

GPT Healthcare | ADD

Mixed 2Q; expansion to weigh on near-term margins

GPT Healthcare reported a mixed performance in 2QFY26, with rev./EBITDA/PAT growing +13%/-3%/-28% YoY. The EBITDA margins contracted 304bps YoY to come in at 19.1%. The revenue growth was broad based, driven by ramp-up at the four key facilities. Though, the occupancy remained flat in Dum Dum and Howrah. The management is also exploring inorganic opportunities in tier-2 cities like Varanasi and Patna, though challenges persist in finding suitable acquisition targets. The recently commissioned Raipur unit contributed INR 99mn in revenue but reported an EBITDA loss of ~INR 40mn, weighing the entity margins down, with full-year losses projected at ~INR 100mn for FY26. The Jamshedpur unit is expected to launch by 3QFY27, although the company anticipates EBITDA losses of INR 40–50mn in the quarter of commissioning. Given the greater-than-anticipated losses at the Raipur unit and the uncertainty surrounding the Ranchi expansion, along with the expected impact of the Jamshedpur launch on FY27 EBITDA, we are revising our FY26/27/28 estimates downwards. We value the stock at 10x FY27E EBITDA, to arrive at a TP of INR 161 and rate the stock as ADD, in-line with our new rating system.

- **Expansion plans:** The management mentioned 3QFY27 as the expected timeline for commissioning of the Jamshedpur unit, with expected EBITDA loss of INR 40-50mn in the quarter it gets commissioned in. The company is also exploring inorganic opportunities in tier-2 cities in eastern India (Varanasi, Patna, Cuttack). However, is facing difficulty finding quality targets. GPT remains open to greenfield too, with preference towards asset-light model but not bound by it.
- **Raipur:** The newly commissioned Raipur unit reported INR 99mn in revenue, with occupancy at 10% and ARPOB of INR 40,869. The entity booked EBITDA loss of INR 30mn in 2Q and INR 72mn in 1HFY26. The management has guided for INR 100mn EBITDA loss on annualised basis for FY26, with breakeven expected in 12-13 months post commissioning. The unit has started offering Renal transplants, Chemotherapy and Oncology Surgeries. Further, the unit has received license for conducting liver transplants.
- **Salt Lake:** The Salt lake facility reported INR 393mn in revenue for 1HFY26, with occupancy at 62% (vs. 58% in 1HFY25) and ARPOB of INR 41,062 (+4% YoY). GPT has conducted 700+ successful robotic surgeries at the site and expects changing case mix towards complex cases and increase in occupancy down the line.
- **Agartala:** The Agartala unit reported 1HFY26 revenue of INR 692mn, with occupancy at 53% (vs. 47% in 1HFY25) and ARPOB of INR 34,993 (+8% YoY). The unit is one of a kind hospital in Tripura. The hospital has started Radiation Oncology, completing over 700 procedure in 4 months
- **Dum Dum:** The Dum Dum hospital contribution for 1HFY26 was at INR 765mn, with occupancy coming in at 64% (vs. 70% in 1HFY25) and ARPOB at INR 42,033 (+2% YoY). The management anticipates numbers to improve in 2HFY26, as 1H was impacted due to offering realignment targeting ALOS reduction.
- **Howrah:** The Howrah unit reported INR 308mn revenue for 1HFY26, with occupancy at 42% (vs. 41% 1HFY25) and ARPOB at INR 34,822 (+8% YoY). The unit commenced robotic knee replacement surgery offering and has performed 34 such surgeries till 1HFY26.



