

Yatharth Hospital

11 August 2026

Operator: Good day and welcome to Yatharth Hospital & Trauma Care Services Ltd. Q1 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vishal Manchanda. Thank you, and over to you, sir.

Vishal Manchanda – Systematix Institutional Equities: Thank you, Atharva. Good morning, everyone. On behalf of Systematix Institutional Equities, we welcome you all to the Q1 FY27 earnings call of Yatharth Hospital & Trauma Care Services Ltd. We have with us the senior management of the company, represented by Mr. Yatharth Tyagi, Whole-time Director; Mr. Amit Kumar Singh, Group Chief Executive Officer; Mr. Nitin Gupta, President Finance and Group Chief Operating Officer; Mr. Pankaj Prabhakar, Group Chief Financial Officer; Mr. Ashutosh Kumar Jha, Group Chief Strategy, M&A and Investor Relations; and Mr. Sonu Goyal, Group Chief Financial Controller. I now hand over the call to the Yatharth management for opening remarks. Over to you, sir.

Yatharth Tyagi – Whole-time Director: Yatharth Tyagi speaking. Good morning, and welcome to Yatharth Hospital & Trauma Care Services Ltd. earnings conference call for the quarter ended June 30, 2026. Joining me today are Mr. Amit Singh, our Group CEO; Mr. Pankaj, Group CFO; Mr. Nitin, Group COO and President Finance; Mr. Ashutosh, Group Chief Strategy, M&A and IR; and Mr. Sonu Goyal, Group Financial Controller. Our earnings presentation has been uploaded on the stock exchanges and on our website, and we hope you have had the opportunity to review it.

I am pleased to report a strong start to FY27. We delivered our highest-ever quarterly revenue and profits this quarter. More encouragingly, we achieved record revenue growth of 51% year-on-year and EBITDA growth of 89% year-on-year. This performance is a testament to the growth strategy we have been pursuing over the past several quarters. Our newer hospitals at Greater Faridabad, New Delhi, Faridabad Sector 20, and Agra collectively contributed 27% to the mix this quarter.

Our acquisition playbook has delivered signs of early success. A key highlight was our Faridabad Sector 20 hospital turning EBITDA break-even within a record period of 9 months. The hospital is now contributing to a monthly revenue rate of Rs.{? 12-13 crores ?}, with an ARPOB closer to Rs.40,000 and the potential to reach Rs.{? 45,000-50,000 ?} as we move ahead. Our New Delhi hospital has already approached the Rs.50,000 ARPOB mark, positioning us among the premium hospitals in NCR. The hospital is currently operating at a monthly revenue run rate of Rs.8 crores. Importantly, the revenue mix at both these hospitals is 90% plus cash and private insurance patients.

Our Agra hospital, which was integrated last quarter, achieved a revenue run rate of {? 9-10 crores ?} and delivered a strong 20% plus EBITDA within its first full quarter of integration. The Gurugram construction is progressing as per expectations, and we expect the hospital to go live by Q1 of the next fiscal year, with the potential to achieve an ARPOB of Rs.50,000 plus. Our performance across these hospitals demonstrates the group's ability not only to identify and acquire good assets, but also to integrate and turn around their operations within a very short span of time.

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Over the past couple of quarters, our profitability has also improved meaningfully, with operating leverage kicking in. This is reflected in our adjusted EBITDA margin, excluding the impact of New Delhi and Faridabad Sector 20, which stood at 28.1% this quarter.

In recognition of the above performance, the board today approved a maiden interim dividend of 5% of face value for all our shareholders, ensuring that shareholders benefit from the growth and investments being undertaken by the group. Behind this execution is a significant effort by the entire organization. In recognition of this effort by our people, we have also approved our first ESOP grant and launched a new ESOP Scheme 2026 to attract, retain, and align quality talent.

These are meaningful steps for us, reflecting our confidence in the business that we are building and our commitment to sharing the value created with both our shareholders and our people. We are also in the process of identifying ESG priorities across our network of hospitals, with the objective of building a more sustainable and future-ready organization.

Our focus on strengthening our international collaboration continued this quarter. Expanding our global outreach, we opened the Yatharth Information Center in Uzbekistan and have also leveraged our partnerships with healthcare institutions, as well as undertaken many OPD initiatives across key markets in Asia, Africa, and the Middle East.

With the infrastructure built over the last 12 months, we have expanded our network to 2,555 beds, setting the foundation for record growth this year. Looking ahead, we remain committed to our roadmap of doubling our bed capacity to a 5,000-bed target over the next few years. The upcoming 250-bed Gurugram facility, expected to commence operations by Q1 of the next fiscal year, will further strengthen our positioning in the premium NCR market and add another high-potential platform to the network.

The opportunity now is to fill these beds, improve utilization, and allow earnings to catch up with the capacity we have created. Overall, we believe Yatharth is entering an exciting phase. We are continuously expanding capacity, our specialty and payer mix is continuously improving, and we have substantial installed capacity to utilize, driving stronger cash generation in the years ahead. With that, I shall hand over the call to our CFO, Pankaj, for further updates.

Pankaj Prabhakar – Group CFO: Good morning, everyone. I will take you through the financial performance for quarter one FY27 and the key drivers behind the quarter. The group reported its highest-ever quarterly revenue of 3,207 million, up 51% year-over-year and 15% quarter-over-quarter. Our existing three hospitals in Noida and Jhansi Orchha collectively contributed 2,862 million, growing 22% year-over-year.

