




Narayana Hrudayalaya Ltd.

SELL

Sector: Healthcare

30th June 2025

Key Changes	Target 	Rating 	Earnings 	Target	Rs.1,930		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs.2,270
Small Cap	NARH:IN	84,059	NH	539551	12 Months	Return	-15%

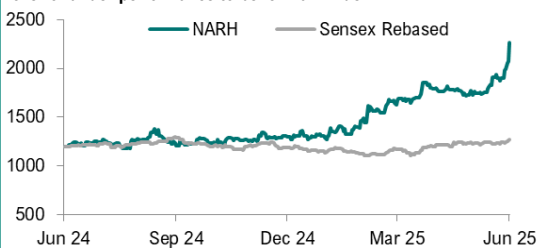
Data as of: 27-06-2025

Company Data	
Market Cap (Rs. cr)	46,251
52 Week High — Low (Rs.)	2,372 — 1,171
Enterprise Value (Rs. cr)	47,158
Outstanding Shares (cr)	20.4
Free Float (%)	33.1
Dividend Yield (%)	0.2
6m average volume (cr)	0.08
Beta	0.68
Face value (Rs.)	10

Shareholding (%)	Q2FY24	Q3FY25	Q4FY25
Promoters	63.8	63.8	63.8
FII's	9.8	9.5	9.7
MFs/Institutions	7.9	8.7	8.5
Public	17.9	17.4	17.4
Others	0.6	0.6	0.6
Total	100.0	100.0	100.0

Price Performance	3 Month	6 Month	1 Year
Absolute Return	33.8%	74.4%	89.0%
Absolute Sensex	8.6%	6.8%	6.1%
Relative Return	25.2%	67.6%	82.9%

*over or under performance to benchmark index



Y. E March (cr)	FY25A	FY26E	FY27E
Sales	5,483	6,310	6,987
Growth (%)	12.1	15.1	10.7
EBITDA	1,276	1,511	1,691
EBITDA Margin (%)	23.3	24.0	24.2
PAT Adjusted	798	893	1,014
Growth (%)	1.6	11.9	13.6
Adjusted EPS	39	44	50
Growth (%)	1.6	11.9	13.6
P/E	58.0	51.9	45.7
P/B	12.8	10.4	8.6
EV/EBITDA	37.5	31.7	28.2
ROE (%)	24.5	22.1	20.6
D/E	0.61	0.47	0.37

Author: Gopika Gopan, Associate Research Analyst

Stable Progress, But Valuation Clouds the Outlook

Narayana Hrudayalaya Ltd. (NH) is a network of hospitals specializing in various medical fields, with locations in both India and the Cayman Islands.

- Consolidated revenue rose 12% YoY to Rs. 5,483 cr, with Indian operations up 11% to Rs. 4,347 cr, driven by an 11% rise in ARPOB to Rs. 1.59 cr; occupancy held at 60–65%.
- The Indian segment's international revenue declined 31% YoY to Rs. 238 cr (especially from Bangladesh). However, Integrated Care services (NHIC and NHIL) delivered strong performance, with revenue rising 90% YoY to Rs. 42 cr.
- Domestic bed count declined by 370 in Q4FY25 due to contract changes (notably in Jammu & Katra), discontinuation of select partnerships, and ongoing restructuring.
- Cayman Islands operations exceeded expectations, with margins recovering to 45% and topline growing 15% YoY to ~ Rs. 1,000 cr in FY25.
- For FY26, Rs. 300 cr is allocated for maintenance capex and Rs. 450 cr for green-field/brownfield projects. The Rs. 2,800–3,000 cr pipeline over three years will be funded 60–65% by debt, with the rest from internal accruals.

Outlook & Valuation

Narayana continues to deliver stable performance, driven by improved throughput rather than bed expansion. While the Indian business remained steady in FY25, the Cayman segment outperformed with 50% YoY sales growth and margin gains in Q4FY25. In our view, the planned addition of ~2,000 beds over the next five years—primarily through greenfield projects—is unlikely to contribute meaningfully in the near term. As a result, we expect medium-term growth to remain within the current range. Challenges are expected to persist as new business verticals—NHIC and NHIL—are still in the early stages of expansion and are not yet contributing to earnings. **Given limited medium-term upside and elevated valuations, we downgrade our rating to SELL with a revised target price of Rs. 1,930, based on a 24x EV/EBITDA multiple for FY27E.**

Quarterly Financials Consol.

