

August 12, 2025

To,

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Symbol: MEDIASSIST

Scrip Code: 544088

Subject: **Transcript of Investor Conference Call**

Dear Sir/ Madam,

Pursuant to Regulation 30 and Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Company's Investor Conference Call held on August 07, 2025 at 06.30 p.m. to discuss the Company's financial results for the quarter ended June 30, 2025 is annexed herewith.

Request you to take the same on record.

Yours faithfully,

For Medi Assist Healthcare Services Limited

Rashmi B V
Company Secretary & Compliance Officer
ICSI Membership No: A38729

Encl: As above

Medi Assist Healthcare Services Limited

CIN - L74900MH2000PLC437885

Registered Office : AARPEE Chambers, SSRP Building, 7th Floor, Andheri Kurla Road, Marol Co-operative Industrial Estate Road
Gamdevi, Marol, Andheri East, Marol Bazar, Mumbai - 400 059, Maharashtra
Phone : +91-22-6259 6797

Corporate Office : Tower "D", 4th Floor, IBC Knowledge Park, 4/1, Bannerghatta Road, Bengaluru - 560 029, Karnataka
Phone : +91-80-6919 0000

Email : ask@mediassist.in Website : www.mediassist.in



“Medi Assist Healthcare Services Limited's Q1 FY'26 Earnings Conference Call”

August 7, 2025



**MANAGEMENT: MR. SATISH GIDUGU - CEO & WHOLE-TIME
DIRECTOR, MEDI ASSIST HEALTHCARE SERVICES
LIMITED
MR. SANDEEP DAGA - CFO, MEDI ASSIST
HEALTHCARE SERVICES LIMITED
MR. NIRAJ DIDWANIA - SENIOR VICE PRESIDENT,
STRATEGY, MEDI ASSIST HEALTHCARE SERVICES
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY'26 Earnings Conference Call of Medi Assist Healthcare Services Limited.

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

I now hand the conference over to Mr. Niraj from Medi Assist Healthcare Services Limited, Senior Vice President. Thank you and over to you, sir.

Niraj Didwania: Thank you. Good evening and a very warm welcome to each of you to Medi Assist Healthcare Services Limited's Q1 FY'26 Earnings Conference Call. The Results of the Company, the press release and the investor presentations have been uploaded to the Stock Exchanges on our Website and also distributed through our mailing list.

Please note, any forward-looking statements are to be relied upon based on your own judgment and all financials and operating numbers discussed on the call are unaudited and management estimates and hence investors should refer to only the uploaded financial statements of the Company.

Without further ado, I would now like to hand over the call to Satish Gidugu – CEO and Whole-Time Director of Medi Assist Healthcare Services Limited.

Satish Gidugu: Thank you, Niraj. Good evening, esteemed investors, analysts and all participants joining us from India and around the world. Thank you for taking the time to join us today as we review Medi Assist's performance and strategic direction amid the dynamic evolution of India's health insurance landscape.

I am pleased to be joined by our CFO, Mr. Sandeep Daga and Mr. Niraj Didwania, our Senior Vice President, Strategy who also leads our Investor Relations function.

I would quickly share some key operational highlights for our Company performance for Quarter 1 and then take you back to the Investor Presentation we had uploaded some time ago:

The total premium under management was Rs. 7,076 crores as of 30th of June 2025, which is a growth of 18.5% year-on-year and this growth came in both group and retail. Group clocked a growth of 20.4% year-on-year growth and retail while there has been a significant mix change in the way we operate retail clocked a growth of 0.2%.

All in all between group and retail in terms of health insurance premium administered, our total market share went up to 23.1% as of June 2025 as against 21.3% as on 30th of June 2024. The

group segment market share moved up to 33.2% from 30.2% the same period last year and retail segment market share is 5% against the 5.5% last year.

Thank you for your continued support and confidence in Medi Assist. I will now switch to the presentation that we have uploaded and I will read out the slide numbers and as we flip through the decks to recap some of the important points.

I am on Page #3. I think we briefly spoke about some of these aspects in our previous call from what are our focus areas for Medi Assist. We continue to be strengthening our proposition as a holistic health benefits administrator, continuing to grow across all key segments, which is group, retail, government, and international private medical insurance, which is the IPMI market, and continuing investments in technology to drive scale and leadership, innovative offerings, delivering incremental stakeholder value, and consistently improving financial performance.

