Dr Lal PathLabs

November 10, 2026

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Symbol: LALPATHLAB

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 539524

Sub: Transcript of Q2 & H1 FY27 Earnings Conference Call

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Transcript of Earnings Conference Call on Financial Results for Q2 & H1 FY27.

We request you to please take the same on record.

Thanking You,

Yours Faithfully,

For **Dr. Lal PathLabs Limited**

Vinay Gujral
Digitally signed by Vinay Gujral
Date: 2026.11.10 14:46:54 +05'30'

Vinay Gujral
Company Secretary & Compliance Officer

Encl.: As above

Classification: Internal

Dr. Lal PathLabs Limited

Q2 FY27 Earnings Conference Call Transcript

November 04, 2026

Call Duration	• 56 Minutes 11 Seconds
Management Speakers	• (Hony) Brig. Dr. Arvind Lal - Executive Chairman • Mr. Shankha Banerjee - Chief Executive Officer • Mr. Ved Prakash Goel - Group CFO and CEO, International Business
Participants who asked questions	• Tausif Shaikh – BNP Paribas • Prakash Kapadia – Entrust Family Office • Rishi Mody – Mody Advisory • Akshay Shinde – Centrum Broking • Yogesh Soni – Haitong Securities • Anshul Agrawal – Emkay Global • Akash Shah – Investec Capital • Gourav Bhama – JM Financial • Shyam Srinivasan – Goldman Sachs

Moderator: Ladies and gentlemen, good day, and welcome to the Dr. Lal PathLabs' Q2 FY27 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Nishid Solanki: Thank you. Good evening, everyone, and welcome to Dr. Lal PathLabs Q2 & H1 FY27 earnings conference call. Today, we are joined by senior members of the management team, including:

- (Hony) Brig. Dr. Arvind Lal - Executive Chairman
- Mr. Shankha Banerjee - CEO, and
- Mr. Ved Prakash Goel, Group CFO and CEO, International Business

I would like to share our standard disclaimer. Some of the statements made on today's conference call could be forward-looking in nature, and the actual results could vary from these forward-looking statements. A detailed statement in this regard is available in the results presentation, which has been circulated to you and also available on stock exchange website.

I would now like to invite Dr. Lal to share his perspectives. Thank you, and over to you, sir.

Arvind Lal: Thank you, Nishid. Good evening, ladies and gentlemen, and thank you for joining us on our second quarter and half year earnings call for the financial year 2027.

Indian healthcare system continues to focus on improving patient outcomes with diagnostics playing a significant role in anchoring evidence-based therapies. Advancement in diagnostic technology is going hand-in-hand with the increasing complexity of the demands from the clinical community for more precise and personalized therapies.

Our recent acquisition of S N GeneLab in Surat adds differentiated tests to our portfolio in oncogenomics and reproductive genomics, which combined with our

national reach will benefit the wider clinical community. S N GeneLab has a proven track record and an active R&D program in the genomics area with international tie-ups and in-house research work. This will complement the R&D effort, which LPL has embarked upon with academic institutions and other research institutions. These efforts are aimed at leading the scientific development in diagnostics and introducing new tests and technologies in India.

There is also an increasing emphasis on disease prevention and diagnostics has an important part to play in that shift. Under the National Program for Prevention and Control of Non-Communicable Diseases, that is (NP-NCDs) through 1.8 lakh Ayushman Arogya Mandirs, over 41.5 crore people have been screened for hypertension, 41.3 crore for diabetes and 35.3 crore for oral cancer and 16.5 crore women for breast cancer and close to 8.7 crore women for cervical cancer. This is a public health effort of extraordinary ambition, but screening only is the beginning of a clinical journey. Every positive finding requires confirmation and then monitoring and that work is done in laboratories. The need for accurate, accredited, high-quality confirmatory diagnostics tests is only going to increase.

Our expansion into the international markets has seen significant movement this quarter with the acquisition of Sunshine diagnostics in Ghana and a JV in Uzbekistan. These are small steps towards building a meaningful long-term business in markets where we can contribute towards improving the diagnostic ecosystem.

Our team is also working to make quality diagnostics available to the communities in the underserved regions of our country. Our rural outreach program is gaining strength in the seven states that we have launched with higher patient numbers this quarter. The migration from unorganized to organized testing remains the defining opportunity of this decade, and it will be won on quality, reach and trust.

With that, I hand over to Mr. Shankha Banerjee. Thank you very much.

