

## Park Medi World Ltd: Management Meet

May 27, 2026 | CMP: INR 288 | Target Price: INR 350

BUY

Sector View: Positive

Expected Share Price Return: 21.7% | Dividend Yield: 0.0% | Expected Total Return: 21.7%

Change in Estimates	✓
Target Price Change	✓
Recommendation	✗

## Company Info

BB Code	PARKHOSP IN EQUITY
Face Value (INR)	2.0
52-week High/Low (INR)	289 / 138
Mkt Cap (Bn)	INR 124.6 / USD 1.3
Shares o/s (Mn)	431.9
3M Avg. Daily Volume	9,56,204

## Change in CIE Estimates

INR Bn	FY27E			FY28E		
	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	23.0	21.3	7.6	30.9	27.4	12.5
EBITDA	6.1	5.7	7.6	8.2	7.3	12.4
EBITDAM %	26.5	26.5	0 bps	26.5	26.5	0 bps
APAT	3.9	3.6	6.0	5.3	4.7	12.4
EPS (INR)	8.9	8.4	6.0	12.3	11.0	12.4

## Key Financials

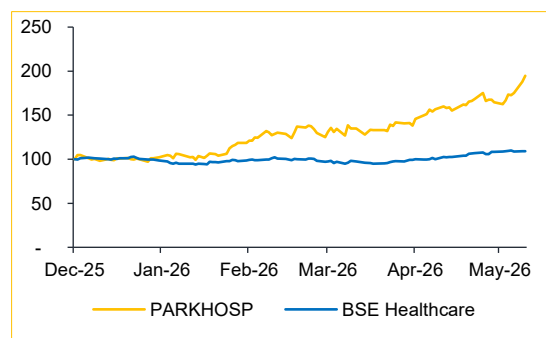
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	13.9	16.8	23.0	30.9	39.4
YoY (%)	13.2	20.5	36.7	34.5	27.8
EBITDA	3.7	4.4	6.1	8.2	10.4
EBITDAM %	26.6	26.5	26.5	26.5	26.5
PAT	2.0	2.6	3.9	5.3	7.0
EPS	5.2	6.0	8.9	12.3	16.1
ROE %	21.2	16.8	17.4	19.9	21.2
ROCE %	19.8	19.5	20.5	23.8	25.4
PE(x)	NA	48.1	32.3	23.3	17.8
EV/EBITDA	NA	27.5	20.0	14.7	11.2
BVPS	27.4	46.8	55.7	68.1	84.2

## Shareholding Pattern (%)

	Mar 2026	Dec 2025
Promoters	82.89	82.89
FIs	0.86	1.28
DIs	8.95	8.58
Public	7.28	7.26

## Relative Performance (%)

YTD	4M	2M	1M
BSE Healthcare	6.0	11.0	8.8
PARKHOSP	72.2	44.2	24.3



## Q4FY26 Result Update May 13, 2026

## Initiating Coverage – Park Medi World Ltd

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## NDR Takeaways: A Compounding Story

We hosted a Non-deal Roadshow with the Park Medi World Ltd. management in Mumbai on May 26, 2026, with Institutional Investors, where discussions primarily focussed on the recent acquisition of its Uttarakhand facility, its financial and operational performance and expansion plans.

**The management expects PARKHOSP's growth to be driven by aggressive capacity expansion with efficient capital deployment, a richer case mix, optimised ALOS, improved payor mix and revised CGHS rate benefits**

**Valuation:** We value the company at 18x EV/EBITDA on FY28E and hence maintain our 'BUY' rating with a revised target price of INR 350 (from INR 320).

## 1. What are the key details and strategic rationale behind the recent Uttarakhand acquisition?

**Answer:** The acquisition of Medicity Hospital, Rudrapur, provides Park Medi World with a strategic entry into Uttarakhand through the largest NABH-accredited multi-super-specialty hospital in the area. It was an all-cash consideration of INR 1,770 Mn, funded through internal accruals. The acquisition increases the company's network to 17 hospitals across six states and expands the total bed capacity to ~4,290. The deal aligns with the company's strategy of expanding into high-potential but underserved markets through value-accretive inorganic growth.

