Krsnaa Diagnostics

12 August 2025

Revenue Growth subdued, but B2C gaining momentum

RESULT UPDATE

Sector: Healthcare	**Rating: BUY**
CMP: Rs 807	**Target Price: Rs 949**

Stock Info

Sensex/Nifty	76,139 / 23,031
Bloomberg	KRSNAA IN
Equity shares	32.3mn
52-wk High/Low	Rs 1,044/626
Face value	Rs 5
M-Cap	Rs 26.8bn/ USD 0.32bn

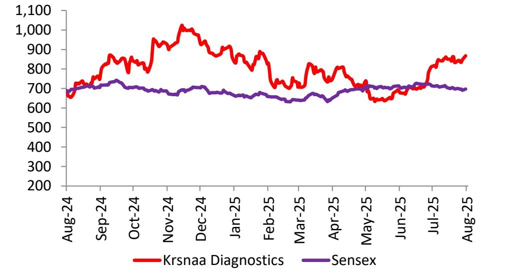
Financial Snapshot (Rs mn)

Y/E March	FY25	FY26E	FY27E
Sales	7,172	8,425	12,325
Gross profit	5,479	6,440	9,305
Gross Margin %	76%	76%	75%
EBITDA	1,901	2,312	3,143
Margin %	27%	27%	25%
PAT	723	907	1,328
EPS	22	28	41
DPS(Rs)	2.6	-	-
ROCE(%)	11%	14%	18%
P/E(x)	33.4	28.5	19.5
EV/EBITDA (x)	17.8	14.3	12.1

Shareholding pattern (%)

	Dec-24	Mar-25	Jun-25
Promoter	27.24	27.24	27.11
FII	4.04	3.55	3.40
DII	14.46	14.26	14.24
Others	54.27	54.95	55.25

Stock Performance (1-year)



Vishal Manchanda
vishalmanchanda@systematixgroup.in
+91 9737437148

Virti Shah
virtishah@systematixgroup.in
+91 22 6704 8099

Rushank Mody
rushankmody@systematixgroup.in
+91 22 6704 8046

Krsnaa Diagnostics' (KRSNAA IN) Q1FY26 Revenue (Rs. 1,930 mn up 13% YoY) and EBITDA (Rs.530mn up 20% YoY) were below our expectations. Revenue growth continues to be subdued versus expectations owing to slow down in Karnataka and adverse impact from discontinuation of BMC tender. Retail (B2C) revenue ramped up well on a YoY basis contributing to 6% of overall revenues as against 1% in FY25. Retail foray is yet to breakeven and we will see favourable progress in terms of margins in subsequent quarters. Krsnaa revenue expansion should meaningfully accelerate in FY27 led by incremental contribution from 32 new MRI / CT scan centres, Rajasthan tender commercialization (peak potential of Rs. 3000mn) and growth in B2C revenue. We incrementally build contribution from Rajasthan tender in our forecasts and revise our FY27 revenue growth to 46%. Company has also started realizing its overdue receivables in Himachal and Karnataka which should help it execute the large capex required for Rajasthan project (Rs. 2,500mn). Based on our revised forecasts our price target is Rs. 949 (23x FY27E EPS).

Q1FY26 earnings highlights

Krsnaa reported Q1FY26 revenue of Rs 1,930 mn, up 13.4% YoY and 3.7% QoQ. EBITDA stood at Rs 514 mn, up 20.5% YoY and down by 3% QoQ. EBITDA margin stood at 26.6%, up 157 bps YoY and down by 184 bps QoQ. PAT stood at Rs 205 mn, up 14.5% YoY and flat QoQ. PAT margin stood at 10.6%, up 10 bps YoY and down 48 Bps QoQ.

Q1FY26 earnings call highlights

Key Developments:

- Collection Centers recorded the sharpest jump, rising from 2,270 in Q1 FY25 to 3,479 in Q1 FY26, significantly boosting sample accessibility.
- Operational challenges in Himachal Pradesh and Karnataka affected volumes this quarter, but the company has started receiving long-overdue payments from both states. Receivables for Q1FY26 are around 120 days.
- The company is also scaling rapidly in Maharashtra, Punjab, Assam, and Odisha, leveraging PPP hubs to enhance logistics efficiency
- On completion of its current order book, the company will be operating 200+ CT scan and MRI centers.

Retail venture:

- Retail touchpoints have surged from 362 to 2,414 on a Y-o-Y.
- Retail revenue grew sharply, now contributing to 6% of overall group revenues from 1% last year.
- The company is also building a B2B2C ecosystem by partnering with corporates, insurance companies, and hospitals.

