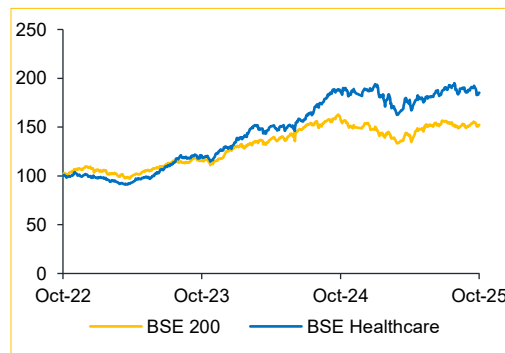


Recommendation			
Company (Ticker)	CMP (INR)	TP (INR)	Rated
Apollo Hospitals (APHS)	7,636	9,000	BUY
Fortis Healthcare (FORH)	1,051	1,000	BUY
Global Health (MEDANTA)	1,366	1,500	ADD
Healthcare Global (HCG)	657	700	ADD
Jeena Sikho Lifecare (JSLL)	757	900	BUY
Max Healthcare (MAXHEALT)	1,137	1,160	REDUCE
Narayana Hrudayalaya (NARH)	1,787	2,110	BUY
Rainbow Children (RAINBOW)	1,327	1,685	ADD
Yatharth Hospital (YATHARTH)	779	850	BUY

*CMP as on Oct 06, 2025

Relative Performance (%)			
YTD	3Y	2Y	1Y
BSE200	52.5	31.8	(3.1)
BSE Healthcare	85.0	53.1	(0.6)

Rebased Price Chart



Recent Report Links:

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[Convex Choice](#)

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Sustained growth ahead led by expansions, specialties and strong leverage

Strong Q2FY26 results expected: Healthcare companies under our coverage are poised to sustain strong momentum through the year, with revenue expected to grow in high teens YoY. Growth will be driven by favourable industry tailwinds, including an increasing mix of high-end specialties, expansion in operational bed capacity and a steady recovery in international patient inflows.

ARPOB (Average Revenue Per Occupied Bed) growth is expected to remain moderate YoY. However, EBITDA is projected to outpace revenue growth across our coverage universe, underscoring continued improvement in operating leverage. Occupancy levels are likely to remain healthy in the 60–66% range for most players, except for RAINBOW (~42%) and MAXHEALT (~75%).

Factors driving long-term growth:

Aggressive capacity expansion to capture rising healthcare demand:

Hospitals under our coverage are undertaking aggressive capacity expansion to capture rising healthcare demand through a mix of organic growth and strategic acquisitions. Over the next 2–3 years, APHS plans to add over 4,100 beds, FORH ~3,200 beds, MEDANTA ~1,400 beds, YATHARTH 700+ beds, MAXHEALT ~3,400 beds and RAINBOW ~930 beds. These additions span both, metro and Tier-2 locations, enhancing ARPOB potential in premium markets while strengthening reach in emerging regions.

Oncology emerges as key revenue driver, contributing up to 31% for top hospital chains:

Rising demand for specialised treatment, such as oncology and high-end surgeries is driving higher ARPOB, improved operational efficiency through shorter ALOS and sustained revenue growth. While ongoing capacity expansion may temper near-term ARPOB gains, the structural mix shift towards high-end specialties remains evident. Oncology now contributes ~31% of revenues for MAXHEALT, 16% for NARH, 15.1% for FORH, 14.4% for MEDANTA and ~10% for YATHARTH. This trend towards higher-value specialties is expected to persist across most players under coverage, supporting long-term margin expansion.

International patient inflows to strengthen healthcare sector amid rising global demand:

Medical tourism, at present accounting for ~5–7% of revenues, is expected to grow at nearly twice the industry average over the medium term. Growth will be supported by favourable tailwinds, including easing geopolitical conditions, the upcoming Noida International Airport, competitive treatment cost and the availability of world-class clinical expertise. These factors are likely to drive sustained inflows of international patients, particularly from Southeast Asia and the Middle East, further strengthening the sector's growth trajectory.

We expect the healthcare sector to sustain its growth momentum, driven by high single-digit annual ARPOB expansion and steady improvement in occupancy levels. Further tailwinds include a more favourable payer mix, rising surgical volumes and increasing insurance penetration, all of which are set to reinforce the sector's long-term growth trajectory.

High-conviction investment ideas

We continue to remain positive on JSLL and YATHARTH hospitals which are expected to deliver strong growth in Q2FY26.

