

CMP - 418

52Wk H/L ₹ 693

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About the Company

Incorporated in 2008, Yatharth Hospital and Trauma Care Services Limited operates multi-specialty hospitals across Noida, Greater Noida, Noida Extension, and other locations in North India, with a total of 7 hospitals and 2100+ beds. The hospital offers specialized services across various disciplines such as cardiology, neurology, nephrology, urology, and orthopedics, among others. Their facilities in Greater Noida, Noida, and Noida Extension have a combined bed occupancy rate of 61%, with the Noida facility achieving the highest occupancy at 83%. Yatharth Hospitals is the 8th and 10th largest private hospital in the NCR region, employing 609 doctors and contributing significantly to healthcare services. They are also expanding with upcoming hospitals in Delhi and Faridabad.

Latest Q1FY25 Update

- Revenue: Yatharth Hospital reported a total income of ₹223.36 crores in Q3FY25, marking a 1.2% increase from ₹220.74 crores in Q2FY25 and a 29.7% rise from ₹172.17 crores in Q3FY24¹. Another source indicates revenue of ₹219.16 crores, reflecting a 31.39% YoY increase³.
- Profit Before Tax (PBT): The company's PBT was ₹40.16 crores, showing a marginal 0.2% QoQ increase but an 8.3% decrease YoY from ₹43.78 crores¹.
- Profit After Tax (PAT): PAT stood at ₹30.49 crores, a 1.5% decline QoQ but a 3.4% increase YoY¹³.
- EBITDA and Margins: EBITDA for Q3FY25 was ₹549 million, up 18% YoY, with an EBITDA margin of 25.1% compared to 27.8% in Q3FY24

Company Data

Enterprise Value (EV)	₹ 3,936 Cr.
Market Cap.	₹ 4,090 Cr.
Total Debt	₹ 90.1 Cr.
Cash Equivalents	₹1,249.77 Cr
Shares Outstanding	9.64 MN
Beta	1.81 M
EPS (TTM)	₹ 14.78
D/E Ratio	0.1
Div Yield	0.00%

Key Ratios

PE Ratio (TTM)	31.4
Industry PE Ratio	52.40
PB Ratio	2.57
PEG Ratio	0.33

Price Performance

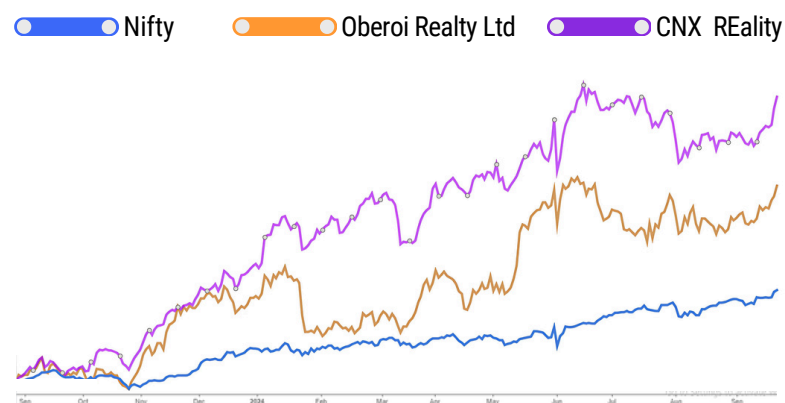
3 months	10.45%
6 months	-26%
1 Year	1%
NIFTY50 1 Year Returns	5.43%



Management Commentary and View

- **Revenue Growth:** The significant YoY revenue increase indicates successful expansion strategies or increased service uptake.
- **Cost Management:** Despite revenue growth, profits have not increased proportionally, suggesting a need for better cost management to enhance profitability.
- **Operational Metrics:** The Average Length of Stay (ALOS) declined by 8% YoY to 4.3 days, and the management aims to improve occupancy and Average Revenue Per Occupied Bed (ARPOB)
- Yatharth Hospital is poised for next-level growth, driven by good revenue momentum and strategic initiatives such as bed additions to drive further expansion. However, managing costs effectively will be crucial to maintaining profitability and achieving long-term growth objectives.

