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**SAGILITY INDIA LIMITED**

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**IPO NOTE**

*November, 2024*

## ISSUE HIGHLIGHTS

- ❑ The Company was originally incorporated as 'Berkmeer India Pvt. Ltd' in July 2021, Bengaluru, Karnataka. The name was changed to 'Sagility India Pvt. Ltd' in September 2022. Subsequently, on conversion to a public limited company, the name was changed to 'Sagility India Ltd', in May 2024.
- ❑ The company was incorporated in July 2021, and it **acquired the healthcare services business of the predecessor company -Hinduja Global Solutions** in January 2022. The predecessor company commenced providing services to Payer clients in 2000 and gradually increased the scope of services provided to Payers and Providers.
- ❑ Sagility India is **technology-enabled, pure-play healthcare focused solutions and services provider to Payers -U.S. health insurance companies, which finance and reimburse the cost of health services; and Providers -primarily hospitals, physicians, and diagnostic and medical devices companies.**
- ❑ The company has become **one of the largest tech-enabled healthcare specialists (by revenue)** with coverage across payer and provider markets. Within the healthcare operations outsourced market, the company had a share of ~ 1.18% and ~ 1.23% in 2022 and 2023 respectively.
- ❑ The company was ranked as a **Leader by Avasant in their Clinical Services Business Process Transformation RadarView report 2023** and as a **Leader in Everest's Healthcare Payer Operations PEAK Matrix Assessment 2023.**
- ❑ As of June 30, 2024, its **5 largest client groups** had an **average tenure of 17 years** with the Business. As of January 2024, **the company served 5 of the top 10 Payers** by enrolment in the U.S. Further, during FY 2024 and 2023 and the quarter ended June 30, 2024, **the company has added 22 new clients.** In FY 2024, **the company helped its Payer clients process 105 million claims** and handle over **75 million Member and Provider interactions.**
- ❑ The company has **consistently increased the scope of services** provided to clients and the number of clients, leading to growth in revenues. **The company's revenue from operations grew by 9.61% to ₹ 1,223.33 Cr for the quarter ended June 30, 2024, from ₹ 1,116.09 Cr for the quarter ended June 30, 2023, and by 12.69% to ₹ 4,753.60 Cr in FY2024 from ₹ 4,218.4 Cr in FY Year 2023.** The company reported **EBITDA margins of 23.48% and 17.85% for FY2024 and for the quarter ended June 30, 2024, respectively.**

## BRIEF FINANCIAL DETAILS\*

(₹ IN CR)

	As at June 30th,		As at Mar' 31,		Jul '21 –
	2024 (3)	2023 (3)	2024 (12)	2023 (12)	Mar 22*
Share Capital	4,679.27	1,918.67	4,285.28	1,918.67	1,918.67
Net Worth as stated	7,608.16	6,202.99	6,443.13	6,206.67	4,026.62
Total Borrowings	943.91	2,314.75	1,933.52	2,347.94	4,239.23
Revenue from Operations	1,223.33	1,116.09	4,753.56	4,218.41	923.41
Revenue Growth (%) as stated	9.61	-	12.69	- ^	-
EBITDA as stated	218.37	275.14	1,116.04	1,044.86	210.57
EBITDA Margin (%) as stated	17.85%	24.65%	23.48%	24.77%	22.80%
Dep. & Amortization	109.99	166.14	689.21	644.34	147.21
Net Profit for the period	22.29	42.50	228.27	143.57	(4.67)
Net Profit (%) as stated	1.82%	3.81%	4.80%	3.40%	(0.51%)
EPS – Basic & Diluted (₹)	0.05#	0.10#	0.53	0.33	(0.05)
RONW (%)	0.29%	0.69%	3.54%	2.31%	(0.12%)
NAV (₹)	16.25	14.47	15.03	14.48	9.39

Source: RHP, # not annualised, ^ not meaningful, \* period July 28, 2021, to March 31, 2022 comprises financial transactions from Jan 6, 2022 to Mar 31, 2022.

## Issue Details

**Offer For Sale of upto 702,199,262 Equity Shares**

### Issue summary

**Issue size: ₹ 1,966-2,106 Cr**

**No. of shares: 702,199,262 Shares**

**Face value: ₹ 10/-**

**Price band: ₹ 28-30**

**Bid Lot: 500 Shares and in multiple thereof**

**Post Issue Implied Market Cap =**

**₹ 13,108 – 14,044 Cr**

**Employee Reservation: Upto 19,00,000 Equity Shares**

**Employee Discount: Rs 2/share**

**BRLMs: ICICI Securities, IIFL Securities, Jefferies India, J P Morgan India**

**Registrar: Link Intime India Pvt. Ltd**

**Issue opens on: Tuesday, November 5, 2024**

**Issue closes on: Thursday, November 7, 2024**

### Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	08-11-2024
Refunds/Unblocking ASBA Fund	08-11-2024
Credit of equity shares to DP A/c	11-11-2024
Trading commences	12-11-2024

### Issue break-up

	No. of Shares	₹ In Cr		% of Issue
		@Lower	@Upper	
QIB	52,52,24,447	1470.63	1575.67	75%
NIB	10,50,44,889	294.13	315.13	15%
-NIB2	7,00,29,926	196.08	210.09	
-NIB1	3,50,14,963	98.04	105.04	
RET	7,00,29,926	196.08	210.09	10%
Emp	19,00,000	4.94	5.32	
<b>Total</b>	<b>70,21,99,262</b>	<b>1965.78</b>	<b>2106.22</b>	<b>100%</b>

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	500 Shares	7,000 Shares	33,500 Shares
Minimum Bid Lot Amount (₹)	₹ 15,000^	₹ 2,10,000^	₹ 10,05,000^
Appl for 1x	1,40,060 Applications	5,002 Applications	10,004 Applications

### Listing: BSE & NSE

### Shareholding (No. of Shares)

Pre-issue	Post issue#
4,68,13,28,413	4,68,13,28,413

^@Lower price Band #@ Upper Price Band

### Shareholding (%)

	Pre-Issue#	Post-Issue
Promoter	100%	85%
Public – Others	-	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>

# As per RHP

## BACKGROUND

### Company and Directors

The Company was originally incorporated as 'Berkmeer India Pvt. Ltd' in July 2021, Bengaluru, Karnataka. The name was changed to 'Sagility India Pvt. Ltd' in September 2022. Subsequently, on conversion to a public limited company, the name was changed to 'Sagility India Ltd', in May 2024. The company provides technology-enabled business solutions and services to clients in the U.S. healthcare industry.

