

December 19, 2025

Exhibit 1: PL Universe – Hospital

Companies	Rating	CMP (Rs)	TP (Rs)
Apollo Hospitals Enterprise	BUY	7,022	8,600
Aster DM Healthcare	BUY	598	775
Fortis Healthcare	BUY	891	1,120
Global Health	BUY	1,170	1,375
HealthCare Global Enterprises	BUY	707	850
Jupiter Life Line Hospitals	BUY	1,401	1,750
KIMS	BUY	638	810
Max Healthcare Institute	BUY	1,076	1,350
Narayana Hrudayalaya	BUY	1,920	2,100
Rainbow Children's Medicare	BUY	1,321	1,600

Source: PL

Growth drivers intact

Out of the 10 hospital stocks under our coverage, 6 have outperformed the BSE Healthcare Index and Nifty 50 by 4-40% in the last 1 year, and 8 have outperformed the indices in the last 3 years. Growth in FY22-25 was largely aided by sweating out of existing assets, better case and payor mix resulting in higher ARPOB, and improving operational efficiency. The FY21-24 period saw minimal new bed addition across coverage hospitals. With the hospital sector witnessing continued demand, corporatization, higher elective and complex surgeries, and increasing insurance penetration, preference for large hospital chains is increasing. To meet the rising demand, hospitals companies under our coverage have earmarked large bed addition over the next 4-5 years.

The recent correction in hospital stocks (10-20%) makes risk reward favorable. At CMP, the stocks are trading at 20-25x EV/EBITDA on FY28E. Overall, we see 15-26% EBITDA CAGR over FY25-28E for our coverage universe. Our FY27 and FY28E EBITDA stands cut by 2-4% for APHS, MAXHEALT, KIMS. We have initiated Global Health (MEDANTA) with "BUY" rating and TP of Rs1,375/share. Top picks are MAXHEALT, ASTERDM, FORH and HCG.

Mixed Q2FY26 results: Q2 results were a mixed bag with EBITDA for a few hospital companies remaining flat or declining YoY on account of start-up losses from new units along with a weak dengue season. Adjusted for new unit losses, base business growth was in double digits. ARPOB growth for our coverage universe was flat to ~18% YoY for Q2 and flat to ~16% for H1. Overall EBITDA growth was strong for MAXHEALT, FORH and HCG, and weak for KIMS, MEDANTA and RAINBOW in Q2.

Bed expansion to drive growth: Total bed capacity of hospitals companies under coverage stood at ~49,000 beds as of FY25. These companies have announced a cumulative capacity addition of ~17,000 beds by FY28, implying 10%+ CAGR over the next 3 years. The expansion will be through a combination of greenfield, brownfield and inorganic projects with the cluster-based approach.

Companies such as MAXHEALT, KIMS and JLHL are making aggressive capacity additions with bed capacity almost doubling over FY24-28E. Other companies (APHS, RAINBOW, FORH, MEDANTA and ASTERDM) are expanding their capacities by 40-60%.

Margins to improve: Most companies have reached their optimum margins in the base business. However, we see further scope for margin improvement for ASTERDM, FORH, NARH and HCG in the base business. On the other hand, MAXHEALT, KIMS and RAINBOW have seen 100-200bps decline in margins due to new capacity additions over FY23-25.

Given that companies are stepping up capex intensity, near-term margins may remain muted where greenfield expansion is higher. On other hand, for players like FORH, MAXHEALT and HCG, which have a higher share of brownfield expansion, bed additions will be margin accretive. Overall, we see margins improving by ~100-350bps over FY26-28E for 8 out of 10 companies under our coverage.

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Remain constructive on sector: Hospital stocks have seen re-rating over last 2-3 years benefited from brand recognition, higher profitability growth, healthy balance sheet aiding future expansion plan and higher return on capital which justified premium valuations. Given sector is stepping up capex, we may see some moderation of growth in near term for few companies given start-up losses where greenfield expansion is higher. Despite this we expect companies under our coverage to report 15-25% EBITDA CAGR over FY25-28E. At CMP, stocks are trading 20-25x EV/EBITDA on FY28E.

Exhibit 2: Peer valuations

Peer hospital companies	Market Cap (Rs bn)	Target (Rs)	EV/EBITDA (x)		PE (x)		ROE (x)		ROCE (x)		PRE IND AS EBITDA FY25-28E CAGR (%)
			FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	
APHS	1,010	8,600	23.8	19.2	40.1	31.4	23.0	23.8	23.1	25.3	26.3
ASTERDM	298	775	25.8	20.9	86.3	66.7	16.1	18.7	20.7	24.5	24.7
FORH	673	1,120	28.8	24.0	49.3	38.1	13.0	14.9	16.1	18.3	24.0
HCG	98	850	24.8	19.8	69.1	39.3	13.3	19.4	16.8	21.5	26.2
JLHL	92	1,750	22.4	17.9	40.2	32.1	13.8	15.0	14.9	16.8	19.2
KIMS	255	810	29.0	22.1	58.3	38.8	16.5	20.9	15.5	19.8	23.8
MAXHEALT	1,046	1,350	32.0	26.7	46.3	37.0	17.5	18.7	19.4	21.1	21.6
MEDANTA	314	1,375	25.3	21.8	45.7	38.9	16.8	16.9	19.5	20.1	15.9
NARH	375	2,100	19.6	16.6	31.8	26.9	23.8	22.8	17.9	19.7	23.3
RAINBOW	134	1,600	24.6	20.9	41.7	34.6	17.7	18.3	24.4	24.5	15.1

Source: Company, PL

Note: 1) EV/EBITDA is on pre IND-AS basis

2) For FORH, KIMS, HCG and ASTERDM (including QCIL), EV/ EBITDA is adjusted for minority stake

Exhibit 3: Expect 23% Pre IND AS EBITDA CAGR at consol level over FY25-28E

Consol Pre IND AS EBITDA (Rs in mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY25- 28E CAGR (%)
APHS	18,526	21,671	27,681	34,628	44,624	55,396	26.0
ASTERDM + QCIL	3,990	5,200	14,950	17,999	23,429	28,998	24.7
FORH	10,573	12,237	15,439	20,391	24,548	29,418	24.0
HCG	2,277	2,416	2,931	3,720	4,721	5,896	26.2
JLHL	2,013	2,421	2,965	3,444	3,993	5,020	19.2
KIMS	5,767	6,201	7,590	8,012	10,723	14,095	22.9
MAXHEALT	16,060	18,360	22,240	26,885	33,283	39,977	21.6
MEDANTA	6,198	7,991	8,771	9,565	11,775	13,662	15.9
NARH	9,095	10,921	12,165	14,855	19,326	22,727	23.2
RAINBOW	3,314	3,564	4,025	4,282	5,222	6,146	15.1
Total	77,814	90,981	1,18,757	1,43,782	1,81,645	2,21,336	23.1

Source: Company, PL

Bed expansion to drive growth

Hospital companies have announced a cumulative capacity addition of ~17,000 beds by FY28, implying 10%+ CAGR over the next 3 years. The expansion will be executed through a combination of greenfield, brownfield and inorganic projects with the cluster-based approach. Of 17000 bed expansion, ~50% is brownfield +inorganic initiatives

Exhibit 4: Hospital companies under coverage expanding at 10%+ CAGR over FY25-FY28E

Hospital	Bed capacity as of FY25 (#)	Expansion plan till FY28 (#)	Bed capacity expansion (%)	Greenfield (%)	Brownfield & inorganic (%)
APHS	9,747	2,671	27	85	15
ASTERDM + QCIL	10,301	3,120	30	43	57
FORH*	4,096	1,676	41	9	91
HCG	2,500	571	23	18	82
JLHL	1,194	500	42	100	0
KIMS*	5,179	2,496	48	59	41
MAXHEALT	5,100	3,032	59	31	69
MEDANTA	3,042	1,440	37	66	34
NARH (India)	5,745	1,185	21	100	0
Rainbow	1,935	630	33	37	63
Total	48,839	17,095	35	53	47

Source: Company, PL; Note: FORH represents operational bed capacity, and KIMS expansion plan is only till FY27

APHS' hospital segment to clock
~16% EBITDA CAGR over FY26-28E

APHS – Bed addition largely aided by greenfield expansion

APHS operated 9,747 beds (ex-managed hospitals) as of FY25 and has an aggressive 4,486 bed capacity expansion pipeline, spread across Pune, Hyderabad, Kolkata, Delhi- NCR, Bengaluru, Mumbai, Chennai, Varanasi, Lucknow, etc., by FY30E. About 85% of the addition is planned via greenfield projects over the next 3 years. Total capex requirement is Rs83bn, of which Rs58bn remains to be deployed. APHS will commission 9 hospitals, adding 2,071 beds across key metros, including Bengaluru, Hyderabad, Kolkata, Pune and Delhi, over the next 12–18 months. The management has guided losses from 6 newly commissioned units to be at Rs1.5bn in the first year, negated by margin expansion in the base business. We have factored in ~16% EBITDA CAGR in APHS's hospital segment over FY26-28E.

