Manipal Health Enterprises Limited

28-July-26

Subscribe- Long Term

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Issue Details

Issue Details	
Issue Size (Value in ₹ million, Upper Band)	92,750
Fresh Issue (No. of Shares in Lakhs)	1,355
Offer for Sale (No. of Shares in Lakhs)	216
Bid/Issue opens on	29-July-26
Bid/Issue closes on	31-July-26
Face Value	₹ 2
Price Band	560-590
Minimum Lot	25

Objects of the Issue

- **Fresh Issue: 80,000 million**
  - Pre-payment, or scheduled repayment, in full or part, of certain borrowings availed by the Company.
  - General Corporate Purpose
- **Offer for sale: 12,750 million**

Book Running Lead Managers
Kotak Mahindra Capital Company Limited
Axis Capital Limited
Goldman Sachs (India) Securities Private Limited
Jefferies India Private Limited
J.P. Morgan India Private Limited
UBS Securities India Private Limited
DBS Bank India Limited
Registrar to the Offer
KFin Technologies Limited

Capital Structure (₹ million)	Aggregate Value
Authorized share capital	3,000
Subscribed paid up capital (Pre-Offer)	2,359
Paid up capital (Post - Offer)	2,630

Share Holding Pattern %	Pre-Issue	Post Issue
Promoters & Promoter group	81	72
Public	19	28
Total	**100**	**100**

Financials

Particulars (₹ In million)	FY26	FY25	FY24
Revenue from operations	**1,03,358**	**82,423**	**61,716**
Operating Expenses	77,246	61,157	44,886
EBITDA	**26,112**	**21,265**	**16,831**
Other Income	1,848	1,205	935
Depreciation	6,795	5,068	3,970
EBIT	**21,164**	**17,402**	**13,796**
Interest	8,643	5,119	4,549
PBT and Excep Item	12,521	12,284	9,247
Exceptional Item	(741)	140	(1,796)
PBT	**11,780**	**12,423**	**7,450**
Tax	**2,615**	**1,606**	**2,118**
PAT	**9,165**	**10,817**	**5,332**
EPS	**6.97**	**8.22**	**4.05**
Ratios	**FY26**	**FY25**	**FY24**
EBITDAM	25.26%	25.80%	27.27%
PATM	8.87%	13.12%	8.64%
Sales Growth	25.40%	33.55%	

Sector- Healthcare

Company Description

Manipal Health Enterprise ltd operates a pan-India network of multispecialty hospitals delivering a comprehensive range of care services—from outpatient services to complex tertiary and quaternary interventions. As of March 31, 2026, company operated 49 hospitals with 13,037 licensed beds across 14 states and union territories. Company have the widest footprint in terms of hospital presence among private hospital chains in India as of March 31, 2026. Company is the largest pan-India multispecialty hospital network by bed capacity and the second-largest hospital chain by number of hospitals as of March 31, 2026. For Fiscal 2026, they reported the second-highest revenue from operations of ₹103,357.51 million (₹109,356.18 million on a pro forma basis) among private hospital chains in India. In their three key regions of (i) Karnataka, (ii) Maharashtra and Goa, and (iii) West Bengal, Odisha, Jharkhand, and Sikkim (in eastern India), they had 6,404, 2,188, and 2,887 licensed beds, respectively, as of March 31, 2026. Among private hospital chains in India, as of March 31, 2026, they were the largest player in (i) Karnataka, (ii) the Maharashtra and Goa region, and (iii) select states of West Bengal, Odisha, Jharkhand, and Sikkim (in eastern India). "Licensed beds" represent the total number of hospital beds approved by regulatory authorities in a facility.

Company is the only private hospital chain in India to lead in three metro markets—Bengaluru (Karnataka), Kolkata (West Bengal), and Pune (Maharashtra)—by bed capacity (5,376) as of March 31, 2026. As of March 31, 2026, they had 2,579, 1,513, and 1,284 licensed beds, and 12, five, and nine hospitals in Bengaluru (Karnataka), Kolkata (West Bengal), and Pune (Maharashtra), respectively. Their multi-hospital presence in these metro markets allows them to deliver care closer to patients' homes, reduce travel times for critical interventions, and serve broad referral areas within each city. In line with their core philosophy of improving access to healthcare, they maintain a balanced presence across metro and non-metro markets, with 46.78% of their licensed beds located in metros and 53.22% located in non-metros as of March 31, 2026. Company is led by a qualified and experienced management team. Company have had no attrition among KMPs during the last three Fiscals, ensuring strategic and operational continuity under experienced leadership. The stability and experience of their management have been instrumental in driving their growth, integrating acquisitions, and creating long-term value for their stakeholders. Managing Director and CEO, Dilip Jose Puthiyidathu, brings several years of experience in healthcare and the hospital management sector and has previously been associated with TPG Capital, HM Patel Centre for Medical Care & Education, the National Dairy Development Board, Vadilal Industries Limited, Fortis Healthcare Limited and Quality Care India Limited.

Valuation

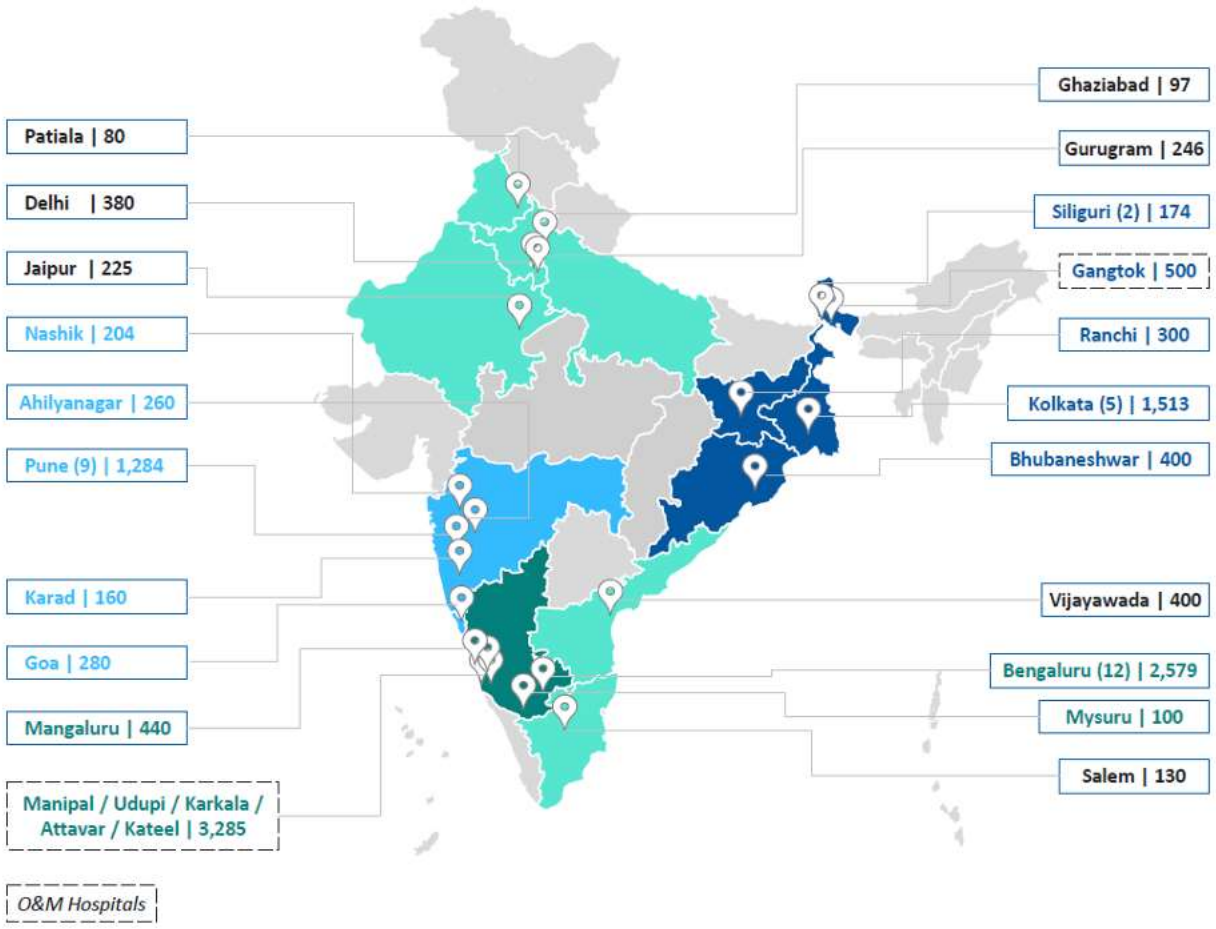
Manipal Health Enterprise Limited is India's largest multispecialty hospital network by bed capacity, with a pan-India footprint and market leadership across its three core regions. It is the only private hospital chain with leading positions in Bengaluru, Kolkata, and Pune, supported by a well-diversified presence across metro and non-metro markets, a trusted brand among patients and medical professionals, and advanced healthcare infrastructure focused on delivering superior clinical outcomes.

