



# Multi-speciality hospitals in India

Evolution of hospital deals post COVID

December 2025

**KPMG. Make the Difference.**



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01

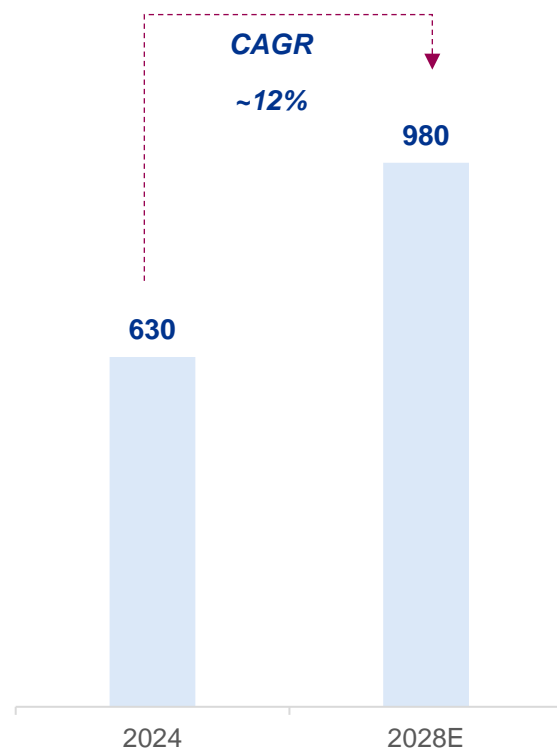
# Indian Multi-speciality Hospitals (MSH) sector

Driven by growth tailwinds and significant consolidation



# MSH in India: Steady growth driven by strong tailwinds

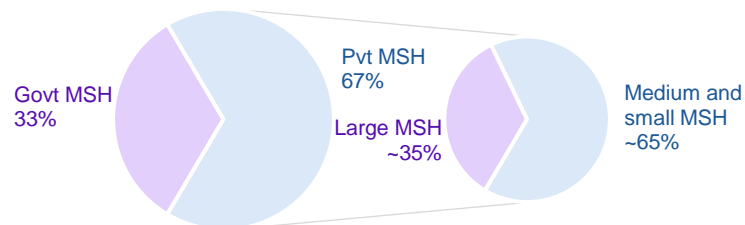
Indian hospital market continues to grow at a high rate.



Indian hospitals market (INR'000 Cr)

## Private hospitals share

Private hospitals are taking up a larger share, and corporate chains are consolidating with limited market share currently.



Basis FY24 data

## MSH transactions (CY2024)



## Key growth drivers



Growing awareness regarding health, preventive care and increased adoption of health insurance.



Rising private health insurance coverage boosts demand as healthcare affordability improves (coverage expanded from 61 Mn in 2014 to 312 Mn in 2024).



Technological advancements (digital health, telemedicine, AI, robotics and advanced procedure).



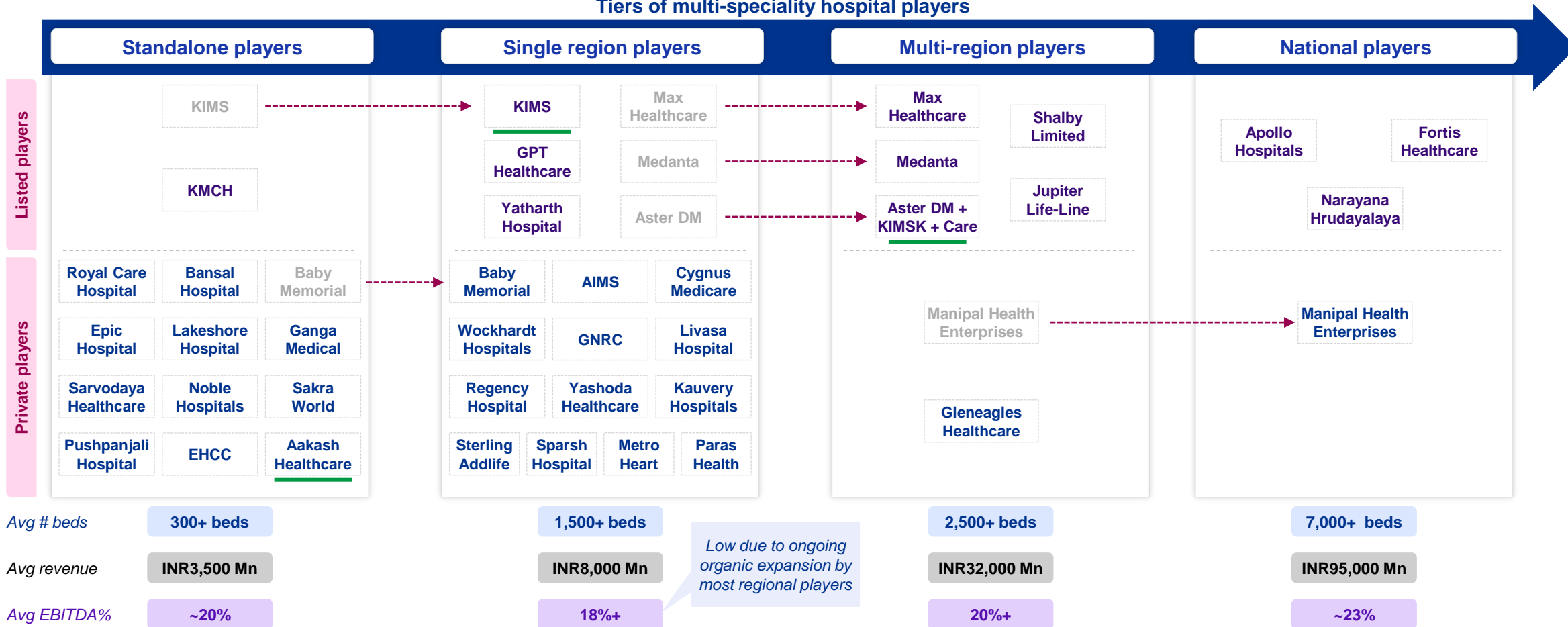
Government policies to improve healthcare coverage (infrastructure and insurance coverage).

