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Subject: Analyst/ Earnings Call – Transcript

Pursuant to Regulation 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the analyst/ earnings conference call held on October 31, 2025.

The said transcript is also available on the website of the Company at: <https://dragarwals.co.in/dr-agarwals-health-care/#analyst-earnings-call>.

Yours Truly,

For **Dr. Agarwal's Health Care Limited**

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“Dr. Agarwal's Health Care Limited
Q2 & H1 FY26 Earnings Conference Call”

October 31, 2025



**MANAGEMENT: DR. ADIL AGARWAL – CHIEF EXECUTIVE OFFICER–
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Moderator: Ladies and gentlemen, good day and welcome to Q2 and H1 FY26 Earnings Conference Call hosted by Dr. Agarwal's Health Care Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Aashna Dharia, Head, Investor Relations from Dr. Agarwal's Health Care. Thank you and over to you, Ms. Aashna Dharia.

Aashna Dharia: Thank you, Saisha. A very good morning, ladies and gentlemen. Welcome to Dr. Agarwal's Health Care Q2 and H1 FY26 Earnings Call. From the management side, we have Dr. Adil Agarwal, Chief Executive Officer; Mr. Rahul Agarwal, Chief Operating Officer; Mr. Yashwanth Venkat, Chief Financial Officer.

We've also released the financial results, press release and investor presentation, all of which are available on our website and the exchanges as well. Before we continue, we want to remind everyone that this call is being recorded, and the transcript will be made available on our website afterwards.

Additionally, please be aware today's discussion may include certain forward-looking statements, which should be considered in the light of the risks our business faces. Please refer to the detailed statement on Page 2 of the investor presentation. It is now my pleasure to hand over the call to Dr. Adil Agarwal, our Chief Executive Officer, who will share his opening remarks and insights. Dr. Adil, over to you.

Adil Agarwal: Thank you, Aashna. A very good morning to all of you, and a warm welcome to the Q2 and H1 FY '26 earnings call of Dr. Agarwal's Health Care Limited. Let me begin by providing you all an update of the Q2 and half yearly performance. In line with Q1 trends, the company maintained a steady momentum in H1 FY '26, surpassing the INR1,000 crores total income mark for the first time.

PAT stood at an all-time high of INR75 crores for the first half, up by 88.4% year-on-year. For the first half of FY '26, the company reported a total income of INR1,007 crores, up 20.2% year-on-year, while revenue from operations rose 20.2% to INR986 crores. H1 delivered a robust IndAS EBITDA of INR285 crores, reflecting a 24.9% year-on-year growth, with margins improving by 100 basis points to 28.3%.

PAT grew 88.4% year-on-year to INR75 crores, with PAT margins expanding by 270 basis points to 7.2%. For the second quarter of FY '26, the company reported a total income of INR507 crores, up 18.2% year-on-year, while revenue from operations rose 19.7% to INR499 crores.

H1 delivered a robust IndAS EBITDA of -- sorry, Q2 delivered a robust IndAS EBITDA of INR144 crores, reflecting a 21.2% year-on-year growth, with margins improving by 70 basis

points to 28.4% for Q2. PAT grew 71% year-on-year to INR36 crores, while PAT margins expanded by 220 basis points to 7.2% for Q2.

Next, I would like to share our footprint and network growth update. Now during the first half of FY '26, we served over 14.3 lakh patients and performed nearly 157,000 surgeries through our network of over 258 facilities, which comprises 29 hubs and 229 spokes. In India now, we have a total network of 239 facilities across 14 states and 5 union territories covering 141 cities.

Our presence is well diversified now, with 31% of our facilities in Tier 1 cities, 62% in other cities and 7% located internationally. We expanded our footprint by commissioning 24 new Greenfield facilities, further strengthening our reach and capacity. Now in addition to the 13 centers which were commissioned in the quarter 1, the company added 11 new facilities in quarter 2.

