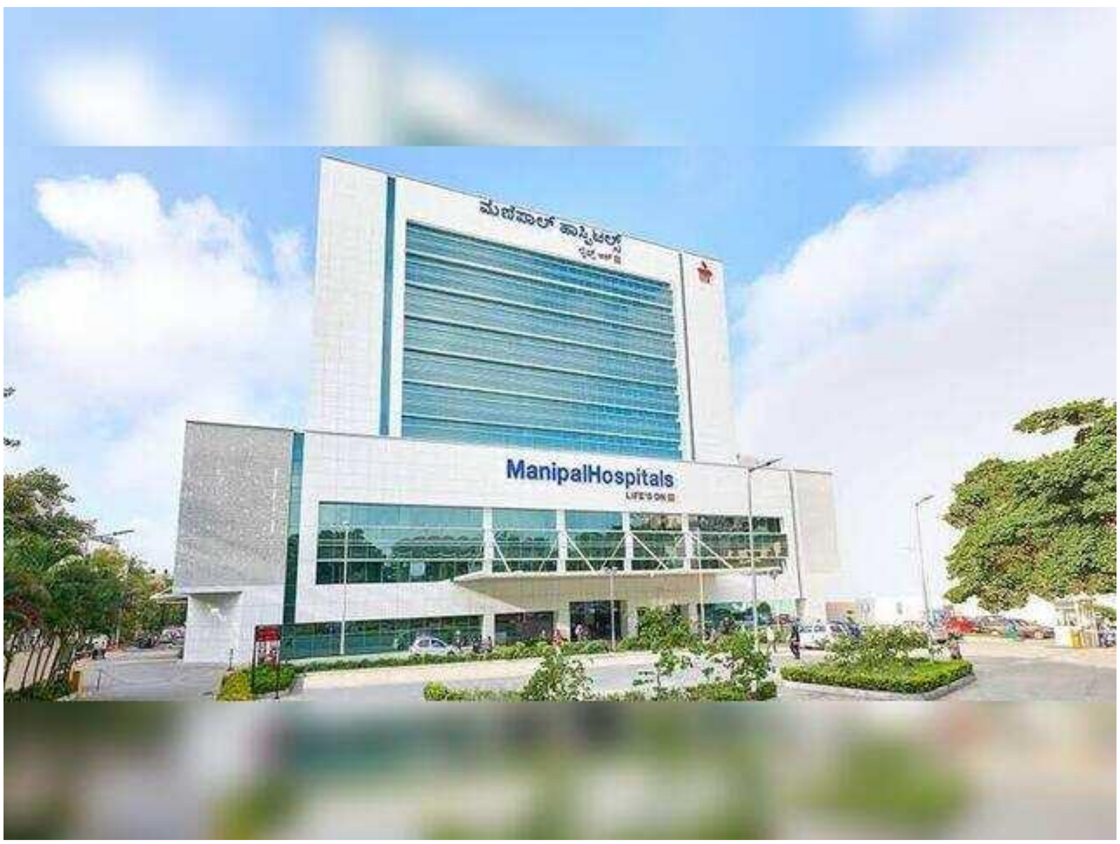
Manipal Health Enterprises Ltd

IPO Note



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Manipal Health Enterprises Limited is India's largest pan-India multispecialty hospital network by bed capacity, operating 49 hospitals with 13,037 licensed beds as of March 31, 2026. It is the only private chain leading in three major metros: Bengaluru, Kolkata, and Pune. The company focuses on high-acuity tertiary and quaternary care, with its "CONGO-R" specialties (cardiac, oncology, neuro, gastro, orthopaedics, and renal sciences) contributing 64.30% of gross inpatient revenue in Fiscal 2026.

Strategic Expansion and IPO Structure The company has successfully executed an inorganic growth strategy, adding 5,548 beds through acquisitions like Columbia Asia, AMRI, Medica Synergie, and Sahyadri Hospitals between 2021 and 2026. The IPO includes a Fresh Issue of up to INR 8,000.00 crore. Key objects include utilizing INR 5,552.76 crore for debt repayment and INR 574.00 crore to acquire the remaining minority stake in Sahyadri Hospitals.