### Brief Biographies of Directors & Key Managerial Personnel

**Ramesh Gopalan** is the Managing Director and Group CEO of the Company. He has been associated with the Company since January 2022 and the healthcare business of the predecessor company, Hinduja Global Solutions Ltd since February 2011. He has 31+ years of experience in providing consulting and outsourcing services and was previously associated with Deloitte Consulting, Accenture, Ramco Systems, Infosys BPM Limited) and has also served as the country head for Gridstone Research in India.

**Hari Gopalakrishnan** is a Non-Executive Non-Independent Director of the Company. He has been associated with the Company as a director since July 28, 2021. He has 16+ years of experience and has been associated with Baring Private Equity Asia (BPEA) since 2007 (founding member of the BPEA India team) and is currently serving as a partner and global co-head of services, private capital in the BPEA EQT team.

**Martin I. Cole** is the Chairman, Non-Executive Non-Independent Director of the Company. He has been associated with the Company as a director since June 24, 2024. He has 43+ years of experience and is currently serving as a director for Western Digital which is publicly traded on the NASDAQ and Western Union which is publicly traded on the NYSE. Previously, he was associated as chairman of the board and interim CEO of Cloudera and as the chief executive of Accenture's technology group.

**William Winkenwerder Jr.** is an Independent Director of the Company. He has been associated with the Company as a director since June 24, 2024. He has several years of experience in medical and healthcare services industry and previously served as Assistant Secretary of Defense for Health Affairs States and Principal advisor to the Secretary of Defense at the United States Department of Defense. He is currently serving as chairman on the board of CitiusTech and member of board of directors at Confluent Health and is a member of the executive committee of the board of directors at UNC Health Care System.

**Anil Kumar Chanana** is an Independent Director of the Company. He has been associated with the Company as a director since June 24, 2024. He has 30+ years of experience and was previously associated with Ansaldo Impianti SpA, CMC Ltd and was the chief financial officer at HCL Technologies Ltd for 9 years (during 2009 to 2018).

**Ginger Dusek** is an Independent Director of the Company. She has been associated with the Company as a director since June 24, 2024. She has 27+ years of experience and was previously associated with Accenture as part of leadership team. She currently serves on the board of directors as the VP & Secretary of Tree House Humane Society in Chicago.

**Venkat Krishnaswamy** is an Independent Director of the Company. He has been associated with the Company since June 24, 2024. He has 38+ years of experience. He is currently serving as advisory board member for Simplify Healthcare Technology and Recognize Partners LP. Previously he has been associated with Business Machine India Ltd, Tata Consultancy Services, State Bank of New South Wales, AMP Financial Services and Cognizant Technology Solutions Corporation.

**Shalini Sarin** is an Independent Director of the Company. She has been associated with the Company as a director since June 24, 2024. She has 17+ years of experience. She currently serves on the board of directors of Linde India and Kirloskar Oil Engines. Previously she was associated with Philips Lighting India Ltd, Godfrey Phillips India Ltd, Cairn energy India Pty Ltd.

**Sarvabhoman Doraiswamy Srinivasan** is the Group Chief Financial Officer of the Company. He has been associated with the Company since January 6, 2022. He has 30+ years of experience and was previously associated with Medi Assist India TPA as CFO, prior to joining Hinduja Global Solutions Ltd.

**Satishkumar Sakharayapattana Seetharamaiah** is the Company Secretary and Compliance Officer of the Company. He has also obtained a diploma in commercial practice from Department of Technical Education, Government of Karnataka. He has been associated with the Company since January 6, 2022. He has 23+ years of experience and previously, he was associated with Hinduja Global Solutions, Biocon Limited, Himatsingka Seide Limited, Arjus Steels Limited, Mangalore Chemicals & Fertilizers, ING Vysya Bank, Centum Electronics and BPL Group.

### OFFER DETAILS

The Offer for Sale by:	Upto 702,199,262 Equity Shares	WACA per Equity Share (₹)
Sagility B.V.- Promoter Selling Shareholder	Upto 702,199,262 Equity Shares ^	20.79

## SHAREHOLDING PATTERN

Shareholders	Pre-offer		Offer for Sale Shares <sup>^</sup>	Post-offer <sup>^</sup>	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter	4,68,13,28,413	100.00%	70,21,99,262	3,97,91,29,151	85.00%
<b>Total for Promoter</b>	<b>4,68,13,28,413</b>	<b>100.00%</b>	<b>70,21,99,262</b>	<b>3,97,91,29,151</b>	<b>85.00%</b>
Public	0	0.00%	0	70,21,99,262	15.00%
<b>Total for Public Shareholders</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>70,21,99,262</b>	<b>15.00%</b>
<b>Total Equity Share Capital</b>	<b>4,68,13,28,413</b>	<b>100.00%</b>		<b>4,68,13,28,413</b>	<b>100.00%</b>

(<sup>^</sup> at upper price band; # As per RHP)

## BUSINESS OVERVIEW

Sagility India is technology-enabled, pure-play healthcare focused solutions and services provider to Payers (U.S. health insurance companies, which finance and reimburse the cost of health services), and Providers (primarily hospitals, physicians, and diagnostic and medical devices companies).

