Healthcare newsletter

Q2FY26 update

December 2025

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Q2FY26

Themes in the healthcare sector

Increasing traction in high-end specialties (cardiology, oncology, neurology, gastroenterology), supported by rising occupancy rates and higher average revenue per occupied bed (ARPOB) across the sector

1

Capacity additions planned for leading hospital chains over the next three to four years; focus on strengthening core markets, as well as expansion into non-metro / new geographies

2

Diagnostics players focused their investments on high-value testing capabilities, particularly in genomics and oncology, with investors showing increased interest in fully integrated service providers

3

Strong M&A activity observed in the diagnostics space over the past two to three quarters, driven by players seeking to expand beyond core markets and deepen their presence into Tier 2+ cities

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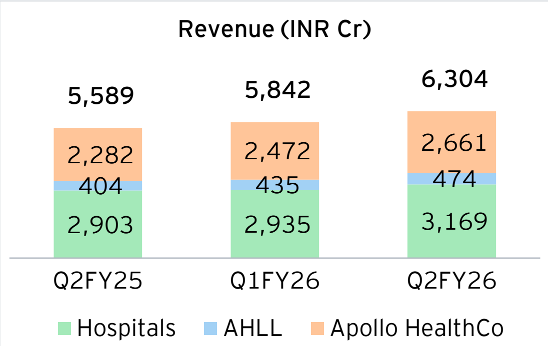
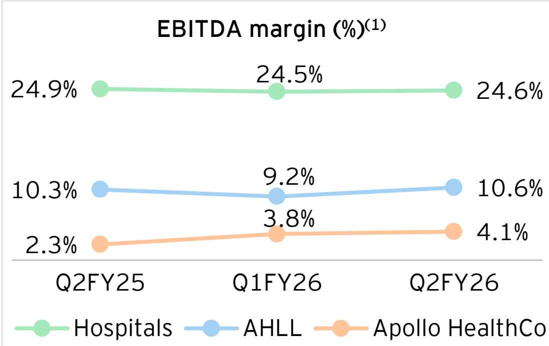
Apollo Hospitals Enterprise Limited

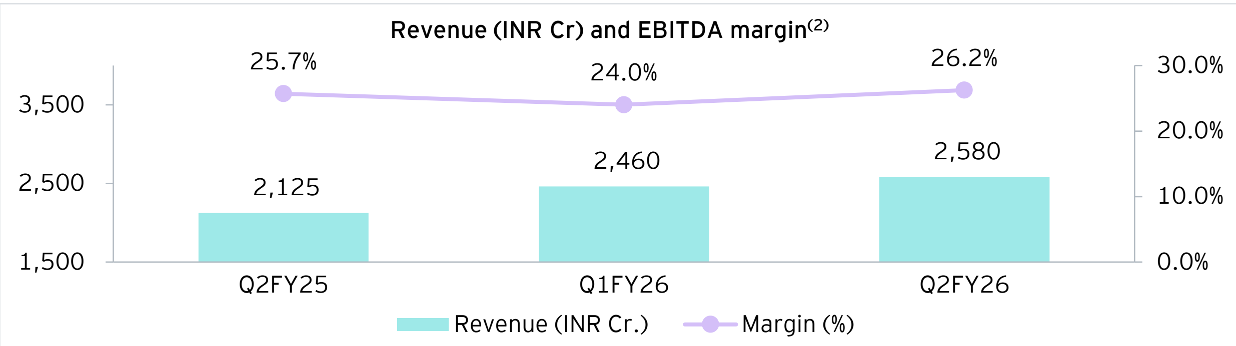




ARPOB[4] (INR)	47,500	54,700	55,100
ALOS	3.4	3.1	3.1

- Hospitals:
  - Revenues grew by 9% y-o-y, primarily driven by CONGO[3] growth of 14%
  - ARPOB growth of 16% y-o-y, driven by average revenue per patient (ARPP) increase of 9% and average length of stay (ALOS) reduction of 7%
  - The Group aims to add ~4,500 beds by FY30, with a target of commissioning ~2,000 beds by FY27
- Apollo Health and Lifestyle Limited (AHLL) and Apollo HealthCo reported a 17% growth y-o-y each, with both divisions showing improvement in profitability
- In Q2, Apollo inaugurated Apollo Athenaa – its dedicated cancer center for women in Delhi

Max Healthcare Institute Limited



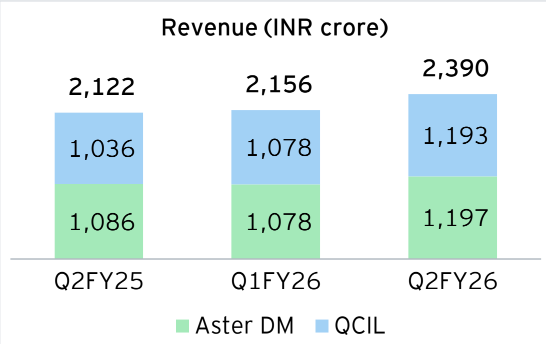
ARPOB[4] (INR)	76,100	78,000	77,300
ALOS	4.1	4.0	4.0

