

18th August 2025

Close* – ₹1,220.70/-

View – Hold

Q1FY26 Performance

- During Q1FY26, consolidated revenue stood at ₹2,574crs, up 27% YoY and 6% sequentially, while operating EBITDA rose 23% YoY. EBITDA margin was 24% versus 25% in Q1FY25 and 26% in Q4FY25. PAT reported of ₹345crs, up 17% YoY from ₹295crs in Q1FY25, but down from ₹376crs in Q4FY25. This performance was supported by healthy occupancy levels, higher patient volumes, and contributions from recent acquisitions, though margins faced temporary dilution from new capacity additions and staffing ahead of brownfield launches.
- Network occupancy remained stable at 76%, with existing units operating at 78% and base hospitals (excluding additions in the last 12 months) close to 80%. ARPOB for the network was ₹78,000, up 1% YoY, with existing units seeing a 5% rise and base hospitals a 7% increase, while newer units diluted the average due to lower starting ARPOBs.
- Overall EBITDA per bed was ₹68.5 lakh compared to ₹70.0 lakh in Q1FY25 and ₹73.9 lakh in Q4FY25. Excluding new units, EBITDA per bed stood at ₹74.6 lakh, reflecting 7% YoY growth.
- International patient revenue grew 32% YoY to ₹208crs despite geopolitical and airspace challenges, driven by direct-to-fly marketing in new geographies.
- Digital revenues accounted for 29% of the total, with a 61% YoY and 7% qoq increase to 69 lakhs sessions in website traffic.
- Oncology segment: Oncology remains a key growth driver, contributing 25–26% of hospital revenue. Dwarka and Lucknow will add radiation oncology bunkers in Q3FY26, which will further boost the segment's share. With strong market demand, oncology could exceed 30% of revenue in the coming years.
- Max@Home and Max Lab also reported healthy growth of 22% and 19% YoY, respectively.
- Performance of acquired hospitals: Lucknow reported a 97% YoY revenue increase and a 191% surge in EBITDA; Nagpur grew revenue by 27%; Noida saw revenue up 14% and EBITDA up 32%, with a stronger ramp expected from H2 as licensing and equipment upgrades are completed. Dwarka has already crossed breakeven with occupancy above 80%. Management emphasized that ARPOB may remain under pressure from new acquisitions but reiterated that acquisitions are made for ROCE accretion rather than headline ARPOB levels.
- **Expansion Plan**
 - In FY26, the company aims to add approximately 1,000 brownfield beds and 500 greenfield beds. Trial runs have already commenced at the new 160-bed brownfield tower at Max Mohali.
 - The board has also approved the leasing of a 130-bed built-to-suit hospital in Dehradun, located just 100 metres from the existing 220-bed facility, which is currently operating at 80% occupancy. The new Dehradun facility is expected to be commissioned by the end of 2028.
- **Key projects include:**
 - Nanavati (Phase 1): 268 beds; commissioning in stages, fully operational by Oct–Nov 2025.
 - Max Smart, Saket: 400 beds; commissioning end-Q2 FY26.
 - Lucknow: Increase from 413 to 520 beds by FY26-end; 32 beds ready.
 - Oncology bunkers: Installation in Q3FY26; completion in 24 months.

Important Statistics

Nifty	24,631.30
Sensex	80,597.66
Close* (₹)	1,220.70
M.CAP (₹ tn)	₹1.19
52 Week H/L (₹)	₹1,314/837
NSE Code	MAXHEALTH
BSE Code	543220
Bloomberg Code	MAXHEALT:IN

Close* as on 14th Aug 2025

Shareholding pattern (%)	Jun'25
Promoter	23.74
FII	54.76
DII	17.42
Public & Others	4.08

Financials

(₹ crs)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenues	5,904	6,849	8,667	10,908	11,568
EBITDA	1,598	1,840	2,240	2,727	3,065
EBITDA Margin (%)	27%	27%	26%	25%	27%
Net Profit	1,085	1,278	1,335	1,676	1,848
Net Profit margin %	18%	19%	15%	15%	16%
EPS (₹)	11	13	14	17	19
RoE (%)	13%	14%	12%	13%	13%
RoCE (%)	14%	14%	13%	14%	13%
P/E (x)	109	93	92	71	64
EV/EBITDA (x)	72	62	50	43	38

Source: Company, Way2Wealth Research

Relative Performance

Returns (%)	1 Yr	3Yr	5 Yr
MAXHEALTH	40	208	992
Sensex	1.21	35.01	111.29
Nifty	1.53	38.76	118.85

Rupali Singh

rupalisingh@way2wealth.com

91-22-4019 2907


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View – **Hold**

- Patparganj: 397 beds; environmental clearance awaited.
- Max Vikrant, Saket: 550 beds; awaiting tree transplantation clearance.
- Zirakpur, Mohali: 400 beds; fast construction, 24-month completion target.
- Land adjacent to Max Vaishali: 140 beds; completion in 30 months.
- Thane: 500 beds; master plan in progress.
- Pitampura, Delhi: 250 beds; construction to start post-approval.
- Dehradun: 130-bed built-to-suit leased hospital, 100m from existing facility; completion by FY28.
- **Net Debt Position:** The company's net debt stood at ₹1,755crs as of Q1FY26, compared to ₹1,576crs at the end of March 2025. This increase is primarily driven by ongoing capacity expansion projects. By the end of FY26, net debt is expected to rise by ₹400–500crs; however, the net debt-to-EBITDA ratio is projected to remain below 1x, indicating a strong balance sheet and healthy leverage position.
- The company has divested two non-core hospitals, Chitta and Anoopshahr, for ₹40crs, with completion expected by September 2025.

