




Apollo Hospitals Enterprise Limited

BUY

Sector: Health Care Providers & Services

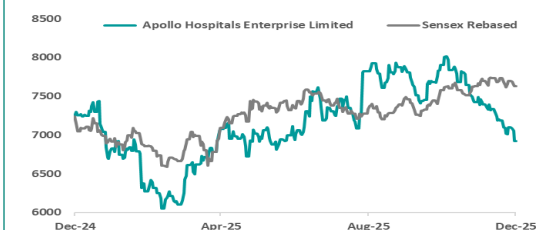
19th December, 2025

Key Changes	Target 	Rating 	Earnings 	Target	Rs. 7,763
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	APHS:IN	84,482	APOLLOHOSP	508869	12 Months
				CMP	Rs. 6,920
				Return	+12%

Data as of: 18-Dec-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	99,211		
52 Week High — Low (Rs.)	8,099 - 6,002		
Enterprise Value (Rs. cr)	1,03,286		
Outstanding Shares (cr)	14.4		
Free Float (%)	71.4		
Dividend Yield (%)	0.3		
6m average volume (cr)	0.04		
Beta	0.9		
Face value (Rs.)	5.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	29.3	29.3	28.0
FII's	42.7	43.5	44.2
MFs/Institutions	22.3	21.3	21.1
Public	4.6	4.8	5.3
Others	1.0	1.0	1.4
Total	100.0	100.0	100.0
Promoter Pledge	13.5	13.1	8.6
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-12.3%	-1.3%	-4.4%
Absolute Sensex	2.3%	3.9%	5.5%
Relative Return	-14.5%	-5.2%	-9.8%

*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	21,994	25,534	30,198
Growth (%)	14.8	16.1	18.3
EBITDA	3,222	3,780	4,546
EBITDA Margin (%)	14.6	14.8	15.1
PAT Adjusted	1,446	1,835	2,389
Growth (%)	61.2	26.9	30.2
Adjusted EPS	100.6	127.6	166.2
Growth (%)	61.2	26.9	30.2
P/E	65.9	56.3	43.2
P/B	11.6	11.4	10.0
EV/EBITDA	30.8	28.3	23.5
ROE (%)	18.3	20.9	23.8
D/E	0.6	0.6	0.5

Expansion driving future growth visibility

Apollo Hospitals Enterprise Ltd operates the largest hospital network and pharmacy chain in India. The hospital owns around 71 Hospitals and operates about 4,163 pharmacy outlets in India.

- Apollo Hospitals reported a 13.0% YoY increase in consolidated revenue to Rs. 6,358cr in Q2FY26, driven by a strong performance in its Healthcare Services and Digital Health & Pharmacy Distribution segments (Apollo HealthCo).
- The Healthcare Services segment logged a 10.2% YoY revenue growth to Rs. 3,217cr, primarily fuelled by an increase in the insurance and cash patients, which accounted for 86% of the inpatient hospital revenue. Notably, the average revenue per patient rose 9.0% YoY to Rs. 173,318 in Q2FY26.
- Digital health & pharmacy distribution revenue was at Rs. 2,661 cr, up 16.6% YoY, supported by a 15.9% YoY revenue growth to Rs. 2,334cr in offline pharmacy distribution.
- The Diagnostics & Retail Health segment (AHLL) clocked a 17.3% YoY revenue growth to Rs. 474cr, mainly owing to an uptick in diagnostics.
- EBITDA rose 16.6% YoY to Rs. 996cr, while EBITDA margin expanded 50bps YoY to 15.7%, driven by lower raw material costs and employee expenses.
- Profit after tax (PAT) rose 24.8% YoY to Rs. 494cr, supported by a robust operating performance across all segments.

Outlook & Valuation

Apollo Hospitals clocked diversified growth across segments on improved clinical mix and sustained operational discipline. The management remains focused on increasing higher complexity specialties and sees a strong demand pipeline in the insurance and cash segments, with international patient inflows recovering and expected to contribute significantly, going forward. Retail and digital initiatives are scaling up efficiently, with the pharmacy distribution business showing solid profitability. Apollo is also scaling AI-enabled workflows to enhance patient navigation and clinical decision support, improving efficiency and outcomes. The company is entering a capacity expansion phase with multiple new hospitals, strengthening growth. Hence, **we assign a BUY rating on the stock with a revised target price of Rs. 7,763 based on the SOTP valuation.**

