

November 18, 2025

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| <b>Listing Department,<br/>National Stock Exchange of India Limited<br/>Exchange Plaza, Bandra-Kurla Complex,<br/>Bandra (E),<br/>Mumbai - 400 051</b><br><br><b>NSE Symbol: ARTEMISMED</b> | <b>Listing Department,<br/>BSE Limited<br/>Phiroze Jeejeebhoy Towers,<br/>Dalal Street,<br/>Mumbai - 400 001</b><br><br><b>Scrip Code: 542919</b> |
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**Sub: Transcript of Earnings Conference Call – Q2 & H1 FY26**

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of Earnings Conference Call held on November 12, 2025, to discuss the operational and financial performance of the Company for Q2 & H1 FY26. The said transcript is also available on the website of the Company at [www.artemishospitals.com/investors](http://www.artemishospitals.com/investors).

This is for your information and records.

Thanking you,

Yours faithfully,

**For Artemis Medicare Services Limited**

**Poonam Makkar**  
**Company Secretary and Compliance Officer**

**Encl.:** As above





“Artemis Medicare Services Limited  
Q2 & H1 FY26 Earnings Conference Call”  
November 12, 2025



**MANAGEMENT:** **DR. DEVLINA CHAKRAVARTY – MANAGING DIRECTOR**  
**MR. SANJIV KUMAR KOTHARI – CHIEF FINANCIAL OFFICER**  
**MR. RUDRA NARAYAN ACHARJEE – HEAD INVESTOR RELATION**  
**DR. VISHAL ARORA – CHIEF BUSINESS OFFICER**

**MODERATOR:** **MS. DEEPIKA MURARKA – CHOICE EQUITY BROKING PRIVATE LIMITED**

**Moderator:**

Ladies and gentlemen, good day and welcome to Artemis Medicare Services Limited Q2 and H1 FY26 Earnings Conference Call, hosted by Choice Equity Broking Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Deepika Murarka from Choice Equity Broking Private Limited. Thank you and over to you ma'am.

**Deepika Murarka:**

Thank you. Good morning, all. Thanks, everyone. On behalf of the entire management, I thank all the participants present on the call and I wish you a very warm welcome to the first ever earnings conference call of Artemis Medicare Services Limited.

To guide us through the results, today we have with us Senior Management Team of Artemis Medicare, represented by Dr. Devlina Chakravarty, Managing Director; Mr. Sanjiv Kumar Kothari, CFO; Mr. Rudra Narayan, Head IR; and Dr. Vishal Arora, Chief Business Officer.

Before we begin, please note that this conference may contain certain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not a guarantee of future performance and involve certain risks and uncertainties that are difficult to predict.

We will commence the call with the opening speech by Dr. Devlina, Managing Director, and after this, we will open the forum for Q&A.

So, with that I will now hand over the call to Dr. Devlina to share her opening remarks. Over to you ma'am. Thank you.

**Devlina Chakravarty:**

Thank you Deepika and good morning, everyone. I hope you have had the opportunity to review our Q2 FY26 earnings presentation uploaded on the Stock Exchange and on our website. The quarter under review was marked by steady growth momentum, operational stability and continued progress across our key strategic priorities.

We delivered a consolidated revenue of INR 274.7 crores, reflecting a Y-o-Y growth of 13.8%. This growth was led by strong performances in core specialties such as cardiac sciences, oncology, neurosciences, general surgery, liver transplant and gynecology. Consolidated EBITDA stood at INR 58.3 crores, translating to a margin of 21.2% as compared to 20.6% in Q2 of FY25.

Profit after tax before exceptional items was INR 30 crores, up by 35.6% Y-o-Y.

For H1 FY26, consolidated revenues were INR 529.7 crores, up 14% Y-o-Y, while EBITDA stood at INR 106.6 crores, with a margin of 20.1%. Net profit H1 FY26 was INR 51.2 crores, compared to INR 38.7 crores in H1 FY25.

Our balance sheet remained strong with a debt-to-equity ratio of 1.16 as of September 30, 2025. We continue to maintain healthy liquidity.

During the quarter, our flagship facility in Gurugram continued to show healthy growth supported by increase in international patients, capacity additions in the third tower and operational efficiency. Occupancy levels reported at 64.1%, while ARPOB reached INR 81,248, reflecting an enhanced case-and-payer mix and a higher share of complex procedures.

Our international business contributed approximately 32% of revenues, maintaining our leadership in the medical value travel segment. We have also added five new operation theatres alongside expanded capacity in nephrology, bone marrow transplant and gastroenterology units, which will contribute meaningfully in the second half of the year.

