

August 14, 2025

Q1FY26 Result Update

■ Change in Estimates | ☒ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	1,355		1,300	
Sales (Rs. m)	1,11,589	1,31,708	1,11,589	1,31,708
% Chng.	-	-	-	-
EBITDA (Rs. m)	29,601	36,616	29,601	36,616
% Chng.	-	-	-	-
EPS (Rs.)	20.4	26.8	20.4	26.8
% Chng.	-	-	-	-

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	68,490	86,670	1,11,589	1,31,708
EBITDA (Rs. m)	19,070	23,170	29,601	36,616
Margin (%)	27.8	26.7	26.5	27.8
PAT (Rs. m)	12,780	14,880	19,873	26,084
EPS (Rs.)	13.1	15.3	20.4	26.8
Gr. (%)	(3.9)	16.4	33.6	31.3
DPS (Rs.)	1.0	1.7	2.8	3.4
Yield (%)	0.1	0.1	0.2	0.3
RoE (%)	15.5	15.0	17.4	19.5
RoCE (%)	16.9	16.3	18.2	20.7
EV/Sales (x)	17.3	13.9	10.7	9.0
EV/EBITDA (x)	62.2	51.9	40.5	32.4
PE (x)	92.8	79.8	59.7	45.5
P/BV (x)	12.8	11.3	9.7	8.2

Key Data

52-W High / Low	Rs.1,314 / Rs.837
Sensex / Nifty	80,598 / 24,631
Market Cap	Rs.1,187bn/ \$ 13,553m
Shares Outstanding	972m
3M Avg. Daily Value	Rs.2439.15m

Shareholding Pattern (%)

Promoter's	23.74
Foreign	54.76
Domestic Institution	17.42
Public & Others	4.08
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(2.3)	21.6	40.3
Relative	(0.3)	14.6	37.7

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In-line; base business EBITDA growth at 15%

Quick Pointers:

- Targets to add ~1,000 brownfield beds and 500 greenfield beds in FY26.
- New units (Noida+Dwarka) reported EBITDA of Rs270mn

Max Healthcare Institute (MAXHEALT) reported healthy EBITDA growth of 23% YoY to Rs 6.14bn; in line with our estimates. The company showed phenomenal growth with ~19% EBITDA CAGR over FY22-25. We expect pick-up in the growth momentum given 1) strong expansion plans (+3700 additional beds over FY25-28E), 2) improving payor mix and 3) Bolt on acquisitions like recently added in Lucknow, Nagpur and Noida. Operational efficiency has also been commendable, especially in competitive markets like NCR. Our FY26E/27E EBITDA remains unchanged and we expect EBITDA/PAT to grow ~2x over FY25-28E. We ascribe 36x EV/EBITDA based on FY27E. Maintain 'BUY' rating with TP of Rs. 1,355/share.

In line EBITDA, existing units EBITDA grew by 15% YoY: Base business's EBITDA improved 15% YoY while including Lucknow + Nagpur unit; EBITDA growth was 18% YoY. During Q1, total of 95 additional beds was commissioned largely in Dwarka and Noida facilities. New units which now comprise of Noida and Dwarka contributed EBITDA of Rs 270mn; up 19% QoQ. There were Rs120mn one time donation expenses. Overall margins declined by 80bps YoY and 220bps QoQ to 25%. Consol occupancies improved by 100 bps YoY and QoQ to 76%. ARPOB improved by 1% YoY and QoQ to Rs 78K. Existing units ARPOB which now includes Lucknow and Nagpur units came in at Rs80.9k; up 5% YoY.

Strong revenues across existing and new units: Consolidated revenues came at Rs. 24.6bn (up 27% YoY); of which Rs.1.34bn, Rs. 1.1bn, Rs. 970mn and Rs. 550mn were contributed by Noida, Lucknow, Dwarka and Nagpur units respectively. Base business revenue growth was 13% while including Lucknow & Nagpur were at 16% YoY. Institutional revenue share was at 21.8% vs 20.8% in Q4. Max Lab and Max@Home revenue stood at Rs 480mn and Rs 600mn respectively. During Q1, net debt increased by Rs. 1.8bn QoQ to Rs17.6bn.

