

October 17, 2025

The National Stock Exchange of India Limited
Exchange Plaza
Bandera Kurla Complex,
Bandra (E), Mumbai - 400 051
(SYMBOL: THYROCARE)

BSE Ltd.
Phiroze Jeejeeboy Towers
Dalal Street,
Mumbai- 400 001
(SCRIP CODE: 539871)

Sub: Transcript of post results for the earnings conference call held on October 14, 2025, with Analysts / Investors.

Ref: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

Pursuant to Regulation 30(6) read with Part A of Schedule III of the Listing Regulations, please find enclosed herewith the transcript of the earnings conference call with Analysts and Investors held on October 14, 2025.

The same is also being made available on the website of the Company <https://investor.thyrocare.com/>.

This is for your information and records.

Yours Faithfully,
For **Thyrocare Technologies Limited**,

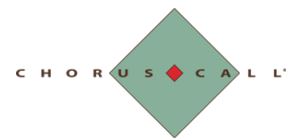


Brijesh Kumar
Company Secretary and Compliance Officer
Encl. as above



Tests you can trust

“Thyrocare Technologies Limited
Q2 FY '26 Earnings Conference Call”
October 14, 2025



**MANAGEMENT: MR. RAHUL GUHA – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – THYROCARE
TECHNOLOGIES LIMITED
MR. VIKRAM GUPTA – CHIEF FINANCIAL OFFICER –
THYROCARE TECHNOLOGIES LIMITED
MR. PREET JOSHI – STRATEGY MANAGER –
THYROCARE TECHNOLOGIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Thyrocare Quarter 2 FY 2026 Earnings Call hosted by Thyrocare Technologies 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 this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Preet Joshi from Thyrocare. Thank you, and over to you, Mr. Joshi.

Preet Joshi: Thank you, Dorwin. A very good evening to all, and thank you for joining us today for the Thyrocare Earnings Conference Call for the Second Quarter of FY 2026. Today, we have with us Mr. Rahul Guha, MD and CEO of Thyrocare; Mr. Vikram Gupta, CFO of Thyrocare, along with other key members of the senior management on this call to share the highlights of the business and financials for the quarter results.

I hope you have gone through our results release, the quarterly earnings presentation and the press release, which has now been uploaded on the stock exchange website. The transcript of this call will be available in a week's time on the company's website.

Please note that today's discussion may be forward-looking in nature and must be viewed in relation to the risk pertaining to our business. After the end of this call, in case you have any further questions, please feel free to reach out to the Investor Relations team.

I now hand over the call to Mr. Rahul Guha to make the opening remarks. Over to you, Rahul.

Rahul Guha: Thank you, Preet. Good evening, and welcome to all on the call. Thank you for taking out time from your busy schedules to join us this evening. Just a quick introduction to us on the call. My name is Rahul Guha, and I'm the MD and CEO of Thyrocare, and thank you for the opportunity to present the Q2 results for FY '26. I'm joined with my colleague, Vikram Gupta, who is our CFO; and Preet Joshi, who is a part of our Strategy and Investor Relations team, along with other key members of the senior management.

To commemorate the 25th year of Thyrocare since its incorporation and in line with the forthcoming auspicious celebrations of Diwali, it gives me great pleasure to announce the following. Bonus shares. The Board of Directors have approved issuance of bonus shares in the proportion of 2:1. That is 2 bonus equity shares of INR10 each for every 1 fully paid-up equity share held as on the record date. This is subject to statutory and regulatory approvals as applicable. The bonus issue underscores our consistent performance over the years.

It's important to note, our non-COVID growth over the last 4 years has been 19% CAGR. And this reflects our confidence in the company's future growth strategy and reaffirms our commitment to reward our shareholders and investors. It also aims to enhance liquidity in the stock and expand retail participation.

Along with the bonus issue, we are very pleased to announce an interim dividend. Board of Directors has declared an interim dividend of INR7 per equity share of the face value of INR10 each pre-bonus issuance. Record date for the interim dividend payout will be considered 24th October 2025. With these 2 announcements, we wish our shareholders a very wonderful and happy Diwali.

Now coming to the business. As in all my calls, I will start with a quote from Nelson Mandela in recognition of our foray into Africa. It is in your hands to make a better world for all who live in it. We believe Thyrocare can bring our business model to Africa to make affordable and good quality diagnostics accessible to all.

Before we get into the details of this quarter, it has now been 2 years since we implemented the pay-for-performance structure, which has led to renewed energy and motivation within our franchise network to move up volumes and enter higher slabs. I'm happy to report that our franchisee base is at its highest ever, with steady growth over the last 2 years.

Encouraged by the success, we have expanded both field and central teams to accelerate franchisee addition. This has enabled us to go deeper into India and open highly transacting stores at a much faster pace.

