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August 11, 2026

FHL/SEC/2026-27

The National Stock Exchange of India Ltd. Scrip Symbol: FORTIS

BSE Limited Scrip Code:532843

Sub: Transcript of Investors / Analyst's meet under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Madam/Sir

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of Investors / Analysts' meet held on August 7, 2026 to discuss the Company's Un-audited Financial Results for the quarter ended on June 30, 2026 and same is available on the Website of the Company at below hyperlink: -

https://www.fortishealthcare.com/investor/investor%20presentations%20&%20transcripts/earnings%20call%20transcript%20for%20the%20quarter%20ended%20june%202026

The date and time of occurrence of event is August 7, 2026 at 12.00 P.M

This is for your information and record.

Thanking you,
Yours Sincerely,

For **Fortis Healthcare Limited**

SATYENDRA CHAUHAN
Digitally signed by SATYENDRA CHAUHAN
Date: 2026.08.11 20:43:25 +05'30'

Satyendra Chauhan
Company Secretary & Compliance Officer
ICSI Membership: A14783

Encl: a/a

"Fortis Healthcare Limited"

Q1 FY27 Earnings Conference Call"

August 07, 2026

MANAGEMENT: **DR ASHUTOSH RAGHUVANSHI – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – FORTIS HEALTHCARE LIMITED**
MR. VIVEK GOYAL – CHIEF FINANCIAL OFFICER – FORTIS HEALTHCARE LIMITED
MR. ANURAG KALRA – HEAD INVESTOR RELATIONS – FORTIS HEALTHCARE LIMITED
MR. VIJENDER SINGH – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER -- AGILUS DIAGNOSTICS
MR. AKSHAY TIWARI -- CHIEF FINANCIAL OFFICER -- AGILUS DIAGNOSTICS

Moderator: Ladies and gentlemen, good day and welcome to the Fortis Healthcare Limited Q1 FY '27 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 the 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. Anurag Kalra, Head of Investor Relations. Thank you, and over to you, sir.

Anurag Kalra: Thank you, Alriac. Ladies and gentlemen, very good morning and good afternoon, and thank you for taking the time to join us on our quarter 1 FY '27 earnings call. The call is being chaired by our MD and CEO, Dr. Ashutosh Raghuvanshi. With him, we have our Chief Financial Officer, Mr. Vivek Goyal. From Agilus Diagnostics, we have the MD, Mr. Vijender Singh, and the Chief Financial Officer, Mr. Akshay Tiwari.

We will start with some opening comments on the quarter 1 by Dr. Raghuvanshi, post which Mr. Vijender will take you through his thoughts on the Diagnostics business for the quarter, and then we can open the floor for question and answers.

Over to Dr. Raghuvanshi.

Ashutosh Raghuvanshi: Thank you, Anurag. Good morning, everyone, and thank you for taking time to join us on our Q1 financial year '27 earnings call today. At the outset, I would like to welcome Mr. Vijender Singh, who has recently joined us as MD and CEO of Agilus Diagnostics.

I shall dive straight into the quarterly results and share my thoughts on the business performance and way forward. Building on the momentum of previous year, we have made a positive start to the financial year, delivering a steady Q1 performance across both our hospitals and diagnostic businesses. We reported consolidated revenue of INR 2,545 crores, a growth of 17.5% over Q1 of financial year '26.

Noticeably, our hospital business revenues have grown by 19% to INR 2,187 crores while Q1 financial year '27 diagnostic business gross revenue has grown up by 10.2% to INR 407 crores versus the previous corresponding quarter.

Our consolidated operating EBITDA pre-ESOP expenses increased by 15.8% to INR 568 crores, delivering a margin of 22.3% versus 22.6% in Q1 of financial year '26. The hospital business reported an operating EBITDA of INR 471 crores, which translates into a margin of 21.5% compared to 22.1% in Q1 of financial year '26.

Performance of the quarter also includes recent acquisitions primarily related to the new hospital acquisitions in Punjab and Bengaluru and the leased facility in Delhi NCR. Excluding the impact of these facilities on a like-to-like basis, operating EBITDA margin in the quarter was similar to Q1 of financial year '26 at 22%.