Shankha Banerjee: Thank you, Dr. Lal, and good evening, everybody.

I am happy to share that we have sustained our growth momentum in Q2 FY27 with a revenue achievement of Rs. 874 crore at a 19.6% growth. This is the highest quarterly growth in the last 5 years and has been driven by a 9% growth in patient volumes.

Our consistent focus on the key strategic pillars of scientific leadership, enhanced patient experience, and operational excellence are yielding results.

Our commitment to medical leadership and clinical tests remains the primary engine driving our test mix and realization quality.

- In Q2 FY27, we continue to expand our advanced testing portfolio and strengthened our diagnostic depth across specialized frontiers such as oncogenomics, transplant immunology and rare genetic disorders. Demonstrating this commitment, we launched around 140 new tests during H1 FY27 and 2 first in India assays in Q2 FY27.

- Our recent acquisition of S N GeneLab strengthens our play in genomics testing. The combined portfolio with testing hubs in North and West strengthens our genomics expertise, broadens our advanced diagnostic portfolio, and enables deployment across our entire network.

- We have rolled out a new physical patient report format, which enhances the reporting experience as it incorporates the trend chart of most common tests. It also has a useful anti-counterfeit watermark embedded to ensure genuineness of the report. These reports are now reaching more than 80% of our patients daily.

- We have recently established an enterprise-wide foundation for digital pathology through a secure, scalable hybrid cloud platform that unifies image management, supports multiple file formats and integrates seamlessly with our LIMS solution. The platform is future-ready to enable multiple business streams, including AI-led services.

The team is eager to build on the strong foundation of the first half and deliver our targeted sustainable revenue growth over the medium term. We continue to retain a significant pricing headroom as a strategic lever going forward.

I will now hand over the call to Ved, who will take you through the detailed financial metrics of the quarter under review. Over to you, Ved.

Ved Prakash Goel: Thank you, Shankha. Good evening, everyone, and a warm welcome. Thank you for joining us today. I will take you through the financial highlights for the quarter under review.

We continue to build on our strong operational momentum, focusing on growth, customer engagement and expanding our presence across the diagnostic landscape. Growth was anchored by solid operational metrics. Sample volume expanded by 13.6% to 28.8 million, while patient volume grew 9% to 9 million this quarter.

Let me take you through the key financial highlights for Q2 and first half FY27.

- Revenue for Q2 FY27 came in at Rs. 874 crore compared to Rs. 731 crore in the same quarter last year, reflecting a growth of 19.6%. The first half FY27 revenue stood at Rs. 1,672 crore, marking a growth of 19.4%.

- Revenue per patient for Q2 FY27 came in at Rs. 976, which is 9.7% higher compared to Rs. 889 in Q2 FY26.

- EBITDA for Q2 FY27 came in at Rs. 280 crore compared to Rs. 224 crore in Q2 FY26 registering a growth of 25.1% with an EBITDA margin of 32.1%.

- EBITDA for first half of FY27 stood at Rs. 528 crore versus Rs. 416 crore in H1 FY26, registering a growth of 26.7% with EBITDA margin of 31.6%.

- PBT for Q2 FY27 came in at Rs. 261 crore registering a growth of 28.1% with a PBT margin of 29.8%. First half PBT of FY27 stood at Rs. 489 crore with PBT margin at 29.3%.

- PAT for Q2 FY27 came in at Rs. 194 crore compared to Rs. 152 crore in the same quarter last year, registering a growth of 27.5% with a PAT margin of 22.2%.

- PAT for the first half FY27 stood at Rs. 364 crore versus Rs. 286 crore in H1 FY26, registering a growth of 27.3% with the margin of 21.8%.

- Earnings per share for Q2 FY27 was at Rs. 11.5 compared to Rs. 9 in Q2 FY26. First half EPS stood at Rs. 21.7 as compared to Rs. 17 in H1 FY26.

- Net cash as on 30th September 2026 stood at Rs. 1,746 crore.

- Our commitment to operational excellence is reflecting in our efficient working capital management with a net working capital remaining negative at 16 days. As of 30th September 2026, DSO stood at 17 days and DIO at 32 days, underscoring our focus on strong cash conversion and disciplined capital allocation.

- Further, I am happy to share that the Board of Directors have declared an 2nd interim dividend of 50%, that is Rs. 5 per share.

