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**August 14, 2025**

To,  
**BSE Limited**  
Scrip Code: 542650

**National Stock Exchange of India Ltd.**  
Scrip Symbol: METROPOLIS

Dear Sir/Madam,

Sub: Earnings call transcript for Q1 FY26

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of Q1 FY26 earnings conference call held on Friday, August 08, 2025. The transcript is also available on the Company's website i.e. [www.metropolisindia.com](http://www.metropolisindia.com)

You are requested to take the above information on record.

Thanking you,  
Yours faithfully,

For **Metropolis Healthcare Limited**

Kamlesh C Kulkarni  
Head – Legal & Secretarial

**Encl:** A/a





## “Metropolis Healthcare Limited Q1 FY'26 Earnings Conference Call”

**August 08, 2025**

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchanges on August 08, 2025 will prevail



**MANAGEMENT:** **MS. AMEERA SHAH – CHAIRPERSON & WHOLE-TIME DIRECTOR, METROPOLIS HEALTHCARE LIMITED**  
**MR. SURENDRAN CHEMMENKOTIL – MANAGING DIRECTOR, METROPOLIS HEALTHCARE LIMITED**  
**MR. SAMEER PATEL – CHIEF FINANCIAL OFFICER, METROPOLIS HEALTHCARE LIMITED**  
**MR. AVADHUT JOSHI – CHIEF BUSINESS DEVELOPMENT OFFICER, METROPOLIS HEALTHCARE LIMITED**

**MODERATOR:** **MR. AMEY CHALKE – JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED**

**Moderator:** Ladies and Gentlemen, Good Day and Welcome to the Q1 FY26 Earnings Conference Call of Metropolis Healthcare Limited hosted by JM Financial.

This conference call may contain forward-looking statements about the Company which are based on the beliefs, opinions and expectations of the Company as on date of this call. These statements do not guarantee the future performance of the Company and it may involve risks and uncertainties that are difficult to predict.

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 this conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

With this, I now hand the conference over to Mr. Amey Chalke from JM Financial. Thank you and over to you, sir.

**Amey Chalke:** Yes. Thank you Shruti. Good morning, everyone. I, Amey Chalke, on behalf of JM Financial, welcome you all to the 1Q FY26 Earnings Conference Call of Metropolis Healthcare.

From Metropolis, we have with us today, Ms. Ameera Shah – Chairperson and Whole-Time Director, Mr. Surendran – Managing Director, Mr. Sameer Patel -- Chief Financial Officer, and Mr. Avadhut Joshi – Chief Business Development Officer.

Now, I will hand over the call line to you, ma'am. Over to you for your “Opening Remarks.”

**Ameera Shah:** Thank you, Amey and good morning, everyone, and thank you for joining us today for the Q1 FY26 earnings conference call.

We have uploaded our investor presentation and the related documents on the stock exchanges and the company's website, and I hope everyone has had the opportunity to go through the same.

India's healthcare landscape is gradually shifting, shaped by a range of developments in how care is delivered, accessed, and monitored. We are keeping an eye on a few broad global trends that stand out. AI-led diagnostics, decentralized point-of-care testing, and the growing relevance of GLP-1 therapies in metabolic health.

Artificial intelligence is increasingly being embedded into diagnostic workflows, particularly in radiology, enabling faster, more accurate reporting and personalized recommendations. In the pathology space, globally or in India, it has started entering the workspace in customer service, back-end processes, and a few technical tests. However, it is far from being used en masse at this time.

At Metropolis, we are applying AI across multiple areas, from clinical reporting in a few tests and customer chatbots to test recommendation engines and AI-assisted testing in prostate cancer, allergy testing, and Karyotyping. No one in India at this time is using AI in a very scaled or differentiated way that we believe is going to be severely disruptive to the existing industry.

The second trend when we review, which is of POC diagnostics, we are seeing it help improve access, especially in semi-urban and rural areas where setting up a lab may not make economic sense. POC is not cheaper or more accurate than the current standardized platforms, and therefore usage is more for urgent reporting in metros and access to diagnostics in smaller rural markets. If a scaled use case for using Point of Care diagnostics is found, Metropolis would certainly consider using this channel to access new customers or markets.

On the GLP-1 front, the receptor agonist market in India is currently valued at USD110 million in 2024 and is projected to grow to USD500 million by 2030. This shift is likely to drive higher demand for regular monitoring of glucose, lipids, liver, kidney, and cardiac parameters. This marks a shift from episodic testing to longitudinal health tracking, with consumers increasingly investing in proactive wellness. Together, these trends point to a gradual move towards more personalized and proactive diagnostics. Also, certain metabolic panels and other tests may increase as the use of GLP adoption increases.

We are very happy to announce that our strategy of strong organic growth plus good quality acquisitions has resulted in 23% growth in revenues for MHL in Q1 FY26. Despite Q1 typically being a soft quarter in the West and South regions, Metropolis recorded a strong 13.2% organic growth in revenues, driven by volumes and improved realizations, supported by our strong brand equity and expertise in the specialty diagnostic segment. With North region now contributing 17% to our overall revenue, we will continue to spend considerable time and effort in growing this base in the Northern region.

While quality, scale, and brand equity continue to be strong pillars, we are now doubling down on our scientific depth and innovation to further distinguish ourselves from competition, particularly in a market where pricing gaps are narrowing.

We are in the process of building a center of excellence in oncology diagnostics, which will centralize expertise in genomics, histopathology, cytogenetics, molecular oncology, and precision testing. The center of excellence will serve as a hub for clinical collaboration, research, and education, positioning Metropolis as a leader in onco-diagnostics and enabling differentiated, high-trust offerings for oncologists and hospitals.