Key Conference Call Highlights:

- Bed Expansion plans-** MAXHEALT targets adding ~1,000 brownfield beds and 500 greenfield beds in FY26. Trial runs started at a new brownfield tower of 160 beds in Mohali.
- Project updates: Nanavati (Phase 1 with 268 beds):** commissioning of multiple floors in coming weeks. **Max Smart (400 beds):** interiors/MEP progressing; phase commissioning targeted by end-Q2 FY26. **Lucknow (Phase 2):** expanding from 413 beds to 520 beds by FY26E; 32 beds are ready; LINAC installation expected in early Sep'25. **Sec56, Gurgaon (501 beds):** structural/MEP underway; commissioning by FY26 end. **Nagpur (100 beds):** waiting for environmental clearance approval; 24-month completion post

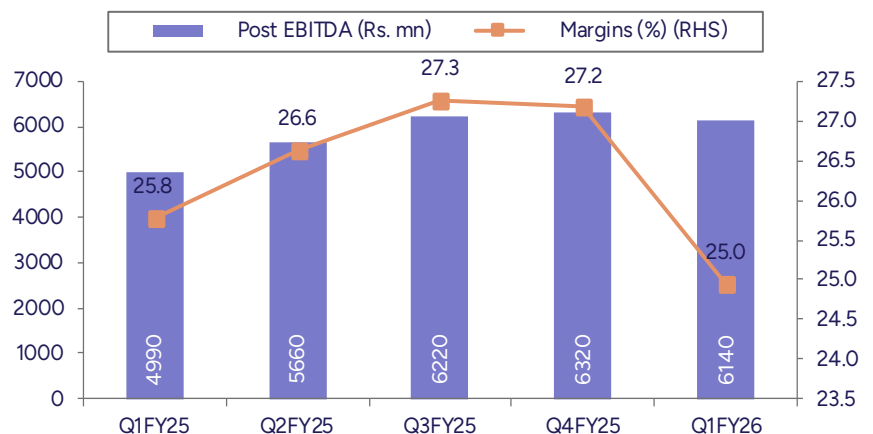
start. **Patparganj (397 beds)**: post-EC, barricading/tendering in progress. **MAX Vikrant (550 beds)**: pending tree-transplantation approval from Forest Dept; guided to start after Saket 400-bed commissioning. **Zirakpur, Mohali (asset-light) 400 beds**: approvals received; will take ~24 months to complete. **Max Vaishali (Brownfield) 140 beds**: demolition work is underway; guided ~30 months to complete. **Thane (500 beds)**: master plan being finalized; drawings/submissions will be done by end-Q2 FY26. **Pitampura, Delhi (250 beds)**: drawings submitted; will start construction post approvals.

- **Dehradun (Built to suit lease, 130 beds)**: located at ~100 meters of distance from existing 220-bed unit of MAX (reported 80% occupancy in Q1); plans for oncology-focused (incl. radiation) and expected commissioning by 2028 end.
- Executed binding term sheet to divest Chitta (Bulandshahr) & Anoopshahr Hospitals for Rs 400mn; expected completion by Sep-2025. In Q1, Chitta delivered Rs 50mn of revenues with Rs 10mn of EBITDA loss.
- **New units: Noida** reported revenue growth of 14% YoY with 32% YoY EBITDA growth to Rs 230-240mn. **Dwarka** revenues improved 24% QoQ with Rs 70-80mn of EBITDA. **Lucknow** reported revenue growth +97% YoY and EBITDA growth of +191% YoY. While **Nagpur's** revenue growth was at +27% YoY and EBITDA growth in the same range (~27%).
- Oncology is ~25–26% of hospital revenue and rising structurally; radiation oncology at Lucknow and Dwarka is expected to commission in Q3 FY26, which should improve the oncology share further. Dwarka occupancy is already ~81–82% on operational beds.
- Consol ARPOB was flattish (up 1% YoY and QoQ) due to new/acquired units' lower ARPOB; existing beds' ARPOB was up ~7%. Guided ARPOB to increase as newer units ramp.
- Existing units delivered 26.2% margin; adjusted for a one-time Rs 120mn donation. New units contributed Rs 270mn EBITDA.
- In Q1, Capex deployment of Rs 4.35bn for expansion/upgrade; Rs 1.31bn for Vaishali land.
- International patient revenue was Rs 2.1bn, up 32% YoY, despite airspace closures and geopolitical challenges; accounts for 9% of hospital revenues.