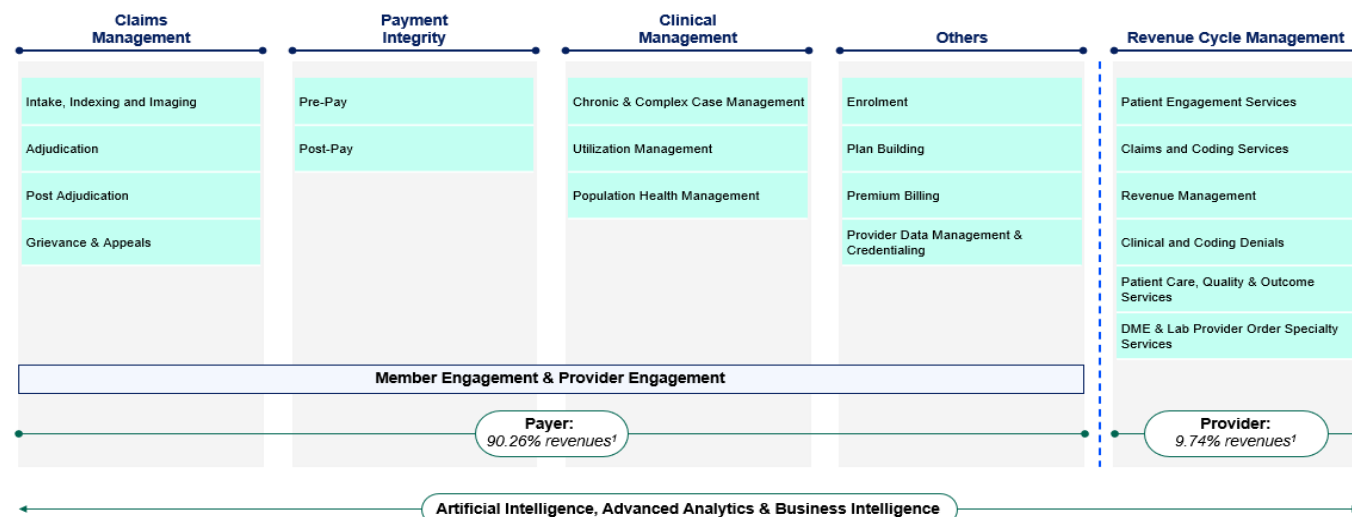
The company's services to Payers cater to various aspects of their operations including (i) core benefits administration functions such as claims management, enrolment, benefits plan building, premium billing, credentialing, and provider data management and (ii) clinical functions such as utilization management, care management, and population health management. The company's services to Providers include revenue cycle management functions such as financial clearance, medical coding, billing, and accounts receivable follow-up services.

Further the company also provides some of the services offered to Payers, to pharmacy benefit managers ("PBMs") that manage prescription drugs for Members (i.e., insured persons) under health insurance plans. The company delivers these services leveraging its tools and platforms, from its 5 global service delivery locations in India, the Philippines, the U.S., Jamaica and Colombia. The company was ranked as a Leader by Avasant in their Clinical Services Business Process Transformation RadarView report 2023 and as a Leader in Everest's Healthcare Payer Operations PEAK Matrix Assessment 2023.

The company was incorporated in July 2021, and it acquired the healthcare services business of the predecessor company - Hinduja Global Solutions in January 2022 for a consideration of \$ 449 million. The predecessor company commenced providing services to Payer clients in 2000 and gradually increased the scope of services provided to Payers and Providers, and the number of its clients, through organic and inorganic growth.

All the company's clients are located in the U.S. As of June 30, 2024, its 5 largest client groups (i.e., client entities together with their affiliates) had an average tenure of 17 years with the Business. As of January 2024, the company served 5 of the top 10 Payers by enrolment in the U.S. Further, during FY 2024 and 2023 and the quarter ended June 30, 2024, the company has added 22 new clients. In FY 2024, the company helped its Payer clients process 105 million claims and handle over 75 million Member and Provider interactions.

### Description Of Core Services



Note: DME: Durable Medical Equipment. 1. For FY2024.

## Payer Services

- Claims Management.** The company manages the claims adjudication processes for Payers. This process involves reviewing and validating claims from Providers against the relevant Member's benefits plan and Provider contracts to ensure that claims are paid accurately and in a timely manner. The company handles in-patient hospital, outpatient physician, laboratory, surgery, prescription drug/pharmacy, vision and dental claims. Further, the company offers grievance and appeals solutions that address Provider complaints and appeals.
- Payment Integrity.** These services aim to help Payers contain costs by identifying overpayments of claims. The company helps verify that the correct amount has been paid by Payers against the claims submitted by healthcare Providers. The payment integrity service is provided as post-pay (after a claim is paid to a Provider) or pre-pay (once a claim is adjudicated, but the payment has not been made yet). The company's payment integrity team comprises certified medical coders, credentialed clinicians, data scientists, claims examiners, and auditors.
- Clinical Management.** The company's clinical management services are aimed at delivering timely and quality clinical care for Members. The clinical services span chronic and complex case management, utilization management and population health management. The company provides utilization management services to its clients across their commercial, Medicare and Medicaid lines of business. These services are highly regulated to ensure that Members get timely and relevant care and to reduce unnecessary high-cost procedures. The company also further reviews any appeals by Providers for denial of prior authorizations using its team of clinicians. The company's other clinical services include a 24x7 nurse helpline that can take calls from or chat with Members to assess symptoms and triage them to the right level of care or provide support with home-based self-care. Further, the company also provides post discharge and transition of care coordination when Members are released from the hospital after an acute event, to reduce re-admissions.
- Other Payer services.** The company also assists Payers onboard new Providers to their networks and manage Provider databases. Onboarding Providers/doctors through a verification process that includes credentialing and maintaining an accurate provider directory in a Payer's network is a regulatory requirement in the U.S. (Source: Everest Report). The company assists Payers in this onboarding process by verifying Provider credentials and Forward™ managing demographic and contract data. The services are enabled through its Provider platform.

In delivering its Payer services, the company engages with Members and Providers as follows:

- Provider Engagement:** The company helps Payers in managing their interactions with Providers, including in validating claims, handling complaints and appeals, identifying and recovering overpayments, onboarding healthcare providers to their networks, and verifying credentials. The company's interaction analytics platform validates the answers to queries from Providers for comprehensiveness, accuracy and compliance.

## Provider Services

- Revenue Cycle Management ("RCM"):** The company is an end-to-end RCM service provider. The company provides scheduling and financial clearance services to Providers that include insurance verification, benefits validation, referral management and prior authorizations. The company assist Providers with order entry, charge entry and medical coding. On the 'back-end' of the revenue cycle, the company provides billing and follow-up services focused on collection and resolution of insurance and patient balances. The company also provide various accounts receivables collection programs. The company also provides cash posting (i.e. recording and allocating payments to accounts), credit balance resolution (i.e., collecting outstanding payments from Payers) and patient engagement services to Providers. The company also supports order-to-cash processes (i.e., services covering the life cycle of service delivery from the point of order until its delivery and payment) for ancillary providers such as durable medical equipment providers, national laboratories and radiology services providers.

The company's Key Managerial Personnel and Senior Management Personnel are positioned across the regions in which the company operate and have a combined industry experience of more than 80 years as of June 30, 2024. Further, the company is also supported by its sponsor, **EQT**, and benefits from its strong capital sponsorship, networks and professional expertise. As of June 30, 2024, EQT had EUR 246 billion in assets under management. The company expects to significantly benefit from EQT's global expertise in identifying and executing acquisitions, as it seeks to undertake inorganic growth initiatives.

