August 10, 2026

National Stock Exchange of India Limited,
Compliance Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India

BSE Limited,
Compliance Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001,
Maharashtra, India

Subject : ***Transcript of the Earnings Call held with Analysts/Investors on August 07, 2026 to discuss the Unaudited Financial Results of the Company for the quarter ended June 30, 2026***

Stock Code : ***BSE – 539787, NSE – HCG***

Reference : ***Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015***

Dear Sir/Madam,

Please see attached herewith the Transcript of the Earnings Call held on August 07, 2026, with Analysts/Investors to discuss the Unaudited Financial Results (both Standalone & Consolidated) of the Company for the quarter ended June 30, 2026.

This is also available on the website of the Company - https://www.hcgoncology.com/investor-relations/

Kindly take the intimation on record.

Thanking you,
For **HealthCare Global Enterprises Limited**

SUNU MANUEL ABEY
Digitally signed by SUNU MANUEL ABEY
Date: 2026.08.10 17:46:58 +05'30'

Sunu Manuel
Company Secretary & Compliance Officer
Encl:a/a

Healthcare Global Enterprises Limited

Q1 FY27 Earnings Conference Call

August 07, 2026

Moderator: Ladies and gentlemen, good day, and welcome to the HealthCare Global Enterprises Limited Q1 FY27 Earnings Conference Call. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suraj Digawalekar from CDR India. Thank you, and over to you, sir.

Suraj Digawalekar: Thank you, Sagar. Good afternoon, everyone, and thank you for joining us on HealthCare Global Enterprises Q1 FY27 Earnings Conference Call. We have with us Dr. Manish Mattoo, Executive Director and CEO; Mr. Sanjeev Kumar, Chief Financial Officer; and Mr. Ravi Gothwal, Head of Investor Relations. We would like to begin the call with opening remarks from the management, following which we will have the forum open for an interactive Q&A session. Before we start, I would like to point out that some statements made in today's discussion may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings presentation shared with you earlier.

I would now like to invite Dr. Manish to make his opening remarks.

Manish Mattoo: Good afternoon, everyone, and thank you for joining us for HCG's Q1 FY27 earnings call. Before I begin, I would like to warmly welcome our new Chief Financial Officer, Mr. Sanjeev Kumar, who has recently joined HCG. Sanjeev brings more than 3 decades of experience across finance, strategy and business transformation, and I am delighted to have him as part of our leadership team. His experience will further strengthen our execution capabilities as we continue to build India's leading oncology platform.

As we enter FY27, our focus has progressed from laying the foundation to executing our strategy and delivering consistent operational and financial performance. Over the past years, we have achieved several important strategic milestones that strengthened our position as India's leading oncology platform. We sharpened our strategic focus through the successful divestment of our Fertility business, which was completed at the end of June '26.

We also strengthened our balance sheet through a successful rights issue, expanded our leadership team, successfully commissioned our North Bangalore hospital and continue to advance our brownfield expansion

pipeline and other growth initiatives. With these foundational initiatives in place, our priorities are clear: delivering sustainable, profitable growth, driving operational excellence, improving asset utilization, enhancing patient experience, building our clinical differentiation, optimizing our revenue mix while reinforcing our leadership in cancer care.

I am pleased to share that we have started FY27 on a strong note. During the quarter, HCG delivered revenue of INR6,951 million, representing approximately 13% year-on-year growth. Our newly operational North Bangalore hospital, which commenced operations in May '26, contributed INR67 million during this very first quarter.

More importantly, growth was broad-based with 16 out of our 25 centers, excluding North Bangalore, delivering their highest ever quarterly revenues, reflecting sustained patient demand and improving execution across our hospitals. Revenue growth during the quarter was primarily driven by an 11% increase in patient volumes. ARPP grew by 2%. ARPP improvement driven by favourable payor mix, partly offset by changes in case mix, including a lower contribution from high-value low-margin therapies.

Our objective is not to only grow faster, but to grow with a better quality of earnings by treating more complex oncology cases, improving our patient mix, enhancing productivity and generating stronger returns on the capital we deploy. We believe this disciplined approach will create sustainable value for both our patients and our shareholders over the long term.

