RATING BUY | CMP INR 955 | TP INR 1,120

PL Capital
PRABHUDAS LILLADHER

# Fortis Healthcare (FORH IN)

Q1FY27 Result Update

August 08, 2026

☑ Estimate Change | ■ Target | ■ Reco.

**Change in Estimates**

| | Current | | Previous | |
|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E |
| Rating | BUY | | BUY | |
| Target Price | 1,120 | | 1,120 | |
| Sales (INR mn) | 105,001 | 119,014 | 104,948 | 118,890 |
| *% Chng.* | *0.1* | *0.1* | | |
| EBITDA (INR mn) | 23,602 | 28,731 | 25,355 | 30,322 |
| *% Chng.* | *(6.9)* | *(5.2)* | | |
| EPS (INR) | 16.1 | 21.7 | 18.0 | 23.4 |
| *% Chng.* | *(10.6)* | *(7.3)* | | |

**Key Data** FOHE.BO | FORH IN

| | |
|---|---|
| BSE Code | 532843 |
| NSE Code | FORTIS |
| 52-W High / Low | INR 1,105 / INR 766 |
| Face Value | 10 |
| Sensex / Nifty | 78,499 / 24,571 |
| Market Cap | INR 721 bn / $ 7,574 mn |
| Shares Outstanding | 754.96 mn |
| 3M Avg. Daily Value | INR 1,429.66 mn |

**Shareholding Pattern (%)**

| | |
|---|---|
| Promoters | 31.17 |
| FIIs | 25.20 |
| Mutual Funds | 25.81 |
| Fomestic Institutions | 6.42 |
| Public & Others | 11.40 |
| Promoter's Pledge (INR bn) | - |

**Stock Performance (%)**

| | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| Absolute | (1.7) | 0.8 | 11.6 | 8.0 |
| Relative | (2.1) | (0.1) | 18.8 | 11.0 |

**Key Financials - Consolidated**

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Sales (INR mn) | 77,827 | 91,278 | 105,001 | 119,014 |
| EBITDA (INR mn) | 15,879 | 20,849 | 23,602 | 28,731 |
| *Margin (%)* | *20.4* | *22.8* | *22.5* | *24.1* |
| PAT (INR mn) | 8,635 | 10,640 | 12,211 | 16,438 |
| EV (INR mn) | 740,502 | 746,946 | 744,538 | 735,670 |
| Total Debt (INR mn) | 21,953 | 28,727 | 25,727 | 19,727 |
| C&C Eq. (INR mn) | 5,080 | 5,437 | 5,095 | 8,214 |
| EPS (INR) | 11.4 | 14.1 | 16.2 | 21.8 |
| *Gr. (%)* | *48.1* | *23.2* | *14.8* | *34.6* |
| DPS (INR) | - | - | - | - |
| *Yield (%)* | - | - | - | - |
| *RoE (%)* | *10.4* | *11.3* | *11.7* | *14.1* |
| *RoCE (%)* | *12.2* | *13.7* | *14.2* | *16.8* |
| EV/Sales (x) | 9.5 | 8.2 | 7.1 | 6.2 |
| EV/EBITDA (x) | 46.6 | 35.8 | 31.5 | 25.6 |
| PE (x) | 83.5 | 67.8 | 59.1 | 43.9 |
| P/BV (x) | 8.1 | 7.3 | 6.6 | 5.8 |

## Margin guidance intact

**Quick Pointers**

- Margin guidance intact at 25% by FY28 post factoring ESOPs
- ESOP cost was to tune of INR310mn in Q1; will remain elevated for FY27
- Plans to add 1,800 beds over next 4 year; launch ready 200 beds at FMRI

**Fortis Healthcare (FORH) reported EBIDTA growth of 16% YoY adjusted for EOSP cost which was in-line with our estimate. Though hospital margin has improved by 530bps over FY23-FY26 to 22.2%, we see further scope for improvement aided by 1) improving case and payor mix, 2) cost rationalization initiatives and ramp-up of Manesar and Greater Noida unit, and 3) new brownfield bed additions. Additionally, we expect margin to expand further, driven by the recent acquisition of People Tree Hospital, Shrimann Hospital and the O&M agreement with Gleneagles. Our FY27E and FY28E EBITDA ex ESOP broadly remain unchanged. We expect FORH to clock 20% EBITDA CAGR ex ESOP over FY26-28E. At CMP, the stock is trading at 25x EV/EBITDA on FY28E, adjusted for Agilus stake and ESOP. Maintain 'BUY' rating with TP of INR 1,120/ share; valuing at 30x EV/EBITDA for hospital segment on FY28E.**

**Continue to deliver 16% YoY EBITDA growth in Hospitals:** FORH's consolidated EBITDA adjusted for ESOPs charges; increased 16% YoY to INR 5.7bn, vs our estimate of INR 5.6bn. Consol margins adjusted for ESOPs declined by ~30bps YoY and 20bps QoQ to 22.3%. Hospital business EBITDA adjusted for ESOPs reported at INR 4.7bn, up 16% YoY (PLe: INR 4.6bn). Overall hospital OPM declined by 60bps YoY and 50bps QoQ to 21.5%. Diagnostic business EBITDA increased 14% YoY to INR 970mn (in line with Ple), with OPM of 27.1% (up ~120bps YoY). Net debt decreased by INR 1bn QoQ to INR 22.3bn. FORH enters in new market of Cuttack; signed an O&M agreement for a 300-bed greenfield hospital.

