

Healthcare: Q1FY27 Quarterly Results Preview

Strong Demand Momentum Sustains Healthy Earnings Growth

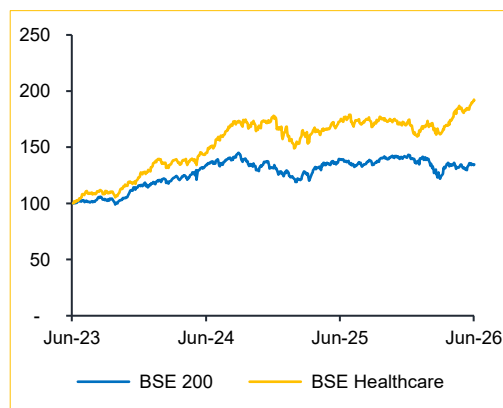
Sector View: POSITIVE

Recommendation			
Company (Ticker)	CMP (INR)	TP (INR)	Rated
Apollo Hospitals (APHS)	8,725	9,600	BUY
Artemis Medicare (ARTMSL)	260	325	BUY
Fortis Healthcare (FORH)	974	1,140	BUY
Global Health (MEDANTA)	1,342	1,460	BUY
Healthcare Global (HCG)	645	800	BUY
Jeena Sikho Lifecare (JSLL)	575	1,000	BUY
Jupiter Life Line (JLHL)	1,455	1,645	BUY
Max Healthcare (MAXHEALT)	1,128	1,160	ADD
Narayana Hrudayalaya (NARH)	1,985	2,500	BUY
Park Medi World (PARKHOSP)	288	350	BUY
Rainbow Children (RAINBOW)	1,418	1,650	BUY
Yatharth Hospital (YATHARTH)	862	1,050	BUY

*CMP as on July 02, 2026

Relative Performance (%)			
YTD	3Y	2Y	1Y
BSE200	34.2	0.5	(3.7)
BSE Healthcare	92.4	32.9	11.3

Rebased Price Chart



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Strong demand momentum expected to drive another quarter of healthy earnings growth: We expect healthcare companies under our coverage to deliver another strong quarter. **Revenues projected to grow in high teens YoY**, supported by sustained demand for tertiary and quaternary care services, an improving speciality mix, healthy occupancy levels and incremental capacity addition. The continued ramp-up of newly-commissioned hospitals, increasing contribution from mature assets and steady growth in high-value specialties, such as oncology, cardiology and neurosciences are expected to remain key growth drivers.

ARPOB growth is likely to moderate on a YoY basis, reflecting a higher base and normalisation in pricing; however, it is anticipated to remain healthy, aided by favourable case mix, higher clinical complexity and price hikes. **EBITDA growth is expected to outpace revenue growth** across most players, driven by improving asset utilisation, better cost absorption at recently-commissioned facilities and continued efficiency initiatives.

Factors driving long-term growth:

Aggressive capacity expansion cycle underpins long-term growth visibility: India's hospital sector is in the midst of one of its strongest capacity expansion phases, reflecting sustained confidence in long-term demand. **ARTMSL** plans to add **1,075 beds**, **APHS** is targeting **2,200 beds by FY29**, while **MEDANTA** aims to nearly double its capacity to **~6,855 beds by FY30**. **PARKHOSP** intends to add **2,880 beds**, **FORH** plans **~1,347 beds by FY29** and **MAXHEALT** is targeting a network of **over 10,000 beds by FY30**. **HCG** plans to add **~750 beds by FY29**, **YATHARTH** plans to strengthen its Delhi-NCR presence with **~700 beds in the next two years** and **RAINBOW** is set to add **810 beds by FY29** as part of its regional expansion strategy. **JSLL** is also pursuing an ambitious growth roadmap, targeting **7,000–10,000 beds in the next 3–5 years**. The majority of these additions are focussed on high-demand metro and tier-I markets, with an emphasis on tertiary and quaternary care facilities, positioning the sector for sustained revenue growth, improved operating leverage and long-term EBITDA expansion.

Premium specialties continue to anchor revenue mix: Across listed hospital peers, the speciality mix remains firmly inclined toward high-acuity therapies, with **Cardiology (9–33%)** and **Oncology (9–90%)** continuing to account for the largest share of revenues. Most diversified hospital chains derive **30–45%** of revenues from these two specialties alone, highlighting sustained focus on complex tertiary and quaternary care. FY26 saw only incremental shifts rather than structural changes, **APHS** maintained **19% Cardiology** while Oncology moderated from **17% to 16%**, **MAXHEALT** remained oncology-led at **24.1%** (vs. **25.8%** in FY25), while **NARH** continued to derive **33%** of revenues from Cardiology.

