



Friday, 16th February, 2024

The Manager,
Listing Department,
National Stock Exchange of India Limited
"Exchange Plaza", C - 1,
Block G, Bandra –Kurla Complex, Bandra(East),
Mumbai– 400051 MH IN

Script Code - MAITREYA

Sub: Earnings Conference Call Transcript

Dear Sir / Madam,

Please find enclosed herewith the copy of transcript of the Earnings Conference Call held on 14 February 2024 at 12pm in respect of Unaudited Standalone and Consolidated Financial Results for the Quarter ended December 31, 2023.

Kindly take the same on your records.

Payal Mathur Digitally signed by
Payal Mathur
Date: 2024.02.16
12:42:07 +05'30'

Sincerely,

Payal Mathur
Company Secretary and Compliance Officer
ACS - 55921

Maitreya Medicare Limited

Address : Nr. Someshwara Char Rasta, UM Road, Surat, Gujarat - 395007.

Ph. : 0261-2299000 | Reception : +91 82382 29900 | Email : maitreyamedicare@gmail.com

CIN : U24290GJ2019PLC107298



“Q3 FY24 Earnings Conference Call of Maitreya Medicare Limited”

February 14, 2024



MANAGEMENT: DR. PRANAV THAKER – MAITREYA MEDICARE LIMITED

MODERATORS: MS. PALAK AGARWAL – TWENTY EIGHTH CONSULTING

Moderator: Ladies and gentlemen, good day and welcome to Q3 FY24 earnings conference call of Maitreya Medicare Limited.

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 “*” then “0” on your touchtone phone. Please note that this conference has been recorded.

I now hand the conference over to Dr. Pranav Thaker from Maitreya Medicare Limited. Thank you and over to you, Mr. Pranav.

Pranav Thaker: Thank you. Thanks a lot, and good afternoon friends. It's a pleasure having all you on board and we are very excited that we have published our first Q3 Results after IPO and this was very first of its kind exercise for all of us, because it's first-hand experience post IPO. And we are thrilled to say that the quarter has given an immense result, and that is the boost from the IPO, which we got in our business.

As we all know that we are into the hospital business, and we run the hospitals for years now, but this was altogether a different experience of going for the IPO and the public and people have supported us overwhelmingly and we are obliged and thankful to them that they have given us such a good response. But at the same time, our responsibilities also increase to keep the trust and faith in line, and we are thriving to do that on day-to-day basis to run the organization, to showcase the performance as well as we need to maintain the quality of healthcare services. At the same time, we need to expand in the region as well as outside the state also. That is the aim at the end of the day. So, we are thriving on that and we are committed for our quality care and the growth path of the Maitreya Medicare Limited. And the quarterly results are also very encouraging, which we can discuss.

But there are a couple of things which have been developed in this quarter right now, that we have acquired Tulip Health. Another good news is we have received building usage permission for our upcoming Valsad unit, and we are expecting our hospital license to begin the hospital soon. So, these are the two good announcements which we are expecting in the coming time. And not only in terms of growth, but now in terms of the opportunities also, we are thrilled that people are approaching and looking at us for the management or the operation bandwidth with this activity. And now we could establish ourselves in the system very well after this activity and which can be very well shown in the results of 3rd Quarter.

So, thanks again for all the support which had been extended and the trust and faith put in us by all of our stakeholders and investors.

So, thanks a lot. And now the forum is open for the question, answers or any queries. I'm happy to answer that.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Dhruve Bisa from Maveria Investments. Please go ahead.

Dhruve Bisa: At the outset, I would like to congratulate the management for posting such good numbers and having such a great set of numbers. I would also like to thank the management for hosting a call even though being an SME company and I would like to thank Palak Agarwal for the call. So, my first question is the ARPOB that I am seeing that you have increased your ARPOB by 30% on a year-on-year basis but it is still low if we consider the other hospitals. So, where do you see your ARPOB going 2 to 3 years down the line or how do you plan to improve that ARPOB?

