

Capacity addition set to propel the next phase of growth



Max Healthcare Institute Limited



Upside potential
30%+ in 2 years



Valuation & Outlook

The management plans to double its current bed capacity to over 10,000 beds within the next 4-5 years through a combination of brownfield, greenfield, and acquisition-led expansions. The company's recent shift towards a lease-based (build-to-suit) model is expected to enhance return ratios. A strong focus on specialty mix and international patients will support a healthy ARPOB.

We anticipate margin improvements as the expansion strategy balances brownfield and greenfield projects. Over FY24-27E, we project a Revenue/EBITDA/PAT CAGR of 22%/22%/18%, with EBITDA per operational bed expected to increase. However, margins are likely to remain stable at ~27%.

We assign a BUY rating with a two-year investment horizon, based on a FY27E valuation. Our approach incorporates an EV/EBITDA multiple of 31x and a P/E multiple of 50x for FY27E. Using an SOTP framework, we value Hospitals at 33x EV/EBITDA, Max Labs at 23x EV/EBITDA, and Max@Home at 3x EV/Sales.

Krishna Institute of Medical Sciences Ltd.



Upside potential
30%+ in 2 years



Valuation & Outlook

KIMS Hospitals is undergoing significant expansion, increasing its network to 19 hospitals with a total capacity of 5374 beds in Q3FY25. The company has ambitious plans to reach 7,744 beds by FY27E, expanding across Telangana, Andhra Pradesh, Maharashtra, and Karnataka. Key upcoming projects include a hospital in Bengaluru, expansion at Kondapur, and new facilities in Rajahmundry and Anantapur.

To support this growth, KIMS has outlined a capital expenditure plan of ₹1,830-2,050crs which is expected to drive a strong revenue CAGR of 21%, reaching ₹4,428crs by FY27. The company employs an equity partnership model to retain and incentivize top doctors, ensuring long-term stability in medical expertise. Additionally, KIMS is strengthening its oncology services, positioning itself for future growth in the high-demand specialty healthcare segment.

We assign KIMS Hospitals an EV/EBITDA multiple of 22x and a P/E multiple of 37x on FY27E, reflecting its strong growth potential and aggressive expansion strategy. The company is poised to achieve a CAGR of 21% in revenue, 22% in EBITDA, and 26% in PAT over FY24-27E, supported by stable EBITDA and PAT margins of 26% and 14%, respectively.

With increasing contributions from high-margin specialties like oncology, we expect a structural improvement in profitability. Given its robust earnings trajectory and expansion-driven growth, **we recommend a Buy rating on the stock.**

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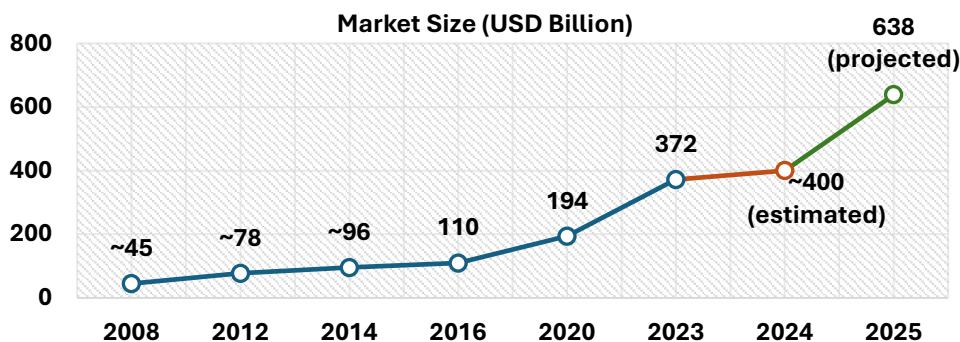
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Industry data and outlook

Indian Healthcare Market

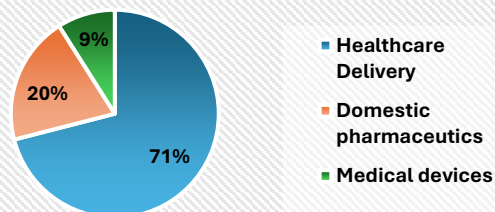
- The Indian healthcare market grew from ~\$45bn in 2008 to \$110bn in 2016, driven by private investments, medical tourism, and rising insurance penetration. Since then, it has expanded rapidly, reaching ~\$400bn in 2024, with a CAGR of ~16-18% (2008-2024). Growth has been fuelled by hospitals, pharmaceuticals, diagnostics, and increasing healthcare access in Tier 2+ cities. Further, it is projected to grow significantly, reaching ~\$638bn by 2025.



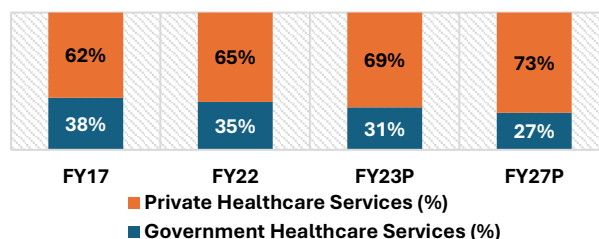
Source : Industry

- India's hospital market, valued at US\$ 99bn in 2023, is expected to expand at a CAGR of 8.0% from 2024 to 2032, reaching an estimated US\$ 194bn by 2032.

Hospitals, the biggest segment in Indian healthcare



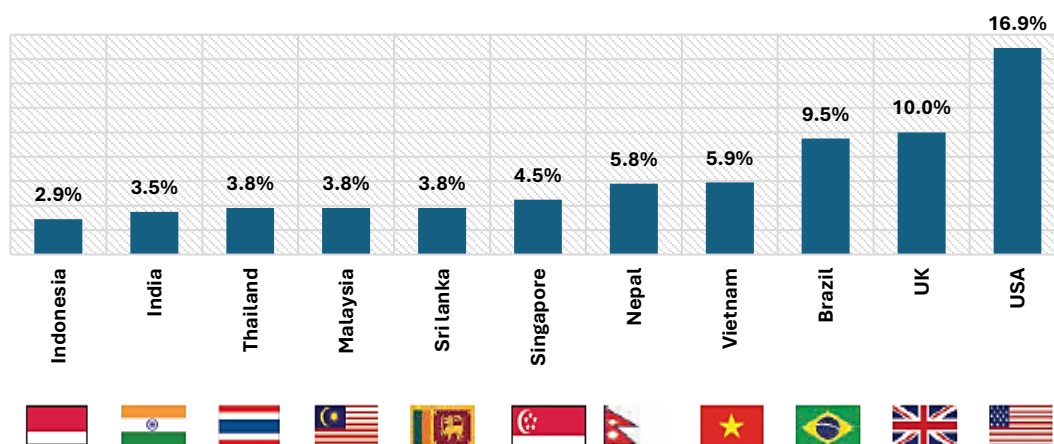
Indian healthcare delivery market likely to record a 10-12% CAGR over FY23-27



Source : GOI, Industry, company

- India's healthcare expenditure remains low compared to the global average:** According to WHO's Global Health Expenditure database, India's healthcare spending as a percentage of GDP is significantly lower than that of developed nations like the US and UK, as well as developing countries such as Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia, and Thailand.

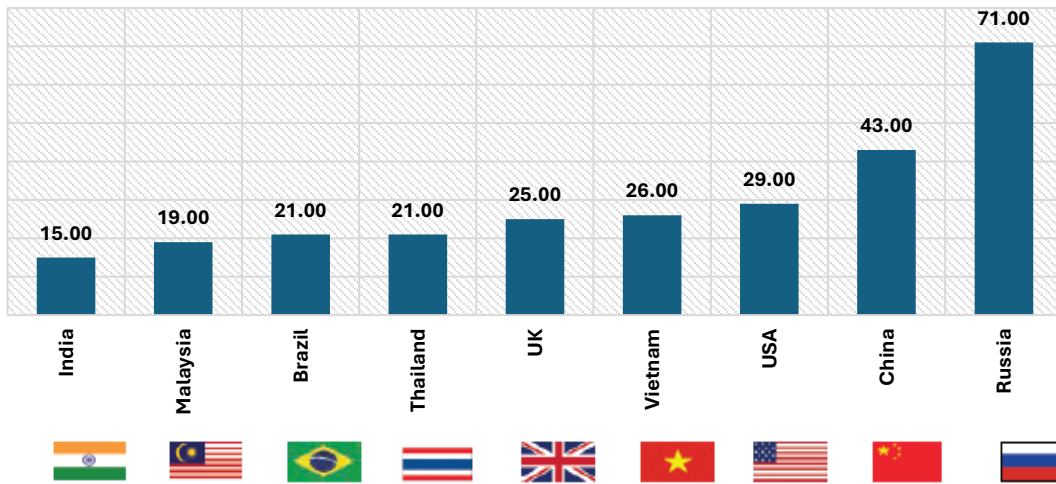
Total Healthcare expenditure as % GDP



Source : GOI, Industry, company

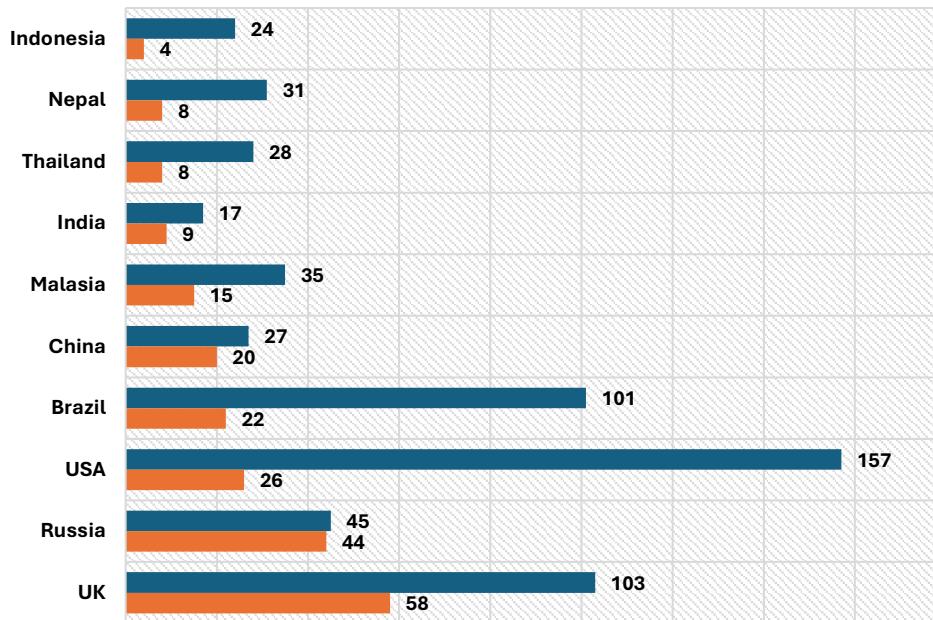
- Hospitals are poised to benefit significantly from rising healthcare spending, primarily driven by the demand-supply gap in bed capacity. As the population grows and healthcare needs increase, the shortfall in hospital beds will create opportunities for expansion and investment in the sector.
- According to a recent Knight Frank and Berkadia report, India faces a shortfall of 2 bn square feet of healthcare infrastructure for its 1.42bn population. Given the current bed-to-population ratio of 1.3 beds per 1,000 people (with a deficit of 1.7 beds per 1,000), India will need an additional 2.4mn beds to bridge the gap. The recommended ratio is 3 hospital beds per 1,000 people.

Bed density across countries (Hospital Beds/10,000 people)



Note: India bed density is estimated by CRISIL Research for 2020. All countries data is as of 2018 as per WHO records.
Source: World Health Organisation Database, CRISIL Research

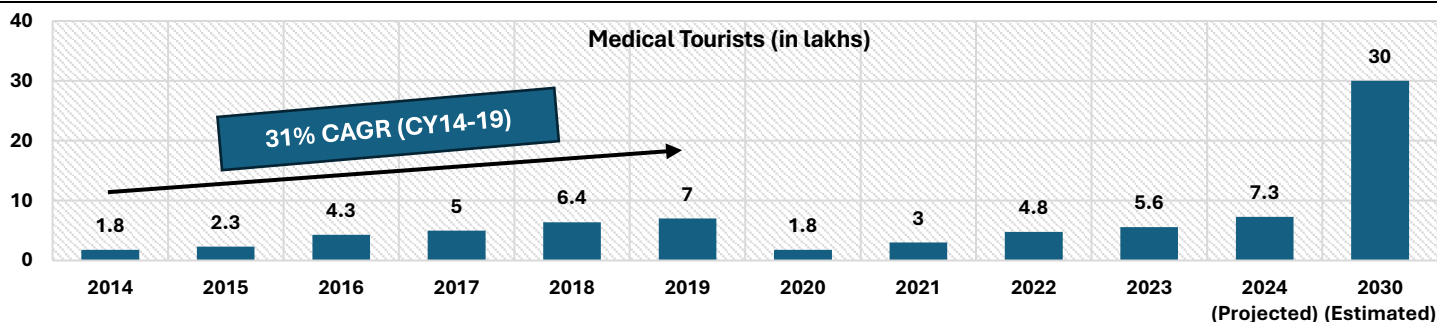
Healthcare personal: India v/s other countries



Source : GOI, Industry, company

- As of 2024, the healthcare sector stands as one of India's largest employers, providing jobs to 7.5mn people.
- The demand for Indian healthcare professionals is expected to double by 2030, both nationally and globally, driven by a shortage of healthcare workers. India currently has 1.7 nurses per 1,000 people and a doctor-to-patient ratio of 1:1,500 nationwide.
- The hospital industry dominates the sector, accounting for 80% of total healthcare spending, attracting significant interest from global and domestic investors.

- India has around 70,000 operational hospitals, with 63% belonging to the private sector. This significant shortfall presents a major growth opportunity for both public and private players to expand healthcare facilities and infrastructure across the country.
- Indian medical tourism market was valued at US\$ 7.69bn in 2024 and is expected to reach US\$ 14.31bn by 2029. The healthcare sector is experiencing rapid expansion, driven by improved coverage, better services, and increased public and private investment.
- **India's Growing Medical Tourism Industry:** India's foreign medical tourism industry has seen significant growth, with the number of medical tourists rising from 1.8 lakh in 2014 to 7 lakh in 2019 (31% CAGR), before dropping to 1.8 lakh in 2020 due to COVID-19. The industry rebounded to 5.6 lakh in 2023 and is projected to reach 7.3 lakh in 2024. By 2030, India is expected to attract 3mn (30 lakh) medical tourists, reinforcing its position as a key global healthcare destination.



Source : GOI, Industry, company

India offers comparatively lower treatment costs

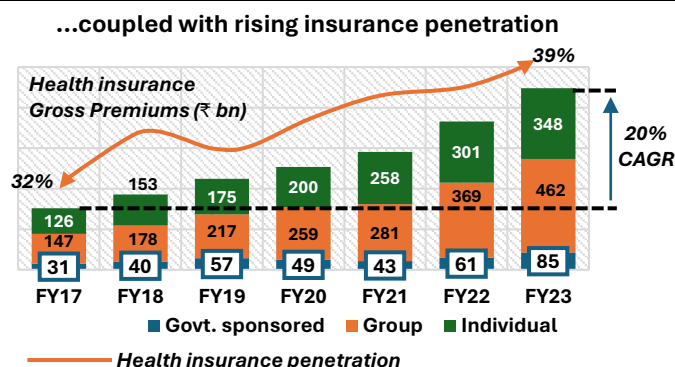
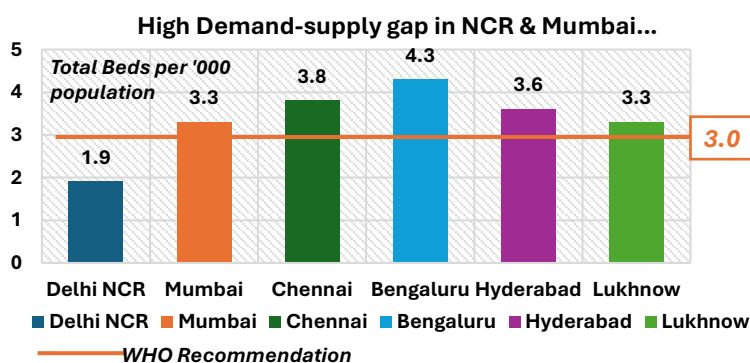
Procedure cost (US\$)	India	US	Korea	Singapore	Thailand	Average Global Cost	India Discount %
Hip Replacement	7,000	50,000	14,120	12,000	7,879	21,000	67%
Knee Replacement	6,200	50,000	19,800	13,000	12,297	23,774	74%
Heart Bypass	5,200	1,44,000	28,900	18,500	15,121	51,630	90%
Angioplasty	3,300	37,000	15,200	13,000	3,788	22,247	85%
Heart Valve Replacement	5,500	1,70,000	43,500	12,500	21,212	61,803	91%
Dental Implant	1,000	2,800	4,200	1,500	3,636	3,034	67%

Source : GOI, Industry, company

India's medical tourism industry is expanding rapidly due to several key factors. The country offers high-quality healthcare at a fraction of the cost compared to developed nations, with procedures like heart bypass and knee replacements costing 70-90% less than in the US. India is home to internationally accredited hospitals equipped with advanced technology and highly skilled medical professionals. Additionally, shorter waiting times for critical procedures attract patients seeking timely treatments.

