

November 11, 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 November 05, 2025 at 06.00 p.m. to discuss the Company's Unaudited Financial Results (Standalone & Consolidated) for the quarter & half year ended September 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

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“Medi Assist Healthcare Services Limited Q2 & H1
FY'26 Earnings Conference Call”

November 05, 2025



**MANAGEMENT: MR. SATISH GIDUGU – CHIEF EXECUTIVE OFFICER &
WHOLE-TIME DIRECTOR, MEDI ASSIST HEALTHCARE
SERVICES LIMITED
MR. SANDEEP DAGA – CHIEF FINANCIAL OFFICER,
MEDI ASSIST HEALTHCARE SERVICES LIMITED
MR. NIRAJ DIDWANIA - SENIOR VICE PRESIDENT
(STRATEGY), MEDI ASSIST HEALTHCARE SERVICES
LIMITED**



Medi Assist Healthcare Services Limited

November 05, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Medi Assist Healthcare Services Limited Q2 & H1 FY'26 Earnings Conference Call.

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 this conference, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Niraj Didwania – Senior Vice President (Strategy). Thank you and over to you, sir.

Niraj Didwania: Thank you. Good evening and a very warm welcome to each one of you to the Medi Assist Healthcare Services Limited earnings conference call for Q2 & H1 ended 30th September FY'26. We have the results of the Company, the press release and the investor presentations have been uploaded to the exchanges and on our website and also distributed from the mailing list. We apologize for the slight delay we had due to technical connection issue.

Please note that 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 on management estimates and hence investors should refer only to 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 afternoon, 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 amidst the dynamic evolution of India's health insurance landscape.

We are encouraged by the ongoing transformation in the health insurance segment driven by technology and strategic partnerships that enhance efficiency, access and trust. These obvious milestones for us including the completion of the acquisition of Paramount TPA, our collaboration with Star Health and Allied Insurance, expansion of our International Benefit Administration footprint and investment from MIT demonstrate strong confidence in Medi Assist's vision and capabilities. These achievements reinforce our dedication to building a sustainable tech-driven ecosystem that delivers lasting value for all stakeholders.

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

I would first like to share the key operational highlights for our Company performance for H1FY'26 and you will also find some of this information on various slides in the investor presentation that's getting uploaded.

Let me start with some 'Operational Highlights':

The total premium under management administered was Rs. 12,719 crores as on 30th of September 2025, a growth of 20.2% year-on-year. Of this, group premium was Rs. 11,447 crores, a growth of 22.5% year-on-year and retail premium was Rs. 1,272 crores, a growth of 2.6% year-on-year. Within this, Paramount contributed Rs. 488 crores in group premiums and Rs. 104 crores in retail premiums. . Of the total health premiums in India, our market share was 21.3% as on 30th of September 2025 as against 19.2% as on 30th of September 2024. The group's segment market share moved up to 32.2% as against 28.4% as on 30th of September 2024. And the retail segment market share was relatively flat at 5.3% as against 5.6% as on 30th of September 2024.

Now moving on to 'Business Highlights' for Q2 and H1FY'26:

Share of private and SAHI insurance in the total portfolio premiums administered increased to 29.4% for H1FY'26, a growth of 233 basis points year-on-year over a similar number for last year. A sustained leadership position in the group segment, we continue to hold this well with premiums administered for private and SAHI insurers growing by 28.3% year-on-year as against the industry growth of 7.8% year-on-year within that segment. We achieved a retention rate of 93.4% for group accounts across corporates excluding paramount portfolio. And we continue to improve the work that we do with private and SAHI insurers in the retail segment with the premiums administered for private and SAHI insurers growing by 47.7% year-on-year as against the industry growth of 8.6% year-on-year in the private and SAHI retail segment. A mix of private and SAHI insurers in the retail segment of premiums administered stands at 37.8% for the half year. We continue to improve our provider network proposition for the ecosystem with our network adopted exclusively by 19 insurers in H1FY'26 up from 17 in the similar period last year. And our average claim size growth for Medi Assist continues to be substantially lower at 4.4% as against industry medical inflation of what is generally accepted to be at 10% to 12%.