Quarterly Financials Consolidated

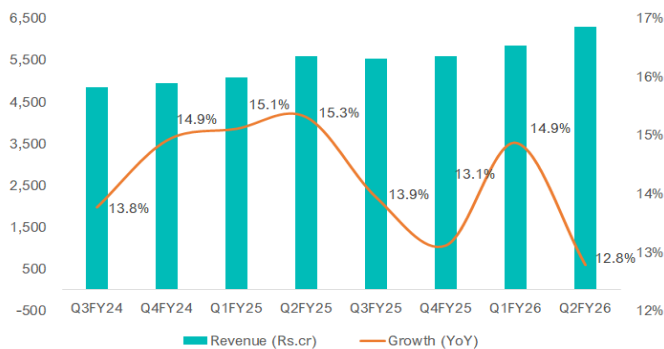
Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	6,358	5,628	13.0	5,882	8.1	12,241	10,750	13.9
EBITDA	996	854	16.6	892	11.6	1,888	1,566	20.6
Margin (%)	15.7	15.2	50bps	15.2	50bps	15.4	14.6	80bps
EBIT	778	669	16.3	677	14.9	1,455	1,204	20.9
PBT	675	557	21.0	583	15.8	1,257	987	27.3
Rep. PAT	494	396	24.8	441	12.0	935	711	31.5
Adj PAT	477	379	26.0	433	10.3	910	684	33.0
Adj. EPS (Rs)	33.2	26.3	26.0	30.1	10.3	63.3	47.6	33.0



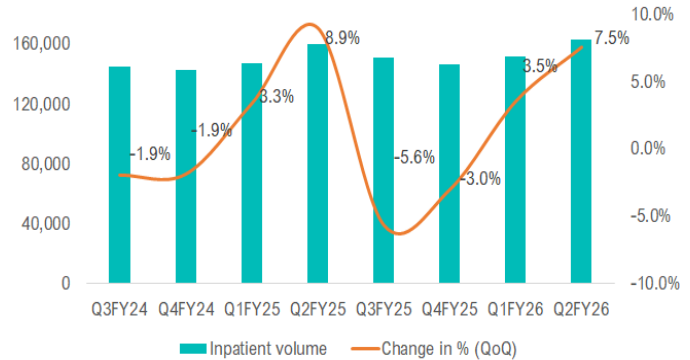
Key concall highlights

- Surgical volumes increased by 3%, driven by the ongoing emphasis on high-complexity specialties such as Cardiac, Oncology, Neurosciences, Gastro and Orthopedics.
- The 24/7 digital platform expanded its user base by 3 million, reaching a total of 44 million users. The platform's Gross Merchandise Value (GMV) reached Rs. 723cr, up 16% YoY.
- Apollo HealthCo's pharmacy distribution business logged an EBITDA of Rs. 181cr, up 19% YoY. Meanwhile, the digital vertical reported a loss of Rs. 71cr in Q2FY26, compared with Rs. 101cr loss in Q2FY25.
- Six new hospitals are scheduled for commissioning in Q3FY26 and by the end of FY27 across key metros such as Delhi, Bengaluru, Kolkata, Hyderabad and Gurugram. The Defence Colony Women's Cancer Centre and Pune tertiary care hospital have already undergone a soft launch and would start contributing from Q3FY26. EBITDA losses from the new units are expected to be Rs. 140-150cr next year.
- Regarding Keimed, the management highlighted that the 30-40bps EBITDA margin decline in Q2FY26 was one time in nature, mainly due to integration-related expenses, and that the margin is expected to revert to the usual 3.1% going forward.

Revenue



In-patient volume



Sum-of-the-part (SOTP) valuation.

Segments	Basis	Multiple	% holding	Value (Rs. cr.)	Value/ share (Rs.)
a) Healthcare Services group (Hospitals)	FY27E EV/EBITDA	25.0x	100%	76,559	5,325
b) Diagnostics & Retail Health (Apollo Health and Lifestyle Ltd-AHLL)	FY27E EV/EBITDA	16.0x	69%	1,868	130
c) Digital Health & Pharmacy Distribution (Apollo Health Co Ltd)	FY27E EV/Sales	3.0x	100%	36,589	2,544
Total Segment Value				1,15,016	7,999
Less: Net Debt				-4,075	-283
Less: Minority Interest				-460	-32
Plus: Investments				905	63
Plus: Associates				228	16
Total Value				1,11,613	7,763

Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	25,855	31,661	25,534	30,198	-1.2	-4.6
EBITDA	3,789	4,672	3,780	4,546	-0.2	-2.7
Margins (%)	14.7	14.8	14.8	15.1	10bps	30bps
Adj. PAT	1,830	2,395	1,835	2,389	0.3	-0.2
EPS	127.3	166.5	127.6	166.2	0.3	-0.2



Consolidated Financials

Profit & Loss

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	16,703	19,166	21,994	25,534	30,198
% change	13.3	14.7	14.8	16.1	18.3
EBITDA	2,140	2,497	3,222	3,780	4,546
% change	-5.5	16.7	29.0	17.3	20.3
Depreciation	615	687	758	859	896
EBIT	1,525	1,810	2,465	2,921	3,651
Interest	381	449	459	464	474
Other Income	-43	20	33	65	90
PBT	1,101	1,381	2,039	2,522	3,267
% change	-30.6	25.4	47.7	23.7	29.6
Tax	256	446	534	630	817
Tax Rate (%)	23.3	32.3	26.2	25.0	25.0
Reported PAT	844	935	1,505	1,891	2,450
PAT att. to common shareholders	819	899	1,446	1,835	2,389
Adj.*	-	-2	-	-	-
Adj. PAT	819	897	1,446	1,835	2,389
% change	7.6	9.5	61.2	26.9	30.2
No. of shares (cr)	14.4	14.4	14.4	14.4	14.4
Adj EPS (Rs.)	57.0	62.4	100.6	127.6	166.2
% change	7.6	9.5	61.2	26.9	30.2
DPS (Rs.)	9.0	10.0	19.0	19.5	20.8

