

Healthcare Global Enterprises Ltd.

Sector: Healthcare Services

19th February, 2026

BUY

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

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

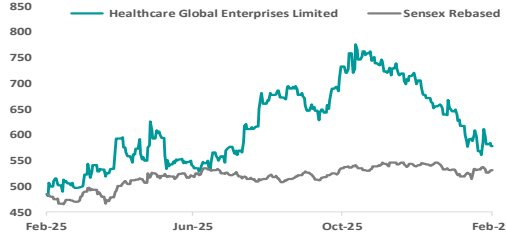
Growth Momentum Intact, Profitability Improving

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.**

| Company Data | | | |
|---|-----------|---------|--------|
| Market Cap (Rs. cr) | 8,417 | | |
| 52 Week High — Low (Rs.) | 804 — 479 | | |
| Enterprise Value (Rs. cr) | 9,963 | | |
| Outstanding Shares (cr) | 14.1 | | |
| Free Float (%) | 35.8 | | |
| Dividend Yield (%) | 0.0 | | |
| 6m average volume (cr) | 0.03 | | |
| Beta | 0.37 | | |
| Face value (Rs.) | 10.0 | | |
| 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 |

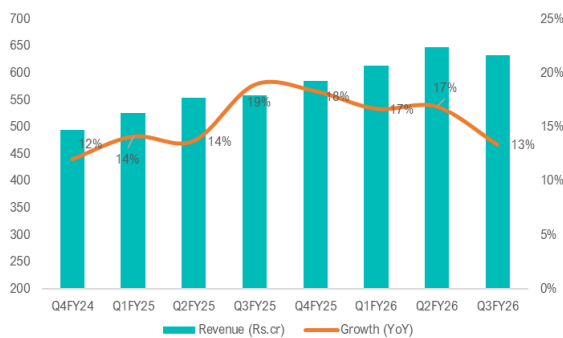
Quarterly Financials Consol.

| 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 |

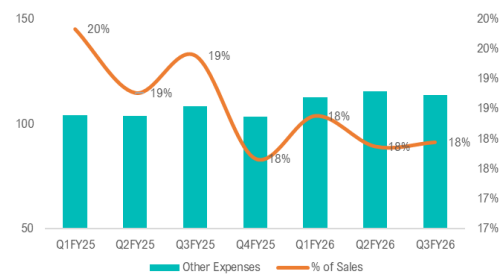
Key highlights

- 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 FY'27.
- 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.

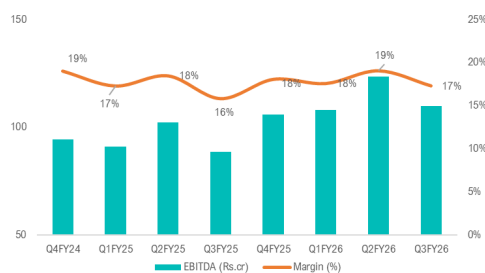
Revenue



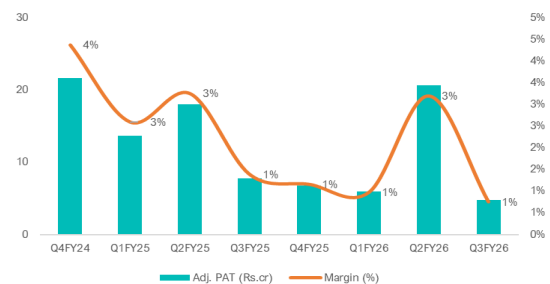
Other Expenses



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 |
|---------------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 1,912 | 2,223 | 2,497 | 2,912 | 3,402 |
| % change | 12.8 | 16.3 | 12.3 | 16.6 | 16.8 |
| EBITDA | 330 | 387 | 457 | 582 | 708 |
| % change | 10.3 | 17.5 | 18.0 | 27.4 | 21.5 |
| Depreciation | 174 | 211 | 242 | 264 | 281 |
| EBIT | 155 | 176 | 215 | 318 | 427 |
| Interest | 109 | 155 | 179 | 167 | 143 |
| Other Income | 17 | 35 | 30 | 44 | 51 |
| PBT | 68 | 57 | 68 | 197 | 336 |
| % change | 50.9 | -15.9 | 19.1 | 191.1 | 70.4 |
| Tax | 26 | 8 | 10 | 49 | 84 |
| Tax Rate (%) | 39.0 | 14.3 | 15.0 | 25.0 | 25.0 |
| Reported PAT | 41 | 49 | 58 | 148 | 252 |
| Adj.* | 4 | 0 | 0 | 0 | 0 |
| Adj. PAT | 44 | 44 | 58 | 148 | 252 |
| % 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 |
| Adj EPS (Rs) | 3 | 3 | 4 | 11 | 18 |
| % 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 |
| Total Assets | 2,708 | 3,543 | 3,705 | 3,689 | 3,869 |
| 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 |
| Total Liabilities | 2,708 | 3,543 | 3,705 | 3,689 | 3,869 |
| BVPS | 59 | 66 | 70 | 80 | 98 |

Cashflow

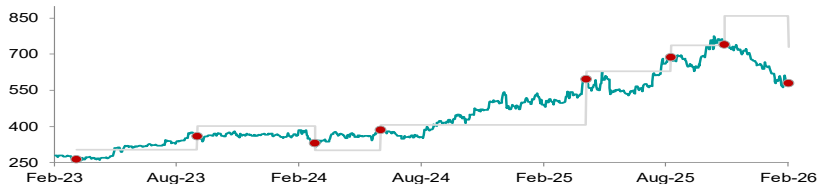
| Y.E March(Rs cr) | FY24A | FY25A | FY26E | FY27E | FY28E |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Net inc. + Depn. | 242 | 268 | 310 | 462 | 617 |
| Non-cash adj. | 70 | 125 | 139 | 74 | 8 |
| Changes in W.C | -27 | -76 | 145 | -53 | 23 |
| C.F. Operation | 285 | 317 | 594 | 482 | 649 |
| Capital exp. | -231 | -406 | -335 | -250 | -280 |
| Change in inv. | -4 | 0 | 0 | 0 | 0 |
| Other inv. | 8 | -82 | -36 | 44 | 52 |
| C.F - Investment | -226 | -488 | -371 | -206 | -228 |
| 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 |
| C.F - Finance | -64 | -42 | -192 | -362 | -336 |
| Chg. in cash | -5 | -213 | 32 | -87 | 84 |
| Closing Cash | 166 | 236 | 267 | 181 | 265 |

Ratios

| Y.E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|--------------------------------|-------|-------|-------|-------|-------|
| Profitab. & Return | | | | | |
| 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 |
| W.C & Liquidity | | | | | |
| 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 |
| Turnover & Leverage | | | | | |
| 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 |
| Valuation | | | | | |
| 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.

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

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