



“Dr. Agarwal’s Health Care Limited

Q3 & 9M Earnings Conference Call”

February 04, 2026

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*Dr. Agarwal's Health Care Limited
February 04, 2026*

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Q3 & Nine Months-ended December 31st, 2025, Earnings Conference Call of Dr. Agarwal's Health Care Limited.

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

I now hand the conference over to Ms. Aashna Dharia, Head, Investor Relations from Dr. Agarwal's Health Care Limited. Thank you and over to you, Aashna.

Aashna Dharia: Thank you, Ryan. A very good morning, ladies and gentlemen. Welcome to Dr. Agarwal's Health Care Q3 and Nine Months-ended December 31st, 2025, Earnings Call.

From the Management side, we have Dr. Adil Agarwal – Chief Executive Officer, Dr. Ashar Agarwal – Chief Business Officer, Mr. Rahul Agarwal – Chief Operating Officer, Dr. Vandana Jain – Chief Strategy Officer, and Mr. Yashwanth Venkat – Chief Financial Officer.

We have also released the Financial Results, Press Release and Investor Presentation, all of which are available on our website and the exchanges as well.

Before we continue, we want to remind everyone that this call is being recorded and the transcript will be made available on our website afterwards.

Additionally, please be aware, today's discussion may include certain forward-looking statements which should be considered in the light of the risk our business faces. Please refer to the detailed statement on Page #2 of the investor presentation.

It is now my pleasure to hand over the call to Dr. Adil Agarwal, our Chief Executive Officer, who will Share his Opening Remarks and Insights. Dr. Adil, over to you.

Dr. Adil Agarwal: Thank you, Aashna and Ryan. A very good morning to all of you and a warm welcome to the Q3 FY26 Earnings Call of Dr. Agarwal's Health Care Limited.

Let me begin by providing you all an update on the performance of the Company:

For the nine months-ended December 2025, the Company reported a total income of Rs.1,548 crores, up 20.8% year-on-year, while revenue from operations rose 21.2% to Rs1,516 crores.

We delivered a robust IndAS EBITDA of Rs.440 crores, reflecting a 23.6% year-on-year growth, with margins improving by 64 basis points to 28.4%.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

Our profit after tax grew 74.3% year-on-year to Rs.118 crores, with PAT margins expanding by 234 basis points to 7.6%.

Moving on to the Third Quarter Performance:

I am pleased to share that we delivered a robust and well-rounded quarter, reflecting strong execution across our network.

For the 3rd Quarter, the Company reported a total income of Rs.540 crores, up 21.9% year-on-year, while revenue from operations rose 23% to Rs.530 crores.

Q3 also delivered a robust IndAS EBITDA of Rs.155 crores, reflecting a 21.3% year-on-year growth, with margins of 28.4% for Q3.

Profit after tax grew 55% to Rs.44 crores, while PAT margins expanded by 171 basis points to 8.1% for Q3.

Next, I would like to share our Footprint and Network Growth Update:

During the nine months-ended December 2025, we served over 22 lakh patients and performed nearly 2,38,283 surgeries. Every day, nearly 10,000 patients now walk into our facilities across our network, up from about 8,000 patients in the previous financial year. This represents a 25% growth in walk-ins. This consistent growth in footfall reflects not just the scale of our operations, but also the strength of our brand recall and our ability to deliver quality eye care close to where patients live.

During the year, we continued to invest in the expansion and stabilization of our newly launched facilities. The ramp-up across recently launched facilities has been faster than earlier phases, supported by strengthening brand equity, reinforcing our confidence in scaling expansion more aggressively, while continuing to deliver superior clinical outcomes.

In India now, we have a total network of 253 facilities across 14 states and five union territories, covering 148 cities.

Our presence is well diversified now, with 31% of our facilities in Tier-1 markets, 62% in other markets, and 7% located internationally.

We expanded our footprint by commissioning 14 new Greenfield facilities this quarter, further strengthening our reach and capacity. These included nine secondary centers, including one in Tamil Nadu in Tirupattur, Kolhapur in Maharashtra, Kanakpura Road in Bangalore, and Raichur in Karnataka.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

We also launched a project in Haryana in Gurgaon, Chandkheda and Vadodara in Gujarat, Preet Vihar in Delhi, and Ongole in Andhra Pradesh, along with five primary centers across Tamil Nadu and Odisha.

Let me now turn to an Update on our Clinical Excellence Initiatives and our Growth in Complex Surgeries:

For the nine-months period ending December 2025, high-end cataract surgeries accounted for 43.5% of total cataract procedures, 45,459 surgeries were done in total, an increase of 43.5% over the same period last year. Within the high-end surgeries, robotic cataract surgeries, what we call as the Femto cataract, grew by a robust 83% year-on-year, rising from 2,616 to 4,400 procedures.

