

APOLLO HOSPITALS

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	7,642
12 month price target (INR)	9,090
52 Week High/Low	8,100/6,001
Market cap (INR bn/USD bn)	1,099/12.4
Free float (%)	72.0
Avg. daily value traded (INR mn)	2,991.2

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	28.02%	29.34%	29.34%
FII	44.20%	43.49%	42.74%
DII	21.12%	21.34%	22.29%
Pledge	8.58%	13.11%	13.47%

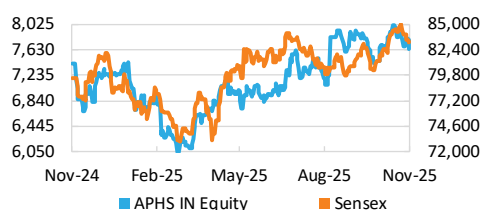
FINANCIALS

	(INR mn)			
Year to March	FY24A	FY25A	FY26E	FY27E
Revenue	1,90,592	2,17,940	2,50,580	2,92,895
EBITDA	23,907	30,218	37,226	45,028
Adjusted profit	8,973	14,459	19,028	24,348
Diluted EPS (INR)	62.4	100.6	132.3	169.3
EPS growth (%)	25.0	61.1	31.6	28.0
RoAE (%)	13.7	19.1	20.8	21.5
P/E (x)	122.4	76.0	57.7	45.1
EV/EBITDA (x)	47.4	38.0	30.8	25.0
Dividend yield (%)	0.2	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	2,50,580	2,92,895	-1.2%	-2.7%
EBITDA	37,226	45,028	-1.9%	-3.4%
Adjusted profit	19,028	24,348	-0.4%	-5.8%
Diluted EPS (INR)	132.3	169.3	-0.4%	-5.8%

PRICE PERFORMANCE



HealthCo steady; hospitals to gather pace

Apollo Hospitals' Q2FY26 performance is largely in line with consensus estimates. 24/7 costs went down 22% YoY. HealthCo growth is healthy at 17% YoY, but hospital growth is softer at 9% YoY with IP volume growth of merely 2%. Diagnostics business expanded 36% YoY.

APHS reiterated its 12–13% organic growth guidance owing to return of Bangladesh patients, improving specialty mix and tariff revisions. We note minor delays in bed additions; it is unlikely to derail growth. Besides, with cost savings measures, it aims to improve established hospitals' margin by 100bp and help offset losses from six new hospitals. AHLL and HealthCo remain impressive. That said, watch out for 24/7 breakeven and insurance business uptick; retain 'BUY'.

Q2FY26: Hospitals affected by seasonality; pharmacy business steady

Hospital revenue growth was modest at 9% YoY (~2% volume growth) with occupancy at 69% (-400bp YoY) affected by seasonality and Bangladesh impact. Hospital margins, however, were steady at 24.6% (-22bp YoY). HealthCo posted 17% YoY revenue growth and over 2x YoY EBITDA surge to 4.1% margin aided by lower 24/7 costs. GMV rose 16% YoY (restated basis) while AHLL delivered an impressive performance with diagnostic revenues jumping 36% YoY to INR1.8bn.

Expansion delay won't derail growth; International recovery key

While management indicated delays in ongoing bed additions (~2,000 beds over 12–18 months; earlier FY26), they remain confident of achieving organic growth of 12–13%. The optimism stems from recovery in Bangladesh patients (~60% in October), addition of new international markets, focused execution in CONGO therapies (+14% YoY in Q2) and benefits from recent tariff revisions. This along with new cost measures (INR1.2bn savings) underpins APHS's expectation of 100bp margin uptick in its established hospitals (currently 25.1%), which shall help offset losses from new hospitals. We build in hospitals' revenue/EBTIDA CAGR of 15%/15% over FY25–28E.

