

YATHARTH HOSPITAL & TRAUMA CARE SERVICES LTD.

Sector

Sep 23, 2024

Healthcare

Buy at CMP: Rs 560 | Target: Rs 660 (18%) | SL: Rs 515

Yatharth Hospital operates three super specialty hospitals in Delhi NCR, offering advanced healthcare services. All hospitals are NABH accredited, with two also NABL accredited. They provide modern suites, spacious rooms, and comfortable patient areas. The hospitals are equipped with state-of-the-art medical equipment like Azurion catheter labs, MRI, CT scans, and advanced surgical tools.

Investment Rationale

- ◆ **Increase in high value specialties mix led to better growth in ARPOB:** In Q1FY25 Yatharth has touch INR 30,551 ARPOB. AR-POB grew by 10% CAGR from FY21 to FY24 (INR 21,286.74 to INR 28,571) the growth was driven by increase in share of high value specialty mix across hospital. In FY21 56% of revenue was contributed by internal Medicine, In Q1FY25 Internal Medicine contribute 23%, Neurosciences 11% from 6.27%, oncology 10% from 4%, Cardiology 9% from 7.14%. This strategic shift toward super-specialty and specialty has led to better growth in ARPOB, improved the occupancy rate and increase the patient footfall. The management's focus on oncology, nephrology, cardiology, and pulmonology this change the specialty mix and will drive ARPOB going ahead. We expect ARPOB to grow by 9% CAGR from FY24 to FY27.
- ◆ **Strong bed addition will continue the growth trajectory in Yatharth:** The company plans to expand its bed capacity from 1,605 in Q1 FY25 to 2,800-3,000 by FY28, with a capex of INR 65 lakh per bed. The expansion includes both greenfield and brownfield projects. It recently acquired a 200-bed hospital in Faridabad and announced 200 and 250-bed expansions at its Greater Noida and Noida facilities by FY27. Management aims to add at least one hospital annually in the next few years, boosting bed capacity by 46% by FY27. ICU beds, which rose from 17% in FY21 to 32% in FY24, are expected to further increase, improving ARPOB and margins.
- ◆ **Strong Balance Sheet support organic and inorganic growth initiatives:** The company reduced its debt by 68% from INR 267 Cr to INR 85 Cr in FY24 using IPO proceeds and is now net debt-free. The fall in debts will led to fall in finance cost, this will improve the PAT growth coupled with EBITDA growth company is well poised for capex plan. YATHARTH cash is 23% of the balance sheet, which was 10% in FY21. This improved the liquidity and support the capex plan.
- ◆ **Outlook and Valuations:** We model a Revenue/PAT CAGR of 35%/26% and estimate YATHARTH to clock PAT of Rs 251 Cr by FY27E. YATHARTH is trading at forward EV/EBITDA (x) of 15 and we value at 19(x) FY27E and Recommend BUY on YATHARTH with Target Price of Rs. 660 (18%) .

Financial Snapshot

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY24	728	51	126	38.2	22.1
FY25E	982	265	138	35.0	66.1
FY26E	1,326	358	186	25.9	49.0
FY27E	1,790	483	251	19.2	36.3

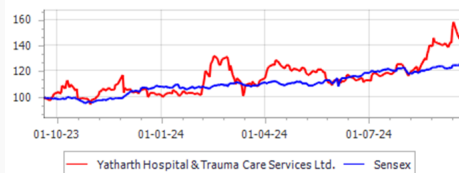
Source: Company Data, Ace Equity, GEPL Research

Script Details

BSE Group	B
BSE Code	543950
NSE Code	YATHARTH
Bloomberg Code	YATHARTH IN
Market Cap (INR Cr.)	4,808
Free Float (%)	33.5%
52wk Low/High	597/344
Beta (1yr Nifty 50)	0.00
Face Value (INR)/ D. Yield (%)	10/0
Total paid Up Shares (Mn.)	85.9

Share Holding Pattern (%)

Promoters	Public	Others
66.5%	33.5%	-

Share Price Relative Performance

TECHNICAL VIEW

YATHARTH [N17738] 559.95, -3.83%
Price Avg2(E,12,E,26)

Observation

- Since its breakout above the March 2024 swing high in August 2024, the stock has consistently demonstrated strong upward price action, reinforcing a positive outlook. This breakout marked a significant shift, propelling the stock into a phase of continued bullish momentum.
- On the daily scale, the stock has maintained a clear structure of higher tops and higher bottoms, which is a hallmark of a strong and sustained uptrend. This formation suggests that each upward movement is followed by a minor dip, but the stock continues to climb to new highs after each pullback. These minor dips have been healthy corrections within the larger rising trend, during which the stock has reverted back to its 12-day and 26-day EMAs. This bullish mean reversion—where price dips find support at key moving averages—signals strength and the likelihood of further upward movement.
- From a momentum perspective, the MACD indicator remains in buy mode, reflecting the strong bullish sentiment. Importantly, the histogram, which measures the distance between the MACD line and its signal line, has been rising for five consecutive bars.
- Together, the combination of positive price structure, bullish mean reversion, and strengthening momentum indicated by the MACD reinforces the stock's upward trajectory. It suggests that the stock is poised to continue its rally, with both technical patterns and indicators aligning in favor of further gains.



Inference & Expectations

- Considering these factors, it can be inferred that YATHARTH stock is set to continue uptrend.
- Going ahead we expect the prices to move higher till 660 level.
- The stop loss must be at 515 level, strictly on the closing basis.

Invest Now 

Source: Tradingview.in, GEPL Research



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