The acquisition of Core and putting together skills and expertise Metropolis already had in oncology, along with the new relationships acquired by Core. We will create a platform for Metropolis to not

only be the largest oncology testing player in the country, but keep innovating and investing for growth for the next several years to come.

Additionally, we have been actively upgrading our labs and associated IT systems while complementing and implementing several lab automation initiatives to boost efficiency and productivity.

As we keep increasing our test menu not only in our global reference lab, but also in our regional reference lab, it allows us to deliver faster results and reduce turnaround time for our specialty tests for all markets.

But fast is not enough. The result has to be precise and accurate according to each doctor's individual experience. To achieve this, we not only have curated our own quality protocols, but we have standardized them across all our labs and continue to uphold and show our quality results in every test for every patient and every doctor.

Our rigorous internal quality control process operates in parallel to NABL accreditation and is rolled out across every lab under Metropolis. This does not mean just testing the sample on a single machine and transferring the data to the patient, but it includes multi-Tier-validation of test results using various testing platforms to cross-check results, curation of reference ranges for the Indian patient, daily quality checks, and the use of global quality controls and standards, ensuring consistency, accuracy, and reliability across our entire lab network. This system provides a significant edge over not just unorganized players where such uniformity is often lacking, but also sometimes organized players where our expertise and knowledge of pathology over 40 years proves to be a differentiator.

Just to update you on the integration of our recently acquired targets, last quarter we completed three acquisitions as part of our inorganic growth strategy. The integration of these assets is progressing smoothly with no significant challenges encountered. Led by a dedicated steering committee, the integration process is already yielding synergies, particularly in lab consolidation, procurement efficiencies, and reduction of overlapping overheads. Our immediate focus is to fully integrate these acquisitions into the Metropolis ecosystem, prioritizing operational efficiency and margin improvement in the first year. Once integration is complete and synergies are captured, we will shift our focus to accelerating revenue growth through cross-selling opportunities and expanding the reach of co-diagnostics across Metropolis' pan-India network in year two.

While Metropolis has organically posted a 24.7% EBITDA margin and scientific pathology and DAPIC in Dehradun are of good margin profile, co-diagnostics will be turned around this year, and this year it will drag the consolidated EBITDA margin.

If we look at Core, Core has shown positive year-on-year revenue growth, with a notable improvement in profitability, achieving a low single-digit EBITDA margin compared to the break-

even levels in Q4 FY25 before we acquired it. Our immediate goal is to integrate the team into our culture and processes while unlocking efficiency gains through integration synergies. Our goal for year one is to reach a high single digit EBITDA margin primarily through cost synergies, and we should see the progress over the coming quarters.

PAT for Q1 is negative, largely due to high depreciation and high-cost interest for Core, and it has a Rs 12 crores loan in the books, which has been now refinanced in July at a much better rate, and hence Q2 PAT for Core should be much better.

Scientific Pathology, Agra and DAPIC, Dehradun, both entities have delivered revenue growth in line with the Company average, and margins are slightly above the Company average for both. These brands are well-established in their respective local markets, and our strategy moving forward is to expand into adjacent regions by increasing the number of collection centres and offering the broader Metropolis test menu, helping us capture a larger share of the market. It is worth noting that DAPIC, Dehradun has been consolidated only from 23rd May 2025, and Scientific Pathology Agra only from 16th June 2025, and hence only proportionate revenue and margins have been consolidated in Q1.

Just yesterday, we have announced our acquisition of Ambika Diagnostics in Kolhapur, founded and run by Dr. Patil, and considered the most credible lab in Kolhapur. We have been in a management contract with Ambika for the past two years, where Metropolis runs the business, with employees on our payroll and all processes and technology under the Metropolis guidelines. This lab on lease model has done very well in the last two years and has grown 60% since we started managing it. We believe this growth will continue to be strong in the future, and we thought it made sense to acquire this business and merge it with the Metropolis Kolhapur Lab that runs independently in the city. While the revenue of the business was Rs.8 crores in FY25, with Rs.1.8 crores EBITDA, when we look at the valuation of Rs.17 crores for 100% of this business, while it looks like a 9.4 multiple of FY25 EBITDA, in reality, the EBITDA will be Rs.3.4 crores once we acquire it, because it will include the synergies between the labs, and fully show the profit on its own, which would actually effectively be a 5x multiple of EBITDA.

Together, the labs, when we merge them, would create the largest lab in Kolhapur, and in the whole region, and it would be a good hub to grow in the whole district.

Dr. Patil will continue to work with us for over 10 years, and we believe this acquisition to be highly accretive from day one. The acquisition would be done from internal accruals and closed within 30 days from signing, which was yesterday.

We have consistently emphasized our strategic intent to diversify into adjacent healthcare services, which can enhance customer engagement, and we have been piloting several initiatives, including basic radiology, like ECG and X-ray, and non-blood vital checkups, and on-call doctor consultations.

We are pleased to share that our basic radiology pilot has gained encouraging traction. We have 20 locations offering full radiology services, which include X-ray, sonography, and ECG, 36 locations offering X-ray services, and 240 locations offering ECG services across the Metropolis network.

The integrated approach, which combines blood diagnostics, non-blood vital assessments, and basic radiology, enables us to offer a more comprehensive and holistic preventive health solution under the tru health brand. By expanding these services within the Metropolis ecosystem, we are not only enhancing customer value, but we are strengthening our ability to deliver end-to-end health screening packages, and this is helping us improve our RPP as well. Early indicators from these pilots are promising, and we believe this direction has the potential to serve as an additional growth lever, further deepening customer engagement and expanding our service footprint.

