

15th May 2025

Close* – ₹640/-

View – Buy

Q4FY25 Performance

- During Q4FY25, the company reported revenue growth of 26% YoY and flattish growth of 3% QoQ to ₹797crs. EBITDA stood at ₹198crs, registering a 25% YoY and 6% QoQ increase, with margins stable at 25%. PAT stood at ₹102crs, up 55% YoY and 15% QoQ, with PAT margin improving to 13% from 10% YoY including an exceptional gain of ₹11crs, driven by improved operating profitability.
- The company delivered a robust performance in FY25 with revenue rising 21% YoY to ₹3,035crs, supported by higher ARPOB. EBITDA stood at ₹783crs, up 22% YoY, with EBITDA margins sustained at 26%. Net profit grew by 24% YoY to ₹385crs, with PAT margins improving to 13% from 12% in FY24. Despite a decline in occupancy rate due to new bed additions at Thane Hospital (300 beds), growth was driven by higher ARPOB, improved pricing through TPA negotiations, and a more favorable case mix.
- **Telangana & AP cluster:** Occupancy stabilized at 51% in the Telangana region, while the Andhra cluster witnessed a seasonal dip, resulting in an overall occupancy rate of 55% in Q4FY25. Despite the lower occupancy, ARPOB growth remained strong, rising ~3% QoQ in Telangana and ~11% QoQ in Andhra Pradesh. Both regions remain key revenue contributors, with matured assets reporting ARPOB of ₹65,375 in Telangana and ₹23,668 in Andhra, driven by a favorable case mix and shorter average length of stay (ALOS).
- **Maharashtra cluster:** This cluster demonstrated improvement, with occupancy rising 14% QoQ to 37% and ARPOB increasing 9% QoQ to ₹32,052. KIMS continued to expand its hospital network with new facility launches. A key milestone was the installation of South India's first Gamma Knife at KIMS Secunderabad, a significant advancement in non-invasive neurosurgery that is expected to drive higher patient volumes. Additionally, the Nashik hospital, which commenced operations in Q2FY25, is expected to achieve breakeven by Q3FY26, as per management guidance.
- **Key developments in upcoming hospital beds** include two new hospitals in Bangalore, expected to commence operations by H1FY26. The company is also planning a significant expansion in Kerala, with a target of adding 2,000 beds over the next 6–8 years, driven by strong demand for quality healthcare in the region.

Important Statistics

Nifty	24,667
Sensex	81,330
Close* (₹)	640
M.CAP (₹ bn)	₹257.09
52 Week H/L (₹)	₹708/350
NSE Code	KIMS
BSE Code	543308
Bloomberg Code	KIMS:IN

Close* as on 14th May 2025

Shareholding pattern (%) Mar'25

Promoter	38.84
FII	15.45
DII	31.95
Public & Others	13.78

Financials

(₹ crs)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenues	2198	2498	3035	3446	4428
EBITDA	604	640	783	895	1,151
EBITDA Margin (%)	27%	26%	26%	26%	26%
Net Profit	336	310	385	471	627
PAT margin %	15%	12%	13%	14%	14%
EPS (₹)	8.1	7.8	9.4	11.8	15.7
RoE (%)	20%	17%	19%	17%	19%
RoCE (%)	19%	15%	15%	15%	17%
P/E (x)	77	83	61	55	41
EV/EBITDA (x)	12	42	36	31	24

Source: Company, Way2Wealth Research

Valuation & Outlook

- KIMS Hospitals is expanding rapidly and will reach over 8,000 beds by FY27E, up from 5,994 beds across 20 hospitals as of Q4FY25. The expansion spans Telangana, Andhra Pradesh, Maharashtra, and Karnataka, with key upcoming projects in Bengaluru, Kondapur, Rajahmundry, and Anantapur.
- KIMS is also expanding in Kerala, with plans to add 2,000 beds over the next 6–8 years, driven by high hospitalization rates and strong demand for quality healthcare. Management remains cautious on margins, expecting some moderation from the current EBITDA level of ~25%, in line with broader industry trends.
- 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 FY27E. The company employs an equity partnership model to retain and incentivize top doctors, ensuring long-term stability in medical

Relative Performance

Performance	1 Yr	3Yr	5 Yr
KIMS	65%	157%	216%
Nifty 50	13%	59%	174%
Sensex	13%	57%	166%

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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 24x and a P/E multiple of 41x on FY27E, reflecting its strong growth potential and aggressive expansion strategy. The company is poised to achieve a CAGR of 21% in revenue, 21% in EBITDA, and 28% in PAT over FY24-27E, supported by stable EBITDA and PAT margins of 26% and 14%, respectively.
- **Given its strong earnings momentum and expansion-led growth, we remain bullish on the company's fundamentals. Accordingly, we maintain our Buy rating on the stock, with a targeted upside potential of 30%, as highlighted in our initiation coverage report.**

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Quarterly Performance

(₹ crs)