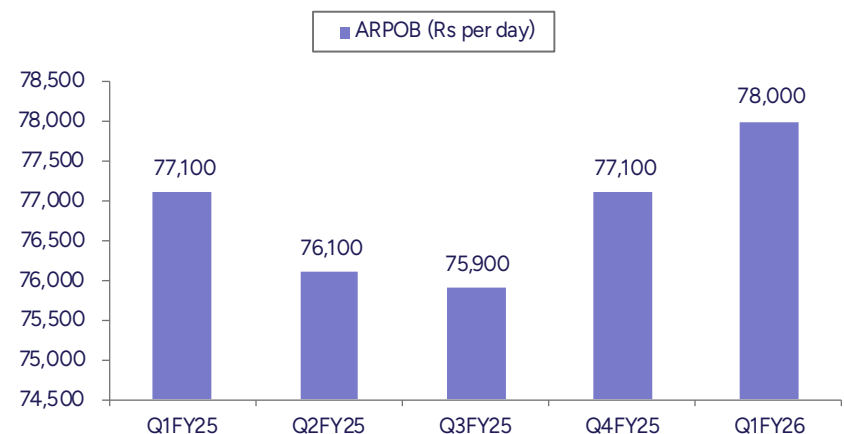
Exhibit 1: Q1FY26 Result Overview (Rs mn) –In line EBITDA

Y/e March	1QFY26	1QFY25	YoY gr. (%)	Q1FY26E	% Var.	4QFY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	24,600	19,350	27.1	23,923	2.8	23,260	5.8	1,11,589	86,670	28.8
COGS	10,150	7,730	31.3	9,689	4.8	9,170	10.7	28,455	21,150	34.5
<i>% of Net Sales</i>	<i>41.3</i>	<i>39.9</i>		<i>40.5</i>		<i>39.4</i>		<i>25.5</i>	<i>24.4</i>	
Other Expenses	8,310	6,630	25.3	8,182	1.6	7,770	6.9	53,533	42,350	26.4
<i>% of Net Sales</i>	<i>33.8</i>	<i>34.3</i>		<i>34.2</i>		<i>33.4</i>		<i>48.0</i>	<i>48.9</i>	
Total	18,460	14,360	28.6	17,871	3.3	16,940	9.0	81,988	63,500	29.1
EBITDA	6,140	4,990	23.0	6,052	1.4	6,320	(2.8)	29,601	23,170	27.8
<i>Margins (%)</i>	<i>25.0</i>	<i>25.8</i>		<i>25.3</i>		<i>27.2</i>		<i>26.5</i>	<i>26.7</i>	
Interest	340	80	325.0	350	(2.9)	360	(5.6)	600	840	(28.6)
Depreciation	1,170	900	30.0	1,150	1.7	1,140	2.6	4,466	4,060	10.0
PBT	4,630	4,010	15.5	4,552	1.7	4,820	(3.9)	24,535	18,270	34.3
Tax	960	870	10.3	910	5.4	870	10.3	4,662	3,390	37.5
<i>Tax rate %</i>	<i>20.7</i>	<i>21.7</i>		<i>20.0</i>		<i>18.0</i>		<i>19.0</i>	<i>18.6</i>	
PAT	3,670	3,140	16.9	3,642	0.8	3,950	(7.1)	19,873	14,880	33.6
Other comprehensive income/(exp)	-	-	NA	-	#DIV/O!	-	NA	-	-	#DIV/O!
EO items	220	190	15.8	-	#DIV/O!	190	15.8	-	1,540	(100.0)
Reported PAT	3,450	2,950	16.9	3,642	(5.3)	3,760	(8.2)	19,873	13,340	49.0