At the upper price band company is valuing at PE of 85.4x to its FY26 earnings with market cap of Rs 7,76,056 million post issue of equity shares.

We believe that the IPO is fully priced and recommend a **"Subscribe-Long Term"** rating to the IPO.

Description of Business

Network as of March 31, 2026



	Key regions
Bed Mix by Region	Karnataka (19 Hospitals | 6,404 Beds) Owned: 3,119; O&M: 3,285 Maharashtra & Goa (13 Hospitals | Owned: 2,188 Beds) West Bengal, Odisha, Jharkhand, and Sikkim (in Eastern India) (10 Hospitals | 2,887 Beds) Owned: 2,387; O&M: 500 Others (7 Hospitals | 1,558 Beds)
Bed Split (Owned vs Managed)	Owned: 9,252 Beds O&M: 3,785 Beds
Bed Split (Metro vs Non-metro)	Metros: 29 Hospitals | 6,099 Beds; Owned Beds: 6,099; O&M Beds: Nil Non-Metros: 20 Hospitals | 6,938 Beds; Owned Beds: 3,153; O&M Beds: 3,785
Leading presence in 3 metros	Bengaluru → 12 Hospitals | 2,579 Beds Kolkata → 5 Hospitals | 1,513 Beds Pune → 9 Hospitals | 1,284 Beds

Company served 7.63 million patients across their network (including their O&M hospitals) in Fiscal 2026. Further, they had 11,064 doctors available to provide services at their hospitals as of March 31, 2026. They have been recognized by various publications, including "Healthcare Company of the Year 2023" by the VCCircle Awards, "Best Hospital Chain – National 2022" by The Economic Times, and received the "Excellence in Healthcare Industry Leadership" award at the Healthcare Institutional Excellence Awards 2026. Manipal Hospital Old Airport Road, their flagship hospital, was ranked the number one hospital in Bengaluru (Karnataka) for 20 consecutive years between 2005 and 2025 by The Week-Hansa Survey. As of March 31, 2026, 41 of their 49 hospitals were accredited/certified by the National Accreditation Board for Hospitals and Healthcare Providers ("NABH"), and 24 hospital laboratories were accredited by the National Accreditation Board for Testing and Calibration Laboratories ("NABL").

Company offer clinical services across several specialties, with a focus on tertiary and quaternary care, particularly in cardiac sciences, oncology, neurosciences, gastro sciences, orthopedics, and renal sciences ("CONGO-R"). These specialties involve high-acuity cases that are severe, complex, and require advanced interventions and a high level of care. CONGO-R specialties accounted for 64.30%, 62.56%, and 61.55% (or ₹50,309.54 million, ₹39,152.05 million, and ₹28,396.46 million) of their gross inpatient revenue in Fiscals 2026, 2025, and 2024, respectively, and 64.09% and 62.10% (or ₹53,527.80 million and ₹44,597.13 million) of their gross inpatient revenue in Fiscal 2026 and Fiscal 2025 (on a pro forma basis).

Company combine advanced technology with clinical excellence. A few of their achievements are highlighted below:

- Among the highest reported volumes of robotic-assisted spine surgery in India, with approximately 1,750 surgeries completed as of March 31, 2026.
- Established their interdisciplinary Children's Airway and Swallowing Centre in 2000 to serve patients from India and other regions, including Nepal, Bangladesh, Pakistan, Sri Lanka, Maldives, Mauritius, the UAE, Ethiopia, and Kenya.
- In November 2025, their hospital in Dwarka (Delhi), HCMCT Manipal Hospital Dwarka, achieved Asia's first post-mortem organ revival using extracorporeal membrane oxygenation (ECMO), enabling successful multi-organ retrieval and transplantation.

Their inpatient volumes grew from 0.33 million patients in Fiscal 2024 to 0.53 million patients in Fiscal 2026, representing a CAGR of 26.26%. Despite increasing their CONGO-R mix, which comprises complex specialty services that typically require longer hospital stays, their average length of stay ("ALOS") declined from 2.93 days in Fiscal 2024 to 2.88 days in Fiscal 2025 and further to 2.78 days in Fiscal 2026, demonstrating their focus on operational efficiency.

Strengths:

- **India's largest multispecialty hospital group by bed capacity with pan-India presence and leadership in their three key regions**

  Company is the largest pan-India multispecialty hospital network by bed capacity, with 13,037 beds as of March 31, 2026. They are also the second-largest hospital chain by number of hospitals as of March 31, 2026. For Fiscal 2026, they reported the second-highest revenue from operations of ₹103,357.51 million (₹109,356.18 million on a pro forma basis) among private hospital chains in India. They have the widest footprint in terms of hospital presence among private hospital chains in India, with their hospital network spread across 14 states and union territories (13 states and one union territory) as of March 31, 2026. In their three key regions of (i) Karnataka, (ii) Maharashtra and Goa, and (iii) West Bengal, Odisha, Jharkhand, and Sikkim (in eastern India), they had 6,404, 2,188, and 2,887 licensed beds, respectively, as of March 31, 2026. Among private hospital chains in India, as of March 31, 2026, they were the largest player in (i) Karnataka, (ii) the Maharashtra and Goa region, and (iii) the states of West Bengal, Odisha, Jharkhand, and Sikkim (in eastern India). The breadth of their network enables them to improve access to healthcare across India, serve a diverse patient base, and provide healthcare services closer to patients' homes.

  The table below sets forth details of their hospitals in their three key regions, as well as information on these regions as of March 31, 2026:

Region-Wise Bed Capacity[1]	Karnataka	Maharashtra & Goa	West Bengal, Odisha, Jharkhand, and Sikkim (in Eastern India)
Manipal Health Enterprises Limited	**6,404**	**2,188**	**2,887**
Apollo Hospitals Enterprise Limited	781	N/A	N/A
Max Healthcare Group	-	808	250
Fortis Healthcare Limited	886	770	374
Narayana Hrudayalaya Limited	2,295	N/A	1,453
Aster DM Healthcare Limited	1,231	250	-
Global Health Limited	-	-	310
Krishna Institute of Medical Sciences Limited	800	1,309	-
Region-Wise Metrics			
GSDP[2] (₹ Trillion)	28.8 *Karnataka: #4 amongst states*	Maharashtra: 45.3 *Maharashtra: #1 amongst states*	West Bengal: 18.2
NSDP[2]/Capita (₹)	380,906	Maharashtra: 309,300	N/A
Beds / 10k populace[3]	Total: 40-42; Private: 30-31 National Avg: 16	Total: 17-18; Private: 15-16	Total: 10.5-11.5; Private: 3-4
Private Healthcare Insurance Penetration[4] (%)	66% National Avg: 23.95% Amongst the leading states in terms of Insurance penetration	63%	12%

- **Company is the only private hospital chain network in India with leadership in three metros (Bengaluru, Kolkata and Pune) with a balanced and diversified presence across metros and non-metros**

  Company is the only private hospital chain network in India to lead in three metro markets—Bengaluru (Karnataka), Kolkata (West Bengal), and Pune (Maharashtra)—by bed capacity (5,376) as of March 31, 2026. Their footprint in these cities enables them to serve large urban populations within these metros, as well as adjacent areas through referrals from various adjoining districts and cities, including (i) Kolar, Tumkur, and rural Bengaluru via Bengaluru, (ii) Bardhaman, Midnapore, Howrah, and North and South Parganas via Kolkata, and (iii) Ahilyanagar and Sambhajinagar via Pune. They had 18 hospitals within these metros and, with the acquisition of Sahyadri Group in October 2025 and the operationalization of Manipal Hospital, Yelahanka in November 2025, they further expanded their presence in Pune and Bengaluru, respectively, with an additional eight hospitals, taking the total to 26 hospitals as of March 31, 2026.

