


3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✗	✓	✗
+ Positive = Neutral - Negative			

What has changed in 3R MATRIX

	Old		New
RS	✗	↔	✗
RQ	✗	↔	✗
RV	✗	↓	✗

Company details

Market cap:	Rs. 3,931 cr
52-week high/low:	Rs. 348/208
NSE volume: (No of shares)	1.7 lakh
BSE code:	542919
NSE code:	ARTEMISMED
Free float: (No of shares)	5.8 cr

Shareholding (%)

Promoters	58.4
FII	12.5
DII	3.4
Others	25.8

Price chart


Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	12.4	2.2	-11.4	1.0
Relative to Sensex	8.6	-5.6	-21.9	-8.5

Source: Mirae Asset Sharekhan Research, Bloomberg

Artemis Medicare Services Ltd
Record quarter; expansions in focus

Healthcare	Sharekhan code: ARTEMISMED		
Reco/View: Neutral	↔	CMP: Rs. 283 (as on Nov 18, 2025)	PT: Rs. 307 ↑

Summary

- Revenue grew 13.8% y-o-y to Rs. 274.7 crore and operational efficiencies led to the best EBITDA margins in recent quarters, at 18.4%.
- For H2FY26E and FY27E, management eyes significant capex, adding over 500 beds.
- Occupancy rates are also improving, considering significant bed additions, we believe the rate of growth of occupancy and the ARPOB holds key to re-rating.
- Owing to strong fundamentals and excellent Q2FY26 results, the stock trades at a premium to its five-year, historic and 1-year forward P/E of 26.2x. We value the stock at 31x on FY27E EPS of Rs. 9.9 and retain Neutral rating with a revised PT of Rs. 307.

Q2FY26 numbers were robust with total income at Rs. 282.36 crore, up 13.5% y-o-y and 7.8% sequentially from Q1FY26. Revenue from operations stood at Rs.274.70 crores, a 13.8% y-o-y increase and the highest quarterly figure in recent company history. This was aided by bed capacity utilization of 64.1%. EBITDA grew by 20% y-o-y to Rs. 50.6 crore, with a margin of 18.4%. Profit after tax (PAT) jumped 35.6% y-o-y to Rs. 30 crore, reflecting robust bottomline improvement.

Expansion to be key focus area:

A new 300-bed hospital is set to open in Raipur by March 2026, focusing on super-specialty care across oncology, cardiology, neurology, orthopedics, and gastroenterology. It is further planned to increase to 500 beds over FY27E-28E. In Gurgaon, expansion will bring total bed capacity to 1,000, leveraging higher occupancy and possible use of additional Floor Area Ratio (FAR) approvals. Artemis aims to surpass a total bed capacity of 1,700 by FY29, indicating phased commissioning and operational roll-out of these assets through FY27 and FY28. The expansion is underpinned by an investment outlay of approximately Rs.6,000 crore, which also supports new technology adoption and the establishment of mental health services.

Key points from Q2FY26 results :

- Average revenue per occupied bed (ARPOB) improved to Rs.81,248.
- Overseas patient revenue grew by 30.1% y-o-y, contributing 32% of net revenue.
- Average length of stay (ALOS) continues to be stable 3.7 days.

Revision in earnings estimates – We have revised our estimates to largely factor in the expected bed additions by the end of FY26E/FY27E. Additionally, operational efficiencies in Q2FY26 drove up EBITDA margins and we expect the same to continue for the rest of the fiscal.

Our Call

Valuation – Retain Neutral with revised PT of Rs.307: Bed occupancy and ARPOB are gradually improving and we await further commentary regarding additions in the coming quarters and the impact of the same on operational efficiency. The stock trades at five-year average 1 year forward P/E of 26.2x and we value the stock at 31x on FY27E EPS of Rs. 9.9 and assign a Neutral rating with a revised PT of Rs. 307.

Key Risks

Slow scale-up in new centres, and an increase in competition from top players would act as a key risk to our earnings estimates in the medium term.