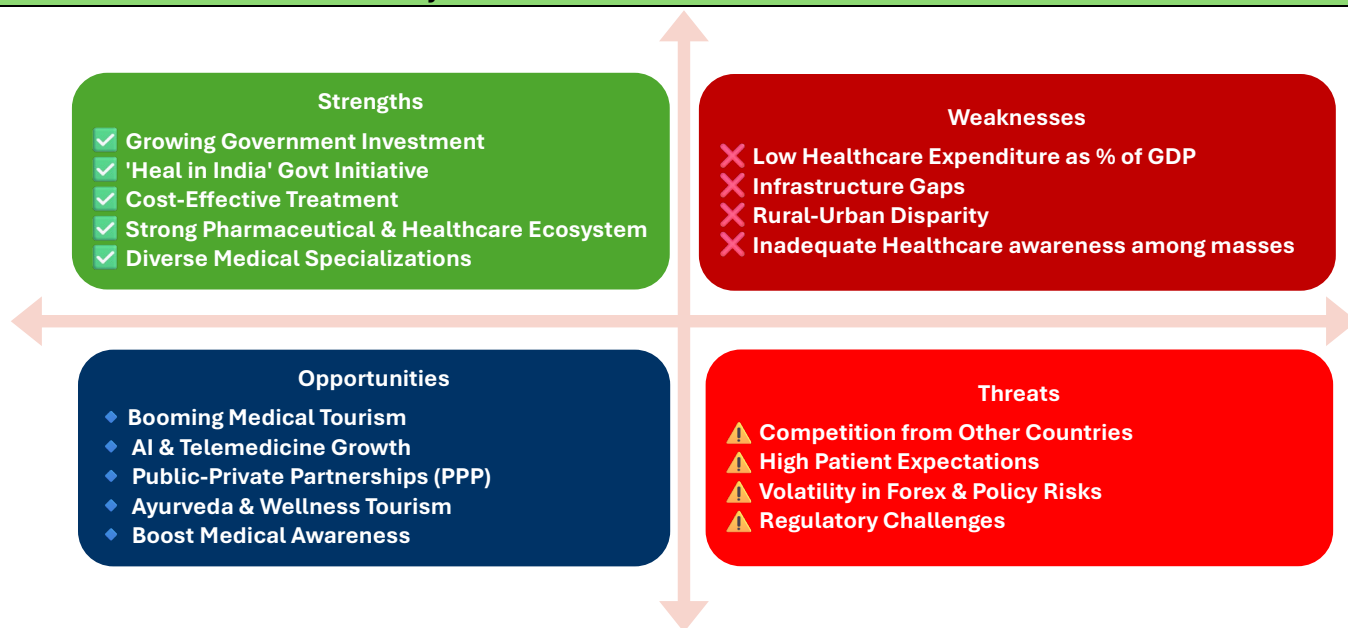
Government initiatives, such as e-medical visas and the 'Heal in India' campaign, further boost India's appeal as a medical tourism hub. The introduction of e-medical visas has simplified the process for international patients by offering quick online processing, multiple entries, and extended validity for medical treatments. Additionally, the 'Heal in India' campaign aims to streamline medical tourism with a dedicated portal for international patients, standardized pricing, and medical facilitation centers at major airports. Leading cities like Delhi, Mumbai, Chennai, Hyderabad, and Bangalore have emerged as key destinations.

Higher per capita income, higher ARPOB, low bed density and rising insurance penetration make Delhi and Mumbai attractive avenues for growth



Source : GOI, Industry, company

SWOT Analysis of India's Healthcare and Medical Tourism Sector



Source : GOI, Industry, company

Comparative Performance Metrics of Hospital companies

Comparative Performance Metrics	Apollo Hospitals	KIMS	Max healthcare	Global Health (Medanta)	Fortis health	Narayana Hrudayalaya	Aster DM Health	Comments
Operating bed (9MFY25)	7996	4342	5033	2480	4700	5908	5128	Apollo leads with 7,996 beds in Q3FY25, while KIMS, Max, Medanta, and Aster DM have expanded rapidly since FY20.
CAGR gr. (FY20-FY24)	1%	10%	5%	10%	5%	-1%	18%	
ARPOB ('000) (9MFY25)	60	38	82	61	66	35	44	Max Healthcare leads with the highest ARPOB of ₹82,000 in 9MFY25, while overall hospital ARPOB grew at a 9-10% CAGR.
CAGR gr. (FY20-FY24)	11%	15%	10%	5%	9%	4%	10%	
Occupancy % (9MFY25)	69%	52%	75%	63%	69%	68%	67%	Max Healthcare has the highest occupancy (75%) due to its focus on metro cities, premium services, and efficient operations.
ALOS	3.3	3.7	4.1	3.2	4.2	4.4	3.2	Apollo, Medanta, and Aster DM Health maintain efficient patient turnover with ALOS of 3.2-3.4 days, while KIMS and Max Healthcare have reduced their ALOS to 3.68 and 4.1 days in 9MFY25, and Fortis and Narayana Hrudayalaya maintain ALOS of 4.2-4.4 days.

- Hospital Capex Expansion: Significant Bed Capacity addition by FY27 & Beyond:** Hospitals are undertaking aggressive expansion plans to increase their operating bed capacity by FY27E. Max Healthcare is set to witness the highest growth of 62%, expanding from 5,033 to 8,148 beds. KIMS follows with a 55% increase, adding 2,370 beds to reach 6,712. Medanta and Fortis Health plan to expand by 50% and 31%, respectively. Apollo Hospitals aims for a 36% rise, reaching 10,856 beds. Aster DM Health will see a 35% increase. Narayana Hrudayalaya has planned a five-year capex of ₹2,890crs to expand its bed capacity by 1,435 beds post-FY28E, targeting a total capacity of 8,079 beds by FY30.

Capex Expansion plan	Operating Bed		Incremental Beds capacity			Bed capacity in FY27E	% increase in capacity
	Q3FY25	FY25	FY26	FY27	FY27		
Apollo Hospitals	7996	1170	690	1000	10856	36%	
KIMS	4342	0	1520	850	6712	55%	
Max healthcare	5033	443	1296	1376	8148	62%	
Global Health (Medanta)	2480	235	610	400	3725	50%	
Fortis health	4700	701	365	402	6168	31%	
Narayana Hrudayalaya	5908	0	0	0	5908	0%	
Aster DM Health	5128	334	564	904	6930	35%	

Source: Company

- Hospital Acquisitions, Valuations and Most Attractive Deals:** Hospitals are expanding through acquisitions with varied valuations. Max Healthcare's purchases, including Jaypee Healthcare (EV/Bed ₹2.28crs), indicate premium pricing, while Apollo (Kolkata, EV/Bed ₹0.38crs) and KIMS (Queen's NRI, EV/Bed ₹0.40crs) secured lower-cost deals. Among these, Apollo's Kolkata and KIMS' Queen's NRI acquisitions seem the most attractive due to their lower EV/Bed ratios, offering better value.

Company	Hospital Acquired	Date	Location	No. of Beds	Cash Paid (₹ cr)	EV (₹ cr)	Stake Acquired	EV/Bed
MAXHEALT	Jaypee Healthcare	Sep-24	Noida	700	1,600	1,660	64%	2.37
	Sahara Hospital	Feb-24	Lucknow	550	993	993	100%	1.81
	Alexis Hospital	Feb-24	Nagpur	200	395	395	100%	1.98
	Eqova Healthcare	Feb-22	Patparganj	400	47	181	26%	0.45
Apollo	Pune	Sep-23	Pune	400	675	675	100%	1.69
	Kolkata	Jul-23	Kolkata	270	102	102	100%	0.38
KIMS	Queen's NRI	Jul-24	Vizag	200	80	80	100%	0.40
	Hiranandani Hospital	Mar-24	Thane	300	500	500	100%	1.67
	Kingsway	Aug-22	Nagpur	300	NA	NA	515	NA
ASTER	Asian Fidelis Hospital	May-24	Faridabad	200	120	120	100%	0.60
	Aster Aadhar	Nov-24	Kolhapur	254	NA	NA	13%	NA
	Quality Care Hospital	Nov-24	-	5150	NA	19,555	Merged	3.80
	Ramesh Hospitals	Jul-23	Ongole	710	200	348	58%	0.49
NARH	ENT	Oct-22	Cayman	NA	37.5	37.5	100%	NA
	Shiva Orthopaedic	Sep-22	Bengaluru	100	200	NA	100%	2.00
FORH	Medeor Hospital	Aug-23	Manesar	350	230	230	100%	0.66
YATHARTH	MGS Infotech	Nov-24	Faridabad	400	90	150	60%	0.38

Source: Company

Peer comparison

Companies (₹ crs)	REVENUE					EBITDA margin %				PAT margin %		
	FY2024	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Apollo Hospitals #	19059	21868	26031	30519	13%	14%	14%	15%	5%	7%	7%	8%
KIMS *	2498	3031	3446	4428	26%	26%	26%	26%	12%	14%	14%	14%
Max healthcare *	6849	8877	10751	12531	27%	26%	27%	27%	19%	16%	17%	17%
Global Health (Medanta)	3275	3715	4357	5036	24%	24%	25%	26%	15%	14%	14%	15%
Fortis health	6835	7820	8911	10152	19%	20%	22%	23%	9%	11%	11%	13%
Narayana Hrudayalaya	5018	5541	6335	7154	23%	22%	22%	23%	16%	14%	14%	15%
Aster DM Health	3642	4239	5020	5958	37%	19%	20%	22%	4%	9%	10%	12%

Apollo Hospital – Healthcare segment reported Revenue - ₹9867crs, EBITDA - ₹2356crs, EBITDA margins 24%. PAT margin 13% for FY24

Companies (₹ crs)	Price	Market cap (₹ crs)	EPS				PE				EV/EBITDA			
			FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Apollo Hospitals	6635	95153	62	100	133	169	106	66	50	39	42	33	27	22
KIMS *	630	25240	8	11	12	16	75	55	50	37	38	32	28	22
Max healthcare *	1095	106313	13	14	19	22	82	75	58	50	55	44	36	31
Global Health (Medanta)	1225	32895	18	19	22	27	69	64	55	45	42	37	31	26
Fortis health	698	52767	8	11	13	18	88	64	52	40	39	31	26	21
Narayana Hrudayalaya	1688	34498	39	39	44	54	44	44	38	32	30	29	25	21
Aster DM Health	476	23794	3	7	10	14	184	66	48	34	17	28	23	17

Source: Bloomberg, * Company estimates

Max Healthcare leads the hospital sector with the highest ARPOB (~₹82,000) and robust occupancy (~75%), supported by its strong metro-centric presence (78% of beds) and focus on high-end specialties such as oncology, robotic surgeries, and transplants. Its aggressive expansion strategy targets over 10,000 beds through brownfield and greenfield additions. With highest EBITDA margins (~27%), driven by premium pricing, scale efficiencies, and operational excellence, Max generates steady cash flows and consistent earnings growth. While valuations are rich, they are justified by its strong margin profile and signify as a predictable compounder in affluent urban markets.

In comparison, Apollo Hospitals operates the largest bed base in India with 7,996 beds (as of Q3FY25) and aims to scale to 10,856 beds. It leverages an integrated healthcare model which comprises hospitals, pharmacy, diagnostics & digital health and it strengthens its brand and reach. However, the lower-margin pharmacy and digital segments dilute overall profitability, even though the core hospital business maintains healthy EBITDA margins of 24%. Over FY24–27E, Apollo & MHIL is expected to deliver a revenue CAGR of 17% & 22% & EBITDA & PAT margin 15% & 27% respectively.

KIMS Hospitals, despite being a mid-cap player, is executing a focused and capital-efficient growth strategy. It plans to increase capacity by 38%, from 4,859 beds to 7,744 beds by FY27E. This includes strategic expansion into high-growth regions like Bengaluru and Maharashtra, along with strengthening its leadership in Telangana and Andhra Pradesh. KIMS benefits from a rising ARPOB, strong occupancy, and expanding oncology services, which support a projected 21% revenue CAGR, 22% EBITDA CAGR, and 26% PAT CAGR over FY24–27E. With stable EBITDA margins (26%) and healthy return ratios, KIMS offers an attractive risk-reward profile at current valuations.

Max Healthcare's valuation is high, but it's justified by strong margins, metro-led expansion, and steady long-term growth. **KIMS Hospital's** Valuation looks attractive due to its strong growth plans, efficient use of capital, and increasing share of high-margin specialties and making it a solid mid-cap growth story. **We recommend a buy rating on these stock.**



Upside potential
30%+ in 2 years



Max Healthcare Institute Limited (MHIL)

Investment Rationale

- **ARPOB to Strengthen with Improved Case Mix and Payor Profile:** Max Healthcare has strategically optimized its payor mix by reducing reliance on institutional clients, which have an ARPOB 40-45% lower. Institutional beds declined from 37% in FY20 to ~29% in FY24, with revenue contribution falling to 18%. In 9MFY25, the share rose slightly to 30% due to new hospital additions, but management remains focused on growing high-yield segments like Self-Pay, TPA, and corporate clients. While institutional business helps absorb fixed costs and improves EBITDA per bed, shifting towards premium segments could enhance EBITDA per bed by 12-15% and expand margins by 300-350 bps over time.

Oncology's contribution has steadily grown from 21% in FY22 to 26% in 9MFY25, driven by rising patient demand and specialized infrastructure. Orthopedics also gained traction, increasing from 8% to 11%, while Internal Medicine declined from 12% to 8%, reflecting a shift toward high-value specialties. The addition of Gastroenterology at 5% signals a new growth area. ARPOB, which dipped to ₹50,000 in FY21 due to COVID-19, rebounded to ₹76,000 in FY24, supported by a better specialty mix and a higher share of complex procedures. While ARPOB may stabilize at ₹75,000-76,000 in FY25-26E due to newly acquired hospitals, long-term growth will be driven by scaling operations, expanding bed capacity beyond 10,000, and increasing occupancy rates. As new facilities ramp up and integrate high-value specialties, oncology's contribution will increase significantly, and ARPOB is expected to strengthen further.

- **Capex: Fuelling Bed Expansion and Growth:** MHIL is executing an aggressive capex-driven expansion, aiming to increase bed capacity from 4,302 (July 2024) to over 10,000 in the long term. Between FY25-FY28, MHIL plans to add 3,467 beds with a capex outlay of ₹5,339crs, translating to a cost per bed of ₹1-1.5crs. This includes both brownfield (46%) and greenfield (54%) expansions, ensuring a balance between quick ramp-ups and long-term growth. With a strategic capital allocation plan and a focus on high-value specialties, MHIL is poised to achieve sustained revenue growth, enhanced operational efficiency, and EBITDA margin expansion, driven by its capex-led expansion strategy.
- **Profitability Growth to Outpace Revenue Expansion Over FY24-27E:** MHIL's revenue grew at a 24% CAGR from FY21 to FY24, reported ₹6,849crs, and is estimated to grow at a 22% CAGR from FY24 to FY27E, reaching ₹12,531crs. The strong momentum is driven by improved occupancy, increased capacity, and a higher mix of specialty treatments, supporting sustained revenue expansion. EBITDA margins improved from 10% in FY19 to 28% in FY24, driven by acquisitions that boosted efficiency and cost savings. The sharp jump from 18% in FY21 to 27% in FY22 reflects the benefits of integration. Going forward, margins are expected to stay steady at 27-28% through FY27E.