And we continue to leverage capabilities for delivering seamless global administration services through expanding partnerships. Mayfair We Care UK, our international benefits business, onboarded one new Indian insurer and one new UK insurer for the IPMI and the group segments. Our strategic partnership agreement with Bhutan's Royal Insurance Corporation, enabling its policyholders to access Medi Assist cashless provider network across India is live. And of course, the integration of Paramount TPA operations are ongoing with a focus on strengthening combined go-to-market and the overall value proposition across insurers and corporate accounts and also while driving operational efficiencies at the same time.

And moving on to some 'Technology Highlights' for the period:

We executed an industry-first strategic partnership with Star Health and Allied Insurance Company for deploying our MAtrix claims platform. Full-scale deployment achieved in less than six months from design to going live, demonstrating our capability to execute complex enterprise-scale transformations. About 40% of the claims volume has already migrated to the platform, and the full migration is an ongoing activity. And we continue to keep our focus steady on technology-driven fraud, waste and abuse prevention activities. Tech delivered savings of Rs. 230 crores in this period, marking a 50% increase year-on-year. And we continue to scale up our unique offerings across the provider network. Raksha Prime, our AI/ML-based instant check out offering enabled over a 156,000 discharges in H1FY'26, compared to 38,000 odd in similar period last year. And in fact, even against a total of 117,000 discharges in FY'25. And this number continues to grow day by day with both the patient satisfaction scores and the prediction accuracy substantially going up very frequently.

I now hand over the call to Sandeep Daga – our CFO, to walk you through some financial highlights.

Sandeep Daga:

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

Let me share with you some 'Financial Highlights' for Q2 and half-year ending H1 FY'26:

Starting with Q2:

The total income for the period was Rs. 234.8 crores, which is a growth of 25.5% over the corresponding period of the previous year. Revenues from the contracts with customers, excluding other income, which we call as operating revenue, was Rs. 232.5 Cr., reflecting a growth of 28.6% over the corresponding period of previous year. The revenues from contracts with customers includes 12.6% from government business, 4.3% from our international business administration and 2.0% from the technology SaaS services.

EBITDA excluding other income during the period, was Rs. 39.7 Cr. which includes paramount related consolidation and integration costs amounting to 150 basis points of EBITDA. The Company has also incrementally invested into technology investments to the tune of 100 basis points.

The 39.7 Cr. of EBITDA resulted into a growth of 3.3% year-on-year over the corresponding period last year, and a margin profile of 17.1% on the operating revenue. Profit for the period was 8.1 Cr, which reflects a decline of 61.5% versus the reported PAT last year, and a margin profile of 3.4%. However, adjusting for the Paramount acquisition financing, incremental depreciation and amortization, and resulting higher effective tax rate, the estimated cash tax is in line with the historical performance.

The 'Financial Highlights' for half-year ending September FY'26:

Total income during the period was Rs. 432.8 Cr. reflecting a growth of 20.2% over the corresponding period of previous year.

Revenue from contracts with customers, excluding other income was Rs. 423.1 Cr. reflecting a growth of 21.4% YOY for the corresponding period of the previous year. This revenue from contracts included 11.9% from our government business, 4.9% from the international business, and 2.2% from technology-led services.

EBITDA excluding other income was 81.7 Cr., which reflects a growth of 10.9% year-on-year, and a margin of 19.3% on operating revenue.

Profit for the period was 30.7 Cr, a decline of 23.3% on reported PAT versus last year, and a margin of 7.1% on the total income. The key balance sheet and operating metrics as on 30th of September are as follows. Net cash balance in the books was minus 20.9 Cr. The net worth was Rs. 591.2 crore and the return on net worth was 10.4% on an annualized basis. Return on capital employed was 14.2%, again on an annualized basis. Revenue per average headcount on non-government contracts was 14.9 lakhs annualized during the period.

I now hand over the session to Niraj.

Niraj Didwania: Thank you, Sandeep and Satish, for running through the performance of the Company. We will now take questions from the participants on the call.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Navid Virani from Bastion Research. Please go ahead.

Navid Virani: Thank you for the opportunity and first of all, congratulations on the acquisition of Paramount. I have a couple of business understanding questions. First one, sir, is on unit economics. So, what I want to understand is how does Medi Assist do earn, I understand that all our income comes from insurers. But what I want to understand is, is it fixed for policy or do we earn as a percentage of premium that we administer? So, that's first.

Satish Gidugu: Thank you. This is Satish. We predominantly earn our revenues in the India TPA business, which is our largest substitute. In the regulated India TPA business, we earn our income only from the insurance companies. And most of this income is paid within the group and retail business as a percentage of the premium. And in the government business, typically it is a fixed number of rupees per family per year. And that number depends on the complexity of the group and the various conditions and the manpower deployments. These are the two predominant sources of revenue within the TPA business.

