



May 15, 2026

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 May 11, 2026 at 08.30 am to discuss the Company's Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2026 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

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“Medi Assist Healthcare Services Limited
Q4 & FY '26 Earnings Conference Call”

May 11, 2026



MANAGEMENT: **MR. SATISH GIDUGU – CHIEF EXECUTIVE OFFICER
AND WHOLE-TIME DIRECTOR – MEDI ASSIST
HEALTHCARE SERVICES LIMITED
MR. SANDEEP DAGA – CHIEF FINANCIAL OFFICER –
MEDI ASSIST HEALTHCARE SERVICES LIMITED**

MODERATOR: **MR. CYRIL PAUL – E&Y INVESTOR RELATIONS
SERVICES**

Moderator: Ladies and gentlemen, good day, and welcome to the Medi Assist Healthcare Services Limited Q4 and FY '26 Earnings Conference Call, hosted by E&Y. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchstone phone. Please note that this conference has been recorded.

I now hand the conference over to Mr. Cyril Paul from E&Y Investor Relations Services. Thank you, over to you, sir.

Cyril Paul: Thank you. Good morning, everyone, and welcome to the Q4 Earnings Call of Medi Assist Healthcare Services Limited. The company published its results on 9th May and have uploaded the investor presentation to the exchanges earlier today. I trust all of you have had the opportunity to go through the same.

Before we start a disclaimer. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs and assumptions made by information currently available to the management. Audiences are cautioned not to place undue reliance on these forward-looking statements while making their investment decisions.

On that note, let me introduce you to the management participating in today's conference call. We have with us Mr. Satish Gidugu, CEO and Whole Time Director; Mr. Sandeep Daga, CFO; along with several members of the team.

Without further ado, I'd like to hand the call to Satish. Thank you, and over to you, Satish.

Satish Gidugu: Thank you, Cyril. Good morning to 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 performance for the year ended FY '26.

FY '26 was a milestone year for Medi Assist as we combine strong growth and deep technology-led transformation. Becoming debt-free and net cash positive strengthens our ability to invest in the future, while our AI-powered platforms are now operating at unprecedented scale, processing nearly 1 million claims every month with industry-leading automation and fraud detection. The rapid expansion of MATrix, successful integration of Paramount and our new global partnerships position us very strongly to build the next generation of intelligent borderless health care administration.

I'm pleased to be joined by our CFO, Mr. Sandeep Daga; and Cyril from EY, who leads our Investor Relations function. I'd first like to share some of the key operational highlights from FY '26. And before we go in, we continue to improve the quality of disclosures every quarter. We have further added more metrics for each of the segments that we operate in: Group, Retail, Government, International Benefits Administration, Technology business, and also tried to give all of you a color on our technology platform and its evolution.

While we will not necessarily do a page turn, let me summarize some of the key operational highlights from the year. The total premium under management administered was INR25,923 crores as on 31st of March 2026, a growth of 22.8%. And for someone who's been with this business for this long, personally for me, INR25,000 crores is a milestone number. I'm happy to share with all of you today.

The group premiums were INR23,000 plus crores, a growth of 25.6% year-on-year, and our group premiums retention stood at 93.2%. Of course, these are excluding acquisition numbers. The retail premiums in the TPA model were INR2,818 crores, a growth of 4.2% year-on-year. The market share in terms of health insurance premium administered in group and retail of the total health premiums in India was 20.7% end of the year, which demonstrates a 115 basis points year-on-year growth.

The group segment market share saw 340 bps of Y-o-Y growth, taking us to 33.7%. The retail segment market share in the traditional TPA model was 5% on 31st March 2026, and slightly lower than the market share the previous year. In line with our hybrid approach to retail, as we discussed in some of the calls earlier, we have reported the premiums managed by private insurers on the back of our core claims processing technology platform, MAtrix. And these premiums currently stand at over INR18,000 crores, which represents 32% of the industry retail premiums.

And while we were improving on the India business, we've also leveraged capabilities for delivering seamless global administration services through expanding partnerships. We've deepened Southeast Asia presence through a strategic partnership with Thailand's leading insurance broker, giving us access to over US\$50 million of group premiums in that region.

We expanded retail and travel portfolio, and we've reported elsewhere in the slides the number of retail lives growth and the fact that we now have line of sight to about half of the global travel premiums that are being booked in India. We also built some key global partnerships with Freedom Health, Himalayan Everest Insurance, and Royal Insurance Corporation of Bhutan, expanding our ability to deliver outcomes for both inbound and outbound healthcare administration.

