



Yatharth Hospital and Trauma Care Services Limited (YATHARTH)

An Emerging Contender in India's Healthcare Landscape

CMP: 506 (Market Cap: 4,873 Cr)

Targets: 747 (48% Upside)

Yatharth is gradually evolving from a regional player into a serious contender in India's healthcare space. **It is emerging as one of the most aggressive consolidators in India's healthcare space.**

With a clear intent to scale rapidly through a combination of organic bed additions and targeted acquisitions, the company is positioning itself as a formidable force in the NCR region and beyond. **A compelling rerating candidate over the next 24–36 months.**

While larger players like Apollo and Max command premium multiples owing to scale and brand, Yatharth's growth levers suggest it is not far behind in bridging the gap—both operationally and in market perception.

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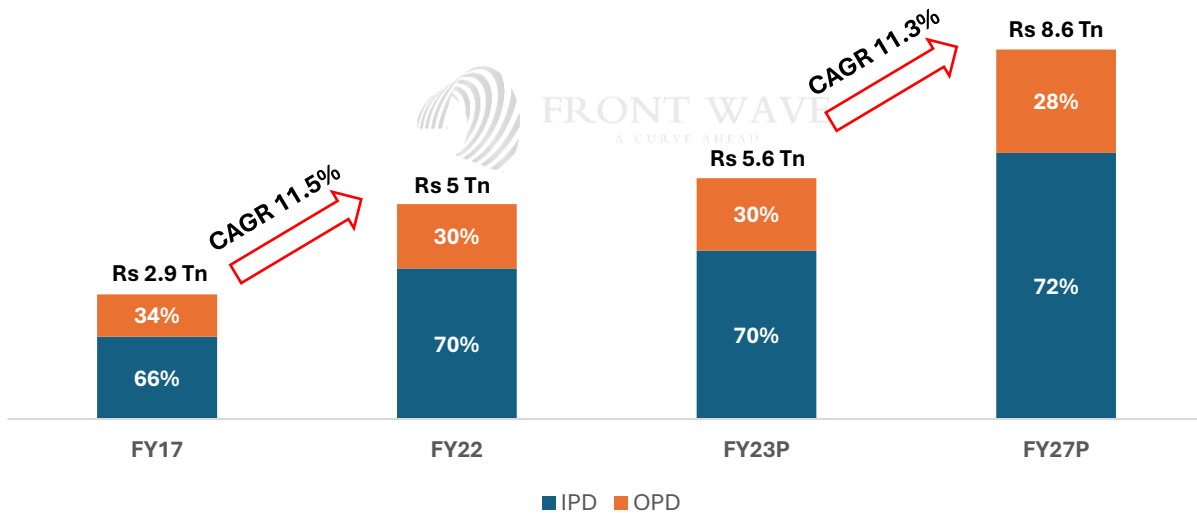
Registered Office: 214/215, Sagar Avenue, Lallubhai Park Road, Above ICICI Bank, Andheri West, Mumbai – 400058.



Macro Tailwinds: Structural Shifts Supporting Specialty Demand

India's healthcare delivery industry is expected to grow from ₹5.6 trillion in FY23 to ₹8.6 trillion by FY27 at a CAGR of ~11.3%.

Exhibit 1: Healthcare Industry Growing at CAGR of 11%

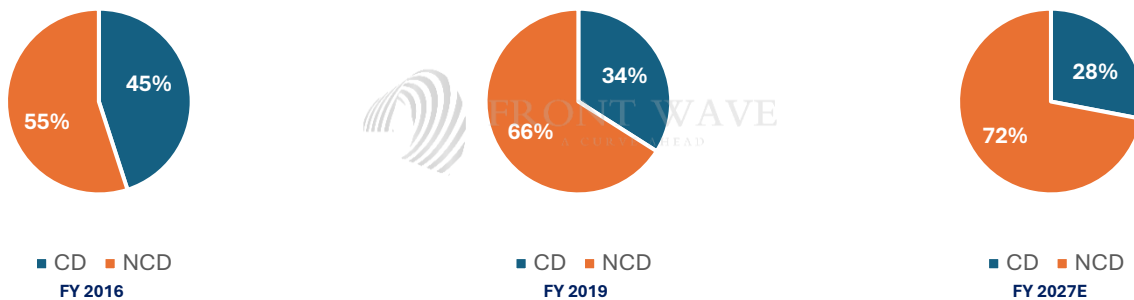


Tn = Trillion, IPD = in-patient department, OPD = out-patient department, Source: Yatharth DRHP, Front Wave Research