24/7 costs at comfortable levels; revenue uptick in focus

We note that 24/7 costs are now at comfortable levels, and further synergies are expected as the three entities align next year. However, management indicated a slight delay in breakeven amid ongoing investments in the insurance business, though it remains on course. With the Keimed merger on track, the listing of the omni-channel pharmacy business remains a value-unlocking opportunity. That said, we are cutting FY26E/27E, EBITDA by 2%/3% for the delayed expansion. This along with a rollover to H1FY28E yields a revised SotP-based TP of INR9,090 (earlier INR9,010), ascribing 26x H1FY28E to hospital and HealthCo EBITDA, and 20x to AHLL.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	63,035	55,893	12.8	58,421	7.9
EBITDA	9,411	8,155	15.4	8,519	10.5
Adjusted Profit	4,772	3,788	26.0	4,328	10.3
Diluted EPS (INR)	33.2	26.3	26.0	30.1	10.3

Financial Statements

Income Statement (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Total operating income	1,90,592	2,17,940	2,50,580	2,92,895
Gross profit	92,537	1,04,840	1,21,531	1,42,054
Employee costs	24,937	27,692	30,932	35,108
Other expenses	43,693	46,930	53,373	61,918
EBITDA	23,907	30,218	37,226	45,028
Depreciation	6,870	7,575	8,687	9,331
Less: Interest expense	4,494	4,585	4,638	4,638
Add: Other income	1,063	2,003	2,387	2,801
Profit before tax	13,786	20,391	26,701	34,355
Prov for tax	4,455	5,340	6,998	9,142
Less: Other adj	19	0	0	0
Reported profit	8,986	14,459	19,028	24,348
Less: Excp.item (net)	13	0	0	0
Adjusted profit	8,973	14,459	19,028	24,348
Diluted shares o/s	144	144	144	144
Adjusted diluted EPS	62.4	100.6	132.3	169.3
DPS (INR)	15.0	0	0	0
Tax rate (%)	32.3	26.2	26.2	26.6

Important Ratios (%)

Year to March	FY24A	FY25A	FY26E	FY27E
Gross margin (%)	48.6	48.1	48.5	48.5
Net debt/EBITDA	0.6	0.8	0.6	0.1
Working cap (% of sales)	3.2	5.8	4.1	4.0
EBITDA margin (%)	12.5	13.9	14.9	15.4
Net profit margin (%)	4.7	6.6	7.6	8.3
Revenue growth (% YoY)	14.7	14.3	15.0	16.9
EBITDA growth (% YoY)	16.6	26.4	23.2	21.0
Adj. profit growth (%)	25.0	61.1	31.6	28.0

Assumptions (%)

Year to March	FY24A	FY25A	FY26E	FY27E
GDP (YoY %)	6.5	6.3	6.5	6.5
Repo rate (%)	6.5	5.3	5.3	5.3
USD/INR (average)	84.0	82.0	81.0	81.0
Hospitals Sales growth	13.7	13.0	12.1	15.9
ARPOB Growth	11.3	5.4	8.1	5.6
No. of operating beds	7,945.0	8,025.0	8,643.0	9,653.0
Occupancy rate	65.0	68.0	66.1	62.5
Offline Pharmacy growth	15.5	15.7	16.9	17.0
AHLL sales growth	10.9	13.8	17.7	12.8

Valuation Metrics

Year to March	FY24A	FY25A	FY26E	FY27E
Diluted P/E (x)	122.4	76.0	57.7	45.1
Price/BV (x)	15.8	13.4	10.9	8.8
EV/EBITDA (x)	47.4	38.0	30.8	25.0
Dividend yield (%)	0.2	0	0	0

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Share capital	719	719	719	719
Reserves	68,635	81,404	1,00,432	1,24,780
Shareholders funds	69,354	82,123	1,01,151	1,25,499
Minority interest	3,851	4,406	5,081	5,946
Borrowings	31,619	52,752	52,752	52,752
Trade payables	23,686	22,405	27,224	30,995
Other liabs & prov	18,194	19,382	20,963	23,730
Total liabilities	1,67,531	2,06,574	2,32,677	2,64,428
Net block	65,662	73,504	93,527	99,696
Intangible assets	11,481	13,197	13,197	13,197
Capital WIP	8,447	7,710	7,710	7,710
Total fixed assets	85,590	94,411	1,14,434	1,20,603
Non current inv	3,087	10,817	10,817	10,817
Cash/cash equivalent	16,178	27,925	30,778	50,033
Sundry debtors	25,149	30,161	31,797	36,110
Loans & advances	1,708	1,873	1,873	1,873
Other assets	9,871	10,461	12,052	14,066
Total assets	1,67,531	2,06,574	2,32,677	2,64,428

