

# Sagility India Ltd



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### Driving Healthcare Innovation

Sagility India Ltd (SIL) 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 offers a range of services to Payers, addressing key aspects of their operations. These services include: (i) core benefits administration functions such as claims management, enrolment, benefits plan creation, premium billing, credentialing, and provider data management, and (ii) clinical functions such as utilization management, care management, and population health management. Additionally, the company supports Providers with revenue cycle management services, including financial clearance, medical coding, billing, and accounts receivable follow-up.

The company extends some of its services for Payers to pharmacy benefit managers (PBMs), who manage prescription drugs for Members (insured individuals) under health insurance plans. Leveraging its proprietary tools and platforms, the company operates from five global service delivery centers located in India, the Philippines, the U.S., Jamaica, and Colombia. Recognized as a Leader by Avasant in the 2023 Clinical Services Business Process Transformation RadarView report and as a Leader in Everest's 2023 Healthcare Payer Operations PEAK Matrix Assessment, the company has established a solid reputation in its sector.

All clients of the company are based in the U.S. As of June 30, 2024, its top five client groups (along with their affiliates) have maintained an average relationship of 17 years with the company. As of January 2024, the company served five of the top ten U.S. Payers by enrolment. In FY 2024, FY 2023, and Q1 2024, it acquired 22 new clients. During FY 2024, the company assisted its Payer clients in processing 105 million claims and managing over 75 million Member and Provider interactions.

#### Key Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	RoE (%)	ROCE (%)	P/E (X)	EV/Sales (X)	EV/EBITDA (X)
FY22	923.4	189.6	(4.7)	20.5	(0.5)	(0.0)	(0.1)	1.3	NA	19.3	94.2
FY23	4,218.4	1,027.2	143.6	24.4	3.4	0.3	2.3	3.5	97.8	3.7	15.4
FY24	4,753.6	1,085.2	228.3	22.8	4.8	0.5	3.5	4.5	61.5	3.3	14.4

#### Industry

ITES

#### Issue Details

Listing	BSE & NSE
Open Date	5 <sup>th</sup> Nov 2024
Close Date	7 <sup>th</sup> Nov 2024
Price Band	INR 28-30
Face Value	INR 10
Market Lot	500 shares
Minimum Lot	1 Lot

#### Issue Structure

OFS(%)	100.0
Issue Size (INR cr)	INR 2,106.6
Issue Size (Shares)	70,21,99,262
QIB Share (%)	≤75%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 10%
Pre issue sh (nos)	468,13,28,413
Post issue sh (nos)	468,13,28,413
Post issue MCap(INR cr)	14,044

Shareholding (%)	Pre (%)	Post (%)
Promoter	100	85.0
Public	0.0	15.0
<b>TOTAL</b>	<b>100</b>	<b>100</b>

## Issue Structure and Offer Details

The proposed issue of Sagility India Ltd is solely an offer for sale of 70.21 crore shares aggregating to INR 2,106 crores. The price band for the issue is in the range of INR 28-30 and the bid lot is 500 shares and multiples thereof.

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75.00% of the Net offer
NIB	Not more than 15.00% of the Offer
Retail	Not more than 10.00% of the Offer

