



Date of submission: November 24, 2025

To, The Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code –539551(EQ), 975516 & 976418	To, The Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 051 Scrip Code- NH
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Dear Sir / Madam,

Sub: Transcript of Earnings Call for the quarter and half year ended September 30, 2025

In relation to earnings call of the Company held on Monday, November 17, 2025 for the quarter and half year ended September 30, 2025, please find attached the transcript of the said Earnings Call.

We wish to inform you that the Earnings Call transcript is also available on the website of the Company at <https://www.narayanahealth.org/stakeholder-relations/earnings-call-audio-and-transcripts>.

This is for your information and records.

Thanking you,

Yours faithfully
For **Narayana Hrudayalaya Limited**

Sridhar S.
Group Company Secretary, Legal & Compliance Officer

Encl: as above



**“Narayana Hrudayalaya Limited
Q2 FY26 Earnings Conference Call”**

November 17, 2025

NH MANAGEMENT TEAM:

MR. VIREN SHETTY – VICE CHAIRMAN

**DR. EMMANUEL RUPERT – CHIEF EXECUTIVE OFFICER &
MANAGING DIRECTOR**

MS. SANDHYA J – CHIEF FINANCIAL OFFICER

**MR. R. VENKATESH – CHIEF OPERATING OFFICER, EAST AND
SOUTH REGIONS**

**DR. ANESH SHETTY – MANAGING DIRECTOR, OVERSEAS
SUBSIDIARY HCCI**

MR. RAVI VISHWANATH – CHIEF EXECUTIVE OFFICER, NHIC

**MR. NISHANT SINGH – VICE PRESIDENT, FINANCE, MERGERS &
ACQUISITIONS & INVESTOR RELATIONS**

MR. VIVEK AGARWAL, SENIOR MANAGER, IR FUNCTION

TRANSCRIPT

Nishant Singh: Good afternoon, everyone. Good I am Nishant Singh and I welcome you all to the Q2 of FY26 Earnings Call of Narayana Hrudayalaya Limited. To discuss our performance and address all your queries today, we have with us Mr. Viren Shetty, our Vice Chairman, Dr. Emmanuel Rupert, our CEO and MD, Mr. Sandhya Jayaraman, our Group CFO, Mr. Venkatesh, our Group COO, Dr. Anesh Shetty, our MD of our overseas business, Mr. Ravi Vishwanath, CEO of NHIC and Vivek Agarwal, Senior Manager IR Function. Before we proceed with this call, we would like to remind everyone that the call is being recorded and the transcript of the same shall be made available on our website as well as on the stock exchange at a later date. We would also like to remind you that everything that is being said on this call that reflects any outlook for the future or which can be construed as a forward-looking statement must be viewed in conjunction with the uncertainties and risks that they face.

We would also want to highlight that for UK, we will not be in a position to answer any of the questions for this quarter. We will consolidate the numbers by Q3 and then we can have a call on the UK asset as well. For the acquisition matters, we have already had a call in the recent past. So, we would just request to skip any questions on UK for now.

With that now, we would start the Q&A session. I request everyone to please use the raise-hand features to start posing their questions. Thank you.

Prithvi: Congrats on the good set of numbers. Let me begin with Cayman first. Anesh, this seems to be doing exceptionally well with 70% kind of revenue growth. So, if I have to look at insurance, the revenue has doubled compared to the previous quarter. Could you explain how the product is being received? What is the market size? And what are we aspiring for with the market share in the medium term?

Anesh Shetty: Yeah, Prithvi. So, the response to the insurance product has been very, very good. We have most of the large employers who have already moved to us or are actively considering moving. That's why we're seeing the very aggressive revenue growth. It will take some time for us to decide on what is the market share and where we want to stabilize. We may take a calibrated call depending on how the insurance product is integrating with the hospital. Maybe in about 2-4 quarters, we'll have a view on what the steady state will look like. But for now, it's progressing very well.

Prithvi: Is it possible to quantify the market size in Cayman for the insurance?

Anesh Shetty: So, that information is available on the Monetary Authority website. It will be approximately, including the government and private sector, it will be closer to about USD 300-350 million or so. But that does include the government insurance as well. So, an adjustment needs to be made for that, which can be done.

Prithvi: Understood. Now, if I have to look at the insurance losses, losses have come down significantly in this quarter. Given the way the scale-up is happening, should we expect the insurance business to breakeven in Q3 and move to profits from Q4?

Anesh Shetty: Bit tough to say. So, as the size of the book grows larger, definitely the underwriting performance will stabilize. Having said that, quarter-on-quarter movements in loss ratio is a little unreliable in the insurance business. So, let's look at a rolling 3-4 quarter performance and then take a call. But yes, as the size of the book is growing, it is stabilizing, definitely. But too early to say whether, that we will break even and then profits from Q4, given the variation quarter-on-quarter for underwriting performance.

Prithvi: And on the hospital side, after commissioning of the new hospital, the revenue went up from \$25 million to \$40 million at this point of time. Are we largely done with a complete scale-up and then should we expect only high single-digit growth rate on this base? Or do you think there is some more room for higher growth in the next few quarters before getting moderated to high single-digit?

Anesh Shetty: So, between pre- and post-Camana Bay Hospital, just if you look at the volume terms, we're looking at 50% increase in discharges, little more than that in outpatients and daycare, etc. So, we have seen a significant jump post the commissioning. I think there is still a couple of quarters of growth left before it starts to moderate and we focus on restoring the profitability to where it was. But let's see how it plays out. We have started a few more services recently. They're still playing out. Let's re-evaluate maybe in a quarter or two. And then, as we've always said, it will go into a sort of a high single-digit. But then, earnings growth will be different because we have some levers to improve our cost structure still. But from a revenue side, let's take a call in one or two quarters.

Prithvi: Okay. So, just a follow-up on this. When you say some more levers to increase the cost structure, I think the hospital margins are roughly around 40% to 43%. Do you see a further upside to the margin number?