Along these focus areas as I switch to Page #4, we have started talking about what we do as a TPA within the Medi Assist group and also how we are expanding the scope of our services to be a well-rounded health benefits administrator, predominantly working towards offerings beyond the traditional TPA offerings, including but not limited to technology platforms, fraud detections, network, personalization, and also supporting insurers with in-house operations with our technology offerings. And we have started reporting some of the key metrics around our HBA proposition. So, today there are three insurers operating on Medi Assist technology platform on a standalone basis. The number of insurers using our network exclusively has moved up to 19 from 17 the last time we reported. There are three now full-scale AI/ML products that are generally available for our partners to use. These include our adjudication capabilities, fraud prevention, and the entire prediction of out-of-pocket expense, leading to a very quick or almost no-wait discharge. And our self-help tools that we are developing continue to improve. Over 41% of all inbound queries of customers today are getting answered by our self-help tools.

Page #5 has a quick snapshot of growth across our key segments – Group, Retail, government, and IPMI. Group. We continue to maintain our market leadership with a 33.2% market share in Q1. We have clocked on a much larger base, a 93.4% retention, including some of the calls that we have taken for quality of revenues. And all in all, over 10,000 corporate accounts are managed by us. And within the group business, the premiums that we have serviced for private and SAHI insurers, that portion has actually grown by over 20%. And all of these numbers that we are seeing today in terms of premiums and market share for Medi Assist standalone, without any of the paramount numbers included for the first quarter. We have signed Paramount on 1st of July. So, all the Paramount consolidation will start from Q2. And similarly in retail, our tech-led customer first approach and focus on technology allowed us to significantly change the mix of how we operate in retail. While the overall premium-based growth is at 0.2% on a quarter-on-quarter basis, the premiums that we have serviced for private and SAHI insurers grew by nearly 89% quarter on same period last year. And if you were to include the technology offerings,

the portion of retail that we touch for the whole industry is much larger and does not necessarily reflect in the premium-based reporting that we currently share with you.

In the global business, Mayfair arm of ours has had phenomenal growth. The revenues grew 35.6% from the same period last year. And with our continued access to over half a million providers across 185 plus countries, increasingly working with Indian insurers who are providing global add-ons and beginning to integrate with many of the Indian retail insurers.

Lastly, on the government side, government saw healthy growth, especially as the government schemes are becoming much larger in scale and with a renewed emphasis on how the administrator's choice is actually made in some of these government schemes. Medi Assist has been able to differentiate itself as a provider of choice in many of these government schemes. And we have seen a pretty healthy growth even on the government segment.

And I will skip on Page #6. There's a couple of points that I want to bring to your attention:

We processed over 22 lakh claims within the group and the retail business in Q1. That's the scale that our technology platform today is able to give us. And one of the questions that we get frequently asked is, what are you spending on technology? Our quarterly spend towards technology as a percentage of revenue are between 5% and 7% now as we continue to double down on our investments.

Moving on to Page #7, we have improved some of our innovative offerings to the overall market. The Navigator, which allows people to estimate out-of-pocket even before going into a hospital and then make prudent financial decisions. We have seen behavioral changes where members using these facilities are actually changing their room type choices at the time of claim, and thereby reducing their out-of-pocket incidents. And next one is how we use similar technology for enabling quick discharges or express checkouts. The program that we call as Raksha Prime, we have allowed over 67,000 patients to walk out of the hospitals even before the bills got generated in the quarter that just ended. Of course, our global platform, our analytics and insights continue to improve on a regular basis. And we briefly spoke about some of the aspects of a consent feature the last time. We now send the consent, some kind of a provisional approval for the members to sort of give us feedback, ask questions, get clarifications before a claim outcome is finalized and shared with the member. We have seen nearly 60% of our members acting on the consent or the provisional approval request that we send with less than 5% of that number asking for clarification or a change.

As we move to the next page, Page #8, we continue to improve our AI/ML frameworks to eliminate fraud, waste, and abuse. This is our flagship product in our AI/ML stack. We have the total fraud, waste, and abuse savings for the quarter are Rs. 160 crores in Q1. This was close to Rs. 50 crores in Q1 last year. So, it's been like a 3x improvement in the savings that we are able to deliver to our insurance partners. And system and AI-led fraud detection is now 80% of all frauds that we detect. And this number continues to improve.

And as we move forward to Page #9, as we have completed the integration of most of the acquisitions that we have concluded earlier, with Medvantage and Raksha specifically, our EBITDA margins which at the lowest point in H1FY'24 were at a 20.7% on a consolidated basis, have been steadily improving quarter-on-quarter. We have reported a 22% margin in Q1FY'26. I am happy to note that the performance is continuously improving quarter-on-quarter. And also, some of our other metrics that we have historically tracked, like the annualized revenue per average headcount, has now moved up to 14.9 lakhs. And the PAT margin, as reported, despite the impact of the acquisitions, which is, of course, of non-cash nature, is still at 11.4%, and a very healthy rate.

