




Healthcare Global Enterprises Ltd.

Sector: Healthcare Services

29th August 2025

HOLD

Key Changes		Target		Rating		Earnings		Target	Rs.740
Stock Type	Bloomberg Code	Sensex		NSE Code		BSE Code	Time Frame	CMP	Rs.673
Small Cap	HCG:IN	80,081		HCG		539787	12 Months	Return	+10%

Data as of: 28-08-2025, 18.00 hrs

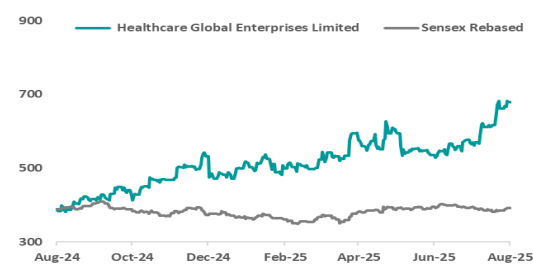
Company Data

Market Cap (Rs. cr)	9,457
52 Week High — Low (Rs.)	701 — 379
Enterprise Value (Rs. cr)	10,248
Outstanding Shares (cr)	13.9
Free Float (%)	37.4
Dividend Yield (%)	0.0
6m average volume (cr)	0.03
Beta	0.37
Face value (Rs.)	10.0

Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	71.2	71.2	62.5
FII's	2.8	2.4	2.2
MFs/Institutions	12.9	12.5	13.2
Public	13.1	13.9	22.1
Total	100.0	100.0	100.0

Price Performance	3 Month	6 Month	1 Year
Absolute Return	13.0%	35.7%	74.8%
Absolute Sensex	1.3%	8.9%	1.2%
Relative Return	11.7%	26.8%	73.6%

*over or under performance to benchmark index



Y.E March (Rs cr)	FY25E	FY25E	FY27E
Sales	2,223	2,453	2,876
Growth (%)	16.3	10.4	17.2
EBITDA	387	464	578
EBITDA Margin (%)	17.4	18.9	20.1
PAT Adjusted	44	54	124
Growth (%)	0.4	22.2	129.2
Adjusted EPS	3.2	3.9	8.9
Growth (%)	0.4	22.2	129.2
P/E	185.9	152.1	66.4
P/B	9.0	8.5	7.5
EV/EBITDA	23.0	19.3	15.3
ROE (%)	5.1	5.7	12.0
D/E	2.0	1.9	1.5

Author: Gopika Gopan, Research Analyst

Growth Momentum Intact, Leverage Weighs on Outlook

Healthcare Global Enterprises Ltd. (HCG) is one of India's leading oncology treatment specialists with a presence across the country.

- In Q1FY26, the company posted a 17% YoY revenue growth to Rs. 613 cr, supported by a 1% YoY improvement in ARPOB to Rs. 44,751, higher occupancy levels at ~67.1%, and the addition of 257 beds.
- EBITDA increased 18.6% YoY to Rs. 108 cr, with margins expanding by 30 bps to 17.6%, driven by improved profitability at emerging centers.
- EBT declined 57% YoY to Rs. 4.4 cr 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 centers grew 16% YoY to Rs. 539.6 cr, while emerging centers delivered robust 24% YoY growth to Rs. 58.7 cr. Milaan contributed Rs. 14.9 cr, reflecting a modest 3% YoY increase.

Outlook & Valuation

HCG is poised to deliver strong top-line growth over the next 2-3 years, supported by improvements in ARPOB and ongoing bed additions. However, profitability recovery may be gradual given the debt-funded nature of recent capex. Management has indicated plans for a capital infusion, which could help ease the interest burden. With KKR as the new promoter, the business is expected to undergo transformation, enhancing growth and operational efficiencies. **Considering the elevated debt levels, we retain our Hold rating with a revised target price of Rs. 740, based on 19x FY27E EV/EBITDA.**

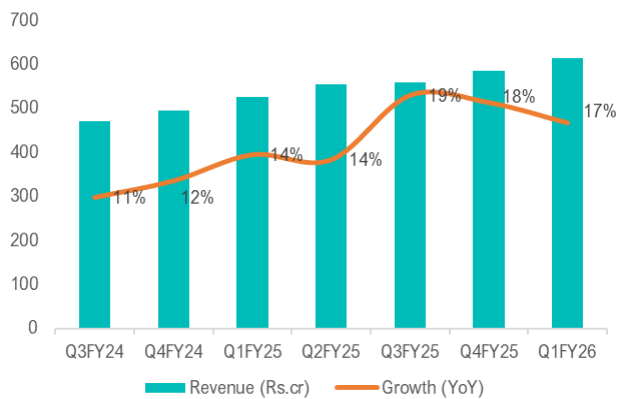
Quarterly Financials Consol.

