Institutional Equities | Healthcare

Management Meet – Plant Visit Note

Park Medi World Ltd: Management Meet & Facility Visit

Choice Institutional Equities

BUY

July 14, 2026 | CMP: INR 290 | Target Price: INR 350

Expected Share Price Return: 20.6% | Dividend Yield: 0.0% | Expected Total Return: 20.6%

Sector View: Positive

Change in Estimates	✗
Target Price Change	✗
Recommendation	✗

Company Info	
BB Code	PARKHOSP IN EQUITY
Face Value (INR)	2.0
52-week High/Low (INR)	305 / 138
Mkt Cap (Bn)	INR 125.3 / USD 1.3
Shares o/s (Mn)	431.9
3M Avg. Daily Volume	9,34,690

Change in CIE Estimates

	FY27E			FY28E		
INR Bn	**New**	**Old**	**Dev. (%)**	**New**	**Old**	**Dev. (%)**
Revenue	23.0	23.0	0.0	30.9	30.9	0.0
EBITDA	6.1	6.1	0.0	8.2	8.2	0.0
EBITDAM %	26.5	26.5	0 bps	26.5	26.5	0 bps
PAT	3.9	3.9	0.0	5.3	5.3	0.0
EPS (INR)	8.9	8.9	0.0	12.3	12.3	0.0

Key Financials

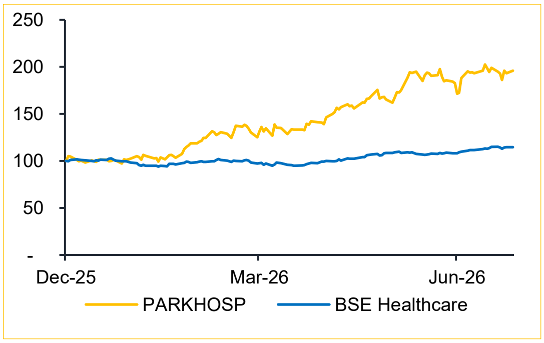
INR Bn	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	13.9	16.8	23.0	30.9	39.4
YoY (%)	13.2	20.5	36.7	34.5	27.8
EBITDA	3.7	4.4	6.1	8.2	10.4
EBITDAM %	26.6	26.5	26.5	26.5	26.5
PAT	2.0	2.6	3.9	5.3	7.0
EPS	5.2	6.0	8.9	12.3	16.1
ROE %	21.2	16.8	17.4	19.9	21.2
ROCE %	19.8	19.5	20.5	23.8	25.4
PE(x)	55.3	48.5	32.5	23.5	18.0
EV/EBITDA	30.8	27.7	20.2	14.8	11.3
BVPS	27.4	46.8	55.7	68.1	84.2

Shareholding Pattern (%)

	June 2026	**Mar 2026**	**Dec 2025**
Promoters	82.89	82.89	82.89
FIIs	0.82	0.86	1.28
DIIs	8.95	8.95	8.58
Public	7.33	7.28	7.26

Relative Performance (%)

YTD	**6M**	**3M**	**1M**
BSE Healthcare	14.7	17.5	5.4
PARKHOSP	96.0	39.0	5.6



Recent Report: Healthcare Preview_Q1FY27

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PARKHOSP continues to expand its footprint across North India while strengthening its existing clusters. With the aim of assessing its growth strategy and operational execution, we visited the company. ***We met with the management of PARKHOSP, Mr. Sudesh Sharma - Chief Strategy Officer and Mr. Saurabh Pant – Head of Investor Relations. Additionally, we visited the company's Sector 47 and Palam Vihar facilities.***

The interaction provided valuable insights into the **company's expansion strategy across existing and new markets**, including the upcoming Park Hospital Platinum facility in Gurugram and the recently-acquired Medicity Hospital in Rudrapur. The management reiterated its **focus on scalable cluster-led growth, disciplined capital allocation, operational efficiency and strengthening its presence in underpenetrated healthcare markets, while maintaining its long-term aspiration of reaching 10,000 beds by FY33.**