Financial Snapshot

(₹ crs)

Particulars	FY23	FY24	FY25E	FY26E	FY27E
Revenues	5,904	6,849	8,877	10,751	12,531
EBITDA	1,598	1,840	2,311	2,849	3,321
EBITDA Margin (%)	27%	27%	26%	27%	27%
Net Profit	1,085	1,278	1,386	1,808	2,103
Net Profit margin %	18%	19%	16%	17%	17%
EPS (₹)	11	13	14	19	22
RoE (%)	13%	14%	12%	14%	14%
RoCE (%)	14%	14%	14%	15%	15%
P/E (x)	96	82	75	58	50
EV/EBITDA (x)	63	55	44	36	31

Stock Data

CMP (₹)	1,072
Potential Upside (%)	30%+ (2 years horizon)
Market Cap (₹ tn)	1.04
52 Week H/L (₹)	1,227.95 / 743.10
Sensex	74,227
Nifty	22,536
BSE Code	543220
NSE Code	MAXHEALTH
Bloomberg code	MAXHEALT:IN

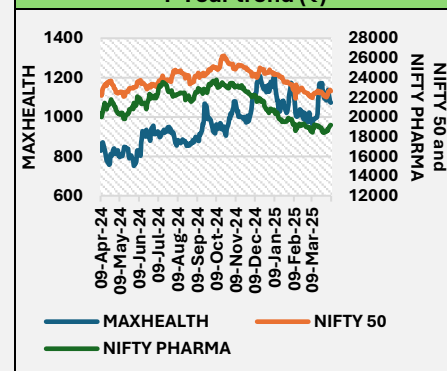
Shareholding Pattern

	Dec-24	Sep-24	Jun-24
Promoter	23.7%	23.8%	23.7%
FII	56.9%	57.2%	57.0%
DII	15.6%	15.1%	15.4%
Public & Others	3.8%	3.8%	3.9%

Relative Price Performance

	1Y	3Y	5Y
MAXHEALTH	31%	197%	861%
Sensex	-0.69%	24.86%	148.30%
Nifty	-0.58%	26.72%	157.59%

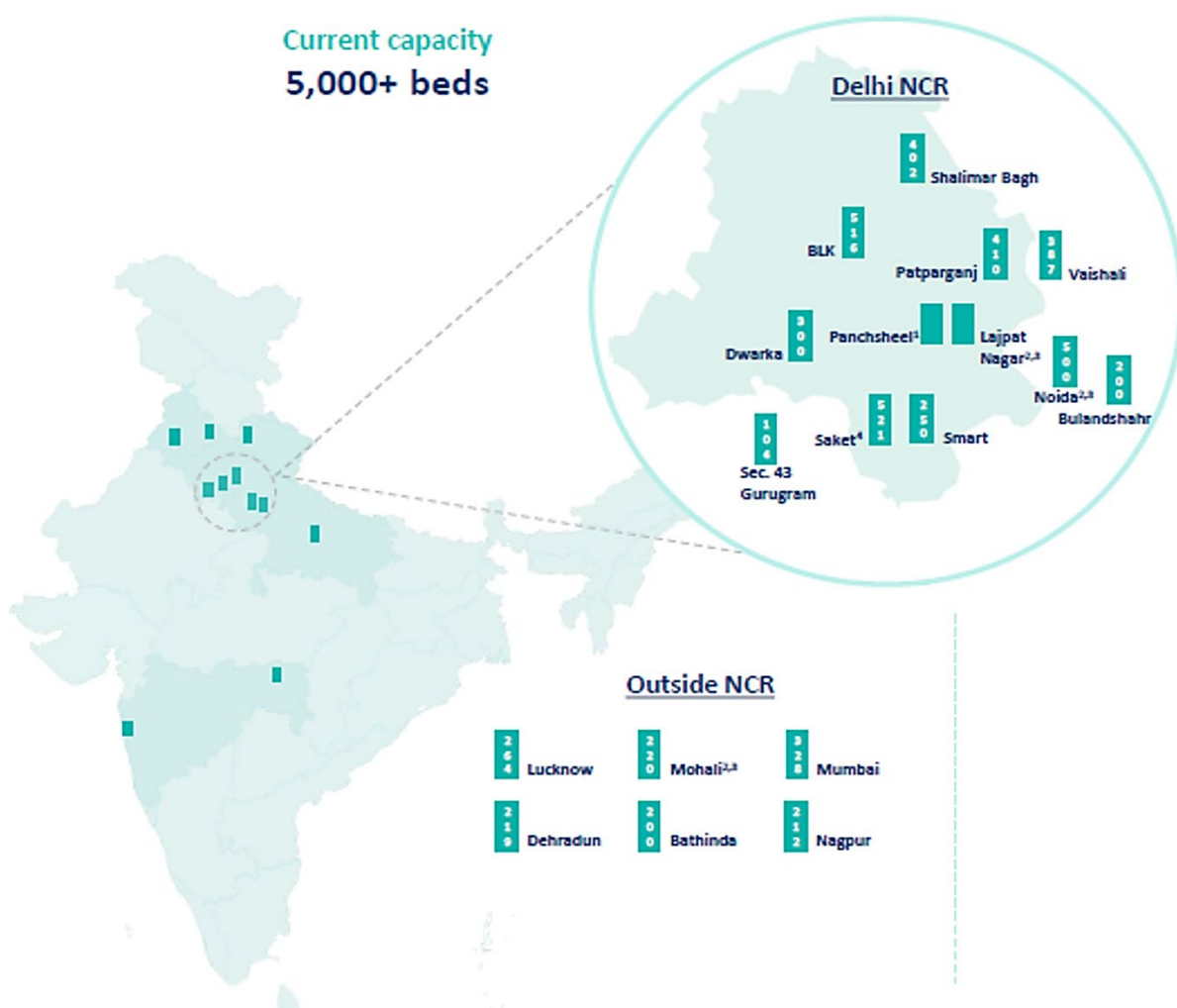
1-Year trend (₹)



About company

Max Healthcare is India’s largest hospital chain, it operates 22 healthcare facilities with a total capacity of 5,000+ beds, maintaining a strong presence in North India. 78% of its beds are in metro cities, with an occupancy rate of 75%.

Hospital Network: Max Healthcare’s network consists of 22 healthcare facilities, with 71% located in Delhi NCR and 29% spread across other cities. In Delhi NCR, the network includes tertiary and quaternary care hospitals at Saket (3 hospitals), Patparganj, Vaishali, Rajendra Place, Dwarka, Noida, and Shalimar Bagh; secondary care hospitals in Gurgaon and Bulandshahr; and medical centres in Noida, Lajpat Nagar (2 centres), and Panchsheel Park. Outside NCR, Max Healthcare operates hospitals in Lucknow, Mumbai, Nagpur, Mohali, Bathinda, and Dehradun, along with a medical centre in Mohali. The hospitals in Mohali and Bathinda operate under a Public-Private Partnership (PPP) arrangement with the Government of Punjab.



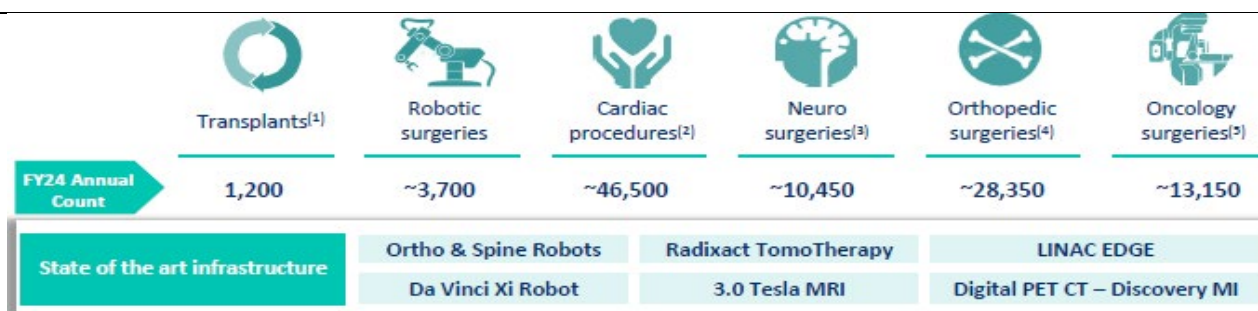
Source: Company

Standalone facilities accounted for the largest share of beds at 46% in 9MFY25.

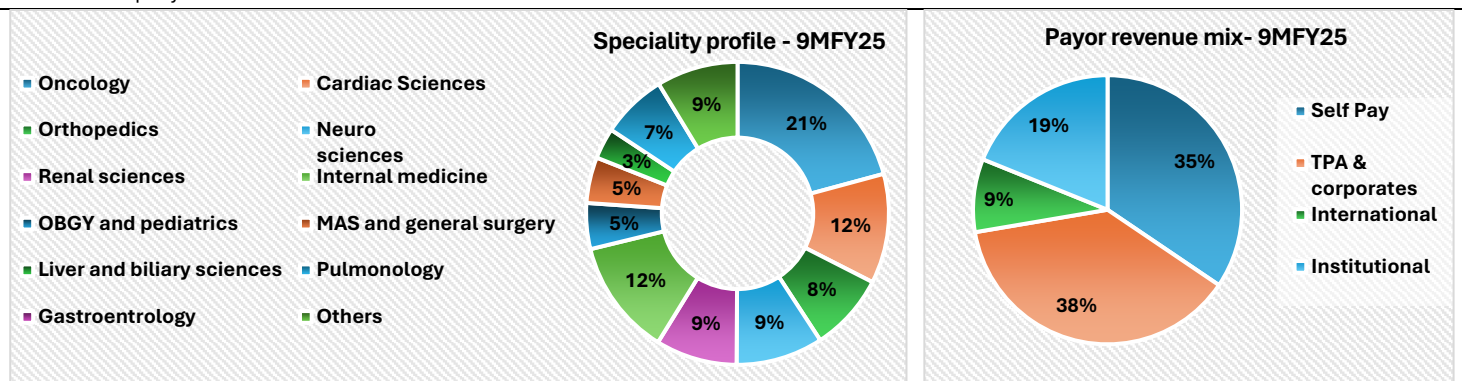
Category	No. of beds (Q3FY25)	Bed share %
Max-Standalone	2298	46%
Shalimar Bagh	402	
Dehradun	219	
Saket West	201	
Dwarka	300	
Lucknow	264	
Nagpur	212	
Noida	500	
Bulandshahr	200	
PHF (Partner Healthcare Facilities)	980	19%
Patparganj	410	
Saket East	320	
Smart	250	
Subsidiaries	911	18%
Hometrail Buildtech Private Limited (HBPL; Bhatinda & Mohali)	420	
ALPS (Gurugram)	104	
Crosslay Remedies Limited (CRL; Vaishali and Noida)	387	
Radiant	844	17%
BLK	516	
Nanavati*	328	
Total Beds	5,033	

Source: Company

MHIL has demonstrated expertise in complex medical procedures, performing 1,200 transplants, ~3,700 robotic surgeries, ~46,500 cardiac procedures, ~10,450 neuro surgeries, ~28,350 orthopedic surgeries, and ~13,150 oncology surgeries in FY24. Till date, the hospital has conducted 3,259 liver transplants, 4,564 kidney transplants, and 1,943 bone marrow transplants. Equipped with state-of-the-art medical infrastructure, including Ortho & Spine Robots, Da Vinci Xi Robot, Radixact TomoTherapy, 3.0 Tesla MRI, LINAC EDGE, and Digital PET CT – Discovery MI, Max Healthcare continues to be a leader in advanced surgical and diagnostic capabilities.



Source – company



Source - company

In addition to its hospital network, Max Healthcare operates Max@Home and Max Labs, expanding its reach beyond hospital-based care.

- Max Labs provides diagnostic services through ~500 partner-run collection centres, 23 company-owned collection centres (CoCCs), ~170 Phlebotomists At Site (PAS), 375+ Pick-Up Points (PUPs), and 50+ High-end Lab Machines (HLMs), On-location Labs (OLMs), and Labs, covering 48 cities with a partner count of 1,205 (as of Dec 2024).
- Max@Home offers home-based healthcare services with 15 specialized service lines, a ~1,400-strong team, ~130 medical rooms, and operations across 14 cities, maintaining a 50%+ repeat transactional service patient share over one year. These businesses enhance Max Healthcare’s service portfolio, strengthening its presence in diagnostics and homecare.

Experienced Leadership & Dynamic Management Team:

MHIL is driven by a highly experienced Board and a dynamic management team, commanding its growth and transformation. Under the leadership of Abhay Soi (Promoter, Chairman & Managing Director), MHIL has expanded significantly, strengthening its position among India's largest hospital chains. The company operates with a strong governance framework, guided by industry veterans, healthcare experts, and strategic advisors who ensure operational excellence and long-term value creation.



Source - company

Investment Rationale

ARPOB to Strengthen with Improved Case Mix and Payor Profile

Optimizing Revenue Mix: Institutional Business and Profitability

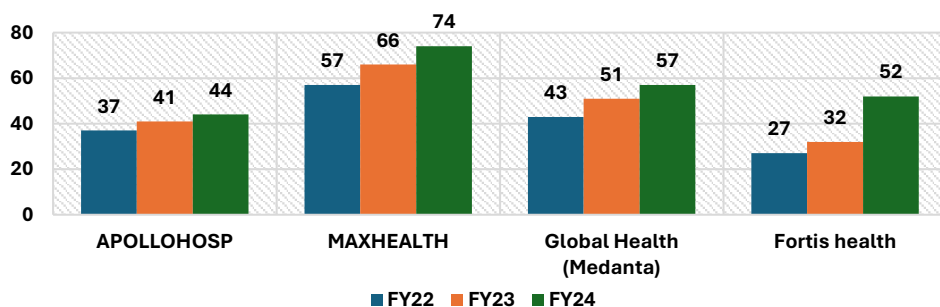
- MHIL has strategically optimized its payor mix by reducing reliance on institutional clients while maintaining a balance to optimize profitability. In FY20, institutional clients accounted for 37% of operational beds but contributed only 26% of total revenue due to their 40-45% lower ARPOB. Through sustained efforts, Max reduced the share of institutional beds to ~29% in FY24, with their revenue contribution declining to 18%.
- In 9MFY25, institutional bed share increased slightly to 30%, with management emphasizing that while new hospital additions may temporarily raise institutional business, the focus remains on expanding preferred channels like Self-Pay, TPA, and corporate segments. Institutional business plays a crucial role in covering fixed costs, making it a viable option when there is idle capacity. Despite its ~45% lower ARPOB, the incremental revenue from these beds improves EBITDA per bed due to a more favorable cost structure. Over time, replacing institutional business with higher-yielding segments could increase EBITDA per bed by 12-15% and expand margins by 300-350 bps. However, when strategically utilized, institutional business contributes to cost absorption and enhances profitability on a per-bed basis.

Payor profile (bed share)	FY20	FY21	FY22	FY23	FY24
Self pay, TPA & corporates	58%	64%	66%	66%	66%
International	5%	2%	3%	5%	6%
Institutional	37%	34%	31%	29%	29%

Payor revenue mix	FY20	FY21	FY22	FY23	FY24	9MFY25
Self Pay	37%	37%	38%	36%	34%	35%
TPA & corporates	26%	32%	37%	38%	39%	38%
International	11%	4%	6%	9%	9%	9%

Source - company

Max Healthcare Leads in EBITDA per Operating Bed (₹ lacs)



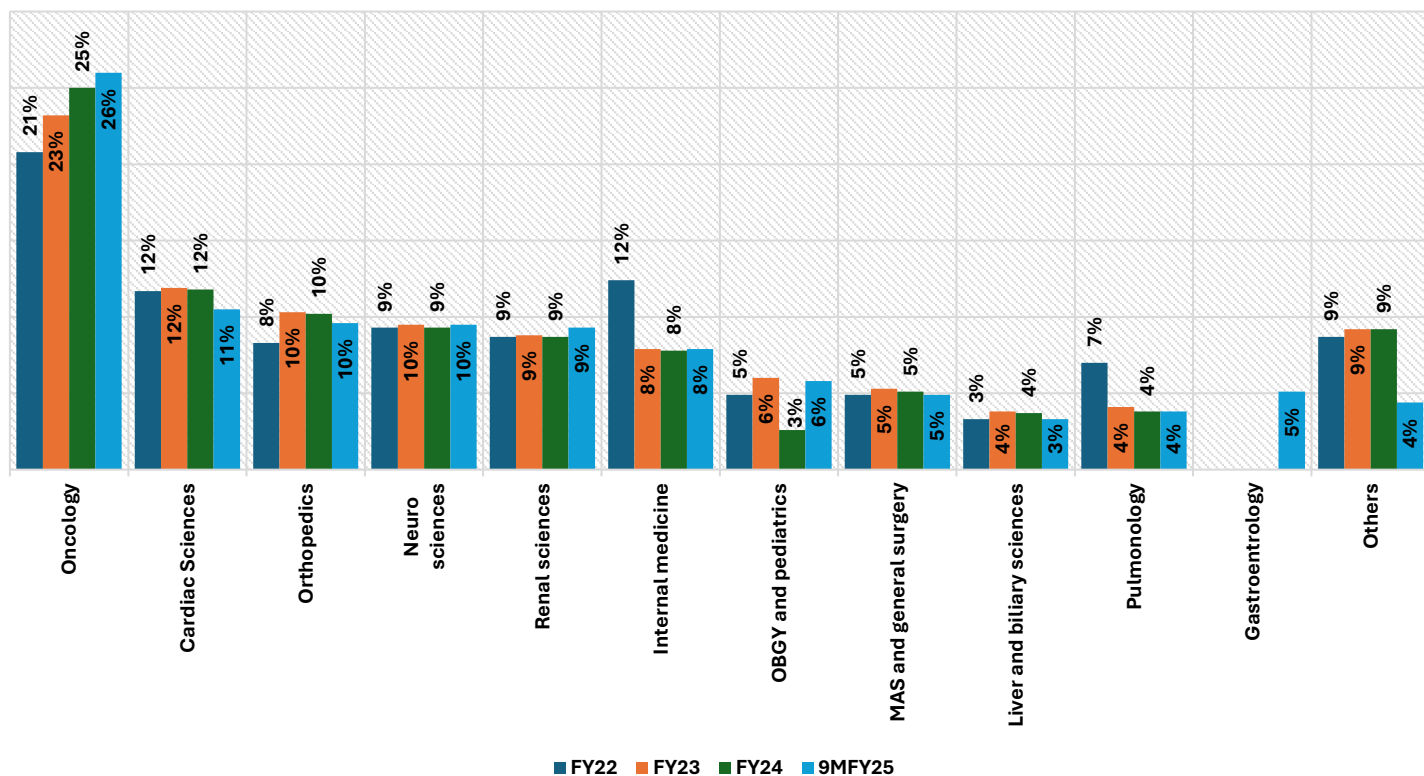
Source: Company

Specialty Mix to improve: Shift Towards High-Value Services

Oncology contribution has shown steady growth from 21% in FY22 to 26% in 9MFY25, reflecting an increased focus on cancer treatment, likely driven by higher patient demand and specialized infrastructure. Orthopedics has also gained traction, rising from 8% to 11%, suggesting a growing volume of procedures. Neurosciences, Cardiac, and Renal Sciences have remained stable, while Internal Medicine declined from 12% to 8%, indicating a shift towards high-value specialties. The decline in Pulmonology and Other therapies suggests a reduced reliance on COVID-era treatments, whereas the addition of Gastroenterology at 5% in 9MFY25 signals a new growth area.