Exhibit 5: Bed capacity to expand by 46% over FY25-30E

APHS (# of beds)	FY26E	FY27E	FY28E	FY29E	FY30E
Tamil Nadu	-	-	-	-	600
Andhra Pradesh & Telangana	375	200	-	140	-
Karnataka	180	140	-	500	-
Eastern	270	-	-	-	-
Western	384	-	-	575	-
Northern	42	480	600	-	-
Total bed expansion	1,251	820	600	1,215	600

Source: Company, PL

ASTERDM to deliver ~26% EBITDA CAGR over FY26-28E

ASTERDM – Expansion pipeline & merger synergies to drive growth

Combined bed capacity for ASTERDM and QCIL stood at 10,301 beds as of FY25. A sizable 4,202 bed expansion (almost 41% bed addition) is planned over the next 3-4 years. Notably, ~31% of this pipeline is brownfield, mainly in QCIL's existing locations. This expansion will be largely funded through internal accruals and existing cash balance. ASTERDM expansion is largely spread across Thiruvananthapuram, Bengaluru and Hyderabad markets, while QCIL expansion is spread across Indore, Bhubaneswar, Raipur and other high-growth markets. We expect ASTERDM to deliver ~26% EBITDA CAGR over FY26-28E.

Exhibit 6: Combined bed capacity to increase by ~41% over FY25-29E

ASTERDM + QCIL (# of beds)	FY26E	FY27E	FY28E	FY29E
Kerala	264	454	100	-
Karnataka	159		650	500
Andhra Pradesh	75	300	-	-
QCIL	67	385	600	648
Total bed expansion	565	1,139	1,350	1,148

Source: Company, PL

KIMS to deliver ~32% EBITDA CAGR over FY26-28E

KIMS – Cluster-led expansion to drive growth

KIMS' total bed capacity stood at 5,179 as of FY25, of which 1,100 beds were added in FY25. Further, the company will be adding 2,500+ beds over FY25-27E across Karnataka, Maharashtra, Andhra Pradesh and Telangana clusters. About 42% of the expansion will be brownfield. The company has already commissioned 2 greenfield hospitals in its new Maharashtra and Karnataka clusters along with combined 185-bed brownfield expansion at Srikakulam, Sunshine and Kondapur in 1HFY26. The remaining 1,561 beds, entailing Rs10.6bn of capex, are slated for commercialization by FY27. We expect profitability to improve from Q2FY27 as utilization ramps up across recently added capacity.

KIMS operates 4 hospitals under O&M contract – at Thrissur, Guntur, Sangli and Hyderabad – collectively accounting for ~1,100 beds. These hospitals are currently on management fee contracts. Eventually, KIMS intends to buy back these assets as balance sheet improves. These asset-light agreements enhance KIMS' regional footprint and earnings visibility beyond FY28. We expect KIMS to deliver ~32% EBITDA CAGR over FY26-28E.

Exhibit 7: Bed capacity to increase by ~48% over FY25-27E

KIMS (# of beds)	FY26E	FY27E
Telangana	85	550
Karnataka	811	-
Maharashtra	300	-
Andhra Pradesh	400	350
Kerala	-	-
Total bed expansion	1,596	900

Source: Company, PL

FORH's hospital segment to clock ~21% EBITDA CAGR in over FY26–28E

FORH – Brownfield-led expansion

FORH had ~4,096 operational beds as of FY25. The company plans to add ~1,676 beds over the next 3 years (~91% brownfield). Of the 800 beds planned to be added in FY26, 550 have already been added in H1. Post FY26, the company plans to add 400–500 beds annually. We expect ~24% EBITDA CAGR in the hospital segment over FY25–28E, supported by new bed addition, largely brownfield, continued improvement in case and payor mix, cost rationalization, and ramp-up of Manesar and Greater Noida units. Further, ~1,200 bed addition is likely after the merger of Gleneagles Hospital with FORH.

Exhibit 8: Operational bed capacity to increase by ~41 % over FY25-28E

FORH (# of beds)	FY26E	FY27E	FY28E
NCR	501	275	220
Punjab	225	50	355
Karnataka	20	30	
Total bed expansion	746	355	575

Source: Company, PL

MAXHEALT – 2x bed addition over next 4 years

MAXHEALT's hospital segment to log 21%+ EBITDA CAGR over FY26–28E

MAXHEALT's operational bed capacity stood at 5,100 as of FY25. It plans to add ~5,952 beds by FY30, with a predominantly brownfield mix (~71%) and over half of the capacity addition concentrated in the high-value NCR market, where the company already enjoys strong operating efficiency and market leadership. The company has added ~1,428 beds over the past 12 months across Dwarka, Lucknow, Noida and Nagpur; some of these assets are already margin accretive. Total capex outlay to commercialize these beds stands at Rs65bn over the next 4 years, which will be funded through internal accruals.

Exhibit 9: Bed capacity to almost double by FY29E

MAXHEALT (# of beds)	FY26E	FY27E	FY28E	FY29E	FY30E
NCR	400	701	397	750	700
Punjab	155	-	400	-	-
Maharashtra	268	100	111	500	450
Uttar Pradesh & Uttarakhand	140	-	200	680	-
Total bed expansion	963	801	1,108	1,930	1,150

Source: Company, PL

Overall, MAXHEALT will add 5,952 bed capacity across Mohali, Mumbai, Nagpur, Thane, Patparganj, Vaishali, Pitampura, Saket Complex (Smart), Saket Complex (Vikrant), Dwarka, Lucknow, Dehradun, Pune etc., by FY30.

RAINBOW – Focus on ramping-up of new units

RAINBOW to deliver ~20% Pre IND AS EBITDA CAGR over FY26-28E

RAINBOW operated 1,935 beds as of FY25 and has a well-defined ~630 bed expansion pipeline through FY25–28E, of which ~63% bed expansion would be through the spoke and inorganic routes. The company has already commissioned 100 beds at Rajahmundry and integrated 2 acquisitions (Prashanthi Hospital in Warangal and Pratiksha Hospital in Guwahati) in 1HFY26, strengthening its presence across key underserved markets. Funding remains comfortable with

MEDANTA to deliver ~20% EBITDA CAGR over FY26-28E

JLHL to commercialize a new greenfield hospital each year starting from FY27

strong internal accruals and net cash balance of Rs5.5bn. Rainbow will have limited bed addition over FY27 and FY28 and intends to focus on ramping up of units which got commercialized over FY25 and FY26. The management has guided to commercialize of its 400-bed Gurugram greenfield project across 2 locations towards end of FY28/ start of FY29.

Exhibit 10: Bed capacity to increase by 33% over FY25-28E

RAINBOW (# of beds)	FY26E	FY27E	FY28E	FY29
NCR	-	-	-	450
Telangana	100	-	-	-
Karnataka	150	-	-	-
Tamil Nadu	-	-	130	-
Andhra Pradesh	100	-	-	-
Maharashtra	-	-	-	150
Assam	150	-	-	-
Total bed expansion	500	0	130	600

Source: Company, PL

MEDANTA – 2x bed addition over next 5 years

MEDANTA operated 3,042 beds as of FY25 and is undertaking a significant ~3,340 bed expansion, largely greenfield (~86%), over the next 5 years. The company has already added 393 beds in 1H across Ranchi, Patna and Noida, with the remaining scheduled to come onstream in a phased manner. The expansion is backed by a Rs41bn capex program over the next 5 years, of which Rs37bn remains to be deployed, funded through a combination of internal accruals and existing cash balance of Rs8bn. Faster ramp-up of Noida unit will be key in the near term.

Exhibit 11: Bed capacity to more than double by FY30E

MEDANTA (# of beds)	FY26E	FY27E	FY28E	FY29E	FY30E
Gurugram	-	-	-	-	-
Patna	157	23	-	-	-
Lucknow	100	100	-	-	-
Ranchi	110	-	-	-	-
Indore	-	-	-	-	-
Noida	300	250	-	-	-
Guwahati	-	-	-	-	400
Pitampura	-	-	-	300	450
South Delhi	-	-	400	-	-
Mumbai	-	-	-	750	-
Total bed expansion	667	373	400	1,050	850

Source: Company, PL

JLHL – Expanding in markets with limited competition

JLHL operated 1,194 beds as of FY25 and is targeting a meaningful scale-up to 2,500 beds over the next 4 years. The company is in the process of commercializing a new hospital each year starting from FY27, largely greenfield in nature, across markets like Mira Road, Dombivli and Pune. Micro markets like Mira Road and Dombivli are largely dominated by standalone chains, which provide opportunity for JLHL to ramp up faster. Also, these markets are heavy on insurance as payor mix, thereby enjoying healthy ARPOBs.

