Manipal Health Enterprises Ltd.

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IPO Note **28th July 2026**

Company Overview

Incorporated in 2010, Manipal Health Enterprises Limited is one of India's largest integrated multi-specialty hospital chains, providing tertiary and quaternary healthcare services across a diversified network of hospitals, clinics, diagnostic centres and digital healthcare platforms. As of March 31, 2026, the company operated 49 hospitals with 13,037 licensed beds across 14 states and union territories, making it the largest private multispecialty hospital network in India by bed capacity and the second-largest by number of hospitals. The company has established leadership positions across key healthcare markets, particularly in Karnataka, Maharashtra & Goa, and Eastern India (West Bengal, Odisha, Jharkhand and Sikkim). It is the only private hospital chain with market leadership across the three major metropolitan cities of Bengaluru, Kolkata and Pune. Its diversified network is supported by a comprehensive portfolio of clinical specialties, with a strategic focus on high-acuity and complex medical procedures across oncology, cardiology, neurosciences, organ transplantation, orthopaedics, nephrology and critical care. The company follows an integrated healthcare delivery model encompassing hospitals, outpatient clinics, diagnostics, pharmacies, telemedicine and digital health solutions. In addition to its hospital network, it operates 21 clinics, diagnostic services across 18 states under the ManipalTRUtest brand and an expanding digital healthcare ecosystem comprising teleconsultation, AI-enabled patient engagement platforms and e-pharmacy services. The company combines owned hospitals with asset-light operation & management (O&M) hospitals, enabling efficient capital allocation and wider geographical reach.

Objects of the issue

The IPO comprises a Fresh Issue and an Offer for Sale (OFS). The Company will not receive any proceeds from the OFS, as the entire proceeds will accrue to the Selling Shareholders. The net proceeds from the Fresh Issue are proposed to be utilized for the following purposes:

- ⇒ Repayment/prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by one of its material subsidiary, Manipal Hospitals Private Limited.;
- ⇒ Acquisition of minority stake in its step-down subsidiary, Sahyadri Hospitals Private Limited.; and
- ⇒ General corporate purposes.

Investment Rationale

Industry-leading integrated healthcare platform with diversified Pan-India presence and strong execution track record

Manipal Health has established itself as one of India's leading private healthcare providers with a diversified network of 49 hospitals comprising 13,037 licensed beds across 14 states and union territories, making it the largest private multi-specialty hospital chain in India by bed capacity. The company enjoys strong market leadership across Karnataka, Maharashtra & Goa, and Eastern India, while maintaining dominant positions in key metropolitan markets, including Bengaluru, Kolkata, and Pune. Its extensive geographical footprint, coupled with a comprehensive portfolio of tertiary and quaternary care specialties, provides significant competitive advantages through stronger referral networks, higher patient inflows, stronger doctor relationships, and improved pricing power. The company has consistently increased the contribution of high-acuity specialties such as oncology, organ transplantation, neurosciences, cardiology and critical care, which typically generate superior revenue per occupied bed (ARPOB) and support sustainable margin expansion. Further, its integrated healthcare ecosystem, comprising hospitals, outpatient clinics, diagnostics, pharmacies, and digital healthcare platforms, strengthens patient retention, cross-selling opportunities, and long-term revenue visibility. The company's large operating scale also enables procurement efficiencies, optimized clinical resource utilization and operating leverage, positioning it well to benefit from India's structurally growing healthcare demand.

A widely recognized brand and robust clinician ecosystem strengthen competitive positioning

Manipal Health has established one of India's most trusted healthcare brands, supported by a long-standing track record of clinical excellence, superior patient outcomes and strong brand recognition across key healthcare markets. The company's flagship Manipal Hospital, Old Airport Road, has consistently been ranked as Bengaluru's leading hospital for nearly two decades, while several hospitals within its network continue to feature among India's top multi-specialty hospitals. The strong brand franchise has translated into a growing patient base, with the company serving approximately 6.3

