




Healthcare Global Enterprises Ltd.

Sector: Healthcare Services

02nd December, 2025

Accumulate

Key Changes		Target		Rating		Earnings		Target	Rs.838
Stock Type	Bloomberg Code	Sensex		NSE Code		BSE Code	Time Frame	CMP	Rs.737
Small Cap	HCG:IN	85,642		HCG		539787	12 Months	Return	+14%

Data as of: 01-12-2025, 18:00 hrs

Company Data

Market Cap (Rs. cr)	10,392
52 Week High — Low (Rs.)	804 — 459
Enterprise Value (Rs. cr)	12,251
Outstanding Shares (cr)	14.1
Free Float (%)	36.1
Dividend Yield (%)	0.0
6m average volume (cr)	0.03
Beta	0.37
Face value (Rs.)	10.0

Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	71.2	62.5	63.8
FII's	2.4	2.2	3.6
MFs/Institutions	12.5	13.2	18.3
Public	13.9	22.1	14.3
Total	100.0	100.0	100.0
Promoter Pledge	4.9	5.7	5.5

Price Performance	3 Month	6 Month	1 Year
Absolute Return	8.4%	33.0%	45.4%
Absolute Sensex	7.4%	5.3%	7.4%
Relative Return	1.0%	27.7%	38.0%

*over or under performance to benchmark index



Y.E March (Rs cr)	FY25A	FY25E	FY27E
Sales	2,223	2,577	2,973
Growth (%)	16.3	15.9	15.4
EBITDA	387	487	598
EBITDA Margin (%)	17.4	18.9	20.1
PAT Adjusted	44	76	143
Growth (%)	0.4	70.2	89.3
Adjusted EPS	3.2	5.4	10.3
Growth (%)	0.4	70.2	89.3
P/E	185.9	109.3	57.7
P/B	9.0	8.3	7.2
EV/EBITDA	23.0	18.3	14.7
ROE (%)	5.1	7.9	13.4
D/E	2.0	1.9	1.5

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 Q2FY26, the company posted a 17% YoY revenue growth to Rs. 647cr, supported by a 1% YoY improvement in ARPOB to Rs. 44,355, higher occupancy levels at ~70.3%, and the addition of 257 beds.
- EBITDA increased 20.6% YoY to Rs. 123cr, with margins expanding by 59 bps to 19.1%, driven by improved profitability at emerging centers.
- EBT declined 30% YoY to Rs. 20cr in Q1FY26, primarily impacted by higher depreciation charges and increased finance costs.
- The management plans to add 900 beds over the next 2-3 years through organic expansions and strategic acquisitions.
- Revenue from established centres grew 18% YoY to Rs. 569.5cr, while emerging centres delivered robust 18% YoY growth to Rs. 62.7cr. Milaan contributed Rs. 14.8cr, reflecting a de-growth of 6% on a YoY basis.

Outlook & Valuation

HCG is well-positioned to deliver strong revenue growth over the next 2-3 years, driven by improving ARPOB and continued bed additions. However, profitability recovery is expected to be gradual due to the debt-funded nature of recent capital expenditure. The management's plan for a capital infusion is likely to ease the interest burden. With KKR as the new promoter, the company is set for a transformative phase that should enhance growth and operational efficiency. **We, therefore upgrade our rating to Accumulate with a revised target price of Rs.838, valuing the stock at 21x FY27E EV/EBITDA.**

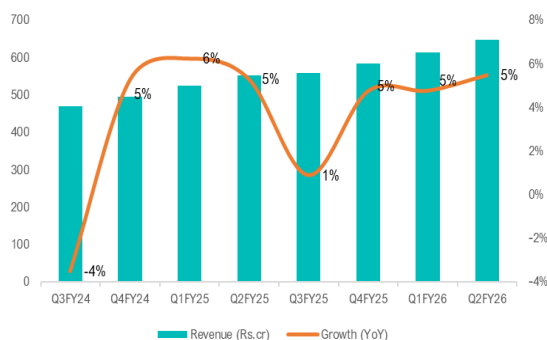
Quarterly Financials Consol.