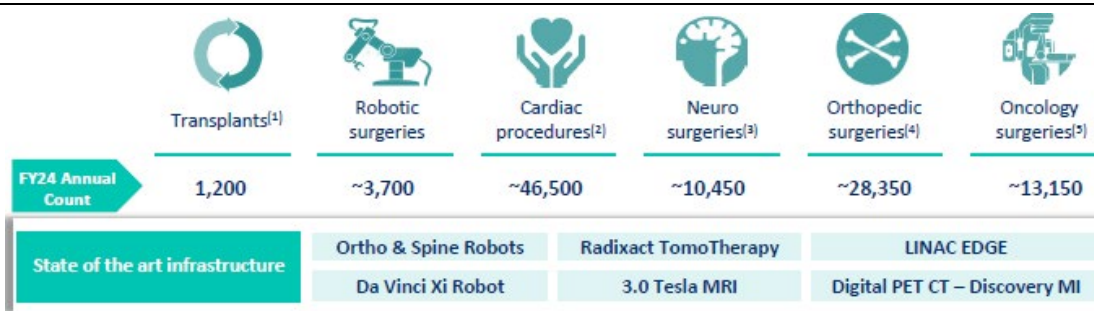
Going ahead, the hospital expects Oncology’s contribution to increase further, reaching 29-30%, as new oncology infrastructure, including operational beds in Lucknow and Dwarka, comes online. While the current pie reflects an improvement in oncology business, its overall share appears subdued due to new hospital acquisitions, which currently have a lower case mix. However, as these facilities ramp up, oncology’s share is expected to see significant growth.

Specialty Mix to improve: Shift Towards High-Value Services



Source: Company

MHIL has demonstrated expertise in complex medical procedures, performing 1,200 transplants, ~3,700 robotic surgeries, ~46,500 cardiac procedures, ~10,450 neuro surgeries, ~28,350 orthopedic surgeries, and ~13,150 oncology surgeries in FY24. Till date, the hospital has conducted 3,259 liver transplants, 4,564 kidney transplants, and 1,943 bone marrow transplants. Equipped with state-of-the-art medical infrastructure, including Ortho & Spine Robots, Da Vinci Xi Robot, Radixact TomoTherapy, 3.0 Tesla MRI, LINAC EDGE, and Digital PET CT – Discovery MI, Max Healthcare continues to be a leader in advanced surgical and diagnostic capabilities.

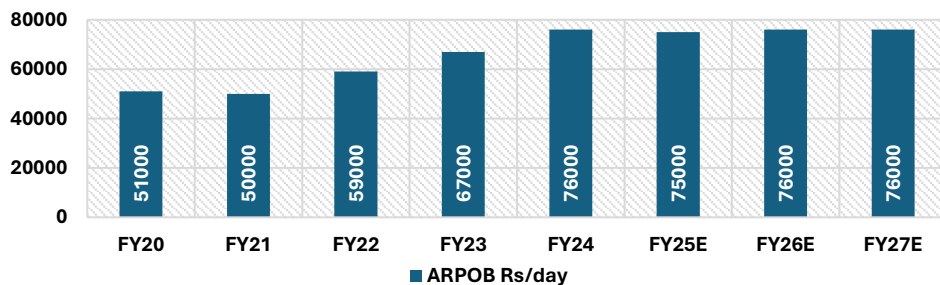


Source – company

ARPOB to Strengthen with Improved Case Mix and Payor Profile:

ARPOB declined slightly in FY21 (₹50,000) due to the impact of COVID-19 but rebounded strongly in subsequent years. FY22 (₹59,000) and FY23 (₹67,000) saw steady increases, driven by a better specialty mix, a higher share of complex procedures, and an increase in premium treatments. FY24 (₹76,000) marks a peak, reflecting the hospital’s strategic shift towards oncology, orthopedics, and other high-margin services.

ARPOB to Maintain Steady Levels



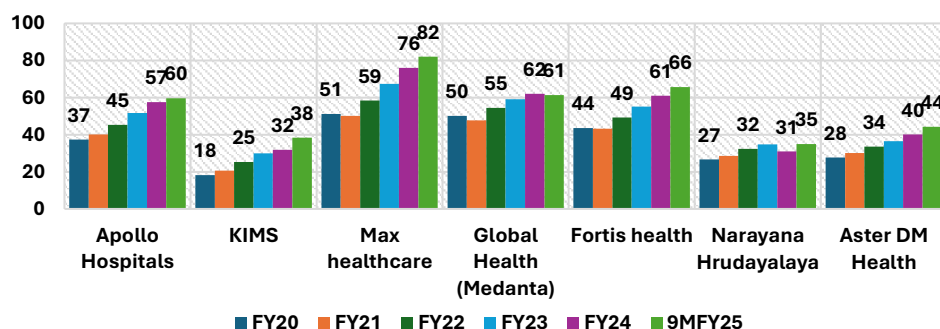
Source – company

ARPOB is expected to stabilize at approximately ₹75,000-76,000 in FY25-26E, reflecting the temporary impact of newly acquired hospitals, which typically generate lower initial revenue per bed. However, as these facilities scale up and integrate high-value specialties such as oncology and orthopaedics, ARPOB is expected to find stability.

Going forward, revenue growth will be primarily driven by bed capacity expansion and higher occupancy rates rather than price hikes. With an ambitious plan to exceed 10,000 beds, the hospital's focus will be on scaling operations efficiently while maintaining a robust specialty mix. Additionally, improved utilization of new facilities and a growing share of complex procedures could further accelerate revenue growth.

Max Healthcare maintains the highest ARPOB among peers, reaching ₹82,000 in 9MFY25. Overall, hospital ARPOB has grown at an average CAGR of 9-10%, reflecting steady improvement in pricing and service mix.

MHIL - highest ARPOB ('000) among peers, Industry ARPOB ('000) has grown at an average CAGR of 9-10%.

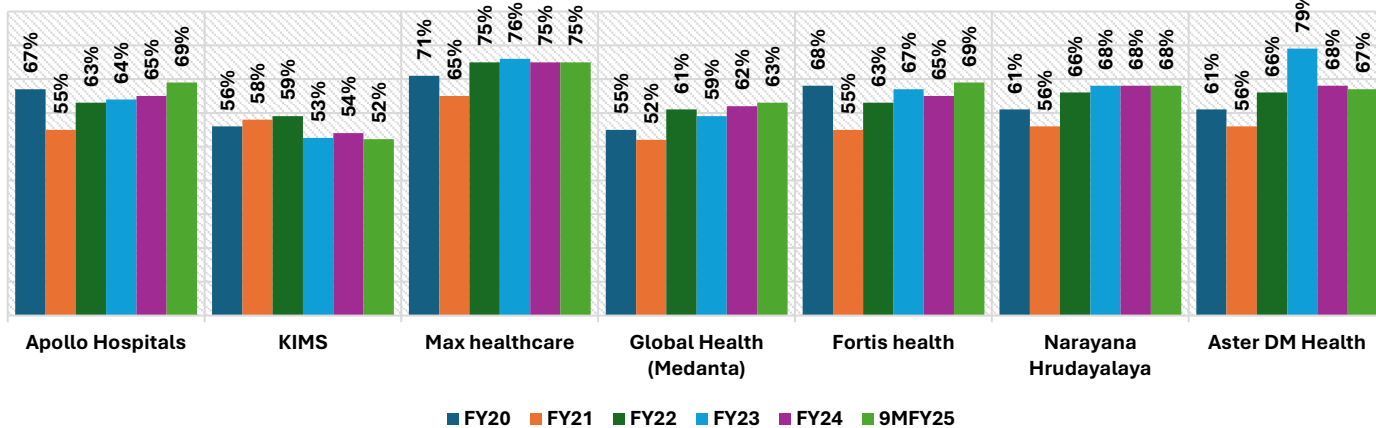


Source – company

Max Healthcare leads in both occupancy (75%) and ARPOB (₹82,000), reflecting strong demand and premium service offerings. Apollo Hospitals and Fortis maintain a balanced approach, with stable occupancy (69%) and steady ARPOB growth (~₹60,000-₹66,000). KIMS, despite the fastest ARPOB growth (16% CAGR) to ₹38,000,

struggles with low occupancy (52%), impacting utilization efficiency. Medanta shows gradual improvement, while Narayana Hrudayalaya (68%) and Aster DM (67%) remain consistent but need to drive ARPOB growth. Overall, hospitals with higher occupancy and premium pricing models—like Max, Apollo, and Fortis—demonstrate stronger operational leverage.

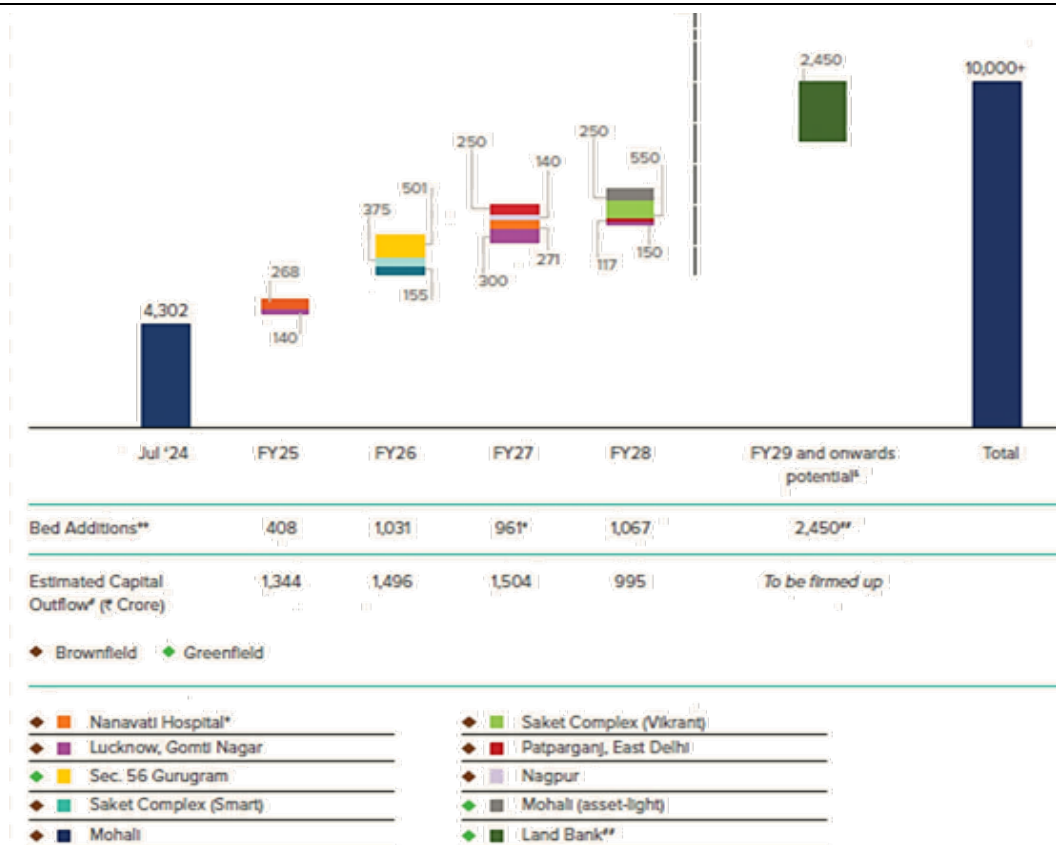
MHIL leads in both ARPOB & Occupancy



Source – company

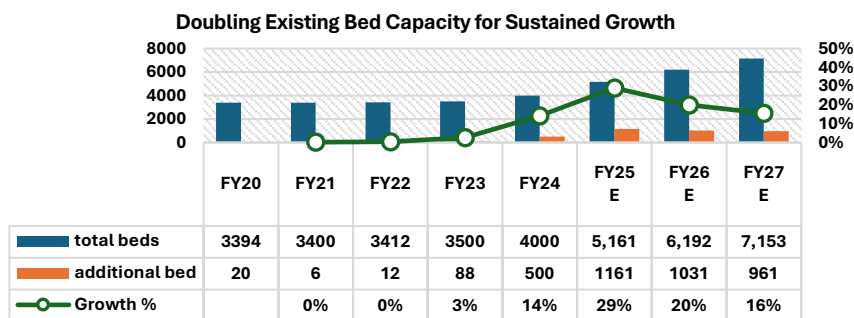
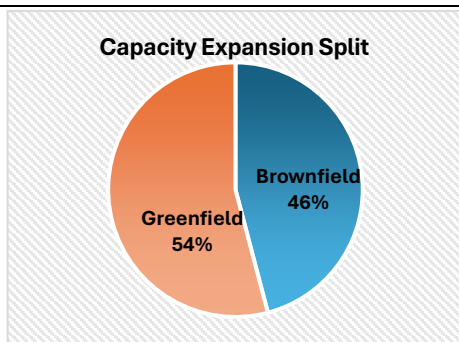
Capex: Fuelling Bed Expansion and Growth

MHIL follows a hybrid asset-light model, differentiating itself from peers by employing a diverse range of expansion strategies. These include brownfield and greenfield developments, mergers and acquisitions, as well as partnerships through operations and management services (O&MS).



Source – company

The hospital is undergoing significant expansion, aiming to increase its bed capacity from 4,302 in July 2024 to over 10,000 beds in the long term. Between FY25 and FY28, approximately 3,467 beds will be added across multiple locations, with an estimated capital outflow of ₹5,339crs, translating to a capex per bed of ₹1-1.5crs. Beyond FY29, an additional 2,450 beds are planned, subject to confirmation. The expansion includes both brownfield and greenfield projects in key locations such as Nanavati, Lucknow, Gurugram, Saket, Mohali, East Delhi, and Nagpur. Some sites will require demolitions before adding new beds, while the company also holds land parcels in Delhi, Greater Noida, Lucknow, and Gurugram for future expansion.



Source – company

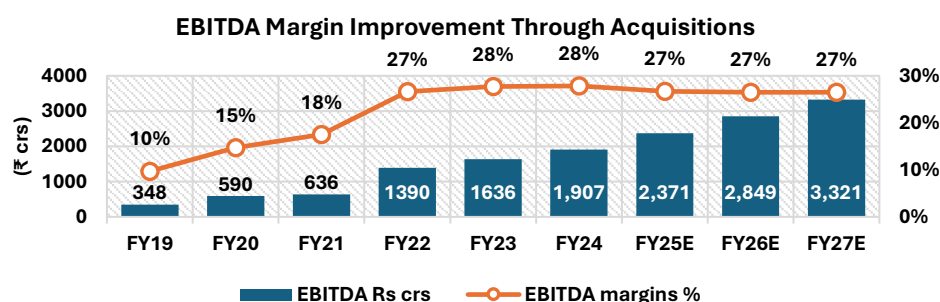
The hospital’s expansion strategy is balanced between 54% greenfield (~2,500 beds) and 46% brownfield (~3,000 beds). Greenfield projects, such as Saket and Mohali, will drive long-term growth, while brownfield expansions in Lucknow, Nanavati, and Patparganj ensure faster ramp-up through existing patient volumes.

Brownfield Expansion: Enhancing Capacity for Faster Growth: Brownfield expansion focuses on increasing capacity within existing hospitals through infrastructure upgrades, new blocks, ensuring cost efficiency and quicker execution. Over FY25-FY28, key projects in Lucknow, Nanavati, Saket, and Patparganj will strengthen the hospital's network.

Greenfield Expansion: Driving Long-Term Growth: MHIL’s greenfield expansion strategy focuses on building new hospitals in high-demand, underserved regions to strengthen its market presence and cater to the rising need for advanced healthcare services. These projects require significant capital investment but offer substantial long-term growth potential.

Between FY25 and FY28E, the company plans to add approximately 2,500 beds through greenfield projects, including key developments such as the Saket Complex (Smart) with 501 beds (FY26) and Mohali under an asset-light model with 250 beds (FY27). Additionally, MHIL has secured a land bank for future expansion, with the potential to add 2,450 beds across Delhi, Greater Noida, Lucknow, Gurugram, and Mullanpur from FY29 onwards.

MHIL’s Strategic Acquisitions to Drive Expansion and Margin Growth: Max Healthcare (MHIL) has a strong track record of successful acquisitions and turnarounds, as seen in its merger with Radiant in FY20, which helped expand EBITDA margins from 9.5% in FY19 to 26% in FY22.