We expect NARH (India) units to deliver ~13% EBITDA CAGR over FY26-28E

HCG to deliver ~26% pre IND-AS EBITDA CAGR over FY26-28E

Exhibit 12: Bed capacity to more than double by FY30E

JLHL (# of beds)	FY26E	FY27E	FY28E	FY29E	FY30E
Thane	-	-	-	-	-
Dombivli	-	500	-	-	-
Indore	-	-	-	-	-
Pune Bibwewadi	-	-	-	500	-
Mira-Bhayandar	-	-	-	-	300
Total bed expansion	-	500	-	500	300

Source: Company, PL

NARH – New bed addition to start from FY28

NARH operated 5,745 beds as of FY25 and has outlined ~1,945-bed expansion pipeline over the next 4–5 years, spread across Bengaluru, Kolkata and Raipur. Around 81% of the addition will come through greenfield, largely back ended. In the near term, India operations will be driven by debottlenecking and refurbishment, which will drive up ARPOBs and operational efficiency. Total capex outlay stands at Rs30bn for India business over the next 3 years.

Exhibit 13: Bed capacity to grow by ~27% over FY25-29E

NARH (# of beds)	FY26E	FY27E	FY28E	FY29E
Karnataka	-	100	435	350
Southern	-	-	-	-
West Bengal	-	-	350	-
Eastern	-	-	300	-
Western	-	-	-	-
Northern	-	-	-	-
Total bed expansion	-	100	1,085	350

Source: Company, PL

HCG – Expansion pipeline strengthens oncology leadership

HCG had bed capacity of 2,500 as of FY25. It plans to add 1,000+ beds and 10+ LINACs over the next 4–5 years, reinforcing its dominance across mature and underpenetrated oncology markets. The rollout will be primarily brownfield driven (~700 beds across Ahmedabad, Vizag, Baroda and Cuttack), supported by selective greenfield addition (200–400 beds in Pune and Varanasi) and opportunistic M&A. The capex (~Rs6bn over 2–3 years) will be funded through internal accruals and debt.

Exhibit 14: Bed capacity to increase ~23% over FY25-28E

HCG (# of beds)	FY26E	FY27E	FY28E	FY29E
Gujarat	86	-	-	-
Karnataka	100	125	-	-
Odisha	-	60	-	-
Other	-	-	200	250
Total bed expansion	186	185	200	250

Source: Company, PL

ARPOB to increase 5-8% over FY26-28E for our coverage universe, excl. new bed expansion

Payor mix

CGHS price revision + better case & payor mix to aid ARPOB

ARPOB growth for our coverage universe has been healthy over the last 3 years with many companies reporting 10%+ CAGR over FY22-25. The increase was a function of better operational efficiency resulting in reduced ALOS, higher surgery mix, better payor mix along with price revisions. Even ARPP has grown by 5-7% during the period.

We believe case and payor mix improvement is an ongoing phenomenon and will continue to drive ARPOB. Overall, we have factored in 5-8% ARPOB increase over FY26-28E across our coverage universe, excluding new bed expansion. The recent price revision in CGHS rates will also see alignment with other government healthcare programs like ECHS and ECI, and state schemes, which should aid ARPOB in FY27. MAXHEALT, HCG, FORH, NARH and KIMS have higher exposure to government schemes.

Exhibit 15: Revision in CGHS rates to aid ARPOB for MAX, FORH, KIMS, NARH

Payor mix (FY25)	Cash	Insurance	Govt Schemes	International
APHS	41.0%	44.0%	10.0%	5.0%
ASTERDM	57.0%	29.6%	9.6%	4.0%
FORH	34.3%	36.2%	21.6%	7.8%
HCG	42.0%	25.0%	30.0%	3.0%
JLHL	39.9%	55.8%	1.3%	3.0%
KIMS	51.0%	29.0%	18.0%	2.0%
MAXHEALT	34.1%	37.7%	19.4%	8.8%
MEDANTA	51.0%	25.0%	18.0%	6%
NARH	45.0%	30.0%	19.0%	6.0%
RAINBOW	44.8%	52.2%	-	3.0%

Source: Company, PL

Margins to improve

MAXHEALT, KIMS and RAINBOW have seen 100-200bps decline in margins due to new capacity addition over FY23-25. These units are expected to normalize over the next 12-24 months as occupancies and case mix improve, resulting in better operating leverage.

Exhibit 16: Pre IND-AS EBITDA margin- FORH, ASTERDM and NARH have seen 300-400bps increase over last 2 years

Hospital Margins (%)	FY23	FY24	FY25	FY23-25 margin (bps)	Comments
APHS	23.7	22.9	23.1	(57)	Margins flat over last 2 years, given existing assets are matured in nature with optimal occupancy
ASTERDM	16.6	17.7	20.3	369	Better case and payor mix, higher ARPOB and ramp-up of new units resulting in better operational efficiency and thereby margin expansion
FORH	16.4	18.2	20.1	373	Margin improvement dominated by better case mix, divestment of non-performing assets, cost control & improvement in operational efficiency
HCG	13.4	12.6	13.2	(25)	Margins flat given leadership changes in FY25
JLHL	22.6	22.6	23.5	95	Ramp-up in Indore and Pune units aided margin expansion
KIMS	26.2	24.8	25.0	(123)	Margins impacted due to commissioning of ~1,200 new beds
MAXHEALT	27.2	26.8	25.7	(154)	Margins impacted by integration cost of new units at Lucknow, Nagpur, Dwarka and Noida
MEDANTA	23.0	24.5	23.8	75	Margins flat due to issues at Lucknow unit, which got resolved in FY25
NARH (India)	16.5	17.8	19.4	290	Increasing throughput, better case mix / realization & case mix optimization aided margin expansion
RAINBOW	28.2	27.7	26.6	(168)	Margin drag due to 280 new bed addition

Source: Company, PL Aster DM margins are ex of pharmacy and labs

Most companies have reached their optimum margins in the base business. However, we see further scope for margin improvement for ASTERDM, FORH and HCG in the base business, supported by operational leverage, cost-efficiency initiatives, and stronger utilization across existing units.

Overall, the hospital sector is positioned for a gradual margin uptrend, driven by a combination of brownfield bed addition, CGHS rate revision, ramp-up of new greenfield assets, and better operating leverage from existing matured assets.

Exhibit 17: Pre IND-AS EBITDA margin – FY25-28E – KIMS, HCG, FORH and ASTERDM to see increase in margins

Hospital Margins (%)	FY25	FY26E	FY27E	FY28E	FY25-28E margin (bps)	Comments
APHS	23.1	23.2	22.0	23.5	37	Given 1,500 new bed addition, largely greenfield, margins to decline in FY27 with recovery from FY28 as new units ramp up
ASTERDM + QCIL	18.4	19.5	20.4	21.1	263	Operational leverage in base business, cost-efficiency initiatives, occupancy improvement and ramp-up in new units to drive margin expansion
FORH	20.1	22.2	23.3	24.9	471	Operational leverage in base business, brownfield bed addition and ramp-up in new units like Manesar and Greater Noida, to drive margin expansion
HCG	13.2	14.6	16.1	17.6	440	Change in leadership, cost efficiency in procurement, and better payor and case mix to drive margin expansion
JLHL	23.5	23.3	22.4	23.5	(3)	New greenfield Dombivli unit to dilute margins
KIMS	25.0	21.1	23.0	24.6	(44)	Margins back to 25% by FY28 with ramp-up in new units commercialized in FY25/26
MAXHEALT	25.7	26.1	26.4	27.1	146	Scale-up of acquired units (Noida, Lucknow and Nagpur), and ramp-up of Dwarka and brownfield expansion to drive margin expansion
MEDANTA	23.8	21.2	22.4	23.6	(12)	New greenfield Noida unit to dilute margins in near term with margin recovery from FY28
NARH (India)	19.4	20.5	21.3	21.3	182	Continued improvement in case mix and throughput efficiencies to drive margin expansion, but commercialization of 600 greenfield beds in FY28 may impact margins
RAINBOW	26.6	26.5	26.7	27.4	84	Scale-up in acquired (Prashanthi, Warangal, & Pratiksha, Guwahati) and new units along with better season to drive margin expansion

Source: Company, PL

Outlook & Valuations

Hospital stocks under our coverage (10 companies) continue to deliver robust performance, supported by a healthy mix of cyclical recovery and structural demand drivers. The sharp rebound in high-value elective procedures has sustained occupancy improvement and ARPOB growth across most platforms. The ongoing shift from standalone providers to scaled corporate hospital networks has further strengthened pricing power, clinical mix and operating efficiencies.