We have received a Platinum Green Building Certification, which entitles us to a 15% increase in FAR at no additional cost, thereby enabling the addition of 100-plus beds to support our long-term growth.

As you are aware, our upcoming Raipur facility with 300 beds remains on track for commissioning by the end of FY26, and the binding MoU for a 650-bed facility in South Delhi Hospital marks an important milestone in expanding our regional footprint.

On the Clinical front, we launched India's first private geriatrics and longevity department and partnered with KIMS Hyderabad for advanced Heart & Lung Transplants, both underscoring our commitment to advanced patient-centric care.

On the Technology front, the deployment of AI-assisted triage systems and integrated CRM tools are enhancing operational efficiency and patient experience. We are also investing in advanced data analytics to support decision making and optimizing patient pathways.

Digital transformation continues to be a strategic focus with the rollout of the new hospital information system and 5G-enabled ambulances for real-time emergency care.

Looking ahead, we remain focused on operational excellence, clinical depth, and disciplined growth. Our priorities include capacity expansion, sustained and improved margins, and driving digital innovation to deliver value to all our stakeholders.

With that, we shall now open the floor for question-and-answers. May I please request the moderator to take this up? Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sumit Gupta from Centrum. Please go ahead.

**Sumit Gupta:** Yes, ma'am, thank you. Good morning. I congratulate you on the good set of results. I have two questions. First is, the volume of this quarter was pretty strong. So, should we expect this to sustain moderate over the next, let's say, four to five quarters?

**Devlina Chakravarty:** Yes. We have taken multiple steps, including hiring of new doctors, focus and trust on our international business. So, we are looking to sustain this Y-o-Y volume growth.

- Sumit Gupta:** Okay. And with respect to international patients, what led to this strong growth in international patients? Have you changed any strategy in this particular segment and how should we look at this?
- Devlina Chakravarty:** Yes. We have actually been the market leaders in international business. What we focus on is in servicing our offshore offices better. When I say servicing, more number of both medical and surgical camps, outreach, OPDs, better connectivity through Telemedicine and Teleradiology, and E-Consult to all our overseas areas. So, we had intentionally put a thrust on it, which yielded this result for us.
- Sumit Gupta:** Okay. So, in that sense, you are deliberately reducing the insured patient mix and government mix so that your ARPOB can improve? How should we look at ARPOB going forward?
- Devlina Chakravarty:** So we are not reducing anything. Yes. We keep a little bit of a cap on the empanelled patients, balanced domestic. We are fostering domestic and international growth. And we look at a Y-o-Y growth of 6%-8% on our ARPOBs in all the quarters.
- Sumit Gupta:** Okay. And within ARPOB, how much is the pricing trend?
- Devlina Chakravarty:** Pricing is insignificant. I would say between 1.5%-2% because it is a competitive market and we want to keep our competitive edge.
- Sumit Gupta:** Understood. So majority is driven by mixed exchange?
- Devlina Chakravarty:** Yes, that's right.
- Sumit Gupta:** Understood. One last question on the overall bed capacity in Gurgaon Facility now that you have received the FAR also. So, 1,000 beds will be coming by FY 2028? How should we see the timeline?
- Devlina Chakravarty:** So the thing is, in-situ, which is in Gurgaon, we have got 15% more FAR and now the government has also opened the rule to buy more FAR. So, our ambition is the Gurgaon Facility should be anywhere between 850 to 1,000 beds in the next one and a half years. We are looking at 300 facility in Raipur starting March of 2026 and one and a half, two years down the line, we are looking at 650 beds facility in South Delhi.
- So these are projects which are already announced and are in the public space and having said that, we have a long funnel and we are looking at possible expansion in other areas as well. So, our commitment of 2,000 beds plus in two to three years stance may be more.
- Sumit Gupta:** Understood. And just two questions on Raipur. So Raipur, what is the strategy of empaneling the patients? Like, will it take time? So, basically empaneling of the panels?
- Devlina Chakravarty:** So, I will tell you certain advantages of Raipur. The advantage is the Raipur Hospital is, our hospital is going to be the first tertiary and quaternary healthcare hospital in Raipur that is number one.

Number two, Raipur people have now, the insurance penetration is pretty high and the earnings are good in Raipur. The most important part, however, is our partner Dr. Agarwal and Dr. Gupta who are very well-known local doctors.

So, our strategy is, we are going to leverage our partners who are well-known as doctors and politically well-connected to get all our TPA, empanelments quickly and also to hire the best doctors in the city of Raipur who have a good practice and following. So, that would be our strategy so that we can draw businesses from various scattered smaller hospitals to the main hospital.