Source – company

In FY24 and FY25, MHIL made three key acquisitions: Jaypee Healthcare (₹1,660crs) adding 700 beds in Noida and Bulandshahr, with plans to expand Noida to 1,200 beds; Sahara Hospital, Lucknow (₹993crs) with 550 total beds (250 operational); and Alexis Hospital, Nagpur (₹395crs) with 200 beds. These deals, with EV/Sales multiples of 2x to 4.8x and EV/EBITDA multiples of 16.45x to 24x, support MHIL's strategy of expanding in high-growth regions while improving EBITDA margins and profitability.

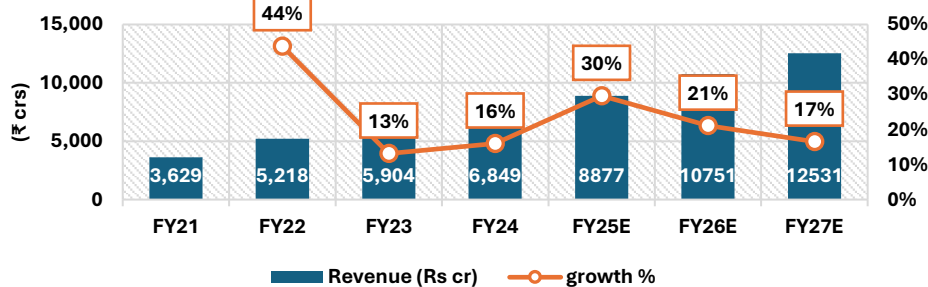
Acquisition	Transaction/ Enterprises Value (₹ crs)	Operational Beds Capacity	Total beds	Pre-Acquisition KPIs	EV/ Sales	EV/ EBITDA	EV/beds (₹ crs)
Jaypee Healthcare (JHL)	1,660	700	700	Revenue - ₹421crs, EBITDA ₹70crs, EBITDA Margin 16.6%	4.0x	24.0x	2.37
Sahara Hospital, Lucknow	993	250	550	Revenue - ₹207crs, EBITDA ₹42crs, Margin 20%, Occupancy 57%, ARPOB ₹47,000	4.80x	23.65x	1.81
Alexis Hospital, Nagpur	395	200	200	Revenue - ₹169crs, EBITDA ₹24crs, Occupancy 60%, ARPOB ₹46,000	2.0x	16.45x	1.98

Source – company

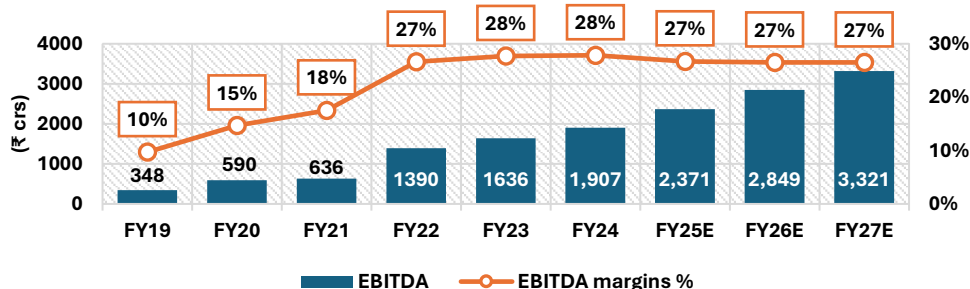
Profitability Growth to Outpace Revenue Expansion Over FY24-27E

Max Health's revenue grew at a 24% CAGR from FY21 to FY24, reported to ₹6,849crs, and is estimated to grow at a 22% CAGR from FY24 to FY27E, reaching ₹12,531crs. The strong momentum is driven by improved occupancy, increased capacity, and a higher mix of specialty treatments, supporting sustained revenue expansion. EBITDA margins improved from 10% in FY19 to 28% in FY24, driven by acquisitions that boosted efficiency and cost savings. The sharp jump from 18% in FY21 to 27% in FY22 reflects the benefits of integration. Going forward, margins are expected to stay steady at 27-28% through FY27E.

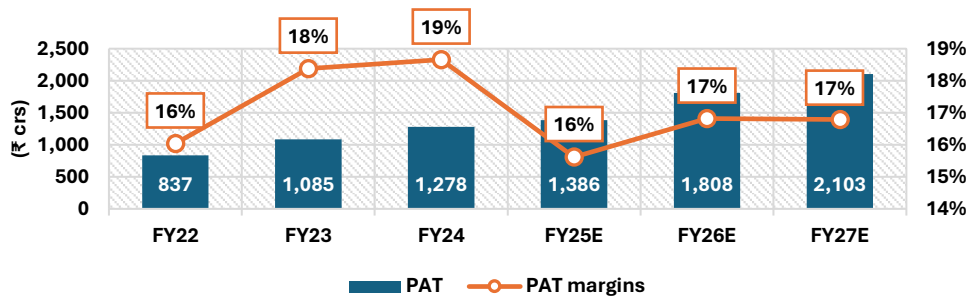
Revenue to grow at 22% CAGR during FY24-27E



EBITDA Margin Improvement Through Acquisitions



Improvement in margins

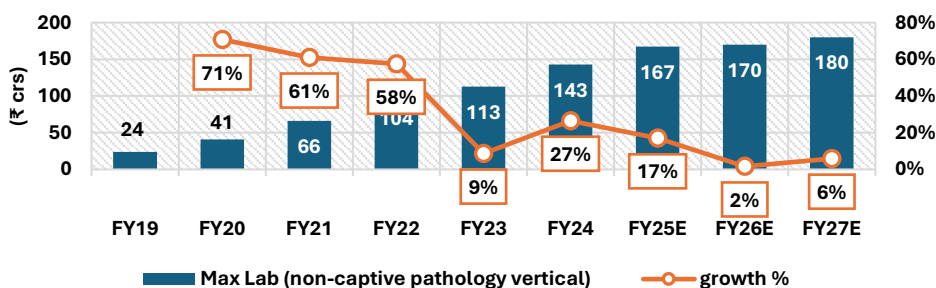


Source – company

Max Lab: Growth Normalizing After COVID Surge

Max Lab's revenue surged at a 43% CAGR from FY19 to FY24, reported ₹143crs, primarily driven by COVID-related testing demand. Growth peaked between FY19-22 (71%-58%) but dropped sharply post-pandemic, declining to 9% in FY23 before rebounding to 27% in FY24. Going forward, revenue is expected to grow at an 8% CAGR from FY24 to FY27E, reaching ₹180crs.

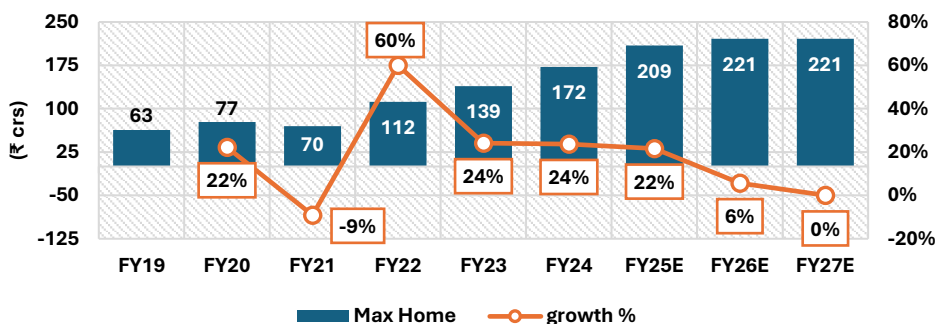
Max Lab: Growth Normalizing After COVID Surge



Source – company

Max Home experienced strong growth post-FY21, with a peak of 60% in FY22, followed by steady 21-24% growth until FY25E. Growth is expected to slow to 6% in FY26E before stabilizing in FY27E.

Max Home: steady growth



Source – company

Q3FY25 performance & Concall Highlights

During Q3FY25, the company reported a 35% YoY and 7% QoQ growth in net revenue, reaching ₹2,281crs in Q3, with ₹264crs contributed by newly acquired units. Excluding acquisitions, core units delivered 19% YoY and 1% QoQ revenue growth during the quarter.

EBITDA increased 29% YoY and 10% QoQ to ₹601crs, including ₹65crs from acquired units. This reflects a ~415bps YoY contraction in Q3 EBITDA margin for core hospitals, settling at 23.5%, while the consolidated EBITDA margin declined by 130bps YoY to 26.3%. PAT for Q3FY25 stood at ₹315crs, reflecting a 7% YoY decline from ₹338crs in Q3FY24 and a 10% QoQ drop from ₹349crs in Q2FY25.

Hospital Business:

- Overall ARPOB declined 1% YoY to ₹75.9K, despite a 7% YoY growth in existing units to ₹82K.
- Occupancy improved to 75% (vs. 73% in Q3FY24), though lower than 81% in Q2FY25.
- EBITDA per bed: Overall declined 4% YoY to ₹73 lacs, but existing units saw a 9% YoY increase to ₹83 lacs.
- Patient Volumes: In-Patient (IP) volume: 80.5K, up 42% YoY. Out-Patient (OP) volume: 825K, up 40% YoY.

Payor Mix: International patients share declined by 40bps YoY to 9%. Corporate/TPA share declined 130bps YoY to 38%. Institutional share increased 160bps YoY to 20%. Cash Payments share remained flat YoY at 33%.

Max Labs – Diagnostics Business:

- **Revenue:** Grew 24% YoY to ₹42crs, with gross billing value up 25% YoY to ₹70crs.
- **Volume & Pricing:** Number of bills increased 15% YoY to 498K and Average realization per bill rose 9% YoY to ₹843. With operating leverage improving, EBITDA surged 3x YoY to ₹5.9crs, expanding margins by 875bps to 14%.

Max @Home – Home Healthcare Services:

- **Revenue:** Grew 25% YoY to ₹55crs.
- **Volume & Pricing:** Number of bills increased 17% YoY to 331K and Average realization per bill grew 6% YoY to ₹1,662. Assistance services were the fastest-growing segment, with revenue contribution increasing 700bps YoY to 30%.

Expansion Plans:

- **Thane Hospital:** Entering the Thane market with a 500-bed hospital via a lease agreement. Hospital is expected to be commissioned by FY28.
- **Zirakpur, Mohali:** Expanding capacity from 250 to 400 beds, with expected commissioning in FY28.

Other key highlights:

- Dwarka Greenfield Facility: Achieved operational breakeven in a record six months.
- Insurance & Institutional Pricing: No price hike expected in the insurance segment, but prices in the institutional segment are likely to increase.
- Case Mix: Oncology share expected to rise as new facilities add specialized infrastructure.
- Institutional Bed Share: Expected to increase with new capacity additions; focus remains on growing preferred channels rather than reducing institutional business.

Expansion Updates:

- **Lucknow Facility (128 beds):** 64 beds commissioned in January 2025. 65 additional beds to be added in February 2025. The company is awaiting approval to expand from 13th to 17th floor, adding another 140 beds.
- **Mohali Facility:** ARPOB at ₹55K; new Zirakpur facility expected to have a similar ARPOB.
- **Nagpur Facility:**
 - The company's target to reach RoCE level 20-25% at newer facilities which currently at 10-11%.
 - Environmental clearance (EC) expected by March 2025, with operationalization within 24 months thereafter.
- **Nanavati Phase-1 (268 beds):** On track for completion in 3-4 months.
- **Max Smart & Mohali Facilities:** Expected to be completed by Q1FY26.
- **Sector 56, Gurgaon:** Phase-1 (300 beds) to be completed by Q3FY26.
- **Max Vikrant:** Awaiting forest department clearance; management remains hopeful for the clearance to come soon.

New Expansion Announcements:

- **Thane Hospital:**
 - 600K sq. ft. built-to-suit facility in partnership with an external developer.
 - Expected to commence operations by FY28.
 - Estimated cost per bed: ₹2crs (Mumbai location).
 - Investment for Thane & Zirakpur limited to medical equipment, with an estimated outlay of ₹150-200crs.
- **PHF Fee Revision:** Every 2 years fees are revised. The company will get additional ₹25crs from Balaji Society.
- **EBITDA Contribution:** Every incremental bed operationalized post-launch to contribute around 52% of revenue straight to EBITDA.
- During Q3FY25, expansion & upgradation costs spent ₹360crs in Q3FY25 and ₹790crs in 9MFY25.
- **Net Debt:** Stood at ₹1600 as of December 31, 2024.
- **Capacity Ramp-Up:** Major growth expected from Nanavati, Mohali, and Max Smart facilities in the next six months.

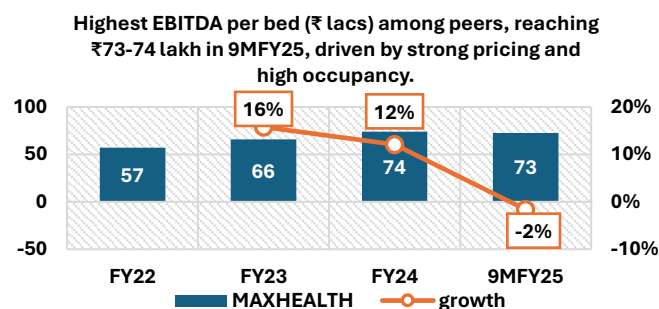
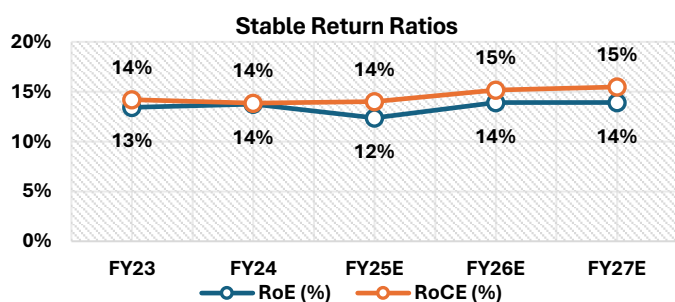
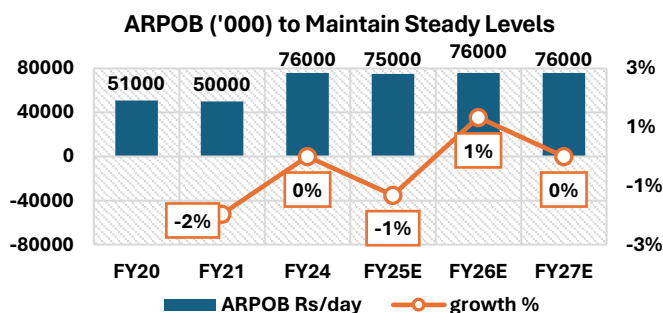
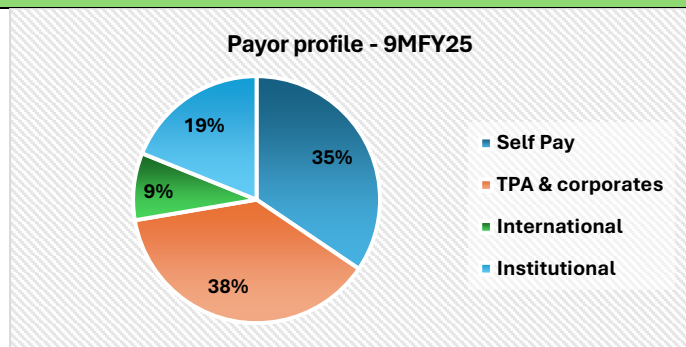
Valuation & Outlook

The management plans to double its current bed capacity to over 10,000 beds within the next 4-5 years through a combination of brownfield, greenfield, and acquisition-led expansions. The company's recent shift towards a lease-based (build-to-suit) model is expected to enhance return ratios. A strong focus on specialty mix and international patients will support a healthy ARPOB.

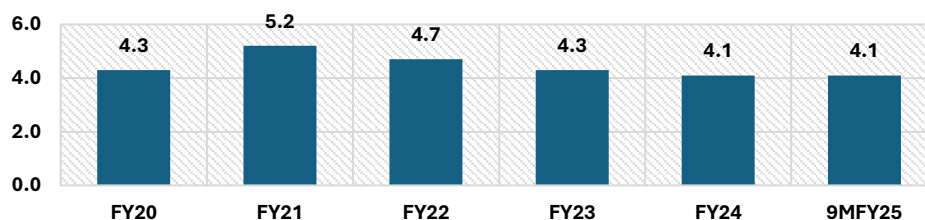
We anticipate margin improvements as the expansion strategy balances brownfield and greenfield projects. Over FY24-27E, we project a Revenue/EBITDA/PAT CAGR of 22%/22%/18%, with EBITDA per operational bed expected to increase. However, margins are likely to remain stable at ~27%.

We assign a BUY rating with a two-year investment horizon, based on a FY27E valuation. Our approach incorporates an EV/EBITDA multiple of 31x and a P/E multiple of 50x for FY27E. Using an SOTP framework, we value Hospitals at 33x EV/EBITDA, Max Labs at 23x EV/EBITDA, and Max@Home at 3x EV/Sales.