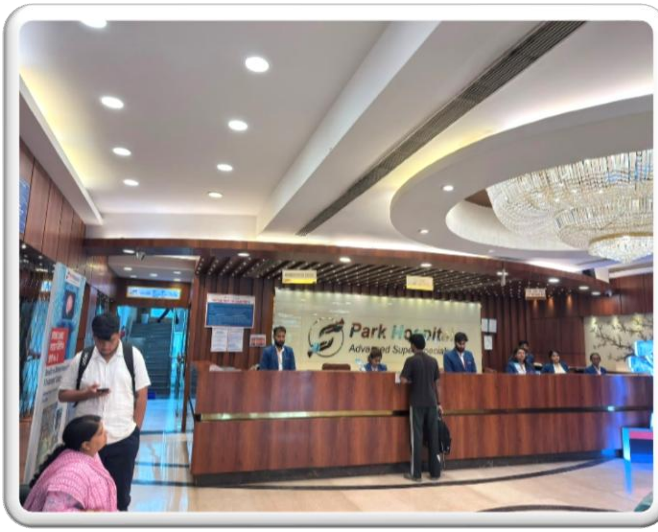
Valuation: We continue to value the company at 18x EV/EBITDA on FY28E and hence maintain our 'BUY' rating with a target price of INR 350.

Key Highlights

- The recently-announced **100-bed Park Hospital Platinum will be adjacent (~100 metres) to the existing 225-bed Palam Vihar hospital**, requiring a capex of INR 25Cr with operations expected to commence in November this year
- The **expansion is aimed at decongesting the existing Palam Vihar hospital, which operated at ~86% occupancy in FY26 and generated ~INR 25Cr in revenue**, indicating a strong demand for additional capacity in the Gurugram market
- With the commissioning of Park Hospital Platinum, **the group's consolidated Gurugram capacity will increase to 750 beds,** further strengthening its position in one of North India's most competitive healthcare markets
- Acquired the **330-bed Medicity Hospital, Rudrapur (Uttarakhand) for INR 1.77 Bn,** marking the group's entry into Uttarakhand
- Operations at the Rudrapur hospital are expected to commence by next month-end; **all 330 beds are likely to be operational from Day 1, allowing for immediate scale-up**
- For the Rudrapur Hospital, **the management targets INR 1 Bn revenue, ~20% EBITDA margin and ~12% PAT margin in Year 1**, improving to INR 1.4 bn revenue, ~25% EBITDA margin and ~15% PAT margin in Year 2 through higher occupancy, ARPOB expansion and a richer super-specialty mix
- **100% asset ownership, an efficient bed mix, procurement scale benefits and industry-low capex of ~INR 34–35 lakh per bed** enable the company to deliver affordable tertiary and quaternary care while maintaining healthy profitability
- **The cluster-based operating model remains a key differentiator**, enabling neighbouring hospitals to share doctors, specialised equipment and operational resources, improving utilisation, recruitment and overall operating efficiency
- **Total capacity is expected to reach ~5,590 beds by March 2028**, supported by ongoing integration of acquired hospitals and expansion of existing facilities, **while the management continues to aspire for 10,000 beds by FY33**
- **The acquisition strategy remains focussed on underpenetrated, high-growth healthcare markets**, with evaluation based on strategic location, healthcare infrastructure gaps, expansion potential and the availability of distressed assets at attractive valuation
- The management expects **government receivable days to improve, from the existing ~3 months to below 100 days**, supporting stronger working capital efficiency
- **The management expects the long-term payor mix to stabilise at ~75% government patients;** the remainder comprises insurance and self-pay patients.