Anesh Shetty: It will depend on where we stabilize from a revenue standpoint, because right now we have certain costs to grow business and to add new services, etc., which we are incurring the cost

and the revenue is not yet playing out. Maybe in two quarters or so, we'll be able to have a better view on this. Once we've sort of commissioned all the services, we know the trajectory they're heading, they're in sort of steady state with just incremental growth, then we can consider that.

Prithvi: Moving on to the India business, even here we're seeing a decent scale-up in the clinics and insurance revenue. And for the last couple of quarters, losses have been declining. Can we expect this trend to continue going forward, and hopefully FY27 will be a much lower loss number for the clinics and insurance?

Ravi Vishawanath: Sure. So, yeah, thanks, Prithvi. Yeah, we've had good momentum on both the clinics and the insurance business. I think on the insurance business, while our retail business is growing, we've also had a lot of incoming interest on our SME offering, which integrates our clinic and our insurance offerings. And so, we expect that to grow. And obviously, with insurance, as we grow, we would be seeing better overall results and so on and so forth.

In terms of clinic business as well, yeah, the clinics themselves are performing well. And I think it'll be a balance between the profitability of the existing clinics versus future growth and investments in those growth because clinics do take a little bit of time to break even. So, I think you'll see a balance of those two things in the coming years and quarters. But yeah, I do expect that. I mean, luckily touch wood, the momentum is heading very much in the right direction. So, we're hoping that that trend will continue.

Prithvi: Okay. And just one last question on the Mumbai hospital. Are we still just breaking even or did we start making profits? And any update on the conversion of the hospital?

Viren Shetty: I'll answer the update on the conversion. Venkatesh can talk about the performance. We are in discussions with trust. We do get, there are few children who have grown up, and they had congenital conditions. But when we operate them, they are adults. So those few cases have been done here and there. And we will slowly start opening up the birthing program. But as of now, it is something we're working slowly towards. On breakeven, Venkatesh?

R. Venkatesh: See, for Mumbai, it has been a little bit of up and down in terms of its performances. It was somewhere in the early single digit negative EBITDA for this quarter. But what we've seen is in October, the trend has improved and the performance has been very good in October. Hopefully, with the trend continuing as it is indicated in November, we should have a much better and a positive Q3 in Mumbai.

Prithvi: Thank you. That's all from me.

Viren Shetty: Nitin, can you go ahead?

Nitin Agarwal: Thanks for the question and congratulations to the team for a pretty solid set of numbers. Viren, on the India business, I think we've had a 20% EBITDA growth this quarter, which is quite remarkable. And in a broader sense, I think our growth is coming through despite we not really adding too many beds, literally, over the last few quarters. So two things, one is, what really is driving this, our ability to grow profitability without adding capacity? And how much scope do we have? Is there enough scope still left in the current network to extract more juice out of it from a profitability perspective?

Viren Shetty: Nitin, just to clarify, we've reduced the total number of beds we run in India from the time we listed till today. But on the scope for capacity, I'll ask Venkatesh and Dr. Rupert to answer.

R. Venkatesh: We are continuing to work on our optimization. From the last six to eight quarters, we've been working hard on that and things are working out well for us and we continue to do that. But what we have seen here in this particular quarter is that, in our flagships, we've seen the impact of our transformation initiatives, which we've been working on in the last two years. It's kicking in positively. We've witnessed patients opting for higher configuration beds, resulting in increasing in the realization, keeping the occupancy intact. Plus, coupled with technologies, we've also worked on case-mix, high-end work, robotic cardiac surgeries to keep us apart and define new benchmarks, which has also led to a higher realization in revenue achievements. So this, even with the volume being the same or stagnated at this point of time, realizations have actually helped in substantially increasing on the EBITDAs.

And even for the rest of the regions, rest of the units across the Group, we have been focusing constantly on the payer-mix optimization. With this payer-mix optimization, we've seen improved realization across hospitals. While we're still working on catching up on these numbers to improve payers, the substantial incremental realization that you've got from these payers have boosted up your realization and that has improved the EBITDAs by a big amount. Our endeavor will be to maintain these margins and even try to improve, obviously subject to cyclical issues and adventures that may come up, but we remain positive on this.

Nitin Agarwal: And, from a capacity which we have in the current network, do we have enough to continue to grow in the business, both through the optimization measures that you have for the next couple of years, before the newer beds begin to come through?

Viren Shetty: Yeah, Dr. Rupert will answer this.

Dr. Rupert: Yes, so just like what Venkatesh had mentioned, we have been slowly ramping up the niche work and mainly in the subspecialty. Venkatesh did mention about the robotic cardiac surgery. In the month of September, we did 97 robotic cardiac surgeries and in the whole quarter we did around close to 200. This is a very large number, and all this pushes the niche work that keeps going up. This is just one example of a subspecialty work that is constantly growing and increasing in number, and we are slowly ramping this up across the entire network. And we are fairly confident, this ability for us to do more and more niche work will always be there within the existing bed capacity and the existing infrastructure that we have built.

Nitin Agarwal: Okay. Thank you so much.

Viren Shetty: Thanks, Nitin. Sunaina, if we can have your question.

Sunaina C: Yeah, thank you so much. So, I'm speaking from behalf of Chola Securities. I just have one question. This is relating to the Cayman Islands operations that are there. So, like it's been reported for the India business that the margin is about 23.8% for this quarter. Would you be able to talk a bit about the margins that are seen in the Cayman Islands business?

Anesh Shetty: So, Sunaina, that information you should be able to derive by looking at the console and adjusting for the India margin, which is separately reported. But just to give you some broader guidance, the hospital does about 43-44%, here and there, in that range every quarter. That's the hospital business. The insurance company is yet to break even or just slightly broken even this quarter. We've separately disclosed that in a footnote on the same slide, and you'd be able to derive a console figure for that.