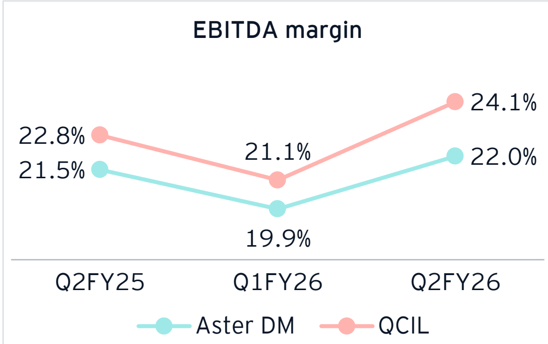
- Revenue grew 21% y-o-y, primarily driven by new bed additions; occupancy remained stable at ~77% and overall ARPOB increased by ~1%
- Other growth drivers include strong traction from international patients (25% y-o-y growth) and digital revenue streams accounting for ~30% of total revenue
- Max@Home and Max Labs continued to deliver steady growth and profitability with 15-20% y-o-y growth
- Max Group plans to add ~3,000 beds across metro cities over the next four to five years

Source: Company website and stock exchange filings, EBITDA reported on a post-IndAS basis; (1) EBITDA for Apollo HealthCo inclusive of 24/7 operating cost and ESOP charge; AHLL: Apollo Health & Lifestyle Ltd; (2) For Network Hospitals of Max Healthcare Limited; (3) Cardiology, Oncology, Neurology, Gastroenterology and Orthopedics; (4) Reported on an approximate basis | Note: ARPOB: Average Revenue Per Operating Bed; ALOS: Average Length of Stay

Q2FY26 results update: Pan-India hospitals (2/3)

Aster DM Healthcare Limited + Quality Care India Limited (1)

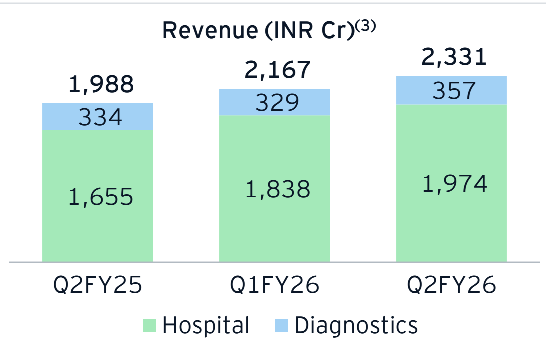


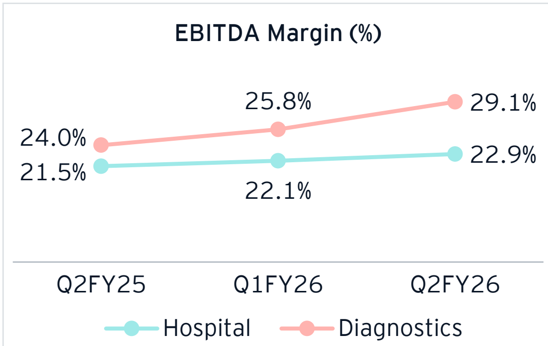


ARPP[2] (INR)	Aster DM			QCIL		
	107,000	118,000	118,000	114,000	n.a.	125,000

- The merger of Aster DM and QCIL is on track and has received no-objection letters from BSE and NSE. Upon completion, the platform will have 10,360 beds across 38 hospitals in 27 cities
- Aster DM:
  - Standalone Aster DM growth drivers include a rebound in the Kerala cluster, traction in medical tourism and ARPP growth of ~10%
  - EBITDA margins expanded by ~200 bps q-o-q, driven by cost control, topline recovery and improvement in the labs and pharmacy business
- QCIL:
  - Reported 15% y-o-y growth, driven by ARPP growth (10%) and CONGO specialties, which now account for ~60% of total revenue
  - Over the next five years, the platform plans to add a combined capacity of ~4,200 beds across core markets and new / Tier 2+ markets

Fortis Healthcare Limited





ARPOB[2] (INR)				ALOS			
	64,900	72,600	68,800		4.2	4.2	4.2

- ~19% y-o-y growth in the hospital business, majorly driven by an increase in occupied beds (13%) and a rise in ARPOB, attributable to an evolving case mix
- Diagnostics business (Agilus) grew by ~7% y-o-y