Navid Virani: So, thank you for that. The next one was, I wanted to have some understanding of the growth levers for Medi Assist. So, in my understanding, we have four growth levers. First is if we onboard a new insurance Company as a client, that's one. Second, we have more number of

policies or higher premiums to administer. Third is acquisition. And the fourth one, which is a newly added one, which is SaaS. Is this understanding correct, sir?

Satish Gidugu:

I mean, it's reasonable, but let me just articulate it. We are predominantly a health benefits administration business. We today report our revenues from what we earn from our standard TPA business across group, retail and government segments. And we earn revenues, like I've explained as an answer to the previous question. Second, of course, we have revenues from our international arm. Third is a segment that we started reporting separately, which is the revenue from the technology services as a line of business. So, these are the three broad segments. And of course, each one will benefit from expansion of the funnel, able to convert more and are able to improve our yields.

Moderator:

Thank you. Our next question comes from the line of Madhukar Ladha from Nuvama Wealth Management. Please go ahead.

Madhukar Ladha:

Hi, good evening. Thank you for taking my questions. So, first, just on the balance sheet, your other intangible assets have gone up considerably. So, I am guessing that's the result of Paramount's consolidation and customer relationships etc. being capitalized. I wanted to know how much of the depreciation and amortization is sort of these customer relationship related. Second, also if you look at trade receivables, that have gone up quite sharply at the end of September. So, that was the other thing I wanted to understand. Why have trade receivables shot up? And third, I think you mentioned that EBITDA for Q2 was impacted by about 100 basis points of additional technology related investment. So, if you could explain that and give us some sense of likely trajectory of these investments and have we made any sort of changes of that? On a year-over-year basis, when I look at your cash flow statement in the first half, I don't see any significant increase in CAPEX. So, it broadly remained at about Rs. 26 crores-Rs. 27 crores. So, I mean, so that's the other point, what is actually driving the depreciation increase? So, those would be some of my questions. Thanks.

Satish Gidugu:

Thank you, Madhukar. This is Satish. I will answer some of the questions and then I will hand over to Sandeep for the rest. Maybe start with the trade receivables. We had a little bit of a timing issue between September and October in one or two large project collections that sort of moved the needle by the number of, I mean, significantly on the DSO. But those collections, like you've always seen, sometimes it's seasonal from quarter-to-quarter. We have since collected significant amounts of that and then we are recently back to normal. So, it's more a timing difference on the trade receivables. One on account of the larger business and two on account of in relation to some very specific large project that caused this. But otherwise, we are sort of back to normal. And from a technology cost perspective, Madhukar, as much as it's investment, it is, you're aware that we have our technology SaaS business. There are lots of implementation work that is going on. There is a fair bit of an upfront thing of that cost that's happening right now. That should even out in the next quarter or so as the volumes ramp up on the platform and the revenue numbers actually move up. This is more just, again, a ramp up phase of the project.

Nothing specifically that we are building out as a new platform or a new capability. It continues to be what we have done before. On the other intangible assets, specifically from the customer relationship side of Paramount, it's about 3.5 crores for the quarter. And that's what you're seeing from the intangible side on the balance sheet on account of Paramount.

Madhukar Ladha: Now, that's in the depreciation amount, right?

Satish Gidugu: Yes.

Madhukar Ladha: Because I think the capitalization is more, a lot more, right? Because other intangible assets have almost grown about what, I mean, they're at Rs. 120 crores from about Rs. 92 crores in March.

Niraj Didwania: Hi Madhukar. So, this is the full customer relationship value for the entire transaction.

Madhukar Ladha: That's all, yes.

Satish Gidugu : This is, of course, the difference is largely Paramount and that is amortized over a longer term period. We are just giving you a quarterly impact of that.

Madhukar Ladha: Just a quarterly impact. Yes. Got it.

Niraj Didwania: And your last question on the cash flow on CAPEX and depreciation, some of the depreciation is also because we have also, with Paramount acquired some, there are some fixed assets. There is also some amortization on right of use assets. So, D&A has gone up apart from the intangibles and is also because of the Paramount consolidation. They also come with some assets and some D&A going up on their assets.

