



Aster DM Healthcare Limited Q4 FY23 Results Earnings Conference Call

May 26, 2023

Management:

Dr. Azad Moopen – Chairman & Managing Director

Ms. Alisha Moopen – Deputy Managing Director

Mr. T J Wilson – Non-Executive Director

Dr. Nitish Shetty – Chief Executive Officer, India

Mr. Amitabh Johri – Joint CFO

Mr. Sunil Kumar M R – Joint CFO

Mr. Hitesh Dhaddha – Chief of Investor Relations and M&A

Moderator: **Mr. Balachander R**

Balachander R:

Good morning, everyone. I welcome you to Aster DM Healthcare's earnings conference call for the fourth quarter of Financial Year 2023. The company declared the Q4 FY23 results last evening. I hope you've got a chance to review them, along with other materials, which were posted on the stock exchanges and also uploaded on the company website.

Today, to discuss the quarterly business performance and the future business outlook, we have the senior management team at Aster DM Healthcare available with us. It includes Dr. Azad Moopen, Chairman and Managing Director; Ms. Alisha Moopen, Deputy Managing Director; Mr. T.J. Wilson, Non-Executive Director; Dr. Nitish Shetty, CEO of India Vertical; Mr. Amitabh Johri, Joint CFO and Mr. Sunil Kumar, Joint CFO; and Mr. Hitesh Dhadha, Chief of Investor Relations and M&A

I would like to inform everyone about how we will conduct this call. All external attendees will be in the listen-only mode for the duration of the entire call. We will start the call with opening remarks by management, followed by an interactive Q&A session. During the Q&A session, you will get a chance to ask a question by raising your hand by clicking on the 'raise hand' icon in the Zoom application at the bottom of the window. We will call out your name, after which your line will be unmuted, and you will be able to ask your question. We request you to please limit your questions to 2 but not more than 3 at max per participant at a time. Post the completion of your query being answered, we will lower your hand.

Finally, before we get started, the Safe Harbor related to earnings conference call. Certain statements that may be discussed in this meeting that are not historical facts and might be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political, or economic developments, technological

risks and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Aster DM Healthcare Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

With this, I will request our Chairman, Dr. Azad Moopen to start with the opening remarks. Over to you, Sir.

Dr. Azad Moopen:

Thank you very much. Thanks a lot, Bala. Good morning, everyone. Thank you all for joining us for the earnings call for the full year and fourth quarter of financial year 2023. With the world organization declaring that COVID-19 is no longer a public health emergency, we are moving out of the clouds of the pandemic. While this is comforting, we have to be cautious and also mindful of the long-term complications of COVID impacting health.

India has now become the most populous country in the world. And along with urbanization, there is significant increase in the health care expenditure along with the very high incomes, increasing insurance coverage and government schemes. The government initiatives through the schemes reflect the growing importance of health care sector and is in the city for providing high quality health care services to the expanding and marginalized population.

Despite efforts to increase public healthcare spending, India still lags behind its peers, both developed and developing countries, in terms of health care infrastructure and delivery. The private sector has been playing a vital role in boosting the health care infrastructure of the country. In GCC, the oil and non-oil sector in UAE continues to do well with good growth being predicted in 2023, showing resilience in the face of global economic headwinds. While the introduction of corporate tax shall have an impact on the profitability of the businesses in the UAE, the flow of people to the country due to ease of doing business and new residency rules can increase the business and offset this.

One of the major opportunities in the GCC is Saudi Arabia, which is becoming more investor-friendly and has a large population and a thriving economy.

Before going into the highlights of our business performance in India and GCC, let me begin by sharing some important leadership changes. We have appointed Dr. Nitish Shetty as CEO of Aster Healthcare India. Dr. Shetty, a seasoned healthcare management professional, has been instrumental in extraordinary growth of Karnataka operation since joining in 2014. Under his guidance, Aster DM Healthcare India should undoubtedly flourish reaching new milestones and setting new benchmarks in the industry. We've appointed Amitabh Johri and Sunil Kumar, who have been with us already, with proven track record as joint CFOs of the company who shall be taking care of the GCC and India regions respectively. Hitesh Dhaddha, who has over 18 years of experience in finance, M&A and strategies, has taken charge as the Chief of Investor Relations and M&A of the company.

On the financial performance of Aster for the year 2023, while there has been significant revenue and profit growth in India, the EBITDA growth and percentage was muted. The margins were muted in GCC due to the major expansions leading to early EBITDA loss. On the consolidated basis, the year saw an unprecedented addition of five hospitals across India and GCC, 150 pharmacies and 7 clinics. We furthered our commitment for expansion in India through adding 126 pharmacies and 91 diagnostic centers and the patient experience centers. These investments have although impacted our near-term EBITDA and PAT performance should enable us to deliver improved performance in the years to come.

The business successfully substituted COVID and PCR revenue, which formed 8% of the revenue in financial year 2022, with core health care revenue growth, especially in GCC, which is visible in our hospital and pharmacy growth. High-margin COVID testing revenue of INR 869 crores in 2022 has been replaced by core health care revenue, which has grown by 26% year-on-year.

At a consolidated level in financial year 2023, we posted a revenue of INR 11,933 crores, an increase of 16% as compared with the last financial year. EBITDA was INR 1,565 crores when compared to INR 1,483 crores in financial year 2022, an increase of 6%. The EBITDA growth was impacted due to losses from new hospitals. Adjusted for this loss, EBITDA was INR 1,655 crore, an increase of 11% over the last year.

Profit after tax post-NCI stands at INR 425 crores when compared to INR 526 crores in financial year 2022. The impact of new hospitals, including the depreciation and interest costs on account of the capital allocation towards these investments was visible. Profit after tax post-NCI excluding losses from new hospitals and post adjusting for onetime other income is INR 581 crore, a growth of 7%.

The Aster India business continues to grow well with revenues growing at 25% to INR 2,983 crores, and EBITDA increasing by 28% to INR 453 crores, and profit after tax post NCI standing at INR 147 crores as compared to INR 60 crore in financial year 2022, a growth of 146%.

With respect to the GCC business, revenue grew 14% year-over-year to INR 8,950 crores, and EBITDA was flat year-on-year at INR 1,112 crores as compared to INR 1,130 crores for the last financial year.

On the financial performance of Aster for the fourth quarter for financial year 2023 now. At the consolidated level in quarter four financial year 2023, we posted a revenue of INR 3,262 crores, which is an increase of 20% when compared with the same period last financial year. EBITDA was INR 506 crores when compared to INR 463 crores in the quarter four financial year 2022, an increase of 9%.