- I would also like to provide an update on our recent strategic investment and expansion initiatives:

- We have completed the acquisition of SN GeneLab Private Limited. This acquisition will strengthen our expertise in genomics and broaden our portfolio of advanced diagnostic services.

- We also have acquired remaining 30% stake in our subsidiary, Centrapath Labs, making it a wholly owned subsidiary.

With this, I conclude my opening remarks, and I would now request the moderator to open the forum for Q&A. Thank you.

Moderator: Thank you, sir. We will now begin with the question-and-answer session.

The first question from the line of Tausif Shaikh from BNP Paribas. Please go ahead.

Tausif Shaikh: Good morning and thanks for the opportunity. Can you give us the revenue contribution from Sovaaka during this quarter? And also what was the revenue and EBITDA for S N GeneLab for first half '27?

Shankha Banerjee: We are not really putting Sovaaka revenue separately. I think it is just an initial single center operation right now under development. So, I think when it becomes a larger enough vertical, we may look at providing some of that data separately. As regarding S N GeneLab, I think the acquisition has come in August.

Ved Prakash Goel: So last year number we have mentioned, but this was not the full quarter. So, it is not fully maintained in this quarter. This asset was having a revenue last year FY26 was about Rs. 60 crore top line and about Rs. 15 crore EBITDA.

Tausif Shaikh: Okay. That is helpful. I have a follow-up question on S N GeneLab. It seems we have bought this asset at a premium valuation. Like if I have to include the Rs. 31 crore of performance link, it becomes nearly about Rs. 200 crore, which we have paid for the asset, which comes to an EBITDA-to-sales of 5x on a trailing basis, which is higher than one of the similar M&A we have seen from the listed competitor peers. So, any rationale behind this? Or I am missing something over here?

Shankha Banerjee: So, S N GeneLab is a big strategic fit in our portfolio. I think in terms of the way the genomics portfolio and that market is evolving. For us, it is a good strategic fit. And you are looking at only revenue multiple. But if you look at EBITDA multiple, you realize that what we have paid is much better than maybe what you are referring as a competitor. So, this is a profitable business, S N GeneLab.

Tausif Shaikh: Okay. The last one, do you maintain your revenue guidance and EBITDA margin guidance for FY27?

Shankha Banerjee: Yes. I think our revenue guidance, our first half numbers are going slightly ahead of plan. So, our revenue guidance for the year currently looks to be maybe high teens and our EBITDA guidance is similar. We should be slightly better than last year.

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

Moderator: Thank you. We have the next question from the line of Prakash Kapadia from Entrust. Please go ahead.

Prakash Kapadia: Yes, thanks for the opportunity. Couple of questions from my end. First of all, congrats to the entire team, 19% plus revenue growth for the second quarter in a row. So, on this revenue growth, we have seen a patient volume of almost 9.8%, which is, I think, the multi-quarter high, 17-18 quarter high. So what is driving this? Is this the tier 3 where our momentum has picked up given that we were investing in infra and building up, are some of the newer or specialized test menus working for us?

Or in general, diagnostics seems to be doing better. So is it now that unorganized to organized has stepped up or some specific geographies. So some qualitative input on this growth will help. Secondly, on South India, any updates on the target or what we are looking at because that is the only pie which is now at 6% of our revenues. So any update on that?

And lastly, Shankha, on we have done a couple of newer initiatives. So the small string of pearls strategy will continue for us. And in the near term, say, 2-3 years from now, is there a contribution from these newer initiatives which we are looking at to maintain this high base of growth, which we are seeing? So those are my questions.

Shankha Banerjee: Right. Okay. Thanks, Prakash, for all the questions. I think the first thing on patient volume, so we are seeing the patient volume growth which is not one particular region, but it is coming across the country. And you are also right, if you see industry at totality, there seems to be a bit of a buoyancy that is there.

But having said that, there are certain actions which we had been taking, let us say, 2-3 years back in terms of enhancing our lab network as well as our collection center network, which we stepped up in terms of the new additions that we are doing. And some of those geographic reach that we are building is a contributing factor. So yes, the market buoyancy is definitely there somewhere and the contributing factor of the reach effort that we have put in as an organization.

Shankha Banerjee: Yes. So on the question on South India, yes, we are obviously still in our search mode. There are things that we are looking at. But we are also clear that till we figure

out inorganic, our effort on organic in South India will continue. And that is something which the team is continuously working on to really pick up some specific geographies, as we said, some of them maybe the larger urban clusters there and try and see how we can enhance our business in those clusters.

