

# Aster DM Healthcare (ASTERDM IN)

Rating: BUY | CMP: Rs558 | TP: Rs715

February 3, 2026

## Q3FY26 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

Rating	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY	BUY	BUY	BUY
Target Price	715	775	715	775
Sales (Rs. m)	54,525	63,150	54,949	64,866
% Chng.	(0.8)	(2.6)		
EBITDA (Rs. m)	10,723	12,905	11,661	14,348
% Chng.	(8.0)	(10.1)		
EPS (Rs.)	10.6	13.5	12.1	15.6
% Chng.	(12.0)	(13.8)		

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	41,380	46,290	54,525	63,150
EBITDA (Rs. m)	7,740	8,882	10,723	12,905
Margin (%)	18.7	19.2	19.7	20.4
PAT (Rs. m)	3,090	3,425	5,304	6,723
EPS (Rs.)	6.2	6.9	10.6	13.5
Gr. (%)	66.1	10.8	54.9	26.8
DPS (Rs.)	4.6	4.6	4.6	4.6
Yield (%)	0.8	0.8	0.8	0.8
RoE (%)	7.7	9.9	14.6	17.0
RoCE (%)	11.3	15.4	18.8	21.9
EV/Sales (x)	6.5	5.9	5.0	4.3
EV/EBITDA (x)	34.9	30.7	25.4	20.9
PE (x)	90.2	81.4	52.6	41.5
P/BV (x)	8.1	8.0	7.4	6.7

Key Data	ATRD.BO   ASTERDM IN
52-W High / Low	Rs.732 / Rs.386
Sensex / Nifty	81,666 / 25,088
Market Cap	Rs.289bn/ \$ 3,159m
Shares Outstanding	518m
3M Avg. Daily Value	Rs.392.97m

### Shareholding Pattern (%)

Promoter's	40.39
Foreign	18.46
Domestic Institution	26.13
Public & Others	15.02
Promoter Pledge (Rs bn)	47.49

### Stock Performance (%)

	1M	6M	12M
Absolute	(9.1)	(6.3)	17.4
Relative	(4.5)	(7.5)	11.4

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## EBITDA miss; QCIL growth has been impressive

### Quick Pointers:

- 3,000+ bed expansion plan (65% brownfield) over the next 24-30 months for combined entity
- QCIL merger completion timeline reaffirmed for Q1FY27, subject to shareholder and NCLT approvals.

**ASTER DM Healthcare's (ASTERDM) Q3 consolidated EBITDA grew 10% YoY to Rs2.14bn, 7% below our estimate; impacted by lower growth in Karnataka cluster. On other hand growth for QCIL has been impressive with 32% YoY growth for Q3 and 25% YoY for 9MFY26, much ahead of our estimate. ASTERDM's board has recently approved merger with Quality Care (QCIL), making it the third largest healthcare chain by revenue and bed capacity in India. We remain positive on ATSERDM given the rising visibility on post-merger synergies, occupancy improvement, margin expansion and upcoming bed additions. Our FY27-28E EBITDA for combined entity stands cut by 6-7%. We estimate combined entity post Ind As EBITDA to grow at 22%+ CAGR over FY26-28E to Rs29bn. The combined entity is trading at ~26x and 21x EV/EBITDA on FY27E and FY28E (adjusted for minority stake and rental) respectively. We maintain our 'BUY' rating with revised TP of Rs715/share, valuing 27x EV/EBITDA for the combined entity on FY28E.**

