

# Midas Techno Funda – Narayana Hrudayalaya Ltd

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**At an inflection point**

19 May 2026

# Narayana Hrudayalaya Ltd

At an inflection point

CMP  
Rs. 1866

## Company Overview

Narayana Hrudayalaya Ltd(NH) operates 55 healthcare facilities spanning India (18 hospitals + 2 heart centres + 20 clinics), the Cayman Islands (2 hospitals), and the UK (13 facilities, acquired Nov 2025) — with 5,933 operational beds, 6,245 total capacity beds, and a target of 7,600+ beds by FY30. Founded by Dr. Devi Prasad Shetty in 2000, the company has built one of Indian healthcare's most distinctive operating engines: deliver tertiary care at industry-leading volumes with industry-lowest cost per bed, and reinvest the resulting cash into a multi-geography platform.

### Key Investment Rationale:

- **Strong Operational Execution and Margin Expansion in India Business:** NHL's India business grew 11.8% YoY to Rs. 1,180 Cr in Q3 FY26, with India hospital EBITDA margin expanding 300 bps YoY from 19.7% to 22.7%, driven by payor-mix shift (Insured patients at 32% vs Walk-in 45%), high-end specialty mix (Cardiac 33%, Oncology 15%), and rising volumes of high-realization procedures — 244 robotic cardiac surgeries (+35% QoQ) and 48 TAVIs (+50% YoY) in Q3 FY26. ARPOB grew 14.6% YoY to Rs. 1.81 Cr (annualized) per occupied bed, while the flagship Bangalore cluster (36% of India revenue) grew 17% YoY at IP ARPP of Rs. 2.39 lakhs. The cost foundation is structural — company-disclosed capex per bed in India is Rs. 0.72 Cr (vs industry average of Rs. 1.32 Cr), supported by a persistently negative cash conversion cycle of -108 to -158 days across FY21–25, driving Consolidated Adjusted PAT growth of 31.6% YoY to Rs. 255 Cr in Q3 FY26.
- **Capex Plans Anchored by a Conservative Balance Sheet:** NHL plans to add 1,535 beds across 6 greenfield/brownfield/lease projects with total committed capex of ~Rs. 2,974 Cr — Rajarhat Kolkata (350 beds, Rs. 900 Cr, FY28), South Bangalore (350 beds, Rs. 800 Cr, FY29), Raipur expansion (300 beds, Rs. 540 Cr, FY28), HSR Bangalore (215 beds, Rs. 490 Cr, FY28), Central Bangalore lease (220 beds, Rs. 160 Cr, FY28), and South-West Bangalore lease (100 beds, Rs. 84 Cr, FY27) — taking total capacity beds from 6,245 currently to 7,600+ by FY30, with all major projects concentrated in flagship Bangalore + Kolkata clusters. This expansion is funded through a conservative balance sheet — consolidated net debt of Rs. 2,232 Cr (Net D/E of 0.53x) and Net Debt/EBITDA of 1.3–1.4x, well inside management's <2.5x ceiling, despite the recently completed £183 Mn UK acquisition. With construction-phase capex front-loaded into FY26–FY27 and bed commissioning landing in FY28–FY29 at Rs. 0.72 Cr per bed, the operating leverage on a 22–23% margin India base should drive meaningful EBITDA growth, ARPOB improvement, and return-ratio recovery from FY28 onwards.
- **Diversified Multi-Geography Platform with Optionality Verticals:** NHL operations span across three distinct geographies — India (5,438 beds at 22.7% EBITDA margin), Cayman Islands (165 beds, +27.1% YoY at ~30%+ Adj EBITDA margin in a zero-direct-tax jurisdiction), and UK Practice Plus Group (13 facilities, 330 beds, acquired November 2025 for £183 Mn net at 8.5–9% pre-IFRS / ~12% post-IFRS margin) — with direct exposure to the UK's 7.42 Mn NHS elective surgery waitlist (up from 4.57 Mn in March 2020). Layered on top are three high-optionality verticals scaling rapidly: NH Insurance (NHIL) grew YTD Gross Written Premium 37x YoY from Rs. 0.65 Cr to Rs. 24 Cr, expanding into Kolkata, Mysore, Raipur and SME segments; Cayman Insurance (CIHL) grew 1,332% YoY to US\$12.9 Mn in Q3 FY26; and the ATHMA digital platform now powers 5,000+ care providers processing 4 Cr monthly clinical messages, serving as the technology backbone for UK transformation. This three-geography hospital stack combined with three scaling adjacent verticals is structurally differentiated within Indian healthcare and unmatched by any listed peer.

**Valuation:** At CMP 1866, Narayana Hrudalaya trades at an EV/EBITDA multiple of 20x its FY27E EBITDA

Rs Cr	FY23	FY24	FY25	FY26E	FY27E
Revenue	4,525	5,018	5,483	7,303	9,456
Growth y/y	22.2%	10.9%	9.3%	33.2%	29.5%
EBITDA Margin %	21.5%	23.1%	23.4%	21.3%	20.7%
Net Income Margin %	13.3%	15.7%	14.3%	12.1%	11.7%
EPS (Rs)	29.9	38.9	38.9	43.1	54.4
Growth y/y	77.2%	30.2%	0.1%	10.7%	26.2%
EV/EBITDA			30.5	25.2	20.0
PE			48.0	43.3	34.3

19 May 2026

Industry Healthcare-Hospital

### Key Stock Data

Bloomberg	NARH IN
Shares o/s No's (In Crs)	20.44
Market Cap (Rs. Crs)	38,145
52 wk High-Low	2372-1564
20D ADV ('000)	295
Index	Nifty 500
F&O	N

