HCA Healthcare, Inc. (HCA)

Updated March 2nd, 2026 by Samuel Smith

Key Metrics

Current Price:	$530	**5 Year CAGR Estimate:**	7.7%	**Market Cap:**	$120 B
Fair Value Price:	$455	**5 Year Growth Estimate:**	10.5%	**Ex-Dividend Date:**	3/17/26
% Fair Value:	117%	**5 Year Valuation Multiple Estimate:**	-3.0%	**Dividend Payment Date:**	3/31/26
Dividend Yield:	0.6%	**5 Year Price Target**	$750	**Years Of Dividend Growth:**	7
Dividend Risk Score:	C	**Sector:**	Health Care	**Rating:**	Hold

Overview & Current Events

HCA Healthcare is the largest for-profit hospital operator in the United States, headquartered in Nashville, Tennessee. The company operates 192 hospitals and approximately 2,500 ambulatory sites of care, including surgery centers, freestanding emergency rooms, urgent care centers, and physician clinics across 20 states and the United Kingdom. HCA generates revenue primarily through inpatient and outpatient healthcare services, serving patients across a wide range of medical specialties. The company holds an estimated 4.8% market share in the U.S. hospital industry and is a Fortune 500 company, ranking as the 61st largest U.S. corporation by revenue.

On January 27, 2026, HCA Healthcare reported fourth-quarter 2025 results that substantially exceeded analyst expectations. The company delivered strong top line and bottom line growth, with revenue up 6.7 percent year over year to $19.51 billion, adjusted diluted EPS of $8.01 beating consensus by 7.5 percent, and GAAP diluted EPS of $8.14 rising 44.6 percent, as net income increased 30.6 percent to $1.878 billion and adjusted EBITDA grew 10.8 percent to $4.114 billion, highlighting meaningful operating leverage. Full-year performance was similarly robust, with diluted EPS climbing 28.8 percent to $28.33 from $22.00 in 2024, reflecting consistent execution throughout the year and reinforcing the company's ability to convert volume and acuity tailwinds into earnings growth. HCA also returned substantial capital to shareholders, repurchasing $2.6 billion of stock in the fourth quarter and $10 billion for the full year, which reduced the diluted share count by about 10 percent and amplified per share earnings, and management further boosted shareholder returns by raising the quarterly dividend 8.3 percent to $0.78 per share starting in Q1 2026. The results were underpinned by strong patient volume growth, favorable acuity trends, and disciplined cost management across its large hospital and care network, although the broader healthcare industry still faces structural headwinds from labor cost inflation, staffing constraints, and the potential for increased regulatory scrutiny of for profit operators. Looking ahead, management's 2026 guidance for revenue of $76.5 to $80.0 billion and adjusted EPS of $29.01 to $31.50 points to continued growth but at a more moderate pace relative to 2025's exceptional gains, reflecting tougher comparisons and a more normalized operating environment after a year of strong performance.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$6.87	$6.81	$9.77	$10.50	$11.61	$17.50	$16.89	$19.01	$21.96	$28.21	***$30.30***	***$50.00***
DPS	$0.00	$0.00	$1.40	$1.63	$0.43	$1.92	$2.24	$2.40	$2.64	$2.88	***$3.12***	***$3.60***
Shares	370.2	349.9	342.4	338.4	339.9	303.6	277.0	264.5	248.3	224.0	***220***	***235.0***

HCA Healthcare is positioned for strong growth over the next five years, driven by expanding patient volumes, strategic acquisitions, and operational efficiencies. Dividends per share are projected to increase as well, reflecting confidence in sustained cash flow generation. HCA's extensive hospital network, investments in technology, and focus on cost management should enhance profitability. While regulatory changes and labor costs pose risks, the company's scale, strong payer relationships, and demand for healthcare services position it well for continued revenue and earnings expansion, supporting shareholder returns.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	10.2	11.3	11.0	11.9	10.4	12.1	12.9	13.7	15.3	17.0	***17.5***	***15.0***
Avg. Yld.	0.0%	0.0%	1.8%	1.5%	0.3%	1.6%	1.1%	1.1%	1.0%	0.9%	***0.6%***	***0.5%***

