




Krishna Institute of Medical Sciences Ltd

Sector: Health Care

01st September, 2025

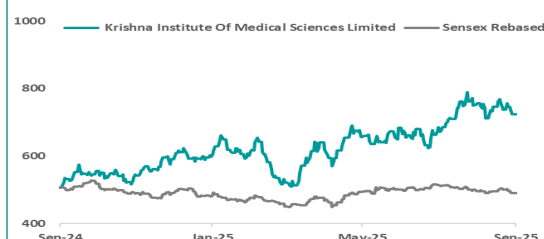
ACCUMULATE

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 812
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 725
Small Cap	KIMS:IN	79,810	KIMS	543308	12 Months	Return	+12%

Data as of: 29-08-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	29,186		
52 Week High — Low (Rs.)	798 - 475		
Enterprise Value (Rs. cr)	31,686		
Outstanding Shares (cr)	40.0		
Free Float (%)	61.4		
Dividend Yield (%)	0.0		
6m average volume (cr)	0.1		
Beta	1.1		
Face value (Rs.)	2.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	38.8	38.8	34.1
Fil's	15.7	15.5	15.5
MFs/Institutions	32.1	32.0	31.7
Public	11.3	11.6	12.0
Others	2.1	2.2	6.7
Total	100.0	100.0	100.0
Promoter Pledge	12.1	12.0	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	5.8%	39.6%	43.0%
Absolute Sensex	-2.0%	9.2%	-3.1%
Relative Return	7.8%	30.4%	46.1%

*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	3,035	4,067	5,124
<i>Growth (%)</i>	<i>21.5</i>	<i>34.0</i>	<i>26.0</i>
EBITDA	783	957	1,282
<i>EBITDA Margin (%)</i>	<i>25.8</i>	<i>23.5</i>	<i>25.0</i>
PAT Adjusted	395	426	614
<i>Growth (%)</i>	<i>27.5</i>	<i>7.7</i>	<i>44.2</i>
Adjusted EPS	9.9	10.6	15.3
<i>Growth (%)</i>	<i>27.5</i>	<i>7.7</i>	<i>44.2</i>
P/E	64.7	71.8	49.8
P/B	12.0	11.9	9.6
EV/EBITDA	35.4	34.8	26.5
<i>ROE (%)</i>	<i>19.4</i>	<i>17.8</i>	<i>20.3</i>
D/E	0.8	0.9	0.9

Growth strategy through expansion plans

Krishna Institute of Medical Sciences Ltd (KIMS), which started with one hospital in Nellore, has a network of 25 hospitals across India.

- In Q1FY26, consolidated revenue from operations increased 26.6% YoY to Rs. 872cr as inpatient volume, outpatient volume, average revenue per operating bed (ARPOB) and average revenue per patient (ARPP) rose.
- In Q1FY25, inpatient volume was up 15.3% YoY and 6.22% QoQ, while outpatient volume rose 19.3% YoY and 7.2% QoQ.
- ARPOB and ARPP revenue increased to Rs. 43,011 (+11.8% YoY, +3.7% QoQ) and Rs. 153,094 (+9.8% YoY, +2.7% QoQ), respectively, during the quarter.
- KIMS ramped up its capacity to 5,499 beds in Q1FY26. However, occupancy dropped to 48.8% (vs 56.5% in Q1FY25).
- EBITDA rose 7.4% YoY to Rs. 193cr in Q1FY26. However, EBITDA margin declined to 22.1% in Q1FY26 (vs 26.1% in Q1FY25) owing to higher operating expenses.
- Reported consolidated PAT stood at Rs. 85cr in Q1FY26 against Rs. 95cr and Rs. 106cr in Q1FY25 and Q4FY25, respectively.

Outlook & Valuation

KIMS reported strong revenue growth during the quarter although higher operating expenses impacted margins and profitability. However, with rising volume, ARPOB and ARPP, the company is poised to earn higher revenue in the future. The expansion plan, which aims to increase bed capacity and operational beds, is expected to further support overall performance. Moreover, strategic investments in AI technology and prudent capital allocation indicate that KIMS is well-positioned to capitalize on future opportunities and enhance shareholder value. The stock is trading at elevated valuations. Therefore, **we revise our rating to Accumulate with a revised target price of Rs. 812 based on 27x FY27E EV/EBITDA.**

