

May 28, 2025

## Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

|                     | Current      |        | Previous     |        |
|---------------------|--------------|--------|--------------|--------|
|                     | FY26E        | FY27E  | FY26E        | FY27E  |
| <b>Rating</b>       | <b>BUY</b>   |        | <b>BUY</b>   |        |
| <b>Target Price</b> | <b>1,950</b> |        | <b>1,560</b> |        |
| Sales (Rs. m)       | 62,200       | 69,760 | 64,022       | 71,713 |
| % Chng.             | (2.8)        | (2.7)  |              |        |
| EBITDA (Rs. m)      | 15,142       | 18,040 | 14,738       | 17,433 |
| % Chng.             | 2.7          | 3.5    |              |        |
| EPS (Rs.)           | 47.7         | 58.4   | 46.4         | 57.2   |
| % Chng.             | 2.7          | 2.1    |              |        |

### Key Financials - Consolidated

| Y/e Mar        | FY24   | FY25   | FY26E  | FY27E  |
|----------------|--------|--------|--------|--------|
| Sales (Rs. m)  | 50,182 | 54,830 | 62,200 | 69,760 |
| EBITDA (Rs. m) | 11,524 | 12,764 | 15,142 | 18,040 |
| Margin (%)     | 23.0   | 23.3   | 24.3   | 25.9   |
| PAT (Rs. m)    | 7,896  | 7,898  | 9,741  | 11,936 |
| EPS (Rs.)      | 38.6   | 38.6   | 47.7   | 58.4   |
| Gr. (%)        | 30.2   | 0.0    | 23.3   | 22.5   |
| DPS (Rs.)      | 4.6    | 5.2    | 5.8    | 6.4    |
| Yield (%)      | 0.3    | 0.3    | 0.3    | 0.4    |
| RoE (%)        | 31.5   | 24.5   | 24.0   | 23.8   |
| RoCE (%)       | 25.2   | 19.6   | 19.4   | 21.3   |
| EV/Sales (x)   | 7.3    | 6.8    | 6.0    | 5.3    |
| EV/EBITDA (x)  | 31.8   | 29.1   | 24.5   | 20.3   |
| PE (x)         | 45.1   | 45.1   | 36.6   | 29.8   |
| P/BV (x)       | 12.3   | 9.8    | 7.9    | 6.4    |

### Key Data NARY.BO | NARH IN

|                     |                     |
|---------------------|---------------------|
| 52-W High / Low     | Rs.1,873 / Rs.1,080 |
| Sensex / Nifty      | 81,552 / 24,826     |
| Market Cap          | Rs.356bn/ \$ 4,172m |
| Shares Outstanding  | 204m                |
| 3M Avg. Daily Value | Rs.1916.65m         |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 63.85 |
| Foreign                 | 9.66  |
| Domestic Institution    | 8.52  |
| Public & Others         | 17.97 |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M    | 6M   | 12M  |
|----------|-------|------|------|
| Absolute | (2.6) | 38.0 | 40.9 |
| Relative | (5.4) | 35.8 | 30.2 |

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## EBITDA beat aided by Cayman business

### Quick Pointers:

- Reiterated expansion plan of 1,535 beds by FY29 with total capex requirement of Rs. ~30bn across locations in Bengaluru, Kolkata and Raipur.
- Rs650mn losses in FY25 from its clinics and NHIC business.

**Narayana Hrudayalaya (NARH) reported EBITDA of Rs3.6bn (up 23% YoY) in Q4FY25, 5% above our estimates aided by higher profitability across Cayman units. The Cayman business reported profitability of Rs1.7bn, up 39% YoY and 28% QoQ. India business reported healthy EBITDA adjusted for NHIC losses, up 18% YoY. The management reiterated its aggressive capex plan and commitment towards growing throughput over the next 3-4 years through debottlenecking, refurbishment and better bed mix. In the medium term, NARH intends to add ~1,535 beds expansion through greenfield and brownfield across Bengaluru, Kolkata and Raipur. Our FY26E and FY27E EBITDA stands increased by ~3-4%. We maintain 'BUY' rating with a revised TP of Rs1,950/share, based on 25x FY27E EV/EBITDA (23x earlier) for India business and 20x EV/EBITDA (12x earlier) for Cayman hospitals. We factor in 24% EBITDA CAGR for Cayman operations over FY25-27E and thereby higher target multiple for Cayman business. At CMP, the stock is trading at 20x FY27E EV/EBITDA (adj for IND AS).**