HCA is currently trading at a P/E ratio of 17.5. The company's P/E has steadily expanded, reflecting investor confidence in its earnings stability and growth potential. The dividend yield of 0.6% remains low, as HCA prioritizes reinvestment and share buybacks over large dividend payouts. Over the next five years, if earnings continue growing steadily, the P/E ratio could range between 14-16, aligning with historical trends. However, if regulatory pressures or reimbursement challenges emerge, the multiple may stay closer to 12-14, limiting valuation compression.

Safety, Quality, Competitive Advantage, & Recession Resiliency

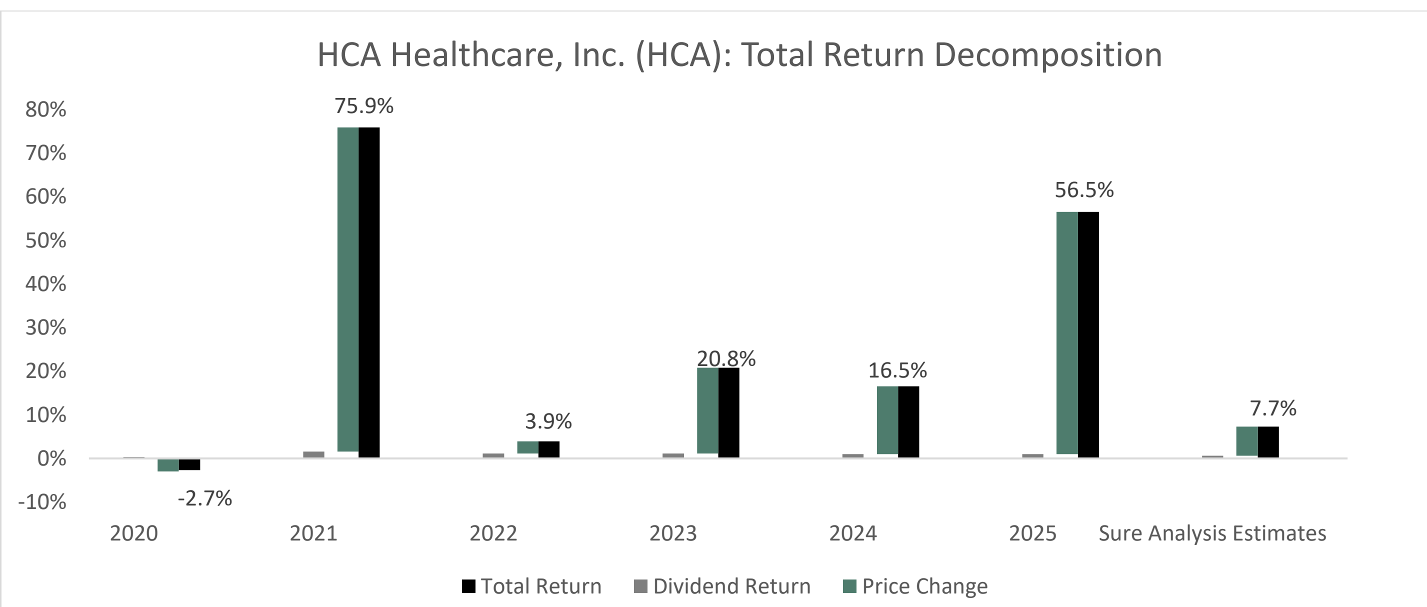
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	0%	0%	14%	16%	4%	11%	13%	13%	12%	10%	***10%***	***7%***

HCA's competitive advantage lies in its extensive hospital network, scale, and operational efficiency, allowing it to negotiate favorable payer contracts and optimize costs. As the largest for-profit hospital operator in the U.S., it benefits from economies of scale and strong demand for healthcare services. During the Great Recession, HCA's earnings remained stable due to the non-discretionary nature of healthcare, though margin pressure was evident. The COVID-19 pandemic created short-term disruptions, but demand rebounded quickly as elective procedures resumed, demonstrating the company's resilience in economic downturns.