Source: "Assessment of Healthcare delivery sector in India with a focus on North India" – March 2025 by Crisil, Company ROC filings

# India multi-speciality hospitals landscape

Industry consolidation has picked up pace with standalone and single region players being acquired by regional and national chains

Tiers of multi-speciality hospital players



-----> Challengers who have moved upward to the next tier in recent past

-----> Players poised to advance to the next tier soon

Consolidation trend is expected to continue as larger chains move to solidify their presence particularly in tier two and three cities in India creating an integrated and competitive healthcare landscape.

Source: Annual report and investor presentation of KMCH, Royal Care, Accord, Epic, Lakeshore, Ganga, Sarvodaya, Noble, Star, Meitra, Eternal, Sakra, Aakash, KIMS, GPT, Yatharth, BMH, AIMS, Ujala Cygnus, Wockhardt, GNRC, Livasa, Regency, Metro, Sparsh, Sterling, Kauvery, Yashoda, Paras, Max, Medanta, Aster DM, Shalby, Jupiter, Manipal, Gleneagles, Apollo, Fortis and Narayana Hospitals - 2025, KPMG in India analysis

02

## Key industry trends for hospitals in India

Healthcare delivery has evolved significantly post-COVID



# Key industry trends for hospitals in India

Multi-speciality hospitals have sustained the post-COVID growth momentum, backed by strong fundamentals

01

Growth in **Insurance penetration** led by government schemes and private insurance adoption, leading to shift in payor mix;

02

**Average Revenue per Operating Bed (ARPOB) growth** across multi-speciality hospitals has been at three-times the pre-COVID level;

03

Demand for enhanced infrastructure and facilities, leading to **robust pipeline of bed additions**;

04

**Focus on tier two and three cities** as next area of growth with consolidation and capacity expansion;

05

**Regional chains' revenue growth** at c. two times of the national chains, leading to better healthcare accessibility;

06

Incumbents adopting **new healthcare delivery models** extending the brand credibility to cover larger part of value chain;

07

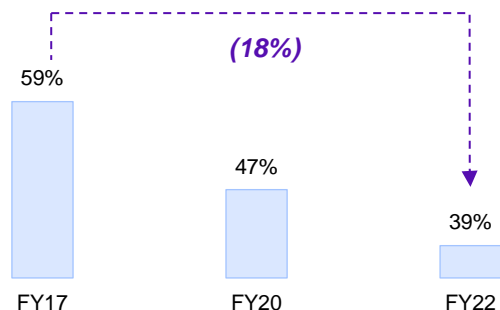
India is rapidly emerging as a global hub for **medical tourism** providing cost-effective healthcare solutions.

*Note: This is a summary of the subsequent slides in 'Industry trends post COVID'*

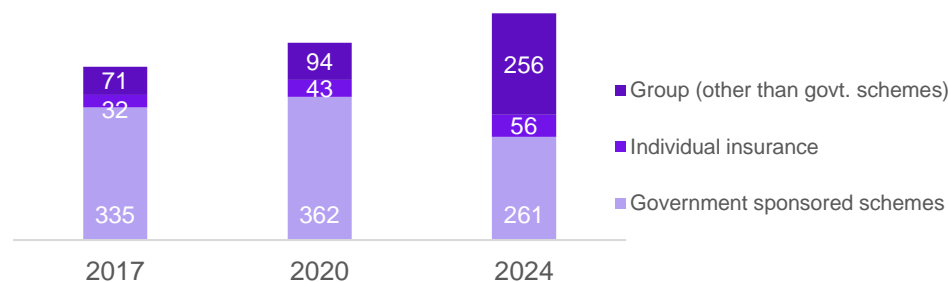
# 1 Significant shift in the payor mix

## Payor mix shift towards private insurance payor post-COVID

OOPE as a per cent of total healthcare expenditure is decreasing over a period



with a significant share of health insurance coverage coming from Government schemes<sup>(1)</sup>...



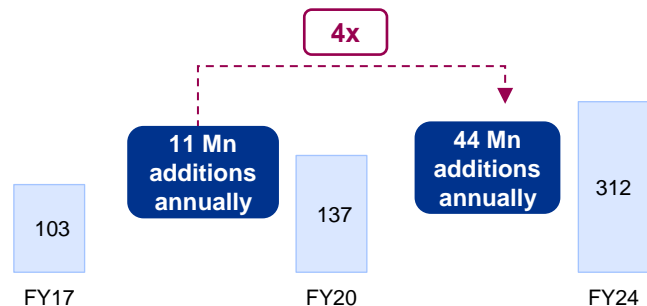
Distribution among various Insurance businesses ( Mn)

**Out of pocket expense** in healthcare has seen a **rapid decline recently** largely due to shift in payor mix to private payors and increased government health expenditure.

**Increased awareness** about health insurance benefits is a major driving force for demand for private insurance.

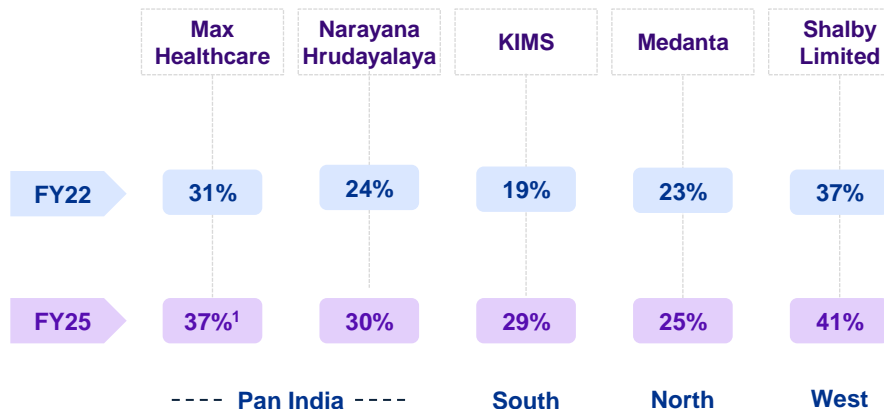
Even though the population covered under **government health insurance** declined, it continues to hold a **dominant share** of overall coverage.