Given this is a year of significant investment for us, it was an unprecedented feat for us to open five new hospitals in one year. Hence, EBITDA growth was impacted due to loss from new hospitals. Adjusted for this, the EBITDA was INR 532 crores, an increase of 15% over last quarter four last financial year.

Profit after tax post-NCI stood at INR 171 crores, when compared to INR 226 crores in quarter four financial year 2022. The impact of new hospitals, including the depreciation and interest cost on account of capital allocation towards this was visible. Profit after tax post-NCI excluding losses from new hospital is at INR 235 crores.

The Aster India business continues to grow well with revenues fourth quarter growing 32% year-on-year to INR 804 crores and EBITDA increasing by 62% year-on-year to INR 127 crores and profit after tax post-NCI stood at INR 48 crores as compared to INR 11 crores in quarter four financial year 2022.

With respect to GCC business, revenues grew 16% year-on-year to INR 2,458 crores, and EBITDA stayed flat year-on-year at INR 379 crores as compared to INR 384 crores in the same period last financial year.

Moving on to some of the operational updates for the quarter,

Aster India continues to have excellent growth as I just mentioned earlier and is likely to continue to deliver strong growth performance in the coming years. Some of our hospitals have reached almost full capacity and we are adding new beds in such areas. We're also setting up new hospitals in geographies where Aster is a leading brand.

As part of our expansion plans, we are adding 100 beds to Aster MIMS Hospital Kannur and Aster Medcity Kochi where 100 beds are being added each. Additionally, work has begun on our upcoming 200 bed project at Aster Hospital Kasargod and Phase 1 of Aster Hospital in Trivandrum with 350 beds also has started. The Phase 2 development of Aster Whitefield Hospital in Bangalore, comprising of 375 beds, is nearing completion and is expected to be operational soon.

One of the strategies we adopted is to add more beds by O&M asset-light model to take healthcare to the suburban areas without incurring too much cost. We added 390 beds in total during the year under O&M asset-light

model. We are happy to announce that Aster Narayanadri hospital has achieved break even within the first quarter of commencing its operations.

Further, we are pleased to announce that Aster Madegowda Hospital in Mandya, Karnataka, commenced its operations on April 1st. Financial year 2023 was a year of investment for us. And in line with our vision, we'll be selectively evaluating mergers and acquisitions opportunities that align with our value and our strategic goals. We remain open on both bolt-on acquisitions that complement our existing operations and transformative opportunities that have the potential to shape our future growth.

Additionally, we are pleased to announce that we have increased our stake in the profitable subsidiary, Malabar Institute of Medical Sciences, MIMS, from 74.14% to 77.93%. Furthermore, we have increased our stake in the Ramesh hospital, our subsidiary that manages 5 hospitals in Andhra Pradesh with bed capacity of 739. Our stake in Ramesh hospital has now increased from 51% to 57.49%.

Coming to our asset light business as on March 31, we have total 257 Aster pharmacy branded retail stores, 106 in Karnataka, 85 in Kerala, 61 in Telangana, and 5 in Andhra Pradesh, which are operated by Alfaone Retail Pharmacies Private Limited.

Aster Labs has established its presence in Karnataka and Kerala, Maharashtra, Tamil Nadu, Andhra Pradesh, and Telangana. As of March 31, 2023, there is 1 reference lab, 15 satellites lab, and 189 patient experience centers. The restructuring of the lab management with expansion of retail pharmacy outlets will enable us to establish the Aster omni-channel ecosystem more effectively.

In the GCC region, that was growth in core business across hospitals, pharmacy, and clinics. We saw better revenue impact from our digital initiatives. EBITDA was adversely impacted during the year due to the losses of new hospitals. Aster Sharjah Hospital, Aster Sonapur Hospital and Aster

Royal Hospital Muscat, which have added 101, 34, and 171 beds acquisition, respectively. The utilization of this bed capacity in coming quarters is expected to improve our revenue and EBITDA performance.

The Aster Sanad Hospital in Riyadh has now turned profitable with 9% EBITDA margin this financial year. We are looking at other opportunities including the rolling out of pharmacies in Saudi Arabia. We see Saudi as our next big market. And I would see Alisha cover more of this in the GCC-related updates. We are proud to announce that we have broken the Guinness World Record for most pre-diabetes/diabetes screening forms completed in 24 hours. Through the largest free screening camp for low-income workers organized on the World Diabetes Day, we successfully screened 12,714 people demonstrating our unwavering commitment to making a positive impact on the lives of the individuals. It is a matter of pride for us, as 3 Aster Units have been featured in the Top 20 All India Best Multi Hospitals Ranking and Top 10 for the south region according to Outlook 2023 Best Hospitals Ranking.

Status of restructuring

As part of the restructuring process, the board of directors approved the appointment of investment bankers by the company to explore options to unlock value for the company and the stakeholders. We have made significant progress in the restructuring initiative. The investment bankers have received interest and indicative terms for potential buyers for the GCC region. The investment bankers are working actively with the few shortlisted bidders and their advisors to negotiate key deal terms which will enable us to select the final buyer.

The shortlisted bidders have expressed a strong commitment to complete their transaction soon and we will shortly announce the last leg of the process. The preparatory work including due diligence exercise largely completed with some minor due diligence pending. The investment bankers have communicated that the binding bids are likely to be received in quarter one of financial year 2023/2024. Upon submission of the final evaluation of

the investment bankers, the board shall review the proposals of sale of company's business in GCC. Appropriate disclosure will be made as and when any conclusions have been arrived at by the board. We'll come back to the stakeholders with a detailed update in compliance with the law at the appropriate stage. I now request Deputy Managing Director, Alisha Moopen to elaborate more on GCC business, the digital transformation and other strategic initiatives undertaken by Aster. Thank you very much.

Alisha Moopen:

Thank you, Chairman. Good morning, everyone. As we look at FY 2023, effective management of COVID allowed UAE to gain the status of being a preferred location globally. This impact is visible in the influx of expat population in UAE and migration of people from Ukraine as well as Russia. We have seen this reinstates some of the population loss which we have seen during the COVID time, and there is a big statement of that population in UAE, which is visible in the revenue numbers for FY 2023.

Aided by these statements our GCC business, we have witnessed a revenue growth of around 14% in FY 2023, which was seen across our key verticals. As Chairman mentioned FY 2023 was clearly a year of growth investment for us. It is unprecedented for our UAE and GCC business to have 3 hospitals, 24 pharmacies and 6 clinics in a year.