Financial Performance and Operational Efficiency Manipal Health has delivered robust growth, with revenue from operations rising from INR 6,171.63 crore in Fiscal 2024 to INR 10,335.75 crore in Fiscal 2026 at a CAGR of 29.41%. Profit for the year grew at a CAGR of 31.11%, reaching INR 916.52 crore in Fiscal 2026. The company maintains high efficiency with an EBITDA margin of 27.05% and a negative working capital cycle of 13 days.

Investment Risks Investors should note a high geographic concentration, as 46.40% of Fiscal 2026 revenue was derived from hospitals in Karnataka. The business is also sensitive to pricing regulations like the Drugs (Prices Control) Order, 2013, which can cap margins on medical consumables and procedures. Furthermore, performance depends on the continued ability to attract and retain highly skilled healthcare professionals in a competitive market.

Industry	Healthcare

Scrip Details	
Listing	BSE & NSE
Open Date	July 29, 2026
Close Date	July 31, 2026
Price Band	INR 560-590
Face Value	INR 2
Market Lot	25 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	INR 9,275.0
Issue Size sh. (in cr.)	15.72
QIB Share (%)	≥ 75%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≤ 10%
Pre-Issue sh. (in cr.)	1.17
Post Issue sh. (in cr.)	1.31
Post Issue Market Cap (in cr)	77,605.68

Shareholding (%)	Pre (%)	Post (%)
Promoter	81.86	72.09
Public	18.14	37.91
TOTAL	**100**	**100**

Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	PAT	EBITDA %	PAT%	adj EPS	Adj BVPS	ROE	ROIC	EV/EBITDA	P/BV	P/E
FY24	6,171.6	1,679.4	533.2	27.2	8.6	5.0	34.6	14.8	19.5	47.7	17.0	117.1
FY25	8,242.3	2,089.7	1,081.7	25.4	13.1	9.0	50.9	18.2	18.3	38.5	11.6	65.3
FY26	10,335.8	2,611.2	916.5	25.3	8.9	7.6	74.6	10.6	12.1	32.6	7.9	78.0

Source: Ventura Research & Company update

Issue Structure and Offer Details:

Manipal Health Enterprises Limited IPO is a 100% book build issue aggregating up to **9,275 Cr INR.** The issue is entirely a **fresh issue** of up to 15,72,07,054 Equity Shares.

	Issue Structure
Investor Category	**Allocation**
QIB	**Not less than 75% of the Net Offer**
NII (HNI)	**Not more than 15% of the Net Offer**
Retail	**Not more than 10% of the Net Offer**

Number of shares based on a higher price band of INR 590

Source: Company Reports

Objects of the Issue:

1. **Repayment or Prepayment of Borrowings:** The company plans to utilize approximately INR 5,552.76 crore for the full or partial repayment/prepayment of certain outstanding borrowings and accrued interest of its Material Subsidiary, Manipal Hospitals Private Limited (MHPL). Specifically, these funds are intended to redeem listed non-convertible debentures (MHPL NCDs) used to fund earlier acquisitions.
2. **Acquisition of Minority Stake:** Approximately INR 574.00 crore will be used to acquire the remaining 9.84% minority stake in its stepdown Subsidiary, Sahyadri Hospitals Private Limited.
3. **General Corporate Purposes:** The remaining portion of the Net Proceeds will be directed toward general corporate purposes, including strengthening marketing and brand building, funding working capital, and meeting contingencies. This amount will not exceed 25% of the gross proceeds.

