Park Medi World

Operator: Good day and welcome to the Park Medi World Ltd. Q2 and H1 FY27 earnings conference call. As a reminder, all participant lines will be in 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 and zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Saloni Nagwekar at Pactum PR. Thank you, and over to you, ma'am.

Saloni Nagwekar – Pactum PR: Good morning, everyone, and a warm welcome to Park Medi World Ltd.'s Q2 and H1 FY27 earnings conference call. From the management team, we have with us Dr. Ankit Gupta – Managing Director, Dr. Sanjay Sharma – Whole-time Director and Chief Executive Officer, Mr. Rajesh Sharma – Group Chief Financial Officer, and Mr. Sudesh Sharma – Chief Strategy Officer and OSD Finance.

We will begin with the opening remarks from management, followed by an operational and financial review, after which we will open the floor for the Q&A session. Before we begin, I would like to point out that some statements made during today's call may be forward-looking in nature. A detailed disclaimer to this effect has been included in the earnings presentation, which is also available on the company's website and stock exchanges.

I would now like to invite Dr. Ankit Gupta – Managing Director of Park Medi World Ltd. – to begin with his opening remarks. Over to you, sir.

Dr. Ankit Gupta – Managing Director: Thank you. Good morning, everyone, and thank you for joining us for Park Medi World's Q2 and H1 FY27 earnings call. On behalf of the board and management team, I want to thank you for your continued interest in our company.

Our board approved the results for the quarter and half-year ended September 30 at its meeting yesterday. During the first half of FY27, we served a record 5.39 lakh patients and delivered our highest-ever half-yearly revenue from operations of 987 crores, a year-on-year increase of 22%. EBITDA excluding other income stood at 228 crores, a margin of 23.1%, while PAT was 143 crores, a margin of 14.5%.

Excluding our newly opened hospitals in Agra, Panchkula, and Rudrapur, our 14 established hospitals delivered an EBITDA margin of 26% and a PAT margin of 17%. In Q2 FY27, revenue from operations grew 25% year-on-year to 511 crores. EBITDA excluding other income was 102 crores, a margin of 19.9%, while PAT was 54 crores, a margin of 10.7%.

H1 FY27 has been a period of consolidation, growth, and continued execution. We remain on track to expand our bed capacity by 40% in FY27 over FY26. So far this year, we have added 680 beds across Panchkula and Rudrapur, and we expect to add a further 750 beds across our facilities over the rest of the year.

With that, I would like to hand over to Dr. Sanjay Sharma, our Group CEO, to take you through our operational performance in detail. Thank you.

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Dr. Sanjay Sharma – Whole-time Director and Chief Executive Officer: Thank you, Dr. Ankit, and very good morning to everyone. Let me take you through our performance metrics for Q2 and H1 FY27.

For Q2, IPD volume stood at 31,000 patients, a growth of 31% year-on-year, while OPD volume stood at 2,59,000 patients, up 29% year-on-year. ARPOB also rose 13% year-on-year to about 30,646 from 27,700 in Q2 FY26, while ALOS improved 14% to 5.4 days from 6.3 days.

For H1 FY27, IPD and OPD volumes each grew 23% year-on-year to 57,000 and 4,82,000 patients, respectively. ARPOB rose 13% to 30,548, and ALOS improved 11% to 5.6 days from 6.4 days in H1 FY26.

Also, the number of doctors increased by 232 from 1,168 in March 2026 to [cut off]

Dr. Sanjay Sharma – Whole-time Director and Chief Executive Officer: ...1,400 by September 2027. Our case mix continues to shift towards high-end tertiary and quaternary care. High-end specialties contributed approximately 64% of the revenue in Q2 FY26-27, up by 730 basis points year-on-year, and approximately 63% in H1 FY26-27, up by 640 basis points.