PARKHOSP's Sector 47 and Palam Vihar facilities

Source: PARKHOSP, Choice Institutional Equities



Source: PARKHOSP, Choice Institutional Equities

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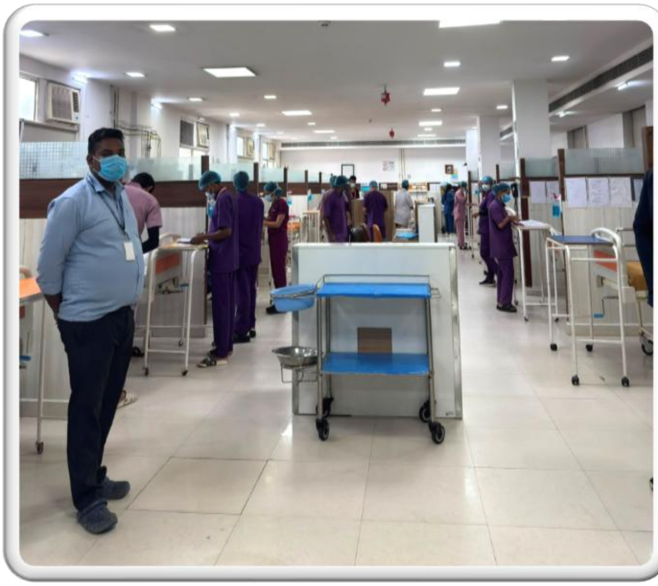

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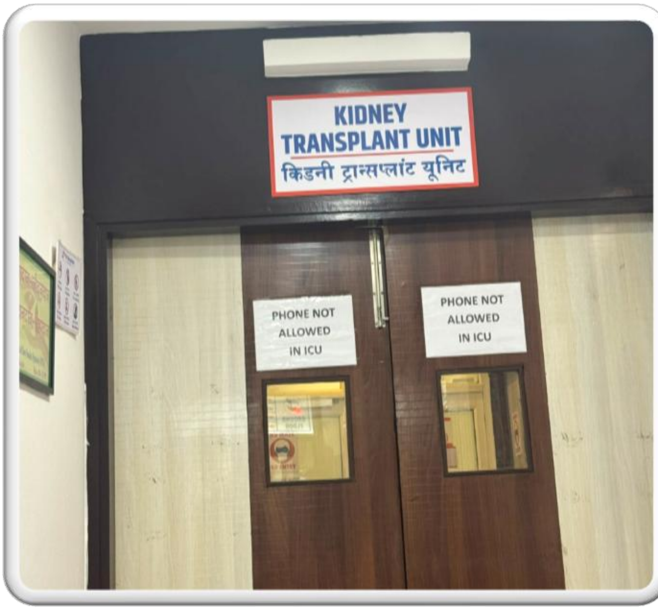
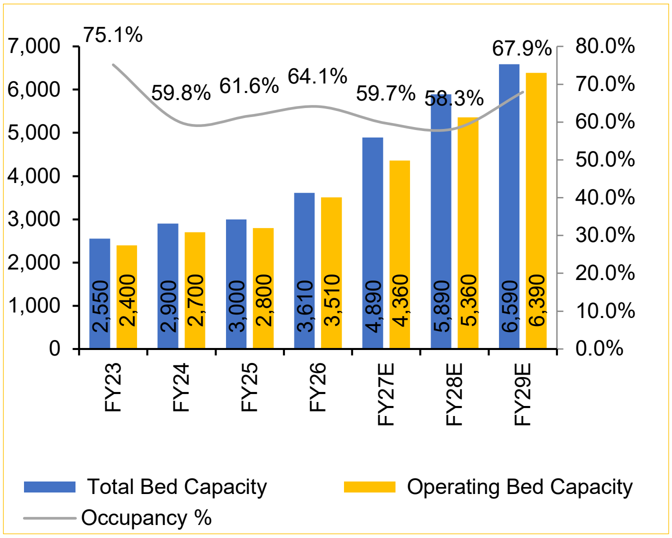


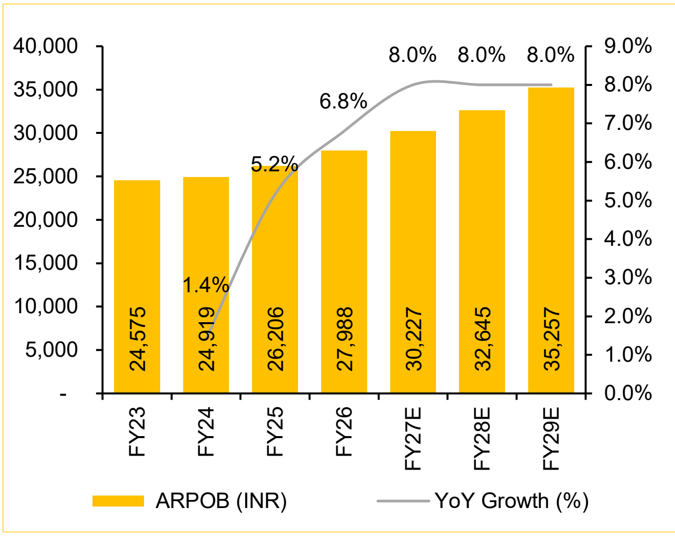
Source: PARKHOSP, Choice Institutional Equities

