

BUY

Sector: Healthcare

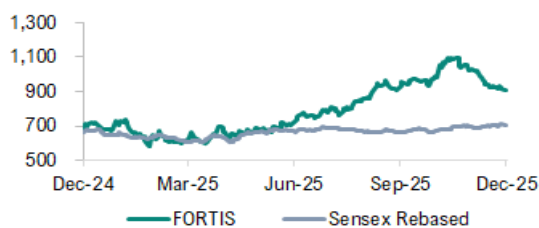
22nd December, 2025

Key Changes		Target		Rating		Earnings		Target	Rs. 1,030
Stock Type	Bloomberg Code	Sensex		NSE Code		BSE Code	Time Frame	CMP	Rs. 891
Mid Cap	FORH:IN	84,929		FORTIS		532843	12 Months	Return	+16%

Data as of: 19-Dec-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	67,455		
52 Week High — Low (Rs.)	1,105 - 521		
Enterprise Value (Rs. cr)	69,453		
Outstanding Shares (cr)	75.5		
Free Float (%)	68.8		
Dividend Yield (%)	0.1		
6m average volume (cr)	0.2		
Beta	1.0		
Face value (Rs.)	10.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	31.2	31.2	31.2
FII's	27.4	27.1	27.9
MFs/Institutions	29.5	29.8	29.1
Public	10.7	10.7	10.7
Others	1.2	1.2	1.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-10.5%	14.7%	27.8%
Absolute Sensex	1.8%	2.5%	6.6%
Relative Return	-12.3%	12.2%	21.2%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY25A	FY26E	FY27E
Sales	7,783	9,287	11,092
Growth (%)	12.9	19.3	19.4
EBITDA	1,655	2,120	2,623
EBITDA Margin (%)	21.3	22.8	23.6
PAT Adjusted	864	1,098	1,466
Growth (%)	48.2	27.1	33.6
Adjusted EPS	11.4	14.5	19.4
Growth (%)	48.2	27.1	33.6
P/E	61.1	63.0	47.2
P/B	5.9	7.0	6.1
EV/EBITDA	33.0	33.6	27.2
ROE (%)	8.7	11.4	13.0
D/E	0.2	0.2	0.2

Strong Quarter, Promising Outlook

Fortis Healthcare Ltd, an IHH Healthcare Berhad company, is one of the largest and leading integrated healthcare service providers in India, with 33 facilities, 5,800 operational beds and 400 diagnostic centres.

- In Q2FY26, consolidated revenue grew 17.3% YoY to Rs. 2,331cr owing to growth in the healthcare and diagnostics businesses.
- Hospital business increased 19.3% YoY to Rs. 1,974cr, led by 13.0% YoY growth in occupied beds. The segment accounted for 85% of the total revenue. Diagnostic business increased 7.1% YoY to Rs. 357cr.
- Average revenue per operating bed (ARPOB) increased to Rs. 2.51cr in Q2FY26 from Rs. 2.37cr in Q2FY25, fueled by a favorable shift in its specialty mix, with notable advancements in the oncology sector.
- EBITDA increased 29.2% YoY to Rs. 579cr, while margin expanded 230bps YoY to 24.8% on account of operational efficiency, higher occupancy rates and optimal utilisation of existing hospitals.
- Reported PAT increased 70.3% YoY to Rs. 329cr owing to higher topline growth, favourable mix and improving utilization.

Outlook & Valuation

The company delivered strong Q2FY26 financial results, driven by margin expansion in the hospital and diagnostic businesses. Fortis is targeting a full-year addition of 400-500 beds, supported by capacity expansion in Noida and Jalandhar. Fortis is targeting an EBITDA margin of 25% in the hospital business for the next couple of years. Additionally, the international patients segment is expected to remain strong. Hence, **we upgrade our rating to BUY from HOLD with a revised target price of Rs. 1,030 based on 31x FY27E EV/EBITDA.**

Quarterly Financial Consol.

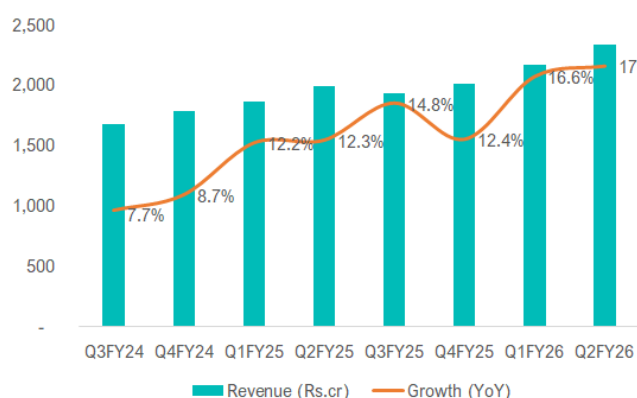
Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	2,331	1,988	17.3	2,167	7.6	4,498	3,847	16.9
EBITDA	579	448	29.2	506	14.4	1,085	804	35.0
Margin (%)	24.8	22.5	230bps	23.4	140bps	24.1	20.9	320bps
EBIT	473	353	34.0	405	16.9	878	618	42.1
PBT	425	261	63.0	351	21.3	776	491	58.0
Rep. PAT	329	193	70.3	267	23.3	596	367	62.3
Adj PAT	298	236	26.3	248	20.5	546	402	35.8
Adj. EPS (Rs)	4.0	3.1	26.3	3.3	20.5	7.2	5.3	35.8



