

# APOLLO HOSPITALS

## Continues to deliver amid challenging environment

India Equity Research | Healthcare

Despite a strong Q4FY18 performance, the Apollo Hospitals' (APHS) stock came off 3.8% today, after slipping 20% in past three months. What's driving this weakness in the stock price? Regulatory headwinds have been unsettling for the hospital players. Other external factors like: i) demonetisation; ii) GST; iii) stents, knee implants and drug price control; and iv) increase in minimum wages for nurses in some states also marred sector profitability. Going ahead, some states are also trying to cap gross margins on consumables, which could further affect gross profits. Instead of addressing structural issues of the healthcare sector, populist measures are being offered. This has led to uncertainty and the APHS stock bears testimony to same. As for APHS' performance, having completed its capex cycle it is set to double EBITDA and reduce capex to one-third over the next three years. Maintain 'BUY' with SoTP-based target price of INR1,700.

### New hospitals ramp-up encouraging

Healthcare grew 10% YoY, led by 24%/7% growth in new/existing hospitals. Pharmacies grew 20% YoY, driven by volume growth. New hospitals posted EBITDA loss of INR19mn for Q4FY18, but EBITDA profit of INR195mn for FY18, after absorbing losses for Navi Mumbai. Navi Mumbai losses reduced to just INR17mn from INR105mn in Q3FY18. Net debt remained stable at INR27bn.

### RoCE to see sharp improvement; government regulations key risk

Two of APHS' businesses are yet to contribute to RoCE: 1) New hospitals, with ~INR12bn capital employed, are running at just ~40% occupancy; and 2) AHLL, with ~INR6bn capital employed, is running at ~30% utilisation. Going forward: i) Navi Mumbai will record profits in FY19; and ii) AHLL is set to breakeven in FY20. With capex moderating, we expect RoCE to rise from 8% to ~15% over FY18-21. The only risk is announcement of any government regulation - APHS has almost offset impact from stent and knee cap price controls. But, any drastic regulatory policies could render entire models unsustainable for players.

### Outlook and valuations: Attractive valuations; maintain 'BUY'

We estimate ~21% EBITDA CAGR, ~250bps margin expansion and ~750bps RoCE expansion to ~15% over FY18-21E. At CMP, the stock trades at 12.6x FY20E EBITDA. We maintain 'BUY/SO' with our SoTP-based target price of INR1,700 (refer table 2).

#### Financials (Consolidated)

(INR mn)

Year to March	Q4FY18	Q4FY17	% chg	Q3FY18	% chg	FY18	FY19E	FY20E
Net revenue	21,083	18,331	15.0	21,393	(1.5)	82,435	92,919	105,146
EBITDA	1,863	1,510	23.4	2,172	(14.2)	7,932	10,151	12,643
EBITDA margin (%)	8.8	8.2		10.2		9.6	10.9	12.0
Adj. Profit	238	555	(57.1)	439.0	(45.8)	1,174	1,700	3,013
P/E (x)						112.5	77.7	43.9
EV/EBITDA (x)						19.8	15.9	12.6
ROACE (%)						7.1	9.6	13.1

#### EDELWEISS 4D RATINGS

Absolute Rating	BUY
Rating Relative to Sector	Outperform
Risk Rating Relative to Sector	Low
Sector Relative to Market	None

#### MARKET DATA (R: APLH.BO, B: APHS IN)

CMP	: INR 950
Target Price	: INR 1,700
52-week range (INR)	: 1,358 / 946
Share in issue (mn)	: 139.1
M cap (INR bn/USD mn)	: 137 / 2,038
Avg. Daily Vol.BSE/NSE('000)	: 420.2

#### SHARE HOLDING PATTERN (%)

	Current	Q3FY18	Q2FY18
Promoters *	34.4	34.4	34.4
MF's, FI's & BK's	8.3	8.5	8.3
FII's	48.5	48.5	47.8
Others	8.8	8.6	9.5
* Promoters pledged shares (% of share in issue)	:		NIL

#### PRICE PERFORMANCE (%)

	Stock	Nifty	EW Pharma Index
1 month	(12.9)	(0.0)	(8.1)
3 months	(21.0)	2.3	(7.9)
12 months	(21.5)	11.6	(4.1)

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May 31, 2018

## Q4FY18 Conference call: Key highlights

### Financials:

- Net debt INR27.04bn (net debt on consol. basis INR31bn)
- Effective tax rate 29%