Lastly, on the competitive front, the landscape remains largely unchanged. The unorganized sector continues to lose market share to organized players, and the growth is largely through marginal volume increase from the unorganized guys. This shift in market share was initially concentrated amongst a few organized players pre-COVID, and post-COVID, the same is now distributed across a slightly larger number of organized players. Meanwhile, in the last 12 to 18 months, health tech players are facing heat on lower growth and trying to demonstrate that their unit economics work. In response, they have been consistently raising prices and are now transitioning from discount-led volume growth to a value-based growth approach, bringing their revenue growth similar to organized players.

We continue to remain excited for Metropolis' revenue and profit growth for this year. While we will spend most of our energy on growing the business organically and integrating the deals already announced, we will continue to evaluate other acquisitions that make sense for Metropolis for the future, always from the goal of buying businesses which fit our culture, long-term vision, and can create financial value for shareholders.

I will now ask "Suren to Brief You on the Progress on Key Operational and Financial Metrics."  
Thanks, Suren. Over to you.

**Surendran C:**

Thank you, Ameera, and good morning, everyone.

So, we are pleased to report that both patient volumes and the revenue growth have returned to normalized levels in line with our guidance. After a temporary dip observed in Quarter 4 last year, largely due to seasonal and regional factors, the business has rebounded as expected in Quarter 1. The recovery has been broad-based, supported by several strategic growth levers.

Let me just deep dive into some of them:

TruHealth Preventive Portfolio or TruHealth Range of Preventive Health Checkups continues to be a key contributor to patient footfall and test volume growth. With increasing awareness around preventive diagnostics, lifestyle management, and chronic disease monitoring, and our ability to upsell, TruHealth is witnessing healthy adoption across urban and rural markets. Our integrated approach of blood diagnostics, non-blood vital checks, and doctor consultation is helping us, and we have now reached 18% contribution via TruHealth Portfolio.

**Specialty:**

Growth in high-end specialty tests, particularly in oncology and genomics, have added both volume and value to our overall portfolio. These tests not only come on higher RPP, but also reinforce Metropolis' positioning as a science-led, differentiated diagnostic provider.

On the network expansion side, continued geographic expansion, especially in underserved Tier-3 and peri-urban markets, has been strong tailwind. Through a focused hub-and-spoke model, we have added new collection centers, enhancing access and brand presence across newer micro-markets. The Tier-3 cities have shown strong growth in patient volume, driven by increasing brand preference, widening test menu availability, and improved local infrastructure.

Starting this quarter, we have reclassified our B2C and B2B portfolios to align with prevailing industry standards to make it easier for investors and analysts to compare. We have dropped the institutional bucket completely and divided the business under only B2B and B2C. Under the revised classification, B2C now includes all revenues from company-owned centers, franchisee centers, and rural collection centers. B2B encompasses service to laboratories, hospitals, government institutions, corporates, and pharma companies. As per the revised definition of B2C, our organic business B2C revenue contribution stood at 59% as compared to 57.8% in Q1 last year. For MHL Group, B2C now contributes 56% to overall revenues, including the acquisitions. The decrease in B2C contribution on group level is largely on account of Core Diagnostics, which has the majority of revenue contribution from B2B channels. Going forward with the cross-selling of the specialty tests across the Metropolis network and leveraging the existing channels, we believe that the contribution of B2C share from Core should increase.

Our organic B2C business continues to show robust and consistent growth, with revenues increasing by 16% on a year-on-year basis. Now, this is driven by 9% growth in patient volumes, reflecting strong consumer engagement and reach, 6% growth from improved test mix and pricing, highlighting our ability to offer differentiated and value-addressed diagnostic services.

In Maharashtra, which is our largest B2C market, revenues also grew by 16% year-on-year, with Mumbai outperforming the state average, fueled by deeper brand equity, broader test offerings, and strong medical community trust.



Our strategic push into Tier-2 and Tier-3 towns is further strengthening our B2C footprint, helping us reach new patients through an expanding network of collection centres and franchisee partners.

A key enabler of B2C growth has been the increased adoption and engagement of our mobile and digital platforms, including the Metropolis app.

Key enhancements that are driving stickiness and repeat usage include personalized health journeys, tailored test suggestions, and curated wellness content based on patient experience preferences, real-time tracking of orders, seamless report access, and proactive health reminders significantly improving customer satisfaction.

End-to-end digital integration of test booking, home sample collections, payments, and customer support resulting in smooth and hassle-free experience. This omni-channel approach is not only enhancing patient convenience but also improving operational efficiency by reducing dependency on manual channels and lowering service turnaround times.

At the local level, our micro-marketing strategy is helping us drive targeted awareness and patient acquisition in high-potential clusters. This includes hyper-local campaigns based on regional health trends and demographic insights, clinician engagement programs to build strong relationships with the medical community, expansion of Metlink Partner Program, which has been made the relationship between franchisee and Metropolis even stronger.

These initiatives have led to a visible increase in B2C contributions, stronger brand recall, and improved penetration in both metro and non-metro markets. We remain confident that this momentum will continue to build as we scale our reach, optimize our best offerings, and deepen customer relationships.

Our B2B revenue for the quarter grew by 10% and now stands at 41% as per the revised classification of the B2B definition for the organic business. Patient volume in the B2B segment grew by 4% while RPP rose 6%, primarily driven by high-value outsourcing from hospitals. This reflects our continued focus on specialized and advanced diagnostic offerings that command better pricing. We increased our partnership with pharmaceutical companies in line with our strategic emphasis on specialty diagnostics.

Upgrades to our partner portals have improved end-to-end visibility and service experience for B2B clients. Enhanced tracking, transparent reporting, and faster resolution mechanisms have significantly improved partner satisfaction and operational efficiency across labs, hospitals, and corporate accounts.