Valuation & Outlook

- Max Healthcare has outlined an ambitious expansion roadmap to add over 7,000 beds, with approximately 3,700 beds expected to be commissioned over the next four years. This expansion will be executed through a mix of brownfield, greenfield, and asset-light projects. In FY24 and FY25, the company added around 3,500 and 1,393 beds, respectively, through a combination of inorganic acquisitions and greenfield developments.
- Looking ahead, Max Healthcare plans to add 1,464 beds in FY26, 299 beds in FY27, and 2,118 beds in FY28. Beyond FY28, there is potential to add another 4,050 beds, subject to finalization of specific plans. The capital outlay for this expansion is projected at ₹2,202crs in FY26, ₹1,854crs in FY27, and ₹915crs in FY28, with additional investments to be determined for the post-FY28 phase.
- Key projects under this expansion include facilities in Delhi (Max Smart), Gurugram (Sector 53), Mohali, Lucknow, Thane, Nagpur, and Dwarka. The company is also strategically leveraging its existing land bank to support future capacity additions, underscoring strong long-term growth visibility.
- We anticipate margin improvements as the expansion strategy balances brownfield and greenfield projects. Over FY25-27E, we project a Revenue/EBITDA/PAT CAGR of 16%/17%/18%, with EBITDA per operational bed expected to increase. However, margins are likely to remain stable at ~27%.
- **With strong earnings momentum, a well-diversified expansion strategy, and a healthy balance sheet, we maintain our Hold rating on Max Healthcare, with our 30% upside potential as highlighted in our initiating coverage report.**

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Consolidated Quarterly performance

(₹ crs)					
Particulars	Q1FY26	Q1FY25	YoY %	Q4FY25	QoQ %
Net revenue	2460	1,935	27%	2326	6%
Direct costs	1015	773	31%	917	11%
% of sales	41%	40%	3%	39%	5%
Gross profit	1,445	1,162	24%	1409	3%
gross profit margins %	59%	60%	-2%	61%	-3%
Indirect overheads	831	663	25%	777	7%
% of sales	34%	34%	-1%	33%	1%
Operating EBITDA	613	499	23%	632	-3%
Operating EBITDA margins %	25%	26%	-3%	27%	-8%
Reported EBITDA	591	480	23%	613	-4%
EBITDA margins %	24%	25%		26%	
Finance cost/(income)	34	8	325%	36	-6%
Depreciation and amortisation	117	90	30%	114	3%
Profit before tax	440	382	15%	463	-5%
Profit before tax after exceptional item	440	382	15%	463	-5%
Tax	96	87	10%	87	10%
Tax %	22%	23%	-4%	19%	16%
Profit after tax	344	295	17%	376	-9%
Net Profit margins %	14%	15%		16%	
EPS - Reported	3.54	3.03	17%	3.87	-9%

Financial Performance

(₹ crs)						
Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E
Net revenue	5,218	5,904	6,849	8,667	10908	11568
Direct costs	2,103	2,304	2,675	3,416	4,527	4,627
% of sales	40%	39%	39%	39%	42%	40%
Gross profit	3,115	3,600	4,174	5,251	6,381	6,941
gross profit margins %	60%	61%	61%	61%	59%	60%
Indirect overheads	1,725	1,964	2,267	2,932	3654	3875
% of sales	33%	33%	33%	34%	34%	34%
Reported EBITDA	1,340	1,598	1,840	2,240	2,727	3,065
EBITDA margins %	26%	27%	27%	26%	25%	27%
Finance cost/(income)	112	39	-38	84	97.5	97.5
Depreciation and amortisation	248	260	284	407	509	629
Profit before tax	980	1,299	1,594	1,749	2,121	2,339
Exceptional				-74		
Profit before tax after exceptional item	980	1,299	1,594	1,675	2,121	2,339
Tax	143	214	316	340	445	491
Profit after tax	837	1,085	1,278	1,335	1,676	1,848
Net Profit margins %	16%	18%	19%	15%	15%	16%
EPS - Reported	8.6	11.2	13.1	13.7	17.2	19.0

Source: Company, Way2wealth Research


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Disclosure of Interest Statement Max Healthcare Institute Ltd. as on 18th Aug 2025

Name of the Security	Max Healthcare Institute Ltd.
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
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