

Retail Research	IPO Note
Sector: Healthcare Services	Price Band (Rs): 438 - 460
08 th December 2025	Recommendation: SUBSCRIBE

Nephrocare Health Services Ltd.

Company Overview:

Nephrocare Health Services Ltd. (NHSL) is a dialysis services provider which offers comprehensive dialysis care through its network of clinics – from diagnosis to treatment and wellness programs including haemodialysis, home and mobile dialysis, supported by pharmacy. In FY25, the company served 29,281 patients and completed 28,85,450 treatments in India which represented ~10% of the total dialysis patients in India. NHSL is India's only dialysis services provider with an international presence having a network of 51 clinics across the Philippines, Uzbekistan and Nepal as of Sep'25. The company has a strong presence in tier II and III Indian cities and towns with ~77% of total clinics (519 clinics as of Sep'25) spread across these geographies.

Key Highlights:

1. Strong market leadership in India and Asian markets: NHSL is the largest dialysis services provider in India and Asia with offerings spanning across a wide range of core, ancillary and wellness services. Furthermore, the company's widespread geographical presence ensures easy access to the most suitable and convenient treatment options to its patients. It operates 519 clinics across 21 states and 4 union territories in India. NHSL also has a presence in the international markets with a network of 51 clinics including 41 in the Philippines, 6 in Nepal and 4 in Uzbekistan. The company has strategically expanded into the Philippines through a series of key acquisitions. As of Sep'25, the company has acquired 18 companies in the country, significantly expanding its operational footprint and patient base.

2. Asset-light model driving cost efficiencies: The company operates an asset-light business model ensuring that the establishment and operations of the clinics incur lower cost compared to other healthcare services. Several initiatives such as standardized clinic formats, an in-house projects team and efficient supply chain results in low establishment costs. Furthermore, procuring medical equipment directly from the vendors helps negotiate favorable terms and prices. NHSL has also taken initiatives for vertical integration for key consumables and entered into contract manufacturing agreements allowing stricter control over product quality and cost structures. The focus on cost and operational efficiencies has driven better overall margins for the company.

3. Cluster-based expansion approach: NHSL follows a cluster-based expansion approach where it establishes clinics in a densely populated area of a major city and then expand further within the city and adjacent catchments. The expansion is driven by understanding catchment demographics, market dynamics and supporting clinic expansion with back-end infrastructure. The company has a dedicated business development team of 21 members that actively sources acquisition opportunities and secures strategic partnerships.

Valuation: Nephrocare Health Services is India's largest dialysis service provider with >50% market share in Indian organized market. It has a capital-efficient, asset-light business model with 52.4% of its total clinics as of Sep'25 being on revenue-sharing model, thus requiring limited investment in space. The company is also one of the fastest growing dialysis service providers globally with FY23-25 Revenue/EBITDA CAGR of 31.5%/85.2% respectively. It has reported PAT of Rs 67 cr in FY25 from a net loss of Rs ~12 cr in FY23. Its EBITDA margin has improved 1,090 bps between FY23-25 driven by the increasing contribution from international markets (~12% to 32% between FY23-25) which have relatively higher profitability and constant innovation on reducing India COGS. At the upper price band of Rs 460, the company is valued at FY25 EV/EBITDA of 26.1x on post issue capital which is in-line with its peers. The long-term growth potential for the company looks attractive given its market leading position, growing international presence and increasing penetration in India. We recommend investors to SUBSCRIBE to the issue at cut-off price.

Issue Details	
Date of Opening	10 th December 2025
Date of Closing	12 th December 2025
Price Band (Rs)	438 – 460
Issue Size (Rs cr)	871
Fresh Issue (Rs cr)	~353
Offer for Sale (Rs cr)	~518 @ UB
No. of shares (@ upper band)	1,89,35,819
Face Value (Rs)	2
Post Issue Market Cap (Rs cr)	4,412 – 4,615
BRLMs	ICICI Securities Ltd., Ambit Pvt. Ltd., IIFL Capital Services Ltd., Nomura Financial Advisory and Securities (India) Pvt. Ltd.
Registrar	KFin Technologies Ltd.
Bid Lot	32 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%
Employee Discount	Rs 41 per share

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Capital expenditure for opening new dialysis clinics in India	129.1
Pre-payment or scheduled repayment in full or part of certain borrowings availed by the company	136.0
General corporate purposes*	-
Total proceeds from fresh issue*	-

**To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	7,31,03,833	78.9
Public & Others	1,95,46,966	21.1
Total	9,26,50,799	100.0

Post Issue @Upper Price Band	No. of Shares	%
Promoter & Promoter Group	6,69,40,522	66.7
Public & Others	3,33,92,994	33.3
Total	10,03,33,516	100.0

