

Yatharth Hospital & Trauma Care Services Ltd. – Investment BUY Call – 6 Months Horizon

Dear Bajaj Capital Investors,

New Stock Recommendations for BUY on 26 May 2026

CMP -> 808

Upside Potential-> 13%

Investment Horizon -> 6 Months

Target price -> 913

Yatharth Hospital & Trauma Care Services Limited is emerging as one of the fastest-growing healthcare platforms in North India, supported by its expanding super-speciality hospital network, improving case mix and disciplined execution across both mature and newly commissioned facilities. The company operates a strategically diversified healthcare ecosystem across Noida, Greater Noida, Noida Extension, Greater Faridabad, New Delhi, Gurugram, Agra and Jhansi-Orchha, with an installed capacity exceeding 2,500 beds and an announced capacity expansion roadmap of nearly 3,250 beds. The company's cluster-based expansion strategy across the NCR region, combined with rising penetration of high-value specialties such as Oncology, Organ Transplants and tertiary care services, positions it favourably to capitalize on the long-term structural growth opportunity in India's healthcare sector over the medium term.

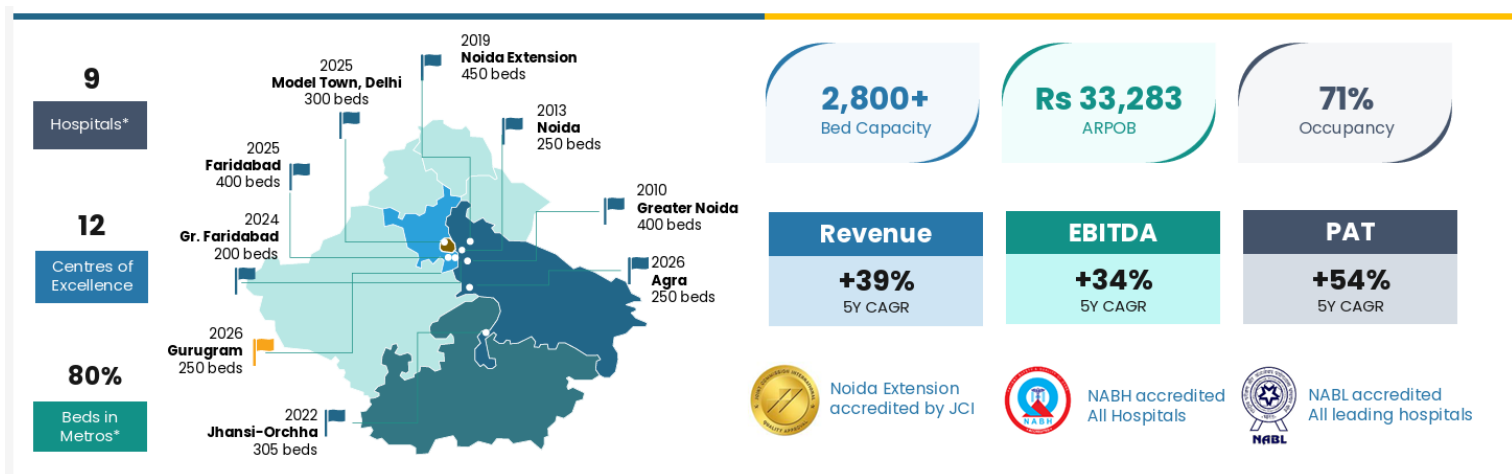
The company delivered a strong operational and financial performance during FY26, reflecting healthy demand momentum across both existing and newly operational hospitals. Consolidated operating revenue increased by 36% YoY to INR 12,072 million in FY26, while EBITDA grew 30% YoY to INR 2,921 million with EBITDA margins remaining healthy at 24.2%. Profit after tax increased by 30% YoY to INR 1,703 million, demonstrating strong earnings scalability despite continued investments in expansion and hospital ramp-ups. Q4FY26 performance remained particularly impressive, with operating revenue rising sharply by 47% YoY to a record INR 3,416 million, while quarterly EBITDA increased by 37% YoY to INR 799 million. Although reported EBITDA margins moderated marginally due to initialization costs associated with newer hospitals, adjusted EBITDA margins remained robust at 30.4%, highlighting the strong profitability profile of the core business.