### Navi Mumbai:

- FY18 EBITDA loss of INR310mn
- Q4FY18 EBITDA loss at INR20mn
- 175 operational beds of which 130 are occupied
  - Plans to operationalise 250 beds next year based on position of occupancy (threshold is 65-70%)
- Certain about breakeven in Navi Mumbai Q1FY19
- FY20 margin should be between 10-15%
- New hospitals should move to 10% margins from current 4% margins

### Chennai cluster:

- Ability to grow by 25%
- Proton is expected to start in Q4FY19

### Kolkata:

- Entire healthcare sector in Kolkata impacted by political pressure from FY17
- APHC has not lost out on volumes, and it's only a matter of few quarters when even value growth will be seen.
- Another couple of quarters before comes back to pre-Kolkata levels
- Volumes are growing consistently
- Target for next year is EBITDA of INR300mn and PAT more than breakeven)

### AHLL:

- FY18 revenue up 39% in cradle
- Losses are due to one new cradle in Amritsar
  - Amritsar has begun to come back on track
  - Pune cradle has been shut down
- Diagnostics: Good opportunity in South and Eastern parts of India – grew network with over 220 centres now. Retail diagnostic grew 80% last year.
- On track to breakeven in Q4FY19 at EBITDA level

### Standalone pharmacies:

- Store addition in FY19 as per management guidance will be in the range of 250-300 stores. Company expects margin improvement by 50bps in FY19
- SAP EBITDA margin expected to further improve
- Hetero integration will improve next year. Don't expect to close more than 15-20 stores

**Munich:**

- Gross Written Premium INR17.80bn. Growth of 30% plus
- Adopted new standards  
Service pricing model/volume to value shift:
- Hospital is now pricing servicing and have assured price plans where customers know what the pricing is
- This will result in higher ARPOB
- Just rolled out 55 packages across all tier-I hospitals for all cash patients (50% of patients)
  - o EBITDA margin is over 20% for all procedures. This is EBITDA neutral.
- Will see the impact next year
- Costs will vary selectively depending on location. Even in metros, there are lower cost models, where patients from AYUSHMAN BHARAT can also be fit in.  
Cost optimisation:
- Chennai and Hyderabad
  - o As hospitals shift towards IT, legacy issues can be eliminated
  - o Design to cost mainly in tier II hospitals with the new hospitals working with the government on new initiatives
- IBM Watson for oncology
- Expert opinion for oncology
- Calibrating employees per bed  
In-house pharmacy in Delhi:
- There was never any compulsion really for the patients to use inhouse pharmacy
- However, this is likely to flout international standards

**Table 1: Segment-wise break-up of revenue and EBITDA**

	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18
<b>Standalone hospitals (existing)</b>												
Revenue	7,042	7,374	7,102	7,266	7,050	7,816	7,414	7,529	7,478	8,278	8,021	7,576
EBITDA	1,641	1,783	1,590	1,634	1,642	1,740	1,575	1,593	1,507	1,770	1,680	2,411
EBITDA margin(%)	23.3	24.2	22.4	22.5	23.3	22.3	21.2	21.2	20.2	21.4	20.9	31.8
<b>Standalone hospitals (new)</b>												
Revenue	823	902	1,034	1,120	1,279	1,426	1,504	1,654	1,724	1,958	2,059	2,047
EBITDA	(38)	(1)	45	(16)	18	132	4	(197)	(91)	87	158	77
EBITDA margin(%)	NA	NA	4.4	NA	1.4	9.3	0.3	(11.9)	(5.3)	4.4	7.7	3.8
<b>Standalone pharmacies</b>												
Revenue	5,192	5,822	6,115	6,092	6,325	7,099	7,888	7,433	7,642	8,281	8,882	8,631
EBITDA	174	203	223	203	219	348	362	304	320	356	253	550
EBITDA margin(%)	3.4	3.5	3.6	3.3	3.5	4.9	4.6	4.1	4.2	4.3	2.8	6.4
<b>AHLL</b>												
Revenue	411	459	595	429	572	626	816	1,840	677	803	534	2,575
EBITDA	(212)	(266)	(268)	(416)	(279)	(239)	(259)	(292)	(283)	(231)	(263)	(369)
<b>Total consolidated revenue</b>												
Revenue	14,400	15,803	15,981	15,963	16,642	18,414	19,162	18,331	19,031	20,928	14,259	28,217
EBITDA	1,751	1,911	1,688	1,528	1,789	2,159	1,918	1,420	1,649	2,247	1,970	2,066
EBITDA margin(%)	12.2	12.1	10.6	9.6	10.7	11.7	10.0	7.7	8.7	10.7	13.8	7.3