- EBITDA beat led by Cayman; India profitability in-line:** NARH reported EBITDA of Rs3.6bn; up 23% YoY (16% QoQ); adjusted for NHIC losses it was up by 26% YoY. Losses in insurance and clinics business were to the tune of Rs242mn vs Rs144mn in Q3. Total Loss for FY25 was at Rs. 645mn. Overall, margins came in at 24.2%, increased 80bps YoY. India business adjusted for insurance and clinics, reported EBITDA of Rs2.16bn, up 18% YoY. India margins improved by 110bps YoY and 170bps QoQ to 19.4%. Cayman reported EBITDA of \$19.7mn, up 37% YoY and 27% QoQ, with OPM of ~45%.
- Higher ARPOB aided India up 11% YoY:** Revenues grew by 18% YoY to Rs14.8bn. ARPOB for India business grew 11% YoY to Rs46,301/day led by higher realization via bed upgrades (general to private/semi-private). IP volumes were flat YoY for India; impacted due to lower footfalls especially from Bangladesh, resulting from the political unrest and capacity constraints in existing hospitals. Cayman revenues increased 45% YoY to \$44mn. Both IP and OP volumes improved by 27% and 24% YoY, respectively, for Cayman aided by ramp up in new unit. Reported PAT stood at Rs2bn (up 4% YoY). NARH's net debt increased by Rs. 2.5bn QoQ to Rs5.3bn due to ongoing capex in India biz.
- Key con-call takeaways: Capex and expansion plan** – Mgmt guided for a total capex outlay of ~Rs 7.5 bn, comprising Rs 3bn toward routine maintenance, replacements, and in-facility capacity enhancements, and Rs 4.5bn toward greenfield and brownfield expansions. A total of 1,235 greenfield beds in Kolkata & Bengaluru and 300 brownfield beds in Raipur will be added in the next 3-4 years. NARH's focus for expansion remains in existing locations such

as Bangalore, Kolkata and Raipur. **Cayman** – The new multi-specialty hospital is ramping up well and the current revenue base of \$45M is sustainable with further growth potential. NARH is further exploring to expand into similar geographies in Caribbean market (e.g., Bahamas). **India Hospitals units:** hospitals are capacity-constrained; focus is on optimizing mix and procedure complexity. Reduction in bed count QoQ due to exit (e.g., Jammu region) and ward upgrades from general to private/semi-private. Guided for margin expansion to continue modestly with service and payer mix optimization. **Working capital days** increased due to delayed payments from government patients; expected to be reversed as collections normalize. **New India units:** NARH launched a retail chemotherapy center in Gurugram. The Mumbai facility is near break-even. Both the units are guided to be on an improving trajectory and expected to contribute more meaningfully going forward. **Occupancy:** India occupancy hovers between 60-65%. **Integrated business (NHIC & NHIL):** Losses in FY25 were at Rs. 650mn; break-even for each clinic expected in 18-24 months. Combined investment of Rs 4bn in NHIC & clinics. Currently Insurance business across Bangalore, Mysore and plans to expand in Kolkata, Raipur, Shimoga.