leading to a shift in payor mix, led largely by private insurance



People covered by private insurance (Mn)

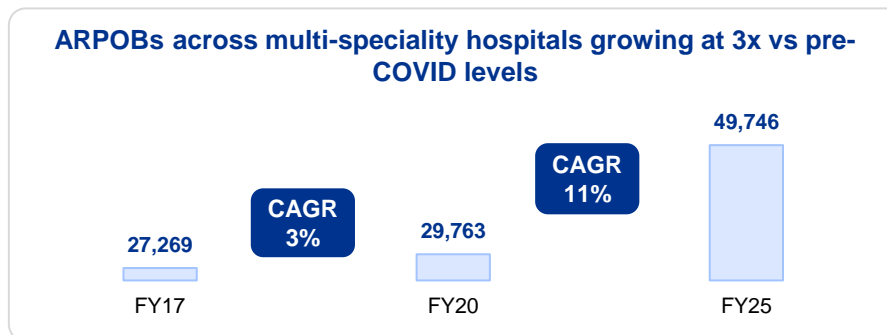
Share of private insurance payors as % of revenue



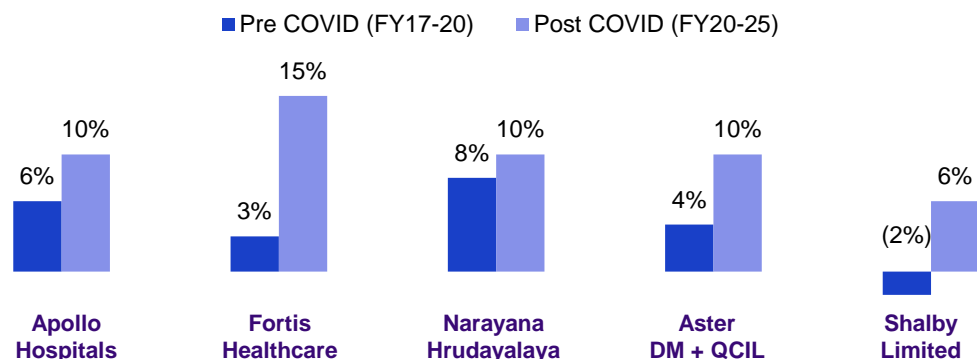
Source: "The Decline in Out-of-Pocket Expenditure (OOPE) in Health in India" – Nov 2024 by PIB, Govt of India, Annual report of Insurance regulatory and Development authority of India 2023 and 2024, Annual report of Apollo, Max, NH, KIMS, Medanta & Shalby - 2025; Note: (1) Govt Schemes such as: Ayushman Bharat, Central Government Health Scheme (CGHS), Employee State Insurance Scheme (ESIS), Rashtriya Swasthya Bima Yojana (RSBY)

## ② Continued high growth in ARPOBs across various MSH chains

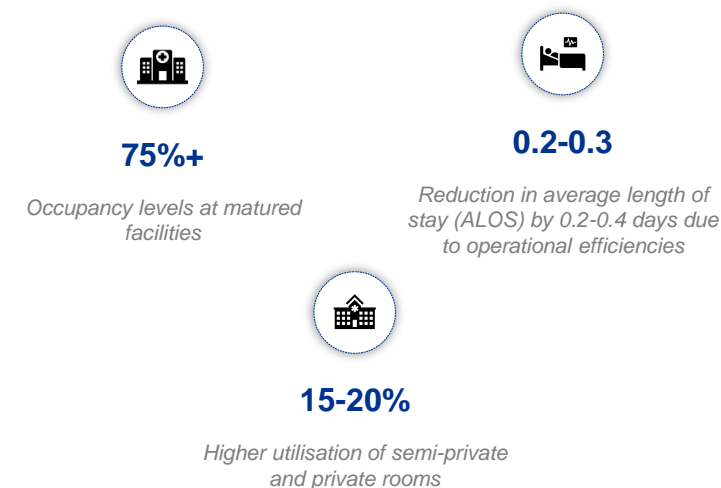
### Increased industry average revenue per occupied bed (ARPOB)



