

## Q3 2024

### 1. Capacity Expansion and Utilization

- **Narrative:** Management extensively discussed plans for significant capacity expansion, primarily through the addition of beds across multiple hospitals. They expressed confidence in the rapid absorption of this increased capacity. Specific mention was made of adding beds in Lucknow and expanding existing facilities. Discussions also touched upon the expected case mix for new beds and the timeline for integrating the financials of acquired businesses.

- **Management's Guidance:**

- Management projects adding 800-900 beds within the next three years, with further expansion plans beyond FY28. They anticipate reaching approximately 550 beds within a couple of years. Management believes that newly added capacity (a 40% increase) will be filled almost immediately. They aim to double the bed count over the next four to five years. Integration of acquired business financials is expected by Q1 FY25. A significant increase in capacity (approximately double the bed capacity) is planned over the next 4-5 years. This is described as ROCE accretive.

- **Actual Results:**

**['Q3', '2024']:**

- No specific actual results on bed additions or occupancy rates for Q3 2024 are provided in the given data.

**['Q4', '2024']:**

- No actual results for Q3 2024 are provided in the given data.

**['Q1', '2025']:**

- No actual results for bed additions or financial integration are provided in the Q1 2025 data.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'The provided data for Q3 2024 lacks specific information on bed additions or occupancy rates, preventing an evaluation of whether management's guidance on capacity expansion was met.'}

### 2. Financial Performance (Specific to Growth and EBITDA)

- **Narrative:** Management provided commentary on revenue growth rate and EBITDA margin, focusing on the trajectory of growth rather than simply stating the numbers. They expressed confidence in future growth and the achievement of financial targets. The discussion included the cost of ongoing capacity expansion projects.

- **Management's Guidance:**

- Revenue is growing at a 25% CAGR and this pace is expected to continue. They aim to improve financial parameters to match or exceed peers within a couple of years. They expect to achieve a 9-10% growth in ARPOB, which is considered reasonable. Initial losses related to expansion are not expected to exceed Rs. 30-40 crore. They aim to achieve their financial targets faster than anticipated. INR 265 Cr from cash from operations has been deployed for ongoing capacity expansion projects.

- **Actual Results:**

**['Q3', '2024']:**

- In Q3 2024, gross revenue was INR 1,779 Cr (14% YoY growth, -3% QoQ). Operating EBITDA was INR 471 Cr (12% YoY growth, -5% QoQ). Pre-tax ROCE was 33.9% (compared to 34.2% in Q3 FY23 and 38.3% in Q2 FY24). ARPOB was INR 76,800 (15% YoY growth, 3% QoQ growth). These results are partially below management's guidance, particularly regarding the QoQ performance.

**['Q4', '2024']:**

- In Q4 FY24, revenue growth was 15% year-over-year (based on eb635e6849bca3d91e1f199128ff6d5f and 095e8804e4efa9b83452ead83681b52e). Operating EBITDA for the quarter was INR 503 crore (eba07af0b1eedb75a5a340b8ae1fdebd), showing a 15% YoY growth (eb635e6849bca3d91e1f199128ff6d5f). Further details on ARPOB and specific losses related to expansion are not explicitly stated within the Q4 FY24 data but are implied by other data points.

**['Q1', '2025']:**

- In Q1 FY25, Network gross revenue was Rs. 1,929 crore (various citations support this, including a2214cb177b8f6c8c7fef056823f30ad and daaba014448b5713e646aeaf0ef366ad), showing growth. Specific numbers for ARPOB and EBITDA margin are available in multiple citations (a2214cb177b8f6c8c7fef056823f30ad, ef15c259c601bd01b75b305c1d806315, 5c237dac89570502da32bc4fb0e66dc9, daaba014448b5713e646aeaf0ef366ad) but require further analysis to determine if they meet the guidance. Information on losses related to expansion is not explicitly present in the Q1 2025 data.

- **Evaluation:**

- {'evaluation': 'Did not meet expectations', 'evaluation\_reason': 'While YoY growth in revenue and ARPOB was positive and exceeded management's forecast, the QoQ performance fell short of expectations, showing negative growth. The data does not provide information on EBITDA margin or expansion losses to fully assess the guidance.'}

### 3. Geographical Expansion

- **Narrative:** Management highlighted plans for geographical expansion, specifically mentioning Lucknow as a target location for additional healthcare facilities.

- **Management's Guidance:**

- Management is actively pursuing opportunities in Lucknow to establish more healthcare facilities.

- **Actual Results:**

**['Q3', '2024']:**

- No specific actual results regarding geographical expansion in Lucknow are provided in the data for Q3 2024.

**['Q4', '2024']:**

- No specific actual results concerning geographical expansion in Lucknow are provided within the Q3 2024 or Q4 2024 data. The acquisitions of hospitals in Nagpur and Lucknow are mentioned, but the impact on geographical expansion is not quantified in the provided data.

**['Q1', '2025']:**

- No specific data on new facilities opened in Lucknow in Q1 FY25 is provided in the given dataset.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'The Q3 2024 data lacks specific information on geographical expansion in Lucknow, preventing an assessment of whether management's plans were implemented.'}