I am encouraged to see the strategy translating into visible outcomes. During the quarter, non-institutional business revenue grew by 17% year-on-year. As a result, our payor mix improved with non-institutional contribution increasing from 67% in Q1 FY'26 to 69% in Q1 FY27. This gradual improvement in revenue mix is an important driver of sustainable profitability and strengthens the long-term quality of our earnings.

On the profitability front, reported EBITDA for the quarter stood at INR1,223 million, excluding losses from North Bangalore and one-off costs. Adjusted EBITDA increased by 20% year-on-year to INR1,339 million, with EBITDA margins improving to 19.4% from 18.2% in Q1 FY26. This demonstrates that the underlying operational performance of the business continues to strengthen. Overall, our Q1 performance reflects healthy operating momentum across the network, supported by robust patient demand, improving operational execution and continued progress in enhancing our revenue mix.

Let me now briefly touch upon the performance across our operating clusters. **The South cluster** delivered another strong quarter with revenue growing approximately 16% year-on-year, supported by healthy growth in both patient volumes and realizations. We also witnessed continued improvement in the cash and TPA mix across the Bangalore Center of Excellence and the Vizag cluster. As a reminder, the South cluster numbers include the newly commissioned North Bangalore hospital, which contributed INR67 million of revenue.

The West cluster reported a growth of 9%, led by the Maharashtra region, which grew by over 14%, while growth in the Gujarat remained relatively moderate during the quarter. Overall growth was led by volumes, which grew 11% year-on-year and ARPP remained broadly stable during the quarter. The benefits of an improving payor mix were largely offset by changes in case and service mix, including a higher share of medical oncology patient footfalls, which typically carry a lower average revenue per patient.

Furthermore, institutional business in West cluster declined by more than 4% year-on-year, which moderated overall revenue growth of the cluster. However, this is consistent with our strategic focus on improving the quality of revenues, and we expect this business to be progressively replaced by higher-value cash and noninstitutional patients over time.

East cluster delivered strong 22% revenue growth during this quarter, driven by robust volume growth across the region. Despite temporary moderation in ARPP, healthy patient volumes continue to support strong top line momentum. We remain confident that a significant increase in patient throughput provides a strong foundation for future growth. This provides us with adequate financial flexibility to fund our expansion pipeline while maintaining a disciplined approach to capital allocation.

Looking ahead, I am particularly encouraged by the initial performance of our North Bangalore hospital, one of our most important strategic investments. In the very first quarter, the hospital recorded over 550 new patient registrations, more than 300 admissions. While the hospital is still in the early stages of its ramp-up, these early operating metrics reinforce our confidence in the long-term potential of this asset. We expect utilization to improve steadily over the coming quarters as insurance empanelments are completed, onboarded clinicians ramp up their practices and awareness and brand recall in the surrounding catchment continues to increase.

Our capacity expansion continues to progress well and remains an important growth driver over the coming years. During the quarter, we added 121 operational beds across the network, including 61 beds in the South cluster, 27 beds in West and 26 beds in East cluster and 7 beds in our Kenya unit.

Looking ahead, we have plans to add additional 65 beds in FY27, 520 beds in FY28 and FY29, and 230 beds in FY30. Nearly 60% of our planned capacity expansion continues to come through brownfield projects, enabling faster execution and low capex, whereas 3 greenfield projects are in the pipeline, and we will share more details once finalized. And please refer to Slide 12 of the presentation for more details.

Alongside bed expansion, we continue to strengthen our clinical capabilities by investing in advanced technologies. During the quarter, we commissioned a new LINAC in Rajkot, completing its transition into a Comprehensive Cancer Center. We also enhanced our robotic surgery capabilities with the addition of 2 surgical robotic systems, a new installation at Nashik and the replacement at our Bangalore CoE.

Clinical excellence remains at the heart of HCG's clinical presentation. During the quarter, our team successfully managed several highly complex oncology cases across surgical, medical and radiation oncology. These included advanced CAR-T therapies for relapsed hematological cancers, rare anatomical cancer surgeries, first of its kind minimally invasive thoracic procedures and complex organ-preserving oncological surgeries.

