13 November 2026

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

Scrip Code: 540975

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

Scrip Symbol: ASTERDM

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call for the quarter and half-year ended 30 September 2026

Ref: Regulation 30 read-with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In furtherance to our letter dated 6 November 2026, wherein the Company submitted the link to the video recording of the earnings conference call held with regard to the unaudited standalone and consolidated financial results for the quarter and half-year ended 30 September 2026, please find enclosed herewith the transcript of the said earnings conference call.

The same is also being uploaded on Company's website at

https://www.asterqualitycare.com/investors/financial-information/quarterly-reports/earnings-call-transcripts-recordings

Kindly take the above-said information on record.

Thanking you,

For **Aster DM Quality Care Limited**
(Formerly Aster DM Healthcare Limited)

HEMISH PURUSHOTTAM
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Date: 2026.11.13 18:13:10 +05'30'

Hemish Purushottam
Company Secretary and Compliance Officer
M. No.: A24331

Aster DM Quality Care Limited

Q2 & H1 FY27 Earnings Conference Call

November 6, 2026

Management:	**Ms. Alisha Moopen – Executive Director**
	Mr. Varun Khanna – MD & Group CEO
	Mr. Sunil Kumar M R – Group Chief Financial Officer
Moderator:	**Mr. Puneet Maheshwari – Lead - Investor Relations**

Puneet Maheshwari: Good evening, ladies and gentlemen, and a warm welcome to everyone joining us today for the earnings conference call of Aster DM Quality Care Limited for the second quarter and half year ended September 30, 2026.

This marks our first full quarter following the merger, bringing together Aster DM Healthcare and Quality Care into a unified healthcare platform.

To discuss our operational and financial performance for Q2 & H1 FY27, we are joined today by the senior management team of Aster DM Quality Care:

- Ms. Alisha Moopen – Executive Director
- Mr. Varun Khanna – Managing Director and Group CEO
- Mr. Sunil Kumar M R – Group Chief Financial Officer

Before we begin, I would like to remind everyone that some statements made on today's call may be forward-looking in nature and are subject to risks and uncertainties.

With this, I would now like to ask Ms. Alisha Moopen to share her opening remarks. Alisha, over to you, please.

Alisha Moopen: Thank you, Puneet. Good evening, everyone, and Happy Dhanteras to everyone celebrating. Thank you so much for joining us. This quarter marks our first 100 days as Aster DM Quality Care. I am really proud of how our teams across Aster, CARE, KIMSHEALTH and Evercare have come together in the shared spirit of GO GREATER.

Since announcing the merger in November 2024, our ambition has been clear: to bring together four trusted healthcare brands to serve more patients, deliver more advanced care, and create lasting value for our stakeholders. Every milestone in Aster's journey has been built on trust. In these first 100 days, we have focused on bringing our people and our operations together, ensuring seamless continuity of patient care, and sharing clinical expertise across our network.

A key part of this effort has been strengthening our Centres of Excellence and sharing their expertise across the wider network. Recent Centres of Excellence include the ARISE Robotic Spine Institute at Aster

CMI, the CARE Cancer Institute in Raipur, and the Foetal Medicine Centre at Aster Medcity. These centres strengthen specialist care within their hospitals and create expertise that our wider network can draw on, bringing complex treatments closer to more patients.

Over the past seven quarters, since the announcement of the merger, we have built a very strong growth trajectory, expanding revenue while growing operating EBITDA faster and strengthening margins. This progress demonstrates the strength of this foundation and also reinforces the strategic rationale behind our merger.

Our first full quarter as Aster DM Quality Care takes this journey to a new high, with our highest-ever revenue, operating EBITDA as well as operating margin. Year-on-year, revenue has grown by 19% to INR 2,829 crore, operating EBITDA by 25%, and normalised profit after tax by 34%. This momentum gives us confidence as we build the next phase of growth together.

We have also delivered INR 16.6 crore in synergies this quarter, translating the strengths of our combined network into tangible value. This is an early milestone, but with significant potential ahead as we deepen collaboration, improve efficiency and bring the full strength of the group.

Our next phase of growth combines capacity expansion with stronger clinical capabilities. One of the most fulfilling aspects of our journey is our ability to bring quality healthcare closer to our patients in Tier 2 and Tier 3 cities. Our expansion will build upon this reach with a pipeline of 4,230 additional beds, taking total capacity from 10,840 to over 15,000.

Our vision remains unchanged: high-quality, physician-led care that is accessible to every community we serve, guided by compassion and clinical excellence. We enter this next phase with greater scale, stronger capabilities and a shared direction. Our responsibility is to translate these strengths into better patient outcomes and sustained growth.

I would like to take a moment to thank our doctors, nurses and colleagues for their dedication, and all our stakeholders for their continued trust and support throughout this important period in our

journey. I wish you and your families a very Happy Diwali, filled with good health, happiness and prosperity.