Our transplant, interventional cardiology, and robot-assisted joint replacement programs continued to scale during the quarter, underscoring the growing clinical depth of our network. Network occupancy was 56% for both Q2 and H1 FY27, compared to 68% in the corresponding Q2 of FY25-26. This was largely due to the step-up in capacity over the past 12 months. 1,040 beds were added across Agra, Panchkula, and Rudrapur at our new units.

With this, I will now hand over to Mr. Rajesh Sharma, our Group CFO, to take you through the financial performance. Thank you.

Rajesh Sharma – Group CFO: Thank you, Dr. Sanjay, and good morning, everyone. Our revenue from operations grew 25% to 511 crores in Q2 FY27 as compared to 410 crores in Q2 FY26, and 22% to 987 crores in H1 FY27 as compared to 809 crores in H1 FY26. This was mainly driven by steady patient volume and continued ramp-up at our newer and recently acquired hospitals.

Our operating EBITDA excluding other income was 102 crores in Q2 FY27, a margin of 20%. For H1 FY27, operating EBITDA rose 5% year-on-year to 228 crores, a margin of 23%. PAT was 54.5 crores for the quarter, a margin of 11%, and 143 crores for H1 FY27 at a PAT margin of 14.5%.

We would like to reiterate that, excluding our newly opened hospitals in Agra, Panchkula, and Rudrapur, our 14 established hospitals delivered an EBITDA margin of 26% and a PAT margin of 17% in H1 FY27.

As of September 30, 2026, our term debt excluding lease liabilities stood at 178 crores, while fixed deposits stood at 325 crores. The net worth of the company has also increased from 1,196 crores in H1 FY26 to 2,164 crores in H1 FY27.

Government insurance schemes contributed approximately 76% of our revenue in the quarter, with self-pay and private insurance/TPA contributing 24%, continuing the gradual shift towards the 70/30 split we guided to over the next 12 to 18 months.

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During the quarter, capex and acquisition spend was directed largely towards the Rudrapur and Bharatpur acquisitions, commissioning costs for the Platinum and {? Fevrus ?} hospitals, and equipment upgrades across the network.

The capex per bed remained at 35 lakhs per bed, which continues to be the lowest among listed healthcare peers. The company currently has 2,300 beds under execution, which are expected to become operational by December 2028, taking the total bed capacity to 6,590 beds from 4,290 beds as of September 30, 2026. This represents a staggering 54% growth in our bed capacity by December 2028.

The capex per bed for those 2,300 beds will remain within the range of 30-35 lakhs per bed, as these beds are to be added by December 2028.

With that, we conclude our opening remarks. Thank you for your time and continued confidence in Park Medi World Ltd. We would now be happy to take the questions. Thank you very much.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on the touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question.

Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants who wish to ask questions may press star and one at this time. Ladies and gentlemen, in order to ask a question, you may press star and one now.

The first question is from the line of Anshul Agrawal from Emkay Global. Please go ahead.

Anshul Agrawal – Emkay Global: Hi, good morning. Thank you for the opportunity. While I can calculate the EBITDA drag from the new hospitals in the current quarter, could you also help me with the revenue numbers for these 3 hospitals and quantify the EBITDA drag? I presume it is around 30-odd crores from these 3 units.

Rajesh Sharma – Group CFO: [hesitates] Anshul, your question is not very clear because the audio is {? [unclear] ?} certain way. Could you repeat your question, please?

Anshul Agrawal – Emkay Global: Sorry. Is this better, Rajesh?

Rajesh Sharma – Group CFO: It is better, yes.

Anshul Agrawal – Emkay Global: Would you be able to quantify the revenue and EBITDA numbers for the 3 new facilities? I can calculate that the EBITDA drag is roughly 30 crores from these new facilities. Is that correct?

Rajesh Sharma – Group CFO: [pause] Anshul, I will answer this question. As far as the addition of the 3 units that we started in the calendar year is concerned, the revenue in the first half was 72 crores from these 3 units, and there was an EBITDA of negative 8%. Of these 3 units that we started, 2 are brownfield and 1 is greenfield.

