

IPO TIMELINE

Events	Date
IPO Opening Date	Nov 3, 2022
IPO Closing Date	Nov 7, 2022
Allotment Date	Nov 11, 2022
Initiation of Refunds	Nov 14, 2022
Credit of Shares to Demat	Nov 15, 2022
IPO Listing Date	Nov 16, 2022

IPO LOT SIZE

Application	Lots	Shares	Amount
Minimum	1	44	₹ 14,784
Maximum	13	572	₹ 192,192
S-HNI (Min)	14	616	₹ 206,976
B-HNI (Min)	68	2992	₹ 1005312

IPO KEY DETAILS

Price Band	₹319-336
Face Value	₹ 2.00
IPO Size	₹ 2,206 crore
Reservation	QIB 50%, NII is 15%, Retail 35

FINANCIAL PERFORMANCE (Rs. Cr)

Y/E March	FY20	FY21	FY22
Revenue	1500	1447	2167
Revenue Growth	3%	-4%	50%
EBITDA	230	223	490
EBITDA margin	15%	15%	23%
PAT	36.33	28.81	196.2
PAT growth	-29%	-21%	581%
PAT margin	2.4%	2%	9%
EPS	1.4	1.1	7.7
RoE (%)	2.7	2.1	12.5
RoCE (%)	3.2	2.9	11.9
P/E (%)	242	305	43

PEER COMPARISONS

Company Name	Revenue (Rs Cr)	PAT (Rs Cr)	PAT margin	P/E
Apollo Hospital	14,663	1,101	7.5	71.3
Fortis Health	5,717.6	765.80	13.4	51.7
Max Healthcare	3931.46	605.05	15.3	48.1
Global Health	2,167	196.2	9.0	43

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Our Recommendation: *Global Health has reported strong revenue growth at 20% CAGR between FY2020-2022 and solid growth of 132% CAGR in Net Profit. When Noida Hospital becomes operational, total installed beds are expected to exceed 3,500 by 2025; this would add profitability and numbers would reflect in FY26-27 earnings. The IPO is fairly priced at P/E 43x its FY22 earnings while its peers like Apollo and Fortis are trading at the P/E of 71x and 51x respectively. We recommend to subscribe for listing gains.*

About Company: Global Health Limited operates and manages Medanta Hospitals in India. They are one of the largest private multi-specialty health care providers in the North and East regions of India. Currently, they are operating 4 hospitals (in Gurugram, Indore, Ranchi, and Lucknow) under the "Medanta" brand. Their specialties are cardiac science, neurosciences, cardiology, oncology, digestive and hepatobiliary sciences, orthopaedics, liver transplant, and urology. Currently, 1300 doctors are associated with the hospitals. They have around 2450 beds operational in their hospitals. When Noida Hospital becomes operational, total installed beds are expected to exceed 3,500 by 2025.

IPO Objectives: Net proceeds will be used for following purposes:

- Repayment/prepayment of borrowings, in full or part, of the Subsidiaries, GHPPL and MHPL
- General corporate purposes.

Industry Outlook:

- The healthcare budget has grown year after year, with the Ministry of Health and Family Welfare (MoHFW) budget growing at an 11% CAGR between FY11 and FY23.
- Public healthcare spending is low, with the private sector accounting for the vast majority.
- CRISIL Research estimate healthy 13-15% CAGR in the Indian healthcare delivery industry between FY22 and FY26.

Business Growth Potential:

- Invest in bed capacity expansion: Company will continue to invest in expanding bed capacity in existing facilities, developing new super-specialties, implementing new technology.
- Continue to train and hire skilled doctors: High-quality medical professionals are the company's key to success. As a result, they will continue to hire surgeons and other physicians who have a solid reputation in their fields.
- Improve clinical capabilities and operational efficiencies: Company intends to improve hospital occupancy rates and equipment utilization by continuing to retain and recruit new high-caliber medical professionals in specific fields and focusing on clinical excellence.
- Medanta will continue to look for key technological advancements in healthcare and surgical products. It anticipates that this will improve its overall specialty healthcare services.

Key Risks:

- The company has two subsidiaries, both of them are making losses.
- Company has only 5 hospitals; any interruption in operation can impact profitability.

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Disclosure:

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