May 21, 2025

Ref:- GHL/2025-26/EXCH/20

The General Manager
Dept. of Corporate Services
BSE Limited,
P J Towers, Dalal Street,
Mumbai - 400 001

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

**Scrip Code: 543654**

**Symbol: MEDANTA**

**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 Friday, May 16, 2025, for the fourth quarter and financial year ended March 31, 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 Digitally signed by RAHUL RANJAN Date: 2025.05.21 16:32:07 +05'30'

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

**Encl: a/a**

# "Global Health Limited – Medanta

# Q4 FY '25 Earnings Conference Call"

# May 16, 2025

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

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

**MR. YOGESH KUMAR GUPTA – CHIEF FINANCIAL OFFICER – MEDANTA – GLOBAL HEALTH LIMITED**

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

**MODERATOR:** **MR. TUSHAR MANUDHANE – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Global Health Medanta Q4 FY25 Earnings Conference Call hosted by Motilal Oswal Financial Services 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Tushar Manudhane from Motilal Oswal Financial Services Limited. Thank you, and over to you, sir.

**Tushar Manudhane:** Thank you, Yusuf. Good evening, and a very warm welcome to all the participants on Global Health Limited, 4Q FY25 Earnings Call, hosted by Motilal Oswal Financial Services.

Joining with us today from the management side, we have Dr. Naresh Trehan, Chairman and Managing Director; Mr. Pankaj Sahni, Group CEO and Director; Mr. Yogesh Kumar Gupta, CFO; and Mr. Ravi Gothwal, Head of Investor Relations.

Over to Naresh sir for the opening remarks.

**Naresh Trehan:** Good afternoon, everyone. Thank you for joining us for today's Medanta Q4 and Full Year FY25 earnings conference call. Our results were published yesterday, and we have already uploaded the press release and earnings presentation on the website and the stock exchanges.

I'm pleased to share with you that our flagship hospital in Gurugram, widely known as "Medanta - The Medicity" celebrated its 15th anniversary. And over the years, we have consistently set benchmark in clinical excellence and higher standard of patient care.

I'm also proud to share that all our accomplishments have been achieved because Medanta Gurugram has once again been ranked India's best private hospital by Newsweek's for the 6th year consecutive. And we are proud to know that we are the only one in the first 150 hospitals of the world. This, of course, is a reaffirmation of our quality and the Medanta quality of care and systems.

Let me now highlight the clinical achievement of this year:

In addition to the many new technologies that we introduced for the benefit of the patients, we have accomplished the first set of CAR-T cell therapies, starting with Lucknow making a significant milestone in the advanced cancer care.

Following this, Medanta Gurugram also conducted CAR-T cell therapy, an innovative treatment, which leverages the patient's own immune system to combat cancer.

Medanta Lucknow has emerged as a sector of excellence for robotic surgeries in Uttar Pradesh, having successfully performed 100 robotic procedures within the first six months of operations.

Medanta Lucknow crossed the milestones of 250+ kidney transplants since inception and established itself as a leading center for renal transplant in the region.

Medanta Gurugram secured a patent for a brachytherapy bracket therapy device, known as MAOLO developed for the advanced treatment of cervical cancer. This has been appreciated very widely and we are now in the process of getting a manufacturing individual who can actually bring into market.

Doctors at Medanta Gurugram employed minimally invasive and novel techniques to treat a rare cardiac conditions, idiopathic chylopericardium and many other surgical procedures, which were done for the first time.

These clinical milestones are not isolated achievements, they reflect Medanta's deep institutional expertise, cross-disciplinary collaboration of highly skilled doctors to deliver superior patient outcomes.

During the year, we have onboarded 100+ doctors across Medanta network of hospitals. We have also continued to invest in latest technology to enable our doctors to deliver high-end medicine with precision.

As we look ahead, we plan to add approximately 1,000 beds over the next 2 years, of this, our Noida facility with a capacity of 550 beds is set to become operational in Q2 FY26.

Further in line with our commitment to expanding to access to high-quality tertiary and coronary care, we have announced this year 3 large-format greenfield hospitals in high-growth regions of Mumbai, Pitampura and most recently, Guwahati.

With that, I would like to now hand over the call to Mr. Pankaj Sahni, group CEO, to share further details and the financial update for the year. Over to you, Pankaj. Thank you.

**Pankaj Sahni:** Thank you, Dr. Trehan. Good afternoon, and welcome, everyone, to our Q4 and FY25 earnings call. Let me take you through the key highlights of our annual performance for the year. After that, I will hand you over to our Group CFO, Mr. Yogesh, who will discuss the quarterly performance for Q4 FY25.

During the year, Medanta delivered a total consolidated income of INR 37,714 million, registering a growth of 13% year-on-year. EBITDA was INR 9,562 million, a growth of 9% year-on-year with a strong EBITDA margin of 25.4%. Profit after tax for the period was INR 4,813 million after adjusting it for onetime exceptional expenses of INR 499 million related to the merger of Medanta Lucknow, i.e. MHPL with Global Health Limited. Adjusted profit after tax stood at INR 5,186 million, a growth of 9% with a margin of 13.8%.