**Healthy occupancy; moderate ARPOB growth:** FORH consolidated revenue increased by 18% YoY (8% QoQ) to INR 25.5bn; in line with our estimates. Hospital business revenue increased 19% YoY to INR 21.9bn; in line with our estimates. Diagnostic business net revenue grew 9% YoY to INR 3.6bn; in line with our estimates. Hospital occupancy increased by 100 bps QoQ to 69%; but flat YoY. ARPOB improved by mere 3% YoY and 6% QoQ to INR 74.3k. Revenue growth was largely by net bed addition to tune of 700 beds YoY.

**Quarter Summary**

| Y/e Mar | Q1'27E | Q1'27A | *% Var.* | Q1'26A | *YoY gr. (%)* |
|---|---|---|---|---|---|
| Net Sales (INR mn) | 25,125 | 25,450 | *1.0* | 21,667 | *17.0* |
| EBITDA (INR mn) | 5,594 | 5,371 | *-4.0* | 4,907 | *9.0* |
| *Margin (%)* | *22.3* | *21.1* | *-120 bps* | *22.6* | *-150 bps* |
| PAT (INR mn) | 2,728 | 2,569 | *-6.0* | 2,477 | *4.0* |

*Source: Company, PL*


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## Conference Call Highlights

- **Bed expansion plan:** FORH added ~100 operational beds in Q1FY27 through brownfield expansions across Noida, Amritsar and Jalandhar. Management reiterated its FY27 guidance of ~500 incremental beds, with the remaining ~400 beds scheduled over Q2–Q4FY27. The near-term addition will be led by a ~200-bed at FMRI, where civil construction is complete and the occupancy certificate is awaited, with commissioning expected during the current quarter. The balance capacity addition will be driven by the phased commissioning of ongoing brownfield expansion projects across the network, supporting medium-term growth visibility. Overall, FORH plans to add ~1,800 beds via brownfield expansion over the next four years.

- **Capex guidance:** Ex-acquisitions, ~50% of annual EBITDA will be reinvested into brownfield expansion, supporting the ~1,800-bed pipeline. Management also plans ~INR2.5bn capex for a Proton Therapy Centre at the flagship Gurugram hospital, while continuing investments in advanced technologies through Da Vinci XI systems (Faridabad, FEHI Okhla) and Ortho Robots (Jalandhar, Faridabad).

- **ESOPs guidance:** Management rolled out a broad-based ESOP scheme (effective 23-Apr-2026) across all regions, with ~55–60% of grants allocated to doctors. ESOP expense is guided at ~INR400mn/quarter for the balance of FY27, tapering to ~INR300mn/quarter in FY28 and ~INR250mn/quarter in FY29. Importantly, the 25% FY28 EBITDA margin guidance now factors in ESOP costs.

- **Gleneagles O&M stabilisation underway:** Excluding the Mumbai asset, five Gleneagles hospitals operate under the O&M model, with full stabilization expected over the next 2–4 quarters. The arrangement carries a 3% management fee on revenue, with ~INR60mn recognized in Q1FY27. Management also clarified that none of the O&M contracts include a call option, while discussions with IHH on the long-term structure continue.

- **Unit wise ramp up on track: FMRI (Gurugram):** EBITDA margin remains at ~25%; near-term margins to stay stable during bed ramp-up before improving with better capacity absorption. **Manesar:** 187 operational beds (~60% occupancy); radiation oncology to be commissioned by Nov-2026. Revenue is on track, with mid-teen EBITDA margin targeted by FY27-end. **Greater Noida:** 10% EBITDA margin currently, but 8–10% MoM revenue growth and occupancy ramp-up should drive mid-teen margins by FY27-end. **BG Road and Mulund** remain key margin improvement levers, with Mulund delivering >20% revenue growth alongside margin expansion. Meanwhile, 14 hospitals (vs. 13 in Q1FY26) now generate >20% EBITDA margins, contributing >70% of hospital revenues.

- **Onco addition**: Oncology growth moderated to ~5% due to ECHS/CGHS chemotherapy pricing, but management guides 10–12% growth ahead, supported by cancer-care capacity additions across Manesar, Faridabad, Amritsar and Jaipur.

- **Occupancy guidance**: Overall occupancy stands at ~69-70%, with a further 200–300 bps improvement guided as new units mature.