As we move to Page #11, to quickly spend some time on the operational highlights, and we spoke about the growth in the overall premiums and the group and the retail premiums. We continue to improve our market share on the whole and expand our leadership in the group segment.

And then I go to Page #12, probably we will skip some of these details and take this as part of the Q&A. And the only thing of importance here for me to share with you is Medi Assist Insurance TPA Limited, a wholly owned subsidiary. Your Company has successfully closed the acquisition of Paramount Health Services and Insurance TPA on 1st July for a final purchase consideration of Rs. 412.4 crores being the equity value of the purchase. And we continue to win some awards for the work that we do using AI/ML in this space. We have won “Best AIOps Implementation Team”

This is probably one of the most defining quarters for our growth, not just the growth in the TPA business with the acquisition of Paramount, we have also entered a strategic partnership with Star Health, an allied insurance Company, India's largest retail health insurer, to deploy MATrix, our proprietary AI-driven automation-first claims platform.

These are some of the quick highlights of our performance. I will now hand over to Sandeep – our CFO, to give you a quick set of financial highlights for the quarter before we open the floor for questions.

Sandeep Daga:

Thank you, Satish, and a warm welcome to all the participants.

The ‘Financial Highlights’ for Q1 FY'26 are as follows:

Total income was Rs. 198 crores, which was equivalent to a growth of 14.5% over the corresponding period of the previous year. Revenues from contracts with customers, excluding other income, we call it as operating revenue, was 190.6 Cr, which was a growth of 13.6% over the corresponding period last year. Revenues from contracts included 11.1% from the government business, 5.6% from the international benefits business, and 2.5% from the technology services, which Satish spoke about.

Moving on to the margin profile:

EBITDA, excluding other income, which we call it as operating EBITDA, was Rs. 42 crores, which was a growth of 19.3% year-on-year over the corresponding period last year. This is equivalent to a 22.0% of operating revenue. The profit for the year was 22.6 Cr. which is equivalent to a growth of 15.7% on the reported tax year-on-year, and equivalent to a margin of 11.4% under total income.

A few of the key numbers from the balance sheet are as follows:

The net cash balance in the books was 312.6 Cr. The net worth was 577.4 Cr. The return on the net worth was a healthy 15.7% annualized, which is equivalent to 3.9% for the first quarter. Return on capital employed was 21% annualized, equivalent to 5.3% for the first quarter. Revenue per average headcount, which again, Satish spoke about, under non-government contracts, was INR 14.9 lakhs annualized, equivalent to 3.7 lakhs for the quarter.

I now hand over the call back to Niraj.

Niraj Didwania: Thank you, Satish. Thank you, Sandeep. We can now open the call for questions from the participants. If you have any questions, please direct them to Satish, who will in turn ask the concerned team member to respond.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chintan Sheth from Girik Capital. Please go ahead.

Chintan Sheth: Yes, hi, . Congratulations for the good set of numbers and onboarding Star as one of your SaaS model and gives us a great validation on the platform and product you have created. A couple of questions. One was on premium growth. Overall growth has been 19% YOY, largely driven by group. Retail is still checking along sub-1% growth. If you can elaborate on what's happening there on the retail side, that would be one. If I look at your revenue growth, x of revenue government, and IPMI and technology services business, the core TPA revenue has grown slower than, materially slower than the premium growth. Typically, it lags premium growth, but this time around, the growth has been slightly higher, slower than materially slower than the premium growth. If you can elaborate on that. Lastly, on the Star Health Engagement, if you can provide some color, how should one look at it? Because it's not linked to premium, I believe. How should one look at business coming in, going forward? How should one look at the 2.5% technology revenue as a percentage of revenue scaling up with the Star engagement?

Satish Gidugu: Thank you, Chintan. Satish here. Maybe we just go in the reverse order. I think right now, like we said, we have historically not reported at a client or a customer level from a revenue perspective, but if you noticed, we have added our technology- services as a percentage of revenue this time, which is 2.5%. And of course, deals or transformations of this magnitude will take a few months of lead time for 100% of the volumes to sort of kick in, but I would only