- Muted EBITDA growth led by losses from Kasargod unit and Karnataka cluster:** ASTERDM's EBITDA (post-Ind AS) grew 10% YoY (declined 16% QoQ) to Rs2.14bn, vs our estimates of Rs2.3bn. OPM improved by 50bps YoY to 18% (~310bps QoQ). Pre-Ind AS EBITDA was at Rs1.8bn (up 9% YoY) with OPM of 15.2%. Hospital EBITDA grew by 12% YoY to Rs2.46bn with OPM of 21.4%, down ~60bps YoY. Cluster wise, Kerala cluster reported EBITDA growth of 17% YoY while Karnataka and AP & Telangana reported muted EBITDA growth of 5% and 6% YoY, respectively. During the quarter new greenfield unit in Kasargod was commercialized which reported EBITDA loss of Rs130mn. Pharmacy business reported positive EBITDA at Rs 10mn while Labs reported EBITDA of Rs 40mn.
- Strong 15% growth in ARPOB; occupancy was weak:** Consolidated revenue improved 13% YoY (down 1% QoQ) to Rs11.9bn. ARPOB continues to improve 15% YoY (3% QoQ) to Rs52.3k per day aided by improved ALOS and better case mix. Occupancy declined by 300 bps QoQ at 61% vs 63% in Q3FY25. IP volumes were up by 5% YoY. ALOS improved to 3.1 days vs 3.2 days in Q3FY25. Net cash stood at Rs6.2bn as of Q3FY26.

### Key con-call takeaways:

- Bed expansion and capex:** ASTERDM added ~320 beds YoY, taking India capacity to 5,451 beds across 20 hospitals as of Q3; including newly added Kasargod unit in Q3FY26. Greenfield Kasargod hospital with 263 bed capacity (183 census beds) commissioned with Rs 31,000 per day ARPOB and losses at Rs130mn for Q3; management guides to break-even within 1-2 quarter.

Overall, ~2,350 bed expansion plan (754 beds in FY27E, 650 beds in FY28E & 730 beds beyond FY28E), taking total capacity to ~7,800 beds over next 3 years, through a mix of brownfield expansions and select greenfield projects. ASTERDM incurred capex of Rs 4.1bn in 9MFY26.

- **New unit bed expansion timeline:** Hyderabad Women & Child hospital: Commissioning pushed to 2HFY27 due to design changes; contemplating >60% capacity allocated to women's care. Trivandrum hospital expected to commission earlier than Hyderabad with strong network advantage due to existing QCIL presence. Losses from Trivandrum, Sarjapur Road and Hyderabad units largely pushed to FY28, given commissioning timelines.
- **QCIL expansion:** Capex plan of ~Rs 20bn to add ~1,700 beds over 3–4 years, of which ~1,300 beds in non-metro / Tier-2 markets. Total ~190 beds will be added in FY27, largely brownfield. New capacity additions are expected to be margin-neutral to accretive, given expansions in high-ROCE markets such as Bhubaneswar and Raipur, alongside oncology capacity additions (LINACs).
- **Kerala Cluster:** MVT revenues up 64% YoY, led by patient inflows from Maldives and Oman; management indicated sustainability as volumes normalize post earlier disruptions. Operating EBITDA margin at 25.4%, up ~190bps YoY, driven by operating leverage, lower ALOS and tight cost control. ARPP growth in Kerala guided at ~6–8% CAGR over the medium term. 25+ clinicians added in Kerala, largely across oncology and complex specialties. Oncology contribution continues to rise; cluster guided to remain well-placed to deliver best-in-class margins over the medium term.
- **Karnataka and Maharashtra Cluster:** IP volumes declined ~9% YoY due to state scheme discontinuation at Aster Aadhar and temporary clinician attrition. EBITDA improved by ~5% YoY, with margins at ~21.9%, despite higher oncology material costs. Whitefield hospital alone delivered ~14% YoY growth. Management confirmed replacement + incremental hiring, with some clinicians rejoining ASTER, supporting recovery in coming quarters. Also guided for sustainable ARPOB for mature Bengaluru hospitals (Rs70–75k per day), with further 6–7% upside potential from case-mix improvement.
- **AP & Telangana Cluster:** EBITDA margins flat QoQ to 13.1%, despite higher manpower costs. Clinician attrition in Vijayawada, Guntur and Ongole has now been fully replaced; management guided for steady recovery ahead.
- **QCIL performance and guidance:** Revenue increased by ~17.3% YoY to Rs 11.8bn; post-Ind AS EBITDA improved ~32% YoY to Rs 2.8bn, margin expanded to ~23.7%. Mgmt cited, QCIL growth was driven by 8% YoY IP & OP volume growth, 60bps improvement in case-mix, and 100bps increase in cash/insurance mix to ~80%. ARPOB delivered growth of ~12% YoY to Rs47,000, aided by specialty mix and lower ALOS. QCIL operating EBITDA for 9MFY26 at ~Rs8bn, with ~20% minority interest.
- **QCIL** Mature units (~60% of QCIL revenue) delivered ~13% YoY revenue growth and ~19% YoY EBITDA growth. EBITDA margins expanded to ~32.8%, up ~160bps YoY, underpinned by procurement efficiencies, better payer mix and improved clinical productivity. Emerging units (~7% of revenue) turned EBITDA-positive (Rs100mn vs loss last year), with margins at ~13.3%, showing