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In all our discussions, we are very clear that, historically, the brownfield hospital normally takes about 4 to 6 months to achieve break-even, but for a greenfield hospital, it takes anywhere between 12 and 15 months. In the first half, Rudrapur started only from August 1, Agra started in February, and Panchkula started from the first week of April 2026.

Therefore, we have an EBITDA loss of 8% in these 3 units, but it will be streamlined by the end of the current year. If you see our existing 14 hospitals without these, they delivered an EBITDA of 26%, and if you remove this 8% figure, the blended EBITDA comes down to 23%.

Anshul, this is very normal in this business. The 2 hospitals that we added in H1 have had a run time of 5.5 months, and in the case of Rudrapur, roughly 1.5 months only. In addition to this, that is a very short period in which to expect EBITDA to match the rest of the operating hospitals.

Secondarily, the process of onboarding insurance companies, both private and government, also takes some time. So typically, during this phase, the revenue is derived only from patients who pay out of pocket. So, combining all these reasons, it is very natural for the numbers to look like this during the first 6 months and 2-3 quarters.

Usually, we expect a 12-month period by which EBITDA gets into the positive zone and then gradually rises. In 3 to 3.5 years, it aligns with the concern numbers, the blended numbers of 26% that we typically have for operating cost.

Anshul Agrawal – Emkay Global: That is clear. I just want to reconcile this a bit more. You mentioned in the presentation that these 3 hospitals led to a 300-basis-point margin contraction on the overall numbers in H1. If I calculate 3% on the H1 revenues, that is roughly 30-odd crores. But here we are saying that the 3 units are at roughly negative 8% EBITDA margin on revenue of 70 crores.

Rajesh Sharma – Group CFO: [pause] I will give the exact number. The 14 units delivered revenue of 915 crores. The 3 new units, Rudrapur, Agra, and Panchkula, delivered revenue of 72 crores, so revenue came to 987 crores.

EBITDA for these 14 units was 234 crores, but we took a hit of 6 crores in EBITDA for these 3 units. That is the reason EBITDA came down from 234 crores to 228 crores in H1 FY27.

Anshul Agrawal – Emkay Global: Got it, sir. Got it. My second question is whether we would be able to provide guidance on when this drag would come off, especially since we are adding more units at the end of this financial year. Could we assume the new units will also add to this drag as and when they come in, and therefore our H2 margins should be very similar to H1 margins, or should there be some improvement?

Management: [pause] As far as our guidance for the current year is concerned, we remain on those numbers. What we are expecting is close to 2,050 crores in the current year, and PAT will remain close to 540-550 crores. So we remain on those numbers. EBITDA margin, sorry.

Anshul Agrawal – Emkay Global: Got it, sir. Just one last question on this drag. There is also a sharp contraction in our gross margin. These drags would generally be reflected in the EBITDA margin. Is there any particular reason why our gross margins have contracted so sharply?

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Management: [pause] What has happened is that some of our consumable and medicine costs increased in this quarter. The reason is that, in our preparation for the future, a lot of expenses have seen a one-time increase, so we believe this will be aligned with revenues in the forthcoming 2 quarters.

Two things stand out. First, some smaller line items, such as F&B services—for example, food services provided to patients and attendants—have seen an increase of nearly 50%. What used to be, for example, {? 270 bucks ?}, is now 400 rupees.

Across the 14 hospitals, this cost was around 16 crores for a 6-month period. So, with about a 60% increase, {? stands at ?} 6 to 7.5 rupees.

Then, we have also consistently maintained that we are expecting a shift in our product mix towards high-end tertiary care and quaternary care services. On account of this, in this quarter, we took a hit on the cost of the medicines that we used, in terms of not realizing the same margin on the {? quantum ?} consumption of these medicines.