We have also invested approximately INR 100 crores in additional business. Some of these investments were paused during COVID and we've used FY 2023 to further the same to completion. This has, unfortunately impacted our profitability for the year. As we reflect on FY 2023, the year saw the replacement of COVID PCR revenue with core health care business, FY 2022 had almost INR 869 crores of COVID revenue because almost 11% of the GCC business. In this year is represented by only 1% of COVID revenue. The good news is that we have replaced this by growth in OP, IP business, hospital vertical grew by 14% and pharmacy sales growth from the retail stores and e-pharmacy line of business had an overall growth of 33%. Outpatient revenue of GCC also grew by 29%, excluding the COVID testing revenue.

Happy to also inform that we had three of our hospitals noted by the US Newsweek global list. We were in the top 5, top 20, as well as in the global 150 list with our Aster Hospitals. FY 2023 performance, the revenue for FY 2023 was at INR 8,950 crores which is a total of 14% over last year. The high margin COVID testing revenue of INR 869 crores in FY 2022 has been replaced by core healthcare revenue, which has grown at 26% year-on-year.

The GCC business EBITDA for FY 2023 stood at INR 1,112 crores, which unfortunately is flat compared to FY 2022. The GCC business EBITDA excluding the operational losses from the new hospitals commissioned during the year will be at INR 1,189 crores, which is a growth of 4%. One of the unexpected incidents that happened during the year was also the World Cup in Qatar where we saw the government had all the schools being shut during that the world cup period affecting most of the expat families going back to their home countries during this period, so we are effectively had six to eight weeks of very reduced and marginalized business during this period.

Going into the Q4 FY 2023 performance, the revenue for Q4 FY 2023 was at INR 2,458 crores, which is a growth of 16% over FY 2022. The high margin Covid testing revenue of INR 217 crores in Q4 FY 2022 same replaced by the core health care revenue, which grew by 29% year-on-year. Our hospital vertical witnessed an increase in operational bed count from 923 in Q4 2022 to 1,114 in Q4 2023, pushing the revenue from the segment to INR 4,012 crores in FY 2023 from INR 3,532 crores in FY 2022.

In clinics business revenue, growth to INR 684 crores in Q4 FY 2023 compared to INR 661 crores in Q4 FY 2022, which is a growth of 4%. However, core business segment, excluding COVID revenue grew by 29% in the same period. Our retail business demonstrated robust performance with healthy growth across product lines. The Pharmacy segment experienced a jump, growing at 31% year-on-year with revenues for Q4 2023 at INR 799 crores and compared to INR 609 crores in Q4 FY 2022.

And GCC business EBITDA for Q4 2023 stood at INR 379 staying flat year-on-year. The GCC business EBITDA, excluding operational losses during this period was INR 403 crores displaying growth of 4%.

Now just to share some of the two important updates. In line with our mission to enhance patient-centered care, we had entered into three partnerships. We had entered into a partnership with Sukoon which is a leading insurance provider in UAE to launch two new health insurance plan with Aster products.

We signed a partnership with Dr. Reddy's Laboratories to look at producing quality medication and making it more accessible in UAE and GCC through Aster Pharmacy. The third one is with Talabat which is an online food delivery platform to offer prescription delivery services in Dubai through Aster Pharmacies. Under the strategic pact, Aster Pharmacy customers can upload the prescriptions securely through that app and make the purchases available and have it delivered to their home through the Talabat delivery platform.

Focusing on capacity creation, two important projects are currently in pipeline. We have planned the hospital network expansion through a High-end Multi-specialty facility with a capacity of 126 beds, which is expected to be completed in Q4 of this year. Additionally, we will open up new block of 59 beds as an extension to our Sanad facility in KSA. As Chairman mentioned it would be in the Q4 of this year. We have been seeing high single digit margin over there and we believe that this is the right time for us to open up the annex building.

We have also started work on our pharmacies in KSA. We expect our first set of pharmacies in KSA to go live by end of Q2 FY 2024. In FY 2023, our digital health ambitions took flight as we successfully launched myAster on iOS, Android as well as the web platforms, offering a range of key services.

Furthermore, in response to patient feedback, we have expanded our reach by launching the app on the Huawei app gallery in Q4 as well. We are thrilled to announce that the platform continues to achieve remarkable growth, with

most parameters nearly doubling each quarter. For several consecutive months, myAster has maintained its position as the leading free medical app in the UAE. Currently, it boasts a robust user base of nearly 400,000 witnessing substantial growth from 220,000 in Q3.

This quarter we experienced a notable increase in appointments booked through the app, doubling it from Q3 as well. Teleconsultation remains a popular feature, averaging at around 600 per month in Q4. In terms of our e-pharmacy business, we are witnessing an exponential growth in both transaction numbers and revenue. The monthly average run rate on e-pharmacy in Q4 has surpassed Q3 by over 40% to further enhance the e-pharmacy experience, we are continuously adding key features to that aiming to improve conversion rate and increase the average order value. Additionally, our home delivery business has seen substantial growth with an 18% increase in average monthly revenue, compared to the earlier part of the year and an 8% increase compared to Q3. We continue to invest in the business and building several relevant features that will help us increase stickiness as well as further conversions on the platform.

I will now request our GCC CFO, Amitabh and India CFO, Sunil to take you through the details of the financial performance of this quarter.

Amitabh Johri

Thank you, Alisha. Good morning, everyone. I shall be covering both quarter four FY 2023 and full year FY 2023 performance. On a consolidated basis, our revenue from operations for quarter four is INR 3,262 crores, an increase of 20% year-on-year basis. Consolidated EBITDA for the quarter was at INR 506 crores as against INR 463 crores, which is a growth of 9%. As highlighted by Chairman and Alisha, FY 2023 has been a year of investment for us. This is the first year we have five new hospitals getting launched in a single year, namely Aster Hospital, Sharjah, Aster Royal Hospital, Muscat in GCC, Mother Hospital, Areekode, Aster Narayanadari and Adiran hospital in Vijayawada. EBITDA losses from these new hospitals and from Aster Hospital Sonapur going into operations, together amounted to INR 11 crores in quarter four FY 2023.

Additionally, since we have paused the Cayman Hospital project given the lapse of time, it has been impaired in the books as per IFRS accounting requirements. The impact of this is INR 16 crore. We continue to hold the right to use of the land and government permission to start the hospital well. Again, the same shall be considered on an opportunistic basis.

