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Manipal Health Enterprises Ltd – IPO Note

India's largest pan-India multispecialty hospital network by beds and #2 by hospital count — a metro-leading, high-acuity "CONGO-R" franchise with a proven acquire-and-integrate playbook, raising fresh capital chiefly to repay debt and buy out minority.

Rating — SUBSCRIBE Long term perspective

29 Jul 2026

Rs. 560-590 Price band per share	**Rs. 9,275 Cr** Issue size(Rs. 8,000 Cr Fresh Issue)	**Rs. 77,600 Cr** Mkt cap at upper band	**33x** FY26 EV/EBITDA at upper band

RESEARCH ANALYST
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IPO Details

- MHEL operates a pan-India network of 49 hospitals with 13,037 licensed beds across 14 states/UTs, spanning OPD to complex tertiary & quaternary care across 42 specialties.
- Total offer up to Rs 9,275 Cr = Fresh Issue of Rs 8,000 Cr + OFS of up to 2,16,13,834 shares (Rs 1,275 Cr at upper band). Face value Rs 2; price band Rs 560–590.
- Fresh-issue proceeds: Rs 5,553 Cr to repay MHPL borrowings, Rs 574 Cr to buy out Sahyadri minority, balance for general corporate purposes. Company gets no OFS proceeds.
- Selling shareholders: Imperius (Promoter), MEMG India (Prom. Group) & investors (TPG, Novo Holdings et al.).

IPO particulars

IPO Listing	BSE & NSE
Retail quota	Not more than 10%
NII quota	Not more than 15%
QIB quota (Including anchor investor portion)	Not less than 75%

Shareholding % (at upper band)

	Pre issue	Post issue
Promoter	81.9%	72.1%
Public	18.1%	27.9%
Total	**100%**	**100%**

IPO timeline

Anchor Bidding	July 28, 2026
IPO Open Date	July 29, 2026
IPO Close Date	July 31, 2026
Basis of Allotment	August 3, 2026
Credit to Demat	August 4, 2026
IPO Listing Date	August 5, 2026

Shareholding (no. of shares in cr)

Pre issue	Post issue
117.98	131.53

Application	Lot size	Shares	Amount (Rs)
Retail Minimum	1	25	14,750
Retail Maximum	13	325	1,91,750
S-HNI Minimum	14	350	2,06,500
B-HNI Minimum	68	1,700	10,03,000

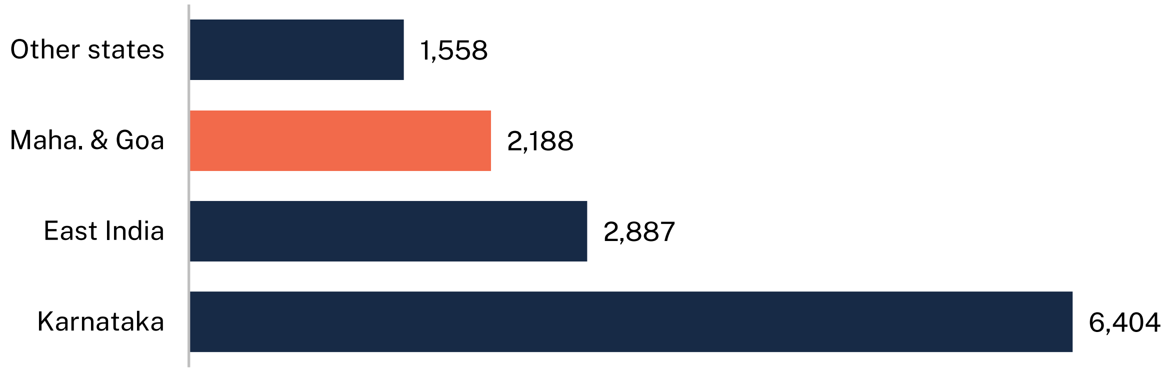
Source: RHP, Company

Company Overview (1/4)

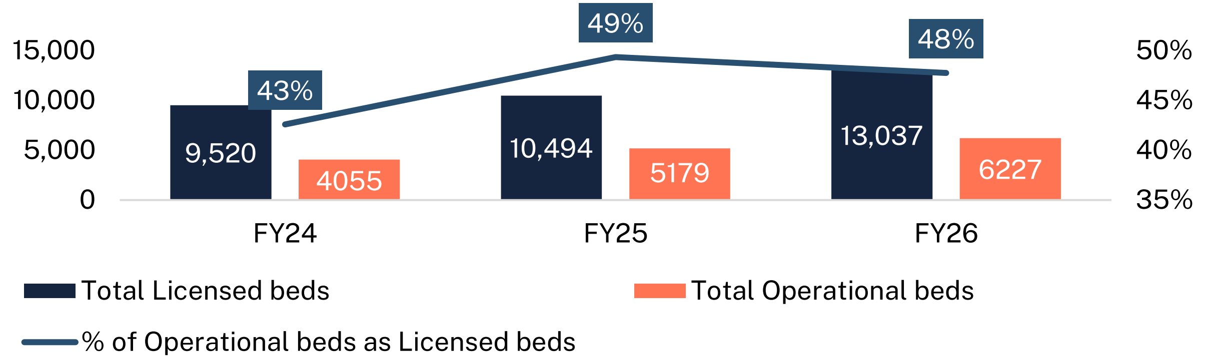
India's largest hospital network — a pan-India, multispecialty franchise

MHEL runs 49 hospitals with 13,037 licensed beds across 14 states & UTs, delivering primary to complex quaternary care across 42 specialties. Backers include Temasek, TPG and Novo Holdings.

Licensed beds by region



Operational Beds as a % of licensed Bed



49
hospitals (incl. 6 O&M)

13,037
licensed beds

14
states & UTs

42
clinical specialties

343
DNB / academic seats

7.63 mn
patients served FY26

Source: RHP, Company

Company Overview (2/4)

An integrated care continuum built around complex, high-acuity work

The care continuum — one patient journey, captured end-to-end

OPD & diagnostics → Day-care & surgery → **Complex tertiary / quaternary** → Critical care & transplant → Rehab & follow-up

Why it matters: capturing the whole journey keeps the highest-margin complex work (and its referrals) inside the network, lifting ARPOB and CONGO-R mix rather than leaking tertiary cases to competitors.

CONGO-R clinical pillars — % of FY26 revenue by specialty

Cardiac	Ortho	Onco	Neuro	Renal	Gastro
16.3%	12.9%	11.6%	9.1%	7.3%	7.2%

A fungible platform: capacity and specialists flex to demand and named centres of excellence anchor the six CONGO-R pillars (~64% of IP revenue).