Our new activation strategy has been delivering encouraging results by engaging local partners and improving conversion efficiency. We are now seeing consistent growth in sample volumes and new customer additions. We continue to expand deeper into Tier 3 cities and beyond, where we see strong long-term potential. To support this, we have made strategic investments in logistics and network capabilities, ensuring faster turnaround and better service reach.

As of Q2 FY '26, we have 10,100 plus active quarterly franchisees compared to 8,446 in the same quarter last year, and 9,413 in the last quarter. Our pace of franchise expansion has picked up meaningfully, supported by renewed partner interest, strong brand equity and our tech-driven support model.

Quality as a core focus remains our highest priority. It's a continuous journey of improvement and innovation. Last year, we became India's first and only 100% NABL-accredited national laboratory chain. A prestigious milestone reflecting our commitment to world-class diagnostics and excellence.

Achieving NABL accreditation across all labs was possible through robust quality management systems, advanced technology, rigorous training and proficiency testing. Given that only 2% of pathology labs in India hold this accreditation, this achievement underscores our leadership in redefining diagnostic standards.

But that is not enough. We have now set a target of achieving Six Sigma level quality, tracking complaints per million with a goal to bring it down below 3.4 per million. We've made tremendous progress improving from 11.8% in Q2 FY '25 last year to 3.8% this quarter, positioning us to soon become the first lab chain to achieve Six Sigma standards in diagnostics.

On innovation and research, we conducted and published India's largest HbA1c study, analyzing 20 lakh results to provide deep insights into national diabetes trends. We also launched our PIVA study based on data from our Jaanch fever panel, which revealed that 1 in 3 fevers are more complex infection, such as dengue, typhoid, malaria and influenza, reinforcing the need for timely testing and treatment. In the last few quarters, we've added multiple advanced technologies, including histopathology, a new HPLC platform, coagulation and the BioFire PCR platform.

On operational efficiency, while maintaining the highest quality standards, we continue to improve turnaround time during Q2 FY '26, we released reports within 3.52 hours on average after samples reached the lab, made possible by robust processes, automation and streamlined workflows. We have fully integrated the Polo and Vimta networks and gone live with ECG-at-home services via SyncHealth. Our lab network now stands at 37 labs in India and 1 in Tanzania.

We are also expanding our test menu and offering. Our flagship brand, Aarogyam, continues to lead the preventive healthcare segment, growing at 19% year-on-year, complemented by Jaanch, which caters to lifestyle and chronic health needs, and has grown 31% year-on-year and is becoming a strong pillar of our lifestyle offering.

On the business and market insights, fever-related volumes were muted this season, actually down 26% versus the same quarter last year, reflecting tremendous work by various government agencies to control viral vector. But our core business remains stable, demonstrating resilience and customer trust. Our partnership's business performed exceptionally well, onboarding new Healthtech clients and growing existing accounts.

On the B2G side, we continue to execute TB projects in Gujarat and Maharashtra. In Tanzania, our business, though nascent, grew 30% quarter-on-quarter and is expected to double revenues this year and achieve operating breakeven in the 18 to 24 months.

Thus, our three pillars of growth: customer success, network expansion and menu expansion continue to be the key drivers of our consistent performance, reinforcing our focus on operational excellence, franchisee growth and continuous innovation to deliver long- term value.

Now I will briefly update you about the business performance in Q2 FY '26. We processed 53.3 million tests, up 21% year-on- year and served 5 million patients, a 12% year-on-year increase. Overall, at a consolidated level, this quarter, we did a 22% year- on-year revenue growth primarily driven by our Pathology business with a growth of 24% year-on-year.

Our franchisee business for the quarter showed a revenue growth of 20% year-on-year in Q2 FY '26. Revenue per retained franchisee has been consistently growing for the franchisees added post FY '22. This has been possible because of our slab-based pricing model, improved quality and strengthening of our relationship with doctors and channel partners, along with test menu expansion.

Our partnerships business in the quarter showed a tremendous growth of 35% and our API PharmEasy Diagnostics business this quarter grew by 46% year-on-year. Radiology businesses,

active centers did a modest revenue growth of 3% year-on-year this quarter but improved their profitability dramatically.

With that, I will hand over to my colleague, Vikram, to cover the financial results.

Vikram Gupta:

Thank you, Rahul, and welcome to everyone joining us today. I am pleased to report that we delivered another quarter of strong financial performance driven by consistent revenue growth and continued improvement in operational efficiency. This reinforces our commitment to long-term value creation for our shareholders and investors.

Thyrocare has been consistently delivering high teen to early 20% growth over recent quarters and outperformed our pathology diagnostic industry, which is growing at an early to mid-teen rates. In reality, this performance can be seen consistently over the last 2 years but was not affecting because of COVID and API degrowth. Now that COVID is out of base and API has come back on the growth track, the overall numbers are reflective of this upstream.