This quarter, we also concluded our engagement with Aam Aadmi Mohalla Clinics, in line with our long-term strategy to move away from low-margin government or institutional contracts. Instead, we

are focusing on science-led B2C and B2B segments which offer higher margins and greater long-term sustainability.

Turning to the “Productivity and Margin Performance”:

The EBITDA margin for Q1 stood at 24.7%, higher than Q4 last year. Our attempt will be to strengthen the margin every Quarter for this year on an year-on-year basis. The reported group EBITDA has been marginally impacted by the consolidation of Core Diagnostics, which is currently operating at low single-digit margins. While it is an improvement from the break-even levels of Q4 last year, before we acquired the business, we remain hopeful of bringing the Core's margin profile to high single-digit by the end of the financial year, as integration progresses and synergies begin to reflect the financials. To strengthen the EBITDA margin this year, in the next few quarters, we have rolled out multiple productivity initiatives aimed at unlocking efficiencies.

Over the last 18-24 months, we have invested heavily in automation and digital workflows to streamline operations, reduce manual effort, and enhance service turnaround time. Many of these programs are now live and will start to add to our productivity efforts.

Also, our lab infrastructure expansion, which is in execution for the last four years, successfully got concluded last quarter.

With this foundation in place, our focus has now shifted to rapidly scaling our collection center network to feed these labs, thereby driving higher throughput and utilization, which will translate into better margins over time.

In Q1, we have added 80 new collection centers, and we are on track to add approximately 400-plus collection centers across various regions this year, with a strong focus on tier-2 and tier-3 towns. This expansion is being supported by our recently strengthened lab infrastructure in these geographies.

As of now, we are serving customers in about 750 towns across India, and we aim to expand our footprint to 1,000 towns soon, further deepening access and enhancing our presence in high-growth, underpenetrated markets.

So, in summary:

We have entered financial year 2026 with renewed momentum, clearly shifting gears compared to the previous two quarters. The integration of recent acquisitions is well on track, and we expect this to unlock meaningful cost synergies over the remainder of the year. This includes operational consolidation, procurement efficiencies, and overhead optimization, all of which will contribute positively to our margin profile.

On the growth front, we are seeing healthy revenue performance, supported by strong execution across core growth drivers. The TruHealth preventive portfolio, specialty diagnostics, and tier-3 market expansion continue to be the leading contributors. These segments not only add scale, but also bring higher value and margin-accretive business, aligning with our strategy of moving towards quality-led growth.

We have also deepened our focus in science and quality, an important pillar of differentiation for Metropolis. This includes enhancement in quality processes, test menu expansion, steps towards building centers of excellence, and continuous upskilling through scientific platforms. These actions position us as a trusted diagnostic partner, especially in the specialty and high-end testing space.

In parallel, we have activated several productivity enablers across the organization, from digital process automation to optimized resource deployment. These efforts are already yielding improvements in operational efficiency and are expected to support sustained margin expansion going forward.

Overall, with strong execution across integration, science, digital, and operational fronts, we are entering the year with solid traction and clear line of sight to our goals. We remain committed to delivering profitable, sustainable growth with reinforcing Metropolis position as a trusted, science-led diagnostic leader.

With this, I hand over the call to “Sameer, who will take us through the Financial Highlights.” Thank you and over to you.

**Sameer Patel:**

Thank you, Suren. Good morning, everyone. Let me now “Share Some of the Key Financial Performance for Q1 FY26.”

We have bifurcated our reporting on two aspects – one, MHL Group and second, MHL Organic. MHL Group includes recent three acquisitions of Core Diagnostics, DAPIC, Dehradun, and Scientific Pathology, Agra, and MHL Organic excludes these three acquisitions.

Also, change in definition of B2C and B2B segments to streamline the same with the industry standards. B2C now includes all owned franchises and rural centers. And B2B now includes B2B Lab, Hospitals, Government, Corporate, and Clinical Trials.

Moving on to the “Financial Performance and Operational Performance”:

First, I would like to highlight operational performance of MHL on organic basis:

Revenue and EBITDA grew by 13.2% and 11.9% respectively and PAT grew by 21.2% on year-on-year basis.

Patient volume stood at 3.2 million, a growth of 7%. Our test volume growth stood at 8% on year-on-year basis with increased contribution from TruHealth segment. We consider one profile as one test, which is different from peers. As on like-to-like basis as peers, this number would be significantly higher.

Our B2C revenue stood at Rs.209 crores, a growth of 16% on year-on-year basis and B2B revenue stood at 10%. TruHealth and Specialty segment grew by 22% and 16% respectively.

As the revised classification of B2C segment, B2C contributes 59% of total revenue compared to 57.8% in Q1 FY25. Revenue for Specialty B2C segment grew by 18% and B2C TruHealth segment grew by 19% on year-on-year basis. B2B revenue stood at 14% of total revenue and B2B Specialty grew by 15%. TruHealth segment for Q1 FY26 grew by 22% and TruHealth now contributes at 18% of overall revenue. Specialty segment grew by 16% on year-on-year basis for Q1 FY26.

EBITDA for MHL on organic basis stood at Rs.87.5 crores, a growth of 11.9% on year-on-year basis. EBITDA margin for MHL organic stood at 24.7%, an increase of 40 basis points on a sequential basis and we are optimistic of seeing an uptrend every quarter.

PAT for MHL on organic basis stood at Rs.46.2 crores as compared to Rs.38.1 crores in Q1 FY25, a growth of 21.2%. PAT margin for MHL organic stood at 13% compared to 12.2% in Q1 FY25, an increase of 80 basis points.