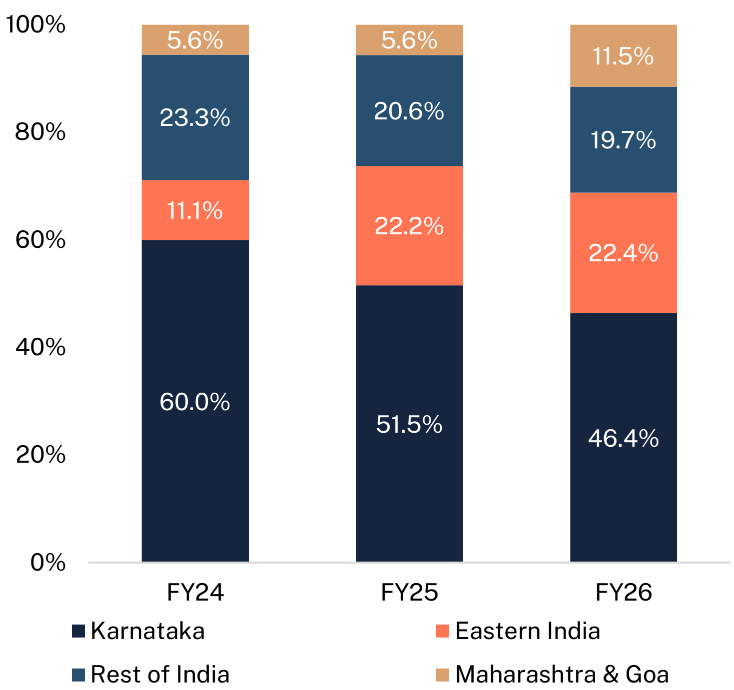
Source: RHP, Company

Company Overview (3/4)

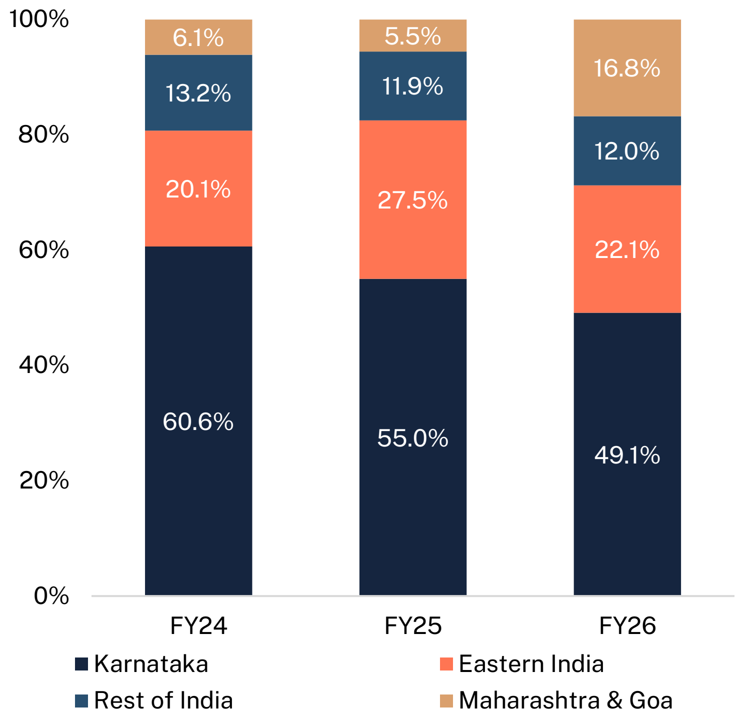
Deliberately diversifying away from a single-state concentration

Revenue mix: Karnataka vs Rest of India (%)

Revenue mix by region — Karnataka dependence falling



Bed capacity mix by region



Which share is rising? Karnataka fell from 60.0% to 46.4% of revenue in two years — not through decline, but because the rest of India grew faster. Maharashtra & Goa (Sahyadri, consolidated Oct 2025) is the fastest riser, with East India (AMRI FY24, Medica FY25) close behind. Non-Karnataka revenue rose from ~40% to ~54%.

Diversification lowers three concentration risks

Single-state regulation

Spreading beds across 14 states dilutes exposure to any one state's price caps or clinical-establishment rules.

Local demand cycles

Multiple metros + non-metros smooth region-specific demand or competitive shocks.

Payor & scheme mix

A wider footprint balances insurance-heavy metros with scheme-driven non-metro volumes.

Source: RHP, Company

Company Overview (4/4)

The growth engine — why Manipal is expanding, and how it is funded

Bed-expansion pipeline to FY30

Brownfield

~483 beds — low-capex adds in existing hospitals

Greenfield

~1,943 beds — new hospitals in current markets

~2,426 beds planned — a ~19% lift on today's licence base

Phasing is occupancy-led: brownfield first (fast break-even), greenfield only where mature occupancy nears ~70%, plus selective M&A.

The reasoning — and the funding stack

Why expand now

Non-metros hold ~75–80% of the market at only ~14 beds/10,000 (vs ~16 national) with limited private competition; mature-hospital occupancy is nearing its capex trigger; and rising NCD burden lifts high-acuity demand.

Self-funded core

Rs 2,078 Cr operating cash flow plus a negative working-capital cycle cover maintenance and most brownfield capex internally — growth without diluting returns.

Headroom from the IPO

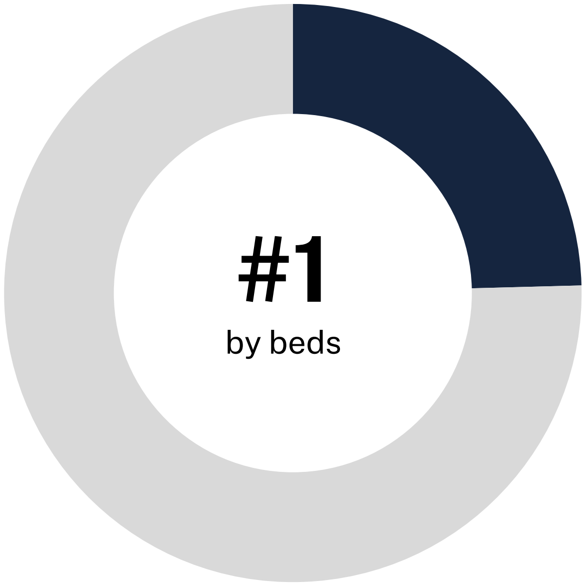
Repaying Rs 5,553 Cr of MHPL debt from fresh proceeds resets leverage (pro-forma net debt/EBITDA back toward ~1.5–2x), restoring balance-sheet capacity for greenfield and M&A.

Source: RHP, Company

Key Strengths (1/5)

India's #1 hospital network by bed capacity — leader in a fragmented market

India rank by licensed beds



13,037 licensed beds — the widest hospital footprint in India; also #2 by number of hospitals and by revenue among private chains.

49
hospitals (incl. 6 O&M)

13,037
licensed beds — largest in India

14
states & UTs — widest footprint

7.63 mn
patients served in FY26

What is a licensed bed? The maximum inpatient beds a hospital is permitted to operate under its license — the capacity ceiling. Of 13,037 licensed beds only ~6,227 are operational; the gap is latent capacity that can be commissioned with limited incremental capex.

11,064	11,048	6,362	42	24,240
doctors	nurses	paramedics	specialties	employees

Source: RHP, Company

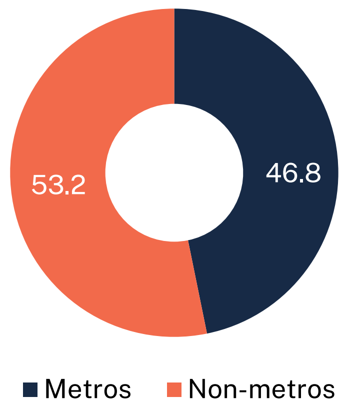
Key Strengths (2/5)

The only chain leading all three metros — density that compounds into pricing power

Bengaluru	Kolkata	Pune
Karnataka	West Bengal	Maharashtra
2,579	**1,513**	**1,284**
licensed beds	licensed beds	licensed beds
12 hospitals	**5 hospitals**	**9 hospitals**

5,376

beds across 26 hospitals in the 3 metros



Why triple-metro leadership is an analytical edge, not a vanity metric

Deeper referral catchment → higher ARPOB. Multi-hospital density in a metro captures complex, out-of-town referrals (Kolar/Tumkur → Bengaluru; Bardhaman/Howrah → Kolkata) that route to the highest-acuity site — mix-enriching, not just volume.

