

Pick of *the week*

Aster DM Healthcare

Recommendation: **ADD**

Target Price: **₹410**

Current Price: **₹372**

Time Period: **12 Months**

Date: **5th August 2024**



- On track to deliver a robust 19% sales CAGR & 25% EBITDA CAGR over FY24-27E.
- Further margin expansion driven by growth in ARPOB, occupancies & cost efficiencies.
- Company indicated the possibility of a strategic M&A in the next couple of quarters.
- Healthy Q1FY25, driven by higher ARPOB and occupancies across clusters.
- Company is guiding for a 300-400 bps EBITDA margin expansion over the next 2-3 years.
- Company has a plan of adding ~1,700 beds in India to reach 6,546 beds by FY27E.
- A possibility of partnering with strategic/financial investors, owing to now cleaner structure.
- Continues to scout for expansion opportunities in South India, Maharashtra & Uttar Pradesh.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 1st August, 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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