Date of submission: August 10, 2026

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

Dear Sir/Madam,

Sub: Transcript of Earnings Call for the quarter ended June 30, 2026.

Further to our earlier letter dated Monday, August 03, 2026 in relation to uploading the Audio Recording of the Earnings Call of the Company held on Monday, August 03, 2026 for the quarter ended June 30, 2026, please find attached the transcript of the said Earnings Call.

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

Kindly take the same on record.

Thanking you

Yours faithfully
For **Narayana Hrudayalaya Limited**

SESHIAH SRIDHAR
Digitally signed by SESHIAH SRIDHAR
Date: 2026.08.10 17:28:59 +05'30'

Sridhar S.
Group Company Secretary, Legal & Compliance Officer

"Narayana Hrudayalaya Limited

Quarter 1 FY27 Earnings Call"

August 03, 2026

MANAGEMENT: **DR. EMMANUEL RUPERT – CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR**
MS. SANDHYA JAYARAMAN – GROUP CHIEF FINANCIAL OFFICER
MR. VENKATESH – GROUP CHIEF OPERATING OFFICER
DR. ANESH SHETTY – MD, INTERNATIONAL BUSINESSES
MR. RAVI VISHWANATH – NHIC
MR. NISHANT SINGH – VICE PRESIDENT – FINANCE AND INVESTOR RELATIONS
MR. VIVEK AGARWAL – DEPUTY GENERAL MANAGER – FINANCE AND INVESTOR RELATIONS

Moderator: Good afternoon, everyone, and welcome to the Quarter 1 FY27 Earnings Call of Narayana Hrudayalaya Limited. We thank you for joining us today. On the call from the management team, we have with us Dr. Emmanuel Rupert, CEO and MD, Ms. Sandhya Jayaraman, Group CFO, Mr. Venkatesh, Group COO, Dr. Anesh Shetty, MD of the International Business, Mr. Ravi Vishwanath, from NHIC, Mr. Nishant Singh, Vice President, Finance and Investor Relations, and Mr. Vivek Agarwal, Deputy General Manager, Finance and Investor Relations.

The results presentation and financial statements have already been uploaded on the stock exchanges and are also available on the company's website. Before we proceed with this call, we would like to remind everyone that everything that is being said on this call that reflects any outlook for the future or which can be construed

as a forward-looking statement must be viewed in conjunction with the uncertainties and the risks that they face. Please note that this call is for the duration of 1 hour.

We will address questions pertaining to the India business first 30 minutes, followed by international business. Given the limited time available, participants are requested to ask maximum two questions at a time and join the queue for any follow-up questions.

With that, now we would like to start the Q&A. I request everyone to use the Raise Hand icon to go ahead with your question. Participants may click on the Raise Hand icon to proceed with your question.

First question is from Prithvi Raj. Kindly announce your company name and proceed with your question.

Prithvi Raj: Hi. This is Prithvi Raj from Unifi Capital. Let me begin with the domestic hospital business first. I think the EBITDA growth of 40% despite not adding any beds in the last 7 to 8 years is quite remarkable. In this context, my first question is with respect to the revenue growth. I think till last few quarters, entire revenue growth for India hospitals came from ARPOB, but this time, surprisingly, even the footfalls went up. So, could you explain that, and how should we look at it going forward? Will it be a combination of ARPOB plus footfalls or it will be predominantly ARPOB till you commission the new hospitals?

R. Venkatesh: Hi, Prithvi Raj. I'll take this up. We've been off late doing a lot of high-end procedures and also the robotics has gone up substantially. So, if you see the margin improvement over the last two, three quarters, they are essentially on account of high volume of high-end procedures and also increased use of technology and robotics. And also, if you see the presence of our clinics across the network, in mainly around Bangalore, has actually strengthened the brand reputation of the hospital network, resulting in increased footfall.

If you look at the data of clinics, clinics we do more or less, the total footfalls of patients in clinics is approximately 30% of the total OPD footfalls in the hospital. So that is also the level of contribution the clinics are doing. That is also complemented towards increasing of the footfall, and overall general demand is also strong as far as healthcare is concerned.

So, we have seen a good traction in terms of volumes coming across the network, across all the regions. And it has been a good combination of volumes as well as realizations. And going forward, we would strive towards continuing with such a combination in the quarters to come. But obviously, we will not be able to boil down to any specific numbers, but we would always work towards getting a combination of both volumes and realizations in the quarters to come.

Prithvi Raj: That is clear. Just on margins front, you made a point of the 24% EBITDA margin. See, if we compare your ARPOB with other competitors, it is significantly lower. However, your margins are largely on par with the competitors. And as you have taken several initiatives on efficiency, etcetera., but do you think is there a further scope for hospitals' margins to go up or it should stabilize at these levels?

R. Venkatesh: Sandhya, you want to take that?

Sandhya J: Yes. Sure, Venkatesh. If you look at how our margin journey, like you had acknowledged that we haven't added any beds, but we have been able to deliver incremental revenue and throughput. And that is what is giving us the expansion that we are seeing in margins in addition to footfalls that Venkatesh talked about.

This will continue because we don't have any meaningful bed addition coming in for the next two to three years. Having said that, we have to make a choice on the leverage benefit. We are an operator that works with an affordable care philosophy, so we will continue to make that choice on how much do we pull back into cash flows and thereby fueling our expansion initiatives?