As shared in our previous earning calls, new robotic cataract systems have now been installed at our Velachery facility in Chennai and our Delhi facility, which is now performing close to 60 such surgeries on a monthly basis on average.

Additionally, we are strengthening our advanced surgical capabilities with the addition of robotic systems in Gurgaon and in Vashi.

Lenticular procedures, what we call as the SMILE surgeries for refractive, increased 17.7% year-on-year from 4,223 to 4,970 surgeries, while retinal surgeries totaled 9,437 (*mispronounced during the call as 940*) surgeries, up 23.2% from last year.

We also did a total of 792 corneal transplants over this entire period.

We continue to invest in cutting-edge technology to enhance diagnostic accuracy and surgical outcomes. Recent additions include the CATALYS and ELITA Systems at our Gurgaon center, as well as the LUMERA 300 and ORTELI FAROS at our Preet Vihar center.

On the Research and Capability Building Front, our clinicians have contributed to over 340 publications in the leading international medical journals over the past three decades, underscoring our commitment to advancing ophthalmic science.

During the quarter, nearly 50 doctors underwent advanced training across multiple specialties as part of our continuous learning and development initiatives.

Now, moving on to Some Business Updates:

Let me first begin with our Region-wise Performance:



*Dr. Agarwal's Health Care Limited
February 04, 2026*

Our Southern region continues to be our largest market, contributing to 63% of our total group revenues. This region delivered Rs.950 crores of revenue, representing a strong growth of 22.4% year-on-year. We have 172 facilities located across our Southern states, and this includes 12 new additions in this year, with four new facilities being added in Tamil Nadu, five in Karnataka, two in Andhra, and one in Kerala. We remain focused on sustaining our market leadership in both Tamil Nadu and Telangana, while further increasing adoption of the latest technologies in these regions.

In Karnataka, Andhra Pradesh, and Kerala, we are strengthening our network presence in both these markets by expanding significantly into high-potential underserved markets through strategic facility opening.

Now, coming to the West Region:

This region contributes to about 16% of our overall group revenues and delivered Rs.244 crores in revenue, up by 18.4% year-on-year, despite some impact of the festive season during the quarter. We currently have 46 facilities in the west region, including six new facilities which are opened in these nine months.

Maharashtra, as we have highlighted earlier, continues to be a key region for us, as we aim to deepen our presence in the underserved regions of the state, while further expanding into the micro-markets of our metro cities such as Mumbai and Pune.

In Gujarat, we remain optimistic given the strong performance of our new centers in Surat. We also commissioned a secondary facility in Chandkheda in Ahmedabad, and also launched a facility in Vadodara. We plan to further strengthen our footprint in the state by adding more facilities and accelerating adoption of advanced technologies across the region.

Now, coming to the North Region:

This contributed to 8.3% of our group revenues, and this region reported Rs.126 crores of revenue this quarter, up by 19.7% year-on-year. We currently operate 24 facilities in the entire north region.

Continuing from our Previous Update on our entry into the Delhi NCR region:

Operations have commenced on a strong note, with strong traction in the patient volumes and steady month-on-month revenue growth.

Building on the success of our Delhi main flagship facility, we launched a secondary facility in Gurgaon in November 2025. December marked its full month of operations, during which it witnessed strong patient traction.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

We have also commissioned facilities in Preet Vihar and Rajouri Garden, which is currently in the early ramp-up phase, with focused efforts underway to build local market awareness and progress on key accreditation milestones.

Overall, performance remains strong across regions, with all markets delivering healthy double-digit year-on-year growth.

Now, moving on to our Vintage Performance of this year:

Facilities operational prior to FY22 contributed to about Rs.1,025 crores (*mispronounced during the call as 1,125 crores*), registering a year-on-year growth of 14.2%, underpinning our strong same-store sales growth performance.

Facilities opened in FY23 generated Rs.187 crores, growing at 14.3%, while those launched in FY24 delivered Rs.124 crores in revenue, achieving a strong growth of 18%.

Moving on to our Next Business Update:

Our planned facility openings for each quarter of the current year. Up to December 2025, we strengthened our network by adding 38 new facilities, out of which 23 were surgical centers. Over the next quarter of this financial year, we plan to launch another 16 centers, including five in the South, five in the West, and six in the North. Out of the total planned additions, 11 facilities are expected to be the surgical centers.

So, to conclude, our sustained focus on operational efficiency and disciplined execution has driven a strong performance across the first three quarters, and we are well-positioned to meet the guidance committed at the beginning of the fiscal year.

Now, I would like to hand it over to our CFO, Mr. Yashwanth Venkat, who will take a Deeper Dive into our Financial Performance.