There has been a sharp shift from communicable to non-communicable diseases (NCDs)—now accounting for over 66% of total deaths, up from 30% in 1990. **Tertiary and chronic care are becoming central to healthcare delivery, creating sustained demand for specialty services.**

NCDs include Cardiovascular diseases, diabetes, and cancer etc

Exhibit 2: Rising Share of Non-Communicable Diseases (NCD) in Death Toll



Source: Yatharth DRHP, Front Wave Research



Cardiovascular diseases, diabetes, and cancer are now dominant, driven by urbanization and lifestyle changes. **This shift reflects rising demand for chronic care and specialties like cardiology and oncology, aligning with Yatharth's focus and supporting higher ARPOB growth.**

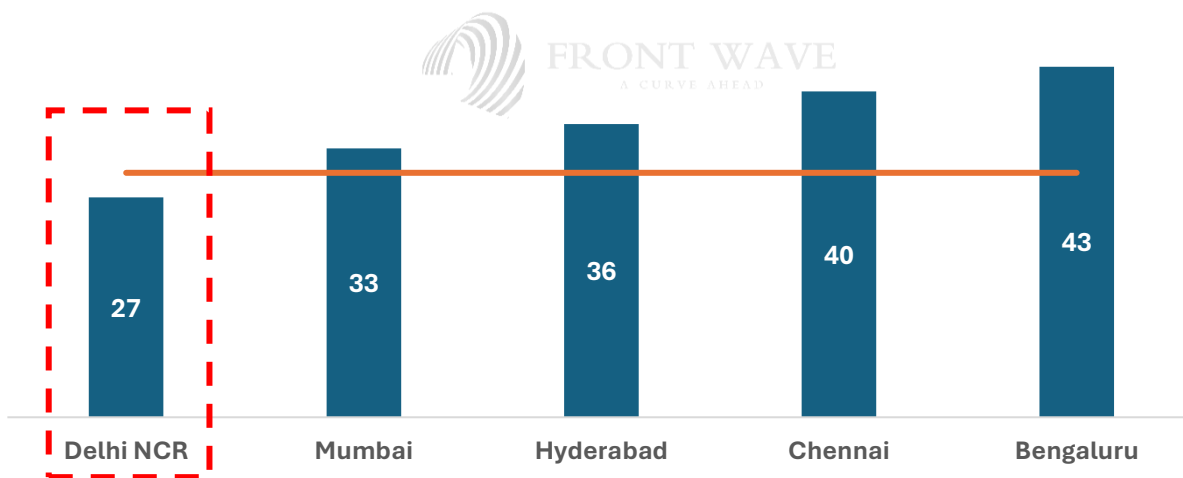
Market Dynamics in Delhi NCR

Delhi NCR is one of India's most populous and economically active healthcare hubs.

It has a **bed density of 27 per 10,000 (vs global norms of 50+)**, and attracts patients from Uttar Pradesh, Haryana, Punjab, Rajasthan, and Madhya Pradesh.

Exhibit 4: Lowest Bed Density in the country for Delhi NCR Region

Total Beds per 10,000 Population, WHO Recommends **30**



Source: Company, Front Wave Research

The Delhi NCR region benefits from the presence of leading private hospital chains (MAX Healthcare, Fortis, Apollo Hospitals), which attract patients seeking quality care, often unavailable in their home regions.



