



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 30 JULY 2026

# Manipal Health Enterprises Limited

Mainboard IPO — Research Note

|             |                     |            |             |
|-------------|---------------------|------------|-------------|
| Issue Dates | 29 – 31 Jul 2026    | Price Band | ₹560 – ₹590 |
| Lot Size    | 25 shares (₹14,750) | Issue Size | ₹9,275 Cr   |

|                                                                                    |                                                                                      |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <b>S E C T O R</b><br>Healthcare — Hospitals                                       | <b>F I N A N C I A L S</b><br>Rev ₹10,521 Cr (FY26) • PAT ₹917 Cr • 3Y Rev CAGR ~30% |
| <b>V A L U A T I O N S</b><br>P/E 84.7x post-issue • vs peer median ~70x • premium | <b>D E M A N D</b><br>Anchor ₹4,167 Cr (marquee) • Day-1 overall 0.14x • QIB 0.14x   |
| <b>G M P</b><br>+₹9 / ~1.5% over band • down from ₹35 (24 Jul)                     | <b>R E C O M M E N D A T I O N</b><br><b>WAIT &amp; WATCH (listing gains)</b>        |

I P O R E S E A R C H D E S K

## 2. Executive Summary

Manipal Health runs India's largest private hospital network by bed capacity — 49 multispecialty hospitals, roughly 13,000 operational beds across 14 states, serving close to 7.6 million patients a year. FY26 revenue was ₹10,520 Cr, up from ₹6,265 Cr in FY24, a three-year revenue CAGR near 30%. EBITDA margin holds around 27%. PAT, however, dipped to ₹917 Cr in FY26 from ₹1,082 Cr in FY25 as the debt-funded Sahyadri acquisition pushed up finance and depreciation costs.

This is a ₹9,275 Cr issue, and importantly it is fresh-heavy — ₹8,000 Cr primary against ₹1,275 Cr of OFS, so only ~14% is existing investors cashing out. The bulk of the fresh money repays hospital-level debt. The anchor book is genuinely marquee: ADIA, CPPIB, Norway's GPFG, SBI Life, HDFC Life, Nomura, Morgan Stanley, ICICI Pru, Kotak and DSP among 133 names, with 40% going to domestic mutual funds. That is the quality signal. The problem sits on the other side of the ledger — the issue is priced at ~85x FY26 earnings against listed peers at 66–75x, the grey market premium has bled from ₹35 a week ago to ₹9 now, and Day-1 demand was soft (overall 0.14x, QIB 0.14x, bHNI 0.06x).

Our mandate is the listing print and the first few sessions, not the franchise ten years out. On that axis the setup is unresolved. The valuation is full, the momentum signal (GMP) is fading, and the book has not yet shown the institutional pull a deal this size needs. We wait for the final-day QIB and bHNI build before committing capital to a listing-day trade.

| Recommendation               | Listing-Day View             | Momentum View (T+2-T+5)            |
|------------------------------|------------------------------|------------------------------------|
| WAIT & WATCH (listing gains) | Flat-to-soft on current read | Neutral; hinges on final QIB build |

### 3. Company Overview & Business Model

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Manipal operates multispecialty and tertiary-care hospitals under the Manipal Hospitals brand. The model is straightforward on the surface and capital-heavy underneath: build or buy beds, fill them with high-acuity specialty work — oncology, cardiac sciences, neurosciences, organ transplants, orthopaedics — and earn a spread over the fixed cost of running the estate. Revenue is a mix of inpatient (the majority, driven by surgical and specialty volumes) and outpatient, with a growing contribution from diagnostics and pharmacy. Occupancy and average revenue per operating bed (ARPOB) are the two dials that matter; when they move together, operating leverage on the fixed bed base does the rest.

The scale did not come organically alone. Manipal has been the most acquisitive operator in Indian healthcare over the past six years — Columbia Asia in 2020, Vikram and AMRI thereafter, and the Sahyadri network in the current cycle. Each deal added beds and geography but also goodwill, integration work, and in the latest instance a large slug of debt. That is the tension in the story: the franchise is real and the bed footprint is now the widest in the private space, but a chunk of recent growth is bolt-on, and bolt-on growth has to be digested before it compounds.