If you look at this number, there was a 40-crore increase in the cost of material consumed across the 17 hospitals, 3 of which are new. Excluding the F&B cost increase of 7.5 crores, as I said, this translates to about 2 crores per hospital.

In terms of the medicines and implants that we consumed, the fact that they did not translate into the same impact on revenue in terms of margin realized has led to this increase. But, as I said, in terms of the ARPOB increase that we hope to realize going forward, this will be streamlined in Q3 and Q4.

Anshul Agrawal – Emkay Global: Got it, sir. But this F&B cost revision is a permanent [cut off]

Operator: Sorry to interrupt, Mr. Agrawal. May we request you to return to the question queue for follow-up questions?

Anshul Agrawal – Emkay Global: I will come back in the queue. Thank you so much.

Operator: Thank you. Participants who wish to ask questions may press star and one now. The next question is from the line of Shrihan Balabalkar from Divite Investments. Please go ahead.

Shrihan Balabalkar – Divite Investments: Hello. Am I audible?

Management: Yes, please go ahead.

Shrihan Balabalkar – Divite Investments: Hi, everyone. Thank you for taking my question. We have seen a sharp increase in other expenses year-on-year and sequentially. If you can just throw some light on those other expenses. The second question is: what is the occupancy of our existing 14 hospitals and the 3 new units that we have added?

Management: [pause] For the first question, if you compare the other expense, I am talking about the percentage. We remain at 21% in H1. If I talk about the last 12 months of FY26, we were at 21%. Now that has grown to 23%, so there is a gap of only 2%. Because we have grown drastically, there has been revenue growth of close to 23-24%, and therefore the number has increased. But in

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percentage terms, we remain more or less in line.

Shrihan Balabalkar – Divite Investments: Sequentially, if we see it, the other expenses number is also slightly higher.

Management: No, if you see, I have that data. In FY26, the total expense was 360 crores, which was 20-21% of the revenue [inaudible]

Shrihan Balabalkar – Divite Investments: Right. Right. Got it. Occupancy?

Operator: Thank you. The next question is from the line of Kashish Thakur from Elara Capital. Please go ahead.

Kashish Thakur – Elara Capital: Hi, sir. Thank you for the opportunity. I have 2 questions. First, can you quantify the impact of the oncology price capping, and what kind of impact might we face? Second, have we already started seeing the CGHS impact in our numbers?

Management: [pause] One by one, your first question concerned the impact of capping the margin on cancer drugs. I am pleased to share with you that we have done a very detailed analysis of this in terms of analyzing what the likely impact will be on our numbers, and I am happy to announce today that the implication for Park is negligible.

It is not just insignificant; it is negligible. We can safely say that it has no implication for Park. The reasons for that are twofold.

First, patients who are beneficiaries of certain government insurance schemes, such as ESI and CGHS, typically purchase medicines from the government infrastructure when they seek medical services from Park. They purchase them from ESI dispensaries, ESI hospitals, or, in the case of CGHS, a wellness centre. So Park is not selling them medicine at all. Park is only treating them. That is one thing.

The second thing is that, in some large categories such as ECHS, there is a significant discount for A-grade players under the contractual arrangement between the hospital and the insurance companies, which in this case is ECHS. To reach that discount, instead of a premium, there is a discount, so what you require is to be very, very efficient in your procurement.

In the case of ECHS, I believe the discount required for a hospital to provide is almost 30%. To be able to derive a 26% EBITDA after giving this discount, we have to be operationally and in terms of procurement very, very efficient. We actually need efficiency to the extent of perhaps a 36%, 37%, or 38% discount.

Therefore, the question of capping the premium does not become applicable to Park. This is totally negligible for our business and insignificant. You can safely say that it has zero implication.

Your second question concerned the CGHS rate hike. We believe that the CGHS rate hike announced in October 2025 covered several line items, perhaps 5,500 or 6,000. We believed that Park was going to be the largest beneficiary, which has turned out to be correct.