### With all major players seeing an increase in post-COVID ARPOBs



### Facilitating improvement in major metrics

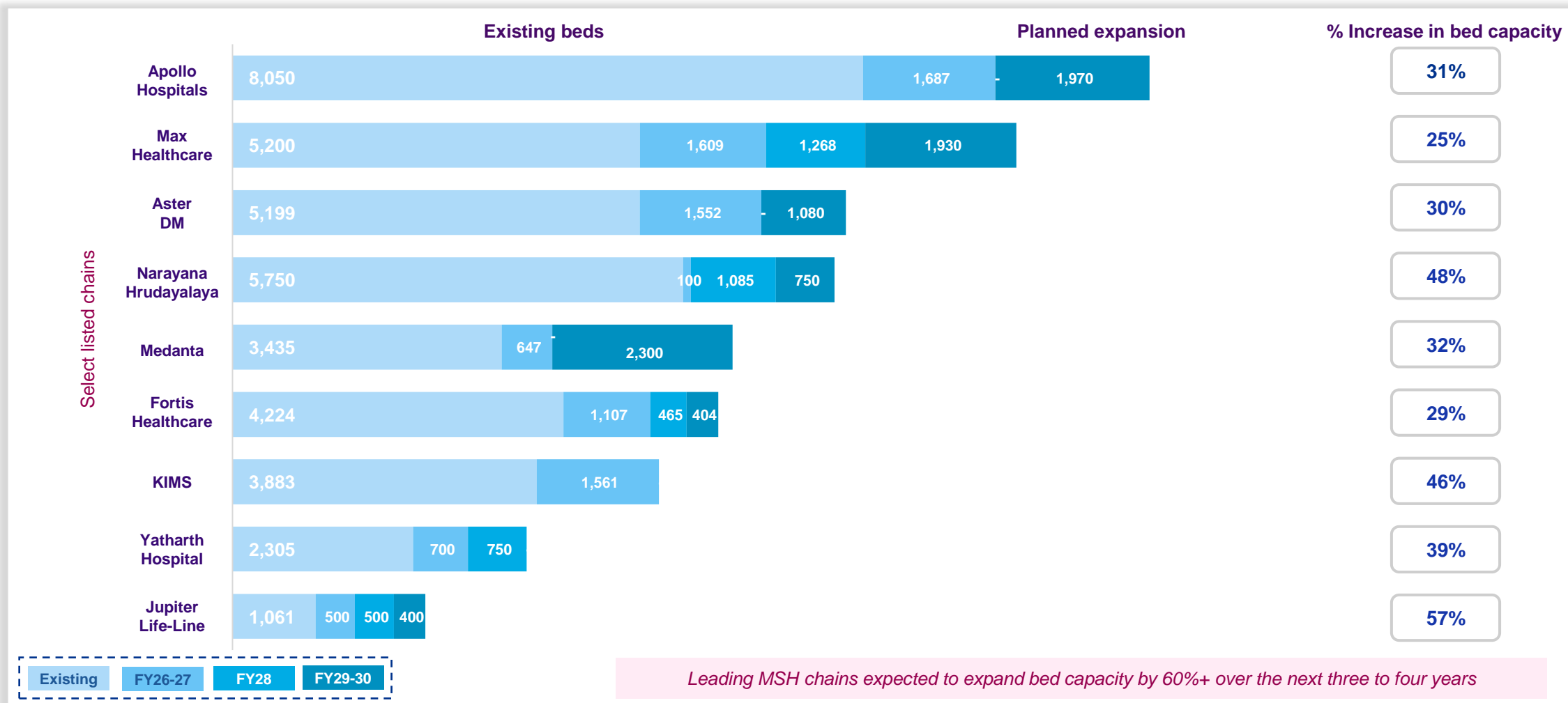


- Changing demographics in India are driving **demand for premium and quality healthcare services and infrastructure**;
- ARPOB growth led by **prioritizing complex procedures** (e.g., Robotic surgeries, transplants, etc.); Hospitals are optimizing for clinical intensity per bed;
- Patient **preference moving towards private rooms** from earlier inclination for general wards.

Source: Annual report and investor presentations of Apollo, Fortis, NH, Aster DM and Shalby - 2025, KPMG in India market intelligence

# 3 Leading listed chains positioned for a robust capacity growth

Large corporate hospital chains in India are likely to invest over INR30,000 crores to add 14,500+ beds by FY27



Source: Annual report and investor presentations of Apollo, Fortis, NH, Aster DM, Max, KIMS, Medanta, Yatharth and Jupiter hospitals - 2025, Press release: "FY2026 to be another robust year for the Indian hospital industry; sector outlook revised to Positive" – July 2025 by ICRA, KPMG in India analysis; Note: Given that these are forward looking estimates as presented by the company, the numbers might differ at the time of actual expansion, QCIL data not included for Aster DM

# 4 Large chains strategically expanding into tier 2 and 3 cities

Players	Existing % of beds in tier 2/3 cities	Exp. % of beds in tier 2/3 cities by FY29	Key Expansions			
			Greenfield			Brownfield
Apollo Hospitals	42%	43%	Chennai Beds: 600   FY29	Varanasi Beds: 400   FY29	Sarjapur Beds: 500   FY29	Lucknow Beds: 200   FY29
Fortis Healthcare	26%	32%				Jalandhar Beds: 144   FY27 Mohali Beds: 404   FY29
Jupiter Life-Line	29%	38%		Pune Beds: 500   FY28		

Other listed hospitals expanding in key Tier 2/3 cities

Aster DM	Kasargod Beds: 454   FY27	Trivandrum Beds: 264   FY26	Kochi Beds: 100   FY28	Ongole Beds: 75   FY26
KIMS	Rajahmundry Beds: 350   FY27		Kondapur Beds: 500   FY27	
Max Healthcare	Mohali Beds: 155   FY27		Patparganj Beds: 397   FY28	
Narayana Hrudayalaya		Raipur Beds: 300   FY28		
Medanta	Guwahati Beds: 400   FY30		Ranchi Beds: 110   FY30	

xx Greenfield expansion xx Brownfield expansion Beds: xx - Bed capacity | FY2x - Expected operational year

- Compared with competitive Tier one cities, expansion in smaller town poses an opportunity for MSH chains to tap into a vast and underserved market with increasing disposable incomes and lower operating costs;
- Large MSH chains are expected to see a ARPOB growth for the industry is expected to remain between 6-8% in FY2026, in line with the 7% YoY expansion seen in FY2025 due to expansion outside metro cities.

Source: Annual report and investor presentations of Apollo, Fortis, Aster DM, Max, KIMS, Medanta, Narayana and Jupiter - 2025, Press release: "FY2026 to be another robust year for the Indian hospital industry; sector outlook revised to Positive" – July 2025 by ICRA, KPMG in India market intelligence; Note: Given that these are forward looking estimates as presented by the company, the numbers might differ at the time of actual expansion, QCIL data not included for Aster DM

# 5 Regional chains growing at ~2x the CAGR of national chains



Source: Annual report and investor presentations of Apollo, Fortis, Aster DM, Max, KIMS, Medanta, Narayana, Metro, Ujala Cygnus, Yatharth and Jupiter - 2025; KPMG in India market intelligence, Note: All the amounts in INR Mn unless specified