These included 6 secondary centers at Sivakasi and Thudiyalur in Tamil Nadu, Bhopal in Madhya Pradesh, Aurangabad in Maharashtra, Palakkad in Kerala and Hassan in Karnataka, along with 5 primary centers, 2 in Belgaum, 1 each in Gadag, Haveri and Jharsuguda. Continuing from our previous update on our Delhi market entry, operations have begun on a strong note with encouraging traction in patient volumes and revenues scaling up month-on-month.

The response reinforces our confidence in the region's potential and validates the strength of our operational and clinical proposition. Building on this momentum, we plan to significantly expand our presence rapidly in the Delhi-NCR market over the next 12 months. Our focus on clinical excellence and deployment of advanced technology remains unwavering.

This commitment is reflected in the growing share of specialized surgical procedures across our network. To further add, in H1 FY '26, high-end cataract surgeries accounted for 25.8% of total cataract procedures. 29,697 surgeries were done in total, an increase of 41.7% in the same period over last year.

Robotic cataract surgeries, what we call as Femto Cataract, grew by a robust 69% year-on-year, rising from 1,548 to 2,616 procedures. As shared in our previous earnings call, new robotic cataract systems have now been recently installed at our Velachery facility in Chennai and our Delhi facility, which now performs close to 60 such surgeries per month on average.

Lenticular Procedures, what we call as SMILE surgeries, increased 11.5% year-on-year from 2,393 to 2,668 surgeries, while retinal surgeries totalled 6,205 in H1, up by 23% from last year. Corneal transplants also rose to 578 procedures during the same period. We will continue to invest in cutting-edge equipment to enhance diagnostic precision and surgical outcomes.

Recent upgrade includes a new VisuMax 500 at our centers in Aundh in Pune and Cochin in Kerala. Our Phaco Cataract system at Madeenaguda in Hyderabad and LUMERA 300 operating microscope at our new center, which we have launched in Sambhajinagar in Maharashtra. On the research and capability building front, our clinicians have contributed to over 320

publications in leading international medical journals over the past three decades, underscoring our commitment to advancing ophthalmic science.

In Q2 FY '26, we closed four clinical research studies and have currently 16 ongoing studies. During the quarter, nearly 80 doctors underwent advanced training across multiple specialties as part of our continuous L&D initiative. Now moving on to some business updates. Let me first begin with region-wise performance.

Our Southern region continues to be our largest market, contributing to 64% of our total group revenues. This region delivered INR635 crores of revenue, representing a strong year-on-year growth of 22.2%. We have 165 facilities across our southern states, and this includes 16 new additions in this half of the year.

Four new facilities were added in Tamil Nadu, 7 new facilities were added in Karnataka and two each in Andhra Pradesh and Kerala and 1 in Telangana. Tamil Nadu witnessed a slightly lower growth this quarter on account of significant rains due to the southwest monsoon. However, the states of Telangana, Karnataka and Andhra Pradesh witnessed strong growth. We remain focused on sustaining our market leadership in Tamil Nadu and Telangana, while further increasing adoption of the latest technology.

In Karnataka and Andhra Pradesh, we are strengthening our presence in both these markets by expanding significantly into high-potential underserved markets through strategic facility openings. Now coming to the West region. This region contributes to about 15.2% of the overall group revenues and delivered INR150 crores of revenue, up by 16.6% year-on-year despite some impact from the festive season and heavy rainfall during the quarter.

We currently have 43 facilities, including three new facilities opened in the first half. Patient volumes grew by 20% to over 2.21 lakhs, while surgeries performed increased by 14.7% to 24,205 procedures. Maharashtra, as we have mentioned before, continues to be a key region for us as we aim to deepen our presence in the underserved regions of the state while further expanding in micro markets of metro cities such as Mumbai and Pune.

In Gujarat, we remain optimistic given the strong performance of our new centers in Surat. We plan to further strengthen our footprint in the state by adding more facilities and accelerating adoption of advanced technologies. North region contributes to 7.3% of our group revenues, and this region reported INR72 crores of revenue this quarter, up by 14.2% year-on-year.