This sustained performance reflects not only the strength of our business model, but also our ability to execute in a dynamic and competitive environment. Before we discuss the financials, let me briefly touch upon our employee stock option trends.

As the Thyrocare ESOP program concludes, and we have only limited Thyrocare shares remaining, our parent company has decided to expand the API ESOP pool to include Thyrocare senior management. This group-level initiative is aimed at retaining critical talent at Thyrocare level. ESOP will be issued as per the -- of parent company, and we invest in accordance with the established policy.

From an accounting standpoint, these ESOPs are recognized as an expense in the profit and loss account and as an equity contribution from the payment in the balance sheet. It is important to note that this is a non-cash charge and does not impact our cash flow.

To enhance clarity, we report normalized EBITDA by excluding these non-cash expenses also and have included an annexure in our quarterly earnings presentation to further explain the accounting treatment.

Now let me take you through some -- a few of the financial highlights of the current quarter. On the revenue side, standalone revenue for the quarter, first time close to INR200 crores. This is the highest ever revenue we have done on a standalone basis at Thyrocare, which is a year-on-year growth of 24%, driven by a 20% growth in franchisee business and 35% growth in partnership business.

Radiology active sector business grew marginally, but this is in line with our focus on that business to drive profitable growth, enhance margin and optimize overheads to improve the overall performance. Consolidated revenue is highest ever at INR217 crores, which is a robust year-on-year growth of 22%.

On margin and profitability, standalone gross margin is at 71.6%, up by 100 basis points Y-o-Y. This is mainly due to operational efficiencies, favorable product mix and negotiations.

Standalone normalized EBITDA margin is at 36%, which is an improvement of 470 basis points versus last year. This is largely benefiting from better gross margin, operating leverage and bad debt recovery.

At the consolidated level, consolidated gross margin stood at 72%, with normalized EBITDA margin at 34.8%. Consolidated number -- normalized EBITDA grew by 49% by PAT saw a Y-o-Y growth of 82%. Earnings per share for Q2 FY '26 came in at INR9.05, which is again, 82% up from the same period last year, which was at INR4.99.

On the balance sheet, we continue to be very strong and resilient. The company is debt free and on a consolidated basis, holds a net cash and cash equivalents, including short-term mutual funds, of INR190 crores plus.

In cash flow, in H1 '26, we generated INR127 crore cash flow from operating activities. This is higher by INR38 crores versus last year, which is a year-on-year growth of 43% over H1 FY '25. So this was on the financial performance. Lastly, as covered by Rahul, in line with strong financial performance and Silver Jubilee celebration of Thyrocare, the Board of Directors has approved a bonus issue in the ratio of 2:1. This is subject to statutory and regulatory approvals as applicable. The record date will be communicated shortly to our Stock Exchange filings.

It is important to note that this bonus issue will be made entirely from our free reserves and will not impact the company cash position. Further, Board of Directors have declared an interim dividend of INR7 per equity share. The record date of the interim dividend is 24th October 2025. As covered above, the company is having sufficient cash and cash equivalent results to -- for paying dividend as well as to invest into businesses expansion.

With that, now I hand over to Rahul for the strategic updates.

Rahul Guha:

Thank you, Vikram. Briefly, I would like to take a few minutes to recap to you a strategic direction, and then I will open it up for Q&A. First, I will reiterate our value proposition to the customer.

We will continue to remain an affordable option to all patients with good quality and on-time reports. All our efforts on our value proposition is towards ensuring low cost to the patient, assurance on quality of testing through our certifications and engagement with doctors. We have made substantial progress on this, which I updated in my initial comments and is reflected in the presentation. This will remain at our core and will continue to guide all that we will do.

Second, our strategy. We continue to maintain our strategy of being the B2B partner of choice to all front-end diagnostic services companies in India, whether it is a small diagnostic center in a semi-urban area, a pharmacy in a metro, a small nursing home, an individual doctor or a leading online diagnostic platform or Healthtech marketplace.

We are happy to work with them to provide low- cost, robust testing solutions so that they can serve their patients in the most effective manner. If they require phlebotomy, we are happy to mobilize our company-owned phlebotomy network of almost 1,900 phlebotomists, including our network partners, to serve them better.

We remain dedicated to expanding our business and with the expansion of Polo Labs and Vimta Clinical Diagnostics, we plan to significantly increase our presence in North and South India, respectively. Additionally, to further boost our partnerships business, the acquisition of SyncHealth has allowed us to scale ECG-At-Home services and enter the high-growth pre-policy medical checkup business, further enhancing our value to our insurance partners. This strategy has been working well for us with both our franchisee and partnerships businesses posting strong growth.

That, in a brief, is our mandate as management. Thank you for giving us a patient hearing. I will once again end with a quote from the Mahatma, "Find purpose, the means will follow". And our purpose remains to provide affordable, high-quality testing to the masses.

With that, we'll open it up for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Siddhant K, an individual investor. Please go ahead.