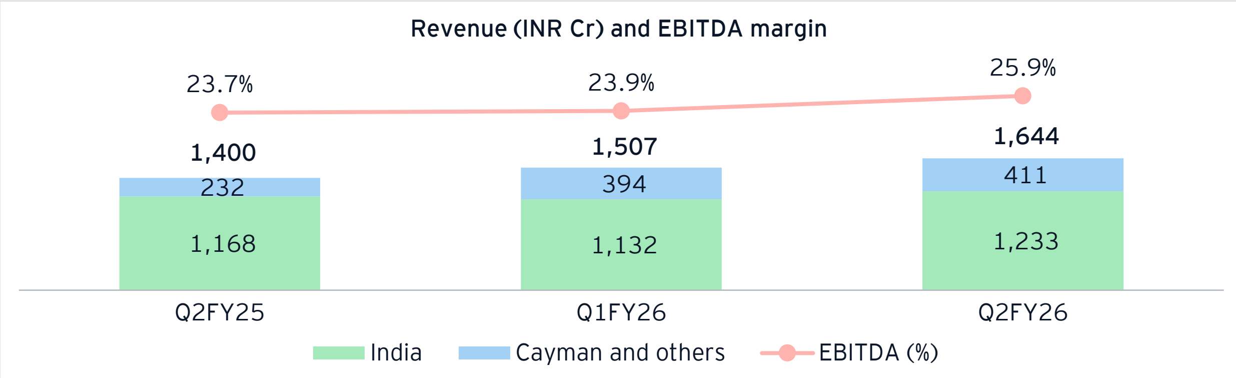
M&A activity:

- Fortis acquired Shrimann Hospitals in Punjab for INR470 crore, strengthening its regional footprint
- Over the past two quarters, Fortis has entered into various operations and management (O&M) agreements, including five hospitals of Gleneagles India, resulting in a wider pan-India network

Source: Company website and stock exchange filings, EBITDA reported on a post-IndAS basis; (1) ALOS not reported on combined proforma basis; (2) Reported on an approximate basis

Q2FY26 results update: Pan-India hospitals (3/3)

Narayana Hrudayalaya Limited [1]

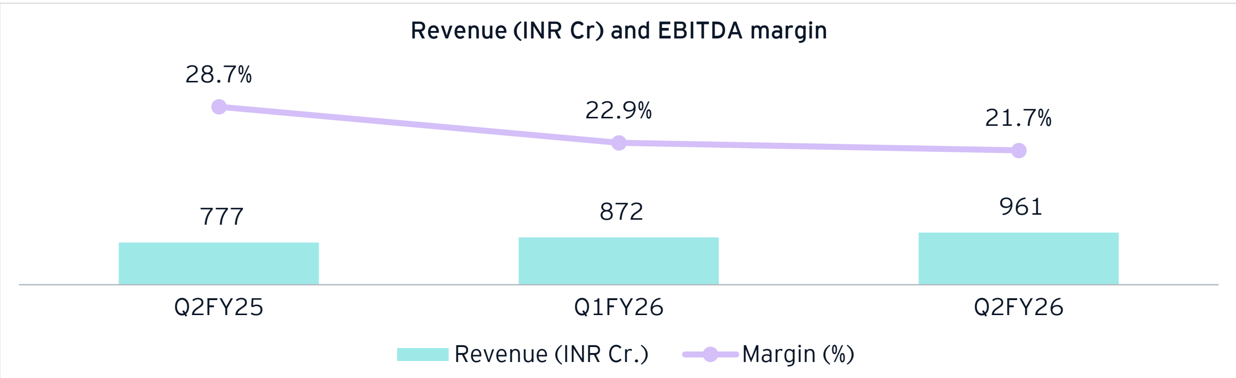


- Narayana Hrudayalaya (NH) reported a ~18% y-o-y growth, primarily driven by mix optimization, higher-acuity work and strong growth in Cayman operations following the commissioning of a new unit
- While still in its nascent stages, the insurance and clinics business has shown strong traction, especially in Cayman, with revenues growing by ~70% q-o-q
- NH plans to add ~2,000 beds (mostly greenfield projects) over the next five years, with a focus largely on its core markets

M&A activity:

- NH recently announced its foray into the UK market with the acquisition of Practice Plus Group Hospitals Limited for £183 million, the fifth largest private healthcare provider in the UK

Krishna Institute of Medical Sciences



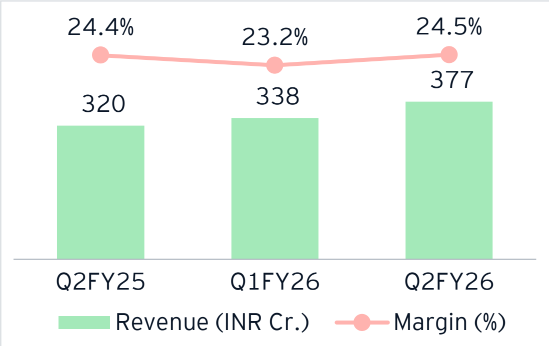
ARPOB[2] (INR)	38,200	43.000	42.000
ALOS	3.7	3.6	3.6

- Krishna Institute of Medical Sciences (KIMS) reported a 23.6% y-o-y revenue growth, driven by new units commissioned in Kerala, Maharashtra and Karnataka. However, EBITDA was compressed due to losses from these new units
- ARPOB grew by ~10% y-o-y while occupancy declined from 60.1% in Q2-25 to 53.5% in Q2FY26, as the new units are yet to stabilize
- Management expects most new units to become EBITDA-neutral within 12-14 months of operations and maintains that they have gained strong momentum since inception
- Over the next three to four years, KIMS plans to add ~2,000 beds, taking the total bed count to over 8,000