Yashwanth Venkat:

Thank you, Dr. Adil.

I will begin with the Operational Update:

Surgical services continue to be the main revenue driver, contributing 67% to the group revenue. Diagnosis, consultations, and other non-surgical treatments contributed 11.6%, and the sale of optical products and pharmacy items accounted for 21.5%.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

For year-to-date December 2025, we performed 2,38,283 surgeries, marking a 11.6% year-on-year growth.

Cataract surgeries remained the largest contributor, accounting for approximately 72.7% of total surgeries, followed by refractive surgeries at around 5%.

Volumes for cataract and refractive surgeries grew 9.6% year-on-year, while other surgeries on a blended basis recorded a growth of 18.9%.

Our payer mix for YTD December 2025 stood at 62.4% from cash, 28.5% from insurance and TPA, and 9.1% from government schemes.

The domestic payer mix stood at 70.9% from cash, 22.9% from insurance and TPA, and 6.3% from government schemes.

Moving on to the Financial Section:

I will start with the revenue split. The group's revenue from operations grew by 23% year-on-year, reaching Rs.530 crores in Q3 FY26 compared to Rs.431 crores in Q3 FY25.

Revenue from operations in India stood at Rs.480 crores, reflecting a growth of 23.1%, despite unseasonal rains in our core markets and impact on the business due to festivals. This growth was supported by near-equal contributions from both volume and value of close to 13%, with the remaining contribution coming from new centres opened in FY25 and FY26.

Gross margin remained stable year-on-year and decreased slightly quarter-on-quarter, despite a higher contribution of surgeries in segment mix, with high-end cataract procedures rising to 26.6% in YTD December 2025 when compared to FY25 of 24.6%.

Doctor and employee costs cumulatively have increased by 140 basis points to 33.4% of total revenues for Q3 FY26 as compared to Q3 FY25.

I would also like to briefly address the Impact of the New Labor Codes:

We have undertaken a detailed evaluation of the labor codes across the group based on the information currently available and the provisions notified so far. Our existing salary structures and employee benefit policies are already broadly aligned with the requirements of the labor codes and the incremental impact for us is not material currently. We will continue to monitor the finalization of central and state rules and any further clarifications from the government and we will make appropriate adjustments if required.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

Other expenses as a percentage of total revenue have reduced to 15.5% of total revenues. A total of INR95 crores in loans have been repaid from IPO proceeds, INR128 crores in Q4 FY25 and INR67 crores in YTD December 2025, leading to lower finance costs and higher profitability versus the same quarter last year.

From 75.1%, the share of profit after tax attributable to the owners has expanded to 79.1% in YTD December 2025, signaling improved profitability in the holding Company.

Thank you all. We will open the floor to Questions.

Moderator: Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Binay Singh from Morgan Stanley. Please go ahead.

Binay Singh: Hi, team, congratulations on another steady quarter. Two questions from my side. When we look at the surgery mix for the quarter, taking from the YTD numbers, we know that the cataract surgery growth has slowed down to around 4%, but at the same time, the refractive surgery growth has risen quite sharply. So, could you comment on these trends? And also, typically, we see refractive, March quarter tends to be the biggest, but this time your December itself is very strong. So, how should we see that trend going ahead? So, that is the first question. Thanks.

Dr. Adil Agarwal: Hi, Binay, thanks for the question. I will just request our COO Mr. Rahul Agarwal to just take this.

Rahul Agarwal: So, Binay, hi. Actually, cataract has been quite strong this quarter; we have grown by almost 18.5%. So, as I was saying, our cataract for this quarter has been stronger at 18.5% growth. In fact, refractive has been slower for us this quarter and largely for this year. It is more to do with the overall industry being slightly slow on the refractive side this year. Hopefully, we will bounce back on refractive next year. That is how we are seeing it. This quarter, I think from a cataract perspective, which is the bulk of business that is coming in, has been fairly strong.

Binay Singh: So, just to clarify, you are saying the number of surgeries are up 18%?

Rahul Agarwal: The value is up 18% and the number is up 13.7% on cataracts.

Binay Singh: Okay. I will separately take this and share. And similarly, when I do the emerging facility revenue growth for this quarter, therein also we see that the mature facility revenue growth has picked up, whereas the emerging facility revenue growth has slowed down. So, again, this is subtracting the nine-months versus last presentation data.

Yashwanth Venkat: Binay, Yashwanth here. Just a small clarification. See, if you go to the Investor Deck on Slide #13, it is better to look at the revenue growth on a vintage-wise basis, Binay, because the mature facility



Dr. Agarwal's Health Care Limited
February 04, 2026

definition is a rolling definition. So, it will not be appropriate to calculate. So, if you look at up to FY22 centers on a YTD basis, it is close to about 14.2%. For the half year, it was close to around 13.5% to 13.8%. So, similarly, other vintages also, if you can calculate, that would give you the right picture, Binay.

