UniHealth

Date: May 30, 2025

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 – 400051

NSE Symbol: UNIHEALTH

Dear Sir/Madam,

Sub: Transcript of Results Earnings Call for Audited Financial Results for the half year and financial year ended March 31, 2025.

In continuation of our letter dated May 20, 2025, we hereby inform you that the transcript of the Company's Results Earnings Call, held to discuss the Audited Financial Results for the half year and financial year ended March 31, 2025, is now available on the Company's website.

The Earnings Call was conducted on Monday, May 26, 2025, commencing at 12:20 p.m. IST and concluding at 1:15 p.m. IST.

The transcript can be accessed at the following link: https://www.unihealthfinancials.com/recordings-and-transcripts

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

Thanking you.

Yours faithfully,

For Unihealth Hospitals Limited
(Formerly known as Unihealth Consultancy Limited)

Binita Mayur Patel
Digitally signed by Binita Mayur Patel
Date: 2025.05.30 12:33:39 +05'30'

Binita Patel
Company Secretary & Compliance Officer

“UniHealth Hospitals Limited

H2 FY '25Earnings Conference Call”

May26, 2025

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

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

Moderator: Ladies and gentlemen, good day and welcome to the UniHealth Hospitals Limited H2FY25 Earnings Conference Call hosted by Kirin Advisors Private Limited.As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, since we are on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Chandni Chande. 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 Hospitals Limited.From management team, we have Dr. Akshay Parmar, Managing Director. I now hand over the call to Dr. Akshay. Over to you.

Akshay Parmar: Thank you, Ms. Chandni.[inaudible0:01:57].We are progressing in the right direction at UniHealth, with early signs of impact from our strategic initiatives beginning to take shape across key markets. Our on-ground efforts are translating into tangible improvements in healthcare access and service quality. Since our establishment in 2010 in Mumbai, UniHealth has evolved into a global healthcare provider with a strong presence in Africa.

Going forward, in the coming 24 months, we intend and are committed to replicating the same success across the upcoming UMC Hospitals network in India, bringing together the benefits of an existing mature business of the company in Africa with the highly scalable opportunities in a stable and rapidly growing market like India. In today's call, I will walk you through our operational and financial performance for the second half and full year of fiscal 2025 and share how we are positioning ourselves for the next phase of growth. This year, we made significant progress across all core areas of our business.

While the addition of key super specialties and a focus on fiscal discipline helped the revenues and profitability of our hospitals improve, our consultancy vertical continued to gain scale, with over 1,300 beds managed through institutional partnerships. A 500-plus strong team provided services to more than 130,000 patients this year, helping perform 1,700-plus procedures, with the facilities achieving an average occupancy of 58%. These aren't just operational milestones.

They represent lives touched, access expanded, and clinical outcomes improved. In Uganda, we added a new dimension to our service offering by launching the first UMC Medical Center in [inaudible 0:02:46]. This addition improves outpatient and specialty reach in a high-demand catchment.

At our flagship facility in Kampala, the introduction of a dedicated IVF and fertility center is already addressing a significant gap in reproductive care for the region. These moves align with the healthcare needs we see on ground, where high-quality, affordable care is still out of reach for far too many. We also took a decisive step into the Indian healthcare landscape.

Our 60-bed tertiary care hospital in Navi Mumbai is nearing readiness and is expected to begin operations by July 2025. This facility is the first of several that we plan to open across Western

India as part of a multi-phase expansion. Projects in Nasik and Pune are moving forward, and together they will add more than 500 beds in the coming two years.

Our broader objective remains clear. To establish a connected network of mid-sized, high-performing hospitals that bridge the gap between affordability and clinical excellence. Now, turning to our financial performance, I am proud to report that the second half of FY '25 was exceptionally strong.

We closed the half-year with a total income of INR33.15 crores, up 20.6% from the same period last year. The EBITDA stood at INR11.91 crores, and net profit surged to INR9.91 crores, a 63.5% jump year-on-year. The earnings per share for the company rose from INR3.94 in H2 FY '24 to INR6.44 during the same period in FY '25, demonstrating operating leverage and cost discipline across our portfolio.

For the full year financed in FY '25, we reported consolidated income of INR58.41 crores, a 16% increase from FY '24. The EBITDA was INR21.32 crores, and the net profit came in at INR15.14 crores, up nearly 47%. We sustained an EBITDA margin of 36.5%, and net profit margin reached 25.92%. EPS for the year stood at INR9.83 compared to INR7.67 last year. These numbers reflect not just revenue growth, but profitability that's built on efficiency and execution.

In terms of segment-wise performance, the hospitals and medical centres accounted for INR48 crores, which is more than 82% of the total consolidated revenue. Consultancy brought in INR2.5 crores, exports and distribution added INR5.06 crores, and other incomes stood at INR2.82 crores. On the geographic front, Uganda contributed to 74.5% of the total revenue, followed by India at 15.81%, Nigeria at 7.7%, with additional contributions coming in from Tanzania, UAE and Mauritius.