With that, I will hand over to Varun, our Managing Director, to take you through our operating performance and progress across the network. Over to you, Varun.

Varun Khanna: Thank you, Alisha, and good evening, everyone.

It has been an immense pride for me to see our teams across Aster, CARE, KIMSHEALTH and Evercare come together as one organisation. Today, as I share our first full quarter's performance for Aster DM Quality Care Limited, I want to recognise the people who made it possible. Throughout the integration, they kept patient care at the heart of their work, ensuring continuity of care with no disruption to clinical services.

For us, coming together translates into tangible benefits for patients through stronger clinical teams, access to advanced treatments and the collective expertise of our wider network. We are delivering these benefits hospital by hospital while remaining focused on the quality of care, the efficiency of our operations and the trust patients place in us.

That trust is reflected in our first full quarter together. We served 2.2 million patients in Q2 FY27, up 12% year-on-year, with more of them coming to us for complex care. Our combined strength is beginning to show in what we can achieve together. By bringing our clinical expertise, capacity and resources together across the network, we delivered our highest-ever revenue, highest operating EBITDA and operating margin this quarter.

Let me take you through the drivers of our performance. Our operational bed base expanded by 4% year-on-year, primarily driven by additions at Kasaragod and the Whitefield Block D. As I mentioned earlier, we served 12% more patients during the quarter, reflecting stronger demand across the network. With occupied beds growing at 8%, which is faster than the operational bed capacity, occupancy improved by 335 basis points to 68%, demonstrating better utilisation of our expanded bed base.

Alongside our growth, our investments in clinical capabilities enabled us to serve more patients requiring complex care across Orthopaedics, Gastroenterology, Nephro-Urology and Oncology. This reflects the strength of our clinical talent, with our doctors and care teams bringing advanced medical expertise and complex care closer to the communities we serve.

We onboarded 100+ doctors in the first half of the year and launched new Centres of Excellence this quarter, including, as Alisha alluded to, the ARISE Robotic Spine Institute at Aster CMI, the CARE Cancer Institute in Raipur, which is a very big one, and the Foetal Medicine Centre of Excellence at Aster Medcity.

Complex care is growing across the network, with robotic surgeries growing 39%, kidney transplants growing 31% and joint replacements growing 29%. Our hospitals are also widening access outside the metros. Aster MIMS Kasaragod performed the district's first mechanical thrombectomy, while KIMSHEALTH Nagercoil launched a deceased-donor transplant programme and a comprehensive stroke unit.

The benefits of operating as one integrated network are increasingly evident in our clinical outcomes. Leveraging the clinical expertise of Aster CMI, CARE Banjara successfully performed its first Adaptive Deep Brain Stimulation procedure, while specialist teams from Aster CMI and Aster Whitefield supported four transplant procedures across CARE Banjara, Aurangabad and Indore. This exemplifies our approach to clinical synergy while developing deep expertise within our Centres of Excellence and extending that knowledge across the broader network. We are now replicating this model in advanced transplants, TAVI and robotic spine surgery, while simultaneously building local clinical capabilities to ensure long-term self-sufficiency and excellence across all our hospitals.

Furthermore, we invested more than INR 600 crore in medical technology over the last 18 months to enable the endeavour of enhancing complexity in our system. In Q2 FY27 alone, we added one LINAC, one digital PET-CT, three robots, two cath labs and one MRI.

Higher patient volumes, more complex treatments and a favourable payor mix helped us grow our revenue by 19% to INR 2,829 crore. With

more patients using our existing facilities, we were able to spread our costs better. This helped operating EBITDA grow by 25% to INR 678 crore, with an operating margin this quarter at 24%.

Let me now talk about the first-half performance across the different hospital maturity categories. Our mature hospitals, which represent 64% of our operational beds, contributed 73% of our hospital revenue and 83% of our total operating EBITDA. The segment delivered 18% revenue growth, led by 11% growth in total patient volume, which was further supported by increasing clinical complexity.

Our focus hospitals represent 15% of operational beds, contributing 15% of the total revenue. Investments in strengthening clinical capabilities helped drive a 7% increase in total patient volume, resulting in 13% year-on-year revenue growth.

Our emerging hospitals, and these are the new hospitals that we launch, represent 10% of our operational beds and contribute 6% of revenue. They grew 53% in total patient volumes, which led to a 62% year-on-year revenue growth. This was largely led by Kasaragod and Nagercoil, the two hospitals that we have opened.

At our underperforming hospitals, total patient volume grew by 7%. This was supported by higher occupancy, growth in IP volumes, and better conversion of outpatients to inpatients. The revenue of this segment grew strongly by 24%, while operating EBITDA more than doubled.