The operating EBITDA margin of the Diagnostic business for the quarter improved to 23.9% from 23% in quarter 1 of financial year '26. Our consolidated reported profit after tax before exceptional items for the quarter increased by approximately 4% to INR 263 crores.

On the balance sheet front, the company's net debt stands at INR 2,233 crores with a net debt-to-EBITDA ratio of 1.01x as of June 30, 2026, as against 0.92x on June 30, 2025. The increase in net debt compared to INR 1,869 crores as on 30th June '25 was primarily due to the acquisitions done last year.

A bit of flavor on the hospital business. Our hospital occupancy in Q1 of financial year '27 remained steady at 69% compared to the corresponding period last year. However, the number of occupied beds increased by approximately 17% to 3,418 beds compared to 2,928 occupied beds in Q1 of financial year '26. After factoring in our recent acquisitions, the hospital business recorded an increase in ARPOB of 2.6%, reaching INR 2.71 crores per annum.

Our key specialties such as renal sciences, neurosciences and orthopedics witnessed year-on-year revenue growth of 28%, 27% and 23%, respectively. In 14 of our facilities, we have reported operating EBITDA above 20% during the first quarter of financial year '27.

These 14 facilities together contributed 70% to the hospital revenues. In comparison to financial year '26, we had 13 of our facilities operating EBITDA margin above 20%. Several of our key hospitals such as Jaipur, Noida, Faridabad, and Mulund witnessed margin expansion compared to the corresponding quarter of previous year and the trailing quarter.

In addition, many of our key facilities such as Mulund and Faridabad and registered revenue growth in excess of 20% compared to the corresponding previous period. Our bed expansion plans continue to progress well. During the quarter, we added approximately 100 operational beds through brownfield expansion, primarily across our Noida, Amritsar, and Jalandhar facilities.

We also recently entered into an O&M agreement for a 300-bedded greenfield multi-specialty hospital to be developed in Cuttack. This marks Fortis Healthcare's entry into Odisha, further expanding our presence in growth markets.

Revenue from international business grew 13.3% compared to Q1 of financial year '26 to reach INR 174 crores. The contribution of international business revenue stood at approximately 8% in Q1 of financial year '27, on the similar lines as Q1 of financial year '26.

We continue to invest in our medical infrastructure by expanding advanced robotic capabilities across our network, reinforcing our commitment to clinical excellence and technology during the quarter. We installed Da Vinci Xi soft tissue robots at Faridabad, Fortis Escorts Heart Institute, Okhla, and Ortho Robots at Jalandhar and Faridabad. Our Board has also approved installation of a proton facility at our flagship hospital in Gurgaon as well.

Coming to the diagnostic business as part of our ongoing network expansion strategy, the total number of new customer touch points reached 4,493 as of June 30, 2026. The preventive and

specialized portfolio revenues in Agilus overall revenue grew 27% and 13%, respectively, in Q1 of financial year '27 compared to the corresponding previous period.

In addition, the Diagnostics business continues to witness an improvement in its products and customer mix, supported by a higher contribution from B2C segment. We expect the growth momentum in revenue and improvement in operating EBITDA margin to continue going forward.

With that, I would like to conclude my remarks. We believe both our hospital and diagnostic business are well positioned to sustain their growth momentum backed by a strong balance sheet. We will continue to evaluate inorganic growth opportunities that are aligned with our cluster strategy and have potential to create meaningful synergies.

With that, I would like to hand over the call to Vijender for his comments. We are very excited for him to join us, and we welcome him once again to the company.

Vijender Singh: Thank you, Dr. Raghuvanshi, and good morning, everyone, and thank you for joining us today. On behalf of Agilus Diagnostics, I extend a warm welcome to all of you to discuss our performance for the first quarter of FY '27. FY '27 has been a steady start for Agilus. During the quarter, we continue to execute on our strategic priorities while strengthening our business across both consumer and institutional segments, investing in advanced diagnostics and improving operational efficiencies.

While the market remains competitive, our focus continues to be on building a stronger, more resilient business that is well positioned for sustainable long-term growth. During the quarter, we reported gross revenue of INR 407 crores, reflecting a 10.2% year-on-year growth over Q1 last year.

