

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs1040	1012	Accumulate	Rs1200	15%

\*as on 06th Feb, 2026

### About the Company:

Max Healthcare Institute Limited (MHIL) is the second largest healthcare provider in terms of revenue with best-in-class operating metrics (highest ARPOBs, occupancies) amongst the listed players in India. It has 22 healthcare facilities across the NCR Delhi, Haryana, Punjab, Uttarakhand and Maharashtra. Apart from hospitals; MHIL also operates a homecare and pathology business under brand names Max@Home and Max Labs respectively. Max@Home offers health and wellness services at home while Max Labs provide pathology services outside its hospital network.

### Results: (Reported Numbers Consolidated):

- The consolidated net sales for the quarter grew to Rs24.84bn as compared to Rs22.81bn in the same quarter last year; growth of 8.9%
- The Ebitda margin for the quarter under review stood at 26.1% as compared to 27.3% in Q3FY25
- The net profit came in at Rs3.45bn as against Rs3.15bn in the same quarter last year; growth of 9.5%
- The EPS stands at Rs3.1 as against Rs2.4 in Q3FY25
- For 9MFY26, the revenues came in at Rs75.24bn as compared to Rs63.41bn; growth of 18.7% while the PAT stood at Rs12.45bn as against Rs9.60bn. The EPS came in at Rs11.3 as against Rs7.7 in 9MFY25

### Conference Call Highlights:

- **Operational metrics:** Gross revenues stood at Rs26,080mn; growth of 9.5% on a y-o-y basis but a decline of 3% q-o-q. Network operating Ebitda stood at Rs6480mn, growth of 4% on a y-o-y basis but a 7% decline over the trailing quarter
- The Ebitda/bed from existing units stood at Rs71.3lakhs as compared to Rs73.0lakhs in Q3FY25 & Rs73.4lakhs in Q2FY26
- **ARPOB** in existing units stood at Rs77.9k v/s Rs75.9k in Q3FY25 and Rs77.3k in Q2FY26, growth of 3% y-o-y
- The **ALOS** stood at 4.2 days in Q3FY26; compared to 4.0 days in Q3FY25 and Q2FY26
- International patient revenues for the quarter stood at Rs2,300mn as compared to Rs2010mn in Q3FY25 and Rs2,310mn in Q2FY26; reflecting a growth of +14% on a y-o-y basis; accounting for ~9% of the hospital revenue
- The **institutional bed share** from existing units stood at 35.8% in Q3FY26 as compared to 30.1% in Q3FY25 and 34.0% in Q2FY26. It was relatively higher due to temporary disruption of cashless services for policy holders of SAHIs, leading to drop in OBDs for insurance patients
- Digital revenue from online marketing activities and web-based appointments stood at Rs8,030mn i.e., ~31% of overall revenue. The website traffic grew by 44% on a y-o-y basis to reach 71 lakhs+ sessions
- **Max Lab:** reported gross revenue of Rs470mn, growth of 13% on a y-o-y basis. Max Lab services are now available in 60+ cities and offers a comprehensive range of over 2,700 tests
- **Max@Home:** reported gross revenue of Rs680mn, growth of ~23% on a y-o-y basis (driven by physio & rehab and critical care revenue segments) and ~7% on a q-o-q basis
- **Payor profile:** Contributions during Q3FY26 came in as Self-pay at 34.5%, Insurance & Corporates: 33.3%, International: 9.4% and Institutional: 22.7%
- The **disruption of cashless services** led to substitution of standalone health insurers (SAHIs) patients with PSU patients. Post settlement, the cashless services were restored towards the end of the quarter
- **Projects under development:** In terms of bed additions, Max will be adding 1500+ beds in FY26E with the current capacity at ~5200 beds. **Nanavati** (280 beds brownfield tower): 63 beds commissioned with current occupancy of 45 beds delivering Ebitda margins of ~31%. The balance beds are to be commissioned by Q4FY26. For the ~160 beds **MSSH Mohali** brownfield tower, 53 beds have been commissioned with current occupancy of 46 beds delivering Ebitda margin of ~39%. The balance beds will be commissioned by Q4FY26. **Max Smart, Saket Complex** (400 beds): infra for 200 beds is ready for commissioning and awaiting the OC which is expected by the end of Feb. **Sector 56 Gurgaon** (500 beds): The structural work is in progress. Max expects to commission the first phase of the facility by end of H1FY27E. **Lucknow:** the current capacity of the hospital is 413 beds stands at and are expected to be 520 beds by end of the FY. **Nagpur** (100 beds): Max is awaiting EC approval. Max expects to complete this project within 24 months. **Patparganj** (397 beds): Max has already received environmental clearance. The tendering work is in progress. The project continues to be largely on schedule, and the project is expected to be completed by FY29E. **Max Vikrant, Saket** (550 beds): This will happen immediately after the commissioning of 400 beds at Max Saket at end of the year and the project is expected to be completed in 40 months