Free Cash Flow (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Reported profit	8,986	14,459	19,028	24,348
Add: Depreciation	6,870	7,575	8,687	9,331
Interest (net of tax)	4,494	4,585	4,638	4,638
Others	5,447	(822)	7,673	10,007
Less: Changes in WC	(1,928)	427	3,173	211
Operating cash flow	19,202	21,364	36,201	39,392
Less: Capex	(11,368)	(17,127)	(28,710)	(15,500)
Free cash flow	7,834	4,237	7,491	23,892

Key Ratios

Year to March	FY24A	FY25A	FY26E	FY27E
RoE (%)	13.7	19.1	20.8	21.5
RoCE (%)	18.4	20.2	20.7	22.4
Inventory days	16	15	15	15
Receivable days	45	46	45	42
Payable days	80	74	70	70
Working cap (% sales)	(0.4)	2.4	0.8	0.6
Gross debt/equity (x)	0.4	0.6	0.5	0.4
Net debt/equity (x)	0.2	0.3	0.2	0
Interest coverage (x)	3.8	4.9	6.2	7.7

Valuation Drivers

Year to March	FY24A	FY25A	FY26E	FY27E
EPS growth (%)	25.0	61.1	31.6	28.0
RoE (%)	13.7	19.1	20.8	21.5
EBITDA growth (%)	16.6	26.4	23.2	21.0
Payout ratio (%)	24.0	0	0	0

Q2FY26 conference call highlights

Bed expansion

- Some hospitals delayed to next year. Hyderabad now in Q1FY27 (comprehensive oncology program added which is taking time). Gurgaon too in Q1FY27 (some restructuring and private rooms to be added).
- Brownfield expansions such as Jubilee Hills, Secunderabad will be by mid-to-end next year.
- Work started at both Mysore and Malleswaram, and likely to commence next year.
- Already soft commissioned Defence Colony Cancer Centre and Pune multi-specialty hospital in Q3FY26. Sarjapur (Bangalore) and Kolkata will happen in Q4FY26.

Hospitals

- Organic revenue growth – can get back to 13% from existing beds. 60% of Bangladesh patients are back in October. Also exploring new markets such as Uzbekistan, Africa, Indonesia Iraq. CONGO specialties also going up and some tariff revisions. Over 3 year period, 5% growth can be added from new hospitals.
- EBITDA margin could still stay at 24.6-25% in FY26. Some pre operating expenses are already there in P&L (INR150mn in quarter i.e. 50bp and next quarter will increase) and hence ARPP flow is not been seeing in EBITDA. This implies established hospitals margin are 25.2%. Working to improve it by 100bp.
- From six new hospitals about INR1.5bn losses are expected. But identified INR1.2bn cost cutting plans mainly through material management and supplies, using HR more efficiently, rather than recruitment looking at redeployment and reduction in ongoing cost in IT and some other costs.
- This year margin will be higher than last year. From next quarter will separately show margin of established and new hospitals separately.
- CGHS rates are still 60% lower than insurance/cash business even after hikes.
- Insurance – stay in dialogue and good way forward. All are part of same value chain. Insurance contracts are once in 2 years. No price increase in 2nd year. Certain contracts may come up for renewal .
- Karnataka cluster – drop in medical admissions significantly resulted in 6% decline in volumes. But ARPP has gone up due to high specialty mix. Last year was very bad dengue year which was not the case in Q2FY26.
- ARPP – grew by 9% YoY driven by better clinical mix and regular tariff increase in-line with inflation.
- Reduction of Bangladesh patients had 1% impact on revenue and EBITDA.
- Almost all volume growth has come from CONGO. CONGO maintained strong momentum with 14% YoY revenue growth and 6% volume growth. Quality of revenues have improved and more geared towards CONGO specialties which will also drive organic growth going forward.
- Insurance and Cash patients accounted for 83% of IP volumes.