**Exhibit 1: Q4FY25 Result Overview (Rs mn) – EBITDA beat led by Cayman biz**

| Y/e March                           | 4QFY25        | 4QFY24        | YoY gr. (%) | 3QFY25        | QoQ gr. (%) | FY25          | FY24          | YoY gr. (%) |
|-------------------------------------|---------------|---------------|-------------|---------------|-------------|---------------|---------------|-------------|
| <b>Net Sales</b>                    | <b>14,754</b> | <b>12,462</b> | <b>18.4</b> | <b>13,346</b> | <b>10.6</b> | <b>54,830</b> | <b>50,182</b> | <b>9.3</b>  |
| COGS                                | 3,053         | 2,619         | 16.6        | 2,652         | 15.1        | 11,364        | 10,739        | 5.8         |
| <i>% of Net Sales</i>               | <i>20.7</i>   | <i>21.0</i>   |             | <i>19.9</i>   |             | <i>20.7</i>   | <i>21.4</i>   |             |
| Employee Cost                       | 2,754         | 2,441         | 12.8        | 2,712         | 1.5         | 10,927        | 10,043        | 8.8         |
| <i>% of Net Sales</i>               | <i>18.7</i>   | <i>19.6</i>   |             | <i>20.3</i>   |             | <i>19.9</i>   | <i>20.0</i>   |             |
| Other Expenses                      | 5,370         | 4,492         | 19.5        | 4,908         | 9.4         | 19,775        | 17,877        | 10.6        |
| <i>% of Net Sales</i>               | <i>36.4</i>   | <i>36.0</i>   |             | <i>36.8</i>   |             | <i>36.1</i>   | <i>35.6</i>   |             |
| <b>Total</b>                        | <b>11,177</b> | <b>9,552</b>  | <b>17.0</b> | <b>10,272</b> | <b>8.8</b>  | <b>42,066</b> | <b>38,659</b> | <b>8.8</b>  |
| <b>EBITDA</b>                       | <b>3,577</b>  | <b>2,910</b>  | <b>22.9</b> | <b>3,074</b>  | <b>16.4</b> | <b>12,764</b> | <b>11,524</b> | <b>10.8</b> |
| <i>Margins (%)</i>                  | <i>24.2</i>   | <i>23.4</i>   |             | <i>23.0</i>   |             | <i>23.3</i>   | <i>23.0</i>   |             |
| Other Income                        | 268           | 237           | 13.2        | 183           | 46.8        | 920           | 752           | 22.4        |
| Interest                            | 407           | 280           | 45.2        | 366           | 11.2        | 1,464         | 969           | 51.1        |
| Depreciation                        | 825           | 645           | 27.9        | 696           | 18.6        | 2,781         | 2,421         | 14.9        |
| <b>PBT</b>                          | <b>2,614</b>  | <b>2,222</b>  | <b>17.6</b> | <b>2,195</b>  | <b>19.1</b> | <b>9,439</b>  | <b>8,885</b>  | <b>6.2</b>  |
| Tax                                 | 568           | 342           | 66.2        | 259           | 119.2       | 1,457         | 989           | 47.3        |
| <i>Tax rate %</i>                   | <i>21.7</i>   | <i>15.4</i>   |             | <i>11.8</i>   |             | <i>15.4</i>   | <i>11.1</i>   |             |
| <b>PAT</b>                          | <b>2,046</b>  | <b>1,880</b>  | <b>8.8</b>  | <b>1,936</b>  | <b>5.7</b>  | <b>7,982</b>  | <b>7,896</b>  | <b>1.1</b>  |
| Share in (loss)/profit of associate | -             | -             |             | -             |             | -             | -             |             |
| EO items                            | (84)          | -             |             | -             |             | (84)          | -             |             |
| Minority Interest                   | (1)           | (1)           |             | (1)           |             | (5)           | (4)           |             |

Source: Company, PL

**Exhibit 2: Break-up of revenues**

| Revenues (Rs. mn)       | 4QFY25        | 4QFY24        | YoY gr. (%) | 3QFY25        | QoQ gr. (%) | FY25          | FY24          | YoY gr. (%) |
|-------------------------|---------------|---------------|-------------|---------------|-------------|---------------|---------------|-------------|
| Cayman                  | 3,797         | 2,528         | 50.2        | 2,935         | 29.4        | 11,829        | 10,180        | 16.2        |
| <i>% of Total Sales</i> | <i>25.5%</i>  | <i>20.1%</i>  |             | <i>21.3%</i>  |             | <i>21.0%</i>  | <i>20.3%</i>  |             |
| India                   | 11,088        | 10,020        | 10.7        | 10,869        | 2.0         | 44,482        | 40,034        | 11.1        |
| <i>% of Total Sales</i> | <i>74.5%</i>  | <i>79.9%</i>  |             | <i>78.7%</i>  |             | <i>79.0%</i>  | <i>79.7%</i>  |             |
| <b>Total Sales</b>      | <b>14,885</b> | <b>12,548</b> | <b>18.6</b> | <b>13,804</b> | <b>7.8</b>  | <b>56,311</b> | <b>50,214</b> | <b>12.1</b> |