Now, let me “Share the Key Performance Indicators for MHL at a Group Level”:

Revenue grew by 23.2% on year-on-year basis from MHL group including the revenue of recent acquired entities. Patient volume stood at Rs.3.4 million and test volume stood at Rs.7.1 million, a growth of 11% and 12% respectively. B2C business revenue grew by 19% for Q1 FY26 and B2B revenue grew by 29% on year-on-year basis.

On MHL group basis, revenue for the North now contributes 17% of overall revenue, largely because of integration of Core Diagnostics which has its major presence and revenue coming from North region.

Revenue growth from Tier-1 towns stood at 27% and Tier-3 towns stood at 17% on a year-on-year basis. Revenue for Tier-3 town now contributes 17% of total revenue for Q1 FY26. Contribution from B2C revenue stood at 56% in Q1 FY26. The decrease in B2C compared to organic business of 59% is largely on account of consolidation of Core Diagnostics which has majority of revenue contribution coming from B2B.

EBITDA margin for MHL group stood at 23.1%. The decrease was largely attributed to lower margin profile of Core Diagnostics. However, we are happy to report that Core has turned positive with a lower single-digit margin profile in Q1 FY26.

PAT for MHL group stood at Rs.45.2 crores. This PAT is at 11.7%.

That is all from my side. With this, I open the floor for question-and-answer.

**Moderator:** We will now begin the question-and-answer session. The first question is from the line of Anshul Agrawal from Emkay. Please go ahead.

**Anshul Agrawal:** My first question is on integrated offerings. While our pilot projects have indicated positive traction in basic radiology, what could be our plan going forward -- would we sort of think about getting into advanced radiology or continue to expand basic radiology across our network? Secondly, would this be on an asset-light basis or would we own these equipments?

**Ameera Shah:** I think on the basic radiology, we will continue to spread it across our centers. And these equipments are not very expensive. These are smaller equipments. A lot of them are on asset-light basis. We are not procuring all of them. It is a combination, I would say. We are evaluating whether higher-end radiology is something worth getting into or not. We do not have a clear answer at this point of time. I think over the next couple of quarters, I think we will have a clearer direction. But meantime, we will continue to roll out the basic radiology. Where we are finding this is helping, it is not helping obviously very significantly on the independent revenue front. But what we are finding is that customer frequency to our centers increases with it. And when they do add on some of these tests, either radiology or the non-blood vitals, it actually helps them do a larger screening program, wellness screening program with us. So, it is more about the completion of the services at the center, which also helps in NPS with the customer.

**Anshul Agrawal:** The second question is on GLP medication. From what we understand, Ameera here, would patients or would customers start becoming healthier by using this medication? Is that a risk for the healthcare delivery providers? How should we look at it? I understand this is in a very nascent stage. But why do you view this positive light versus what the product is destined to deliver?

**Ameera Shah:** See, the product is only talking about weight loss. The product is not necessarily saying better health. These are not necessarily the same thing. They can be. For somebody who has got obesity as an issue, obviously, automatically, it brings about diabetes and other things. But you also have to remember anytime you are giving a dosage of a drug, there also can be side effects, there are known side effects of these drugs, and therefore, doctors who are prescribing them will also have to continue to monitor those patients to watch out for whether those side effects are taking place in the patient's body or not. So, our sense is that while it has a potential to manage maybe diabetes better because of obesity coming down, but things like cardiovascular risk and other risk, which could be caused because of

these GLP-1 medications, will continue to have to be monitored. And it is not just the heart, but also watching the liver, the kidney, and to see if there is any impact there. We have to remember that these drugs are not that old in the world and people have not had a chance to really see what is the impact of these for the next 10-15 years. So, I sense that people will continue to monitor their health, because one of the things they are doing to take GLP-1 is to get healthier and that automatically means also that you want to do a more regular wellness screening to make sure that all parts of your body are working fine.

**Anshul Agrawal:** That is clear. Just one more if I can squeeze in. In terms of our margin profile, I am talking about the organic part of the business excluding the acquisitions. When do we start seeing the benefits of the hub expansion that we took over the last two to three years to sort of creep in, in our margins? Should we not expect a margin expansion of 100-150 bps on our organic business?

**Surendran C:** Anshul, we have mentioned this in the past also that the drag on the margin from the newly acquired labs actually happens for two years. First year, it normally gets into a negative margin and the year two, it gets into a positive 10-12% margin and the year three normally gets into the Company levels of margin. So, we have anyway halted all the accelerated expansions at the end of Quarter 4. So, this year, for the labs that we expanded last year and the year prior to that, there will be some little bit of drag on that, and the next year, we will have a little bit of drag on because of the labs we expanded the previous year. So, you will start seeing benefits on EBITDA margins coming this year to start with, and by the end of next year, we will get the full benefit of the lab expansion, which has been halted. So, I think it is a couple of years' time where you fully get that 1% plus benefit, which otherwise we used to talk about.

**Ameera Shah:** But compared to last year, obviously, in FY2025-26, we will certainly see a margin bump EBITDA expansion. You will start seeing it obviously from Q2 itself.

**Anshul Agrawal:** Great. Those were my questions. All the very best.

**Ameera Shah:** Thank you.

**Surendran C:** Thank you.

**Moderator:** Our next question is from the line of Tauseef Sheikh from BNP Paribas. Please go ahead.

**Tauseef Sheikh:** Good morning. Thanks for the opportunity. Ma'am, well, you have mentioned in the initial comments that Core Diagnostics have turned positive. Can you throw some light on the patient volume growth and the revenue growth in which the Core Diagnostics has seen on a YoY basis?