request that you watch the percentage of the technology services revenue, and we will obviously continue to report the growth on it separately, from the tech perspective. And on the group side, and of course, I think you got that exceptionally well. We have had a phenomenal quarter while our retention was at 93.4% on the same store side. We have also added 1,000 crores of new corporate premiums in quarter one, which has been one of our largest and biggest quarters ever from a new corporate win. And all of the new corporate wins as a premium is being reported. But as you are aware, much of the revenue sort of gets pushed back into the subsequent quarters, given the 12-month difference. So, that's pretty much the reason for the incremental lag between premium to new translation. And on retail, of course, so retail historically, we have done it in multiple ways, one with private SAHI, different constructs and the PSU insurers, which are also largely allocation based. And anytime the allocations change, typically there is a dip, and then there is a time to bring it back up. So, part of the slow growth is partly the seasonality and the reallocation of the underlying portfolios. But if you notice today, the private and SAHI premiums in our retail premiums are already at 42%. And that's an area where we have made significant gains since the same period last year, with almost 99% growth. But one of the things that I will also sort of directionally share with you is that it is likely that not all the retail work that we do will be reflected in a premium based model going forward. It is also likely that some of the solutions that we are deploying on the technology side will sort of also address the in-house and the retail opportunity. So, I think going forward, it will be a good way to look at both retail and the technology services revenue.

Chintan Sheth: Right, both put together. Okay, got it. And on the fundraise, the cash is still on books. I think the deployment happened post-quarter, once the deal concluded with Paramount, right? That will be the right way to look at it. The presentation still says net cash, we still hold. So, I was just confirming that. Okay. Thank you. I will join back in queue. Thank you.

Satish Gidugu: Thank you.

Moderator: Thank you. The next question is from the line of Niharika Karnani from CapGrow Capital. Please go ahead.

Niharika Karnani: Hi, good evening. Sir, my question was on the acquisition part, so if we see the topline has largely grown by acquiring Medvantage, Raksha and now Paramount. So, is there any other acquisition in plan right now? And if not, what would be the topline drivers?

Satish Gidugu: Niharika, Satish here, I think the Q1 numbers are Medi Assist standalone. All the growth that we reported does not have any of the Paramount numbers. The Paramount closing is with effect from 1st of July. So, we will be able to talk about it in Q2. Even historically, if you factor growth from, say, March 22 to March 25, we have doubled our premiums, and of which only about 20% of those premiums came in from the acquisitions, a little over 20%. But much of that has been same-store growth, retention, benefits expansion, and organic sort of new corporate builds. That absolutely continues to be a focus area. And you have seen that in the group segment market

share increased this year. And from a topline, I just answered the previous question to Chintan saying retail, we will potentially address retail in two models, which is the standard TPA services for many of the insurers offering retail, and plus also the technology and other services for what traditionally has run as in-house in retail. You've also seen us grow fairly well on the government business side. Government business contribution to business, in fact, has gone up. And you also noticed that at the same time, our margins have also improved. So, the quality of the government business, the scale of the government business and the opportunities is something that is very exciting, and we will continue to stay invested and stay focused on the government. And lastly, the other last growth driver we spoke about is our international business, Mayfair, which has also clocked over 35.6% growth in revenue for the same period as more and more Indians are traveling abroad, be it for travel, be it for elective surgeries, or for short-term, medium-term deputations from their employers. Today, as Mayfair, we have fairly integrated solutions that allow our Indian corporate clients and the insurer partners to seamlessly access global networks for hospitalization. That thesis is beginning to play off. So, I would say we continue to be equally focused on all the four as growth levers. And acquisitions, of course, are strategic in nature, not just only for the topline. And as and when such a right opportunity comes up, we will certainly evaluate.

Niharika Karnani:

Understood. Thanks for the detailed explanation. And one more question is on the HBA part. So, right now, we know that it's a minimal percentage of revenue, but how do we foresee it in the future? Like right now, TPA is 90% of revenue. So, do we see kind of 50-50, 60-40, or how do we plan to grow this HBA service?

Satish Gidugu:

Maybe it's a little early for us because, if you looked at our transition, of course, we became the partner of choice for over 23% of the industry today by premiums. I think the phase where we are is all of the technology that we build is at an industry scale. We are able to componentize our offerings now, whether it is fraud detection, or is an AI capability, or navigation, or discharges, or the entire network as a service. And I think we have a reasonable number of conversations in place, but I would at this point not go into guiding anything else. But from a non-TPA perspective, we should look at both the international plus the tech as a diversification, and that's fairly recent, right, over the last 2-3 years and that will continue to expand.

Niharika Karnani:

Understood. So, do we see any margin expansions from here onwards from 22%? You know, we have grown from 21% similar period last year to 22%. Or do we kind of be in the same range?

Satish Gidugu:

So, I think we have always said this consistently in our conversation since the pre-IPO roadshows. We believe our steady state margin in the TPA business should be at 23%-24%. That's where we were prior to the whole stream of acquisitions, and we have consolidated. We are at 22%. And of course, we will continue to improve our efficiencies using technology. But of course, with sort of paramount consolidation coming in, for about 5 to 6 quarters, we will probably see about 200-250 basis points kind of an impact on the consolidated margins. Of

course, part of that will be offset by our productivity and efficiency improvements. But that's something that we should keep in mind. And then the consolidated base, getting it back to the 23% will be our focus.