Such cases reflect the depth of our multidisciplinary expertise and reinforce HCG's position as a referral destination for complex cancer care across India. Overall, we are encouraged by the momentum we are seeing across the business. The strategic actions undertaken over the past year have significantly strengthened HCG's platform, and we believe the company is well-positioned to deliver consistent, sustainable and profitable growth while further consolidating its leadership position in oncology care.

With that, I would like to hand the call back to the operator. I will be happy to take your questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question comes from the line of Sumit Gupta from Antique Stock Broking Ltd.

Sumit Gupta: Hi sir, good afternoon. First of all, congrats on a good story in the PPT. So, I have two questions. Firstly how is the performance in the various buckets of like we were on the per month revenue there. So like in the last quarter's PPT you alluded kind of in the more than INR10 crore of revenue per month, and then INR5 crore to INR10 crore. So how do the performance in those buckets for this quarter?

Manish Mattoo: Yes. That is right. I mean we believe it will be an annual disclosure. But however, since you asked that question, the bucket with more than INR10 crore per month revenue we have got from last year 4 hospitals, we moved to 7 hospitals. So we have added 3 new hospitals to that. And the bucket with INR5 crore to INR10 crore per month revenue, that number has gone down from 14 to 11. So we are seeing more and more hospitals moving up that ladder of higher revenue number per month. And then the last category with revenue less than INR5 crore per month, that number has gone from 6 to 7 with the addition of North Bangalore to that group.

Sumit Gupta: Okay. Sir, what will be the like-to-like growth in those buckets?

Manish Mattoo: So I do not have that number right now, but we can offline connect with you and give you that.

Sumit Gupta: Understood, sir. And so, second question is like in the investor presentation that you have highlighted. So, in FY28 and '29, there are 180 beds on the greenfield side. So, like which regions can we expect these projects to be from?

Manish Mattoo: So these 180 beds will obviously come from 2 greenfield projects. One of them is in our South cluster in Whitefield. The other one is in Maharashtra in our West cluster. So I think the likelihood of the first one to operationalize is somewhere at the end of FY28 and the other one in the subsequent year.

Moderator: We take our next question coming from the line of Jimmy, an Individual Investor.

Jimmy: Yes, what is the strategy of the company in reducing the financial cost? So if the company going forward would have a strategy to reduce the borrowings, so the profit would be evidently visible in the financial sheets.

Sanjeev Kumar: Hi, Sanjeev this side. As you see that the interest cost has come down during this quarter because of the proceeds that we have raised from the right issue that has been used for the purpose of repayment of some of the debt almost amounting to INR170 crore. We will actually continue to fund our growth through a mix of debt and then as internal accruals. And based on which the interest cost will actually fluctuate from year to year. But certainly at this point of time, we expect it to moderate as compared to last year.

Jimmy: Thank you. I will wait in the queue.

Moderator: Thank you. The next question comes from the line of Aditya Chheda from InCred Asset Management.

Aditya Chheda: Hi, good afternoon. So as per the slide in investor presentation on bed expansion, the bed expansion compounds at

an 8% CAGR from '26 to '29 against our outlook of a mid-teens revenue growth. So I would like to know your outlook on the same center growth, case mix, higher occupancy, et cetera, how this mix will contribute towards the overall outlook that you have on revenue growth? So how are you looking at this internally? That is my first question.

Manish Mattoo: So, we remain confident of delivering a mid-teens growth from the existing centers and including the new ones that we are building through the greenfield and brownfield expansion. So put together, as I said earlier also, we remain confident of delivering mid-teens growth, and there is no change in that outlook.

Our focus will remain on margin improvement, which will improve progressively on the back of improvement in payor mix, high complexity of clinical work, paring down of the losses from the new hospital and better operating leverage coming from existing centers. So I think it is going to be a mix of mid-teens growth and focus on increasing our margins.

Aditya Chheda: Next question is on your outlook on the expected loss from the greenfield facility for FY27. And also now that the ESOP plan is approved, how do you expect the quantum to be charged going forward? And yes, these are the two questions.