steady quarter-on-quarter improvement. Focus units (~29% of revenue) saw ~19% YoY revenue growth and ~68% YoY EBITDA growth, with margins expanding ~520bps YoY, reflecting successful turnaround initiatives. Management cited that underperforming assets are now showing visible operating traction.

- **QCIL merger update:** Merger completion timeline reaffirmed for Q1FY27, subject to shareholder and NCLT approvals. Management clarified no ASTERDM+QCIL synergy benefits are reflected yet in reported numbers. Guided synergy potential of ~10–15% of EBITDA over 2–3 years post-merger, driven by procurement, corporate overhead rationalization and clinical best-practice sharing.
- Oncology remains a key growth driver across both platforms; QCIL deploying 5 LINACs and 5 robotic surgery systems across Tier-2 markets.
- **Ancillary biz:** Aster Labs turnaround sustained, with EBITDA margins at ~12.2% YTD FY26 and ROCE ~27%. Mgmt cited low margin Wholesale pharmacy biz to remain steady whereas retail pharmacy expected to break even over 1–2 years.
- Management reiterated focus on capital-efficient growth, disciplined bed additions and maintaining healthy operating margins despite expansion.

**Exhibit 1: Q3FY26 Result Overview (Rs mn) –EBITDA miss led by losses from Kasargod and Karnataka cluster performance**

Y/e March	3QFY26	3QFY25	YoY gr. (%)	3QFY26E	% Var.	2QFY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
<b>Net Sales</b>	<b>11,858</b>	<b>10,498</b>	<b>12.9</b>	<b>11,813</b>	<b>0.4</b>	<b>11,972</b>	<b>(1.0)</b>	<b>34,608</b>	<b>31,381</b>	<b>10.3</b>
COGS	2,675	2,470	8.3	2,894	(7.6)	2,710	(1.3)	7,856	7,131	10.2
% of Net Sales	22.6	23.5		24.5		22.6		22.7	22.7	
Employee Cost	2,214	1,936	14.3	2,244	(1.4)	2,119	4.5	6,281	5,804	8.2
% of Net Sales	18.7	18.4		19.0		17.7		18.1	18.5	
Other Expenses	4,834	4,154	16.4	4,360	10.9	4,612	4.8	13,723	12,602	8.9
% of Net Sales	40.8	39.6		36.9		38.5		39.7	40.2	
<b>Total</b>	<b>9,722</b>	<b>8,560</b>	<b>13.6</b>	<b>9,499</b>	<b>2.4</b>	<b>9,441</b>	<b>3.0</b>	<b>27,860</b>	<b>25,537</b>	<b>9.1</b>
<b>EBITDA</b>	<b>2,136</b>	<b>1,938</b>	<b>10.2</b>	<b>2,314</b>	<b>(7.7)</b>	<b>2,531</b>	<b>(15.6)</b>	<b>6,748</b>	<b>5,844</b>	<b>15.5</b>
<b>Margins (%)</b>	<b>18.0</b>	<b>18.5</b>		<b>19.6</b>		<b>21.1</b>		<b>19.5</b>	<b>18.6</b>	
Other Income	280	330	(15.2)	336	(16.9)	283	(1.0)	894	1,170	(23.6)
Interest	315	308	2.2	311	1.2	308	2.3	930	914	1.8
Depreciation	677	622	8.8	653	3.6	661	2.3	1,970	1,849	6.6
<b>PBT</b>	<b>1,424</b>	<b>1,338</b>	<b>6.4</b>	<b>1,687</b>	<b>(15.6)</b>	<b>1,845</b>	<b>(22.8)</b>	<b>4,742</b>	<b>4,251</b>	<b>11.6</b>
Tax	444	375	18.4	422	5.3	455	(2.5)	1,328	1,294	2.7
<b>Tax rate %</b>	<b>31.2</b>	<b>28.0</b>		<b>25.0</b>		<b>24.7</b>		<b>28.0</b>	<b>30.4</b>	
<b>PAT</b>	<b>980</b>	<b>963</b>	<b>1.8</b>	<b>1,265</b>	<b>(22.5)</b>	<b>1,390</b>	<b>(29.5)</b>	<b>3,414</b>	<b>2,957</b>	<b>15.4</b>
Share in (loss)/profit of associate	(88)	(36)		(50)	75.0	(140)		(284.7)	(89.0)	
Minority Interest	(62)	(76)		(100)	(38.0)	(113)		(255.5)	(235.4)	
<b>Reported PAT</b>	<b>830</b>	<b>851</b>	<b>(2.4)</b>	<b>1,115</b>	<b>(25.5)</b>	<b>1,137</b>	<b>(26.9)</b>	<b>2,874</b>	<b>2,633</b>	<b>9.2</b>