I'm also pleased to share that the Board has recommended the first-ever dividend of 25% amounting to INR 0.5 per share.

Now moving on to the operational highlights for the year:

During the year, 219 new beds were added across the Medanta network, representing a 7.8% growth in bed capacity. This includes the addition of our 49 bedded dedicated floor for mother and child at Medanta Gurugram, 112 beds were added in Patna and 58 beds were added in Lucknow.

The average occupied bed days for the year increased by 10% year-on-year with an occupancy of 62% on increased bed capacity. ARPOBs were INR 62,722, a marginal increase of 1.3%. Increasing PPP and scheme business has been marginally ARPOB-dilutive, but it has been offset by growing contribution from cancer and changing case mix. In patient count increased by 12% year-on-year and outpatient count increased by 10% year-on-year.

Coming to the mature and developing hospital performance update:

Our matured hospitals revenue from them was INR 26,119 million, reflecting a growth of 11% on a year-on-year basis, driven by a combination of increased patient volumes and improved realizations. EBITDA was INR 6,481 million, up by 12% year-on-year with an EBITDA margin of 25%. Occupancy was at 64%.

Our developing hospitals, which includes Lucknow and Patna, registered a year-on-year revenue growth of 10%, amounting to INR 10,940 million. EBITDA was INR 3,290 million, a growth of 2% year-on-year with strong EBITDA margins at 30%. The occupied bed days at our developing units increased by 19% year-on-year with an occupancy rate of 59% on an increased bed capacity. ARPOB declined by 4% year-on-year to INR 54,303, largely due to increased share of PPP patient and scheme patients in Patna and Lucknow.

We continue to see strong financial performance in Partner despite the lower realizations with extremely high revenue and EBITDA growth numbers. and very robust EBITDA margins.

As highlighted in the past, our Lucknow operations have stabilized, and we remain committed to further strengthening our clinical capabilities in Lucknow. In line with this, we have added 7 new directors and over 20 senior clinicians across various specialties. We have also commissioned our Da Vinci XI surgical robot and a new cath lab, significantly enhancing our surgical and interventional capabilities.

Additionally, we enrolled the Ayushman Bharat and CGHS and other schemes, enabling us to serve a broader patient population. In other key updates, our revenue from international patients increased by 8% year-on-year to INR 2,086 million, contributing approximately 6% of our total revenue. Our OPD pharmacy business continues to register strong growth with revenue increasing by 26% to INR1,400 million in FY25.

During the year, we have launched Medanta clinics at Golf Course Road in Gurgaon and at Ranchi in the city center, bringing high-quality outpatient services closer to the patients making health care more accessible to them.

Capex of INR 6,449 million was incurred during the year, of which INR 1,367 million was towards the Mumbai hospital, while the remaining was spent towards expanding bed capacity, upgrading technology and our Noida construction.

Overall, we ended the year with a strong net cash surplus of INR 8,123 million positioning us well to drive future expansion plans and growth.

Moving on to our various projects:

In Ranchi, we have signed an O&M agreement this year to operate a 110-bed hospital with advanced OT and critical care facilities, and we expect to operationalize this in the first quarter of FY26. This is in addition to our existing 200-bed hospital in Ranchi. In Noida, the development of our 550-bed greenfield hospital is in full swing and is expected to be operational in Q2 FY26. Mumbai, during the year, we acquired 9,288 square meters of prime land in Oshiwara to develop a 500+ bed super specialty hospital there, and that activity is also underway. In Pitampura, Delhi, we have signed an operations and management agreement to jointly build and operate a 750-bed super specialty hospital at Pitampura, both Mumbai and Pitampura hospitals are in various stages of drawing preparation and regulatory approvals.

Most recently, our Board has approved a new project to acquire land and build a 400-bed super specialty destination care hospital in Guwahati, Assam, with the aim to serve the entire Northeastern region of India. Overall, we have built a strong pipeline to add approximately 1,000 beds in the next 2 years and another 2,000 beds across various greenfield projects over the course of the next 3 to 4 years.

With this, I hand over the call to Yogesh to share with you the performance for the quarter.

**Yogesh Gupta:** Thank you, Pankaj. Now I would like to discuss consolidated financial and operational performance for the quarter Q4 FY 25.

During the quarter, Medanta delivered total income of INR 9,542 million compared to INR 8,361 million same quarter last year, registering a strong year-over-year growth of 14%. EBITDA for the quarter was INR 2,476 million, an increase of 20% year-on-year, with an improved EBITDA margin of 26.0% compared to 24.7% in the same quarter last year. Profit after the tax for the period was INR 1,014 million with a PAT margin of 10.6%.

Overall, our growth during the quarter was primarily driven by the consistent volume growth over the network.

Operational performance for Q4 FY25:

Our inpatient volumes during the quarter increased by 15% year-over-year to 42,901 and outpatient volumes increased while 13% year-over-year. Average occupied bed days for the quarter increased by 12% year-on-year with the occupancy of approximately 61% on increased bed capacity. Average revenue per bed for the quarter was INR 63,629, a marginal increase of

1%. During the quarter, revenue from international patients increased by 17% year-over-year to INR 557 million.