Our commitment to quality continues to receive recognition. CARE HITEC City received JCI accreditation, while Aster MIMS Kasaragod received NABH accreditation. Furthermore, Aster DM Quality Care was named Healthcare Brand of the Year at the ET Healthcare Awards 2026, and CARE Hospitals was named ET Best Healthcare Brand for the second consecutive year. Several of our hospitals featured in Newsweek's World's Best Hospitals 2026 and Outlook's National Best Hospital Rankings, including 12 specialty rankings.

The benefits of working as one integrated platform are also becoming evident operationally. In Q2 FY27, and this is about the synergies that Sunil and I have spoken about earlier, we realised INR 16.6 crore of synergies, taking our annualised run-rate to about INR 65 crore, against

a full potential of what we believe will be about INR 200 crore across the synergy levers that we mentioned earlier. These benefits support our ability to keep investing in patient care and grow our network.

Delivering on the commitment of excellent patient care requires continued investment in clinical capability and capacity. Over the last 18 months, we have invested more than INR 1,200 crores across project, growth and refresh capex. With a current bed capacity of 10,840 and a pipeline of 4,230 additional beds, we are heading towards the 15,000-bed capacity target that we spoke about earlier.

Our expansion combines additional capacity at existing hospitals with new facilities. Around 47% of the planned beds are brownfield and 53% are greenfield, allowing us to deepen our presence in established markets. The pipeline includes the 454-bedded Aster Trivandrum Hospital as part of our FY27 expansion, which is progressing well on its timelines.

Our first full quarter together gives us confidence in the opportunity ahead. We maintained continuity of care, served more patients and expanded access to complex treatments. As one team with a shared culture, we remain committed to investing in our people, technology and capacity, guided by patient care and clinical excellence. As a unified organisation, our purpose is to deliver the highest standards of care for every patient who trusts us with their health.

Thank you for your continued trust and partnership, and Happy Diwali to you and your families. I now hand over the call to Sunil for the financial performance.

Sunil Kumar M R: Thank you, Varun, and good evening, everyone.

Varun has taken you through our operating performance. I will now walk you through how this translated into financial performance, followed by our balance sheet and capital allocation priorities.

Before I get into the numbers, a quick word on our reporting basis following the merger. The merger has been accounted for under the pooling of interests method, in simple terms, at book values with no fair valuation of assets and liabilities (which is much more easier), effective

from 1 July 2026. So, our reported limited review results for the quarter and half year ended 30 September 2026 include Quality Care from 1 July 2026 onwards. However, prior periods have not been restated, so the reported numbers, which have been uploaded as part of the limited review results, are not comparable year-on-year.

To give a like-for-like view, our earnings presentation combines Aster DM Healthcare's reviewed figures with Quality Care's proforma figures for the comparative periods, that is, on a year-on-year basis. All growth numbers that I quote, and that Varun and Alisha have quoted, are on this combined basis. We will align comparatives with Quality Care's audited numbers at the full-year results going forward. The balance sheet that is presented as at 30 September 2026 is combined basis.

Starting with the Q2 FY27, revenue grew by 19% to INR 2,829 crore, while operating EBITDA increased 25% to INR 678 crore. Operating EBITDA margin expanded by approximately 111 basis points to 24%. Normalised PAT after non-controlling interest increased 34% to INR 281 crore, with the normalised PAT margin improving to 9.9% from 8.8% in the same period last year. ROCE for the quarter stood at 23%, a 152 basis points improvement over the previous year.

Turning to the H1 FY27, on a combined basis, revenue increased by 20% to INR 5,429 crore, while operating EBITDA grew by 27% to INR 1,255 crore. Operating EBITDA margin improved to 23.1% from 21.8% a year earlier. Normalised PAT for the half year, after non-controlling interest, increased 27% to INR 457 crore, with a margin of 8.4% compared with 7.9% a year earlier.

Coming to the balance sheet, gross debt stood at INR 3,959 crore as at 30th September 2026. Against this, cash and bank balances and current investments stood at INR 2,240 crore, resulting in net debt of INR 1,719 crore. Excluding lease liabilities, our net debt to EBITDA is 0.87 times, comfortably below one. Including lease liabilities, it is 1.72 times. Both ratios are on a trailing twelve-month basis.

During the first half, on a combined basis, we invested over INR 400 crore in capex, of which the majority is for ongoing projects and the balance is for medical equipment.

Our balance sheet gives us the flexibility to support ongoing operations and the investments we have planned. As we execute our expansion programme, we remain focused on disciplined investment in capacity and clinical capabilities, continued to realise the integration benefits, and careful management of debt and liquidity.

With that, I hand it over to Puneet to begin the question-and-answer session. Thank you very much.