Source: Company, PL

**Exhibit 2: Cluster-wise hospital revenue break-up**

Revenues (Rs. mn)	3QFY26	3QFY25	YoY gr. (%)	2QFY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Kerala	6,290	5,230	20.3	6,200	1.5	18,010	16,100	11.9
% of Total Sales	54.7	52.2		53.4		53.7	53.3	
Karnataka and Maharashtra	3,830	3,580	7.0	4,050	(5.4)	11,600	10,540	10.1
% of Total Sales	33.3	35.7		34.9		34.6	34.9	
AP and Telangana	1,370	1,210	13.2	1,350	1.5	3,900	3,570	9.2
% of Total Sales	11.9	12.1		11.6		11.6	11.8	
<b>Total sales</b>	<b>11,490</b>	<b>10,020</b>	<b>14.7</b>	<b>11,600</b>	<b>-0.9</b>	<b>33,510</b>	<b>30,210</b>	<b>10.9</b>

Source: Company, PL

**Exhibit 3: Cluster-wise Hospital EBITDA break-up**

Y/e March	3QFY26	3QFY25	YoY gr. (%)	2QFY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Kerala	1,440	1,230	17.1	1,660	(13.3)	4,500	3,830	17.5
Karnataka & Maharashtra	840	800	5.0	990	(15.2)	2,690	2,440	10.2
AP and Telangana	180	170	5.9	180	-	450	470	(4.3)
<b>Total Hospital EBITDA</b>	<b>2,460</b>	<b>2,200</b>	<b>11.8</b>	<b>2,830</b>	<b>-13.1</b>	<b>7,640</b>	<b>6,740</b>	<b>13.4</b>

