



Date: November 15, 2024

To,  
The Manager,  
Listing Department,  
National Stock Exchange of India Ltd.,  
Exchange Plaza,  
Plot No. C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

**NSE Symbol: UNIHEALTH**

Dear Sir/Madam,

**Sub: Transcript of Results Earnings Call for Unaudited Financial Results for the half year ended September 30, 2024.**

In continuance of our letters dated November 07, 2024, we hereby inform you that the transcript of the Company's Results Earnings Call to discuss the Unaudited Financial Results for the half year ended September 30, 2024 held on Tuesday, November 12, 2024 at 02.30 pm IST and concluded at 03.30 pm IST is available on the website of the Company at <https://www.unihealthfinancials.com/recordings-and-transcripts>

We also enclose herewith a copy of the transcript and request you to kindly take the same on record.

Thanking you.  
Yours faithfully,

For Unihealth Consultancy Limited

Binita Patel  
Company Secretary & Compliance Officer



**UniHealth Consultancy Limited**

(Formerly known as Unihealth Consultancy Private Limited)

Registered Office : H-13/14, Everest, 156, Tardeo Road, Mumbai - 400 034, Maharashtra, India.

+91 22 2354 4625 / 27 ✉ info@unihealthonline.com 🌐 www.unihealthonline.com | www.umchospitals.com

CIN No.: L85100MH2010PLC200491



# “Unihealth Consultancy Limited H1 FY25 Earnings Conference Call”

**November 12, 2024**



**MANAGEMENT: DR. AKSHAY PARMAR – MANAGING DIRECTOR –  
UNIHEALTH CONSULTANCY LIMITED**

**MODERATOR: MS. CHANDNI CHANDE – KIRIN ADVISORS PRIVATE  
LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to H1 FY25 Results Conference Call of UniHealth Consultancy Limited hosted by Kirin Advisors.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Chandni Chande from Kirin Advisors Private Limited. Thank you, and over to you, ma'am.

**Chandni Chande:** Thank you. On behalf of Kirin Advisors, I welcome you all to the Conference Call of UniHealth Consultancy Limited.

From Management team, we have Dr. Akshay Parmar who is Managing Director. I now hand over the call to Dr. Akshay. Over to you, sir.

**Akshay Parmar:** Thank you, Chandni. Good afternoon, everyone, and welcome to our earnings call.

I am pleased to share the performance of our company for the first half of fiscal year 2025, which marks a significant step forward in our journey as a global healthcare leader. These results reflect our team's dedication to expanding healthcare access both in Africa and India, underpinned by our strategic investments and operational efficiencies.

In H1 of FY '25, we have achieved growth in both income and profitability. Our consolidated revenues for the first half stood at 25.26 crore, representing a year-on-year growth of 10.55%.

EBITDA grew by 20.03% to 9.41 crores with an improved margin of 37.25%, reflecting a 294-basis point increase compared to the same period in the previous fiscal.

Our net profit saw a healthy increase of 23.19%, reaching 5.23 crores with a net profit margin of 20.69%.

These results highlight the operational efficiencies and scalability of our business model, which continue to support our sustainable growth.

Looking deeper into our financial performance, segment-wise revenue analysis shows that our hospitals and medical centers vertical remained the largest contributor, accounting for 20.40 crores, which is 81% of the total revenue. Consultancy services generated 1.62 crores or 6% of the revenue, while exports and distribution vertical contributed 1.81 crores, making it up at 7%. The other income added 1.43 crores, which represents 6% of our revenue.

From a geographic perspective, Uganda remains our dominant market, contributing 18.32 crores or 73% of the total consolidated revenue. India followed with 3.95 crores or 15%, followed by Nigeria at 2.11 crores or 8% of the total consolidated revenues. Our presence in UAE contributed to 0.42 crores and Tanzania to 0.46 crores, accounting for 2% each to the total consolidated revenues of the company.

Looking ahead, I remain optimistic about the future. Our expansion strategy includes the development of over 1,000 tertiary care hospital beds across Africa and India and the opening up of more than 25 UniHealth Medical and Diagnostic Centers.

Additionally, we are expanding our service offerings to include specialized care in ophthalmology, IVF and cardiac care in Uganda and Nigeria, which will further enhance our value proposition. These initiatives position us to capture the growing demand for high-quality healthcare services across the regions of our presence.

In conclusion, I want to reaffirm my commitment to driving growth and creating long-term value for all the stakeholders. I am confident that our ongoing expansion, strategic investment and focus on operational excellence will continue to strengthen our position as a leader in the global healthcare industry.