  The table below sets forth details of their hospitals in Bengaluru, Kolkata, and Pune, as well as information on these metros as of March 31, 2026:

City-Wise Bed Capacity[1]	Bengaluru	Kolkata	Pune
Manipal Health Enterprises Limited	2,579	1,513	1,284
Apollo Hospitals Enterprise Limited	568	761	-
Max Healthcare Group	-	-	-
Fortis Healthcare Limited	886	374	-
Narayana Hrudayalaya Limited	1,498	1,453	-
Aster DM Healthcare Limited	1,131	-	-
Global Health Limited	-	-	-
Krishna Institute of Medical Sciences Limited	800	-	-
City-Wise Metrics			
NDDP[2] (₹ Billion)	11,899.35	NA	4,878.43
Per Capita Income[3] (₹)	776,155.49 National Avg: 192,774	NA	426,720.00
Bed Density[4] (# of beds / 10k pop)	43 National Avg: 16	24	30
Other comments	IT Capital of India Major Manufacturing & Engineering Hub	Hub of Commerce, Manufacturing, Education and Arts	Industrial Hub: Hosts Several IT, Engineering & Automotive Companies Part of Mumbai-Pune Economic Corridor

In these cities, which are often congested with traffic, their distributed, multi-hospital presence facilitates proximity to care, which is essential for time-sensitive conditions. For high-acuity patients requiring frequent visits or extended admissions, this proximity can improve convenience and continuity. As of March 31, 2026, 53.22% of their licensed beds (including O&M hospitals) were located in 20 hospitals outside metro cities. Their network covers all segments of society, from high-income urban areas in metro cities such as Bengaluru (Karnataka), Pune (Maharashtra), Kolkata (West Bengal), and Delhi NCR, to patients in non-metro cities, many of which are key cities in their respective states, including Bhubaneswar (Odisha), Jaipur (Rajasthan), Ranchi (Jharkhand), and Vijayawada (Andhra Pradesh), as well as other cities such as Mangalore (Karnataka), Siliguri (West Bengal), Patiala (Punjab), and Salem (Tamil Nadu). Healthcare penetration is lower in non-metro cities, which have approximately 14 beds per 10,000 population compared with the national average of approximately 16 beds per 10,000 population as of Fiscal 2026. Non-metro cities accounted for approximately 88% of India's population as of Fiscal 2026 and are experiencing growth in income levels and demand for localized services. Moreover, in many non-metro cities, the limited presence of other private hospitals supports patient inflow to incumbent hospitals in those locations.

- **Widely recognized brand and network of choice for patients, doctors and healthcare professionals**

The “Manipal Hospitals” brand is recognized in India by patients and healthcare professionals, as reflected in the number of patients served (6.30 million in Fiscal 2026 (on a pro forma basis), 5.61 million in Fiscal 2025 (on a pro forma basis), and 4.14 million in Fiscal 2024) and the awards and recognitions they have received. Their flagship hospital, Manipal Hospital Old Airport Road—their first hospital and the largest in their network by operational bed capacity as of March 31, 2026 (excluding O&M Hospitals)—has been rated the number one hospital in Bengaluru (Karnataka) for 20 years, from 2005 to 2025, by The Week–Hansa Survey. In addition, 15 of their hospitals were featured in The Week–Hansa Survey 2025 list of “Best Multispecialty Hospitals” in India. They were also named “Healthcare Company of the Year 2023” by the VCCircle Awards, “Best Hospital Chain – National 2022” by The Economic Times, and received the “Excellence in Healthcare Industry Leadership” award at the Healthcare Institutional Excellence Awards 2026. They operate a patient-centric ecosystem rooted in transparency, and clinical and service excellence. They offer protocol-driven care enabled by safety frameworks to ensure high-quality care for their patients. Their focus on reducing turnaround times (“TATs”), adopting digital tools for appointment scheduling, and providing culturally sensitive multilingual support enables them to deliver seamless and personalized care to their patients. Their brand, breadth of specialties and academic programs, and integrated network make them an attractive workplace for healthcare professionals. They were certified as a “Great Place To Work” by Great Place to Work® Institute, India, from April 2020 to March 2021 and received the “Most Preferred Workplace Award (Health & Wellness)” in 2022–2023 by Marksmen Daily.com. As of March 31, 2026, they had 11,064 doctors, 11,048 nurses, and 6,362 paramedics practicing across the hospitals they operate.

To encourage engagement with their doctors and healthcare professionals, they strive to foster a culture that emphasizes purpose and professional fulfillment. With their presence across India, their doctors can treat diverse and complex cases through multidisciplinary collaborations, with opportunities to work across different hospitals within their network to enhance exposure and geographic mobility. They provide an enabling environment for clinical advancement by offering doctors access to advanced medical technologies and infrastructure, along with regular knowledge exchange through multidisciplinary conferences and training. They invest in academic advancement and research by supporting postgraduate and super-specialty training across a wide range of disciplines, encouraging publications and conference presentations, and facilitating investigator-initiated and multi-center clinical research through collaborations with Manipal Academy of Higher Education (“MAHE”) and other recognized academic institutes. They regularly sponsor and facilitate doctors' participation in leading national and international conferences by providing funding for registration and travel, mentorship for abstracts and presentations, and forums within their network for knowledge dissemination. They have a Diplomate of National Board (“DNB”), Doctorate of National Board (“DrNB”), and Fellowship of National Board (“FNB”) ecosystem spanning 343 seats across 25 hospitals, 42 specialties, and 785 enrolled students as of March 31, 2026. DNB/DrNB/FNB trainees joining them have pathways to consultant roles and, subsequently, to academic leadership, clinical program leadership, or broader clinical responsibilities. They believe that their association with Manipal Academy of Higher Education, which has one of the largest alumni networks of doctors in India, provides them with a natural advantage in recruiting doctors and, together with their training programs, helps create a robust pipeline of skilled clinical professionals for their network. For their nurses, they also offer a structured preceptorship program designed to enhance skills and support retention through dedicated continuing nursing education programs. Their nurses benefit from career progression opportunities within the network, along with the rewards and recognition they provide for their contributions.

