



Yatharth Hospital and Trauma Care Services Limited (YATHARTH)

Margins Outperform On Back Of Higher Occupancy

CMP: 703 (Market Cap: 6,754 Cr)

Target: 834 (19% Upside)

Strong Q1 Performance

We initiated coverage on Yatharth on 30th January 2025 with a target price of ₹713.

Following the Q4FY25 performance, we revised the target to ₹747.

After strong Q1FY26 results, we have further raised our target price by 19% to ₹834.

Q1FY26 Highlights

Revenue: +22% YoY / +11% QoQ, driven largely by higher occupancy levels.

EBITDA and EBITDA Margins: +20% YoY / +13% QoQ growth; margins declined 23 bps YoY due to higher employee costs to attract talent for new hospitals, but improved 41 bps QoQ.

ARPOB: +6% YoY / +3% QoQ growth, reflecting a higher contribution from the CONGO specialty in the overall mix.

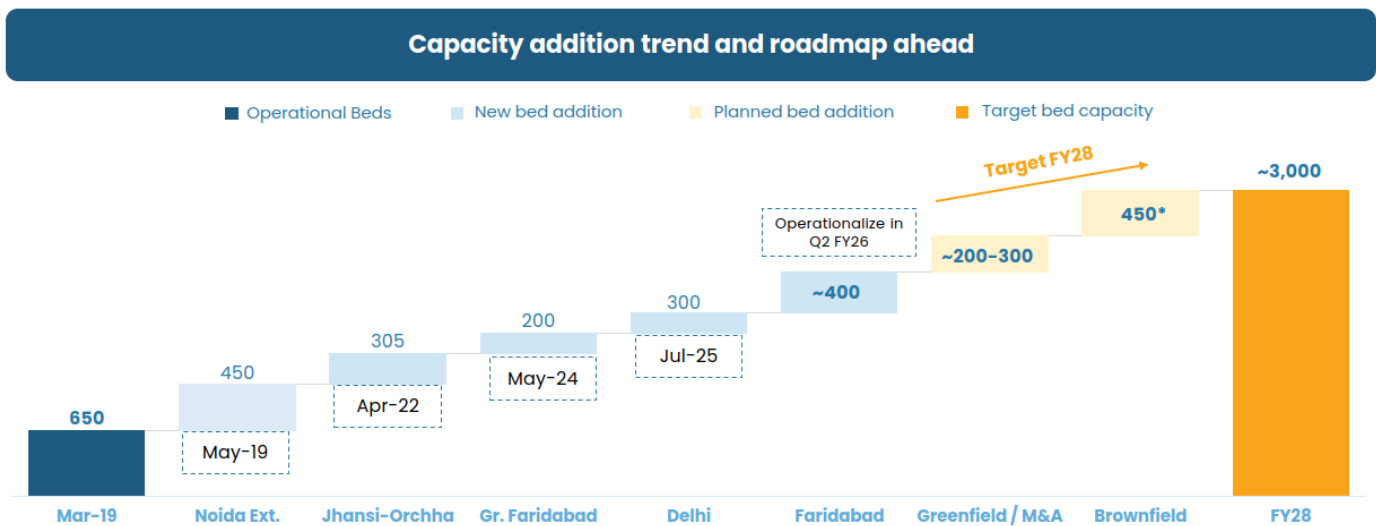


Exhibit 1: Key metrics across all mature hospitals

Particulars	Greater Noida	Noida	Noida Extension	Jhansi - Orchha	Greater Faridabad
Beds Capacity	400	250	450	305	200
Census Beds	330	215	390	250	180
Occupancy Rate (%)	67%	86%	61%	59%	55%
ARPOB (₹/day)	₹ 38,377	₹ 31,220	₹ 39,380	₹ 13,586	₹ 31,393

Source: Company, Front Wave Research

Exhibit 2: Bed Expansion Plan On Track with Timely Execution



*Bed capacity to be expanded by 200 and 250 beds at Greater Noida & Noida Extension in 24-30 months respectively.

Source: Company, Front Wave Research

As evident from above, Yatharth has implemented a well-executed, multi-pronged bed expansion strategy and is on a strong growth trajectory. **Starting with 650 beds in 2019, the company has significantly increased its capacity, with established hospitals reaching 1,605* beds as of Q1 FY26.**

(*Only established hospitals as illustrated in the Exhibit 1 are considered.)

The company has **already added 300 beds at its Delhi facility**, operational since July 2025. Further planned additions include 400 beds in Faridabad,



200 to 300 through Greenfield and M&A, and over 450 via Brownfield expansions, supporting the ~3,000-bed target by FY28.

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Valuation & View

At CMP, YATHARTH trades at 14x FY27E EV/EBITDA, against our target multiple of 17x FY27E EV/EBITDA.

