MAX Healthcare | 25 YEARS OF SERVICE AND EXCELLENCE

May 29, 2026

Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Symbol: MAXHEALTH

Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 543220

Sub.: Transcript of Earnings Call held on May 22, 2026

Ref.: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Please find enclosed copy of transcript of earnings conference call, organised on May 22, 2026, on financial results of the Company for the quarter and financial year ended March 31, 2026.

The said transcript is also available on the website of the Company at www.maxhealthcare.in/financials#earnings-call.

Kindly take the same on record.

Thanking you

Yours truly,
For **Max Healthcare Institute Limited**

Dhiraj Aroraa
SVP - Company Secretary and Compliance Officer

Encl.: As above

Max Healthcare Institute Limited
Q4 & FY '26 Earnings Conference Call
May 22, 2026

Moderator: Ladies and gentlemen, good day, and welcome to Max Healthcare Institute Limited Earnings Conference Call. Please note that this conference is being recorded.

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

Suraj Digawalekar: Thank you, Neerav. Good morning, everyone, and thank you for joining us on Max Healthcare's Q4 and FY '26 Earnings Conference Call. We have with us Mr. Abhay Soi, Chairman and Managing Director; Mr. Yogesh Sareen, Senior Director and Chief Financial Officer; and Mr. Keshav Gupta, Senior Director – Growth, M&A and Business Planning. We will begin the call with opening remarks from the management, following which we will have the forum open for an interactive Q&A session.

Before we begin, I would like to point out that statements made today may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings presentation shared with you earlier.

I would now like to invite Abhay, to make his opening remarks. Thank you, and over to you, Abhay.

Abhay Soi: Good morning, everyone, and thank you for joining us on Max Healthcare's earnings call for fourth quarter and full year ended March 2026.

Let me begin by highlighting that over the last 2 quarters, we have rolled out phased commissioning of more than 20% additional brownfield capacity across our hospitals in Mohali, Nanavati in Mumbai and Max Smart in Delhi. All the beds will be ready to be operationalized over the next 2 to 3 months. Further, we expect to add another 10% capacity once our 500-bed greenfield hospital in Gurgaon is commissioned during the year. We have already onboarded clinical and non-clinical talent for these capacities and expect significant operating leverage to come through as operations progressively ramp up.

We are also pleased to share that we have completed the acquisition of a controlling stake in Kalinga Hospital Limited this month. Kalinga owns and operates a 250-bed hospital on a prime 10-acre land parcel in the heart of Bhubaneswar. The acquisition marks our entry into Eastern India and provides us a strong platform with established clinical programs and significant potential for future expansion at the existing site. We have firmed up plans to revamp and expand the facility.

Further, the Board has approved an investment of INR 1,400 crore for the construction of a 700-bed greenfield hospital at Shaheed Path, Lucknow. This investment reflects our continued confidence in the region where we have seen encouraging momentum since the acquisition of our existing facility. The proposed hospital will add meaningful bed capacity and position us to serve the growing demand for high-quality health care services in one of North India's important health care markets.

With respect to the Q4 performance, the Network delivered its 22nd consecutive quarter of year-on-year growth, with the revenue increasing by 10% and operating EBITDA by 8%.

As we move into FY '27, our priorities remain focused on scaling the recently commissioned capacities, integrating Kalinga Hospital into the Network, and progressing our outlined expansion projects, including the Sector-56 Gurgaon hospital. At the same time, our existing hospital operations continue to provide a steady foundation, supported by strong clinical capabilities and consistent execution across the Network. This positions us well to deliver sustained growth while maintaining capital discipline.

Now, coming to the Q4 performance highlights:

- Average occupancy for the Network continued to be more than 75% despite increase in operational bed capacity, with most of the units operating at near optimal capacity.

- Occupied bed days (OBDs) were up by 8% year-on-year and 4% quarter-on-quarter.

- Average Length of Stay (ALOS) was temporarily higher by 9% compared to Q4 last year, characteristic spurt due to multi-location capacity rollout simultaneously.

- Average Revenue Per Occupied Bed (ARPOB) for the quarter stood at INR 77,900. This was after absorbing the impact of higher ALOS and discontinuation of select high-value chemotherapy drugs for institutional patients.

- Network gross revenue stood at INR 2,664 crore compared to INR 2,429 crore in Q4 last year and INR 2,608 crore in the previous quarter. This reflects an increase of 10% year-on-year and 2% quarter-on-quarter.

  Due to discontinuation of select high-value chemotherapy drugs for institutional patients, share of oncology in in-patient revenues dropped to 21% from 26% in Q4 FY '25 and 24% in Q3 FY '26. Excluding oncology, gross revenue grew by 15% year-on-year and 5% quarter-on-quarter.

- International patient revenue was INR 227 crore, registering a growth of 12% year-on-year and accounting for 9% of the revenue from hospitals.