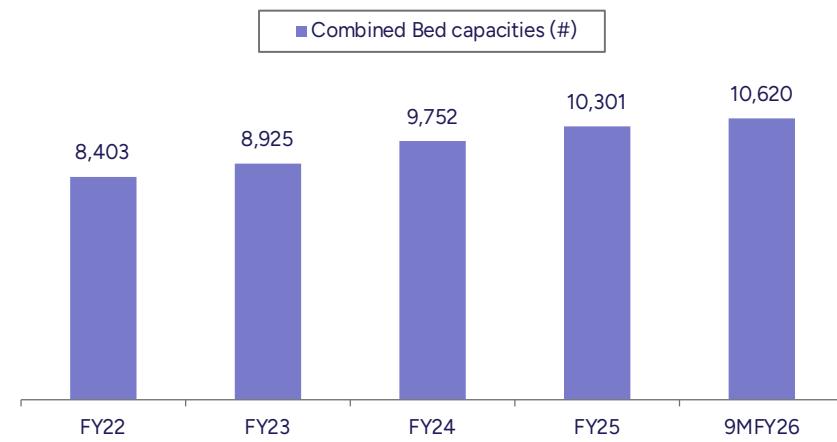
Source: Company, PL

**Exhibit 4: Aster DM Quality Care pro forma financials**

Y/e March (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR (%)
<b>Revenue</b>	<b>53,510</b>	<b>61,830</b>	<b>73,140</b>	<b>81,050</b>	<b>92,220</b>	<b>1,08,434</b>	<b>1,28,421</b>	<b>18.0</b>
Post IND AS EBITDA	9,720	11,580	13,960	16,610	19,446	23,633	29,108	22.3
<b>OPM (%)</b>	<b>18.2</b>	<b>18.7</b>	<b>19.1</b>	<b>20.5</b>	<b>21.1</b>	<b>21.8</b>	<b>22.7</b>	
Rental	1,080	1,220	1,430	1,660	1,662	1,810	2,055	
Pre IND AS EBITDA	8,640	10,360	12,530	14,950	17,7684	21,823	27,053	23.3
Pre IND AS OPM (%)	16.1	16.8	17.1	18.4	19.3	20.1	21.1	
Pre IND AS EBITDA post minority	7,776	9,324	11,277	13,455	15,379	18,878	23,380	23.3
Diluted no. of shares	<b>870.8</b>							
<b>CMP</b>	<b>560</b>							
Mkt cap	48,5967							
Net debt	7,290							
EV	49,3257							
<b>EV/EBITDA</b>	<b>61.9</b>	<b>52.5</b>	<b>44.8</b>	<b>38.0</b>	<b>32.1</b>	<b>26.1</b>	<b>21.1</b>	