I would now like to thank all the stakeholders for their trust and support in the company. I am now happy to take any questions that participants may have. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Yashwanti from Kojin Investment. Please go ahead, ma'am.

**Yashwanti:** This is from Kojin Finvest. Sir, my first question, first is congratulations for the great set of the EBITDA margin expansion what we are seeing. So, my first question is related to that. We are seeing around 37% plus EBITDA margin. So, what were the growth driver and what outlook you would like to give for the rest of the year?

**Akshay Parmar:** So, in terms of the critical growth drivers, the operational efficiency contributed significantly to the increased EBITDA margin at both the hospitals. On a ground level as the revenues increase, in the hospital industry, the fixed cost to a large extent are capped at a particular break-even point. Beyond that, any growth in revenue usually translates into a higher margin because your cost towards employees, your cost towards the utilities or infrastructure is unlikely to increase in the same proportion.

So, as we inch towards the higher revenue, the margins have been improving over the last 12 months or maybe 18 months. So, that has been the largest contributor because our revenues are on local basis. I mean, both Uganda and Nigeria at both the hospitals have improved on a year-on-year basis. So, that has contributed mainly to this additional margin that we have realized over the year-on-year basis comparison.

- Yashwanti:** So, in that case, do you expect around 40% for the rest of the year or maybe for FY '25?
- Akshay Parmar:** No, going forward, yes, the existing operations might still witness another 1%-1.5% of growth as revenues increase. But on a consolidated basis, as we move towards an expansion mode where we will be adding on significant bed capacity in the coming 6 to 24 months as we inch towards our intended 1,000 beds, all the new addition might be at a lower EBITDA during the first 12 to 18 months while we build on the operations for those facilities.
- So, on a consolidated level, going forward, either we will be maintaining this EBITDA, or the EBITDA margins are likely to come down by a couple of percentage points while the overall revenues and EBITDA in real absolute numbers will increase considerably as we add on additional beds that we intend to do so.
- Yashwanti:** So, any new hospital or any new facilities are in a process where we can see the operation come in the next 6 months, I mean the second half of the year?
- Akshay Parmar:** Yes, so the company is in advanced discussions for a couple of facilities, which we aim to conclude before the end of this financial year, in a sense that these facilities should be commissioned and operational in the last quarter of the ongoing financial year. We are quite confident of adding 50% of our, I mean, adding another 100 beds to the existing capacity of 200.
- So, we will be increasing the beds in by about 50% by the end of this ongoing fiscal. From the 300 beds that we aim to have before the end of this fiscal, we will be adding another 250 to 300 beds in the next financial year. So, those discussions have also been initiated by the management. Hopefully, very soon we will be in a position to share significant details with all the stakeholders.
- Yashwanti:** So, from the current capacity of our 200 beds, we will be adding it to another 300, right, by the end of FY '25?
- Akshay Parmar:** So, I will just rephrase it. From 200, we will go to a total capacity of 300 by the end of the fiscal year. So, we will be adding 100 beds in this financial year.
- Yashwanti:** So, 200 to 300 and then another 250.
- Akshay Parmar:** Yes, in the next financial year, we will be adding another 300, taking the total capacity to roughly around 600 beds.
- Yashwanti:** 600 beds, okay. And then we can see and by FY '27, when all these facilities touch their break-even point and start operating at a very much operational efficiency level, we can see there is further room for improvement in the EBITDA margin. Am I understanding it correct?
- Akshay Parmar:** Yes. So, at that time both the EBITDA margins will also increase and the overall pie, I mean the overall absolute number of the revenue is also going to increase significantly.