- Digital revenue from online marketing activities, web-based appointments and digital lead management was INR 838 crore, accounting for approximately

31% of the overall revenue. Website traffic crossed 90 lakh sessions during the quarter, growing by 39% year-on-year.

- Network operating EBITDA stood at INR 682 crore, reflecting a growth of 8% year-on-year and 5% quarter-on-quarter.

- Network operating EBITDA margin was 26.8% for the quarter, compared to 27.2% in Q4 FY '25 and 26.1% in the trailing quarter.

- Annualized EBITDA per bed for the Network stood at INR 73 lakh, versus INR 74 lakh in Q4 FY '25 and INR 71 lakh in the previous quarter. This was also reflective of the higher ALOS.

- Profit after Tax (PAT) for the Network was INR 387 crore, against INR 376 crore in Q4 last year and INR 344 crore in the previous quarter.

- The Network generated free cash flows of INR 581 crore during the quarter. INR 328 crore was deployed towards ongoing capacity expansion projects and facility upgrades at newer facilities.

- Net debt for the Network stood at INR 1,908 crore compared to INR 2,166 crore at the end of December '25, and the Net debt-to-EBITDA ratio continued to be less than 1.

- Continuing our efforts to support the local communities, we provided free treatment to approximately 42,000 patients from economically weaker section of society, worth INR 59 crore at hospital tariff.

- Both our strategic business units continue to deliver steady growth in revenue and profitability:

  - Max@Home reported revenues of INR 73 crore, reflecting a 30% year-on-year growth. It offers 16 specialized service lines across 15 cities, with over 56% repeat transactions.

  - Max Lab reported a revenue of INR 52 crore, reflecting 14% year-on-year growth. It provides services in over 60 cities and served nearly 6 lakh patients during the quarter.

- Now, moving on to the status of our expansion projects coming on stream in the next 2 to 3 years:

  i. Max Lucknow: The current capacity of the hospital stands at 426 beds, and we expect this to increase to 570 beds over the next 2 quarters.

  ii. 500 beds at Sector 56 Gurgaon: Interior and facade works have started. We are targeting to commission this facility by the end of this year.

  iii. 100 beds at Max Nagpur: Project work continues to be on track, and we expect commissioning by FY28.

  iv. 400 beds at Zirakpur, Mohali: Structural work is ongoing, and we are on schedule to commission the hospitals in FY28.

MAX Healthcare 25

v. <u>260 beds at Max Dwarka:</u> Building plan submission is underway and the project is expected to take 24 months to complete.

vi. <u>200 beds at Max Vaishali</u>: We are waiting building plan approvals, while all other clearances in place. Project is expected to take 24 months post receipt of approvals.

vii. <u>400 beds at Max Patparganj</u>: D-wall construction has started, and we expect commissioning by FY29.

And finally, coming to the overview of the company's performance for the full year ended March 2026:

- During the year, we have initiated phased commissioning of nearly 20% additional brownfield capacity across the Network.

- Network gross revenue stood at INR 10,538 crore, reflecting a growth of 16% year-on-year.

- Overall Network operating EBITDA grew by 14% year-on-year to INR 2,638 crore, translating to a margin of 26.2% and EBITDA per bed of INR 72 lakhs.

- Profit after tax (PAT) for the Network increased to INR 1,631 crore compared to INR 1,336 crore in FY25, registering a growth of 22%.

- During the year, we generated INR 1,541 crore of free cash from operations after interest, tax, working capital changes and routine capex. Further, INR 1,627 crore was deployed towards ongoing expansion projects and facility upgrades at newer units, INR 131 crore towards land purchases at Vaishali, and INR 146 crore was distributed as dividend.

With this, we open the floor for any questions you may have.

Moderator: Thank you very much. The first question is from the line of Neha Manpuria from Bank of America Securities.

Neha Manpuria: My first question is on the brownfield beds that we have added. When do we start seeing them contributing to EBITDA more meaningfully? Did I hear it correctly that all of these brownfield beds will be commissioned in the next two quarters. So, second quarter, third quarter is when they should start showing up more meaningfully on EBITDA?

Abhay Soi: So they are already contributing to EBITDA and it is not any form a negative contribution. But what happens is that you sort of get the better end of operating leverage as you go along because right now, for the total 1,000-odd beds, we have initiated a phased rollout of lesser beds.

Say, if you have 400 beds at Max Smart, which are being rolled out in a phased commissioning, you would have started with about 100 beds over there. So, as you open up the balance beds over the next couple of quarters, you will see the entire operating leverage as the balance beds get occupied because your costs related to even the brownfield are not linear effectively.

Neha Manpuria: Okay. And is it fair to assume that the occupancy and these ramping up should not be a problem? We should get to a fairly good level of occupancy as soon as we start these beds. That should not be a problem, right? That would be a fair assumption.