Manish Mattoo: So on your first question, Aditya, we are very excited about the way North Bangalore has starting to ramp up. As I had mentioned earlier, we have done nearly INR7 crore in the first quarter itself for Comprehensive Cancer Center, that is a good ramp-up. And we are very excited by the quality of clinicians that we have on board. We have South India's second and perhaps India's most modern MR-LINAC, which gives us a very sharp clinical differentiation. We are among the very few hospitals in this part of the country to have organ-specific surgical teams, and we have got very good response from the community so far. So very excited about the ramp how the early traction has been.

We have onboarded key doctors. That process is complete. MR-LINAC commissioning happened in July. So most of the cost has been incurred. And now we are focusing on creating awareness in the market through dedicated campaigns. So as I think most of the costs have been built in, I feel we have reached the peak EBITDA loss in this quarter. So from here on, we feel as we ramp up clinician practices, insurance empanelment happens and revenue goes up meaningfully, I think the losses will come down quite reasonably in the next few quarters. So that is our projection for North Bangalore.

And on the second question, the ESOP policy is undergoing final stages of approval, and that charge will be evaluated basis the grand and its impact on company's P&L will be assessed and reported in quarter 2.

Aditya Chheda: Okay. One last question was about the likely impact of the discontinuation of some of the chemo drugs. How much of the impact are we expecting in the current financial year from those?

Manish Mattoo: So the impact in Q1 has been about 1.5% on our top line. And that is why I think if we were to plow that back, the top line would have been around 15%. But having said that, we have discontinued those drugs because while they were high value, they were low margin. So while the impact is about 1.5% to the top line, it has been margin-accretive for us, which is reflected in our margin expansion on a like-to-like basis. And I mean, for the next few quarters, it will remain in the same vicinity, might marginally come down also as it gets replaced by higher-margin

cash business.

Aditya Chheda: Noted. Thanks.

Moderator: Thank you. The next question comes from the line of Jyothish Vijayan with Moat Financial Services.

Jyothish Vijayan: So my question is on the operational excellence side. On the third page of your investor presentation, you mentioned that there are some key initiatives which are underway. The first one is cost optimization and the second one is driving productivity improvements. And the third one is enhancing the patient experience. So could you please add some color on what kind of initiatives are undergoing in the cost optimization side?

Manish Mattoo: See, on the cost side, we see there is an opportunity across all the cost line items today. And the work is happening both on manpower costs and other fixed costs across centers. We are using a lot of automation and data analytics on that. As far as patient experience is concerned, cancer is a very serious illness and I think there is never enough that we can do to make our patient experience better in our hospital. So we have set up a dedicated team to look into areas where we can make the experience inside the hospital better when it comes to infrastructure, the services we are delivering. While many of our hospitals are doing a great job, but I think there is still headroom for us to improve that.

And the third piece is around productivity. So we are looking at both the clinical and the nonclinical productivity, how do we assist our clinicians with better technology and sales and marketing accelerated efforts to improve their practices. So that is one part. And the other part is the nonclinical productivity that will come through better conversion and cutting the revenue leakage. So all that work is happening across the organization, which will be EBITDA-accretive at the end of the day. But more importantly, I think the big piece is that how do our patients how does their experience inside our hospitals become significantly better.

Jyothish Vijayan: Okay. Got it. And my second question on the revenue growth side. So how much the revenue contribution -- the increased revenue contribution from the ARPOB increase or the patient product that mix increase or the volume increase. So could you please break down that?

Manish Mattoo: So the ARPP growth will be in line with inflation. And I think that is all the projection that I can give you today as of now. So are you there on the line?

Jyothish Vijayan: Yes. So on the last question from my side is, in this quarter, you completed the strategy exit from Milann. So how that exit will -- you mentioned that strategy exit will sharpen the focus on core oncology and enhance the management focus and execution. So how that exit will guide or what will be the strategy? ?

Manish Mattoo: So the focus is on building our technology, our clinical capabilities, starting new programs like CAR-T cell therapies in our major centers, starting bone marrow transplant program in major centers, including the robotic surgical work that we are doing or the multidisciplinary clinical protocols that we have in our centers, how do we advance that in all the centers. So I think it is going to be a mix of all that.