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We also believed that it would take 3-4 quarters before the effect of the rate hike was factored into the day-to-day running of hospitals and the payment mechanism tied up with the insurance companies and government insurance companies.

We are nearly 4 quarters down since then. So it is safe to say that nearly 95-98% of the rate hike has already been factored in. It is in force right now.

In FY27, perhaps 7 months will be the applicable period during which this 95-97% will apply. Now, what is the true implication of this? We believe that the rate hike, on an overall basis, was going to be 10% on Park's operational revenue income figure.

If we take our guidance number for FY27, approximately 2,050 crores, we find that nearly 75% of this revenue will be accounted for by government insurance companies, and 92% of that will be accounted for by government insurance companies whose rates are benchmarked with CGHS rates.

If we do this math on a 100% base of revenue, we find that the effective rate hike applied to revenue is about 6%. Six percent on FY26 P&L topline of approximately 1,680 crores would be about 85-90 crores.

If you do that math for 7 months only, you find that the implication for FY27 will be about 58-60 crores. That is how we should correctly understand the implication of the CGHS rate hike for our numbers.

Kashish Thakur – Elara Capital: Thank you so much for the detailed explanation. Thank you. I will get back in the queue.

Operator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question. The next question is from the line of Mukesh Ashar from Moonshot Ventures. Please go ahead.

Mukesh Ashar – Moonshot Ventures: [inaudible]

Mukesh Ashar – Moonshot Ventures: Hello. Hello, sir. Am I audible?

Management: Yes, please go ahead.

Mukesh Ashar – Moonshot Ventures: Basically, my first question is on Q2 to Q2. If I am looking at Q2 FY26 to Q2 FY27, there is roughly a 65% increase in consumables. What was the reason for this increase from Q2 to Q2?

Management: [hesitates] Basically, consumables. We are at 116 crores; is that the question? What is the difference accounted for by the 39-crore increase? Is that the question?

Mukesh Ashar – Moonshot Ventures: Yes, sir. From 70 crores to 116 crores. What was the material consumed?

Management: [pause] Yes. As I shared earlier, in fact, in a different variation of this question, this was answered just a little while ago.

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What we have seen in this quarter is that, in terms of upgrading our patient services, we upgraded a lot of things. One of them was that our F&B cost during this quarter increased on a one-time basis by nearly 50%.

The meal that was being served to a patient, which cost us {? 270 bucks ?}, increased to 400 rupees. This happened in this quarter, and it was not passed through to us, so we took a hit on account of this. In terms of numbers, this had an implication of about 8 crores for this quarter.

In addition, if we subtract these 8 crores, we find that the remaining increase of 31 crores roughly translates to a little less than approximately 2 crores per hospital for a 6-month period. That is not sizable.

What has also happened during this time, to explain the 31-crore increase, is that in our ALOS, too, [hesitates] the percentage of advanced medical procedures and services that we render in our hospitals increased.

We have had medical costs with a lower margin, a higher level of medicines and antibiotics, and, because of advanced procedures, a greater number of implants compared to the comparable period last year.

The margin on these during this period has been lower, but we are aggressively pushing these products, which is evident from the specialty mix and revenue mix that we have in this quarter.

So this is a one-time cost, and this will get adjusted. But, in our judgment, the 39 crores was a cost that was needed to be incurred with a long-term view on our business.

Mukesh Ashar – Moonshot Ventures: Okay, sir. My next question is: why is our ALOS so high compared to other hospitals? Is it going down in the coming quarter? What was the target?

Management: [pause] No, we actually improved the ALOS to 5.4 days from 6.3 days. But in some areas, where we see 5.6 days for H1 FY27, that is also largely because there had been some [hesitates] cases on the internal medicine and surgical sides that required a higher ALOS or a longer stay in the hospital because of their criticality.