Local scale lowers unit cost & lifts occupancy. Shared specialists, diagnostics and procurement across several hospitals in one city improve utilization and margin per bed versus a single stand-alone asset.

Leadership is defensible. Land, licences and clinician networks in congested metros are scarce; an incumbent leader is structurally hard to dislodge, underpinning pricing durability.

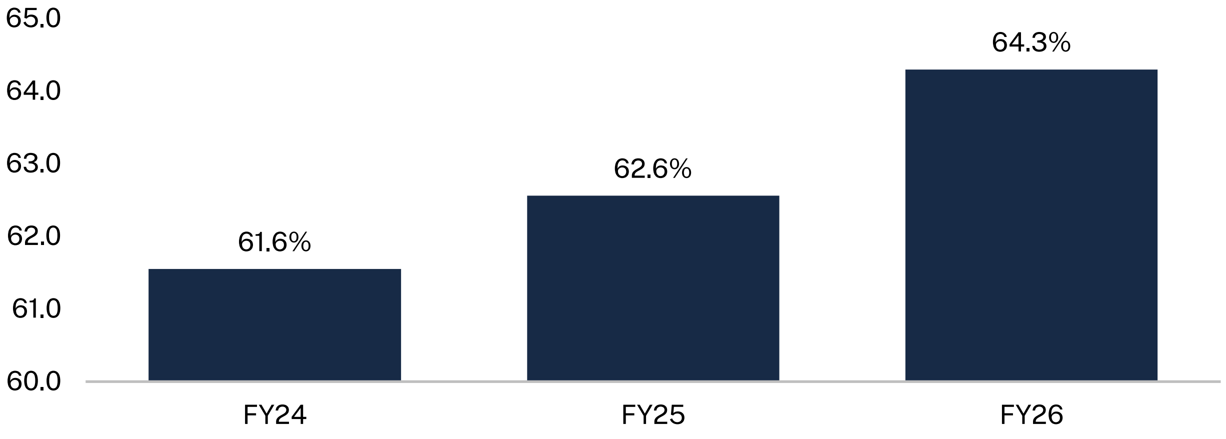
Non-metro white space funds the next leg. Non-metros hold ~88% of population at only ~14 beds/10,000 (vs ~16 national) with limited private competition — Manipal exports metro-grade quaternary care (LINAC + PET-CT at Goa) into that gap.

Source: RHP, Company

Key Strengths (3/5)

A high-acuity brand — and a deliberate strategy to push the CONGO-R mix higher

CONGO-R share of gross IP revenue



Read-through: each point of CONGO-R mix lifts ARPOB and hard-to-shift referral pathways, while cutting exposure to price-controlled, low-acuity work. Mix rose ~2.8 pts in two years even as ALOS fell — complexity up, length-of-stay down.

#1 hospital in Bengaluru for 20 yrs (Old Airport Rd, The Week–Hansa)

15 Manipal hospitals in The Week–Hansa 2025 'Best Multispecialty'

How Manipal drives the mix higher

Quaternary tech across the network

Robotic surgery (ortho/spine robots with navigation), LINAC & Tomotherapy, brachytherapy, PET-CT, cath labs, EUS/EBUS — deployed even in non-metros to bid complex work.

Super-specialist recruitment + DNB pipeline

343 DNB seats across 25 hospitals & 42 specialties build a captive clinician engine in Cardiac, Onco, Neuro, Gastro, Ortho & Renal.

Reposition acquired assets up the acuity curve

Standardised protocols and equipment upgrades move secondary hospitals to tertiary/quaternary (Columbia Asia: EBITDA margin 30.5% → 33.8%).

Centres of excellence + brand-led referrals

Named CONGO-R centres and metro density pull the most complex, highest-realisation cases to the network.

Source: RHP, Company

Key Strengths(4/5)

Peer-best asset efficiency — the lowest length-of-stay in the industry

FY26 operating efficiency

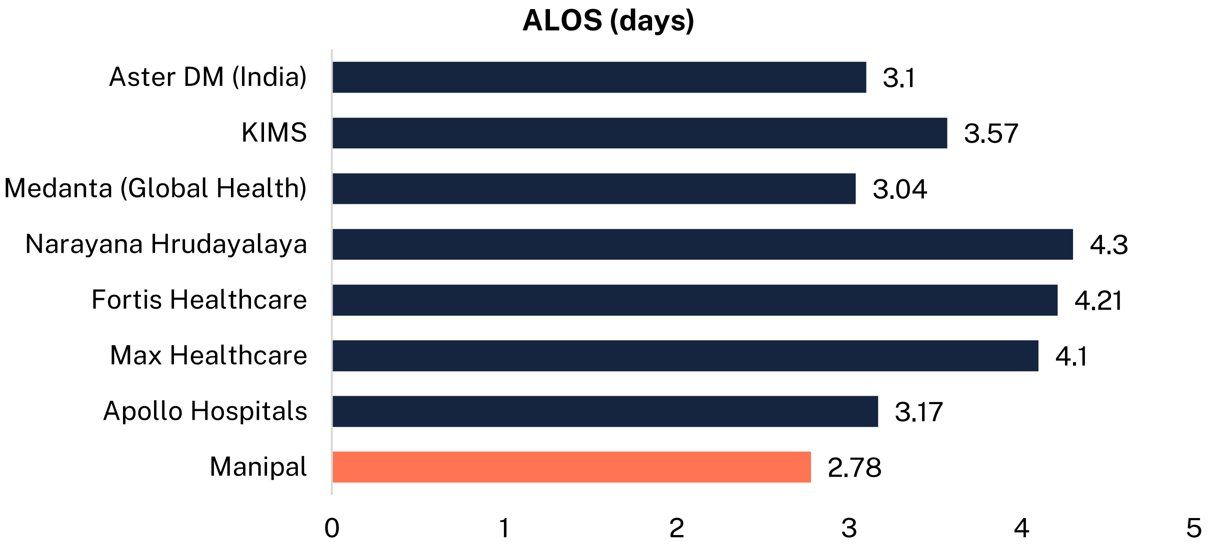
2.78 days
ALOS — lowest among major peers

Rs 68,938 / day
ARPOB — up 11.7% over FY24 on richer mix

64.5% occ.
Occupancy — headroom to ~70% pre-capex

(13) days
Negative working-capital cycle

Average length of stay vs peers (days, FY26)



Lower ALOS = more turns per bed. At 2.78 days Manipal discharges ~30% faster than peers — so each licensed bed serves more patients per year, lifting throughput and ROCE without new capex.

Efficiency is engineered, not incidental. Standardised clinical protocols, day-care and minimally-invasive/robotic surgery cut ALOS even as the complex CONGO-R mix rose — normally a stay-lengthening shift. The freed capacity, combined with a structurally negative working-capital cycle, lets rapid volume growth (inpatient CAGR 26.3%) be largely self-funded.