Pranav Thaker: Good thing then, thanks a lot sir for appreciating the efforts. But as we all know that we are a SME company and another thing is the hospital size, bed size is also medium bed size, 125. So, the things are that we are genuinely doing advanced tertiary care. And the quaternary care like organ transplant, robotic surgeries and other high-end radiotherapies which are still yet to be added in the kitty which will increase your ARPOB and this incremental revenue of the ARPOB are seen when we are trying to rope in more complicated surgeries or the advanced surgeries and the critical care activities which are high paying activities for the hospital. And particularly after the IPO, we have started focusing on these activities, which will be yielding more and more revenues to the hospital, and the ARPOB would be incremental. At the same time, we are talking to our current landlords for expansion of the current unit. So, once our current unit at Vesu, Surat would be expanded, we'll be starting transplanting other high-end health care activities which will increase the ARPOB by at least 30% more. So, we are aiming that once we have come up with that facility, ARPOB should be in the range of 40,000.

Dhruve Bisa: And my next question is, in the new services that you are going to offer, how will you maintain the quality of services? For example, there are a couple of hospitals or a couple of doctors which are very well known for a couple of services that they provide. So, going forward, if you are entering into such premiumized or what do we call such services, such difficult treatment, so how do you wish to proceed in those treatments?

Pranav Thaker: Yes, there are a couple of things when we want to assure the quality of services. First is the clinical skill expertise, what you were talking was clinical skill expertise like some doctors from the community would have that niche or the brand name in the community so that people will approach them from by them and they will get the all referred and complicated cases because of their clinical skills. So, at present also in the clinical excellence department, cardiology, cardiac surgery, then the neurosurgery, critical care activity, we have identified our star doctors who will give the services to the patient so that patient will be getting the clinical expertise of the topmost quality from the city. So, that was first thing. Another thing is we are NABH accredited hospital, full NABH accredited and in that we all know that full NABH accreditation. We are following certain quality norms and they have a stringent quality indicators which needs to be followed up every month on month and there are committees to be formed and the meetings to be conducted regularly. So, that also we are complying, so that is another part of the healthcare quality. And

the third thing is training of the staff because that is also very important part. As and when we add new services, as and when we want to add certain parameters in the services, we need to be having staff who can cope with those standards and the implementation part. So, for that, we have enrolled ourselves with the MedLern which is an online platform wherein our staff can take the pre-training test, post-training test. So, effectiveness can also be monitored objectively. And that's how we train our staff for the new services, as well as achieving new and new benchmarks in the existing services. So, all three parts, we are taking in clinical skill expertise. Another thing is the accreditation and the quality indicators. And the third thing is the staff training.

Dhruve Bisa:

In the staff training, I had a meeting with the management of Artemis Medicare. So, in regular policy in which the top doctors or the main doctors of the hospital, they used to come together in a week and then they used to evaluate the necessary tests or the necessary services that were given to a patient. And if there was any discrepancy between the services given, so that was discussed there. So, what happens is whenever the patient comes, they know that no unnecessary treatment would be done on them. So, do you maintain any such training part from your end to the doctors?

Pranav Thaker:

Yes, sir, of course because when I was talking about the NABH, that truly speaks about that. That is the superfluous investigation, unnecessary medications or the medication errors. So, these things we are monitoring regularly, and we are discussing through various committees which we have formed, and the doctors are very well an integral part of those committees. And even we are doing clinical audits and the medical records audit. So, in that also, we can find out the lacunas if any for the good evidence-based medicine and medicine practice and the other thing is anything which is prone to erroneous things, we can identify, operate and we can prevent it by training or the other corrective and the preventive measures.

Dhruve Bisa:

Can you throw some light on the Tulip Health that you have bought?

Pranav Thaker:

As you know, the hospital gives mainly a therapeutic bandwidth and in Tulip, the main focus is preventive as well as rehabilitative care. So, in Tulip, we are having good diagnostics, advanced diagnostics. We have tried to put up everything under one roof in terms of diagnostics like routine pathology and the radiology that is X-ray, ultrasound, everybody is having in the diagnostic center, but we have tried to put in color Doppler, we have tried to put in mammography, there we are doing orthoscopy, there we are doing audiometry, there we are doing uroflometry, then we are doing EEG, EMG, NCS. So, these kinds of advanced tests which are not usually available in one diagnostic center, we have tried to put in. Another thing is we are doing elderly care there. So, it's a novel concept and the innovative concept in the city that promotes the heritage value of combined families, not nuclear families. We have N number of old age homes now mushroomed across the region. But this concept will give you the feel that yes, we want to have that complete family with us and whosoever requires any assistance that we provide assistance in the transient care like if somebody is ailing in the family or someone is of extreme age, if somebody is medically challenged or room bound or bedbound, then what we