So, till we have any solid inorganic opportunity, we will obviously keep working on the organic part. The third question which you had about initiatives and string of pearls, actually, some of these initiatives that we have done are with slightly longer-term focus, whether it is the CT MRI or our international outreach, the Sovaaka launch. These are all longer-term benefit projects because even in our existing business vertical and India geography, there is still quite a bit of headroom.

But we also think that there will come a time which could be a few years down the line where some of these verticals will start contributing to our overall revenue growth if the domestic market opportunity at any point of time seems to be becoming constraining for us in terms of overall market growth or any other adverse thing if it is happening there.

So, the short answer is yes. We will continue on these initiatives, but we are looking at them more as a long-term revenue contributor, not really in the short term, not in the next 2, 3 years' time horizon.

Prakash Kapadia: Right. And lastly, on the growth initiative, anything on the specialized menu, has that picked up because we seem to be adding a lot more tests over the last few months and test menu has expanded. So is that also a factor now to create differentiation? Because my assumption would be some of the other players are also seeing momentum. So to differentiate, do you innovate and the new product menu or specialized menu helps or it is too small to call out any major change there?

Shankha Banerjee: So overall, the specialized menu is definitely there for differentiation as well as to get entry into certain type of clients. And the overall growth in that portfolio is also quite good. But yes, I think it is not as if this is something which also helps in maybe overall realizations given some of these tests are slightly higher in terms of pricing.

But I think the mix between routine and specialized, whatever we have currently, we believe that is a good mix. And as and when we gain entry into some of these clients or access newer places through specialized tests, the routine business also comes to us.

So therefore, it is not as if the contribution of specialized tests is something we feel is going to keep increasing. But the new launches is to ensure that we are ahead of

the curve and there are new technologies, new tests and new therapies that we keep introducing to ensure that, that differentiation remains with us.

Prakash Kapadia: Great. So, it is like you are wanting the bread, the butter and the jam also. Great to know. All the best and wishing the entire team a very happy festival. Thank you so much.

Moderator: Thank you. We have the next question from the line of Rishi Mody from Mody Advisory. Please go ahead.

Rishi Mody: So, my first question is just wanted to understand how much of our business comes from CGHS linked pricing given there has been a price hike over the last year? And how much would that price hike have contributed to our revenue growth over the last one year?

Shankha Banerjee: So in the previous call also, I had mentioned that the CGHS price increase that has come, it has come somewhere around, I think, towards end of Q3, early Q4 last year. And so that we saw in the last quarter as it got built up and also in this quarter is giving us an advantage between 2% to 3% in terms of the revenue growth. And that is going to be there for maybe another quarter that we see. But after that, it is going to become a part of the routine organic growth only.

Rishi Mody: Okay. Got it. Second, I just wanted to understand on the acquisition piece, right? First, just on the bookkeeping one, the remainder 30% stake of S N GeneLab, do we already have the terms agreed on any multiple that we will acquire any time line on that?

Ved Prakash Goel: No. So Rishi, we acquired 70% of this asset, not 50%.

Rishi Mody: No. 30% remainder stake is what I am asking.

Ved Prakash Goel: Okay. Sorry. Yes. So remaining 30%, so it is not yet to be disclosed. Yes, we have planned, but it will continue for some time.

Rishi Mody: Okay. But it is in the contract, right, prespecified agreement terms on which we acquired?

Ved Prakash Goel: Yes, it is put and call option which is there, yes.

Rishi Mody: Okay. So now just coming to the pricing piece, right? So we are valuing S N GeneLab today at Rs. 300 crore and Centrapath at Rs. 100 crore. And that comes to about a 20x EV-EBITDA multiple on the whole business, right? Firstly, just like we trade at a lower valuation than it seems.

Shankha Banerjee: Sorry, I did not understand the question. Where is the Rs. 300 crore S N GeneLab number coming from?

Rishi Mody: So we paid Rs. 200 crore, Rs. 190 crore if I include the performance links for 70% stake. If I linked it up to 100% stake, it comes up to Rs. 300 crore, correct?

Ved Prakash Goel: No, I do not think you have a correct number, Rishi. So please check the correct number. We have paid Rs. 168 crore for...

Rishi Mody: With Rs. 32 crore performance linkage, linked, right? For the 70% stake, right?

Shankha Banerjee: No. So performance linkage obviously has other elements linked. Obviously, it will also come with a higher revenue and higher EBITDA.