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from operations	437	566	756	474
EBITDA	49	101	167	111
PAT	(12)	35	67	14
EBITDA Margin (%)	11.1	17.8	22.0	23.5
PAT Margin (%)	(2.7)	6.2	8.9	3.0
RoE (%)	(3.0)	8.5	11.5	-
RoCE (%)	1.3	8.1	13.4	-
P/E (x)*	-	121.3	63.5	-
EV/EBITDA (x)*	91.4	44.1	26.0	-
Total Debt / Equity	0.5	0.6	0.4	0.3

Source: RHP, SSL Research

*Note: Pre-issue P/E (x) and EV/EBITDA (x) based on upper price band;

Risk Factors

- **Revenue concentration:** A significant portion of revenue (~37-62% between FY23-1HFY26) is derived from captive clinics. Under the captive clinic business model, NHSL operate certain dialysis clinics within the premises of private hospitals, typically on a revenue-sharing basis. If the contracts for operating captive clinics are cancelled or if the company is unable to renew or retain partners, the business operations may be adversely affected. Furthermore, the company also derived ~22-31% of its revenue under Public Private Partnership contracts awarded by government agencies through a competitive bidding process. Inability to win future contracts may adversely affect business operations.
- **Operational risk:** The company is subject to various operational, reputational, medical and legal risks associated with the operations of its dialysis services. Failure to establish and comply with appropriate quality standards when performing dialysis services could result in litigation and liability for NHSL materially affecting its reputation and operations.
- **Competitive intensity:** Competitive intensity in further expanding operations in newer as well as existing geographies may hinder expansion plans.
- **High receivable days:** The company operates 180 clinics (~35% of total clinics) under the PPP (Public Private Partnership) model which might result in high receivable days due to delay in payments from the government.

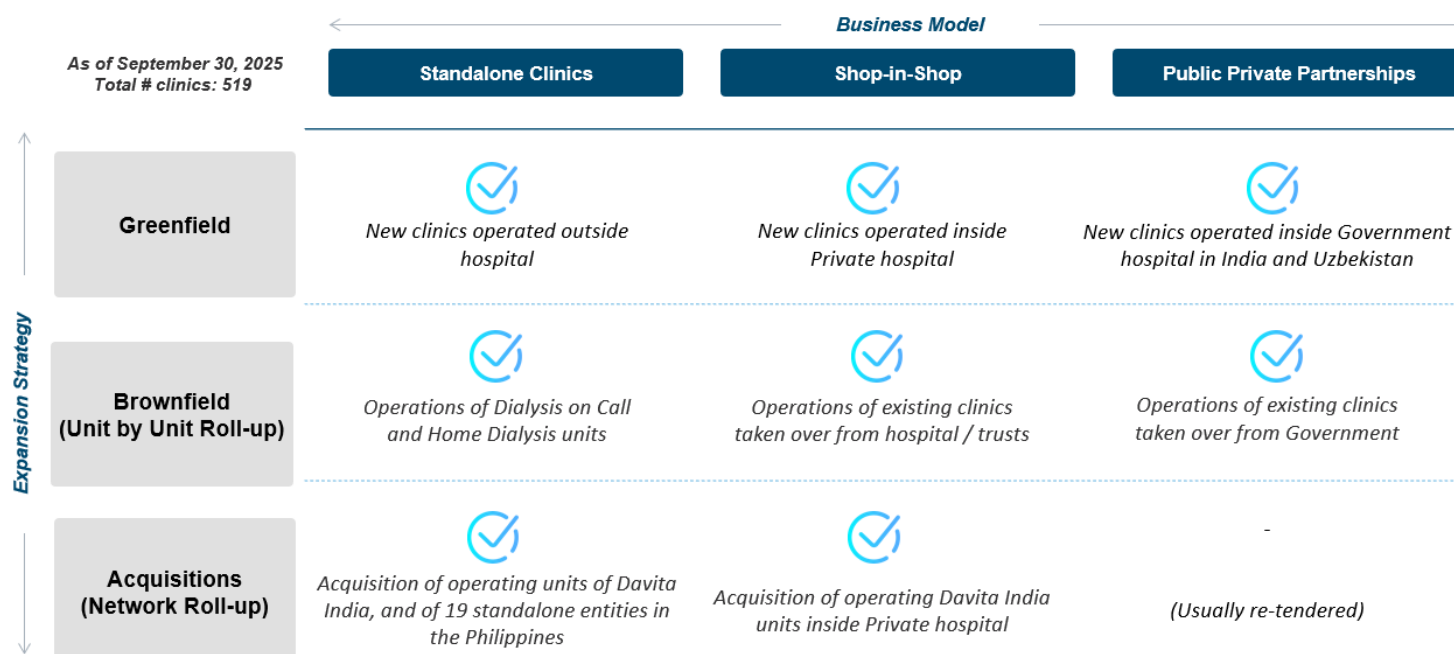
Growth Strategies

- Continue to consolidate its leadership position in India.
- Scale operations in existing international markets including through inorganic growth opportunities.
- Expand further in South East Asia, Commonwealth of Independent States and Middle East markets.
- Continue to focus on operating efficiency and leveraging the network scale to drive supply chain benefits and profitability.