We currently operate 22 facilities in the region. And based on the strong performance of our Delhi main hospital, we plan to further expand our presence across North India with additional facilities in Delhi-NCR, Punjab and Uttar Pradesh. Overall, our regions delivered positive growth, with the South leading both in scale and year-on-year momentum, while the North, West and East continue to build scale.

Now, moving on to same-store sales growth. Our mature centers are those that have been open for more than 3 years. As of September 2025, we operate 123 mature facilities. Revenue from

these mature facilities increased by 13.4%, reaching INR734 crores in the first half of FY '26, contributing to 75% of total group revenues. Revenue from our mature facilities in India has grown by 19%, touching INR618 crores.

Now, moving on to our vintage performance in H1 FY '26. Facilities operational prior to FY '22 contributed to INR685 crores, registering a year-on-year growth of 13.9%, underpinning our strong same-store sales growth performance. Facilities opened in FY '23 generated INR121 crores, growing at 13.7%, while those launched in FY '24 delivered INR79 crores in revenue, achieving a strong growth of 18.3%.

Moving on to our next business update, our planned facility openings domestically for each quarter of the current year. Over the next 2 quarters of this financial year, we're targeting to launch another 30 facilities, which will comprise 17 in the South, 6 in the West, 4 in the North and 4 in the East. Every quarter, we share a glimpse of our newly launched facilities to illustrate the quality and the patient-centric design of our network.

Today, I would like to highlight performance of one of our recently relocated facilities in Whitefield in Bangalore. The Whitefield facility was relocated in August 2024 within a kilometer of its earlier site and has been upgraded from a secondary to a tertiary center, driving a marked improved performance in growth and business contribution.

Before relocation, the facility operated with 5,700 square feet on two floors, but now the new facility for the last 12 months has recorded an average of 2,700 OPD visits, 212 surgeries on average and INR2.1 crores in revenue per month, recording a growth of more than 20% since we have relocated to this new 20,000 square feet facility spread across three different floors.

Key drivers post-relocation included diversified revenue streams, a larger and more specialized doctor team, enhanced infrastructure and improved brand visibility through digital marketing. Overall, the relocation established a strong foundation for sustained accelerated growth and strategic expansion.

To conclude, I would like to highlight that our continued emphasis on operational efficiencies and disciplined execution has enabled us to close the first half on a strong note despite the impact of festivities and unexpected rainfalls across parts of India. Now, I would like to hand over to our CFO, Mr. Yashwanth Venkat, who will take a deeper dive into our financial performance.

Yashwanth Venkat:

Thank you, Dr. Adil. I'll begin with the operational update. Surgical services continue to be the main revenue driver, contributing 65.6% to the group revenue. Diagnosis, consultations and other non-surgical treatments contributed 13.6%, and the sale of optical products and pharmacy items accounted for 20.8%.

For H1 FY '26, we performed 137,244 surgeries, marking a 14.6% year-on-year growth. Cataract surgeries remain the largest contributor, accounting for approximately 17.4% of total surgeries, followed by refractive surgeries at around 4.7%. Volumes for cataract and refractive surgeries grew 14.2% year-on-year, while other surgeries on a blended basis recorded a growth of 21.4%.

Our payer mix for H1 FY '26 stood at 61.9% from cash, 29.6% from insurance and TPA, and 8.5% from government schemes. The domestic payer mix for the half year stood at 72.3% from cash, 22.2% from insurance and TPA, and 5.5% from government schemes. Moving on to the financial section. I will start with the revenue split.

The group's revenue from operations grew by 20.8% year-on-year, reaching INR498.69 crores in Q2 FY '26 compared to INR416.57 crores in Q2 FY '25. Revenue from operations in India stood at INR445 crores, reflecting a growth of 19.8%, despite unseasonal rains in our core market and greater impact on the business due to festivals.

This growth was supported by a mix of volume growth of 8%, value growth of 4.8% and balance contribution coming from the new centers opened in FY '25 and FY '26. Revenue from operations from our Africa business grew by 17.4% year-on-year in H1 FY '26, but their contribution to overall revenue declined from 10.4% in H1 FY '25 to around 10%. Doctor and employee costs cumulatively have remained broadly in line with the previous year.