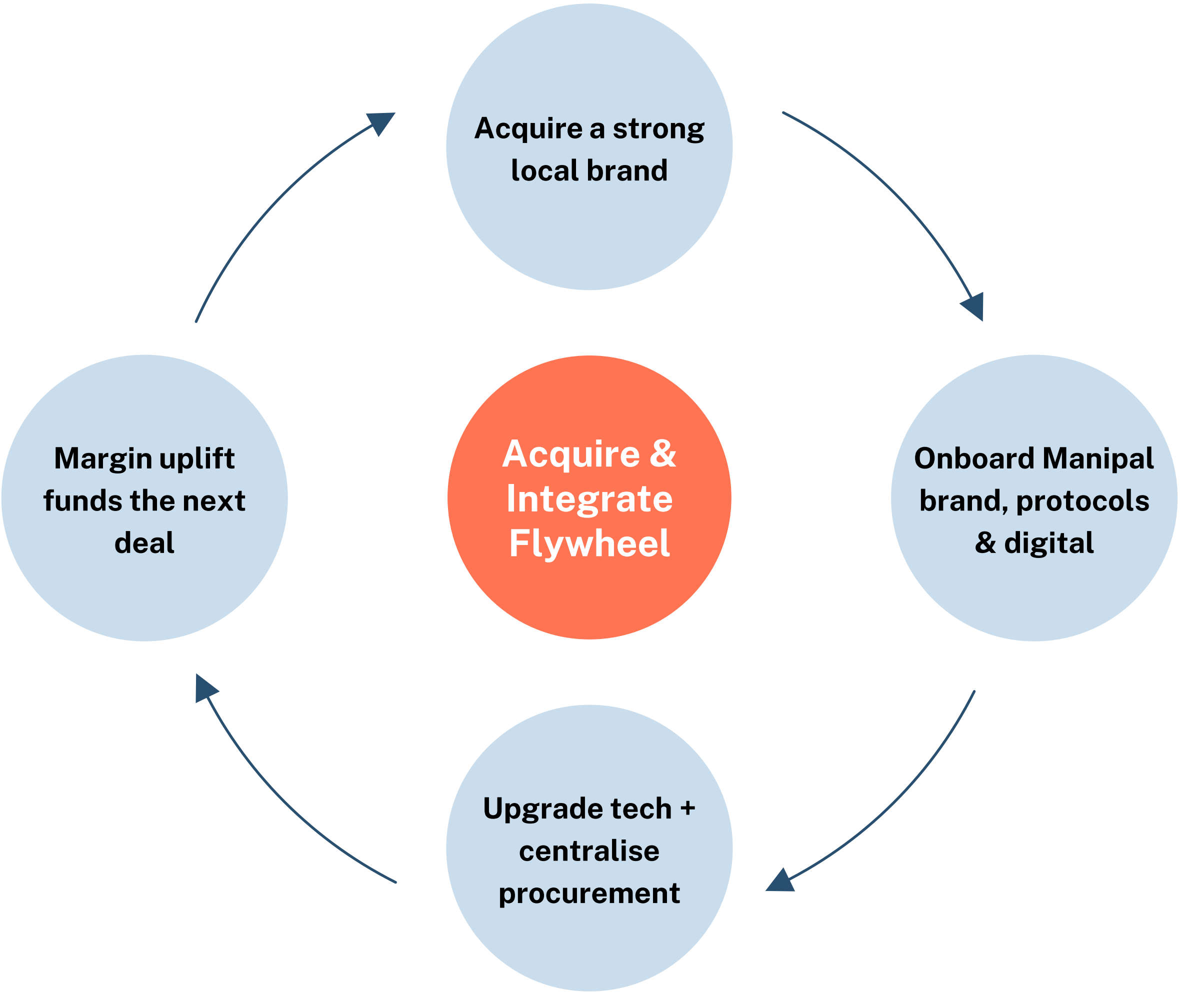
Source: RHP, Company

Key Strengths (5/5)

India's leading hospital consolidator — a repeatable acquire-and-integrate flywheel

5,548 beds acquired FY21–26

most beds added via M&A among private chains (CRISIL)



Acquisition track record — margin uplift on integration

Asset (year)	At acq.	Rev FY24→26	EBITDA margin
Columbia Asia (FY22)	12 Hospital / 1,427 bed	1,788 → 2,474	30.5% → 33.8%
Vikram (FY22)	1 Hospital / 220 bed	231 → 285	32.1% → 33.7%
AMRI (FY24)	4 Hospital / 1,321 bed	1,075 → 1,350	21.3% → 23.8%
Medica (FY25)	4 Hospital / 974 bed	integrating	integrating
Sahyadri (FY26)	10 Hospital / 1,606 bed	integrating	integrating

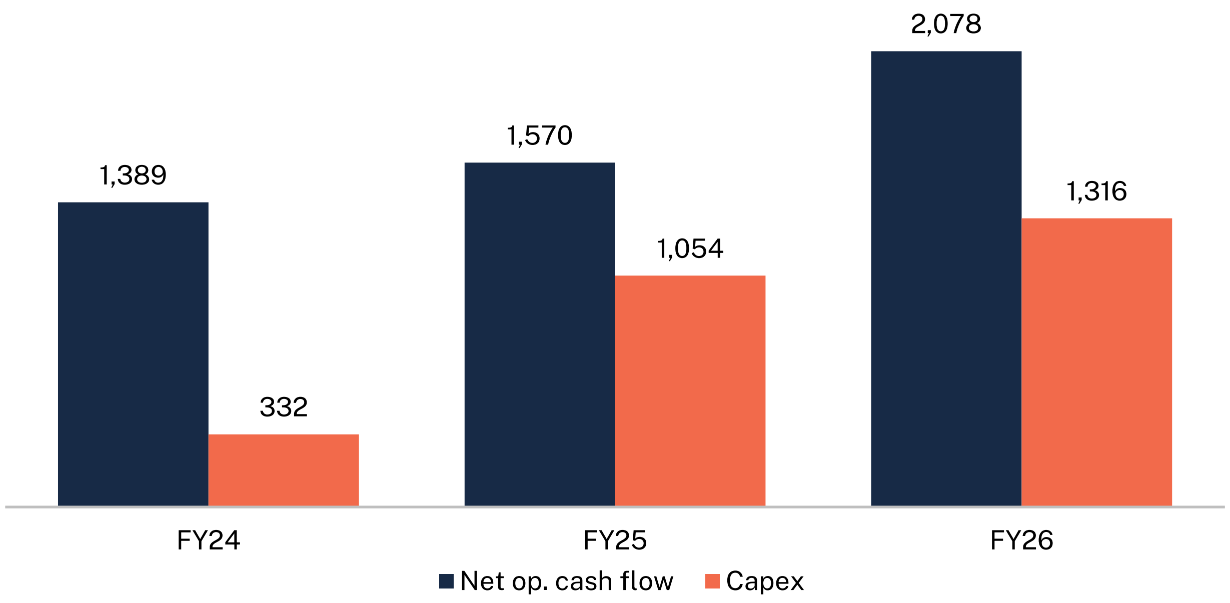
Why the flywheel compounds. Manipal buys strong regional brands, standardizes clinical protocols and upgrades equipment to lift acuity, then uses centralized procurement to expand margins — Columbia Asia moved from secondary care to quaternary with EBITDA margin up 330 bps in two years. The cash from each integration funds the next, and India's hospital market being ~80% non-large-private leaves a long runway. Sahyadri (Oct 2025) is integrating now; a non-binding term sheet for a further Karnataka hospital was signed in Jun 2026.