Binay Singh: Right. Thanks, team. And just lastly, if you could share the CAPEX number for the year, how much have you done YTD? And also, what was Thind's contribution this quarter? That is it. Thanks.

Yashwanth Venkat: So, on CAPEX, we have done about close to Rs.275 crores, Binay, out of the Rs.310 crores which we had committed. And on the spends in the subsidiary for the Cathedral Road facility, we have done close to about Rs.35 crores out of Rs.70 crores which were committed, Binay.

Binay Singh: Okay. Thank you.

Moderator: We take the next question from the line of Ananya Khanna from Alpha Alternatives. Please go ahead.

Ananya Khanna: Yes. Hello, sir. First of all, congratulations on a steady quarter. Secondly, my question to you is, you mentioned you commissioned a few new facilities, right? So, I want to understand when those are supposed to sort of become operational and when are you expecting for them to breakeven?

Rahul Agarwal: I think Dr. Adil had mentioned about commissioning of a couple of facilities in Delhi, one in Preet Vihar, which got launched at the end of December, and one in Rajouri Garden, which has already got launched in January. See, in terms of break-even, currently, it will be difficult for us to comment on Delhi facilities. However, we expect the facilities to broadly breakeven around the 15 to 18 months kind of a number. That is a very broad estimate.

Ananya Khanna: All right, sir. But you also mentioned a few other facilities apart from the ones in Delhi. I am talking about the primary health care centers, etc., So, what about those?

Rahul Agarwal: Okay. So, we have totally launched about 23 surgical centers and about 14 primary centers. Out of these 23 centers, I will just give you the exact break-up in a second. So, we launched four new facilities in Tamil Nadu, five new facilities in Karnataka, two in Andhra, and one in Kerala. If you look at the western region, we have also launched two new centers, one in Vadodara and one in Chandkheda, which is in Gujarat, and we launched one in Kolhapur and one in Aurangabad in Maharashtra. The unit metrics of our centers which have been launched in our core markets are pretty much meeting the estimates in terms of what we have previously guided. The centers which have been opened in some of these non-core markets, as Yashwanth has just explained, will meet breakeven in about 12 to 15 months. That is the current run rate of these centers.

Ananya Khanna: All right. Thank you.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

Moderator: We take the next question from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit D. Patil: Good afternoon to the team. I have two questions. The first question to Mr. Adil is, taking a slightly forward-looking lens, as the network continues to scale, how does the management balance capacity expansion, doctor availability, and case mix to protect returns on capital? What are the operating signals typically that tell you whether to accelerate expansion in a cluster or pause and optimize the current existing centers that you have? That is my first question. I will ask my second question after this.

Dr. Adil Agarwal: So, the first important metric for you to look at is despite the scale of our expansion, so, like I had mentioned, we have launched about 52 facilities in the last 12 months. In these last nine months alone, we have added about 37 new facilities. The goal is to end up at about 52 to 55 facilities by the end of this year. One of the healthiest signs which we believe of us expanding the right way and us being able to scale up our operations in the right manner is, if you see our EBITDA margins, we have been able to maintain them at a 28.5%. So, despite us being able to scale up these many new centers, we have been able to maintain our margins, which basically means that we are ramping up our new centers a lot faster to breakeven. That is the first sign. A second very important sign is our same-store sales growth. That is a very, very important metric that we track. And like Rahul had mentioned, our same-store sales growth is north of about 13.5%, which is again a very, very healthy sign. One of these signs lead to the fact that we are able to generate significantly healthy cash flows, which we are actually able to deploy towards ramping up more centers. So, I would say these two are very, very important signs for us, which we look at. How are you able to scale up our new centers, at the same time, what is the kind of same-store sales growth we are able to maintain? If we are able to do this significantly, and we are actually able to better your margins, or at least maintain your margin, which you will start to see the return on capital improving over the next two to three years, which is what we have already demonstrated over the last nine months.

Sucrit D. Patil: My second question is to Mr. Venkat is, from a financial monitoring point of view. Beyond the reported margins, what internal unit level metrics do you track most closely to assess, whether the pricing power, utilization, or cost efficiency is trending according to the way that you have planned, or it is starting to weaken across the board? I just want to understand your view on this.

Yashwanth Venkat: See, every center, in terms of the performance, is tracked at the branch EBITDA level. The branch operating margin of every center is tracked on a monthly basis wherein we go about looking at projection for the particular year. First, when we start the center, we have a five-year projection, and we also track it on a monthly basis. Here, if the center starts to, say, not breakeven within the stipulated particular time for that particular market, then we bring in a few interventions in terms of both the revenue ramp-up, as well as we also look at unit level costs, such as our doctor costs,



Dr. Agarwal's Health Care Limited
February 04, 2026

employee costs, and also what we spend on marketing and a few other administrative expenses as well, which are in our control.