It's a little tricky to derive, I mean, to talk about a console because they're two very different businesses; insurance and the hospital. But if you add it up, you should get to what you're looking for.

Sunaina C: Got it. Thank you so much.

Nishant Singh: Vinay, can we have your question, please?

Vinay N: Yeah. Sorry. Just one thought. When I'm looking at your Slide No. 8, your ICU occupied days have gone up, ICU bed occupied days. And your patient footfalls have also gone up, while the ALOS is the same. But, yet average revenue per patient is also more or less the same as Q1.

Is that the efficiency kicking in? Is it more high-ticket surgeries getting done in the same time? What exactly is driving this?

Dr. Rupert:

Yeah. I mean, all of the points we mentioned are all kicking up here because some of the niche work obviously has less length of stays, but also there are certain very complicated work which increases the overall length of stay. Though we have marginally come down on the length of stay, but a major impact will be there. But we are pushing more and more for short stay and the day care surgeries. You would have seen that a significant number of our... even our coronary angiograms are done as a short stay. That means they get moved out of the hospital within four to six hours. So, we are constantly working towards, wherever it is possible for us to keep the patient safe, at the same time, reduce the length of stay to constantly move towards in that direction. But there are certain subset of patients, especially the elderly and those who need medical management who do require a long length of stay. So when you start averaging it out, the movement of length of stays, the A-losses will not be moving in a very substantial manner like that. But our hope is that we should be coming down to somewhere around 3.9 or something like that.

Vinay N:

Yeah, but I'm a little intrigued by the average revenue per patient remaining the same with such a great increase in your revenues.

Viren Shetty:

Between the quarter, we don't take much by way of price increases. And every patient who comes for a high value procedure has to be balanced out against those that are very very affordable. We cater to nearly 18-20% percent of our revenues to government patients. The reimbursement for that haven't changed in more than 11 years. So, when you average it out, it does have a bit of a flattening effect.

Vinay N:

Okay, just last question. I can see some international business returning. Where exactly is it coming from... the operation?

R. Venkatesh:

On the international, our focus will continue to be there on the domestic only. We've done very well in the last eight quarters on the domestic business. And we're very confident because we've seen a lot of tractions. International business is not our main area of focus at this stage. There has been a lot of fluctuations. The issue started last year Q3. And as we see, we should look at somehow stabilizing in terms of the volumes in Q3 of this year. From which we can see and set a base for that. But having said that, we will continue to focus on our domestic numbers going forward for growth.

Viren Shetty: The international business is primarily Bangladesh. But this is a business we're looking to wind down over the next couple of years.

Vinay N: Yeah, that's why I was a little surprised by the 27% QoQ increase in international business.

Viren Shetty: That's purely on Bangladesh.

Vinay N: Okay, thank you very much. All the best for your next quarter.

Viren Shetty: Thanks, Vinay. Omprakash, can we get your question?

Omprakash D: Hi, thanks for the opportunity. So, I have mainly a question around this Cayman area, right? So, this quarter, we have seen excellent growth in terms of revenue and EBITDA margin as well. So, if it is possible for you to give some guidance on how this is going to pan out, maybe not just in the short term, medium term as well. The question is also on a comparative basis of the population. As given in India domestic business, you have a lot of population where that would be a bit of limited in that region. So, I just want to understand that how this growth is going to be sustainable in medium to long term basis.

Anesh Shetty: Yeah, Om Prakash. So, the first part is related to the hospitals. As we've said before as well, we've commissioned the new hospitals, so we've seen this tremendous revenue growth. After a few quarters, we will have a better view of where that will settle down and slow down to a single digit sort of steady state growth.

The insurance business is still in the early days. The market is just getting started. There is substantial room to grow. Having said that, we will take a call, after a few quarters, whether we want to keep growing that business, the insurance business, or we want to maintain it at a particular level. That will depend on the strategic fit with our consolidated integrated care plan in that market. But there is room to grow in the insurance business. Like I said, the market size is about USD 350 million or so, including the government insurance. And we're still in the first three quarters.

Omprakash D: Got it. Thanks, Anesh. All the best.

Viren Shetty: Thanks. Shivam, can we have your question?

Shivam Singh: I have a question regarding the acquisition we are doing. It is more related to finance rather than operations. Are you okay answering?

Viren Shetty: Yeah. I'll tell you what. Let's finish all the Q2 performance-related questions. Then we can come back to this if we have time. Would that suit?

Shivam Singh: Yeah. Sure. Thank you.

Viren Shetty: Thank you. Rajit, your question?

Rajit Aggarwal: Yeah. Thank you. Just a small question on the digital transformation initiatives. So, there is a mention of service rendering management rolled out in Kenya and Saudi compliant patient portal enabled. So, I mean, are we looking at doing something more in these regions? How did these two regions happen? Can you throw some light on this?

Viren Shetty: Yeah. We created two SPVs called Medha AI and Athma Health Tech. These are for commercializing the investments that we've made in our significant software expenditures. So as part of the work, a lot of hospitals come to us and ask if we can roll out the systems that we have in their clinics as well. So, the Kenya and Saudi are these small contracts that we've taken. The revenue is not that material. This is a business that we like to encourage and grow because we do have very good technology. And those that want to adopt it, we would not say no to that. But I wouldn't say that this would be a massive and significant contributor to the overall top line. It's something we will pursue. But running the hospital is our main business, and building extremely good technology for our doctors and nurses is the purpose of our ventures.

Rajit Aggarwal: Right. So, it was more like an inward query rather than any sales personnel reaching out to these hospitals in these regions. I'm just trying to figure out how did these two regions happened. And if we are looking to expand within Africa or within Middle East or something like that, even if it just means these two products.