Source: Company, Edelweiss research

**Table 2: SOTP valuation on FY20 financials**

Valuation	Mar-20
<b>Hospital business</b>	
Multiple (EV/EBITDA)	20
EBITDA (FY20)	10,577
EV	2,11,534
<b>Pharmacy business</b>	
Multiple (EV/EBITDA)	15
EBITDA (FY20)	2,162
EV	32,423
<b>AHLL (71% stake)</b>	11,017
<b>Apollo Munich Health Insurance (10% stake)</b>	358
<b>Other JVs</b>	6,327
Total EV	2,61,659
Less: net debt	24,566
Market Cap	2,37,094
No of shares	139
<b>Value per share</b>	<b>1,704</b>

Source: Company, Edelweiss research

**Financial snapshot**

(INR mn)

Year to March	Q4FY18	Q4FY17	% change	Q3FY18	% change	FY18	FY19E	FY20E
Net revenues	18,629	16,245	14.7	18,563	0.4	82,435	92,919	105,146
Cost of revenue	9,798	8,672	13.0	9,905	(1.1)	40,327	46,181	52,258
Gross profit	8,832	7,573	16.6	8,658	2.0	42,108	46,738	52,889
EBITDA	2,136	1,701	25.6	2,213	(3.5)	7,932	10,151	12,643
EBITDA margin	11.5	10.5		11.9		9.6	10.9	12.0
Depreciation	731	628	16.5	678	8.0	3,590	3,610	3,603
EBIT	1,404	1,073	30.9	1,535	(8.5)	4,342	6,541	9,040
Interest	624	578	8.0	635	(1.8)	2,951	2,720	2,207
Other income	58	91	(36.0)	79	(25.7)	322	227	327
Profit before tax	839	586	43.1	978	(14.3)	1,712	4,049	7,160
Provision for taxes	242	104	132.0	304	(20.3)	1,119	2,646	4,679
Minority interest						(579)	(22)	(39)
Associate profit share	-	-		-		2	275	493
<b>Add: Exceptional items</b>								
Reported net profit	596	482	23.8	674	(11.6)	1,174	1,700	3,013
Adjusted Profit	596	482	23.8	674	(11.6)	1,174	1,700	3,013
Diluted shares (mn)	139	139		139		139	139	139
Adjusted Diluted EPS	4.3	3.5	23.8	4.8	(11.6)	8.4	12.2	21.7
<b>As % of net revenues</b>								
Cost of revenue	52.6	53.4		53.4		48.9	49.7	49.7
Gross profit	47.4	46.6		46.6		51.1	50.3	50.3
Total expenses	106.9	104.5		105.1		90.4	89.1	88.0
Operating profit	7.5	6.6		8.3		5.3	7.0	8.6
Reported net profit	3.2	3.0		3.6		1.4	1.8	2.9
Tax rate	28.9	17.8		31.1		65.4	65.4	65.4

### Company Description

Apollo is widely recognised as the pioneer of private healthcare in India, and was the country's first corporate hospital. The Apollo Hospitals Group, which started as a 150-bed hospital in Chennai in 1983 and today, operates 6,800 beds across 61 hospitals. The Group has emerged as the foremost integrated healthcare provider in Asia, with mature group companies that specialize in insurance, pharmacy, consultancy, clinics and many such key touch points of the ecosystem.

The group includes Hospitals, pharmacies, primary care and diagnostic clinics, telemedicine centres and Apollo Munich Insurance branches panning the length and breadth of India. As an integrated healthcare service provider with health insurance services, global projects consultancy capability, medical education centres and a research foundation with a focus on global clinical trials, epidemiological studies, stem cell & genetic research, Apollo has been at the forefront of new medical breakthroughs with the most recent investment being that of commissioning the first Proton Therapy Center across Asia, Africa and Australia in Chennai, India.