**Sumit Gupta:** Okay, but while there are some other two or three hospitals, big corporate hospitals also in Raipur. So, how do you see the competitive intensity running out there?

**Devlina Chakravarty:** So, we have seen those corporate hospitals, and you know, whether it comes to infrastructure, whether it comes to the equipment and whether it comes to the facility, our hospital is going to be one of its kind. So, none of these are going to be close to what we are introducing into the market. We are also going to be competitive in terms of pricing. So, we are hopeful of great traction there.

**Sumit Gupta:** Okay, so in terms of Raipur hospital, what will be the expected ARPOB there?

**Devlina Chakravarty:** So, the expected ARPOB to start with would be in the range of 35,000 to 38,000 to start with.

**Sumit Gupta:** Okay.

**Devlina Chakravarty:** But yes, we don't want to overprice ourselves when we start and then we would gradually build it up to 45,000 and then going up to 60,000. Yes, which is a good ARPOB for Tier 2 cities, keeping in mind the cost of operations are much lower than Tier 1.

**Sumit Gupta:** Okay, understood. Thank you, ma'am. All the best.

**Devlina Chakravarty:** Thank you.

**Moderator:** The next question is from the line of Sanskar from Eraya Capital. Please go ahead.

**Sanskar:** Good morning. So, I have a few questions. I was saying the H1 FY2026 occupancy rate has shown a decline compared to the last H1. Despite overall revenue and profitability growth, could you explain the reasons behind the occupancy drop? Are there any specific operational competitive or any other market factors?

**Devlina Chakravarty:** Between Y-o-Y, we have added 20% more beds. So, if you look at our numbers Y-o-Y, we have added around 18% to 20% more beds. So, in real terms, while the number of bed occupancy has increased, but in terms of percentage, it shows a dip. It is a very marginal and transient thing, and we are hopeful that we will be catching up in terms of percentage sooner than later. This is just because we are adding new beds.

**Sanskar:** Understood. No, I understand that the operational beds have increased, but occupied beds have not increased at that pace, the pace at which operational beds have increased. That's why

occupancy percentage has seen a dip. So just wanted to understand the reasons, is there any particular reason? And how can we look at the occupancy going forward?

**Devlina Chakravarty:**

Occupancy going forward will be upwards of 70%, if not more. The reason is this is a part of our business strategy to create extra beds or a little bit of redundancy because the land is ours, the building is ours. What was earlier happening, almost 20 to 30 patients were being refused every day, and they were going to our competitors. And once you refuse your patient, they never come back. So, this was a thought-through strategy to increase and have more beds rather than having it neck to neck.

And again, with this new FAR, once we reach around 70% of the current bed, we might again add that 100 beds because it's always important to keep extra beds to prevent patient refusal because then you are refusing your potential clients. And also, you must remember, in our inpatient beds, some of the NICU and PICU beds, which are the neonatal ICU and pediatric ICU beds are also included. And some of them are basically bassinet, so you can't put an adult there.

So basically, the number of beds, the extra beds have to always be an X percentage to have a smooth admission of patients when they want a bed, whether it is a general bed, a twin or a single or even the ICU because that adds to patient comfort and throughput. So, this is our intentional strategy, and we will continue. But having said that, it will be our endeavor to have occupancy 70% or more in the total number of beds moving forward.

**Sanskar:**

Understood. So, my second question is on the lines of international patient revenue. we saw a surge of 30% this quarter. So how sustainable is that growth going forward? Can we see a change in that growth number in that international patient?

**Devlina Chakravarty:**

I'm glad you asked this question because this question has been asked multiple times earlier as well. 30% has been a number, or a percentage we have maintained over a period of time, and we intend to better it.

So even with growing number of beds, our percentage remains 30%, 31%, 32%, and there is an upward movement. So, you can understand that our entire international handle is a very strong handle and we move it in a very seamless manner to keep increasing this number, and that number will continue to be the same, if not more.

**Sanskar:**

Understood. Got it. So my another question is around the Raipur facility. So you're saying you're targeting it to be operational by March FY26. But how does the management foresee its contribution to like overall growth and to profitability at what time lines?

**Devlina Chakravarty:**

We are looking at 1 to 1.5 years to kind of breakeven, which is what we have kept as a target, but our internal targets are shorter than that. And the losses are not going to be big. The operating losses are going to be small and marginal. And what we have planned is that the Gurgaon facility, we are going to push the margins, profits and the EBITDA.

We are going to stop the losses of our smaller units, which, as you can already see, are less than 50%. And by the time it starts, the smaller units will stop making losses. So, net-net, we are not

going to see too much of a dip in this one and 1.5 years and post which it is going to significantly add to our top line EBITDA and to our EPS is what we expect.