Source: Company website and stock exchange filings, EBITDA reported on a post-IndAS basis; (1) Amongst operating metrics, only ALOS is reported for India business and therefore, not presented; (2) Reported on an approximate basis

Q2FY26 results update: Other hospital chains

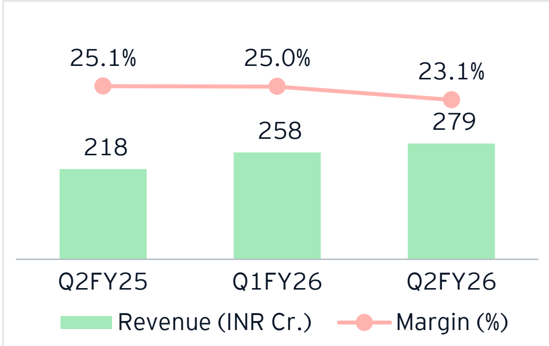
Jupiter Life Line Hospitals Limited



ARPOB[1] (INR)	Q2FY25	Q1FY26	Q2FY26
Jupiter Life Line Hospitals Limited	55,900	67,300	n.a

- The Dombivli hospital project (500 beds) is on track, and the construction of South Pune facility has commenced, targeting operations by CY28
- Plans are to add roughly 1,440 beds, almost doubling total capacity to about 2,500 by 2029

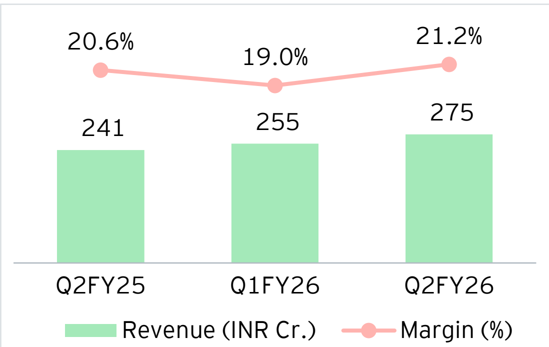
Yatharth Hospital & Trauma Limited



ARPOB[1] (INR)	Q2FY25	Q1FY26	Q2FY26
Yatharth Hospital & Trauma Limited	30,600	32,400	32,000

- Acquired 100% stake in a 150-bed Agra hospital for INR 260 crore, expanding network to over 2,550 beds. New hospitals (Faridabad, Model Town) commenced operations, strengthening their presence in North India
- Occupancy improved to 66% despite significant bed additions, with mature hospitals reaching 72% occupancy; ARPOB up 4% y-o-y, driven by higher super-specialty mix

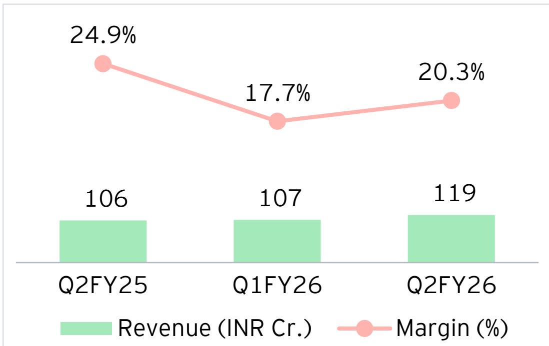
Artemis Medicare Services Limited



ARPOB[1] (INR)	Q2FY25	Q1FY26	Q2FY26
Artemis Medicare Services Limited	75,600	79,800	81,200

- The company opened a third tower in Gurugram, increasing capacity to 700 beds, and has plans to expand to 1,000 beds through additional FAR and green building certification
- It also announced a super-specialty hospital in Raipur with over 300 beds (operational in March 2026) and signed an MoU for a hospital with over 650 beds in South Delhi, supporting long-term growth

GPT Healthcare Limited



ARPOB[1] (INR)	Q2FY25	Q1FY26	Q2FY26
GPT Healthcare Limited	36,800	38,900	n.a

- GPT Healthcare commissioned a new 158-bed Raipur hospital in May 2025, expanding its presence in central India and adding quaternary care capabilities
- It remained focused on asset-light expansion with the upcoming 150-bed Jamshedpur hospital (to be commissioned by FY27) and plans to reach 1,000 beds in two years

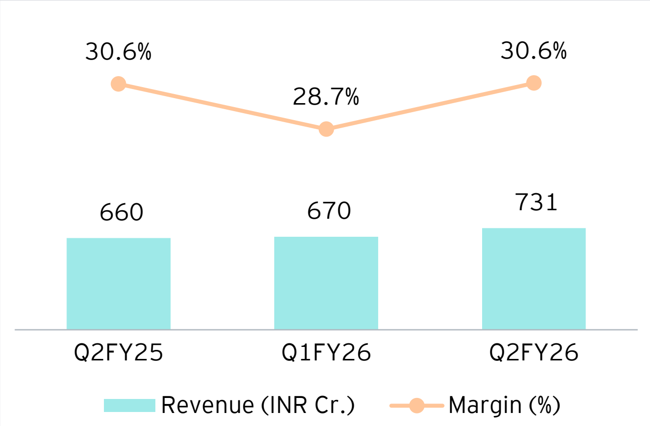
Source: Company website and stock exchange filings; EBITDA reported on a post-IndAS basis; (1) Reported on an approximate basis