Operating EBITDA grew to INR 97 crores, while operating EBITDA margins improved to 23.9%, compared to 23.0% in the corresponding quarter last year. These results reflect not only healthy business momentum, but also the benefits of our continued focus on productivity, operating leverage, and a richer test mix.

Operationally, we processed approximately 10.5 million tests during the quarter and expanded our network with the gross addition of over 200 customer touch points. Further strengthening our reach across the country, we also saw continued momentum in our consumer business with the B2C:B2B revenue mix improving to 53:47 in Q1 FY '27 from 51:49 in Q1 FY '26.

We continue to see a favorable shift in our portfolio mix with the contribution from preventive portfolio increasing to 14% in Q1 FY '27 from 12% in Q1 FY '26, while the specialized portfolio contribution increased to 35% from 34% over the same period. High realization per test and per patient reflect increasing adoption of specialized diagnostics and a favorable shift in our portfolio mix. Innovation continues to be a key pillar of our growth strategy. During the quarter, we achieved an important milestone by successfully completing over 1,000 whole exome sequencing tests on our NovaSeq X platform at our global reference laboratory in Mumbai.

This milestone reflects the growing adoption of advanced genomic testing and reinforce our commitment to making precision diagnostics more accessible to clinicians and patients across India. Beyond genomics, we continue to invest in digital capabilities while supporting long-term sustainable growth.

Looking ahead, we remain optimistic about the opportunities before us. Rising awareness increased demand for preventive health care and growing adoption of specialized diagnostics continue to create a favorable environment for the industry. With our expanding network, strong scientific capabilities and continued investments in innovation and technology, we believe Agilus is well positioned to sustain profitable growth and create long-term value for all our stakeholders. Thank you.

Anurag Kalra: Ladies and gentlemen, we shall now open the floor for question and answers. May I please request the moderator to begin?

Moderator: The first questions comes from the line of Tausif with BNP Paribas.

Tausif: A couple of questions on your ESOP. Assuming that most of the ESOP were given to doctors, wanted to understand what was the criteria behind choosing the pool of doctors that you decided to incentivize with ESOP, whether it was a broad-based strategy on India or whether currently it was only for hospitals in Delhi NCR, assuming the competition expected to heat up?

Ashutosh Raghuvanshi: No, Tausif. Thank you for your question. The strategy and the philosophy of ESOP was the work of primary consideration and there was a lot of deliberation and we decided that ESOP should be not only a tool to sort of recognize people's contribution, but at the same time, also be as a tool of how the organization functions in the future and how it performs in the future.

So both components were kept in mind as to how the scheme was designed. And a broad-based scheme was designed across the network. It is not only limited to Delhi NCR, but it is across our network in all the different zones.

Tausif: Just a follow-up question again on ESOP. Also, was it because of pre-planned move to build loyalty? Or did the company observe some uptick in poaching attempts from the competitors, especially in Delhi NCR?

Ashutosh Raghuvanshi: See that as far as the poaching activity is concerned, that keeps on happening periodically. We are not overly concerned about that. We believe that our brand attracts the best possible clinicians because we provide an environment with good clinical infrastructure and an environment to function clinically independently.

So with that, I think we are an attractive magnet for clinicians. So we are not overly concerned about that. But the idea was that the doctors participate in the growth of the organization and their interest and the company's interests are aligned. So clinicians help in many, many ways for the performance to improve in terms of controlling the consumption, for instance, and other efficiency measures which are necessary to have a better profitability profile.

All those things, they become partners. So that was the philosophy. It was not a reactionary approach. It was a very well-thought calibrated strategy, which was planned over a period of about 1.5 years before we actually implemented.

Tausif: That's helpful. What is the ESOP charge one should assume for FY '27 and next 2 fiscal? And after a soft start to the hospital business on the EBITDA margin front, can we expect at least 100 basis improvement in EBITDA margin at the consolidated level for FY '27?

Vivek Goyal: As a first follow-up of your question about the charge, what charge will be there? You're right. The charge will be there for next 3 year or so, the charge will initially be higher because it depend on the vesting, then it will gradually come down.

As regards the margin guidance, we still maintain the margin guidance because overall this should also contribute to the better operating performance because of this initiative.

Moderator: The next question comes from the line of Neha Manpuria with Bank of America.