Rishi Mody: Okay. So, if I take say Rs. 350 crore as -- Rs. 340 crore as a purchase price of Rs. 15 crore of EBITDA.

Shankha Banerjee: But how are you getting Rs. 350 crore.

Rishi Mody: Not Rs. 340 crore, sorry, Rs. 220-odd crore- Rs. 225 crore. Yes, so 15x the EBITDA.

Ved Prakash Goel: If you have any specific query on the valuation, maybe you can separately write to us. We will be happy to answer that.

Rishi Mody: Yes. Okay. Fine. On the valuation, we will take it offline. Just could we have built this genomics business in-house that we are acquiring? Like what are we buying here? Is it the network? Is it the technology or something because we have been investing in genomics for the past several years, right, in-house?

Shankha Banerjee: So, I think we mentioned and Dr. Lal mentioned in his opening comments, there is quite an interesting test portfolio and differentiated test portfolio that is available with S N GeneLab as well as quite a robust in-house R&D program which helps them to kind of also develop newer tests going forward in a very highly specialized area. And that across our network will yield much, much better benefits is what is our business case on this acquisition.

Rishi Mody: Okay. All right. Fine. I will take up the remaining offline with you, Ved, on the acquisition piece.

Moderator: Thank you. We have the next question from the line of Akshaya Shinde from Centrum Broking. Please go ahead.

Akshaya Shinde: Thank you for the opportunity. So on the radiology initiative, what have been the key learnings from the two pilot centers so far, and given the capital-intensive nature of this business, how are you evaluating its scaling and about the returns before expanding further?

Shankha Banerjee: So, we are not looking at the radiology business as a stand-alone investment thing here. We are looking at it more from a perspective of a patient service because in our core market of Delhi NCR and some other very strong brand markets, after COVID, we have seen an uptick in terms of the number of prescriptions that are coming with CT or MRI kind of scan test being prescribed.

So, we do not want patients to go out of our network into some other network because of those tests. So, it is more of ensuring that our service portfolio is wide enough in our core geographies so that the patient loyalty that we have been able to build stays within the channel. So we are not looking at this as a separate investment version or analysis or being done separately on just the high-end radiology piece.

Akshaya Shinde: Okay. Understood. Given the strong growth in the patient volume and the revenue this quarter, how should we look at the growth trajectory over the next few quarters? Do you expect the current momentum in patient addition or the sample volume to sustain?

Shankha Banerjee: So, you see sample volume, we have been doing about double-digit growth on sample volume for quite a few quarters. This quarter has come slightly ahead. Even if you look at patient volumes this quarter and the previous quarter, we have done slightly more than 8%.

But I think over a longer term, we have said that our expectation of patient volumes is in the range of maybe 6% to 7% and some price realization benefit, which is a geography and mix benefit could be another 6% to 7%. And this year, this quarter, I also mentioned between 2% to 3%, we are seeing a benefit of the CGHS price increase which is flowing through.

Again, that is temporary because after 4 quarters, that benefit kind of goes away. So therefore, if you were to look at a longer-term thing, I think mid-teens organic is something that we feel will be sustainable in terms of revenue.

Also, we have not taken a price increase now, I think, for more than 4 years now. So there will come a time when we feel if the requirement is there in terms of cost pressures or any other, we see if the price benchmarking in the market is shifting, that lever is also available with us.

Akshaya Shinde: Okay. Understood. And on competition intensity, any view on the current competition intensity in the metro market, mainly for Delhi and Mumbai?

Shankha Banerjee: So, competition intensity has always been high and will continue to remain high when it comes to diagnostics because we are all thinking about metro and organized players, but the real competition actually are the unorganized players still who have the largest share of the pie still. So that intensity has always been there, and it continues to be there even in urban markets as well as the smaller towns. I do not think that is changing or has changed significantly.

Akshaya Shinde: Got it. So is there any strategy for gaining the incremental share in Tier 3 plus markets like towns, et cetera? Metropolis is now aggressively expanding into the North, specifically in Tier 3 market, and they are doing good there. So any incremental strategies you want to share?

Shankha Banerjee: I think our current strategy itself is working quite well. You see the last year itself, we have said that close to 39-40% of our revenues actually are coming from Tier 3 towns and below. So I do not see the need for an incremental strategy. Our current strategy of expansion and the way we are penetrating some of these markets itself is working. So, we will stay with that strategy.