Quarterly Finance Consolidated

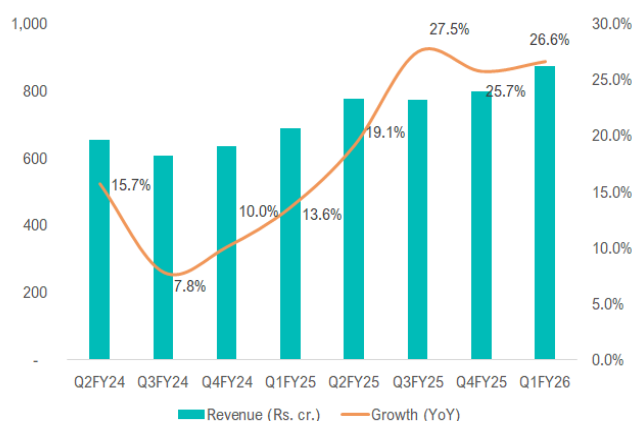
Rs.cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Sales	872	688	26.6	797	9.4
EBITDA	193	179	7.4	198	-2.7
Margin (%)	22.1	26.1	-400bps	24.8	-270bps
EBIT	139	140	-0.9	145	-4.3
PBT	114	127	-10.5	134	-15.1
Rep. PAT	85	95	-10.7	106	-19.9
Adj PAT	79	87	-9.2	91	-13.6
Adj. EPS (Rs)	2.0	2.2	-9.2	2.3	-13.6



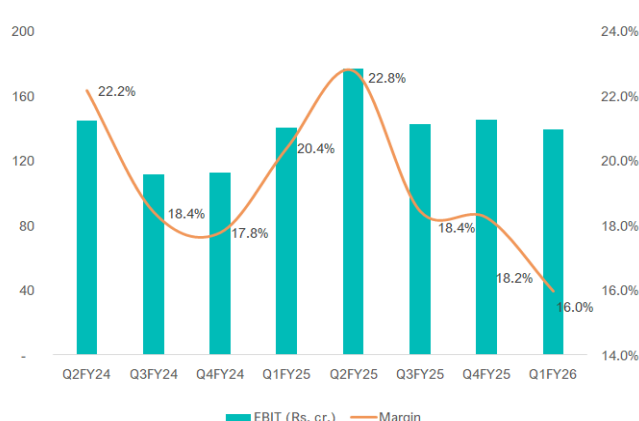
Key concall highlights

- The company expects EBITDA margin to be in the 22-25% range for FY26.
- The management expects company-level ARPOB to improve from the current ~43,000 to 50,000-55,000 once Bengaluru and Thane ramp up, and forecasts 5-6% IP volume growth in mature clusters such as Telangana and Andhra Pradesh.
- The company expects 4-5% ARPOB growth in mature clusters through a combination of pricing and specialty mix changes.
- It has launched new units in Thane and Bengaluru, and has opened new facilities in Kerala, Visakhapatnam and Srikakulam. KIMS plans to open oncology facilities in Anantapur and Ongole in the coming quarters.
- The company plans to use AI and technology to improve patient outcomes and monitoring within hospitals, while maintaining focus on delivering tertiary and quardary care.
- The company uses an O&M model for some facilities to manage expansion while controlling debt levels.
- As on 30 June 2025, net debt stood at Rs. 2,020cr, while cash and cash equivalent was at Rs. 70cr during the same period.

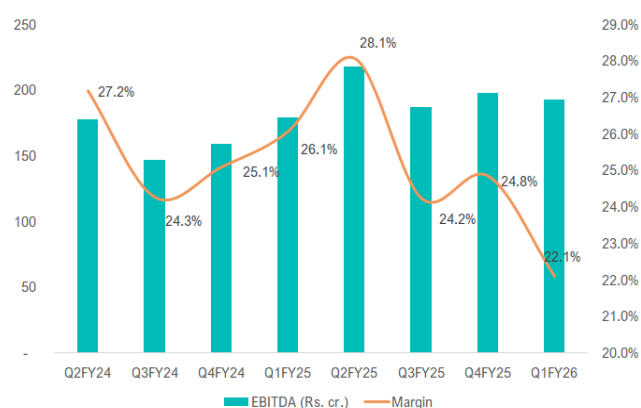
Revenue



EBIT



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	3,996	5,095	4,067	5,124	1.8	0.6
EBITDA	1,009	1,360	957	1,282	-5.2	-5.7
Margins (%)	25.3	26.7	23.5	25.0	-170bps	-170bps
Adj. PAT	475	670	426	614	-10.3	-8.4
EPS	11.9	16.8	10.6	15.3	-10.3	-8.4