Rajasthan tender:

- The company announced a new project in Rajasthan, a significant project with 42 Mother Labs, 135 satellite labs, and 1,300+ collection centers.
- Project execution is expected to start in the next couple of months and will likely take 6 to 9 months to be implemented, with revenues starting from FY27. It will take around 1.5 years to reach peak revenue (Rs.3000mn)
- The company is looking to expand its retail presence in conjunction with this PPP project.

BMC Project

- Krsnaa Diagnostics opted out of the new BMC tender due to revised conditions, such as a 4-hour turnaround time and budget caps, and to prioritize long-term profitability.

Capex

- The CapEx is expected to be in the range of Rs 2,000-2,500 Mn FOR Rajasthan Project, this will boost revenue growth.
- The company has an estimated Capex of Rs1,000-1,500Mn for FY26 to support new tenders and centre expansions.

EBITDA

- Expect to sustain margins at current market level.

Exhibit 1: Quarterly Performance

Particulars (Rs mn)	1QFY25	4QFY25	1QFY26	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Revenues	**1,702**	**1,861**	**1,930**	***13.4***	***3.7***	**6,196**	**7,172**	***15.7***
Cost of Revenues	429	415	474	*10.5*	*14.2*	1,410	1,693	*20.0*
% of revenue	*25*	*22*	*25*	*(63) bps*	*225 bps*	*23*	*24*	*84 bps*
Staff Costs	331	328	356	*7.5*	*8.5*	1,115	1,368	*22.7*
% of revenue	*19*	*18*	*18*	*(100) bps*	*81 bps*	*18*	*19*	*108 bps*
Other expense	516	588	586	*13.6*	*(0.3)*	2,229	2,210	*(0.8)*
% of revenue	*30*	*32*	*30*	*6 bps*	*(122) bps*	*36*	*31*	*(515) bps*
EBITDA	**427**	**530**	**514**	***20.5***	***(3.0)***	**1,442**	**1,901**	***31.8***
EBITDA margin (%)	***25***	***28***	***27***	***157 bps***	***(184) bps***	***23***	***27***	***323 bps***
Other income	73	44	40	*(46.0)*	*(10.0)*	168	255	*52.0*
Interest costs	53	68	63	*18.5*	*(7.5)*	165	247	*49.5*
Depreciation	215	220	216	*0.8*	*(1.5)*	745	883	*18.5*
Profit before tax	**232**	**286**	**274**	***18.2***	***(4.2)***	**700**	**1,027**	***46.7***
Tax rate	53	79	69	*30.7*	*(12.9)*	132	251	*90.4*
Tax rate(%)	*23*	*28*	*25*	*242 bps*	*(254) bps*	*19*	*24*	*561 bps*
Profit for the period	**179**	**207**	**205**	***14.5***	***(0.8)***	**568**	**776**	***36.5***
Profit Margin	***11***	***11***	***11***	***10 bps***	***(48) bps***	***9***	***11***	***165 bps***

Source: Company, Systematix Institutional Research

Exhibit 2: Margin Summary

Particulars (%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Gross Margin	80%	77%	78%	74%	75%	76%	77%	78%	75%
EBITDA Margin	22%	20%	24%	26%	25%	27%	26%	28%	27%
EBIT Margin	11%	8%	10%	15%	12%	15%	13%	17%	15%
PAT Margin	10%	7%	8%	11%	11%	11%	11%	11%	11%

Source: Company, Systematix Institutional Research

Exhibit 3: Actual vs Estimates

Particulars (Rs mn)	Actuals	Systematix	Var(%)	Cons.	Var(%)
Net sales	1,930	2,043	*(5.5)*	2,480	*(22.2)*
EBITDA	514	582	*(11.7)*	638	*(19.4)*
Margin (%)	*27*	*29*	*(185) bps*	*26*	*91 bps*
PAT	205	254	*(19.2)*	291	*(29.5)*
Margin (%)	*11*	*12*	*(180) bps*	*12*	*(110) bps*

Source: Company, Systematix Institutional Research

Exhibit 4: Quarterly Performance

Rs Mn	New Estimates		Old Estimates		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Net Sales	8,425	12,325	8,711	10,616	*(3)*	*16*
EBITDA	2,312	3,143	2,413	2,994	*(4)*	*5*
Margin (%)	27	25	28	28	*(176) bps*	*(270) bps*
PAT	907	1,328	898	1,231	*(1)*	*8*
Margin (%)	11	11	*10*	*12*	*(172) bps*	*(119) bps*
EPS	28	41	27.9	38.2	*(19)*	*4.1*