02

Q2FY26 results update: **Diagnostics chains**

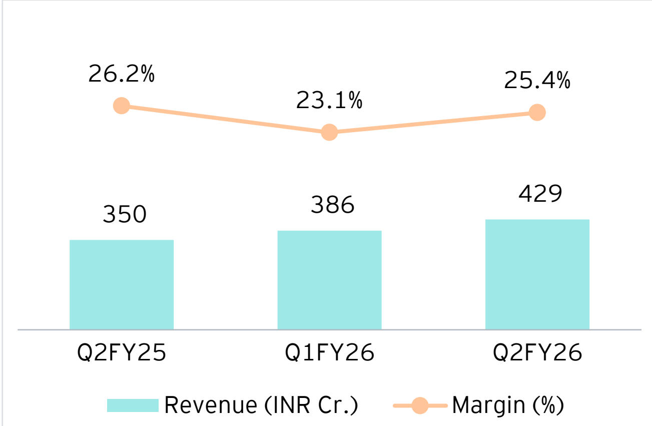
Q2FY26 results update: Diagnostics chains (1/2)

Dr. Lal PathLabs Limited



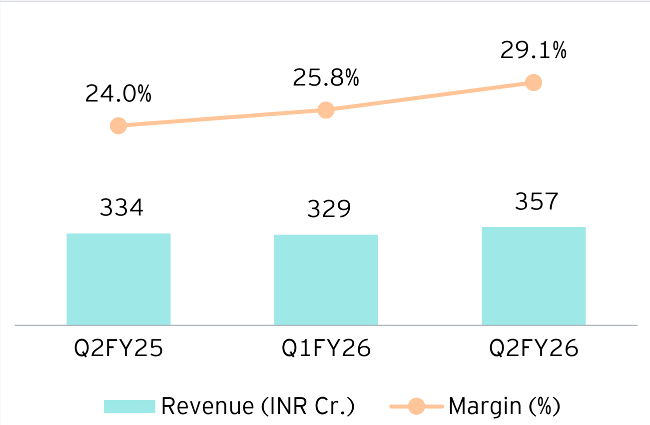
- Sample volumes were up 10% y-o-y with strong growth in Tier 3/4 cities. The Swasthfit preventive program contributed 26% of Q2 FY26 revenue
- Accelerated investments in high-complexity testing (genomics, oncology, autoimmunity) and India's first AI-enabled cancer diagnostics, reinforcing leadership in advanced diagnostics

Metropolis Healthcare Limited



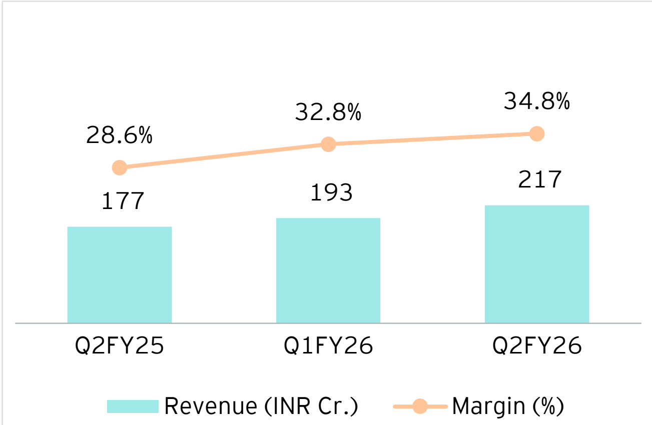
- Specialty and TruHealth segments delivered robust growth (21% and 15% y-o-y respectively); B2C contributed 59% of organic revenue while B2B grew 14% y-o-y
- M&A activity: Integration of recent acquisitions (Core Diagnostics, DAPIC, Scientific Pathology) is on track; with Core margins improving; full integration expected over next two to three quarters

Agilus/SRL Diagnostics Limited



- Conducted 10.6 million tests; B2C:B2B mix at 52:48. Added over 200 new customer touchpoints in Q2 FY26
- Wellness portfolio contributed 13% of revenue; margin expansion driven by operational efficiencies and network growth

Thyrocare Technologies Limited

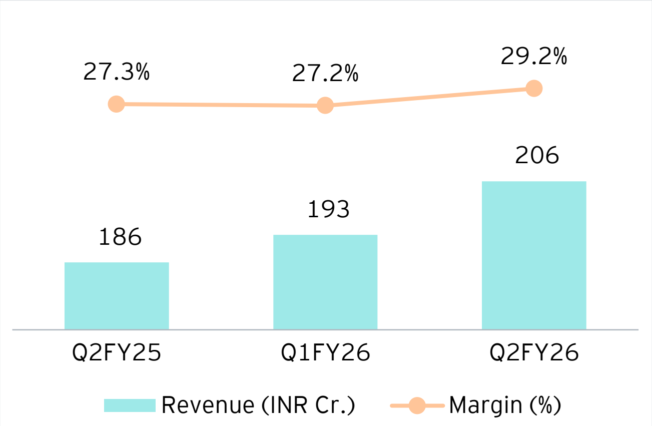


- Y-o-y revenue growth of 22% and normalized EBITDA growth of 49% - highest in the industry
- Launched a new regional processing lab in Vijayawada and scaled-up recently acquired Vimta Labs
- Franchisee network expanded to over 10,100 active partners, up 20% y-o-y, with accelerated expansion in Tier 3 and rural markets