While our financial results highlight strong growth, we are only part of the broader picture. The underlying market dynamics are equally important. We continue to see a steady rise in demand for well-structured, mid-sized healthcare facilities, especially in underserved urban and semi-urban areas.

Insurance coverage is expanding, patient awareness is increasing, and expectations around service quality are becoming more defined. In India, there is a growing interest in cross-border medical services, while in the African markets, demand is accelerating for specialized care, such as fertility treatments, diagnostics, and short-scape procedures. Unihealth's strategy is closely aligned with these evolving market trends.

Our focus is not on expansion for its own sake, but on building a platform that is clinically relevant, financially sustainable, and responsive to regional healthcare needs. Each project is evaluated based on local demand, operational feasibility, and long-term outcome potential. Our approach ensures that capacity growth is meaningful, designed to deliver measurable value to both patients and the system as a whole.

As we look ahead, the direction is clear. Our efforts in fiscal 2026 will be focused on commissioning new projects, deepening clinical programmes, and expanding our medical

center network, particularly in East Africa and Western India. Our aim is to grow smart, stay nimble, and keep patient outcomes at the core of everything we do.

I will now like to thank you for your time and attention, and I look forward to your questions and the discussions that follow. Thank you.

Moderator: The first question is from the line of Shruti Malpani from Aarth AIF. You may proceed.Seems like the participant may have disconnected. We will proceed to the next participant. The next question is from the line of Vishal Dudhwala from Trinetra Asset Managers.You may proceed.

Vishal Dudhwala: Good afternoon, sir. I have a couple of questions regarding to your Indian business. So, first is, given the presence of established healthcare providers in Maharashtra, including corporate hospital chains, could you elaborate how UniHealth plans to defend UniHealth in terms of service offering, priding, patient experience?Right.

Akshay Parmar: So, Vishalji, in western Maharashtra, where we are mainly looking at expanding in the first phase of our growth in India, the idea that we are looking at is Mumbai, Pune, and Nasik, the golden triangle of Maharashtra that we are looking at. Now, there are two aspects to it. All the big corporate chains, whether it's Apollo, Medicover, Sayadri, and likewise, they all are present in a capacity, bed capacity, which exceeds 200 beds.

So, they all are the larger corporate hospitals in this vicinity. And our target market is anywhere between 50 beds to 175 beds, which allows us a two-pronged strategy. One, from when it comes to patient care, we are able to leverage this to ensure that there is a more personal touch to the patient care that we are extending.

So, in a 50 or a 75 bed or a 100 bed facility, it is easier for the clinical team to ensure that the patient care is more personalized in nature compared to a larger corporate. There are multiple challenges that come across when you are in a larger hospital facility.

Second, when it comes to doctors, the flexibility for the doctor in terms of a variety of things, both clinical and non-clinical, is way higher when we are looking at a UMC Hospital facility, which is between 100 and 150 beds or 175 beds, compared to an Apollo or a Medicover, which is a well-established brand, where the brand supersedes the doctor. So, there is a limitation on the flexibility that a doctor can enjoy, both clinically and commercially.

So, these are the two aspects that we are looking at. This is again coupled with a very high growth that is being witnessed in these cities. Now, whether it is from the resident population of these areas, or also from the inward growth that some of these cities attract from the rest of Maharashtra.

So, when I am looking at Navi Mumbai, the catchment area is now extending to almost Talegaon and beyond. That entire population, which is a growing segment, is coming towards Navi Mumbai for their healthcare services, with a new airport coming in, the number of residential projects that are coming up are also increasing by the day. So, that is going to allow the facility to garner a very good, strong catchment area to capitalize upon.

When it comes to Pune or Nasik, both these cities, you know, catchment areas extend to the semi-urban and rural sector, which is almost 200-250 kilometers beyond these cities. So, again, there is a massive growth in terms of the absolute numbers itself that is happening. So, that is another aspect which is likely to fuel the demand for healthcare services in these cities.

So, this is the initial, you know, focal point for us in the first phase of growth, where the first 500 beds that we will be looking at will be mainly centered around these three cities in India.

Vishal Dudhwala: Okay. As you mentioned about Nasik hospital, so by which year your Nasik hospital will be operational fully?

Akshay Parmar: We are expecting to commission services before the end of the calendar year, this ongoing calendar year. So, more or less, we will be having a commissioned somewhere around December or latest by early January 2026.

Vishal Dudhwala: Okay. And what's your forecasted contribution from the Nasik hospital in upcoming years?

Akshay Parmar: So, Nasik facility is likely to be somewhere between 175 to 200 beds. In the coming years, the target for an Indian facility for us, the first target would be to reach a revenue per occupied bed of about a INR1 crore per year. So, when I'm talking about an average occupancy rate of 60% to 65% in the initial couple of years, we are looking at about 130 odd beds that are occupied. And the target revenue per occupied bed that we are looking at in the initial 2 to 3 years will be touching the figure of about a INR1 crore per occupied bed.

