HCA Healthcare, Inc. (HCA)

Updated May 9th, 2026, by Kody Kester

Key Metrics

Current Price:	$435	**5 Year CAGR Estimate:**	10.8%	**Market Cap:**	$96.5B
Fair Value Price:	$439	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	06/16/26
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.2%	**Dividend Payment Date:**	06/30/26
Dividend Yield:	0.7%	**5 Year Price Target**	$706	**Years Of Dividend Growth:**	7
Dividend Risk Score:	A	**Sector:**	Health Care	**Rating:**	Buy

Overview & Current Events

HCA Healthcare, Inc. (HCA) is the largest for-profit hospital operator in the United States, headquartered in Nashville, Tennessee. The company operates 189 hospitals and approximately 2,600 ambulatory sites of care, including surgery centers, freestanding emergency rooms, urgent care centers, and physician clinics across 19 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 April 24th, HCA shared its earnings report for the first quarter ended March 31st, 2025. The company's revenue grew by 4.3% year-over-year to $19.11 billion during the quarter. That was mostly driven by a 3.1% uptick in same facility revenue per equivalent admission, which was supported by higher-intensity service line strength in areas like cardiac, trauma, and rehabilitation. Another factor was the recognition of certain Medicaid supplement programs that weren't included in HCA's initial 2026 guidance. Finally, same facility equivalent admissions edged 1.3% higher over the year-ago period in the quarter. This was despite meaningful declines in respiratory volumes (admissions down 42% and ER visits down 32%), which was made possible by rebounds in February and March volumes as underlying demand for non-respiratory care returned to its long-term growth targets. HCA also expanded its total sites of care by more than 4% and added 4% to emergency room capacity, which helped to capture a higher volume of non-respiratory ER visits. The company's adjusted diluted EPS rose by 10.9% year-over-year to $7.15 for the quarter. That topped the analyst consensus during the quarter by $0.02.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$6.87	$6.83	$9.77	$10.50	$11.61	$17.50	$16.89	$19.01	$21.96	$28.21	***$30.25***	***$48.72***
DPS	-	-	$1.40	$1.60	$0.43	$1.92	$2.24	$2.40	$2.64	$2.88	***$3.12***	***$4.80***
Shares[1]	370.5	350.1	342.9	338.5	339.4	305.5	277.4	265.5	250.0	224.6	***221.8***	***180.0***

Since 2016, HCA's adjusted diluted EPS have compounded by 17% annually. In recent years, its much larger size and scale have reduced growth to a CAGR of roughly 12%. Moving forward, we believe that HCA's adjusted diluted EPS can rise by 10% annually through 2031, off an anticipated 2026 base of $30.25. The company's path to generating this level of growth is multi-pronged. Expanding access points (adding to ER capacity and its overall site-of-care footprint) can power 2% to 3% annual volume growth. Pricing power from HCA's ability to secure favorable commercial contracts and manage a high-acuity case mix should enable an additional 2% to 3% annual growth in same-facility revenue per equivalent admission. Finally, we expect the company's outsized free cash flow to be mostly directed to share repurchases. That should translate into a 4% annual reduction in the share count over the next several years.

[1] Share count is in millions.

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	10.8	12.9	12.6	14.1	14.2	14.7	14.2	14.3	13.5	16.7	***14.4***	***14.5***
Avg. Yld.	-	-	1.1%	1.1%	0.3%	0.7%	0.9%	0.9%	0.9%	0.6%	***0.7%***	***0.7%***

Over the last decade, HCA's shares have been valued at a range as cheap as the low double-digits to as much as the mid-teens. The average P/E ratio over that time was roughly 14. Over the last five years, HCA's valuation multiple has expanded to nearly 15. Looking ahead, we believe that a fair value P/E ratio of 14.5 is reasonable. This is because HCA's profitability is holding strong, and it can still reliably generate annual adjusted diluted EPS growth in the low double-digits. Compared to the current-year P/E ratio of 14.4, HCA looks to be a great business trading at a fair valuation.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-	-	14%	15%	4%	11%	13%	13%	12%	10%	***10%***	***10%***