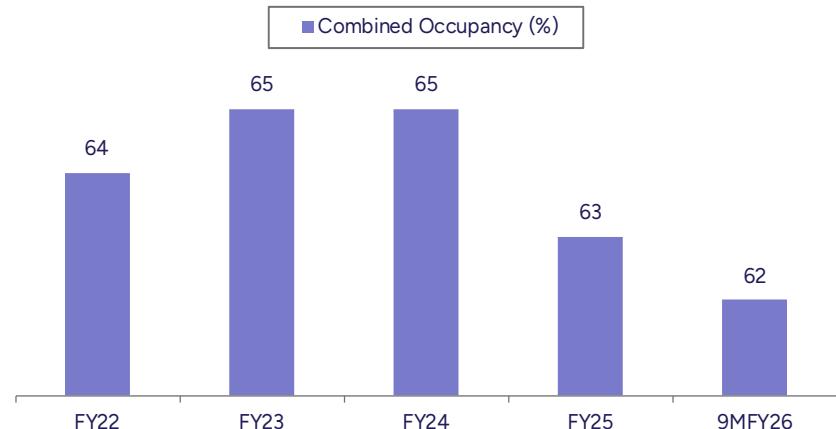
Source: Company, PL

**Exhibit 5: Third largest hospital chain in India in terms of bed capacity**



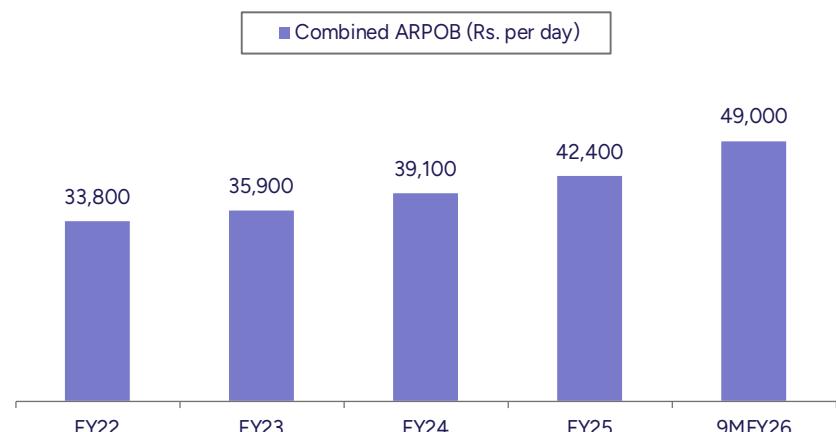
Source: Company, PL

**Exhibit 6: Occupancy to improve as new units starts to ramp up**



Source: Company, PL

**Exhibit 7: ARPOB to grow further driven by case mix**



Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>41,380</b>	<b>46,290</b>	<b>54,525</b>	<b>63,150</b>
YoY gr. (%)	11.9	11.9	17.8	15.8
Cost of Goods Sold	9,380	11,110	13,086	15,156
Gross Profit	32,000	35,181	41,439	47,994
Margin (%)	77.3	76.0	76.0	76.0
Employee Cost	7,600	8,588	9,704	10,966
Other Expenses	16,660	17,711	21,011	24,123
<b>EBITDA</b>	<b>7,740</b>	<b>8,882</b>	<b>10,723</b>	<b>12,905</b>
YoY gr. (%)	31.6	14.8	20.7	20.3
Margin (%)	18.7	19.2	19.7	20.4
Depreciation and Amortization	2,490	2,639	2,983	3,370
<b>EBIT</b>	<b>5,250</b>	<b>6,243</b>	<b>7,741</b>	<b>9,535</b>
Margin (%)	12.7	13.5	14.2	15.1
Net Interest	1,240	1,240	1,240	1,240
Other Income	1,480	1,200	1,400	1,600
<b>Profit Before Tax</b>	<b>5,490</b>	<b>6,203</b>	<b>7,901</b>	<b>9,895</b>
Margin (%)	13.3	13.4	14.5	15.7
Total Tax	1,340	1,675	1,975	2,474
Effective tax rate (%)	24.4	27.0	25.0	25.0
<b>Profit after tax</b>	<b>4,150</b>	<b>4,528</b>	<b>5,925</b>	<b>7,421</b>
Minority interest	300	330	322	398
Share Profit from Associate	(190)	(380)	(300)	(300)
<b>Adjusted PAT</b>	<b>3,090</b>	<b>3,425</b>	<b>5,304</b>	<b>6,723</b>
YoY gr. (%)	66.1	10.8	54.9	26.8
Margin (%)	7.5	7.4	9.7	10.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>3,090</b>	<b>3,425</b>	<b>5,304</b>	<b>6,723</b>
YoY gr. (%)	66.1	10.8	54.9	26.8
Margin (%)	7.5	7.4	9.7	10.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,090	3,425	5,304	6,723
<b>Equity Shares O/s (m)</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>EPS (Rs)</b>	<b>6.2</b>	<b>6.9</b>	<b>10.6</b>	<b>13.5</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>26,519</b>	<b>32,519</b>	<b>38,519</b>	<b>44,519</b>
Tangibles	26,519	32,519	38,519	44,519
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>2,490</b>	<b>5,129</b>	<b>8,112</b>	<b>11,482</b>
Tangibles	2,490	5,129	8,112	11,482
