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Sub: Transcript of Earning Call for Quarter ended June 30, 2024

Dear Sir/Ma'am,

We enclose herewith a copy of the transcript of the Earning Call for the quarter ended June 30, 2024 held on Wednesday, August 28, 2024.

The same is also being made available on the Company's website at: <https://qmsmas.com/>

Kindly take the same on your records and oblige.

Thanking you,

Yours sincerely,

For **QMS MEDICAL ALLIED SERVICES LIMITED**

Toral Jailesh Bhadra
(Membership Number: A56927)
(Company Secretary and Compliance Officer)

Date: August 31, 2024

Place: Mumbai

QMS Medical Allied Services Ltd.

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QMS Medical Allied Services Ltd

Quarter 1 FY 2025

28 Aug, 2024

Moderator:

Ladies and gentlemen, a very good evening and welcome to the earnings conference call of QMS Medical Allied Services Limited for Q1 FY25. We have with us today, Mr. Mahesh Makhija - Founder, Chairman and Managing Director of QMS Medical Allied Services Limited and Mr. Tanay Surkund - Head of Institutional Business and Special Projects at QMS Medical Allied Services Limited.

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 the conference call, please signal and operator by pressing '*', then '0' on your touch tone phone.

I would now like to hand the conference over to Mr. Mahesh Makhija - Founder, Chairman and Managing Director of QMS Medical Allied Services Limited, to give his opening remarks. Thank you and all to you, Sir.

Mahesh Makhija:

Thank you. Hello everyone. Thank you for attending the Q1 FY25 call. Let me give you a quick introduction to the company and the key performance numbers. We are QMS Medical Allied Services, a holistic healthcare engagement solution ecosystem company headquartered in Mumbai and listed on the NSE Emerge in October 22. The Commander 3 decade presents and driving engagement for doctors and patients on behalf of marquee pharma companies. We have a team of around 250 people led by eminent industry professionals catering to over 130 institutional clients including 50+ top pharma companies and the massive beach spanning 5000 plus pin codes across India.

Our company has two basic verticals, the product including our own brand Q-Devices where we have Mr. Kapil Dev as the brand ambassador and the second services is the solutions. The product vertical accounts for almost 41% of our revenues. It's what we started the business with our ability to source high quality products around 900 SKUs from long standing reputed device manufacturers worldwide subject to the budget, selection, sourcing and distribution. On behalf of our pharma clients gives us an edge in assessing insights into the demand and landscape for the medical fraternity.

We source products from companies like 3 M, China's, Heine, GPL, Omron. We are also capitalized on the industry insights to build our own brand, Q-Devices which launched last year and further enabled us to tap the online and digital sales to satisfy the retail demand. We are now expanding our selection, sourcing and distribution capabilities to a bigger canvas in the hospital divisions and all aiming at growing at an institutional demand. As we speak on right now, our hospital billing from our first indoor office is just happening right now for the strength business right now.

The solution verticals forms the key to the company's growth in the future. It accounts to almost 39% of the total revenues and those we offered customized patient service or outreach programs including end to end management and reporting at the regulations, traffic capping the product led engagement cost to be involved as a solution players by developing full scale operational capabilities, including in-house execution capabilities. Organized preventative screening camps at the healthcare practitioners' clinics in partnership with the pharmaceutical clients to encourage early detection and intervention of various diseases.

Today we have 900 plus dietitian network, 135 trained health certified DMLT's, that's Diploma in Medical Laboratory Technicians each capable of covering a 35-

kilometer radius and has an advanced diagnostic device covering more than 5000+ pin codes across the country. Currently, we are conducting approximately 100 plus preventive screening camps and approximately 200 odd dietitian counseling sessions per day.

In the past few years, we have driven some of the most respected PSP's, including the HAMARI initiative, which currently helps for than 25,000 patients manage their diabetes through their lifestyle management for one leading pharma company. Our recent successful completion of a 51% acquisition in Saarathi Healthcare Private Limited marks significant milestones in the company's growth and strategic expansions.

Additionally, the government business will prove a massive fill up for the company and we are exploring multiple strategies to scale up our solutions vertically further.

Coming to the performance, we closed FY24 with a revenue of around 122 crores with an EBITDA of 18.8 crores and an EBITDA margin of 15.3%. For the Q1 FY25, we clocked in an operating revenue up from these 30.37 crores up 22% as compared to 4.5 crores in the Q4 FY24. The company's net profit stood at 2.4 crores in the Q1 FY25, up 56% from 1.4 crores in Q4FY24. The margin growth indicated the shift from providing products to the solutions for its clientele during the quarter. On a year-to-year basis, our operating income improved by 17%, while our EBITDA clocked at up 4% jump in the Q1 FY25 compared to Q1 FY24. The quarter was headlined in India's national elections, which led to a lower activation and on ground programs. However, the operating margins improved, owing to the companies on free shift from products to the solutions ecosystem.