Story in Chart



Declining ALOS Reflects Improved Patient Turnover Efficiency



Source – company

Consolidated Quarterly performance

Particulars	Q3FY25	Q3FY24	YoY %	Q2FY25	QoQ %	9MFY25	9MFY24	YoY %
Net revenue	2,281	1,689	35%	2,125	7%	6,341	5,050	26%
Direct costs	883	650	36%	843	5%	2,499	1,967	27%
% of sales	39%	38%	1%	40%	-2%	39%	39%	1%
Gross profit	1,398	1,038	35%	1,282	9%	3,842	3,082	25%
Gross profit margins %	61%	61%		60%		61%	61%	
Indirect overheads	776	567	37%	716	8%	2,155	1,677	29%
% of sales	34%	34%	1%	34%	1%	34%	33%	2%
Reported EBITDA	601	467	29%	546	10%	1,627	1,363	19%
EBITDA margins %	26%	28%		26%		26%	27%	
Finance cost/(income)	35	-14	-350%	5	600%	48	-34	-241%
Depreciation and amortisation	106	70	51%	97	9%	293	200	47%
Profit before tax	460	411	12%	444	4%	1,286	1,197	7%
Tax	71	73	-3%	95	-25%	253	230	10%
Profit after tax	315	338	-7%	349	-10%	959	967	-1%
Net Profit margins %	14%	20%		16%		15%	19%	
EPS - Reported	3.24	3.48	-7%	3.59	-10%	10	10	-1%

Source – company

Financial Performance

	(₹ crs)				
Income Statement	FY23	FY24	FY25E	FY26E	FY27E
Net revenue	5,904	6,849	8877	10751	12531
Direct costs	2,304	2,675	3,488	4,300	5,012
% of sales	39%	39%	39%	40%	40%
Gross profit	3,600	4,174	5,389	6,451	7,518
Gross profit margins %	61%	61%	61%	60%	60%
Indirect overheads	1,964	2,267	3018	3602	4198
% of sales	33%	33%	34%	34%	34%
EBITDA	1,598	1,840	2,311	2,849	3,321
EBITDA margins %	27%	27%	26%	27%	27%
Finance cost/(income)	39	-38	83	97.5	97.5
Depreciation and amortisation	260	284	399	463	561
Profit before tax	1,299	1,594	1,829	2,289	2,663
Exceptional			-74		
Profit before tax after exceptional item	1,299	1,594	1,755	2,289	2,663
Tax	214	316	369	481	559
Profit after tax	1,085	1,278	1,386	1,808	2,103
Net Profit margins %	18%	19%	16%	17%	17%
EPS - Reported	11.16	13.15	14.26	18.60	21.64

Balance Sheet	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	970	970	970	970	970
Total Reserves	7100	8325	10233	12041	14144
Net worth	8070	9295	11202	13010	15114
Total Loan	682	1177	1211	1500	1500
lease liabilities & provision	729	721	1182	1182	1182
Deferred Tax Liability / (Deferred Tax Asset)	-50	37	37	37	37
Total Liabilities	9430	11230	13632	15729	17833
Goodwill	3773	4267	4266	4266	4266
Net tangible Assets (incl. New Units & CWIP)	3458	4496	5624	7120	8624
Investment Property		63	726	726	726
Intangible Assets (incl. brand and O&M rights)	681	737	699	699	699
Right to Use Assets (incl. leasehold land for New Units)	203	689	1133	1133	1133
total Fixed Assets	8115	10252	12448	13944	15448
Current Assets					
Cash & Bank balance	1565	1286	1588	2275	2956
Trade Receivables	434	600	778	943	1099
Inventories	104	106	146	177	206
Investments	2	3	4	4	4
Current Liabilities	789	1017	1332	1613	1880
Net working capital	1316	978	1185	1786	2385
Total Assets	9430	11230	13633	15730	17833

Key ratio	FY23	FY24	FY25E	FY26E	FY27E
P/E Ratio	96	82	75	58	50
EV/Net sales (x)	18	15	12	10	8
EV/EBITDA (x)	63	55	44	36	31
RoE (%)	13%	14%	12%	14%	14%
RoCE (%)	14%	14%	14%	15%	15%
Debt/equity	0.08	0.13	0.11	0.12	0.10
Interest coverage	34.31	-40.95	23.03	24.47	28.31

Source – company



Upside potential
30% in 2 years



Krishna Institute of Medical Sciences Ltd.

Investment rationale

- **Strengthening Its Dominance in Telangana & Andhra Pradesh:** KIMS Hospitals is expanding its network with major capacity additions in Kondapur (500 beds by FY27), Rajahmundry (350 beds), and Anantapur (250 beds) to strengthen its presence in Telangana and Andhra Pradesh. Telangana currently contributes 65% of revenue and 73% of EBITDA, while Andhra Pradesh accounts for 27% of revenue and 24% of EBITDA. These expansions will increase total bed capacity by 30% to 5,446 beds by FY27E, reinforcing KIMS' leadership in South India.
- **Expanding Footprint: Strengthening Core Markets and Entering New Regions** - KIMS Hospitals prioritizes an equity partnership model over greenfield projects, enabling faster expansion and better doctor retention. Its doctor participation model, successfully implemented in Sunshine, Kingsway, and Maharashtra expansions, helps attract top clinical talent and achieve quicker breakeven. In Maharashtra, KIMS is expanding through partnerships in Nagpur, Thane, Nashik, and Sangli. Meanwhile, in Bengaluru, the company is investing ₹709crs to develop two multi-specialty hospitals – a 450-bed facility in Mahadevapura (Q1FY26 launch) and a 350-bed hospital in Electronics City (Q2FY26 launch) under a 25-year lease with PES unit. The Bengaluru expansion is strategically positioned to attract patients from Andhra Pradesh's bordering districts and strengthen KIMS' presence in new regions.
- **Focused Capex Strategy for Bed Expansion and Market Growth:** KIMS Hospitals is expanding its capacity by 38%, increasing total beds from 4,859 in Q3FY25 to 7,744 across eight locations with a ₹1,830-2,050crs capex, completing between Q1FY26 and Q4FY27. Key expansions include Bengaluru (800 beds, ₹530-600crs capex) and Mumbai (Thane) with the highest capex per bed at ₹1.75crs. By FY27E, total beds will nearly double to 7,744, with Andhra Pradesh growing 1.65x to 3,149 beds, Telangana 1.33x to 2,297 beds, and Maharashtra tripling to 959 beds. Kerala remains stable at 539 beds, while Bengaluru marks KIMS' entry with 800 beds by FY27, further strengthening its regional presence.
- **Expansion-Driven Growth with Focus on ARPOB and Specialty Offerings will drive revenue and profitability:** KIMS Hospitals' revenue grew at a 25% CAGR over the last six years, reported ₹2,498crs in FY24, and is estimated to grow at a 21% CAGR to ₹4,428crs over F24-FY27E. EBITDA margins improved from 21% in FY18 to 26% in FY24 and are expected to remain stable. PAT turned positive in FY20, with an estimated CAGR of 26% from FY24 to FY27E, reaching ₹627crs. Growth is driven by bed capacity expansion in Maharashtra and Bengaluru, operational efficiencies, and an increase in ARPOB. KIMS is focused on enhancing ARPOB and occupancy rates through a better therapy mix and volume growth. The company is strengthening its oncology offerings, adding the specialty to six hospitals by FY24, with future expansions in Thane, Bengaluru, and Nashik also incorporating oncology services. As these assets mature and new specialties are introduced, this will help boost financial performance further.

Financial Snapshot

(₹ crs)

Particulars	FY23	FY24	FY25E	FY26E	FY27E
Revenues	2198	2498	3031	3446	4428
EBITDA	604	640	788	895	1,151
EBITDA Margin(%)	27%	26%	26%	26%	26%
Net Profit	336	310	426	471	627
PAT margin %	15%	12%	14%	14%	14%
EPS (₹)	8.1	7.8	10.6	11.8	15.7
RoE (%)	20%	17%	19%	17%	19%
RoCE (%)	19%	15%	15%	15%	17%
P/E (x)	70	75	55	50	37
EV/EBITDA (x)	11	38	32	28	22

Stock Data

CMP (₹)	585
Potential Upside (%)	30% (2 years horizon)
Market Cap (₹ bn)	234.16
52 Week H/L	674.30 / 350.00
Sensex	75,227
Nifty	22,536
BSE Code	543308
NSE Code	KIMS
Bloomberg Code	KIMS:IN

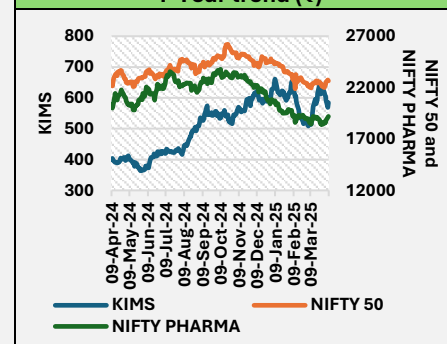
Shareholding Pattern

	Dec-24	Sep-24	Jun-24
Promoter	38.8%	38.8%	38.8%
FII	15.7%	15.9%	17.8%
DII	32.1%	32.3%	32.1%
Public & Others	13.5%	13.0%	11.2%

Relative Price Performance

	1Y	3Y	5Y
KIMS	46%	111%	189%
Sensex	-0.69%	24.86%	148.30%
Nifty	-0.58%	26.72%	157.59%

1-Year trend (₹)



About company

KIMS Hospitals is one of India's leading corporate healthcare groups, with a strong presence across Telangana, Andhra Pradesh, Maharashtra, Kerala, and Karnataka. It operates a network of 19 hospitals under the "KIMS Hospitals" brand, offering integrated, multi-disciplinary healthcare services, specializing in tertiary and quaternary care at affordable prices.

With over 5,374 beds capacity, operating beds capacity 4342 and 2,300+ doctors, KIMS provides advanced medical care across 25+ specialties, including cardiac sciences, oncology, neurosciences, gastroenterology, orthopaedics, and organ transplantation.

Founded in 2000 with a single hospital in Nellore, KIMS expanded through organic growth and strategic acquisitions. By 2014, it added four hospitals in Rajahmundry, Secunderabad, Srikakulam, and Kondapur. Its Secunderabad facility, with 1,000 beds, is one of India's largest private hospitals.

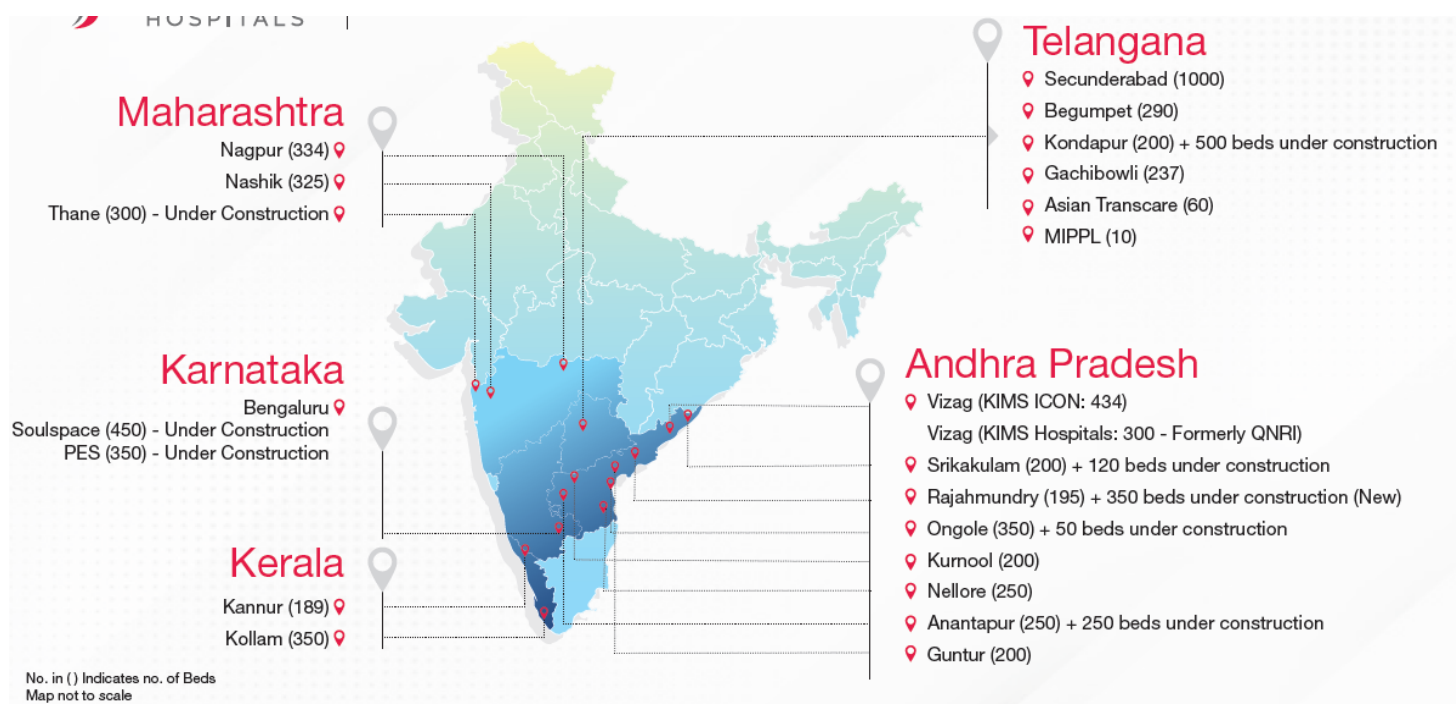
The company has expanded its network through a 51% stake acquisition strategy (equity partnership model) or a differentiated doctor participation model, creating a unique proposition for growth and collaboration. Below are the key milestones, expansions, and significant events.

KIMS Hospitals: Expansion Milestones and Key Events

Fiscal Year	Milestone/Event	Details
2000	KIMS Nellore Established	Business division of BRMH, including the hospital, transferred to the company in Nellore (Andhra Pradesh)
2004	KIMS Secunderabad Established	Established a multi-specialty hospital in Secunderabad (Telangana)
2010	Investment by Milestone Private Equity Fund (MPEF)	Private equity investment to support expansion
2014	KIMS Kondapur Established	Established by KHEPL in Kondapur (Telangana)
2014	Acquisition of Arunodaya Hospitals	Acquired 57.83% equity shareholding in the hospital
2015	Investment by India Advantage Fund (IAF) and Emerging India Fund (EIF)	MPEF exited the company
2017	Acquisition of KIMS Ongole	Acquired KIMS Ongole via slump sale agreement in Ongole (Andhra Pradesh)
2019	Strategic Expansion through Acquisitions	Acquired 51% stake in ICIMSPL and 80% in SIMSPL
2019	Investment by General Atlantic	IAF and EIF exited the company through investment by General Atlantic
2020	Acquisition of KHKPL	Acquired 55% equity shareholding in KHKPL
2021	Expansion into Orthopedics - Sunshine Hospitals	Acquired 51% stake in orthopedic-focused Sunshine Hospitals (Begumpet and Gachibowli, Telangana)
2022	Foray into Maharashtra - MoU for Nashik Hospital	Signed an MoU to set up a 325-bed specialty hospital in Nashik (Maharashtra)
2022	Acquisition of Kingsway Hospitals, Nagpur	Acquired 51% stake in Kingsway Hospitals in Nagpur (Maharashtra)
2023	Expansion into Thane - Hiranandani Hospital	Purchased a newly constructed 200-bed hospital from Hiranandani Group in Thane (Maharashtra)
2024	Strengthening Presence in Andhra Pradesh - Queens NRI Hospital	Acquired a 200-bed multi-specialty hospital in Visakhapatnam (Andhra Pradesh)
2024	Kannur, Kerala	Strengthening its presence in Kerala, KIMS is launching a new facility in Kannur with bed capacity of 189 beds.
2025	Guntur, Andhra Pradesh	Bed capacity of 200, Expanding within Andhra Pradesh, the Guntur hospital will enhance access to high-quality tertiary and quaternary care in the state.
2025	Sangli, Maharashtra	KIMS has taken over the operations and management of UAIMS Hospital in Sangli, Maharashtra, with an option to acquire a majority stake in the future. Now rebranded as KIMS-UAIMS Hospital, it has 356 beds, expandable to 500+, and features advanced medical infrastructure, including CT, MRI, 15 operation theatres, and a dedicated mother & child care facility. With 100+ critical care beds, the hospital specializes in critical care services. Additionally, a comprehensive day care oncology center is under construction and is expected to be operational by 2025.

Source – company

KIMS has a strong presence across Telangana, Andhra Pradesh, Maharashtra, and Kerala, with expansion plans in Karnataka.



Source – company

KIMS Hospitals leverages advanced medical technology: It includes the 4-Arm HD da Vinci Robotic Surgical System for minimally invasive surgeries, Mako Robotic for Knee Replacement to reduce post-op pain, and MrGFUS Focused Ultrasound for non-invasive tremor treatment. The ESWL Dornier enhances diagnosis and treatment without radiation risks. With new robotic systems in Secunderabad, Kondapur, Nagpur, and Kannur, KIMS continues to invest in cutting-edge equipment like the O-Arm Scanner, Novalis Tx Linear Accelerator, and EBUS, ensuring superior patient care and clinical excellence.

Management Profile

Dr. B. Bhaskar Rao, Chairman & Managing Director of KIMS Hospitals, is a renowned Cardio-Thoracic Surgeon with over 30,000 surgeries in a career spanning 25+ years. He began his entrepreneurial journey with Mahavir Cardio Vascular Centre, offering affordable heart surgeries. In 2004, he established Krishna Institute of Medical Sciences (KIMS) with a 300-bed hospital in Hyderabad, which has now expanded across Telangana, Andhra Pradesh, Maharashtra, Karnataka (Upcoming), and Kerala. Dr. Rao played a key role in formulating the Rajiv Gandhi Aarogyasri scheme in 2007, providing healthcare access to the underprivileged, a model later adopted by other states.