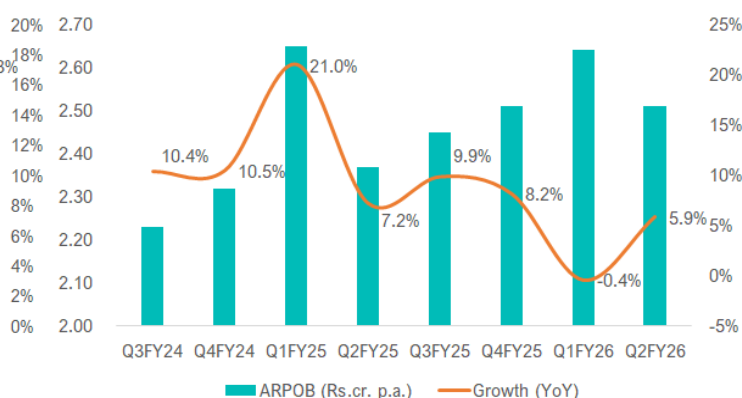
Key concall highlights

- In Q2FY26, focus specialties such as oncology, neurosciences, cardiac sciences, gastroenterology, orthopaedics and renal sciences contributed 62% to the hospital business revenue compared to 61% in Q2FY25.
- International patient revenue increased 26% YoY to Rs. 169cr, contributing 8.1% to the hospital business revenue vs 7.7% in Q2FY25.
- Revenue from key specialties such as oncology and renal sciences grew 29% and 22% YoY, respectively.
- Fortis signed a 15-year lease agreement for a 200-bed multi-specialty hospital in Greater Noida, expanding its capacity to ~2,100 beds in Delhi NCR.
- The company also signed an operations and maintenance agreement for a greenfield super specialty hospital to be constructed in Lucknow by the Ekana Group with 550 beds.
- Agilus conducted 10.62mn tests in Q2FY26 vs 10.4mn tests in Q2FY25.
- Fortis expects the diagnostic business margin to be 23%-24% in FY26.

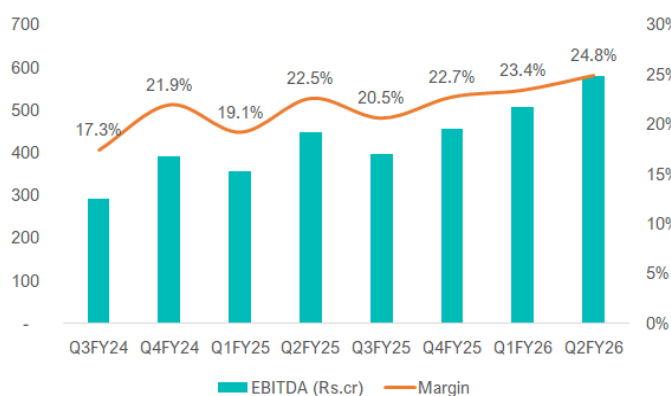
Revenue



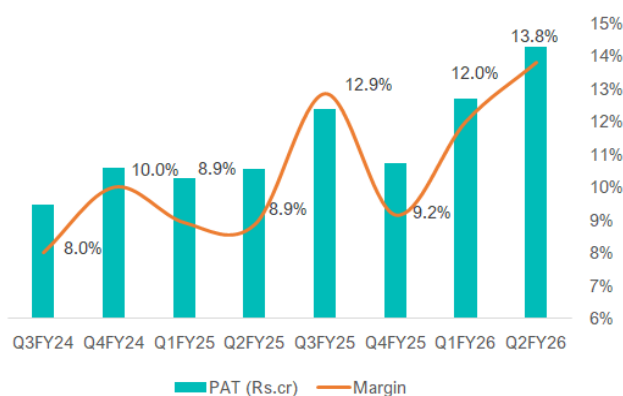
ARPOB (Rs.cr. Per annum)



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	9,053	10,596	9,287	11,092	2.6	4.7
EBITDA	2,032	2,457	2,120	2,623	4.4	6.8
Margins (%)	22.4	23.2	22.8	23.6	40bps	40bps
Adj. PAT	1,025	1,309	1,098	1,466	7.1	12.0
EPS	13.6	17.3	14.5	19.4	6.9	12.3



