Date: February 03, 2026

To,

The Manager Listing Department National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor Plot No. C/1, G-Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 **Symbol: SAGILITY**	The Manager Listing Department BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 **Scrip Code:544282**

Dear Sir/Ma'am,

Subject: Transcript of Investors Call held on January 28, 2026

This is in continuation of the Investors/Analyst Webinar conducted on January 28, 2026, to discuss the unaudited financial results of the Company for the quarter ended December 31, 2025.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby attach the transcript of the aforementioned webinar.

This information is also available on the Company's website https://sagilityhealth.com/

This is for your kind information and record.

Thanking You,

For Sagility Limited

SATISHKUMAR SAKHARAYAPATTANA SEETHARAMAIAH

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Date: 2026.02.03 11:56:18 +05'30'

Satishkumar Sakharayapattana Seetharamaiah
Company Secretary & Compliance Officer
M. No. A16008

Encl:a/a

Sagility Ltd.

Q3 FY26 Earnings Webinar

Wednesday, 28th January, 2026 at 7:30 PM

MANAGEMENT	• Ramesh Gopalan - Managing Director & Group CEO • Abhishek Kayan - Deputy Chief Financial Officer
MODERATOR	• Siddharth Rangnekar – CDR India
QUESTIONERS	• Manik Taneja – Axis Capital • Raj Vyas – Bonanza Portfolio • Vamsi Krishna – Kotak Securities • Ninad Sarpotdar – Aditya Birla Money • Chirag Kachhadiya – Motilal Oswal • Rishi Jhunjhunwala – IIFL Capital Services Limited • Riddhansh Chandak – Unifi Mutual Fund • Nandan Arekal – JM Financial • Arvind Arora – A Square Capital

Siddharth Rangnekar: Good evening everyone and welcome to the Quarter 3 and 9M FY 2026 Earnings Webinar of Sagility Limited. This is Siddharth Rangnekar from CDR India and I shall be your host for today. As a reminder, all attendee lines will be in the listen-only mode and there shall be an opportunity for you to ask questions after the presentation concludes.

Please note that this webinar is being recorded. To introduce the management we have with us today Mr. Ramesh Gopalan, Managing Director & Group CEO and Mr. Abhishek Kayan, Deputy Chief Financial Officer. Before we begin, I would like to state that some of the statements made on today's call could be forward-looking in nature and may involve uncertainties and risks. A detailed statement in this regard is available in the Q3 and 9M FY 2026 results presentation that has been uploaded to the stock exchanges.

I would now like to hand over the forum to Mr. Ramesh Gopalan to begin the proceedings of this webinar. Over to you.

Ramesh Gopalan: Thank you, Siddharth. Good evening and welcome to our Q3 and 9M FY 2026 discussion. Let me start with some opening remarks.

In Q3 FY 2026, we continue to build on the strong momentum from the first half of the year. Our performance across Payer and Provider segments reflects the depth of our healthcare domain expertise and our ability to deliver consistently at scale. As clients navigate the evolving regulatory environment, they continue to rely on our execution excellence, operational stability and our expanding role in shaping the transformation agendas.

The last quarter was especially important as it marked the beginning of the AEP or OEE season for several of our large payer clients. I'm pleased to report that the results were broadly ahead of expectations with strong traction across Medicare Advantage programs. Parts of our portfolios of membership growth above forecast, driving higher operational activity across engagement services, prior authorisation, claims processing, and clinical workflows. A near perfect handle to forecast performance across key portfolios remained a clear differentiator, further reinforcing our position as a trusted partner for our clients. As you know, the addition of BroadPath has expanded our exposure to open enrolment related work. Historically, OE seasonal revenues accounted for approximately 3% of our annual revenues. Following the acquisition of BroadPath, it's likely to increase to 4.5%. However, specifically for this year, given the favourable OE season, we project this to be closer to 5.5% for FY 2026. As we've discussed in the past.

Looking ahead to Q4 and FY 2027, our long-term growth strategy remains anchored in three pillars.

The first one, expanding into white spaces within existing accounts, second, building large transformation led and outcome based managed services constructs. And third, accelerating our expansion into the middle and small market segments.

We've made considerable progress in each of these three areas. For example, in the white space expansion, we grew our clinical operation footprint significantly for a large payer client in Q3, demonstrating how Sagility can continue to grow within long standing relationships. Cross sell into BroadPath was limited this quarter as payers were primarily focused on the AEP season. However, our ongoing conversations remain active and we anticipate these discussions will gather momentum once the AEP seasonal peaks subsides.

On a second strategic lever, large end-to-end managed constructs, our pipeline continues to advance. These deals typically have longer sales cycles, and we are engaged in multiple conversations where clients are explicitly looking for multiyear transformation anchored savings and Sagility is well positioned to meet the task through a combination of domain led operational depth and technology enabled delivery. As an example, we launched Sagility Synchrony, an integrated operating solution for Medicare Advantage that consolidates key lifecycle functions to accelerate time to market, strengthen compliance and improve member experience. At the same time, we are deepening GenAI adoption through a growing portfolio of production use cases and a strong pipeline of new opportunities.

On the third, the mid and small market expansion, seven of the 12 new logos that we won in the first nine months of FY 2026 have come from this segment. With that, let me now turn my attention to the performance in Q3.

Move to the next slide, please. Consolidated revenues for Q3 stood at ₹19,712 million or $222 million. This represents a year-on-year growth of 35.7% in INR and 29.1% in constant currency. So this has been an exceptional quarter for us. Our organic growth was also strong at 19.9% year-on-year in INR terms and 13.9% in constant currency. Momentum in business was seen both in the Payer and Provider segments. Payers reported 37.3% growth year-on-year contributing 90.4% of the total revenue for the quarter, whereas providers reported 21.6% year-on-year growth, delivering 9.6% of the total revenues for the quarter.