How much we are going to continue to invest into our new growth verticals like integrated care, and how much we will pass back to the customers. And those operational decisions we will make as we go through this journey. It is not possible to give a projection on that, but what we can definitely see is that we will see expansion in the core operating margin of the business, given the leverage benefit that we will enjoy.

Prithvi Raj: One final question on domestic business. If you look at the insurance space, I think the losses spiked significantly during the quarter. Just trying to understand, what has changed so much in one quarter that, the losses spiked up in a big way, and should we expect these losses to sustain for the next few quarters or is it more of a one-off quarter? So what explains this domestic insurance losses?

Management: Ravi can you just take this up, please?

Ravi Viswanath: Sure. Hi, Prithvi. No, I mean, absolutely right. I think a few things you have to kind of keep in mind in this. It is still a relatively small book, and so a few large claims sometimes can have a disproportionate impact when you look at loss ratios. But at the same time, when you look at the growth, there are other benefits.

So you would have seen also that the expense ratio came down substantially, and so you have got to kind of a little bit balance both those things. In our case, the issue is confined to a few policies. And having said that, as part of our priorities, we are working on a number of initiatives for instance to manage our portfolio for long-term sustainability.

As I said before, right, small book can have it can be still volatile for a little while until it comes to a little bit of scale. But we are not waiting for that. We are working on a number of initiatives. Some of these I can share with you. For example, we are implementing AI solutions across the board to review claims and minimize fraud, waste, and abuse in claims, especially outside our preferred network.

We are in-housing more and more claims to ensure we bring not only a policy view, but also a health expertise view in these reviews, right? And that's one of the unique things that as Narayana Health Insurance we can bring to the table that others may not have. We continue to sharpen our audits with our partners to ensure there is high quality in claims operations, for example with TPAs.

And in terms of future growth as well, portfolio-wise, we continue to focus on SME and retail business as growth drivers. And as those have got better margins than say larger GMC accounts. So it is a combination of all of these things.

And as these measures start to deliver benefits and the book size grows, which is important, I feel confident the loss ratio will moderate to acceptable levels over a period of time. But in the short term, we might still see some volatility in the book until it achieves a little bit of scale, because some of this is law of large numbers. I hope that answers your question.

Moderator: Thank you, Prithvi. Next follow-up question is from the line of Prithvi Raj. Please go ahead.

Prithvi Raj: Yes, I just have one follow-up on this insurance business again. So how much of the claims are coming to your own hospital chain and how much of the claims are going to third-party hospitals at this point of time? And is that a reason what explains the higher losses?

Ravi Vishwanath: So maybe I can take that and others can chime in if you want. So, a couple of things on this, right? I don't think we are prepared at this point in time to disclose some of those numbers. Having said that, as Venkatesh was talking about for the clinics business, for example, similarly the insurance business has a lot in terms of brand visibility for the group. And as these customers come in and as we get more and more engagement with these customers and introduce them to the entire gamut of services that Narayana Health provides, over time, we believe that we feel confident that they will consider NH for all their advanced diagnostics and hospitalization needs. And we will see a large portion of people coming to our hospital.

Having said that, in our group policies at the moment, we would, we do offer people choice. And, we are working hard to win, these customers to our hospitals by making sure they get great service in the hospital, making sure that the overall experience they have is good and engaging deeply with them to ensure that that our hospital is at the top of their mind when they're considering their hospitalization needs.

So that is kind of where we are We do have a difference, more I mean, broadly what I can tell you is that on the retail side, a lot of our customers come to our come to our hospitals by choice. And on the group side, we are seeing those numbers improving. But we continue to work on that and to be top of mind for our customers to consider NH when they require hospitalization.

Moderator: Thank you. Next question is from the line of Jaspreet Singh. Kindly announce your company name and proceed with your question.

Jaspreet Singh: Hello, sir. My question is, what is the current ROCE of our UK business?

Sandhya J: Can you kindly repeat the question? It wasn't very clear for us.

Jaspreet Singh: What is the ROCE of our UK business currently?

Sandhya J: So, I think it is too early to measure the ROCE of the UK business at the moment. It is very early days for us. We just acquired that business, so we can start reporting this maybe four quarters from now.

Jaspreet Singh: Is there any target by 2030, so any milestone that we will achieve that we can say UK asset is seen as a good capital allocation? Is there any targets?

Sandhya J: Anesh, you want to take that question?

Anesh Shetty: Yes. Thank you, Jaspreet. We would like to have the international questions in the second half, but since you have asked, I think as we said during the acquisition time itself, we do not have any particular definite number to disclose as a ROCE target.

Having said that, we believe that the assets were acquired at a very reasonable price and there is a substantial opportunity for us to improve their earnings compared to where they are now and when we acquired it, without any significant further capital deployment in that market with the existing capital base that already exists.

Moderator: Thank you. Next question is from the line of Sajal Kapoor. Kindly announce your company name and proceed with your question.

Sajal Kapoor: Yes. Hi, team. This is Sajal from Antifragile Thinking, and thanks for giving me this opportunity. My first question is, what evidence do we have today that owning both insurance and care delivery gives Narayana a structural underwriting advantage rather than simply transferring economics between insurer and the hospital?

Anesh Shetty: Sandhya, you want me to take that?