- **Advanced infrastructure and medical equipment, with a strong focus on clinical excellence.**

Their hospitals focus on clinical outcomes, supported by advanced medical infrastructure and technologies that enable tertiary and quaternary care across their network. Their organizational structure emphasizes clinical excellence, operational efficiency, and scalability. They operate under a decentralized model that empowers local leadership to make decisions and respond to local healthcare needs without centralized approvals. Regional chief operating officers have autonomy to oversee strategy and clinician coordination across their geographical areas, hospital directors manage day-to-day operations, and medical directors are responsible for clinical excellence at each hospital, including implementing the latest clinical innovations and medical equipment and ensuring adherence to clinical standards and

protocols. As of March 31, 2026, they had 18 soft tissue robots, 19 linear accelerators ("LINACs"), 44 magnetic resonance imaging ("MRI") scanners, 23 orthopedic and spine surgical robots, 58 catheterization labs, two tomotherapy units, and six gamma cameras across their network, including their O&M hospitals. Their infrastructure is designed to accommodate a diverse patient base, with a bed mix that includes wards, single rooms, and suites to meet varying clinical and comfort needs. They routinely perform advanced interventions and complex procedures, including structural heart and minimally invasive cardiac surgery; comprehensive organ transplants (liver, heart, and kidney); complex neuro and spine surgery (including epilepsy surgery, deep brain stimulation, and advanced stroke interventions); comprehensive oncology (including bone marrow transplant and precision oncology); interventional radiology (including advanced neuro-interventions); and advanced pulmonary and gastroenterology procedures such as endobronchial ultrasound ("EBUS"), endoscopic ultrasound ("EUS"), and peroral endoscopic myotomy ("POEM"). In Fiscal 2026, they performed 74,600 angiography and angioplasty procedures, 8,300 neuro surgeries, 5,800 cardiovascular surgeries, 25,400 gastro-intestinal surgeries, 10,000 joint replacements, 23,400 urology procedures, 620 transplants, and 5,980 robotic surgeries.

The following table sets forth their gross inpatient revenue across their specialties:

Particulars	Fiscal 2026				Fiscal 2025				Fiscal 2024	
	Pro Forma Financial Information		Restated Consolidated Financial Information		Pro Forma Financial Information		Restated Consolidated Financial Information		Restated Consolidated Financial Information	
	Amount (₹million)	% of gross inpatient revenue	Amount (₹million)	% of gross inpatient revenue	Amount (₹million)	% of gross inpatient revenue	Amount (₹million)	% of gross inpatient revenue	Amount (₹million)	% of gross inpatient revenue
Specialties										
Cardiac sciences	14,001	16.76%	12,731	16.27%	11,926	16.61%	9,850	15.74%	7,029	15.24%
Oncology	9,497	11.37%	9,073	11.60%	7,156	9.96%	6,406	10.24%	4,094	8.87%
Neuro sciences	7,634	9.14%	7,096	9.07%	6,615	9.21%	5,726	9.15%	4,206	9.12%
Gastro sciences	5,848	7.00%	5,598	7.15%	5,066	7.05%	4,609	7.36%	3,521	7.63%
Orthopedics	10,554	12.64%	10,066	12.87%	8,673	12.08%	7,837	12.52%	5,965	12.93%
Renal sciences	5,994	7.18%	5,744	7.34%	5,161	7.19%	4,724	7.55%	3,581	7.76%
Total CONGO-R	53,528	64.09%	50,310	64.30%	44,597	62.10%	39,152	62.56%	28,396	61.55%
Others	30,004	35.91%	27,935	35.70%	27,220	37.90%	23,429	37.44%	17,730	38.45%
Total gross inpatient revenue	**83,531**	**100.00%**	**78,245**	**100.00%**	**71,817**	**100.00%**	**62,581**	**100.00%**	**46,127**	**100.00%**

- **Repeatable playbook for integrating and scaling transformative acquisitions to improve access to quality healthcare**

Company aim to balance brownfield and greenfield expansions with strategic acquisitions to deliver returns and support their leadership positions in key markets. From March 31, 2021 to March 31, 2026, they were the leading consolidator of hospitals among private hospital chains in India, based on the number of beds added through acquisitions, acquiring 5,548 beds. They have a track record of acquiring and integrating assets of varying sizes across geographies, including Columbia Asia and Vikram Hospitals prior to Fiscal 2023, AMRI and Medica Synergie within the last three fiscal years, and Sahyadri Group in Fiscal 2026. As part of their playbook, they evaluate potential acquisitions across parameters that include regulatory compliance, scale and regional fit, clinical alignment (including the potential to strengthen existing clinical programs and interoperability of clinicians), cultural fit, and financial profile. Following closing, they follow a standardized approach to integrate acquired hospitals into their network and improve their performance. This includes implementing standardized clinical protocols, deepening focus on high-acuity services, upgrading targeted infrastructure and equipment, and instituting disciplined operating practices to enhance the quality and efficiency of care. For example, following their acquisition of Columbia Asia in Fiscal 2022, they repositioned it from a principally secondary care operator to a complex quaternary care operator by strengthening its clinical programs. From Fiscal 2024 to Fiscal 2026, Columbia Asia's EBITDA (excluding exceptional items) margin improved from 30.51% to 33.78%. Acquired hospitals leverage the "Manipal Hospitals" brand, their digital channels, and outreach to increase inbound patient flow and strengthen referral pathways. This integration model enables scale, reinforces competitive positioning, supports efficient capital deployment, and facilitates savings from centralized procurement across their network.

Key Strategies:

- **Continue capitalizing growth opportunities in existing facilities and organic network expansion**

  Company is committed to driving growth by capitalizing on opportunities within their existing network and expanding their footprint through both brownfield and greenfield projects. They seek to maintain and strengthen their leadership in their key regions of Karnataka, Maharashtra and Goa, and eastern India (particularly West Bengal), while increasing their presence in regions such as Delhi NCR, central India, and eastern India (particularly Ranchi, Jharkhand, and Bhubaneswar, Odisha). They have headroom to improve occupancy, which stood at 64.47% (64.45% on a pro forma basis) in Fiscal 2026, by utilizing existing infrastructure and resources without incremental capital expenditure. They typically start considering new bed additions once a hospital's occupancy approaches approximately 70% to allow sufficient ramp-up time before capacity constraints arise, helping minimize the impact on profitability and return ratios. In parallel, they aim to continue enhancing clinical case mix by increasing the share of high-end and complex procedures within their CONGO-R specialties. This strategy aligns with global health trends, including the World Health Organization's forecast that the incidence of non-communicable diseases in India will continue to rise through Fiscal 2030. Through their brownfield expansion plans, they expect to add approximately 483 licensed beds across existing hospitals by 2030. Brownfield projects benefit from operating leverage at established facilities and generally achieve faster break-even while requiring lower capital expenditure than greenfield projects. They are carrying out these expansions with the aim of strengthening their position in their existing markets. Their greenfield expansion plan is anchored in markets where they already operate, such as Karnataka and Maharashtra, to enable a faster ramp-up. They plan to add approximately 1,943 licensed beds through these greenfield projects by 2030. They will continue to explore greenfield expansion opportunities in their key regions of Karnataka, Maharashtra and Goa, and eastern India.

  The following diagram details their expansion plan through 2030:

- **Strategic acquisitions to enter and consolidate market positions and improve access and patient care**

  Company will continue to pursue select acquisitions to enter new markets and consolidate positions in existing ones, leveraging their track record of integration and operational turnaround. They will focus on acquiring assets with strong local brands and established patient volumes, taking into account factors such as healthcare penetration in the micro-market, competition, referral areas from adjoining districts, regulatory compliance, strength of clinical programs, cultural fit, and financial profile. As an example, they acquired Medica Synergie in Fiscal 2025 and are currently implementing measures such as infrastructure and equipment upgrades and adding doctors for specialties where they see potential for growth, such as oncology, neuroscience, and cardiac sciences. Similarly, they acquired Sahyadri Group in October 2025 and are currently integrating its hospitals into their network. Further, they have also entered into a non-binding term sheet for the acquisition of a hospital located in Karnataka in June 2026. They will continue to follow their integration playbook to optimize the performance of these hospitals. India's hospital market remains highly fragmented, with large private hospitals accounting for only approximately 20% of the overall market in Fiscal 2026. They continuously evaluate inorganic growth opportunities in their key markets of Karnataka; West Bengal, Odisha, Jharkhand, and Sikkim (in eastern India); and Maharashtra and Goa, including the Mumbai–Pune economic corridor, as well as in geographies such as Delhi-NCR, Telangana, Kerala, Andhra Pradesh, and Chhattisgarh. In the Delhi NCR region, where they operate three hospitals, they also intend to evaluate opportunities to consolidate their position through targeted acquisitions.

