

Nephrocare Health Services Ltd.

December 08, 2025



Nephrocare Health Services Ltd. is India's largest dialysis services provider, delivering end-to-end dialysis care from diagnosis and haemodialysis to home/mobile dialysis and ancillary pharmacy support through the country's most extensive renal care network. The company served 29,281 patients and delivered 2.89 million treatments in FY25, representing ~10% of India's dialysis patient base, and further scaled to 31,046 patients and 1.59 million treatments by September 2025. Backed by leadership across patients served, clinics, cities covered, treatments performed, revenue, and EBITDA, Nephrocare is 4.4x larger than the next organized competitor (FY24 revenue basis) and ranks as Asia's largest and the world's fifth-largest dialysis provider by treatments. Its footprint spans 519 clinics, including 51 clinics overseas, making it the only Indian player with meaningful international operations supported by a deep domestic presence across 288 cities in 21 states and four union territories, with over 77% of centres located in underserved Tier II/III markets.

Investment Rationale:

Dominant Market Leader with Scalable Multi-Geography Expansion:

- India's largest dialysis chain, 4.4x bigger than next competitor (FY24); 50%+ share of organized market.
- Asia's largest and world's 5th-largest provider with 1.87M+ treatments delivered in 6M FY26.
- Strong growth momentum: 20% treatment CAGR (FY23-FY25) and 5,562-machine operating base.
- International scale unmatched by peers; 31.8% of FY25 revenue from Philippines, Uzbekistan, Nepal.
- Philippines network scaled from 6 to 51 clinics post-RCDC & Asialife acquisition.
- Secured USD 75M Uzbekistan PPP, building world's largest 165-bed dialysis centre in Tashkent.
- Extensive India footprint across 288 cities, with 77% clinics in Tier II/III, driven by a cluster-based model and strong PPP execution.

Scaled, Asset-Light Platform Driving Strong Cost Efficiencies:

- Scaled from 1 to 519 clinics across 4 countries using an asset-light model.
- 52.4% clinics on revenue-share, keeping capex low at ₹10-16M per clinic.
- Strong Tier II/III presence with 362 clinics, contributing 70-73% of revenues.
- Delivered 2.89M treatments in FY25, addressing ~10% of India's dialysis demand.
- Consumables cost ratio reduced from 32.6% to 25.7%, aided by contract manufacturing.

International Scale-Up with Strong Inorganic Capabilities and Expansion into High-Growth Markets:

- Scaling globally through acquisitions in Philippines, Uzbekistan and other high-growth markets.
- Philippines market growing 22.6% CAGR, with ASP USD 71 vs USD 22 in India.
- Uzbekistan treatments surged from 3,672 to 15,359 monthly, driven by strong demand.
- Proven inorganic engine: DaVita India, RCDC, Asialife and 13+ clinic acquisitions.
- Expanding into Southeast Asia, CIS and Middle East, targeting high-margin regions.
- JV with Al Faisaliah strengthens KSA entry, a premium reimbursement market.
- Global dialysis industry rising to USD 106B, creating scalable international opportunities.

Clinical Excellence Supported by Protocols, Technology and Continuous Innovation:

- RenAssure protocols deliver standardized, globally benchmarked dialysis care across markets.
- Expert advisory panel strengthens clinical governance and innovation.
- Five active clinical trials with presentations at leading global nephrology forums.
- Enpida academy produces skilled workforce; 357 BONENT-certified technicians deployed network-wide.
- Patented Renova cloud-enabled reprocessing system enhances traceability and treatment safety.
- AI-driven tools, digital apps and predictive dashboards support monitoring of 35,000+ patients.

Strong Track Record of Sustainable Growth, Profitability and Returns:

- Revenue grew from ₹4,372.95 mn in FY23 to ₹7,558.12 mn in FY25.
- EBITDA more than tripled from ₹485.95 mn to ₹1,666.37 mn, margins up from 11.11% to 22.05%.
- PAT turned from a loss of ₹117.89 mn in FY23 to a profit of ₹670.96 mn in FY25.
- The clinic base increased from 316 in FY23 to 490 in FY25, guests grew from 22,890 to 33,076, and treatments rose from 2.29 mn to 3.30 mn.
- ROE improved from -3.0% in FY23 to 13.45% in FY25.
- Operating cash flow rising from ₹112.69 mn in FY23 to ₹1,353.47 mn in FY25.

Valuation and Outlook: The global dialysis services industry, valued at USD 75.2 billion in 2024, is projected to expand to USD 106.2 billion by 2029 at a 7.1% CAGR, supported by rising CKD prevalence, improved ESRD detection and widening access to dialysis care. Within this backdrop, Nephrocare is strongly positioned to capture outsized growth through its dominant leadership in India and its rapidly scaling international presence. The company commands over 50% share of India's organized market, is 4.4x larger than its nearest competitor, and delivered a 20% treatment CAGR over FY23-FY25 backed by a 5,562-machine base and deep Tier II/III penetration. International expansion remains a key growth catalyst, with the Philippines market growing at 22.6% CAGR and offering attractive unit economics (USD 71 ASP vs USD 22 in India), where Nephrocare scaled from 6 to 51 clinics post-RCDC and Asialife acquisition. In Uzbekistan, where the dialysis market is expanding at 16.7% CAGR, monthly treatments have surged from 3,672 in FY23 to 15,359 in H1 FY26, supported by strong demand and the company's USD 75 million PPP project anchored around the world's largest 165-bed dialysis centre in Tashkent. The company continues to strengthen its international footprint through a proven inorganic engine that includes DaVita India, RCDC, Asialife and 13+ clinic acquisitions, while future expansion opportunities across Southeast Asia, CIS and the Middle East remain highly attractive. Notably, the JV with Al Faisaliah Group provides a strategic entry into Saudi Arabia, one of the highest-reimbursement dialysis markets globally. Operationally, Nephrocare's asset-light model, with 52% of clinics on revenue-sharing arrangements and tightly managed capex of ₹10-16 million per clinic, supports structurally lower costs, further enhanced by contract manufacturing initiatives that have reduced consumables cost ratios from 32.6% to 25.7% over FY23-FY25. Clinical excellence remains central to its differentiation through RenAssure protocols, a high-calibre advisory board, BONENT-accredited Enpida training academies, patented Renova technology and AI-enabled predictive systems. Financially, the company has demonstrated a strong turnaround with revenue rising from ₹4,372.95 million in FY23 to ₹7,558.12 million in FY25, EBITDA tripling to ₹1,666.37 million, PAT turning positive to ₹670.96 million and ROE improving to 13.45%. We recommend subscribing to the issue as a long-term investment, supported by strong growth triggers including international expansion, PPP-driven scale-up, rising utilisation, contract manufacturing benefits, technology-enabled efficiencies, margin accretion from high-ASP markets and a robust inorganic pipeline.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROCE
FY23	4,372.95	-	485.95	11.11	-117.89	-1.53	-3.00	1.31
FY24	5,661.55	29.47	1,008.86	17.82	351.33	4.40	8.76	8.59
FY25	7,558.12	33.50	1,666.37	22.05	670.96	8.01	13.45	14.76