Abhay Soi: Yes. So, I mean it is a two-way thing. I mean, we do not open beds if we do not have occupancy, but what we have seen is a very good ramp-up of that occupancy. And therefore, you have seen in spite of new beds opening up, occupancy remains high. But having said that, I must also point out what is embedded within it is also higher ALOS. So, what tends to happen is you are just a little more efficient when you do not have the beds.

When you open up the new beds, there is a tendency for the ALOS to increase. It is slightly temporary in nature. We have tightened it again, but you have seen that ALOS has gone up by 9%. So, the impact of that is that shows up in both your ARPOB and occupancy – while the occupancy seems a little higher, your ARPOB comes through a little lower.

Neha Manpuria: Understood. My second question is on Gurugram. Did I hear you correctly that we are now expecting Gurugram commissioning by the end of this fiscal year? I mean I am not sure if I picked that up correctly?

Abhay Soi: Yes, we are expecting commissioning by the end of the year.

Neha Manpuria: Okay. And we should not be expecting any further delay on that because that is been pushed out a few times now.

Abhay Soi: That is right.

Neha Manpuria: Okay. And sorry, one last question, if I may. On the Bhubaneswar asset that we have acquired, this will start integrating from first quarter itself? Or is there any approval, etc, that we require before closing this?

Abhay Soi: Yes, from the first quarter. We have already acquired the majority stake so we will be consolidating it.

Neha Manpuria: Okay. I have a few more questions, but I will get back in the queue. Thank you.

Abhay Soi: Yes.

Moderator: Thank you. Next question is from the line of Bansi Desai from JP Morgan.

Bansi Desai: Yes, thanks for the opportunity. So just again on Gurugram, how should we think about the operationalization of beds, assuming we commission towards the end of fiscal '27? What will be the Phase 1 operationalization? And what is the count that we should expect in fiscal '28?

Abhay Soi: So, I think in fiscal '28, we will be looking at breaking even within the year. I mean, it is a greenfield, as you are aware. Having said that, our experience with the Dwarka greenfield, we operationalized it, we guided to a 1-year breakeven, but we actually broke even in 6 months. We had an operating loss, consolidated EBITDA loss in the first 6 months of about INR 35 crore. However, by the end of the 12-month period, it was less than INR 10 crore. Even if that number is more or less in

this case, it is not a meaningful change to perhaps what the projections are going to be.

Bansi Desai: But in terms of beds, are we expecting phase-wise manner of operationalization here, because it's a 500 bed facility...

Abhay Soi: Yes. You always do it, even tactically, in that manner. So physically, the beds come out in phases, but even so tactically because if you have 500 beds, day one, you are not going to have occupancy of 500 beds. So, you do not operationalize or staff all the 500 beds. So, if I take the example of Dwarka, we had 300 beds, we started with 140 beds. We ramped up occupancy, broke even with the 140. So, the balance beds start to yield as you go along.

You are seeing a similar sort of story play out in our brownfields right now. And with respect to even the greenfield at Gurgaon, you are going to start with, let's say, about 200-odd beds. And once you kind of break even within that, then you start rolling out the balance beds.

Bansi Desai: Understood. That is clear. And my second question is on the onco share decline that we have seen in Q4. While clearly, the reason highlighted is a discontinuation of chemo drugs, but it still feels a bit sharp, given we had quantified onco drug impact to be about INR80-odd crore. So, if you could help us understand what has happened here? And by when do we expect this to reverse?

Abhay Soi: There are two things. You have the onco drugs, that is day care, the margins on which were coming out a little perverse to us. So, discontinuation of these high-value drugs not only impacts your top line, but also impacts your OBDs (occupied bed days), which are related to it because some of the patients, which are coming for day care, are also admitted in the night. So, it has a knock-on effect on that as well. Our OBDs have sort of come down by about 5% to 6% in oncology, which is related to this.

Bansi Desai: So, I mean, do we have a plan in place, how do we replace it? What alternative protocols would you have?

Yogesh Sareen: Basically, some of this is permanent because we know that we will not be able to do this kind of a business on the minus-margin basis. As you have also seen in this quarter, although the OBDs have degrown by 6% in oncology, but we have overall OBDs have grown. That means the other specialties have been able to compensate for it. So, I think that is the plan even going forward, that we do not expect the share of oncology come back to 25-26% as it was earlier. It will continue to hover around 21-22%, and we will then have the other specialties fill up that vacuum.

Bansi Desai: Got it. And the CGHS rate revision benefit, has that started to flow through in Q4?

Yogesh Sareen: Yes. All except the super specialty rates. A very large part is already in, but there is a small part, which is left out, which is around INR 25-30 crore per annum. That will be phased out over this year. It has started to come in two hospitals, but balance is still pending. But that is all in this quarter.

Abhay Soi: We are expecting that to come in the next few months.

Bansi Desai: Thank you.

Moderator: Thank you. Next question is from the line of Damayanti Kerai from HSBC Securities and Capital Markets (India) Private Limited.