Coming to Paramount TPA, the integration is on track. Over 50% of Paramount Health Services' claims volume has already migrated to MAtrix and on track to becoming the primary processing engine before the Q2 of FY '27. And we've been able to enable all of the AI capabilities for the Paramount clients that are migrating to this new stack.

And as disclosed earlier, we've executed a slump transfer of Paramount TPA's TPA operations to Medi Assist TPA effective February 1st, 2026, thereby creating a single unified TPA business within the group.

And moving on to the technology highlights, our tech revenues grew 91.9% year-on-year. There are multiple pilots underway with insurers in India and overseas. MAven Guard, our proprietary AI fraud detection platform, has found and prevented over INR540 crores of health insurance frauds in the last financial year.

Raksha Prime, our flagship offering for improving cashless experience, enabled over 322,000 patients to walk out of the hospitals before the bills got even generated and across 6,000 hospitals in FY '26. All in all, we continue to be a technology-first, digitally integrated platform that delivers outcomes to all the key constituents of the industry: the payers, the providers, and the members. And our AI investments are paying off in creating a unified interconnected intelligence platform that we believe is going to change the way all of these stakeholders experience healthcare service delivery.

I will now hand over the call to our CFO, Sandeep, who will take you through the financials for the year FY '26.

Sandeep Daga:

Thank you, Satish, and a very warm welcome to all the participants. The financial highlights for FY '26: Total income was INR923.2 crores, a growth of 23.6% Y-o-Y. The revenue from contracts with customers excluding other income, which we call as operating income, was INR904.8 crores, a growth of 25.1 percentage year-on-year.

This time we are disclosing separate segments and their revenue contribution to the group as such. As a result of which, the group segment contributes roughly around 69.5% of the total revenue, translating to INR629.1 crores, representing a 25.3% growth year-on-year. 10.6 percentage of the total revenue came from the retail segment, translating to INR95.5 crores, representing a 10.9 percentage growth year-on-year. 12.6 percentage of the total revenue came from the government business, translating to INR113.6 crores, representing a 42.6 percentage growth year-on-year.

4.5 percentage of the total revenue came from the international benefits administration business, translating to INR41.1 crores, representing the 11.9 percentage growth year-on-year. And the technology SaaS platform contributed to 2.5 percentage of the total revenue, translating to INR21.7 crores, representing a 91.9 percentage growth year-on-year.

Coming to the margin profile, EBITDA excluding other income, we call it as operating EBITDA, was INR174.6 crores. This translated a growth of 13.3 percentage year-on-year and was equivalent to a margin of 19.3 percentage on operating revenue. We have seen a quarterly EBITDA expansion in the margin. The quarter four EBITDA profile was 19.9 percentage versus 18.6 percentage in Q3 and 17.1 percentage in Q2.

The reported PAT for the year was INR89.3 crores. However, once we exclude the exception items net of the tax impact, the adjusted PAT stands at INR68.8 crores. However, we have also shared in the Investor Presentation the PAT bridge to steady state PAT and our commentary on the same, which can be referred on Slide number 13 and 14.

Moving to few of the key highlights from the balance sheet and other operating matrices as on 31st of March 2026: The free cash flow position as on date was INR260.5 crores. The net worth of the group stood at INR852.4 crores. Contract liability INR280.2 crores. Pleased to inform that the group has become debt-free during Jan 2026. The revenue per average headcount on the non-government business was INR13.1 lakhs.

With this, I hand over the call back to the Chorus Call team. Thank you.

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

Navid Virani: Yes, thank you. Good morning and thank you for the opportunity. I have two-three questions. So first one is on the overall business. So, if we look at the dominance and the market share that we have in the group business, that is kind of, you know, missing in the retail part. Now given the capabilities that Medi Assist possesses as of date, how do you think this kind of dominance can be achieved in the retail business? So that's the first question I have.

Satish Gidugu: Sure Navid, this is Satish here. I'll attempt to answer that question. Retail has -- so group, I mean we don't have to discuss, but you know in group the policyholder typically is far more aware of the service they need, the complexity you know of the requirements that they want, the technology, the deployment, the networks, and the importance to provide some kind of stability and continuity for their employees as they continue to expand benefits and potentially work with more than one insurer even.

So that is what allowed us to establish our right to win in the in the group business and significantly expand our market share. Retail for a very long time was plain as if I have to put it plain vanilla catastrophic care, inpatient only, with a very low incidence, very low frequency, low frequency and high value claims.