Balanced payor mix supports revenue quality and resilience: The industry continues to maintain a well-diversified payor profile, limiting dependence on any single revenue stream. **Insurance contributes 25–55%** of revenues across major hospital chains, while **domestic self-pay/cash patients account for 20–56%**, reflecting a healthy balance between reimbursement-led and discretionary healthcare demand. Government-related business ranges from **1% to 35%**, depending on each hospital's operating model, while international patients remain a meaningful profitability driver for select players, contributing **32%** at **ARTMSL**, **9.1%** at **MAXHEALT**, **7.8%** at **FORH**, **6%** at **APHS** and **5%** at **NARH**. The diversified payor mix across the sector enhances revenue stability, reduces concentration risk and supports sustained occupancy and pricing power.

High-conviction investment ideas

We are positive on JSLL, NARH and YATHARTH hospitals.

APHS						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	68,580	66,055	3.8%	58,421	17.4%	We expect revenue to grow 17.4% YoY, driven by a richer case mix across high-end specialties, higher inpatient volumes, targeted occupancy of ~70% and lower ALOS. Retail and digital health businesses are also expected to deliver strong growth, supported by continued store expansion and an enhanced pharmacy offering. To watch out for: Focus on hospital EBITDA margin, occupancy and ARPOB trends and management's commentary on digital breakeven and new hospital ramp-up.
EBITDA (INR Mn)	10,836	10,110	7.2%	8,519	27.2%	
EBITDA Margin (%)	15.8%	15.3%	50bps	14.6%	120bps	
PAT (INR Mn)	5,680	5,293	7.3%	4,328	31.2%	
ARTMSL						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	2,850	2,792	2.1%	2,550	11.8%	We expect ARTMSL to deliver 11.8% YoY revenue growth, driven by an improved case and payer mix, along with higher share of complex procedures, supporting ARPOB growth. EBITDA is projected to grow at a robust 30.1% YoY, with margin expanding by 266 bps YoY. To watch out for: Commentary on occupancy, ARPOB, EBITDA margin and management commentary on capacity expansion, high-end speciality case mix, international patient inflows and execution of growth initiatives.
EBITDA (INR Mn)	539	516	4.4%	414	30.1%	
EBITDA Margin (%)	18.9%	18.5%	42	16.2%	266	
PAT (INR Mn)	326	300	8.4%	213	53.0%	
FORH						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	24,711	23,647	4.5%	21,667	14.0%	We expect FORH to deliver 14.0% YoY revenue growth, driven by a higher contribution from focus specialties, increased adoption of robotic surgeries, improved performance of smaller hospitals and better occupancy levels. EBITDA is projected to grow 14.8% YoY, while PAT is expected to increase 12.1% YoY. To watch out for: Prioritise hospital margin expansion, pricing power (ARPOB), occupancy and outlook for diagnostics and expansion.
EBITDA (INR Mn)	5,634	5,323	5.8%	4,907	14.8%	
EBITDA Margin (%)	22.8%	22.5%	29bps	22.6%	20bps	
PAT (INR Mn)	2,810	2,763	1.7%	2,507	12.1%	
MEDANTA						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	12,008	11,590	3.6%	10,308	16.5%	We expect MEDANTA to deliver 16.5% YoY revenue growth, driven by the Noida ramp-up, a higher contribution from international patients, strong growth in high-end specialties and benefits from capacity expansion in key markets. EBITDA margin, however, is expected to be marginally impacted. To watch out for: Monitor occupancy, ARPOB growth, margin sustainability and execution of new hospitals to assess long-term earnings visibility.
EBITDA (INR Mn)	2,486	2,438	2.0%	2,270	9.5%	
EBITDA Margin (%)	20.7%	21.0%	(33bps)	22.0%	(132bps)	
PAT (INR Mn)	1,484	1,440	3.1%	1,440	3.0%	
HCG						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	6,919	6,523	6.1%	6,132	12.8%	We expect HCG to deliver 12.8% YoY revenue growth, driven by higher patient volumes, improved realisation and continued payor mix optimisation. EBITDA is projected to grow 17.5% YoY, supported by operating leverage and margin expansion. To watch out for: Monitor EBITDA margin, patient volumes, high-value oncology procedures and updates on new centre performance.
EBITDA (INR Mn)	1,266	1,251	1.2%	1,078	17.5%	
EBITDA Margin (%)	18.3%	19.2%	-87	17.6%	72	
PAT (INR Mn)	221	22	918.8%	48	365.4%	
JSLL						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	2,263	2,156	5.0%	1,743	29.9%	We anticipate JSLL to report a strong revenue growth of 29.9% YoY, driven by rising patient volumes, commissioning of new hospitals and increasing awareness of Ayurveda. EBITDA is also projected to improve by 29.9% YoY and PAT by 25.2% YoY. To watch out for: Watch patient footfall, EBITDA margin and management commentary on clinic expansion, franchise addition and demand for Ayurveda-based chronic disease treatment.
EBITDA (INR Mn)	1,023	779	31.3%	788	29.9%	
EBITDA Margin (%)	45.2%	36.1%	905bps	45.2%	0bps	
PAT (INR Mn)	642	451	42.4%	513	25.2%	

