



## IPO Note

# Sagility India Limited

Recommendation: **AVOID!**

### Company Background –

- **Incorporation:** Sagility India Limited was originally incorporated as “Berkmeer India Private Limited” on July 28, 2021. The registered office is located at Bengaluru, Karnataka.
- **Business Activity:** The company provides technology-enabled business solutions and services to clients in the US healthcare industry. Their clients include payers (US. health insurance companies, which finance and reimburse the cost of health services) and providers (primarily hospitals, physicians, and diagnostic and medical devices companies).
- **Revenue Stream:** The major revenue stream for the company is from payers.
- **Human Resource:** The company had 35,858 full-time employees as of June 30, 2024.

### Objects of the Issue –

Since the company has no fresh issue the entire proceeds from the offer will be received by the promoter.

### Promoters Name –

Sagility B.V. and Sagility Holdings B.V.

### Rationale for recommendation –

- ✓ The PE ratio is 65.56 post issue makes it aggressively priced.
- ✓ Though the top line, bottom line and profitability margins have increased over the years, it might not be sustainable in the long run.
- ✓ The RoCE and RoE has remained low over the years.
- ✓ The IPO is a complete offer for sale and is not looking for any expansion.
- ✓ The company is only focused on U.S. healthcare industry.
- ✓ The company doesn’t have enough experience in the industry.
- ✓ The company operates in a highly competitive industry.

### IPO Details

Opening Date	Nov 05, 2024
Closing Date	Nov 07, 2024
Allotment Date	Nov 08, 2024
Listing Date	Nov 12, 2024
Stock Exchange	BSE, NSE
Lot Size	500 Shares
Issue Price Per Share	₹28 to ₹30
Issue Size	2,106.60 Cr.
Fresh Issue	-
Offer for Sale	2,106.60 Cr.
	₹ 15,000 –
Application Amt	₹ 1,95,000 (500 to 6,500 shares)

### INDUSTRY – Healthcare

	KPIs (In Crores)			
KPI's	FY 22	FY 23	FY 24	Jun-24
Revenue	923.41	4,218.41	4,753.56	1,223.33
EBITDA	189.59	1,029.21	1,088.09	193.95
Net Profit	-4.67	145.57	228.27	22.29
RoCE	0.46%	4.04%	4.33%	0.50%
ROE	-0.12%	2.35%	3.54%	0.29%
P/E	-	90.91	56.60	65.60*

\*Annualized

### Promoter Share Holding Pattern

Pre-Issue	Post Issue
100.00%	85.00%

### Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	0.53	0.46
BVPS	15.03	10.41
P/E	56.60	65.56
P/BV	2.00	2.88
Mkt Cap (In Cr)	14,043.99	14,043.99

\*Annualized

### Lead Managers –

1. ICICI Securities Limited
2. IIFL Securities Limited
3. Jefferies India Private Limited
4. J. P. Morgan India Private Limited

### Registrar –

Link Intime India Private Limited

## Business Overview –

The company is a healthcare focused services provider, and their clients include 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). In FY24, they helped payer clients process 10.5 Cr claims and handle over 7.5 Cr Member and Provider interactions.

**Subsidiaries:** They have 2 direct subsidiaries –

**Sagility (US) Holdings Inc. (100% shareholding) -** The purpose of Sagility US is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

**Sagility Philippines B.V. (100% shareholding) -** Sagility Philippines is engaged in the business of holding and investment activities as authorized under the article 3 of its memorandum of association.

**Clients:** Payers include UnitedHealthcare, Elevance Health, Centene Corporation, CVS Health, Cigna Healthcare, Humana, Health Care Service Corporation, Highmark, and Kaiser Permanente. Providers include Johns Hopkins Hospital, Tenet Healthcare, UCSF Health, Cedars-Sinai, Encompass Health, Cleveland Clinic, Northwestern Memorial Hospital, and Universal Health Services etc.

**Delivery Model:** They provide their services from 31 locations in five countries as of June 30, 2024 (U.S., Colombia, Jamaica, India and the Philippines) and all of their contracts are executed by the subsidiaries in U.S.

**Revenue Model:** They have time-based model (charge at hourly or monthly basis), transaction-based model (charge as per-transaction fee based on volume of transactions handled) and outcome-based model (fee is linked to certain performance outcome).