- Yashwanti:** My second question is as you mentioned, we are going from 200 to 300. So, this expansion is happening in African market or both domestic and African market?
- Akshay Parmar:** This is equally positioned in India and Africa. So, for this financial year, we will be adding a 50-bed strength in India and a 50-bed capacity in Africa.
- Yashwanti:** And what would be the funding for this capacity addition, sir?
- Akshay Parmar:** So, the funding, so part of the IPO proceeds will be used, which were already marked out in the user proceeds that we had submitted in the prospectus.
- Yashwanti:** So, for the next year, there is another 300-bed capacity. For that, you may need a fund, which will call for a fundraising exercise.
- Akshay Parmar:** Quite possibly, it depends upon, so we have got multiple discussions ongoing, both in India and Africa. Some of them may need some additional funding in terms of an acquisition. Some are more on the O&M aspects, where we will be taking those facilities on a long-term lease or come operational contracts. So, out there, the requirement is more so towards the funding of equipment purchase and operational capital, which we have the liberty to access bank debts as well. So, in that case, we may not need to go back to the public for a fund raise for those particular projects. So, it is going to be a mix and the clear idea will be available only by the last quarter of this financial year.
- Yashwanti:** So, in this case of the 100-bed capacity, which we are planning for this second half, or maybe the first half, what we are talking about FY '25, this is a completely new acquisition or a set-up or this is an operational kind of a contract with the already existing owner.
- Akshay Parmar:** No, so both these are completely new set-ups that we are having for the 50-bed in India. It's going to be our first facility in India and the other 50-bed that we are looking at is in Tanzania. So, the India one is a pure Greenfield. Tanzania, we have got ongoing discussions with two different facilities. One is a sort of acquisition, and the other one is relatively, I wouldn't say a clear Greenfield, but it's midway, where we will be entering, but it does not have an established revenue stream right now. Once we enter, post that, that commissioning phase will happen. So, the turnaround time will be smaller compared to a standard Greenfield, but it does not have an existing top line to contribute to the group on an immediate basis.
- Yashwanti:** Sir, two more questions. One is that you recently announced the change from the UniHealth Hospitality to suit what the business operation we have and exactly clarify what the businesses we are entering. So, when this is actually happening, we are changing it from the UniHealth Consultancy to the UniHealth Hospitals. So, what is the timeline for this change? And the second is what kind of a benefit do you foresee as the owner from the change in enhancing the brand in the hospital?

**Akshay Parmar:**

So, your first part of the question, the name of the company, all the formalities with the Registrar of Companies, ROC and MCA have been completed and internally the approved name now is UniHealth Hospitals Limited. The only change that is pending is with respect to the exchange. So, the application for this affecting this change in the ticker of the company has already been submitted to the exchange and we are in the process of exchanging some details and documents that the exchanges have requested us to. So, I am expecting it to get concluded in the coming couple of weeks.

But again, this timeline is something which will depend upon the nature of queries that the exchange might have after the submissions that we are making. So, it may get extended by a week, 10 days, but officially the name in the Registrar of Companies has been changed from UniHealth Consultancy to UniHealth Hospitals Limited. And this change was affected because 80% of the company's consolidated top line as of now and also in the near future is going to be contributed by its hospitals and medical centers. So, we thought that the name of the company should better reflect the largest vertical of the company. So, from that perspective, the name has been changed.

As a management, what the benefit that we foresee in the coming period is that we get better grouped under the healthcare category with the right kind of peers for the public stakeholders. So, there may be a lot of individual stakeholders where that dilemma, whether we are a hospital group or whether we are consultants to the hospitals does arise because of the name. Once we get grouped, typically if we look at the average PE multiple at which the healthcare industry, I mean the hospital industry right now is creating, that average PE is upwards of 50. So, as management, we do feel that by getting it under the right grouping, there is a possibility that the stakeholders will start viewing the company from a different perspective as well.

**Yashwanti:**

So, apart from the business reflection and the hospital business, you have also gained other valuation perspective for what the other listed hospitals get, right? So, that kind of a benefit we can...

**Akshay Parmar:**

That is an advantage. Also, one more advantage which might not reflect here on ground in India is that with this change, a lot of acquisition discussions or a lot of collaborations that we are undertaking discussions for in different African countries, out there the thought process and the reputation of the company changes the moment it is a UniHealth Hospital Limited versus a UniHealth Consultancy Limited. So, that also allows us to position the company better in terms of the discussions and negotiations that we are having with some of these stakeholders for future projects.

**Yashwanti:**

That's very true, sir. Sir, another second thing which I wanted to understand is how our medical travel business is prospering and shaping up and what kind of outlook you would like to give us going forward?



**Akshay Parmar:**

So, medical value travel as a vertical is the oldest vertical for the company. But from a branding perspective, way back in 2018, we had actually moved out of it. We have re-entered the space earlier last year and going forward, the thought process is with hospitals across critical African countries and hospitals in India, it will become something which is going to be purely internal where we are going to achieve way better margins and provide way better services to our patients.

So, a patient from a UMC Hospital in Nigeria will have the liberty to undergo treatment at UMC Hospital in India. For the group, it will improvise upon the margins. So, that is one of the arenas that we are looking at. It also helps us with a lot of corporate contracts that we have in these countries, clients like the United Nations, clients like the Ugandan military and defense forces. So, for them, it becomes a seamless experience because then they are not referring to a third party. They are referring to us as UMC Hospitals Group. So, the potential for us to increase that business becomes a reality when it is purely internal. So, from medical value travel, that is one major advantage that we are looking at.