### Investment Theme

Apollo is well positioned for RoCE improvement as its capex cycle comes to an end and they sweat assets. Apollo has spent ~INR25.9bn (~50% of gross block) over the last 3 years, majority being invested in its Navi Mumbai hospital and in Apollo Health and Lifestyle Limited (AHLL), which are currently incurring losses. Apollo's Navi Mumbai facility has been ramping up well with 80% utilisation of 150 operational beds. We expect the facility to breakeven in FY19 and believe it entails potential to generate INR1bn EBITDA by FY21. AHLL, Apollo's retail healthcare format, with INR5.5bn capital employed, is currently incurring losses. With the diagnostic and clinics already ramping up well, AHLL is on track to breakeven by FY20. Going forward, we believe capex will fall by 50%.

### Key Risks

Success of business depends on expansion of network

Subsidiaries may be unable to sustain profitability in the future

Specialist physicians could dis-associate

Rising infrastructure costs could restrict investment

## Financial Statements

### Key Assumptions

Year to March	FY17	FY18	FY19E	FY20E
<b>Macro</b>				
GDP(Y-o-Y %)	6.6	6.5	7.1	7.6
Inflation (Avg)	4.5	3.6	4.5	5.0
Repo rate (exit rate)	6.3	6.0	6.0	6.5
USD/INR (Avg)	67.1	64.5	66.0	66.0
<b>Company</b>				
Bed capacity	6,730	6,991	7,091	7,291
Pharmacy additions (YoY)	2,556.0	2,806.0	3,056.0	3,256.0
Tax rate (%)	50.6	65.4	65.4	65.4

### Income statement

(INR mn)

Year to March	FY17	FY18	FY19E	FY20E
Income from operations	71,144	82,435	92,919	105,146
Materials costs	35,989	40,327	46,181	52,258
Employee costs	11,965	14,044	15,448	16,993
EBITDA	7,286	7,932	10,151	12,643
Operating profit	7,286	7,932	10,151	12,643
EBIT	4,145	4,342	6,541	9,040
Less: Interest Expense	2,574	2,951	2,720	2,207
Add: Other income	224.95	321.5	227.31	327.27
Profit Before Tax	1,797	1,712	4,049	7,160
Less: Provision for Tax	910	1,119	2,646	4,679
Less: Minority Interest	(899)	(579)	(22)	(39)
Associate profit share	424	2	275	493
Reported Profit	2,210	1,174	1,700	3,013
Exceptional Items	-	-	-	-
Adjusted Profit	2,210	1,174	1,700	3,013
Shares o/s (mn)	139	139	139	139
Adjusted Basic EPS	15.9	8.4	12.2	21.7
Diluted shares o/s (mn)	139	139	139	139
Adjusted Diluted EPS	15.9	8.4	12.2	21.7
Adjusted Cash EPS	38.5	34.2	38.2	47.6
Dividend per share (DPS)	6.0	5.0	7.2	12.8
Dividend Payout Ratio(%)	37.8	59.2	59.2	59.2

### Common size metrics

Year to March	FY17	FY18	FY19E	FY20E
Materials costs	50.6	48.9	49.7	49.7
Staff costs	16.8	17.0	16.6	16.2
Operating expenses	89.8	90.4	89.1	88.0
Depreciation	4.4	4.4	3.9	3.4
EBITDA margins	10.2	9.6	10.9	12.0
Interest Expense	3.6	3.6	2.9	2.1
Net Profit margins	1.8	0.7	1.8	2.8

### Growth ratios (%)

Year to March	FY17	FY18	FY19E	FY20E
Revenues	14.5	15.9	12.7	13.2
EBITDA	5.9	8.9	28.0	24.5
PBT	(41.1)	(4.7)	136.4	76.9
Adjusted Profit	(2.0)	(46.9)	44.8	77.2
EPS	(2.0)	(46.9)	44.8	77.2