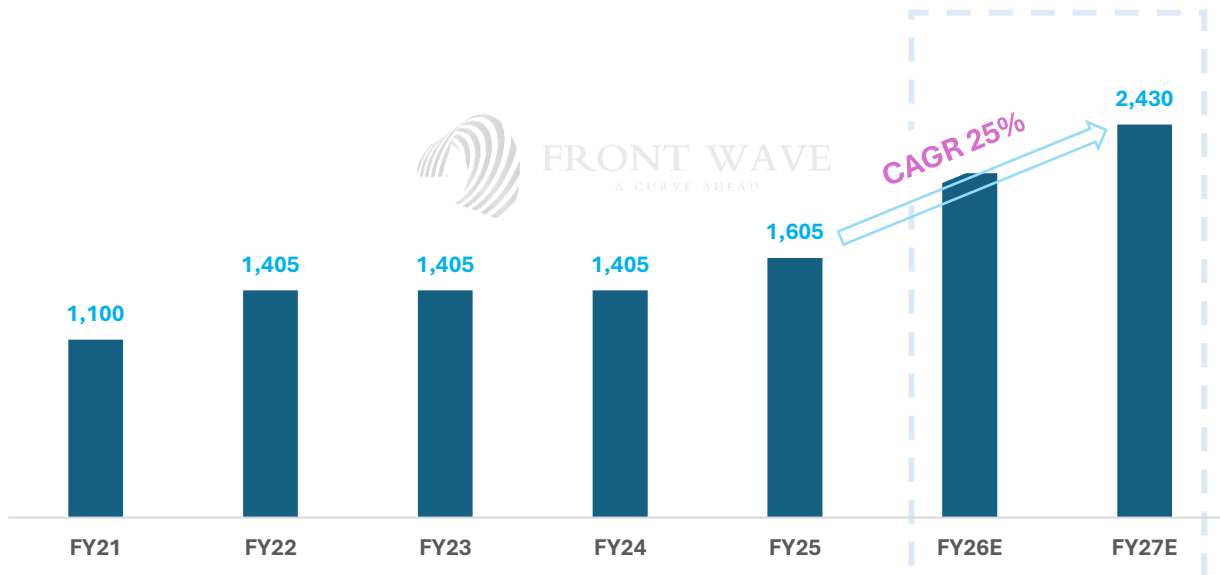
Exhibit 5: Highest Expansion % of Existing Capacity

Industry Players Metrics	Yatharth	Max	Apollo	Fortis
Operational Beds	1,605	5,000	7,996	3,934
Occupancy Rate (%)	61%	65%	69%	68%
ALOS (days)	4.3	3.8	3.4	4.0
ARPOB (₹)	30,829	52,000	59,215	55,000
Bed Additions Plans (Till FY27)	875	1,891	2,877	985
Bed Expansion Plans (Till FY27) % of Existing Capacity	55%	38%	36%	25%

Source: Company, Front Wave Research

As evident from above table, among major hospital chains, **Yatharth Hospital stands out for its aggressive expansion strategy, planning to increase its bed capacity by 55% by FY27.**