Mukesh Ashar – Moonshot Ventures: Okay, sir. Our per-bed cost in the recent acquisitions has increased to around 65-70 lakhs per bed. Since this cost is moving higher, our IRR is affected in these cases. How much time will these hospitals take to ramp up?

Management: [pause] At this time, our capex per bed remains at 35-36 lakhs. Even for the 2,300 beds that we plan to add by December 2028, which are under execution, we need about 750 crores.

Currently, our capex per bed is about 35-36 lakhs, and going forward also, we will remain in that bracket. So there will be no drastic change in capex per bed going forward.

Sometimes, when we look at it on an asset-wise basis, one or 2 isolated hospitals appear to be outliers on a capex-per-bed basis. But on a blended basis, we will adhere to this number, ultimately in 2028, when our bed capacity will be 6,600.

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A case in point is our newest addition, the Allahabad asset, which has 560 beds and for which the capex provision is 210 crores, of which 85 crores will be reimbursed by the government.

Just imagine that this hospital will be commissioned in October-November 2028. We will have a 560-bed hospital commissioned, which is also being provided by the government. A 560-bed hospital should be commissioned in November 2028 with an effective capex of only about 125-130 crores. That is like 25 lakh per bed.

So, on a blended basis, we will stick to a range of 36, 37, and 38 lakh per operating bed.

Mukesh Ashar – Moonshot Ventures: Okay, sir. I also request that the presentation include this payer mix and ARPOB.

Management: [pause] Okay. For your information, the payer mix for H1 FY27 is 76:23—23:21:7:2:24. Yes, sir.

Mukesh Ashar – Moonshot Ventures: Okay, sir. Thank you.

Operator: Thank you. The next question is from the line of Vivek from MK Global. Please go ahead.

Vivek – MK Global: Thank you for the opportunity. Good morning, everyone. I have a few bookkeeping questions. I wanted to understand the reasons for the increase in working capital for H1 FY27.

What I can see is that receivable days have also increased for H1. If we look at the past 3-4 years, our working capital has been on an improving trend, but this year it has increased again. What are the reasons for that? That is my first question, and then I will move on to the next questions.

Management: [pause] As far as receivable days are concerned, we are currently at 160 days. What we have done is that, because of the additions we made in this calendar year, there are 2 acquisitions that we have made. One is Agra and the other is Rudrapur, and they have an outstanding balance close to 45 crores.

The total debtors we have in the books as of September 30 are 871 crores. If I reduce that 40-45 crores, it comes to close to 815 crores.

There is seasonality in recovery as well, and we had a very strong recovery in October. Some payments that we were expecting in September came in October.

In fact, if someone looks at my outstanding balance as of October 31, 2026, we are at 135-136 days. At the consolidated level, if you talk about an annualized basis, as of March 31, 2027, we will remain at 125-130 days. That is what I expect.

In October, we saw this number. As I said, while we keep track of our receivable days, what we know from experience is that there is a trend in our collections, and this number gets streamlined by the end of the financial year.

If we include the October data, then from September to October, receivable days reduced by nearly 30-35 days. That trend is there. What we are seeing is only the end-of-September data, but we

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know that we are keeping track of this, and it remains exactly in line with how we wanted it to look.

By year-end, it will be in the band of 125-128 or 125-130 days. We are very sure that it will come down to close to, or less than, 130 days by the close of this financial year.

Vivek – MK Global: Have we received the payment from the Agra and Rudrapur accounts, or is this mostly related to government schemes, or is it something else?

Management: [pause] These are all related to the government scheme and CGHS. When we closed the transaction, there were some receivables because, when we signed the SPA, we clearly mentioned that any receivable pertaining to the period before the transaction should be realized on an actual basis.

Whenever the payment comes, because they have an outstanding balance, we have to pass that payment on to them. But we take full concern that it has to be reflected in our books.

Vivek – MK Global: Got it. Just a few more questions. As we can see, other expenses have increased considerably in the second quarter. Could you provide the amount of claims disallowed for H1 or Q2, whatever may be available?