Exact numbers we will not be able to disclose, but I can tell you that this is going to be a big boost before we start our Delhi operation. We have staged it in a manner that first all our small centre losses are going to be over by December, January of the current financial year.

Then the Raipur comes and by the time the Raipur facility starts making profit, the Delhi facility comes. So, you will always see a very disciplined growth, a strong growing top line EBITDA, bottom line and EPS. We have focused on all these parameters and they are always on our radar.

**Sanskar:** Understood. Just taking your points on the Delhi one, as you mentioned that it will start once Raipur will start flowing into bottom line. Can you give any particular timelines and what are we expecting on it, any update on that Delhi project?

**Devlina Chakravarty:** If you would have seen our binding MoU. The binding MoU says that we have a couple of CPs, Conditions Precedent, which we are expecting to be and we will come back and announce it.

We are expecting it to be addressed by end of December. Then immediately post that, we are going to start looking at the construction and permission. It will take 1.5 to two years to get operational in a prime South Delhi location which it will be one of the largest hospitals in South Delhi with a minimum of 650 beds.

And by the time in the next 1.5 to two years that gets operational, we are confident that Raipur is going to be significantly adding to our top and our bottom line. We are doing it in a manner that the top and the bottom lines are maintained as we expand.

**Sanskar:** Understood. And what is the timeline? Can you restate the timeline on the increase in beds in Gurgaon facility? Like you are saying that we have got a 15% FAR.

**Devlina Chakravarty:** Yes. So, I will give you an easier timeline in terms of what we are today at 64% of our current beds. When we touch 70% in a quarter, because these are just floors, we have to create on top of our existing buildings, our plinths we have created to already support it. It won't take too much time. One quarter of 70% occupancy will see these beds coming in force. So, you track our occupancy, and you will know when the beds are coming.

**Sanskar:** Thank you. That is really helpful. Thank you.

**Devlina Chakravarty:** Thank you. Thank you very much.

**Moderator:** The next question is from the line of Nirali Shah from Ashika Stock Services. Please go ahead.

**Nirali Shah:** Yes. So, just wanted to know in the Raipur hospital, which we are expecting to go live by March 2026, what is the current execution status and how soon after commissioning do we expect it to break even on the EBITDA level?

**Devlina Chakravarty:** The current status of the Raipur hospital is the building is almost ready. The interiors are about to start. I am visiting it next month. So, we are on track to start it in March of 2026. And a break



even, like I mentioned in my previous question, we are looking for between 1 to 1.5 years to break even our Raipur facility.

**Nirali Shah:** Okay. And on the South Delhi project, what is the capex structure and the funding mix that we are expecting?

**Devlina Chakravarty:** So, we will come back because this information is not public currently. Like I said, there have been two CPs, which will convert our binding MOU to a binding contract and we are looking at end of December for these CPs to be addressed and our binding contract to be signed by end of December. And we will come back to all of you to give you a detail of our capex, our margins, our EBITDA.

But all I can say is, as you are aware, South Delhi is the goldmine of all hospitals. So, it is going to be better than our Gurgaon facility. We will come back to you with all the details at end of December when we sign the contract and we announce it to the stock exchange.

**Nirali Shah:** Thanks, that's helpful.

**Devlina Chakravarty:** Yes. Thank you.

**Moderator:** The next question is from the line of Aditya Chheda from InCred Asset Management. Please go ahead.

**Aditya Chheda:** Hi. My question is on the occupied beds at the Gurgaon facility. Since it is around 350 today, can you walk us through the timelines of the Tower 3, whether we have more room to improve these occupied beds? And the answer that I'm looking for is what should drive growth for the company, particularly from Gurgaon? Will it be a function of only ARPOB or do we still have some scope from the existing Tower 3.

**Devlina Chakravarty:** No, So, naturally, very pertinent question. The growth is going to come from definitely ARPOB. And in this ARPOB, we have not factored in too much of pricing, which we may consider going ahead. Then the next will come with increased occupancy. The minimum we look at is 70%, if not more. And the third is adding newer units in the same existing departments, where we get doctors who have good running practice. So, the combination of all three and definitely occupancy will add to our future growth.

**Aditya Chheda:** Got it. So, we should perhaps work with a 370-380 occupied beds for Gurgaon until the further beds are added, right?

**Devlina Chakravarty:** Absolutely. That's right.

**Aditya Chheda:** And for Raipur, are we expecting any occupancy ramp-up for next year? Should we work with the occupancy bed number for Raipur in FY27 or this remains monitorable as of now?