SUBSCRIBE

research@smifs.com

Nephrocare Health Services Ltd. is India's largest dialysis services provider, delivering end-to-end dialysis care from diagnosis and haemodialysis to home/mobile dialysis and ancillary pharmacy support through the country's most extensive renal care network. The company served 29,281 patients and delivered 2.89 million treatments in FY25, representing ~10% of India's dialysis patient base, and further scaled to 31,046 patients and 1.59 million treatments by September 2025. Backed by leadership across patients served, clinics, cities covered, treatments performed, revenue, and EBITDA, Nephrocare is 4.4x larger than the next organized competitor (FY24 revenue basis) and ranks as Asia's largest and the world's fifth-largest dialysis provider by treatments. Its footprint spans 519 clinics, including 51 clinics overseas, making it the only Indian player with meaningful international operations supported by a deep domestic presence across 288 cities in 21 states and four union territories, with over 77% of centres located in underserved Tier II/III markets.

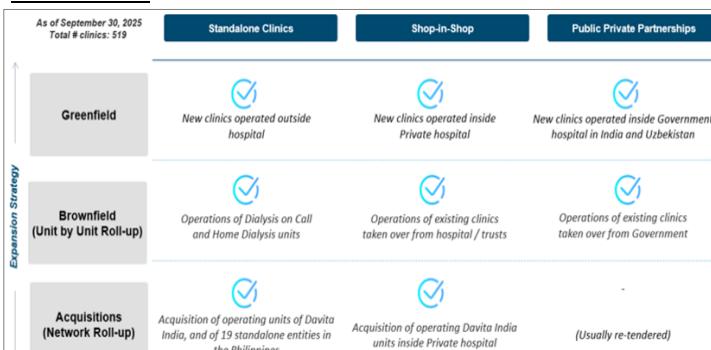
Business Operations

Dialysis Services Dialysis is a procedure for removing waste products and excess fluids from a person's bloodstream when the kidneys become dysfunctional. The treatment helps in keeping the balance of electrolytes and fluid level in the body.

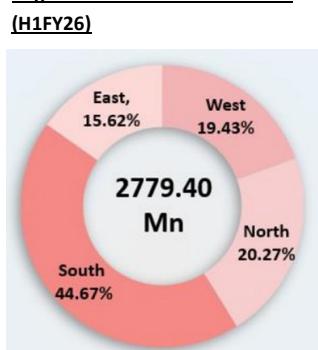
There are two primary dialysis modalities:

- **Haemodialysis:** A dialysis machine removes unfiltered blood from the body by passing it through a dialyzer (artificial kidney) and returns clean blood to the body.
- **Peritoneal dialysis:** The patient's abdomen lining acts as a natural filter. Wastes are taken out by means of a cleansing fluid (called dialysate), which is washed in and out of the abdomen in cycles

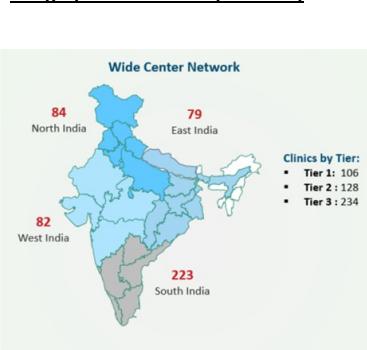
Business Model



Region-wise Clinic Revenue Mix (H1FY26)



Geographical Network (H1FY26)

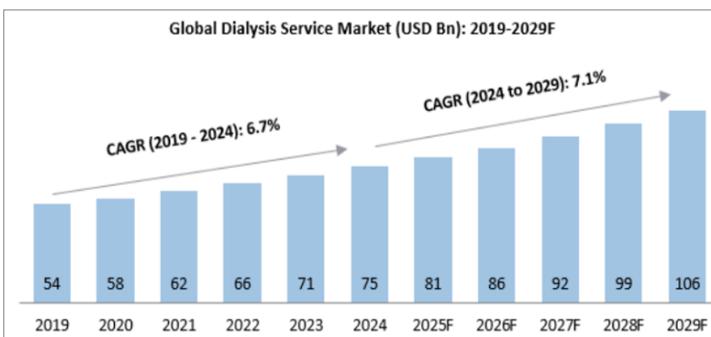


Industry Overview:

The global burden of non-communicable diseases has risen significantly over the past three decades, with Disability-Adjusted Life Years increasing from 1,150 in 1990 to 1,700 in 2021. Within this trend, diabetes and kidney disease have more than tripled and now represent some of the fastest-growing contributors to global morbidity and mortality. Kidney disease has emerged as the third fastest-growing cause of death worldwide and is the only major non-communicable disease where age-adjusted mortality continues to rise. Diabetes and hypertension remain the dominant drivers of chronic kidney disease (CKD), accounting for 50.6% and 23.3% of global cases. As a result, more than 325,000 new ESRD patients are added each year, translating into incremental demand for over 4.2 million dialysis treatments annually, underscoring the need for expanded dialysis capacity and more cost-efficient renal care models.