Sandhya J: Yes, Anesh.

Anesh Shetty: Yes, so hi, Sajal. Thank you for your question. So just to clarify, sorry, due to a prior travel commitment and some delays there, Emmanuel is unable to attend this call, so he sends his apologies. To your question, I think just keeping the underwriting advantage aside for now, if you look at our actual experience in a very short time, where we have the largest cluster of clinics is in Bangalore.

And the footfalls, the outpatient footfalls in those small clinics in aggregate represents a little over a third of what we see in our flagship hospital in Bangalore, including the HSR second hospital in Bangalore as well.

Now, when we look at the referral potential and what we are actually seeing being referred in, it is a phenomenal driver of activity, volume, and empowering a lot of the growth we are seeing in our in our footfall and conversions, especially around the high-end complex procedures, robotic surgeries, etcetera., the complex cardiac interventions and so on.

To your second question about the underwriting model itself, now there is very little medical underwriting happening in the insurance industry as we speak. We have an ability to understand the consumption patterns through the people who are subscribers for our clinics. We render the bulk of their primary care, the bulk of their pharmaceutical needs, the bulk of their diagnostic and follow-up care.

This really gives us an ability to understand where people are spending, what are they spending on, and how can we best position ourselves to cater to that. Now, obviously, this is a longer-term play, while we have started seeing very encouraging results with the clinics and the subscription plans, insurance, as Ravi mentioned, is early days, it is a small book.

These things will play out, but the early signs do point to us having something interesting to work on where we do have an inherent structural advantage to somebody just selling an open-ended policy to anyone who fulfills certain criteria.

Sajal Kapoor: No, that's helpful, Anesh. I mean, just a quick follow-up on that one. So some of the patients would have renewed their policy, right? And given their past behavior, we potentially understand them a little better in terms of what kind of system they have in terms of their own sort of mental and physical well-being as well as their pattern of submitting a claim, and how does that reflect in the pricing for the renewal?

And that's one. And then as a system, we are continuously learning because, yes, it is a smaller book and early days for us. How is that learning getting reflected in our underwriting decision-making for the new patients that were never part of our network?

Anesh Shetty: So I will pass it on to Ravi, but just a quick comment. For a good number of our patients, given our role as both a provider and insurer, we actually are the only people who can underwriting them and price out the policy as well as a renewal to reflect their changing health status. But Ravi, do you want to take Sajal's question?

Ravi Vishwanath: Yes, certainly. So a few things, Sajal. So one thing just to keep in mind and kind of be very clear about, right, is that in India at the moment, at least, we can't change somebody's renewal premium based on let's say deterioration in their health, right? So that's one thing to keep in mind, and we, of course, do not do that.

Having said that, let's think about how this benefits us, over a period of time, right? There are two parts to this. One is while I may not be able to change prices at an individual level, what this gives me a very good sense of is what is happening at a portfolio level, at my overall group retail portfolio, and at a group policy level.

I have a good sense of what the claims are going to be next year. When you typically underwrite a group policy, right, you have some information and it is kind of imperfect that most companies would underwrite with. In our case, we have a good idea of what claims have already happened and are unlikely to repeat next year, what claims haven't happened yet, but we know are going to happen next year.

And price our renewal group at a group level accordingly and make changes at the price level as per the requirements of at a portfolio level, right? So that is a significant advantage that we have. And as our policies come to renew, right, we have just started getting into renewal cycle in our renewal on our retail book and have got three policies so far renewed on the group side and more to come.

And we see that this is becoming something that is becoming more and more valuable to us. The other part is that is the entire engagement that we do with customers. So if you think about it in a slightly different way from a customer's perspective, right, what do we bring to the table for the customer?

We allow because we understand their health, unlike another insurance company, we can actually intervene earlier, and we can send somebody to the hospital and recommend that do the surgery now. It is better for the customer. It is hopefully less complicated, it is quicker recovery, and it is a lower cost for the insurance company as well.

So, there is a number of things here that play that allow us to impact the life of the customer in a very positive way, while also managing our overall book in a sustainable way. And that is the unique thing that we have as an insurance company that is promoted by a hospital, the only insurance company that is promoted by a hospital.

Sajal Kapoor: That's helpful. Thank you. And my second question, it is related to a classic tension. So when the hospital benefits from doing more and insurer benefits from doing less, how does Narayana decide what is optimal for the system as a whole?

Anesh Shetty: In the short run, there is a conflict, but in the long run, if the hospital does too much, the insurance arm will not be sustainable. If the hospital does too less, then that's also not good for the long-term outcomes of the patient.

So in a short run, yes, one quarter or two, but in a long-term sustainable way, if you look at integrated care models all across the globe, it is a self-check mechanism where you render the right amount of care, not too much, not too less.

But more importantly in our market where there is abundant choice, if the insurance company if the insurance clients perceive that you are denying care or you are not rendering enough care, they will leave and go, which defeats the entire purpose.

Moderator: Thank you, Sajal. I request to come back for a follow-up. I request all the participants, kindly limit yourself to two questions per participant. Next question...

Nishant Singh: I request Ravi to take a pertinent question from the chat box. Ravi, if you could just see that question on the question number one, out of the all patient admitted in Narayana Hospital this quarter...

Ravi Vishwanath: Sure.

Nishant Singh: Are you able to see that question?