- **Leverage digital, AI and technology to extend patient reach and access, transform patient and clinician experiences, expand out-of-hospital care and continue to focus on operational excellence to drive efficiencies.**

  Company intend to scale a technology-enabled, “physical-plus-digital” model anchored in a unified hospital information system (“HIS”), a database that integrates clinical, diagnostic, and administrative workflows across their network. Their digital strategy encompasses three vectors:

  Extend patient reach and access

  Company will continue to strengthen discovery, engagement, and conversion through a hyperlocal, content-led, and analytics-driven approach. As of March 31, 2026, more than 1,809 hyperlocal doctor search engine optimization (“SEO”) pages, city-specific landing pages, and targeted SEO/search engine marketing (“SEM”) programs help them capture micro-market demand. In addition, their in-house content team, which has published approximately 1,214 blogs and generated over 145.93 million image and infographic impressions as of March

31, 2026, helps them disseminate health-related information to the public. These demand-generation efforts feed an omni-channel lead-management stack comprising their website, mobile app, AI assistant, and chat-bots on a popular instant messaging platform, with digital care pathways including traditional hospital services and tele-consultations, e-pharmacies, and tele-health kiosks. They use a patient data platform to maintain digital patient profiles and preferences, enabling personalized outreach and targeted health content. They are also developing a predictive health platform for risk stratification to inform interventions and preventive care. Through these initiatives, their digital revenue, comprising revenue generated from patients who visit based on appointments booked through their website, their mobile application, external mapping platforms, appointment aggregators, retail websites, and other digital channels, accounted for 21.58% of their total revenue from operations on a consolidated basis in Fiscal 2026. The table below sets forth the Company's digital revenue, non-digital revenue, and digital revenue as a percentage of total revenue from operations on a standalone basis for the years indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Digital revenue (₹ million)	9,767	8,019	5,697
Non-digital revenue (₹ million)	26,074	23,022	21,372
Total revenue from operations (₹ million)	35,841	31,041	27,070
Digital revenue as a percentage of total revenue from operations (%)	27.25%	25.83%	21.05%

Transform in-hospital patient and clinical experiences

Company is integrating virtual and in-hospital technologies with the aim of increasing accessibility, reducing friction, and improving continuity of care. For their patients, they launched step-down ICUs, an end-to-end wireless patient monitoring platform designed to provide ICU-grade surveillance for patients in general wards, high-dependency units, or post-operative recovery areas (outside ICUs), at 15 hospitals, treating 6,472 patients since 2022. For their nurses, they have launched AI-enabled nursing handovers at 24 hospitals (with approximately 2,409,566 handovers completed from July to March 2026) that standardize documentation of vital parameters and reduce information loss. For doctors, they launched a live clinical dashboard at 14 hospitals that enables inpatient and outpatient views and access to lab reports. For their hospital operations, they implemented a live outpatient department (“OPD”) status dashboard across their Bengaluru (Karnataka) hospitals, which provides real-time information and tracks wait times during peak hours.

Expand out-of-hospital care

Company will continue to expand their out-of-hospital care offerings beyond hospital services, including telehealth solutions, e-pharmacy, and other digital healthcare initiatives. Their current telehealth solutions include virtual consultations, with 36,282 consultations completed from April 2025 to March 2026. They also operate telehealth kiosks that enable on-site health screenings and have completed 3,861 screenings as of March 31, 2026. Complementing telehealth, their e-pharmacy is the online arm of their pharmacy, providing e-prescriptions and delivery services of curated and pre-mapped medicines to patients' homes. Their e-pharmacy is integrated with the HIS and payment gateways, and they utilize AI to read patients' prescriptions to identify recommended medicines, which are manually checked by hospital staff to ensure accuracy. As of March 31, 2026, their e-pharmacy operated across 23 hospitals in Bengaluru (Karnataka), Pune (Maharashtra), Kolkata (West Bengal), and Dwarka (Delhi), processing over 5,000 orders each month. Other digital solutions they have implemented include "MAI," their AI-enabled digital health companion accessible on platforms such as a popular instant messaging application. It explains symptoms, lab results, and prescriptions in plain language and offers general health insights based on user inputs. It guides next steps without replacing professional medical advice, improving access to timely, reliable information and reducing uncertainty before care is sought. Together, these initiatives extend access beyond the physical facilities of their hospitals and improve continuity of care. They focus on delivering consistent quality healthcare services at scale with rigorous cost and working capital discipline. They plan to deepen this advantage across procurement, supply chain, and hospital operations. On materials and consumables, they will continue to source from authorized vendors, conduct due diligence and batch verification/quality checks, and utilize cold-chain and recall protocols to safeguard patient safety. These practices have contributed to lower material costs as a percentage of revenue, at 20.47% in Fiscal 2026, and a lower working capital cycle of negative 13 days during the same period.

- **Continue to attract, develop, and retain medical talent**

  Company intend to strengthen their position as an attractive network for clinicians and nurses. For doctors, they will continue to leverage the quality of and access to technologies and complex cases at their hospitals to foster career development. Their consultant model fosters long-term relationships with doctors by aligning economic incentives with professional growth within their hospitals, while recognizing clinicians' independence. Their network provides opportunities for doctors to build multi-location practices, allowing them to grow their patient base within their hospitals, which can promote doctor loyalty. They do not prescribe revenue targets for doctors, safeguarding ethical standards and preserving clinician autonomy. They will continue to build advanced clinical programs and expand academic pathways—including DNB residency programs, fellowships, and research-linked initiatives—to attract high-caliber clinicians and provide structured, multi-year development opportunities. For nurses, they are reinforcing their pipeline through partnerships with recognized nursing institutes across multiple states to provide internship and placement opportunities at their hospitals. In addition, they provide structured preceptorships and skills-development programs to enhance nurse retention, including short-term courses in forensic nursing, oncology, and medical safety. They also offer distinct educational programs for mid-level and senior nurses to develop clinical leadership skills, team-based care, and specialized competencies. Retention is supported by clear career progression pathways, mentorship, and a culture of excellence embedded within the Manipal Hospitals ecosystem, along with recognition of nurses' contributions through rewards and compensation. Taken together, these initiatives strengthen recruitment, deepen engagement, and sustain high performance across their clinical teams.

- **Invest in advanced medical infrastructure and clinical innovations**

  Company adopt the latest medical technology and will continue investing in high-end medical equipment and technologies to expand access to complex care and support superior clinical outcomes. Over the past few years, they have added 41 robotic systems, expanding the breadth and depth of their minimally invasive capabilities. They have also invested in Advanced Linear Accelerator and Tomotherapy systems, spine robotics, soft and hard tissue robotic systems, and expanded mammography infrastructure. Their strategy includes adopting emerging clinical innovations such as AI-assisted diagnostic and therapy platforms to support clinicians in achieving better outcomes, integrated remote patient monitoring solutions for continuous tracking and proactive alerts, investments in robotics and minimally invasive surgical tools for soft tissues, joints, and cardiac procedures, and advanced neurosurgical technologies such as brain stimulation capabilities for Parkinson's disease, epilepsy, and stroke. They will also continue to strengthen their in-house research initiatives. They have supported 209 research and clinical trials (ongoing and completed over the last five years) and have produced over 1,163 publications in indexed journals across their network during the same period.