Puneet Maheshwari: Thanks, Sunil. Dear participants, during the Q&A session, you will get a chance to ask a question by raising your hand through the raise hand icon in the Zoom application at the bottom of your window. We will call out your name, after which your line will be unmuted, and you will be able to ask a question. I would also request all participants to introduce themselves with their name and the company that they are associated with before asking the question. If you are not associated with any company and you are an individual investor, you can highlight that as well.

Moving on to the Q&A session, the first question is from Mr. Tausif Shaikh.

Tausif Shaikh: Good evening. This is Tausif Shaikh from BNP Paribas. Congratulations on a good set of numbers. The 19% growth looks phenomenal without much bed addition. My first question is to Varun on the potential merger synergies, which we have highlighted at INR 200 crore over the next three years, with an annualised run-rate of INR 65 crore. Varun, can you explain how this synergy benefit is spread equally over the next three years? Usually, the case should be the initial few years, benefits should be more. Can you give more clarity on this?

Varun Khanna: Hi, Tausif. First of all, thank you. It is just the first quarter, and we have been able to get to an INR 65 crore run-rate. I am not sure that the INR 200 crore will be spread over three years; we could do it far faster. You are right that this INR 200 crore synergy will be skewed and we anticipate that over the next three to four quarters, on a run-rate basis, we will be able to impact this entire synergy that we speak about. The way to see it is that we have already got to INR 16.6 crore, which gets us to an INR 65 crore run-rate in the first quarter itself. So, if the sense

that you want to get from me is whether we will be able to front-load these synergies, the answer to that is yes.

Tausif Shaikh: That is helpful, Varun. My next question is on the centralised procurement of consumables, which we have been talking about for the last few quarters. Varun, can you tell us the incremental cost savings we have been able to negotiate with our vendors as a joint entity? Any numbers like 10% or 20%? What is the benefit one can assume? I ask mainly because, looking at the gross margin, I think we have reached a level in line with the other listed peers.

Varun Khanna: Tausif, let me first go back to the synergy side of it and explain. We look at a 10-point synergy wheel, and we have now started to see that holistically. Sometimes, a bulk of the synergy is being driven by a combination of clinical programmes, clinical costs, material costs, indirect costs, the efficiencies that we bring in, and talent sharing. So, it becomes very difficult; Sunil and I would end up only doing that exercise, to bifurcate the numbers. So, do not look at it only from a material cost standpoint. It is an efficiency line, and for every procedure of that efficiency line could vary in the breakup a little bit. But I would not necessarily take out that deduction that material cost cannot get better.

Not that I have a number to share with you, but let me remind you of the wheel that we look at: business KPIs, material cost, international medical tourism, quality and accreditation, and F&B insourcing. I told you that insourcing is a large part of it for us. Then there is IT integration, along with the clinical piece of it. Talent sharing is becoming a big piece for us. If we are able to share the same talent across multiple hospitals, we do not end up paying extra for it, and that finally adds to the gross margin, because talent cost is pretty variable. Indirect cost is, again, a very important piece that we are working on. We never thought we could drive those kinds of synergies there, and that is turning out significantly better than we anticipated.

Renewable energy is another piece that we have been very focused on, one from an ESG standpoint, given our commitment to delivering on that, and other from a cost standpoint and needless to say, the academics and nursing work that we do across our network also enables us to improve the cost structure. That is the synergy side of our

business. On material cost, I will certainly not deduce that we cannot get better. We will continue to try and get better.

Tausif Shaikh: Thanks, Varun. I will get back in the queue.

Varun Khanna: Thank you, Tausif.

Puneet Maheshwari: Thanks, Tausif. The next question is from Ms. Damayanti. Damayanti, can you please unmute yourself and ask the question?

Damayanti Kerai: Hi. Good evening, everyone. I hope I am audible. This is Damayanti from HSBC Securities and Capital Markets Limited, Mumbai. My first question is again a clarification on cost synergies. You mentioned that the next three to four quarters is when you will likely deliver the majority of synergies. Just wanted to understand, will you completely realise the INR 200 crore in that period, or will it be front-loaded in the next three to four quarters? If you can just help me understand that.

Varun Khanna: Sunil, would you like to take it?

Sunil Kumar M R: Thank you, Varun, and thank you, Damayanti, for the question. I think Varun called it out very clearly. For example, If you look at our earnings deck, we have said that we achieved INR 16.6 crore in Q2 FY27, but the run-rate that we achieved is INR 65 crore. That means we know the number that we are going to get over the next four quarters. So, when Varun said that we are going to hit that number over the next four quarters, it means that on a run-rate basis, we are going to hit it by the fourth quarter, and we should be able to realise the full number by the sixth or seventh quarter. That is where we are.

Damayanti Kerai: Got it. That is very clear. Thank you. My second question is: in your first 100 days of working as a combined entity, could management point out two or three priorities that you would like to address or work on to really drive the overall momentum?