Stock Performance



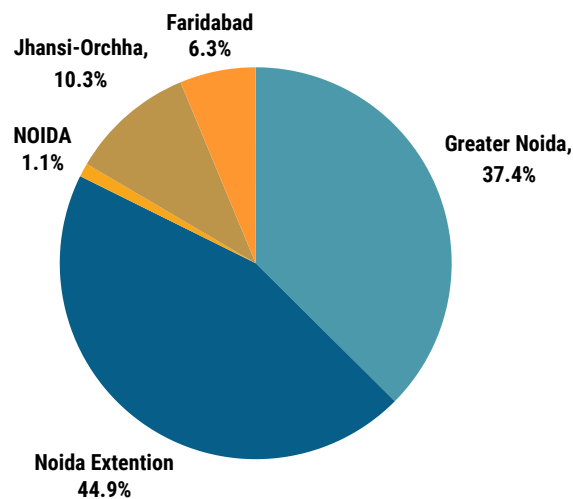
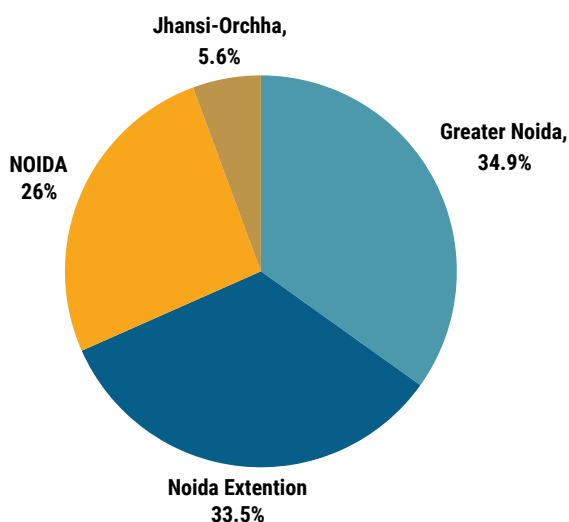
One Year Performance

Shareholding Pattern (%)

	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Promoter And Promoters Group	66.33%	66.44%	66.54%	66.54%	66.54%	61.44%
Foreign Institutional Investors (FIIs)	5.42%	2.59%	3.99%	4.90%	6.28%	9.78%
Domestic Institutional Investors (DIIs)	8.88%	8.81%	9.30%	9.40%	6.97%	11.50%
Public	19.37%	22.15%	20.15%	19.16%	20.20%	17.27%
No. of Shareholders	50,113	51,743	46,567	51,916	62,616	73,251

Key Ratios

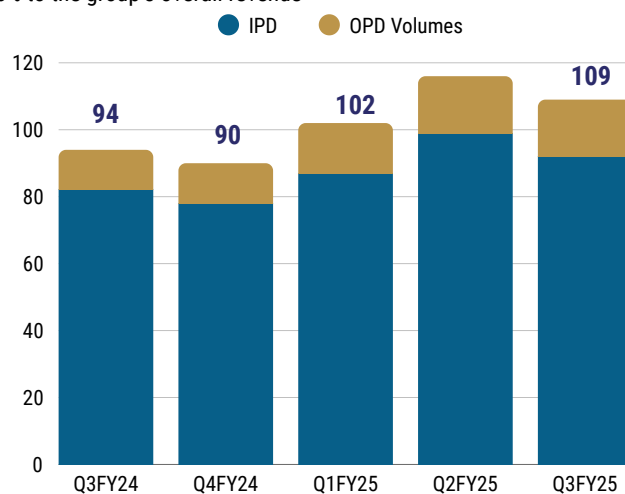
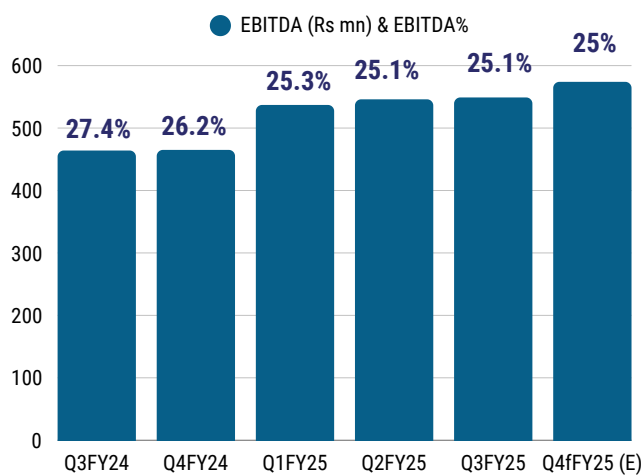
Diversifying revenues across hospitals