Source: RHP, Company

Financial Overview (1/2)

What is actually driving cash generation and the efficiency metrics

Cash generation vs capex (Rs Cr)



Why OCF rose 50% in two years. Three levers compound: (1) EBITDA grew with revenue (operating profit before WC Rs 1,644 → 2,665 Cr); (2) a structurally negative working-capital cycle ((28)→(13) days) means cash + insurance/TPA payors (~80% of IP revenue) effectively pre-fund operations; and (3) acquired businesses arrive cash-generative. Result: OCF of Rs 2,078 Cr covers maintenance capex ~1.6x — growth capex and M&A were the debt-funded items (hence the FY26 leverage spike), which the IPO now resets.

Reading the efficiency metrics

How did ALOS improve? (2.93 → 2.78)

Standardised discharge protocols, more day-care and robotic/minimally-invasive surgery shortened recovery — even as complex CONGO-R work (which usually lengthens stays) rose. Discipline, not case-mix downgrade.

Why did occupancy fall? (67.1% → 64.5%)

A denominator effect: 2,543 beds were added/acquired (Medica, Sahyadri) that are still ramping. Demand did not weaken — inpatient volumes grew 0.44 → 0.53 mn. Headroom to ~70% before new capex.

What is driving ARPOB? (Rs 61,742 → 68,938)

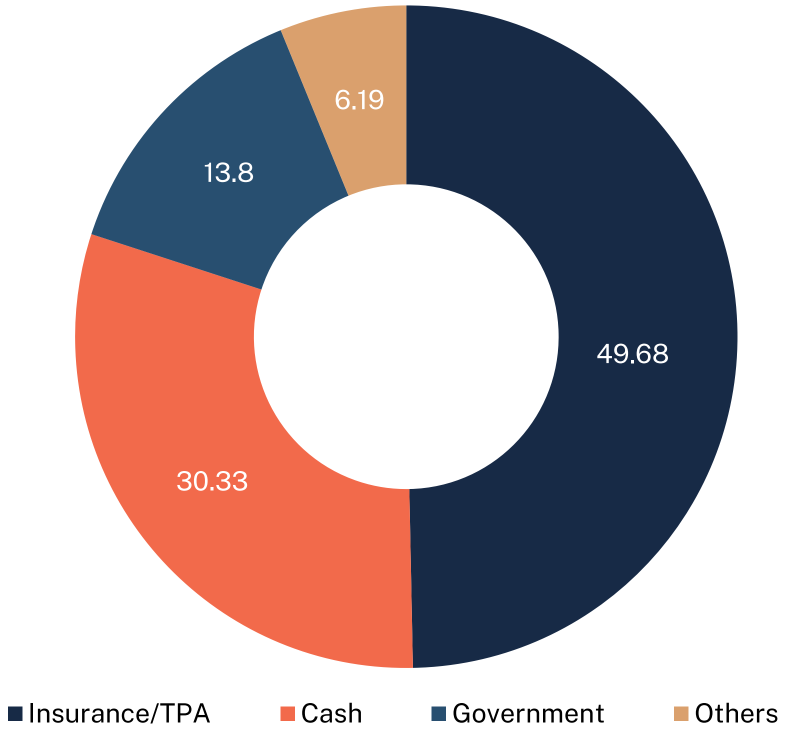
Richer case mix (CONGO-R 61.6% → 64.3%), quaternary procedures (robotics, LINAC/PET-CT, transplants) and a payor mix skewed to cash + insurance rather than lower-yield government schemes.

Source: RHP, Company

Financial Overview(2/2)

How the payor mix converts into cash, stability and margin protection

Payor mix — % of gross IP revenue (FY26)



Cash + Insurance/TPA ≈ 80% of IP revenue

Government held deliberately low at ~14% — it fills non-metro occupancy via Ayushman Bharat but pays less and collects slower.

Why this mix is a competitive weapon

Negative working-capital cycle

Fast-settling cash and cashless insurance claims mean payors pre-fund the balance sheet ((13) days FY26) — the engine behind high OCF and self-funded capex.

Predictable, low-bad-debt collections

A ~50% insurance/TPA base drives cashless footfall and stable realisations while limiting the bad-debt risk of pure self-pay.

ARPOB & margin protection

Skewing away from price-controlled government work protects daily realisation (ARPOB Rs 68,938) and cushions mid-20s EBITDA margins.

Structural tailwind

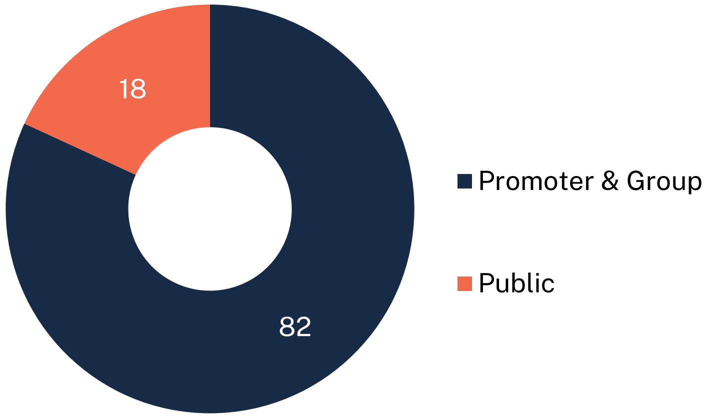
Rising Indian health-insurance penetration expands the highest-quality payor pool — supportive of both volume and pricing through FY30.

Source: RHP, Company

Capital Structure

Promoter-led cap table; monetization via Fresh Issue + OFS

Ownership — pre-offer



Promoter (>1%)	Hold	WACA Rs
Kangto Investments	31.2 cr	349.07
Manipal Global Health	23.2 cr	174.05
Imperius Healthcare	21.0 cr	68.73
Kabru Investments	6.8 cr	563.22

Only 15 shareholders pre-IPO

Offer & recent capital history

Rs 8,000 Cr Fresh Issue

~Rs 1,275 Cr OFS

- Sep 2025: Rs 5,310 Cr NCDs issued (9.03%, mature Sep 2027) to fund the Sahyadri acquisition — the source of the FY26 leverage spike.
- FY26: shares sub-divided from FV Rs 10 → Rs 2 and a 2:1 bonus issued.
- June 2024: company raised Rs. 750 Cr via rights issue to existing shareholders to acquire Manipal Hospitals Synergie Pvt. Ltd at an issue price of Rs. 5,236 (~Rs. 349 post split & bonus adjustment).
- Promoter infusions span a wide WACA reflecting Temasek-/Pai-anchored rounds over the build-out.
- The WACA for all equity shares transacted in the year preceding the RHP is Rs. 580.41

Selling shareholders (OFS)

Seller	Type	WACA Rs
Imperius Healthcare	Promoter	68.73
Manipal Edu & Medical	P. Group	102.56
TPG SG Magazine	Investor	265.23
Seventy Second Inv.	Investor	351.81
Novo Holdings Asia	Investor	355.53
Ammar Sdn Bhd	Investor	355.66
Phoenix bear investments, LLC	Investor	355.53

Valuation: At Rs 590(upper band) the offer is ~33x FY26 EV/EBITDA. Post-issue EV(Ex-CWIP) ~Rs 87,000 Cr based on current net debt.

