

# Healthcare Global Enterprises Ltd.

**BUY**

Sector: Healthcare Services

 19<sup>th</sup> February, 2026

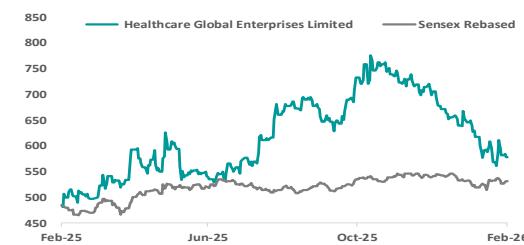
Key Changes		Target	Rating	Earnings		Target	Rs.724
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs.597
Small Cap	HCG:IN	83,734	HCG	539787	12 Months	Return	+21%

Data as of: 18-02-2026, 18:00 hrs

## Growth Momentum Intact, Profitability Improving

Company Data			
Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	62.5	63.8	63.8
FII's	2.2	3.6	3.2
MFs/Institutions	13.2	18.3	18.3
Public	22.1	14.3	14.7
Total	100.0	100.0	100.0
Promoter Pledge	5.7	5.5	5.5
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-21.4%	-15.2%	19.5%
Absolute Sensex	-1.4%	1.9%	9.9%
Relative Return	-19.9%	-17.2%	9.6%

\*over or under performance to benchmark index



Y.E March (Rs.cr)	FY26E	FY27E	FY28E
Sales	2,497	2,912	3,402
Growth (%)	12.3	16.6	16.8
EBITDA	457	582	708
EBITDA Margin (%)	18.3	20.0	20.8
PAT Adjusted	58	148	252
Growth (%)	29.8	156.9	70.4
Adjusted EPS	4.1	10.5	17.9
Growth (%)	28.0	156.9	70.4
P/E	146.8	57.1	33.5
P/B	8.6	7.5	6.1
EV/EBITDA	19.7	15.3	12.2
ROE (%)	6.1	14.0	20.1
D/E	1.9	1.5	1.1

**Healthcare Global Enterprises Ltd. (HCG)** is one of India's leading oncology treatment specialists with a presence across the country.

- In Q3FY26, the company posted a 13% YoY revenue growth, supported by a 5% YoY improvement in ARPP (Average Revenue Per Patient) to Rs.84,208, along with healthy volume growth of 8% YoY.
- EBITDA increased 24% YoY to Rs. 110cr, with margins expanding by 150 bps to 17.3%, driven by operating leverage.
- EBT declined by 53% YoY to Rs. -6cr in Q3FY26, primarily impacted by higher depreciation charges and increased finance costs.
- The management plans to add 1,000 beds over the next 2-3 years through organic expansions and strategic acquisitions.
- The company has announced a rights issue of up to Rs. 420cr aimed at strengthening its balance sheet. A successful reduction in debt through this initiative would enhance financial flexibility and position the company to pursue additional acquisitions, thereby supporting its long-term growth prospects.

## Outlook & Valuation

Healthcare Global Enterprises Ltd (HCG) is well positioned to deliver robust top-line growth over the next 2-3 years, driven by sustained improvement in ARPP and ongoing bed additions. Management is also focused on enhancing profitability through a better case mix and improved capacity utilization. The proposed rights issue is expected to aid in deleveraging and further strengthen the balance sheet. With KKR & Co. Inc. as the new promoter, the company is likely to witness a strategic transformation, unlocking growth opportunities and driving operational efficiencies. Accordingly, we **upgrade our rating to BUY with a revised target price of Rs. 724, based on 16x FY28E EV/EBITDA.**

## Quarterly Financials Consol.

	Rs cr	Q3FY26	Q3FY25	YoY Growth (%)	Q2FY26	QoQ Growth (%)	9MFY26	9MFY25	YoY Growth (%)
Sales	633	559		13.3	647	-2.1	1,893	1,417	33.6
EBITDA	110	88		24.0	123	-11.1	341	282	21.0
Margins %	17.3	15.8		149	19.1	-175	18.0	19.9	-187
EBIT	49	32		53.7	61	-19.1	159	128	24.2
PBT	-6	-4		43.3	20	-130.9	25	42	-41.8
Reported PAT	-8	8		-201.9	21	-138.2	19	42	-55.4
Adj PAT	5	8		-38.5	21	-76.9	31	39	-20.2
Adj EPS (Rs)	0.3	0.6		-42.6	1.5	-78.5	2	3	-21.0

## Key highlights

- The management expects a top-line growth of 15% over the next 2-3 years, on the back of new beds being added in metro cities and higher realizations due to favorable case mix and payor mix.
- The Southern Cluster exhibited steady growth of 9%, driven by strong performance in Bengaluru and Vizag, though there were disruptions in Andhra Pradesh, which have now been resolved. The new Bengaluru Hospital is expected to support this cluster's growth.
- The Western cluster delivered an exceptional growth of 17% on a YoY basis as utilization ramps up across hospitals amid increased staff additions and marketing and sales campaigns.
- The Eastern Cluster has grown its top line by 12%, buoyed by strong volume growth, though there were pricing disruptions in Odisha. A regional business head has been appointed to support the growth in this cluster. The management plans to add 60 new beds to the existing Cuttack Hospital and expects the hospital to be operational by the end of FY27.
- The new facilities at North Bangalore are expected to be operational by Q4FY26, while the facility at Whitefield is expected to be operational by FY27. The clinical hiring at North Bengaluru has almost been completed.