can do is if we want to plan a vacation, if we had to hastily or hurriedly rush to somewhere and we are in worry that what will happen to our team. So, in that case, either we need to find out a caretaker whom you can put it in the home or else you have to find out a shelter where you can put them and both of that has their own advantages, disadvantages, like putting up a caretaker all alone at the home. So, you need to put up a CCTV camera, physical abuse, these are the issues coming up. When you put them in the relatives home, then the obligations would start coming in. They will not feel comfortable kind of stuff. So, that kind of hesitation will also be going on. So, in that case, they can put it with us, they can put them with us, and we will take care of them. We have medical officers, physicians, nurses, physiotherapists, dietitians and the food as per the dietitian advice. We have a recreation hall; we have a communicator there. So, he or she will be communicating with them only on a one-to-one basis for their issues and their needs. So, this kind of innovative concept we have introduced at Tulip. And we have introduced even IVF, which is the upcoming medical branch at Tulip. So, last two months we are doing IVF also there at Tulip. And these kinds of concepts, which are not very well accommodated in the medium size of the hospital, we have tried to put in at Tulip. And now we are trying to expand Tulip services also once we have acquired it. So, that is also going on. So, besides the hospital therapeutic angle, we are trying to focus now on the privative and rehabilitative part, as well as the elderly care part, which is now coming up and will be the need of an hour for our young generation.

Dhruve Bisa: Okay, thank you for such an elaborate answer and really an interesting concept that you have brought in the medical, the healthcare system actually I must say. Coming to the financials, what kind of growth rate are you expecting over the next 2 to 3 years?

Pranav Thaker: For the next 2 to 3 years, there are a couple of things. We will be increasing services, we will be increasing beds and in turn our revenue growth shall be in the current units, we are expecting 20%-25% growth on year-on-year basis and in terms of services and the beds also, we are expecting growth sector which I told you already that in the existing hospital. We want to expand a further 70 to 80 beds depending on the specialty and the services which we will be designing. Our Valsad unit will be coming up and few more opportunities are knocking at the door. So, as soon as we will be able to realize those opportunities, I think we'll expand our capacity also.

Moderator: Thank you. The next question is from the line of Harshraj Jadeja, an individual investor. Please go ahead.

Harshraj Jadeja: My first question is how sustainable is your average revenue for that? Like how sustainable can you go in like, if we say 5 years?

Pranav Thaker: Sir, ARPOB is always sustainable and where we are sitting with the services in the region, the ideal ARPOB range would be around 30,000 only. So, ARPOB sustainability should not be a question because we are putting up more and more advanced services and planning more and

more advanced services. So, ARPOB growth shall be there in coming years and should be sustained enough.

Moderator: Thank you. The next question is from the line of Harsh M from Kriis PMS. Please go ahead.

Harsh M: I just wanted to understand what is the current status of the Valsad Hospital? Have you received all the approvals?

Pranav Thaker: I have told you, the building usage permission has already come, and Bombay shops and establishment debt, which is very essential part and first and foremost statutory compliance which we need to have, that is expected and last couple of weeks we are expecting in week time. So, this is high time now we will be having that shops and establish and once that will come, we will start our soft operations and other statutory compliances side by side.

Harsh M: And all equipment etc. are already in place?

Pranav Thaker: Yes, that we have already ordered and started to install.

Harsh M: And the NABH approval is at a hospital level which you all receive, right?

Pranav Thaker: Yes, that is for individual infrastructure. So, we have NABH approval for our Vesu unit and once Valsad unit will come up, we have to apply again for the Valsad unit.

Harsh M: Okay, and that takes typically 6 months.

Pranav Thaker: 6 months to a year. Because after 3 months only we will be able to apply and the process itself is a 6 months process.

Harsh M: And typically, you get insurance also approved at the hospital level or the?

Pranav Thaker: Previously, we need to have tie-ups with the insurance companies and third-party assurance, PPAs, administrators. But now with that new IRDAI regulation coming in, every hospital which is more than 15 beds, they can have the automatic cashless facility for their patients provided they will intimate them for the services before 48 hours. So, now that part is also eased off, greatly eased off.

Moderator: Thank you. The next question is from the line of CA Vikash from Acorntree Group. Please go ahead.

