21st November, 2025

Narayana Hrudayalaya Ltd.

BSE: 539551 | NSE: NH | M-Cap (Rs cr): 41,499

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**2,031/-**	**2,335/-**	**15.0%**

Narayana Hrudayalaya Ltd. (NH) is a leading healthcare service provider in India, operating a chain of multi-specialty, tertiary and primary healthcare facilities. As of Sep'25, the company operated through a network of 5,554 beds in 42 facilities, which includes 18 owned & operated hospitals, 2 heart centers, 20 clinic & dialysis centers and 2 facilities in the Cayman Islands.

Key Investment Rationale:

- **Strong operational network:** As of Sep'25, the company operated through a strong operational network of 5,554 beds in 42 facilities. The network includes geographical penetration of 7/6/3/2 hospitals with operational bed capacity of 2,030/2,045/828/354 beds in East/South/North/East India respectively, along with 2 facilities and 165 beds in the Cayman Islands. This geographical diversification allows the company to hedge against seasonal weaknesses in a certain part of the country.

- **Well established specialty mix:** During 2QFY26, Cardiac Sciences, Oncology, Renal sciences, Neuro sciences and Orthopedics contributed 33%, 15%, 9%, 7% and 4% respectively to revenue. These high-margin specialty therapies together contributed ~68% to 2QFY26 revenue.

- **Robust capacity expansion plan to drive growth:** The company has set an ambitious target of increasing its bed capacity by 1.3x by FY30. The planned capacity includes a mix of greenfield, brownfield and leased expansions with projected investment of ~Rs 3,000 cr.

- **Entry into new geography:** Recently, the company's subsidiary completed the acquisition of Practice Plus Group Hospitals, one of UK's largest independent healthcare service providers to National Health Services (NHS) for ~GBP 183 million. The company believes that it can leverage its learnings of Cayman to target a large addressable market in UK, and is expected to be a key driver in the future.

- **Healthy 2QFY26 result:** During 2QFY26, the company reported Revenue/EBITDA/PAT growth of 20.3%/ 30.3%/30.1% YoY to Rs 1,644 cr/Rs 403 cr/Rs 258 cr respectively. Further, EBITDA Margin improved 189 bps YoY and 213 bps QoQ to 24.5% during 2QFY26.

- **Valuation:** At CMP of Rs 2,031, the stock trades at FY26E/FY27E EV/EBITDA multiple of 26.8x/22.2x respectively to its Bloomberg consensus estimates.

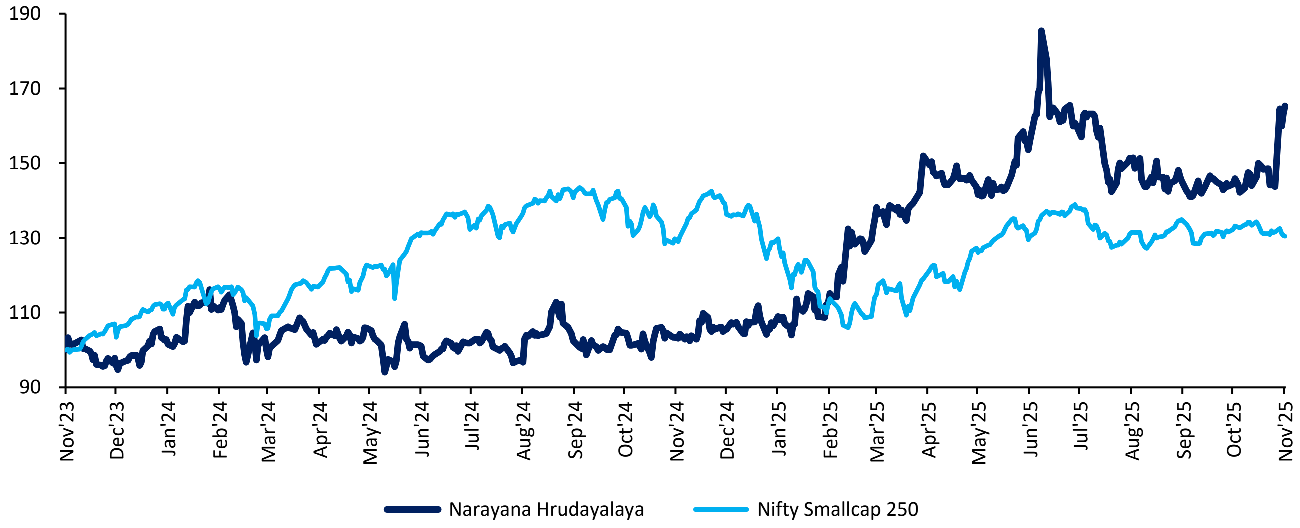
- **Key Risks:** Delay in ramp-up of new capacities, Adverse forex fluctuations, Changes in regulatory environment; Failure to attract and retain top doctors & talent; Damage to brand or reputation.

Financial Summary

Particulars (Rs cr)	FY24A	FY25A	FY26E	FY27E
Net Sales	4,890	5,483	6,618	7,862
EBITDA	1,168	1,298	1,576	1,904
Net Profit	790	791	963	1,182
EBITDA Margin (%)	23.9	23.7	23.8	24.2
EPS (Rs)	38.6	38.7	47.2	57.9
RoE (%)	27.4	21.8	21.5	21.5
P/E (x)	52.5	52.4	43.1	35.1
P/B (x)	14.4	11.4	9.3	7.5
EV/EBITDA (x)	36.2	32.6	26.8	22.2

Source: Bloomberg, SSL Research

Stock Performance – Indexed to 100



Source: ACE Equity, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
NA	NA	NA	NA	NA

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