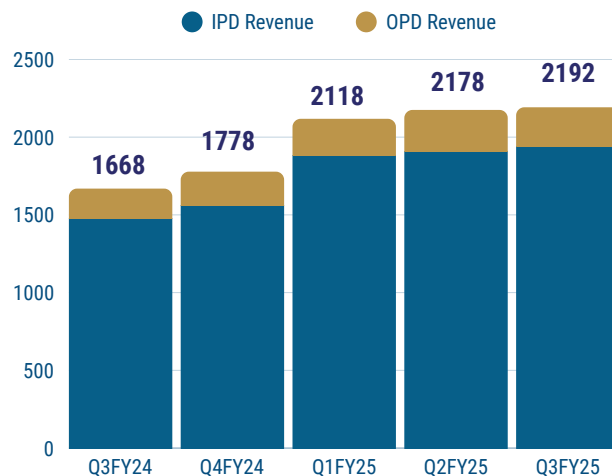
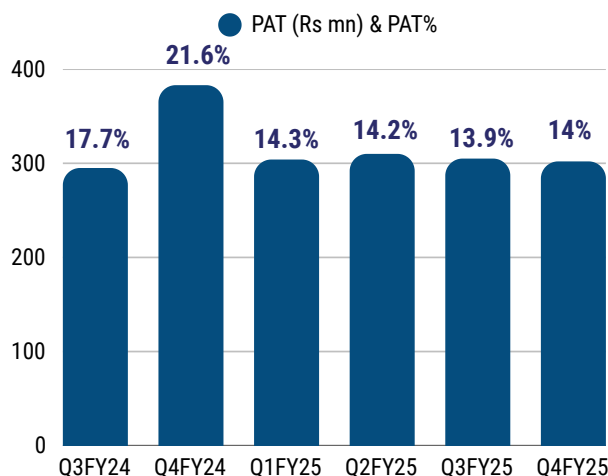
• Note:- Noida Extension hospital registers robust growth at 42% YoY, contributing 36% to group's revenue

• Note:- In short span of being operational, Faridabad hospital has grown to contribute 5% to the group's overall revenue

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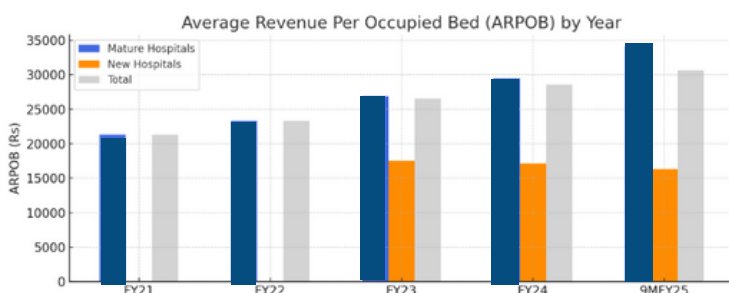
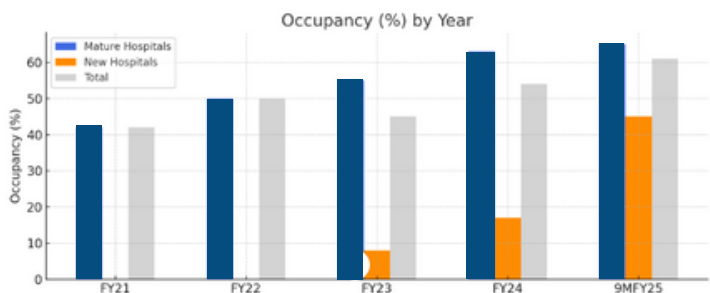
• Note:- Above values on the bars are the total values