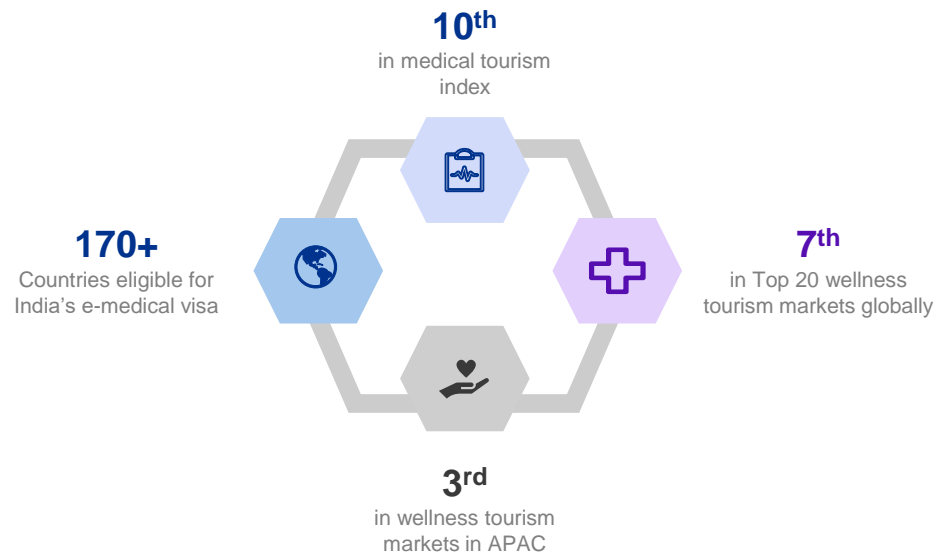
# ⑥ Hospital venturing into adjacent healthcare delivery formats

	<u>Diagnostic services</u>	<u>Single speciality hospitals</u>	<u>Tele health / others</u>
<b>Apollo Hospitals</b>	Apollo Diagnostics	Apollo Fertility, Apollo Spectra Hospitals, Apollo Cradle & Children	Apollo TeleHealth, Apollo 24/7, Apollo Pharmacy
<b>Fortis Healthcare</b>	Agilus Diagnostics	Fortis LaFemme, Fortis Cancer Institute, Fortis C-DOC Hospital, Fortis Escorts Institute	Fortis Tele-consult
<b>Max Healthcare</b>	Max Lab	MAX Institute of Cancer Care	Max@Home, Max MyHealth
<b>Aster DM</b>	Aster Labs	Aster Women & Children	Aster eConsult
<b>Medanta</b>	Medanta Labs	-	Medanta eClinic, Medanta Homecare
<b>Narayana Hrudayalaya</b>	Narayana Hrudayalaya Diagnostics	NH Mazumdar Shaw Medical Centre, Narayana Cancer Centre, NH Institute of Cardiac Sciences	Narayana Health Insurance
	<i>Large chains are expanding in <b>asset light diagnostics business</b> to diversify their business amidst intensifying competition in the market</i>	<i>Lower capex and better patient retention in single-speciality model – leading to <b>higher return metrics</b>, is encouraging large MSH chains to open single care intensive hospitals</i>	<i><b>Use of digital technologies</b> to deliver healthcare services has picked up pace, especially post-COVID, with real time video platforms taking amongst the largest revenue share</i>

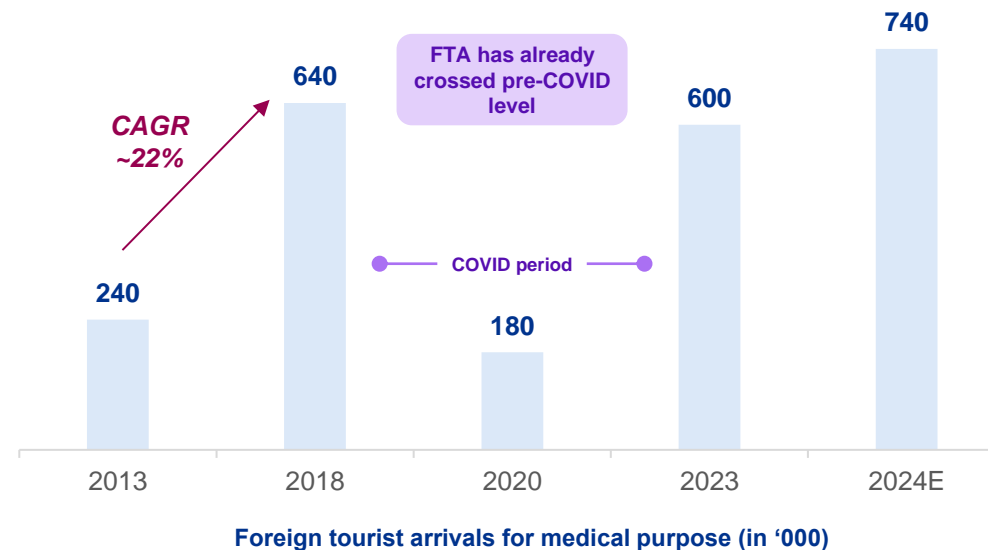
Source: Website, annual report and investor presentations of Apollo, Fortis, Aster DM, Max, Medanta and Narayana - 2025, KPMG in India market intelligence

# 7 India is rapidly emerging as a global hub for medical tourism

## Medical tourism in India is one of the highest since last 10 years



## Foreign Tourist Arrivals (FTA) has increased to 3x in the past 10 years



## Continued growth expected on the back of strong government schemes



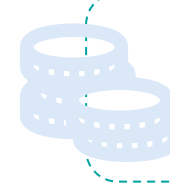
### Heal in India

MoHFW has introduced the Medical Value Travel Digital Portal – one stop online portal facilitating foreign patients seeking treatment



### Medical visa and e-medical visa

Special medical visa category for 171 countries foreign nationals seeking medical treatment in India with an e-medical visa



### Financial support

The GOI's Marketing Development Assistance (MDA) scheme provides financial support to select tourism service providers

Source: Annual report of Apollo, Fortis and Max Healthcare - 2025, Medical Tourism in India – Aug 2025 by PIB Delhi

A photograph of a hospital ward with a row of white hospital beds on wheels. The beds are arranged in a line, receding into the background. The room has light-colored walls and a polished floor that reflects the beds. A blue overlay covers the left side of the image, containing white text.