Damayanti Kerai: My first question is clarification. Abhay, you mentioned you are rolling out beds in a phased manner, even for say facility like Smart. So, help me to understand this better. In the past, whenever you have opened or commissioned brownfield facility, I understand the ramp-up happened much faster than what we are seeing right now. So according to you, anything has changed since then? That is why you are going for more gradual phased way of prescribing beds.

Abhay Soi: No, we have always opened brownfields in a phased manner. Whether brownfield or greenfield, it has always been opened in a phased manner. And it is opened in a phased manner because as soon as any part of a new facility, any floors are ready, there is always a tearing need for those floors. And you have seen that play out in the occupancy as well. So, we try to put it to work as soon as possible. So whichever floors are ready, and it is the same at Nanavati, it is the same at Mohali, it is the same at Smart. It has been same in the past at Shalimar Bagh or Vaishali or every facility, which we have rolled out has been rolled out in this manner.

Keshav Gupta: We mentioned in the speech also, our available capacity of operational beds have gone up by 8%. So, the OBD has gone up 8%. As and when the beds are ready, they are being taken up. In context, the Smart beds have become live within 26-27 months of the project starting. So typically, a project of this size takes about 36 months. But because we are taking our projects to operations within a shorter time, floor by floor, hence, they are also being taken up floor by floor.

Damayanti Kerai: Sure. And when it comes to ramp-up of some of the newer facilities. You mentioned about Dwarka. Similarly, can you update on the status of the Noida unit, how it is ramping up in terms of occupancy, etc.? Last quarter, if I remember correctly, you mentioned there are some issues which you are trying to resolve. So, if some update you can share on Noida unit?

Yogesh Sareen: So, the Noida has ramped up well now in this quarter. So the occupancies have been more than around 64-65%. There is further room to grow. But on the revenue side, it has done well compared to last quarter. And we have also hired doctors in that hospital. I would say we are happy with where we are with respect Noida when it comes to quarter-on-quarter growth.

Abhay Soi: Yes, I think it has pulled around very well. And in terms of EBITDA, also, it is a substantial growth that we have seen over there. It is well on its way.

Damayanti Kerai: It is in line with our expectations, right?

Abhay Soi: Yes, absolutely. We are very encouraged by the last quarter and more.

Damayanti Kerai: Okay. And it can very well go to the Network level occupancy of say 75% or so?

Abhay Soi: Absolutely. I think maybe shortly, we will need to do a brownfield over there and add more beds as well.

Damayanti Kerai: Okay. Good to hear. And my second question is a clarification on discontinuation of oncology drugs. You mentioned 5-6% OBD got knocked off because of it. Just wanted to understand, these drugs are like high in terms of ticket size, etc. but were they meaningful contributor at the EBITDA level also?

Yogesh Sareen: Yes, earlier, they were given at MRP, and we had 15-16% margins on those. So that used to flow to the EBITDA.

Abhay Soi: It was a 16% margin. But because now we have to give a 30% discount to MRP, so we sort of discontinued it.

Yogesh Sareen: Earlier they were contributing to EBITDA. So, that is the reason when we gave to the price impact of the CGHS, we netted off that. To that extent it has been absorbed through the price increase.

Abhay Soi: We suggested I think it is a INR200 crore net benefit...

Yogesh Sareen: INR140 crore after GST.

Abhay Soi: After GST, it was INR140 crore. With the CGHS rate revision, while we have got higher rates, but we got capped out on this high-value drugs. So, from a CGHS standpoint, the net benefit was INR 200 crore. There was also an impact of GST, so net off it the total benefit was INR 140 crore.

Damayanti Kerai: INR200 crore, you mentioned it is a gross number and then when you include the GST impact, etc., INR140 crore is the number, which was coming from it…

Yogesh Sareen: That is right. Of this INR 30 crore, as I mentioned is super specialty rates, which has not flowed in yet.

Abhay Soi: So that is about INR100-110 crore has flowed in. About INR30-40 crore is yet to flow.

Yogesh Sareen: This is all annual numbers.

Damayanti Kerai: Sorry, just to process, another INR30 crore flow out from here?

Abhay Soi: Yes. So out of INR 140 crore, INR 30-40 crore is yet to flow in. About INR100-110 crore has already flown in on an annualized basis.

Damayanti Kerai: And I think my last question is on the pipeline projects, which you indicated, which are coming up in '28 or so. Is any facility there where we are seeing some delays, etc., in terms of approvals or it is just like completion of the facility, which should be done as per your indicated timeline? So, any regulatory clearance or any other clearances which are due?

Abhay Soi: No, nothing. No regulatory clearance is pending over and above what has been anticipated. In the past, there have been delays because of GRAP 3. We have had delays because of shortage of manpower due to the LPG crisis.

Forest approval was delayed because there was an issue with respect to Delhi tree transplantation where the Supreme Court had taken cognizance of. There was a matter between the Lieutenant Governor versus the Supreme Court - contempt of court matter because of which it got stalled.