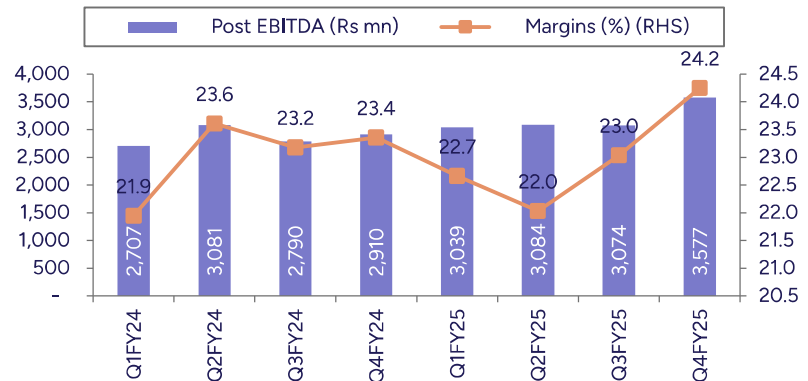
Source: Company, PL

**Exhibit 3: Break-up of EBITDA**

| Revenues (Rs. mn) | 4QFY25 | 4QFY24 | YoY gr. (%) | 3QFY25 | QoQ gr. (%) | FY25  | FY24  | YoY gr. (%) |
|-------------------|--------|--------|-------------|--------|-------------|-------|-------|-------------|
| Cayman            | 1,663  | 1,194  | 39.4        | 1,297  | 28.2        | 5,136 | 4,670 | 10.0        |
| % OPM             | 43.8%  | 47.2%  |             | 44.2%  |             | 43.4% | 45.9% |             |
| India             | 2,156  | 1,833  | 17.6        | 1,921  | 12.2        | 8,283 | 7,143 | 16.0        |
| % OPM             | 19.4%  | 18.3%  |             | 17.7%  |             | 18.6% | 17.8% |             |
| NHIC and NHIL     | (242)  | (116)  | (108.4)     | (144)  | (68.2)      | (645) | (325) | (98.2)      |