Ownership sits with the Ranjan Pai-led promoter group alongside marquee financial investors including Temasek, which is the single largest shareholder, and TPG. Management under the Manipal Education and Medical Group has run this asset for years and knows the operating playbook. What could break the model is not demand — India is structurally short of quality beds — but execution on integration and the cost of the leverage taken on to fund it. A hospital chain is only as good as its ability to ramp new and acquired beds to mature occupancy without margin leakage.

## 4. Market Position & Client Base

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On bed capacity, Manipal is now the largest private hospital network in India — a genuine claim, not marketing. The footprint spans 14 states with clusters in the south (its home turf around Bengaluru), the east (via AMRI in Kolkata), the west (Sahyadri in Maharashtra), and the north. That geographic spread is a real moat: hospital demand is intensely local, and owning the leading or second-ranked position in multiple metros is hard to replicate. A new entrant cannot buy its way to 13,000 beds quickly, and greenfield capacity takes four to five years to reach maturity.

The “client base” for a hospital is its patient pool and its payer mix — a blend of self-pay, private insurance (TPA), and government schemes. There is no customer-concentration risk in the conventional sense; no single payer or corporate account dominates revenue, which is a structural positive over B2B businesses that live and die by a top-five client list. The relevant concentration is geographic and specialty: a large share of profit pools sit in a handful of flagship tertiary units, and any disruption at a marquee hospital — regulatory, reputational, or clinical — carries outsized weight.

The competitive set is the listed majors — Apollo, Max Healthcare, Fortis — plus strong regional players (KIMS, Narayana, Aster) in specific markets. Manipal wins on breadth of footprint; it trails Apollo on brand-led pricing power and Max on per-bed profitability. The moat is scale and location, not premium positioning. That distinction matters when you get to valuation, because the market is being asked to pay a premium multiple for a business whose per-bed economics are not yet best-in-class.

## 5. Geographic Distribution & Revenue Model

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Manipal is a single-currency, wholly domestic operator — no export line, no currency translation exposure, no offshore revenue to model. Revenue is earned in rupees from Indian patients across four broad regional clusters. The southern cluster remains the anchor and the most mature by occupancy and ARPOB; the eastern and western clusters, added through AMRI and Sahyadri, are earlier in their margin ramp and are where the incremental operating leverage — or the incremental disappointment — will come from over the next few years.

The revenue mix is inpatient-led, with specialty surgical work carrying the profit. Outpatient, diagnostics and pharmacy round out the top line and improve footfall economics but are lower-margin. There is no volume-linked contract structure to underwrite here in the way one would for a B2B name; the demand is atomised across millions of patient episodes, which is precisely what makes the revenue base defensive. The variable to watch is the blend — as newer, lower-occupancy beds ramp, reported ARPOB and margin can look soft even as absolute volumes rise. Read the trajectory on a mature-versus-ramping basis rather than at the consolidated headline.

## 7. IPO Structure & Use of Proceeds

The issue is ₹9,275 Cr, and its shape is the first thing worth noting. This is a fresh-heavy offering — 86% primary, 14% OFS — which is the opposite of the exit-driven structures the desk usually flags. Existing investors are taking only ~₹1,275 Cr off the table against ₹8,000 Cr of new capital raised for the company. On the OFS test, this one passes cleanly.

| Particulars             | Amount (₹ Cr)   | % of Total  |
|-------------------------|-----------------|-------------|
| Fresh Issue             | 8,000.00        | 86.3%       |
| Offer for Sale (OFS)    | 1,275.22        | 13.7%       |
| <b>Total Issue Size</b> | <b>9,275.22</b> | <b>100%</b> |

| Objective (Fresh Issue)                                             | Amount (₹ Cr) | % of Fresh |
|---------------------------------------------------------------------|---------------|------------|
| Repayment / prepayment of borrowings (Manipal Hospitals subsidiary) | 5,552.76      | 69.4%      |
| Acquisition of minority stake in Sahyadri Hospitals                 | 574.00        | 7.2%       |
| General corporate purposes & issue expenses (balance)               | ~1,873.24     | 23.4%      |

The use of proceeds tells you what the fresh money is for: it is a balance-sheet clean-up, not a growth war chest. Nearly 70% of the primary raise goes to retire debt at the operating subsidiary — debt that ballooned to ₹10,553 Cr in FY26, largely from the Sahyadri deal. Deleveraging is a real positive for the equity story; post-issue interest cost falls and the fragile FY26 PAT line should recover. But it also frames the pricing question bluntly: investors are funding a de-gearing, and being asked to pay ~85x for the privilege.