So, we'll be looking at a significant contribution from Nasik and Navi Mumbai, such that on a consolidated basis, India by the end of 2.5 years from now should command about 50% of the total consolidated revenue for the company.

Vishal Dudhwala: Okay, great to hear this. And the last follow-up question from the Nasik one is, like Nasik is fully operated by UniHealth, right? It is not the management fees based?

Akshay Parmar: No, none of these, both Navi Mumbai and Nasik, both will be fully operated by UniHealth. I mean, they are under the subsidiary of UniHealth called UMC Hospitals Private Limited. So, as a structure, UniHealth Hospitals, the entire Indian hospital sector is via UMC Hospitals Private Limited, which is a direct subsidiary of the company, whereas the existing facilities in Africa are by the operational entities that are existing out there.

Vishal Dudhwala: Okay, that's it from now. Like, I will wait in the queue for further questions if arise to me.

Akshay Parmar: Sure, Vishal ji. Thank you.

Vishal Dudhwala: Okay, thanks.

Moderator: Thank you. The next question is from the line of Yashwanti, an Individual Investor. Please proceed.

Yashwanti: Yes, thank you, sir. Sir, I just want to understand on our global operation. As we are seeing the Uganda is contributing a major lead to our overall consolidated revenue. So, what would be

your strategy? Because you have a plan and expansion in India and again, Uganda is still contributing a high. So, going forward, where the ratio will be tilting? Is it towards India or Uganda or how the focus would be?

Akshay Parmar: Right. So, the focus for us is to, in the coming 24 months, ensure that contribution from any one geography does not exceed one third of the total consolidated revenue. So, going forward, as we expand in India and in East Africa as well, though the absolute numbers from Uganda are likely to increase significantly, since that is a mature business for us now, the total top line contribution from that facility within the next 24 months is being aimed at less than one third of the total consolidated revenue.

So, we would be expecting India to come in at about 50%, Uganda to be somewhere around 30%-35% and the remaining 15%-20% is likely to be from other East African countries that we are looking at, especially Tanzania as of now. So, this is the overall consolidated, you know, what do you call it, part of the -- in terms of the percentage revenue that we are anticipating in the coming 12 to 24 months.

Yashwanti: Okay. So, the next question is regarding the proposed acquisition of the balance 50% stake in the UniHealth Victoria Hospital. So, when we can expect that the whole consolidation happening, and what kind of outlay, finance outlay it will happen to acquire the 50% state?

Akshay Parmar: Sorry, can you just repeat the question again? I missed it out.

Yashwanti: Yes. So, you are proposing to acquire the balance 50% stake in the UniHealth Victoria Hospital, that is Uganda. So, what are the financial outlay you are expecting for buying out that 50% stake? And secondly, when we can see this 100% stake acquisition and consolidation happening in UniHealth?

Akshay Parmar: Right. So, this is the first point. I mean, we have not really proposed acquiring that entity entirely. There is a discussion internally, definitely. It is something that can be looked at and considered. I mean, it is part of a larger format where we are looking at the pros and cons of a variety of factors. But it is not something that we are looking at on an immediate basis.

Even when we look at it, now, considering that the Ugandan facility is a mature business, we will have to undertake a comprehensive process of due diligence to arrive at the fair value. That company is likely to go debt free in a couple of months from now, when it comes to banking debt. So, from that perspective, there is going to be a considerable value that that company will derive.

If at all the management does decide to take that step forward and we look at acquiring it 100%, the revenue potential and more so the profitability will be significant because that's a mature business, which is operating at a 35 plus percent EBITDA margin and very, very healthy PAT margin as well. So, in all eventuality, if we take that step forward, then the profit after tax for the company is likely to increase significantly. And that is one of the pros that we are looking at when we look at any discussion around that particular facility.

Definitely on the other side, like I mentioned, it is a mature business, which is likely to go debt free in a couple of months from now. So, there is going to be a significant fair value to that entity. And to acquire that, the capital allocation is going to be significantly large. So, the debate internally will be whether to acquire the remaining 50% of that particular company or utilize that capital and allocate it for adding another 200, 300 beds between India and East Africa.

So, that is something that we have been debating internally, but there is nothing in terms of a concrete proposal right now as we speak. In due course, whatever decision the management takes after discussing it with all the board members, we will be happy to share it with all the interested stakeholders as well.

Yashwanti: Yes. So, the decision will be either to buy that 50% stake or use that money in India for more expense. So, what kind of a proposed outlay you are looking at? And obviously, they will put a [good value 18:46] to raise the funds.

Akshay Parmar: Right. So, based now, this is purely conjecture. This is not a value that I'm giving you based on any internal discussions. But on a pure market basis, the approximate calculation that any private equity does for an established business in East Africa in the healthcare space is a multiple of the EBITDA. So, they range between 5x to 8x of a multiple, depending upon the geopolitical scenario of different countries.