Neha Manpuria: Vivek, sir, on the margin, just to be sure, the 25% margin by FY '28 is obviously pre-ESOP. Would that be a fair understanding?

Vivek Goyal: At that time, of course, the ESOP was not approved yet. As I said, the ESOP charge has now come, and there will be some adjustment in the cost also, and there will be some improvement in the operating performance also because of the ESOP.

Ultimately, whatever initiative we take, it should contribute to the operating performance. I'm confident with all these things, that means, with some cost reduction, some improvement in the efficiency, and our revenue, we will be able to maintain the margin.

Just on this point, like the earlier person was asking question about the doctor poaching, Generally, it is an invested practice, whenever the doctor poaching happens, we end up increasing the cost. We hope that cost will be curtailed to a great extent. All these initiatives have some plus, some minus, but ultimately it is beneficial. That is why the company and the Board has decided to move this way.

Ashutosh Raghuvanshi: Yes. Neha, if I may just add, our guidance and our target does not change because we have several brownfield facilities which are coming online now, and the FMRI facility has just got ready and the final approvals are in place now.

We would see some upside of that. At the same time, our Manesar facility has been continuously improving, that is also going to significantly change the numbers. We are pretty confident that we are still on track.

Neha Manpuria: Understood, sir. This is very helpful. My second question is on Manesar and Greater Noida. I think both of these facilities, people tree I understand, but Manesar and Noida are both below 10% margin.

And that's one of the reasons you mentioned for the muted margins in this quarter. When do we think -- how much time do you think we get to 20% margins in both these hospitals? Manesar,

if you could give us some color on how much bed we have operationalized, et cetera, to help us get comfort on that margin improvement?

Ashutosh Raghuvanshi: Manesar, we have operationalized about 187 beds and the rest of the facility is also ready as and when the occupancy goes up. Currently, it is about 60% occupancy on the current installed beds. As that occupancy increases, we should be able to open more beds as we are just in the process of getting the final approval for the last 2 floors as well. Civil work and other things are completed.

The second thing which is happening in Manesar is our radiation oncology equipment is under installation. So by the month of November, that should be installed. Once that is commissioned, then this hospital will become a comprehensive oncology center. The growth in this top line has been as per our expectations. But the profitability has not been in line with what we had expected.

We expect that the dynamics of the hospital will dramatically change once we have the oncology set up commissioned by the end of this calendar year. On the other hand, Noida is also showing steady increase. Month on month, we are seeing about 8%, 10% growth on the revenue side. It's more a question of occupancy.

As we acquire more clinical talent, which we have been doing, we should expect good occupancy here as well. Both these hospitals, by the year-end, certainly be in the mid-teens as far as EBITDA is concerned, if not higher.

Moderator: The next question comes from the line of Karan Vora with Goldman Sachs.

Karan Vora: So the first one is, again, slightly getting a better sense on the hospital EBITDA margin. So I think for this year, our original guidance was around 150 to 200 bps margin expansion. That though will be ex-ESOP, right? Like -- while FY '28, we are reiterating 25% normalized margin or reported margin. But this year, that will be ex-ESOP, and that's first clarification I wanted.

And secondly, how do we kind of achieve that 25% EBITDA margin? Can you explain in a bit more detail like what are the cost levers? Or is it pure operating leverage? What are the some of the building blocks for that?

Vivek Goyal: Earlier guidance which we have given, that obviously not included this ESOP cost because it was not rolled out by that time. As Dr. Raghuvanshi said, it has taken a lot of deliberation at company management level and board level, and after that, this was rolled out. That was not a part of that.

Having said that, as I said earlier, we are still maintaining our guidance. The quarter-on-quarter may not be that way. Like in this quarter, there is a dip if we consider ESOP cost. Overall, in two years' time, we are quite hopeful that we will be reaching to 25%. As regard the levers are concerned, one is, there are new units which Neha has pointed out. These units are in the ramp-up stage.

In the current EBITDA margin trajectory, these units have contributed negatively by 0.4% to the overall EBITDA margin. I am expecting this should contribute maybe at 1% positive. That itself

is a big delta. The new doctors which we have taken, and new team which we have added in almost all the 4 units, we are quite hopeful they will start doing good because it takes time for doctors to settle.