Then coming to geographies where UMC Hospitals do not have a presence. Since it has been the oldest vertical for the company, we have the expertise, we have the facilities and capacity with the management, and we have already started sequentially targeting some of those countries also, where traditionally we were receiving a lot of patients from. So, earlier, the margin for such a business would vary between 15% to 20% on a gross basis. But now with UMC Hospitals being one of the front runners for getting that patient base into India, and those patients will effectively be treated at one of the UMC Hospitals facilities in India, that margin will nearly double up. So, then we will be looking at a 40% plus margin on the same business that earlier would fetch us about 15% to 20%.

**Yashwanti:**

That is really great, sir. And how is our working capital factor moving and what is the current working capital days?

**Akshay Parmar:**

So, the trade receivables even right now are around the similar period of about 225 odd days, mainly because of the business in Uganda. So, one of our major clients is the government subsidiaries or the government units like the Ministry of Defense and certain other government departments where typically the payments come in 180 to 250 days. So, that is one of the major reasons why our trade receivables have been on the higher side. Going forward with the commissioning of the facilities in Tanzania and India, on a current consolidated basis, I am saying going forward, once our facilities in other countries like Tanzania and India are commissioned, these trade receivables will start coming down. Though Uganda would remain the same, on a consolidated basis the effect would reduce. So, automatically the number of days would start coming down and will be somewhere around 150 to 180 in the coming fiscal.

**Yashwanti:**

But normally in a hospital business, the trade receivables are normally that high? Or being our presence in the African market, we see such a high working capital?



**Akshay Parmar:** No, I would say that as an industry itself, whether it's Africa or whether it's India, if a facility has dependency on a credit market, like in India you have got a mix. You have got a very healthy mix of cash-paid patients and TPAs. But hospitals which are overly dependent, or which have a massive revenue generation from the different government schemes, whether it is MJPJAY or whether it's the Pradhan Mantri Aarogya Yojana. So, in these cases again the payment cycles vary between 6 months to 12 months. So, it's almost similar whether it's India or Africa.

In Africa because the cash paying patient base is relatively smaller versus the smaller population in comparison to weaker economy when it comes to fluid income to spend. So, the cash paying patient or the cash paying clientele in Uganda is less than 30% of our total revenue generation or the total patient base. So, when 70% of our revenues come from either government departments or United Nations or private insurers, in that case, it's usually a credit business where the turnaround can range between 3 months for clients like UN and private insurances to about 9 to 12 months for government departments.

**Yashwanti:** Sir, any regional diversification you are looking for or you are planning for the next 6 to 12 months?

**Akshay Parmar:** In terms of diversification, we are not looking at any new vertical to be added to the group. We are clear on the strategy that these four verticals that we have a presence in, that's hospitals and medical centers, consultancy services...

**Yashwanti:** Other than regional diversification, sir.

**Akshay Parmar:** Sorry?

**Yashwanti:** Other than regional diversification, other than India, Uganda and Tanzania, any other...

**Akshay Parmar:** No, so in Africa we have earmarked a total of 5 geographies where we would want a presence to be established in the coming 3 years. We have it in three. Nigeria, Uganda, Tanzania we already have presence. Kenya and Ethiopia are two geographies that we are keenly looking at and exploring opportunities. But yes, beyond those five, we will not be moving into smaller geographies in Africa because they do not provide us with the opportunity to scale in view of a limited population base out there.

**Yashwanti:** And sir, last question, as we are prospering and as we are growing, we have got a healthy expansion. Are you looking, are you and your other partner who is normally based in Africa, I am sorry, I am not able to recollect his name, but are you or both of you are looking to enhance your stake in the company? That's my last question.

**Akshay Parmar:** So, we would be very happy and keen to do that. I wouldn't deny that, but it all depends upon the, what do you call, the way forward in terms of expansion, whether stake enhancement is required or is possible, because to be true for us, this is something that we are looking at from a

generational business sort of a thing. It is not something which is short lived. It is not something where we are keen to or exploring opportunities to exit in the coming 10-15 years or so. So, yes, maintaining the stake, I would rather say, is going to be of prime importance, and as and when liquidity permits and compliance perspectives are also in line, we would be more than happy to maybe buy out our own equity at some point in time,

**Yashwanti:** Thank you so much for explaining me all the details with this perspective. Wish you all the best going forward.

**Moderator:** Thank you, ma'am. The next question is from the line of Pushkar Jain from Sequent Investments. Please go ahead.

**Pushkar Jain:** So, I just wanted to reconfirm the growth guidance that we are planning for current year and next year in terms of revenue and EBITDA margin.