Source: Company, PL

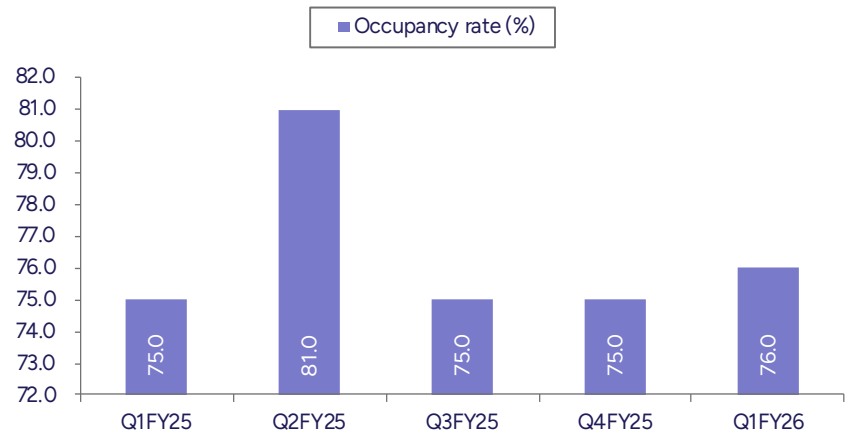
Exhibit 2: Consol margins were down QoQ due to higher manpower cost