Thirdly, there is some charge relating to the legal cost in the current quarter. Because of the ongoing Delhi High Court hearing, if you people are aware. There were intense hearings which happened last quarter as well as in this quarter, and that legal cost has also burdened the profitability if we compare with the quarter 1 of the last year.

Lastly, and which is also a very important point, the provision for doubtful debt has slightly gone up for this quarter because of various certain delays in getting collection from the government payor as well as some of the TPA.

The team is working on that, and I think that we will also be plugging that. We will be able to plug that. There is another lever on the existing hospital where the occupancy is less and we have seen some sign of improvement in those hospitals, specifically in BG Road and Mulund. You know the BG Road particularly where the occupancy is quite low. These are the main levers I will say for our EBITDA margin improvement and to reach our 25% level.

Karan Vora: And my second question is with respect to the expansion plan. So can you just rehash like, let's say, over the next 3, 4 quarters, what are the beds we are expecting to operationalize and which all facilities?

Vivek Goyal: Yes. In the first quarter, we have operationalized 100 beds. We are expecting to operationalize another 400 beds in the remaining 3 quarters of the year. The major contribution will be from our flagship hospital, FMRI, where all the work has been completed. We have applied for occupancy certificate. We may expect that at any time, maybe this month itself.

That will give us 200 more beds. And then there are other expansions which are on target. We are doing quite well in terms of our bed expansion plan.

Karan Vora: Got it, thanks. Just one bookkeeping one. This ESOP charge, what is the annual number we are expecting this year and next year?

Vivek Goyal: This charge depends upon the ESOP vesting and the number of people to whom the option is given. Because it is applicable, the ESOPs were rolled out from 23rd April. This quarter, it is for less number of days. The rest of the quarter, if the number of employees remain the same, the charge will be somewhere around INR 40 crore per quarter, and thereafter it should fall down to around INR 30 crore. In the third year, it should be around INR 25 crore per quarter.

Moderator: The next question comes from the line of Damayanti Kerai with HSBC Bank.

Damayanti Kerai: Again, a quick clarification. The 25% margin guidance, which you are maintaining, that is including ESOP cost, which you think will be offset by a number of factors earlier discussed. Is that the correct understanding?

Vivek Goyal: Yes. We are aspiring to achieve 25% EBITDA margin after running the ESOP cost.

Damayanti Kerai: Okay. My question is on your growth expansion strategy. So during the quarter, you announced you are entering the Odisha market. So earlier, my understanding was you generally take a cluster-based approach to expand into a particular market, which can be seen in your presence in Delhi NCR and Bangalore, et cetera. So now, how do you select market? Or how do you go about when you try to expand beyond your traditional markets? Some bit of understanding on that will be helpful.

Ashutosh Raghuvanshi: Yes, Damayanti, our strategy has not changed. We remain focused on the existing clusters. If you would have noticed, the hospital in Odisha is only an O&M project, so we are not committing any capital to that market at the moment.

However, it is important for us to continue to focus, as I said, on the existing clusters, and we are evaluating opportunities in the clusters where we are present. We hope that we will be able to conclude certain opportunities very soon in the clusters where we are present. But at the same time, we also recognize that we will have to consider going to newer markets, especially the ones which have huge future potential and are in secondary nature and which we primarily have not been there.

This is more for a learning, and then depending on how these institutions perform, in future, we have option with the O&M partner to participate in the growth of that region. Otherwise, we are still focused only on the clusters we are present, Bengaluru, Delhi NCR, Punjab, Mumbai metropolitan region and Kolkata.

We remain focused on that. Of course, we are managing hospitals in Hyderabad and Chennai as well. So we will in future consider what positioning we want to take in those 2 cities. We want to always grow only in clusters because there are a lot of synergies which come operating in a given market. But we are looking forward to quite a few opportunities and hopefully we should be able to conclude some.

Damayanti Kerai: Sure. So also I want to hear some updates on the O&M hospital, which you undertook for Gleneagles. Compared to when it came under your operation and now, what kind of performance improvement we have seen, if you can specify some metrics, et cetera.