Selling Shareholder through Offer for Sale (OFS)

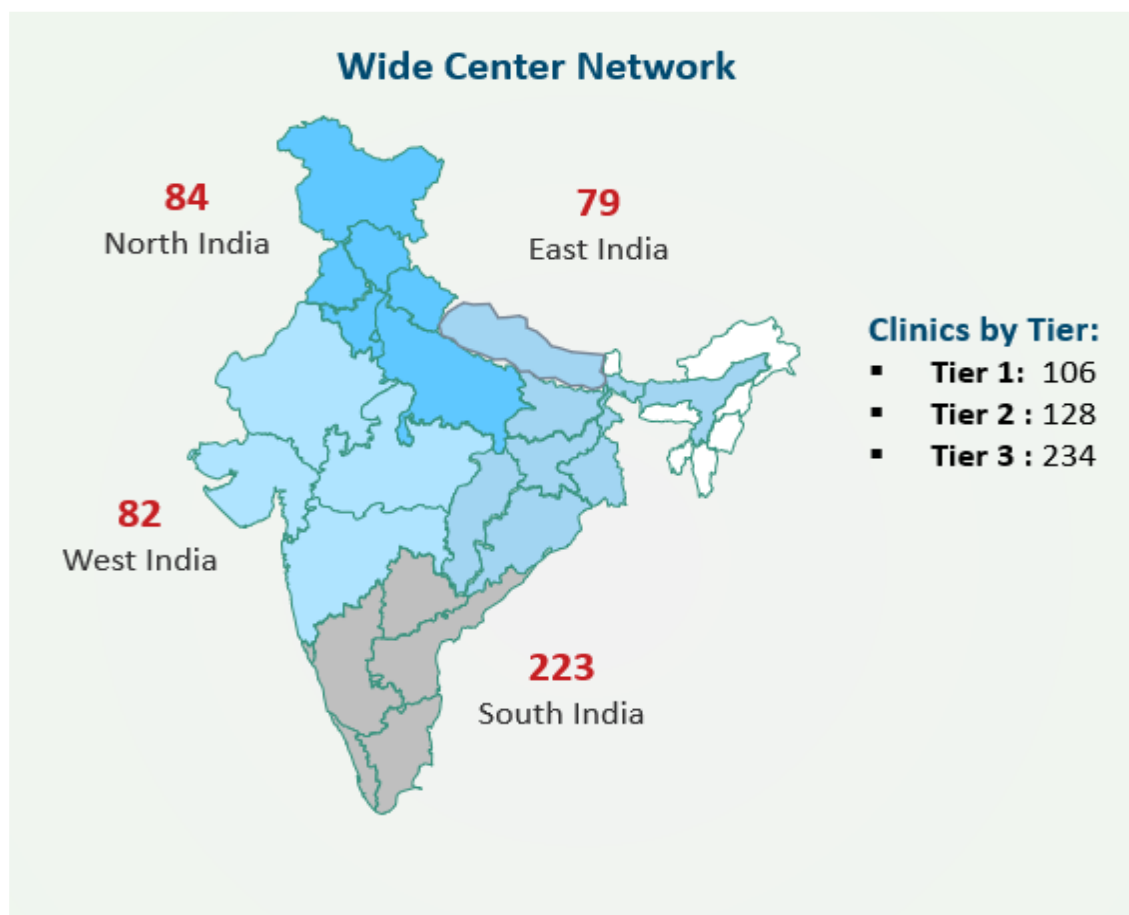
Selling shareholders through OFS	Classification	Number of shares @UB
Investcorp Private Equity Fund II	Promoter	15,21,728
Healthcare Parent Limited	Promoter	16,04,907
Investcorp Growth Opportunity Fund	Promoter	1,47,765
Edoras Investment Holdings Pte. Ltd.	Promoter	28,88,911
Investcorp India Private Equity Opportunity Limited	Public	1,21,985
International Finance Corporation	Public	30,89,663
360 One Special Opportunities Fund - Series 9	Public	14,33,468
360 One Special Opportunities Fund - Series 10	Public	4,44,675
Total		1,12,53,102