Now coming to the developing hospitals: During the quarter, developing hospital clusters continue to grow strong, registering the total in terms of INR 2,814 million, a growth of 24% year-over-year. EBITDA for the quarter was INR 850 million, increase of 36% year-on-year with an improved EBITDA margin of 30%. Average occupied bed days increased by 36% year-on-year, representing improved occupancy of 60% on increased bed capacity. ARPOB during the quarter was INR 53,818, compared to INR 57,696 same quarter last year, de-growth primarily due to uptick in the new patients at Patna and Lucknow.

Now coming to the mature hospitals: total income for the quarter was INR 6,541 million, up by 8% year-over-year. EBITDA was INR 1,685 million compared to INR 1,493 million same quarter last year, up by 13% year-over-year. Average occupied bed days increased by 2%, representing an occupancy of 62%. ARPOB, grew by 6% to INR 69,592 in Q4 FY25 due to change in the case mix.

Now coming to our capex plan, as Pankaj highlighted, Medanta is on our track to double its bed capacity by adding approximately 3,000 beds across multiple projects over the next 3 to 4 years. We have earmarked the total capital outlay of around INR 4,000 crores for this expansion, which includes both the capacity addition and ancillary support services, along with the maintenance capex of about INR 450 crores. The majority of this investment is expected to be back-ended, and the projects will be funded through a combination of internal approvals and the debt financing.

I would like to draw your attention to the Statutory standalone financial, file with the stock exchanges, pursuant to the merger with MHPL, which was holding the Lucknow unit entity, with the holding company, GHL, the standalone financial results now include the performance of Lucknow units. Accordingly, the figures of comparative periods have been restated to include Lucknow unit as well.

The key benefits of the merger are export benefits under EPCG scheme will now be available to Lucknow against the Forex earnings of the GHL. Free cash flow generated by Lucknow unit can be utilized by GHL without any additional tax obligations, enabling optimized fund deployment for both organic and inorganic growth, maximizing shareholder revenue and streamlining of legal regulatory and recordkeeping processes reducing complexity and compliance costs.

With this, I request operator to open the line for the questions. Thank you very much.

**Moderator:** First question is from the line of Vinayak Mohta from Axia Asset.

**Vinayak Mohta:** Sir, could you please repeat the capex numbers? I just missed out on the total capex for the beds. Did you say INR 4,000 crores?

**Yogesh Gupta:** Yes, I said INR 4,000 crores.

**Vinayak Mohta:** Okay. Perfect. And the second question I had, could you give a sense of how many transplants have been done in this quarter and in FY 25, and how have those grown on a year-on-year basis or maybe on a trajectory-wise, how have transplants grown for us?

**Pankaj Sahni:** So I don't have the number upfront with me. I just wanted to, however, quickly clarify 2 - 3 points because there are many different types of transplants. We do kidney transplants, liver transplants, bone marrow transplants, heart transplants. I don't have that number. I'm sorry, with me off the top of my head, but our Investor Relations team will be able to get that back to you.

Only thing that I mentioned in our script is that in Lucknow, we have crossed 250 transplants in the kidney area. And I think that we do a significant number of transplants across liver, kidney, BMT of course in our Gurgaon facility. And then we do liver and kidney and BMT in Lucknow as well. And Patna, we have not yet started liver transplants, but we're doing all the others.

**Vinayak Mohta:** Understood. And sir, last question would be, how are you seeing the competitive intensity across your major markets? I mean all the larger players, I think except for Patna, at least in Lucknow as well as in the NCR region, have been expanding and doing their own work as well. So just a sense on how are you seeing that competitive intensity play out across the board.

**Pankaj Sahni:** So I think there are 2 ways to look at this. One way that you see is a lot of what you may hear because of the various listed players that you mentioned, who are expanding their build-outs across various cities of India, not only in the North, but also in the South. So we do see an increase in the amount of beds announced, the amount of hospitals announced. Although, I also want to caution a lot of the announcements are just that announcements, the hospitals are not yet being built that will, of course, take a certain amount of time to build the hospitals. So we do see some amount of that.

The second thing that may not be so visible to our capital markets investor community is that we do also see a scale-up of local hospitals. So you see renovations, you see increasing amounts of innovation coming in and new talent coming into the smaller local hospitals that may not be listed, but may be relevant in one city or the other of the country. Now our point of view actually is that all of these things are very, very positive for the industry as well as, of course, for the patient community.

So the reason I say that it's very positive is that, if you look today at the Gurgaon market, many people refer to Gurgaon as a medical hub and what that results in is two things. One, of course, we get patients coming in from all parts of the country or at least the northern part of the country, but we also get clinical talent that is gravitating towards the city and that enables people to hire better and so on and so forth.

So this idea that Gurgaon today is a medical hub is not something that was always there. In fact, before Medanta Gurgaon opened, there was hardly 1 or 2 smaller hospitals in Gurgaon. In fact, we were very much part of building it into a medical hub and that actually creates a phenomenon where, to put it, frankly, it's a rising tide will lift all boats type of phenomenon. And we believe that, that is likely to happen in several markets.