Source: Company, PL

Exhibit 3: Existing unit's ARPOB growth was healthy at 7% YoY


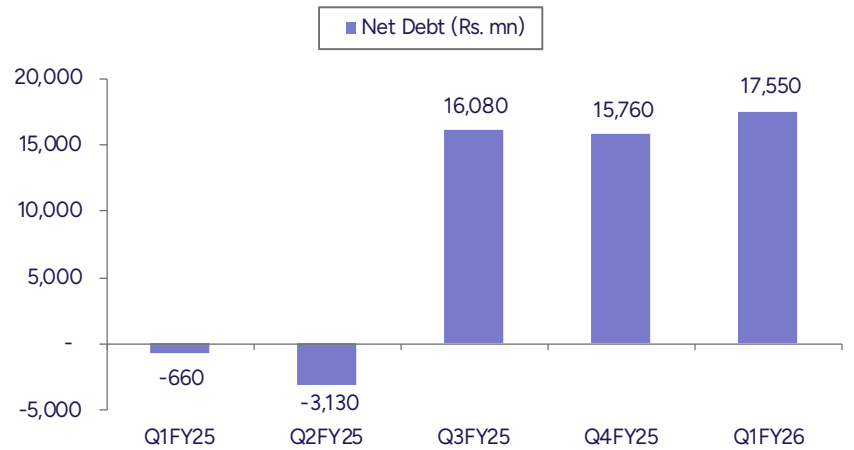
Source: Company, PL

Exhibit 4: Occupancy improved by 100 bps QoQ



Source: Company, PL

Exhibit 5: Net debt increased by Rs. 1.8bnn QoQ



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	68,490	86,670	1,11,589	1,31,708
YoY gr. (%)	16.0	26.5	28.8	18.0
Cost of Goods Sold	16,350	21,150	28,455	33,586
Gross Profit	52,140	65,520	83,134	98,123
Margin (%)	76.1	75.6	74.5	74.5
Employee Cost	23,964	26,501	39,056	46,098
Other Expenses	9,107	15,850	14,477	15,409
EBITDA	19,070	23,170	29,601	36,616
YoY gr. (%)	16.6	21.5	27.8	23.7
Margin (%)	27.8	26.7	26.5	27.8
Depreciation and Amortization	2,840	4,060	4,466	4,913
EBIT	16,230	19,110	25,135	31,703
Margin (%)	23.7	22.0	22.5	24.1
Net Interest	(380)	840	600	(500)
Other Income	-	-	-	-
Profit Before Tax	16,610	18,270	24,535	32,203
Margin (%)	24.3	21.1	22.0	24.5
Total Tax	3,160	3,390	4,662	6,119
Effective tax rate (%)	19.0	18.6	19.0	19.0
Profit after tax	13,450	14,880	19,873	26,084
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	12,780	14,880	19,873	26,084
YoY gr. (%)	(3.8)	16.4	33.6	31.3
Margin (%)	18.7	17.2	17.8	19.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	12,780	14,880	19,873	26,084
YoY gr. (%)	(3.8)	16.4	33.6	31.3
Margin (%)	18.7	17.2	17.8	19.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	12,780	14,880	19,873	26,084
Equity Shares O/s (m)	972	972	972	972
EPS (Rs)	13.1	15.3	20.4	26.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	59,850	89,310	96,924	1,07,011
Tangibles	59,850	89,310	96,924	1,07,011
Intangibles	-	-	-	-
Acc: Dep / Amortization	-	-	-	-
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	59,850	89,310	96,924	1,07,011
Tangibles	59,850	89,310	96,924	1,07,011
Intangibles	-	-	-	-
Capital Work In Progress	-	-	-	-
Goodwill	42,670	47,950	47,956	47,962
Non-Current Investments	30	40	40	40
Net Deferred tax assets	(370)	(1,510)	(1,510)	(1,510)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	1,060	1,340	2,446	2,887
Trade receivables	9,945	12,585	17,153	16,580
Cash & Bank Balance	12,860	10,110	10,965	14,738
Other Current Assets	-	-	-	-
Total Assets	1,26,415	1,61,335	1,75,484	1,89,219
Equity				
Equity Share Capital	92,950	1,05,330	1,22,481	1,45,299
Other Equity	-	-	-	-
Total Network	92,950	1,05,330	1,22,481	1,45,299
Non-Current Liabilities				
Long Term borrowings	11,770	24,920	22,920	14,920
Provisions	-	-	-	-
Other non current liabilities	4,610	4,890	4,890	4,890
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	8,069	10,210	13,146	15,516
Other current liabilities	6,046	8,155	4,216	763
Total Equity & Liabilities	1,26,415	1,61,335	1,75,484	1,89,219

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	16,610	18,270	24,535	32,203
Add. Depreciation	2,840	4,060	4,466	4,913
Add. Interest	(380)	840	600	(500)
Less Financial Other Income	-	-	-	-
Add. Other	-	-	-	-
Op. profit before WC changes	19,070	23,170	29,601	36,616
Net Changes-WC	(4,078)	(2,920)	(5,674)	131
Direct tax	(3,160)	(3,390)	(4,662)	(6,119)
Net cash from Op. activities	11,832	16,860	19,266	30,628
Capital expenditures	(16,000)	(28,580)	(12,000)	(15,000)
Interest / Dividend Income	-	-	-	-
Others	(1,089)	(1,089)	(1,089)	(1,089)
Net Cash from Inv. activities	(17,089)	(29,669)	(13,089)	(16,089)
Issue of share cap. / premium	-	-	-	-
Debt changes	4,950	13,150	(2,000)	(8,000)
Dividend paid	(970)	(1,633)	(2,722)	(3,266)
Interest paid	380	(840)	(600)	500
Others	(1,894)	(618)	-	-
Net cash from Fin. activities	2,466	10,058	(5,322)	(10,766)
Net change in cash	(2,790)	(2,750)	855	3,773
Free Cash Flow	(4,168)	(11,720)	7,266	15,628