**Ameera Shah:** So, at this point, we are not providing the separate information for each of these. But like we mentioned broadly, in year one, what we traditionally see when you acquire any organization,

whether it is unorganized or organized, is that sometimes the practices in it may not be exactly the same as Metropolis. And therefore, sometimes you have to cut certain customer accounts, you have to let certain things go, because you want to clean things up. And therefore, the first year, the goal will be margin expansion and cleaning up the practices and integrating. And from year two, the focus will really be on the revenue acceleration. And that is the direction that we are going in. It is obviously just the 1st Quarter of the acquisition. And some of these acquisitions have only had 15 days off in the quarter. So, we felt it is just too early to start sort of giving instructions on the separate growths and the separate margins for everything. The only reason we indicated for Core is just to show the trajectory on what we committed when we did the acquisition that we will see a quarter-to-quarter improvement in the profit profile and we just wanted to indicate that, that is on track.

- Tauseef Sheikh:** That is helpful, ma'am. And second question again is on Core Diagnostics. At the time of the acquisition, we had mentioned we had a field force of 100 people. Have we done any kind of restructuring to this field force?
- Surendran C:** No, we have not disturbed the field force at this point of time. Let them continue to operate the way they used to operate. Because they are all specialist salespeople and we have not done any restructuring at this stage.
- Tauseef Sheikh:** Thanks. That is helpful.
- Moderator:** Our next question is from the line of Sumit Gupta from Centrum. Please go ahead.
- Sumit Gupta:** Yes, hi. Yes, so thanks for taking my question. So, first is, like, what is your strategy for expanding into this Kolhapur area like will it be acting as a bigger -
- Moderator:** Sumit sir, sorry to interrupt. Your voice got low and audio break. Can you please repeat your question?
- Sumit Gupta:** So, I want to understand on basically rationale for expanding into Kolhapur.
- Surendran C:** So, like Ameera mentioned, this lab, which is Ambika Diagnostics, used to be on lease-owned lab with us in the past for the last two years. And where it has been run by our people, right. Now we have decided to acquire this lab. And we also have a Metropolis separate lab in that area. So, now with this acquisition, we need to have only one of the two labs in that place because it will be fully owned by us. And this will also help us to expand into the entire Kolhapur region, right. And we already have presence in most part of the Kolhapur region, but with the addition of Ambika Diagnostics, we will have a little more stronger footprint and good coverage across that area.
- Sumit Gupta:** Okay, so going forward, like, can we expect more acquisitions of this particular size or we can expect a size to be bigger?

- Ameera Shah:** At this point, we do not have anything else that we are expecting to announce at least in the next quarter or so. But as we keep evaluating the funnels, we are obviously looking at different sizes. We are looking at small ones, but which are very credible, like we did DAPIC, like we did Agra, like we have done Ambika and we are looking at larger ones as well. But the final goal is not about small or big, the final goal is about whether it really fits the culture, whether it fits the way of thinking that Metropolis has a strategy and most importantly, does it create value for our shareholders and we are only doing deals where we feel that we are able to create that kind of value and not having to pay a crazy price when it becomes difficult to create value.
- Sumit Gupta:** Understood. Okay. And like just a bookkeeping question. What was the EBITDA for this Ambika in FY25?
- Ameera Shah:** So, standalone, it was Rs.1.8 crores on its own if you look at FY25. But in the model of lab on lease, we were also sharing certain revenue share with the Ambika Pathology, etc., So, when it is in our books, it will actually be Rs.3.4 crores and not Rs.1.8 crores.
- Sumit Gupta:** Understood. Thank you.
- Moderator:** Our next question is from the line of Kunal Thanvi from Banyan Tree Advisory Private Limited. Please go ahead.
- Kunal Thanvi:** Hey, thanks for the opportunity and good morning. So, my first question was on the competition, like in our annual report, we have talked about some easing out of competition on pricing, also from the organized and unorganized players. So, if we look at some of the data points, like, say, gross margin for most all the listed players, and the kind of acquisitions we have been doing in the last 18 months or so, there are some signs, like from an outside investor, we can see there is some ease out in terms of the competitive intensity and the valuations also seems to have kind of normalized. If you can throw some more light on how the organized and unorganized piece in terms of competition has behaved, and what are the factors that have led to competition kind of abating in the last 18 months, it would be really helpful?
- Ameera Shah:** See, if you look at the period of 2020 to 2023, it was as we all know, a black swan event. And in any black swan event, you have lots of people who look at opportunities that are hot and try to jump in. So, that is what really happened in healthcare. And especially in diagnostics, because there was so much COVID testing that needed to be done. But you saw a bunch of new corporate players who sort of said, "Oh, this is an industry which is going to grow for a long time, let us jump in." And you also saw obviously health tech guys coming in. The reality of our industry, however, is that these black swan events, which create large revenues in a short period is not the norm. And the norm of the industry is you really have to work on the ground, building sample-by-sample, building it through brand trust, and credibility and expertise. And I think as some of the players, some new and some old are recognizing the challenges and actually building the business and the kind of mode there is, you



are seeing in some cases, people saying, "Okay, maybe this is not necessarily what we have cut out for." You are seeing a funding slowing down. In some cases, you are seeing a funding winter, because companies have not been able to show and prove unit economics that work profitability for them. And therefore, funding is not coming for them. So, I think there are different reasons. But I think largely, I think it all comes back to commercial. The understanding is that look, the organic growth in the industry is about 8% to 10%. And anything you want to do above that, or even to reach there, is going to take a lot of hard work and a lot of patience and long term vision. So, generally, we are seeing that there is a little bit more rationality on the pricing. And we are seeing the kind of intensity we saw between 2020 and '23 has certainly come down. The players have not gone anywhere, they are still in the market, they continue to compete. But we are not seeing irrationality, which is a good thing for the industry.