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Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	HOLD
Current Price Target (12M)	161
Upside/(Downside)	12.2%
Previous Price Target	165
Change	-2.4%

Key Data – GPTHEALT IN

Current Market Price	INR144
Market cap (bn)	INR11.8/US\$0.1
Free Float	33%
Shares in issue (mn)	82.1
Diluted share (mn)	82.1
3-mon avg daily val (mn)	INR28.4/US\$0.3
52-week range	192/126
Sensex/Nifty	83,871/25,695
INR/US\$	88.6

Price Performance

%	1M	6M	12M
Absolute	-3.7	-2.8	-17.8
Relative*	-5.3	-7.9	-22.1

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY25A	FY26A	FY27E	FY28E	FY28E
Net Sales	4,071	4,684	5,575	6,444	6,874
Sales Growth (%)	1.7	15.1	19.0	15.6	19.6
EBITDA	834	909	1,171	1,385	1,478
EBITDA Margin (%)	20.5	19.4	21.0	21.5	21.5
Adjusted Net Profit	499	568	709	883	936
Diluted EPS (INR)	6.1	6.9	8.6	10.8	11.4
Diluted EPS Growth (%)	4.5	13.8	24.8	24.6	23.2
ROIC (%)	21.5	22.4	26.5	31.1	33.9
ROE (%)	21.4	21.2	22.7	24.0	24.8
P/E (x)	23.7	20.8	16.7	13.4	12.5
P/B (x)	4.8	4.1	3.5	3.0	2.9
EV/EBITDA (x)	14.2	12.7	9.9	8.1	7.4
Dividend Yield (%)	1.7	1.4	1.8	2.2	2.4

Source: Company data, JM Financial. Note: Valuations as of 11/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

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- **Valuation:** We are revising our FY26/27/28 estimates downwards on account of – a. Greater-than-anticipated losses at the Raipur unit; b. Uncertainty surrounding the Ranchi expansion; and c. Expected impact of the Jamshedpur launch on FY27 EBITDA. We value the stock at 10x FY27E EBITDA, to arrive at a TP of INR 161. Rating the stock as ADD, in-line with our new rating system.
- **Financial Highlights:**
 - Revenue at INR 1.2bn (+13% YoY | -3% vs JMFe)
 - Gross Profit of INR 967mn (+13% YoY | -2% vs JMFe), with gross margin at 81.3% (+57bps YoY | -52bps vs JMFe)
 - EBITDA at INR 227mn (-3% YoY | +8% vs JMFe)
 - EBITDA Margin at 19.1% (-304bps YoY | +191bps vs JMFe)
 - PAT at INR 106mn (-28% YoY | -2% vs JMFe)

Exhibit 1. Valuation methodology

Particulats	
September'27 EBITDA (INR mn)	1278
Multiple (x)	10
EV (INR mn)	12781
Net Debt (incl. lease) (INR mn)	-425
Mcap. (INR mn)	13206
Price Target (INR)	161
CMP (INR)	144
Upside	12.2%

Source: JM Financial

Exhibit 2. Change in estimates

(INR mn)	FY26E				FY27E				FY28E			
	Old	New	growth	change %	Old	New	growth	change %	Old	New	growth	change %
Total operating revenue	4,799	4,684	15%	-2.4%	5,749	5,575	19%	-3.0%	6,874	6,444	16%	-6.3%
EBITDA	974	909	9%	-6.7%	1,247	1,171	29%	-6.1%	1,478	1,385	18%	-6.3%
PAT	617	568	14%	-7.9%	759	709	25%	-6.7%	936	883	25%	-5.6%
Diluted EPS (INR)	7.5	6.9	14%	-7.9%	9.3	8.6	25%	-6.7%	11.4	10.8	25%	-5.6%