And depending on the insurers and when they started their journey of building some of these capabilities, there was a time where the TPA industry was not ready and some of the other insurers that came in later followed a hybrid approach of building some capabilities inside and you know using TPAs and some of the newer generations are relying on you know TPAs for large scale dependency such as network and physical presence, electronic distribution.

So, I think depending on the insurer, they're at different stages of you know where they are in their evolution. But what we have seen you know especially post-COVID is there are two or three areas where we've seen opportunities. One where products are moving to say a high frequency, low value claims, especially around outpatient and various benefit products. Or where the insurers needed to supplement their desire to be the front end to their customers but with significant backend capabilities such as a countrywide network and superior fraud detection and sometimes even an entirely new claims processing system.

So, retail has in our mind is evolved to be for lack of better words a hybrid you know approach across the country. And today we are able to deploy our TPA capabilities in the portfolios where we are hired as a TPA, which basically means that the insurer introduces us to the member saying Medi Assist will henceforth take care of you. And we have solutions today by teasing out all of the technology capabilities in a plug-and-play model where the insurers are able to plug in the various capabilities that will make them more effective in delivering retail services to their membership.

And that's what we are beginning to sort of report as our technology revenues. And I think Navid, sorry I know it was long-winded, but I think the market is evolving and we have solutions for

whatever be the scenario in which a retail insurer you know prefers to sort of evolve their approach. But we still probably deliver the best if we were to run end-to-end.

Navid Virani:

Perfect, thank you for that elaborate answer. Just a follow-up on that one. So, we have, you know, it's really helpful to see additional data points that you have introduced which I am assuming is pertaining to the technology business. So, I can now see that there is INR18,100 crores kind of a premium which is, you know, being administered through the technologies that Medi Assist has introduced.

But how can I let's say get a sense on the kind of earnings that Medi Assist is, generating on this piece of business because if I look at the overall PUM, you know, revenue divide by overall PUM, I can get a sense that there is a 3.5% kind of a yield that Medi Assist earns. But since this new data point has been introduced, is there a metric or is there a, suggestion that you would give to investors like us who can, track the kind of realizations or earnings that we are, you know, generating on the technology part of the business?

Satish Gidugu:

Thank you. I think we've typically not disclosed some of these revenue metrics as in the past as it's an evolving space, right? But if you look at the TPA business today and look at the way you know some of the contractual obligations are around the headcounts that we deploy in terms of for fulfilling contractual obligations.

I think it would be fair to say that a reasonable target state is you know the technology business allowing us to capture the non-headcount portions, right, of our yields and hopefully be able to charge in some cases on outcomes and with a higher margin profile of maybe at least one and a half to two times the traditional you know TPA business is I think directionally would be a fair way to look at it.

However, this is not a guidance and this is just to give you a perspective of the parameters that typically go into this evolution of platform-led growth. But if I were to just take this a little further and look at what we are able to do in the international markets. We are able to deploy the same technology stack globally. And that's the pipeline that we've spent a lot of time building in FY '26.

For example, the contract that we recently signed in Thailand allows us to provide our front-end technologies that are critical for memberships digital experiences to a cohort that's actually being serviced in that country. So a lot of our international contracts are also on the back of how we are able to deploy our tech as in those geographies. So given the wide variety of contracts and the deployment models, it will be hard for us to provide guidance. But I think what I said earlier, I think would be a reasonable aspiration.

Navid Virani:

Last question I have, if I look at the industry, can you help us understand, let's say, if the industry premium is INR100, what portion of that is being administered via TPAs? And what portion of the industry premiums are not under the TPA purview as of now? If you can some understanding on that would be helpful?

Management:

There are no clearly reported numbers and one has to compile based on multiple disclosures across insurance and TPAs. But I think just from an order of magnitude perspective, best to think

about it as a 50-50 between what the traditional TPA models are deployed and predominantly in the group side of the business for the reasons I mentioned earlier. The other 50 also for some regulatory reasons like, for example, the personal accident and others not in the scope of the TPA. But I think I would go with 50-50 for now just for you to get a sense of the size of the market.

Moderator: We take the next question from the line of Prithvish Uppal from Nuvama Wealth.

Prithvish Uppal: So my first one is a follow-up on the earlier participant's question in terms of getting a sense on the international segment, specifically around what is our take rate or the pricing. So this INR22-odd crores that we got in FY '26 from the technology side, is it sort of fair to assume that of the premium managed on the platform model that would be essentially be a denominator that from which we can sort of get a sense on the take rate.

And then depending on the mix of Raksha Prime or the mix of probably MAtrix or Maven that pricing will probably evolve over time. So that was just from a first question from an understanding perspective. So my second question was that if I look at your retention compared to last year, ex of Paramount is about 93.2% so just wanted to understand why that is slightly lower.