Varun Khanna: Thank you, Damayanti. There is a lot happening in the first 100 days; honestly, sometimes I feel it is overwhelming. To answer your question, there are three or four things. The first priority was delivering care in a non-impacted manner to our patients. The fact that we have been able to deliver care to 2.2 million people I think that we have done a fantastic job of that. The merger has only enhanced the way we deliver service.

As we got into the merger, the first thing we did was benchmark everything. There are three ways you look at a merger. First, you try and benchmark what within the network is done well, and where. Across our four hospital brands, Aster, CARE, KIMSHEALTH and Evercare, there were a lot of things which one part of the network did better. So, we benchmarked that, and we realised that the first part of our job is to bring the entire network to that benchmark before we externally start to validate and grow beyond that. That was the second piece that we did, and it spanned clinical, network, delivery, technology and material cost.

A simple part is that: after we merged, and this is when Sunil and I started working together, as otherwise Sunil was hiding his data and I was hiding mine, but as the merged entity, we realised that 30% of articles were bought cheaper by one entity versus the other. The rate rationalisation was simple. One fine day, you buy at the lowest common price; you do not pay more anywhere across the network. On technology, similar savings accrued. On insurance, similar savings accrued, etc.. A lot of people rationalisation also happened. If you look at our P&L, our people cost growth is significantly lower than the growth in the volume of patients that we have been able to handle.

Outside of that, there were two or three other priorities or KPIs that we set for ourselves. The first was keeping our flock together, and that we have done very well. We set a target, and I will not tell you what the target was, for retaining top-tier talent. Of the top 20 people, we have not lost anybody. For the top 100 people, we took a percentage of attrition that could have possibly happened on account of the merger. This is a merger of two very large companies, and there also we have fared significantly better.

I think what we have been able to do on talent management is by virtue of what Alisha alluded to, a term called GO GREATER. GO GREATER is not just a term; it is not a war cry that we came out with. We had multiple communications across our network, 50 physical employee engagement sessions happened and multiple trainings. All of that, I think, is enhancing the way we are delivering care.

Alisha Moopen: Varun, if I can just add to what you said.

Varun Khanna: Please, please.

Alisha Moopen: I think the point that Varun was talking about, keeping our flock together, is probably the most important thing for us, making sure that there is no disruption at all for our people. We have been doing repeated pulse surveys and engagement surveys, and the sentiment and morale being so strong is the only reason we are able to deliver these results. I think that has been one of the biggest positives of this quarter because, of course, it was a cause of concern for us going into the merger, as it is a massive merger with lots of people coming together and I think all the early signs are very positive, and that is very reassuring for all of us, and hopefully for all of you also.

Damayanti Kerai: Sure. That is very helpful. My last question is on your thoughts on some of the recent regulatory developments that we have seen in the industry, say, price capping for oncology drugs, or what the state government of Kerala is trying to explore. Any comment from your side will be helpful.

Varun Khanna: I do not know if there is a specific question in it. We do not look at our business through a pharmacy lens, and I have said this earlier as well. We do not think it is the right way either, Damayanti. Our business, it is not a retail business. It is largely a service delivery business, and when I say service delivery, it is an integrated clinical care business. A large majority of our treatments are delivered through packages, where medicines, consumables, the effort from the clinician and nursing, and infrastructure all come together. Considering that the bulk of it gets from a service standpoint, I think the regulatory pieces only make it better for us.

If you ask me my view, we have actually welcomed some of these measures in making oncology care more accessible and affordable. I told you that oncology is a focus area for us, and nearly 75% of our operations are in Tier 2 and Tier 3 markets. We all feel at Aster DM Quality Care that this will further enhance access to quality cancer care in these regions and will certainly give a huge impetus and boost to patient volumes. Cancer care being expensive, a lot of people are not able to get care. For us, as we get into Tier 2 and Tier 3 cities, which are underserved in cancer care, I think this will certainly be a significant help.

The impact of the current regulation is limited to specific drugs in oncology, and we do not have an impact at this point in time. When it comes into play, we will figure out what happens, but we do not see it as a very big issue at this point in time, if I can just leave it at that.

Damayanti Kerai: Sure. Thank you for your response. I will get back in the queue, and all the best to your team.

Varun Khanna: Thank you, Damayanti.

Puneet Maheshwari: Thanks, Damayanti. The next question is from Mr. Kunal. Kunal, can you please unmute yourself and ask the question?

Kunal Randeria: Hi. Good evening, everyone. Kunal Randeria here from Axis Capital. Varun sir, in one of the slides, you have divided the hospitals into mature, focus and so on. How should we understand the difference between focus and underperforming? Do you mean that focus hospitals are underperforming in your view but have the potential to be as profitable as the mature ones, while underperforming ones are those where you do not hold out much hope for improvement?

Varun Khanna: Hi, Kunal. First of all, I am very happy that I am getting a question on that slide, because we have been wanting all of you to look through that lens. That lens matters a lot to us, and to you as well.