Source: RHP, Company

Outlook & Rating

A genuine category leader — and, on EV/EBITDA, priced at a discount to peers

IPO RATING

SUBSCRIBE

Long term perspective

A category leader riding hospital-market penetration, non-metro white space and OEM-grade supplier consolidation — a quality compounder that also deleverages post-IPO.

WHY SUBSCRIBE

- **Scale + leadership** — #1 by beds (13,037); only chain leading 3 metros with presence across 14 states/UTs.
- **High-acuity, efficient model** — CONGO-R 64% of IP revenue; lowest ALOS; negative WC cycle; mid-20s margins.
- **Proven consolidator** — 5,548 beds acquired FY21–26; playbook lifts acquired-asset margins.
- **Valuation + deleveraging** — ~33x EV/EBITDA vs peers ~38x

Financial Snapshot (FY26)

29% Revenue CAGR FY24–26	**25%** Adj. EBITDA margin
Rs 917 Cr PAT FY26	**~33x** EV/EBITDA at band
13% ROCE FY26	**10.57%** RoNW FY26
64.47% Occupancy	**10–12%** Market CAGR to FY30

Market backdrop: India's healthcare-delivery market (~Rs 7.6–7.8 tn FY26) compounds 10–12% to ~Rs 11–12 tn by FY30; IPD is ~71–72% of value, non-metros 75–80% and the faster-penetrating segment. Rising NCD incidence through FY30 (WHO) directly feeds CONGO-R demand.

Source: RHP, Company

Peer Comparison (FY26)

Benchmarked against Apollo, Fortis & Max — scale, efficiency and EV/EBITDA

Particulars	Manipal	Apollo	Fortis	Max	Narayana Hrudayalaya Ltd	Aster DM Healthcare	Global Health Ltd (Medanta)	Krishna Institute of Medical Sciences (KIMS)
Revenue (Rs Cr)	**10,336**	25,228	9,128	10,065	7,896	4,643	4,410	3,905
EBITDA margin	**25%**	15%	23%	27%	20%	19%	21%	21%
ROCE	13%	18%	13%	15%	15%	11%	17%	9%
Licensed beds	**13,037**	10,970	6,100	6,131	5,750	5,449	3,665	7,304
No. of hospitals	49	76	36	17	30	20	6	24
Occupancy	64.5%	67.0%	68.0%	76.0%	NA	61.00%	61.60%	50.50%
ARPOB (Rs/day)	68,938	1,87,208*	68,767	77,800	49,041	51,800	66,550	44,640
ALOS (days)	**2.78**	3.17	4.21	4.10	4.3	3.1	3.04	3.57
Net debt/EBITDA	3.9	2.0	1.1	0.7	1.4	NA	0.7	4.0
EV/EBITDA (x)	**33**	34	35	46	27	72	37	46

Where Manipal is positioned better

- **Largest bed base & footprint**
- **Lowest ALOS → best asset turns**
- **Occupancy headroom vs Max (76%)**

- **Scale and efficiency leader, with leverage the key trade-off.** Manipal is second on revenue (Rs 10,336 Cr) but first on capacity (13,037 beds) and asset turns (ALOS of 2.78 days), converting into a 25% EBITDA margin bettered only by Max.
- The offsets are a stretched balance sheet (net debt/EBITDA of 3.9x, among the highest in the set) and occupancy of 64.5% against Max's 76% — the latter also the clearest self-help lever on margins and ROCE.
- At 33x EV/EBITDA, the issue is priced at a modest discount to Apollo (34x), Fortis (35x) and Max (46x), leaving valuation fair.

Source: RHP, Company, Screener
** Company reports Avg. revenue per IP Patient*

Leadership, Investors & Governance

A stable, professional team backing the roll-up — moved up from key strengths

Key management

Dilip Jose
Managing Director & CEO

Leads strategy and the acquire-and-integrate playbook.

Sameer Agarwal
Chief Financial Officer

Owns capital allocation, leverage and the IPO reset.

Karthik Rajagopal
Chief Operating Officer

Drives clinical protocols, ALOS and occupancy discipline.

Marquee investors

- **Temasek** (Promoter via group company)
- **TPG**
- **Novo Holdings**

Institutional ownership signals governance discipline and access to growth capital.

Governance & stability

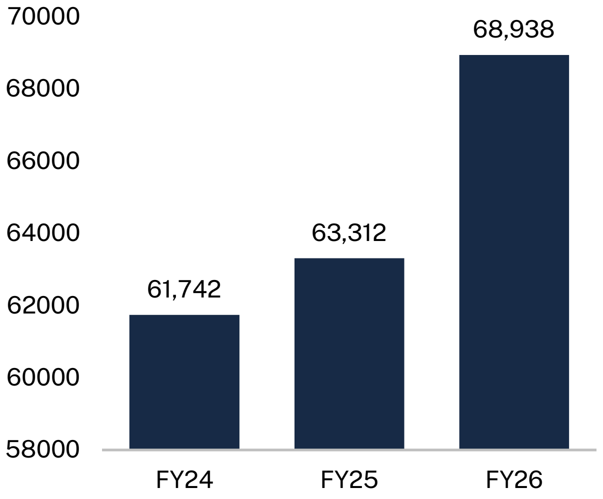
- **Zero KMP attrition** — No exits among key management personnel over the last three years — rare continuity through a heavy M&A phase.
- **Clean promoter holding** — Promoters hold ~72% post-issue with no pledged shares; a professional, independent-majority board.
- **Aligned incentives** — Founder-institutional backing (Temasek/TPG/Novo) keeps capital allocation disciplined and returns-focused.

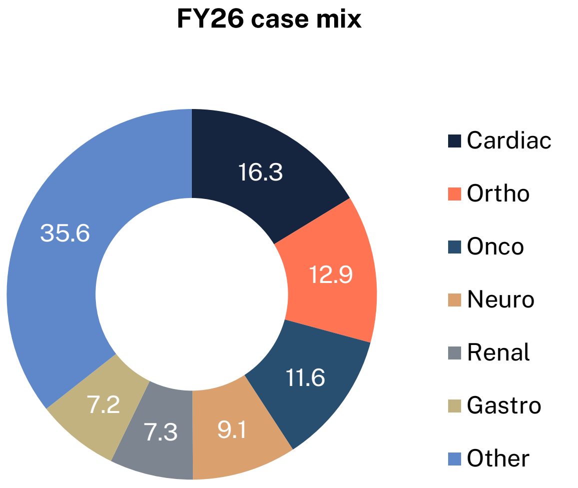
Source: RHP, Company

Key Performance Indicators (1/2)

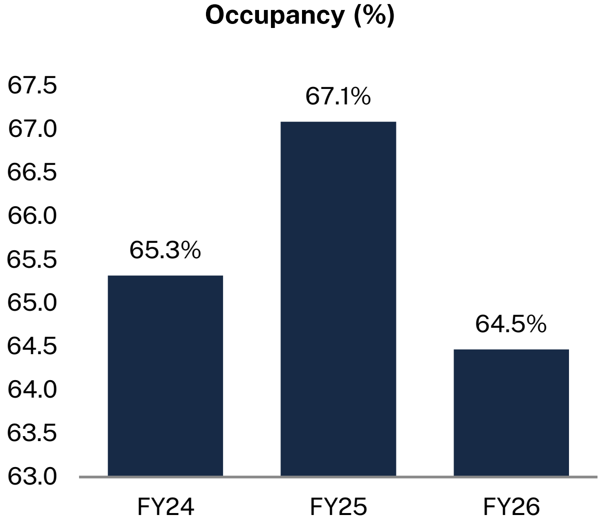
Operating metrics — each movement tied to its underlying driver