## REVENUE FROM OPERATIONS

Particulars	3 months ended June 30 <sup>th</sup>				As at March 31 <sup>st</sup>				July 28,'2021 to March 31, 2022*	
	2024	%	2023	%	2024	%	2023	%	2022	%
Revenue from Payers	1,090.10	89.11%	998.51	89.46%	4,290.42	90.26%	3,825.43	90.68%	844.74	91.48%
Revenue from Providers	133.23	10.89%	117.58	10.54%	463.14	9.74%	392.98	9.32%	78.67	8.52%
<b>Revenue from operations</b>	<b>1,223.33</b>	<b>100.00%</b>	<b>1,116.09</b>	<b>100.00%</b>	<b>4,753.56</b>	<b>100.00%</b>	<b>4,218.41</b>	<b>100.00%</b>	<b>923.41</b>	<b>100.00%</b>

Source: RHP; \* The company was incorporated in July 2021, and it acquired the healthcare services business of its Predecessor Company on January 6, 2022; All financial information of FY22 comprises financial transactions for the period from January 6, 2022 to March 31, 2022.

## DELIVERY MODEL

The company has a multi-shore service delivery model, whereby it provides services from 31 locations in 5 countries as of June 30, 2024 (U.S., Colombia, Jamaica, India and the Philippines). All the customer contracts are executed by the Subsidiaries in the U.S. These contracts are serviced by the Company's employees, who are in India, as well as the employees of the Subsidiaries who are in the U.S., Colombia, Jamaica, and the Philippines Branch. The company and its Subsidiaries in Colombia, Jamaica and the Philippines Branch charge its Subsidiaries in the U.S. for the services rendered by their employees.

### Standalone revenues of the company & its subsidiaries

(₹ In Cr)

Particulars	3 months ended June 30 <sup>th</sup>				As at March 31 <sup>st</sup>				July 28,'2021 to March 31, 2022*	
	2024	%	2023	%	2024	%	2023	%	2022	%
Sagility India Limited	386.88	31.63%	370.52	33.20%	1,509.14	31.75%	1,407.15	33.36%	281.97	30.54%
Sagility Philippines B.V.	354.75	29.00%	309.22	27.71%	1,386.98	29.18%	1,119.72	26.54%	221.35	23.97%
Sagility (Jamaica) Limited	127.93	10.46%	103.96	9.31%	517.53	10.89%	431.83	10.24%	92.60	10.03%
Sagility (Colombia) SAS	9.38	0.77%	7.20	0.64%	41.75	0.88%	11.02	0.26%	-	-

Source: RHP; All financial information of FY22 is from January 6, 2022, until March 31, 2022

The company's Subsidiaries in the U.S. include Sagility (US) Holdings Inc., Sagility (US) Inc., Sagility Operations Inc., Sagility LLC, Sagility Provider solutions LLC, Sagility Technologies LLC, Sagility Care Management LLC, Sagility Payment Integrity solutions LLC and Birch Technologies, Inc. The company has dedicated leaders for each of its core service lines who are responsible for their respective service lines in each geography. As of June 30, 2024, the company had 35,858 employees servicing Members across the U.S.

## REVENUE MODEL

The company's revenue from operations comprises revenue from the sale of services to its Payer and Provider clients. The company utilizes the following revenue models under its statements of work ("SOWs") with its clients:

- **Time-based:** Under time-based SOWs, the company charges for the services performed by the employees at hourly or monthly rates that are agreed at the time the SOW is executed.
- **Transaction-based:** Under transaction-based SOWs, the company charges its clients a per-transaction fee, and its fees are based on the volume of transactions handled, such as the number of claims that it processes.
- **Outcome-based:** Under outcome-based SOWs, the company's fee is linked to certain performance outcomes, such as cash collected on outstanding receivables or recovery made on overpaid claims.

## CLIENTS

The company's clients are Payers and Providers based in the U.S. Payers are U.S. health insurance companies, which finance and/or reimburse the cost of health services. Examples of Payers include UnitedHealthcare, Elevance Health, Centene Corporation, CVS Health, Cigna Healthcare, Humana, Health Care Service Corporation, Highmark, and Kaiser Permanente. Providers are entities that provide care to patients and include health systems, hospitals, physicians, diagnostic, and medical devices companies. Examples of Providers include Johns Hopkins Hospital, Tenet Healthcare, UCSF Health, Cedars-Sinai, Encompass Health, Cleveland Clinic, Northwestern Memorial Hospital, and Universal Health Services.

### Revenues from Client groups

(₹ In Cr)

Particulars	3 months ended June 30 <sup>th</sup>				As at March 31 <sup>st</sup>				July 28,'2021 to March 31, 2022	
	2024	%	2023	%	2024	%	2023	%	2022	%
3 largest client groups	818.62	66.92%	760.31	68.12%	3,247.68	68.32%	3,053.67	72.39%	703.16	76.15%
5 largest client groups	962.66	78.69%	870.88	78.03%	3,762.77	79.16%	3,398.18	80.56%	766.05	82.96%
10 largest client groups	1,115.03	91.15%	1,015.38	90.98%	4,345.18	91.41%	3,825.16	90.68%	849.07	91.95%

## COMPETITIVE STRENGTHS

- **Leader in the large and resilient U.S. Payer and Provider solutions market**

The Healthcare operations expenditure (i.e. front & back-office functions to support Payers & Providers) was valued at US\$201.1 bn in 2023 and is expected to reach ~ US\$258.9 billion in 2028. Growth in the U.S. healthcare market is expected to be driven by a number of factors, including a rise in aging population and increasing prevalence of chronic diseases. While the healthcare market is expected to benefit from these tailwinds, challenges faced by the healthcare market are expected to