**Devlina Chakravarty:** No, see, we are going to be starting by March. For one complete year, which is from April 2026 to March 2027, we have taken a conservative occupancy between 40% and 50%. And based on that, we have extrapolated a break-even in one to one and a half years' time. So that is the

minimum baseline that we would like to maintain. But definitely, internally, we would like to better it.

**Aditya Chheda:**

Right. And your comment on the ARPOB for Raipur at around 35 to 38, is it something which will be only for a few quarters? Because our understanding was this was supposed to be north of 35,000. Is it going to be a function of government patients initially and then perhaps it ramps up very quickly to the 35,000 mark or here?

**Devlina Chakravarty:**

If you look at not just ours, any hospital chains, Tier 2 hospitals, their ARPOB is typically less than the Tier 1 ARPOB. 35,000 to 38,000, which we are saying is today probably the current ARPOB of the hospitals which are running. So, when we start, we don't want to outprice ourselves and we are going to begin with it.

And as the traction increases, our TPA, empanelment increase and people start using the facility, we are going to gradually bring it up in terms of pricing and in terms of case mix. And we are going to bring it up gradually from 35,38 to almost 55, 60 over a period of time. Very difficult for me to tell the timeline, but it will be our endeavor to do it as quickly as possible.

**Aditya Chheda:**

Right. And the last question was on the small center losses. Would you be able to quantify what would be the quarterly exit of these losses and what should drive the turnaround in terms of profitability in these centers? And if you can also have a ballpark estimation of what should be the EBITDA bleed for Raipur facility next year that should be in place.

**Devlina Chakravarty:**

Yes. Basically, for the small, like as you are already aware, 90% to 95% of the business is coming from our flagship Gurgaon facility. So, all the other facilities are almost breaking even or some of them are even showing profits, in real terms, it is a small fraction of the entire piece that we are dealing with.

Having said that, we are looking to kind of, you know, the earlier, if you have looked at the earlier losses of between 8 crores to 10 crores or 10 crores to 12 crores have significantly come down and they are breaking even. So that is one thing. And in Raipur, your question was, what was the...

**Aditya Chheda:**

EBITDA loss that we should expect?

**Devlina Chakravarty:**

In Raipur, is it?

**Aditya Chheda:**

Raipur. Yes.

**Devlina Chakravarty:**

So, in between 15 crores to 18 crores, till we break even.

**Aditya Chheda:**

Got it, ma'am. That is it from mine. Thank you.

**Devlina Chakravarty:**

So, before we break even, we are looking at an operating loss of around 18 crores, if you would say. Yes. Just check the numbers.

**Aditya Chheda:**

Sure. Done. Thank you.

- Moderator:** The next question is from the line of Yash Sinha from MIPL Family Office. Please go ahead.
- Yash Sinha:** Hi. I just broadly wanted to understand that given the aggressive kind of bed expansion that we are planning over the next two to three years, what is our capex outlay for fiscal FY26 and FY27?
- Devlina Chakravarty:** So, you know, I can only give you certain outlines because once we have signed the contract, we have right now the MOU, which is going to get signed into a binding contract by end of December and we will come back and give you every line item about it.
- But what I can only tell you is that whatever expansion we are doing is going to be through currently, the ones which we have disclosed will be through our internal accrual and debt. And peak debt, even at the peak debt, will be INR 350 crores, and our debt and our ratios and covenants are going to be maintained.
- So, the ratios will be less than 1.8 as my CFO points out. So, the peak debt will be 350 and as you are aware that we have taken this, the whole P&L is going to be with us, but we have taken this 4 acres of land on a 35 years contract in the heart of South Delhi. So, we don't have to pay for the land, which is prohibitively expensive in Delhi today.
- So, our cost per bed is going to be significantly lower than what it is today and we are planning to bring in a lot of operational efficiencies, which will control our capex. So, peak debt, like I said, is going to be 350, but give me time till end of December when we come back and tell you in detail about the Delhi project because right now, I am not allowed to disclose it.
- Yash Sinha:** Got it. But excluding the South Delhi Hospital, if I were to just simply look at the 100 and 200 bed expansion at the Gurgaon Hospital and any incremental capex at the Raipur facility, any guidance on the capital expenditures for those two?
- Devlina Chakravarty:** So, the Raipur, our overall investment in Raipur facility would be around 100 crores to 110 crores and we are going to be, if you look at our operational losses, is going to be another 18 crores. So, this is what is going to be, of course, Raipur facility and for adding another 100 beds in our current Gurgaon facility, the cost per bed would be around 70 lakhs per bed. So, you can multiply it by 100 and that is how it will be because our plinth is already created.
- It will be on the top floors of our existing towers. So, approximately that will be the cost, between 70 lakhs to 75 lakhs per bed for the 100 beds. So, what I am trying to project here is that we have consciously kept the cost per bed low so that the ROIs are better and faster and we have all our banking covenants in place.
- Yash Sinha:** Got it. My second question was around the overseas hospitals that we have. So, we have an 80 bed hospital.
- Devlina Chakravarty:** Yes.
- Yash Sinha:** And we are planning on adding two more under the operations contract, right?
- Devlina Chakravarty:** Yes