So, on an argumentative, say, if I'm going to say put it at a 6x multiple, then I'm talking about the overall valuation for that company to be somewhere around $18 million to $20 million, which will translate in about $10 million of capital expenditure to acquire the 50% stake that is held by our partners right now. So, all in all, if we were to look at that proposal, the financial outlay would be about US$10 million.

Yashwanti: US$10 million.

Akshay Parmar: Yes, this is again an estimate based on how the calculations by a variety of private equities are being done for East African businesses in this space.

Yashwanti: Understood, understood. Overall the…

Akshay Parmar: It is all dependent on a variety of other factors, including negotiations that may take a significant amount of back and forth.

Yashwanti: This time we see very premature question, but in that case where you and Anurag sir would be increasing your stake by increasing more capital or it would be through maybe funding it for the market, maybe for the debt or maybe preferential allotment or the warrant allotment, whatever?

Akshay Parmar: So, the ideal way forward for that would be a mixture of three, which is the promoters infusing their own capital to the best of their ability and capacity, a preferential allotment or going back to the public for a part of that fundraise and maybe looking at some amount of debt as well, since on a consolidated basis, the books are significantly strong when it comes to debt.

There's barely any banking debt that the company has at present. So, it can leverage its strength to raise some amount of that funding via debt as well.

Yashwanti: Okay. So, would you also help me understand your other global business, let us say, UNC Global Health, Nigeria, when you are launching [inaudible 21:18] stabilizing and what is the way forward? How do you see the growth or what kind of a capital infusion you are looking to settle them or expand them in those areas?

Akshay Parmar: Right. So, I'll go geography by geography. The first one I like to take is UAE, where we have a subsidiary called Aryavarta Ancillaries. That is a pure management consultancy firm which extends healthcare consultancy services to projects that we undertake in Middle East and Africa mainly.

Now, it is extremely difficult to pinpoint a standard growth pattern for the consultancy division because there might be years where we get a million dollars worth of revenue and there might be years where we just do about $300,000, $200,000 because these project cycles can take a long tenure in terms of their planning and execution and revenue realization is also staggered.

But that particular company is mainly aiming management consultancy contracts, design consultancy contracts, all forms of healthcare consultancy that the group provides for Middle East and African markets. Coming next, Uganda Victoria Hospital Limited is well established in terms of the hospital business.

We've got another associate entity out there, UniHealth Uganda Limited, which acts as an importer and distributor of a variety of pharmaceutical and medical consumables specifically for the Ugandan market. So, again, that is an entity where we expect the top line and bottom line to grow decently in the coming two years because a lot of products are getting registered at present.

We have completed the registration of the manufacturing facility of Reliance Life Sciences of whom we use for Uganda and we are now moving on to the registration of the individual products. Similarly, we are in the same process for few other companies as well. So, with that portfolio growing in the coming 12 to 24 months, we do look forward to an incremental revenue and profitability from the distribution division.

So, that was the second company that we have in Uganda. Now, coming to Nigeria, UMC Global Health Limited, which is a subsidiary where we own 51%. As we speak, we are actually in the process of moving out of the 80-bed facility that we have out there and focusing or re-strategizing the entire business on two fronts.

One is where our doctors from India will regularly every six to eight weeks travel and operate, conduct OPDs and operate surgical camps at our partner facilities, not only in Kano where we have a presence in terms of the hospital, but in other cities as well. And second would be aiming the medical tourism market, that is getting patients from Nigeria into the UMC facilities in India.

Now, the reason why we are looking at making a move out of operating the 80-bed facility is also twofold. One, we had anticipated the Nigerian Naira to stabilize after last year's significant depreciation. However, even in the fiscal 2024-25, the Nigerian Naira further depreciated by more than 50%. So, the currency depreciation, year-on-year, if it is at this level, it does not allow us to make further investments.

So, the board feels less confident to invest and grow further in a market where the currency depreciation is in this manner. Second and more challenging aspect, which is more of a moral and ethical consideration for us internally, was the challenge in electrical power in that particular country. So, that country has been witnessing a significant challenge and shortage of electricity, because of which we have to rely on running the facility on diesel generators for almost 18 to 20 hours every single day.

Now, this shortage has resulted in a lot of private facilities and government facilities out there, especially in Kano where we have the facility right now, to shut down their critical services and ICUs. Because if you're operating and if you've got patients and critical services and ICUs, then you cannot shut off the diesel generator. And running for 20 hours on diesel generator is not viable at all.

So, they have shut it down. Now, on a moralistic basis, if we have a patient who needs ICU, who needs ventilator support, we know that we've got ventilators. And the only reason that we cannot allow that patient to be transferred onto a ventilator is the challenge of electricity and the cost attached to it.

That was a moral question that was difficult for us to take, as to how can we go ahead with that. Now, because of that, we were running continuously on the electrical, I mean, on the diesel generators for running our critical services, but eventually, that eats into the profitability of the company and may push it in the negative in the coming months and years. So, that was another reason why that decision is being made, where we pull out.