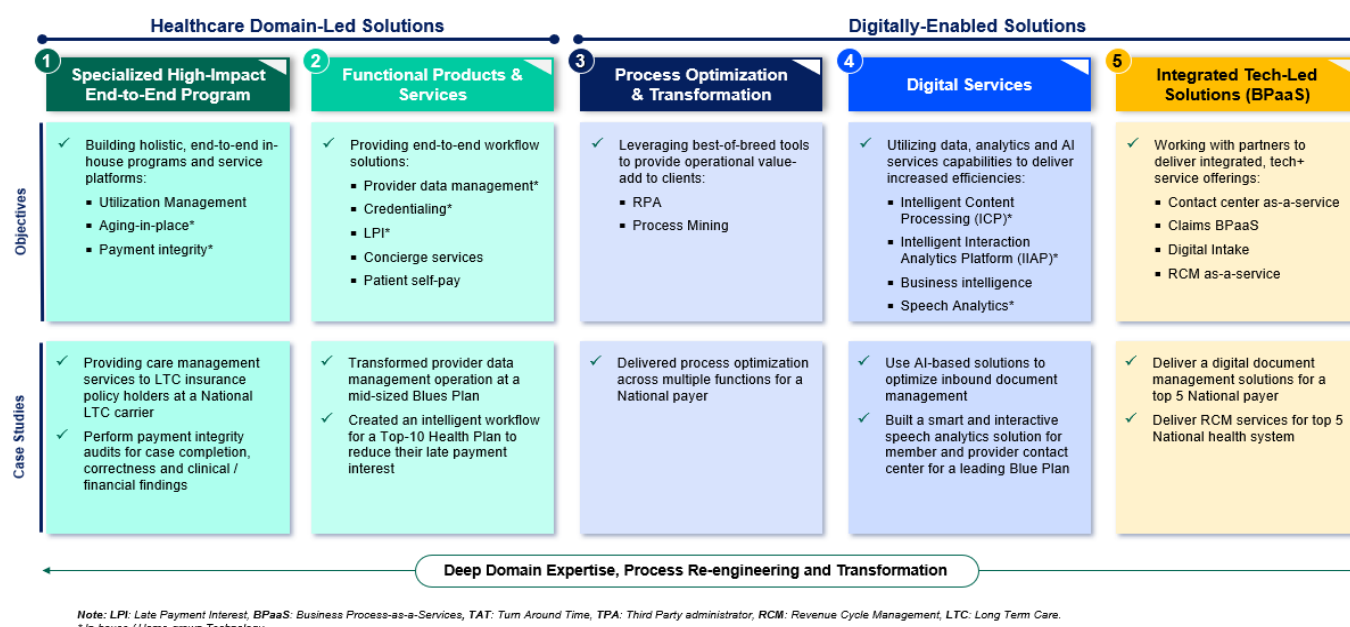
drive outsourcing growth. These factors include continued staffing shortages propelling an increased demand for third-party support and regulatory changes. In 2023, the aggregate outsourcing penetration rate in the U.S. healthcare operations market stood at 21.5-23.5%, resulting in a total outsourced operations spend of ~ US\$45.0 billion. While the overall healthcare outsourced operations market is expected to grow at a CAGR of ~8.7%, the Payer outsourced market is forecasted to grow at a CAGR of ~ 7.0% from 2023 to 2028. The Provider operations outsourced market, on the other hand, is expected to grow at a CAGR of ~12.5%.

The company’s services to Payers encompass the entire spectrum of their operations, including core non- discretionary benefits administration functions and clinical services. To Providers, the company provide end-to-end revenue cycle management services which help them manage their billing and payment from Payers and patients. The company has become one of the largest tech-enabled healthcare specialists (by revenue) with coverage across payer and provider markets. Within the healthcare operations outsourced market, the company had a share of approximately 1.18% and approximately 1.23% in 2022 and 2023 respectively. The company were ranked as a Leader by Avasant in their Clinical Services Business Process Transformation RadarView report 2023 and as a Leader in Everest’s Healthcare Payer Operations PEAK Matrix Assessment 2023.

• **Domain expertise in healthcare operations, with end-to-end service offerings to Payers and Providers**

The company provides technology-enabled services to Payer and Provider clients. This pure-play nature of the company’s business, together with 24+ years of the Business’ experience and the effective use of technology, has helped the company build domain expertise in its operations. Sagility provides end-to-end, comprehensive service offerings to Payer clients. The company’s teams have extensive healthcare expertise and experience, with 1,920 employees having nursing, medical coding, physical therapy, dentistry, pharmacy, occupational therapy, microbiology or laboratory science degrees as of June 30, 2024. Further, the company’s domain expertise also helps it to contextualize the use of technology, from RPAs to Gen AI, among other things, to optimize the pre-authorization process, assess and manage claims, respond to questions from Members, and handle grievances for Payers.

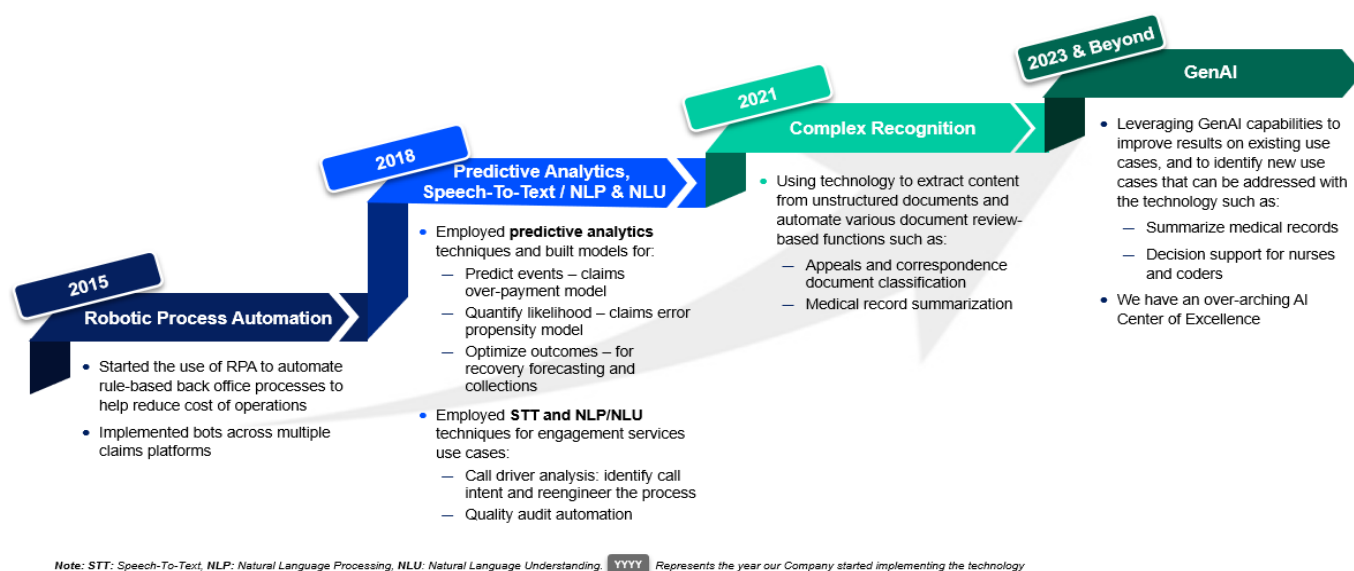
**Company’s healthcare domain-led solutions and digitally enabled solutions.**



The company’s domain expertise has helped it to build comprehensive technology-based solutions in the areas of utilization management, payment integrity and elderly care, and tools and platforms that target functional improvements in a number of areas that include claims, Provider data management and Member engagement as well as contextualize the company’s digital solutions like robotic process automation (“RPA”), analytics and AI.