Madhukar Ladha: Great. Okay. Just a follow up, on the business side. I am still going through the presentation because it came in very late. So, maybe I will come back in the queue later. But on the business side, what's happening with the implementation of the SaaS sort of model with Star? So, can you give us some update of that? And, if any guidance on likely sort of revenue on that project?

Satish Gidugu : So, Madhukar, it's part of the press release and I think we have had good success. And as announced by Star themselves, about 40% of the volumes are on the platform. And of course, it's a time carefully elaborated platform. So, maybe a 2-3 quarters potentially is where you're looking at most of the sort of volumes migrating. And I think we continue to report technology revenues, even in the quarter, even in the current quarter despite the increased revenues, we are still tracking to about 2% of the revenues as the technology revenues. Maybe I think we will be in a better position to talk about the overall technology revenues in a quarter or two as we sort of complete the integration.

- Madhukar Ladha:** And we don't include this sort of technology service premium related to this technology service in the retail premium, right? Or this, we don't do that. I just want to double check on that, actually.
- Satish Gidugu:** Absolutely, Madhukar. We do not include, we only include those premiums which were explicitly hired as a TPA.
- Madhukar Ladha:** Yes, full service thing we are doing.
- Satish Gidugu:** Yes.
- Madhukar Ladha:** Okay, great. I will sort of come back in the queue. Thanks.
- Moderator:** Thank you. Our next question comes from the line of Gaurav Shah from Harshad Gandhi Securities. Please go ahead.
- Gaurav Shah:** Thanks for the opportunity, sir. My question is more of a strategic in nature. With the recent exit of private equity, the so-called promoter holding is just like close to 5%, which is such a less holding. I want to understand what will drive the management to work with the same passion or vigor as before. I mean, since the skin in the game is clearly less now. So, I just wanted to have your views on this. Are you planning any ESOP sort of thing for the management to work like with the same passion and all that? Just wanted to hear on that.
- Satish Gidugu:** We have always been a professional board-run company with a large independent board, where I am with professional management. We have not been a family-run business ever. And I think that's what allowed us to attract the right kind of talent, of course, with the kind of incentives and structures for the management. We have the most able management in the organization that has worked through the years and through the listing. First, there is really no connection between promoter holding and the management. And secondly, I think given the board and given the governance structures, there is obviously a continuous and constant review of the management teams and incentive structures. So, that's something that gets reviewed and acted upon at the board level.
- Gaurav Shah:** Okay, sir. Thanks a lot for your views. Thanks a lot. And all the best for the future.
- Satish Gidugu:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Jayesh Gandhi from Harshad H. Gandhi Securities Private Limited. Please go ahead.
- Jayesh Gandhi:** First of all, congratulations on the stand-alone numbers. You were really good. So, my question is regarding Paramount and Raksha. You have given the revenue breakup for Paramount. Can you just help me out with any EBITDA that you might have calculated on that? I think it is negative, but to what extent?

- Niraj Didwania:** Jayesh. So, actually, yes. So, see, what happens is we don't individually carve out revenue or profitability of these businesses because we are running them as a combined business once we have acquired them. Eventually, both are TPAs, Medi Assist and Paramount. So, what we have indicated is the dilution is a combination of sort of low profitability that we got with Paramount at the time of closing. There's also some integration efforts and other transaction costs that we are incurring in the first quarter since we acquired that. So, we are not independent, we are not giving individual values, but aggregate that is the kind of dilution that Paramount acquisition has brought in the first quarter on consolidation, which includes, yes, you are right that it is very low profitability EBITDA that they bring in and plus there are other costs that are incurred either at Paramount level or in our books, which are related to the Paramount acquisition.
- Jayesh Gandhi:** And another question, now since we have already integrated Paramount also, do we see any immediate low-hanging fruit that we would like to pluck in terms of cost rationalization?
- Satish Gidugu:** Satish, here again. So, typically, we have always said from all of our acquisitions that it takes us about 4 to 5 quarters to convert and acquire entities operations into our operating model. And the reason why we guide for 4 to 5 quarters is, as you are aware, our business has predominantly only annual contracts at a policy level and different policies start on different dates. So, the last policy that we serve could potentially renew after years from the date of acquisition. So, that's the reason why we sort of guide for a 4 to 5 quarters. And of course, some of these transitions, we have a template by which we have executed the previous four integrations successfully. And of course, I think what is extremely important in this process is to make sure that the customer retention does not suffer, our retention numbers remain high, and that there are no challenges from an operations perspective. So, it's a carefully calibrated step-by-step process. But in general, in 4 to 5 quarters, you should see the combined business getting back closer to the original margin profile that is prior to the acquisition.
- Jayesh Gandhi:** That's all from me. Good luck in the future. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Nidhesh from Investec. Please go ahead.
- Nidhesh:** Thanks for the opportunity. The first question is, can you quantify the one-off kind of impact because of integration sort of costs that we incur in this quarter, which will not recur, let's say, next quarter?
- Niraj Didwania:** See Nidhesh, what we would want to do is, as we have indicated, related to Paramount acquisition, there are expenses that we are incurring at Paramount, which of course, values their EBITDA, which is the consolidation part. And there are integration costs that we are incurring. So, combined is a 150 bps impact in this current Q2. So, you should look at it at that 150 bps impact has to eventually become break-even and then be operative in our journey to bring it to our margin profile. Because splitting that between what is the reported EBITDA margin and what is the actual integration cost will not help because they are sort of interchangeable because eventually it's related to Paramount we are incurring costs on travel, we are incurring costs on