CA Vikash: Thank you, Dr. Pranav. One thing I want to understand, right now what is our occupancy level is there and what is our average length of stay there in the Surat Hospital?

Pranav Thaker: Sir, our average occupancy in this quarter is 50% and the average length of stay is for 4 days.

- CA Vikash:** 4 days is there. The reason is that we are more in the general surgeries and other things there.
- Pranav Thaker:** No, we are more in tertiary care. So, the average length of stay is 4 days. And which is very well with the industry standards.
- CA Vikash:** Generally, the industry standard is 3.25 to 3.4 is there.
- Pranav Thaker:** It depends on the specialty mix and the center of excellence. So, if you have prominently or predominantly a neuro care, critical care, then your average length stay would be a little higher. If your services are predominantly in the surgery part like joint replacement, arthroscopy, kind of services then your average length of stay would be a little less.
- CA Vikash:** The reason is that we have tertiary care, so all the mix of the surgeries and...?
- Pranav Thaker:** Yes, we have all mixed kind of stuff wherein we are doing cardiac surgery, we are doing complicated neurosurgery, we are doing very good critical care services. So, their average length of the patients would be a little higher.
- CA Vikash:** TPA part you have already cleared whatever my friend is there is already asked. Regarding this Ayushman Bharat, the prominent scheme by the Central Government. Is there any kind of impact in Gujarat and whatever your future expansion in Maharashtra?
- Pranav Thaker:** Sir, we have also an insurance model going on in Gujarat. There will be difficult phases, eased out phases in the Yojanas anytime and we are also facing the same in the Gujarat. Sometimes you will have a delayed payment cycle, sometimes you will get good payments out of it. But at the end of the day, for the size of the hospital, it is a hard-core reality in fact that we have to live with it. And we are trying to cope-up well because you need to have that perfect revenue mix in the services. So, anytime you cannot be solely dependent on this Yojanas, otherwise you will lose your path and you will be fumbled. So, we are keeping our revenues checked every time when we plan a revenue mix. So, that's how we can cope up the Yojana.
- CA Vikash:** So, right now, our revenue mix is 50-50 or 60-40 kind of thing is there?
- Pranav Thaker:** Yes, sir. Our Yojana revenue is in the range of 25% and raised corporate and other stuff is 20% to 25%.
- CA Vikash:** 23% is the cash percentage there.
- Pranav Thaker:** Than 50% is out-of-pocket expenditure.
- CA Vikash:** And your future plan in this you mentioned on the presentation in the six districts is there. Whether it is the same type of the hospital you want to be explained or it will more or less you are comfortable?

Pranav Thaker: No sir, it will be more or less. We usually do the area need based study and then we plan the services. And all the hospitals would be practically multispecialty hospitals, but only thing is center of excellence is maybe different for the different city. So, that's how we plan and typically our bed size would be anything between 70 to 100 or at the most if some city has the potential and the unit has the potential, then we may go between 50 to 70. Otherwise, this is the standard size we would like to operate.

CA Vikash: That means in effective because whatever..

Pranav Thaker: 50 to 100 bed is the comfortable bed size for us.

Moderator: Thank you. As that was the last question, I would now like to hand the conference over to Mr. Pranav Thaker for closing remarks.

Pranav Thaker: So, thanks a lot for showing such a great interest in the company. And we are also very excited to showcase our performance in terms of quality as well as in terms of financial. So, this was highest ever quarterly result which we have observed in our history and thanks to NSE and thanks to all our investors, those who have put in trust and faith and given us this an opportunity to perform in excellent way and I must thank all my patients and all my other stakeholders including employees and doctors who have contributed in this phenomenal growth so that we could achieve 34% higher year-on-year revenues. We could have the PAT of Rs. 1.57 crores positive from the negative year-on-year last year. PAT margins are 13%, which is also positive. ARPOB, we have achieved highest as discussed that is Rs. 30,000 and earnings per share have also increased 2.84 post bonus. So, again this is the highest ever quarterly result I have also seen in the organization. And that is because of our doctors, our patients, our investors, and all other stakeholders which have put in trust and faith in our services and performance. So, thanks again. And thank you for holding and good moderation of the activity on the call. So, thank you. Thanks all.

Moderator: Thank you so much, sir. On behalf of Maitreya Medicare Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.