Rs.cr	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Sales	613	526	16.7	585	4.8
EBITDA	108	91	18.6	106	2.0
Margin (%)	17.6	17.3	28	18.1	-49
EBIT	50	44	13.6	48	4.7
PBT	11	19	-40.8	14	-18.0
Rep. PAT	6	14	-56.1	7	-11.7
Adj PAT	6	13.6	-56.1	6.8	-11.7
EPS (Rs.)	0.4	1.0	-56.1	0.5	-11.7

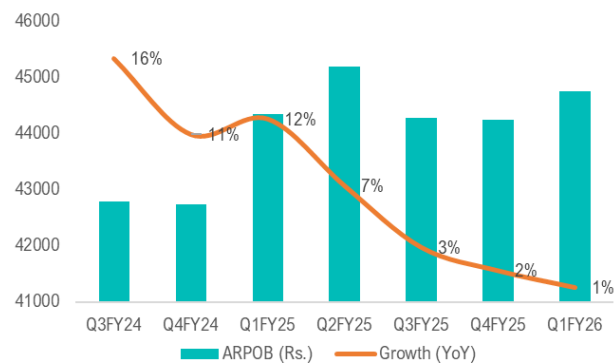
Key highlights

- 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 as compared to non-metro cities.
- HCG's revenue contribution from the digital channel has touched 14.5% of the total revenue.
- Estimated capital expenditure for FY26 is Rs.280cr, with approximately Rs.100cr per annum allocated for maintenance, and the remaining capex is allocated towards expansion primarily in the Bengaluru cluster.
- The Maharashtra center continues to ramp up on the back of improved performance from the Mumbai cluster. The Gujarat cluster is expected to deliver strong growth as the new hospital ramps up.
- Management is focused on organic growth through existing centres and brownfield expansions. Strategic acquisitions will be considered to enhance dedicated oncology services.
- The new facilities at Bangalore-Whitefield and North Bangalore are expected to be operational by H2FY26. Both the facilities have a combined operational capacity of 125 beds.

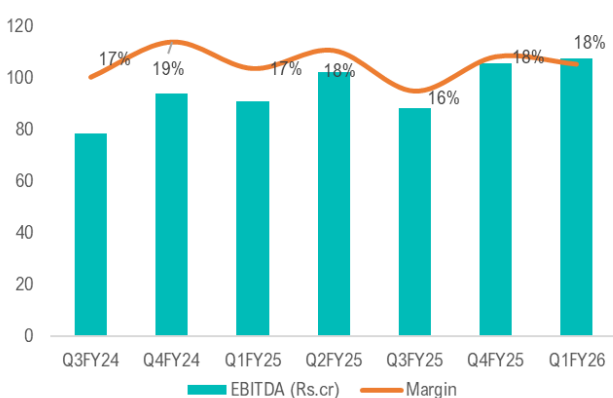
Revenue



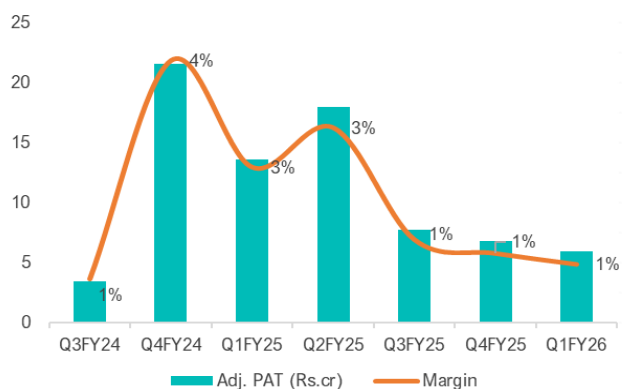
ARPOB



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	2,545	2,864	2,453	2,876	-3.6%	0.4%
EBITDA	486	590	464	578	-4.6%	-2.0%
Margins (%)	19.1	20.6	18.9	20.1	-20bps	-50bps
Adj. PAT	72	120	54	124	-24.6%	3.7%
EPS	5.2	8.6	3.9	8.9	-24.6%	3.7%