Industry Snapshot*:*

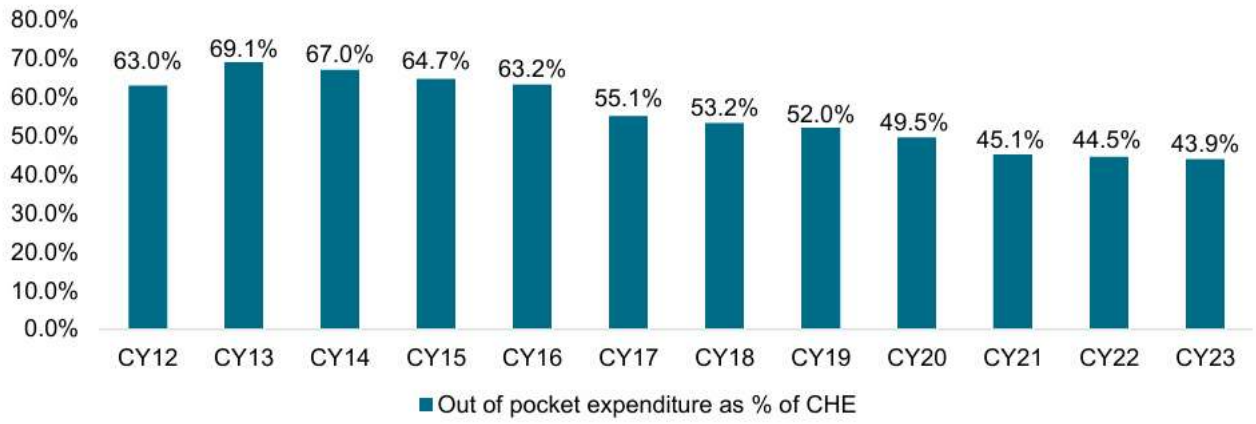
India's social and healthcare parameters

While the demand for healthcare in the country is considerable, its provision is plagued with several challenges, such as inadequate healthcare infrastructure and unequal quality of services, which is based on affordability and healthcare financing.

Steady decline in out-of-pocket expenditure in health as % of CHE

That said, out-of-pocket expenditure for healthcare as a percentage of CHE (Current Health Expenditure) in India reduced to 43.89% in CY2023 from 63% in CY2012. The downward trend highlights the increasing role of government spending and the growth of health insurance coverage in reducing the financial burden on individuals. The consistent decrease also suggests effective policy measures aimed at improving public healthcare schemes and widening the insurance safety net for citizens, strengthening healthcare access and affordability.

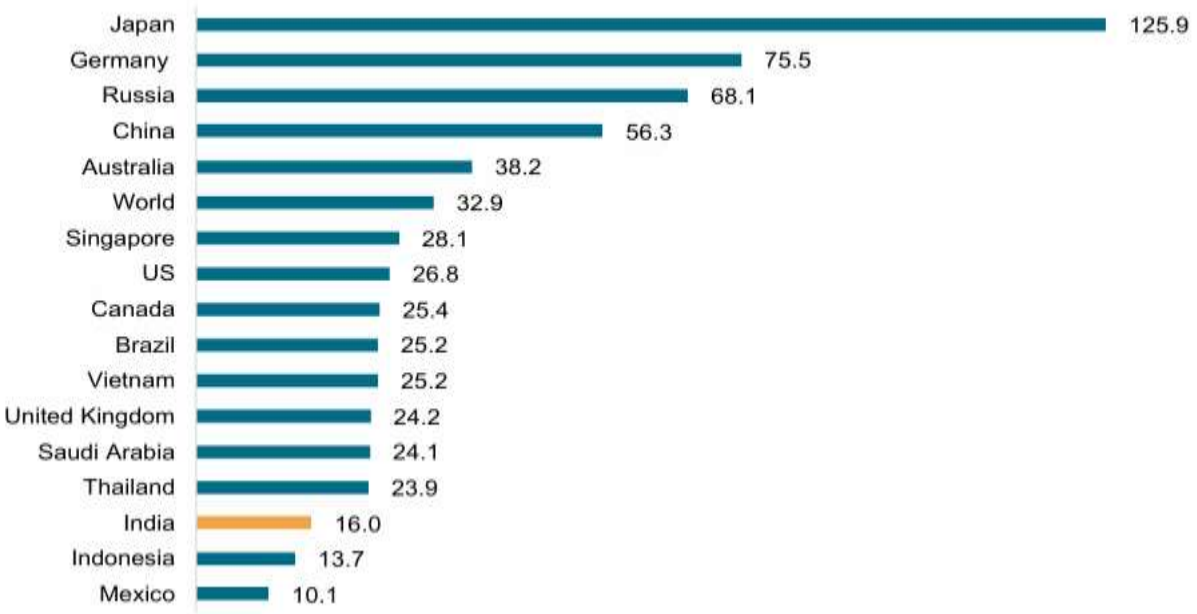
Figure 6: India's out-of-pocket expenditure in health as % of CHE (CY2012-23)



Improving healthcare infrastructure – a priority for India

The adequacy of a country's healthcare infrastructure and personnel is a barometer of its quality of healthcare. While India has nearly a fifth of the world's population, the bed density is a mere 16 per 10,000 people as of fiscal 2025, which is lower outside metro cities, at ~14 beds per 10,000 people as of fiscal 2025. In comparison, the global average is 33 beds per 10,000 people, with higher bed density even in developing countries such as Brazil (25 beds), Thailand (24 beds) and Vietnam (25 beds). This highlights areas for potential growth and development of India's healthcare infrastructure.