## Services Provided:

### 1. Payer Services:

- a) **Claims Management:** The company helps insurance companies (payers) process claims from healthcare providers (doctors, hospitals, etc.). They handle in-patient hospital, outpatient physician, laboratory, surgery, prescription drug/pharmacy, vision and dental claims.
- b) **Payment Integrity:** The company helps insurance companies (payers) identify and recover overpayments made to healthcare providers. They use advanced technology, including data mining and machine learning, to analyse claims data and compare it to contracts and regulations.
- c) **Clinical Management:**
  - The clinical services span chronic and complex case management which ensures the patients receive appropriate care and reduce unnecessary costs.
  - The utilization management involves reviewing and approving or denying requests for services like hospital stays, surgeries, and tests.
  - They also identify and support care requirements for the vulnerable population that have multiple chronic conditions with social and functional needs. For elderly care they offer “Aging in Place” program that uses technology to identify elderly individuals at risk of health decline and provides support to help them stay independent at home. A 24\*7 nurse helpline and post-discharge care is also available.
- d) **Other:** They also assist Payers on board new Providers to their networks by verifying Provider credentials and managing demographic and contract data.
- e) **Member Engagement:** They help payers engage with their members from the time of their onboarding through the tenure of their plan membership, including by
  - collecting necessary
  - addressing queries with respect to plan benefits
  - providing information on healthcare provider networks
  - billing and collection of premiums
  - pre-authorization of services
  - explanation of claim payments
  - providing information on benefit programs that they can avail.
- f) **Provider Engagement:** They help Payers in managing their interactions with Providers, including in validating claims, handling complaints and appeals, identifying and recovering overpayments, onboarding healthcare 162 providers to their networks, and verifying credentials.

**2. Provider Services:**

- a) **Revenue Cycle Management:** The company helps doctors and hospitals manage their finances. They handle tasks like scheduling appointments, billing insurance companies, collecting payments, appealing denied claims, and communicating with patients about bills.

**Revenue Bifurcation:**

(Amt in Cr.)

Particulars	FY 2022		FY 2023		FY 2024	
	Amt	%	Amt	%	Amt	%
Revenue from Payers	844.74	91.48	3,825.43	90.68	4,290.42	90.26
Revenue from Providers	78.67	8.52	392.98	9.32	463.14	9.74
<b>Total</b>	<b>923.41</b>	<b>100</b>	<b>4,218.41</b>	<b>100</b>	<b>4,753.56</b>	<b>100</b>

**Competition -**

- Market Competition:** The industry is highly competitive and the key factors of competition are price and quality of service and technology used.
- Geographic Competition:** The company faces competition from organized as well as unorganized players in both domestic as well as international market.
- Barriers to entry:** Moderate barriers to entry.
- Threat of Substitutes:** High threat of substitutes.
- Bargaining Power of Buyers:** The bargaining power is high with the customers.

**Business Strategies -**

- The company intends to strengthen relationships with existing customers and aim to leverage opportunities to up-sell and cross-sell services. They currently see significant opportunities to expand on payment integrity and clinical management offerings to clients.
- The company seeks to expand its client base to other large national Payers and Blue plans (state specific plans), as well as local and small to mid-sized Payers.
- The company seeks to expand 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 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.
- The company plans to expand 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.
- The company had acquired Devlin Consulting, Inc. ("DCI") which helped boost payment integrity capabilities. Through this acquisition, they also acquired DCI's "Contract Central" technology platform which acts as a secondary adjudication engine for claims reprocessing and identification of overpayments.
- The company acquired BirchAI, a healthcare technology company offering cloud-based, generative AI call technology. They expect that this acquisition will help enhance Member and Provider engagement capabilities and further reduce clients' operational costs by providing various AI-powered real-time customer support solutions to manage complex healthcare transactions using proprietary speech-to-text and LLMs that efficiently integrate with end-to-end engagement solutions.

### **Risk Factors –**

The company's business is solely focused on the U.S. healthcare industry and maybe affected by changes in U.S. regulations.

The company's significant portion of revenue is attributable to certain large client groups in the U.S. and the top 10 clients contributed to 91.95%, 90.68%, 91.41% and 91.15% for FY2022, 2023, 2024 and Jun-24 respectively.

The company has 2 outstanding cases against it for tax matters amounting to Rs. 0.3 Cr and they have filed 4 cases regarding tax matters amounting to Rs. 2.28 Cr.

The subsidiary companies have 14 outstanding cases against it for tax, regulatory and civil matters amounting to Rs. 985.27 Cr.