Akshaya Shinde: The share we are gaining there are steady? What is your comment on that?

Shankha Banerjee: Yes, we are gaining share there.

Akshaya Shinde: Okay. Understood. And lastly, on the international business. What is happening in that side, if any new initiatives are being taken?

Shankha Banerjee: So international business is doing good for us. And the initiative we have said, one acquisition we have done in Ghana that we just spoke about. We have also incorporated a JV in Uzbekistan, which will start operating on the ground quite soon. So basically, we are looking at some countries where diagnostic, the ecosystem is not really as advanced as what is there in India, where we can go and add value to the overall diagnostic ecosystem. Some of those countries, we are looking at starting on-ground operations.

And that is our strategy, which, again, is a longer-term strategy. It is not something which we see is going to become significant in the next 2, 3 years. But over a longer period of time, it will yield results to us.

Moderator: Thank you. We have the next question from the line of Yogesh Soni from Haitong Securities. Please go ahead.

Yogesh Soni: Thanks for the opportunity. A couple of questions from my end. First is on the gross margin. If I look at gross margins for the last 4 quarters, we have been consistently improving on that front. So if you could help us understand, I mean, what has been happening on the gross margin? Because if I look at it on a sequential basis, despite our Swasthfit contribution as a percentage of revenue going down, we have still managed to improve by 50 basis points. So what is it that is actually happening over here and helping us?

Ved Prakash Goel: So Yogesh, I think as mentioned earlier also, so obviously, we are getting operating leverage where volume, which is double-digit growth, that is one where we are getting benefit. And second is test mix, which is contribution of Swasthfit and other routine testing. So that is another factor where we are also getting benefit. And third, obviously, we have some programs initiatives, which we always take to optimize our cost. So I think those are the things which we are taking in our company, and we are getting the benefit of that.

But having said that, going forward, I think gross margin, you should not see that trajectory of the past continuing as it is, because there are inflationary costs. We all know that because of this dollar moving up, geopolitical situation and all that stuff. So it is not clear, but there may be some impact going forward on that.

Yogesh Soni: Okay. One more bookkeeping question from my end. If I look at other expenses, I mean, until quarter 3 FY26, it used to be in the range of Rs. 120 crore, Rs. 125-odd crore quarterly run rate. Since the last 3 quarters, it has stepped up significantly in the range of Rs. 150 crore, even Rs. 164 crore this quarter. So what is it that we are investing significantly? Or I mean, what has actually led to step up in the other expenses?

Ved Prakash Goel: So, as you know that we have invested in our infra. So last 2 years, we have opened 32 labs. In fact, in this year also we are opening maybe 15, 18 labs also. So, all these infra which are expanding, so that infra cost is going up and plus some of these inflationary costs in terms of whether the change in the minimum wages or the PF rule changes, which is impacting or there are transportation logistic-related costs. So that is obviously is going up. But as a percentage, if you see, it is not going up. So absolute amount, you are right, it is going up, but as a percentage, it is not.

Yogesh Soni: Okay. Understood. And, one last question on the pricing front. Given that we have not taken price hike for a longer period of time, we would be deliberating on that front. So if you could help us understand, I mean, by when are you expecting to take a price hike and the kind of extent that price hike would be?

Shankha Banerjee: So, in terms of price hike, like I mentioned, this year, we are seeing some benefit pass-through because of the CGHS pricing benefit. So therefore, we are able to manage our costs well, and we do not, therefore, see a need for doing any price increases right away.

But going ahead, I think the way we see it is that on a longer-term CAGR basis, whenever we take a price increase, it will be on a CAGR basis below inflation and strategically so because we do not want a very high headroom available for the unorganized competition to really take or match price increases and eat the inflationary pressures, which at our scale, we are able to handle.

Moderator: Thank you. We have the next question from the line of Anshul Agrawal from Emkay Global. Please go ahead.

Anshul Agrawal: Hi, thank you for the opportunity. So, first question is on our revenue growth trajectory. Geographically, has this growth been broad-based or has Delhi NCR region, our core region sort of delivered better performance than our company average?

Shankha Banerjee: So Anshul, the revenue growth is broad-based. So we are seeing healthy growth across all of our regions.

Anshul Agrawal: Just a follow-up on that. So would it be right to say that suburban and I understand you cannot carve out quantitative figures for suburban now but has suburban sort of largely turned the corner given that growth you are seeing is broad-based. For this portfolio would have also sort of done similarly high teens kind of number?