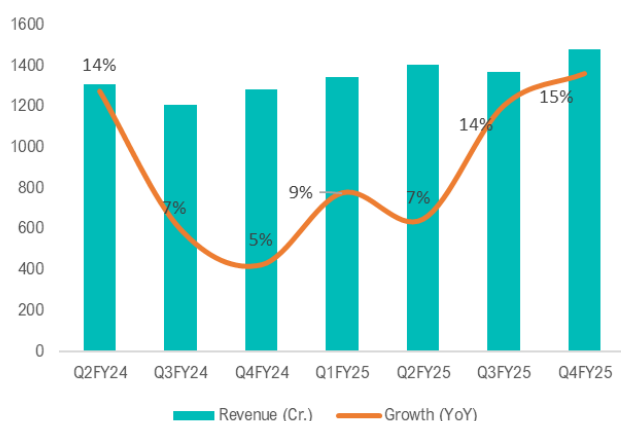
Rs. cr	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	FY25	FY24	YoY (%)
Sales	1,475	1,279	15.3	1,367	8.0	5,483	4,890	12.1
EBITDA	358	295	21.4	307	16.5	1,276	1,148	11.2
Margin (%)	24.2	23.0	122bps	22.5	178bps	23.3	23.5	-19bps
EBIT	275	230	19.8	237	16.1	998	906	10.2
PBT	261	226	15.9	219	19.5	936	884	5.8
Rep. PAT	196	191	2.9	193	1.7	790	786	0.5
Adj PAT	196	191	2.9	193	1.7	798	786	1.6
EPS (Rs.)	10	9	2.9	9	1.7	39	39	1.6



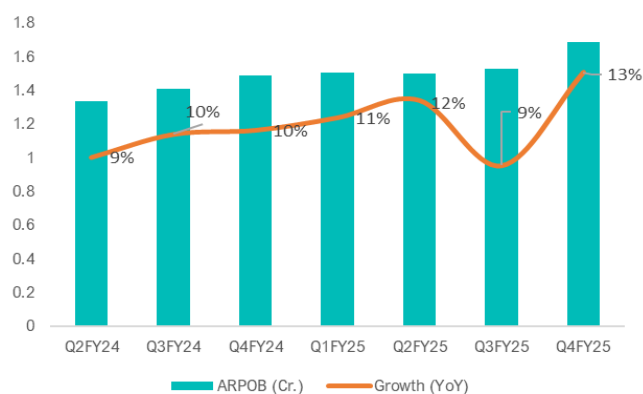
Key concall highlights

- In FY25, integrated care (clinics and insurance) incurred a cash burn of Rs. 65 cr, with losses expected to increase as expansion progresses. Clinics typically reach breakeven within 18–24 months, and new launches will temporarily elevate losses.
- The insurance business has covered 4,000 lives as of Q4, following initial deployment in Bangalore and Mysore, and is now expanding to Kolkata and Raipur. It offers two products—Aditi (existing) and Arya (launched in Q4). NHIC operates a differentiated model emphasizing high-quality underwriting, a narrow provider network, direct distribution, and a strong focus on claims experience.
- NH has entered a joint venture to establish retail chemotherapy centers, beginning with a 5,000 sq ft facility in Gurgaon. NH will co-invest 50%, with the model to be refined post-pilot. The initiative focuses on day-care chemotherapy, with potential expansion into comprehensive oncology services.
- The effective tax rate for FY26 is projected at 15–16%, supported by tax benefits from Cayman operations.