We reported an EBITDA margin improvement of nearly 1.4%, attributable mainly to cost efficiencies. A total of INR195 crores in loans have been repaid from IPO proceeds, INR128 crores in Q4 FY '25 and the balance in H1 FY '26, leading to lower finance costs and higher profitability versus the same quarter last year.

From 72.2% in H1 FY '25, the share of profit after tax attributable to owners has expanded to 80.1% in H1 FY '26, signalling improved profitability in the holding company. AHCL at a standalone basis has delivered a positive PAT of INR14.8 crores in H1 FY '26 as compared to a loss of INR12.2 crores in H1 FY '25. Thank you all. We will open the floor to questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Binay from Morgan Stanley. Please go ahead.

Binay: Congrats on a steady quarter. The first question is just on your annual guidance. We know second half tends to be stronger for the business, both on the revenue side as well as on the margin side. In H1, you are already doing 20%. So, fair to assume that if things play out well, you actually could exceed your guidance this year?

Yashwanth Venkat: Binay, Yashwanth here. We would be more or less in line with whatever we had guided towards at the start of the year, Binay.

Binay: And secondly, when we look at revenue per surgery, that has moved up quite sharply this quarter. It's almost up 9% Y-o-Y, whereas we know that the share of refractive is down, cataract is up. Is this more because it's more complex cataracts you are doing? Could you share a little bit about that?

Adil Agarwal: Yes. I'm just going to request our COO, Rahul to just take that.

- Rahul Agarwal:** Binay, you are right. Cataract has been a big driver. Our cataract YTD has gone up to around 40.5 K which is driven actually largely by what Adil mentioned, Femto Cataract and high-end surgeries -- high-end cataract surgeries. They have driven us fairly strongly this quarter. It's actually something that we've seen on a quarter-on-quarter basis in the last few quarters where both Femto Cataract, where we've invested a lot, as well as high-end surgeries have continuously kept growing as the economy also keeps growing.
- Binay:** Right. Because I remember last year, this number used to be around 38,000. So, we've seen quite a nice jump in the cataract mix?
- Rahul Agarwal:** You are right.
- Binay:** Lastly, just team on the subsidiary financials, therein also we saw a good margin expansion. Could you talk a little bit about what played out over there, why the revenue growth decelerated for the reasons we talked about and margin rose quite sharply?
- Adil Agarwal:** Yes. I'll just request our CFO to just take that.
- Yashwanth Venkat:** Yes. A couple of things, which we have concentrated on over the last 6 months is in terms of cost efficiencies, Binay. So if you look at the profit and loss statement of our subsidiary, the one major increase which you can see is on the gross margins. For the same quarter of last year, we had gross margins of about 77.1%. The gross margins have moved to close to about 79%, one. The second point is on the doctor and employee costs. So on an overall basis, we have ensured that the doctor and employee costs are more or less in line with revenue growth in few of the facilities. And in few of the newer facilities, they are slightly lower than the revenue growth. So, we have got some cost efficiencies from that as well.
- And in spite of investments in newer technologies and also opening up a couple of new facilities, D&A has not moved up significantly. D&A has also remained at about 9% to 9.5%. So as a combination of all of this, the PBT margins have moved from about 18.3% to about 21.7%, Binay.
- Binay:** Great. Thanks team. I will come back in the queue.
- Moderator:** Thank you very much. The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.
- Tushar Manudhane:** Sir, particularly for the surgery growth in North is still in like sort of mid single-digit. So if you could just elaborate in terms of effort to sort of scale this growth?
- Adil Agarwal:** Sure. Rahul?
- Rahul Agarwal:** Yes. So you're right. Actually, for North, we've had generally a tough H1. All those issues with regards to operations improved starting in Q1 to the festivities being early this Q2 quarter, and

then we also had the rains, very heavy rains. So, these 3 impacted us overall from a North perspective.

North typically seasonally is better in the second half of the year. So, we should see improvements coming in North in the second half of the year. However, from an overall expansion perspective as well, there's a lot of focus, which is there in Delhi right now. You will see a lot of more facilities opening in the second half of the year in Delhi.