### Latest Shareholding (%)

	Mar 26	Dec 25	Sept 25
Promoters	63.3	63.3	63.9
Institutions	19.1	19.0	18.2
Public	17.6	17.7	17.9
Pledge	0.0	0.0	0.0

### Stock Performance (%)

	1M	6M	12M
NH	3.5	-5.0	8.1
Nifty 500	-1.1	-5.1	0.1

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# Narayana Hrudayalaya Ltd

Healthcare - Hospitals	Reco/View <b>Buy</b>	Previous Day's Close <b>Rs. 1866</b>	Buying Range <b>Rs. 1830 - 1880</b>	12M TP <b>Rs. 2230</b>	SL (on Closing Basis) <b>Rs. 1690</b>	Potential Upside <b>20.20%</b>
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## Technical View (Daily)



- The stock has shown notable strength from lower levels and has delivered both short-term and long-term trendline breakouts on the daily chart.
- It continues to trade comfortably above its 50-day and 200-day EMAs, confirming robust underlying momentum.
- This bullish outlook is further supported by a positive Ichimoku setup and favorable RSI positioning across both daily and weekly timeframes.
- Given the strong technical structure, we anticipate the stock to target the 2,230 level over the next 9 to 12 months.
- Traders may consider long positions at current levels, maintaining a stop-loss at 1,690 on a daily closing basis.

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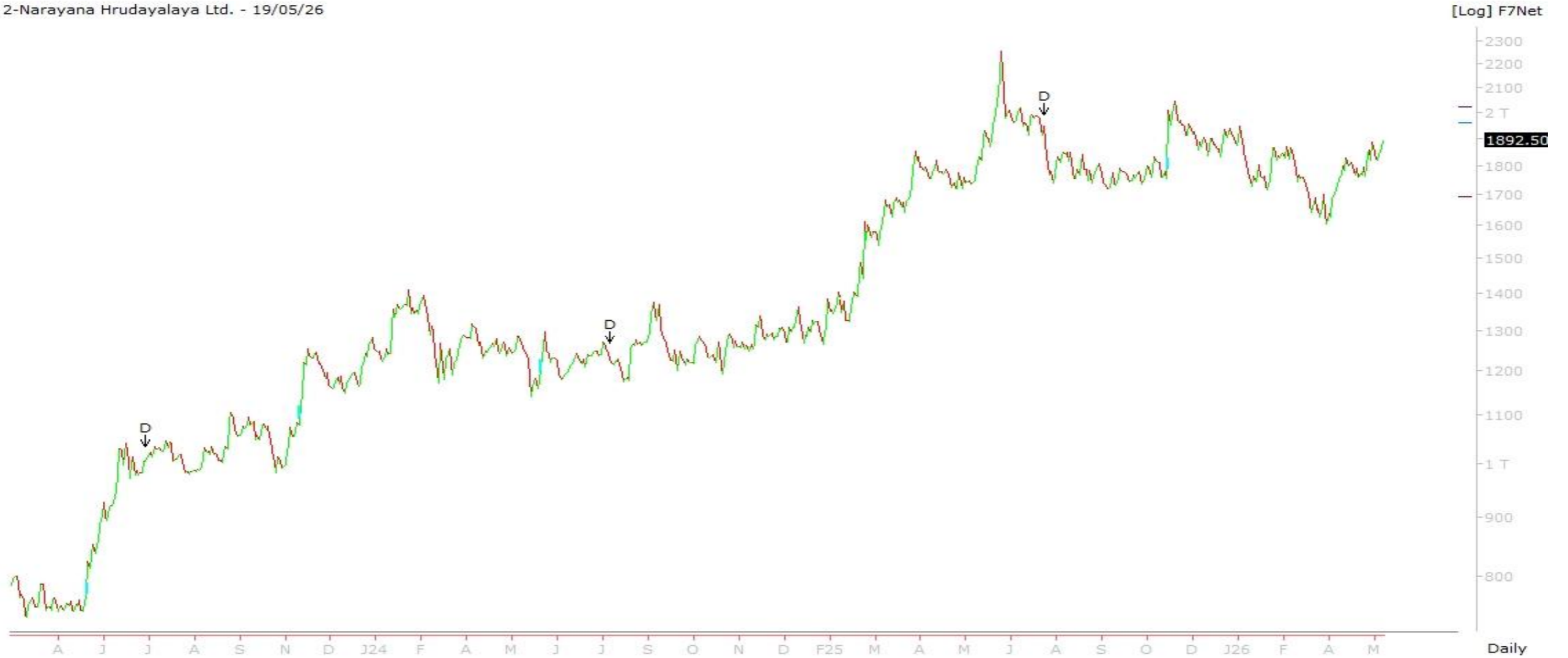
Source: Falcon, Spark PWM

Note: Potential upside is calculated based on the average price within the defined buy range.

# Narayana Hrudayalaya Ltd

## 3-Year Price Chart

2-Narayana Hrudayalaya Ltd. - 19/05/26



Source: Falcon, Spark PWM

# Abbreviation

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Bn	Billion
CAGR	Compounded Annual Growth Rate
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EV/EBITDA	Enterprise Value/ Earnings Before Interest, Tax, and Depreciation
Mn	Million
O/S	Outstanding Shares
P/E	Price/Earnings
Tn	Trillion

# Disclaimer (1/2)

## Absolute Rating Interpretation

<b>BUY</b>	Stock expected to provide positive returns of >15% over a 1-year horizon	<b>REDUCE</b>	Stock expected to provide returns of <5% – -10% over a 1-year horizon
<b>ACCUMULATE</b>	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	<b>SELL</b>	Stock expected to fall >10% over a 1-year horizon

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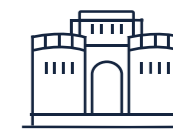
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