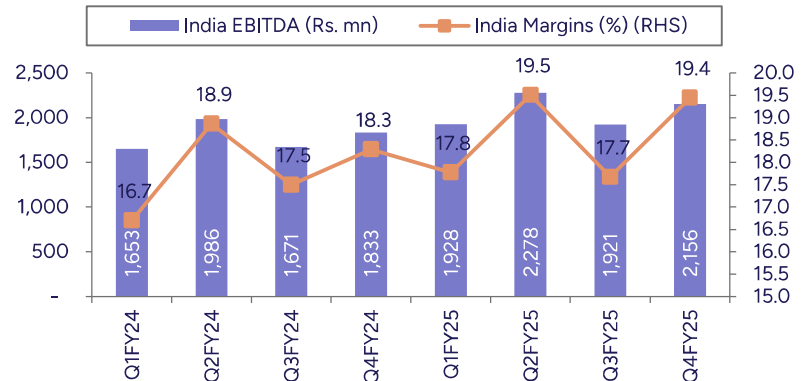
Source: Company, PL

**Exhibit 4: Consolidated margins (post IND AS) increased 80bps YoY**



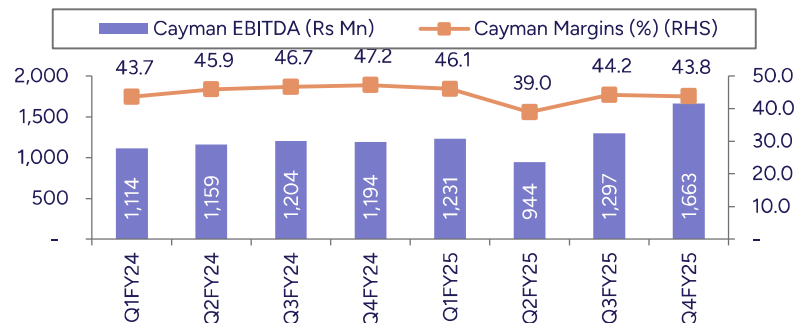
Source: Company, PL

**Exhibit 5: India margins adj for NHIC losses improved by ~210bps YoY to 21.6%**



Source: Company, PL

**Exhibit 6: Cayman EBITDA further improved QoQ due to ramp-up in new unit**



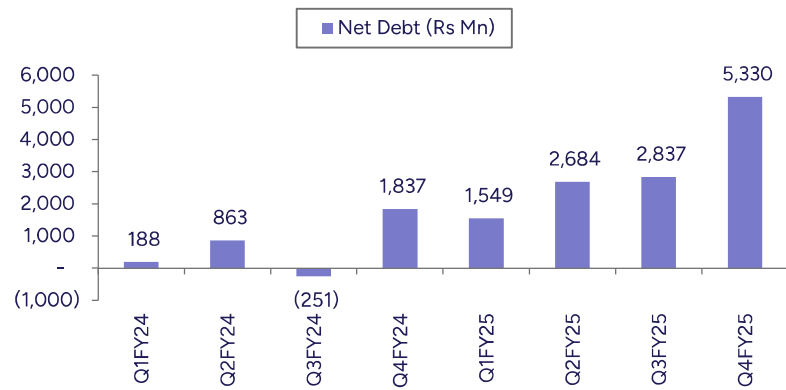
Source: Company, PL

**Exhibit 7: India ARPOB increased ~11% YoY due to better case and payor mix**



Source: Company, PL

**Exhibit 8: Net debt increased by Rs. 2.5bn QoQ due to ongoing capex in India**



Source: Company, PL

## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY24          | FY25          | FY26E         | FY27E         |
|-------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenues</b>           | <b>50,182</b> | <b>54,830</b> | <b>62,200</b> | <b>69,760</b> |
| YoY gr. (%)                   | 10.9          | 9.3           | 13.4          | 12.2          |
| Cost of Goods Sold            | 10,739        | 11,364        | 13,684        | 15,347        |
| Gross Profit                  | 39,443        | 43,466        | 48,516        | 54,413        |
| Margin (%)                    | 78.6          | 79.3          | 78.0          | 78.0          |
| Employee Cost                 | 10,043        | 10,927        | 12,457        | 14,201        |
| Other Expenses                | 17,877        | 19,775        | 20,917        | 22,172        |
| <b>EBITDA</b>                 | <b>11,524</b> | <b>12,764</b> | <b>15,142</b> | <b>18,040</b> |
| YoY gr. (%)                   | 19.3          | 10.8          | 18.6          | 19.1          |
| Margin (%)                    | 23.0          | 23.3          | 24.3          | 25.9          |
| Depreciation and Amortization | 2,421         | 2,781         | 2,976         | 3,184         |
| <b>EBIT</b>                   | <b>9,102</b>  | <b>9,983</b>  | <b>12,166</b> | <b>14,856</b> |
| Margin (%)                    | 18.1          | 18.2          | 19.6          | 21.3          |
| Net Interest                  | 969           | 1,464         | 1,520         | 1,400         |
| Other Income                  | 752           | 920           | 950           | 1,100         |
| <b>Profit Before Tax</b>      | <b>8,885</b>  | <b>9,439</b>  | <b>11,596</b> | <b>14,556</b> |
| Margin (%)                    | 17.7          | 17.2          | 18.6          | 20.9          |
| Total Tax                     | 989           | 1,457         | 1,855         | 2,620         |
| Effective tax rate (%)        | 11.1          | 15.4          | 16.0          | 18.0          |
| <b>Profit after tax</b>       | <b>7,896</b>  | <b>7,982</b>  | <b>9,741</b>  | <b>11,936</b> |
| Minority interest             | -             | -             | -             | -             |
| Share Profit from Associate   | -             | -             | -             | -             |
| <b>Adjusted PAT</b>           | <b>7,896</b>  | <b>7,898</b>  | <b>9,741</b>  | <b>11,936</b> |
| YoY gr. (%)                   | 30.2          | 0.0           | 23.3          | 22.5          |
| Margin (%)                    | 15.7          | 14.4          | 15.7          | 17.1          |
| Extra Ord. Income / (Exp)     | -             | -             | -             | -             |
| <b>Reported PAT</b>           | <b>7,896</b>  | <b>7,898</b>  | <b>9,741</b>  | <b>11,936</b> |
| YoY gr. (%)                   | 30.2          | 0.0           | 23.3          | 22.5          |
| Margin (%)                    | 15.7          | 14.4          | 15.7          | 17.1          |
| Other Comprehensive Income    | -             | -             | -             | -             |
| Total Comprehensive Income    | 7,896         | 7,898         | 9,741         | 11,936        |
| <b>Equity Shares O/s (m)</b>  | <b>204</b>    | <b>204</b>    | <b>204</b>    | <b>204</b>    |
| <b>EPS (Rs)</b>               | <b>38.6</b>   | <b>38.6</b>   | <b>47.7</b>   | <b>58.4</b>   |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY24          | FY25          | FY26E         | FY27E         |
|---------------------------------------|---------------|---------------|---------------|---------------|
| <b>Non-Current Assets</b>             |               |               |               |               |
| <b>Gross Block</b>                    | <b>42,046</b> | <b>60,963</b> | <b>70,963</b> | <b>78,963</b> |
| Tangibles                             | 40,027        | 58,718        | 68,718        | 76,718        |
| Intangibles                           | 2,019         | 2,245         | 2,245         | 2,245         |
| <b>Acc: Dep / Amortization</b>        | <b>16,715</b> | <b>19,496</b> | <b>22,472</b> | <b>25,656</b> |
| Tangibles                             | 16,715        | 19,496        | 22,472        | 25,656        |
| Intangibles                           | -             | -             | -             | -             |
| <b>Net fixed assets</b>               | <b>25,332</b> | <b>41,468</b> | <b>48,492</b> | <b>53,308</b> |
| Tangibles                             | 23,313        | 39,222        | 46,246        | 51,062        |
| Intangibles                           | 2,019         | 2,245         | 2,245         | 2,245         |
| Capital Work In Progress              | 5,141         | 859           | 859           | 859           |
| Goodwill                              | 1,179         | 1,189         | 1,189         | 1,189         |
| Non-Current Investments               | 8,442         | 10,843        | 10,843        | 10,843        |
| Net Deferred tax assets               | (417)         | (559)         | (559)         | (559)         |
| Other Non-Current Assets              | -             | -             | -             | -             |
| <b>Current Assets</b>                 |               |               |               |               |
| Investments                           | -             | -             | -             | -             |
| Inventories                           | 1,099         | 1,103         | 1,363         | 1,529         |
| Trade receivables                     | 4,219         | 5,555         | 5,964         | 6,689         |
| Cash & Bank Balance                   | 4,165         | 6,467         | 7,151         | 6,987         |
| Other Current Assets                  | 6,616         | 5,089         | 5,964         | 6,689         |
| <b>Total Assets</b>                   | <b>56,246</b> | <b>72,650</b> | <b>81,904</b> | <b>88,171</b> |
| <b>Equity</b>                         |               |               |               |               |
| Equity Share Capital                  | 2,044         | 2,044         | 2,044         | 2,044         |
| Other Equity                          | 26,793        | 34,220        | 42,772        | 53,400        |
| <b>Total Networth</b>                 | <b>28,837</b> | <b>36,264</b> | <b>44,815</b> | <b>55,443</b> |
| <b>Non-Current Liabilities</b>        |               |               |               |               |
| Long Term borrowings                  | 14,437        | 22,134        | 22,134        | 17,134        |
| Provisions                            | -             | -             | -             | -             |
| Other non current liabilities         | -             | -             | -             | -             |
| <b>Current Liabilities</b>            |               |               |               |               |
| ST Debt / Current of LT Debt          | -             | -             | -             | -             |
| Trade payables                        | 6,036         | 5,745         | 6,446         | 7,085         |
| Other current liabilities             | 4,622         | 5,704         | 5,704         | 5,704         |
| <b>Total Equity &amp; Liabilities</b> | <b>56,246</b> | <b>72,650</b> | <b>81,904</b> | <b>88,171</b> |