On the mechanics — the offer reserves the standard majority to QIBs (~75% of the net offer), with ~15% to non-institutional (bHNI and sHNI) and ~10% to retail. The anchor allocation of ₹4,167 Cr was locked on 28 July across 133 investors. The book is run by a seven-strong syndicate of Kotak Mahindra Capital, Axis Capital, Goldman Sachs, Jefferies, J.P. Morgan, UBS and DBS Bank — a bulge-bracket, large-deal lineup we return to in Section 10.

## 8. Financial Performance Analysis

| Particulars (₹ Cr)      | FY24  | FY25  | FY26   | 3Y trend    |
|-------------------------|-------|-------|--------|-------------|
| Revenue from Operations | 6,265 | 8,363 | 10,521 | ↑ ~30% CAGR |
| EBITDA                  | 1,777 | 2,247 | 2,796  | ↑           |
| EBITDA Margin (%)       | 28.4  | 26.9  | 26.6   | ↓ mild      |
| PAT                     | 533   | 1,082 | 917    | ↓ in FY26   |
| PAT Margin (%)          | 8.5   | 12.9  | 8.7    | volatile    |

| Particulars (₹ Cr) | FY24   | FY25   | FY26   |
|--------------------|--------|--------|--------|
| Net Worth          | 4,029  | 5,866  | 8,441  |
| Total Borrowings   | 3,944  | 4,767  | 10,553 |
| Debt / Equity (x)  | 0.98   | 0.81   | 1.25   |
| Total Assets       | 10,819 | 14,072 | 24,865 |

Start with the top line, because it is the strong part of the story. Revenue compounded near 30% over two years, driven by a combination of bed additions (organic and acquired), occupancy gains at maturing units, and ARPOB improvement in the specialty mix. Reaching ₹10,500 Cr puts Manipal within striking distance of Apollo's healthcare-services scale. On revenue, there is nothing to argue with.

The margin and profit lines are where the picture turns mixed. EBITDA margin drifted down from 28.4% to 26.6% — not alarming for a chain digesting acquisitions, but it is compression, not the operating-leverage expansion the multiple implies. The PAT line is the real tell: it spiked to ₹1,082 Cr in FY25, then fell to ₹917 Cr in FY26. That reversal is not an operating failure — it is the finance and depreciation cost of the debt-funded Sahyadri acquisition landing on the P&L before the acquired beds have ramped. Normalise for that and the underlying earnings power is intact, but the reported FY26 profit — the number the 85x multiple is struck against — flatters neither the growth story nor the price.

The balance sheet is the item that would keep us up at night. Total borrowings jumped from ₹4,767 Cr to ₹10,553 Cr in a single year and D/E moved to 1.25x. This is precisely why the fresh issue exists — ₹5,553 Cr of the primary raise retires this debt — so post-money the leverage normalises. But it underlines that the recent growth was bought, not earned, and that the equity holder is capitalising the company out of a leverage position it created. Cash generation from operations is healthy for a hospital chain; the concern is not solvency, it is that you are paying a growth multiple for what is, this year, a deleveraging trade.