Excluding these losses, the EBITDA stands at INR 532 crores as against INR 465 crores during the same period last financial year, which is a growth of 15%. Consolidated PAT post-NCI is at INR 171 crores as compared to INR 226 crores in quarter four of FY 2022. Excluding losses from the new hospitals, PAT post-NCI stands at INR 235 crores.

Coming to the full-year performance, the revenue from operations stood at INR 11,933 crores, a growth of 16% compared to the same period last financial year. The EBITDA was at INR 1,565 crores compared to INR 1,483 crores in FY 2022. Excluding losses from the new hospitals and the onetime write-off of Cayman, the EBITDA was at INR 1,655 crores, which is a growth of 11%. PAT post-NCI was INR 425 crores compared to INR 526 crores in FY 2022.

Excluding losses from the new hospitals and onetime other income PAT stood at INR 581 crores, which is a 7% growth. In addition to the investment of a new hospital, we have spent approximately INR 100 crores in digital initiatives in FY 2023, a significant portion of which directly affected impact our EBITDA and PAT.

However, as highlighted by Alisha in her speech, this was also a year where we were able to reach key milestones in our digital initiatives with reference to the launch of app, reaching targeted downloads, increasing our active users and significant ramp-up of pharmacy orders. We expect this to be a key growth driver in the coming years.

Coming to GCC performance, revenue from our GCC operation in quarter four FY 2023 was at INR 2,458 crores, an increase of 16% on a year-on-year basis. Previous year had significant Covid revenue which makes some of the revenue

and EBITDA numbers not comparable. Quarter four of last year had almost INR 217 crores of COVID revenue and the core business revenue growth, excluding COVID testing, was at 29% year-on-year basis. EBITDA from GCC operations stands at INR 379 crores as against INR 384 crores in quarter four in FY 2022. Excluding losses of new hospital GCC, the EBITDA stands at INR 403 crores in quarter four FY 2023, a growth of 4%.

With respect to our full-year GCC performance, revenue grew from INR 7,870 crores in FY 2022 to INR 8,950 crores in FY 2023, an increase of 14% in revenue. High margin COVID testing revenue of INR 869 crores in FY 2022 has been replaced by core health care revenue, which has grown at a 26% year-on-year basis. EBITDA from GCC stands at INR 1,112 crores as against INR 1,130 crores in FY 2022. Excluding losses of new hospitals, EBITDA had grown 4% to INR 1,189 crores.

Coming to the segmental performance for the quarter, GCC hospital revenue was at INR 1,090 crores. That's an increase of almost 15% on a year-on-year basis. EBITDA stands at INR 149 crores compared to INR 190 crores in FY 2022 quarter four. Excluding losses from the new hospitals and Cayman write-off, the hospital segment had an EBITDA of INR 173 crores. The EBITDA margin adjusted for losses from new hospital was INR 17.1%.

GCC Clinic revenue stands at INR 684 crores, an increase of 4% year-on-year basis. Normalized for COVID testing, the core business for the clinic revenue grew at a rate of 38%. EBITDA for GCC Clinic segment stands at INR 151 crores at a margin of 22.1%.

GCC Pharmacy's revenue increased 31% year-on-year from INR 609 crores to INR 799 crores. EBITDA increased from INR 112 crores to INR 128 crores, an increase of 14%. EBITDA margin for this segment in quarter four FY 2023 was at 16%.

Moving to segment performance for full year FY – for FY 2023, GCC Hospital revenue was at INR 4,012 crores, an increase of 14% on a year-on-year basis,

and the EBITDA stands at INR 584 crores compared to INR 608 crores in FY 2022. Excluding losses from new hospitals and Cayman write-off, the hospital segment saw an EBITDA of INR 661 crores. The EBITDA margin adjusted for losses for the new hospital is at 17%.

GCC Clinic revenues stands at INR 2,412 crores as against a revenue of INR 2,440 crores in FY 2022. Normalized for COVID testing, the core business of clinic segment grew at a rate of 29%. EBITDA for GCC Clinic segment stands at INR 450 crores at 18.7% margin.

GCC pharmacies revenue increased 33% year-on-year business from INR 2,245 crores to INR 2,984 crores in FY 2023, EBITDA increased from at least INR 290 crores to INR 350 crores, an increase of 21% on year-on-year business. EBITDA margin for this segment for FY 2023 was at 11.7%. GCC Net Debt stands at USD 163 million at 31st March compared to USD 197 million as of 31st March 2022. Now, I would request joint CFO, Mr. Sunil Kumar to take you through the India performance during this period.

Sunil Kumar M R

Thank you, Amitabh. Good morning, all. For the quarter ended 31st March 2023 India revenues have increased to INR 804 crores up by 32% from INR 607 crores in Q4 FY 2022. EBITDA from India operations have increased to INR 127 crores with a margin of 15.8% compared to INR 79 crores with the margin of 12.9% in Q4 FY 2022 with the growth 62%.

With respect to the full year India performance, the revenue from operations stands INR 2,983 crores with the growth of 25% compared to INR 2,384 crores for FY 2022. EBITDA from India operations stands at INR 453 crores with the margin of 15.2% in FY 2023 compared to INR 353 crores with a margin of 14.8% in FY 2022 with the growth of 28%. PAT post NCI is at INR 147 crores compared to INR 60 crores in FY 2022 with a growth of 146% year-on-year. Coming to segmental performance for the quarter, revenue from India hospitals and clinics excluding the O&M Asset light hospitals stands at INR 751 crores in Q4 FY 2023, with a growth of 29% from INR 583 crores in Q4 FY 2022. EBITDA stands at INR 145 crores to the margin of 19.3%. In Q4 FY 2023 as

compared to INR 99- crores with a margin of 17% in Q4 FY 2022 with a growth of 46 %.

Moving to the segmental performance for the full year, revenue from India hospitals and clinics, excluding the O&M asset-light hospitals stands at INR 2,819 crores in FY 2023, with a growth of 20% compared to INR 2,343 crores for FY 2022. EBITDA stands at INR 527 crores, with the margin of 18.7% in FY 2023, as compared to INR 407 crores, with a margin of 17.4% in FY 2022, with a growth of 30%. Aster India net debt stands at INR 510 crores as on 31st of March 2023 compared to INR 319 crores as at March 31, 2022. The capital expenses for the year FY 2023 is at INR 280 crores.

On that note, I conclude my remarks. We will be happy to answer any questions that you may have. I now request Balachander to open the question-and-answer session. Thank you.

Balachander R:

Thank you, Mr. Sunil. We have now opened the question-and-answer session. So, any of you who would like to ask a question, please press the 'raise hand' icon and we will unmute you in order. Please go ahead.