**Akshay Parmar:** So, for the current year, I will provide you with all the three. First is the number of beds. So, from 200, we intend to increase this capacity to 300 beds, but the revenue realization for the addition is unlikely to happen in the ongoing fiscal because this addition will happen almost in the last quarter of the ongoing fiscal. So, the revenue realization might be minimal.

The existing pattern of growth that we have in our commissioned facilities, that's in Uganda and the project pipeline for consultancy as well as the orders in hand for the pharma distribution division, so all those are likely to maintain a robust growth. What we witnessed in terms of percentage points for the first half, we are going to have a similar pattern for the second half, maybe a slightly better one because there are certain areas in terms of consultancy services where usually the second half of the year does much better than the first half for us on a historic basis.

The same goes for the profits as well. The margins are likely to remain the same or witness a small increase in the second half of the year. So, by the end of the year, we will be maintaining the current growth rate or bettering it by a little. In terms of the addition of the beds, 100 beds will be added, but the revenue profitability of these 100 beds is only going to be witnessed in the coming financial year. Because by the time we add and we start consolidating those or commissioning those beds, the financial year is likely to near its end.

**Pushkar Jain:** And any update on the syringe facility that we had started? Is it like operational now?

**Akshay Parmar:** Sorry, which facilities?

**Pushkar Jain:** Syringe, we are manufacturing syringe with some local partner.

**Akshay Parmar:** No, syringe facility is the construction of the entire structure has been completed. The equipment orders will now be placed with the target that they are all in place on site by the end of the financial year. We are targeting June 2025 for production to begin.

- Moderator:** The next question is from the line of Tara Kaur from VY Capital. Please go ahead.
- Tara Kaur:** My question is that what are the company's plans for engaging with local community to improve access to their health care in underserved regions?
- Akshay Parmar:** So, when it comes to Africa right now, wherever presence is there, so let me start with Uganda. In Uganda, the company is keen to provide a better accessibility to the underserved population of the country. And from that perspective, in the coming 18 months, we are looking at setting up about 8 to 10 medical centers, which will provide basic consultation services, basic diagnostics, including ultrasound, checkups, optical checkups, lab tests, small pharmacy, and a small triage or a holding area where emergency treatment can be provided.
- So, in this format, we are looking at about 8 to 10 medical centers in the coming 18 months in Uganda, in the periphery of Kampala. So, anywhere in the radius of what two to three hours of drivable distance from the hospital that we already have. So, these will allow us a twofold benefit. One, it will allow us to provide services at a lower cost to the underserved population of the country. So, compared to the hospital, these centers will be better priced in terms of the economic.
- Second, these will also act as feeders or as spokes for the hospital where patients who need surgical intervention, who need intensive care services can then be referred to the main hospital in Kampala. So, that will also allow us to benefit from these kind of reference from within the network itself. So, this is the way forward that we are looking at Uganda.
- When it comes to Nigeria right now, our presence is in Northern Nigeria in Kano. So, as the first step, we are exploring Lagos, which is the commercial capital of the country and Abuja, which is the political capital of Nigeria. Both those are locations where we can put up a 50 to 75 bed hospitals. We have already started the process to identify the right property for this expansion. That will be step one, which will allow us to provide access to a larger population base of the country to our services.
- In step two, we will definitely be looking at the same model that we have in Uganda, where we put up small medical centers and those act as spokes where we can provide them with cost effective consultation and basic diagnostic services and also create a referral network from within the group itself.
- As of now, for Nigeria, typically what we are doing is that we have got Indian specialist surgeons who travel every six to eight weeks from different faculties like orthopedic, spine, laparoscopic, gynecological services. So, these doctors, when they travel, they are providing free consultation services to the population out there. So, on an average, a three day or a four day stay that these doctors have, they end up seeing about 200 plus patients between two doctors. So, that is one another way of us reaching out to the local population and creating a good social capital for the company and the brand.

**Tara Kaur:** And sir, my next question is that how does we are forcing the future of healthcare in Africa and Indian market and what role does it intend to play in the future? How much will that benefit us in our growth basically?

**Akshay Parmar:** So, in terms of the overall future, whether it's Africa or India, statistically, the numbers might be a little different, but the potential for healthcare services in both these geographies remain extremely robust. One, access to healthcare is improving, patient education is improving, and the overall government initiatives, whether it is these countries in Africa or whether it's India, the government spend or the government initiative on healthcare services are on the rise.

Second, post COVID, there has been a great amount of emphasis by a lot of impact funds and a lot of foundations when it comes to healthcare services at the primary and secondary level in Africa. So, that is allowing us to capture chronic diseases at a much earlier stage, and that allows the patient base to overall expand.