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>24,029</b>	<b>27,389</b>	<b>30,407</b>	<b>33,036</b>
Tangibles	24,029	27,389	30,407	33,036
Intangibles	-	-	-	-
Capital Work In Progress	2,907	2,907	2,907	2,907
Goodwill	2,641	2,641	2,641	2,641
Non-Current Investments	2,451	2,451	2,451	2,451
Net Deferred tax assets	-	-	-	-
Other Non-Current Assets	15,572	15,572	15,572	15,572
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	924	1,268	1,494	1,730
Trade receivables	2,578	3,044	3,585	4,152
Cash & Bank Balance	14,962	11,698	11,021	12,266
Other Current Assets	-	-	-	-
<b>Total Assets</b>	<b>66,064</b>	<b>66,970</b>	<b>70,078</b>	<b>74,756</b>
<b>Equity</b>				
Equity Share Capital	4,995	4,995	4,995	4,995
Other Equity	29,286	29,999	32,590	36,601
<b>Total Networth</b>	<b>34,281</b>	<b>34,994</b>	<b>37,586</b>	<b>41,597</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	6,422	5,422	4,422	3,422
Provisions	-	-	-	-
Other non current liabilities	2,046	2,046	2,046	2,046
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	4,262	4,819	5,677	6,574
Other current liabilities	16,819	17,125	17,462	17,833
<b>Total Equity &amp; Liabilities</b>	<b>66,064</b>	<b>66,971</b>	<b>70,078</b>	<b>74,756</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	3,942	6,203	7,901	9,895
Add. Depreciation	2,490	2,639	2,983	3,370
Add. Interest	1,270	1,240	1,240	1,240
Less Financial Other Income	1,480	1,200	1,400	1,600
Add. Other	(902)	(380)	(300)	(300)
Op. profit before WC changes	6,800	9,702	11,823	14,205
Net Changes-WC	(1,405)	53	427	465
Direct tax	(1,145)	(1,675)	(1,975)	(2,474)
<b>Net cash from Op. activities</b>	<b>4,250</b>	<b>8,081</b>	<b>10,275</b>	<b>12,197</b>
Capital expenditures	72,171	(6,000)	(6,000)	(6,000)
Interest / Dividend Income	-	-	-	-
Others	(12,022)	(393)	-	-
<b>Net Cash from Inv. activities</b>	<b>60,149</b>	<b>(6,393)</b>	<b>(6,000)</b>	<b>(6,000)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	-	(1,000)	(1,000)	(1,000)
Dividend paid	(61,732)	(2,712)	(2,712)	(2,712)
Interest paid	(567)	(1,240)	(1,240)	(1,240)
Others	11,334	-	-	-
<b>Net cash from Fin. activities</b>	<b>(50,966)</b>	<b>(4,952)</b>	<b>(4,952)</b>	<b>(4,952)</b>
<b>Net change in cash</b>	<b>13,433</b>	<b>(3,264)</b>	<b>(677)</b>	<b>1,245</b>
Free Cash Flow	790	2,081	4,275	6,197