• **Suite of scalable, technology-enabled services and solutions, supported by proprietary tools and platforms**

The company has over the years developed a suite of proprietary tools and platforms that enable its services. These proprietary tools and platforms assist in serving the entire spectrum of its Payer clients’ operations and its healthcare Provider clients’ revenue cycle management functions. The company leverages various technologies including RPA, analytics and AI.



The company uses reusable and reconfigurable components that allow us to build new tools based on its clients’ unique requirements. While the company develops several tools in-house, it also leverages other popular third party-developed tools through commercial licenses. Further, in March 2024, the company acquired BirchAI, a healthcare technology company offering cloud-based, generative AI technology. The company expects that this acquisition will help enhance its Member and Provider engagement capabilities.

• **Deep, long-term, expanding client relationships across healthcare Payers and Providers**

All the company’s clients are Payers and Providers based in the U.S. As of January 2024, the company served 5 of the top 10 Payers by enrolment in the U.S. The company clients also include one of the largest U.S.-based hospital networks in terms of revenue as of January 2024, 3 of the top 6 PBMs by claims volume. For FY2024 and the quarter ended June 30, 2024, the company’s revenue retention rates (i.e., revenues from existing clients as a percentage of revenues from such clients earned in the previous year / corresponding period in the previous year) were 110.75% and 110.82%, respectively. Further, the company continues to expand its business to newer clients. During FY 2024 and 2023 and the quarter ended June 30, 2024, the company has added 13, 7 and 2 new clients, respectively, while continuing to expand the portfolio of services that the company provided to its 5 largest client groups by revenue.

**Key Metrics Relating to Clients and Sales Function**

Particulars	3 months ended June 30 <sup>th</sup>		As at March 31 <sup>st</sup>		
	2024	2023	2024	2023	2022
Total number client groups	42	37	44	35	31
New Client Additions	2	2	13	7	N/A
Number of Clients contributing > \$20 mn + in revenues	5	4	5	4	3
Number of Clients contributing to US\$5 mn – US\$20 mn in revenues	7	7	7	7	Nil
Number of clients contributing to US\$1 mn – US\$5 mn in revenues	13	14	12	12	10
Less than US\$1 million in revenues	17	12	20	12	18

The company has dedicated client management teams which manage key client accounts. It also has a sales and marketing team which undertakes account-based marketing activities and who are also experienced in content generation, graphics and proposal writing. Several members of the sales and marketing team members are located in the U.S., proximate to the clients’ locations.

• **Multi-shore, scalable and flexible delivery model with certified data protection and service standards**

The company has a multi-shore service delivery model, whereby it provides services from 31 locations in 5 countries (U.S., Colombia, Jamaica, India and the Philippines). As of June 30, 2024, the company had 35,858 employees servicing Members across the U.S. In FY 2024, the company helped Payers process 105 million claims and handle over 75 million Member and Provider interactions. The company determines the location of service delivery in consultation with its clients, depending upon their requirements. The company follows a flexible work from home model with many of the company’s employees working from home.

The company’s key quality control processes are implemented horizontally across the organization and are customized based on the requirements of each service line. Through this approach, the company aims to ensure compliance at any organizational



level with globally recognized standards of service delivery and data protection, including with the ISO27001, SOC1 and SOC2, the U.S. Health Insurance Portability and Accountability Act (“HIPAA”) and the U.S. National Committee for Quality Assurance’s standards (“NCQA”).

- **Strong financial performance and high margins**

The company has consistently increased the scope of services provided to clients and the number of clients, leading to growth in revenues. The company’s revenue from operations grew by 9.61% to ₹ 1,223.33 Cr for the quarter ended June 30, 2024, from ₹ 1,116.09 Cr for the quarter ended June 30, 2023, and by 12.69% to ₹ 4,753.60 Cr in FY2024 from ₹ 4,218.4 Cr in FY Year 2023. The company reported EBITDA margins of 23.48% and 17.85% for FY2024 and for the quarter ended June 30, 2024 respectively.

- **Experienced management and board, motivated employee base, marquee sponsor support and a sustainability focused culture**

The company’s key Managerial Personnel and Senior Management Personnel are positioned across the regions in which it operates, and are experienced across Payer and Provider operations, healthcare, IT services, sales and marketing, outsourcing, and technology transformation. The Key Managerial Personnel and Senior Management Personnel have been associated with the Business for an average of 23 years as of June 30, 2024, and have several years of industry experience. Further, 3 of its directors have a combined experience of over 65 years of experience in the healthcare industry as of June 30, 2024.

The company is also supported by its sponsor, EQT, and benefit from its strong capital sponsorship, networks and professional expertise. As of March 31, 2024, EQT had EUR 242 billion in assets under management. The company expects to significantly benefit from EQT’s global expertise in identifying and executing acquisitions, as it seeks to undertake inorganic growth initiatives.

## KEY BUSINESS STRATEGIES

- **Strengthen relationships with existing clients, expand offerings and increase the share of their wallets**

Over the years the company has built strong business relationships with several large Payer and Provider clients and continues to see significant headroom for growth. As of June 30, 2024, the company had 42 client groups. As of January 2024, the company served 5 of the top 10 Payers by enrolment in the U.S. In the past, the company has been successful in increasing the wallet share of clients through steering discussions with their stakeholders in relation to additional service lines.

Further, for some of the clients the company has taken a consultative approach to look into their end-to-end operational value chain and delivered projects to reduce operational cost with help of process reengineering, point solutions, new operating models and insights on processes. With the company’s extensive knowledge of running operations, it is able to provide industry benchmarks and best practices for its clients to improve their operational metrics. The company also actively invest in capabilities, where required, to expand service lines for a client.

- **Establish new client relationships across categories**

The company is focused on expanding its client base to other large Payer and Provider clients by leveraging its experience and credibility. During the quarter ended June 30, 2024, and the FY 2024 and 2023, the company has added 2, 13 and 7 new clients, respectively, to its portfolio.