Siddhant K: Thank you for the opportunity. Sir, my question is like basically I've just started following Thyrocare. So I just wanted some clarity on the business model. So when we say -- talk about the franchise model, we are talking about the collection centers, which is under our own brand, right? But, hello, am I audible?

Moderator: Sir, you're audible, you may proceed.

Rahul Guha: Can you finish your whole question, then I will answer.

Siddhant K: Yes, yes, sure, sir. So when we talk about the franchise model, we are talking about the collection center, which are under our own brand. So sir, just wanted to understand, do we send the phlebotomist -- the phlebotomist is under our payroll or on the franchise balance sheet?

And my second question is, sir, what will be the revenue split between our brand versus non-brand. Basically, the third-party hospitals or the diagnostic centers, which are not under the Thyrocare brand?

Rahul Guha: Understood. So firstly, just to explain the business model, our franchisees can be a hospital, a nursing home, a standalone pathology lab or a collection center, right? So all four of these could -- any one of these could be our franchisees. Some of them are branded, some of them are unbranded, right?

The rough split is about, I would say, of the 10,000 franchisees, probably around 1,000 would be fully Thyro branded -- Thyrocare branded, which means that they have a Thyrocare board, Thyrocare delivery and all of that and the remaining will be unbranded or not Thyrocare branded, maybe a hospital, maybe a nursing home, maybe a standalone doctor, maybe a collection center or even a standalone pathology lab. So that's the rough mix of the footprint.

In all cases, the report is a Thyrocare report, whether they are branded or unbranded. At the end of the day, the report that is handed over is a Thyrocare report. Now coming to the split, while

1,000 would be branded, 1,000 out of the 10,000, that 1,000 will account for about 40% of our revenue. So that's the revenue split, while I give you the count split.

We have a separate phlebotomy fleet that is not touched -- included in our franchisee. This is what I call the Thyrocare phlebotomy fleet. This is -- in my opening comments, I mentioned 1,900 phlebotomists that work with us. These are largely to service our partnership business.

We are the only company, at least in my understanding, that has a dedicated company fleet that services, corporate, partnerships, healthtech orders. And that allows us to differentiate because we don't route these orders to the franchise network. We execute it with our own phlebotomy fleet.

Siddhant K: Right, sir. Yes. Sir, just one more question. Sir, when we talk about the 40% revenue, which is coming from those 1,000 centers, so then is it safe to assume that those 40% revenue is actually B2C revenue only and not a B2B revenue?

Rahul Guha: See, we don't differentiate that way. For us, all reports are a Thyrocare report. So in that way, a Thyrocare branded report is reaching the patient's hand. So we look at it that way.

Siddhant K: Okay. But is there some element of B2B in those 40% also?

Rahul Guha: There would be, but not a large component.

Siddhant K: Thank you so much, sir. I will get back in the queue.

Moderator: Thank you. Our next question comes from the line of Bhavya Nahar from Tamohara Investment Managers. Please go ahead.

Bhavya Nahar: Sir, a few quarters ago, we spoke of our franchise network being revamped with the new tiered incentive structure, and we streamlined our entire franchise network down to 7,000 franchisees. And today, we are at 10,000 franchisees. So the growth in revenue from franchise business seems slowly driven by growth in number of partners. So with no throughput growth, are we worried of the reverse phenomenon happening?

Rahul Guha: Actually, that's not true. Actually, if you see our overall growth has largely been driven by what we call the diamond to silver category partner, our large partners. So if you look at our mix, we have -- roughly, we had said about 10,000. It's half and half, half diamond to silver and half bronze and below, right? That's how we bifurcate the list.

Actually, most of the growth has come from the diamond to silver, both from a count as well as revenue, right? So I would say we've been able to add a lot of large partners and they have grown very well with us.

Bhavya Nahar: And also, the gross margin increase, as the incentives we roll out are lower, so will that also be the reason behind the gross margin increase or...?

Rahul Guha: No, a large -- I'll let Vikram comment a little bit, but it is my understanding that the gross margin has not come because of price, but for better negotiation. But Vikram, you can give more detail.