Shankha Banerjee: Yes. So West growth is also better than before and Suburban is back to double-digit growth. So it has turned the corner. And now there is quite a bit of on-ground investments that are now going into the Suburban brand and some infrastructure for Suburban. So we are really looking forward to maintain and maybe improve the growth rate there further.

Anshul Agrawal: Okay. And all our test menus are available across geographies, West geography would also have all the advanced genomics testing, the entire test menu available?

Shankha Banerjee: Yes, that is right. The full test menu is available across, but there is always this concern or one thing which needs to get balanced, which is your turnaround time. So obviously, some markets have a turnaround time advantage. Some markets may not have, but the test menu is definitely available across all geographies.

Anshul Agrawal: Got it. Second question I had was on price hikes. I understand CGHS rates will sort of wane away from Q4. Would you think that that will be the right time to sort of take a calibrated price hike or a portfolio level kind of price or irrespective whether you take one in Q4 or not, would we sort of aim towards taking a 2% to 3% portfolio-level price hike? Or would this be region or certain micro market-specific?

Shankha Banerjee: So firstly, I think in terms of timing, I do not think we have fixed a timing like Q4 or anything like that. I think for us, like I said, there are 2 very important criteria. One is the cost criteria and the second is the market benchmark criteria. It is not about our ability to take the price increase. It is more about if we can hold the prices longer, we believe that the shift from unorganized to organized or what we want is kind of held up better.

And we see some of it in our volume numbers also that we are seeing flow through right now. So therefore, it is not as if we have fixed quarter 4. But the trigger would be if we see that the cost pressures are such that we are unable to really handle cost increases or we see that the pricing table in the market has moved up so sharply that we are left behind and seen as maybe there is a price quality equation where it is going a bit against us, those would be the reasons for us to take a price increase. And we will continue to evaluate when is the right time.

Anshul Agrawal: Got it. Again, just a follow-up on this. Considering that our margins are slightly higher than what we had guided for or remarkably higher than what we have guided for, does that sort of leave us more headroom to not take this price hikes?

Shankha Banerjee: So I think the margin that we are seeing is ahead of expectations. And I think I had mentioned in the previous call as well that after the first half is when we are going to look at what the trajectory is really shaping up for the year. So it is actually giving us room to pull back some of the investments back into the business and maybe fast-track some of the thoughts that we have because to ensure that the revenue growth trajectory can be sustained, we may actually pull in or put more investment back into the business in the second half of the year.

Anshul Agrawal: Got it. Just one last question from my end. On the international business, is it currently contributing, say, less than 2% or 3% of our overall revenues or it is negligible?

Shankha Banerjee: So international business is less than 5% right now. And like I have been saying that even 2, 3 years from now, we think it will be in that contribution level only. But yes, over a longer period of time, we think that this business can become bigger and become a more significant contributor to overall revenues.

Anshul Agrawal: Many thanks and all the very best for the remainder of the year. Thank you.

Moderator: Thank you. We have the next question from the line of Akash Shah from Investec. Please go ahead.

Akash Shah: Hi, good evening and congratulations for the good set of numbers. In response to the question of an earlier participant, you had said that the recent initiatives like Sovaaka or GeneLab or, in fact, even for that matter, your international acquisitions will remain a growth driver in the long run, but not in the next 2-3 years. Is that understanding correct?

Shankha Banerjee: Not the GeneLab. I think Sovaaka International and we have said radiology.

Akash Shah: Okay. And another question, if from 3Q, 4Q, we see that the high growth that we are currently seeing normalizes because of the base effect of CGHS, do you see that the revenue growth that you had guided for in mid-teens for FY28, '29 will it remain at the same level? Or you see that the increased volume uptake will ensure that we report higher than the guided revenue growth as well as EBITDA margins?

Shankha Banerjee: So that is a very interesting question. I think FY28 planning, we have not yet gotten down to. But what I can definitely say is FY27 numbers are ahead of what the expectations were. So we are looking at maybe FY27 numbers in high-teen growth. I think once we have done more detailed planning of FY28, maybe we will be able to directionally answer that question maybe 1 or 2 quarters down the road.

Akash Shah: All right. And on EBITDA margin, since you had earlier told that the actual performance is ahead of your guidance, you will be redeploying the earlier held investments. So do you still continue with your EBITDA guidance of 27% to 28% or you would like to step it up a bit further?