So, these are not typically regulatory approvals, which have been sort of delayed. But I think we had issues and incidents with respect to pollution and shutdowns of construction or tree transplantation or Iran war causing shortage of LPG and therefore, manpower not showing up at site.

Damayanti Kerai: Okay, that is helpful. Thank you. I will get back into the queue.

Moderator: Thank you. Next question is from the line of Karan Vora from Goldman Sachs.

Karan Vora: The first question is with respect to doctor costs. So, we see that our doctor costs have gone up and we have hired in advance. But just wanted to get a sense on for which all expansions have we hired and like which are the hospitals where further doctor additions are still pending, which might hit the cost line item in the next one to two quarters?

Abhay Soi: That is a very good question. So, there are two things. End of 2024, we essentially added close to 25% to 30% more capacity. This was whether through Dwarka, whether through the Jaypee acquisition, Sahara done some time before that or Alexis in Nagpur. This year we have already started a phased rollout of 20% plus more capacity, which includes Mohali (Punjab), Nanavati (Mumbai), Smart (Saket) as well as we added more beds in Lucknow as well.

So, somebody asked me a question before this about Noida. And we have seen meaningful improvement over there because we have expanded our doctor base. We have seen the same in Lucknow where we are ramping up. We have seen the same in Smart. We have seen the same in Nanavati, Mumbai. We have seen the same in Mohali.

So, all of these new ones which are coming, we have added doctors. Even Dwarka, now it is operating at 80-85% capacity. But through through the last quarter, we had added some more people over there as well. So yes, so I think it has been pretty much quite secular across the portfolio because it has been a multi-location addition of capacity. You are going to see the same thing in Bhubaneswar now because we will add manpower over there. Although it should not move the overall needle simply because there is just one hospital. But the minute you are doing it in 4 or 5 multi-locations and at the same point of time, you are going to see a little bit of lumpiness.

Karan Vora: Okay. Got it.

Abhay Soi: The reason I mentioned in end of '24 is that when you do sudden acquisitions, it is not as if you are able to do all your hiring in the next 6-12 months. It takes time and moves in a phased manner, particularly if there is competition in those areas.

Karan Vora: Okay. Got it. And sir, just to better understand, so this INR435 crore for doctor fees in Q4, that should not materially change going forward, at least for the next few quarters. Is that the fair way to think about it?

Abhay Soi: Yes, it should actually start getting operating leverage in fact. My belief is that marginally all of this percentages start coming down

Karan Vora: Got it. And this Kalinga Hospital. So, any start-up losses or like what about breakeven time lines? How should we think about that?

Abhay Soi: It is already profitable. I think there is about INR 10-odd crore of EBITDA. So, you are not starting with a negative.

Karan Vora: INR 10 crore per quarter?

Abhay Soi: Annual.

Karan Vora: Annual. Okay. Got it. And so, we have like unlike some other places where we had to discontinue businesses, right, because we wanted to streamline practices. All those things have been taken care of. And even after that, we should be able to maintain broadly that EBITDA run rate. So, no chance of it going into negative, that is what I am trying to.

Abhay Soi: Let me just correct you. Even in the other places, where we corrected the business behaviour, so to say, it did not go into negative, we just made less profit. None of these acquisitions have been loss-making or even after taking over when we did whatever actions we took, it did not go into a negative territory.

Karan Vora: Okay. Got it. Thanks for the clarification.

Abhay Soi: Even in this case, it is INR 10 crore positive and we have just done the acquisition. So, you are going to see it ramp up and in case we are taking some actions, you still would not see meaningful negative numbers.

Karan Vora: Got it. And the last question would be with respect to the new units or whatever we have operationalized in the last 12 to 15 months, how have their overall revenue and margin trajectory look like, any colour there will be helpful?

Abhay Soi: Basically before rolling out this 20-25% capacity rollout that we have recently done over the last 3 to 5 months, the previous generation for about 12-13 months, we did not really add any capacity. We added it before that, again, which was a little lumpy. We did Lucknow, Nagpur, Dwarka, Jaypee; so are those the four you are referring to?

Karan Vora: Yes.

Abhay Soi: Okay. I think all four have done significantly well. Lucknow, for example, is doing pretty much 5x of EBITDA of what we acquired it for. The meaningful addition in Nagpur, and in Noida also we have seen that. Dwarka is not only operating at 80-85% capacity utilization, but we are already planning a brownfield over there of another 200-plus beds. In fact, oncology bunker over there and the oncology center over there is in Dwarka yet to start, which is going to start by next month. So that should reap even further benefits. So, we are seeing those benefits come through.

Karan Vora: Got it. Helpful. Thanks.

Abhay Soi: Yes. But you are going to see a bit of a hockey stick there because you have the benefit. When you move from like, let us say, in Noida, when you move from the 65% to that 75-80%. You see at 50-55%, you break even right, most units. At 60-65%, you start doing very well, but the real juice starts coming from that 60-65% up to that 80%-odd occupancy that we do.