To know about the recent CGHS rate revision, Please click below

[Hospitals Benefit from CGHS Hike](#)

APHS						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	63,796	58,421	9.2%	55,893	14.1%	We anticipate a 14.1% YoY revenue growth, supported by a stronger case mix in high-end specialties, rising inpatient footfalls, and improved occupancy rates. Continued growth in retail and digital health segments is likely, driven by store network expansion and enhanced pharmacy offering. To watch out for: Outlook on the demerger of the pharmacy business with its impact on EBITDA margin.
EBITDA (INR Mn)	9,442	8,519	10.8%	8,155	15.8%	
EBITDA Margin (%)	14.8	14.6	21	14.6	21	
PAT (INR Mn)	4,948	4,328	14.3%	3,788	30.6%	
FORH						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	23,227	21,667	7.2%	19,884	16.8%	We expect FORH's revenue to grow by 16.8% YoY, led by an increased contribution from core specialties and better occupancy levels. Furthermore, EBITDA is projected to rise sharply by 21.9% YoY, with PAT anticipated to grow by 29.9%. To watch out for: EBITDA margin guidance, profitability status at Gleneagles and possible M&A deal.
EBITDA (INR Mn)	5,412	4,907	10.3%	4,348	24.5%	
EBITDA Margin (%)	23.3	22.6	65	21.9	143	
PAT (INR Mn)	2,867	2,507	14.4%	2,207	29.9%	
MEDANTA						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	11,360	10,308	10.2%	9,566	18.8%	We anticipate MEDANTA's revenue to grow by 18.8% YoY, supported by higher occupancy at mature facilities and robust growth in high-end specialties. EBITDA is also expected to increase by 18.4% YoY. To watch out for: Contribution from the high-end specialties and performance of new Noida hospital.
EBITDA (INR Mn)	2,704	2,270	19.1%	2,283	18.4%	
EBITDA Margin (%)	23.8	22.0	178	23.9	-7	
PAT (INR Mn)	1,743	1,590	9.6%	1,308	33.2%	
HCG						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	6,450	6,132	5.2%	5,535	16.5%	We expect HCG to deliver robust revenue growth of around 16.5%, supported by increased patient volumes, especially in high-margin oncology services and continued geographical expansion through acquisitions. EBITDA is projected to rise by 13.5% YoY. To watch out for: Margin guidance for emerging centres, change in the case mix and inflow from international patients.
EBITDA (INR Mn)	1,161	1,078	7.7%	1,023	13.5%	
EBITDA Margin (%)	18.0	17.6	42	18.5	-48	
PAT (INR Mn)	139	48	192.6%	180	-22.7%	
JSLL						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	1,920	1,743	10.2%	NA	NA	We anticipate JSLL to post revenue growth of about 10.2%, supported by rising patient volumes, launch of new hospitals and expansion through Ayurveda colleges. EBITDA is projected to increase by approximately 10.6% quarter-on-quarter. To watch out for: Performance of OTC business and Ayurveda colleges, growth in the ARPOB and EBITDA margin guidance.
EBITDA (INR Mn)	872	788	10.6%	NA	NA	
EBITDA Margin (%)	45.4	45.2	19	NA	NA	
PAT (INR Mn)	580	513	13.0%	NA	NA	
MAXHEALT						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	26,226	24,510	7.0%	21,190	23.8%	We expect MAXHEALTH to deliver a strong performance, with revenue rising 23.8% YoY, supported by a favourable case-mix shift towards high-specialty therapies, strong volume growth and aggressive expansion strategy. To watch out for: Status of Max Mohali, Nanavati and Saket facilities, payor mix and EBITDA margin guidance.
EBITDA (INR Mn)	6,766	6,050	11.8%	5,600	20.8%	
EBITDA Margin (%)	25.8	24.7	112	26.4	-63	
PAT (INR Mn)	4,248	3,617	17.4%	3,647	16.5%	
NARH						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	15,947	15,073	5.8%	14,000	13.9%	We anticipate NARH to record 13.9% YoY revenue growth, supported by higher ARPOB and the ramp-up of its new Cayman facility. EBITDA is expected to rise by 20%, while PAT is projected to increase by 12.1%. To watch out for: Comments on the performance of the new Cayman facility in terms of revenue and margin, insurance business expansion into new geographies and potential near-term plan for overseas expansion.
EBITDA (INR Mn)	3,700	3,370	9.8%	3,084	20.0%	
EBITDA Margin (%)	23.2	22.4	84	22.0	117	
PAT (INR Mn)	2,230	1,961	13.7%	1,990	12.1%	

RAINBOW						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	4,306	3,529	22.0%	4,175	3.1%	We anticipate RAINBOW to register modest revenue growth of 3.1% YoY, with EBITDA declining by 3.4% and PAT rising slightly by 1.4%. To watch out for: Performance of the Bangalore unit, share from the IVF business and margin performance on the new bed additions and overall group-level margin.
EBITDA (INR Mn)	1,421	1,036	37.1%	1,471	-3.4%	
EBITDA Margin (%)	33.0	29.4	364	35.2	-223	
PAT (INR Mn)	801	538	48.8%	790	1.4%	
YATHARTH						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	2,913	2,578	13.0%	2,178	33.8%	We expect YATHARTH to deliver strong revenue growth of 33.8% YoY, mainly supported by an increased focus on high-end specialties and a continued strategy to reduce reliance on government business. EBITDA is projected to rise 34.4% YoY, maintaining a stable margin of around 25%. To watch out for: Share from key specialties -- especially oncology, growth in ARPOB and expansion plans.
EBITDA (INR Mn)	734	645	13.8%	546	34.4%	
EBITDA Margin (%)	25.2	25.0	18	25.1	11	
PAT (INR Mn)	487	420	15.8%	310	57.2%	

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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 statis 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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