First of all, the mature category is very clear to you. Units aged more than 3 years with EBITDA margin of 25% or higher. The best part is that 64% of our beds are sitting there, delivering 73% of revenue and 83% of EBITDA. Emerging is also pretty clear, I think. Your question is more on underperforming and focus.

Focus is a network of hospitals which have not got to 25%, but are still pretty mature from a tenure standpoint. Therefore, we want to get them there, and they will get there. In fact, we have seen consistent improvement in their operating EBITDA percentage over the last five or six quarters that we have been reporting this.

Underperforming is where the improvement opportunity is pretty large, but the bucket is small. It is 11% of our beds, and about 5% of the revenue comes from it, so it is a small bucket in terms of revenue contribution to our network. Things were not going well there for some reason or the

other, and therefore they were called underperforming. It is a little bit of a tail, if I may call it that, from a financial performance standpoint. But we have now been able to see significant upside there. If you see in the first half of the year, we are up over 700 basis points in operating EBITDA there, and that is also becoming significant.

So that is the fine delta: one is structured to be mature, and the other has reasons for being a laggard. They may not ever get to 25% EBITDA, but will continue to contribute a small percentage of the overall EBITDA and revenue. Does that make sense?

Kunal Randeria: Yes, sure. That is helpful. But is there any particular region, or are these individual hospitals across cities that may not be performing as per your expectations?

Varun Khanna: It will never be a region. These will be smaller, subscale hospitals that, because of their nature, do not end up being 25% EBITDA hospitals. I will give you an example: a 60-bed or 70-bed hospital in Hyderabad, or a 65-bed hospital in Kottayam, may not be able to deliver 25% EBITDA.

Kunal Randeria: Understood. Just carrying forward from one of your earlier points on how you are keeping your flock together. Let us take the state of Kerala, where Quality CARE India Ltd. had a presence and Aster had a very big presence. How has the new leadership been able to accommodate the individual leadership of both Aster and CARE there?

Varun Khanna: First of all, we do not look at leadership as Aster and CARE.

Kunal Randeria: Sorry to cut you, Varun, but what I meant was that Aster had its own leadership there, and CARE would have had some, maybe a Kerala cluster CEO. How do you accommodate both in those positions now?

Varun Khanna: Kunal, the beauty of our leadership is that none of them see themselves as CARE, KIMSHEALTH, Evercare or Aster leadership. We all came together and owned the company well before day one. That was the meaningful part of our commitment, as Alisha spoke about, of enabling that. If we did not get there, we would not have been standing here today with this kind of performance. There are also strategic ways in which we manage that. Let me give you a sense. We either grew everybody in the organisation or kept them at the same level. The first

commitment was that people would either get more from the opportunity that we have created through the merger, or they would continue to do what they were doing from a scale standpoint. That was a very big statement to make, and each one of our people has actually got impacted favourably in many ways.

Now, if you look at the leadership team, there are not many changes, because honestly, nothing changes at the hospital level. Take Trivandrum, for instance. In Trivandrum, Dr. M.I. Sahadulla, who, as you know, has been running KIMSHEALTH Trivandrum, has been helping us manage Trivandrum. We have a local leadership team, and the same leadership team is going to drive Aster Trivandrum Hospital. That is how harmonious the entire equation is.

Al Shifa, for instance, was earlier being managed by KIMSHEALTH, but geographically, it should be managed by somebody sitting in northern or central Kerala, and it is now managed from there. Similarly, the CARE team used to manage Nagpur and Aurangabad in Maharashtra, but there is Kolhapur as well. Kolhapur, Aurangabad and Nagpur should be managed by the same leader, so we have brought them together from a regional management standpoint.

All of that has played out through a very thoughtfully and carefully developed organisation structure. That, I think, has been the key, and we have been able to provide growth to people. I must also say, as I always do, that life is all about amplifying, where AMP stands for accountability, motivation and purpose. We worked on purpose, we worked on motivation, and we have a great set of accountable people who have enabled all of this transition and transformation on the ground. I know it sometimes sounds too good to be true, but you should believe me, Kunal, this is true.

Kunal Randeria: That is good to hear. One more question, perhaps for Sunil, if I can. I heard your comments on how some of these synergies are getting realised pretty fast. In the next 18 months, you have around 1,200 greenfield beds coming up. Is it fair to assume that some of the synergy benefits will be perhaps offset by initial losses from these hospitals, and perhaps 2029 could be a year where there is a J-curve kind of movement in margins?