Source: Company Reports

## Financial summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
<b>Income Statement</b>				<b>Per share data &amp; Yields</b>			
Revenue	923.4	4,218.4	4,753.6	Adjusted EPS (INR)	(0.0)	0.3	0.5
<i>YoY Growth (%)</i>		<i>356.8</i>	<i>12.7</i>	Adjusted Cash EPS (INR)	0.3	1.7	2.0
Employee Cost	505.7	2,494.2	2,937.6	CFO Yield (%)	(0.2)	6.1	6.9
<i>Employee Cost to Sales (%)</i>	<i>54.8</i>	<i>59.1</i>	<i>61.8</i>	Adjusted FCF per share (INR)	0.3	1.9	2.1
Other Expenses	228.1	697.0	730.8	FCF Yield (%)	0.9	6.3	6.9
<i>Other Exp to Sales (%)</i>	<i>24.7</i>	<i>16.5</i>	<i>15.4</i>	<b>Solvency Ratio (X)</b>			
EBITDA	189.6	1,027.2	1,085.2	Total Debt to Equity	1.0	0.4	0.3
<i>Margin (%)</i>	<i>20.5</i>	<i>24.4</i>	<i>22.8</i>	Net Debt to Equity	0.9	0.3	0.2
<i>YoY Growth (%)</i>		<i>441.8</i>	<i>5.6</i>	Net Debt to EBITDA	20.1	1.7	1.4
Depreciation & Amortization	147.2	644.3	689.2	<b>Return Ratios (%)</b>			
EBIT	42.4	382.9	395.9	Return on Equity	(0.1)	2.3	3.5
<i>Margin (%)</i>	<i>4.6</i>	<i>9.1</i>	<i>8.3</i>	Return on Capital Employed	1.3	3.5	4.5
<i>YoY Growth (%)</i>		<i>803.5</i>	<i>3.4</i>	Return on Invested Capital	70.7	74.1	74.8
Other Income	21.0	17.7	30.9	<b>Working Capital Ratios</b>			
Bill discounting & other charges	65.2	214.8	185.1	Payable Days (Nos)	45	18	20
Fin Charges Coverage (X)	0.6	1.8	2.1	Inventory Days (Nos)	0	0	0
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	366	92	91
PBT	(1.9)	185.7	241.7	Net Working Capital Days (Nos)	321	74	71
<i>Margin (%)</i>	<i>(0.2)</i>	<i>4.4</i>	<i>5.1</i>	Net Working Capital to Sales (%)	87.9	20.3	19.4
<i>YoY Growth (%)</i>		<i>NA</i>	<i>30.2</i>	<b>Valuation (X)</b>			
Tax Expense	2.8	42.1	13.4	P/E	NA	97.8	61.5
<i>Tax Rate (%)</i>		<i>22.7</i>	<i>5.6</i>	P/BV	3.5	2.3	2.2
PAT	(4.7)	143.6	228.3	EV/EBITDA	94.2	15.4	14.4
<i>Margin (%)</i>	<i>(0.5)</i>	<i>3.4</i>	<i>4.8</i>	EV/Sales	19.3	3.7	3.3
<i>YoY Growth (%)</i>		<i>NA</i>	<i>59.0</i>	<b>Cash Flow Statement</b>			
Min Int/Sh of Assoc	0.0	(0.0)	0.0	PBT	(1.9)	185.7	241.7
Net Profit	(4.7)	143.6	228.3	Adjustments	17.8	757.1	811.9
<i>Margin (%)</i>	<i>NA</i>	<i>3.4</i>	<i>4.8</i>	Change in Working Capital	(45.0)	(43.9)	(66.9)
<i>YoY Growth (%)</i>		<i>NA</i>	<i>59.0</i>	Less: Tax Paid	(2.8)	(42.1)	(13.4)
<b>Balance Sheet</b>				Cash Flow from Operations	(31.9)	856.8	973.3
Share Capital	1,918.7	1,918.7	4,285.3	Net Capital Expenditure	(7.1)	(141.2)	(182.4)
Total Reserves	2,107.9	4,288.0	2,157.8	Change in Investments	(7,706.9)	12.2	(286.6)
Shareholders Fund	4,026.6	6,206.7	6,443.1	Cash Flow from Investing	(7,714.0)	(129.1)	(469.1)
Long Term Borrowings	4,184.2	2,323.7	1,664.7	Change in Borrowings	6,260.8	(329.8)	(566.2)
Deferred Tax Assets / Liabilities	449.8	398.8	335.7	Less: Finance Cost	(65.2)	(214.8)	(185.1)
Other Long Term Liabilities	459.3	440.2	485.5	Proceeds from Equity	1,920.7	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	80.1	103.3	147.7	Dividend Paid	0.0	0.0	0.0
Total Liabilities	9,200.1	9,472.6	9,076.7	Cash flow from Financing	8,116.4	(544.6)	(751.3)
Net Block	8,620.9	8,606.9	8,667.1	Net Cash Flow	370.5	183.1	(247.1)
Capital Work in Progress	5.4	0.3	5.7	Forex Effect	3.3	28.4	6.0
Intangible assets under development	0.0	0.0	0.0	Opening Balance of Cash	370.4	373.8	585.3
Non Current Investments	0.0	0.0	0.0	Closing Balance of Cash	373.8	585.3	344.1
Long Term Loans & Advances	32.5	114.3	125.9				
Other Non Current Assets	19.9	14.1	10.1				
Net Current Assets	521.5	737.0	267.8				
Total Assets	9,200.1	9,472.6	9,076.7				

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