03

## Recent themes in hospitals investment

Heightened investor interest and ongoing consolidation

# Recent themes in hospital investments

Multispeciality hospitals have seen a growth in valuations and increased deal activity

01

Increased interest from private equity (PE) funds including marquee global funds to back scaled-up assets;

02

Multiple platform plays have emerged with the objective of creating large region-focused networks;

03

Large chains are on the look-out for facilities in tier two and three cities, plugging the gap in quality patient care;

04

Increased preference towards IPO for promoters of scaled-up assets, while also being the preferred route for PE exits;

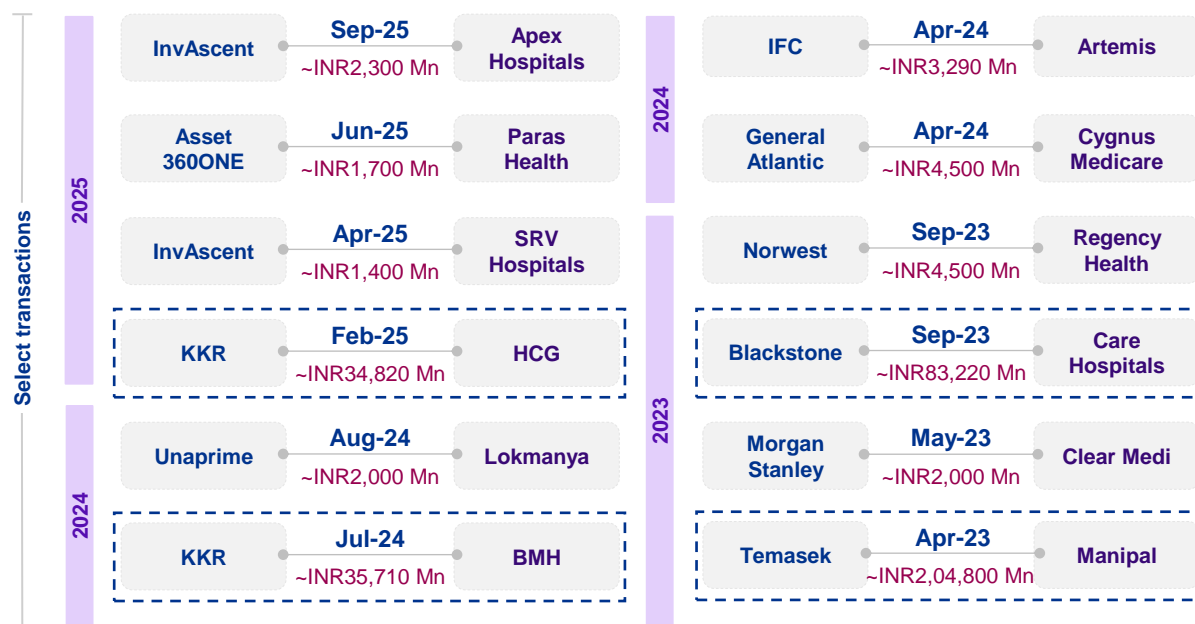
05

Multi-speciality hospitals' valuations have increased by ~35 per cent driven by investor interest and industry tailwinds.

*Note: This is a summary of the subsequent slides in 'Recent investment themes'*

# 1 Increased interest from marquee global PE funds leading to heightened transactions activity and consolidation

PE deal activity in hospitals in India over the years



**Increased interest in the sector from marquee global funds** like KKR, IFC, Temasek and Blackstone – providing large capital pool and leading to increased consolidation in the sector

Average deal value has gone up significantly with deal activity remaining constant, indicating **higher appetite of PE funds to pursue large/control transactions**. Many MSH chains are now on the path to IPO to provide exit to PE funds

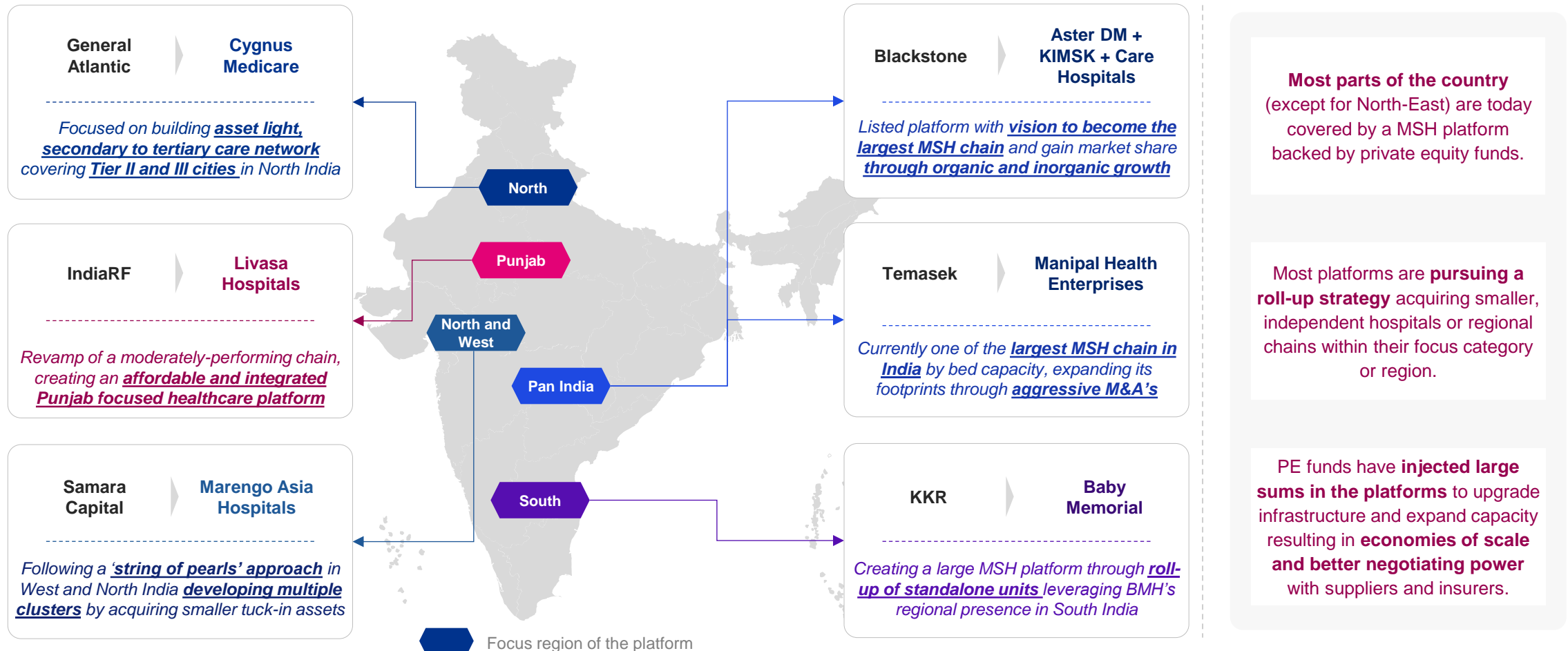
**Wave of previously unseen activity in publicly traded MSH players**, highlighted by large transactions like KKR's investment in HCG, Care and AsterDM merger and IFC's investment in Artemis