Our operating profits showed strength. Adjusted EBITDA came in at ₹5,125 million or $57.7 million reflecting a growth of 24.2% year-on-year. Adjusted EBITDA margin stood at 26%. This robust operating profitability is an outcome of our deep focus on execution excellence, process optimisation and driving technology led transformation across our portfolio. A quick reminder, our adjusted EBITDA does not include other income and Forex gains.
Adjusted PAT for Q3 came at ₹3,229 million, increasing 23% year-on-year on the back of robust EBITDA margins and declining finance costs. Ongoing reduction in debt continues to strengthen our cash flows and enable continued investment in technology and in our domain.

Moving on to the nine months FY 2026 results. Our nine months saw a year-on-year growth of about 29.2% in INR terms and a 24.2% in constant currency. We reported revenues of ₹51,686 million or $591.8 million for the first nine months of FY 2026. Organic growth was also strong at 18% in INR terms and 13.5% in constant currency. Our nine months adjusted EBITDA came in at ₹13,164 million, up 25.3% year-on-year. Adjusted PAT stood at ₹8,236 million, up 44.3% year-on-year.

I'll now turn my attention to the new wins. As of December 31, 2025, we have 81 active clients. And during Q3, we won business from 22 existing clients while adding three new clients. The aggregate annual contract value or ACV won from existing and new clients stands at 30.5 million for Q3. Our new client wins this quarter includes a top 10 health insurance company, a benefit administration company, and a regional health insurance plan.

I'd also like to highlight a few recognitions from the last quarter. Avasant's RadarView cited Sagility as an innovator in revenue cycle management business process transformation in 2025, reflecting stronger practice maturity driven by scaled technology enabled services, deeper domain specialisation, and more repeatable outcome led revenue cycle transformation. Great Places to Work recognised Sagility amongst India's Best Workplaces in Pharmaceuticals, Healthcare, and Biotech 2025. And we were also recognised at the Healthcare Information Management Association of the Philippines Excellence. In addition, we earned the EcoVadis committed badge, highlighting our continued commitment to sustainability and responsible business practices. These recognitions reinforce the depth of our talent, the consistency of our delivery, and the values that guide how we operate across markets.

To move to the next slide, at the close of the quarter, we had 48,522 employees across five countries. As I've said before in our previous earnings call, our workforce includes highly skilled operational specialists, clinicians and technologists. Annual attrition for the quarter remained steady at 22.8%. Importantly, during the AEP season, we successfully hired skilled resources to cater to seasonal growth while effectively managing attrition, cross scaling our teams and consistently delivering strong performance across our portfolio.

We continue to make incremental investments in AI powered learnings, both in healthcare and technology domain, which helps us enhance the skills and prepare a future ready workforce.

On this slide, you'll see the standard KPIs that we report on client concentration, capacity additions, grouping of clients by annual revenues, and so on. I'll just pause here for a couple of seconds for you to look at the numbers, but I'm not going to read out each of them.

So let's move to the next slide. So I want to cover a few of the market developments related to our business.
Continues to be a lot of activity that impact the U.S. healthcare market. First one, the ACA subsidy expiration has resulted in a decline of roughly 3.4% in enrolments and these are provisional results. However, we've told you before, our exposure to the ACA market is very negligible and so we are unlikely to be impacted by that.
As part of CMS' proposed changes to 2027 Medicare Advantage, the STARS rating focus is shifting towards client safety and patient experience. We believe that this will accelerate the demand for care coordination and member experience, two areas that we are very strong in. Similarly, new measures are being introduced in HEDIS along with the push to digital and fire aligned reporting, which will create opportunities in HEDIS abstraction. While we don't do a lot of HEDIS work at this point in time, we plan to take advantage of these changes and finally, on the PBM front, all of you would have heard and seen the news on the pharma and the PBM front over the last quarter. There is a much higher scrutiny on price transparency, higher accountability for clinical outcomes, and stronger coverage policies, all of which is likely to present additional opportunities for us.

If you move to the next slide, we'll talk specifically about the Medicare AEP 2026 and the ACA marketplace.

Starting with Medicare AEP for 2026, the industry view so far is that the season has largely been in line with expectations. At the same time, payers are clearly shifting their posture from membership growth to margin repair, prioritising better risk mix and stronger STAR cohorts over pure enrolment expansion. We also expect 2026 to be a consolidation phase with reduced participation in certain low margin, high utilisation segments. The outcomes across our specific large payer relationships have been broadly ahead of expectations.

ACA marketplace like I've mentioned earlier, the provisional results from CMS indicates declines in both new consumers and overall enrolment compared to last year, largely linked to higher net premiums as premium tax credits expire, which is driving churn. And like I said, our exposure to the ACA market is very negligible.

So what does this mean operationally to us? Higher administrative throughput across engagement service volumes, prior authorisation, claims, and clinical workflows alongside continued cost pressure at the payer side. At the same time, there's a heightened emphasis on STAR's recovery clinical quality and automation.

Industry wide plans are moving towards digital and AI led operating models and towards outsourcing to improve margins while protecting member experience and benefits. Overall, we view these trends as supportive for us. Payers are looking for partners who can deliver operational efficiency, quality outcomes, and scalable execution, and these things align directly with our strengths.

Moving over to the next slide. So this is a section that we introduced in the last quarter, which showcases our expertise through a selection of case studies, white papers, solution videos, and expert talks.

Like I mentioned earlier, we launched a new offering called Sagility Synchrony for Medicare plan submission, sales, and enrolment. We also started to consult with some of our clients on both admin and clinical cost optimisation in their operations.

Like before, I encourage all of you to explore our collections on solution videos, case studies, go to market documents on this slide, as well as on our website.

I'm also pleased to update that we have successfully deployed 32 distinct AI driven use cases across 10 clients.

In conclusion, we had an exceptional Q3. As we enter the final quarter of FY 2026, our priorities remain clear. Continue our execution excellence at scale and embed technology and AI enabled transformation to help our clients build highly efficient, resilient, and future ready operations. In our Q2 earnings call, we had increased our guidance on constant currency revenue growth to 21% plus and an adjusted EBITDA margin of 25%. Due to the better than expected OE season, we are increasing our revenue guidance in constant currency to 22.5% for FY 2026, which includes an organic growth of 13.8%. Our adjusted margin guidance will continue to remain at 25% for the full fiscal.