The company plans to expand its Provider revenue cycle management services to hospitals, health systems and other adjacent markets, including accountable care organization and independent practice associations. The company also aims to increase its pharmacy benefit management offerings to support existing clients with operations in the pharmacy benefit management space as well as to grow new clients in this space. Further, the company collaborates with industry leading technology, consulting and organizations with specialized services to complement its services and provide a compelling value proposition to new clients.

- **Enhance the portfolio of technology tools and platforms**

The company has implemented several technologies over the years like web applications, RPA, data engineering and data science, cloud computing and have grown its in-house technology organization to a 339- person team of software engineers, data scientists, technical project managers and business analysts, as of June 30, 2024. The company plans to expand its technology team and make other technology investments, including acquiring commercial licenses to third-party technology tools to assist with accelerated software development, data aggregation and transformation and cloud migration.

• **Pursue strategic acquisitions and collaborations**

The company has successfully executed 2 acquisitions in the last 20 months, and has derived benefit from the synergies, technologies, and talent pools of the acquired companies. Sagility acquired Devlin Consulting. Inc. (“DCI”) in April 2023, which helped its payment integrity capabilities. Through this acquisition, the company also acquired DCI’s “Contract Central” technology platform which acts as a secondary adjudication engine for claims reprocessing and identification of overpayments. Further, in March 2024, the company acquired BirchAI, a healthcare technology company offering cloud-based, generative AI call technology. The company has a dedicated team that evaluates strategic opportunities, identifies suitable targets and effectively evaluates and executes potential opportunities.

**COMPETITION**

The company operates in an elaborate ecosystem of service providers, which includes:

- **Healthcare specialists** leverage their deep domain and process expertise to offer robust offerings across multiple value chain segments to clients. Some of the companies are CorroHealth, Shearwater Health, and Omega Healthcare.
- **Broad-based IT and business services firms** – these companies offer a blend of IT services and business services across various industries, including healthcare. Some key competitors include Accenture, Cognizant, and EXL.
- **Product-focused companies** - Companies that specialize in providing products or solutions for the healthcare industry such as electronic health records (EHR) systems, health information systems, analytics solutions, etc. Product focused competitors include Optum, Cotiviti, FinThrive, and Epic Systems.
- **Broad-based CX firms with presence in the healthcare market among other verticals** – these firms typically have limited capabilities on the back-office operations such as utilization management, claims management amongst others which limits their ability to provide integrated end-to-end healthcare offerings. ResultsCX is an example of a broad-based CX firm with a presence in the healthcare market.

Sagility India being a pure-play healthcare focused solutions and services provider has no comparable listed player in India and abroad.

**Sagility’s capabilities across the supplier landscape**

Service provider classification - depth and breadth		Healthcare specialists				Broad-based IT and BPOs			Product-focused companies		Broad-based CX firms with healthcare presence
Service provider/ functions		Sagility	Shearwater Health	Omega Healthcare	CorroHealth	Cognizant	EXL	Accenture	Cotiviti	FinThrive	ResultsCX
Healthcare payer	Value chain functions - Claims management - Payment integrity - Clinical management - Provider network operations (provider engagement) - Member engagement - Risk adjustment and support services - Product development	High coverage	Medium coverage	Medium coverage	Limited to no coverage	High coverage	High coverage	High coverage	Medium coverage	Limited to no coverage	Medium coverage
	Position on Everest Group’s Healthcare Payer Operations PEAK Matrix® Assessment 2023	Leader	Major Contender	Major Contender	Not profiled	Leader	Leader	Leader	Not profiled	Not profiled	Not profiled
Healthcare provider	Value chain functions - Patient access - Medical billing - Claims management - AR management - Care management	High coverage	Medium coverage	High coverage	Medium coverage	High coverage	Limited to no coverage	Limited to no coverage	Limited to no coverage	High coverage	Limited to no coverage
	Position on Everest Group’s Revenue Cycle Management Operations PEAK Matrix® Assessment 2023	Major Contender	Major Contender	Leader	Major Contender	Leader	Not profiled	Not profiled	Not profiled	Not profiled	Not profiled
Percentage exposure to healthcare and life sciences as a proportion of total revenue (2023)		100.0%	Not available	Not available	Not available	29.3%	Not available	12.0%	Not available	Not available	Not available

**Restated Statement of Profit and Loss**

(₹ In Cr)

Particulars	3 months ended June 30 <sup>th</sup>		As at March 31 <sup>st</sup>		Period from Jul 28, 2021, to Mar 31, 2022
	2024	2023	2024	2023	
<b>Revenue from operations</b>	1,223.33	1,116.09	4,753.56	4,218.41	923.41
Other income	24.43	11.46	27.95	17.65	20.99
<b>Total income</b>	<b>1,247.76</b>	<b>1,127.56</b>	<b>4,781.50</b>	<b>4,236.06</b>	<b>944.39</b>
Expenses					
Employee benefits expense	850.37	659.40	2,937.64	2,494.20	505.71
Other expenses	179.01	193.01	727.82	697.00	228.11
<b>Total expenses</b>	<b>1,029.38</b>	<b>852.41</b>	<b>3,665.47</b>	<b>3,191.20</b>	<b>733.82</b>
<b>EBITDA</b>	<b>218.37</b>	<b>275.14</b>	<b>1,116.04</b>	<b>1,044.86</b>	<b>210.57</b>
Finance costs	37.37	47.10	185.15	214.85	65.22
Depreciation and amortization expenses	109.99	166.14	689.21	644.34	147.21

Particulars	3 months ended June 30 <sup>th</sup>		As at March 31 <sup>st</sup>		Period from Jul 28, 2021, to Mar 31, 2022
	2024	2023	2024	2023	
<b>Restated Profit/ (Loss) before tax</b>	<b>71.01</b>	<b>61.91</b>	<b>241.68</b>	<b>185.68</b>	<b>(1.85)</b>
Total tax expense	48.72	19.41	13.42	42.11	2.82
<b>Restated PAT (Loss) for the year / period</b>	<b>22.29</b>	<b>42.50</b>	<b>228.27</b>	<b>143.57</b>	<b>(4.67)</b>
Restated Other Comprehensive Income/ (Loss)	(71.12)	(46.18)	12.20	232.87	40.16
Restated Total comprehensive (loss) / income	(48.83)	(3.68)	240.47	376.44	35.49
Restated EPS (Basic & Diluted) ₹	0.05 <sup>^</sup>	0.10 <sup>^</sup>	0.53	0.33	(0.05)

Source: RHP; Note: <sup>^</sup> not annualised

## Statement of Assets and Liabilities

₹ In Cr)