Business Model



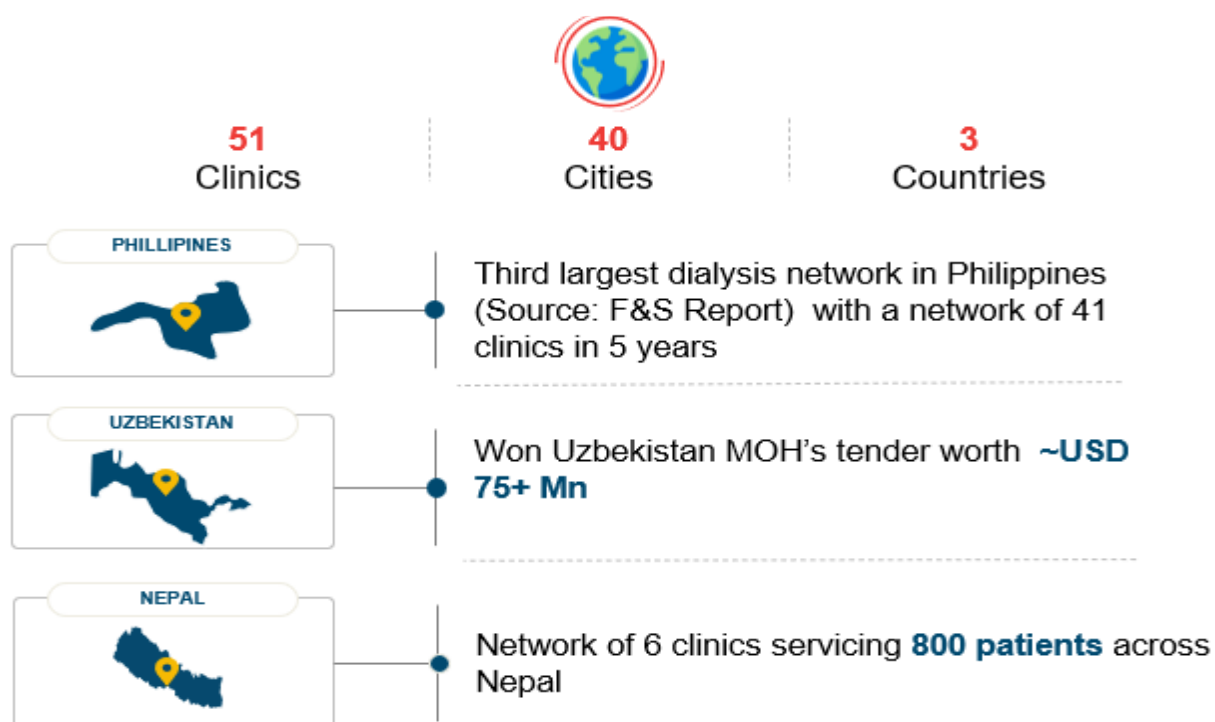
Source: RHP, SSL Research

Geographical Presence - India



Source: RHP, SSL Research

International Presence



Source: RHP, SSL Research

Geography-wise Revenue Split

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
India	386	88.3	432	76.2	516	68.2	284	60.0
International markets	51	11.7	135	23.8	240	31.8	189	40.0
Uzbekistan	17	3.9	66	11.7	73	9.7	46	9.6
Philippines	34	7.9	68	12.0	167	22.0	144	30.3
Others	-	0.0	-	0.0	0.4	0.0	-	0.0
Revenue from operations	437	100.0	566	100.0	756	100.0	474	100.0