With that, I now hand it over to Abhishek to walk you through the financial performance, and I'll take questions later in the call. Thank you. Over to you, Abhishek.

Abhishek Kayan: Thank you, Ramesh. Good evening. I'm pleased to present an overview of Sagility's financial results for the third quarter and the first nine months of the fiscal year 2026. Q3 showed strong revenue and profitability driven by consistent revenue growth that we expect to continue. Our nine months FY 2026 results are above the guidance shared in the last earnings call. This was driven by strong operating performance and better than expected AEP season.

Moving on to cash flows. Operating cash flow conversion at the end of nine months was 49.7%, impacted mainly by increase in account receivables in Q3, driven by high growth in Q3 over Q2. As you know, we have seasonality in our business, and revenues in Q3 is almost 33 million higher compared to Q2. This revenue increase of 17% over Q2 has led to an increase in AR by 15% over Q2. At quarter end, our DSO was 86 days, 51 days in billed AR, and 35 days in unbilled. We expect the DSO number to come back to normal at the end of quarter four.

Next slide, please. Q3 usually benefits from strong seasonal Medicare AEP and OE activity, which results in a revenue increase over Q2. This year, the addition of BroadPath has further expanded our exposure to open enrolment related work. And with an exceptional OE season overall, we have registered a 17% growth over Q2.

However, given the seasonality we experienced in the second half of the year, it is important not to focus solely on quarter-over-quarter business growth. If you look at the slide in front of you, you'll see a quarterly revenue trend for last nine quarters, and that will give you a sense of how Q4 and Q1 would pan out. We ended the quarter at a global head count of 48,500, reflecting the scale added to support AEP and ongoing ramp in our payer and provider operations. Let me now share a broader perspective on our long-term performance.

This slide provides a detailed view of our growth trajectory on a full-year basis. You'll notice that we have consistently achieved high growth in revenue, adjusted EBITDA, and adjusted PAT. The significant increase that you see on adjusted PAT is driven by higher operating profits and reduced interest expense and lower intangible amortisation charges.

Next slide, please. On this slide, we've captured few key financial indicators. Adjusted EPS continues to improve steadily in line with adjusted PAT growth. The adjusted EPS for trailing 12 months FY 2026 is 2.27 and is higher than 1.76 that we reported for FY 2025. Our adjusted ROCE remains steady in the range of 50%. And this is a long-term trend that we have observed over the last few years. Cash conversion has been lower year-to-date due to higher DSO in December, higher noncash expense, and tax refunds that we received in last year. Our net debt continues to come down as we continue to repay our debt.

This is a busy slide, but would give you a very comprehensive view of our P&L. I'd like to highlight that in this quarter; we have a onetime impact due to new labour code in India that came into effect on 21st November 2025. This new labour code standardises the definition of wage on which certain employee benefits like gratuity, leave encashment and statutory bonuses are computed. We have reported a onetime impact of past service cost of ₹328 million, which has been reported as an exceptional line item in the P&L below EBITDA. We estimate an ongoing impact of 20 bps on our profitability going forward. If you can move on to the next slide.

On this slide, we present the adjustments to EBITDA. Our adjustments on EBITDA include adjustments made for M&A earnout, stock appreciation rights, and other income and forex gains. While our adjustments on adjusted PAT includes the adjustment made for EBITDA as well as adjustments made towards intangible amortisation and the exceptional items that we have booked this quarter for onetime impact coming out of new labour code.

This is a go forward view of our debt repayment plan of share based payment awards, earn outs, and intangible amortisation. We give this every quarter. There is a small change that we made for FY 2026, and that is on account of deduction in SAR on account of certain resignations that have happened in the previous quarter. Our debt would be fully repaid by FY 2027.

No major call out on the balance sheet. Our balance sheet continues to be healthy and stable. If you can move on to the next slide. Again, no major callouts on the cash flows. Cash position and conversion continues to be strong.

With this, I end my presentation. Thank you.

Siddharth Rangnekar: Thank you, Abhishek. Participants who wish to ask a question, kindly click the raise hand icon at the bottom centre of your screen. We shall wait for the questions to assemble. We take the first question from the line of Manik Taneja from Axis Capital. Manik, your line has been unmuted.

Manik Taneja: Thank you for the opportunity. So you called out that the impact of open enrolment this year essentially was much higher than what we anticipated. If you could help us understand what is driven by the acquired portfolio or the organic business? That's question number one.

And then related to it, how should we be thinking about this playing out from the ramp down that you see on the open enrolment piece sometime given the timing of the open enrolment cycle? And how does that impact Q4?

And finally, with regards to margins, while you've seen very solid revenue growth, margins remain broadly in a very tight range. If you could help us understand the moving parts to that. Those would be my questions. Thank you.

Ramesh Gopalan: Sure. So Manik, thanks for your question. Let me address the revenue questions, and I'll ask Abhishek to address the margin question. Like I said in my opening remarks, the performance across our traditional large clients as well as BroadPath, both were very strong in this quarter, right? Overall, Medicare advantage performance came in line with expectations for the industry as a whole. But specifically for some of our clients, it was ahead of expectation, which means there was a lot more activity than we anticipated. So the performance was equally strong across both organic business as well as across BroadPath.

To your other question, yes, the seasonality of OE is a known factor in our business. And like I said in my opening remarks, it used to be about 3% of our revenues where solely attributable to the seasonal nature of OE. With BroadPath, that's likely to go up to 4.5%. But this year, given that we had exceptional performance on both organic and BroadPath, we think we are projecting the OE related additional revenues to be 5.5% of our total FY 2026 numbers. And we've also given you the overall guidance for the fiscal. So that should give you an idea of how we think Q4 is going to pan out.

Abhishek Kayan: Manik, on the margins, I get your question. We've grown substantially in this quarter, but our margins % are flat compared to previous quarter. So let me answer this for you. Essentially, bulk of the growth in revenues that have come in this quarter have come in because of OE-linked revenues. And as you know, OE-linked growth typically happens in U.S. location and in other offshore locations, but not in India.