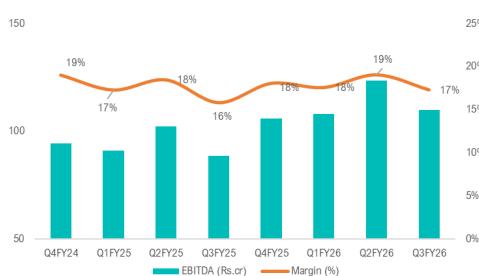
## Revenue



## Other Expenses



## EBITDA



## PAT



## Change in Estimates

Year / Rs cr	Old estimates			New estimates			Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	2577.0	2973.0	2,497	2,912	3,402	-3.1	-2.1	-
EBITDA	487	598	457	582	708	-6.2	-2.6	-
Margins (%)	18.9	20.1	18.3	20.0	20.8	-60bps	-10bps	-
Adj. PAT	76	143	58	148	252	-24.2	3.5	-
EPS	5.4	10.3	4.1	10.5	17.9	-24.3	2.0	-

## Consolidated Financials

### Profit & Loss

Y.E March (Rs cr)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Sales</b>	<b>1,912</b>	<b>2,223</b>	<b>2,497</b>	<b>2,912</b>	<b>3,402</b>
% change	12.8	16.3	12.3	16.6	16.8
<b>EBITDA</b>	<b>330</b>	<b>387</b>	<b>457</b>	<b>582</b>	<b>708</b>
% change	10.3	17.5	18.0	27.4	21.5
Depreciation	174	211	242	264	281
<b>EBIT</b>	<b>155</b>	<b>176</b>	<b>215</b>	<b>318</b>	<b>427</b>
Interest	109	155	179	167	143
Other Income	17	35	30	44	51
<b>PBT</b>	<b>68</b>	<b>57</b>	<b>68</b>	<b>197</b>	<b>336</b>
% change	50.9	-15.9	19.1	191.1	70.4
Tax	26	8	10	49	84
<i>Tax Rate (%)</i>	39.0	14.3	15.0	25.0	25.0
<b>Reported PAT</b>	<b>41</b>	<b>49</b>	<b>58</b>	<b>148</b>	<b>252</b>
Adj.*	4	0	0	0	0
<b>Adj. PAT</b>	<b>44</b>	<b>44</b>	<b>58</b>	<b>148</b>	<b>252</b>
% change	50.8	0.4	29.8	156.9	70.4
No. of shares (cr)	13.9	13.9	14.1	14.1	14.1
<b>Adj EPS (Rs)</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>11</b>	<b>18</b>
% change	50.8	0.4	28.0	156.9	70.4
DPS (Rs)	0.0	0.0	0.0	0.0	0.0

### Balance Sheet

Y.E March (Rs cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and cash eq.	303	348	379	292	377
Accts. Receivable	294	401	383	447	522
Inventories	43	53	56	63	73
Other Cur. Assets	57	78	65	77	90
Investments	10	11	11	11	11
Gross Fixed Assets	1,712	2,095	2,295	2,445	2,595
Net Fixed Assets	1,505	1,963	2,031	2,059	2,071
CWIP	83	25	50	20	20
Intangible Assets	253	479	479	467	454
Def. Tax (Net)	7	25	25	26	26
Other Assets	152	161	226	226	225
<b>Total Assets</b>	<b>2,708</b>	<b>3,543</b>	<b>3,705</b>	<b>3,689</b>	<b>3,869</b>
Current Liabilities	493	567	686	710	824
Provisions	34	41	39	45	53
Debt Funds	1,280	1,841	1,891	1,691	1,491
Other Liabilities	35	105	41	45	52
Equity Capital	139	139	141	141	141
Res. & Surplus	726	851	908	1,056	1,309
Shareholder Funds	826	922	982	1,130	1,382
<b>Total Liabilities</b>	<b>2,708</b>	<b>3,543</b>	<b>3,705</b>	<b>3,689</b>	<b>3,869</b>
BVPS	59	66	70	80	98

