HCA Healthcare, Inc. (HCA)

Updated July 25th, 2026, by Kody Kester

Key Metrics

Current Price:	$377	**5 Year CAGR Estimate:**	14.0%	**Market Cap:**	$84.1B
Fair Value Price:	$439	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	09/15/26[1]
% Fair Value:	86%	**5 Year Valuation Multiple Estimate:**	3.1%	**Dividend Payment Date:**	09/29/26[1]
Dividend Yield:	0.8%	**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 190 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 is a Fortune 500 company, ranking as the 61st largest U.S. corporation by revenue.

On Jul. 24, HCA released its financial results for the second quarter ended Jun. 30, 2026. The company's revenue surged 8.7% over the year-ago period to $20.23 billion in the quarter. This was powered by a 2.7% growth rate in same-facility equivalent admissions during the quarter. That was made possible by strong core medical demand and high emergency department utilization, which more than offset a slight dip in surgical volumes for the quarter. Another major growth driver for the topline in the quarter was a 6.4% uptick in same-facility revenue per equivalent admission, which was supported by contracted rate increases and annual updates to government reimbursement schedules. HCA's adjusted diluted EPS climbed 11% higher year-over-year to $7.59 during the quarter. This was $0.09 ahead of the analyst consensus for the quarter.

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	***222.8***	***180.0***

Since 2016, HCA's adjusted diluted EPS has 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] Estimated dates based on past dividend dates.
[2] 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	***12.5***	***14.5***
Avg. Yld.	-	-	1.1%	1.1%	0.3%	0.7%	0.9%	0.9%	0.9%	0.6%	***0.8%***	***0.7%***

Over the last decade, HCA's shares have traded 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 continue to think that a fair value P/E ratio of 14.5 is reasonable. This is because HCA's profitability is holding steady, 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 12.5, HCA looks to be priced at a double-digit percentage discount to fair value.

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%***

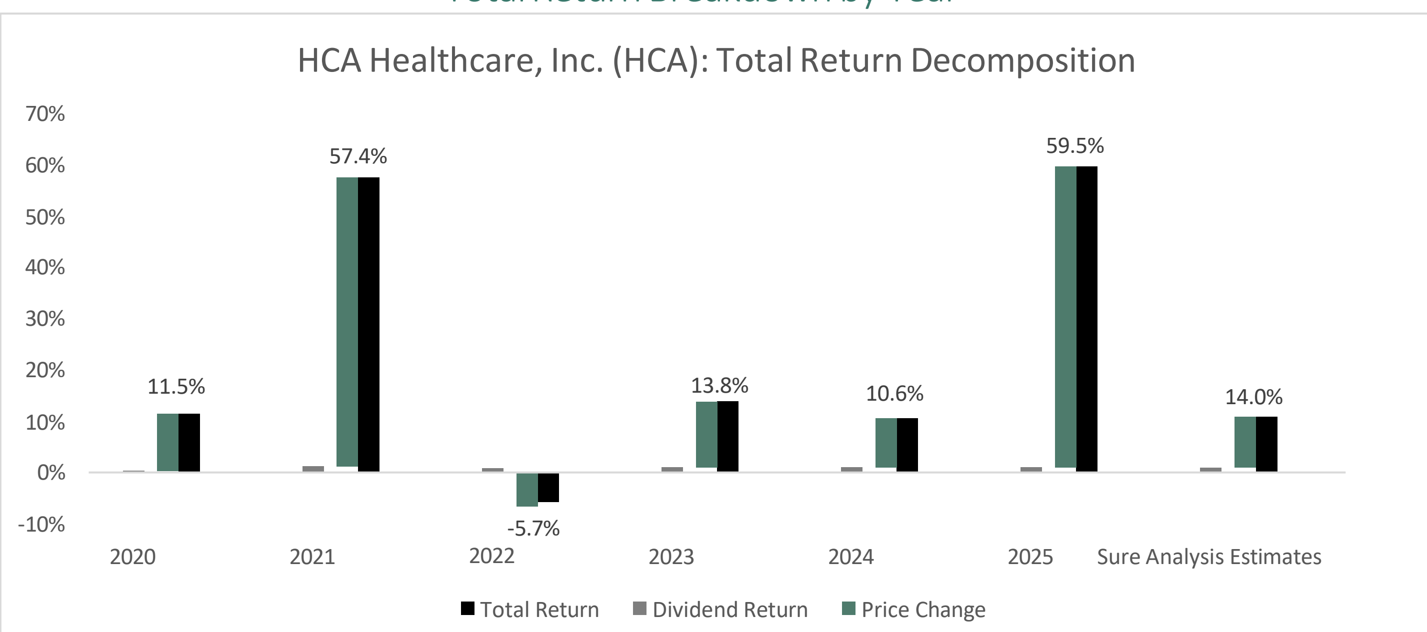
HCA's extensive hospital network, scale, and operational efficiency provide it with a competitive advantage. This allows it to negotiate favorable payer contracts and optimize costs. As the largest for-profit hospital operator in the U.S., it benefits from economies of scale and strong demand for healthcare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

HCA's interest coverage ratio was 5.0x in the first half of 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 0.8% dividend yield, 10.0% annual adjusted diluted EPS growth prospects, and 3.1% annual valuation multiple upside potential could generate 14.0% annual total returns through 2031. This is why we're maintaining our 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.