## 2. What is the financial ramp-up trajectory for the acquired asset in Uttarakhand?

**Answer:** Operations are expected to commence by the end of August 2026, with all of the 330 beds being made available from the outset. In Year 1, the company targets revenues of INR 1,000 Mn, EBITDA of INR 200 Mn (~20% margin) and PAT of INR 120 Mn (~12% margin), with occupancy maintained at 60–65%. By Year 2, revenues are expected to scale up to INR 1,400 Mn (40% YoY growth), with EBITDA improving to INR 35 Mn (~25% margin) and PAT of INR 21 Mn (~15% margin), supported by occupancy rising to 70–75%. Key operating levers include increasing ARPOB to INR 18,000–20,000, scaling up the super-specialty revenue mix, from the existing 60–65% to 70–75% and deploying top-end equipment to support higher-acuity procedures.

## 3. How does Park Medi World deliver high-quality care at affordable price points?

**Answer:** We attribute our affordable healthcare model to a combination of operational efficiency, asset optimisation and scale benefits. The company owns 100% of its assets, ensuring 100% revenue accrual and no leakage. Unlike premium chains which allocate significant area to large suites, PARKHOSP's bed configuration — 40% general ward, 30% ICU/critical care, 20–22% twin-sharing and the remainder single sharing maximises revenue-generating beds. The company also benefits from economies of scale in procurement, consumables and equipment sourcing across its network. Combined with industry-low capex of ~INR 34 lakh per bed, this enables PARKHOSP to offer affordable tertiary and quaternary care while maintaining a healthy margin.

## 4. What are the key benefits of the cluster-based expansion model?

**Answer:** The management believes the cluster-based approach is the key competitive advantage, as hospitals within close geographic proximity are able to share doctors, clinical expertise, equipment and operational resources efficiently. The strategy enhances utilisation levels, improves talent recruitment and retention, strengthens brand recall and drives synergies across the network.

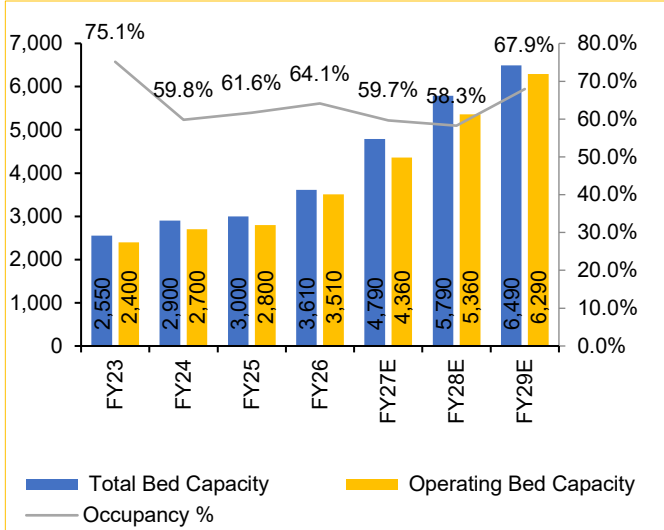
## 5. What is the roadmap for ARPOB growth and what are the key upside levers?

**Answer:** The management aspires to deliver nearly 10% ARPOB growth, driven by a combination of pricing inflation, increasing share of advanced and robotic procedures, improving speciality mix and higher occupancy. Upcoming expansion is also focussed on specialised care — for instance, Ambala is expected to add 200 beds focussed on oncology, while Mohali will see 150 beds dedicated to advanced super-specialty care.

## 6. What gives investors confidence in PARKHOSP's ability to sustain aggressive expansion with financial discipline?

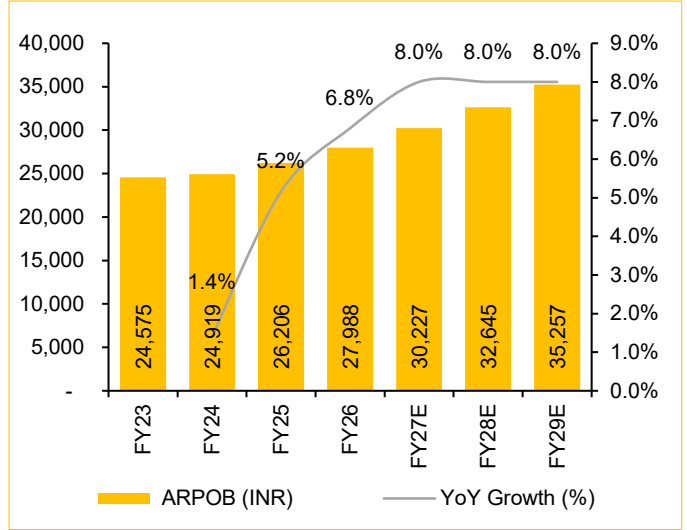
**Answer:** The management's confidence is supported by strong promoter commitment, a healthy financial position, proven execution capability and access to capital. The company turned debt-free in February 2026 and continues to generate healthy operating cash flows, providing financial flexibility for expansion.