- **Growth & margin guidance:** Management reiterated its EBITDA margin target of 25% by FY28, inclusive of ESOPs costs (vs. earlier FY27 margin expansion guidance of 150–200bps, which was pre-ESOPs). Margin expansion will be driven by new hospitals turning EBITDA accretive (from a negative ~40bps to positive ~100bps benefit), doctor/team ramp-up, normalization of one-off legal costs, improved government/TPA collections, and occupancy recovery especially at BG Road and Mulund.

- **Agilus recovery underway:** B2C:B2B mix stood at 53:47 (guided B2C target of 55–58%). Agilus conducted 10.05mn tests and added ~200 touchpoints (total: 4,493) during the quarter. Management expects growth to accelerate as brand transition and network rationalisation stabilise under

**Exhibit 1: Quarterly Estimates**

| (INR mn) | Q1FY27 | YoY gr. | Q2FY27E | YoY gr. | Q3FY27E | YoY gr. | Q4FY27E | YoY gr. |
|---|---|---|---|---|---|---|---|---|
| Sales | 25,450 | *17.5%* | 26,807 | *15.0%* | 25,772 | *13.8%* | 26,971 | *14.1%* |
| EBITDA | 5,371 | *9.5%* | 6,298 | *13.2%* | 5,611 | *11.0%* | 6,322 | *18.8%* |
| *Margin (%)* | *21.1%* | | *23.5%* | | *21.8%* | | *23.4%* | |
| Adj. PAT | 2,664 | *2.3%* | 3,340 | *3.8%* | 2,856 | *47.4%* | 3,446 | *29.6%* |

*Source: Company, PL*

**Exhibit 2: Q1FY27 Result Overview (INR mn) – In line Quarter**

| Y/e March | 1QFY27 | 1QFY26 | YoY gr. (%) | Q1FY27E | % Var. | 4QFY26 | QoQ gr. (%) | FY27E | FY26 | YoY gr. (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales** | **25,450** | **21,667** | **17.5** | **25,125** | **1.3** | **23,647** | **7.6** | **1,04,948** | **91,278** | **15.0** |
| COGS | 5,729 | 5,141 | 11.4 | 5,527 | 3.7 | 5,189 | 10.4 | 24,663 | 20,887 | 18.1 |
| *% of Net Sales* | *22.5* | *23.7* | | *22.0* | | *21.9* | | *23.5* | *22.9* | |
| Employee Cost | 4,044 | 3,128 | 29.3 | 3,668 | 10.3 | 3,397 | 19.1 | 19,940 | 12,966 | 53.8 |
| *% of Net Sales* | *15.9* | *14.4* | | *16.9* | | *14.4* | | *19.0* | *14.2* | |
| Other Expenses | 10,306 | 8,492 | 21.4 | 10,336 | (0.3) | 9,738 | 5.8 | 34,990 | 36,576 | (4.3) |
| *% of Net Sales* | *40.5* | *39.2* | | *47.7* | | *41.2* | | *33.3* | *40.1* | |
| **Total** | **20,079** | **16,761** | **19.8** | **19,531** | **2.8** | **18,323** | **9.6** | **79,593** | **70,429** | **13.0** |
| **EBITDA** | **5,371** | **4,907** | **9.5** | **5,594** | **(4.0)** | **5,323** | **0.9** | **25,355** | **20,849** | **21.6** |
| *Margins (%)* | *21.1* | *22.6* | *(154.1)* | *22.3* | *(115.8)* | *22.5* | | *24.2* | *22.8* | |
| Other Income | 145 | 154 | (6.0) | 150 | (3.5) | 44 | 229.6 | 600 | 507 | 18.4 |
| Interest | 804 | 696 | 15.6 | 850 | (5.4) | 843 | (4.6) | 3,087 | 3,145 | (1.8) |
| Depreciation | 1,219 | 1,015 | 20.1 | 1,240 | (1.7) | 1,220 | (0.1) | 4,802 | 4,494 | 6.8 |
| **PBT** | **3,493** | **3,350** | **4.3** | **3,654** | **(4.4)** | **3,305** | **5.7** | **18,066** | **13,717** | **31.7** |
| Tax | 904 | 838 | 7.9 | 913 | (1.0) | 530 | 70.5 | 4,336 | 3,017 | 43.7 |
| *Tax rate %* | *25.9* | *25.0* | | *25.0* | | *16.0* | | *24.0* | *22.0* | |
| **PAT** | **2,589** | **2,512** | **3.0** | **2,740** | **(5.5)** | **2,775** | **(6.7)** | **13,730** | **10,700** | **28.3** |
| Share in (loss)/profit of associate | 44 | 29 | 50.0 | 50 | (12.4) | 62 | | 150 | 164 | (8.3) |
| Minority Interest | 64 | 65 | (1.4) | 63 | 2.6 | 53 | | 250 | 224 | 11.6 |
| EO items | (95) | (126) | (24.5) | - | #DIV/0! | 125 | | - | (222) | |
| **Reported PAT** | **2,664** | **2,603** | **2.3** | **2,728** | **(2.3)** | **2,659** | **0.2** | **13,630** | **10,417** | **30.8** |