We oversee the market scenario for a year or so. Once things stabilize, we've got the expertise, we've got the market knowledge. So, making a re-entry into that market in terms of operating a facility is not a challenge for the company. Also, unlike Uganda, we do not own the real estate in Nigeria.

So, moving out and taking that call and re-entering it is a much easier decision because the facility is not owned by the company. There is no capital investment made into the land and building that allows us to take this decision in a much easier manner. So, going forward for the next two years, the idea is that we consolidate between East Africa and Western India. One more aspect in this favor, other than the geopolitical scenario, which is way more similar between East and East Africa, is also the connectivity.

There is a direct flight connectivity connecting Mumbai with all these countries in East Africa, whether it's Ethiopia, Kenya, Tanzania or Uganda, allowing us to ensure that our management team and our doctors can make a quick dash to these countries, perform their procedures,

conduct OPDs and come back. And the travel time is still only 5.5 hours. So, this is the larger geographical footprint in terms of the strategy that we are looking at going forward.

Now, coming to the last bit of Tanzania, where we've got two companies, BioHealth Limited and UniHealth Tanzania Limited. So, under BioHealth Limited, we are expanding our dialysis center and converting it into a 20-bedded secondary care facility equipped with mother and child care, equipped with a two-bed ICU and an operating facility.

So, that facility will be re-commissioned as a complete health center sometime by September. The renovation, refurbishment, and equipping part will be done by July end, and the licensing will be taking place somewhere between August and September. So, I'm expecting by the end of September, the renewed license, which allows us to operate as a health center, as a secondary hospital will be there and we will be operational as a health center post that sometime either in the second half of September or first half of October.

Coming to UniHealth Tanzania Limited, the second company in Tanzania, under that company we are focusing on looking at a 100-plus-bedded hospital in Dar es Salaam. There are active discussions and negotiations going on to acquire the operational management of an existing facility in that city. These are nearing the last stage of negotiations and discussions. We expect these to conclude sometime by mid-June.

The tentative timeline that we've kept is actually May 30th, but it is likely to extend by a couple of weeks because some of the board members on the other side are traveling at the moment. But by 15th of June, we will have an understanding on the way forward with respect to that particular facility.

If it all goes well, then between 15th of June and end of September, we will be completing the detailed due diligence with respect to the existing assets. We'll be having the agreements in place and we'll initiate the operational handover such that by October, we are in control of operating that said facility.

Yashwanti: So, there are two more things regarding Tanzania, that is the UMC Health Center at Mwanza, Tanzania. So, how that is also progressing?

Akshay Parmar: So, that is what I mentioned, that in Mwanza, we have a dialysis center, which we are now expanding into a 20-bedded health center. Yes, so Bio-Health Limited, so that UNC Health Tanzania. So, there are two companies in Tanzania we have, Bio-Health Limited and UniHealth Tanzania Limited. So, Bio-Health Limited focuses on the business in Mwanza, UniHealth Tanzania Limited is for the business in Dar es Salaam.

Yashwanti: Okay. And so, you also have some UNC Rainbow School in Uganda. So, what is that?

Akshay Parmar: No, we do not have it. UniHealth has no role in that. Our partners out there, the local partners, equity partners in the company out there, they have the Rainbow School of Uganda, Rainbow International School of Uganda. It is entirely theirs. As UniHealth group, we have nothing to do with it. No, we are not part of that particular project.

Yashwanti: So, can you comment to our bed facilities as we are expanding the bed facilities in Uganda as well as in India? So, just wanted to understand like how, what is our average realization per bed, per day or per month, whatever the physical way to explain it?

Akshay Parmar: Right. So, right now, for this particular financial year that ended, we were running on a consolidated basis at an occupancy level of 58%. And the average revenue per occupied bed was just a little upwards of INR27,000 per day. So, that was the numbers at present. However, one important aspect out here was that these numbers would be a tad better if Nigeria is moved out.

Because with Nigeria, because of the currency depreciation, the average revenue per occupied bed on an Indian currency term dipped significantly due to the overall situation that was there in that country. On a standalone basis, I'm looking at Uganda, it was upwards of INR30,000, INR31,000 per occupied bed.

Going forward, like I mentioned, for the Indian facilities, we will be targeting somewhere around INR1 crores in terms of the revenue per occupied bed, translating to say about INR27,500, INR28,000 per day. This is the first target.

Then we move on to the second target, which is inching towards INR40,000. The larger groups in India today, be it Apollo, Max, Medanta, they are registering anywhere between INR55,000 and INR70,000. However, major contribution to that is from specialties like kidney transplant, liver transplant, heart and lung transplant, and cancer care.

Now, those are four specialties that can be added to any facility in Phase 2. Phase 1, you will not be able to add on those services owing to various licensing formalities and the clinical teams being in place.

Yashwanti: Okay, sir. As compared to Nashik, Navi Mumbai would be better, not better, comparatively costlier. As compared to the Navi Mumbai, the Borivali which you are proposing in Mumbai is comparatively much higher. So overall with this, how you are looking at to invest into and when you see the major bid capacity coming up?