So we have already seen when we initially went into Lucknow, there's a lot of skepticism about why are you going to tier-2. We have seen our competitors following us into those markets. And we do believe that the Lucknow-Kanpur region will also become a medical hub in the years to come.

Similarly, we believe that there will be additional development of the Delhi region, all aspects of it. Frankly, both the central Delhi region as well as places like Noida into other medical hubs. And of course, with the huge and expanding population of Delhi, we personally feel that there's still a lot of capacity addition that is required to service that need over there.

And then lastly, if you look at some of the movements that you've seen over the course of the last year or two in the western part of the country, which again was not very active with the established players, you see now a lot more activity happening in Maharashtra, Mumbai, Nagpur, then Pune, etc. So these in our personal opinion are actually all very positive for the industry and very positive for the patient community. So we are not overly worried. We feel that in the long run, this will be very beneficial.

**Moderator:** Next question is from the line of Damayanti Kerai from HSBC.

**Damayanti Kerai:** My first question is on Lucknow and Patna hospitals. So, I understand most of the patients are cash-paying patients like self-pay. And then you mentioned you have now empanelled Ayushman and some other schemes. So just want to understand, should we assume these 2 hospitals will mostly remain cash heavy and the contribution coming from the insurance channel might not be very significant in near to medium term. How should we look at the payer mix there?

**Pankaj Sahni:** So I think just to clarify, Damayanti, I'll let Yogesh also chime in on the numbers. But just to clarify, I think when we use this word cash, we typically actually mean cash plus TPA. I think the more appropriate word would be to use our listed tariffs rather than the actual mechanism of cash. And I think the intention is not to define cash versus credit, and since cash was insurance, but a lot more to say that these are the published rates of the hospital, which are a little bit of course, the scheme rates as you're aware, are lower than the published rates.

So if you look at our payer mix across the group, we still have about 82% of our payer mix coming from the cash TPA market. And if you look at our Lucknow and Patna markets, I think that may be even closer to 90%. Of course, we do have some PPP business in our Patna market. And as we had mentioned, I think in maybe a year ago plus earnings call, we did always intend to take some of the scheme business in Lucknow to serve those patients. But Yogesh can correct me on the numbers. I think state upwards of 80% - 85% is cash and TPA.

**Damayanti Kerai:** Okay. Yes, I think I was considering only cash, but thanks for clarifying it's cash plus TPA. Okay, that's the first question. Second is your ARPOB, as we saw in last few quarters, single-digit growth. So Just want to understand whether you have any plans to take any tariff hike or like in the past, you will just continue to focus on volumes and business mix.

**Pankaj Sahni:** No. I think we will be taking some tariff hikes. We have, in fact, taken some tariff hikes already, which, in Gurgaon at a nominal rate. And as you are aware, some of our discussions and negotiations with the insurance companies, they happen typically once in a 2-year time frame. So those negotiations and discussions will also happen.

As you rightly pointed out, we have not yet taken a tariff hike in Lucknow and Patna. That may also be something that we may do for the course of this financial year. However, as I've always mentioned, our tariff hikes are typically nominal, we don't make very big jumps in tariff hikes, referring to maybe stick to numbers which are near about maybe the routine inflation. And the intention is not to overly burden the patient community with increased tariffs, but just to cover for the inflationary and input cost aspects.

It will be selective unit by unit. And even within the unit, it may be selective for certain departments because we do take the clinicians into confidence before doing any of this.

**Damayanti Kerai:** Okay. So for ARPOB, the growth trajectory, which we should look for next few years should be in single digit, right, maybe low to mid-single-digit range?

**Pankaj Sahni:** I mean I think that would be fair. I would be a little hesitant to say that it could be in double digits, barring some very strange kind of input cost changes, which we saw right after COVID. Typically, if you go back to earlier times pre-COVID, we did see it in the single-digit maybe mid-level single-digit time, which is broadly in sync with how it moves globally, a little bit more than inflation is typically health care and inflation.

**Damayanti Kerai:** Got it. And my last question is on your Pitampura unit, although like it's a bit away. But nonetheless, in your presentation, you mentioned you'll be incurring around INR 600 crores of capex. And you are doing this hospital jointly with the society. So, this INR 600 crores is your portion or that's the total capex, which you have planned ?

**Yogesh Gupta:** This is our portion because structure, etc. will be built by the society. So we are not counting that capex out.

**Damayanti Kerai:** Okay. And this would be obviously much back loaded, right? Nothing maybe in, say, next one or two years, it's a bit late in terms of timing.

**Naresh Trehan:** Nominal amount, because design investment is our, so we incurred some expense on the design side, but mostly, this expense will be after they build the facility.

**Pankaj Sahni:** And just to clarify, even our greenfield projects, which we will completely are typically on a cash flow point of view, typically also back-end loaded because a lot of the expenses come in the interiors and medical equipment. The greenfield projects upfront have typically the civil cost, but I would say, even if you are taking 100%, I would say almost 60% or so is backloaded in the routine cash flow of a greenfield project.