Our existing hospital occupancy reached approximately 75% as inpatient volume improved 16% year-over-year. As far as hospital-wise occupancy is concerned, the Noida and Jhansi Orchha hospitals achieved 90% plus occupancy. Greater Noida hospital is currently operating at 74%, while Noida Extension stood at 56%. We expect occupancy levels at Greater Noida and Noida Extension to improve further in the coming quarter.

The newer hospitals at Greater Faridabad, New Delhi, Faridabad Sector 20, and Agra collectively contributed 1,067 million in revenue, accounting for 27% of the group's revenue. This shift in

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revenue mix reflects the rapid scaling of our newer capacity alongside continued growth in our established base.

The group's ARPOB reached an all-time high of Rs.34,758 in quarter one, up 7% year-on-year. Importantly, our premium NCR hospitals at Noida Extension and New Delhi crossed the Rs.50,000 ARPOB mark for the first time in quarter one, which is a strong indication of the improving case mix. This was followed by Greater Noida, which achieved an ARPOB of Rs.43,000; Faridabad Sector 20, approaching Rs.40,000; Greater Faridabad and Noida, at Rs.35,000; and Agra, closer to Rs.30,000. This performance is largely driven by the benefits of a stronger specialty mix across our network.

We are continuing to invest in advanced clinical capabilities and infrastructure, as we believe deeper specialty capabilities are essential to building a differentiated hospital network and improving the quality of our revenue over time. Oncology has already started contributing close to 10% to the group's revenue, with only one LINAC machine currently at Noida Extension hospital.

We are in the process of adding another LINAC at our Faridabad Sector 20 hospital soon, followed by the New Delhi facility. This will meaningfully strengthen the oncology share at the group level in the coming years. With newer hospitals demonstrating higher ARPOB levels, we expect a meaningful uplift in the overall group's realization as these facilities continue to scale up.

EBITDA for the quarter was the highest ever at 970 million, while PAT stood at Rs.454 million. While consolidated EBITDA stood at 23.3%, the adjusted EBITDA margin, excluding the impact of New Delhi and Faridabad Sector 20, stood at 28.1%.

With newer hospitals progressively moving up the profitability curve, as Agra delivered a 20% plus EBITDA margin while Faridabad Sector 20 achieved EBITDA break-even in Q1, we expect our blended EBITDA margin to improve from the current level. The increase in depreciation and finance costs has followed the significant capacity addition made over the past 12 months.

Despite this, our cash profit, which is PAT plus depreciation, increased significantly by 32% year-on-year, largely reflecting a non-cash impact on PAT growth. With the upcoming Gurugram facility and brownfield expansion planned at Noida Extension and Greater Noida, our total bed capacity will reach over 3,200 beds. We remain confident of achieving our target of 5,000 beds over the next 5 years.

FY27 has started on a strong note, and the early success of our newer facilities gives us confidence in sustaining this momentum. Thank you for your attention. I would now like to hand over the call to the moderator for the question-and-answer session. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants are requested to restrict their questions to two questions per participant. We have the first question from the line of Subhi Gupta from Trimintra Asset Managers. Please go ahead.

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Subhi Gupta – Trimintra Asset Management: Good morning, sir. My first question is that in the PPT, it is mentioned that the target is 5,000 beds in 3 years, and you just mentioned 5 years. So, is it 3 or 5 years? Also, the second part of that question is that we have one large cluster, which is Haryana and Delhi, and the second would be UP and MP. Are we targeting another cluster to add, or are we going to add beds only in these clusters?

Yatharth Tyagi – Whole-time Director: Yes, definitely, the roadmap ahead is to double our bed capacity. In fact, the announced capacity, which includes Gurugram and the brownfield expansions at Greater Noida and Noida Extension, has already reached 3,200 beds. So, if you look at the 5,000-bed capacity from there, we would reach it much earlier than the 3-year announced target.

This would primarily be within the North, in the cluster that you mentioned. However, we are also evaluating different clusters. One thing that we have done in the past is that we have usually formed a cluster. It is not a standalone, independent asset. We have also leveraged the benefits of adding assets within the surrounding area, similar to what we have done here. So, I think even we...

Management: Gurugram is still a huge cluster for us to explore further. As for a new cluster, within the North, we have identified certain cities in UP where good clusters can be formed. So, we would still focus on the areas that we understand very well, which are the North, Delhi NCR, and the metropolitan cities in the states in which we operate.

Subhi Gupta – Trimintra Asset Management: And these will all have higher average bed pay, right?

Management: Yes, ARPOB would be much higher than the group average. In fact, the newest hospitals that we are developing are already recording close to Rs.50,000 ARPOB. That is clearly the strategy going forward as well.

Subhi Gupta – Trimintra Asset Management: No, will it be more than Rs.50,000 or mostly Rs.50,000?

Management: Around Rs.50,000.

Subhi Gupta – Trimintra Asset Management: Okay, just my second question quickly. You are focusing on improving the payer mix, and I think you are focusing on the international mix as well. Could you talk a little about that and the benefits we expect to receive? If possible, could you quantify this?

Management: Yes, definitely, we are working on improving the payer mix. That is the reason why, if you see, there has been a dip of a few percentage points in Noida and Jhansi. This is completely in line with our expectations because we wanted to restrict the government business. That is our thought process.