Cashflow

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	1,460	1,622	2,263	2,751	3,346
Non-cash adj.	116	292	587	769	690
Other adjustments	-	-	-	-	-
Changes in W.C	-199	6	-713	-320	-189
C.F. Operation	1,377	1,920	2,136	3,200	3,847
Capital exp.	-2,096	-2,302	-4,200	-4,229	-4,212
Change in inv.	174	-343	-1,394	-879	-1,248
Other invest.CF	1,052	1,108	2,213	2,462	2,437
C.F - Investment	-871	-1,537	-3,381	-2,646	-3,024
Issue of equity	5	3	46	-	-
Issue/repay debt	69	454	2,109	106	18
Dividends paid	-258	-221	-278	-112	-120
Other finance.CF	-449	-546	-560	-464	-466
C.F - Finance	-633	-311	1,317	-471	-568
Chg. in cash	-127	72	73	84	255
Closing Cash	776	934	1,360	1,444	1,699

Balance Sheet

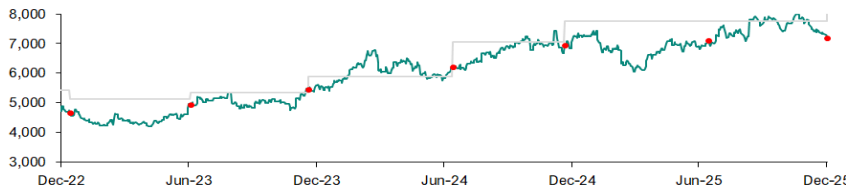
Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	776	934	1,360	1,444	1,699
Accts. Receivable	2,234	2,515	3,016	3,491	4,077
Inventories	390	460	481	514	596
Other Cur. Assets	937	1,371	2,172	2,222	2,549
Investments	186	198	224	232	236
Gross Fixed As-sets	11,173	12,819	17,019	21,247	25,460
Net Fixed Assets	7,432	8,541	9,816	10,688	11,238
CWIP	602	845	771	829	1,180
Intangible Assets	1,092	1,148	1,320	1,297	1,277
Def. Tax -Net	12	11	13	12	11
Other Assets	767	731	1,485	1,302	1,234
Total Assets	14,428	16,753	20,657	22,031	24,096
Current Liabilities	2,552	3,738	3,721	3,992	4,582
Provisions	113	143	179	197	207
Debt Funds	2,710	3,162	5,275	5,381	5,398
Other Liabilities	2,521	2,389	2,829	2,894	3,044
Equity Capital	72	72	72	72	72
Res. & Surplus	6,126	6,864	8,140	8,997	10,234
Shareholder Funds	6,197	6,935	8,212	9,069	10,306
Minority Interest	-	-	-	-	-
Total Liabilities	14,428	16,753	20,657	22,031	24,096
BVPS	431	482	571	631	717

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	12.8	13.0	14.6	14.8	15.1
EBIT margin (%)	9.1	9.4	11.2	11.4	12.1
Net profit mgn.(%)	4.9	4.7	6.6	7.2	7.9
ROE (%)	13.6	13.5	18.3	20.9	23.8
ROCE (%)	17.1	17.9	18.3	20.2	23.2
W.C & Liquidity					
Receivables (days)	48.8	47.9	50.1	49.9	49.3
Inventory (days)	16.6	17.1	15.5	15.4	15.0
Payables (days)	81.5	88.2	72.3	72.7	73.0
Current ratio (x)	1.3	1.1	1.5	1.6	1.6
Quick ratio (x)	1.0	0.9	1.3	1.3	1.4
Turnover & Leverage					
Gross asset T.O (x)	1.5	1.6	1.5	1.3	1.3
Total asset T.O (x)	1.2	1.2	1.2	1.2	1.3
Int. covge. ratio (x)	4.0	4.0	5.4	6.3	7.7
Adj. debt/equity (x)	0.4	0.4	0.6	0.6	0.5
Valuation					
EV/Sales (x)	4.7	4.9	4.5	4.2	3.5
EV/EBITDA (x)	36.5	37.5	30.8	28.3	23.5
P/E (x)	93.0	101.9	65.9	56.3	43.2
P/BV (x)	12.3	13.2	11.6	11.4	10.0



Recommendation Summary - (Last 3 years)



Dates	Rating	Target
16-Feb-22	BUY	5,416
14-Dec-22	HOLD	5,115
05-Jun-23	HOLD	5,349
21-Nov-23	HOLD	5,880
14-Jun-24	BUY	7,059
22-Nov-24	BUY	7,764
16-Jun-25	ACCUMULATE	7,757
19-Dec-25	BUY	7,763

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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