The directors have 1 case against them regarding regulatory matter.

The company had incurred loss in FY2022.

The company had negative cash flow from operations for FY2022.

The company is subject to seasonality where they see a higher demand during Nov and Dec.

The company had outstanding statutory dues of Rs. 36.27 Cr as of June 30, 2024.

### **PEER ANALYSIS**

The company believes they do not have any listed company in India and abroad that engages in a similar business to the company and thus not possible to provide an industry comparison as per its offer document.

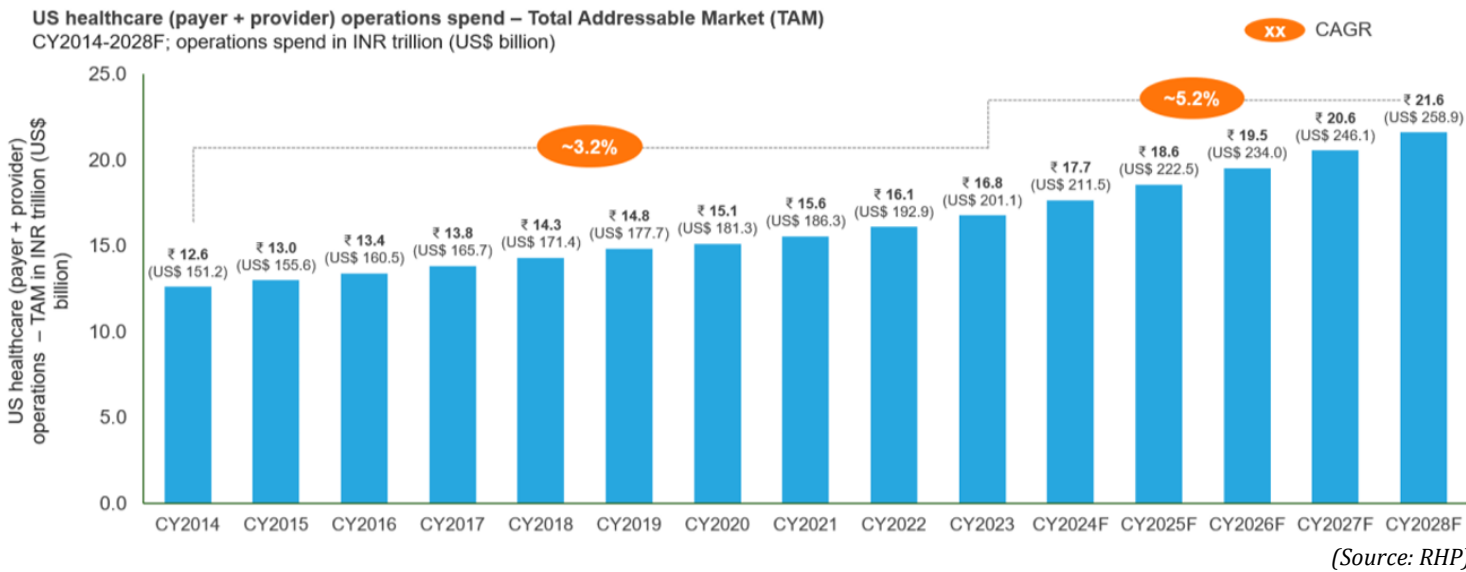
INDUSTRY OVERVIEW

U.S. Healthcare Industry -

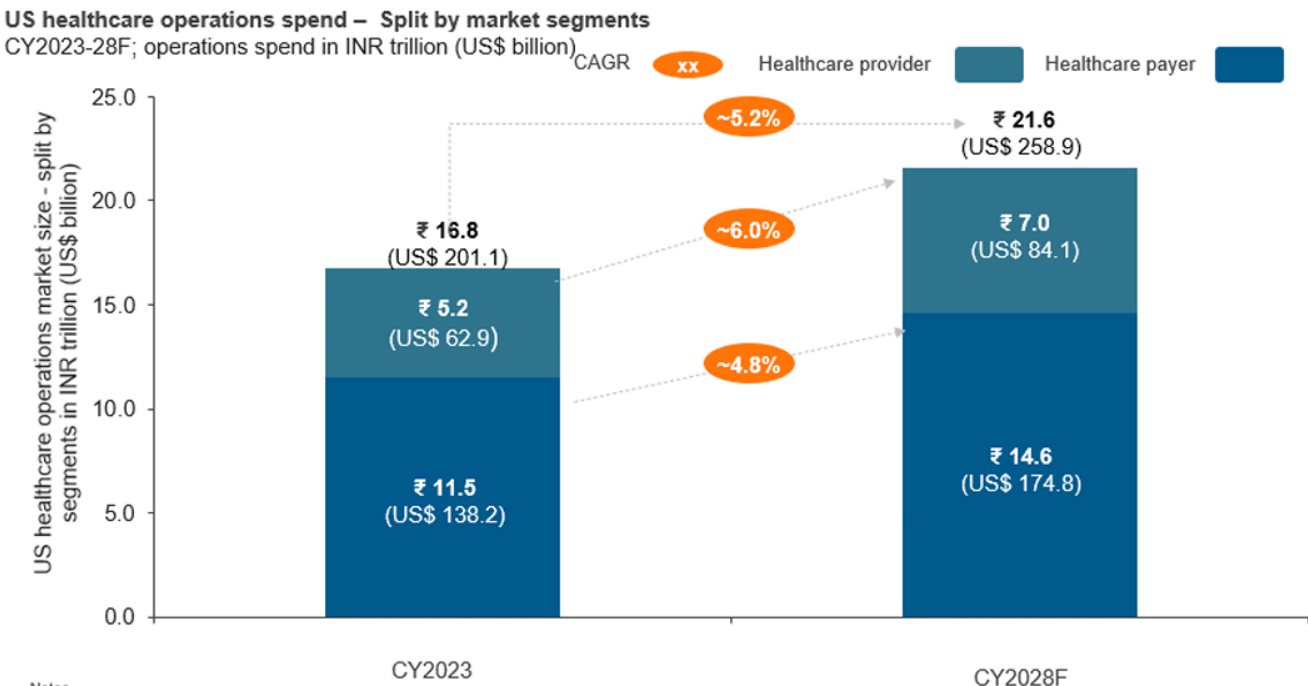
Healthcare is an intricate segment of the US economy accounting for 17.1% of its nominal GDP and amounting to US\$4.7 trillion (₹389.6 trillion) in 2023 as per the latest projections by Centers for Medicare & Medicaid Services (“CMS”). This expenditure has grown at a CAGR of 5.0% from 2014 to 2023. Notably, the healthcare expenditure surged to 19.4% of the nominal GDP in 2020 during COVID-19, totaling US\$ 4.1 trillion (₹ 346.0 trillion). 137 Furthermore, according to CMS this expenditure is anticipated to grow at a CAGR of 5.5%, reaching US\$6.1 trillion (₹509.8 trillion) by 2028.

U.S. Healthcare Operations Spend -

The healthcare operations spend in the US has grown at a CAGR of approximately 3.2% from 2014 to 2023 and was valued at approximately US\$201.1 billion (₹16.8 trillion) in 2023. This spend is expected to grow at a CAGR of approximately 5.2% to reach approximately US\$258.9 billion (₹21.6 trillion) in 2028, driven by the rise in aging population, increasing prevalence of chronic diseases, and various governmental initiatives aimed at enhancing healthcare services, among other factors.



The healthcare payer operations spend is expected to grow at a CAGR of approximately 4.8% to reach US\$174.8 billion (₹14.6 trillion) in 2028 and on the other hand, the healthcare provider operations market is expected to grow at a CAGR of approximately 6.0% to reach US\$84.1 billion.