As far as the international business is concerned, we are planning various activities. In fact, this quarter, I think we are planning 5 OPD centers, or information centers, in various countries in the CIS and African regions. We have also posted a very senior marketing person in the African regions. This has started showing results, and we believe that it will help in improving the payer mix as well as ARPOB.

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Management: Even the new hospitals, both New Delhi Model Town and Faridabad Sector 20, are already demonstrating this playbook. These hospitals are close to 90% cash and private insurance business, so we are able to demonstrate it. We are glad that Faridabad has achieved break-even much earlier than our target, but the manner in which it has achieved break-even is also with less than 10% government business.

The playbook is clearly evident and is being reflected in all the new hospitals. As the volumes of these two hospitals continue to grow, significant changes will also be visible at the group-level payer mix.

Subhi Gupta – Trimintra Asset Management: Okay, sir. Thank you so much.

Operator: Thank you. The next question comes from the line of Akshat Mehta from Seven Rivers Holding. Please go ahead.

Akshat Mehta – Seven Rivers Holding: Hello, sir. Am I audible?

Management: Yes, please go ahead.

Akshat Mehta – Seven Rivers Holding: My first question was on New Delhi and Faridabad. Over the last 2–3 quarters, we have been seeing that occupancy has stagnated at similar levels. When can we expect occupancy to increase in these hospitals? What is the status of government and insurance empanelment for these hospitals?

Management: Occupancy is not stagnant; it has increased significantly. The reason why you see these numbers is that occupancy is calculated on different bed capacities. Earlier, not all the beds were operational. Now, quarter-on-quarter, we are increasing the capacity, and that is the basis on which occupancy is being calculated.

The IPD volumes and occupancy are definitely increasing. That is why the revenue is increasing quarter-on-quarter at these hospitals. As far as empanelment is concerned, a lot of empanelments have already been completed at these two hospitals. It is not that we are waiting for government empanelments and that is the only reason why government business is low.

Even though we already have the majority of government empanelments, we are following our playbook of not increasing the government payer mix in these hospitals. We can also provide specific numbers regarding the occupancy based on the beds counted in Faridabad, which is different from what we were counting last quarter.

Management: In Faridabad, the census bed count is 150, on which occupancy has been calculated this quarter, compared with 100 beds in the last quarter. That is why the overall percentage is impacted in that manner. However, the census bed capacity at the new Faridabad hospital has increased from 100 beds to 200 census beds. Overall, we have added 150 new census beds to the occupancy calculation this quarter.

Akshat Mehta – Seven Rivers Holding: Okay. My second question is regarding the New Delhi hospital overall. We started this hospital around 3–4 months before we started the Faridabad hospital. If we look at it after almost a year, that hospital has been slower than the Faridabad

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hospital in terms of scale-up and occupancy. What is the strategy to achieve break-even and grow from there?

Management: Delhi Model Town hospital is progressing as per our guidance, and we are quite happy with the way it is progressing. It is not that the numbers are slow there; it is just that Faridabad Sector 20 has outperformed our expectations.

We expected Faridabad Sector 20 to break even in around 12–14 months, but it broke even earlier than expected, in around 9 months. As far as Delhi is concerned, we are adhering to our guidance. We expect that hospital to break even in around 15–17 months, and it is fully on track in that regard.

We are quite happy with the way Delhi is progressing. We are also quite happy with the ARPOB and the monthly revenue run rate that it has reached. We follow the same strategy in New Delhi that we follow in Faridabad, which includes having some of the most reputed doctors in the area, having star doctors, strong brand recall, and community connectivity in those areas, along with strong visibility within the communities. Both hospitals are progressing on the right track.

Akshat Mehta – Seven Rivers Holding: Okay. One last follow-up question. Since the Agra hospital has reached 90% occupancy, are we planning to operationalize the other census beds as well out of the 250 beds?

Management: As of now, against the 250-bed capacity, we are operating with a census of 110 beds. We are planning to increase the census bed capacity in stages to take full advantage of the occupancy in the coming quarters.

Management: The census beds in Agra will definitely increase, and there is significant room for the Agra hospital to grow in terms of its numbers.

Akshat Mehta – Seven Rivers Holding: Okay, thank you so much.

Operator: Thank you. The next question comes from the line of Mishita from Sapphire Capital. Please go ahead.

Mishita – Sapphire Capital: Hello. I wanted to understand when the 3,200 beds that you are targeting will become operational.

Management: The 3,200 beds represent announced capacity. By that, we mean that the assets are already in our possession, and only some construction remains. This includes the 250 beds in Gurugram, which will be operational in Q1 of the new financial year. It also includes around 450 beds of brownfield additions in the two Noida cluster hospitals, which will become operational in approximately the next 15 months.

Mishita – Sapphire Capital: Okay, so the Noida cluster will be operational in the next 15 months.

Management: Yes, it will start becoming operational. Out of the 450 beds, 200 beds would be operational earlier, and 250 beds would probably become operational in 18–19 months.

Mishita – Sapphire Capital: Okay, understood. What is our current capacity? I think it is 2,800, right?

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Management: The 2,800 capacity includes the newly acquired Gurugram facility, where the beds are expected to become operational in Q1 of the next financial year.

Mishita – Sapphire Capital: Okay, understood. My next question is regarding revenue growth. We had very good revenue growth of 61% in Q1 FY27. Do we expect this growth to continue? What sort of growth can we expect for the full year FY27?