So, specifically in this quarter, I had a higher share of non-India revenues. So while we benefited from a stronger forex, we benefited from operating leverage, but that was kind of compensated by higher share of revenues coming in from lesser profitable locations. So these factors netted out each other, and that led to our margin profile for this quarter to be consistent with what we reported in previous quarter.

Manik Taneja: Great. Thank you, and all the best for the future.

Siddharth Rangnekar: Thank you, Manik. Participants who wish to ask a question, kindly click the raise hand icon at the bottom centre of your screen. We take the next question from the line of Raj Vyas from Bonanza Portfolio. Raj, your line has been unmuted.

Raj Vyas: So, first of all, congratulations on a very good set of numbers. And look, as you mentioned, that we were ahead of the expectations as well. So clearly was expecting that we would increase your guidance, and that has happened.

My question is with respect to the top 10 clients, right? So it is now contributing to 84.6% of our revenue. So though it is down on a FY 2025 basis, if we look at it, that was around 90.5%. So what are the key strategies that we are looking in place so that we can further diversify our pool beyond the top 10 clients so that our revenue contribution remains intact even if there are some kind of uncertainties going ahead.

Ramesh Gopalan: Thanks, Raj, for your question, right? We've answered this question in the past also, and let me link it back to the three strategic objectives that I spoke about at the beginning of the call, right? One of them was to expand into mid and small market, and that's something that we've been focused on over the last three plus years.

And like I said, you've starting to see consistent increases in the number of new logos that we've been in the mid and small market segments. How at your point, these small clients start small and will take us a period of time to grow the revenue. So if you look at the concentration of the top three or the top five or the top 10, they've been coming down consistently year-on-year, and we are very confident that that downward trend will continue.

But I've always also at the same breath mentioned to all of you in the past that our top clients continue to keep growing, right? So while they've been top clients, one of the strategic objectives that I laid out was also to mine additional white spaces and larger clients. And that's what we are continuing to do, right? While your question alluded to hiccups in some of these clients. Yes, the whole industry is under a lot of pressure because of the regulatory and other cost pressures. But that's what gives us the opportunity to continue to mine additional opportunities with the top clients.

And so while we continue to push for mid-market and small market account growth, our top clients continue to grow in high-single digits. And that's why the concentration doesn't come down as fast as you probably would like to see.

Raj Vyas: Understood. Also, I guess, last quarter, we have announced a dividend of 5 paise, right? And we also highlighted that we may continue to give it. Do we have to pay debt is it, or we have to keep cash as well in our hand. And at the same time, we are also seeing the right, our receivables have also increased. So I guess my suggestion or my thought is that how can we improve this trade receivables segment so that we can continue keep giving dividends ahead as well. Because last quarter only we started, and again, in this quarter, I guess, there is no dividend to the shareholders?

Ramesh Gopalan: No, even when we gave dividends last quarter, we didn't say that we're going to give dividends every quarter, right? So we will look at our full-year results, and we will take a call at the end of the year. To your other question, there is no issue with the DSO, right? Like Abhishek mentioned, when your quarter-on-quarter revenues grow up by 17%, unbilled receivables go up, right? So all the work that we did in December are yet to be built, right? So that's it's just a factor of the revenue growing by 17.5% that the DSO appears to be high, right? So there is absolutely no problem in our collection cycle. And like Abhishek mentioned, the DSOs will come down again in Q4 once the revenue growth rate stabilises on a q-on-q basis.

Raj Vyas: Okay. And lastly, that as we will be paying our debt by FY 2027, as you have mentioned in the call as well, so after that or during the period, are we looking for other M&A acquisitions as well so that that could be helpful as a company to us so that we can acquire smaller companies, and we can get benefit from them as well?

Ramesh Gopalan: Yeah. Like I've mentioned in the past, M&A continues to be something that we are keen on. We have a team that's constantly looking at opportunities for acquisition. And, yes, it depends on the size of the acquisition. A couple of acquisitions that we've done, we've managed through internal accruals. We've not had to raise additional debt.

And so depending on the size of the acquisition, we'll have to take a call. But to your question, overall, yes, M&A continues to be a key strategy for us. And if you find the right opportunity at the right valuation, we'll be more than happy to consider that.

Raj Vyas: Okay. And lastly, how's the demand panning out currently? As I know we have moved into the last quarter, but it's been few days only. As our demand scenario looking not just this quarter, but beyond them as we move into FY 2027 as well. So how's your demand scenario overall looking both in the geographies that we operate currently?

Ramesh Gopalan: Yeah. So, like, I mean, it's basis what we see is how we've increased our guidance for the full year. So demand continues to be good. So if you go back to the commentary, we continue to see opportunities in our existing clients, and we continue to add newer logos. And given that clients continue to be under cost pressure, there is more and more opportunity that we see because clients use outsourcing as a lever to reduce cost and manage their profitability. So we continue to see opportunities both from existing clients and from new clients.

And as a company, again, I did talk about our strategy of getting into some of the larger outcome based managed services constructs. Some of those conversations are also going on pretty well. So we are confident that those will help us improve our close rates and continue to keep the growth momentum going forward.

Raj Vyas: I understood.

Siddharth Rangnekar: Thank you, Raj.

Raj Vyas: Yeah. Thank you, and all the best.

Ramesh Gopalan: Thank you.

Siddharth Rangnekar: We take the next question from the line of Vamsi Krishna from Kotak Securities.

Vamsi Krishna: Hey. Hi. So my first question is for you, Ramesh. So just when you say the market is incrementally moving towards outcome based engagements, so how is Sagility positioned to maybe capture greater share from some of the undifferentiated vendors?

And second, is on the pricing, which CMS has announced for the CY 2027 MA plans. Now, this is a case that it could lead to increased outsourcing, but then some of your larger accounts are say, fairly mature outsources. So how would that have an implication for Sagility?

Ramesh Gopalan: So, Vamsi, I mean, the similar questions, we've answered on the second part, right?

So let me take your first question, right? Outcome based engagements, like I've said in the past, we continue to build on our capabilities both as a domain expert as well as our transformation capabilities. So a large part of these outcome driven models is essentially contracts in which clients expect more than just the labour cost based arbitrage. They expect cost reduction over several years. And those cost reductions typically come about because of technology and transformation.