Moderator: Thank you. Next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services Ltd.

Tushar Manudhane: Thanks for the opportunity. This was more on the Lucknow side, while we have a very decent land bank as far as Sahara hospital is concerned. And, of course, in the history you see Shaheed Path land was also acquired more or less at the similar timeline. So how are we evaluating in terms of which land bank to sort of set up? I

understand that the Board has given sort of approval for Shaheed Path. But if you could help understand how are we going to sort of utilize both the land banks and build up Lucknow sort of hospital network.

Abhay Soi: So, I think it is a very good question. We have a land bank of about 27 acres of land at Gomti Nagar, which is right in the heart of Lucknow, and 5-plus acres, which is on Shaheed Path. We are expanding our capacity over the next few months, you will see our capacity of Gomti Nagar go up to about 570 beds. What we intend to do is we intend to start another hospital. We want to have a multi-location strategy of about 700 beds in Shaheed Path, which we will be operating in a phased manner. It should take about 3 years to build it.

Simultaneously, we believe we will be running out of capacity at Lucknow at Gomti Nagar as well. So, we will be adding another 200-300 beds over there. So, we are going to have a multi-pronged strategy. I think one does not have much to do with the other because these are 2 locations, which means we will have two sets of doctors and clinicians. It allows you to do that.

You see, if we have one, in terms of the strength of senior clinicians, you have one Chairman cardiology, one Chairman oncology, etc., so it becomes a choke point for other senior personnel coming in. When you have multiple locations, it allows you to do that.

And we have seen that advantage play out for us in Delhi, in other places, etc. so, we like the whole cluster approach. I mean, you have benefits of brownfield, but it is also beneficial to have a cluster approach and then have brownfields emerging at multiple locations.

Tushar Manudhane: Understood. So, this is not so much more sort of a cannibalizing given that it is hardly a 14 kilometers distance, it will be more like a multi-location playing out?

Abhay Soi: Absolutely.

Yogesh Sareen: Yes. Also, on this Shaheed Path, the capacity can go up to roughly 900 beds. So, I mean, there is more we can build there even after these 700 beds.

Tushar Manudhane: So, I mean, it reflects the kind of confidence you have on this Lucknow as a location, building up such a strong almost it will be about 1,000, in fact, more than 1,000 plus sort of a bed size eventually and not like immediately, but over a period of time?

Abhay Soi: Absolutely. Let me put it this way, over the next decade, I see even probably Gomti Nagar going close to perhaps 2,000 beds, in just that one location. We will do it in a phased manner. We have the land bank over there. And the kind of ramp-up we are seeing is because our clinical programs are very strong over there.

Tushar Manudhane: Understood, second, sir, are you seeing the risk of these medicines being taken directly by the, let us say, health scheme or CGHS in other therapies?

Abhay Soi: Firstly, because of being in Delhi, we have a larger amount of institutional business, which was coming to our Delhi hospitals and this impacts that largely. What they basically said is that we have to provide these drugs at 30% discount to MRP.

And so, they have not selected the drugs. They said all medicines at a 30% discount to MRP or alternatively CGHS, patients can get the medicine from CGHS. So, from a hospital standpoint, if your margins are less than 30%, then you probably discontinue it because it becomes loss-making, but the patient has the option of buying it from the CGHS dispensary.

But our present margins, on a drug-on-drug basis also is reflective of that action. It is not a government action, it is a CGHS price revision. So, you get some and you lose some, I guess. The net benefit is INR 200 crore. After GST impact, which is a separate hit that we got, it becomes INR 140 crore net benefit.

Tushar Manudhane: I got you. Sir, just that clarification, this is onco therapy specific or this is more between CGHS doing it across the therapies?

Abhay Soi: All chemotherapies.

Tushar Manudhane: Yes, this is why I was trying to ask that, is this getting expanded to other therapies where the patient...

Abhay Soi: No. This is the first time they made any changes on the price in 14 years.

Tushar Manudhane: Understood. And practically, if CGHS is able to provide the medicines on a timely basis? Or do you think the patient will come back to the hospital pharmacy or the hospital?

Yogesh Sareen: I think there is a lot of noise among the CGHS pensioners, etc due to delays.

Abhay Soi: We have been given to understand that they are reconsidering it. But again, one does not know. There has been a lot of representation made even by patients on this.

Tushar Manudhane: Got it, sir.

Abhay Soi: One of the problems is that this also applies to ECHS, for example and other PSUs. But while CGHS has dispensaries to dispense these drugs, ECHS and other PSUs do not have their dispensaries and they cannot access CGHS dispensaries. So, the problem with these drugs are that they are not accessible to them.

Tushar Manudhane: Got it. So effectively, this should sort of start getting reflected back probably in maybe some time in future?