Sunil Kumar M R: Thank you, Kunal. I think you will remember that this question has come up previously as well. What we have always said, and which is actually true, is that all the greenfield are coming up in clusters that we are well aware of, and we have done this repeatedly. For example, Whitefield broke even in three months, Nagercoil in four months and Kasaragod in nine months. You have seen the losses; they are very negligible. So, we do not see a drag on our P&L, whether the synergies are there or not. That is the first thing. Actually, the synergies coming in will act more like a backup plan for that. Given this, we do not see the losses offsetting the synergies being driven. As Varun called out very clearly, we will hit the complete run-rate within four quarters, and you will see the full number coming in six to seven quarters.

Kunal Randeria: Got it. That is very helpful. Thank you, all the best, and Happy Diwali to the entire Aster team.

Varun Khanna: Thank you, Kunal. Happy Diwali to you as well.

Puneet Maheshwari: Thanks, Kunal. The next question is from Dr. Bino. Bino, can you please unmute yourself and ask the question? Bino, we are not able to hear you. Moving on, the next question is from Mr. Shubh Kalra.

Shubh Kalra: Hi, am I audible?

Puneet Maheshwari: Yes, you are audible.

Shubh Kalra: Thanks. Could you please call out the revenue, EBITDA and EBITDA margin for Aster DM and Quality Care separately for this quarter? I wanted it for a like-for-like comparison.

Varun Khanna: Shubh, sorry, we are not sharing those numbers anymore. As Sunil mentioned, and I will pass it on to him, all the numbers are like-for-like. We have ensured that all of what you see is comparable, and we see it as one network. We will always see it as one network, and I would urge you to see it like that as well. Sunil, if you would like to add anything.

Sunil Kumar M R: No, Varun, I think you called it out very clearly. Shubh, I also called out in my speech that the 19% revenue growth and 25% EBITDA growth are all on a combined basis. With the leadership all together, we are not tracking it separately even in the books. Even in the monthly MIS, we are not reviewing Aster and CARE separately, and none of the reviews

happen on a brand basis either. It's all 38 hospitals together that we look at.

Shubh Kalra: Fair enough. Thank you.

Varun Khanna: Thank you, Shubh. Apologies that we could not give a direct answer to that.

Puneet Maheshwari: Thanks, Shubh. Dr. Bino, can you now unmute yourself and ask the question?

Bino Pathiparampil: Can you hear me?

Puneet Maheshwari: Yes, it is better now.

Varun Khanna: Hi, Bino. Your voice is breaking, so we are getting your question only intermittently.

Bino Pathiparampil: I am sorry. Let me join back.

Puneet Maheshwari: In the meanwhile, if any of the attendees would like to ask a question, please raise your hands. The next question is from Dhvani. Hi, Dhvani, can you please unmute yourself and ask the question?

Dhvani: Hi, am I audible now?

Puneet Maheshwari: Yes, you are audible.

Dhvani: Firstly, on your operational bed capacity, would it be possible to provide the census and non-census breakup?

Sunil Kumar M R: Thank you for the question, Dhvani. Of the roughly 10,600 operational beds, you can take about 20% as non-census beds and about 80%-81% as census beds .

Dhvani: That is helpful. Secondly, on the margin matrix that you have provided for mature hospitals, on an H1-to-H1 basis, the incremental flow-through to margins has been almost 40%, given you have grown at 20%, which gives an operating margin of 30.2%. How do you see this going forward? What are the other levers for this growth to continue, or for the margin to remain where it is?

Varun Khanna: Sure, Dhvani. Your question is on the mature segment operating EBITDA of 30.2%, is that fair?

Dhvani: Yes.

Varun Khanna: There are three pieces to this. One, efficiency continues to be an important lever for us. As the larger hospitals continue to scale up, their costs do not grow in the same proportion. Two, this is one segment which is growing pretty well for us. The other thing that you should be mindful of is that this is where the brownfield expansion that we have been talking about is happening. That has been one of our big themes historically as well, and that is why a very significant component of our bed growth comes from brownfield. We will continue to grow the mature segment from a revenue standpoint, and to ensure that capacity gets de-bottlenecked, we are adding beds wherever capacity will become a constraint.

These will be very productive assets as they get larger, because around 2,000 beds will get added to the mature segment, and they will start to fire from day zero without any lag. That should answer your question. This segment will continue to be very profitable and clinically phenomenal. The clinical complexity that I talk about is also growing here. This is where we are making investments in robots and ensuring that we have the entire gamut of CONGO-T covered. This is where we are extremely focused on developing quaternary care services beyond what we deliver today.

Therefore, they will continue to be ARPOB accretive and complexity accretive, and they will continue to enhance ALOS a little. If there is a capacity bottleneck, you can be assured that we have already thought about it, and we will enhance capacity in the assets where any bottleneck is coming up.

Dhvani: That is helpful. Thank you.

Varun Khanna: Thank you.

Puneet Maheshwari: Thanks, Dhvani. I think Bino has come back in the queue. Dr. Bino, can you now unmute yourself? This will probably be the last question from the participants.