Bed Capacity to reach 6,590 by FY29E



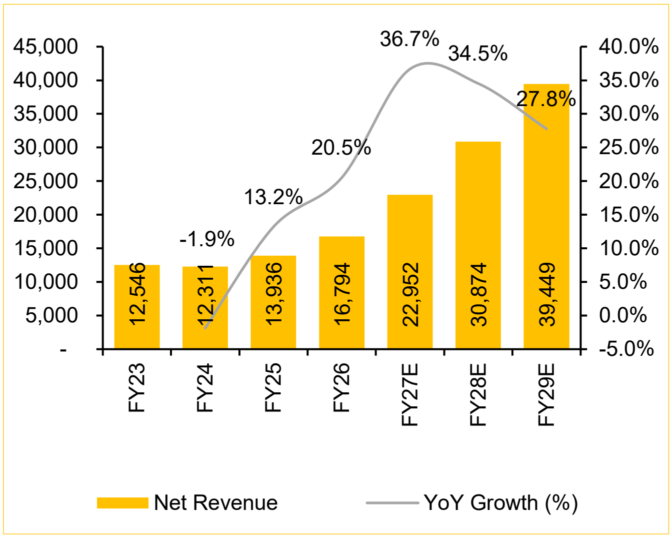
Source: PARKHOSP, Choice Institutional Equities

ARPOB expected to grow 8% in the next few years



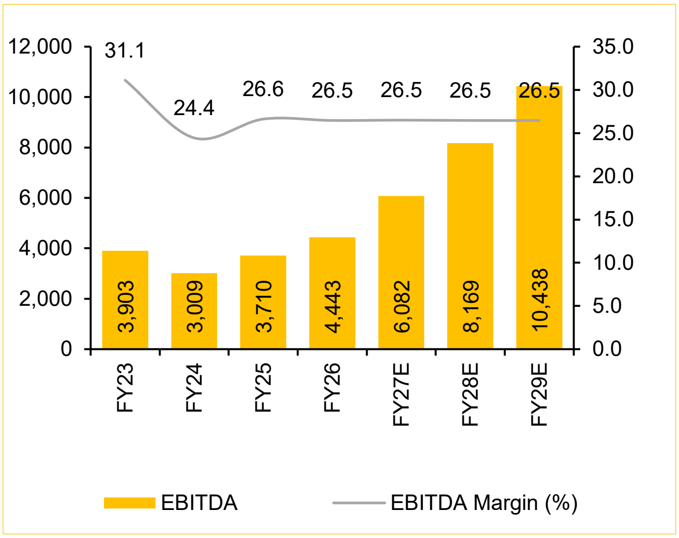
Source: PARKHOSP, Choice Institutional Equities

Revenue anticipated at 32.9% CAGR over FY26–FY29E



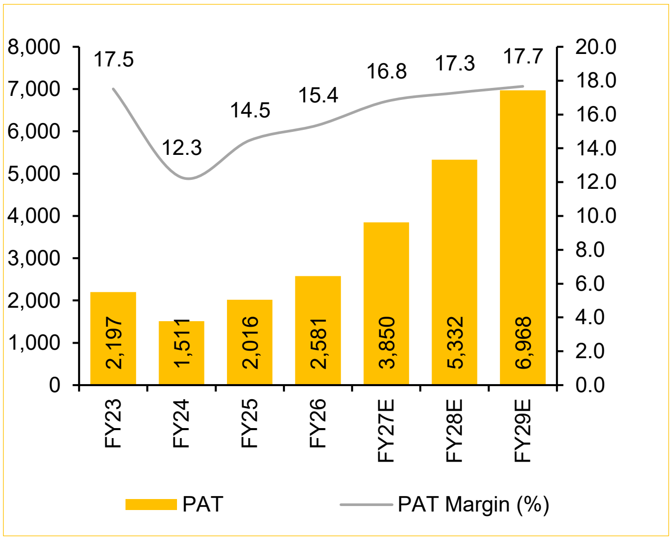
Source: PARKHOSP, Choice Institutional Equities