**Kunal Thanvi:** Sure. And when we look at the gross margin for most of the listed players, we have seen either stability or going up. So, like, is it to do with only the pricing, how do one look at it or there is some respite on the raw material side also, because if at all these listed players are gaining market share?

**Surendran C:** Can you just repeat the question?

**Kunal Thanvi:** So, my question was, when you look at the gross margins, right, they have seemed to have stapled down or they are improving for most of the listed players. Is it entirely due to pricing, rationality coming up or because the large guys have started seeing market share gains, so there is a second order impact on the raw material procurement cost?

**Surendran C:** Actually, it is a combination of multiple things. One, of course, the price stability is definitely coming and become more predictable. That is really helping us. And then a lot of operational efficiencies are coming in because of automation, digitization, etc., And then of course, as the scale goes up, the profitability gets better. So, basically, it is a combination of all these three things put together and you will see it is playing out for everyone as we go forward.

**Kunal Thanvi:** Sure. And the last question that I had was on, like, when we are moving from top towns to Tier-two, Tier-three towns, how do one look at the unit economics in those smaller towns, because the scale at which we will be operating in top eight cities will be very different when you are going to those smaller towns, can one expect similar kind of unit economics in terms of throughput, margins, etc., in those smaller towns, how do you think about it?

**Surendran C:** Yes. So, see, now our expansion into Tier-3 and beyond will only be with respect to centers, not with respect to labs. The labs part of the expansion is already over, right? And these expansion of the centers are also happening on Tier-3 and beyond only through the franchisee route. So, from a Metropolis point of view, largely, the investments are in terms of clinician engagement, logistic, etc., which has been properly been stitched. So, your unit economics will largely be at par with the rest of the Tier-3 towns, and we do not really find any further stress on that going forward when we expand.

And actually, we are going deeper into it. We have already reached 750 towns and we already have currently mechanism to engage with the clinicians and the logistic arrangements. Now, your question is only about going deeper and getting more volumes. So, the unit economics only get better from these towns.

**Kunal Thanvi:** Okay, sure. Maybe one thing was on the basic radiology that we talked about. Are margins again similar there as well compared to what we have in our core business?

**Surendran C:** See, it is too early days for us. Just in the last, year or so we have expanded into as Ameera said 20 centers. Now where we have both x-ray and ultrasound, and about 35 centers, we would not have x-ray alone, and 250 centers with ECG. So, very early days to look at the margin profile of these business separately. But we are sure that it will only be adding to the overall profitability because it is happening from the same centers, we have not set up extra centers for the same people. So, there is no additional cost other than the processing cost in these cases. So, the margin should only be at par or better.

**Kunal Thanvi:** Okay. Sure. Thank you so much and all the very best.

**Moderator:** Our next question is from the line of Ishpreet Kaur from Relax Capital. Please go ahead.

**Ishpreet Kaur:** Hi, I just wanted to check, is it possible to share the average revenue per test in B2C and B2B?

**Ameera Shah:** I do not think we have it off the top of our head, but I think there would be a difference of approximately 20% or more and we will come back to you maybe with some specifics, we have written down the name in detail.

**Ishpreet Kaur:** Is it also possible to give a breakup of volume in patient and test in B2C and B2B?

**Surendran C:** It is already provided. If you want me to call it out separately, I will just do that. Let me talk about organic business. The volume growth was 9% and the realization growth was 6%, adding up to a total of 16% revenue growth. And on B2B, the volume growth is 4% and realization is 6%.

**Ishpreet Kaur:** Is it possible to mention the numbers in terms of volume, not the growth, absolute number?

**Surendran C:** Absolute number on B2C and B2B. We can get back to you on that.

**Ishpreet Kaur:** Maybe as a practice, if it is possible to share it as a disclosure in the presentation, just a request from our end.

**Surendran C:** All right.

- Ishpreet Kaur:** Just wanted to understand on the B2C part, considering the current test and the setup and the geographical expansion that we have, what is the kind of level of share that we could see from the B2C part in the next three to five years?
- Surendran C:** See, our first target now at a group level to move into the 60% plus levels. We are at a group level and we are at 56% after all the reclassification and keeping the group together. We are at 56%. Our first target is to reach up to 60% as we go.
- Ishpreet Kaur:** Right. And similarly, on the radiology side, which we started, do we see it as a significant revenue contribution in the next three to five years?
- Ameera Shah:** The basic radiology, I do not think will be a significant contribution from a revenue perspective. If, of course, we choose to go into high-end radiology, that would be different. But just on the question you asked around the volume in terms of tests for B2C and B2B, for B2C, I think it is Rs.37.9 lakhs for Q1 FY26 and B2B is Rs.32.8 lakhs.
- Ishpreet Kaur:** Thank you so much.
- Moderator:** Our next question is from the line of Raman K V from Sequent Investment. Please go ahead.
- Raman K V:** Hello! Thank you for allowing me to ask questions and congrats on your excellent result. Sir, I just want to understand how much of the total revenue is from B2G, can you give a ballpark figure?
- Surendran C:** I must say it is negligible; less than a percentage, if I can say so. So, in the last few calls, I have already mentioned that we are gradually withdrawing from the non-profitable, government businesses and other contracts are also finding it difficult to get our monies. We are withdrawing. The last one was Aam Aadmi Mohalla Clinics, which we have withdrawn from 30th of June. So, today, the government business is very, very negligible actually.
- Raman K V:** How much was it three years back if you can quantify that?
- Surendran C:** Three years back, we had a NACO, which is a big contract, which is about 7% revenue at that point of time. And in an overall, we had about 10% government revenue. Today, it is less than a percentage. Gradually and strategically, we have withdrawn from these businesses.
- Raman K V:** Okay, sir. And my second question is, the main growth for any player in diagnostics is with respect to the volumes. So, can you give a guidance with respect to the volumes of just Metropolis and upon that, how much growth are you expecting for the acquired entities? And the recently acquired Ambika Diagnostics, can we expect it to grow 60%, because as you mentioned earlier, that it grew 60% this year in FY25, can we expect it to repeat the same or not?