Figure 7: Bed densities across countries – hospital beds per 10,000 people

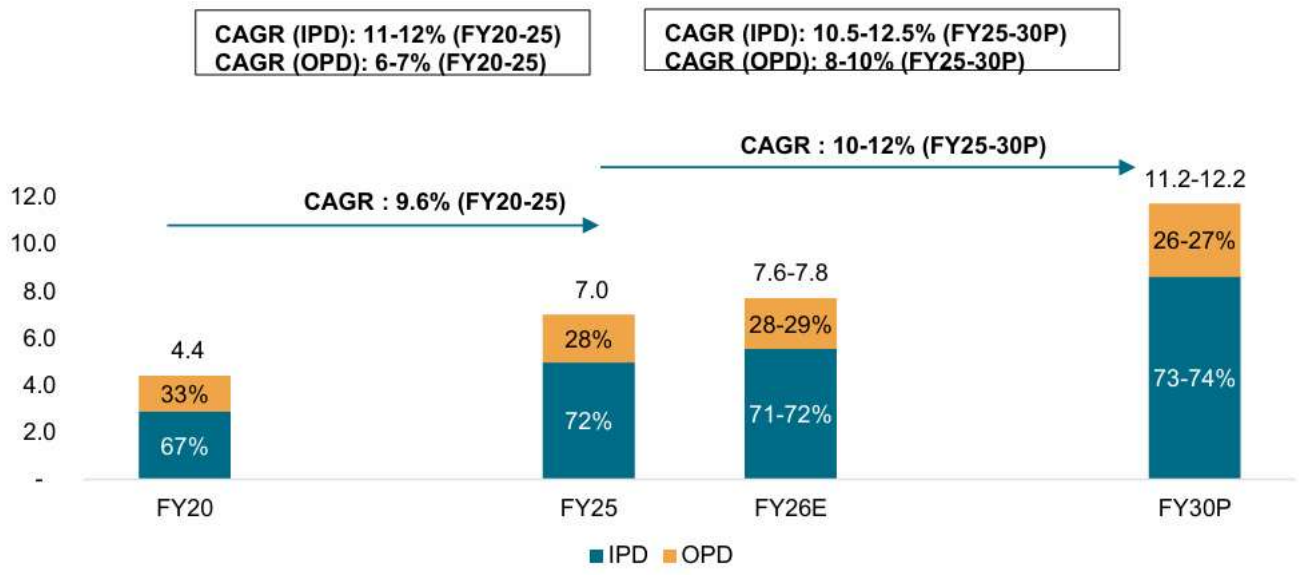


Assessment of the Indian healthcare delivery industry

Review of the overall healthcare delivery market in India

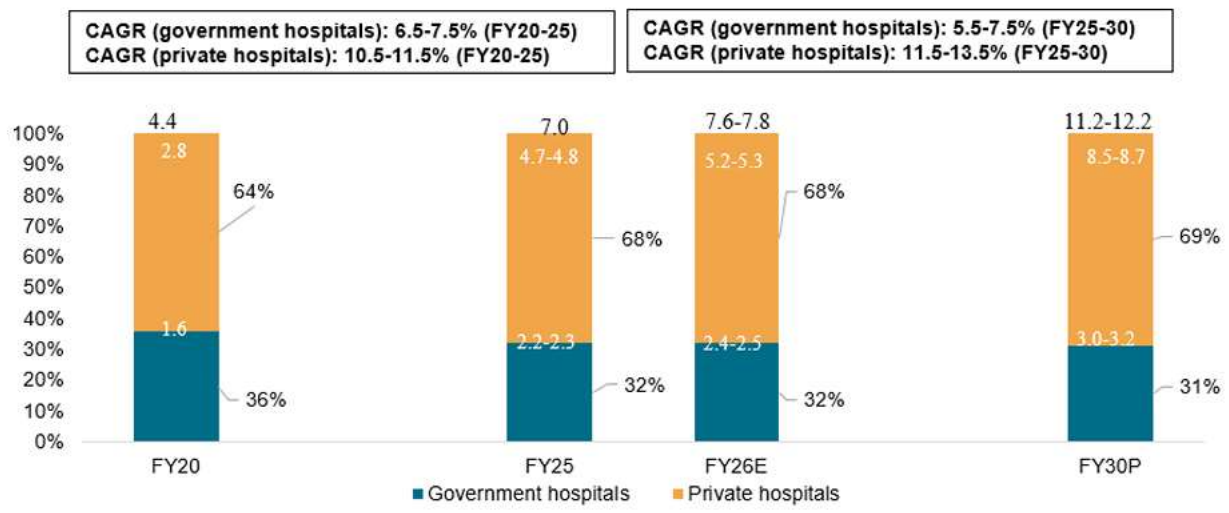
The Indian healthcare delivery market was valued at ~Rs 7.0 trillion in fiscal 2025, supported by increased demand for routine medical treatments, elective surgeries and Out-patient Department (OPD) services. The segments of critical care, oncology, neurology and Orthopedics, which saw a surge in demand post-pandemic, are estimated to continue their growth momentum in fiscal 2026. As of fiscal 2026, the Indian healthcare delivery market is estimated to have reached Rs. 7.6-7.8 trillion. In terms of value, the In-patient Department (IPD) is estimated to have accounted for 71-72% of the healthcare delivery market in fiscal 2026, and the OPD for the balance. Though OPD volume outweighs IPD volume, the latter contributes the bulk of revenue for healthcare facilities.

Figure 9: Indian healthcare delivery market, FY20-30P (Rs trillion)



With long-term structural factors supporting growth of the Indian healthcare delivery market, renewed impetus from PMJAY ((Pradhan Mantri Jan Arogya Yojana) and government focus shifting towards the healthcare sector, the healthcare delivery market is expected to grow at a CAGR of 10-12% between fiscals 2025 and 2030 to Rs 11.2-12.2 trillion. The CAGR for OPD is expected to grow at 8-10% and for IPD at 10.5-12.5%. The incidence of non-communicable diseases in India is expected to rise and the World Health Organisation is forecasting continued growth through FY2030. This is expected to be one of the growth drivers of the healthcare demand in the country. The other contributors to the healthcare demand are more structural in nature and include an increase in lifestyle-related ailments, growing medical tourism, rising incomes and changing demography. In India, healthcare services are provided by the government and private players, and these entities provide both IPD and OPD services. However, the provision of healthcare services in the country is skewed towards private players (both for IPD and OPD). This is mainly due to the lack of healthcare spending by the government and high burden on the existing state health infrastructure. The share of treatments (in value terms) by private players is expected to increase from 64% in fiscal 2020 to ~69% in fiscal 2030. The Indian hospital market remains highly fragmented with large private hospitals accounting for ~20% of the overall market in fiscal 2026. Private hospitals have witnessed significant growth, as they undertake an increasing share of treatments. The private sector's growth can be attributed to the expansion plans undertaken by private players as well as the high-quality services they provide in terms of infrastructure, equipment and treatments. As a result, private hospitals have gained immense popularity, leading to a substantial market share that denotes a higher preference for private hospitals among patients. This trend is particularly evident among the affluent and upper-middle-class segments, who are willing to pay a premium for quality healthcare. The private healthcare providers in India compete with players ranging from standalone multi- and single-specialty hospitals, day-care and specialty centres to facilities owned or managed by government agencies, trusts and public private partnerships. Trusts, government owned facilities and PPPs may be able to obtain financing on more favourable terms than private healthcare providers.

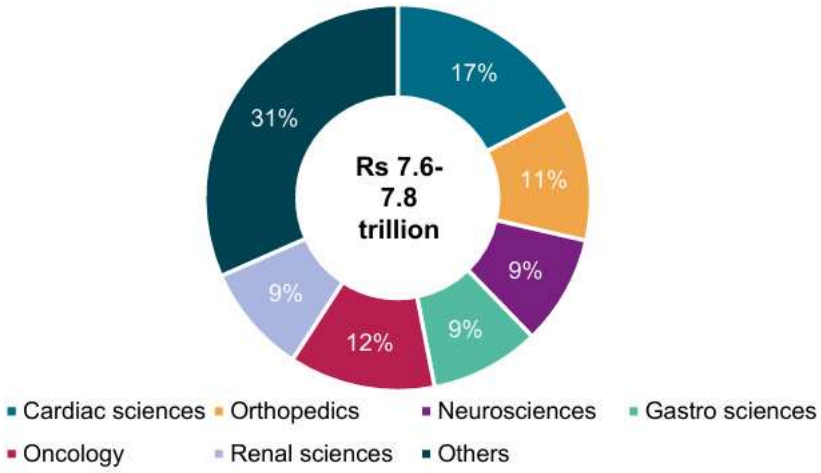
Figure 10: Segmentation of the Indian healthcare delivery market, FY20-30P (Rs trillion)



Cardiac sciences lead India's healthcare delivery market in fiscal 2026

In fiscal 2026, the Indian healthcare delivery market was estimated at Rs 7.6-7.8trillion, with cardiac sciences accounting for the largest single-specialty share at 17%, followed by oncology at 12%. This reflects the rising incidence of heart disease and cancer, driven by lifestyle risks, pollution and increasing life expectancy. Orthopedics (11%) renal sciences (9%), neurosciences (9%) and gastro sciences (9%) collectively contributed more than one-third of the market, supported by higher detection of chronic disease, stroke, join disorders and digestive ailments, as well as wider adoption of advanced diagnostics and specialised procedures. The remaining (31%) came from other specialities and general services where increasing health insurance coverage, government schemes, expanding hospital penetration into non-metro cities and greater awareness are broad-based growth drivers, lifting overall inpatient volumes. A higher share of complex surgical, tertiary and quaternary care, such as CONGO-R typically enhances revenue.