Niharika Karnani: Understood. Thank you so much and all the best.

Moderator: Thank you. The next question is from Madhukar Ladha from Nuvama Wealth Management. Please go ahead.

Madhukar Ladha: Hi, everyone. Congratulations on a good set of numbers. So, a few questions from me. First, you see the retail premium under management has not grown as much. I think in the opening remarks, you did mention some change in the industry. Can you elaborate on that? Second, can you give me what the contract liability number for at the end of Q1 is? And third, on the tech, SaaS business, how are we billing customers? What is the thought process? Will it be as a percentage of premium that they manage? Will it be sort of a lumpsum number? And I wanted to also understand what sort of costs can be associated to that cost of servicing that has a part of the revenue. So, theoretically 2-3 years down the line, what sort of margins should we be thinking about in that business? And lastly, on Paramount I know that typically when you announce an acquisition, after that, a lot of the customers, they directly renew with Medi Assist. So, given that now, I think we announced the acquisition last year in August, and we will be integrating only from July this year onwards. Can you give us a sense of, how much of that Rs. 150 crores odd has already been renewed at Medi Assist? And how much of that is still lying with Paramount? So, those would be my sort of four questions. Thanks.

Satish Gidugu: Thanks, Madhukar. I will do my best to answer them in the right sequence. So, on contract liability number is Rs. 288 crores, as of Q1 288 is the number. This was 238 as of March. So, that's the increment in the number, right? for the quarter. Now, on the tech, and on the retail, it's not necessarily a change in the industry, it is basically two things, right? One, we work with multiple insurers in multiple templates. We work as a TPA with the insurance companies in the retail portfolio. We work for private, SAHI and public sector insurers. Some of the portfolios, especially the public sector insurers are more an allocation-based portfolio. So, there are occasionally changes in the allocation, and then one has to sort of work back to realizing all of the portfolio that's been sort of allocated. So, there's a bit of that change that is currently in the current year's numbers. Whereas in private and SAHI and I think we did report in Q3-Q4 last year, that we have added some more insurers on the private SAHI segments for retail. And now, sort of, we are operational in those relationships and that's where you see that on a standalone basis, the component of private and SAHI retail has grown by 89%, while the overall growth, because of the mixed impact, all three allocations looking like 0.2%. So, this is, so this is an area that we have spent a lot of time on, and we continue to work very closely to bring all of the innovation and the tech to the retail side of the business. Like, I have also answered in one of the earlier questions, it is also possible that some of the retail or retail-like products that are typically in-house, and we believe we now have solutions that can offer, that we can offer to

those portfolios, be it better claims technology or analytics or fraud, waste and abuse prevention, or even entire cashless network as a service, or the whole Raksha Prime as a service. So, these are some of the offerings that we are now in a position to make available to standalone portfolios, even where we don't have a TPA relationship. So, and hence, it is likely that some of the work that we do in retail in future would potentially also show up as a technology revenue, not only as a premium-based revenue. That brings us to the tech and the SaaS questions that you had. And of course, I think the good thing about the platforms is that we have always built platforms of industry scale, including the platforms that we have previously carved out, which are now the largest in their respective industries. Today, MATrix, for Medi Assist standalone itself allows us to process over 22 lakhs a quarter. And with some of the other insurers, potentially even if on a pro forma basis, over 30 lakhs of claims a quarter, that's a scale at which we operate. So, we believe that we have created a platform that some insurers are beginning to like evaluating as an option, especially as they rethink the scale and the product innovation and the speed that is required to automate. And Matrix is a platform sort of also has de facto integrations with much of the industry. Fraud detection engine already is I would like to believe that multiple times more efficient, even compared to our own numbers of last year, Q1, where we saved Rs. 50 crores in terms of frauds. We have saved over Rs. 160 crores in this Q1. So, these are capabilities that are continuously improving. And hence, I think the pricing models will evolve. But the base pricing model for the claims technology on a per claim basis is a SaaS fee. We typically have multi-year contracts with a fixed fee for the entire duration of the contract. Fixed in the sense the fee is fixed at a per claim level, sometimes even with some amount of inflation in the base technology platform. We expect that in some of the other AI-led models, the industry will sort of move towards outcome-based pricing, because this is pure value and pure outcome. But these are slightly early days, Madhukar, and I think we will have a lot more color on this in the next few quarters as we figure these models out. Lastly, on Paramount, of course, until 30th of June, all wins were pure competition because we were competitors competing in the open marketplace until we signed on 1st of July. So, right now, irrespective of whether the customer already signs with Medi Assist or not, Paramount is 100% wholly owned subsidiary of Medi Assist Insurance, TPA. So, from a customer and a service and experience perspective, it is absolutely one. And of course, there's a bit of an operational alignment and system alignment that will happen over the next 4-5 quarters. And from a revenue perspective, while Paramount was an IGAAP, and then after IndAS recast and after adjusting the revenue recognition models to be aligned to our models, we expect a little over Rs. 140 crores a year in the IndAS format to sort of accrue from what we have as numbers. So, that's the kind of run rate. There's a little bit of that that we had already won in the open marketplace earlier, but that's sort of the size at which Paramount will conduct.

