



IPO Details:

GPT Healthcare Ltd is coming out with an IPO of about Rs. 525.14 cr consisting of 2,82,33,324 shares of face value of Rs. 10 each in a price band of Rs. 177– Rs. 186. The IPO comprises of Fresh Issue of Rs. 40.00 cr and Offer for Sale of Rs. 485.14 cr from an existing investor. The IPO opens on 22nd February and closes on 26th February' 2024.

Company Details:

- One of the key regional corporate healthcare companies in Eastern India which operates a **chain of mid-sized full service hospitals** under the “**ILS**” brand and provides integrated healthcare services with focus on **secondary and tertiary care**.
- Currently operates **4 multispecialty hospitals** - Dum Dum (155 beds), Salt Lake (85 beds) and Howrah (116 beds) in West Bengal and Agartala (205 beds) in Tripura with total capacity of **561 beds**.
- **Offers comprehensive range of healthcare services** across **over 35 specialties and super specialties** including nephrology, laparoscopic and general surgery, gastroenterology, orthopaedics, among others.

Strength:

- **Dr. Om Tantia, MD and one of the promoters** of the Company, is an **established name** in the field of laparoscopic surgery, having 40 years of experience as a medical practitioner.
- Company's **strategically located hospitals** in densely populated cities of Kolkata and Howrah, enables easy accessibility to patients and their attendants for medical requirements.
- **Long term relationships** with its doctors, visiting consultants, fulltime consultants and other medical professionals have enabled the Company to build a brand name in the Eastern region.
- Lower capital cost per bed at about **Rs. 54 lacs/bed** facilitates **faster break-even** (within - 10 months) at Ebitda level.

Growth Drivers:

- Healthcare delivery market in India is expected to grow at a **CAGR of 9% - 11%** between FY2024 – FY2028 and reach about **Rs. 9.2 trillion – Rs. 9.3 trillion**.



- Geographical concentration of hospitals in Eastern India will enable GPT Healthcare to **capitalize on the expected growth** in healthcare sector in Eastern India and adjoining states.
- **Per capita bed availability** in Eastern region is significantly lower, which is evident from the fact that West Bengal has only **14 beds for every 10,000** people.
- **Expansion** in Ranchi (Jharkhand) and Raipur (Chhattisgarh) through asset light model where Company will be setting up 140 beds and 152 beds respectively with a total capex of about Rs. 105 cr.
- Hospitals in West Bengal and Tripura well placed for **Medical Tourism** from Bangladesh, Nepal and Bhutan, owing to lower average cost of treatment.

Objectives of Fund Raise – Fresh Issue of Rs. 40.00 cr:

- Rs. 30.00 cr will be utilized towards repayment or prepayment in full or part of all or a portion of certain outstanding borrowings availed by the Company.
- Balance funds will be utilized towards general corporate purposes.

Key Financial Highlights –

GPT Healthcare Ltd (Rs. Cr)

Year	Revenue	Ebitda	Ebitda Margins (%)	PAT	EPS	RoCE (%)	RoE (%)
FY21	242.75	48.99	20.2%	21.09	2.64	14.5%	15.8%
FY22	337.42	73.84	21.9%	41.66	5.21	25.0%	26.3%
FY23	361.04	74.35	20.6%	39.01	4.88	26.1%	23.6%
H1 FY24	204.18	43.66	21.4%	23.49	2.94	14.9%	13.6%

- Operating Revenues of the Company has grown at a CAGR of 22.0% between FY21 – FY23 to touch Rs. 361.04 cr in FY23. For H1 FY24, operating revenues stood at Rs. 204.18 cr.
- Ebitda margins has inched up from 20.2% in FY21 to 20.6% in FY23. In H1 FY24, it has further inched up to 21.4%.



- Company's profitability has grown at faster pace as PAT grew at a CAGR of 36.0% between FY21 – FY23. PAT in FY23 stood at Rs. 39.01 cr.
- Capital efficiency has been good with RoCEs at 26.1% and RoEs at 23.6% in FY23.

Valuations:

- At Upper end of the IPO price band of Rs. 186, GPT Healthcare Ltd will be valued at about Rs. 1,526.22 cr.
- On EV/Ebitda basis, Company is available at 18.06x its TTM Ebitda of Rs. 87.60 cr while on PE basis it will be available at 32.69x its TTM EPS of Rs. 5.69.
- **Investments in GPT Healthcare Ltd can be made only from long term perspective considering its focused presence in highly underpenetrated markets of Eastern India, ability to provide comprehensive range of healthcare services in secondary and tertiary care, healthy operating performance, consistently high capital efficiency, ability to expand through internal accruals and fair valuations.**



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*Long Term Investments could range from 3-5 years.