**Key Management -**

<b>Key Management Persons Name -</b>	<b>Ramesh Gopalan</b>
<b>Age</b>	56
<b>Designation and No. of experience</b>	Managing Director and Group CEO, 31+ years of experience in providing consulting and outsourcing services
<b>Qualification</b>	Bachelor's degree in technology specialising in mining machinery and Post-graduate diploma in management
<b>Other Directorships</b>	Perputo Content Management Private Limited (Under liquidation), HGS International Services Private Limited (Amalgamated) etc.
<b>Key Management Persons Name -</b>	<b>Hari Gopalakrishnan</b>
<b>Age</b>	47
<b>Designation and No. of experience</b>	Non-Executive Non-Independent Director, 16+ years of experience
<b>Qualification</b>	Bachelor's degree in medicine and surgery and Post-graduate diploma in management
<b>Other Directorship</b>	Citiustech Healthcare Technology Private Limited, IGT Solutions Private Limited, Austin SuperHoldCo. Inc. etc.
<b>Key Management Persons Name -</b>	<b>Martin I. Cole</b>
<b>Age</b>	68
<b>Designation and No. of experience</b>	Chairman and Non-Executive Non-Independent Director, 43+ years of experience
<b>Qualification</b>	Bachelor of Arts degree and Master's of Public Affairs degree
<b>Other Directorships</b>	Western Union and Western Digital
<b>Key Management Persons Name -</b>	<b>William Winkenwerder Jr.</b>
<b>Age</b>	70
<b>Designation and No. of experience</b>	Independent Director, Several years of experience in medical and healthcare services industry
<b>Qualification</b>	Bachelor's degree in science, Medical degree and Master's degree in business administration
<b>Other Directorships</b>	Citiustech Healthcare Technology Private Limited and Confluent Health LLC
<b>Key Management Persons Name -</b>	<b>Anil Kumar Chanana</b>
<b>Age</b>	66
<b>Designation</b>	Independent Director, 30+ years of experience
<b>Qualification</b>	Bachelors' degree in commerce (honours), Qualified CA and Completion of the financial management program
<b>Other Directorships</b>	Campus Activewear Limited, Cohance Lifesciences Limited and IGT Solutions Private Limited
<b>Key Management Persons Name -</b>	<b>Ginger Dusek</b>
<b>Age</b>	53
<b>Designation and No. of experience</b>	Independent Director, 27+ years of experience in infrastructure, railways and freight
<b>Qualification</b>	Bachelor's degree in science and public health, Master's degree in health administration
<b>Other Directorships</b>	Sagility Operations Inc. and Sagility Philippines B.V
<b>Key Management Persons Name -</b>	<b>Venkat Krishnaswamy</b>
<b>Age</b>	71
<b>Designation</b>	Independent Director, 38+ years of experience
<b>Qualification</b>	Bachelor's degree in engineering specialising in electronics and communication, Master's degree in electrical engineering
<b>Other Directorships</b>	Sagility LLC
<b>Key Management Persons Name -</b>	<b>Shalini Sarin</b>
<b>Age</b>	59
<b>Designation</b>	Independent Director, 1+ years of experience
<b>Qualification</b>	Bachelor's degree in science, Master's degree in sociology and Degree of doctor of philosophy
<b>Other Directorships</b>	Kirloskar Ferrous Industries Limited, Linde India Limited, ISMT Limited (Amalgamated) etc.



## FINANCIAL SNAPSHOT

## Statement of Profit and Loss

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
Revenue from Operations	923.41	4,218.408	4,753.56	1,223.33
Other Income	20.99	17.65	27.95	24.43
<b>Total Income</b>	<b>944.39</b>	<b>4,236.06</b>	<b>4,781.50</b>	<b>1,247.76</b>
<b>Expenses</b>				
Employee Benefit Expenses	505.71	2,492.20	2,937.64	850.37
Finance Cost	65.22	214.85	185.15	37.37
Depreciation and amortisation expense	147.21	644.34	689.21	109.99
Other expenses	228.11	697.00	727.82	179.01
<b>Total Expenses</b>	<b>946.25</b>	<b>4,048.38</b>	<b>4,539.82</b>	<b>1,176.74</b>
<b>EBITDA</b>	<b>189.59</b>	<b>1,029.21</b>	<b>1,088.09</b>	<b>193.95</b>
<b>EBITDA Margin</b>	<b>20.53%</b>	<b>24.40%</b>	<b>22.89%</b>	<b>15.85%</b>
<b>Profit/(Loss) before tax</b>	<b>-1.85</b>	<b>187.68</b>	<b>241.68</b>	<b>71.01</b>
<b>Tax Expense</b>				
Current tax	10.43	124.32	111.52	41.79
Deferred Tax	-7.61	-82.216	-98.109	6.93
<b>Total Tax</b>	<b>2.82</b>	<b>42.11</b>	<b>13.42</b>	<b>48.72</b>
<b>Profit/(Loss) for the year</b>	<b>-4.67</b>	<b>145.57</b>	<b>228.27</b>	<b>22.29</b>
<b>Net Profit Margin</b>	<b>-0.49%</b>	<b>3.44%</b>	<b>4.77%</b>	<b>1.79%</b>