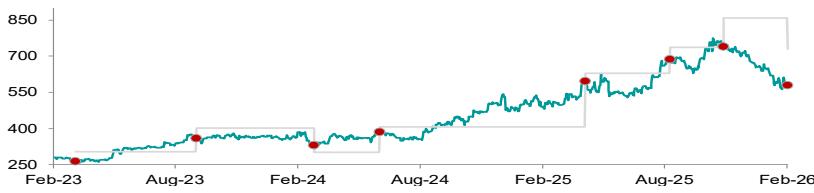
### Cashflow

Y.E March(Rs cr)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Net inc. + Depn.</b>	<b>242</b>	<b>268</b>	<b>310</b>	<b>462</b>	<b>617</b>
Non-cash adj.	70	125	139	74	8
Changes in W.C	-27	-76	145	-53	23
<b>C.F. Operation</b>	<b>285</b>	<b>317</b>	<b>594</b>	<b>482</b>	<b>649</b>
Capital exp.	-231	-406	-335	-250	-280
Change in inv.	-4	0	0	0	0
Other inv.	8	-82	-36	44	52
<b>C.F - Investment</b>	<b>-226</b>	<b>-488</b>	<b>-371</b>	<b>-206</b>	<b>-228</b>
Issue of equity	-40	2	2	0	0
Issue/repay debt	139	145	50	-200	-200
Dividends paid	0	0	0	0	0
Other finance.CF	-163	-189	-243	-162	-136
<b>C.F - Finance</b>	<b>-64</b>	<b>-42</b>	<b>-192</b>	<b>-362</b>	<b>-336</b>
Chg. in cash	-5	-213	32	-87	84
<b>Closing Cash</b>	<b>166</b>	<b>236</b>	<b>267</b>	<b>181</b>	<b>265</b>

### Ratios

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	17.2	17.4	18.3	20.0	20.8
EBIT margin (%)	8.1	7.9	8.6	10.9	12.5
Net profit mgn. (%)	2.3	2.0	2.3	5.1	7.4
ROE (%)	5.2	5.1	6.1	14.0	20.1
ROCE (%)	18.8	19.1	21.9	28.2	30.9
<b>W.C &amp; Liquidity</b>					
Receivables (days)	57	57	57	52	52
Inventory (days)	31	30	30	30	30
Payables (days)	9	16	14	7	7
Current ratio (x)	1.3	1.4	1.2	1.2	1.2
Quick ratio (x)	1.2	1.3	1.1	1.0	1.1
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	1.2	1.2	1.1	1.2	1.3
Total asset T.O (x)	0.8	0.7	0.7	0.8	0.9
Int. covge. ratio (x)	1.4	1.1	1.2	1.9	3.0
Adj. debt/equity (x)	1.6	2.0	1.9	1.5	1.1
<b>Valuation</b>					
EV/Sales (x)	3.7	4.0	3.6	3.1	2.5
EV/EBITDA (x)	21.5	23.0	19.7	15.3	12.2
P/E (x)	153.7	185.9	146.8	57.1	33.5
P/BV (x)	8.2	9.0	8.6	7.5	6.1

## Recommendation Summary (last 3 years)



Dates	Rating	Target
21.Mar.23	ACCUMULATE	303
18.Sep.23	ACCUMULATE	402
12.Mar.24	SELL	301
18.Jun.24	HOLD	407
21.Apr.25	HOLD	628
29.Aug.25	HOLD	737
02.Dec.25	ACCUMULATE	860
19.Feb.26	BUY	724

### Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

#### Not rated/Neutral

##### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

**Symbols definition:**  Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

### DISCLAIMER & DISCLOSURES

**Certification:** I, Antu Eapan Thomas, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: [Please Click here](#)

#### Regulatory Disclosures:

Group companies/ Fellow subsidiaries of Geojit Investments Ltd (GIL ) are Geojit Financial Services Limited (GFSL), Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Qurum Business Group Geojit Securities LLC ( a subsidiary of holding company in Oman engaged in Financial Services ), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), and BBK Geojit Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial Services). In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

#### 1. Disclosures regarding Ownership:

GIL confirms that:

- (i)It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.
- (ii)It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

- (i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.
- (ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

#### 2. Disclosures regarding Compensation:

During the past 12 months, GIL or its Associates:

- (a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

#### 3. Disclosure by GIL regarding the compensation paid to its Research Analyst:

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

#### 4. Disclosure regarding the Research Analyst's connection with the subject company:

It is affirmed that I, Antu Eapan Thomas, Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

#### 5. Disclosure regarding Market Making activity:

Neither GIL/its Analysts have engaged in market making activities for the subject company.

#### 6. Disclosure regarding conflict of interests:

GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

#### 7. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

#### 11. Standard Warning:

**"Investment in securities market are subject to market risks. Read all the related documents carefully before investing."**

#### 12. Disclosures regarding Artificial Intelligence tools:

Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

**Geojit Investments Ltd.** Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : [www.geojit.com/GIL](http://www.geojit.com/GIL) . For investor queries: [customer-care@geojit.com](mailto:customer-care@geojit.com)

#### GRIEVANCES

Step 1: The client should first contact the RA using the details on its website or following

contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam,; Phone: +91 484-2901367; Email: [compliance@geojit.com](mailto:compliance@geojit.com). For Grievances: [grievances@geojit.com](mailto:grievances@geojit.com). Step 2: If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at [www.scores.sebi.gov.in](http://www.scores.sebi.gov.in) Step 3: The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>

Corporate Identity Number: U66110KL2023PLC080586, Research Entity SEBI Reg No: INH000019567 ; Depository Participant : IN-DP-781-2024.