- Yash Sinha:** Could you provide some color on the specifics of this contract, like how does it work, what is the longevity of these contracts?
- Devlina Chakravarty:** So, these are long-term contracts in Mauritius. Actually currently we only have it in Mauritius, as we speak and here basically we are only provided a fee per month. So, we do not own the P&L in this. And this fee keeps increasing as the number of beds and the number of units increase.
- I am not at a discretion to specify the fee because it is not in the public domain, but it's a fee which comes directly to our top and also to our bottom-line. So, in that manner it is good. We have helped them setup the hospital, we have run all their SOPs, we do our camps with them, and most importantly the high-end surgeries from Mauritius which cannot be done in the island, they are automatically referred to us in Artemis, apart from the monthly fee that we get there.
- Yash Sinha:** Got it. My last question was, we also have around 100 non-census beds at the Gurgaon facility. Do we have any plans of making those operational anytime soon or can we assume that they will remain non-census in the medium-term?
- Devlina Chakravarty:** No, so the non-census beds are basically the daycare beds. And the non-census beds are not non-occupied, they are the beds which are basically the daycare beds, the dialysis beds, the emergency room beds.
- Basically, they are continuously being used and they are giving us revenue from their areas, but the beds where people do not have an overnight stay are categorized as non-census. It's not that they are closed or not used, they are continuously being used in dialysis, in daycare, chemo, in emergency and so on and so forth. So, those beds are being used.
- Yash Sinha:** All right, got it. Those were all my questions.
- Moderator:** Thank you. The next question is from the line of Megha Bhapkar from Nishal Group. Please go ahead.
- Megha Bhapkar:** Can you give me the guidance of FY 2026 and 2027 after the expansion of the Raipur facility and the South Delhi hospital after the December? What will be the guidance for FY 2026 and FY 2027?
- Devlina Chakravarty:** See, we don't provide direct guidance, but if you have looked at our half yearly results of our company so far, we are only, if not just maintained, we are going to better it. So, you will look at a stronger top line growth and EBITDA which is going to be better than what is your half yearly EBITDA today.
- Your EPS is going to, we have moved from 5.5 to 6.5 and it will continuously grow and be better by the end of the year. So, this is what we are looking at. The Raipur effect will not come because the Raipur is going to be by March of 2026.

And like I did mention in my earlier questions, for one to one and a half years, we are looking at an operating loss of approximately INR 18 crores, but that we are looking to mitigate by stopping all the losses of our smaller centers where we are already seeing the results.

So, what you need to, if you look at it in totality, the flagship is going to grow better than how it grew in the first half year with robust top line, bettering our EBITDA, bettering our PAT and thereby the EPS. That's how we are going to look at it.

**Megha Bhapkar:** Okay. Thank you.

**Devlina Chakravarty:** Yes.

**Moderator:** The next question is from the line of Henil Bagadia from EquiCorp. Please go ahead.

**Henil Bagadia:** Thank you for the opportunity, ma'am. Ma'am, I have just got a few quick questions. If you could just allude on the strategy on the other than the Gurgaon hospitals that we have, that is the Lite and the Daffodils. Is it?

I mean, since that is also in the South Delhi area, plus we are getting the same hospital in the South Delhi area. So, how is the exact use going to be? Are we actually going to put some facilities out there to make it probably multispeciality or it will continue to be Lite or the Daffodils model? That is the first question.

Number two, if I get the timeline right, first we are going to get the Raipur operational breakeven, then we are going to get the Delhi operational. And as we get the Delhi operational, we will also expand the 100 beds on the Gurgaon and then probably purchase the FAR for another two times and just get the 200 beds operation. Is that right timeline?

**Devlina Chakravarty:** Yes, the perfect timeline. And what you did mention is the perfect timeline. And the reason for the staggered is because we are the Delhi hospital. We are breaking it and making it all over again to make it a state-of-the-art hospital with 650 beds.

And to answer your first questions pertinent that our South Delhi Lite and Daffodil, so we had started it with the purpose that we knew long-term we are going to have a hospital there. And we wanted the brand to be visible, our services to be used by people.