And if you can also give some color on the PSU allocation specifically around retail and group. Given the conversations, how those are sort of evolving. And my third question would be that if I was to assume Paramount contribution about INR34 crores, INR35-odd crores similar to last quarter, excluding that, the growth is around 10%, 11%, which is ex of Paramount.

So what are the levers here for us over the next kind of 2 years to probably accelerate this? And what kind of mix and what is the kind of revenue growth aspiration that you have going forward? So these would be broadly my questions.

Satish Gidugu: It was a lot, but I will attempt to answer each one of them as the best of my abilities. So I think the first question, the reason we put the premiums out is think of this as an opportunity that exists, not necessarily the limiting factor on the current set of revenues. And obviously, the revenues in FY '26 are also because of the timing and how much of the transition sort of has taken place of some of the core deliverables. But I think you are right. The way to look at it is that there is an opportunity basket that exists.

I think the more we are able to deliver in terms of incremental components and incremental capabilities, the incremental revenues from those premiums will continue to grow. At this point, the revenues are only from the pure SaaS platform, which is the core claims engine like Matrix. It currently does not have any of the AI-led features or outcome-based pricing built in yet. In the past, our AI engines were very tightly coupled to Matrix because one had to first migrate to Matrix in order to be able to use some of these services.

But as mentioned in the decks and in our PR, we've been able to now sort of tease these capabilities out. And today, MAven Guard, our fraud detection engine, our Raksha Prime discharge experience and a few other interesting capabilities that are in the labs can now work on top of legacy or proprietary claims platform that the insurance companies might already be

running and deliver some of these incremental value. So in summary, this is the opportunity of the pie that exists and the revenues that we book will be based on the value that we are able to create to the insurers that are on the platform.

On the retention side, on group side, yes, it is marginally lower than our historical 94%+. I think part of that is attributable to some of the deliberate decisions that we took at the beginning of the year from a quality of revenue perspective. And of course, part of that was a little bit of a transition in some of the operational changes that we made to improve the overall experience.

We will not discuss the Q1 and we see the 93% largely driven by what transpired in Q1 of last year. And since then, I think we've gotten back on track. And hopefully, as we move forward and we should get back to a slightly higher retention rates. On the allocations of retail and so on, these are not in our control. Different insurers have different cycles. And as and when there is an allocation that happens. I think we will continue to sort of participate and win based on merits.

And especially if you look at the work that we are doing on retail, I'm just trying to find the page. There is Page number 8 where we talked about the retail business. While the premiums that we manage grew just by about 4% in the TPA model. We've delivered over 38% improvement in the fraud detections in our small portfolio of that size. And we've delivered experience to the membership in retail, which is typically not being seen in the market today.

And as we continue to deliver and redefine how retail customers are serviced at par with the group customers. And we believe that will continue to improve our right to win even in the standard TPA model. Lastly, I think from our growth perspective, you're right, the consolidated growth are in the range that you spoke about. But at the end of the day, for us, Paramount is an organic one at the moment we sign the deal because the retention, responsibility and growth of the book is 100% our responsibility. So in some ways, adding Paramount is inorganic growth once we sign.

But having said that, if you looked at the business segment reporting that we've done, this is the first time we've sort of called out the revenue contributions from each group. And you've also seen the outcomes that we are able to deliver to the insurers significantly supplementing from a growth perspective. And we expect the technology and international growth trends to sort of continue if not improve compared to FY '26.

And on the core business, we will, as we always said, from an overall industry growth perspective, we will match or better. Now of course the translation to revenue is slightly slower because we don't report on premiums, we report on a 12-month basis service. That's why a lot of our revenue today sits in what we call as contract liability, which is revenue that is committed, but we haven't yet booked into the P&L. And that's an incremental INR280 crores of unearned revenue that's actually sitting in the balance sheet today.

Prithvish Uppal:

Got it. So sir, anything on the mix because as of now, technology is contributing around 2.5%. So maybe say a couple of years forward how do you see the contribution from this coming through? Because as you have mentioned, this 2.5% is probably just from -- as of now, the one product that we are monetizing. But we are developing capabilities across multiple sort of lines.

So how much do you think -- how big can this piece become over the next maybe, say, 2, 3 years?

Satish Gidugu:

Obviously, we think that it's a great opportunity, especially if you look at the international opportunities in the mix side. Right now, we are only reporting limited requirements in the Indian market with limited insurers. I think we're comfortable to say that compared to FY '26 -- there were some very interesting growth rates you saw on the tech business. You've not seen a lot of the growth on the international business, but a substantial amount of the work was to build a very strong pipeline that will contribute to the international business.