Exhibit 5: Bed Expansion of Yatharth, Target of ~2500 Bed by FY27



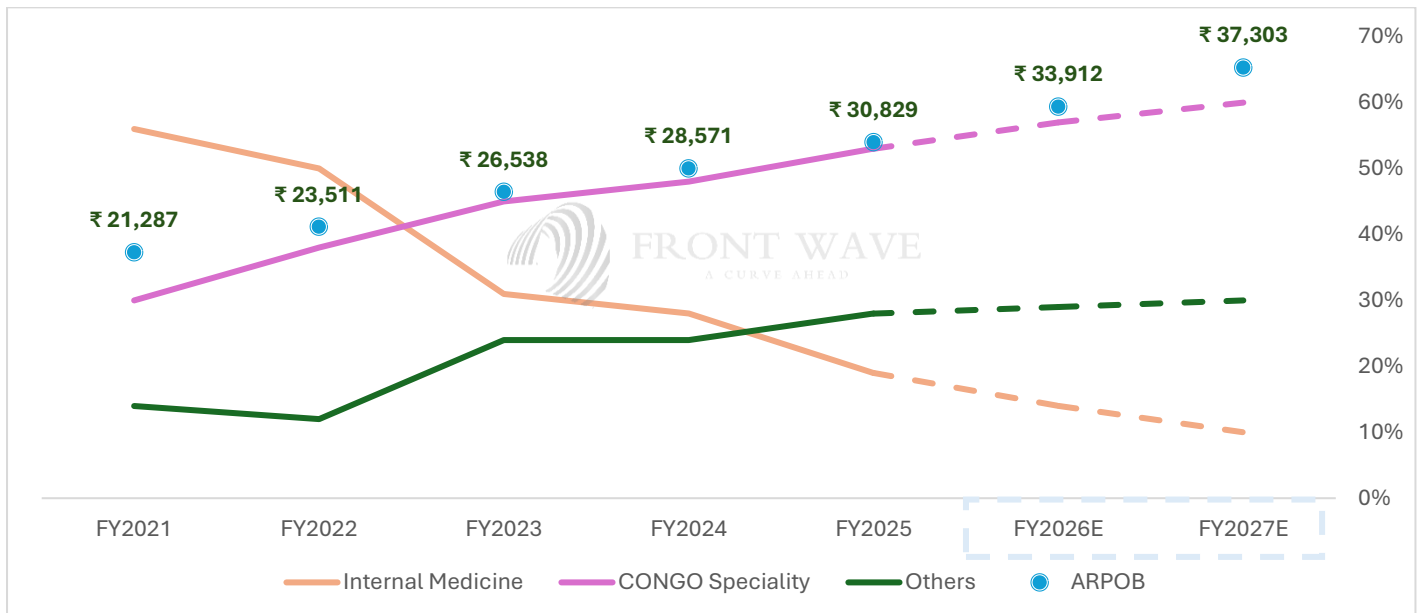
Source: Company, Front Wave Research



How Will YATHARTH Narrow the Difference in **Average Revenue Per Operating Bed (ARPOB)** against its mature peers?

Its current ARPOB of ₹30,829 trails of larger players (54,307 Average), the focus on high-value CONGO specialties will help to narrow difference in ARPOB of Yatharth against its mature peers.

Exhibit 3: Changing Speciality Mix, CONGO to rise; favourable for ARPOB



Source: Company, Front Wave Research

As shown in above chart we can see the specialty mix is shifting in favour of **CONGO specialties**, rising from **~30% in FY2021** to a projected **over 60% by FY2027**.

Meanwhile, **Internal Medicine's share is declining**, and Other specialties are growing moderately. **This shift toward high-revenue specialties like CONGO is favourable for ARPOB**; we believe the Average Revenue Per Occupied Bed (ARPOB) to grow at **10%** for FY26 and FY27, aiding Revenue & EBITDA Growth, supporting stronger profitability and margin expansion for the business.



Our Projection

At CMP, YATHARTH trades at 11x FY27E EV/EBITDA; we value YATHARTH at 17x FY27E EV/EBITDA to arrive at a **Target Price of 747 Rs; a 48% Upside.**

Financial Summary (Amount in Cr)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenue	₹ 520.30	₹ 670.50	₹ 880.60	₹ 1,161.18	₹ 1,564.31
Revenue Growth		28.87%	31.33%	31.86%	34.72%
EBITDA	₹ 134	₹ 180	₹ 220	₹ 288	₹ 400
EBITDA Margin	25.71%	26.83%	25.01%	24.77%	25.58%
EBITDA Growth		34.48%	22.44%	30.58%	39.15%
EV/EBITDA Multiple					17x
Enterprise Value					₹ 6,803
Less: Net Debt					(₹ 429)
Less: NCI					₹ 32
Value of Equity					₹ 7,200
No. of Shares (In Crs)					9.64
Share Price					₹ 747

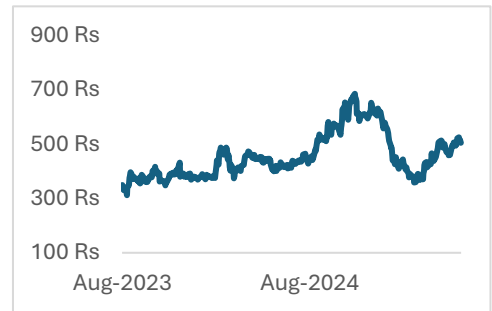
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Price Chart

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