

## Apollo Hospitals (APHS) - BUY

### Result Update

Current Market Price (CMP)

**Rs. 6,616**

Fair Value (FV)

**Rs. 8,180**

### Rationale:

- A fine Q3FY25, with healthy traction across hospitals, offline pharmacies & AHL.
- Q3FY25 was 7<sup>th</sup> consecutive quarter of sequential improvement in AHL's margins.
- Its overall bed expansion in FY25-27E is still much lower than almost all peers.
- While we stay less sanguine on 24/7, continued sturdy offline FCF should address any concerns; Maintain BUY.

(FCF-Free Cash Flows; EBITDA- Earnings Before Interest, Taxes, Depreciation, and Amortization; SOTP- Sum of the Parts; AHL-Apollo Healthco; ARPOB - Average Revenue Per Occupied Bed)

### Q3FY25 Result update:

#### **Positives:**

- Q3FY25 sales grew 14% yoy to Rs5530 cr, with EBITDA of Rs760 cr.
- ARPOB growth was impressive at 8% yoy in Q3FY25.
- We expect offline pharmacy growth to be healthy, aided by improving margins.
- We continue to view the AHL-Keimed merger as a step in the right direction.
- Expansion plans remain on track, as it is on course to add ~3,500 beds.

#### **Negatives:**

- The only blip in the result was the sluggish 24/7 GMV (flat qoq).

[Click here](#)

For detailed report dated 11th Feb 2025. Note: CMP & valuation may differ due to difference in dates.



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