A multi-year period of disciplined capex and strong operating leverage has driven sector-wide margin expansion, while rising insurance penetration and higher throughput under various government schemes are expected to broaden the addressable patient base. These factors reinforce visibility on steady volumes and stable cash flows, underpinning the sector's medium-term growth resilience.

Over the past 2–3 years, the sector has witnessed significant valuation re-rating, supported by stronger earnings compounding, improving balance sheets, and healthy return profiles. While stepped-up capex plans may impact margins in the near term for companies having more greenfield expansion, structural demand drivers remain intact. Overall, the sector is expected to report 23% EBITDA CAGR over FY25–28E.

At current levels, the coverage universe trades at 20–25x FY28E EV/EBITDA, which we believe is justified by the strong earnings trajectory, superior cash generation, and healthy return ratios. Top picks are MAXHEALT, ASTERDM, FORH and HCG.

We expect 23% EBITDA CAGR over FY25–28E

Exhibit 18: Most hospital stocks outperform BSE Healthcare & Nifty Index

Peer hospital companies	1-year returns (%)	2-year returns (%)	3-year returns (%)
BSEHEAL Index	-1.4	43.1	88.7
NIFTY Index	4.7	20.3	41.3
Apollo Hospitals Enterprise Ltd	-4.7	24.7	51.6
Aster DM Healthcare Ltd	26.5	53.8	173.9
Fortis Healthcare Ltd	25.0	120.9	213.4
HealthCare Global Enterprises Ltd	38.7	96.0	143.3
Krishna Institute of Medical Sciences Ltd	-9.4	21.4	NA
Max Healthcare Institute Ltd	8.7	65.9	122.2
Narayana Hrudayalaya Ltd	-13.0	49.8	141.5
Rainbow Children's Medicare Ltd	3.3	23.5	155.9
Global Health Ltd (Medanta)	44.8	57.1	149.1
Jupiter Life Line Hospitals Ltd	-17.1	16.8	75.2

Source: Company, PL

Exhibit 19: Recently most of the hospital stocks corrected by ~10-20%

Peer Hospital companies	2 months returns (%)
BSEHEAL Index	-3.0
NIFTY Index	0.4
Apollo Hospitals Enterprise Ltd	-12.4
Aster DM Healthcare Ltd	-13.4
Fortis Healthcare Ltd	-19.7
HealthCare Global Enterprises Ltd	-3.6
Jupiter Life line hospitals Ltd	-9.5
Krishna Institute of Medical Sciences Ltd	-10.4
Max Healthcare Institute Ltd	-14.3
Global Health Ltd (Medanta)	-16.7
Narayana Hrudayalaya Ltd	6.8
Rainbow Children's Medicare Ltd	-2.5

Source: Company, PL

Exhibit 20: Peer valuations

Peer hospital companies	Market Cap	Target	EV/EBITDA (x)		PE (x)		ROE (x)		ROCE (x)		PRE IND AS EBITDA
	(Rs bn)	(Rs)	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY25-28E CAGR (%)
APHS	1,010	8,600	23.8	19.2	40.1	31.4	23.0	23.8	23.1	25.3	26.3
ASTERDM	298	775	25.8	20.9	86.3	66.7	16.1	18.7	20.7	24.5	24.7
FORH	673	1,120	28.8	24.0	49.3	38.1	13.0	14.9	16.1	18.3	24.0
HCG	98	850	24.8	19.8	69.1	39.3	13.3	19.4	16.8	21.5	26.2
JLHL	92	1,750	22.4	17.9	40.2	32.1	13.8	15.0	14.9	16.8	19.2
KIMS	255	810	29.0	22.1	58.3	38.8	16.5	20.9	15.5	19.8	23.8
MAXHEALT	1,046	1,350	32.0	26.7	46.3	37.0	17.5	18.7	19.4	21.1	21.6
MEDANTA	314	1,375	25.3	21.8	45.7	38.9	16.8	16.9	19.5	20.1	15.9
NARH	375	2,100	19.6	16.6	31.8	26.9	23.8	22.8	17.9	19.7	23.3
RAINBOW	134	1,600	24.6	20.9	41.7	34.6	17.7	18.3	24.4	24.5	15.1

Source: Company, PL

Note: 1) EV/EBITDA is on pre IND-AS basis

2) For FORH, KIMS, HCG and ASTERDM (including QCIL), EV/ EBITDA is adjusted for minority stake

Operating Metrics

Exhibit 21: Expect 15-25% EBITDA CAGR for our coverage over FY25-28

Hospital's pre IND-AS EBITDA (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR (%)
APHS	20,581	22,558	25,805	29,014	32,448	39,570	15.3
ASTERDM (combined)	4,730	6,230	14,950	17,999	23,429	28,998	24.7
FORH	8,381	10,340	13,150	17,119	20,926	25,335	24.4
HCG	2,277	2,416	2,931	3,720	4,721	5,896	26.2
JLHL	2,013	2,421	2,965	3,444	3,993	5,020	19.2
KIMS	5,767	6,201	7,590	8,012	10,723	14,095	22.9
MAXHEALT	16,060	18,360	22,240	26,885	33,283	39,977	21.6
MEDANTA	6,198	7,991	8,771	9,565	11,775	13,662	15.9
NARH (India)	5,993	7,156	8,274	9,703	11,076	12,462	14.6
RAINBOW	3,314	3,564	4,025	4,282	5,222	6,146	15.1
Total	75,314	87,236	1,10,701	1,29,743	1,57,597	1,91,161	20.0

Source: Company, PL

Exhibit 22: Expect 23% Pre IND AS EBITDA CAGR at consol level over FY25-28E

Consol Pre IND AS EBITDA (Rs in mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR (%)
APHS	18,526	21,671	27,681	34,628	44,624	55,396	26.0
ASTERDM + QCIL	3,990	5,200	14,950	17,999	23,429	28,998	24.7
FORH	10,573	12,237	15,439	20,391	24,548	29,418	24.0
HCG	2,277	2,416	2,931	3,720	4,721	5,896	26.2
JLHL	2,013	2,421	2,965	3,444	3,993	5,020	19.2
KIMS	5,767	6,201	7,590	8,012	10,723	14,095	22.9
MAXHEALT	16,060	18,360	22,240	26,885	33,283	39,977	21.6
MEDANTA	6,198	7,991	8,771	9,565	11,775	13,662	15.9
NARH	9,095	10,921	12,165	14,855	19,326	22,727	23.2
RAINBOW	3,314	3,564	4,025	4,282	5,222	6,146	15.1
Total	77,814	90,981	1,18,757	1,43,782	1,81,645	2,21,336	23.1

Source: Company, PL

Exhibit 23: Occupancy improvement scope for ASTER, KIMS, RAINBOW & JLHL

Occupancy (%)	FY23	FY24	FY25	1H FY26
APHS	64.0	65.0	68.0	67.0
ASTERDM	68.0	68.0	65.0	61.0
FORH	67.1	65.0	69.0	70.0
HCG	65.4	64.2	65.7	68.7
JLHL	62.6	63.8	65.3	62.2
KIMS	69.3	71.9	57.3	61.7
MAXHEALT	75.7	75.0	74.0	76.0
MEDANTA	59.0	62.0	61.6	63.4
RAINBOW	55.4	47.9	50.5	46.3

Source: Company, PL

Exhibit 24: ARPOB aided by higher surgical mix, reduced ALOS and complex treatment

ARPOB (Rs '000/day)	FY23	FY24	FY25	1HFY26	FY23-25 CAGR (%)
APHS	51.7	57.5	60.6	NA	8.3
ASTERDM	36.5	40.1	45.0	50.4	11.0
FORH	55.1	60.8	66.3	68.2	9.7
HCG	38.0	41.8	44.0	44.6	7.6
JLHL	51.0	54.9	60.6	66.1	9.0
KIMS	29.9	31.9	39.2	42.5	14.4
MAXHEALT	67.0	75.8	73.9	77.6	5.0
MEDANTA	59.1	61.9	62.7	66.1	3.0
NARH (India)	34.8	39.5	43.6	48.1	11.9
RAINBOW	48.9	55.9	54.0	59.9	5.0