I think the first question is from Mr. Ashwin Agarwal. Please go ahead, Mr. Ashwin.

Ashwin Agarwal:

Good morning to everyone on the call and thanks for the detailed update on the operation. We are very delighted with the whole restructuring process that you have announced. Could you give us more details what kind of valuations can the GCC business get? Is it like around 10 times to 12 times EBIT to EBITDA. Or what can we expect? And does the Indian entity own 85% stake in the GCC operations?

Dr. Azad Moopen:

Yeah. Thank you. I'll answer the second part first. India owns 100% up in GCC entity. It's not 85%, it's 100%.

The first part, we can't give any numbers now unless binding bids are received and when we sign papers and all, which we hope that will happen this month.

That's our expectation. So, it's not possible for us to give any indicative numbers on that. You know, that.

Ashwin Agarwal: *Would it be right that the entire sales proceeds, if EBITDA is around INR 1,100 crores sales is 10 times EBITDA? The entire sales proceeds of around INR 10,000 crores of whatever that number is comes to the Indian entity?*

Dr. Azad Moopen: Yeah, I agree to your whatever that number is. If this goes through the board approves, the amount – the entire amount will come to India. But how much is that, I wouldn't be able to tell you. That amount will come into India. The entire amount will come into India.

Ashwin Agarwal: *And it would be sold as an operational basis, that means the debt of GCC will go to the new buyers?*

Dr. Azad Moopen: Yeah, yeah, definitely. That what comes to India will be after deducting the debt, I think that the equity value will be coming to India

Ashwin Agarwal: *So, how would we use this large amount of cash, we'll be looking at acquisitions? How would we use this money which will come into the Indian operations?*

Dr. Azad Moopen: Yeah. So, the board has to decide on that. So, we hope that the board will take the appropriate decision. But what we definitely would like to do as part of the promoters and the management is there. There has to be a dividend to the shareholders, but the board will decide the quantum of that.

Ashwin Agarwal: *Sir lastly, in the promoter holding, the entire promoter holding is almost pledged of around 14% all. So, what is the reason of this pledge?*

Dr. Azad Moopen: So, we are taking a 4% additional stake in the company, which is now our stake has gone from 38% to 42% around. And even though this amount required was only minimal when compared to the value of our stock, there was a technical issue of us doing this, but this only, very, very technical. We have only very limited exposure to that of about \$75 million.

- Ashwin Agarwal:** *So, going forward, this pledge should come down?*
- Dr. Azad Moopen:** This will be completely over in a period that we hope in a period of one year, the pledge will completely go off.
- Ashwin Agarwal:** *So will you be looking at enhancing your stake further in the company because a few of large FII investors are holding. So would you be interested in acquiring an additional stake?*
- Dr. Azad Moopen:** I won't be able to comment on that now. We will have some change in our holding, but I won't be able to tell or give you the exact details at this point of time.
- Ashwin Agarwal:** *Thank you and all the best, sir.*
- Balachander R:** Thank you Ashwin. Next in line is Prakash. Prakash, if you can unmute yourself and ask your question, please?
- Prakash Agarwal:** *Hi, good morning. My first question is on restructuring. So how I understand is so since you said 100% is going to be sold and the proceeds will come to Indian entity, how are promoters thinking in terms of being part of the GCC asset would they have stake in that?*
- Dr. Azad Moopen:** Yeah, we have already announced that. We will be part of the management as well as the – I mean the shareholding in both GCC as well as India. We'll be there on both sides is what we are thinking.
- Prakash Agarwal:** *Okay. And then so that's why the question is on the valuation. I just – I know it's still getting discussed, closed, etc, but in terms of understanding, it should be with the peer companies and who would the peer companies be?*
- Dr. Azad Moopen:** Yeah, there aren't too many in U.A.E to look at. There are different methods. So, this whole process is not run by us. It's not run by us because we have a conflict of interest. The process is being run by the company as per the direction of the Board. The Independent Directors are helping the Board to oversee the transaction.

Prakash Agarwal: *I understand that. But who would be your peers? As for you, like, you know, in the U.A.E you mentioned there aren't any. But who would be the peers?*

Alisha Moopen: So, Prakash, we think our closest comparable is probably Mediclinic which have middle-east operations where they have a fair amount of business in GCC. And of course, there's Burjeel that is there just in the local Abu Dhabi market as well. I think when you look at the Saudi market, it is quite different from UAE because it's quite deep and it's got a lot of transactions that happened there. So, it might not be directly comparable to what we think. A lot of the transactions that happened here are private. So, the only two listed entities is one which is listed in the UK and the other one which is in Abu Dhabi.

Prakash Agarwal: *Again, that is very helpful. Thank you. And second question is on – again on the sale proceeds. So, if you look at – you mentioned about the part being distributed as dividend but if we see Indian assets, they have gone up significantly higher in terms of valuation. I mean, they range anywhere from 15 times to 25 times. So just trying to understand we would be selling something which is lower multiple business and we would be since India is of a focus at this listed entity level, we would be buying. So, would the interest be again South Indian markets to go deep or you would like to explore newer markets as well?*

Dr. Azad Moopen: So, regarding this utilization of the funds, I'm not commenting because that's something which the Board has to decide. But regarding the focus of business, yes we will be focusing more on South because we already have a presence there, but we are not agnostic to growth in other places depending on the availability of assets. So, it's possible that we may go beyond where we are now, maybe in the south or even beyond that.

Prakash Agarwal: *Okay. And third one, with your permission and the timelines you mentioned, you are likely to get bids by end of Q1, and closeout should be by Q2.*

- Dr. Azad Moopen:** That's our expectation. That's what we want as management. Before end of Q2, we should be able to close it out
- Prakash Agarwal:** *Okay. Perfect. Great. And all the best.*
- Balachander R:** Thanks, Prakash. Next in line is Nirali Shah. Nirali, please go on and ask your question
- Nirali Shah:** *Congratulations on good set of numbers. My first question is about the three recently opened hospitals. So, when can we anticipate these hospitals to come to a breakeven level and witness positive cash flow? And if you could quote a number about the sustainable margins that we can expect from them.*
- Alisha Moopen:** So, typically, we aim for breakeven between 18 to 24 months since the hospital opens, and the sustainable margin for our hospital segment is between 17% and 22% that we see in the Aster segment.
- Nirali Shah:** *Yes. Understood. And about the Labs business, so we are hoping to breakeven that in six to nine months. Am I correct?*
- Dr. Azad Moopen:** Yeah, yeah. Lab, Sunil, you could give an answer on the lab. So the first one was, Nirali, as I understand this on the hospitals. Large part of the hospitals are in GCC; The new hospitals and Alisha was answering on that. On the lab, our India CFO, Sunil, will talk about when it is expected to breakeven
- Sunil Kumar M R:** Thank you, Chairman. So Nirali, in terms of labs, if you've seen the numbers, right, we have added many FPEC's now. So basically, we are not expecting more on these Satellite labs, but we are concentrating more on the FPEC's to drive the volumes. See Satellite labs are more into the processing of the samples. So that will not really yield the volumes there. So, we are more concentrated on B2B pickup points. We are working on the FPEC's where the collections just happen. Then we are also working on the home collections.