Source: RHP, SSL Research

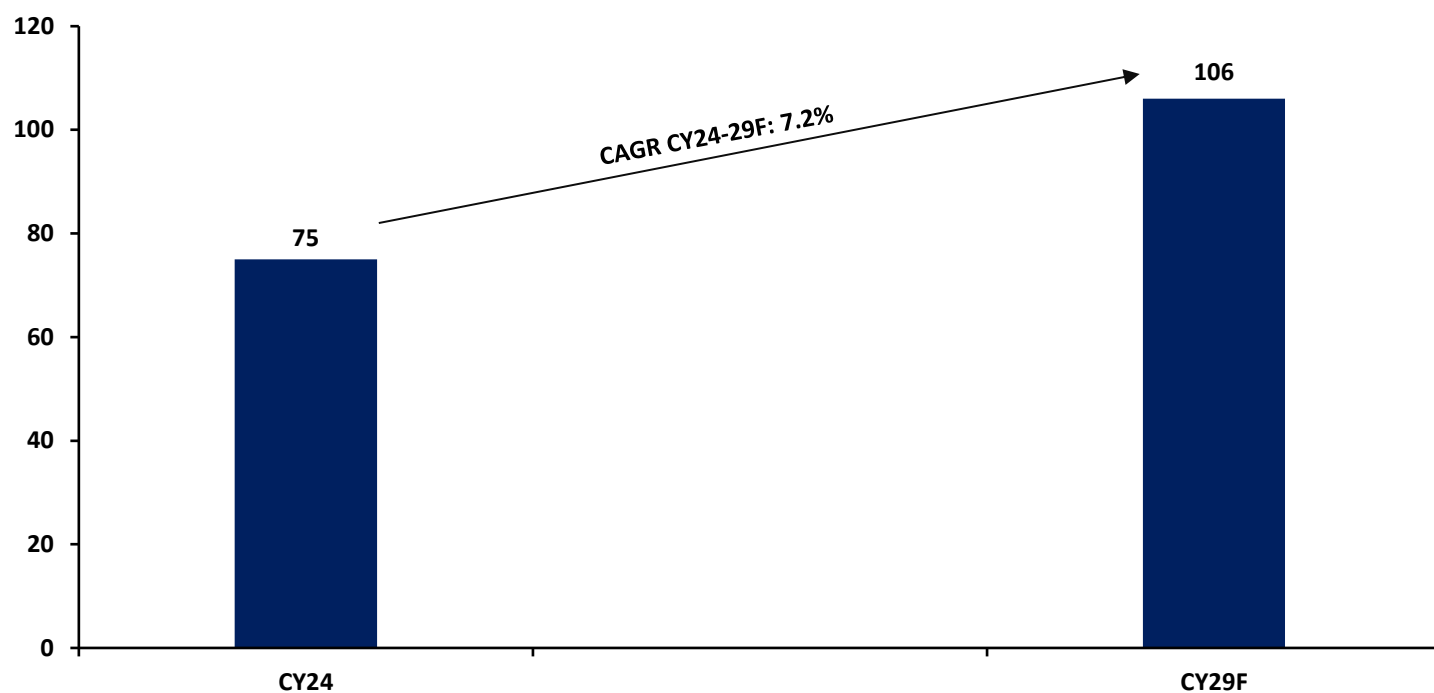
Operational Metrics

Particulars	FY23	FY24	FY25	1HFY26
Clinics	316	436	490	519
Captive clinics	224	233	255	272
Standalone clinics	27	46	59	67
PPP clinics	65	157	176	180
Number of Patients	22,890	28,947	33,076	35,425
Treatments (mn)	2.29	2.67	3.30	1.87
Revenue per Treatment (Rs)	1,912	2,084	2,275	2,531
Frequency (x)	2.20	2.22	2.23	2.26
Utilisation Rate (%)	68.6%	69.9%	72.1%	75.0%