Source: Company Data, PL Research

**Cash Flow (Rs m)**

| Y/e Mar                                | FY24            | FY25            | FY26E           | FY27E          |
|--|-----------------|-----------------|-----------------|----------------|
| PBT                                    | 8,885           | 9,439           | 11,596          | 14,556         |
| Add. Depreciation                      | 2,421           | 2,781           | 2,976           | 3,184          |
| Add. Interest                          | 969             | 1,464           | 1,520           | 1,400          |
| Less Financial Other Income            | 752             | 920             | 950             | 1,100          |
| Add. Other                             | (543)           | (1,371)         | (4)             | (4)            |
| Op. profit before WC changes           | 11,733          | 12,313          | 16,088          | 19,136         |
| Net Changes-WC                         | (155)           | (1,185)         | (844)           | (977)          |
| Direct tax                             | (912)           | (1,270)         | (1,855)         | (2,620)        |
| <b>Net cash from Op. activities</b>    | <b>10,666</b>   | <b>9,858</b>    | <b>13,389</b>   | <b>15,539</b>  |
| Capital expenditures                   | (9,708)         | (10,820)        | (10,000)        | (8,000)        |
| Interest / Dividend Income             | -               | -               | -               | -              |
| Others                                 | (4,871)         | (2,434)         | -               | -              |
| <b>Net Cash from Invnt. activities</b> | <b>(14,579)</b> | <b>(13,253)</b> | <b>(10,000)</b> | <b>(8,000)</b> |
| Issue of share cap. / premium          | -               | -               | -               | -              |
| Debt changes                           | 6,682           | 7,942           | -               | (5,000)        |
| Dividend paid                          | (508)           | (812)           | (1,185)         | (1,304)        |
| Interest paid                          | (969)           | (1,464)         | (1,520)         | (1,400)        |
| Others                                 | (926)           | 33              | -               | -              |
| <b>Net cash from Fin. activities</b>   | <b>4,280</b>    | <b>5,698</b>    | <b>(2,705)</b>  | <b>(7,704)</b> |
| <b>Net change in cash</b>              | <b>366</b>      | <b>2,303</b>    | <b>684</b>      | <b>(165)</b>   |
| Free Cash Flow                         | 958             | (962)           | 3,389           | 7,539          |