HealthCo/Others

- 24/7 breakeven – some delay could happen since investing reasonably on insurance business. But remain on course.
- HealthCo – Guided for INR250bn run-rate in Q4FY27 – on track to hit that mark. In H1FY26, run-rate is INR180bn. On margin, guided for 7% in Q4FY27. Should be 6% plus and in FY28 at 7%.
- CM1 level turned positive. CM2 and CM3 breakeven expected in next 2-3 quarters.
- GMV drivers – mainly pharmacy specially through its app and website which was growing at 30% YoY and 5-7% QoQ. In this quarter, exited B2B business because of the bottom line related issues. Also, 6% shaved off from topline due to GST reduction, however there is no impact on bottom line. This is the new base and should increase QoQ.
- 24/7 operating costs are now at comfortable levels. Biggest expense is marketing which is at reasonable levels. More synergies will come when all 3 entities are aligned but that will happen next year. Focus is now on revenue side.
- GMV – pharmacy is biggest chunk and has direct impact on profitability (55-60% contribution). Unit economics is what will drive breakeven. Next driver is diagnostics which is directly linked to GMV and margin structure is better. Third is hospitals business however it is just fees related business and not a big driver. Lastly, insurance business where it will record Gross written premiums (GWP) i.e. collected premiums into the number. This will come from next quarter. Currently it is in breakeven mode and when profitable will contribute disproportionately to margin.
- Keimed saw one-time drop in margin due to integration and scheme related expenses. 20-30bp improvement from 3.1% margin expected from next quarter. Keimed merger remain on track.
- 15.3% private label generics of pharmacy business. 3mn new users added to reach 44mn digital platform
- GMV growth - 25-30% overall. Diagnostics is also growing. Hospital – relooking at approach. Insurance – little bit of time. Clocking in good numbers from just 2 cities in NCR and Hyderabad. Insurance business – not looking at manpower addition. Work closely with APL outlets. Call centre to expand from 300 seater to 500 seater . Omni model.
- Inventory at retail level back to normal.

AHLL/ Diagnostics

- Seeing competition headwinds in diagnostics. No competition in Spectra. In cradle, very limited competition except in Karnataka where Cloudnine has taken big market share. Dialysis continue to do well.
- Focus will be on primary care – growing diagnostics and clinics (GPs at the centre) which will act as funnel to Apollo Hospitals.

Exhibit 1: SotP valuation

Valuation	Sep-27
Healthcare services business	
Multiple (EV/EBITDA)	26
EBITDA post Ind AS 116	37,613
EV	9,85,469
Less: Net debt	(9,000)
Equity value	9,94,469
Apollo HealthCo business	
Multiple (EV/EBITDA)	26
EBITDA post 24/7 (incl Keimed) (proforma)	15,903
EV	4,16,657
Less: Net debt	19,000
Equity value	3,97,657
~60% stake	2,38,594
AHLL (20x EBITDA) (100% stake)	66,386
Equity value	64,586
Other JVs and associates	6,600
Total EV	14,75,111
Total Equity Value	13,04,248
No. of shares	144
Value per share	9,090

Source: Company, Nuvama Research

Exhibit 2: Segmental details (INR mn)

Segmental Revenues	Q2FY26	Q2FY25	Y-o-Y (%)	Q1FY26	QoQ (%)
Healthcare services	31,690	29,032	9.2	29,351	8.0
Offline pharmacy	23,347	20,144	15.9	21,634	7.9
Online 24/7 sales	3,259	2,678	21.7	3,085	5.6
GMV 24/7	7,230	6,212	16.4	6,825	5.9
Clinics	4,739	4,039	17.3	4,351	8.9
Segmental EBITDA (post Ind AS-116)	Q2FY26	Q2FY25	Y-o-Y (%)	Q1FY26	QoQ (%)
Healthcare services	7,810	7,220	8.2	7,179	8.8
Pharmacy	1,102	521	111.5	938	17.5
24/7 costs	1,259	1,353	(6.9)	1,208	4.2
Clinics	500	414	20.8	403	24.1
Segmental EBITDA margin	Q2FY26	Q2FY25		Q1FY26	
Healthcare services	24.6	24.9	(22.4)	24.5	18.6
Pharmacy	4.1	2.3	185.9	3.8	34.7
Clinics	10.6	10.3	30.1	9.3	128.9

Source: Company, Nuvama Research

Exhibit 3: Actuals versus estimates (INR mn)

