

Global Health: Interaction with the CFO

June 18, 2025 | CMP: INR 1,186 | Target Price: INR 1,350

Expected Share Price Return: 13.8% | Dividend Yield: 0.0% | Expected Total Return: 13.8%

ADD

Company Info

BB Code	MEDANTA IN EQUITY
Face Value (INR)	2.0
52 W High/Low (INR)	1,388/936
Mkt Cap (Bn)	INR 318 / \$3.7
Shares o/s (Mn)	268.6
3M Avg. Daily Volume	1,88,815

Key Financials

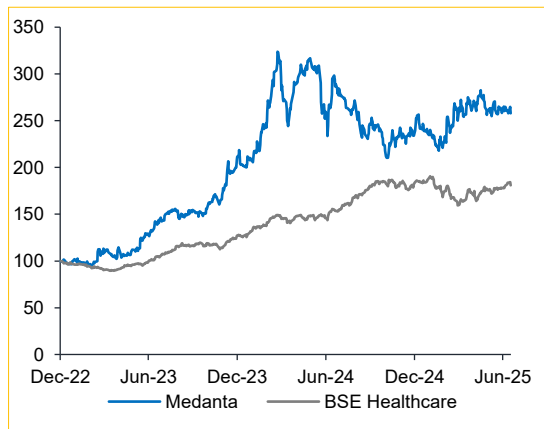
INR Bn	FY23	FY24	FY25	FY26E	FY27E
Revenue	26.9	32.8	36.9	44.5	52.3
YoY (%)	24.4	21.6	12.7	20.5	17.5
EBITDA	6.1	8.0	8.8	10.9	13.2
EBITDAM %	22.7	24.4	23.8	24.5	25.3
Adj PAT	3.3	4.8	4.4	6.6	8.0
EPS	12.2	17.8	16.5	24.5	29.9
ROE %	13.4	16.5	14.2	16.2	16.6
ROCE %	14.1	18.8	18.4	19.9	20.6
PE(x)	98.9	67.5	67.1	49.2	40.2
EV/EBITDA	52.4	39.9	36.4	29.3	24.0
BVPS	90.5	108.2	126.2	150.6	180.5
FCF	8.8	8.9	11.4	13.6	15.7

Shareholding Pattern (%)

	Mar-25	Dec-24	Sep-24
Promoters	33.03	33.03	33.04
FIIIs	11.76	12.48	12.21
DIIIs	11.93	10.51	11.11
Public	43.28	43.98	43.64

Relative Performance (%)

YTD	2Y	1Y	9M
BSE Healthcare	73.0	16.3	(2.1)
MEDANTA	82.3	(12.5)	5.4



Recent Report Links:

[Q4FY25 Result Update](#)

[Q3FY25 Result Update](#)

Deepika Murarka

Email: Deepika.murarka@choiceindia.com

Ph: +91 22 6707 9513

Maitri Sheth

Email: maitri.sheth@choiceindia.com

Ph: +91 22 6707 9511

Medanta – The Medicity, Gurugram

We visited the Medanta – The Medicity, Gurugram, and met with Mr. Yogesh Kumar Gupta - Chief Financial Officer.

Management guidance: The growth will primarily be fueled by increased volume, expansion into new markets, available cash to support the growth strategy, and improved margins due to operating leverage.

About the facility: Medanta – The Medicity, located in Gurugram and founded in 2009, is the largest private hospital in Delhi-NCR at a single location. It has a bed capacity of 1,440, including 316 ICU beds, 40 operating theatres, over 30 specialties, more than 1,000 doctors, and generates 10-12% of its revenue from international patients.

- The hospital holds JCI, NABH, and NABL accreditations. It spans 43 acres with a built-up area of over 2Mn sq. ft. The campus also has space allocated for the development of a Medanta Medical College and a 250-bed Medanta Guest House, with construction already underway. These additions are designed to provide comprehensive services for international patients and those from outside Delhi-NCR. Over 50% of the hospital's patient footfall comes from outside the Delhi-NCR region.
- The facility consists of 15 floors, each focused on specific specialties including oncology, cardiology, digestive, neurology, urology, internal medicine, and orthopedics. While there is no dedicated floor for international patient, certain areas within the super-specialty floors are allocated for their care, along with a common OPD for other therapies.

Expansion Plan: With a long-term goal of reaching a bed capacity of over ~6,100, Medanta is implementing an ambitious capital expenditure strategy and expanding into new regions, including Mumbai-Oshiwara.