Source: Company, PL

Exhibit 25: ARPP growth led by better case, payor mix & complex procedures

ARPP (Rs '000/day)	FY23	FY24	FY25	FY23-25 CAGR (%)
APHS	141	154	163	7.4
ASTERDM	95	104	111	8.0
FORH	205	260	278	16.3
HCG	74	81	81	4.1
JLHL	203	214	236	7.8
KIMS	124	131	143	7.4
MAXHEALT	281	318	296	2.5
MEDANTA	195	200	199	1.0
NARH (India)	115	130	142	11.0
RAINBOW	135	148	154	6.7

Source: Company, PL; Note: HCG - excluding Milann biz

Exhibit 26: Lower ALOS results in patient turnaround

ALOS (days)	FY23	FY24	FY25
APHS	3.4	3.3	3.3
ASTERDM	3.4	3.4	3.2
FORH	3.7	4.3	4.2
HCG	2.2	2.1	2.0
JLHL	4.0	3.9	3.9
KIMS	4.1	4.1	3.7
MAXHEALT	4.2	4.2	4.0
MEDANTA	3.3	3.2	3.2
NARH (India)	4.5	4.5	4.5
RAINBOW	2.8	2.7	2.9

Source: Company, PL

Exhibit 27: Higher IP volumes for MAX, KIMS, MEDANTA and JLHL

IP volumes ('000)	FY23	FY24	FY25	FY23-25 CAGR (%)
APHS	541	570	604	5.7
ASTERDM	226	254	273	9.9
JLHL	43	49	53	10.9
KIMS	177	191	213	9.8
MAXHEALT	222	232	297	15.6
MEDANTA	135	156	174	13.6
NARH (India)	229	236	220	-2.0
RAINBOW	87	88	98	6

Source: Company, PL

Exhibit 28: Expansion of clinical mix & catchment area to drive OP growth

OP volumes ('000)	FY23	FY24	FY25	FY23-25 CAGR (%)
APHS	1,879	1,923	2,232	9.0
ASTERDM	2,700	3,100	3,300	10.6
JLHL	731	831	926	12.6
KIMS	1,462	1,608	1,834	12.0
MAXHEALT	2,282	2,505	3,199	18.4
MEDANTA	2,275	2,683	2,937	13.6
NARH (India)	2,363	2,411	2,443	1.7
RAINBOW	1,241	1,277	1,427	7.2

Source: Company, PL

Exhibit 29: Companies have seen increase in EBITDA/occupied bed

EBITDA per occupied bed (Rs mn)	FY23	FY24	FY25	1HFY26
APHS	4.1	4.4	4.7	5.6
ASTERDM	2.1	2.6	3.3	4.1
FORH	3.1	4.0	4.7	5.4
HCG	1.9	1.9	2.1	2.4
JLHL	4.0	4.6	4.9	5.7
KIMS	2.8	2.9	3.4	3.3
MAXHEALT	6.5	7.3	6.5	7.1
MEDANTA	5.1	5.8	5.8	5.7
RAINBOW	5.0	5.6	5.2	5.7

Source: Company, PL

Exhibit 30: Valuation Summary – Hospitals

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs bn)				EBIDTA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Apollo Hospitals Enterprise	C	BUY	7,022	8,600	1,009.8	217.9	249.2	290.5	333.4	30.2	37.2	47.2	57.9	14.5	18.8	25.2	32.1	100.5	130.4	175.2	223.3	19.1	20.8	23.0	23.8	69.8	53.8	40.1	31.4
Aster DM Healthcare	C	BUY	598	775	298.5	41.4	46.4	54.9	64.9	7.7	9.3	11.7	14.3	3.1	4.2	6.0	7.8	6.2	8.5	12.1	15.6	7.7	12.1	16.1	18.7	96.6	70.7	49.5	38.3
Fortis Healthcare	C	BUY	891	1,120	672.6	77.8	90.5	104.2	117.8	15.9	20.8	25.0	29.9	8.6	10.5	13.6	17.7	11.4	13.9	18.1	23.4	10.4	11.2	13.0	14.9	77.9	64.0	49.3	38.1
Global Health	C	BUY	1,170	1,375	314.1	36.9	43.4	50.9	58.2	8.8	9.6	11.8	13.7	5.3	5.7	7.0	8.2	19.8	21.3	26.2	30.6	18.5	14.7	16.8	16.9	59.1	54.9	44.6	38.2
HealthCare Global Enterprises	C	BUY	707	850	98.5	22.2	25.5	29.3	33.5	3.9	4.7	5.8	7.0	0.4	0.6	1.4	2.4	3.2	4.2	10.1	17.3	5.1	6.2	13.3	19.4	221.8	167.4	70.3	40.8
Jupiter Life Line Hospitals	C	BUY	1,401	1,750	91.9	12.6	14.8	17.9	21.4	3.0	3.4	4.0	5.0	1.9	2.0	2.3	2.9	29.5	30.7	34.9	43.7	15.3	13.8	13.8	15.0	47.5	45.7	40.2	32.1
Krishna Institute of Medical Sciences	C	BUY	638	810	255.2	30.4	38.1	46.5	57.4	7.8	8.3	11.0	14.4	3.7	2.9	4.4	6.6	9.3	7.2	10.9	16.4	18.8	12.6	16.5	20.9	68.3	88.8	58.3	38.8
Max Healthcare Institute	C	BUY	1,076	1,350	1,046.0	86.7	103.2	125.9	147.4	23.2	27.8	34.2	40.9	14.9	17.0	22.6	28.3	15.3	17.5	23.2	29.1	15.0	15.1	17.5	18.7	70.2	61.4	46.3	37.0
Narayana Hrudayalaya	C	BUY	1,920	2,100	392.4	54.8	79.2	103.4	116.2	12.8	15.9	20.5	23.9	7.9	9.4	11.8	13.9	38.6	45.8	57.7	68.2	24.5	23.2	23.8	22.8	49.7	41.9	33.3	28.2
Rainbow Children's Medicare	C	BUY	1,321	1,600	134.2	15.2	16.2	19.5	22.4	4.9	5.2	6.3	7.4	2.4	2.5	3.2	3.9	24.0	24.8	31.6	38.2	17.8	16.0	17.7	18.3	55.1	53.2	41.8	34.6

Source: Company, PL

S=Standalone / C=Consolidated

Exhibit 31: Change in Estimates – Hospitals

	Rating		Target Price			Sales						PAT						EPS					
						FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Apollo Hospitals Enterprise	BUY	BUY	8,600	9,300	-7.5%	2,90,504	2,93,507	-1.0%	3,33,416	3,39,342	-1.7%	18,756	18,610	0.8%	25,187	25,675	-1.9%	130.4	129.4	0.8%	175.2	178.5	-1.9%
Aster DM Healthcare	BUY	BUY	775	775	0.0%	54,949	54,677	0.5%	64,866	64,977	-0.2%	4,223	4,270	-1.1%	6,028	6,218	-3.1%	8.5	8.5	-1.1%	12.1	12.4	-3.1%
Fortis Healthcare	BUY	BUY	1,120	1,150	-2.6%	1,04,192	1,04,192	0.0%	1,17,814	1,17,814	0.0%	10,508	10,508	0.0%	13,643	13,643	0.0%	13.9	13.9	0.0%	18.1	18.1	0.0%
Global Health	BUY	NA	1,375	NA	NA	50,862	NA	NA	58,185	NA	NA	5,721	NA	NA	7,038	NA	NA	21.3	NA	NA	26.2	NA	NA
HealthCare Global Enterprises	BUY	BUY	850	850	0.0%	29,254	29,254	0.0%	33,524	33,524	0.0%	589	629	-6.4%	1,402	1,425	-1.6%	4.2	4.5	-6.4%	10.1	10.2	-1.6%
Jupiter Life Line Hospitals	BUY	BUY	1,750	1,800	-2.8%	17,859	18,155	-1.6%	21,380	22,553	-5.2%	2,012	2,012	0.0%	2,287	2,310	-1.0%	30.7	30.7	0.0%	34.9	35.2	-1.0%
Krishna Institute of Medical Sciences	BUY	BUY	810	840	-3.6%	46,543	46,956	-0.9%	57,372	58,322	-1.6%	2,873	2,988	-3.8%	4,375	4,633	-5.6%	7.2	7.5	-3.8%	10.9	11.6	-5.6%
Max Healthcare Institute	BUY	BUY	1,350	1,400	-3.6%	1,25,873	1,30,081	-3.2%	1,47,416	1,54,544	-4.6%	17,033	17,341	-1.8%	22,592	23,688	-4.6%	17.5	17.8	-1.8%	23.2	24.4	-4.6%
Narayana Hrudayalaya	BUY	BUY	2,100	2,100	0.0%	1,03,417	1,03,417	0.0%	1,16,157	1,16,157	0.0%	9,356	9,356	0.0%	11,797	11,797	0.0%	45.8	45.8	0.0%	57.7	57.7	0.0%
Rainbow Children's Medicare	BUY	BUY	1,600	1,600	0.0%	19,520	18,957	3.0%	22,437	21,999	2.0%	2,520	2,591	-2.8%	3,209	3,165	1.4%	24.8	25.5	-2.8%	31.6	31.2	1.4%