Vivek Goyal: Yes. We can't speak to specific for this hospital, but in general, there's lot of improvement there. As you know, we have entered into the agreement only last year, so there is lot of evolution. There is lot of recruits, now new doctors and new teams have taken over there. We are seeing a very healthy improvement in the operating margin in these facilities. But having said that, we can't give any specific number, we understand.

Damayanti Kerai: But suffice to assume, you have broadly stabilized the operations there, as you mentioned, and then margins are moving in a positive trajectory there.

Ashutosh Raghuvanshi: Yes. Currently, Damayanti, we are managing only the 5 hospitals and we are not managing the Mumbai hospital which is a separately managed hospital. So in these hospitals, we have improved the existing facilities and the operations.

However, it is still not, I would say, completely stabilized. We have not got it to the Fortis standard, so that will take some time. Our expectation is that it should take at least 2, 3 quarters or maybe around 4 quarters before we can say that these are fully stabilized.

Damayanti Kerai: Okay. That's helpful. And my last question is Dr. Raghuvanshi, you have highlighted adding oncology to new units will be one of the key booster for margins, et cetera. If you can talk a bit, among all the new units, et cetera, or in the earlier results, where oncology is yet to be added and, yes, I think that's my question. Which units are still missing this part?

Ashutosh Raghuvanshi: Sure. So as I just mentioned, in an earlier question is that Manesar, we are in the phase of installing the equipment. That would be ready by the end of this calendar year. There are 2 units where the work is just starting on a separate block in the brownfield expansion in Faridabad and in Amritsar as well -- sorry, 3 units, Amritsar and Jaipur. These 3 units will also become full cancer hospitals as well. So this is in the pipeline at the moment.

Moderator: The next question comes from the line of Deepthi Rajulapati with Axis AMC.

Deepthi Rajulapati: It's very good to hear that you're bringing proton therapy to Delhi NCR region. I just wanted to understand Capex and time lines for this.

Vivek Goyal: It is under finalization, it will be in the range of INR 252-odd crores.

Deepthi Rajulapati: Okay. Understood. Got it. Okay. And second question is on the O&M. In any of your O&M, which is performing really well and you have a call option in current plan?

Ashutosh Raghuvanshi: Yes. We don't have too many O&Ms at the moment. There is no call option in any of the 2 or 3 hospitals which we are operating. On the other hand, the Gleneagles aspect is a different matter where we are in discussions with IHH to see how we can proceed.

Moderator: The next question comes from the line of Aman Goyal with IIFL Capital.

Aman Goyal: My question is on the diagnostics business. We are reporting only 9%, 10% top line growth whereas industry is growing at 15% and especially our growth was largely on the account of realization improvement, whereas industry has witnessed strong demand growth. So can you provide some color on what are the challenges we are facing? Is this related to still re-branding or all?

Vijender Singh: I think since it's been 10 days I joined the organization, probably we will rework on our plans. But our strategy continues to maintain growth, including operating leverage from profit point of view. Our guidance continue to be maintained double-digit revenue growth.

Of course, we will come back with some of our major plans. But yes, when you look at our data, I think we are in the right direction as far as B2C business is concerned, which is more sticky, more profitable and also kind of helping us in building our infrastructure, keeping in mind our B2C ratio going from 53% to at least 55% and 58% in next few times from now. I think we are on track. Probably it is a great opportunity to be associated with Agilus because Agilus comes

with a lot more scientific legacy. We are going to leverage that. Yes, we are on the right track as of now, I can say.

Ashutosh Raghuvanshi: I can just add a little bit. I could just add because Mr. Vijender Singh has just come on board, and he, as you might be aware that he carries a huge body of experience on building scale. So we are very privileged to have him and we do recognize that there has been a muted growth or rather kind of a stagnant period for some time, and that was a variety of factors, including the brand change, et cetera.

Now those things are getting stabilized. As they are getting stabilized, we have about 10% growth in the last quarter. And a lot of it has come from volume growth as well. This is definitely a sign of revival. We have done a little bit of a kind of a transformation project where we have rationalized some of our lab network along with the customer touch points.

That journey now will be accelerated under the new leadership and new management. With that, we are very confident that we will be able to bring it to the similar level. Region-wise, we have seen that after we have started some focused efforts in NCR, the growth in this region has been pretty good, and we are going to replicate the same thing in other regions as well.