Ravi Vishwanath: I am. I will just read that out for people's benefit and quickly answer that. We did cover this a little bit earlier as well. So out of all the patients admitted in the hospital this quarter, what percentage originated through our insurance platform compared with traditional referral channels?

The first part of the question. Again, we're not prepared at this point to share the percentages, although we track it very, very diligently. But again, the insurance book is still a small book and it will take some time before we see, really significant impact, but that is, of course, the direction that we all are working towards.

The second part of the question is, as the book matures and underwriting, we expect underwriting profitability to improve through premium increases, better risk selection, or lower operating expenses? I would say that our prior in order of first of all, all three. And in order of priority, I think it's very important for us and consistent with our overall approach as a group to have the lowest possible operating expenses to give the maximum possible benefit back to the customer.

That will continue to be a focus, and you've seen a significant drop in our expense ratio, from previous periods, and something we'll be working on very, very closely. Better risk selection, just as a response to the earlier conversation we spoke question, we spoke a little bit about that.

And the premium increases, will be a fact of life based on how the book performs, and, our approach is going to be to be responsible in our pricing and, keep doing that and make sure that we are not overpriced or underpriced and trying to be as correctly priced as possible in order to have a sustainable business, which means value proposition for the customer as well as a sustainable pricing for ourselves.

On the second part, maybe I'll defer to Sandhya or Anesh on that, insurance sitting inside a listed company.

Anesh Shetty: Yes, sure. So the question is, it sits inside the listed company and therefore suppresses consolidated return metrics. Has the board internally defined a maximum acceptable period of cumulative investment after which the strategy would be reassessed? It's a combination of both timeline and cumulative investment, as we did mentioned, we did set out broadly the terms in terms of the amount of investment we were willing to make into this.

Things are on track, especially ahead of plan with the clinics, slightly behind with the insurance, but every few quarters or so, we'll continue to reassess if the ecosystem benefits do materialize. The early results are encouraging with the clinics. Insurance is too small to judge now. We'll continue to watch and reassess every few quarters or so.

Moderator: Thank you. Next audio question is from Rajit Aggarwal. Kindly announce your company name and proceed with your question.

Rajit Aggarwal: Hi. In your presentation, you mentioned there are three projects which have got postponed from FY28 to FY29, two to FY29, one to FY30. So what are the reasons for this postponement, if you can share? And also, Southwest Bangalore, the 100 beds which are supposed to come during the current financial, which quarter do you expect them to operationalize?

R. Venkatesh: Yes, I'll take this. See, among all the projects which we have listed out, most of the projects are within the acceptable timeline. Even if there's a slight delay, they are within that 6-month window period of acceptable timeline.

There are a couple of asset-light partner model projects, which are running a bit slower, specifically because from the partner side in terms of certain licensing issues, the delays, licensing, which obviously we are in constant discussion with them, and it should get sorted in the next month or so. So they should cut those delay by a considerable period of time. So this is minor delay, but other than that, most of these projects are within the acceptable limits.

And when it comes to the project in Southwest Bangalore, as I said, we are at the end stage of this construction and we are hopeful to start it by the end of Q2. So this is also fully in line with our plans, and we hope to have this start by end of Q2.

Rajat Agarwal: Okay. Thank you.

Moderator: Thank you. Next question is from the line of Om. Kindly announce your company name and proceed with your question.

Om: Yes, so my question was mainly to Ravi, with regarding to, insurance having an impact on the overall profitability as of now playing. And Ravi was explaining that for now, this will be going a little bit of, maybe a couple of more quarters, this impact will be. So I just wanted to understand from Ravi that how long do you see that the scaling up insurance books will have impact on profitability? And by when we expect that that will start contributing on this?

Ravi Vishwanath: Right. I'll attempt to answer that. At this point, we don't make, future forecasts, but I think the important thing here is a couple of things. As I laid out in the earlier response, there are a number of things that we will continue to do to make sure that the portfolio itself is something that is managed sustainably. That includes a number of things around underwriting and claims, as well as the type of business that we are writing.

The nature of insurance business and the way that it is currently accounted is that you are able to book a fraction of your revenue in the period, and then, but you have to book the entire expenses. So growth comes with, it does have an impact on P&L, but these are all things that we look at closely and monitor.

I think the important thing for us is to have a long-term sustainable portfolio and over time to engage with our customers across primary care that we provide them as part of the insurance offering and as part of value-added services, so that the entire integrated care approach comes in, and we're able to see as a group the value of having hospital, clinic, insurance together working with customers to help them get well, stay healthy.

So that's kind of how we're going to be approaching this. We are, of course, we're obviously very focused on a sustainable business. At this point in time, I think it's, given the size of the portfolio and the volatility, it's a little bit too soon to talk about when is it going to get to various levels, but it's something that we'll keep working on and keep updating you each quarter.

Om: Got it, Raviji. Just to add on to the same, so earlier we had a bit of more targeted segment was the retail. Now as you indicated that we have been also looking somewhere on the group and the other segment of, the sector as well. Where do you see this shaping up in two to three years? I'm not talking about from profitability point of view. Just want to get a view from scalability perspective. Do you see, Narayana Health Insurance becoming a prominent player in terms of, the other competitors as well for the health insurance sector?