Management: For the full year FY27, we are on track to achieve the guidance that we have already provided. This applies not only to revenue, but also to the EBITDA and PAT numbers that we are guiding for FY27. We will remain on track to achieve those numbers.

If the ramp-up continues as expected, we should also exceed certain of our guided targets. The company is on track to meet its guidance.

Mishita – Sapphire Capital: Could you reiterate the guidance? I am attending the call for the first time.

Management: Last year, we grew 37% year-on-year. As you can clearly see, this year we will easily surpass that growth. As far as EBITDA is concerned, the company is on track to achieve an annual EBITDA margin close to or upwards of 24% for the full FY27. Similar progress is expected in ARPOB growth and the PAT parameters.

Mishita – Sapphire Capital: So, can we expect ARPOB growth of around 10–15%?

Management: I think 9–10% is the right estimate.

Mishita – Sapphire Capital: Okay, understood. Thank you so much.

Operator: Thank you. The next question comes from the line of Premita from Ready Stock Capital Limited. Please go ahead.

Premita – Ready Stock Capital Limited: Hi. Am I audible?

Management: Yes, please go ahead.

Premita – Ready Stock Capital Limited: Could you please walk me through how quarterly revenue is calculated using ARPOB, occupancy, and bed count? When I back-calculate using these three metrics for the last few quarters, I arrive at a number higher than the reported revenue. I wanted to understand whether there is a component that I am missing in this calculation.

Management: If you look at this quarter, with an ARPOB of nearly Rs.35,000, a census bed count of 1,820, and occupancy of 68%, you will be able to arrive at these numbers. When we calculate ARPOB, it includes total IPD revenue as well as OPD revenue.

Premita – Ready Stock Capital Limited: Would you recommend doing this calculation for every individual hospital, or using one calculation for the entire chain of hospitals?

Management: I can give you the occupancy percentage of each hospital. Greater Noida hospital had occupancy of 74%; Noida Sector 110 had occupancy of 91%; Noida Extension had occupancy of

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56%; Faridabad Sector 88, which is Greater Faridabad, had occupancy of 63%; the new Faridabad hospital had occupancy of 49%; Model Town Delhi had occupancy of 29%; Agra had occupancy of 89%; and Jhansi had occupancy of 90%.

However, it is important to note that the census bed capacity was 1,820, compared with 1,645 in the previous quarter. It has increased by 175 beds. As we said, there is sufficient headroom to increase the census bed capacity to 2,555 across the existing hospitals.

Premita – Ready Stock Capital Limited: Could you also highlight the ARPOB of each of those hospitals, please?

Management: Certainly. Greater Noida hospital had an ARPOB of nearly Rs.43,000. Noida Extension hospital had an ARPOB of more than Rs.50,000. Noida hospital had an ARPOB of Rs.35,000. Greater Faridabad hospital had an ARPOB of Rs.35,000. The new Faridabad hospital had an ARPOB of nearly Rs.40,000. Model Town had an ARPOB of approximately Rs.50,000. Agra had an ARPOB of Rs.27,000, and Jhansi hospital had an ARPOB of nearly Rs.13,000.

Premita – Ready Stock Capital Limited: So, to clarify, when we calculate revenue using ARPOB, occupancy, and bed count, would it be better to look at all the hospitals together rather than looking at each hospital individually? Is that correct?

Management: Yes. When we calculate hospital occupancy and the overall percentage, the drivers are the overall occupancy percentage and the blended ARPOB. We calculate the performance at the blended level.

Premita – Ready Stock Capital Limited: All right. Thank you.

Management: Thank you so much.

Operator: Thank you. The next question comes from the line of Ashish T from UTI. Please go ahead.

Ashish T – UTI: Thank you for the opportunity. Specifically, in Model Town and Faridabad, our EBITDA margins are quite high at 28%. However, including the losses, they are lower. When do you expect the new assets to fall in line, and when might we start recording a 26–27% EBITDA margin again?

Management: If we talk about these two specific hospitals, as we said, Faridabad Sector 20 has already achieved break-even. However, there is still an EBITDA drag because the EBITDA margins there would be around 4–5%. It will take some time to reach, say, a 20% EBITDA margin.

For Model Town, we expect it to break even somewhere between Q3 and Q4 this year. That will also reduce the EBITDA drag. From here, for both these hospitals, we are targeting that, approximately 15 months after they achieve break-even, their EBITDA could be somewhere around 15–20%.

However, at the group level, even though that would significantly reduce the drag, we might have new hospitals continuing to start operations. Gurugram will also become operational in the next 15 months, so the EBITDA drag...

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Management: ...from this acquisition to Gurugram, as well as certain other acquisitions that we undertake going forward. However, as we said, these two specific hospitals will be in line within 15–18 months after achieving break-even. At the group level, even with the continuing EBITDA drag from all the upcoming new hospitals, we would still be closer to a 24% EBITDA margin.

Management: If you look at the performance we delivered in Mathura and Agra, when we acquired Agra and started its operations with an EBITDA percentage of 11% {? 12% ?}, we are now already reaching approximately 24–25%. This demonstrates the performance and the turnaround achieved by our group.

Ashish T – UTI: Obviously, we are adding new assets and planning to double the bed count to 5,000. In the overall scheme of things, as we move ahead over the next 3–5 years, I had a specific question regarding the panel recommending limiting hospital room charges to {? 3-star hotel ?}. Would you be concerned about such recommendations? If not, what is your view on this? Some color would be very helpful.