- Vikram Gupta:** So as an affordable player, actually, we don't believe in increasing the prices. So most of the gross margin improvement has come from operational efficiencies, which includes, let's say, reduction in repeat rates, reduction in wastages.
- Second, part of the gross margin improvement is procurement savings because of our volumes, we are able to negotiate harder with our vendors. And the third is the favorable product mix. So all these three factors have contributed for the improvement in gross margin, and this is quarter sustainable.
- Bhavya Nahar:** Okay. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Krishna Raj K from Ekvity Wealth Management Private Limited. Please go ahead.
- Krishna Raj K:** Thanks for the opportunity. I just wanted to know why would be our revenue per test and revenue per patient is considerably low. I know we operate in a B2B model, but is there any chance of improvement?
- Rahul Guha:** See, the revenue per patient has grown largely because of the tests per patient, right, not because of price increase. And that is because we have been adding more and more profiles, Jaanch and all the other new initiatives effectively help a patient comprehensively test when they are feeling well versus -- unwell, sorry, versus doing sporadic testing.
- So to that extent, the test per patient has gone up. But we -- our mission statement is to make good quality diagnostics affordable to all. So we typically try not to increase prices and pass that on to the customer. We do our best to maintain the affordability to the customer because we believe that is our duty and our mission. For example, when the GST changes happened, we were the first company to pass on the entire GST benefits to our franchisees and partners.
- Krishna Raj K:** Okay. Got it. And the second question on the -- so would we happen to see more volume in for the likes of GLP-1 weight loss drugs going off patent next year. Is it some opportunity for diagnostics industry? I wanted to know your views on this.
- Rahul Guha:** I thank you for that question. I genuinely believe that is going to be a huge opportunity. For those who know my profile, I have spent almost 20 years in the healthcare industry. I have never seen a molecule or a brand reach INR100 crores in such a short period of time. And obviously, when it comes to weight loss drugs, it has to be taken with caution and with regular testing to ensure that your -- while you're losing weight, your health parameters are all on track.
- So we are also in the process of launching complementary packages with the GLP-1 therapy, both pre therapy, during therapy and post therapy. So that as you get on these weight loss drugs, you preserve your health along with the weight loss. So it's a huge opportunity. Thank you for calling it out.
- Krishna Raj K:** That's it from my side. Thank you and all the best.

- Moderator:** Thank you. Our next question comes from the line of Harsh Kataria from RRR Investments. Please go ahead.
- Harsh Kataria:** Hello, sir. Good evening. So my first question is, sir, I want you to throw some light on the revenue mix based on the online and the offline channel, specifically including the Thyrocare app and the PharmEasy platform because as we mentioned, there is 36% growth year-on-year from the PharmEasy. So can you please share the revenue mix based on the online and offline platform?
- Rahul Guha:** Sure. So a large part, the way you can think about it is our franchisee business is largely representative of our offline revenue mix, that you have seen has grown about 20%. The partnerships business, you can actually take as representative of the online revenue mix. That has grown at about 36% for overall and for API as well.
- So those are the best bellwether. Thyrocare is wonderfully placed because we have our leg in online and offline and we get benefits of tailwinds in both. But to answer your question specifically, offline would be 20%, online would be 35%.
- Harsh Kataria:** Okay, sir. And mostly I think that the prices for the same plans are different at both the platforms. That is the PharmEasy and the Thyrocare app. Sir, is the lower prices of one affecting the volumes from the other app?
- Rahul Guha:** See, the prices now I think if I look at our most online players, when it comes to pricing, they have become quite rational. So what used to be a very market-marked price differential maybe 1.5 years, 2 years ago is now more or less in the same range. That being said, Thyrocare being primarily a B2B player, we don't dictate how our partner's price.
- So in that way, I have no control on the pricing on that front. But our offline players typically look at the Thyrocare rate on the website and then use that as a benchmark. So it's actually very difficult for us to discount the Thyrocare website because that creates competition for our offline players. So we don't actually compete in this HealthTech. We would much rather partner in that space.
- Harsh Kataria:** Okay, sir. That's it from my side. Thank you.
- Moderator:** Thank you. We have our next question from the line of Raman K. V. from Sequent Investments.
- Raman K. V:** Hello, sir. Thank you for the opportunity. I have a few questions. First starting to -- starting with the B2G business. So you said that we execute TB projects under the B2G business, can you quantify the number like how much of the top line comes from the B2G. And on that note also, recently there has been a price hike with respect to the CGHS rate. So will this -- will this provide us any traction going forward with the B2G businesses?
- Rahul Guha:** So I would say B2G is not a very large focus for us. So if you look at our overall revenue mix, I think it's about 1% of our total revenue. Last quarter, we would have done about INR2 crores of government business in the INR200 crores of revenue that we showed. So it's not a very large focus area for us, except in very specialized technologies like TB and others that we look at. The

price realizations in the B2G business tend to be much, much lower and margin dilutive for us as a company. So unless it's a very specialized segment, we normally don't participate in that segment.

Raman K. V: Okay. So basically, the CGHS rate hike will not be an impact on the business operations, right?

Rahul Guha: Not to a large extent, though it does -- as they raise the prices, everyone raises the prices. So to that extent, there will be some tailwinds, but I don't see any meaningful impact for us.

Raman K. V: And sir, my second question is with respect to the GLP-1 drugs. So there is a new wave of with respect to the preventive care and wellness segment. Can you -- and the company also grew 19% during the quarter with respect to its wellness segment? Can you give any guidance or the market opportunity which Thyrocare can aim for going forward?