Select large transactions, elevating the average deal value

Source: Pharma and Healthcare Dealtracker Q2 2025 by Grant Thornton, Vitals for growth 2025 by Grant Thornton, Company ROC filings, KPMG in India market intelligence

## ② Multiple platforms have emerged across India, driven by differentiated strategic models

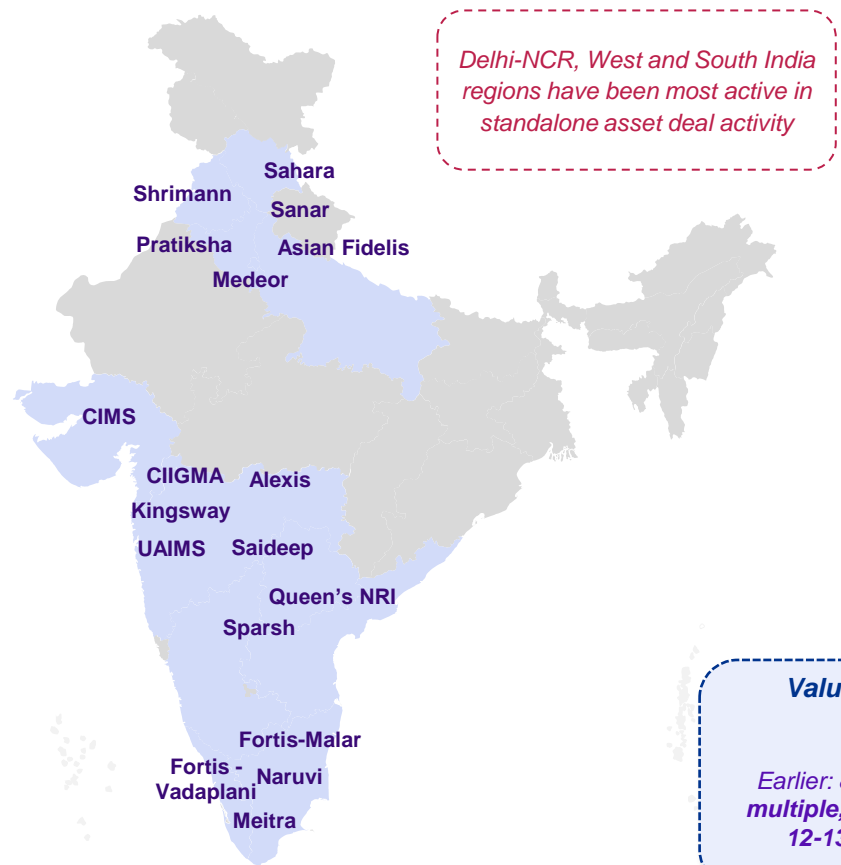
PE funds actively pursuing platform approach in India to create larger and more integrated hospital networks



Source: KPMG in India market intelligence

# 3 Strong interest for acquisition of high-quality standalone hospitals across geographies

Select acquisition transactions of standalone hospitals in the last five years



North	West and Central	South
Feb-25 Fortis ▶ Shrimann	Feb-25 KIMS ▶ UAIMS	Sep-25 BMH ▶ Meitra
Feb-24 Yatharth ▶ Asian Fidelis	Nov-24 Sahyadri ▶ Saideep	Jun-25 BMH ▶ Naruvi
Jan-24 Shalby ▶ Sanar	Feb-24 Max ▶ Alexis	Jul-24 KIMS ▶ Queen's NRI
Dec-23 Max ▶ Sahara	Aug-22 KIMS ▶ KIMS-Kingsway	Dec-23 MGM ▶ Fortis-Malar
Apr-23 Fortis ▶ Medeor	Jul-22 Care ▶ CIIGMA	Jun-23 Kauvery ▶ Fortis-Vadaplani
Feb-23 Marengo Asia ▶ Pratiksha	Oct-21 Marengo Asia ▶ CIMS	Sep-22 Narayana ▶ Sparsh
7, ~3,550, 300+	6, ~3,100, 280+	9, ~3,300, 280+

22+	Deals over last five years	~3,300	Average deal value (INR Mn)	280+	Average # of beds acquired
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**Valuation range:**

Earlier: 8-9x EV/EBITDA multiple, now increased to 12-13x EV/EBITDA

**Largest transaction by value:**

Meitra Hospital

**Largest transaction by MSH size (~500 beds):**

Naruvi      Medeor

**Amongst the most acquisitive groups:**

BMH      KIMS

Max Healthcare

Source: KPMG in India analysis, Company ROC filings, MCA

xx # deals over last five yrs    xx Average deal value    xx Average # of beds acquired