Source: Company website and stock exchange filings; EBITDA reported on a post-IndAS basis

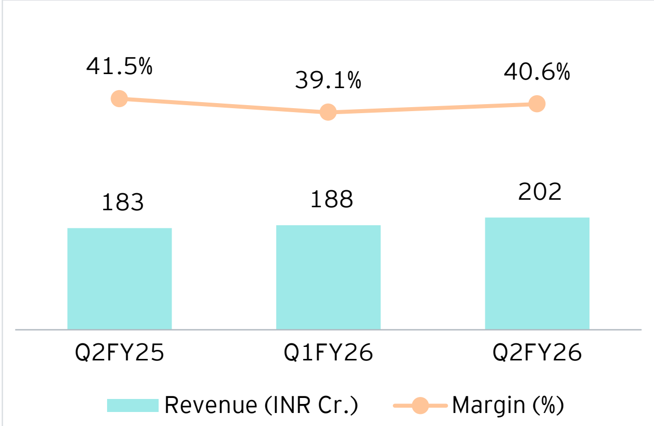
Q2FY26 results update: Diagnostics chains (2/2)

Krsnaa Diagnostics Ltd



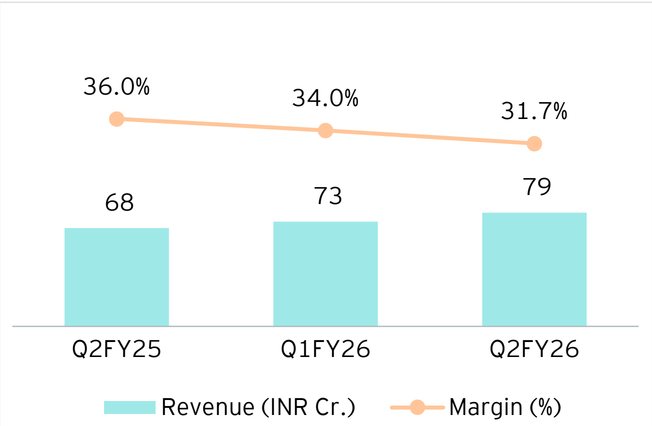
- The company continued to focus on the retail business, with retail revenues growing 10x y-o-y to INR 18 crore and contributing ~8% of overall revenue; 76% of retail revenues were B2C. Retail touchpoints increased to ~2,900
  - The management targeted 40%-50% of revenue from the retail business over the next five years
- The Rajasthan PPP project, India's largest diagnostic PPP, remained on track for a phased rollout by Q4

Vijaya Diagnostic Centre Limited



- The radiology segment grew 16% y-o-y, while pathology growth was muted due to lower seasonal disease incidence
- Over 92% of revenue came from B2C, and management continued to focus on volume growth
- The company pursued rapid network expansion, launching 10 new hubs in the last nine months; hubs in Bengaluru and Kolkata reached break-even ahead of plan, validating the integrated model

Suraksha Diagnostic Limited



- The company added five new centers in Q2, taking the total to 63. It remained on track to add 12-15 centers in FY26, targeting over 30% network expansion for the year
- It launched Suraksha Genomics, marking its entry into genetic and molecular testing
- **M&A activity:** It completed the strategic acquisition of a 63% stake in Fetomat Wellness, integrating fetal medicine and prenatal diagnostics into its core offering

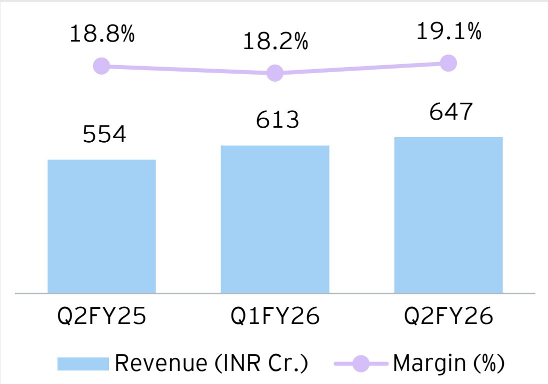
Source: Company website and stock exchange filings; EBITDA reported on a post-IndAS basis

03

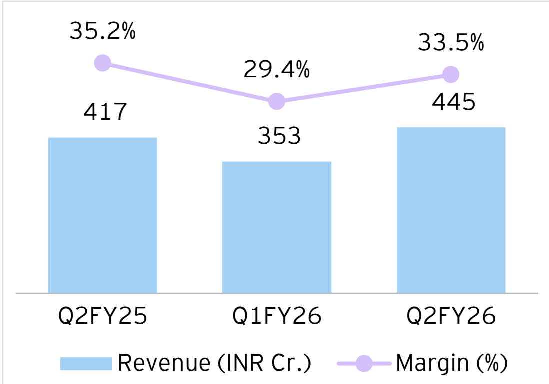
Q2FY26 results update: **Specialty hospitals and medical devices**