I think we're comfortable seeing similar growth rates we should continue to see in these businesses. And of course, we also hope that as India needs to buy more and more insurance that between the policy interventions and other opportunities that the health insurance market itself will start picking up the growth trends that were visible not too long ago. And then as the leading player in the market, we will continue to make the most of the health insurance growth trajectory in India.

Moderator:

We will take the next question from the line of Jayesh Gandhi from Harsh Gandhi Securities Private Limited.

Jayesh Gandhi:

I have one question, which is on the government backed Bima Sugam and what impact can you envisage that it can have on our businesses?

Satish Gidugu:

I think let's just take a step back and look at the whole objective. And the vision of the government, which is 2047, insurance for all by 2047, of course, which means health insurance for all. Everybody needs to be covered by some kind of health financing plan, right, whether it is private or public sponsor in whichever be the template. Of course, for a country of this size, one is to aspire for everybody has insurance.

Two is how do you make that a reality, both from people discovering products, participating in purchasing products and getting exceptional service in every nook and corner of this subcontinent, -- and some of those are the core capabilities that we need to build as a country. The government's vision in some ways includes a multipronged approach. One is how do you create a simplified marketplace where the citizens of this country can discover insurance and buy.

And that's more on the distribution side. And of course, the second and equally important aspect is the whole Ayushman Bharat Digital Mission, which is the mothership for many other digital interventions, be it the standardization of the hospital records to electronic health records to creating the equivalent of an account aggregator but in the healthcare space to building the equivalent of a UPI for health payments.

I think these are various initiatives that the government has kicked off between NHA and IRDA. And we are a very proud partner to many of these events, especially on the National Health Claims Exchange. We are deeply integrated. Multiple insurers use our integration today to integrate with NHCX. I think the only positive takeaway that I will take out of this is Jayesh is

if all of these initiatives get us back to the CAGR that are actually needed between now in 2047 for health insurance to reach 100% of the population.

And we will be there in whatever form and fashion that we can, one, support that initiative. And two, monetize the capabilities that we have built it as a TPA or as a technology partner or even in the public health. You've seen the work that we do across 13 states and 3 union territories today, contributing over INR113 crores of our revenue. I know it's a long-winded answer, but it will be unfair for me to limit this only to Bima Sugam.

Jayesh Gandhi:

Sir, I was specifically asking for our business in a sense -- claim filing and claim settlement is also part of this. And we have government as one of the biggest customers. So maybe not in, say, longer term, 5, 10 years. But do you see this as a I mean, not a problem, but do you see it as a risk immediately for a couple of years? Maybe once it is launched and once it becomes acceptable? -- industry is growing. So maybe in a pretty long period of time, it will be advantageous to us as well. But say in a short span, say, 2, 3 years?

Satish Gidugu:

I do not expect any disruption on account of Bima Sugam on what we do. At the end of the day, every member who buys a policy. Policy is a promise and the claims have to be adjudicated and processed. And network has to be delivered, service has to be delivered. And unfortunately, sometimes we look at health insurance and dump this down only to just processing a claim post factor. It's about building networks. It's about eliminating fraud-based and abuse at source.

It's about guiding membership to find the right hospital within their financial outcomes. Today, over 60% of the membership today that uses our navigator, which is a predictive tool, actually adjust their room types in the hospital choices to optimize their out-of-pocket expenses today. And somebody needs to sort of demystify the insurance policies and so on and so forth. I think one, the service gamut of health insurance is beyond just a post factor reaction to a claim that is actually filed.

In fact, I would argue that the true measure of this country's success would be 100% cashless and resulting in 100% payable health insurance products rather than those products that actually focus on deductions. I think each of those will need distribution, scale, network, technology, manpower and integrations. Which we believe we have a combination of all of those that are required for us to be a very effective partner in the national health exchange or to be a backbone for any of the other initiatives.

Moderator:

We have the next question from the line of from Vansh Solanki from RSPN Ventures.

Vansh Solanki:

So, my question on the company is that we are majorly based on AI and in the continuously claim processing also. We are continuously using the AI metrics. So, what is the error rate of AI and what is the chance that if the AI is so powerful and majorly, like 99% of the claim processing work will be done by the AI? And of course, the insurance company also will know that we are using AI to cut our cost.

So, is there any chance that in future, maybe after three, four years, the normal take rate is about 3.5% in the industry, which can be reduced to 2.5% or maybe lower?