Dr. Abhinay Bollineni, CEO of KIMS Hospitals, joined the group in 2013, initially focusing on hospital operations before leading strategy and marketing from 2015. He became CEO in 2019. A medical graduate from Deccan Medical College, Hyderabad, he was the only Indian selected for the 2011 U.S. Department of State’s International Visitor Leadership Program on Oncology. Recognized in Business World’s “BW 40 Under 40” list in 2019, he played a key role in KIMS’ successful stock exchange listing in 2021. Passionate about technology-driven healthcare, he has led AI-driven initiatives like a financial counselling tool for surgery cost estimation.

Investment rationale

Strengthening Its Dominance in Telangana & Andhra Pradesh:

KIMS is one of the leading corporate healthcare groups in Andhra Pradesh and Telangana. Since establishing its first hospital in Nellore in 2000, the company has expanded through both organic growth and strategic acquisitions. Today, KIMS operates a network of 15 multispecialty hospitals with a total bed capacity of approximately 4,176 across its core markets in Telangana and Andhra Pradesh.

KIMS has strategically expanded its presence across Telangana and Andhra Pradesh, focusing on high-potential locations while maintaining a selective approach. In Hyderabad, its flagship hospitals in Secunderabad (1,000 beds) and Kondapur provide a strong foothold, competing with Apollo (six hospitals) and Care (four hospitals). The hospital chain has also established a presence in key Andhra Pradesh cities such as Visakhapatnam, Rajahmundry, and Nellore, where it competes with Apollo, Medcover, and Care. However, KIMS has yet to enter Vijayawada and Warangal, which are emerging healthcare markets with growing populations and existing competition from Care and Medcover.

While Apollo has taken a widespread approach with hospitals in smaller cities like Kakinada, Kadapa, and Karimnagar, KIMS has maintained a more focused expansion strategy, concentrating on larger cities and high-ROI locations. Its recent acquisitions, such as Sunshine Hospitals (Hyderabad) and Kingsway Hospitals (Nagpur), along with its MoU for a 325-bed facility in Nashik, indicate a preference for selective expansion into Maharashtra while solidifying its presence in Telangana and Andhra Pradesh.

Presence of Hospital across key cities in Telangana and Andhra Pradesh

City	Population ('000s)	Medcover	Care	Yashoda	KIMS	Apollo	TX Hospitals	Sunridge	Wellness Hospitals
Hyderabad	6,993	4	4	3	4	6	2	1	2
Visakhapatnam	2,278	2	2	0	1	2	0	0	0
Vijayawada	1,034	1	2	0	0	1	0	0	0
Warangal	830	0	1	0	0	0	0	0	0
Guntur	743	0	1	0	1	1	0	0	0
Nellore	600	0	0	0	1	1	0	0	0
Kurnool	484	0	0	0	0	0	0	0	0
Nizamabad	311	0	0	0	0	0	0	0	0
Khammam	307	0	0	0	0	0	0	0	0
Karimnagar	261	1	0	0	0	0	0	0	0
Kakinada	312	0	0	0	0	1	0	0	0
Rajahmundry	341	0	0	0	1	1	0	0	0
Kadapa	344	0	0	0	0	0	0	0	0

Source – Industry, company

Going forward, the company is actively expanding its hospital network, focusing on increasing bed capacity across key locations. The most significant expansions are taking place in Kondapur, Rajahmundry, and Anantapur, where new facilities are being developed, and existing ones are being upgraded to accommodate more patients.

- **Kondapur:** A 500-bed addition is currently under construction and is expected to be operational by FY27, strengthening the company's presence in Telangana and addressing the rising demand for healthcare services in the region.
- **Rajahmundry:** A new hospital is being developed with 350 additional beds, supporting the company's footprint in Andhra Pradesh, a key market where it already has multiple facilities.
- **Anantapur:** The hospital is undergoing an expansion with 250 additional beds, further increasing capacity in Andhra Pradesh, supporting patient inflow from neighbouring areas, and enhancing service offerings.

Currently, Telangana contributes 65% of revenue and 73% of EBITDA, while Andhra Pradesh accounts for 27% of revenue and 24% of EBITDA. With these expansions, the company's total bed capacity will increase by 30% to 5,446 beds in F27E from 4,176 beds in Q3FY25, further strengthening its leadership position in South India.

Expanding Footprint: Strengthening Core Markets and Entering New Regions

Over the last two decades, KIMS has expanded into a leading healthcare provider in Andhra Pradesh and Telangana. To expand its reach, it is now entering Maharashtra (Nashik, Nagpur, Mumbai) and Karnataka (Bengaluru) to attract more patients and strengthen its brand in these new regions.

Instead of setting up greenfield projects, KIMS adopts an equity partnership model, ensuring better doctor retention and enabling faster expansion. This strategy allows KIMS to scale efficiently while maintaining high-quality healthcare services.

1. KIMS' Strategic Expansion in Maharashtra: Growing Presence in Key Markets:

- **Nashik:** In May 2022, KIMS partnered with renowned oncology surgeon Dr. Raj Nagarkar to establish KIMS Manavata Hospital, marking its entry into Maharashtra. KIMS holds a 51% stake in this 325-bed multi-specialty hospital, with a total investment of ₹200-250crs. The hospital faces organized competition from Medicover Hospitals and Sahyadri Hospitals, both with 300-bed capacities.
- **Nagpur:** KIMS acquired a 51% stake in Kingsway Hospital for ₹80crs, renaming it KIMS Kingsway Hospital. This 334-bed facility was originally promoted by the Sancheti family and key doctors in Nagpur. The existing promoters retain a 49% stake in the venture.
- **Thane:** KIMS has signed an agreement to operate a 300-bed hospital in Thane under an Operations & Management (O&M) model. The project was initially slated to launch in Q2FY25 but has been delayed to Q1FY26 due to legal documentation issues and funding delays from an external investor.
- **Sangli:** KIMS has taken over the operations and management of UAIMS Hospital (Ushahkal Abhinav Institute of Medical Sciences) in Sangli, Maharashtra. As part of this strategic partnership, KIMS has a call option to acquire a majority stake in UAIMS Hospital in the future. Currently, rebranded as KIMS-UAIMS Hospital, the facility has an installed capacity of 356 beds, with potential expansion to 500+ beds. It features advanced medical infrastructure, including CT, MRI, 15 operation theatres, and a dedicated mother & childcare facility. With a strong focus on critical care, the hospital houses 100+ critical care beds. Additionally, UAIMS is developing a comprehensive day care oncology center, set to be operational by 2025, further strengthening its healthcare offerings. This facility is currently under construction and is expected to be operationalised in CY2025.

2. Differentiated Doctor Participation Model:

KIMS employs a doctor participation model, offering equity stakes to prominent doctors or groups of doctors when entering a new market. This approach was used in the 51% stake acquisitions of Sunshine Hospitals, Kingsway Hospitals, and in Maharashtra. The equity participation model enables KIMS to attract top clinical talent seamlessly while leveraging the established doctor-patient connect in these regions, it leads to a faster breakeven. KIMS' partnership model ensures efficient resource allocation, seamless integration, and cost optimization while maintaining affordable, high-quality care. The management is confident in attracting top clinical talent, as many private practitioners seek to transition into larger hospital setups for better opportunities, further strengthening its network and presence in the region.

3. KIMS Strengthens Bengaluru Presence with Two New Hospitals:

KIMS Hospitals, through its subsidiary KIMS Hospital Bengaluru (KHBPL), has partnered with Peoples Education Society (PES) to establish a super-specialty hospital in Bengaluru, Karnataka.

As part of its Karnataka expansion, KIMS is setting up two multi-specialty hospitals:

- **Unit I (Soul Space)** – A 450-bed hospital in Mahadevapura
- **Unit II (PES Unit)** – PES is constructing the 350-bed hospital at Electronics City, covering 3,50,000 sq. ft. across 11 floors, including a radiation oncology bunker. KIMS has secured a 25-year lease for the land and hospital building, ensuring long-term operational control.
- The total investment for both units is approximately ₹709crs.

With a combined capacity of 800 beds, KIMS plans to open the Mahadevapura facility (450 beds) by Q1FY26, followed by the Electronics City facility (350 beds) in Q2FY26.

The management sees strong growth potential in Karnataka, as many patients from Andhra Pradesh's bordering districts currently seek treatment in Bengaluru. By establishing a presence in the city, KIMS aims to capture a significant share of this patient base, further expanding its reach and influence in the region.

Focused Capex Strategy for Bed Expansion and Market Growth:

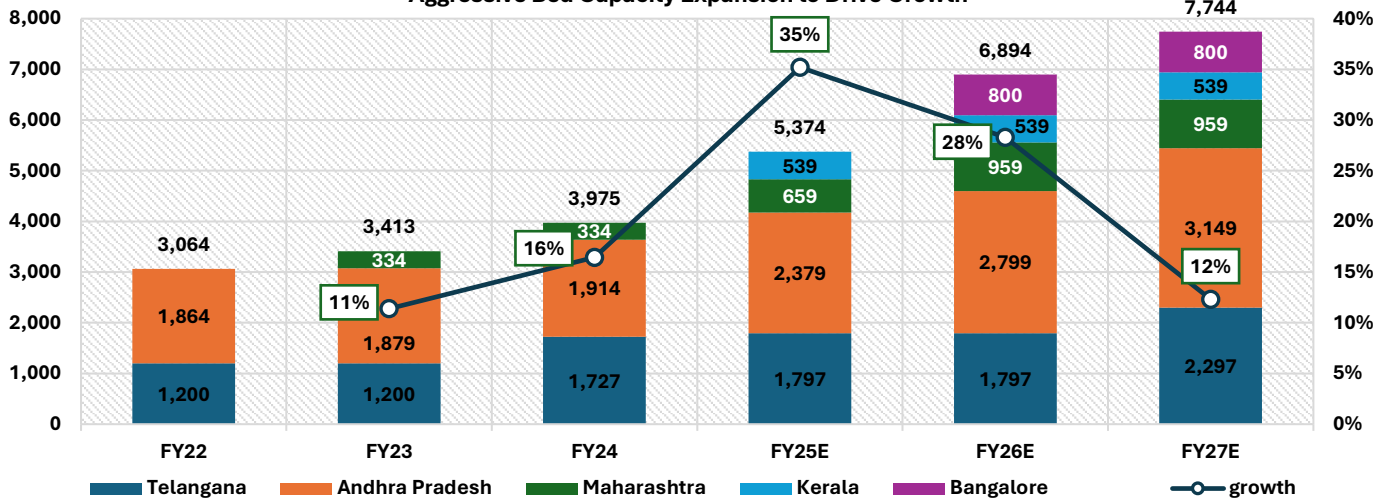
KIMS Hospitals is undertaking a 38% capacity expansion, increasing its total bed count from 4,859 beds in Q3 FY25 to 6,712 beds in FY27E across eight locations. This involves adding approximately 2,370 new beds with an estimated capex of ₹1,830-2,050crs, with project completions expected between Q1 FY26 and Q4 FY27. Key cities in focus include Bengaluru, Mumbai (Thane), Srikakulam, Ongole, Anantapur, Kondapur, and Rajahmundry. Bengaluru will see a major addition of 800 beds with a capex of ₹530-600crs, while Mumbai (Thane) has the highest capex per bed at ₹1.75crs, and Anantapur the lowest at ₹0.44crs per bed. This expansion strengthens KIMS' footprint, particularly in Telangana and Andhra Pradesh, catering to underserved regions with multi-specialty and specialty hospitals.

Region	Projects	New Beds	Capex (₹ crs)	Expected Launch	Capex per Bed (₹ crs/bed)
Bengaluru	Unit I (Soul Space)	450	350-400	Q1 FY26	0.89
	Unit II (PES Unit)	350	180-200	Q2 FY26	0.57
Mumbai (Thane)	Project 1	300	500-525	Q1 FY26	1.75
Andhra Pradesh & Telangana	Srikakulam (current capacity 200 beds)	120	70-75	Q1 FY26	0.63
	Ongole Cancer Centre (CC. 350 beds)	50	40-50	Q1 FY26	1.00
	Anantapur (CC.250 beds)	250	90-110	Q4 FY26	0.44
	Kondapur (CC.200 beds)	500	300-350	Q1 FY27	0.70
	Rajahmundry	350	300-350	Q4 FY27	1.00
Total	8 Projects	2,370	₹1,830-2,050crs	FY26-FY27	0.77 (avg.)

Source – company

KIMS Hospitals is set for significant expansion, increasing its total bed capacity from 3,975 in FY24 to an estimated 7,744 by FY27E, reflecting a twofold growth. Andhra Pradesh will see an increase from 1,914 beds in FY24 to 3,149 by FY27E (1.65x growth), while Telangana is set to expand from 1,727 beds to 2,297 (1.33x growth). Maharashtra will more than double its capacity from 334 beds in FY24 to 959 by FY26, while Kerala remains stable at 539 beds. Additionally, KIMS is entering the Bangalore market with 800 new beds by FY27.

Aggressive Bed Capacity Expansion to Drive Growth

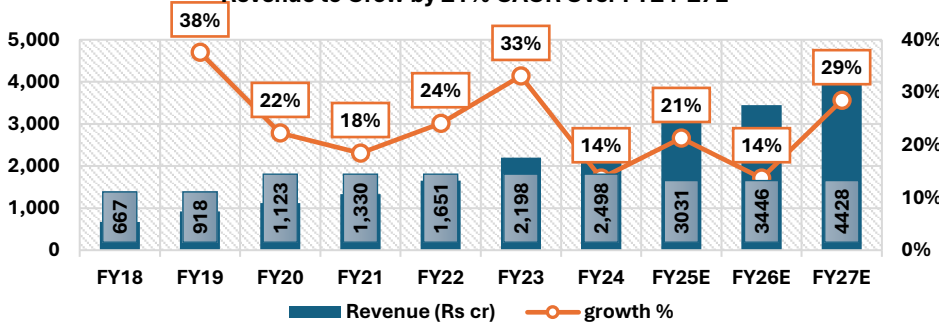


Source – company

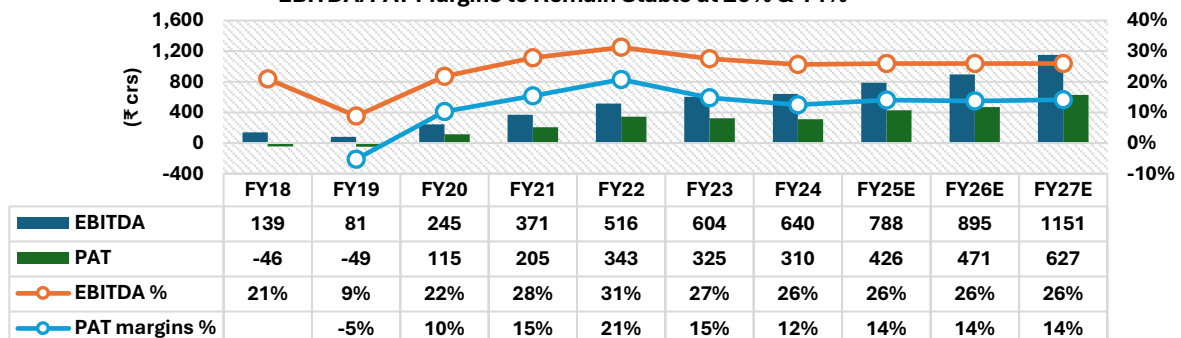
Expansion-Driven Growth with Focus on ARPOB and Specialty Offerings will drive revenue & profitability.

KIMS Hospitals' revenue grew at a 25% CAGR over the last six years, reported revenue to ₹2,498crs in FY24, and is estimated to grow at a 21% CAGR to ₹4,428crs by FY27. EBITDA margins improved from 21% in FY18 to 26% in FY24 and are expected to remain stable. PAT turned positive in FY20, with an estimated CAGR of 26% from FY24 to FY27E, reaching ₹627crs. Growth is driven by bed capacity expansion in Maharashtra and Bengaluru, operational efficiencies, and an increase in ARPOB. KIMS is focused on enhancing ARPOB and occupancy rates through a better therapy mix and volume growth. The company is strengthening its oncology offerings, adding the specialty to six hospitals by FY24, with future expansions in Thane, Bengaluru, and Nashik also incorporating oncology services. As these assets mature and new specialties are introduced, this will help boost financial performance further.

Revenue to Grow by 21% CAGR Over FY24-27E



EBITDA/PAT Margins to Remain Stable at 26% & 14%



Source – company

Q3FY25 performance & conference call Highlights:

KIMS reported 28% YoY revenue growth to ₹772crs, flat QoQ. EBITDA grew 27% YoY to ₹187crs, maintaining 24% margins, but declined 14% QoQ. PAT increase by 24% YoY to ₹89crs but declined 27% QoQ, with margins contracting from 16% to 11%.