## Statement of Assets and Liabilities

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	71.97	71.97	340.74	340.74
Other Equity				
a) Shares pending issuance	6,697.91	6,697.91	-	-
b) Securities Premium	-	-	4,324.10	5,044.67
c) Common control adjustment deficit account	-4,625.46	-2,821.84	-2,818.66	-2,818.66
d) Other components of equity	35.49	411.93	652.40	702.87
<b>Total Equity</b>	<b>4,026.62</b>	<b>6,206.67</b>	<b>6,443.13</b>	<b>7,608.16</b>
<b>2. Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings	4,184.22	2,323.70	1,664.7	677.5
(ii) Lease Liabilities	459.31	434.57	471.35	439.22
(iii) Other financial liabilities	-	5.597	14.151	3.741
Provisions for employee benefit obligations	80.14	103.31	147.71	140.86
Deferred tax liabilities	461.03	460.20	471.04	466.70
<b>Total Non-current liabilities</b>	<b>5,184.70</b>	<b>3,327.36</b>	<b>2,768.95</b>	<b>1,728.01</b>
<b>3. Current liabilities</b>				
Financial Liabilities				
(i) Borrowings	55.01	24.24	268.82	266.41
(ii) Lease Liabilities	89.24	113.34	126.84	131.09
(iii) Trade Payables				
(a) Outstanding Dues to MSME	2.70	0.003	17.36	13.04
(b) Outstanding Dues to other than MSME	112.25	213.46	241.94	240.09
(iv) Other Financial Liabilities	515.81	568.67	644.51	229.65
Contract Liabilities	10.96	10.62	23.59	18.23
Other current liabilities	26.18	39.42	46.28	36.27
Provisions for employee benefit obligations	62.66	72.74	67.31	76.91
Current Tax Liabilities (net)	10.16	13.94	15.48	40.14
<b>Total Current liabilities</b>	<b>884.96</b>	<b>1,056.44</b>	<b>1,452.12</b>	<b>1,051.84</b>
<b>Total Liabilities</b>	<b>6,069.66</b>	<b>4,383.81</b>	<b>4,221.07</b>	<b>2,779.85</b>
<b>Total Equity and Liabilities</b>	<b>10,096.28</b>	<b>10,590.48</b>	<b>10,664.20</b>	<b>10,388.01</b>
<b>ASSETS</b>				

Particulars	FY 22	FY 23	FY 24	Jun-24
<b>1. Non-current assets</b>				
Property, Plant and Equipment	265.27	295.47	383.18	387.54
Capital work-in-progress	5.35	0.31	5.70	0.01
Right-to-use assets	552.50	529.48	566.51	528.01
Goodwill	5,218.28	5,459.76	5,709.59	5,679.26
Other Intangible Assets	2,584.83	2,322.14	2,007.85	1,966.99
Financial Assets				
- Other financial assets	35.61	37.26	47.55	48.43
Deferred Tax Assets (net)	11.25	61.43	135.37	127.46
Other Tax Assets (net)	8.70	57.15	74.06	60.98
Other non-current assets	8.06	34.06	14.47	9.83
<b>Total Non-Current assets</b>	<b>8,689.86</b>	<b>8,797.05</b>	<b>8,944.27</b>	<b>8,808.49</b>
<b>2. Current assets</b>				
Financial Assets				
(i) Trade receivables	926.20	1,068.58	1,181.34	1,004.06
(ii) Cash and cash equivalents	373.80	585.29	344.13	376.07
(iii) Other financial assets	41.51	26.87	35.16	58.95
Current Tax Assets (net)	-	-	-	10.22
Other Current Assets	64.91	112.68	159.30	130.22
<b>Total Current assets</b>	<b>1,406.42</b>	<b>1,793.42</b>	<b>1,719.92</b>	<b>1,579.51</b>
<b>Total Assets</b>	<b>10,096.28</b>	<b>10,590.48</b>	<b>10,664.20</b>	<b>10,388.01</b>

Cash Flow Statement	Amt in Crores			
Particulars	FY 22	FY 23	FY 24	Jun-24
Net Cash Flow from Operating Activities	-31.89	856.78	973.25	369.76
Net Cash Flow from Investing Activities	7,714.00	129.06	469.06	398.51
Net Cash Flow from Financing Activities	811.64	-544.62	751.34	62.74