Management: We recently received this news. There are some recommendations regarding a ceiling on room rent. As of now, we have no comment. However, in high-end healthcare, there are various reasons and factors that determine pricing. How this entire ecosystem is managed is very important. As of now, we do not want to comment on it. As the industry evolves and we receive a framework, it would be appropriate for us to comment on it.

This is also not the first time that a certain recommendation has been discussed. There have been multiple instances in the past where the Centre or certain sections have said that room rents and the rates of private hospitals should be examined. So far, we have always seen that the government has supported the growth of private hospitals.

In fact, for the first time after many years, CGHS rates were also revised. We have seen that in the past, the government has supported the private sector as well. I remember instances when stent rates were capped for certain cardiac procedures, certain implants were capped for certain orthopedic procedures, and certain medicines were also capped.

This is not something that, in terms of the future, would cause a significant impact or give us cause for concern. If certain cost optimization can be achieved, hospitals will do it. They have continued to do so and have obviously done so in the past. However, going forward, we will get more clarity on this.

Again, this is only a proposal, and I think there is a long way to go before any part of it is implemented as a process.

Ashish T – UTI: Perfect. This is very helpful. Thank you so much.

Operator: Thank you. The next question comes from the line of Satyam Kumar from AAA Holdings. Please go ahead.

Satyam Kumar – AAA Holdings: Thank you for the opportunity. I have a couple of questions. First, as I see it, the average length of stay of patients has fallen below 4 days. I think this is the first time it has been below 4 days. Could you help me understand whether this is going to remain consistently

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below 4 days, or how we should look at it? Is it a one-off?

Management: It reflects our overall strategy as the new hospitals ramp up. The ALOS in those new hospitals is lower than the group ALOS we used to have earlier, primarily because there is a very low percentage of government patients in these new hospitals.

Government patients traditionally tend to have a higher ALOS because they come for critical care and for many medical management procedures. As the new hospitals ramp up, this is also reflected in the higher ARPOB of the group and of the new hospitals. It is a reflection of that, and going forward, the ALOS should remain closer to the number we recorded this quarter.

To add to that, the way we are moving toward the consumer mix in the new hospitals is also demonstrated by the reduction in overall ALOS to less than 4 days.

Satyam Kumar – AAA Holdings: Understood. Apart from this, how do you see competitive intensity concerning your Delhi Model Town hospital? As I understand it, 150, or I think 50, new census-based beds have been added to the Model Town hospital. Overall, how do you view the competitive intensity, and how do you see your ability to increase procedure rates or add new procedures to that hospital, since it is in a densely populated area of northwest Delhi?

Management: In Delhi, in the area where we operate, there are two major players within a radius of 10 kilometers. However, I will tell you that the Delhi population generally moves within a 2–3-kilometer radius. The area where we are located is very densely populated and has a very affluent population.

It is a significant opportunity for us to establish a complete tertiary and quaternary care facility. Very soon, we are going to have the entire spectrum of oncology treatment as well as a transplant program. The team is also working on onboarding a few eminent doctors in various specialties.

I believe we are very confident about the way Delhi is developing. As you stated, within 15–16 months, Delhi is expected to achieve operational break-even. The strategy for Delhi is to take it to an entirely different level by establishing a complete quaternary care center in that region.

Satyam Kumar – AAA Holdings: I have a couple of bookkeeping questions. Can you share the payer mix for this quarter?

Management: The government payer mix is close to 40% for the overall company this quarter. In the newer hospitals, as I said, it is close to no more than 10% of the business.

Satyam Kumar – AAA Holdings: Has the government mix increased? Last quarter, what I remember is that insurance and cash were 32% each, which meant that government was 36%, and now you have said 40%. Has the government mix increased?

Management: The volume has not increased. The impact is 1–2% from the recent price revision in CGHS rates carried out by the government. Because of that, there would be an increase of approximately 2% in the overall revenue from the government business. However, the volumes are consistently decreasing quarter-on-quarter for us.

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Satyam Kumar – AAA Holdings: So that is why ALOS has decreased. Understood. One last question, if I may. I wanted to understand why PAT margins have been severely impacted. Is there any one-off item or anything you would like to highlight regarding how we should look at PAT margins going forward, since there has been a severe dip?

I understand that we are in a ramp-up phase, but no new hospital was operationalized this quarter, while census beds were added. How should one look at PAT margins going forward? Thank you.

Management: We are adding a large hospital. This year, we have plans to add a Gurugram hospital. There is pressure from interest costs, and this is the only factor impacting PAT margins. There is no other impact. Based on the guidance we are giving for EBITDA, we are achieving approximately 24–25% EBITDA margins.

We have incurred significant capex over the last few months for the acquisition of Gurugram, and construction is ongoing. We have also recently {? got ?} oncology machines for both Faridabad and Model Town. A significant amount of capex has been incurred this quarter, and bank debt has also increased somewhat since FY26.

That is why interest costs are higher. Going forward, this will stabilize, including depreciation, which was also quite high in quarter one.

Satyam Kumar – AAA Holdings: Should we expect further pressure on margins, or is this the range we should expect at least in the near term?

Management: The pressure should decrease from here going forward because such high capex is not being planned for any of the coming quarters in the near term.

Satyam Kumar – AAA Holdings: Got it. Very clear. Thank you.