Rahul Guha: Sure. I just answered this question with the previous participant. I will just say, in summary the opportunity with GLP-1 for diagnostics is huge and we are well geared up for it.

Raman K. V: So this -- the mid-teen volume growth, we are comfortably doing mid-teens at volume growth every quarter. And with the GLP-1 coming into action in the coming quarters, I'm assuming our volume growth will be much higher. So can we expect a high-teen volume growth going forward like in FY '27, '28?

Rahul Guha: Difficult to say at this point in time, it's still very early days for GLP-1. So I think when it comes to guidance, probably closer to the end of the year is when we will firm up our guidance for next year. It's too early to say at this point.

Raman K. V: And sir, okay...

Moderator: Sorry to interrupt, sir. We request you to please rejoin the question queue if you have further questions. Thank you. Our next question comes from the line of Siddhant K, an Individual Investor. Please go ahead.

Siddhant K: Yes. Thank you, sir, for the follow-up questions. Sir, like you mentioned, the only differentiator between the partnership and franchise model is online and offline or is there something else as well?

Vikram Gupta: No, I just said it is representative of the growth rates of offline and online. They are otherwise very different businesses, but what is your question?

Siddhant K: Sir, just -- so what categorizes as a partnership versus a franchise. So I just wanted to understand the difference between what -- how we categorize our franchise versus a partnership?

Rahul Guha: So a franchise is when someone walks into a store or contacts a Thyrocare franchisee for home collection. A partnership is where the partner doesn't have a storefront or a -- broadly a storefront and relies on Thyrocare to complete the entire phlebotomy collection as well as reporting. So that's the difference.

It's basically a franchisee does the collection himself. Our partnerships rely on Thyrocare to do the labs. Our partnerships are of three major types. There's HealthTech of which PharmEasy, as I mentioned earlier, is a very large HealthTech partner. But equivalent to PharmEasy, we have as many other HealthTech partners. Then our Corporate segment and our Insurance segment comprises mostly the partnerships.

- Siddhant K:** Got it, sir. So that means that the franchise model can have both our own brand as well as non-branded partner -- franchise models also?
- Rahul Guha:** The franchise business can have both branded and non-branded. Partnerships can also be branded and non-branded.
- Siddhant K:** Got it, sir. Got it. Thank you, sir.
- Moderator:** Thank you. Our next question comes from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.
- Abdulkader Puranwala:** Hi, sir. Thank you for the opportunity, and congratulations on good set of numbers. Sir, my first question is, for the quarter, what would be your organic growth that is excluding Polo, Vimta and Think, how would the business have grown?
- Rahul Guha:** So, our organic growth -- inorganic growth contribution is 2%. So of 24%, 22% is organic and 2% is inorganic.
- Abdulkader Puranwala:** Understood. And sir, if I look at your presentation, it talks about we having close to, say, 38 labs now, and we have added a couple of that in this quarter and the prior quarter as well. Sir, have we also closed a couple of labs? And if you could help us understand, why would we do that as compared to last quarter?
- Rahul Guha:** I'll ask Vikram.
- Vikram Gupta:** No, no, we have not closed any lab. In last quarter, we reported 39 labs. What we mentioned -- Rahul mentioned in his opening remarks that we are integrating Polo and Vimta Labs into our labs. So we have integrated two of Polo Labs into our network and hence you are seeing a reduction in count.
- Abdulkader Puranwala:** Got it. Got it.
- Vikram Gupta:** Hope this answers it.
- Abdulkader Puranwala:** Yes, sir, that clarifies. Thank you. And sir, just one follow-up on the GLP-1 packages. So, sir, I mean, could you also help us understand how the strategy is going to be, whether we associate ourselves directly to the hospital clinics which are already our franchisee or this is going to directly reach out to the pharma companies, how exactly we are going to work here?
- Rahul Guha:** See, that is a matter of internal strategy. If I reveal everything on the call, my competitors will get a leg up. So, I would request we keep it close to our chest. All I can say is that we have recognized the opportunity and are executing towards it.