Madhukar Ladha:

So, okay, I will just start first on the last bit. So, of the 140 odd, there is some bit that you have already won in the open market. What would that number be?

Niraj Didwania:

I am sorry for interrupting. The 140 is the proforma IndAS converted number as of closing which does not include any win from the past.

Madhukar Ladha: Understood. So, the 140 will get added, 140 run rates will get added from basically July onwards effectively.

Niraj Didwania: Yes.

Madhukar Ladha: Got that. And then on the SaaS platform, you mentioned it's on a number of claim basis?

Niraj Didwania: Yes.

Madhukar Ladha: So, is that the right way to build something like this? Or shouldn't you try and price it on the premium because I am wondering if we miss out on claims inflation.

Satish Gidugu: No, I think, thanks for looking out for us. This is our transaction processing system. I think after multiple rounds of understanding, we found this to be the most transparent way to work with our customers. And I think it's about arriving at the right kind of a transaction pricing to be fair and in line with.

Madhukar Ladha: I think you missed on margin. What's the cost for providing the SaaS service? Do we have dedicated people? Obviously, we will probably incur some costs on this side. So, how should we think about that?

Satish Gidugu: Historically, we have not broken down our business lines by margin. I think what I can tell you is that there's obviously a significant amount of reuse that's available from our engineering and infrastructure. Of course, we expect these margins to be better than the core margins. Absolutely. Right now the scale is too small for us to give you any kind of numbers, but at the right time, we will.

Madhukar Ladha: I am guessing that at a slightly better scale, the margins would be much better than the 22%-23% EBITDA margin that you are talking about, if this piece scales up?

Satish Gidugu: Yes, I think it's a very fair and logical assumption.

Madhukar Ladha: Understood. I will probably speak to you offline more on this. Thanks a lot.

Satish Gidugu: Thank you.

Moderator: Thank you. The next question is from the line of Rishi Jhunjhunwala from IIFL Institutional Securities. Please go ahead.

Rishi Jhunjhunwala: Yes, thanks for the opportunity. Satish, one thing I just wanted to understand, while our overall revenue growth has been fairly healthy in this otherwise relatively muted environment, if we just look at our core business, X of government, international technology services, our revenue growth has decelerated even in this quarter and has been on a decelerating trend. It's up, I think,

7% year-on-year. Premiums are still growing at 19% under management. So, just wanted to understand the dynamics in terms of why the revenue growth gap is so much more than what the premium growth is indicating in this business and what will drive this back to, say, low to mid-teens kind of a growth over the next 12 to 18 months?

Satish Gidugu:

Thank you, Rishi. I partly sort of addressed this in one of the earlier questions. So, this quarter has been in, you know the other way to look at the revenue decelerating is that, we have done a great job in adding lots of premiums in this quarter. We have added over Rs. 1,000 crores of new corporate wins in Q1 alone. And given our revenue recognition, we sort of spread it over 12 months. And when we report the full premium, there is artificially a higher lag between premium and the revenue growth. But structurally, nothing else has changed from a market perspective. Our yields are stable, both on the new wins and on the retention. Of course, there is underlying softness in the group business that you are fully aware of in terms of the same store growth. Historically, about 50% of our same store growth of mid-teens used to come from lives growth, employment growth, or the membership growth. Right now, I think that's the softer side. But we are seeing a lot of the growth from benefits expansion and a lot of sort of employees opting in for higher kinds of benefits. So, there is a little bit, obviously, a softness in the same store growth, right? And given the absolute size of the same, the retaining portfolio that we have, it might look a little subdued, but we are very comfortable with both our retention and the way the same store growth is running and our ability to continue to add new accounts organically.

Niraj Didwania:

And just to add on the premiums versus the revenue, any 1 or 2 quarters will not be the optimal time to look at it. Over a full year of operations, you'll see the lag being very low, which is what we have always guided and there will still be a lag because of the mix of premium and what revenue we recognized. But if any one or two quarters are picked up, sometimes the gap could be substantial. So, it's not a true representation. That's all I want to say.