Bino Pathiparampil: Hi, good evening. Is it clear now?

Puneet Maheshwari: Yes, it is better now.

Bino Pathiparampil: Great. I am sorry about the last two times, and congratulations on a great set of numbers in the first combined quarter. My question is: this quarter, the operating EBITDA margin is 24% and the reported EBITDA margin is around 23.5%. It is a great set of margins. Is this a base to look at? Like Sunil said, over six to seven quarters we will see the full benefit of synergies. Where should we see the margin going from this 23.5%-24%?

Sunil Kumar M R: Bino, thanks for the question. As you called out, for Q2 FY27 it is 24%, and on a YTD basis, which is H1 FY27, it is 23.1%. You should also note that in this quarter, both CONGO and non-CONGO have done well.

CONGO has grown more than 16% and non-CONGO more than 19%. There has also been a little bit of a push from medical specialties, because in some geographies, we have seen medical cases doubling, specifically dengue cases. We also need to remember that healthcare has seasonality. Q3 and Q4 are more festive quarters, so you will not see the same level of margins there.

But what we have always guided is that two to three years post-merger, we want to be at 24%-25% on a full-year basis, and we need to always be mindful of that. We should not refer to just one quarter as the base; when you look at H1, we are still at 23.1%. The broad guidance that we have given for two to three years includes the synergies, the greenfield, and almost 1,800-2,000+ brownfield beds that we are talking about. We will also do some acquisitions, as we have a good war chest today. Keeping all this in mind, a 24%-25% margin in two to three years looks very well. If we are able to do well on synergies and on the greenfield turnarounds, I think we should do well.

Bino Pathiparampil: Understood. So, in two to three years, you will reach 24%-25%, if I got it correct.

Sunil Kumar M R: Yes.

Bino Pathiparampil: Okay. My second question is for Varun. There was an earlier question on price control. Obviously, the price control that has come in right now is

only on drug margins, which, like you said, is not appropriate in the context of a hospital business. At the same time, there are some other movements happening, especially in Kerala, where an assembly committee has recommended comprehensive price control on hospitals. Suppose some sort of all-encompassing pricing regulation comes through, how would you look at it? First of all, what do you think is the chance of that coming through, what could be the impact, and how do you plan to deal with it?

Varun Khanna: Bino, you know the answer to that question. It is very simple: either I have to be a fortune teller or I have to be in parliament, and I am neither. It is very difficult to predict, especially going by what I read in the media, it may be difficult as every report cannot go back to the assessment area. Ifs and buts are part and parcel of life. I will give you the broader context, and that cannot be taken away.

Private healthcare today delivers 65% of care in India, and this has evolved over the last 10-12 years. Otherwise, India would not have enabled this level of complexity for its citizens. We are not done yet; we have just covered a part of the metro problem. You have 850 Tier 2, Tier 3 and Tier 4 cities which are still under capacity. On a do-nothing basis, even if all goes well, all of you stay healthy, nobody gets sick and you take care of yourselves, India will still need 1.5 million beds over the next 10 years. In context, for 1.5 million beds, you are looking at about $130 billion of cash going into the industry. That is only possible if there is an economic rationale for putting this kind of money into a business. Correct me if I am wrong, Sunil, we have a 10% PAT, right?

Sunil Kumar M R: Right.

Varun Khanna: We have a 10% PAT business, and you need $130 billion. I think everybody understands that for India's evolution, for India's health and for all of us to stay healthy, this is going to be incredibly important. So, I am sure someone is looking at both sides of the picture. While we hear a lot and see a lot, especially on Kerala, I have considered Kerala, even when I was not operating there, as one of the finest health systems in the country by far. This is one state which is supported by both private and very strong public networks. What I like about Kerala is that it is a very evolved network, and it has to be, because it has the highest hospitalisation rate in the country as well.

Keralites have always used healthcare to keep healthy, and that is incredibly important. The government has played a very important part in building this ecosystem. Nobody understands the need for healthcare as good as what Kerala understands, so I am sure they are looking at it in the right spirit. I have told you that we will engage very constructively with them. We are committed to delivering quality healthcare at the right price, so that it is seen as extremely high value in every part of the country that we operate in. I will give you that much; those are the fundamentals which cannot be shaken. That is why I always look at it from a macro perspective, and therefore, my responses are more macro.

Bino Pathiparampil: Thank you. I hope the people who take decisions also understand what you said.

Varun Khanna: Thank you, Bino.

Puneet Maheshwari: Thanks, Bino. This being the last question, this concludes the earnings call for this quarter for Aster DM Quality Care. I thank the management and all the attendees for joining us today. If you have any further queries or questions, please do get in touch with us. Happy Diwali to everyone.

Varun Khanna: Thank you, everybody. Happy Diwali.

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The contents of this transcript may contain modifications for accuracy and improved readability.