Rs cr	Q2FY26	Q2FY25	YoY Growth (%)	Q1FY26	QoQ Growth (%)	H1FY26	H1FY25	YoY Growth (%)
Sales	647	554	16.9	613	5.5	1,260	1,079	16.8
EBITDA	123	102	20.6	108	14.4	231	193	19.6
Margins %	19.1	18.5	59	17.6	148	18.3	17.9	44
EBIT	61	53	15.2	50	21.3	110	96	14.5
PBT	20	28	-29.5	11	73.6	31	47	-34.1
Reported PAT	20	21	-1.5	6	240.5	26	34	-23.2
Adj PAT	20	18	13.2	6	240.5	26	32	-16.7
Adj EPS (Rs)	1.5	1.3	13.2	0.4	240.5	2	2	-16.7

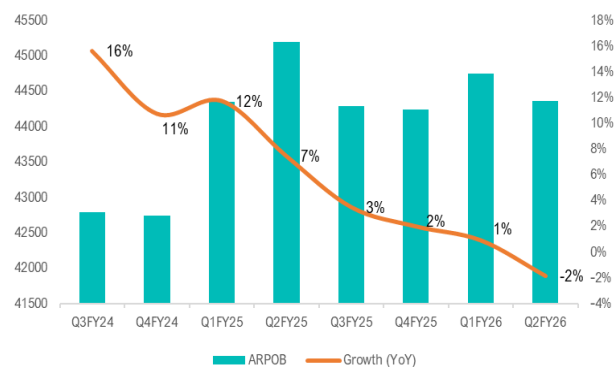
Key highlights

- The management expects an ARPOB growth of 7-8% over the next 2-3 years, on the back of new beds being added in metro cities, which will generate higher ARPOB compared to non-metro cities.
- In the Gujarat Cluster the growth was led by strong performance in cancer centers of 12.5% YoY. HCC and Baroda delivered strong performance driven by expanded capacity and higher patient volumes.
- The Maharashtra center continues to exhibit strong performance on the back of improved performance from the Mumbai and Nagpur clusters, supported by clinical addition and improved marketing efficiency.
- Management is focused on organic growth through existing centers and brownfield expansions. Strategic acquisitions will be considered to enhance dedicated oncology services.
- The new facility at North Bangalore is expected to be operational by Q4FY26, while the facility at Whitefield is expected to be operational by FY27. Both the facilities have a combined operational capacity of 125 beds.

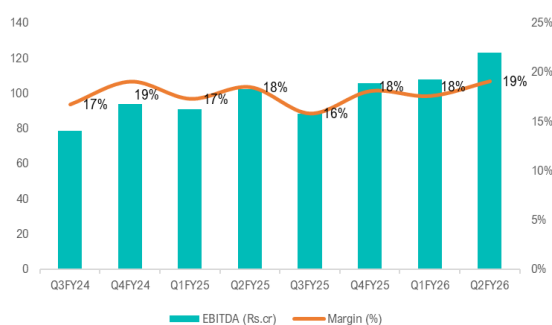
Revenue



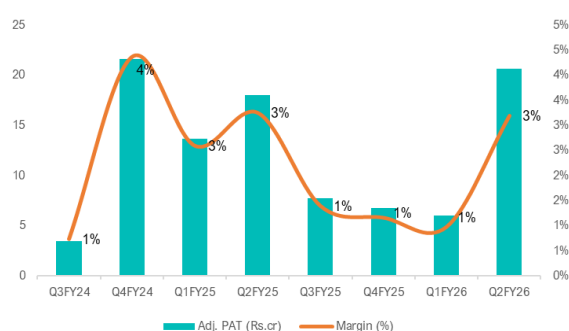
ARPOB



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	2,453	2,876	2,577	2,973	5.0	3.4
EBITDA	464	578	487	598	5.0	3.4
Margins (%)	18.9	20.1	18.9	20.1	0bps	0bps
Adj. PAT	54	124	76	143	39.2	15.0
EPS	3.9	8.9	5.4	10.3	39.2	15.0



Consolidated Financials

Profit & Loss

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	1,694	1,912	2,223	2,577	2,973
% change	21.2	12.8	16.3	15.9	15.4
EBITDA	299	330	387	487	598
% change	25.5	10.3	17.5	25.8	22.7
Depreciation	163	174	211	242	275
EBIT	135	155	176	245	322
Interest	104	109	155	183	170
Other Income	13	17	35	44	45
PBT	45	68	57	108	199
% change	-48.9	50.9	-15.9	89.5	84.0
Tax	27	26	8	32	56
Tax Rate (%)	60.7	39.0	14.3	30.0	28.0
Reported PAT	18	41	49	76	143
Adj.*	-12	4	0	0	0
Adj. PAT	29	44	44	76	143
% change	171.8	50.8	0.4	70.2	89.3
No. of shares (cr)	13.9	13.9	13.9	13.9	13.9
Adj EPS (Rs)	2	3	3	5	10
% change	171.8	50.8	0.4	70.2	89.3
DPS (Rs)	0.0	0.0	0.0	0.0	0.0