**Bed Capacity to reach 6,490 by FY29E**



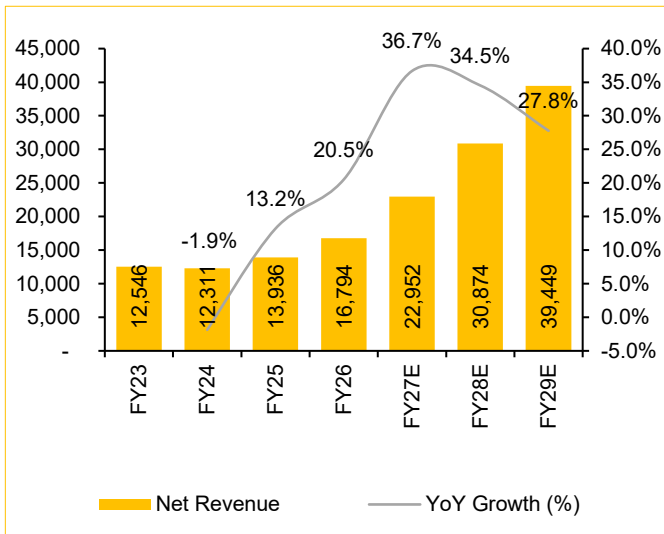
Source: PARKHOSP, Choice Institutional Equities

**ARPOB expected to grow 8% in the next few years**



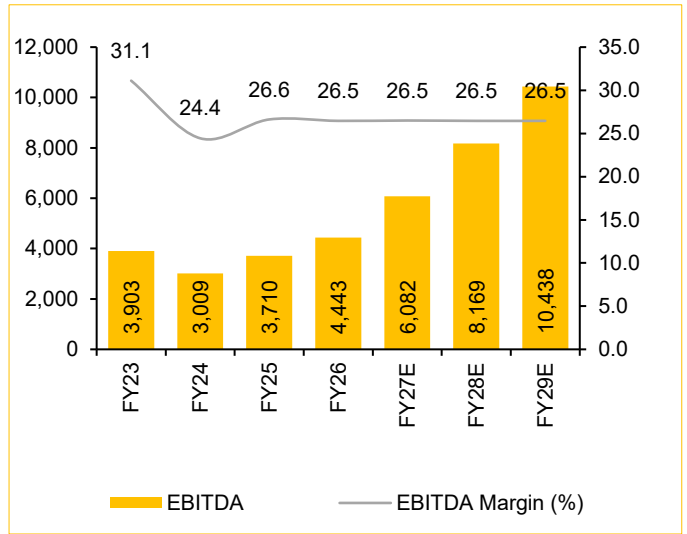
Source: PARKHOSP, Choice Institutional Equities

**Revenue anticipated at 32.9% CAGR over FY26–FY29E**



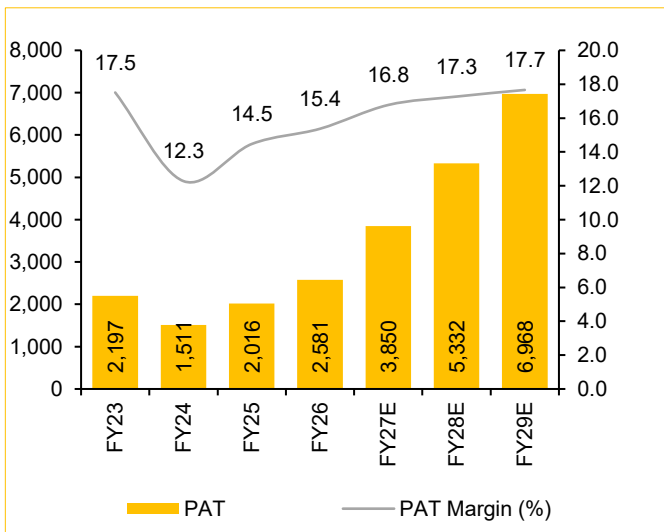
Source: PARKHOSP, Choice Institutional Equities

