

# Pick of the week

## Aster DM Healthcare

Recommendation:	<b>ADD</b>
Target Price:	<b>₹410</b>
Current Price:	<b>₹372</b>
Time Period:	<b>12 Months</b>
Date:	<b>5<sup>th</sup> August 2024</b>



- 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.