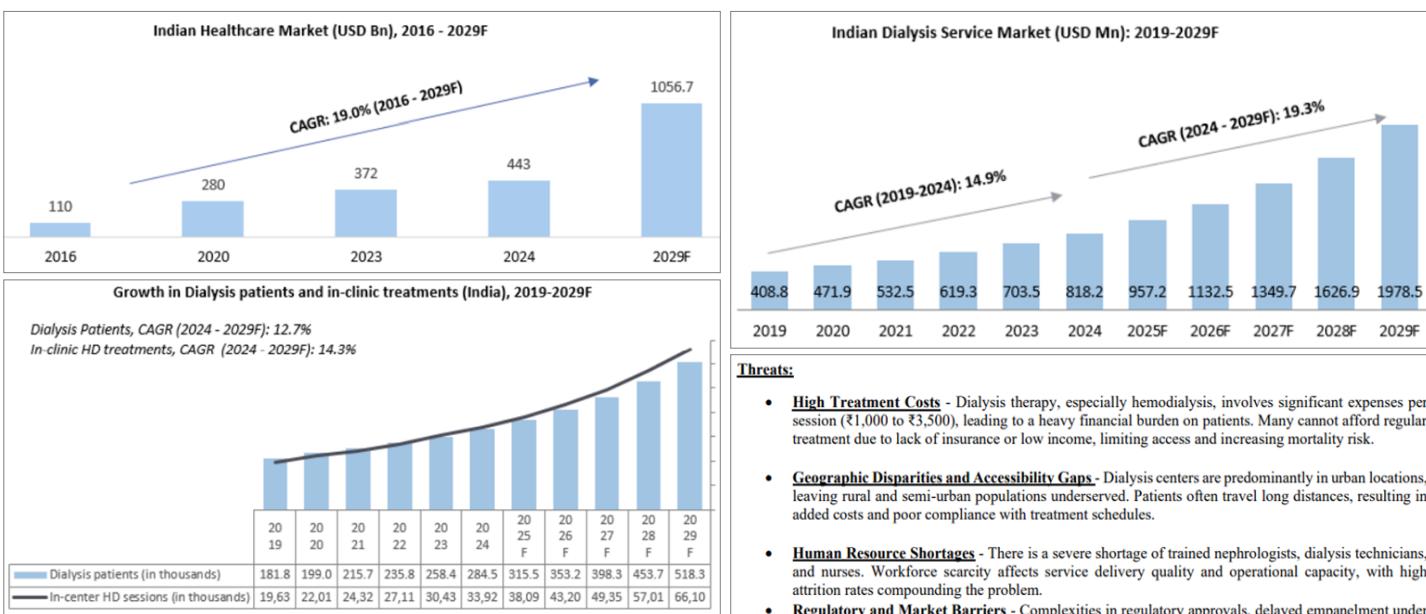
The global dialysis services industry was valued at USD 75.2 billion in 2024 and is projected to reach USD 106.2 billion by 2029, growing at a 7.1% CAGR. Growth is supported by increasing CKD prevalence, improved ESRD diagnosis, and expanding access to dialysis services across both developed and emerging markets. The combined dialysis markets of India, the Philippines, and Uzbekistan represented an estimated USD 1.9 billion opportunity in 2025, with strong forward growth prospects, India at 19.3%, the Philippines at 22.6%, and Uzbekistan at 16.7% between 2024 and 2029. Price points vary significantly across regions, with the average cost per dialysis session at USD 22 in India, USD 71 in the Philippines, and about USD 72.5 in Uzbekistan under prevailing market and PPP rates.

Country-level dynamics further highlight the attractiveness of these high-growth markets. The dialysis services market in the Philippines was valued at USD 492.2 million in 2024 and is expected to grow to USD 1.36 billion by 2029 at a 22.6% CAGR. Uzbekistan's market, valued at USD 78.9 million in 2024, is projected to more than double to USD 170.5 million by 2029 at a 16.7% CAGR. Under Uzbekistan's PPP model, the government reimburses private operators, with average treatment costs of USD 72.5; cost efficiencies achieved through newer PPP contracts have reduced government spending to USD 48 per treatment compared with USD 60 prior to partnership arrangements. The Kingdom of Saudi Arabia also presents a large-scale opportunity, with a dialysis market estimated at USD 1.43 billion in 2024 and projected to reach USD 3.21 billion by 2029 at a 17.5% CAGR, supported by relatively high government reimbursement of approximately USD 300 per treatment.



In India, the dialysis services market was valued at USD 818 million in FY24 and is projected to reach USD 1.98 billion by FY29, reflecting a robust 19.3% CAGR. The organized segment accounts for roughly 20% of this market, with the remainder served by standalone private and government facilities. The in-clinic haemodialysis segment - USD 787.3 million in 2024 is expected to grow at a 19.4% CAGR through FY29, supported by rising CKD incidence, improved awareness, and evolving government programs aimed at improving access. However, penetration remains low, with only one in fifteen ESRD patients receiving dialysis due to constraints related to accessibility, affordability, and infrastructure gaps. These demand-supply imbalances, combined with high growth visibility in India and international regions, continue to create favorable long-term conditions for scaled dialysis service providers such as Nephrocare Health Services Ltd.

Nephrocare Health Services Ltd. is India's largest dialysis services provider, delivering end-to-end dialysis care from diagnosis and haemodialysis to home/mobile dialysis and ancillary pharmacy support through the country's most extensive renal care network. The company served 29,281 patients and delivered 2.89 million treatments in FY25, representing ~10% of India's dialysis patient base, and further scaled to 31,046 patients and 1.59 million treatments by September 2025. Backed by leadership across patients served, clinics, cities covered, treatments performed, revenue, and EBITDA, Nephrocare is 4.4x larger than the next organized competitor (FY24 revenue basis) and ranks as Asia's largest and the world's fifth-largest dialysis provider by treatments. Its footprint spans 519 clinics, including 51 clinics overseas, making it the only Indian player with meaningful international operations supported by a deep domestic presence across 288 cities in 21 states and four union territories, with over 77% of centres located in underserved Tier II/III markets.



The dialysis industry is set for sustained growth driven by rising CKD and ESRD prevalence, aging populations, and increasing incidence of diabetes and hypertension. Despite growing demand, treatment penetration remains low in many emerging markets, providing significant expansion headroom for organized providers. Government reimbursement programs and PPP models are improving affordability and access, supporting formalization of the sector. With essential, non-discretionary demand and high recurrence of treatments, the industry offers strong visibility and stable, long-term growth potential for scaled operators.