*On screen the growth print looks excellent — 30% revenue CAGR, ₹10,500 Cr scale. Under the*

*hood, FY26 profit went backwards and net debt more than doubled. The IPO fixes the balance sheet; it does not make FY26 earnings cheaper.*

## 9. Valuation

At the ₹590 upper band the company is valued at roughly ₹77,600 Cr, or about 85x FY26 earnings (76x pre-issue, ~72x on FY25's higher profit). Whichever base you take, this is a full multiple for a hospital chain.

| Company              | P/E  | EPS (₹) | Revenue (₹ Cr) | Read                 |
|----------------------|------|---------|----------------|----------------------|
| Manipal (upper band) | ~85x | 6.97    | 10,521         | Premium              |
| Apollo Hospitals     | 66x  | 135.0   | 25,229         | Larger, higher RoCE  |
| Fortis Healthcare    | 70x  | 13.8    | 9,128          | Comparable scale     |
| Max Healthcare       | 75x  | 14.8    | 10,065         | Best per-bed margins |
| Peer Median          | ~70x | —       | —              | —                    |

The peers cited in the offer document — Apollo, Fortis, Max — trade at 66x to 75x, a median around 70x. Manipal is asking for ~85x. Management will argue the premium is earned by the fastest growth in the set and the widest bed footprint, and there is something to that. But the two names that should command the premium in this cohort are Apollo (scale, brand, diagnostics and pharmacy optionality) and Max (best-in-class per-bed profitability), and both trade below Manipal's ask. We struggle to make the case that the fastest grower, whose FY26 profit just declined and whose returns on capital trail Max, should also carry the highest multiple. The premium is not obviously earned. For a listing-day trade, a rich multiple against cheaper, higher-quality peers means there is little valuation cushion if sentiment wobbles on debut.

## 10. Demand, Application-Wise Breakup, Anchor Quality & BRLM Track Record

### 10.1 Subscription Trajectory

| Category       | Day 1        | Day 2          | Day 3 / Final  | Note             |
|----------------|--------------|----------------|----------------|------------------|
| QIB            | 0.14x        | Awaited        | Awaited        | Anchor locked    |
| NII – bHNI     | 0.06x        | Awaited        | Awaited        | Soft start       |
| NII – sHNI     | 0.07x        | Awaited        | Awaited        | Soft start       |
| Retail         | 0.23x        | Awaited        | Awaited        | Best category D1 |
| Employee       | 0.82x        | Awaited        | Awaited        | Reserved portion |
| <b>Overall</b> | <b>0.14x</b> | <b>Awaited</b> | <b>Awaited</b> | Muted            |

The Day-1 tape was quiet — 0.14x overall, with the institutional and HNI buckets barely off the floor. For a large, richly-priced offer this is normal; the QIB book fills late as institutions bid at or near the close, and anchors have already absorbed ₹4,167 Cr. But it does mean the entire listing-day thesis rests on the final-day build. This is the specific number we are waiting on before turning a view: whether QIB moves decisively above 2–3x and, just as important, whether the bHNI bucket shows genuine pull rather than a token cover.

### 10.2 Minimum Application & Application-Wise Breakup (Approx. No. of Applications)

Minimum bid by category at the ₹590 upper band (lot = 25 shares). The bHNI ticket is the one that matters for this desk: the minimum big-HNI application is 68 lots — 1,700 shares, an outlay of ₹10,03,000 (₹10.03 lakh). sHNI opens at 14 lots (350 shares, ₹2,06,500); retail is a single lot (25 shares, ₹14,750).

| Category                       | Min. Lots | Min. Qty (shares) | Min. Amount (₹)  | Max applns. reserved |
|--------------------------------|-----------|-------------------|------------------|----------------------|
| Retail (RII)                   | 1         | 25                | 14,750           | 6,27,811             |
| NII – sHNI (₹2–10 L)           | 14        | 350               | 2,06,500         | 22,422               |
| <b>NII – bHNI (&gt; ₹10 L)</b> | <b>68</b> | <b>1,700</b>      | <b>10,03,000</b> | <b>44,844</b>        |

| Category             | Approx. Applications | Day-1 Subscription (x) | Indicative Allotment Odds |
|----------------------|----------------------|------------------------|---------------------------|
| Retail (RII)         | Awaited (final)      | 0.23x                  | Full (if undersubscribed) |
| NII – sHNI (₹2–10 L) | Awaited (final)      | 0.07x                  | Full (if undersubscribed) |
| NII – bHNI (> ₹10 L) | Awaited (final)      | 0.06x                  | Full (if undersubscribed) |

| Category               | Approx. Applications | Day-1 Subscription (x) | Indicative Allotment Odds |
|------------------------|----------------------|------------------------|---------------------------|
| Employee               | Awaited (final)      | 0.82x                  | Full (if undersubscribed) |
| <b>Total / Overall</b> | <b>Awaited</b>       | <b>0.14x</b>           | <b>—</b>                  |