Sucrit D. Patil: Thank you and best of luck for the next quarter.

Dr. Adil Agarwal: Thank you, Sucrit.

Moderator: We take the next question from the line of Nikhil from SIMPL. Please go ahead.

Nikhil: Yes, hello! Thanks for the opportunity, and congrats on good set of numbers. So, my question was, if I look at our revenue per facility over like the last nine months, across regions, we have seen that there is a drop in revenue per facility, while our surgical mix has improved. So, can you just help us understand why the revenue per facilities are dropping across the regions? How does this play out over a period of time, like over last five, 10 years, how would these numbers play out?

Rahul Agarwal: Hi, Nikhil. A small correction. See, when you are calculating the revenue per facility, you have to break it down into surgical as well as primary. For example, I think you are using the Slide #12 on the investor deck while calculating the revenue per facility. So, in terms of the actual revenue per surgical facility has grown at a healthy CAGR of about 14% to 15% over the last four years. If you get into Slide #13, we have given the breakup of both the mature and emerging facilities, both the surgical as well as the non-surgical. So, in terms of the non-surgical facilities, they contribute about close to 1.5% to 2% of the overall group revenue. So, if you remove that from your working, then you can see that there is a clear track of increase in revenue per surgical facility, Nikhil.

Nikhil: Okay. So, where I am coming from is like, if I look at only East as a region and consider it based on the revenue which we have mentioned and divide by the number of facilities, the average for last year was around Rs.2 crores, which today, like based on the rough calculation comes to Rs.1.57, 1.6 crores, while our surgical, like the number of patients and the surgery mix and everything has improved, and East is also a geography, which is the number of facilities are less. So, is it like when we enter these new geographies, we have to play the pricing game in order to get the footfalls? I am just trying to understand from how do we develop these new geography perspectives?

Rahul Agarwal: Okay, Nikhil. I will answer your question. In East, currently, I will just take Odisha as a market. We have three facilities. So, we launched the third surgical facility just last year. It has not even completed one year of full operations. So, generally, when the facility is launched, it also takes, say, about close to three years to reach a certain level of maturity. So, the couple of other facilities in Odisha have continued to grow in the mid-teens kind of a number where there is a significant amount of maturity for those facilities as well. And one more point is, when the facility gets launched, some of them would not have completed one whole year of operations as well. So, when you calculate the



*Dr. Agarwal's Health Care Limited
February 04, 2026*

data by looking at whatever we have presented in the investor deck, there is a slight skew to that as well.

Nikhil:

Okay. Second question is, see, if I try to remove, like, from the consol, the standalone numbers and try to see the revenue from the subsidiaries come to around Rs.80 crores for this quarter. And here, I think, largely, it is Thind, which is the major revenue contributor. And if I do a P&L subtraction, I get, like, for the last nine months, the subsidiaries are operating at almost 37%-38%, where, again, Thind is the major contributor. Now, what I am trying to understand is that I know Thind is the established chain in Punjab, and if I draw comparables to Tamil Nadu, which is Dr. Eye which is the other subsidiary, even that does not operate at such high kind of a margin. So, what is the differential that we are able to operate at such high margins in a specific entity like Thind, while even in our markets like Tamil Nadu, we are operating at 28-30%, so, what brings this differential? And can we close these differentials over a period?

Rahul Agarwal:

See, Thind is a unique case, where bulk of the revenue comes from a single facility based out of Jalandhar. There are no further major costs as far as the regional resources and corporate resources are concerned. As I was explaining, Thind, the majority of the revenue comes from a single facility, and there are no costs as far as the regional resources are concerned, and very minimal costs as far as corporate is concerned. Our subsidiary, AEHL, which is predominantly consists of mature facilities and operating out of Tamil Nadu, there also the margins are close to about 33% as far as the corporate margins are concerned. When you also add back your regional and corporate costs, those margins would be slightly more comparable to what the current margins are at the TECPL.

Nikhil:

Okay. See, based on the brand equity that we have in Thind, my idea would have been and I could be wrong here, since Punjab and Haryana have always been sister states, there would have been a patient flow from nearby states as well. So, have we not expanded in Punjab beyond when we had acquired this entity, or how many new facilities we have opened based on brand equity, if you can share what have we done with this, beyond what it was here?

Dr. Adil Agarwal:

I will request Dr. Ashar Agarwal to come in. He is our Chief Business Officer, and he is heading the entire expansion piece. He will give you an update in terms of what is happening.