Satish Gidugu:

Thanks, Vansh. I think there are multiple nuances to your question, I'll try to peel the layers. First, in countries like U.S. and I think, in fact, in my past life in early 2000s, I built rule engines that automated partly the health claims processing in markets like the U.S. So first of all, it's not unusual like in any market for claims to be automatically processed. You were already seeing that in certain areas in India, especially like small value motor claims, right?

You can upload a picture, you can click a picture and send it because often it costs more to send a surveyor to assess the loss than if you just pay the claim today, right? Of course, you want assurance that the event has actually taken place, there's no fraud-based or abuse and that the reimbursements that you are paying to somebody are exactly as per the policy.

So a substantial part of claims processing is actually rule driven, right? It would be unfair for us, even for me as a technologist to say that you need complex AI to automate a claim. What we lack today as a country are good quality data inputs, structured data to actually deliver an application of the rules, right?

It is no different from how you compute an income tax liability today from various income sources, you have well-defined rules and the sequence of rules application and eventually you arrive at a tax number. Now of course, one wouldn't be happy if you came up with just a number and you couldn't explain how you came up with the number or even if somebody told you, you are plus or minus 5% within that. So right now take the crude parallel to health insurance claims.

I think what where we have extended so far is to build possibly the country's largest codification of master data inputs and rules that are required for us to adjudicate each claim as per the promise of each policy of each member and overlay that on each bill and each specific treatment and be able to completely independently explain how the system actually arrived at the final outcomes of a claim. And that's what we actually do today.

Much as we would like to say AI will automate a claim. What we need AI for right now urgently in the country is to make sure inputs are good enough for the rule engines. And two, that nobody is playing the system. The rest is largely rule driven. And I think that's the combination today we deploy. And that's how we are able to deliver value that is absolutely measurable to the insurers like fraud savings over INR540 crores. We delivered network discounts over INR1,300 crores last year. I think that's where we are, Vansh. And this space will evolve.

And I hope that we actually are able to automate 70% to 80% of all health insurance claims in a manner that citizens of this country rebuild their trust or build their trust in health insurance, which actually allows us to really run towards this 100% coverage by 2047. And then that day comes yield is a smaller problem and opportunity is a larger problem.

Vansh Solanki:

Okay. Okay and you didn't give an answer to the rate part that whether there is a chance because IRDA also you know continuously pressurizing insurance companies to lower the insurance premium. So is there a chance that our take rate can also decrease from like from 5 years from now to 3.5% to 2.5% or so. Because it's already decreased from 5% in the last 5 years.

Satish Gidugu: I think it's very hard for me to forecast what will happen 5 years later. But much of the group yield changes, to be honest, is also because of the introduction of a variety of low ticket size benefits that some of the employees and their families actually opt in for, which are not fully priced. It doesn't mean that we're getting necessarily paid lesser for the same work compared to before, but it is also the nature of benefits that are changing, right?

Somebody could actually pay incremental 1% premium and potentially get a room rent deduction waiver or a co-pay waiver. And then not everybody participates in this small ticket size opportunities. On the whole, it might look like the yields are compressing, but our internal metrics, we track more on the effort versus the life, level of remuneration, and those have been fairly healthy or improving from our side.

So I think it will be very hard for me to answer that question specifically, but we'll continue to improve our disclosures so that you have a fair sense of where the world is headed.

Moderator: Thank you. We will take the next question from the line of Manjeet Buaria from Saamya Advisors LLP. Please go ahead.

Manjeet Buaria: Good morning and thank you for taking my question. I have two questions. The first one is slightly longer, so please bear with me. On the technology side of our business, if we start pricing them at fixed price contracts versus outcome-based pricing, won't it become very difficult to move them to outcome-based pricing later?

Because typically I don't see B2B contracts sort of being revised once established. And why I'm trying to understand that is if we really have great technology and let's say it's saving INR500,000 crores in FWA over time for our customers, right? Why don't we charge about 10% of that? Because there's no other option to get that savings either way. So we should be happy to pay for it. So that was question one.

And the second question was, what is the volume growth or growth in lives for which is required in our core group business for us to be able to grow that business in the 10%-12% range organically? And this is in context of most large corporations in India, IT companies, banks, etcetera are literally no net addition in employees. So I'm just curious as to what will keep that organically for the 10%-12% without that group? Thanks. Those are the two questions.

