

Opportune

Exclusively curated opportunities to re-enter fundamentally strong companies at attractive valuations!

BUY – Aster DM Healthcare (ASTERDM)

CMP: ₹245 (Upside Potential: 22.4%) as on 11th November 2022

Fair Value (FV): ₹300 I Time Period: 12 months

Why Invest?

- Aster DM delivered an operationally in-line Q2FY23.
- Highlight was 19.6% India hospitals EBITDA margin (highest ever; up 385 bps QoQ).
- Domestic margins to expand further as most India hospitals to mature in next few quarters.
- Aims to increase India contribution to revenue from 26% in Q2FY23 to 40+% in next 4 years.
- Aster DM expects to break even in diagnostics by FY24 and in India pharmacies by FY25.
- GCC restructuring is critical for further rerating, not committing any firm timeline.
- Roll forward to Sep24E; raise EV/EBIDTA multiple from 12X earlier to 14X.

Maintain BUY with FV Rs 300

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