

CMP: ₹ 961.10 (30 Mar 2026)

M Cap: ₹25,851 Cr.

Target : ₹ 1344

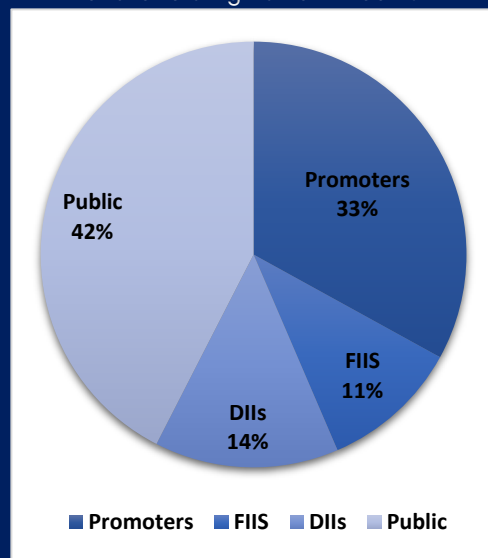
Key Information^{###}

NSE Code	MEDANTA
BSE Code	543654
Shares o/s (Cr)	26.9
FV (₹)	2
Latest EPS (TTM) ₹	19.13
Latest PE Ratios (x)	48.2
Latest BV ₹	138
51 Wk H (₹)	1456.50
52 Wk L (₹)	965

Price Chart*



Shareholding Pattern Dec'25



Source: Capitaline Data Base, EFL Research, Company Investor Presentation

About the company

Global Health Ltd is among the leading private multi-specialty tertiary healthcare providers in North and East India. The company focuses on key specialties such as cardiology and cardiac sciences, neurosciences, oncology, digestive and hepatobiliary sciences, orthopedics, liver transplantation, and kidney and urology.

As on 31st December 2025, the company has total of 3,579 installed beds.

Investment Rationale

Favourable industry tailwinds support long-term growth

The Indian hospital industry is projected to grow at ~11-12% CAGR over the medium term, with private hospital providers outpacing the sector at ~14-15% CAGR. Growth is supported by rising insurance penetration, increasing medical tourism, and stronger demand for high-acuity care.

As a premium multi-specialty hospital chain, Global Health is well positioned to benefit from structural industry tailwinds. High-acuity specialties (such as oncology, cardiac sciences, neurosciences, and transplants) contribute ~60-70% of revenue, while the share of international patient revenue has steadily increased from ~4% in FY21 to ~7% in 9M FY26.

Strong capacity expansion to drive long-term growth

The company is in a strong expansion phase, planning to significantly increase bed capacity through a mix of brownfield and greenfield projects across key cities such as Noida, Mumbai, Guwahati, and South Delhi. It has already added 537 beds in 9M FY26, with further additions underway through efficient capital deployment. The planned addition of ~2,800 beds over the next four years is expected to be the primary driver of medium- to long-term revenue growth as new facilities ramp up occupancy.

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ARPOB (average revenue per occupied bed) growth and improving case mix to support revenue growth

The company has delivered consistent ARPOB growth, driven by a richer case mix, higher share of complex procedures, and pricing strength in premium services. In 9M FY26, ARPOB rose 6.5% YoY to ₹66,501, supported by higher-acuity procedures and partial benefits from CGHS rate revisions and insurance tariff renewals.

Management expects steady ARPOB growth ahead, driven by a higher share of margin accretive specialties like oncology, cardiac sciences, and transplants, without relying on aggressive price hikes. Management reiterated long-term ARPOB growth guidance of ~5–7% annually.

CGHS (Central Government Health Scheme) benefit

The management highlighted CGHS rate revisions, implemented around October 2025, have started reflecting in its financials, and has contributed ~₹7–10 cr incremental revenue over 9M FY26. The full benefit is yet to be realized, thereby aiding topline growth.

Improving payor mix*

Its payor mix remains healthy and skewed toward high-yield segments, with cash/self-pay patients contributing ~55–57% of IPD revenues and insured (TPA/corporate) patients accounting for ~25–27%. This supports strong realizations and profitability, while also providing stability through rising insurance penetration. Exposure to government and PSU schemes remains moderate at ~10–12%, helping limit margin dilution, with the balance ~3–5% from other categories. Overall, the mix is tilted toward better-paying segments (~80%+ from cash and insurance), which is positive for ARPOB and margins while maintaining adequate diversification.

**(payor mix - the percentage of a provider's total revenue derived from various payment sources - self-paying, insurance, government programs)*

Risks***Margins may remain under pressure in the short term but improve later***

The company's margins are currently impacted due to losses from new hospitals, particularly the Noida facility, which is in the ramp-up phase. New hospitals typically take 2–3 years to reach optimal occupancy and profitability. As occupancy improves and fixed costs are absorbed, margins are expected to improve significantly, leading to strong EBITDA and PAT growth from FY27 onwards.

Execution risk in new hospital projects

It is undertaking multiple expansion projects simultaneously, which exposes it to execution risks such as project delays, cost overruns, and slower-than-expected occupancy ramp-up. Any delay in commissioning new hospitals may impact revenue growth and return ratio.

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Exposure to regulatory risk

The government policy on capping prices for medical procedures has impacted players in the healthcare sector. Such price-control mechanisms have a direct bearing on the operating margin of players through reduction in revenue and affect inflow of premium patients (including medical tourism), who would prefer getting such procedures done abroad. Any policy change that may negatively impact the company's credit risk profile will be closely monitored.

Valuations & Recommendation

Global Health presents a compelling long-term investment case, supported by its aggressive capacity expansion, strong positioning in high-acuity care, and a healthy payor mix. The planned addition of capacity over the next four years, along with steady ARPOB growth, is expected to drive robust revenue momentum as new hospitals ramp up occupancy.

The balance sheet remains comfortable, supported by low leverage (D/E: 0.14x) and a net cash position (as of 30th September 2026, cash and cash equivalents stood at ₹1,220 cr), providing adequate financial flexibility to fund the ongoing capex pipeline. However, any large, debt-funded expansion beyond this will remain a key monitorable.

While near-term margins may remain under pressure due to the ramp-up of new facilities and execution risks associated with large-scale expansion, operating leverage is expected to drive margin improvement from FY27 onwards. That said, competitive intensity and regulatory risks, particularly around pricing caps, remain key monitorable.

We value the company based on FY27E EPS of ~₹28 and assign a forward P/E multiple of ~48x, recommending a BUY with a target price of ~₹1,344.

Financials

	Q3 FY26	Q3 FY25	YoY	Q2 FY26	QoQ	9m HY26	9m HY25	YoY	FY25	FY26E	FY27E
Operating Revenue	1121	943	18.8%	1099	2.0%	3251	2761	17.7%	3692	4700	5452
EBIDTA	217	238	-8.6%	231	-5.9%	675	652	3.5%	877	1010	1300
EBIDTA Margin	19.4%	25.2%	-	21.0%	NA	20.8%	23.6%	-	23.8%	21.5%	23.8%
Profit for the Period	95	143	-33.5%	158	-40.0%	412	380	8.5%	481	558	774
EPS (Dil)	3.54	5.32	-33.5%	5.89	-39.9%	15	14	8.3%	18	21	29

Sources: NSE, Mint, ET, Yahoo Finance, Investing.Com & CNBC TV18, EFL Research

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Research Analyst

Syantina Mallick Chowdhury (research@easternfin.com)

Research Team

Partha Mazumder (partha@easternfin.com)

Sanjukta Majumdar (research@easternfin.com)

Syantina Mallick Chowdhury (syantina@easternfin.com)

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