Quarterly performance	Q4FY25	Q4FY24	YoY %	Q3FY25	QoQ %	FY25	FY24	YoY %
Revenue (net)	797	634	26%	772	3%	3035	2498	21%
Costs of Materials Consumed	167	134	24%	162	3%	627	530	18%
% of Revenue	21%	21%	-1%	21%	0%	21%	21%	-3%
Gross Profit	630	500	26%	611	3%	2,408	1,968	22%
% Margin	79%	79%	0%	79%	0%	79%	79%	1%
Employees exp	134	109	24%	128	5%	500	422	18%
% of Revenue	17%	17%	-2%	17%	2%	16%	17%	-3%
other expenses	298	232	28%	296	1%	1,126	905	24%
Total Expenditure	599	475	26%	585	2%	2,252	1,858	21%
% of Revenue	75%	75%	0%	76%	-1%	74%	74%	0%
EBITDA	198	159	25%	187	6%	783	640	22%
% Margin	25%	25%		24%		26%	26%	
Depreciation	53	46	14%	45	18%	177	147	21%
Other Income	5	4	18%	18	-75%	32	13	144%
EBIT	150	117	29%	160	-6%	638	507	26%
Finance Cost	27	16	63%	26	4%	90	47	92%
EBT	123	100	23%	135	-8%	547	460	19%
exceptional	11	-		-		11	-	
EBT after exceptional	134	100	34%	-		558	460	21%
Current Tax Exp / (Credit)	36	26	36%	35	1%	150	116	29%
Deferred Tax Exp / (Credit)	(8)	2	-439%	7	-215%	(6)	7	-184%
Total Tax Expense / (Credit)	28	29	-2%	42	-34%	143	124	16%
Minority interest	(4)	6	-173%	(4)	16%	(30)	(26)	16%
PAT (Reported)	102	66	55%	89	15%	385	310	24%
% Margin	13%	10%		11%		13%	12%	
EPS - Reported	2.5	1.6	55%	2.2	15%	9.6	7.8	24%

Source: Company, Way2wealth Research

Key metrics	Q4FY25	Q4FY24	YoY %	Q3FY25	QoQ %	FY25	FY24	YoY %
Bed Capacity	5,179	3,975	30%	4,859	7%	5,179	3,975	30%
Operational Beds	4,492	3,503	28%	4,342	3%	4,492	3,503	28%
Occupied Beds	2,157	2,044	6%	2,200	-2%	2,248	2,148	5%
Occupancy	48.00%	51.40%	-7%	50.70%	-5%	50.10%	54.00%	-7%
IP volume	53,918	46,368	16%	54,013	0%	2,13,346	1,91,167	12%
OP volume	4,68,797	4,10,856	14%	4,70,159	0%	18,34,312	15,87,997	16%
ARPOB (₹)	41,469	34,270	21%	38,472	8%	39158	31,916	23%
ARPP (₹)	1,49,069	1,37,500	8%	1,44,181	3%	143293	1,31,232	9%
ALOS	3.59	4.01	-10%	3.75	-4%	3.66	4.11	-11%

Source: Company, Way2wealth Research

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Financials

(₹ crs)

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue (net)	1651	2198	2498	3035	3446	4428
<i>% Growth</i>		33%	14%	21%	14%	29%
Total Material Cost	355	481	530	627	724	930
<i>% of Revenue</i>	22%	22%	21%	21%	21%	21%
Gross Profit	1,296	1,717	1,968	2,408	2,722	3,498
<i>% Margin</i>	78%	78%	79%	79%	79%	79%
Employees exp	262	346	422	500	551	708
<i>% of Revenue</i>	16%	16%	17%	16%	16%	16%
other expenses	518	767	905	1,126	1,275	1,638
TOTAL OPER EXPENDITURE	1,135	1,594	1,858	2,252	2,550	3,277
<i>% of Revenue</i>	69%	73%	74%	74%	74%	74%
EBITDA	516	604	640	783	895	1,151
<i>% Margin</i>	31%	27%	26%	26%	26%	26%
Depreciation	73	129	147	177	198	243
Operating Profit	443	475	494	606	697	908
<i>% Margin</i>	27%	22%	20%	20%	20%	21%
Other Income	20	26	13	32	40	40
EBIT	463	501	507	638	737	948
Finance Cost	16	31	47	90	101	101
EBT	447	470	460	547	637	847
Total Tax Expense / (Credit)	114	119	124	143	166	220
PAT (Reported)	343	336	310	385	471	627
<i>% Margin</i>	21%	15%	12%	13%	14%	14%
EPS - Reported	8.6	8.4	7.8	9.6	11.8	15.7
EPS - Adjusted	8.6	8.1	7.8	9.4	11.8	15.7

Source: Company, Way2wealth Research

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Disclosure of Interest Statement Krishna Institute of Medical Sciences Ltd (KIMS) as on 15th May 2025

Name of the Security	Krishna Institute Of Medical Sciences Ltd. (KIMS)
Name of the analyst	Rupali Singh
Analysts' ownership of any stock related to the information contained	NIL
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
Broking relationship with company covered	NIL
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