



Techno-Funda Pick

Fortis Healthcare Limited

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CMP: 755
Buy Range: 750-735
Stop loss: 702
Upside: 11%-16%

Technical Rationale

- FORTIS has staged a decisive breakout above its Rounded Bottom pattern at 744, supported by a strong bullish candle, signalling the continuation of the uptrend.
- It is currently trading above all key short- and medium-term moving averages (20, 50, 100, and 200-day SMAs), underscoring sustained bullish momentum.
- Adding to the strength, it has closed above the upper daily Bollinger Band, generating a fresh buy signal and opening the door for further upside.
- On the daily timeframe, the RSI is trending upward, holding above its reference line and supported by an upward sloping trendline, further validating the positive price structure.
- With the breakout in place, the stock appears well-positioned to move towards the 824-865 zone in the near term.

**Holding period is 1 to 3 months*



Fortis Healthcare Limited

Fundamental Rationale

MARKET DATA

No. of Shares	: 75.50 Cr
Market Cap	: Rs 57,000 Cr
52-week High / Low	: Rs 756 / 444
BSE Code	: 532843
NSE Code	: FORTIS

Fortis Healthcare has established itself as a leader in complex medical procedures, outperforming competitors like Max Healthcare and Medanta in cardiac surgeries, radiation therapies, and robotic surgeries, which drive substantial revenue. It is the largest provider of oncology services in India. The company plans to add 2,000 beds through a brownfield expansion, increasing its capacity by 45%.

Investment Rationale

- Strong Results Delivered:** Fortis Healthcare reported revenue of Rs 2,007 Cr in Q4FY25, supported by higher ARPOB and improved occupancy levels. ARPOB stood at Rs 68,770, up 8.2% YoY, while occupancy improved to 69% (up 200 bps YoY), driven by a 7.2% YoY growth in occupied bed days. The Hospital Segment's EBITDA margins stood at 22%, flat on a YoY basis.
- Recovery in Diagnostic Business:** The rebranded Agilus Diagnostics reported revenue of Rs 306 Cr, muted growth of 3.5% YoY, and an EBITDA of Rs 63 Cr, reflecting a 20.6% margin, up 440 bps YoY. The margin improvement reflects operational recovery and efficiency gains as the business continues to scale post-rebranding.
- Improving Realisation & Speciality Mix:** The 8.2% rise in ARPOB was primarily driven by an improved payer and case mix. During the quarter, the international patient segment reported revenue of Rs 145 Cr, up 17% YoY, contributing 8.1% to Hospital revenue. Key specialities delivered strong performance, contributing 62% of total hospital revenue. Oncology grew 25% YoY, while neurosciences saw 19% growth, supported by strong volume. Robotic surgeries grew 72%, and neuro and spine procedures grew 17%.
- Scaling Up with Acquisition & Brownfield:** Fortis Healthcare has acquired perpetual rights to the 'Fortis' brand and trademarks for Rs 200 Cr. The company also signed a definitive agreement to acquire Shrimann Super Speciality Hospital in Jalandhar for Rs 462 Cr, adding 228 beds and increasing Punjab's capacity to over 1,000 beds. Fortis continues its expansion of 2,000 beds planned through brownfield expansions in key locations. The Manesar Greenfield facility currently has 90 operational beds, and an additional 120 beds will be commissioned as occupancy levels rise. Currently, it has a 40% Occupancy level and aims to target over 50% on overall operational beds by the end of FY26.
- Outlook:** Fortis Healthcare remains focused on a profitable growth trajectory, leveraging brownfield expansions, operational efficiencies, and portfolio optimisation. The company targets 14-15% revenue growth in the hospital business, with ARPOB expected to grow at 5-6% YoY. Management reiterates its margin expansion guidance of 200 bps for FY26, also driven by higher occupancy and improvements in the speciality mix. Strategic initiatives such as the acquisition of the Fortis brand, expansion in key clusters (notably Punjab and NCR), and investment in advanced medical technology are expected to further strengthen Fortis's market position.

Financial Summary

Y/E March	Revenue (Rs Cr)	EBITDA (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	P/E (x)	EVEBITDA (x)	P/B (x)	RoE (%)
FY24	6,893	1,268	645	8.5	88.3	45.2	7.4	8.4
FY25	7,783	1,588	809	10.7	70.4	37.0	6.4	9.1
FY26E	8,966	1,928	1,038	13.8	54.9	30.0	5.8	10.5
FY27E	10,746	2,420	1,432	19.0	39.8	23.4	5.1	12.7

Source: Axis Securities

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