

Nephrocare Health Services Ltd.

'SUBSCRIBE'

10-12-2025 TO 12-12-2025

Industry: Healthcare

Price Band: ₹432 to ₹460

Recommendation: Subscribe for long term

Post Implied Market Cap: ₹4,412 Cr – ₹4,616 Cr

Key Data

Issue Size (₹ Cr)	₹871.05
Fresh (₹ Cr)	₹353.40
OFS (₹ Cr)	₹517.64
No of shares offered (total issue)	1,89,35,819
Face Value (₹ /share)	2
Bid Lot	32 Shares

Indicative Timetable

IPO Open Date	Wed, Dec 10, 2025
IPO Close Date	Fri, Dec 12, 2025
Tentative Allotment	Mon, Dec 15, 2025
Initiation of Refunds	Tue, Dec 16, 2025
Credit of Shares to Demat	Tue, Dec 16, 2025
Tentative Listing Date	Wed, Dec 17, 2025
Cut-off time for UPI mandate confirmation	5 PM on Fri, Dec 12, 2025

Shareholding (No. of shares)

Pre-Issue	9,26,50,799
Post-Issue	10,03,33,516

Issue Breakup

QIB	50%
NII	15%
Retail	35%

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	72.93%	61.20%
Promoters Group	5.97%	5.52%
Other Selling Shareholders	11.28%	5.34%
Public – Others	9.82%	27.95%
Total	100%	100%

Other Details

BRLM: ICICI Securities Limited, Ambit Private Limited, IIFL Capital Services Limited, Nomura Financial Advisory and Securities (India) Private Limited.

Registrar: KFin Technologies Limited

Listing: BSE & NSE

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About the company

Nephrocare Health Services Ltd., branded as NephroPlus, is India's largest organized dialysis service network and a significant global player, specializing in comprehensive renal care including in-clinic and home haemodialysis. Founded in 2009, the company operates a wide network of over 500 standardized clinics across India, with a strong presence in Tier II and Tier III cities, as well as an expanding international footprint in countries like the Philippines and Uzbekistan, all unified by a mission to enable dialysis patients to lead long, happy, and productive lives.

Investment Rationales

Strong Demand: High and rising prevalence of CKD (driven by diabetes/hypertension) ensures predictable, recurring, and life-long demand for dialysis services.

Market Leadership: As India's largest organized dialysis provider, the company benefits from scale, strong hospital partnerships, and a strategic focus on underserved Tier II/III cities.

Profitability Turnaround: Demonstrated operational efficiency led to a successful financial turnaround, achieving substantial Profit After Tax (PAT) of ₹67.1 Cr in FY25 and improving EBITDA margins.

Global Expansion: Successful replication of its model in international markets (e.g., Philippines, Uzbekistan) diversifies revenue streams and provides new avenues for growth.

Strategic IPO Funding: IPO proceeds will be utilized for rapid domestic expansion (new clinics) and de-leveraging (debt repayment), which strengthens the balance sheet and funds future growth.

Risk

Total number of clinics acquired or set up has decreased to 73 in FY25 (from 136 in FY24).

Dialysis pricing is largely dependent on contracts set by healthcare providers.

Our views

Nephrocare Health Services Ltd. has an unique and asset-light model that leverages partnerships and an extensive network of 519 clinics across 288 cities, with a strategic focus on expanding accessibility in Tier II and Tier III regions.

NephroPlus Health Services Ltd. has demonstrated robust financial performance, achieving a consolidated revenue from operations of ₹769.92 Cr in FY25 (a 34% YoY jump) and successfully turning profitable with a PAT of ₹67.09 Cr in FY25, highlighting the positive operating leverage of its scaled network. This momentum continued with a PAT of ₹14.22 Cr in H1 FY26.

The IPO, valued at ₹871.05 Cr, comprising of a Fresh Issue of ₹353.40 Cr and an Offer for Sale (OFS) of ₹517.64 Cr (59.42%) by existing investors.

Given NephroPlus's market leadership, scalable and asset-light model, strong financial turnaround, and the massive, non-discretionary nature of dialysis demand, we recommend a 'SUBSCRIBE' rating for long-term investors.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
GAAP Measures				
Revenue from operations	₹ Cr	437.30	566.16	755.81
Revenue from operations outside India as a percentage of revenue from operations	%	11.70%	23.78%	31.79%
Profit after tax (PAT)	₹ Cr	-11.79	35.13	67.10
Non-GAAP Measures				
PAT margin	%	-2.70%	6.21%	8.88%
EBITDA (excluding other income)	₹ Cr	48.60	99.66	166.64
EBITDA (excluding other income) margin	%	11.11%	17.60%	22.05%
Net Cash Flow generated from Operating Activities / EBITDA (excluding other income)	%	23.19%	72.53%	81.22%
Return on Adjusted Capital Employed	%	0.44%	10.00%	18.67%
Return on Equity	%	-3.00%	8.76%	13.45%
Net Debt / EBITDA (excluding other income)	Number	3.77	1.83	0.58
Operating Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Clinics	Numbers	316	436	490
Number of Patients	Numbers	22890	28947	33076
Treatments	million	2.29	2.67	3.3
Revenue per Treatment	₹	1912.4	2084.15	2274.62
Frequency	x	2.2	2.22	2.23
Utilisation Rate	%	68.63%	69.88%	72.10%

Source: Company RHP

Nephrocare Health Services Ltd. IPO Peer Comparison (As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	P/BV Ratio	Financial statements
Nephrocare Health Services Ltd.	8.28	8.01	59.56	57.43	13.19		Consolidated
Narayana Health	38.9	38.9	160.35	45.21	21.77	10.99	Consolidated
Jupiter Life Line Hospitals	29.47	29.47	192.55	51.1	14.27	7.84	Consolidated
Rainbow Children Hospital	23.97	23.84	134.69	56.84	16.56	10.11	Consolidated
Dr. Agarwal's Healthcare	2.8	2.78	55.13	179.42	5.73	9.05	Consolidated
Dr. Lal Path Labs	58.48	58.4	245.26	52.47	22.3	12.51	Consolidated
Metropolis Healthcare	28.29	28.15	236.34	69.48	10.9	8.28	Consolidated
Vijaya Diagnostics	13.95	13.92	70.98	73.14	17.99	14.54	Consolidated

Notes:

Closing Price per share is closing price in NSE as on Nov 11, , 2025.

P/E is calculated as closing price / diluted EPS.

For the Company, all the numbers have been taken from Restated Consolidated Financial Information. For others, all the numbers have been sourced from the F&S Report.

P/E Ratio of Nephrocare Health Services Ltd. is implied and not actual.

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