I would now like to rate request questions from the participants here. Thank you.

- Moderator:** The first question is from the line of Viraj Mehta from Nuvama Wealth Management. Please go ahead.
- Viraj Mehta:** Yeah. Hi, good afternoon. Just one question, wanted to understand private brand is what percentage of sales and what could be the strategy over here?
- Mahesh Makhija:** The private brand sale is right now very slowly, significantly increasing. We are almost touching to a level of a crore a month right now. So, it's, we could say we almost touch 10 crores, we'll touch around 10 crores this year, at least two devices launch. If this is the and there are only two strategies, we are going either through B2B channels if that is there or the retail online channel to be there, you know Amazon platform and Flipkart and all.
- Viraj Mehta:** Right. And how would you scale this up in next 5 years?
- Mahesh Makhija:** See, the scaling up is very simple actually, and in this thing is adding up more products, adding up more different distribution channels, selling it to the hospitals directly, selling it to the online platform in a different way and more and more B2B products. Such a simple strategy.
- Viraj Mehta:** Thank you.
- Moderator:** Thank you. The next question is from Amitosh Kumar from Mastertrust. Please go ahead.
- Amitosh Kumar:** Yeah. So, I had two questions. First being, could you give any guidance for the current year and 2nd that what are your value-added products and what mix of revenue they're having, if you could explain that?
- Mahesh Makhija:** See, we traditionally always look at the growth of almost 15 to 25%. That's the steady state growth that we always look at. Other than that, the sectors that we keep on expanding that gives us separate growth segment. So, any other sector like the hospital sector as well that we are entering right now, the government business segment that we are entering right now, through our first collaboration with

Saarathi, we have got the government business on Chhattisgarh, we've got the TV screening programs run right now so the lot of things are moving around actually, but additionally we still always say you QMS grows at around 15 to 20% plus we add up Saarathi plus these business models more add up. So, it will definitely add up more numbers out there. And regarding the value-added products, we would prefer more of the services side to be a product in its own way if you understand what I'm trying to tell you, you know there's the service vertical which we are adding up right now in a bigger way, the products are technically all B2 type of products or unless you have your branded. In few years, it's going to be all B2 type of products only technically but the distribution side where we are you know we are dealers for all these top multinationals, we source about the best of the products in the industry that we keep on adding on that and another different type of value addition that we would like to add up in the services side, that is the main thing that how we are conducting the Patient Service Programs. How we are doing so these are the segment areas that we are looking at actually right now.

Amitosh Kumar:

OK, Sir. Thank you.

Moderator:

The next question is from the line of Revant Singal from Acintyo Investments. Please go ahead.

Revant Singal:

Hi Sir. Very good afternoon and congratulations on business. I just have one question regarding your online business. I realize that it's currently very new and it's only been about 145 days since you've started. But how do you see the growth and the outlook in the future and what do you expect out of it?

Tanay Surkund:

Hi, Tanay here. So, the outlook is fantastic because what we're seeing with online is the reach that online gives you is unprecedented, especially when it comes to the products that we are selling, you know, medical devices in particular in the past have always been available at select retail outlets or directly at hospitals. Now because of e-commerce platforms, Amazon and delivery partners that have access through like ship rocket, for example, we're able to ship these products to every corner of the country, for example, we have a tremendous number of people ordering preventative health devices from us coming from the North East, that was something that surprised us when we were doing our analysis of our data, I think the outlook for this is fantastic. A lot of what I think is traditional retail sales is going to push online in the future and we want to be riding that wave a little early rather than getting on it later, so I think we've caught one at the right time.

Revant Singal:

OK. OK. Thank you so much.

Mahesh Makhija:

He introduced right now. At this moment, you know, just to add up what Tanay said, just got to know, you know, only around 38 to 40 products at this moment, which we plan to increase drastically by within a years' time actually that that is one thing is for sure.

Tanay Surkund:

Our aim is to make this 100. We will have 100 products in this portfolio that cater to the entire health and wellness segment. This includes fitness, preventative health, mother and baby care, dietary health, weight control, everything. We'll have a well-rounded product portfolio, yeah.

Revant Singal:

Great, great. Thank you so much.

Mahesh Makhija:

Thank you.

Moderator:

Thank you. The next question is from Dr. Hema Pratiksha with Acintyo Investment, please go ahead.

Hema Pratiksha:

Hi, very good afternoon to you. Thanks for your very detailed insightful how well you are doing. My question is mostly in perspective of the quality parameters, so I would like to sit my question to go past. Whereas do we have any acquisitions expectations in line at an organization level? Second thing is what are your top line KPI's that is driving your financial message?