Issue Details	
Offer Period	29th July, 2026 - 31st July, 2026
Price Band	Rs. 560 to Rs. 590
Bid Lot	25
Listing	BSE, NSE
Issue Size (no. of shares in Cr.)	15.7
Issue Size (Rs. in Cr.)	9,275
Issue Structure	
QIB	75%
NIB	15%
Retail	10%
BRLM	Kotak Mahindra Capital Company Ltd., Axis Capital Ltd., Goldman Sachs (India) Securities Private Ltd., Jefferies India Private Ltd., J.P. Morgan India Private Ltd., UBS Securities India Private Ltd., DBS Bank India Ltd.
Registrar	KFin Technologies Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	81.9%	71.8%
Public	18.1%	28.2%
Total	**100%**	**100%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

million patients in FY26 (pro forma), reflecting increasing acceptance across tertiary and quaternary care services. A well-established brand, coupled with strong referral networks and clinical expertise, supports higher patient volumes, improved occupancy and greater contribution from high-value specialty procedures. The company has also built a strong clinician-led ecosystem with over 11,000 doctors, 11,000 nurses and 6,300+ paramedical professionals, supported by continuous investments in medical education, research and structured training programs. Its long-standing association with the Manipal Academy of Higher Education (MAHE), along with DNB, DrNB and Fellowship programs, enables a sustainable pipeline of skilled medical professionals while strengthening doctor retention and clinical leadership. Furthermore, its patient-centric approach, standardized treatment protocols, and digital healthcare initiatives enhance service quality and the patient experience. We believe the company's strong brand equity, extensive clinical talent pool, and academic ecosystem create significant barriers to entry, reinforcing its leadership position and supporting sustainable long-term growth.

Valuation

Manipal Health Enterprises is one of India's leading integrated healthcare providers with a diversified portfolio of multi-specialty hospitals offering tertiary and quaternary care services across key metropolitan and regional markets. Its leadership across Karnataka, Maharashtra & Goa and Eastern India, coupled with a well-diversified specialty mix and strong brand equity, provides a sustainable competitive advantage and positions the company to benefit from rising demand for quality healthcare services. The company has built a strong Pan-India healthcare franchise, supported by complementary businesses including diagnostics, outpatient clinics, pharmacies and digital healthcare services. The long-term outlook for the Indian healthcare industry remains favorable, driven by increasing healthcare awareness, rising health insurance penetration, an ageing population, a higher incidence of lifestyle-related diseases, improving affordability, and growing demand for tertiary and quaternary care. On the financial front, the company has demonstrated a strong growth trajectory, with Revenue/EBITDA/PAT registering CAGRs of 29.4%/24.6%/31.1%, respectively, during FY24-FY26, supported by robust patient volume growth, improving occupancy levels, increasing contribution from high-acuity specialties, and the successful integration of acquired hospitals. The company's strong operating cash flows, improving profitability and focus on operational efficiencies provide a solid foundation for sustainable earnings growth. As we advance, management remains focused on expanding its hospital network through a balanced strategy of brownfield expansion, greenfield developments and selective acquisitions. The planned addition of nearly 2,400 licensed beds by FY30, coupled with continued investments in digital healthcare, advanced medical technologies and clinician development, is expected to strengthen its market leadership. Furthermore, its integrated healthcare ecosystem, strong clinician network, established referral base, and scalable operating model create significant barriers to entry and enhance long-term growth visibility. **At the upper price band of Rs. 590, the issue is valued at a P/E of 76.9x based on annualized FY26 earnings on a post issue basis. We thus, recommend a “SUBSCRIBE” rating from a medium to long-term perspective.**

Key Risks

⇒ The company's growth strategy is highly dependent on the successful integration of acquired hospitals, and any delay in realizing operational synergies could adversely affect financial performance.

⇒ Expansion plans require substantial capital expenditure and execution capabilities, and any delay in commissioning new hospitals or achieving targeted occupancy levels may impact return ratios and earnings growth.

⇒ The business depends on attracting and retaining experienced doctors, surgeons, and medical professionals, and an inability to maintain strong clinical talent could adversely affect patient volumes and service quality.

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Manipal Health Enterprises Ltd.