Some of these countries have a very good national health insurance already in place, like Tanzania, like Kenya. Countries like Uganda are in the process of establishing a national health insurance scheme. So the Parliament has already passed the bill. The execution modality is underway, which might take maybe a year or two years more. But once that happens, a much larger population would be under the ambit of healthcare services, access to healthcare. So, from that perspective, being there or having a presence itself will allow us to benefit from the growth that the overall sector is likely to witness.

Second, as and when the growth happens, whether it is UMC facilities or whether it is anyone else, infrastructure development is a critical component of all of this. When infrastructure development comes into play, the requirement for consultants like us, who can help plan, design and commission these kinds of services and facilities comes into play. So, we have got a good opportunity to tap into the consultancy services vertical as well.

And third, the distribution vertical, that is likely to benefit because with the number of patients seeking services increasing, the overall consumption of pharmaceutical consumables in these geographies is also likely to increase. And when that increases, the opportunity to trade more and distribute more will also increase. So, overall, whether it is India or Africa, with the overall development and growth of the sector, just having the presence and being able to provide good quality services and having a trusted brand positioned in these countries, we are sure to benefit significantly from this growth.

**Tara Kaur:** And my last question is that what key trends in the global healthcare industry that we as a company focusing on majorly to capture that market?

**Akshay Parmar:** So, see, when we talk about the global healthcare industry today, the key things that come into the mind or into the forefront are things like artificial intelligence, things like technology, things

like the mobile apps and everything. But the geographies where we are present in, for example, Africa, basic accessibility itself is playing a critical role.

So, definitely, our AI is something that we will be looking at keenly following it up from an implementation perspective, both in Africa and India. But on an immediate basis in the coming six months, we are going to be looking at investing some amount into developing the technological aspect of the company to extend our services to a larger footprint or a larger audience via mobile apps.

So, that is something that is a strategic investment that we will be making in the coming two quarters, so that by the time we start commissioning the additional bed capacity that we aim to, we have got this backend absolutely well-defined and ready to roll out.

**Moderator:** Thank you, ma'am. The next question is from the line of Naina Jain from LK Capital. Please go ahead. Ms. Naina? As there is no response, we will move to the next question. The next question is from the line of Vidya from Green Capital. Please go ahead.

**Vidya:** So, my question is, is there any future plan for extension in India? Is there any new market you have identified? Any other region you are planning to expand your business?

**Akshay Parmar:** So, no, definitely India is right up there on the management's focus of the additional capacity that we intend to plan in the coming 3 years. As we grow from a 200-bed strength to a 1,000 bed strength, we will be looking at developing a portfolio of at least 400 to 500 beds in India. The first target for us as we inch towards the 1,000-bed capacity would be to have at least a 400 bed capacity across 4 to 5 facilities in India.

So, every single facility that we will be looking at in India is going to be in the range of 50 to 125 beds. That's the ideal bed strength that we will be looking at as an individual facility in India. So, in the coming 3 years, we will be looking at setting up 5 to 6 facilities with a combined bed strength approximately around 400 beds in India.

When it comes to Africa and newer geographies, we will be looking at geographies like Kenya and Ethiopia to make an expansion into and set up our facility while we grow and capitalize on our position in the existing geographies of Uganda, Nigeria and Tanzania.

**Moderator:** The next question is from the line of Viral Gupta, an individual investor. Please go ahead.

**Viral Gupta:** Sir, my question is, what strategy company used to cater the healthcare demand for countries like Tanzania and Kenya?

**Akshay Parmar:** So, can you say that again?

**Viral Gupta:** What strategy company use to cater the healthcare demand for countries like Tanzania and Kenya?

**Akshay Parmar:** If I am understanding it right, you want to ask it for what is the company strategy for catering the demand in Tanzania and Kenya, right?

**Viral Gupta:** Yes, sir.

**Akshay Parmar:** So, like I mentioned, Tanzania we already have a small presence in terms of a medical center. Now we are looking at setting up a tertiary care facility out there. The idea is in the coming 2.5, 3 years to have an established bed strength of about 200 to 250 beds in Tanzania across 3 to 4 cities of the country that we are exploring opportunities in. These include the commercial capital that is Dar es Salaam, Mwanza, which is in the Lake region and the second largest and most populated city after Dar es Salaam.

Then the other two cities under consideration are the political capital of the country Dodoma and a city called Arusha, which is basically the gateway to all the tourists attractions of the country. So, these four geographies we have earmarked to explore opportunities to set up a bed capacity of about 200 to 250 beds in Tanzania.