**EBITDA margin to sustain at ~26.5%, even in expansion phase**



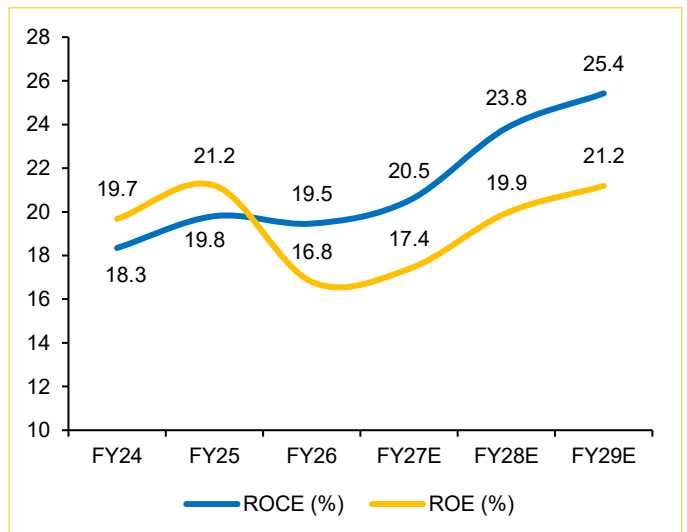
Source: PARKHOSP, Choice Institutional Equities

**PAT projected to expand at 39.2% CAGR over FY26–FY29E**



Source: PARKHOSP, Choice Institutional Equities

**ROE and ROCE trends**



Source: PARKHOSP, Choice Institutional Equities

## Income Statement (INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	13,936	16,794	22,952	30,874	39,449
Gross Profit	11,115	13,836	18,821	25,317	32,349
EBITDA	3,710	4,443	6,082	8,169	10,438
Depreciation	569	625	1,090	1,298	1,546
EBIT	3,141	3,819	4,992	6,871	8,892
Other Income	324	316	316	415	578
Interest Expense	608	589	167	167	167
PBT	2,857	3,546	5,140	7,119	9,303
PAT	2,016	2,581	3,850	5,332	6,968
EPS (INR)	5.2	6.0	8.9	12.3	16.1

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
<b>Growth Ratios (%)</b>					
Revenues	13.2	20.5	36.7	34.5	27.8
Gross Profit	12.6	24.5	36.0	34.5	27.8
EBITDA	23.3	19.8	36.9	34.3	27.8
EBIT	24.9	21.6	30.7	37.6	29.4
PBT	30.4	24.1	45.0	38.5	30.7
PAT	33.4	28.0	49.2	38.5	30.7
<b>Margins (%)</b>					
Gross Profit Margin	79.8	82.4	82.0	82.0	82.0
EBITDA Margin	26.6	26.5	26.5	26.5	26.5
EBIT Margin	22.5	22.7	21.7	22.3	22.5
PBT Margin	20.5	21.1	22.4	23.1	23.6
Tax rate	24.6	22.9	25.1	25.1	25.1
PAT Margin	14.5	15.4	16.8	17.3	17.7
<b>Profitability (%)</b>					
ROE	21.2	16.8	17.4	19.9	21.2
ROIC	18.0	16.2	17.1	20.3	22.7
ROCE	19.8	19.5	20.5	23.8	25.4
<b>Financial Leverage</b>					
OCF/EBITDA (x)	0.6	0.7	0.6	0.6	0.6
OCF/Net Profit (x)	1.1	1.3	0.9	0.9	0.9
Debt to Equity (x)	0.6	0.1	0.1	0.07	0.1
Interest Coverage (x)	5.2	6.5	29.9	41.1	53.2
<b>Working Capital</b>					
Inventory Days	3	4	4	4	4
Debtor Days	161	129	120	120	120
Payable Days	176	134	100	100	100
Cash Conversion Cycle	(12)	(2)	24	24	24
<b>Valuation Metrics</b>					
No of Shares (INR Mn)	384	432	432	432	432
EPS (INR)	5.2	6.0	8.9	12.3	16.1
BVPS (INR)	27.4	46.8	55.7	68.1	84.2
Market Cap (INR Mn)	NA	124,180	124,180	124,180	124,180
PE (x)	NA	48.1	32.3	23.3	17.8
P/BV (x)	NA	6.1	5.2	4.2	3.4
EV/EBITDA (x)	NA	27.5	20.0	14.7	11.2
EV/Sales (x)	NA	7.3	5.3	3.9	3.0