Q2FY26 results update: Single specialty hospitals and medical devices

HealthCare Global Enterprises Limited [1]



Rainbow Children's Medicare Limited

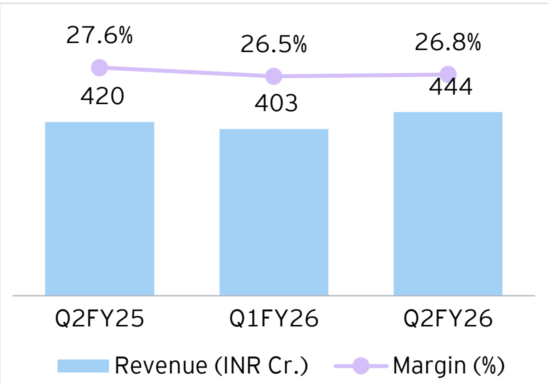


ARPOB[2] (INR)						
	44,100	44,700	44,300	49,700	63,300	57,400

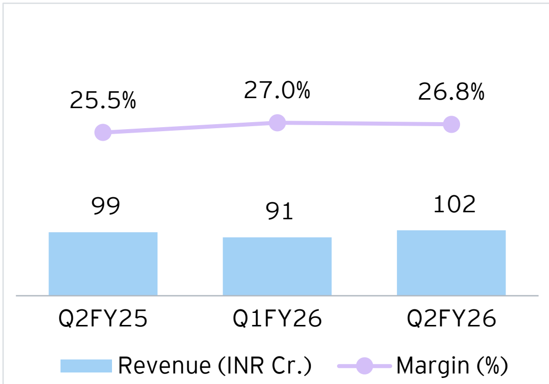
- Operational beds increased to 2,189, with occupancy improving to 76%
- Robust growth in Maharashtra and Gujarat clusters driven by clinician additions, expanded capacity and higher patient volumes. East India cluster saw strong momentum from consultant onboarding

- Added over 250 beds through acquisition of Prashanthi Hospital & Pratiksha Hospital, expanding capacity to 2,285 beds across 22 hospitals in nine cities
- Continued expansion with new projects in Bengaluru, Coimbatore, Delhi/NCR and Pune, targeting 3,165 beds by FY29; hub-and-spoke model and full-time doctor engagement driving operational efficiency and clinical outcomes

Poly Medicure Limited



Tarsons Products Limited



- Launched eight new products in Q2 FY26, initiated a clinical study on RisoR stent in India and Europe and sold 216 dialysis machines YTD, reinforcing leadership in key therapeutic areas
- M&A activity: Completed strategic acquisitions of PendraCare (Netherlands, cardiology) and Citieffe (Italy, orthopedics)

- Commissioned manufacturing facilities at Panchla and Amta, expanding capacity and product range
- Achieved growth in cash generation from operations, reflecting efficient working capital management and robust cash conversion

Source: Company website and stock exchange filings; EBITDA reported on a post-IndAS basis; (1) EBITDA margin is inclusive of one time value creation (Q1FY26) and ESOPs; (2) Reported on an approximate basis

04

Top deals in the healthcare sector: **Q2FY26**

Q2FY26 results update: Top deals in healthcare

Top PE/VC deals in healthcare in Q2FY26

Deal size (INR Cr)	6,000	1,760	1,200	255	230	189
	Jul-25	Jul-25	Sep-25	Sep-25	Sep-25	Sep-25
Company	Sahyadri Hospitals	Meril Life Science	Meitra Hospital	Healing Hands Clinic	Apex Hospitals	PendraCare Group
Buyer	Manipal Hospitals	ADIA (Abu Dhabi Investment Authority)	Baby Memorial Hospital	L Catterton	InvAscent	Poly Medicure
Key seller	OTPP	Promoters	KEF Holdings	Promoters	Somerset Indus Capital Partners	Welling Holdings B.V.
Stake (%)	100%	~3%	Majority	Minority	NA	90%
Type	Buyout	Fund raise	Acquisition	Fund raise	Fund raise	International acquisition

Key highlights

- Deal activity in Q2FY26 reflects a strong interest in buyouts, private equity (PE) investments, acquisitions and funding rounds across hospitals, diagnostics and specialty care
- Strategic buyers and private equity investors continue to target both majority and minority stakes, with a focus on regional expansion and technology-driven healthcare assets