### Conference Call Highlights (contd.):

- **Zirakpur, Punjab** (400 beds): Max's partner has received approval and the site construction is in full swing; faster than anticipated and the project is expected to be completed by end of CY27. **Max Dwarka**: The Board has approved an amendment to the existing services agreement to extend arrangements to approx. 260 additional beds being constructed at the Max Super Speciality Hospital, Dwarka site. The proposed capacity addition will be undertaken within the next 24 months, with the company providing an interest-free refundable security deposit of approx. Rs250mn. **Max Vaishali** (140 beds): Max has acquired the land adjoining Max Vaishali and will be initiating drawings, detailing and more in the next couple of months. Max expects to complete this brownfield project in the next 24 months as well after receiving the requisite approvals. **Max Thane** (500 beds): the partner is finalizing the master plans for the same, and the project is expected to be delivered in 42 months. **Pitampura Delhi** (250 beds): construction work to begin on receipt of necessary approvals, partner on the job with the plans during the quarter with the project completion expected in 36 months. **Jaypee Hospital** clock over 30% y-o-y revenue growth in Q3 (post-acquisition). Adjusting for the initial revenue dip following the acquisition, when referral streams were rationalized, the underlying growth trajectory would be ~40%. Ebitda improved in line with revenue recovery, though margins remained ~3-4% below overall network margins. As part of the geographical expansion plan, the hospital has entered into a share purchase agreement to acquire 100% equity stake in **Yerawada Properties Private Ltd** for developing a 450-bed super-specialty hospital in Pune. The project involves an aggregate investment of upto Rs10,200mn, including Rs2bn payable to YPPL shareholders, with the hospital expected to be commissioned by 2030.
- **Financials**: (i) CFO stood at Rs2,810mn during the quarter v/s Rs3030mn in Q3FY25, (ii) ~Rs4080mn was deployed towards the ongoing expansion plans and upgradation of newer units, (iii) net debt at the end of the quarter stood at Rs21,660mn as compared to Rs20,670mn at the end of Sept'25, (iv) overall pre-tax ROCE for Q3FY26 stood at 20.3%, compared to 24.6% in Q3FY25 and 23.2% in Q2FY26, (iv) overall occupancy was 74% v/s 75% in Q3FY25 and 77% in Q2FY26. OBDs grew 7% y-o-y

### Financials:

Performance (Q3FY26)									
Q3FY26 Result (Rs mn)	Dec-25	Dec-24	y-o-y	Sept-25	q-o-q	9MFY26	9MFY25	y-o-y	FY26E
Total Operating Income	24840	22810	8.9%	25800	(3.7%)	75240	63410	18.7%	98670
EBITDA	6480	6220	4.2%	6940	(6.6%)	19560	16870	15.9%	26398
Interest	410	350	17.1%	410	-	1160	480	-	1840
Depreciation	1230	1060	16.0%	1220	0.8%	3620	2930	23.5%	4466
ESOPS + Others	150	210	(28.6%)	180	(16.7%)	540	600	(10.0%)	800
Exceptional Items	550	740	(25.7%)	0	-	550	740	(25.7%)	550
Tax	690	710	(2.8%)	(410)	-	1240	2520	(50.8%)	2701
Net Profit	3450	3150	9.5%	5540	(37.7%)	12450	9600	29.7%	17141

**Outlook and Recommendations:** The gross revenues for the network reported a growth of 10% y-o-y but there was a q-o-q drop of 3% largely attributed to the growth of OBD reported at 7% y-o-y inspite of the weak seasonality, substitution of Standalone health insurers (SAHIs) patients with PSU due to disruption of cashless services prior to settlement and restoration of the same towards the end of the quarter, discontinuation of high value patented chemotherapy drugs due to restrictive pricing guideline by CGHS and the upward revision of CGHS tariff, expected to be fully implemented by Apr'26. The overall Ebitda per bed stood at Rs71.3lakh, compared with Rs73.0lakh in Q3FY25 and Rs73.4lakh in Q2FY26. The Ebitda margins stood at 26% which did see the impact of pre-commissioning expense of the brownfields, GST rate change and the discontinued patented chemotherapy drugs for institutional patients. There are two exceptional items aggregating to Rs550mn relating to impact of labour codes and provision for stamp duty on the amalgamation of CRL with JHL; accordingly, the network PAT, after exceptional items, reflecting a growth of +9% y-o-y. Going forward, the hospital has established structured agreements with insurance companies that include provisions for annual price revisions. These arrangements indicate a systematic approach to managing pricing for healthcare services in coordination with insurance partners. The institutional bed share from existing units stood at 35.8% in Q3FY26 as compared to 30.1% in Q3FY25 and 34.0% in Q2FY26. It was relatively higher due to temporary disruption of cashless services for policy holders of SAHIs, leading to drop in OBDs for insurance patients.

**Outlook and Recommendations (contd.):**

The company has operationalised new brownfield beds at Nanavati Max and MSSH Mohali, which have already demonstrated accretive margins with 63 and 53 beds commissioned respectively during the quarter. Max Smart is expected to commission a new brownfield tower with 400 beds by Feb end. As part of the geographical expansion plan, the hospital has entered into a share purchase agreement to acquire 100% equity stake in Yerawada Properties Private Ltd for developing a 450-bed super-specialty hospital in Pune. The project involves an aggregate investment of upto Rs10,200mn, including Rs2000mn payable to YPPL shareholders, with the hospital expected to be commissioned by 2030. Max Lab reported gross revenue of Rs470mn, growth of 13% on a y-o-y basis. Max@Home reported gross revenue of Rs680mn, growth of ~23% on a y-o-y basis (driven by physio & rehab and critical care revenue segments) and ~7% on a q-o-q basis. The hospital expects a significant ramp-up in the capacity in Q4 and in FY27E. Encouraging performance in existing network hospitals and new capacity additions has boosted the confidence to further pursue growth opportunities, including entry into Pune are some of the triggers of growth going forward. We remain positive on the company and maintain an accumulate for a revised target price of Rs1200.

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