**Damayanti Kerai:** Okay. Pankaj, can you also clarify in a typical greenfield, the majority of cost is towards the medical equipment and servicing, etc and the civil constitute relatively smaller parts, the way you said maybe it's 40-50, or how should we look at that?

**Pankaj Sahni:** No, I was referring to the cash flow, not the breakup between civil. So, any project has basically, I would say, 4 major buckets. One, of course, I'm not including the land cost, but let's if you take out the land cost, there would be the civil and the construction-related activities, there will be all the services, which is your technical, mechanical, air conditioning HVAC services. That's the second component. The third component would be your interiors and the fourth component would be your medical equipment. This broadly is how you think about the project cost. I'm not including any of the preoperative expenses and the consultancy expenses, etc, but those are also there.

So most of the costs beyond civil are back-end loaded because it does take about a year, 18 months to get the civil structure up and then probably another 18 months or so, maybe a little bit more to get the interiors and then the medical equipment is the last of course to come in.

So the cash flow is a bit backloaded, but I would say the breakup between these four components, maybe a little bit more on the interiors and services part because obviously, it depends on how many operating rooms, etc. Civil is probably the lowest component of it now. But I would say probably between 20% to 30% is each component, maybe with civil being a little bit lower.

**Moderator:** Next question is from the line of Jainil Kothari from Vasuki India Capital.

**Jainil Kothari:** My question actually revolves around a gross block per bed or maybe capex per bed. Our gross block has always been around INR 9.5 million to INR 10 million per bed, but our country is actually witnessing a good acceptance of pre-engineered buildings, especially in a very capex-heavy business, which has to lower down the capex spend and which eventually helps to have a superior return profile.

So hospitals being a very capex-heavy business, along with a good gestation period for breakeven. What's your point of view regarding the acceptance of pre-engineered buildings in this sector?

**Pankaj Sahni:** So we have been looking at this very closely. I think that the jury is still out on this. And I can give you two very specific challenges or concerns. One, of course, as you understand, hospitals have significantly higher requirements for various types of services because of our operating rooms, our ICUs, etc, and the way in which Medanta builds these facilities in line with the best international standards, we may have even higher than many others in the industry.

So we do need to be cautious about these pre-engineered types of buildings. We've also looked at steel structures versus cement structures. But the second major concern in all of this construction is around safety. And some of that safety is related to fire safety and the ability to bear the fire ratings as well as the structural safety of the building.

So unfortunately, we have not yet seen very mass adoption of this in the hospital sector, probably because of these two reasons, and that is the reason why till now we have not gone with any of these structures, but new technologies, new materials, new techniques are being done. And we are evaluating this and also evaluating whether kind of a hybrid structure can be put in place. So we are looking at this hybrid structure for, say, for example, our Mumbai project to see if that is possible, and that may help with more than anything, maybe speed to construction, but it's still to be determined.

**Moderator:** Next question is from the line of Anshul Agrawal from Emkay.

**Anshul Agrawal:** Sir, a few questions or clarifications on upcoming projects. Could you help us with the time line for the DLF project and the Pitampura project?

**Pankaj Sahni:** So let me go one by one. Our DLF project is currently in the phase of where we have started the barricading activity and the soil testing activity, but that construction activity will still probably take about 3 years, I would say, to go to complete finishing.

We've started in our Pitampura facility doing the drawings, and we are ready to do those submissions. So as soon as we get the approvals, we'll be in a position to start that activity as well. And that also is likely to take somewhere around 3 years. So both the projects about 3 years out.

**Anshul Agrawal:** Got it. And just a follow-up on these two projects, sir. Will be sharing rent or will be sharing part of revenues in both these projects?

**Pankaj Sahni:** So I mean, it's more or less the same thing. Part of revenue is, in a way, a rental income only for the party that owns the land. So, depending on the commercial arrangements with the party, it is typically rent or revenue share or some combination of both with a minimum guarantee rent.

**Anshul Agrawal:** Okay. We have the same kind of conditions in both the projects, similar or same.

**Pankaj Sahni:** Yes. I mean there are slight differences in both of the projects, but really, that is a question of what is the commercial arrangement that you come to terms with respect to the landlord or the party that is in construction, in the hospital partnership.

It depends on how much money the other party may be putting in and building. So obviously, if somebody gives you just the land, it's a different rate, if somebody gives you land in the cold shell, it's different. If you get land plus warms shell, it's different. So that's how it typically works in the industry.

**Anshul Agrawal:** Sure. Second question I had was on the Noida project. We would have already hired certain doctors, clinicians for this project. Are those costs sitting in our Q1, have we incurred any of these costs in the current quarter, Q4, I mean?

**Yogesh Gupta:** We have not hired any doctors as of now because doctors will get hired near to the opening of the facility. So we are talking to various people.

**Pankaj Sahni:** Offers are out in the market, but the cost is not yet in the P&L, except for the people that are already sitting in our other units who may move to Noida.

**Moderator:** Next question is from the line of Sumit Gupta from Centrum.

**Sumit Gupta:** So sir, strong momentum was visible in developing units in this quarter. So do you see the momentum continuing for the, let's say, forcible future, for the next at least 1 to 2 years.

