kotak Securities

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

KIMS (KIMS) - ADD

Current Market Price	Fair Value (FV)
Rs.647	Rs.715

Date: 10 February 2026

Previous Rating: - REDUCE **Current Rating:** ADD **Change:** Upgrade

Ratings Rationale

- Delivered a 15% EBITDA beat in Q3FY26 on a faster ramp-up in new hospitals and strength in Telangana.
- Its promising ramp-up at Bengaluru and Thane alleviates concerns about any major execution slip-ups at new hospitals.
- For the four major new hospitals, bake in a cumulative EBITDA of ~Rs160 cr in FY28E.
- KIMS' Q3FY26 sales grew 29% yoy to ~Rs1000 cr; EBITDA, at ~Rs200 cr (+6% yoy).
- ARPOB growth was strong at ~20% yoy, led by 14% yoy ARPP growth and a 6% yoy reduction in ALOS.
- To turn around the initial losses and report EBITDA CAGR of 23% over FY25-28E.
- KIMS' bed addition plans remain largely on track.
- Comfort in the fact that it is looking to stabilize the new beds before adding further greenfield beds.
- Well-poised to be a prominent multi-specialty hospital chain across multiple markets.

Valuation

After the ~16% correction in past six months, upgrade to ADD

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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