The idea being how do we invest more in precision diagnostics, in precision oncology through targeted cell

therapies, more advanced radiation therapy technologies. So all that is aimed at giving our clinicians more tools so that they can perform better, more complicated procedures and deliver on better outcomes, which we are known for in any case. So that is really the focus on core oncology if you are referring to that in presentation.

Jyothish Vijayan: Yes Okay, got it. Thank you. That is all from my side.

Moderator: Thank you. Your next question comes from the line of Himanshu Binani from Anand Rathi Share and Stock Brokers Limited.

Himanshu Binani: Hi, sir. Thank you for taking my question. So sir, you have like mentioned in your opening remarks as well as into the press release in terms of like there has been record improvement or record quarterly revenues from 16 centers out of the 25. So maybe if you can help us understand in terms of like which bucket of the centers have actually moved up the value chain. So what I believe is that till last quarter we used to like report the INR10 crore, INR5 crore to INR10 crore monthly revenue and below INR5 crore bucket. So maybe if you can help us understand that.

Manish Mattoo: So actually, the growth has been broad-based across buckets. From the smallest sized hospitals to the largest, most of the hospitals have done well. So it is not restricted to any bucket. But what has particularly happened is that 3 hospitals particularly have moved up from the INR5 crore to INR10 crore trajectory to INR10-plus crore trajectory. That is been a plus. So you can see the quantum of growth that some of these 3 hospitals must have had. But again, just reiterating that the growth has been broad-based across regions and across the size of the hospitals.

Himanshu Binani: And sir second, if you can kind of elaborate on the FY28-'29 we have 340 brownfields beds additions. So maybe -- but then if I actually go to the Slide 12 of your presentation so the brownfield details which you have like given so that is actually not adding up to 340 so maybe what are the extra beds there you are like adding up.

Ravi Gothwal: So, this brownfield addition of 340 beds will be across our 25 centers. We have mentioned few of the centers, but then there are other additional centers where we have the capacity. So, we will operationalize more beds during the later part of FY28 and '29.

Himanshu Binani: And maybe if you can like help with the centers most likely the beds can be added.

Sanjeev Kumar: So, just to add to that what Ravi has just said, I think where the beds needs to be added is also an activity of assessment on an annual basis on the basis of the capacity and its utilization and that is the reason why we have actually started this process where a certain committee is defined as a part of the annual exercise that we will undertake.

Let's say in the month of January to March quarter, we will actually again look at where the other beds are really required in various facilities, and we will take a conscious call to really add in those capacities for as far as the brownfield expansion is concerned. And we know that there are lot of facilities where brownfield facility is available, which is indicated about very clearly that there would be 520 bed additions between the two years.

And these are the 6 hospitals which will see major meaningful additions in terms of quantum. But there are many other hospitals in this which are not mentioned here, like Baroda, Cuttack, Ranchi, or many other hospitals which

will have additions from 10 to 15 beds, so which we have not mentioned here. But I think there's a long tail which, as they improve their occupancy levels and all and we will have bed addition coming at the right time.

Himanshu Binani: Got it. Thank you.

Moderator: Thank you. The next question comes from the line of Devang Patel with Sameeksha Capital.

Devang Patel: My first question was on capex. How much did we spend in Q1? And apart from the capex mentioned in the presentation, what would be your capex for maintenance and upgradation per annum?

Sanjeev Kumar: We have incurred a capex of approximately INR750 million. And as far as the split is concerned, we have incurred almost INR35 crore on account of growth capex and almost INR40 crore in terms of the maintenance capex.

Devang Patel: And also if you can indicate for the full year what would be our spend on just maintenance and upgradation.

Sanjeev Kumar: So, the maintenance capex is likely to be approximately INR100 crore .

Devang Patel: Okay. This is over and above the capex mention in for brownfield and greenfield capex, right?

Sanjeev Kumar: Yes. So the capex that I mentioned is INR75 crore is actually growth and maintenance capex both.

Devang Patel: Our utilization level for the Southern cluster was at 68% in FY26. I know you put up a new hospital in North Bangalore, but does the existing cluster till what level of utilization can you take it without growth getting affected?