**Key Ratios**

Per Share Data	FY 22	FY 23	FY 24	Valuation Ratios (x)	FY 22	FY 23	FY 24
Diluted EPS	-0.05	0.33	0.53	EV/EBITDA	41.63	7.74	7.38
BV per share	20.96	32.31	15.03	Market Cap / Sales	15.21	3.33	2.95
<b>Operating Ratios</b>				P/E	-	90.91	56.60
EBITDA Margins	20.53%	24.40%	22.89%	Price to Book Value	1.43	0.93	2.00
PAT Margins	-0.49%	3.44%	4.77%	<b>Solvency Ratios</b>			
Inventory days	-	-	-	Debt / Equity	1.05	0.38	0.30
Debtor days	366.10	92.46	90.71	Current Ratio	1.59	1.70	1.18
Creditor days	-	-	-	Quick Ratio	1.59	1.70	1.18
<b>Return Ratios</b>				Asset Turnover	0.09	0.40	0.45
RoCE	0.46%	4.04%	4.33%	Interest Coverage Ratio	0.65	1.84	2.07
RoE	-0.12%	2.35%	3.54%				

**FINANCIAL ANALYSIS –**

- The top line has increased over the years. For FY2023 it increased by 356% but the revenue for FY2022 was only from Jan 6, 2022 to 31 Mar, 2022. For FY2024, it increased by 12.69% which was due to growth in volumes from existing clients, addition of new SOWs and acquisition of DCI.
- The net profit growth has also increased over the years. For FY2023, it increased by 3,216% and for FY2024 it increased by 56.81%.
- The PAT margin has seen a sudden jump in FY2023 and EBITDA margin has seen a slight
- The RoCE and RoE have been low over the years.
- The PE ratio has improved over the years.
- The company had negative cash flow from operations for FY2022.



**LEAD MANAGER TRACK RECORD -**

The lead managers to the issue are ICICI Securities Limited, IIFL Securities Limited, Jefferies India Private Limited and J. P. Morgan India Private Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

**ICICI Securities Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Northern Arc Capital Limited	777.00	263.00	Sep 24, 2024	250.20
2.	Premier Energies Limited	2,830.40	450.00	Sep 03, 2024	1,019.60
3.	Ola Electric Mobility Limited	6,145.56	76.00	Aug 09, 2024	80.88

The company has handled 49 mandates in the past three years (including the current year).

**IIFL Securities Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Waaree Energies Limited	4,321.44	1,503.00	Oct 28, 2024	2,716.50
2.	Bajaj Housing Finance Limited	6,560.00	70.00	Sep 16, 2024	134.15
3.	ECOS (India) Mobility & Hospitality Limited	601.20	334.00	Sep 04, 2024	399.30

The company has handled 36 mandates in the past three years (including the current year).

**Jefferies India Private Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Waaree Energies Limited	4,321.44	1,503.00	Oct 28, 2024	2,716.50
2.	Emcure Pharmaceuticals Limited	1,952.03	1,008.00	Jul 10, 2024	1,444.70
3.	TBO Tek Limited	1,550.81	920.00	May 15, 2024	1,623.55

The company has handled 8 mandates in the past three years (including the current year).

**J. P. Morgan India Private Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Hyundai Motor India Limited	27,870.16	1,960.00	Oct 22, 2024	1,822.10
2.	Premier Energies Limited	2,830.40	450.00	Sep 03, 2024	1,019.60
3.	Emcure Pharmaceuticals Limited	1,952.03	1,008.00	Jul 10, 2024	1,444.70

The company has handled 11 mandates in the past three years (including the current year).

\*CMP for the above-mentioned companies is taken as of 4<sup>th</sup> Nov 2024.

As per the offer document, the above-mentioned mandates Hyundai Motor India has opened at a discount and remaining all have opened at a premium on the listing day.

## Recommendation -

Sagility India Limited has been in the industry since 2021 and doesn't have enough experience in the industry. The management overview of the company is satisfactory.

The P/E on a post-IPO basis is 65.56 which makes it highly priced.

Though company's top line, bottom line and profitability margins have increased over the years, but it might not be sustainable in the long run. The RoCE and RoE of the company is quite low.

The company generates majority of its revenue from few payers.

The company is solely focused on the U.S. healthcare market and faces competition from healthcare specialists, broad based IT and business services firms and product focused companies specializing in providing products or solutions for healthcare industry. The growth of the industry is also quite low.

The IPO is a complete offer for sale and not looking for any expansion or growth opportunity.

Thus, investors can **AVOID** this IPO.

## Disclaimer

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