And if you look at, for example, the synchrony that I was talking about, that's a solution that we've taken to the market in partnership with a couple of technology vendors. So these are platform players, and so we have partnered with them to offer this end-to-end service to our clients. So essentially, clients don't have to pay a license fee for the platform, and we would manage the whole thing as a managed service both the technology and the services around those technologies.

So it's going to be a combination of continuing to build on our domain expertise, continuing to build on some of our transformational capabilities, and thirdly, to continue to partner with some of the technology vendors who have platforms and stitching it all together to get to this end-to-end offering with a cost takeout commitment.

And like I said, it's an evolving journey. Our capabilities are increasing. And as you will see over the next two, three quarters, we are likely to launch many similar offerings, which takes advantage of partner capabilities and our own capabilities.

To your second question, look, this profitability pressure is not new. And I've I mean, told everyone about this over the last several quarters. And we continue to show growth in our large accounts, right? So, yes, our clients are mature outsourcers in a number of areas. But, again, there are number of additional areas in which they still can do more. And those are the areas where we are trying to win new business. And some of the managed service constructs those conversations are also being held with some of the large clients, right?

So when we were doing piecemeal outsourcing for them in the past, now they are trying to look at end-to-end and saying, okay. If you guys can actually deliver value by looking at this whole value chain end-to-end, are we more than happy to give it to you under, I mean, if you can promise committed cost takeouts over the three to five year time frame, right? So those opportunities are coming not just from newer clients, but also from our existing clients.

And specifically on the MA reintroduction, we didn't talk about it because it just came out yesterday. It's preliminary numbers. Yes, the preliminary numbers seem to suggest that the rate increases are not going to happen. But we'll wait to see what happens when the final numbers are announced in March and April. But that's only going to put additional pressure on our clients, right?

So the one thing which is also very clear from all these conversations is while there are additional opportunities that are also going to be additional pricing pressures because clients continue to look at all opportunities to improve their profitability. Lot of the work that we currently do will also come under pressure. But then that's where, like I've said, we need to use our transformation capabilities to try and deliver those cost take also the clients are looking for without having a bigger impact on our margins.

Vamsi Krishna: Got it. And good to know that you are launching new platforms and, of course, on profitability, you have anyways delivered better than what was earlier guided for. And just my third question is, and last one is on the white spaces that you have identified. And say, what could be the addressable market, which can or what's the growth rate of those white spaces that you are trying to expand into?

Ramesh Gopalan: So, see clinical continues to be a big area that that where we are seeing an opportunity. Like I said, we expanded into the clinical area for one of our existing large relationships. We continue to see opportunities there for that client as well as for other clients. I spoke about HEDIS, though we don't do too much work there. We want to take advantage of that with all of the changes going on.

STARS as a program, while we've been doing clinical work, we're kind of trying to get all those capabilities together and go-to-market as effectively helping clients improve their star ratings. So everything around clinical seems to be a big growth area. We're also on the back of the acquisition of DCI. We are also trying to expand our payment integrity capabilities to a much broader scope. So all of that is likely to drive growth in areas where we weren't present before.

Vamsi Krishna: Sure. Thank you. And maybe last, Abhishek, can you help us with the margin walkk for the quarter? And that's my last question. Thank you.

Abhishek Kayan: Can you repeat your question, Vamsi?

Vamsi Krishna: So I was asking for the margin walk for the quarter?

Abhishek Kayan: Margin walk with previous quarter?

Vamsi Krishna: Yes.

Abhishek Kayan: See, essentially, we delivered adjusted EBITDA of 26.2% in previous quarter. Our current quarter's adjusted EBITDA is 26%. So we are broadly in the same range as previous quarter. Approximately, I can tell you, right. I mean, we benefited by 1% because of favourable Forex in quarter three versus quarter two. We also benefited by 100 bps because of operating leverage. I mean, we had significantly higher revenues, and we had some scale benefits. So that impact was almost 100 bps.

We had 220 bps of negative impact because of change in the delivery mix in this quarter. The share of revenues that were delivered from U.S. almost doubled compared to previous quarter. We had a huge AEP linked seasonal growth in U.S. in BroadPath. And the organic business also saw AEP related seasonal businesses delivered from Philippines, Jamaica, and U.S. So because of this, the revenue share of low margin geographies was higher compared to India, and that led to a 220 bps dip over previous quarter. Net-net, we had a 20 bps dip over previous quarter. I hope this helps.

Vamsi Krishna: Very helpful. Thank you.

Siddharth Rangnekar: Thank you, Vamshi. We will take the next question from the line of Ninad Sarpotdar from Aditya Birla Money.

Ninad Sarpotdar: Hello, good evening. Congratulations on the great set of numbers. Just a few questions. Wanted to understand that this slashing of CMS funding, I just wanted to get some understanding whether if at all it happens, will the impact of drop in volumes or new enrolments will be much more higher or immediate than I understand that cost pressures will always drive our business as outsourcing partners. But that will happen over the time. But immediate impact, could it be adverse for us? That's my first question.

Ramesh Gopalan: Okay. So let me try and clarify a few things, right? The membership for 2026 was decided through the AEP that just concluded, right? So the membership for 2026 is not going to change because of this. And the rates that were also announced is the rates for calendar year 2027. So that's going to take effect 12 months from now. And again those are preliminary numbers.

We are still waiting for the final numbers in in March and April, right? Hopefully, that should address your question of immediate impact. So there's no immediate impact either on membership or on rates basis.

Ninad Sarpotdar: No. Immediate, I meant for the next year only, just the focus was on like whether will be impacted more adversely with the drop in volumes and the improvement will happen gradually over the time was my question.

Ramesh Gopalan: If membership increases, why would volumes drop? So volumes are not going to drop, right? Like I said few of our large clients have had growth ahead of expectations in the AEP season. And for those clients volumes are going to increase, right? Obviously, the reimbursement per member, I mean again that is CY 2027. Again it's not funding is being cut, it is the rates are not going to increase. Rates are not going to increase, risk adjusted rates will go by 2% or something.