Akshay Parmar: So one, when we are expanding in India, we are going on an asset-light model. So whether it is Navi Mumbai or Nashik, Pune or any other parts, we will not be investing in the land and building. We will be either, so right now the projects that are there are all on lease model, but we are also open to and discussing on possible revenue share model with existing facilities, where there are existing facilities who are open to handing over the operational management and the present management wants to take a step back.

So that is also a discussion. So in terms of the investment, it will differ whether we are going in a greenfield model where we leave the property and we are doing the entire property end-to-end or whether we are taking over the operations and management of an existing facility. So the capital investment required for the equipment is going to be significantly smaller compared to the Navi Mumbai facility, for example, which we have done as a greenfield.

So there are these questions which arise whenever we are taking up a project. The target is that in a city like Pune or Nashik, we will be looking at a bed capacity ranging between 100 and 200 beds. So it can be 125, 150, 175, compared to a facility anywhere in the Mumbai metropolitan region, where the target would be between 50 to 100 beds, precisely because of two reasons.

One, the cost of renting out or leasing out a real estate space in Mumbai is, significantly higher than the similar space in Pune or Nashik. So one, your rental outflow is significantly higher out here compared to your two cities in this context.

Second, in Mumbai, because it is widely spread as a geography, people from Borivali would not want to come down to South Bombay, people from Navi Mumbai would not want to do that. So we feel that the potential in a city like Mumbai is to have over a period of 2 to 3 years around four to five facilities between 50 to 100 beds, which can establish the UMC brand all across the city and get patients from the entire catchment area.

Unlike, bigger hospitals which have the leverage of limiting themselves to one, because the pull factor for them, I mean, for Apollo or for HN Reliance is significantly different compared to the pull factor for a UMC facility.

Yashwanti: And let's again take last two questions. What is our current contribution to the overall conservative revenue from the consultants and from the hospital business? And how are margins varying between the two businesses?

Akshay Parmar: Right. So in terms of the consultancy, in terms of the hospital business for the financial year that ended, we had a revenue contribution of, I think, 80%. That was from the consultancy services business. And in terms of the contribution from the hospital was 80%. And in terms of the distribution from the consultancy vertical, it stood at, I think, about 5% or so.

Yashwanti: Okay. And how are the margins and going forward, you were looking to increase the consultancy business?

Akshay Parmar: Going forward, definitely. See, margins in a consultancy business is significantly higher compared to the margins in the other verticals, because in consultancy it is directly linked with the revenue. The opex does not really change much.

So the moment our revenues increase, the margins tend to cross 50% or maybe even 60%, depending upon the total revenue generated from the consultancy vertical. In comparison, the hospital business would be generating a standard EBITDA ranging between 30% to 35% for us.

Yashwanti: Okay. And down 5 years, how this proportion is going to think?

Akshay Parmar: So 5 years down the line also, I mean, all the growth projections that we are forecasting, we are sharing, we are debating upon are all linked to our hospitals and medical centers only. For the consultancy vertical, it is difficult to say whether, our INR2.5 crores revenue will translate into INR5 crores or INR8 crores next year, or INR8 crores in a particular year will come down

to INR3 crores in the coming year, because the revenue realization from a project-to-project can change significantly.

Like compared to last year, where we were catering our services to a consolidated bed strength of about 1,250 beds, the project that we are having right now and providing services to exceed 1,300 beds. So in all the number of projects and the bed capacity have increased, but the revenue realization in this particular financial year has come down significantly.

Now we expect that revenue realization to increase in the coming 2 years, because that is how those projects are planned out in terms of the project cycle. And that is where our deliverables are going to be significant and the, invoicing is going to be accordingly to that. So for consultancy, we always put it across that it is the cream and the cherry on the cake. I do not take that factor into any revenue projections or growth projections that we have.

Yashwanti: Okay. Thank you so much for giving us your time.

Moderator: Thank you. The next question is from the line of Shruti Malpani from Aarth AIF. Please proceed.

Shruti Malpani: Yes, I just have two questions that are a bit repetitive, but like if you would be able to give me the breakup between India and Africa for FY '25 in terms of number of beds, occupancy rate and average revenue per bed.

Akshay Parmar: No, so this one is very easy to share, because from India the contribution across the three factors is zero, because we do not right now have an operational facility. The first facility that is coming up is in Navi Mumbai. It is a 60-bed tertiary care hospital, and we will be commissioning it for services to patients somewhere on July.

So post-July, we will start having a revenue in terms of the hospitals and medical centers under the Indian division. As of now, all the metrics that we have shared are all related to the hospitals and medical centers that we have in Africa. For FY '24, '25, it was between Uganda and Nigeria.

Shruti Malpani: Okay. So like the facility that is starting in July, that was earlier, on an approximate basis, that was supposed to start in May end, right? So like, is there any hiccup or why did it get delayed?