Ravi Vishwanath: I don't know what you mean by prominent. I mean, if you think about the impact that we will have on the lives of our customers and be able to provide an entire integrated approach across everything that our customer requires from a healthcare perspective, then as Narayana Health, I think we'll be very, very, very prominent in the life of that customer. And that's what we're trying to build. Okay? And I think that's our focus.

But in terms of, channels and distribution, our focus I would imagine would continue to be on those areas where we think we can make the most impact in the life of our customer, which for us at the moment appears to be retail coverage as well as SME.

These are areas where there is a lot of people who are left uncovered, who for whom having insurance will make a real difference in their life, will stop pushing them into, below the poverty line, should they require, should there be a catastrophe or not be able to access care. That's what we are focused on.

But in terms of prominence, I don't think we look at it as a market share thing. It's about how can I provide a complete integrated service across clinics, hospitals, and insurance to our customers so that we can be super prominent in their life, and if we make that impact and do that over a period, to as many people as we can, then I think we'll make a real difference.

Om: That's very well. And to achieve that, we will be strictly sticking to the Narayana integrated ecosystem, right? So we are only targeting on that area, we are not going to pursue this as a separate entity?

Ravi Vishwanath: The question that you asked was over a period of time, right? So look, we are always going to be looking at opportunities and looking at what makes sense, but the lens is always going to be an overall integrated lens. That is the unique thing that we bring to this market, and that's what we're going to be focusing on. And all opportunities, all ideas, new things that we'll invent are all on the table to help us drive that goal.

Om: Thank you, Raviji. All the best.

Moderator: Thank you. Participants can click on the Raise Hand icon to ask a question. Next follow-up question is from the line of Jaspreet Singh.

Jaspreet Singh: Sir, just on the UK ROCE, my will it be better than what we have achieved in Indian and Cayman business? UK ROCE, will it be better than that?

Anesh Shetty: Yes. Jaspreet, yes. Thank you for your question. We'd like to take the Jaspreet.

Moderator: Sorry to interrupt, Jaspreet can you please mute your line from your side? Sir, go ahead.

Anesh Shetty: Yes. We'd like to take the UK questions in the second half, but since you've asked, it's still early days, Jaspreet, to answer that question definitively. But like we said, before, we do perceive a very good opportunity to increase margins for the capital we have I mean, disproportionate to the capital we've deployed.

It's a country that has a lot of favorable economic in terms of how the business is structured, and especially our advantage of being a low-cost provider. But to your specific question it's too early to have a definitive number and a definitive timeline compared to where we are currently.

Jaspreet Singh: And second question is, there is a significant increase in our cash equivalent in the balance sheet. Where this cash has come from and where it is going to be utilized?

Sandhya J: Jaspreet, you're asking the cash balance that we are holding in the balance sheet, right? You're asking where we are going to deploy that cash, right?

Jaspreet Singh: Yes, yes.

Sandhya J: Okay. So, this will get deployed into the projects that we've committed over the next two years. We've committed INR 3,000 crores. A part of that will be our own contribution and a part of it will be borrowing in nature. So we will deploy that cash towards projects.

Jaspreet Singh: Where this cash has come from, there is significant increase in the cash, like from '25 to '26. Where this has come from?

Sandhya J: The cash has entirely come from the performance of the operating business in India and Cayman.

Jaspreet Singh: Okay. Thank you.

Moderator: Thank you.

Sandhya J: I think we can take the questions on the chat, Nirav, and then move to UK, so we can finish off all the India questions on the chat.

Moderator: Sure, ma'am.

Nishant Singh: So, there's a question on is your HSR hospital on track and also any plans for expanding presence into North Bangalore?

Nishant Singh: See, HSR is mostly on track. In terms of the North Bangalore, we have already announced our project for the current for the first round of expansion. Whenever we come to the second round of expansion, this North Bangalore will be even one of our priority areas, along with other parts of Bangalore where we are not present currently. The second question is India in terms of India, we have already covered for insurance.

Sandhya J: Yes, India insurance we have covered.

Nishant Singh: There's a question on ALOS. ALOS during Quarter 1 was 4.3. Where do you see its settling down?

Dr. Emmanuel Rupert: Hi, I'm Dr. Rupert here. Our intention is to get it down somewhere between 3.9 and 4. That's a journey, because that's one of the areas of efficiencies we've been working on for the last couple of quarters, and we want to do that. But some of the complexities of the work which we do, do have a different length of stay, so we are trying to balance out all of these things to get to that kind of a number.

But overall, the effort across all the hospitals is to reduce the ALOS, but we also have a sizable number of medical patients who require a little bit of a length of stay. So, it's a quite a balance, but we hope to get down to somewhere close to 4% as far as possible.

Nishant Singh: There's a question on the overall losses, loss funding for insurance, clinic business put together. This we've already covered.

Sandhya J: Answered.

Nishant Singh: The rest are mostly for international businesses. Can you provide some color on the trend in patient transaction volumes across your clinics this quarter?

Sandhya J: Ravi, do you want to answer that?

Ravi Vishwanath: Yes, certainly. So, I mean, in terms of the overall transactions that we have across clinics, I mean, this is something that continues to be positive. Just give me a moment and I'll just pull up the some of the numbers here for you. Right. So, in terms of overall transactions in terms of OP consults, these have grown to about grown by about 30% year-on-year.