Operator: Thank you. The next question comes from the line of Disha Parekh from Sunidhi Securities and Finance Limited. Please go ahead.

Disha Parekh – Sunidhi Securities and Finance Limited: Hello. Am I audible? Hello?

Operator: Yes, please go ahead.

Disha Parekh – Sunidhi Securities and Finance Limited: I had two questions. Could you help us understand when the recently acquired units are expected to become margin-accretive and start contributing positively to overall profitability?

Management: We already mentioned that, as far as operational break-even is concerned, Faridabad Sector 20 achieved it this quarter, and Model Town hospital is on track to achieve it somewhere between Q3 and Q4 of H2.

We have also said that, 15–18 months after break-even, we expect the hospital to reach EBITDA margins of approximately 15–20%. The EBITDA drag from these hospitals will reduce from here onward, and margins should expand further because Gurugram hospital will technically not be operational for the remainder of this financial year. That is why we believe the pressure on margins will reduce from here onward.

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Disha Parekh – Sunidhi Securities and Finance Limited: Separately, we have noticed that the occupancy rate at the New Delhi unit remained on the lower side. Could you share the underlying reasons? Was it driven by a specific demand-generation challenge or any other operational factors?

Management: This is a repeat of the earlier question. As we mentioned, the occupancy at Model Town is calculated on the number of census beds, and those census beds increased this quarter. Technically, occupancy has also increased; it has not decreased.

Second, the hospital is progressing broadly in line with our guidance. We are very happy with the progress, the payer mix, and the high ARPOB. Faridabad Sector 20 has outperformed and surpassed our expectations, but Model Town will also remain in line in the coming quarter as far as break-even is concerned.

Disha Parekh – Sunidhi Securities and Finance Limited: Okay, thank you so much. That will be all from my side.

Operator: Thank you. The next question comes from the line of Vidhi Shah from CRK. Please go ahead. Vidhi, can you hear me? As there is no response, we will move on to the next question.

The next question comes from the line of Vedant Kabra from AVN Capital. Please go ahead.

Vedant Kabra – AVN Capital: Good. Congratulations on a wonderful set of numbers. I had one question regarding margins. You have provided the break-even position for each hospital, but I wanted to understand the group-level picture. Given that Model Town is guided to break even in H2 and the other new hospitals are still ramping up, at what point do you expect consolidated EBITDA margins to converge back to the 28% mark? Is that an FY28 exit story?

Management: There has never been guidance from us that consolidated full-year EBITDA margins would be 28%, because, as we mentioned earlier, we continue to add new hospitals. Once New Delhi and Faridabad Sector 20 are contributing significantly to EBITDA margins, Gurugram will still be going live, and a few more acquisitions will take place in the coming years.

We have always mentioned that we target EBITDA margins of 20% to upwards of 24% this year. Going forward, an increase of a few percentage points is expected over the next few years, but we are not targeting a 28% EBITDA margin anytime soon, even at the consolidated group level.

Vedant Kabra – AVN Capital: If you could quantify the possible operating leverage, for example, for a hospital such as Faridabad Sector 20 that has just reached break-even, as it moves from its current occupancy to a mature occupancy of, say, 70%, approximately what incremental EBITDA margins would those additional patients carry?

Management: We will add incremental EBITDA. If we consider the occupancy at which the hospital is currently operating, then at 70% occupancy, incremental EBITDA would be around {? 22–23% ?} EBITDA.

Vedant Kabra – AVN Capital: Okay, understood. Regarding capex, now that we want to reach 5,000 beds, what new geographies are we considering, and do those geographies also have higher

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ARPOB, like the Gurugram branch?

Management: That is broadly the strategy ahead. We will look for metropolitan and large cities where there is potential to reach an ARPOB of around Rs.{? 50,000 ?}. We are identifying assets, and we believe there is still room within the NCR market and within the cluster where we operate to add more beds.

We are also looking to identify new clusters, or new metropolitan and large cities. UP has been developing very well in that regard. The capital cities of Rajasthan and Haryana also have significant potential. These are the upcoming areas where we could expand.

Vedant Kabra – AVN Capital: Okay, understood. That is all from my side. Congratulations once again, and all the best.

Operator: Thank you. The next question comes from the line of Anuj Kashyap from AC Capital. Please go ahead.

Anuj Kashyap – AC Capital: Hello. Good morning, team. Am I audible?

Management: Yes, please go ahead.

Anuj Kashyap – AC Capital: I want to know about attrition among the doctors and ancillary staff. Do we maintain records for this?

Management: We have an attrition rate of nearly 7% overall at the group level. At the senior level, the attrition among senior doctors is even lower than this because, although there is some movement of doctors, particularly within the NCR, the total number of doctors moving within an individual hospital unit is very low.

Attrition among senior doctors is not even 3–4%, while attrition at the overall doctor level is 7%. This has come down significantly for us over the course of a few years because we are now conducting DNB courses. A junior doctor tends to stay in the hospital for 3 years as part of the degree.

Earlier, we did not have these programs, so we had many JRs and SRs who moved frequently. Today, these programs have helped us reduce overall doctor attrition to close to 7%.

Anuj Kashyap – AC Capital: That is good for us. I was asking because we have introduced an ESOP option for our senior teams and doctors. What is the right way to keep the team intact? How does Yatharth, as an institution, reward its doctors? What is the best way of rewarding them? Is it primarily monetary compensation, ESOPs, or something else? What works for us?