That's something which is already underway. And slowly, we'll also get deeper into UP. So, these two expansions will start panning out. And next year, you should start seeing a lot of impact coming in with these expansions happening.

Yashwanth Venkat: Point to note more, Tushar, even when you compare the North business vis-a-vis Q1. We had reported an overall revenue growth of about 13.4% in North in half year. But if you compare it with overall in H1, it has about close to 14.2% growth, which signifies a slight improvement as far as Q2 is concerned over Q1. This will definitely move up in Q3, with a very strong finish in Q4, Tushar.

Tushar Manudhane: Sure, sir. And if you could like qualitatively also help us understand how the performance has been for the Jalandhar unit -- acquired unit and, let's say, the expansion in and around that unit?

Adil Agarwal: Yes. So typically, like we had mentioned before, H1 is a slightly slower time for the Punjab region, and it significantly picks up in H2. So, you'll start to see significant performance coming through from the Jalandhar region in H2. To give you a detailed breakup, Rahul will just give you some of the numbers for our Thind facility.

Yashwanth Venkat: Before we get into the numbers, a couple of points I would like to add, Tushar. So, Jalandhar unit is supported by two other facilities, one in Pathankot and Hoshiarpur. The growth has been very robust even for H1. One softer aspect is Jalandhar also, we have undertaken a complete refurbishment of the old facility, which has slightly impacted the business for about close to 3 to 4 weeks. So, we believe that once this actually is completed, we'll have a strong H2, Tushar.

Rahul Agarwal: But from an overall H1 perspective, Tushar, we've had a reasonable performance at overall 18.5% growth for the entire Thind Eye Care entity.

Tushar Manudhane: Understood. And likewise, for the acquired Bombay unit, if you could just give some color over there?

Adil Agarwal: Which is the acquired Bombay unit? Overall, Maharashtra business has grown by 16%, Tushar for the region. Entire Maharashtra region has grown by 16% for H1. Are you specifically talking about any particular facility?

Tushar Manudhane: The Tardeo one, sir.



- Adil Agarwal:** The Tardeo one. We'll just give you the details on that. Just give us a second. Yes. So, we have grown close to 10% in our Tardeo facility, which is Infiniti Eye Hospital, which is located in South Bombay.
- Tushar Manudhane:** So like there also, there's a potential to grow at least mid-teens, right?
- Adil Agarwal:** Yes. So like I mentioned earlier, Bombay, again, will now start to pick up in Q3 and Q4. So, you'll start to see mid-teens growth in the Tardeo facilities coming into Q3 and Q4. Next time, we will give you an update in terms of how Q3 and Q4 have performed for the Tardeo facility.
- Tushar Manudhane:** That sounds great, sir. And just lastly, in terms of revenue per surgery growth factor, is it safe to assume like 5%, 6% sort of a growth consistently year-over-year given the change in surgery mix?
- Adil Agarwal:** Sorry, your question was around?
- Tushar Manudhane:** Sir, revenue per surgery growth?
- Adil Agarwal:** Okay. So, you have to look at it across different surgeries, right? So the biggest contributor obviously comes from cataract, where we continue to see a good amount of growth. We are seeing a good amount of increase in premiumization, and that has been around 4.5% to 5% for this quarter. We hope to continue with that kind of growth over the next few quarters.
- Tushar Manudhane:** Got it. Because -- I mean, it was almost like 20% overall revenue growth, out of which surgery growth has been 13.5% to 14%. So effectively pricing...
- Adil Agarwal:** In terms of volumes, yes.
- Tushar Manudhane:** Yes. In terms of volume. So 5%, 6% would have come due to better realization either on account of increase in prices?
- Adil Agarwal:** Absolutely correct. About 5%.
- Tushar Manudhane:** Understood. So going forward also, this premiumization should support at least 4% to 5% growth?
- Adil Agarwal:** Definitely, as we continue to add more high-end equipment and as you start to see an increase in throughput from some of the already existing added equipment across many of our regions, this premiumization will continue to be a big factor in our growth story going forward.
- Moderator:** The next question is from the line of Param Vora from Trinetra Asset Managers.
- Param Vora:** So, I wanted to ask you regarding your strategy when you enter into a Tier 2 or Tier 3 city because usually in those cities, local players dominate such segment. So, how do you convince the patients to shift?