Source: Company, PL

C=Current / P=Previous

December 19, 2025

Company Initiation

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	36,923	43,421	50,862	58,185
EBITDA (Rs. m)	8,771	9,565	11,775	13,662
Margin (%)	23.8	22.0	23.2	23.5
PAT (Rs. m)	5,313	5,721	7,038	8,215
EPS (Rs.)	19.8	21.3	26.2	30.6
Gr. (%)	11.1	7.7	23.0	16.7
DPS (Rs.)	0.6	1.2	1.7	2.3
Yield (%)	0.0	0.1	0.1	0.2
RoE (%)	18.5	14.7	16.8	16.9
RoCE (%)	17.5	17.0	18.5	19.0
EV/Sales (x)	8.3	7.1	6.0	5.2
EV/EBITDA (x)	34.9	32.1	26.0	22.3
PE (x)	59.1	54.9	44.6	38.2
P/BV (x)	9.3	8.1	7.0	6.0

Key Data

GLOH.BO | MEDANTA IN

52-W High / Low	Rs.1,457 / Rs.995
Sensex / Nifty	84,929 / 25,966
Market Cap	Rs.314bn / \$ 3,521m
Shares Outstanding	269m
3M Avg. Daily Value	Rs.363.3m

Shareholding Pattern (%)

Promoter's	33.01
Foreign	11.40
Domestic Institution	12.98
Public & Others	42.61
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(2.5)	0.6	3.9
Relative	(2.2)	(3.7)	(3.1)

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Stage set for next phase of growth

Global Health (MEDANTA) is a leading tertiary care service provider with strong brand name in North and East India. The company focuses on large format hospital networks with super specialty focus provides edge. It operates 6 hospitals (in Gurugram, Indore, Ranchi, Lucknow, Patna and Noida). It has a total bed capacity of ~3,435 and intends to add ~2,900 beds over the next 4 years. MEDANTA's EBITDA growth over FY24-26E is likely to be moderate at 9% CAGR, due to issues at Lucknow unit and start-up losses related to Noida unit in FY26. With Lucknow unit issues largely resolved and ramp-up in Noida to be visible from FY27, EBITDA is expected to clock ~20% CAGR over FY26-28E. We initiate coverage on MEDANTA with TP of Rs1,375/share, valuing at 28x EV/EBITDA on Sep'27E.

Large-format hospital with super specialty focus: MEDANTA's Gurugram and Lucknow units have been designed to comply with JCI requirements and offer all major medical specialties under one roof. It also maintains a high proportion of operating theatres, procedure rooms and ICUs relative to overall bed strength, given the heavy procedure orientation of the clinical and surgery work. Its case mix is skewed with 65% toward higher end tertiary care specialties.

Aggressive ~2,900-bed expansion to reinforce medium-term growth visibility: MEDANTA has embarked on an aggressive capacity build-out, with ~2,900-bed expansion planned over the next 4 years. Notably, the pipeline includes 3 greenfield flagship assets in: Oshiwara (Mumbai) with 750 beds, Pitampura (New Delhi) with 750 beds, and South Delhi (DLF JV) with 400 beds. Historically, the company has managed to achieve EBITDA breakeven in a faster time frame. Given that some incremental expansion is in states where the company does not have presence, breakeven timelines may vary.

Lucknow + Patna unit growth to continue: Ramp-up of Lucknow and Patna units has been commendable. Both units ramped up rapidly, achieving breakeven in their first full operating year (Lucknow in FY21, Patna in FY23), demonstrating MEDANTA's strong brand and execution capabilities. Together the units contribute to Rs3.3bn EBITDA, accounting for 38% of MEDANTA's EBITDA. We expect EBITDA to grow 19%+ CAGR over FY25-28E driven by continued volume growth, operating leverage, and phased capacity additions. The management plans to add 200 beds in Lucknow (~100 by H2FY26) and 180 beds in Patna (including 100 beds by 4QFY26), reinforcing their role as key growth drivers.

Noida ramp-up to aid growth in FY27: MEDANTA commercialized Noida unit in Sep'25 with 300 bed capacity in Phase 1, which will be scaled up to 550 as occupancy improves. Noida is a huge untapped market, with potential to meet demand from adjoining locations as well as captive local demand. We have factored in breakeven of the unit within 15 months. Our FY27E and FY28E factors in Rs159mn and Rs812mn of EBITDA, respectively, from the unit.

We value MEDANTA at 28x
 EV/EBITDA on FY28E EBITDA

Outlook and valuation: We expect revenue to clock 16% CAGR over FY25-28E aided by new bed addition, increasing operational efficacy, and ramp-up of new units. MEDANTA is likely to commission ~2,900 beds (84% of the current capacity) over H2FY26-30E without straining its balance sheet. Overall, we expect EBITDA/PAT CAGR of 16%/ 18% over FY25-28E with healthy RoE/RoCE of 17%/19%. We value MEDANTA at 28x EV/EBITDA on Sep'27E and recommend 'BUY' rating with TP of Rs1,375/share.

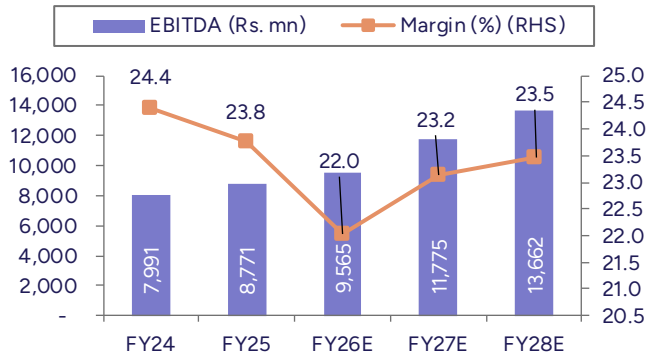
Exhibit 32: Valuation table

Particulars	FY28E
EBITDA (Rs mn)	13,662
Target multiple (x)	28
EV (Rs mn)	382,529
Less net debt (Rs mn)	-9,835
Derived market cap (Rs mn)	392,364
No. of shares (mn)	269
Target price (Rs)	1,375
CMP (Rs)	1,148
Upside (%)	18%