Investment Rationale:

Dominant Market Leader with Scalable Multi-Geography Expansion: Nephrocare Health Services Ltd. stands as India's largest dialysis services provider and the dominant market leader across every major metric-patients served, clinics, cities covered, treatments performed, revenue, and EBITDA in FY25. The company is 4.4x the size of the next-largest organized competitor (FY24 revenue basis) and commands over 50% share of the organized Indian dialysis market in terms of both treatments and revenue. Its leadership extends beyond India, ranking as Asia's largest and the world's fifth-largest dialysis service provider in FY25. This scale is reinforced by a comprehensive suite of offerings spanning haemodialysis, home haemodialysis, hemodiafiltration, holiday dialysis, dialysis on wheels, and dialysis on call, enabling Nephrocare to position itself as a full-spectrum renal care provider. As of September 30, 2025, the company had delivered over 1.87 million treatments, with treatment volumes expanding at a CAGR of 20.1% between FY23 and FY25, supported by a robust machine base of 5,562 units.

Nephrocare is also the only Indian dialysis chain to have successfully built scale internationally, contributing over 31.79% of FY25 revenue. The company operates across four countries - India, Philippines, Uzbekistan, and Nepal and is the third-largest provider in the Philippines by clinic count. International expansion has been driven through a blend of acquisitions, hospital arrangements, and public-private partnerships. A key milestone was the acquisition of Royal Care Dialysis Centre Inc. (RCDC) and Asialife Healthcare Corp. in 2020, which provided a platform for rapid scale-up in the Philippines, expanding from six clinics at entry to 51 clinics by September 2025. The company further strengthened its global profile by winning a USD 75+ million PPP contract from the Ministry of Health, Uzbekistan, to develop four clinics, including a landmark 165-bed dialysis center in Tashkent, now the largest dialysis clinic globally. Entry into the KSA market through a JV with Arabian International Healthcare Holding Company in FY24 positions Nephrocare in one of the most attractive, high-reimbursement dialysis markets in Asia.

Domestically, Nephrocare's network spans 21 states, four union territories, and 288 cities, with 77.35% of clinics located in Tier II and Tier III regions - markets with limited competition, strong patient demand, and favourable economics. Expansion is guided by a cluster-based model that evaluates patient density, CKD incidence, nephrologist availability, existing dialysis capacity, and government scheme penetration. This disciplined micro-market selection enables strong utilization, efficient resource allocation, and operating leverage across the network. The company also plans to upgrade high-volume clinics by increasing dialysis bays, adding isolation areas, and redesigning patient flow to accommodate rising demand and improve experience.

Partnership-driven growth remains a key pillar, with Nephrocare maintaining strong traction in PPPs and hospital service agreements. The company has executed several large PPP projects, including establishing over 90 clinics in Karnataka within 90 days demonstrating exceptional execution capability. Nephrocare continues to assess PPP opportunities based on treatment potential, clinic count, revenue per session, state agency credibility, and payment terms. Hospital-driven outsourcing, a globally established model, offers capital-light expansion while ensuring standardized delivery and full operational control. The company is also open to selective inorganic opportunities to deepen geographic density and accelerate clinic expansion.

Scaled, Asset-Light Platform Driving Strong Cost Efficiencies: Nephrocare has built one of the world's largest dialysis networks through a disciplined, asset-light expansion strategy. From a single clinic in 2010, the company has scaled to 519 clinics across 328 cities in India, Nepal, the Philippines, and Uzbekistan as of September 30, 2025, supported by a mix of 80 greenfield clinics, 259 brownfield clinics, and 180 PPP-led facilities. Notably, 52.41% of clinics operate under revenue-sharing arrangements with limited space investment, allowing rapid capacity addition with low capital outlay. Capital expenditure per clinic has remained tightly managed at ₹10.31 million in H1 FY25, ₹14.09 million in FY25, ₹16.61 million in FY24, and ₹11.03 million in FY23.

The company's scale generates meaningful operating leverage through centralized procurement and bulk purchases of machines and consumables, enabling favourable pricing from global suppliers and competitive setup costs. This cost-efficient model supports the highest revenue base among organized dialysis providers in India, with revenue rising from ₹4,372.95 million in FY23 to ₹7,558.12 million in FY25. Growth is further enhanced by a cluster-based expansion approach, where micro-markets are identified based on demand-supply gaps, nephrologist availability, dialysis load, government reimbursement schemes, and catchment dynamics. A 21-member business development team drives acquisitions, hospital partnerships, and PPP expansions.

The company has strong penetration in underserved regions, operating 128 clinics in Tier II and 234 clinics in Tier III cities, which together contributed 72.69% of revenue in H1 FY25 and between 69.64% and 74.22% of revenue across FY23 to FY25. This regional depth has supported steady utilisation, with Nephrocare serving 29,281 patients and performing 2,885,450 treatments in FY25, representing approximately 10% of India's dialysis burden.

Focused specialization in dialysis has also enabled meaningful cost reductions. Improved efficiency in consumables such as blood tubing, acid/bicarbonate solutions, and saline, combined with supplier diversification, reduced materials consumed as a percentage of revenue from 32.59% in FY23 to 25.69% in FY25 and further to 23.05% in H1 FY25. Vertical integration through contract manufacturing of key consumables, including blood tubing sets and bicarbonate solutions, has strengthened quality control, reduced dependency on external brands, lowered import costs, and improved supply reliability. Continued investment in supply chain systems, technology, and expanded in-house manufacturing is expected to further deepen cost advantages as scale increases.

International Scale-Up with Strong Inorganic Capabilities and Expansion into High-Growth Markets: Nephrocare intends to continue selectively pursuing strategic acquisitions and investments in the Philippines, Uzbekistan and other key markets to strengthen its network, enhance offerings, expand geographic coverage and grow its patient base. In the Philippines, the dialysis services market was valued at USD 492.2 million in 2024 and is expected to reach USD 1,361.4 million in 2029 at a CAGR of 22.6%, supported by attractive unit economics with an average treatment price of USD 71 compared to USD 22 in India. Since entering the Philippines in FY20, the company has grown from 3,614 treatments per month in FY21 to 22,073 treatments per month in FY25. In Uzbekistan, where the market is expected to expand from USD 78.9 million in 2024 to USD 170.5 million in 2029 at a 16.7% CAGR, monthly treatments scaled from 3,672 in FY23 to 13,861 in FY25 and 15,359 in H1 FY25. These markets offer higher pricing, strong demand growth, and the potential for meaningful scale.