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

| Y/e Mar                           | Q1FY25        | Q2FY25        | Q3FY25        | Q4FY25        |
|-----------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenue</b>                | <b>13,410</b> | <b>14,000</b> | <b>13,346</b> | <b>14,754</b> |
| YoY gr. (%)                       | 8.7           | 7.3           | 10.9          | 18.4          |
| Raw Material Expenses             | 2,882         | 3,002         | 2,652         | 3,053         |
| Gross Profit                      | 10,527        | 10,998        | 10,694        | 11,701        |
| Margin (%)                        | 78.5          | 78.6          | 80.1          | 79.3          |
| <b>EBITDA</b>                     | <b>3,039</b>  | <b>3,084</b>  | <b>3,074</b>  | <b>3,577</b>  |
| YoY gr. (%)                       | 12.3          | 0.1           | 10.2          | 22.9          |
| Margin (%)                        | 22.7          | 22.0          | 23.0          | 24.2          |
| Depreciation / Depletion          | 617           | 651           | 696           | 825           |
| <b>EBIT</b>                       | <b>2,422</b>  | <b>2,433</b>  | <b>2,378</b>  | <b>2,752</b>  |
| Margin (%)                        | 18.1          | 17.4          | 17.8          | 18.7          |
| Net Interest                      | 340           | 351           | 366           | 407           |
| Other Income                      | 235           | 236           | 183           | 268           |
| <b>Profit before Tax</b>          | <b>2,317</b>  | <b>2,318</b>  | <b>2,195</b>  | <b>2,614</b>  |
| Margin (%)                        | 17.3          | 16.6          | 16.5          | 17.7          |
| Total Tax                         | 302           | 330           | 259           | 568           |
| Effective tax rate (%)            | 13.0          | 14.2          | 11.8          | 21.7          |
| <b>Profit after Tax</b>           | <b>2,015</b>  | <b>1,988</b>  | <b>1,936</b>  | <b>2,046</b>  |
| Minority interest                 | (1)           | (2)           | (1)           | (1)           |
| Share Profit from Associates      | -             | -             | -             | -             |
| <b>Adjusted PAT</b>               | <b>2,016</b>  | <b>1,990</b>  | <b>1,938</b>  | <b>1,963</b>  |
| YoY gr. (%)                       | 9.5           | (12.3)        | 2.9           | 4.4           |
| Margin (%)                        | 15.0          | 14.2          | 14.5          | 13.3          |
| Extra Ord. Income / (Exp)         | -             | -             | -             | 84            |
| <b>Reported PAT</b>               | <b>2,016</b>  | <b>1,990</b>  | <b>1,938</b>  | <b>2,047</b>  |
| YoY gr. (%)                       | 9.5           | (12.3)        | 2.9           | 8.8           |
| Margin (%)                        | 15.0          | 14.2          | 14.5          | 13.9          |
| Other Comprehensive Income        | -             | -             | -             | -             |
| <b>Total Comprehensive Income</b> | <b>2,016</b>  | <b>1,990</b>  | <b>1,938</b>  | <b>2,047</b>  |
| Avg. Shares O/s (m)               | 204           | 204           | 204           | 204           |
| <b>EPS (Rs)</b>                   | <b>9.9</b>    | <b>9.7</b>    | <b>9.5</b>    | <b>9.6</b>    |

Source: Company Data, PL Research

**Key Financial Metrics**

| Y/e Mar                    | FY24  | FY25  | FY26E | FY27E |
|----------------------------|-------|-------|-------|-------|
| <b>Per Share(Rs)</b>       |       |       |       |       |
| EPS                        | 38.6  | 38.6  | 47.7  | 58.4  |
| CEPS                       | 50.5  | 52.3  | 62.2  | 74.0  |
| BVPS                       | 141.1 | 177.4 | 219.3 | 271.3 |
| FCF                        | 4.7   | (4.7) | 16.6  | 36.9  |
| DPS                        | 4.6   | 5.2   | 5.8   | 6.4   |
| <b>Return Ratio(%)</b>     |       |       |       |       |
| RoCE                       | 25.2  | 19.6  | 19.4  | 21.3  |
| ROIC                       | 17.5  | 15.1  | 16.3  | 18.3  |
| RoE                        | 31.5  | 24.5  | 24.0  | 23.8  |
| <b>Balance Sheet</b>       |       |       |       |       |
| Net Debt : Equity (x)      | 0.4   | 0.4   | 0.3   | 0.2   |
| Net Working Capital (Days) | (5)   | 6     | 5     | 6     |
| <b>Valuation(x)</b>        |       |       |       |       |
| PER                        | 45.1  | 45.1  | 36.6  | 29.8  |
| P/B                        | 12.3  | 9.8   | 7.9   | 6.4   |
| P/CEPS                     | 34.5  | 33.3  | 28.0  | 23.6  |
| EV/EBITDA                  | 31.8  | 29.1  | 24.5  | 20.3  |
| EV/Sales                   | 7.3   | 6.8   | 6.0   | 5.3   |
| Dividend Yield (%)         | 0.3   | 0.3   | 0.3   | 0.4   |