- Surendran C:** Okay, let me answer all the questions one after the other. The volume growth for the MHL organic business, our guidance were always 7% to 8%. We have already reached the 7% level. So, we expect to continue at 7% level, keep bettering it going forward. And at a group level, we have done 10% to 11%. And we expect that is the level that we will do for this year, right? Coming to Ambika and the 60% growth, we said we grew it to 60% over a period of two years, right? And initially, when we took over, there are many things that we could do it and could get immediate gains, hence that levels of growth you could see. But going forward, I think we will definitely see this business growing better than maybe the MHL business in the first year or so.
- Raman K V:** And sir, with respect to Core Diagnostics, so now it is like EBITDA positive, can we expect it to move shift towards higher single digit margin by the end of this year? And can we expect the revenue led by the volume growth to be above the industry average about like 30% or 40%?
- Surendran C:** Well, I think the EBITDA margins definitely, our estimate is that it will become a high single digit as we go forward. And maybe, the year one exited a very high single digit number, right? And revenue growth, like Ameera mentioned, we have to do some of cleanup in the early days and this year our focus is largely to get the synergies and margins corrected and getting the business as much cleaner as good, right, and then focus on the revenue growth from the year after that.
- Raman K V:** Okay. Thank you, sir.
- Moderator:** Our next question is from the line of Girish Bakhru from OrbiMed. Please go ahead.
- Girish Bakhru:** Yes, actually, I have a few questions on Core as well. So, just wanted to understand this oncology, superspecialty and companion diagnostics, how big is that market, do we have that number?
- Ameera Shah:** We do not have the number right now at the top of our head, but we can certainly get back to you on this.
- Girish Bakhru:** And Ameera, how many players let us say we know that of course in organized diagnostics, there are, I mean, largely three, four handful players. Is that the same when we talk about companion diagnostics?
- Ameera Shah:** Not really. I mean, I think the lab chains or the organized players who are doing better on the oncology side may not be exactly the same as the top three incumbents overall.
- Girish Bakhru:** Okay. And when you are talking about of course taking margins in Core gradually higher, I mean, just wanted to understand one driver you have been talking about is, of course, putting more of the mix of using Metropolis test in Core and, of course, growing onco specialty overall in Metropolis using Core, which of these two drivers will essentially drive that margin faster to the Company level in Core?

- Ameera Shah:** See, Core margin to Company level will be driven more by cost synergies. Core was a good business on its own, but the chances of it making money on its own profitably was low because it was subscale, and the kind of corporate costs that were involved and the kind of lab costs that were involved would never have allowed it to make money on its own. Now, in the 1st Quarter, if you see, we have already integrated the overlapping labs in locations where Metropolis and Core both had labs. I think we have done almost five such overlaps, so we have merged them. So, like that, as you make Core leaner and you are using shared infrastructure, we really believe that over the next three, four years, we will be able to take Core to the Company margins and obviously then the revenue acceleration will also have to kick in by then by year two, where you are able to really take this to more clients and you are able to get more tests from your existing distribution and increase your productivity for customers. So, that is how we believe that Core will become a profitable business.
- Girish Bakhru:** Understood. And Core increasing margins and TruHealth, of course, doing very well. Can you give some directional color or sense on where this RPT or RPP number should go trend-wise?
- Ameera Shah:** For Fore or for Metropolis?
- Girish Bakhru:** For Metropolis overall. As an overall entity, I am basically discussing this.
- Ameera Shah:** See, I think if you look at history, I think the last few years, we have been seeing a 3-5% increase in RPP every year. And that is coming from a combination of moving up the value chain and therefore selling more specialized tests to patients who need them. And that is a journey that we believe will continue for Metropolis. So, usually, pricing as you know has got some part of it, but it is not a huge part of it. The bigger part of it is really the product mix that plays an important role for it.
- Girish Bakhru:** Yes, but can you like see it doubling over the next five years, is that possible?
- Ameera Shah:** I do not think we have seen a double over the last five years. So, I think that would be requiring a 15%, 20% kind of an increase every year. So, unlikely. But I do think that the kind of trends that we have seen in the past five years, I think can sustain as we go into the future.
- Girish Bakhru:** Okay. Thank you.
- Moderator:** Ladies and gentlemen, due to time constraints, I now hand the conference over to the management for closing comments. Over to you.
- Ameera Shah:** Thank you. And thanks everyone for joining us. As we iterated, we feel very excited about the year '25-26 for Metropolis. It is a big year for us that we believe we are going to take a big leap forward, not only in breaking our own record for organic growth that we have seen, but also significantly improving on the margin, but really integrating the three acquisitions and making them really part of Metropolis and setting the stage for them to accelerate in the years to come. This year as we have

seen in Quarter 1, we have had a 23% growth and obviously we expect Quarter 2 to be a much better quarter than Quarter 1. Usually, we know Quarter 2 and Quarter 4 are the best quarters in the year for our business in our part of the world. And we certainly look forward to doing all the things behind the scenes that lead to the right kind of outcomes that we have discussed with all of you as shareholders. And while we continue to really build Metropolis into an even further technology-enabled organization, we feel our team is complete. We are set with a good leadership team to really take on all the challenges of this year. And we are seeing a lot of hunger and a lot of aggression on the ground from Metropolis. We look forward to sharing with you guys more updates in the next quarter and have a good weekend, everyone.

**Moderator:**

Thank you. On behalf of JM Financial Institutional Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.