Dr. Ashar Agarwal:

Hi, Nikhil. Nikhil, basically we are working right now on the three new facilities under the Thind banner. Ludhiana is under work right now, so it should launch soon, but the other two centers are a little more futuristic. So, there is the expansion play coming into Thind as well. And Haryana is already underway, Gurgaon is already launched, but that is under Dr. Agarwal's banner.

Moderator:

We take the next question from the line of Tushar Manudhane from Motilal Oswal Financial Services Limited. Please go ahead.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

- Tushar Manudhane:** Yes, thanks for the opportunity, sir. So, just coming back on the surgery revenue growth, while the revenue growth has been very healthy for the quarter, but number of surgeries, growth rate has been a little soft. If I put that to let 38,000 surgeries into different categories, both overall number of surgeries as well as if I have to break that into cataract and refractive, if you could just explain that first?
- Rahul Agarwal:** Okay. Hi, Tushar, this is Rahul. From an overall surgery perspective, if you see while the surgery growth is at 11.6%, we are also getting a lot of premiumization which is happening. So, you will have to see the overall growth from both the number and the value perspective. One of the things that Adil also mentioned initially was that we are doing a lot of technology upgradations in a lot of our centers, both on refractive as well as on cataract. In cataract, we have added quite a few centers with our catalyst machines and dimer machines, which are the ones which do Femto cataract for us or robotic cataract as the market knows it as. So, those are very, very value accretive. And as the numbers go up there, that is where we are seeing a huge impact coming in, into our premiumization play. Just to give you an example, only the Femto cataract numbers that we had achieved last quarter was to the tune of almost 1,800 surgeries. If I just look at our high-end surgeries, it is a mix of almost 13% which are getting converted to Femto cataract. So, that is something which is adding a huge value to us and helping us do our overall surgical value growth also. So, it is not just the volumes, but it is the total value which you should look at.
- Tushar Manudhane:** That is interesting. So, if I have to, let us say, put that as a specialized surgical procedure, maybe Femto cataract, lenticular or retinal surgery, if I have to club all this, it is not an individual segment, but a specialized surgical procedure by revenue, how much that would be contributing to our surgical revenues if that number is handy?
- Rahul Agarwal:** So, just if I have to give you high-end cataract numbers, that is for the last quarter, we are at closer to 28%. And out of that, cataract I mentioned is 1,800 surgeries, which is 13% of the overall high-end cataract numbers.
- Tushar Manudhane:** 28%, sorry -
- Rahul Agarwal:** 28% is the high-end cataract percentage of the overall cataract numbers.
- Tushar Manudhane:** As per value or by revenue?
- Dr. Adil Agarwal:** In terms of overall value, which is the total income coming in from overall cataract surgeries, but 28% comes in from high-end cataract surgeries, is what Rahul is saying.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

- Tushar Manudhane:** Got it. And sir, secondly, this formation of this Ethiopia subsidiary, what are the sort of measures over there, if you could throw some light over there?
- Dr. Adil Agarwal:** Ethiopia is a high-potential market, which we are looking at entering right now. We are in the process of looking at assets where we can actually start our facility. It has got a steady patient base, and they have a lot of respect for our Indian doctors, which is why we believe that is a significantly potential market for us.
- Yashwanth Venkat:** I just add here. Ethiopia, one is, there is no cash going from India. It is completely funded by the Orbit entity. Second is, operationally, it is an easier location for us to handle because it is a neighboring state to Kenya, and we have a very strong team in place in Kenya. Plus, Ethiopia is one of the growing markets in entire Africa. So, the potential opportunity that exists today with the lack of services, with the number of people coming into Addis Ababa is lucrative according to us right now.
- Tushar Manudhane:** Whether it goes or do not go from India, but at a consol level, if you can share some ballpark number in terms of any investment amount made in terms of building the facility or any inorganic opportunities you are thinking out there, any ballpark number that you have earmarked for this?
- Dr. Adil Agarwal:** Tushar, opportunity is purely going to be organic only. But, once we have a few more details, we will come back to you in terms of what is the estimated CAPEX spend which we are looking at. Right now, what we are doing is, we are doing a feasibility study of the market. And what we have seen right now, we like that the overall size of the eye care market in Ethiopia is quite large. Second, it has a very high cash revenue mix, which is something which we like as well and there is a lot of respect for Indian doctors, we believe there is a good potential for us to scale the business. But we have not reached a stage where we have estimated the CAPEX spend and projection. Next time when we come back, we will come back to you with more details on CAPEX spend estimated and what are the projections going to look like.
- Tushar Manudhane:** Thanks a lot. Very helpful.
- Dr. Adil Agarwal:** Thank you.
- Moderator:** We take the next question from the line of Prateek from Bandhan AMC. Please go ahead.
- Prateek:** Yes, hi. So, just one small question. Could you just let me know the Greenfield losses for the quarter and for the first nine months, please?
- Dr. Adil Agarwal:** Greenfield losses. Yes, so overall, at a regional level, our total losses are Rs.28.5 crores as total Greenfield losses, which includes branches launched over the last three years what we consider as