Satish Gidugu: Thank you, Manjeet. I think, like I clarified right now that the current tech revenues that we are reporting are only for the core SaaS platform, which is a foundational end-to-end claims processing engine. Currently, none of the AI capabilities are contributing to that revenue number. And of course, we like to believe that the world, especially the AI-led world, should eventually move to outcomes-based pricing because the cost of running that is non-trivial.

So I think that that's sort of directionally our view as well. And I think that is a fair way to go back to the insurers and saying, here are the outcomes that I can deliver. And if I deliver the outcomes, you pay for the outcome from a technology and AI and the model perspective. And in fact, I believe that a lot of AI will eventually move to that model. So currently, we don't have a contract where it's a fixed price contract for where we can potentially deliver the outcomes.

Secondly, on the organic growth side. Historically, when the health insurance industry was growing at 18%, 19% CAGRs until about 3 years ago, group sort of led a little bit. Group was growing at about 18%, 19%. Post-COVID, there was an exuberance both in terms of the number of positions that were created, employees hired, and also the expansion of benefits to cater to hybrid, remote, different kinds of networks, different kinds of benefits.

So we saw over the last 5 years, the highest same-store growth on an annual renewal of even 20%, 25% compared to the pre-COVID standard growth rates that we used to see on same-store growth on 13% to 14%, right? So if you retained 5 -- if your return is 5, which means 100 became 95 on renewals. On 95, we had a 13, 14 tailwind, which sort of provided that natural same-store growth before we organically added, like, new business.

We continue to add a lot of new business organically. In fact, last year, we added over INR2,000 crores of new group premiums organically. And of course, they reflect depending on the time of the year at which the account is added. So coming back to your question on the growth, so from the highs of 25%-odd post-COVID to we saw a decline to 18%, 15%, closer to 12%, 13%, now tracking to maybe 8% to 10% on the same-store growth blended.

I think that's what we are currently seeing. And it's fair to ask that, with the IT-ITES slowdown and some of the large enterprise slowdown, what's actually happening. It is not that the other industries are not picking up from a life's perspective, right? Other industries are definitely picking up. In fact, we have over 25 industries in our book today.

The reason why IT-ITES stands out is one is the sheer number, and two is the size of the benefit, right? And the per unit or per employee benefit of the ticket size is fairly high in the IT and ITES business. So you need many more of, say, manufacturing jobs to match the ticket size.

But we're seeing some very interesting growth trends for example in oil and gas to chemical to some of the other industries and some amount of the manufacturing that we've been able to take our services to are reasonably augmenting from a life's growth perspective. The reason you don't see that translate into premiums right now is the differences in the ticket sizes. But we think that the lives growth is reasonably secular across the, if you combine all of the groups together.

Manjeet Buaria:

Got it. Thanks. And Satish, just one more question was, you mentioned something called headcount based contracts in one of the responses. I just wanted to understand how does this headcount based contract really play out. And to your other contention that AI does not really impact this piece on automation etcetera, the long answer would be very helpful. But typically where there is headcount-based sort of contracts, savings on that because we are typically asked that by customers. So I'm just confused about those two data. Just clarify them, please.

Satish Gidugu:

No, no, very fair point, I should have been more clear. I think if you look at our business today, I would first put this into where the contractually we are supposed to deploy headcount, which is like the public health that the government discussed today, right. Nearly a third of our headcount today is contractually obligated and deployed at the remotest corners of the country, serving 27 crores of members through public health schemes today.

And there is no technology, there's no AI. It's our duty as a leader to participate and deliver services and of course we continue to be careful about the quality of revenue and various other aspects. And that's why we continue to be a material player, but not actually have that business create any kind of a drag for us in the overall margin profile.

I think, the way I was saying that some of it is headcount driven today in the core TPA business, it's also because the existing expectations of the workflows of the industry, right. So the workflows of the industry today expect that a doctor and their registration number and there's a seal and signature, then you send a claim file to an insurance company today or you have corporates today because they don't yet have a fully integrated digital experience, expect that an account manager sits out of their office and deliver service today.

So there are some aspects of the core business that are still driven by headcount. But if you look at our employee benefits cost that we report as a percentage of revenue, I think last year was among the highest as the integration process started. But otherwise typically we've been around 45%. And even if I unwound some of the other services that potentially could be treated as EB, will not be more than 50%. And most TPAs that we acquired at headcount costs in the range of say 65% to 75% of revenues.

So that's what our technology is already enabling us to differentiate. I think the limited point that I made that for AI to make impact it is the quality of inputs and your ability to sort of standardize homogenized inputs and flag of outliers is way more important than just deploying guessing through AI on the outcome of a claim because claim is significantly a rule driven that we already sorted out within the platform.