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



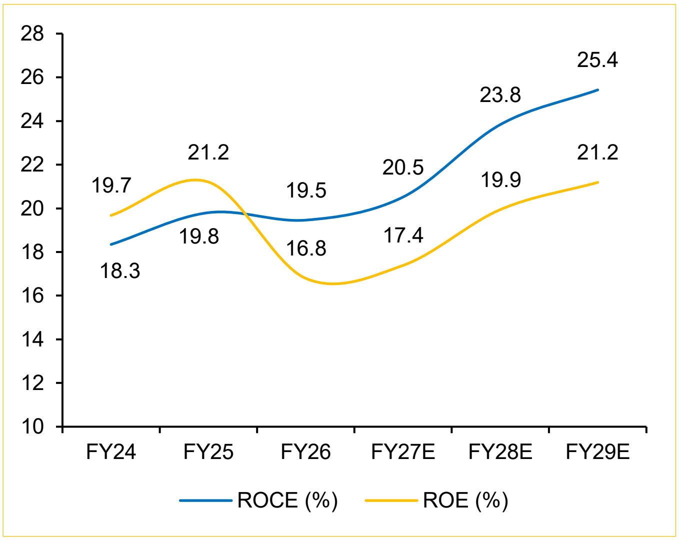
Source: PARKHOSP, Choice Institutional Equities

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
Growth Ratios (%)					
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
Margins (%)					
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
Profitability (%)					
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
Financial Leverage					
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
Working Capital					
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
Valuation Metrics					
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	1,25,260	1,25,260	1,25,260	1,25,260
PE (x)	NA	48.5	32.5	23.5	18.0
P/BV (x)	NA	6.2	5.2	4.3	3.4
EV/EBITDA (x)	NA	27.7	20.2	14.8	11.3
EV/Sales (x)	NA	7.3	5.4	3.9	3.0

Source: PARKHOSP, Choice Institutional Equities

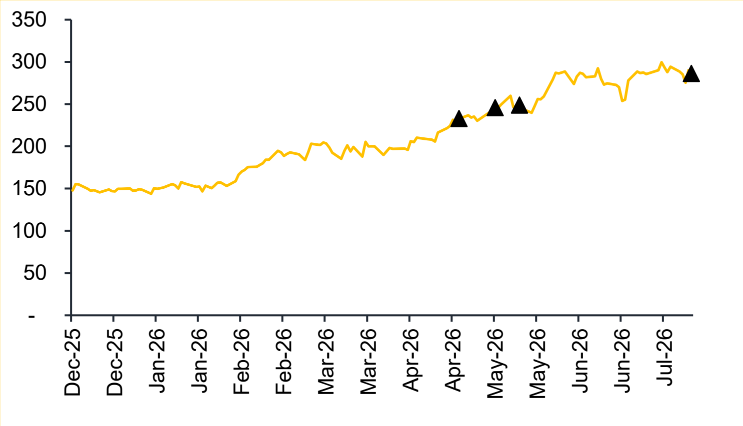
Balance Sheet (INR Mn)

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
Total Net Worth & Liabilities	**21,392**	**28,131**	**31,834**	**37,557**	**44,948**
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
Total Assets	**21,392**	**28,131**	**31,834**	**37,557**	**44,948**

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
ROE (%)	**21.2**	**16.8**	**17.4**	**19.9**	**21.2**

Historical share price chart: PARKHOSP



Date	Rating	Target Price
April 30, 2026	BUY	320
May 13, 2026	BUY	320
May 27, 2026	BUY	350
July 14, 2026	BUY	350

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CHOICE RATING DISTRIBUTION & METHODOLOGY	
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**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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