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Optimization of existing infrastructure



Yatharth Hospitals

Hospitals	Greater Noida	Noida	Noida Extension	Jhansi - Orchha	Greater Faridabad
Year of Operation	2010	2013	2019	2022	2024
Beds Capacity	400	250	450	305	200
Census Beds	330	215	390	250	180
No of ICU Beds	112	81	125	76	61
Occupancy Rate	65%	80%	~60%	50%	31%*
ARPOB (₹)	34,584	28,893	37,608	13,038	31,185
ALOS	4.49	4.97	4.29	3.99	3.23

Quarterly Summary

Particulars (Rs Mn)	Q3FY25	Q3FY24	Change YoY	Q2FY25	Change QoQ	9MFY25	9MFY24	Change YoY
Revenue from Operations	2,192	1,668	31%	2,178	1%	6,487	4,926	32%
Medical Consumables & Pharmacy	421	315	33%	432	-3%	1,320	956	38%
Employee Expenses	426	299	42%	415	3%	1,187	852	39%
Other Expenses	796	589	35%	785	1%	2,348	1,784	32%
EBITDA	549	464	18%	546	1%	1,632	1,334	22%
EBITDA Margin %	25.10%	27.80%	(277) bps	25.10%	(3) bps	25.20%	27.10%	(192) bps
Depreciation and amortisation	169	79	115%	159	6%	443	216	105%
Financial Cost	21	2	-	16	32%	65	90	-28%
Other Income	42	54	-22%	30	42%	108	100	9%
Profit Before Tax (PBT)	402	438	-8%	401	0%	1,232	1,127	9%
Tax	97	143	-32%	91	6%	314	366	-14%
Profit After Tax (PAT)	305	295	3%	310	-1%	918	761	21%
PAT Margin %	13.90%	17.70%	(377) bps	14.20%	(30) bps	14.20%	15.50%	(130) bps

Profit & Loss Statement

Annual (in INR Crores)	Mar-24	Mar-23	Mar-22	Mar-21
Revenue From Operations [Gross]	670.55	520.29	400.94	228.67
Other Income	15.61	2.81	1.65	0.52
Total Revenue	686.16	523.1	402.59	229.19
Operating And Direct Expenses	133.31	92.94	81.33	46.32
Employee Benefit Expenses	117.02	91.93	80.47	46.69
Finance Costs	9.42	21.39	21.49	18.84
Depreciation And Amortisation	29.3	27.51	27.87	20.56
Other Expenses	240.27	201.66	128.33	68.66
Total Expenses	529.33	435.42	339.48	201.07
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	156.83	87.68	63.11	28.12
Profit/Loss Before Tax	156.83	87.68	63.11	28.12
Current Tax	40.28	24.67	18.01	5.04
Total Tax Expenses	42.36	21.91	18.94	8.54
Profit/Loss After Tax And Before ExtraOrdinary Items	114.48	65.77	44.16	19.59
Consolidated Profit/Loss After MI And Associates	114.48	65.77	44.16	18.16
Earnings Per Share				
Basic EPS (Rs.)	14.46	10.09	6.78	2.77
Diluted EPS (Rs.)	14.46	10.09	6.78	2.77