Valuation (Consolidated)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Total Sales	737	879	937	1037	1488
Sales growth	33%	19%	7%	11%	44%
EBITDA	94	133	152	166	236
EBITDA (%)	12.7%	15.1%	16.2%	16.0%	15.9%
Reported PAT	38	49	82.2	86	136
EPS (Rs)	2.8	3.6	5.97	6.3	9.9
PER (x)	24.0	48.3	45.5	45.1	28.5
P/BV (x)	2.3	5.3	4.5	4.2	3.7
EV/EBITDA (x)	12.3	19.2	23.8	18.5	15.7
ROCE (%)	10%	14%	13%	12%	16%
RONW (%)	9%	11%	10%	9%	13%

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated)

Particulars						Rs cr
	Q2FY26	Q2FY26	y-o-y %	Q1FY26	QoQ %	
Total Sales	274.7	241.4	14%	255.0	8%	
Expenditure	224.1	199.2	13%	213.6	5%	
EBITDA	50.6	42.3	20%	41.4	22%	
Depreciation	11.7	11.2	5%	11.2	5%	
EBIT	38.9	31.1	25%	30.3	29%	
Interest	7.2	8.0	-10%	7.4	-3%	
Other income	7.7	7.4	3%	6.9	11%	
PBT	39.4	30.6	29%	29.8	32%	
Taxes	9.4	8.4	11%	8.6	9%	
PAT	30.0	22.1	36%	21.2	41%	
EPS	2.2	1.6	36%	1.5	41%	
Margins			BPS		BPS	
GPM %	39.8	35.9	389.7	38.4	39.8	
EBITDA %	18.4%	17.5%	0.9	16.2%	18.4%	
NPM %	10.9%	9.2%	1.8	8.3%	10.9%	

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Multi-specialty hospitals to grow faster among others

Public and private spending on healthcare infrastructure has improved in the wake of the pandemic but continues to be low as compared to global peers. The government continues to increase its focus on healthcare by targeting wider coverage under Universal Healthcare Coverage Programs and hiking healthcare spending to 3% of GDP. However, most hospital beds and infrastructure continue to be provided by the private sector. A lack of quality beds both in public and private sectors is a concern and at the same time an opportunity for growth. While the private sector has increased its focus on establishing secondary, tertiary, and quaternary care institutes in major Indian cities, there has been a systemic shift in the development of healthcare infrastructure. The government has stepped up its efforts in establishing institutes of eminence by setting up multiple AIIMS throughout the country. The private sector has also started exploring set-ups in Tier-2 and Tier-3 cities. The primary healthcare market, expected to be USD13 billion in size, continues to be highly fragmented apart from the public health centres.

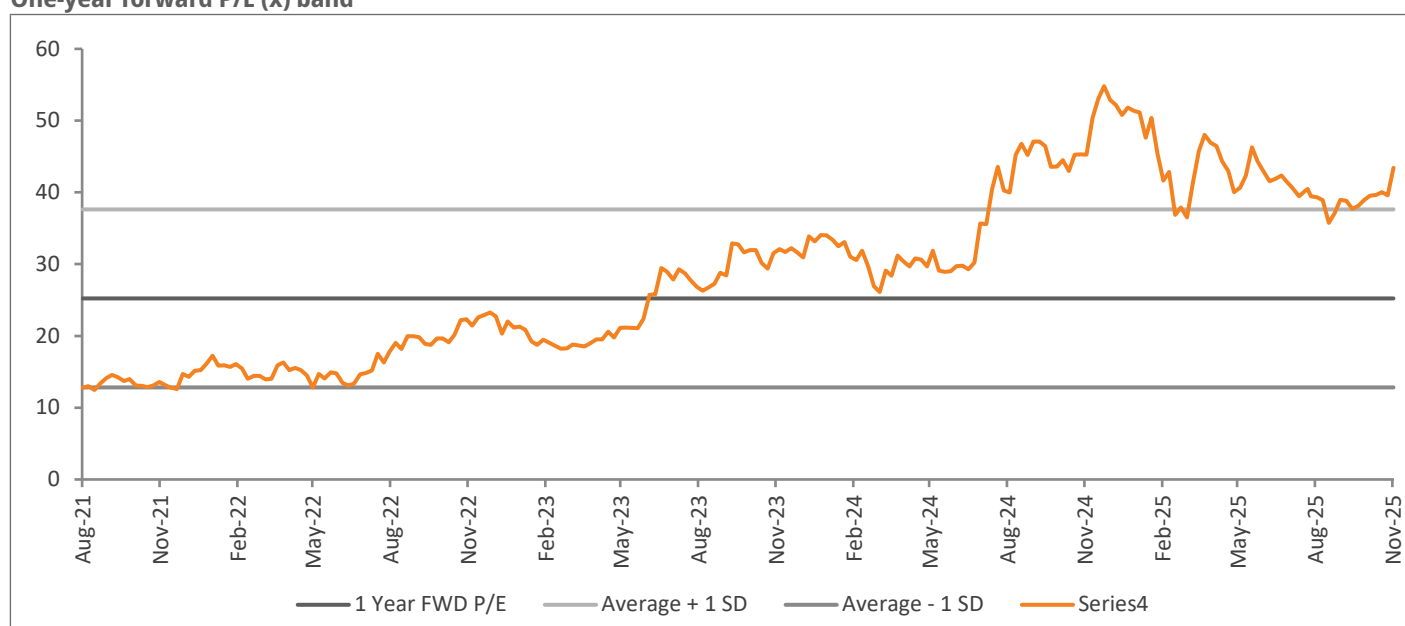
■ Company Outlook – Inorganic growth opportunities drive growth