	Q2FY26	Q2FY25	Y-o-Y (%)	Q1FY26	QoQ (%)	Nuvama estimates	Deviation (%)	Consensus	Deviation (%)
Net Revenue	63,035	55,893	12.8	58,421	7.9	62,608	0.7	62,967	0.1
Raw material costs	32,436	28,577	13.5	30,476	6.4	32,431	0.0		
Gross profit	30,599	27,316	12.0	27,945	9.5	30,177	1.4		
Gross margin (%)	48.5	48.9	(33)	47.8	71	48.2			
Employee costs	7,667	7,001	9.5	7,126	7.6	7,576	1.2		
Administrative costs	13,521	12,160	11.2	12,300	9.9	13,367	1.2		
EBITDA	9,411	8,155	15.4	8,519	10.5	9,235	1.9	9,362	0.5
EBITDA margin (%)	14.9	14.6	34	14.6	35	14.8		14.9	
Net finance expense (Income)	1,096	1,175	(6.7)	1,083	1.2	1,100	(0.4)		
Depreciation	2,178	1,845	18.0	2,147	1.4	2,000	8.9		
Other income	547	382	43.2	402	36.1	600	(8.8)		
PBT	6,684	5,517	21.2	5,691	17.4	6,735	(0.8)		
Income tax expense	1,807	1,617	11.8	1,417	27.5	1,886	(4.2)		
PAT	4,772	3,788	26.0	4,328	10.3	4,742	0.6		
Extraordinaries (loss)/gain	0	0	-	0	-	0			
Adjusted PAT	4,772	3,788	26.0	4,328	10.3	4,742	0.6	4,711	1.3
Adjusted EPS	33.2	26.3	26	30	10	33	0.6		

Source: Company, Nuvama Research

Exhibit 4: Segmental breakdown (INR mn)

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue breakup	1,12,468	1,06,581	1,39,609	1,66,125	1,90,592	2,17,940	2,50,580	2,92,895	3,40,404
Growth	17%	-5%	31%	19%	15%	14%	15%	17%	16%
Healthcare services	57,298	51,003	74,783	86,769	98,670	1,11,475	1,24,955	1,44,770	1,67,933
Growth	11%	-11%	47%	16%	14%	13%	12%	16%	16%
Apollo HealthCo	48,206	48,760	53,451	67,045	78,269	90,930	1,07,337	1,27,499	1,49,167
Pharmacy -offline	48,206	48,760	53,451	59,951	69,268	80,143	93,688	1,09,615	1,28,250
Growth	24%	1%	10%	12%	16%	16%	17%	17%	17%
Online pharma/24/7				7,094	9,001	10,787	13,649	17,884	20,918
AHLL	6,964	6,818	11,375	12,311	13,653	15,535	18,287	20,626	23,304
Vaccines			4,910						
	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBITDA breakup	15,873	11,374	21,851	20,496	23,907	30,218	37,226	45,028	54,484
Growth	49%	-28%	92%	-6%	17%	26%	23%	21%	21%
Healthcare services	10,751	6,926	17,599	21,332	23,559	27,006	30,415	34,587	40,640
Mature hospitals	9,629	5,480	12,867	16,662					
New hospitals (incl. proton)	1,122	1,446	4,732	4,670					
Apollo HealthCo	4,452	3,932	4,089	(1,954)	(815)	1,675	4,787	7,605	9,961
Offline pharmacy	4,452	3,932	4,089	4,742	5,231	6,124	7,280	8,769	10,500
Online pharma/24/7	-	-	-	(6,696)	(6,046)	(4,449)	(2,493)	(1,164)	(539)
AHLL	671	768	1,621	1,181	1,167	1,537	1,987	2,898	3,740
Vaccines			706						
EBITDA margin	14.1%	10.7%	15.7%	12.3%	12.5%	13.9%	14.9%	15.4%	16.0%
Healthcare services	18.8%	13.6%	23.5%	24.6%	23.9%	24.2%	24.3%	23.9%	24.2%
Apollo HealthCo				-2.9%	-1.0%	1.8%	4.5%	6.0%	6.7%
Offline pharmacy	9.2%	8.1%	7.6%	7.9%	7.6%	7.6%	7.8%	8.0%	8.2%
Online pharma/24/7	0.0%	0.0%	0.0%	-11.2%	-8.7%	-5.6%	-2.7%	-1.1%	-0.4%
AHLL	9.6%	11.3%	14.3%	9.6%	8.5%	9.9%	10.9%	14.1%	16.1%
	15,874	11,626	24,015	20,559	23,911	30,218	37,189	45,090	54,341
PAT	3,243	1,130	8,497	6,914	9,047	14,459	19,028	24,348	31,651
EPS	23	8	59	48	62.9	100.6	132	169	220

