

PICK OF THE WEEK

25th October, 2025

Krishna Institute of Medical Sciences Ltd

Sector: Hospital

BUY

CMP

720

Target Price

792

Upside

10%

CMP as on 24th October 2025 | Time horizon: 6-9 Months

Why KIMS Ltd.

- Healthy Track Record
- Operational Excellence
- Multi-Specialty Focused

About the Company

Krishna Institute of Medical Sciences Ltd. (KIMS Hospitals) is a leading multi-specialty hospital chain headquartered in Hyderabad, operating 25 hospitals with over 8,000 beds across South and West India. The company follows a hub-and-spoke cluster model, offering tertiary and quaternary care across specialties like cardiology, oncology, neurology, and orthopaedics.

Investment Rationale

A. Expansion & Cluster-Based Growth Model Driving Scale

- KIMS has built a dominant presence in South India, with offering more than 40 multi-specialties services (~5,000 beds operational) following a hub-and-spoke cluster model. The company's asset-light approach—favoring brownfield expansions, lease-based additions, and selective acquisitions—continues to deliver capital-efficient growth. Its focus on operational excellence, regional depth, and affordability differentiates it from peers in the tertiary care segment.

B. Accelerated Expansion Nearing Completion

- Over the past two to three years, KIMS has undertaken an aggressive and well-calibrated expansion program, combining organic, inorganic, and asset-light initiatives across both existing and new regions. The company is in the final phase of this investment cycle, with plans to add ~1,800 beds over the next 12 months, largely in H2FY26E. This expansion includes brownfield additions in Telangana and Andhra Pradesh and greenfield/leased facilities in new geographies such as Karnataka, Maharashtra, and Odisha.

C. Regional Leadership and Scalable Model

- KIMS commands strong brand equity in Telangana and Andhra Pradesh, with growing visibility in Karnataka and Maharashtra.
- Its replicable cluster strategy anchored by regional hubs and peripheral spokes offers operational synergies, improved doctor utilization, and steady occupancy ramp-up in new hospitals.

Outlook & Valuation

- KIMS is well-positioned for sustained growth, supported by strategic expansions, a favorable case mix, and rising ARPOB. Although occupancy has seen a temporary dip, the company's emphasis on high-value specialties, operational efficiencies, and regional expansion is expected to underpin long-term profitability.
- KIMS Currently trading at 33x/25x EV/EBITDA for FY26E/FY27E

Analyst Insights

BUY with a target price of Rs 792, implying an upside of ~10% from the CMP.

Research Analysts

Aman Goyal

Research Analyst

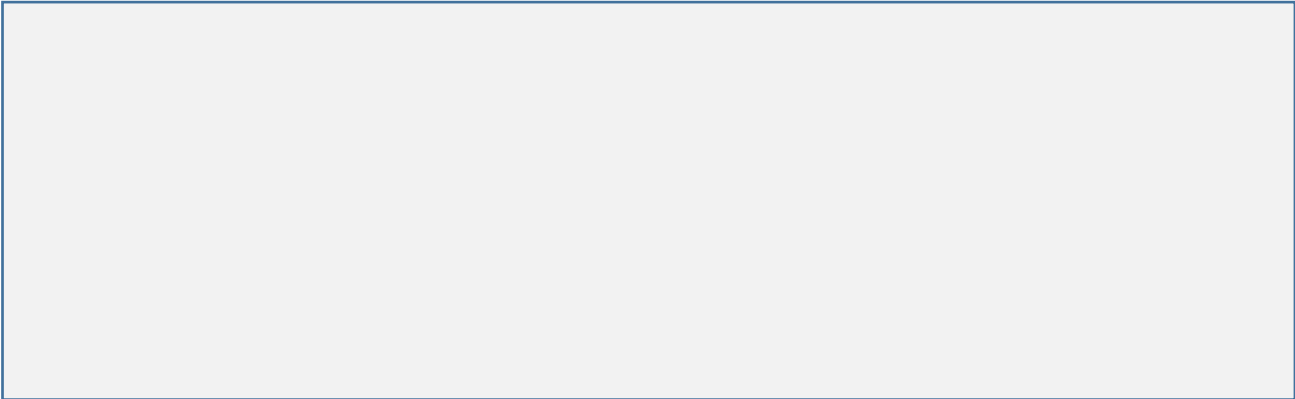
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Financial Summary

	FY25	FY26E	FY27E
Net Sales (Rs Cr)	3,035	3,901	4,676
EBITDA (Rs Cr)	783	957	1,231
Net Profit (Rs Cr)	415	492	673
EPS (Rs)	10	12	17
PER (x)	69.4	58.6	42.8
EV/EBITDA (x)	40.0	32.6	25.0
P/BV (x)	11.9	9.9	8.0
RoE (%)	17.1	16.9	18.8

Market Data

No. of Shares	40 Cr
Market Cap	28,800 Cr
52-week High	798
52-week Low	474
PER(x)	71.2
BSE Code	543308
NSE Code	KIMS



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