WAY2WEALTH Research Desk

Sector – Healthcare

Max Healthcare Institute Ltd.

29th May 2026 | Close* – ₹993.45/- | View – **Hold**

Q4FY26 Performance

- During Q4FY26, the company reported gross revenue growth of 10% YoY/2% QoQ to ₹2,664crs, driven by occupancy and continued ramp-up across the network. Operating EBITDA increased 8% YoY/ 5% QoQ to ₹682crs, while EBITDA margin stood at 26.8%, marginally lower YoY due to higher clinician hiring costs and onboarding of talent ahead of major brownfield and greenfield expansions. PAT up by 3% YoY/12% qoq to ₹387crs. In Q4FY26, Max Lab reported revenue of ₹52crs up by 14% YoY, while Max@Home revenue increased 30% YoY to ₹73crs, driven by strong traction in diagnostics, rehabilitation, nursing care, and home healthcare services.
- During FY26, the company reported gross revenue growth of 16% YoY to ₹10,538crs. Operating EBITDA increased 14% YoY to ₹2,638crs, while PAT grew 22% YoY to ₹1,631crs, supported by strong occupancy, capacity expansion, and improved operating leverage across the network. Max Lab business reported revenue of ₹201crs, up by 15% yoy and Max@Home revenue up by 23% yoy to ₹263crs, continued to witness healthy growth supported by expansion in digital healthcare services and increasing demand for home-based healthcare and diagnostic solutions.
  - Operational bed capacity increased from 4,654 beds of FY25 to 4,966 beds at the end of FY26, driven by capacity additions across key hospitals.
  - Overall occupancy improved to 76% in FY26 compared to 74% in FY25, reflecting strong demand across the network.
  - ARPOB increased 5% YoY to ₹77.8k, while ALOS stood at 4.1 days during FY26.
  - Revenue from international patients grew 20% YoY to ₹897crs, contributing nearly 9% of hospital revenue.
  - OPD consultations increased 18% YoY to 37.7 lakh during FY26.
  - Digital revenue from online marketing activities, web-based appointments, and digital lead management grew 44% YoY to ₹3,188crs, accounting for nearly 30% of gross revenue.
  - The network provided free treatment worth nearly ₹244crs to economically weaker sections, including treatment for 1.61 lakh OPD patients and 6,251 IPD patients during FY26.

Important Statistics

Nifty	23,907
Sensex	75,868
Close*(₹)	993.45
M.CAP (₹ bn)	~₹955
52 Week H/L (₹)	₹1,314/903
NSE Code	MAXHEALTH
BSE Code	543220
Bloomberg Code	MAXHEALT:IN

Close as on 27th May 2026*

Shareholding pattern (%)	Mar'26 (%)
Promoter	23.7
FII	45.4
DII	26.3
Public & Others	4.6

Financials

(₹ crs)

Particulars	FY23	FY24	FY25	FY26	FY27E	FY8
Revenues	5,904	6,849	8,667	10,065	10,529	12,509
EBITDA	1,598	1,840	2,240	2,598	2,948	3,502
EBITDA Margin (%)	27%	27%	26%	26%	28%	28%
Net Profit	1,085	1,278	1,335	1,630	1,740	2,134
Net Profit margin %	18%	19%	15%	16%	17%	17%
EPS (₹)	11	13	14	17	18	22
RoE (%)	13%	14%	13%	13%	12%	13%
RoCE (%)	14%	14%	15%	13%	13%	14%
P/E (x)	89	76	66	59	56	45
EV/EBITDA (x)	59	51	38	37	33	28

Source: Company, Way2Wealth Research

Concall highlights

- **Brownfield capacity expansion**: Over the last two quarters, the company has commissioned nearly 20% additional brownfield capacity across its network and expects to roll out another ~10% capacity by the end of the year.
  - 400 bed brownfield tower at Max Smart Super Speciality Hospital was commissioned in April 2026.
  - 160 bed brownfield tower at MSSH Mohali has been fully commissioned and operationalized.
  - Nanavati-Max - 116 bed out of the planned 280 bed brownfield expansion have been operationalized, while the remaining beds are expected to become operational over the next three months.
  - Management clarified that these beds are already EBITDA positive and not loss-making. Since the commissioning is being carried out in phases, the full operating leverage is yet to be reflected. Initially, only a portion of the beds are operationalized, while the remaining beds are activated gradually as occupancy increases.