bringing them to our sort of corporate and governance structures, and of course, the efforts on the business retention. And then there is an existing business which has its own profitability when looking at revenue recognition in IndAS terms and other factors. That's why we have given a consolidated view that today, as we stand Paramount is impacting at a 150 bps level.

Nidhesh: Okay. And secondly, you have mentioned around 100 bps point impact because of the technology investments. So, is it now a recurring phenomena or it will also get absorbed in the next quarter?

Satish Gidugu: No, I think, Nidhesh of course, we continue to innovate and we have a whole lot of things that are happening right now, especially on the innovation on the provider side where we are getting almost closer to 20% of our patients now, the members, walking out of the hospitals without even a bill getting printed is a substantial kind of improvement that we are bringing about. But a large part of this is because of contracts that we have won on the technology SaaS side where the revenues will start kicking in once the migration sort of gets to be a lot more meaningful in terms of volumes. But there are some upfront costs. It should get normalized as a percentage of revenue as the revenues move up.

Nidhesh: Sure. And let's say on a steady state basis, how do you see the EBITDA margin of the SaaS business? Will it be higher than the Company level margin or it will be, because currently it would be negative, I think, I guess, given the investment that we are required to do upfront. But on a steady state basis, how do you see those margins and when do you expect that steady state to reach on the SaaS business?

Satish Gidugu: So, we, it's about a, we are on a 4-5 quarter journey from an implementation perspective of which we are down about 2 quarters. You are right. And of course, there's a lag in the revenue coming up. And of course, it's a much higher gross margin business because there are no pass-through people costs like in the TPA business. So, it should be accretive to the overall margin profile at the steady state.

Niraj Didwania: So, just to add, Nidhesh, so like, like we published, our SaaS revenues are 2%. And we have said that there is incremental technology investments of a hundred bps. These two may not be directly related. There are investments we make in technology, like Satish said, we are implementing a very large project and not all the revenues are in today. Plus there are a lot of innovative offerings and technologies that we are building internally. So, at this point, you will not be able to come to a conclusion saying that SaaS is not profitable or SaaS is at a higher margin than the Company. Those two reported numbers may not be directly related.

Nidhesh: Sure. And third is on depreciation costs. Depreciation is also increasing quite sharply. And so, the number that they reported this quarter, is it now a normalized number or will it continue to inch up?