Akshay Parmar: No, there are no hiccups. There are only two limitations. One, once you let the carpenters in, it is very difficult to push them out. So it is in the last finishing stages. And the second one was that certain equipment, for example, the CT scan or the cat lab, their installation and delivery is linked with the permissions from the AERB. That documentation is under process. The timeline for that can vary between 1 week to 1 month. And we are somewhere in between that entire timeline.

So once we get that in the coming couple of weeks or so, then those machines will come in and the installation will take place. And that is when those last few couple of departments will be able to complete the infrastructure related work. So that is where it is. In terms of the overall infrastructure, all of our inpatient rooms and everything are all ready and locked up. We can

commission them within a notice of 24 hours. It is only certain diagnostic departments where we are waiting for certain clearances before the equipment can be installed and moved in.

Shruti Malpani: Okay. Thank you so much. That's it for my side.

Akshay Parmar: Thank you.

Moderator: Thank you. The next question is from the line of Mukesh Panjwani from WC Securities. Please proceed.

Mukesh Panjwani: Yes. Congratulations for a great set of numbers. So my first question is like, how many operational beds do we have right now? And like, yes.

Akshay Parmar: No, you can continue. I'll then answer it together.

Mukesh Panjwani: Yes. And how many we intend to have in like 3 to 4 years from now?

Akshay Parmar: Right. So presently for FY '24-'25, we had 200 operational beds, 120 in Uganda, 80 in Nigeria. As I mentioned sometime back in Nigeria, we are in the process of actually moving out. So that best sense will come down to 120 beds. We will be adding around 250 beds in this fiscal at least between Mumbai and Nasik. These are the two projects that are coming up in this particular fiscal.

We may be looking at another 100, 150 beds in East Africa this year. So the addition of beds in this particular financial year is somewhere between 250 to 400 beds. In the coming 3 years, the target is to cross 1,000 commissioned and operational beds under India and East Africa or under India and Africa put together. So that is the forecast in terms of the beds.

The moment we touch the first 1,000 bed milestone, that is when we'll plan out the strategy for further growth. So whether it is taking that 1,000 to 2,000 or jumping from 1,000 to 5,000, that is something that we'll start working upon once we are inching towards the 1,000 bed capacity.

Mukesh Panjwani: That is very interesting. And so my next question is like what we are doing differently that our margins are higher than most of the hospitals in India.

Akshay Parmar: Right. So one thing that we are doing differently at present is that we are in a geography which is untapped by all the other leading hospitals in India. So whether it's Apollo, Max, Medanta, Fortis, none of them have a presence in Africa. Now Africa is a market where the scalability is not as rapid as it is in India, but the overall margins are significantly higher if you understand those markets.

So it's a very different market. You need feet on the ground to understand those. So for us, our strength has been taking the Indian health care model into Africa. So the way you operate a facility in India, we are doing the same way in Africa. But because of supply demand, especially in high, you know, super specialized procedures, we are able to create a niche for ourselves.

So we have something like a H. N. Reliance Hospital for that particular country, where all the upper segment of the socioeconomic strata comes to us for the required services, allowing us to not compete based on the pricing structure. So if I'm talking about Uganda, I'm not looking at competing on a pricing structure by reducing my costs by, I mean, my, what do you call it, pricing matrix by %5 or 10% to attract more patients.

My occupancy level, when they are at 62%, 63% in Uganda, the private room, the semi-private room, the ICUs are almost 90% plus. What is going vacant is my general ward, because we are conceived as a facility which is super specialized and accordingly a little more expensive than the competition. So that allows us to, you know, leverage and get better margins compared to competitors, even locally, and especially when we compare it on an overall basis with Indian competitors.

Mukesh Panjwani: Got it, got it. And so the expansion we are doing, like, we are more focused on Brownfield expansion or Greenfield?

Akshay Parmar: We are open to both. See, there are challenges with both. In Greenfield, what happens is that I start a project today and it's commissioned, say, anywhere between 9 to 12 months or 15 months after the first day, your investment starts flowing in. So that is one challenge.

But then that particular project is something that you can plan it out in the true UMC manner compared to a Brownfield where you're acquiring the existing assets. So you will get a top-line benefit immediately, but cultural integration, integrating the human resource that is existing out there and redoing the existing infrastructure can also present its own set of challenges.

Because that is when you're, you know, venturing into uncharted territory. We do not know what we are entering into, how much of our due diligence one may do. There are always certain hiccups which arise only after you've taken over a project.

So for us, the idea is that we go midway, where some projects are Greenfield, which are the true UMC way, and some projects are acquisitions on an operational basis. But those acquisitions have to come in the manner that we want them, in terms of the negotiations.

So commercially, we do not look at budging our position significantly just to acquire the operations of an existing facility. We've always kept a buffer for the possible expenses that may arise or possible capital allocation that may be required after acquiring a particular operation.