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	2,198	2,498	3,035	4,067	5,124
% change	33.1	13.7	21.5	34.0	26.0
EBITDA	604	637	783	957	1,282
% change	17.1	5.5	22.9	22.2	34.0
Depreciation	129	147	177	232	296
EBIT	475	491	606	724	986
Interest	31	47	90	128	135
Other Income	41	16	43	28	34
PBT	485	460	558	625	885
% change	6.1	-5.2	21.5	12.0	41.6
Tax	119	124	143	169	239
Tax Rate (%)	24.6	26.9	25.7	27.0	27.0
Reported PAT	366	336	415	456	646
PAT att. to common shareholders	336	310	385	426	614
Adj.*	-15	-	11	-	-
Adj. PAT	321	310	395	426	614
% change	-3.4	-3.6	27.5	7.7	44.2
No. of shares (cr)	40.0	40.0	40.0	40.0	40.0
Adj EPS (Rs.)	8.0	7.7	9.9	10.6	15.3
% change	-80.7	-3.6	27.5	7.7	44.2
DPS (Rs.)	-	-	-	-	-

Cashflow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	495	482	592	688	942
Non-cash adj.	34	36	35	67	63
Other adjustments					
Changes in W.C	-97	3	-45	68	-5
C.F. Operation	432	521	582	824	1,001
Capital exp.	-572	-646	-962	-1,342	-1,435
Change in inv.	12	-108	-100	-8	-8
Other invest.CF	13	2	-55	-20	-21
C.F - Investment	-547	-753	-1,116	-1,369	-1,464
Issue of equity	-69	-181	-88	-	-
Issue/repay debt	148	513	794	677	606
Dividends paid	-	-	-	-	-
Other finance.CF	-60	-115	-163	-128	-135
C.F - Finance	20	217	543	549	471
Chg. in cash	-95	-15	9	3	7
Closing Cash	66	49	80	83	90

Balance Sheet

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	66	49	80	83	90
Accts. Receivable	253	294	395	488	628
Inventories	43	49	64	89	114
Other Cur. Assets	116	155	158	172	190
Investments	-	74	77	84	93
Gross Fixed As-sets	1,612	2,247	3,209	4,551	5,986
Net Fixed Assets	1,381	2,061	2,942	3,686	4,483
CWIP	477	600	1,214	1,580	1,921
Intangible Assets	386	373	406	427	448
Def. Tax -Net	40	32	60	59	72
Other Assets	180	165	340	357	381
Total Assets	2,941	3,852	5,736	7,025	8,419
Current Liabilities	261	333	584	746	881
Provisions	24	27	34	37	41
Debt Funds	533	1,046	1,906	2,583	3,188
Other Liabilities	186	352	793	814	847
Equity Capital	80	80	80	80	80
Res. & Surplus	1,590	1,748	2,058	2,485	3,101
Shareholder Funds	1,670	1,828	2,138	2,565	3,181
Minority Interest	268	265	281	281	281
Total Liabilities	2,941	3,852	5,736	7,025	8,419
BVPS	42	46	53	64	80

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	27.5	25.5	25.8	23.5	25.0
EBIT margin (%)	21.6	19.6	20.0	17.8	19.2
Net profit mgn.(%)	15.3	12.4	12.7	10.5	12.0
ROE (%)	21.9	18.4	19.4	17.8	20.3
ROCE (%)	19.2	15.6	14.0	13.3	14.8
W.C & Liquidity					
Receivables (days)	42.0	43.0	47.6	43.8	44.7
Inventory (days)	32.6	34.0	37.3	36.5	37.4
Payables (days)	132.3	135.4	156.7	169.7	175.9
Current ratio (x)	1.6	1.2	0.8	0.8	0.9
Quick ratio (x)	1.1	0.8	0.6	0.6	0.6
Turnover & Leverage					
Gross asset T.O (x)	1.6	1.3	1.1	1.0	1.0
Total asset T.O (x)	0.9	0.7	0.6	0.6	0.7
Int. covge. ratio (x)	15.5	10.4	6.7	5.7	7.3
Adj. debt/equity (x)	0.3	0.5	0.8	0.9	0.9
Valuation					
EV/Sales (x)	5.5	7.1	9.1	8.2	6.6
EV/EBITDA (x)	19.8	27.8	35.4	34.8	26.5
P/E (x)	35.0	53.1	64.7	71.8	49.8
P/BV (x)	6.7	9.0	12.0	11.9	9.6



Recommendation Summary - (last 3 years)



Dates	Rating	Target
15-Nov-23	ACCUMULATE	427
05-Jun-24	ACCUMULATE	433
20-Aug-24	HOLD	508
27-Feb-25	BUY	622
01-Sep-25	ACCUMULATE	812

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.

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