Management: [pause] Regarding claims disallowed, there is again some seasonality in this. Currently, we are at 13.5% as compared to 11% in the same period last year. But, again, by the end of the current financial year, we will come down to that level.

If you need more details, we are more than happy to provide them separately.

Vivek – MK Global: Sure. One more thing: the deferred tax benefit appears to have reversed. Could you explain what the deferred tax benefit was earlier and what the deferred tax charge is now, as reflected in the Q2 numbers?

What I can see is that the tax rate has doubled primarily because of the deferred tax reversal in this quarter. Could you explain that?

Management: [pause] Vivek, you will also have to allow us to explain this separately.

Vivek – MK Global: Sure.

Vivek – MK Global: ...provide me some of the... Okay, ARPOB has been provided, so can you provide me with the number for operational beds for the quarter?

Management: Operational beds for Q2 FY27 were 1,66,742.

Vivek – MK Global: Got it, thank you. Just one more question if I...

Operator: Sorry to interrupt, Mr. Maheshwari. May we request you to return to the question queue for a follow-up?

Vivek – MK Global: Sure, sure. Thank you.

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Operator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question. The next question is from the line of Jinal Parker from Avya Advisors. Please go ahead.

Jinal Parker – Avya Advisors: Hello, am I audible to you, sir?

Management: Yes, please.

Jinal Parker – Avya Advisors: Hi, sir. My first question is: how much capex are you planning for the next 2-3 years, and where do we plan to utilize this for expansion?

Management: As far as our expansion plan is concerned, up to December 2028, we have projects under execution. The total capex that we plan is 750 crores, and that will add 2,300 beds.

Jinal Parker – Avya Advisors: How much, sir?

Management: 2,000, 750 crores, and that will add 2,300 beds. Again, we will maintain capex per bed close to 33.5 lakhs per bed.

Jinal Parker – Avya Advisors: Okay, fine, sir. By when will we achieve the break-even point for our newly commissioned hospitals?

Management: Can you please repeat that?

Jinal Parker – Avya Advisors: By when will we achieve the break-even point for our newly commissioned hospitals?

Management: Historically, we have seen that brownfield acquired assets normally achieve operating break-even within 4-5 months or 4-6 months.

For greenfield hospitals, it takes about 12-15 months. We started Bathinda in July 2025, and it was EBITDA-positive in the first month. Although previously we were more or less EBITDA-positive in the first month itself, this depends on the situation. Historically, however, we have seen that it takes 4-6 months for a brownfield hospital.

Jinal Parker – Avya Advisors: Okay, okay. Thank you. I will join the queue again.

Operator: Thank you. The next question is from the line of Shreya Patil from SCI. Please go ahead.

Shreya Patil – SCI: Hi, sir. Good morning. I have only 2 questions. The first is: how does management plan to strategically balance further capacity expansion and improving occupancy levels, while also restoring margins across the existing hospital network?

Management: The expansion we are discussing—2,300 beds by December 2028—is all identified expansion that we have in the pipeline. A significant amount of work has taken place, and a significant amount of progress has been made, which has been accounted for largely within the 750 crores. A lot of capacity expansion has taken place, including land, buildings, and other things.

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The second point concerns how occupancy will rise. In hospitals with a life cycle of more than 3 years, we see occupancy rising above 60%, 65%, or 70%, as we increase the tertiary and quaternary product mix. This will definitely increase ARPOB, increase ARPOB further, and obviously also have an impact on margins.

This is a continuous process. As hospitals mature, occupancy increases. But we are also seeing an exponential rise in capacity expansion, and that is creating a slight drag on occupancy.

Shreya Patil – SCI: My second question is: what would be the key expansion milestones, operational priorities, and execution strategies that you are looking at in order to achieve your targeted capacity of 5,040 beds by March 2027?