- In addition, it is reinforcing its footprint in the Delhi region with plans to add approximately 1,150 beds, focusing on the high-growth, densely populated areas of North and South Delhi. We project that the total bed count will exceed ~1,000 by FY27.

Growth in the Operating Metrics:

- **ARPOB:** It is expected to rise due to an increase in complex cases and a growing influx of international patients, driven by the upcoming Noida International Airport, expecting INR 66,800 for FY27.
- **ALOS** is most efficient in the industry, as 3.17 days, as the focus is not to keep the patient for longer time but use that bed for another patient, expecting it to continue lead in the industry.
- **International Patient:** The primary focus is on increasing patient footfall with higher tariff and 100% cash payment, which helps improve the overall payer mix. However, the impact on margins is constrained due to the brokerage fee, which makes up 35-40% of the revenue.
- **Payer Mix:** MEDANTA's +80% of revenue comes from cash/TPA, so acquiring remaining business from the government doesn't significantly dilute margins, expecting it to sustain at similar levels. Concern is delayed payment from the government, which takes 6-9 months.
- **Robotics Surgery:** It is certainly revenue-accretive, but it doesn't significantly boost margins due to the higher fixed and operational costs associated with it. While it's beneficial to have this service within the facility, it's not essential or mandatory.
- **Doctor Model:** Each doctor will be on a fixed salary and assigned to a specific department. Additionally, senior doctors are eligible for a quarterly bonus, which is tied to the doctor's surgery fees.

View & Valuation: We maintain our **ADD** rating with a target price of INR 1,350, valuing the stock at 27x FY27E EV/EBITDA.

Risks to our investment case: Delays in the execution of planned projects and decline in the share of international patients due to global challenges.

Medanta – The Medicity



Reception Area



OPD Billing Area



ICU Setup



Single Deluxe Room



In-house Blood Centre



Source: Company, CEBPL

Historical share price chart: Global Health Limited



Date	Rating	Target Price
May 30, 2023	ADD	664
August 14, 2023	ADD	769
November 14, 2023	NEUTRAL	890
February 13, 2024	NEUTRAL	1,362
May 21, 2024	REDUCE	1,457
August 12, 2024	BUY	1,246
November 16, 2024	HOLD	1,146
February 06, 2025	BUY	1,348
May 19, 2025	ADD	1,350

Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research	utsav.verma@choiceindia.com	+91 22 6707 9440
Prashanth Kumar Kota	Analyst – Basic Materials	prashanth.kota@choiceindia.com	+91 22 6707 9887
Mehul Mehta	Analyst – Industrials	mehul.mehta@choiceindia.com	+91 22 6707 9930
Dhanshree Jadhav	Analyst – Technology	dhanshree.jadhav@choiceindia.com	+91 22 6707 9535
Karan Kamdar	Analyst – SMID	karan.kamdar@choiceindia.com	+91 22 6707 9930
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Ashutosh Murarka	Analyst – Cement & Infrastructure	ashutosh.murarka@choiceindia.com	+91 22 6707 9887
Aayush Saboo	Analyst – Real Estate	aayush.saboo@choiceindia.com	+91 22 6707 9512
Bharat Kumar Kudikyala	Associate – Building Materials and Mining	bharat.kudikyala@choiceindia.com	+91 22 6707 9887
Vinay Rawal	Associate – SMID	vinay.rawal@choiceindia.com	+91 22 6707 9887
Heet Chheda	Associate – Auto	heet.chheda@choiceindia.com	+91 22 6707 9952
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9887
Aryan Goyal	Associate – Auto	aryan.goyal@choiceindia.com	+91 22 6707 9517
Sumit Pandey	Executive	pandey.sumit@choiceindia.com	+91 22 6707 9887

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 consistent 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 20,000Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000Cr Market Cap

Disclaimer

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited-Research Analyst - INH000000222. (CIN. NO.: U65999MH2010PTC198714). Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri(East), Mumbai 400099. Tel. No. 022-6707 9999

Compliance Officer--Prashant Salian, Email Id – Prashant.salian@choiceindia.com Contact no. 022- 67079999- Ext-2310

Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834. Email- ig@choiceindia.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This Research Report (hereinafter referred as "Report") has been prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL RE" Limited). The Research Analysts, strategists are principally responsible for the preparation of "CEBPL RE" research. The research analysts have received compensation based upon various factors, which may include quality of research, investor client feedback, stock picking, competitive factors and firm revenues etc.