- Abdulkader Puranwala:** Understood, sir. And sir, just one bookkeeping question. On the margin front, this quarter, we saw a significant improvement. And, sir, how should we look at for the rest of the year, that is the second half and next year? And on an adjusted basis or on a reported whatever you are comfortable sharing?
- Rahul Guha:** See, this is a seasonal business. Q2 is always strong. Q3 tends to be soft, costs remain fixed, right? And then Q4 tends to be strong again, and we will recover. So, I think we can expect margin to dip a bit in Q3 and pick up in Q4.
- I think H1 to H2 will be similar, unless some large investment opportunity comes our way in which we'll then stick to our original guidance. But otherwise, H1 to H2, one can expect similar range, unless some, as I said, large investment opportunity comes our way.
- Abdulkader Puranwala:** Sure, sir. Understood. Thank you.
- Moderator:** Thank you. We have Sudarshan Agarwal from Axis Capital with the next question. Please go ahead.
- Sudarshan Agarwal:** Yes, hi. I think my last question on margins was already answered. Just on the top line front as well, I think we had called out earlier that H2 base is strong, so we are expecting mid-teens. Would that guidance continue for FY '26? And my second question is, I think your annual increments are still to be done for this year? Or, you know, when -- in which quarter do you take annual increments?
- Rahul Guha:** When you say salary increments, are you talking about price?
- Sudarshan Agarwal:** Yes, yes, yes. Salary increments. And if you can answer the additional -- okay.
- Rahul Guha:** From 1st April, we do the increments. That was done in 1st April. With regards to the second half guidance, my general philosophy and life is plan for the worst, hope for the best. All that you have said still holds true. We are sitting on a very large base in H2. We have our work cut out for us. The current performance is very encouraging.
- But as I said in my opening comments also, fever was down quite substantially versus the last year. And October, November, December tends to be the peak time for fever. So, multiple headwinds, I'd say. At this point, I would be hesitant to revise guidance, and let's see as the next quarters evolve.
- Sudarshan Agarwal:** Yes. Got it. Got it. And lastly, just one...
- Moderator:** The current participant seems to have dropped from the queue, sir. We will proceed to the next participant. Our next question comes from the line of Anshul from Emkay. Please go ahead.
- Anshul:** Hi. Thank you for the opportunity. My first question is sort of a clarification required. Could you help me understand what explained the 10 tests, 10.7 tests per patient that we conduct. This number seems higher versus other B2C operators at least. Is this because of bundling, wellness or anything that you can call out?

- Rahul Guha:** You're right. It's largely because of bundling. See our average -- our highest selling Aarogyam package is Aarogyam C, which has about 70 tests per patient, right? And that as I said in the opening comments, is close to about 33% of my revenue. So, a large part of that test per patient is explained from the packages, both Aarogyam as well as Jaanch.
- Anshul:** Got it. Second question is, you mentioned that pricing has become rational on the online front. And despite that, our partnership business seems to be outstripping franchisee business. Are you seeing any shift in customer preference? Or was this probably some seasonality due to heavy monsoons in the current quarter that online players sort of got a leg up or anything that you would want to call out in terms of customer preference from online -- from offline to online testing?
- Rahul Guha:** That's a very good question. It will maybe take me a couple of minutes to help you break it up, right. If I look at my offline business, right? A large part of the growth comes from Tier 2 markets and beyond, right? Actually, if you look at the metro market, I would say, growth would be in the single digits. But as you go outside the metros is where you start to see the real uptick in growth in the offline space, right?
- On the partnership side, which is mostly online players, most of them are metro and Tier 1 city predominant, right? And so you would see them expanding and taking share in the metro market. So, if I had to break out the growth, right, online players, largely metro and maybe a few Tier 1 cities, right, where the growth even in offline tends to be muted. But as soon as you leave the metro and, I would say, select Tier 1 city, then the growth is -- in offline is much stronger because online is -- well has not yet reached that level of penetration.
- Moderator:** Thank you. Our next question is from the line of Yogesh Soni from InCred. Please go ahead.
- Yogesh Soni:** Thanks for the opportunity, sir. My first question is just to get a clarity on the GST impact. Did you say that we have passed on complete GST impact to the franchisees. That means the prices for them have been revised downwards?
- Rahul Guha:** That is correct. That is correct.
- Yogesh Soni:** Second question is just if you would like to discuss more on your expansion of the field force and the investments on the infrastructure that you are doing on logistics front, investments that you are doing on the logistics?
- Rahul Guha:** Sorry, I could not follow the question.
- Yogesh Soni:** Can you help us understand, I mean, what kind of expansion you are doing in the overall field force? I mean what is the quantum of expansion that has been happening? And what kind of investments are we making in the logistics front?
- Rahul Guha:** So just to answer your question, we have passed on the GST benefit, but we have also got the GST benefit. So effectively, margins are expected to be stable, right? So that's just one important clarification. On the investments, we have a field team. The field team is, I think, about 40 people right now.

And we have a call center team of another 50-odd people. So it's almost 100 people that have been invested in franchisee expansion. And on average, they are adding between 100 to 150 net franchisees every month, and that has -- they have been doing consistently, I would say, for almost the last 12 to 18 months. So that is going very well for us.

On the logistics front, we have invested very heavily in cold chain. Now every sample transportation box in Thyrocare has a data logger where we are able to track the end-to-end adherence to the cold chain, not just at the start point and the endpoint, but actually across the entire transportation. We believe we are the first diagnostics chain nationally to be able to achieve this milestone. And that has yielded a lot of good results in terms of our cancellations, our ability to report more accurately as well as customer satisfaction.

On the other front, we continue to expand labs and improve our turnaround time. It used to be almost 40 hours plus. We are now down to 18 hours or less pan-India. And so that has yielded good results for us. And I think those are the large investments we are making.