Viren Shetty: Yeah. We are looking to expand, obviously, any business, good business. We've developed quite a reputation for having extremely good and affordable technology that scales quickly, built on the latest platform. And a lot of people who have worked for us have moved into those regions and they know how good our software systems are. So, they inform the CIOs and CEOs of those hospitals and they come and we do POCs for them. There is a slight amount of effort that we take in doing the POCs and explaining the products. But it will grow very slowly.

Rajit Aggarwal: All right. Thank you. And just one more request. Even I had one question on the acquisition of Practice Plus. So, at the end of it, if you would allow that? Thank you.

Viren Shetty: Yeah. Sure. Thanks. Deekshant, any questions relating to Q2?

Deekshant B: Yeah. So, firstly is on Caymans. Is it right that we have actually seen a million dollars of dip in our revenues? 42.6 versus 41.6. What would be the reason for this dip in the revenue?

Anesh Shetty: Deekshant, are you referring to the hospital revenue quarter-on-quarter?

Deekshant B: Yes, sir. Yeah.

Anesh Shetty: No. So, I mean, quarter-on-quarter, as if you've been following Cayman for some time, there will always be variations like that. We recommend looking at a rolling three or four quarter average to get a sense of the trend. But specifically, Q2 is the season for school holidays, summer vacations, etc. Even historically, every year, if you see, that tends to be a slower quarter. You know, USD 1-2 million up or down is we don't think would be indicative of any long term trend. Please consider a rolling few quarters.

Deekshant B: Sir, I completely understand. But the reason for asking this is last quarter, we have just ramped up our second hospital in Cayman. And ideally, you should now start seeing that top line kicking in just because of some sort of utilization being better. Is that a fair assumption for us? We are still doing very well. But what is the indicative outlook that we should have for the coming, let's say, 2-3 quarters?

Anesh Shetty: Yeah. So, the new hospital was operational from January 2025. So Q4 actually is when you would have seen the first big jump in hospital revenue. And then Q1 and Q2 is that continuing. We've commissioned 90% of the departments in the new hospital, or little more than that. There are a few that have just been commissioned recently that will start ramping up. So obviously, the biggest jump you would have seen is from December of last year to Jan, Feb, March of this year. And after that, the quarter-on-quarter trend that we are seeing will continue until these new services start growing into a maturity phase.

Deekshant B: So, is it fair to say that we are now being operationally more efficient and now it's directly falling into our net profits? So, from now on, whatever we see, our larger operating margin will inevitably be an outcome. Does that make sense?

Anesh Shetty: Yeah, we'll try to refrain from giving that kind of definitive statement. But we still do have room to grow in the hospital revenue front. It just won't happen in the 30%, 25% quarter-on-increase, obviously, that we saw the first time we commissioned the hospital. But there is still room to grow on the revenue front in the core hospital business.

Operational efficiencies relating to margin, obviously, will continue. It is a profitable asset, a highly profitable asset that we'll continue to do. Once the revenue starts sort of getting into a steady state, then we will focus on maintaining or trying to increase those margins with further optimization. But we're not yet there. We're still a while away from tapping out on growth.

Deekshant B: So, second is on the insurance revenues and total business. You have mentioned that we are now reaching that...

Anesh Shetty: Sorry, Deekshant, there's quite a bit of disturbance at your end. I'm not able to hear you very clearly.

Deekshant B: Is this better, sir?

Anesh Shetty: Okay, go ahead.

Deekshant B: Sorry. So, on the insurance revenues front, this \$9 million, is this the breakeven that we should consider on quarterly? And, what has been the sort of acceleration that we are seeing? Because we have mentioned that we have started to push. So, what sort of outcomes are we seeing on our insurance business now that we are ramping up on sales?

Anesh Shetty: To the first question on the breakeven, please don't consider any one quarter performance in insurance as indicative of a trend. There's a lot of volatility in high value claims or in loss ratios quarter-on-quarter. We highly recommend looking at only a rolling three or four quarter period to get a sense of the sustainable loss ratio of the business. That is tricky to do now because every quarter we are seeing significant growth in the size of the book. So it's still very early quarters. I don't think it will be reliable for some time. It's still a very dynamic growing business. We'll take a call in a few quarters once we have a better idea of where things settle down, and then we'll be able to answer that question.

Deekshant B: So, sir, but on our sales front, now that we have started to accelerate our sales, what kind of response are we seeing and what is the total policies out in force right now?

Anesh Shetty: Yeah. So, I mean, I can only give you broad subjective guidance that we have a lot of interest from the large employers. We've moved many marquee accounts and we continue to have a good, strong sales pipeline. You know, we'll stay away from commenting on any GWP number quarter-by-quarter because that's not helpful. Every quarter we can discuss the further outlook. But there's still room to grow, considerable room to grow, and we'll take a call every two quarters about when we decide to slow that down if we want to.

Deekshant B: Sir, sorry to harp on this again, but we have been giving out the number of total policy in force up till the last few quarters.

Anesh Shetty: No, I don't think we say that we talk about the GWP. That maybe you're mixing the India Insurance Integrated Care Business with Cayman. I can hand over the question to Ravi.

Viren Shetty: No, I'll answer this. Cayman is entirely employer sponsored insurance. So, the companies take it as a large book. India, it's mostly retail. That's why the numbers may be confused.

Anesh Shetty: We definitely don't disclose the number of lives covered or the number of policies for Cayman. What we do disclose is the number of subscribers and number of policies, I think, in India.

Deekshant B: Okay, got it. So, can I ask one more question for Q2?

Anesh Shetty: Yeah, please.

Deekshant B: So, the hundred beds that we are seeing now in Bangalore that might be coming up, what's our progress on that? Because it seems like we are near completion. Can we see it in FY26 itself?

Dr. E. Rupert: Yes, progressing as planned. And I think we should be able to commission by Q1 of FY26.

Deekshant B: That's it, sir. Thank you so much. Best of luck.

Viren Shetty: Thanks, Deekshant. Nitin, you had a follow up?