- Sandeep Daga :** So, primarily the depreciation and that amortization cost has seen a spike in Q2 on account of the acquisition of Paramount, where the PPA exercise has resulted into an intangible asset creation, which sort of bumped up the depreciation and the amortization cost. And we believe that this is likely to be the run rate for a few more years, till the time this entire customer retention relationship amount gets normalized.
- Nidhesh:** Okay, sure. That's it from my side. Thank you.
- Moderator:** Thank you. We have a follow-up question from the line of Navid Virani from Bastion Research. Please go ahead.
- Navid Virani:** Hi, thank you for the follow-up opportunity. My question is regarding the leverage of the books. So, if I look at the current number, it's around Rs. 245 crores. Now, based on whatever updates the Company has provided, I believe Rs. 150 odd crores will be paid off from this. And we will still be left with around Rs. 100 odd crores of debt on our books. However, I think if I look at a picture 1-1.5 years back, we used to enjoy a debt-free status. So, my question is, are we still going to progress towards that debt-free status? And if yes, what is the kind of timeline that we have in mind to achieve this one?
- Sandeep Daga :** So, we expect to clear off approximately Rs. 150 crores of the current debt of Rs. 242 odd crores in the next 1 to 2 months' time. There are certain lock-ins with the term loan which we have acquired. And we expect that with the cash getting generated by the business over a period of time, we will be able to become debt-free latest by March-April 2026. So, over the next two quarters' time, we expect to become debt-free in total.
- Navid Virani:** Okay. That's helpful. Next one is again regarding the Paramount acquisition and its impact on the P&L. So, now that we have acquired Paramount and impact has started showing up, if I just connect this with the guidance or the understanding which the management gave I think a few quarters back. A few quarters back, there was a statement that at a normalized level as a TPA operation, we can run at 22% to 23% kind of an EBITDA margin. Now, I understand there is pressure because of acquiring an entity which is really profitable. My question to you is, are we still running for that 22% to 23% kind of an EBITDA? And if so, I mean, what is the kind of plan and what is the kind of timeline again, if you can spell it out to achieve this one?
- Satish Gidugu:** I am Satish, I will start and then I will hand over to Sandeep. If you look at before Paramount acquisition, if you look at our Q1 numbers, we reported a 22% margin. And so, that is the run rate at which the standalone or the business, all of Medi Assist business across the group, excluding Paramount is sort of that. And of course, there are two kinds of things that like Niraj and others have pointed out earlier in the call; one, is the relatively lower margin that the business brings in. So, there is an impact of that. And two is the transition cost that we typically incur right from governance to consolidation to improving service levels to changing the operating models. Three, of course, is because this is an annual renewal business where customer retention is critical. We are occasionally forced to wait for 4 to 5 quarters to move or transition some of

the specific clients. So, given all of this, you will see this impact for maybe 4 to 5 quarters. Our endeavor remains that we get back to our 22%-23% margin profile steady state in the core business.

Navid Virani: So, thank you for the opportunity. That is it from my side. All the best.

Moderator: Thank you. Our next question comes from the line of Jayesh Gandhi from Harshad H. Gandhi Securities Private Limited. Please go ahead.

Jayesh Gandhi: So, since we charge as a percentage of premium, the reduction in GST rate specifically on individual and family, are we impacted or our charge is always X of GST?

Satish Gidugu: So, we do not, I did not quite fully understand the question, but I am assuming that you are asking one, whether GST has a positive impact and two, whether the GST has an impact on our service. Is that the question?

Jayesh Gandhi: So, to give an example, if the premium is Rs. 100 and GST on that is Rs. 118, before, what has been our business model? Do we charge percentage of 118 or do we charge as percentage of Rs. 100?

Satish Gidugu : No, service charges are always on the net premium, not on the gross premium, not this. Okay. It is 100. In your example, it is 100.

Jayesh Gandhi: Thank you. Thank you, sir. That is what I wanted to clarify. Thank you.

Moderator: Thank you. Our next question comes from the line of Ashok Kumar from EY. Please go ahead.

Ashok Kumar: So, I have one question actually. I do understand that this is the first quarter where we have taken Paramount numbers into our books on a fully consolidated basis. So, it has an impact on the overall profitability. I am talking at the net profit level. So, if you see the half yearly profit compared to the last year, it is down from Rs. 40 Cr. to Rs. 30 Cr. if I understand it correctly. So, when we can see the overall profitability come back to the normalized level or when we can expect again the growth phase to start? That is the question I have.

Niraj Didwania: Hi, Ashok. So, Ashok, the profitability is down one, of course, because Paramount is just acquired and we have to get them to our margin profile. But second also, like earlier on the call was clarified, there are accounting entries we need to pass because of the acquisition on account of customer relationships and contracts, which is in the form of amortization. So, because of that and because of high depreciation and amortization, which will continue at that level, the reported PAT may be lower. But again, we are a cash generating business. And so, what we will do is right now there is a balance sheet that got published. So, easily you can find out that, okay, what components are non-cash accounting entry and then what is the real cash profit. So, we will be

able to give you a guidance on what is reported PAT, which could be slightly diluted because of the accounting impact, but actual cash profits will be higher.