So, these are the three main drivers for us to drive the volumes. And you see that from the current year, from the H1 to H2, the losses have considerably reduced. And we see that, if I'm right even in the previous earnings call also, the chairman has told us that in FY 2024 which will be able to breakeven. And I think we are on the way to the plan. So, we are expecting in another six to nine months we should be able to breakeven in terms of labs.

Nirali Shah: *So ideally, actually six to nine months, right? So in Q3 you mentioned six to nine months. So can you expect by Q2 of FY 2024 to have some green shoots on that?*

Sunil Kumar M R: Yeah. Q2 to Q3 is somewhere in between that we should be able to reach breakeven.

Nirali Shah: *My next question was about the occupancy rate. Like, there are a few areas where the occupancy rate is really low in low-performing regions. So, if we were to implement certain initiatives to fill up those gaps, so have you encountered that?*

Dr. Azad Moopen: So Nirali I would request you to be more specific whether it's GCC or India because these are two areas managed by two finance teams and management teams. So, if you can be specific

Nirali Shah: *Okay. I'm talking about India business.*

Sunil Kumar M R: Yeah. I think you're referring to our Andhra cluster because if you look at our occupancy, Kerala is at 80% occupancy Karnataka and Maharashtra cluster is at 60% and Andhra and Telangana is at 50%. And the occupancy has been increasing very steadily, but it's not ramping up the way we expect in other regions. So, for example, that is indirectly having the impact on the EBITDA also.

So, occupancy average is 50%. But when we look at the Q4, it has gone up to around 51%. So that's a number currently which we have. And we also see that the new hospital Adiran in Vijayawada which is just 500 meters from our

main hospital which we opened up to treat scheme patients. We saw a good ramp up in the month of March and April and May, the number was quite promising.

So, considering that, we already had the EBITDA margins in double digits now and we are looking at touching the mid-teens by end of this financial year.

Nirali Shah: *That is good. That's it from me. Thank you so much.*

Balachander R: Thanks Nirali. The next question is from Harith.

Harith Ahamed: *Hi. Good morning. Thanks for the opportunity. My first question is on the GCC hospital segment that I'm looking at the mature hospitals here. And the EBITDA margins for the mature hospitals are at 17%. So given that the ARPOB in this segment is quite high and I'm seeing more than INR 2 lakhs per day and these are post Ind AS margins that I'm referring to. It appears to be on the lower side at 17%. So, do we have some levers here to take the margin profile of the mature hospitals in the GCC further from current levels?*

Amitabh Johri: Yeah. Sure, Chairman. Thanks for the question, Harith. So, Harith, you're right that the ARPOB for GCC is significantly different than India. But the fact is that even the cost points are very different between the two locations. If you look at it, the doctor's cost and other costs are fairly different. The establishment cost are different in GCC. And accordingly, the margin of a 17%. However, to your question that, are there levers available over there? Yes, potentially, yes, because we are looking at – for mature hospital utilization of 54%. As soon as that goes up, that gives you an added advantage of having a higher margin. There are cost optimization opportunities sitting across material cost and the manpower cost. And we are actively working towards those.

Harith Ahamed: *Okay. I was also trying to understand, is there a major impact of Sanad here? And if you could share a margin number excluding Sanad, that would be helpful.*

Amitabh Johri:

Sure. So, the Sanad Hospital, which was perhaps till the previous years, for the last few years was an asset that was loss-making. That asset has turned around significantly. It was at a margin of 5% last year. We are looking at an 8%-plus margin for this financial year, which is FY 2023. It doesn't have a significant impact overall because from the point of view of location, it only forms 5% of our overall revenue. However, we can come back to you separately in terms of taking that off what is the margin.

Dr. Azad Moopen:

Okay. So, Harith, I just wanted to add here. You asked about the levers, so one of the major levers that we have in the hospital sector as well as even the clinics is the HR cost. We have a significantly higher HR cost than what we want. And due to many reasons, including the increasing competition in GCC and all. So, we are trying to – various ways including shared services and all, we are trying to reduce HR cost. So, there is a 5% HR cost decrease which could happen. If not 5%, at least 3% could be achieved if we are able to do all these things as we want. So, there is a lever there where it can be reduced.

The second thing, answering your question on Sanad. Sanad is a struggling asset. It has been struggling for a long period. It has come out of that and it's reached nearly 10% margin. But we see a significant opportunity in Saudi Arabia and this will be an anchor for that. We are starting now the pharmacies and we are also planning to start other establishments there as we go forward. So, in the future we think that having this hospital; there will add a lot of benefits by way of a hub for all the other activities.

Harith Ahamed:

Thank you doctor. My next question is on the clinics listed in the GCC segment. So, sir, obviously, there was an impact of COVID testing in the base. So that explains the decline. But when I look at the business over the last three to four years, maybe from FY 2018 or 2019, we haven't had much growth in the business on a constant currency basis. And in the past, we've talked about some pressures around pricing, etcetera. So how should we think about growth in the clinic segment of GCC going forward?

Alisha Moopen:

So, thanks, Harith. So, you're right. I mean, if we look at the clinics especially, I think they were the – that was the unit that has been most hit during COVID as well. We saw in two years it was pretty much sustained completely on COVID revenue. And then this year has been really just sort at turnaround year where we had almost 70%, 80% of our business that come from COVID last year, getting restored by normal business.

We had this challenge where the margins were getting squeezed with the insurance on outpatient. But one of the interesting things that has happened is the change in the population mix and the demographics in UAE as well. So what we see now, is that more higher end population that is coming in, and that has been kind of one of the key strategic goals that we're working on with Aster Clinics where we are trying to move from the lower networks while we still have some portion of it, reduce the proportion of the lower networks to kind of have a higher proportion of the better networks.