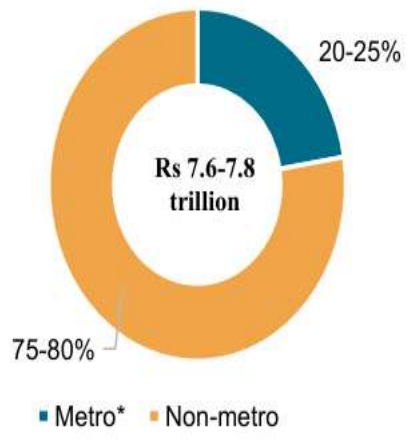
Figure 11: Specialty-wise share of the healthcare delivery market (Fiscal 2026)



Metro cities account for 20-25% of India's healthcare delivery market in fiscal 2026

The healthcare delivery market in India can be segregated based on metro cities (Mumbai, Delhi-NCR, Kolkata, Chennai, Hyderabad, Bengaluru, Ahmedabad and Pune) and non-metros cities (the other cities). The metro cities accounted for 20-25% of the overall market in fiscal 2026. These cities host large private hospital chains, specialty centres and advanced tertiary care facilities. The healthcare delivery market in these cities is characterised by dense insured populations, high flow of medical tourism, availability of high-end procedures, and large affordable government hospitals. Non-metro cities accounted for the remaining 75-80% of the market in fiscal 2026, driven by a rapidly expanding middle class, improving healthcare-related awareness, and increasing private investment in secondary and tertiary care. The limited presence of other private hospitals in many non-metro cities supports patients inflow to the incumbent hospitals in those locations. These cities are witnessing accelerated growth as leading hospital chains expand into these underserved markets. The Ayushman Bharat scheme is also aiding the growth of healthcare access in these cities.

Figure 12: Metro and non-metro city-wise share of the healthcare delivery market (Fiscal 2026)



Accounting ratios

Particulars	Units	Fiscal 2026 (Pro Forma Financial Information)	Fiscal 2026 (Restated Consolidated Financial Information)	Fiscal 2025 (Pro Forma Financial Information)	Fiscal 2025 (Restated Consolidated Financial Information)	Fiscal 2024
Financial KPI's						
Revenue from Operations	₹ in million	1,09,356	1,03,358	92,636	82,423	61,716
Revenue growth	%	18.05%	25.40%	NA	33.55%	27.52%
Profit for the year	₹ in million	6,849	9,165	5,348	10,817	5,332
PAT Margin	%	6.26%	8.87%	5.77%	13.12%	8.64%
EBITDA (excluding exceptional items)	₹ in million	29,285	27,959	24,684	22,471	17,766
Adjusted EBITDA	₹ in million	27496	26441	23616	21654	16966
EBITDA (excluding exceptional items) Margin	%	26.78%	27.05%	26.65%	27.26%	28.79%
Adjusted EBITDA Margin	%	25.14%	25.58%	25.49%	26.27%	27.49%
Return on Capital Employed (ROCE)	%	NA	21.88%	NA	26.98%	27.74%
Net Debt (including lease liabilities)/Adjusted EBITDA	in times	NA	3.74	NA	2	2.15
Operational KPI's						
Number of hospitals	Number	49	49	47	37	33
Licensed beds	Number	13037	13037	12100	10494	9520
Operational beds	Number	6,878.0	6,227	6,26	5,17	4,055
Occupancy	%	64.45%	64.47%	66.19%	67.09%	65.32%
Average Revenue per Occupied Bed (ARPOB)	in ₹ per day	66,144	68,937	59,820	63,312	61,742
Average Length of Stay (ALOS)	in days	2.8	2.8	2.9	2.9	2.9
Outpatient volumes	in footfalls	57,17,889	54,83,403	50,88,359	47,17,313	38,10,672
Inpatient volumes	in footfalls	5,78,099	5,27,227	5,22,575	4,39,724	3,30,725
Outpatient volume growth	%	12.37%	16.24%	NA	23.79%	19.01%
Inpatient volume growth	%	10.63%	19.90%	NA	32.96%	18.88%
Specialty wise Revenue Mix						
-Cardiac sciences	%	16.76%	16.27%	16.61%	15.74%	15.24%
-Oncology	%	11.37%	11.60%	9.96%	10.24%	8.87%
-Neurosciences	%	9.14%	9.07%	9.21%	9.15%	9.12%
-Gastro sciences	%	7.00%	7.15%	7.05%	7.36%	7.63%
-Orthopedics	%	12.64%	12.87%	12.08%	12.52%	12.93%
-Renal sciences	%	7.18%	7.34%	7.19%	7.55%	7.76%
-Others	%	35.91%	35.70%	37.90%	37.44%	38.45%
Payor-wise revenue mix						
-Cash	%	30.33%	30.33%	30.99%	31.20%	32.63%
-Third party Administrators / Insurance	%	49.51%	49.68%	49.06%	49.18%	49.45%
-Government	%	14.03%	13.80%	13.74%	13.41%	11.04%
-Others	%	6.13%	6.19%	6.21%	6.21%	6.88%
Employees count	Number	24,240	24240	23217	19707	15778

- **Comparison with listed entity**

Name of the company	Face Value (₹ per share)	Revenue from Operations (₹ million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E
Manipal Health Enterprise Ltd	2	1,03,358	6.9*	6.9*	85.4*
Listed peers					
Apollo Hospitals Enterprise Ltd	5	2,52,285	135.0	134.9	66.2
Fortis Healthcare Ltd	10	91,278	13.8	13.8	70.2
Max Healthcare Institute Ltd	10	1,00,650	14.8	14.8	74.6

Note: 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on July 21, 2026.
2) * P/E and EPS of company is calculated on basis FY26 earnings and post issue no. of equity shares issued.

Key Risk:

- A substantial number of their hospitals are located in Karnataka. Company derived 46.40%, 51.55%, and 59.98%, of their revenue from operations in Fiscals 2026, 2025 and 2024, respectively, from their hospitals in Karnataka. Any loss of business or disruption in the operations of these hospitals or geopolitical or policy changes in Karnataka could have a material adverse effect on their business, financial condition, results of operations, cash flows and prospects.

- Company is primarily generate revenue by providing inpatient care at their hospitals. Any inability to maintain or improve their admissions and hospital occupancy rates could adversely affect their business, financial condition, results of operations, cash flows and prospects.

- Company derived 64.30%, 62.56% and 61.55% of their gross inpatient revenue from cardiac sciences, oncology, neurosciences, gastro sciences, orthopaedics, and renal sciences ("CONGO-R") specialties in Fiscals 2026, 2025 and 2024, respectively, and any negative changes in the demand for these specialties could adversely impact their business, results of operations and financial condition.

- Acquisitions, strategic investments, partnerships or alliances may be difficult to identify, acquire and integrate, and may adversely affect their business, financial condition, results of operations, cash flows and prospects.

- Company is exposed to legal claims and regulatory actions arising from the provision of healthcare services which includes claims arising out of alleged medical negligence by their doctors and other healthcare professionals and may be subject to liabilities arising from operational and equipment-related risks, which could materially and adversely affect their reputation, business, financial position, and results of operations. Further, quarantines and sterilizations could limit the operations of hospitals and result in reputational damage.

- Any failure to maintain and enhance their brand and reputation, and any negative publicity and allegations in the media against them, may adversely affect the level of trust in their services and market recognition, which could have an adverse impact on their business, financial condition, results of operations, cash flows and prospects.

- Company is required to obtain, renew and maintain statutory and regulatory permits, licenses and accreditations and comply with prescribed quality standards. Any regulatory changes or violations of such rules and regulations, or failure to obtain or renew approvals, licenses, registrations and permits to operate their business or comply with prescribed quality standards in a timely manner, or at all, may adversely affect their business, financial condition, results of operations, cash flows and prospects.

Valuation:

Manipal Health Enterprise Limited is India's largest multispecialty hospital network by bed capacity, with a pan-India footprint and market leadership across its three core regions. It is the only private hospital chain with leading positions in Bengaluru, Kolkata, and Pune, supported by a well-diversified presence across metro and non-metro markets, a trusted brand among patients and medical professionals, and advanced healthcare infrastructure focused on delivering superior clinical outcomes.

At the upper price band company is valuing at PE of 85.4x to its FY26 earnings with market cap of Rs 7,76,056 million post issue of equity shares.

We believe that the IPO is fully priced and recommend a **"Subscribe-Long Term"** rating to the IPO.

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Small caps (251st company onwards)	>25%	0%-25%	Below 0%

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