Income Statement (Rs. in Mn)

Particulars	FY24	FY25	FY26
Revenue			
Revenue from operations	61,716	82,423	1,03,358
Total revenue	**61,716**	**82,423**	**1,03,358**
Expenses			
Purchase of medical consumables and pharmacy items	12,743	16,877	21,368
Changes in inventories of medical consumables and pharmacy items	-231	-77	-206
Employee benefits expense	8,570	12,194	14,900
Other Expenses	23,803	32,163	41,184
Total operating expenses	**44,886**	**61,157**	**77,246**
EBITDA	**16,831**	**21,265**	**26,112**
Depreciation and amortisation expense	3,970	5,068	6,795
EBIT	**12,860**	**16,197**	**19,316**
Finance costs	4,549	5,119	8,643
Other Income	935	1,205	1,848
Exceptional Items	-1,796	140	-741
PBT	**7,450**	**12,423**	**11,780**
Tax Expense	**2,118**	**1,606**	**2,615**
Current Tax	2,339	2,907	1,705
Deferred Tax	-221	-1,301	910
Net Profit	**5,332**	**10,817**	**9,165**
EPS	5.25	9.25	7.67

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Mn)

Particulars (Rs in Mn)	FY24	FY25	FY26
Cash Flow from operating activities	13,886	15,698	20,784
Cash flow from investing activities	-8,705	-26,583	-70,367
Cash flow from financing activities	-2,502	9,041	49,544
Net increase/(decrease) in cash and cash equivalents	2,679	-1,844	-39
Cash and cash equivalents at the beginning of the period	**682**	**3,609**	**2,913**
Cash and cash equivalents of acquired entities during the year	**247**	**1,148**	**120**
Cash and cash equivalents at the end of the period	**3,609**	**2,913**	**2,993**

Source: RHP, BP Equities Research

Manipal Health Enterprises Ltd.

Balance Sheet (Rs. in Mn)

Particulars	FY24	FY25	FY26
ASSETS			
Non-current Assets			
Property, plant and equipment	37,502	42,247	58,408
Right-of-use assets	12,242	16,998	23,851
Goodwill	27,595	33,990	81,206
Capital Work in progress	416	6,140	7,953
Other intangible assets	4,245	5,027	24,064
Financial assets			
(i) Loans	1	-	-
(ii) Investments	1,162	1,449	2,828
(iii) Other financial assets	874	1,338	1,577
Deferred tax assets (net)	613	1,816	1,298
Income tax assets (net)	2,558	2,562	5,447
Other non-current assets	401	608	923
Total Non-Current Assets	**87,609**	**1,12,175**	**2,07,555**
Current Assets			
Inventories	1,032	1,319	1,699
Financial Assets			
(i) Trade receivables	4,589	6,373	9,298
(ii) Cash and cash equivalents	3,609	2,913	2,993
(iii) Other financial assets	293	588	1,740
(iv) Loans	19	34	41
(v) Bank balances other than cash and cash equivalents	189	390	239
(vi) Investments	10,049	16,308	23,924
Other current assets	734	557	1,093
Assets held-for-sale	65	65	65
Total Current Assets	**20,579**	**28,546**	**41,090**
Total Assets	**1,08,188**	**1,40,721**	**2,48,645**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	756	771	2,360
Other equity	39,399	57,703	81,901
Equity attributable to owners of the Company	**40,155**	**58,473**	**84,261**
Non-controlling interest	720	1,528	3,727
Total Equity	**40,875**	**60,002**	**87,988**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	37,001	44,700	99,488
(ii) Lease liabilities	11,337	15,489	22,304
(iii) Other financial liabilities	-	350	1,788
Deferred Tax Liabilities (Net)	2,109	1,837	2,822
Provisions	298	395	632
Total Non-Current Liabilities	**50,746**	**62,771**	**1,27,034**
Current Liabilities			
Financial liabilities			
(i) Borrowings	2,438	2,968	6,046
(ii) Lease liabilities	526	695	792
(iii) Trade payables	11,305	11,266	14,646
Other financial liabilities	627	1,177	8,585
Other current liabilities	911	1,120	2,840
Provisions	507	687	709
Current tax liabilities (net)	252	34	6
Total Current Liabilities	**16,567**	**17,948**	**33,624**
Total Liabilities	**67,313**	**80,719**	**1,60,658**
Total Equity and Liabilities	**1,08,188**	**1,40,721**	**2,48,645**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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