*Source: Company, PL*

**Exhibit 3: Hospital revenue grows 19% YoY while diagnostic revenue up ~9% YoY**

| Break up of revenues | 1QFY27 | 1QFY26 | YoY gr. (%) | 4QFY26 | QoQ gr. (%) | FY26 | FY25 | YoY gr. (%) |
|---|---|---|---|---|---|---|---|---|
| Hospital | 21,870 | 18,380 | 19.0 | 20,232 | 8.1 | 77,730 | 65,280 | 19.1 |
| *% of Total Sales* | *85.9%* | *84.8%* | | *85.6%* | | *85.2%* | *83.9%* | |
| Diagnostic | 3,580 | 3,288 | 8.9 | 3,415 | 4.8 | 13,548 | 12,539 | 8.0 |
| *% of Total Sales* | *14.1%* | *15.2%* | | *14.4%* | | *14.8%* | *16.1%* | |
| **Total Revenues** | **25,450** | **21,668** | **17.5** | **23,647** | **7.6** | **91,278** | **77,819** | **17.3** |

*Source: Company, PL*

**Exhibit 4: Hospital/ Diagnostic EBITDA improves ~16%/~14% YoY**

| Break up of EBITDA | 1QFY27 | 1QFY26 | YoY gr. (%) | 4QFY26 | QoQ gr. (%) | FY26 | FY25 | YoY gr. (%) |
|---|---|---|---|---|---|---|---|---|
| Hospital | 4,710 | 4,060 | 16.0 | 4,460 | 5.6 | 17,240 | 13,390 | 28.8 |
| *OPM (%)* | *21.5%* | *22.1%* | | *22.0%* | | *22.2%* | *20.5%* | |
| Diagnostic | 970 | 850 | 14.1 | 850 | 14.1 | 3,600 | 2,490 | 44.6 |
| *OPM (%)* | *27.1%* | *25.9%* | | *24.9%* | | *26.6%* | *19.9%* | |
| **Total EBITDA** | **5,680** | **4,910** | **15.7** | **5,310** | **7.0** | **20,840** | **15,880** | **31.2** |

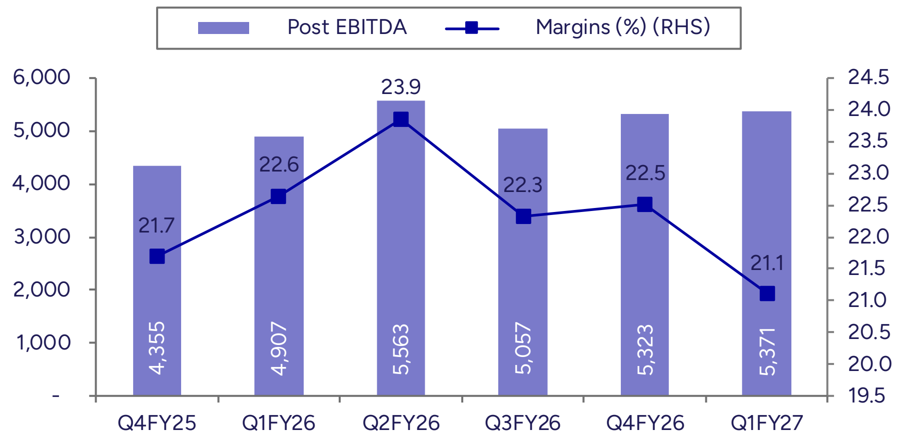
*Source: Company, PL*

**Exhibit 5:** 14 Hospitals in 20%+ margin bracket contribute to ~70% of revenue

| EBITDA Margins (Q1FY27) | No. Of facilities | *Revenue contribution (%)* | Operational Beds | ARPOB (INR mn) | *Occupancy (%)* |
|---|---|---|---|---|---|
| > 20% | 14 | *70.3* | 3,212 | 27.1 | *74* |
| 15-20% | 4 | *18.0* | 809 | 31.9 | *66* |
| 10-15% | 2 | *4.1* | 331 | 20.8 | *54* |
| <10% | 4 | *6.4* | 588 | 19.3 | *54* |
| **Total/Average** | **24** | ***98.8*** | **4940** | **24.8** | ***62.0*** |