So, we are hoping to improve the margins by changing the mix of population that is our patient because that would be more representative of the UAE population going forward as well. So that's one way. We think that we'd be definitely able to demonstrate growth over there.

Harith Ahamed:

On the pricing front, is it a stable environment that you're seeing?

Alisha Moopen:

So, pricing will always be a challenge if we have a large part in the lowest network, which is why we're kind of upgrading the brand to be, we are building out more of the premium customers and sort of detaching some of lower net worth. So that's the best way for us to adjust the price and improve the quality of our revenue. Otherwise, the lower segment is very price competitive, and it ends of becoming kind of creating erosion of margin.

So post-COVID, we are actively trying on reducing this proportion, we are seeing that moving in that direction in the last six months or so.

Hitesh Dhaddha:

Just to add to what Alisha mentioned, it might also be good to start seeing GCC business more as an investment on the balance sheet of the company,

given that we will gradually get into the process of monetizing this investment. So, it might be appropriate for the analyst community to start thinking about GCC business in that particular way, if that makes sense, Harith.

Harith Ahamed: *Yeah. So, thanks for that. The last one with your permission, it's an accounting related one. When I look at the lease payments from your cash flow statement, it has gone up sharply. For this year, it's around INR 450 crores, INR 445 crores versus around INR 330 crores last year. I understand it's coming from the new hospitals, but how should we think about this, especially next year we'll have the full year impact from these new hospitals? So, will this number work materially from the FY23 level?*

Amitabh Johri: I will take on that one, Harith. We have had one significant increase of over INR 400 crores lease adjustment that is happening, this is a lease that we know that's coming. And that is from the hospitals new lease that we have signed on 1st of February in Dubai. As of now, to your question of FY 2024, we may have one more hospital coming up in FY 2024 as we go forward. At least in GCC and Sunil, I would request you to also add on to that.

So they could potentially be more hospitals being signed up and accordingly, an impact would come on the financials on an accounting perspective.

Sunil Kumar M R: On the India front, the lease liability has increased from INR 444 crores to INR 520 crores actually. So that's basically, come from our Whitefield Hospital because the rents have come in. And the ROU Asset and Liability that we've created. Thank you.

Harith Ahamed: *Okay. That's' all from my side. Thanks for taking my questions.*

Balachander R: Thank you, Harith. The next question is from Amrish.

Amrish Kacker: *Thank you for the opportunity and congratulations on a very good year. My question is regarding the O&M hospitals in India. And thanks for the additional disclosure that you've provided from this quarter. I'm just trying*

to understand the economics a little better going forward. I think you've already explained in the past roughly how many rooms, how many beds you might be adding. Plus, I think there's a revenue share EBIT margin of about 15%. Is there some way to think about the ARPOB and occupancy of these hospitals? Is there a rule of thumb or is it way too diverse.

Sunil Kumar M R:

Thanks, Amrish. Yes. So, we started giving that O&M separately because we had told initially, it's going to be a low margin business and we didn't want that to dilute our core hospital and clinics where we get almost 90% of the business. In terms of occupancy, it's very starting stage right, occupancy will not be as different from how the other hospital performed. They would be very similar. Starting, it will be around 10% or 20% or 30% and it'll ramp up quickly because here, we don't restrict from the schemes or ESI other patients. Right? So that'll be all at once. So here, the idea is to have a faster ramp up because we are not restricting the patient profile. At the same time, occupancy will be faster because in a usual greenfield project, we will talk about 60% to 70% occupancy, it will take at least six to seven years to reach there right but in this case, we can do it half the time. So that's the whole thing.

And from the profit side, I said right, we also talked about Aster Narayanadri, with total beds that we added was 390. Part of this, 290 is operational by Q4 last year. And out of that, Narayanadri which started in Jan 2023, that is already broken even in the first quarter itself. So, there we don't have losses. So, whatever the losses which you are seeing in the presentation, that's only the Aster Mother, Areekode. And even that we're expecting the breakeven very quickly because that's a hospital where it was not already running. It was more of a hospital, which had very, very less occupancy as compared to Narayanadri. So, we should do quite well in terms of O&M hospitals.

Amrish Kacker:

Is there any way to think about ARPOB?

Sunil Kumar M R:

ARPOB will be somewhere between INR 15,000 to INR 20,000.

Dr. Azad Moopen: I just want to add here, apart from the financial aspects, profitability and all, this is something which is required in the country. We think that while we make profits in the hospitals, in the – I mean, urban area as well as in the metros and all, it's very important that we go into that area of suburban areas where these hospitals are. And we have the advantage of providing them high-end care, quality care by using our doctors and our expertise.

So that is one of the important things. While our margin may get slightly diluted, still because it's very low CapEx, our ROCE, everything can go up. More importantly, it's – we are providing that service. So, there is also an ESG element to that, where we want to take it to the grass-root level where our services can be provided

Amrish Kacker: Thank you. Understood. Very clear. Good luck with restructuring in FY 2024. Thank you

Balachander R: Thank you, Amrish. The next question is from Nitesh

Nitesh Dutt: *Hi. I have a question on tax implications of GCC restructuring. So, can you give any indication on what can be the capital gains tax on sale of assets in GCC?*

Amitabh Johri: Thanks for the question, Nitesh. So, Nitesh, we have evaluated the tax implications across all the transaction flows. And for the purpose of this trade, given the holding company sitting out of Mauritius, and it enjoys the benefits of the Mauritius-India Tax Treaty, there is no capital gain tax from the sale of investment.

Nitesh Dutt: *Understood. Thank you. Second question is on the India business. Would you like to give any guidance on EBITDA and revenue growth, let's say, two, three years out? Any color on that?*

Dr. Azad Moopen: So, Nitesh, we don't give any guidance, definitely not in the long term. But what I can tell you is that we see significant opportunities in India. That's a huge demand-supply gap as we know the market. And when we look at our

peer group and all, they're doing extremely well. And we think that we have built up a lot of assets and we are also building up. And there is no reason why we shouldn't be at those levels as we go forward. That's what I can tell you. Giving a number won't be appropriate as you know.

Nitesh Dutt: Sure, understandable. Thank you.

Balachander R: Thank you, Nitesh. The next question is from Nikunj

Nikunj Agarwal: *Hi. Thanks for taking up my questions. Just a couple of book keeping questions. What's the net debt for FY23? I wanted the breakup on the GCC and India*

Amitabh Johri: So, thanks for the question, Nikunj. If you look at the net debt number, the number for 31st March 22 was a number over INR 1,806 crores. That number has gone to INR 1,848 crores as of 31st March 23.