Whilst CEBPL has taken all reasonable steps to ensure that this information is correct, CEBPL does not offer any warranty as to the accuracy or completeness of such information. Any person placing reliance on the report to undertake trading does so entirely at his or her own risk and CEBPL does not accept any liability as a result. Securities and Derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication of future performance.

General Disclaimer: This 'Report' is strictly meant for use by the recipient and is not for circulation. This Report does not take into account particular investment objectives, financial situations or specific needs of individual clients nor does it constitute a personal recommendation. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through CEBPL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein.

These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this "Report" should rely on information/data arising out of their own Study/investigations. It is advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This 'Report' has been prepared on the basis of publicly available information, internally developed data and other sources believed by CEBPL to be reliable. CEBPL or its directors, employees, affiliates or representatives shall not be responsible for, or warrant for the accuracy, completeness, adequacy and reliability of such information / opinions / views. Though due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of CEBPL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this report.

The price and value of the investments referred to in this Report and the income from them may tend to go down as well as up, and investors may incur losses on any investments. Past performance shall not be a guide for future performance. CEBPL does not provide tax advice to its clients, and all investors are strongly advised to take advice of their tax advisers regarding taxation aspects of any potential investment. Opinions are based on the current scenario as of the date appearing on this 'Report' only. CEBPL does not undertake to advise you as to any change of our views expressed in this "Report" may differ on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold CEBPL, its employees and associates responsible for any losses, damages of any type whatsoever.

Disclaimers in respect of jurisdiction: This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject "CEBPL RE" to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by "CEBPL RE" in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this 'Report' shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. "CEBPL" requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to "CEBPL". Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in Mumbai (India). Statements on ownership and material conflicts of interest, compensation - CEBPL and Associates reciprocates to the best of the knowledge and belief of CEBPL/ its Associates/ research Analyst who is preparing this report.

Disclosures of Interest (Additional):

- 1. "CEBPL", its research Analyst(s), or its associates or relatives of the Research Analyst does not have any financial interest in the company(ies) covered in this report.
- 2. "CEBPL" its research Analyst, or its associates or relatives of the research analyst affiliates collectively do not hold more than 1 of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
- 3. "CEBPL", its research analyst, his/her associate, his/her relative, do not have any other material conflict of interest at the time of publication of this research report.
- 4. "CEBPL", its research analyst, and its associates have not received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in this report, in the past twelve months.
- 5. "CEBPL", its research analyst, or its associates have not managed or co-managed in the previous twelve months, a private or public offering of securities for the company (ies) covered in this report.
- 7. "CEBPL", or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party, in connection with the research report.
- 8. CEBPL research analyst has not served as an Officer, Director, or employee of the company (ies) covered in the Research report.
- 9. "CEBPL", its research analyst has not been engaged in market making activity for the company(ies) covered in the Research report.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. <https://choiceindia.com/research-listing>

Sr. No.	Particulars	Yes / No
1.	Whether compensation has been received from the company(ies) covered in the Research report in the past 12 months for investment banking transaction by CEBPL	No
2	Whether Research Analyst, CEBPL or its associates or relatives of the Research Analyst affiliates collectively hold more than 1 of the company(ies) covered in the Research report	No
3.	Whether compensation has been received by CEBPL or its associates from the company(ies) covered in the Research report	No
4.	CEBPL or its affiliates have managed or co-managed in the previous twelve months a private or public offering of securities for the company(ies) covered in the Research report	No
5.	CEBPL, its research analyst, his associate, or its associates have received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in the Research report, in the last twelve months	No

Copyright: The copyright in this research report belongs exclusively to CEBPL. All rights are reserved. Any unauthorized use or disclosure is prohibited. No reprinting or reproduction, in whole or in part, is permitted without the CEBPL's prior consent, except that a recipient may reprint it for internal circulation only and only if it is reprinted in its entirety. This "Report" is for distribution only under such circumstances as may be permitted by applicable law. This "Report" has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This "Report" is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither CEBPL nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this "report" or lack of care in this report's preparation or publication, or any losses or damages which may arise from the use of this research report. Information barriers may be relied upon by CEBPL, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of CEBPL. Investing in any non-U.S. securities or related financial instruments (including ADINR) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments. Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by CEBPL with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein. No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior written consent of CEBPL and CEBPL accepts no liability whatsoever for the actions of third parties in this respect. The details of CEBPL, its research analyst and its associates pertaining to the companies covered in the Research report are given above.