Balance sheet		(INR mn)			
As on 31st March	FY17	FY18	FY19E	FY20E	
Share capital	696	696	696	696	
Reserves & Surplus	32,436	31,820	32,311	33,182	
Shareholders' funds	33,132	32,515	33,007	33,878	
Minority Interest	1,246	1,324	1,302	1,263	
Long term borrowings	29,658	29,238	29,238	29,238	
Short term borrowings	695	3,792	3,792	3,792	
Total Borrowings	30,353	33,030	33,030	33,030	
Long Term Liabilities	5,194	4,813	4,813	4,813	
Def. Tax Liability (net)	2,250	2,392	2,392	2,392	
<b>Sources of funds</b>	<b>72,175</b>	<b>74,074</b>	<b>74,543</b>	<b>75,375</b>	
Depreciation	3,140	3,590	3,610	3,603	
Net Block	42,838	44,512	44,402	44,299	
Capital work in progress	3,468	7,120	7,120	7,120	
Intangible Assets	3,740	3,872	3,872	3,872	
Total Fixed Assets	50,046	55,503	55,393	55,290	
Non current investments	3,010	2,857	2,857	2,857	
Cash and Equivalents	6,304	4,751	6,909	6,024	
Inventories	4,669	5,658	5,820	6,586	
Sundry Debtors	7,505	8,846	8,910	10,083	
Loans & Advances	8,077	6,974	6,969	8,201	
Other Current Assets	1,420	1,365	1,858	2,103	
Current Assets (ex cash)	21,671	22,843	23,557	26,973	
Trade payable	5,078	5,889	6,706	7,445	
Other Current Liab	3,777	5,992	7,467	8,323	
Total Current Liab	8,855	11,880	14,173	15,768	
Net Curr Assets-ex cash	12,816	10,963	9,384	11,205	
<b>Uses of funds</b>	<b>72,175</b>	<b>74,074</b>	<b>74,543</b>	<b>75,375</b>	
BVPS (INR)	238.1	233.7	237.2	243.5	

Free cash flow		(INR mn)			
Year to March	FY17	FY18	FY19E	FY20E	
Reported Profit	2,210	1,174	1,700	3,013	
Add: Depreciation	3,140	3,590	3,610	3,603	
Interest (Net of Tax)	1,271	1,022	942	765	
Others	(1,569)	3,657	4,653	(1,039)	
Less: Changes in WC	(703)	540	1,319	(622)	
Operating cash flow	5,756	8,903	9,586	6,963	
Less: Capex	7,350	9,048	3,500	3,500	
<b>Free Cash Flow</b>	<b>(4,167)</b>	<b>(3,096)</b>	<b>3,366</b>	<b>1,256</b>	

## Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		ROAE (%)	
		FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Apollo Hospitals Enterprise	2,101	77.8	43.9	15.9	12.6	4.9	8.6
FORTIS HEALTHCARE LTD	1,156	555.2	50.2	26.7	18.5	1.0	3.5
HealthCare Global Enterprises Limited	376	795.5	859.0	22.9	18.5	2.2	3.6
Max India Limited	350	NA	NA	16.1	13.8	(8.4)	(11.8)

Source: Edelweiss research

Cash flow metrics					
Year to March	FY17	FY18	FY19E	FY20E	
Operating cash flow	5,756	8,903	9,586	6,963	
Financing cash flow	5,468	(1,109)	(3,928)	(4,349)	
Investing cash flow	(9,747)	(9,048)	(3,500)	(3,500)	
Net cash Flow	1,476	(1,254)	2,158	(885)	
Capex	(7,350)	(9,048)	(3,500)	(3,500)	

## Profitability and efficiency ratios

Year to March	FY17	FY18	FY19E	FY20E
ROACE (%)	7.0	7.1	9.6	13.1
ROAE (%)	3.8	1.7	4.9	8.6
Inventory Days	44	47	45	43
Debtors Days	35	36	35	33
Payable Days	54	50	50	49
Cash Conversion Cycle	26	33	30	27
Current Ratio	3.2	2.3	2.1	2.1
Gross Debt/EBITDA	4.2	4.2	3.3	2.6
Gross Debt/Equity	0.9	1.0	1.0	0.9
Adjusted Debt/Equity	0.9	1.0	1.0	0.9
Net Debt/Equity	0.7	0.8	0.8	0.8
Interest Coverage Ratio	1.6	1.5	2.4	4.1

## Operating ratios

Year to March	FY17	FY18	FY19E	FY20E
Total Asset Turnover	1.1	1.1	1.3	1.4
Fixed Asset Turnover	1.6	1.7	1.9	2.2
Equity Turnover	2.1	2.4	2.7	3.0

## Valuation parameters

Year to March	FY17	FY18	FY19E	FY20E
Adj. Diluted EPS (INR)	15.9	8.4	12.2	21.7
Y-o-Y growth (%)	(2.0)	(46.9)	44.8	77.2
Adjusted Cash EPS (INR)	38.5	34.2	38.2	47.6
Diluted P/E (x)	59.8	112.6	77.8	43.9
P/B (x)	4.0	4.1	4.0	3.9
EV / Sales (x)	2.2	1.9	1.7	1.5
EV / EBITDA (x)	21.2	19.8	15.9	12.6
Dividend Yield (%)	0.6	0.5	0.8	1.3