Rishi Jhunjunwala:

Fair enough. And just a clarification, none of this is getting impacted by the 1/n accounting that has happened on the sell side for us at least, right?

Satish Gidugu:

That's right, Rishi. We have never been impacted by that. We have always recognized as like 1/ whatever is the number of--

Rishi Jhunjunwala:

Okay. And the second question is on technology services, right? So, firstly, this 2.5%, is it all fresh revenue in this quarter that has come up? Because I remember in the past also, there used to be some revenues on data services and all that used to provide. So, is this completely fresh? And secondly, in terms of profitability, I am assuming a lot of these, basically these technology services revenues are coming out of all the tech investments you have done over the years. And so incremental cost there would be minimal and as a result, this will be a very, very high gross margin business?

Satish Gidugu:

So, the 2.5%, you are right. We have historically had, but we never reported that and called out separately. So, it's a combination of mostly existing revenues and some new revenues as the new

ones are sort of taking off over a period of time, right? So, it should only hopefully look different as the scale of some of the new deployments increases. From a cost perspective, of course, like I said earlier, this has all the characteristics to be a much higher gross margin business. Given that, typically in our other contracts where we have people deployments, the cost of people tends to be a pass-through cost, which also dilutes margins. So, this one is a pure technology cost. So, the gross margins are certainly better in the tech services business. The only thing that I would nuance, Rishi, is it's not that we have a product that we created a couple of years ago and that we will continue to sell, this is an evolving and growing industry. So, there will be continuous improvements like some of the online or data services products that you have seen before. But yet, on the whole, the gross margin should be better.

Rishi Jhunjunwala:

Okay. Thank you.

Moderator:

Thank you. The next question is from the line of Prithvish Uppal from Elara Securities. Please go ahead.

Prithvish Uppal:

Yes. Hi. Thanks for taking my question. Most of the questions have been answered. Just wanted to get some sense within your group, premium under management, if you could possibly give an allocation of how much is coming maybe, say, from IT and IT services? And with the recent news around the slowdown in job hiring and in the likes, just wanted to get your sense in terms of how you could possibly see that impact on the group side of the business at both the industry level and for you? Yes, that's the only question.

Satish Gidugu:

Thanks, Prithvish. This is Satish here. So, you are absolutely right. But I think that's where how we looked at group and business acquisition has changed over the years. Maybe 4-5 years ago, we had almost 65%-70% of our premiums coming from ITeS and BFSI, which were the largest, obviously, and the most benevolent employers from benefits perspective. But today, if I am not wrong, I think it should be sub 30%-35% of within the top 50, in fact, which are pretty large. It's not something that we review every day. But we have significant diversification that we brought in, in the accounts that we service. So, we have a fair bit of presence in the top 50 in most industries today, with manufacturing, with automotive, with pharmaceuticals, and so on. So, there is a fair bit of diversification and cushioning. And of course, in some of the specific industries that are possibly more impacted by reduction in discretionary spending globally, and also by AI, where we are seeing a fair bit of compensating factors, retaining the remaining talent has become far more important than ever before. So, we have seen significant benefits expansion in many of these corporates, and both voluntary and also sort of opt-in kind of benefits, where we have seen the average ticket size at an employee level and the family level substantially go up. That's not fully compensating for the life so long, but significantly compensating for it. In fact, I would say much of the same store growth that you see today is coming from this phenomenon. And we expect this to sort of, stabilize over a period of time.

Prithvish Uppal:

Okay, yes. That is it from my side. Thank you.