We expect revenue to grow at a CAGR of 26% to Rs. 1,488 crore in FY2027, on account of revenue from significant addition of new beds and healthy improvement in key business fundamentals (occupancy rate, and ARPOB). Scale-up of operational bed count will help the company boost margins due to economies of scale. Considering the occupancy rate has remained stable at ~61% over the last 3 quarters, we factor in gradual increase in this metric, leading to gradual improvements in EBITDA margins. Significant operational improvements are expected in FY28E while FY27E will largely focus on improving the bed utilization and operational efficiency.

■ Valuation – Retain Neutral with revised PT of Rs.307

Bed occupancy and ARPOB are gradually improving and we await further commentary regarding additions in the coming quarters and the impact of the same on operational efficiency. The stock trades at five-year average 1 year forward P/E of 26.2x and we value the stock at 31x on FY27E EPS of Rs. 9.9 and assign a Neutral rating with a revised PT of Rs. 307.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

Artemis, established in 2007, is a healthcare venture launched by the promoters of the Apollo Tyres Group. The company runs a 541-bed multi-specialty Artemis Hospital in Gurgaon. It is the first Hospital in Gurgaon to get accredited by Joint Commission International (JCI) (in 2013). It is the first Hospital in Haryana to get NABH accreditation within three years of start-up. Backed by a strong corporate house, the Artemis Hospitals boast of a long list of healthcare partnerships with both the private corporates as well as PSUs.

Investment theme

The company currently operates 700+ bedded multi-specialty hospitals and has aggressive plans to expand total beds to ~2,000 by 3-5 years. Artemis has its flagship hospital in Gurgaon, which has two operational towers (the second tower has been recently opened in tranches) with 541 operational beds and is expected to increase to ~1,000 beds in 2-3 years from operation of three towers. Artemis' Gurgaon facility with two operational towers (the second tower is operational in tranches) reported an EBITDA margin of 17-18% and is expected to reach 20% EBITDA margins when all three towers are fully operational by FY2026E. With the operation of three towers, we expect PAT to register a CAGR of 50% to Rs. 133 crore from FY2024E-FY2026E.

Key Risks

- ♦ Adverse tariff impact from the USA which accounts for ~40% of revenues for DRL,
- ♦ Delay in launch of new products.
- ♦ Currency fluctuation risk.

Additional Data

Key management personnel

Name	Designation
Devlina Chakravarty	MD
Sanjiv Kothari	CFO
Saras Malik	CPO
Poonam Makkar	Company Secretary

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Constructive Finance Pvt Ltd	66.39
2	International Finance Corp	13.62
3	GOVERNOR OF KERALA	4.85
4	Chakravarty Devlina	3.50
5	Kerala State Industrial Developmen	2.16
6	Artemis Medicare Services Ltd	1.69
7	HSBC Asset Management India Pvt Lt	0.90
8	IDBI Asset Management Ltd	0.46
9	Bandhan Mutual Fund	0.44
10	HDFC Asset Management Co Ltd	0.09

Source: Bloomberg

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Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

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