Looking at the combination of the debt, when we look at the debt for our GCC business purely in dollar terms, net debt, has reduced from 197 million to almost 163 million, which is a reduction of 34 odd million between these two financial years. And this is largely emanating from the scheduled payment that was sitting there for the long-term loans that was there.

From the India side, the net debt profile has undergone a change. A number of net debt of INR 319 Crores for March 31, 2022, has increased to INR 510 crores as of March 31, 2023. So, I will request Sunil to come in and give a bit of color on that.

Sunil Kumar M R: In the INR 510 crores I think term loan will be around 70% and the balance 30% would be in the short-term category or OD.

Nikunj Agarwal: *Thanks. And just one more, just continuing on Harith's question which he was asking earlier on the GCC business. And when we look at Indian business matured hospitals, margins compared to peers is lower right?*

And now, on top of it we know that we have started entering into O&M business model where we have to look at from ROCE perspective. And recently, we have start focusing more on Indian business. So, what kind of the key levers for – from if I look three to four years down the line, revenue increase our margins on taking any businesses.

Sunil Kumar M R:

Nikunj if you look at peer groups also right. What I – what we see is that, for example, with respect to the hospital clinics which we shared the information, last year, if you saw or the full year we closed at 17.4% that is only the Hospitals and Clinics excluding the O&M assets. And now you can see that that has increased to almost 18.7% in FY 2023. That shows that almost 130 basis points which should increase from year-on-year. In the future, one of the peer groups are doing versus something number we should be able to map at least in a couple of years and that is coming from two things. One is on the revenue assurance because we see that there is currently our India ARPOB is quite low say 36,000 to 37,000. That's one of the reason because we have majority of the assets sitting in Kerala as compared to Bangalore or any other metros.

Second is but still we see a lot of scope to optimize the revenue assurance bit of it and increase the ARPOB. Third is on the cost lines. We already work done – and you can see that whatever the growth in the EBITDA margin which you have seen that is coming from the working and the cost lines also, optimize the material cost. There is something we should be taken last year and that is yielded results. And we see the further scope in working under. And also the HR cost also. That is something which we are looking at manpower per occupied bed and where there is a scope.

And also very important thing is that our occupancy, right? On an overall we have 68%. Once their occupancy keep increase rate, we can help in leveraging the manpower which is already there. So, these are the multiple resources how on the levers which we have to increase the margins and which is very much possible.

Nikunj Agarwal: Thanks Sunil. All the best

Balachander R: Thank you, Nikunj. The next question is from Satish

Satish PN: *Hi. So, my first question was with respect to your pledge, promoters pledge, it does increase from 10% to 99%. I believe this is for the purpose of raising funds for your GCC restructuring business. So, I just wanted to understand how much are we raising because of this pledge. And second question will be what are the terms for this particular debt and when will this debt release and how is this getting released – the pledge is getting released?*

Dr. Azad Moopen: Yeah. So first of all, I just want to add this that we just raised this very minimal amount. Like I mentioned first, it's for the 4% acquisition which we did very recently for that debt was raised which was in the range of around \$75 million. The total debt that we have is \$75 million. It's nothing to do with increasing our stake or retaining our stake in GCC. So that's not the reason why the \$75 million has been taken.

And even though it is only very minimal when compared to our total holding, there was a technical reason for raising funds outside the country and using it for the Share acquisition. So, we had to use this method by which this was done. So this \$75 million, we hope that this will be released within the next one year is what we expect. And this won't be a long-standing debt by the promoters.

So I would like Amitabh to give some color on this

Amitabh Johri: Sure. So Satish thanks for the question. Given the fact that there was a need for raising funds in order to invest and buy 4% more of the company. And as chairman had explained that this pledge was against that. It's a pledge which we have taken for a limited period because given the restructuring, it's expected that a significant part of this particular loan would be repaid. And as the restructuring happens, this pledge will fall away from that.

Satish PN: *Yeah. So what I was asking is for a 4% increase in promoter share, pledging the entire 99%. I wasn't able to understand that economics?*

Amitabh Johri: Yeah. So Satish, this is largely structural because you're right I can say that for the 4% stake, the underlying security that was offered is significantly high. But this is largely for structural purposes given there are certain compliance needs for which we have done this.

However, as I indicated, that the understanding with the bank is that as you go down the path of restructuring, a significant part of this, in fact, most of this would be repaid and this pledge will fall away.

Balachander R: Thanks, Satish. In case if there is anybody else who would like to ask a question, please go ahead and raise your hands.

Dr. Azad Moopen: If there are no more questions, I just wanted to just request the analyst, as well as those who are interested, so, one, now Hitesh has joined as the, I mean, Chief of Investor Relations and M&A. So he's available for you to, get in touch and have any information regarding the company.

Apart from that, anything related to GCC, you can contact Amitabh, and anything related to India, you could contact Sunil for financial reasons. And of course, Nitish had some connectivity problem, Dr. Nitish. He has just joined now. He is the India CEO. He is also there on the screen now.

So we'd like you to, in the interim, as we are going through this process, to contact these people, if any details are required

Hitesh Dhaddha: So, before we exit, may I request you to give a few lines on concluding thoughts that you have on how, given we are going through this restructuring and all, how the investors and analysts should look at the company going forward and from here on. So just a very high-level concluding thought would be preferable if that's possible.

Dr. Azad Moopen: Yeah. So, thank you. Thank you, Hitesh, for that. So, what we feel is that this will significantly unlock the value for the investor. So that is our hope. We have not been able to pay any dividend for the last five years since we were listed, and this is something which is always burning inside.

So, we hope that – due to reasons that you all know, the India and GCC that have been this issue of the GCC not getting that value. So, we hope that this will be realized as we go forward. Apart from that, I also want to tell you that business on both sides are doing well. India, especially, are doing extremely well as the market is really booming and our team has – under the leadership of Nitish, we are hoping that we will do extremely well in India and we'll be at par with our peer group and going in that direction.

In GCC also with Saudi coming in as well as the digital transformation, we hope that there will be significant improvement in the performance of the company. We know that we have lagged behind in some of the parameters like the EBITDA and PAT but this is only temporary. And we hope that we'll be seeing better days as we go forward. Thank you very much.

Balachander R: Thanks, Chairman. Ladies and gentlemen, this concludes the earnings call for this quarter. I thank you all and the management for joining us today. If you have any further questions, please do reach out to us. Thank you.

Dr. Azad Moopen: Thank you, Bala. Thank you very much. Thank you, everyone.

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The contents of this transcript may contain modifications for accuracy and improved readability.