
- Yogesh Gupta:** No, no. Lucknow increased somewhere in this quarter.
- Pankaj Sahni:** Maybe some in this quarter, but it would be hardly a few percentage points increases.
- Rahul Jeewani:** Sure, sir. And does the PPP agreement in Patna stop us from taking price increases or because you said you haven't taken price increase in that market for 4 years now?
- Pankaj Sahni:** No. There are no constraints on taking any price increases for the non-PPP part of the business, which is currently about 75% - 80%, but 25% is reserved for PPP. So no constraints on the remaining 75%. Frankly speaking, we have not taken price increases because the unit is doing so well. And we've always been an organization that wanted to be conservative on how much we charge to patients.
- With the kind of financial performance we see in Patna, we don't really see any reason to charge more to our patients just because we can. So we would like to be as reasonable and as

conservative on pricing as possible. We continue to open more beds there. We continue to see growth across the board there.

So what is the need to just blanketly take a price increase because you have to. So that's our philosophy and our approach and I think well stated for many years. But as and when we feel that there are some inflationary impacts to manage in Patna, we will look at that as well.

Moderator: Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Pankaj Sahni: Thank you, everyone, for your questions and for joining us today. Please feel free to reach out to our Investor Relations team in case you have any questions that remain unanswered, and we look forward to speaking with you and meeting many of you soon. Thank you.

Notes:

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