*Dr. Agarwal's Health Care Limited
February 04, 2026*

emerging centers. So, over the three years, everything put together cumulative is about Rs.28.57 crores. And this is something which we have been saying that despite some of the early Greenfield losses which we faced, we have still been able to maintain our margins, which is a healthy sign in terms of how we are ramping our centers. Most of these losses will come from the centers which have opened in the last nine months. FY24 and FY25 vintage centers have already started to become profitable. So, losses coming in from those centers is much lesser.

- Yashwanth Venkat:** I will just add here one point. This is including all the centers that are loss-making. When you go into cohort analysis, FY25 centers at a branch level, cohort is not loss-making. The entire cohort is positive. It is not loss-making at all. What Dr. Adil just mentioned was all the cumulative centers of only loss-making centers.
- Prateek:** Okay. And the corresponding revenue to this and this first nine months, right, that is a correct understanding, right?
- Yashwanth Venkat:** This is what Dr. Adil has mentioned is including FY25 and FY26 all loss-making centers.
- Prateek:** No, no, I am saying for this for the first nine months, right, the Rs.28 crores?
- Yashwanth Venkat:** Yes, for the first nine months, correct. Also includes pre-operating losses as well.
- Prateek:** And the revenue corresponding to this on the Slide #30, is it Rs.300 crores? I just did 20%.
- Yashwanth Venkat:** You are talking about the revenue coming in from those particular centers. It is basically FY24, FY25, and FY26. We have already shared the breakup.
- Prateek:** No, no. My question was, let us say the Rs.28 crores loss would be on a revenue base, right? That revenue base is 300 crores for the first nine months, just to get a like-to-like comparison.
- Dr. Adil Agarwal:** No, that is not how you look at it. When you are looking at the revenue base, it includes your profitable centers as well. Only for the loss-making centers -
- Prateek:** Yes, I understood. Could we just call out that how much is the revenue from these Rs.28 crores of loss? What is the corresponding revenue of those?
- Dr. Adil Agarwal:** We do not have that exact number right now. On a separate call, we can share some of those numbers with you.
- Prateek:** Surely, sir. That was really helpful. Thank you, sir and all the best.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

Moderator: We take the next question from the line of Kartick Bane from Bajaj Life Insurance. Please go ahead.

Kartick Bane: Thank you for the opportunity. I would like to know more about the same-store growth, which is of 13%. How is split there between price growth and the patient volumes?

Yashwanth Venkat: Sure. So, I can give you an overall perspective on what the breakup looks like. On the overall 13%, we have a volume growth, which is half of it, close to 6.5% and the value growth, which is 6.5%. In this 6.5% of value growth, we have both price hike and premiumization. Large part of the value growth is coming from premiumization, which I already spoke about; almost close to 5% has come in from premiumization. Even in volume growth, I would break it down into two parts --one is the basic opening growth, which is closer to the 4%, 4.5% range, which we get on a year-on-year basis, and the remaining is what we do with the same walk-ins, which comes in, where we are able to get better conversion rate on the same patients. As the facilities start maturing and confidence and the trust starts growing higher, our conversion also on the same walk-in numbers starts increasing higher. So, that is another 2%. So, that's broadly how the 13% breakup comes in.

Kartick Bane: Okay. And second question is on the robotic surgery. So, firstly, are these robots on the lease-and-operate basis, or have we already bought the robots? And secondly, 60 surgeries that you mentioned per month per robot, is this the highest capacity, or is there a scope for further improvement in the capacity utilization for robots?

Dr. Adil Agarwal: So, the 60 robotic cataract surgeries, the number we mentioned was what we have started to do from our Delhi facility. It is not overall. Some of high-volume centers do a number which is much higher than that as well. So, overall, we have done about 4,400 robotic surgeries across the group, which signifies approximately 83% growth over the last year. All the machines which we have are all fully owned by the Company and they are not leased out, just to clarify. Most of our hubs across major cities now have a robotic cataract surgery machine.

Kartick Bane: Okay. Thank you.

Moderator: We take the next question from the line of Dishant Jain from Quasar Capital. Please go ahead.

Dishant Jain: Hello! Thank you for the opportunity. One question is on the subsidiary financial. There has been a sequential growth on the employee side. So, any reasons particularly for that?