And in the quarter, we did about 66,000 consultations across our clinic network. So that is something that has been, pretty encouraging. A very high percentage of our customers, again, we don't share the exact number, but a very high percentage, well over a significant number, of the revenue of the clinics comes from these members. And so that's been very encouraging. So our clinic business continues to grow. We are opening two more clinics this quarter and breaking ground on more later.

So, we are quite excited about the direction that the clinic business is going, both at the clinic level, as well as the support that is provided to the hospital, as well as our insurance business. So the entire integrated story that we've been building for the last couple of years is coming, is starting to play out and we're pretty excited with the direction on that.

Nishant Singh: There is a question on the domestic market which Anesh can answer. How do you see competition because every other hospital is adding beds and why don't you expand your network in states like UP, Bihar, where organized players like Max, Medanta, Fortis has they have no presence?

Anesh Shetty: Yes, thank you. Yes, sure. Thank you for the question, whoever asked it. We continue to evaluate all opportunities in India, especially states that are underpenetrated like you mentioned. Having said that, our focus now with the current wave of capital deployment and expansion is in the clusters where we are already strong, already have an established presence, and we have a track record of delivering and establishing our brand.

We have outlined over the next 3 financial years or so, how that capital deployment will look like. And once we start Phase 2, following some progress on Phase 1, we will consider newer markets and newer geographies. We currently do not have a presence in the states mentioned.

Nishant Singh: There's a question which Sandhya will answer. Is the Q1 FY27 EBITDA margin decline temporary due to integration cost or should we consider this the new normal for the consolidated business?

Sandhya J: So, I'd like to take this in three parts actually. If you look at the India business per se, including combining the losses from the clinic business, even if you set that off, the net margin has expanded by 400 bps year-on-year. So there, I think there is no shrinking, in fact, it's a very strong performance. Cayman hospital has come back to its earlier levels and has been because of the ramp-up and is operating at optimal margins.

There are three places where there is a cash burn. One is Cayman Insurance, India Insurance. Cayman Insurance, we'll speak about when we come to the Cayman segment. India Insurance, we've already spoken about, and both of these are in the improving trajectory, and we will definitely be able to recoup margins over a period of time.

Similarly for UK, UK has also caused a dilution in the margins, which again, we will speak about when we come to the UK segment. In all, overall, we are positive that the margin trajectory will be in the upward direction from here, given that all the efforts that we are taking will start to bear fruit in the medium term for us.

Anesh Shetty: Nishant, given the time, we'll make progress a little. Let's take questions on the other divisions, and where there's a gap, we can take the chat questions as well.

Nishant Singh: Sure.

Moderator: Thank you. Next follow-up question is from the line of Prithvi Raj. Please go ahead.

Prithvi Raj: Yes. Anesh, moving on to Cayman and UK. If you look at the insurance business in Cayman, I mean, it's good to see that quarterly losses have come down on sequential basis. But however, in the last call, you mentioned that 1/3 of the contracts will get repriced starting from July. So can we assume that we are we have behind worst for Cayman insurance losses and it should start improving significantly as this repricing starts kicking in in July and Jan, and should we look at breakeven anytime soon?

Anesh Shetty: Yes, thanks Prithvi. So on the exercise of renewals in July, we're very happy to note that we had a 100% acceptance and renewal rate, which is quite unusual for a for a new insurer. So that means we're confident that people are happy with what we're offering, they're happy to accept the price increases to a more sustainable level, and we're confident we'll have a similar result in the January cycle as well.

So those that cycle has gone on successfully, and it's not reflected in the quarter result you're seeing because that kicks in from July. But it will be in the Q2 cycle. Having said that to your question, yes in -- you will always have some abnormal swings in some quarters in insurance because you can have a few large claims here and there.

But if you look at a rolling two or three quarters basis, we would agree with you that our intention is fully to see that the worst is behind us in the previous quarter, barring some abnormal swing that could happen with a few large claims for some complex cases. But I think we agree with your conclusion.

Prithvi Raj: And moving on to the Cayman hospitals, I mean, the growth this quarter in USD terms is a bit soft in like 6%. The whole point of getting into insurance is that it will also add more footfalls to the hospital. So is there any specific reason for this low growth in Cayman hospitals this quarter or is it more to do with couple of surgeries getting delayed which explains this?

Anesh Shetty: So sequentially it is a softer quarter. Having said that, if you look at the volume metrics, we are seeing healthy double-digit increase in our whether we see year-on-year discharges or outpatient footfalls, etcetera, a lot of it is because of the integrated care strategy playing out. Having said that, we do look forward to the growth being a little more in the hospital, and as you said, it should result from the insurance company growing.

The insurance company is not small anymore. I mean, it's looking at a USD60 million annualized book of business. So that should be empowering at least a little better growth to the hospital for some for few quarters to come. But Q1 is a seasonally slower quarter given the holidays, but we're happy with what we're seeing in the early months of July and August.

Prithvi Raj: One final question on UK business. Quite surprising to see that losses going up considerably in this quarter on sequential basis and even there has been a revenue decline. So what's happening there one, obviously, this quarter, second, how is the entire traction are you people able to take control of the business and the change in payer mix or initiatives that you wanted to take, how is everything going on there?