Management: This fiscal year, we are adding incremental bed capacity of 40%, which will be 1,430 beds. Of this, 680 beds have already been commissioned.

Next fiscal year, we are looking at a 1,000-bed expansion across 4 hospitals. Besides this, as my colleague mentioned, 550 public-private partnership beds are also being added to the Prayagraj project, which will be commissioned by December 2028.

In total, 6,590 beds will be added by December 2028. This capacity is in the pipeline, and significant progress in the work has taken place.

Shreya Patil – SCI: Okay, sir. Thank you.

Operator: Thank you. The next question is from the line of Shravan Modi from Syndicate Family Office. Please go ahead.

Shravan Modi – Syndicate Family Office: Good morning, sir. My first question is, first, thank you very much for the opportunity. What revenue and EBITDA contribution is management anticipating from the planned addition of 1,430 beds in FY27? Can you also tell me the expected timeline for these facilities to reach optimum operating capacity?

Management: [pause] I will answer the second question first. In the current calendar year, we added 3 units. As I just answered, historically we have seen that a brownfield hospital takes about 4-6 months to achieve operating break-even.

When I say operating break-even, if we operate at just 30-35% capacity, we normally achieve operating break-even. The third year is when we normally reach about 70% of the total capacity.

We have seen this historically. For a greenfield hospital, instead of 3 years, it takes about 4 years to achieve occupancy close to 70%. What was the first question?

Shravan Modi – Syndicate Family Office: The first question was regarding the revenue and EBITDA contribution that management is anticipating from the planned addition of 1,430 beds in FY27.

Management: For the next year, FY28, we are expecting a topline close to 2,550 crores, and we expect 20% of that amount to come from these hospitals.

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Some of the hospitals have just started, and some are yet to start. They will start contributing significantly over the next couple of years, but in FY28 they will contribute close to 20% of the revenue. Again, you can say that they will contribute about 10-12% of EBITDA.

Shravan Modi – Syndicate Family Office: Got it, sir. I also wanted to ask about this: we have an 80% stake in B3 Health Care, which operates a multispecialty hospital in Rudrapur. Could you provide an update on the hospital's operational performance and the progress we have made in integrating the company's existing operations?

Management: As far as operational performance is concerned, we started on August 1, and we are already EBITDA-positive. Currently, we have a run rate close to 5 crores per month, and for December we expect that it will touch 7.5 crores. By April 2027, we expect it to go above 10 crores per month.

Regarding the 80% stake, we have taken 80% now with a clear understanding and commitment that the remaining 20% will be bought within a specific period of time. We plan to buy it by the close of this financial year or, at the latest, in the first quarter of next year.

Therefore, it will not remain at 80%. By the end of this year or perhaps the first quarter of next year, we will own the complete 100%.

Shravan Modi – Syndicate Family Office: Got it, sir. That answers my questions. Thank you very much for your inputs, and I wish you all the very best.

Management: Thank you.

Operator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to management for closing comments.

Management: [pause] Thank you, everyone, for sparing time today, for your attention, and for your very high-quality, inquisitive questions.

I would like to restate that the most extraordinary standout feature of H1 has been how smoothly, quickly, seamlessly, and efficiently we have been able to execute our expansion plan without any diminution of performance, while maintaining the health and integrity of our balance sheet and, at the same time, maintaining strong control over administrative issues.

We are confident that the road ahead will translate into a lot of value creation for all our stakeholders.

Operator: Thank you. On behalf of the company, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Management: ...the patient community that we serve, all our stakeholders, investors, shareholders, and existing and prospective stakeholders. On that note, I thank you again for your time today. I wish you a wonderful weekend. Take care. Thank you so much. If there are any follow-up queries to {? S-factors ?} or directly, kindly reach out. Your queries will be promptly clarified. Thank you so much. Thank you.

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Management: Thank you very much. Thank you.

Operator: Thank you. On behalf of Park Medi World Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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