Source: Company, Nuvama Research

Exhibit 5: Quarterly snapshot (INR mn)

Year to March	Q2FY26	Q2FY25	% change	Q1FY26	% change	FY25	FY26E	FY27E
Net Revenue	63,035	55,893	12.8	58,421	7.9	2,17,940	2,50,580	2,92,895
Cost of revenue	32,436	28,577	13.5	30,476	6.4	1,13,100	1,29,048	1,50,841
Gross profit	30,599	27,316	12.0	27,945	9.5	1,04,840	1,21,531	1,42,054
Employee cost	7,667	7,001	9.5	7,126	7.6	27,692	30,932	35,108
Administrative cost	13,521	12,160	11.2	12,300	9.9			
EBITDA	9,411	8,155	15.4	8,519	10.5	30,218	37,226	45,028
EBITDA margin (%)	14.9	14.6		14.6	34.8	14	15	15
Depreciation	2,178	1,845	18.0	2,147	1.4	7,575	8,687	9,331
EBIT	7,233	6,310	14.6	6,372	13.5	22,643	28,539	35,697
Less: Interest Expense	1,096	1,175	(6.7)	1,083	1.2	4,585	4,638	4,638
Add: Other income	547	382	43.2	402	36.1	2,003	2,387	2,801
Add: Exceptional items	0	0		0		0	0	0
Profit before tax	6,684	5,517	21.2	5,691	17.4	20,061	26,288	33,860
Less: Provision for Tax	1,807	1,617	11.8	1,417	27.5	5,340	6,998	9,142
Reported Profit	4,772	3,788	26.0	4,328	10.3	14,459	19,028	24,348
Adjusted Profit	4,772	3,788	26.0	4,328	10.3	14,459	19,028	24,348
No. of Diluted shares outstanding	144	144		144		144	144	144
Adjusted Diluted EPS	33	26	26.0	30	10.3	101	132	169
as % of revenues								
Cost of revenue	51.5	51.1		52.2		51.9	51.5	51.5
Operating profit	11.5	11.3		10.9		10.4	11.4	12.2
Net profit	7.6	6.8		7.4		6.6	7.6	8.3
Tax rate	27.0	29.3		24.9		26.6	26.6	27.0

Source: Company, Nuvama Research

Company Description

Apollo Hospitals is widely recognised as the pioneer of private healthcare in India, and was the country's first corporate hospital. The Apollo Hospitals Group, which started as a 150-bed hospital in Chennai in 1983 and today operates 7,000-plus beds across 70 hospitals. The Group has emerged as the foremost integrated healthcare provider in Asia with mature group companies that specialise in insurance, pharmacy, consultancy, clinics and many such key touch points of the ecosystem.

The group includes hospitals, pharmacies, primary care and diagnostic clinics, and telemedicine centres panning the length and breadth of India. As an integrated healthcare services provider—health insurance services, global projects consultancy capability, medical education centres and a research foundation—with focus on global clinical trials, epidemiological studies, stem cell & genetic research, Apollo has been at the forefront of medical breakthroughs. Its most recent investment went towards commissioning the first Proton Therapy Center in Chennai, India.

Investment Theme

APHS hospital business is on a solid footing as it: i) focuses on high-end surgical work, optimises payor mix and reconfigures beds to drive ARPOB growth; ii) aims to sustain 70%-plus occupancy; and iii) has a detailed ~3,000 bed addition plan for the next five years, which offers visibility. This capex cycle is backed by a healthy balance sheet with a net cash position.