On Day-1 run-rate every applicant would be allotted in full — the book is not yet covered, so allotment odds are not the constraint; getting the issue subscribed at all is. That flips the usual bHNI calculus. Normally we worry about odds and the cost of carry on a funded ₹10.03 L-plus bHNI application; here, with the HNI buckets under 0.1x, there is no scramble and no funding premium to chase. The practical read for a bHNI desk: there is no urgency to fund an application into a book this soft, and no allotment scarcity to pay up for. Application counts are indicative, drawn from live bidding data, and firm only at the basis of allotment.

### 10.3 Grey Market Premium

GMP is quoted around ₹9 over the ₹590 band — a premium of roughly 1.5%, implying a listing near ₹599. More telling than the level is the direction: the premium has decayed from about ₹35 on 24 July to ₹9 now, a steady bleed through the run-up. Treat the number for what it is — an unofficial, unregulated, thinly-traded indication with no settlement behind it — but the trend is a real-time read on how the grey market is repricing enthusiasm, and it is repricing downward. A ~1.5% cushion leaves no margin for a weak open.

### 10.4 Anchor Quality (7-Year Backtest)

| Anchor               | Prior Issues | Avg P/E bought | Avg Listing Gain | Avg Subn (x) |
|----------------------|--------------|----------------|------------------|--------------|
| ICICI Prudential MF  | 163          | 56x            | 24%              | 29x          |
| ADITYA BIRLA SL MF   | 142          | 28x            | 28%              | 29x          |
| Kotak Mahindra MF    | 109          | 41x            | 26%              | 27x          |
| Motilal Oswal MF     | 101          | 87x            | 27%              | 29x          |
| Nomura               | 99           | 120x           | 20%              | 26x          |
| SBI Life Insurance   | 96           | 82x            | 23%              | 24x          |
| Mirae Asset MF       | 89           | 34x            | 33%              | 30x          |
| Morgan Stanley       | 81           | 83x            | 10%              | 14x          |
| Abu Dhabi Inv. Auth. | 76           | 95x            | 26%              | 27x          |

The anchor book is the best thing about this deal, and the backtest confirms it is not a courtesy list. These are names with 80 to 160 prior mainboard issues each and average listing gains in the 20–30% band on their historical picks. The presence of ADIA, CPPIB, Norway's GPFG and the domestic insurers (SBI Life, HDFC Life) — 40% of the book went to domestic mutual funds — is exactly the composition you want to see behind a large-cap franchise.

Two caveats keep us honest. First, the P/E fit is split. The FII and insurance tier here — Nomura (avg 120x), ADIA (95x), Morgan Stanley (83x), SBI Life (82x), Motilal (87x) — routinely buys expensive, large deals, so Manipal at 85x sits squarely in their comfort zone; their presence is not a valuation

endorsement, it is their normal hunting ground. But the anchors historically associated with the biggest listing pops — Mirae (33% avg, buys ~34x), ABSL (28% avg, buys ~28x), Axis MF (35% avg) — typically buy issues at a third to a half of this valuation. At 85x, this is well outside the pop-anchors' usual band. Second, the closest behavioural analog in the book is Morgan Stanley: expensive large deals, but a 10% average listing gain on a 14x average subscription — i.e. the kind of institutional block that lists quietly, not the kind that rips. Read the book as a strong quality signal and a muted momentum signal. Both can be true at once.