Moderator: Thank you. We will take the next question from the line of Tarang Agrawal from Old Bridge. Please go ahead.

Tarang Agrawal: Hi. Am I audible?

Moderator: No, Tarang, you are not audible. Kindly use the handset mode.

Tarang Agrawal: Just give me a second. Hello, am I audible now?

Moderator: Yes, please go ahead.

Tarang Agrawal: Wonderful. Good morning, team and congrats for a strong set of numbers. A couple of questions. Actually, one, when do we expect the Paramount acquisition to integrate and for you to get your desired synergies? I mean, do you have a sort of a visibility on which quarter should that sort of start panning out?

Satish Gidugu: Tarang, we've always said for every integration at the risk of sounding repetitive that 4 to 5 quarters is what it takes given the nature of the 12-month long contracts and mandatory annual renewals. We're 3 quarters down. And I think our quarterly margins in Q4 also went up by another 130 bps compared to Q3. I think we still track to being 1 or 2 quarters at the most from a Paramount perspective. Yes, that's a simple answer.

- Tarang Agrawal:** Okay. Thank you. And these disclosures, much appreciate the disclosures, really helpful. Thank you so much.
- Satish Gidugu:** Thank you, Tarang.
- Moderator:** Thank you. We will take the next question from the line of Neel Gowariker from LFC Securities. Please go ahead.
- Neel Gowariker:** Hi. Thank you for the opportunity. Very good morning to you all. I have two questions. First question is in the past quarter we had an exceptional item. What's the update on the recovery? And the second question I have is on the nature of international business where we are in impact because of the Middle East conflict. So have we seen any impact because of it and what side of quarter lag are we likely to see in the revenues because of it? I think that's it.
- Satish Gidugu:** Sure, I'll take the international question. But let me just take a shot at it. If you need more details, Sandeep can chime in. I think those exceptional items that we've provided, they still continue to be open items including our insurance claims to the claims disallowed item continue to be open. And we will of course, carry that each quarter until it comes to a logical conclusion. And they are part of the disclosures in the financial accounts and the notes.
- On the Middle East conflict, we have no real exposure to Middle East today. Our revenues would be significantly operate in Continental Europe, Australia, New Zealand, Southeast Asia, and inbound and outbound from India with some amount of work in the US. So we have little or no exposure today to what's happening from a conflict perspective.
- I think the only slowdown that we saw in the international business was on the group segment where like the IT-ITES companies reducing headcounts in India, there's been also some amount of patterns that have changed in terms of medium and long-term deployments of their employees abroad.
- And the portion that is, in fact in some ways I wouldn't say negatively impacted, but because the premiums are going up, we serve some of the seafarers across the globe today. So there is some operational challenges there, but we currently don't see from a revenue and any kind of a negative impact perspective.
- Neel Gowariker:** Okay, thank you. That answers my question. In terms of this international business though, is there any specific region that we are focusing on or targeting? Like we just opened up in Thailand that way, is there any specific area that we're looking to target in the coming future, let's say? Not a broad-term target in that sense.
- Satish Gidugu:** So I think on international, we are fairly clear that we are not trying to replicate what we do in India. We are predominantly taking our technology and other capabilities to those markets. And at this point, I think we see markets like regions like Southeast Asia having the most similar workflows and processes and sort of quicker deployment cycles for the technology stack that we have available.
- Neel Gowariker:** Okay, fine. Thank you very much.

Satish Gidugu: Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as the last question. I now hand the conference back to Mr. Satish for closing comments.

Satish Gidugu: Thank you. Thank you all for joining us early this morning and thank you for all the insightful questions. Truly appreciate your partnership and feedback. As a company that has no peer or a comparable in the markets, we will strive to improve our disclosures and strive to improve the explanation of how we run our business, what the opportunities are. And thanks again for shaping some of the narratives with your insightful questions.

And I think as we close, we are truly excited as Medi Assist that we're able to deliver a technology platform that's typically not seen in most markets. With most solutions today target one of the stakeholders, right? You build solutions for insurers, you build solutions for hospitals, you build solutions and digital journeys for members.

We are in a unique place where tens of millions of members and millions of claims transactions allowing us to create truly interconnected intelligence platforms that are connecting all of the stakeholders in any market and very seamlessly enabling experiences that can be enabled only when all these stakeholders are connected extremely well.

So we're excited about the opportunity, we're excited about the time and space we are in, and we're excited about our growth prospects both in India and outside. Thank you again for your continued partnership. Thank you.

Moderator: Thank you, members of the management. On behalf of E&Y, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines. Thank you.