Yogesh Soni: Got it, sir. If I can ask 1 more question on the radiology front. Couple of quarters, we had -- in the past, you had told that you weren't expecting to grow -- Radiology business to grow. Have you seen any change in stance on the Radiology business, given the margins have improved in the business?

Rahul Guha: Yes. Maybe Vikram can add. But the Radiology business last year was loss making, right, and a drag on our overall bottom line. So we said let's forego unprofitable growth, and let's at least focus on ensuring these businesses are contributing to the bottom line. In that, Vikram can elaborate a little bit more on what exactly we have done there.

Vikram Gupta: So, this quarter, radiology growth for active centers was 3%. This excludes because we have closed 1 non-profitable center and taken some action on the -- there was some temporary halt in one or two centers because of the issues which will get again started in QND quarter.

But having said that, as Rahul mentioned that we have foregone the non-profitable growth, and we have increased our realization per scan. So that goodness will continue to come. And with all the centers fully operational in the QND quarter, we expect revenue growth to also come back in the next quarter.

Moderator: Our next question comes from the line of Raman K. V. from Sequent Investment.

Raman K. V. Thank you, sir. All my questions have been answered.

Moderator: Thank you. We have our next question from the line of Abdulkader Puranwala from ICICI Securities.

Abdulkader Puranwala: Sir, could you help us quantify the quantum for the overall contribution of the test on which there was a GST cut taken? And when we talked about earlier that the CGHS rate hike can lead the industry to increase test prices. So what percentage of our portfolio would overlap there, these two quantification, if possible?

Rahul Guha: So I'll take the CGHS question. I'll let Vikram take the GST question. See, CGHS, there's no specific tests that we have in our menu that is exclusive to CGHS or vice versa. I mean, what gets written as a prescription in CGHS, almost all those steps are there in Thyrocare. So there's no such overlap.

If you are asking how much of our business is CGHS based, it's very little, you can say, negligible overall. So to that extent, we won't see a benefit on our overall business because of CGHS rates. But what I was saying is as CGHS increases its rate, the competitive pressures in the industry also ease off, right? And therefore, there is some benefit on that front. Vikram, you want to take the GST question?

Vikram Gupta: On the GST rate cut, basically there was a GST rate change as an input only on a couple of technologies. So most of the other technologies, which we are using are already on a 5% GST as an input. So like if I have to quantify close to 20% of the total input, which we are purchasing, there was a GST rate change, which was majorly biochemistry-related tests. So there, we have - in the biochemistry-related tests we have reduced our prices, which we have passed on from B2C and B2B.

Abdulkader Puranwala: Okay. So what was the contribution to revenue of this biochemistry test?

Vikram Gupta: This would be close to -- I think that the same 20% of revenue -- 20% to 25% of revenue.

Abdulkader Puranwala: Understood, sir. And just one...

Vikram Gupta: At the same time, you should also understand that this is 20%, 25% of the revenue, where the - there is a GST rate cut on the input prices. And since our COGS is 30%, let's say, so the benefit would be 30% on that 30%, right? So it would be up 0.9% on that 20% or 25%. So that the benefit was very negligible, but whatever is the benefit that we have passed on, on those specific tests.

Abdulkader Puranwala: Sure, sir. Understood. And sir, one final one, if I may. Sir, on margins, so in the last couple of quarters we have been opening new laboratories. So is there any EBITDA burnout, which is happening there? And if you could call out what is the impact of these new centers on your margins currently?

Rahul Guha: So, see, we have a very limited lab network, right, of roughly about 39 labs as we said, and so therefore, we service a very large area of the country. And we are able to see where demand is coming from and accordingly take decisions on setting up labs.

For example, in Bhagalpur, we knew already the workload that was coming from Bhagalpur to our Patna lab. So when we set up Bhagalpur, on day one, it was full, right? So there was no real opex dilution or no material opex dilution and a much better service level to the customers in Bhagalpur. So our lab expansion is very thought-through with data where we are able to see where the demand is coming from to one of our, let's say, existing labs and then invest accordingly.

Moderator: Thank you. As we have no further questions from the participants, I would now like to hand the conference over to Mr. Rahul Guha for closing comments. Over to you, sir.

Rahul Guha: Thank you. Thank you, everyone, for joining us and spending the time with us this evening. As always, we continue to remain focused on our strategy, which is to be the most affordable, good quality diagnostic center -- testing partner for anyone in the healthcare business, and we continue to execute on that strategy.

We have been investing in improving our quality, improving our reach and ensuring our turnaround time is as close to best-in-class, and we've made substantial progress on all of this and that is what is driving the results that you see. And thank you all for your support in this journey, and I wish you all a good evening and a very happy Diwali in advance. Thank you.

Moderator: Thank you. On behalf of Thyrocare Technologies Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.