### 10.5 BRLM Track Record (7-Year Backtest)

| Lead Manager           | IPOs (7Y)   | Hit Rate | Avg Listing Gain | 2026 tally |
|------------------------|-------------|----------|------------------|------------|
| Kotak Mahindra Capital | 90          | 76%      | 17.2%            | 0 of 2     |
| Axis Capital           | 114         | 70%      | 14.9%            | 2 of 5     |
| Jefferies India        | 27          | 78%      | 15.4%            | —          |
| J.P. Morgan India      | 33          | 67%      | 6.0%             | 0 of 1     |
| Goldman Sachs (India)  | 13          | 62%      | 14.5%            | 0 of 2     |
| UBS Securities India   | 4           | 100%     | 12.0%            | —          |
| DBS Bank India         | Not in base | —        | —                | —          |

This is a bulge-bracket, big-deal syndicate, and that shapes what to expect. Kotak and Axis are the domestic workhorses — 90 and 114 issues, hit rates in the low-to-mid 70s, average listing gains of 15–17%. Solid, unremarkable. The four foreign banks — Goldman, Jefferies, J.P. Morgan, UBS — are the tell: these are the houses you hire to place a ₹9,000 Cr institutional block across global funds, not to engineer a retail pop. J.P. Morgan's 6% average listing gain and Goldman's 14.5% reflect exactly that profile — large, fully-priced deals that list modestly by design. DBS Bank India does not appear in our seven-year base at all; it has no mainboard listing track record to score.

The recent trend adds a note of caution we would weight above the lifetime averages. In 2026, Kotak is 0-for-2 on positive listings, Axis 2-of-5, Goldman 0-of-2, J.P. Morgan 0-of-1 — the current-year tape for this exact syndicate has been soft. That is a small sample, but it is the sample that matters for a deal listing next week. Strong anchor participation and a credible BRLM lineup reduce listing risk; they do not eliminate it, and the 2026 record of these specific banks argues for patience rather than conviction.

## 11. Risk Factors

### [PRIMARY CONCERN] Valuation with no cushion

At ~85x FY26 earnings against a peer median near 70x, the issue is the most expensive name in its cohort while carrying neither the best per-bed margins (Max) nor the largest scale and brand (Apollo). A premium multiple struck against a profit line that just declined leaves nothing in reserve if the listing-day tape is anything less than buoyant. This is the single reason we are not applying today.

### 2. Listing Volatility.

Even with a marquee anchor book and a credible syndicate, large mainboard IPOs in the current regime have shown sharp swings on the listing print and through the first sessions. A weak open, a broad-market gap-down, or thin momentum can undo the setup regardless of how the book looked. With GMP at ~1.5% there is effectively no buffer. We do not consider this a risk-free recommendation.

### 3. Fading grey-market signal.

The GMP has bled from ~₹35 to ~₹9 in a week. Whatever one thinks of the grey market's reliability, a steadily deflating premium into the open is a live-sentiment read moving the wrong way, and it correlates historically with soft-to-negative debuts.

### 4. Soft Day-1 demand.

Overall subscription at 0.14x on Day 1, with bHNI at 0.06x and QIB at 0.14x, is a muted start. Large issues do fill late, but until the QIB and HNI buckets show a decisive build, the base case for the listing is flat, not up.

5. **Leverage and acquisition digestion.** Total borrowings more than doubled to ₹10,553 Cr in FY26 and D/E rose to 1.25x, the cost of the Sahyadri deal. The IPO retires much of this, but the equity holder is funding a de-gearing, and the acquired beds still have to ramp to mature occupancy before the growth multiple is justified.
6. **FY26 profit reversal.** PAT fell from ₹1,082 Cr (FY25) to ₹917 Cr (FY26) as finance and depreciation costs from debt-funded M&A hit the P&L. The 85x multiple is struck against this lower, pressured number — the headline growth rate masks a profit line that went backwards.
7. **Regulatory and pricing risk.** Hospitals operate under active price-control scrutiny — capping of procedures, stents, implants and diagnostics, and periodic state interventions on tariffs. Any tightening compresses the high-margin specialty work that carries the P&L.
8. **Integration and key-hospital concentration.** A disproportionate share of profit sits in a handful of flagship tertiary units. Clinical, reputational or regulatory disruption at a marquee hospital carries outsized weight, and the multi-brand, multi-acquisition estate raises the standing risk of integration slippage.