Abhay Soi: Sorry, it should get reversed you are saying?

Tushar Manudhane: Yes.

Abhay Soi: I mean it stands to reason.

Tushar Manudhane: Understood. Got it.

Abhay Soi: Otherwise, we will have servicemen who are not able to access these, which is presently the case.

Tushar Manudhane: Got it. And just lastly, with Gurugram, we had to sort of start second half. So, is it like now we are indicating in for a few months, sort of taking some time? Is that the way to think about?

Abhay Soi: No, that is right. We were saying second half and we meant middle of second half, and now it is end of the second half. But there have been two issues over here.

One was a lot of labour went back during elections, particularly Bengal elections. It was a bit of a festive season for them from that standpoint. So yes, we had a lot of reduction in manpower at the sites. Second is also the LPG issue. Most labour, they cook their own food, so we had disruption over there because the labour did not have LPG. We have started serving meals for all labour at our sites now, in order to surpass that.

The labour is not on our books, they are the contractor's labour. So, there is a particular method that you have to follow to even initiate that because literally, we have got about 1,100-1,200 people working on the Gurugram site. So, our kitchen is supplying meals to the 1,100-1,200 people. So yes, these are the issues which have caused a delay of a couple of months.

Tushar Manudhane: Okay. Thanks for that clarification. And just lastly, if I may, just one more, if I may squeeze in. With respect to doctor talent cost, given the kind of bed addition and starting of hospitals by multiple corporates probably over the last, maybe couple of years and subsequently over the next 4 to 5 years. Are you seeing this doctor talent cost sort of the negotiating power moving to doctors from corporate?

Abhay Soi: There are two things. Firstly, it is not a new phenomenon that hospitals come up in locations where there are existing hospitals. And it is not as if in any micro market, it is like you have got five hospitals and three more have come up or four more have come up. It is pretty much been one here and one there.

But when that happens, you know your own clinicians tend to negotiate their compensations and it does go up from that standpoint. But having said that, it does even out and it is transferred over a period of time to the patient because eventually, it's still a 10-12% PAT margin business, it is capital intensive, and we are reinvesting. It is a natural phenomenon. It gets a little lumpy sometimes. But it is not as if it is not passed through - you will see this normalize across the board. I am not just saying it for Max, but I believe for the entire industry.

Tushar Manudhane: Got it sir this is helpful. Got it. Thanks a lot.

Moderator: Thank you. Next question is from the line of Aditya Chheda from InCred Asset Management.

Aditya Chheda: Hi, thank you for the opportunity. It seems like confusion regarding the discontinuation of chemo drugs due to MoU conditionalities, this is specific to Max Healthcare in a region or this is industry-wide pan-India. And if I understood it correct, it had a knock of negative impact on revenue to the tune of INR130 crore, and they had around 16-17% EBITDA margins, if you can help clarify that?

Abhay Soi: Firstly, this is an industry-wide phenomenon. Secondly, as a proportion of its business, Max perhaps does the maximum amount of oncology business. And then within that, if you actually see, we probably do the maximum amount of institutional business as well, which is CGHS, ECHS, etc. So, although it is an

industry-wide phenomenon, the impact would be felt maximum by us for these reasons.

Yogesh Sareen: The overall impact of the discontinuation of these drugs is INR 200 crore in the drug billing, i.e. top line.

Aditya Chheda: Is this the quarterly impact?

Yogesh Sareen: This is the annual number. Annual billing of chemotherapy drugs will come down by INR 200 crore because of the discontinuation.

Aditya Chheda: Got it. Thank you. Thanks for the clarification.

Moderator: Thank you. Next question is from the line of Abdulkader Puranwala from ICICI Securities.

Abdulkader Puranwala: Just a follow-up on this CGHS part. So, if I see the contribution from CGHS, it is barely moved the needle. And where our onco revenues are seeing a sizable dip. And within that, if you could help us understand that what portion of your CGHS revenues actually comes from oncology and how should we look ahead as well?

Yogesh Sareen: Obviously, there's a lesser impact on the beds for this. These chemotherapies are billed in the daycare. When you discontinue these drug billings or providing these drugs to the patient, there's an impact on the revenue but there's no impact on the beds. Nevertheless, there are some of these patients who also then avail surgeries in the network and some of these patients are also then admitted in the hospital. To that end, the Occupied Bed Days (OBDs) for oncology patients have come down by 6% YoY. Now your question is that within the overall CGHS business, how much is oncology? That'll be probably around 35-40%.

Keshav Gupta: It used to be 50% as it is reduced to 40% now.

Abdulkader Puranwala: Understood, sir. And sir, then on your existing Network that is prior to any bed additions that you have done, in terms of the steady state revenue and EBITDA growth, sir, how should we look at in terms of your, say, bed network, what you had developed for '25 or for '26. And the levers of growth, would it be more ARPOB driven? There is some element of case mix as well, which can help to at least post a single digit kind of a growth.