Relative Performance

Returns (%)	1 Yr	3Yr	5 Yr
MAXHEALTH	-14%	84%	342%
Sensex	-7%	22%	48%
Nifty	-4%	30%	55%

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W2W Lighthouse - A Quick Perspective

- **Greenfield capacity expansion:**
  - The management stated that the 500-bed greenfield Gurgaon hospital is expected to be commissioned by the end of FY27, with interior and façade work currently underway. The hospital will be operationalized in phases rather than commissioning all 500 beds at once. Initially, around 200 beds are likely to become operational, with the remaining capacity to be added gradually as occupancy ramps up. Management expects the facility to achieve breakeven within FY28.
    - Separately, management highlighted the successful experience at the Dwarka hospital, where the company had initially guided for a one year breakeven timeline but achieved breakeven within nearly six months. The phased operationalization strategy followed at Dwarka is expected to be replicated for the Gurgaon facility as well.
    - Management also clarified that the delays in the Gurgaon project were largely due to external factors such as labour shortages, GRAP-related construction restrictions, tree transplantation approvals, LPG shortages affecting labour camps, and labour migration during elections
  - The Board has approved an investment of nearly ₹1,400crs for the construction of a 700-bed greenfield hospital at Shaheed Path, Lucknow, further strengthening Max Healthcare's presence in the region. The company currently operates a 426-bed hospital at Gomti Nagar, which is expected to expand to 570 beds in the near term. Management remains highly optimistic on the long-term potential of the Lucknow market and indicated that the Gomti Nagar facility itself could eventually scale up to nearly 2,000 beds over the next decade. The company is also planning a multi-location cluster strategy in Lucknow, similar to its Delhi-NCR model, to strengthen clinical depth, doctor recruitment, and referral networks across the city.
- Max Healthcare completed the acquisition of a controlling stake in Kalinga Hospital Ltd., marking its entry into Eastern India. Kalinga Hospital currently operates a 250-bed facility located on a prime 10-acre land parcel in Bhubaneswar, providing significant scope for future brownfield expansion. The acquisition gives Max access to an established hospital with existing clinical programs and a strong regional presence. Management highlighted that the hospital is already profitable, generating an annual EBITDA of nearly ₹10crs, and therefore does not expect any post-acquisition losses. Integration of the hospital into the Max network is expected to begin from Q1FY27.
- **Oncology revenue decline**: CGHS revised its pricing norms, requiring hospitals to provide certain chemotherapy drugs to institutional patients at a 30% discount to MRP. However, several high-value patented oncology drugs were already operating at margins below 30%, making them loss-making under the revised pricing structure. Accordingly, Max Healthcare discontinued the supply of select chemotherapy drugs to institutional patients.
  - **Impact of Oncology Drug Discontinuation**: The discontinuation of select chemotherapy drugs led to an estimated annualized revenue impact of nearly ₹200crs at the top-line level. Earlier, these drugs contributed EBITDA margins of ~ 15–16%, and so the impact was also visible at the EBITDA level. Therefore, the share of oncology revenues in the inpatient mix declined sharply from nearly 25–26% earlier to around 21–22%. Management indicated that this lower oncology mix is likely to remain at similar levels going forward unless there is a change in the policy framework.

- **Impact on Occupancy and OBDs:** Management clarified that the impact extended beyond pharmacy sales alone. Oncology patients visiting the hospital for chemotherapy treatment also contributed to occupied bed days (OBDs) through surgeries, daycare procedures, and overnight admissions. Following the discontinuation of these drugs, oncology related OBDs declined by nearly 5–6%, which in turn impacted occupancy levels, ARPOB, and overall revenue growth for the quarter.
- The management stated that the revised CGHS pricing remains beneficial overall, with net annual gains of ~ ₹140crs despite the oncology-related impact. ₹100–110crs benefit has already reflected in earnings, while the remaining ₹30–40crs is expected in FY27.