9. **Syndicate's soft 2026 record.** The specific banks running this book have a weak current-year listing tally (Kotak 0-of-2, Goldman 0-of-2, J.P. Morgan 0-of-1 in 2026). Small sample, but it is the relevant one for a deal pricing now, and DBS has no mainboard track record in our base at all.

## 12. Investment Strengths & Positive Indicators

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- 1. Largest private bed footprint in India.** ~13,000 beds across 49 hospitals in 14 states — a scale and geographic spread that is genuinely hard to replicate. Hospital demand is local; owning leading positions across multiple metros is a durable structural advantage.
- 2. Marquee anchor book.** ₹4,167 Cr from 133 investors including ADIA, CPPIB, Norway's GPFG, SBI Life, HDFC Life, Nomura and the major domestic MFs, with 40% to mutual funds. On our backtest these names carry 80–160 prior issues each and 20–30% average historical listing gains — a strong quality signal, whatever it says about near-term momentum.
- 3. Fresh-heavy, deleveraging structure.** 86% of the issue is primary and ~70% of that retires operating-company debt. This is not an OFS exit dressed as an IPO; existing holders are taking only ~14% off the table, and the balance sheet emerges materially stronger post-money.
- 4. Top-line momentum.** ~30% revenue CAGR to ₹10,521 Cr puts Manipal within reach of the largest listed operator. Underlying demand for quality tertiary care is structural and under-served in India.
- 5. Healthy operating margins and cash generation.** EBITDA margin around 27% and sound operating cash conversion are respectable for a chain mid-way through digesting large acquisitions. Normalised for acquisition-related finance costs, underlying earnings power is intact.
- 6. Post-issue re-rating optionality.** With leverage cleared and acquired beds ramping, the FY26 profit dip should reverse. For investors with a longer horizon than this desk trades, that recovery is the core of the fundamental case — though it sits outside our listing-window mandate.

## 13. Final Recommendation & Conclusion

### R E C O M M E N D A T I O N

## WAIT & WATCH (listing gains)

Run the five pillars and the call writes itself. Financial quality: strong revenue growth, healthy margins, but a FY26 profit that went backwards and leverage that doubled before the IPO repairs it — good, not clean. Valuation: ~85x against a peer median near 70x, the richest in the cohort without the best economics — a full price with no cushion. GMP: ~1.5% and fading from ₹35 to ₹9 — a momentum signal pointing down. Demand: 0.14x overall on Day 1, bHNI at 0.06x — unproven. OFS: only 14%, fresh-heavy — the one unambiguous positive. Four of the five pillars say wait; the fifth (structure) is the reason we are not at AVOID.

For a listing-day trade, we need the book to prove itself before we commit. Specifically: QIB pushing decisively past 2–3x on the final day, bHNI moving off the floor into a real cover, and GMP stabilising or recovering rather than bleeding further. If those numbers arrive on 31 July, the risk of a flat-to-negative debut compresses and this can flip to a small, disciplined APPLY for the listing pop and the T+2–T+5 momentum window. Absent them, the setup favours patience — a rich, fully-anchored, thinly-demanded large-cap that the grey market is quietly marking down is not a listing-day trade we want to fund.

One point for context, not for the call: the underlying franchise is high quality, and long-horizon portfolios will reasonably look at it on a two-to-three-year view once the balance sheet is clean and acquired beds mature. That is a different mandate from ours. This desk trades the listing and the first few sessions, and on that axis the verdict today is to wait for the numbers. This is not a risk-free recommendation. A strong anchor book does not guarantee listing gains — the backtest of this very book (Morgan Stanley's 10% average, the pop-anchors buying at a third of this multiple) is the reminder.

| Investor Category | Guidance                     | Allocation Approach                                                                   | Exit Window                          |
|-------------------|------------------------------|---------------------------------------------------------------------------------------|--------------------------------------|
| BHNI              | WAIT & WATCH (listing gains) | No application until final-day QIB/bHNI build confirms; revisit at ~1:30 pm on 31 Jul | Listing day to T+5 (only if applied) |

## 14. Standard Disclaimer

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*The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.*

*Past performance is not indicative of future returns.*