Consolidated Financials

Profit & Loss

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	1,694	1,912	2,223	2,453	2,876
% change	21.2	12.8	16.3	10.4	17.2
EBITDA	299	330	387	464	578
% change	25.5	10.3	17.5	19.7	24.7
Depreciation	163	174	211	242	275
EBIT	135	155	176	222	303
Interest	104	109	155	183	170
Other Income	13	17	35	37	43
PBT	45	68	57	78	178
% change	-48.9	50.9	-15.9	36.1	129.2
Tax	27	26	8	23	53
Tax Rate (%)	60.7	39.0	14.3	30.0	30.0
Reported PAT	18	41	49	54	124
Adj.*	-12	4	0	0	0
Adj. PAT	29	44	44	54	124
% change	171.8	50.8	0.4	22.2	129.2
No. of shares (cr)	13.9	13.9	13.9	13.9	13.9
Adj EPS (Rs)	2	3	3	4	9
% change	171.8	50.8	0.4	22.2	129.2
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	320	453
Non-cash adj.	89	70	125	123	74
Changes in W.C	-46	-27	-76	129	-37
C.F. Operation	251	285	317	572	490
Capital exp.	-135	-231	-406	-335	-250
Change in inv.	-5	-4	0	0	0
Other inv.	8	8	-82	-29	43
C.F - Investment	-133	-226	-488	-364	-207
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	-249	-164
C.F - Finance	-140	-64	-42	-200	-364
Chg. in cash	-22	-5	-213	8	-80
Closing Cash	197	166	236	244	164

Balance Sheet

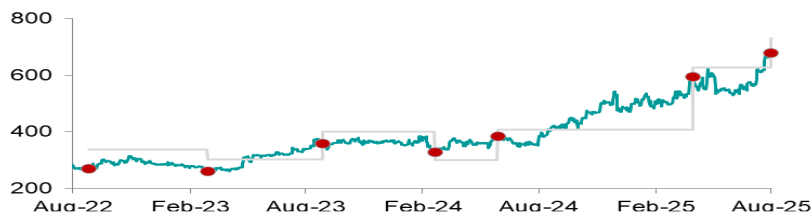
Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash and cash eq.	197	303	348	356	275
Accts. Receivable	303	294	401	376	441
Inventories	38	43	53	53	63
Other Cur. Assets	63	57	78	63	76
Investments	10	10	11	11	11
Gross Fixed Assets	1,563	1,712	2,095	2,295	2,445
Net Fixed Assets	1,353	1,505	1,963	2,031	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	3,671	3,653
Current Liabilities	459	493	567	660	705
Provisions	30	34	41	38	45
Debt Funds	906	1,280	1,841	1,891	1,691
Other Liabilities	38	35	105	38	45
Equity Capital	139	139	139	139	139
Res. & Surplus	730	726	851	905	1,029
Shareholder Funds	861	826	922	976	1,101
Total Liabilities	2,304	2,708	3,543	3,671	3,653
BVPS	62	59	66	70	79

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	9.0	10.5
Net profit mgn.(%)	1.7	2.3	2.0	2.2	4.3
ROE (%)	3.4	5.2	5.1	5.7	12.0
ROCE (%)	15.7	18.8	19.1	22.7	27.5
W.C & Liquidity					
Receivables (days)	56	57	57	58	52
Inventory (days)	29	31	30	31	29
Payables (days)	9	9	16	14	7
Current ratio (x)	1.2	1.3	1.4	1.2	1.1
Quick ratio (x)	1.1	1.2	1.3	1.1	1.0
Turnover & Leverage					
Gross asset T.O (x)	1.1	1.2	1.2	1.1	1.2
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	1.2	1.8
Adj. debt/equity (x)	1.1	1.6	2.0	1.9	1.5
Valuation					
EV/Sales (x)	3.1	3.7	4.0	3.7	3.1
EV/EBITDA (x)	17.7	21.5	23.0	19.3	15.3
P/E (x)	173.1	153.7	185.9	152.1	66.4
P/BV (x)	5.9	8.2	9.0	8.5	7.5



Recommendation Summary (last 3 years)



Dates	Rating	Target
15.Sep.22	BUY	337
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
29.Aug.25	HOLD	740

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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Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customer-care@geojit.com

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