## Additional Data

### Directors Data

Prathap C Reddy	Founder, Chairman	Preetha Reddy	Executive Vice Chairperson
Suneeta Reddy	Director	Sangita Reddy	Director
Rajkumar Menon	Director	Rafeeqe Ahamed	Director
N Vaghul	Director	G Venkatraman	Director
Shobana Kamineni	Executive Vice Chairperson	Deepak Vaidya	Director

Auditors - S Viswanathan

*\*as per last annual report*

### Holding – Top10

	Perc. Holding		Perc. Holding
Massachusetts Mutual Life Ins	8.67	Vanguard group	2.69
Alliance Bernstein	5.54	Munchener Ruckversicheru	1.72
Schroders PLC	5.47	Mirae Asset Global Investment	1.56
Integrated Healthcare Holding	4.78	Royal Bank of Scotland	1.47
Nordea Bank	3.11	SBI Funds Management	1.29

*\*in last one year*

### Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
No Data Available				

*\*in last one year*

### Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
04 Sep 2017	INDIAN HOSPITALS CORPORATION LIMITED	Buy	15000.00

*\*in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Apollo Hospitals Enterprise	BUY	SO	L	Dr. Lal Pathlabs Ltd	BUY	SP	L
FORTIS HEALTHCARE LTD	BUY	SP	L	HealthCare Global Enterprises Limited	HOLD	SU	M
Max India Limited	HOLD	SU	M	Thyrocare Technologies Ltd	BUY	SU	H

### ABSOLUTE RATING

Ratings	Expected absolute returns over 12 months
Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

### RELATIVE RETURNS RATING

Ratings	Criteria
Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

### RELATIVE RISK RATING

Ratings	Criteria
Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

### SECTOR RATING

Ratings	Criteria
Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return

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Head of Research

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**Coverage group(s) of stocks by primary analyst(s): Healthcare**

Apollo Hospitals Enterprise, Dr. Lal Pathlabs Ltd, FORTIS HEALTHCARE LTD, HealthCare Global Enterprises Limited, Max India Limited, Thyrocare Technologies Ltd

**Recent Research**

Date	Company	Title	Price (INR)	Recos
30-May-18	Max India	Disappointing performance amidst regulatory uncertainties; <i>Result Update</i>	84	Hold
24-May-18	Apollo Hospitals	All set to cruise in overdrive!; <i>Visit Note</i>	964	Buy
23-May-18	Healthcare Global Enterprises	Results in-line; <i>Result Update</i>	303	Hold

**Distribution of Ratings / Market Cap**

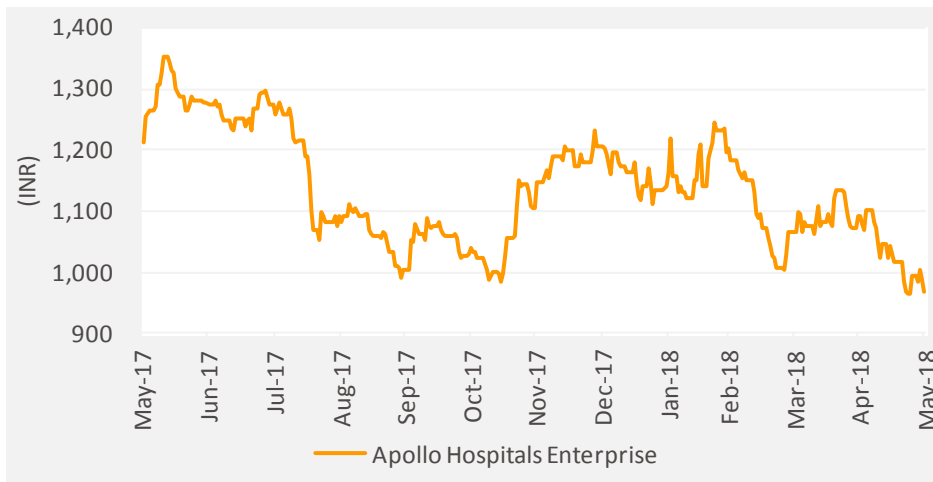
**Edelweiss Research Coverage Universe**

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

**Rating Interpretation**

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

**One year price chart**



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