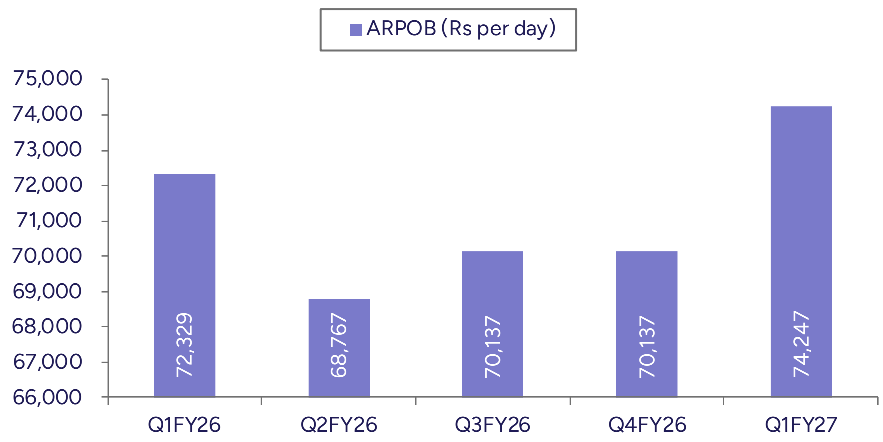
*Source: Company, PL    *Note: <10% EBITDA Margin facilities include Yeshwanthpur (acquired in Jan'26), Manesar (commissioned in Sep'24) and Greater Noida facility on lease (converted to lease arrangement from Sep'25)*