The company has a proven track record of executing and integrating strategic acquisitions across India and international markets. Key transactions include DaVita India, majority stakes in RCDC and Asialife in the Philippines, the acquisition of Renal Therapy Solutions Inc., the Hemo Group, and 13 additional stand-alone clinics in the Philippines. These acquisitions have facilitated rapid scale-up, access to established patient pools and improved operational performance. Nephrocare has a dedicated business development team that identifies high-quality acquisition targets with strong clinical outcomes and established market presence in the Philippines and other geographies. Following each acquisition, the company standardizes operations by upgrading infrastructure, implementing global best practices, providing transition staff, training clinical teams and integrating technology systems.

Nephrocare also plans to deepen its presence in Southeast Asia, the Commonwealth of Independent States (CIS) and the Middle East. The global dialysis services industry, valued at USD 75.2 billion in 2024 and projected to reach USD 106.2 billion in 2029 at a 7.1% CAGR, provides significant white space for expansion. Countries such as Malaysia and Kazakhstan exhibit under-penetration of organized dialysis services, rising CKD incidence, increasing healthcare expenditure and higher price realization per treatment, creating margin-accretive entry opportunities. Nephrocare evaluates new markets based on treatment volumes, reimbursement frameworks, political and economic stability, ease of doing business, availability of local partners, and repatriation feasibility.

The company is already present in Nepal, the Philippines and Uzbekistan, and strengthened its Middle East presence through a joint venture with Arabian International Healthcare Holding Company (Al Faisaliah Group) in KSA. Its international growth strategy is guided by its "Made in India for the World" vision, leveraging India-developed operating models - standalone clinics, greenfield development, hospital-based service agreements and public-private partnerships which can be replicated in new geographies based on local requirements. Supported by centralized procurement efficiencies, established supply chain relationships and cost-competitive delivery, Nephrocare aims to offer high-quality dialysis care in global markets with favourable healthcare dynamics, scalable demand and strong potential for margin accretion.

Clinical Excellence Supported by Protocols, Technology and Continuous Innovation: Nephrocare's clinical outcomes are driven by a protocol-led operating framework anchored in its RenAssure protocols, which govern every step of dialysis care and are periodically updated to incorporate global research developments. As the company expands internationally, its clinical teams collaborate with local personnel to understand regional protocol differences and adapt RenAssure to meet country-specific requirements. Oversight is strengthened by an Advisory Team of Clinical Experts led by Professor Vivekanand Jha and comprising senior nephrologists including Dr. Suresh Sankar, Dr. Umesh Khanna and Dr. Avinash Ignatius, ensuring rigorous clinical governance, innovation support and standardized implementation. Continuous internal training programs reinforce protocol adherence and patient-centric care, and several clinics located within NABH- and JCI-accredited hospitals operate under globally benchmarked quality standards.

Nephrocare further enhances clinical quality through research-led initiatives supported by its registered ethics committee, enabling independent clinical studies. As of September 30, 2025, the company is involved in five clinical trials, with findings presented at leading global nephrology conferences such as the World Congress of Nephrology, the American Society of Nephrology and the European Renal Association, as well as national platforms of the Indian Society of Nephrology and the Indian Society of Haemodialysis. Talent development is strengthened through Enpidia, the company's dialysis technician training academy and India's only BONENT-accredited institute. Enpidia offers a 24-month diploma comprising theoretical and in-clinic training, operates eight academies nationwide and had 357 trained technicians employed by Nephrocare as of September 30, 2025.

Advanced technology is central to Nephrocare's clinical delivery model. The company has developed Renova, a globally patented, cloud-enabled dialyzer reprocessing system featuring remote troubleshooting and enhanced traceability, ensuring safe and standardized dialyzer reuse for the same patient. Nephrocare has deployed a suite of digital applications for patients, nephrologists and clinical teams, enabling appointment management, medical record access, treatment monitoring, consultation payouts and real-time oversight during dialysis sessions. In-clinic digital platforms such as the Guest, Nephrologist and In-Clinic applications, support workflow standardization and operational efficiency. Technology systems also track treated water quality, EQ-5D quality-of-life metrics and other clinical indicators essential for dialysis care.

The company has further embedded AI into its patient engagement and clinical processes. It has partnered with an AI firm to develop "Pooja," a chatbot offering personalized dietary guidance, and built proprietary data platforms and predictive analytics dashboards to identify high-risk patients for timely intervention. Nephrocare continues to invest in technology-enabled home dialysis, remote monitoring and predictive care to enhance convenience, continuity and safety beyond clinic environments. As the company scales across India and international markets, these protocol-driven, technology-enabled systems remain core enablers of high-quality, efficient and personalized dialysis care.

Strong Track Record of Sustainable Growth, Profitability and Returns: Nephrocare has delivered a sustained improvement in scale and profitability between FY23 and FY25, supported by network expansion, rising treatment volumes and an increasing contribution from international operations. Revenue grew from ₹4,372.95 million in FY23 to ₹7,558.12 million in FY25, while EBITDA (excluding other income) more than tripled from ₹485.95 million to ₹1,666.37 million, expanding margins from 11.11% to 22.05% as operating leverage strengthened. PAT turned around meaningfully from a loss of ₹117.89 million in FY23 to a profit of ₹670.96 million in FY25, reflecting improved unit economics, cost efficiency and better utilization. ROE improved from -3.0% in FY23 to 13.45% in FY25. This momentum continued into H1 FY26, with PAT of ₹142.28 million, EBITDA of ₹1,103.10 million (23.30% margin) and revenue of ₹4,735.01 million.

Operational metrics reflect consistent expansion and productivity gains. The clinic base increased from 316 in FY23 to 490 in FY25, guests grew from 22,890 to 33,076, and treatments rose from 2.29 million to 3.30 million over the same period, reinforcing stable utilization and network efficiency. The company's disciplined cost management and asset-light model have supported stable growth while keeping establishment costs lean and improving profitability year on year.

Cash generation has strengthened materially, with operating cash flow rising from ₹112.69 million in FY23 to ₹722.80 million in FY24 and ₹1,353.47 million in FY25, further supported by ₹381.08 million in H1 FY26. Balance sheet strength has improved consistently, with total assets increasing from ₹6,662.30 million in FY23 to ₹8,060.17 million in FY24 and ₹9,964.60 million in FY25, reaching ₹11,936.75 million as of H1 FY26. Nephrocare's Return on Adjusted Capital Employed improved to 18.67% in FY25 from 0.44% in FY23, with PAT margins strengthening from -2.70% in FY23 to 8.88% in FY25. This financial performance demonstrates a consistent improvement in profitability, operational efficiency and capital productivity.