Source: RHP, SSL Research

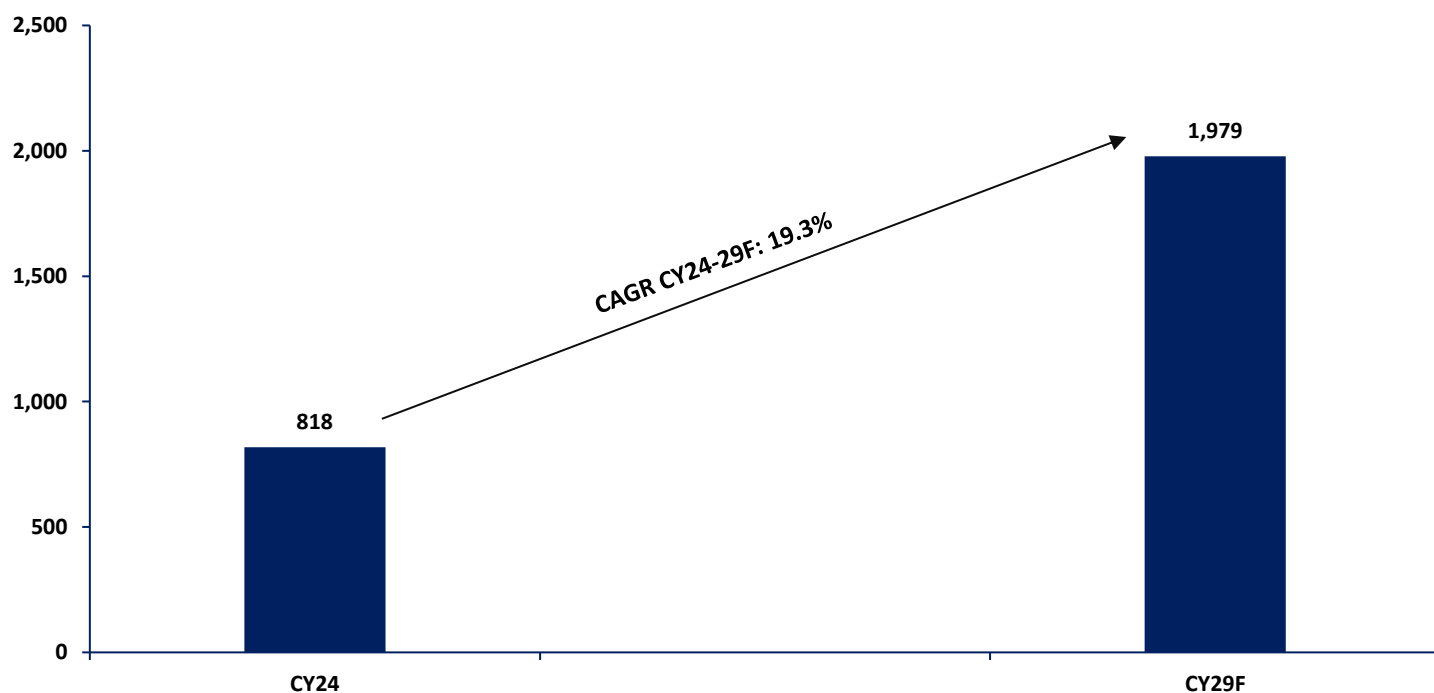
Industry Overview

Global Dialysis Service Market, CY24-29F (in USD bn)