Cashflow

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	208	242	268	350	474
Non-cash adj.	89	70	125	107	70
Changes in W.C	-46	-27	-76	140	-41
C.F. Operation	251	285	317	596	503
Capital exp.	-135	-231	-406	-335	-250
Change in inv.	-5	-4	0	0	0
Other inv.	8	8	-82	-22	45
C.F - Investment	-133	-226	-488	-357	-205
Issue of equity	1	-40	2	0	0
Issue/repay debt	-45	139	145	50	-200
Dividends paid	0	0	0	0	0
Other finance.CF	-96	-163	-189	-247	-164
C.F - Finance	-140	-64	-42	-198	-364
Chg. in cash	-22	-5	-213	42	-67
Closing Cash	197	166	236	278	211

Balance Sheet

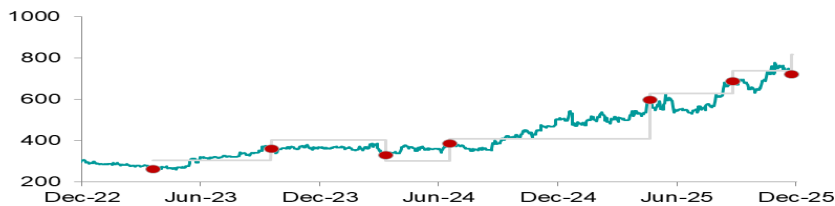
Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash and cash eq.	197	303	348	389	323
Accts. Receivable	303	294	401	395	456
Inventories	38	43	53	55	65
Other Cur. Assets	63	57	78	67	78
Investments	10	10	11	11	11
Gross Fixed Assets	1,563	1,712	2,095	2,295	2,445
Net Fixed Assets	1,353	1,505	1,963	2,031	2,048
CWIP	18	83	25	50	20
Intangible Assets	200	253	479	479	467
Def. Tax (Net)	-7	7	25	25	26
Other Assets	129	152	161	226	226
Total Assets	2,304	2,708	3,543	3,730	3,720
Current Liabilities	459	493	567	693	728
Provisions	30	34	41	40	46
Debt Funds	906	1,280	1,841	1,891	1,691
Other Liabilities	38	35	105	40	46
Equity Capital	139	139	139	139	139
Res. & Surplus	730	726	851	926	1,069
Shareholder Funds	861	826	922	998	1,141
Total Liabilities	2,304	2,708	3,543	3,730	3,720
BVPS	62	59	66	72	82

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	17.6	17.2	17.4	18.9	20.1
EBIT margin (%)	8.0	8.1	7.9	9.5	10.8
Net profit mgn.(%)	1.7	2.3	2.0	2.9	4.8
ROE (%)	3.4	5.2	5.1	7.9	13.4
ROCE (%)	15.7	18.8	19.1	24.6	28.2
W.C & Liquidity					
Receivables (days)	56	57	57	56	52
Inventory (days)	29	31	30	30	30
Payables (days)	9	9	16	14	7
Current ratio (x)	1.2	1.3	1.4	1.2	1.2
Quick ratio (x)	1.1	1.2	1.3	1.1	1.1
Turnover & Leverage					
Gross asset T.O (x)	1.1	1.2	1.2	1.2	1.3
Total asset T.O (x)	0.7	0.8	0.7	0.7	0.8
Int. covge. ratio (x)	1.3	1.4	1.1	1.3	1.9
Adj. debt/equity (x)	1.1	1.6	2.0	1.9	1.5
Valuation					
EV/Sales (x)	3.1	3.7	4.0	3.5	3.0
EV/EBITDA (x)	17.7	21.5	23.0	18.3	14.7
P/E (x)	173.1	153.7	185.9	109.3	57.7
P/BV (x)	5.9	8.2	9.0	8.3	7.2



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
26.Aug.25	HOLD	737
02.Dec.25	ACCUMULATE	838

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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