These two will continue as a hub-and-spoke model, but certain specialties are going to be added. Like we are - our geriatric medicine, which is a new department we have added in the flagship and doing very well in Gurgaon.

One of these centers will apart, probably between Daffodils and NFC will also have geriatric medicine, because it's the need of the hour. And it will also be in the main hospital. So, a lot of geriatric people are hesitant to come to a main hospital. We will be adding geriatrics in one of the smaller units.

But the important part is they are going to be a hub-and-spoke. So today, out of 10 referrals from our Delhi centers, probably three land up. Subsequently, these referrals will be adding to the main center. And these are also in South Delhi. So that's the whole concept so far.

**Henil Bagadia:**

Okay. Ma'am, also, if you could also allude on the cardiac centers that we have, so what are our plans there? And is it profitable on a standalone basis across all the centers? Or are we still seeing some minor losses there?

**Devlina Chakravarty:**

No. So, all of these are EBITDA positive as we speak. And going forward, we are in actually talks of 100% maybe acquiring them. But we will come back to you, because then that gives us more operational efficiency. All of them are EBITDA positive and they are making profits. And we have 65% and Philips has 35%.

So we are still on the drawing board and we are looking at the options of 100% acquisition, if possible, to increase their profitability and buy off the assets at a depreciated value. The cost is not going to be anything very high. So that work is still in progress.

**Henil Bagadia:**

Yes. And then lastly, on the Raipur facility side, how is the agreement exactly with the two doctors that we have? Because in the past we have seen certain hospitals where if the star doctor leaves, the occupancy actually drops and wherever they join, probably occupancy out there actually shoots up.

So out here, how much skin in the game do they have? Do we have a structure where this completely belongs to us and they get a big fee? Or are they also then a sharing model on the, I mean, the ownership side?

**Devlina Chakravarty:**

Yes. So, in Raipur, our partners are the ones who own the land and who's giving us the building. The equipments and interiors are all being done for us. It's a 30-year-long contract where the P&L is with us. All they want is rent on a monthly basis based on the market rate.

And, the departments which they run, which is general surgery and gastroenterology, these are the two doctors of those two departments. We have a 45-55% share, 55% to us of the revenue and 45% going into them. And the rest of the whole thing at the P&L belongs to us.

So, if all of you have seen our endeavor, because hospital business is a very capex-intensive business, and that's why the ROI becomes a bit of a question mark. So, if you have seen our strategy, we have actually thrown this whole concept on its head.

And we try to build hospitals and have beds with the cost of the beds are lower than the existing cost of beds in that region, though the hospital is, you know, a seven-star hospital by a various combination of factors. Like for here, for instance, here the land is theirs. The building is theirs.

We are coming in with the equipments and some of the interiors, and we hold the P&L, and we are just giving them a rent. Similarly, for Delhi, it would be like another 35 years of lease, but we are not paying for the land. So, you know, this is how we have managed to keep the cost per bed low and have a financial discipline.

**Henil Bagadia:**

Okay. And lastly, for a small follow-up, we actually did a Delhi facility operation, which is about 650 beds. And even if I assume, just put in the equipments as well as the civil construction cost, and if I just put a figure of, say, INR 1.25 crores to INR 1.5 crores a bed, it actually goes north of INR 800 crores.

And if you've got about 280 odd crores of debt, and with a max limit of 350. And I think we also raised some money from IFC. So, all in all, I think there's some disconnect on the cash flow side. So, if there could be some more explanation, is it going to be on a phased way? And how do we actually manage the debt and the cash flows there? That's the last part.

**Devlina Chakravarty:** No, it's very simple. Firstly, the money we have raised. We are open to raising more, and those are the options which we are looking at. Whether it is going ahead, going with a QIP, or going with a, you know, so those are multiple options which we are now doing it. All I can say is, we are never going to exceed the INR 350 crores of debt in the best case scenario. And we have free cash flows generated every year from our operations.

We have money in the bank from IFC. And, you know, so all of that together. So, once some of these things are finalized, and maybe by end of December, like I'm going on repeating, we'll come back with more details. I can only assure you that our peak debts will not exceed INR 350 crores. Our covenants are all going to be maintained. There is going to be internal accruals from our free cash flow. And there will be options of raising funds, which we are completely open to. So that's how we are going to manage. But the details, we will tell you when we meet again.

**Sanjiv Kumar Kothari:** Basically, this spending will be in the phased manner over a period of 2-to-2.5-year time. And by that time, we will also repay existing loan and reduce the loan outstanding as of date by INR 70 crores to INR 80 crores. So, our maximum peak debt, as ma'am mentioned, will not exceed in any case with the existing plans, we have INR 350 crores rupees.