But essentially, coming back to your question, AEP drives the membership volumes, and membership volumes drives the activity volumes.

Ninad Sarpotdar: Good and in terms of growth, I mean, how can you classify or bifurcate? Do you do that in terms of increased SOWs or addition of or launching of new solutions and in terms of organic growth? So can you throw some light on that?

Ramesh Gopalan: Look, new SOW or launching a new product which is sold to an existing client, all is part of organic growth, right? So organic versus inorganic is only the differentiation between the growth coming out of an acquired entity versus growth coming from the business that was there in the previous year, right? But all of those contribute to growth. Like we report new wins every year, those new wins comprise of both revenues coming from new logos, new clients that we open, as well as additional business that we sell to existing clients.

Ninad Sarpotdar: Okay, okay. Understood, yeah. That's all from my side.

Ramesh Gopalan: Thank you.

Siddharth Rangnekar: Thank you, Ninad. We take the next question from the line of Chirag Kachhadiya from Motilal Oswal. Chirag, your line is unmuted.

Chirag Kachhadiya: So congrats on a good set of numbers. Just one question in continuation with what previous participant has asked. So what I understood so far from the proposal that the spend is going to remain stagnant on Medical Advantage part. So in that case, is there a possibility that the volume of work will increase as the insurance companies have a cost pressure on? If you can share some like on this call.

Ramesh Gopalan: Yeah. So like I answered to the previous question also, Chirag, yes. I mean, cost pressures result in a number of initiatives that clients take, right? One is, obviously they need to reduce admin cost as much as they can as well as the clinical cost. So on the admin side, which is what a lot of the work that we do is predominantly on the admin side. So there are two things to do if there are still work that is being done onshore. And if that work can be offshore, clients look to service providers like us to help them with that.

Second thing, like I said, while to the earlier question, some of the larger clients may have been mature outsourcers. There is still smaller chunks of work upstream and downstream because of the scale issues that they have not thought of outsourcing before. But if you combine it in an end-to-end model, obviously, that's something that we could take over and move parts of it offshore and run the rest of it onshore, but still give them a committed saving through technology and transformation.

So those are the opportunities that clients are warming up to because any reduction in admin cost is going to help them at this time where there is pressure on profitability. And then on the flip side, like I said, there is always pricing pressure. So either new business that comes or contracts that get renewed, there is constant pressure on what more can you do at the same price or how can you reduce my price even further.

And so those conversations will obviously put a downward impact on revenues and margins. But that's where we try and see how best we can deliver to the client's request without a bigger impact to our profitability.

Chirag Kachhadiya: I was asking if we look at our current margin profile, it is I mean, ahead of most of our peers, I mean, we're running almost peak on year to peak margin. And let's say cost pressure comes, is there any possibility that we may witness some margin pressure considering the client's end situation and all and considering our position of a peak margin?

Ramesh Gopalan: Look, there's always margin pressure, right. So I'm not going to tell you that there is no margin pressure. There's always margin pressure. And like I said, in times of heightened profitability concerns at our clients end, there is going to be pressure, right? So the answer to your question is, can you deliver what the client wants in terms of cost reductions for them and still continue to maintain your margins, right? So that's the balancing act that all of us have to do.

So far, we are confident that we can do that. But obviously, we will keep updating our guidance if that changes. But this is not a new thing. This has been going on for the last several quarters. So the profitability pressure is not something that's happened. And again, these rates are going to take effect in 2027. So not reacting to the rates of 2027. Even if you go back, utilisation rates were high, profitability pressures were high even three quarters ago, five quarters ago with some of our large clients, right? This profitability pressure, especially on the Medicare Advantage plans is not something that is new. And so that's the environment that we've been managing all this while.

And so we'll continue to keep you posted, but at this point in time, like we guided for the full year, we are reasonably confident of achieving those margins.

Chirag Kachhadiya: And one final question on the BroadPath synergy. So what we thought a year back to integrate BroadPath in this portfolio, are we running on time, or is there some delay in acquiring the clientele and create a common pool of offering combined services to a common client pool?

Ramesh Gopalan: Look. I mean internally, we didn't expect the synergies to all play out in the first year. So whenever you acquire a business with about 2,000 plus people, it takes a while to integrate and so on. Most of the integration is over.

The delivery side of the integration will happen effective April 1. And as you know, Chris, who was the Chief Sales Officer at BroadPath, we've elevated him to take over all of our sales operations, all of our sales across Sagility. So some of those movements have happened. And the cross sell, like I said in my opening comments, the cross sell obviously in Q3 didn't happen because of the AEP season. But there are at least a dozen opportunities that we are actively discussing as we speak.

And we are very confident that those conversations will result in some deals. So the synergy is likely to play out over the next two to three years. But there is a lot of opportunity because like the whole thesis was BroadPath was only delivering a narrow set of services, whereas we have a much broader offering to take to those clients.

Chirag Kachhadiya: Okay. Thank you. All the very best.

Siddharth Rangnekar: Thank you. We take the next question from the line of Rishi Jhunjhunwala from IIFL. Your line has been unmuted.

Rishi Jhunjhunwala: Yes. Thanks for the opportunity. Ramesh, in your vast experience of doing business in this space, in the past years when there has been a pressure on profitability from your customers, is it fair to assume what you have experienced in the past is net-net at an operating profit level? It hasn't ended up being deflationary to your business given that either, any pressure on volume and pricing has been offset by productivity or the other way around. And as a result, some of the concerns around how this will play out on our financials going forward should also not be very high.

Ramesh Gopalan: Yeah, Rishi. That's the way it's been so far. So and we've spoken about the levers that we have at our disposal, right? So productivity improvements year-on-year is a big factor that offsets any pricing reduction or any cost savings that our clients demand. Use of technology and transformation is another big lever that obviously, that effectively drives the productivity. So that's another big lever that helps keep our margin safe. And yes, whenever we get a benefit of exchange rate, that also helps us drive in the long run, right?