Kenya, right now we do not have a presence. We are keenly exploring and understanding that market. And when the time is right and we get the right opportunity, we will be keen to enter that market either by way of a brownfield acquisition or by O&M contract, but we have been tracking the healthcare sector and the industry in Kenya and key geographies in Kenya for us that are on the watch list include Nairobi, which is the capital city, include the port city of Mombasa and smaller places like Kisumu and Kakamega and Eldoret. So, these are the 5 cities and towns in Kenya that we have been tracking for the right opportunity to come to us.

**Viral Gupta:** And sir, my another question is how does UniHealth ensure the quality of healthcare services while scaling its operation across the different country?

**Akshay Parmar:** So, as a private company we started small, and both the promoters are from the field in terms that both of them are doctors. We have the educational background. So, that allowed us to create very, what you call, robust SOPs, protocols that have been put in place.

Dr. Anurag relocated to Uganda from the same perspective that once we had a facility which was our flagship facility way back in 2016-17, we wanted to have some feet on ground which would ensure that all the protocols are implemented, and the quality perspective is well catered too.

So, today for us luckily at UniHealth, we have got a very good bench strength of key senior managers and executives who have been trained and who have been working with us since a

good number of years in different roles and capabilities and capacities. And they are the ones who will be spearheading the expansion as we take it forward.

As we expand, definitely it's not just the in-house talent, we do need people from outside to be employed, but out there also since we have been present in this industry in India under the medical value travel segment, since a very long time, we have the right network to tap into the resource pool.

So, for our Indian operations, very recently we have had Mr. Saurav Chatterjee join us as the Head of Operations. He has been a veteran in the industry, having worked with Fortis, having worked with Apollo, having worked with Wockhardt and having worked for about a decade or more with Aditya Birla Hospital in Pune in various leadership positions and roles. So, again, out here, the manpower plays a very, very important role.

Lastly, what is also critically important as we grow is that the manpower that joins the company sticks to it. And I am very happy to share with everyone on the call that for us the attrition rate has been extremely low. We have never had in the last 10 years any senior executive actually leave the company. Whatever attrition that we experience is primarily from our hospitals in Uganda and Nigeria at the entry point level, that is the nurses or the office boys or the technicians.

We never really had any senior doctors or management people leave the company over the last 10 to 12 years of our existence. I mean, 14 years, but a lot of them have joined just about 10 years back. So, from that perspective, this also plays an important role in the work culture at UniHealth and will be extremely supportive of the growth that the company undertakes, because that is the time when this will be put to the real test.

**Moderator:** Thank you, sir. The next question is from the line of Rachna Sharma from HNI India. Please go ahead.

**Rachna Sharma:** Sir, my first question is what operational efficiencies did UniHealth implement to achieve Y-o-Y gains in EBITDA and PAT margins?

**Akshay Parmar:** So, one important aspect was better management of the cost of inventory. So, over a period of time, especially post the tapping into the capital markets and having access to funds, we have been able to plan our exports from India in a much better and a streamlined manner, which has allowed us to reduce procurement locally for a lot of consumables where the pricing parameters are significantly different. So, we have been able to reduce our cost of inventory, which has added to our margins.

The second is that with access to capital, we have been able to plow in a significantly higher working capital in Uganda and tap into a lot of business that we had to earlier forego because of limited access to the funds. Now, what that has done is it has allowed us to increase our top line.



And with that increase, like I earlier mentioned on the call, our fixed costs do not increase in the same proportion.

Usually when our revenues increase beyond a particular breakeven point, the expenses that are added up remain limited to the consumables and a little bit of the medical parameters that the doctor charges or the physician charges. Beyond that, the paramedical staff, the utilities all remain constant, whether you are realizing that revenue or not. So, with an increase in that revenue, that has also added to an incremental margin.

And lastly, we have invested into developing certain Centers of Excellence like orthopedics, spine. We are focusing on minimally invasive procedures at laparoscopic surgery, which are a higher margin procedures. We have got Indian doctors who are traveling every six to eight weeks to either of our facilities. And that has allowed us to increase our revenues at a much better margin in comparison to the same procedures being done by local doctors. So, that has also added to the increase in the EBITDA and PAT margin.

And lastly, when it comes to PAT, there has been a significant reduction in the cost of finance. So, from a lot of internal accruals that we have realized over the last 12 to 18 months, we have been able to reduce our debt considerably. And with that reduction in the debt, the interest cost, the cost of finance has come down significantly, which has also allowed us to benefit at the PAT level.

**Rachna Sharma:** My next question is, given the company's revenue distribution, Uganda's contribution to UniHealth's revenue is accounting for over 70% of total revenue. So, how does UniHealth plan to increase its footprint in India?