Source: Company, Systematix Institutional Research

FINANCIALS

Profit & Loss Statement

YE: Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Net Revenues	**4,871**	**6,196**	**7,172**	**8,425**	**12,325**
YoY gr. (%)	7%	27%	16%	17%	46%
Cost of Goods Sold	742	1,410	1,693	1,985	3,020
Gross Profit	4,129	4,786	5,479	6,440	9,305
Margin (%)	85%	77%	76%	76%	76%
Employee Cost	746	1,115	1,368	1,517	2,219
Other Expenses	2,161	2,229	2,210	2,612	3,944
EBITDA	**1,223**	**1,442.5**	**1,901**	**2,312**	**3,143**
YoY gr. (%)	-7%	18%	32%	22%	36%
Margin (%)	25%	23%	27%	27%	25%
Depreciation and Amortization	538	745	883	926	1,118
EBIT	685	697	1,018	1,386	2,025
Margin (%)	14%	11%	14%	16%	16%
Net Interest	77	165	247	263	263
Other Income	194	168	255	87	9
Profit Before Tax	802	700	1,027	1,210	1,771
Margin (%)	16%	11%	14%	14%	14%
Total Tax	181	132	251	302	443
Effective tax rate (%)	23%	19%	24%	25%	25%
Profit after tax	621	568.4	776	907	1,328
EPS	19	18	24	28	41
YoY gr. (%)	-16%	-8%	37%	17%	46%

Source: Company, Systematix Institutional Research

Balance Sheet

YE: Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	157	161	161	161	161
Reserves & Surplus (Ex OCI)	7,230	7,937	8,666	9,574	10,902
Net Worth	**7,387**	**8,098**	**8,828**	**9,735**	**11,063**
Short term debt	82	1,179	1,564	1,564	1,564
Long term debt	243	419	472	472	472
Trade payables	621	823	971	1,154	1,688
Other Provisions					
Other liabilities	766	1,200	982	982	982
Total Liabilities	**9,099**	**11,719**	**12,816**	**13,906**	**15,768**
Net block	4,707	6,472	6,704	9,274	8,906
CWIP	255	98	30	30	30
Other Non-current asset	1,877	934	1,622	1,622	1,622
Investments	3	3	315	315	315
Cash and Cash Equivalents	1,088	1,752	684	-166	885
Debtors	731	1,763	2,777	2,077	3,039
Inventories	251	358	295	346	507
Other current asset	188	339	388	407	464
Total Assets	**9,099**	**11,719**	**12,816**	**13,906**	**15,768**

Source: Company, Systematix Institutional Research

Cash Flow

YE: Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
PBT	802	700	1,027	1,210	1,771
Depreciation	538	745	883	926	1,118
Interest	-82	13	94	4	-15
Others	-8	-59	3	-	-
Working capital	-356	-968	-934	813	-645
Direct tax	-131	-188	-199	-302	-443
Net cash from Op. activities	**763**	**243**	**873**	**2,650**	**1,787**
Net Capital expenditures	-1,347	-1,930	-1,117	-3,496	-750
Others	258	641	121	259	278
Net Cash from Invt. activities	**-1,089**	**-1,289**	**-996**	**-3,237**	**-472**
Debt changes	-91	-55	130	-	-
Dividend paid	-78	-86	-81	-	-
Others	-162	983	-370	-263	-263
Net cash from Fin. activities	**-331**	**842**	**-321**	**-263**	**-263**
Net change in cash	**-657**	**-204**	**-444**	**-850**	**1,051**

Source: Company, Systematix Institutional Research

Ratios

YE: Mar	FY23	FY24	FY25	FY26E	FY27E
Per Share(Rs)					
EPS	19.3	17.7	24.1	28.2	41.2
CEPS	36.9	41.8	52.8	58.4	77.9
BVPS	230.3	252.8	276.0	304.9	347.2
DPS	2.4	2.7	2.6	-	-
Return Ratio(%)					
RoCE	9%	8%	11%	14%	18%
RoE	9%	7%	9%	10%	13%
Balance Sheet					
Net Debt : Equity (x)	-0.1	-0.0	0.2	0.2	0.1
Net Working Capital (Days)	9.7	48.8	86.5	73.0	46.3
Valuation(x)					
PER	41.7	45.5	33.4	28.5	19.5
EV/EBITDA	16.7	20.5	17.8	14.3	12.1
EV/Sales	4.8	5.2	4.2	3.8	3.3
Receivables (days)	49.1	73.5	115.5	105.2	75.8
Inventory (days)	12.8	17.9	16.6	13.9	12.6
Payables (days)	52.2	42.5	45.7	46.0	42.1

Source: Company, Systematix Institutional Research

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Tel no. 022-66198000/40358000 Fax no. 022-66198029/40358029 Email id contactus@systematixgroup.in. Visit us at: www.systematixgroup.in
Details of Compliance officer: Ms Nipa Savla, Compliance officer Tel no. 022-66198092/4035808092 Email id compliance@systematixgroup.in
Details of Email id grievance redressal cell : grievance@systematixgroup.in
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