- Adil Agarwal:** Is that the question?
- Param Vora:** Yes.
- Adil Agarwal:** So if you look at our current business, only about 31% of our facilities are located across metros and the remaining about 61% to 62% is located across Tier 2 and Tier 3 cities. Expanding into Tier 2, Tier 3 cities has always been a strategy that we have followed since we started expanding in Tamil Nadu. And now we have a diversified presence across many, many states.
- Two, three things which we do when we expand into Tier 2, Tier 3 cities is, one is we always try to work with local ophthalmologists. We hire locally, and some of these ophthalmologists are from that particular area and they have a very strong network base in their respective markets.
- Second thing is we bring best-in-class technology across all our Tier 2 and Tier 3 facilities that are available across our metro cities. That gives a lot of confidence to our patients, and we're able to deliver superior outcomes. And third, we have a very strong brand and marketing strategy where there is a lot of drive, which is there from our operations team, and that helps bring in walk-ins.
- And last but not the least, we have very strong doctors located across all our branches in these markets. And given the size and scale of our network, we're able to bring in that kind of clinical talent. And since you are able to deliver those kind of outcomes, we're able to see stupendous growth in these markets.
- Param Vora:** Okay. And the next question is can you share the unit economics differential between a Tier 1 - metro cities versus the Tier 2, Tier 3 facilities?
- Adil Agarwal:** Our Tier 2, Tier 3 facilities are pretty much -- in terms of unit economics are pretty much on par with our facilities in the metros. There's not too much of a difference.
- Moderator:** The next question is from the line of Viraj Shah from PGIM India Mutual Fund.
- Viraj Shah:** Just wanted to speak on the same-store sales. You mentioned 123 mature facilities grew at 13.4%, if I'm not -- if I heard it correctly.
- Adil Agarwal:** Correct.
- Viraj Shah:** So in Q1, there was a growth of 19.4%. So seems like in 2Q, it was significantly low. Any specific reason?
- Yashwanth Venkat:** Okay. See, Viraj, I just want to clarify first on the numbers. If you go to the slide on vintage performance for the Q1 up to FY '22, the revenue growth has been 15% and in FY '23, 13.7% and FY '24 23.3%. If you look at H1, up to FY '22 centers from 15%, it has come down to 13.9%. FY '23 remained the same at close to 13.7% and FY '24 at 18.3%. Now to answer your specific question on mature facilities, here, I will just take the example of FY '22 facilities.

See, some of our FY '22 facilities are located in our -- I mean, most of our facilities are located in our core markets. And in the month of August, we were hit by unseasonal rains for about a week to 10 days. So, there was a bit of a challenge as far as the month of August was concerned. So, that is the reason for a slight drop of about close to 1.5% to 2% in the quarter-on-quarter growth, Viraj.

Viraj Shah: Okay. So, can you give me the same-store sales growth for the second quarter for mature facilities higher than -- more than 3 years?

Rahul Agarwal: So, specifically for Q2, it will be closer to 12.5%. At a blended basis for H1, it's going up to around 13.5%.

Viraj Shah: Okay. Perfect. And the capex guidance remains the same at INR310 crores for the year?

Yashwanth Venkat: Yes, INR310 crores, plus INR70 crores for the flagship figures. It remains the same.

Moderator: The next question is from the line of Rachna Kukreja from Simpl PMS.

Rachna Kukreja: I have a few questions. Could you provide some color on the operating profit margin range for the smaller acquired clinics within our network? Like we understand Dr. Thind clinics operates at 40% EBITDA and our listed subsidiary at 30% to 35% EBITDA. How do the margins of other units or entities compare within this spectrum? And what factors drive the variation in margin profile? This is my first question?