- Maharashtra's region EBITDA decline was driven by Nagpur's seasonal impact, one-offs, and Nashik's ₹5crs loss, but recovery is expected by Q2-Q3FY26 as Nashik breaks even.
- The Bangalore Project 2 timeline shifted from Q4FY25 to Q2FY26 due to execution delays.
- Telangana and Andhra Pradesh have seen strong growth in inpatient (IP) and outpatient (OP) volumes, along with ARPP, which is expected to sustain. Efforts to reduce ALOS from 3.5 to 3.3-3.4 will further enhance ARPOB.
- Kannur is fully operational, with plans to add 50 beds by the end of this financial year and another 100-150 beds in the next two years, reaching 350-400 beds. The Kerala cluster will focus on tertiary and quaternary care, including kidney transplants and oncology services. The Kollam facility is set to commence operations in April. It is focusing on advanced care, with oncology added later. Thrissur will start in 12-15 months with transplants first, adding oncology later. All Kerala hospitals will eventually have full specialties.
- Queen's NRI, a 20-year-old facility, is undergoing renovations and doctor onboarding, with full staffing expected by February 2025. Currently EBITDA-neutral, it is expected to ramp up in FY26.
- Nashik hospital: Doctor onboarding is in progress, with 50% expected to join by Feb-March. January saw 10% occupancy (25 beds) and revenue of ₹3.5-4 crs, with a strong ramp-up expected in two quarters.
- The company plans to scale up to 2,000 beds in Bangalore over time, with two hospitals set to open this year and a third facility beginning construction next year. In Kerala, the goal is to reach 2,500-3,000 beds, with a focus on major cities like Kochi, Calicut, and Trivandrum. Currently, Kollam, Thrissur, and Kannur will contribute 1,000 beds. The long-term plan includes a large 1,000-bed facility in Kochi and potential expansions in North Bangalore and Northern Karnataka, which could add 750-1,000 beds over the next 3-4 years.
- Debt stood at ₹1,550crs as of December 31, 2024. The rise in interest expense was due to the Nashik asset capitalization, shifting borrowing costs to P&L. CAPEX guidance remains unchanged at ₹500-600crs. Debt is expected to peak at ₹1,750crs, maintaining a debt-equity ratio below 1:1 and debt-to-EBITDA below 2:1. As new hospitals mature, leverage ratios are expected to decline.
- The AP cluster currently has a 9-month EBITDA margin of around 24%. The company expects this to increase to 30% over the next 2-3 years, driven by the operationalization of oncology facilities. Most of these oncology capacities are expected to be commissioned in FY26-FY27.
- Hyderabad is not traditionally recognized for international medical tourism, but the company has seen a significant improvement in revenue from international patients. This year, the Telangana cluster is expected to generate around ₹40-50crs from international patients, with a long-term goal of reaching ₹100-150crs. Additionally, Bangalore and Thane are expected to contribute significantly more to international patient revenue due to their stronger positioning in the medical tourism market.

Valuation & Outlook

KIMS Hospitals is undergoing significant expansion, increasing its network to 19 hospitals with a total capacity of 5374 beds in Q3FY25. The company has ambitious plans to reach 7,744 beds by FY27E, expanding across Telangana, Andhra Pradesh, Maharashtra, and Karnataka. Key upcoming projects include a hospital in Bengaluru, expansion at Kondapur, and new facilities in Rajahmundry and Anantapur.

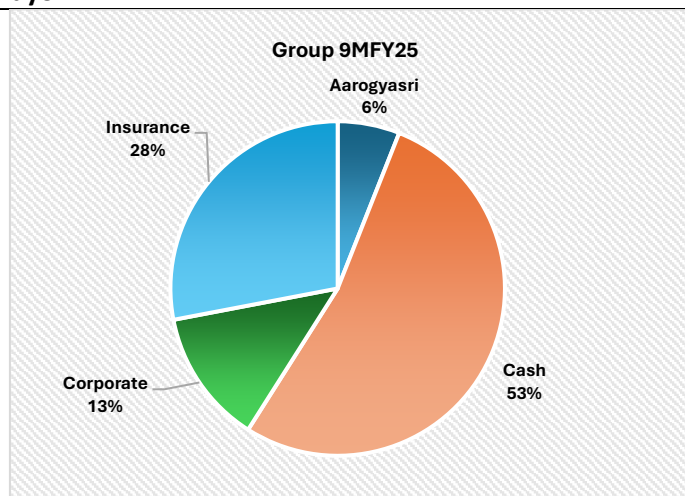
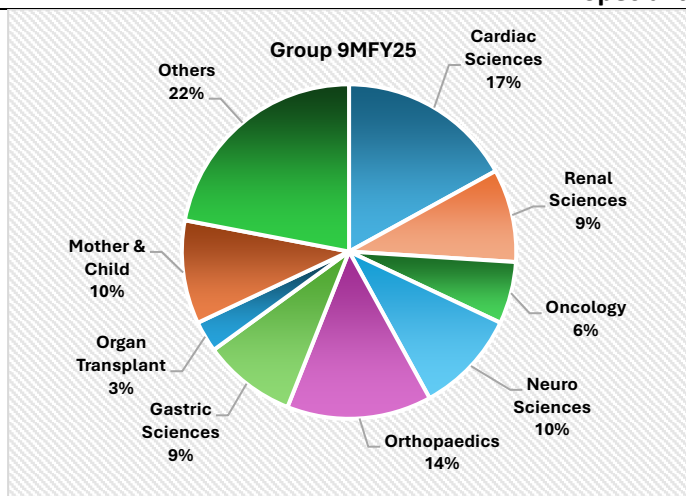
To support this growth, KIMS has outlined a capital expenditure plan of ₹1,830-2,050crs which is expected to drive a strong revenue CAGR of 21%, reaching ₹4,428crs by FY27. The company employs an equity partnership model to retain and incentivize top doctors, ensuring long-term stability in medical expertise. Additionally, KIMS is strengthening its oncology services, positioning itself for future growth in the high-demand specialty healthcare segment.

We assign KIMS Hospitals an EV/EBITDA multiple of 22x and a P/E multiple of 37x on FY27E, reflecting its strong growth potential and aggressive expansion strategy. The company is poised to achieve a CAGR of 21% in revenue, 22% in EBITDA, and 26% in PAT over FY24-27E, supported by stable EBITDA and PAT margins of 26% and 14%, respectively.

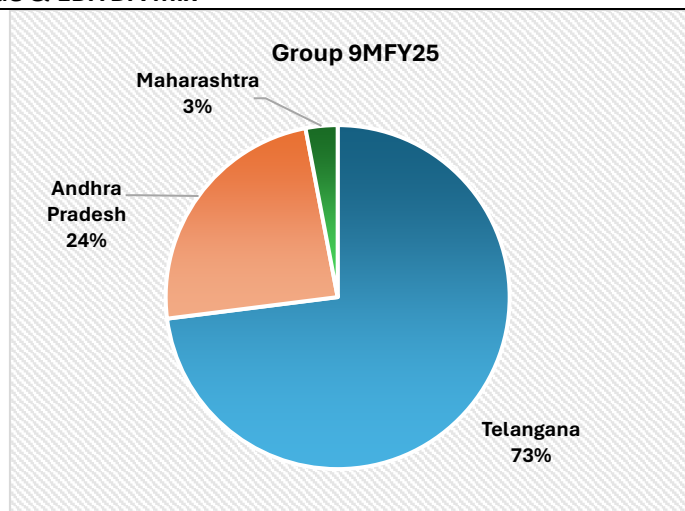
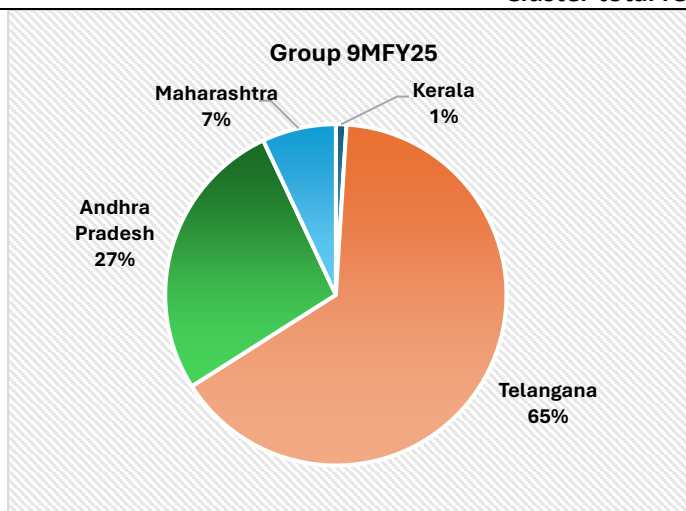
With increasing contributions from high-margin specialties like oncology, we expect a structural improvement in profitability. Given its robust earnings trajectory and expansion-driven growth, **we recommend a Buy rating on the stock.**

Story in Charts

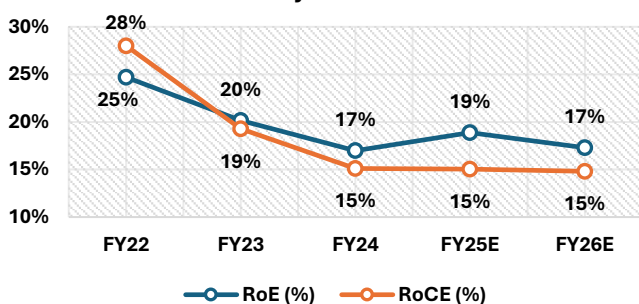
Speciality & Payor Mix



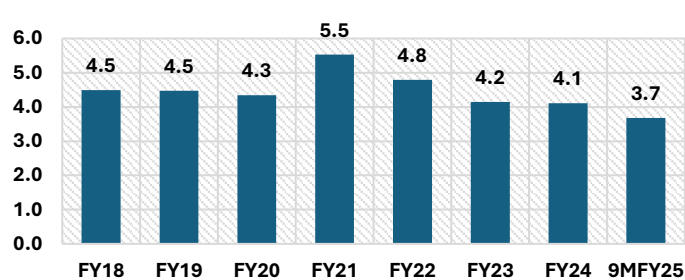
Cluster total revenue & EBITDA mix



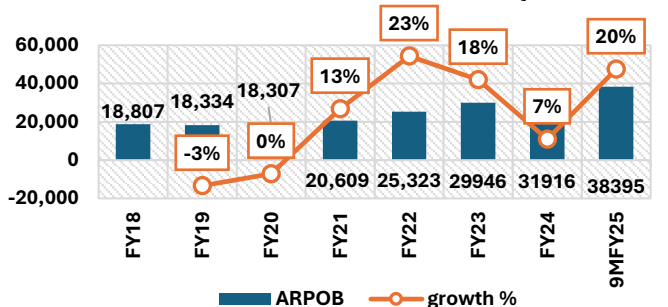
Steady return ratio



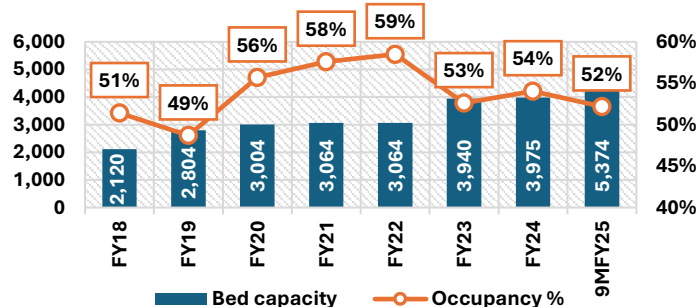
Declining ALOS Enhances Efficiency & Patient Turnaround



ARPOB Grew at a 11% CAGR Over FY18-Q3FY25



Focus on Expanding Bed Capacity and Improving Occupancy



Source – company

Quarterly performance

(₹ crs)

Particulars	Q3FY25	Q3FY24	YoY %	Q2FY25	QoQ %	9MFY25	9MFY24	YoY %
Revenue (net)	772	606	28%	777	-1%	2,238	1,864	20%
Costs of Materials Consumed	162	126	29%	156	4%	460	396	16%
% of Revenue	21%	21%	1%	20%	5%	21%	21%	-3%
Gross Profit	611	480	27%	622	-2%	1,778	1,468	21%
% Margin	79%	79%	0%	80%	-1%	79%	79%	1%
Employees exp	128	104	22%	119	7%	365	314	16%
% of Revenue	17%	17%	-4%	15%	8%	16%	17%	-3%
other expenses	296	229	29%	285	4%	828	673	23%
Total Expenditure	585	459	28%	559	5%	1,654	1,383	20%
% of Revenue	76%	76%	0%	72%	5%	74%	74%	0%
EBITDA	187	147	27%	218	-14%	584	481	21%
% Margin	24%	24%		28%		26%	26%	
Depreciation	45	35	26%	41	9%	125	100	24%
Other Income	18	3	439%	5	256%	27	9	198%
EBIT	160	115	40%	182	-12%	487	390	25%
Finance Cost	26	12	107%	20	29%	64	31	107%
EBT	135	103	31%	162	-17%	424	359	18%
Total Tax Expense / (Credit)	42	26	63%	42	1%	115	95	21%
Minority interest	(4)	(5)	-19%	(13)	-71%	(26)	(20)	31%
PAT (Reported)	89	72	24%	121	-27%	282	244	16%
% Margin	11%	12%	-3%	16%	-26%	13%	13%	-4%
EPS - Reported	2.2	1.8	24%	3.0	-27%	7.1	6.1	16%

Source – company

Financial Performance

(₹ crs)

Income Statement	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenue (net)	1651	2198	2498	3031	3446	4428
Total Material Cost	355	481	530	637	724	930
% of Revenue	22%	22%	21%	21%	21%	21%
Gross Profit	1,296	1,717	1,968	2,394	2,722	3,498
% Margin	78%	78%	79%	79%	79%	79%
Employees exp	262	346	422	485	551	708
% of Revenue	16%	16%	17%	16%	16%	16%
other expenses	518	767	905	1,121	1,275	1,638
TOTAL OPER EXPENDITURE	1,135	1,594	1,858	2,243	2,550	3,277
% of Revenue	69%	73%	74%	74%	74%	74%
EBITDA	516	604	640	788	895	1,151
% Margin	31%	27%	26%	26%	26%	26%
Depreciation	73	129	147	166	198	243
Operating Profit	443	475	494	621	697	908
% Margin	27%	22%	20%	21%	20%	21%
Other Income	20	26	13	40	40	40
EBIT	463	501	507	661	737	948
Finance Cost	16	31	47	86	101	101
EBT	447	470	460	576	637	847
Total Tax Expense / (Credit)	114	119	124	150	166	220
PAT (Reported)	343	336	310	426	471	627
% Margin	21%	15%	12%	14%	14%	14%
EPS - Reported	8.6	8.4	7.8	10.6	11.8	15.7
EPS - Adjusted	8.6	8.1	7.8	10.6	11.8	15.7

Balance sheet	FY22	FY23	FY24	FY25E	FY26E	FY27E
Goodwill	85	308	308	379	379	379
Fixed Assets	771	1210	1730	1847	2201	2701
Tangible assets & Right to use	482	248	396	600	600	600
Financial Assets	152	180	271	500	500	500
Capital WIP	21	477	600	954	900	900
Total Fixed Assets	1511	2423	3304	4280	4580	5080
Net Deferred Tax	-35	-9	-46	0	0	0
Current Assets						
Cash / Bank Balance	190	66	49	39	187	167
Inventories	36	43	49	58	66	85
Receivables	129	253	294	357	378	485
investment		68	83	13	13	13
Other Current Assets	38	48	72	61	172	310
Total CA	393	478	547	528	816	1060
Current Liabilities						
Payables	130	174	197	227	238	306
lease Liabilities	7	9	10	15	15	15
Other Current Liabilities	55	78	126	165	165	165
Short term liab	23	36	119	210	210	210
Total CL	215	296	452	407	418	486
Net working capital	179	181	95	121	398	575
Total Assets	1654	2595	3353	4401	4978	5654
Equity & Liabilities						
Equity Capital	80	80	80	80	80	80
Reserves & Surplus	1307	1590	1748	2174	2645	3272
Shareholders Funds	1387	1670	1828	2254	2725	3352
Minority Interest	23	268	265	281	281	281
Long Term Borrowings	138	497	928	1700	1800	1800
lease liab+other fin	89	137	305	136	172	221
Provision	17	24	27	30	0	0
Total Liabilities	1654	2596	3353	4401	4979	5655

Key Ratios

Key Ratio	FY23	FY24	FY25E	FY26E	FY27E
P/E Ratio	70	75	55	50	37
EV/Net sales (x)	11	10	8	7	6
EV/EBITDA (x)	11	38	32	28	22
RoE (%)	20%	17%	19%	17%	19%
RoCE (%)	19%	15%	15%	15%	17%
Interest cover (x)	16	11	8	7	9
Total debt/Equity	0.32	0.57	0.85	0.74	0.60

Source – company

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Disclosure of Interest Statement: Thematic Report (Max Healthcare Institute Limited (MHIL), Krishna Institute of Medical Sciences Ltd.) as on 09 April 2025

Name of the Security	Thematic Report (Max Healthcare Institute Limited (MHIL), Krishna Institute of Medical Sciences Ltd.)
Name of the analyst	Rupali Singh
Analysts' ownership of any stock related to the information contained	
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
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