Mahesh Makhija: So, when you come to the quality accreditation you are talking about specific products. Are you talking about the company as a whole?

Hema Pratiksha: As company as a whole.

Mahesh Makhija: As a company as a whole, we already have an ISO certification in terms of maintaining our data privacy because you know in the services portfolio, we conduct screening camps across the country and you know, we are responsible for recording a lot of sensitive patient data where we maintain extremely stringent standards of data confidentiality and the ISO certification is proof of that. Beyond that, the products that we use, every single product that we sell has been certified by, of course, the regulatory authorities in India. But beyond that they have been regulated, they also bear regulatory compliance and certification standards from Europe, the US and other countries because we, you know the kind of products we work with have to at a level that a doctor or a patient is, you know, very, very comfortable with and the accuracy has to be one that cannot be doubted. And every single product we import is basically regulated and authorized by the CDSCO, the Central Authority in India that controls drugs and medical devices.

Hema Pratiksha: Perfect.

Mahesh Makhija: So, that control of quality, yeah. And regarding the top line, you what could I, could you please repeat the second question, if you don't mind?

Hema Pratiksha: Sure. Do you have any quality assurance committee in place organization?

Mahesh Makhija: Yes, we do. We have a quality assurance committee that's in place. There are periodic reviews that take place of the policy, of procedure, of protocols, of project and we don't do it independently. We also involve the clients who we are conducting these projects with in this process. So, it's a very well-rounded and very stringent process. As I said, we working in a healthcare company and especially healthcare services, we can never be too careful like we have to be, you know kind of dot all our eyes and cross all our teams to ensure that we are providing the highest level of service but at the same time maintaining you know our patient's data extremely safely.

Hema Pratiksha: Great. Alright. Thank you, Sir. Thanks for answering that.

Moderator: The next question is from the line of Disha Shah, who's an investor. Please go ahead.

Disha Shah: Hi, good evening. I would like to know strategy for service business going forward and the margin comparison as compared to products.

Mahesh Makhija: See, the strategy for service business is obviously we have almost as I said in my call, we have both the 900 people in the diet segments and 120 plus people conducting cancer with doctor's clinic having our own equipment factory. OK, now we have equipment's like diabetic retinopathy machines, we have, you know, Hb1C machines, we have the BMD machine. Each machine costs almost around 8-8 lakh rupees, approximately. Each sales person of mine carries almost around 15 to ₹18 lakhs worth of machines within and he does those at the camp in the doctor's clinic. But we are planning to introduce segment wise actually you know cardiac segments like therapy area wise like you know machines which will be helping doctors doing tests in the doctor's clinic actually helping the patient to be you know in the prevention is better than cure the type of a treatment plan that we are working on. So that is one basic thing. Second, when I said in that through our acquisition where we have tied up with Saarathi where we have a 51% stake right now, we just acquired a business model right now from Chhattisgarh government for the TV program. OK, the TV is carrying TB patients across the country. So that's where the government business model goes up into the patient service model actually. So, the entire gamut's going to be in these two segments actually altogether and yes,

definitely the service models, you know, margins are much, much better than the product margins. That goes without saying.

Disha Shah: OK. Thank you.

Moderator: The next question is from the line of Revant Singal from Acintyo Investment. Please go ahead.

Revant Singal: Hello, Sir. Sorry, I forgot to ask earlier, but I just wanted to know with all the products that are being built done with that you manufacture, how much your does like raw material or anything of that sort come from the import side of it or is it all just from your side?

Mahesh Makhija: Let me clarify one thing very clearly, Sir. We do not manufacture on our own at all. We have third party tracking, we have identified certain vendors which trust the quality approvals which we have done from these vendors or from done by IIT Mumbai team only then we have gone ahead and you know got these products registered some of the initial product registered, we do not have our own manufacturing. It is all third party absolutely. Let me be very clear and when we import these products, there are lot of other products which we are importing also right now.

Revant Singal: OK. OK, thank you, Sir. Understood.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. Tanay Surkund - Head of Institutional Business and Special Projects at QMS Medical Allied Services Limited for closing comments.

Tanay Surkund: Hello. Thank you all very much for attending the call. We thank you for your questions and we encourage you to reach out to us if you have any further questions or would like to come down to the office itself and have a meeting with us in person. You can reach out to us at investorrelations@qmsmas.com and we will reply at our earliest convenience and we can set something up for main person meeting. Well, thank you so much for your time and have a good day.

Moderator: Thank you, Sir. Ladies and gentlemen, on behalf of QMS Medical Allied Services Limited, that concludes today's session. In the event, if participants have any more questions, request you to kindly send us the same to investorrelations@qmsmas.com. Thank you for your participation. You may now disconnect the call.