Together, these trends highlight a robust and scalable business model supported by strong cash flows, expanding margins and a healthy balance sheet, positioning Nephrocare to fund future growth initiatives and strategic expansion both in India and internationally.

Valuation & Outlook: The global dialysis services industry, valued at USD 75.2 billion in 2024, is projected to expand to USD 106.2 billion by 2029 at a 7.1% CAGR, supported by rising CKD prevalence, improved ESRD detection and widening access to dialysis care. Within this backdrop, Nephrocare is strongly positioned to capture outsized growth through its dominant leadership in India and its rapidly scaling international presence. The company commands over 50% share of India's organized market, is 4.4x larger than its nearest competitor, and delivered a 20% treatment CAGR over FY23-FY25 backed by a 5,562-machine base and deep Tier II/III penetration. International expansion remains a key growth catalyst, with the Philippines market growing at 22.6% CAGR and offering attractive unit economics (USD 71 ASP vs USD 22 in India), where Nephrocare scaled from 6 to 51 clinics post-RCDC and Asialife acquisition. In Uzbekistan, where the dialysis market is expanding at 16.7% CAGR, monthly treatments have surged from 3,672 in FY23 to 15,359 in H1 FY26, supported by strong demand and the company's USD 75 million PPP project anchored around the world's largest 165-bed dialysis centre in Tashkent. The company continues to strengthen its international footprint through a proven inorganic engine that includes DaVita India, RCDC, Asialife and 13+ clinic acquisitions, while future expansion opportunities across Southeast Asia, CIS and the Middle East remain highly attractive. Notably, the JV with Al Faisaliah Group provides a strategic entry into Saudi Arabia, one of the highest-reimbursement dialysis markets globally. Operationally, Nephrocare's asset-light model, with 52% of clinics on revenue-sharing arrangements and tightly managed capex of ₹10-16 million per clinic, supports structurally lower costs, further enhanced by contract manufacturing initiatives that have reduced consumables cost ratios from 32.6% to 25.7% over FY23-FY25. Clinical excellence remains central to its differentiation through RenAssure protocols, a high-calibre advisory board, BONENT-accredited Enpida training academies, patented Renova technology and AI-enabled predictive systems. Financially, the company has demonstrated a strong turnaround with revenue rising from ₹4,372.95 million in FY23 to ₹7,558.12 million in FY25, EBITDA tripling to ₹1,666.37 million, PAT turning positive to ₹670.96 million and ROE improving to 13.45%. We recommend subscribing to the issue as a long-term investment, supported by strong growth triggers including international expansion, PPP-driven scale-up, rising utilisation, contract manufacturing benefits, technology-enabled efficiencies, margin accretion from high-ASP markets and a robust inorganic pipeline.

Revenue Decomposition

	H1FY26		FY25		FY24		FY23	
Particulars	Revenue (₹ million)	% of Revenue						
Income from dialysis & related services	4714.96	99.58	7483.44	99.01	5395.51	95.3	4145.25	94.79
Sale of pharmacy & consumables	6.84	0.14	17.01	0.23	166.51	2.94	227.7	5.21
Liabilities no longer required written back	7.39	0.16	55.34	0.73	93.1	1.64	-	-
Scrap sales	1.81	0.04	2.33	0.03	2.79	0.05	-	-
Sponsorship income	-	-	-	-	1.62	0.03	-	-
Training & admission fees	-	-	-	-	2.02	0.04	-	-
Others	4.01	0.08	-	-	-	-	-	-
Total	4735.01	100	7558.12	100	5661.55	100	4372.95	100

Geographical Revenue

	H1FY26		FY25		FY24		FY23	
Particulars	Revenue (₹ million)	% of Revenue						
India including Nepal	2842.83	60.04	5155.02	68.21	4315.39	76.22	3861.11	88.3
Outside India (Philippines & Uzbekistan)	1892.18	39.96	2403.1	31.79	1346.16	23.78	511.84	11.7
Total	4735.01	100	7558.12	100	5661.55	100	4372.95	100

Revenue from India - Top 5 States

Particulars	H1FY26		% of Revenue
	Revenue (₹ million)		
Karnataka	571.2		20.55
Andhra Pradesh	391.17		14.07
Maharashtra	312.66		11.25
Bihar	184.53		6.64
Gujarat	161.09		5.8
Total	1620.66		58.31

Revenue outside India

Particulars	H1FY26		FY25		FY24		FY23	
	Revenue (₹ million)	% of Revenue						
Uzbekistan	455.19	9.61	773.95	9.71	664.95	11.75	168.5	3.85
Philippines	1436.99	30.35	1665.44	22.03	681.21	12.03	343.34	7.85
Others	-	-	3.71	0.05	-	-	-	-
Total	1892.18	39.96	2403.1	31.79	1346.16	23.78	511.84	11.7

Operational Metrics

Particulars	H1FY26	FY25	FY24	FY23
Clinics	519	490	436	316
Number of Patients	35425	33076	28947	22890
Treatments (million)	1.87	3.3	2.67	2.29
Revenue per treatment (₹)	2531.05	2274.62	2084.15	1912.4
Frequency	2.26	2.23	2.22	2.2
Utilization Rate (%)	74.99%	72.10%	69.88%	68.63%

In Clinic Dialysis Services

Particulars	H1FY26	FY25	FY24	FY23
Captive Clinics	272	255	233	224
Standalone Clinics	67	59	46	27
PPP Clinics	180	176	157	65
Total	519	490	436	316