So those are the levers that we have. But to your question, profitability pressures like I answered to the earlier question. I mean, this has been I mean, there are periods when this is higher than others. And I would say over the last few quarters, there's been a heightened profitability pressure on our clients, which is obviously translating to a lot of demand on cost takeouts and better efficiencies that they demand from us. And some of these larger constructs also gives us that flexibility to not look at it on an FTE basis or on a transaction basis.

But it also helps us move the narrative to more an outcome based in which case you're dealing it from headcount. And that gives you a lot more opportunity to use technology and other levers to help maintain your margins.

Rishi Jhunjhunwala: Understood. And the second question is, through the course of the year, we have raised our revenue growth guidance from 20% plus to now 22.5%. Would you be able to provide some colour on what has been the reason for this increase? Is it that we have been able to win a bigger share of the wallet from our customers, or the underlying outsourcing penetration has actually increased a lot more than what you potentially were anticipating at the beginning of the year?

Ramesh Gopalan: Yeah. I mean like we've answered this question many times. Wallet share gains, there are wallet share gains here and there, right? But that doesn't predominantly drive growth. Most of the growth comes from the outsourcing penetration that we talk about, which we call white spaces, right? Things that clients haven't done in the past, where we have the advantage because we have the skill sets, we understand the domain, so we have the end-to-end capability. So those are some of the things that give us an advantage in convincing clients that we are best positioned to deliver on those white spaces. But yes, that falls into your definition of outsourcing penetration and leasing, right? That's what drives most of the growth.

Like I said, some of these new constructs would basically take some of the work that we are already doing from our clients, add additional components to it, but be defined through a different business model rather than a FD or a transaction pricing model, right? So in that case, also, there is a marginal increase in the outsourcing penetration, but then that also changes the whole construct of the deal.

Rishi Jhunjhunwala: Understood. Thank you so much, Ramesh.

Siddharth Rangnekar: Thank you. May I request the participants to limit the initial questions to one per participant, as there are a lot of participants in the queue. Time permitting, we'll come back to you. We take the next question from the line of Shrenik Mehta from IndoAlps Wealth. Shrenik, your line has been unmuted.

Rishi Jhunjhunwala: I just wanted a medium term picture of how you're looking at gliding towards an ROE number, which would be at least over the cost of your capital 15%, 20% range. Do you see this happening in the next one or two years, two, three years, or do you see that this will be much longer?

Ramesh Gopalan: So I'll ask Abhishek to answer the question, right? So there are adjustments that you need to do to any of the return matrices that you compute, right? So want to understand on what basis you're computing first. But broadly, the guidance that we've given both from a profitability and from a revenue growth, forgetting the FY 2026 guidance is we continue to believe that we can grow in the low-to-mid teens organically, and any acquisitions that we do will be on top of that.

And we still think, while 2025 and 2026 are impressive numbers. We traditionally guide in the 24% EBITDA range, right? So, I mean, even over the medium term, we'll continue to retain the guidance. Obviously, at the end of next quarter, we'll give you a better guidance for FY 2027. But if you're asking for the medium term from a top line growth and a profitability perspective, those will still continue to be our guidance at this point in time.

And, Abhishek, can you respond to the specific ROE request?

Abhishek Kayan: So Rishi, let me step back and give you a background on how this company was formed. Essentially, Sagility was a carve out from a predecessor company wherein the predecessor company sold the health care business in form of asset transfer to our promoter, right? Sagility B.V. And the net purchase consideration was significantly higher than the physical assets acquired as part of this process, because there was a huge goodwill and intangible that got created on our books. So if you look at our balance sheet, the goodwill and intangible that you see on our balance sheet is not because of the acquisitions we have done post our formation, but it is because of the way we were created as part of carve out from our predecessor company. And, obviously, because of such high amounts on balance sheet because of goodwill and intangibles, the equity is very high, right?

I don't know where I got cut off, but what I was saying was, I mean, if you do a plain vanilla ROE calculation, just on the reported numbers, you'll end up with a low ROE. But if you make these adjustments for the high intangibles and goodwill that sits on our books because of the way we were created, you will end up with a high two digit number on ROE. Happy to connect with you offline to explain you this. Also request you to read our RHP wherein we have explained this.

Rishi Jhunjhunwala: So you mean the ROCE would be a much better measure for you rather than the ROE. But ROCE is also just in initial single double digit, right?

Abhishek Kayan: Maybe I'll request you to look at Slide 13 in our investor deck, wherein we have given an adjusted ROCE number, which is at 50%, and we've explained the way we have calculated this. We have made an adjustment for the high goodwill that sits in our books. I can take it offline, which I can explain you.

Rishi Jhunjhunwala: Okay. Thank you.

Siddharth Rangnekar: Thank you. We take the next question from the line of Riddhansh Chandak from Unifi AMC. Riddhansh, your line has been unmuted.

Riddhansh Chandak: Hi. Congratulations on a good set of numbers. I actually had a general question on the broader market within the U.S. If outsourcing penetration is already, say, high within the larger clients. How do you see this trajectory? How far can it go in terms of headroom? Could you just give some colour on that, please?

Ramesh Gopalan: Riddhansh, yeah. This question we've answered in the past. But like I said, the only anecdotal we can give is our top five clients have been with us for 18 odd years. And last year, the top five grew in high-single digits still, right? So when people ask us is there headroom to grow, which is what I tried answering in the previous questions, there are still white spaces in these clients that we are still growing. The large clinical opportunity that we want in Q3 was from a top five client, right?

And so if you look at our set of numbers at the end of FY 2026, you will see that our top clients will still grow at a very high rate. And some of the larger managed services deal constructs that I was talking about are also constructs with some of the large clients, right? So the question that keeps coming, what is the headroom to grow? We continue to show year-on-year that our top clients continue to grow at that higher rate, which is one reason why our concentration also doesn't come down as rapidly as everybody would like to see it, right?

But we are very confident that there is still enough room to grow in our top accounts.

Riddhansh Chandak: Apologies. I think I misphrased that question over there. What I intended to ask was on the lines of what percentage do the larger clients do outsourcing is how would I say this better? Outsourcing penetration in the larger clients, could you put a percentage to that?