Nitin Agarwal: Yeah, Viren, I just quickly want to check on, since you mentioned the government scheme part of it. Have you guys done some work on what is the possible impact of the CGHS rate hikes and which likely would be followed by other central agencies on our business?

Viren Shetty: Yeah. Venkatesh, can you answer that? The CGHS rate hike impact?

R. Venkatesh: Yes. The CGHS and the few of the other corporates which follow the CGHS rate, I mean, the pure CGHS out of those accounts are around 60%. The rate revisions have come into force. What we've seen is that, we expect around 30% benefit on the packages because of this revision. But on the non-packaged part, we would not see any benefit beyond 12% because most of the component on the non-packaged part is the medicines consumables, which is around 55% of the numbers. We won't see any impact because it's on cost-to-cost.

All in all, we could see, because of this improvement, around 1% benefit on the monthly revenues and maybe 70 to 80% of it flowing through into the EBITDA. But of course, we also expect revisions of these corporates, which also follow CGHS, eventually in the course of time.

Nitin Agarwal: So, Venkatesh, what would be a ballpark, absolute revenue impact that you can look through on the central government schemes that we have right now?

Viren Shetty: Nishant?

Nishant Singh: See, the ballpark number from pure CGHS will be roughly in the range of INR 2 to 2.5 crore per month. If we have others also to follow up with this, the other payers like PSUs, then probably that number may increase a bit. But for us, for now, the ballpark number is INR 2.5 crore per month increase in pure revenues.

Nitin Agarwal: So about like a INR 30 to 50 crore impact on the revenues or including the other schemes, some similar ballpark.

Nishant Singh: Yeah, that's more or less right. But that is when all of them come in line, and that may happen by say, Q2 of next year.

R. Venkatesh: Yeah, around about that. But there are many moving parts in this overall things. We will have to wait and see how things flow in. But as of now, this is what it looks like.

Nitin Agarwal: Okay, thank you so much.

Viren Shetty: Thanks. Naveen, you have a question?

Naveen R.: First of all, I want to start off by saying how deeply fulfilling it is to be invested in a company that's trying to help people. I want to double-click on the footfall number, and specifically the patient footfalls that is stabilizing in India, right? I see that the revenue per footfall is increasing. But how do you see the footfalls stabilizing?

Viren Shetty: Venkatesh can take this one.

R. Venkatesh: See, what we have done over the last few quarters is, we have been continuing our efforts on focusing more on improving payor-mix and case-mix. As we've already spoken about, when it comes to case-mix, trying to see how we do the high-end surgeries and take us apart from the others and set high benchmarks. At the same time, we are also trying to improve our payor-mix to get better payers into the system, against few where we have concerns in

terms of the receivables, the recovery part. It's an ongoing exercise where we are still working hard in terms of catching up with those where we've rationalized on the schemes or the poor payers. It's going to continue. And in a very short period of time, we'll catch up on those numbers and stabilize on this growth. And eventually, from the next two quarters onwards, we will see positive growth in the volumes, alongside the incremental realizations which we have already seen due to this payer-mix. So, as we speak, we are more or less stabilizing on these numbers, and on which we will continue to grow going forward.

Naveen R.: Thank you. Also, do you see an upside in terms of... like a nationwide branding? Because still, the hospitals are known by their legacy names. And do you think a good recollection in terms of, like, a nationwide brand will help?

Viren Shetty: It will help, definitely. But the thing is, we have taken a lot of hospitals under O&M arrangements that were operating under previous names. For example, in Delhi, we've taken over Dharamshila Cancer Hospital. Everyone knows we run it, but it's still called that. Similarly, the Calcutta Hospital, Rabindranath Tagore was a name that predated the creation of the brand. So, that's what it is known as. As long as they know that it's affiliated with us, and we've invested a fair amount in doing up the websites and creating a common identity, but these things do take time.

Naveen R.: Okay, thank you.

Viren Shetty: Thanks, Naveen. Can we have Narayan for the next question?

Narayan D: Hello, sir. And I don't know if Mr. Viren Shetty is there or not. My high regards to you, the way you guys have been managing the hospital and taking care of the health of a lot of people. Commendable. And I still remember an interview from you on a nationwide news channel, where the anchor asked you that, "Sir, how much do you look for profits?" And you said, "Profits is not the agenda. We want to help people. And that creates an organization with a purpose." I'm happy to be invested here for the organization with the purpose. So, great to see these numbers after a few quarters.

Now, the only question that I have is, why do we come a lot late in terms of results, published results? I think we are the last few. Is it the offshore business for us? That means, the Cayman's accounting that takes time or what happens? Why are we not early in terms of reporting quarterly?

Viren Shetty: Narayan, thank you so much for your kind words on why our results are not published earlier, I'll pass it on to Sandhya.

Sandhya J: Yeah, thank you, Narayan, for that feedback. We are also trying to accelerate the speed at which we can publish results. We have... across countries, also we have to consolidate, and also we have to align all the stakeholders before we publish the results. So, that takes a little bit of time. But this is a very, very meaningful feedback. And we are also internally striving that we should start pulling the timeline of our results forward. We will definitely work on this.

Narayan D: Sure. Thank you for taking the feedback positively. But any specific reasons that we are not able to collate the balance sheets or prepare the consolidated... what are the problems that you come across when you are trying to do this? Do you have any problems, or it's just that we want to be at this time of the quarter disclosing our results?

Viren Shetty: No, no, it's that we as an organization, we do follow the highest standards of compliance, both in terms of the accuracy of the numbers, as well as the proper accounting of all our receivables and the government accounting that comes in. We have top tier auditors who also scrutinize everything we have line-by-line and we have a large amount of data to sift through. We are in the process of moving towards a more automated system to help out with a lot of these systems there. But as to why it should take so long when other people are able to do it in a much quicker way, I can only say that maybe we're doing a little too much work in presenting the numbers. But a lot of that can be automated and that's something we're going to invest in going forward.