Anesh Shetty: So to your first question, on a -- there will always be seasonal variation, but on a year-on-year basis, which we'll have to compare to the period prior to acquisition, there is about a 5% year-on-year revenue growth. It would have been higher, however, as you would have read in the media, there was a widespread heat wave, which was very severe in all across the country.

Critical infrastructure, not only hospitals, but railway operators and other infrastructure, was significantly impacted. For us, what that meant is the chillers and air conditioning units in the hospitals conking off quite often, and we lost several days of operating capacity, which in a business with a baseline low margin can be quite catastrophic.

So, we unfortunately have some of those heat wave impacted days even in Q2. Hopefully, towards the mid and end of Q2 we -- the season changes and we think that the worst is behind us. But this is definitely something that hit us pretty bad, but hopefully it'll be a one-off. We do have experience through Cayman and India of operating hospitals in much hotter climates with higher humidity. We'll look to incorporate and strengthen our systems, especially around the HVAC and chillers to be able to be more to be more resilient to these swings. It will take some time.

To your the second part of your question on how the business is generally going, I think we're fairly positive with what we're seeing. The team is the team is doing a great job. The integration is progressing well. We have finished all almost all of the separations from the erstwhile parent. We only bought a division. That was a very big, time-consuming transition exercise, which is complete. We now have all hands on deck towards our transformation plan and our implementation of our software, our synergies. We continue to be positive with what we're seeing. It's going to take a little time because to the certification regulatory timelines around our software products is a little longer than we expected. But with the opportunity that we now have scoped out, compared to what we theoretically imagined pre-acquisition, the two are very close and we continue to be positive on the mid-to-long-term direction of that of that business.

Prithvi Raj: That's helpful, Anesh.

Moderator: Thank you. Next question is from the line of Jyothish. Kindly announce your company name and proceed with your question.

Jyothish: Hi, am I audible?

Moderator: Yes, go ahead.

Jyothish: Hi, team. So my question on the international business side. So did the international business witness any sequential margin pressure in Q1 FY27 compared to the Q4 FY26, and if yes, what were the key drivers?

Anesh Shetty: Jyotish, thanks for your question. Let's take Cayman separately, because I think that's the relevant one for your question. Q1 compared to Q4 is the weakest quarter compared to the strongest quarter seasonally. So yes, there was a revenue decline sequentially, but a revenue growth year-on-year, if you look at it.

For the hospital business, where the bulk of the margin, the profitability comes from, a revenue decline will have some softening of the margins. Insurance, which is still a growing business, sequentially, we had a meaningful reduction in the losses quarter-on-quarter. Year-on-year will not be comparable in insurance, because the size of the book almost 3x year-on-year. But quarter-on-quarter, there was a reduction from approximately USD 5.2 million for the quarter in insurance losses to about USD 3.7 million now.

Nishant, do you --yes, we have Rajit, and then we can take some from the chat.

Moderator: Thank you. Next follow-up is from the line of Rajit Aggarwal. Kindly go ahead with your question.

Rajit Aggarwal: Hi. So you did mention that technology certification, etcetera, you have initiated at UK. But apart from that, any other specific steps that you could share that you are looking at or you might have undertaken, anything towards change in payer mix or maybe rationalizing HR costs or anything of that kind?

Anesh Shetty: Yes, absolutely. So let's do it in two buckets, Rajat. The cost and revenue. So on the cost side pretty much what we started in NH in India about, I would say, 15 years ago, so, standardizing the variation in implants, consumables, drugs consolidating purchasing power to a few global vendors and getting those benefits.

That process is playing out well. Standardizing output and bill of materials for each procedure, engaging with consultants to understand if they're aligned with a productivity-focused model, rather than more of a time-spent model, which can be at cross-purposes. At the same time, when we look at the cost side on the

non-clinical aspects, the entire non-clinical, that is the admin overhead, is a large chunk where automation does translate into meaningful reductions in effort and cost.

We've already started a lot of that. The thing with our software platform is its modules. It's not one day the old system switches off and the next day the new system switches on. Every quarter or so, one will pass certification, we will deploy, there will be a quarter or two of settling in and then the benefits kick in.

But with each and every administrative process, whether it is submitting an invoice, processing payroll, closing a purchase order, with every administrative process, we have identified concrete steps to reduce the number of touchpoints and the number of steps and cost it takes to fulfill that process. But it does take time, and this is in line with our diligence and our thesis pre-acquisition.

On the revenue side, our biggest goal was changing the payer mix from a predominantly NHS-oriented payer mix to something more balanced, which had private sources of revenue, which are self-pay and PMI, which is essentially private insurance. We have made progress there. The business's private contribution, while still low, very low compared to peers, compared to the business itself is at an historical all-time high.

It's never had this proportion of private revenue sources, but still early days. It's only been, I would say, two solid quarters of us owning the business. We continue to invest in those relationships, and it's very aligned with what the private insurers are looking for. They are desperate to look for providers that are focused on controlling costs, whereas that's not necessarily been an option for them.

They've usually been had quite a fraught relationship with the other providers, whereas we are coming out and saying that our goal is to control costs and lower costs. So this is very aligned with the private insurers and they are actively and definitely encouraging, being very encouraging to our plans and helping us build out the private book of business. I hope that was helpful, Rajit.

Rajit Aggarwal: Yes, that's very helpful. Just one small thing, I mean, earlier used to give out a breakup of numbers with UK, without UK, which is not there now. So can we expect that to see going forward?