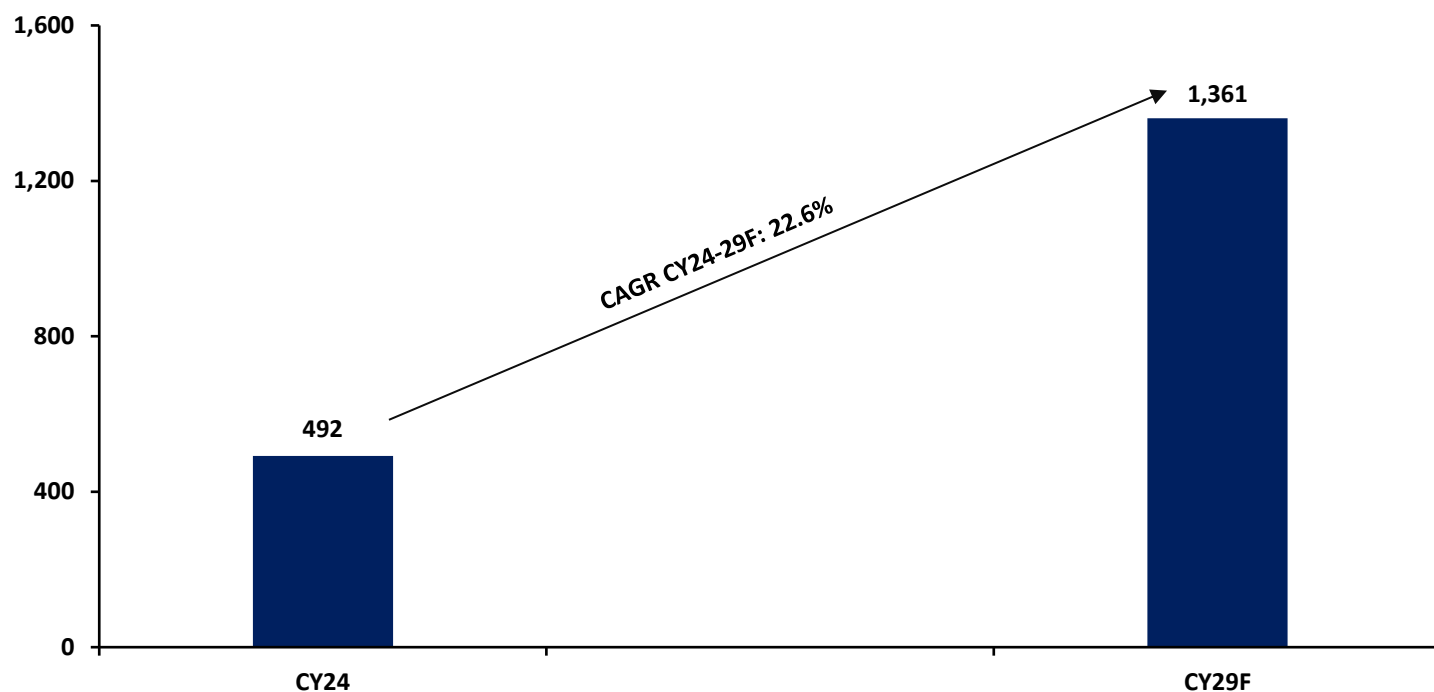


Source: RHP, SSL Research

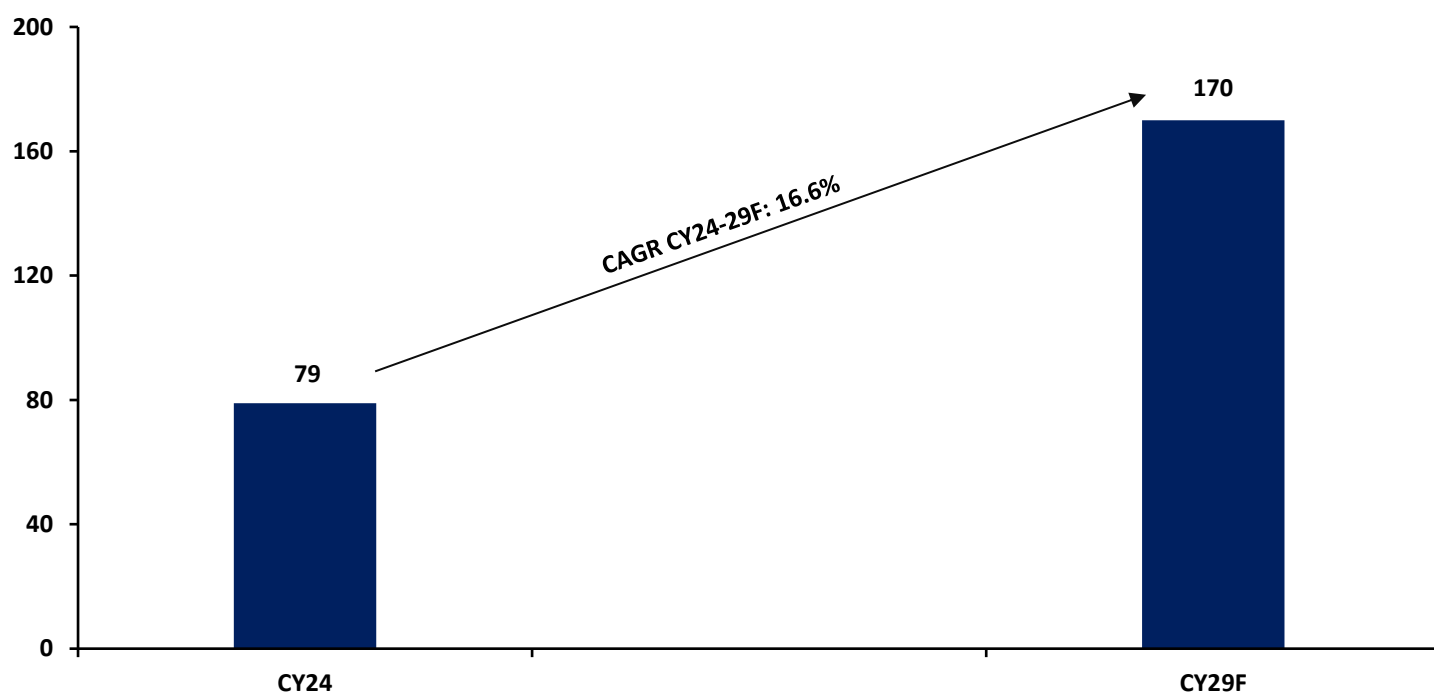
Indian Dialysis Service Market, CY24-29F (in USD mn)



Source: RHP, SSL Research

Philippines Dialysis Service Market, CY24-29F (in USD mn)

Source: RHP, SSL Research

Uzbekistan Dialysis Service Market, CY24-29F (in USD mn)

Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from Operations	437	566	756	474
YoY growth (%)	-	29.5%	33.5%	-
COGS (incl Stock Adj)	143	169	194	109
Gross Profit	295	398	562	365
Gross margins (%)	67.4%	70.2%	74.3%	77.1%
Employee Cost	97	91	123	83
Other Operating Expenses	149	205	272	171
EBITDA	49	101	167	111
EBITDA margins (%)	11.1%	17.8%	22.0%	23.5%
Other Income	6	9	14	10
Interest Exp.	16	20	21	51
Depreciation	47	56	72	43
PBT	(9)	33	87	28
Exceptional item	-	-	-	-
Tax	3	(2)	20	14
Share of profit of associates and JVs	-	-	-	-
Minority Interest	-	-	-	-
PAT	(12)	35	67	14
PAT margin (%)	-2.7%	6.2%	8.9%	3.0%
EPS (Rs)	(1.3)	3.8	7.2	1.5