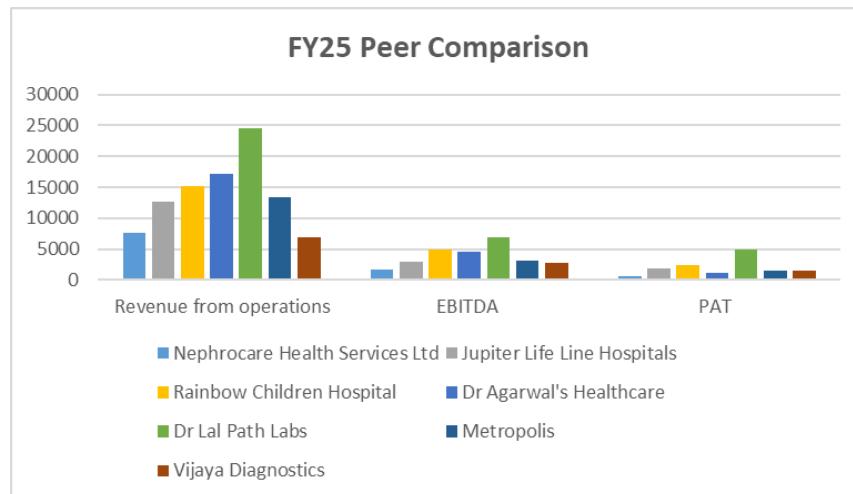
Clinic Additions

Particulars	H1FY26	FY25	FY24	FY23
Captive Clinics	31	38	24	26
Standalone Clinics	4	20	94	3
PPP Clinics	9	15	18	9
Total	44	73	136	35

Peer Comparison

Name of the company	Diluted EPS 2025 (₹)	Price as on Dec 2, 2025	P/E (x)
Nephrocare Health Services Ltd	8.01	460	57.43
Narayana Health	38.9	1910.3	49.11
Jupiter Life Line Hospitals	29.47	1450.3	49.21
Rainbow Children Hospital	23.84	1335.4	56.02
Dr Agarwal's Healthcare	2.78	519.15	186.74
Dr Lal Path Labs	58.4	3044	52.12
Metropolis	28.15	1939.3	68.89
Vijaya Diagnostics	13.92	1010.85	72.62

Particulars FY25	Unit	Nephrocare Health Services Ltd	Narayana Health	Jupiter Life Line Hospitals	Rainbow Children Hospital	Dr Agarwal's Healthcare	Dr Lal Path Labs	Metropolis	Vijaya Diagnostics
Revenue from operations	₹ million	7558.12	54829.77	12615.45	15158.66	17110	24614	13312.02	6813.9
EBITDA	₹ million	1666.37	12680.24	2965.64	4898.88	4533.6	6956	3029.96	2721.86
EBITDA margin	%	22.05	23.13	23.51	32.32	26.5	28.26	22.76	39.95
PAT	₹ million	670.96	7898.19	1935	2442.27	1103.4	4922	1455.14	1437.97
PAT margin	%	8.88	14.17	15	15.59	6.28	19.27	10.81	20.55
ROE	%	13.45	24.25	15.33	23.83	6.67	24.06	11.96	19.76



Income Statement				Balance Sheet			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mn)	FY23	FY24	FY25
Revenue	4,372.95	5,661.55	7,558.12	Source of funds			
Expenses:				Equity Share Capital	17.40	17.49	17.65
Cost of Material Consumed	1425.13	1686.14	1941.4	Reserves	3834.96	4085.65	5786.63
Employee Cost	966.90	913.91	1226.62	Total Share holders funds	3886.31	4137.09	5841.13
Total Expenses	3,887.00	4,652.69	5,891.75	Total Debt	1,962.08	2,433.65	2,258.02
EBITDA	485.95	1,008.86	1,666.37	Current Liabilities	1,746.13	2,425.85	2,838.95
EBITDA Margin %	11.11	17.82	22.05	Trade Payables	432.78	705.32	1128.82
Interest	162.71	201.79	208.34	Total Non-Current Liabilities	1,029.86	1,497.23	1,284.52
Depreciation	468.79	561.13	724.69	Total Liabilities	6,662.30	8,060.17	9,964.60
Other Income	59.64	85.67	141.03				
PBT	-85.91	331.61	974.37	Application of funds			
PAT	-117.89	351.33	670.96	Fixed Assets	1852.72	2628.24	2776.92
EPS	-1.53	4.40	8.01	Capital Work in Progress	316.49	6.87	58.42
				Cash and Bank	141.99	611.73	1553.87
				Current Assets	3242.55	3900.34	5453.57
				Trade Receivables	1585.05	2026.67	2664.17
				Other current assets	96.38	144.72	169.50
				Total Assets	6,662.30	8,060.17	9,964.60
Cash Flow				Key Ratios			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mn)	FY23	FY24	FY25
Profit Before Tax	-85.91	331.61	974.37	Growth Ratio			
Adjustment	685.63	801.84	830.40	Net Sales Growth(%)	-	29.47	33.50
Changes In working Capital	-533.24	-330.02	-441.73	EBITDA Growth(%)	-	107.61	65.17
Cash Flow after changes in Working Capital	66.48	803.43	1,363.04	PAT Growth(%)	-	398.02	90.98
Tax Paid	46.21	-80.63	-9.57	Margin Ratios			
Cash From Operating Activities	112.69	722.80	1353.47	EBITDA	11.11	17.82	22.05
Cash Flow from Investing Activities	-782.06	-506.60	-1,250.73	PBT	-1.96	5.86	12.89
Cash from Financing Activities	599.66	267.39	543.71	PAT	-2.70	6.21	8.88
Net Cash Inflow / Outflow	-69.71	483.59	646.45	Return Ratios			
Opening Cash & Cash Equivalents	185.51	140.60	611.51	ROA	-1.81	4.91	7.63
Closing Cash & Cash Equivalent	140.60	611.51	1258.17	ROE	-3.00	8.76	13.45
				ROCE	1.31	8.59	14.76
				Turnover Ratios			
				Asset Turnover(x)	0.67	0.79	0.86
				Inventory Turnover(x)	16.65	21.70	28.77
				Fixed Asset Turnover (x)	1.13	1.19	1.22
				Solvency Ratios			
				Debt/Equity(x)	0.50	0.59	0.39
				Current Ratio(x)	1.86	1.61	1.92
				Quick Ratio(x)	1.71	1.50	1.83
				Interest Cover(x)	0.47	2.64	5.20
				Valuation Ratios			
				P/E	-	-	57.43
				P/B	-	-	4.92
				EV/EBITDA	-	-	28.12
				EV/Sales	-	-	6.20

Disclaimer

Analyst Certification:

I, **Kabir Sharma**, Research Analyst of SMIFS Limited (in short "SMIFS / the Company"), authors and the names subscribed to this Research Report, hereby certify that all of the views expressed in this Research Report accurately reflect our views about the subject issuer(s) or securities and distributed as per SEBI (Research Analysts) Regulations 2014. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this Research Report. It is also confirmed that I, the above mentioned Research Analyst(s) of this Research Report have not received any compensation from the subject companies mentioned in the Research Report in the preceding twelve months and do not serve as an officer, director or employee of the subject companies mentioned in the Research Report.