Valuation & Outlook

We remain optimistic on Max Healthcare, supported by strong occupancy trends, faster ramp-up in new hospitals, and ongoing brownfield and greenfield expansions across Gurgaon, Lucknow, Nanavati, Mohali, and Dwarka. For FY26–28E, we project Revenue/EBITDA/PAT CAGR of 11%/16%/14%, driven by rising EBITDA per operational bed and operating leverage from newly added capacities. Overall margins are expected to remain broadly stable at ~27–28. At the current market price, the stock trades at 45x FY28E EPS of ₹22 and 28x FY28E EV/EBITDA. Accordingly, **we continue to maintain our Hold rating on Max Healthcare, in line with the ~30% upside potential highlighted in our initiating coverage report.**

Consolidated Quarterly Performance

(₹ crs)

Particulars	Q4FY26	Q4FY25	YoY %	Q3FY26	QoQ %	FY26	FY25	YoY %
Gross revenue	**2,664**	**2429**	10%	**2,608**	2%	**10,538**	**9,066**	16%
Net revenue	2541	2326	9%	2484	2%	10,065	8,667	16%
Direct costs	1045	917	14%	1004	4%	4,124	3,416	21%
% of sales	41%	39%		40%		41%	39%	
Gross profit	1,496	1409	6%	1,480	1%	5,941	5,251	13%
gross profit margins %	59%	61%		60%		59%	61%	
Indirect overheads	814	777	5%	832	-2%	3,303	2,932	13%
% of sales	32%	33%		33%		33%	34%	
Operating EBITDA	682	632	8%	648	5%	2,637	2,319	14%
Operating EBITDA margins %	27%	27%		26%		26%	27%	
Reported EBITDA	**698**	**613**	14%	**633**	10%	**2,598**	**2,240**	16%
EBITDA margins %	27%	26%	4%	25%	8%	26%	26%	0%
Finance cost/(income)	47	36	31%	41	15%	163	84	94%
Depreciation and amortisation	**136**	**114**	19%	**123**	11%	**498**	**407**	22%
Exceptional Item5	0	0		-55		-55	-74	-26%
Profit before tax after exceptional item	515	463	11%	414	24%	1,882	1,675	12%
Tax	128	87	47%	69	86%	252	340	-26%
Tax %	**25%**	**19%**		**17%**		**13%**	**20%**	
Profit after tax	387	376	3%	345	12%	1,630	1,335	22%
Net Profit margins %	15%	16%		14%		16%	15%	
EPS - Reported	3.98	3.87	3%	3.55	12%	16.77	13.7	22%

Source: Company, Way2Wealth Research

Financials

(₹ crs)

Particulars	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net revenue	5,218	5,904	6,849	8,667	10065	10529	12509
Direct costs	2,103	2,304	2,675	3,416	4124	4211	5003
Gross profit	3,115	3,600	4,174	5,251	5941	6317	7505
gross profit margins %	60%	61%	61%	61%	59%	60%	60%
Indirect overheads	1,725	1,964	2,267	2,932	3303	3369	4003
Reported EBITDA	1,340	1,598	1,840	2,240	2598	2948	3502
EBITDA margins %	26%	27%	27%	26%	26%	28%	28%
Finance cost/(income)	112	39	-38	84	163	165	165
Depreciation and amortisation	248	260	284	407	498	581	636
Profit before tax	980	1,299	1,594	1,749	1937	2202	2702
Exceptional	0	0	0	-74	-55	0	0
Profit before tax after exceptional item	980	1,299	1,594	1,675	1882	2202	2702
Tax	143	214	316	340	252	462	567
Profit after tax	837	1,085	1,278	1,335	1630	1740	2134
Net Profit margins %	16%	18%	19%	15%	16%	17%	17%
EPS - Reported	**8.6**	**11.2**	**13.1**	**13.7**	16.8	17.9	22.0

Source: Company, Way2Wealth Research

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Disclosure of Interest Statement Max Healthcare Institute Ltd. as on 29th May 2026

Name of the Security	Max Healthcare Institute Ltd.
Name of the analyst	Rupali Singh
Analysts' ownership of any stock related to the information contained Financial Interest Analyst : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	NIL Yes (8 shares on 9th April 2026) 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
Investment Banking relationship with company covered	NIL

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