**Akshay Parmar:** So, in India, the increase in footprint is via the hospitals that we are looking at. In the next three years, we are looking at establishing a bed strength of around about 400 plus beds in India, which will significantly add to the consolidated top line. We are also tapping into the consultancy services vertical of the company, both in India and Africa and Middle East. So, that is also likely to contribute to the diversification or dependence on one geography.

So, over a period of time, with these being commissioned, these facilities, the dependence on or the contribution from Uganda to the consolidated top line is likely to come below 50% in the short-to-medium term and the target is to reduce the dependence of the top line from any geography to not more than 30% in a period of three to four years from now.

**Rachna Sharma:** Sir, my another question is, how does acquiring UMC Global Health Limited align with UniHealth's broader business strategy?

**Akshay Parmar:** So, there are two important aspects in that. In Nigeria, we are now looking at expanding our presence by establishing facilities in Lagos and Abuja. So, the bed strength from 80 bed capacity,

we are inching towards the 200 bed capacity in the coming 12 to 36 months, as in when the right opportunity comes in.

At that point of time, having it as a subsidiary and having complete operational control over the company will play a significant role because at that point, by leveraging UniHealth's brand value and treating it as a subsidiary, we are able to liaise and discuss with a lot of DFIs who have their focus on Africa and specifically on Nigeria as a market. That is the first point.

Second is from an accounting perspective, having it as a 51% subsidiary allows us to capture the entire top line of that company onto the consolidated books, whereas right now we have been able to only capture half of it. So, that will also allow us to capture the top line in entirety and provide a better and a true picture of the consolidated top line of the company to our stakeholders.

**Moderator:** Thank you, ma'am. The next question is from the line of Mahesh, an individual investor. Please go ahead.

**Mahesh:** Sir, my first question is how does UniHealth collaborate with local healthcare providers and governments in the countries where it operates?

**Akshay Parmar:** So, Mahesh, your question was how do we collaborate with local healthcare providers and the government in countries where we are operating? So, all these countries are fairly small in terms of the industry where we have got a very robust mechanisms of interdependency. Because we have very few private players in the industry out there in terms of hospitals. More than being competitors, we are sort of partners in the industry where we do lean on each other.

So, there are times when we refer our patients to them when a particular service is down for maintenance in our facility. For example, an MRI machine or CT scan machine for maintenance may be down for a few days, a couple of days or maybe a little more in case any service part needs to be replaced. At that time, we refer patients to them and simultaneously they do and reciprocate the same way when their systems are down.

Secondly, what happens is that we are the largest in both the sectors that we are there, in Uganda in the private sector and in Northern Nigeria in the private sector. We also have the largest intensive care facility. We have got modular theaters. So, many times, a lot of these smaller facilities that are there, they refer patients to us so that their patients can get access to the ICUs or their patients can get access to certain minimally invasive procedures that we are undertaking. So, it is a very healthy relationship that we have with a lot of local service providers in terms of the hospitals in these countries.

When it comes to doctors, a lot of local doctors are on an honorary basis. They are honorary consultants. So, they practice at our facility. They also practice at other facilities. So, they are not bound, but once they have been used to our way of functioning, a majority of them end up practicing for 70% to 75% of their time and patient base at our facility because of the

infrastructure that we have created and the support system that they have in terms of a lot of facilities and access to a lot of inventory items, which otherwise sometimes are difficult to get in smaller setups in these countries. So, that is the way that we have been liaising and networking and cooperating with the healthcare providers.

When it comes to government, again, we have a very good way of liaising with the government. We are constantly in touch with different departments. We provide our services to a lot of departments, and we are also very forthcoming in sponsoring healthcare services for a lot of events that some of these departments have.

For example, when the Sports Ministry undertakes any sports activities in Uganda, we are more than happy to extend our ambulances and a small clinical team to be present on ground on a pro bono basis. Similar activities we undertake in collaboration with the Rotary, where we take part in organized cancer runs to create awareness.

Similarly, in Kano also, we extend our services to the airport authorities, to the police force of the city. So, by doing these activities and extending our facilities and services to them, we have been able to create an extremely good rapport with the different government departments out there.

**Moderator:** This was the last question for the day. I now hand the conference over to Ms. Chandni Chande from Kirin Advisors Private Limited for closing comments. Thank you, and over to you, ma'am.

**Chandni Chande:** Thank you. Thank you everyone for joining the conference call of UniHealth Consultancy Limited. If you have any queries, you can write to us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you for joining the conference.

**Moderator:** Thank you, ma'am. On behalf of Kirin Advisors, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.