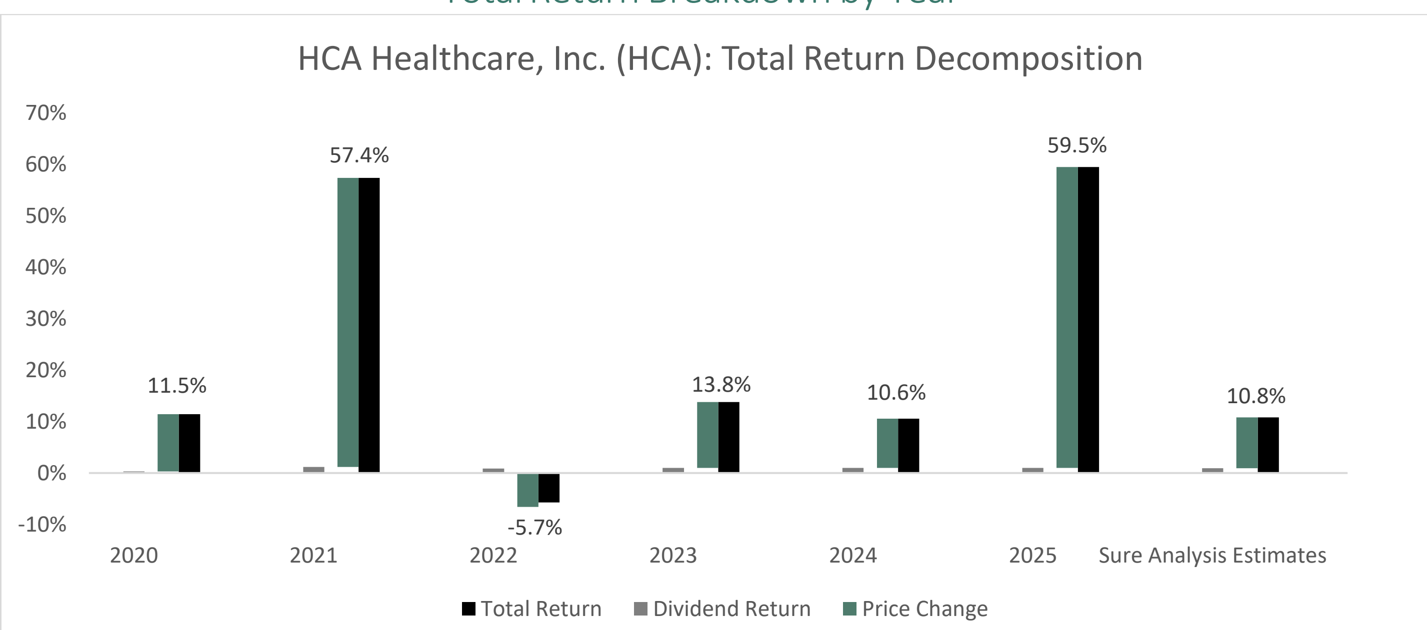
HCA's extensive hospital network, scale, and operational efficiency provide it with a competitive advantage. This allows it to negotiate favorable payer contracts and optimize costs. As the largest for-profit hospital operator in the U.S., it benefits from economies of scale and strong demand for healthcare services.

HCA's interest coverage ratio was 4.9x in Q1 2026. For a recession-resistant business model, this is an adequate interest coverage ratio in our view. HCA further insulates itself financially with a dividend payout ratio that's likely to be around 10% in 2026. That means the company should have little difficulty servicing its debt and rewarding shareholders with further dividend growth. This would build on its six-year dividend growth streak (the dividend was suspended for three quarters in 2020 amid the COVID-19 pandemic).

Final Thoughts & Recommendation

HCA's 0.7% dividend yield, 10.0% annual adjusted diluted EPS growth prospects, and 0.2% annual valuation multiple upside potential could generate 10.8% annual total returns through 2031. As a result, we're upgrading shares to a Buy rating.

Total Return Breakdown by Year



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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.