

# Krishna Institute of Medical Sciences Ltd

## Accumulate

Sector: Health Care

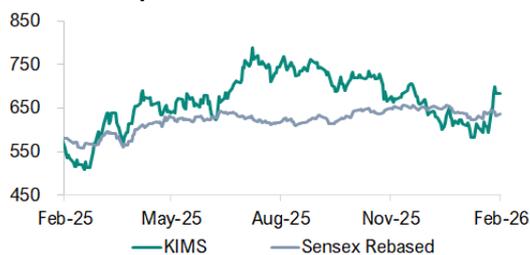
19<sup>th</sup> February, 2026

<b>Key Changes</b>	<b>Target</b> ▼	<b>Rating</b> ●	<b>Earnings</b> ▼	<b>Target</b>	<b>Rs. 780</b>
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	KIMS:IN	82,498	KIMS	543308	12 Months
				<b>CMP</b>	<b>Rs. 699</b>
				<b>Return</b>	<b>+12%</b>

Data as of: 19-Feb-2026, 16:00 hrs

Company Data			
Market Cap (Rs.cr)	27,960		
52 Week High — Low (Rs.)	798 - 475		
Enterprise Value (Rs. cr)	31,333		
Outstanding Shares (cr)	40.0		
Free Float (%)	61.6		
Dividend Yield (%)	0.0		
6m average volume (cr)	0.04		
Beta	0.6		
Face value (Rs. )	2.0		
Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	34.1	34.1	34.1
FII's	15.5	15.0	14.3
MFs/Institutions	31.7	32.1	32.7
Public	12.0	12.0	12.2
Others	6.7	6.7	6.7
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	3.7
Price Performance	3 Month	6 Month	1 Year
Absolute Return	4.9%	-4.7%	27.1%
Absolute Sensex	-1.8%	3.5%	9.8%
Relative Return	6.6%	-8.3%	17.3%

\*over or under performance to benchmark index



Y.E March (cr)	FY26E	FY27E	FY28E
Sales	3,824	4,857	6,071
Growth (%)	26.0	27.0	25.0
EBITDA	818	1,141	1,503
EBITDA Margin (%)	21.4	23.5	24.8
PAT Adjusted	284	496	731
Growth (%)	-28.2	74.8	47.2
Adjusted EPS	7.1	12.4	18.3
Growth (%)	-28.2	74.8	47.2
P/E	100.1	57.2	38.9
P/B	11.7	9.7	7.8
EV/EBITDA	38.3	28.0	21.7
ROE (%)	12.6	17.9	21.0
D/E	1.0	1.1	1.0

## Solid Revenue, New Launches to Drive Growth

Krishna Institute of Medical Sciences Ltd (KIMS) operates a network of 25 hospitals across the country.

- In Q3FY26, consolidated revenue from operations rose 29.2% YoY to Rs.998cr, supported by higher patient volumes, along with improvements in ARPOB (average revenue per operating bed) and ARPP (average revenue per patient).
- During the quarter, inpatient volumes increased 13.2% YoY, while outpatient volumes grew 24.5% YoY, supported by the steady ramp-up of new hospitals.
- ARPOB rose 20.5% YoY to Rs.46,341, while ARPP rose 13.9% YoY to Rs.164,232, driven by a higher mix of transplant procedures and increased contribution from recently commissioned hospitals, which command superior realizations.
- KIMS expanded its capacity to 6,464 beds in Q3FY26 from 4,859 in Q3FY25; however, the occupancy rate moderated to 49.0% from 53.8% in FY25.
- EBITDA increased 6.3% YoY to Rs. 199cr in Q3FY26, but EBITDA margin decreased to 19.9% from 24.2% in Q3FY25 owing to higher operating expenses.

## Outlook & Valuation

KIMS delivered strong top-line growth during the quarter, though margins were impacted by initial operating losses at newly launched units, largely due to lower occupancy levels during the ramp-up phase. With improving geographical mix and better capacity utilisation, as well as seven new hospitals launched in 2025, the company is poised for stronger revenue growth. Further, the 7% hike in the allocation for the health sector in Union Budget 2026-27 is a positive development. Strategic investments in technology and a commitment to delivering excellent medical care indicate that KIMS is well-positioned to capitalise on opportunities. Therefore, we maintain **ACCUMULATE** rating on the stock with a rolled-forward target price of Rs. 780 based on 23x FY28E EV/EBITDA.