**Exhibit 6:** Consol margin adj ESOPs declined by ~30bps YoY & ~20bps QoQ to 22.3%



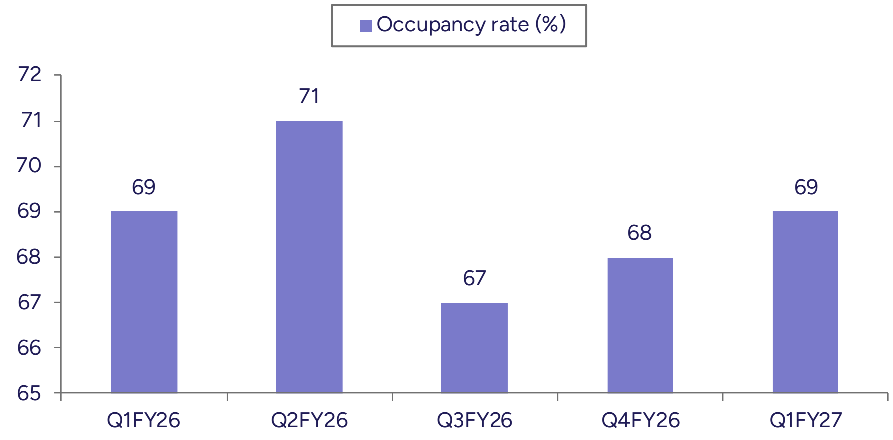

*Source: Company, PL*

**Exhibit 7:** ARPOB growth of ~3% YoY



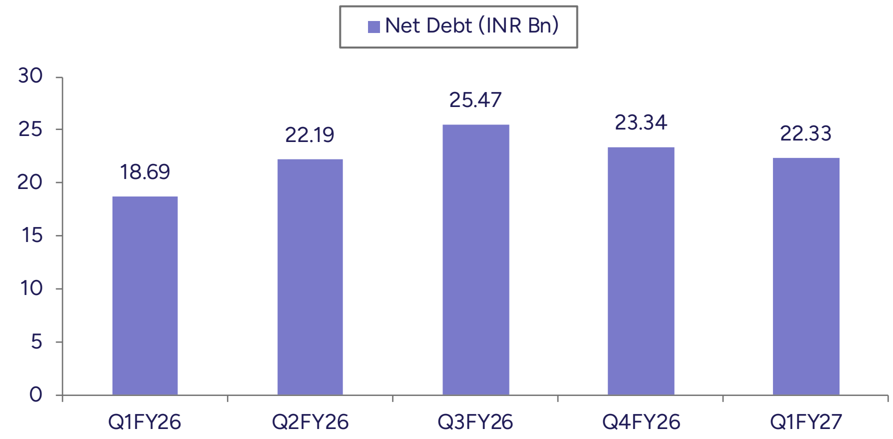

*Source: Company, PL*

**Exhibit 8: Occupancy grew by ~100bps QoQ**




*Source: Company, PL*

**Exhibit 9: Net debt decreased by INR 1bn QoQ**




*Source: Company, PL*

## Financials

### Income Statement (INR mn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Net Revenues** | **77,827** | **91,278** | **105,001** | **119,014** |
| *YoY gr. (%)* | *12.9* | *17.3* | *15.0* | *13.3* |
| Cost of Goods Sold | 18,302 | 20,887 | 24,675 | 27,968 |
| Gross Profit | 59,525 | 70,391 | 80,325 | 91,046 |
| *Margin (%)* | *76.5* | *77.1* | *77.0* | *77.0* |
| Employee Cost | 11,672 | 12,966 | 19,950 | 22,613 |
| Other Expenses | 31,974 | 36,576 | 36,773 | 39,702 |
| | | | | |
| **EBITDA** | **15,879** | **20,849** | **23,602** | **28,731** |
| *YoY gr. (%)* | *25.3* | *31.3* | *13.2* | *21.7* |
| *Margin (%)* | *20.4* | *22.8* | *22.5* | *24.1* |
| | | | | |
| Depreciation and Amortization | 3,856 | 4,494 | 4,916 | 5,303 |
| | | | | |
| **EBIT** | **12,023** | **16,355** | **18,686** | **23,428** |
| *Margin (%)* | *15.4* | *17.9* | *17.8* | *19.7* |
| | | | | |
| Net Interest | 1,844 | 3,145 | 3,087 | 2,367 |
| Other Income | 669 | 507 | 600 | 700 |
| | | | | |
| **Profit Before Tax** | **10,848** | **13,717** | **16,199** | **21,761** |
| *Margin (%)* | *13.9* | *15.0* | *15.4* | *18.3* |
| | | | | |
| Total Tax | 1,977 | 3,017 | 3,888 | 5,223 |
| *Effective Tax Rate (%)* | *18.2* | *22.0* | *24.0* | *24.0* |
| | | | | |
| **Profit After Tax** | **8,872** | **10,700** | **12,311** | **16,538** |
| Minority Interest | 352 | 224 | 250 | 250 |
| Share Profit from Associate | 115 | 164 | 150 | 150 |
| | | | | |
| **Adjusted PAT** | **8,635** | **10,640** | **12,211** | **16,438** |
| *YoY gr. (%)* | *48.1* | *23.2* | *14.8* | *34.6* |
| *Margin (%)* | *11.1* | *11.7* | *11.6* | *13.8* |
| Extra Ord. Income / (Exp) | (893) | (222) | 95 | - |
| | | | | |
| **Reported PAT** | **7,742** | **10,417** | **12,306** | **16,438** |
| *YoY gr. (%)* | *29.3* | *34.6* | *18.1* | *33.6* |
| *Margin (%)* | *9.9* | *11.4* | *11.7* | *13.8* |
| | | | | |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 7,742 | 10,417 | 12,306 | 16,438 |
| **Equity Shares O/s (mn)** | **755** | **755** | **755** | **755** |
| **EPS (INR)** | **11.4** | **14.1** | **16.2** | **21.8** |

*Source: Company, PL*

### Balance Sheet (INR mn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| | | | | |
| **Gross Block** | **103,442** | **120,727** | **129,727** | **138,727** |
| Tangibles | 103,442 | 120,727 | 129,727 | 138,727 |
| Intangibles | - | - | - | - |
| | | | | |
| **Acc: Dep / Amortization** | **41,146** | **45,640** | **50,556** | **55,859** |
| Tangibles | 41,146 | 45,640 | 50,556 | 55,859 |
| Intangibles | - | - | - | - |
| | | | | |
| **Net Fixed Assets** | **62,296** | **75,086** | **79,170** | **82,867** |
| Tangibles | 62,296 | 75,086 | 79,170 | 82,867 |
| Intangibles | - | - | - | - |
| | | | | |
| Capital Work In Progress | 4,065 | 4,343 | 4,343 | 4,343 |
| Goodwill | 41,942 | 47,213 | 47,213 | 47,213 |
| Non-Current Investments | 1,691 | 2,253 | 2,253 | 2,253 |
| Net Deferred Tax Assets | (1,253) | (3,787) | (3,787) | (3,787) |
| Other Non-Current Assets | - | - | - | - |
| | | | | |
| **Current Assets** | | | | |
| Investments | - | 173 | 173 | 173 |
| Inventories | 1,153 | 1,353 | 1,568 | 1,786 |
| Trade Receivables | 7,845 | 10,438 | 11,262 | 12,828 |
| Cash & Bank Balance | 5,080 | 5,437 | 5,190 | 8,309 |
| Other Current Assets | 9,657 | 11,980 | 13,178 | 14,496 |
| **Total Assets** | **136,915** | **159,662** | **165,737** | **175,653** |
| | | | | |
| **Equity** | | | | |
| Equity Share Capital | 7,550 | 7,550 | 7,550 | 7,550 |
| Other Equity | 81,616 | 91,406 | 101,945 | 115,733 |
| **Total Networth** | **89,165** | **98,956** | **109,495** | **123,283** |
| | | | | |
| **Non-Current Liabilities** | | | | |
| Long Term Borrowings | 20,857 | 24,012 | 21,012 | 15,012 |
| Provisions | - | - | - | - |
| Other Non Current Liabilities | - | - | - | - |
| | | | | |
| **Current Liabilities** | | | | |
| ST Debt / Current of LT Debt | 1,096 | 4,715 | 4,715 | 4,715 |
| Trade Payables | 8,076 | 9,431 | 11,713 | 13,341 |
| Other Current Liabilities | 7,996 | 8,699 | 4,703 | 4,953 |
| **Total Equity & Liabilities** | **136,915** | **159,662** | **165,737** | **175,653** |