Source: Company, PL

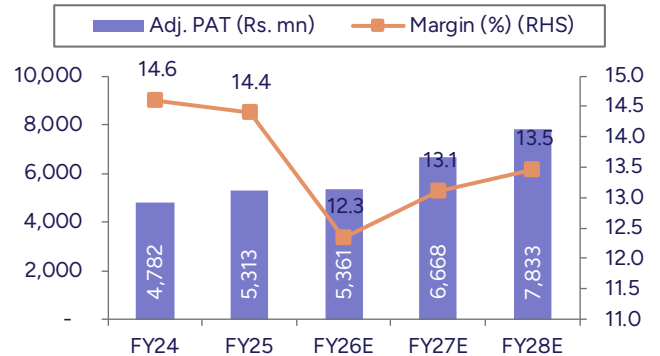
Story in Charts

Exhibit 33: EBITDA to expand at 16% CAGR over FY25-28E



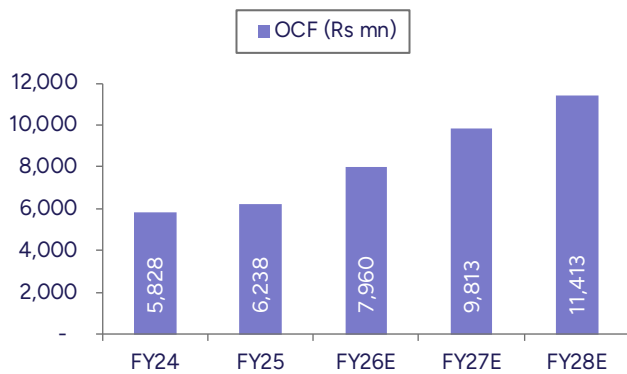
Source: Company, PL

Exhibit 34: PAT CAGR estimated at ~18% over FY25-28E



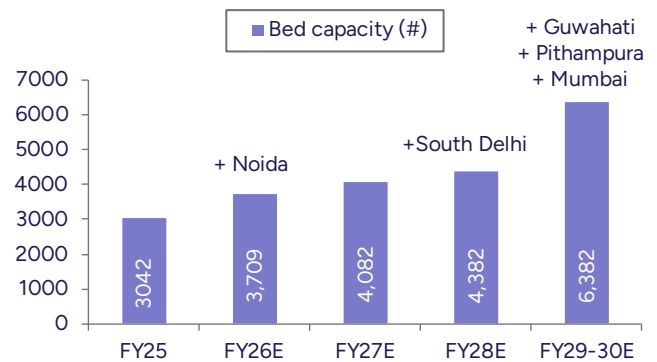
Source: Company, PL

Exhibit 35: Strong OCF generation over FY25-28E



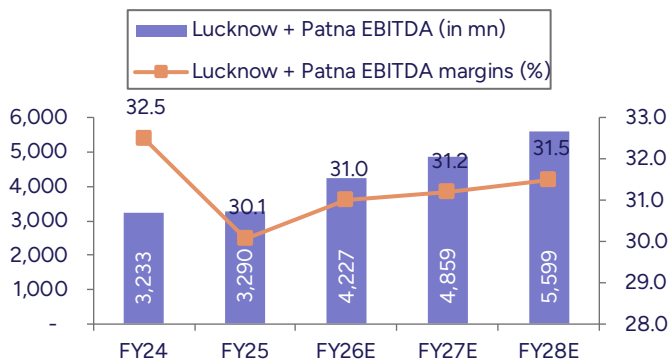
Source: Company, PL

Exhibit 36: Bed capacity to double by FY29E



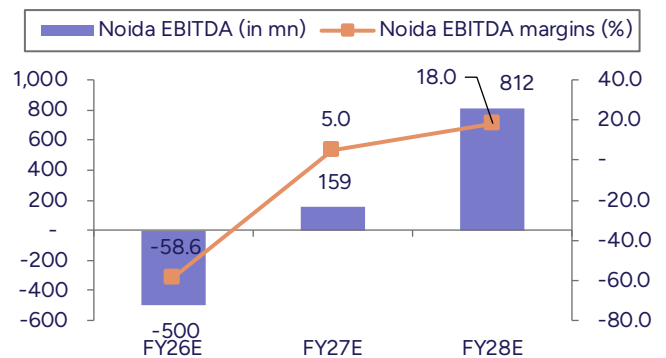
Source: Company, PL

Exhibit 37: Expect EBITDA to log 19% CAGR over FY25-28E



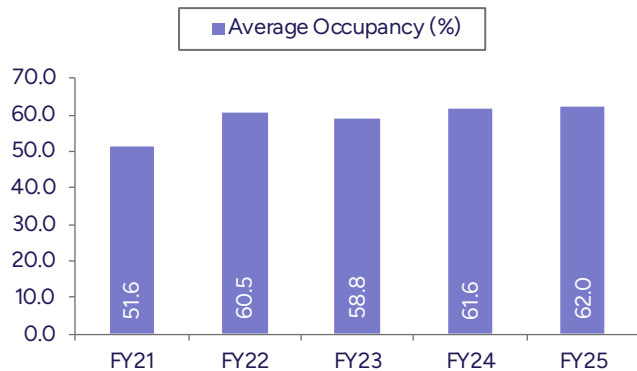
Source: Company, PL

Exhibit 38: Noida EBITDA margin to turn positive in FY27



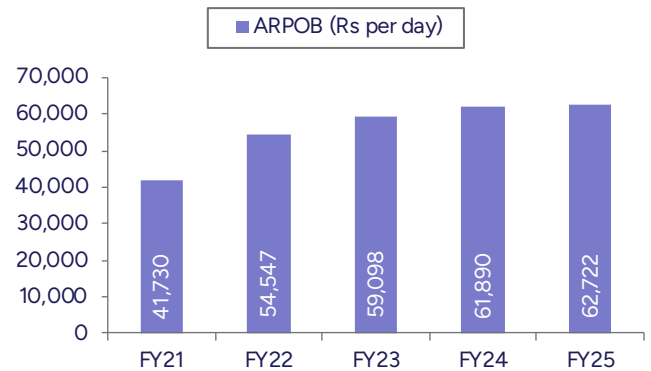
Source: Company, PL

Exhibit 39: Occupancy steady at 62% from last 2 years



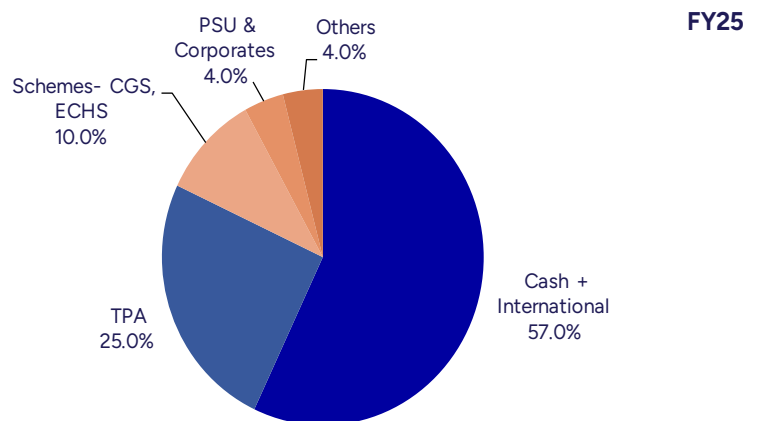
Source: Company, PL

Exhibit 40: ARPOB grows ~7% CAGR over FY21-25



Source: Company, PL

Exhibit 41: Strong payor mix: Cash + insurance contribution at 82%



Source: Company, PL

Gurugram-based leading multi-specialty tertiary care hospital chain with legacy of 15+ years

MEDANTA: Focused on multi-specialty tertiary care

Established in 2004 and headquartered in Gurugram, Haryana, Global Health Ltd (MEDANTA) is founded in 2009 by Dr. Naresh Trehan, India's most distinguished cardiovascular and cardiothoracic surgeon. It started as a single hospital, Medanta – The Medicity. Today, MEDANTA has a total bed capacity of ~3,435 with 6 hospitals, 8 clinics, 12 labs with 300+ collection centers, and 17 pharmacies.

MEDANTA is one of the largest and most reputed multi-specialty tertiary-care hospital chains in North and East India, with a strong clinical franchise across high-acuity specialties, including cardiology & cardiac sciences, neurosciences, oncology, digestive sciences, hepatobiliary, orthopedics, transplants, and kidney & urology. MEDANTA has built a scaled platform of 2,658 operational census beds, supported by its integrated network of 2,150+ doctors and multi-specialty capabilities spread over 5.6msf. MEDANTA has 6 hospitals: 2 own (Gurugram and Lucknow), 3 on lease (Indore, Ranchi and Noida), and 1 on PPP (Patna). JCI, NABH and NABL accreditations reinforce its commitment to highest quality standards. Apart from its core hospital operations, MEDANTA also operates in-house businesses, including pharmacies, diagnostics, clinics, and home-care services.

MEDANTA is currently focusing on expansion across key metros and high-potential regions. It is set to expand with 4 upcoming hospitals in the next 3-4 years:

- The upcoming 400-bed South Delhi facility, developed in partnership with DLF, has progressed to active construction following completion of site survey and soil testing.
- In New Delhi's Pitampura micro market, the company has entered into an O&M agreement for a hospital with ~750 beds. Architectural designs have already been submitted, indicating early-stage execution readiness.
- MEDANTA has completed land acquisition in Oshiwara, Mumbai in Oct'24 and secured additional FSI approvals. Building plans are currently being drafted, setting the stage for a flagship presence in India's most attractive healthcare market.
- The Guwahati project has moved into the execution phase with land acquisition and possession completed, marked by the bhoomi poojan ceremony in Oct'25.