Narayan D: Thank you. That helps. No more questions. Congratulations on the good numbers.

Viren Shetty: Sure. I guess if there are no other questions on the Q2 results, I think we can take that up.

Nishant Singh: We have a question from Rajit now.

Viren Shetty: Sorry Rajit, please go ahead.

Rajit Aggarwal: Sorry, I just raised my hand for the question on Practice Plus.

Viren Shetty: Okay, I guess we can take that up. And, actually the one... the question that came before you was on from Shivam. I believe it was on the debt financing. Sorry Shivam, could you clarify?

Shivam Singh: Yeah. So actually, we financed £150 million of it. So the remaining shortfall, are we planning to fund it via India, or is that entity going to support itself, stretch it out or something like that? Sure.

Sandhya J: Shivam, the GBP 190 million is approximately the cost of the transaction. About GBP 40 million has gone in as equity and GBP 150 million has gone in as debt. The GBP 40 million equity has been funded from Cayman. Cayman has reasonable cash balances and we've been able to fund it from the accruals of Cayman itself. The GBP 150 million debt will be serviced by the target.

Shivam Singh: But ma'am, we have acquired it at 9.2 EV to EBITDA. So, the net profits will not be enough to service it.

Sandhya J: So we have clarified that in the presentation that we have given. There is a one-time loss impact which is in the current results because of our new centre. If you adjust for that, there is adequate cash flow in the business to service. There is another part that we have done a structured debt with the lenders to synchronize it to the cash flow of the target.

Shivam Singh: Okay. Thank you, ma'am.

Viren Shetty: Thanks. Rajit, your question?

Rajit Aggarwal: Yes, sir. Sir, I went through the transcript of that call as well. Now, you had mentioned that there will be operational efficiencies brought in and your learnings from Cayman in India will be implemented. The question is on the demand side. So, one of the rationales is that the private payor-mix will go up in that region. So, what are the first one or two steps that you intend to take to increase the footfall from such patients?

Viren Shetty: Anesh, will you be able to take this up?

Anesh Shetty: Yeah. So, I think we've just completed the acquisition a few weeks ago. We're still understanding the post-closure formalities and getting settled in there. The team already had put in place the resources, the certain initiatives to increase their private payor-mix. This was not something that we had exclusively initiated. They were already aware of this and they're work-in-progress on a few initiatives. We're just going to accelerate those. We're not in a position to tell you when we will start seeing results because we need to get ourselves acclimatized here and understand more about the market. But this is just something that the company and the management, which is in place before and now, was already on track to do.

And we will... in a few quarters, we will have more information about what that outlook is looking like.

Rajit Aggarwal: Right. Sir, may I just have a follow up on this?

Anesh Shetty: Yeah, sure, sure.

Rajit Aggarwal: The reason I'm asking is, I believe now I could be wrong, that UK territory will behave in a somewhat different manner, because the way hospitals could probably differentiate in India or in Cayman, those levers are different in UK. And the competition obviously is huge. So that's why I was just trying to understand how do we build that customer base. And I'm not asking for outlook or such. What are your initial thoughts as to how this will progress in, let's say, years to come?

Anesh Shetty: Sure. So, let's look at the absolute base case where the bulk of the revenue, which is 90-93% is contracted long-term secure revenue by the NHS. So, these are long term evergreen contracts, as they call them here. There's no volatility we expected in that revenue base. Their cost structure is what is already been priced in in the deal; we know those financials. Now, with our software platform, with our technology, with our group synergies like what we've seen in Cayman, we have a high degree of confidence that we'll be able to make a meaningful movement in the cost structure of this organization here, predominantly driven on the back of our software and technology. So, it's not dependent on taking any people from India or anything that is not fungible. This is just with our overall technology, digital capabilities. And we've already proven this out in Cayman. So that's the base case for that.

Now, any movement we see on the payor-mix is extremely incremental because on a like-for-like basis, private patients, whether cash or PMI, pay anywhere from 20 to 30%, sometimes 35% more than the NHS. What gives us comfort that we can make progress there? That if you look at peers, we are at about 7-8% private mix. The next lowest private mix is as high as 30-32%, which is Ramsey. And then the others best in class are 60-70% or higher, 75% private. So even in the market compared to the others, we're starting from a very, very, very conservative low base for the private patient mix.

Rajit Aggarwal: Right, sir. Thank you. And just one quick question. Do the insurance companies there have tie-ups with all the hospitals in the same fashion, or will you have separate insurance companies, or you will you have to have with some different companies and the top guy will have a tie up with some other companies?

Anesh Shetty: No, it's somewhat similar to India, actually quite similar to India. There are very few insurance companies, health insurance companies of scale. They generally tie up with... they're incentivized to give their members choice across the nation. So, they generally are willing to reimburse with most providers. It's a question of the patient choosing to come to us versus going somewhere else.

Rajit Aggarwal: Right, sir. Thanks. Thanks a lot.

Viren Shetty: Thanks, Rajit. Deekshant, you have a question?

Deekshant B: So, sir, two questions. One is on our UK business and one on India. So for India, there seems to be a lag on our Mumbai operations. What is the update on our Mumbai operations and how do they plan to scale them up now? And then I can move to the UK operations.

Viren Shetty: Yeah, the Mumbai one we answered already. The Mumbai hospital started as a children's only hospital and it operates at the very highest standards of excellence and treating patients from across the spectrum. However, we found that being able to attract sufficiently large volume of patients, was not able to be achieved and the inbound cost structures are very high. So, we are in talks to slowly start transitioning this hospital from pediatric only towards a heavy pediatric focus, along with adult programs. Those that transition will take a few quarters to get through. But this is something we keep rolling out to improve the performance of Mumbai.