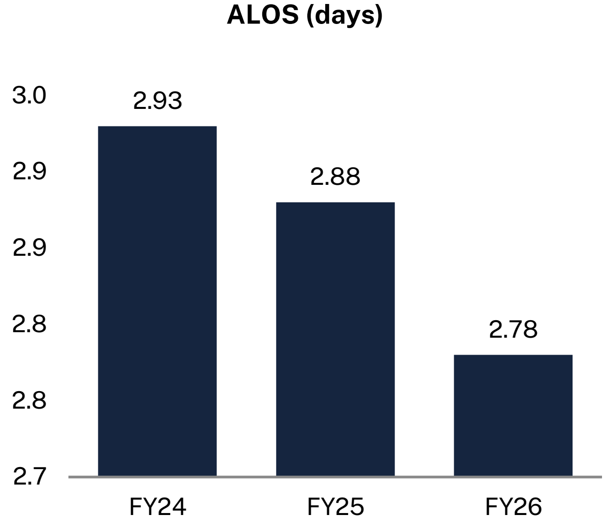
ARPOB (Rs / occupied bed / day)





Occupancy & ALOS





ARPOB up by 6%(FY24-FY26 CAGR) — driven by case mix, not list-price hikes.

Growth in revenue per bed-day comes from a deliberate shift into high-end surgical, tertiary and quaternary care, backed by robotics, LINAC/PET-CT and transplants. FY26 volumes show it: ~74,600 angiography/angioplasty, ~25,400 GI surgeries, ~10,000 joint replacements, ~8,300 neurosurgeries and ~5,980 robotic procedures. A ~80% cash + insurance/TPA payor mix, realising above government schemes, adds further lift.

Occupancy dipped for the right reason. The FY26 fall to 64.5% is a denominator effect — 2,543 newly added/acquired beds (Medica, Sahyadri) still ramping — not weak demand: inpatient volumes actually grew 0.44 → 0.53 mn.

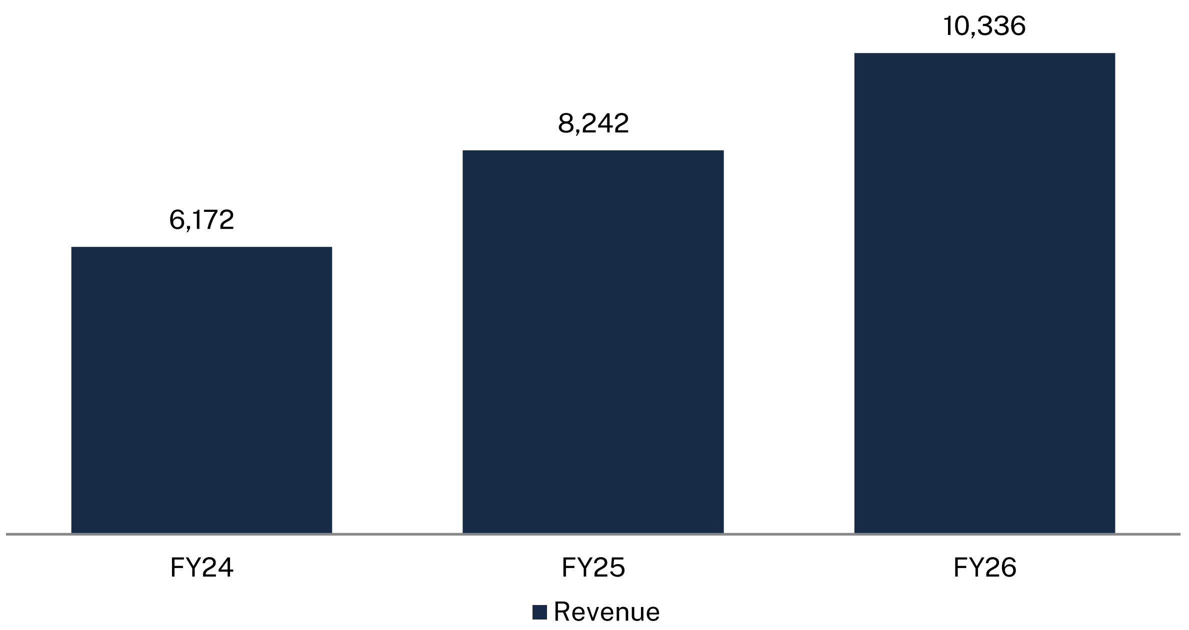
ALOS keeps falling despite harder cases. Protocol standardisation, day-care and robotic/minimally-invasive surgery cut stay-length to 2.78 days — so each bed serves more patients, offsetting the occupancy dip in throughput terms.

Source: RHP, Company

Key Performance Indicators (2/2)

Financial metrics — why headline PAT understates the operating story

Revenue (Rs Cr) & EBITDA margin



EBITDA margin: 27% → 26% → 25%

Revenue compounded 29.4%; margin drift is gestation, not decay. The ~200 bps EBITDA-margin slip reflects newly acquired and greenfield beds still ramping toward maturity (Medica, Sahyadri), plus mix — not pricing weakness. As these assets fill, margins should re-expand toward the network's mature ~28%.

The three things to understand

PAT optics

Reported PAT fell FY25 → FY26 (Rs 1,082 → 917 Cr), but FY25 was flattered by a ~Rs 130 Cr deferred-tax credit and FY26 absorbed ~Rs 74 Cr exceptionals plus higher finance cost. EBITDA actually grew 23% to Rs 2,611 Cr.

Leverage spike is temporary

Net debt / EBITDA jumped 2.1x → 3.9x on the Sep-2025 Rs 5,310 Cr NCD that funded Sahyadri. The IPO repays Rs 5,553 Cr, taking leverage back toward ~1.5–2x.

ROCE compression is mechanical

ROCE eased 19% → 13% as goodwill, CWIP and debt-funded capital employed built ahead of earnings.

Source: RHP, Company

Financial Summary

Particulars (Rs.cr)	FY24	FY25	FY26
Profit & Loss- (Rs. cr)			
Revenue	6,172	8,242	10,336
EBITDA	1,683	2,127	2,611
Depreciation	397	507	680
EBIT	1,286	1,620	1,932
Other Income	94	121	185
Interest expense	455	512	864
PBT	745	1,242	1,178
NPAT	533	1,082	917
NPAT (after minority interest)	594	1,065	892
EPS (Rs.) **	4.1	8.2	7.0
EPS (Rs.) (after minority interest) **	4.5	8.1	6.8
Balance Sheet-(Rs. cr)			
Net Worth	4,016	5,847	8,426
Total debt	3,944	4,767	10,553
Other liabilities and provisions	1,446	1,960	3,127
Total Networth and liabilities	9,406	12,574	22,107
Gross Block	6,386	7,235	9,496
Net Block	3,750	4,225	5,841
Capital work-in-progress	42	614	795
Cash and bank balances	380	330	323
Loans & advances and other assets	4,975	6,385	14,126
Net working capital	259	1,020	1,022
Total assets	9,406	12,574	22,107
Capital Employed	7,960	10,614	18,980
Invested Capital (CE - cash - CWIP)	7,538	9,670	17,861
Net debt	3,564	4,437	10,230
Cash Flows – (Rs. cr)			
Cash flows from Operations (Pre-tax)	1,680	1,860	2,501
Cash flows from Operations (post-tax)	1,389	1,570	2,079
Capex	(332)	(1,054)	(1,316)
Free cashflows	1,057	516	762
Free cashflows (post interest costs)	602	4	(102)
Cash flows from Investing	(870)	(2,658)	(7,037)
Cash flows from Financing	(250)	904	4,954
Cash as a % of CE	5%	3%	2%
Total cash & liquid investments	**1,385**	**1,961**	**2,716**