**Devlina Chakravarty:** INR 330 crores to INR 350 crores.

But all other options that we are looking at also, for further expansion, we will come back once we have signed on the dotted line and talk to you about it.

**Henil Bagadia:** Sure, sure. Thanks a lot, sir.

**Moderator:** The next question is from the line of Vedant Rane from Unifi Capital. Please go ahead.

**Vedant Rane:** Yes. I just have one question. It is that we have industry-leading ARPOB, but if we see our EBITDA margins, they are quite low compared to our peers, which operate in the region. Could you please explain why is that the case? And if you could give a guidance, what could be a sustainable margin in the future?

**Devlina Chakravarty:** So very good and pertinent question. You know, the EBITDA margins in terms of percentage, if you look at it, is directly a factor of economies of scale. Because after a point, your fixed cost remains fixed, whether it is your corporate cost, most of it, other than cost of consumption. And a very small incremental cost comes in terms of manpower, which is the mid or the paramedics kind of a thing, your heads of departments and all of them are in place.

So, if you would have seen our EBITDA numbers, we were between 10% to 12%, then we moved to 14%, then 17%, then 21%. And this happened only with a small scale that we created within our existing premises.

So, typically as hospitals grow and the number of beds increase, efficiencies come in. Both in terms of costs, which is manpower cost in certain areas and also very importantly the cost of consumption. Because when you buy more, you negotiate better, and you get advantage of 2 to 2.5 to sometimes even 3.0 in terms of consumption.

And we are totally aware of it and all I can tell you, we will be, as we grow in numbers, as we reach our targets of closer to 2,000 beds, you will see us second to none in terms of our margins. Today we are limited because of our one hospital and as we increase to 1,000 plus beds, you will see the numbers moving up.

**Vedant Rane:** All right. Thank you so much for the explanation, and all the best.

**Devlina Chakravarty:** Thank you.

**Moderator:** The next question is from the line of Neelam Punjabi from Perpetuity Ventures. Please go ahead.

**Neelam Punjabi:** Thank you for the opportunity and congratulations on some excellent set of numbers. My first question is on the government mix. So, we are at about 20% as I see in the presentation and there have been some rate revisions recently by the government, right, on CGHS. So, would you see some impact on our numbers and some improvement in margins on that account?

**Devlina Chakravarty:** Yes, there has been a marginal increase in the margins of the government business. But honestly, as a business leader, it's good news for us, definitely let me put it forward, and it's a good news for us. But overall, if I were to run and lead a company, I would still like to keep my government business between maybe 15% to 18% and not 20%. But when you have increased capacity, you sometimes have to increase your government business.

Overall, it's a good thing for us. The margins, especially the CGHS numbers have gone up, which is good. But I can only tell you the upward growth in our margins has come with our new theatres opening up, more surgical cases, better case mix, because that's where our whole focus is. And this just adds to the tailwind, the little increase in the numbers in CGHS and other places. It just adds to the tailwind, but it is not the primary tailwind if we have to run the business.

**Neelam Punjabi:** Understood. And my second question is on a follow-through on the previous participant's question on margins. So, given that over the next couple of years or maybe three years, we'll get to that 1,000 beds in the standalone Artemis Gurgaon facility.

And given, historically, we've seen that the margins have gone up from those 10% to now 20% plus. So, is it fair to assume that, on a standalone basis, getting to the mid-20s kind of a level is not a tall ask?

**Devlina Chakravarty:** No, no, it's very easy, because even if we do nothing, but we have three hospitals coming, the corporate cost, which is sitting on the main hospital, gets divided by one-third everywhere, right? So, of course, I mean, we're going to push the business, but definitely mid-20s is a fairly doable target in terms of EBITDA margins.



- Neelam Punjabi:** Great, that's great to know. And lastly, a bookkeeping question. So, I just wanted to know, what is the overall number from the O&M contracts in the P&L for the last quarter?
- Devlina Chakravarty:** Around a percent, 1%, I would say that. Yes.
- Neelam Punjabi:** Got it, perfect. Great, thank you so much and all the best.
- Moderator:** Ladies and gentlemen, due to time constraints, this was the last question for today. I now hand the conference over to the management for closing comments.
- Rudra Narayan:** Thank you all. Ladies and gentlemen, this concludes our management commentary for the quarter. On behalf of Artemis Medicare Services Limited, I would like to thank you all for taking time to join us today and for your continued interest in the company. If you have any further queries or require any additional information, please feel free to reach out to me or our investor relations team. We will be happy to assist you. Thank you once again for joining and we look forward to connecting with you in the next quarter. Have a great day.
- Operator:** Thank you all. On behalf of Choice Equity Broking Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.