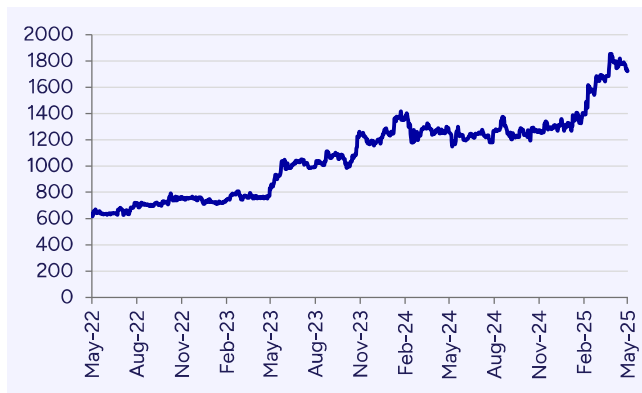
Source: Company Data, PL Research

**Key Operating Metrics**

| Y/e Mar         | FY24   | FY25   | FY26E  | FY27E  |
|-----------------|--------|--------|--------|--------|
| India hospitals | 39,224 | 42,269 | 46,272 | 51,294 |
| Cayman Island   | 10,259 | 11,861 | 15,228 | 17,766 |
| Others          | 700    | 700    | 700    | 700    |

Source: Company Data, PL Research

Price Chart



Recommendation History

| No. | Date      | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|--------|----------|-------------------|
| 1   | 08-Apr-25 | BUY    | 1,560    | 1,644             |
| 2   | 19-Feb-25 | BUY    | 1,560    | 1,370             |
| 3   | 08-Jan-25 | BUY    | 1,420    | 1,351             |
| 4   | 06-Nov-24 | BUY    | 1,420    | 1,196             |
| 5   | 07-Oct-24 | BUY    | 1,420    | 1,219             |
| 6   | 03-Sep-24 | BUY    | 1,420    | 1,272             |
| 7   | 07-Aug-24 | BUY    | 1,350    | 1,218             |
| 8   | 08-Jul-24 | BUY    | 1,335    | 1,246             |

Analyst Coverage Universe

| Sr. No. | CompanyName                           | Rating     | TP (Rs) | Share Price (Rs) |
|---------|---------------------------------------|------------|---------|------------------|
| 1       | Apollo Hospitals Enterprise           | BUY        | 8,100   | 6,683            |
| 2       | Aster DM Healthcare                   | BUY        | 620     | 551              |
| 3       | Aurobindo Pharma                      | BUY        | 1,510   | 1,097            |
| 4       | Cipla                                 | BUY        | 1,730   | 1,520            |
| 5       | Divi's Laboratories                   | Accumulate | 6,800   | 6,280            |
| 6       | Dr. Reddy's Laboratories              | Reduce     | 1,225   | 1,156            |
| 7       | Eris Lifesciences                     | BUY        | 1,740   | 1,444            |
| 8       | Fortis Healthcare                     | BUY        | 785     | 672              |
| 9       | HealthCare Global Enterprises         | BUY        | 620     | 560              |
| 10      | Indoco Remedies                       | Hold       | 325     | 233              |
| 11      | Ipca Laboratories                     | Accumulate | 1,700   | 1,316            |
| 12      | J.B. Chemicals & Pharmaceuticals      | BUY        | 2,030   | 1,641            |
| 13      | Jupiter Life Line Hospitals           | BUY        | 1,720   | 1,422            |
| 14      | Krishna Institute of Medical Sciences | BUY        | 725     | 656              |
| 15      | Lupin                                 | BUY        | 2,400   | 2,073            |
| 16      | Max Healthcare Institute              | BUY        | 1,300   | 1,142            |
| 17      | Narayana Hrudayalaya                  | BUY        | 1,560   | 1,644            |
| 18      | Rainbow Children's Medicare           | BUY        | 1,725   | 1,358            |
| 19      | Sun Pharmaceutical Industries         | BUY        | 2,000   | 1,719            |
| 20      | Sunteck Realty                        | BUY        | 650     | 401              |
| 21      | Torrent Pharmaceuticals               | Accumulate | 3,670   | 3,233            |
| 22      | Zydus Lifesciences                    | Accumulate | 970     | 884              |

PL's Recommendation Nomenclature (Absolute Performance)

|                   |                                   |
|-------------------|-----------------------------------|
| Buy               | : > 15%                           |
| Accumulate        | : 5% to 15%                       |
| Hold              | : +5% to -5%                      |
| Reduce            | : -5% to -15%                     |
| Sell              | : < -15%                          |
| Not Rated (NR)    | : No specific call on the stock   |
| Under Review (UR) | : Rating likely to change shortly |



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May 28, 2025

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