Deekshant B: So, the reason I ask this is because Mumbai is a very good market for the insurance business. But if there is an outage, then why would a person want to insure? That's a critical problem statement right now.

Viren Shetty: Sorry, what's the question in there?

Deekshant B: The question is that what would be the timeline here? Because the timeline has been going forward for some time. We have been pulling out again and again on this.

Viren Shetty: Agree. Our performance in Mumbai compared to the performance of most other Mumbai operators has not been good. It has been very difficult for us with our way of operating a hospital to be able to run it in a breakeven manner. The fault lies with us entirely, and this is something we are looking to address. But it will be very hard for us to give a timeline for when exactly the hospital turns around.

Deekshant B: Got it, sir. It comes from a place of love for the brand. So please don't take it otherwise. We really love the brand and we want to see you expand and grow and give great healthcare.

Viren Shetty: We understand Deekshant, thanks.

Deekshant B: On UK particularly, we see that there is a major lag on the weeks that it takes for a person to get operated. How long do you think it will take us to integrate our systems and our people into this new acquisition? And when can we start seeing the first results for us? When is it that we will see the first result?

Viren Shetty: Anesh, go ahead.

Anesh Shetty: Deekshant, sorry, I missed. There was an interference.

Viren Shetty: I'll answer that. The question was, how long will it take to integrate? How long will it take to turn it around? And how long will it take for it to start contributing meaningfully? This is very hard for us to see at this point. We have a tremendous amount of confidence in the UK market as a whole. We have tremendous confidence in the growth of private healthcare in UK. We have tremendous confidence in the management of Practice Plus, and we know that this is the right-sized acquisition for us to make a significant difference to the performance of this hospital. And us coming in with a highly efficient operating model with world-class technology and a world-class management team, we know that if applied to a well-running, highly efficient business that operates almost 93% on government patients and slowly uses that to change the payer profile, as well as improve the cost structure and grow and expand, that we can turn this into a significant lever of growth for our business overseas. Timeline, guidance, all of that, the usual caveats apply. It's not something that we do, and it'd be very hard for us to see at this point, given that we just finished the transaction a few weeks ago.

Deekshant B: Sir, usually you have said that it takes us 6-9 months to sort of put in our business once the structure is in place, the hospital is in place. I'm not asking for guidance, but I'm asking for, is that the right sort of thought process that it will take us two to three quarters to start giving out guidance and seeing that, okay, where we are right now. Is that the right mindset for us?

Viren Shetty: No, it wouldn't be. Yeah, I'll answer that then Anesh can add on. It wouldn't be because we know how to run hospital in Cayman now, we know how to run hospital in India. We apply that to UK, it'll be a disaster because the circumstances are very different, payors are very different, the way in which they operate is very different. So, it is a collaborative learning process in which we work with the management to see where we add value. And a lot of

failed experiments along the way. We may find that certain tech implementations that take three weeks in India may take three months over there, whereas certain things that take three months in India may take three seconds in the UK. So, those are part of the discovery process we'll have to go through.

Deekshant B: Thank you for the clarity, sir. Wish you the best.

Viren Shetty: Thanks Deekshant. Hanisha, you have a question?

Hanisha G: Hello, yeah, thank you for the opportunity. So, my only question was that in Q1 you had mentioned that you have deployed INR 250 crores out of the INR 450 crores of investment guidance that you had given. So, in this quarter, have you deployed any more of the funds?

Nishant Singh: See, this quarter there is less outflow of cash, but all of that is going to come in the next quarter. So, these projects will always have a spillover. So, whatever we had projected, we will end up spending that and maybe a bit more. But there may be spillover that the March end may flow to the April beginning. But we are on track in terms of our cost and the time estimates.

Hanisha G: Okay, thank you.

Viren Shetty: Thanks. Do we have any other questions on the Group? Otherwise, I can move on to the chat. Yeah, Rajit.

Rajit Aggarwal: Yeah, regarding the transaction cost of the acquisition. So, will it be in the range of some INR 70 to 80 crores, and will it be debited to the Indian books or amortized in the UK books? How do you plan to treat that?

Sandhya J: Yes, this will be, the costs will be in the UK books. We have a parent entity in the UK which has made the acquisition and which is incurring the transaction cost. The typical transaction cost range is about 5%. We are in that range, though we are still finalizing all the costs and therefore, we will be able to give the correct number when we report out at the end of the quarter.

Rajit Aggarwal: Thank you, ma'am.

Viren Shetty: Thanks, Rajat. Chat? First question is on whether we'll rebrand the UK assets. Although we do have a strong brand in India and Cayman, it's not as strong in the UK. So, we will continue with the existing brand.

The question that was asked about NH as a unified brand that I think we had answered. We have created Narayana Health as a unifying brand; Narayana Health Insurance, Narayana Clinics, Narayana One Health. But it will take time for it to see the public consciousness.

Anesh, the next two questions are on the ARPP for Cayman hospitals.

Anesh Shetty: Yeah, ARPP always for Cayman was not really a relevant metric and we wanted to add information breaking out the insurance and the hospital separately. We felt that was much more relevant and useful now. So, we've dropped the ARPP and we've replaced it with the insurance revenue quarter-on-quarter.

Viren Shetty: Can you please provide revenue mix for this quarter and going forward. By this quarter, I'll assume he means Q2.

Sandhya J: What is the revenue mix of... sorry, we didn't follow that question, Aniket. Can you please help us understand?

Viren Shetty: Would you be able to get on the mic and explain to us the question, please?

Aniket M: Hello. Yeah. So, I was just asking for the revenue mix from the core hospital business and the insurance.

Sandhya J: Its given as a part of our Investor Deck itself, the revenue of the core hospital segment is given and the insurance and clinic revenue is given separately.

Aniket M: Okay. And what are the margins for both?

Sandhya J: For core hospital margin has been given again as part of the Investor Deck, Slide No. 6. As far as Integrated Care is concerned, it is still not making margins. So, the cash burn also is given in the Integrated Care slide on our Investor Deck.