Satish Gidugu:

Well, maybe if I can add on, sorry for cutting in. This is Satish. I think we have presented to you the EBITDA dilution, which is not very significant considering the entire impact of Paramount and the transition and all of the work that we are doing, including the technology SaaS projects. I think what we are basically saying is that the EBITDA to PAT conversion today is sort of colored by some of the things. For example, we have used up our cash to acquire paramount. So, there is another income loss and there are financing costs on the loans that we have. There is an incremental D&A that is coming actually from the acquisition. So, I think if you were to sort of probably remove this as the "noise" that is sort of coloring the reported PAT from EBITDA, you will see that our PAT will be fairly comparable to our previous performance level. And like Niraj said it is in the balance sheet, but I am happy that you can pick this up offline with the team, but that is how I would sort of look at it.

Ashok Kumar:

Thank you very much, Satish. Just a follow-up on that. So, is it fair to understand the guidance given that in the upcoming 4 to 5 quarters, the EBITDA margins would fall back to the 22 to 23% level. So, at that point of time, the EBITDA conversion to PAT again would fall back to the normal stage. Is that a fair understanding?

Satish Gidugu:

Of course, the two big unknowns are the incremental depreciation and the tax rates. Tax rates are not controlled, but there will be some amount of incremental depreciation that is coming from Paramount, which I think Niraj has clarified earlier at 3.5 crores per quarter. Of course, it will remain for a while. So, but from a cash profit perspective, yes, we will definitely be back to our performance levels. The reported PAT may be slightly subdued because of the way, of course, the reporting happens.

Moderator:

Thank you. Our next question comes from the line of Vishesh Jain from IIFL Capital. Please go ahead.

Vishesh Jain:

Thank you for the opportunity. I have two questions. Firstly on the margin front, our margins seem to have declined by 500 bps on a sequential basis and around 400 bps on a YOY basis. So, you had explained that around 250 bps is due to Paramount integration and the tech investments which we have been making. What are the other events which have impacted our margins? That was the first question. And secondly, on the GST front, with the recent exemption of retail health policies, what kind of opportunities do we see where we can create further inroads or any changes in strategy which we are planning to make to grab a larger share of the retail health pie where we are currently at a market share of 5% odd. So, those would be my two questions.

Satish Gidugu:

Vishesh, this is Satish here. I will start and then Niraj and Sandeep can jump in. Of course, I think on the GST thing, we do believe in the long run that it will be beneficial and accretive to the whole industry. Of course, the September numbers, they get skewed across the industry, partly for members actually waiting to buy or renew and versus tail-ended growth towards the

end of the quarter. But we do believe that in general, it is accretive and there will be more growth. I think maybe one of the things that we have published in the press release and the deck is the number of insurers we are adding to the retail portfolio and the steady growth of private SAHI insurers in our portfolio, not just in group but also in retail that has substantially grown and also way faster than how retail has grown within that segment. And of course, as we continue to add, you will see us do more work in retail. And we currently have some portions of our retail business that are discretionary and allocation-based. As we continue to reduce that component and continue to add more stable portfolios that are long-term in nature, you will also see lesser of that in the numbers as we move forward. But in general, we remain bullish about our opportunity in retail. And for the retail that will potentially not migrate to a TPA-led model, we have other answers today from our MAtrix platform that can be used for technology, our fraud-based and abuse capability. I think we have not announced that, but we now have the capability to run our fraud-based and abuse AI engine independently on any insurer's claim system and not just only on our claim system. So, that's a capability that we are very excited about in deploying to various insurance partners. So, across TPA model, the technology model, and the AI models, we are very confident that we will make a significant dent in the market share on the retail side. Now, coming back to your margin questions, of course, we have called out what we have incurred as additional costs and investments. But the business that we are consolidating, that itself has a lower profitability today and a lower margin profile. And that sort of accounts for the incremental impact that you're looking at, Vishesh.

Niraj Didwania: You cannot see it as a decline in your price. It's not an apples-to-apples comparison. Like Satish said, on our base of a profitable 22% margin business, we have consolidated a lower profitability business. And then there is other sort of dilution impact items that we have incurred, which we have called out. So, it's not an actual 500 bps decline.

Vishesh Jain: Okay, understood. That's good.

Moderator: Thank you. We have no further questions, ladies and gentlemen. I would now like to hand the conference over to Mr. Niraj Didwania for closing comments. Over to you, sir.

Niraj Didwania: Thank you so much for your active participation on the call. And we are available offline to address any further queries. For any other queries you have, please email us at investor.relations@mediassist.in. Thank you.

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