Cash Flow Statement

Annual (in INR Crores)	Mar-24	Mar-23	Mar-22	Mar-21
Profits Before Tax	156.83	87.68	63.11	28.12
Net CashFlow - Operating Activity	-3.08	63.78	59.94	43.67
Net Cash Used In Investing Activity	-225.87	-20.31	-52.18	-21.24
Net Cash Used in Finance Activity	304.21	-17.75	-1.12	-19.05
Adjustments On Amalgamation Merger Demerger Others	0	0	0.07	0
Net Inc/Dec In Cash And Equivalent	75.26	25.73	6.71	3.39
Cash And Equivalent Begin of Year	37.43	11.71	5	1.62
Cash And Equivalent End Of Year	112.7	37.43	11.71	5

Balance Sheet

Annual (in INR Crores)	Mar-24	Mar-23	Mar-22	Mar-21
No. of Equity Shares	8.59	6.55	6.55	1.64
Equity Share Capital	85.85	65.52	65.52	16.38
Total Share Capital	85.85	65.52	65.52	16.38
Reserves and Surplus	788.47	117.45	51.37	56.08
Total Reserves and Surplus	788.47	117.45	51.37	56.08
Total Shareholders Funds	874.32	182.96	116.89	72.46
Minority Interest	0	0	0	8.23
Long Term Borrowings	75.25	200.59	207.38	163.72
Deferred Tax Liabilities	0	0	0	3.85
Other Long Term Liabilities	0	1.59	3.67	5.48
Long Term Provisions	2.54	1.3	0.98	0.04
Total Non-Current Liabilities	77.79	203.48	212.03	173.09
Short Term Borrowings	7.81	63.18	50.81	22.39
Trade Payables	29.16	16.88	20.41	16.53
Other Current Liabilities	30.2	19.4	19.68	16.07
Short Term Provisions	0.05	0.06	6.21	0.01
Total Current Liabilities	67.22	99.52	97.1	55
Total Capital And Liabilities	1019.3	485.97	426.02	308.77
Tangible Assets	Jan-01	Sep-00	Sep-00	Sep-00
Intangible Assets	0	0	0.01	0
Fixed Assets	382.2	258.82	263.4	250.4
Goodwill On Consolidation	59.68	39.7	39.7	0.41
Deferred Tax Assets [Net]	10.26	8.28	5.45	0
Other Non-Current Assets	56.94	2.9	8.07	8.64
Total Non-Current Assets	509.08	309.7	316.62	259.45
Inventories	8.13	6.07	5.2	3.39
Trade Receivables	227	107.64	85.54	36.77
Cash And Cash Equivalents	238.64	38.44	12.08	5.15
Other Current Assets	36.47	24.11	6.59	4.01
Total Current Assets	510.25	176.27	109.4	49.32
Total Assets	1019.3	485.97	426.02	308.77



Investor Outlook

Yatharth Hospital demonstrated strong operational growth, with inpatient volumes increasing by 42% year-on-year (YoY) and outpatient volumes by 12% YoY. Occupancy rose by 8 percentage points to 60%, while Average Revenue Per Occupied Bed (ARPOB) increased 4% YoY to ₹30,652 in Q3 FY'25, with Noida Extension achieving the highest ARPOB at ₹37,886. The company recently acquired hospitals in Delhi and Faridabad, utilizing ₹1,139 crore from QIP proceeds, though ₹5,016 crore remains unutilized. Operational challenges include losses at the newly acquired Faridabad hospital, impacting EBITDA margins, but revenue for Q3 FY'25 grew 31% YoY to ₹2,192 million, with EBITDA improving 18% YoY to ₹549 million. Strategic initiatives include plans to operationalize the new hospitals, enhancing their capabilities with advanced robotics and therapies like Interlaminar Spinal Endoscopy and Lutetium Therapy. The hospital's market positioning is being strengthened by attracting top doctors and specialists, while reducing reliance on government business to improve ARPOB.

Operational efficiency improvements and increased EBITDA margins are anticipated as new facilities ramp up operations. Despite initial losses, the Faridabad hospital is expected to turn profitable within the next financial year. After considering all the above factors and according our valuation based on comparable comps strategy we position this stock at a price of 526, which is almost 26% upside.

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