Mukesh Panjwani: Got it, got it. And one last question, sir. Why are our debtor days high when you compare with other hospitals? A way higher then others…

Akshay Parmar: I was actually expecting this to come up significantly earlier in the call. The debtor days are high because of one specific reason. Right now, contribution from our Ugandan unit is significant to the consolidated top line, almost 74.5% of the top line on a consolidated business coming in from Uganda.

So as a market in Uganda, the payer mix, the cash paying capacity or the cash paying segment of patients is limited to somewhere around 20%-25%. As the revenue grows, that 25% comes down to 22% and goes to around 20%. So the remaining 80% odd of your patient is coming from corporate clients and insurance segment.

The private insurance market is limited to a small strata of society in that country. So that 80% again gets broken down where almost 50%-55% is coming in from corporate clients. When I say corporate clients, it also includes government departments like the Ugandan military, the Ugandan prison department, the Ugandan police force and a variety of other departments which use our facility as the preferred hospital.

And the payments from the government comes in bolus payment modality. So there's a small amount that comes in every quarter and everything that is overdue starts coming in one or two boluses in the year. This is what results in a very high debtor day in order to address this challenge.

Specifically to Uganda, we rolled out super specialty services. For example, IVF has started earlier this year in January. Now that is a pure cash generating specialty. So if I'm charging on average say about $5,000 for one cycle, I'm looking at doing about 5-7 patients every month. So that $25,000-$30,000 is a pure cash revenue that is going to get added onto the top line. And all the additional revenue that that patient will give in terms of diagnostic, in terms of child birth everything follows.

Second, what we are doing is we are adding some more corporates. We are expanding that base. And third, on a consolidated basis, with the addition of facilities in India and elsewhere, automatically, it will get averaged out. So the debtors will start coming down from this financial year, second half of this financial year and going forward.

Mukesh Panjwani: And going forward, we are focusing too much on the expansion. What about the funds? Like we are looking from internal accruals, how much we are looking for internal and how much we are dependent on borrowing and all?

Akshay Parmar: Right. So one, right now, from a banking debt perspective, in the couple of months coming going forward, we will actually be debt free in Uganda, which was the major component of our debt. We will have negligible debt on the books.

So we will be in a good position to raise debt. For us, as we grow, the idea is that each project on an individual basis should have a financial closure, where the debt equity does not cross one. So if I'm putting in INR1 of equity, maximum debt that I will be looking at into capital allocation will be one.

So that is how we want to proceed. So any project for a financial closure will be a mix of equity contribution and debt. Now, whether that equity contribution for the company comes from its internal accruals or we need to go out and raise funds, that will depend at a given time on what the internal accruals at that point of time are.

If the need be, the promoters are more than happy to continue infusing funds into the company like we have done earlier this year via a warrant issue. And we are also open to going back to our set of investors and the public to raise capital required for the expansion that is underway.

Moderator: Thank you. The next question is from the line of Hiten Boricha from Sequent Investment. Please go ahead.

Hiten Boricha: Yes, thanks for the opportunity, sir. So just to understand this expansion, we currently have around 200 beds and we are looking to add 250 beds in Mumbai this year plus 100 beds in Africa, right? So around 350 beds we are looking to add this year?

Akshay Parmar: Yes, 250 in India, Mumbai right now is 60 beds and another 190 beds in Nasik.

Hiten Boricha: Sorry, sir. 190 beds in Nasik, 250 beds in Mumbai?

Akshay Parmar: That's right.

Hiten Boricha: And what about Pune, sir?

Akshay Parmar: So Pune is something that is under discussion. We will be looking at it maybe in the second half of the year such that the commissioning will happen only by the start of next financial year.

Hiten Boricha: Understood. Now, sir, my question comes is what is the total capex we are looking to spend this year? Just to understand the capex per bed?

Akshay Parmar: Right. So the total capex between, see for Navi Mumbai, the majority of that capex has already been put in. So what we will be looking at is a capital investment ranging between INR50 to INR75 crores this year to add on the capacity in Nasik and in East Africa.

Hiten Boricha: Nasik and Africa. So INR75 crores for how many beds, sir?

Akshay Parmar: This would be for about 300 odd beds.

Hiten Boricha: 300 beds. Yes. Okay. And everything will be largely going to fund from internal accrual.

Akshay Parmar: There is internal accrual. There is part of the warrants that we issued of INR10.5 crores. So that funding is coming in this year. So part of it will be from there. And we will also be exploring banking facilities from two perspectives, specifically in India. One is part of it would be for the equipment funding or equipment finance. And part of it will be for working capital limits. Hello.

Moderator: I think the participant's line got disconnected.

Akshay Parmar: Okay.

Moderator: In the interest of time, that was the last question. I would now like to hand over the conference to Ms. Chandni Chande for the closing comments. You may proceed, ma'am.

Chandni Chande: Yes. Thank you. Thank you, everyone, for joining the conference call of UniHealth Hospitals Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you for joining the conference. Thank you, Akshay sir.

Akshay Parmar: Thank you, Chandni. Thank you so much.

Moderator: On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.