Financial Summary

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Income Statement			
Revenue	6,171.6	8,242.3	10,335.8
YoY Growth (%)	*28.4*	*33.6*	*25.4*
Raw Material Cost	0.0	0.0	0.0
RM Cost to Sales (%)	*0.0*	*0.0*	*0.0*
Employee Cost	857.0	1,219.4	1,490.0
Employee Cost to Sales (%)	*13.9*	*14.8*	*14.4*
Other Expenses	3,635.2	4,933.2	6,234.5
Other Exp to Sales (%)	*58.9*	*59.9*	*60.3*
EBITDA	1,679.4	2,089.7	2,611.2
Margin (%)	*27.2*	*25.4*	*25.3*
YoY Growth (%)	*35.0*	*24.4*	*25.0*
Depreciation & Amortization	397.0	506.8	679.5
EBIT	1,282.4	1,582.8	1,931.6
Margin (%)	*20.8*	*19.2*	*18.7*
YoY Growth (%)	*38.0*	*23.4*	*22.0*
Other Income	97.2	157.4	184.8
Bill discounting & other charges	454.9	511.9	864.3
Fin Charges Coverage (X)	2.8	3.1	2.2
Exceptional Item	(179.6)	14.0	(74.1)
PBT	745.0	1,242.3	1,178.0
Margin (%)	*12.1*	*15.1*	*11.4*
YoY Growth (%)	*27.2*	*66.7*	*(5.2)*
Tax Expense	211.8	160.6	261.5
Tax Rate (%)	*28.4*	*12.9*	*22.2*
PAT	533.2	1,081.7	916.5
Margin (%)	*8.6*	*13.1*	*8.9*
YoY Growth (%)	*24.3*	*102.9*	*(15.3)*
Min Int/Sh of Assoc	61.1	(16.3)	(24.2)
Net Profit	594.3	1,065.4	892.3
Margin (%)	*9.6*	*12.9*	*8.6*
YoY Growth (%)	*39.1*	*79.3*	*(16.2)*
Balance Sheet			
Share Capital	75.6	77.1	236.0
Total Reserves	4,011.9	5,923.1	8,562.8
Shareholders Fund	4,087.5	6,000.2	8,798.8
Long Term Borrowings	3,700.1	4,470.0	9,948.8
Deferred Tax Assets / Liabilities	149.6	2.1	152.4
Other Long Term Liabilities	1,133.7	1,583.8	2,409.2
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	29.8	39.5	63.2
Total Liabilities	9,100.7	12,095.7	21,372.3
Net Block	8,158.4	9,826.2	18,752.9
Capital Work in Progress	41.6	614.0	795.3
Intangible assets under developme	0.0	0.0	0.0
Non Current Investments	116.2	144.9	282.8
Long Term Loans & Advances	325.0	357.7	723.2
Other Non Current Assets	58.3	93.1	71.5
Net Current Assets	401.2	1,059.8	746.6
Total Assets	9,100.7	12,095.7	21,372.3

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Per share data & Yields			
Adjusted EPS (INR)	5.0	9.0	7.6
Adjusted Cash EPS (INR)	8.4	13.3	13.3
Adjusted BVPS (INR)	34.6	50.9	74.6
Adjusted CFO per share (INR)	11.8	13.3	17.6
CFO Yield (%)	2.0	2.3	3.0
Adjusted FCF per share (INR)	9.0	4.4	6.5
FCF Yield (%)	1.5	0.7	1.1
Solvency Ratio (X)			
Total Debt to Equity	1.0	0.8	1.2
Net Debt to Equity	0.6	0.5	0.9
Net Debt to EBITDA	1.5	1.3	2.9
Return Ratios (%)			
Return on Equity	14.8	18.2	10.6
Return on Capital Employed	11.5	13.0	8.0
Return on Invested Capital	19.5	18.3	12.1
Working Capital Ratios			
Payable Days (Nos)	67	50	52
Inventory Days (Nos)	6	6	6
Receivable Days (Nos)	27	28	33
Net Working Capital Days (Nos)	(34)	(16)	(13)
Net Working Capital to Sales (%)	(9.2)	(4.3)	(3.5)
Valuation (X)			
P/E	117.1	65.3	78.0
P/BV	17.0	11.6	7.9
EV/EBITDA	47.7	38.5	32.6
EV/Sales	13.0	9.8	8.2
Cash Flow Statement			
PBT	745.0	1,242.3	1,178.0
Adjustments	681.1	699.3	1,154.3
Change in Working Capital	174.3	(211.1)	7.6
Less: Tax Paid	(211.8)	(160.6)	(261.5)
Cash Flow from Operations	1,388.6	1,569.8	2,078.4
Net Capital Expenditure	(327.0)	(1,049.5)	(1,311.8)
Change in Investments	(543.5)	(1,608.9)	(5,724.9)
Cash Flow from Investing	(870.5)	(2,658.3)	(7,036.7)
Change in Borrowings	204.7	666.0	5,818.7
Less: Finance Cost	(454.9)	(511.9)	(864.3)
Proceeds from Equity	0.0	750.0	0.0
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	0.0	0.0	0.0
Cash flow from Financing	(250.2)	904.1	4,954.4
Net Cash Flow	267.9	(184.4)	(3.9)
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	68.2	360.9	291.3
Closing Balance of Cash	336.1	176.5	287.4

Source: Ventura Research

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