

Narayana Hrudayalaya (NARH) – BUY

Result Update

Current Market Price (CMP) Rs. 411	Target Price Rs. 540
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Our price target of Rs.540 offers upside of 31.4% from current market price.

Rationale:

- Promising recovery trends in India business; Cayman has turned a corner.
- New & Tier-2 units witnessing strong traction; operating above pre-Covid levels.
- Increase FY22-23E EBITDA by 9-11% as new units breakeven faster & Cayman performance is strong. (Earnings Before Interest, Tax, Depreciation & Amortization).
- Retain BUY; Revise Fair Value to Rs540 (fromRs375) based on 18X FY23E EBITDA

Q3FY21 Earnings update:

Positives:

- 3QFY21 revenues recovered to 96% of pre Covid levels.
- Cayman unit sustained its strong performance recording 30% yoy.
- Cash flow generation continues to impress; net debt declines to Rs Rs430 crore.
- Decline in Covid cases drives improvement in patient mix & maturity profile.

Negative:

- Recovery at flagship units remain gradual; high reliance on elective procedures.

[Click here](#)

For detailed report dated 9th Feb 2021. Note: CMP & valuation may differ due to difference in dates.



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Holding Period – 12 Months; Disclaimer: <http://bit.ly/2n5AxIE>