Manish Mattoo: So, the existing facilities can manage utilization level up to 75%, 80%. So, there is ample headroom for both in our clusters across the board.

Devang Patel: Right, the other question was on marketing and promotion spends, one of the targets was to increase brand visibility. So, have you seen a step up in the spends or meaningful step up from earlier?

Manish Mattoo: Yes, definitely we have doubled down on sales and marketing efforts because it is a specialty which relies a lot on these channels for the bringing in volume and HCG enjoys a very strong brand we call it many market but it needs to be percolate down to all our consumers. So, we have doubled down on sales and marketing efforts and then branding efforts too and you can see that in the spends.

Devang Patel: Of course, just a broad sense of how much percentage point increase has happened in the spends.

Sanjeev Kumar: While we actually do not give the specific each and every expense, but I can tell you that as far as sales and marketing is concerned on a year-on-year basis the expense is having increased by a meaningful more than almost 20% plus.

Devang Patel: Okay. Just lastly the new hospital opened at North Bangalore you mentioned you will break even on a few quarters by what time period do you see that reaching full utilization or an optimum utilization.

Manish Mattoo: I think full utilization would I mean very difficult to predict right now because it is dependent on many factors, but

I think the optimal utilization of 60%-65% we should be anywhere between third to fourth year of operation.

Sanjeev Kumar: But just to add to that, what we expect is the kind of response that we have got. Initially in our North Bangalore facility, we certainly expect to have a monthly breakeven in this year.

Devang Patel: Our last question, now that we have the funds in the lag is M&A also a part of our focus in the next two years or that is something more beyond near term?

Manish Mattoo: No, definitely it is. Whenever we get a value-accretive opportunity which aligns with our values and helps to expand our presence in the new market or existing market, we will definitely go for it.

Devang Patel: That is all from me. Thank you.

Moderator: Thank you. The next question comes from the line of Aditya Chheda with InCred Asset Management.

Aditya Chheda: From the following the rights issue, what is the cash levels today and how have we utilize that? And the second question is within the finance and depreciation; how much is attributable to the lease expense for this quarter?

Sanjeev Kumar: So on the rights issue proceeds which we actually had, we have used INR170 crore for the purpose of debt repayment which is INR170 crore. We also increased our shareholding in our Vizag hospital from 51% to 85% and have used INR150 crore and almost INR50 crore and INR95 crore were used for the purpose of general corporate purposes.

Aditya Chheda: And on the depreciation and finance lease component within the total amount of roughly INR110 crore.

Sanjeev Kumar: So I think in terms of the depreciation if you actually look at during this particular quarter the depreciation is includes the depreciation on our new facility (North Bangalore) as well, but over a period of time this would actually also include the capital issue of certain recent growth investment that we have bought as well as in future when we have an increased number of hospitals. So today it will be in the region of 9% of our asset prices .

Aditya Chheda: Okay, got it.

Moderator: Thank you. The next question comes from Devang Patel with Sameeksha Capital.

Devang Patel: In your comments you had mentioned in the West in terms of share of revenues had gone down, bringing down overall revenue. Is that related to a particular state or a hospital? Is there a change in norm or is that something -- an effort that we had made from our side?

Sanjeev Kumar: So as far as West is concerned, the growth which we may call the moderated growth, is largely on account of some of the reduction on account of the scheme business which is largely low margin immunotherapies, and that has largely impacted the value growth. Maharashtra has actually grown well. It is only in Gujarat region which had a good high proportion of this kind of business, which we have deliberately cut down on and hence the the growth is muted, the margins are expanding.

Devang Patel: Right sir. Thank you so much.

Moderator: Thank you. The next question comes from Rajat Srivastava with Tata Mutual Fund.

Rajat Srivastava: Hi. Manish my first question my first question is now that you have already spent close to 1 year or maybe more than 1 year in the system, I just want to understand from you that do you think things so far have progressed in line with what you would have expected, or has that been a little slower, both on the top-line front and on the margin expansion front? That is my first question. My second question is, now that you spent a decent amount of time, do you think that at the consol level, HCG can at some point in time, let's say 2 to 3 years down the line, this business model can operate at a 23%, 24%, 25% sort of margin level? Yes, those are my 2 questions.