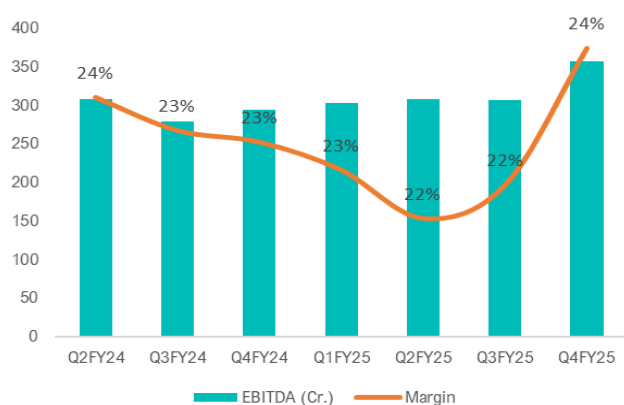
Revenue



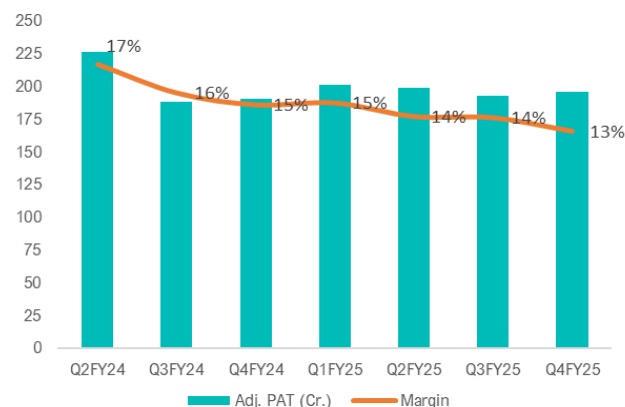
ARPOB



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	6,309	-	6,310	6,987	0.0	-
EBITDA	1,509	-	1,511	1,691	0.2	-
Margins (%)	23.9	-	24.0	24.2	5bps	-
Adj. PAT	852	-	893	1,014	4.8	-
EPS	42	-	44	50	4.2	-



Consolidated Financials

Profit & Loss

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	4,525	4,890	5,483	6,310	6,987
% change	22.2	8.1	12.1	15.1	10.7
EBITDA	966	1,148	1,276	1,511	1,691
% change	47.8	18.8	11.2	18.4	11.9
Depreciation	210	241	278	354	404
EBIT	756	906	998	1,157	1,287
Interest	69	97	146	176	167
Other Income	65	75	92	82	87
PBT	752	884	936	1,063	1,207
% change	56.5	17.6	5.8	13.6	13.6
Tax	145	98	146	170	193
Tax Rate (%)	19	11	16	16	16
Reported PAT	606	786	790	893	1,014
Adj.*	0	0	8	0	0
Adj. PAT	606	786	798	893	1,014
% change	57.9	29.6	1.6	11.9	13.6
No. of shares (cr)	20	20	20	20	20
Adj EPS (Rs)	30	39	39	44	50
% change	57.9	29.6	1.6	11.9	13.6
DPS (Rs)	1.0	4.0	4.5	3.0	3.0

Cashflow

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	816	1,449	1,069	1,417	1,611
Non-cash adj.	113	62	103	-252	-280
Changes in W.C	105	-15	-215	-245	-147
C.F. Operation	1,085	1,066	986	1,096	1,351
Capital exp.	-521	-971	-1,082	-920	-975
Change in inv.	-201	-582	-221	-27	-126
C.F - Investment	-1,174	-1,458	-1,325	-865	-1,014
Issue of equity	0	0	0	0	0
Issue/repay debt	208	368	294	-134	-84
Dividends paid	-20	-51	500	-61	-61
Other finance.CF	-100	171	-250	-143	-122
C.F - Finance	88	488	544	-339	-268
Chg. in cash	-2	97	205	-107	69
Closing Cash	380	416	647	539	608