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	13.1	15.3	20.4	26.8
CEPS	16.1	19.5	25.0	31.9
BVPS	95.6	108.3	126.0	149.5
FCF	(4.3)	(12.1)	7.5	16.1
DPS	1.0	1.7	2.8	3.4
Return Ratio(%)				
RoCE	16.9	16.3	18.2	20.7
ROIC	14.3	12.6	15.3	18.2
RoE	15.5	15.0	17.4	19.5
Balance Sheet				
Net Debt : Equity (x)	0.0	0.1	0.1	-
Net Working Capital (Days)	16	16	21	11
Valuation(x)				
PER	92.8	79.8	59.7	45.5
P/B	12.8	11.3	9.7	8.2
P/CEPS	76.0	62.7	48.8	38.3
EV/EBITDA	62.2	51.9	40.5	32.4
EV/Sales	17.3	13.9	10.7	9.0
Dividend Yield (%)	0.1	0.1	0.2	0.3

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	21,250	22,810	23,260	24,600
YoY gr. (%)	22.7	35.1	29.2	27.1
Raw Material Expenses	8,430	8,830	9,170	10,150
Gross Profit	12,820	13,980	14,090	14,450
Margin (%)	60.3	61.3	60.6	58.7
EBITDA	5,660	6,220	6,320	6,140
YoY gr. (%)	13.7	31.8	25.6	23.0
Margin (%)	26.6	27.3	27.2	25.0
Depreciation / Depletion	970	1,060	1,140	1,170
EBIT	4,690	5,160	5,180	4,970
Margin (%)	22.1	22.6	22.3	20.2
Net Interest	50	350	360	340
Other Income	-	-	-	-
Profit before Tax	4,640	4,810	4,820	4,630
Margin (%)	21.8	21.1	20.7	18.8
Total Tax	950	710	870	960
Effective tax rate (%)	20.5	14.8	18.0	20.7
Profit after Tax	3,690	4,100	3,950	3,670
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	3,490	3,150	3,760	3,450
YoY gr. (%)	2.9	(7.1)	20.9	16.9
Margin (%)	16.4	13.8	16.2	14.0
Extra Ord. Income / (Exp)	200	950	190	220
Reported PAT	3,690	4,100	3,950	3,670
YoY gr. (%)	3.1	19.5	17.6	16.9
Margin (%)	17.4	18.0	17.0	14.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,690	4,100	3,950	3,670
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	3.8	4.2	4.1	3.8

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jul-25	BUY	1,300	1,300
2	22-May-25	BUY	1,300	1,142
3	08-Apr-25	BUY	1,300	1,084
4	01-Feb-25	BUY	1,300	1,061
5	08-Jan-25	BUY	1,200	1,198
6	08-Nov-24	BUY	1,200	1,073
7	07-Oct-24	BUY	975	926

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Apollo Hospitals Enterprise	BUY	9,300	7,809
2	Aster DM Healthcare	BUY	700	605
3	Aurobindo Pharma	BUY	1,300	1,079
4	Cipla	BUY	1,730	1,533
5	Divi's Laboratories	Accumulate	6,550	6,134
6	Dr. Reddy's Laboratories	Reduce	1,270	1,247
7	Eris Lifesciences	BUY	1,975	1,808
8	Fortis Healthcare	BUY	1,000	884
9	HealthCare Global Enterprises	BUY	620	560
10	Indoco Remedies	Hold	325	322
11	Ipca Laboratories	Accumulate	1,525	1,377
12	J.B. Chemicals & Pharmaceuticals	BUY	2,030	1,778
13	Jupiter Life Line Hospitals	BUY	1,720	1,451
14	Krishna Institute of Medical Sciences	BUY	815	745
15	Lupin	BUY	2,400	1,852
16	Max Healthcare Institute	BUY	1,300	1,300
17	Narayana Hrudayalaya	BUY	2,000	1,830
18	Rainbow Children's Medicare	BUY	1,725	1,541
19	Sun Pharmaceutical Industries	BUY	1,875	1,707
20	Suntech Realty	BUY	650	427
21	Torrent Pharmaceuticals	Accumulate	4,000	3,623
22	Zydus Lifesciences	Accumulate	970	956

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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