Exhibit 42: Ownership details of MEDANTA hospitals

Hospital	Land	Year of commencement	Bed capacity (#)	ICU beds (#)
Gurugram	Own	2009	1,440	316
Indore	Lease	2014	175	53
Ranchi 1	Lease	2015	200	15
Lucknow	Own	2019	757	202
Patna	PPP	2021	527	147
Ranchi 2	Lease	2025	110	46
Noida	Lease	2026	226	81

Source: Company, PL

Exhibit 43: MEDANTA's growth trajectory

Year	Key developments
2009	Medanta – The Medicity founded in Gurugram with 1,440 beds and 316 ICU beds
2014	Medanta Super Specialty Hospital established in Indore with 175 beds and 53 ICU beds
2015	Medanta Abdur Razzaque Ansari Memorial Weavers' Hospital started in Ranchi with 200 beds and 54 ICU beds
2019	Medanta Hospital started in Lucknow with 950 beds; 757 currently operational, including 202 ICU beds
2021	Jai Prabha Medanta Specialty Hospital started in Patna with 650 beds; 527 currently operational, including 147 ICU beds
2022	Global Health Ltd IPO listed on BSE and NSE on 16th Nov; Carlyle Group (Anant Investments) exited completely from investment made in 2013
2025	Medanta Hospital (O&M) started in Ranchi with 110 beds; commenced operations in Jul
2025	Medanta Hospital started in Noida with 550 beds; commenced operations in Sep with 226 beds, including 81 ICU beds

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	36,923	43,421	50,862	58,185
YoY gr. (%)	12.7	17.6	17.1	14.4
Cost of Goods Sold	8,797	9,987	11,698	13,383
Gross Profit	28,126	33,434	39,164	44,803
Margin (%)	76.2	77.0	77.0	77.0
Employee Cost	8,245	9,482	10,905	12,540
Other Expenses	11,110	14,387	16,484	18,601
EBITDA	8,771	9,565	11,775	13,662
YoY gr. (%)	9.8	9.1	23.1	16.0
Margin (%)	23.8	22.0	23.2	23.5
Depreciation and Amortization	1,937	2,165	2,660	3,116
EBIT	6,833	7,400	9,115	10,546
Margin (%)	18.5	17.0	17.9	18.1
Net Interest	653	646	646	601
Other Income	791	800	850	950
Profit Before Tax	7,470	7,198	9,319	10,895
Margin (%)	20.2	16.6	18.3	18.7
Total Tax	1,659	1,834	2,282	2,681
Effective tax rate (%)	22.2	25.5	24.5	24.6
Profit after tax	5,811	5,363	7,037	8,214
Minority interest	(1)	(1)	(1)	(1)
Share Profit from Associate	-	-	-	-
Adjusted PAT	5,313	5,721	7,038	8,215
YoY gr. (%)	11.1	7.7	23.0	16.7
Margin (%)	14.4	13.2	13.8	14.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	5,313	5,721	7,038	8,215
YoY gr. (%)	11.1	7.7	23.0	16.7
Margin (%)	14.4	13.2	13.8	14.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	5,313	5,721	7,038	8,215
Equity Shares O/s (m)	269	269	269	269
EPS (Rs)	19.8	21.3	26.2	30.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	35,989	43,989	51,989	59,989
Tangibles	35,989	43,989	51,989	59,989
Intangibles	-	-	-	-
Acc: Dep / Amortization	10,914	13,079	15,739	18,855
Tangibles	10,914	13,079	15,739	18,855
Intangibles	-	-	-	-
Net fixed assets	25,075	30,910	36,250	41,134
Tangibles	25,075	30,910	36,250	41,134
Intangibles	-	-	-	-
Capital Work In Progress	5,398	5,398	5,398	5,398
Goodwill	-	-	-	-
Non-Current Investments	27	27	27	27
Net Deferred tax assets	330	332	333	334
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	671	833	975	1,116
Trade receivables	2,919	3,569	4,180	4,782
Cash & Bank Balance	11,223	10,225	10,925	12,114
Other Current Assets	1,829	2,011	2,213	2,434
Total Assets	47,663	53,496	60,491	67,529
Equity				
Equity Share Capital	537	537	537	537
Other Equity	33,327	38,376	44,576	51,786
Total Networth	33,864	38,913	45,113	52,324
Non-Current Liabilities				
Long Term borrowings	2,641	2,641	2,641	1,641
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	638	638	638	638
Trade payables	1,948	2,379	2,787	3,188
Other current liabilities	4,662	5,015	5,403	5,829
Total Equity & Liabilities	47,663	53,495	60,491	67,529

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	6,972	7,194	8,948	10,513
Add. Depreciation	1,937	2,165	2,660	3,116
Add. Interest	653	646	646	601
Less Financial Other Income	791	800	850	950
Add. Other	(1,381)	-	-	-
Op. profit before WC changes	8,180	10,005	12,254	14,230
Net Changes-WC	(283)	(211)	(160)	(136)
Direct tax	(1,659)	(1,834)	(2,282)	(2,681)
Net cash from Op. activities	6,238	7,960	9,813	11,413
Capital expenditures	(6,479)	(8,000)	(8,000)	(8,000)
Interest / Dividend Income	-	-	-	-
Others	(730)	-	-	-
Net Cash from Invst. activities	(7,209)	(8,000)	(8,000)	(8,000)
Issue of share cap. / premium	-	-	-	-
Debt changes	(343)	-	-	(1,000)
Dividend paid	-	(312)	(467)	(623)
Interest paid	(653)	(646)	(646)	(601)
Others	1,437	-	-	-
Net cash from Fin. activities	441	(958)	(1,113)	(2,224)
Net change in cash	(530)	(998)	699	1,189
Free Cash Flow	(241)	(40)	1,813	3,413

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	19.8	21.3	26.2	30.6
CEPS	27.0	29.4	36.1	42.2
BVPS	126.1	144.9	168.0	194.8
FCF	(0.9)	(0.1)	6.7	12.7
DPS	0.6	1.2	1.7	2.3
Return Ratio(%)				
RoCE	17.5	17.0	18.5	19.0
ROIC	18.8	17.1	18.4	19.0
RoE	18.5	14.7	16.8	16.9
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	16	17	17	17
Valuation(x)				
PER	59.1	54.9	44.6	38.2
P/B	9.3	8.1	7.0	6.0
P/CEPS	43.3	39.8	32.4	27.7
EV/EBITDA	34.9	32.1	26.0	22.3
EV/Sales	8.3	7.1	6.0	5.2
Dividend Yield (%)	0.0	0.1	0.1	0.2

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	9,434	9,312	10,308	10,992
YoY gr. (%)	13.3	15.2	19.7	14.9
Raw Material Expenses	2,292	2,136	2,391	2,556
Gross Profit	7,142	7,176	7,918	8,437
Margin (%)	75.7	77.1	76.8	76.8
EBITDA	2,412	2,247	2,191	2,309
YoY gr. (%)	10.8	17.6	17.6	(1.5)
Margin (%)	25.6	24.1	21.3	21.0
Depreciation / Depletion	484	493	451	497
EBIT	1,927	1,754	1,740	1,812
Margin (%)	20.4	18.8	16.9	16.5
Net Interest	163	150	138	171
Other Income	160	229	205	197
Profit before Tax	1,925	1,833	1,806	1,838
Margin (%)	20.4	19.7	17.5	16.7
Total Tax	462	321	492	414
Effective tax rate (%)	24.0	17.5	27.2	22.5
Profit after Tax	1,463	1,513	1,315	1,424
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,463	1,014	1,511	1,584
YoY gr. (%)	13.3	(27.1)	42.2	15.7
Margin (%)	15.5	10.9	14.7	14.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,463	1,014	1,511	1,584
YoY gr. (%)	13.3	(27.1)	42.2	15.7
Margin (%)	15.5	10.9	14.7	14.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,463	1,014	1,511	1,584
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	-	-	-	-

Source: Company Data, PL Research

Notes

Notes

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ajanta Pharma	BUY	3,200	2,539
2	Apollo Hospitals Enterprise	BUY	9,300	7,642
3	Aster DM Healthcare	BUY	775	693
4	Aurobindo Pharma	BUY	1,300	1,141
5	Cipla	Accumulate	1,675	1,541
6	Divi's Laboratories	Accumulate	7,050	6,657
7	Dr. Reddy's Laboratories	Reduce	1,270	1,284
8	Eris Lifesciences	BUY	1,900	1,575
9	Fortis Healthcare	BUY	1,150	969
10	HealthCare Global Enterprises	BUY	850	717
11	Indoco Remedies	Hold	325	290
12	Ipca Laboratories	BUY	1,600	1,302
13	J.B. Chemicals & Pharmaceuticals	BUY	2,100	1,820
14	Jupiter Life Line Hospitals	BUY	1,800	1,519
15	Krishna Institute of Medical Sciences	BUY	840	701
16	Lupin	BUY	2,400	1,972
17	Max Healthcare Institute	BUY	1,400	1,122
18	Narayana Hrudayalaya	BUY	2,100	1,952
19	Rainbow Children's Medicare	BUY	1,600	1,342
20	Sun Pharmaceutical Industries	BUY	1,875	1,703
21	Sunteck Realty	BUY	600	432
22	Torrent Pharmaceuticals	Accumulate	4,200	3,580
23	Zydus Lifesciences	Accumulate	1,020	937

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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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