## Quarterly Financials Consolidated

Rs.cr	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Sales	998	772	29.2	961	3.9	2,830	2,238	26.4
EBITDA	199	187	6.3	204	-2.5	596	585	1.8
Margin (%)	19.9	24.2	-430bps	21.2	-130bps	21.0	26.1	-510bps
EBIT	120	143	-15.6	138	-12.8	397	460	-13.6
PBT	69	135	-49.0	97	-29.1	279	424	-34.2
Rep. PAT	52	93	-43.9	72	-27.9	209	308	-32.3
Adj PAT	53	89	-39.8	67	-20.5	199	283	-29.5
Adj. EPS (Rs)	1.3	2.2	-39.8	1.7	-20.5	5.0	7.1	-29.5



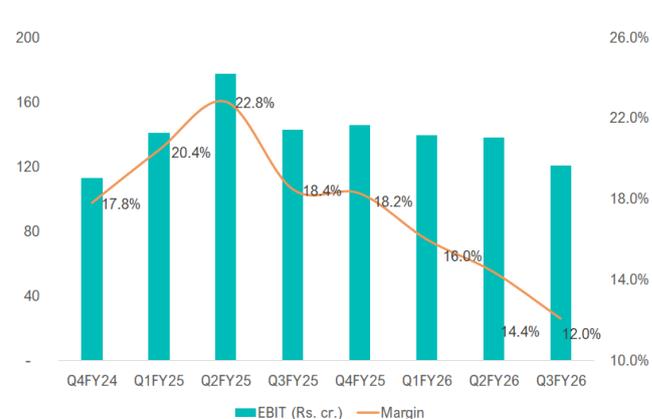
## Key concall highlights

- In 2025, KIMS launched seven hospitals: two in Bengaluru (Mahadevapuram and Electronic City), two in Guntur, one in Kollam in Kerala, and one each in Thane and Sangli in Maharashtra. KIMS now operates 25 hospitals in five states.
- The hospitals in Thane and Mahadevapuram (Bengaluru) are anticipated to achieve EBITDA positivity or neutrality by the end of Q1FY27. The Electronic City hospital, which was commissioned in December 2025, may take a bit longer but is expected to become EBITDA-neutral or positive by the end of Q3FY27.
- The Nashik unit has completed its entry-level NABH accreditation, while both the Nashik and Thane hospitals have already secured insurance empanelments with two major insurers. The company is in advanced discussions with the remaining three insurers, as it continues to negotiate better pricing before finalising the agreements.
- The company's consolidated net debt stood at approximately Rs. 2,850cr as of December 31, 2025.

### Revenue



### EBIT



### EBITDA



### PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates			Change (%)		
	FY26E	FY27E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	4,067	5,124	3,824	4,857	6,071	-6.0	-5.2	-
EBITDA	957	1,282	818	1,141	1,503	-14.4	-11.0	-
Margins (%)	23.5	25.0	21.4	23.5	24.8	-210bps	-150bps	-
Adj. PAT	426	614	284	496	731	-33.3	-19.2	-
EPS	10.6	15.3	7.1	12.4	18.3	-33.3	-19.2	-



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Sales</b>	<b>2,498</b>	<b>3,035</b>	<b>3,824</b>	<b>4,857</b>	<b>6,071</b>
% change	13.7	21.5	26.0	27.0	25.0
<b>EBITDA</b>	<b>637</b>	<b>783</b>	<b>818</b>	<b>1,141</b>	<b>1,503</b>
% change	5.5	22.9	4.5	39.5	31.6
Depreciation	147	177	264	288	313
<b>EBIT</b>	<b>491</b>	<b>606</b>	<b>554</b>	<b>853</b>	<b>1,189</b>
Interest	47	90	173	185	195
Other Income	16	43	25	28	31
<b>PBT</b>	<b>460</b>	<b>558</b>	<b>406</b>	<b>696</b>	<b>1,025</b>
% change	-5.2	21.5	-27.2	71.5	47.2
Tax	124	143	102	174	256
Tax Rate (%)	26.9	25.7	25.0	25.0	25.0
<b>Reported PAT</b>	<b>336</b>	<b>415</b>	<b>305</b>	<b>522</b>	<b>769</b>
<b>PAT att. to common shareholders</b>	<b>310</b>	<b>385</b>	<b>284</b>	<b>496</b>	<b>731</b>
Adj.*	-	11	-	-	-
<b>Adj. PAT</b>	<b>310</b>	<b>395</b>	<b>284</b>	<b>496</b>	<b>731</b>
% change	-3.6	27.5	-28.2	74.8	47.2
No. of shares (cr)	40.0	40.0	40.0	40.0	40.0
<b>Adj EPS (Rs.)</b>	<b>7.7</b>	<b>9.9</b>	<b>7.1</b>	<b>12.4</b>	<b>18.3</b>
% change	-3.6	27.5	-28.2	74.8	47.2
DPS (Rs.)	-	-	-	-	-

### Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Net inc. + Depn.</b>	<b>482</b>	<b>592</b>	<b>569</b>	<b>810</b>	<b>1,082</b>
Non-cash adj.	36	35	65	165	91
Other adjustments	-	-	-	-	-
Changes in W.C	3	-45	-44	-24	-4
<b>C.F. Operation</b>	<b>521</b>	<b>582</b>	<b>590</b>	<b>951</b>	<b>1,169</b>
Capital exp.	-646	-962	-1,224	-1,360	-1,700
Change in inv.	-108	-100	-8	-8	-9
Other invest.CF	2	-55	-3	-3	-3
<b>C.F - Investment</b>	<b>-753</b>	<b>-1,116</b>	<b>-1,234</b>	<b>-1,371</b>	<b>-1,712</b>
Issue of equity	-181	-88	-	-	-
Issue/repay debt	513	794	851	623	748
Dividends paid	-	-	-	-	-
Other finance.CF	-115	-163	-173	-185	-195
<b>C.F - Finance</b>	<b>217</b>	<b>543</b>	<b>677</b>	<b>438</b>	<b>553</b>
Chg. in cash	-15	9	33	18	10
<b>Closing Cash</b>	<b>49</b>	<b>80</b>	<b>112</b>	<b>130</b>	<b>140</b>

### Balance Sheet

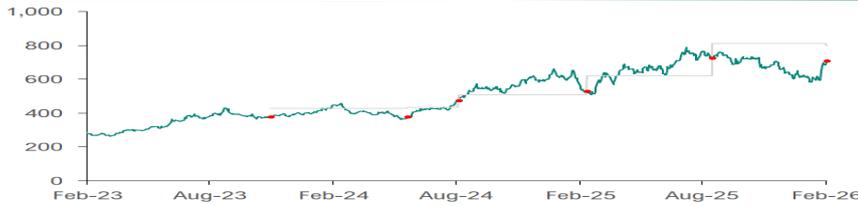
Y.E March (Rs. Cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	49	80	112	130	140
Accts. Receivable	294	395	497	656	832
Inventories	49	64	80	104	137
Other Cur. Assets	155	158	162	133	184
Investments	74	77	84	93	102
<b>Gross Fixed Assets</b>	<b>2,247</b>	<b>28,377</b>	<b>29,601</b>	<b>30,961</b>	<b>32,661</b>
Net Fixed Assets	2,061	2,942	3,581	4,331	5,302
CWIP	600	1,214	1,535	1,856	2,272
Intangible Assets	373	406	410	413	417
Def. Tax -Net	32	60	71	82	103
Other Assets	165	340	425	449	465
<b>Total Assets</b>	<b>3,852</b>	<b>5,736</b>	<b>6,957</b>	<b>8,248</b>	<b>9,954</b>
Current Liabilities	333	584	667	798	980
Provisions	27	34	37	41	45
Debt Funds	1,046	1,906	2,757	3,380	4,127
Other Liabilities	352	793	791	826	866
Equity Capital	80	80	80	80	80
Res. & Surplus	1,748	2,058	2,344	2,842	3,575
<b>Shareholder Funds</b>	<b>1,828</b>	<b>2,138</b>	<b>2,424</b>	<b>2,922</b>	<b>3,655</b>
Minority Interest	265	281	281	281	281
<b>Total Liabilities</b>	<b>3,852</b>	<b>5,736</b>	<b>6,957</b>	<b>8,248</b>	<b>9,954</b>
BVPS	46	53	61	73	91

### Ratio

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	25.5	25.8	21.4	23.5	24.8
EBIT margin (%)	19.6	20.0	14.5	17.6	19.6
Net profit mgn.(%)	12.4	12.7	7.4	10.2	12.0
ROE (%)	18.4	19.4	12.6	17.9	21.0
ROCE (%)	15.6	14.0	10.2	13.0	14.8
<b>W.C &amp; Liquidity</b>					
Receivables (days)	43.0	47.6	47.5	49.3	50.0
Inventory (days)	34.0	37.3	36.5	37.2	37.8
Payables (days)	135.4	156.7	155.1	163.2	170.5
Current ratio (x)	1.2	0.8	0.8	0.8	0.9
Quick ratio (x)	0.8	0.6	0.5	0.6	0.7
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	1.3	0.2	0.1	0.2	0.2
Total asset T.O (x)	0.7	0.6	0.6	0.6	0.7
Int. covge. ratio (x)	10.4	6.7	3.2	4.6	6.1
Adj. debt/equity (x)	0.5	0.8	1.0	1.1	1.0
<b>Valuation</b>					
EV/Sales (x)	7.1	9.1	8.2	6.6	5.4
EV/EBITDA (x)	27.8	35.4	38.3	28.0	21.7
P/E (x)	53.1	64.7	100.1	57.2	38.9
P/BV (x)	9.0	12.0	11.7	9.7	7.8



## 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
19-Feb-26	ACCUMULATE	780

## 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 HOLD, REDUCE or SELL.

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](http://www.geojit.com/GIL) . For investor queries: [customercare@geojit.com](mailto:customercare@geojit.com)

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