HCA maintains a healthy balance sheet with manageable debt and strong interest coverage, ensuring financial flexibility. The payout ratio has remained conservative, peaking at 16% in 2019 and stabilizing around 12% in recent years, reflecting the company's preference for reinvestment. With continued earnings growth, the payout could remain near 10-12%, ensuring dividend sustainability while allowing capital to be directed toward expansion and acquisitions. HCA's focus on cost control and strategic investments supports long-term shareholder value despite its modest yield.

Final Thoughts & Recommendation

Between its 0.6% dividend yield, 10.5% expected five-year EPS CAGR, and -3% expected five-year valuation multiple CAGR, we project a 7.7% annualized total return for HCA over the next half-decade, making it a Hold at the moment.



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	41,490	43,614	46,677	51,336	51,533	58,752	60,233	64,968	70,603	75,600
Gross Profit	6,616	6,523	7,040	7,715	7,262	9,678	9,053	9,627	10,547	11,965
Gross Margin	15.9%	15.0%	15.1%	15.0%	14.1%	16.5%	15.0%	14.8%	14.9%	15.8%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	1,966	2,131	2,278	2,596	2,721	2,853	2,969	3,077	3,312	3,523
Operating Profit	6,186	6,057	6,593	7,218	7,262	9,678	9,053	9,627	10,547	11,965
Operating Margin	14.9%	13.9%	14.1%	14.1%	14.1%	16.5%	15.0%	14.8%	14.9%	15.8%
Net Profit	3,432	2,743	4,389	4,145	4,387	7,721	6,834	6,091	6,657	7,782
Net Margin	8.3%	6.3%	9.4%	8.1%	8.5%	13.1%	11.3%	9.4%	9.4%	10.3%
Free Cash Flow	2,893	2,411	3,188	3,444	6,397	5,382	4,127	4,687	5,639	7,692
Income Tax	1,378	1,638	946	1,099	1,043	2,112	1,746	1,615	1,866	2,050

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	33,758	36,593	39,207	45,058	47,490	50,742	52,438	56,211	59,513	60,720
Cash & Equivalents	695	786	549	768	1,909	1,554	1,000	1,022	2,021	1,143
Accounts Receivable	5,826	6,501	6,789	7,380	7,051	8,095	8,891	9,958	10,751	10,867
Inventories	1,503	1,573	1,732	1,849	2,025	1,986	2,068	2,021	1,738	1,652
Goodwill & Int. Ass.	6,704	7,394	7,953	8,269	8,578	9,540	9,653	9,945	10,093	10,293
Total Liabilities	39,391	41,588	42,125	45,623	44,598	49,253	52,511	55,151	58,958	63,491
Accounts Payable	2,318	2,606	2,577	2,905	3,535	4,111	4,239	4,233	4,276	4,659
Long-Term Debt	31,376	33,058	32,821	35,221	32,677	36,334	39,836	41,496	44,894	46,138
Shareholder's Equity	(7,302)	(6,806)	(4,950)	(2,808)	572	(933)	(2,767)	(1,774)	(2,499)	(6,027)
LTD/E Ratio	(4.30)	(4.86)	(6.63)	(12.67)	57.79	(39.36)	(14.53)	(23.60)	(18.10)	(8.08)

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	10.3%	7.8%	11.6%	9.8%	9.5%	15.7%	13.2%	11.2%	11.5%	12.9%
Return on Equity					377.1%	352.5%	965.3%	1234%	824%	
ROIC	13.7%	10.2%	15.1%	12.8%	12.4%	20.8%	17.4%	14.7%	15.0%	17.0%
Shares Out.	370.2	349.9	342.4	338.4	339.9	303.6	277.0	264.5	248.3	224.0
Revenue/Share	104.81	117.17	131.37	147.42	149.98	178.71	204.41	235.04	269.68	315.66
FCF/Share	7.31	6.48	8.97	9.89	18.62	16.37	14.01	16.96	21.54	32.12

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.