Source: JM Financial

Exhibit 3. 2QFY26 Review

GPT Healthcare - P&L (INR mn)	2Q25	2Q26	% YoY	2Q26E	% Delta vs. JMFe	1Q26A	% QoQ
Net Sales	1,057	1,189	13%	1,220		1,071	11%
Other op income							
Total Revenue	1,057	1,189	13%	1,220	-3%	1,071	11%
COGS	203	222	9%	234	-5%	207	7%
Gross Profit	853	967	13%	986	-2%	864	12%
Gross Profit %	80.8%	81.3%	57 bps	80.8%	52 bps	80.7%	64 bps
Staff Cost	177	203	14%	226	-10%	204	-1%
Other expenses	442	537	21%	550	-2%	487	10%
EBITDA	234	227	-3%	210	8%	174	31%
EBITDA margin (%)	22.2%	19.1%	-304 bps	17.2%	191 bps	16.2%	291 bps
Other Income	28	13	-52%	17	-21%	16	-14%
Finance Cost	7	22	192%	18		16	33%
Depreciation	48	68	43%	63		62	11%
PBT	207	151	-27%	146	3%	111	36%
Exceptional Items	0	0		0		0	
Tax	59	45	-24%	38		34	30%
Tax Rate (%)	28.4%	29.6%		26.0%		30.9%	
Minority Interest							
PAT (Reported)	148	106	-28%	108	-2%	77	38%
PAT margin (%)	14.0%	8.9%		8.9%		7.2%	
Diluted EPS (INR)	1.8	1.3	-28%	1.3	-2%	0.9	38%

GPT Healthcare - Cost margins	2Q25	2Q26	% YoY	2Q26E	% Delta vs. JMFe	1Q26A	% QoQ
COGS/sales	19.2%	18.7%	-57 bps	19.2%	-52 bps	19.3%	-64 bps
Staff cost/sales	16.8%	17.1%	29 bps	18.5%	-145 bps	19.1%	-199 bps
Other expenditure/sales	41.8%	45.1%	333 bps	45.1%	6 bps	45.4%	-28 bps

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY25A	FY26A	FY27E	FY28E	FY28E
Net Sales	4,071	4,684	5,575	6,444	6,874
Sales Growth	1.7%	15.1%	19.0%	15.6%	19.6%
Other Operating Income	0	0	0	0	0
Total Revenue	4,071	4,684	5,575	6,444	6,874
Cost of Goods Sold/Op. Exp	788	913	1,059	1,224	1,306
Personnel Cost	730	857	1,004	1,153	1,230
Other Expenses	1,719	2,005	2,342	2,681	2,860
EBITDA	834	909	1,171	1,385	1,478
EBITDA Margin	20.5%	19.4%	21.0%	21.5%	21.5%
EBITDA Growth	-5.1%	9.0%	28.8%	18.3%	18.5%
Depn. & Amort.	190	225	270	277	277
EBIT	643	684	901	1,109	1,201
Other Income	85	93	103	118	114
Finance Cost	35	20	59	50	68
PBT before Excep. & Forex	693	757	945	1,177	1,248
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	693	757	945	1,177	1,248
Taxes	194	189	236	294	312
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	499	568	709	883	936
Adjusted Net Profit	499	568	709	883	936
Net Margin	12.3%	12.1%	12.7%	13.7%	13.6%
Diluted Share Cap. (mn)	82.1	82.1	82.1	82.1	82.1
Diluted EPS (INR)	6.1	6.9	8.6	10.8	11.4
Diluted EPS Growth	4.5%	13.8%	24.8%	24.6%	23.2%
Total Dividend + Tax	205	170	213	265	281
Dividend Per Share (INR)	2.5	2.1	2.6	3.2	3.4

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY25A	FY26A	FY27E	FY28E	FY28E
Profit before Tax	693	757	945	1,177	1,248
Depn. & Amort.	190	225	270	277	277
Net Interest Exp. / Inc. (-)	-14	-73	-44	-69	-47
Inc (-) / Dec in WCap.	-36	-12	35	63	65
Others	11	0	0	0	0
Taxes Paid	-171	-133	-177	-235	-250
Operating Cash Flow	674	764	1,028	1,213	1,293
Capex	-494	-100	-600	-100	-100
Free Cash Flow	180	664	428	1,113	1,193
Inc (-) / Dec in Investments	119	-200	0	-500	-500
Others	50	93	103	118	114
Investing Cash Flow	-326	-207	-497	-482	-486
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-287	-170	-213	-265	-281
Inc / Dec (-) in Loans	9	165	0	-300	-300
Others	-70	-70	-119	-120	-138
Financing Cash Flow	-348	-75	-331	-684	-718
Inc / Dec (-) in Cash	0	482	200	47	89
Opening Cash Balance	17	17	499	699	777
Closing Cash Balance	17	499	699	745	866