Yogesh Sareen: Basically, there are two elements which make the revenue go up. One is the ARPOB and other is the Occupied Bed Days (OBDs). You know that even at the existing hospitals, we are adding more beds. There is brownfield expansion being done in Mohali, Nanavati, Lucknow and Smart. Our role is to make sure that where we have 80-85% occupancies, then we add more beds there and try to ensure that there is OBD growth also.

So, if we do not have OBD growth, then the only growth would be the ARPOB growth rate, which will be, let us say, 6-7% of the revenues. But our role is to ensure that wherever we find this high-occupancy situation, then we add more beds.

Abdulkader Puranwala: Okay understood. And sir, last one from my end. Would it be possible to quantify the EBITDA drag with the new hospitals would have had in Q4 and for the full year '26?

Yogesh Sareen: No, it is very tough to do it now. You can do it in the probably first month or two, but then the patients start to mingle. So, when we put another Brownfield tower, we will not be able to separate the revenues or EBITDA of Tower 1 and Tower 2.

Abhay Soi: Because what you also do, for example, is move certain specialties into A-Tower versus B-Tower.

So, when you move those specialties, then wherever you move it from, those beds get occupied by other specialties and where you move it to, that gets occupied, so, both will have its own trajectory. Let's say, if I move oncology into a new tower, then that becomes a onco-tower. So, in the previous place where it was occupying those beds, those beds get occupied by other specialties. Whereas in the new tower, you will have largely oncology, so you will have different ARPOBs and different EBITDA per bed, etc.

Abdulkader Puranwala: Okay, understood.

Abhay Soi: But on a consolidated basis, what we have seen is that there is no real pressure on margins.

Abdulkader Puranwala: Okay, got it.

Moderator: Thank you. Next question is from the line of Lavanya from UBS Securities India Private Ltd.

Lavanya: Hello. Thank you for the opportunity, sir. Just a clarification on chemo drugs, again, sorry, here, we are losing out on OBD also. So, if it is only the dispensary and the drugs to who are -- I mean, to whom we are losing the OBD patients in general, the 5-6% impact on OBD, clarification on that will be great? And Q1 so far -- I mean until now, you are seeing a full impact of this chemo drugs, at least, right?

Yogesh Sareen: That is correct. Quarter 4 has already had the full impact. We started to discontinue these drugs in Oct '25. So, to that extent, quarter 4 has the full impact of discontinuation of all these chemo drugs. What we have not gotten yet is the full impact of the price gain on the CGHS side, which will come starting this quarter.

So, as I said, 2 of the hospitals have already got the super specialty rates. And during the course of the year, we will have more hospital also getting those rates.

Abhay Soi: So, on the other question that you have on the OBDs, whom are we losing to? Well, we do not exactly know. They go, perhaps, to the disorganized sectors or smaller nursing homes.

Lavanya: Okay. Got it. And here do we expect any resolution or this is going to be there for the next couple of quarters and until the base of Q3, like it will start to...

Abhay Soi: Like I said earlier, it does not seem to stand to reason, because it is not as if our margins are any different from the price at which perhaps the government is buying it. These are medicines like Keytruda, which is the largest and the fastest-growing oncology medicine in the world. And they do not make any exceptions for anybody in terms of what the margins are, for example, one is that.

Secondly, the CGHS and CGHS rate applied to the other public sector undertakings and other panels like ECHS, which is ex-servicemen and so on. While CGHS patients have an option of procuring the drugs directly from the CGHS dispensary or their pharmacy. The ECHS and PSUs do not have that option because they do not have those pharmacies.

So of course, a lot of patients are complaining because they are unable to access these drugs, at least Keytruda, and they have to move to other medicines. And it is not a necessity, since every patient is different. For some patients, it is necessary. I guess they are finding it difficult to source this, so we are facing a lot of complaints, and I am sure so is the CGHS. And we are hoping that they will reconsider this. But asking for time lines, it is difficult to pin that down.

Lavanya: Okay. Got it. So just a clarification, ECHS on the PSU patients are seeing disruption to the treatment for the last 6 months or they are moving out to other medicines, whatever is alternate available?

Abhay Soi: Same thing. They are going to behave the same way as the CGHS patients.

Yogesh Sareen: Yes, and there are other alternatives to some of these medicines.

Lavanya: Okay, got it.

Abhay Soi: It is not that there are no alternatives to it, there are alternatives, okay? But they may not be preferred alternatives from a clinical standpoint. The question is the efficacy. If a doctor believes that this particular branded drug has more efficacy for A particular patient may not be for B patient, but for A particular patient. I mean, very simply, each one of us reacts differently to different paracetamol. Reacts differently to even a different antibiotic, let alone chemo.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as the last question. I will now hand the conference over to the management for closing comments.

Abhay Soi: Thank you, everyone, for joining us today. We appreciate all your time and look forward to interacting with you again next quarter.

Disclaimer: This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.