Viren Shetty: The question over there is, can you share the console CapEx guidance for FY26 and FY27? FY27 we give once we're closer to the end of this year. But we had guided that over the next three years, we have a plan to spend about 3000 crores in India in a mix of Greenfield, Brownfield, O&M and acquisitions. The exact mix will come as and when we start disclosing different transactions.

The breakup of the individual hospitals are there in the investor slide where we've broken it up project-by-project and told you about the status and when they will be coming online.

Nishant Singh: Question is from Mandar Pendse. It says, I believe NH is one of the best set of promoters, management and doctors. It is evident that management is driving a lot of efficiencies in operations, taking out juice. As an investor in NH, while I believe these driving efficiencies will not be at the cost of patient treatment, even one unfortunate incidence will put all the juice to waste. Just need a confirmation that the management is on the same page.

Viren Shetty: Dr. Rupert will clarify. No point do we ever compromise patients.

Dr. Rupert: Yeah, so we don't... So we have one of the strongest governance structure here, both clinical and non-clinical. And from the clinical standpoint, we also recently got the award for the Best Clinical Governance from the International Hospital Federation and the Association of Hospital Executives of US. So, we do have a very strong audit and oversight on all of our units. We monitor more than 500 metrics for clinical outcomes. And we have a very strong department of quality. And quality is a way of life. It's not just a Quality Department, but the entire clinical team and the non-clinical team participate in all the aspects of it.

So, we have a very strong governance on not only clinical outcomes, but also all operations that affect the clinical outcomes. So, we take a very strong view of that and we keep a very strong oversight on that, both from the corporate and from the leadership on the regional side.

Viren Shetty: Thanks, Dr. Rupert. I think for the last question, Narayan, did you have anything?

Narayan D: Yes, sir. So, on previous con-calls, I had heard that we are trying to make best use of patient data that we have, and that would help us in our insurance cum health treatment endeavor also. And we are trying to use software systems and include artificial intelligence there. Just wanted to understand, have we made any breakthroughs on creating any AI models that would help us there, or even clinical diagnosis, early clinical diagnosis? Where are we on those innovation fronts?

Dr. Rupert: Yeah. So, from a clinical analytical point of view, we are constantly working with the clinical teams as principal investigators to work on different areas of interest for the different clinicians. As far as from a public health perspective is concerned, you would have seen our numbers of the health checkups and various other data which we can analyze. And that is something which is prevalent in the community, and we know exactly what is the prevalence. And that is the data which you were mentioning, that can be used for our clinics program or for the other... insurance and other things. So these are some of the things that we do work

together from a public health as well as from a strong clinical analytical point of view as to how to work together with clinicians to see the AI use in actual clinical work.

From an in-patient journey, we are able to do many of the tasks through a coordinated clinical workflow so that there is a strong guidance for the clinical team as to the next course of action to be done. Early warning systems, not only from a risk for morbidity and mortality, but also from a suggestive plan for the clinical pathways that needs to be followed, which is vetted by the Clinical Working Group across the network. So, these are all incorporated within the apps, whether it is a doctor app called AADI or the nursing app called NAMAHA. So, we are able to integrate that. And it's a work in progress and we are constantly working on that to make it better and better.

Narayan D: Happy to have that answer. Just wanted to say that, that's the place where as a Narayana, as a proactive management, we can really make a difference. So I'm happy that you guys are already doing it. Maybe with some more rigor, that would help all of us, the part owners also. Thank you.

Viren Shetty: Thanks Narayana. Two minutes left, I'll answer the last few questions that are in the chat. The question is, which of the Indian entities have started contributing to margins? We wouldn't attribute it to anything specifically. We've seen a sharp increase in performance across all our hospitals, especially the hospitals in East India. And a lot of these are volume driven and changing the case-mix and payor-mix. So these do have a contribution to margins. But obviously the flagships, given their huge size relative to the overall hospital group, any movement in the flagship hospitals in Bangalore and Calcutta will have an outsized impact on the margins.

The next question is on the financial and HR implications of robotic surgeries with respect to Opex and CapEx. So robotic surgeries, while they are the future, they are extremely expensive. They have a huge front-loaded cost as well as a significant operating cost. For the first couple of years, as a hospital, we will have to bear the cost of training the doctors, as well as the patients will not be able to absorb the full cost of doing robotic surgeries. So, we do those nearly at break-even or sometimes at a loss. But over time, once we become better at doing these procedures, the patients are able to absorb some of the cost of doing the robotic surgeries, both in terms of general surgery, onco surgery, cardiac surgeries, and so on. But this is definitely the future, and an investment in this is something that will separate us from all the other hospitals that are out there.

The next question is on professional fees to doctors? That has come to 15.5%.

And, do we see it stabilizing? So essentially, the hospital is new, and the patient flow has not yet been established. But for that individual hospital, it tends to be on the higher side, expecting very large minimum guarantees. But over time, as the volume fees, then the professional fees as a percentage of the overall revenues, starts to moderate and go down. This will be more or less in line with the peer set, maybe some advantages to a certain hospitals over others. But in the end, it averages it out.

Sandhya J:

Also, the number that you're looking at is the console number. So that factor is also there. You should look at the standalone number.

The last question is, is the growth in EBITDA coming from pricing? It's not coming from pricing per se, because our pricing change happens only in lower single digits at the beginning of the year. The volume pick up is not being seen because of the payor-mix correction. As you can see, we have done a lot of improvement in our payor-mix, and our incremental revenue is coming through better paying payors. So, that is contributing to top line, in addition to all the factors we spoke about, efficiency, throughput, as well as higher order procedures.

Nishant Singh:

Since there are no more questions, we would like to conclude our session. Thanks everyone for your active participation always. Thank you.

Viren Shetty:

Thank you, everyone.

END OF TRANSCRIPT