Source: PrivateCircle, SEBI website and stock exchanges, news articles

05

Valuation trends and **analyst outlook**

Q2FY26 results update: Valuation benchmarking and analyst outlook

Company	MCAP	EV	EV/Revenue (x) FY25	EV/Revenue (x) FY26E	EV/Revenue (x) FY27E	EV/EBITDA (x) FY25	EV/EBITDA (x) FY26E	EV/EBITDA (x) FY27E	Analyst outlook
Apollo Hospitals	1,01,893	1,04,531	4.8x	4.2x	3.4x	42.8x	30.4x	24.1x	Buy 100%
Fortis	65,666	68,127	8.7x	7.4x	6.3x	45.1x	32.9x	26.8x	Buy 86%, Hold 14%
Max Healthcare	1,05,638	1,07,858	15.3x	10.2x	8.4x	57.7x	42.1x	33.3x	Buy 69%, Hold 13%, Sell 19%
Aster DM	31,934	31,522	7.6x	4.5x	3.1x	48.5x	23.0x	14.8x	Buy 100%
Narayana Hrudayalaya	38,593	38,907	7.1x	5.0x	3.7x	29.6x	24.6x	18.4x	Buy 70%, Sell 30%
KIMS	26,813	29,485	9.7x	7.7x	6.0x	40.5x	36.3x	25.6x	Buy 91%, Sell 9%
Yatharth Hospital	6,712	6,488	7.3x	5.5x	4.1x	29.5x	22.7x	16.4x	Buy 100%
Jupiter Hospitals	9,245	9,013	7.1x	6.1x	5.1x	31.5x	26.4x	22.9x	Buy 100%
GPT Healthcare	1,158	1,144	2.8x	2.4x	2.1x	14.7x	13.4x	10.3x	Buy 100%
Artemis	4,448	4,341	4.6x	3.9x	3.2x	30.6x	22.7x	19.2x	Buy 50%, Hold 50%
HealthCare Global	10,128	10,898	4.9x	4.3x	3.6x	38.9x	29.7x	23.4x	Buy 100%
Rainbow Children's Hospital	13,832	13,285	8.8x	7.8x	6.6x	33.0x	29.2x	23.7x	Buy 89%, Hold 11%
Dr. Lal PathLabs	23,888	22,620	9.2x	8.2x	7.3x	35.2x	31.5x	27.6x	Buy 66%, Hold 7%, Sell 27%
Metropolis	9,947	9,892	7.4x	6.0x	5.3x	45.5x	32.0x	26.4x	Buy 75%, Sell 25%
Vijaya Diagnostic	10,160	9,867	14.5x	12.4x	10.5x	39.4x	33.8x	27.7x	Buy 67%, Hold 33%
Thyrocare	6,880	6,688	9.7x	8.1x	6.9x	37.7x	27.2x	22.3x	Buy 100%
Krsnaa Diagnostics	2,431	2,540	3.5x	3.1x	2.1x	14.6x	12.0x	8.4x	Buy 100%
Suraksha Diagnostics	1,483	1,441	5.7x	5.0x	4.4x	22.4x	19.3x	16.5x	Buy 100%
Poly Medicure	18,973	18,113	10.8x	9.5x	7.7x	40.3x	35.9x	28.5x	Buy 75%, Sell 25%
Tarsons	1,230	1,584	4.0x	-	-	16.0x	-	-	Not Available

Note: (1) All figures are in INR Cr, except multiples. (2) Share price as of 15 Dec 2025 closing; (3) EV and EBITDA have been adjusted to reflect as per I-GAAP (pre-IndAS)

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Tel: + 91 11 4731 8000

4th & 5th Floor, Plot No 2B
Tower 2, Sector 126
Gautam Budh Nagar, U.P.
Noida - 201 304
Tel: + 91 120 671 7000

Hyderabad

THE SKYVIEW 10
18th Floor, "SOUTH LOBBY"
Survey No 83/1, Raidurgam
Hyderabad - 500 032
Tel: + 91 40 6736 2000

Jaipur

9th floor, Jewel of India
Horizon Tower, JLN Marg
Opp Jaipur Stock Exchange
Jaipur, Rajasthan - 302018

Kochi

9th Floor, ABAD Nucleus
NH-49, Maradu PO
Kochi - 682 304
Tel: + 91 484 433 4000

Kolkata

22 Camac Street
3rd Floor, Block 'C'
Kolkata - 700 016
Tel: + 91 33 6615 3400

6th floor, Sector V,
Building Omega, Bengal Intelligent Park, Salt
Lake Electronics Complex, Bidhan Nagar
Kolkata - 700 091
Tel: + 91 33 6615 3400

Mumbai

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (W), Mumbai - 400 028
Tel: + 91 22 6192 0000

5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E)
Mumbai - 400 063
Tel: + 91 22 6192 0000

3rd Floor, Unit No.301
Building No.1, Mindspace-Gigaplex
IT Park, MIDC, Plot No. IT-5
Airoli Knowledge Park
Airoli West, Navi Mumbai - 400 708
Tel: + 91 22 6192 0003

18th Floor, Altimus
Pandurang Budhkar Marg, Worli
Mumbai - 400 018
Tel: + 91 22 6192 0503

Pune

C-401, 4th Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006
Tel: + 91 20 4912 6000

10th Floor, Smartworks
M-Agile, Pan Card Club Road
Baner, Pune - 411 045
Tel: + 91 20 4912 6800

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