Operational metrics continue to improve steadily, supported by increasing contribution from high-margin specialties and premium patient categories. Group ARPOB improved by 5% YoY to INR 33,283 during Q4FY26, while flagship facilities such as Noida Extension and Greater Noida reported strong ARPOBs of nearly INR 47,800 and INR 40,300 respectively. Newly operational hospitals in New Delhi and Faridabad Sector-20 are also demonstrating encouraging monetization trends with ARPOBs nearing INR 40,000 and a 100% contribution from cash and TPA patients, which should support further margin expansion over the coming years. In addition, the company's ongoing effort to reduce dependence on institutional and government schemes in favour of higher-yielding private and insured patients is expected to improve revenue quality and profitability on a sustainable basis.

The company's balance sheet strength and superior cash flow generation further enhance the investment attractiveness of the business. Operating cash flows improved significantly from nearly INR 1.5 billion in FY25 to over INR 2.05 billion in FY26, supported by disciplined working capital management and improving operating efficiencies. Yatharth Hospitals reported an exceptionally strong operating cash flow conversion profile, with OCF-to-PAT conversion consistently remaining in the range of 115%–120% during FY25 and FY26, reflecting high earnings quality. Furthermore, OCF-to-EBITDA conversion remained healthy at nearly 70% in both years, while debtor days improved materially to 112 days

from 125 days in the previous year. Such strong cash generation capability provides sufficient financial flexibility to fund future expansions without materially stressing the balance sheet.

Looking ahead over the next 6 months, the company appears well positioned to sustain its strong growth trajectory, driven by continued ramp-up of newly operational hospitals, increasing occupancy levels, improving specialty mix and the upcoming commissioning of the premium Gurugram facility. The recently acquired 250-bed Gurugram hospital, expected to commence operations at the beginning of the next fiscal year, carries significant monetization potential with targeted ARPOB exceeding INR 50,000 and should further strengthen the company's presence in the high-income NCR healthcare market. Considering the company's robust earnings momentum, strong execution track record, healthy balance sheet, superior cash flow profile and aggressive yet disciplined expansion strategy, Yatharth Hospital & Trauma Care Services Limited appears well positioned to deliver healthy operational and earnings growth over the medium term, making it an attractive BUY opportunity for investors with an investment horizon of 6 months.