Ramesh Gopalan: Yeah. I would roughly, I mean, it's a very difficult number, but look, the Everest report in our RHP decks and the industry penetration is in the 20's. So we would think that the larger clients would be closer to 50% to 60%, right? But there are still spaces there where we think we can get more work, and we continue to explore those areas. But, yeah, I mean, if you were to ask me to put a number, I would probably think 50%, 60%.

Riddhansh Chandak: Right. Thanks for taking the question. All the very best.

Ramesh Gopalan: Thank you.

Siddharth Rangnekar: Thank you. We take the next question from the line of Nandan Arekal from JM Financial. Nandan, your line has been unmuted.

Nandan Arekal: Thank you for taking my question and great set of numbers. So my question is on the net new ACV number. This has seen a slight drop this quarter from the previous quarter. So is this due to some sort of productivity pass back that we are seeing some near term bookings go down a little bit? And do we expect lumpiness in our bookings because of the large managed services contracts that we're talking about? And how should we look at the net new ACV number going forward? Yeah. Thanks.

Ramesh Gopalan: Good question, right? So, yes, depending on some of those contract wins, there will be some lumpiness to our ACV. To your question, the ACV win numbers have got nothing to do with giving efficiencies back, right? Because these are deal wins that have just happened during the quarter. And so the execution on those deals would have just started out or in some cases may not even have started in the same quarter, right? So that's got no relation to that.

The reason if there was a marginal dip, obviously, the AP season is a season where clients are very busy with their new enrolments, right? So the discussions on a lot of opportunities don't proceed as fast as it proceeds in the other quarters. So we are confident that that number will pick up. But your broader question, yes. There will be some lumpiness depending on, on which quarters we've been what size of deals. But we hope to see these numbers go up even otherwise gradually inch up over the coming quarters.

Nandan Arekal: Yeah. Okay. My second question is on the medium term outlook. So do we have maintained that, we'll do low-double digits. So in the context of, let's say, the productivity that we're giving back to clients, cost pressures, and also the outcome based models that we're looking at, do we see any sort of risk to those that medium term outlook?

Ramesh Gopalan: Not really, right? The cost pressures, like I said, cost pressure is only going to translate to clients asking for more commitments on efficiency improvements from our side, right? So that's more of a question on how much it's going to impact our margins and how do we manage it with all the levers that I just spoke about, right?

The cannibalisation because of some of these efficiencies, that's part and parcel of our business, and I've answered this question in the past. Even today, I would say about 150, 200 basis points of cannibalisation happens. And cannibalisation happens in multiple ways. One of the cannibalisation that mostly we talk about is technology based cannibalisation. But in our business, there's also cannibalisation when work moves from one geography to another geography, right?

So for the same volume of work, if I'm delivering it in the U.S. and tomorrow the client wants me to deliver from a different geography, there is a cannibalisation in revenue, right? So that typically plays out during the life cycle of an SOW or with the client relationship when they're first comfortable and they want us to do work onshore versus later, they want us to move the same work offshore.

But all of this put together, the level of cannibalisation is only likely to increase, right? So that's a statement that we've made in the past also. But our low-to-mid teen growth that we're talking about or the low teen growth that we're talking about is obviously net of all of these cannibalisations. And, yes, we need to work harder for the same level of growth. That's for sure.

Nandan Arekal: Yeah. Just a clarification to this. So are we expecting this medium term outlook we have given for the organic, if I'm not wrong. So for the inorganic portion as well, do we expect the same level of growth, or is it slightly higher, lower? Yeah.

Ramesh Gopalan: BroadPath was acquired in January, right? All of this becomes organic from Q1 next year onwards.

Nandan Arekal: Got it. Understood. Yeah. Thank you. Very helpful.

Siddharth Rangnekar: Thank you. We take the next question from Arvind Arora from A Square Capital. Arvind, your line has been unmuted.

Arvind Arora: So, how much we have spent for automation or innovation kind of things for the current year, and what is our plan? What is we are budgeting for next year?

Ramesh Gopalan: Look we don't give out specific numbers, right? But, broadly, we have a large tech and transformation team. We were just looking at it. We have over 400 heads in our tech and transformation team. While they may do some direct billing to clients on specific technology or transformation work, a bulk of what they do is building some of these Gen AI use cases. A bulk of what they do is the transformation that helps in generating those tech based efficiencies that we pass on to the clients. We are continuing to invest in that capability.

Arvind Arora: Any person like, round off numbers like percentage of revenue that we are intend to spend? Because this is the things which can save us, correct?

Ramesh Gopalan: Yeah. I mean, I don't know if, I don't have a number off the top of my head, but Abhishek, we can come back to you.

Arvind Arora: Okay. Understood. And since you mentioned about GenAI, so how this GenAI theme is paning out, And are we also getting any farming opportunities due to this? Or are we also expecting any increase in margin going forward? Or like due to this GenAI your automation client is also coming and asking or gain share or something like that is happening. Like, how these teams are, like, panning out? If you can shed some light on it.

Ramesh Gopalan: Yeah. I mean, I've been saying the same thing over the last 45 minutes, right? The outcome based constructs, the managed service constructs, there is an expectation of higher cost takeouts because of higher efficiencies. And a lot of times, those efficiencies are delivered through GenAI and other transformational initiatives, right? So obviously, that's what is the expectation from the client, and that's one of the growth levers that we spoke about.

To answer your question, yes. Those are all things that that help us position ourselves as someone who can help clients take cost out.

Arvind Arora: So then, protection, like for us going forward from margin perspective would be, like as you mentioned, delivery on time and delivery with quality, correct? And that part, can be done by automation or like, an improving the learning curves, something like that. Is my understanding correct or?

Ramesh Gopalan: Yeah. So what's your question?

Arvind Arora: No. I got your answer. Thank you.

Ramesh Gopalan: Okay. Thank you.

Siddharth Rangnekar: Thank you. That was the last question for the day. We thank the members of the management for today's call. And on behalf of Sagility Limited, this concludes the webinar for the day. You may now log off the event.

Ramesh Gopalan: Thank you. everyone.