Source: Company, JM Financial

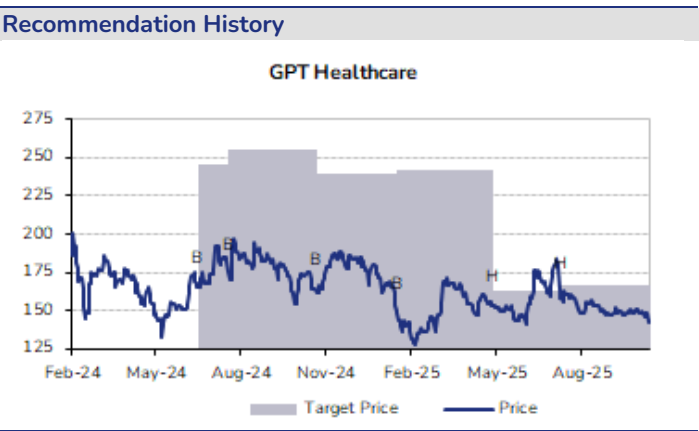
Balance Sheet					(INR mn)
Y/E March	FY25A	FY26A	FY27E	FY28E	FY28E
Shareholders' Fund	2,479	2,876	3,372	3,990	4,097
Share Capital	821	821	821	821	821
Reserves & Surplus	1,658	2,056	2,552	3,170	3,277
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	353	620	860	490	490
Def. Tax Liab. / Assets (-)	-105	-105	-105	-105	-105
Total - Equity & Liab.	2,726	3,391	4,127	4,375	4,482
Net Fixed Assets	2,742	2,617	3,247	3,071	3,071
Gross Fixed Assets	3,235	3,649	4,699	4,799	4,799
Intangible Assets	10	10	10	10	10
Less: Depn. & Amort.	967	1,191	1,461	1,738	1,738
Capital WIP	463	150	0	0	0
Investments	512	712	712	1,212	1,212
Current Assets	483	989	1,223	1,291	1,444
Inventories	88	115	153	159	170
Sundry Debtors	197	244	290	335	358
Cash & Bank Balances	17	499	699	745	866
Loans & Advances	2	-48	-98	-128	-128
Other Current Assets	179	179	179	179	179
Current Liab. & Prov.	1,011	928	1,055	1,198	1,245
Current Liabilities	647	716	843	986	1,033
Provisions & Others	364	212	212	212	212
Net Current Assets	-528	61	167	92	199
Total - Assets	2,726	3,391	4,127	4,375	4,482

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY25A	FY26A	FY27E	FY28E	FY28E
Net Margin	12.3%	12.1%	12.7%	13.7%	13.6%
Asset Turnover (x)	1.4	1.3	1.3	1.3	1.4
Leverage Factor (x)	1.3	1.3	1.4	1.3	1.3
RoE	21.4%	21.2%	22.7%	24.0%	24.8%
Key Ratios					
Y/E March	FY25A	FY26A	FY27E	FY28E	FY28E
BV/Share (INR)	30.2	35.1	41.1	48.6	49.9
ROIC	21.5%	22.4%	26.5%	31.1%	33.9%
ROE	21.4%	21.2%	22.7%	24.0%	24.8%
Net Debt/Equity (x)	0.0	-0.1	-0.1	-0.2	-0.2
P/E (x)	23.7	20.8	16.7	13.4	12.5
P/B (x)	4.8	4.1	3.5	3.0	2.9
EV/EBITDA (x)	14.2	12.7	9.9	8.1	7.4
EV/Sales (x)	2.9	2.5	2.1	1.7	1.6
Debtor days	18	19	19	19	19
Inventory days	8	9	10	9	9
Creditor days	39	35	35	37	37

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
13-Jul-24	Buy	245	
15-Aug-24	Buy	255	4.1
17-Nov-24	Buy	240	-5.9
13-Feb-25	Buy	242	0.8
26-May-25	Hold	163	-32.6
7-Aug-25	Hold	166	1.8



APPENDIX I

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Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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