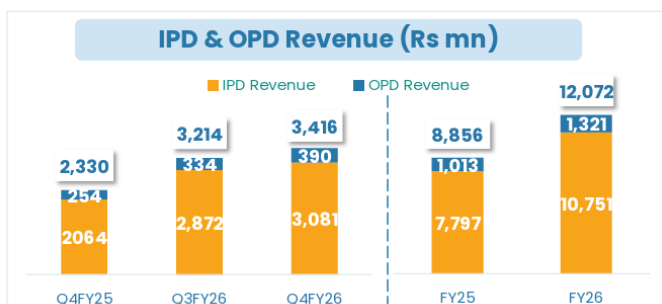
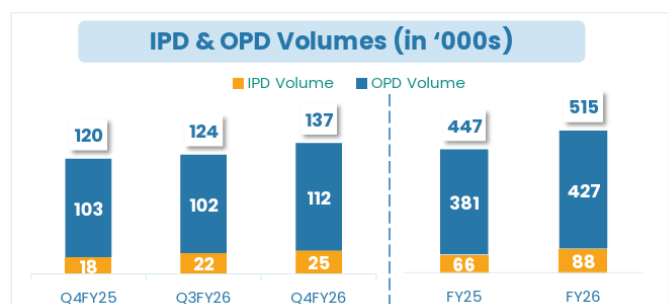
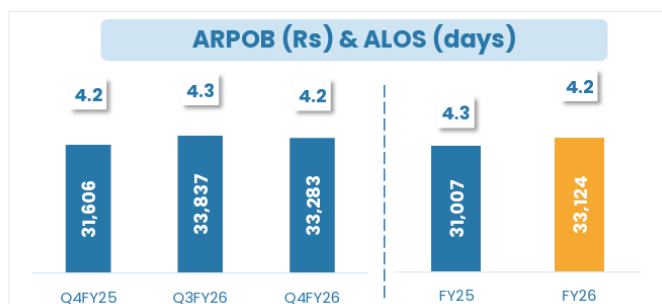
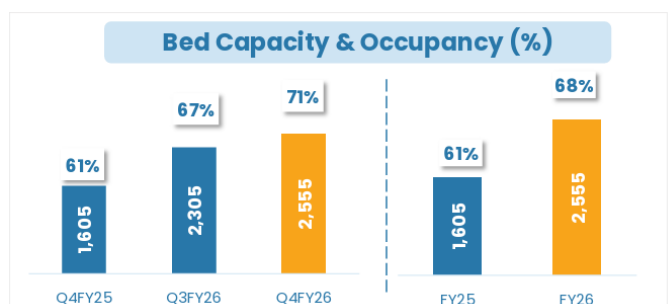
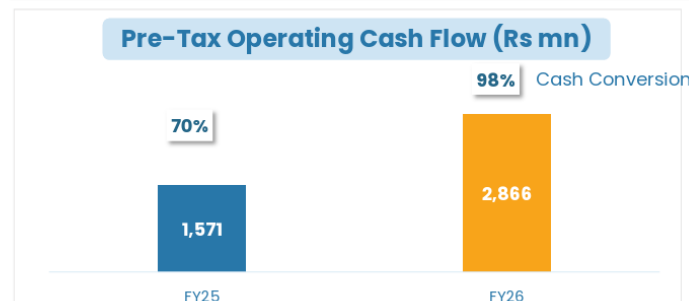
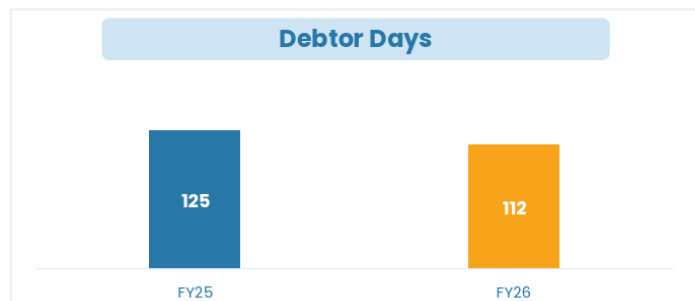
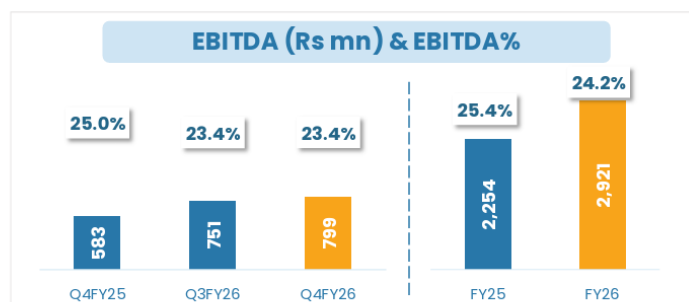
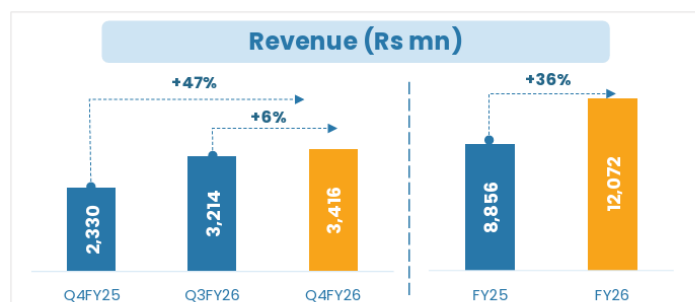
Q4FY26 Results:

	YoY	QoQ	Mar 2026	Dec 2025	Mar 2025
Revenue Cr	47.4%	6.6%	342	320	232
Operating Profit Cr	^ 40.1%	7.6%	80	74	57
OPM %			23.4	23.2	24.6
PAT Cr	^ 15.4%	3.8%	45	43	39
NPM %			13.1	13.4	16.7
EPS ₹	12.8%	4.7%	4.9	4.7	4.4

Q4FY26 & FY26 Consolidated Results:

Particulars (Rs mn)	Q4FY26	Q4FY25	Change YoY	Q3FY26	Change QoQ	FY26	FY25	Change YoY
Revenue from Operations	3,416	2,330	47%	3,214	6%	12,072	8,856	36%
Medical Consumables & Pharmacy	622	444	40%	617	1%	2,346	1,764	33%
Employee Expenses	701	438	60%	635	10%	2,346	1,625	44%
Other Expenses	1,294	865	49%	1,209	7%	4,459	3,213	39%
EBITDA	799	583	37%	751	6%	2,921	2,254	30%
EBITDA Margin %	23.4%	25.0%	(161bps)	23.4%	1bps	24.2%	25.4%	(125bps)
Depreciation and amortisation	300	129	133%	240	25%	878	572	54%
Financial Cost	51	10	422%	10	399%	65	75	(13%)
Other Income	71	41	74%	69	2%	258	110	134%
Profit Before Tax (PBT)	520	485	7%	571	(9%)	2,236	1,717	30%
Tax	73	98	(26%)	140	(48%)	533	412	29%
Profit After Tax (PAT)	447	387	15%	431	4%	1,703	1,306	30%
PAT Margin %	13.1%	16.6%	(353bps)	13.4%	(32bps)	14.1%	14.7%	(63bps)

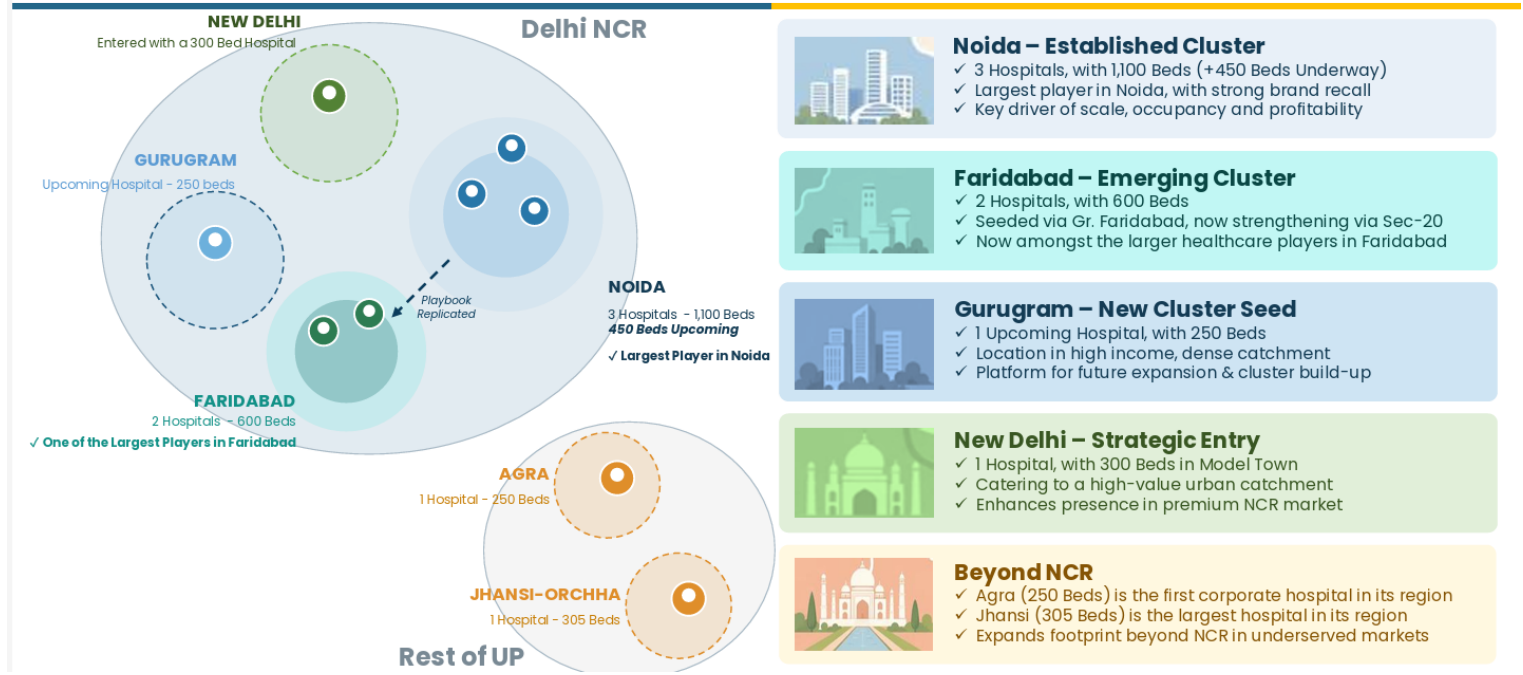
Q4FY26 & FY26 Operational Highlights:





Cluster-Based Growth Strategy

Building Density across clusters to drive Brand Recall and Market Leadership



Seeding the Next Cluster, Gurugram

Acquisition of an under-construction 250-bedded hospital in a high opportunity premium catchment



	Under-Construction Ultra-modern Super-speciality Hospital
	Located Sector 40, Gurugram
	Proposed Bed Capacity 250
	100% Stake Acquisition Rs 100 Crore + Additional Outlay Proposed Rs 100 Crore
	Expected Operationalisation April 2027
<ul style="list-style-type: none"> ❖ Strategically located in Central Gurugram, within a dense and high-income catchment area, encompassing established residential hubs, premium commercial districts, and key corporate corridors ❖ With close proximity to the IGI airport, this facility will be catering to growing healthcare needs of both domestic & international patients. 	

ARPOB Potential
~Rs 50k+

Proposed Outlay
Rs 200 Crore

Agra Hospital integrated w.e.f. February 2026

Expanding reach and adds as the feeder hub, strengthening NCR ecosystem



Well established **Multi-speciality hospital**



Built across **~1,65,000 sq. ft.**



Bed Capacity **250 Beds**



100% stake acquired at **Rs. 260 Cr**



Located in **Agra**



Integrated w.e.f. **Feb 1, 2026**

Latest Monthly Revenue
~Rs 7 crore

Q4 EBITDA
>15%

❖ Located in **Agra**, Uttar Pradesh, on **NH-19**, serving nearby catchment areas with underpenetrated quality medical infrastructure. Proximity to **Yamuna Expressway connecting Gr. Noida with Agra**, would serve as a feeder to the Group's hospitals for Oncology and Organ Transplants



Recommendation Timeline & Performance Summary:

- 1. 3 March 2026 – Initial BUY Recommendation:** The BUY call was initiated at a price of 679 with a target price of 780, implying an upside potential of ~15% over a 6-month investment horizon.
- 2. 4 May 2026 – First Target Achieved:** The stock achieved our target price of 780 within two months, stock price further accelerated to 890 price on 25 May 2026, delivered a return of ~31% from the recommendation price within 3 months, well ahead of schedule.
- 3. 26 May 2026 – Re-Initiation of BUY Call:** We have re-initiated the BUY call at the CMP of 808 with a target price of 913, indicating an envisaged upside potential of 13% over the next 6 months.

Happy Investing!

Thank you and best regards,

On behalf of Bajaj Capital's Research Team