*Source: Company, PL*

### Cash Flow (INR mn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| PBT | 10,848 | 13,717 | 16,199 | 21,761 |
| Add. Depreciation | 3,856 | 4,494 | 4,916 | 5,303 |
| Add. Interest | 1,844 | 3,145 | 3,087 | 2,367 |
| Less Financial Other Income | 669 | 507 | 600 | 700 |
| Add. Other | (109) | (667) | - | - |
| Op. Profit before WC Changes | 16,439 | 20,689 | 24,202 | 29,431 |
| Net Changes-WC | (218) | (1,658) | (3,953) | (1,223) |
| Direct Tax | (1,977) | (3,017) | (3,888) | (5,223) |
| **Net Cash from Op. Activities** | **14,245** | **16,014** | **16,362** | **22,986** |
| Capital Expenditures | (26,525) | (9,627) | (9,000) | (9,000) |
| Interest / Dividend Income | - | - | - | - |
| Others | 954 | (5,757) | 150 | 150 |
| **Net Cash from Invt. Activities** | **(25,571)** | **(15,384)** | **(8,850)** | **(8,850)** |
| Issue of Share Cap. / Premium | - | - | - | - |
| Debt Changes | 13,369 | 6,773 | (3,000) | (6,000) |
| Dividend Paid | (1,089) | (777) | (1,767) | (2,650) |
| Interest Paid | (1,844) | (3,145) | (3,087) | (2,367) |
| Others | (14) | (3,125) | - | - |
| **Net Cash from Fin. Activities** | **10,422** | **(273)** | **(7,854)** | **(11,017)** |
| **Net Change in Cash** | **(904)** | **357** | **(342)** | **3,119** |
| Free Cash Flow | (12,281) | 6,387 | 7,362 | 13,986 |

*Source: Company, PL*

### Quarterly Financials (INR mn)

| Y/e Mar | Q2FY26 | Q3FY26 | Q4FY26 | Q1FY27 |
|---|---|---|---|---|
| **Net Revenues** | **23,314** | **22,650** | **23,647** | **25,450** |
| *YoY gr. (%)* | *17.3* | *17.5* | *17.8* | *17.5* |
| Raw Material Expenses | 5,396 | 5,161 | 5,189 | 5,729 |
| Gross Profit | 17,919 | 17,489 | 18,458 | 19,721 |
| *Margin (%)* | *76.9* | *77.2* | *78.1* | *77.5* |
| **EBITDA** | **5,563** | **5,057** | **5,323** | **5,371** |
| *YoY gr. (%)* | *27.9* | *34.8* | *22.2* | *9.5* |
| *Margin (%)* | *23.9* | *22.3* | *22.5* | *21.1* |
| Depreciation / Depletion | 1,058 | 1,201 | 1,220 | 1,219 |
| **EBIT** | **4,505** | **3,855** | **4,104** | **4,152** |
| *Margin (%)* | *19.3* | *17.0* | *17.4* | *16.3* |
| Net Interest | 749 | 857 | 843 | 804 |
| Other Income | 226 | 83 | 44 | 145 |
| **Profit before Tax** | **3,982** | **3,081** | **3,305** | **3,493** |
| *Margin (%)* | *17.1* | *13.6* | *14.0* | *13.7* |
| Total Tax | 966 | 683 | 530 | 904 |
| *Effective Tax Rate (%)* | *24.3* | *22.2* | *16.0* | *25.9* |
| **Profit After Tax** | **3,016** | **2,398** | **2,775** | **2,589** |
| Minority Interest | 69 | 37 | 53 | 64 |
| Share Profit from Associate | 37 | 35 | 62 | 44 |
| **Adjusted PAT** | **2,984** | **2,396** | **2,783** | **2,569** |
| *YoY gr. (%)* | *26.3* | *6.9* | *17.2* | *3.7* |
| *Margin (%)* | *12.8* | *10.6* | *11.8* | *10.1* |
| Extra Ord. Income / (Exp) | 235 | (459) | (125) | 95 |
| **Reported PAT** | **3,219** | **1,937** | **2,659** | **2,664** |
| *YoY gr. (%)* | *82.4* | *(21.9)* | *44.6* | *2.3* |
| *Margin (%)* | *13.8* | *8.6* | *11.2* | *10.5* |
| Other Comprehensive Income | - | - | - | - |
| **Total Comprehensive Income** | **3,219** | **1,937** | **2,659** | **2,664** |
| Avg. Shares O/s (mn) | - | - | - | - |
| **EPS (INR)** | **4.3** | **2.6** | **3.5** | **3.5** |