Manish Mattoo: Thanks. A very interesting question. I would say, I think we could have done better on both fronts, particularly on the top line, where we did face a couple of headwinds on the price capping and couple of those factors. But I think on margin expansion, our trajectory has been quite good, I would say. To navigate those challenges and still grow at 13%, 14% so far, I would say is reasonable growth, but definitely we could have done better.

But to answer your second question, we are very confident that with the levers that we have in place, the opportunity that lies within the oncology segment across markets, the fact that we are present in so many markets across the length and breadth of country, we have a good opportunity to leverage on the centers which are maturing now and the clinical differentiation that we have and the patient trust that we have earned over these years, I think, we are in a very good position to meet the 24%, 25% EBITDA margins in the next few years.

Rajat Srivastava: Sure. Just to understand, can you tell us that out of the 25 hospitals you have right now, how many hospitals would be actually closer to that 25% margin level?

Manish Mattoo: So yes, while we have refrained from giving center-specific details in the past also, but I think definitely the number has increased over the last year. And the fact that our key business, the institutional business has come down by 200 bps, has meaningfully added to our EBITDA margins at a center level also and overall at a consol level too. About 50% of our centers today, more than that actually, are in that range of 20%+.

Rajat Srivastava: Okay. Got it. Lastly, on the operating cash front, can you tell us what was the cash generation during this quarter? That is my last question.

Sanjeev Kumar: See if you look at in terms of the cash generation that, we have got a pretty healthy cash generation when we really convert from EBITDA to actually cash generation. We almost had an operating cash flow before the working capital changes of ~INR125 crore

Rajat Srivastava: INR125 crore.

Sanjeev Kumar: Yes. INR125 crore of operating cash flow before the working capital changes. And if we look at the overall net cash flow from operating activity, it will be in the region of INR70 crore or so.

Rajat Srivastava: INR70 crore?

Sanjeev Kumar: Yes, it will be approximately INR70 crore from operations.

Manish Mattoo: Yes, INR70 crore from operations.

Rajat Srivastava: Okay. Thank you.

Moderator: Thank you. Your next question comes from Aryan Jain, an Individual Investor.

Aryan Jain: Am I audible?

Moderator: Yes, sir. You are audible.

Aryan Jain: Sorry, I joined the call late, so I am not sure if this was discussed earlier. But in this presentation, you have disclosed that almost 30% of your revenue has come from government business. I just wanted to ask you how much of this would be attributable to the CGHS patients. The reason for asking this is that I just wanted to know if there was any impact from the CGHS price revision.

Manish Mattoo: Yes, we answered this earlier. The impact was about 1.5% on the top line because of the price capping, but there was a positive impact on the margins.

Aryan Jain: Will you be able to quantify this, the margin impact?

Manish Mattoo: Not right now.

Aryan Jain: Okay, understood. The second question was, what steps are we taking to improve our case mix considering that our ARPP this quarter were mainly impacted by the case mix? These are my questions.

Manish Mattoo: So the case mix is being driven by infusion of technology in many of our centers, whether it is in, for example, MR-LINAC that we have got in North Bangalore, as well as the TomoTherapy, the surgical robots that we are getting in some of the centers, establishing the CAR-T cell therapy programs in several other centers, building the Bone Marrow Transplant program, setting up genomics, again, a part of the precision oncology overall ecosystem or enabling our systems hospitals to have precision diagnostic capabilities. All these will add to improving the case mix. We are also proactively looking and have recruited several physicians who come with specialized skills, which will help us improve case mix further.

Moderator: Thank you so much. The next question comes from the line of Sumit Gupta from Antique Stock Broking.

Sumit Gupta: Yes, sir. Thanks for the opportunity. So I just want to understand, what were the utilization levels in all the 3 clusters?

Sanjeev Kumar: So we actually do not give the utilization levels at this point in time, and this is only annual disclosure, and certainly we would be giving this information when presenting the March '27 financials.