Particulars	3 months ended June 30 <sup>th</sup>		As at March 31 <sup>st</sup>		
	2024	2023	2024	2023	2022
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	387.54	303.67	383.18	295.47	265.27
Capital-work-in-progress	0.01	0.30	5.70	0.31	5.35
Right-of-use assets	528.01	505.56	566.51	529.48	552.50
Goodwill	5,679.26	5,598.56	5,709.59	5,459.76	5,218.28
Other intangible assets	1,966.99	2,283.16	2,007.85	2,322.14	2,584.83
Financial assets					
Other financial assets	48.43	42.02	47.55	37.26	35.61
Deferred tax assets (net)	127.46	78.52	135.37	61.43	11.25
Other tax assets (net)	60.98	57.90	74.06	57.15	8.70
Other non-current assets	9.83	59.99	14.47	34.06	8.06
<b>Total non-current assets</b>	<b>8,808.49</b>	<b>8,929.68</b>	<b>8,944.27</b>	<b>8,797.05</b>	<b>8,689.86</b>
<b>Current assets</b>					
Financial assets					
Trade receivables	1,004.06	9,907.93	1,181.34	1,068.58	926.20
Cash and cash equivalents	376.07	601.75	344.13	585.29	373.80
Other financial assets	58.95	27.22	35.16	26.87	41.51
Current tax assets (net)	10.22	-	-	-	-
Other current assets	130.22	115.70	159.30	112.68	64.91
Total Current assets	1,579.51	1,735.46	1,719.92	1,793.42	1,406.42
<b>Total Assets</b>	<b>10,388.01</b>	<b>10,665.14</b>	<b>10,664.20</b>	<b>10,590.48</b>	<b>10,096.28</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	4,679.27	1,918.67	4,285.28	1,918.67	1,918.67
Other equity					
a) Shares pending issuance	-	6,697.91	-	6,697.91	6,697.91
b) Securities premium	<b>5,044.67</b>	-	<b>4,324.10</b>	-	-
c) Common control adjustment deficit account	(2,818.66)	(2,821.84)	(2,818.66)	(2,821.84)	(4,625.46)
d) Other components of equity	<b>702.87</b>	<b>408.25</b>	<b>652.40</b>	<b>411.93</b>	<b>35.49</b>
<b>Total Equity</b>	<b>7,608.16</b>	<b>6,202.99</b>	<b>6,443.13</b>	<b>6,206.67</b>	<b>4,026.62</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	677.50	2,290.23	1,664.70	2,323.70	4,184.22
Lease liabilities	439.22	417.74	471.35	434.57	459.31
Other financial liabilities	3.74	5.47	14.15	5.60	-
Provision for employee benefit obligations	140.86	119.60	147.71	103.31	80.14
Deferred tax liabilities (net)	466.70	486.75	471.04	460.20	461.03
<b>Total Noncurrent liabilities</b>	<b>1,728.01</b>	<b>3,319.80</b>	<b>2,768.95</b>	<b>3,327.36</b>	<b>5,184.70</b>
<b>Current liabilities</b>					
Borrowings	2,664.12	24.51	268.82	24.24	55.01
Lease liabilities	131.09	117.26	126.84	113.34	89.24
Trade payables	253.13	316.16	259.30	213.47	114.95
Other financial liabilities	229.65	530.51	644.51	568.67	515.81
Contract liabilities	18.23	12.90	23.59	10.62	10.96
Other current liabilities	36.27	31.79	46.28	39.42	26.18
Provision for employee benefit obligations	76.91	81.25	67.31	72.74	62.66
Current tax liabilities (net)	40.14	27.97	15.48	13.94	10.16
<b>Total Current liabilities</b>	<b>1,051.84</b>	<b>1,142.35</b>	<b>1,452.12</b>	<b>1,056.44</b>	<b>884.96</b>

Particulars	3 months ended June 30 <sup>th</sup>		As at March 31 <sup>st</sup>		
	2024	2023	2024	2023	2022
<b>Total Liabilities</b>	<b>2,779.85</b>	<b>4,462.15</b>	<b>4,221.07</b>	<b>4,383.81</b>	<b>6,069.66</b>
<b>Total Equity and Liabilities</b>	<b>10,388.01</b>	<b>10,665.14</b>	<b>10,664.20</b>	<b>10,590.48</b>	<b>10,096.28</b>

Source: RHP

## Restated Statement of Cash Flows

(₹ In Cr)

Particulars	3 months ended June 30 <sup>th</sup>		As at March 31 <sup>st</sup>		Period from Jul 28, 2021, to Mar 31, 2022
	2024	2023	2024	2023	
<b>Restated Profit/(Loss) before tax</b>	<b>71.01</b>	<b>61.91</b>	<b>241.68</b>	<b>185.68</b>	<b>(1.85)</b>
Adj for depreciation & Amortization	109.99	166.14	689.21	644.34	147.21
Adj for other Non-Cash & Non-Operating Items	106.05	31.75	180.07	266.99	50.21
<b>Operating Profits before Working Capital Changes</b>	<b>287.05</b>	<b>259.80</b>	<b>1,110.96</b>	<b>1,097.01</b>	<b>195.57</b>
Adjustments for Changes in Working Capital	96.70	160.59	(11.39)	(70.39)	(218.13)
<b>Net cash generated from operations before tax</b>	<b>383.75</b>	<b>420.38</b>	<b>1,099.57</b>	<b>1,026.62</b>	<b>(22.56)</b>
Income tax paid – (net)	(14.00)	(15.81)	(126.31)	(169.84)	(9.34)
Net cash generated from operating activities (a)	<b>369.76</b>	<b>404.57</b>	<b>973.26</b>	<b>856.78</b>	<b>(31.89)</b>
Net cash used in investing activities (b)	(398.51)	(285.20)	(469.06)	(129.06)	(7,714.00)
Net cash used in financing activities (c)	62.74	(101.36)	(751.34)	(544.62)	8,116.35
<b>Net (decrease) / increase in cash &amp; cash equivalents (a+b+c)</b>	<b>33.99</b>	<b>18.01</b>	<b>(247.14)</b>	<b>183.10</b>	<b>370.46</b>
Cash & Cash Equivalents at Beginning of the Year	344.13	585.29	585.29	373.80	-
Effects of forex changes on cash & cash equivalents	(2.04)	(1.55)	5.98	28.38	3.34
Cash and Cash Equivalents at End of the Year	376.07	601.75	344.13	585.29	373.80

Source: RHP;

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