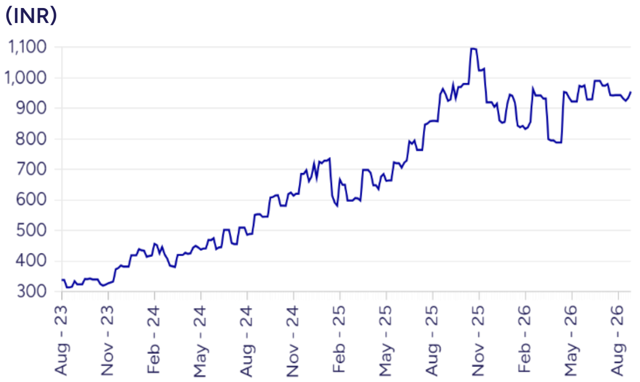
*Source: Company, PL*

### Key Financial Metrics

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Per Share (INR)** | | | | |
| EPS | 11.4 | 14.1 | 16.2 | 21.8 |
| CEPS | 16.5 | 20.0 | 22.7 | 28.8 |
| BVPS | 118.1 | 131.1 | 145.0 | 163.3 |
| FCF | (16.3) | 8.5 | 9.8 | 18.5 |
| DPS | - | - | - | - |
| **Return Ratio (%)** | | | | |
| RoCE | 12.2 | 13.7 | 14.2 | 16.8 |
| ROIC | 9.1 | 10.6 | 11.7 | 14.0 |
| RoE | 10.4 | 11.3 | 11.7 | 14.1 |
| **Balance Sheet** | | | | |
| Net Debt : Equity (x) | 0.2 | 0.2 | 0.2 | 0.1 |
| Net Working Capital (Days) | 4 | 9 | 4 | 4 |
| **Valuation (x)** | | | | |
| PER | 83.5 | 67.7 | 59.0 | 43.8 |
| P/B | 8.0 | 7.2 | 6.5 | 5.8 |
| P/CEPS | 57.7 | 47.6 | 42.1 | 33.1 |
| EV/EBITDA | 46.6 | 35.8 | 31.5 | 25.6 |
| EV/Sales | 9.5 | 8.1 | 7.0 | 6.1 |
| Dividend Yield (%) | - | - | - | - |
| FCFF Yield (%) | (1.8) | 0.8 | 1.0 | 1.9 |
| PEG Ratio | 1.7 | 2.9 | 3.9 | 1.2 |

*Source: Company, PL*

## Price Chart




## Recommendation History

| No. | Date | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | 09-Jul-26 | BUY | 1120 | 944 |
| 2 | 26-May-26 | Buy | 1120 | 970 |
| 3 | 09-Apr-26 | BUY | 1050 | 850 |
| 4 | 17-Feb-26 | BUY | 1050 | 916 |
| 5 | 06-Jan-26 | BUY | 1120 | 915 |
| 6 | 19-Dec-25 | BUY | 1120 | 891 |
| 7 | 12-Nov-25 | BUY | 1150 | 969 |
| 8 | 08-Oct-25 | BUY | 1000 | 1042 |
| 9 | 07-Aug-25 | BUY | 1000 | 884 |
| 10 | 08-Jul-25 | BUY | 785 | 806 |

## Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | Ajanta Pharma | BUY | 3730 | 3436 |
| 2 | Anthem Biosciences | Buy | 850 | 779 |
| 3 | Apollo Hospitals Enterprise | BUY | 9350 | 8754 |
| 4 | Aster DM Quality Care | BUY | 920 | 842 |
| 5 | Aurobindo Pharma | HOLD | 1600 | 1589 |
| 6 | Brigade Enterprises | BUY | 785 | 503 |
| 7 | Cipla | Accumulate | 1450 | 1393 |
| 8 | Divi's Laboratories | Accumulate | 8600 | 8056 |
| 9 | Dr. Reddy's Laboratories | Accumulate | 1300 | 1183 |
| 10 | Eris Lifesciences | BUY | 1700 | 1425 |
| 11 | Fortis Healthcare | BUY | 1120 | 944 |
| 12 | Global Health | BUY | 1600 | 1406 |
| 13 | HealthCare Global Enterprises | BUY | 820 | 635 |
| 14 | Indoco Remedies | Hold | 325 | 225 |
| 15 | Ipca Laboratories | Buy | 1800 | 1762 |
| 16 | J.B. Chemicals & Pharmaceuticals | Buy | 2400 | 2135 |
| 17 | Jupiter Life Line Hospitals | BUY | 360 | 319 |
| 18 | Krishna Institute of Medical Sciences | Buy | 850 | 796 |
| 19 | Lupin | Accumulate | 2500 | 2459 |
| 20 | Max Healthcare Institute | BUY | 1175 | 1085 |
| 21 | Narayana Hrudayalaya | Buy | 2350 | 1920 |
| 22 | Oberoi Realty | Accumulate | 2100 | 1883 |
| 23 | Prestige Estates Projects | BUY | 1800 | 1595 |
| 24 | Rainbow Children's Medicare | BUY | 1900 | 1546 |
| 25 | Sun Pharmaceutical Industries | BUY | 2150 | 1991 |
| 26 | Sunteck Realty | BUY | 520 | 291 |
| 27 | Torrent Pharmaceuticals | BUY | 5500 | 4872 |
| 28 | Zydus Lifesciences | Accumulate | 1080 | 1148 |

## PL's Recommendation Nomenclature (Absolute Performance)

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

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