You are right that the growth has been slower than the other industry players, but we are completely on the path that we will be able to achieve similar levels within, say, next few quarters.

Aman Goyal: Sir, my next question is on the hospital segment on our specialty mix, we have seen the 200 basis point decline on onco business. Is this related to chemo business? Or are there any other sector also?

Ashutosh Raghuvanshi: Yes. You are absolutely right. The chemo business is the one which has impacted this. Some of our regions, all the hospitals in Punjab as well as Jaipur, have large number of ECHS beneficiaries. Some of the hospitals in NCR have large number of CGHS beneficiaries.

And in all these categories, the chemo drug pricing mechanism which they have come up with 30% discount on MRP is the one which is causing this dip. As you would have seen that earlier on, we were growing in oncology about 23%, 24%, but now that has come down to only about 5%.

But we still feel that oncology is going to be a big growth driver in terms of volumes, and we are focusing a lot on radiation as well as building the expertise on the surgical side of oncology and providing comprehensive care. That will drive our growth in oncology in the future. But certainly, this is going to be in the range of 10%, 12% and not like 27%, which used to be earlier.

Aman Goyal: My last one is on Gleneagles. Can you give us the absolute management fees we have generated from Gleneagles this quarter? I mean, we have a 2%, 3% O&M contract with the Gleneagles.

Vivek Goyal: We are adhering to that agreement. As per that agreement, we are eligible for 3% fee from the revenue, and that we are getting completely.

Aman Goyal: So how much did we generate? I mean, book for this quarter?

Vivek Goyal: Around INR 6 crores.

Moderator: The next question comes from the line of Abdul Puranwala with ICICI Securities.

Abdulkader Puranwala: Sir, my first question is with regards to your occupancy. So this quarter, we understand it was kind of flattish because of the beds what you're adding. But if I look at your 14 facilities, which is contributing to the bulk of EBITDA, that is already having an occupancy of close to 74%. So sir, how should we look at growth of these hospitals? So that is question number one.

And second is, for the balance 6 hospitals in the range of, say, 10% to 20% margin, there seems to be some occupancy room. But if I look at previously the numbers what you shared in FY '26, the occupancy has kind of slided down. So if you could help us understand on both these aspects.

Vivek Goyal: We are now consistently achieving around 70% occupancy on the enhanced base. If you see this occupancy is after taking into consideration the new unit where some renovation work is going on, for example, in Bangalore unit, and the other new unit which we have taken.

The occupancy is impacted because of that to some extent, but still it is at around 70% occupancy. As regards the levers for ramping up the occupancy, one is these new units, including Manesar. There is Yeshwanthpur facility, Greater Noida facility.

There is a lot of scope and we are seeing the occupancy going up as we are strengthening our network with better clinical talent and better marketing efforts. There are some big units which are still there with lower occupancy. Bangalore BG road is one of them. Again, this is a big lever for us to improve the occupancy level. So, I think all these levers will be good enough to ramp up the occupancy going forward by another 2% to 3%, percentage point.

Abdulkader Puranwala: Got it. The next one is on your bed expansion plan at FMRI. I heard you out when you called out on your guidance and the levers for it, in the 25% margin guidance that you're providing, at FMRI how are we thinking about margins to play out in the next 1 or 2 years?

Vivek Goyal: Yes, FMRI is already operating at a very decent EBITDA margin, which is around this number, 25%, type of number. And with the new beds coming in, we expect on the larger base it will be able to maintain that occupancy and EBITDA margin and there will be some improvement rather in this EBITDA margin.

Initially it will be like a 2 - type of EBITDA margin. Going forward, there will be improvement in the EBITDA margin because we have to add some talents there. We have to add some new players who have this type of expertise, but we are confident that there will not be any margin drop initially, there may be improvement in margin.

Moderator: The next question comes from the line of Saion Mukherjee with Nomura Holdings.

Saion Mukherjee Sir, what is your Capex guidance for this year? Also last year we are seeing some acquisitions, inorganic moves. Is that something which we can expect this year as well?

Vivek Goyal: Yes. Saion, if I can take this question, currently, we are expecting because we are in the growth phase and we plan this 2,000 bed expansion we are doing. Without taking any acquisitions into consideration, we will be consuming around 50% of our EBITDA for our growth which is brownfield expansion which is going on.