Sumit Gupta: Okay. But directionally, can you highlight like has it improved or what the occupancy has more or less been at the

same level? I just want to understand, at least from the qualitative aspect.

Manish Mattoo: Yes, definitely they have improved sequentially also and vis-a-vis last quarter too.

Ravi Gothwal: Also Sumit, you need to look at the volume growth. So as we have highlighted, 11% is the overall volume growth. That is also an indicator that the assets are performing better and in fact they are well utilized.

Sumit Gupta: No, that is fine. So within that, obviously, South would be discussing more or I presume West should be having higher utilization, basically higher rate of improvement in West versus South. Is this understanding, correct?

Manish Mattoo: So cluster wise, it will be difficult to give right now, but overall at a company level, suffice to say that both the utilization levels, occupancy levels have improved.

Sumit Gupta: Understood sir. Thank you.

Moderator: Thank you. The next follow-up question comes from the line of Jyothish Vijayan with Moat Financial Services. Please go ahead.

Jyothish Vijayan: My question is on the EBITDA margin side. So despite nearly only 2% growth in ARPP, the adjusted EBITDA margin nearly expands 120 basis points to 19.4%, which is mostly driven by payor mix and revenue partly. So as the North Bangalore hospital ramps up and the company executes a significant expansion over the next 3 years, so what do you believe is the sustainable EBITDA margin range over the next 2 to 3 years, which will reverse that expectation?

Manish Mattoo: See we have already stated our long-term aspiration is to get past that 21%, 22% and reach the 24%, 25% EBITDA margins. Given our performance in Q1, we are confident that we will get there. And I think we are very confident that we are on track to hit those numbers.

Jyothish Vijayan: May I know the number, it is 21%-22% or 23%-24%?

Manish Mattoo: So I said in the next 2 years, we are looking at a 21%, 22% EBITDA margin. For the next 4 to 5 years, we are confident of clocking the 25% margin number.

Jyothish Vijayan: Okay, got it. The next question is on the marketing spend. How much is right now the marketing spend as a percentage of revenue? And is there any target that you need to set for the marketing spend?

Manish Mattoo: So because of the North Bangalore launch, we are obviously doubling down on marketing in that place. So it is gone up by 20% vis-a-vis last year quarter, it is today at 2.9% of our sales. And we want to kind of keep it around that mark given the nature of our specialty and the competitive intensity in several markets that we operate in.

Jyothish Vijayan: So you are keeping the same 2.9% for the longer term also, right?

Manish Mattoo: It will be in the 2.5% to 2.6%.

Moderator: Thank you. Your next question comes from the line of Vedant Nilekar with ICICI Securities. Please go ahead.

Vedant Nilekar: Thank you for the opportunity and congrats to the management for great numbers. I have just one question on the long-term margin guidance that the management just mentioned. What would be the levers for the margin expansion here in the next 4 to 5 years?

Manish Mattoo: So the big piece will come from improvement in our payor mix. That is the biggest lever, and we have already seen that happen consistently over the last couple of quarters. Particularly in this quarter, we have changed the payor mix by 200 basis points positively, and I think it is going to improve in the subsequent quarters from here.

The other piece is investing in the right clinical and technology to improve our clinical work, the complexity of clinical work. Whether it is installing TomoTherapy units like we have done or the MR-LINAC or the surgical robots that have come in this quarter and will continue into subsequent quarters as well, or in the right clinical talent. In the last quarters, in the last 4, 5 months, we have onboarded about 20 oncologists.

So I think investing in all those things will definitely help us improve the case mix on back of the payor mix improvement. Then of course, the better operating leverage that will come in hand from the existing centers as they mature. And we have seen that happen as EBITDA growth is outpacing the revenue growth because of that leverage. A couple of the other factors that I mentioned. This year particularly as the North Bangalore losses come down, as it matures next year, that will be another lever for margin expansion for us.

Vedant Nilekar: Thank you so much.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference call over to the management for closing comments.

Sanjeev Kumar: Thank you so much.

Ravi Gothwal: Thank you, everyone, for joining the call. If any of your questions remain unanswered, please feel free to reach us on the email ID and the number provided on the back of the investor presentation.

Ravi Gothwal: Thank you.