# 4 Hospital players increasingly exploring public markets



Details of recent Hospital listings (2021-2025)

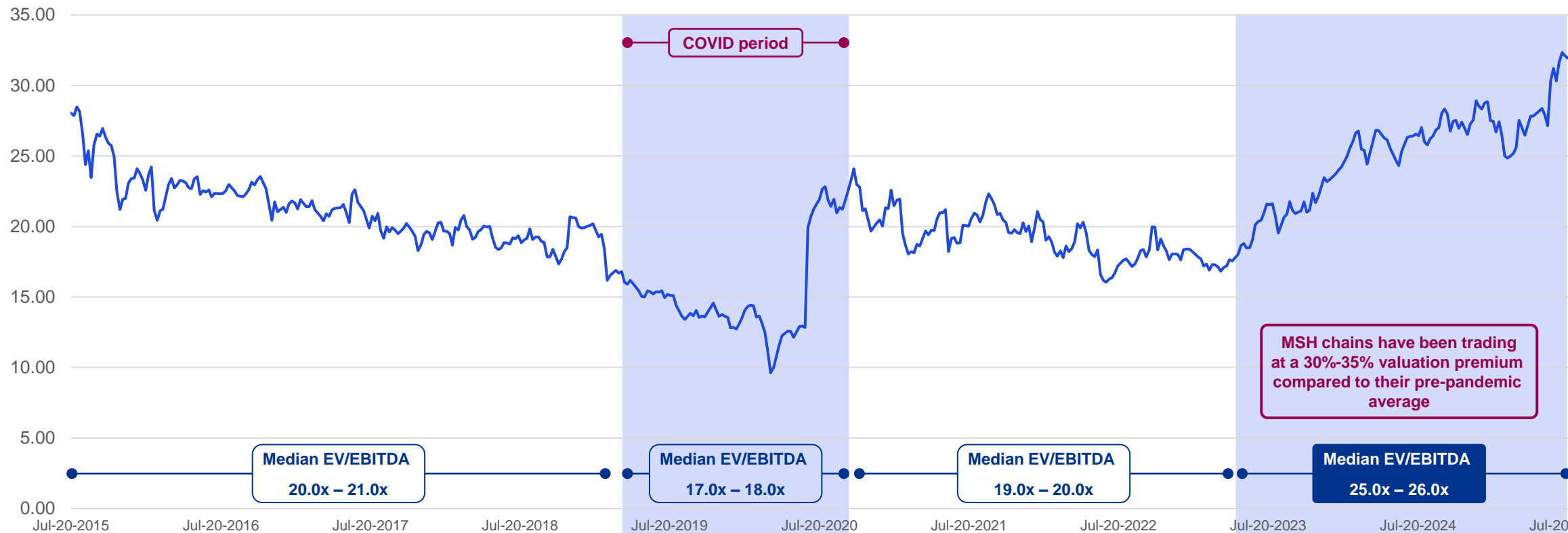
Company	PE Exit	Multiple (EV/EBITDA)	Over-Subscription	Listing price	Current Price <sup>(1)</sup>
KIMS	General Atlantic	17.8x	3.9x	1,009	675 (-10%)
Medanta	Carlyle	21.3x	9.6x	398	1,250 (+46%)
Yatharth	Plutus	21.0x	36.2x	306	772 (+59%)
Jupiter Life-Line	NA	25.6x	64.8x	973	1,465 (+23%)
GPT Healthcare	Banyan Tree	21.4x	8.5x	215	142 (-34%)

xx Hospital IPOs during the period    xx Cumulative listed hospital chains    Company    Issue size

Source: KPMG in India analysis, Chittorgarh, ICICI direct, Economic times and Live mint news article; Note: All amounts in INR Mn unless specified, only mainboard IPO considered for the above analysis; (1) Share price as of 25 November 2025

# 5 Investor interest and market tailwinds fueling MSH valuations

Enterprise Value/Next Twelve Months EBITDA trend from Jul-15 to Jul-25



Investors' perception of **high capex and low RoCE** of multi-speciality hospitals **translated to low EV/EBITDA multiples** for the sector with multiples being rangebound between 18x to 25x

COVID driven patient flow and profitability growth led to **increase in investor confidence** leading to valuation quickly jumping back to pre-COVID levels

**Strong sector tailwinds and consolidation trend** leading to **heightened investor interest**, translating to high valuation multiples

— Average weekly multiple of Apollo, Fortis, Narayana, Aster, Max, Medanta, Jupiter, KIMS and Shalby, wherever available

Source: CapIQ, KPMG in India analysis

**04**

**Trends to watch out for**



# Emerging MSH trends to look out for in near future



## Differentiated short-stay, smaller format chains

**Pristyn Care**

*(Day care surgery network)*

**Superhealth**

*(High-end hospitals with transparent and clinical-outcome based approach)*

**RG Hospitals**

*(Pioneer in short stay and minimal access surgeries)*

**Even Healthcare**

*(Clinical outcome-based primary to secondary care hospitals)*

Emerging new format healthcare chains focusing on differentiated delivery models.



## Investments in sizeable doctor practices

**Sabine Hospitals**

**Surya Hospitals**

**AINU**

**CIMS**

**AIG Hospitals**

Well known senior doctors have been able to build large specialised practices which shall become the next area of focus for acquisitions/investment by large chains and PE funds.



## Greater reliance on government business

**PM-JAY**

**Your Health, Our Goal**

**Digital Mission**

**PMSSY**

**National Health Mission**

With increasing coverage and awareness of government schemes, we anticipate more patients to opt for such benefits - increasing the share of government scheme patients for private hospitals.



## Visionary regional MSH operators on track to create large platforms

**Aakash Healthcare**

**Regency Health**

**Sparsh Hospital**

Standalone hospitals on track to create larger chains with focus on organic and inorganic facility addition.

Source: KPMG in India analysis

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