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	6.2	6.9	10.6	13.5
CEPS	11.2	12.1	16.6	20.2
BVPS	68.6	70.1	75.2	83.3
FCF	1.6	4.2	8.6	12.4
DPS	4.6	4.6	4.6	4.6
<b>Return Ratio(%)</b>				
RoCE	11.3	15.4	18.8	21.9
ROIC	10.3	11.3	13.1	15.3
RoE	7.7	9.9	14.6	17.0
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	(7)	(4)	(4)	(4)
<b>Valuation(x)</b>				
PER	90.2	81.4	52.6	41.5
P/B	8.1	8.0	7.4	6.7
P/CEPS	50.0	46.0	33.6	27.6
EV/EBITDA	34.9	30.7	25.4	20.9
EV/Sales	6.5	5.9	5.0	4.3
Dividend Yield (%)	0.8	0.8	0.8	0.8

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>10,003</b>	<b>10,779</b>	<b>11,972</b>	<b>11,858</b>
YoY gr. (%)	2.3	7.6	10.2	12.9
Raw Material Expenses	2,250	2,471	2,710	2,675
Gross Profit	7,753	8,307	9,262	9,183
Margin (%)	77.5	77.1	77.4	77.4
<b>EBITDA</b>	<b>1,854</b>	<b>2,081</b>	<b>2,531</b>	<b>2,136</b>
YoY gr. (%)	18.1	25.4	12.6	10.2
Margin (%)	18.5	19.3	21.1	18.0
Depreciation / Depletion	640	632	661	677
<b>EBIT</b>	<b>1,215</b>	<b>1,449</b>	<b>1,870</b>	<b>1,459</b>
Margin (%)	12.1	13.4	15.6	12.3
Net Interest	320	308	308	315
Other Income	310	332	283	280
<b>Profit before Tax</b>	<b>1,205</b>	<b>1,473</b>	<b>1,845</b>	<b>1,424</b>
Margin (%)	12.0	13.7	15.4	12.0
Total Tax	50	429	455	444
Effective tax rate (%)	4.2	29.1	24.7	31.2
<b>Profit after Tax</b>	<b>1,155</b>	<b>1,044</b>	<b>1,390</b>	<b>980</b>
Minority interest	70	80	113	62
Share Profit from Associates	(100)	(57)	(140)	(88)
<b>Adjusted PAT</b>	<b>784</b>	<b>857</b>	<b>1,097</b>	<b>528</b>
YoY gr. (%)	130.7	16.8	14.4	(4.7)
Margin (%)	7.8	7.9	9.2	4.4
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>784</b>	<b>857</b>	<b>1,097</b>	<b>528</b>
YoY gr. (%)	130.7	16.8	14.4	(4.7)
Margin (%)	7.8	7.9	9.2	4.4
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>784</b>	<b>857</b>	<b>1,097</b>	<b>528</b>
Avg. Shares O/s (m)	500	518	518	518
<b>EPS (Rs)</b>	<b>1.6</b>	<b>1.7</b>	<b>2.1</b>	<b>1.0</b>

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
India hospitals	39,890	44,917	53,015	61,605
Labs and Pharmacy	2,660	2,660	2,926	3,131

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	06-Jan-26	BUY	775	615
2	19-Dec-25	BUY	775	598
3	10-Nov-25	BUY	775	693
4	08-Oct-25	BUY	700	662
5	10-Sep-25	BUY	700	641
6	31-Jul-25	BUY	700	605
7	08-Jul-25	BUY	620	622
8	22-May-25	BUY	620	551
9	08-Apr-25	BUY	620	476
10	04-Feb-25	BUY	620	469

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Ajanta Pharma	BUY	3,200	2,768
2	Apollo Hospitals Enterprise	BUY	8,600	7,087
3	Aster DM Healthcare	BUY	775	615
4	Aurobindo Pharma	BUY	1,300	1,235
5	Brigade Enterprises	BUY	1,045	843
6	Cipla	Accumulate	1,440	1,315
7	Divi's Laboratories	Accumulate	7,050	6,643
8	Dr. Reddy's Laboratories	Reduce	1,300	1,157
9	Eris Lifesciences	BUY	1,900	1,553
10	Fortis Healthcare	BUY	1,120	915
11	Global Health	BUY	1,375	1,238
12	HealthCare Global Enterprises	BUY	850	657
13	Indoco Remedies	Hold	325	225
14	Ipca Laboratories	BUY	1,600	1,514
15	J.B. Chemicals & Pharmaceuticals	BUY	2,300	1,927
16	Jupiter Life Line Hospitals	BUY	1,750	1,393
17	Krishna Institute of Medical Sciences	BUY	810	654
18	Lupin	BUY	2,400	2,214
19	Max Healthcare Institute	BUY	1,350	1,051
20	Narayana Hrudayalaya	BUY	2,100	1,901
21	Oberoi Realty	Accumulate	1,820	1,647
22	Prestige Estates Projects	BUY	1,880	1,500
23	Rainbow Children's Medicare	BUY	1,550	1,179
24	Sun Pharmaceutical Industries	BUY	1,900	1,595
25	Sunteck Realty	BUY	550	374
26	Torrent Pharmaceuticals	Accumulate	4,200	4,092
27	Zydus Lifesciences	Accumulate	1,020	928

PL's Recommendation Nomenclature (Absolute Performance)

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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