- Satish Gidugu:** Thank you.
- Moderator:** Thank you. The next question is from the line of Chintan Sheth from Girik Capital. Please go ahead.
- Chintan Sheth:** Thank you for the follow up. Just one clarification on the premiums. Now with industry reporting 1/n, doesn't it get reflected in our premium reports, or it's still just trying to understand that piece?
- Satish Gidugu:** No, Chintan, it doesn't, because we have always taken premiums and spread it over multiple years. Even in the retail portfolios that we have managed, we have always recognized premium on an annual basis and within that year on a 1/365 basis.
- Chintan Sheth:** Yes, revenue, I understand, but earlier industry was not reporting premiums in 1/n, right? They were reporting as in when it was getting collected.
- Satish Gidugu:** But we have always reported the premium that we use for booking revenues.
- Chintan Sheth:** Got it. And the fundraise, if you can just highlight more on the use of that fund would be helpful and timelines of it?
- Satish Gidugu:** So, I will start and then I will hand over to Niraj. And of course, I think we have multiple things in play as an organization today. One, of course, we continue to be sort of very aggressive on growth, growth opportunities across multiple dimensions, be it within the TPA business or in our IPMI business, or even the investments that are needed to really grow the technology services as a viable line of business. And secondly, I think as a significantly publicly held Company, sometimes you are also looking for investors with long-term perspective who can add heft to the cap table and patience and with meaningful, like, ownerships. And then, of course, there is an opportunistic piece about retiring the debt while, of course, over a period of time, given the very strong cash flow that happens at our Company, we can retire the debt on our own. But there is an opportunity sort of to free up that capital for growth rather than only for debt servicing. So, when we look at all of these, 2 or 3 factors and a well-respected name with a meaningful ownership. So, we have a term sheet for our preferential allocation that the Board considered today and accepted the offer and approved the preferential allotment. We will predominantly, I think we will talk about the objectives itself when we send out the notice you know, to the shareholders in the next couple of days. But I think I have sort of given you an indication of what are our areas that continue to occupy our mindshare today?
- Niraj Didwania:** Yes, just to add, if you remember, in February this year, we took an in-principle approval from the Board. Yes, and that was to the tune of Rs. 350 crores. And we always maintained with the investors that while there is an intent to look at our capital structure, the exact amount and the usage and objects, we will come back to you at the right time. And this was a very marquee, so, like Satish said, this was always for the cap structure where we do want to maintain healthy cash reserves given our scale, given the speed at which we are able to move and also sometimes help

in maintaining the leadership position and also from a cap table point of view, we do look at welcoming long-term decent-sized shareholders. And this was something that fitted both those things. That's how we went ahead.

Chintan Sheth: Sure. All the very best. Thank you for answering questions.

Moderator: Thank you. The next question is from the line of Varun Gajaria from Omkara Capital. Please go ahead.

Varun Kagaria: Hi, sir. Congratulations on a good start. I am sorry if I missed it earlier. Just wanted to check how does that FY'26 looks like and probably the consequent year '27?

Satish Gidugu: Are you asking about how the FY'26 is expected to look at in the following year in terms of financials?

Varun Kagaria: Yes.

Niraj Didwania: See, we don't give any forward guidance, but as you can see, and if from a track record, we have generally always said that we will grow at the industry rate or faster. And we have sort of published our last couple of quarters in terms of improving margin profile. Of course, Paramount is something that is just closed in the current quarter. So, with paramount, how the consolidated numbers will pan out, of course, it will add very meaningful growth because it's a sizable scale of book portfolio. They were number two in group. But in terms of the financials, you will have to wait till how the Q2 pans out when we report consolidated numbers with Paramount.

Varun Kagaria: All right. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Anand, an Individual Investor. Please go ahead.

Anand: Thank you for taking my question. I wanted to ask one question about our AI/ML framework. If we have to compare this with what all solutions are available across the world, how do you compare these solutions?

.Satish Gidugu: Thanks, Anand. That's a great question. We are very different as a market and from a reality perspective compared to the rest of the world. There are markets that spend over a quarter of the premiums in administrative costs while you can see that our efficiency today is three percent blended. But having said that, our industry suffers from a couple of issues. Some of them are like the hospitals do not have any electronic standards either for membership records or for even the billing or the discharge summary. And insurers don't have standard formats for how they issue policies or underwrite or capture identity and other information. So, we have some very unique challenges as a country today. I think this is where we have spent a lot of time over the last five years or so and carefully digitizing practically everything that came our way. We digitized today over 80% of all the bills at a line item level that hit our system. And we spent a

lot of our energy curating data and creating an extremely large volume of records that are curated and ready for use and for us to build good quality AI models. And that's where we spent the first four years creating this infrastructure. It's the last 18 months or so where we have seen a lot of our work sort of come out of this. And to give you some examples today, when we used to, for example, when we had to sample for fraud, we would rely on our individual medical officers to sample a file and potentially flag off saying, hey, this looks like fraud. Could you send somebody over to sort of physically verify? And we used to have our hit rates as low as 2 out of 100 or 4 out of 100 times we would find because that was the sampling inefficiency. Today, especially in fraud-triggered cases, our sampling efficiencies are over 60% to 70%. And so that's how it's sort of building these models. I personally believe that we have lots of uniqueness in this market and where we can add significant value to the entire ecosystem. And I would also like to sort of believe that we probably are ahead in terms of the kind of data curation that we have been able to achieve and the kind of training that we have been able to achieve with millions of data points and our general ability to build things at scale and integrate and make it more viable for the ecosystem. So, I cannot speak for the others, but I think this is where we are today.

Moderator: Thank you. That was the last question for today. I now hand the conference over to Mr. Niraj for closing comments. Over to you, sir.

Niraj Didwania: Thank you, everybody, for a very active participation, and we are available offline for any further queries.

Moderator: Thank you. On behalf of Medi Assist Healthcare Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.