Management: ESOPs are definitely something we recently started, and they do help because a lot of star talent in the clinical and non-clinical areas is already covered by ESOPs in other organizations. In today's environment, ESOPs have become a necessity rather than merely something desirable, both to attract and retain top talent.

It is also not always about monetary compensation and ESOPs. What helps us retain star clinical doctors is giving them complete freedom to govern their departments and practice in the way they

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want. There are no typical P&L pressures on certain doctors, which is quite different from the approach followed by other organizations in the regions where we operate.

That helps us, and we always present ourselves to doctors as a very doctor-friendly organization. The changes we have made mean a great deal to doctors and clinicians of that level, as well as to the respect they deserve. This philosophy also helps us retain them for a long time.

Anuj Kashyap – AC Capital: Thank you, sir. That was a very detailed answer. Best of luck for the future. Thank you.

Operator: Thank you. The next question comes from the line of Akshay Shinde from Centrum Broking. Please go ahead.

Akshay Shinde – Centrum Broking: Thank you for the opportunity, and congratulations on a strong Q1. My first question pertains to the newer hospitals. The newer hospitals are currently operating at an ARPOB of around Rs.40,000–50,000. With the increasing focus on international patient flows and the addition of advanced technologies such as LINAC, how do you see ARPOB evolving over the next 2–3 years?

Operator: Sorry to interrupt, ma'am. As your voice is not clear, may I request you to please use a handset?

Akshay Shinde – Centrum Broking: One second. Am I audible? Is it clear?

Operator: Yes. Yes, please go ahead.

Akshay Shinde – Centrum Broking: Regarding the newer hospitals, ARPOB is now around Rs.40,000–50,000. With initiatives such as focusing on international patient flows and adding advanced technologies such as LINAC, how do you see ARPOB evolving over the next 2–3 years?

Management: We have maintained that ARPOB will continue to grow by approximately 8–10% year-on-year in the coming years. We are on track for that, and the same growth is also expected for this fiscal year.

Akshay Shinde – Centrum Broking: Additionally, what EBITDA margin levels do you expect these hospitals to achieve by FY28–29? Most of them are currently at EBITDA break-even.

Management: Within 2 years from today, the new hospitals should achieve EBITDA margins upwards of 25%, somewhere around 26–27%, similar to our existing mature units. We are quite confident of achieving this based on the performance we have already seen in recent quarters at these newer hospitals.

Agra is already close to a 22–23% EBITDA margin, so it will reach that level much earlier than the 2-year period I just mentioned.

Akshay Shinde – Centrum Broking: Can we consider this strong growth from the newer hospitals as a new base and expect it to continue going forward?

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Management: Yes. There is still significant room to grow because substantial occupancy ramp-up remains. These are good-capacity hospitals, and each year we are going to add at least one new hospital. Gurugram will become operational very soon.

We want to continue this momentum and continue delivering on the key performance indicators of higher ARPOB and a low government mix for all these new hospitals.

Akshay Shinde – Centrum Broking: Understood. Lastly, would you like to provide any revenue growth guidance for FY28–29?

Management: This year will definitely be above last year's revenue growth, and that growth should also be sustainable in the coming years.

Akshay Shinde – Centrum Broking: Understood. Thank you very much. That is all from me, and all the best.

Operator: Thank you. The next question comes from the line of Perna Amarnath from Equanimity Research Program. Please go ahead.

Perna Amarnath – Equanimity Research Program: Hello. Am I audible?

Operator: Yes, please go ahead.

Perna Amarnath – Equanimity Research Program: Hi, sir. Congratulations on a great set of numbers. In last quarter's PPT, you gave a target of reaching 5,000 beds in the next 3 years, by FY29. Can you confirm this, or are you going to increase the timeline to operationalize these beds? Will it be 5 years or 3 years, by FY29?

Management: It should be even less than 3 years. We mentioned approximately 3 years last time. As we also mentioned, we will surpass that target much earlier because 3,200 beds of capacity are already visible and have been announced.

The remaining capacity should be added much faster. In the past, we have consistently achieved our planned capacity expansion in less time. Therefore, it could definitely be less than 3 years. Probably around 2.5 years would be the right estimate.

Perna Amarnath – Equanimity Research Program: That is impressive. Are we going to see any more acquisitions this year?

Management: We are in discussions regarding certain assets. We are in talks for certain good and premium assets with strong and high ARPOB potential. We have always maintained that it is not only the geographies in which we want to operate that matter. Typically, in the cities where we operate, we also tend to have the largest capacities in those cities.

When we entered Agra, we acquired the best infrastructure in that city. The same applies to the Jhansi–Orchha hospital. Outside NCR, all our acquisitions have followed this playbook.

We are currently in discussions regarding capital cities in nearby states. We have always said that we try to add at least one new hospital each year. On that basis, this financial year should see the

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addition of one new asset.

Prerna Amarnath – Equanimity Research Program: Okay, sir. Thank you so much.

Operator: Thank you. The next question comes from the line of Virat Punisuria from Skyridge Wealth Management. Please go ahead.

Virat Punisuria – Skyridge Wealth Management: Hello. Am I audible?

Management: Yes, please go ahead.

Virat Punisuria – Skyridge Wealth Management: Over the last 3 years, your capex per bed has increased from Rs.30.7 lakhs to, I believe, Rs.61.4 lakhs. I want to understand the reason behind this, and what we should project capex per bed to be for the next 1,800 beds that we will add.