**Pankaj Sahni:** So I mean, I always caution on these calls and in my meetings that we don't run this business quarterly, we don't really look at how things move quarterly, those just happen to be the outcomes basis, how you put the calendar reporting together. What I would say is that we feel still fairly confident about the future growth both in the short term as well as in the longer term on all the developing hospitals.

Now just to kind of keep in mind that as we move back now into what we had originally at the IPO time classified as developing and non-developing I think we have taken about a 6-year time frame. So theoretically or technically, I guess Lucknow will now start to move into the mature hospitals depending on how you define that. But that's really just how you report out in the investor presentation.

But I think if you forget about this nomenclature of classification of developing versus non-developing and you talk specifically about both the units as well as the both the cities. I think we have a good amount of growth to come in both Lucknow and Patna because we still have bed additions to do there, first of all. Secondly, we are still doing very aggressive hiring in both the units. And thirdly, if you look at the potential of these markets, both in terms of the city of Lucknow and the city of Patna as well as the surrounding areas, there's quite a lot of scope for all of this to grow. And I did mention as well in response to another question that we do believe, at least the Lucknow-Kanpur region will develop as a more robust medical hub. And we've seen that already with Gurgaon, we've seen that with other cities like Delhi and even places like Bangalore, Hyderabad, they end up delivering a good amount of growth for all the hospitals in the ecosystem once they become these more established medical hubs.

So I think Lucknow and Patna very, very early days for those markets on a health care industry point of view, and they will continue to develop and continue to grow.

**Sumit Gupta:** And sir, second question is on the Noida facility, which is about to come. So how do you see this facility ramping in the first year? And do you see competition from Max or Jaypee will add to the competitive intensity and some other hospitals are also there like Jaypee. So how do you see the competitive intensity in the Noida region particularly?

**Pankaj Sahni:** So first of all, just to clarify, Max, Jaypee is the same now because Max has taken over Jaypee. If you look at the Noida region, right, the population explosion just in Noida itself, forget about the surrounding cities, all the way up to Agra, Bareilly, Meerut, Saharanpur, etc, is just very, very, very high, very, very dense. And frankly speaking, historically, Noida has had a very short supply of hospital beds, leave alone quality hospital beds. So we believe that there is a very big opportunity in Noida. We believe that even after the kind of our hospitals open and some of the other expansion that has been discussed with some of the other hospitals, there's still quite a lot of capacity required in that territory. That's our belief. So we don't see any big issue with respect to oversupply, if that is the first question.

As far as the ramp-up goes, look, again, hospitals typically do take a couple of years to ramp up. Medanta has been very fortunate that we've been able to deliver EBITDA breakeven in our recent facilities of both Patna and Lucknow within the first year. I would say that is good and fortunate. We shouldn't always plan for that. There is a certain buildup time.

And a lot of it depends on how the clinicians come on board, how the community reacts to our services. And we are feeling fairly confident about this. But any normal hospital, especially hospital of this size does have a certain ramp-up period. And we are planning for that but of course, we are hopeful for as fast as possible.

**Moderator:** Next question is from the line of Tushar Manudhane from Motilal Oswal Financial Limited.

**Tushar Manudhane:** So with respect to the addition of operating beds, maybe specifically for FY26-27, like with Noida getting added. Is there a scope to add more number of beds at Lucknow, at Patna maybe specifically for FY26-27, if you can just bridge the bed additions for next 12 to 24 months given the other projects are under construction phase?

**Pankaj Sahni:** Yes. So if you look, Tushar, at our investor presentation, I think it's Slide #32, if I'm not mistaken. You will see that there is bed addition plan not only in Noida, but also in Lucknow and Patna over the course of the next, let's say 12 to 18 months.

So we do expect to add approximately 1,000 beds across all of these 3 units in the next few months and years. And that doesn't include or maybe that's part of that also, we'll have our new 110-bed facility, which we have just taken on board, I think, in January of this year, if I'm not mistaken in Ranchi, which is augmenting our existing 200-bed facility because we had some capacity constraints there and wanted to upgrade the technology and infrastructure.

So the Ranchi facility, we hope to come on board this quarter itself in Q1 FY26 and then all the 3 other facilities, Noida, Lucknow and Patna, should have bed additions as well.

**Tushar Manudhane:** Got it, sir. If you could elaborate on this Guwahati at your new addition in terms of location in first place for us and subsequently, what sort of investment specifically over next 1 year or 2 year and then subsequently in terms of construction? While you have already highlighted the overall capex, but if you could just break that into, say, construction cost and land purchase cost?

**Pankaj Sahni:** Yes. So we have been looking actually for land in Guwahati or in the Northeast region for some time. And I believe when we announced this as part of the governments Invest in Assam Summit or Initiatives, we have been able to get land from the government and to build out a 400-plus bed super specialty. We currently have been allocated 3 acres of land in Guwahati.

I don't know how familiar you are with Guwahati, but this is on one of the main highways, which actually connects Guwahati to Meghalaya and Shillong as well. So it has a good drainage, not only from the Guwahati region, from the upper Assam region as well as from parts of Meghalaya. So very well situated from that point of view.