The pharmacy business should grow in double-digits given new stores and product mix. The equity-raise strengthens its balance sheet for bolt-ons and has resulted in a net cash position. APHS's focus on the 24x7 digital app not only puts it ahead of the competition, but also act as a feeder for existing businesses.

Key Risks

- Not able to garner share in newer geographies; specialist physicians could disassociate or unable to attract talent.
- Upcoming capex cycle to dilute margin and RoCE
- Pharmacy business may underperform vis-à-vis expectations
- Regulatory intervention
- Subsidiaries may be unable to sustain profitability ahead

Additional Data

Management

Chairman	Dr. Prathap C Reddy
Vice Chairperson	Smt. Preetha Reddy
Vice Chairperson	Smt. Shobana Kamineni
Managing Director	Smt. Suneeta Reddy
Auditor	Deloitte Haskins & Sells LLP

Holdings – Top 10*

	% Holding		% Holding
Vanguard	3.37	SBI Funds	1.58
Blackrock	2.88	Artisan Partner	1.55
Franklin Resour	2.62	HDFC AMC	1.41
Axis AMC	1.89	Nippon Life	1.35
Mirae	1.83	SBI Funds	1.56

*Latest public data

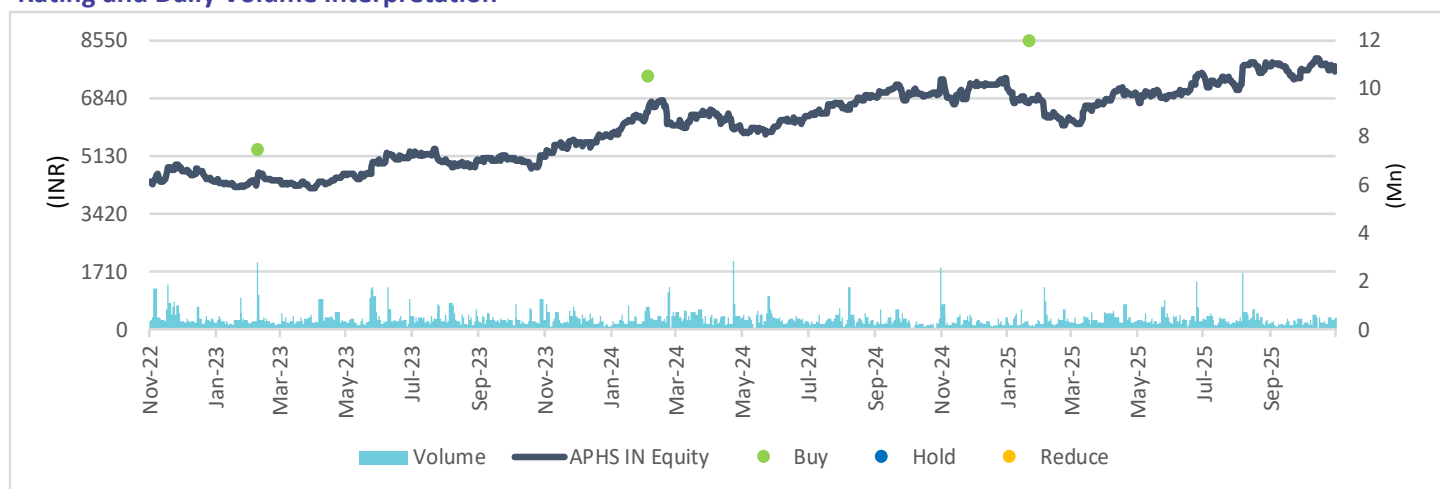
Recent Company Research

Date	Title	Price	Reco
13-Aug-25	HealthCo delivers; sustained execution k; <i>Result Update</i>	7,808	Buy
01-Jul-25	Unlocking value through restructuring; <i>Company Update</i>	7,496	Buy
31-May-25	Pulse steady; horizons expanding; <i>Result Update</i>	7,050	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
06-Nov-25	Metropolis Healthcare	Platform ready; execution key; <i>Result Update</i>
04-Nov-25	VIJAYA CENTRE	Temporary blip; core strength intact; <i>Result Update</i>
03-Nov-25	MedPlus Services	Health Pursuing growth; guarding margins; <i>Result Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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Abneesh Roy

Head of Research Committee

Abneesh.Roy@nuvama.com