We maintain a long-term positive view as YATHARTH continues to scale its operations through ongoing bed expansion.

Revised Financial Summary (Amount in Cr)

Particulars	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	₹ 1,223	₹ 1,741	₹ 1,161	₹ 1,564	5.35%	11.28%
EBITDA	₹ 307	₹ 449	₹ 288	₹ 400	6.91%	12.30%
EBITDA Margins	25.14%	25.82%	24.77%	25.58%	0.37%	0.23%

What Changed in Our Assumptions?

Revenue: Improved occupancy across the hospital network; bed expansion remains on track.

EBITDA: The Greater Faridabad hospital, opened in 2024, achieved EBITDA breakeven within 12 months, ahead of the typical 12 to 15 months timeline.



We expect a similar outcome is expected for the Model Town, New Delhi hospital, which began operations in July 2025, helping to lessen the impact on overall EBITDA.

EBITDA Margins: We expect the shorter breakeven periods to reduce the drag on margins from new hospitals.

Financial Summary (Amount in Cr)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenue	₹ 520	₹ 671	₹ 881	₹ 1,223	₹ 1,741
Revenue Growth		28.87%	31.33%	38.92%	42.30%
EBITDA	₹ 134	₹ 180	₹ 220	₹ 307	₹ 449
EBITDA Margin	25.71%	26.83%	25.01%	25.14%	25.82%
EBITDA Growth		34.48%	22.44%	39.60%	46.16%
EV/EBITDA Multiple					17x
Enterprise Value					₹ 7,640
Less: Net Debt					(₹ 429)
Less: NCI					₹ 32
Value of Equity					₹ 8,037
No. of Shares (In Crs)					9.64
Share Price					₹ 834

For The Quarterly Update Report on 1st June 2025>

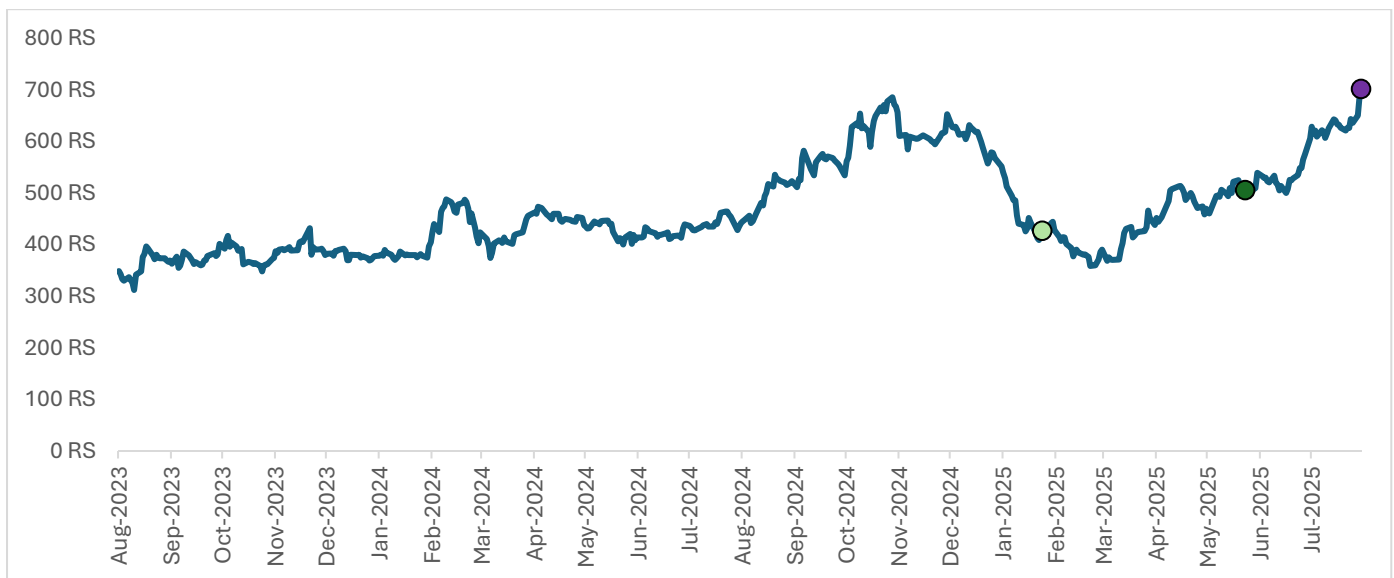
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Recommendation Summary

Date		Target Price	Price at Recommendation	% Upside
30-Jan-2025	○	₹ 716	₹ 424	69%
1-Jun-25	● ↑	₹ 747	₹ 506	48%
6-Aug-25	● ↑	₹ 834	₹ 703	19%

Price Chart



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Annexures

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