The project cost is about INR 30 crores to INR 35 crores is the cost of the land, and the total cost is approximately about INR 500 crores. And like with most greenfields that should take us about 3 years or so to get going. So we have already triggered some of the planning as far as the clinical planning and the drawing activities for that. But of course, that will take some time. We just got the land, I think, in a month or so.

**Yogesh Gupta:** We got the agreement from the government and now we have to get the registry done, we'll take the position after that.

**Pankaj Sahni:** Yes.

**Tushar Manudhane:** Understood. Just on this INR 500 crores for 400 bed given the locations is Guwahati, still INR 1 crore per bed sort of an investment, typically tier 2 city correct me if I wrong, this is not a Tier 2 city, but this typically takes lower bed cost, so any particular reason why the spending is much higher.

**Pankaj Sahni:** Tushar, we at least in Medanta ecosystem, if you have seen our kind of hospitals that we have built in Lucknow and Patna both from a civil, interiors and infrastructure point of view as well as in terms of the medical equipment that we put in there, whether it's the latest CT, MRI or in fact, the latest and most advanced LINAC machines, we have not compromised on any of the quality in these cities.

So the basics of construction remain the same. Our belief is that we should be able to deliver this kind of standard of care and build out these kind of facilities. And in fact, one of the reasons why the government was very keen that Medanta come into that region as opposed to maybe many of the other options was exactly because they understood that when we go in, we bring a standard that is second to none, and we don't necessarily compromise on the quality of the facility that we put up just because it may be a city that is a non-metro city.

So having this in mind, yes, there is a difference between the land cost in Guwahati, and say Delhi or Mumbai, and we've been fortunate to get land at very attractive rates, thanks to the scheme of the government. But the basic cost is more or less the same. I think today, if you build a hospital with any kind of standards like what we put up I think INR 1 crore or INR 1.2 crores, sometimes even going a little bit higher, is a typical cost, especially if you're going for bigger scale, you could possibly do it at less for a smaller 200-bed facility but this will be 400 beds and maybe even higher than that. So I don't think it's very different from building anywhere frankly.

**Tushar Manudhane:** Got it, sir. And just lastly, while you've outlined the overall INR 4,000 crore capex for the next 5 years, but if you could really highlight the capex for FY26 and FY27?

**Pankaj Sahni:** Yes, I'll let you Yogesh take.

**Yogesh Gupta:** Tushar, we haven't done a breakup year wise at present.

**Moderator:** Next question is from the line of Dhawal Khut from Jefferies.

**Dhawal Khut:** So I'm not sure if you covered it earlier, but I wanted to know the outlook for Lucknow hospital. Do you expect significant volume growth to continue? When are you adding additional beds into the unit? And did the quarter have any positive or negative impact because of Mahakumbh? And have you seen those impact reversing in the first quarter? How are the trends in April, so that's one? Second, needed data point, what's the census bed count in our developing hospital units.

**Pankaj Sahni:** Okay. So a couple of questions. Let me see if I remember all of those. I think the first question was around Lucknow, right? What was the growth on that?

**Dhawal Khut:** Yes, the outlook, and when do you see adding more capacities within the unit? Do you see profitability being steady or improving and growth being higher than what we have seen or steady or any kind of adverse impact?

**Pankaj Sahni:** Okay. So if you recall our various quarterly presentations over the course of the last few quarters, you will, of course, remember that we had a little bit of a lower growth rates in Q4 and Q1 specifically as Q4 of last year and Q1 of this year and some drag of that into Q2 to some extent of this year. And we had mentioned significant steps being taken to bring that unit back to the kind of volumes that we had seen earlier.

So happy to report since Q3 - Q4, we see fairly strong performance in Lucknow, very good EBITDA margin profile, very good growth volumes, good amount of performance across all of that unit. So very happy with how that has played out over the last couple of quarters. Obviously, as you look at all the 4 quarters together, there's some impact of that on a year versus year basis. But we do see that growth having come back already, and we do see good opportunities as we move forward.

We will be adding beds in Lucknow. We have a certain amount of beds to add in on various floors in our existing facility, which is already partially completely. We could be adding currently maybe mother and child additional number of beds, maybe adding some more beds for some of our transplant and complex specialties. I mentioned, I think Dr. Trehan may have also mentioned, we've added in pretty advanced equipment there in terms of robots. I think we've already done, within a period of about 6 months, we've done over 100 robotic cases, which is the highest number in the Lucknow area, I think, in a short period of time. And we continue to invest in clinical talent as well as technology there.

So for us, we are not stopping anything in Lucknow, going full speed ahead with all of the activities there. And we do believe that there is good potential left in the city. We'll be adding an additional specialties also in the coming months and quarters. So there are certain specialties, we still don't have them. And we have plans to acquire clinical talent to be able to deliver those specialties as well. So that's the story with Lucknow.

What was your second question, sorry, if you can remind me again?

**Dhawal Khut:** Yes. So do you think your operations were impacted because of Mahakumbh during the quarter? Was there any delay in elective surgeries that you felt, that kind of impacted occupancy? And maybe that could have started to come in from April onwards? Or overall, you were neutral or you saw some benefit because of a lot of population coming into the UP region and Lucknow region also.