Terms & Conditions and Other Disclosures:

SMIFS Limited is engaged in the business of Stock Broking, Depository Services, Portfolio Management and Distribution of Financial Products. SMIFS Limited is registered as Research Analyst Entity with Securities & Exchange Board of India (SEBI) with Registration Number – INH300001474.

SMIFS and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Research Analysts. SMIFS generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

The information and opinions in this Research Report have been prepared by SMIFS and are subject to change without any notice. The Research Report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of SMIFS Limited. While we would endeavour to update the information herein on a reasonable basis, SMIFS is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent SMIFS from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or policies of SMIFS, in circumstances where SMIFS might be acting in an advisory capacity to this company, or in certain other circumstances.

This Research Report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This Research Report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Securities as defined in clause (h) of section 2 of the Securities Contract Act, 1956, includes Financial Instruments, Currency and Commodity Derivatives. Though disseminated to all the customers simultaneously, not all customers may receive this Research Report at the same time. SMIFS will not treat recipients as customers by virtue of their receiving this Research Report. Nothing in this Research Report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this Research Report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. SMIFS accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this Research Report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. The information given in this report is as of date of this report and there can be no assurance that future results or events will be consistent with this information. The information provided in this report remains, unless otherwise stated, the copyright of SMIFS. All layout, design, original artwork, concepts and intellectual Properties remains the property and copyright of SMIFS and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the SMIFS.

SMIFS shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, breakdown of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of SMIFS to present the data. In no event shall SMIFS be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the SMIFS through this report.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (a) Exchange Rates can be volatile and are subject to large fluctuations; (b) the value of currencies may be affected by numerous market factors, including world and notional economic, political and regulatory events, events in Equity & Debt Markets and changes in interest rates; and (c) Currencies may be subject to devaluation or government imposed Exchange Controls which could affect the value of the Currency. Investors in securities such as Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Since associates of SMIFS are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this Research Report.

SMIFS and its Associates, Officers, Directors, Employees, Research Analysts including their relatives worldwide may: (i) from time to time have long or short positions in, and buy or sell the Securities, mentioned herein or (ii) be engaged in any other transaction involving such Securities and earn brokerage or other compensation of the Subject Company/ companies mentioned herein or act as an Advisor or Lender/Borrower to such Companies or have other potential/material Conflict of Interest with respect to any recommendation and related information and opinions at the time of the publication of the Research Report or at the time of Public Appearance.

SMIFS does not have proprietary trades but may at a future date, opt for the same with prior intimation to Clients/ Investors and extant Authorities where it may have proprietary long/short position in the above Scrip(s) and therefore should be considered as interested.

The views provided herein are general in nature and do not consider Risk Appetite or Investment Objective of any particular Investor; Clients/ Readers/ Subscribers of this Research Report are requested to take independent professional advice before investing, however the same shall have no bearing whatsoever on the specific recommendations made by the analysts, as the recommendations made by the analysts are completely independent views of the Associates of SMIFS even though there might exist an inherent conflict of interest in some of the stocks mentioned in the Research Report.

The information provided herein should not be construed as invitation or solicitation to do business with SMIFS.

SMIFS or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the Research Report as of the last day of the month preceding the publication of the Research Report.

SMIFS encourages independence in Research Report preparation and strives to minimize conflict in preparation of Research Report. Accordingly, neither SMIFS and their Associates nor the Research Analysts and their relatives have any material conflict of interest at the time of publication of this Research Report or at the time of the Public Appearance, if any.

SMIFS or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

SMIFS or its associates might have received any compensation from the companies mentioned in the Research Report during the period preceding twelve months from the date of this Research Report for services in respect of managing or co-managing public offerings, corporate finance, investment banking, brokerage services or other advisory service in a merger or specific transaction from the subject company.

Disclaimer

SMIFS or its associates might have received any compensation for products or services other than investment banking or brokerage services from the subject companies mentioned in the Research Report in the past twelve months.

SMIFS or its associates or its Research Analysts did not receive any compensation or other benefits whatsoever from the subject companies mentioned in the Research Report or third party in connection with preparation of the Research Report.

Compensation of Research Analysts is not based on any specific Investment Banking or Brokerage Service Transactions.

The Research Analysts might have served as an officer, director or employee of the subject company.

SMIFS and its Associates, Officers, Directors, Employees, Research Analysts including their relatives worldwide may have been engaged in market making activity for the companies mentioned in the Research Report.

SMIFS may have issued other Research Reports that are inconsistent with and reach different conclusion from the information presented in this Research Report.

A graph of daily closing prices of the securities/commodities is also available at www.nseindia.com and/or www.bseindia.com, www.mcxindia.com and/or www.icex.com.

SMIFS submit's that no material disciplinary action has been taken on the Company by any Regulatory Authority impacting Equity Research Analysis activities in last 3 years.

This Research Report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject SMIFS and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Specific Disclosures

1. SMIFS, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
2. SMIFS, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company.
3. SMIFS, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months.
4. SMIFS, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as director/officer/employee in the subject company
6. SMIFS has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. SMIFS has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
8. SMIFS has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months.
9. SMIFS has not received any compensation or other benefits from third party in connection with the research report.
10. SMIFS has not engaged in market making activity for the subject company

Analyst holding in stock: **NO**

Key to SMIFS Investment Rankings / Ratings

Buy: Return >15%, Accumulate: Return between 5% to 15%, Reduce: Return between -5% to +5%, Sell: Return < -5%

Contact us:

SMIFS Limited. ([https://www.smifs.com/](http://www.smifs.com/))

Compliance Officer:

Sudipto Datta,

5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5414 / +91 33 6634 5414

Email Id.: compliance@smifs.com

Mumbai Office:

206/207, Trade Centre, Bandra Kurla Complex (BKC), Bandra East, Mumbai – 400051, India

Contact No.: (D) +91 22 4200 5508, (B) +91 22 4200 5500

Email Id: institutional.equities@smifs.com

Kolkata Office:

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: (D) +91 33 6634 5466, (B) +91 33 4011 5466

Email Id: smifs.institutional@smifs.com