Management: For the 1,800 beds that we are going to add, capex per bed should be around Rs.75–80 lakhs. This includes greenfield, brownfield, and acquisition costs. It also includes certain lease-based, asset-light models that we are discussing.

In the past, capex per bed was much lower because some of these hospitals were not fully equipped with high-end oncology machines or all the necessary equipment. They started on a smaller scale, so the hospitals gradually ramped up their capex.

The land for the Noida cluster hospitals that we purchased was acquired many years ago, when prices were much lower. Land prices in the cities where we operate have increased substantially. If we were to buy and construct the same hospital today that we built in the Noida cluster approximately 7–8 years ago, it would cost us a similar amount of Rs.75–80 lakhs per bed.

Gurugram is being constructed at almost Rs.1 crore of capex per bed for us. This is the reason for the increase. In addition, the equipment and the higher standards and larger size of the hospital that the brand requires today are also reasons for the higher capex per bed.

Virat Punisuria – Skyridge Wealth Management: What would be the mix of equity and debt going forward for the remaining capex that we have over the next 3 years?

Operator: Sorry to interrupt, sir. May I request you to please rejoin the queue for any follow-up questions? Thank you.

Management: Before giving the answer, I would like to address that point. If you look at our books, we had debt of nearly Rs.210 crores in March, which has now increased to approximately Rs.300 crores. This increase is because we partly funded the acquisition through debt, with around Rs.80 crores funded through debt.

We paid the remaining amount through internal accruals. Those internal accruals were utilized for that funding, and going forward, we believe that we will use internal accruals toward acquisitions and toward maintenance as well as growth capex, wherever required in our existing hospitals.

As far as we are concerned, we are quite comfortable with our debt. We still have significant room to take on additional debt. At the group level, we are comfortable with debt of approximately 2

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times trailing 12-month EBITDA, even in the period ahead.

We have sufficient internal accruals, cash, and debt to easily fund the capex for the remaining 1,800 beds.

Virat Punisuria – Skyridge Wealth Management: Thank you.

Operator: Thank you. Ladies and gentlemen, you are requested to restrict your questions to one question per participant. I repeat, you are requested to restrict your questions to one question per participant. We have the next question from the line of Bhagwat from Prosperity Wealth Management. Please go ahead.

Bhagwat – Prosperity Wealth Management: Thank you for the opportunity. Considering the addition of assets from the recent acquisitions, what should be the expected depreciation for the current year? Should we expect the Q1 number to continue for the year?

Management: Depreciation remains around Rs.29–30 crores. The same trend will continue. When we added the Orchha asset, there was a marginal increase in depreciation at the group consolidated level. The trend we are projecting right now is around Rs.29 crores per quarter.

Bhagwat – Prosperity Wealth Management: Should we expect that to continue for the next 3 quarters of this year?

Management: Yes, for the next 3 quarters, because we are not going to add Gurugram in this financial year. It will be more or less close to March or the first quarter of FY28.

Bhagwat – Prosperity Wealth Management: Okay. You said that you have around 1,200-plus beds, so this is the expected depreciation, right?

Management: Which point? Can you repeat the question?

Bhagwat – Prosperity Wealth Management: I mean the balance. We have around Rs.1,200 crores of fixed assets considering the recent acquisition. Considering that fixed asset balance, is the estimated depreciation around Rs.29–30 crores per quarter?

Management: Yes, Rs.29–30 crores per quarter, including all the new acquisitions.

Bhagwat – Prosperity Wealth Management: Okay. And will interest costs continue at a level similar to Q1 for the year?

Management: We reported interest costs of around Rs.5 crores in the previous quarter. This quarter, we reported approximately Rs.6.6 crores. The same level will continue, as we are not going to take any further fresh loans.

Bhagwat – Prosperity Wealth Management: Okay. Thank you.

Operator: Thank you. We will take the last question from the line of Vicky Wagnani from Guardian Capital. Please go ahead.

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Vicky Wagnani – Guardian Capital: Hello, sir. Congratulations on a great set of numbers. I had two questions. First, could you please share the progress on the brownfield expansion in Noida and the expansion in Greater Noida, along with the timelines?

Management: The Greater Noida construction is progressing well. The architectural drawings and maps have all been approved. As you can understand, the monsoon season is currently underway in Delhi NCR, so construction has been slightly delayed due to the rain. As soon as the season ends, construction will resume fully.

The same applies to the Noida expansion. We are evaluating all the final drawings and the structural layout. As mentioned earlier in the call, we expect capacity from the brownfield expansion to start becoming operational in approximately 15–18 months.

Vicky Wagnani – Guardian Capital: My second question is regarding other expenses as a percentage of sales, which have increased. Is there any one-off item? Gross margin costs have declined, but other expenses have increased. Is there any one-off item or change in accounting practice?

Management: You are asking about Q1, correct? Doctor costs have increased by 2%. That is the only change. There has been only a 2% quarter-on-quarter change, and that is solely because of doctor costs. It is a component of other expenses. These are absolute charges that we pay, including fixed charges and revenue sharing with doctors.

Operator: Thank you. We will take that as the last question, and I would now like to hand the conference over to the management for closing comments. Thank you, and over to you.

Management: Thank you, everyone, for your questions and for attending the earnings call of Yatharth Hospital. Thank you.

Operator: Thank you. On behalf of Systematix Institutional Equities and Yatharth Hospital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.