Source: PARKHOSP, Choice Institutional Equities

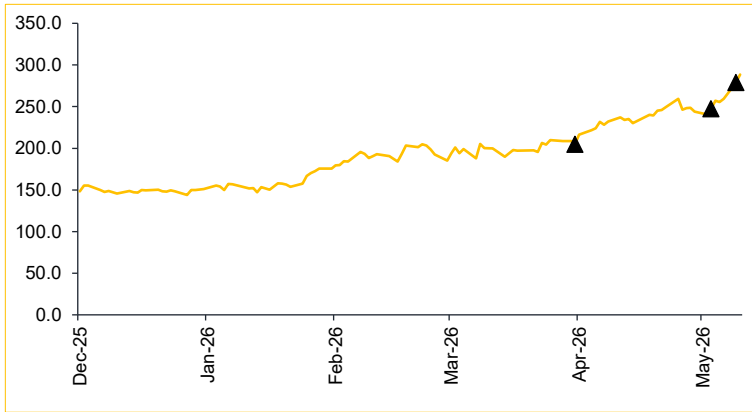
## Balance Sheet (INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Net Worth	10,521	20,220	24,070	29,402	36,370
Minority Interest	668	823	823	823	823
Borrowings	6,224	2,279	2,089	2,089	2,089
Trade Payables	1,361	1,090	1,132	1,522	1,945
Other Non-current Liabilities	793	1,610	1,610	1,610	1,610
Other Current Liabilities	1,825	2,110	2,110	2,110	2,110
<b>Total Net Worth &amp; Liabilities</b>	<b>21,392</b>	<b>28,131</b>	<b>31,834</b>	<b>37,557</b>	<b>44,948</b>
Net Block	7,714	9,180	11,240	12,541	14,095
Capital WIP	371	1,231	1,231	1,231	1,231
Goodwill & Intangible Assets	1,190	3,910	3,910	3,910	3,910
Investments	1	1	1	1	1
Trade Receivables	6,135	5,935	7,546	10,150	12,970
Cash & Cash Equivalents	3,608	4,314	4,334	6,137	9,140
Other Non-current assets	1,779	2,931	2,931	2,931	2,931
Other Current assets	596	629	641	655	670
<b>Total Assets</b>	<b>21,392</b>	<b>28,131</b>	<b>31,834</b>	<b>37,557</b>	<b>44,948</b>

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	2,154	3,291	3,527	4,570	6,270
Cash Flows from Investing	(1,002)	(3,335)	(3,150)	(2,600)	(3,100)
Cash Flows from Financing	(889)	1,208	(357)	(167)	(167)

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	70.6	72.8	74.9	74.9	74.9
Interest Burden (%)	90.9	92.9	103.0	103.6	104.6
EBIT Margin (%)	22.5	22.7	21.7	22.3	22.5
Asset Turnover (x)	0.7	0.7	0.8	0.9	1.0
Equity Multiplier (x)	2.1	1.6	1.4	1.3	1.3
<b>ROE (%)</b>	<b>21.2</b>	<b>16.8</b>	<b>17.4</b>	<b>19.9</b>	<b>21.2</b>

## Historical share price chart: PARKHOSP



Date	Rating	Target Price
April 30, 2026	BUY	320
May 13, 2026	BUY	320
May 27, 2026	BUY	350

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<b>Large Cap*</b>	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
<b>Mid &amp; Small Cap*</b>	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
<b>Other Ratings</b>	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
<b>Sector View</b>	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000 Cr Market Cap

\*Mid &amp; Small Cap: Less Than INR 20,000 Cr Market Cap

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