Dr. Adil Agarwal: So, we are talking about the subsidiary, AEHL. So, that is a regular part of the business where as we continue to expand our business, we are continuing to add more and more employees to our network. We have also added a few primary centers. And as we continue to strengthen our business, we continue to keep adding employees, nothing out of the ordinary in AEHL.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

- Dishant Jain:** So, it is a business as usual?
- Dr. Adil Agarwal:** Yes, it is a business as usual.
- Dishant Jain:** And sir, is it possible to give the operating cash flow numbers for nine months for holding as well as subsidiary?
- Yashwanth Venkat:** See, operating cash flow is close to about 80%, which has been our average for the last three years.
- Dishant Jain:** Okay. And, sir, two more questions on the merger update. One, on the facility in the subsidiary Company, the large facility, what is the update on it? And another one was on merger update, what is the progress over there?
- Dr. Adil Agarwal:** So, quickly on the merger update, right now, we have filed for a no-objection certificate from the stock exchanges. We expect receiving this no-objection certificate from the stock exchanges very shortly. Following this, we will proceed to the National Company Law Tribunal (NCLT) to convene meetings for our shareholders and creditors. We expect these meetings to occur around two to three months post the receipt of the NOC from stock exchanges.
- Dishant Jain:** Okay. And on the facility that is going to come in a subsidiary Company, when are we going to start it?
- Rahul Agarwal:** So, I think we expect the entire merger process to be completed by Q3, Q4 of 2027.
- Dishant Jain:** Q3, Q4 of 2027. And lastly on the update on the facility in the subsidiary Company that is going to come?
- Rahul Agarwal:** So, the estimate on that facility is we are expecting to complete everything and get all our licenses and approvals by Q2 of FY2027. So, hopefully by sometime end of Q2 we should be able to get it.
- Dishant Jain:** End of Q2? Okay. Those are my questions. Thank you. Thanks for the opportunity.
- Moderator:** We take the next question from the line of Amar Ahil from Radian Capital. Please go ahead.
- Amar Ahil:** Sorry, I might have missed out if you mentioned this. What I wanted to ask is, how many new facilities are you going to add going forward?
- Dr. Adil Agarwal:** So, the guidance which we have given is we are looking at adding anywhere between 55-to-60 facilities every year.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

- Dishant Jain:** Okay, 55 to 60 facilities every year, right?
- Dr. Adil Agarwal:** Yes, roughly the math is we are looking at increasing our network size by about 20% every year.
- Dishant Jain:** Okay. 20% every year? And it gets a breakeven in 15-to-18 months, right?
- Dr. Adil Agarwal:** No, I just wanted to clarify what we mean by breakeven.
- Rahul Agarwal:** See, here if we consider our core markets of Tamil Nadu, Andhra, Telangana, Karnataka, and now Maharashtra has also become our core market. The facilities breakeven at a store level within six to seven months. What I was earlier speaking about is in the newer regions, where it is about close to 15-to-18 months. So, on a blended basis, all our facilities will breakeven within the 12th month kind of a mark.
- Dishant Jain:** Okay. And what sort of a CAPEX -
- Moderator:** I do apologize to interrupt you, but your audio is not clear. Could you please repeat your question?
- Dishant Jain:** What sort of CAPEX it might require for the 50 to 60 additions every year?
- Dr. Adil Agarwal:** For the surgical secondary facility, the CAPEX ranges between Rs.5.5 to 6 crores, for tertiary facility, generally the CAPEX ranges close to Rs.11 to 12 crores, and for a primary facility, the CAPEX is close to about 35 lakhs.
- Dishant Jain:** Okay, got it. And what would be the ratio of primary, secondary, and tertiary in terms of additions?
- Yashwanth Venkat:** See, the way you want to think of it is these are not decisions that we plan one year before. We understand the market and then see what the market requires. So, if you see a usual split, will be about 75% will be surgical, 25% will be primary centers. But, in the surgical, the secondary and the tertiary is not something we decide that much prior. I hope that is clear.
- Dishant Jain:** I am so sorry. I just could not hear the last line you mentioned. Can you please repeat?
- Yashwanth Venkat:** Between the surgical facilities, we do not plan which one should be a tertiary or a secondary so much prior to the opening. We understand the market. At the time of understanding the market, we understand what is required for the market, and then we decide whether it has to be a tertiary or a secondary facility. For example, for Delhi, it is a tertiary facility. But for Kolhapur, it is not a tertiary facility. But those decisions are made during market understanding.
- Dishant Jain:** Okay, sir, got it. That is from my side. Thank you so much, sir.



*Dr. Agarwal's Health Care Limited
February 04, 2026*

Moderator:

Thank you. Ladies and gentlemen, we take that as the last question and conclude the question-and-answer session. On behalf of Dr. Agarwal's Health Care Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.