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Assets				
Net Block	185	263	278	304
Right of use assets	34	41	46	69
Capital WIP	32	1	6	11
Intangible Assets	1	11	17	25
Intangible Assets under development	2	-	-	-
Goodwill	19	41	56	76
Other Non-current Assets	69	60	49	56
Current Assets				
Current Investment	-	-	51	123
Inventories	26	26	27	34
Trade receivables	159	203	266	329
Cash and Bank Balances	14	61	155	113
Short-term loans and advances	-	-	-	-
Other Current Assets	125	100	46	52
Total Current Assets	324	390	545	651
Current Liabilities & Provisions				
Trade payables	43	71	113	129
Other current liabilities	11	45	33	64
Short-term provisions	1	1	2	2
Total Current Liabilities	56	117	147	194
Net Current Assets	268	273	398	457
Assets Classified as held for sale	-	-	-	-
Total Assets	610	689	849	999
Liabilities				
Share Capital	2	2	2	4
Reserves and Surplus	387	412	582	713
Total Shareholders' Funds	389	414	584	717
Minority Interest	-	-	-	-
Total Debt	196	243	226	207
Long Term Provisions	4	3	5	5
Lease Liabilities	18	24	32	54
Other Long-Term Liabilities	4	4	1	1
Net Deferred Tax Liability	-	0	2	15
Total Liabilities	610	689	849	999

Cash Flow Statement (Rs cr)	FY23	FY24	FY25	1HFY26
Cash flow from Operating Activities	11	72	135	38
Cash flow from Investing Activities	(78)	(51)	(125)	(114)
Cash flow from Financing Activities	60	27	54	17
Free Cash Flow	(60)	(5)	36	(23)

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Assets	-1.8%	4.4%	6.7%
Return on Capital Employed	1.3%	8.1%	13.4%
Return on Equity	-3.0%	8.5%	11.5%
Margin Analysis			
Gross Margin	67.4%	70.2%	74.3%
EBITDA Margin	11.1%	17.8%	22.0%
Net Profit Margin	-2.7%	6.2%	8.9%
Short-Term Liquidity			
Current Ratio (x)	1.9	1.6	2.0
Quick Ratio (x)	1.7	1.5	1.9
Avg. Days Sales Outstanding	132	131	129
Avg. Days Inventory Outstanding	67	56	50
Avg. Days Payables	41	55	70
Fixed asset turnover (x)	2	2	2
Debt-service coverage (x)	0.0	0.2	0.4
Long-Term Solvency			
Total Debt / Equity (x)	0.5	0.6	0.4
Interest Coverage Ratio (x)	0.5	2.6	5.2
Valuation Ratios*			
EV/EBITDA (x)	91.4	44.1	26.0
P/E (x)	-	121.3	63.5
P/B (x)	11.0	10.3	7.3
EV/Sales (x)	10.2	7.8	5.7
P/Sales (x)	9.7	7.5	5.6

*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SSL Research

Peer Comparison – FY25

Particulars (Rs cr)	Nephrocare Health Services Ltd.	Jupiter Life Line Hospitals Ltd.	Rainbow Childrens Medicare Ltd.	Dr. Agarwal's Health Care Ltd.	Dr. Lal Path Labs Ltd.	Metropolis Healthcare Ltd.	Vijaya Diagnostics Centre Ltd.
CMP (Rs)	460	1,432	1,351	506	3,030	1,924	1,017
Sales	756	1,262	1,516	1,711	2,461	1,331	681
EBITDA	167	297	494	463	698	308	273
Net Profit	67	189	238	76	489	140	139
Mkt Cap.	4,615	9,391	13,720	15,998	25,381	9,972	10,451
Enterprise Value	4,355	9,228	13,700	15,987	24,542	9,937	10,402
EBITDA Margin (%)	22.0	23.5	32.6	27.1	28.4	23.1	40.1
Net Profit Margin (%)	8.9	15.0	15.7	4.4	19.9	10.5	20.4
RoE - Pre-Issue/Post-Issue	11.5/6.3	13.9	16.2	4.1	22.5	10.5	17.5
RoCE - Pre-Issue/Post-Issue	13.4/8.3	15.6	27.2	12.3	29.9	15.4	26.7
P/E (x)	68.8	49.7	57.6	210.5	51.9	71.2	75.2
EV/EBITDA (x)	26.1	31.1	27.7	34.5	35.2	32.3	38.1
EV/Sales (x)	5.8	7.3	9.0	9.3	10.0	7.5	15.3

For Nephrocare Health Services Ltd, the Market Cap, P/E (x), EV/EBITDA (x), RoE (%), RoCE (%) and EV/Sales are calculated on post-issue equity share capital based on the upper price band.

CMP of peer companies is as of 05th December, 2025.

Source: RHP, SSL Research.

SBICAP Securities Ltd.

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