JLHL						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	4,300	3,878	10.9%	3,476	23.7%	We expect JLHL to deliver a revenue growth of 23.7% YoY, driven by contribution from the Dombivli facility, favourable shift in case mix towards high-acuity specialties, strong volume growth and rising capacity utilisation. EBITDA is expected to increase by 18.9% YoY. To watch out for: Commentary on occupancy, ARPOB, EBITDA margin and management commentary on bed expansion, new hospital ramp-up, speciality case mix and demand trends across key markets.
EBITDA (INR Mn)	929	892	4.2%	781	18.9%	
EBITDA Margin (%)	21.6%	23.0%	(139bps)	22.5%	(87bps)	
PAT (INR Mn)	500	491	1.8%	439	14.0%	
MAXHEALTH						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	26,941	25,355	6.3%	24,510	9.9%	We expect MAXHEALTH to deliver 9.9% YoY revenue growth, driven by a favourable shift towards high-acuity specialties, strong patient volumes and higher capacity utilisation. EBITDA is projected to grow at 12.7% YoY, supported by continued operating leverage. To watch out for: Monitor hospital margin, high-end speciality mix, occupancy and progress on new bed ramp-up.
EBITDA (INR Mn)	6,816	6,765	0.8%	6,050	12.7%	
EBITDA Margin (%)	25.3%	26.7%	(138bps)	24.7%	62bps	
PAT (INR Mn)	3,849	3,750	2.7%	3,617	6.4%	
NARH						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	26,457	25,938	2.0%	15,073	75.5%	We anticipate NARH to deliver strong revenue growth of 75.5% YoY, driven by the UK acquisition, an improved payer mix and the ramp-up of the new Cayman facility. EBITDA is expected to grow 50.8% YoY, while PAT is projected to increase 37.4% YoY. To watch out for: Pricing power, occupancy, margin sustainability, Cayman business performance and management guidance on demand, capacity expansion and profitability.
EBITDA (INR Mn)	5,080	5,100	-0.4%	3,370	50.8%	
EBITDA Margin (%)	19.2%	19.7%	(46bps)	22.4%	(316bps)	
PAT (INR Mn)	2,693	2,279	18.2%	1,960	37.4%	
PARKHOSP						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	4,780	4,604	3.8%	3,988	19.9%	We expect PARKHOSP to deliver 19.9% YoY revenue growth, driven by improving profitability at mature hospitals, ramp-up of new facilities, higher ARPOB and better occupancy across the network. EBITDA is projected to grow 23.1% YoY, while PAT is expected to increase 15.8% YoY. To watch out for: Watch occupancy, ARPOB, EBITDA margin and management commentary on new hospital ramp-up, mature hospital profitability, payer mix improvement and expansion pipeline execution.
EBITDA (INR Mn)	1,291	1,274	1.3%	1,048	23.1%	
EBITDA Margin (%)	27.0%	27.7%	-66	26.3%	72	
PAT (INR Mn)	729	709	2.9%	629	15.8%	
RAINBOW						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	4,435	4,599	-3.6%	3,529	25.7%	RAINBOW is expected to post 25.7% YoY revenue growth, aided by volume ramp-up from FY26 capacity addition, an increasing mix of complex procedures and occupancy improvement at existing hospitals. EBITDA is likely to grow 22.8% YoY. To watch out for: Focus on hospital margin expansion, occupancy trends, high-end paediatric and maternity case mix and progress of newly-commissioned hospitals.
EBITDA (INR Mn)	1,273	1,447	-12.0%	1,036	22.8%	
EBITDA Margin (%)	28.7%	31.5%	-276	29.4%	-66	
PAT (INR Mn)	529	808	-34.5%	541	-2.2%	
YATHARTH						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	3,546	3,416	3.8%	2,578	37.6%	We expect YATHARTH to deliver a robust 37.6% YoY revenue growth, driven by a stronger focus on high-end specialties, expanding bed capacity and continued efforts to reduce dependence on government business. EBITDA is projected to grow 30.3% YoY, with margin remaining stable at ~24%. To watch out for: Monitor occupancy, ARPOB, EBITDA margin and management commentary on high-end speciality growth, newly added bed utilisation, payer mix and execution of ongoing expansion plan.
EBITDA (INR Mn)	840	799	5.2%	645	30.3%	
EBITDA Margin (%)	23.7%	23.4%	30	25.0%	-132	
PAT (INR Mn)	429	475	-9.8%	420	1.9%	

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Large Cap*	
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
Mid & Small Cap*	
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
Other Ratings	
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
Sector View	
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

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