Some of the initiatives like Dr. Raghuvanshi has mentioned for enhancing our technical capabilities like proton and other therapies which we are investing in, including robotic surgery.

Saion Mukherjee: Sir, inorganic moves?

Vivek Goyal: Inorganic, we are actually looking at it and there are some deals which we are actively pursuing. Until those are concluded, we can't speak much about those deals. We have to wait for getting further details.

Saion Mukherjee: We could expect them to be in your focus clusters only, right? Is that a fair assessment to make?

Vivek Goyal: Yes.

Saion Mukherjee: Okay. The second one I don't know. I mean, you might have explained, but I just wanted to understand on the ESOP side, like the what's the policy like? Is it largely to the doctors and how many doctors or what percentage of people and doctors have been awarded these ESOP and what has been the criteria here?

Vivek Goyal: It is not only for doctors first of all. It is for doctors and some senior staff of the company. Roughly, it is around 55% to 60% of doctor and administrative staff including operator. I think the proportion may go up and down depending upon the needs to provide these people. Right now it is at this level.

Saion Mukherjee: Okay. I mean, I think you mentioned about attrition. Is that an issue in the industry in general you have seen? Is it increasing? Any particular geography where you have seen that as an issue given all the expansion that's happening incrementally, I mean, as a trend, are you seeing more attrition in the hospital sector?

Ashutosh Raghuvanshi: Not really. Any kind of pattern, we can't. However, it is within the micro markets when a new hospital opens, then obviously there will be some disturbance in that local geography. That pattern we have seen. But as a general, in some region there is a lot of attrition happening, that is not the case. It is just within small micro markets.

Like for example in Noida, as you are aware, that couple of new hospitals opened up. That did create little flutter across all the hospitals actually. There were some changes, but I think it is at par with what happens with normal course of business. We are not unduly concerned about it because the supply of the clinical talent has improved significantly.

The younger generation has started coming out after the seats have been increased in medical colleges about 15 years back. All those people have started coming out finishing their training. Gradually, over the next few years, you will see that this will not be that big a problem.

Moderator: The next question comes from the line of Gopal Bhatt with Baroda BNPP.

Gopal Bhatt: Just a quick follow-up. I think an earlier participant asked on the onco share going down. I heard that you maybe were impacted by the ECHS segment, but that is broadly flat if I look from year-on-year. Just any comment there?

Ashutosh Raghuvanshi: Within that segment, there are pluses and minuses both which have happened. A lot of diagnostic tests, investigations, procedure prices have gone up. Whereas at the same time, the prices of chemotherapy, et cetera, have gone down.

The net-net effect is not significant, but it has moved to other specialties available. That is why you will see the ECHS contribution remains same. The oncology as a division, that growth has become muted because of that. Also our base has been increasing continuously. Since the growth was very high for about four-five years, the base has also become very large.

Moderator: The next question comes from the line of Nilay Parekh with Perpetuity Ventures.

Nilay Parekh: My question is regarding this revenue and this margin guidance for our diagnostic business. Also can you throw some more light on the speciality and this preventive mix for the next 2 years?

Vivek Goyal: Can you repeat the question? I could not hear properly.

Nilay Parekh: Hello, am I audible?

Vivek Goyal: Yes.

Nilay Parekh: Wanted to know this revenue and margin guidance for our diagnostic business and also some key additional insights on our preventive as well as this specialty mix for the next 2 years. Hope my question is audible to you.

Vivek Goyal: You are asking the margin prediction for the diagnostic business, right?

Nilay Parekh: Yes, you are correct.

Vivek Goyal: Diagnostic business, Dr. Raghuvanshi has just mentioned, we have already seen the double-digit revenue growth and with our focus on growth and the new team on the ground, we are expecting the revenue growth to be around 12%-13%, and EBITDA margin should be in the range of 24%-25% for the remaining time.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Anurag Kalra: Thank you, ladies and gentlemen. If there are any further follow-up queries, questions, clarifications, please feel free to reach out to us and we will help you if that's possible. Thank you once again. Have a good day.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Fortis Healthcare, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.