Shankha Banerjee: So, I had not talked about any held investments. I think what I had said is that, which I also mentioned in my previous comment, is we will try and fast-track some of the investments or invest certainly higher into the business. And if we look at the guidance, last year, full year, our EBITDA was 27.2%. So I think this year, we should be slightly better than that. Full year.

Moderator: Thank you. We have the next question from the line of Gourav Bhama from JM Financials. Please go ahead.

Gourav Bhama: Thank you for the opportunity. I had the question around EBITDA margin only. I think that has been answered for the previous individual. And congratulations on the good set of numbers. Thank you.

Moderator: Thank you. We have the next question from the line of Shyam Srinivasan from Goldman Sachs. Please go ahead.

Shyam Srinivasan: Hi, good evening. Thank you for taking my question. Just going back to the discussion on price hikes. I think one of your peers also talked about it. And you mentioned multiple times about the unorganized to organized shift, right? So yes, we are growing very healthy, 20%-plus, and we do not seem to need any price increase at this point of time. And 4 years, you have not taken a price increase.

So, I am just curious, is it something that we are philosophically against? I know there is a lot of debate around pricing right now with the whole hospital sector actually seeing some pressure from activism. So, I am just trying to understand, is there something that you will not consider at all? Or you think we are good right now?

Shankha Banerjee: So Shyam, there is no philosophical issue in terms of taking a price increase. We took something 4 years back, right? And not only 4 years back, we have taken quite a few price increases in the past. So I do not think there is any philosophical thing saying that we will not take a price increase. I think the question is what will be the reasons why we will take a price increase?

And secondly, therefore, What is the appropriate timing? I think post-COVID, there was this whole conversation about how do we look at the unorganized players who had maybe gained quite a bit of supernormal profits. How do we keep that competition really under a bit of check. And there was a very conscious strategy, therefore, to not take price increase for a few years.

But I think that window has now opened up for us because if there is 3, 4 years gap now, a price increase window has definitely opened up. But the exact timing of when we will do will be determined by the 2 factors I was mentioning. We are not going to take a price increase just to say that I need to improve my revenue growth. That will not be the reason why we are going to consider a price increase. But if we see that there is a cost pressure, which is also coming, given the way the dollar thing is moving and a lot of other hikes and cost hikes that we are seeing specifically through the regulatory notices on PF gratuity, a lot of other cost inflationary pressures are coming.

So if we see that we are unable to absorb and/or there is what we see is that the overall market pricing table is moving in a certain direction, I think those will be the triggers for us. So therefore, that is something we will again relook at maybe 1 or 2 quarters to see appropriate time or appropriate quantum.

Shyam Srinivasan: Got it. Helpful. Just a second question on the ever-increasing cash pile on your balance sheet, right? Is there anything different you can do? You have been doing small tuck-ins like historically.

And I know we did Suburban, but I am just trying to see, are there assets available? Is there any innovative way you can deploy your cash?

Shankha Banerjee: So I think there are a few thoughts that we have in terms of how we can look at the cash and how should we deploy it. And obviously, one of the things is to do M&A. And it could be like we are looking at maybe decent-sized deals where we can get some platform position in certain geographies. So those kind of size deals also we are looking out for. But yes, there are certain thoughts internally. I think maybe when we are ready to share, we will share that with all of you.

Shyam Srinivasan: International, I know we did a small thing recently, but I am saying is international like may not be the best capital allocation idea, I do not know. I am just saying, is that beyond us?

Shankha Banerjee: I did not understand what you mean by beyond us.

Shyam Srinivasan: No. Let us assume you acquire an entity outside India, I am just saying.

Shankha Banerjee: Right. So that is also on the table. I do not think acquiring assets outside of India is not going to get considered. Those are on the table. Like I said, that for us, international business is a longer wavelength project because right now, there is enough headroom or availability to grow within India.

But we think that over, let us say, 5 years or so, maybe even longer than longer-term trajectory than that, if you have to build a business, know how to run these businesses in a conglomerate fashion, we have got to start somewhere. And so, I think we have just started that journey.

Moderator: Thank you. Ladies and gentlemen, that was the last question. And with that, we conclude the question-and-answer session. I now hand the conference back to the management for the closing comments.

Ved Prakash Goel: Thank you all for your time today and for your ongoing support. We trust we have answered your questions effectively. If you have any remaining queries, please do not hesitate to contact us. Thank you once again, and I wish all of you a happy festival. Thank you.

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