So was there any kind of impact because of the entire population moving into this UP region out there?

**Pankaj Sahni:** So I mean, I don't have any specific data that tells me people who are coming from Mahakumbh suddenly decided to also use it as an opportunity for any kind of health care experience. So I don't think it was positive in that way in terms of adding any great population inflow into the health care facilities.

There is, of course, definitely some impact on these kind of festivals in terms of people having elective procedures. We see this pretty much every season where during, of course dengue and some of the seasonal diseases side, we see that during, say, the Diwali, Dussehra, Chhath Puja kind of time frame where the festivals are on. We do see some kind of dip in the elective procedures.

And so to that extent, I guess, Mahakumbh also has more of a negative impact than a positive impact because of the population coming into the UP region, I think. But I don't think that I can tell you very specifically exactly what was the number of people who did not come or came because of Mahakumbh, I don't think we track that. But, yes, some movement across different weeks travel constraints, etc, it does impact patient movement to some extent.

**Dhawal Khut:** Got it. And lastly, just -- yes, data point, what on the developing hospital side.

**Pankaj Sahni:** So if you look at our census beds on the developing hospital side, we have about 600 or so beds in Lucknow and about 320 beds in Patna. So around 930 is the census beds for the developing.

**Moderator:** Next question is from the line of Alankar Garude from Kotak Institutional Equities.

**Alankar Garude:** Sir, first question, matured hospital margins have come down on a year-on-year basis by 120 basis points. Can you please call out the reasons for the same?

**Pankaj Sahni:** Yes. So on a year-on-year basis, full year EBITDA margins in matured hospitals have increase from 24.5% to 24.8%, so nominal increase. But I think if you look at it at a macro level, its more or less stable. Of course, there is some fluctuation with respect to how we see the various specialties.

So as we find certain specialties, which are maybe more heavy on material costs, they have some kind of an impact. Also to the extent that we did some hiring over the course of the last year or so, there is some amount of clinician cost and manpower cost that comes in. But broadly speaking, I would say that I would consider these to be more or less stable in nature, not much difference between a 24.5% and 24.8%. But yes, maybe some amount of material cost increase a little bit between the years.

**Alankar Garude:** And sir, in the presentation, Slide 26, it shows the margins have come down from 25.2% to 24%, that's why I've asked that question.

**Pankaj Sahni:** Just looking at 2 quarters in isolation doesn't necessarily, I think, give the whole picture because obviously certain specialties has some impact in certain months. It's not very, very crystal clear to look at Q4 versus Q4. I would say that a more realistic picture would be to look at full year versus full year.

**Alankar Garude:** Understood. Sir, just maybe 1 clarification there. No acquisition merger-related expenses have been accounted in that margin number, right?

**Pankaj Sahni:** No, not in the EBITDA, that's comes below the EBITDA.

**Yogesh Gupta:** So that's below the EBITDA, as an exceptional cost.

**Alankar Garude:** Got it. And the other question was on Indore. I see the second hospital has not been included in our capex plan. So is it still possible to go ahead with that, or as a matter of precaution, we decided to kind of not include that in our current plan?

**Pankaj Sahni:** Yes. Alankar, we had mentioned a couple of times that this hospital has gone from a nonbinding agreement some time ago. And I said that it was more appropriate to say that we just put it on the back burner from a disclosure point of view.

We haven't terminated our conversations with that party, and we still maintain that there is a door open there for us to do it. I did also mention in some of our earnings calls, maybe one or two quarters ago that we are looking at alternatives as well. But I thought it was more appropriate for us to pull it out of the current disclosure to not mislead that this is something which is imminent because it will require kind of a revisit.

**Yogesh Gupta:** And also since we don't have a very clear time line on the legal case, so we don't really know that whether it will happen in the next 4 years or not. So that's how we have taken it out and put it into the notes.

**Moderator:** Ladies and gentlemen, we will take this as the last question for the day. I would now like to hand the conference over to the management for the closing comments.

**Pankaj Sahni:** Thank you, everybody, for your questions and for joining us today. Just to wrap up, as we step into our next phase of growth, we, of course, remain committed to our original philosophy of delivering the highest quality of care at the highest standard to the highest values, we believe that through this approach, we'll continue to expand our footprint in a responsible manner, invest in our people in a responsible manner and also continue to bring the highest quality and higher standard of infrastructure as close to the communities as possible.

Please do feel free to reach out to our Investor Relations team in case there are any questions that remain unanswered. Otherwise, all the very best and thank you for joining. See you soon.

Notes:

1. Please refer to the revised Investor Presentation for the fourth quarter and financial year ended March 31, 2025 Result uploaded on the website and stock exchanges on May 16, 2025. Also refer to slide no 13, 19, 22 and 26 of the presentation for the changes and also refer to the note "Matured and Developing hospitals numbers have been restated due to the merger of MHPL (Lucknow Unit) with GHL (holding company). The intercompany transactions between two companies were eliminated as per the requirement of accounting standards. The above script has been edited to reflect the updated numbers for Matured and Developing hospitals.
2. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings
3. 