Particulars(Rs.cr)	FY24	FY25	FY26
Growth ratios (%)			
Revenue		34%	25%
EBITDA		26%	23%
PAT		79%	(16%)
Margin ratios (%)			
EBITDA	27%	26%	25%
PAT	10%	13%	9%
Performance ratios			
Pre-tax OCF/EBITDA	1.0	0.9	1.0
OCF/IC	18%	16%	12%
RoE (%) *	16%	22%	13%
RoCE (%)*	19%	17%	13%
Fixed asset turnover (x)	1.6	2.0	1.8
Total asset turnover (x)	0.6	0.6	0.4
Financial stability ratios			
Net Debt to Equity (x)	0.9	0.8	1.2
Net Debt to EBITDA (x)	2.1	2.1	3.9
Interest cover (x)	2.8	3.2	2.2
Working capital days	(28)	(20)	(13)
Valuation metrics			
Fully Diluted Shares (Cr)	37.8	38.5	118.0
Market cap (INR Cr)**			77,603
P/E (x) **			87.0
P/OCF(x) **			37.3
EV (Rs.Cr) (ex-CWIP) **			87,038
EV/ EBITDA (x) **			33.3
EV/ OCF(x) **			41.9
FCF Yield **			1%
Price to BV (x) **			9.2

Source: RHP, Company
**Self Calculated, ** Post Issue No. of shares*
EV is based on current Net Debt

Key Risks

Concentration risk — Karnataka is still ~46% of revenue and the three metros ~41% of beds, so region-specific demand, competition or regulation could weigh on the group.

Leverage & integration — FY26 net debt / EBITDA of 3.9x (pre-IPO), plus back-to-back M&A (Medica, Sahyadri), carries integration and execution risk if synergies lag.

Regulatory & payor — price caps, clinical-establishment rules, and rising bargaining power of insurance/TPA and government schemes could pressure ARPOB and margins.

Source: RHP, Company

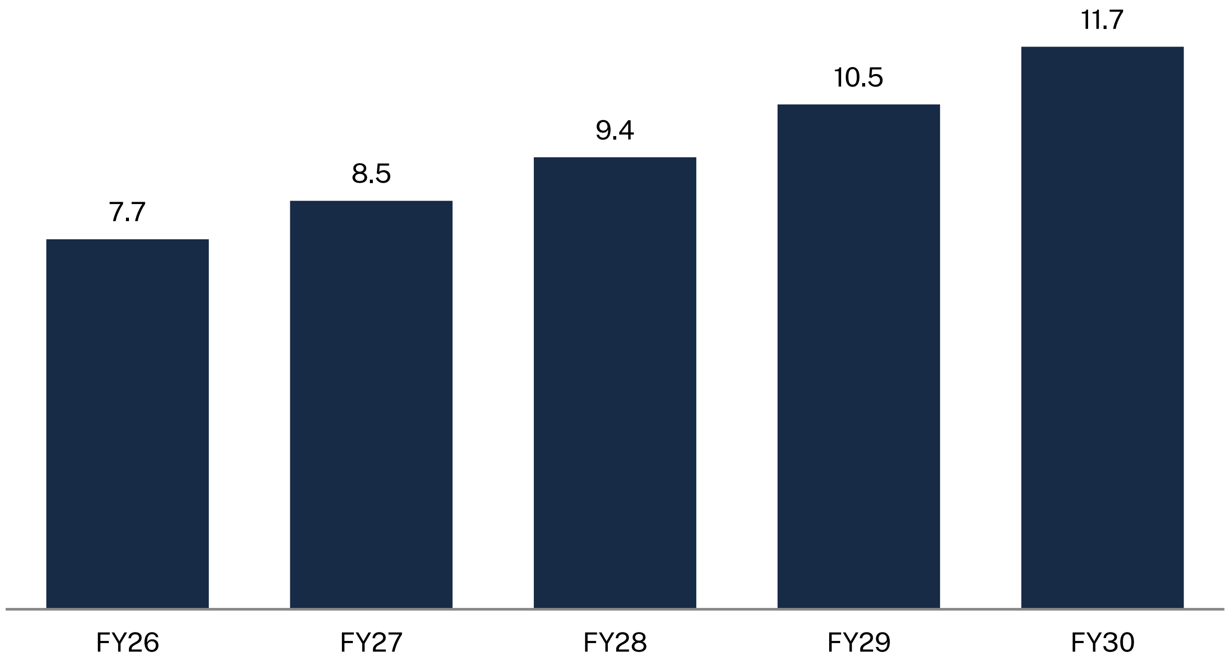
Annexure

Midas
Equities and Research

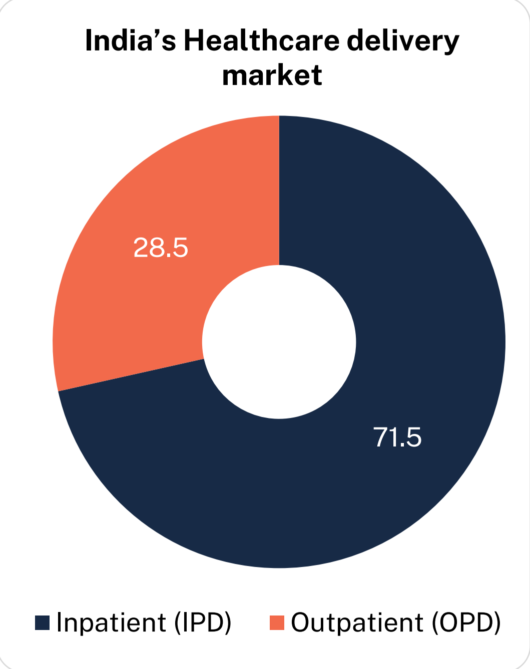
Industry Overview

A structurally growing, under-penetrated healthcare-delivery market

India healthcare-delivery market (Rs tn)



Value split & structural drivers



Rising insurance penetration

Growing NCD / lifestyle-disease burden

Medical value travel into India

Consolidation of a fragmented market

10–12% CAGR to FY30. The market compounds from ~Rs 7.6–7.8 tn to ~Rs 11–12 tn by FY30. Inpatient care is ~71–72% of value and the faster-penetrating segment; non-metros (75–80% of the market) remain under-bedded at ~14 beds/10,000 vs ~16 nationally.

Why it favours Manipal. Growth is led by the non-metro, high-acuity and insured segments — exactly where Manipal's #1 bed base, CONGO-R capability and acquire-and-integrate model are strongest. A fragmented market (~80% outside large private chains) leaves a long consolidation runway for the sector leader.

Source: RHP, Company

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	**REDUCE**	Stock expected to provide returns of <5% – -10% over a 1-year horizon
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