Balance Sheet

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	380	416	647	539	608
Accts. Receivable	432	422	555	622	724
Inventories	72	110	110	126	119
Other Cur. Assets	314	582	367	396	496
Investments	252	844	1,084	1,095	1,205
Gross Fixed Assets	3,670	4,193	6,103	6,853	7,753
Net Fixed Assets	2,053	2,400	4,039	4,422	4,890
CWIP	259	514	70	240	315
Intangible Assets	283	251	243	256	284
Def. Tax (Net)	6	5	8	8	8
Other Assets	112	79	142	158	175
Total Assets	4,162	5,625	7,265	7,862	8,822
Current Liabilities	799	789	888	759	792
Provisions	83	91	107	103	116
Debt Funds	762	1,444	2,213	2,079	1,995
Other Liabilities	386	417	429	462	506
Equity Capital	204	204	204	204	204
Res. & Surplus	1,927	2,679	3,422	4,254	5,207
Shareholder Funds	2,131	2,884	3,626	4,458	5,411
Total Liabilities	4,162	5,625	7,265	7,862	8,822
BVPS	90	129	166	206	251

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	21.3	23.5	23.3	24.0	24.2
EBIT margin (%)	16.7	18.5	18.2	18.3	18.4
Net profit mgn.(%)	13.4	16.1	14.6	14.2	14.5
ROE (%)	33.5	31.3	24.5	22.1	20.6
ROCE (%)	22.5	18.7	15.7	16.3	16.0
W.C & Liquidity					
Receivables (days)	35	32	33	34	35
Inventory (days)	5	7	7	7	6
Payables (days)	56	63	55	48	47
Current ratio (x)	1.5	1.9	1.9	2.2	2.5
Quick ratio (x)	1.0	1.1	1.4	1.5	1.7
Turnover & Leverage					
Gross asset T.O (x)	1.5	1.4	1.1	1.1	1.1
Total asset T.O (x)	1.1	0.9	0.8	0.8	0.8
Int. covge. ratio (x)	10.9	9.4	6.8	6.6	7.7
Adj. debt/equity (x)	0.4	0.5	0.6	0.5	0.4
Valuation					
EV/Sales (x)	10.3	9.7	8.7	7.6	6.8
EV/EBITDA (x)	48.4	41.2	37.5	31.7	28.2
P/E (x)	76.4	58.9	58.0	51.9	45.7
P/BV (x)	21.8	16.1	12.8	10.4	8.6



Recommendation Summary (last 3 years)



Dates	Rating	Target
13-Jun-23	HOLD	1,029
31-Aug-23	ACCUMULATE	1,158
02-Jan-24	ACCUMULATE	1,331
10-Jun-24	ACCUMULATE	1,455
14-Nov-24	HOLD	1,348
30-Jun-25	SELL	1,930

Investment Rating Criteria

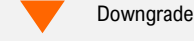
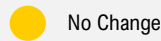
Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

DISCLAIMER & DISCLOSURES

Certification: I, Gopika Gopan, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: [Please Click here](#)

Regulatory Disclosures:

Group companies/ Fellow subsidiaries of Geojit Investments Ltd (GIL) are Geojit Financial Services Limited (GFSL), Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Qurum Business Group Geojit Securities LLC (a subsidiary of holding company in Oman engaged in Financial Services), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), and BBK Geojit Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial services). In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership:

GIL confirms that:

- (i) It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.
- (ii) It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

- (i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.
- (ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

2. Disclosures regarding Compensation:

During the past 12 months, GIL or its Associates:

- (a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. Disclosure by GIL regarding the compensation paid to its Research Analyst:

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. Disclosure regarding the Research Analyst's connection with the subject company: It is affirmed that I, Gopika Gopan, Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

5. Disclosure regarding Market Making activity: Neither GIL/its Analysts have engaged in market making activities for the subject company.

6. Disclosure regarding conflict of interests: GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

7. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

11. Standard Warning: "Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

12. Disclosures regarding Artificial Intelligence tools: Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customer-care@geojit.com

GRIEVANCES

Step 1: The client should first contact the RA using the details on its website or following

contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam,; Phone: +91 484-2901367; Email: compliance@geojit.com. For Grievances: grievances@geojit.com. **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>

Corporate Identity Number: U66110KL2023PLC080586, Research Entity SEBI Reg No: INH000019567 ; Depository Participant : IN-DP-781-2024.