Anesh Shetty: Sandhya, I think that is derived, but Sandhya, you want to take that?

Sandhya J: Yes, because we have given the UK numbers separately, so without UK will be you just have to reduce remove them from numbers we've reported, because otherwise it's getting very complex. But if you have any questions, you can always reach out to our team and we'll be very happy to clarify.

Rajit Aggarwal: No, I did reach out last time as well. I mean, I just wanted to know, I mean, if I reach out to you, would you be able to give me those the number, the breakup of the numbers like you used to present earlier?

Sandhya J: Yes, with or without UK, we can share.

Rajit Aggarwal: Okay. Okay, I'll reach out. Thank you so much.

Moderator: Thank you. Sir, we can move on to the chat questions.

Anesh Shetty: Nishant, you want to screen and run through what we've answered or how do you want to go?

Nishant Singh: Yes, so there's a couple of questions on India as well. There's a question on any plans to reduce debt or will it be maintained at these levels? See, the debt-equity ratio and debt-EBITDA ratio are not very high even now. Net debt-EBITDA is still less than 1. This number, still debt numbers still go up as the project construction picks up the pace, which will be for the next 2-3 years, but by FY30, you would expect these numbers to come down to even lower levels than that what it is currently. There's a question on would you be thinking of entering into other European markets like European markets or USA/Canada in the next 2-3 years?

Anesh Shetty: We have a we have a handful with what we've started, yes.

Nishant Singh: Okay. So one question on UK which we've already covered for EBITDA, but there's a question related question, who are the closest comparative hospitals in the UK business?

Anesh Shetty: Yes, in order of size, that would be Spire, that's the only publicly listed one. The other one is Pure Health, sorry, Circle, which is owned by Pure Health, then there's Ramsay, Nuffield, which is a not-for-profit, and then us. HCA, of course, which is very London-based, so the economics are completely different, but the others would be suitable comparative.

Nishant Singh: So there's a question on India. In the consolidated financials, there's a jump in professional fees paid to doctors from INR 244 crores in Q4 FY26 to INR 327 crores in Q1 FY27 without increase in volumes. What is the reason for this increase? Is there some one-time element to it, Sandhya, if you could answer?

Sandhya Jayaraman: Yes, so actually in Q4, we had a reclass in the Cayman professional fees, where the fees to doctors was accounted in the professional fees line instead of the employee cost line. So that got reclassed, which means the professional fees for that quarter ended up being negative. And when we booked the Q1 in the normal values, so that's why you are having that difference. The actual cost has not gone up at all. It is actually flat between the quarters. It is because of the reclass entry that we passed from one line to another that you are seeing that difference.

Nishant Singh: Thanks, Sandhya. Anesh, there's a related question to it's a follow-up question to your answer last. Can you elaborate what you mean by longer regulatory approval timelines for the own software products?

Anesh Shetty: Sure. So to deploy software in in the UK medical software, it frequently gets classified, depending on how you use it, as software as a medical device, which has a certification timeline. We knew that there were certain regulatory and data privacy processes to go through pre-acquisition, but we did not have the details about how our software would be classified. Having said that, I think it adds about, I'm going to be approximate here, about 4 to 6 months in terms of timeline to what we initially anticipated. But it's a one-time effort, and the advantage it gives us is that there are very few products at our scale that have all the classifications to be used as software as a medical device in the UK.

Nishant Singh: Thanks, Anesh. There's a question on the UK business being showing high dependence on the NHS contracts. What if I think we've already covered?

Anesh Shetty: Yes, go ahead, Nishant, sorry.

Nishant Singh: No, I'm saying you've already covered on the margins and how the future will look like, but maybe you can mention about this dependency on the NHS.

Anesh Shetty: Yes, the business we acquired was 95% NHS. That's definitely not good and not where we want it to be. The closest peer in terms of geographical distribution has about 70% NHS, approximately, so that's closer to where we want to be. It obviously will take time to get there. We did anticipate this to take 4 to 5 years to move. Early results are promising.

We have had some encouraging signs, but it's a journey because the doctor engagement model, insurance relationships, even the location and structure of these hospitals, which you cannot change in the short term, everything has to be redone. But it is a worthwhile pursuit because it does come at a meaningfully higher per-unit realization. And that is part of our acquisition thesis.

Nishant Singh: One more question, they are asking if you can give a split of the private versus NHS in value or volume terms?

Anesh Shetty: Yes, in value terms like we said, when the business was acquired, it was approximately 95:5. We are better off there, but not enough to comment on. What we can do is once we have a few more quarters under the belt, we'll think about the appropriate way to convey progress on diversifying payor mix.

Nishant Singh: There's a question, if you can share the losses in India clinic business in for Q1 FY27. So, it's there in the IR deck. That number, we have also given the margins with and without clinics. That number is approximately INR 15 crores for this first quarter of FY27 for the clinic business alone. Neerav, you see any more investors asking questions?

Moderator: No, sir.

Nishant Singh: So, if you can just wrap up the session Nirav for us.

Moderator: Thank you very much. Thank you, everyone, for joining the call and for your continued interest in Narayana Health. We appreciate your participation and support. Should you have any further queries, please feel free to reach out to the investor relations team. Have a good day. Thank you, all.