Adil Agarwal: No, see, are you asking how are our facilities -- what is the margin profile of our facilities at our acquired facilities? Is that the question?

Rachna Kukreja: The smaller acquired entities. Apart from Dr. Thind, our listed subsidiary and core Agarwal Health business, apart from that?

Adil Agarwal: Okay. So, some of our acquired facilities in many of the markets, which we have done over the last few years, they operate at a similar range as what our group level margins are. So, roughly around the 28% to 30% Ind AS EBITDA margins is what they operate at. There's not too much of a difference between them versus what the overall group level is at.

Rachna Kukreja: Okay. My second question would be...

Adil Agarwal: Just to add, some of the advantage to some of these acquired facilities, given they're located in Tier 2, Tier 3 markets, the rental costs are slightly lower compared to some of the metro cities. So, we are able to actually get better operational efficiency in some of these centers.

Rachna Kukreja: Okay. Understood. My second question would be in Telangana, where we are among the largest hospital network, could you share on our growth trajectory and EBITDA margin range in that market? How does Telangana's performance compare with the similarly established markets like Punjab and Tamil Nadu in terms of both revenue growth and profitability?

- Adil Agarwal:** Yes. So, Telangana has seen significant growth in this H1. So, we have grown -- our top line has grown by about 42% compared to last year. And there has been an EBITDA growth of about 44% last year. So, this has come through a combination of both same-store sales growth and by addition of 4 new facilities for the Telangana region, which has continued to be a very strong region for us.
- Rachna Kukreja:** Okay. My last question would be, as new and emerging facilities mature over 1- to 3-year period, how do the operating margins typically evolve, especially in markets where we have entered via the Greenfield route? And what level of margin convergence is generally observed within the mature facilities?
- Yashwanth Venkat:** Sure. So in terms of margins for Greenfield facilities for secondary facilities, we can look at margins close to about 30% to 32% at a store level over a 5-year period.
- Rachna Kukreja:** Okay. So, how does that margin evolve like, if the emerging facility comes under a mature facility? So how does that margin improve, if you could provide more color on that?
- Adil Agarwal:** So we'll just -- I'll request Mr. Yashwanth to just give you the unit economics of how a typical secondary center of ours evolves, and that will probably give you a sense. What you should understand also is that the margin performance will vary between your existing markets where your brand is fairly strong versus some of the newer regions where we are entering. So, that margin profile will change, but he will give you an average in terms of how the unit economics are across different time periods. Yashwanth?
- Yashwanth Venkat:** Yes. Across core and non-core markets, if you take, typically, a secondary facility will breakeven between the 12 to 15 months. The reason I'm putting this number on a blended basis is in core markets, they tend to breakeven at a store level by the 6 or 7 month itself. And this margin by the end of the third year cost is about close to 20% to 22%. By the fourth year, this will be about close to 25% to 27%. And by fifth year, it is between 30% to 32%. That was what I was alluding to earlier.
- Moderator:** The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services.
- Tushar Manudhane:** Sir, given that we have done INR136 crores EBITDA for 2Q with 27% EBITDA margin post IndAS and given that second half is expected to be better than the first half. So both in terms of absolute EBITDA, will we be able to do better compared to 2Q for, let's say, normalized too for the second half FY26 and separately on the EBITDA margin, if you could highlight both these aspects?
- Yashwanth Venkat:** See, in terms of the overall business performance, generally, H2 will be slightly stronger than H1, Tushar. But in terms of the overall margins with the pace of expansion and with more Greenfields getting launched, the overall margins on a percentage basis should be on similar levels as to whatever we have reported on for H1, Tushar.
- Tushar Manudhane:** So which is around 26%, 26.5% at least?



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Yashwanth Venkat: So, what margins you are talking about this, you are removing other income at least for competition.

Tushar Manudhane: Yes. I'm assuming.

Yashwanth Venkat: Yes it is similar to that.

Tushar Manudhane: All right, sir. This is helpful. Thank you.

Moderator: Thank you very much. On behalf of Dr. Agarwal's Health Care, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.