Consolidated Financials

Profit & Loss

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	6,298	6,893	7,783	9,287	11,092
% change	10.1	9.5	12.9	19.3	19.4
EBITDA	1,163	1,306	1,655	2,120	2,623
% change	6.1	12.3	26.7	28.1	23.7
Depreciation	316	343	386	418	428
EBIT	847	963	1,269	1,702	2,195
Interest	129	131	184	231	242
Other Income	95	26	-78	48	12
PBT	814	858	1,007	1,520	1,965
% change	-17.6	5.4	17.4	50.9	29.3
Tax	181	213	198	334	432
Tax Rate (%)	22.2	24.8	19.6	22.0	22.0
Reported PAT	633	645	809	1,185	1,533
PAT att. to common shareholder-	589	599	774	1,134	1,466
Adj.*	-74	-16	89	-36	-
Adj. PAT	515	583	864	1,098	1,466
% change	114.6	13.2	48.2	27.1	33.6
No. of shares (cr)	75.5	75.5	75.5	75.5	75.5
Adj EPS (Rs.)	6.8	7.7	11.4	14.5	19.4
% change	114.6	13.2	48.2	27.1	33.6
DPS (Rs.)	1.0	1.0	1.0	1.5	1.9

Cashflow

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	904	941	1,160	1,552	1,894
Non-cash adj.	-61	181	388	-632	-700
Other adjustments	-	-	-	-	-
Changes in W.C	-21	-22	-124	-93	10
C.F. Operation	822	1,100	1,424	826	1,204
Capital exp.	-425	-666	-832	-568	-776
Change in inv.	49	-141	20	-	-
Other invest.CF	2	-80	33	-51	-66
C.F - Investment	-374	-886	-779	-619	-842
Issue of equity	-	-	-	-	-
Issue/repay debt	-282	185	-415	53	64
Dividends paid	-16	-86	-109	-111	-143
Other finance.CF	-173	-186	-190	-226	-242
C.F - Finance	-471	-86	-714	-284	-321
Chg. in cash	-23	127	-69	-77	40
Closing Cash	363	598	508	431	471

Balance Sheet

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	363	598	508	431	471
Accts. Receivable	582	628	784	1,012	1,120
Inventories	123	107	115	126	156
Other Cur. Assets	339	87	64	81	87
Investments	210	230	169	220	286
Gross Fixed As-sets	6,291	6,804	7,636	8,205	8,981
Net Fixed Assets	4,850	5,268	5,848	6,018	6,346
CWIP	228	540	404	384	405
Intangible Assets	4,577	4,608	4,578	4,578	4,578
Def. Tax -Net	344	317	315	669	951
Other Assets	818	906	906	1,264	1,795
Total Assets	12,434	13,289	13,692	14,783	16,196
Current Liabilities	1,295	3,053	1,498	1,496	1,640
Provisions	130	147	163	163	163
Debt Funds	703	858	2,195	2,248	2,312
Other Liabilities	2,205	675	666	632	447
Equity Capital	755	755	755	755	755
Res. & Surplus	6,487	6,908	8,162	9,185	10,508
Shareholder Funds	7,242	7,663	8,917	9,940	11,263
Minority Interest	858	893	253	304	371
Total Liabilities	12,434	13,289	13,692	14,783	16,196
BVPS	96	102	118	132	149

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	18.5	18.9	21.3	22.8	23.6
EBIT margin (%)	13.5	14.0	16.3	18.3	19.8
Net profit mgn.(%)	9.3	8.7	9.9	12.2	13.8
ROE (%)	8.1	7.8	8.7	11.4	13.0
ROCE (%)	9.6	10.2	11.2	13.6	15.7
W.C & Liquidity					
Receivables (days)	33.7	33.3	36.9	39.8	36.9
Inventory (days)	30.8	24.3	23.1	22.8	23.7
Payables (days)	163.5	144.4	152.0	164.0	160.5
Current ratio (x)	1.0	0.4	0.9	1.0	1.0
Quick ratio (x)	0.7	0.4	0.8	0.9	0.9
Turnover & Leverage					
Gross asset T.O (x)	1.0	1.1	1.1	1.2	1.3
Total asset T.O (x)	0.5	0.5	0.6	0.7	0.7
Int. covge. ratio (x)	6.6	7.4	6.9	7.4	9.1
Adj. debt/equity (x)	0.1	0.1	0.2	0.2	0.2
Valuation					
EV/Sales (x)	3.3	4.8	7.0	7.7	6.4
EV/EBITDA (x)	17.9	25.1	33.0	33.6	27.2
P/E (x)	38.1	54.3	61.1	63.0	47.2
P/BV (x)	2.7	4.1	5.9	7.0	6.1



Recommendation Summary (Last 3 years)



Dates	Rating	Target
30-May-23	ACCUMULATE	316
17-Aug-23	HOLD	340
21-Nov-23	HOLD	390
09-Feb-24	HOLD	460
20-Aug-24	HOLD	569
16-Dec-24	ACCUMULATE	787
19-Jun-25	HOLD	816
22-Dec-25	BUY	1,030


Investment Rating Criteria


Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:  Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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